

Debt Management



Debt Management



Description

The Debt Management Department develops financing plans, conducts planning, structuring, and issuance activities for all bonds, notes, and loans to finance capital projects, essential equipment, and vehicles.

Bond financings are conducted for capital projects secured by the General Fund and the City enterprises, as well as projects supported by dedicated revenue sources such as the San Diego Redevelopment Successor Agency (Successor Agency) and special districts. The Debt Management department evaluates and applies for various State and Federal loans to help finance infrastructure projects including those for water, wastewater and storm water. Loan agreements are executed to fund approved infrastructure projects. The Department also administers certain short-and medium-term financing mechanisms, including capital leases and commercial paper programs.

The Department coordinates and monitors Citywide post-issuance administrative functions related to bond offerings, commercial paper programs, Federal and State loans, and capital leases. The Department regularly reviews outstanding obligations for refunding opportunities and timely refinances to lower interest costs. The Department manages credit and investor outreach functions for the City, special districts, and the Successor Agency providing information to current bondholders, prospective investors, and rating agencies that monitor the credits.

The Department annually coordinates the Community Facilities District and 1913/1915 Act Assessment District formation procedures and related conduit bond issuances to fund public infrastructure in addition to the enrollment process for assessments and special taxes with assistance from consultants to maintain databases and administer special tax formulas.

The vision is:

Strong debt management to achieve Citywide financing priorities

The mission is:

To effectively plan, implement, and manage City debt obligations

Goals and Objectives

Goal 1: *Safeguard public assets through strong financial management*

- Maintain strong internal controls
- Establish fiscally sound financial policies
- Produce transparent financial reporting
- Maintain secure data environments
- Prepare fiscally sound balanced budgets and capital plans

Goal 2: *Optimize financial resources through long-term fiscal planning*

- Identify and implement continuous business process improvements
- Seek strategic opportunities to reduce costs and enhance revenues
- Provide sound long-term financial and infrastructure plans

Goal 3: *Excellent customer service*

- Own the problem until it is resolved
- Reach out to customers and collaborate to meet their goals
- Provide accurate and timely financial information

Goal 4: *Strengthen the City's financial knowledge, skills, and abilities*

- Maximize use of the City's financial data
- Provide robust training programs for Finance Branch staff
- Establish training programs for Citywide staff
- Build bench strength in key financial competencies

Key Performance Indicators

Performance Indicator	FY2019 Target	FY2019 Actual	FY2020 Target	FY2020 Actual	FY2021 Target
Bond Payments made on time	100%	100%	100%	100%	100%
All disclosures reviewed by City's Disclosure Practices Working Group ¹	N/A	100%	N/A	100%	100%
New debt issuances have met City's Debt Policy guidelines	N/A	100%	N/A	100%	100%
Professional development goals and core technical training met by the Department to maintain skilled workforce	N/A	100%	N/A	100%	100%
All eligible bonds monitored annually for refinancing opportunities to lower debt service costs	100%	100%	100%	100%	100%

1. New indicator as of FY 2021 based on review of department's current key areas of responsibilities, regulatory requirements and reporting priorities.

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Department Summary

	FY2019 Actual	FY2020 Budget	FY2021 Adopted	FY2020-2021 Change
FTE Positions (Budgeted)	20.00	20.00	17.00	(3.00)
Personnel Expenditures	\$ 2,464,376	\$ 2,687,060	\$ 1,880,980	\$ (806,080)
Non-Personnel Expenditures	176,074	245,276	234,939	(10,337)
Total Department Expenditures	\$ 2,640,450	\$ 2,932,336	\$ 2,115,919	\$ (816,417)
Total Department Revenue	\$ 1,165,563	\$ 874,000	\$ 778,500	\$ (95,500)

General Fund

Department Expenditures

	FY2019 Actual	FY2020 Budget	FY2021 Adopted	FY2020-2021 Change
Debt Management	\$ 2,640,450	\$ 2,932,336	\$ 2,115,919	\$ (816,417)
Total	\$ 2,640,450	\$ 2,932,336	\$ 2,115,919	\$ (816,417)

Department Personnel

	FY2019 Budget	FY2020 Budget	FY2021 Adopted	FY2020-2021 Change
Debt Management	20.00	20.00	17.00	(3.00)
Total	20.00	20.00	17.00	(3.00)

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Non-Discretionary Adjustment Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	\$ 75,014	\$ -
Pay-in-Lieu of Annual Leave Adjustments Adjustment to expenditures associated with projected compensation in-lieu of the use of annual leave.	0.00	(21,150)	-
Reduction of Non-Personnel Expenditures Reduction of non-personnel expenditures associated to travel, training, and miscellaneous professional services.	0.00	(23,443)	-
Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.	0.00	(61,908)	-
Reduction of Associate Economist Reduction of 1.00 Associate Economist supporting cross-functional department duties.	(1.00)	(95,960)	-
Reduction of Senior Management Analyst Reduction of 1.00 Senior Management Analyst in the Bond Finance and Administration section.	(1.00)	(103,555)	-

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Significant Budget Adjustments

	FTE	Expenditures	Revenue
Reduction of Program Manager Reduction of 1.00 Program Manager supporting the Infrastructure Loans unit.	(1.00)	(148,319)	-
Salary and Benefit Adjustments Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.	0.00	(437,096)	-
Revised Revenue Adjustment to reflect revised revenue projections of current service level agreements.	0.00	-	42,481
One-Time Additions and Annualizations Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2020.	0.00	-	(137,981)
Total	(3.00)	\$ (816,417)	\$ (95,500)

Expenditures by Category

	FY2019 Actual	FY2020 Budget	FY2021 Adopted	FY2020-2021 Change
PERSONNEL				
Personnel Cost	\$ 1,589,690	\$ 1,724,102	\$ 1,290,398	\$ (433,704)
Fringe Benefits	874,687	962,958	590,582	(372,376)
PERSONNEL SUBTOTAL	2,464,376	2,687,060	1,880,980	(806,080)
NON-PERSONNEL				
Supplies	\$ 12,267	\$ 17,764	\$ 17,781	\$ 17
Contracts	76,991	136,702	115,634	(21,068)
Information Technology	55,649	67,918	76,875	8,957
Energy and Utilities	27,072	17,843	19,600	1,757
Other	4,095	5,049	5,049	-
NON-PERSONNEL SUBTOTAL	176,074	245,276	234,939	(10,337)
Total	\$ 2,640,450	\$ 2,932,336	\$ 2,115,919	\$ (816,417)

Revenues by Category

	FY2019 Actual	FY2020 Budget	FY2021 Adopted	FY2020-2021 Change
Charges for Services	\$ 1,165,531	\$ 874,000	\$ 778,500	\$ (95,500)
Other Revenue	32	-	-	-
Total	\$ 1,165,563	\$ 874,000	\$ 778,500	\$ (95,500)

Personnel Expenditures

Job Number	Job Title / Wages	FY2019 Budget	FY2020 Budget	FY2021 Adopted	Salary Range	Total
FTE, Salaries, and Wages						
20000149	Associate Economist	2.00	2.00	1.00	\$ 57,691 - 69,723	\$ 50,646
20000119	Associate Management Analyst	3.00	3.00	3.00	57,691 - 69,723	174,803
20000539	Clerical Assistant 2	1.00	1.00	1.00	31,929 - 38,482	37,133
20001101	Department Director	1.00	1.00	1.00	63,127 - 239,144	183,539
20001234	Program Coordinator	6.00	6.00	6.00	28,080 - 147,160	557,045

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Personnel Expenditures

Job Number	Job Title / Wages	FY2019 Budget	FY2020 Budget	FY2021 Adopted	Salary Range	Total
20001222	Program Manager	3.00	3.00	2.00	50,128 - 184,332	245,398
20000015	Senior Management Analyst	3.00	3.00	2.00	63,342 - 76,578	126,672
20000756	Word Processing Operator	1.00	1.00	1.00	33,605 - 40,459	39,849
	Budgeted Vacancy Factor					(126,672)
	Overtime Budgeted					769
	Vacation Pay In Lieu					1,216
FTE, Salaries, and Wages Subtotal		20.00	20.00	17.00		\$ 1,290,398

	FY2019 Actual	FY2020 Budget	FY2021 Adopted	FY2020-2021 Change
Fringe Benefits				
Employee Offset Savings	\$ 11,494	\$ 13,496	\$ 4,066	\$ (9,430)
Flexible Benefits	228,732	238,357	190,840	(47,517)
Insurance	1,191	-	-	-
Long-Term Disability	-	-	4,473	4,473
Medicare	24,216	24,441	18,682	(5,759)
Other Post-Employment Benefits	116,650	116,375	94,395	(21,980)
Retiree Medical Trust	2,241	2,409	2,364	(45)
Retirement 401 Plan	2,413	2,604	1,947	(657)
Retirement ADC	356,639	415,540	154,598	(260,942)
Retirement DROP	6,060	6,404	5,598	(806)
Risk Management Administration	19,762	22,895	15,885	(7,010)
Supplemental Pension Savings Plan	96,446	108,393	89,806	(18,587)
Unemployment Insurance	2,633	2,598	1,984	(614)
Workers' Compensation	6,208	9,446	5,944	(3,502)
Fringe Benefits Subtotal	\$ 874,687	\$ 962,958	\$ 590,582	\$ (372,376)
Total Personnel Expenditures			\$ 1,880,980	



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