

Debt Management



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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. Various State and Federal loans are also evaluated, and loan agreements executed to fund 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 mission is:

To effectively plan, implement, and manage City debt obligations

The vision is:

Strong debt management to achieve Citywide financing priorities

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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	FY2018 Target	FY2018 Actual	FY2019 Target	FY2019 Actuals	FY2020 Target
Bond payments made to bond trustees on time	100%	100%	100%	100%	100%
Percentage of disclosures for outstanding bonds filed in a timely manner consistent with continuing disclosure agreements	100%	100%	100%	100%	100%
City public bond offerings comparably priced to similar credits	100%	100%	100%	100%	100%
Percentage of bond-related investments that are actively evaluated and re-invested as they come to term	100%	100%	100%	100%	100%
Percentage of eligible outstanding debt monitored annually to evaluate potential refunding opportunities	100%	100%	100%	100%	100%

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Department Summary

	FY2018 Actual	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
FTE Positions (Budgeted)	21.00	20.00	20.00	0.00
Personnel Expenditures	\$ 2,716,919	\$ 2,846,806	\$ 2,687,060	\$ (159,746)
Non-Personnel Expenditures	190,306	257,113	245,276	(11,837)
Total Department Expenditures	\$ 2,907,225	\$ 3,103,919	\$ 2,932,336	\$ (171,583)
Total Department Revenue	\$ 974,587	\$ 1,041,456	\$ 874,000	\$ (167,456)

General Fund

Department Expenditures

	FY2018 Actual	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
Debt Management	\$ 2,907,225	\$ 3,103,919	\$ 2,932,336	\$ (171,583)
Total	\$ 2,907,225	\$ 3,103,919	\$ 2,932,336	\$ (171,583)

Department Personnel

	FY2018 Budget	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
Debt Management	21.00	20.00	20.00	0.00
Total	21.00	20.00	20.00	0.00

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Pay-in-Lieu of Annual Leave Adjustments Adjustment to expenditures associated with projected compensation to employees in-lieu of the use of annual leave.	0.00	\$ 22,366	-
Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.	0.00	11,046	-
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	2,367	-
Reduction of Non-Personnel Expenditures Reduction of non-personnel expenditures due to anticipated savings in contractual services, supplies and capital expenditures.	0.00	(5,000)	-
One-Time Additions and Annualizations Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2019.	0.00	(20,250)	(305,437)
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	(182,112)	-

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Significant Budget Adjustments

	FTE	Expenditures	Revenue
Pure Water Revenue	0.00	-	137,981
Addition of one-time revenue associated with reimbursable expenditures for debt management services related to the Pure Water Program.			
Total	0.00 \$	(171,583) \$	(167,456)

Expenditures by Category

	FY2018 Actual	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
PERSONNEL				
Personnel Cost	\$ 1,618,412 \$	1,706,835 \$	1,724,102 \$	17,267
Fringe Benefits	1,098,507	1,139,971	962,958	(177,013)
PERSONNEL SUBTOTAL	2,716,919	2,846,806	2,687,060	(159,746)
NON-PERSONNEL				
Supplies	\$ 8,630 \$	19,400 \$	17,764 \$	(1,636)
Contracts	102,956	154,356	136,702	(17,654)
Information Technology	57,073	56,872	67,918	11,046
Energy and Utilities	17,885	20,436	17,843	(2,593)
Other	3,762	5,049	5,049	-
Capital Expenditures	-	1,000	-	(1,000)
NON-PERSONNEL SUBTOTAL	190,306	257,113	245,276	(11,837)
Total	\$ 2,907,225 \$	3,103,919 \$	2,932,336 \$	(171,583)

Revenues by Category

	FY2018 Actual	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
Charges for Services	\$ 974,473 \$	1,041,456 \$	874,000 \$	(167,456)
Other Revenue	114	-	-	-
Total	\$ 974,587 \$	1,041,456 \$	874,000 \$	(167,456)

Personnel Expenditures

Job Number	Job Title / Wages	FY2018 Budget	FY2019 Budget	FY2020 Adopted	Salary Range	Total
FTE, Salaries, and Wages						
20000149	Associate Economist	2.00	2.00	2.00	\$ 57,691 - 69,723 \$	109,126
20000119	Associate Management Analyst	3.00	3.00	3.00	57,691 - 69,723	166,898
20000539	Clerical Assistant 2	1.00	1.00	1.00	31,929 - 38,482	37,327
20001101	Department Director	1.00	1.00	1.00	63,127 - 239,144	183,537
20001234	Program Coordinator	7.00	6.00	6.00	24,537 - 147,160	608,260
20001222	Program Manager	3.00	3.00	3.00	50,128 - 184,332	373,476
20000015	Senior Management Analyst	3.00	3.00	3.00	63,342 - 76,578	224,867
20000756	Word Processing Operator	1.00	1.00	1.00	33,605 - 40,459	39,852
	Budgeted Vacancy Savings					(57,691)
	Overtime Budgeted					769
	Termination Pay Annual Leave					15,315
	Vacation Pay In Lieu					22,366
FTE, Salaries, and Wages Subtotal		21.00	20.00	20.00		\$ 1,724,102

	FY2018 Actual	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
Fringe Benefits				
Employee Offset Savings	\$ 17,577 \$	20,122 \$	13,496 \$	(6,626)

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	FY2018 Actual	FY2019 Budget	FY2020 Adopted	FY2019-2020 Change
Flexible Benefits	256,556	256,261	238,357	(17,904)
Insurance	1,144	-	-	-
Medicare	24,900	24,763	24,441	(322)
Other Post-Employment Benefits	124,034	122,480	116,375	(6,105)
Retiree Medical Trust	2,176	2,265	2,409	144
Retirement 401 Plan	2,272	2,464	2,604	140
Retirement ADC	531,603	554,872	415,540	(139,332)
Retirement DROP	2,775	2,261	6,404	4,143
Risk Management Administration	20,452	21,060	22,895	1,835
Supplemental Pension Savings Plan	102,804	109,094	108,393	(701)
Unemployment Insurance	2,917	2,864	2,598	(266)
Workers' Compensation	9,297	21,465	9,446	(12,019)
Fringe Benefits Subtotal	\$ 1,098,507	\$ 1,139,971	\$ 962,958	\$ (177,013)
Total Personnel Expenditures		\$	2,687,060	



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