

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. 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

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Key Performance Indicators

Performance Indicator	FY2020 Target	FY2020 Actual	FY2021 Target	FY2021 Actual	FY2022 Target
Bond Payments made on time ¹	100%	100%	100%	100%	100%
All disclosures reviewed by City's Disclosure Practices Working Group ²	N/A	100%	100%	100%	100%
New debt issuances have met City's Debt Policy guidelines ³	N/A	100%	100%	100%	100%
Professional development goals and core technical training met by the Department to maintain skilled workforce ⁴	N/A	100%	100%	100%	100%
All eligible bonds monitored annually for refinancing opportunities to lower debt service costs	100%	100%	100%	100%	100%

1. Bond Payments are debt service payments made on publicly issued bonds.
2. New indicator as of FY 2021 based on review of department's current key areas of responsibilities, regulatory requirements, and reporting priorities.
3. New indicator as of FY 2021 based on review of department's current key areas of responsibilities, regulatory requirements, and reporting priorities.
4. 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

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
FTE Positions (Budgeted)	20.00	17.00	17.00	0.00
Personnel Expenditures	\$ 2,269,155	\$ 1,880,980	\$ 2,146,519	\$ 265,539
Non-Personnel Expenditures	169,732	234,939	268,456	33,517
Total Department Expenditures	\$ 2,438,886	\$ 2,115,919	\$ 2,414,975	\$ 299,056
Total Department Revenue	\$ 753,150	\$ 778,500	\$ 778,500	\$ -

General Fund

Department Expenditures

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
Debt Management	\$ 2,438,886	\$ 2,115,919	\$ 2,414,975	\$ 299,056
Total	\$ 2,438,886	\$ 2,115,919	\$ 2,414,975	\$ 299,056

Department Personnel

	FY2020 Budget	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
Debt Management	20.00	17.00	17.00	0.00
Total	20.00	17.00	17.00	0.00

Significant Budget Adjustments

	FTE	Expenditures	Revenue
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	\$ 252,444	\$ -
Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology requirements.	0.00	23,573	-
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	20,863	-
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	12,909	-
Citywide Contracts Reduction of 2.6% Reduction of non-personnel expenditures associated with a 2.6% reduction in contracts citywide.	0.00	(2,965)	-

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Significant Budget Adjustments

	FTE	Expenditures	Revenue
Process Improvement/Efficiency	0.00	(7,768)	-
Reduction of 1.00 Word Processing Operator position and 1.00 Clerical Assistant 2, and addition of 2.00 Associate Management Analysts to help with the streamlining of the department's core processes and to continue to achieve the department's mission and key performance indicators.			
Total	0.00	\$ 299,056	\$ -

Expenditures by Category

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
PERSONNEL				
Personnel Cost	\$ 1,576,573	\$ 1,290,398	\$ 1,501,105	210,707
Fringe Benefits	692,582	590,582	645,414	54,832
PERSONNEL SUBTOTAL	2,269,155	1,880,980	2,146,519	265,539
NON-PERSONNEL				
Supplies	\$ 10,194	\$ 17,781	\$ 14,669	(3,112)
Contracts	70,724	115,634	119,091	3,457
Information Technology	67,836	76,875	101,638	24,763
Energy and Utilities	16,905	19,600	28,958	9,358
Other	4,072	5,049	4,100	(949)
NON-PERSONNEL SUBTOTAL	169,732	234,939	268,456	33,517
Total	\$ 2,438,886	\$ 2,115,919	\$ 2,414,975	\$ 299,056

Revenues by Category

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
Charges for Services	\$ 746,757	\$ 778,500	\$ 778,500	-
Other Revenue	47	-	-	-
Transfers In	6,346	-	-	-
Total	\$ 753,150	\$ 778,500	\$ 778,500	\$ -

Personnel Expenditures

Job Number	Job Title / Wages	FY2020 Budget	FY2021 Budget	FY2022 Adopted	Salary Range	Total
FTE, Salaries, and Wages						
20000149	Associate Economist	2.00	1.00	1.00	\$ 60,007 - 72,510	\$ 63,711
20000119	Associate Management Analyst	3.00	3.00	5.00	60,007 - 72,510	303,065
20000539	Clerical Assistant 2	1.00	1.00	0.00	33,205 - 40,019	-
20001101	Department Director	1.00	1.00	1.00	65,653 - 248,703	190,881
20001172	Financial Operations Manager	0.00	0.00	1.00	32,448 - 164,468	138,726
20001234	Program Coordinator	6.00	6.00	6.00	32,448 - 153,046	560,345
20001222	Program Manager	3.00	2.00	1.00	52,133 - 191,703	127,607
20000015	Senior Management Analyst	3.00	2.00	2.00	65,869 - 79,649	153,929
20000756	Word Processing Operator Budgeted Personnel Expenditure Savings	1.00	1.00	0.00	34,957 - 42,074	- (60,007)

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Personnel Expenditures

Job Number	Job Title / Wages	FY2020 Budget	FY2021 Budget	FY2022 Adopted	Salary Range	Total
	Overtime Budgeted					769
	Vacation Pay In Lieu					22,079
FTE, Salaries, and Wages Subtotal		20.00	17.00	17.00		\$ 1,501,105

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
Fringe Benefits				
Employee Offset Savings	\$ 4,274	\$ 4,066	\$ 4,162	\$ 96
Flexible Benefits	225,795	190,840	204,358	13,518
Insurance	1,231	-	-	-
Long-Term Disability	-	4,473	5,929	1,456
Medicare	24,096	18,682	21,435	2,753
Other	11,479	-	-	-
Other Post-Employment Benefits	116,434	94,395	98,096	3,701
Retiree Medical Trust	2,742	2,364	2,872	508
Retirement 401 Plan	1,992	1,947	2,024	77
Retirement ADC	157,948	154,598	165,734	11,136
Retirement DROP	7,931	5,598	5,822	224
Risk Management Administration	22,476	15,885	16,976	1,091
Supplemental Pension Savings Plan	107,347	89,806	106,989	17,183
Unemployment Insurance	2,418	1,984	2,155	171
Workers' Compensation	6,418	5,944	8,862	2,918
Fringe Benefits Subtotal	\$ 692,582	\$ 590,582	\$ 645,414	\$ 54,832
Total Personnel Expenditures			\$ 2,146,519	