

Department of Finance



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Description

The Department of Finance (DoF) provides services to the Mayor and serves as an internal fiscal consultant to the City. DoF has two distinct responsibilities, oversight of the budget and the accounting, both of which are the foundation of the City's financial reporting. DoF prepares the budget in accordance with the City Charter as well as periodic Budget Monitoring Reports for both the operating budget and Capital Improvements Program. DoF also performs the general accounting and external financial reporting functions for the City of San Diego. DoF is responsible for payment services, including payroll processing for the City's approximately 11,350 employees and centralized processing for all vendor payments. In addition, DoF is responsible for implementing and monitoring internal controls over financial reporting. The DoF is made up of three divisions, Financial Planning, Internal Financial Reporting, and External Financial Reporting.

The Financial Planning division coordinates the development of a balanced budget by working with departments to identify expenditure savings and implement Mayoral initiatives; develops the Five-Year Financial Outlook, identifies new revenue sources, and forecasts revenues. This division develops and monitors the CIP Budget which supports projects that help maintain or improve City infrastructure.

The Internal Financial Reporting division performs the general accounting and internal financial reporting functions for the City; monitors the City's expenditures and revenues; oversees budget transfers and adjustments; produces reports to Council to forecast year-end results and aids in budget adjustments throughout the year to accommodate unforeseen budget changes; develops and monitors the personnel expense components of the operating budgets; including analysis of salaries and fringe rates; conducts analyses to support labor negotiations and payroll processing for the City's approximately 11,350 employees.

The External Financial Reporting division prepares the Annual Comprehensive Financial Report, which includes an accounting of all City funds and its component units, including related disclosures; implements and monitors internal controls over financial reporting and prepares the required reporting to Audit Committee and City Council; maintains multiple modules of the SAP system to

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ensure data accuracy; and develops and provides citywide financial training. This division is also responsible for centralized processing for all vendor payments.

The vision is:

To set the national standard for municipal financial management

The mission is:

To provide the highest quality financial services with integrity, transparency, and accountability

Goals and Objectives

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

- Maintain strong internal controls over financial reporting
- Establish fiscally sound financial policies
- Produce transparent financial reporting
- 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
- Promote sound long-term financial and infrastructure planning

Goal 3: *Provide excellent customer service*

- 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 Department staff
- Establish training programs for citywide staff

Key Performance Indicators

| Performance Indicator | FY2020 Target | FY2020 Actual | FY2021 Target | FY2021 Actual | FY2022 Target |
|--|---------------|---------------|---------------|---------------|---------------|
| Number of months after the end of the fiscal year when the Annual Comprehensive Financial Report is issued | 6 | 6 | 6 | 6 | 6 |
| Percentage of invoices paid by the city on time per the monthly "On Time Invoice Payment Report" | 80% | 76% | 80% | 75% | 80% |
| Percentage of annual reserves targets achieved | 100% | 83% | 92% | 67% | TBD |
| Percentage of departments with actuals within 5% of projections | 90% | 80% | 90% | 85% | 90% |
| Percentage variance between Major General Fund revenue projections versus year-end actuals | 2.00 % | 0.99 % | 2.00 % | 2.00 % | 2.00 % |
| Percentage of Annual Adopted and Added CIP Budget expended/committed | 100% | 128% | 125% | 137% | 125% |

FY 2021 Actuals through May 2021. June analysis has not been completed.

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Department Summary

| | FY2020 Actual | FY2021 Budget | FY2022 Adopted | FY2021-2022 Change |
|--------------------------------------|----------------------|----------------------|----------------------|-----------------------|
| FTE Positions (Budgeted) | 113.27 | 106.00 | 110.00 | 4.00 |
| Personnel Expenditures | \$ 16,863,547 | \$ 17,358,303 | \$ 18,710,599 | \$ 1,352,296 |
| Non-Personnel Expenditures | 1,121,917 | 1,331,992 | 1,596,821 | 264,829 |
| Total Department Expenditures | \$ 17,985,463 | \$ 18,690,295 | \$ 20,307,420 | \$ 1,617,125 |
| Total Department Revenue | \$ 1,954,355 | \$ 2,092,153 | \$ 2,230,481 | \$ 138,328 |

General Fund

Department Expenditures

| | FY2020 Actual | FY2021 Budget | FY2022 Adopted | FY2021-2022 Change |
|------------------------------|----------------------|----------------------|----------------------|-----------------------|
| Department of Finance | \$ 2,722,172 | \$ 3,076,930 | \$ 3,439,015 | \$ 362,085 |
| External Financial Reporting | 6,999,085 | 6,404,844 | 7,274,991 | 870,147 |
| Financial Planning & CIP | 3,760,109 | 4,145,747 | 4,425,331 | 279,584 |
| Internal Financial Reporting | 4,504,097 | 5,062,774 | 5,168,083 | 105,309 |
| Total | \$ 17,985,463 | \$ 18,690,295 | \$ 20,307,420 | \$ 1,617,125 |

Department Personnel

| | FY2020 Budget | FY2021 Budget | FY2022 Adopted | FY2021-2022 Change |
|------------------------------|------------------|------------------|-------------------|-----------------------|
| Department of Finance | 8.27 | 5.00 | 5.00 | 0.00 |
| External Financial Reporting | 24.00 | 37.00 | 41.00 | 4.00 |
| Financial Planning & CIP | 33.00 | 28.00 | 29.00 | 1.00 |
| Internal Financial Reporting | 48.00 | 36.00 | 35.00 | (1.00) |
| Total | 113.27 | 106.00 | 110.00 | 4.00 |

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 | \$ 858,309 | \$ - |
| Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology requirements. | 0.00 | 159,245 | - |
| Addition of External Reporting Support Addition of 1.00 Principal Accountant to support the External Reporting section, which is currently a filled supplemental position. | 1.00 | 152,173 | - |
| Invoice Processing Support Addition of 2.00 Administrative Aides 2s to conduct a pilot to centralize invoice processing in the City. | 2.00 | 146,731 | - |

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Significant Budget Adjustments

| | FTE | Expenditures | Revenue |
|---|-------------|---------------------|-------------------|
| Personnel Expenditure Planning Team Support Addition of 1.00 Program Coordinator to support negotiations with recognized employee organizations, which is currently a filled supplemental position. | 1.00 | 140,684 | - |
| 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 | 66,796 | - |
| 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 | 61,846 | - |
| Accounts Payable Audit Services Addition of non-personnel expenditures offset by an increase in revenues from Accounts Payable audit services. | 0.00 | 50,000 | 100,000 |
| Payroll Support Reclassification of 1.00 Finance Analyst 4 to a Program Coordinator in the Payroll Section. | 0.00 | (7,447) | - |
| Citywide Contracts Reduction of 2.6% Reduction of non-personnel expenditures associated with a 2.6% reduction in contracts citywide. | 0.00 | (11,212) | - |
| Adjustment to Gas Tax Allocation Adjustment to Gas Tax revenue for Fiscal Year 2022 due to revised State of California Gas Tax Projections. | 0.00 | - | 16,250 |
| One-Time Additions and Annualizations Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2021. | 0.00 | - | 14,200 |
| Adjustment to TransNet Revenue Adjustment to reflect a projected increase in TransNet revenue from the San Diego Association of Governments (SANDAG). | 0.00 | - | 12,878 |
| Transient Occupancy Tax (TOT) Transfer Adjustment to reflect revised revenue for safety and maintenance of tourism-related facilities from the TOT Fund. | 0.00 | - | (5,000) |
| Total | 4.00 | \$ 1,617,125 | \$ 138,328 |

Expenditures by Category

| | FY2020 Actual | FY2021 Budget | FY2022 Adopted | FY2021-2022 Change |
|---------------------------|-------------------|-------------------|-------------------|-----------------------|
| PERSONNEL | | | | |
| Personnel Cost | \$ 9,735,856 | \$ 9,916,405 | \$ 10,725,526 | 809,121 |
| Fringe Benefits | 7,127,691 | 7,441,898 | 7,985,073 | 543,175 |
| PERSONNEL SUBTOTAL | 16,863,547 | 17,358,303 | 18,710,599 | 1,352,296 |
| NON-PERSONNEL | | | | |
| Supplies | \$ 90,108 | \$ 111,312 | \$ 112,167 | 855 |

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Expenditures by Category

| | FY2020 Actual | FY2021 Budget | FY2022 Adopted | FY2021-2022 Change |
|-------------------------------|----------------------|----------------------|----------------------|-----------------------|
| Contracts | 396,106 | 522,370 | 583,676 | 61,306 |
| Information Technology | 546,350 | 594,722 | 753,967 | 159,245 |
| Energy and Utilities | 84,368 | 93,788 | 137,211 | 43,423 |
| Other | 4,985 | 9,800 | 9,800 | - |
| NON-PERSONNEL SUBTOTAL | 1,121,917 | 1,331,992 | 1,596,821 | 264,829 |
| Total | \$ 17,985,463 | \$ 18,690,295 | \$ 20,307,420 | \$ 1,617,125 |

Revenues by Category

| | FY2020 Actual | FY2021 Budget | FY2022 Adopted | FY2021-2022 Change |
|----------------------|---------------------|---------------------|---------------------|-----------------------|
| Charges for Services | \$ 1,754,232 | \$ 1,992,153 | \$ 2,030,481 | \$ 38,328 |
| Other Revenue | 194,519 | 100,000 | 200,000 | 100,000 |
| Transfers In | 5,604 | - | - | - |
| Total | \$ 1,954,355 | \$ 2,092,153 | \$ 2,230,481 | \$ 138,328 |

Personnel Expenditures

| Job Number | Job Title / Wages | FY2020 Budget | FY2021 Budget | FY2022 Adopted | Salary Range | Total |
|---------------------------------|---|------------------|------------------|-------------------|--------------------|--------------------|
| FTE, Salaries, and Wages | | | | | | |
| 20000010 | Account Audit Clerk | 4.00 | 2.00 | 2.00 | \$ 36,753 - 44,194 | \$ 87,504 |
| 20000024 | Administrative Aide 2 | 4.00 | 5.00 | 7.00 | 47,266 - 56,957 | 366,898 |
| 20001140 | Assistant Department Director | 2.00 | 2.00 | 2.00 | 65,653 - 248,703 | 321,840 |
| 20001113 | Chief Accountant | 1.00 | 1.00 | 1.00 | 52,133 - 191,703 | 160,920 |
| 20001101 | Department Director | 1.00 | 1.00 | 1.00 | 65,653 - 248,703 | 210,847 |
| 20000924 | Executive Assistant | 1.00 | 1.00 | 1.00 | 48,326 - 58,450 | 58,450 |
| 20000029 | Finance Analyst 2 | 29.00 | 0.00 | 0.00 | 70,542 - 85,771 | - |
| 21000576 | Finance Analyst 2 | 0.00 | 26.00 | 26.00 | 70,542 - 85,771 | 2,043,259 |
| 20000033 | Finance Analyst 3 | 28.00 | 0.00 | 0.00 | 77,637 - 94,337 | - |
| 21000577 | Finance Analyst 3 | 0.00 | 27.00 | 27.00 | 77,637 - 94,337 | 2,506,342 |
| 20000043 | Finance Analyst 4 | 10.00 | 0.00 | 0.00 | 96,262 - 116,986 | - |
| 21000578 | Finance Analyst 4 | 0.00 | 10.00 | 9.00 | 96,262 - 116,986 | 1,052,874 |
| 20000016 | Financial Operations Manager | 1.00 | 0.00 | 0.00 | 32,448 - 164,468 | - |
| 20001172 | Financial Operations Manager | 5.00 | 6.00 | 6.00 | 32,448 - 164,468 | 832,356 |
| 20000293 | Information Systems Analyst 3 | 1.00 | 1.00 | 1.00 | 65,869 - 79,649 | 79,649 |
| 90001073 | Management Intern- Hourly | 2.27 | 0.00 | 0.00 | 30,160 - 31,200 | - |
| 20000681 | Payroll Audit Specialist 2 | 5.00 | 5.00 | 5.00 | 49,778 - 60,266 | 301,330 |
| 20000936 | Payroll Audit Supervisor | 1.00 | 1.00 | 1.00 | 60,177 - 72,682 | 72,682 |
| 20000680 | Payroll Specialist 2 | 1.00 | 1.00 | 1.00 | 43,414 - 52,417 | 50,581 |
| 20000021 | Principal Accountant | 3.00 | 0.00 | 0.00 | 32,448 - 168,513 | - |
| 20001182 | Principal Accountant | 10.00 | 13.00 | 14.00 | 32,448 - 168,513 | 1,749,256 |
| 20000025 | Program Coordinator | 1.00 | 0.00 | 0.00 | 32,448 - 153,046 | - |
| 20000046 | Program Coordinator | 1.00 | 0.00 | 0.00 | 32,448 - 153,046 | - |
| 20001234 | Program Coordinator | 1.00 | 3.00 | 5.00 | 32,448 - 153,046 | 520,529 |
| 20000054 | Senior Account Audit Clerk Budgeted Personnel Expenditure Savings | 1.00 | 1.00 | 1.00 | 42,031 - 50,684 | 50,684 (70,542) |

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Personnel Expenditures

| Job Number | Job Title / Wages | FY2020 Budget | FY2021 Budget | FY2022 Adopted | Salary Range | Total |
|--|----------------------|---------------|---------------|----------------|--------------|----------------------|
| | Overtime Budgeted | | | | | 50,000 |
| | Vacation Pay In Lieu | | | | | 280,067 |
| FTE, Salaries, and Wages Subtotal | | 113.27 | 106.00 | 110.00 | | \$ 10,725,526 |

| | FY2020 Actual | FY2021 Budget | FY2022 Adopted | FY2021-2022 Change |
|-------------------------------------|---------------------|---------------------|----------------------|--------------------|
| Fringe Benefits | | | | |
| Employee Offset Savings | \$ 107,375 | \$ 108,334 | \$ 97,394 | \$ (10,940) |
| Flexible Benefits | 1,327,459 | 1,397,263 | 1,465,420 | 68,157 |
| Insurance | 284 | - | - | - |
| Long-Term Disability | - | 34,851 | 41,682 | 6,831 |
| Medicare | 146,788 | 145,016 | 150,099 | 5,083 |
| Other | 13,682 | - | - | - |
| Other Post-Employment Benefits | 672,704 | 698,529 | 668,280 | (30,249) |
| Retiree Medical Trust | 9,836 | 11,270 | 12,714 | 1,444 |
| Retirement 401 Plan | 8,068 | 6,753 | 10,121 | 3,368 |
| Retirement ADC | 4,040,099 | 4,187,453 | 4,633,353 | 445,900 |
| Retirement DROP | 13,727 | 11,200 | 18,074 | 6,874 |
| Risk Management Administration | 129,800 | 117,549 | 115,650 | (1,899) |
| Supplemental Pension Savings Plan | 621,892 | 684,252 | 696,494 | 12,242 |
| Unemployment Insurance | 15,028 | 15,467 | 15,179 | (288) |
| Workers' Compensation | 20,949 | 23,961 | 60,613 | 36,652 |
| Fringe Benefits Subtotal | \$ 7,127,691 | \$ 7,441,898 | \$ 7,985,073 | \$ 543,175 |
| Total Personnel Expenditures | | | \$ 18,710,599 | |