

Debt Management



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Description

The Debt Management Department develops financing plans, conducts planning, structuring, and issuance activities for all bonds, notes, and loans to finance the City's capital projects, essential equipment, and vehicles. In Fiscal Year 2022, the Debt Management Department merged with the Department of Finance. This restructure will be reflected in the Fiscal Year 2024 Budget.

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 also coordinates, as needed, the City's formation procedures for its Special Financing Districts (including Community Facilities Districts, 1913/1915 Act Assessment Districts, and Enhanced Infrastructure Financing Districts), related conduit bond issuances to fund public infrastructure, as well as the enrollment process for assessments and special tax levies.

The vision is:

Strong debt management to achieve Citywide financing priorities

Debt Management

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	FY2021 Target	FY2021 Actual	FY2022 Target	FY2022 Actual	FY2023 Target
Debt Service Payments made on time ¹	100%	100%	100%	100%	100%
All required disclosures reviewed by City's Disclosure Practices Working Group	100%	100%	100%	100%	100%
New debt obligations have met City's Debt Policy guidelines	100%	100%	100%	100%	100%
All eligible bonds monitored annually for refinancing opportunities to lower debt service costs	100%	100%	100%	100%	100%
Professional development goals and core technical training met by the Department to maintain skilled workforce	100%	100%	100%	100%	100%

1. Debt Service Payments are payments Debt Management makes or monitors for publicly issued bonds and state and federal loans.

Department Summary

	FY2021 Actual	FY2022 Budget	FY2023 Adopted	FY2022-2023 Change
FTE Positions (Budgeted)	17.00	17.00	17.00	0.00
Personnel Expenditures	\$ 1,957,057	\$ 2,146,519	\$ 2,469,579	\$ 323,060
Non-Personnel Expenditures	161,137	268,456	267,736	(720)
Total Department Expenditures	\$ 2,118,194	\$ 2,414,975	\$ 2,737,315	\$ 322,340
Total Department Revenue	\$ 409,802	\$ 778,500	\$ 628,250	\$ (150,250)

General Fund

Department Expenditures

	FY2021 Actual	FY2022 Budget	FY2023 Adopted	FY2022-2023 Change
Debt Management	\$ 2,118,194	\$ 2,414,975	\$ 2,737,315	\$ 322,340
Total	\$ 2,118,194	\$ 2,414,975	\$ 2,737,315	\$ 322,340

Department Personnel

	FY2021 Budget	FY2022 Budget	FY2023 Adopted	FY2022-2023 Change
Debt Management	17.00	17.00	17.00	0.00
Total	17.00	17.00	17.00	0.00

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Salary and Benefit Adjustments	0.00	\$ 323,060	\$ -
Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.			
Support for Information Technology	0.00	21,729	-
Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.			
Non-Discretionary Adjustment	0.00	(22,449)	-
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.			
Revised Reimbursement Revenue	0.00	-	(150,250)
Adjustment to reflect revised revenue projections for services provided.			
Total	0.00	\$ 322,340	\$ (150,250)

Debt Management

Expenditures by Category

	FY2021 Actual	FY2022 Budget	FY2023 Adopted	FY2022-2023 Change
PERSONNEL				
Personnel Cost	\$ 1,307,777	\$ 1,501,105	\$ 1,695,178	\$ 194,073
Fringe Benefits	649,280	645,414	774,401	128,987
PERSONNEL SUBTOTAL	1,957,057	2,146,519	2,469,579	323,060
NON-PERSONNEL				
Supplies	\$ 7,932	\$ 14,669	\$ 13,399	\$ (1,270)
Contracts & Services	55,998	119,091	109,498	(9,593)
Information Technology	77,587	101,638	123,567	21,929
Energy and Utilities	16,020	28,958	17,172	(11,786)
Other	3,600	4,100	4,100	-
NON-PERSONNEL SUBTOTAL	161,137	268,456	267,736	(720)
Total	\$ 2,118,194	\$ 2,414,975	\$ 2,737,315	\$ 322,340

Revenues by Category

	FY2021 Actual	FY2022 Budget	FY2023 Adopted	FY2022-2023 Change
Charges for Services	\$ 410,529	\$ 778,500	\$ 628,250	\$ (150,250)
Other Revenue	161	-	-	-
Transfers In	(888)	-	-	-
Total	\$ 409,802	\$ 778,500	\$ 628,250	\$ (150,250)

Personnel Expenditures

Job Number	Job Title / Wages	FY2021 Budget	FY2022 Budget	FY2023 Adopted	Salary Range	Total
FTE, Salaries, and Wages						
20000149	Associate Economist	1.00	1.00	0.00	\$ 63,008 - 76,136	\$ -
20000119	Associate Management Analyst	3.00	5.00	6.00	66,197 - 79,990	374,777
20000539	Clerical Assistant 2	1.00	0.00	0.00	36,630 - 44,147	-
20001101	Department Director	1.00	1.00	1.00	71,693 - 271,584	200,426
20001172	Financial Operations Manager	0.00	1.00	1.00	34,070 - 179,599	157,340
20001234	Program Coordinator	6.00	6.00	6.00	34,070 - 167,127	746,388
20001222	Program Manager	2.00	1.00	1.00	56,929 - 209,339	139,822
20000015	Senior Management Analyst	2.00	2.00	2.00	72,664 - 87,865	175,730
20000756	Word Processing Operator	1.00	0.00	0.00	38,188 - 45,963	-
	Budgeted Personnel					(122,153)
	Expenditure Savings					769
	Overtime Budgeted					22,079
	Vacation Pay In Lieu					
FTE, Salaries, and Wages Subtotal		17.00	17.00	17.00		\$ 1,695,178

	FY2021 Actual	FY2022 Budget	FY2023 Adopted	FY2022-2023 Change
Fringe Benefits				
Employee Offset Savings	\$ 4,530	\$ 4,162	\$ 5,968	\$ 1,806
Flexible Benefits	207,084	204,358	207,225	2,867
Insurance	1,233	-	-	-

Debt Management

	FY2021 Actual	FY2022 Budget	FY2023 Adopted	FY2022-2023 Change
Long-Term Disability	5,913	5,929	5,854	(75)
Medicare	19,821	21,435	24,245	2,810
Other Post-Employment Benefits	97,217	98,096	91,024	(7,072)
Retiree Medical Trust	2,263	2,872	2,974	102
Retirement 401 Plan	1,916	2,024	3,074	1,050
Retirement ADC	192,653	165,734	288,092	122,358
Retirement DROP	5,611	5,822	6,113	291
Risk Management Administration	15,989	16,976	18,640	1,664
Supplemental Pension Savings Plan	86,946	106,989	110,372	3,383
Unemployment Insurance	1,997	2,155	2,128	(27)
Workers' Compensation	6,107	8,862	8,692	(170)
Fringe Benefits Subtotal	\$ 649,280	\$ 645,414	\$ 774,401	\$ 128,987
Total Personnel Expenditures			\$ 2,469,579	