

# **Department of Finance**



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### Description

The Department of Finance (DoF) provides centralized financial services to the City. DoF has three key areas of responsibilities, (1) oversight of the City's operating and capital budgets, (2) accounting and financial reporting for all City funds, and (3) payroll and vendor payments. All 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 12,800 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 two divisions: Financial Planning 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. Furthermore, the 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.

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 ensure data accuracy and develops and provides citywide financial training. This division is also responsible for centralized processing for all vendor payments and develops and monitors the personnel expense components of the operating budgets, including analysis of salaries and fringe

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rates, conducts analyses to support labor negotiations and payroll processing for the City's approximately 12,800 employees.

***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	FY2021 Target	FY2021 Actual	FY2022 Target	FY2022 Actual	FY2023 Target
Number of months after the end of the fiscal year when the Annual Comprehensive Financial Report (ACFR) is issued	6	6	6	6	6
Percentage of invoices paid by the city on time per the monthly "On Time Invoice Payment Report" <sup>1</sup>	80%	75%	80%	81%	80%
Percentage of annual reserves targets achieved <sup>2</sup>	92%	67%	TBD	65%	71%
Percentage of departments with actuals within 5% of projections <sup>3</sup>	90%	85%	90%	TBD	90%
Percentage variance between Major General Fund revenue projections versus year-end actuals <sup>3</sup>	2.00 %	3.50 %	2.00 %	TBD	2.00 %
Percentage of Annual Adopted and Added CIP Budget expended/committed	125%	137%	125%	119%	125%

1. Includes July 2021 through May 2022. June 2022 data unavailable at time of submission.
2. Estimated percentage for Fiscal Year 2022 based on projections included in the Third Quarter Monitoring Report.
3. Fiscal Year 2022 Year-End Actuals are not known at the time of publication. Percentages will be included in future budget documents.

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## Department Summary

	FY2021 Actual	FY2022 Budget	FY2023 Adopted	FY2022-2023 Change
FTE Positions (Budgeted)	106.00	110.00	116.00	6.00
Personnel Expenditures	\$ 17,238,055	\$ 18,710,599	\$ 19,541,096	\$ 830,497
Non-Personnel Expenditures	1,228,387	1,596,821	1,501,053	(95,768)
<b>Total Department Expenditures</b>	<b>\$ 18,466,442</b>	<b>\$ 20,307,420</b>	<b>\$ 21,042,149</b>	<b>\$ 734,729</b>
<b>Total Department Revenue</b>	<b>\$ 1,998,957</b>	<b>\$ 2,230,481</b>	<b>\$ 2,264,984</b>	<b>\$ 34,503</b>

## General Fund

### Department Expenditures

	FY2021 Actual	FY2022 Budget	FY2023 Adopted	FY2022-2023 Change
Department of Finance	\$ 2,776,850	\$ 3,439,015	\$ 3,017,271	\$ (421,744)
External Financial Reporting	7,139,981	7,274,991	8,016,277	741,286
Financial Planning & CIP	3,903,724	4,425,331	4,456,795	31,464
Internal Financial Reporting	4,645,887	5,168,083	5,551,806	383,723
<b>Total</b>	<b>\$ 18,466,442</b>	<b>\$ 20,307,420</b>	<b>\$ 21,042,149</b>	<b>\$ 734,729</b>

### Department Personnel

	FY2021 Budget	FY2022 Budget	FY2023 Adopted	FY2022-2023 Change
Department of Finance	5.00	5.00	4.00	(1.00)
External Financial Reporting	37.00	41.00	47.00	6.00
Financial Planning & CIP	28.00	29.00	28.00	(1.00)
Internal Financial Reporting	36.00	35.00	37.00	2.00
<b>Total</b>	<b>106.00</b>	<b>110.00</b>	<b>116.00</b>	<b>6.00</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Salary and Benefit Adjustments</b>	0.00	\$ 410,977	\$ -
Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.			
<b>GASB 87 Support</b>	2.00	211,672	-
Addition of 1.00 Finance Analyst 3 and 1.00 Finance Analyst 2 to support the City's Governmental Accounting Standards Board (GASB) Statement No. 87 reporting requirements.			
<b>Proposition B Support</b>	2.00	202,920	-
Addition of 2.00 Finance Analyst 2s to support the City's effort in unwinding Proposition B.			
<b>GASB 87 Software Maintenance</b>	0.00	15,503	-
Addition of ongoing non-personnel expenditures for software maintenance to comply with Government Accounting Standards Board (GASB) issued statement No. 87 to track, account for, and disclose lessee and lessor agreements.			

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## Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Department of Finance Reorganization</b> Addition of 3.00 FTE positions and the reduction of 1.00 Assistant Department Director to support various citywide efforts including CIP and systems, and to align positions with department structure.	2.00	4,928	-
<b>Support for Information Technology</b> Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.	0.00	(11,702)	-
<b>Non-Discretionary Adjustment</b> 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	(99,569)	-
<b>Adjustment to TransNet Revenue</b> Adjustment to reflect a projected increase in TransNet revenue from the San Diego Association of Governments (SANDAG).	0.00	-	34,503
<b>Total</b>	<b>6.00</b>	<b>\$ 734,729</b>	<b>\$ 34,503</b>

## Expenditures by Category

	FY2021 Actual	FY2022 Budget	FY2023 Adopted	FY2022-2023 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 9,777,082	\$ 10,725,526	\$ 11,880,101	\$ 1,154,575
Fringe Benefits	7,460,972	7,985,073	7,660,995	(324,078)
<b>PERSONNEL SUBTOTAL</b>	<b>17,238,055</b>	<b>18,710,599</b>	<b>19,541,096</b>	<b>830,497</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 102,180	\$ 112,167	\$ 110,157	\$ (2,010)
Contracts & Services	330,418	583,676	539,242	(44,434)
Information Technology	596,271	753,967	757,768	3,801
Energy and Utilities	75,602	137,211	84,086	(53,125)
Other	3,917	9,800	9,800	-
Transfers Out	120,000	-	-	-
<b>NON-PERSONNEL SUBTOTAL</b>	<b>1,228,387</b>	<b>1,596,821</b>	<b>1,501,053</b>	<b>(95,768)</b>
<b>Total</b>	<b>\$ 18,466,442</b>	<b>\$ 20,307,420</b>	<b>\$ 21,042,149</b>	<b>\$ 734,729</b>

## Revenues by Category

	FY2021 Actual	FY2022 Budget	FY2023 Adopted	FY2022-2023 Change
Charges for Services	\$ 1,851,734	\$ 2,030,481	\$ 2,064,984	\$ 34,503
Other Revenue	145,404	200,000	200,000	-
Transfers In	1,820	-	-	-
<b>Total</b>	<b>\$ 1,998,957</b>	<b>\$ 2,230,481</b>	<b>\$ 2,264,984</b>	<b>\$ 34,503</b>

## Personnel Expenditures

Job Number	Job Title / Wages	FY2021 Budget	FY2022 Budget	FY2023 Adopted	Salary Range	Total
FTE, Salaries, and Wages						

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## Personnel Expenditures

Job Number	Job Title / Wages	FY2021 Budget	FY2022 Budget	FY2023 Adopted	Salary Range	Total
20000010	Account Audit Clerk	2.00	2.00	2.00	\$ 38,590 - 46,404	\$ 92,112
20000024	Administrative Aide 2	5.00	7.00	7.00	52,142 - 62,833	406,840
20001140	Assistant Department Director	2.00	2.00	1.00	71,693 - 271,584	165,037
20001113	Chief Accountant	1.00	1.00	1.00	56,929 - 209,339	178,318
20001101	Department Director	1.00	1.00	1.00	71,693 - 271,584	212,940
20000924	Executive Assistant	1.00	1.00	1.00	52,792 - 63,852	62,894
21000576	Finance Analyst 2	26.00	26.00	30.00	74,069 - 90,059	2,524,564
21000577	Finance Analyst 3	27.00	27.00	29.00	81,519 - 99,054	2,691,968
21000578	Finance Analyst 4	10.00	9.00	9.00	101,076 - 122,835	1,083,756
20001172	Financial Operations Manager	6.00	6.00	6.00	34,070 - 179,599	954,378
20000293	Information Systems Analyst 3	1.00	1.00	1.00	73,375 - 88,725	88,725
20000681	Payroll Audit Specialist 2	5.00	5.00	5.00	53,542 - 64,822	312,830
20000936	Payroll Audit Supervisor	1.00	1.00	1.00	64,727 - 78,178	78,178
20000680	Payroll Specialist 2	1.00	1.00	1.00	46,697 - 56,380	56,380
20001182	Principal Accountant	13.00	14.00	14.00	34,070 - 184,017	1,912,246
20001234	Program Coordinator	3.00	5.00	6.00	34,070 - 167,127	752,483
20000054	Senior Account Audit Clerk	1.00	1.00	1.00	44,133 - 53,218	50,454
	Budgeted Personnel Expenditure Savings					(74,069)
	Overtime Budgeted					50,000
	Vacation Pay In Lieu					280,067
<b>FTE, Salaries, and Wages Subtotal</b>		<b>106.00</b>	<b>110.00</b>	<b>116.00</b>		<b>\$ 11,880,101</b>

	FY2021 Actual	FY2022 Budget	FY2023 Adopted	FY2022-2023 Change
<b>Fringe Benefits</b>				
Employee Offset Savings	\$ 100,794	\$ 97,394	\$ 100,476	\$ 3,082
Flexible Benefits	1,438,321	1,465,420	1,448,083	(17,337)
Insurance	1,334	-	-	-
Long-Term Disability	43,984	41,682	40,423	(1,259)
Medicare	146,975	150,099	166,803	16,704
Other Post-Employment Benefits	660,778	668,280	654,235	(14,045)
Retiree Medical Trust	10,524	12,714	15,909	3,195
Retirement 401 Plan	8,672	10,121	23,973	13,852
Retirement ADC	4,253,135	4,633,353	4,316,092	(317,261)
Retirement DROP	17,032	18,074	14,939	(3,135)
Risk Management Administration	108,767	115,650	133,975	18,325
Supplemental Pension Savings Plan	634,963	696,494	677,194	(19,300)
Unemployment Insurance	14,864	15,179	14,670	(509)
Workers' Compensation	20,831	60,613	54,223	(6,390)
<b>Fringe Benefits Subtotal</b>	<b>\$ 7,460,972</b>	<b>\$ 7,985,073</b>	<b>\$ 7,660,995</b>	<b>\$ (324,078)</b>
<b>Total Personnel Expenditures</b>			<b>\$ 19,541,096</b>	