

City Treasurer



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City Treasurer



Department Description

The Office of the City Treasurer is responsible for the receipt and custody of all City revenue, banking, tax administration, parking administration, parking meter operations, collection of delinquent accounts, and accounting for these funds. The City Treasurer is also responsible for the investment of all operating and capital improvement funds including the reinvestment of debt proceeds of the City and its affiliated agencies which total \$2.22 billion as of June 30, 2013. In addition, the City Treasurer serves as a member of the City of San Diego Funds Commission and Trustee for the SPSP/401(k) Plans.

Investments

In compliance with the City Treasurer's Investment Policy, the Investments Division manages the City's operating, capital improvement, and project financing funds in order to safely preserve principal, provide adequate liquidity, and earn a return comparable to performance benchmarks. The Investments Division manages the reinvestment of additional bond proceeds for the City, City Agencies, and Joint Power Authorities; provides cash management services including maintenance of banking relationships and reviewing new banking legislation; and assists in the development and implementation of new payment and collection systems for the City which includes participating in the review, implementation, and monitoring of all electronic banking services, e-commerce systems, and third-party payment-processing services.

Revenue Collections

The Revenue Collections Division administers the Delinquent Accounts and Parking programs. The Delinquent Accounts Program is responsible for the administration and collection of delinquent accounts referred to the City Treasurer by other City departments and agencies. The Program also represents the City in small claims court actions on delinquent accounts. The Parking Administration section handles parking citation customer service functions, issues residential parking permits, and reviews and processes parking citation appeals. The Parking Meter Operations section collects parking meter coins, as well as installs, maintains, and enforces City parking meters.

Treasury Operations

The Treasury Operations Division encompasses four major programs. The Accounting Program is responsible for administration of the Transient Occupancy Tax (TOT) and Tourism Marketing District (TMD) assessment; oversight

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of the City's deposit process including approving daily deposits and reconciling bank accounts; and accounting for the City of San Diego Funds Commission investments. The Accounting Program also provides cash handling guidance and training to City departments accepting payments on behalf of the City Treasurer. The Business Tax and Rental Unit Business Tax Program administers collection of the tax assessments and fees, compliance enforcement, collects Business Improvement District fees, and maintains the regulatory clearance review data for businesses operating within the City of San Diego. The Accounts Receivable (AR) Program is responsible for processing all invoice and grant payments; managing AR overpayments and Federal Electronic Data Interchange (FEDI) transactions; initiating refunds for security deposits and AR overpayments; creating and modifying AR master data; and processing returned items citywide. The Revenue Audit Program conducts audits of Transient Occupancy Tax and Tourism Marketing District assessment operators, lessees, waste hauler, utility, and cable franchisees, and other special audit requests to ensure revenue due to the City is remitted accurately and timely. The Program also administers appeal hearings conducted by the Office of the City Treasurer.

Treasury Systems

The Treasury Systems Division administers and supports 34 business applications that manage approximately 818,000 customer accounts. This includes integration of these systems with other City applications for collection and reporting of revenue and ensuring that confidential customer data is safeguarded. The Treasury Systems Division oversees all Information Technology (IT) contracts, provides project management support for IT initiatives and special projects, develops and generates reports in support of Treasury business areas, oversees end user administration and support for approximately 800 system users, develops interim and long term goals and objectives for department IT initiatives that support business functions and maintains the City of San Diego's Investor Information as well as Office of the City Treasurer websites.

The Department's mission is:

To receive, safeguard and efficiently manage public funds while providing the highest level of customer service

Goals and Objectives

The following are the strategic goals and objectives for the Department:

Goal 1: Safeguard all City monies through the use of strong internal controls

The Department will move toward accomplishing this goal by focusing on the following objectives:

- Continue to ensure safe and secure working facilities
- Maintain a secure data environment that safeguards information collected by the Department
- Effectively manage banking services to safeguard City assets
- Properly account for all City revenue
- Effectively manage City investments

Goal 2: Engage in continuous improvement to effectively manage resources

The Department will move toward accomplishing this goal by focusing on the following objectives:

- Evaluate business processes to identify areas for improvement
- Utilize technology to continue enhancing the services provided

Goal 3: Stay current and in compliance with laws and regulations that pertain to treasury services

The Department will move toward accomplishing this goal by focusing on the following objectives:

- Ensure compliance with legal and regulatory requirements
- Provide training, educational, and networking opportunities to ensure that employees are aware of changes to applicable laws and regulations

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- Maintain compliance with internal and external audit reviews
- Effectively perform revenue auditing in order to maintain compliance
- Effectively administer all City taxes to ensure tax compliance

Goal 4: Provide world-class customer service to both internal and external customers

The Department will move toward accomplishing this goal by focusing on the following objectives:

- Assist the public in understanding the services that the Department provides
- Effectively provide accurate and timely information to customers and stakeholders

Goal 5: Foster and promote a supportive, collaborative, and integrated work environment through a trained and skilled workforce

The Department will move toward accomplishing this goal by focusing on the following objectives:

- Provide necessary equipment, training, and resources to support employees
- Create an environment where employees are celebrated and recognized for outstanding performance

Goal 6: Promote the highest ethical standards and behavior among employees

The Department will move toward accomplishing this goal by focusing on the following objectives:

- Offer training to management and staff on ethical standards
- Conduct management review of standards and ethical practices with staff on a regular basis

Goal 7: Prudently invest and manage the City's cash investment portfolio pursuant to the State of California Government Code

The Department will move toward accomplishing this goal by focusing on the following objectives:

- Fully comply with the City Treasurer's Investment Policy, as well as all applicable California Government Code regulations
- Preserve principal, ensure liquidity, and achieve a reasonable yield for the City's Pooled Investment Fund
- Annually update the City Treasurer's Investment Policy to reflect new legislative changes and prudent investment practices

Key Performance Indicators

Performance Measure	Actual FY2012	Actual FY2013	Target FY2014
1. Percentage of bank reconciliations completed within 45 days of month-end	100%	100%	100%
2. Percentage of satisfied customers from Treasury lobby surveys	95%	96%	94%
3. Number of basis points the Core and Liquidity Investment Portfolios out-performed their benchmarks on a rolling 3-year basis (Core Portfolio benchmark: Bank of America Merrill Lynch 1-3 year Treasury Index; Liquidity Portfolio benchmark: Bank of America Merrill Lynch 3-6 month Treasury Bill Index)	Core: 16 bps Liquidity: 26 bps	Core: 15 bps Liquidity: 26 bps	Core: 7 bps Liquidity: 25 bps
4. Transient Occupancy Tax, lease, and franchise audits completed within budgeted hours	93%	95%	98%
5. Percent of professional workforce attending trainings, conferences, and continuing education programs	82%	96%	90%
6. Percentage of delinquent account referrals collected	80%	77%	80%

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Service Efforts and Accomplishments

Investments

During Fiscal Year 2013, the Investments Division invested an average of \$2.24 billion in operating and capital improvement funds, reinvested an average of \$39.4 million in construction fund debt proceeds, and realized approximately \$12.74 million in interest earnings on the City Treasurer's Pooled Investment Fund that yielded approximately 0.57 percent. The Investments Division continues to work with the Debt Management Department to provide timely investment services for the City's ongoing maintenance of its existing bond issue reserve funds.

As required by Government Code, the City Treasurer's 2013 Investment Policy was presented to and accepted by the City Council in November 2012. The Investment Policy was certified for excellence by the California Municipal Treasurers Association in December 2012 and the Association of Public Treasurers of the United States and Canada in August 2012. In its role as a fiduciary charged with the prudent investment of City funds, the Investments Division continues to work to ensure exemplary internal controls and safeguards are in place. In Fiscal Year 2013, the Investments Division enhanced its credit approval and monitoring process for corporate bonds.

In Fiscal Year 2013, after a comprehensive Banking Services Request for Proposal (RFP) process, vendor selection was completed for the City's new banking services contracts. Through this effort, the City will have the opportunity to implement new banking services and products to improve banking processes, streamline cash handling and disbursement methods, and offer enhanced payment options to the public.

Revenue Collections

The Delinquent Accounts Program maintains a net collection rate of 83 percent on delinquent receivables. Due to the Program's aggressive stance on collections and the resulting success, the Program is often contacted by other cities interested in establishing delinquent account collection programs.

In Fiscal Year 2013, the Delinquent Accounts Program responded to 130,455 calls and collected \$52.6 million in delinquent account revenue, \$1.5 million of which is through participation in the State's Interagency Intercept Collections Program with the Franchise Tax Board.

In Fiscal Year 2014, the Delinquent Accounts Program expects to respond to over 126,000 calls and collect \$20 million in delinquent account revenue.

In Fiscal Year 2013, the Parking Meter Operations Program collected 358,924 pounds of coin and parking meter revenue totaling \$8.2 million. In Fiscal Year 2014, the Program projects it will collect 345,000 pounds of coin and parking meter revenue is estimated to remain at \$8.2 million.

In Fiscal Year 2013, the Parking Meter Operations Program issued a Smart Parking Solutions RFP to solicit proposals for new single space parking meters, new multi-space parking meters, and a "real-time" parking data collection system. In Fiscal Year 2014, the Program expects to complete the RFP process and implement a variety of smart parking solutions.

In Fiscal Year 2013, the Parking Administration Program processed 451,868 parking citations totaling \$26.9 million, reviewed and processed 42,441 parking citation appeals, and assisted 64,969 parking customers on the phone. In Fiscal Year 2014, the Program expects to process 450,000 parking citations totaling \$26 million in revenue, review and process 35,000 parking citation appeals, and assist 65,000 parking customers over the phone.

In Fiscal Year 2013, the Parking Administration Program improved its processing of parking citation appeals by implementing an online appeals system. This new process allows parking customers to submit their appeals online and add attachments that support their appeal. In addition, customers can now view the status of their appeal in real-time. The online application has streamlined the parking appeal process and created efficiencies that reduce time spent answering parking calls and manually processing appeals.

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In Fiscal Year 2014, Parking Administration is planning to implement a new online application for customers to apply for a Residential Parking Permit. Similar to our online appeal application customers would be able to attach supporting documentation with their application. This new online application process will greatly enhance service to the public when applying for a Residential Parking Permit and streamline the process for approval.

Treasury Operations

In Fiscal Year 2013, the Accounting Program implemented enhancements to the web-based TOT system used to process approximately \$171 million in TOT/TMD payments annually. These enhancements were made to accommodate the change in the new TMD assessment fee structure. Additionally, in Fiscal Year 2013, the Accounting Program posted over 20,000 deposit documents totaling approximately \$1.2 billion.

In Fiscal Year 2013, the AR Program created more than 3,300 business partners and 4,000 contract accounts. The AR Program also processed over \$353 million in AR and grant payments and over 3,200 returned items. In addition, the AR Program oversaw the processing of electronic payments received through the FEDI application, equating to approximately \$1 billion.

In Fiscal Year 2014, the Revenue Audit Program expects to complete 150 revenue audits of TOT and TMD assessment operators, lessees, business taxes, and franchisees resulting in deficiencies of \$2.3 million.

The Business Tax Program implemented various enhancements to the Rental Unit Business Tax billing system, including the weekly processing of the County's Master Parcel data. This enhancement has increased Rental Unit Business Tax revenue in Fiscal Year 2012 and Fiscal Year 2013.

The Business Tax Program is managing the City's Business Regulatory Consolidation project. The overall objective of this project is to eliminate redundancy, optimize regulatory and tax revenue collection, and improve overall service to the business community. This project is targeted for implementation in Fiscal Year 2015.

In Fiscal Year 2013, the Business Tax Program processed 13,151 Business Tax applications and 172,000 Business Tax renewals totaling \$14.6 million while assisting 65,000 customers over the phone and 8,500 in the Treasury lobby.

Treasury Systems

In Fiscal Year 2013, the City Treasurer's IT staff worked with the Department of IT to begin the transition of Application and Development Maintenance, Network/Phones and Data Center services (previously provided by San Diego Data Processing Corporation) to three new vendors. The Department will continue this transition in Fiscal Year 2014.

IT staff also began to coordinate the review of all contracts assigned to the City in January 2012, which were previously managed by San Diego Data Processing Corporation. At a minimum, the contracts will need to be updated to include the City's required contract language.

In Fiscal Year 2013, IT staff led the effort to enhance the TOT/TMD system to accommodate the new TMD rate structure. This project also provided the opportunity to implement several online enhancements that streamlined the processing of these payments for the hotels.

Two major enhancement projects are also planned for Fiscal Year 2014. The IT Program will lead the project to modify the Transient Occupancy Tax System and Online Remittance and Payment Application to allow for tracking of the Convention Center Facilities District Special Tax. The IT Program will also lead the project to modify the Treasurer Tax Collection System (TTCS) and associated Online Application and Renewal Systems related to the City's Business Regulatory Consolidation Project.

In Fiscal Year 2014, Treasury IT staff will work with Inglewood Citation Management Services to enhance the online parking system to include residential parking permit renewal and payment functions.



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Department Summary

	FY2012 Actual	FY2013 Budget	FY2014 Adopted	FY2013–2014 Change
FTE Positions (Budgeted)	116.63	118.63	119.63	1.00
Personnel Expenditures	\$ 9,737,291	\$ 10,851,296	\$ 11,484,087	\$ 632,791
Non-Personnel Expenditures	7,760,091	8,797,233	9,011,396	214,163
Total Department Expenditures	\$ 17,497,382	\$ 19,648,529	\$ 20,495,483	\$ 846,954
Total Department Revenue	\$ 25,852,203	\$ 25,046,475	\$ 25,963,475	\$ 917,000

General Fund

Department Expenditures

	FY2012 Actual	FY2013 Budget	FY2014 Adopted	FY2013–2014 Change
Administration	\$ 2,554,366	\$ 2,775,185	\$ 3,171,049	\$ 395,864
Revenue Collections	10,377,479	11,620,793	12,057,871	437,078
Treasury Operations	4,565,537	5,252,551	5,266,563	14,012
Total	\$ 17,497,382	\$ 19,648,529	\$ 20,495,483	\$ 846,954

Department Personnel

	FY2012 Budget	FY2013 Budget	FY2014 Adopted	FY2013–2014 Change
Administration	11.63	12.63	14.63	2.00
Revenue Collections	64.00	64.00	63.00	(1.00)
Treasury Operations	41.00	42.00	42.00	0.00
Total	116.63	118.63	119.63	1.00

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Salary and Benefit Adjustments Adjustments to reflect the annualization of the Fiscal Year 2013 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.	0.00	\$ 478,457	\$ -
Parking Meter Revenue/Parking District Allocation Adjustment to parking meter revenue and transfer out allocation expenditures to the Parking Districts.	0.00	390,000	390,000
Financial Operations Manager Transfer Transfer of 1.00 Financial Operations Manager from the Financial Management Department to the Office of the City Treasurer.	1.00	154,368	-
Installation of New Parking Meters and Parking Meter Sensors Addition of expenditures and revenue associated with the installation of 1,000 single-head parking meters and 200 parking meter sensors.	0.00	147,000	100,000

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Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
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	145,332	-
Lobby Security Adjustment to reflect the one-time replacement of the security system in the treasury operations lobby and installation of a security system in the parking citation lobby.	0.00	40,000	-
Non-Standard Hour Personnel Funding Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.	0.00	(34)	-
Credit Rating Services Reduction of expenditures for credit rating services which will be paid directly from the Public Utilities Department.	0.00	(3,600)	-
One-Time Reductions and Annualizations Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2013.	0.00	(67,000)	(250,000)
Bank of America Services Contract Adjustment reflects the reduction of expenditures for reduced costs associated with the Bank of America service contract, including a one-time loyalty credit.	0.00	(169,406)	-
Equipment/Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00	(268,163)	-
Revised Revenue Adjustment to reflect Fiscal Year 2014 revenue projections.	0.00	-	677,000
Total	1.00	\$ 846,954	\$ 917,000

Expenditures by Category

	FY2012 Actual	FY2013 Budget	FY2014 Adopted	FY2013-2014 Change
PERSONNEL				
Personnel Cost	\$ 5,931,751	\$ 6,351,178	\$ 6,486,559	\$ 135,381
Fringe Benefits	3,805,540	4,500,118	4,997,528	497,410
PERSONNEL SUBTOTAL	\$ 9,737,291	\$ 10,851,296	\$ 11,484,087	\$ 632,791
NON-PERSONNEL				
Supplies	\$ 603,548	\$ 525,069	\$ 498,148	\$ (26,921)
Contracts	1,224,527	1,819,257	1,682,543	(136,714)
Information Technology	2,187,016	2,685,271	2,472,161	(213,110)
Energy and Utilities	24,931	47,801	45,319	(2,482)
Other	295,523	268,822	449,508	180,686
Transfers Out	3,424,547	3,427,263	3,816,967	389,704
Capital Expenditures	-	23,750	46,750	23,000
NON-PERSONNEL SUBTOTAL	\$ 7,760,091	\$ 8,797,233	\$ 9,011,396	\$ 214,163
Total	\$ 17,497,382	\$ 19,648,529	\$ 20,495,483	\$ 846,954

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Revenues by Category

	FY2012 Actual	FY2013 Budget	FY2014 Adopted	FY2013–2014 Change
Charges for Services	\$ 763,348	\$ 999,938	\$ 867,938	\$ (132,000)
Fines Forfeitures and Penalties	2,087,694	2,927,800	2,286,800	(641,000)
Licenses and Permits	23,000,490	21,118,737	22,808,737	1,690,000
Other Revenue	670	-	-	-
Total	\$ 25,852,203	\$ 25,046,475	\$ 25,963,475	\$ 917,000

Personnel Expenditures

Job Number	Job Title / Wages	FY2012 Budget	FY2013 Budget	FY2014 Adopted	Salary Range	Total
FTE, Salaries, and Wages						
20000011	Account Clerk	3.00	5.00	5.00	\$31,491 - \$37,918	\$ 179,241
20000866	Accountant 2	4.00	4.00	4.00	54,059 - 65,333	223,236
20000007	Accountant 3	4.00	4.00	4.00	59,363 - 71,760	279,475
20000102	Accountant 4	1.00	1.00	1.00	66,768 - 88,982	82,160
20000024	Administrative Aide 2	5.00	5.00	5.00	42,578 - 51,334	243,296
20001208	Assistant Investment Officer	2.00	2.00	2.00	23,005 - 137,904	172,812
20000119	Associate Management Analyst	2.00	2.00	2.00	54,059 - 65,333	129,032
20000266	Cashier	2.00	2.00	2.00	31,491 - 37,918	74,888
20000540	Clerical Assistant 2	1.00	0.00	0.00	29,931 - 36,067	-
20000539	Clerical Assistant 2	10.00	8.00	7.00	29,931 - 36,067	239,869
20000267	Collections Investigator 1	17.00	16.00	16.00	40,186 - 48,526	750,417
20000268	Collections Investigator 1	2.00	2.00	1.00	40,186 - 48,526	47,919
20000269	Collections Investigator 2	3.00	3.00	4.00	45,198 - 54,558	161,628
20000270	Collections Investigator 3	4.00	5.00	5.00	49,712 - 60,070	296,595
20000287	Collections Manager	1.00	0.00	0.00	66,768 - 80,891	-
20001168	Deputy Director	1.00	2.00	2.00	46,966 - 172,744	254,776
20000924	Executive Secretary	1.00	1.00	1.00	43,555 - 52,666	48,021
20001172	Financial Operations Manager	1.00	1.00	2.00	25,376 - 148,200	193,440
20000290	Information Systems Analyst 2	1.00	0.00	0.00	54,059 - 65,333	-
20000293	Information Systems Analyst 3	0.00	1.00	1.00	59,363 - 71,760	70,863
20000998	Information Systems Analyst 4	0.00	0.00	1.00	66,768 - 80,891	65,933
20000377	Information Systems Technician	1.00	1.00	1.00	42,578 - 51,334	50,692
20001194	Investment Officer	1.00	1.00	1.00	34,694 - 207,210	138,251
90001073	Management Intern - Hourly	0.63	0.63	0.63	24,274 - 29,203	15,292
20000678	Parking Meter Supervisor	2.00	2.00	2.00	47,341 - 56,597	103,230
20000674	Parking Meter Technician	11.00	11.00	11.00	41,330 - 49,400	516,573
20000680	Payroll Specialist 2	0.00	0.00	1.00	34,611 - 41,787	38,089
20001182	Principal Accountant	3.00	3.00	3.00	19,323 - 151,840	290,326
20000741	Principal Clerk	1.00	1.00	1.00	43,555 - 52,666	52,008
20001222	Program Manager	3.00	4.00	4.00	46,966 - 172,744	402,277
20000783	Public Information Clerk	16.00	17.00	18.00	31,491 - 37,918	617,362
20000869	Senior Account Clerk	4.00	4.00	3.00	36,067 - 43,514	121,304
20000927	Senior Clerk/Typist	4.00	4.00	4.00	36,067 - 43,514	128,910
20000015	Senior Management Analyst	2.00	3.00	2.00	59,363 - 71,760	70,863

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Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2012 Budget	FY2013 Budget	FY2014 Adopted	Salary Range	Total
20000827	Senior Parking Meter Technician	1.00	1.00	1.00	43,472 - 51,792	43,472
20000970	Supervising Management Analyst	1.00	1.00	1.00	66,768 - 80,891	79,880
20001148	Treasurer	1.00	1.00	1.00	31,741 - 173,971	153,064
	Bilingual - Regular					23,296
	Overtime Budgeted					128,069
FTE, Salaries, and Wages Subtotal		116.63	118.63	119.63		\$ 6,486,559
		FY2012 Actual	FY2013 Budget	FY2014 Adopted	FY2013-2014 Change	
Fringe Benefits						
	Employee Offset Savings	\$ 78,288	\$ 92,991	\$ 95,697	\$ 2,706	
	Flexible Benefits	683,260	736,459	830,811	94,352	
	Insurance	320	-	-	-	
	Long-Term Disability	33,581	36,391	34,381	(2,010)	
	Medicare	85,817	86,833	87,475	642	
	Other Post-Employment Benefits	278,852	721,154	717,715	(3,439)	
	Retiree Medical Trust	962	955	1,961	1,006	
	Retirement 401 Plan	3,816	3,820	7,530	3,710	
	Retirement ARC	2,056,520	2,127,076	2,506,558	379,482	
	Retirement DROP	12,687	9,929	14,975	5,046	
	Retirement Offset Contribution	13,808	16,166	-	(16,166)	
	Risk Management Administration	108,896	118,660	108,905	(9,755)	
	Supplemental Pension Savings Plan	276,012	294,130	303,830	9,700	
	Unemployment Insurance	19,226	18,644	18,254	(390)	
	Workers' Compensation	153,494	236,910	269,436	32,526	
Fringe Benefits Subtotal		\$ 3,805,540	\$ 4,500,118	\$ 4,997,528	\$ 497,410	
Total Personnel Expenditures					\$ 11,484,087	