

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 including banking, tax administration, 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 totaling \$2.42 billion on June 30, 2012, and the reinvestment of debt proceeds of the City and its affiliated agencies. In addition, the City Treasurer serves as a member of the Funds Commission and trustee for the SPSP/401(k) Plans.

The major programs of the Office of the City Treasurer are as follows:

Accounting

The Accounting Program is responsible for the administration of the City's Accounts Receivable process, the Transient Occupancy Tax (TOT), and Tourism Marketing District (TMD) assessment; the collection of citywide payments including fees, fines, permits, and taxes; oversight of the citywide deposit process including approving daily deposits and reconciling the City's bank accounts; and accounting for investments in the Mount Hope Cemetery Perpetuity, Los Penasquitos Canyon Preserve, Jane Cameron, G.E. Peters, Effie Sergeant, and Edwin A. Benjamin Memorial Trust Funds. The Accounting Program also provides cash handling guidance and training to City departments accepting cash on behalf of the City Treasurer.

Business and Rental Unit Business Tax

The Business and Rental Unit Business Tax Program administers the collection of the City's Business Tax and Rental Unit Business 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.

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

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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 Audit

The Revenue Audit Program conducts audits of Transient Occupancy Tax and Tourism Marketing District assessment operators, lessees, waste hauler and cable franchisees, and other special audit requests to ensure revenue due to the City is remitted accurately and on time. The Program also administers appeal hearings conducted by the City Treasurer.

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 and installs, maintains, and enforces City parking meters.

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
- 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

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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 with all applicable California Government Code
- 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 FY20102	Estimated 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%	95%	93%
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: 6 bps Liquidity: 35 bps	Core: 7 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%	85%	90%
6. Percentage of delinquent account referrals collected	80%	80%	80%

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Service Efforts and Accomplishments

Accounting

In Fiscal Year 2012, the Accounting Program implemented a new web-based TOT system. In addition to enhanced reporting, this new system created numerous efficiencies including automating the recording of daily deposits and the revenue distribution processes. The Accounting Program continues to reap the benefits of the online TOT/TMD assessment payment application implemented in Fiscal Year 2011; the online payment application has decreased the amount of revenue manually processed by approximately 39 percent. In addition, the creation and modification of Accounts Receivable (AR) master data was centralized to strengthen controls and create efficiencies.

In Fiscal Year 2012, the Accounting Program processed over \$174.0 million in TOT/TMD and over \$440.0 million in AR payments. In addition, the Cashiering section processed over 44,400 transactions totaling more than \$385.0 million. The Accounting Program also posted over 21,000 deposit documents totaling more than \$1.3 billion.

Administration

In Fiscal Year 2012, the City Treasurer's Information Technology (IT) staff led the TOT/TMD legacy system replacement project that was completed in October 2011. The IT staff also identified and completed all the work necessary to meet the City's initiative to retire its enterprise mainframe system.

IT staff anticipates the completion of a number of major system enhancements related to the Business Regulatory Consolidation project and the implementation of the Convention Center Facilities District Special Tax in Fiscal Year 2013. Staff will also continue to implement self-service functions to streamline processes and enhance customer service.

Business and Rental Unit Business Tax

The Business Tax Program implemented the Employee Count Verification Program that ensures businesses accurately report their employee count to the City and pay the correct tax and Business Improvement District assessments.

The Business Tax Program also implemented various enhancements to the Rental Unit Business Tax billing system. The enhancements have led to increased revenue including the automated referral of accounts to the City's Delinquent Accounts Program and improvements to the system billing data.

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.

In Fiscal Year 2012, the Business Tax Program processed 12,400 Business Tax applications and 168,000 Business Tax renewals totaling \$14.3 million in revenue while assisting 64,000 customers over the phone and 8,500 in the Treasury lobby.

Investments

In Fiscal Year 2012, the Investments Division invested an average of \$2.2 billion in operating and capital improvement funds, reinvested an average of \$147.7 million in construction fund debt proceeds, and realized approximately \$21.6 million in interest earnings on the City Treasurer's Pooled Investment Fund that yielded approximately 0.95 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 2012 Investment Policy was presented to, and accepted by, the City Council in November 2011. The Division upgraded its bond analytic software system adding new functionality

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and improved efficiencies. In its role as a fiduciary charged with the prudent investment of City funds, the Investments Division continues to work to ensure that exemplary internal controls and safeguards are in place.

The City's Banking Services Request for Proposal (RFP) was released in Fiscal Year 2012. This will provide the City with the opportunity to implement new banking services and products to enhance its banking processes and offer more payment solutions to the public.

Revenue Audit

In Fiscal Year 2012, 129 revenue audits of TOT and TMD assessment operators, lessees, business taxes, and franchisees were completed resulting in deficiencies of \$4.1 million.

Revenue Collections

The Delinquent Accounts Program maintains a net collection rate of 87 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 2012, the Delinquent Accounts Program responded to 122,616 calls and collected \$44.6 million in delinquent account revenue, \$0.6 million of which is through participation in the State's Interagency Intercept Collections Program with the Franchise Tax Board.

In Fiscal Year 2013, the Parking Administration Program expects to process 432,000 parking citations totaling \$25.0 million in revenue, review and process 30,000 citation appeals, and assist 75,000 parking customers over the phone.

In Fiscal Year 2013, the Parking Meter Operations Program projects it will collect 380,000 pounds of coin totaling \$8.0 million in parking meter revenue.



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Department Summary

	FY2012 Actual	FY2013 Budget	FY2014 Proposed	FY2013-2014 Change
FTE Positions (Budgeted)	116.63	118.63	119.63	1.00
Personnel Expenditures	\$ 9,737,291	\$ 10,851,296	\$ 11,398,506	\$ 547,210
Non-Personnel Expenditures	7,760,091	8,797,233	8,971,396	174,163
Total Department Expenditures	\$ 17,497,382	\$ 19,648,529	\$ 20,369,902	\$ 721,373
Total Department Revenue	\$ 25,852,203	\$ 25,046,475	\$ 25,563,475	\$ 517,000

General Fund

Department Expenditures

	FY2012 Actual	FY2013 Budget	FY2014 Proposed	FY2013-2014 Change
Administration	\$ 2,554,366	\$ 2,775,185	\$ 3,143,268	\$ 368,083
Revenue Collections	10,377,479	11,620,793	11,987,155	366,362
Treasury Operations	4,565,537	5,252,551	5,239,479	(13,072)
Total	\$ 17,497,382	\$ 19,648,529	\$ 20,369,902	\$ 721,373

Department Personnel

	FY2012 Budget	FY2013 Budget	FY2014 Proposed	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	\$ 391,772	\$ -
Parking Meter Utilization Plan Adjustment to revenue and transfer out expenditures due to higher projected parking meter revenues related to the Parking Meter Utilization Plan.	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	155,363	-
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	-
Non-Standard Hour Personnel Funding Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.	0.00	75	-
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	-	277,000
Total	1.00	\$ 721,373	\$ 517,000

Expenditures by Category

	FY2012 Actual	FY2013 Budget	FY2014 Proposed	FY2013-2014 Change
PERSONNEL				
Personnel Cost	\$ 5,931,751	\$ 6,351,178	\$ 6,407,106	\$ 55,928
Fringe Benefits	3,805,540	4,500,118	4,991,400	491,282
PERSONNEL SUBTOTAL	\$ 9,737,291	\$ 10,851,296	\$ 11,398,506	\$ 547,210
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	6,750	(17,000)
NON-PERSONNEL SUBTOTAL	\$ 7,760,091	\$ 8,797,233	\$ 8,971,396	\$ 174,163
Total	\$ 17,497,382	\$ 19,648,529	\$ 20,369,902	\$ 721,373

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Revenues by Category

	FY2012 Actual	FY2013 Budget	FY2014 Proposed	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	22,408,737	1,290,000
Other Revenue	670	-	-	-
Total	\$ 25,852,203	\$ 25,046,475	\$ 25,563,475	\$ 517,000

Personnel Expenditures

Job Number	Job Title / Wages	FY2012 Budget	FY2013 Budget	FY2014 Proposed	Salary Range	Total
FTE, Salaries, and Wages						
20000011	Account Clerk	3.00	5.00	5.00	\$31,491 - \$37,918	\$ 176,960
20000866	Accountant 2	4.00	4.00	4.00	54,059 - 65,333	220,324
20000007	Accountant 3	4.00	4.00	4.00	59,363 - 71,760	275,911
20000102	Accountant 4	1.00	1.00	1.00	66,768 - 88,982	80,704
20000024	Administrative Aide 2	5.00	5.00	5.00	42,578 - 51,334	240,219
20001208	Assistant Investment Officer	2.00	2.00	2.00	23,005 - 137,904	169,750
20000119	Associate Management Analyst	2.00	2.00	2.00	54,059 - 65,333	127,400
20000266	Cashier	2.00	2.00	2.00	31,491 - 37,918	73,940
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	236,808
20000267	Collections Investigator 1	17.00	16.00	16.00	40,186 - 48,526	740,874
20000268	Collections Investigator 1	2.00	2.00	1.00	40,186 - 48,526	47,313
20000269	Collections Investigator 2	3.00	3.00	4.00	45,198 - 54,558	159,582
20000270	Collections Investigator 3	4.00	5.00	5.00	49,712 - 60,070	292,840
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	250,261
20000924	Executive Secretary	1.00	1.00	1.00	43,555 - 52,666	47,413
20001172	Financial Operations Manager	1.00	1.00	2.00	25,376 - 148,200	191,550
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	69,607
20000998	Information Systems Analyst 4	0.00	0.00	1.00	66,768 - 80,891	65,099
20000377	Information Systems Technician	1.00	1.00	1.00	42,578 - 51,334	50,051
20001194	Investment Officer	1.00	1.00	1.00	34,694 - 207,210	135,801
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	102,523
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	37,592
20001182	Principal Accountant	3.00	3.00	3.00	19,323 - 151,840	285,181
20000741	Principal Clerk	1.00	1.00	1.00	43,555 - 52,666	51,349
20001222	Program Manager	3.00	4.00	4.00	46,966 - 172,744	395,148
20000783	Public Information Clerk	16.00	17.00	18.00	31,491 - 37,918	609,919
20000869	Senior Account Clerk	4.00	4.00	3.00	36,067 - 43,514	120,225
20000927	Senior Clerk/Typist	4.00	4.00	4.00	36,067 - 43,514	127,278
20000015	Senior Management Analyst	2.00	3.00	2.00	59,363 - 71,760	69,966

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Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2012 Budget	FY2013 Budget	FY2014 Proposed	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	78,464
20001148	Treasurer	1.00	1.00	1.00	31,741 - 173,971	150,352
	Bilingual - Regular					23,296
	Overtime Budgeted					128,069
FTE, Salaries, and Wages Subtotal		116.63	118.63	119.63		\$ 6,407,106
		FY2012 Actual	FY2013 Budget	FY2014 Proposed	FY2013-2014 Change	
Fringe Benefits						
	Employee Offset Savings	\$ 78,288	\$ 92,991	\$ 95,697	\$ 2,706	
	Flexible Benefits	683,260	736,459	750,421	13,962	
	Insurance	320	-	-	-	
	Long-Term Disability	33,581	36,391	34,700	(1,691)	
	Medicare	85,817	86,833	87,475	642	
	Other Post-Employment Benefits	278,852	721,154	723,005	1,851	
	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	2,520,278	393,202	
	Retirement DROP	12,687	9,929	14,975	5,046	
	Retirement Offset Contribution	13,808	16,166	15,956	(210)	
	Risk Management Administration	108,896	118,660	120,980	2,320	
	Supplemental Pension Savings Plan	276,012	294,130	303,830	9,700	
	Unemployment Insurance	19,226	18,644	18,636	(8)	
	Workers' Compensation	153,494	236,910	295,956	59,046	
Fringe Benefits Subtotal		\$ 3,805,540	\$ 4,500,118	\$ 4,991,400	\$ 491,282	
Total Personnel Expenditures					\$ 11,398,506	