

# **Debt Management**



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# Debt Management



## Description

The Debt Management Department develops financing plans, conducts planning, structuring, and issuance activities for all bonds, notes, and loans to finance capital projects, essential equipment, and vehicles.

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 annually coordinates the Community Facilities District and 1913/1915 Act Assessment District formation procedures and related conduit bond issuances to fund public infrastructure in addition to the enrollment process for assessments and special taxes with assistance from consultants to maintain databases and administer special tax formulas.

### ***The vision is:***

Strong debt management to achieve Citywide financing priorities

### ***The mission is:***

To effectively plan, implement, and manage City debt obligations



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## 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	FY2020 Target	FY2020 Actual	FY2021 Target	FY2021 Actual	FY2022 Target
Bond Payments made on time <sup>1</sup>	100%	100%	100%	100%	100%
All disclosures reviewed by City's Disclosure Practices Working Group <sup>2</sup>	N/A	100%	100%	100%	100%
New debt issuances have met City's Debt Policy guidelines <sup>3</sup>	N/A	100%	100%	100%	100%
Professional development goals and core technical training met by the Department to maintain skilled workforce <sup>4</sup>	N/A	100%	100%	100%	100%
All eligible bonds monitored annually for refinancing opportunities to lower debt service costs	100%	100%	100%	100%	100%

1. Bond Payments are debt service payments made on publicly issued bonds.
2. New indicator as of FY 2021 based on review of department's current key areas of responsibilities, regulatory requirements, and reporting priorities.
3. New indicator as of FY 2021 based on review of department's current key areas of responsibilities, regulatory requirements, and reporting priorities.

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## Key Performance Indicators

Performance Indicator	FY2020 Target	FY2020 Actual	FY2021 Target	FY2021 Actual	FY2022 Target
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4. New indicator as of FY 2021 based on review of department's current key areas of responsibilities, regulatory requirements, and reporting priorities.

# Debt Management

## Department Summary

	FY2020 Actual	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
FTE Positions (Budgeted)	20.00	17.00	17.00	0.00
Personnel Expenditures	\$ 2,269,155	\$ 1,880,980	\$ 2,083,726	\$ 202,746
Non-Personnel Expenditures	169,732	234,939	259,691	24,752
<b>Total Department Expenditures</b>	<b>\$ 2,438,886</b>	<b>\$ 2,115,919</b>	<b>\$ 2,343,417</b>	<b>\$ 227,498</b>
<b>Total Department Revenue</b>	<b>\$ 753,150</b>	<b>\$ 778,500</b>	<b>\$ 778,500</b>	<b>\$ -</b>

## General Fund

### Department Expenditures

	FY2020 Actual	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
Debt Management	\$ 2,438,886	\$ 2,115,919	\$ 2,343,417	\$ 227,498
<b>Total</b>	<b>\$ 2,438,886</b>	<b>\$ 2,115,919</b>	<b>\$ 2,343,417</b>	<b>\$ 227,498</b>

### Department Personnel

	FY2020 Budget	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
Debt Management	20.00	17.00	17.00	0.00
<b>Total</b>	<b>20.00</b>	<b>17.00</b>	<b>17.00</b>	<b>0.00</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Salary and Benefit Adjustments</b> 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	\$ 190,684	\$ -
<b>Pay-In-Lieu of Annual Leave Adjustments</b> Adjustment to expenditures associated with projected compensation to employees in-lieu of the use of annual leave.	0.00	20,863	-
<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	12,909	-
<b>Support for Information Technology</b> Adjustment to expenditure allocations according to a zero-based annual review of information technology requirements.	0.00	14,808	-
<b>Citywide Contracts Reduction of 2.6%</b> Reduction of non-personnel expenditures associated with a 2.6% reduction in contracts citywide.	0.00	(2,965)	-

# Debt Management

## Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Process Improvement/Efficiency</b>	0.00	(8,801)	-
Reduction of 1.00 Word Processing Operator position and 1.00 Clerical Assistant 2, and addition of 2.00 Associate Management Analysts to help with the streamlining of the department's core processes and to continue to achieve the department's mission and key performance indicators.			
<b>Total</b>	<b>0.00</b>	<b>\$ 227,498</b>	<b>\$ -</b>

## Expenditures by Category

	FY2020 Actual	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 1,576,573	\$ 1,290,398	\$ 1,444,247	153,849
Fringe Benefits	692,582	590,582	639,479	48,897
<b>PERSONNEL SUBTOTAL</b>	<b>2,269,155</b>	<b>1,880,980</b>	<b>2,083,726</b>	<b>202,746</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 10,194	\$ 17,781	\$ 14,669	(3,112)
Contracts	70,724	115,634	119,091	3,457
Information Technology	67,836	76,875	92,873	15,998
Energy and Utilities	16,905	19,600	28,958	9,358
Other	4,072	5,049	4,100	(949)
<b>NON-PERSONNEL SUBTOTAL</b>	<b>169,732</b>	<b>234,939</b>	<b>259,691</b>	<b>24,752</b>
<b>Total</b>	<b>\$ 2,438,886</b>	<b>\$ 2,115,919</b>	<b>\$ 2,343,417</b>	<b>\$ 227,498</b>

## Revenues by Category

	FY2020 Actual	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
Charges for Services	\$ 746,757	\$ 778,500	\$ 778,500	-
Other Revenue	47	-	-	-
Transfers In	6,346	-	-	-
<b>Total</b>	<b>\$ 753,150</b>	<b>\$ 778,500</b>	<b>\$ 778,500</b>	<b>-</b>

## Personnel Expenditures

Job Number	Job Title / Wages	FY2020 Budget	FY2021 Budget	FY2022 Proposed	Salary Range	Total
<b>FTE, Salaries, and Wages</b>						
20000149	Associate Economist	2.00	1.00	1.00	\$ 57,699 - 69,722	\$ 61,260
20000119	Associate Management Analyst	3.00	3.00	5.00	57,699 - 69,722	291,409
20000539	Clerical Assistant 2	1.00	1.00	0.00	31,928 - 38,480	-
20001101	Department Director	1.00	1.00	1.00	63,128 - 239,138	183,539
20001172	Financial Operations Manager	0.00	0.00	1.00	30,160 - 158,142	133,390
20001234	Program Coordinator	6.00	6.00	6.00	30,160 - 147,160	538,792
20001222	Program Manager	3.00	2.00	1.00	50,128 - 184,330	122,699
20000015	Senior Management Analyst	3.00	2.00	2.00	63,336 - 76,586	148,009
20000756	Word Processing Operator	1.00	1.00	0.00	33,613 - 40,456	-
	Budgeted Personnel Expenditure Savings					(57,699)



# Debt Management

## Personnel Expenditures

Job Number	Job Title / Wages	FY2020 Budget	FY2021 Budget	FY2022 Proposed	Salary Range	Total
	Overtime Budgeted					769
	Vacation Pay In Lieu					22,079
<b>FTE, Salaries, and Wages Subtotal</b>		<b>20.00</b>	<b>17.00</b>	<b>17.00</b>		<b>\$ 1,444,247</b>

	FY2020 Actual	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
<b>Fringe Benefits</b>				
Employee Offset Savings	\$ 4,274	\$ 4,066	\$ 4,002	\$ (64)
Flexible Benefits	225,795	190,840	204,358	13,518
Insurance	1,231	-	-	-
Long-Term Disability	-	4,473	5,956	1,483
Medicare	24,096	18,682	20,610	1,928
Other	11,479	-	-	-
Other Post-Employment Benefits	116,434	94,395	98,969	4,574
Retiree Medical Trust	2,742	2,364	2,762	398
Retirement 401 Plan	1,992	1,947	1,947	-
Retirement ADC	157,948	154,598	163,427	8,829
Retirement DROP	7,931	5,598	5,598	-
Risk Management Administration	22,476	15,885	17,232	1,347
Supplemental Pension Savings Plan	107,347	89,806	102,873	13,067
Unemployment Insurance	2,418	1,984	2,147	163
Workers' Compensation	6,418	5,944	9,598	3,654
<b>Fringe Benefits Subtotal</b>	<b>\$ 692,582</b>	<b>\$ 590,582</b>	<b>\$ 639,479</b>	<b>\$ 48,897</b>
<b>Total Personnel Expenditures</b>			<b>\$ 2,083,726</b>	



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