

# **Department of Finance**



**Page Intentionally Left Blank**



## Description

The Department of Finance (DoF) provides services to the Mayor and serves as an internal fiscal consultant to the City. DoF has two distinct responsibilities, oversight of the budget and the accounting both 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 11,350 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 three divisions, Financial Planning, Internal Financial Reporting, 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.

The Internal Financial Reporting 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; develops and monitors the personnel expense components of the operating budgets, including analysis of salaries and fringe rates, conducts analyses to support labor negotiations and payroll processing for the City's approximately 11,800 employees.

The External Financial Reporting division prepares the Comprehensive Annual 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

## Department of Finance

ensure data accuracy and develops and provides citywide financial training. This division is also responsible for centralized processing for all vendor payments.

***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	FY2020 Target	FY2020 Actual	FY2021 Target	FY2021 Actual	FY2022 Target
Number of months after the end of the fiscal year when the Comprehensive Annual Financial Report (CAFR) is issued <sup>1</sup>	6	6	6	6	6
Percentage of invoices paid by the city on time per the monthly "On Time Invoice Payment Report"	80%	76%	80%	75%	80%
Percentage of annual reserves targets achieved <sup>2</sup>	100%	83%	92%	67%	TBD
Percentage of departments with actuals within 5% of projections	90%	80%	90%	85%	90%
Percentage variance between Major General Fund revenue projections versus year-end actuals	2.00 %	0.00 %	2.00 %	1.00 %	2.00 %
Percentage of Annual Adopted and Added CIP Budget expended/committed <sup>3</sup>	100%	128%	125%	137%	125%

1. The Comprehensive Annual Financial Report (CAFR) is completed one fiscal year in arrears.
2. This KPI is currently dependent on decisions pending the Proposed Budget. Expect an update in May.
3. The calculation for FY 2021 has been modified to better reflect the spending rate of the Capital Budget. This modified calculation puts a higher emphasis on expenditures vs obligation of funding

# Department of Finance

## Department Summary

	FY2020 Actual	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
FTE Positions (Budgeted)	113.27	106.00	110.00	4.00
Personnel Expenditures	\$ 16,863,547	\$ 17,358,303	\$ 18,216,082	\$ 857,779
Non-Personnel Expenditures	1,121,917	1,331,992	1,534,193	202,201
<b>Total Department Expenditures</b>	<b>\$ 17,985,463</b>	<b>\$ 18,690,295</b>	<b>\$ 19,750,275</b>	<b>\$ 1,059,980</b>
<b>Total Department Revenue</b>	<b>\$ 1,954,355</b>	<b>\$ 2,092,153</b>	<b>\$ 2,230,481</b>	<b>\$ 138,328</b>

## General Fund

### Department Expenditures

	FY2020 Actual	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
Department of Finance	\$ 2,722,172	\$ 3,076,930	\$ 3,337,912	\$ 260,982
External Financial Reporting	6,999,085	6,404,844	7,092,420	687,576
Financial Planning & Disbursements	3,760,109	4,145,747	4,303,487	157,740
Internal Financial Reporting	4,504,097	5,062,774	5,016,456	(46,318)
<b>Total</b>	<b>\$ 17,985,463</b>	<b>\$ 18,690,295</b>	<b>\$ 19,750,275</b>	<b>\$ 1,059,980</b>

### Department Personnel

	FY2020 Budget	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
Department of Finance	8.27	5.00	5.00	0.00
External Financial Reporting	24.00	37.00	41.00	4.00
Financial Planning & Disbursements	33.00	28.00	29.00	1.00
Internal Financial Reporting	48.00	36.00	35.00	(1.00)
<b>Total</b>	<b>113.27</b>	<b>106.00</b>	<b>110.00</b>	<b>4.00</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	\$ 362,481	\$ -
<b>Addition of External Reporting Support</b> Addition of 1.00 Principal Accountant to support the External Reporting section, which is currently a filled supplemental position.	1.00	152,305	-
<b>Invoice Processing Support</b> Addition of 2.00 Administrative Aides 2s to conduct a pilot to centralize invoice processing in the City.	2.00	142,452	-
<b>Personnel Expenditure Planning Team Support</b> Addition of 1.00 Program Coordinator to support negotiations with recognized employee organizations, which is currently a filled supplemental position.	1.00	140,959	-

# Department of Finance

## Significant Budget Adjustments

	FTE	Expenditures	Revenue
<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	66,796	-
<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	61,846	-
<b>Accounts Payable Audit Services</b> Addition of non-personnel expenditures offset by an increase in revenues from Accounts Payable audit services.	0.00	50,000	100,000
<b>Support for Information Technology</b> Adjustment to expenditure allocations according to a zero-based annual review of information technology requirements.	0.00	96,617	-
<b>Payroll Support</b> Reclassification of 1.00 Finance Analyst 4 to a Program Coordinator in the Payroll Section.	0.00	(2,264)	-
<b>Citywide Contracts Reduction of 2.6%</b> Reduction of non-personnel expenditures associated with a 2.6% reduction in contracts citywide.	0.00	(11,212)	-
<b>Adjustment to Gas Tax Allocation</b> Adjustment to Gas Tax revenue for Fiscal Year 2022 due to revised State of California Gas Tax Projections.	0.00	-	16,250
<b>One-Time Additions and Annualizations</b> Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2021.	0.00	-	14,200
<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	-	12,878
<b>Transient Occupancy Tax (TOT) Transfer</b> Adjustment to reflect revised revenue from the TOT Fund.	0.00	-	(5,000)
<b>Total</b>	<b>4.00 \$</b>	<b>1,059,980 \$</b>	<b>138,328</b>

## Expenditures by Category

	FY2020 Actual	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 9,735,856	\$ 9,916,405	\$ 10,329,112	412,707
Fringe Benefits	7,127,691	7,441,898	7,886,970	445,072
<b>PERSONNEL SUBTOTAL</b>	<b>16,863,547</b>	<b>17,358,303</b>	<b>18,216,082</b>	<b>857,779</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 90,108	\$ 111,312	\$ 112,167	855
Contracts	396,106	522,370	583,676	61,306
Information Technology	546,350	594,722	691,339	96,617

# Department of Finance

## Expenditures by Category

	FY2020 Actual	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
Energy and Utilities	84,368	93,788	137,211	43,423
Other	4,985	9,800	9,800	-
<b>NON-PERSONNEL SUBTOTAL</b>	<b>1,121,917</b>	<b>1,331,992</b>	<b>1,534,193</b>	<b>202,201</b>
<b>Total</b>	<b>\$ 17,985,463</b>	<b>\$ 18,690,295</b>	<b>\$ 19,750,275</b>	<b>\$ 1,059,980</b>

## Revenues by Category

	FY2020 Actual	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
Charges for Services	\$ 1,754,232	\$ 1,992,153	\$ 2,030,481	\$ 38,328
Other Revenue	194,519	100,000	200,000	100,000
Transfers In	5,604	-	-	-
<b>Total</b>	<b>\$ 1,954,355</b>	<b>\$ 2,092,153</b>	<b>\$ 2,230,481</b>	<b>\$ 138,328</b>

## Personnel Expenditures

Job Number	Job Title / Wages	FY2020 Budget	FY2021 Budget	FY2022 Proposed	Salary Range	Total
<b>FTE, Salaries, and Wages</b>						
20000010	Account Audit Clerk	4.00	2.00	2.00	\$ 35,339 - 42,494	\$ 84,138
20000024	Administrative Aide 2	4.00	5.00	7.00	45,448 - 54,766	352,784
20001140	Assistant Department Director	2.00	2.00	2.00	63,128 - 239,138	309,462
20001113	Chief Accountant	1.00	1.00	1.00	50,128 - 184,330	154,731
20001101	Department Director	1.00	1.00	1.00	63,128 - 239,138	202,738
20000924	Executive Assistant	1.00	1.00	1.00	46,467 - 56,202	56,202
20000029	Finance Analyst 2	29.00	0.00	0.00	67,829 - 82,472	-
21000576	Finance Analyst 2	0.00	26.00	26.00	67,829 - 82,472	1,964,674
20000033	Finance Analyst 3	28.00	0.00	0.00	74,651 - 90,709	-
21000577	Finance Analyst 3	0.00	27.00	27.00	74,651 - 90,709	2,409,952
20000043	Finance Analyst 4	10.00	0.00	0.00	92,560 - 112,486	-
21000578	Finance Analyst 4	0.00	10.00	9.00	92,560 - 112,486	1,012,374
20000016	Financial Operations Manager	1.00	0.00	0.00	30,160 - 158,142	-
20001172	Financial Operations Manager	5.00	6.00	6.00	30,160 - 158,142	800,340
20000293	Information Systems Analyst 3	1.00	1.00	1.00	63,336 - 76,586	76,586
90001073	Management Intern- Hourly	2.27	0.00	0.00	30,160 - 31,200	-
20000681	Payroll Audit Specialist 2	5.00	5.00	5.00	46,696 - 56,534	282,670
20000936	Payroll Audit Supervisor	1.00	1.00	1.00	56,451 - 68,182	68,182
20000680	Payroll Specialist 2	1.00	1.00	1.00	40,726 - 49,171	47,450
20000021	Principal Accountant	3.00	0.00	0.00	30,160 - 162,032	-
20001182	Principal Accountant	10.00	13.00	14.00	30,160 - 162,032	1,686,695
20000025	Program Coordinator	1.00	0.00	0.00	30,160 - 147,160	-
20000046	Program Coordinator	1.00	0.00	0.00	30,160 - 147,160	-
20001234	Program Coordinator	1.00	3.00	5.00	30,160 - 147,160	509,162
20000054	Senior Account Audit Clerk	1.00	1.00	1.00	40,414 - 48,734	48,734
	Budgeted Personnel Expenditure Savings					(67,829)
	Overtime Budgeted					50,000
	Vacation Pay In Lieu					280,067



# Department of Finance

## Personnel Expenditures

Job Number	Job Title / Wages	FY2020 Budget	FY2021 Budget	FY2022 Proposed	Salary Range	Total
<b>FTE, Salaries, and Wages Subtotal</b>		<b>113.27</b>	<b>106.00</b>	<b>110.00</b>		<b>\$ 10,329,112</b>

	FY2020 Actual	FY2021 Budget	FY2022 Proposed	FY2021-2022 Change
<b>Fringe Benefits</b>				
Employee Offset Savings	\$ 107,375	\$ 108,334	\$ 93,591	\$ (14,743)
Flexible Benefits	1,327,459	1,397,263	1,465,420	68,157
Insurance	284	-	-	-
Long-Term Disability	-	34,851	41,886	7,035
Medicare	146,788	145,016	144,365	(651)
Other	13,682	-	-	-
Other Post-Employment Benefits	672,704	698,529	677,761	(20,768)
Retiree Medical Trust	9,836	11,270	12,259	989
Retirement 401 Plan	8,068	6,753	9,716	2,963
Retirement ADC	4,040,099	4,187,453	4,562,638	375,185
Retirement DROP	13,727	11,200	17,336	6,136
Risk Management Administration	129,800	117,549	117,393	(156)
Supplemental Pension Savings Plan	621,892	684,252	670,373	(13,879)
Unemployment Insurance	15,028	15,467	15,190	(277)
Workers' Compensation	20,949	23,961	59,042	35,081
<b>Fringe Benefits Subtotal</b>	<b>\$ 7,127,691</b>	<b>\$ 7,441,898</b>	<b>\$ 7,886,970</b>	<b>\$ 445,072</b>
<b>Total Personnel Expenditures</b>			<b>\$ 18,216,082</b>	



**Page Intentionally Left Blank**