

Debt Management



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Department Description

The Debt Management Department conducts planning, structuring, and issuance activities for all City financings to fund cash flow needs and to provide funds for capital projects, essential equipment, and vehicles.

Bond financings are conducted for capital projects funded and secured by the General Fund and the enterprise funds, as well as financings supported by dedicated revenue sources such as the San Diego Redevelopment Successor Agency and special districts. The Department also administers certain short- and medium-term financing mechanisms, including capital leases and loans.

The Department coordinates and monitors various post-issuance administrative functions related to bond financings and capital leases. The Department regularly reviews outstanding obligations for refunding opportunities and timely refinances lowering interest costs. The Department manages credit and investor outreach function providing information to current bondholders, prospective investors, and rating agencies that monitor the City's credit profile.

The Department 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 Department's mission is:

To effectively plan, implement, and manage City debt obligations

The Department's vision is:

Strong debt management to achieve citywide financing priorities

Debt Management

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

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Key Performance Indicators

Performance Indicator	Target ¹ FY2015	Actual ¹ FY2015	Estimated ² FY2016	Target FY2017
1. Debt payments made to bond trustees on time	100%	100%	100%	100%
2. Percentage of disclosures for outstanding bonds filed in a timely manner to investor outreach webpages consistent with continuing disclosure agreements	100%	100%	100%	100%
3. City public bond offerings comparably priced to similar credits	100%	100%	100%	100%
4. Percentage of bond-related investments that are actively evaluated and re-invested as they come to term	N/A	N/A	N/A	100%
5. Percentage of eligible outstanding debt monitored annually to evaluate potential refunding opportunities	N/A	N/A	N/A	100%

1. During Fiscal Year 2016, new department tactical plans and key performance indicators were developed. As such, Fiscal Year 2015 data may be unavailable.
2. New performance indicators for Fiscal Year 2016. Some baseline data is currently under development.



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Department Summary

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016–2017 Change
FTE Positions (Budgeted)	19.00	19.00	21.00	2.00
Personnel Expenditures	\$ 2,346,046	\$ 2,420,131	\$ 2,748,510	\$ 328,379
Non-Personnel Expenditures	177,587	338,697	399,908	61,211
Total Department Expenditures	\$ 2,523,633	\$ 2,758,828	\$ 3,148,418	\$ 389,590
Total Department Revenue	\$ 932,179	\$ 711,645	\$ 910,863	\$ 199,218

General Fund

Department Expenditures

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016–2017 Change
Debt Management	\$ 2,523,633	\$ 2,758,828	\$ 3,148,418	\$ 389,590
Total	\$ 2,523,633	\$ 2,758,828	\$ 3,148,418	\$ 389,590

Department Personnel

	FY2015 Budget	FY2016 Budget	FY2017 Proposed	FY2016–2017 Change
Debt Management	19.00	19.00	21.00	2.00
Total	19.00	19.00	21.00	2.00

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Addition of Infrastructure and Public Utilities Loan Program Unit	3.00	\$ 339,373	\$ 324,218
Addition of 1.00 Program Manager, 1.00 Senior Management Analyst, 1.00 Associate Management Analyst, and associated non-personnel expenditures to implement and administer the Infrastructure and Utilities Loan Program.			
Otay Mesa Enhanced Infrastructure Financing District	0.00	150,000	-
Addition of non-personnel expenditures for legal and financial consultant services associated with the formation of the Otay Mesa Enhanced Infrastructure Financing District.			
Salary and Benefit Adjustments	0.00	93,802	-
Adjustments to reflect the annualization of the Fiscal Year 2016 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.			
Equipment/Support for Information Technology	0.00	1,415	-
Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.			
Employee Rewards and Recognition Program	0.00	865	-
Addition of non-personnel expenditures to comply with the Employee Rewards and Recognition Program per Administrative Regulation 95.91.			

Debt Management

Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
Non-Discretionary Adjustment	0.00	31	-
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.			
Expenditure Reduction	0.00	(9,100)	-
Reduction in personnel and non-personnel expenditures due to savings in printing services, copier paper, postage/ mailing and overtime.			
Reduction of 1.00 Associate Economist	(1.00)	(86,796)	-
Reduction of 1.00 Associate Economist position due to a reorganization within the department.			
One-Time Reductions and Annualizations	0.00	(100,000)	-
Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2016.			
Revised Property Tax Administration Revenue	0.00	-	(50,000)
Adjustment to reflect a decrease in Property Tax Administration revenue due to ending Reassessment District No.1999-1 Administration Services in Fiscal Year 2017.			
Revised Revenue	0.00	-	(75,000)
Adjustment to reflect a decrease in revenue due to a revised Service Level Agreement with the Public Utilities Department.			
Total	2.00	\$ 389,590	\$ 199,218

Expenditures by Category

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
PERSONNEL				
Personnel Cost	\$ 1,461,315	\$ 1,515,483	\$ 1,757,846	\$ 242,363
Fringe Benefits	884,731	904,648	990,664	86,016
PERSONNEL SUBTOTAL	2,346,046	2,420,131	2,748,510	328,379
NON-PERSONNEL				
Supplies	\$ 20,947	\$ 23,292	\$ 19,388	\$ (3,904)
Contracts	78,438	240,442	305,793	65,351
Information Technology	54,735	46,791	48,206	1,415
Energy and Utilities	19,747	22,123	20,472	(1,651)
Other	3,720	5,049	5,049	-
Capital Expenditures	-	1,000	1,000	-
NON-PERSONNEL SUBTOTAL	177,587	338,697	399,908	61,211
Total	\$ 2,523,633	\$ 2,758,828	\$ 3,148,418	\$ 389,590

Revenues by Category

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
Charges for Services	\$ 932,147	\$ 711,645	\$ 910,863	\$ 199,218
Other Revenue	33	-	-	-
Total	\$ 932,179	\$ 711,645	\$ 910,863	\$ 199,218

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Personnel Expenditures

Job Number	Job Title / Wages	FY2015 Budget	FY2016 Budget	FY2017 Proposed	Salary Range	Total
FTE, Salaries, and Wages						
20000149	Associate Economist	3.00	3.00	2.00	\$54,059 - \$65,333	\$ 104,351
20000119	Associate Management Analyst	2.00	2.00	3.00	54,059 - 65,333	183,365
20000539	Clerical Assistant 2	1.00	1.00	1.00	29,931 - 36,067	34,805
20001101	Department Director	1.00	1.00	1.00	59,155 - 224,099	165,000
20001234	Program Coordinator	7.00	7.00	7.00	23,005 - 137,904	670,000
20001222	Program Manager	2.00	2.00	3.00	46,966 - 172,744	346,312
20000015	Senior Management Analyst	2.00	2.00	3.00	59,363 - 71,760	215,280
20000756	Word Processing Operator	1.00	1.00	1.00	31,491 - 37,918	37,918
	Overtime Budgeted					769
	Sick Leave - Hourly					46
FTE, Salaries, and Wages Subtotal		19.00	19.00	21.00		\$ 1,757,846
		FY2015 Actual		FY2016 Budget	FY2017 Proposed	FY2016–2017 Change
Fringe Benefits						
	Employee Offset Savings	\$ 19,118	\$ 19,213	\$ 19,547	\$ 334	
	Flexible Benefits	155,557	190,075	221,490	31,415	
	Insurance	115	-	-	-	
	Long-Term Disability	13,186	4,929	5,604	675	
	Medicare	19,271	19,311	24,177	4,866	
	Other Post-Employment Benefits	115,493	111,834	124,299	12,465	
	Retiree Medical Trust	1,285	1,337	2,090	753	
	Retirement 401 Plan	3,059	3,278	3,759	481	
	Retirement ADC	447,533	424,946	448,363	23,417	
	Retirement DROP	3,959	5,490	4,934	(556)	
	Risk Management Administration	16,666	19,950	21,483	1,533	
	Supplemental Pension Savings Plan	72,315	78,571	97,175	18,604	
	Unemployment Insurance	3,070	2,826	3,215	389	
	Workers' Compensation	14,102	22,888	14,528	(8,360)	
Fringe Benefits Subtotal		\$ 884,731	\$ 904,648	\$ 990,664	\$ 86,016	
Total Personnel Expenditures					\$ 2,748,510	