



# Financial Highlights

County of San Mateo, Fiscal Year Ended June 30, 2002

December 20, 2002

## Board of Supervisors

Mark Church, First District  
Jerry Hill, President, Second District  
Richard S. Gordon, Third District  
Rose Jacobs Gibson, Fourth District  
Michael D. Nevin, Fifth District

## County Manager

John Maltbie

## County Controller

Tom Huening

Visit the County's website at  
[www.co.sanmateo.ca.us](http://www.co.sanmateo.ca.us)

View the Highlights online at  
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[thuening@co.sanmateo.ca.us](mailto:thuening@co.sanmateo.ca.us)

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The County's Comprehensive Annual Financial Report (CAFR) is available online at the County website, [www.co.sanmateo.ca.us/controller](http://www.co.sanmateo.ca.us/controller), as well as at all public libraries in the County. The financial information in this report is derived from the CAFR and has been summarized for readability.

This report highlights the significant financial and economic activity of San Mateo County, California for the fiscal year (FY) ended June 30, 2002 with significant later events noted.

## Economic Indicators

San Mateo County is experiencing a recession. The local economy sputtered with the market corrections in the technology sector, the State's energy and budget crises, and the tragic events of 9/11 that created economic hardships for the hospitality, transportation and service sectors. The California slowdown will continue for the next several years since state financial solutions have borrowed from the future. Recovery will be slow.

## Financial Indicators

Sales tax revenue decreased because of the sustained market decline in the technology sector, higher unemployment, the declining of the stock markets, far fewer visitors to the area, and a lack of consumer confidence. Only residential real estate remains strong due to historically low interest rates and the viability of real property as an attractive investment alternative.



Beach, Half Moon Bay, CA courtesy of Jim Brick

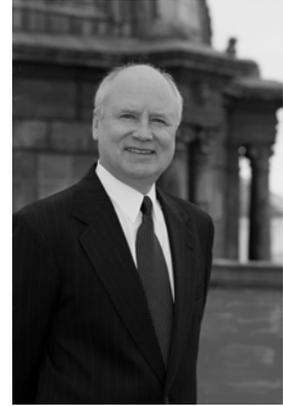
Published by the County Controller, Tom Huening  
Certified Public Finance Officer and Certified Internal Auditor (650) 363-4777

## *A Message from Controller Tom Huening*

This *Financial Highlights* publication is intended to provide the general public with an easy to read overview of the County government's financial condition. The information contained in this report is derived from the County of San Mateo's Comprehensive Annual Financial Report (CAFR). Copies of the CAFR are available at all public libraries and the Controller's website, [www.co.sanmateo.ca.us/controller](http://www.co.sanmateo.ca.us/controller).

We have included media highlights in an effort to enhance areas of importance that have been reported on by the media. We extend our thanks to the publishers, editors, reporters and media outlets for their coverage of the County's *money, taxes, services, issues and events*. The headlines throughout this publication help illustrate the County's FY 01-02 financial condition, its major governance issues, as well as the services and accomplishments of County departments and agencies.

The financial condition of the State and local economy has dampened the tremendous momentum of the last several years. Although the County's governmental fund revenues grew 6.8% in FY 01-02, we expect very limited growth in the coming year.



### **San Mateo County Awaits Tighter Budget**

San Jose Mercury News, June 22, 2002

The San Mateo County economy mirrored the economic downturns experienced by the State and the U.S. due to the energy crisis, the "tech-wreck" or market correction of the technology sector and accelerated by the tragic events of September 11, 2001.

Next year's outlook for the County is gloomy. County's finances are inextricably linked to the State's budget which is in deep trouble. Fifty-six percent of the County's revenue comes from State and federal funding. Economic recovery is several years away.

The County governance agenda featured issues and projects associated with transportation, growth and infrastructure improvements. Newsworthy and noteworthy are the following:

- √ Caltrans completed the expansion of the east-west span of the San Mateo Bridge in October. This added an additional three lanes to the bridge span and relieved serious congestion problems.
- √ Another transportation link, Caltrain, the north-south railroad that runs between San Francisco and south of San Jose, closed weekend service in April to begin a 3-year project to add a "Baby Bullet" express train between these cities.
- √ The decade long Bay Area Rapid Transit (BART) to San Francisco International Airport (SFO) project, featuring new four stations and an airport connect, was 96% complete by July 2002. The Millbrae station will become an intermodal cross-platform connection linking CalTrain commuter rail, SFO Rapid Airport Rapid Transit, and the County's bus system with the rest of the BART system. The stations are expected to open in April 2003.

### **County Guaranteed Voice on SFO Expansion Plans- Davis OKs Bill Pushed by Peninsula Officials**

San Francisco Chronicle, October 6, 2001

- √ SFO, located in the heart of San Mateo County, launched a controversial project to add runways. The project's outcome remains uncertain. San Mateo County is now involved in the expansion decision-making process.

### **Give All Users A Say In Hetch Hetchy**

San Jose Mercury News, October 29, 2001

- √ Calls for improvements to the Hetch-Hetchy water supply system, a 167 mile system that affects several Bay Area counties and 2.4 million residents dominated the headlines. A \$1.6 billion bond measure to pay for the improvements passed in the November 2002 election in San Francisco. San Mateo County and the other 29 suburban partners will contribute an additional \$2 billion for their share of the upgrade of this critical infrastructure.

These issues and projects have a direct economic impact in terms of jobs, quality of life and public expense. San Mateo County has the challenge of finding creative, cost effective solutions to meet both current and future needs of our residents.

# Key Indicators of the Sagging Local Economy...

## San Mateo County, Known For Wealth, Socked by Slump

San Jose Mercury News, November 21, 2001

### Employment

Unemployment rose for the first time in 10 years. It averaged 4% for the fiscal year climbing to 4.7% by fiscal yearend, nearly reaching the decade high of 5%. Many people lost jobs. Last year's unemployment rate averaged only 1.6%.

### Income

Per capita income has grown steadily. The most recent data from the FY 98-99 showed per capita income had reached \$47,146, a growth of \$14,290 or 43% in seven years. Subsequent years are estimated at a 6% rate of growth.

### Retail Sales

Retail sales languished. People had less discretionary spending money. County sales tax revenues dropped 20% or \$3.6 million compared with the prior year.

## Office Projects Sit Idle, Bay Area Vacancy Rate 16.4%, Highest in Years



San Jose Mercury News, October 3, 2001

### Real Estate

**Commercial.** With nearly 34 million square feet (s.f.) of net rentable office space, the technology sector collapse savaged the office rental market. Vacancy rates climbed from 14.5% to 22.8% at yearend. (Compare that with an office market vacancy rate of 2.7% in July 2000). An additional 2.5 million s.f. of newly constructed office space became available in FY 01-02, too. Rents that ran \$6-\$12 per square feet per month (s.f./mo.) in the prior fiscal year are now less than \$3.00 per s.f./mo. Pre-leased office space under construction has become the new sublease market. Total construction valuation has declined substantially.

## How High Can Home Costs Go? California Castles in the Air Defy the Law of Gravity

San Francisco Chronicle, April 7, 2002

**Residential.** Housing prices continued to climb. The median price for a single family home was \$640,000 by fiscal yearend, a 9.5% increase over last year. Rock bottom interest rates made real estate an attractive investment alternative to the stock market. Construction of new dwelling units continues to lag, artificially inflating values of existing housing.

### Tourism

Tourism is an important industry for San Mateo County providing service sector jobs and sales tax and transient occupancy tax revenues from visitors.

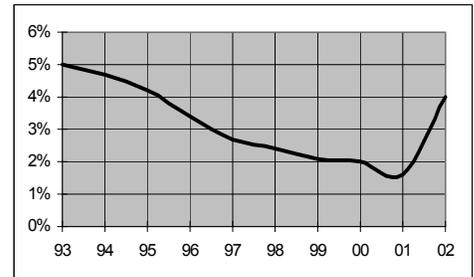
## Bay Area Hotels Struggle to Fill Rooms

San Jose Mercury News, December 5, 2001

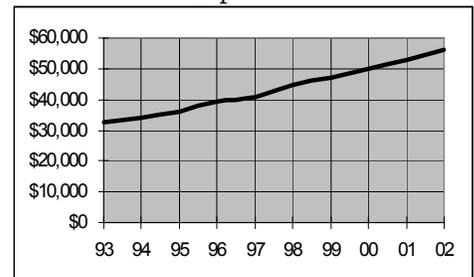
Located in the heart of San Mateo County, SFO experienced a 21% drop in airline travel this year (31.6 million passengers compared to last year's 40 million passengers). United Airlines, the County's largest taxpayer and employer, cut the number of flights offered by 25% and reorganized in Chapter 11 Bankruptcy in December 2002.

With 15,000+ hotel rooms in the County, the drop in travel shook hoteliers. Occupancy rates fell 13%. Rack rates dropped 25% to encourage travel.

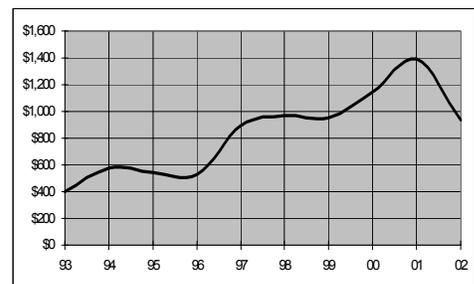
Unemployment Rate



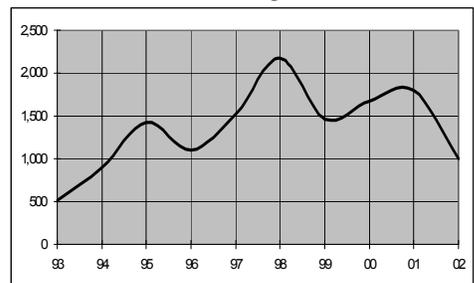
Per Capita Income



Construction Valuation  
(in millions)



New Dwelling Units



# Financial Summary - Statement of Activities

Revenues	FY 01-02	FY 00-01
	<i>(Dollars in Thousands)</i>	
Governmental Activities:		
General Government	\$ 38,128	\$ 44,684
Public Protection	125,613	119,773
Public Ways and Facilities	17,618	21,118
Health and Sanitation	121,917	117,521
Public Assistance	134,917	127,112
Education	3	6
Recreation	<u>1,230</u>	<u>1,297</u>
Total Governmental Activities	<u>439,426</u>	<u>431,511</u>
Business-type Activities:		
San Mateo County General Hospital	74,639	100,685
Community Health Clinics	36,292	39,290
Airports (San Carlos & Half Moon Bay)	1,941	1,696
Coyote Point Marina	1,087	1,497
Housing Authority	<u>46,294</u>	<u>32,679</u>
Total Business-type Activities	<u>160,253</u>	<u>175,847</u>
General Revenues:		
Taxes:		
Property Taxes	139,879	130,871
Property Transfer Taxes	4,984	5,534
Sales and Use Taxes	16,155	18,243
Transient Occupancy Taxes	666	766
Aircraft Taxes	1,336	1,166
Other	--	1,776
Motor Vehicle In-Lieu Taxes	46,295	44,814
Unrestricted Interest and Investment Earnings	23,520	28,896
Miscellaneous	<u>28,719</u>	<u>12,087</u>
Total General Revenues	<u>261,554</u>	<u>244,153</u>
<b>Total Revenues</b>	<b><u>861,233</u></b>	<b><u>851,511</u></b>
<b>Expenses</b>		
Governmental Activities:		
General Government	61,071	50,942
Public Protection	204,037	191,195
Public Ways and Facilities	24,925	15,611
Health and Sanitation	154,955	142,654
Public Assistance	169,021	149,934
Education	194	179
Recreation	8,011	7,277
Interest on Long Term Debt	<u>14,677</u>	<u>13,866</u>
Total Governmental Activities	<u>636,891</u>	<u>571,658</u>
Business-type Activities:		
San Mateo County General Hospital	98,907	114,694
Community Health Clinics	43,492	43,912
Airports (San Carlos & Half Moon Bay)	1,525	1,591
Coyote Point Marina	1,027	1,260
Housing Authority	<u>48,314</u>	<u>34,052</u>
Total Business-type Activities	<u>193,265</u>	<u>195,509</u>
<b>Total Expenses</b>	<b><u>830,156</u></b>	<b><u>767,167</u></b>
Special Items (See CAFR)	<u>(13,043)</u>	<u>495</u>
<b>Change in Net Assets</b>	<b><u>18,034</u></b>	<b><u>84,839</u></b>
Net Assets-Beginning, as Previously Reported	597,452	512,613
Prior Period Adjustment	<u>5,401</u>	<u>--</u>
Net Assets-Beginning, as Restated	<u>602,853</u>	<u>512,613</u>
Net Assets-Ending	<u>\$ 620,887</u>	<u>\$ 597,452</u>

# Financial Trends

## Total Revenue and Expenses

For the FY 01-02, the County's total revenues were \$861 million, \$10 million more than FY 00-01. Total expenses were \$830 million for FY 01-02, \$63 million more than the prior fiscal year. The difference between revenues and expenses less special items results in an increase in net assets for each of the last two years.

## Net Assets Increase

In FY 01-02, the County's total net assets increased \$18 million to \$620.9 million a 4% increase over the prior year. Governmental activities increased the net assets by \$39 million. However, the increase was partially offset by the \$21 million decrease in business-type activities net assets.

Unrestricted Net Assets	\$241.7 million
Restricted Net Assets	76.2 million
Capital Assets, net of debt	<u>303.0 million</u>
<b>TOTAL</b>	<b>\$ 620.9 million</b>

(The recommended budget for the FY 02-03 is \$1,166.2 million, a decrease from the final FY 01-02 budget of \$64.7 million (5.3%). Note that the FY 01-02 \$1.2 billion budget requirements include fund balances and other equities and do not equate to total revenues and expenses.)

## Outstanding Debt Increased

In 2001 the County issued \$33 million in new revenue bonds to acquire a microwave and law enforcement mutual aid communications system, a sheriff's radio system and to build a forensics (crime) laboratory. Other debt was retired so the County's outstanding debt increased a net of \$26 million to a total of \$300 million.

The County's cost to service this debt was \$20 million in FY 01-02, well below the legal debt service limit (maximum allowable) of \$34 million.

The overall County government debt burden is \$419 per capita or 0.32% of assessed value. This ratio indicates conservative borrowing and helps the County maintain the high underlying credit ratings of A+ by Standard and Poors and AA by Moody's.

## County Investment Pool

For FY 01-02, the Treasury earned 4.02% for pool participants; this compares with an average yield of 5.64% earned in the prior year.

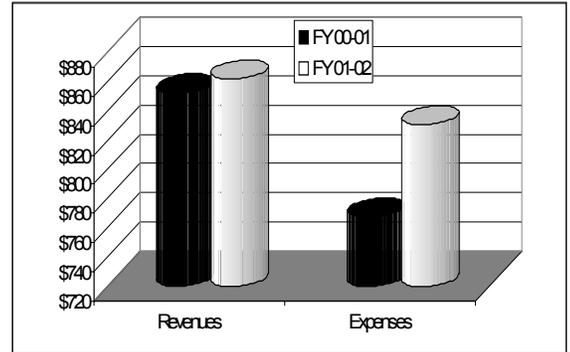
The County Investment Pool has four goals: safety, liquidity, yield and public trust.

The County Treasurer manages the investment pool.

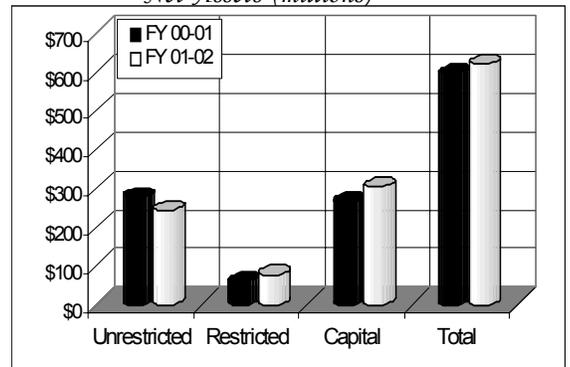
## Fed Holds the Line on Interest Uncertainty About Recovery's Strength Keeps Rates at 40-year Low

San Francisco Chronicle, May 8, 2002

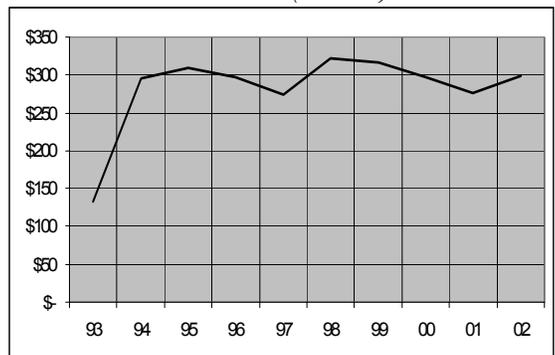
Total Revenues and Expenses (millions)



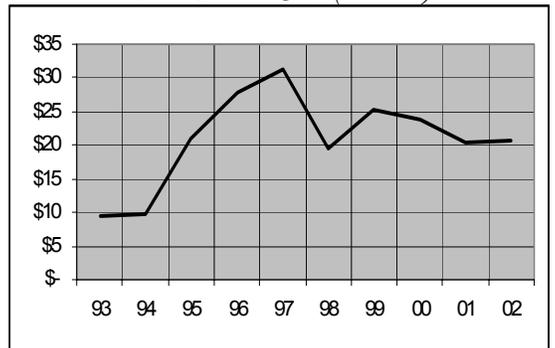
Net Assets (millions)



Total Debt (millions)



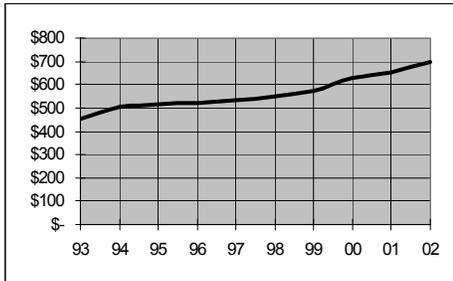
Debt Service Cost (millions)



The historical data in both debt charts were for governmental funds only and have been adjusted to the 2002 value of the dollar.

# ...The Last Decade of County/Governmental Revenues

Total Revenues (millions)



In FY 01-02, ninety-two percent of the County's **governmental fund revenues** came from three sources: 1) Taxes, 2) Intergovernmental Revenues from the State and federal government and 3) Charges for Services. Fluctuations in these revenue sources directly and immediately impact County operations in any fiscal year.

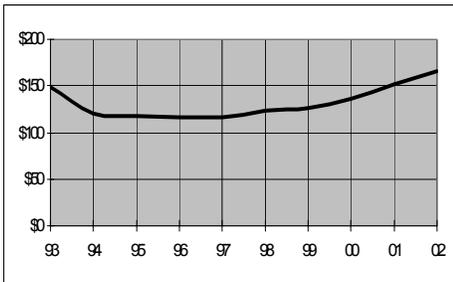
## Davis Budget Panics Counties-Cuts Would Be Devastating to Local Government

San Francisco Chronicle, May 17, 2002

### Total Revenues

Revenues for the County increased by 6.8%  
This is the tenth consecutive year that total revenues have increased.

Total Taxes (millions)

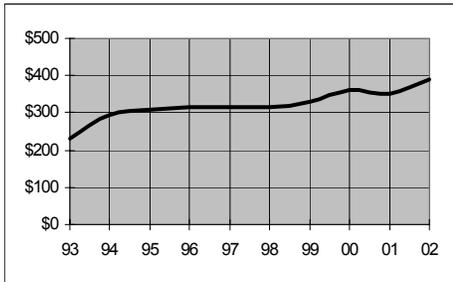


### Taxes (24% of Total Revenues)

Counties receive tax revenues that are generated locally from a range of sources. San Mateo County's tax revenues come from a *portion* of property taxes and sales taxes, transient occupancy taxes collected from hotel room stays, aircraft taxes, property transfers taxes when homes are sold, and delinquent tax penalties.

- Property taxes increased 17.7% to \$144.8 million.
- Retail sales taxes (counties receive a 1% share) were down 7% to \$13.4 million.
- Transient occupancy tax (TOT) collections were \$660,000 down 15% from the prior year. This 15% decrease reflected the drop in tourism post 9/11. The SFO Airport Hotel was torn down two years ago during the SFO Upgrade Project, resulting in a \$1 million loss of TOT to the County. No new hotel has been built.
- Property transfer taxes decreased 11% down to \$5 million indicating fewer home sales.
- Aircraft taxes increased 13% to \$1.4 million over the prior year.
- Total taxes were up 8.4% to \$165.3 million.

Total Intergovernmental (millions)



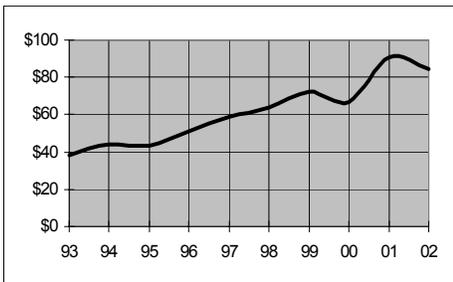
## State Giveth Then The State Taketh Away

San Francisco Chronicle, February 8, 2002

### Intergovernmental (56% of Total Revenues)

As an arm of State government, the County receives funding to provide mandated programs locally. These federal and State dollars comprised 56% of the County's funding. These funds were used to operate the hospital and clinics, provide mental health services, and help people get back on their feet by providing public assistance. Total intergovernmental resources increased 11% to \$391.5 million.

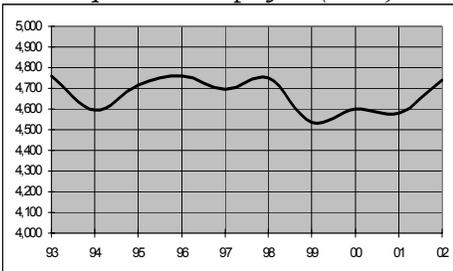
Total Charges for Services (millions)



### Charges for Services (12% of Total Revenues)

Revenues from Charges for Services declined 8%, or \$6.9 million from the prior year.

Number of County Full-time Equivalent Employees (FTEs)



### Miscellaneous Revenue Sources (8% of Total Revenues)

Miscellaneous revenue sources included: Licenses and Permits, Use of Money and Property, Forfeitures and Penalties, and a category simply called Other.

The above charts depict information for all governmental funds for fiscal years ended June 30th. For greater detail, the Comprehensive Annual Financial Report is available online at [www.sanmateo.ca.us/controller](http://www.sanmateo.ca.us/controller).

# Fiscal Year 2002-03 Controller Forecast

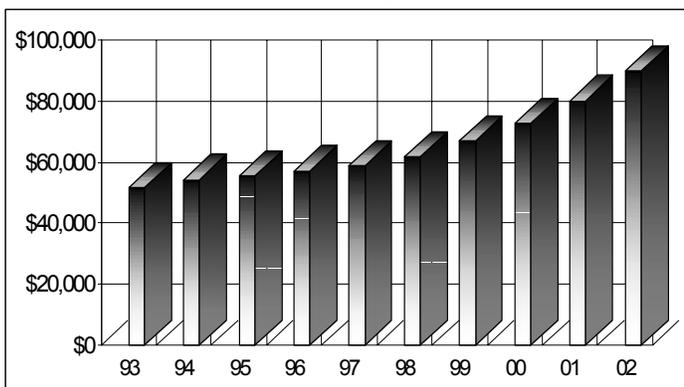
## Top Ten Taxpayers

(in millions)

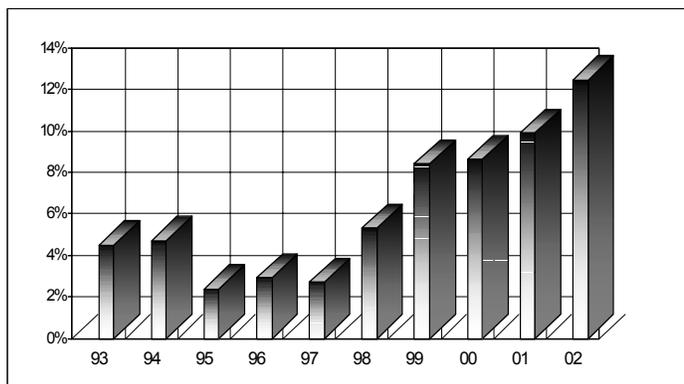
	FY 01-02 Assessed Value
<b>United Airlines</b>	<b>\$2,549</b>
<b>Genentech, Inc.</b>	<b>666</b>
<b>Oracle Corporation</b>	<b>516</b>
<b>Sun Microsystems</b>	<b>477</b>
<b>Pacific Gas &amp; Electric</b>	<b>467</b>
<b>Pacific Bell</b>	<b>363</b>
<b>American Airlines</b>	<b>356</b>
<b>Delta Airlines</b>	<b>252</b>
<b>Pacific Shores Development</b>	<b>214</b>
<b>SPK-Metro Center</b>	<b>190</b>

## Change in Assessed Value of Property in the County

(in millions)



## Percent Change in Assessed Value of Property in the County



## Leaner Times Ahead

San Mateo County, like California and the United States, is experiencing a recession. **Sales tax revenue** decreased 20% because of the sustained market decline in the technology sector, higher unemployment, the decline in the stock markets, fewer travelers and a decline in consumer confidence. **Unemployment** reached 4.7% from the prior yearend 2.9%.

**Office Vacancy** rates started high at 15% and climbed higher to 23% at yearend compared to a low of 3% a year earlier. Estimates to absorb the new and existing vacant office space range from two to four years.

**Property Assessed Values** and corresponding tax collections increased 12.5% despite rollbacks in unsecured property assessments for the airlines. Three airlines are among our top ten taxpayers and are experiencing financial turbulence. United Airlines, the County's largest employer, recently filed Chapter 11 bankruptcy. General revenues from San Francisco International Airport, located in San Mateo County, are down because of double-digit declines in passengers, cargo and mail, and parking revenues.

Taxes collected locally, laundered and shrunk by State and federal government, and returned to the County amount to more than 50% of our budgeted revenues. Substantial **California budget shortfalls**, including a governor-proposed \$10 billion midyear cut, will negatively impact County and city budgets.

**Health care costs** are generally rising. In FY 01-02, the County's hospital and clinics posted an operating deficit and required a general fund subsidy of \$24.5 million. Cost containment and restructuring moves are underway.

Unreserved **fund balances** increased to \$269.5 million due to a hiring freeze and other cost containment measures. However, the entire amount is appropriated in the FY 02-03.

The County has yet to feel the full impact of the local and national recession and the corresponding cuts in local, State, and federal revenues. Additional service level cuts will be required in the coming months and years. Fortunately, San Mateo County continues the tradition of avoiding major layoffs through careful planning and maintaining adequate reserves.

# Service Efforts & Accomplishment Highlights

## Policy & Executive

### **Shared Vision 2010**

The County Board of Supervisors published the Shared Vision 2010 after a year long process of meeting with hundreds of county residents, stakeholders, and community leaders to articulate a shared vision for the County's future. It prioritized 10 commitments and 25 goals for meeting the needs of the people in this County. To read the *Shared Vision 2010--The Promise of the Peninsula*, go to the County's website under the Board of Supervisors link @ [www.sanmateo.co.ca.us](http://www.sanmateo.co.ca.us).

### **San Mateo County Leaders Back Health Care Proposal**

San Jose Mercury News, May 18, 2002

### **Board Addresses Many Complex Issues**

Health care, housing and growth issues dominated the agenda. The Board pledged matching funds that will lead to near-universal care for uninsured children between 6 and 18 years old in San Mateo County. The Healthy Families Program is a State- and federally-funded health coverage program for children with family incomes above the level eligible for no cost Medi-Cal and below 250% of the federal income guidelines (\$36,576 for a family of three).

### **Affordable Housing Plan Now Needs Supervisors' Help**

San Jose Mercury News  
October 26, 2001

Housing is a priority of the Board of Supervisors. They initiated a program to help first-time homebuyers.

Key public policy issues encompass a wide spectrum of issues--the economy, land use, congestion management, health care, housing, transportation, equity, access, public safety, and quality of life.

### **Budget Provides Broad Range of Services**

The Board of Supervisors approves budgets and oversees a broad range of government services. The Board holds a weekly public meeting and budget hearings as well as approves budgets that focus on public safety, law and justice, health, mental health, public assistance, public facilities and infrastructure, community resources and general government such as elections and property tax administration.

### **Once-Prosperous County Experiencing Dire Times**

San Jose Mercury News, November 21, 2001

Supervisors approved a countywide hiring freeze on all vacant positions in mid-November 2001 in anticipation of the State funding cuts due to the spiraling budget deficit. Departments were asked to reduce non-personnel expenses by 10% as well.

The County Manager instructed departments to prepare alternate budget versions with budget reductions of 3.5%, 7% and 12%. The final budget, adopted by the Board in September after the State adopted its budget, reflected the 12% reduction plan. County leaders are bracing for the economic downturn and caution that additional midyear budget cuts may follow.

The County's major multi-year labor contracts expired in October 2002. In November, new four-year contracts were negotiated with three unions representing approximately 70 % of the workforce. Approved were salary increases of 4%, 3%, 3% and 4% for each respective year of the contract. In December, similar increases were approved for management and confidential employees.

## General Government

The Information Services Department is the lead agency for a \$9 million, multi-year E-government project to increase public access to County information and services. The internet/intranet project is a priority of the Board of Supervisors.

### **Faster Vote Tallies in San Mateo County-- Software Will Post Results Directly to the Internet**

San Francisco Chronicle, November 6, 2002



San Mateo County Clerk-Assessor-Recorder Warren Slocum made election monitoring easy for the public this election.

Employee & Public Services now advertises job listings for the County (as an employer) and accepts job applications online. In FY 01-02, the County had 4,742 full-time equivalent employees (FTEs) on its payroll.

# Service Efforts & Accomplishment Highlights

## Public Safety



### Crime Rates Up

Public safety is an important indicator of the quality of life. San Mateo County enjoys a well-deserved reputation as one of the safest urban/suburban counties in California. That said, the County and its cities experienced a 10% increase in crime (per the California Crime Index). This rising crime trend parallels the economic downturn in our area.

### Crime Lab Under Construction

A 30,000 s.f. state-of-the-art Crime Lab is under construction and scheduled to open in March 2003. The new lab will provide forensic analysis to support the work of law enforcement. The energy efficient facility will become the home of the Coroner as well as save the County up to \$100,000 a year in lease expense. The total project cost is anticipated to be \$17.7 million with annual debt service of \$730,000.



### September 11th is History-- On to the Future-- First, It's Time to Get Prepared

San Francisco Chronicle, October 25, 2001

The Mutual Aid/Emergency Services Council Joint Powers Authority has undertaken a \$25.6 million upgrade of the County Radio System. The project includes the conversion of the County's analog system to a digital and microwave system. The project will be completed in January 2003. The upgrade of the radio system will bundle a number of radio frequencies in a "pipeline" allowing multiple conversations between agencies and units to take place simultaneously. This will help the County emergency response teams to respond more quickly and effectively in any disaster situation.

## Law & Justice

### \$103.4 Million Youth Services Center in the Planning Stages

The County has begun the planning for a new Youth Services Center. It is a collaborative project expected to meet the needs of juveniles and their families who are involved with our criminal justice and/or social services systems.

When complete, the core Juvenile facilities would include:

- Assessment,
- Male and Female Housing,
- Health and Mental Health Services,
- as well as Educational Facilities.

The County anticipates the construction of a Juvenile Court, Probation Department Administration, Juvenile Probation Area and Community Day School as part of the ultimate build-out of the campus. Total project cost, escalated for inflation, is estimated at \$103.4 million. The County intends to construct the project in phases as funds become available. A State-administered federal juvenile justice grant of \$21 million was received to fund a portion of the Juvenile Hall component. This project will replace the aging, overcrowded Hillcrest Juvenile Facility.

### Voter-Ordered Drug Rehab Promising But Costly-Prop 36 Treatment Requirements Put Counties in a Pinch

San Francisco Chronicle, June 2, 2002

Prop 36, a voter initiative to pay for treatment programs for small-time drug offenders, that passed in 2000 was implemented this year. It has begun to strain the State-allocated budget of \$120 million per year to be split among California's 58 counties that provide the programs. Analysts projected that 24,000 users statewide would receive treatment under Prop 36 each year.

San Mateo County had 500 clients in this first year of the program. Program managers expect the client load to triple in the next two to three years.

# Service Efforts & Accomplishment Highlights

## Health & Sanitation

### Child Care Still Top Problem For Area Families, Study Says

San Jose Mercury News, November 28, 2001

Proposition 10, a ballot initiative known as Children and Families First, increased tobacco taxes to fund early childhood (ages 0-5) development funds. The Children and Families First Commission invests this money in programs and services, including child care, for county families. The County received \$9.8 million in FY 01-02, a 10% increase over the prior year. Grant recipients are posted online at [www.co.sanmateo.ca.us](http://www.co.sanmateo.ca.us) under "First 5 San Mateo County."



The San Mateo Medical Center facility replaces the old Chope Hospital and Crystal Springs Rehabilitation Center.

### San Mateo Hires Health Care Chief--County Hospital Losing Money

San Francisco Chronicle, January 16, 2002

A new Director of Hospital and Clinics operates the brand new facility renamed the San Mateo Medical Center. Public and private hospitals in California are grappling with the escalating costs of delivering of health care. The management challenge is how to rein in the costs of both new and existing services. The General Fund contribution to Hospitals and Clinics operations in FY 01-02 was \$24.6 million.

## Public Assistance

The Human Services Agency (HSA) serves as a catalyst for the creation of a system of public and private efforts directed toward ensuring that all individuals and families become healthy, productive, contributing members of the San Mateo County community.



### Moving-to-Work

This HSA program helps low-income families move from public assistance to economic self-sufficiency. Between 1999 and 2001, San Mateo County's Moving-to-Work caseload increased 74% from 349 to 608. Statewide the Moving-to-Work caseload decreased 12.9%. This success was partly due to the efforts of the Office of Housing to secure additional federal Section 8 housing vouchers linking families on cash aid with affordable housing for program participants. The high cost of housing in this County is an obstacle to self-sufficiency for many families. Public assistance continues to decline.



### Child Support Services

In 1999, the State Legislature required that all Family Support Divisions in California be removed from the local Office of the District Attorney and become an independent County department. The new department is called the San Mateo County Department of Child Support Services. Services, staff hours and location remain the same.

# Service Efforts & Accomplishment Highlights

## Public Ways & Facilities

### Parks

The Parks Division and their network of volunteers operate 16 parks and several local and regional trails that offer visitors and residents alike spectacular vistas and peaceful spaces for those who love the outdoors. Imagine a day at the ocean, a bike ride along the San Francisco Bay, a hike on Crystal Springs Trail or an overnight camp among the redwoods--pure heaven in San Mateo County.



Merganzers, photo courtesy of Pete Smith

### Roads

The County maintains 316 miles of roadway in the unincorporated areas. The rest of the freeways and roads are maintained and improved through a combination of Caltrans, the State Highway Agency, the Transportation Authority that is funded by a half-cent sales tax (set to expire in 2008), and federal transportation dollars.

### Facilities & Infrastructure Improvements

The Public Works Department identified the physical deficiencies in the 74 County facilities and calculated the cost to complete the necessary work last year. This year they began work on priority projects. These projects include: the seismic retrofit of the eight-story Hall of Justice & Records building, various ADA upgrade projects (to comply with the Americans with Disabilities Act) and upgrades to Heating/Ventilation/Air Conditioning (HVAC) systems to help conserve energy and energy costs. A review of the infrastructure systems such as roads, sewers and lighting systems was also conducted this year. Next year, their focus will be the development of a maintenance management system for these infrastructure systems.

## Recycling Hazardous Materials is Urged

San Francisco Mercury News, April 15, 2002



Public Works also manages a busy web and phone referral recycling project and a hazardous materials drop off center. Residents can drop off or pick up reusable items like paint, fertilizer, fingernail polish remover and cleansers for free. Some schools and nonprofits stretch their budgets with these supplies.

## My Hometown-SAN MATEO COUNTY: Beaches, Redwoods, Parks Make Area Special

San Francisco Chronicle, July 6, 2001

## Community Resources

### County Library

The San Mateo County Library is a Joint Powers Authority comprised of the cities of Atherton, Belmont, Brisbane, East Palo Alto, Foster City, Half Moon Bay, Millbrae, Pacifica, Portola Valley, San Carlos, and Woodside, as well as unincorporated areas of the County represented by the County of San Mateo. They also run a bookmobile. These eleven cities and the County govern the Library through a joint exercise of powers over library services.

### Top Crops in San Mateo County (2001)



Mushrooms	\$23.3 million
Potted Foliage Plants	\$22.2 million
Ornamental Nursery Stock	\$21.6 million
Potted Orchids	\$9.4 million
Potted Lilies	\$6.9 million

### Planning and Development

Welcome to the home of the San Francisco Garter Snake, Red Legged Frog, Bay Checkerspot Butterfly, and the Clapper Rail, best known for their protected status and ability to stop development projects. Balancing the economic and environmental needs of the community is the responsibility of the Board of Supervisors and their appointed Planning Commissioners who interpret the General Plan (10 year vision for growth and development). Some of the issues before them include: the preservation of agricultural farmland and rural character of the coast, substandard lots, and building issues for people who live in the unincorporated areas of the County. The County's Planning Commission holds monthly public meetings.

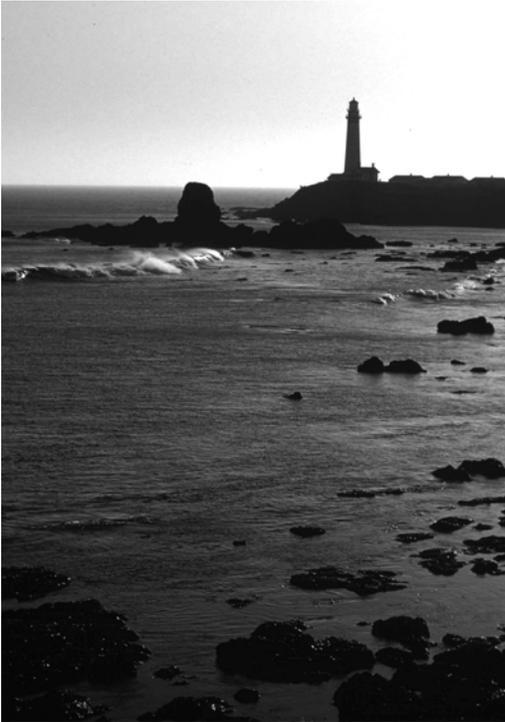
### Peninsula TV - Channel 26

The County Board of Supervisors and most cities televise their meetings on the Peninsula TV/Channel 26, a local cable access channel that features local programming, special community events and information. A consortium of cities, the County and private sponsors fund Peninsula TV.



# *About the Popular Annual Financial Report*

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Pigeon Point Lighthouse  
San Mateo County, CA  
photo courtesy of Jim Brick

The contents of this year's *Financial Highlights* are derived from the Comprehensive Annual Financial Report (CAFR) and summarized for readability and perspective. The CAFR is available online at the County website, [www.co.sanmateo.ca.us/controller](http://www.co.sanmateo.ca.us/controller), as well as all public libraries in the County.

Last year the Controller's Office focused on the conversion of our financial reporting to the new financial reporting model known as Governmental Accounting Standards Board, Statement No. 34 (GASB 34). It more closely resembles the financial reporting model used by the private sector. Our objectives are to provide the public with a clear understanding of the County's financial position in the context of the local, State and national economy and to fully disclose the financial activities of FY 01-02. This year marks the first year that we have produced a Popular Annual Financial Report (PAFR) from a GASB 34 produced CAFR.

I hope you will take the time to provide us with your thoughts or ideas for improvement after reading this year's report. You may drop me a note at the address below, call the office at (650) 363-4777, or e-mail me at [thuening@co.sanmateo.ca.us](mailto:thuening@co.sanmateo.ca.us). I look forward to hearing from you.

Controller Tom Huening

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