

**City of San Mateo
Organizational Principles**

*Committed * Responsive * Creative*

The City of San Mateo is an organization of individuals dedicated to serving the San Mateo community. Our goals are to provide quality municipal services and responsive government. To achieve that goal, we are committed to the following principles for the conduct of our business:

Service to the community is our purpose. Take time to communicate; understand and involve the community.

We all work for one organization. Respect and value the people who work here; be supportive of each other.

Look at the long term. Take actions which will maintain our ability to serve the community in the future while appreciating our heritage and history.

Seek constant improvement. Be receptive to new ideas; encourage creativity, innovation, and experimentation.

Lead by example. Let the community and our colleagues judge our commitment to these principles by our individual actions.

Customer Service Philosophy

*Dedicated * Professional * Knowledgeable*

We are committed to providing service which is responsive and meets the needs of those we serve. To fulfill this commitment, we pledge the following:

Understand our customers. We are committed to listening in a courteous and respectful manner to understand each customer's service needs.

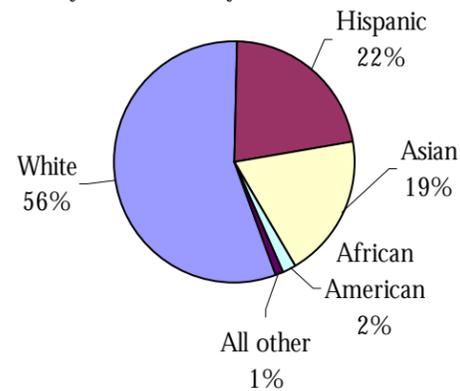
Take responsibility. We will take personal responsibility for making sure each customer is provided with the service he or she needs.

Respond in a timely and accurate manner. We will provide a prompt and accurate response to each customer.

The City of San Mateo at-a-Glance

Population in 2000:	92,482
Population in 2008:	95,776
Population under age 5:	5,113
Population ages 5-17:	14,347
Population ages 18-39:	24,569
Population ages 40-64:	36,280
Population age 65 and older:	15,467
Median age:	42 years

Population by race/ethnicity:



Number of households:	40,348
Average household size:	2.33 people
Median household income:	\$84,703
Per capita income:	\$45,658

Area:	14 sq. miles
Elevation at center of City:	40 feet
Average summer high temperature:	78 degrees
Average winter low temperature:	44 degrees

Note: All data are estimates for 2006 based on analysis by Claritas, Inc., using the 2000 U.S. Census.

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THE CITY OF SAN MATEO

Finances-at-a-Glance

Fiscal Year 2009-2010

**Managing the City's Budget:
This Year's Outlook**

The City is facing a structural budget deficit of \$8M in fiscal year 2009-10. The 2009-2010 budget was prepared in a very difficult economic environment. The City organization has restructured the budget to close this gap. The budget, adopted on June 15, 2009, was balanced by including a \$4M budget reduction and a proposal to obtain \$4M increased revenue through two tax measures; e.g. a 0.25% sales tax and a 2% hotel tax increase.

The structural gap is the result of unprecedented large declines in certain revenues and sluggish revenue growth in others due to the severe economic slowdown and cost increases driven by local labor markets.

For the first time in many years, the City's General Fund revenue for FY 08-09 will be less than last year by 3%. This reflects the severe economic recession that started over a year ago. All major revenues, other than property tax, show a significant decline in 08-09 and are about \$6.2M below budget.

The City depends on General Fund resources to provide most of its services, such as fire and police protection; libraries and parks and recreation activities and to ensure the functioning of the facilities and structures that support the City's everyday functions, such as sewers, storm drains, bridges, streets, sidewalks, and parks.

What's Inside?

Every other year, the City of San Mateo develops a *Two-Year Business Plan* to prioritize how we will provide residents with quality fire and police protection, sewer and street maintenance, park, recreation, and library services. The 2009-2010 budget reflects the amendments to the second year of the 2008-2010 Business Plan.

- Where the City's Money Comes From
- Overview of the 2009-2010 City's Revenues
- Organizational Principles
- Customer Service Philosophy

**Making Progress Today &
Planning for Tomorrow**

The **City's Police Department** receives a daily average of 500 police telephone calls, 250 police service calls, 80 Emergency 9-1-1 calls, and 6,000 radio messages.

This past year, the **City's Fire Department** responded to all medical emergency calls in 6 minutes and 20 seconds or less, 90% of the time.

The **City's Public Works Department** maintains 204 miles of streets, 408 miles of sidewalk, 7,500 street lights, 79 signal intersections, 10 public parking lots and garages, 236 miles of sewer lines, 136 miles of storm drains, 17 bridges, 20 miles of open creeks and ditches, 38 pump plants for sewage and storm drains, 3 miles of levees, 2 dams, and 1 flood control lagoon.

The **City's Parks and Recreation Department** maintains the grounds and safety of its 30 parks which total 200 acres, 3 open space areas, 1 golf course, 6 community centers, and more than 25,000 street trees.

The **City's Community Development Department** issues approximately 4,200 building permits, performs 11,000 inspections, responds to more than 920 graffiti complaints, helps more than 120 senior citizens with affordable housing, and provides many residents with housing assistance each year.

This past year, the **San Mateo libraries** issued nearly 7,600 new library cards, and welcomed about 864,000 visitors, with more than 915,000 titles borrowed. In addition, the library held more than 200 programs including author readings, book discussions, film festivals, music concerts, art exhibits, and special programs for children and teens.



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Where the City's Money Comes From

The City of San Mateo has several sources of funds. Most of the City's services and long-term planning is funded through sales, property, and other taxes, as well as from fees for services, grant funds, and other sources.

While the City depends largely on property and sales tax as an ongoing source of funds to provide services and maintain the structures that support everyday activities, most property tax and sales tax goes to the state, county, and other public entities. As illustrated below, only a small portion of these two taxes support the services and structures provided by the City.

Property Taxes:

For every \$100 you pay in general property taxes to the County of San Mateo, the City receives approximately \$14.



\$86 to the County, schools, and special districts
\$14 to City

Sales Taxes:

For every taxable \$100 purchase you make within the City of San Mateo, the City receives approximately \$1. (Note: The sales tax rate is 9.25%)



\$8.25 to the state and special districts
\$1 to City

Achieving Results

To ensure its effectiveness and efficiency, the City of San Mateo tracks its progress toward meeting the goals and objectives outlined in its *Business Plan* and the City Council's goals for the community. The goals are:

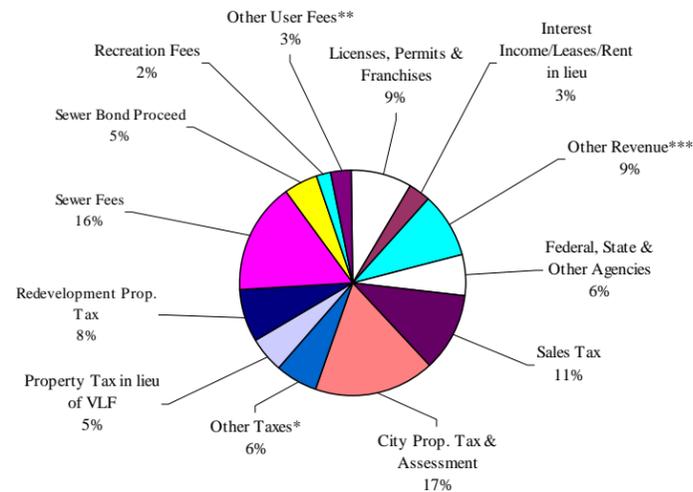
- Safe, clean, and attractive neighborhoods
- Successful businesses and a solid tax base
- A community where residents can flourish and youth are nurtured
- Orderly planning, development, and functioning of the community
- An open, participative, and effective City government

The City analyzes its progress each quarter and reports annually on its performance in meeting these goals.

Overview of the City's Revenues

Total revenues for FY 2009-2010 are estimated at \$157 million, as illustrated in the chart below.

2009-2010 Total Revenue Resources \$157 Million



*Other Taxes includes Property Transfer Tax, Hotel Tax and Pari-Mutuel Tax.

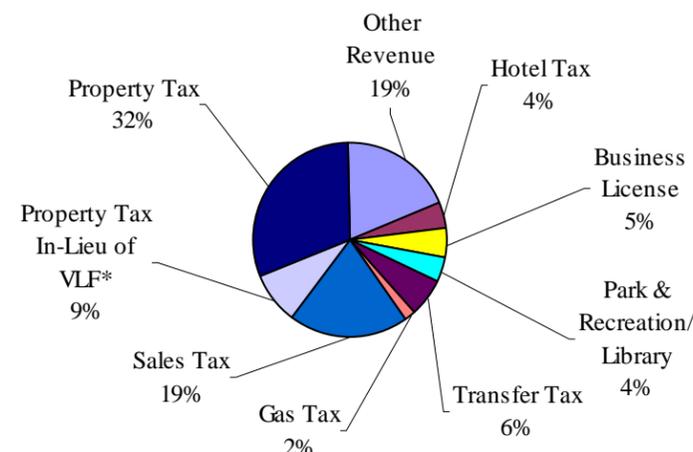
**Other User Fees includes Library, Golf, BFI surcharge/fee, Fire Fees and all Impact Fees.

***Other Revenue includes Indirect Charges, Fines and Forfeitures, One-Time Revenue, Other Misc. Revenue and Use of (Contribution to) Fund Balance.

General Fund Revenues

The City's General Fund revenue is projected to continue to grow at a very moderate rate. Approximately half of the General Fund revenues come from sales and property taxes. The severe economic downturn that we are experiencing is affecting property and property transfer taxes and sales tax. We expect an overall revenue growth of 1.5% for FY 2009-2010.

2009-2010 General Fund Resources \$79 Million



Note: figures are rounded to the nearest million and may differ slightly from total. *VLF is the state's Vehicle License Fee.

Overview of the City's Expenditures

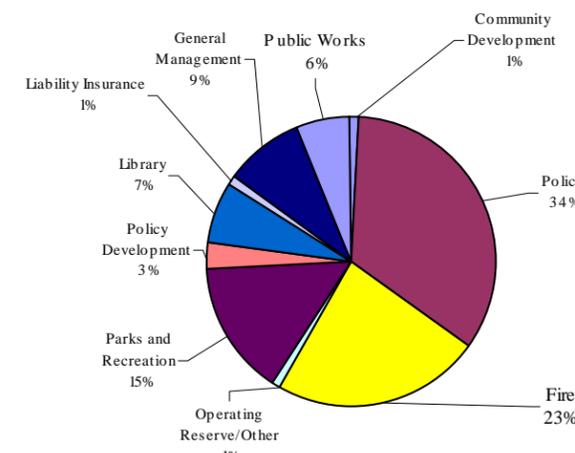
Some of the City's funds are discretionary for allocation by the City Council, while others must, by law, be used for specific projects or efforts. Below is a breakdown of the main funds that compose the City's budget.

2009-2010 Budget Breakdown (millions)

General Funds	\$ 78.9
Fee-Supported & Grant Funds	32.5
Debt Service Funds	4.6
Total City Operating Budget	\$116.0
City's Capital Improvement Plan	27.2
Redevelopment Agency (Operating & CIP)	14.2
TOTAL BUDGET	\$157.4

The **General Fund** contains money allocated largely at the City Council's discretion. The General Fund is the basic operating fund that supports many programs and services, such as public safety, parks and recreation, and library.

2009-2010 General Fund Budget \$79 Million



Public Safety: \$45.0 million to provide police and fire department protection services.

Parks, Recreation, & Library: \$17.4 million to maintain and provide services in parks, community centers, aquatic facilities, and libraries.

Public Works: \$4.7 million to maintain streets, storm drains, sewers, and public buildings, and to provide engineering and other services.

Community Development: \$0.8 million to spur economic development, improve neighborhoods, and provide long-range planning for the City.

Policy Development: \$2.4 million to strategically address critical issues and plan for the future.

General Management: \$7.1 million for financial and administrative services.

Other: \$1.6 million for liability insurance and reserve fund.

All other City funds are specifically earmarked and cannot be transferred to other funds or used for purposes other than those for which they were originally intended.

Fee-Supported Funds generate their own revenues and are used for sewer services, fire protection, maintenance of the City's golf course, parking lots, and other services. These funds total \$31.4 million in FY 2009-2010, and will be used in the following ways:

Sewer and Solid Waste: \$21.6 million for sewer and wastewater treatment and street sweeping.

Construction Services: \$3.8 million for building inspection and plan checking services.

Golf Course: \$2.5 million for operational and bond debt service for the City's golf course.

Fire Prevention: \$1.5 million to reduce the probability of injury and loss of life from fire.

Central Parking Improvement District: \$1.7 million for public parking facilities.

Advance Planning: \$0.3 million to support advance planning.

Grant Funds, which primarily consist of grants and funds from the federal government, amount to \$1.08 million in FY 2009-2010 and will be used for the following purposes:

- HOME:** \$0.05 million for low-income housing
- Community Development Block Grant:** \$0.8 million for low-income housing, human services, and other programs
- City Housing:** \$0.03 million
- Police Grants:** \$0.2 million

Debt Service Funds are used to pay for bond debt service, which amounts to \$4.6 million.

The City's Capital Improvement Plan (CIP) aims to build, expand, replace, or improve the City's physical systems. The construction of the new police station is complete and there is funding for the improvements of two more fire stations. New projects proposed in FY 2009-2010 total \$27.2 million and include: improvements to streets, the sewer system, and parks.

The Redevelopment Agency (RDA) aims to reinvigorate and strengthen the economic health and vitality of targeted areas in the City. The RDA has a budget of \$14.2 million in FY 2009-2010 and aims to:

- Rehabilitate neighborhoods and business areas
- Stimulate private investment
- Provide and preserve affordable housing