



**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**

Controller

**DATE:** February 20, 2004

**BOARD MEETING DATE:** March 2, 2004

**TO:** Honorable Board of Supervisors  
**FROM:** Tom Huening, County Controller  
**SUBJECT:** Introduction of a Debt Limit Ordinance

**Recommendation**

1. Introduce a debt limit ordinance, and waive reading of the ordinance in its entirety.
2. Continue the consideration of the ordinance to the Board's next meeting for final adoption.

**Background**

This Board first established a debt limit in 1997, through its enactment of Ordinance No. 03773. That ordinance generally set the county's debt limit at 4% of the County budget, but expired by its own terms after 4 years. Thus since July 3, 2001, there has been no effective debt limit ordinance in effect.

**Discussion**

This County's first debt limit ordinance was passed on June 3, 1997 and became effective July 3, 1997. Because it was a new undertaking and was a first of its kind, the original debt limit ordinance carried its own 4-year sunset provision. Even without a specific ordinance in place, since 2001, the Board has acted and approved Budgets just as if there were a debt limit in place. The reinstatement of the debt limit ordinance re-states and reemphasizes the County's commitment to sound fiscal practices.

The default debt limit is 4% of the average annual County budget for the current year and the preceding four fiscal years, but the Board is free to establish a different

debt limit for any fiscal year, should it so choose.

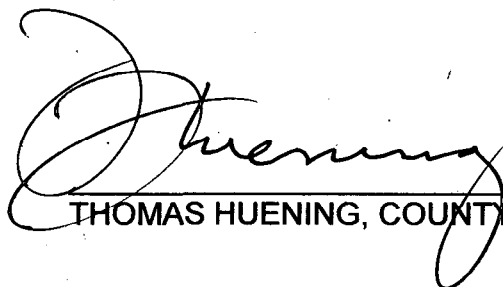
Other than a slight modification in wording to clarify that debts of independent agencies are not included in calculating the debt limit, the wording of the proposed ordinance now being presented is exactly the same as the one that expired in 2001, except this ordinance has no sunset provision.

**Vision Alignment**

The proposed ordinance promotes responsive, effective and collaborative government and vision statement #20: Government decisions based on careful consideration of future impact.

**Fiscal Impact**

None



---

THOMAS HUENING, COUNTY CONTROLLER

Attachment: Ordinance

cc: John Maltbie, County Manager  
Paul Scannell, Assistant County Manager  
Thomas F. Casey, III, County Counsel

**RECOMMENDED**  
.....  
  
.....  
**COUNTY MANAGER**