

017 - COUNTY EXECUTIVE OFFICE

Operational Summary

Mission:

The mission of the County Executive Office is to support and implement Board policy and direction through corporate action and leadership, communication and coordination of strategic and regional planning, and to ensure effective service delivery through efficient management of the County's workforce and resources, and to identify and respond to needs in a proactive style focused on customer service.

At a Glance:

Total FY 2006-2007 Projected Expend + Encumb:	17,242,267
Total Recommended FY 2007-2008	18,293,488
Percent of County General Fund:	0.608048%
Total Employees:	99.00

Strategic Goals:

- Goal 1: Facilitate, support and ensure the implementation of decisions by the Board of Supervisors in a proactive style focused on customer service.
- Goal 2: Improve County government's effectiveness in addressing community issues and needs.
- Goal 3: Ensure the financial strength and integrity of the County of Orange.
- Goal 4: Preserve and advance the regional services and infrastructure that the Orange County community relies upon by working collaboratively with other levels of government and community-based organizations to ensure that regional issues and needs are addressed.

Key Outcome Indicators:

Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
BOARD RATING OF CEO SUPPORT What: Board Members rate quality of support provided by CEO Why: To provide CEO with feedback on quality of support provided to the Board	As a cost-saving measure, the CEO delayed utilizing a consultant to conduct the survey	The CEO will continue to conduct regular briefings with each Board office	The Board of Supervisors provides immediate feedback to the CEO and staff at regular briefings
AGENCY/DEPT RATING VALUE OF CEO'S STRATEGIC, FINANCIAL, TECHNOLOGY AND COMMUNICATIONS SUPPORT What: Feedback on agencies assessment of CEO's strategic, financial, technology and communications support Why: To measure the effectiveness of leadership and services provided by the CEO to agencies/ departments	Surveys in progress or completed include: Countywide Employee Survey, CEO/IT Employee Survey, CEO/Purchasing, CEO Support of Computerized Agenda Management System (CAMS) and CEO/Media Affairs Services	CEO will identify and conduct additional service surveys	Countywide Employee Survey resulted in potential area of service improvements for County constituents. These are being addressed in a strategic focus initiative. CEO/IT Employee Survey resulted in potential areas of IT service improvements to better serve the client Agencies and Departments.



Key Outcome Indicators: (Continued)

Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
<p>COUNTY OF ORANGE CREDIT RATINGS What: Ratings by major bond rating companies (Moody's, S&P, Fitch) Why: Credit ratings are indicative of financial credit worthiness and factor into borrowing costs</p>	<p>Moody's and Standard & Poor's continued County's issuer ratings of Aa2 and A+, respectively</p>	<p>Maintain / Improve rating</p>	<p>The County has maintained its credit rating</p>
<p>COUNTY PROPOSED BUDGET CONSISTENCY, MEASURED IN DOLLARS AND PROJECTS, TO STRATEGIC FINANCIAL PLAN What: Indicates extent to which departments consider SFP in developing programs/budget Why: The annual budget implements the first year of the SFP requiring the two to be consistent</p>	<p>The adopted budget contained \$677 million in discretionary funding; \$40M higher than the amount used in the SFP. Net County Cost limits included 3% growth. Adopted budget was consistent with the strategic priorities.</p>	<p>The November 2006 Plan projects \$647 million available. Net County Cost limits will be increased by 3%. Augmentations included maintaining key services while funding most of the top 10 strategic priorities.</p>	<p>The SFP continues to be an excellent financial management and strategic planning tool for the Board and County Management. Decisions are made in context of the SFP recommendations.</p>
<p>LEGISLATIVE AGENDA AND LOCAL GOVERNMENT AWARENESS OF REGIONAL SERVICES AND COORDINATION PROVIDED What: Provide local governments within Orange County information on the County's leadership on legislation Why: Provides CEO a measure of success in defining legislative agenda and achieving favorable results</p>	<p>As a cost-saving measure, the CEO delayed utilizing a consultant to conduct the survey</p>	<p>CEO will publish regular and timely bulletins on current legislative issues</p>	<p>Published 20 Legislative Tracking Reports, 19 Legislative Bulletins and 11 Washington Reports</p>

FY 2006-07 Key Project Accomplishments:

■ GOAL 1: Facilitate, support and ensure the implementation of decisions by the Board of Supervisors

- Developed and implemented plan for effective Purchasing governance.
- Developed and implemented Deputy Purchasing Agent (DPA) Training and Certification Program.
- Conducted Business Impact Analysis and Risk Assessments for all agencies and departments.
- Established Countywide Business Continuity Steering Committee.
- Graduated 25 Project Managers with a County of Orange Information Technology Project Management Certification.
- Partnered with Board Members on leading the IT Working Group to provide policy/structural direction for Countywide Information Technology.
- The 2006 Strategic Financial Plan was adopted by the Board on December 12, 2006.
- The final 2006 Business Plan was submitted to the Board of Supervisors in April 2006.
- Conducted Strategic Financial Plan and Budget briefings to provide the Board with up-to-date information and data to assist the Board in becoming familiar with the fiscal challenges facing the County in the up-coming Fiscal Year, and to assist the Board in making the necessary decisions to adopt the FY 2007-08 County Budget.
- Provided timely impact analysis of State and Federal Budgets.
- Developed and recommended strategies on preserving the County's allocation of Public Safety Sales Tax.
- Briefed each Board member and Board Executive Assistants, as needed, regarding future agenda items as well as off-agenda items to assist each Board office in preparing for Board meetings and to keep them apprised of key policy issues.
- Conducted weekly Board staff briefings.
- Presented the fiscal impact analysis to Board of Supervisors concerning proposed diversion of Proposition 172 funds to the Orange County Fire Authority.



- Monitored State and Federal legislative activity closely and assessed potential impacts to the 2005-06 County budget following the Board adopted Legislative Platform and procedures.
- Updated and published the Community Indicators Report in February 2006.
- Continued to publish monthly the "County Connections" employee newsletter.
- Conducted SFP and budget surveys to collect feedback from County agencies/departments to ensure efficient and effective SFP and budget processes.
- Updated retirement payment procedures to reflect the 2006 Pension obligation rates and ensured savings are achieved in the appropriate funding sources.
- Initiated facilities master plan process.
- Completed negotiations with the Superior Court of Orange County and the Administrative Office of the Courts for the financing of a new South Justice Center facility in the City of Laguna Niguel, and obtained Board approval in December of 2006.
- Completed the Request of Expression of Interest/ Request for Proposal process for the parcel of land and Blimp Hanger which the County is to receive on the closed MCAS Tustin, and obtained Board approval and direction to enter into an exclusive negotiating agreement with the successful bidder, Industrial Realty Group, to complete a reuse plan and submit it to the National Parks Service for approval.
- Conducted the first survey of all County employees in 2006.
- Supported the Chairman's strategic focus effort through a series of interviews with key stakeholders.
- Coordinated process for the development of the County's new Mission Statement and the identification of the County's key business and cultural values.

■ GOAL 2: Improve County government's effectiveness in addressing community issues and trends

- Provided training to County employees in core areas such as executive development and coaching, performance management and EEO.
- Graduated the fourth Orange County Leadership Academy class of 30 employees and commenced the fifth class in support of succession planning and development,
- Continued timely dissemination of critical purchasing information and policies through the CEO-Purchasing Bulletin format.
- Continued meeting regularly with County purchasing/contracting staff through the Human Services Best Practices Group, the Public Works/A-E Contracts Workgroup, and the Purchasing Best Practices Committee.
- Continued chairing the Human Services Best Practices Group, setting goals and documenting decisions and achievements.
- Continued conducting the Purchasing Best Practices Group meetings with mini training sessions at each meeting and frequent vendor presentations.
- Reconvened countywide Purchasing Council for review of purchasing policies and procedures and potential operational areas for standardization.
- Improved the features available on webcasting of weekly Board meetings to include the ability to search for specific agenda items and link directly to that portion the taped broadcast. The County will also maintain a larger amount of archived video available for access by constituents.
- Established Countywide business process priorities and strategies for recovery in the event of disaster or emergency.

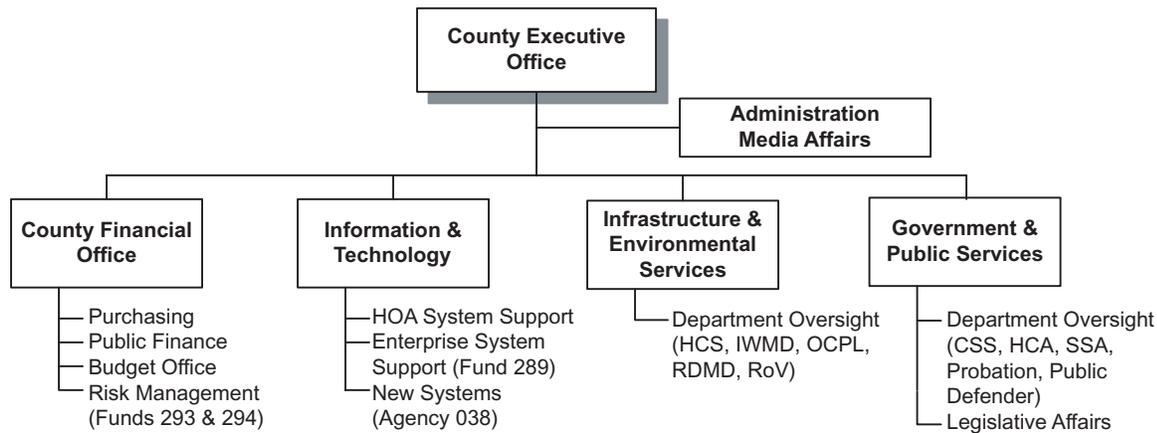
■ GOAL 3: Ensure the financial strength and integrity of the County of Orange

- Created recovery strategies for the County's business processes to ensure that the County's Agencies and Departments can continue to operate in the event of an emergency or disaster.
- Upgrade the County's voice and data network.

- Prevented 150,000 attempts of cyber-terrorism against the County each day including 1,000-2,000 new types of virus and 'worms' per month.
- Updated the Strategic Financial Plan in December, including an expanded Capital Improvement Plan.
- Continued to streamline the Strategic Financial Plan model and process, while effectively using the existing budget system in the process.
- Several key projects that were complete in FY 05-06, funded by Agency 036 Capital Projects budget with is managed by the CEO, include: completion of the County Facilities Master Plan Study, 60-bed expansion at Juvenile Hall, and Phase IV of courtroom public seating replacement at Central Justice Center.
- Presented a balanced budget for 2006-07 which was adopted by the Board in June 2006.
- Participated in the executive team discussions with the labor bargaining units for Board approval of the agreements with OCEA, SEIU, and OCMA.
- Planned the establishment of the retiree medical trust which is in progress pursuant to Board directive.
- Completed the review and comparison of the actuarial data of the Orange County Employees Retirement System (OCERS) and the California Employee's Retirement System (CalPERS), and the Board approved the recommended action to stay with OCERS.
- Held discussions with the Board and ad hoc committee resulting in the Board adoption of the revised Public Financing Advisory Committee (PFAC) Policies and Procedures for public financings.
- Completed the Requested for Qualifications Process for PFAC and Board approval of the panels of qualified bond counsel, financial advisor and underwriter firms.
- Converted \$11.7 million of bonds to fixed rate of interest and issued \$21.5 million of "new money" variable rate bonds for financing public improvements in the Newport Coast Phase IV Assessment District No. 01-1.
- Drafted an initial plan of finance for the Dana Point Harbor Commercial Core Revitalization (landside) improvements which work will be ongoing.
- Produced the quarterly budget report to provide a consolidated look at budgeted vs. actual costs.
- Prepared cost impacts of the projected FY 2007-08 retirement cost increase and prepared macro and detailed plans on how they would be funded.
- Prepared cost analysis of various bargaining unit MOU proposals.
- Maintained Moody's and Standard & Poor's credit ratings of Aa2 and A+, respectively.
- Updated the formal reserves policy that clarifies purpose, targets, and current balances of reserves
- Maintained solid working relationships with OCERS, including coordination with Human Resources Employee Benefits, CEO Employee Relations and CEO Budget Office, to manage the impacts of the new retirement benefit rate, retiree medical costs and other matters relating to the retirement system.
- Issued numerous countywide master contracts to secure volume discounts and reduce duplicative procurement solicitations.
- Formulated a Master Contract Unit within CEO/Purchasing devoted to ensuring that the County leverages its buying power to promote cost savings and a fair and efficient procurement process.
- Issued the 2006 Pension Obligation Bonds in the amount of \$106 million to prepay a portion of the County's Unfunded Actuarial Accrued Liability (UAAL) to OCERS which would result in estimated savings of nearly \$4 million.
- Issued the Orange County Public Financing Authority Lease Revenue Bonds, Series 2066, in the amount of \$32,700,000, to finance the construction of a cogeneration conversion project at the Central Utility Facility of the County.
- Complete a Request for Proposals for financial advisors, bond counsels and underwriters to establish Board-approved panels of consultants for Public Finance.
- Initiated joint effects with City of Lake Forest on a proposed financing impacting Community Facilities District Nos. 87-2 (Portola Hills) and 87-6 (Baker Ranch) which work will be ongoing.

- Participated in the review of future direction of Orange County Development Agency (OCDA) which will be ongoing, including discussions with City of Newport Beach relative to Santa Ana Heights Project Area and project funding commitments.
 - Completed 283 worksite facility safety inspections, trained 1,569 employees, 153 ergonomic evaluations, and reviewed and made recommendations on 21 Department safety program evaluations.
 - Generated Leased Space IT revenue that was used to offset \$2 million in Enterprise Data Center (EDC) operations costs.
- Goal 4: Preserve and advance the interest of the Orange County Community by working with other levels of government and ensuring regional issues and needs are addressed
- Conducted Infrastructure Pandemic Planning table top exercise with HCA, SSA, Orange County fire Authority and Orange County Emergency Operation Center and AT&T.
 - Support the integration and update of the appropriate infrastructure to support the successful implementation of Social Services Agency's CALWin project.
 - Leverage server costs through virtual server consolidation.
 - Completed a very active and successful legislative program in Sacramento and Washington, D.C.
 - Testified at a State Assembly committee in support of improved property tax equity for Orange County.
 - Facilitated and coordinated, with other public agencies, the annexation of an additional 9 County islands into four cities.
 - Worked closely with the Local Agency Formation Commission (LAFCO) to develop strategies to address regional issues and regional service delivery.
 - Conducted monthly meetings with Orange County City Managers to address issues of common interest.
 - Obtained Board approval to increase reserves by \$6.7 M in 2006 to further secure the County financially.
 - Obtained Board approval in November 2006 to increase reserves by 3.7M to fully fund the CAPS (Countywide Accounting and Personnel System) for a total of 20M.
 - Obtained Board approval in December 2006 to increase reserves to fully fund the ATS (Assessment Tax System) for a total of 19.8M
 - Safety staff delivered training to 2,011 employees vs. 1,569 in the last reporting period which represents an increase of approximately 28%.
 - Initiated program with all department safety representatives to conduct a complete inventory of all chemicals and compounds utilized within County operations to enable staff to update the material safety data sheets.
 - Successful transition of more that 2,600 open worker's compensation claims from the Gates McDonald Third Party Administrator to the Cambridge Integrated Services Group Third Party Administrator subsequent to contract approval by the Board.
 - Ongoing process of engaging department heads in discussions to assist in identifying potential liability hazards for the County of Orange.
 - Provided insurance and indemnification contract risk assessments for Green River Golf Course, Coyote Canyon Landfill, Central Utility Facility CoGeneration Conversion, and Dana Point Harbor.

Organizational Summary



County Executive Office - Provides corporate leadership and oversight to assure implementation of Board policies and directions. The CEO has eight direct reports and budget oversight responsibility for all County departments. CEO Administration and Media Relations provides leadership in developing and presenting strategies for communication of County programs; manages and guides internal operations for CEO including departmental budget, building security, agenda reviews, and coordination with County agencies.

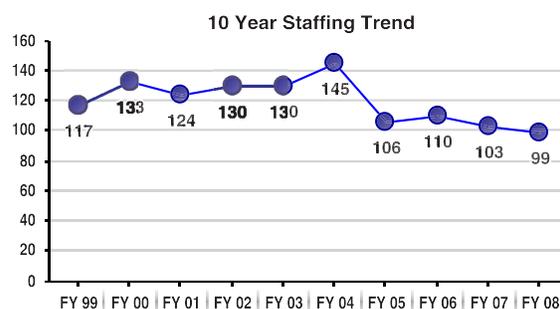
County Financial Office - Provides leadership and oversight of the overall financial operations of the County. Major responsibilities include long-range strategic financial planning, public finance, risk management, County budget, corporate business planning, and corporate purchasing.

Information & Technology - Provides leadership in the strategic planning, implementation, and overall best practices operations of corporate information technology to achieve County goals and objectives. Major responsibilities include the County IT Strategic Plan, IT Standards, IT Governance oversight and management, IT policy development, IT and HIPAA security, Data Center operations, local and wide area network operations applications development and programming, County-wide IT procurements, IT project management, County-wide IT business continuity and disaster recovery coordination, and telecommunications.

Infrastructure & Environmental Services - Provides leadership and oversees management of the following county agencies/departments: Housing & Community Services, Resources & Development Management, Registrar of Voters, and Integrated Waste Management Department. Coordinates service delivery and policy development of key county-wide regional services to accomplish County corporate and regional goals.

Government & Public Services - Provides leadership in planning and establishing effective governance structures and relationships to accomplish county corporate and regional goals. This office oversees management of the following County agencies/departments: Social Services Agency, Health Care Agency, Probation, Public Defender, Public Library, and Child Support Services. Other major responsibilities include coordination of all Federal and State legislative advocacy efforts, HIPAA compliance, Trial Court matters, and the County's External Restructuring Program.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- FY 97/98 - As a result of County restructuring, the Office of Human Resources (HR), Purchasing, Real Estate, and the Records Management Program (Record Center), and an accompanying 62 positions, merged into the County Executive Office. Prior to FY 97/98, the Office of HR was an independent operating agency, and Purchasing, Real Estate, and the County Records Center were divisions within General Services Agency, which was disbanded during the restructuring process.
- FY 98/99 - Positions increased to support strategic priorities and other activities, such as Real Estate, Homeless Issues Coordination, and El Toro Master Development Program. This included position transfers from other operating agencies, i.e., PF&RD and HCD, to the CEO, as well as some limited-term positions.
- FY 99/00 - Positions increased to support strategic priorities. This included a position transfer from SSA, ongoing program support conversions from extra help to regular, and limited-term positions to support the El Toro Master Development Program.
- FY 00/01 - Positions decreased as limited-term positions related to El Toro MCAS were deleted.
- FY 01/02 - One position added to Human Resources for clerical support of the Volunteer Program and virtual employment center. Two long term extra help positions converted to regular positions, one for Strategic Affairs to support Media Relations and one to support CEO Administration. Four positions transferred in from Data Systems to support the Hall of Administration. In the Final Budget one additional position added in Purchasing to jointly support both Children and Families Commission and the LRA. Mid year, in 00-01, four positions transferred from CEO to the Local Redevelopment Authority and two positions added for the Watershed Program and child care coordination.
- FY 02/03 - One position transferred to Housing and Community Development for coordination of homeless issues. One position transferred in from Information and Technology ISF to provide purchasing support.
- FY 03/04 - One position deleted in Human Resources as a result of the Strategic Financial Plan reductions. Two positions transferred in to support the new federal mandate for Health Insurance Portability and Accountability Act (HIPAA). Ten positions transferred in from Employee Benefits as Limited Term for CEO IT pilot project for scanning County documents. Four positions added as an augmentation to CEO purchasing to accomplish the goals of the Board's Ad Hoc Committee recommendations.
- FY 04/05 - The CEO Reorganization was approved by the Board, and adopts a Deputy CEO approach to improve the span of control. Eight positions were deleted, two positions were transferred out, and two positions, one Deputy CEO and one Executive Secretary were added to accomplish this reorganization. Human Resources became a distinct department, while the CEO retains the ten positions for Labor Relations. Ten positions under the CIO were transferred to agency 289 to provide scanning services for the County.
- FY 05/06 - CEO purchasing and real estate functions were separated and one position was transferred out from CEO Real Estate to RDMD Real Estate. One position was also transferred in to CEO IT Support from County Counsel to facilitate supervision and share resources. The Board also approved augmentations, with no increase in Budget appropriations, to convert four contract positions, three in Information and Technology and one in the Budget Office, to regular positions, for on-going work which supports advances in technology.
- FY 06/07 - The CEO First Quarter adjustment transferred eight positions to Human Resources and one position for Volunteer Programs was transferred in. One position was also deleted in exchange for two lower level positions with no increased costs. In addition FY 06/07 includes the deletion of one vacant position and defunding of one other vacant position as a cost savings to cover increased retirement costs as proposed in the Strategic Financial Plan.
- FY 07/08 - The CEO First Quarter adjustment transferred eight positions to Resources and Development Management Department (RDMD) to consolidate all real estate and records center operations in RDMD. Also two positions were transferred in from 289 Internal Service Fund to CEO Information and Technology. In the Second Quarter two positions were requested, one to facilitate the Board's Multi Service Center Project and one for coordinating the County grants program, providing stronger linkages to district staff for members of the Assembly, Senate and Congress and a coordination committee with Orange County cities staff members regarding legislative issues and initiatives.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The County Executive Office will lead the Board's strategic planning process, update the Strategic Financial Plan and continue development and implementation of the County's financial systems, including debt reduction, integrate and coordinate regional planning efforts, provide leadership in the development of the County's financial, technology, and administrative functions, and support the Board in developing and pursuing the Orange County Legislative Platform.

Consistent with the goals set by the Board of Supervisors in 2006, the County has launched the Countywide Strategic Focus process. The effort focuses on sharpening the ability of the county to meet our customers' service needs and make sure the County has a forward focus to meet new challenges and seize opportunities to better serve our County. Stakeholder interviews, the first every County employee survey, and workshops involving the Board, Agency and

Department Heads, and OCLA Alumni all took place in late 2006. These efforts led to the development and ultimately the adoption by the Board of Supervisors of a new County of Orange mission statement and vision statements for Business and Cultural Values. The 'Balanced Scorecard' approach was also piloted by the Probation Department and the Treasurer Tax Collector in 2006. Our office will continue its leadership role on behalf of the Board of Supervisors as the process continues in 2007 and beyond.

Changes Included in the Recommended Base Budget:

The Recommended Base Budget which meets the NCC limit, adjusted in the Strategic Financial Plan, includes the first quarter transfer of real estate and records to Resources and Development Management Department, and the second quarter addition of two positions in Government and Public Services to achieve Board objectives. An adjustment for one-time items is also included, which removed \$500,000 for Watershed matching funds, \$187,000 for Tourism and \$60,000 for the Film Commission.

Requested Budget Augmentations and Related Performance Results:

Unit Amount	Description	Performance Plan	BRASS Ser.
Increase Net County Cost for Board Meeting Internet Broadcast Amount:\$ 100,000	Provide web based Board meeting videos with searchable archives and subscription management tools	Able to provide and maintain web based Board meeting videos and archives, and government web channel	2234
Add 1 Administrative Manager III for County Executive Office (CEO) Organizational Support Amount:\$ 160,116	Provide enhanced support for the CEO and Deputy CEOs including policy review and issue management.	Provide enhanced communication and support between agencies/departments and the CEO.	2236
Add 1 Administrative Manager I Position for Hall of Administration (HOA) Building Projects Amount:\$ 104,226	Add 1 Admin Mgr I for efficient management of HOA Building projects and quality of facilities	Improve quality and significantly reduce involvement of personnel in building and facility issues	2237
Add 2 Administrative Manager I Positions for County Executive Office (CEO)/Information Technology (IT) Amount:\$ 0	Add two web architect positions for web management and support dedicated to CEO	Dedicated IT web support will provide live internet Board meetings, archives and web subscriptions	2238
Restore Net County Cost to Maintain Current Level of Service for Film Commission Amount:\$ 60,000	Per Board direction, Film funding approved in 06-07, requires further Board approval in 07-08	Not applicable. Funding is at Board discretion.	2659
Restore Net County Cost to Maintain Current Level of Service for Tourism Amount:\$ 150,000	Per Board direction, Tourism funding approved in 06-07, requires further Board approval in 07-08	Not applicable. Funding is at Board discretion.	2660
Add 3 Limited Term (4 years) Administrative Manager I Positions for CEO Purchasing CAPS Upgrade Amount:\$ 0	Add three Limited Term Administrative Manager I positions for the CAPS Upgrade project.	Successfully implement CAPS conversion and upgrade for purchasing requirements	2681



Proposed Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual	Budget As of 3/31/07	Projected ⁽¹⁾ At 6/30/07	Recommended	Projected Amount	Percent
Total Positions	104	99	99	99	0	0.00
Total Revenues	2,093,518	2,286,797	2,358,946	2,107,722	(251,224)	-10.65
Total Requirements	13,145,154	18,982,452	18,315,495	18,293,488	(22,007)	-0.12
Net County Cost	11,051,636	16,695,655	15,956,549	16,185,766	229,217	1.44

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2006-07 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: County Executive Office in the Appendix on page A518

Highlights of Key Trends:

- Although a significant challenge faced by County government has been, and continues to be, the uncertainty of the State budget and its potential impact on County services, the focus is shifting more to the local economy and housing market, which may result in a potential for reduced property tax. Property tax comprises 80% of the General Purpose Revenue for the County.
- The County Executive Office, where possible, has developed strategies and approaches to identify alternatives for the Board to minimize local impacts. The County Executive Office continues to focus on identifying various financial options for the Board of Supervisors to utilize in addressing potential impacts. CEO staff continues to tightly monitor our expenditures and has maintained a limited hiring freeze.
- In addition, there are a variety of issues and projects that will continue to be addressed in 2007. These include software upgrades and hardware replacement for the assessment tax system and County Accounting and Personnel Systems (CAPS), the Animal Care Services potential relocation, the proposed new South Orange County Courthouse, the SB1732 transition of trial court facilities from the County to the State, and the impacts of various legislative items during 2006. Additionally, CEO staff will support focused efforts to accelerate the development of Dana Point Harbor, and establish a new equestrian center. Collaborative efforts aimed at encouraging additional annexation by cities of County unincorporated areas will continue in 2007. CEO Staff continues to analyze and recommend strategies for long-term debt reduction while still meeting the County's financing needs.
- Despite the budget challenges of 2006, the County continues to progress toward resolving a number of issues. An outline of last year's accomplishments along with the goals for 2007 is included with this document. Last year's success, planning and preparation ensure that the County Executive Office will meet new and continuing challenges proactively and will fulfill its stated mission, "to support and implement Board policy and direction and leadership through corporate direction and leadership, communication and coordination of strategic and regional planning, and to ensure effective service delivery through efficient management of the County's workforce and resources, and identify and respond to needs in a proactive style focused on customer service."
- Chris Norby, Chairman of the Board of Supervisors identified his goals for the County of Orange in January 2007. He noted that 2006 was a year of transition as two new members were elected to the Board of Supervisors (John Moorlach and Pat Bates). That transition is now complete since the installation of Janet Nguyen as the First District Supervisor. Supervisor Norby noted the key public policy issues for the County in 2007 will include public protection with a special emphasis on cross training of deputies to identify and deport criminal aliens, completing plans for the new Musick jail, and fully developing a local DNA data base to enable speedier prosecutions or exoneration of those falsely accused. Additional efforts for 2007 will also include review of the County's parks system and methods to address the North-South imbalance of park facilities. All of these initiatives will require the Board's vigilance with the public purse to insure that County residents are getting full value from the County's \$5.56 billion budget. The

County Executive Office's goals for 2007, including within this business plan, will support the implementation of the Board of Supervisor's policy directives. All of us have a role in 'making things happen' in support of the Board and the County of Orange.

- Consistent with the goals set by the Board of Supervisors in 2006, the County has launched the Countywide Strategic Focus process. The effort focuses on sharpening the ability of the county to meet our customers' service needs and make sure the County has a forward focus to meet new challenges and seize opportunities to better serve our County. Stakeholder interviews, the

first every County employee survey, and workshops involving the Board, Agency and Department Heads, and OCLA Alumni all took place in late 2006. These efforts led to the development and ultimately the adoption by the Board of Supervisors of a new County of Orange mission statement and vision statements for Business and Cultural Values. The 'Balanced Scorecard' approach was also piloted by the Probation Department and the Treasurer Tax Collector in 2006. Our office will continue its leadership role on behalf of the Board of Supervisors as the process continues in 2007 and beyond.

Budget Units Under Agency Control:

No.	Agency Name	County Executive Office	County Financial Office	Information & Technology	Infrastructure & Environmental Services	Government & Public Services	Total
004	Miscellaneous	0	295,212,405	0	0	0	295,212,405
016	2005 Lease Revenue Refunding Bonds	0	73,408,249	0	0	0	73,408,249
017	County Executive Office	5,845,820	5,925,435	3,777,004	193,388	2,551,841	18,293,488
019	Capital Acquisition Financing	0	7,120,897	0	0	0	7,120,897
021	2005 Refunding Recovery Bonds	0	18,429,900	0	0	0	18,429,900
036	Capital Projects	0	55,378,749	0	0	0	55,378,749
038	Data Systems Development Projects	0	0	10,551,010	0	0	10,551,010
081	Trial Courts	0	0	68,251,363	0	0	68,251,363
104	Criminal Justice Facilities - Accumulative Capital Outlay	0	10,788,345	0	0	0	10,788,345
105	Courthouse Temporary Construction	0	4,729,421	0	0	0	4,729,421
12J	DNA Identification Fund	0	1,501,873	0	0	0	1,501,873
130	District Community Priorities and Projects	0	9,000,000	0	0	0	9,000,000
135	Real Estate Development Program	0	475,230	0	0	0	475,230
13A	Litigation Reserve - Escrow Agent FTCL	0	203,015	0	0	0	203,015
13J	Children's Waiting Room	0	934,889	0	0	0	934,889
13N	Orange County Tobacco Settlement	0	34,540,172	0	0	0	34,540,172
13X	Substance Abuse & Crime Prevention Act Fund	0	4,162,590	0	0	0	4,162,590
145	Revenue Neutrality	0	3,024,697	0	0	0	3,024,697
14B	County Public Safety Sales Tax Excess Revenue	0	82,671,718	0	0	0	82,671,718
14U	Court Facilities	0	2,425,794	0	0	0	2,425,794
14X	Tobacco Settlement	0	763,935	0	0	0	763,935
14Y	Indemnification Reserve	0	53,384	0	0	0	53,384
14Z	Litigation Reserve	0	4,021,753	0	0	0	4,021,753

Budget Units Under Agency Control:

No.	Agency Name	County Executive Office	County Financial Office	Information & Technology	Infrastructure & Environmental Services	Government & Public Services	Total
15J	Pension Obligation Bonds Debt Service	0	21,583,377	0	0	0	21,583,377
15S	Designated Special Revenue	0	20,753,870	0	0	0	20,753,870
289	Information Technology Internal Service Fund	0	0	60,983,608	0	0	60,983,608
293	Workers' Compensation Internal Service Fund	0	40,901,706	0	0	0	40,901,706
294	Property and Casualty Risk Internal Service Fund	0	36,788,219	0	0	0	36,788,219
486	Ladera CFD 2002-01 Construction	0	18,925,257	0	0	0	18,925,257
487	Ladera CFD 2002-01 Debt Service	0	10,719,115	0	0	0	10,719,115
516	Assessment Dist 01-1 Ziani Project-Debt Service	0	1,199,528	0	0	0	1,199,528
522	Newport Coast AD 01-1 Construction Group 2	0	2,368,234	0	0	0	2,368,234
523	Newport Coast AD 01-1 Group 2 Debt Service	0	2,288,102	0	0	0	2,288,102
529	CFD 2004-1 Ladera Construction	0	60,918,144	0	0	0	60,918,144
530	CFD 2004-1 Ladera Debt Service	0	11,613,147	0	0	0	11,613,147
531	Newport Coast AD 01-1 Construction '06 Variables	0	7,081,957	0	0	0	7,081,957
599	O. C. Special Financing Authority Debt Service	0	95,962,762	0	0	0	95,962,762
9A0	Debt Service	0	63,697,735	0	0	0	63,697,735
9B0	Debt Service	0	146,769,824	0	0	0	146,769,824
9C0	Debt Service	0	227,383,500	0	0	0	227,383,500
	Total	5,845,820	1,383,726,928	143,562,985	193,388	2,551,841	1,535,880,962

017 - County Executive Office

Summary of Proposed Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual	Budget As of 3/31/07	Projected ⁽¹⁾ At 6/30/07	Recommended	Projected Amount	Percent
Charges For Services	\$ 2,060,525	\$ 2,286,797	\$ 2,292,456	\$ 2,107,722	\$ (184,734)	-8.06%
Miscellaneous Revenues	32,993	0	66,490	0	(66,490)	-100.00
Total Revenues	2,093,518	2,286,797	2,358,946	2,107,722	(251,224)	-10.65
Salaries & Benefits	8,475,426	11,296,434	10,348,134	11,273,996	925,862	8.95
Services & Supplies	4,997,176	8,606,524	8,889,587	8,161,992	(727,595)	-8.18
Services & Supplies Reimbursements	(3,500)	(75,000)	(75,000)	(3,000)	72,000	-96.00
Fixed Assets	0	12,000	22,819	12,000	(10,819)	-47.41
Intrafund Transfers	(323,948)	(857,506)	(870,045)	(1,151,500)	(281,455)	32.35
Total Requirements	13,145,154	18,982,452	18,315,495	18,293,488	(22,007)	-0.12
Net County Cost	\$ 11,051,636	\$ 16,695,655	\$ 15,956,549	\$ 16,185,766	\$ 229,217	1.44%

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2006-07 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Proposed Budget Summary of County Executive Office:

Revenues/Appropriations	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual	Budget As of 3/31/07	Projected ⁽¹⁾ At 6/30/07	Recommended	Projected Amount	Percent
Charges For Services	\$ 40,139	\$ 69,066	\$ 69,066	\$ 72,454	\$ 3,388	4.91%
Miscellaneous Revenues	1,073	0	9,111	0	(9,111)	-100.00
Total Revenues	41,212	69,066	78,177	72,454	(5,723)	-7.32
Salaries & Benefits	1,968,581	2,865,042	2,431,574	2,379,273	(52,301)	-2.15
Services & Supplies	2,015,187	3,481,985	3,641,479	3,536,702	(104,777)	-2.88
Fixed Assets	0	0	0	0	0	-100.00
Intrafund Transfers	(56,767)	(63,357)	(63,852)	(70,155)	(6,303)	9.87
Total Requirements	3,927,001	6,283,670	6,009,201	5,845,820	(163,381)	-2.72
Net County Cost	\$ 3,885,789	\$ 6,214,604	\$ 5,931,024	\$ 5,773,366	\$ (157,658)	-2.66%

Proposed Budget Summary of County Financial Office:

Revenues/Appropriations	FY 2005-2006		FY 2006-2007		FY 2006-2007		Change from FY 2006-2007	
	Actual	Budget	As of 3/31/07	Projected ⁽¹⁾	At 6/30/07	Recommended	Projected	Percent
Charges For Services	\$ 1,816,589	\$ 2,021,484	\$ 2,021,484	\$ 2,022,306	\$ 2,022,306	\$ 1,839,021	\$ (183,285)	-9.06%
Miscellaneous Revenues	27,279	0	0	56,237	56,237	0	(56,237)	-100.00
Total Revenues	1,843,868	2,021,484	2,021,484	2,078,543	2,078,543	1,839,021	(239,522)	-11.52
Salaries & Benefits	4,323,784	5,176,087	5,176,087	4,759,704	4,759,704	5,197,112	437,408	9.19
Services & Supplies	1,352,602	1,403,120	1,403,120	2,080,964	2,080,964	1,541,778	(539,186)	-25.91
Services & Supplies Reimbursements	(3,500)	(75,000)	(75,000)	(75,000)	(75,000)	(3,000)	72,000	-96.00
Intrafund Transfers	0	(539,846)	(539,846)	(539,846)	(539,846)	(810,455)	(270,609)	50.13
Total Requirements	5,672,886	5,964,361	5,964,361	6,225,822	6,225,822	5,925,435	(300,387)	-4.82
Net County Cost	\$ 3,829,018	\$ 3,942,877	\$ 3,942,877	\$ 4,147,279	\$ 4,147,279	\$ 4,086,414	\$ (60,865)	-1.47%

Proposed Budget Summary of Information & Technology:

Revenues/Appropriations	FY 2005-2006		FY 2006-2007		FY 2006-2007		Change from FY 2006-2007	
	Actual	Budget	As of 3/31/07	Projected ⁽¹⁾	At 6/30/07	Recommended	Projected	Percent
Charges For Services	\$ 12,593	\$ 0	\$ 0	\$ 4,837	\$ 4,837	\$ 0	\$ (4,837)	-100.00%
Miscellaneous Revenues	4,641	0	0	1,142	1,142	0	(1,142)	-100.00
Total Revenues	17,234	0	0	5,979	5,979	0	(5,979)	-100.00
Salaries & Benefits	892,589	1,550,809	1,550,809	1,738,857	1,738,857	2,174,040	435,183	25.03
Services & Supplies	399,744	1,614,828	1,614,828	811,633	811,633	1,590,964	779,331	96.02
Fixed Assets	0	12,000	12,000	22,819	22,819	12,000	(10,819)	-47.41
Intrafund Transfers	(41,448)	0	0	0	0	0	0	0.00
Total Requirements	1,250,885	3,177,637	3,177,637	2,573,309	2,573,309	3,777,004	1,203,695	46.78
Net County Cost	\$ 1,233,651	\$ 3,177,637	\$ 3,177,637	\$ 2,567,330	\$ 2,567,330	\$ 3,777,004	\$ 1,209,674	47.12%

Proposed Budget Summary of Infrastructure & Environmental Services:

Revenues/Appropriations	FY 2005-2006		FY 2006-2007		FY 2006-2007		Change from FY 2006-2007	
	Actual	Budget	As of 3/31/07	Projected ⁽¹⁾	At 6/30/07	Recommended	Projected	Percent
Salaries & Benefits	\$ 250,262	\$ 225,283	\$ 225,283	\$ 151,535	\$ 151,535	\$ 166,192	\$ 14,657	9.67%
Services & Supplies	10,231	528,084	528,084	528,355	528,355	27,196	(501,159)	-94.85
Total Requirements	260,493	753,367	753,367	679,890	679,890	193,388	(486,502)	-71.56
Net County Cost	\$ 260,493	\$ 753,367	\$ 753,367	\$ 679,890	\$ 679,890	\$ 193,388	\$ (486,502)	-71.56%

Proposed Budget Summary of Government & Public Services:

Revenues/Appropriations	FY 2005-2006		FY 2006-2007		FY 2007-2008		Change from FY 2006-2007	
	Actual	Budget As of 3/31/07	Projected ⁽¹⁾ At 6/30/07	Projected ⁽¹⁾ At 6/30/07	Recommended	Projected Amount	Projected Percent	
Charges For Services	\$ 191,204	\$ 196,247	\$ 196,247	\$ 196,247	\$ 196,247	\$ 0	0.00%	
Total Revenues	191,204	196,247	196,247	196,247	196,247	0	0.00	
Salaries & Benefits	1,040,209	1,479,213	1,266,464	1,266,464	1,357,379	90,915	7.18	
Services & Supplies	1,219,413	1,578,507	1,827,156	1,827,156	1,465,352	(361,804)	-19.80	
Intrafund Transfers	(225,732)	(254,303)	(266,347)	(266,347)	(270,890)	(4,543)	1.71	
Total Requirements	2,033,889	2,803,417	2,827,273	2,827,273	2,551,841	(275,432)	-9.74	
Net County Cost	\$ 1,842,685	\$ 2,607,170	\$ 2,631,026	\$ 2,631,026	\$ 2,355,594	\$ (275,432)	-10.47%	