

COUNTY OF ORANGE

2009 STRATEGIC FINANCIAL PLAN

Board of Supervisors Meeting
December 15, 2009



Our Community/Our Commitment

Opening Remarks



Thomas G. Mauk
County Executive Officer

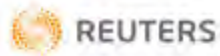
Financial and Economic Overview

Robert J. Franz
Chief Financial Officer



Orange County Forecast Overview

Grim reality still grips U.S. commercial real estate



Buzz up! 0 votes | Send | Share | Print

By Iaina Jonas - Tue Nov 3, 12:09 pm ET



Forecast: OC recovery bit stronger than state

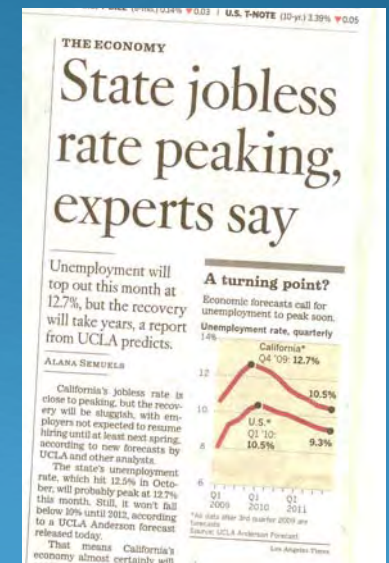
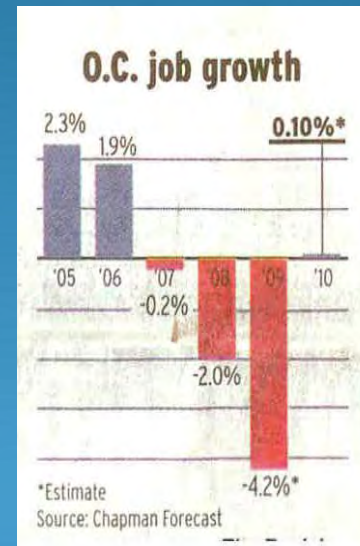
Chapman economists see slightly higher GDP and consumer spending, 1,000 new jobs in county.

Schwarzenegger: This year's budget gap may hit \$7 billion

By Kevin Yamamura and Dan Smith - Updated: Tuesday, November 10 2009 - 4:51 pm

Realtor economist: Calif. home prices have bottomed

October 10th, 2009, 2:00 am · 139 Comments · posted by Jeff Collins



CSUF sees return of O.C. job growth in 2010

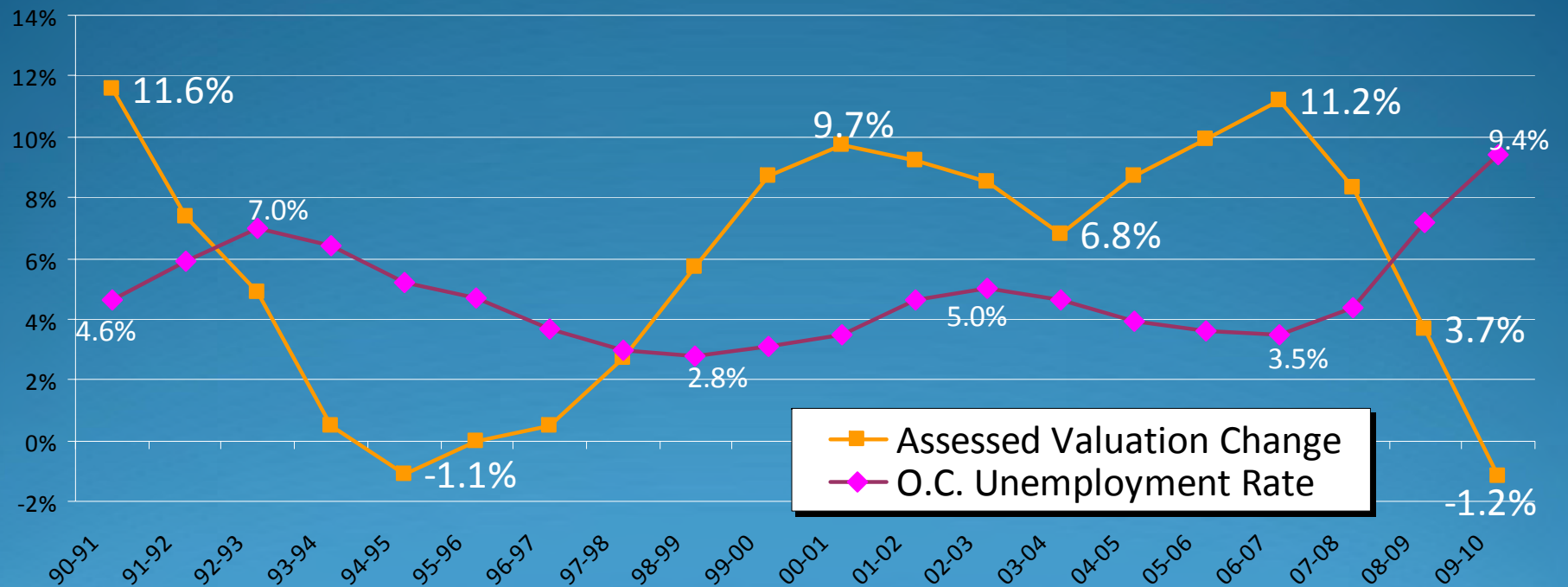
October 27th, 2009, 8:00 am · 25 Comments · posted by Mary Ann Milbourn

UCLAAnderson FORECAST

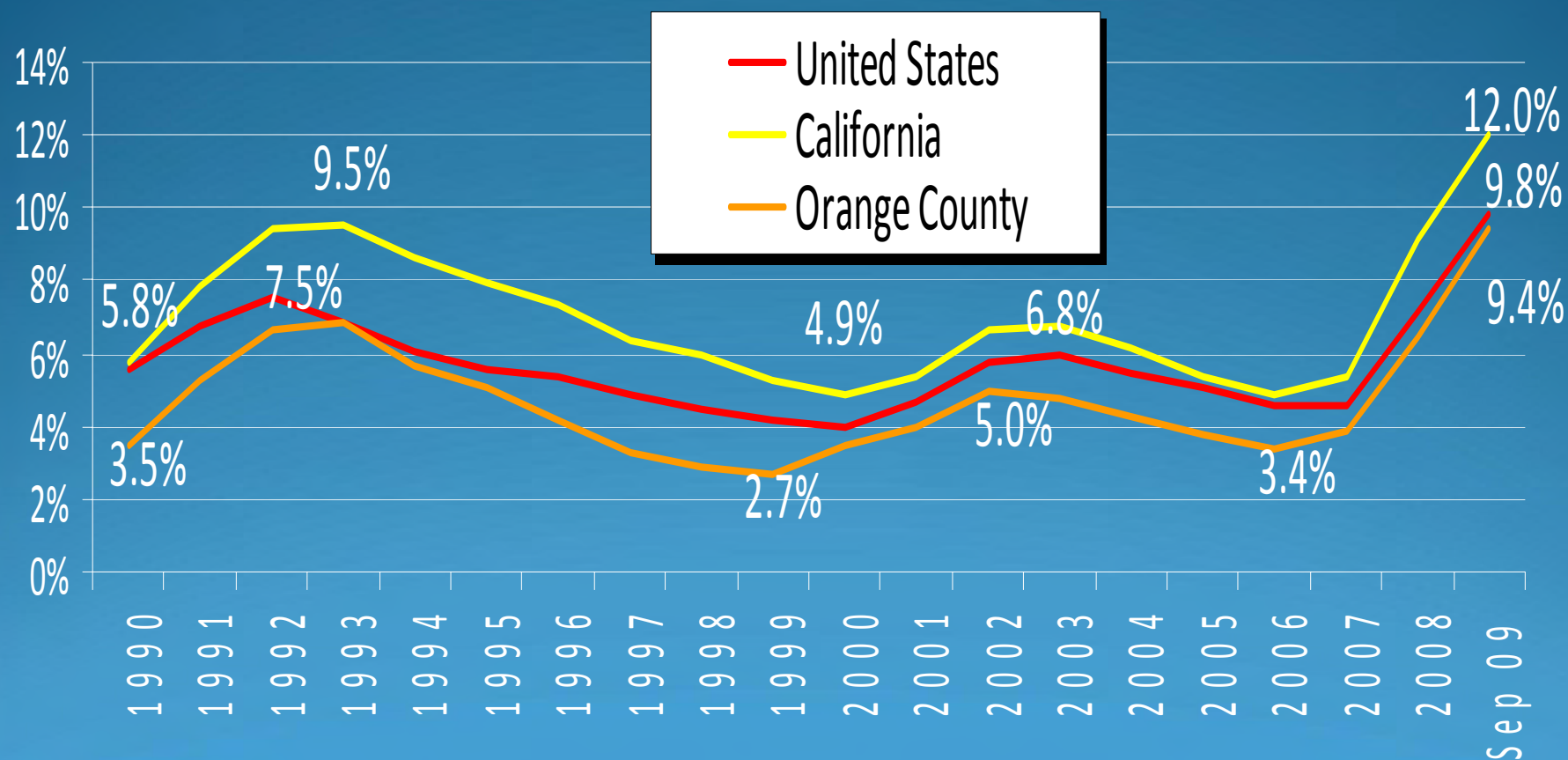
UCLA sees 16% home-price gain in 2010

October 29th, 2009, 2:00 am · 134 Comments · posted by Jeff Collins

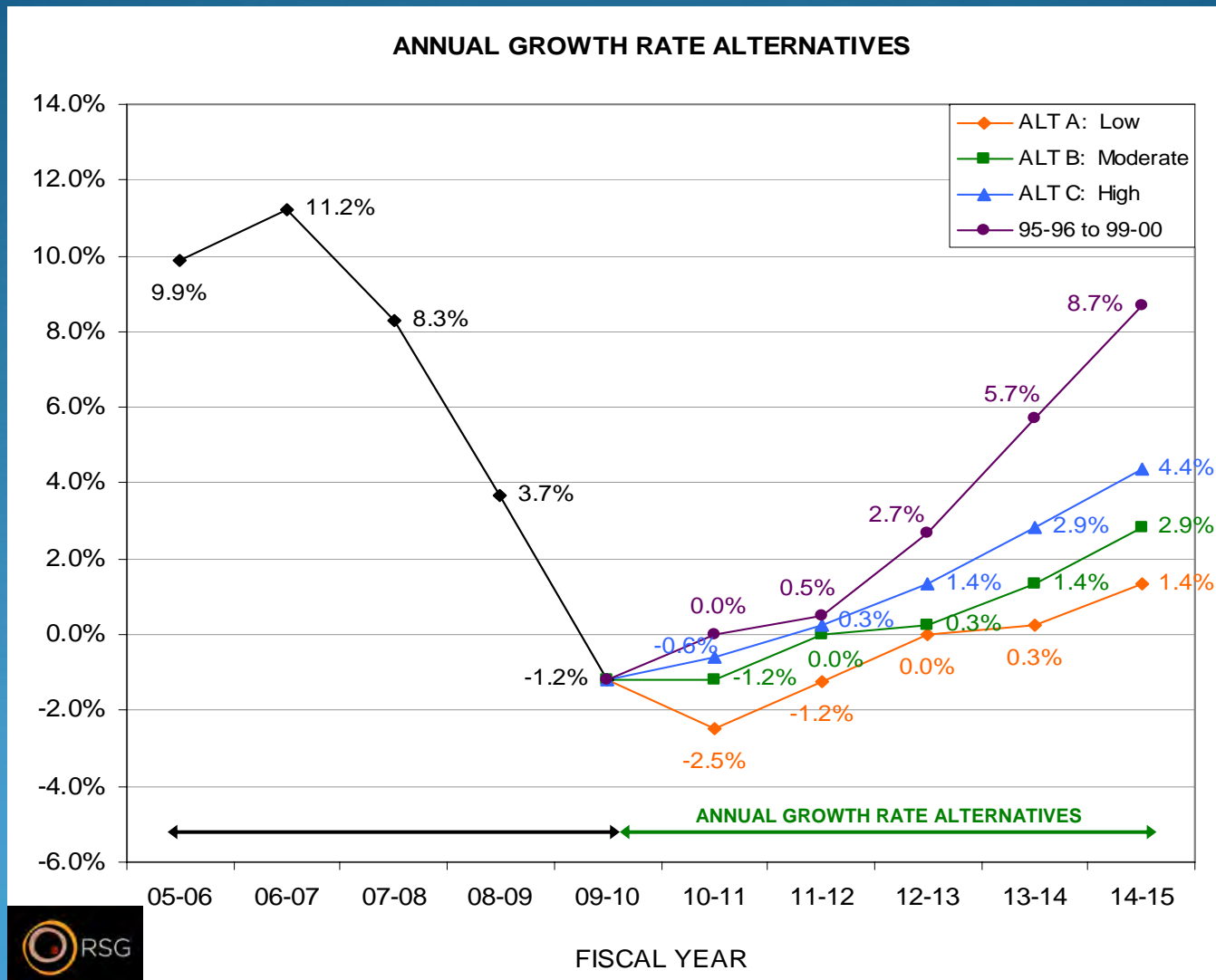
Assessed Value Change vs. Unemployment Rate



Unemployment Rate

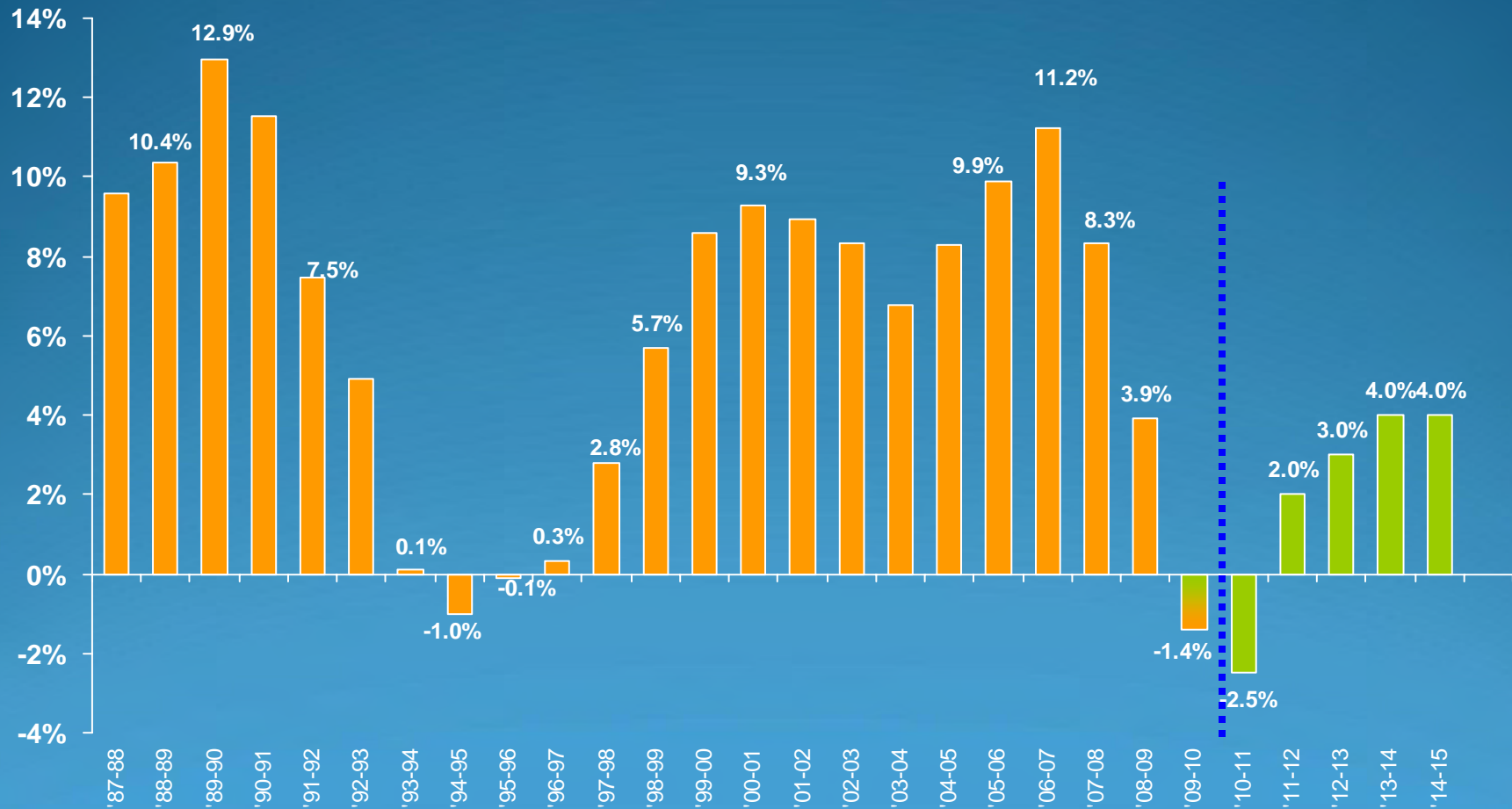


Growth Rate Alternatives

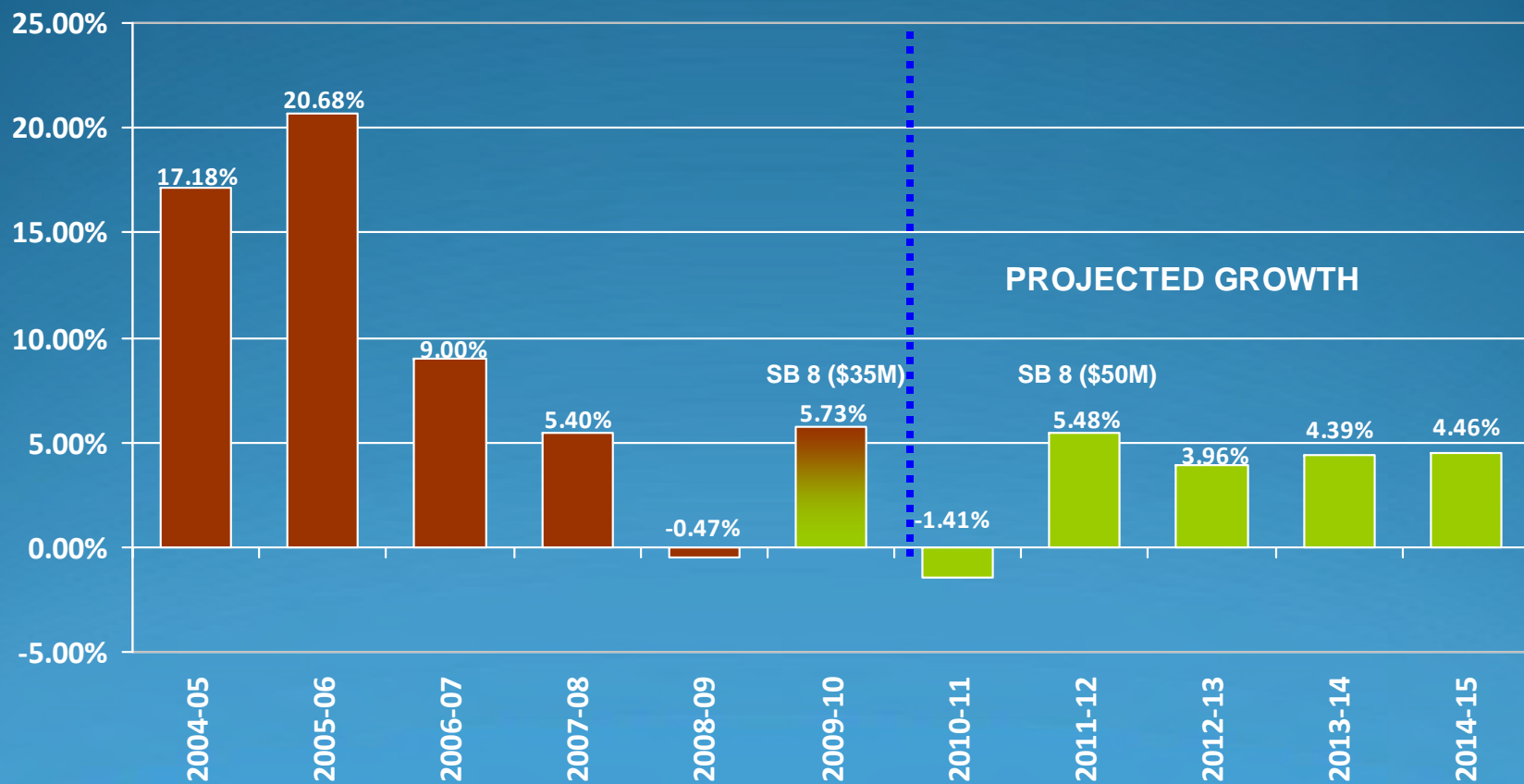


Secured Assessed Valuation

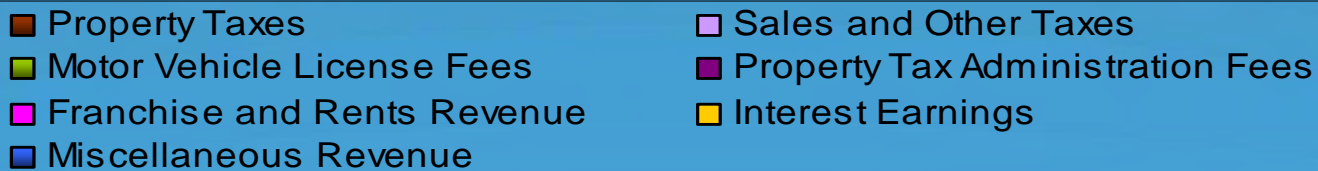
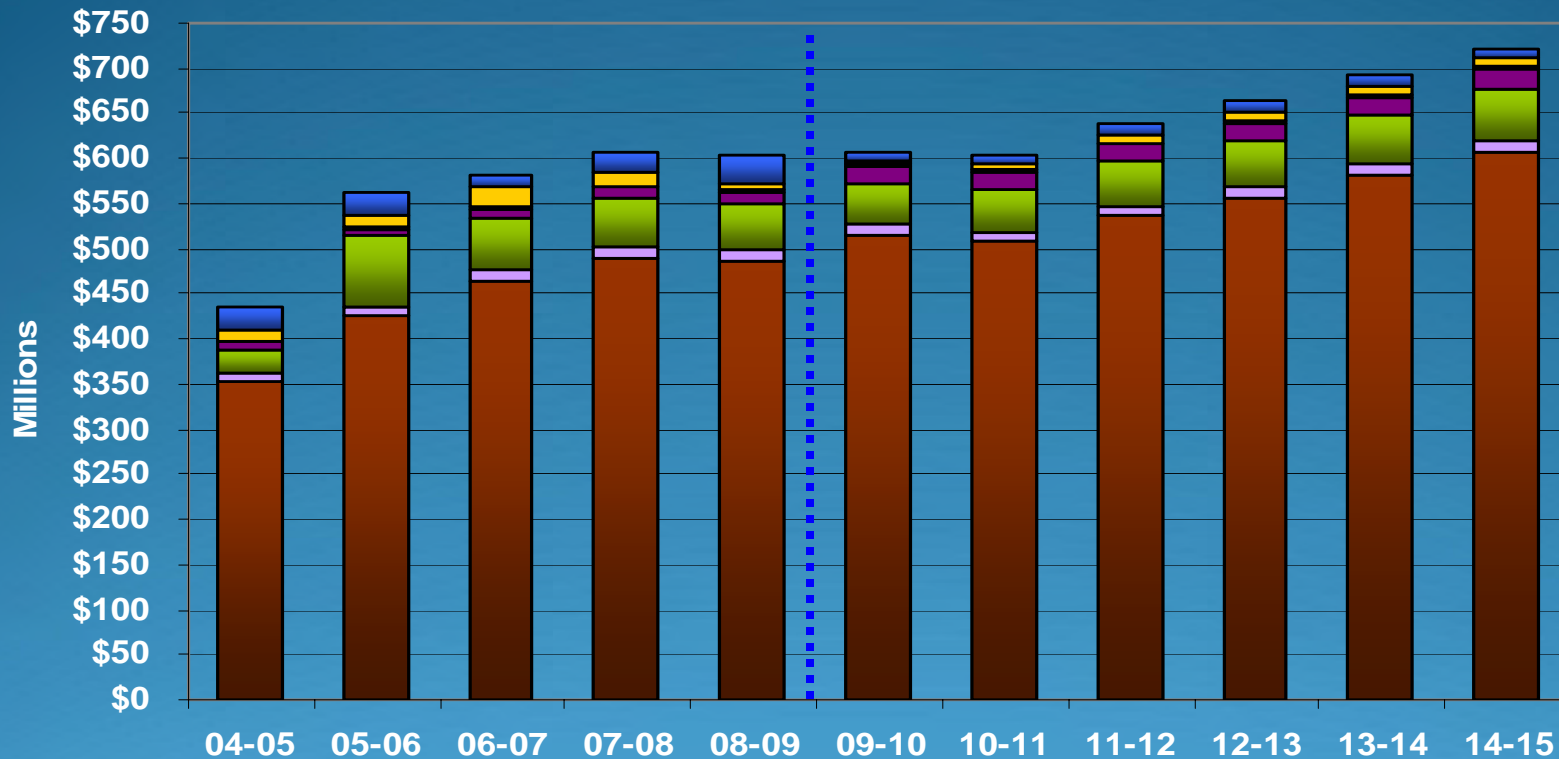
Percent



Property Tax Revenue Growth

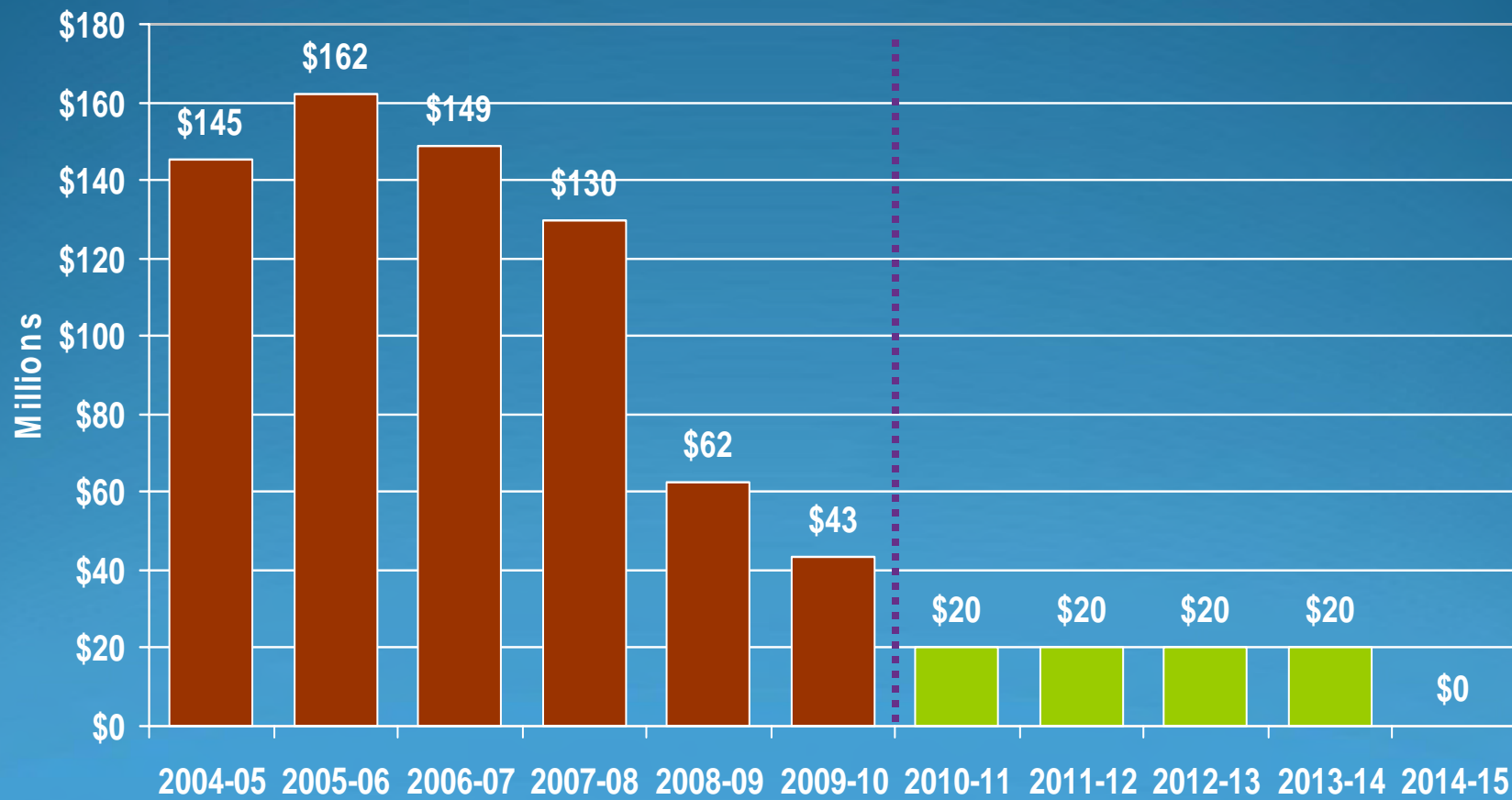


General Purpose Revenue

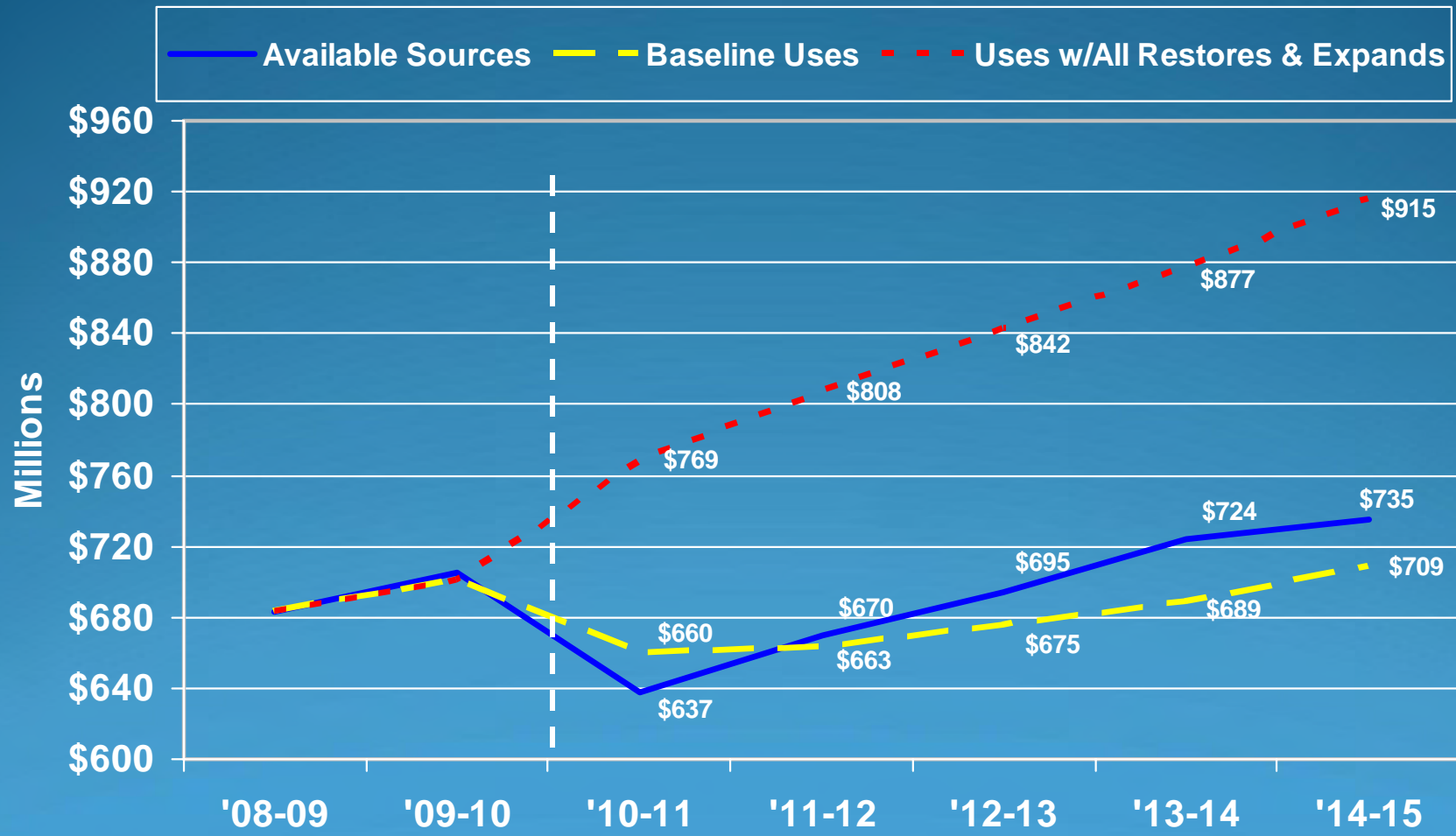


Fund Balance Available

➤ Equivalent to Prior Year Budget Savings



Five Year Forecast

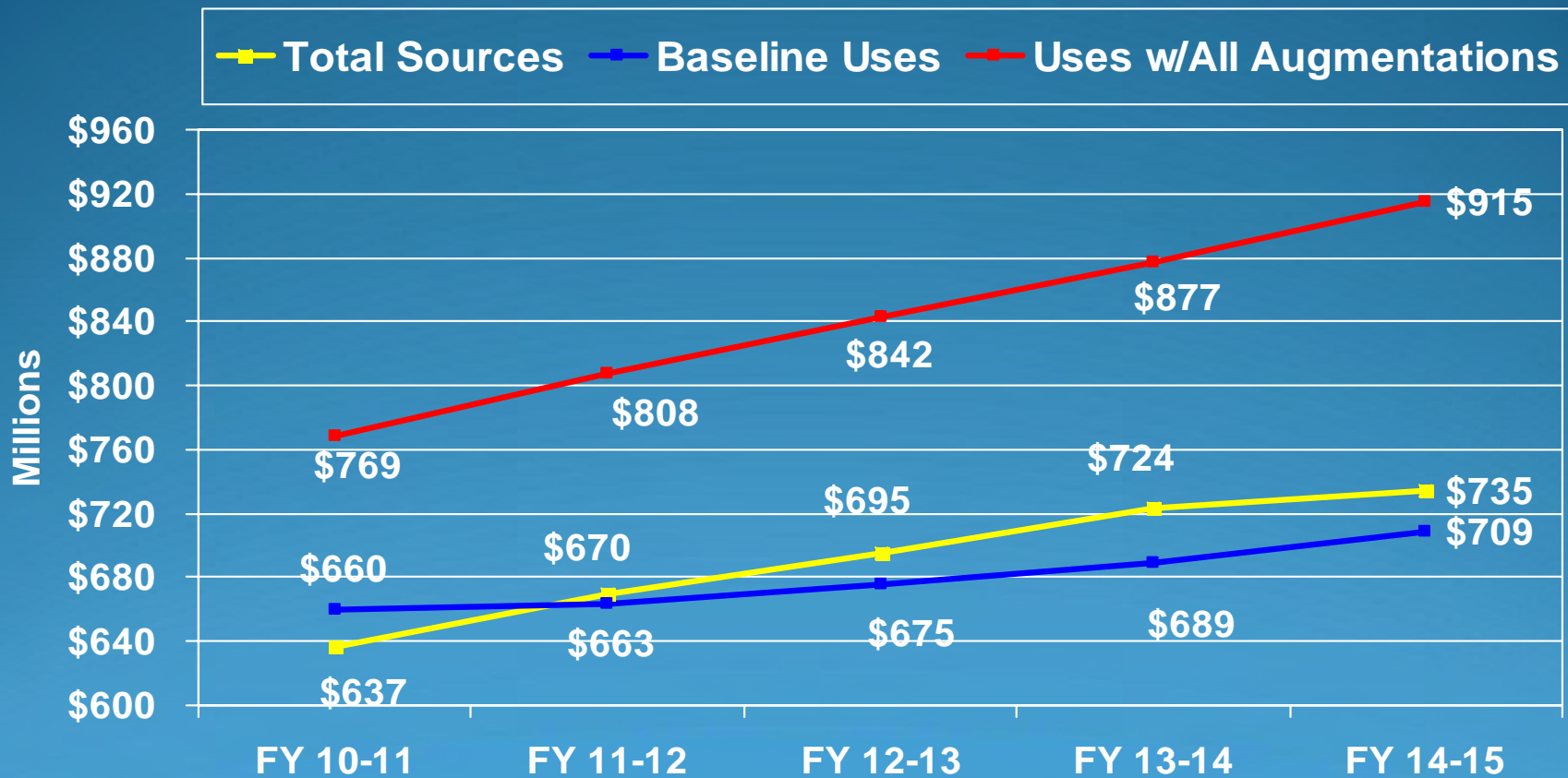


2009 SFP Financial Overview

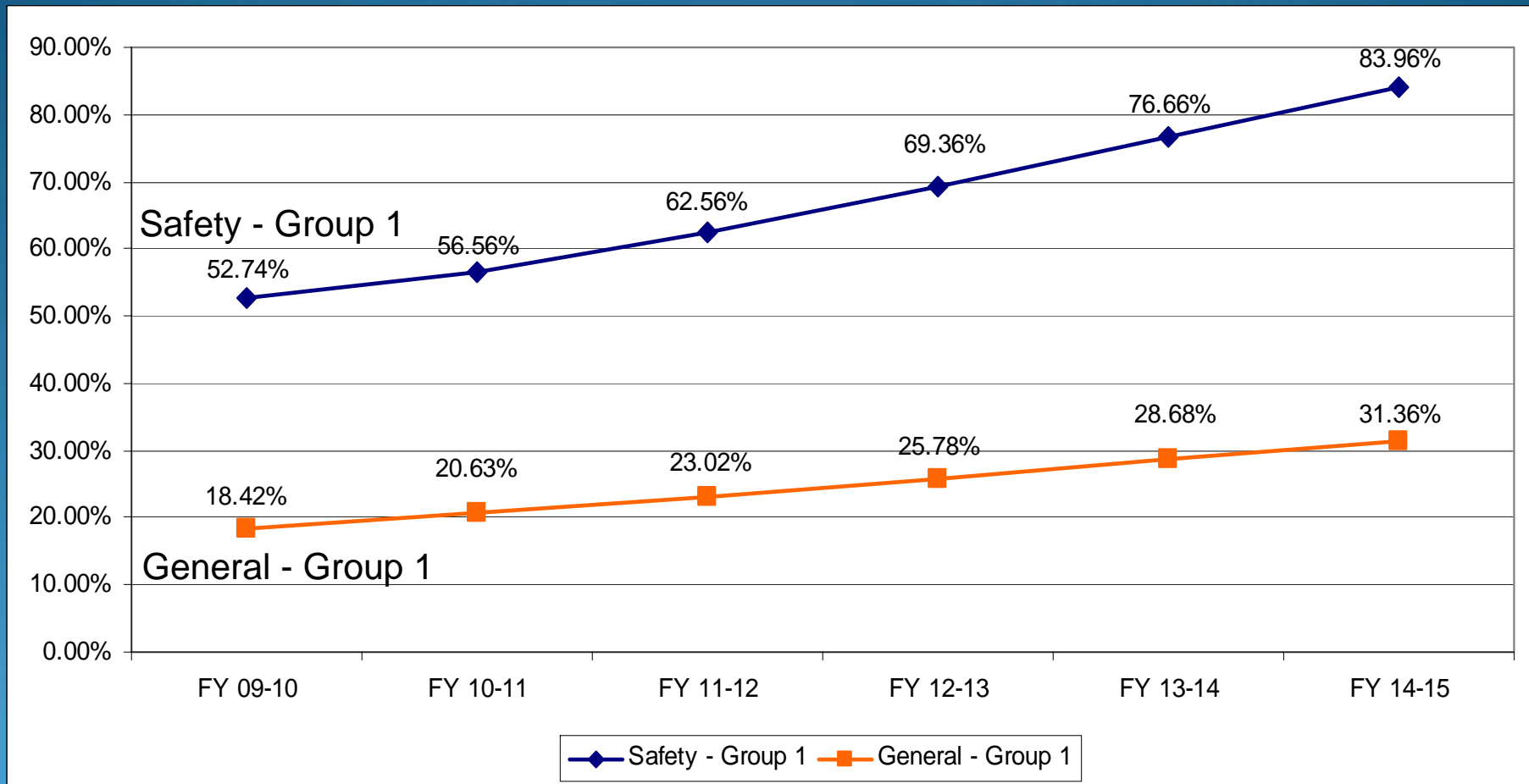
Frank Kim
CEO Budget Director



Sources and Uses

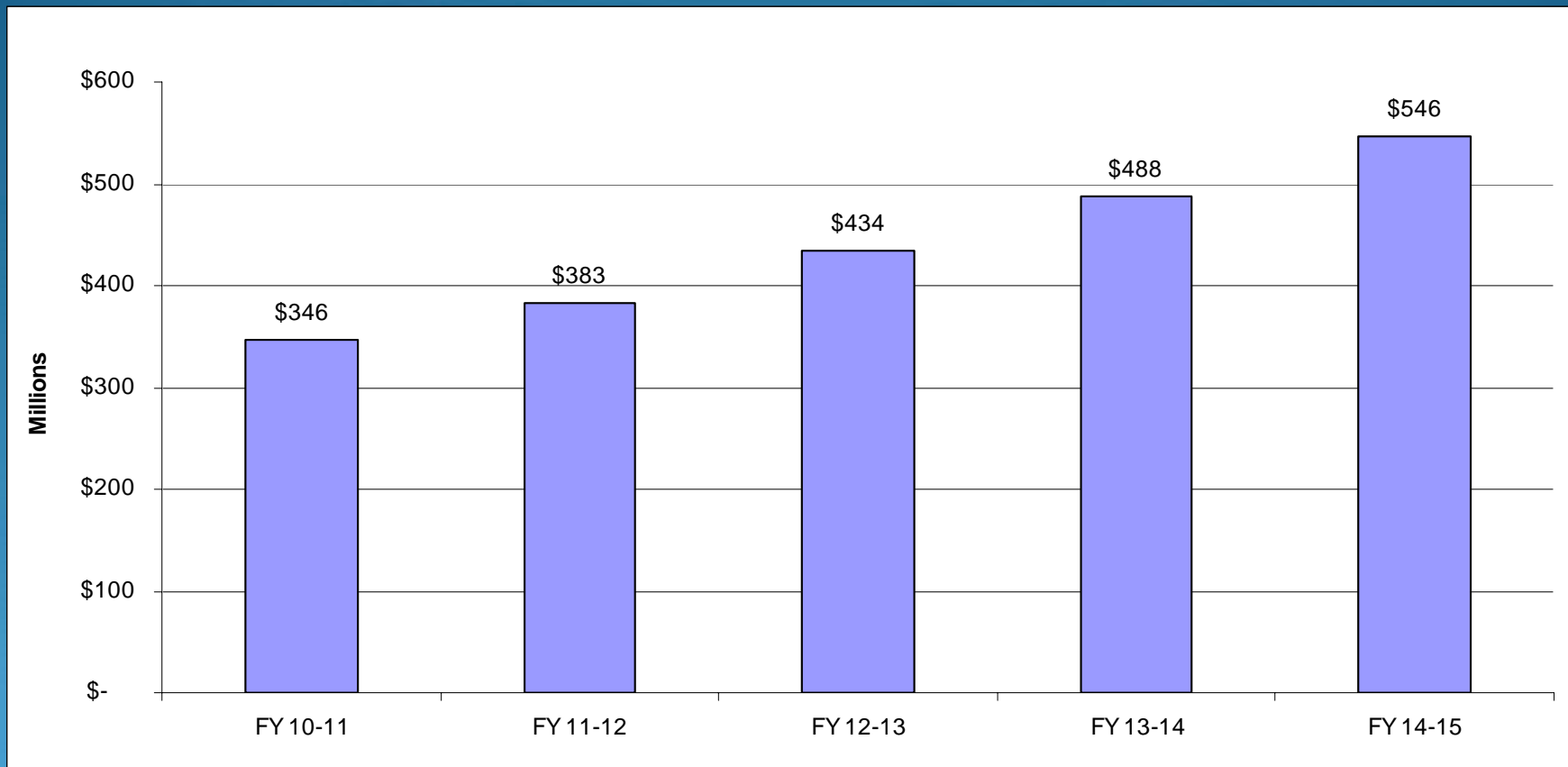


Retirement Rate Projection



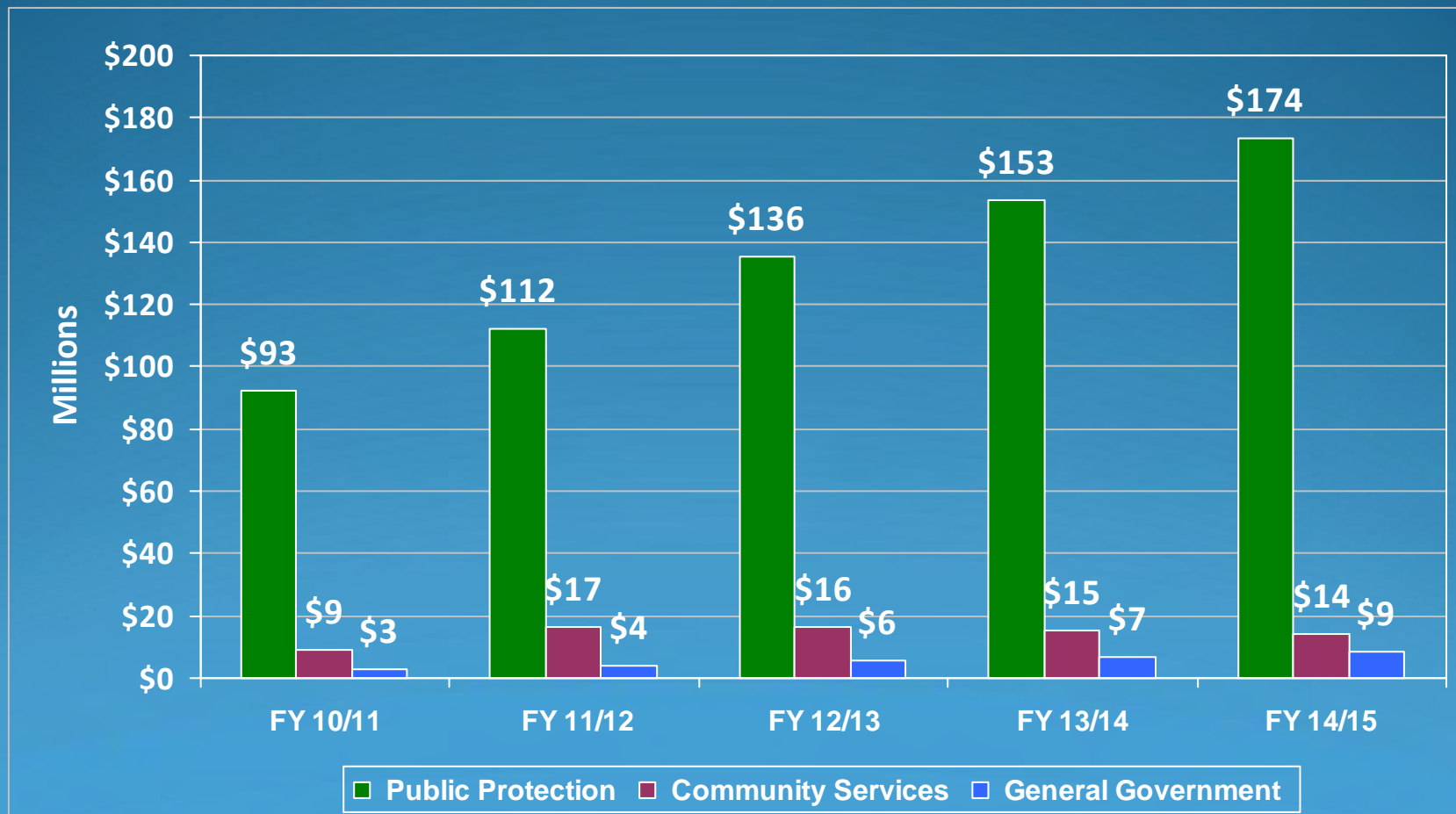
Rate of Return Assumption of -21%, 0%, 0%, 7.75%, 7.75%

Retirement Cost Projection

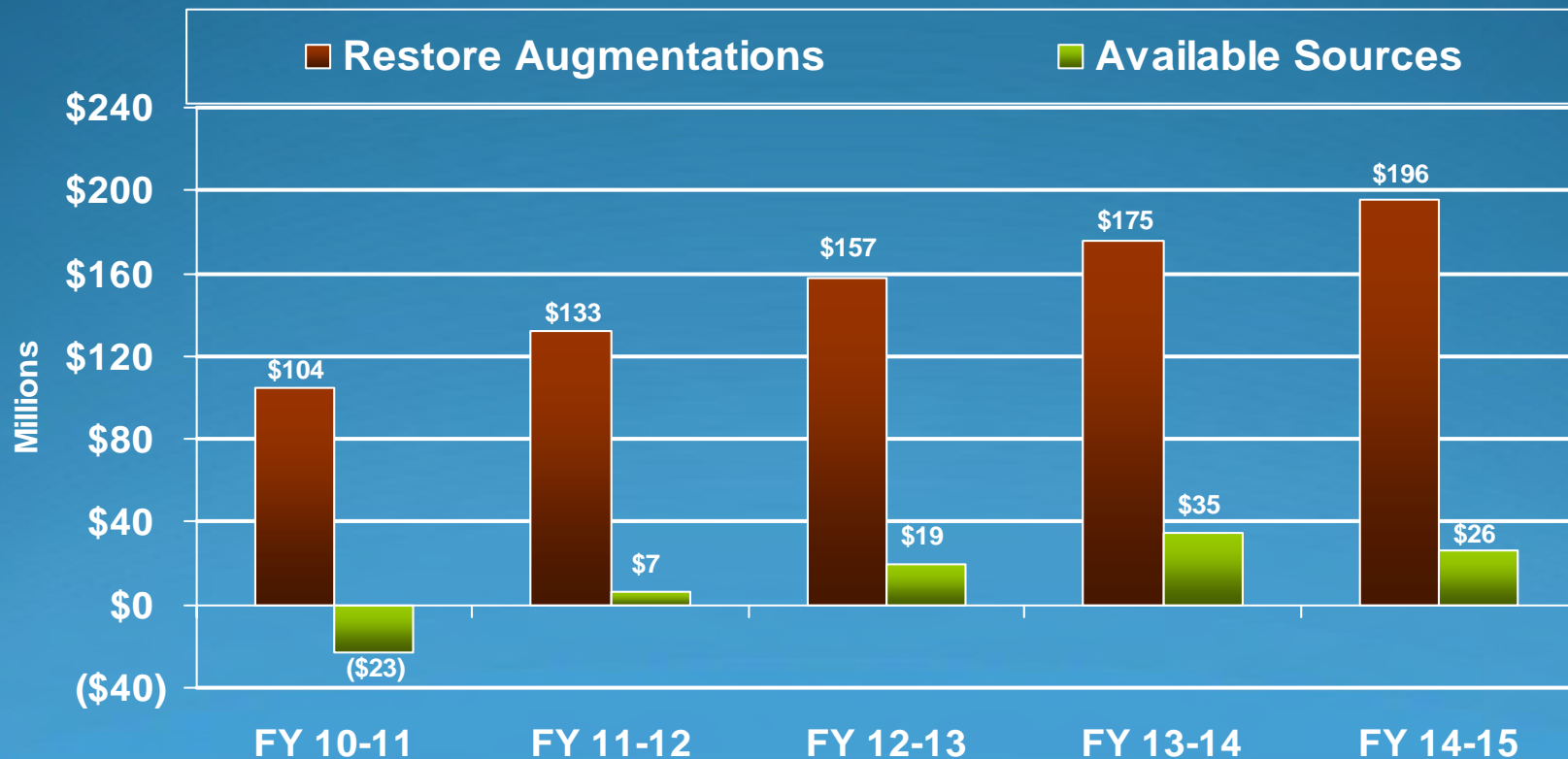


Rate of Return Assumption of -21%, 0%, 0%, 7.75%, 7.75%

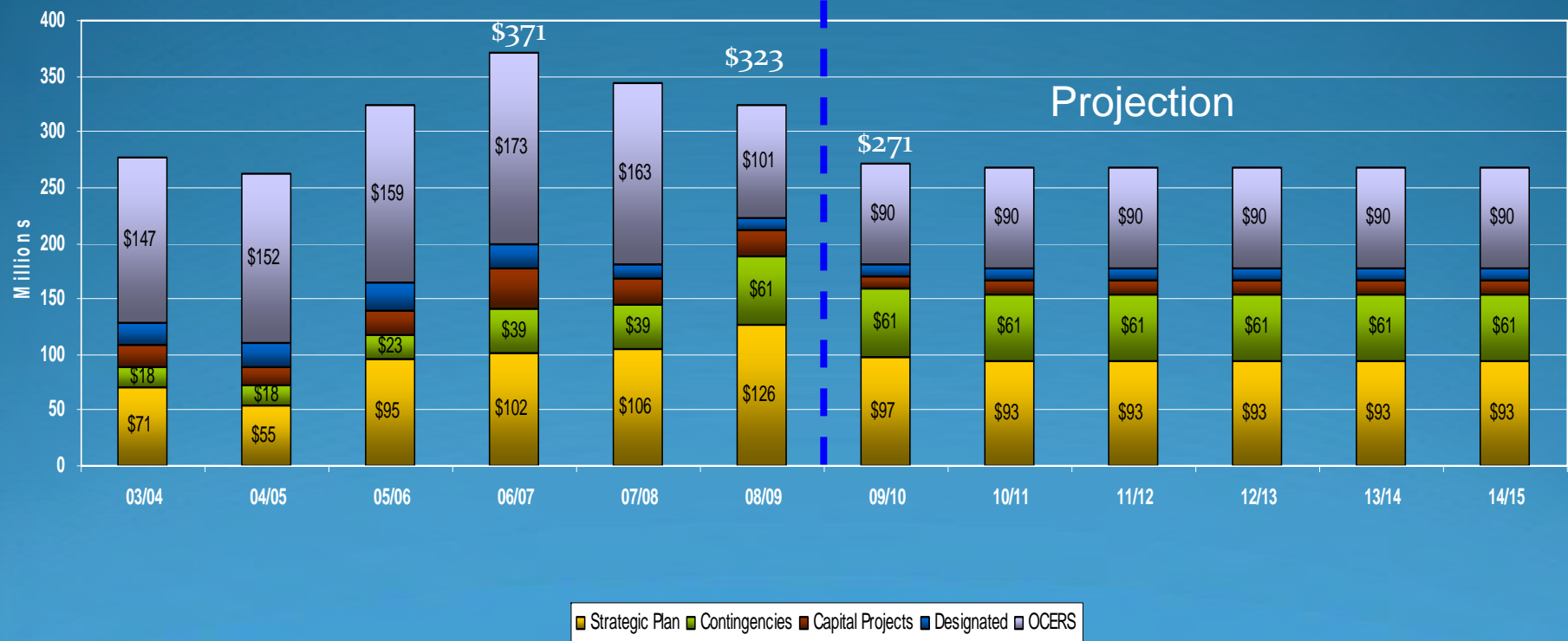
RESTORATION REQUESTS BY PROGRAM



Available Sources of Funding

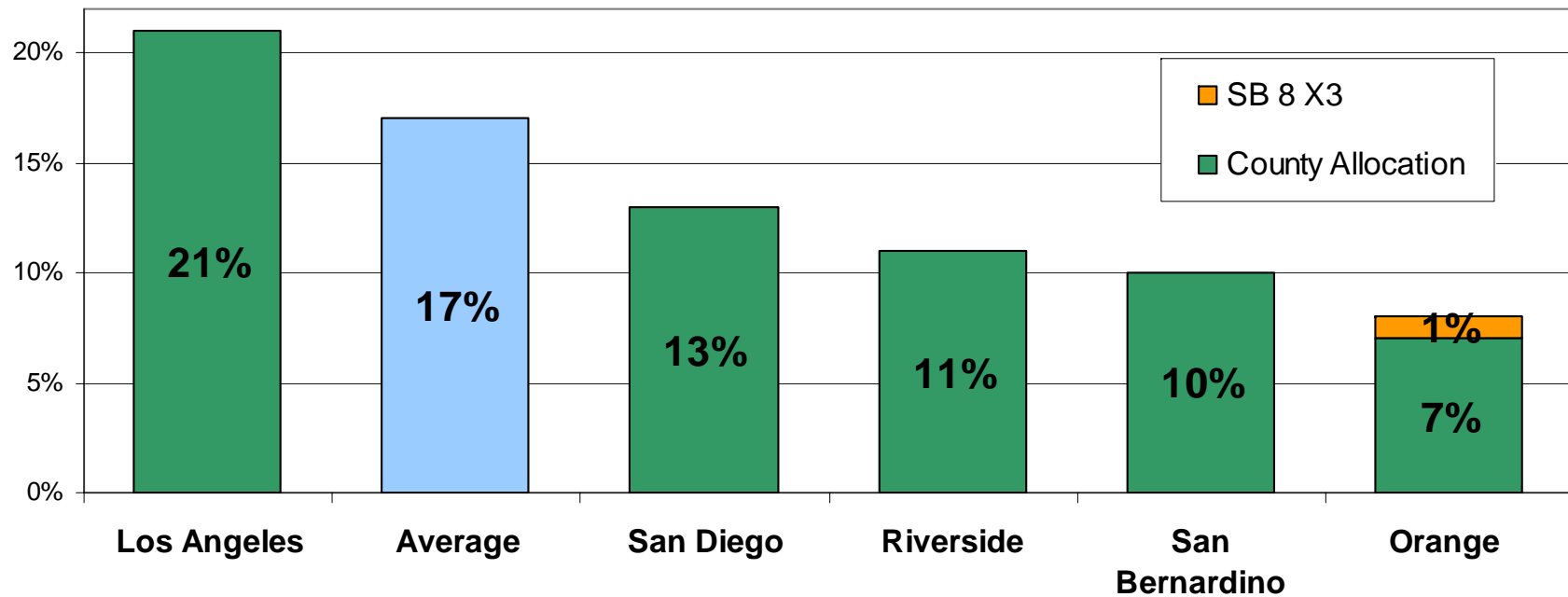


Reserves Available to General Fund



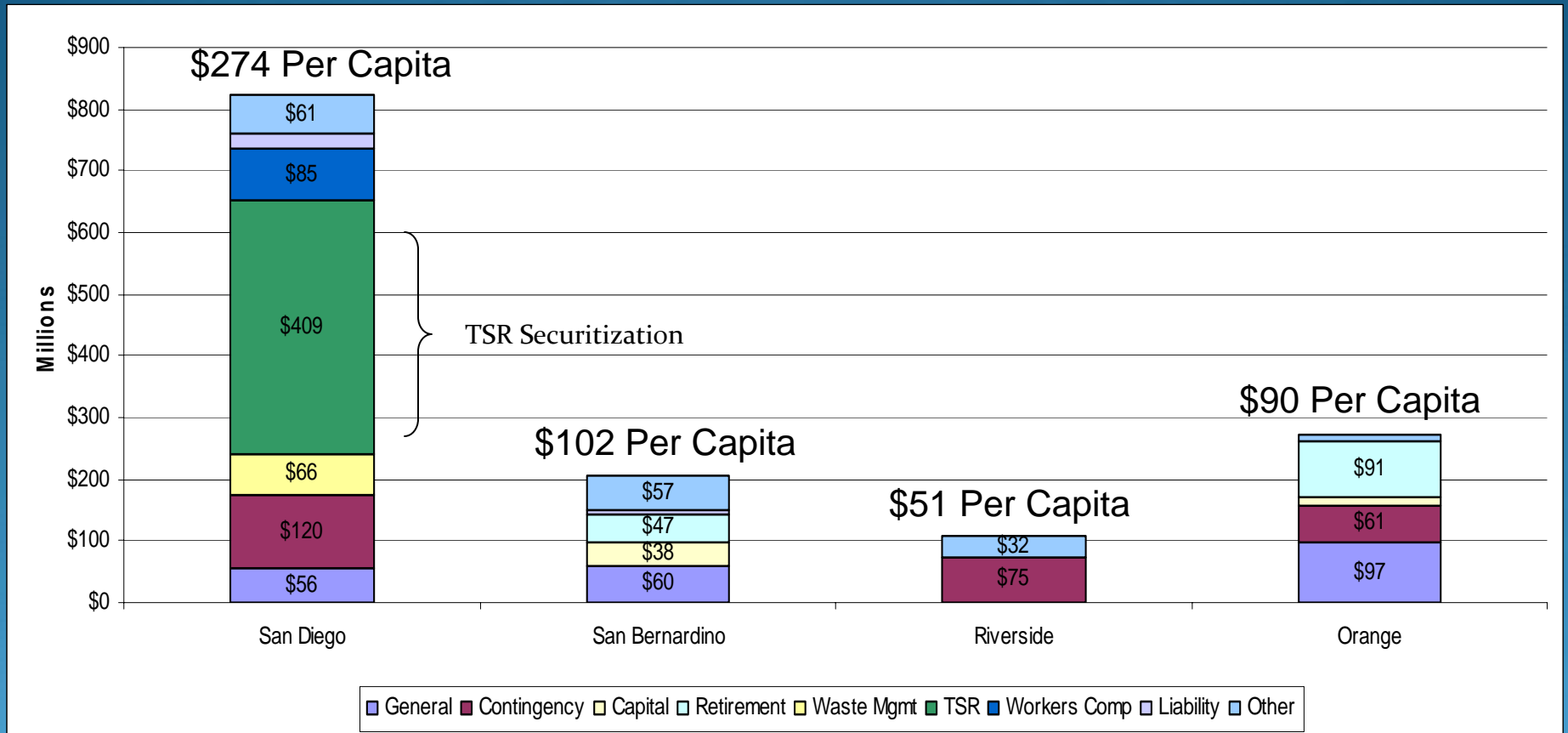
Property Tax Allocation by County

State Board of Equalization - FY 2007-08 (latest report available)



Note: Excludes Triple Flip/VLF Swap

Peer Comparison - Reserves



Reduction Strategies

- Mid-Year Reduction in Net County Cost of 5%
- Board Subcommittee Working with DA and Sheriff
- Update Fees to Reflect Current Cost of Services
- Aggressively Pursue Grant Opportunities
- Federal Jail Bed Contract for Sheriff-Coroner
- Full Cost Recovery to All Contract Partners
- Continue to Defer Capital and IT Projects
- Increase Vacancy Factor
- Furlough

Conclusion

- Communicate Impacts
- Disciplined Financial Management
- Structural Balance
- Anticipate and Take Early Action
- Full Cost Recovery
- Be Creative

Board Directive - MSI

- *Directed staff to provide recommendations to the Board on restructuring Health Care Agency (HCA) funding to provide additional funding for MSI*
- MSI is an important component in the health safety net in Orange County
- Caseload increases due to economic environment have negatively impacted provider reimbursements
- Balanced approach to funding all safety net services is recommended
- Since 2004/05, Realignment funds and County General funds for the MSI program have increased by 31% as compared to 3% for other HCA programs
- Augmenting MSI while reducing other safety net services is not recommended

Next Steps

- Adopt 2009 Strategic Financial Plan
- Mid-Year Budget Reductions
- Board Subcommittee on Sheriff and DA
- 2nd Quarter to BOS on February 2010
- 3rd Quarter to BOS on May 2010
- FY 2010-11 Public Budget Hearings & Adoption in June 2010

Thank You

