



Plan Summary

The Strategic Financial Plan Summary provides a high-level overview of forecasted sources and uses of funding supporting general County operations and obligations. Sources of funding include Fund Balance Unassigned and General Purpose Revenues (discussed in detail in the *General Purpose Revenue Forecast* section of this document). The Fund Balance Unassigned projection is zero in each of the five years of the SFP.

The Planned Use of Reserves portion of the summary indicates reserve draws for previously approved priorities and projects, for which funds were set aside for future use. Typical use of Reserves is for one-time needs, such as large, multi-year capital projects. The Planned Increases to Reserves section of the summary indicates increases to reserves anticipated over the five Plan years.

Net County Cost (NCC) Limits, established at the beginning of the Strategic Financial Plan process, are set for ongoing baseline operations (current levels of service). NCC Limit growth is 0% for all five Plan years (FY 2023-24 through FY 2027-28) and increases will be strategically allocated based on need and the County's priorities, rather than as a percentage of base limits.

The reported variance is the result of total General Purpose Revenue (GPR) including transfers in plus draws from reserves and minus the NCC Limits; restoration requests from departments and increases to reserves needed to maintain the County's Budget Stabilization Reserve at the Government Finance Officers Association (GFOA) recommended level of two months of General Fund operating revenue in each of the five Plan years. Departments submit Restore Level of Service Requests when the assigned NCC Limit is insufficient to maintain current service levels. The NCC Limits plus restore level of service requests is the projected funding required to keep current operations and staffing. The variance, inclusive of restore level of service requests, demonstrates either overages or shortfalls in funding availability for departmental operations.

Expand level of service requests include additions of new positions or programs, or higher service levels with funding requirements of less than \$1 million in any one year of the SFP. Strategic Priority funding requests are for major initiatives, both programmatic and infrastructure related, not currently addressed in the baseline operations of the County departments, or which have high community awareness, and exceed \$1 million in any one year of the SFP. The Strategic Priorities section of this Plan includes further discussion and detail.

2022 STRATEGIC FINANCIAL PLAN SUMMARY
Forecasted Sources and Uses

	Final FY 2021-22	Adopted FY 2022-23	Projected FY 2022-23	FY 2023-24
SOURCES (\$ Millions)				
Fund Balance Unassigned (FBU) Beginning	\$0.0	\$0.0	\$0.0	\$0.0
General Purpose Revenues (GPR) (1)				
Property Taxes (+3.3%, +3.3%, +3.3%, +3.3%, +3.3%)	908.6	919.9	950.2	981.3
Sales & Other Taxes (-0.2%, 2.6%, 3.2%, 3.1%, 3.0%)	14.4	13.8	14.9	14.9
Motor Vehicle License Fees	3.1	2.4	3.1	2.4
Property Tax Administration	21.7	21.1	21.9	22.4
Franchises and Rents	2.7	2.6	2.7	2.7
Interest (1.9%, 1.9%, 1.9%, 1.9%, 1.9%)	6.0	5.2	14.4	6.1
Miscellaneous	2.9	1.7	1.7	1.7
Subtotal - GPR before Transfers In	\$959.2	\$966.8	\$1,009.0	\$1,031.4
Transfers In	0.0	8.5	2.5	8.5
Use of OCERS (2)	0.0	0.0	0.0	10.0
Total GPR (excluding FBU/Use of Reserves)	\$959.2	\$975.3	\$1,011.5	\$1,049.9
Planned Use of Reserves				
Catastrophic Event Contingencies (9741)	0.0	0.0	0.0	0.0
Reserve for Maintenance & Construction (9743)	1.1	0.0	0.0	0.0
Reserve for Capital Projects (9744) (3)	0.0	0.0	0.0	0.0
Reserve for Budget Stabilization (9745)(4)	0.0	0.0	0.0	0.0
Total Planned Use of Reserves	\$1.1	\$0.0	\$0.0	\$0.0
GRAND TOTAL - SOURCES	\$960.3	\$975.3	\$1,011.5	\$1,049.9
Planned Increases to Reserves				
Assigned Reserve (9740)	0.0	0.0	0.0	0.0
Catastrophic Event Contingencies (9741) (3)	39.8	0.0	55.0	34.7
Reserve for Capital Projects (9744) (2)	2.6	2.5	2.5	2.5
Reserve for Budget Stabilization (9745) (3)	47.7	0.0	40.2	22.5
Total Planned Increases to Reserves	\$90.0	\$2.5	\$97.8	\$59.8
USES (\$ Millions)				
NCC Limits [0%, 0%, 0%, 0%, 0%]	\$800.9	\$972.8	\$972.8	\$955.6
Restore Level of Service Requests				28.7
NCC Limits Plus Reserve Increases & Restore Level of Service				\$1,044.1
Variance Including Restore Requests				5.9
Cumulative Variance				5.9
Expand Level of Service Requests				2.4
Strategic Priority Requests				82.7
Total Restore, Expand & Strategic Priority Requests				\$113.9

Notes:

(1) Beginning in FY 2022-23, up to \$4.4 million in additional revenue may be available due to various real estate initiatives.

(2) FY 2022-23 includes use of \$10 million in OCERS reserves, budgeted in Miscellaneous Fund, Budget Control 004 rather than with the General Purpose Revenue.

(3) Annual repayment from participating cities for the OC Animal Care Center is projected at \$2.5 million per year, through FY 2025-26, and will be used to replenish the General Fund Capital projects reserve.

(4) The County will continue to strategically increase the Budget Stabilization & Contingencies Reserves to maintain the GFOA recommended target in all five years of the Plan. The County anticipates using General Purpose Revenue growth to increase reserves; however, Federal Emergency Management Agency (FEMA) revenues could be used instead if received in the denoted fiscal year.

2022 STRATEGIC FINANCIAL PLAN SUMMARY
Forecasted Sources and Uses

FIVE-YEAR FORECAST				
FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	
				SOURCES (\$ Millions)
\$0.0	\$0.0	\$0.0	\$0.0	Fund Balance Unassigned (FBU)
				General Purpose Revenues (GPR)
1,013.4	1,046.7	1,081.1	1,116.8	Property Taxes (+3.3%, +3.3%, +3.3%, +3.3%, +3.3%)
15.3	15.8	16.3	16.7	Sales & Other Taxes (-0.2%, 2.6%, 3.2%, 3.1%, 3.0%)
2.4	2.4	2.4	2.4	Motor Vehicle License Fees
23.3	23.7	24.2	24.7	Property Tax Administration
2.7	2.7	2.7	2.7	Franchises and Rents
6.2	6.3	6.5	6.6	Interest (1.9%, 1.9%, 1.9%, 1.9%, 1.9%)
1.7	1.7	1.7	1.7	Miscellaneous
\$1,065.0	\$1,099.3	\$1,134.8	\$1,171.5	Subtotal - GPR before Transfers In
8.5	8.5	6.0	6.0	Transfers In
10.0	10.0	10.0	10.0	Use of OCERS
\$1,083.5	\$1,117.8	\$1,150.8	\$1,187.5	Total GPR (excluding FBU/Use of Reserves)
				Planned Use of Reserves
0.0	0.0	0.0	0.0	Catastrophic Event Contingencies (9741)
0.0	0.0	0.0	0.0	Reserve for Maintenance & Construction (9743)
0.0	0.0	0.0	0.0	Reserve for Capital Projects (9744)
0.0	0.0	0.0	0.0	Reserve for Budget Stabilization (9745)
\$0.0	\$0.0	\$0.0	\$0.0	Total Planned Use of Reserves
\$1,083.5	\$1,117.8	\$1,150.8	\$1,187.5	GRAND TOTAL - SOURCES
				Planned Increases to Reserves
0.0	0.0	0.0	0.0	Assigned Reserve (9740)
5.0	5.2	5.3	5.5	Catastrophic Event Contingencies (9741)
2.5	2.5	0.0	0.0	Reserve for Capital Projects (9744)
9.4	12.1	14.3	13.0	Reserve for Budget Stabilization (9745)
\$17.0	\$19.7	\$19.7	\$18.5	Total Planned Increases to Reserves
				USES (\$ Millions)
\$953.2	\$957.4	\$954.2	\$958.3	NCC Limits [0%, 0%, 0%, 0%, 0%]
44.1	44.1	40.9	42.9	Restore Level of Service Requests
\$1,014.2	\$1,021.3	\$1,014.7	\$1,019.6	NCC Limits Plus Reserve Increases & Restore Level of Service
69.3	96.5	136.1	168.0	Variance Including Restore Requests
75.1	171.7	307.7	475.7	Cumulative Variance
2.1	2.1	2.0	2.1	Expand Level of Service Requests
155.8	120.9	117.5	112.7	Strategic Priority Requests
\$201.9	\$167.1	\$160.4	\$157.7	Total Restore, Expand & Strategic Priority Requests

