

State of the County 2012



January 24, 2012
John M. W. Moorlach, C.P.A.
Chairman

Taking Stock/Reality Check

- Where were we?
- What have we accomplished?
- Where are we?
- Where are we going?

Mission Statement

"Making Orange County a safe, healthy, and fulfilling place to live, work, and play, today and for generations to come, by providing outstanding, cost-effective regional public services."



We're Number Two

- Jefferson County, Alabama filed for the largest Chapter 9 bankruptcy protection in U.S. history last week (November 9, 2011)
- **\$4.1 billion in municipal debt (swaps)**
- Breaking the OC's nearly 17-year long record (December 6, 1995)
- The OC is still the largest local government investment pool implosion in U.S. history

2008 – We Have More Challenges “Turbulence and Buffeting”

- Job losses in the County
- A housing sector recession
- Sacramento’s budget crisis – 10 percent cuts
- Impacts on health care for low-income families and disabled (Medi-Cal)
- Declining sales tax revenues – Prop. 172 and Measure M
- Interest rates easing and resulting revenue declines
- Structured Investment Vehicles (SIVs)
- Volatile Stock Market (DJIA 10-Year Avg. of 4.7% @ 1/25/08)
- Aging infrastructure
- Retiree medical lawsuit by retirees
- Illegal immigration fiscal impacts
- Potential Defined Benefit Pension Plan contribution increases
- Bond insurers’ travails (Ambac Financial Group Inc.)
- Potential increases in crime – impacting custody space
- The unpredictables – earthquakes, fire and floods

The OC Is At the Vanguard

Through the toughest years in recent history, the management and staff of the County of Orange have stepped up to the challenges

Orange County was at the cutting edge of Other Post Employment Benefit (OPEB) (retiree medical) and Pension Reform

Orange County anticipated a long real estate market slump and moved proactively

Retirement & Pension Reform

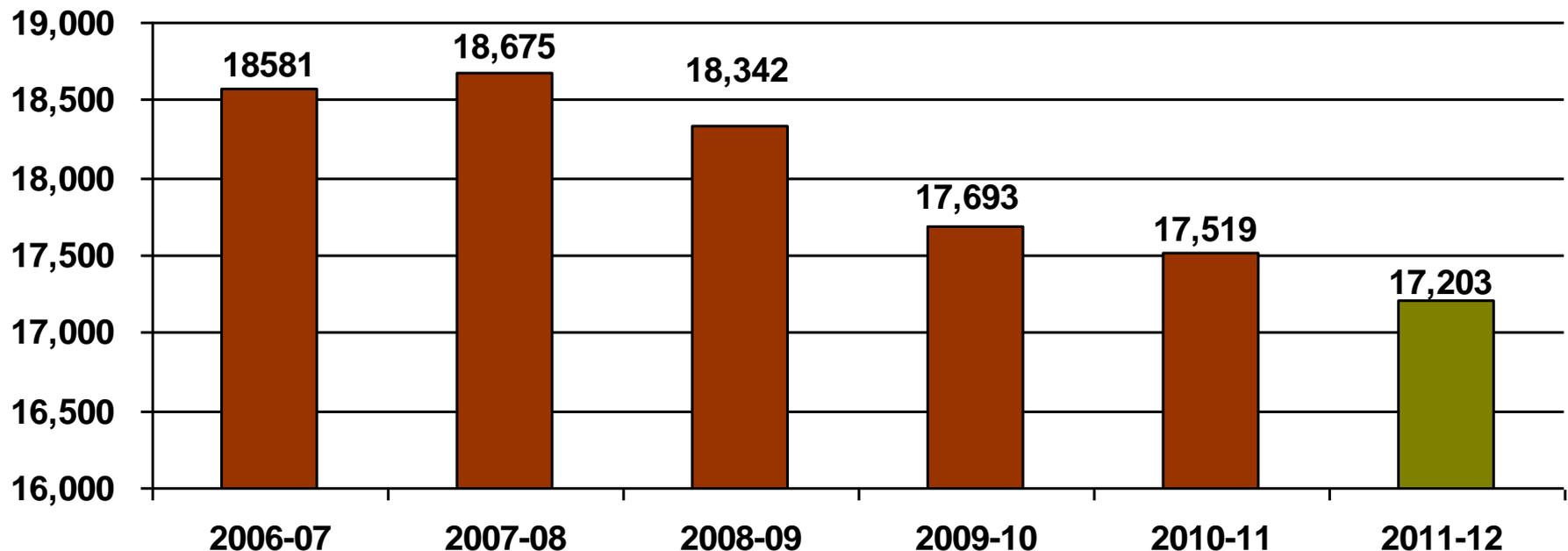
- Retiree Medical Plan Reorganized – OPEB UAAL Reduced by 71% (approximately \$1 billion) (2006)
- Measure J (November 2008) – Voter Approval
- Withholding of Employee Portion by Deputy Sheriffs – 5 Percent (2009)
- No Pay Increases for Term of Three-Year Contracts (2009)

Retirement & Pension Reform

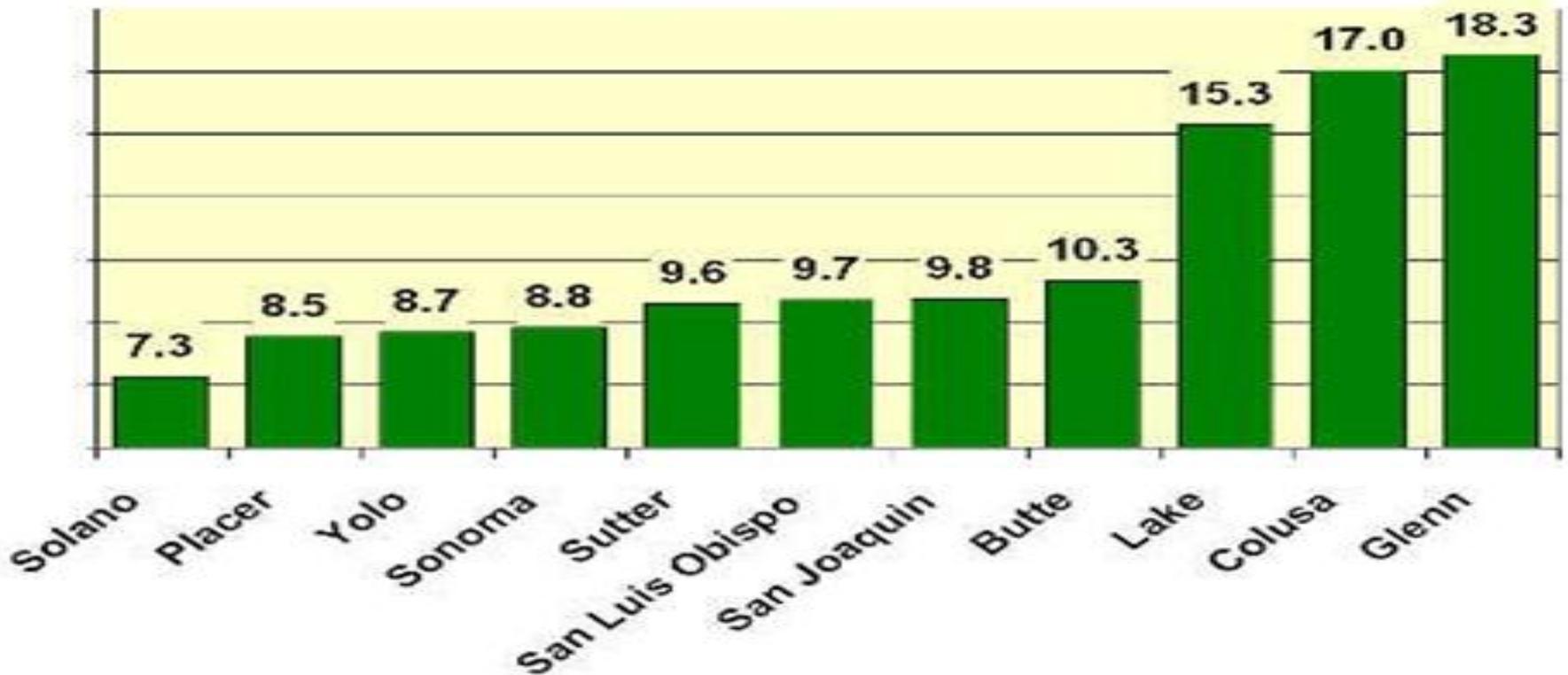
- Optional New Tiers for New Hires (Two-Tier System)
 - 1.62% @ 65 (2009)
- Opting Down Alternative from 2.7% @ 55 to New Lower Tier for Current Employees
- I.R.S. Revenue Ruling 2006-43 – Holding Up Implementation – Pursuing Legislative Relief
- Defined Contribution Plan for Lower Tier Employees (Hybrid) – 2% Employer Match

Reducing Overall Workforce (Layoffs and Attrition)

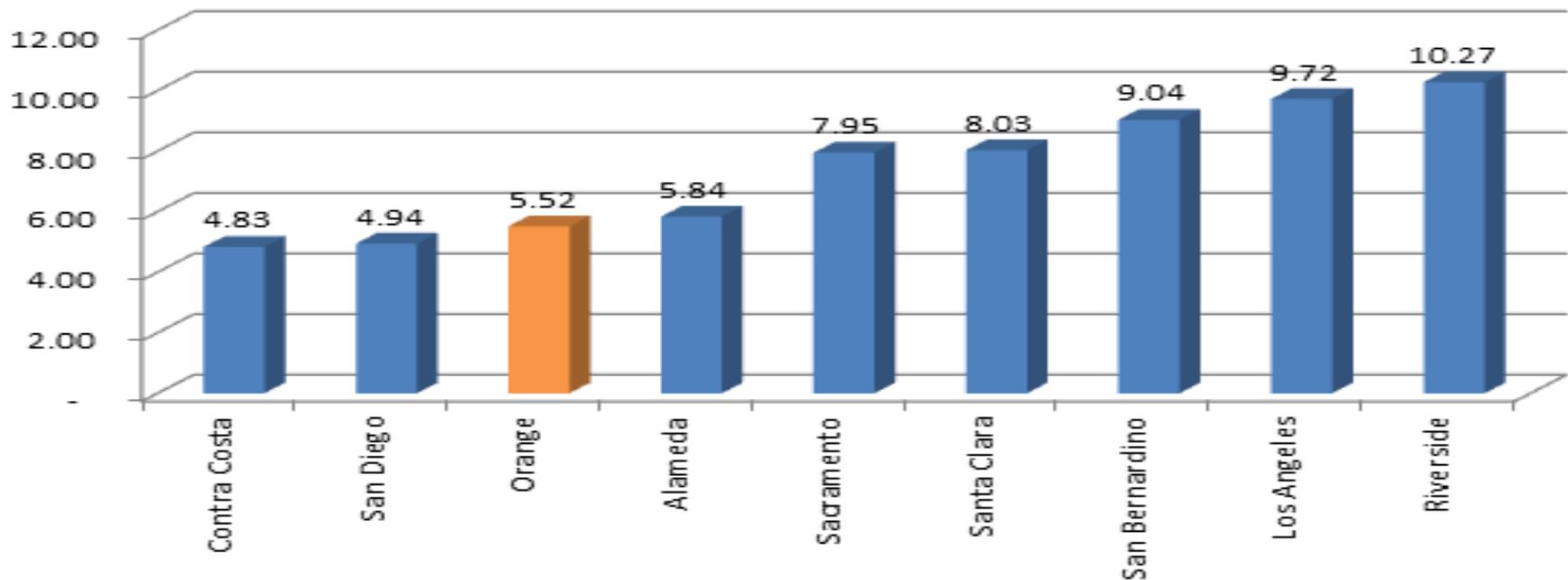
Six-Year Authorized Position Comparison



Rural Counties Employees Per Capita (1,000)



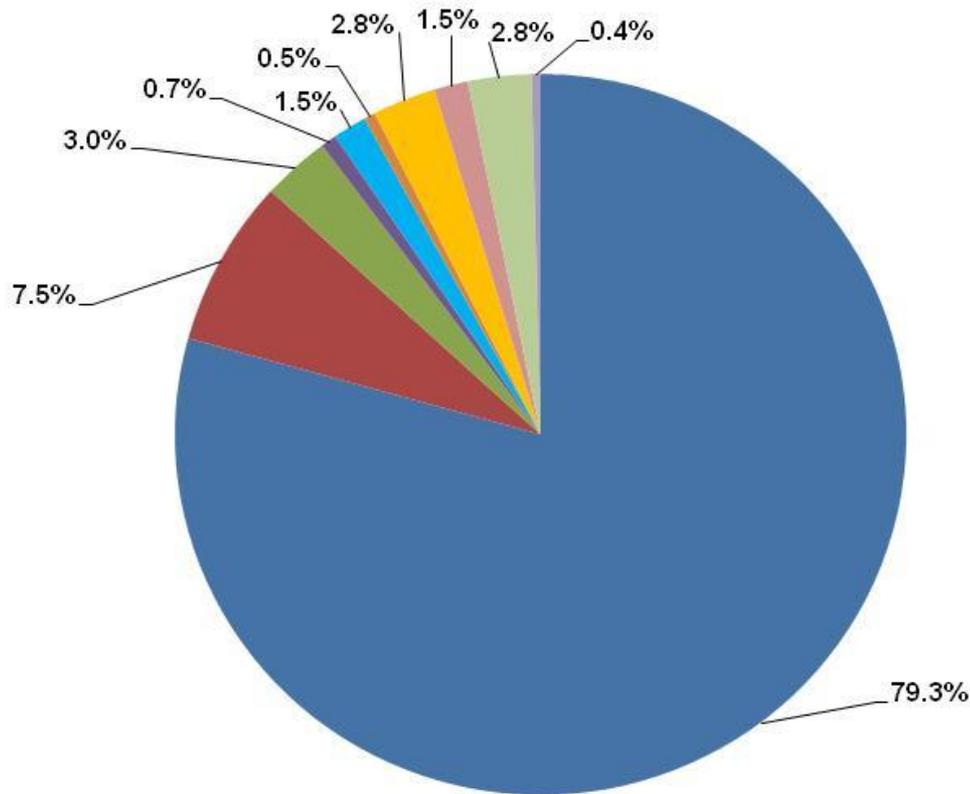
Urban Counties Employees Per Capita (1,000)





County of Orange

General Purpose Revenue (\$663 million)



■ Property Taxes

■ Fund Balance Available (FBA)

■ Miscellaneous Revenue (Combined Other)

■ Operating Transfers

■ Property Tax Administration (Combined Other)

■ Vehicle License Fees (VLF)

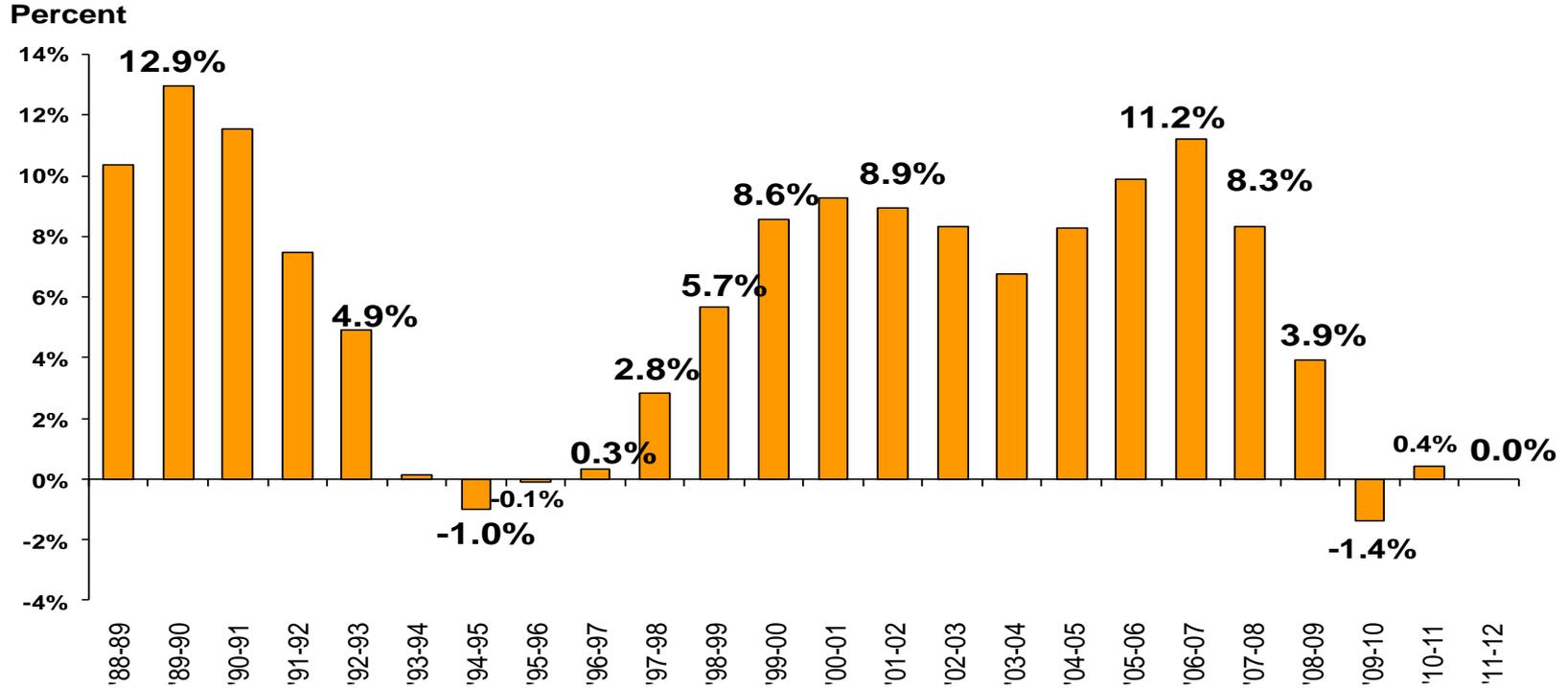
■ Decreases To Reserves

■ Interest

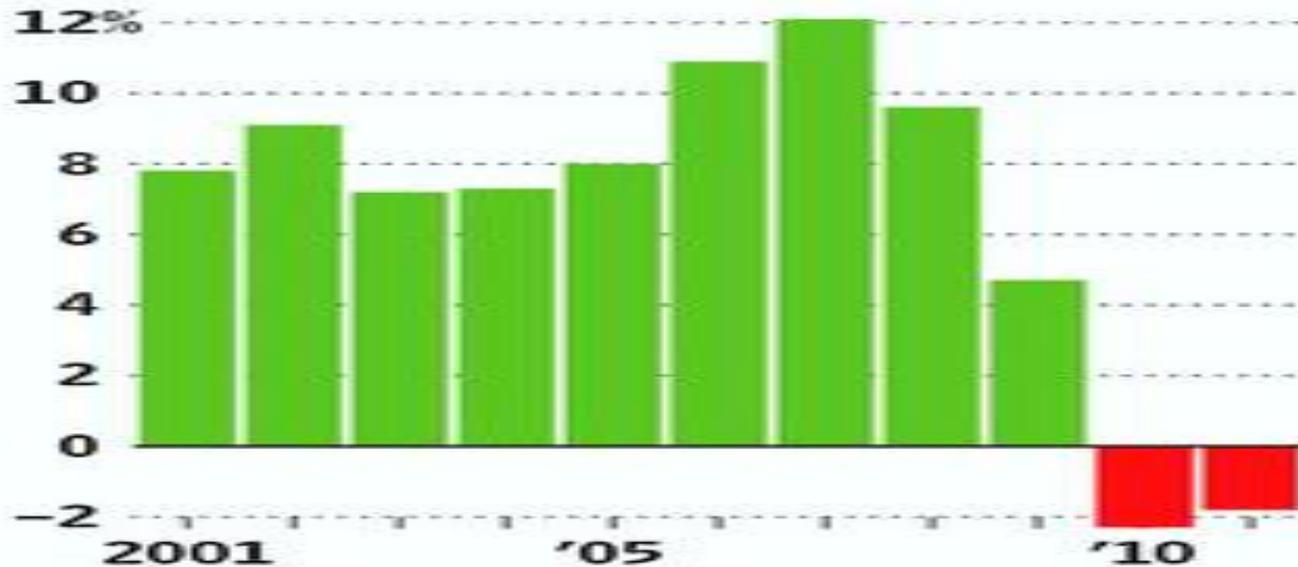
■ Sales & Other Tax

■ Franchises/Rents & Concessions (Combined Other)

Secured Assessed Valuation



Assessed Property Values in California, Change From Prior Year



Source: California State Board
of Equalization

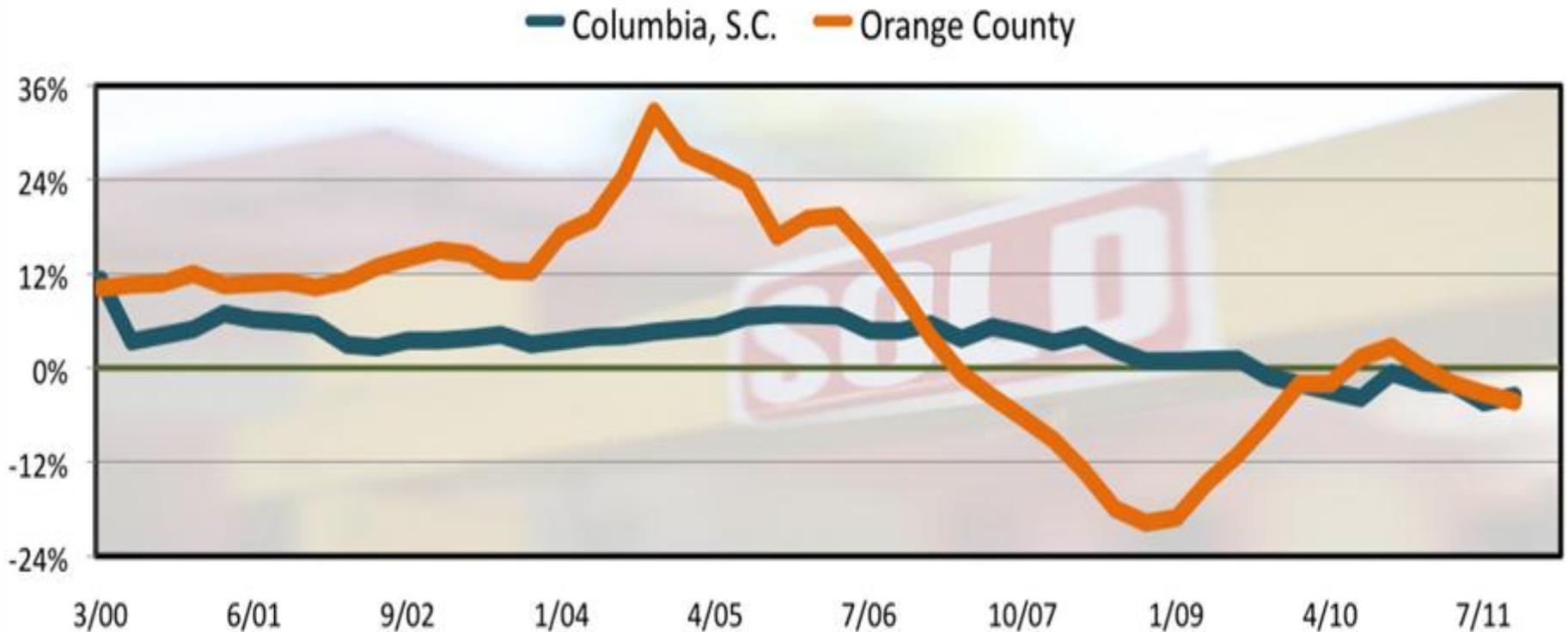
November Prices

Orange County Register, January 18

County/Region	Dec. price	% change	Dec. sales	% change
Los Angeles	\$305,000	-7.6%	6,591	0.8%
Orange	\$400,000	-2.4%	2,572	-6.1%
Riverside	\$194,000	-3.0%	3,584	-3.0%
San Bernardino	\$150,000	-1.3%	2,418	-7.2%
San Diego	\$315,000	-5.4%	3,311	3.8%
Ventura	\$325,000	-8.5%	771	1.3%
Southern California	\$270,000	-6.9%	19,247	-1.4%

Orange County Compared to Columbia, S.C.

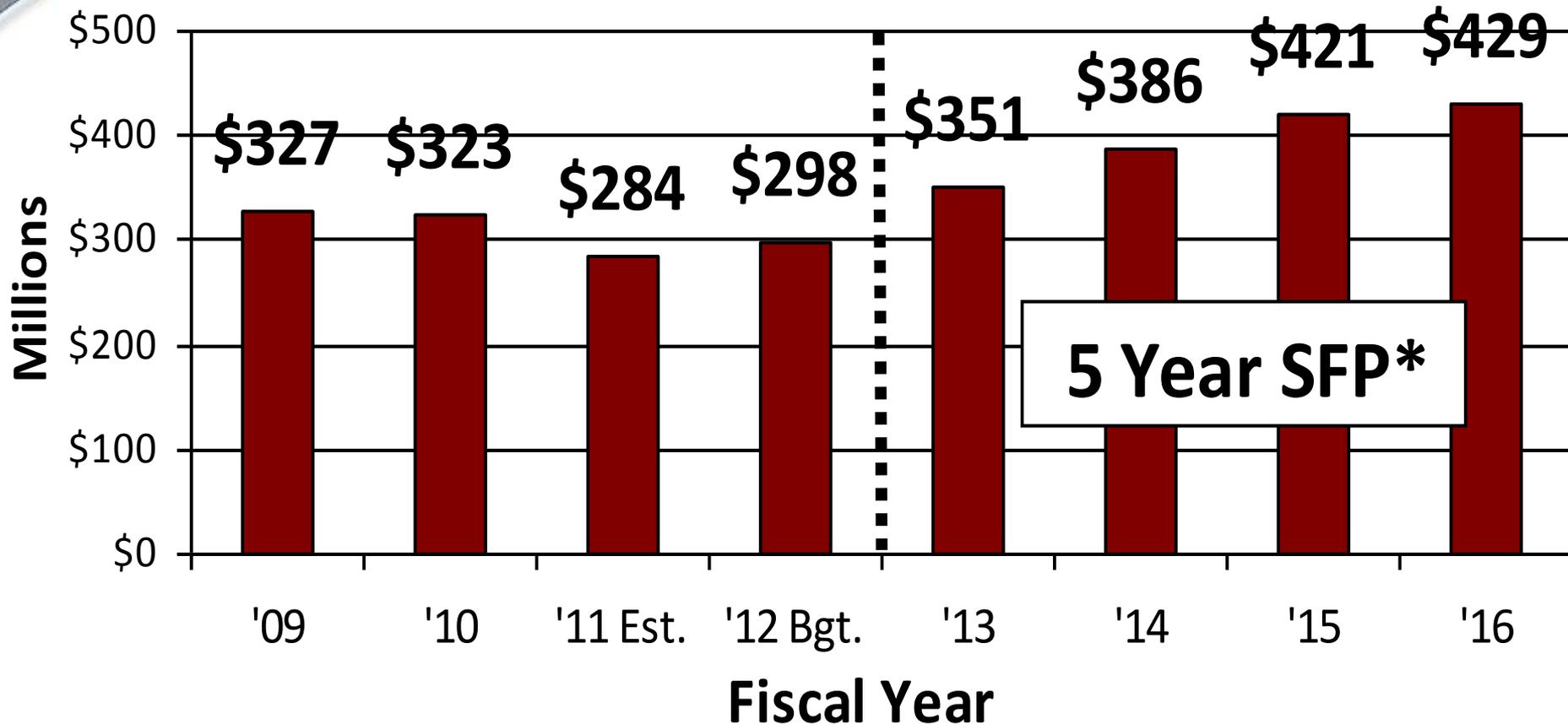
(*Orange County Register*, January 19, 2012)



Real Estate Dependency

- With property taxes representing more than 80% of the County's General Fund Budget,
- With near-term property tax revenues anticipated to be flat, and
- With values that are soft, compared to neighboring counties,
- How do we manage for fixed expenses that are projected to increase?
- And how does our real estate market experience compare to other regions?

Orange County Projected Pension Contributions



Projections for Fresno County

Pension costs

Fresno County's contributions to employee pensions on the rise.

Annual required contributions



Source: Fresno County Employees' Retirement Association

Projections for Kern County

Pension bills: Cost of public retirements

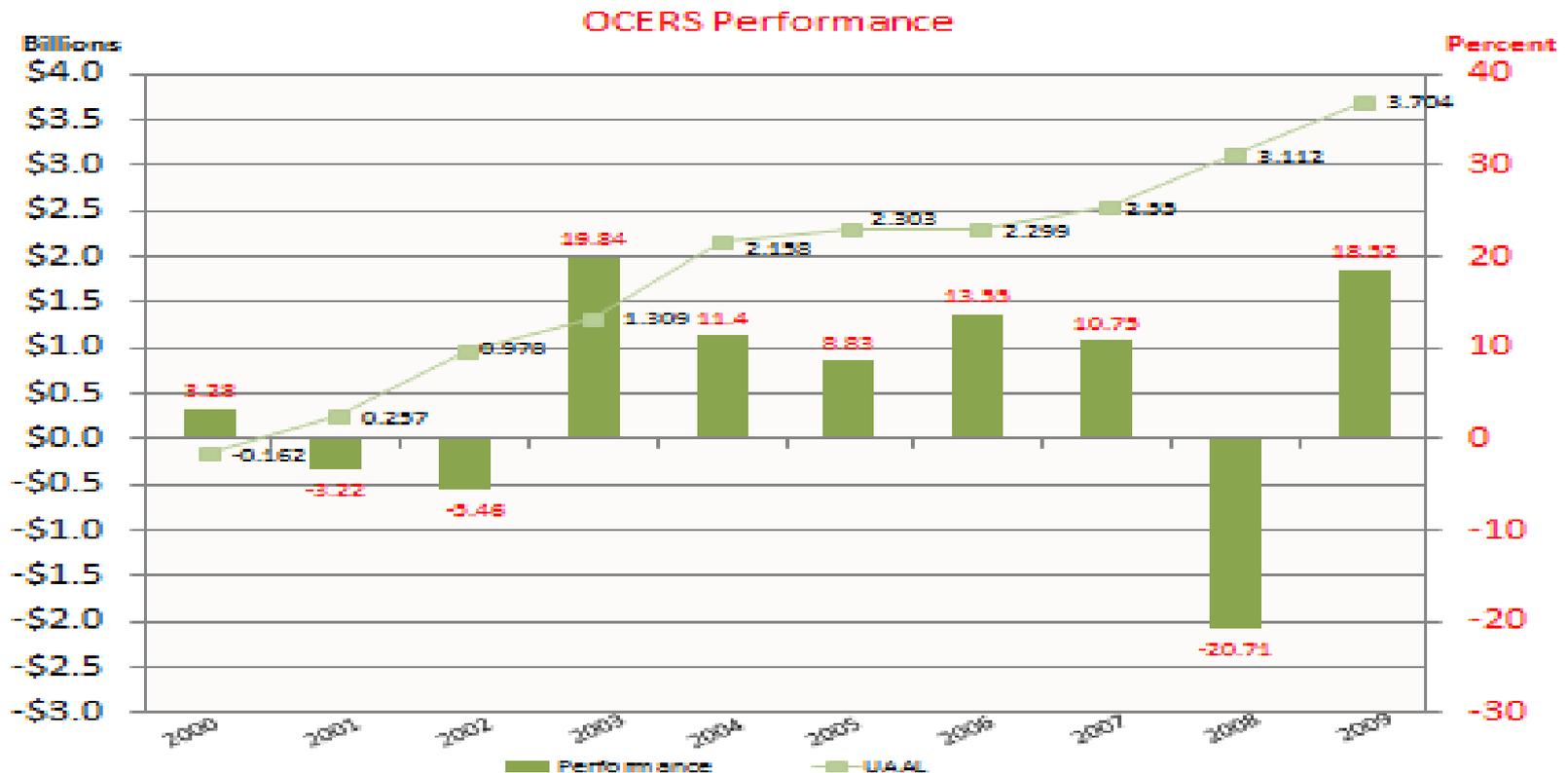
Public pension benefit increases approved for county employees in 2000 and 2004 triggered major increases in county contributions required to fund those workers' retirements. Then, between 2008 and 2009, the housing market crash stripped away 25 percent of the market value in KCERA's funds. The combined impacts have, since 2000, quintupled the amount of money — most of it from Kern County — required to be deposited in retirement accounts.



All figures are rounded off.

Source: Kern County Employees' Retirement Association

OCERS Increasing Unfunded Actuarial Accrued Liability



Every Other County is Facing The Same Constraints – How is the OC Stacking Up?

- **The down economy has been impacting our peers in the same areas of real property taxes and rising pension costs**
- **If we review the County's CAFR (Comprehensive Annual Financial Report), how does it look? How does it compare?**

June 30, 2010

Comprehensive Annual Financial Report

• Total Net Assets (in thousands) (Assets less Liabilities)	
(\$6,907,534 - \$2,113,313)	\$4,794,221
• Invested in Capital Assets, Net of Related Debt	(3,097,843)
• Restricted Resources by Outside Parties	(1,384,586)
• Business Related Activities Net Assets	<u>(321,778)</u>
• Unrestricted Net Assets Available to County (Deficit)	\$ (9,986)
Per Capita	(\$3)

Unrestricted Net Assets Per Capita County Comparison

1. Alpine	\$ 5,022
2. Inyo	1,198
3. Plumas	1,065
4. San Luis Obispo	757
5. Napa	717
6. San Mateo	714
7. Mono	668
8. San Benito	664
9. Riverside	652
10. Placer	614

Unrestricted Net Assets Per Capita County Comparison

11. Amador	\$	533
12. Solano		487
13. Lake		479
14. Tehama		479
15. Ventura		476
16. Lassen		419
17. Sierra		415
18. Shasta		350
19. Marin		303
20. Mariposa		282

Unrestricted Net Assets Per Capita County Comparison

21. Fresno	\$	259
22. Kings		234
23. Humboldt		213
24. Alameda		209
25. Sutter		203
26. Merced		200
27. Nevada		193
28. Imperial		188
29. Colusa		175
30. Sonoma		174

Unrestricted Net Assets Per Capita County Comparison

31. San Diego	\$	166
32. Butte		160
33. Tulare		142
34. Madera		140
35. Santa Cruz		136
36. Stanislaus		102
37. Santa Clara		96
38. San Joaquin		88
39. San Bernardino		87
40. Glenn		67

Unrestricted Net Assets Per Capita County Comparison

41. Monterey	\$	63
42. Sacramento (1,445,327)		53
43. Santa Barbara		38
44. Calaveras		28
45. El Dorado		23
46. Orange (3,166,461)		(3)
47. Del Norte		(103)
48. Yolo		(125)
49. Kern (839,587)		(146)
50. Tuolumne		(191)

Unrestricted Net Assets Per Capita County Comparison

51. Contra Costa (1,073,055)	\$ (195)
52. Los Angeles (10,441,080)	(204)
53. Siskiyou	(271)
54. Mendocino	(557)
55. Trinity	(573)
56. Yuba	(963)
57. San Francisco (856,095)	(1,241)
58. Modoc	(1,432)

Unrestricted Net Assets Per Capita County Comparison

Average County UNA	\$ 237
Median County UNA	175
Weighted Average (Per Capita)	47
Orange County	(3)

If Orange County's UNA were compared to cities within its borders

- **How would the OC compare to cities?**
- **Would they also be full-service cities?**
- **Would they also be as old? (Versus recently incorporated cities?)**
- **How many cities have a positive UNA?**

Unrestricted Net Assets Per Capita City Comparison

34. Brea	\$	(858)
33. Anaheim		(356)
32. Placentia		(193)
--- Orange County		(3)
31. Santa Ana		47
30. Orange		48
29. Fullerton		50
28. San Juan Capistrano		69
27. Huntington Beach		173
26. La Habra		193

Orange County Annual Unrestricted Net Assets

Fiscal Year Ended	UNA	Per Capita
6/30/07	\$135,826	\$ 47
6/30/08	57,812	20
6/30/09	(1,271)	0
6/30/10	(9,986)	(3)

Orange County Annual Unrestricted Net Assets

Fiscal Year Ended	UNA	Per Capita
6/30/07	\$135,826	\$ 47
6/30/08	57,812	20
6/30/09	(1,271)	0
6/30/10	(9,986)	(3)
6/30/11	(73,741)	(25)

Does the County's CAFR Tell the Entire Story?

Unfortunately, no, it does not

Municipalities are not required to include unfunded actuarial accrued liabilities (UAALs) on their balance sheets

The Financial Accounting Standards Board (FASB) has required this of for-profits for more than 25 years

The Government Accounting Standards Board (GASB) has not and is now debating the topic

June 30, 2010

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• Business Related Activities Net Assets	<u>(321,778)</u>
• Unrestricted Net Assets Available to County (Deficit)	\$ (9,986)

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• Business Related Activities Net Assets	<u>(321,778)</u>
• Unrestricted Net Assets Available to County (Deficit)	(9,986)
UAAL – Retiree Medical	<u>(396,009)</u>
Adjusted Unrestricted Net Assets	\$ (405,995)

June 30, 2010

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• Business Related Activities Net Assets	<u>(321,778)</u>
• Unrestricted Net Assets Available to	
County (Deficit)	(9,986)
UAAL – Retiree Medical	(396,009)
UAAL – Defined Benefit Pension Plan	<u>(3,703,891)</u>
Adjusted Net Assets Available to County	\$ (4,109,886)
- Per Capita	(\$1,413)

GASB Adjusted Unrestricted Net Assets Per Capita by City

- 1 Laguna Niguel \$1,243
- 2 Lake Forest 1,130
- 3 Villa Park 1,096
- 4 Dana Point 803
- 5 La Palma 731
- 6 Cypress 639
- 7 Aliso Viejo 560

GASB Adjusted Unrestricted Net Assets Per Capita by City

- 8 Tustin \$ 559
- 9 Stanton 483
- 10 Seal Beach 415
- 11 Laguna Woods 387
- 12 San Clemente 258
- 13 Rancho Santa Margarita 196
- 14 Laguna Hills 128

GASB Adjusted Unrestricted Net Assets Per Capita by City

- 15 Mission Viejo \$ 86
- 16 Yorba Linda (50)
- 17 Irvine (410)
- 18 San Juan Capistrano (430)
- 19 Laguna Beach (578)
- 20 Garden Grove (580)
- 21 Los Alamitos (594)

GASB Adjusted Unrestricted Net Assets Per Capita by City

- 22 Buena Park \$ (693)
- 23 La Habra (699)
- 24 Westminster (796)
- 25 Fountain Valley (830)
- 26 Placentia (1,265)
- **Orange County (1,413)**
- 27 Fullerton (1,594)

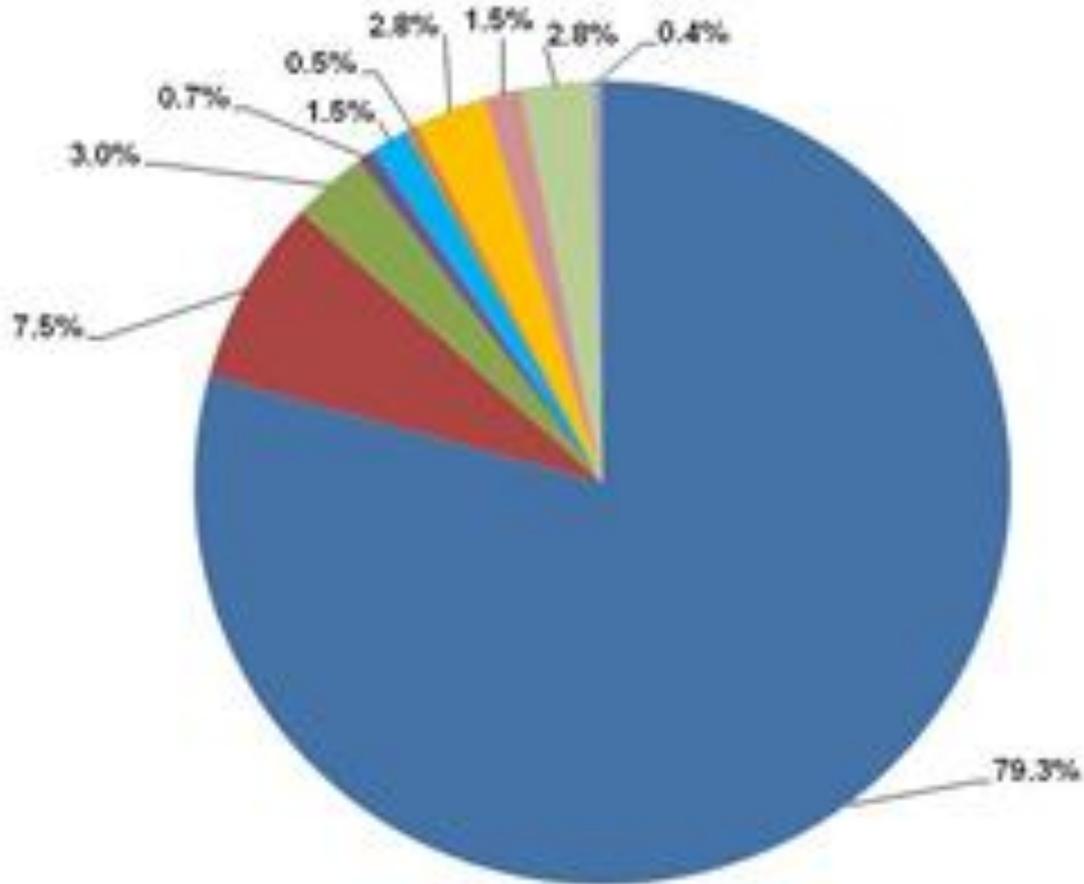
GASB Adjusted Unrestricted Net Assets Per Capita by City

- 28 Orange \$(1,682)
- 29 Huntington Beach (1,833)
- 30 Santa Ana (1,880)
- 31 Costa Mesa (2,020)
- 32 Newport Beach (2,543)
- 33 Anaheim (2,663)
- 34 Brea (3,821)

Torpedoes Aimed At Our Ship of State



Vehicle License Fee (VLF) Grab



Vehicle License Fee (VLF) Grab Senate Bill 89

FY 2011-12 OC General Fund of \$663 Million

7.5 percent characterized as VLF

\$663 Million times 7.5% is roughly \$49.5 Million

**OC discovers that VLF characterization kept down
actual property taxes it was due by \$24 million**

California Revenue & Taxation Code Section 97.70

**Still waiting for a response from the California
Department of Finance**

2012-13 State Budget

Deficit carryover from 2011-12 of \$4.1 billion

Ongoing shortfall in 2012-13 of \$5.1 billion

Assumes expenditure reductions of \$4.2 billion

Assumes income and sales tax rate increases

November 2012 ballot initiative to raise \$4.7 billion for schools and provide Constitutional amendment to protect county realignment funding

Realignment – Funding Source

With Sacramento transferring inmates from State prisons to county jails for the near future, how will that be funded?

What does realignment look like?

How is the OC addressing the matter and its legislation, AB 109?

AB 109 contains a one-year funding allocation methodology for public safety

Public Safety Realignment Act (AB 109)

- **“Historic legislation that will enable California to close the revolving door of low-level inmates cycling in and out of state prisons.”**
- **Counties took responsibility, effective October 1, 2011, for custody, treatment and supervision of offenders convicted of specific non-violent, non-serious and non-sex crimes. (Note: OC Police Chiefs are learning it’s the controlling offense vs. non-non-non.)**
- **Goal: Using probation and parole to save money on building new prisons**
- **Community Corrections Partnership**
- **Orange County Public Safety Realignment and Post Release Community Supervision 2011 Implementation Plan**

AB 109 – Health Care Agency SB 89 Terminology

- **Substance Use Disorder Treatment Services**
- **Residential Treatment Services**
- **Parolee Service Network (PSN) Program**
- **Post-release Community Supervision (PCS)**
- **Client Evaluation of Self in Treatment (CEST)**

Redevelopment Agencies (RDA)

California Supreme Court surprise ruling in December

Winding down Orange County's two RDAs

Appointments to city RDA committees

City budget and solvency issues

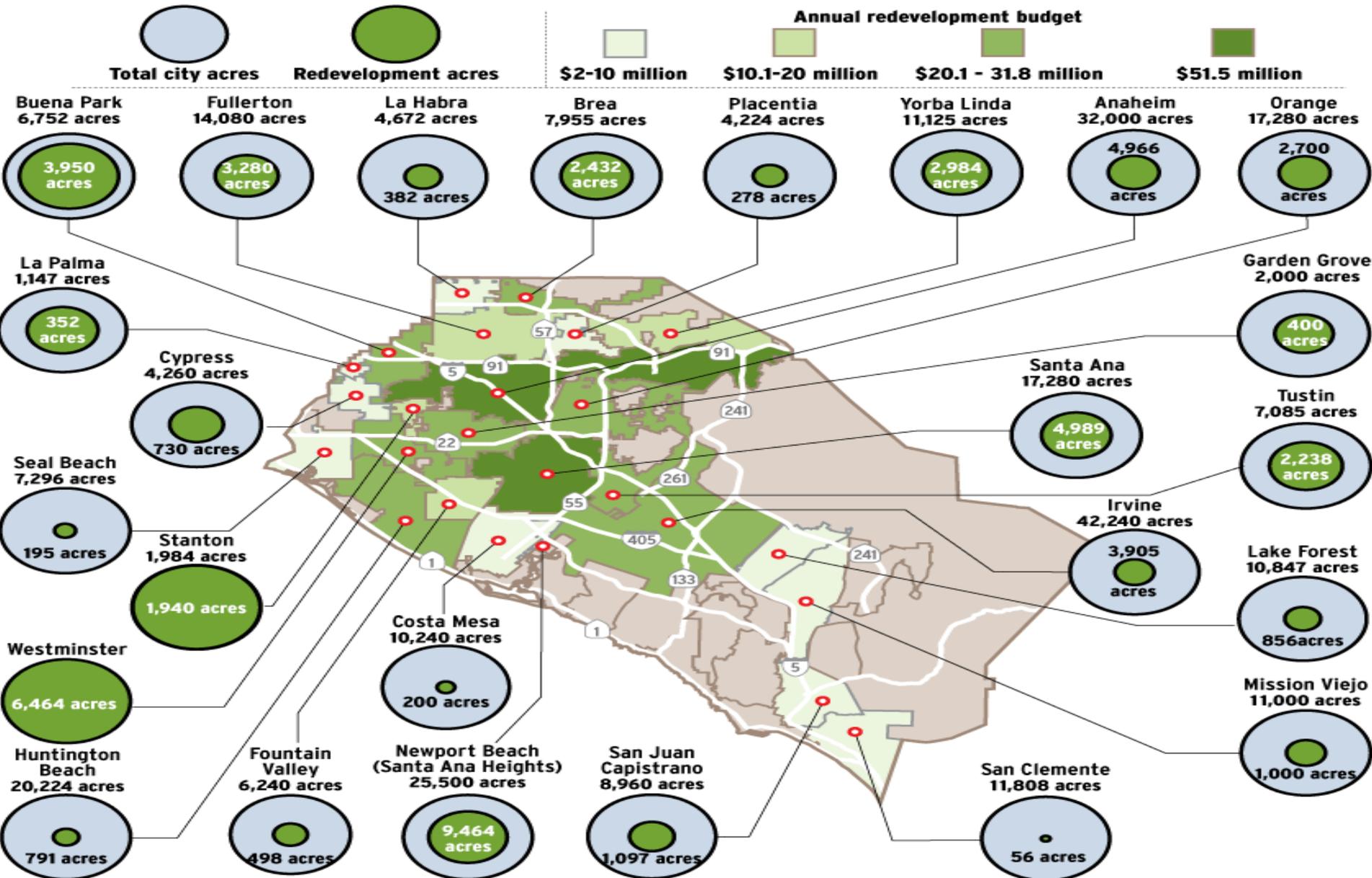
Chapter 9?

Disincorporation?

Where redevelopment occurs in O.C.

Almost all cities in Orange County have designated specific areas in their cities for redevelopment.

Annual redevelopment budget



Register staff writers Cindy Carcamo, Jon Cassidy, Eric Carpenter, Kristy Chu, Mark Eades, Eugene Fields, Jaimee Fletcher, Andrew Galvin, Elysse James, Brittany Levine, Heather McRea, Michael Mello, Lou Ponsi, Erika Ritchie and Jessica Terrell contributed to this report. Rigoberto Hernandez and Roxana Kopetman also contributed to this report.

Source: Orange County cities

Brian Moore / The Register

REAOC

In 2006 the County successfully negotiated a \$1 billion reduction in its unfunded actuarial accrued liabilities for retiree medical

Split-pool was one of the agreed-to techniques

December California State Supreme Court ruled that subsidizing medical insurance premiums was an “implied contract” (Retired Employees Association of Orange County)

REAOC

On June 19, 2009 the Federal District Court ruled in the County's favor

Appealed to the United States Court of Appeals for the Ninth Circuit

With the California State Supreme Court's opinion issued, the Ninth Circuit will hear further briefing and arguments

OCERS

The triennial experience study recently completed by the Orange County Employees Retirement System increased the annual pension contribution for:

- * Longevity – County retirees are living longer – 1.77% of payroll**
- * Pay Increases – From 3.5% to 3.75% -- Joys of early retirements – 0.61% of payroll**

OCERS

Investment Earnings Assumption – Later in 2012 the Board of the Retirement System will recommend a reduction from 7.75% to 7.5%

Will mean an additional annual contribution of 2.94% of payroll

Will increase our unfunded actuarial accrued liability (UAAL) by \$750 million

OCERS

**Actual investment earnings results for 2011 are
1% or less (0.75%)**

The investment earnings assumption is 7.75%

**Falling 6.75% short on a \$12 billion liability means
the taxpayers will have to make up a \$810
million shortfall**

One-year delay – Smoothing – Long-term focus

**It means an additional \$69,635,000 per year in
employer contributions**

OCERS

Interest rates are at historic lows

Realistically, they cannot go lower

If interest rates double during the year

Then the fixed income portfolio could decline by 50 percent in value

When rates rise, values go down

This is what happened to the County in 1994, with the sell-off of the portfolio creating \$1.67 billion in realized losses

OCERS

The international and domestic fixed income holdings of the retirement system is approximately 24.7% (using last posted report)

If long-term rates rise from 3% to 6%, the portfolio will be down by roughly 12.25%

This means equities and other investments in the system's portfolio will have to appreciate by 20% in the same period

\$12 billion times 12.25% equals \$1,470,000,000

ATS/PTMS

The Assessment Tax System and the Property Tax Management Systems are being updated

An outdated programming language is being replaced with a software system being developed internally

The new code is being written by an outside vendor who over-promised and is under-delivering, which may translate into more costs

CEO/Risk Management

**Office of the Performance Audit Director Report
on today's agenda (#50)**

**OC's long-term funding of Workers' Compensation
and Liability costs policy (see page 14)**

**June 30, 2011 outstanding liability between \$122
and \$145 million per the County's actuary**

**June 30, 2011 actual reserve balance is only
\$81.6 million**

Health Benefit Costs

The County's Budget Director is anticipating significant cost increases

Growth in the next five years is assumed to go from an annual cost of \$160 million to \$223 million

That's an overall rate increase of 39.4%

Strategic Financial Plan

The County's Budget Director, Frank Kim, will be presenting the annual Strategic Financial Plan

See Agenda Item #46 on today's agenda

Also see:

http://cams.ocgov.com/Web_Publisher/Agenda01_24_2012_files/images/SFP_COVERS.PDF

We have prepared our comments and observations independent of each other, but seem to be agreeing on the direction of our projections

Contingent Liabilities

How many more law suit settlements can the County absorb?

How long will our reserves last?

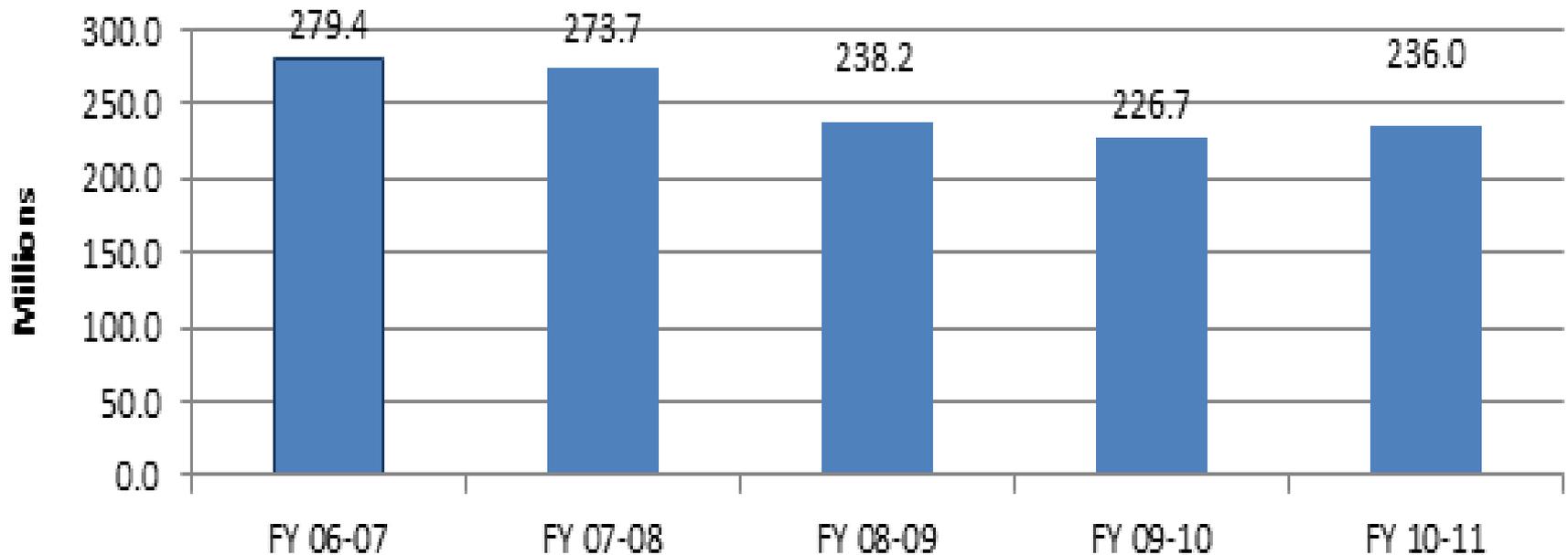
Can we realistically take on any other obligations at this time in the County's history?

How many torpedoes, small and large, can the County sustain?

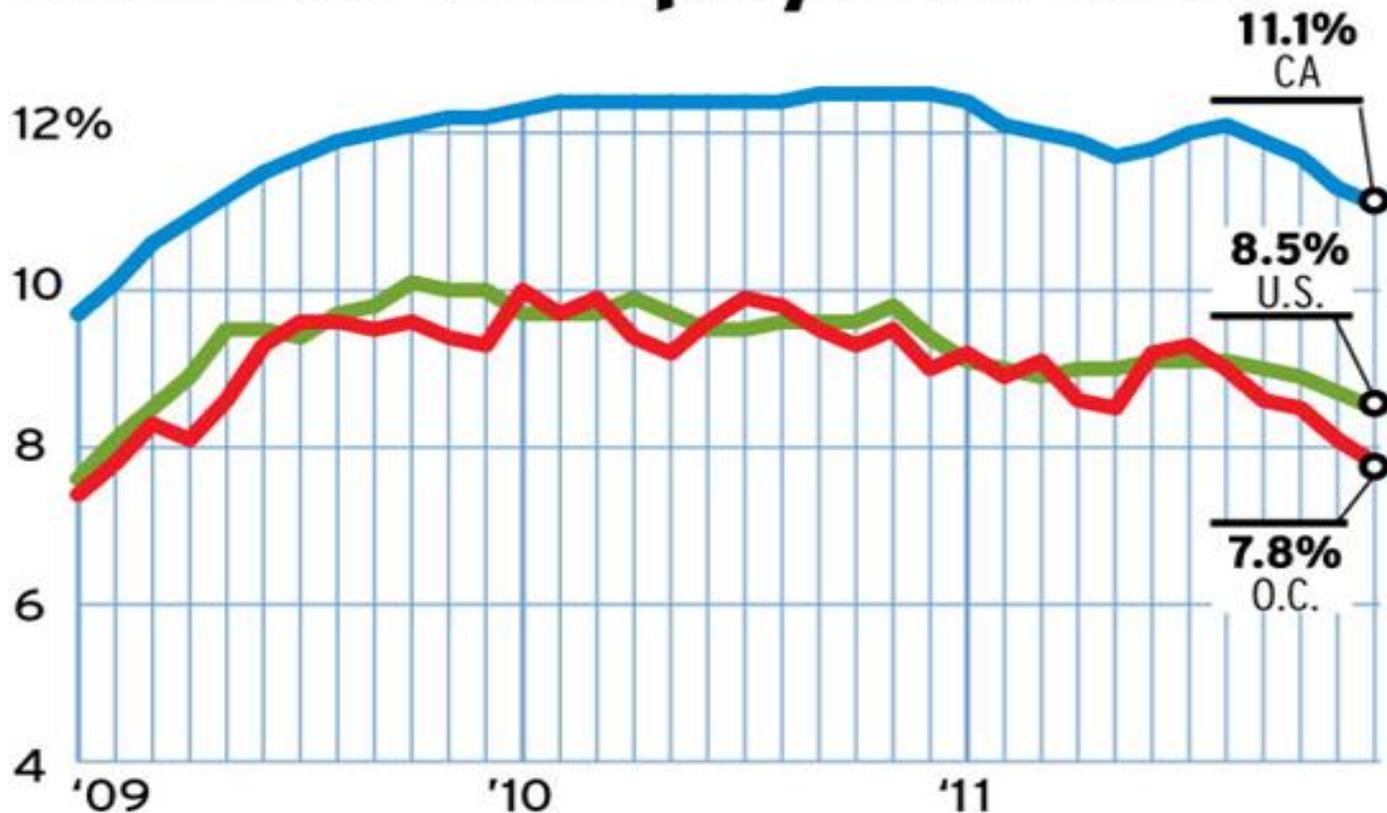


Positive Trends on the Horizon Proposition 172 Sales Tax Revenues

Fiscal Year Comparison



December unemployment rates



Source: Employment Development Department

The Register

Positive Trends on the Horizon Manufacturing Job Growth



Moody's Investors Service

December 27, 2011

Taxable Pension Obligation Bonds, 2012 Series A
Rating = **Aa2**

Long-Term Rating Scale

Aaa

Aa1

Aa2

Aa3

A1

A2

Moody's Investors Service Outlook = STA

STRENGTHS

- Immense assessed valuation, diverse economy
- Strong level of total available cash borrowable sources outside of the general fund

CHALLENGES

- Narrow general fund reserve balance position
- Very high debt burden as a percentage of revenues at maturity of current sale in 2013

Moody's Investors Service Outlook = STA

MODEST SIGNS OF IMPROVEMENT WITHIN
ONE OF THE STATE'S LARGEST ECONOMIES
FISCAL POSITION REMAINS VERY WEAK FOR
THE RATING BUT STABLE; OPERATIONS
STILL SLIGHTLY UNBALANCED

Where are the Solutions? County Charter Ballot Measures

Measure to change the part-time elected position of Public Administrator to an appointed one already approved for June

Consider pension reform for future Supervisors

Consider whether Supervisors should be limited to a maximum of three terms (San Bernardino County and Los Angeles County model)

Where are the Solutions? Addressing Pension Liabilities

A current solution that should be strongly encouraged is the option to individually change pension formulas to 1.62% @ 65

Increases net paycheck by reducing the employee contribution

Provides for a defined contribution (DC) pension plan with a 2% employer match, similar to the private sector's 401(k) model

Where are the Solutions? Addressing Pension Liabilities

The barrier restricting voluntary movement has been Internal Revenue Service Revenue Ruling 2006-43

The County has submitted legislation with the House of Representatives – H.R. 2934

Supervisor Campbell has been shepherding this effort and I have asked him to continue these efforts on the County's behalf

Where are the Solutions? Addressing Pension Liabilities

The solutions can be found with the leadership of the County's employee associations

The current trend is to have employees pay for their entire employee contribution, where applicable

The Governor is proposing withholdings as high as one-half of the pension plan's normal costs (but could be higher)

Where are the Solutions? Addressing Pension Liabilities

The better resolution is to prospectively, as entire bargaining units, return to the previous pension plan formulas

Would have a dramatic reduction of the County's UAAL

Would reduce the withholdings of employees for their employee contribution and the reverse pickup contribution

Where are the Solutions? Addressing Pension Liabilities

The best solution is to rescind the pension plan enhancements of 2001 and 2004

Would dramatically reduce the County's UAAL

Would nearly eliminate the reverse pickup

May provide a total or near total reimbursement of prior reverse pickup contributions

Would provide for lower employer pension plan contributions

Independent Perspectives: Little Hoover Commission's Public Pensions for Retirement Security

“In this report, the Commission confronts the elephant in the room: The legal obstacles that limit the options of state and local pension plans to reduce future, as-yet-unearned pension benefits promised to current workers. These promises, protected by decades of court decisions, were made under the illusion that the stock market returns of the dot-com boom were the new normal.”

Independent Perspectives: Little Hoover Commission's Public Pensions for Retirement Security

“While recognizing the legal challenges, this is a path that the state has no choice but to pursue. Public agencies must have the flexibility and authority to freeze accrued pension benefits for current workers, and make changes to pension formulas going forward to protect state and local public employees and the public good.”

Daniel W. Hancock, Chairman

Independent Perspectives: Joe Nation, Ph.D.

Stanford Institute for Economic Policy Research

“Having identified . . . legal challenges, there are two paths to those examining reform measures. The first is to assume that the legal challenges are so great that challenges are futile. The second, and more likely case, is to argue that benefit reductions, particularly for future accruals of current employees, are required to avoid deep cuts in core government services, including social and health services, education, and others.”

Independent Perspectives: Joe Nation, Ph.D.

Stanford Institute for Economic Policy Research

“ . . . Pension pressures, absent reforms, will force . . . [municipalities] to eliminate literally all services, e.g., community, parks and recreation, libraries, planning, street maintenance, economic development, etc., with the exception of its already reduced public safety services.”

Independent Perspectives: John Eastman Chapman University School of Law

“The Contracts Clause of the U.S. Constitution, we are told, prevents us from modifying existing contracts, or even reducing the contractual pay, benefits and pensions of current employees when their current contracts expire.

“This absolutist view of the Contracts Clause makes little sense and, not surprisingly, is not supported by judicial precedent.”

Independent Perspectives: John Eastman Chapman University School of Law

“Given the dire financial straits . . . and the limited alternative options available to it, the situation now prevails in which even substantial impairments of existing contractual obligations can be made without running afoul of the Contracts Clause, because such a course is ‘reasonable and necessary to serve an important governmental purpose,’ namely, the continued provision of essential governmental services”

Where are the Solutions? Addressing Pension Liabilities

I see two roads.

The first is to negotiate no pay increases or base building and ask for more employee withholdings for medical plan and pension contributions.

The second is negotiated pension reform providing for more net take home pay for the County's employees, resulting in a pension plan that is sustainable.

I'm hoping that the second road will be carefully considered by the leadership of our bargaining units.

Where are the Solutions? Addressing Pension Liabilities

With critical bargaining unit negotiations on the calendar, the Board will be retaining outside legal counsel to assist in these efforts

The Board of Supervisors has scheduled a closed study session for January 31st to meet with our new negotiation legal team

They will be our coaches for more productive, focused and successful cooperation

2012 Anticipated Milestones

Successful collaboration with the three largest bargaining units to provide for realistic compensation, while preserving the financial viability of the County and maintaining our current level of services

That the County becomes a pension reform model for the rest of the state

2012 Anticipated Milestones

July 4th Holiday Weekend
Hope to have my first grandchild

2012 Anticipated Milestones

Moody's Investor Service continues to maintain the County's high credit rating

They do it because we worked collaboratively with our labor unions to achieve a successful outcome for all of the parties involved

2012 Anticipated Milestones

December 21st -- 57th Birthday or End of World



2012 Anticipated Milestones

That the County:

Witnessed an improved housing market

**Benefited from continued growth in sales tax
revenues**

Avoided most of the torpedoes

**Retirement system enjoyed a healthy return
on its investments**

Continues to maintain healthy reserves

Board of Supervisors

We are committed to the fiscal viability of the County of Orange

We are committed to the County's Mission Statement

We continue to look ahead at the horizon to best lead the County through the fiscal challenges that lie ahead

Working Together Through Thick and Thin

- We need **all hands on the oars**
- We are Orange County, “the OC,” a diversified and exciting place to live, work and play
- We know that a **crisis does not build character, it reveals it**
- We need **constructive criticism** that moves the organization forward
- **We are a winning team**, providing outstanding, cost-effective public services

Thank You

- **Colleagues on the Board of Supervisors**
- **CEO Tom Mauk and his managerial staff**
- **CFO Bob Franz and Budget Director Frank Kim**
- **Department Heads**
- **Department Managers and Supervisors**
- **Leadership Academy Graduates**
- **The members of the “County Family” who deliver our outstanding services in an efficient and cost-effective manner**
- **Stakeholders – the taxpayers – who pay the bills and hold us accountable**

State of the County 2012

January 24, 2012
John M. W. Moorlach, C.P.A.
Chairman