

PROGRAM IV: GENERAL GOVERNMENT SERVICES

Summary of Appropriations and Revenues

Agency	Agency Name	FY 2007-2008 Appropriations	FY 2007-2008 Revenue	FY 2007-2008 Net County Cost
002	Assessor	34,808,802	7,464,357	27,344,445
003	Auditor-Controller	16,963,745	8,526,646	8,437,099
006	Board of Supervisors - 1st District	874,527	0	874,527
007	Board of Supervisors - 2nd District	871,516	0	871,516
008	Board of Supervisors - 3rd District	880,581	0	880,581
009	Board of Supervisors - 4th District	853,847	0	853,847
010	Board of Supervisors - 5th District	878,320	0	878,320
011	Clerk of the Board	3,255,245	181,086	3,074,159
014	CAPS Program	22,161,364	0	22,161,364
017	County Executive Office	18,543,488	2,107,722	16,435,766
025	County Counsel	10,430,750	1,916,927	8,513,823
031	Registrar of Voters	11,502,742	2,088,790	9,413,952
054	Human Resources Department	4,036,838	6,000	4,030,838
059	Clerk-Recorder	10,657,610	16,408,026	(5,750,416)
074	Treasurer-Tax Collector	14,786,783	11,126,194	3,660,589
079	Internal Audit	2,695,175	47,040	2,648,135
	GENERAL FUND SUBTOTAL	154,201,333	49,872,788	104,328,545
107	Remittance Processing Equipment Replacement	655,796	655,796	0
127	Property Tax Admin State Grant	3,019,265	3,019,265	0
12D	Clerk Recorder's Special Revenue Fund	4,494,358	4,494,358	0
12P	Assessor Property Characteristics Revenue	142,500	142,500	0
135	Real Estate Development Program	475,230	475,230	0
	OTHER FUNDS SUBTOTAL	8,787,149	8,787,149	0
	TOTAL - GENERAL GOVERNMENT SERVICES	162,988,482	58,659,937	104,328,545

002 - ASSESSOR

Operational Summary

Mission:

To serve the citizens of Orange County by valuing all legally assessable property with uniformity and impartiality, producing property tax assessment rolls in accordance with the laws of the State of California, and helping property owners to understand their property valuations.

Strategic Goals:

- Identify and properly value all taxable property in Orange County.
- Make property valuation information more accessible and easier to understand.
- Enhance operational efficiency and productivity through the implementation of new technology, policies and procedures.
- Encourage employee development by providing access to relevant training opportunities.

Key Outcome Indicators:

Performance Measure	2006 Business Plan Results	2007 Business Plan Target	How are we doing?
VALUE ALL TAXABLE PROPERTY IN ORANGE COUNTY. What: Fulfills the Assessor's Constitutional mandates. Why: Implements the provisions of Proposition 13 and other property tax laws.	Valued 880,000 real property parcels and 173,000 business/personal property accounts.	Continue to value all taxable property in the County, an estimated 885,000 real property parcels and 175,000 business and personal property accounts.	We continue to respond to market dynamics and real estate transactions that have increased significantly from year to year, as well as changes in property tax laws and a workload that is increasing and shifting continually.
PUBLISH THE SECURED AND UNSECURED ASSESSMENT ROLLS OF VALUE EVERY JULY. What: Fulfills the Assessor's Constitutional mandates. Why: Establishes the basis for property tax assessments that fund schools and local government services.	Published the secured and unsecured assessment rolls in July 2006.	Publish the secured and unsecured assessment rolls in July 2007.	We are in the process of valuing all taxable property in the County for the FY 2007-08 assessment rolls of value.
IMPLEMENT HOMEOWNER, VETERAN & INSTITUTIONAL EXEMPTIONS FOR ELIGIBLE INDIVIDUALS AND ORGANIZATIONS. What: Limits or reduces taxable value, as mandated by the State Constitution. Why: Qualifying individuals and organizations receive the tax-saving benefits of these exemptions.	More than 495,700 Homeowners, Veterans and Institutional exemptions were enrolled.	Implement exemptions in accordance with property tax laws.	We process claims and application forms on a continuous basis.

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	32,557,010
Total Final FY 2007-2008	34,808,802
Percent of County General Fund:	1.1464%
Total Employees:	337.00



Key Outcome Indicators: (Continued)

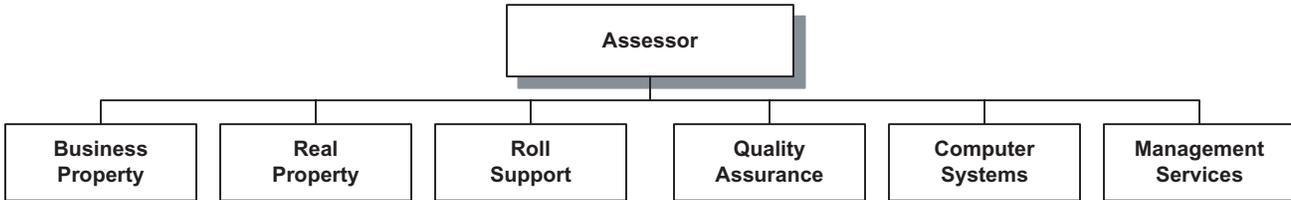
Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
APPLY TAXABLE VALUE RESTRICTIONS ADOPTED BY CALIFORNIA VOTERS. What: Restricts taxable value based on qualifying events. Why: Implements Prop. 13 and other property tax laws that restrict the taxable value of property.	Applied taxable value restrictions to eligible parcels in accordance with property tax laws. Value may be restricted if property declines in value, is transferred between parent and child, or is purchased as a replacement residence by a senior citizen or disabled property owner.	Continue to apply taxable value restrictions to eligible properties in accordance with property tax laws.	We process claims and application forms on a continuous basis, and evaluate Prop. 8 parcels annually.
CONTINUE TO PRODUCE LOCAL ASSESSMENT ROLLS THAT MEET LEGAL QUALITY STANDARDS. What: The SBE conducts periodic surveys to determine if assessment rolls meet legal quality standards. Why: Reduces appeals and related costs, provides uniformity statewide, builds confidence in the system.	In the most recent survey conducted by the State Board of Equalization (SBE), Orange County's local assessment rolls meet legal quality standards established by Government Code Sections 15640 and 15642. The minimum legal quality rating is 95.0%, and Orange County's rating is 98.6%.	Continue to produce assessment rolls in accordance with property tax laws and exceed the minimum legal quality rating of 95%.	The Orange County Assessor and staff continually monitor the status of property tax laws and state rules. Property assessment practice is modified to implement changes in the law.

FY 2006-07 Key Project Accomplishments:

- Strategic investment in technology and a strong commitment to staff development have significantly increased Department productivity by allowing staff to work more effectively. The number of real estate parcels has grown 87% since 1975, from 465,692 parcels to 872,439 parcels in 2006. During the same period, the Assessor's staffing level has increased only 15.8%, from 291 authorized positions to 337 in 2006. 2006-07 Local Assessment Roll Highlights:
- 171,542 unsecured assessments
- 872,439 parcels \$377.27 billion total assessed value
- 75,280 reassessable transfers 43,320 new construction events
- 234,150 recorded documents reviewed 13,320 new parcel created and mapped
- 495,700 exemptions enrolled 15,660 parcels are wholly exempt
- Staff productivity, as measured by the number of assessed parcels per authorized positions has increased 60% since 1975. If department had not realized the productivity gains, approximately 210 additional positions would have been required to keep pace with the workload.
- Businesses that operate in California are required by law to report business personal property holdings to the County Assessor in which the property is located. Property is reported annually on standard business property statement (BPS) forms approved by the State Board of Equalization. In 2001, the Orange County Assessor Department pioneered in the State and developed the first online BPS e-file system. Over the last 6 years, the Orange County BPS e-file has matured and has been widely accepted by the business filers. In 2006, 22,000 of the 60,000 eligible filers used the e-file system, which greatly enhanced the processing productivity and accuracy.
- In 2004, The Orange County Assessor was appointed by the California Assessors' Association to take the lead role in developing a centralized on-line system that businesses could use to file property statements statewide - Standard Data Record (SDR). SDR was developed and implemented in 2005 targeting large companies with multiple locations throughout the State. In 2007, an e-SDR component has been added to the SDR system to provide statewide electronic BPS filing capability.

ities for small businesses and individual filers. For the e-SDR component, 16 counties have decided to participate starting in 2007 and overall 66% of all 58 counties now provide some automation through SDR and e-SDR to assist businesses to file their mandatory BPS. The SDR is a unique public-private cooperative effort.

Organizational Summary



Assessment Of Business Property - Audits and appraises business personal property and assesses all trade fixtures, leased equipment, boats and aircraft with taxable situs in Orange County.

Assessment Of Real Property - Appraises real property, new construction and reassessable changes in ownership, and maintains records on all real property parcels including residential, commercial, rural, industrial and special use properties.

Roll Support - Reviews and maintains recorded documents evidencing a change in ownership of real property, prepares Assessor parcel maps and processes Homeowner, Veteran and Institutional exemptions.

Quality Assurance - Provides appraisal methodologies, procedures, training and quality control for roll production, audit and appraisal staff.

Computer Systems - Provides programming and data processing services, system security and technical services to support the development of the assessment rolls of value.

Management Services - Provides fiscal management, process integration, contract administration, procurement and personnel services, general department administration and public service support to the public and other government agencies.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Twenty-one (21) positions were deleted in FY 1995-96 due to the County bankruptcy. Extra help and overtime labor has been used as appropriate to complete the work.
- Ten (10) positions were added back in January 1999 to accommodate the increased workload base, and to help with the annual workload increases. The department still had a significant shortage in permanent labor hours.
- Five (5) unfunded limited-term positions were added in FY 2000-01 to manage vacancies and better accommodate recruitment timeframes and to meet a larger workload. One (1) full-time regular position was added mid-year FY 2000-01.
- Five (5) extra-help positions were converted to regular positions in FY 2002-03 to meet a growing workload and to get the department back to the 1994 staffing level. The department continues to use extra-help and overtime labor to manage seasonal workload fluctua-

tions and complete the significant workload increase that has occurred since 1994. The staffing level also allowed the department to apply for the State-County Property Tax Administration Grant Program (AB-589).

- In FY 2005-06, a significant number of senior and experienced staff retired from the Assessor Department. In 2006, 24 Assessor Department employees retired representing a loss of almost 600 years of work experience. The Assessor Department has been aggressively recruiting new staff, conducting training and promoting existing staff.
- In March 2004, the Assessor Department received a grant from the State of California, under the AB-589 program. Limited Term positions funded by the grant are budgeted in Agency 127. However, the Governor eliminated the funding for AB 589 Grant for FY 2005-06, and did not include funding in his FY 2006-07 bud-

get and the proposed 2007-08 budget. The carry-over funds in Fund 127 are expected to be exhausted by FY 2008-09.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Assessor Department recognizes the County's Strategic Priorities, and will continue to operate in concert with those priorities to the extent that they do not impact with the Department's Constitutional mandate to produce valuation rolls and provide valuation services to Orange County's property owners and businesses.

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev ⁽¹⁾ As of 6/30/07	Final Budget	Actual Amount	Percent
Total Positions	337	337	337	337	0	0.00
Total Revenues	11,950,381	7,464,357	10,425,816	7,464,357	(2,961,459)	-28.41
Total Requirements	28,959,275	34,154,480	32,075,769	34,808,802	2,733,033	8.52
Net County Cost	17,008,894	26,690,123	21,649,954	27,344,445	5,694,491	26.30

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Assessor in the Appendix on page A486

Budget Units Under Agency Control:

No.	Agency Name	Assessment Of Business Property	Assessment Of Real Property	Roll Support	Quality Assurance	Computer Systems	Management Services	Total
002	Assessor	4,865,417	8,835,756	8,832,683	868,967	2,107,648	9,298,331	34,808,802
127	Property Tax Admin State Grant	0	0	0	0	0	3,019,265	3,019,265
12P	Assessor Property Characteristics Revenue	0	0	0	0	0	142,500	142,500
	Total	4,865,417	8,835,756	8,832,683	868,967	2,107,648	12,460,096	37,970,567

127 - PROPERTY TAX ADMIN STATE GRANT

Operational Summary

Description:

The State-County Property Tax Administration State Grant Program (AB-589) was implemented by the legislature on January 1, 2002. The grant provides funding to help maintain efficient property tax administration, in accordance with legislated guidelines and restrictions. The County received its grant award of approximately \$6.8 million per year in FY 2003-04 and FY 2004-05. The Governor eliminated the funding for the AB-589 Grant in FY 2005-06 and FY 2006-07, and did not include the funding again in his proposed FY 2007-08 budget.

The grant is subject to the terms defined in the Revenue and Taxation Code Section 95.35 and the contract agreements executed between the County of Orange, Board of Supervisors and the State Department of Finance. The County must continue to fund the Assessor Department at a base Maintenance of Effort (MOE) level of 337 to be in compliance with the grant funds. All grant funds and interest earned thereupon must be deposited in the trust fund to be used in accordance with the grant. Carry-over funds from FY 2003-04 and FY 2004-05 including interest earned are expected to last through FY 2007-08, and into a portion of FY 2008-09, and are being used to finish the work approved in the contract with the State.

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	3,832,178
Total Final FY 2007-2008	3,019,265
Percent of County General Fund:	N/A
Total Employees:	38.00

Strategic Goals:

- The Assessor will use State-County Property Tax Administration Grant (AB-589) to support the continuation of the Real Property Field Review and the Assessment Tax System (ATS) Re-Engineering (Assessor's segment). In addition, the requested budget may support some business property mandatory and non-mandatory audit backlogs, increased roll production and/or appeal workload, and a small share of the statewide Standard Data Record (SDR and e-SDR) development work.
- The budget request also includes funds to cover two (2) senior clerks position for the Clerk of the Board in handling assessment appeals workload and various positions in the Tax Collector's Office staff to support delinquent tax collection. In addition, the budget for Fund 127 includes funding for several in-house limited term and extra help positions to support the ATS Re-engineering project.

Key Outcome Indicators:

Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
PERFORM REAL PROPERTY FIELD REVIEW. What: Physical review of properties to verify, update and correct property records. Why: Updated and corrected property records ensure accurate assessment as required by law.	Anticipated to complete over 100,000 property reviews.	Continue to perform Real Property Field Reviews. Expected number of property to be reviewed: 250,000.	The project is moving ahead on schedule and within the funding as available.



FY 2006-07 Key Project Accomplishments:

- Real Property Field Review: Since July 2005, the department has invested substantial time in training of the field review team, developed an implementation plan, completed pilot field reviews to refine the procedures and is expected to complete over 100,000 property field reviews in FY 2006-07. This project is moving along as scheduled and within funding as appropriate.

Ten Year Staffing Trend:



Budget Summary

Plan for Support of the County's Strategic Priorities:

This budget is consistent with the priorities and operational plans contained in the Assessor Department Business Plan and Strategic Financial Plan. The Property Tax Administration State Grant will be administered in accordance with the terms and conditions of the grant.

Ten Year Staffing Trend Highlights:

- All positions funded by the grant are limited-term positions.

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev ⁽¹⁾ As of 6/30/07	Final Budget	Actual Amount	Percent
Total Positions	38	38	38	38	0	0.00
Total Revenues	11,595,138	4,338,988	4,513,351	3,019,265	(1,494,086)	-33.10
Total Requirements	9,023,019	4,338,988	3,841,129	3,019,265	(821,864)	-21.40
Balance	2,572,120	0	672,222	0	(672,222)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Property Tax Admin State Grant in the Appendix on page A595



12P - ASSESSOR PROPERTY CHARACTERISTICS REVENUE

Operational Summary

Description:

The Assessor's Property Characteristics Revenue Fund (Fund 12P) was created in FY 2005-06 in compliance with the implementation of GASB 34. In coordination with the Auditor Controller Department, the Assessor Department requested establishment of Fund 12P, closure of Assessor's Property Characteristics Trust Fund 300-352 and requested transfer of all funds in Trust Fund 300-352 to Fund/Agency 12P - Assessor's Property Characteristics Revenue Fund

This fund is subject to the Revenue and Taxation Code Section 408.3 and will be used to support, maintain, improve, and provide creation, retention, automation, and retrieval of assessor information. Accordingly, part of these funds may be used to purchase system tools e.g. computers and servers, for collecting and maintaining assessor information data. There is no expiration date for the fund. Interest earned from the fund will be deposited in County General Fund based on Management decision.

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	
Total Final FY 2007-2008	142,500
Percent of County General Fund:	N/A
Total Employees:	0.00

Assessor Property Characteristics Revenue - This fund is subject to the Revenue and Taxation Code Section 408.3 and can only be used to support, maintain, improve, and provide creation, retention, automation, and retrieval of assessor information. The source of revenue is sale of property characteristics produced by the Assessor Department. There is no expiration date for the fund. Interest earned from the fund will be deposited in County General Fund based on Management decision.

Budget Summary

Plan for Support of the County's Strategic Priorities:

This budget is consistent with the priorities and operational plans contained in the Assessor Department Business Plan and Strategic Financial Plan

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007		FY 2006-2007		Change from FY 2006-2007	
	Actual Exp/Rev	Budget	Actual Exp/Rev ⁽¹⁾	FY 2007-2008	Actual	Amount	Percent
	As of 6/30/07	As of 6/30/07	As of 6/30/07	Final Budget			
Total Revenues	568,014	136,584	159,200	142,500		(16,700)	-10.49
Total Requirements	486,430	136,584	56,584	142,500		85,916	151.84
Balance	81,584	0	102,616	0		(102,616)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Assessor Property Characteristics Revenue in the Appendix on page A604



003 - AUDITOR-CONTROLLER

Operational Summary

Mission:

To promote public oversight, provide accountability, and support financial decision-making for the County.

Strategic Goals:

- To assist the County in controlling financial risk.
- To promote accountability by developing and enforcing systems of accounting controls.
- To anticipate and satisfy our stakeholders' and clients' needs for financial services and reliable information.
- To increase Countywide organizational effectiveness by making the appropriate investments in our staff and technology.

Key Outcome Indicators:

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	16,127,164
Total Final FY 2007-2008	16,963,745
Percent of County General Fund:	0.558687%
Total Employees:	421.00

Performance Measure	2006 Business Plan Results	2007 Business Plan Target	How are we doing?
RECEIVE UNQUALIFIED OPINION AND GFOA CERTIFICATE FOR EXCELLENCE IN FINANCIAL REPORTING FOR THE CAFR. What: Measures the integrity and accuracy of the County's annual financial statements. Why: Provides assurance that the CAFR fairly presents the financial position of the County.	The County received an unqualified opinion for the FY 2005-06 CAFR and expects to receive the GFOA Certificate for the FY 2005-06 CAFR in June.	The department plans to continue maintaining the books and records of the County in a manner that will ensure that the County receives an unqualified opinion and the GFOA certificate on its CAFR.	The department achieved both an unqualified opinion and the GFOA Certificate on the CAFR, for FY 2004-05. The department has implemented new post GASB 34 pronouncements from the GASB in the preparation of the FY 2005-06 CAFR, which was completed in December 2006.
99% OF ALL PROPERTY TAXES WILL BE ALLOCATED TO TAXING AGENCIES ON TIME. What: Measures ability to meet deadlines for computing property tax bills and allocating tax revenues. Why: Provides timely revenue to County taxing agencies that receive funding from tax revenues.	The department met all property tax deadlines, apportioning over \$5.4 billion in property taxes, penalties, special taxes/assessments, and interest to over 180 tax-receiving agencies in 84 separate apportionments.	Scheduled property tax apportionment dates for FY 2006-07 were sent out to all taxing agencies July 20, 2006, and the plan is to meet all these scheduled dates.	Property tax apportionment deadlines continue to be met in spite of the complexity of the tax allocation process. All deadlines have been met so far this fiscal year (FY 2006-07).
99% OF CLAIMS AND REPORTS WILL BE FILED BY STATE AND FEDERAL REQUIRED DUE DATES. What: Measures compliance with deadlines that assure claims are filed timely and avoidance of penalties. Why: The amount of revenue associated with these claims is over \$1 billion.	The department achieved better than 99% compliance.	The department will continue to file claims for State and Federal funds on time, thereby avoiding penalties/sanctions and ensuring funding for the many County programs reliant upon these monies.	State and Federal funds continue to be claimed in a timely manner.

Key Outcome Indicators: (Continued)

Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
<p>ACHIEVE CAPS USER SATISFACTION WITH FINANCIAL AND PAYROLL SYSTEMS OF 90% OR HIGHER. What: Measures client satisfaction with support provided by A/C Information Technology Staff. Why: To meet and exceed expectations of CAPS users.</p>	<p>Survey was distributed to approximately 2,000 CAPS users. We received 505 responses. Measured satisfaction in key functional areas (Payroll, Job Cost, Claims Processing, etc.). Satisfaction was at 94% for Staff Support and 93% for Quality of Information Provided.</p>	<p>Follow up on comments from FY 2006-07 survey.</p>	<p>The results continue to be above the stated goal. The slight decline can be attributed to retirement of key team members and the age of the system. These will be addressed through improving existing processes and replacing the current systems.</p>
<p>REDUCE INTERNAL AND EXTERNAL KEYPUNCH BY 80%. What: Measures reduction in use of internal and external keypunch. Why: Direct entry into the system eliminates the need for double entry of data and a paper based process.</p>	<p>Software vendor selected. Development of Deposit Order and Mileage Claims workflow under way.</p>	<p>Complete rollout of Journal Vouchers. Eliminate paper-based data entry for any remaining documents.</p>	<p>Project on schedule for implementation of Deposit Orders and Mileage Claims workflow in Q4 of FY 2006-07.</p>

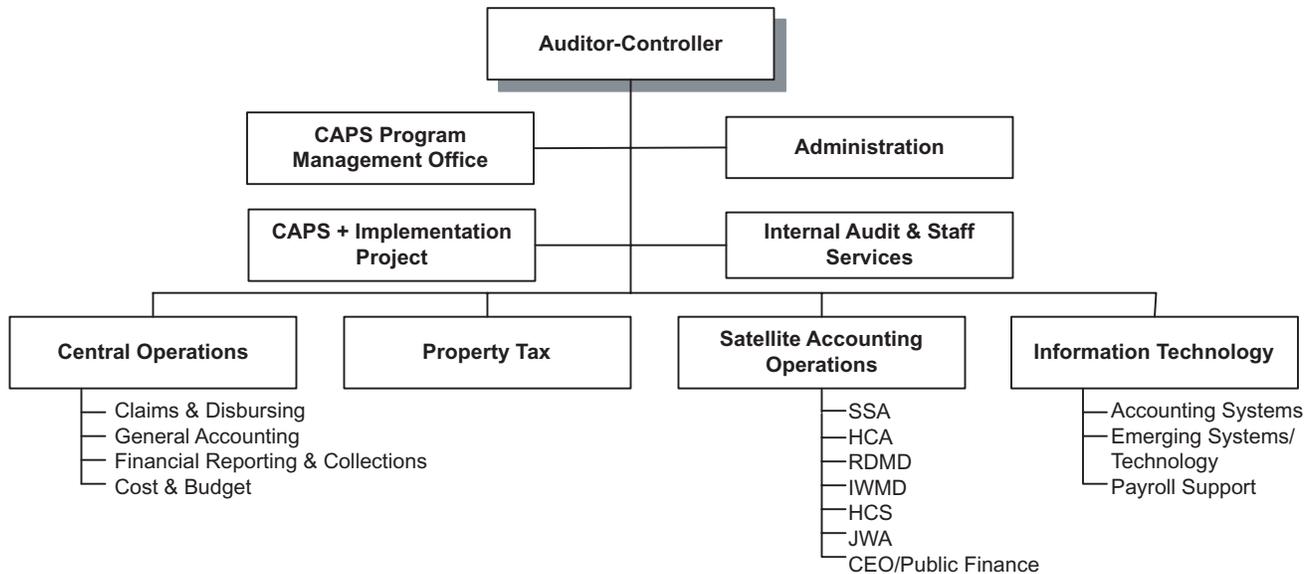
FY 2006-07 Key Project Accomplishments:

- Maintained appropriation control over the County's \$4.9 billion budget.
- Participated in the oversight of the investment of the county's \$5.5 billion investment pool.
- Promoted the accounting profession at the national and state level by active participation in the Western Intergovernmental Audit Forum and the National Intergovernmental Audit Forum.
- Successfully allocated \$5.4 billion in property taxes.
- Assisted in the resolution of the Bunker case settlement.
- Completed the County's FY 2005-06 CAFR and component unit financial statements in compliance with Generally Accepted Accounting Principles (GAAP) by scheduled deadlines with unqualified audit opinions for all statements. This required the implementation of 5 new GASB accounting standards.
- Successfully and accurately completed execution of retroactive pay and other complex retroactive changes in benefits for various labor groups.
- Additional controls implemented for Electronic Funds Transfer in financial and payroll applications.
- Implemented the Employee Pay Stub Application.
- Led the State Association of County Auditors as its President.
- Rolled out the online office supply purchasing system at HCA.
- Commenced and made significant progress in the Needs Assessment engagement with consultant.
- Implemented Version 4.3 of VTI.
- Successfully partnered with Treasurer/Tax-Collector and the County's banking service provider to pilot the "Desktop Deposit" process. This enables secure, electronic transfer of check images to the bank, thereby eliminating the need for handling of the paper check document and speeds up check clearance times.
- Successful pilot implementation of internet based office supplies procurement/invoicing system.



- Performed market surveys for Accountants and achieved market adjustments for Accounting series staff which will significantly improve staff retention and recruitment in the tight labor market.
- Continued development of employee recognition program that allows managers, supervisors and employees to acknowledge outstanding achievements.
- Provided additional employee training and staff development opportunities.
- Continue TPH Training on a semi-annual basis.

Organizational Summary



Central Operations - This division provides the core accounting activities required of the Auditor-Controller which benefit the County as a whole, including: providing payroll and claims processing for all County departments; accounts receivable and collections functions for many County departments; Cost and Budget Section, which prepares the County's annual Countywide Cost Allocation Plan (CWCAP) that is utilized for cost reimbursement claiming purposes by most County departments; and preparation of the County's annual financial statements. With the exception of Collections/Accounts Receivable, which is cost-applied to client departments, the core services provided by the Accounting Operations and Reporting division are financed by general-purpose revenues of the General Fund.

Satellite Accounting Operations - This division supports seven County agencies/departments by providing outstationed specialized accounting/financial services. The outstationed agency/department accounting support sections are entirely funded by their host agencies that have outside revenue sources. Examples of these specialized services are the

performance of accounting functions such as reimbursement claiming, financial reporting, accounts receivable, accounts payable, payroll, job cost accounting, grant accounting, special information reports for management decision making, providing consultation on special projects, and determining strategies to accomplish business objectives.

CAPS Program Management Office - CAPS Program Management Office provides administrative support for the County Accounting and Personnel System (CAPS). This function is assigned to the Auditor-Controller but represents the interests of all owner organizations: CEO/CFO, CEO/Human Resources, and the Auditor-Controller.

CAPS+ Implementation Team - The project team is responsible for the upgrade of the current CAPS Finance and Purchasing information systems to CGI's Advantage 3.x system release. While the upgrade team resides within the Auditor-Controller's Office, it runs as a matrix organization with Auditor-Controller Office, County Executive Office and



contractor staff. The CAPS+ Team reports to the CAPS Steering Committee comprised of the County Auditor-Controller, Deputy CEO/Chief Financial Officer, Deputy CEO/Chief Information Officer, Human Resources Director, and the Director of Accounting Operations / Auditor-Controller's Office.

Executive Management - This section includes the executive management team that provides leadership and direction for the department. It consists of the Auditor-Controller, Chief Assistant Auditor-Controller, their secretaries, and the Communications/Staff Development Manager.

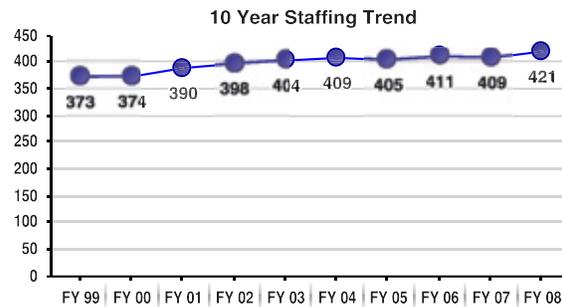
Information Technology - The Information Technology division is responsible for the implementation, maintenance and upgrade of the County's central accounting and financial systems, as well as the development of other accounting-related systems.

Administration - This division includes human resources, purchasing, budget management, and administrative support. This division provides central administrative support to the rest of the department.

Internal Audit & Staff Services - A major function of the Internal Audit Unit is performing the Auditor-Controller's legally mandated audits. These mandates include quarterly reviews and an annual audit of the Treasury's Statement of Assets as well as a biennial audit of the Probation Department's financial statements. Other legal mandates include the monitoring of Special District financial statements, and investigation of cash losses reported by County Management. The Staff Services section provides professional accounting support to areas of the department that request temporary assistance.

Property Tax - The Property Tax section's responsibilities include calculating, billing, collecting, and distributing property taxes.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- FY 98/99 - Added 6 positions to Agency Accounting with no NCC effect.
- FY 99/00 - Added 1 position in the Central Office as additional clerical support for Purchasing and HR function.
- FY 00/01 - Added 26 positions that were transferred from HCA with no NCC effect. Added 1 Limited Term position for GASB 34 implementation. Eliminated 10 positions that were transferred to CEO/HR with no NCC effect. Eliminated 1 position from Central Office.
- FY 00/01 Mid Year Adjustments - In November 2000, added 2 Limited Term positions for GASB 34 implementation, added 1 HR manager, added 1 Systems Analyst for ATS, added 1 Limited Term for DA/Family Support study, deleted 2 positions in SSA Accounting Services. In February 2001, added 3 positions due to Systems reorganization. In May 2001, deleted 1 Limited Term DA/FS position, added 1 position in PF&RD Accounting for Dana Point leases. Base budget of 396 positions.
- FY 01/02 - Added 1 position in General Ledger, added 1 Limited Term position in Information Technology for the CAPS upgrade.
- FY 01/02 Mid Year Adjustments - Added 1 position in CSA Accounting for the Area Agency on Aging, added 2 positions in PF&RD Accounting for Dana Point leases, added 1 position to HCA Accounting for Medi-Cal Administrative Activity/Targeted Case Management, and added 1 position transferred to SSA Accounting from SSA for a collection officer. Base budget of 403 positions.



- FY 02/03 - Added 1 Sr. Systems Programmer/Analyst in the Information Technology division.
- FY 02/03 Mid Year Adjustment - Added 1 Limited Term Sr. Accountant/Auditor II to Information Technology to support CAPS fit analysis and CAPS Upgrade. Base budget of 405 positions.
- FY 03/04 - Added 1 Sr. Accountant/Auditor I and 1 Accounting Assistant II to Planning and Development Services Department Accounting and added 2 Accounting Assistant II positions to HCA Accounting (converting 2 extra help positions to regular status).
- FY 03/04 Mid Year Adjustments - Added 3 Senior Accounting Assistants, transferred from RDMD to RDMD Accounting, deleted 6 vacant Accounting Assistant II positions from SSA Accounting, deleted 3 vacant Accounting Assistant II, 2 vacant Office Assistants and 1 vacant Office Technician from HCA Accounting/CCS. Base budget is 400 positions.
- FY 04/05 - Added 3 Accounting Assistant II positions and 1 Accounting Office Supervisor, transferred from SSA to SSA Accounting. Added 1 Senior Accountant/Auditor II in Information Technology, effective January 1, 2005.
- FY 04/05 Mid Year Adjustment - Deleted 1 vacant, Limited Term Accounting Assistant II from HCA Accounting. Base budget is 404 positions.
- FY 05/06 - Added 2 Systems Programmer/Analyst positions in Information Technology; added 1 Accounting Technician in JWA Accounting; added 1 Accounting Technician in RDMD Accounting/Santa Ana River; added 1 Accountant/Auditor II in RDMD Accounting/Dana Point; added 1 Accountant/Auditor II and 1 Administrative Manager in RDMD Accounting/Watershed.
- FY 05/06 Mid Year Adjustments - Added 1 Senior Accountant-Auditor I position, transferred from RDMD to RDMD Accounting; added 1 Accounting Technician position in General Ledger Unit; deleted 1 Accounting Assistant II, 2 Office Assistants, and 1 Utility Worker/Driver positions from SSA Accounting. Base budget is 409 positions.
- FY 06/07 Mid Year Adjustments - Added 1 Administrative Manager III, 3 Administrative Manager II, and 2 Administrative Manager II for CAPS+ Implementation project. Base budget is 415 positions.
- FY 07/08 - Delete 1 Limited Term Accounting Assistant II in HCA Accounting. Base budget is 414 positions.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Although the Auditor-Controller does not have responsibility for a specific priority item, the department budget reflects support of the overall priorities including initiation, implementation and continued support of several technology projects designed to enhance overall efficiency and enable data gathering and processing to be more efficient throughout the County.

The Auditor-Controller's plan for 2007 continues to leverage technology by providing workflow initiatives that will provide substantial efficiencies to the County. Although the Auditor-Controller's commitment is technology development, the focus remains on the core operations of the department.

Additionally, effective July 1, 2007, the Auditor-Controller elected to directly perform his legally mandated audits including those of the County Treasury and Probation Department. These will no longer be contracted out and will require the establishment of a new Internal Audit division in the Auditor-Controller's Office, set apart from the operations of the office.

Changes Included in the Base Budget:

The budget request continues to reflect the Auditor-Controller's desire to increase the usefulness and accessibility of financial systems. As County departments change and re-engineer their business processes to increase efficiencies and implement new technologies, the Auditor-Controller is consistently working to control risk at the appropriate level. As County departments are now challenged to maintain or reduce their budgets and operating costs continue to increase, the Auditor-Controller will work to ensure that all risk controlled measures are comprehensively enforced, and that the gate-keeping function of the office remains secure.

The Auditor-Controller Department is limited to a 3% growth budget. The base budget includes an increase in professional services due to a new contract solicitation for external auditors for the CAFR review and increase in IT related charges from the CEO/IT Data Center.

Approved Budget Augmentations and Related Performance Results:

Unit Amount	Description	Performance Plan	BRASS Ser.
Add 2 Positions for Internal Audit Unit Amount:\$ 138,250	Add appropriations and two positions to complete legally imposed, mandated audits.	Failure to obtain additional staff will not allow the Auditor-Controller to perform mandated audits.	1632
Add 5 Limited Term (4 years) Positions for CAPS Upgrade Amount:\$ 0	Add 4 Admin Manager IIs and 1 Admin Mgr I to backfill key staff dedicated to CAPS project.	Provides positions to backfill key staff dedicated to the CAPS Upgrade Project.	1911

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget	Actual Exp/Rev ⁽¹⁾	Final Budget	Actual	Percent
Total Positions	409	414	414	421	7	1.69
Total Revenues	7,264,317	7,068,387	7,019,003	8,526,646	1,507,643	21.48
Total Requirements	15,419,542	16,473,929	16,099,835	16,963,745	863,910	5.37
Net County Cost	8,155,225	9,405,542	9,080,832	8,437,099	(643,733)	-7.09

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Auditor-Controller in the Appendix on page A489

Highlights of Key Trends:

- The Auditor-Controller workload increases proportionately with the addition and expansion of County programs and with the general growth in the County budget and number of positions. Workload also increases as a result of requests from client departments for new and enhanced services and for interfaces with our automated systems.
- Significant information technology department development work will continue for the County's core financial systems. The implementation of the CAPS+ project is currently underway. The Auditor Controller has entered into contracts with CGI Technologies and AERIS Enterprises, Inc. for the CAPS system upgrade. The CGI Technologies contract is for implementation services, additional software licensing, and software maintenance services. The AERIS Enterprises, Inc. contract is for quality assurance and risk management professional services. Key individuals that support the current CAPS system and central accounting operations

will be assigned to the project. Additional resources will be needed to backfill these critical assignments to meet our responsibilities and achieve our goals.

- Additionally, two new divisions are proposed for FY 2007/08: Internal Audit and Property Tax. The Internal Audit Unit was reestablished in the Auditor-Controller's Office to facilitate the ability to monitor internal controls, improve independence, and directly meet the audit mandates of the department. Additional resources will be needed to carry out these functions. The Property Tax Unit will be formed as a separate division reporting directly to the Senior Director, Accounting & Technology. The addition of a division manager is being requested in the first quarter budget process. This position would increase communications and visibility of Property Tax Unit operations to the Auditor-Controller, which will reduce the risk of unresolved problems which could impact the unit's County partners or tax receiving agencies.



Budget Units Under Agency Control:

No.	Agency Name	Central Operations	Satellite Accounting Operations	CAPS Program Management Office	Executive Management	Information Technology	Administration	Internal Audit & Staff Services	Property Tax	Total
003	Auditor-Controller	6,801,369	4,515,774	(104,226)	735,933	2,581,406	1,035,885	515,567	882,037	16,963,745
014	CAPS Program	21,218,200	0	0	0	0	0	0	0	21,218,200
14C	Class B-27 Registered Warrants	32,367	0	0	0	0	0	0	0	32,367
15Q	Pension Obligation Bond Amortization	11,000,000	0	0	0	0	0	0	0	11,000,000
15W	1996 Recovery Certificates of Participation (A)	3,480,242	0	0	0	0	0	0	0	3,480,242
15Z	Plan of Adjustment Available Cash	17,766,764	0	0	0	0	0	0	0	17,766,764
	Total	60,298,942	4,515,774	(104,226)	735,933	2,581,406	1,035,885	515,567	882,037	70,461,318

014 - CAPS PROGRAM

Operational Summary

Description:

The CAPS Program agency was established by Board Minute Order dated November 1, 2005, for the purpose of controlling appropriations and expenditures relating to CAPS (County-wide Accounting and Personnel System.) The CAPS systems are the County's Financial, Purchasing, and Human Resources information systems and are a vital component of the County's infrastructure. These systems are required for

County operations, such as financial planning and budget development, maintaining the County's financial records and the generation of financial statements, collecting costs for federal and state billings, procuring goods and services, making vendor payments, processing the County's payroll, and administering personnel records.

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	16,038,200
Total Final FY 2007-2008	22,161,364
Percent of County General Fund:	0.729866%
Total Employees:	0.00

Strategic Goals:

- **Continuous Improvement:** Keep improving the utility of CAPS, and related administrative practices, with the on-going expansion of features, functions and capabilities which demonstrate a clear return on investment.
- **Single-Source Solution:** Position CAPS to be the single source of "Corporate-Level" Financial, Purchasing, and Human Resources information within the County to minimize system redundancy, reduce related costs, and eliminate conflicting data.
- **Stay Current with Technology:** Keep the CAPS Systems at the leading edge of information technology in order to leverage the County's workforce and improve services to our constituents.

Key Outcome Indicators:

Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
MAINTAIN SYSTEM OPERATIONAL READINESS. What: Measures the availability of information systems resources to County staff. Why: CAPS is required for key administrative processes and its availability impacts staff productivity.	During this period, a one-time software conflict caused the Human Resources System to go offline for several days. While this did not affect overall operations, it did bring the online percentage slightly below the expected target.	On-line systems available and fully functional 99% of scheduled up-times and batch processing completed on time 99% of established schedules.	The twelve month rolling average, as of January, 2007, is being met at 99.7% for finance and purchasing. The human resources rolling average for the same time period is 98.8% and is trending upward.



Key Outcome Indicators: (Continued)

Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
<p>MAINTAIN A HIGH QUALITY AND PRODUCTIVE SYSTEM MAINTENANCE PROGRAM.</p> <p>What: Maintenance is mandated changes to the systems or fixes for problems which are encountered.</p> <p>Why: Ensures technology compatibility as well as compliance with regulatory and policy changes.</p>	<p>The actual twelve month rolling average of tasks completed on time was 67%. During this period, an unanticipated rate of turnover among programming staff occurred, resulting in a loss of institutional expertise and the target objective not being met.</p>	<p>Complete 95% of planned maintenance tasks on time.</p>	<p>The twelve month rolling average, as of January, 2007, is slightly below the target number at 92% but is trending up towards the target 95%.</p>
<p>MAINTAIN A HIGH QUALITY SYSTEM USER SUPPORT PROGRAM.</p> <p>What: Training/documentation and assistance program for the CAPS user community.</p> <p>Why: Program is necessary to ensure the correct and effective use of the CAPS systems.</p>	<p>During this period, the program achieved better than a rating of 4.0 for training/documentation and user assistance, according to survey results.</p>	<p>Maintain a satisfaction rating of 4.0 or higher (scale of 1-5 with 5 the highest score) with student evaluations of training/documentation and user assistance survey ratings.</p>	<p>All student training evaluations and contact follow-up surveys satisfaction target ratings are being met.</p>
<p>COMPLETE MAJOR PROJECTS ON TIME AND WITHIN BUDGET.</p> <p>What: Measures project management effectiveness.</p> <p>Why: CAPS projects typically have county-wide impacts and compete for limited County funds.</p>	<p>During this period, the only major project planned for completion, Personnel Action Workflow, was implemented on time and under budget.</p>	<p>All major projects (\$250,000 or higher in total cost) completed within 15% of planned timeframes and budget.</p>	<p>This is a new objective which will be implemented during FY2006-07.</p>
<p>MAINTAIN A HIGH LEVEL OF SYSTEM USER SATISFACTION.</p> <p>What: Measures relative satisfaction with CAPS in meeting the County's business needs.</p> <p>Why: A formalized feedback mechanism is needed to ensure CAPS is meeting the needs of the County.</p>	<p>Due to other priorities, a system-wide user satisfaction survey was not disseminated during this period.</p>	<p>Maintain a minimum 4.0 (scale of 1-5 with 5 being highest rating) overall satisfaction rating.</p>	<p>Selective surveys in various areas of CAPS have met the target ratings. A system-wide survey process will be implemented during FY 2007-08.</p>

FY 2006-07 Key Project Accomplishments:

- **Operations:** During the past year, processed over 765,000 financial transactions in support of a \$5.9 billion dollar County budget managed through more than 700 funds. During the same period processed over 52,000 personnel/payroll transactions and generated over 500,000 paychecks/EFT payments.
- **Maintenance:** During the past year, resolved 329 system problem tickets, completed 11 maintenance tasks, and implemented over 100 program fixes supplied by software vendors.
- **User Support:** During the past year training over 569 students in 11 subject areas, and resolved over 286 user helpline problems.
- **On-Going Enhancements:** During the past year, completed 31 enhancements to the systems.
- **Strategic Initiatives:** Met all major milestones for three major projects in progress: Advantage Finance/Purchasing Upgrade Fit Analysis; FRET Phase 2; and Payroll Adjustment Workflow rollout. In addition, the Human Resources/ Personnel Action Workflow rollout project was completed this fiscal year under budget and met all major scheduled milestones.

CAPS Program - Includes Operations and Maintenance; User Support; On-going Minor Enhancements; and Strategic Initiatives.

Operations and Maintenance: Provides support for the operations of the systems according to established schedules, processing deliverables, and service levels. It also provides software maintenance to ensure the timely and accurate processing of finance, purchasing and human resources information.

User Support: Provides system documentation, training and assistance for the CAPS user community.

On-Going Minor Enhancements: Provides on-going improvements to the CAPS systems which improve the utility of the system, enhances staff productivity, and demonstrate a clear return on investment.

Strategic Initiatives: Encompasses all major CAPS enhancement projects (over \$250,000 in total cost.)

Budget Summary

Plan for Support of the County's Strategic Priorities:

There are two Strategic Priorities associated with CAPS: CAPS Replacement and Process Re-engineering. The replacement effort addresses the need to upgrade the existing systems to newer technology. The Board of Supervisors approved the upgrade of the Financial and Purchasing System to the new web-based version of CGI/AMS Advantage software. Also, received Board of Supervisor approval to conduct a strategic evaluation of Orange County's HR and Payroll business functions, provide recommendations for improvement of the business processes and assist the County with sourcing a best practices solution. The process re-engineering strategic priority continues to be addressed with a series of in-progress, and soon-to-be-started workflow projects which will improve and automate the County's current business processes.

Approved Budget Augmentations and Related Performance Results:

Unit Amount	Description	Performance Plan	BRASS Ser.
Increase Net County Cost to Support Auditor Controller Cost Apply of 5 New CAPS Positions Amount:\$ 630,486	An increase in NCC is required to fund cost applies from A/C.	Fund cost applies from A/C.	2685
Increase Net County Cost to Support CEO Purchasing Addition of 3 New CAPS Positions Amount:\$ 312,678	An increase in NCC is required to fund cost applies from CEO.	Fund cost applies from CEO/Purchasing.	2686

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev ⁽¹⁾ As of 6/30/07	Final Budget	Actual Amount	Percent
Total Requirements	0	18,758,300	15,672,624	22,161,364	6,488,740	41.40
Net County Cost	0	18,758,300	15,672,624	22,161,364	6,488,740	41.40

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: CAPS Program in the Appendix on page A504

Highlights of Key Trends:

- County business needs are driving an increasing demand for more information capabilities. Examples are the need for additional automated work to increase

transaction productivity to keep up with increasing workload and the need for more ad-hoc capabilities to access information for analysis and trending purposes.



006 - BOARD OF SUPERVISORS - 1ST DISTRICT

Operational Summary

Mission:

The County of Orange is a regional service provider and planning agency representing all residents of Orange County. The core businesses of the County are public safety, public health, environmental protection, regional planning, public assistance social services, and aviation. The Board of Supervisors, as authorized under California law, functions as both a legislative and executive body. In its legislative duties, the Board adopts ordinances, resolutions, and rules within the limits prescribed by State law. As an executive body, the Board oversees the activities of County agencies and depart-

ments, establishes policy, determines annual budget allocations, approves contracts for public improvement projects and other specialized services, conducts public hearings on matters such as zoning appeals and planning, and makes appointments to various boards and commissions. The First Supervisorial District represents the citizens of Santa Ana, Westminster, a large portion of Garden Grove, and the unincorporated area of Midway City.

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	769,237
Total Final FY 2007-2008	874,527
Percent of County General Fund:	0.0288018%
Total Employees:	8.00

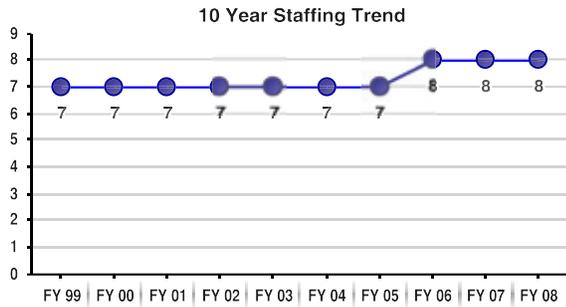
Strategic Goals:

- Provide better access to government for all.

FY 2006-07 Key Project Accomplishments:

- Continued focus on meeting the recreation, parks, and open space needs of the inner cities.
- Continued advocacy for regional transportation improvements, including the extension of Orange County's Measure M.
- Continued support of programs to provide health care for uninsured children.
- Provided leadership to the County's Mental Health Board and supported implementation of Proposition 63 Mental Health Services Funding Act.
- Chaired bi-monthly Information Technology (IT) Working Group meetings, in an effort to enhance IT operations and improve quality of services to the public.
- Coordinated efforts of Resources and Development Management Department and O.C. Flood Control District to explore joint development of the Santa Ana River Park.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Of the eight positions budgeted for First District, one is occupied by the Supervisor.

Budget Summary

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007		FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget	Actual Exp/Rev ⁽¹⁾	Final Budget	Actual	Percent
Total Positions	8	8	8	8	0	0.00
Total Revenues	203	0	0	0	0	0.00
Total Requirements	755,975	837,885	757,788	874,527	116,739	15.41
Net County Cost	755,772	837,885	757,788	874,527	116,739	15.41

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Board of Supervisors - 1st District in the Appendix on page A494

Budget Units Under Agency Control:

No.	Agency Name	Board Of Supervisors 1st District
006	Board of Supervisors - 1st District	874,527
	Total	874,527



007 - BOARD OF SUPERVISORS - 2ND DISTRICT

Operational Summary

Mission:

The County of Orange is a regional service provider and planning agency representing all residents of Orange County. The core businesses of the County are public safety, public health, environmental protection, regional planning, public assistance social services, and aviation. The Board of Supervisors, as authorized under California law, functions as both a legislative and executive body. In its legislative duties, the Board adopts ordinances, resolutions and rules within the limits prescribed by State law. As an executive body, the Board oversees the activities of County agencies and departments, establishes policy, determines annual budget alloca-

tions, approves contracts for public improvement projects and other specialized services, conducts public hearings on matters such as zoning appeals and planning, and makes appointments to various boards and commissions. The Second Supervisorial District represents the citizens of Costa Mesa, Cypress, Fountain Valley, Huntington Beach, La Palma, Los Alamitos, Newport Beach, Seal Beach, Stanton, a portion of Garden Grove, and the unincorporated areas of Rossmoor, Santa Ana Heights, Sunset Beach and Surfside.

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	865,962
Total Final FY 2007-2008	871,516
Percent of County General Fund:	0.0287027%
Total Employees:	7.00

Strategic Goals:

- Do everything possible to help provide an outstanding quality of life for all of the County's residents.
- Endeavor to provide fair and objective analysis of all data and information in assessing the issues that come before the Board of Supervisors.
- Always treat constituents and anyone who comes into contact with the staff in a courteous and respectful manner.
- Approach every day with a sense of humility and awe at our responsibility to the residents of the Second District.
- Conduct our professional and personal lives in a highly ethical manner, so as never to bring disrepute on the office.
- Work with all County agencies and employees to coordinate services and information in as efficient a manner as possible.
- Conduct the business of the District and the County in as open and transparent a manner as possible.
- Be proud to work for the benefit of all residents, citizens, and taxpayers of Orange County.

FY 2006-07 Key Project Accomplishments:

- Reduction of the unfunded liability from retiree medical benefits
- Retained the County Executive Officer
- Completion and approval of the plan to complete the seven remaining projects in the Santa Ana Heights Redevelopment Agency and approval of a wind-down plan
- Worked with the Rossmoor community toward resolving issues such as incorporation
- Expansion of COPLINK (the summary criminal information data base) to include the District Attorney and Probation Department

- Co-drafted a revised and improved Contract Policy Manual and overall procurement policy
- Worked toward resolving annexation and other community issues in Newport Beach and Costa Mesa
- Addressing community concerns regarding a private marina in Sunset Beach
- Creation of a new park (Mesa-Birch)
- Improvements in facilities in Orchard Street Park
- Significant contribution toward the building of a new fire station in Santa Ana Heights

Ten Year Staffing Trend:

Ten Year Staffing Trend Highlights:

- Of the seven positions budgeted for Second District, one is occupied by the Supervisor.



Budget Summary

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget	Actual Exp/Rev ⁽¹⁾	Final Budget	Actual	Percent
Total Positions	7	7	7	7	0	0.00
Total Revenues	3	0	0	0	0	0.00
Total Requirements	741,033	875,299	865,507	871,516	6,009	0.69
Net County Cost	741,031	875,299	865,507	871,516	6,009	0.69

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Board of Supervisors - 2nd District in the Appendix on page A495

Budget Units Under Agency Control:

No.	Agency Name	Board Of Supervisors 2nd District
007	Board of Supervisors - 2nd District	871,516
	Total	871,516



008 - BOARD OF SUPERVISORS - 3RD DISTRICT

Operational Summary

Mission:

The County of Orange is a regional service provider and planning agency representing all residents of Orange County. The core businesses of the County are public safety, public health, environmental protection, regional planning, public assistance social services, and aviation. The Board of Supervisors, as authorized under California law, functions as both a legislative and executive body. In its legislative duties, the Board adopts ordinances, resolutions and rules within the limits prescribed by State law. As an executive body, the Board oversees the activities of County agencies and departments, establishes policy, determines annual budget allocations, approves contracts for public improvement projects

and other specialized services, conducts public hearings on matters such as zoning appeals and planning, and makes appointments to various boards and commissions. The Third Supervisorial District represents the citizens of Brea, Irvine, Orange, Tustin, Villa Park, Yorba Linda, a portion of Anaheim, and the unincorporated areas of Cowan Heights, El Modena, Lemon Heights, MCAS El Toro, Olinda, Olive, Orange Hills, Orange Park Acres, Tustin Foothills, Modjeska Canyon, Santiago Canyon, Silverado Canyon and Trabuco Canyon.

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	822,019
Total Final FY 2007-2008	880,581
Percent of County General Fund:	0.0290012%
Total Employees:	7.00

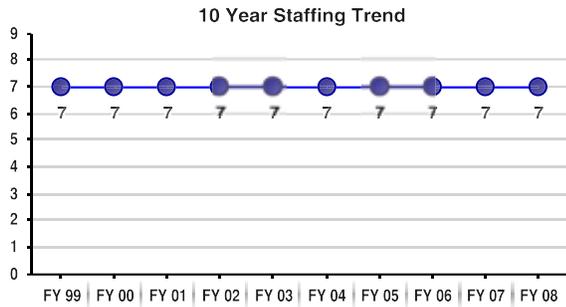
Strategic Goals:

- Strive daily to represent the interests of the men, women and children of Orange County.
- Continue to make Orange County the best place to live, work and play.

FY 2006-07 Key Project Accomplishments:

- Restructured County's Retiree Medical Program saving taxpayers \$800 million.
- Approved MOA between the Sheriff's Department and the U.S. Department of Homeland Security allowing deputies assigned to Jail Operations to conduct immigration interviews of criminal alien offenders, on a full-time basis.
- Selected private entity to develop the North Blimp Hangar and the surrounding property at the former Tustin MCAS.
- Conducted HOV lane pilot project allowing for continuous ingress/egress on SR 22.
- Passed ordinance allowing County to remove graffiti on private property in unincorporated areas.
- Approved Tri-County agreement for Santa Ana River Parkway Project.
- Approved the expansion of Bowerman Landfill from 2014 to 2053 and Olinda Alpha Landfill from 2008 to 2021.
- The Renewal of Measure M was approved by the voters and implementation of the Transportation Investment Plan began.
- Passed new Barking Dog ordinance for unincorporated areas.
- County initiated DNA pilot project creating database for non-violent offenders.
- Windy Ridge fire fought and contained (2,000 acres west of SR 241), with no loss of homes.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Of the seven positions budgeted for Third District, one is occupied by the Supervisor.

Budget Summary

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007		FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget	Actual Exp/Rev ⁽¹⁾	Final Budget	Actual	Percent
Total Positions	7	7	7	7	0	0.00
Total Revenues	3	0	0	0	0	0.00
Total Requirements	729,711	848,771	821,863	880,581	58,718	7.14
Net County Cost	729,708	848,771	821,863	880,581	58,718	7.14

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Board of Supervisors - 3rd District in the Appendix on page A496

Budget Units Under Agency Control:

No.	Agency Name	Board Of Supervisors 3rd District
008	Board of Supervisors - 3rd District	880,581
	Total	880,581



009 - BOARD OF SUPERVISORS - 4TH DISTRICT

Operational Summary

Mission:

The County of Orange is a regional service provider and planning agency representing all residents of Orange County. The core businesses of the County are public safety, public health, environmental protection, regional planning, public assistance social services, and aviation. The Board of Supervisors, as authorized under California law, functions as both a legislative and executive body. In its legislative duties, the Board adopts ordinances, resolutions and rules within the limits prescribed by State law. As an executive body, the Board oversees the activities of County agencies and depart-

ments, establishes policy, determines annual budget allocations, approves contracts for public improvement projects and other specialized services, conducts public hearings on matters such as zoning appeals and planning, and makes appointments to various boards and commissions. The Fourth Supervisorial District represents the citizens of Anaheim, Buena Park, Fullerton, La Habra, Placentia, and the unincorporated area of West Anaheim.

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	788,228
Total Final FY 2007-2008	853,847
Percent of County General Fund:	0.0281208%
Total Employees:	7.00

Strategic Goals:

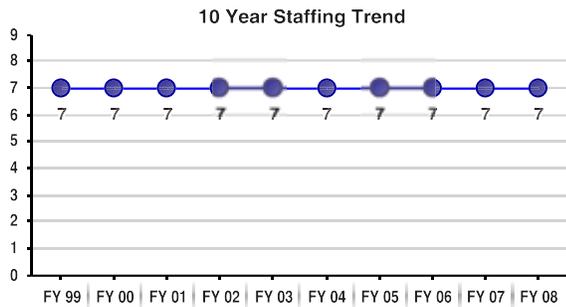
- Provide leadership, formulate new ideas and build consensus on programs and projects benefiting the Fourth District and all of Orange County.
- Be the personal conduit between Anaheim, Fullerton, Buena Park, Placentia and La Habra constituents with Orange County government.

FY 2006-07 Key Project Accomplishments:

- Chaired the Board subcommittee that implemented improvements to the County purchasing procedures.
- Helped lead the implementation of COPLINK, a high tech data system which allows local enforcement agencies greater and quicker access to crime-fighting data.
- Approved a labor agreement which included reform of retiree medical benefits; a reform that could save the County \$815 million dollars.
- Passed a barking dog ordinance.
- Elected Chairman of the Board of Supervisors.
- Elected Vice Chairman of the Orange County Transportation Authority.
- Continued to work toward a contract with the Sheriff's Deputies union which will include retiree medical reform and a more detailed audit of the union's medical trust fund.
- Developed and promoted a program which will create better and clearer signage for all County buildings in the Civic Center.
- Continued to advocate for a parking garage at the Fullerton railroad station.
- Completed the annexation of unincorporated County islands by La Habra.

- Approved a program to train Sheriff's Deputies in immigration law; this training will enable Deputies to identify illegal immigrants in the jail.
- Aggressively represented Orange County's interests on the Southern California Association of Governments (SCAG).

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Of the seven positions budgeted for Fourth District, one is occupied by the Supervisor.

Budget Summary

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget	Actual Exp/Rev ⁽¹⁾	Final Budget	Actual	Percent
Total Positions	7	7	7	7	0	0.00
Total Revenues	35	0	259	0	(259)	-100.00
Total Requirements	682,646	794,652	788,161	853,847	65,686	8.33
Net County Cost	682,611	794,652	787,903	853,847	65,944	8.37

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Board of Supervisors - 4th District in the Appendix on page A497

Budget Units Under Agency Control:

No.	Agency Name	Board Of Supervisors 4th District
009	Board of Supervisors - 4th District	853,847
	Total	853,847



010 - BOARD OF SUPERVISORS - 5TH DISTRICT

Operational Summary

Mission:

The County of Orange is a regional service provider and planning agency representing all residents of Orange County. The core businesses of the County are public safety, public health, environmental protection, regional planning, public assistance social services, and aviation. The Board of Supervisors, as authorized under California law, functions as both a legislative and executive body. In its legislative duties, the Board adopts ordinances, resolutions and rules within the limits prescribed by State law. As an executive body, the Board oversees the activities of County agencies and departments, establishes policy, determines annual budget alloca-

tions, approves contracts for public improvement projects and other specialized services, conducts public hearings on matters such as zoning appeals and planning, and makes appointments to various boards and commissions. The Fifth Supervisorial District represents the citizens of Aliso Viejo, Dana Point, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Mission Viejo, Rancho Santa Margarita, San Clemente, San Juan Capistrano, and the unincorporated areas of Coto de Caza, Las Flores, Newport Coast and Ladera.

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	766,043
Total Final FY 2007-2008	878,320
Percent of County General Fund:	0.0289268%
Total Employees:	8.00

Strategic Goals:

- To represent the people of the Fifth District by enhancing and protecting the quality of life, promoting economic prosperity and being an effective advocate for Fifth District issues.

FY 2006-07 Key Project Accomplishments:

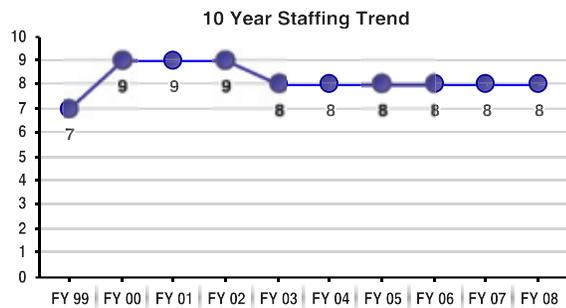
- Opened the Nix Interpretive Center and adjacent trail system in the Laguna Coast Wilderness Park, culminating years of collaborative effort by the Laguna Canyon Foundation, environmental and community groups, and the County of Orange to safeguard and celebrate the historical tracts of coastal sage scrub preserved within this park.
- Established 32,818 acres of open space in South Orange County for the Southern Subregion Habitat Conservation Plan, protecting 32 different animal species and 10 vegetation communities.
- Opened the newly reconfigured State Route 133 (Laguna Canyon Road), following years of permitting and construction challenges, dramatically improving safety, protecting the environment and enhancing the character of the canyon.
- Accepted funding from the Southern California Wetlands Recovery Project for four major projects: Trabuco Creek Fish Passage, San Juan Creek Non-Native Species Eradication, Laguna Canyon Creek Restoration, and Serrano Creek Restoration.
- Chaired the South County Major Investment Study Policy Advisory Committee, an 18-month effort by OCTA to examine the transportation needs of southern Orange County and part of OCTA's strategic effort to keep Orange County moving over the next 25 years.
- Approved the Impact Mitigation Agreement between Rancho Mission Viejo Community Development LLC and the County for law enforcement vehicles and facilities.

- Continued chairing the Coastal Coalition, a group composed of coastal Cities, the County of Orange, California State Parks, water and sewer agencies, non-profit organizations, and others in Orange County who advocate on behalf of coastal and water quality issues.
- Approved the Dana Point Harbor Plan's Environmental Impact Report and collaborated with the City of Dana Point on a Local Coastal Plan Amendment.
- Approved the Poche Beach Ultraviolet Light Bacteria Disinfection Project which will reduce runoff bacteria by treatment with ultraviolet light and reduce postings at the Beach.

Ten Year Staffing Trend:

Ten Year Staffing Trend Highlights:

- Of the eight positions in Fifth District, one is occupied by the Supervisor and one is vacant.



Budget Summary

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007		FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev ⁽¹⁾ As of 6/30/07	Final Budget	Actual Amount	Percent
Total Positions	8	8	8	8	0	0.00
Total Revenues	3	0	5,670	0	(5,670)	-100.00
Total Requirements	745,798	839,864	765,308	878,320	113,012	14.77
Net County Cost	745,795	839,864	759,638	878,320	118,682	15.62

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Board of Supervisors - 5th District in the Appendix on page A498

Budget Units Under Agency Control:

No.	Agency Name	Board Of Supervisors 5th District
010	Board of Supervisors - 5th District	878,320
	Total	878,320



011 - CLERK OF THE BOARD

Operational Summary

Mission:

The Mission of the Clerk of the Board of Supervisors is to provide the County and its citizens easy access to information; and guidance to facilitate fair, equitable and open participation in the decision and policy making of Orange County government.

Strategic Goals:

- Facilitate the decision and policy making of Orange County government.
- Ensure the assessment appeals process is fair, timely and equitable; and promote public understanding of the process.
- Ensure records are maintained, legislative history of the County is preserved and documents are readily available to our clients.

Key Outcome Indicators:

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	2,910,908
Total Final FY 2007-2008	3,255,245
Percent of County General Fund:	0.107209%
Total Employees:	33.00

Performance Measure	2006 Business Plan Results	2007 Business Plan Target	How are we doing?
PERCENT OF ACCURATE BOARD OF SUPERVISORS AGENDA TITLES. What: Measurement of COB's accuracy and training. Why: Indicator of COB's compliance with Brown Act and identifies areas requiring training.	99.2% of published agenda titles were accurate with no errors.	99.25% of agenda titles are published with no errors.	COB has consistently maintained a high level of accuracy.
PERCENT OF ACCURATELY COMPLETED AND TIMELY FILED ASSESSMENT APPEALS APPLICATIONS. What: Indicator of taxpayers' and agents' understanding of applications and process. Why: Measures success of the COB's training and outreach efforts to the public and tax agents.	87.5% of 2005 and 79% of 2006 (in progress) applications were completed accurately and timely filed.	88% of applications accurately completed and timely filed.	The State mandated form can be confusing to taxpayers. Increased use of e-filing and continued outreach should improve these statistics.
PERCENT OF ASSESSMENT APPEAL CLAIMS DECIDED OR WAIVED WITHIN 2 YEAR DEADLINE. What: Indicator of success managing caseload to ensure required actions are taken before legal deadline. Why: Assesses whether procedures & staffing result in processing appeals within the statutory deadline.	Although the 2 year deadline has not yet expired for all of the 2005 filings, 99.7% of the appeals have been resolved or waivers received.	100% of appeals resolved or waivers filed, excluding cases in litigation.	COB meeting goal due to manageable number of filings and quality tracking of database information and appeals.



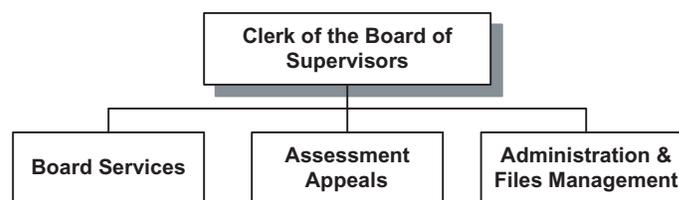
Key Outcome Indicators: (Continued)

Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
PERCENT OF ASSESSMENT APPEALS HEARINGS HELD OR SCHEDULED WITHIN ONE YEAR OF FILING. What: Indicator of efficiency in processing and scheduling appeals. Why: Measures COB's success in meeting its customer service goal & guidance of 2nd yr protective filing.	98.8% of 2005 filings held initial hearings within one year, excluding those with applicant waivers filed.	95% of hearings scheduled within one year, excluding filings with applicant waivers.	With anticipated increased filings, COB may have some difficulties in providing this level of service.
RESULTS OF CUSTOMER SATISFACTION SURVEYS (COB DEPT AND ASSESSMENT APPEALS OUTREACH). What: Measurement of success in meeting clients' needs. Why: Assesses COB's success in meeting the needs of its customers in a professional and courteous manner.	COB has received favorable ratings from 93%-100% of respondents.	97% rating of services as good or outstanding.	COB has consistently received favorable ratings from its clients.

FY 2006-07 Key Project Accomplishments:

- Continued participation with property tax administration departments in development of new Orange County Assessment Tax System
- Increased usage of e-filing for assessment appeals applications
- Implemented new Conflict of Interest tracking system and began internal modifications and development discussions in preparation of future online Form 700 e-filing capabilities
- Restructured County Conflict of Interest code
- Implemented E-Agenda Search Engine where County Agencies/Departments may research and review Board of Supervisors agenda items back to 01/01/99
- Developed Department Disaster Recovery Plan
- Planned and hosted California Clerk of the Board of Supervisors Association annual conference

Organizational Summary



COB - Executive - Provides leadership and vision, management oversight and direction to all Clerk of the Board functions; performs administrative functions including budget preparation and monitoring, strategic financial projections, human resources, legislative analysis, prepares business plan and monitors progress in meeting goals and performance indicators.

Board Services - Prepares and publishes agendas for Board of Supervisors and other authorities in accordance with legal requirements for public meetings; records and publishes actions taken by the Board; maintains official rosters of Boards, Commissions and Committees; processes legal publications, postings and notices; receives and administers bid

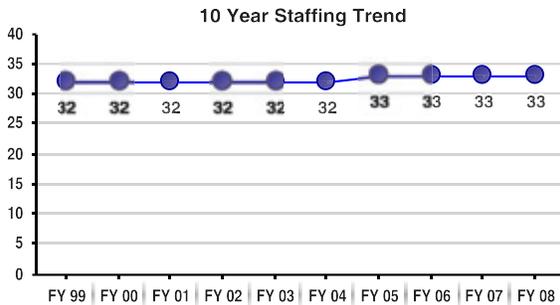


openings for County projects; administers oaths of office for various elected and appointed officials and employees; serves as filing officer for Statement of Economic Interest forms; receives and processes claims, summons and complaints against the County.

Assessment Appeals - Receives and processes assessment appeal applications; schedules hearings in accordance with legal requirements; prepares minutes and processes actions of the Appeals Boards and Hearing Officers; provides assistance and education on the assessment appeals process to the general public and professional groups through workshops, brochures and the Internet.

Administration/Files Mgmt - Provides files management for all records that the Clerk of the Board is required to maintain; assists County staff and the public with research and retrieval of information; provides technical knowledge and coordination in development and implementation of automation projects; provides end-user system support services; performs purchasing, petty cash and payroll functions for Clerk of the Board and the Board of Supervisors Offices.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Even with increased workload and additional responsibilities and services, Clerk of the Board has maintained level staffing requirements for over ten years and has virtually eliminated the use of extra and temporary help. This has been accomplished primarily through automation of previously labor-intensive activities. Increase of one position in FY 04-05 was due to the transfer from the County Executive Office of the position supporting the Board Chairman.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Through use of automation developed and implemented over the past 10 years, the Clerk of the Board has been able to reduce ongoing operational costs and maintain level staffing. This has been accomplished while at the same time enhancing the availability of information and documents both internal to the County and to the general public. The Clerk of the Board will continue to pursue cost savings and revenue enhancements where efficient and cost-effective. Ideas implemented include online filing of assessment appeals applications, online availability of agenda staff reports and backup and search and retrieval capability for historical agenda documents for County Agencies/Departments through the Intranet.

Changes Included in the Base Budget:

The recommended base budget meets the Net County Cost limit established for the Department while allowing the Department to continue to provide its existing level of services.

Approved Budget Augmentations and Related Performance Results:

Unit Amount	Description	Performance Plan	BRASS Ser.
Increase Net County Cost for Market Adjustments Amount:\$ 107,884	Funding of classification, market and equity adjustments.	Resolution of classification, recruitment and retention issues.	2301
Increase Net County Cost for Hall of Administration 5th Floor Conference Rooms Amount:\$ 75,000	The HOA 5th floor conference/break rooms require refurbishing for improved function.	To provide functional and ergonomic conference and break rooms within limited space.	2307



Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007		FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget	Actual Exp/Rev ⁽¹⁾	As of 6/30/07	Final Budget	Actual	Percent
Total Positions	33	33	33	33	33	0	0.00
Total Revenues	157,379	164,703	128,325	128,325	181,086	52,761	41.12
Total Requirements	2,551,162	2,924,380	2,885,668	2,885,668	3,255,245	369,577	12.81
Net County Cost	2,393,783	2,759,677	2,757,343	2,757,343	3,074,159	316,816	11.49

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Clerk of the Board in the Appendix on page A499

Highlights of Key Trends:

- The Department continues to focus on new automation techniques and public outreach efforts to enhance service levels to both its public and internal clients. If real estate values decline, it may result in increased assessment appeal filings.

Budget Units Under Agency Control:

No.	Agency Name	COB - Executive	Board Services	Assessment Appeals	Administration/Files Mgmt	Total
011	Clerk of the Board	442,439	1,178,422	1,055,999	578,385	3,255,245
	Total	442,439	1,178,422	1,055,999	578,385	3,255,245



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 Actual Expenditure + Encumbrance:	15,763,686
Total Final FY 2007-2008	18,543,488
Percent of County General Fund:	0.610715%
Total Employees:	105.00

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.

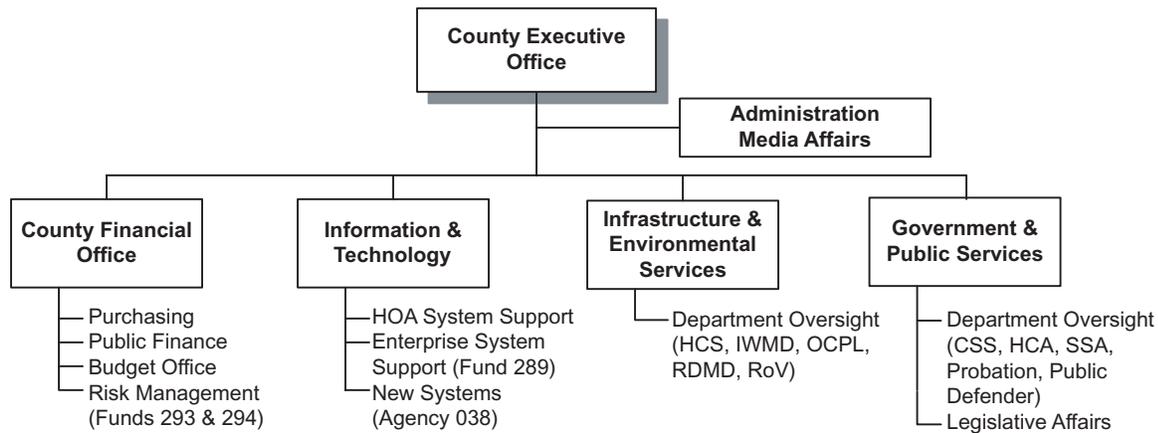


- Monitored State and Federal legislative activity closely and assessed potential impacts to the 2005-06 County budget following the Board adopted Legislative Platform and procedures.
 - Updated and published the Community Indicators Report in February 2006.
 - Continued to publish monthly the "County 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.
- **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.
- **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.
 - 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.
 - 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.
 - 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 efforts 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 than 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 - Positions increased to support strategic priorities and other activities, including Real Estate, Homeless Issues Coordination, and El Toro Master Development Program. This included position transfers from other operating agencies, PF&RD and HCD, to the CEO, as well as some limited-term positions.
- FY 98/99 - 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 99/01 - Positions decreased as limited-term positions related to El Toro MCAS were deleted.
- FY 00/01 - 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 01/02 - 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 02/03 - 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 03/04 - 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 04/05 - 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 05/06 - 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 06/07 - 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. In the Final Budget the augmentations were approved for: three limited term positions for purchasing to support the county CAPS upgrade and offset in their budget, two positions for CEO IT replacing long term contract support with full time staff, and one position for the CEO's office. These last three were absorbed without additional funding.

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 sur-

vey, 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 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.

Approved 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:\$ 0	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 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 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



Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev ⁽¹⁾ As of 6/30/07	Final Budget	Actual Amount	Percent
Total Positions	104	99	99	105	6	6.06
Total Revenues	2,093,518	2,286,797	2,044,987	2,107,722	62,735	3.07
Total Requirements	13,145,154	18,982,452	15,218,450	18,543,488	3,325,038	21.85
Net County Cost	11,051,636	16,695,655	13,173,462	16,435,766	3,262,304	24.76

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: County Executive Office in the Appendix on page A506

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 implementa-

tion 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	277,445,044	0	0	0	277,445,044
016	2005 Lease Revenue Refunding Bonds	0	73,408,249	0	0	0	73,408,249
017	County Executive Office	5,945,820	5,925,435	3,777,004	193,388	2,701,841	18,543,488
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	59,378,749	0	0	0	59,378,749
038	Data Systems Development Projects	0	0	14,796,527	0	0	14,796,527
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
15J	Pension Obligation Bonds Debt Service	0	21,583,377	0	0	0	21,583,377

Budget Units Under Agency Control:

No.	Agency Name	County Executive Office	County Financial Office	Information & Technology	Infrastructure & Environmental Services	Government & Public Services	Total
15S	Designated Special Revenue	0	20,753,870	0	0	0	20,753,870
289	Information Technology Internal Service Fund	0	0	61,080,293	0	0	61,080,293
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
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	5,945,820	1,254,846,083	147,905,187	193,388	2,701,841	1,411,592,319

135 - REAL ESTATE DEVELOPMENT PROGRAM

Operational Summary

Description:

This Fund contains appropriations for up-front costs related to real estate development projects such as advance planning, appraisals, advertising, etc. Revenue from such projects is then transferred to the General Fund. Note payments, rents from automated teller machines, cafeterias, and vendor carts are the primary sources of ongoing revenue.

FY 2006-07 Key Project Accomplishments:

- Approval of Facilities Maser Plan and related recommendations.

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	409,952
Total Final FY 2007-2008	475,230
Percent of County General Fund:	N/A
Total Employees:	0.00

Budget Summary

Plan for Support of the County's Strategic Priorities:

Continue focus on the planning and implementation of the Facilities Master Plan initiatives.

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev ⁽¹⁾ As of 6/30/07	Final Budget	Actual Amount	Percent
Total Revenues	442,050	467,966	510,548	475,230	(35,318)	-6.92
Total Requirements	363,810	467,966	411,048	475,230	64,182	15.61
Balance	78,239	0	99,499	0	(99,499)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Real Estate Development Program in the Appendix on page A610

Highlights of Key Trends:

- The budget includes on-going lease and note revenues.



025 - COUNTY COUNSEL

Operational Summary

Mission:

To provide the highest quality legal advice and representation to the Board of Supervisors, elected and appointed department heads, County agencies/departments and staff, and Board-governed special districts.

Strategic Goals:

- Provide highly competent legal advice to clients on matters related to their public duties and responsibilities in the administration of the public's business, in accordance with high ethical and professional standards.
- Effectively prosecute and defend civil actions in which clients are involved.
- Deliver all legal services to clients as efficiently and economically as possible.

Key Outcome Indicators:

Performance Measure	2006 Business Plan Results	2007 Business Plan Target	How are we doing?
PERCENTAGE OF CLIENTS RATING ADVISORY SUPPORT AS SATISFACTORY IN TERMS OF QUALITY & RESPONSIVENESS. What: Measurement of timelines of services provided. Why: Client satisfaction is the primary measure of success for a service agency.	93% based on annual survey results.	Be rated as satisfactory by 100% of clients in terms of timeliness.	Based on survey results and ongoing dialogue with clients, County Counsel is doing well in the area of providing satisfactory litigation services in terms of quality and responsiveness.
PERCENTAGE OF WRITTEN OPINIONS CHALLENGED IN COURT OR ADMINISTRATIVE PROCEEDINGS. What: Measurement of quality and effectiveness of services provided. Why: Client satisfaction is the primary measure of success for a service agency.	93% based on annual survey results.	Continue to be rated as in prior year or better.	Based on survey results and ongoing dialogue with clients, County Counsel is doing well in the area of providing satisfactory advisory legal services in terms of quality and responsiveness.
PERCENTAGE OF WRITTEN OPINIONS CHALLENGED IN COURT OR ADMINISTRATIVE PROCEEDINGS. What: Measurement of the quality of legal advice. Why: Provides measure of quality of services provided.	One opinion was challenged.	Maintain 5% or less.	County Counsel is doing very well in producing quality written opinions that stand up to legal scrutiny.

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	7,819,943
Total Final FY 2007-2008	10,430,750
Percent of County General Fund:	0.343528%
Total Employees:	104.00

Key Outcome Indicators: (Continued)

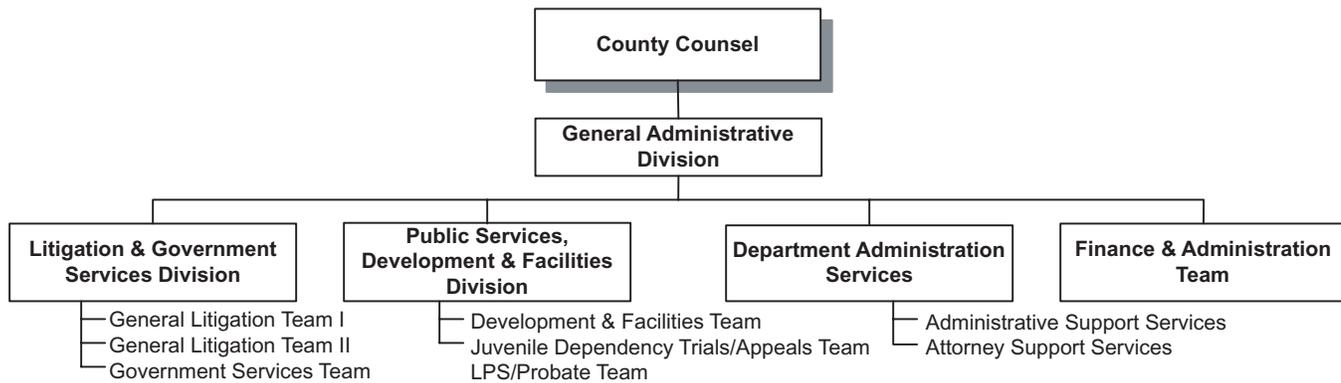
Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
PERCENTAGE OF CHALLENGED WRITTEN OPINIONS THAT ARE UPHELD. What: Measurement of the quality of legal advice. Why: Provides measure of quality of services provided.	One opinion that was challenged was upheld.	Maintain 90% or better rate of success.	County Counsel is doing very well in producing quality written opinions that stand up to judicial review.
PERCENTAGE OF CLIENTS RATING LITIGATION SUPPORT SATISFACTORY IN TERMS OF QUALITY & RESPONSIVENESS. What: Measurement of quality and effectiveness of services provided. Why: Client satisfaction is the primary measure of success for a service agency.	91% based on annual survey results.	Continue to be rated as in prior year or better.	Based on survey results and ongoing dialogue with clients, County Counsel is doing well in the area of providing satisfactory litigation services in terms of quality & responsiveness.
PERCENTAGE OF DEPENDENCY CASES UPHELD ON APPEAL. What: Measurement of the quality of services provided by County Counsel. Why: Provides measure of quality and effectiveness of services provided.	The percentage of cases upheld on appeal is over 90%. Indian Child Welfare Act (ICWA) reversals were reduced 72% and the number of published cases was reduced 25%.	Maintain 90% or better rate of success.	Very well.
PERCENTAGE OF MENTAL HEALTH CASES WON OR RESOLVED WITH APPROVAL OF CLIENT. What: Measurement of the quality of services provided by County Counsel. Why: Measure of the quality of services provide by County Counsel.	90% won or resolved.	Maintain 90% or better rate of success.	Very well.
PERCENTAGE OF GENERAL LITIGATION CASES WON OR RESOLVED WITH APPROVAL OF CLIENT. What: Measurement of the quality of services provided by County Counsel. Why: Provides measure of quality and effectiveness of services provided.	Estimated to be 90-95%.	Maintain 90% or better rate of success.	Very well.
PERCENTAGE OF CLIENT REQUESTS FOR LEGAL ADVICE RESPONDED TO WITHIN 30 DAYS. What: Measurement of the timeliness and effectiveness of services provided. Why: Provides measure of quality and effectiveness of services provided.	Number of opinion requests still outstanding after 30 days is 20 requests, compared to baseline of over 200 opinion requests still outstanding after 30 days in 1998. (This figure is 10% of the 1998 baseline, and represents a 68% decrease in outstanding opinion requests since 2002.)	Maintain inventory of 30-day old opinion requests at 15% or less of 1998 baseline.	Opinion backlog has been reduced below target level.

FY 2006-07 Key Project Accomplishments:

- Regularly and successfully quashed (or convinced other parties to withdraw) subpoenas for confidential records held by various County departments, including the Sheriff, Probation, Social Services Agency and Health Care Agency. Assisted many County departments in responding to subpoenas and requests for records under the Public Records Act, including many which required intensive review of voluminous documents to separate disclosable material from material that cannot be made available to the public.
- Drafted, reviewed, and/or revised (and ultimately approved as to legal form) more than 600 contracts on behalf of the County and County departments.

- Assisted the Clerk of the Board in preparing standardized disclosure categories for the County's Conflict of Interest Code.
- Performed extensive research on issues surrounding the County's ongoing relationship with UCI Medical Center, and reported to the Board of Supervisors.
- Provided extensive legal advice to County departments regarding electronic storage and release of criminal offender information, medical information, and information about social service programs and clients.
- Drafted legislation in diverse areas from use of GPS technology to keep track of probationers; to conflict of interest; to access to victim information and advised clients on implementation of many pieces of new legislation.
- Drafted and approved County ordinances covering a wide range of subjects.
- Served on the Measure M Ordinance Legal Advisory Committee and assisted in the legal review of the ordinance which provided for renewal of Measure M.
- Provided daily, ongoing legal consultation with County departments in most areas in which the County provides direct services to the public (law enforcement, social services, health care, child support services, and animal control), including many complex or controversial legal issues. Legal advice was communicated by e-mail, telephone, face-to-face meetings and conferences, and through dozens of formal written legal opinions.
- Continuation of the Law Awareness Workshop Program.
- Obtained a Judgment against the State for over \$72 million for unreimbursed costs of implementing programs mandated by the State (County of Orange v. State of California).
- In a precedent-setting case before an en banc panel of Ninth Circuit U. S. Court of Appeals, our office was successful in persuading the Court to rule that the Federal Voting Rights Act does not make the Registrar of Voters responsible for requiring that recall petitions circulated by private parties be in multiple languages. (Padilla v. Lever).
- Successfully defended a lawsuit brought against the Registrar of Voters, challenging his authority to reject signatures on a recall petition where the signer did not personally affix his or her printed name and address to the petition. (Capo for Better Representation v. Capistrano USD and Neal Kelley).
- Successfully defended a lawsuit against the Registrar of Voters, filed by a candidate for State office who claimed his opponent did not submit the requisite number of valid nominating signatures. (Umberg v. Bruce McPherson and Neal Kelley).
- Successfully opposed an attempt by an employee labor organization to obtain a temporary restraining order which would have prevented the County from proceeding with a contract approved by the Board of Supervisors for DNA testing services (OCEA v. County of Orange).
- Successfully defended Sheriff against lawsuits by a jail inmate (awaiting trial on murder and kidnapping charges) where the inmate is claiming entitlement to special privileges which, if granted, could increase jail costs and/or compromise security (Alcala v. Orange County Sheriff's Department).
- As a part of its duties in enforcing bail forfeitures, for the fiscal year ending June 30, 2006 County Counsel's Office recovered \$1.264 million in forfeited bail bonds. The recovered funds were distributed among the County, the Sheriff, Superior Court, and local cities and police departments.
- Defended the Sheriff's Department against numerous motions for access to peace officer personnel records.
- Designed and implemented ethics training program, as required by AB 1234, for County elected officials and members of boards, commissions and committees.
- Began implementation of new Time Matters case management information system to track cases, assist with legal research, and allow storage and retrieval of prior office opinions and other legal documents.

Organizational Summary



Executive Management - Provides executive management oversight for department. The County Counsel attends Board of Supervisors' meetings and provides legal services to the Board of Supervisors and Department Heads. Executive Managers perform the most complex legal tasks and advise members of the Board of Supervisors and their staff and department heads.

Litigation, Government Services - These teams provide centralized oversight for civil litigation activities of the County and the conduct of most of that litigation as mandated by Government Code sections 26521 and 27642. The General Litigation teams represent the County in litigation and supervise litigation that is assigned to outside counsel. Currently, the General Litigation Teams represent the County in matters involving potentially hundreds of millions of dollars and preservation of the health, welfare and safety of the County's citizens. Its attorneys appear before all courts from the Superior Court level potentially to the United States Supreme Court, as well as before various administrative law hearing officers and panels. Attorneys assigned to litigation teams are also called upon to provide advisory services, particularly to the Assessor, the Public Administrator/Public Guardian, Human Resources and the Social Services Agency.

The Government Services Team provides legal advice to officers and employees of specific County departments on matters relating to their duties and responsibilities in the administration of county business. Attorneys draft and review legal opinions, contracts, purchase orders, ordinances, resolutions, and bills for introduction in the Legislature. They advise and represent the Human Resources Department and Employee Relations on employee benefit and employee relations issues and attend meetings and closed sessions of the Board of Supervisors and other County boards and commissions.

Public Services, Development & Facilities - The Dependency Trial Team, the Dependency Appeals Team and the Probate Mental/Health Team provide specialized, mandated services to the County's Social Services Agency and the Public Administrator/Public Guardian. Attorneys present the Public Administrator/Public Guardian in conservatorship and probate matters and the Social Services Agency in Juvenile Court cases concerning abused, abandoned, or neglected children. They also provide legal advice to the Resources and Development Management Department, Housing and Community Services and the Dana Point Harbor Department, and draft and review CEQA, public works, land use, flood, roads and Harbors Beaches and Parks contracts, leases, licenses, permits, deeds and conveyances, and franchises.

Department Administration - The primary function of the Administrative Support team is the provision of administrative and clerical support for County Counsel attorneys. Responsibilities include: direct secretarial support to the attorneys, law library support and resources, human resources functions, budget, records management, computer systems and network administration, accounting, safety, and purchasing. The Team is comprised of thirty-four support staff, including the administrative manager.

Finance & Administration Services Team - Provides legal advice to the Board of Supervisors, elected officials and County departments and agencies on public finance matters and tax collection issues, conflict of interest issues, and elections.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- One position was added mid-year in FY 06-07 to support SSA Juvenile Dependency advisory services.
- One position was added in FY 06-07 to support increased workload in Human Resources Advisory Services.
- One position was added mid-year in FY 05/06 to handle the increasing caseload of the Public Administrator/Public Guardian.
- One position was transferred to CEO Information Technology in FY 04/05 to provide better utilization of personnel, backup and cross cultivation of skills.

- Two new positions were added during the FY 04/05 budget hearings. One position was added to respond to an increase in work for the Sheriff-Coroner. The other position was added to provide additional support and reduce the attorney caseload in the area of SSA/Juvenile Dependency.
- No new positions were added in 03/04 or in FY 02/03.
- One position was added in FY 01/02 in response to client department request for additional service in the area of Health Care Agency special education and juvenile client issues.
- Twenty positions were added in FY 00/01 in response to client department requests for additional services in the areas of SSA/Juvenile Dependency, litigation support and for CSA/Public Administrator-Public Guardian LPS/Probate.
- Five positions were added from FY 95/96 to FY 99/00 to meet increased service requests by client departments.

Budget Summary

Plan for Support of the County's Strategic Priorities:

County Counsel will continue to improve efficiencies, effectiveness, and economies within the department through expanded use of technology for communications, document review and production, and legal research. The Office has aggressively engaged staff in identifying any and all possible cost savings that do not compromise our ability to provide our current level of service. This includes careful timekeeping to capture billable time and identification of other revenue sources. Economy also involves maximizing the value of work performed. To this end, County Counsel is involved in two initiatives to make its work product more available and more useful to County employees: an expanded training program for County employees, and the continuing development of an Intranet web site.



Approved Budget Augmentations and Related Performance Results:

Unit Amount	Description	Performance Plan	BRASS Ser.
Add 1 Limited Term Senior Deputy Attorney Position for Purchasing Support Amount:\$ 188,965	Comply with Board Rule 14 requiring all agreements on Board agenda be reviewed & approved by counsel	Review and approve all agreements for Board approval; lawful achievement of client program objective	785
Add 1 Limited Term (2 years) Senior Deputy Attorney Position for John Wayne Airport Amount:\$ 208,672	The John Wayne Airport Improvement Program results in the need for additional legal services.	Support of John Wayne Airport construction projects.	788

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev ⁽¹⁾ As of 6/30/07	Final Budget	Actual Amount	Percent
Total Positions	100	102	102	104	2	1.96
Total Revenues	1,785,755	1,510,000	1,695,038	1,916,927	221,889	13.09
Total Requirements	7,216,299	9,723,413	7,918,589	10,430,750	2,512,161	31.72
Net County Cost	5,430,544	8,213,413	6,223,551	8,513,823	2,290,272	36.80

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: County Counsel in the Appendix on page A513

Highlights of Key Trends:

- In the past decade there has been a shift in the skill mix required in the practice of law. Highly specialized professionals have replaced the generalist lawyer. Attorneys in the Office of County Counsel have always been specialists in public law.
- In recent years, both the Office of County Counsel advisory and litigation attorneys have followed the general trend towards specialization in substantive areas of practice. Developing and maintaining this high level of legal expertise presents a continuing challenge for the Office of County Counsel.
- Advisory attorneys typically provide highly specialized legal services to elected officials, major departments such as the Social Services Agency, the Health Care Agency, Sheriff-Coroner, Probation, Resources and Development Management Department and the CEO, as well as smaller departments. General litigation attorneys are focusing their practice on subjects identified with specific departments, including the Treasurer-Tax Collector, the Assessor, the Orange County Flood Control District, Resources Development and Management

Department, Planning and Development Services Department and Human Resources. Attorneys working in the Juvenile Dependency and Mental Health/Probate Sections are likewise engaged in highly specialized areas of the law and are physically located in two outlying locations. Moreover, the Office of County Counsel attorneys are being called upon not only to provide general legal advice and representation, but also to become more involved in transactional services and client training.

- Specialization is essential to providing timely, comprehensive legal services, and minimizing the cost of retaining outside counsel. However, with the advantages of specialization come organizational challenges, such as: 1) ensuring that there is sufficient ongoing legal training to minimize the disruption to client services related to changing client needs, attorney vacancies and assignment changes; and 2) maintaining a corporate perspective among attorneys working at different locations. The Office of County Counsel is working towards developing a staffing model that will meet the clients'



needs for highly specialized legal services, while ensuring that attorneys have an opportunity to rotate through assignments in the main and outlying offices.

Budget Units Under Agency Control:

No.	Agency Name	Executive Management	Litigation, Government Services	Public Services, Development & Facilities	Department Administration	Finance & Administration Services Team	Total
025	County Counsel	619,327	2,779,561	1,753,924	3,977,833	1,300,105	10,430,750
	Total	619,327	2,779,561	1,753,924	3,977,833	1,300,105	10,430,750

031 - REGISTRAR OF VOTERS

Operational Summary

Mission:

To ensure the integrity of elections in a uniform, consistent and accessible manner.

Strategic Goals:

- Make elections accessible to all eligible voters.
- Ensure public confidence in the elections process by conducting transparent and accurate elections.

Key Outcome Indicators:

Performance Measure	2006 Business Plan Results	2007 Business Plan Target	How are we doing?
DEBUT OC VOTE PROJECT. What: Exhibit demonstrating the history of voting, highlighting gains in independence for disabled voters. Why: Public outreach supports voter registration and poll worker recruitment.	Funding for the project was delayed. The Design phase is complete and we are seeking alternative funding sources.	Full implementation prior to November poll worker recruitment. To allow for full outreach schedule after Labor Day, 2006.	On hold pending funding
1% HAND COUNT WILL TAKE PLACE FROM AVVPAT AUDIT RECEIPTS AND WILL REFLECT 100% ACCURACY. What: Accuracy of the initial vote count against the 1% manual recount. Why: Maintain and improve voter confidence in the accuracy of the voting process.	100% accuracy for all elections conducted in 2006-07. Secretary of State parallel monitoring was 100% accurate. Any post-election changes have been due to the recount provision in State Elections Code permitting challenge of ballot resolution to interpret "voter intent."	The mandated 1% manual recount will confirm the accuracy of the initial machine vote count and parallel monitoring will continue to be 100% accurate.	The count MUST be accurate and the Registrar of Voters has never failed to match the count with the 1% manual recount.
ALL VOTING EQUIPMENT WILL BE RETROFITTED WITH VOTER VERIFIABLE PAPER AUDIT TRAIL (VVPAT) DEVICES. What: Availability of paper audit trail mandated by state law effective January 1, 2006. Why: To comply with state law.	All Voting equipment will be retrofitted with voter verifiable paper audit trail devices prior to use in the June 2006 Primary election.	All existing DREs to be retrofitted with certified devices by June, 2006 Primary Election.	Completed prior to June 2006 Primary election
EFFECTIVE VOTER EDUCATION CAMPAIGN FOR IMPLEMENTATION OF THE VOTER VERIFIABLE PAPER AUDIT TRAIL. What: Success of VVPAT will be proportional to the number of voters comfortable with its use. Why: California jurisdictions are required to provide a paper audit trail when using DREs.	By the November, 2006 election, calls received from poll workers concerning voter difficulty with VVPAT devices had declined considerably. Voters seem to be having few problems with the devices.	Full impact of VEO will be observable by the November, 2006 General Election.	Completed prior to November 2006 General election. Successfully used in November 2006 General election.

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	25,514,660
Total Final FY 2007-2008	11,502,742
Percent of County General Fund:	0.378833%
Total Employees:	53.00



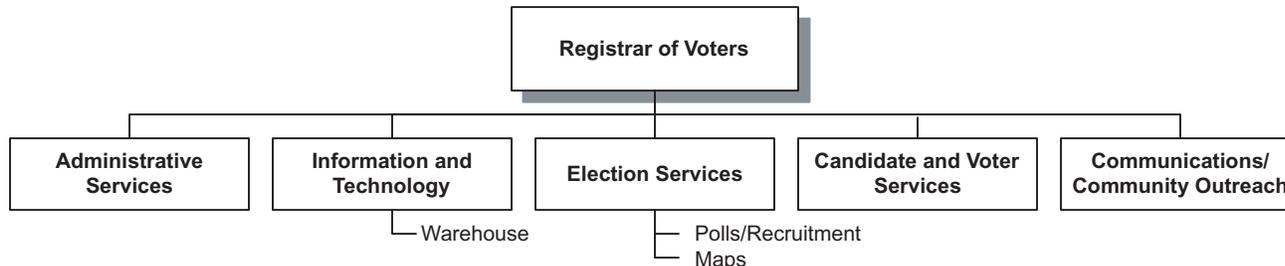
Key Outcome Indicators: (Continued)

Performance Measure	2006 Business Plan	2007 Business Plan	
	Results	Target	How are we doing?
IN RESPONSE TO VOTER DEMAND, ENHANCE OUR VOTE BY MAIL SYSTEM CAPACITY. What: Expanded processing capacity for Absentee Balloting system through additional Pitney Bowes Inserter. Why: Increases in absentee voting make additional capacity necessary to meet statutory deadlines.	New.	"Track and Trace" system will be implemented and the number of second ballot requests will decrease. Double scanning capacity and revamp warehouse procedures for absentee ballot processing. System will be ready for 2008 Presidential Election cycle.	New.

FY 2006-07 Key Project Accomplishments:

- 1. Successful implementation of the Voter Verifiable Paper Audit Trail (VVPAT).
- 2. New website launch at UC-Irvine, including Secretary of State participation. Website has received accolades from political campaigns, other government agencies, voters and the media.
- 3. As part of the Registrar of Voters/City Clerk Partnership, completed a series of town hall meeting reaching the entire county. The purpose was to encourage citizens to register to vote, educate them on the use of the voting system, including VVPAT and educate voters about the Federal and State laws governing elections.

Organizational Summary



Registrar Of Voters - Oversee all functions of the department.

Administrative Services - Provide purchasing, human resources, fiscal management, and budget support.

Election Services - Recruit poll sites and poll workers. Manage the mapping of precincts. Store, inventory and distribute voting equipment and supplies. Maintain relationships in language-based communities. Maintain community alliances with businesses in Orange County.

Information Services - Maintain election and district data bases/programs, voter file, GIS, 5 LANS as well as all election-related hardware.

Candidate & Voter Services - Provide information and services to candidates, campaigns and voters. Manage voter registration process, and voting alternatives such as Absentee and Early Voting.

Communications and Community Outreach - Provide consistent message from the Registrar of Voters to the public via internet, print, electronic media concerning elections issues. Maintain a liaison with Secretary of State, legislators and other elections officials.

Provide Community Outreach activities to language based components of the Orange County community. Ensure accurate translation of all election materials.



Ten Year Staffing Trend:



The changes reflected an adaptation of existing FTEs to changes in the technical and legislative/regulatory environment of the elections operation.

- Continuing legislative mandates and a rapid shift to technology based solutions have created the need for additional staffing. These needs are usually managed by temporary staffing methodologies such as Extra Help and Limited Term positions. However, for staff directly involved with the technological systems, extensive training and practice is required to keep the systems compliant and working. Therefore, two positions in the Information Technology area were added in 2006.

Ten Year Staffing Trend Highlights:

- The Registrar of Voters Department was a budget unit within the General Services Agency with a staff as high as 58 but decreased to 29 by FY 95-96 as a result of the bankruptcy.
- In September 2001, the Board of Supervisors approved Registrar of Voters strategic plan and increase staffing to the current level of 50.
- In July 2005, the department was reorganized to reflect the County's priorities of servant leadership and employee development with no net increase in FTEs.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Registrar of Voters continues to strive to manage its ever-increasing responsibilities within Net County Cost limits. The Strategic Priority related directly to the Registrar of Voters in 2003 was the implementation of the electronic voting systems. This continues to drive much of our activity as legislation regarding system components, capabilities and security continues to evolve.

Approved Budget Augmentations and Related Performance Results:

Unit Amount	Description	Performance Plan	BRASS Ser.
Add 1 Buying Technician Position for Purchasing Support Amount: \$ 18,038	Buying Technician will support additional election purchasing and billing.	Use of Buying Technician will provide for faster billing and payment.	2175

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev ⁽¹⁾ As of 6/30/07	Final Budget	Actual Amount	Percent
Total Positions	50	52	52	53	1	1.92
Total Revenues	2,321,042	34,062,968	34,084,983	2,088,790	(31,996,193)	-93.87
Total Requirements	26,364,954	27,012,482	25,667,159	11,502,742	(14,164,417)	-55.18
Net County Cost	24,043,912	(7,050,486)	(8,417,824)	9,413,952	17,831,776	-211.83

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Registrar of Voters in the Appendix on page A519



Highlights of Key Trends:

- Voter interest in absentee continues to increase. Absentee voting in countywide elections is approaching 30%.
- The Department of Justice is strongly interested in Orange County services in designated languages to voters. Scrutiny and monitoring continues intensively.
- The new Secretary of State is commissioning a panel to re-examine the certification process for electronic voting systems. This could have an impact prior to the next statewide election.
- The State Legislature is moving quickly forward on a proposal by the Governor to separate the June Primary election in 2008 into two elections, segregating the Presidential Primary and statewide measures from the other primary contests.
- Election margins are closer than ever and hotly contested elections have resulted in recounts after the last three major elections.

Budget Units Under Agency Control:

No.	Agency Name	Registrar Of Voters	Administrative Services	Election Services	Information Services	Candidate & Voter Services	Communications and Community Outreach	Total
031	Registrar of Voters	366,831	1,616,847	4,404,547	3,515,449	1,089,174	509,894	11,502,742
	Total	366,831	1,616,847	4,404,547	3,515,449	1,089,174	509,894	11,502,742

054 - HUMAN RESOURCES DEPARTMENT

Operational Summary

Mission:

Our mission, as the County's Human Resources Department, is to foster business and customer partnerships, provide exceptional customer service, and to proactively lead in the creation and use of effective organizational systems within a dynamic and diverse environment.

Strategic Goals:

- Provide leadership in the delivery and creation of Human Resources knowledge and systems to assist County Departments in developing and achieving exceptional employee performance.
- Foster and strengthen customer and business partnerships to facilitate and enhance timely, contemporary and exceptional countywide Human Resources services.

Key Outcome Indicators:

Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
TIME TO HIRE What: Measurement that provides an understanding of how quickly we are able to fill a vacant position. Why: Top talent is in demand and will be lost if hiring process takes too long.	Continued implementation of NeoGov	Implement the Online Hiring Center component of the Neo-Gov system and initiate tracking of performance measures in those departments using the online component	Efforts are currently underway related to the Position Action Workflow project which includes the implementation of the Online Hiring Center which will set a foundation for this measure.
CUSTOMER SATISFACTION What: One measure of the responsiveness and delivery of HR programs and services. Why: Measures degree to which customers see business needs met by HR programs, services and policies.	Customer Satisfaction Survey completed. Department's customer service delivery was rated 3.29 on a scale of 1-4.	Increase overall rating to 3.5; evaluate improvement efforts with an objective of reducing performance "gaps"	Implemented August 2005 and a second survey followed in 2006; data was summarized, and gaps identified to continue efforts to improve service level.
PERCENT OF EMPLOYEES USING WEB FOR OPEN ENROLLMENT What: Measure to determine the extent of employee use of web for open enrollment and benefits management. Why: Employees have 24/7 benefits information access; determines educational needs to increase usage.	55% usage.	Expect 60% usage.	Usage increased 5% in FY 2006-07.

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	3,590,165
Total Final FY 2007-2008	4,036,838
Percent of County General Fund:	0.13295%
Total Employees:	30.00

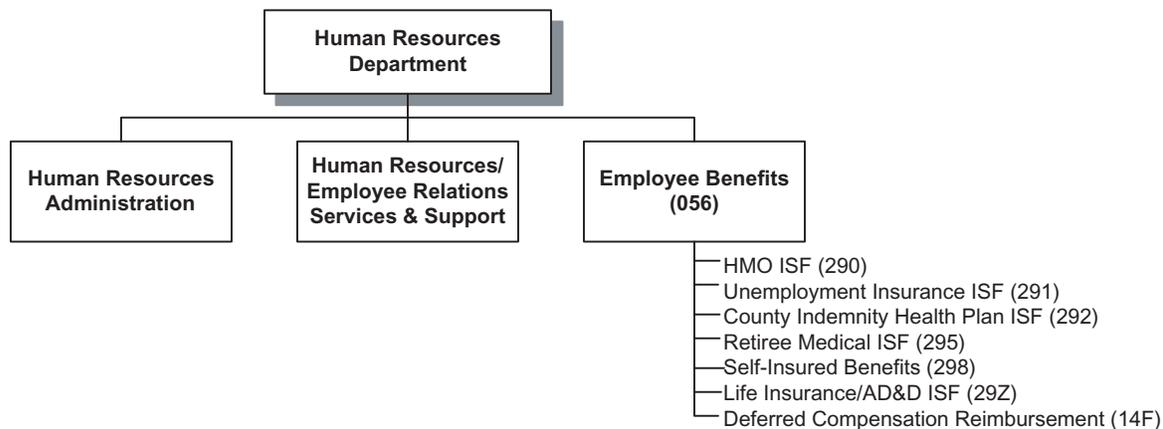


FY 2006-07 Key Project Accomplishments:

- **BENEFITS** - Transitioned the County's PPO Medical Claims Administrator and Management/Attorney Dental Claims Administrator from PacifiCare to United Healthcare to be effective January 1, 2007.
- Negotiated changes to the retiree medical program with 95% of the labor organizations. The changes significantly reduce the unfunded liability while retaining a restructured retiree medical program and promote financial stability of the program. Program remains contingent upon available funding.
- In the process of implementing the retiree medical restructuring. Implementation includes: reprogramming of the Retiree Medical Grant calculation and 1% lump sum payments, revising the Plan Document, establishing a trust to administer the Retiree Medical Program which is funded and controlled by the County and communicating the changes to current retirees.
- Developing new Health Plan options for Retirees to be effective January 1, 2008.
- Developing and implementing new Health Plan design changes for employees to be effective January 1, 2008.
- Develop and implement a comprehensive Health Care Management Program for County employees.
- Successfully implemented the new Prescription Drugs Plan Administrator for the Premier Wellwise health plan with very few transition issues for employees, retirees and their dependents.
- Successfully implemented the Medicare Part D program to obtain a subsidy from the Federal Government.
- Modified both AHRS and ACS processing to handle special 1% Health and RMIP processing for EW employees (separated prior to and after 9/30/2005).
- Successfully completed two RFP processes for Mercer Health and Welfare Consulting and the Health Care Management Program for the Countywide Wellness Initiative.
- Completed three contract renewals for Mercer Investment Consulting, Accidental Death and Dismemberment (AD&D), and Walgreens Health Initiatives (WHI).
- Established an IRC 415 Replacement Plan; benefit payments have been issued under the plan.
- Successfully transitioned the Special District, Vector Control from County provided benefits and payroll services.
- **CLASSIFICATION** - Coordinated various Classification and Compensation training opportunities for County HR staff.
- Completed the Quality Assurance Classification Project which consisted of reviewing and validating links on the Classification Web site to ensure the delivery of quality content to internal and external customers in relation to job classifications within the County.
- **RECRUITING and MARKETING** - Provided continuous development opportunities for countywide HR staff on merit system principles, best practices in selection, marketing, system navigation, etc.
- **SERVICE TEAMS** - Supported the successful negotiation of Labor Contracts including changes to the Retiree Medical Program.
- Facilitated the labor discussions required for the successful implementation of the SSA Cal-Win program.
- Provided HR 101 Training.
- Successfully implemented the HRD Service Team concept.
- Supported the Employee Housing Task Force with data/statistical analysis.
- **SYSTEMS** - Developed and launched the OCHR Portal.

- In partnership with the Auditor/Controller, through a competitive bidding process, HRD procured consultant services to assist the County in the visioning and sourcing of replacement solution(s) for the County's Human Resources and Payroll Systems.
- Implemented Personnel Action Workflow for all County but one agency (in progress) on time and within budget.
- Documented the "as is" process associated with Position Action Workflow in preparation for pilot focused on streamlined processing.
- EEO - In conjunction with the provisions of AB 1825 conducted four quarterly EEO Update training sessions for 400 newly appointed, promoted executives, managers and supervisors.
- Presented EEO Update trainings to 60 County Counsel attorneys, 180 HCA Environmental Health and 60 Correctional Medical Services employees. The Probation Department filmed the Environmental Health training session and is using the film to provide training for several hundred institutional staff.
- Coordinated a comprehensive multi-disciplined panel discussion on the interplay among ADA/FEHA, Workers Compensation, Disability Retirement and various leave laws for county human resources professionals.
- Established a comprehensive Equal Employment Opportunity library for use by all county human resources professionals.
- ORGANIZATIONAL DEVELOPMENT - Finalized and implemented 2006 Customer Service Survey in conjunction with HRIS.
- Identified service gaps and followed up with selected departments to clarify input.
- Continued monthly HR Leadership Forum meetings with insertion of HR Manager development activities and an outcome of strengthening the working relationship between corporate and department HR managers.
- Provided definition and communication of HRD's restructure to employees, Departments/Agencies and labor organizations.
- Assessed and provided recommendations regarding employee satisfaction survey; survey implemented.
- Developed, modified and implemented a training calendar in conjunction with the HR Leadership Forum and HR Manager Training.
- Participated as a part of the Strategic Focus Steering Committee and in implementing follow up to planning efforts.
- Participated and provided leadership on the Strategic Focus Planning effort Steering Committee and other working groups.

Organizational Summary



Human Resources Department - HR ADMINISTRATION: The manager of this unit serves as the Assistant to the HR Director and provides critical support on high level matters for and oversees a staff that provides direct support to the HR Director on critical projects; handles Department administrative functions including: budget, contracts, purchasing, and manages HR related programs including DOT and related Drug Testing, DMV Pull Notice, and fingerprinting.

EMPLOYEE BENEFITS: Strategic partner with the Board of Supervisors, CEO/Finance, and departments in the development of Countywide benefits strategies; manages and monitors all employee retiree benefits programs including those associated with medical, dental, disability, defined contribution, unemployment insurance and Employee Assistance Program (EAP); negotiates and oversees provider and actuarial contracts; conducts research and makes recommendations on benefits related issues, alternatives and legislation; develops, initiates and administers benefits related technical systems.

HR PROGRAMS AND SERVICES: This division includes classification, recruiting, labor relations and discipline administration with the delivery of direct service to the departmental HR management. Each of the three HRD service teams is assigned specific departments and serves as the central point of contact for consultation and support on all HR matters. Team members also coordinate strategy development and implementation with countywide functions such as EEO, County Counsel and the Auditor/Control-

ler. This Division maintains the County's classification and recruiting systems; participates in labor contract negotiations, administers the County's discipline and appeals programs, audits personnel and recruiting systems transactions for compliance with policies and procedures and manages the development, implementation and maintenance of County HR systems.

EEO: Manages compliance of County EEO policies and procedures; consults with departments on case issues and mandated disability related interactive process; provides liaison to State and Federal regulatory agencies on case resolution; counsels employees with concerns/complaints relative to EEO issues; coordinates Countywide EEO training programs; coordinates annual filing of County EEO statistics with regulatory agencies and reviews/comments on HR and EEO legislation.

ORGANIZATIONAL DEVELOPMENT AND SPECIAL PROJECTS: This function is responsible for providing consultation and support to agencies/departments on organizational and training issues. Staff to this function also keeps current on best practices in HR and employee development, disseminates information throughout the organization, and plans, organizes and coordinates the HR Leadership Forum and training and development of HR professionals throughout the County. Finally, staff to this function manages special projects which often transcend departmental lines and include developing the project work plan, assigning work activities, and reviewing and evaluating work products, methods and procedures.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- FY 04/05 - As a result of the CEO reorganization, the Human Resources function and an accompanying 20 positions (plus 11 Employee Benefits positions) formed the new department in FY 04-05.
- FY 05/06 - In July 2005, the human resources and employee relations functions were consolidated under one organizational structure to better align resources and functions to improve service delivery. The restructuring resulted in a net increase of 9 positions.
- FY 06/07 - An Administrative Manager II position was added to serve as the Project Manager for the HR and Payroll Visioning Project.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Human Resources Department will support the County's strategic priorities through leveraging department personnel's core competencies and efforts towards enhancing customer service delivery and positioning the county as an employer of choice. Specifically, HRD will:

1) Enhance and implement a more robust technology platform

Conduct strategic evaluation of Orange County's Human Resources and Payroll business functions, provide recommendations for improvement of business processes and source a best practices solution. This pursuit of a value driven replacement strategy for the County's Personnel and Payroll systems will be in partnership with the Auditor/Controller's Office, CEO/IT and CEO/Finance.

Conduct a Pilot Project with the Social Services Agency that is focused on streamlining and automating the entry and approval of position actions on a countywide basis.

2) Further develop and measure customer service delivery

Implement a Benefits Satisfaction Survey to get feedback from County employees and retirees on the quality of service they receive from the Benefits Center.

Champion the use of County's online recruiting system workflow functionality in order to capture time-to-hire data.

3) Strengthen the County's position as an "Employer of Choice"

Update PPO plan documents and bring them up to industry standards for self-insured PPO health plans.

Restructure retiree benefits and review available retiree health plan options to help mitigate the rising costs of retiree medical rates.

Complete a compensation study/survey to identify how the total compensation package of Orange County employees compares with total compensation of alternative sources of employment.

Focus on recruitment processing efficiencies to speed up the hiring process thereby providing greater opportunities to market the County as an Employer of Choice.

Changes Included in the Base Budget:

The Human Resources Department has not added any new programs. To keep costs down for FY 07-08, the department reviewed and consolidated staff memberships, subscriptions, and attendance/participation in professional seminars/conferences.

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev ⁽¹⁾ As of 6/30/07	Final Budget	Actual Amount	Percent
Total Positions	29	30	30	30	0	0.00
Total Revenues	45,360	6,000	11,279	6,000	(5,279)	-46.80
Total Requirements	3,120,762	4,084,545	3,480,140	4,036,838	556,698	16.00
Net County Cost	3,075,402	4,078,545	3,468,861	4,030,838	561,977	16.20

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Human Resources Department in the Appendix on page A537

Highlights of Key Trends:

- A challenge that the Human Resources Department is continuously faced with is the shrinking talent pool in a highly competitive labor market. This trend is expected to continue and intensify over the next decade. In 2007, to recruit, develop and retain a talented County workforce, the HRD will complete a compensation study/survey to identify how the total compensation package of Orange County employees compares with the total compensation of alternative sources of employment. The HRD will also negotiate labor contracts with different labor organizations representing county employees.
- In addition, HRD/Employee Benefits will launch a number of initiatives in the coming year, including the development of a Health Benefits Committee comprised of representatives from labor organizations and County

leadership whose purpose will be to explore and recommend health plan design changes, new health plans and health care programs. HRD/Employee Benefits will also work with Retired Employees Association of Orange County (REAOC) to mitigate the impact of the January 2008 splitting of the health plan premiums. A Health Savings Account program will also be developed and implemented to provide additional options for employees to plan for and address the rising cost of health care premiums.

- To enhance efficiency and customer service delivery, the HRD, through the Human Resources and Payroll Visioning Project will kick off efforts towards implementation of the personnel and payroll portion of the CAPS upgrade project.

Budget Units Under Agency Control:

No.	Agency Name	Human Resources Department
054	Human Resources Department	4,036,838
056	Employee Benefits	2,683,782
14F	Deferred Compensation Reimbursement (HR)	1,961,238
290	Health Maintenance Organization Health Plans ISF	105,504,472
291	Unemployment Insurance Internal Service Fund	9,735,385
292	Self-Insured PPO Health Plans ISF	89,420,736
295	Retiree Medical Internal Service Fund	81,049,308
298	Self-Insured Benefits Internal Service Fund	11,788,644
29Z	Life Insurance Internal Service Fund	3,350,333
	Total	309,530,736

059 - CLERK-RECORDER

Operational Summary

Mission:

The Clerk-Recorder Department's mission is to provide a reliable repository for public records and to provide efficient service to the public in a way that exemplifies the highest standard of courtesy, cost effectiveness, and ethical performance. Public records will be readily accessible in a convenient manner while safeguarding confidentiality and the security of those records.

Strategic Goals:

- Provide prompt and reliable service to the public.
- Enhance public records accessibility.
- Safeguard security over the public's records.

Key Outcome Indicators:

Performance Measure	2006 Business Plan Results	2007 Business Plan Target	How are we doing?
CONTINUE CUSTOMER SATISFACTION SURVEYS AND INCREASE OUR CUSTOMER AND CLIENT OUTREACH EFFORTS. What: Surveys and presentations measure customer satisfaction and ensure that we address customer needs. Why: Quality customer service is our top priority.	Survey results are 98% positive.	Survey results are targeted to be at least 98% above standard. Five outreach presentations will be planned.	In 2006 the Clerk-Recorder Department received over 4,000 comments and inquires. 98% of the responses were positive and the average rating was "outstanding" or "very good." Public outreach is continuing to expand.
THE DEPARTMENT WILL CONTINUE TO INCREASE INTERNET ACCESS TO OUR FUNCTIONS. What: This measurement provides higher levels of transactions with minimal staffing increases. Why: The public has faster more efficient access to documents, automated data entry and forms.	The number of Recording sites increased to 140. The department implemented a counter and internet application for fictitious business name statement filings.	The department will increase Recording Sites to 150 and implement counter and Internet access for the department's units.	Use of electronic recording and online operations are expanding annually.
ENHANCE THE DEPARTMENT'S RECORDS MANAGEMENT PLAN TO UPGRADE THE ORANGE COUNTY ARCHIVAL MATERIAL. What: Upgrade the Archives program. Why: Upgrading the Archives program will preserve county records.	The Archives acquired the original Santa Ana newspaper collection 1925-1929, as well as a collection of Orange County history books.	Acquire additional material for the Archives collection, including non-governmental material and non-paper items.	A full-time Archivist and assistant are cataloging and promoting the Archives.

At a Glance:

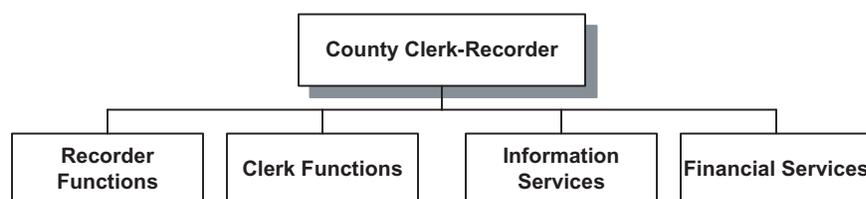
Total FY 2006-2007 Actual Expenditure + Encumbrance:	9,239,338
Total Final FY 2007-2008	10,657,610
Percent of County General Fund:	0.351%
Total Employees:	102.00



FY 2006-07 Key Project Accomplishments:

- We redesigned and implemented enhancements to our website. On average, we experience over 2,000 daily hits on our website, which makes the Clerk-Recorder Department's website one of the County of Orange's most visited sites.
- As part of the department's improvements, we enhanced our customer inquiry Web system to deliver faster, more accurate responses to our customers. Last year, over 1,300 inquiries were received and responded to by the department.
- In 2006, nearly 5,000 customers applied for and made appointments using their personal computers to obtain certified copies of birth, death and marriage certificates through the department's online Vital Records Application and Appointment System. It was the system's first full year in operation.
- The department continued to enhance its telephone and customer response operations system. We receive approximately 300 calls per day and they are all handled by our customer service representatives.
- In February 2006, the department opened up its South Orange County Branch Office, located in the Laguna Hills Civic Center. We served almost 15,000 customers during the year and the number of people using this branch office continues to increase as awareness and the population grows.
- Archives converted over 5,000 historical photographs that were deteriorating, and they are now available to the public.
- Archives made eight historical presentations at the Board of Supervisors' meetings on topics ranging from the birth of several Orange County cities, the founding of the Orange County Airport, the history of Knott's Berry Farm and the development of the county's freeway system.
- The Clerk-Recorder continues to serve an instrumental role in helping the California Attorney General's staff establish guidelines to certify Electronic Recording systems throughout the state.
- The Clerk-Recorder Department performed a record number of marriage ceremonies in FY 2006-2007.
- The Clerk-Recorder Department processed a record number of passport applications.
- The Clerk-Recorder department converted nearly 21 million official and vital record documents from paper to digital format. This not only ensures the preservation of these documents, but also greatly reduces the retrieval, handling and processing of these documents for our customers.

Organizational Summary



County Clerk-Administration - The Clerk-Recorder is an elected official who, with the administrative staff, directs the activities of the department in satisfying the needs of the public regarding the recordation of various real property documents, filing of birth, death and marriage records, issuing marriage licenses, and filing Fictitious Business Names and other documents.

Recorder Functions - This division assists the public and title companies in recording documents pertaining to real property transactions. Included in this process is the examination of documents to determine ability to record, recording and indexing documents, and optically imaging all recorded documents for storage and retrieval.

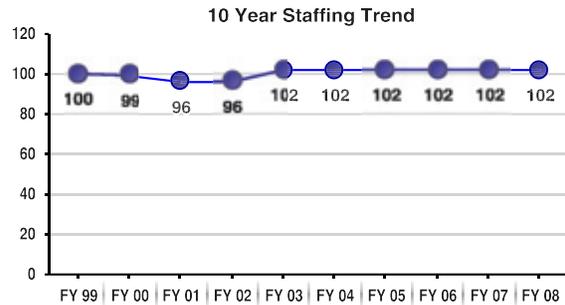
Clerk Functions - This division is responsible for issuing marriage licenses and performing civil wedding ceremonies. It also registers Notary Publics, Process Servers, Professional Photocopiers, and Unlawful Detainer Assistants; files documents related to Fictitious Business Name registrations and Environmental Impact Reports; and produces copies of recorded documents and issues birth, death, and marriage certificates.

The Archives division identifies, collects, preserves, arranges, maintains records of historical significance relevant to the County and County government, and educates the public as to their use. The Archives serves as both a repository for these unique documents and as a resource center open to the public.

Information Services - This division provides technical and user support for all automated systems within the department. Staff provides short and long term automation planning, systems installation, user training, systems maintenance, and telecommunications support.

Financial Services - This division is responsible for the fiscal integrity of the department through the assessment of funding needs and fiscal issues that may impact department activities. This includes budget planning, development, monitoring and implementation; oversight of expenditures and revenues; purchasing and deposit of funds; and payroll.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- No new positions were added in FY 2006-2007, and no new positions are requested for FY 2007-2008.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Clerk-Recorder Department will continue to review costs of operation, maximize service to the public, and contribute revenues in excess of expenses to the County General Fund.

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007		FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev ⁽¹⁾ As of 6/30/07	Final Budget	Actual Amount	Percent
Total Positions	102	102	102	102	0	0.00
Total Revenues	15,488,880	16,621,494	15,502,862	16,408,026	905,164	5.84
Total Requirements	8,585,914	10,371,078	8,888,712	10,657,610	1,768,898	19.90
Net County Cost	(6,902,966)	(6,250,416)	(6,614,150)	(5,750,416)	863,734	-13.06

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Clerk-Recorder in the Appendix on page A545



Highlights of Key Trends:

- The department continues to experience an increase in electronic document recordings, marriage ceremonies, and passport applications (due to the new travel requirements established by the federal government).

Budget Units Under Agency Control:

No.	Agency Name	County Clerk-Administration	Recorder Functions	Clerk Functions	Information Services	Financial Services	Total
059	Clerk-Recorder	4,563,701	3,033,620	1,459,428	1,050,925	549,936	10,657,610
12D	Clerk Recorder's Special Revenue Fund	4,494,358	0	0	0	0	4,494,358
	Total	9,058,059	3,033,620	1,459,428	1,050,925	549,936	15,151,968

12D - CLERK RECORDER'S SPECIAL REVENUE FUND

Operational Summary

Description:

The Clerk-Recorder Special Revenue Fund was established in FY 04/05 to better control specific revenues generated from services provided. The Fund is 100% revenue off-set by fees paid from recordation of real property transactions and from the collection of certified copy requests of birth, death, and marriage records.

At a Glance:	
Total FY 2006-2007 Actual Expenditure + Encumbrance:	2,410,000
Total Final FY 2007-2008	4,494,358
Percent of County General Fund:	N/A
Total Employees:	0.00

Enhancement Fund To Clerk-Recorder - Mandated by Government Code 27361 to maintain/improve the Department's information technology including recovery of all operating costs from Information Systems staffing. Revenue is generated from the recordation of real property transactions.

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget	Actual Exp/Rev ⁽¹⁾	Final Budget	Actual	Percent
Total Revenues	5,875,630	5,568,140	4,712,784	4,494,358	(218,426)	-4.63
Total Requirements	5,235,119	5,568,140	3,952,074	4,494,358	542,284	13.72
Balance	640,511	0	760,710	0	(760,710)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Clerk Recorder's Special Revenue Fund in the Appendix on page A599

Health Statistics Fund To Clerk-Recorder - Mandated by Health and Safety Code 103625(f) requires the Clerk-Recorder to collect fees for the purpose of modernization of vital record operations and improvements in the collection and analysis of health-related birth and death certificate information. Revenue is generated from the collection of certified copy requests of birth, death, and marriage records.

Micrographics Fund To Clerk-Recorder - Mandated by Government Code 2736.4 for the Clerk-Recorder to specifically convert document storage system to micrographics. Although no new revenue is being generated due to all conversions having been completed, balance of account will exist in order to maintain/improve recordation of vital information.

Budget Summary



074 - TREASURER-TAX COLLECTOR

Operational Summary

Mission:

To provide efficient and effective cash management through optimized investment and property tax collection services for the County of Orange and our local schools, cities and special districts.

Strategic Goals:

- Treasury Division will provide stability, liquidity and optimum yield for client funds.
- Tax Collection Division will collect all property taxes in accordance with applicable laws.
- Administration Division will enhance the effectiveness of the Treasurer-Tax Collector.

Key Outcome Indicators:

Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
NET INVESTMENT RETURN. What: Obtain a portfolio yield that meets or exceeds the 90-day US T-Bill and money market benchmarks. Why: To continue to provide safe, efficient and effective investment returns for our clients.	Fed Funds increased from 3.25% to 5.25%. Year to date, the OCIP money market portfolios have consistently outperformed the money market benchmark and have provided a comparable return to the 90-day T-Bill.	Position the portfolios to take advantage of a drop in short-term rates, while guarding against the possibility of faster economic growth.	On target.
ADMINISTRATION FEE CHARGED TO POOL PARTICIPANTS. What: To charge the lowest administration fee possible. Why: To provide a modest investment return to pool participants with minimum administrative costs.	Administration fee stayed at 11.25 basis points (i.e., 0.1125%).	Administration fee reduced to 10.00 basis points, July 1, 2006 (i.e., 0.10%).	On target.
RATING OF INVESTMENT POOLS. What: Maintain highest rating. Why: To assure safest money market practices are being followed.	The County and the Educational Investment Pools retained their highest credit ratings. Moody's: Aaa MR1; Fitch: AAA/V1+	Preserve the investment pools credit ratings of: Moody's: Aaa MR1; Fitch: AAA/V1+	On target.

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	14,804,847
Total Final FY 2007-2008	14,786,783
Percent of County General Fund:	0.486991%
Total Employees:	93.00

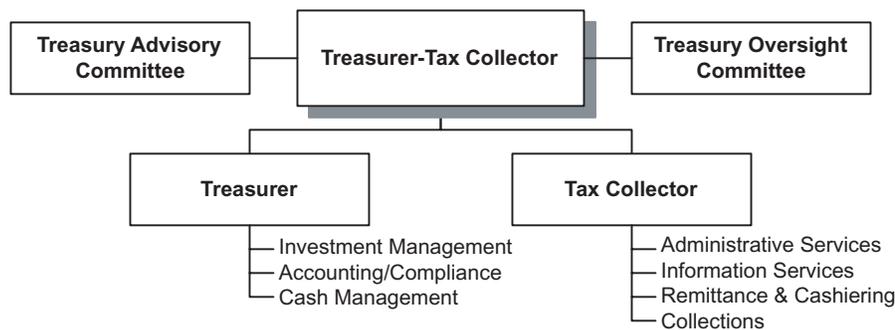
Key Outcome Indicators: (Continued)

Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
STATE PROPERTY TAX COLLECTION RATES FOR SECURED AND UNSECURED PROPERTY. What: Exceed state property tax collection rates for Secured & Unsecured prop by minimizing unpaid taxes. Why: To maintain high collection rankings and percentages.	Collection percentage ratings for Secured and Unsecured taxes exceeded state median. Of the 58 counties in the State of California, the County of Orange Secured tax collection is 98.5% with ranking of 5th in the state. The County of Orange Unsecured tax collection is 97.4% with a ranking of 16th.	To continue to exceed the state median.	On target.
ELECTRONIC PAYMENTS. What: Increase the number and amount of electronic tax payments received as a % of the taxes collected. Why: To reap the benefits of this payment method (i.e., cost effectiveness, efficiency, time savings).	Increased dollars collected electronically from 20% to 33% and the number of transactions paid electronically increased from 7% to 11%.	To increase electronic payments of taxpayers with tax liabilities equal to or greater than \$25,000.	On target.

FY 2006-07 Key Project Accomplishments:

- Added Vector Control as a voluntary participant in the Orange County Investment Pool.
- Completed work with Bloomberg on beta testing ongoing compliance enhancements to the Treasury Order Management System (TOMS). These enhancements resulted in TOMS providing us better tools to track pre-trade compliance of investments.
- Designed and implemented an electronic procedure for returned checks, creating a straight-through process for posting these items to the Auditor-Controller General Ledger and notifying the affected county agencies.
- Retained the following credit ratings on the Commingled and Educational Investment Pools: Aaa MR1 (Moody's) and AAA/V1+ (Fitch).

Organizational Summary



Treasurer-Tax Collector - Provides centralized treasury and tax collection services for the County of Orange.



Treasurer - Responsible for the receipt, custody, deposit, investment and recording of funds for the County, school districts and special districts. Responsibilities may also include issuance of short-term debt on behalf of the County and school districts. In addition, the Treasury Division acts as trustee in connection with unclaimed property and is responsible for the issuance, billing, collection, redemption and foreclosure of improvement bonds.

Investment Management: Provides portfolio management, maintains broker/dealer relations, conducts investment/economic research, and serves as liaison for oversight committees and custody relation services.

Cash Management: Provide bank-related services and relationship management, cash optimization and forecasting, and financial electronic commerce solutions.

Electronic Commerce: Provides Internet and analog payment options via wire, e-check, credit card and ATM.

Accounting/Compliance: Provides financial reporting, fund accounting, ledger reconciliations, bank reconciliations, investment accounting, compliance services, and accounting for unclaimed monies.

Tax Collector - Responsible for collecting taxes on all Secured and Unsecured property in Orange County. This office is also responsible for the sale of property subject to the "power to sell," formerly known as delinquent tax deeded property. In addition to collecting property taxes, the Tax Collector's Office collects Annual Racehorse Taxes, Transient Occupancy Taxes and Public Defender judgments.

Collections: Provide centralized tax compliance services for Delinquent Unsecured tax collections, Prior Year Secured property tax collections, Public Defender judgment collections, public information services, property tax problem payment processing and general correspondence.

Remittance & Cashiering: Provides automated remittance processing for all property tax rolls, refund accounting, tax roll accounting and cashiering for the Treasury Division.

Administrative Division: Provides tax roll reconciliations, purchasing, contract administration, human resources, safety, security and disaster coordination, payroll, budget, facility operations, telephone and network services for all TTC operations.

Information Technology: Provides systems development and maintenance support for the many treasury and tax collection related applications required for the depositing, accounting and collecting of funds and provides hardware, software, and network maintenance and support to TTC staff.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Despite the modest increase in staffing during this time, as workloads have continued to grow (the number of real property tax bills increased to 871,000), the department has continued to excel in providing efficient and effective investment, cash management and property tax collection services for the County, cities, special districts and school districts, as evidenced by the following: 1) The highest ratings, Aaa MR1 (Moody's) and AAA/V1+ (Fitch), continue to be maintained for the investment pools; and 2) Collection percentage ratings for the Secured and Unsecured tax rolls continue to exceed the state median.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Treasurer-Tax Collector will continue to pursue all major year 2007 service plan goals in support of County Strategic priorities. The department will also continue to provide an effective, responsive and competitive organizational and operating structure. Staff will work diligently to meet our core business responsibilities of collecting and investing, while supporting the successful implementation of new corporate programs.

Changes Included in the Base Budget:

Significant changes in the base budget include: a) Increase in salaries & Employee Benefits by \$163,406; b) Decrease in Net County Cost by \$1,662,988, which is primarily attributed to an increase in revenues, as well as a decrease in expenditures for Services & Supplies.

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev ⁽¹⁾ As of 6/30/07	Final Budget	Actual Amount	Percent
Total Positions	95	93	93	93	0	0.00
Total Revenues	9,896,743	11,125,562	11,753,610	11,126,194	(627,416)	-5.34
Total Requirements	13,554,866	15,358,210	14,338,281	14,786,783	448,502	3.13
Net County Cost	3,658,123	4,232,648	2,584,670	3,660,589	1,075,919	41.63

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Treasurer-Tax Collector in the Appendix on page A560

Highlights of Key Trends:

■ The Treasurer-Tax Collector is an administrative function that is task-oriented. The department expects its investment results to consistently outperform its bench-

marks, and will continue to provide its constituents with efficient and effective cash management through optimized investment and property tax collection services.

Budget Units Under Agency Control:

No.	Agency Name	Treasurer-Tax Collector	Treasurer	Tax Collector	Total
074	Treasurer-Tax Collector	422,442	5,333,824	9,030,517	14,786,783
107	Remittance Processing Equipment Replacement	655,796	0	0	655,796
	Total	1,078,238	5,333,824	9,030,517	15,442,579



107 - REMITTANCE PROCESSING EQUIPMENT REPLACEMENT

Operational Summary

Description:

Establish reserves for the replacement of Remittance Processing Equipment.

FY 2006-07 Key Project Accomplishments:

- Purchased the following Remittance Processing Equipment:
- One iTRAN8000
- One Opex 3690i

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	611,815
Total Final FY 2007-2008	655,796
Percent of County General Fund:	N/A
Total Employees:	0.00

Budget Summary

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev ⁽¹⁾ As of 6/30/07	Final Budget	Actual Amount	Percent
Total Revenues	45,667	764,479	792,933	655,796	(137,137)	-17.29
Total Requirements	1,730	764,479	611,816	655,796	43,980	7.19
Balance	43,937	0	181,117	0	(181,117)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Remittance Processing Equipment Replacement in the Appendix on page A576

079 - INTERNAL AUDIT

Operational Summary

Mission:

The mission of the Internal Audit Department (IAD) is to provide reliable, independent, objective evaluations and business and financial advisory services to the Board of Supervisors and County executive management. Our role is to assist both parties with their important business and financial decisions; as well as to contribute to protecting and safeguarding the County's resources and assets.

Strategic Goals:

- Assist the Board of Supervisors and County executive management in ensuring the County's assets and resources are safeguarded; the County's accounting and financial reporting is timely and accurate, and the County's executive management has timely information and relevant analysis for its business and financial decisions.
- Maintain integrity, objectivity and independence and provide professional internal audits, assurance and attestation services, and suggested corrective recommendations to our clientele. We report on the County's internal controls, accounting records, and financial and business operations through our public audit reports and reviews.

Key Outcome Indicators:

Performance Measure	2006 Business Plan	2007 Business Plan	How are we doing?
	Results	Target	
CASH LOSS ACTIVITY What: The County requires all cash losses to be reported to and reviewed by the Internal Audit Department. Why: Cash losses bring bad publicity and weaken public confidence in County operations.	The County did not have any large and material cash losses of \$50,000 or more.	The County should not have any large or material cash losses of \$50,000 or more.	We are on track to achieve our goal and we submit quarterly reports to the Audit Oversight Committee reflecting cash losses.
USEFULNESS OF REPORTS AND CLIENT SATISFACTION. What: Customer satisfaction surveys measure the value of our audit services and report products. Why: Provides feedback regarding professionalism, timely communications, partnering & technical knowledge	Overall, IAD received an average rating of 3.0 or more by the customer in our customer satisfaction surveys.	Achieve an average rating of 3.0 or more in our customer surveys.	We continue to receive positive customer feedback.

FY 2006-07 Key Project Accomplishments:

- Develop and conduct an annual Audit Plan based on a comprehensive risk assessment.

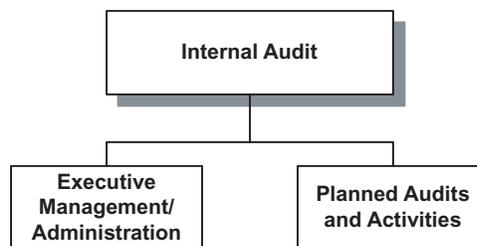
At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	2,457,407
Total Final FY 2007-2008	2,695,175
Percent of County General Fund:	0.0887634%
Total Employees:	20.00



- Keep the Board of Supervisors, AOC, and County executive management informed of audit issues. Submit monthly audit activity summary reports to the Board of Supervisors.
- Follow a recognized internal control framework (COSO).
- Follow professional standards issued by the IIA, GAO, AICPA, and ISACA, as applicable.
- Instruct and train County executive managers on their ownership of and their responsibility for maintaining effective internal controls.
- Encourage professional certifications for staff.
- Develop and train audit staff and help them maintain their certifications.
- Apply EMAP, MAP, and PIP as directed by County Human Resources.

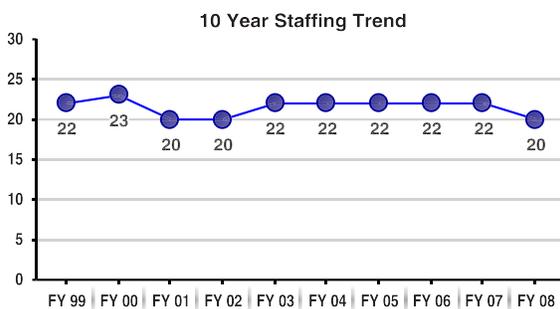
Organizational Summary



Executive Management - The Executive Management/ Administration team provides fiscal management, procurement and human resources, system security and technical services support, leadership, management oversight and direction to Internal Audit function.

General Audits - This is the core function of the department and consists of sixteen professional audit staff.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- The Internal Audit Department was established as a separate department independent of the County Auditor-Controller by Board Resolution dated April 25, 1995. Arthur Andersen L.L.P. was contracted at that time by the County to manage the Internal Audit function until a permanent director could be recruited. In 1997, a director was appointed and eight additional positions were added; in 1999 one Staff Analyst position was added; in 2000, two positions were eliminated in the Information Systems Auditing function and outsourced to consultants; additionally, two Auditor II positions were exchanged for one Senior Auditor I. In 2001, two auditor positions were added for integrated audits of specifically focused issues in the Countywide Accounting and Personnel System (CAPS).
- In 2007-08, the Auditor-Controller will no longer contract with the Internal Audit Department to perform the Treasury Funds Audit and the biennial Probation Review resulting in a cost applied loss of \$138,250. As a result, 2 positions were recommended for deletion and transfer to the Auditor-Controller.



Budget Summary

Plan for Support of the County's Strategic Priorities:

Internal Audit will continue to support and assist the Board of Supervisors and County management. Internal Audit's contribution is testing and reporting on the effectiveness of their internal control systems and processes as these relate to safeguarding the County's assets and resources, prudent and reasonable financial stewardship, accurate recording and reporting, and achieving the County's goals and objectives.

Final Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual Exp/Rev	Budget As of 6/30/07	Actual Exp/Rev ⁽¹⁾ As of 6/30/07	Final Budget	Actual Amount	Percent
Total Positions	22	22	22	20	(2)	-9.09
Total Revenues	39,338	37,440	41,790	47,040	5,250	12.56
Total Requirements	2,317,470	2,831,977	2,429,770	2,695,175	265,405	10.92
Net County Cost	2,278,132	2,794,537	2,387,979	2,648,135	260,156	10.89

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Internal Audit in the Appendix on page A562

Highlights of Key Trends:

- Retirements of key county management open up new positions. The experience and skills of the retiring staff cannot be immediately replaced, and as a result we are expecting more internal control weaknesses and breaches.
- Moreover, the upcoming CAPS replacement implementation will further stress management resulting in possible internal control issues.
- We are soon completing our Annual Risk Assessment factoring in the above two key trends. We see that we will focus more resources on internal control reviews and system implementation assistance.

Budget Units Under Agency Control:

No.	Agency Name	Executive Management	General Audits	Total
079	Internal Audit	819,069	1,876,106	2,695,175
	Total	819,069	1,876,106	2,695,175

