

## STRATEGIC PRIORITIES

In 1997, the County of Orange developed and successfully implemented one of the most innovative long-range financial planning models in the municipal industry. The Strategic Financial Plan is the culmination of an intensive operational and financial planning process involving the Board of Supervisors, County department heads, managers, staff and the public. The process identifies financial priorities, forecasts revenues and expenses, and develops a balanced five-year financial outlook. The Strategic Financial Plan is an integral part of the County's corporate management system, which was implemented to assure an accountable, results oriented County government.

A function of the Strategic Financial Plan is to identify new major initiatives (strategic priorities) that will impact the County over the next several years. Due to the economic forecast of the County and State, new major initiatives were not the focus during development of the 2003 Strategic Financial Plan. Rather, identification of key steps to achieving a balanced budget over the next five years was the primary focus. The 2003 Strategic Financial Plan is the sixth plan to be prepared and recognizes seven steps to achieving a balanced budget:

- **Step 1 Reductions** – identification of cost reductions and efficiencies to be made without impacting services to the public.
- **Step 2 Reductions** – an evaluation of how the County uses its general purpose revenues based on core services, mandates and required matches to determine program areas for reduction, which may impact services to the public.
- **County Executive Office Recommendations** – various strategies identified for additional cost savings and revenue enhancement.
- **Labor Management Committee Suggestions** – coordinate solicitation of employee ideas and subsequent submittal of operating efficiencies/cost reduction strategies.
- **No Backfill of Program Revenues Growing More Slowly than Operating Costs** – reduced or slow growing revenues will not be backfilled by the General Fund.
- **Cancellation/Modification of Previously Approved Strategic Priorities** – review of existing strategic priorities to identify priorities to be cancelled or deferred.
- **Use of Existing Reserves While Maintaining the Contingency Fund** – identification of reserves to be redirected to cover operating expenses over the next five years.

The adoption of the 2003 Strategic Financial Plan demonstrates the Board of Supervisors' commitment to sound financial management principles and illustrates the Board's willingness to make tough decisions to ensure the County's financial success. This is the kind of planning and quality management that taxpayers should expect from County government.