

*Executive Office
County of Riverside*



*Larry Parrish
County Executive Officer*

June 14, 2004

Honorable Board of Supervisors
County of Riverside
Robert T. Andersen Administrative Center
4080 Lemon Street, 5th Floor
Riverside, CA 92501-3651

SUBJECT: FY 04/05 Proposed Budget

Board Members:

Attached is my FY 04/05 proposed budget for your consideration and approval. This budget sustains essential programs with no layoffs recommended at this time. Approval of this budget provides needed spending authority beginning July 1, 2004. Any changes requested by the Board will be incorporated into the final budget.

This budget was built using assumptions from the Governor's January budget proposal. Changes in the Governor's revised budget in May lowered Riverside County's anticipated \$26 million cut to a total of \$14 million. The budget cut is for only two years and the state will begin repaying money owed to the county beginning in FY 06/07.

While the improved outlook is good news, we cannot predict how closely the state's final budget will follow the Governor's recommendations. It would be prudent to wait until the state passes its final budget and we determine its impact before making any budget adjustments.

The general government narrative (pp 36-37) summarizes a limited capital-improvement program recommended by the capital-improvement program team and the Executive Office. It satisfies critical needs identified at this time and has a modest general-fund impact beginning in FY 06/07.

In the mid-year report, the Board requested that the Palm Desert Redevelopment Agency Board reserve up to \$13 million in pass-through funds. The Board directed the Executive Office to return when that money was needed to bolster the general fund. These funds are needed to balance the FY 04/05 budget and the recommended motion below will facilitate the transfer.

A summary of the new budget and the significant differences between it and the previous budget follows.

IT IS THEREFORE RECOMMENDED that the Board of Supervisors:

- 1) Approve this FY 04/05 proposed budget including: 1) appropriations and estimated revenues; 2) releases, reserves and designations effective July 1, 2004; 3) Resolution No. 440-8551 authorizing new position levels (included in this report); and fixed assets and vehicle requests;
- 2) Approve the revised capital priority list and direct the CIP team to proceed with debt financing of \$50,650,000.
- 3) Authorize transfer to the general fund and use of \$13 million in Palm Desert redevelopment pass-through funds for FY 04/05 budget assistance;
- 4) Tentatively schedule adoption of the final budget for Tuesday July 13, 2004; and,
- 5) Open budget hearings.

Respectfully submitted,



LARRY PARRISH
County Executive Officer