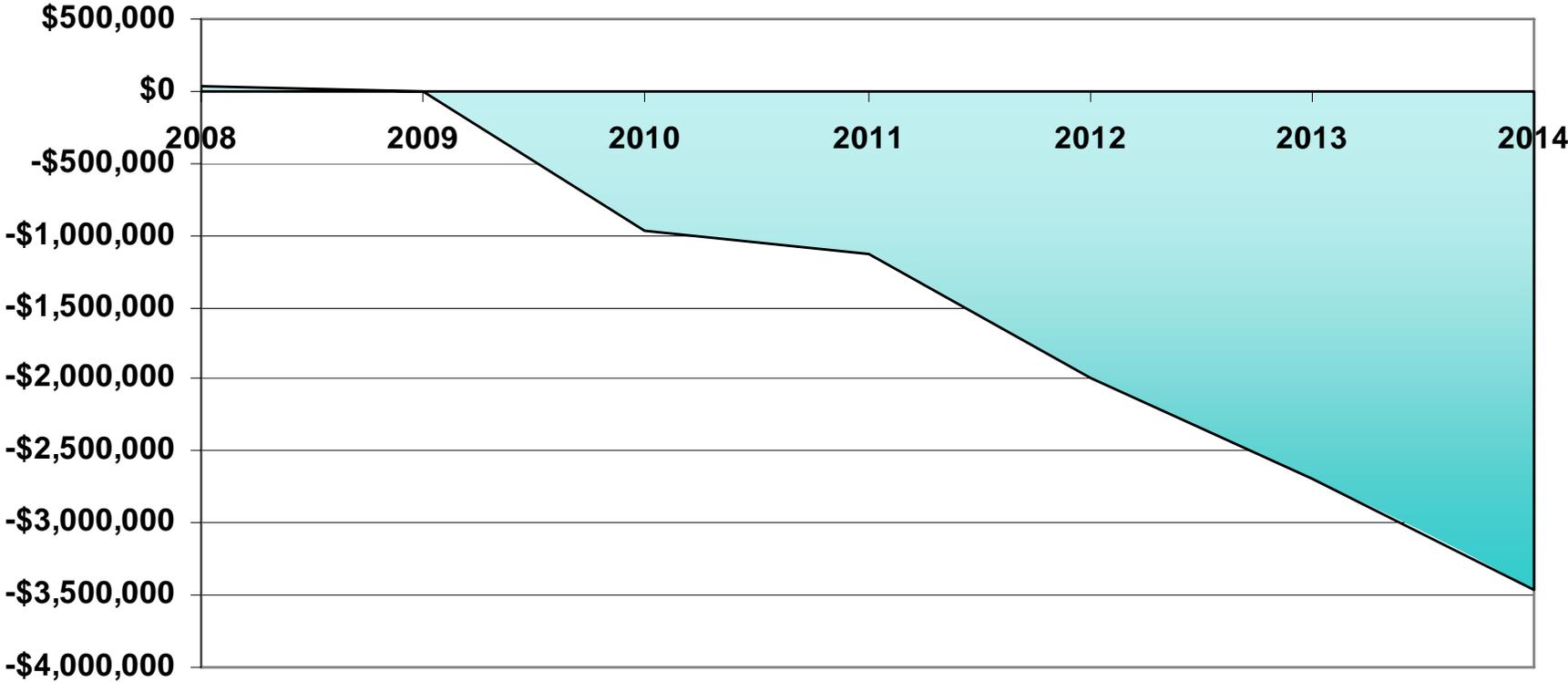

Long-Range Forecast

June 19, 2008

2009-2014 Long-Range Forecast Assuming Current Levels of Service

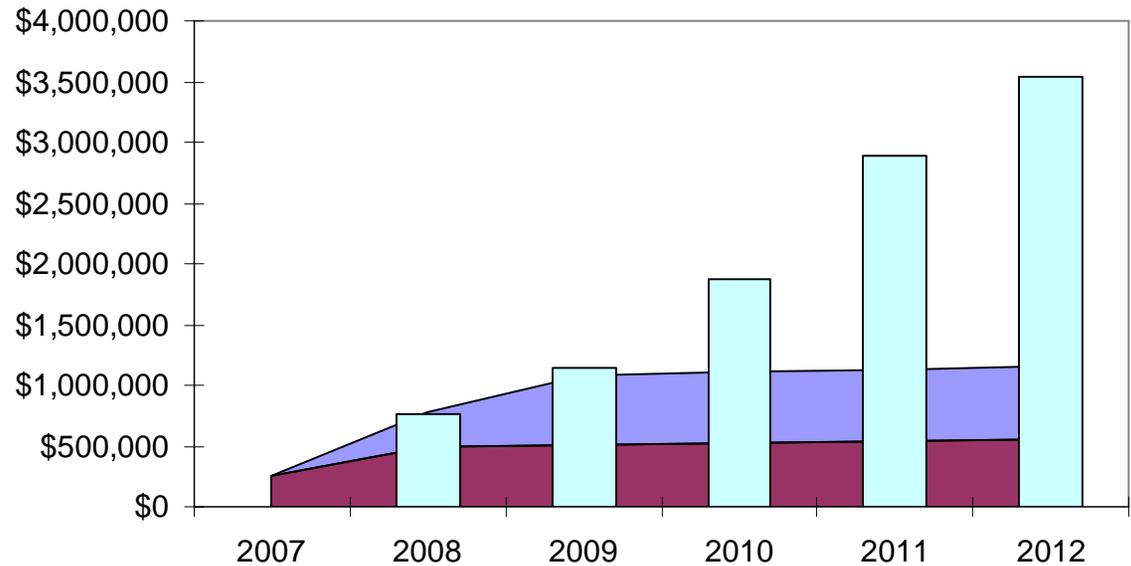
- Status-Quo
 - Maintains Current Level of Service
 - Accounts for anticipated revenue and expenditure changes
 - No “new” stuff
 - No service eliminations
-

Annual Budget Surplus (Gap) 2008-2014



2007 Council Adopted Strategy to Close Budget Gaps through 2009

- Operating Budget Changes - \$125,000
- Increase Cable Utility Tax from 1% to 6%
- Assess Contract Payment on Electric Distribution Revenues



■ SCL Distribution Contract Fee - 2008 @ 50%
■ Cable Utility Tax - Effective July 1, 2007
■ Projected Budget Gap

Long-Term Projected Budget Gap Summary

Year	Projected Budget Gap
2010	\$1 Million
2011	\$1.1 Million
2012	\$2 Million
2013	\$2.7 Million
2014	\$3.5 Million

Options

- Look for Efficiencies
 - Could provide some budget savings
 - Won't close the gap on its own
 - Maintain Current Services
 - Require additional resources to close projected budget gap
 - Phased-in \$3 to \$3.5 million annually from 2010 to 2014
 - Additional Investments
 - Require additional resources beyond those to close projected budget gaps
 - Additional \$1 to \$3 million annually
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