

FIVE-YEAR FINANCIAL PROJECTIONS

SPECIFIC ASSUMPTIONS

- Salary and benefit increases are based on current memorandums of understanding and anticipated costs.
- Property taxes increase 5.50% per year for FY 2004/05 through FY 2006/07.
- Sales taxes increase 4.0% per year for FY 2004/05 through FY 2006/07 and are adjusted for expected changes in the composition of our sales tax base.
- The general fund commitment to gas tax capital improvements remains at \$700,000 per year for FY 2004/05 through FY 2006/07.
- A slow recovery from the recent recession.
- No additional impacts from the State of California beyond those revenue reductions that are contained in the Governor's proposed budget.
- Development fees for all known future projects.
- Almost no general fund support for capital projects other than transfers of utility users' taxes.
- A Redwood Shores branch library opens in FY 2004/05.
- The electorate approves an increase in the transient occupancy tax rate from 8% to 10% in FY 2003/04.
- One additional financial system programmer is added in FY 2004/05 in lieu of implementing a new financial software package.
- The City Council approves an increase of \$5.00 per citation for parking violations.
- Resources made available from lower retirement system costs are no longer being transferred to the Capital Improvement Program.