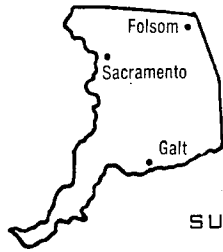


SACRAMENTO METROPOLITAN



Cable
 Television
 Commission

SUITE 2500, 700 'H' ST., SACRAMENTO, CA 95814 • (916) 440-6661

ROBERT E. SMITH
 EXECUTIVE DIRECTOR

December 28, 1983

For Commission Meeting of:
January 5, 1983, 2:30 p.m.

To: Sacramento Metropolitan Cable Television Commission

From: Bob Smith, Executive Director
 Sacramento Metropolitan Cable Television Commission

Subject: MID-YEAR BUDGET UPDATE

1. Budget.

Staff was directed at the September Cable Commission meeting to prepare an updated budget immediately following the award of the Cable Television Franchise. Attachment A is a summary which updates the budget as adopted in September based on the expenditures made through December 31, 1983, and estimates of expenditures proposed through June 30, 1984.

In the extreme right-hand column is a summary of the costs directly allocated to the rebid process. The Franchise rebid process was shortened by three months resulting in an overall savings of \$41,258 from the \$280,100 budgeted even though additional costs were incurred for overtime and part-time staff which were not considered in the original budget projections. Engineering and Economic Services were budgeted at \$145,000 of which \$117,138 was expended for the rebid. Similarly, Legal Services were budgeted at \$60,000, but only \$46,604 was expended. We estimate that the total cost of the rebid, including all staff and related costs, was \$238,842.

Budget Adjustments

The Proposed Budget for the remaining six months of the fiscal year includes several changes in line item allocations, including \$9,000 in additional appropriation authority needed for the Prevailing Wage Rate Study and are as follows:

- (1) Salaries and Wages allocations have been adjusted \$5,263 to reflect routine revisions, i.e., for social security and a significant position adjustment. After one year of experience, it is clear that the duties of the Coordinator position are as complex and responsible as that of the Senior Cable Coordinator. The incumbent proceeded to perform these higher level duties in a responsible and excellent manner. I, therefore, propose to resolve this inequity by upgrading the Coordinator position to that of a Senior Cable Coordinator position thus making the position commensurate with the duties.

- (2) Business Conference expense has been increased to reflect actual expenses incurred to date and projections through the remainder of the year.
- (3) Business Travel has been increased \$1,000 in anticipation of travel to Washington D. C. relative to the franchise fee waiver process. Funds originally allocated for this purpose were used by the Chairman to lobby on the Commission's behalf in Washington.
- (4) Engineering Services are budgeted at \$75,000 for the remainder of the year. This is for the services of Hammett & Edison relative to the review, testing, and quality control of the cable system build. In the initial budget, only \$39,500 was allocated for this item based on a March franchise award date for expenses in the April through June period. By completing the Franchise award process three months early, costs which would have been budgeted in the 1984/85 budget move into the current year. This increase of approximately \$35,500 partially offsets the savings which were generated in the rebid. Letters from Hammett & Edison describing the services proposed and costs are included as Attachment B.
- (5) Legal Services in the franchise period came in under budget, thus, this item can be revised downward from \$100,000 to \$84,000. A total of \$18,000 is budgeted for the remainder of the fiscal year and \$16,187 has been moved to Reserve for Contingencies.
- (6) A Prevailing Wage Rate Study and other general consulting services are required in the amount of \$25,000, of which \$19,000 is reimbursable by the Franchisee and \$6,000 is from Contingencies. (See detailed discussion below.)
- (7) Public Works' charges will not be needed to develop the cable system permit process. Therefore, this \$5,000 item can be eliminated from the budget.

The total revised operating budget for this fiscal year is estimated to be \$652,065, including a Reserve for Contingencies of \$19,864 and an appropriation increase of \$9,000 to be added to the \$10,000 already in the budget for the Prevailing Wage Rate Study.

2. Wage Rate Study.

Attachment C is a letter from Touche Ross & Company outlining their approach to completing the Prevailing Wage Rate Study as required by the Ordinance. As you recall, the Ordinance requires that a Prevailing Wage Rate Study for initial construction be completed within 30 days of franchise acceptance. It is my view, (which is shared by Cablevision) that this is much too short a time to conduct an adequate study. Therefore, the Franchisee and staff recommend you approve a 90-day period to produce the necessary report.

Because of the excellent work of Touche Ross in the franchise review process and because of their familiarity with our Ordinance and franchise resolution, staff is recommending that they (for this year only) be retained to conduct the Prevailing Wage Rate Study and to assist in the review of any financial or other documents which Cablevision may provide. Staff also recommends that Touche Ross conduct a survey of the major cable lending institutions to ascertain what the key factors are in deciding to approve loans to a cable company. This study will provide staff with a factual base from which to respond should Cablevision present us with any unanticipated problems in obtaining their financing. Staff believes that this type of service and others like it are important to have available from Touche Ross.

Therefore, it is recommended that \$25,000 be authorized for contract to Touche Ross. This contract is to conduct the Prevailing Wage Rate Study at \$19,000 and an additional \$6,000 for on-call assistance to staff.

3. Repayment.

Attachment D details revenues and fund balance totaling \$1,252,830 which are anticipated to be received this fiscal year.

In addition to its budget of \$652,065, the Cable Commission will need to maintain a one-time operating cash reserve currently estimated to be \$180,000. Thus, as indicated on the Repayment Summary, \$420,735 will be available in the Cable Television Fund for repayment to the City and County. It is recommended that the Commission authorize the Chairman to distribute checks to the City in the amount of \$56,308 (which when combined with the \$111,986 still due the Commission under the loan, repays more than that borrowed this year), and to the County in the amount of \$252,441 as the first payment on the loans advanced for the Cable Television franchising process.

It is also necessary that the Chairman be authorized to execute the City of Sacramento's Loan Agreement as adopted by the City on December 20, 1983, (Attachment E). This agreement gives the Commission 36 months from December 1984, to repay the \$121,854 balance of the City's loan, plus interest.

As indicated to you in September, all loans made to the Commission in 1983/84 by the City and County will have been repaid within 1983/84. In the 1984/85 budget, a three to five year repayment plan will be presented based on anticipated revenues.

Therefore, it is recommended that:

- (1) The Revised Budget, as attached, be authorized and adopted including an appropriation increase of \$9,000 offset by a reimbursement for the Prevailing Wage Rate Study and the position adjustment as reflected in this report.

- (2) The Chairman thank the City and County legislative bodies for their cooperation as well as financial support and be authorized to issue loan repayments to the City and County in the amounts of \$56,308 and \$252,441 respectively.
- (3) The Chairman be authorized to execute consulting contracts with Touche Ross & Company for \$25,000 and Hammett & Edison for \$75,000.
- (4) The Chairman be authorized to execute the Loan Agreement with the City of Sacramento and formally notice them that their last three payments are not needed.



BOB SMITH, Executive Director
Sacramento Metropolitan Cable
Television Commission

RES:ab

Attachments:

- Attachment A - Budget Summary
- Attachment B - Letter from Hammett & Edison
- Attachment C - Letter from Touche Ross & Company
- Attachment D - Repayment Summary
- Attachment E - City of Sacramento Loan Agreement

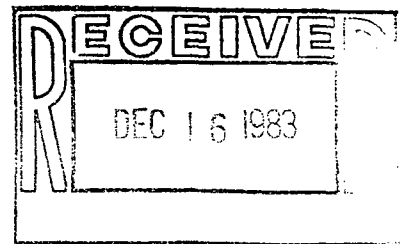
SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION
MIDYEAR BUDGET REVISION: JULY 1, 1983 TO JUNE 30, 1984

ATTACHMENT A

	ADOPTED BUDGET	CHANGES	REVISED TOTAL	INFO ONLY REBID
(REBID)				
SALARIES & WAGES	\$89,576	\$2,140	\$91,716	
EMPLOYEE BENEFITS	\$21,912	\$523	\$22,435	
COMM. MEETING EXPENSE	\$16,200	\$2,600	\$18,800	
=====				
TOTAL SALARIES & BENEFITS	\$127,688	\$5,263	\$132,951	\$32,520
=====				
ADVERTISING NOTICES	\$1,500	(\$1,000)	\$500	
BOOKS/PERIODICALS	\$800		\$800	
BUSINESS CONFERENCE	\$4,500	\$1,500	\$6,000	
BUSINESS TRAVEL	\$2,000	\$1,000	\$3,000	\$500
EDUCATION TRAINING	\$800		\$800	
EMP. TRANSPORTATION	\$250		\$250	
INSURANCE-LIABILITY	\$9,000		\$9,000	
OFFICE SUPPLIES	\$1,400		\$1,400	\$500
PRINTING SERVICES	\$4,000	\$3,000	\$7,000	\$4,200
TELEPHONE	\$4,000		\$4,000	\$1,080
FINANCIAL SERVICES	\$3,000		\$3,000	
ENGINEERING SERVICES (145,000)	\$212,093	\$7,907	\$220,000	\$117,138
LEGAL SERVICES (60,000)	\$100,187	(\$16,187)	\$84,000	\$46,604
PERSONNEL SERVICES	\$1,000		\$1,000	
OTHER PROFESSIONAL SERVICES	\$112,313	\$14,687	\$127,000	\$25,850
DATA PROCESSING SERVICES	\$9,000		\$9,000	\$5,000
PRINTING SERVICES- DGS	\$500		\$500	
POSTAGE/MAIL- DGS	\$3,000		\$3,000	\$1,700
PURCHASING SERVICES- DGS	\$1,000	(\$500)	\$500	
EQUIPMENT RENTAL- DGS	\$500		\$500	
PUBLIC WORKS SERVICES	\$5,000	(\$5,000)		
OFFICE RENT/USE- DGS	\$19,000	(\$2,000)	\$17,000	\$3,750
COUNTY SERVICE CHARGES	\$1,000		\$1,000	
RES. FOR CONTIN. W/SALARY	\$19,534	\$330	\$19,864	
=====				
TOTAL OPERATING EXPENSES	\$515,377	\$3,737	\$519,114	\$238,842
=====				
GRAND TOTAL	\$643,065	\$9,000	\$652,065	
CABLE TELEVISION FUND:				
BALANCE			\$269,750	
REVENUE-				
City Loan			\$149,314	
County Loan			\$223,971	
Acceptance Fee			\$250,000	
Filing Fees			\$180,000	
60 Day Proration			\$107,177	
Remaining Quarterly Fee			\$53,588	
Wage Study Reimbursement			\$19,000	
CASHFLOW RESERVE		(\$180,000)	
=====				
FUND BALANCE OVER OPERATIONS			\$420,735	
=====				
LOAN REPAYMENT			\$420,735	
40% CITY			\$168,294	
60% COUNTY			\$252,441	

ATTACHMENT B

HAMMETT & EDISON, INC.
CONSULTING ENGINEERS
RADIO AND TELEVISION



ROBERT L. HAMMETT, P. E.
EDWARD EDISON, P. E.
ROBERT P. SMITH
F. PAUL MONACO
DAVID J. PINION, P. E.

RALPH G. GROVER
DANE E. ERICKSEN

BOX 68, INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

AREA CODE 415
342-5208

1400 ROLLINS ROAD
BURLINGAME, CALIFORNIA 94010

December 13, 1983

Mr. Robert E. Smith
Executive Director
Sacramento Metropolitan Cable TV
Commission
700 H Street, Room 2500
Sacramento, California 95814-1280

Dear Bob:

In Dane Ericksen's letter of December 7, 1983, he outlined the participation of Hammett & Edison in assuring that the Sacramento cable television system is constructed in accordance with the franchise documents. In my letter to you of December 27, 1982, I outlined a several-year budget for our participation prior to, during, and subsequent to construction. The purpose of this present letter is to update my earlier cost estimates in accordance with the tasks we now foresee.

The tasks outlined in our letter of December 7 are to be completed mostly during the first six months of 1984.

1. Authorizations, including FCC waiver	\$10,000
2. Participation in preliminary tests	10,000
3. Reviews of proposed and modified facilities	18,000
4. Initial quality control work	25,000
5. Assistance in other issues	<u>12,000</u>
Total	\$75,000

In mid-1984, actual construction and testing of the system will begin. Our estimate of a year ago for approximately \$150,000 per year during the construction period still holds. If you wish, we will provide more detailed estimates at the beginning of each six-month period.

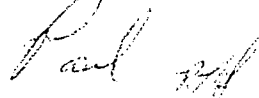
Mr. Robert E. Smith

-2-

December 13, 1983

As you are aware, it is impossible to know in advance the exact level of effort which will be required in the project; these are our best estimates. Our actual fees will be based on the hours actually worked and out-of-pocket expenses and will be billed on a monthly basis. These estimates are in 1983 dollars and we anticipate that our fee schedule will be modified periodically over the life of the project.

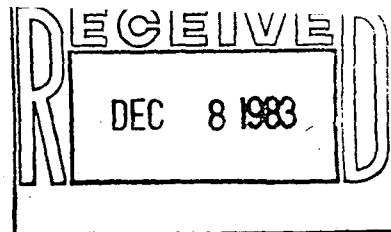
Sincerely yours,

A handwritten signature in cursive script, appearing to read "Paul Monaco".

F. Paul Monaco

ac

HAMMETT & EDISON, INC.
CONSULTING ENGINEERS
RADIO AND TELEVISION



ROBERT L. HAMMETT, P. E.
EDWARD EDISON, P. E.
ROBERT P. SMITH
F. PAUL MONACO
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BOX 68, INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

AREA CODE 415
342-5208

1400 ROLLINS ROAD
BURLINGAME, CALIFORNIA 94010

RALPH G. GROVER
DANE E. ERICKSEN

December 7, 1983

Mr. Robert E. Smith
Executive Officer
Sacramento Metropolitan Cable Television
Commission
700 H Street, Room 2500
Sacramento, California 95814-1280

Dear Bob:

As requested by Rich Esposto, I have prepared a list of the tasks in which Hammett & Edison could help insure that the Sacramento cable television system is constructed in accordance with the Franchise documents. We see our involvement in four areas: authorizations, preliminary tests, facilities, and quality control.

Authorizations. This section pertains to several authorizations which Cablevision should be pursuing, now that it has received the Sacramento cable franchise. With the exception of Item 1, we would simply verify that Cablevision is diligently pursuing the necessary authorizations.

1. FCC waiver to permit enforcement of technical standards proposed by Cablevision.
2. Microwave applications
 - a. Request for Special Temporary Authority (STA) to conduct microwave reliability tests.
 - b. Requests for construction permits and licenses of permanent microwave facilities.
3. Frequency clearances for midband and superband cable channels
4. TVRO licenses
5. Business radio license(s)

6. FAA approval for towers (if required).

Preliminary Tests. The two items which were identified as design weaknesses in our final analysis of the Cablevision proposal call for the following tests to be made:

1. Microwave tests to verify path reliability and determine whether diversity reception or other system enhancements are needed. This has been agreed to by Cablevision. We would coordinate with Cablevision to determine the methodology, paths to be studied, and the study duration.
2. Tests of direct off-air reception of Bay Area TV stations at various points in Sacramento to determine signal reliability. We would coordinate with Cablevision concerning the methodology, location, and duration of the tests.

Facilities. This would include review of the final system configuration, in the manner outlined in Section II.B.15 of the Resolution. Exact hub and trunk routing would be reviewed for compliance with the minimum technical standards. Any requests to modify portions of the system would be evaluated under the Equivalency provisions of Section II.B.9.

Quality Control. This area would include the majority of our effort. The following categories would be included:

1. Aid in reviewing or preparing test procedures for:
 - a. Central facilities
 - b. Hubs
 - c. Microwave system
 - d. Interconnect cables
 - e. Distribution system
 - f. Subscriber equipment
 - g. Studio/access equipment
2. Participate in proof-of-performance testing for:
 - a. Central facilities
 - b. Distribution system (25 mile increments)
3. Evaluate maintenance procedures
4. Review technical reports submitted by Cablevision

We would, of course, be available to aid in resolution of other technical issues which will likely arise.

Coordination with Public Works Department. Rich Esposto indicated to me that the Public Works Department is anxious to work closely with Hammett & Edison on the local permit process. I understand that Public Works wishes to coordinate its efforts so that the review process is done in parallel rather than in series. After reviewing the "Cable System Construction Guidelines" which Rich provided, there appear to be four areas for Public Works clearances:

1. Encroachment permits
 - a. Certification of existing underground utilities
 - b. "Grant of easement" documents (if construction will occur on private property)
2. Building permits
3. Tree trimming permits
4. Pre-construction photography.

Because it is our understanding that Hammett & Edison will be primarily responsible for verifying performance of completed facilities or portions of facilities, rather than field checking during actual construction, we anticipate no direct involvement in the permit process once the final hub locations and major cable routings have been resolved in accordance with Franchise Section II.B.15. The 25 strand mile increments specified in Section I.13 of the Cable System Construction Guidelines would be used to detect any unauthorized substitutions of equipment or failure to meet minimum specifications before any such problems become too extensive to easily correct.

Requested Documentation. To assist us in fulfilling our responsibilities, we would need to be provided with the following documents as they are prepared by Cablevision:

1. Copy of the request for Special Temporary Authority to FCC for microwave tests.
2. Copies of applications to FCC for permanent microwave facilities.
3. Copy of the Cable Television Registration Statement required by FCC Rule Section 76.12.
4. Copy of the notice of proposed use of midband and superband channels, as required by FCC Rule Section 76.610(b).
5. Copies of TVRO license applications.

Mr. Robert E. Smith

-4-

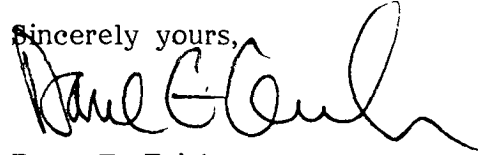
December 7, 1983

6. Copies of Business Radio license application(s).
7. Copies of notices to FAA for tower construction (Elk Grove and Galt).

This is not an inclusive list, but does include those items which should be pursued now.

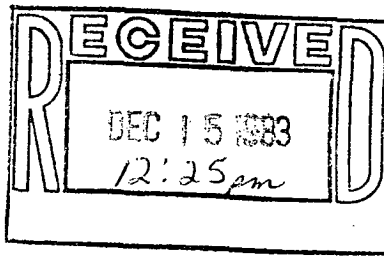
Please let me know your thoughts concerning this proposal. If you feel that a meeting between Public Works, Hammett & Edison, and your staff would be helpful, I would be pleased to attend.

Sincerely yours,



Dane E. Ericksen

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ATTACHMENT C

Touche Ross & Co.

December 9, 1983

Mr. Robert E. Smith
Executive Director
Sacramento Metropolitan Cable
Television Commission
700 H Street
Sacramento, California

Dear Mr. Smith:

Touche Ross & Co. is pleased to submit this letter describing a proposed prevailing wage and salary survey and analysis for the Sacramento Metropolitan Cable Television Commission (SMCTC). We are aware of the importance of such a study, and have developed a study methodology that we believe will produce the best possible results for the SMCTC. We will assign staff to this assignment that are both experienced in the cable television industry and in conducting and analyzing comprehensive wage and salary surveys.

The description of the proposed study is divided into the following sections:

- Study objectives
- Study approach
- Staffing, schedule, and cost.

STUDY OBJECTIVES

The primary objective of this study is to assess the labor marketplace in order to determine what the prevailing wage or salary is for various positions in the California cable industry. In addition to the primary objective, there are several secondary objectives of the study, including the following:

- Identify organizations (in addition to cable operators in the nine counties stipulated by the ordinance) that compete in the labor market for similar types of positions. This task will need to be done for each position included in the survey.
- Determine the geographic scope in which the Sacramento cable operator will compete for labor resources. This step will also need to be done for each position included in the survey.

Mr. Robert E. Smith
Executive Director
Sacramento Metropolitan Cable
Television Commission
December 9, 1983
Page Two

- Develop and document a survey and analysis procedure for future studies. This procedure must be complete and consistent enough to guarantee the measurement of comparable markets annually (or each time a survey is conducted), yet flexible enough to account for an ever-changing marketplace for labor, both functionally and geographically.
- Finally, the survey and analysis procedure developed for the study will need to be sophisticated and thorough enough to yield accurate results, yet easy to implement so that it is cost efficient in future years.

In addition to salary or wage levels, the survey will assess the levels of performance bonuses, benefits, and perquisites being included as compensation to each type of position surveyed. It will be necessary to integrate these other forms of compensation with base pay levels in order to determine the true level of overall compensation paid to each type of position.

STUDY APPROACH

Touche Ross & Co. proposes the following approach to achieve the study objectives:

- Step 1 A — Identification of survey participants

The initial step in the project will be to identify those organizations that will be included in the survey sample. This is an important step since it defines those markets in which Sacramento cable operators compete for labor. In addition to those cable organizations in the nine counties that must be surveyed according to ordinance, Touche Ross will likely survey the following types of organizations for specific positions:

- Subcontractors to the cable industry in California
- Electric utility organizations
- Telephone utility organizations
- Selected local businesses (for clerical and non-technical positions)
- Various state commissions responsible for regulating cable operators

Mr . Robert E . Smith
Executive Director
Sacramento Metropolitan Cable
Television Commission
December 9 , 1983
Page Three

In addition to surveying the prevailing wages in the aforementioned types of organizations, the project team will also identify cable organizations that are currently in the process of initial system construction, and companies who have recently completed initial construction. This step will enhance the results of the survey by directly measuring prevailing wages for companies in their start-up construction modes.

It is important to note that Touche Ross will make every effort to make the survey sample as large as possible, since the larger the sample, the higher the statistical confidence in the ultimate results. However, the integrity of the survey will not be compromised by including organizations that do not employ similar positions, or those that will not compete with the Sacramento cable operator in the labor market.

- Step 1 B — Identification of Benchmark Positions

At the same time that the survey participants are being identified, it will be necessary to define the benchmark positions that will be included in the survey. The benchmark positions represent those jobs which are fairly generic across all organizations, and thus will provide meaningful comparison in terms of position, duties, and responsibilities. The survey will include benchmark positions that cover the entire strata of the positions specified by the prevailing wage provision of the cable ordinance. It is anticipated that the survey will include between ten and fifteen benchmark positions.

- Step 2 — Survey Design and Development

Once the survey participants and benchmark positions have been defined, it will be possible to design and develop the actual survey form. Previous experience in conducting prevailing wage studies has demonstrated the importance of designing survey forms that are not only comprehensive in the information requested, but also are easy to understand and complete. Touche Ross will include requests for all important information pertaining to each of the benchmark positions, while at the same time making the survey easy to understand and time-efficient to complete. This approach will help to ensure a meaningful and high response rate.

Mr . Robert E . Smith
Executive Director
Sacramento Metropolitan Cable
Television Commission
December 9 , 1983
Page Four

Data that will be requested for each position will include at least the following :

- The "average actual wage" currently paid to the position
- The salary grade high , low , and mid point for each position
- The overtime earnings rates for each position (where appropriate)
- The shift payment differential for positions
- The types and dollar values of benefits and perquisites received by each position (i.e., medical insurance, automobiles, club memberships, etc.)
- The annual sick/vacation leave the position receives annually, in addition to the number of paid holidays
- The number of hours worked annually (where quantifiable)
- Other information, as identified

In addition to the survey, a set of job description summaries will be developed and included as part of the salary survey package. These concise job descriptions will make it easier for respondents to accurately match jobs when completing the survey.

● Step 3 — Project Progress Review

Once the participating organizations and benchmark positions have been identified, and the survey form and job summaries have been completed, meetings will be held with appropriate SMCTC officials. During these meetings the project's progress, design, and approach will be reviewed and finalized prior to the execution of the survey.

Mr . Robert E . Smith
Executive Director
Sacramento Metropolitan Cable
Television Commission
December 9 , 1983
Page Five

● Step 4 -- Initial Contact of Participants and Survey Distribution

Upon the completion of Step 3 , Touche Ross will contact all of the potential survey participants by telephone . During this process we will :

- Explain the purpose of the survey
- Inform participants that individual survey returns will be treated confidentially by the Commission
- Inform the participants that useful reciprocal summary information will be provided to them
- Emphasize that participants will not be put to too much trouble
- Finally , ask for timely participation .

If the company agrees to participate , we will immediately send them the survey and job summaries along with a detailed letter explaining how to complete the form .

Our experience in conducting salary surveys suggests that these initial contacts prior to mailing the survey increase the percentage of companies agreeing to participate in the survey . Further , this step provides the participants with a personal contact should any questions arise regarding the completion of the survey .

Finally , it should be noted that some firms will decline to participate for a variety of reasons . Many firms have policies against releasing compensation-related information . Other organizations will simply not have the time to participate in a timely manner . In these cases , some information may be obtainable by contacting the jurisdiction responsible for regulating the specific company in question . Nevertheless , we believe that a large enough sample will respond to the survey to provide for meaningful statistical analysis and results .

Mr . Robert E . Smith
Executive Director
Sacramento Metropolitan Cable
Television Commission
December 9 , 1983
Page Six

- Step 5 — Follow-up Contacts

Approximately one week after the participant has received the survey , Touche Ross staff members will contact the company to answer any questions regarding the survey . We will also remind them of the deadline for returning the survey . This procedure also has the effect of increasing the response level .

- Step 6 — Validation Testing and Participant Interviews

Once the majority of the surveys has been returned , analyses will be conducted to make sure that comparable position descriptions have been reported . If any problems are identified , follow-up telephone interviews will be conducted to ensure that positions have been properly matched by the surveying participants . During this time corrections will be made to the reported results and the data will be finalized .

- Step 7 — Data Analysis

Once the survey has been finalized , quantitative and qualitative analyses of the data will be conducted . These analyses will look at each benchmark position in terms of :

- Statistical means , medians , and modes of the actual salaries being paid and the grade mid points , highs , and lows
- The effect of geographic location on compensation rates , and possible adjustments based upon cost of living indices .
- Analysis of historical salaries paid in the marketplace during initial construction periods and escalation of that data based on a yet to be determined factor (local CPI , industry index , etc .) .
- Standard deviations of the reported data and variance analyses

Mr . Robert E . Smith
Executive Director
Sacramento Metropolitan Cable
Television Commission
December 9 , 1983
Page Seven

- Interquartile analysis of the salary levels
- Statistical confidence testing of the data in order to ultimately establish a mid point and range for comparative compensation levels
- Quantification of benefit and perquisite compensation levels, including the identification of typical benefit packages
- Integration of base pay levels with perquisites, benefits, overtime pay, and other forms of compensation to derive an overall compensation level.

This analysis will result in the determination of the prevailing wage rates and ranges currently being paid in the marketplace .

- Step 8 — Documentation

The final step of the project will involve documenting in detail the results of the project and the prevailing wage rates and ranges for each position in the marketplace . In addition , a step-by-step procedures guide for conducting salary surveys and analysis in the future will be developed and reviewed with SMCTC personnel .

STAFFING , SCHEDULE , AND COSTS

Touche Ross & Co. will bring a strong project team to this important assignment . The project team will include experts in both compensation/salary administration and the cable television industry .

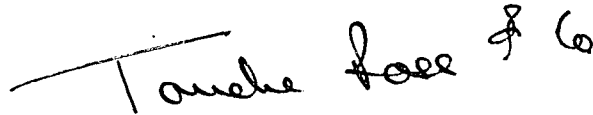
The project partner on the assignment will be Mr. John Cherry, partner and director of the Touche Ross Northwest consulting practice . Mr. Cherry will have overall responsibility for the project's successful completion . Mr. Jay Smith will act as project manager . Mr. Smith is one of the firm's leading authorities in the cable industry . Mr. Joel Green will also be assigned to the engagement . Mr. Green has conducted numerous salary surveys for regulated industry clients, and has managed numerous salary administration projects during his consulting career .

Mr . Robert E . Smith
Executive Director
Sacramento Metropolitan Cable
Television Commission
December 9 , 1983
Page Eight

We estimate that the total fees and expenses for this project will not exceed \$19,000 . As is our practice , if the project requires less time than expenses than anticipated , our bill will be proportionately less . In any event , our charges will not exceed \$19,000 without your prior approval .

We estimate that the time necessary to complete the project is between ten and twelve weeks from the start date . We are prepared to initiate the study within one week of your approval . Should you have any questions regarding this letter please contact Mr . Jay Smith at (503) 243-6333.

Very truly yours ,

A handwritten signature in cursive script that reads "Touche Ross & Co". A horizontal line is drawn above the signature.

Touche Ross & Co .

ATTACHMENT D

CABLE TELEVISION FUND
REPAYMENT SUMMARY
1983/84

Beginning Fund Balance \$ 269,750

Loan Advances:

City	\$149,314	
County	<u>223,971</u>	
Total Loan Advances		\$373,285

Revenues:

Filing Fees	\$180,000	
Acceptance Fees	250,000	
60-Day Fee Proration	107,177	
Remaining First Quarter Proration	53,588	
Prevailing Wage Rate Study Reimbursement	<u>19,000</u>	
Total Revenues		<u>\$609,765</u>

Total Advances and Revenues \$ 983,050

Total Beginning Balance, Advances and Revenue \$1,252,830

Less Expenses and Reserves:

Cashflow Reserve	\$180,000	
Estimated Operating Expenses	<u>652,065</u>	
Total Expenses and Reserves		<u>-832,065</u>

Fund Balance Available for Repayment..... \$ 420,735

60/40 City/County

<u>County</u>	<u>City</u>
\$252,441	\$168,294
Less: Remaining Loan Cancellation	<u>-111,986</u>
Net to City	<u>\$ 56,308</u>