

February 17, 2013

Cindy,

Attached is the model as of 2/16/13. (This is the seventh version)

1. The design is that the annual assumed changes in the top eight lines drive the data below (blue)
2. Line 9 represents Draw Down of proceeds to Fund Pension at 90%
3. The Model solves to tax rate to reflect the short fall (overage) (line 19 – last orange line)
4. Need your input on all, but especially, “Potential Adjusted for Fully Funded GF Pension and Tax Increase” on last page. (note # 2 above)
5. Revenue / Expense data is from your 1/17/13 memo except Fiber income.
6. Salary increases are from 2013-2014 and beyond (page 4)
7. Used a higher percent utility rate reduction (page 4)
8. Arbitrary Budget Expense Reduction (page 4) is unrealistic in years 2016-2018. (Needs work) I was attempting to reflect CC perspective.

Sorry for the delay, but continue rechecking all the formulas, variables and data. I will have an overhead for Monday's meeting. Copy to Dick Winger.

Also attached are potential Pre/Post Sale Alternatives.

Should you have any questions or comments, please call me at home – 772-567-8830.

Regards,

Peter Gorry