

MEMORANDUM

DEPARTMENT OF BUDGET AND FINANCE

TO: Mayor and Town Council
Robert Rawls, Town Administrator

FROM: Christopher Wallace, Budget and Finance Director

DATE: Thursday, April 15, 1999

SUBJECT: Cable Television Franchise Audit

At the last Town Council meeting, it was discussed whether or not to conduct an audit of the Town's cable franchise agreement with Jones Intercable, now Comcast.

Since our budget provides only a limited amount of funding for such audits, and since we believe a bigger exposure exists at the electric franchise level, we are pursuing using a "contingent fee" approach, wherein the auditing company would receive a percentage of any underpayments to the Town that they would uncover. We have received one proposal from a firm that has done similar work and we are reviewing a State of Florida SNAPS contract. We expect to bring an agreement with a firm to the Town Council within 30 days if we can use another government's bid or RFP. Otherwise, this will take 90-120 days to bid it out ourselves.

In any event, we will pursue and recommend the best course of action to the Town Council. Since there is no imminent threat of loss of money and the records will be as good in 3 months as they are today, we will proceed diligently towards this audit.

Should you need further information, please feel free to contact me.