

Request For Board Action

REFERRED TO BOARD: October 12, 2020

AGENDA ITEM NO: 12

ORIGINATING DEPARTMENT: Finance

SUBJECT: Consideration of a Resolution approving a Settlement Agreement with Comcast of Illinois XII, LLC in the amount of \$18,273.59.

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

On February 11, 2019 the village joined eleven (10) other municipalities to engage Azavar Audit Solutions to provide tax revenue auditing services. Services included a review and audit of franchise agreements. Azavar's review of Comcast's franchise agreement has identified franchise fee underpayments related to the exclusion of certain sources of revenue from "gross revenue" as defined in the franchise agreement and incorrect address coding.

Comcast has determined that the nature of the audits is costly and time-consuming and has proposed to compensate the municipalities in the co-op at a rate of \$1.70 per subscriber. The village's settlement totals \$18,273.59 (gross revenue errors of \$ 5,191.80 and address errors, including interest, of \$ 13,081.79).

Per our agreement with Azavar, this settlement is subject to a 45% commission. Additionally, Azavar is also entitled to a 37% commission on the increased revenues for 36 months, starting July 2020. At this time, the amount of additional revenue is estimated; however, Comcast has agreed to provide the actual franchise fees paid on the changed addresses for 18 months after the change. Azavar will use this actual data to bill or credit the village for the difference between the actual and estimated amounts for the initial 18 months. For the final 18 months Azavar will bill the village based on the final 12 months of actual data collected from Comcast.

FINANCIAL IMPACT: Revenue of \$18,273.59 less 45% commission to Azavar

DOCUMENTS ATTACHED:

1. Resolution
2. Comcast Settlement Agreement

RECOMMENDED MOTION:

Move to approve a **Resolution Authorizing the Mayor to Approve Settlement Pursuant to the Negotiated Terms in the Attached Draft Release.**

RESOLUTION NO. 20-XX

**RESOLUTION AUTHORIZING THE MAYOR TO APPROVE SETTLEMENT
PURSUANT TO THE NEGOTIATED TERMS IN THE ATTACHED DRAFT RELEASE**

WHEREAS, the Village of Antioch ("Village") is a municipality located in Lake County, Illinois;

WHEREAS, Azavar Audit Solutions, on behalf of the Village of Antioch and ten (10) other municipalities, conducted an audit of the Village's Franchise Fee Agreement with Comcast of Illinois XII, LLC (Comcast); and

WHEREAS, Azavar has identified franchise fee underpayments and incorrectly assigned addresses within the Village's corporate limits; and

WHEREAS, Comcast has proposed a settlement agreement with the Village in the amount of eighteen thousand two hundred and seventy-three dollars and fifty-nine cents (\$18,273.59).

WHEREAS, the corporate authorities have considered the proposed Settlement Agreement with Comcast of Illinois XII, LLC and deem it to be mutually beneficial to resolve differences regarding the franchise fee audit.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Board of Trustees of the Village as follows:

On behalf of the Village, the Mayor is authorized to execute a Settlement Agreement with Comcast of Illinois XII, LLC pursuant to the negotiated terms of the attached Agreement.

APPROVED this ____ day of _____, 2020.

AYES: _____

NAYS: _____

ABSENT: _____

Lawrence M. Hanson, Mayor

ATTEST:

Lori K. Romine, Village Clerk