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Town of Woodbury
Town Clerk

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July 23, 2019

Honorable Frank J. Palermo
Town Supervisor
Town of Woodbury
615 Route 32
P.O. Box 1004
Highland Mills, NY 10930

Dear Supervisor Palermo:

This is an important update concerning underpayment of franchise fees paid by a cable company to municipalities in New York State.

My firm has settled claims totaling **over \$1 million** for New York State Municipalities **concerning** underpayment of franchise fees by a major cable provider. Our analysis indicated a revenue component was omitted in the calculation of revenue subject to the franchise fee resulting in underpayments of 6% – 10% on an annual basis. Moreover, in most cases, the audit period was six years resulting in substantial claims for our clients. Many Municipalities were also entitled to interest on the underpayment as permitted by the Franchise Agreement. Presently we expect claims for over 10 other Municipalities served by this cable provider which could possibly total \$1.5 million. The under payment which we have identified also effects Towns that have a Franchise Agreement with this provider.

Municipal Audit Services, LLC is a consulting company that specializes in tax compliance and recovery of tax revenues that are paid by telecommunication service providers and utility companies in the form of gross receipts taxes and franchise fees paid by cable companies to municipalities in New York State.

Since 2013 my firm has recovered over \$3.0 million for New York State municipalities. Each one of my clients has experienced at least one recovery, with most municipalities having two or more. They have recognized the value of performing these all-important audits. We have also noted that underpayment and/or errors in reporting are not unique to one municipality, but rather the pattern is replicated in all municipalities serviced by the vendor. Our firm consists of telecommunications and accounting specialists which enable us to provide revenue recoveries for our clients.

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Our fee is 100% contingent on success. There are no other fees or expenses. We are paid only if we uncover errors and/or omissions which result in recoveries and increase revenues. Once a contractual agreement is executed with the Town, a letter of agency is issued by the Town which permits us to obtain information and develop a claim with the providers.

Here's some of the benefits of using my firm:

1. Unlike other firms we see the claim until conclusion, when the Town is paid.
2. Town officials fulfill their fiduciary responsibilities by having specialized audits conducted to insure that all revenue is collected.
3. The audits insures that Town officials are actively participating in the oversight of Town operations.

Please let me show you how we can ***"Increase Revenue Without Increasing Taxes for the Town of Woodbury"***

Thank you.

Very truly yours,


Joseph J. Messina, CPA
Managing Director