



Finance Committee Report

City of Newton In City Council

Monday, October 23, 2017

Present: Councilor Gentile (Chair), Ciccone, Norton, Brousal-Glaser, Rice, Blazar, Fuller, and Lappin
City staff present: Allan Cohen (Commercial Assessor), and Julie Kirrane (School Department's Long Range Planning Manager), Sue Dzkowski (Comptroller), and Maureen Lemieux (Chief of Staff/Chief of Finance)

#333-17 Mayor's appointment of Allan S. Cohen to the Board Assessors

ALLAN S. COHEN, 12 Philmore Road, Newton, appointed to the Board of Assessors to fill the unexpired term of Michael Flynn. Term to expire January 31, 2018. (60 days 12/15/17) [10/06/17 @ 8:47 AM]

Action: Finance Approved 5-0 (Ciccone, Norton, and Rice not voting)

Note: Allan Cohen joined the Committee for discussion of his appointment to the Board of Assessors. Michael Flynn, who served as the City's Commercial Assessor recently retired and Mr. Cohen is filling the position. Mr. Cohen has a number of years of experience in the City's Commercial Assessing Department and Director of Assessing is pleased to have him in the Commercial Assessor's position.

The Mayor is appointing Mr. Cohen to fill the unexpired term of his predecessor on the Board of Assessors. A Committee member asked why it is necessary for the City Council to approve the appointment of an employee to a board that consists of employees of the City. Massachusetts General Law only requires that the City appoint or elect a Board of Assessors but does not designate who serves on the Board. It is the city's practice to appoint the Director Assessing, Residential Assessor, and Commercial Assessor as its Board of Assessors but it could be citizens or other assessing professionals. Therefore, the appointments fall under the Charter section related to mayoral appointees.

Several Committee members recognized Mr. Cohen's great work in the Assessing Department over the years and expressed their support of the appointment. Councilor Lappin moved approval, which carried unanimously.

#332-17 Transfer of Homeless Transportation Funds to the School Budget

HIS HONOR THE MAYOR requesting authorization to appropriate thirty-two thousand two hundred ninety-seven dollars (\$32,297) from general revenue, which the City received from the McKinney-Vento Homeless Assistance Act to the School Department to offset transportation costs. [10/10/17 @ 5:04 PM]

Action: Finance Approved 8-0

Note: The School Department's Long Range Planner Julie Kirrane presented the request to appropriate \$32,297 from the City's General Fund to the School Department's Budget. The School Department is responsible for providing homeless students transportation to and from school. The School Department provided transportation for 24 to 26 homeless students this past school year. The number of students that Newton provides transportation for under McKinney Vento Act has remained stable since the Act became effective. The funds are an annual reimbursement from the State for the transportation of homeless students, which the School Department uses to offset bus transportation costs. The City receives a reimbursement of approximately 30% of the cost of that transportation. Ms. Kirrane believes that all school districts receive the same percentage of reimbursement.

Per the McKinney Vento Assistance Act, students have the right to continue attending their "school of origin". The "school of origin" is the school where the student was last enrolled or the school the student was attending when they became homeless. If the student is still in the same district as the school of origin, the school district must provide transportation. If the student is not living within the district of the school of origin, the district of origin and the district where the student is living must determine how to share transportation costs and responsibility. If the districts cannot come to an agreement, then the districts share equally in the costs and responsibility.

Committee members questioned why the City is paying for transportation to and from. It would seem that other communities would be responsible for the transportation either to Newton or out of Newton. Comptroller and former School Finance Director Sue Dzikowski explained that costs for the transportation are based on agreements between communities that are mutually beneficial. With that, Councilor Brousal-Glaser moved approval, which carried unanimously.

#217-17 Acceptance of MGL to create a special revenue fund for PEG and Cable funds
COUNCILOR LAPPIN requesting the acceptance of General Laws Chapter 44, Section 53F¾, which establishes a special revenue fund known as the Public, Educational, and Government (PEG) Access and Cable Related Fund, to reserve cable franchise fees and other cable-related revenues for appropriation to support PEG access services and oversight and renewal of the cable franchise agreement, the fund to begin operation for fiscal year 2019, which begins on July 1, 2018. [06/13/2017 @ 1:41 PM]

Action: **Finance Approved 8-0**

Note: Councilor Lappin explained that she docketed this item to accept Massachusetts General Law Section 53F 3/4 of Chapter 44 to establish a revenue account for the City's portion of the Public, Educational, and Government (PEG) Access and Cable Related funds. The cable franchise fees are generated through the cable provider agreements with Comcast, Verizon, and RCN. Cable providers are mandated to provide funding to operate public, educational, and government (PEG) access programming in municipalities, as well as capital dollars. By accepting the law, it will ensure that the PEG funds are used for PEG access programming and other city cable-related expenses and do not drop to the General Fund at the end of each fiscal year.

If the City opts to accept the legislation, it has the option of creating an enterprise fund or a receipts reserved fund for the PEG funds. The attached Informational Guideline Release from the Division of Local Services provides details on establishing both types of funds. Both Comptroller Sue Dzikowski and Chief of Staff Maureen Lemieux recommend continuing with a receipts reserved fund for PEG funds, as it is the less complicated option. An appropriation from this type of fund requires City Council, which would allow the Council to monitor how PEG funds are used. Chief of Staff Maureen Lemieux added that the administration does not see any issues with accepting the legislation. With that, Councilor Lappin moved approval of the item, which carried by a vote of eight in favor and none opposed.

#110-17 Appropriate \$2 million from Free Cash to the Rainy Day Stabilization Fund
HIS HONOR THE MAYOR requesting authorization to appropriate two million dollars (\$2,000,000) from Free Cash to the Rainy Day Stabilization Fund. [04/12/17 @ 9:37 PM]
Action: **Finance Voted No Action Necessary 8-0**

Note: The funding for the above item is from Fiscal Year 2017 and is no longer available for appropriation; therefore, the Council can vote no action necessary for resubmittal by the Mayor's Office with a current funding source. Councilor Ciccone moved the item no action necessary, which carried unanimously.

#353-16 Review/Acceptance of the FY 2018 – FY 2022 5-year Financial Forecast
HIS HONOR THE MAYOR submitting the Fiscal Years 2018 to 2022 5-Year Financial Forecast for City Council review/acceptance. [10/11/16 @ 11:28 AM]
Action: **Finance Voted No Action Necessary 8-0**

Note: The City Council received the Fiscal Year 2019 to 2023 Financial Forecast at the last City Council meeting. The Fiscal Years 2018 to 2022 Financial Forecast and is no longer pertinent. Therefore, Councilor Ciccone moved the item no action necessary, which carried unanimously.

Referred to Public Safety & Transportation, Public Facilities, and Finance Committees

#179-17 Request for parking meter pilot(s)
COUNCILORS ALBRIGHT, KALIS, LAREDO AND LEARY requesting a parking meter pilot or multiple pilots in Fiscal Year 2018 using the latest technology, which allows payment by credit card and other features, such as monitoring meter usage, providing feedback to administrators, information to drivers, and allowing time-based fee adjustment. [05/22/17 @ 9:15 AM]
Public Safety & Transportation voted No Action Necessary 5-0 on 10/18/17
Public Facilities voted No Action Necessary 6-0 on 10/18/17
Action: **Finance Voted No Action Necessary 8-0**

Note: The Public Safety & Transportation and Public Facilities Committee both voted no action necessary on the above item. The Department of Public Works implemented a parking meter pilot

program in the Austin Street Parking Lot. Councilor Rice moved the item no action necessary, which carried unanimously

Referred to Public Facilities and Finance Committees

#385-16 Discussion about the Community Solar Share Program

PUBLIC FACILITIES COMMITTEE requesting discussion with the Administration and Public Buildings Department about the Community Solar Share Program, which intends to provide credits resulting from solar power generated at 70 Elliot Street to qualifying low income residents. [10/26/16 @ 4:20 PM]

Public Facilities voted No Action Necessary 6-0 on 10/18/17

Action: Finance Voted No Action Necessary 8-0

Note: The Administration is currently doing a Community Solar Share Program; therefore, the above item is no longer relevant. Councilor Ciccone moved no action necessary, which carried unanimously.

Chair's Note: The Committee did not review the docket items scheduled for review for end of term action, as the City Council will be voting on a proposal to terminate all docket requests that have not been acted upon by the Council by the end of term. If the proposal is approved, there will be no need to refer pending items to the next City Council or take an action of no action necessary. If a Councilor would like the Committee to discuss a pending item before the end of term, s/he should contact the Chair. If the proposed item for terminating docket items is not approved, the Committee will review pending items in November and December.

All other items before the Committee were held without discussion and the Committee meeting adjourned at 7:45 PM. Draft Council Orders for the above items that are recommended for City Council action are attached.

Respectfully submitted,

Leonard J. Gentile, Chair

CITY OF NEWTON

IN CITY COUNCIL

ORDERED:

That in accordance with the recommendation of His Honor the Mayor be it known that ALLAN S. COHEN, 12 Philmore Road, Newton is hereby appointed as a member of the Board of Assessors for a term of office to expire on January 31, 2018.

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON

City Clerk

CITY OF NEWTON

IN CITY COUNCIL

ORDERED:

That, in accordance with the recommendation of the Finance Committee through its Chair Leonard J. Gentile, the sum of thirty-two thousand two hundred ninety-seven dollars (\$32,297) be and is hereby appropriated from Fiscal Year 2017 Revenue to be expended under direction and control of the of the Superintendent of Schools.

FROM:	Revenue - 2017	
	(0130101-433018).....	\$32,297
TO:	Homeless Student Transportation	
	(C301058-538301)	\$32,297

Under Suspension of Rules
Readings Waived and Adopted

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

Date _____



Informational Guideline Release

Bureau of Accounts
Informational Guideline Release (IGR) No. 16-102
January 2016

CABLE TELEVISION PUBLIC, EDUCATIONAL AND GOVERNMENTAL ACCESS SPECIAL REVENUE FUNDS

(G.L. c. 44, § 53F¹/₂; G.L. c. 44, § 53F³/₄)

This Informational Guideline Release (IGR) explains to local officials the procedures and requirements for establishing an enterprise fund to account for monies received and spent for cable television public, educational and governmental (PEG) access facilities and operations, or alternatively, for creating a receipts reserved fund known as the PEG Access and Cable Related Fund to fund PEG access programming, as well as certain other municipal cable-related expenses.

Topical Index Key:

Accounting Policies and Procedures
Special Funds

Distribution:

Treasurers
Clerks
Accountants/Auditors
Mayors/Selectmen
Managers/Administrators/Exec. Secys.
Finance Directors
City Solicitors/Town Counsels

Informational Guideline Release (IGR) No. 16-102
January 2016

**CABLE TELEVISION PUBLIC, EDUCATIONAL AND GOVERNMENTAL ACCESS
SPECIAL REVENUE FUNDS**

(G.L. c. 44, § 53F½; G.L. c. 44, § 53F¾)

SUMMARY:

These guidelines explain two options now available to cities and towns to separately account for cable franchise fees collected from customers by cable companies and other cable-related monies negotiated in cable television agreements between the municipality and the cable television operator.

Those monies include fees collected from customers by the cable operator in connection with the franchise and in support of public, educational and government (PEG) programming. In addition to the imposition of these franchise fees, cable licensing agreements typically require that cable companies provide services, facilities and equipment for PEG channels, deliver cable television programming to municipal buildings, and maintain customer service quality. Under state law, cable operators also pay the municipality an annual license fee, which is based on the number of cable customers. All of these monies are general fund revenues, absent a special act treating them otherwise. [G.L. c. 44, § 53](#).

Cities and towns may now designate cable PEG access operations or services as an enterprise and separately account for all franchise fees and other revenues derived from enterprise activities in the same manner as other enterprise funds. [G.L. c. 44, § 53F½](#).

Alternatively, cities and towns may reserve the franchise fees and other cable related revenues for appropriation to support PEG access services, monitor compliance with the franchise agreement or prepare for license renewal by accepting [G.L. c. 44, § 53F¾](#) and establishing a PEG Access and Cable Related Fund.

This statute may be accepted to take effect for fiscal years beginning on or after July 1, 2015.

GUIDELINES:

I. TRANSITION TO SPECIAL REVENUE FUND

As part of the certification of general fund free cash, the Director of Accounts will close any reservations of cable franchise fees or other cable-related funds that appear on a city or town balance sheet on or after June 30, 2016 unless:

BUREAU OF ACCOUNTS

MARY JANE HANDY, DIRECTOR

- A. The city or town has accepted one of the special revenue funds, as explained in Sections II and III below, and
- B. The legislative body of the city or town has voted to have the accounting officer transfer any balance to the accepted fund at the beginning of the fiscal year the fund will start operation. The transfer may be voted as part of the acceptance or separately.

II. **CABLE PUBLIC ACCESS ENTERPRISE FUND**

Cities and towns may accept [G.L. c. 44, § 53F½](#) and establish an enterprise fund to separately account for all revenues and expenditures in connection with operating cable PEG access service for city or town residents, whether the service is operated by a city or town department or a contractor.

For detailed guidance on adoption of an enterprise fund, setting the annual enterprise budget, accounting for enterprise activities and operation of the fund, see the [Enterprise Funds Guidelines](#) issued by the Bureau of Accounts.

III. **PEG ACCESS AND CABLE RELATED FUND**

A. **Local Acceptance**

1. **Acceptance Procedure**

Acceptance of [G.L. c. 44, § 53F¾](#) for a PEG Access and Cable Related Fund (Fund), is by majority vote of the municipality's legislative body, subject to charter. [G.L. c. 4, § 4](#). (See attached sample acceptance vote.)

2. **Revocation of Acceptance**

Acceptance may be revoked, but the city or town must wait until at least three years after acceptance. Revocation is also by majority vote of the municipality's legislative body, subject to charter. [G.L. c. 4, § 4B](#).

3. **Notification of Acceptance or Revocation**

The city or town clerk must notify the Municipal Databank if it accepts or revokes [G.L. c. 44, § 53F¾](#). (See "[Notification of Acceptance or Revocation](#)."") The notification should be made **as soon as possible** after the vote.

4. Effective Date

The Fund will begin operation for the fiscal year that begins the next July 1, unless a later fiscal year is designated in the acceptance. Revocation of the statute terminates the Fund at the end of the fiscal year in which the revocation is voted.

B. Special Revenue Fund

The Fund is a receipts reserved for appropriation special revenue fund.

1. Receipts

The following revenues received in connection with the municipality's franchise agreements may be credited to the Fund:

- a. Cable franchise fees collected by the cable operator for PEG access and received by the city or town.
- b. Annual license fees paid by the cable operator. [G.L. c. 166A, § 9](#).
- c. Other revenues received in connection with the franchise agreement.

2. Investment

The treasurer is the custodian of the Fund. The treasurer may invest the monies of the Fund in the same manner as general funds under [G.L. c. 44, §§ 55, 55A](#) and [55B](#). The treasurer may pool the cash and does not have to establish a separate bank account for the Fund.

Interest earned on Fund monies belongs to the general fund.

C. Expenditures

An appropriation is required to spend any monies in the Fund. Appropriations are by majority vote of the legislative body and are limited to the actual unencumbered balance of the Fund at the time of the appropriation. Anticipated receipts cannot be appropriated.

Monies from the Fund may be appropriated consistent with the cable franchise agreement to:

1. Support cable PEG access service or programming for city or town residents, whether operated by a city or town department or a contractor.
2. Monitor the cable operator's compliance with the franchise agreement.
3. Prepare for renewal of the cable franchise license, including any associated expert and legal services.

Payment of bills charged to appropriations from the Fund must follow the same process used for payment of other municipal expenses. [G.L. c. 41, §§ 52 and 56](#). A payment voucher with appropriate supporting documentation is submitted to the accounting officer for placement of the bill on the treasury warrant.

D. Accounting

The accounting officer must establish and maintain the Fund as a separate account and record all activity in the Fund.

1. Receipts are recorded directly into the Fund.
3. Expenditures are recorded as direct expenditures in the Fund.
4. The unspent and unencumbered balance of an appropriation for a particular cable-related purpose is closed to the Fund.
5. The balance in the Fund at the end of a fiscal year carries forward to the next fiscal year.

E. Supplemental Appropriations

Appropriations may be made from other municipal funding sources, such as the tax levy, free cash or other available funds, to supplement and carry out cable-related purposes funded by the Fund. However, monies from these sources may not be appropriated directly into the Fund. Depending on the purpose, appropriations from the Fund could be operating or special purpose appropriations and the accounting officer would close them out in the same manner as other such appropriations.

F. Fund Revocation

If the city or town revokes its acceptance of [G.L. c. 44, § 53F³/₄](#), the accounting officer is to close the fund balance to the general fund at the end of the fiscal year.

SAMPLE

(Sample should not be used without the advice of municipal counsel.)

PEG ACCESS AND CABLE RELATED FUND ACCEPTANCE

Legislative Body Vote

ARTICLE/ORDER. To see if the city/town will accept [General Laws Chapter 44, Section 53F³/₄](#), which establishes a special revenue fund known as the PEG Access and Cable Related Fund, to reserve cable franchise fees and other cable-related revenues for appropriation to support PEG access services and oversight and renewal of the cable franchise agreement, the fund to begin operation for fiscal year _____, which begins on July 1, _____ or take any other action relative thereto.

MOTION. Moved/ordered that the city/town accept [General Laws Chapter 44, Section 53F³/₄](#), which establishes a special revenue fund known as the PEG Access and Cable Related Fund, to reserve cable franchise fees and other cable-related revenues for appropriation to support PEG access services and oversight and renewal of the cable franchise agreement, the fund to begin operation for fiscal year _____, which begins on July 1, _____.

CITY OF NEWTON

IN CITY COUNCIL

2017

ORDERED:

That, in accordance with the recommendation of His Honor the Mayor and the Finance Committee through its Chair Leonard J. Gentile, the City of Newton hereby accepts Massachusetts General Law Chapter 44, Section 53F3/4, which authorizes a local option to establish in the treasury a separate revenue account to be known as the PEG Access and Cable Related Fund, into which may be deposited funds received in connection with a franchise agreement between a cable operator and the municipality. Monies in the fund shall only be appropriated for cable-related purposes consistent with the franchise agreement, including, but not limited to: (i) support of public, educational or governmental access cable television services; (ii) monitor compliance of the cable operator with the franchise agreement; (iii) prepare for renewal of the franchise license. .

Under Suspension of Rules
Readings Waived and Adopted

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor