

Advisory Committee School Subcommittee
Report on Articles 4 and 5
March 28, 2019

The Advisory Committee's School Subcommittee met at 6:30 PM on Thursday March 28, 2019 in Room 408 of Town Hall to hear public comments and make a recommendation to the Advisory Committee on Articles 4 (PEG special revenue fund) and 5 (school bus transportation revolving fund). Subcommittee members Mariah Nobrega and Michael Sandman were present, along with Deputy Town Administrator Melissa Goff. There were no members of the public present.

Article 4 – PEG Special Revenue Fund

This is a housekeeping article to establish a special revenue fund to (a) receive payments from Comcast and RCN to the town that are owed under the franchise (license) agreement with the town, and (b) transmit those funds to Brookline Interactive Group (BIG). Per the franchise agreement, Comcast and RCN each pay \$40,000 (\$80,000 total) to be used for capital equipment/facilities for public, educational and government (PEG) programming, e.g. purchases of broadcasting equipment. This is paid to the Town, which then transmits these funds to BIG. The PEG special revenue fund is required to hold and transmit this \$80,000 annual payment, as state law now requires that municipalities establish special revenue funds to accumulate franchise payments from the cable companies and hold the funds pending their transfer to the organization designated to provide PEG cable services.

Indirectly related to this article but of relevance to the financial health of the Town and so worth reporting: we learned that the town has recently renewed its franchise agreements with both cable providers for the next ten years. As part of these agreements, in addition to the \$80K for PEG, the Town also will continue to receive a franchise fee equal to 5% of the providers' gross annual revenue from Brookline cable TV subscribers (note this is not the total bill, only that attributable to cable TV). The total paid to the Town annually from this fee is on the order of \$1 million. The fee is split 60/40 between the Town's general fund and Brookline Interactive Group ("BIG"), so BIG receives about \$400,000 a year, paid directly to BIG by the cable companies. However, the revenue from the franchise fee is affected by the trend toward "cutting the cord" – dropping television cable service and streaming content over the internet – so this amount has been steadily reducing over time and may ultimately affect BIG finances.

The School Subcommittee did not have a quorum for its hearing on Article 4, so we do not have a formal recommendation. But the two subcommittee members who were present supported its adoption.

Article 5 – School Bus Transportation Revolving Fund

Since the Municipal Modernization Act became law in 2016, municipalities have been required to enact a bylaw to create revolving funds. Article 5 establishes a revolving

fund for the revenue realized from the fees charged to high school students who take school buses from South Brookline, a program that began in 2018. Although PSB operates the buses, the revenue accrues to the Town, so the revolving fund needs to comply with the regulations for non-school operating funds. The bylaw is closely modeled on the model published by the Mass. Division of Local Services for non-school department programs.

Subcommittee members asked why the bylaw did not include the existing Town-administered revolving funds. Deputy Town Administrator Goff responded that the bylaw was put together and filed very close to the filing deadline, and that it could be expanded at November Town Meeting to include the existing Town and School revolving funds, all of which were created before the 2016 legislation. Waiting until November will give both Town and School senior financial administrators the chance to review the status of all of the existing funds.

The School Subcommittee did not have a quorum for its hearing on Article 5, so we do not have a formal recommendation. But the two subcommittee members who were present supported its adoption and look forward to an expansion in November to formalize the existing revolving funds.

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