

SENATE No. 2442

[LOCAL APPROVAL RECEIVED.]

The Commonwealth of Massachusetts

PRESENTED BY:

Benjamin B. Downing

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act Relative to the Financial Condition of the City.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Benjamin B. Downing	Berkshire, Hampshire and Franklin
Daniel E. Bosley	1st Berkshire

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

An Act Relative to the Financial Condition of the City.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- 1 **SECTION 1.** (a) Notwithstanding any general or special law, city charter provision or local
2 ordinance to the contrary, the city of North Adams, with the approval of the commissioner of
3 revenue, in this act hereinafter called the commissioner, may borrow, at one time, a sum
4 approved by the city council and then by the commissioner, but in no event in an amount in the
5 aggregate more than \$880,000.00 for the purpose of fully funding the Medical Insurance Trust
6 Fund for FY 2010 and funding a settlement with the Public Employee Committee for
7 underfunding the trust in prior fiscal years. The commissioner may limit this borrowing to an
8 amount or amounts less than the amount or amounts approved by the city
9 council. Notwithstanding chapter 44A of the General Laws, bonds or notes issued under this act
10 for the above purposes may be issued for a term of not more than 7 years and shall be backed by
11 the full faith and credit of the city, and the bonds and notes shall be eligible to be issued as
12 qualified bonds or notes. Indebtedness incurred under this act shall not be included in
13 determining the statutory limit of indebtedness of the city under section 10 of chapter 44 of the
14 General Laws but, except as provided in this act, shall otherwise be subject to said chapter
15 44. Amounts raised to pay indebtedness incurred under authority of this section shall be subject
16 to section 21C of chapter 59 of the General Laws.
- 17 (b) The maturities of each issue of bonds or notes authorized under this act, including any
18 refunding bonds, may, if approved by the city officers authorized to issue and approve these
19 bonds or notes, and by the commissioner, be arranged so that for each issue the amounts payable
20 in the several years for principal and interest combined are as nearly equal as is practicable in the
21 opinion of the officers authorized to issue and approve the bonds or notes, or in the alternative, in
22 accordance with a schedule providing for a more rapid amortization of principal.
- 23 (c) All proceeds of any loan authorized by this act shall be deposited to the Medical Insurance
24 Trust Fund for the purposes described in section
- 25 (d) The director of accounts in the department of revenue may establish rules and procedures
26 that he considers appropriate relating to disbursements from the fund and the reporting and
27 accounting for these disbursements.
- 28 (e) Any residual in the trust shall be applied to the debt associated with this legislation.
29

30 **SECTION 2.** (a) As an alternative to borrowing authorized under section 1, and
31 notwithstanding any general or special law, city charter provision or local ordinance to the
32 contrary, the city of North Adams may capitalize a sum not to exceed \$880,000.00, for the
33 purpose stated in Section 1, the amortization amount, and fund the amortization amount in equal
34 or decreasing annual installments over a period starting with fiscal year 2012 and not exceeding
35 7 years. For fiscal year 2012, and fully subject to section 21C of chapter 59 of the General Laws,
36 the board of assessors of the city of North Adams, may, subject to the approval of the
37 commissioner, deduct such portion of the amortization amount as the commissioner approves as
38 consistent with this act, from the amount to be assessed under section 23 of chapter 59. Under
39 the conditions imposed in this act, the assessors of the city of North Adams may similarly deduct
40 such portion of the amortized amount in any year until the amortization is completed not later
41 than fiscal year 2016.
42 (b) Any residual in the trust shall be applied to the amortized amount associated with this
43 legislation.

44 **SECTION 3.** (a) With respect to fiscal year 2012, and in any other year in which bonds, notes
45 or an amortization amount authorized under this act remain outstanding, not later than 10 days
46 after the adoption of the city budget, or July 1, whichever is earlier, the assessors and mayor shall
47 submit to the director a pro forma tax rate recapitulation for the following fiscal year, together
48 with a copy of the adopted budget and such supporting revenue and expenditure information as
49 the director may prescribe. The director shall ascertain whether the city budget for that fiscal
50 year contains reasonable revenues from taxation and other sources to meet the appropriations and
51 other amounts required by law to be raised under section 23 of chapter 59 of the General Laws,
52 and the director shall report his findings to the mayor and city council. If the director determines
53 that the city budget as presented would not permit certification of the tax rate for the applicable
54 fiscal year, he may recommend further action to achieve a balanced budget. In such a case, no
55 tax rate for the year shall be approved until submission of an annual tax rate recapitulation based
56 on the actions the city has approved or taken to achieve a balanced budget.
57 (b) In any year during which bonds, notes or an amortization amount authorized under this act
58 remain outstanding, the commissioner of revenue shall not certify the annual tax rate of the city
59 of North Adams until an audit report for the preceding fiscal year has been received and accepted
60 by the director. The audit report shall be prepared by a certified public accountant in accordance
61 with generally accepted auditing standards and shall include accompanying financial statements.
62 The audit report shall include an analysis of all revenues and expenditures associated with health
63 care costs for the city, including employer and employee contribution requirements.
64 (c) In any year during which bonds, notes or an amortization amount authorized under this act
65 remain outstanding, the city shall submit to the director quarterly reports presenting a budget to
66 actual comparison of revenues and expenditures. The written reports shall be submitted within
67 30 days after the conclusion of each fiscal quarter and shall be in such form and include such
68 information and detail as the director may prescribe.
69 (d) In any year during which bonds, notes or an amortization amount authorized by this act
70 remain outstanding, the city shall not issue any bond, note or other form of indebtedness without
71 written notification to, and the approval of, the director.
72 (e) In any year during which bonds, notes or an amortization amount authorized by this act
73 remain outstanding, the city shall submit to the director a balance sheet, and have its free cash

74 certified prior to the setting of the annual tax rate.

75 (f) The director may waive any reporting or filing requirements contained in this section.

76 **SECTION 5.** No official of the city of North Adams, except in the case of an emergency
77 involving the health and safety of the people or their property, shall knowingly expend or cause
78 to be expended in any fiscal year any sum in excess of that official's departmental or other
79 governmental unit's appropriation duly made in accordance with the law, nor commit the city,
80 nor cause it to be committed, to any obligation for the future payment of money in excess of that
81 appropriation, with the exception of court judgments.

82 Any official who intentionally violates this section shall be personally liable to the city for any
83 amounts expended in excess of an appropriation to the extent that the city does not recover these
84 amounts from the person or persons to whom the amounts were paid. The superior court or a
85 single justice of the supreme judicial court shall have jurisdiction to adjudicate claims brought by
86 the city under this act and to order relief that the court finds appropriate to prevent further
87 violations of this section. Any violation of this section shall be considered sufficient cause for
88 removal.

89 **SECTION 6.** For the purposes of this act, the word "official" shall mean a permanent,
90 temporary or acting city department head, including the city council which recommend,
91 authorize or approve the expenditure of funds, and the word "emergency" shall mean a major
92 disaster, including, but not limited to, flood, drought, fire, hurricane, earthquake, storm or other
93 catastrophe, whether natural or otherwise, which poses an unexpected and immediate threat to
94 the health and safety of persons or property.

95 **SECTION 7.** This act shall take effect upon its passage.

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