

HOUSE No. 5090

The Commonwealth of Massachusetts

In the Year Two Thousand Ten

An Act Relative to Health Insurance in the City of Methuen..

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
2 local ordinance to the contrary, the city of Methuen, with the approval of the commissioner of
3 revenue, or the commissioner’s designee, in this act called the commissioner, may borrow, at one
4 time or from time to time, sums approved by the city council and then by the commissioner, but
5 in no event in an amount in the aggregate more than \$1,960,997, for the purpose of funding the
6 deficit in the city’s health insurance trust fund as of June 30, 2010. The commissioner may limit
7 this borrowing to an amount or amounts less than the amount or amounts approved by the city
8 council. Notwithstanding chapter 44A of the General Laws, bonds or notes issued under this act
9 may be issued for a term of not more than 3 years and shall be backed by the full faith and credit
10 of the city and any such bonds or notes shall be issued as qualified bonds or notes within the
11 meaning of chapter 44A of the General Laws without any action or approval by the municipal
12 finance oversight board. 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 44.

15 Amounts raised to pay indebtedness incurred under authority of this section shall be subject to
16 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 in the city's health
24 insurance trust fund and applied to pay expenses lawfully chargeable to such fund. The
25 commissioner shall not consider any deficit in the city's health insurance trust fund as of June
26 30, 2010 in the certification of free cash available to the city as of such date.

27 SECTION 2. (a) With respect to fiscal year 2012, and in any other year in which bonds or
28 notes authorized under this act remain outstanding, not later than 10 days after the adoption of
29 the city budget, or July 1, whichever is earlier, the assessors and mayor shall submit to the
30 director of accounts a pro forma tax rate recapitulation for the following fiscal year, together
31 with a copy of the adopted budget and such supporting revenue and expenditure information as
32 the director of accounts may prescribe. The director of accounts shall ascertain whether the city
33 budget for that fiscal year contains reasonable revenues from taxation and other sources to meet
34 the appropriations and other amounts required by law to be raised under section 23 of chapter 59
35 of the General Laws, and the director of accounts shall report his or her findings to the mayor
36 and city council. If the director of accounts determines that the city budget as presented would

37 not permit certification of the tax rate for the applicable fiscal year, he or she may recommend
38 further action to achieve a balanced budget. In such a case, no tax rate for the year shall be
39 approved until submission of an annual tax rate recapitulation based on the actions the city has
40 approved or taken to achieve a balanced budget.

41 (b) In any year during which bonds or notes authorized under this act remain outstanding,
42 the commissioner of revenue shall not certify the annual tax rate of the city of Methuen until an
43 audit report for the preceding fiscal year has been received and accepted by the director of
44 accounts. The audit report shall be prepared by a certified public accountant in accordance with
45 generally accepted auditing standards and shall include accompanying financial statements.

46 (c) In any year during which bonds or notes authorized by this act remain outstanding, the
47 city shall not issue any bond, note or other form of indebtedness without written notification to,
48 and the approval of, the director of accounts.

49 (d) The director of accounts may waive any reporting or filing requirements contained in
50 this section.

51 SECTION 3. No official of the city of Methuen, except in the case of an emergency
52 involving the health and safety of the people or their property, shall knowingly expend or cause
53 to be expended in any fiscal year any sum in excess of that official's departmental or other
54 governmental unit's appropriation duly made in accordance with the law, nor commit the city,
55 nor cause it to be committed, to any obligation for the future payment of money in excess of that
56 appropriation, with the exception of court judgments.

57 Any official who intentionally violates this section shall be personally liable to the city
58 for any amounts expended in excess of an appropriation to the extent that the city does not

59 recover these amounts from the person or persons to whom the amounts were paid. The superior
60 court or a single justice of the supreme judicial court shall have jurisdiction to adjudicate claims
61 brought by the city under this act and to order relief that the court finds appropriate to prevent
62 further violations of this section. Any violation of this section shall be considered sufficient
63 cause for removal.

64 SECTION 4. For the purposes of this act, the word "official" shall mean a permanent,
65 temporary or acting city department head, including the superintendent of schools, and all
66 members of municipal boards, committees, including the school committee, and commissions
67 which recommend, authorize or approve the expenditure of funds, and the word "emergency"
68 shall mean a major disaster, including, but not limited to, flood, drought, fire, hurricane,
69 earthquake, storm or other catastrophe, whether natural or otherwise, which poses an unexpected
70 and immediate threat to the health and safety of persons or property.

71 SECTION 5. This act shall take effect upon its passage.