

SENATE No. 2442

The Commonwealth of Massachusetts

In the Year Two Thousand Ten

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
2 local ordinance to the contrary, the city of North Adams, with the approval of the commissioner
3 of 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.(b) The maturities of each issue of bonds or
17 notes authorized under this act, including any refunding bonds, may, if approved by the city
18 officers authorized to issue and approve these bonds or notes, and by the commissioner, be
19 arranged so that for each issue the amounts payable in the several years for principal and interest
20 combined are as nearly equal as is practicable in the opinion of the officers authorized to issue
21 and approve the bonds or notes, or in the alternative, in accordance with a schedule providing for
22 a more rapid amortization of principal.(c) All proceeds of any loan authorized by this act shall
23 be deposited to the Medical Insurance Trust Fund for the purposes described in section

24 (d) The director of accounts in the department of revenue may establish rules and
25 procedures that he considers appropriate relating to disbursements from the fund and the
26 reporting and accounting for these disbursements.

27 (e) Any residual in the trust shall be applied to the debt associated with this legislation.

28 SECTION 2. (a) As an alternative to borrowing authorized under section 1, and
29 notwithstanding any general or special law, city charter provision or local ordinance to the
30 contrary, the city of North Adams may capitalize a sum not to exceed \$880,000.00, for the
31 purpose stated in Section 1, the amortization amount, and fund the amortization amount in equal
32 or decreasing annual installments over a period starting with fiscal year 2012 and not exceeding
33 7 years. For fiscal year 2012, and fully subject to section 21C of chapter 59 of the General Laws,
34 the board of assessors of the city of North Adams, may, subject to the approval of the
35 commissioner, deduct such portion of the amortization amount as the commissioner approves as
36 consistent with this act, from the amount to be assessed under section 23 of chapter 59. Under

37 the conditions imposed in this act, the assessors of the city of North Adams may similarly deduct
38 such portion of the amortized amount in any year until the amortization is completed not later
39 than fiscal year 2016.

40 (b) Any residual in the trust shall be applied to the amortized amount associated with this
41 legislation.

42 SECTION 3. (a) With respect to fiscal year 2012, and in any other year in which bonds,
43 notes or an amortization amount authorized under this act remain outstanding, not later than 10
44 days after the adoption of the city budget, or July 1, whichever is earlier, the assessors and mayor
45 shall submit to the director a pro forma tax rate recapitulation for the following fiscal year,
46 together with a copy of the adopted budget and such supporting revenue and expenditure
47 information as the director may prescribe. The director shall ascertain whether the city budget
48 for that fiscal year contains reasonable revenues from taxation and other sources to meet the
49 appropriations and other amounts required by law to be raised under section 23 of chapter 59 of
50 the General Laws, and the director shall report his findings to the mayor and city council. If the
51 director determines that the city budget as presented would not permit certification of the tax rate
52 for the applicable fiscal year, he may recommend further action to achieve a balanced budget. In
53 such a case, no tax rate for the year shall be approved until submission of an annual tax rate
54 recapitulation based on the actions the city has approved or taken to achieve a balanced
55 budget.(b) In any year during which bonds, notes or an amortization amount authorized under
56 this act remain outstanding, the commissioner of revenue shall not certify the annual tax rate of
57 the city of North Adams until an audit report for the preceding fiscal year has been received and
58 accepted by the director. The audit report shall be prepared by a certified public accountant in
59 accordance with generally accepted auditing standards and shall include accompanying financial

60 statements. The audit report shall include an analysis of all revenues and expenditures associated
61 with health care costs for the city, including employer and employee contribution
62 requirements.(c) In any year during which bonds, notes or an amortization amount authorized
63 under this act remain outstanding, the city shall submit to the director quarterly reports
64 presenting a budget to actual comparison of revenues and expenditures. The written reports shall
65 be submitted within 30 days after the conclusion of each fiscal quarter and shall be in such form
66 and include such information and detail as the director may prescribe.(d) In any year during
67 which bonds, notes or an amortization amount authorized by this act remain outstanding, the city
68 shall not issue any bond, note or other form of indebtedness without written notification to, and
69 the approval of, the director.

70 (e) In any year during which bonds, notes or an amortization amount authorized by this
71 act remain outstanding, the city shall submit to the director a balance sheet, and have its free cash
72 certified prior to the setting of the annual tax rate.(f) The director may waive any reporting or
73 filing requirements contained in this section.

74 SECTION 5. No official of the city of North Adams, except in the case of an emergency
75 involving the health and safety of the people or their property, shall knowingly expend or cause
76 to be expended in any fiscal year any sum in excess of that official's departmental or other
77 governmental unit's appropriation duly made in accordance with the law, nor commit the city,
78 nor cause it to be committed, to any obligation for the future payment of money in excess of that
79 appropriation, with the exception of court judgments.Any official who intentionally violates this
80 section shall be personally liable to the city for any amounts expended in excess of an
81 appropriation to the extent that the city does not recover these amounts from the person or
82 persons to whom the amounts were paid. The superior court or a single justice of the supreme

83 judicial court shall have jurisdiction to adjudicate claims brought by the city under this act and to
84 order relief that the court finds appropriate to prevent further violations of this section. Any
85 violation of this section shall be considered sufficient cause for removal.

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

92 SECTION 7. This act shall take effect upon its passage.

93