

**HOUSE . . . . . No. 4905**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Linda Dean Campbell*

*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 adoption of the accompanying bill:

An Act relative to the City of Methuen's petition to borrow to address the school budget deficit.

PETITION OF:

| NAME:                         | DISTRICT/ADDRESS:  | DATE ADDED:      |
|-------------------------------|--------------------|------------------|
| <i>Linda Dean Campbell</i>    | <i>15th Essex</i>  | <i>8/31/2018</i> |
| <i>Kathleen O'Connor Ives</i> | <i>First Essex</i> | <i>9/5/2018</i>  |
| <i>Frank A. Moran</i>         | <i>17th Essex</i>  | <i>9/5/2018</i>  |

**HOUSE . . . . . No. 4905**

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By Mrs. Campbell of Methuen, a petition (accompanied by bill, House, No. 4905) of Linda Dean Campbell, Kathleen O'Connor Ives and Frank A. Moran (with the approval of the mayor and city council) relative to the school budget deficit in the city of Methuen. Municipalities and Regional Government. [Local Approval Received.]

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninetieth General Court  
(2017-2018)**  
\_\_\_\_\_

An Act relative to the City of Methuen's petition to borrow to address the school budget deficit.

*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 director of  
3 accounts, in the department of revenue, may borrow sums, approved by the city council and the  
4 director of accounts, to achieve a balanced budget for fiscal years 2019 and 2020; provided,  
5 however, that the aggregate of such sums shall not exceed 4 million dollars. The director of  
6 accounts may limit the amount borrowed to less than the amount approved by the city council.  
7 Notwithstanding chapter 44A of the General Laws, but subject to section 12 of said chapter 44A,  
8 bonds or notes issued for the purposes of this act may be issued, with the approval of the director  
9 of accounts, for a term of not more than 10 years and shall be backed by the full faith and credit  
10 of the city and shall be eligible to be issued as qualified bonds or notes. Indebtedness incurred  
11 pursuant to this act shall not be included in determining the statutory limit of indebtedness of the  
12 city under section 10 of chapter 44 of the General Laws, but, except as provided in this act, shall

13 otherwise be subject to said chapter 44. Amounts raised to pay indebtedness incurred pursuant to  
14 this section shall be subject to section 21C of chapter 59 of the General Laws.

15 (b) The maturity of the bonds or notes authorized pursuant to this act, including any  
16 refunding bonds, may, if approved by the city officers authorized to issue and approve bonds or  
17 notes and by the director of accounts, be arranged so that for each issue the amounts payable in  
18 the several years for principal and interest combined are as nearly equal as is practicable in the  
19 opinion of the officers authorized to issue and approve the bonds or notes or, in the alternative, in  
20 accordance with a schedule providing for a more rapid amortization of principal.

21 (c) Proceeds of any bonds or notes authorized by this act shall be deposited in the general  
22 fund of the city of Methuen.

23 (d) The director of accounts may establish rules and procedures relating to the accounting  
24 standards applicable to the city of Methuen for the purposes of this act and otherwise.

25 SECTION 2. (a) Notwithstanding any general or special law, city charter provision or  
26 local ordinance to the contrary, there shall be in the city a department of administration and  
27 finance which shall be responsible for the overall budgetary and financial administration of the  
28 city. The department shall be under the direction and control of a chief administrative and  
29 financial officer in this section referred to the officer. The officer shall report to and be under the  
30 charge and direction of the Mayor. Nothing in this section shall abrogate the powers and duties  
31 of the city council or the school committee under any general or special law, except as  
32 specifically provided in this section.

33 Whenever the term “chief financial officer” or “director of budget and finance” appears  
34 in a general or special law, charter provision or an ordinance, regulation, contract or other  
35 document with reference to the city, it shall mean the officer of the city.

36 Any reference herein requiring a 2/3 vote of the city council shall be understood to  
37 require a 2/3 majority of the full city council.

38 (b) (1) The officer shall be appointed solely on the basis of administrative and executive  
39 qualifications and shall be a person especially fitted by education, training and experience to  
40 perform the duties of the office. The officer need not be a resident of the city.

41 (2) When the office of officer is vacant or it is known that it will become vacant, the  
42 mayor and the city council shall jointly initiate the selection process by giving notice of the  
43 intention to establish a screening committee to review applicants for the position and shall send a  
44 copy of the notice to each agency or officer responsible for appointing persons to serve on the  
45 screening committee. The mayor shall appoint and the city council shall confirm by a 2/3  
46 majority vote the screening committee not earlier than 21 days after sending that notice. No  
47 screening committee shall be required if the mayor reappoints an incumbent officer who shall be  
48 confirmed by a 2/3 majority vote of the City Council.

49 (3) The screening committee shall consist of 7 members: 1 of whom shall be appointed  
50 by the school committee; 3 of whom shall be appointed by the city council, 1 of whom shall be  
51 an expert in municipal management; 1 of whom shall be appointed by the secretary; and 2 of  
52 whom shall be appointed by the mayor, 1 of whom shall be an expert in municipal management.

53 (4) The screening committee shall recommend to the mayor the names of not fewer than  
54 2 nor more than 5 candidates whom the majority of the committee members believe to be best

55 suited to perform the duties of the officer. If the screening committee determines that there are  
56 not at least 2 candidates qualified to perform the duties of the officer, the screening committee  
57 shall report to the mayor and the city council that it is unable to complete its assigned task, and  
58 the mayor and the city council shall direct the screening committee to reopen the search.

59 (5) The mayor shall appoint and the city council shall confirm by a 2/3's vote, 1 of the  
60 candidates recommended by the screening committee as the officer or, if the mayor finds that no  
61 candidate is qualified for the office, the mayor, jointly with the city council shall direct the  
62 screening committee to reopen the search.

63 (c) Appointments to the office of chief administrative and financial officer pursuant to  
64 subsection (b) shall be for 3 year terms; provided, however, that an incumbent officer may be  
65 reappointed by the mayor, subject of confirmation and re-confirmed by a 2/3 vote of the majority  
66 of the full city council.

67 (d) If a note issued under section 1 remains outstanding, the appointment, including an  
68 acting appointment, or removal of the officer shall not take effect until it has been approved in  
69 writing by the secretary.

70 (e) The powers and duties of the officer shall include the following:

71 (1) coordinating, administering and supervising all financial services and activities in all  
72 departments, including the school department, boards, commissions, agencies, offices or other  
73 units of city government;

74 (2) assisting in all matters related to municipal financial affairs in all departments,  
75 including the school department, boards, commissions, agencies, offices or other units of city  
76 government;

77 (3) implementing and maintaining uniform systems, controls and procedures for all  
78 financial activities in all departments, including the school department, boards, commissions,  
79 agencies, offices or other units of city government the operations of which have a financial  
80 impact upon the general fund and enterprise funds of the city, and including, but not limited to,  
81 maintaining all financial and accounting data and records;

82 (4) implementing and maintaining uniform financial data processing capabilities for all  
83 departments, boards, commissions, agencies and office including the school department, boards,  
84 commissions, agencies, offices or other units of city government;

85 (5) supervising all financial data processing agencies, offices or other units of city  
86 government;

87 (6) reviewing all current and proposed activities including the school department, boards,  
88 commissions, agencies, offices or other units of city government;

89 (7) implementing and maintaining uniform budget guidelines and procedures within all  
90 departments, boards, commissions, agencies, offices and other units of city government;

91 (8) assisting in the development and preparation of all department, board, commission,  
92 agency and office budgets and spending plans including the school department, boards,  
93 commissions, contracts to which the city is a party;

94 (9) monitoring the expenditure of all city funds, including periodic reporting by and to  
95 appropriate agencies of the status of accounts;

96 (10) reviewing the spending plan for each department, including the school department,  
97 board, commission, agency and office; or other units of city government;

98 (11) Within a reasonable period of time, as determined by the requestor on a case by case  
99 basis, after receiving a written request from the mayor or a written request from the city council,  
100 the chief administration and financial officer shall provide an oral or written assessment, or both,  
101 as the mayor or city council may request, of the current and future financial impact of the cost of  
102 any proposed appropriation, lease or contract arrangement for a term including more than 1 fiscal  
103 year, collective bargaining agreement or borrowing authorization, including, but not limited to,  
104 an assessment of how that cost item would relate to the continuous provision of the existing level  
105 of municipal services. To the extent reasonable, this assessment shall include an analysis or other  
106 information of a financial nature requested by the mayor or the city council. Failure to comply to  
107 the request will escalate to the fiscal stability officer for review and resolution for non-  
108 compliance. The assessment and analysis shall be provided by the officer as a professional  
109 opinion.

110 In all cases where the duty is not expressly charged to any other department, city council,  
111 school committee, board, commission, agency or office, it shall be the duty of the officer to  
112 promote, secure and preserve the financial interests of the city. "If the officer fails to provide  
113 this certification within 7 days after a request for such certification from the mayor, city council  
114 or school committee, the appropriation order, financial transfer, ordinance revision, special  
115 legislation or borrowing authorization, lease or contract arrangement for a term including more

116 than 1 fiscal year, or collective bargaining agreement, may nonetheless be approved; but the  
117 absence of the certification of the officer shall be expressly noted in that order or vote.”

118 (12) The city shall be deemed to have accepted section 37M of chapter 71 of the General  
119 Laws for the purpose of consolidating the business and financial operations and functions of the  
120 school department with those of the city under the authority of the chief administrative and  
121 financial officer. The acceptance may be revoked; provided, however, that the city may not  
122 revoke acceptance of said section 37M of said chapter 71 in any year during which a loan issued  
123 under section 1 remains outstanding.

124 (f) All departments, including the school department, board, commission, agency and  
125 office budgets and requests for budget transfers shall be submitted to the officer for review and  
126 recommendation before submission to the mayor, city council or school committee, as  
127 appropriate. For each proposed appropriation order, lease or contract arrangement for a term,  
128 including more than 1 fiscal year, collective bargaining agreement and with respect to any  
129 proposed city council vote necessary to effectuate a financial transfer, ordinance revision or  
130 special legislation which may require the expenditure of funds or otherwise financially obligate  
131 the city for a period in excess of 1 year, or with respect to a vote to authorize a borrowing under  
132 a law other than section 4, 6 or 6A of chapter 44 of the General Laws, the officer shall, if it be  
133 the case, submit in writing to the mayor and city council, and include the school committee, if  
134 appropriate, a certification that it is the officer’s professional opinion, after an evaluation of all  
135 pertinent financial information reasonably available, that the city's financial resources and  
136 revenues are, and will continue to be, adequate to support such proposed expenditures or  
137 obligations without a detrimental impact on the continuous provision of the existing level of  
138 municipal services. If the officer fails to provide this certification within 7 days after a request



139 for such certification from the mayor, city council or school committee, the appropriation order,  
140 financial transfer, ordinance revision, special legislation or borrowing authorization may  
141 nonetheless be approved, but the absence of the certification of the officer shall be expressly  
142 noted in that order or vote.

143 (g) All departments, officers, boards, commissions, agencies and other units of the city,  
144 including the school department, shall submit budget requests to the mayor upon the schedule  
145 and in the form established by the officer.

146 (h) Annually, not later than March 30, the officer shall submit a 4-year revenue and  
147 expenditure financial forecast and a 5-year capital plan to the mayor and city council that  
148 includes all capital needs of the city.

149 (i) The board of assessors, treasurer-collector, budget director, director of information  
150 technology, purchasing agent, director of human resources, labor relations director, school  
151 business manager and employees performing similar duties but with different titles shall report to  
152 and be under the direction of the officer. The officer, with the approval of the mayor and  
153 confirmation by the city council, shall appoint all such officers and employees.

154 (j) The officer shall not hold an elective office and shall devote the officer's full time and  
155 attention to the officer's duties.

156 (k) The city shall annually appropriate amounts sufficient for the proper administration of  
157 the department, as determined in writing by the secretary. If the city fails to appropriate such  
158 amounts, the secretary shall direct the state treasurer to deduct the necessary funds from the  
159 city's distribution of the city's unrestricted general aid and shall expend those funds directly for  
160 the benefit of the department.

161 (l) In any year in which bonds or notes issued under section 1 remains outstanding, the  
162 officer shall submit to the director of accounts all reports required under section 3.

163 SECTION 3. (a) For fiscal year 2019 and any other year in which notes authorized  
164 pursuant to this act remain outstanding, not later than 10 days after the adoption of the city  
165 budget of the city of Methuen, or on July 1, whichever occurs first, the chief administrative and  
166 finance officer shall submit to the director of accounts a pro forma tax rate recapitulation for the  
167 following fiscal year, together with a copy of the adopted budget and such supporting revenue  
168 and expenditure information as the director may request. The director of accounts shall ascertain  
169 whether the city budget for that fiscal year contains reasonable revenues from taxation and other  
170 sources to meet the appropriations and other amounts required to be raised pursuant to section 23  
171 of chapter 59 of the General Laws and the director shall report the findings to the city council  
172 and mayor. The tax rate for the year shall not be approved until an annual tax rate recapitulation  
173 is submitted to the director of accounts that reflects the actions the city has approved or taken to  
174 achieve a balanced budget.

175 (b) In any year during which bonds or notes authorized pursuant to this act remain  
176 outstanding, the commissioner of revenue shall not certify the annual tax rate of the city of  
177 Methuen until an audit report for the preceding fiscal year has been received and accepted by the  
178 director of accounts. The audit report shall be prepared by a certified public accountant in  
179 accordance with generally accepted auditing standards and shall include relevant financial  
180 statements.

181 (c) In any year during which bonds or notes authorized pursuant to this act remain  
182 outstanding, the city shall submit to the director of accounts quarterly reports presenting a budget

183 to actual comparison of revenues and expenditures. The written reports shall be submitted not  
184 later than 30 days after the conclusion of each fiscal quarter and shall be in the form and include  
185 the information and detail that the director of accounts may prescribe.

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

189 (e) In any year during which bonds or notes authorized by this act remain outstanding, the  
190 city shall submit to the director of accounts a balance sheet and have its free cash certified before  
191 setting the annual tax rate.

192 (f) In any year in which bonds or notes authorized pursuant to this act remain  
193 outstanding, the director of accounts may waive reporting, filing or approval requirements  
194 contained in this section if the director determines it is appropriate to effectuate the purposes of  
195 this act.

196 SECTION 4. (a) For the purposes of this section, the following words shall have the  
197 following meaning unless the context clearly requires otherwise:

198 “Emergency”, a major disaster, including, but not limited to, flood, drought, fire,  
199 hurricane, earthquake, storm or other catastrophe, whether natural or otherwise, which poses an  
200 unexpected and immediate threat to the health and safety of persons or property.

201 “Official”, a permanent, temporary or acting city department head.

202 (b) No official of the city of Methuen, except in the case of an emergency involving the  
203 health and safety of the people or their property, shall knowingly expend or cause to be expended

204 in any fiscal year any sum in excess of that official's departmental or other governmental unit's  
205 appropriation duly made in accordance with the law or commit the city or cause the city to be  
206 committed to any obligation for the future payment of money in excess of that appropriation,  
207 with the exception of court judgments. An official who intentionally violates this section shall be  
208 personally liable to the city for the amounts expended in excess of an appropriation to the extent  
209 that the city does not recover these amounts from the person to whom the amounts were paid.  
210 The superior court or a single justice of the supreme judicial court shall have jurisdiction to  
211 adjudicate claims brought by the city, or the attorney general, under this section and to order  
212 relief that the court finds appropriate to prevent further violations of this section.

213 (c) Notwithstanding any general or special law to the contrary, any violation of this  
214 section shall be considered sufficient cause for removal by the school department or general  
215 government appointing authority pursuant to subsection (c) of section 9-10 of article 9 of the city  
216 charter.

217 SECTION 5. (a) Not later than 30 days after the effective date of this act, the secretary of  
218 administration and finance shall appoint a fiscal stability officer for the city of Methuen to advise  
219 the city government as it manages the city's fiscal challenges. The stability officer shall:

220 (1) recommend to the mayor, city council and school committee sound fiscal policies;

221 (2) advise the chief administrative and financial officer, assessors, auditor, treasurer,  
222 collector, purchasing agent, school business manager and employees performing similar duties  
223 but with different titles;

224 (3) provide assistance in all matters related to municipal financial affairs, including those  
225 concerning the school department;

- 226 (4) assist in development and preparation of all department budgets and spending plans;
- 227 (5) validate and report on the value of all current and proposed contracts and obligations;
- 228 (6) validate and report on the value of all proposed contracts executed pursuant to chapter  
229 150E of the General Laws;
- 230 (7) provide a written overview on the annual budget proposal submitted by the mayor;
- 231 (8) provide a written overview on the final budget as approved by the city council,  
232 including any appropriation necessary to support a collective bargaining agreement executed  
233 pursuant to said chapter 150E;
- 234 (9) provide a written overview on any supplemental budgets submitted to the city council,  
235 including any supplemental budget request necessary to support a collective bargaining  
236 agreement executed pursuant to said chapter 150E;
- 237 (10) be informed of and opine upon all budget transfer requests before their submission to  
238 the city council or school committee, including any budget transfer request necessary to support  
239 a collective bargaining agreement executed pursuant to said chapter 150E;
- 240 (11) opine and provide written approval on any proposed use of free cash, overlay  
241 surplus, or any other 1-time revenues as determined by the fiscal stability officer; and
- 242 (12) report quarterly to the secretary and to the house and senate committees on ways and  
243 means, mayor and city council on the progress made towards reducing the city's capital and  
244 structural deficits.

245 (b) The city shall bear the cost of any consultant obtained on its behalf if recommended  
246 by the fiscal stability officer. The aggregate of any and all consultant contracts shall not exceed  
247 \$100,000 on an annual fiscal year basis.

248 (c) Not later than 180 days after the effective date of this act, the mayor shall submit to  
249 the city council the 5-year capital plan called for in subsection (h) of section 2. Upon submission  
250 to the city council, the fiscal stability officer shall provide a written review of the proposed  
251 capital plan.

252 (d) Not later than January 2, 2019, the mayor shall submit in writing to the city council,  
253 the 4-year revenue and expenditure forecast called for in subsection (h) of section 2.

254 (e) Thereafter, the mayor shall submit in writing annually by May 1st, along with the  
255 mayor's annual budget proposal, such a forecast. Any forecast shall be reviewed by the fiscal  
256 stability officer prior to submission to the city council.

257 (f) The fiscal stability officer, in consultation with the department of elementary and  
258 secondary education, shall conduct a review of the school department's FY 2018 and 2019  
259 budget and spending. The cost of the review shall be borne by the city of Methuen. The school  
260 department for the city of Methuen shall cooperate with this review to the maximum extent  
261 permissible under state and federal law.

262 (g) After July 1, 2020 and while debt issued pursuant to this act is outstanding, if a fiscal  
263 overseer has not been appointed and if the secretary of administration and finance, in the  
264 secretary's sole discretion, determines that the city has taken the steps necessary to achieve long-  
265 term fiscal sustainability and no longer requires active state oversight, the secretary may abolish  
266 the position of fiscal stability officer.

267 SECTION 6. (a) The fiscal stability officer shall report in writing, including the  
268 underlying reasons, to the secretary if the city cannot set a tax rate for any fiscal year by January  
269 31 of that year.

270 (b) The fiscal stability officer shall report in writing to the secretary the officer concludes  
271 that the city: (i) is unable to achieve a balanced budget; (ii) faces a fiscal crisis that poses an  
272 imminent danger to the safety of the citizens of the city and their property; or (iii) will not  
273 achieve fiscal stability without the assistance of a fiscal overseer.

274 (c) If the fiscal stability officer reports to the secretary under subsections (a), (b), the  
275 secretary shall immediately abolish the fiscal stability officer and appoint a fiscal overseer, as  
276 recommended by the fiscal stability officer.

277 (d) A fiscal overseer appointed under this section shall have all of the powers and duties  
278 set forth in section 7.

279 (e) If the director notifies the secretary in writing that the city is unable to achieve a  
280 balanced budget or set a tax rate at any time after the abolition of the fiscal stability officer and  
281 while the debt issued under this act is still outstanding, then the secretary shall establish a fiscal  
282 overseer.

283 SECTION 7. (a) If a fiscal overseer is appointed under section 6, the overseer shall assess  
284 the ability of the city government to manage the city's fiscal challenges. The overseer shall  
285 without limitation:

286 (1) recommend to the mayor, city council and school committee sound fiscal policies for  
287 implementation;

288 (2) advise the chief financial officer, assessors, comptroller, treasurer, collector,  
289 purchasing agent, school business manager and employees performing similar duties but with  
290 different titles;

291 (3) provide assistance in all matters related to municipal financial affairs, including the  
292 school department;

293 (4) assist in development and preparation of all department budgets and spending plans;

294 (5) approve or reject all proposed contracts and obligations with a term of 1 year or more;

295 (6) approve or reject all collective bargaining agreements entered into by the city or by  
296 the school department based on the fiscal overseer's determination, after an evaluation of all  
297 pertinent financial information reasonably available, as to whether the city's financial resources  
298 are, and will continue to be, adequate to support such collective bargaining agreement without a  
299 detrimental impact on the continuing provision of the existing level of municipal services. The  
300 overseer's determination shall be set forth in a certified report to the secretary with a statement of  
301 reasons and shall occur before cost items in the agreement are submitted to the mayor and city  
302 council;

303 (7) approve the annual budget proposal submitted by the mayor;

304 (8) approve any supplemental budgets submitted to the city council;

305 (9) approve, reject, or modify all budget transfer requests before submission to the city  
306 council or school committee;

307 (10) approve, reject, or modify any proposed use of free cash, overlay surplus, or any  
308 other one-time revenues as determined by the fiscal overseer; and



309 (11) report quarterly to the secretary, house and senate committees on ways and means,  
310 mayor and city council on the progress made towards reducing the city's capital and structural  
311 deficits;

312 (b) The city shall annually appropriate amounts sufficient for the proper administration of  
313 the fiscal overseer and staff, as determined in writing by the secretary. If the city fails to  
314 appropriate such amounts, the secretary shall direct the state treasurer to deduct the necessary  
315 funds from the city's distribution of unrestricted general aid and shall expend those funds  
316 directly for the benefit of the fiscal overseer and staff.

317 (c) Notwithstanding any general or special law to the contrary, if the city reaches impasse  
318 in its collective bargaining negotiations with any bargaining unit which represents any city  
319 employees, the exclusive remedy for resolving such impasse shall be that set forth in section 9 of  
320 chapter 150E of the General Laws. Arbitration under said section 9 shall occur only if the fiscal  
321 overseer consents after his evaluation of all pertinent financial information which is reasonably  
322 available. If the fiscal overseer does not consent, he shall state his reasons in a written report to  
323 the mayor and city council.

324 SECTION 8. (a) The fiscal overseer shall report in writing, including the underlying  
325 reasons, to the secretary if city cannot set a tax rate for any fiscal year by January 31 of that year.

326 (b) The fiscal overseer shall report in writing to the secretary, mayor and city council if  
327 the fiscal overseer concludes that the city: (i) is unable to achieve a balanced budget; (ii) faces a  
328 fiscal crisis that poses an imminent danger to the safety of the citizens of the city and their  
329 property; or (iii) will not achieve fiscal stability without the assistance of a finance control board.

330 (c) If the fiscal overseer reports to the secretary under subsections (a), (b), the secretary  
331 shall immediately abolish the overseer and appoint a finance control board.

332 (d) A finance control board appointed under this section shall have all of the powers and  
333 duties set forth in section 9.

334 (e) At any time after July 1, 2020 and while debt issued under this act is outstanding, if a  
335 finance control board has not been appointed and if the secretary, in the secretary's sole  
336 discretion, determines that the city has taken steps necessary to achieve long-term fiscal  
337 sustainability and no longer requires active state oversight, the secretary may abolish the  
338 overseer.

339 (f) If the director of accounts notifies the secretary in writing that the city is unable to  
340 achieve a balanced budget or set a tax rate at any time after the abolition of the overseer and  
341 while the debt issued under this act is still outstanding, then the secretary shall establish a finance  
342 control board.

343 SECTION 9. (a) If a finance control board is established under section 8, it shall consist  
344 of 7 members: 4 of whom shall be designees of the secretary 1 of whom shall be the mayor of  
345 the city and 2 of whom shall be the chairman of the city council and a designee. The board shall  
346 act by a majority vote of all its members. The board shall initiate and assure the implementation  
347 of appropriate measures to secure the financial stability of the city. The board shall continue in  
348 existence until the secretary abolishes it. The board shall be a state agency for the purposes of  
349 chapter 268A of the General Laws.

350 (b) Action by the board under this act shall constitute action by the city for all purposes  
351 under the General Laws and under any special law.

352 (c) Until the board ceases to exist, no appropriation, borrowing authorization, transfer, or  
353 other municipal spending authority shall take effect until approved by the board. The board shall  
354 approve all appropriations, borrowing authorizations, transfers and other municipal spending  
355 authorizations, in whole or part.

356 (d) In addition to the authority and powers conferred elsewhere in this act, and  
357 notwithstanding any city charter provision or local ordinance to the contrary, the board shall  
358 have the power to:

359 (1) amend, formulate and execute the annual budget and supplemental budgets of the city  
360 and the school committee, including the establishment, increase or decrease of any  
361 appropriations and spending authority for all departments, boards, committees, agencies or other  
362 units of the city and the school committee; provided, however, that notwithstanding section 34 of  
363 chapter 71 of the General Laws, this clause shall fully apply to the school department and all  
364 school spending purposes;

365 (2) implement and maintain uniform budget guidelines and procedures for all  
366 departments;

367 (3) amend, formulate and execute capital budgets, including to amend any borrowing  
368 authorization, or finance or refinance any debt in accordance with the law;

369 (4) amortize operational deficits in an amount and for such term as the secretary approves  
370 on an annual basis;

371 (5) develop and maintain a uniform system for all financial planning and operations in all  
372 departments, offices, boards, commissions, committees, agencies or other units of the city's  
373 government, including the school department;

374 (6) review and approve or disapprove all proposed contracts for goods or services;

375 (7) approve or reject all collective bargaining agreements entered into by the city or by  
376 the school department based on the board's determination, after an evaluation of all pertinent  
377 financial information reasonably available, as to whether the city's financial resources are, and  
378 will continue to be, adequate to support such collective bargaining agreement without a  
379 detrimental impact on the continuing provision of the existing level of municipal services. The  
380 board's determination shall be set forth in a certified report to the secretary with a statement of  
381 reasons and shall occur before cost items in the agreement are submitted to the city's mayor and  
382 city council;

383 (8) notwithstanding any general or special law to the contrary, establish, increase or  
384 decrease any fee, rate or charge, for any service, license, permit or other municipal activity,  
385 otherwise within the authority of the city;

386 (9) appoint, remove, supervise and control all city employees and have control over all  
387 personnel matters; provided, that the board shall hold all existing powers to hire and fire and set  
388 the terms and conditions of employment held by other employees or officers of the city, whether  
389 or not elected; provided, further, that the board shall have the authority to exercise all powers  
390 otherwise available to a municipality regarding contractual obligations during a fiscal  
391 emergency; provided, further, that no city employee or officer shall hire, fire, transfer or alter the  
392 compensation or benefits of a city employee except with the written approval of the board; and

393 provided further that the board may delegate or otherwise assign these powers with the approval  
394 of the secretary;

395 (10) alter the compensation of elected officials of the city to reflect the fiscal emergency  
396 and changes in the responsibilities of the officials as provided by this act;

397 (11) employ, retain and supervise such managerial, professional and clerical staff as are  
398 necessary to carry out its responsibilities; provided, however, that such employment, retention  
399 and supervisory decisions are subject to the approval of the secretary; provided, further, that the  
400 board, with the approval of the secretary, shall have authority to set the compensation, terms and  
401 conditions of employment of its own staff; provided, further, that the city shall annually  
402 appropriate amounts sufficient for the compensation of personnel hired under this clause as  
403 determined and fixed by the board; provided, further, that if the city fails to appropriate such  
404 amounts, the secretary shall direct the state treasurer to deduct the necessary funds from the  
405 city's distribution of unrestricted general aid and shall expend those funds directly for the benefit  
406 of the board; and provided, further, that staff hired under this subsection shall be deemed to be  
407 state employees, except such employees as the board formally designates independent  
408 contractors, and shall have benefits consistent with those of other state employees under the  
409 General Laws; provided, further, that chapters 31 and 150E of the General Laws shall not apply  
410 to such employees;

411 (12) reorganize, consolidate or abolish departments, commissions, boards, offices or  
412 functions of the city, in whole or in part, and to establish such new departments, commissions,  
413 boards, offices or functions as it deems necessary, and to transfer the duties, powers, functions

414 and appropriations of a department, commission, board, office or other unit to another  
415 department, commission, board or office;

416 (13) appoint, in consultation with the secretary persons to fill vacancies on any board,  
417 committee, department or office acting in an advisory capacity to the board;

418 (14) sell, lease or otherwise transfer real property and other assets of the city with the  
419 approval of the secretary;

420 (15) purchase, lease or otherwise acquire property or other assets on behalf of the city  
421 with the approval of the secretary;

422 (16) adopt rules and regulations governing the operation and administration of the city;

423 (17) seek voter approval of general override, debt exclusion or capital expenditure  
424 exclusion ballot questions as provided in section 21C of chapter 59 of the General Laws;

425 (18) approve the allocation of the tax levy through the selection of a residential factor  
426 under section 56 of chapter 40 of the General Laws; provided, however, that no choice of a  
427 residential factor under said section 56 shall be valid until it has been approved by the board;

428 (19) alter or rescind any action or decision of any municipal officer, employee, board or  
429 commission within 14 days after receipt of notice of such action or decision;

430 (20) suspend, in consultation with the secretary any rules and regulations of the city and  
431 to adopt rules and regulations to carry out this act; and

432 (21) exercise all powers under the General Laws and this or any other special act, any  
433 city charter provision or ordinance that any elected official of the city may exercise, acting

434 separately or jointly; provided, however, that with respect to any such exercise of powers by the  
435 board, the elected officials shall not rescind or take any action contrary to such action by the  
436 board so long as the board continues to exist.

437 (e) Notwithstanding any general or special law to the contrary, if the city reaches impasse  
438 in its collective bargaining negotiations with any bargaining unit which represents any city  
439 employees, the exclusive remedy for resolving such impasse shall be that set forth in section 9 of  
440 chapter 150E of the General Laws. Arbitration under said section 9 shall occur only if the  
441 finance control board consents after its evaluation of all pertinent financial information which is  
442 reasonably available. If the board does not consent, the board shall state its reasons in a written  
443 report to the mayor and city council.

444 (f) Any such actions contained within this section shall be reported to the mayor and city  
445 council.

446 SECTION 10. This act shall be effective notwithstanding any general or special law, city  
447 charter provision or local ordinance to the contrary.

448 SECTION 11. This act shall take effect upon its passage.