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the surplus revenue account of said town as reimbursement for funds expended to retire a note in the principal amount of one hundred thousand dollars, issued in anticipation of reimbursement by the commonwealth and the United States, authorized by a vote passed on March twenty-third, nineteen hundred and eighty-two under Article 19 of the warrant for the annual town meeting. Bonds or notes issued under this act shall otherwise be subject to the provisions of chapter forty-four of the General Laws applicable to other debt incurred under said vote.

Approved December 6, 1985.

Chapter 568. AN ACT RELATIVE TO THE CONVEYANCE OF A CERTAIN PARCEL OF LAND TO THE TOWN OF FRAMINGHAM.

Be it enacted, etc., as follows:

SECTION 1. Section 3 of chapter 419 of the acts of 1985 is hereby amended by striking out the fourth paragraph and inserting in place thereof the following paragraph:-

Said parcel of land together with the parcel set forth in section two shall be used as a central public works facility and garage for said town; provided, however, that any plans for said facility and garage, any alterations or additions thereto, shall be submitted to said division to be placed on file; and provided further, that a copy of such plans, alterations or additions thereto shall be sent by the town and said division to the clerk of the house of representatives who shall forward copies to the joint committee on state administration of the general court to be kept on file. In the event that said land is not used for the aforementioned purpose, or that such plans are not submitted to said division or not submitted to the said clerk of the house of representatives for filing within five years of the effective date of this act, or that the land ceases to be used for the aforementioned purpose at anytime, it shall revert to the commonwealth without consideration.

SECTION 2. This act shall take effect upon its passage.

Approved December 9, 1985.

Chapter 569. AN ACT AUTHORIZING THE CITY OF HAVERHILL TO REFUND CERTAIN HOSPITAL BONDS AND TO ESTABLISH A HOSPITAL ENTERPRISE FUND.

Be it enacted, etc., as follows:

SECTION 1. The city of Haverhill may issue refunding bonds for the purpose of paying or refunding all or any designated part of its bonds then outstanding issued under chapter four hundred fifty-one of the acts

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of nineteen hundred and seventy-eight. Except as provided in this act the issuance of refunding bonds, the maturities and other details thereof, the security therefor, and the rights, duties and obligations of the city in respect to the same shall be governed by the applicable provisions of said chapter four hundred and fifty-one relating to the issuance of bonds other than refunding bonds, including the provisions of section one A of said chapter four hundred and fifty-one relating to establishment of a hospital debt service fund. The refunding bonds may be issued in amounts sufficient to pay or provide for the payment of the principal of the bonds being refunded, together with any redemption premium thereon, any interest accrued or to accrue to the date of payment of such bonds, the expenses of issue of the refunding bonds, and the expense of redeeming the bonds being refunded. Such refunding bonds may be issued at one time or from time to time and may be refunded by the issuance of additional refunding bonds under this act; provided, however, that no refunding bonds shall be payable over a period longer than thirty years from the date of the original bonds issued under said chapter four hundred and fifty-one. If such refunding bonds are issued prior to the maturity or redemption date of the bonds being refunded, an amount of the proceeds of the refunding bonds and other moneys then available or to become available to the city, which moneys may include income to be derived from the investment of such proceeds, sufficient to pay or provide for the payment of the principal, redemption premium, if any, and interest on the bonds so refunded to the date fixed for their payment or redemption shall be held in a separate fund and in trust solely for the payment of such principal, redemption premium and interest. The funds so held may be invested pursuant to section fifty-five of chapter forty-four of the General Laws and the income derived from such investment may be expended to pay the principal, redemption premium, if any, and interest on the bonds being refunded until they are paid or redeemed; provided that notwithstanding any limitation on the maturity of investments under said section fifty-five, any such investment may have a maturity not later than the date fixed for the payment or redemption of the bonds being refunded. Upon payment of the refunded bonds or establishment of a refunding trust fund in accordance with this section, any hospital debt service fund established under section one A of said chapter four hundred and fifty-one for the bonds being refunded and any trust agreement or credit agreement executed in connection with the issuance of the bonds being refunded may be terminated or modified so as to apply to and provide security for the refunding bonds; provided, however, that any moneys in such a hospital debt service fund on the date of issuance of the refunding bonds that the city treasurer determines to be unnecessary to pay debt service on the refunded bonds shall be credited to the city's unreserved general fund balance.

SECTION 2. In connection with any bond insurance to secure bonds issued under the provisions of this act, the city may enter into an agreement with the insurer containing such provisions for protecting and enforcing the rights and remedies of the insurer as may, in the discretion of the mayor city council and the treasurer, be reasonable and proper,

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including, without limiting the generality of the foregoing, provisions defining defaults and providing for remedies in the event thereof, and covenants setting forth the duties of and limitations on the hospital and the city in relation to the custody, investment and application of moneys, the fixing, revision and collection of hospital fees and charges, the establishment of reserves, and the making and amending of contracts. Any such agreement may, under certain circumstances relating to the financial condition of the hospital, require the city to retain independent financial or management consultants or a hospital management company, and make any contract with such a consultant or management company subject to approval by the insurer, which approval shall not be unreasonably withheld.

SECTION 3. The loan order approved by the mayor on November twenty-second, nineteen hundred and eighty-five, authorizing a borrowing of up to thirty-seven million dollars for the purposes set forth in section one, is hereby validated, ratified and confirmed, and the treasurer with the approval of the mayor is authorized to incur such indebtedness without further action by the city council.

SECTION 4. The city of Haverhill is hereby authorized to establish an enterprise fund to be known as the "Hale Municipal Hospital Enterprise Fund" to account for the activities of the hospital. In connection with the establishment of this enterprise fund, the city may establish a separate bank account, to be known as the "Hale Hospital Operations Account", for the city hospital. Into such account shall be deposited all receipts, revenues and funds from any source derived from any activity of the city hospital. The account authorized by this section shall be maintained by the city treasurer in a bank or trust company in the commonwealth and expenditures from such account shall be made by the director of the city hospital, subject to appropriation in accordance with chapter forty-four of the General Laws, and used solely for the operation and maintenance of and the provision of capital equipment and plant for said hospital. The city treasurer shall be authorized to invest the monies in such account in accordance with sections fifty-five and fifty-five A of chapter forty-four of the General Laws and the interest accruing thereon shall inure to the benefit of the city hospital. The city may also establish a separate "Hale Hospital Fund Balance" account in the accounting records of the city. The fund balance shall be credited as of July first, nineteen hundred and eighty-five with the opening fund balance of the Hale Municipal Hospital Enterprise Fund. The opening fund balance shall be equal to the net assets of the hospital transferred to said enterprise fund as of July first, nineteen hundred and eighty-five and shall include all of the assets and liabilities related to the operation of the hospital, including but not limited to, cash, accounts receivable, inventories, prepaid expense, warrants and accounts payable and other liabilities, trust funds and property, plant and equipment.

The accounting for said enterprise fund shall be in accordance with generally accepted accounting principles and accordingly the activities of the hospital shall be accounted for on a full accrual basis and shall be

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audited annually by a certified public accountant. Such audit reports shall be submitted to the board of trustees of said hospital, the mayor and the members of the city council of said city. For the purpose of providing health care, said city may from time to time appropriate monies to said enterprise fund from other available funds and donations from private sources may be received into such fund. At the close of each fiscal year any deficit in the Hale Hospital Fund Balance Account shall be reported by the auditor to the assessors, who shall include the amount so reported in the aggregate appropriations to be assessed in the next subsequent annual tax levy, unless the city has provided funds to eliminate such deficit. Any deficit so incurred shall be subject to all applicable provisions of chapter fifty-nine of the General Laws. Any surplus in the Hale Hospital Fund Balance account at the close of a fiscal year shall be retained in said account and, subject to appropriation in accordance with chapter forty-four of the General Laws, shall be used solely for the operation and maintenance of and the provision of capital equipment and plant for said hospital.

SECTION 5. The city treasurer, upon the written request of the director of the city hospital, may advance funds from the general fund of the city in any fiscal year in anticipation of the receipt of revenues of the city hospital for that same fiscal year. Such advances outstanding at any one time in any fiscal year shall not exceed, in the aggregate, twenty-five per cent of the annual expense of the current fiscal year as certified by the director, or such larger amount as may be approved by the mayor and the city council. All such sums so advanced shall be deposited into the operations account established under section four and the director shall prior to the end of each fiscal year repay such advances to the general fund together with an amount equal to the interest as determined by the city treasurer to be allocable to any debt incurred during that fiscal year by the city in anticipation of revenue in order to make such advances.

SECTION 6. The director of the city hospital shall file with the mayor, the city council, the treasurer of said city and the bureau of accounts a written report of the enterprise fund established under the provisions of section four within one hundred and twenty days after the books are closed for the fiscal year. Such report shall include financial statements relating to the operations, maintenance, capital and real and personal properties of said hospital.

SECTION 7. Sections one, two, three and seven of this act shall take effect upon its passage. Sections four, five and six shall take effect as of July first, nineteen hundred and eighty-five.

Approved December 9, 1985.

Chapter 570. AN ACT AUTHORIZING THE SALE OF CERTAIN PUBLIC HOUSING PROJECTS.