

SENATE No. 1522

By Mr. Berry, a petition (accompanied by bill, Senate, No. 1522) of Frederick E. Berry and Michael P. Cahill (with the approval of the mayor board of aldermen) for legislation to authorize the city of Beverly to amortize the revenue deficit over a period of three years. Local Affairs.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Three.

AN ACT AUTHORIZING THE CITY OF BEVERLY TO AMORTIZE THE REVENUE DEFICIT OVER A PERIOD OF THREE YEARS.

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. (Amortization — Remedial Plan — Reporting).
2 Notwithstanding the provisions of any general or special law
3 to the contrary; the City of Beverly is hereby authorized to
4 capitalize certain sums, the amortization amount, and fund the
5 amortization amount over a period starting with fiscal year
6 nineteen hundred and ninety-three and not exceeding three years,
7 except as provided in this act. Unless determined otherwise
8 pursuant to the provisions of this act, the amortization amount
9 shall be the projected revenue deficit of five million, four hundred
10 seventy-six thousand and fifty-five dollars, notwithstanding that
11 the undesignated fund balance deficit is seven million, eight
12 hundred twenty-three thousand, nine hundred dollars. At such
13 time as the commissioner of revenue certifies that no further
14 amortization as provided for herein is necessary as a result of the
15 full funding and elimination of the amortization amount, all
16 powers, rights, duties, obligations and requirements arising
17 exclusively pursuant to the provisions of this act shall expire.
18 Provided, however, that the aforementioned amortization
19 amount may be increased or decreased by the City of Beverly, with
20 the approval of the commissioner of revenue, based upon
21 financial information reported and certified by the City's

22 independent certified public accounting firm. For fiscal year
23 nineteen hundred and ninety-three, and fully subject to the provi-
24 sions and limitations of section twenty-one C of chapter fifty-nine
25 of the General Laws, the board of assessors of the City of Beverly,
26 may, subject to the approval of the commissioner of revenue,
27 deduct such portion of the amortization amount as the commis-
28 sioner approves as consistent with the terms, requirements and
29 purposes of the remedial plan provided for herein from the
30 amount to be assessed pursuant to section twenty-three of chapter
31 fifty-nine of the General Laws. Under the conditions imposed
32 herein, the assessors of the city of Beverly may similarly deduct
33 for fiscal year nineteen hundred and ninety-four such portion of
34 the amortization amount as the commissioner of revenue
35 approves from the amount to be assessed for that fiscal year
36 pursuant to section twenty-three of chapter fifty-nine of the
37 General Laws. The deductions as are herein authorized for the
38 fiscal years nineteen hundred and ninety-three and nineteen
39 hundred and ninety-four shall be permissible only to the extent
40 that the commissioner of revenue determines and approves in each
41 of those fiscal years that such deduction is necessary and appro-
42 priate to achieving and maintaining fiscal stability in the city of
43 Beverly.

44 As a condition of any amortization under authority of this act,
45 the city of Beverly shall develop and adopt by vote of the board
46 of alderman with the approval of the mayor a three year remedial
47 plan, acceptable to the commissioner of revenue, for implement-
48 ing budgetary and fiscal initiatives to eliminate financial deficits
49 and the recurrence thereof and restore fiscal stability in the city
50 of Beverly. The plan shall contain a schedule of budgetary and
51 operational actions and establish financial objectives and
52 timetables to eliminate deficits and produce balanced budgets, and
53 shall also include initiatives that will result in (a) improved
54 budgetary and expenditure controls; (b) timely and supportable
55 projections of anticipated revenues of all city departments and
56 municipal enterprises for the ensuing fiscal year for use in the
57 annual budget process; (c) monthly reporting by the finance
58 director/city auditor for all city departments, boards and commis-
59 sions of all receipts and expenditures of the month. Such reports
60 shall include a comparison of actual expenditures to projected

61 expenditures for the month, and actual receipts for the month to
62 projected receipts for the month and actual receipts of the same
63 month of the prior fiscal year; (d) quarterly reports of staffing
64 levels and personnel changes for all city departments, including
65 a summary of reductions in force, appointments to existing
66 positions, new positions created, appointments to such new
67 positions, and such other personnel expense information as the
68 commissioner of revenue shall determine is relevant to achieving
69 and maintaining fiscal stability in the city; (e) quarterly reports
70 projecting personnel requirements and expenses for all city
71 departments, boards and commissions for the ensuing fiscal
72 quarter and the remainder of the then current fiscal year; (f) timely
73 departmental financial reporting, prompt closure of the
74 city's annual accounting records and issuance of annual financial
75 statements, and the submission of the schedule A, so-called, and
76 city balance sheet of the prior fiscal year to the commissioner of
77 revenue on or before December 15 of each year; (g) procedures
78 or programs for the improved collection of delinquent taxes,
79 excises, user fees and other municipal accounts receivable. All
80 statements, reports, summaries or other financial information
81 produced pursuant to the foregoing requirements shall be
82 submitted to the mayor, board of aldermen and the city
83 auditor/finance director, and upon a request therefor to the
84 commissioner of revenue.

85 In the event that the remedial plan adopted by the city of Beverly
86 fails to receive the commissioner of revenue's approval, or a plan
87 approved by the commissioner is not adhered to, whether in whole
88 or in part, or its financial objectives or goals are not achieved,
89 such failure in and of itself shall be a sufficient basis for the
90 commissioner to deny or suspend approval of any amortization
91 or deduction authorized under this act. Notwithstanding the
92 foregoing, an approved and accepted remedial plan may be
93 altered, amended or changed by the city of Beverly provided that
94 the commissioner of revenue approves each alteration,
95 amendment or change.

96 Except as is expressly provided for herein, this act shall not
97 authorize or permit any alteration in the maintenance of the city
98 of Beverly's accounts nor in the procedures whereby the assessors
99 annually determine the amount of taxes to be assessed.

100 The commissioner of revenue is further authorized to require,
101 as a condition of his annual approval of the amortization and
102 deductions as are provided for herein, that the city of Beverly:

103 (a) submit for said commissioner's review a copy of the
104 proposed annual budget document as well as any supplemental
105 appropriation orders as may from time to time be made. The
106 commissioner may further require that the city of Beverly
107 incorporate in such annual budget document and supplemental
108 appropriation orders such specific expenditure, revenue or other
109 financial information as he deems reasonable or useful to ensure
110 a balanced annual budget and promote fiscal stability in the city
111 of Beverly.

112 (b) submit to the commissioner within three days of its
113 enactment, or such longer time period as is approved by the
114 commissioner, a certified copy of the annual appropriation order,
115 together with an annual revenue budget for the year and a
116 statement of all expenditures and liabilities for the year that will
117 not be raised within the annual appropriation order. The
118 aforementioned annual revenue budget and statement of expen-
119 ditures and liabilities shall be in such form and detail as is
120 prescribed by the commissioner and shall be approved by the
121 mayor and by vote of the board of aldermen of the city. The city
122 shall submit with the annual appropriation order a detailed
123 summary, with such specificity as the commissioner may require,
124 of all personnel positions authorized or funded by the annual
125 appropriation order.

126 (c) during fiscal years nineteen hundred and ninety-four and
127 nineteen hundred and ninety-five, by action of the city
128 auditor/finance director, produce within thirty days of the
129 conclusion of each month or such other time period as the
130 commissioner deems appropriate, a report comparing the
131 projected and budgeted revenues and appropriations for such
132 month to actual receipts and expenditures for such month. Each
133 such monthly report shall be in the form and detail prescribed
134 by the commissioner, shall be certified by the city auditor/finance
135 director, and shall be submitted to the mayor and board of
136 aldermen. Within three days of a request therefor, a copy of such
137 report shall be transmitted by the city auditor/finance director
138 to the commissioner of revenue.

1 SECTION 2. In the event that the commissioner of revenue
2 determines that as a result of unanticipated or extraordinary
3 developments the city of Beverly will not be able to implement
4 all the initiatives, actions and proposals included in the approved
5 remedial plan, eliminate all accrued deficits, and achieve fiscal
6 stability within the three year remedial period without impairing
7 the ability of the city to continue to provide essential public safety
8 and other fundamental governmental services, the commissioner
9 may, upon such terms and conditions as he deems appropriate,
10 allow for the extension of the remedial plan and amortization
11 period as provided for in this act for a period not to exceed one
12 year. In the event that the remedial plan and amortization period
13 is extended, all provisions of this act and powers, duties, rights,
14 obligations and requirements arising thereunder shall, so far as
15 apt, remain fully effective for the period of the extension.

1 SECTION 3. The city of Beverly shall submit to the commis-
2 sioner of revenue, in accordance with the schedule prescribed
3 below, a copy of an annual audit report completed by an
4 independent certified public accounting firm selected by the city
5 and approved by the commissioner: for fiscal year nineteen
6 hundred and ninety-two, within fourteen days of the effective date
7 of this act or such other date as is approved by the commissioner;
8 for fiscal year nineteen hundred and ninety-three, and fiscal years
9 thereafter that are included within the approved remedial plan
10 provided for in this act or a duly approved extension thereof, by
11 December 15 immediately succeeding the conclusion of the fiscal
12 year. Such annual audit report shall include such statements,
13 reports and analysis as the commissioner may prescribe. For cause
14 shown, the commissioner of revenue may extend the afore-
15 mentioned deadlines. The failure of the city of Beverly to timely
16 submit the aforementioned annual audit reports shall be sufficient
17 cause for the commissioner to deny or suspend approval of any
18 deduction or continued amortization as is authorized by this act.

1 SECTION 4. In each fiscal year, commencing with fiscal year
2 nineteen hundred and ninety-three, the board of aldermen of the
3 city of Beverly, within sixty days of the issuance of the final audit
4 report for the preceding fiscal year completed in accordance with

5 the provisions of section three of this act, shall conduct a public
6 hearing on the findings and recommendations of the independent
7 auditor. The mayor of the city of Beverly, the city auditor/finance
8 director, a representative of the independent auditor and such
9 other financial officers or city officials as the board of aldermen
10 shall require shall attend such public hearing.

11 Within thirty days of the issuance of the aforementioned audit
12 report, the city auditor/finance director shall make available and
13 maintain for public inspection in the office of the city
14 auditor/finance director copies of the aforementioned audit
15 report. Within the same thirty day period, the city auditor/finance
16 director shall provide copies of the aforementioned audit report
17 to the city clerk. If provided for by city ordinance, the city
18 auditor/finance director shall make copies of such audit report
19 available for public distribution for such charge as is prescribed
20 by such ordinance.

1 SECTION 5. During the term of the approved remedial plan
2 as provided for in this act, or a duly authorized extension thereof,
3 no personnel appointment, reappointment, reclassification,
4 transfer, promotion, replacement, substitution or other
5 employment action by the city of Beverly after the adoption of
6 the annual budget shall become effective until approved by the
7 board of aldermen and ratified by the commissioner of revenue;
8 or in the case of any of the aforementioned employment actions
9 relating to a position under the authority and control of the school
10 committee, until approved by the school committee and ratified
11 by the commissioner of revenue. As a condition of any such
12 ratification, the commissioner of revenue may require such infor-
13 mation and documentation as he shall deem appropriate to
14 demonstrate that adequate financial resources are available to
15 fund such appointment, reappointment, reclassification, transfer,
16 promotion, replacement, substitution or other employment action
17 and the application of such financial resources will not impair the
18 ability of the city to implement the approved remedial plan,
19 eliminate deficits and restore fiscal stability in the city of Beverly.

1 SECTION 6. The city of Beverly, in or with respect to fiscal
2 years nineteen hundred and ninety-three, nineteen hundred and
3 ninety-four or nineteen hundred and ninety-five, shall issue no

4 temporary loan in anticipation of taxes or revenue under authority
5 of section four of chapter forty-four of the General Laws or any
6 other similar provision of special law without prior written
7 approval of the commissioner of revenue.

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

