

CITY OF LYNN

Notice is hereby given that the Lynn City Council will hold a public hearing on February 27, 2018 at 8:00pm in Council Chambers, Lynn City Hall on the following Act:

An Act relative to the financial condition of the city of Lynn.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. (a) Notwithstanding any general or special law, city charter provision or local ordinance to the contrary, the city of Lynn, with the approval of the director of accounts in the department of revenue may borrow sums, as approved by the Lynn city council and the director, to achieve a balanced budget for fiscal years 2018 and 2019 provided, however, that the aggregate of all such sums shall not exceed \$14,000,000, unless the director of accounts makes a separate finding that an additional \$2,000,000 is necessary for the city to achieve a balanced budget, in which case, the aggregate of all such sums shall not exceed \$16,000,000. The director may limit the amount borrowed to an amount less than the amount approved by the city council. Notwithstanding chapter 44A of the General Laws, bonds or notes issued for the purposes of this act may be issued, with the approval of the director, for a term of not more than 10 years and shall be backed by the full faith and credit of the city and the bonds and notes shall be eligible to be issued as qualified bonds or notes. Indebtedness incurred under this act shall not be included in determining the statutory limit of indebtedness of the city under section 10 of chapter 44 of the General Laws but, except as provided in this act, shall otherwise be subject to said chapter 44. Amounts raised to pay indebtedness incurred under this section shall be subject to section 21C of chapter 59 of the General Laws.

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

(c) All proceeds of any loan authorized by this act shall be deposited in the general fund of the city of Lynn.

(d) The director may establish rules and procedures as the director considers appropriate relating to the accounting standards applicable to the city of Lynn for the purposes of this act and otherwise.

SECTION 2. (a) With respect to fiscal year 2018 and in any other year in which bonds, notes or an amortization amount authorized under this act remain outstanding, not later than 10 days after the adoption of the city budget, or July 1, whichever is earlier, chief financial officer shall submit to the director of accounts in the department of revenue a pro forma tax rate recapitulation for the following fiscal year, together with a copy of the adopted budget and such supporting revenue and expenditure information as the director may prescribe. The director shall ascertain whether the city budget for that fiscal year contains reasonable revenues from taxation and other sources to meet the appropriations and other amounts required by law to be raised under section 23 of chapter 59 of the General Laws and the director shall report the findings to the city council and mayor. The tax rate for the year shall not be approved until submission of an annual tax rate recapitulation based on the actions the city has approved or taken to achieve a balanced budget.

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

(c) In any year during which bonds, notes or an amortization amount authorized under this act remain outstanding, the city shall submit to the director quarterly reports presenting a budget to actual comparison of revenues and expenditures. The written reports shall be submitted within 30 days after the conclusion of each fiscal quarter and shall be in such form and include such information and detail as the director may prescribe.

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

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

(f) In any year in which bonds, notes or an amortization amount authorized under this act remain outstanding and the director determines it is appropriate to effectuate the purposes of this act, the director may waive any reporting, filing or approval requirements contained in this section.

SECTION 3. (a) The chief financial officer or other official with responsibility for accounting matters of the city of Lynn shall have the powers and duties vested in this office by general or special law and in addition, the powers and duties provided in this act. To the extent otherwise consistent with this act, the chief financial officer shall also have the powers and duties provided by city charter and local ordinance.

(b) The chief financial officer shall, in addition to other duties, provide, at the written request of the mayor or upon majority vote and at the written request of either the city council, within a reasonable time period from such request, an oral or written assessment, or both, as the mayor or city council may request, of the current and future financial impact of the cost of any proposed appropriation, lease or contract arrangement for a term including more than 1 fiscal year, collective bargaining agreement or borrowing authorization, particularly, but not limited to, as such cost item would relate to the continuous provision of the existing level of municipal services. To the extent reasonable, this assessment shall include an analysis or other information of a financial nature as is specifically requested by the mayor or the city council. The assessment and analysis shall be provided by the chief financial officer as a professional opinion.

SECTION 4. (a) Notwithstanding any general or special law, city charter provision or local ordinance to the contrary, but subject to section 21C of chapter 59 of the General Laws, the city of Lynn shall establish a special reserve fund for extraordinary and unforeseen expenditures, which shall be called the Supplemental Reserve Fund to Ensure Fiscal Stability. This fund shall be separate and in addition to any amounts appropriated pursuant to section 6 of chapter 40 of the General Laws.

(b) Commencing with fiscal year 2019 and for all fiscal years thereafter, before the date when the tax rate is fixed, the board of assessors shall include in the amounts to be raised pursuant to section 23 of chapter 59 of the General Laws for such fiscal year an amount, the supplemental reserve fund sum, as determined under this section, to be certified to the board of assessors by the chief financial officer.

(c) The supplemental reserve fund sum for fiscal year 2019 shall be not less than an amount equal to 0.25 per cent of the gross amount to be raised for the prior fiscal year as appearing on the city's tax rate recapitulation for that prior year; the supplemental reserve fund sum for fiscal year 2020 shall be not less than an amount equal to 0.50 per cent of the gross amount to be raised for the prior fiscal year as appearing on the city's tax rate recapitulation for that prior year; the supplemental reserve fund sum for fiscal year 2021 shall be not less than an amount equal to 0.75 per cent of the gross amount to be raised for the prior fiscal year as appearing on the city's tax rate recapitulation for that prior year; the supplemental reserve fund sum for fiscal year 2022 and each subsequent fiscal year during which bonds, notes or an amortization amount authorized under this act remain outstanding shall be not less than an amount equal to 1 per cent of the gross amount to be raised for the prior fiscal year as appearing on the city's tax rate recapitulation for the prior year. Supplemental reserve fund sums for any fiscal year during which bonds, notes or an amortization amount authorized under this act remain outstanding, are notwithstanding the reduction of city services or inability to balance the annual budget.

(d) In each year during which bonds, notes or an amortization amount authorized under this act remain outstanding, the amount required to be raised for such supplemental reserve fund may be reduced by the amount, if any, remaining in the supplemental reserve fund established for the preceding year after all expenditures have been made from that fund as authorized in this act, and this remaining amount shall be retained in such supplemental reserve fund provided for the then current fiscal year.

(e) Transfers or expenditures may be made from the supplemental reserve fund of any fiscal year during that fiscal year only, and then only by city council upon the written request of the mayor. Each such transfer or expenditure request by the mayor shall be accompanied by a written statement detailing the amount and the reason for the transfer or expenditure. In any year during which bonds, notes or an amortization amount authorized under this act remain outstanding, except for such transfers or expenditures as are authorized in this act, there shall be no other transfers or reductions in the amount of this fund; provided, however, after the end of the fiscal year the bonds, notes or amortization authorized under this act have been paid or completed, any funds remaining in the reserve fund shall be available for

appropriation for any legal purpose.

(f) In any year in which bonds, notes or an amortization amount authorized under this act remain outstanding and the director determines it is appropriate to effectuate the purposes of this act, the director may waive in whole or in part the requirements of this section.

SECTION 5. No official of the city of Lynn, except in the case of an emergency involving the health and safety of the people or their property, shall knowingly expend or cause to be expended in any fiscal year any sum in excess of that official's departmental or other governmental unit's appropriation duly made in accordance with the law, nor commit the city, nor cause it to be committed, to any obligation for the future payment of money in excess of that appropriation, with the exception of court judgments. Any official who intentionally violates this section shall be personally liable to the city for any amounts expended in excess of an appropriation to the extent that the city does not recover these amounts from the person to whom the amounts were paid. The superior court or a single justice of the supreme judicial court shall have jurisdiction to adjudicate claims brought by the city, or the attorney general, under this act and to order relief that the court finds appropriate to prevent further violations of this section. Notwithstanding any general or special law, city charter provision or ordinance to the contrary, any violation of this section shall be considered sufficient cause for removal by the school department or general government appointing authority pursuant to sections 3-7(d) and 6 – 6 of the city charter.

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

SECTION 7. At any time after July 1, 2019 and upon the request of the mayor subject to the approval of the city council, if the director of accounts in the department of revenue determines that the city of Lynn has taken steps necessary to achieve long-term fiscal sustainability, the director, with notice to the commissioner of revenue, may terminate the financial reporting, filing and approval requirements contained in section 2 and the supplemental reserve funding requirements and transfer or expenditure restrictions contained in section 4.

SECTION 8. (a) Within 30 days of the effective date of this act, the director of accounts in the department of revenue or his designee shall: recommend to the mayor, city council and school committee sound fiscal policies for implementation; advise the mayor and chief financial officer; and provide assistance in all matters related to municipal financial officers, including the school department.

(b) At any time after July 1, 2019 and while debt issued under this act is outstanding, the director may determine that the city has taken steps necessary to achieve long-term fiscal sustainability and no longer requires active state overview.

SECTION 9. Section 3 – 10(a) of the city charter are hereby repealed in its entirety. Section 3 – 10(a) shall hereinafter state: “In General: -- Unless otherwise provide for by law or by the provisions of the city charter, no measure adopted by the Lynn City Council shall be effective until the provisions of Section 2 – 7 shall have been followed.”

SECTION 10. Section 3 -10 (c) of the city charter shall be deleted in its entirety and replaced by the following words: (c) Notice and Public Hearings Required: -- Every proposed ordinance or loan order, except any submitted in conformity with Section 10(b), shall be noticed as is required by the laws of the Commonwealth of Massachusetts and the rules and and/or regulations promulgated by the office of the Attorney General.

SECTION 11. Section 3 - 10 (e) of the city charter is hereby repealed in its entirety.

SECTION 12. Section 5 – 6 of the city charter is hereby repealed in its entirety.

SECTION 13. Section 6 – 11(a) of the city charter is hereby amended by deleting the words “director of data processing” and replacing them with the words: “director of the department of information and technology, purchasing agent”.

SECTION 14. Section 6 – 11(b) of the city charter is hereby amended by deleting the words “director of data processing” and replacing them with the words: “director of the department of information and technology, purchasing agent”.

SECTION 15. Section 6 – 11(f) of the city charter is hereby amended by deleting the words “director of data processing” and replacing them with the words: “director of the department of information and technology, purchasing agent”.

SECTION 16. Section 8 – 11 of the city charter is hereby amended by adding the following words to the beginning of the Section “Except for the positions of chief financial officer, superintendent of schools, or positions exempted by the laws of the Commonwealth of Massachusetts,”

SECTION 17. (a) There shall be a Lynn employee/retiree health insurance working group consisting of 5 persons, 1 of whom shall have professional experience in the area of health care financing and public employee benefits, appointed by the Mayor; 1 of whom shall be a retired public employee who has professional experience in the area of public health insurance benefits contracts, appointed by the Mayor with the approval of the City Council President; 1 of whom shall have professional experience in health care benefits, appointed by the City Council President; and 2 of whom shall be a member of a City of Lynn collective bargaining unit, nominated by the advisory committee established under MGL c. 32B §3 and appointed by the Mayor with the approval of the City Council President. No members shall be elected officials and no more than 2 members shall be a member of a City of Lynn collective bargaining unit. The purpose of said working group shall be to review and determine the most appropriate manner to negotiate, purchase, or otherwise provide quality and affordable health benefits for Lynn public employees, retirees and their families. The working group shall consider the range of benefits that are, or should be, provided as well as the current and anticipated future cost of providing them. The working group shall make recommendations that may include but are not limited to, plan design changes, the method of financing health benefit costs, how best to divide the costs between the City and its employees and retirees, and implementing changes to health insurance benefits pursuant to MGL c.32B, §§ 19 & 21-23. Such recommendations shall be submitted to the Mayor and the City Council no later than October 1, 2018 and be considered for implementation during fiscal year 2020.

(b) Notwithstanding any special, general law, ordinance or charter provision to the contrary, the Mayor may enter into a contract for the services of the appointed member who has professional experience in the area of health care financing and public employee benefits.

SECTION 18: Notwithstanding the provisions of chapter of the Acts and Resolves of 1985, the city of Lynn may consolidate the positions of treasurer and collector at its discretion by Ordinance whenever a vacancy shall occur in one or both of said positions

SECTION 19. Notwithstanding any general or special law to the contrary, the city of Lynn is permitted to attribute both salaries and benefits of its custodial and maintenance personnel that work exclusively in school buildings towards net school spending requirements of chapter 70 of the General Laws.

SECTION 20. (a) The commissioner of the department of public works may establish a charge for municipal solid waste collection, disposal services, and recycling in the city of Lynn commencing in Fiscal Year 2018. Such charge shall be limited to the costs associated with such collection, services and/or recycling.

(b) The initial fee shall be limited to ninety (\$90.00) dollars per year per residential, commercial unit. The fee shall be billed on a biannual basis by the city of Lynn. The Commissioner of the Department of Public Works shall have the authority to increase said fees every other year beginning in January 1, 2020. However, in no event shall the fee be increased more than twenty (20%) percent of the prior year’s fee.

(c) Solid waste fees for residential and commercial and/or nonprofit/not for profit property units shall not be collected when the owner or occupant thereof presents a current contract for private rubbish collection for the unit(s) to the Department of Public Works. Such contract must be valid and remain in force for the entire term of the contract. Such contract must include: the term, address, number of units, and contract price. In the event that the contract is terminated, the property owner shall notify the city in writing within five business days. In the event that the contract is terminated, the property owner shall be responsible for the pro rata share of the trash fee for the remainder of the fiscal year.

(d) Fees not collected shall be subject to all collection remedies as provided for real estate collection,

including interest and demand fees. Any fee not paid 30 days from the date of the electronic transmission or mailing of each bill may be liened to the property in the next real estate bill. Such liens shall remain valid to the extent allowed by law.

(e) Any residential, commercial and/or nonprofit/not for profit property owner who owns an unoccupied unit shall be eligible to receive a credit for each full six-month period or longer for which the unit is not occupied. Property owners must provide documentation to the Commissioner of the Department of the Public Works signed under the pains and penalties of perjury, demonstrating that the unit was vacant during the entire six-month billing period for which such credit is requested. Eligibility shall be determined by the Commissioner of the Department of Public Works using a water bill or, in cases where a unit's water meter is not separate from another unit, a letter or billing statement from the electric company. Individuals who make one or more false representations regarding the vacancy status of a residential dwelling unit shall be fined twice the amount of the single unit fee for each such false representation up to a maximum of three hundred (\$300.00) dollars.

(f) Any property owner who is exempt from real estate taxes pursuant to M.G.L. c. 59, §5, Clauses 17D and 41C shall be exempt from the trash fee in the city of Lynn.

SECTION 21. (a) The current position of executive assistant in the Lynn city council office shall assume the title of director of council affairs. The director shall be classified as a level one department head for salary purposes. The Lynn city council shall be the appointing authority for the director of council affairs. The director of council affairs shall oversee and administer the day-to-day operations of the Lynn city council and reports directly to the council president. The director shall serve as a primary point of direct administrative contact and liaison with mayor's office, city departments, individuals and external institutions and agencies.

(b) There shall be a city council budget/management analyst, appointed by the members of the city council to serve for a term of three years, who shall work in consultation with the chief financial officer. The budget/management analyst shall from time to time throughout the year examine, or cause to be examined, the books and accounts of all city agencies which are entrusted with the receipt, custody or expenditure of money, including original bills on which money has been paid from the city treasury, the documentation submitted by the agency requesting payment of any such bills supporting such payment, the warrants for the payments of bills and the canceled checks on file in the office of the city treasurer. The budget/management analyst shall at least once in every year verify, or cause to be verified, the cash balance of each such City agency by the actual count of the cash on hand and by reconciliation of bank balances. The budget/management analyst shall keep the city council president fully informed as to the results of this activity and, not less frequently than quarterly, shall make a detailed report summarizing the results of this overview to the city council ways and means committee. The budget/management analyst in consultation with the chief financial officer, shall review each request which is made to the city council by the mayor, for the transfer of funds or for a supplementary appropriation, and shall make a report to the city council ways and means committee, including a recommendation as to the action to be taken by the city council, before the city council acts on the matter. When the proposed annual operating budget is submitted to the city council by the mayor, the budget/management analyst in consultation with the chief financial officer, shall review the proposed annual operating budget and shall, before the proposed operating budget is submitted to the city council for any action, make a report, including recommendations of specific actions to be taken by the city council concerning the annual operating budget and any part or parts thereof as seem necessary, desirable or expedient. The budget/management analyst shall perform such other duties as may from time to time be assigned to such office by the city council. The city council budget/management analyst shall be a part time position and shall receive a salary as determined by the Lynn city council.

SECTION 22. Notwithstanding any general or special law to the contrary unless otherwise specified, the provisions of this act shall supersede any conflicting provisions of the city's charter or local ordinance.

SECTION 23. This act shall take effect upon passage.