

City fund better than thought

Tuesday, June 9, 2009

ATTLEBORO - While the city's stabilization account will shrink to about \$500,000 after using \$600,000 to balance the city's 2010 budget, the account is not as cash-strapped as it seems.

Cash advances made by the city for two projects will be repaid in full or in part and will bring the account back to about \$1 million in the coming year.

Mayor Kevin Dumas told the council a \$495,000 withdrawal needed to fund the conservation restriction on the LaSalette Shrine property will be repaid by the state once the deal is closed. That cash should return in July or August, he said.

Meanwhile, a \$250,000 withdrawal made to fund design work for the high school's new roof will be reimbursed by the state's School Building Authority to the tune of about 57 percent or \$142,500, bringing the total in stabilization to \$1,137,500.

At the beginning of this budget year that ends June 30, the city had about \$1.8 million in stabilization, which is sometimes called a "rainy day fund." The amount of cash in the account is a critical guide used by outside agencies to evaluate the city's financial stability and determine its bond rating.

Dumas told the council Friday that if more funding is needed for the budget due to additional state aid reductions, it will have to come from the stabilization account.

It won't come from the employees via layoffs or other concessions, because they've already given their share through unpaid furloughs or pay cuts totalling about 4 percent, he said. The cuts were taken to avoid layoffs and maintain services.

"If we do suffer more cuts in state aid, we are not going back to the employees," Dumas said.