

**MILFORD
DAILY NEWS****NEWS**

Franklin, Milford cautiously optimistic about FY 22

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The Milford Daily News

Published 10:15 a.m. ET Feb. 3, 2021

After a year of uncertainty, cities and towns are beginning to build local budgets with cautious optimism.

“Early on, this was obviously an extremely unorthodox situation for everybody,” Milford Finance Director Zachary Taylor said of finances under the pandemic last year. “Early on, we were trying to determine how long is this going to go on, what kind of ramifications are there going to be?”

Many communities instituted hiring and wage freezes in the fiscal year that began last July 1, fearful that the state wouldn’t come through with local aid, the money sent directly to cities and towns for unrestricted use. Cities and towns rely on local aid, as it represents a significant chunk of their annual budgets.

“We budgeted very, very aggressively on the conservative side,” Taylor said. “We didn’t lay off anybody, we didn’t furlough anybody. (But we said) no new hires, let’s try to weather this storm.”

In Franklin, Town Administrator Jamie Hellen said officials based their expectations and budgeting off 2008-09 recession numbers.

“We used the ’08-’09 recession, good old-fashioned, conservative financial policies to ensure with all the uncertainty that we were prepared in a strong way to absorb the uncertainty throughout the fiscal year,” he said.

The conservative approach worked well for communities, as state lawmakers eventually delivered local aid numbers level to the year before.

“That was probably the biggest factor, as that likely saved at least a couple million (dollars) worth of revenue in the Franklin budget,” Hellen said.

Milford held a very late special Town Meeting, in January, and was one of the communities to tweak their FY21 budgets and thaw wage freezes, thanks in part to the local aid package. Franklin brought employees back from furlough.

“I think at a municipal level, it’s a day-to-day triage,” Hellen said. “You just try to do the best you can to not spend money where you don’t need to spend it.”

Going forward, Gov. Charlie Baker and Lt. Gov. Karyn Polito late last month recommended a \$39.5 million increase to local aid in their version of the state budget. State lawmakers still need to form their own budgets, so the final local aid number is not yet clear.

“We’re not out of it yet,” Hellen said.

Though state funding is a big part of local budgets, it’s not the only piece. Finance officials point to the likelihood of lower local revenue, usually brought in by restaurants and hotels, where the pandemic hit hard.

“My overarching goal for FY22 is to maintain what we have, all the investments and priorities that we’ve been able to achieve over the last (few) years in Franklin,” Hellen said, adding that he wants to ensure the town doesn’t move backward. “If there is an opportunity to ...continue to move forward this year, we will cautiously do so.”

Looking around town, Hellen said, he sees lots of construction, a good sign for local revenue.

“All it takes is a snowstorm over a few days to put a stop to that,” he said.

In Milford, the town put \$1 million into its stabilization account in January, as a safety net.

“We have a very large reserve now,” Taylor said. “But we also have a lot coming down the pipeline.”

That includes objectives the town was considering before the pandemic, like the nearly 30 school employees requested by the school system but put off once the virus hit, or the possibility of building a new high school.

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