

# COUNTY OF YORK

## MEMORANDUM

**DATE:** June 24, 2020

**TO:** York County Board of Supervisors

**FROM:** Neil A. Morgan, County Administrator 

**SUBJECT:** Economic Development Update

The Office of Economic Development will be offering two new grant programs this summer to assist our businesses impacted by pandemic. Both of the grant programs are federally funded and have been endorsed by the Economic Development Authority and their COVID 19 Business Recovery Task Force.

The first grant program is being funded through the CARES Act monies received by the county. We have decided to allocate \$250,000 for the York CARES Grant program that will provide up to \$3,000 in financial assistance per business. This one-time financial assistance will be offered to reimburse businesses for expenses incurred due to the impact of Governor Northam's Executive Order 53. Applicants must provide documentation that clearly justifies how the requested funds are related to recovery and/or reopening costs from the COVID-19 emergency. To be eligible businesses must be for-profit, employ no more than 250, and be in good standing in all respects with the county. The program launch is slated for Monday, June 29<sup>th</sup>.

The second grant program is a collaborative effort between the Department of Community Services, Housing & Neighborhood Revitalization Division, and the Office of Economic Development. Funding for this effort has been applied for from the federal Community Development Block Grant program, funneled through the Virginia Department of Housing and Community Development. This is a regional effort partnering with the Cities of Williamsburg and Poquoson. York County is the lead community and will administer the program. A total of \$1,150,000 in grant funds have been requested (\$500,000 York, \$500,000 Williamsburg, \$150,000 Poquoson) and another \$80,000 will flow to York County to pay for administrative costs. The maximum grant award limit will be \$5,000, and this program will also be a reimbursement for expenses incurred as a result of State reopening requirements. The approvable expenses for this program are focused on costs directly related to the COVID 19 response. Approvable items include, but are not limited to, signage, masks, sanitizing supplies, sneeze/cough guards and touchless payment systems.

This program will require a formal endorsement from the Board of Supervisors and that has been scheduled for your July 21<sup>st</sup> meeting. Summaries of both grant programs are attached.

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# York CARES Grant

## Program Overview & Guidelines

### Program Overview

The County of York and the York County Economic Development Authority have established the COVID-19 Business Recovery Assistance Grant, using \$250,000 in funds provided to York County under the federal government's CARES Act, to help small businesses impacted by Governor Northam's Executive Order #53 related to COVID-19.

This grant is one-time financial assistance given to eligible for-profit small businesses in amounts not to exceed \$3,000. Grants will be committed and funded on a first-come, first-served basis, based upon availability of funds and submission of a complete application, with supporting documentation that clearly justifies how requested funds are related to recovery and/or reopening costs from the COVID-19 emergency.

### Use of Funds

Approvable expenses are those that are directly related to the recovery and/or reopening of the applicant's business, per the State of Virginia's reopening guidelines specific to your industry. All items or services must have been purchased/paid for after the Governor of Virginia declared the COVID-19 emergency (March 13, 2020) and before November 30, 2020. Recovery of lost income is not an approvable expense. Funds may not be used to purchase illegal items, nor may they be used to purchase alcohol, tobacco, medicine, or related items.

Examples include:

- Purchase of PPE (protective supplies, tools, equipment, or inventory) and/or cleaning services or supplies
- Property improvements or renovations of a commercial location to accommodate social distancing and/or outdoor dining, recreation, services, etc.
- Software/Hardware expenses to accommodate delivery, online payments, online reservations, etc.
- Signage, advertising, marketing expenses, etc. to promote that your business is open and/or operating under modified condition
- Payments for salaries (excluding owner compensation), rent, mortgages, insurance, and/or utilities during times of required business closure and/or modification.

### Eligibility Requirements

- Must be a for-profit business impacted by Governor Northam's Executive Order 53
- Must employ no more than 250 full time equivalent (FTE) employees

- Must be an active business located and licensed in York County, Virginia prior to March 1, 2020. Business must currently be open for business in some capacity or certify that they plan to do so within three months of the application date.
- Must be in good standing with all local taxes, licenses, permits, etc. Currently not in default or non-compliance with any county programs or ordinances.
- May not have already received reimbursement from any other local, state, or federal relief programs for the same items the business is applying for reimbursement for under this program
- Corporately-owned national chains are not eligible for funding.
- Home-based Businesses may apply, but must clearly show that the expenses are business related, not residential in nature.
- Non-profit agencies are not eligible for funding.

### **Application Process & Timeline**

1. Submit completed application, attachments, and receipts via:
  - Email: [econdev@yorkcounty.gov](mailto:econdev@yorkcounty.gov)
  - Fax: 757-890-6670
  - Mail: York County Economic Development, P.O. Box 612, Yorktown, VA 23690
2. Receive approval/denial notification from York County Economic Development
3. If approved, you will receive grant funding check by mail within 2-4 weeks of submitting receipts for approved expenses. Only one check will be issued per business, and applications will not be approved nor paid in piecemeal.

NOTE: All reimbursement requests for approved funds must be submitted no later than December 1, 2020 to allow for processing before the federally-mandated date of December 30, 2020. After that date, all approved grant funds will be forfeited.

## York County – CDBG COVID-19 Business Assistance Proposed Project Fact Sheet

York County, in an effort to assist small businesses during the pandemic, is applying for Community Development Block Grant (CDBG) funding. This grant, if awarded, will provide funding to help small businesses defray the cost of State mandated requirements in the reopening process.

York County is requesting \$550,000 from the Virginia Department of Housing and Community Development (VDHCD) to assist small businesses in these challenging times. If awarded York County will make available individual grants to small businesses up to \$5,000. These funds must be a reimbursement of actual expenditures that the small business incurred following the State reopening requirements. (<https://www.virginia.gov/coronavirus/forwardvirginia/>)

These include, but are not limited to, the following:

- Signage related to social distancing requirements
- Masks for employees and customers
- Sanitizing supplies: hand washing stations, disinfectant wipes,
- Modifications to structure to enhance social distancing
- Acquiring reservation software systems and/or monthly subscription fee
- Sneeze/Cough Guards
- Modifications limiting the ingress and egress into the business

The maximum grant award limit will be \$5,000 per eligible small business.

Eligibility Requirements:

- Currently holding a business license with York County
- Business with 20 employees or less
- Expenditures must have been made subsequent to the Governor's Declaration of Emergency

If funded, the business assistance application will be posted on the York County website.

*If you have questions about this proposed project please contact Abbit Woodall at 757-890-3885 or [Abbit.woodall@yorkcounty.gov](mailto:Abbit.woodall@yorkcounty.gov).*

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# COUNTY OF YORK

## MEMORANDUM

**DATE:** June 15, 2020

**TO:** York County Board of Supervisors

**FROM:** Neil A. Morgan, County Administrator 

**SUBJECT:** Report #3 Revenue Forecasting Impacts of the Coronavirus –  
June Report based on Revenues through May 2020

Due to the unpredictable, uncertain financial and economic impacts of the Coronavirus on governments, businesses and families, in April we developed the first in a series of reports to evaluate the County's financial risks. Specifically these reports provide a tool to evaluate the County's revenues and overall finances; provide analysis of revenue trends; update revenues collected; and provide revenue projections. This is our third edition to the report series.

As the haze related to the unprecedented impacts of the Coronavirus on revenues begins to clear for FY2020, the news this month is very positive. The County's overall revenue shortfall projections continue to trend downwards with the shortfall currently estimated to be \$1,350,000 which is a \$2,050,000 reduction from the prior month. While this is certainly good news, when we consider that prior to the Coronavirus we were projecting a \$2 million gain, the County effectively is projected to lose \$3 million from the Coronavirus this year alone. The State has also been reporting favorable revenue trends and has dropped their initial shortfall estimates by 20% from \$1 billion to \$800 million. Overall, the infusion of federal dollars into the economy has lessened the overall negative impacts, placing funds in the hands of citizens and businesses. At this point, the FY2021 forecast from last month has not been recast as uncertainty related to FY2021 has not fundamentally changed over the past month. However, news that Busch Gardens and Water Country may continue to be closed well into the summer does suggest that the portion of our budget dependent on tourism continues to be under a serious cloud going forward

A new table was added this month which summarizes with dollars and narrative descriptions the changes since the last month's report. The Coronavirus' impacts on various revenues is extremely dynamic which has required us to speculate on consumer and business activities to prepare projections. This month's report focuses on consumer tax impacts. May was an important month for revenue forecasting, as it provided our first glimpse into the consumer spending that occurred at the beginning of the crisis. Sales tax revenues lag two months behind collections as the revenue passes through the state before being sent to the localities. In addition, in May we received information on April's Meals and Lodging taxes which are at high risk for reduced collections. Each of these revenue forecasts have been updated to reflect the actual revenues received and the stage of the phased economic re-openings as it relates to FY2020 revenues.

As more information becomes available, the projections will continue to be fine-tuned periodically throughout the year. In the next edition, we will initiate a plan to track the economic recovery by following the unemployment rate over the upcoming months. York's unemployment rate increased in April to 10.4% as compared to last April which was 2.3%. This is also an increase from March's 3.1%.

The information from the revenue forecasts is being used to adapt expenditure plans, consider potential use of reserves, assess risks to cash flows and evaluate debt issuance plans.

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Attachment:

- Report # 3 - Revenue Forecasting Impacts of the Coronavirus, June 2020 – Revenue through May 2020

**Revenue Forecasting Impacts of the Coronavirus  
Report #3  
June 2020 – Revenue through May 2020  
June 15, 2020**

The financial and economic impacts of the Coronavirus are unpredictable and uncertain for governments, businesses and families. However, monitoring economic, financial and budgetary trends on a regular basis will reduce the uncertainty and provide enhanced information for decision-making as we progress through the stages of the crisis. This is the third in a series of reports that will:

- evaluate the risks to the County’s revenues and overall finances;
- provide analysis of revenue trends;
- update revenues collected; and
- provide revenue projections.

In March 2020, York County formed a team comprised of the offices of County Administration, Commissioner of the Revenue, Treasurer and Finance to increase tracking and analysis of the revenues and cashflows. This team is also monitoring the unprecedented emergency actions of the Federal Government which creates a higher level of uncertainty relative to our local revenues. The information from the revenue forecasts is being used to adapt expenditure plans, consider potential use of reserves, assess risks to cashflow and evaluate debt issuance plans.

**Summary of Changes since Last Month’s Report:**

As the haze related to the unprecedented impacts of the Coronavirus on revenues begins to clear for FY2020, the news this month is very positive. The overall revenue shortfall projections continue to trend downward with the shortfall currently estimated to be \$1,350,000 which is a \$2,050,000 reduction from the prior month. The following factors were the basis of this month’s projection:

<b>Table 1: Improvements or Detriments Since Prior Month</b>		
<b>Increase / Decrease from Prior Month</b>	<b>Revenue</b>	<b>Description</b>
<b>↑ \$500,000</b>	Sales Taxes	May was an important month for revenue forecasting as it provided our first glimpse into the consumer spending that occurred at the beginning of the crisis. Sales tax revenues lag two months behind collections as the revenue passes through the state before being sent to the localities. Sales taxes were up 27% and 14.5% for February and March, respectively, during the time when citizens were stocking up supplies to

**Table 1: Improvements or Detriments Since Prior Month**

<b>Increase / Decrease from Prior Month</b>	<b>Revenue</b>	<b>Description</b>
		<p>stay safely at home. These months of higher sales taxes resulted in the year-to-date annual sales tax increasing to 6.1% over last year. The assumption is that April through June will see a decline which will offset the previous gains. However, sales taxes should end the year over budget due to an accounting change allowing for a one-time 13<sup>th</sup> month of revenue which will capture June revenues in the current fiscal year.</p>
<p>↑ \$400,000</p>	<p>Sales Taxes – SB942</p>	<p>Year-to-date annual revenues are now 8% over the prior year. However, March’s revenue for SB942 was lower than the standard sales tax, most likely due to stocking up of groceries. Groceries are excluded from SB942 revenues. While the current projection improved by \$400,000, the annual estimate is expected to be below budget.</p>
<p>↑ \$130,000</p>	<p>BPOL</p>	<p>\$200,000 of additional BPOL revenues were received after the March 1 due date which is unusual. The assumption is that cashflow uncertainty may have resulted in some businesses holding their payments in March. However, as the impacts of the Coronavirus began to clear, these companies may have made their late payments.</p>
<p>↑ \$ 20,000</p>	<p>Motor Vehicle Licenses</p>	<p>There was an uptick in new car sales this month compared to recent months which allowed for an increase in the forecast. However, car sales are still behind the prior year.</p>
<p>↑ \$150,000</p>	<p>Meals Taxes</p>	<p>Meals taxes decreased by 50% in March as restaurants closed for indoor dining at the end of the month. A 25% decrease was seen in April as restaurants remained closed for indoor dining with limited pick-up and delivery options. While these percentages show significant reductions in revenues, the initial forecasts reflected more conservative estimates. The assumption for May is a 25% reduction which is consistent with April, with June’s assumption being a 50% reduction as the recovery starts with the return of lower capacity indoor dining.</p>

<b>Table 1: Improvements or Detriments Since Prior Month</b>		
<b>Increase / Decrease from Prior Month</b>	<b>Revenue</b>	<b>Description</b>
↑ <b>\$100,000</b>	Permit Fees and Regulatory Licenses	Last month we predicted a slowdown due to the Coronavirus; however, May generated revenues only slightly below last May. Therefore, with only one month remaining the forecast can be pushed upward.
↑ <b>\$100,000</b>	Charges for Services	Fees collected to date are 3% over budget with only one month left to collect. This category includes ambulance transport fees which remain stable as Covid 19 patients have been minimal.
↑ <b>\$650,000</b>	Other (Everything else)	This category includes hundreds of small revenues. With only one month of collections remaining in the year, the risk of revenue shortfalls is substantially reduced. This month a more thorough review of the line items along with the positive trend of May revenues resulted in an increase to the FY2020 forecast.
↑ <b>\$2,050,000</b>	<b>Total FY2020 Revenue Forecast Improvement</b>	

Last month we reported on the receipt of \$3.1 billion of Coronavirus Relief Funds (CRF) which can only be used for direct costs associated with the responses to the COVID-19 pandemic and cannot be used to make up for revenue shortfalls. As such these projections continue to reflect no state or federal revenues to offset lost revenues.

**Evaluation of Revenue Risks:**

The first objective of the report series is to evaluate the risk level of the County’s individual revenue sources and establish the new estimates for both FY2020 and FY2021. The initial revenue projections were used to determine the revenue adjustments for the FY2021 Budget that was presented at the April 21 Board of Supervisors’ meeting and subsequently approved as the Adopted Budget. Another objective of the report series will be to gain clarity on the trends and remove uncertainty in the revenue forecasts so that over time the ●Moderate and ●High indicators become ●Low as the crisis evolves and recovery begins.

	<b>Level of Risk &amp; Uncertainty</b>
●	Low
●	Moderate
●	High

**Table 2: FY2020 Revenue Risk Analysis and Projection:**

<b>Risk Level</b>	<b>Revenue Category</b>	<b>FY2020 Budget</b>	<b>Anticipated Change</b>	<b>Factors</b>
●	Real Estate	\$73,196,808	\$(1,300,000)	<ul style="list-style-type: none"> <li>● Low risk due to stable assessed values (beginning of two year reassessment cycle).</li> <li>● High confidence in overall revenue stability because real estate represents 49% of the total revenues.</li> <li>● Lower collection rate of 2%.</li> </ul>
●	Public Service Corp.	2,700,000	300,000	<ul style="list-style-type: none"> <li>● No impact expected from the Coronavirus. \$300,000 favorable variance projected due to the partial power plant closure. The final unit is expected to close in CY2023.</li> </ul>
●	Personal Property	15,700,000	100,000	<ul style="list-style-type: none"> <li>● Low risk due to stable property values established in Jan. 2020 used for June and Dec. billings.</li> <li>● Collections through May 2020 were over budget so even with the reduced values for the June billings, FY2020 should end the year close to budget.</li> <li>● <b>Watch</b> – for a lower collection rate for the June bill as some residents may delay payments. The current assumption includes a 5% reduced collection rate.</li> </ul>
●	State - PPTRA	8,742,000	0	<ul style="list-style-type: none"> <li>● No impact expected.</li> </ul>
●	State - Other	4,639,000	0	<ul style="list-style-type: none"> <li>● Anticipating reductions from the state once the governor and legislators have the opportunity to re-evaluate current year impacts and the FY2021 budget, but currently not expecting FY2020 reductions.</li> <li>● In early June the state’s Secretary of Finance reported revenues exceeding their initial projections. This was due to payroll withholding taxes not decreasing as much as was</li> </ul>

**Table 2: FY2020 Revenue Risk Analysis and Projection:**

<b>Risk Level</b>	<b>Revenue Category</b>	<b>FY2020 Budget</b>	<b>Anticipated Change</b>	<b>Factors</b>
				anticipated at the start of the Coronavirus crisis and favorable income tax state collections.
●	Sales Taxes	10,765,000	300,000	<ul style="list-style-type: none"> <li>In FY2020 there will be an extra month of sales taxes due to an accounting change to accrue June revenues that are received in August into FY2020. The current estimate for June is an additional \$700,000, which partially offsets the anticipated \$400,000 reduction in revenues.</li> <li>As predicted in the earlier reports, March grocery store and super retail store sales increased significantly as residents prepared to remain home during the initial stage of the health crisis.</li> <li>Preliminary information for April indicates that internet sales doubled while super retail stores leveled off. Smaller dollar store type retail sales increased as items became harder to find in larger stores. In addition, home repair store sales increased as residents worked on home projects.</li> </ul>
●	Tourism Sales Taxes	4,200,000	(100,000)	<p>Same comments as Sales Taxes above.</p> <ul style="list-style-type: none"> <li>Because the Tourism Sales Taxes do not include groceries, the reduction to this tax will be higher than the 1 cent Sales Tax revenues.</li> </ul>
●	BPOL	6,855,000	600,000	<ul style="list-style-type: none"> <li>Revenues were due prior to the Coronavirus impact as taxes were due on March 1. Additional revenue was received from late collections in April and May.</li> </ul>

**Table 2: FY2020 Revenue Risk Analysis and Projection:**

<b>Risk Level</b>	<b>Revenue Category</b>	<b>FY2020 Budget</b>	<b>Anticipated Change</b>	<b>Factors</b>
				<ul style="list-style-type: none"> <li>Because the economy was doing well when the tax due date occurred, the revenues are \$600,000 more than budget.</li> </ul>
●	Motor Vehicle Licenses	1,650,000	100,000	<ul style="list-style-type: none"> <li>The registration assessment is now known. Assuming all billed revenues are collected, the combined registration fees collected throughout the year plus the June 2020 bill would result in revenues exceeding budget by \$170,000 before factoring in the collection rate.</li> <li>While new vehicle sales dropped in March, there was a resurgence of new car sales in April.</li> <li><b>Watch</b> for citizens delaying payments. Therefore a 5% lower collection rate or \$70,000 is projected.</li> </ul>
●	Lodging	1,570,000	(400,000)	<ul style="list-style-type: none"> <li>At this point, \$480,000 is still required to be collected to attain the current year's budget. With two months remaining, this projection assumes only \$40,000 will be collected in the remainder of the year. This projection is based upon a 64% reduction in hotel visits in March, 92% in April and continued low numbers expected in May before starting to recover in June.</li> <li>This represents a 25% shortfall for the year.</li> </ul>
●	Meals Taxes	3,320,000	(350,000)	<ul style="list-style-type: none"> <li>At this point there is \$740,000 left to be collected to attain the current year's budget. Due to the continuing expansion of takeout and delivery services combined with the increase in outdoor dining and the phasing-</li> </ul>

**Table 2: FY2020 Revenue Risk Analysis and Projection:**

Risk Level	Revenue Category	FY2020 Budget	Anticipated Change	Factors
				<p>in of indoor dining in June, some of these revenues will be realized. It is too early to know how quickly patrons will regain confidence and return to restaurants. Another unknown is when restaurants will return to hosting celebration gatherings, evenings out with friends and office lunch meetings.</p> <ul style="list-style-type: none"> <li>● At this point, phase II, restaurants are open for indoor dining at 50% capacity.</li> <li>● March's revenues were down 25% with 14 restaurants declaring zero revenue. In April revenues decreased significantly to 50% with 51 restaurants reporting no revenue. We will continue to monitor the number of restaurants that have not submitted their taxes.</li> </ul>
●	Permits, Fees & Regulatory Licenses	950,000	0	<ul style="list-style-type: none"> <li>● Collection fees are running 3% over budget.</li> <li>● Construction continues to be strong.</li> </ul>
●	Charges for Services	2,235,000	(300,000)	<ul style="list-style-type: none"> <li>● \$400,000 remains to be collected with only one remaining month for this revenue category.</li> <li>● \$60,000 Parks and Recreation refunds were issued in April.</li> <li>● This category includes ambulance billing which has been stable.</li> </ul>
●	Other (Numerous)	9,899,192	(300,000)	<ul style="list-style-type: none"> <li>● This category includes hundreds of small revenues. Prior months' reports indicated</li> </ul>

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<b>Risk Level</b>	<b>Revenue Category</b>	<b>FY2020 Budget</b>	<b>Anticipated Change</b>	<b>Factors</b>
	Small Revenues)			<p>that a more thorough review of these revenues would be performed which was done this month.</p> <ul style="list-style-type: none"> <li>With only one month of collections remaining in the year, the risk of revenue shortfalls is substantially reduced. The positive trend of May revenues resulted in an increase to the FY2020 forecast.</li> </ul>
	<b>Totals</b>	<b>\$146,422,000</b>	<b>\$(1,350,000)</b>	<b>1% Projected Revenue Shortfall</b>

**Table 3: FY2021 Revenue Risk Analysis and Projection:**

This month’s projection is essentially the same as the prior month. In August or September when the state revenue impacts are known and year-end tax collections for real estate and personal property are known, the FY2021 projection will be updated.

**Table 3: FY2021 Revenue Risk Analysis and Projection**

<b>Risk Level</b>	<b>Revenue Category</b>	<b>FY2021 Proposed Budget</b>	<b>Anticipated Change</b>	<b>Factors</b>
●	Real Estate	\$74,782,000	\$(1,000,000)	<ul style="list-style-type: none"> <li>Low risk due to stable assessed values (beginning of two year reassessment cycle).</li> <li>High confidence in overall revenue stability because real estate represents 49% of the total revenues.</li> <li>Reduced new construction assumption.</li> <li>Reduced collection rate.</li> </ul>
●	Public Service Corp.	2,120,000	\$450,000	<ul style="list-style-type: none"> <li>No impact expected from the Coronavirus. \$450,000 favorable variance projected due to the partial power plant closure. The final unit is expected to close in CY2023.</li> </ul>

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<b>Risk Level</b>	<b>Revenue Category</b>	<b>FY2021 Proposed Budget</b>	<b>Anticipated Change</b>	<b>Factors</b>
●	Personal Property	16,339,000	(500,000)	<ul style="list-style-type: none"> <li>● Low risk due to stable property values established in Jan. 2020 used for June and Dec. billings.</li> <li>● Assumes significant reduction in collection rate, combined with reduction in Jan. 2021 vehicle values due to increased depreciation of current vehicles and reduced new vehicle purchases.</li> </ul>
●	State - PPTRA	8,742,000	0	<ul style="list-style-type: none"> <li>● No impact expected.</li> </ul>
●	State - Other	4,894,462	(200,000)	<ul style="list-style-type: none"> <li>● State updated the revenue allocations resulting in a \$150,000 favorable impact, which doesn't reflect the economic impacts of the Coronavirus on the state's allocation to localities.</li> <li>● Anticipating reductions from the state once the governor and legislators have the opportunity to re-evaluate the FY2021 budget as the economic impacts become better known. Assumes further reductions beyond removal of salary increases.</li> </ul>
●	Sales Taxes	11,000,000	(1,100,000)	<ul style="list-style-type: none"> <li>● The reduction is a high level estimate as very little information is available. It assumes economic uncertainty will reduce consumer spending as families and businesses save for uncertain times early in the fiscal year.</li> <li>● <b>Watch</b> for indications of a return to consumer confidence in upcoming months.</li> </ul>

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				<ul style="list-style-type: none"> <li>• Internet sales are expected to increase significantly. However, the state’s allocation process is not specific to localities’ sales so the impact is unknown at this point.</li> <li>• <b>Watch</b> – State has allowed merchants to apply for and delay tax submission for 30 days. The impact is unknown at this time so the possibility exists that the relief may be extended.</li> </ul>
●	Tourism Sales Taxes	4,400,000	(600,000)	<p>Same comments as sales taxes above.</p> <ul style="list-style-type: none"> <li>• Because the tourism sales taxes do not include groceries, the reduction to this tax will be higher than the 1 cent sales tax revenues.</li> </ul>
●	BPOL	7,150,000	(1,200,000)	<ul style="list-style-type: none"> <li>• Business revenues are anticipated to be significantly lower as many businesses will have been closed down for several weeks and possibly months at the end of prior fiscal year.</li> <li>• <b>Watch</b> for signs of recovery and adjust revenue aspects as information becomes available, hopefully in early FY2021.</li> </ul>
●	Motor Vehicle Licenses	1,636,000	(100,000)	<ul style="list-style-type: none"> <li>• Assumes lower vehicle registrations.</li> <li>• <b>Watch</b> for lower new vehicle purchases and increased disposals as citizens encounter higher financial stress.</li> </ul>

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<b>Risk Level</b>	<b>Revenue Category</b>	<b>FY2021 Proposed Budget</b>	<b>Anticipated Change</b>	<b>Factors</b>
●	Lodging	1,728,000	(400,000)	<ul style="list-style-type: none"> <li>Assumes a significant reduction in travel and tourism as families and businesses may continue to stay at home even after the health crisis passes. The timing for recovery is extremely uncertain at this time.</li> </ul>
●	Meals Taxes	3,557,000	(900,000)	<ul style="list-style-type: none"> <li>This initial assessment assumes a significant reduction in meals taxes.</li> <li>Several destination restaurants have closed, with the expectation that most will reopen sometime in FY2021.</li> <li>We have started monitoring the number of restaurants that have not submitted their taxes.</li> </ul>
●	Permits, Fees & Regulatory Licenses	1,000,000	(300,000)	<ul style="list-style-type: none"> <li>Construction continues to be strong while firms adhere to social distancing.</li> <li>Reduction assumes that construction may slow at the beginning of the next year.</li> <li>Watch for signs of recovery in future months.</li> </ul>
●	Charges for Services	2,559,000	(300,000)	<ul style="list-style-type: none"> <li>Assumes that summer Parks and Recreation programs will be severely impacted this year.</li> <li>This category includes ambulance billing. Last month there was more uncertainty than this month. The number of Covid cases have been relatively low to date.</li> </ul>
●	Other (Numerous Small Revenues)	10,881,738	(200,000)	<ul style="list-style-type: none"> <li>General placeholder for reduced revenues. This will be fine-tuned as more information becomes available</li> </ul>
	<b>Totals</b>	<b>\$150,789,200</b>	<b>\$(6,350,000)</b>	<b>4.2% Projected Revenue Shortfall</b>