

COUNTY OF YORK

MEMORANDUM

DATE: July 14, 2020

TO: York County Board of Supervisors

FROM: Neil A Morgan, County Administrator 

SUBJECT: 2020 SAFER GRANT – Fire and Life Safety

The Staffing for Adequate Fire and Emergency Response (SAFER) Grants was created through the Federal Emergency Management Administration to provide funding directly to fire departments to help them increase or maintain the number of trained, "front line" firefighters available in their communities. The goal of SAFER is to enhance the local fire departments' abilities to comply with staffing, response and operational standards established by the NFPA (NFPA 1710 and/or NFPA 1720).

During the most recent grant funding opportunity from the SAFER program the parameters related to local grant matches were modified from previous opportunities. Essentially, during the three year "period of performance," there is no local grant match required. Therefore, after considering the ongoing staffing needs of the Department of Fire and Life Safety and the benefit of Federal funding of positions for three years, I have authorized the Department to make application for an additional SAFER Grant. Successful funding would be adequate to hire four firefighter positions. Hiring of the personnel will be coordinated to coincide with necessary recruit and/or other training based on department operations and the training/certifications of those selected. This initiative, assuming it's successful, will continue to help improve staffing of fire stations in an incremental fashion with unusually favorable financial conditions. Currently, FEMA has not begun making SAFER award announcements. We will update you as appropriate.

NAM:mlb 3309

COUNTY OF YORK

MEMORANDUM

DATE: July 16, 2020

TO: York County Board of Supervisors

FROM: Neil A. Morgan, County Administrator 

SUBJECT: Report #4 Revenue Forecasting Impacts of the Coronavirus – July Report based on Preliminary June 2020 Revenues

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 fourth edition to the report series. 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.

This month's report is focused on the preliminary June 30, 2020 revenue estimates and the development of economic trend information as we prepare to update the FY2021 budget estimates in the next few months. While this report series was developed initially to evaluate the level of uncertainty and risk associated with the various revenue sources and monitor those revenues closely as we worked through these unprecedented times, we now have a fairly clear picture of FY2020. The focus of future reports will shift to understanding the financial and economic trend information as we work through the crisis and into recovery.

Preliminary June 30, 2020 Revenues:

With an additional month of revenues posted, the news this month continues to be positive as compared to our initial estimate at the beginning of the pandemic. Our estimated revenue shortfall held steady with last month's estimate at a shortfall of \$1,350,000 which is 68% less than our initial estimate of \$4,200,000. While we had very little information on which to base our initial projection, interestingly the state's initial projection of a \$1 billion shortfall followed a similar path as their projected revenues were reported on July 9, 2020 as a \$236.5 million shortfall, which is a 74% reduction from their earlier estimate.

Please remember that our current FY2020 estimate is preliminary and subject to change as we still have two months of sales taxes, one month of lodging and meals taxes, receipt of late real estate and personal property taxes paid in July, and additional state revenues to be posted before we close out the year. We are still in uncharted territory as it relates to sales, meals and lodging taxes so those estimates are especially volatile.

FY2021 and Long-term Financial and Economic Forecasts:

While it is positive news that the Coronavirus impacts were not as bad as initially anticipated in FY2020, which protected our reserves as we entered FY2021, we must be cautious. We are still at the beginning of understanding the full impact of the Coronavirus on FY2021 and on our long-term financial and economic forecasts. Now that we have a few months of data, we are starting the process of developing some economic trend information that we believe will continue to inform us of the impacts to the various revenues as we progress through the crisis into recovery.

One of the areas that we will be watching closely is the unemployment rate, as this factor is an indicator of the overall financial health of our community. York's unemployment rate decreased in May to 8.5% from the April high of 10.4%. This is a significant increase from our pre-Coronavirus level of 3.1% in March. In addition, our monthly consumer tax trends also provide insights into how our economy is reacting to the effects of the Coronavirus. Visuals have been added to the report which show the impacts in dollars and percentage changes for sales, tourism sales, meals and lodging taxes by month from the start of the pandemic. The most notable impacts to date are reflected in the meals and lodging tax graphs. The attached report shares our first glance at these trends and will continue to develop as more information becomes available.

Additionally, staff is continuing to monitor for possible additional state and federal revenues. In the May report, I first referred to the receipt of Federal CARES Act Funds. Earlier this week, Secretary of Finance, Aubrey Lane, indicated that an additional allocation of Federal CARES Coronavirus Relief Funds (CRF) would be provided to localities. We will know more about the amount in late August or early September after the General Assembly reconvenes to address state budget changes.

McGettigan/3737

Attachment:

- Report #4 - Revenue Forecasting Impacts of the Coronavirus, Preliminary June 2020

Revenue Forecasting Impacts of the Coronavirus
Report #4
Preliminary June 2020
July 20, 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 fourth 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 cash flows. 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 cash flow 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 continues to clear for FY2020, the news this month continues to be positive as the initial projected shortfall is less than initially anticipated at the beginning of the pandemic. With an additional month of revenues posted, our estimated revenue shortfall held steady with last month's estimate at a shortfall of \$1,350,000 which is 68% less than our initial estimate of \$4,200,000. While we had very little information upon which to base our initial projection, interestingly the state's initial projection of a \$1 billion shortfall followed a similar path as their projected revenues were reported on July 9, 2020 as a \$236.5 million shortfall, which is a 74% reduction from their earlier estimate. There are no major changes to report this month.

In May 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.

	Level of Risk & Uncertainty
●	Low
●	Moderate
●	High

Table 1: FY2020 Revenue Risk Analysis and Projection:				
Risk Level	Revenue Category	FY2020 Budget	Anticipated Change	Factors
●	Real Estate	\$73,196,808	\$(1,100,000)	<ul style="list-style-type: none"> Late tax collections will continue to be received in July for the June bill.
●	Public Service Corp.	2,700,000	300,000	<ul style="list-style-type: none"> All revenues have been received.
●	Personal Property	15,700,000	(400,000)	<ul style="list-style-type: none"> Late collections will continue to be received in July for the June bill.
●	State - PPTRA	8,742,000	0	<ul style="list-style-type: none"> No impact expected.
●	State - Other	4,639,000	0	<ul style="list-style-type: none"> Revenues will continue to be collected in July for June.
●	Sales Taxes	10,765,000	200,000	<ul style="list-style-type: none"> Because the state collects local sales taxes, May and June revenues have not yet been received by the County. Due to the impact of Coronavirus these two months are more challenging to predict than in prior years.

Table 1: FY2020 Revenue Risk Analysis and Projection:

Risk Level	Revenue Category	FY2020 Budget	Anticipated Change	Factors
●	Tourism Sales Taxes	4,200,000	(50,000)	<p>Same comments as Sales Taxes above.</p> <ul style="list-style-type: none"> ● Because the Tourism Sales Taxes do not include groceries, the reduction to this tax will be higher than the 1 cent Sales Tax revenues.
●	BPOL	6,855,000	700,000	<ul style="list-style-type: none"> ● Revenues were due prior to the Coronavirus impact as taxes were due on March 1. Additional revenue was received from late collections in April, May and June. ● Because the economy was doing well when the tax due date occurred, the revenues are \$700,000 more than the budget.
●	Motor Vehicle Licenses	1,650,000	(100,000)	<ul style="list-style-type: none"> ● Revenues are known at this point.
●	Lodging	1,570,000	(400,000)	<ul style="list-style-type: none"> ● At this point, \$460,000 is still required to be collected to attain the current year's budget. With one month remaining, this projection assumes only \$60,000 will be collected in the remainder of the year. This projection is based upon reductions in hotel visits of 64%, 92%, and 87%, respectively for March, April and May. ● The \$60,000 estimate for June assumes a recovery from the prior months, but that June revenues will be down 65% from last year. ● If this projection holds, it would result in an annual 27% decrease in revenue from the prior year.
●	Meals Taxes	3,320,000	(300,000)	<ul style="list-style-type: none"> ● At this point there is \$550,000 left to be collected to attain the current year's budget. Due to

Table 1: FY2020 Revenue Risk Analysis and Projection:

Risk Level	Revenue Category	FY2020 Budget	Anticipated Change	Factors
				<p>the continuing expansion of takeout and delivery services combined with the increase in outdoor dining and the phasing-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"> ● In June, restaurants were open for indoor dining at 50% capacity. ● 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. In May revenues decreased by 35% with 32 restaurants reporting no revenues. We will continue to monitor the number of restaurants that have not submitted their taxes. ● The \$300,000 estimate assumes a recovery from the recent months, but that annual revenue will be down by 11% from last year.
●	Permits, Fees & Regulatory Licenses	950,000	0	<ul style="list-style-type: none"> ● Collection fees are running 3% over budget. ● Construction continues to be strong.
●	Charges for Services	2,235,000	(300,000)	<ul style="list-style-type: none"> ● Revenues have essentially been collected for the year.

Table 1: FY2020 Revenue Risk Analysis and Projection:				
Risk Level	Revenue Category	FY2020 Budget	Anticipated Change	Factors
●	Other (Numerous Small Revenues)	9,899,192	100,000	<ul style="list-style-type: none"> This category includes hundreds of small revenues. Prior months' reports indicated that a more thorough review of these revenues would be performed which was done this month. These revenues are essentially collected for the year.
	Totals	\$146,422,000	\$(1,350,000)	1% Projected Revenue Shortfall

FY2021 Revenue Risk Analysis and Projection:

There is no revenue projection table for this month as the 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.

Tracking Economic Trends through the Coronavirus into the Recovery:

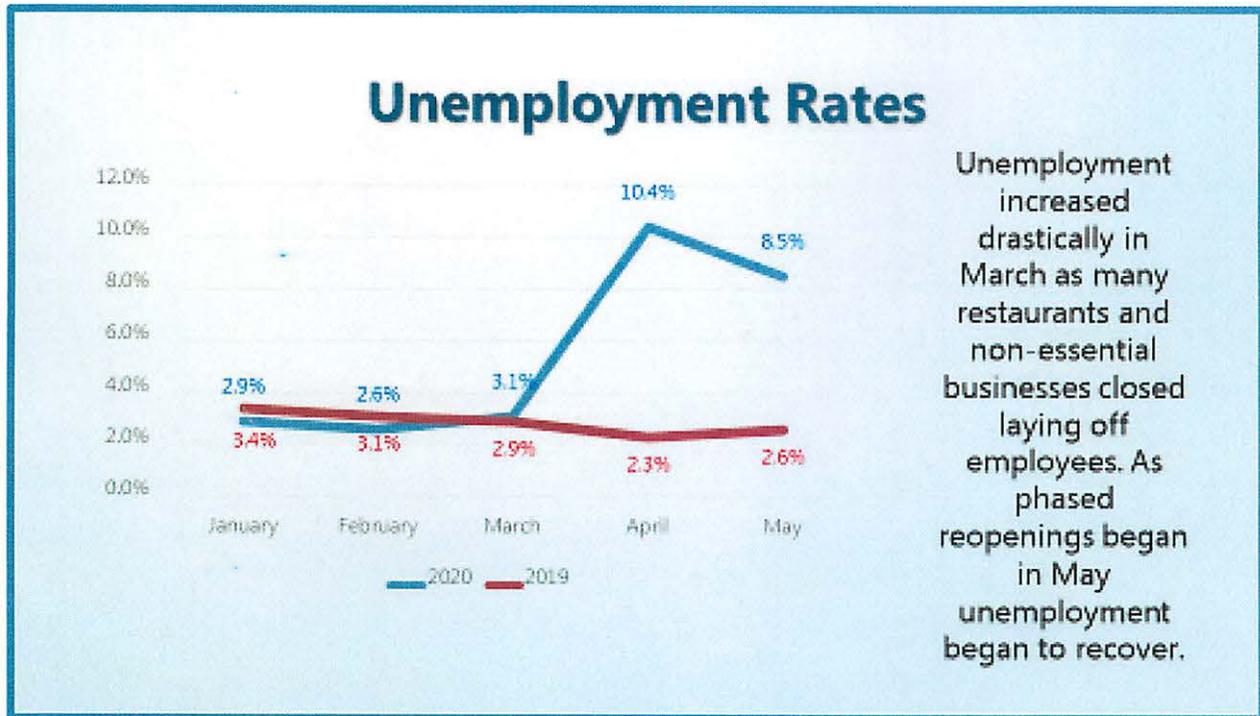
Now that we are a few months into the pandemic, we are beginning to receive some economic trend information that provides early insights into the financial impacts. In this month's report we are introducing this new section which will track trends and impacts. We are anticipating following the trend information through the Coronavirus and into the recovery and using the information to update future revenue projections.

At this point the primary trends impacted on a monthly basis relate to unemployment and consumer revenues, i.e. sales, tourism sales, meals and lodging. In the revenue charts below, the information is shown in dollars, as well as the percentage changes so that relative impacts can be seen. The narratives will be updated as more information becomes available.

Unemployment Rate:

There is a one month lag in receiving unemployment information from the state.

Table 2:



Sales Taxes:

Sales tax information lags two months behind as the state collects the revenues and remits to the County.

Table 3:

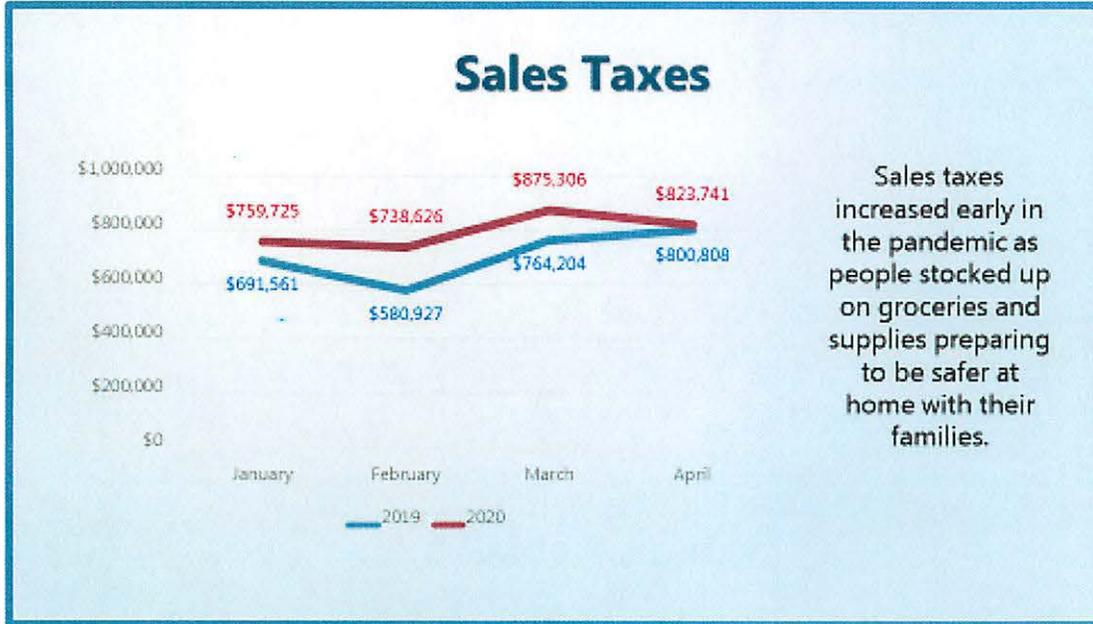
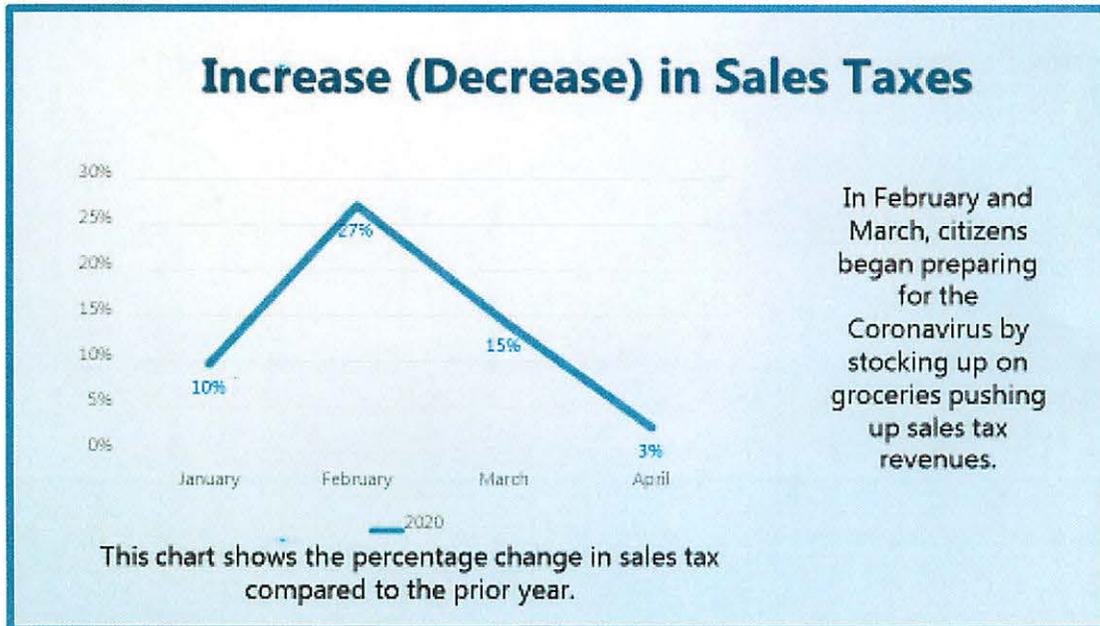


Table 4:



Tourism Sales Taxes:

Tourism sales tax information lags two months behind as the State collects the revenues and remits to the County.

Table 5:



Table 6:



Lodging Taxes:

There is a one month delay in the collection of lodging taxes.

Table 7:

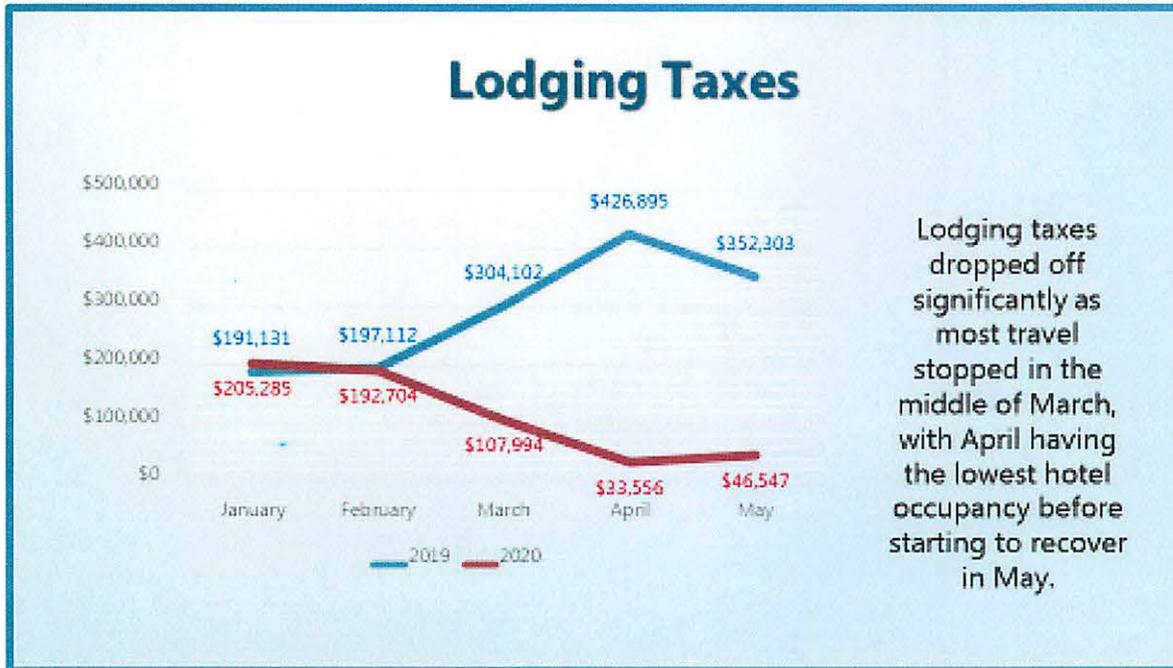
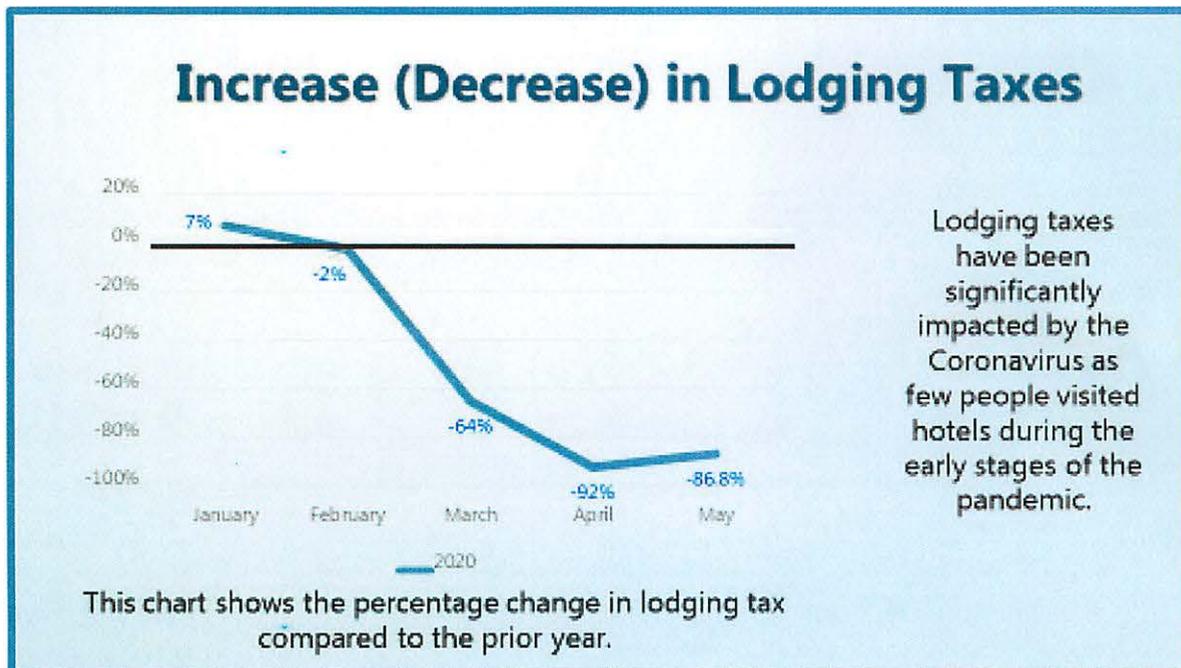


Table 8:



Meals Taxes:

There is a one month lag in the collection of meals taxes.

Table 9:

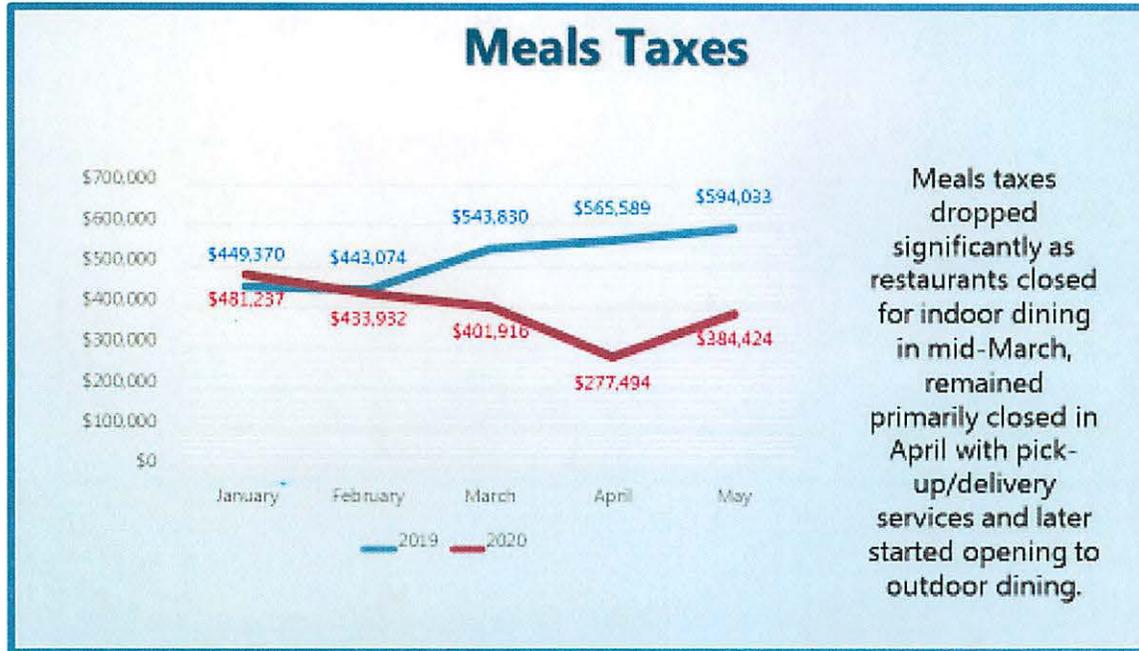
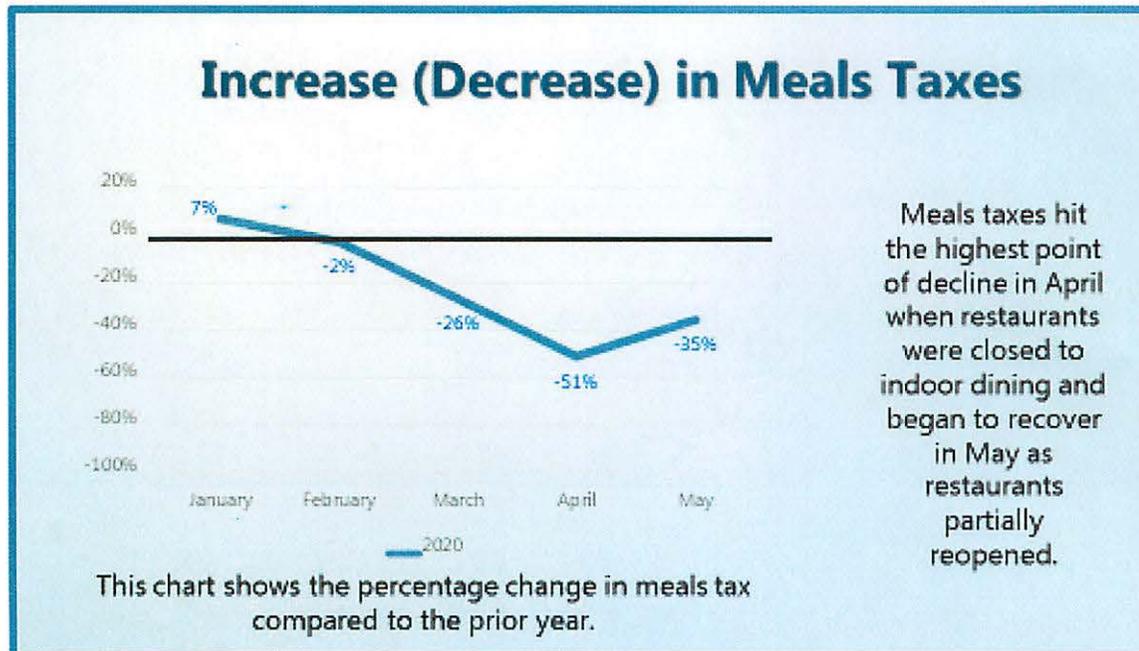


Table 10:



COUNTY OF YORK

MEMORANDUM

DATE: July 16, 2020
TO: York County Board of Supervisors
FROM: Neil A. Morgan, County Administrator
SUBJECT: Zweibrucken Delegation



A conference call was held today with Brian Fuller, myself, and Mayor Wosnitza concerning the planned visit from the Zweibrucken Delegation currently scheduled for the fall. We have concluded that the Delegation will not travel to Yorktown as scheduled due to uncertainty associated with COVID 19. Our preliminary plan is that they would travel to Yorktown in October, 2021. York's full delegation would then travel to Zweibrucken in 2022, resuming the normal schedule. We will have to be flexible as we proceed and there may be a need for additional changes.

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