

Office of the NEW YORK STATE

COMPTROLLER

**Pandemic and Recovery:
Local Government Finances
and Federal Assistance**
Lessons from the Mid-Hudson Region



New York State Comptroller
THOMAS P. DiNAPOLI

OCTOBER 2021

Table of Contents

Introduction	1
Highlights	1
COVID-19 and the Mid-Hudson Region	3
Demographic Setting	3
COVID-19 Cases and Trends	4
Economic Impacts	5
Revenue Impacts	7
Case Studies	8
The City of Peekskill	9
The Town of Cornwall	13
The Village of New Paltz	16
Case Study Insights	19
Federal Aid to Local Governments	20
American Rescue Plan Aid in the Region	20
Conclusion	22
Appendix: Financial Profiles	23
Notes	27
Division of Local Government and School Accountability Contacts	29

Introduction

In March 2020, the COVID-19 pandemic forced New York State to close most non-essential businesses and schools and restrict travel and public gatherings.¹ The impact of these measures on the State’s economy was immediate and drastic, as unemployment rose and retail sales plummeted.² The pandemic and its economic fallout have also affected the finances and operations of local governments throughout the State, and may continue to do so for years.

The fiscal damage to local governments caused by the initial closures in the spring and early summer of 2020 have yet to be fully assessed. The Office of the New York State Comptroller (OSC) is currently reviewing financial reports for 2020 submitted by local governments (counties and towns, primarily) that operate on a calendar year. Many cities and villages, however, operate on different fiscal years, and the bulk of this early COVID impact will be in reports filed for fiscal years ending in early to mid-2021. Furthermore, these annual reports will only show revenues and expenditures, rather than specific changes in service provision.

OSC has been tracking the effects of the pandemic on local governments since it began. In July 2020, OSC published a report on the potential effects of the pandemic on major revenue sources, especially sales tax and State aid, for all classes of local government.³ At the same time, Comptroller DiNapoli proposed legislation (subsequently enacted) that gave local governments and school districts more flexibility in repaying debt and using reserve funds for pandemic-related expenses. OSC has also reported monthly on the local sales tax revenue starting in April 2020, when that source began to show major declines statewide, and has continuously monitored local fiscal conditions while advocating for direct federal aid to localities.

The case studies described in this report are part of this monitoring initiative, providing insight into some of the fiscal challenges that the pandemic presented to individual local governments. OSC staff conducted interviews and financial analysis in late fall 2020, choosing the Mid-Hudson region as the geographical focus. The region was the location of some of the first confirmed cases of COVID-19 in the State and had had a relatively high number of cases in early 2020.⁴ The City of Peekskill, the Town of Cornwall and the Village of New Paltz agreed to participate in the study. Each had its own unique experience in 2020, but each also shows some of the typical problems facing local governments throughout the region and the State.

Highlights
<ul style="list-style-type: none">• Case studies of three municipalities in the Mid-Hudson region – the City of Peekskill, the Town of Cornwall and the Village of New Paltz – found that the early fiscal impact of COVID-19 was largely driven by revenue losses from the following major sources:<ul style="list-style-type: none">• Parking charges• Water bills• Sales tax collections• Court fines.• Local governments which had been in fiscal or environmental stress before the pandemic were likely to face larger or continuing challenges than the three studied here.• Recently enacted federal aid will assist New York’s local governments in replacing lost revenues, maintaining employment, building and maintaining infrastructure and supporting local economic recovery.

The three case studies showed revenue losses and employment and service reductions due to COVID-19's effects. As they approached their 2021 budgets, all three entities were faced with the challenge of restoring pre-pandemic service levels while remaining fiscally solvent, without knowing whether revenue sources would remain depressed. As a result, all considered some mix of appropriating a portion of existing fund balance ("rainy day funds") and raising revenues such as property taxes or water rates.

Each of the municipalities reported that they were able to weather this phase of the pandemic by making choices that were necessary in an extraordinary year but that would not have been sustainable for a longer period: reducing services, using one-time revenue sources, and increasing taxes or fees more than they would have otherwise done. They were also helped by federal and state increases to unemployment insurance and coverage of costs for things such as COVID testing, contact tracing and, ultimately, vaccine roll-out. However, it is likely that other municipalities may not have been as fortunate even with all these supports, depending on their fiscal health at the start of the crisis and their particular mix of revenues and services.

In March 2021, the federal government enacted the American Rescue Plan (ARP) Act, which provided local governments with much needed fiscal relief to help mitigate the ongoing fiscal and economic impact of the COVID-19 pandemic.⁵ ARP Act funds are intended to stimulate local recovery, prevent widespread municipal fiscal stress, stabilize local economies, and mitigate future impacts from the pandemic. The success of this program will likely depend both on the trajectory of COVID-19 and its more lasting economic effects, and on the wise use of these funds by local officials statewide.

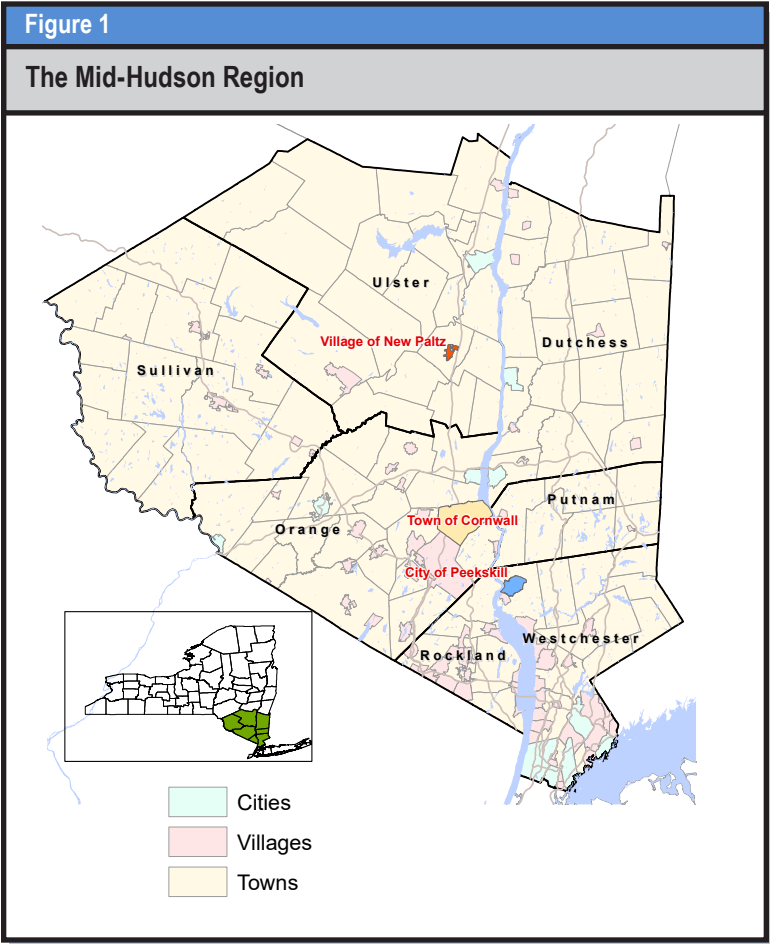
COVID-19 and the Mid-Hudson Region

The case study approach was leveraged to provide a point-in-time view of the effects of COVID-19 on local governments. In addition, some information was available on a wider basis: regional demographics, numbers of COVID-19 cases, and some data on sales tax collections and State aid to localities.

Demographic Setting

The Mid-Hudson region, as defined in this report, consists of seven counties located north of New York City, on either side of the Hudson River. (See Figure 1.) The region is largely part of the greater New York City metropolitan area and is home to 2.3 million New Yorkers, or 12 percent of the State’s population.

The southern section of the Mid-Hudson region is more densely populated with urban and suburban areas; the north and west include more rural areas. Compared to the State as a whole, the region’s residents have somewhat better educational attainment, higher rates of homeownership, and less poverty. About 17 percent of its residents are age 65 or older (and therefore at greater risk for a severe medical outcome if they contract COVID-19).⁶



COVID-19 Cases and Trends

The first wave of the pandemic hit the Mid-Hudson region harder than most other parts of the State outside of New York City. Some of the first confirmed cases of COVID-19 in the State were in the City of New Rochelle, and Rockland, Orange and Westchester counties all had especially high positive test rates and numbers of new cases during the spring.⁷ After the peak of that first wave in April 2020, rates in the region declined, but a second major wave of positive cases started in October 2020, peaking in January before declining with the vaccination rollout and then trending upward again recently with the Delta variant. The period described in the case studies – March 1 to November 30, 2020 – incorporated both the first wave and the alarming increases at the start of the second wave. (See Figure 2.)

As of November 30, 2020, New York State had lost 26,995 residents to COVID-19, of whom 2,885 (or nearly 11 percent) were Mid-Hudson region residents.⁸ Westchester County had the largest number of cases in the region, as measured by the number of positive test results, although Orange and Rockland counties both had higher percentages of people test positive. (See Figure 3.)

Since the case study period, the number of positive cases and deaths has continued to rise. As of September 7, 2021, counties in the region reported a total of 308,391 cases and 4,742 deaths.

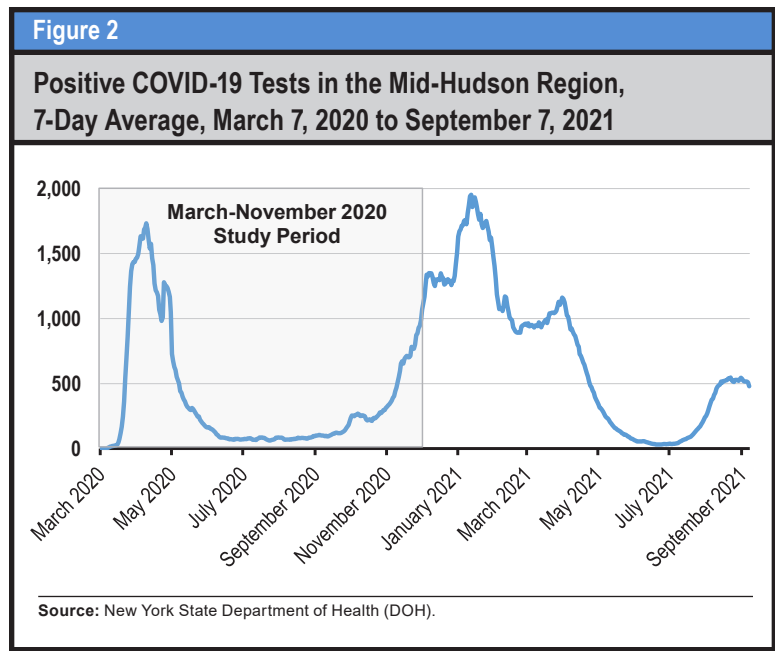


Figure 3
COVID-19 Statistics for the Mid-Hudson Region (As of November 30, 2020)

County	Total Persons Tested	Total Tested Positive	Percentage Positive	Total Deaths*
Dutchess	294,825	7,635	2.6%	192
Orange	306,257	17,496	5.7%	442
Putnam	85,280	3,038	3.6%	64
Rockland	345,407	22,221	6.4%	530
Sullivan	50,852	2,238	4.4%	38
Ulster	164,000	3,606	2.2%	94
Westchester	1,136,652	52,418	4.6%	1,525
Mid-Hudson	2,383,273	108,652	4.6%	2,885
State	19,965,164	674,093	3.4%	26,995

Note: *Deaths by county of residence.
Source: DOH, COVID-19 Tracker, accessed 12/4/20.

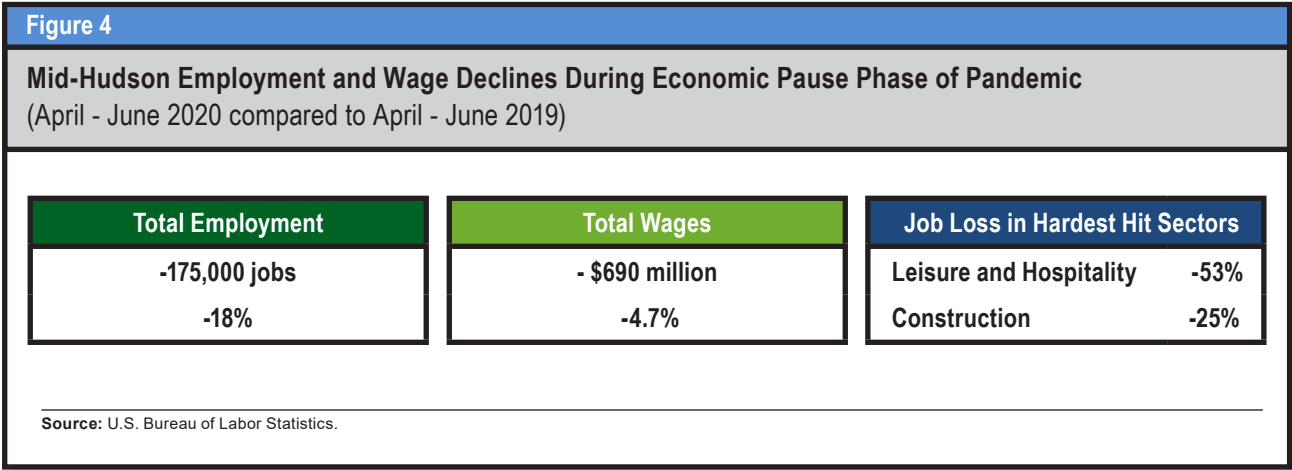
Economic Impacts

On March 7, 2020, Governor Cuomo declared a statewide disaster emergency in response to the pandemic.⁹ Subsequent executive orders directed many nonessential businesses to close to the public, then set forth a reopening plan to be implemented on a regional basis.¹⁰ The Mid-Hudson region moved through four phases of economic reopening from May 26 to July 7.

Some limitations, such as those on large gatherings and the occupancy of restaurants, remained in place throughout 2020. In the fall, the State identified “cluster zones,” which designated areas based on testing results as yellow (fewest additional restrictions), orange and red (most additional restrictions). Businesses and other entities operating within these cluster zones, as well as gatherings of various kinds, would be subject to more stringent restrictions. In late 2020, there were ten cluster zones (one orange and nine yellow) in the Mid-Hudson region, but on January 27, 2021, the Governor removed all but one (the Newburgh yellow zone) of these designations. Cluster zones were eliminated statewide in mid-March 2021.¹¹ The executive orders that established the disaster emergency and most of the remaining COVID-19 related restrictions were rescinded as of June 25, 2021.¹² However, State agencies continue to issue guidance and mandates pertaining to issues such as masking in public places and vaccination of certain employees, as needed.

Unemployment and Jobs

Layoffs spiked in the initial wave of the pandemic, with large employers announcing more than five times as many layoffs in the March-November 2020 period as for the same months in 2019.¹³ Industry data for the April-June quarter shows a deep drop in total employment and wages for the region, especially in the Leisure and Hospitality sector.¹⁴ (See Figure 4.)



Unemployment in the Mid-Hudson region increased rapidly, hitting 15.7 percent in April 2020.¹⁵ After four months above 10 percent, the regional unemployment rate dropped to 6.7 percent in September and stayed around 6 percent during the rest of the case study period. (See Figure 5.)¹⁶ However, an OSC study noted that, while the drop was partly due to an increase in the number of people employed, it was also affected by people leaving the labor force altogether.¹⁷

Since the case study period, the picture has remained fairly steady. Total employment in June was not yet back to where it was in June 2019, according to Department of Labor survey data, although it has improved significantly since June of 2020.¹⁸

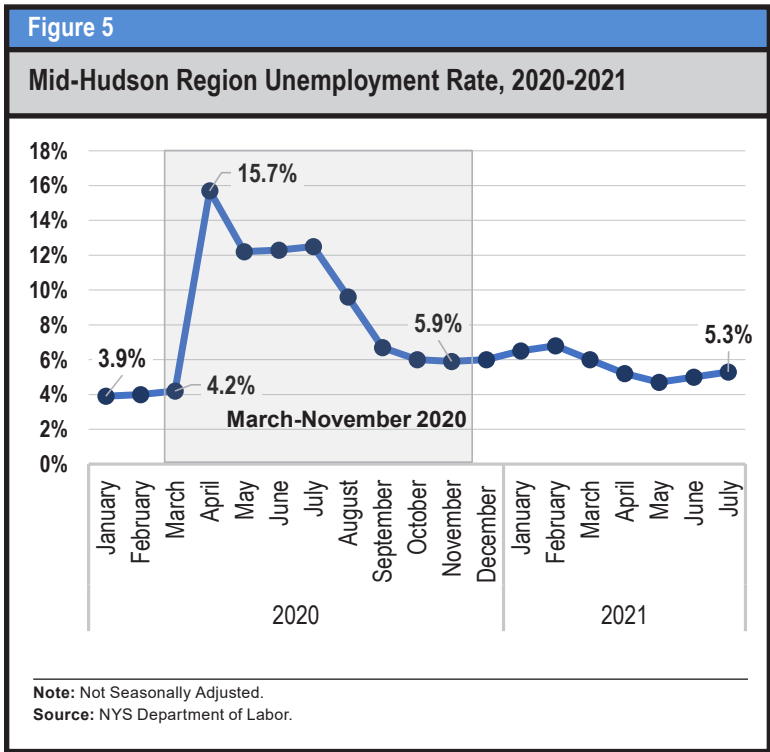
Unemployment dropped to 5.3 percent in July 2021, but the labor force is still lower than it was pre-pandemic: July’s labor force was still 34,100 (2.9 percent) lower than it was in July 2019.

In general, the full recovery of “Main Street” businesses, restaurants and many other services, while looking positive, is still uncertain. After more than a year of making adjustments for COVID-19 (reduced capacity, online ordering for pick up, outdoor seating in foul weather), businesses that survive may be more financially stressed than they were before the pandemic. In addition, many are now reporting difficulty in hiring staff quickly enough to take advantage of additional demand from now-vaccinated would-be customers. These stressors also make them potentially more vulnerable to swings caused by any substantial recurrence of the virus.

Housing

In contrast to employment, the region’s housing market saw gains by many measures, even during the study period, possibly due to New York City residents moving to the area. From 2019 to 2020, median home sale prices increased for every county in the region, ranging from a 5.7 percent increase in Putnam County to a 36.8 percent increase in Sullivan County.¹⁹ The number of home sales in the region increased by 8.7 percent year over year, with a 44.7 percent increase in the fourth quarter of 2020 compared to 2019.

Median home prices and numbers of sales continued to be well above pre-pandemic amounts after the case study period. Both rose by double-digits in all of the region’s counties in the first half (January – June) of 2021, compared with the same period in both 2019 and 2020.



Revenue Impacts

Sales Tax

The Department of Taxation and Finance reports on local sales tax collections and distributions on a monthly basis, with quarterly adjustments for reported sales by taxing location. The sales tax is a vital source of revenue for 162 local governments in the region. All seven of the region's counties collect it, and five of them (all but Putnam and Sullivan) share some portion with the cities, towns and (except in Ulster) villages within their boundaries.²⁰ Four cities impose their own local sales tax instead of receiving a share of the county's collections.

Figure 6

Mid-Hudson Local Sales Tax Collections

County	2019 (millions)	2020 (millions)	Percentage Change
Dutchess County	\$208.7	\$203.6	-2.5%
Orange County	\$300.8	\$281.1	-6.6%
Putnam County	\$66.4	\$67.1	1.2%
Rockland County	\$232.2	\$225.9	-2.7%
Sullivan County	\$47.3	\$49.6	4.8%
Ulster County	\$127.2	\$128.5	1.0%
Westchester County	\$619.8	\$680.7	9.8%
<i>Mount Vernon</i>	\$22.3	\$22.7	2.0%
<i>New Rochelle</i>	\$31.0	\$30.8	-0.7%
<i>White Plains</i>	\$52.3	\$42.5	-18.8%
<i>Yonkers</i>	\$98.4	\$94.8	-3.7%
Mid-Hudson Region	\$1,807.8	\$1,828.8	1.2%

Source: New York State Department of Taxation and Finance, with calculations by the Office of the New York State Comptroller.

Three of the region's counties and three of its sales-tax-imposing cities experienced outright declines in collections from 2019 to 2020, mostly due to dismal collections in the April-June 2020 quarter. Despite Westchester's tax rate increase, the aggregate region-wide increase of 1.2 percent was significantly less than typical in prior years. (See Figure 6).²¹

Since 2020, the picture has improved considerably. Collections for the first half of 2021 were up 28 percent over the first half of 2020, partly due to the fact that the April-June 2020 period was especially weak, and partly due to very robust total collections in all of 2021.²²

State Aid

In 2020, early in the pandemic, New York State withheld 20 percent of its Aid and Incentives for Municipalities (AIM) payments to cities and other local governments. Although this unrestricted aid was ultimately fully restored in 2021, local officials in the region and across the State had to make decisions throughout 2020 as though that revenue was cut, and the uncertainty may have influenced anticipated AIM levels in FYE 2021 budgets.

Case Studies

The case studies that follow focus on the period from March 2020, when the pandemic hit, through November 2020 (the most recent data available when the case study interviews were conducted). The goal in undertaking them was fourfold: first, to get a more comprehensive view of the revenue impacts, both from the sales tax and State aid mentioned above, as well as other revenue sources; second, to determine how the pandemic impacted spending trends; and third, to gather information about the context for these revenue and expenditure changes – what did the situation look like on the ground? Finally, what decisions were local officials making in response to these challenges? How did these decisions impact or potentially impact residents in the short- and long-term?

Local officials provided OSC field staff with financial data for the study period, and a team of auditors and researchers from OSC then compared the data to the same period in 2019 and worked with the local officials to identify the financial effects of COVID-19. In-depth interviews were then conducted to get a better picture of how local services were affected.²³ Except where noted, the data is as reported to OSC by local officials and has not been independently verified by OSC.

Outcomes were different, depending on the mix of revenues and service challenges each experienced, but several themes emerged. In general, the challenge presented to each local government's leaders was dependent on three main factors:

Reliance on affected revenues: The percentages of revenue that came from sales tax and State aid, as noted above, were of particular importance, but some municipalities reported significant revenue losses from other sources as well, such as parking fees, fines and forfeitures, and water use charges.

Effects of COVID-19 on expenditures: Some expenditures increased, such as for materials or overtime. Some savings resulted when municipalities were limited in the services they were able to provide residents during the health crisis.

Financial condition when the crisis began: None were in a fiscal stress category in 2019 based on OSC's fiscal stress monitoring system, and all had some fund balance to draw down, if necessary. In addition, although the City of Peekskill and Village of New Paltz are both subject to the Constitutional Tax Limit, neither was close to that limit.

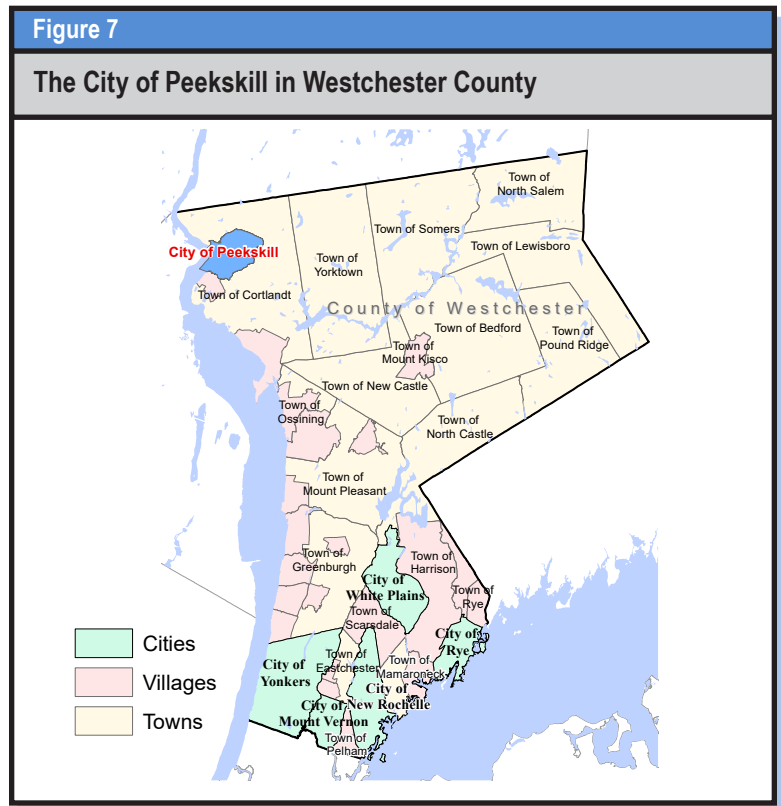
The City of Peekskill

The City of Peekskill is a moderately sized, diverse urban community, with a larger proportion of children in poverty (10.5 percent) than the other municipalities in the study group. Residents include a mix of homeowners and renters, with a relatively large percentage of foreign-born residents (27.6 percent).²⁴

At the outset of the pandemic, Peekskill immediately restricted access to public buildings and temporarily closed court operations.

To continue to provide essential services, the City staggered sign-in times for water, sewer, road maintenance and garbage crews, and designed COVID-safe staffing and sick-leave policies to keep police officers, firefighters, emergency medical technicians (EMTs), dispatchers and supporting workers healthy and safe. The City also installed an intercom system in City Hall and a self-service kiosk to allow residents to conduct necessary business while minimizing direct contact.

Although planned parades, large-scale events and summer recreation programs were canceled, unofficial rallies and demonstrations in public spaces required local officials to strike a balance between protecting public health and allowing for social activism.



COVID-19 Impact on Finances

City officials identified revenue losses related to COVID-19 totaling over \$1.1 million during the study period. They also identified over \$200,000 in added expenditures due to overtime related to COVID-19. However, the City also saw an expenditure reduction of about \$880,000 due to cutbacks in services and other costs. (See Figure 8.)

Affected Revenues

Peekskill's revenues include sources impacted by the pandemic, including sales tax and State aid, which accounted for 12 percent and 5 percent of total revenues in 2019, respectively. (For a description of each of the selected municipalities' revenue and expenditure structure, see Appendix.)

Based on data provided by the City, however, the largest impact was a reduction of revenue from the City's parking meters, municipal lots and garages, and commuter rail parking. Demand for parking dropped as shoppers, diners and commuters followed stay-at-home orders. In addition, the City halted meter enforcement between mid-March and

July 1 to provide financial relief to residents, and hearings for existing parking enforcement actions were canceled. This resulted in a precipitous decline in parking revenues of about \$789,000 over the nine months. Parking enforcement (issuing tickets) and court fine revenues were also down considerably during the period. (See Figure 8.)

Recreation revenue losses, from canceled seasonal, youth and senior services in 2020, totaled almost \$380,000. For example, the City-owned stadium was not rented out for large events, summer camps were not held, the pool remained closed and senior trips were canceled.

Figure 8		
City of Peekskill: Impact of COVID-19 on Revenues and Expenditures		
March to November 2020		
	Impact	Percentage Change from 2019
Affected Revenues		
Parking - Lots, Garages and Meters	-\$478,774	-58.2%
Parking - Enforcement	-\$311,050	-56.8%
Pool, Summer Camp, Parks and Recreation	-\$379,109	-93.5%
Court - Fines and Forfeited Bail	-\$143,194	-76.7%
State Aid	-\$45,508	-20.0%
Hotel Taxes	-\$27,327	-24.1%
City Clerk Fees and Licenses	-\$9,829	-60.8%
Building Permits and Planning/Zoning Fees	\$262,683	228.6%
Total Impact - Affected Revenues	-\$1,132,109	
Affected Expenditures		
Overtime due to COVID-Safe Scheduling	\$212,563	95.9%
Pool, Summer Camp, Parks and Recreation	-\$792,976	-38.0%
Other Overtime	-\$52,926	-38.0%
School Crossing Guards	-\$26,070	-75.7%
Court	-\$8,164	-46.3%
Total Impact - Affected Expenditures	-\$667,573	
<p>Note: State Aid reduction does not include \$398 million December AIM withholding. The full amount of AIM was restored in 2021.</p> <p>Source: Data reported by City of Peekskill to OSC. Includes only budget items that were identified as being significantly affected by the COVID-19 pandemic.</p>		

State aid was affected both during the period and immediately afterwards, as the State withheld a total of \$443,900 (20 percent) from the City’s September and December 2020 AIM payments. Most of this amount (15 of the 20 percent withheld) was subsequently restored in March 2021, and the remaining 5 percent was restored in May 2021.

City officials did not identify sales tax (which accounted for 12 percent of revenues in 2019) as having been affected. This appears to be due to a combination of two factors. First, Westchester County increased its local sales tax rate from 3 to 4 percent in August 2019, and shared some of the increase with those local governments (like Peekskill) that get a portion of County collections. The additional revenue from this change offset the effects from lower taxable sales due to the pandemic over the course of the full year. Second, the City budgeted very conservatively for this expected additional revenue in its 2020 budget, so the amount it realized during the year was very close to the budgeted amount. Hotel occupancy taxes, in contrast, were down by about 24 percent (\$27,000).

Building permit revenues increased more than 200 percent over the same period last year. Officials said this was likely due at least in part to COVID-19, as an unusual number of residents and businesses undertook property improvements.

Affected Expenditures

Although some of Peekskill’s costs increased due to COVID-19, more decreased. The result was a net reduction in expenditures of nearly \$670,000.

The most significant increase in pandemic-related expenditures was associated with a new staffing schedule for the fire department, reflecting mandatory quarantine and emergency staffing in all areas. The necessary overnight firehouse stays in rotating shifts to meet minimum staffing requirements together with social distancing standards resulted in overtime costs of \$212,000, almost double (96 percent increase) the prior year’s overtime for the same period. (See Figure 8.)

The largest expenditure reductions (\$793,000) stemmed from reduced recreational services, which meant that City did not incur costs associated with the routine hiring of nearly 200 seasonal employees who would have staffed those services. School closures also led to decreased school crossing guard employment and expenditures (\$26,070), and court closures resulted in reduced expenditures as well (\$8,164).

Projected Impact on Budget

Concerned with potentially severe revenue losses, City officials monitored cash-flow reports carefully throughout 2020 and made several formal budget modifications in the summer. The City appropriated \$500,000 out of its “rainy day” account (fund balance) and moved money left unspent due to expenditure reductions – resulting from both deliberate departmental cuts and from activities curtailed by the pandemic – to other uses.

When the City adopted its 2021 budget in November 2020, the lower than expected revenues in 2020 influenced estimates for 2021. For example, City officials did not expect parking demand to return to normal levels during 2021, and they anticipated that the State would convert its 20 percent AIM withholdings into permanent cuts. Parking revenue projections in the budget, therefore, were 33 percent lower than what had been budgeted for 2020, and State aid projections were \$443,800 lower.

Peekskill officials also expressed concern about the impact to water bill collections under the State’s new COVID-19 Municipal Shutoff Moratorium and the associated deferred payment agreement.²⁵ The City historically has around \$750,000 in unpaid water bills that it adds on to the next year’s property tax bills. The new payment plans could delay collections and may create a cash-flow shortfall that would require the City to cover water system expenses with revenues from other sources or the issuance of short-term debt.

On the expenditure side, the City anticipated restoring senior and youth services and seasonal recreation activities in 2021, which would increase spending over what they were in 2020 while these services were on hold. The City balanced the budget by:

- Cutting spending by 5 to 12 percent to the City’s departments, mostly by reducing overtime and not filling vacancies;
- Appropriating fund balance; and
- Increasing property taxes by 3.46 percent. The tax levy required an override, as the maximum increase to be compliant with the tax cap would have been 0.67 percent.

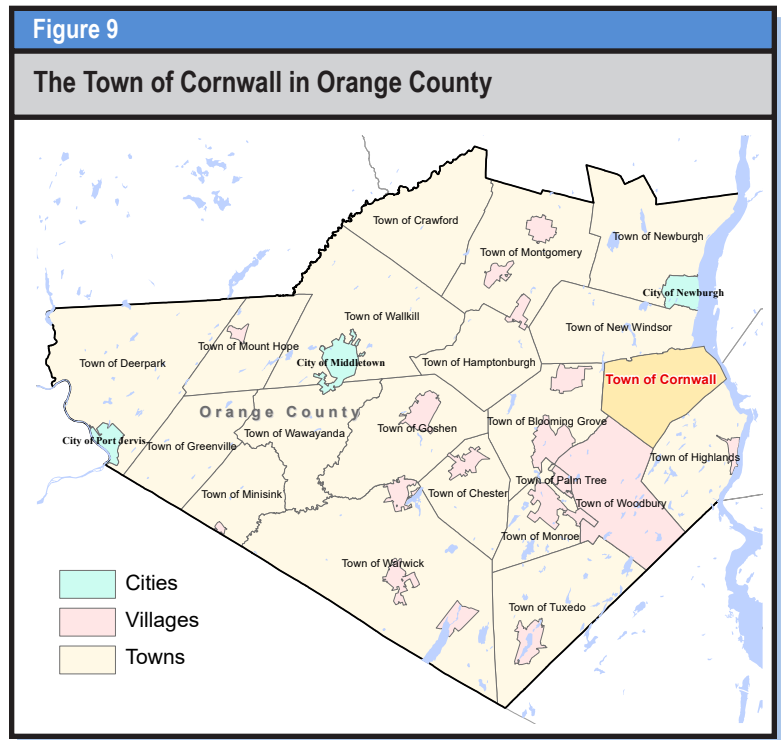
The City reported \$10.8 million in available fund balance across all funds at the end of 2019. Even though officials drew some of that down in 2020, they anticipated that the City would still be able to appropriate fund balance in 2021, if needed, while staying within their fund balance strategy.

The Town of Cornwall

The Town of Cornwall in Orange County is home to many New York City commuters, and its residents are somewhat older, less diverse and wealthier than those in the other two entities studied. The majority of the homes are owner-occupied (70.7 percent) and tend to be pricier as well.

Most of the pandemic's impact on Town operations occurred from mid-March through mid-June, when the Town Court and Town Hall were closed and Highway Department employees worked on an every-other-day schedule. Since then, the Town has resumed many activities, using barriers to protect employees from direct contact with the public.

The Town's Police Department provided coverage at pre-pandemic levels, although it implemented some health-risk mitigation procedures to reduce interactions with the public. The Town also made a voluntary \$14,000 contribution to the local (non-municipal) EMT service to help fund a second crew as needed. Sanitation workers continued to operate on a regular schedule throughout the period studied.



COVID-19 Impact on Finances

In interviews, Town officials identified COVID-19-related revenue losses of about \$226,000 during the March through November period. The Town reported that expenditures during that time declined by nearly \$240,000. (See Figure 10.)

Affected Revenues

Most (70 percent) of the Town's revenue came from the stable and predictable real property tax in 2019, and this source was unaffected in 2020. (For more detail on Cornwall's mix of revenues and expenditures, see Appendix.)

However, it also has a relatively high dependence on the economically-dependent sales tax, which accounted for 14 percent of total Town revenue in 2019. Sales tax collections were down \$122,725 (9.9 percent) during the March-November period compared with the same period in 2019.

Figure 10		
Town of Cornwall: Impact of COVID-19 on Revenues and Expenditures		
March to November 2020		
	Impact	Percentage Change from 2019
Affected Revenues		
Sales Tax	-\$122,725	-9.9%
Court - Fines and Forfeited Bail	-\$93,567	-62.7%
Pool Receipts	-\$21,386	-100.0%
Town Clerk Fees	-\$12,622	-65.6%
Building Permits and Planning/Zoning Fees	\$22,838	23.6%
Farmer's Market	\$1,285	30.5%
Total Impact - Affected Revenues	-\$226,178	
Affected Expenditures		
Pool	-\$89,365	-97.8%
Youth and Summer Programs	-\$66,989	-100.0%
Other Recreation	-\$66,765	-85.5%
Court	-\$37,663	-62.4%
Program for Aging	-\$2,763	-56.5%
Ambulance Contribution	\$14,000	-
COVID-19 Plexiglass, Supplies and PPE	\$10,000	-
Total Impact - Affected Expenditures	-\$239,545	
Source: Data reported by Town of Cornwall to OSC. Includes only budget items that were identified as being significantly affected by the COVID-19 pandemic.		

Justice court revenues were also down by nearly two-thirds (nearly \$94,000) compared to the prior year. Even after its initial closure in mid-March was lifted, the court did not resume full operation until mid-August.

Cornwall officials did think that the pandemic may have caused the Town's building inspector fees and planning board fees to exceed receipts from the same period in 2019, as some homeowners upgraded properties with decks, additions and pools.

Mortgage recording taxes increased \$110,000, or 35 percent, compared with the same period in 2019, but it was less clear how much of that increase could be linked to pandemic migration rather than other factors, such as increased refinancing.

Affected Expenditures

Town officials identified only \$10,000 in COVID-19-related expenses, including the installation of protective barriers and the purchase of protective and cleaning equipment.

However, they identified a number of expenditure reductions. The Town of Cornwall reduced spending by over \$225,000 when it did not open the pool, and canceled senior field trips and meals and youth summer day camp programs. This meant that the seasonal positions for lifeguards, camp director, nurse and counselors were not filled in 2020.

The closure of the Town Justice Court also had the effect of reducing expenditures for hourly prosecution-related legal services by nearly \$38,000.

Projected Impact on 2020 and 2021 Budget Years

As of November, Town officials anticipated that the pandemic's negative effect on revenue sources would likely be completely offset by reduced expenditures in 2020. Although helpful from a short-term fiscal perspective, this also meant that taxpayers did not receive the services they usually would receive and local workers lost employment opportunities in these programs.

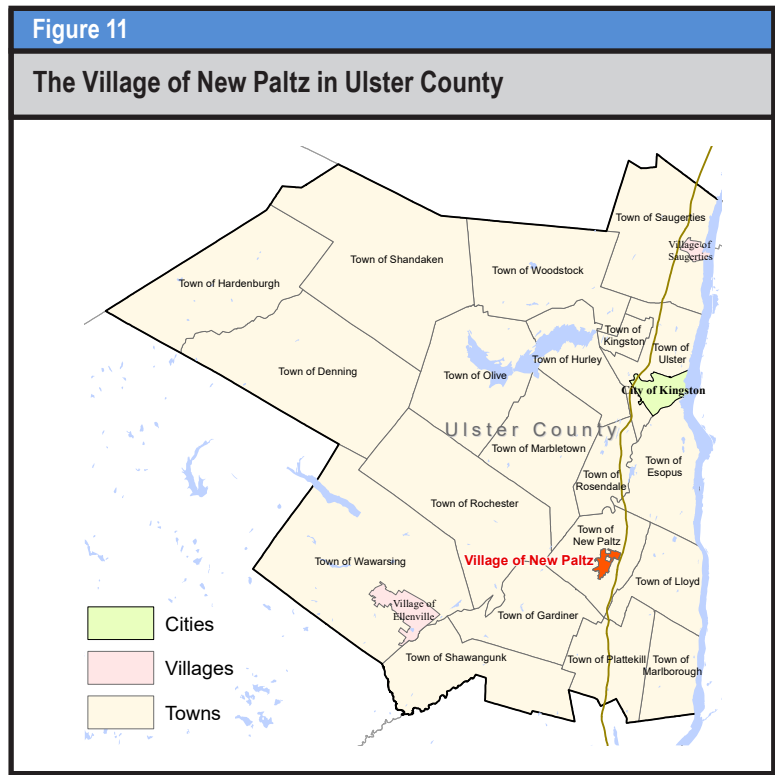
Cornwall's 2021 budget assumes that sales tax collections will continue at the disappointing levels seen in 2020 but that the Town pool will reopen and that senior and youth programming will resume, bringing spending back to normal levels. Assuming both projections are accurate, this would lead to a gap between operating revenues and expenditures of just over \$1.0 million, which the Town would address by appropriating unexpended fund balance. The Town had \$2.5 million (about 22 percent of expenditures) in fund balance (across all funds) at the end of 2019.

The Village of New Paltz

The Village of New Paltz is within the Town of New Paltz in Ulster County. It is home to the State University of New York at New Paltz (SUNY New Paltz) with more than 10,000 students and staff, and therefore has a young, well-educated and moderately diverse population, with a large number of residents who are renters. Its geographic location east of the Shawangunk Mountains and south of the Catskills also draws tourists to the Village.

In the last week of March 2020, the Village transitioned employees to remote work when possible and adjusted its public office hours. Measures remain in place to limit face-to-face contact, including limited access to public buildings. Department of Public Works (DPW) employees were assigned to split crews working every other day for approximately one month, moving to every day once the Village implemented new safety measures in April 2020. The only major Village activity officials reported ceasing was charging for parking and issuing parking tickets during the first months of the shutdown, resulting in the layoff of parking enforcement personnel. The SUNY campus shut down in March and reopened with lowered capacity in late August.²⁶

New Paltz made several changes to help local businesses and residents get through a trying time. During the summer months, for example, the Village converted part of its municipal parking lot into a picnic area to provide an outdoor space to eat take-out meals purchased at local restaurants. Village officials hosted a webcast featuring interviews of local business owners affected by the pandemic. They also handed out masks and helped remove litter when normal maintenance was overwhelmed.



COVID-19 Impact on Finances

The Village's 2019-20 fiscal year ended on May 31, when the pandemic was already underway. Village officials had already begun negotiating the FY 2020-21 budget but then weighed the uncertainties at the time and chose to adopt it as drafted pre-COVID-19.

The Village depends on revenue from various charges, including fees for water and sewer services (serving not only the Village but the surrounding Town of New Paltz and the SUNY New Paltz campus) and for parking. Property taxes account for less than one-third of its revenue. (For more details see Appendix.)

Village officials provided data that identified COVID-19-related net revenue losses of about \$520,000 during the nine months from March through November 2020. These losses amount to over 9 percent of the Village's FY 2019-2020 total reported revenues (\$5.7 million). The Village also reported \$36,000 in COVID-19-related spending increases, which were partially offset by \$70,000 in reduced spending. (See Figure 12.)

Affected Revenues

New Paltz's most significant COVID-19-related local revenue loss during the period was a \$240,000 decline in parking-related fees and tickets as a result of the Village's decision to stop parking enforcement from April to August, followed by a partial resumption in the fall.

Water revenues declined by about \$158,000 from March through November 2020 due to reduced demand by the Village's largest single water user, SUNY New Paltz, and sewer revenues declined by more than \$133,000. This was particularly concerning since officials had projected that the

installation of new metering at the SUNY New Paltz campus in March 2020 would result in an increase of water revenues due to more accurate billing.

Figure 12		
Village of New Paltz: Impact of COVID-19 on Revenues and Expenditures		
March to November 2020		
	Impact	Percentage Change from 2019
Affected Revenues		
Parking Tickets	-\$155,501	-70.3%
Water Fees - SUNY and Town	-\$138,565	-32.6%
Sewer Fees - SUNY and Town	-\$108,242	-31.0%
Parking Fees	-\$84,280	-54.2%
Sewer Fees - Residents and Businesses	-\$25,033	-6.4%
Water Fees - Residents and Businesses	-\$19,047	-4.4%
Building Permits	\$10,700	11.9%
Total Impact - Affected Revenues	-\$519,968	
Affected Expenditures		
Parking Enforcement	-\$31,048	-45.6%
Street Maintenance	-\$23,641	-37.8%
Refuse and Collections	-\$15,627	-25.3%
Sewer Expenses	\$36,370	NA
Total Impact - Affected Expenditures	-\$33,946	
<p>Note: Sewer expenses includes an unbudgeted contractual expenditure. Source: Data reported by Village of New Paltz to OSC. Includes only budget items that were identified as being significantly affected by the COVID-19 pandemic.</p>		

Some revenues have been unaffected, or even affected positively, during the pandemic. FY 2020-21 property tax collections have shown no noticeable increase in late or missed payments. Building permits revenue was up nearly \$11,000, or 12 percent. Mortgage recording taxes are also up slightly (\$2,500 or 7 percent) from the same period in 2019-20.

Affected Expenditures

New Paltz did not have large COVID-19-related spending, although it did incur some additional DPW costs attributed to the COVID-19 crisis. The Village said that multiple sewer clogs led to \$10,500 in additional DPW personnel and overtime costs. One blockage required the Village's Main Street to be closed to traffic and dug up, using a third-party contractor, hired at a cost of about \$23,000.

In general, however, COVID-19 restrictions and temporary policies resulted in lower spending on certain services temporarily. For example, the Village spent \$31,000 less from March to November than in 2019 on parking-related costs, due to the furloughing of parking enforcement personnel and the postponement of pavement restriping work. Some street paving projects were postponed, reducing paving expenditures by nearly \$24,000 compared with the same period in 2019. In April, the Village limited the spring yard waste pickup, saving another \$5,000 over 2019.

Impact on the FY 2020-21 Budget Year

At the time of the case study interviews, the Village was in the middle of its June 1, 2020 to May 31, 2021 fiscal year. Uncertainties surrounded the return of SUNY New Paltz students to the Village for the spring semester, as well as the impact of COVID-19 restrictions on the viability of restaurants and businesses. Village officials had been monitoring cash flow reports monthly, but had not made formal budget modifications at the time of the case study interviews in December.

New Paltz ended its most recent fiscal year on May 31, 2020 with \$1.3 million (about 22 percent of expenditures) in available fund balance across all funds. About half of this was in the general fund (\$684,000). The water fund had \$202,000 in unexpended fund balance and the sewer fund had \$389,000. Since they expected the University to continue to operate at reduced capacity in the spring, Village officials were concerned that additional water revenue losses could cause a deficit of around \$200,000 in the water fund, depleting its remaining available fund balance, and that sewer revenue will also be less than budgeted. For this reason, Village officials were considering raising water rates, at least temporarily.

Case Study Insights

These three case studies, when combined with information available for all local governments in the region (such as demographics, sales tax collections and mortgage recording tax collections), offer insights into the complex challenges facing local governments.

In general, our analysis found the primary fiscal impact of COVID-19 on these three local governments during the period was in the form of revenue losses. These included the loss of revenues from parking charges, water bills, sales tax collections and court fines. (See Figure 13.)

Cost increases were less fiscally disruptive to them, but some increased overtime or reported other heightened costs of operation, which they often addressed by reducing other types of expenditures. Even where COVID-19 created short-term net savings, such as with the cancellation of recreation programs, it did this at the expense of reduced services to residents, without a reduction to local property taxes.

In general, although all three entities were able to weather a single year of these challenges, they did so by employing a mix of appropriating existing fund balance (“rainy day funds”) and raising property taxes or water rates. The government officials in the case study entities were aware that many of the steps they were taking were short-term – most would be impossible or deeply unpopular if continued beyond a single, highly unusual year.

It is likely that some other local governments in the region had to make more difficult decisions. In particular, although OSC’s fiscal stress monitoring system only identified 5 local governments in the Mid-Hudson region as being in fiscal stress at the end of FY 2019, it noted that 36 had low fund balances.²⁷ Local governments with low fund balances might have to consider deeper operational cuts to avoid ending the year in a deficit. In addition, six municipalities in the region were close to their Constitutional Tax Limit, which would limit their ability to raise property taxes in the next year, increasing their dependence on expenditure cuts when budgeting for 2021.

Figure 13			
Major Impacts of COVID-19 on Three Mid-Hudson Local Governments			
March to November 2020			
	Percentage Decline in Affected Revenues and Expenditures		
	Peekskill	Cornwall	New Paltz
Revenues			
Parking	-58%	x	-64%
Water	x	x	-18%
Recreation	-93%	-100%	x
Sales Tax	x	-10%	x
State Aid (AIM)	-20%	x	x
Court Fines	-77%	-63%	x
Expenditures			
Parking	x	x	-46%
Recreation*	-38%	-94%	x
Courts	-46%	-62%	x

Note: x indicates no significant impact. Changes for recreation include only affected recreational activities.
Source: Reported by City of Peekskill, Town of Cornwall and Village of New Paltz to OSC.

Federal Aid to Local Governments

The federal government has directed aid to local governments in order to mitigate some of the worst fiscal impacts from the pandemic. First, the 2020 Coronavirus Aid, Relief, and Economic Security (CARES) Act included funding for pandemic-related expenditures to large local governments.²⁸ Then, on March 11, 2021, President Biden signed the \$1.9 trillion ARP into law.

In addition to delivering direct relief to residents through stimulus payments, unemployment benefits and tax benefits, the ARP established a \$350 billion Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). The Fund is the largest federal financial stimulus for local governments in history, more than doubling the \$145 billion included in the American Recovery and Reinvestment Act (ARRA) of 2009. New York State and its local governments will receive over \$23 billion through the CSLFRF, of which about \$10.7 billion will go directly to counties, cities, towns and villages. (See Figure 14.)

Figure 14	
ARP Coronavirus State and Local Fiscal Recovery Fund Allocation for New York	
State Government	\$ 12.745 billion
Local Governments	\$ 10.715 billion
Counties	\$ 3.900 billion
Designated "Metro Cities"	\$ 6.041 billion
Other Cities, Towns and Villages	\$ 0.774 billion
Total	\$ 23.460 billion
<p>Note: Includes New York City. Metro Cities are certain designated municipalities; in New York State this includes cities, towns and villages. Source: U.S. Department of the Treasury CSLFRF guidance, May 10, 2021.</p>	

American Rescue Plan Aid in the Region

In the Mid-Hudson region, local governments should receive over \$897 million in ARP aid. Half of this aid was distributed in the summer of 2021 and the remainder will be distributed in 2022.²⁹ (See Figure 15.)

The U.S. Treasury dictates allowable use of funds and has provided guidance to local governments. (See Text Box.)

Figure 15		
Preliminary ARP Allocations for Mid-Hudson Region Municipalities		
	Estimated Allocation (millions)	Number of municipalities
Counties	\$451	7
Designated "Metro cities" (includes eight cities and one village)	\$262	9
All other Cities, Towns and Villages	\$184	190
Total Mid Hudson Region	\$897	206
<p>Note: The designation of municipalities and the allocation of the federal stimulus in this document is a preliminary estimate. Source: U.S. Department of Treasury with OSC estimate calculations.</p>		

U.S. Treasury guidance to local governments includes a list of allowable uses for ARP funds, including for:

- COVID–19-related expenditures, including assistance to households, small businesses and nonprofits, as well as to tourism, travel, and hospitality industries;
- Revenue replacement, to the extent that revenue was reduced due to the COVID–19 public health emergency;
- Premium pay to eligible essential workers; and
- Investments in water, sewer, or broadband infrastructure.

However, funds are restricted to non-pension-related costs incurred by December 31, 2024.

For more information, see: [Coronavirus State and Local Fiscal Recovery Funds | U.S. Department of the Treasury](#).

Conclusion

With vaccination distribution in New York well underway and fewer new COVID-19 cases, the immediate impact of the pandemic on local governments appeared to be nearly over as recently as June. Even with the current recurrence of the Delta variant, further wholesale shutdowns have so far been avoided. After a year of service reductions coupled with the use of fund balance and tax or fee increases, most local governments now have reason to hope for a better budget environment in 2021. Sales taxes and property values (and thus property tax bases) in most of the State are growing, and federal ARP Act funding started flowing to local governments over the summer.

The case studies showed the crucial importance of good fiscal management at the local government level: the entities we studied were able to be nimble in the face of unprecedented challenges, relying in some cases on the use of previously saved fund balances. They carefully monitored their budgets during the year to ensure that they were able to reduce spending in some areas when revenues came up short or spending on overtime grew and budgeted conservatively for the upcoming year in the face of uncertainty. The arrival of federal assistance from the ARP should allow these local governments more flexibility to continue operations without further disruptions and possibly to undertake projects that will speed the pace of recovery.

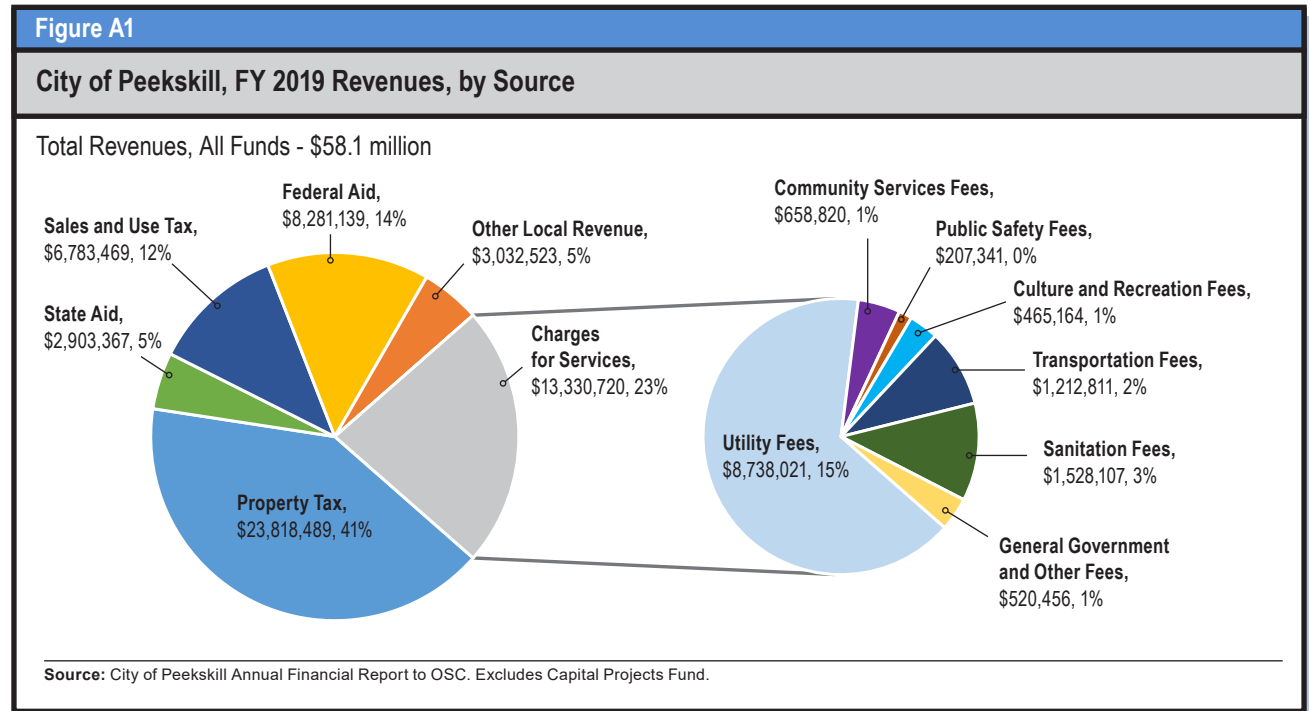
However, much remains to be seen: new variants continue to cause changes to public health policies worldwide, ranging from masking recommendations for vaccinated people to new lockdowns. Even assuming that New Yorkers' high vaccination rates prevent further major disruptions from COVID-19 directly, economic stressors ranging from supply chain disruptions to continued sluggishness of domestic and international travel could have a longer-term effect on State and local tax bases. OSC will continue to study the effects of the COVID-19 pandemic on local governments throughout the State. Local officials and the public can use OSC's tools to analyze the current and future financial condition of local governments as fiscal measures and decisions are being considered.

Appendix: Financial Profiles

This Appendix provides a fiscal profile of the revenue and expenditure structure for each of the three municipalities in the case studies highlighted in this report. The discussion that follows is based on data submitted to OSC by each local government for the most recently completed fiscal year (FY 2019 for the City Peekskill and the Town of Cornwall, and FY 2019-20 for the Village of New Paltz).

City of Peekskill’s Fiscal Structure

Peekskill’s mix of revenues made it moderately susceptible to some of the revenue shocks of the pandemic. (See Figure A1.)

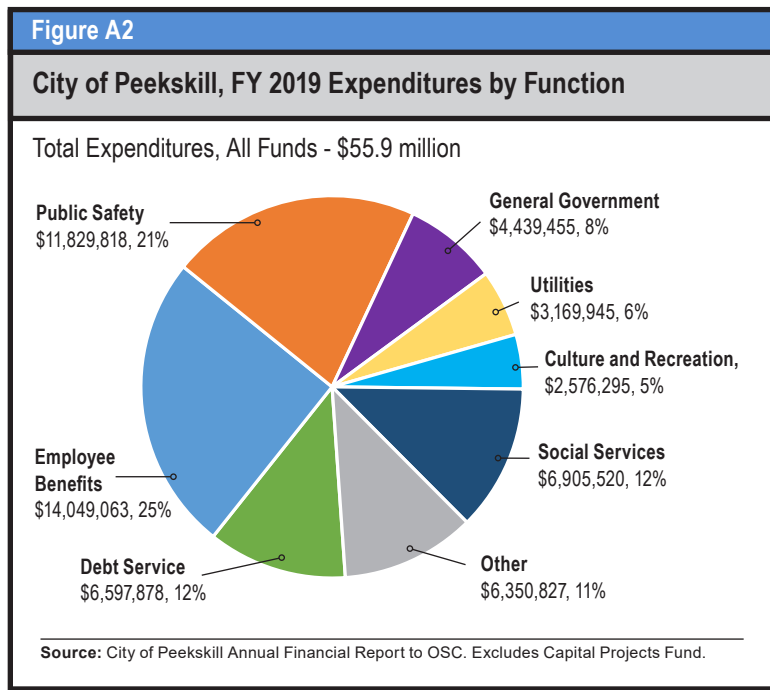


The largest single source, property tax, accounted for about 41 percent of the City’s \$58.1 million in total revenues in FY 2019. However, another 23 percent came from charges for services, some of which were relatively unaffected (such as utility fees for water and sewer service). The City’s transportation fee revenue (from parking lot, garage and meters), although a relatively small share of the total, saw a substantial loss.

Peekskill also depended on sales taxes shared by Westchester County for 12 percent of its revenue while State aid (mostly AIM) made up another 5 percent. Both of these revenue sources are usually subject to greater risk in economic downturns, although Westchester’s tax rate increase counteracted the negative effects it would otherwise likely have seen.

Of Peekskill’s \$55.9 million in expenditures (not including capital projects), the largest single source of functional spending was for public safety (21 percent), mostly for the police department and the professional fire department. Employee benefits and debt service, which support all functions of the City government, accounted for 25 percent and 12 percent of expenditures, respectively.

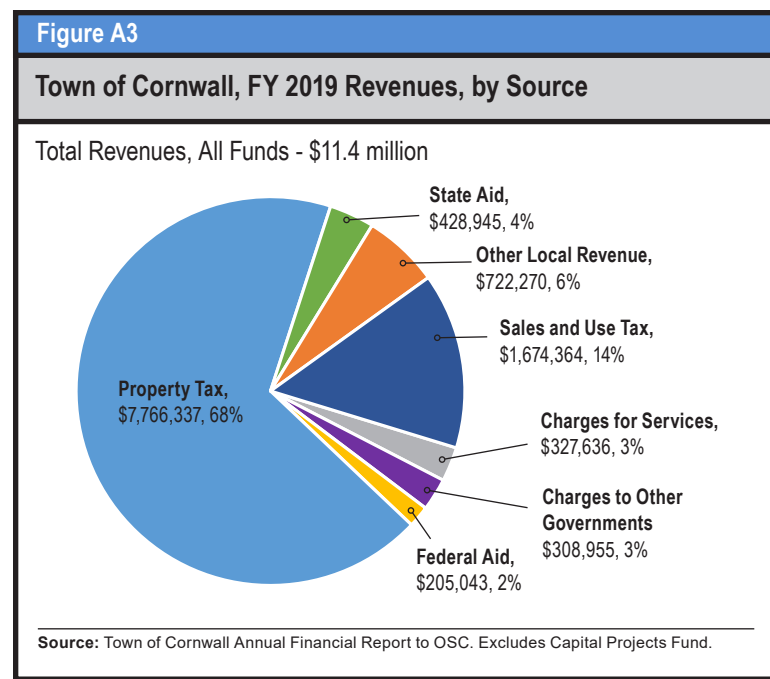
The other large categories of spending were general government, utilities (water) and “other” expenditures, which include sanitation (sewage treatment and refuse collection) and transportation (highway and parking area maintenance). Social services spending is entirely devoted to housing assistance and is supported by federal aid. (See Figure A2.)



Town of Cornwall’s Fiscal Structure

The Town operates on a calendar year fiscal year. While the pandemic struck well into the current fiscal year, Cornwall’s revenue structure and service responsibilities buffered the Town against the immediate negative financial effects of the pandemic.

The Town relied on property taxes for over two-thirds of its \$11.4 million in total revenues in FY 2019, higher than the average for a town (53.4 percent). Since Orange County is responsible for collecting any delinquent taxes, property taxes – one of the more stable sources of local revenue – are especially reliable for Cornwall. (See Figure A3).

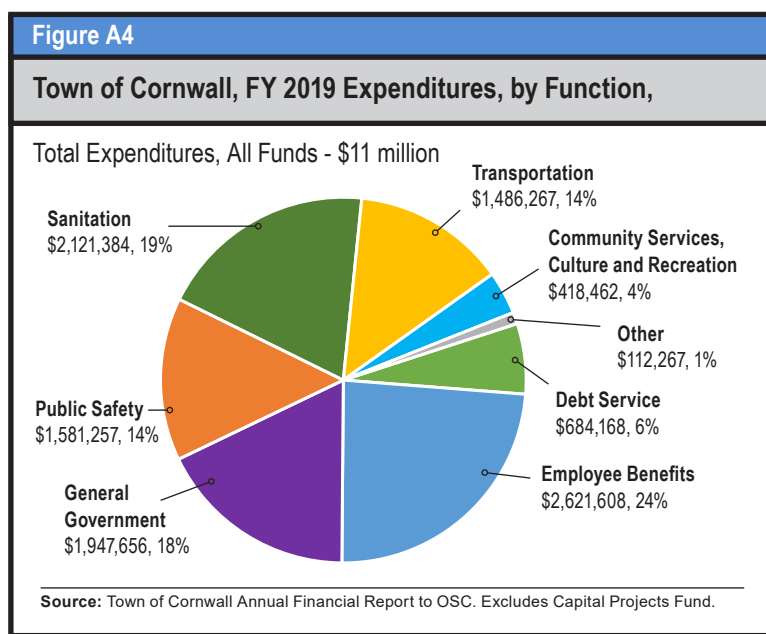


The next largest source, however, is the sales tax (14 percent of total revenue), which is more sensitive to economic fluctuations.³⁰

State aid made up 4 percent of total FY 2019 revenues. Nearly three-quarters of this is derived from mortgage recording taxes, which are based on a percentage of the value of new mortgages on properties within the Town. They are collected and distributed by the County.

Several smaller revenue sources add up to another 14 percent of total annual revenues. Charges for services comprised 3 percent, far less than the average 14 percent collected by towns statewide. Cornwall’s charges for services consist mainly of water fees and court fees, and some charges for pool and other recreation uses. Justice Court fees and fines (included, among other items, with “Other Local Revenues” in Figure A3) provide nearly 3 percent of the Town’s total annual revenue.

Of its reported \$11 million in expenditures, the largest functional categories of spending are general government, sanitation (for garbage and sewers), transportation (highway maintenance) and public safety (almost entirely for the police department). Another 4 percent of spending is on community services, culture and recreation, which supports senior and youth programs, summer camps and the Town pool. Employee benefits and debt service, which support all functions of the Town government, account for 30 percent of expenditures, typical of towns in the region. (See Figure A4.)



Village of New Paltz’s Fiscal Structure

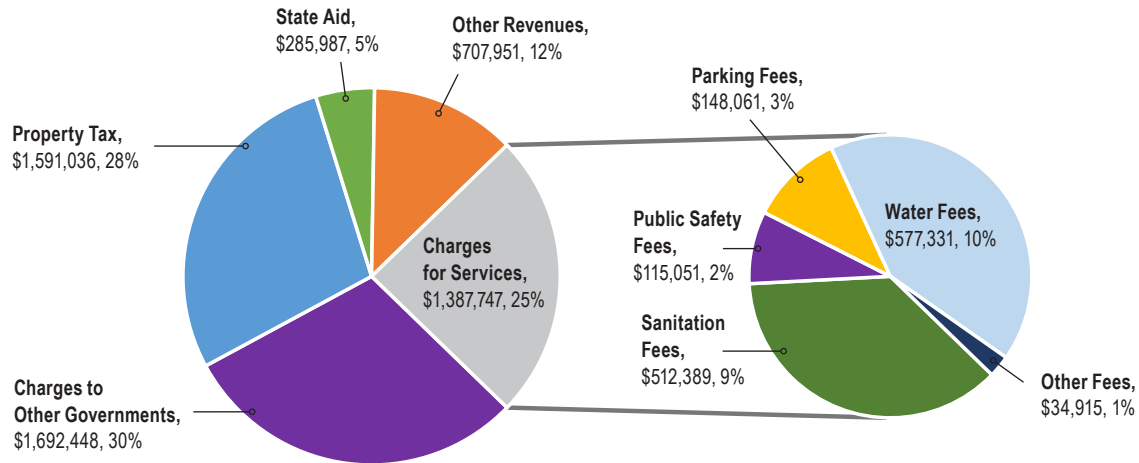
The Village’s 2019-20 fiscal year ended on May 31, 2020, partly into the pandemic. New Paltz’s financial risks stem in some degree from its situation as home to SUNY New Paltz, which shut down partway through the spring 2020 semester.

Out of \$5.7 million in total revenues in FY 2019-20, nearly all came from local sources. The most stable source – property tax – accounted for only 28 percent of the total, compared with nearly half of total revenues for villages statewide.³¹ Another 25 percent came from charges for services, largely water, sanitation (sewer) fees and parking fees. Since the Village provides water, sewer and fire protection services to the surrounding Town of New Paltz and the SUNY New Paltz campus, it also derives 30 percent of its revenue from charges to other governments. The Other Revenues category includes, among other things, more parking revenue in the form of parking ticket fines. (See Figure A5.)

Figure A5

Village of New Paltz, FY 2019-20 Revenues by Source

Total Revenues. All Funds - \$5.7 million



Source: Village of New Paltz Annual Financial Report to OSC. Excludes Capital Projects Fund.

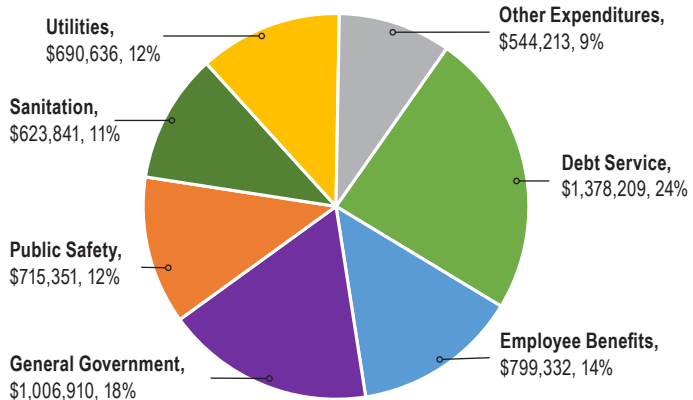
State aid made up 5 percent of total FY 2019-20 revenues, mainly from (non-recurring) grants. New Paltz also does not receive any sales tax revenue, since Ulster County only shares this source with its towns and the City of Kingston.³² Although villages on average do not typically depend heavily on sales tax revenues, most receive at least a small distribution from their counties – statewide, these account for about 6 percent of aggregate revenue for villages.

Of New Paltz’s reported \$5.8 million in expenditures, nearly a quarter went to pay off debt service, in part because the Village has had a policy of paying more than the minimum in order to retire debt faster. The biggest functional categories of spending are general government, public safety (mainly for the fire department, but also some payments to the Town for police services), sanitation (mostly sewers) and utilities (water). (See Figure A6.)

Figure A6

Village of New Paltz, FY 2019-20 Expenditures, by Function,

Total Expenditures, All Funds - \$5.8 million



Source: Village of New Paltz Annual Financial Report to OSC. Excludes Capital Projects Fund.

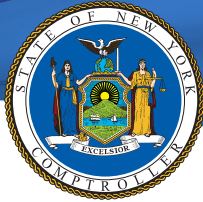
Notes

- ¹ Governor Andrew M. Cuomo, Executive Order No. 202, March 7, 2020. On March 16 and 20, respectively, all schools and non-essential businesses in the State were ordered to close.
- ² New York State Department of Labor (DOL), Labor Force and Unemployment Data, at www.labor.ny.gov/stats/lslaus.shtm; New York State Department of Taxation and Finance, *Taxable Sales and Purchases Quarterly Data: Beginning Sales Tax Year 2013-2014*, Data.NY.Gov, at www.data.ny.gov/Government-Finance/Taxable-Sales-And-Purchases-Quarterly-Data-Beginni/ny73-2j3u.
- ³ Office of the State Comptroller (OSC), *Under Pressure: Local Government Revenue Challenges During the COVID-19 Pandemic*, July 2020, at www.osc.state.ny.us/files/local-government/publications/pdf/local-government-revenue-challenges-during-covid-19-pandemic.pdf.
- ⁴ New York State Department of Health (DOH), COVID-19 Tracker, at covid19tracker.health.ny.gov/.
- ⁵ Public Law No: 117-2, American Rescue Plan Act (ARP).
- ⁶ All demographic data is from the U.S. Census Bureau, *American Community Survey (ACS)* and decennial censuses. The regional data was drawn from the 2019 ACS 1-year estimates, unless otherwise indicated.
- ⁷ DOH, New York State Statewide COVID-19 Testing, Health.Data.NY.Gov, at health.data.ny.gov/Health/New-York-State-Statewide-COVID-19-Testing/xdss-u53e. See also Sarah Maslin Nir, "After Family Gets Coronavirus, New York Suburb Is Gripped by Anxiety," *New York Times*, March 4, 2020, at www.nytimes.com/2020/03/04/nyregion/new-rochelle-coronavirus.html.
- ⁸ DOH, *COVID-19 Tracker*, accessed April 29, 2021; New York State, New York Forward, COVID-19 Regional Metrics Dashboard, at <https://forward.ny.gov/covid-19-regional-metrics-dashboard>, accessed 10/23/2020.
- ⁹ Cuomo, *Executive Order No. 202*.
- ¹⁰ Cuomo, *Executive Orders*, including Nos. 202.3, 202.4 and 202.8, at www.governor.ny.gov/executiveorders.
- ¹¹ Governor Andrew M. Cuomo press releases, "Following Decline in New Case and Hospitalization Rates, Orange Zone Restrictions Lifted Statewide; 5 Yellow Zones Remain in New York City and Newburgh," January 27, 2021, at www.governor.ny.gov/news/governor-cuomo-updates-new-yorkers-states-progress-during-covid-19-pandemic-115; and "Five Remaining Yellow Zone Clusters Will Be Lifted March 22," March 17, 2021, at www.governor.ny.gov/news/governor-cuomo-updates-new-yorkers-states-progress-during-covid-19-pandemic-145.
- ¹² Cuomo, *Executive Order No. 210*.
- ¹³ DOL, *Worker Adjustment and Retraining Notification*, data supplied by DOL to OSC. Generally, only companies with more than 50 employees need to notify DOL of layoffs.
- ¹⁴ U.S. Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*, at www.bls.gov/cew.
- ¹⁵ Various relief initiatives have been advanced, including Federal Pandemic Unemployment Compensation (FPUC), which provided an additional \$600 per week for many people collecting unemployment. Additional benefits of \$300 per week through the federal Lost Wages Assistance program were made available retroactively in mid-September for the six weeks following the FPUC's expiration and through the end of December. The most recent federal assistance package includes \$300 in increased unemployment benefits until September 5, 2021. See DOL, *Expiration of Federal Unemployment and Pandemic Benefits*, available at dol.ny.gov/fedexp, accessed on 8/3/2021.
- ¹⁶ DOL, *Labor Force and Unemployment Data*.
- ¹⁷ OSC, *New York's Economy and Finances in the COVID-19 Era*, October 28, 2020 Edition, "Selected Economic Trends: Shrinking Labor Force Drives New York State's Unemployment Rate Below 10%," accessed 12/30/2020 at www.osc.state.ny.us/reports/covid-19-october-28-2020.

Notes

- ¹⁸ Based on NYS DOL Current Employment Statistics (CES) data for the Orange-Rockland-Westchester region, although the fourth quarter QCEW data for the region shows a similar pattern: more employment than in the worst of the pandemic, but still less than the pre-pandemic Q4 2019. For CES statistics, see statistics.labor.ny.gov/cesemp.asp.
- ¹⁹ By county, 2019 to 2020 increases were: Dutchess 14.5%; Orange 16.5%; Putnam 5.7%; Rockland 9.7%; Sullivan 36.8%; Ulster 12.9% and Westchester 16.0%. See New York State Association of Realtors, Inc., at www.nysar.com.
- ²⁰ OSC, *Understanding Local Government Sales Tax in New York State: 2020 Update*, at: www.osc.state.ny.us/files/local-government/publications/pdf/understanding-local-government-sales-tax-in-nys-2020-update.pdf.
- ²¹ From 2009 to 2019, the annual average growth in aggregate regional sales tax revenue was 3.4 percent. See *Understanding Local Government Sales Tax in New York State: 2020 Update*, p.7.
- ²² OSC, DiNapoli: Local Sales Taxes Surge 49.2 Percent in April-June 2021 Over Same Quarter in 2020; Statewide Collections Strong Even Compared to Pre-Pandemic Period, July 2021, available at: www.osc.state.ny.us/files/local-government/publications/pdf/local-sales-taxes-surge-in-april-june-2021.pdf, accessed on 8/4/2021.
- ²³ Year-to-date financial data was provided to OSC individually by the City of Peekskill, the Town of Cornwall, and the Village of New Paltz. In each case, it was supplemented by discussions with local officials. All examples of steps or actions taken by local governments in response to the COVID-19 pandemic included in this report are for illustrative purposes only. This report does not constitute a legal opinion about the legality or effects of any actions taken by the local governments described in this report. Peekskill and Cornwall both operate on a calendar fiscal year; New Paltz's fiscal year runs from June 1 to May 31.
- ²⁴ Census Bureau, 2019 ACS 5-year estimates.
- ²⁵ Department of Public Service, COVID-19 Moratorium on Utility and Municipal Shutoffs, October 14, 2020, at www3.dps.ny.gov/W/AskPSC.nsf/All/D3BB77AFE92D6FFF852585EE0051A13E?OpenDocument.
- ²⁶ State University of New York at New Paltz, "New Paltz Forward," accessed February 16, 2021.
- ²⁷ OSC, Fiscal Stress Monitoring System, Lists, 2019 Data: All Data Worksheet, www.osc.state.ny.us/local-government/fiscal-monitoring/lists.
- ²⁸ United States Department of the Treasury, Coronavirus Relief Fund, available at: home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds.
- ²⁹ ARP will provide substantial aid to local governments in the upcoming fiscal year. Once received, the funds may only be used for the stated purposes. Officials should be mindful of these restrictions as they budget and plan for the use of the funds.
- ³⁰ OSC, NYS Local Government Interactive Data, available at: www1.osc.state.ny.us/localgov/nys-local-government-interactive-data.htm.
- ³¹ In aggregate, villages derived 47 percent of total revenue from real property taxes and other real property tax items in FY 2019.
- ³² The Village of New Paltz and the Town of New Paltz have agreed to have revenue from the Ulster County and the City of Kingston's sales tax revenue sharing agreement distributed exclusively to the Town of New Paltz and used for Town and Village-wide expenses like the shared police department and courts. For more on the Ulster County sharing agreement, see OSC, *Understanding Local Government Sales Tax in New York State: 2020 Update*, p. 21.

Contacts



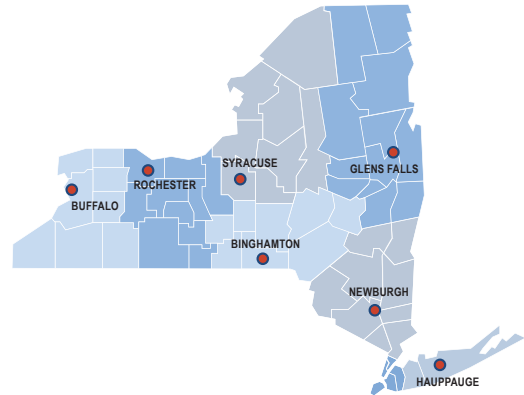
Office of the NEW YORK STATE COMPTROLLER

New York State Comptroller
THOMAS P. DiNAPOLI

Division of Local Government and School Accountability

110 State Street, 12th Floor, Albany, NY 12236
Tel: 518.474.4037 • Fax: 518.486.6479
Email: localgov@osc.ny.gov

www.osc.state.ny.us/local-government



Andrea C. Miller
Executive Deputy Comptroller

Executive • 518.474.4037
Elliott Auerbach, Deputy Comptroller
Tracey Hitchen Boyd, Assistant Comptroller
Randy Partridge, Assistant Comptroller

**Audits, Local Government Services and
Professional Standards • 518.474.5404**
(Audits, Technical Assistance, Accounting and Audit Standards)

**Local Government and School Accountability
Help Line • 866.321.8503 or 518.408.4934**
(Electronic Filing, Financial Reporting, Justice Courts, Training)

Division of Legal Services
Municipal Law Section • 518.474.5586

**New York State & Local Retirement System
Retirement Information Services**
Inquiries on Employee Benefits and Programs
518.474.7736

Technical Assistance is available at any of our Regional Offices

BINGHAMTON REGIONAL OFFICE
Tel 607.721.8306 • Fax 607.721.8313 • Email Muni-Binghamton@osc.ny.gov
Counties: Broome, Chenango, Cortland, Delaware, Otsego, Schoharie, Tioga, Tompkins

BUFFALO REGIONAL OFFICE
Tel 716.847.3647 • Fax 716.847.3643 • Email Muni-Bufferlo@osc.ny.gov
Counties: Allegany, Cattaraugus, Chautauqua, Erie, Genesee, Niagara, Orleans, Wyoming

GLENS FALLS REGIONAL OFFICE
Tel 518.793.0057 • Fax 518.793.5797 • Email Muni-GlensFalls@osc.ny.gov
Counties: Albany, Clinton, Essex, Franklin, Fulton, Hamilton, Montgomery, Rensselaer, Saratoga, Schenectady, Warren, Washington

HAUPPAUGE REGIONAL OFFICE
Tel 631.952.6534 • Fax 631.952.6091 • Email Muni-Hauppauge@osc.ny.gov
Counties: Nassau, Suffolk

NEWBURGH REGIONAL OFFICE
Tel 845.567.0858 • Fax 845.567.0080 • Email Muni-Newburgh@osc.ny.gov
Counties: Columbia, Dutchess, Greene, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester

ROCHESTER REGIONAL OFFICE
Tel 585.454.2460 • Fax 585.454.3545 • Email Muni-Rochester@osc.ny.gov
Counties: Cayuga, Chemung, Livingston, Monroe, Ontario, Schuyler, Seneca, Steuben, Wayne, Yates

SYRACUSE REGIONAL OFFICE
Tel 315.428.4192 • Fax 315.426.2119 • Email Muni-Syracuse@osc.ny.gov
Counties: Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, St. Lawrence

STATEWIDE AUDIT
Tel 315.793.2484

Contact

Office of the New York State Comptroller
Division of Local Government and School Accountability

110 State Street, 12th floor
Albany, NY 12236
Tel: (518) 474-4037
Fax: (518) 486-6479
or email us: localgov@osc.ny.gov

www.osc.state.ny.us/local-government



Like us on Facebook at facebook.com/nyscomptroller
Follow us on Twitter @[@nyscomptroller](https://twitter.com/nyscomptroller)

