

# CITY OF KINGSTON

## Office of the Mayor

mayor@kingston-ny.gov



Steven T. Noble  
Mayor

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July 7<sup>th</sup>, 2020

Senator Schumer  
322 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Schumer,

Thank you for your leadership during this time of uncertainty for local governments. I am grateful that the CARES Act provided critical funding to protect public health and the country's most vulnerable households and small businesses. I also appreciate the fiscal assistance that has already been enacted for states and some local governments for expenses related to COVID-19.

Unfortunately to date, the federal government has provided absolutely no relief to local government for our lost revenues resulting from the coronavirus pandemic, which account for the vast majority of the COVID-caused budgetary harm in the City of Kingston's budget.

The following is a summary of the revenue we have lost—and will continue to lose—as a result of the shutdown in our economy:

1 – Sales Tax - Sales tax receipts of \$14.3 million accounted for over a third of the City's 2020 budgeted revenue. This economically sensitive revenue source has been severely affected by the reduction in consumer spending due to the Covid-19 economic downturn. Current estimates are that the 2020 sales tax revenue losses will range between \$2 million and \$2.8 million.

2 – Property Taxes - We are experiencing a rise in delinquent property taxes due to the rising unemployment rates caused by the Covid-19 pandemic. In 2020, we expect to lose approximately \$450,000 to \$800,000 as a result of these delinquencies.

3. - State Aid – As New York State (NYS) must address its own budget deficits resulting from the Covid-19 pandemic, it is expected that NYS local governments will see significant cuts in their state funded operating aid. We expect that Kingston's state aid will be reduced by a minimum of \$600,000 in 2020, if not more.

4. Parking Revenue – The City expects to lose \$700,000 or more in parking fees in 2020. This revenue source is tied directly to the economic health of our local businesses and the level of consumer spending; both of which have been severely impacted by the Covid-19 pandemic.

As discussion in Washington progress in developing a fourth emergency response package to help safely reopen and restore our local economies, I want you to know that any package that does not include direct federal funding to all local governments will be a failure. AS you work with your colleagues on both sides of the aisle to achieve this critically important relief, I encourage you to strongly support the following:

- \$500 billion over two years of federal aid for local governments.
- Equal funding for both municipal governments and county governments.
- Maximum flexibility for the eligible use of funds to address the budget consequences of the COVID-19 pandemic; especially with respect to lost revenues.

- Fair and direct funding allocations to each and every local government with no exclusions based on population.

I can assure you that local officials throughout New York, including all of us in the City of Kingston, are working tirelessly to facilitate the renewal of our local economies, but we will only be successful if the federal government partners with us to ensure we have a strong fiscal position and the full complement of public services and infrastructure upon which our residents and businesses rely.

If there is any way that I can assist in your efforts to provide these critical resources for municipalities, please do not hesitate to let me know.

Sincerely,



Steven T. Noble  
Mayor of the City of Kingston