



Selectmen's Office Town of Douglas

MEMO

To: BOS, FinCom

From: Matthew Wojcik
Town Administrator

Date: April 28, 2020
Fiscal Note: Revenue Budget Scenario(s)

Re: Arising from COVID-19 Pandemic and Response

Unfortunately, the primary impact on the Town budget from the current public health emergency is not the costs of local response activities. The economic distress resulting from extensive business closures and job losses will put significant pressure on the revenue side of our budget. Unlike the pandemic itself, the economic downturn has a number of factual certainties and logical consequences that can be anticipated and need to be planned for.

The following is a summary of the changes to the revenue assumptions in our fiscal model that we believe are plausible. These projections are not definitive and are subject to change. The point, however, is to look at past economic downturns for some guidance on what we might have to absorb at the local level and at least have a conversation about how we would go about adjusting the budget accordingly.

Assumption / Line Item	FY 2021 Baseline Assumption	Dollar Amount (change from FY 2020)	COVID-19 Scenario	Change from Baseline
New Growth	Base of \$80,000 plus \$45,000	+ \$125,000	No change	- 0 -
Excise taxes, permits and fees	+ 2.0%	+ \$29,186	+ 1.25%	(\$47,200)
Building permits – North Village	Hold at \$40,000	- 0 -	No change	- 0 -
Cannabis impact fees	Increase to \$180,000	+ \$170,000	+ \$90,000	(\$80,000)
Chapter 70	+ 0.4%	+ \$36,390	- 4%	(\$386,773)
UGGA	+ 2.8%	+ \$21,968	- 50%	(\$409,159)
Total change				(\$923,132)