Press Release – April 27, 2020

Statement from Mayor Robert M. Restaino

City of Niagara Falls

While I continue to monitor the public health situation in Niagara Falls through my direct discussions with hospital officials, our City continues to have the most positive Covid-19 cases in the county and I have been consistent in my call to county leadership to provide all resources necessary for our city. I recognize that there are limits statewide and the county chairperson has been responsive to my direct requests and I thank her for that response. We know that the current restrictions are to continue until at least May 15 as we review the efforts to reopen our economy and I again call on public officials to set the proper example regarding face coverings, social distancing, etc. This week I will be participating in a regional conference on the method to phase in the opening of government structures, businesses and other public places. To be quite honest I am looking forward to this opportunity and anxiously awaiting the safe reopening of our local economy.

On April 22, I released information which generally reflected what the current health crisis has done to the City’s finances. In more closely reviewing the impact of Covid-19 on the City’s financial situation, the outlook is becoming clearer. The City faces a projected loss of revenue for 2020 of approximately $4 to 5 million dollars, nearly 25% of the budgeted revenue for the following line items this year: a 17% projected decrease in Sales tax, a projected 27% decrease in HRU tax, and a projected 33% decrease in parking fees. These projections are based on the downturn in the tourism and hospitality industry, the closing of the Canadian border and the closing of non-essential businesses throughout the City. While these projections are based on current data, there is no absolute method to determine actual year-end figures at this time. The current projected shortfall in revenue also presumes that $9.2 million dollars, budgeted by the City as an advance on casino revenue by the State of New York due to the continuing stalemate with payment from the Seneca Nation, is received from the State of
New York as the State faces fiscal challenges due to the impact of Covid-19. The State predicts, and our models agree, that the impact of this health crisis on the economy could last through several years, as the state projects a potential loss of $61 billion in revenue through 2024. This impact on the state budget may result in further cuts in aid to local governments in an amount in excess of $8 million, which would result in several million dollars in lost aid to Niagara Falls. This, in turn will compound our already difficult fiscal position.

The road ahead will be difficult as my Administration continues to work with our department heads and will be meeting with our city union representatives to come up with cost saving solutions to address this shortfall. It is my hope that together we can address this issue in the best interest of the residents and business owners here in the City of Niagara Falls.