



Lehigh Valley Planning Commission

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## Falling Revenues and Closing Businesses Challenge Lehigh Valley Municipal Leaders

As the COVID-19 pandemic stretches into its sixth month, Lehigh Valley municipal leaders say their biggest challenges are declining revenues, the loss of community businesses, changing state and federal policies and the fear that another infection spike could be just around the corner.

In a brief survey conducted by the LVPC, elected, appointed and municipal staff representing 50 of the 62 Lehigh Valley municipalities voiced the many challenges they face as COVID-19 impacts families, businesses and municipal operations across the region.

The survey was sent to every municipality in advance of the LVPC-led virtual Lehigh Valley General Assembly meeting held June 30 to give municipal leaders a chance to discuss and coordinate on planning and government issues.

“We know that our municipal partners are facing challenges that no one has experienced before,” said LVPC Executive Director Becky Bradley. “We wanted to get everyone in one room, at least virtually, to take stock in what our communities are dealing with so we can tackle these issues together. The survey was part getting a feel for what the biggest needs are.”

While the LVPC released the overall survey results during the General Assembly meeting, specific answers by specific municipalities were confidential.

To a multiple choice question (they were permitted to check up to three top answers) asking municipal leaders their biggest external challenge, 47% chose the public concern over the close of business and another 26% listed the actual close of businesses. Just more than 38% listed changes in state and federal policy-making and budgets, 36% listed sustained unemployment or underemployment, and 33% checked concern over COVID-19 virus spikes.

Internal municipal challenges were even more direct. More than 64% listed the biggest internal challenge as the decline in municipal revenue, 46% choose the difficulty of holding public meetings during a pandemic, 31% listed understanding new COVID-19 regulations, and 28% listed reducing expenses while continuing to meet the demand for services.

Those answers echoed concerns by community leaders across the nation. In a May article in *The Atlantic*, analysts estimated that municipal revenues for 2020 will decline

between 15 and 45 percent, amounting to as much as a \$1.75 trillion loss in municipal revenue nationwide. A survey of U.S. Conference of Mayors and the National League of Cities found that nine out of 10 American cities plan to make deep cuts to their budgets and services. Half of those will need to make last resort cuts to their police and fire departments.

“We know municipal revenue loss is one of the biggest issues locally and nationally,” Bradley said. “It remains uncertain how big an issue it becomes and how we’re all going to respond to it. However, it is clear that the Lehigh Valley’s governments are adjusting, rising to the challenges they are experiencing and working as a team to reinforce the short and long-term viability our community.”

There were 72 unique answers to the lone open-ended question that asked “What do you think Lehigh Valley Governments can do to address new challenges associated with the COVID-19 Pandemic?” While some suggested fully opening the economy, others preached patience and following the recommendations of scientists. The most common answer was a call for regionalism, and resource and information sharing.

“The leaders of the Lehigh Valley must work as a team and one voice to move forward with shared infrastructure, amenities and policies,” one respondent wrote.

More information about how COVID-19 is impacting the Lehigh Valley can be found at <https://lvpc.org/data-lv-health.html>. Information requested by municipalities during the General Assembly meeting, a video of the meeting and a video of a federal transportation funding webinar provided by the LVPC can be found on our General Assembly page at <https://lvpc.org/data-lv-health.html>.