

MEMO

TO: Karen Adelman-Foster, Chair, Select Board

FROM: Jamie Errickson, Town Administrator

RE: Calendar Year 2022 Licensing Fees

DATE: October 1, 2021

Due to the COVID-19 Pandemic, for calendar year (CY) 2021, the Select Board voted to reduce the S12 On-Premise Alcohol License Fee by 50%. All other fees remained the same with no increase from CY 2020. One year later, the Pandemic is largely under control, and the economic recovery and post-pandemic conditions are being realized. Restaurants though are still being impacted, with many not serving at full capacity because they do not have sufficient staffing, and supply chain issues causing impacts to their offerings. Many people are still refraining from indoor dining, which only compounding the industry as we enter the colder months when restaurants will no longer be able to offer outdoor dining.

Given the continued impact on the restaurant industry caused by the Pandemic, including the post-pandemic impacts on staffing and supplies, my recommendation is to keep the fees the same as they are currently set for CY2021. Although the revenue generated by licensing fees is fairly significant, the reduced fees are more important to support the local restaurant industry still struggling to recover from the effects of the Pandemic.

For reference, the attached spreadsheet outlines 3 revenue scenarios; pre-pandemic fees generating an estimated \$199,000, 25% reduced fees for S12 licenses generating an estimated \$164,000 (less \$35,000), and 50% reduced fees for S12 licenses generating an estimated \$129,000 (less \$70,000).