



Town of Prescott Valley

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News Release

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Prescott Valley modifies budget, expenditures to adjust for Coronavirus impact

As the Coronavirus crisis worsened, Prescott Valley Town Manager Larry Tarkowski in mid-March made immediate adjustments to the Town's in-process Fiscal Year 2020/2021 budget to adjust for the pandemic's economic impact. Additionally, he implemented an immediate spending and hiring freeze.

The Town is anticipating a decrease in general fund revenues of approximately 15 percent as compared to the current fiscal year budget. This includes significant decreases in State shared revenues as well as a decrease of approximately 20 percent in local transaction privilege tax (TPT). It is expected that most areas of TPT will be impacted by COVID-19 including: retail, restaurant and bars, hotel/motel, amusement, and construction.

Due to these assumptions, the following measures are being proposed for the Fiscal Year 2020-21 budget:

- Dramatic decrease of general fund operating expenditures compared to the current fiscal year.
- No budgeted merit or COLA increases.
- Minimal capital improvement plan.
- Hiring freeze and expenditure freeze continuing until October 1, 2020 at which point the current situation will be re-evaluated.

The Town also has implemented the following measures for the remainder of the current fiscal year (ending June 30, 2020):

- Expenditure freeze – no out-of-town travel/trainings, all small item purchases should be delayed if possible, only purchases that were already in process are to be completed for equipment and large projects unless otherwise approved by the Town Manager.
- Hiring freeze – any vacated positions will not be filled at this time unless otherwise approved by the Town Manager.

"Many cities and towns hope the Federal government is going to fund their budget shortfalls," Tarkowski said. "In Prescott Valley, we don't believe that 'hope' is a sound financial strategy, and we are taking appropriate actions in advance of the fallout from the Covid-19 pandemic."

All of these assumptions can change depending on the length of time of current closures, as well as the ability of our community to rebound. This is a fluid situation that the Town is continually monitoring and appropriate other actions will be implemented as needed.

Learn about Emergency Preparedness! Visit the Prescott Valley Website at www.pvaz.net