

Summary of Major Factors in the Final 2023 Budget and Levy

- ❑ The final 2023 levy increases 5.47%, or \$1,172,178 from 2022, to a total property tax levy of \$22,585,122 (“gross” percentage increase partially offset by expected 1.14% growth from new construction)
- ❑ With this final change for 2023, the 10-year average levy change for Benton County is a 3.6% increase
- ❑ The final levy increase falls below the 19.5% expected growth in the County’s payable 2023 net tax capacity, which translates into a reduced County tax rate in 2023; the estimated 2023 County tax rate will fall from 54.7% to 48.28% of tax capacity (down from a peak of 77.74% in 2013)
- ❑ Based on a median house value of \$235,000 and expected 17% market value growth in 2023, a homeowner’s County property taxes would increase \$70 in 2023, or \$5.83 per month
- ❑ The final 2023 operating budget totals \$62,362,459, an increase of \$13,085,508, or a 26.6% increase from 2022; \$5.4 million of the increase is due to a larger 2023 road construction program; also, transfers increase \$5.4 million from the local road fund to support 2023 road projects
- ❑ The final levy increase is comprised of the following major elements:

▪ Employee compensation and benefits	\$960,545
▪ End use of one-time ARPA funds for revenue losses	671,903
▪ Expected increases in Human Services federal/state revenue	(433,215)
▪ Reduced debt service levy (2017A bonds repaid)	(364,454)
▪ Fully fund major equipment replacement plan in Highway	155,000
▪ Increased fuel costs	130,000
▪ All other operating and revenue account adjustments (net)	<u>52,399</u>
Total Levy Change for 2023	\$1,172,178
- ❑ The final budget includes the following “Policy Issues” from County Board action:
 - A Staff Appraiser position to allow the County to perform more property valuation work internally (and reduce its reliance on contracted local assessors)
 - Increasing the Highway crack filler budget by \$15,000 so that the Highway Department can do more road maintenance
 - Funds a “peer support” team in the Sheriff’s Office to provide law enforcement personnel with mental health services
- ❑ Employee compensation and benefits comprise the largest single item in the 2023 levy increase; the final 2023 budget funds general wage adjustments and step increases. Also, the final 2023 budget includes a 15% increase in employee health insurance premiums
- ❑ The 2022 budget used \$671,903 in American Rescue Plan Act funds (COVID relief) to replace revenue losses related to the COVID pandemic; for Benton County, those losses occurred primarily in jail boarding and transportation funding; levy funds must now cover these one-time funds
- ❑ The County’s General Revenue fund balance at the end of 2021 stood at 6.8 months of expenditure coverage, versus a goal standard of 5 months expenditure coverage; the Human Services fund balance equaled 6.1 months of expenditure coverage at December 2021; with good reserve levels, the final 2023 budget uses \$700,000 from these two funds to help bring the levy increase down.