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**Sussex County
Government**

News Release

Sussex County proposes \$121.1 million budget for Fiscal 2013

Reduced budget plan keeps property taxes the same for 23rd year; plan also includes one-time credit for property owners

Georgetown, Del., May 22, 2012: Sussex County taxpayers will have a little extra change jingling in their pockets in the months ahead thanks to a pared-back County budget that keeps taxes low, trims sewer construction and offers a one-time credit for property owners still working to make ends meet in a precarious economy.

County leaders on Tuesday, May 22, 2012, unveiled the proposed \$121.1 million budget for the 2013 fiscal year, an overall plan that is down sharply from the current year's \$140.1 million budget, largely because most work on five major sewer projects has been completed.

The proposed budget keeps in place the County's property tax rate of 44.5 cents per \$100 of assessed value, making this the 23rd consecutive year without an increase. It also includes a one-time tax credit for County taxpayers, thanks to a previous surplus. With the included tax credit in next year's budget, the average County tax bill for a single-family home will drop to just below \$100 annually.

"With the Council's leadership, Sussex County continues to govern with fiscal responsibility and this balanced budget is a reflection of that philosophy," said County Administrator Todd F. Lawson, who presented to County Council the proposed budget for the fiscal year that begins July 1. The budget proposal is his first since assuming the post in January. Mr. Lawson was

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joined by Finance Director Susan M. Webb, Budget and Cost Manager Kathy L. Roth and Accounting Division Director Gina A. Jennings in proposing the 2012-2013 plan.

The budget includes a tax credit of 3.5 cents per \$100 of assessed value, or approximately 8 percent, which will be included on the County portion of tax bills that go out this August. The credit, which has the net effect of lowering the County's tax rate to 41 cents per \$100 for the 2013 budget year, is made possible by excess revenue from the 2011 fiscal year. The credit returns to taxpayers a little more than \$1 million.

However, some increases in service charges, ranging from \$8 to \$15 annually, depending on sewer district, will occur as the County continues to implement uniform rates for the bulk of its nearly 55,000 sewer customers. That annual charge pays for operations and maintenance of the public sewer systems, and the increases are necessary to keep pace with those costs.

The County, though, will lower sewer assessment rates in 18 districts after refinancing \$61 million in sewer construction bonds earlier this year. Savings from the bond debt refinancing will be passed onto customers in the form of lower assessment rates.

The proposed total budget, which comprises the general fund, water and sewer, and capital budgets, is down nearly 14 percent from the 2011-2012 plan, by approximately \$19 million. The sharp reduction is the result of five sewer projects having been completed in the past year; thereby removing that additional cost from the annual budget.

While sewer and water construction costs are lower, dropping the overall budget, the general fund portion of the budget mirrors its predecessor in terms of projected revenue and expected expenses. That portion of the budget, which pays for day-to-day operations and services, will rise by only \$84,000, or .18 percent, over the current year's \$46.4 million general fund budget.

Other highlights include:

- Grants that had been reduced in recent years are either maintained at current levels or fully restored. For instance, the County's local law enforcement grant program, which

shares revenue with municipal police, has been restored to the full \$25,000 per town; this follows years of reductions that had seen the grants cut by as much as half;

- The proposed budget includes a small cost of living adjustment (COLA) for employees, 2.25 percent. Benefits such as dental and vision reimbursement, vacation, sick leave and holidays, as well as a zero-employee-contribution pension plan, remain intact;
- Realty transfer taxes will continue to be the County's largest source of income, with \$13.2 million in revenue expected in Fiscal Year 2013.

County leaders say the new budget continues a trend of conservative spending, and stressed the County will continue to look for savings by reducing purchases, limiting new hires, cross-training employees and curtailing travel when possible.

"Those cost-saving measures we introduced several years back when the economy faltered is now our approach to doing business every day," Finance Director Webb said. "We have adjusted to the new norm, and this budget reflects our current financial realities."

County Council President Michael H. Vincent praised budget writers for their continued work to ensure Sussex County remains financially stable and fiscally responsible.

"Once again, it impresses me what this group and our new county administrator have been able to do with so much economic uncertainty and transition in the past year," Mr. Vincent said. "These are tough times for all of us, from local and state governments all the way down to businesses and households. We should all take comfort in knowing that at least in this local government, the taxpayers' dollars are watched very closely and spent very conservatively."

County Council will hold a public hearing on the proposal during its 10 a.m. meeting Tuesday, June 19, 2012, in council chambers at the County Administrative Offices building, 2 The Circle, in Georgetown. The public can comment in person on that date, or submit comments through the web at budget@sussexcountype.gov. By law, Council must adopt a budget by June 30.

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A copy of the proposed Fiscal Year 2013 budget, as well as the accompanying budget presentation, can be downloaded from the County's website at www.sussexcountype.gov.