Sussex County Council
Public/Media Packet

MEETING:
MARCH 26, 2013

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Sussex County Council

A G E N D A

March 26, 2013

10:00 A.M.

Call to Order

Approval of Agenda

Approval of Minutes

Reading of Correspondence

Marlene Mervine, Nanticoke Conservancy Presentation

Todd Lawson, County Administrator

1. **Recognition of Caroling on The Circle Food Drive Participants**
2. **Administrator's Report**

Susan Webb, Finance Director

1. **Pension and OPEB Funds Recommendation**

Hal Godwin, Deputy County Administrator

1. **Wastewater Agreement – Americana Bayside, DelDOT Segment 3 – Phase 1**
2. **Legislative Update**

Lawrence Lank, Director of Planning & Zoning

1. **Discussion of Possible Pilot Program for Certain Land Use Activities prior to Application Approval**

EQUAL HOUSING OPPORTUNITY

Brandy Nauman, Sussex County Fair Housing Compliance Officer

1. **Fair Housing Program Update and Discussion and Possible Introduction of a Proposed Ordinance Relating to Moderately Priced Housing Units (MPHUs)**

John Ashman, Director of Utility Planning

1. **SR26, Phase III, Millville Sanitary Sewer District Expansion Report**

Jim Hickin, Sussex County Airport Manager

1. **Airport Lease Amendments**

   A. **Bill Briedis**

   B. **Georgetown Air Services**

Grant Requests

1. **Huntington's Disease Society of America for Team Hope Walk**
2. **League of Women Voters of Sussex County for printing expenses**
3. **Sussex Central High School Softball Boosters sponsoring billboard sign**
4. **Lewes Historical Society for the Annual Chautauqua Tent Show**
5. **Cape Henlopen Senior Center for building repairs**
6. **Big Brothers Big Sisters of Delaware for annual fundraiser.**
7. **Delaware Storm U12 Travel Softball Team for tournament expenses**
8. **Georgetown Little League for operating expenses**
9. **Milford Senior High School to sponsor After-Prom party**
10. **Sussex County Health Promotion Coalition for SHORE Camp operating expenses**
11. **Lewes-Rehoboth Rotary Club for 2013 Trail Guide Book publication expenses**
12. **Prevent Child Abuse Delaware for Stewards of Children Initiative expenses**

Introduction of Proposed Zoning Ordinances

Any Additional Business Brought Before Council

Executive Session – Job Applicants′ Qualifications, Personnel, Pending/Potential Litigation, and Land Acquisition pursuant to 29 Del. C. §10004(b)

Possible Action on Executive Session Items

1:30 p.m. Public Hearings

Change of Zone No. 1726 filed on behalf of Robert M. & Sandra E. Davidson
"AN ORDINANCE TO AMEND THE COMPREHENSIVE ZONING MAP OF SUSSEX COUNTY FROM AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT TO A CR-1 COMMERCIAL RESIDENTIAL DISTRICT FOR A CERTAIN PARCEL OF LAND LYING AND BEING IN BROADKILL HUNDRED, SUSSEX COUNTY, CONTAINING 7.57 ACRES, MORE OR LESS" (land lying north of Route 9 approximately 800 feet east of Route 5 at Harbeson); (Tax Map I.D. 2-35-30.00-26.00)

Conditional Use No. 1958 filed on behalf of Omar Road, LLC
"AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR WAREHOUSING AND RELOCATION OF A HELICOPTER PAD AS EXTENSION TO CONDITIONAL USE NO. 1679 (OFFICE AND WAREHOUSING) AND CONDITIONAL USE NO. 1858 (HELICOPTER LANDING SITE, PRIVATE) TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN DAGSBORO HUNDRED, SUSSEX COUNTY, CONTAINING 8.46 ACRES, MORE OR LESS" (land lying north of Omar Road (Route 54) approximately 1,692 feet east of the intersection of Omar Road and Dukes Road (Road 354); (Tax Map I.D. 4-33-7.00.15.01 & 15.02)

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Sussex County Council meetings can be monitored on the internet at www.sussexcountyde.gov.

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In accordance with 29 Del. C. §10004(e)(2), this Agenda was posted on March 19, 2013 at 4:40 p.m., and at least seven (7) days in advance of the meeting.

This Agenda was prepared by the County Administrator and is subject to change to include the addition or deletion of items, including Executive Sessions, which arise at the time of the Meeting.

Agenda items listed may be considered out of sequence.

# # # #

SUSSEX COUNTY COUNCIL - GEORGETOWN, DELAWARE, MARCH 19, 2013

A regularly scheduled meeting of the Sussex County Council was held on Tuesday, March 19, 2013, at 10:00 a.m., in the Council Chambers, Sussex County Administrative Office Building, Georgetown, Delaware, with the following present:

Michael H. Vincent	**President**
Samuel R. Wilson, Jr.	**Vice President**
George B. Cole	**Councilman**
Joan R. Deaver	**Councilwoman**
Vance Phillips	**Councilman**
Todd F. Lawson	**County Administrator**
Susan M. Webb	**Finance Director**
J. Everett Moore, Jr.	**County Attorney**

The Invocation and Pledge of Allegiance were led by Mr. Vincent.

Call to Order

Mr. Vincent called the meeting to order.

M 112 13 Amend and Approve Agenda

A Motion was made by Mr. Wilson, seconded by Mr. Phillips, to amend the Agenda by deleting "Job Applicants' Qualifications" under "Executive Session" and by deleting "Sussex Academy of Arts and Sciences for Jerrica Robertson to attend the National Young Leaders Conference" under "Grant Requests"; and to approve the Agenda, as amended.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Yea; Mr. Wilson, Yea; Mr. Vincent, Yea

Minutes Approved

The minutes of February 19, February 22, February 26, and March 8, 2013 were approved by consent.

Corre-spondence

Mr. Moore read the following correspondence:

SELBYVILLE PUBLIC LIBRARY BOARD OF COMMISSIONERS.
RE: Letter in appreciation of the Council's funding in the amount of $25,000.

DELAWARE BLUE HENS 11U SELECT BASEBALL TEAM.
RE: Letter in appreciation of grant.

Mr. Phillips read the following correspondence:

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Corre-spondence (continued)

Email from Ken Curry questioning if one of the four State police officers to be added this year is going to be a Community Liaison Officer in Troop No. 5.

Mrs. Deaver read the following correspondence:

An email from a Lewes resident asking for a development moratorium.

An email from a resident of Oak Village stating that the Land Use Plan is not being followed and that there are issues: bringing in fill and (2) potential flooding.

Sussex Academy Presentation

Dean Swingle, Board President, Sussex Academy, presented information on the future plans of the Academy involving an extension of the outstanding Sussex Academy of Arts & Sciences' middle school to include a college preparatory high school.

Mr. Swingle reported that a total of $15.5 million is needed to acquire and build-out the existing Delmarva Christian High School. To date $4.6 million has been raised in private donations; $5.8 million is to be borrowed; and $5.1 million more is to be raised. No state or federal funding will be used.

Mr. Swingle stated that the mission of the Sussex Academy is to prepare and qualify students for acceptance and success at top-tier universities, through a rigorous, challenging educational experience.

Public Hearing/ Bird Haven Sussex Community Improve-ment Project

A Public Hearing was held to consider the assessment roll and rates for the Bird Haven Chapter 96 Sussex Community Improvement Project.

Patricia Deptula, Director of Special Projects, reported that there are 11 total buildable parcels/lots in the proposed project. The main improvement being considered is the installation of 2" Type C hot-mix on the currently unpaved Blue Herring (Blue Heron) Drive. Project construction costs are estimated to be $27,500. The estimated assessment for this project is calculated to be $119.90 per year for a ten (10) year time period per billable property. This estimated annual assessment reflects a monetary contribution of $15,000.00 from Representative Gerald Hocker.

Mrs. Deptula reported that final project costs were reviewed and finalized by the County Engineer and the Finance Director. Senator Hocker made his $15,000 contribution to the project. A ten-year assessment rate of $116.46 per property or a one-time lump sum payment of $1,046.09 per property was calculated.

There were no public comments and the Public Hearing was closed.

M 113 13 Approve Bird Haven SCI Project

A Motion was made by Mrs. Deaver, seconded by Mr. Cole, based upon the recommendation of the County Engineer and the Finance Director, and in accordance with Sussex County Code, Chapter 96 – Sussex Community Improvements, that Sussex County Council approves the Bird Haven Chapter

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M 113 13 Approve Bird Haven SCI Project Assessment Roll (continued)

96 Sussex Community Improvement Project Modified Assessment Roll, dated March 19, 2013, and that each billable property pay the final assessment rate of $116.46 annually for a ten (10) year time period, with the option to make a one-time lump sum payment of $1,046.09. In addition, Sussex County Council authorizes the Director of Finance to proceed with the billing for each property in accordance with the Chapter 96 Code.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Yea; Mr. Wilson, Yea; Mr. Vincent, Yea

League of Women Voters Presentation

Carole Somers of the League of Women Voters of Sussex County presented the League's Annual Report (Sunshine Day Report) to the Sussex County Council. As part of the League of Women Voters' support for openness in government, its Observer Corps monitors governmental bodies for issues of importance to the League and to the County. The Observer Corps has now completed its fourth year of activity; observers attended County Council, Planning and Zoning Commission, and Board of Adjustment meetings.

Highlights noted, along with the League's position, include: storm water drainage problems, housing, wetland buffers, planning, and Citizen's Right to Know/Citizen Participation.

Ms. Somers reviewed additional observations on issues where the League does not have specific positions: "although we continue to be favorably impressed by the fiscal management of the County, the practice of Council Members having individual accounts for granting monetary requests raises questions of appropriateness", "County employees are consistently polite and helpful", and "the emergency management services and communication in response to Hurricane Sandy was admirable".

Ms. Somers presented copies of the report to the Council.

Proposed Lease Amend-ment/ PATS

Mr. Lawson stated that PATS remains to be the largest tenant at the Sussex County Airport and Industrial Park holding several leases for properties and buildings. In addition, PATS is one of the largest employers at the park with 330 employees and 12 contractors. Mr. Lawson reported that, last year, PATS management approached the County to discuss changing their lease and the focus was on Lot 10 (the Hudson-Thompson hangar).

Mrs. Webb presented the proposed Lease Amendment to one of the current lease agreements PATS Aircraft Systems has with the County at the Industrial Park. The original lease (2005) contained a ground rent clause and an option to purchase the building. The proposed lease amendment deletes the ground rent option and the option to purchase. The proposal stipulates a rental charge of $120,833 per year (straight 30-year depreciation) and long term leasehold improvements (for the building).

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PATS (continued)

This would result in a reduced rent for PATS and would save PATS $131,145 per year.

John Martin, President and CEO of PATS, stated that PATS is committed to remaining in Sussex County and that they need to insure that their costs are as low as possible to help them drive the profitability that the owners of PATS require. He stated that PATS is a global provider of aircraft, airframe, and aerospace products and services and that the company attracts a good customer base from all over the world.

M 114 13 Approve Lease Purchase Agreement Addendum

A Motion was made by Mrs. Deaver, seconded by Mr. Phillips, that the Sussex County Council approves an addendum to the Lease Purchase Agreement, as presented, between PATS Aircraft, LLC and Sussex County for Lot 10 on Indian River Avenue, consisting of approximately 3.17 acres of land in the Sussex County Industrial Airpark.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Yea; Mr. Wilson, Yea; Mr. Vincent, Yea

Administrator's Report

Mr. Lawson read the following information in his Administrator's Report:

1. <u>Delaware State Police Activity Report – January 2013</u>

Per the attached Delaware State Police activity report for January, there were 3,868 total traffic arrests and 2,152 total criminal arrests. Of that 2,152, 1,039 were felony and 1,113 were misdemeanor criminal arrests. Of the total hours on duty spent, 39 percent were spent on criminal investigations.

2. <u>George Blake</u>

It is with sadness that we inform you that George Blake, County pensioner, passed away on March 8, 2013. Mr. Blake worked for Sussex County from May 1989 until his retirement in December 1997. He retired from Buildings & Grounds where he worked as a Maintenance Worker. We would like to express our condolences to the Blake family.

[Attachments to the Administrator's Report are not attachments to the minutes.]

Delaware State Police/ Community Liaison

Mr. Lawson addressed the question raised in correspondence earlier in the meeting regarding a Community Liaison Officer. Mr. Lawson reported that there are 183 Delaware State troopers that the County contracts for and 4 future troopers to be assigned. Mr. Lawson reported that, earlier this year, he and Mr. Vincent met with Colonel McQueen and made a request to

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(continued) **have a Community Liaison Officer designated to Sussex County (out of the 4 new troopers); this would result in a total of 2 Community Liaison officers in Sussex County.**

Proposed Resolution/ Pay Off Certain West Rehoboth Bonds

Mrs. Webb presented a Proposed Resolution authorizing the pay-off of certain outstanding West Rehoboth Revenue Bonds. She explained that, when the West Rehoboth Sewer District was built, $19,000,000 of Wastewater Revenue Bonds, Series 1994, were sold to help finance the $76 million cost of construction. In 1995 and again in 2005, these bonds were refinanced for cost savings. The County now has the opportunity to refinance or pay off the debt entirely.

Mrs. Webb recommended that the County pay off this revenue debt, which has an outstanding balance of approximately $13.8 million and she outlined the benefits to the County for paying off the bonds at this time:

- **bonds' interest rate will increase over the next 12 years from 3.75 percent up to 4.5 percent**
- **sufficient cash is available for the pay-off**
- **pay-off of these revenue bonds will lift the covenant restrictions associated with these revenue bonds**
- **West Rehoboth will now be able to be accounted for through the budget and accounting process with the uniform district**
- **West Rehoboth Sewer District will add 18,700 EDUs to the uniform sewer district**
- **economies of scale will be realized by pooling more EDUs into the uniform rate for service charge**
- **simplification of accounting process**
- **one sewer budget**
- **West Rehoboth Sewer District will see a decrease in assessment rates**

Mrs. Webb noted that the funds that are available to pay this bond off are in trust accounts with Wilmington Trust. The Series 1994 Bonds were special limited obligations of the County, payable solely from and secured by a pledge of the Gross Revenues of the collection, transmission, and treatment facilities of the West Rehoboth Sewer District.

M 115 13 Approve Resolution Authorizing Pay Off of Certain West Rehoboth Revenue Bonds

A Motion was made by Mr. Cole, seconded by Mrs. Deaver, that the Sussex County Council approves a Resolution authorizing the pay-off of certain outstanding West Rehoboth Revenue Bonds.

Motion Adopted: **5 Yeas.**

Vote by Roll Call: **Mrs. Deaver, Yea; Mr. Cole, Yea;**
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea

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Wastewater Agreement

Hal Godwin, Deputy County Administrator, presented a Wastewater Agreement for the Council's consideration.

M 116 13 Approve Wastewater Agreement/ Carillon Square/ LNSSD

A Motion was made by Mr. Phillips, seconded by Mrs. Deaver, based upon the recommendation of the Sussex County Engineering Department, for Sussex County Project No. 81-04, Agreement No. 987, that the Sussex County Council execute a Construction Administration and Construction Inspection Agreement between Sussex County Council and Light House Carillon, LLC, for wastewater facilities to be constructed in Carillon Square, located in the Long Neck Sanitary Sewer District.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Yea; Mr. Wilson, Yea; Mr. Vincent, Yea

Proposed SR26, Phase III, Millville Sanitary Sewer District Expansion

John Ashman, Director of Utility Planning, presented the results of a second Public Hearing held on the SR26, Phase III, Millville Sanitary Sewer District Expansion.

Mr. Ashman noted that the Engineering Department originally held a Public Hearing on January 4, 2013 at the Millville Town Hall; however, the meeting was not well attended and the Engineering Department decided to advertise for and hold a second public hearing, which was held on March 7, 2013. At the second Public Hearing, a vast majority of those in attendance were in favor of the expansion (approximately 2 to 3 people in attendance were opposed to the expansion).

Mr. Ashman presented requests from property owners outside the proposed boundaries who wish to be included in the proposed expansion and he stated that some of the requested properties have been included in the proposed boundaries; however, properties in Wingate Court are not included. Mr. Ashman stated that the proposal also includes "donut hole" properties.

M 117 13 Defer Action on Sewer District Expansion

A Motion was made by Mr. Phillips, seconded by Mrs. Deaver, to defer action for one week on the SR26, Phase III, Millville Sanitary Sewer District Expansion to allow County staff to attempt to notify the owners of properties that the County is considering adding.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Yea; Mr. Wilson, Yea; Mr. Vincent, Yea

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South Bethany Sewer Line Renovations Project

Rodney Marvel, Assistant Director of Environmental Services, presented the bid results for the South Bethany Sewer Line Renovations Project.

The low bidder was Tri-State Grouting, LLC in the amount of $66,000. The Engineer's estimate for the project was $180,000.

M 118 13 Award Bid/ South Bethany Sewer Line Renovations Project

A Motion was made by Mr. Cole, seconded by Mr. Phillips, based upon the recommendation of the Engineering Department, that Sussex County Project No. 12-29, South Bethany Sewer Line Renovations, be awarded to the lowest responsive bidder, Tri-State Grouting, LLC, of Bear, Delaware, at the base bid amount of $66,000.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Yea; Mr. Wilson, Yea; Mr. Vincent, Yea

Proposal to Purchase Software System/ Civil Processing System

Sheriff Jeff Christopher presented a request to purchase an updated software system, the Softcode Civil Processing System. He reported that the existing system is over 11 years old and is unsupported. This new processing system is already used and endorsed by Kent and New Castle Counties. The Sheriff stated that the Softcode Software will greatly improve the functions and processing of work within the Sheriff's Office; the application costs $78,153.80.

M 119 13 Approve Purchase of the Softcode Civil Processing System

A Motion was made by Mr. Phillips, seconded by Mrs. Deaver, that the Sussex County Council approves the purchase of the Softcode Civil Processing System (supported by the County's IT Department), to install and establish the system installation in office and mobile units, including training and warranty, at a cost of $78,153.80.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Yea; Mr. Wilson, Yea; Mr. Vincent, Yea

Old Business/ C/U No. 1943

Under Old Business, the Council discussed Conditional Use No. 1943 filed on behalf of Charles L. Williams (for an automotive repair shop/garage).

The Planning and Zoning Commission held a Public Hearing on this application on August 23, 2012 at which time action was deferred. Action was deferred again on September 13, 2012. On October 11, 2012, the Commission recommended denial of the application for the following reasons:

1. **Mr. Johnson does not want to establish a precedent that a homeowner, who invites friends to his property to work on cars,**

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Old Business/ C/U No. 1943 (continued)

street rods, race cars, etc. should require some zoning approval from Sussex County. This type of use is incidental to the primary use of the property as Mr. Williams' home, and he does not believe there is anything in the Code which prohibits friends and neighbors getting together to socialize and work on their cars.

2. Mr. Johnson does not want to establish the precedent that a Conditional Use is appropriate for this neighborhood. If the County approves this use as a Conditional Use, Mr. Johnson is concerned that some later applicant would argue that it creates a valid precedent for some type of intensive conditional use or rezoning in the area. If this applicant is not operating a business, Mr. Johnson does not want to create a conditional use just to regulate him and then run the risk of an unintended consequence that an actual business use would seek zoning approval in this area.

3. Mr. Johnson is satisfied that the applicant understands the position he is in, and the limitations that exist as to what he can do and not do on his property without further approvals from Sussex County. Mr. Johnson is also satisfied that both neighbors and Code Enforcement Officials will be monitoring the use to ensure that it does not exceed what is currently happening there.

4. The property does not have direct access to Martin's Farm Road and uses a road which is essentially a shared driveway with a residence.

5. In summary, this Motion for denial should not be seen as putting a stop to what Mr. Williams and his friends can do on the property. Instead, Mr. Johnson feels that their current activities do not necessarily require County regulation in the form of a Conditional Use, so the Commission should not impose one upon them, unless the character and nature of the use that can occur on the property by the property owner and his friends should change.

The County Council held a Public Hearing on this application on September 18, 2012 at which time action was deferred.

M 120 13 Adopt Proposed Ordinance (C/U No. 1943)

Denied

A Motion was made by Mrs. Deaver, seconded by Mr. Cole, to Adopt the Proposed Ordinance entitled "AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR AN AUTOMOTIVE REPAIR SHOP/GARAGE TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED, SUSSEX COUNTY, CONTAINING 1.565 ACRES, MORE OR LESS" (Conditional Use No. 1943) filed on behalf of Charles L. Williams.

Motion Denied: **4 Nays, 1 Yea.**

Vote by Roll Call: **Mrs. Deaver, Nay; Mr. Cole, Nay;**
Mr. Phillips, Nay; Mr. Wilson, Yea;
Mr. Vincent, Nay

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Reasons for Denial

The Council denied the application based on the recommendation of the Planning and Zoning Commission and for the following reason: the use is not appropriate for the area. It was noted that the denial of the application still allows the applicant to continue what he is doing (for his own personal use and as a hobby with his friends and neighbors).

Old Business/ C/Z No. 1721

Under Old Business, the Council discussed Change of Zone No. 1721 filed on behalf of Captain's Way Development, LLC.

(It was noted that the application is for a change in zone from AR-1 to GR/RPC and that the Applicant is proposing single and double wide manufactured homes which will allow the Applicant to provide affordable housing for work force residents. The proposal is for 301 lots which would allow for 3.01 acres of commercial.)

The Planning and Zoning Commission held a Public Hearing on this application on September 20, 2012 at which time action was deferred. On October 11, 2012, the Commission recommended that the application be approved, with the following conditions:

1. **The maximum number of lots shall not exceed 301 lots.**
2. **The interior street design shall be in accordance with or exceed Sussex County street design requirements.**
3. **A multi-modal path shall be included on at least one side of all streets.**
4. **Street lighting shall be included throughout the subdivision. The location of all streetlights shall be shown on the Final Site Plan.**
5. **All entrances, intersections, roadway improvements and multi-modal facilities required by DelDOT shall be completed by the Applicant as required by DelDOT.**
6. **All amenities shall be clearly shown on the Final Site Plan and they shall be open and available to use by residents prior to the construction of the second phase of the development.**
7. **The project shall be served by a publicly regulated central sewer system defined by the County Ordinance and shall be incorporated into a regional wastewater treatment system if at all possible. The operation of the sewer system shall be subject to the Delaware Public Service Commission and all applicable State and County regulations.**
8. **The project shall be served by central water.**
9. **Storm water management and erosion and sediment control shall be constructed in accordance with applicable State and County requirements and shall be operated using Best Management Practices to provide ground water recharge.**
10. **No wetlands shall be included within any lots. Wetlands shall be maintained as non-disturbance areas, except where authorized by a Federal or State Permit.**
11. **All reforestation areas shall be shown on a landscape plan submitted as part of the Final Site Plan review process. In addition, as required by the approvals for Subdivision #2005–24 on this site, the proposed**

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Old Business/ C/Z No. 1721 (continued)

conservation easement areas shall specifically be referenced on the Final Site Plan.

12. **The Applicant shall form a Homeowners Association to be responsible for the maintenance of the streets, roads, buffers, storm water management facilities and other common areas.**
13. **Road naming and addressing shall be subject to the approval of the Sussex County Mapping and Addressing Department.**
14. **Because the project will be for moderate income families, additional tot lots shall be included within the site. The location of these tot lots shall be spread throughout the project and shown on the Final Site Plan.**
15. **The commercial areas associated with this RPC approval shall be clearly shown on the Final Site Plan. The proposed uses for these areas shall be limited to the Permitted Uses identified for B-1 Zoning Districts and for the display and sale of manufactured homes.**
16. **Areas to be used as a DART bus stop and school bus shelter with parking for 5 vehicles shall be set aside near the entrance to the project. The areas for the bus stops shall be constructed at the time the DelDOT entrance is also constructed.**
17. **As required by the approval for Subdivision No. 2005-24 on this site; a fence shall be installed on the east side of the project as stated by the Applicant and shown on the Final Site Plan.**
18. **The buffer areas shall be clearly marked on the site, with the location and type of marker shown on the Final Site Plan. In addition, the Restrictive Covenants and any lot leases must contain a notice describing the buffers and prohibiting any disturbance of them.**
19. **The setbacks for lots with single-wide manufactured homes shall be 12 feet for the front yard, 10 feet for the side yards, and 5 feet for the rear yard. The setbacks for lots with double-wide manufactured homes or stick built homes shall be 25 feet for the front yards, 5 feet for the side yards, and 10 feet for the rear yard. In addition, the project must comply with any more stringent setback or separation requirements established by the Delaware State Fire Marshal.**
20. **The Final Site Plan shall contain the approval of the Sussex Conservation District.**
21. **The Final Site Plan shall be subject to the review and approval of the Sussex County Planning and Zoning Commission.**

M 121 13 Amend Condition

A Motion was made by Mr. Cole, seconded by Mr. Phillips, to amend Condition No. 15 by adding the following sentence: No mobile home display lots shall be allowed after the final lots are sold.

Motion Failed

Motion Failed: **2 Nays, 2 Yeas, 1 Not Voting.**

Vote by Roll Call: **Mrs. Deaver, Yea; Mr. Cole, Yea;**
Mr. Phillips, Nay; Mr. Wilson, Not Voting;
Mr. Vincent, Nay

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(continued) **Mr. Wilson stated that he was not voting on this application since he was not in attendance at the Public Hearing.**

M 122 13 Adopt Ordinance No. 2295 (C/Z No. 1721) **A Motion was made by Mr. Phillips, seconded by Mr. Cole, to Adopt Ordinance No. 2295 entitled "AN ORDINANCE TO AMEND THE COMPREHENSIVE ZONING MAP OF SUSSEX COUNTY FROM AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT TO A GR-RPC GENERAL RESIDENTIAL DISTRICT – RESIDENTIAL PLANNED COMMUNITY FOR A CERTAIN PARCEL OF LAND LYING AND BEING IN BROADKILL HUNDRED, SUSSEX COUNTY, CONTAINING 154.90 ACRES, MORE OR LESS" (Change of Zone No. 1721) filed on behalf of Captain's Way Development, LLC", with the following conditions:**

1. **The maximum number of lots shall not exceed 301 lots.**
2. **The interior street design shall be in accordance with or exceed Sussex County street design requirements.**
3. **A multi-modal path shall be included on at least one side of all streets.**
4. **Street lighting shall be included throughout the subdivision. The location of all streetlights shall be shown on the Final Site Plan.**
5. **All entrances, intersections, roadway improvements and multi-modal facilities required by DelDOT shall be completed by the Applicant as required by DelDOT.**
6. **All amenities shall be clearly shown on the Final Site Plan and they shall be open and available to use by residents prior to the construction of the second phase of the development.**
7. **The project shall be served by a publicly regulated central sewer system defined by the County Ordinance and shall be incorporated into a regional wastewater treatment system if at all possible. The operation of the sewer system shall be subject to the Delaware Public Service Commission and all applicable State and County regulations.**
8. **The project shall be served by central water.**
9. **Storm water management and erosion and sediment control shall be constructed in accordance with applicable State and County requirements and shall be operated using Best Management Practices to provide ground water recharge.**
10. **No wetlands shall be included within any lots. Wetlands shall be maintained as non-disturbance areas, except where authorized by a Federal or State Permit.**
11. **All reforestation areas shall be shown on a landscape plan submitted as part of the Final Site Plan review process. In addition, as required by the approvals for Subdivision #2005–24 on this site, the proposed conservation easement areas shall specifically be referenced on the Final Site Plan.**
12. **The Applicant shall form a Homeowners Association to be responsible for the maintenance of the streets, roads, buffers, storm water management facilities and other common areas.**
13. **Road naming and addressing shall be subject to the approval of the Sussex County Mapping and Addressing Department.**
14. **Because the project will be for moderate income families, additional**

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tot lots shall be included within the site. The location of these tot lots shall be spread throughout the project and shown on the Final Site Plan.

M 122 13 Adopt Ordinance No. 2295 (C/Z No. 1721) (continued)

15. The commercial areas associated with this RPC approval shall be clearly shown on the Final Site Plan. The proposed uses for these areas shall be limited to the Permitted Uses identified for B-1 Zoning Districts and for the display and sale of manufactured homes.

16. Areas to be used as a DART bus stop and school bus shelter with parking for 5 vehicles shall be set aside near the entrance to the project. The areas for the bus stops shall be constructed at the time the DelDOT entrance is also constructed.

17. As required by the approval for Subdivision No. 2005-24 on this site; a fence shall be installed on the east side of the project as stated by the Applicant and shown on the Final Site Plan.

18. The buffer areas shall be clearly marked on the site, with the location and type of marker shown on the Final Site Plan. In addition, the Restrictive Covenants and any lot leases must contain a notice describing the buffers and prohibiting any disturbance of them.

19. The setbacks for lots with single-wide manufactured homes shall be 12 feet for the front yard, 10 feet for the side yards, and 5 feet for the rear yard. The setbacks for lots with double-wide manufactured homes or stick built homes shall be 25 feet for the front yards, 5 feet for the side yards, and 10 feet for the rear yard. In addition, the project must comply with any more stringent setback or separation requirements established by the Delaware State Fire Marshal.

20. The Final Site Plan shall contain the approval of the Sussex Conservation District.

21. The Final Site Plan shall be subject to the review and approval of the Sussex County Planning and Zoning Commission.

Motion Adopted: 3 Yeas, 1 Nay, 1 Not Voting.

Vote by Roll Call: Mrs. Deaver, Nay; Mr. Cole, Yea;
Mr. Phillips, Yea; Mr. Wilson, Not Voting;
Mr. Vincent, Yea

Grant Requests

Mrs. Webb presented grant requests for the Council's consideration.

M 123 13 Council-manic Grant

A Motion was made by Mr. Phillips, seconded by Mr. Cole, to give $1,000.00 ($200.00 from each Councilmanic Grant Account) to the American Legion Post 19 for Veterans Day Parade expenses.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea

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M 124 13 Council-manic Grant

A Motion was made by Mr. Phillips, seconded by Mr. Wilson, to give $250.00 from Mr. Vincent's Councilmanic Grant Account to the Seaford-Clarence Street Church of God for Annual Community Day expenses.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Yea; Mr. Wilson, Yea; Mr. Vincent, Yea

M 125 13 Council-manic Grant

A Motion was made by Mr. Phillips, seconded by Mr. Wilson, to give $300.00 ($150.00 each from Mr. Vincent's and Mr. Phillips' Councilmanic Grant Accounts) to New Zion United Methodist for Basketball Tournament Fundraiser.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Yea; Mr. Wilson, Yea; Mr. Vincent, Yea

M 126 13 Council-manic Grant

A Motion was made by Mr. Cole, seconded by Mr. Phillips, to give $1,000.00 from Mr. Cole's Councilmanic Grant Account to West Side New Beginnings for their Children and Youth Program expenses.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Yea; Mr. Wilson, Yea; Mr. Vincent, Yea

M 127 13 Council-manic Grant

A Motion was made by Mr. Phillips, seconded by Mrs. Deaver, to give $1,000.00 ($500.00 each from Mr. Phillips' and Mr. Vincent's Councilmanic Grant Accounts) to the Laurel Extension Site Boys & Girls Club for youth development programs.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Yea; Mr. Wilson, Yea; Mr. Vincent, Yea

M 128 13 Council-manic Grant

A Motion was made by Mr. Phillips, seconded by Mrs. Deaver, to give $500.00 ($400.00 from Mr. Vincent's and $100.00 from Mr. Phillips' Councilmanic Grant Accounts) to the Western Sussex Farmers Market for operating expenses.

Motion Adopted: 5 Yeas.

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M 128 13 (continued) **Vote by Roll Call:** **Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Yea; Mr. Wilson, Yea; Mr. Vincent, Yea**

Introduction of Proposed Ordinances

Mrs. Deaver introduced the Proposed Ordinance entitled "AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT TO MODIFY THE BOUNDARIES OF EXISTING CONDITIONAL USE NO. 1699 (ORDINANCE NO. 1936) FOR A GO-KART TRACK TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN BROADKILL HUNDRED, SUSSEX COUNTY, CONTAINING 3.24 ACRES, MORE OR LESS" (Tax Map I.D. 2-35-6.00-10.00 & 10.05) (Conditional Use No. 1960) filed on behalf of Harry H. Isaacs, Jr./Farm Boys, LLC.

Mr. Cole introduced the Proposed Ordinance entitled "AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR A LANDSCAPING BUSINESS TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN INDIAN RIVER HUNDRED, SUSSEX COUNTY, CONTAINING 0.997 ACRE, MORE OR LESS" (Tax Map I.D. 2-34-11.00-56.09) (Conditional Use No. 1961) filed on behalf of Rendell Whibley and Ann Marie Whibley.

Mr. Vincent introduced the Proposed Ordinance entitled "AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR A COMPOSTING FACILITY AS AN EXTENSION TO CONDITIONAL USE NO. 1314 AND CONDITIONAL USE NO. 1691 (A MICRO-NUTRIENT PLANT WITH RELATED TRUCK ENTRANCE AND RAIL SPUR FOR THE PROCESSING AND HANDLING OF POULTRY LITTER) TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN BROAD CREEK HUNDRED, SUSSEX COUNTY, CONTAINING 228.88 ACRES, MORE OR LESS" (Tax Map I.D. 1-32-6.00-88.01 AND 95.00 and Tax Map I.D. 1-32-11.00-41.00) (Conditional Use No. 1962) filed on behalf of Chesapeake AgriSoil, LLC.

The Proposed Ordinances will be advertised for Public Hearing.

Additional Business

Mr. Phillips asked that representatives of the Chesapeake AgriSoil, LLC application be allowed to speak to Council; that they have a unique request to make which may require Council's consideration.

Mr. Moore advised that this request is not listed on the agenda and if it would require discussion and action by Council, it would be out of order.

Mr. Phillips stated that the individuals can address the Council under Additional Business.

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Additional Business (continued)

Under Additional Business, Sue Claire Harper commented on the Sussex Preparatory Academy presentation; suggested that the County provide more equitable funding for all school districts; questioned the last assessment of the County in 1976; and suggested a move towards a County-wide supervisory board.

Under Additional Business, Dan Kramer referenced the proposal to use fobs to track employees' time at the County Administration Building and he questioned if they also will be used at other County facilities; he also questioned the hours of Department Heads; and he referenced the comment about speaking on a land use issue that was just introduced and he reminded the Council of FOIA regulations.

John Sergovic, Attorney, stated that they had written a letter to the County Council on March 4, 2013 in conjunction with the application for Conditional Use No. 1962. He stated that the County may want to consider adopting procedures where an applicant that has new technology being proposed for a land use application would be permitted to test the technology on the site as part of the public hearing process.

Wayne Hudson of Perdue AgriBusiness stated that they have new technology for the composting operation and they would like to run a pilot test at the facility. During the pilot process, they would want members of the Council, DNREC, and the public to come and see how this process works.

Mr. Phillips asked that this matter (proposal to allow the pilot project to go forward) be placed on the March 26th Agenda. Mr. Cole suggested that representatives of DNREC and the Department of Agriculture be invited to attend to offer comments.

M 129 13 Go Into Executive Session

At 12:34 p.m., a Motion was made by Mrs. Deaver, seconded by Mr. Phillips, to go into Executive Session to discuss issues relating to personnel, pending/potential litigation and land acquisition.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea

Executive Session

At 12:36 p.m., an Executive Session of the Sussex County Council was held in the Council's Caucus Room to discuss issues relating to personnel, pending/potential litigation and land acquisition. The Executive Session concluded at 12:57 p.m.

M 130 13 Reconvene

At 1:00 p.m., a Motion was made by Mr. Wilson, seconded by Mr. Cole, to come out of Executive Session and to reconvene the Regular Session.

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M 130 13 (continued)

Motion Adopted: **5 Yeas.**

Vote by Roll Call: **Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Yea; Mr. Wilson, Yea; Mr. Vincent, Yea**

There was no action on Executive Session items.

M 131 13 Recess

At 1:00 p.m., a Motion was made by Mrs. Deaver, seconded by Mr. Cole, to recess until 1:30 p.m.

Motion Adopted: **5 Yeas.**

Vote by Roll Call: **Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Yea; Mr. Wilson, Yea; Mr. Vincent, Yea**

M 132 13 Reconvene

At 1:38 p.m., a Motion was made by Mr. Cole, seconded by Mrs. Deaver, to reconvene.

Motion Adopted: **4 Yeas, 1 Absent.**

Vote by Roll Call: **Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Absent; Mr. Wilson, Yea; Mr. Vincent, Yea**

Public Hearing/ C/U No. 1952

A Public Hearing was held on the Proposed Ordinance entitled "AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR BOAT REPAIR, BOAT STORAGE, AND BOAT SALES TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN BROAD CREEK HUNDRED, SUSSEX COUNTY, CONTAINING 2.36 ACRES, MORE OR LESS" (Conditional Use No. 1952) filed on behalf of Clinton McCutchin.

The Planning and Zoning Commission held a Public Hearing on this application on February 14, 2013 at which time action was deferred. On February 28, 2013, the Commission recommended that the application be approved with conditions.

(See the minutes of the Planning and Zoning Commission dated February 14 and 28, 2013.)

Lawrence Lank, Director of Planning and Zoning, read a summary of the Commission's Public Hearing.

Copies of an Exhibit Booklet were distributed to Council.

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Public Hearing/ C/U No. 1952 (continued)

The Council found that Clinton E. McCutchen was present with Heidi Gilmore, Attorney. Ms. Gilmore stated that Mr. McCutchen wants to operate a boat repair, boat storage, and boat sales business; that he lives on the premises; that the area is considered to be in a Low Density Area; that on-site well water and septic exists on the site; that the site is in close proximity to Messick Supply Store and septic exists on the site; that the site is in close proximity to Messick Supply Store and the Horsey borrow pits; that the building will be used for repairs; that a boat hoist will be available for use; that the area will be fenced with chain-link fencing; that access is intended from Messick Road subject to DelDOT approval; that his engineers are working with DelDOT to obtain a Letter of No Objection; that there should be no adverse impact on the community; that no employees are intended immediately; that as the business grows, he hopes to have no more than two (2) employees; that since he is starting as a one man operation living on the premises, he would like to be able to operate seven (7) days per week with no limitation on hours; that he has not received any violations; that the use cannot be considered a home occupation since he has done repairs for others; that the fenced area will be gated; that the gate will be locked when not in use; that dumpsters will be screened; that due to the size of some boats, he will be doing some repairs outside, but only on the existing concrete pad; that most of the repair work will be performed indoors; that waste oils will be removed by licensed handlers; that he will be working on all types of water craft, i.e. boats, jet-skis, etc.; that all boats moved to and from the site will be moved by the Applicant; that boats for sale would include boats owned by the Applicant and boats on sale for consignment; that he should be able to store 30 to 40 boats on the site; and that the application is in accordance with the Comprehensive Land Use Plan.

There were no public comments and the Public Hearing was closed.

M 133 13 Adopt Ordinance No. 2295 (C/U No. 1952)

A Motion was made by Mr. Cole, seconded by Mrs. Deaver, to Adopt Ordinance No. 2295 entitled "AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR BOAT REPAIR, BOAT STORAGE, AND BOAT SALES TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN BROAD CREEK HUNDRED, SUSSEX COUNTY, CONTAINING 2.36 ACRES, MORE OR LESS" (Conditional Use No. 1952) filed on behalf of Clinton McCutchin, with the following conditions:

1. **The boat storage facility will be open during daylight hours only.**
2. **The perimeter of the site shall be fenced and gated with a 7-foot high chain linked type of fencing.**
3. **All persons visiting the site shall be accompanied by representatives of the Applicant.**
4. **This approval is for boats (including personal watercraft) only, not the storage, sales and maintenance of vehicles and RVs.**
5. **One lighted sign, not to exceed 32 square feet per side, shall be**

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M 133 13
Adopt Ordinance No. 2295 (C/U No. 1952) (continued)

permitted.

6. **Security lighting shall be provided on the site and shall be directed away from neighboring properties and roadways.**
7. **Any dumpsters shall be screened from view of neighbors and roadways. The dumpster locations shall be shown on the Final Site Plan.**
8. **All repairs shall be performed either indoors or on an impervious surface on the site.**
9. **No unregistered or permanently inoperable boats, watercraft or trailers shall be stored on the site.**
10. **No more than 40 boats (including personal watercraft) shall be stored on the site at any one time.**
11. **All parking and storage areas shall be clearly depicted on the Final Site Plan and also physically identified on the site itself.**
12. **The site shall be subject to all DelDOT entrance and roadway requirements.**
13. **The Final Site Plan shall be subject to the review and approval of the Sussex County Planning and Zoning Commission.**

Motion Adopted: **4 Yeas, 1 Absent.**

Vote by Roll Call: **Mrs. Deaver, Yea; Mr. Cole, Yea;**
Mr. Phillips, Absent; Mr. Wilson, Yea;
Mr. Vincent, Yea

Public Hearing/ C/U No. 1956

A Public Hearing was held on the Proposed Ordinance entitled "AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR AUTO REPAIR AND SERVICE AS EXTENSION TO AN APPROVED TOWING SERVICE AND LANDSCAPING BUSINESS (CONDITIONAL USE NO. 1933) TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN BALTIMORE HUNDRED, SUSSEX COUNTY, CONTAINING 3.374 ACRES, MORE OR LESS" (Conditional Use No. 1956) filed on behalf of Mark A. Giblin.

The Planning and Zoning Commission held a Public Hearing on this application on February 14, 2013 at which time action was deferred. On February 28, 2013, the Commission recommended that the application be approved, with conditions.

(See the minutes of the Planning and Zoning Commission dated February 14 and 28, 2013.)

Lawrence Lank, Director of Planning and Zoning, read a summary of the Commission's Public Hearing.

It was noted that when the original application was advertised by the County, there was no comma between the words "towing" and "service". For this reason, at the Public Hearing on December 11, 2012, the Council

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Public Hearing/ C/U No. 1956 (continued)

considered the application for two businesses, the towing service and the landscaping business, since this is how the application was advertised. The Applicant was advised that if he desires to have a service business; the application would have to be re-advertised and a new public hearing held.

Mr. Lank reported that the Council approved the original application (Conditional Use No. 1933/Ordinance No. 2283) for towing service and landscaping on December 11, 2012 with the following conditions:

A. The impound yard shall be surrounded by a fence with landscaping to screen it from neighboring and adjacent properties, to be constructed on or before June 1, 2013.
B. No more than 18 impounded vehicles shall be permitted on the property besides the Applicant's own vehicles.
C. No permanently disabled or abandoned vehicles shall be allowed to remain on the property. All existing and abandoned vehicles shall be removed within 90 days.
D. There shall be one lighted sign which shall not exceed 32 square feet in size to identify the towing service and the impound lot. The sign shall include a phone number to call for information about vehicles impounded and for other information about the service.
E. No vehicles shall be displayed for sale.
F. All security lighting shall be downward screened so that it does not shine on neighboring or adjacent properties.
G. The Final Site Plan shall clearly depict the areas set aside for parking of impounded vehicles and towing equipment.
H. The area set aside for the landscaping business, including equipment storage and any bins for materials such as topsoil, mulch, etc. shall clearly be depicted on the Final Site Plan.
I. The landscaping business hours of operation shall be limited to 7:00 a.m. to 6:00 p.m. Monday through Saturday with no Sunday hours.
J. The Final Site Plan shall include a landscaping plan for the area surrounding the impound yard screening it from neighboring or adjacent properties.
K. The Final Site Plan shall be subject to the review and approval of the Sussex County Planning and Zoning Commission.

The Council found that Mark Giblin was present and he stated that he agrees with the conditions imposed on his original application for towing and landscaping; that he thought that he had included service in his original application; that he services vehicles for several police departments; that he does not do any work on vehicles owned by the public; that his requested hours for the service/repair business are seven (7) days per week from 8:00 a.m. to 8:00 p.m.; that customers normally pick up their vehicles on the same day as serviced; that the business is not visible from the road; that he mostly performs diesel work; and that trucks (no bodies) are dropped off.

Mr. Giblin submitted 3 letters in support of his application and pictures of his house on the application site.

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(continued) **There were no public comments and the Public Hearing was closed.**

M 134 13 Adopt Ordinance No. 2296/ C/U No. 1956 (continued)

A Motion was made by Mr. Cole, seconded by Mrs. Deaver, to Adopt Ordinance No. 2296 entitled "AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR AUTO REPAIR AND SERVICE AS EXTENSION TO AN APPROVED TOWING SERVICE AND LANDSCAPING BUSINESS (CONDITIONAL USE NO. 1933) TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN BALTIMORE HUNDRED, SUSSEX COUNTY, CONTAINING 3.374 ACRES, MORE OR LESS" (Conditional Use No. 1956) filed on behalf of Mark A. Giblin, with the following conditions:

1. **The conditions imposed upon Conditional Use No. 1933 shall remain in effect.**
2. **Condition "B" of Conditional Use No. 1933 is modified so that no more than 18 vehicles shall be permitted on the property besides the Applicant's own vehicles.**
3. **The hours of operation of the auto repair and service activities shall be from 8:00 a.m. to 8:00 p.m. seven (7) days a week.**
4. **All liquids, oils, and similar materials shall be disposed of in accordance with all State and Federal requirements.**
5. **Parking areas for vehicles and customers associated with the service and repair component of this use shall be clearly shown on the Final Site Plan and marked on the site itself.**
6. **The Applicant shall comply with all DelDOT entrance requirements.**
7. **The Final Site Plan showing this use and the use of Conditional Use No. 1933 shall be subject to the review and approval of the Sussex County Planning and Zoning Commission.**

Motion Adopted: **5 Yeas.**

Vote by Roll Call: **Mrs. Deaver, Yea; Mr. Cole, Yea;**
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea

Public Hearing/ C/U No. 1957

A Public Hearing was held on the Proposed Ordinance entitled "AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR RENTAL AND PERSONAL STORAGE UNITS TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN BALTIMORE HUNDRED, SUSSEX COUNTY, CONTAINING 1.148 ACRES, MORE OR LESS" (Conditional Use No. 1957) filed on behalf of George R. and Sandra L. VanFleet.

The Planning and Zoning Commission held a Public Hearing on this application on February 14, 2013 at which time action was deferred. The Commission deferred action again on February 28, 2013. On March 14, 2013, the Commission recommended that the application be denied.

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(continued) **Lawrence Lank, Director of Planning and Zoning, noted that the Applicant was not in attendance on this date.**

The Public Hearing was closed.

M 135 13
Adopt Proposed Ordinance/ C/U 1957

Denied

A Motion was made by Mrs. Deaver, seconded by Mr. Cole, to Adopt the Proposed Ordinance entitled "AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR RENTAL AND PERSONAL STORAGE UNITS TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN BALTIMORE HUNDRED, SUSSEX COUNTY, CONTAINING 1.148 ACRES, MORE OR LESS" (Conditional Use No. 1957) filed on behalf of George R. and Sandra L. VanFleet.

Motion Denied: **5 Nays.**

Vote by Roll Call: **Mrs. Deaver, Nay; Mr. Cole, Nay;**
Mr. Phillips, Nay; Mr. Wilson, Nay;
Mr. Vincent, Nay

The Council denied the application due to the lack of a record of support.

M 136 13
Adjourn

A Motion was made by Mr. Phillips, seconded by Mrs. Deaver, to adjourn at 2:07 p.m.

Motion Adopted: **5 Yeas.**

Vote by Roll Call: **Mrs. Deaver, Yea; Mr. Cole, Yea;**
Mr. Phillips, Yeas; Mr. Wilson, Yea;
Mr. Vincent, Yea

Respectfully submitted,

Robin A. Griffith
Clerk of the Council

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SUSAN M. WEBB, CPA
FINANCE DIRECTOR

Sussex County
ADMINISTRATIVE OFFICE BUILDING
2 THE CIRCLE
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E-MAIL: smwebb@sussexcountyde.gov

MEMORANDUM:

TO: Sussex County Council
The Honorable Michael H. Vincent, President
The Honorable Samuel R. Wilson, Jr., Vice President
The Honorable George B. Cole
The Honorable Joan R. Deaver
The Honorable Vance Phillips

FROM: Susan M. Webb, CPA SMW
Finance Director

RE: ***SUSSEX COUNTY PENSION AND OPEB FUNDS***

DATE: March 22, 2013

On Tuesday, I will be discussing the County's Pension and OPEB Plans. Attached for your review are the:

- Draft minutes of the February 21, 2013 Pension Committee Meeting
- Investment Performance Report as of December 31, 2012

I will be making the following recommendations to Council:

OPEB FUND

- Amend the Domestic Fixed Income guidelines to reflect a minimum of 50 percent of the portfolio must be invested in U. S. Governments, Securities, Treasuries, and Agencies; Corporate Bonds must have a minimum rating of A3/A at the time of purchase; no Corporate Bonds may be purchased below the A3/A rating; the average duration will be no greater than 25 percent of the benchmark and no less than 50 percent of the benchmark; and to change the manager's benchmark to Barclay's Intermediate Government/Credit Index.

PENSION FUND

- Amend the Wilmington Trust Investment Management Agreement to reflect a minimum of 50 percent of the portfolio must be invested in U. S. Governments, Securities, Treasuries, and Agencies; Corporate Bonds must have a minimum rating of A3/A at the time of purchase; no Corporate Bonds may be purchased below the A3/A rating; the average duration will be no greater than 25 percent of the benchmark and no less than 50 percent of the benchmark; and to change the manager's benchmark to Barclay's Intermediate Government/Credit Index.

Please contact me if you have any questions or concerns.

SMW/nc

Attachments

xc: Mr. Todd F. Lawson

PENSION FUND COMMITTEE

Minutes of Meeting

February 21, 2013

The Sussex County Pension Fund Committee met on February 21, 2013, at 11:00 a.m. in the County Council Chambers, Georgetown, Delaware. Those in attendance included members: Susan Webb, Todd Lawson, Karen Brewington, Jeffrey James, David Baker and Hugh Leahy. Also in attendance were Gina Jennings, Finance Director Appointee; Michael Shone of Peirce Park Group, the County's Pension Investment Consultant; and John Lessl of Aon, the County's Actuary. Committee member Lynda Messick was unable to attend.

On February 14, 2013, the Agenda for today's meeting was posted in the County's locked bulletin board located in the lobby of the County Administrative Office Building; the agenda was posted on the County's website as well.

Ms. Webb called the meeting to order and reviewed the agenda.

1. **Approval of Minutes**

A Motion was made by Mr. Lawson, seconded by Mr. Leahy, to approve the minutes of the November 7, 2012 meeting, as distributed.

Motion Adopted: 5 Yea.

Vote by Roll Call: Mr. James, Yea; Mr. Lawson, Yea; Mr. Leahy, Yea; Mr. Baker, Yea; Ms. Webb, Yea

Ms. Brewington was not present at the time of the above vote.

2. **Investment Analysis for the Quarter Ended December 31, 2012**

Mr. Shone distributed copies of a booklet entitled, "Sussex County Investment Performance Report, December 31, 2012". The report includes

information regarding the market environment for the fourth quarter of 2012, as well as quarterly and annual performances of the Pension and OPEB Plans. Although the report should be referenced for a more detailed analysis, discussion highlights include:

Mr. Shone referred members to Market Environment – 4th Quarter of 2012 (Tab 1). He reported that equity markets ended the year on a strong note. U. S. stocks outperformed international stocks for the first half of 2012, with international stocks outperforming domestics for the second half. Fixed income returns were very small for the fourth quarter, although better than anticipated.

While U. S. markets were marginally positive for the fourth quarter of 2012, international and emerging markets were up 6.6 percent and 5.6 percent respectively. Equity markets finished strong for the year and outperformed the actuarial assumed rate of return. For the first half of 2012, growth stocks performed better than value stocks, with value stocks outperforming growth for the second half. Mid-cap value equities outperformed small and large caps for the quarter and year. Value stocks typically perform better in down markets and perform as well as growth stocks in up markets. For the year, value stocks outperformed growth.

Longer term bond yields increased during the quarter, and returns on fixed income were either flat or slightly negative. This trend for fixed income continues for the current quarter. At the time an actuary sets the assumed rate of return, they typically look at the asset allocation mix and the long-term expected rates of return for the asset classes (equities & fixed income). If yields remain consistently low, a change to the portfolio mix and/or a change in the assumption (or a combination of both) are possible options.

When asked, Mr. Shone stated investors do seem willing to sacrifice some safety in the hopes to realize increased returns with high yield bonds. He noted concern that in wanting to realize high returns, investors sometimes 'chase the yield'; high yield bonds were down approximately 20 percent in 2008. On the equity side, higher dividend stocks realized better returns in 2012, with higher yielding – more dividend oriented stocks – also performing well.

Mr. Shone directed members to the Pension Fund Performance Report (Tab II). The Pension Fund realized investment returns for the fourth quarter of 2012 of $237,000, a return of .73 percent (gross) and .66 percent (net – of all management fees). For 2012, a gain of $3.8 million was realized, or a return of 10 percent (gross) and 9.7 percent (net). The County's 9.7 percent return

was one of the lower returns of Peirce Park's clients, but was expected due to the County's conservative investment approach. Wilmington Trust had very strong returns for the fourth quarter of 2012 versus their benchmark, but lagged most managers due to the constraints placed on them by the County. Fidelity had strong returns, with DuPont Capital realizing average returns relative to their benchmark. The State of Delaware performed below their benchmark for the fourth quarter and year, although they have outperformed for the past three years. Mr. Shone explained that no fund or manager would outperform every year, particularly noting the State is more aggressive in their allocation mix (private equity and hedge funds). In the future, he suggested that the County look at their fixed income guidelines, actuarial assumptions, the L.D.I. (liability driven investing), and GASB 67 and 68 (financial reporting changes made by the Governmental Accounting Standards Board for defined benefit pension plans).

Ms. Webb questioned Mr. Shone regarding a newspaper article forwarded to him noting that the State of Delaware had overstated their funding status; the State of Delaware comprises 33 percent of the County's portfolio. Mr. Shone noted two issues: the funded status of the State plan and the investment pool, i.e. does the State change their investment pool because of their funding status. In determining the investment level needed to meet future obligations, the discount rate – or rate of return assumption – must be considered. Guidelines set by the accounting industry and credit rating agencies must also be considered. The newspaper article noted that current bond yields must be used. Mr. Shone stated that he would not use the treasury rate of return of 2 percent. He reported that it is important to know the liabilities and is the basis for the accounting industry setting some fairly rigorous guidelines.

Mr. Shone reported that a correction was made to Piece Park's third quarter report due to a valuation error – of approximately $120,000 – reported by the State.

As of December 31, 2012, the market value of the Pension Fund was $58,813,167, or a time weighted return of 10 percent. The County's investment fees are higher than most of Peirce Park's clients of similar size. The State's rate of return typically offsets their higher expense ratio and is due to their investments in private equities, hedge funds, and a slightly higher allocation in international stocks. The County's blended investment management fee is .60 percent, whereas Peirce Park's typical client is .40 percent. Based upon the State's use of alternatives and Fidelity's performance, Mr. Shone does not find their fees unreasonable.

Mr. Leahy questioned if there were other options available to the County that would realize similar results to the Delaware Investment Pool without the use of alternatives. Mr. Shone stated that the State does allow a broader diversification than the County would typically invest. A plan of similar size – with 60 percent equities – was up approximately 11.5 percent in 2012, without the use of alternatives. Mr. Shone offered that over time the County may want to consider lessening the State portion from 60 percent to 50 to help lower the County's expense ratio.

The County's current policy index is comprised of 60 percent stocks and 40 percent bonds (14 percent international stocks, 46 percent domestic stocks, and 40 percent fixed income). When the stock market was down, the County outperformed their policy index.

Mr. Shone would not recommend any manager changes and specifically noted Wilmington Trust's 'very very good performance'. The Committee had requested Mr. Shone to speak to Wilmington Trust regarding the possibility of relaxing fixed income guidelines. He referred members to a separate 4-page handout and graph showing the "Historical Composition of the Barclays Capital U. S. Intermediate Government/Credit Index, December 31, 1994 – February 15, 2013", which reflected the specific index composition for treasuries, government-related bonds (Ginnie Maes and Fannie Maes), and corporate bonds. On average, corporate bond debt has averaged 30 percent since 1994. Mr. Shone discussed the impact of increasing government bonds. Of the 5-year spans reported, there was only one time period – 1977 to 1982 – that was not beneficial to allow more in corporates.

The current guideline for the intermediate government index is 3.6 percent for the duration of the portfolio, and would allow Wilmington Trust to go down to 2.7 and up to 4.5. Mr. Shone discussed the various options open to the County.

Mr. Shone referred members to two separate handouts, "Sussex Pension Proposed Changes" and "Sussex OPEB Proposed Changes".

Discussion was held on the below proposed changes for the Pension Fund:

1. **Investment Policy Statement:**

   To be determined

2. **Wilmington Trust Investment Management Agreement, Appendix B:**

- **Remove first bullet**, which reads:
  Maximum exposure to the corporate sector of 25%.
  Corporate bonds must have minimum rating of A3/A – at the time of purchase.
  No corporate bonds may be purchased below the rating above.

- **Second bullet**:
  - **Current**: Minimum of 75% of the portfolio must be invested in direct obligations of the U.S. Treasury.
  - **New**: Minimum of 40% of the portfolio must be invested in U.S. Government securities (Treasuries and Agencies).

  (Note: As a result of discussion, the above rate of 40% is now proposed to be 50%)

- **Benchmark**
  - **Current**: Barclay's Intermediate Government Index
  - **New**: Barclays's Intermediate Government/**Credit** Index

  (Note: As a result of discussion, suggested additional language includes "duration can be no greater than 25 percent of the benchmark and no less than 50 percent of the benchmark". Current language states '25% of the benchmark'.

Mr. Leahy expressed concern that by removing the first bullet, it would allow Wilmington Trust to invest in corporate bonds of any rating, and noted the need to keep the minimum rating of A3/A.

A Motion was made by Mr. Baker, seconded by Mr. James, that the Pension Committee recommends to amend the Wilmington Trust Investment Management Agreement to reflect a minimum of 50 percent of the portfolio must be invested in U. S. Governments, Securities, Treasuries, and Agencies; Corporate Bonds must have a minimum rating of A3/A at the time of purchase; no Corporate Bonds may be purchased below the A3/A rating; the average duration will be no greater than 25 percent of the benchmark and no less than 50 percent of the benchmark; and to change the manager's benchmark to Barclay's Intermediate Government/Credit Index.

Motion Adopted:	6 Yea.
Vote by Roll Call:	Mr. James, Yea; Ms. Brewington, Yea; Mr. Lawson, Yea; Mr. Leahy, Yea; Mr. Baker, Yea; Ms. Webb, Yea

Discussion was held on the below proposed changes for the OPEB Fund:

1. **Investment Policy Statement:**

   Current: Domestic Fixed Income Investment Guidelines, page 17, *Specific Guidelines, Domestic Fixed Income*, number 2(b) 75%

   New: **40%**

2. **Wilmington Trust Investment Management Agreement:**

   Appendix A,

   Current: Benchmark is Barclay's Intermediate Government Index

   New: Barclay's Intermediate Government/**Credit** Index

A Motion was made by Mr. Baker, seconded by Mr. James, that the Pension Committee recommends to amend the OPEB Investment Policy Statement to change the Domestic Fixed Income guidelines to reflect a minimum of 50 percent of the portfolio must be invested in U. S. Governments, Securities, Treasuries, and Agencies; Corporate Bonds must have a minimum rating of A3/A at the time of purchase; no Corporate Bonds may be purchased below the A3/A rating; the average duration will be no greater than 25 percent of the benchmark and no less than 50 percent of the benchmark; and to change the manager's benchmark to Barclay's Intermediate Government/Credit Index.

Motion Adopted:	6 Yea.
Vote by Roll Call:	Mr. James, Yea; Ms. Brewington, Yea; Mr. Lawson, Yea; Mr. Leahy, Yea; Mr. Baker, Yea; Ms. Webb, Yea

Mr. Shone referred members to the OPEB Fund Performance Report (Tab III). The OPEB Fund realized investment returns for the fourth quarter of 2012 of $230,000, a return of 1.0 percent (gross) and .9 percent (net), which slightly beat the benchmark (1 percent versus .9 percent). For 2012, the County had a $1.9 million gain (net), or a 8.9 percent return (gross), and 8.4 percent (net). He noted the County's low manager expenses of .37 percent. Mid Cap Value index was added in December and has been the best performer over 10, 20 and 30-year periods. Over time, value stocks have outperformed growth stocks. 2012 saw strong performances by both Dodge & Cox and Ridgeworth. The County lagged behind other same sized

plans due to their conservative investment approach – at a time when the stock market was rewarding aggressive investing.

Mr. Shone noted that the following items should be considered by the Committee: Fixed Income Guidelines, Actuarial Return Assumptions, L.D.I., and GASB 67 and 68.

Mr. Shone briefly reviewed a few of the managers' rankings and returns. Black Rock, who is a dividend oriented manager with a conservative style, realized increased last quarter earnings of .4 percent, which ranked slightly below the average. For the year, Black Rock was in the 80th percentile; for the 3 and 5 year periods - 15th and 13th percentile respectively; and they perform better in the down markets. The percentile ranking of '1' denotes the highest performer, with '99' reflecting the lowest. The Vanguard Russell 1000 Index ranked in the 29th percentile for 2012. The Mid-Cap Value Index was up 2.9 for the quarter.

Mr. Shone referred members to a separate handout entitled, "Sussex County OPEB Trust – Total Fund as of January 31, 2013". For the month of January, the OPEB Fund was up 2.9 percent, Black Rock – up 4.4 percent (benchmark - 6.5), Vanguard Mid Cap Index – up 6.7, Ridgeworth Small Cap Value – up 7.7, Dodge & Cox – up 5.4; Harding Loevner – up 4.1. At the current time, small and mid-cap stocks are the best performers, with the County's fixed income composite down .3 percent.

Mr. Leahy inquired if there were any strategic changes/actions the County should be taking as a result of the information contained in the Upside Capture Ratio vs. Downside Capture Ratio chart. Mr. Shone stated that the numbers are reflective of the County's previous limitation in selecting managers. He went on to explain that Peirce Park can review this information – taking into consideration what the County's performance would be given the County's current allocation mix – and report back to the Committee. Discussion ensued regarding the area of real assets. Inflation is of real concern and pension plans are beginning to prepare for this reality. If inflation rises, salaries, benefits and Colas (cost of living adjustments) would increase as well. Indirectly, as inflation goes up, so would the premium needed for fixed income. Governments are starting to look at whether portfolios should include inflation protecting investments (called real assets). Mr. Shone would like to bring an education piece to the Committee regarding real assets (commodities, real estate, and TIPS – Treasury Inflation-Protected Securities), which would assist in the decision-making process.

Mr. James reiterated the point that the Committee may want to consider lessening the County's investment with the State, currently at 60 percent. Mr. Shone noted that international targets may be another area the Committee would want to consider; the County is 12 percent invested in internationals. Most of Peirce Park's clients, which are at 60 percent equities, have 14 to 16 percent in internationals, and all are considering increasing this amount. Over time, internationals have had more volatility than the U. S. Market. Mr. Shone stated that he will bring some ideas and recommendations to the Committee. Mr. Leahy suggested a profile of similar municipalities and any trends seen.

Ms. Webb thanked Mr. Shone for his presentation.

3. **Aon – Actuary Assumptions/Rate of Return**

Ms. Webb introduced Mr. Lessl. Mr. Lessl asked for questions from the Committee.

The Committee noted the question of whether the County's 8 percent assumed rate of return remains a realistic number. Mr. Baker inquired if there were any regulatory issues that would impact the County's contributions to the fund. Mr. Lessl stated that he felt the County was in good shape in regard to GASB 67 and 68, and the regulations would not have a great impact on the County, primarily because the County is already actuarially funding its plan. He mentioned that when Aon provides the County with its required contribution, which recognizes all of the County's liability, the County has been more than meeting that obligation. Mr. Lessl reported there would be significant impact to those governmental entities whose pension plans that have not been soundly funded.

Mr. Leahy inquired as to how the actuarial accrued liability and minimum required contribution are determined. Mr. Lessl stated that different entities measure different kinds of liability. The County's pension plan uses what is known as a 'projected unit credit method' for determining liability. With this method, Aon projects the expected benefit payouts based on projected salary growth and lengths of service, which is discounted at an assumed rate (8 percent); it is then allocated to time periods over the active employee's working career. This is known as the actuarial accrued liability and is used to compare actual assets contained within the County's trust. There are two components of the County's required contribution: the current year's contribution and the contribution needed to make up for any shortfall. If there is underfunding, that amount is amortized and added to the current year's contribution requirement. Mr. Lessl noted there is great variation in

amortization methods used by government entities. The County uses what is known as "level percentage open", a process that involves amortizing the entire unfunded amount over a 30 year period, and using the same 3-1/2 percent payroll growth assumption. Mr. Lessl reiterated that the County's history has been to contribute more than the required minimum. With the County currently having fewer employees, Mr. Lessl acknowledged this would help offset any liability.

Ms. Jennings stated that she had performed an analysis for the past 5 years and the County had a reduction in payroll costs of 4.9 percent compared to 4 years ago. She noted that the actuary's 3.5 percent assumed rate of payroll growth may need to be reviewed. Two years ago, the County realized the highest increase in payroll of 2.4 percent, and a 1.8 percent increase for the current year. Ms. Jennings stated that the actuarial accrued liability increased $7 million from last year to the current year and inquired as to the basis for such. Mr. Lessl explained that the full actuarial report includes discussion and identifies the components. Aon adopted a new mortality table last year that projects future improvements in mortality; this was one of the driving components for the increase. Aon's mortality tables come from recommendations from the Society of Actuaries. Ms. Webb noted that the actuary's 2013 report will include numbers and recommendations using all scenarios, including differing assumed rates of return. This information will assist the Committee and the County in deciding whether the current 8 percent assumed rate of return needs to be revised. Mr. Baker also noted the benefit of not only looking at the investment returns, but also looking at the assumed rate of payroll growth and the 3.5 percent used by the actuary.

Mr. Lessl explained that he had three areas to address: investment return assumption; review of actuarial assumptions (including the 3.5 percent); and the cost study reflecting the impact of lifting the 25 and 30 year caps on length of service. In explanation, Ms. Webb explained that the Committee had been asked to look at the impact of lifting these caps (medics and dispatchers – 25 years; remaining County employees – 30 years), which were instituted in 2001. Mr. Lessl referred members to a one-page handout showing the impact of lessening the required contribution for another of Aon's clients. For the County, he noted that Aon would look at the required contribution, the actuarial accrued liability, and the vested accrued benefits at the various assumed rates of return (currently 8 percent). He noted the impact to the County would be less due to its history of higher funding levels. Mr. Lessl reported that Florida passed a law in 2012 requiring their state's pension plans to disclose vested liability at 7.75 percent. Aon will prepare an actuarial evaluation as of January 1, 2013 regarding various rates of assumption, as well as the impact of removing the employment cap. In

considering a lifting of the length of service cap, Mr. Lessl noted that there would be an offsetting cost due to the fact that while employees would receive an increase in service credit, a decrease would be realized because it would be assumed employees would work longer, thereby reducing the number of years they would collect a pension.

Mr. Baker requested Aon also review and report on the impact of changing the multiplier used in the pension calculation. Mr. Lessl stated that Aon takes into consideration all the variables (and formulas) for each employee to project their individual benefit.

Ms. Webb questioned both Mr. Lessl and Mr. Shone as to the options available to strengthen a defined benefit plan and to make the plan less expensive. Items discussed include:

Mr. Lessel

- No change for existing employees, but new tier for new hires
- Remove length of service caps, or raise the minimum required retirement age; changes to the length of service caps do not result in big cost savings, but a delay in retirement realizes significant savings
- Delay Cola increases – these increases would not begin immediately upon retirement, a delay of 3 to 5 years
- Employee contributions – most governmental plans have employee contributions
- Mr. Lessl raised the issue as to the legal protection offered to employees who were hired under certain plan provisions and the right they have to stay within those benefit provisions. His experience has been that a delay in Cola increases has been more successful than with a change that would be seen as taking something away.
- Employee contributions – a lot of plans have raised employee contributions, but many of these cases are working their way thru the courts. Mr. Lessl noted that instituting employee contributions does not seem to be as difficult a change as does lowering the multiplier. He has seen contribution changes both for new hires and existing employees.

Mr. Shone

- Pennsylvania's state constitution protects employee benefits; there have been court cases to rule as to the legality of changing employee benefits for current employees, i.e. when they are asked to contribute additional money, etc. In Pennsylvania, pensioner

Cola increases are not automatically granted, but are considered annually; many municipalities are not granting these increases to pensioners. Ms. Webb stated that not granting Cola increases is counterproductive, if budgets will allow them. Mr. Shone has seen some interest in lowering the benefit formula, with the inclusion of a defined contribution plan, or a cash balance plans – which is a combination of the two. With a defined contribution plan, individuals typically do not realize as high a return as does the government entity. If wanted, employees can allow their employer to do the investing with defined plans. Mr. James expressed concern that the employee match could be nonexistent for lower County wage earners.

Mr. Leahy noted that from a private sector and taxpayer perspective, County benefits look very generous. Ms. Webb noted the differing salary structure of the private sector. It was noted that Kent and New Castle County employees all contribute toward their pension plan – both existing and new hires – but at differing rates. To realize true cost savings, contributions by both existing and new hires would need to be implemented.

Regarding the topic of actuarial assumptions, Mr. Lessl reported that Ms. Webb was given a proposal to look at the assumptions, i.e. retirement rates, termination rates, 3-1/2 percent payroll growth scale, salary increases, and also marital assumptions. With some plans that have marital benefits, the employee has the choice of electing spousal protection, but it reduces the participant's retirement benefit. The County has what is known as a subsidized death benefit, which allows the surviving spouse to receive 50 percent of the County employee's pension without reducing the participant's benefit. Best practice is to do an experience study every five years, which includes a process of looking at the actual data (the experience) and comparing it to the assumptions, i.e. what has been projected to occur (retirements at each age, etc.). He noted that past performance is no guarantee as to what will happen in the future. Aon's benefit assumptions are projected long-term (twenty to thirty years in the future).

Mr. Leahy inquired as to issues and opinions of external regulatory bodies i.e. bond rating agencies, County auditors, etc., that should be of concern to the County due to the fact that these agencies speak to the adequacy of the pension reserves, etc. Ms. Webb responded that bond ratings are a complete package and when these agencies look at a financial statement, the pension and how well it is funded is definitely considered for their calculation and rating; the CAFR includes multiple pages of detailed information regarding

pension disclosures. Mr. Lessl stated that Moody's will adjust the numbers reported in an actuarial report to current market rates. Even if a governmental entity uses an 8 percent assumption, Moody's will adjust those numbers to current corporate bond rates and determine the unfunded portion for rating purposes.

Ms. Webb thanked Mr. Lessl for his time and presentation.

4. **Goals for 2013**

As discussed, goals to be considered during 2013 include a change in the Investment Policy for the Pension and OPEB Plans, as well as consideration of the fixed income guidelines, actuarial assumptions, L.D.I. (liability driven investing), and GASB 67 and 68. If Committee members have additional goals, they can be emailed to Ms. Webb.

5. **Additional Business**

Ms. Webb reminded members of the three additional meeting dates in 2013 (Thursday, May 16; Thursday, August 15; and Wednesday, November 13; all beginning at 10:00 a.m.). Due to her upcoming retirement, Ms. Webb noted this would be her last Pension Committee meeting. Mr. Baker praised Ms. Webb for her 20-year service with the County.

Ms. Webb thanked everyone for their attendance.

The meeting was adjourned at 1:18 p.m.

Respectfully submitted,

Nancy J. Cordrey
Administrative Secretary

INVESTMENT MANAGEMENT CONSULTANTS

Sussex County

Investment Performance Report

December 31, 2012

PEIRCE PARK GROUP

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II. Pension Fund

III. OPEB Fund

PEIRCE PARK GROUP

PERFORMANCE EVALUATION AND REPORTING SERVICES INFORMATION DISCLAIMER

Peirce Park Group has exercised reasonable professional care in the preparation of this performance report. Peirce Park Group relies on the client's custodian for market values and transaction dates – both of which may differ from investment manager records. **Returns are calculated using the custodian statements. Every effort is made to identify and reconcile discrepancies.** There may be discrepancies in asset values and returns with managers, due to different values or methodologies used by the managers and/or custodians. When the manager(s) and the custodian are one and the same, we have no ability to determine the accuracy of the asset values put forth. Information in this report on market indices, security characteristics, and universe comparisons is received from InvestorForce. Therefore, we can make no guarantee as to the completeness or accuracy of the report.

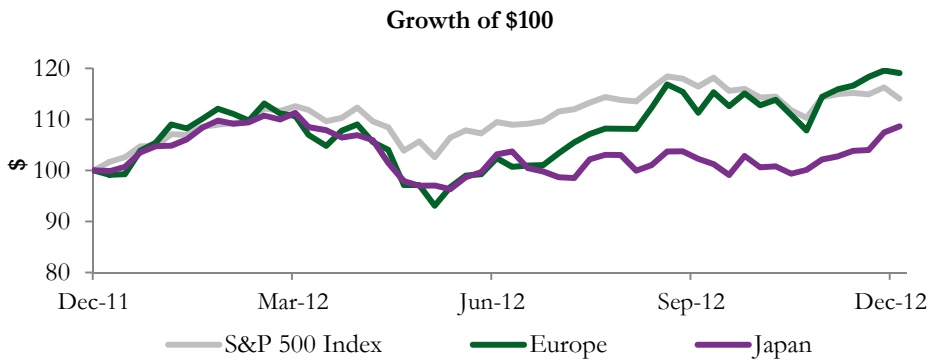
Total fund universes are generally comprised of gross of management fee return calculations. When clients have investment managers that provide net of fee return calculations or asset values (e.g. mutual funds), we increase (gross) the total fund return by an amount that reflects the internal costs of the manager or fund (internal costs include, but are not limited to, management fees, advisory/subadvisory fees, administrative fees, interest expenses and fee reimbursements). In determining a manager or fund's cost, we use the best available information to determine a figure which may differ from other reported sources such as Morningstar. Therefore, we can make no guarantee as to the accuracy of fee calculations. Total Plan returns are derived from InvestorForce.

Market Environment – 4th Quarter 2012

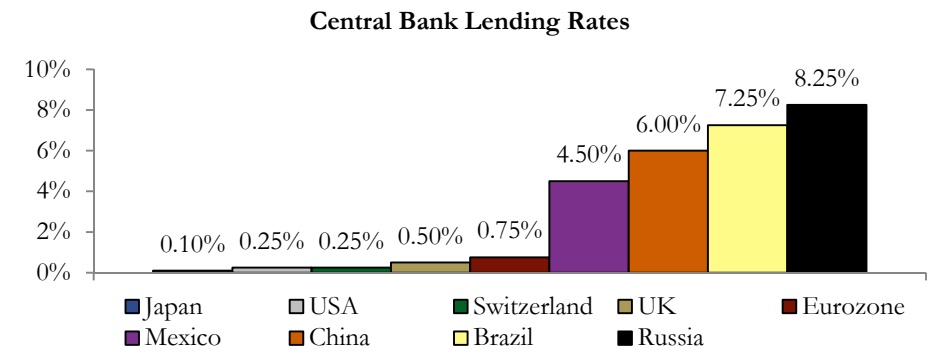
- Global equity markets end the year strongly.

- Global Central Banks maintain accommodative monetary policy; buoy investor appetite for risk.
  - European Central Banks provided financial assistance to distraught euro zone governments, reducing the risk of a financial crisis
  - U.S. Federal Reserve continues accommodative stance, adopting new inflation and unemployment rate thresholds – keeping rates unchanged so long as unemployment stays above 6.5% and inflation projections stay near the Fed's 2% target.

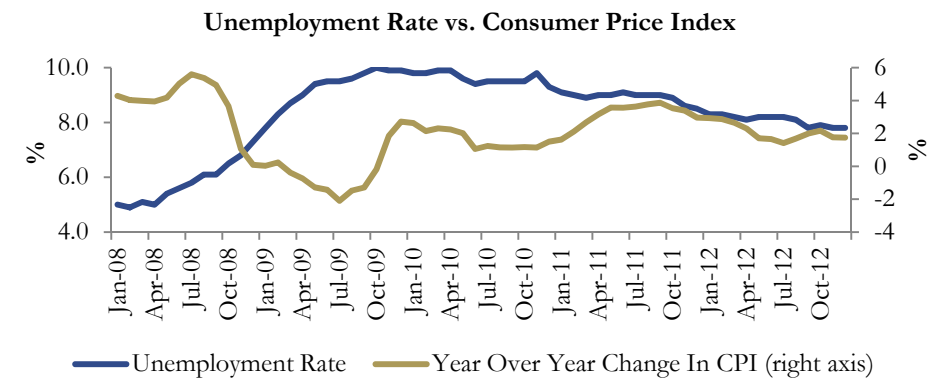
- Other positive indicators:
  - U.S. housing market continues to show signs of strength.
  - Employment situation continues to improve.
  - Consumer spending improving.
  - China shows signs of recovery with retail sales and manufacturing activity outpacing expectations.



Source: Markov Processes International



Source: International Central Banks – cbrates.com



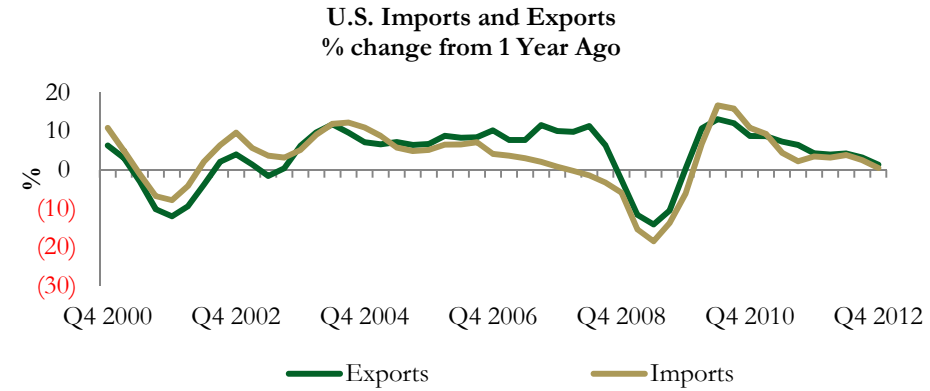
Source: U.S. Department of Labor: Bureau of Labor Statistics

Market Environment – 4th Quarter 2012

- Signs of uncertainty:
  - U.S. fiscal uncertainty and economic weakness in Europe continue.
  - Continued weakness in U.S. exports.
  - Tepid growth expectations in 2013.
  - Reduction in business investment due to uncertainty created by the fiscal cliff.

Looking Ahead…

- How will the fiscal cliff tax increases affect the economy?
- Will the "debt-ceiling cliff" derail the economy?
- Can interest rates be contained?
- Will business earnings improve?



Source: U.S. Department of Commerce: Bureau of Economic Analysis

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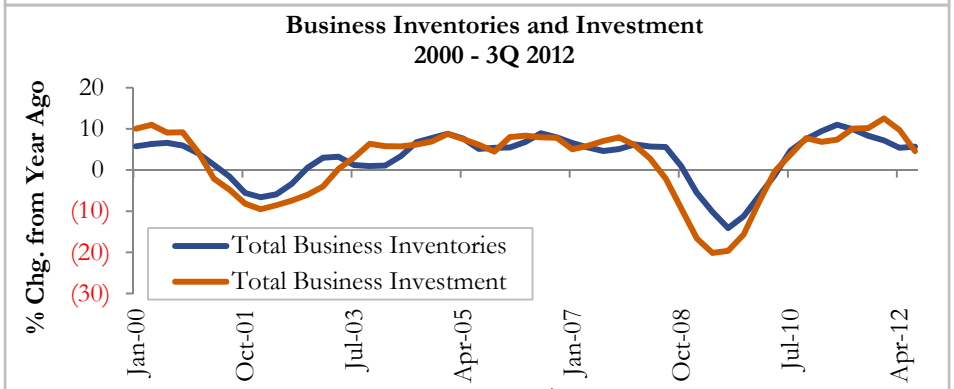
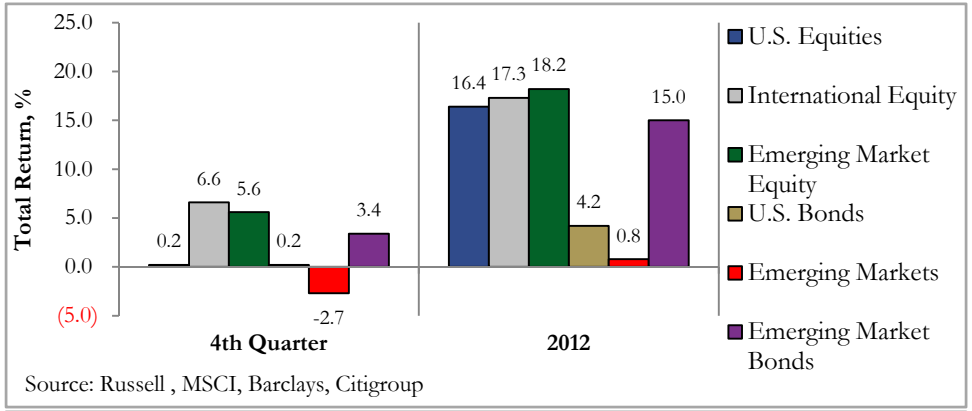
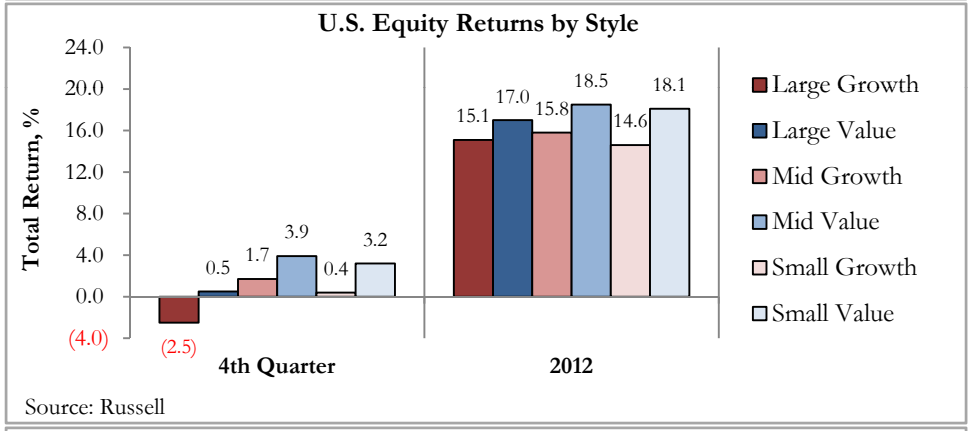


Source: U.S. Department of Commerce: Census Bureau/U.S. Department of Commerce: Bureau of Economic Analysis/FRED

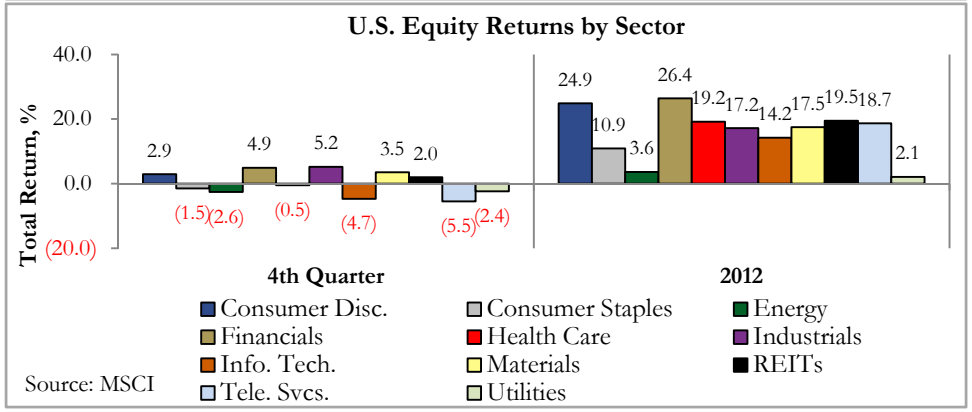
Market Environment – 4th Quarter 2012



Source: Russell , MSCI, Barclays, Citigroup



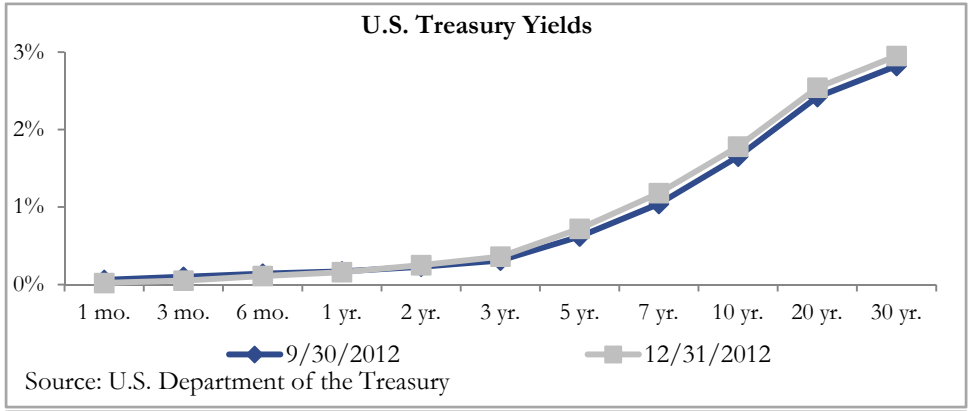
Source: Russell

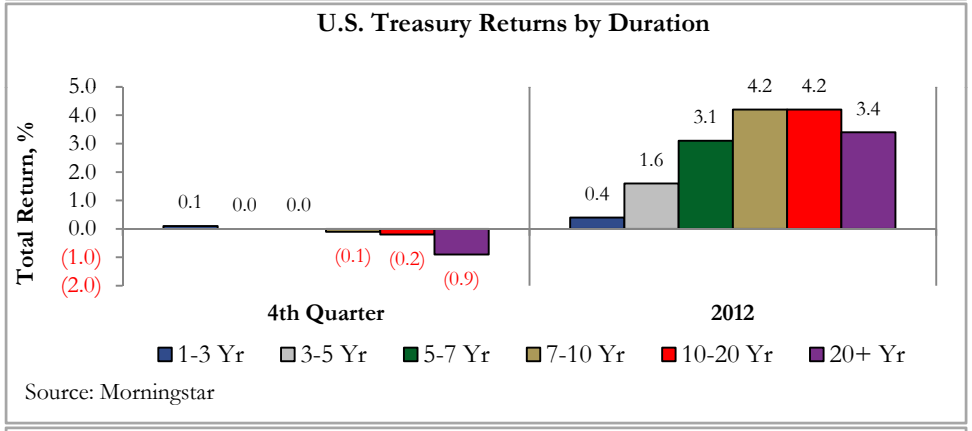


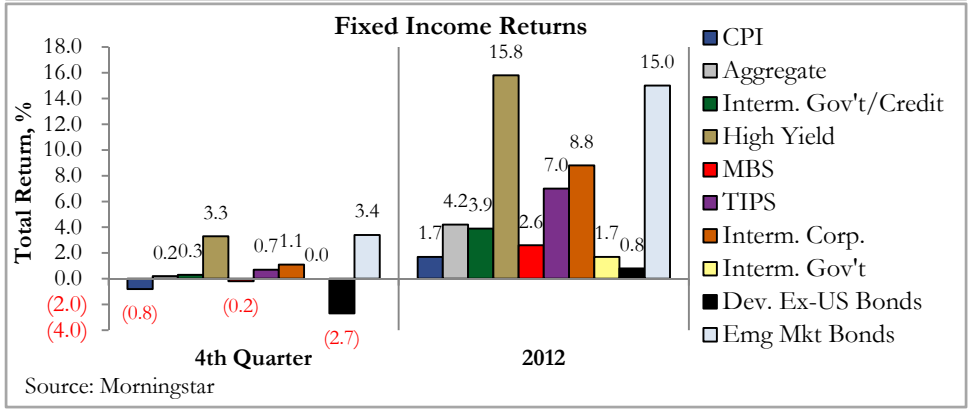
Source: MSCI

- Equities finish the year strongly.
- International and emerging market equities outperformed U.S. equities for the quarter and year.
- Developed market bonds have low/negative real returns.
  - Emerging market bonds continue to do well.
- Value outperformed growth for the quarter and year.
- Mid cap value equities outperformed small and large cap for the quarter and year.
- Large cap and small cap growth stocks lagged the broad market during year.
- Financial stocks outperformed all other sectors for year.
- Technology stocks underperformed for the quarter as sector leaders reported weak earnings and bleak outlooks.
- Energy stocks trailed for year due to pullback in global growth.

Market Environment – 4th Quarter 2012







- Longer term bond yields increased during quarter as yield curve steepened.
- Shorter term bonds outperformed longer term bonds for the quarter.
- High yield bonds and emerging market debt outperformed for the quarter and year.
- Sovereign debt has underperformed the broader market during the year.
  - Bond investors searching for yield.

Market Environment – 4th Quarter 2012

DOMESTIC EQUITY	QTR	1 Year	3 Year	5 Year	10 Year
Russell 3000 Index	0.2	16.4	11.2	2.0	7.7
Russell 3000 Growth Index	(1.2)	15.2	11.5	3.2	7.7
Russell 3000 Value Index	1.6	17.5	10.9	0.8	7.5
S&P 500 Index	(0.4)	16.0	10.9	1.7	7.1
Russell 1000 Index	0.1	16.4	11.1	1.9	7.5
Russell 1000 Growth Index	(1.3)	15.3	11.4	3.1	7.5
Russell 1000 Value Index	1.5	17.5	10.9	0.6	7.4
Russell TOP 200 Index	(1.0)	16.0	10.3	1.3	6.4
Russell TOP 200 Growth Index	(2.5)	15.1	10.9	3.2	6.7
Russell TOP 200 Value Index	0.5	17.0	9.7	(0.7)	6.0
Russell Mid-Cap Index	2.9	17.3	13.2	3.6	10.6
Russell Mid-Cap Growth Index	1.7	15.8	12.9	3.2	10.3
Russell Mid-Cap Value Index	3.9	18.5	13.4	3.8	10.6
Russell 2000 Index	1.9	16.3	12.2	3.6	9.7
Russell 2000 Growth Index	0.4	14.6	12.8	3.5	9.8
Russell 2000 Value Index	3.2	18.1	11.6	3.5	9.5
DOMESTIC EQUITY BY SECTOR					
MSCI US Consumer Discretionary	2.9	24.9	19.3	9.1	9.3
MSCI US Consumer Staples	(1.5)	10.9	13.1	6.9	9.1
MSCI US Energy	(2.6)	3.6	9.1	(0.4)	13.6
MSCI US Financials	4.9	26.4	7.6	(6.2)	1.4
MSCI US Health Care	(0.5)	19.2	11.8	5.6	7.5
MSCI US Industrials	5.2	17.2	13.5	1.5	8.9
MSCI US Information Technology	(4.7)	14.2	9.1	3.8	9.1
MSCI US Materials	3.5	17.5	9.9	1.5	10.4
MSCI US REITs	2.5	17.8	18.0	5.6	11.6
MSCI US Telecommunication Services	(5.5)	18.7	13.4	1.9	7.7
MSCI US Utilities	(2.4)	2.1	9.2	1.0	10.4

Market Environment – 4th Quarter 2012

DOMESTIC FIXED INCOME	QTR	1 Year	3 Year	5 Year	10 Year
Merrill Lynch 3-month T-Bill	0.0	0.1	0.1	0.5	1.8
Barclays Govt/Credit 1-3 Yr	0.2	1.3	1.9	2.9	3.1
Barclays Intermediate Government/Credit	0.3	3.9	5.2	5.2	4.6
Barclays Long Government/Credit	0.4	8.8	13.6	10.2	8.0
Barclays Government	(0.1)	2.0	5.5	5.2	4.7
Barclays Credit Bond	1.0	9.4	8.7	7.7	6.2
Barclays Aggregate Bond	0.2	4.2	6.2	5.9	5.2
Barclays Mortgage Backed Securities	(0.2)	2.6	4.7	5.7	5.1
Barclays High Yield Corporate Bond	3.3	15.8	11.9	10.3	10.6
Barclays TIPS	0.7	7.0	8.9	7.0	6.7
Consumer Price Index	(0.8)	1.7	2.1	1.8	2.4
INTERNATIONAL/GLOBAL EQUITY					
MSCI EAFE (Net)	6.6	17.3	3.6	(3.7)	8.2
MSCI EAFE Growth (Net)	5.8	16.9	4.9	(3.1)	7.8
MSCI EAFE Value (Net)	7.4	17.7	2.2	(4.3)	8.6
MSCI EAFE Small Cap (Net)	6.0	20.0	7.2	(0.9)	11.9
MSCI AC World Index (Net)	2.9	16.1	6.6	(1.2)	8.1
MSCI AC World Index Growth (Net)	2.2	16.7	7.6	(0.5)	7.8
MSCI AC World Index Value (Net)	3.6	15.6	5.7	(1.9)	8.4
MSCI Europe ex UK (Net)	8.6	21.3	1.4	(5.5)	8.6
MSCI United Kingdom (Net)	4.2	15.3	6.9	(2.0)	8.1
MSCI Pacific ex Japan (Net)	6.1	24.6	8.3	1.7	14.9
MSCI Japan (Net)	5.8	8.2	2.3	(4.3)	4.9
MSCI Emerging Markets (Net)	5.6	18.2	4.7	(0.9)	16.5
FTSE EPRA/NAREIT Global Real Estate	6.3	29.8	12.7	0.7	-
SPECIALTY					
S&P GSCI Gold	(5.6)	6.1	14.4	13.8	16.0
S&P GSCI	(3.3)	0.1	2.5	(8.1)	2.7

Source: Russell, S&P, MSCI, Merrill Lynch, Barclays Capital, FTSE

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Pension

Observations For Sussex County Pension

- 4th quarter: $237,000 gain (net)
  0.73% return (gross)
  0.66% return (net)

- 2012: $3.8 million gain (net)
  10.0% return (gross)
  9.7% return (net)

- Wilmington Trust – strong returns vs. benchmark but lagged most managers due to constraints

- Fidelity – strong returns

- State of Delaware:
  - Below benchmark for quarter and year
  - Ahead for 3 years

Looking Ahead for Sussex County Pension

- Fixed Income guidelines
- Actuarial assumptions
- L.D.I
- GASB 67 & 68

Total Plan Information

As of December 31, 2012

Summary of Cash Flows

	Fourth Quarter	Year-To-Date
Beginning Market Value	**$55,251,502.8**	**$52,366,508.0**
- Withdrawals	-$62,607.1	-$1,594,627.2
+ Contributions	$3,198,312.0	$4,033,120.0
= Net Cash Flow	$3,135,704.9	$2,438,492.8
+ Net Investment Change	$425,959.6	$4,008,166.5
= Ending Market Value	**$58,813,167.3**	**$58,813,167.3**
Time Weighted Return	0.7%	10.0%

Withdrawals also contain estimated Investment Manager Fees.

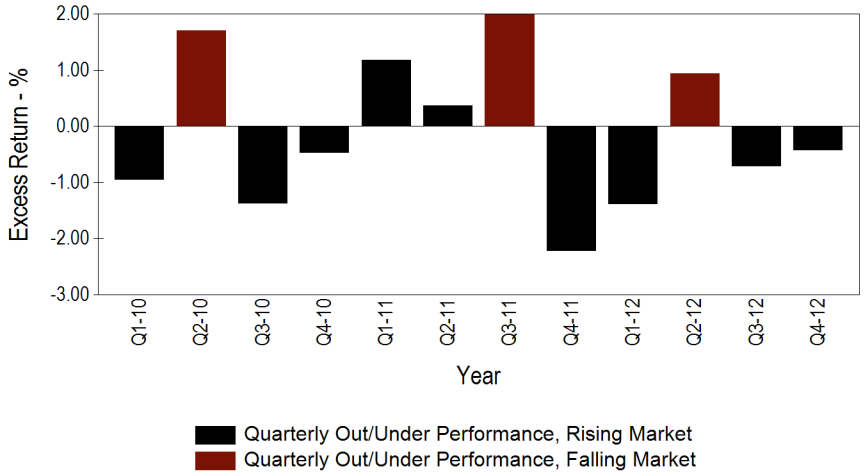
Account	Fee Schedule	Market Value As of 12/31/2012	% of Portfolio	Estimated Annual Fee ($)	Estimated Annual Fee (%)
Dupont Capital Investment	0.35% of First $25.0 Mil, 0.30% of Next $25.0 Mil, 0.25% Thereafter	$9,091,679	15.5%	$31,821	0.35%
Fidelity Low Price Stock	0.83% of Assets	$3,712,420	6.3%	$30,813	0.83%
Wilmington Trust Bonds	0.20% of Assets	$7,226,450	12.3%	$14,453	0.20%
Operating Account	No Fee	$3,108,367	5.3%	--	--
State of Delaware Investment Pool	0.78% of Assets	$35,674,251	60.7%	$278,259	0.78%
Investment Management Fee		**$58,813,167**	**100.0%**	**$355,346**	**0.60%**

Total Fund Composite

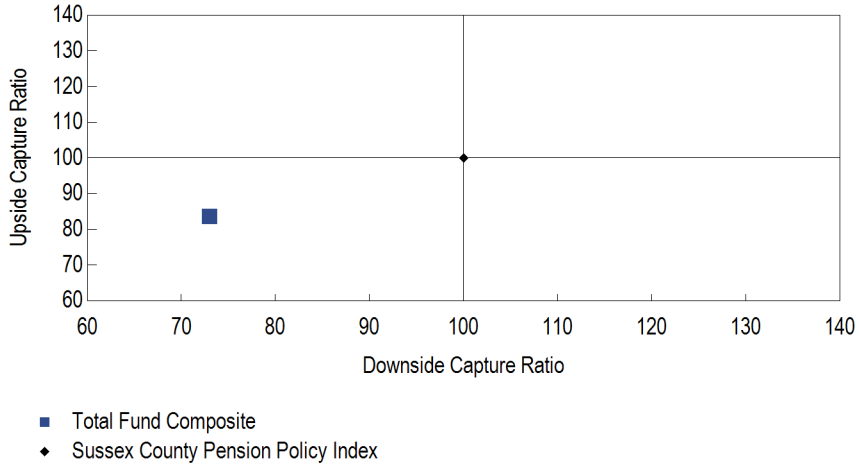
Total Plan Information

As of December 31, 2012

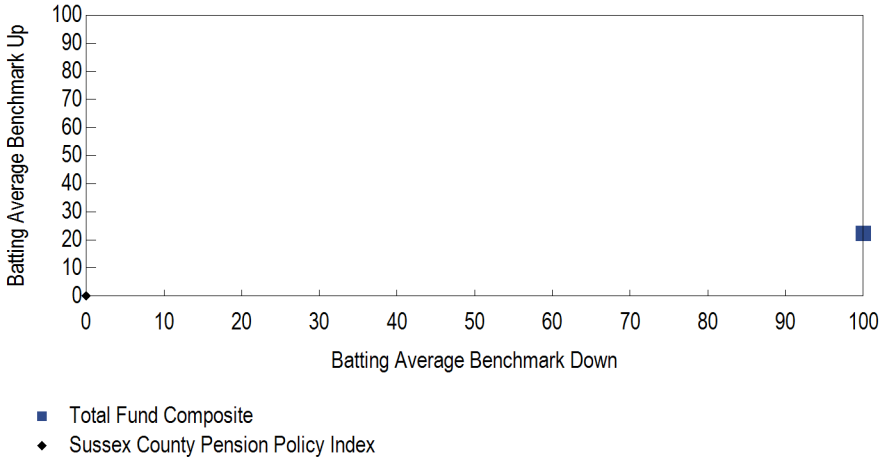
Quarterly Excess Performance



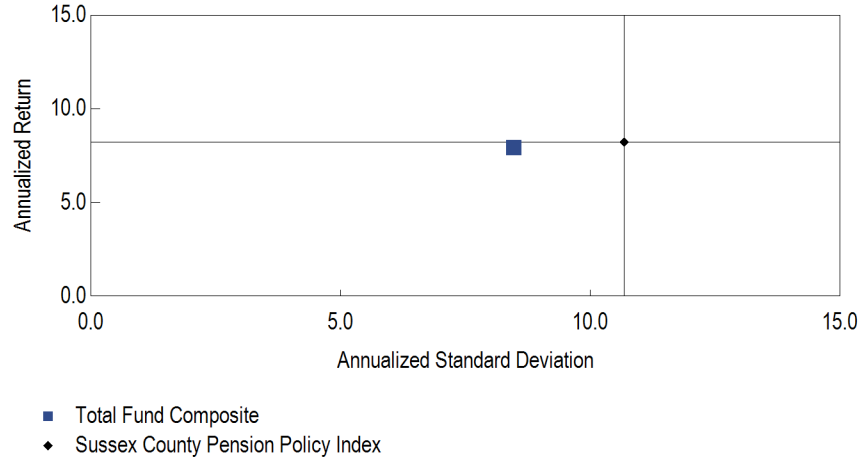
Upside Capture Ratio vs. Downside Capture Ratio
3 Years Ending December 31, 2012



Batting Average Benchmark Up vs. Batting Average Benchmark Down
3 Years Ending December 31, 2012



Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2012



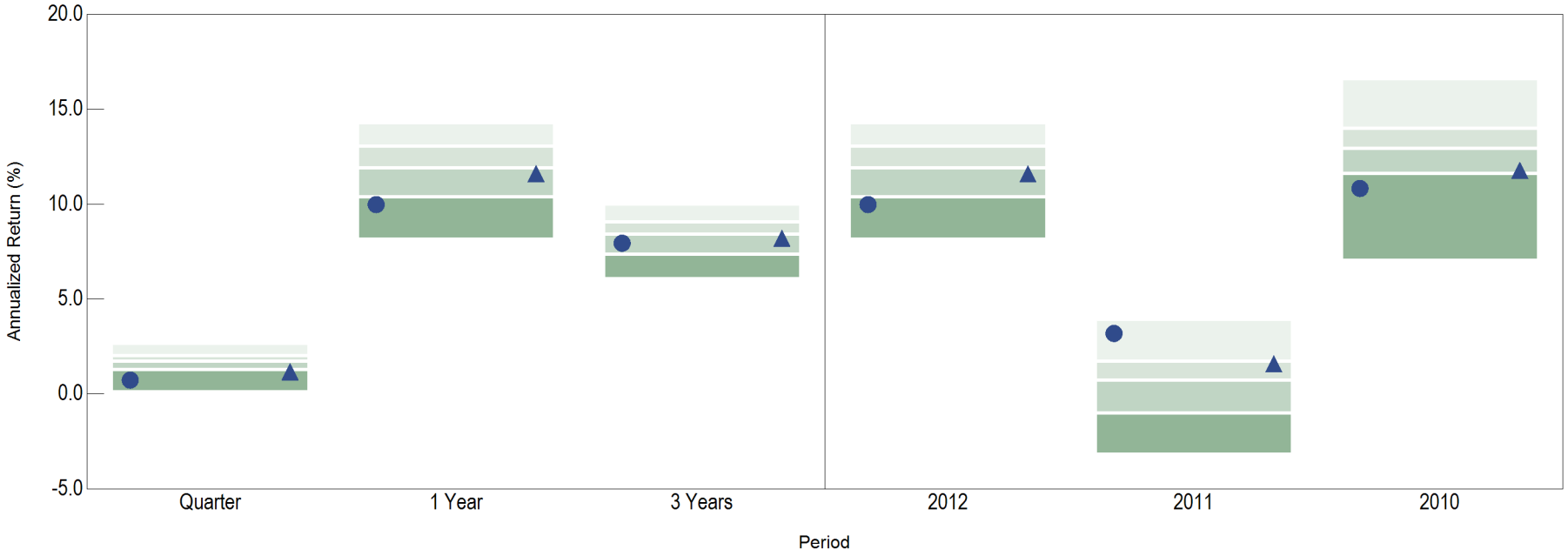
Total Plan Performance

As of December 31, 2012

Performance Summary

Annualized Returns	Dec-12	1 Yr	3 Yrs	2012	2011	2010
Total Fund Composite	0.7%	10.0%	7.9%	10.0%	3.2%	10.8%
Sussex County Pension Policy Index	*1.2%*	*11.6%*	*8.2%*	*11.6%*	*1.6%*	*11.8%*
Over/Under	-0.4%	-1.6%	-0.3%	-1.6%	1.6%	-1.0%
Universe Median	1.7%	11.9%	8.4%	11.9%	0.8%	13.0%
Points in Universe	166	162	134	162	39	37
Universe Quartile Ranking						

IF Public DB Gross Accounts
Ending December 31, 2012



Total Fund Composite

Performance Summary

As of December 31, 2012

	% of Portfolio	2012 Q4	Rank	Ending December 31, 2012 1 Yr	Rank	3 Yrs	Rank	Inception Return	Since
Total Fund Composite	**100.0**	**0.7**	**91**	**10.0**	**80**	**7.9**	**66**	**--**	**Nov-08**
Sussex County Pension Policy Index		*1.2*	*82*	*11.6*	*60*	*8.2*	*55*	--	*Nov-08*
Equity Composite	**21.8**	**0.7**	**--**	**16.5**	**--**	**--**	**--**	**23.3**	**Sep-11**
80% Russell 3000 / 20% EAFE		*1.5*	--	*16.7*	--	--	--	*22.4*	*Sep-11*
Dupont Capital Investment	15.5	-0.4	65	15.4	52	--	--	--	Apr-10
S&P 500		*-0.4*	*67*	*16.0*	*44*	--	--	--	*Apr-10*
Fidelity Low Price Stock	6.3	3.4	31	19.5	12	13.6	31	12.2	Sep-08
Russell 2000		*1.9*	*71*	*16.3*	*39*	*12.2*	*53*	*6.9*	*Sep-08*
Fixed Income Composite	**12.3**	**0.2**	**--**	**2.6**	**--**	**--**	**--**	**--**	**Sep-10**
Barclays Int Govt.		*0.0*	--	*1.7*	--	--	--	--	*Sep-10*
Wilmington Trust Bonds	12.3	0.2	84	2.6	99	--	--	3.0	Sep-10
Barclays Int Govt.		*0.0*	*97*	*1.7*	*99*	--	--	*2.7*	*Sep-10*
Cash & Equivalents	**5.3**	**0.0**	**--**	**0.0**	**--**	**--**	**--**	**0.0**	**Sep-11**
91 Day T-Bills		*0.0*	--	*0.1*	--	--	--	*0.1*	*Sep-11*
Operating Account	5.3	0.0	--	0.0	--	--	--	0.0	Sep-11
91 Day T-Bills		*0.0*	--	*0.1*	--	--	--	*0.1*	*Sep-11*
State of Delaware Investment Pool	60.7	0.9	--	11.2	--	9.3	--	--	
Balanced Pooled Fund Policy Index		*1.5*	--	*12.0*	--	*8.1*	--	--	

Please note: All returns shown are gross of fees, including mutual funds. Mutual fund rankings are calculated using gross of fee returns. It is important to note the mutual fund universes use net of fee returns. Therefore rankings will be higher due to this fee advantage.

Please note: All returns shown are gross of fees, including mutual funds.

Policy Tree

January 29, 2013

Trust : Delaware Retirement System
Reference Date : 12/31/12
Asset Class : Total Fund Gross of Fees

Current View : Policy Hierarchy

Group/Account	12/31/12 Market Value	% of Total	% Rate of Return 1 Mo.	3 Mos.	YTD	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	15 Yrs.
Delaware Retirement System	7,715,118,701	100.00%	0.73	0.82	11.08	11.08	9.30	4.15	8.67	7.09
Delaware Benchmark			*1.16*	*1.49*	*11.98*	*11.98*	*8.14*	*3.22*	--	--
DPERS w/o Vol. Firemen Fund	7,701,011,261	99.82%	0.73	0.82	11.08	11.08	9.30	--	--	--
Volunteer Firemen Fund	14,107,440	0.18%	1.25	1.51	11.61	11.61	7.71	--	--	--

U.S. Equities

Dupont Capital Investment

As of December 31, 2012

Manager Summary

- Strategy seeks to systematically identify companies with sustainable earnings power trading at reasonable valuations.

- Quantitative approach looks for companies with the strongest relative value within their industries through a combination of valuation, quality and momentum characteristics.

- Focuses on companies that are under-priced relative to their long-term intrinsic value and supported by sustainable, high quality earnings and realistic cash flows expectations.

- Enhanced index portfolio of 100 to 200 securities, targets a tracking error between 1.5% and 2.25 relative to the S&P 500.

Portfolio Information

	Portfolio	S&P 500
Number of Holdings	167	500
Weighted Avg. Market Cap. ($B)	103.41	103.20
Median Market Cap. ($B)	21.26	12.27
Price To Earnings	16.26	18.16
Price To Book	2.93	3.27
Price To Sales	1.81	2.08
Return on Equity (%)	19.91	18.96
Yield (%)	2.36	2.29
Beta		1.00

Top Ten Holdings

LE	4.1%
SPDR S&P 500 ETF TST.	3.3%
EXXON MOBIL	2.8%
CHEVRON	2.2%
PFIZER	2.1%
MICROSOFT	2.0%
WELLS FARGO & CO	2.0%
JP MORGAN CHASE & CO.	1.8%
INTERNATIONAL BUS.MCHS.	1.5%
INTEL	1.4%
Total For Top Ten Holdings	**23.3%**

Best Performers

	Weight %	Return %
BANK OF AMERICA (BAC)	0.5%	31.6%
TYSON FOODS 'A' (TSN)	0.7%	22.1%
CITIGROUP (C)	1.2%	20.9%
GAMESTOP 'A' (GME)	0.4%	20.6%
PPG INDUSTRIES (PPG)	0.7%	18.4%

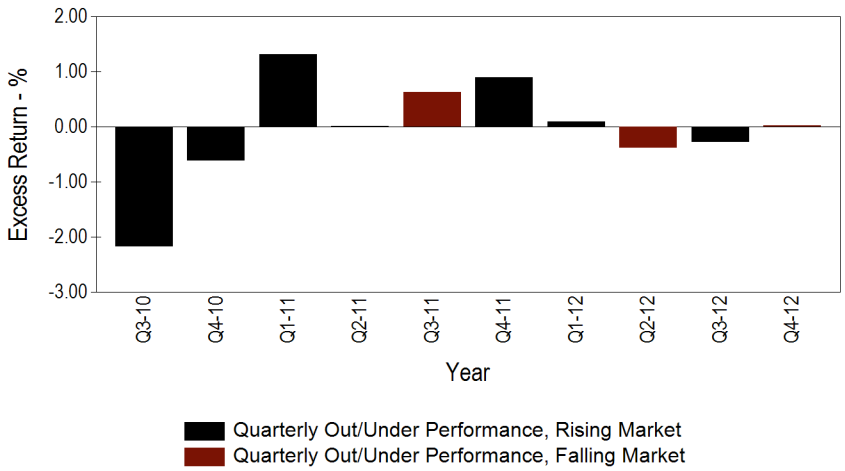
Worst Performers

	Weight %	Return %
BEST BUY (BBY)	0.0%	-30.1%
APOLLO GP.'A' (APOL)	0.1%	-28.0%
APPLE (AAPL)	4.1%	-19.8%
HEWLETT-PACKARD (HPQ)	0.4%	-15.7%
KOHL'S (KSS)	0.5%	-15.5%

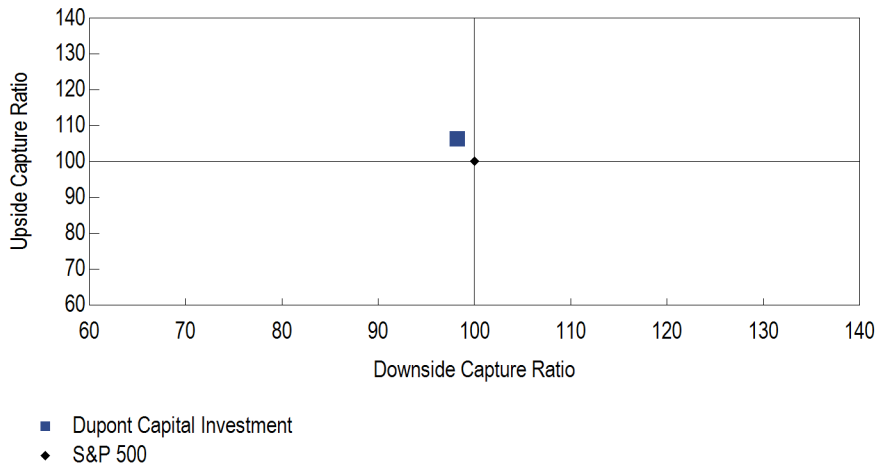
Dupont Capital Investment

As of December 31, 2012

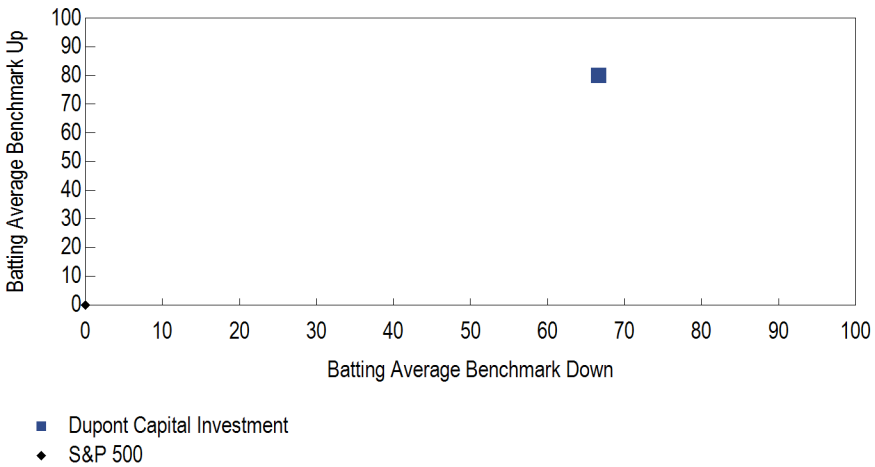
Quarterly Excess Performance



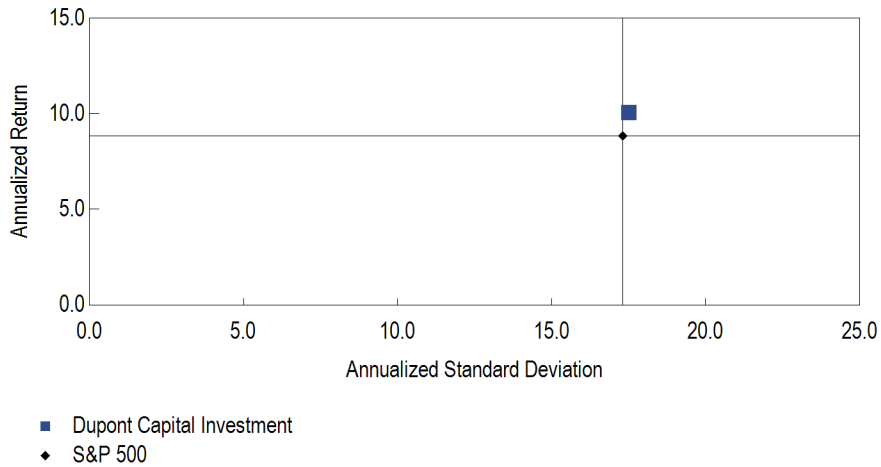
Upside Capture Ratio vs. Downside Capture Ratio
2 Years Ending December 31, 2012



Batting Average Benchmark Up vs. Batting Average Benchmark Down
2 Years Ending December 31, 2012



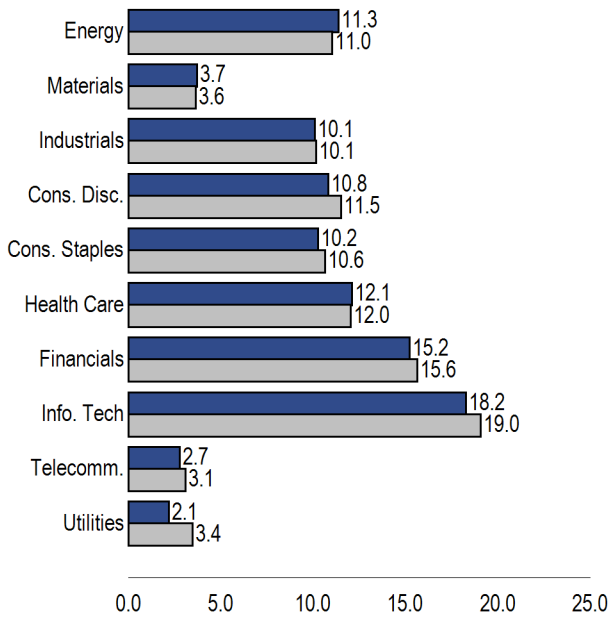
Annualized Return vs. Annualized Standard Deviation
2 Years Ending December 31, 2012



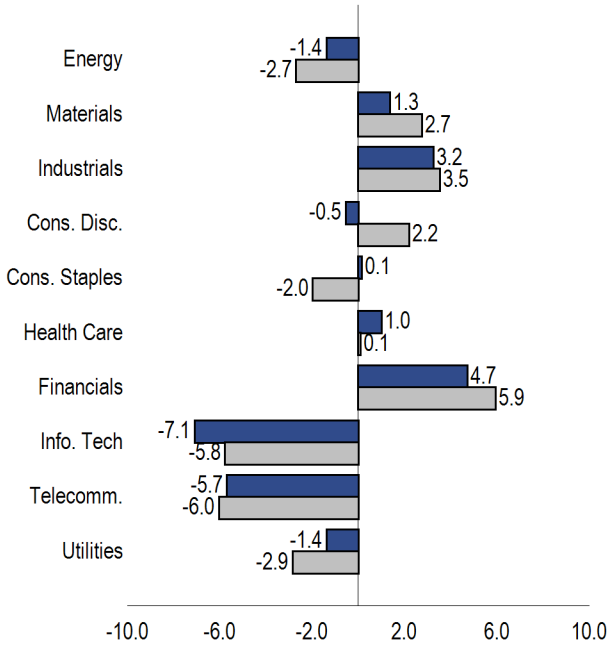
Dupont Capital Investment

As of December 31, 2012

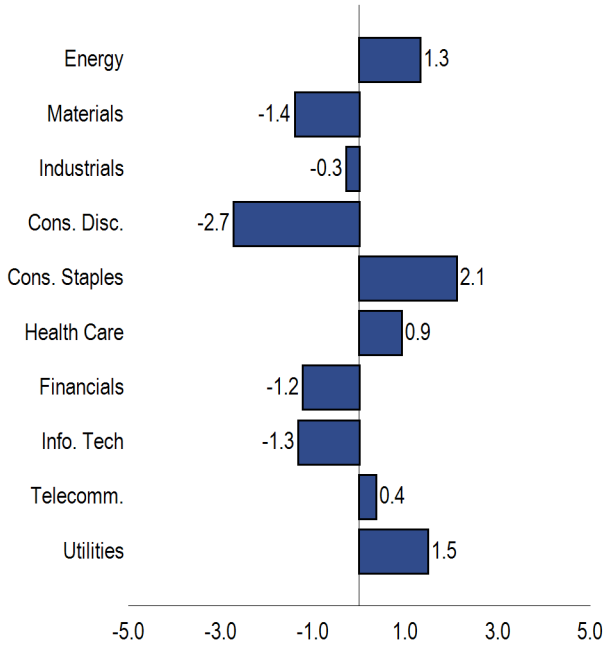
Sector Allocation (%) vs S&P 500



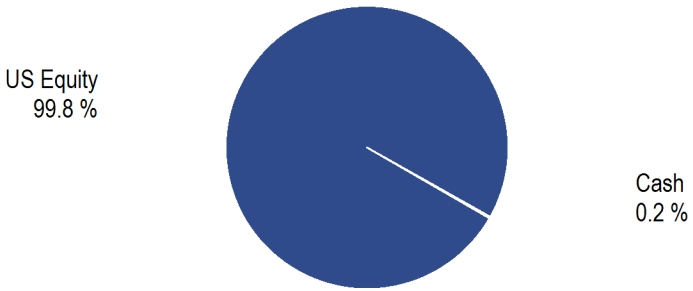
Sector Returns (%) vs S&P 500



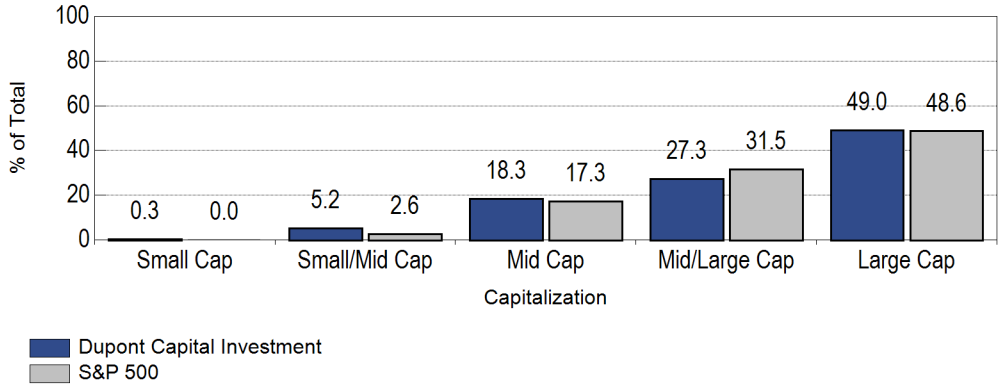
Sector Excess Returns (%) vs S&P 500



Current Allocation



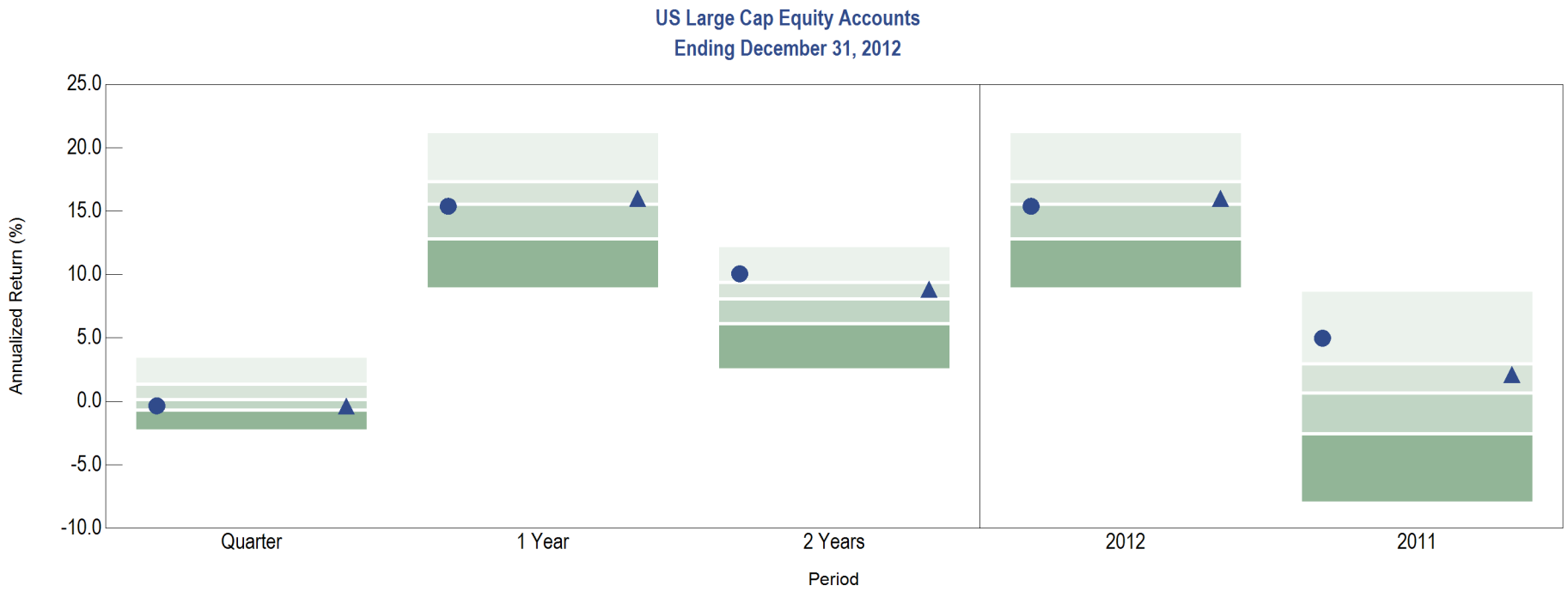
Market Capitalization As Of December 31, 2012



As of December 31, 2012

Performance Summary

Annualized Returns	Dec-12	1 Yr	2 Yrs	2012	2011
Dupont Capital Investment	-0.4%	15.4%	10.1%	15.4%	5.0%
S&P 500	*-0.4%*	*16.0%*	*8.8%*	*16.0%*	*2.1%*
Over/Under	0.0%	-0.6%	1.2%	-0.6%	2.9%
Universe Median	0.2%	15.6%	8.1%	15.6%	0.7%
Points in Universe	1686	1633	1575	1633	1459
Universe Quartile Ranking					



Fidelity Low Price Stock

As of December 31, 2012

Manager Summary

- Strategy focuses on stocks that are priced at or below $35 per share.

- Premise of the strategy is that low-priced stocks may offer significant growth potential because they are often overlooked by many investors.

- Fund will invest globally in both value and growth stocks, predominantly small and mid capitalization companies.

Top Holdings as of 10/31/2012

UNITEDHEALTH GROUP INC	3.78%
MICROSOFT CORPORATION	2.84%
NEXT PLC	2.81%
SEAGATE TECHNOLOGY PLC	2.44%
METRO INC.	1.89%
ROSS STORES, INC.	1.79%
COVENTRY HEALTH CARE, INC.	1.71%
ENI SPA	1.35%
ORACLE CORPORATION	1.22%
HON HAI PRECISION IND. CO., LTD.	1.14%

Fund Characteristics as of 10/31/2012

Versus Russell 2000

Sharpe Ratio (3 Year)	0.77
Average Market Cap ($mm)	3,864.89
Price/Earnings	10.35
Price/Book	1.24
Price/Sales	0.50
Price/Cash Flow	5.84
Dividend Yield	2.27
Number of Equity Holdings	878
R-Squared (3 Year)	0.92
Alpha (3 Year)	0.24%

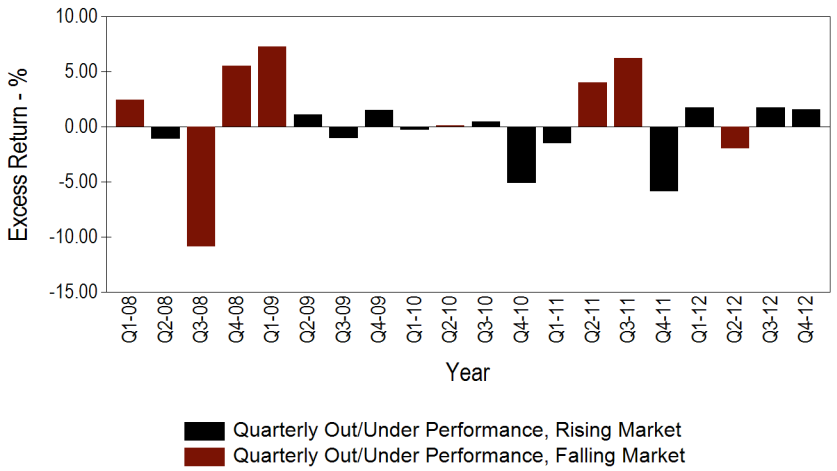
Sector Allocation as of 10/31/2012

BASIC MATERIALS	3.71%
COMMUNICATION SERVICES	0.57%
CONSUMER CYCLICAL	25.33%
CONSUMER DEFENSIVE	9.73%
ENERGY	5.57%
FINANCIAL SERVICES	8.48%
HEALTHCARE	11.56%
INDUSTRIALS	10.30%
REAL ESTATE	0.20%
TECHNOLOGY	16.64%
UTILITIES	0.19%

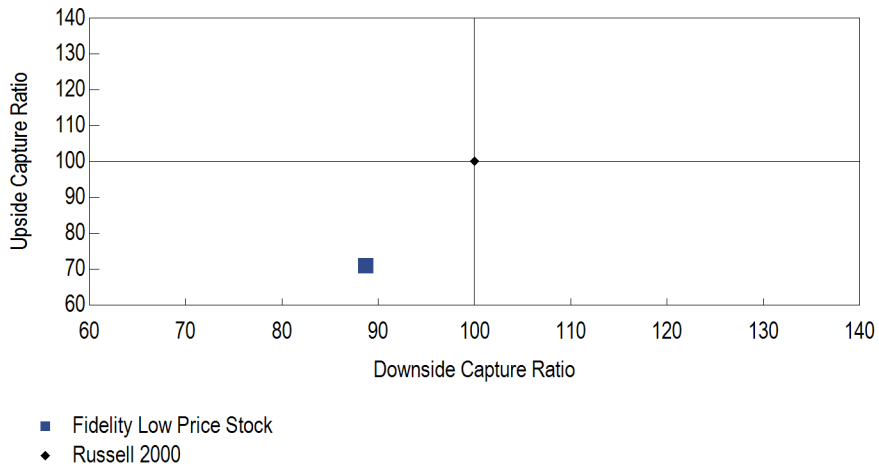
Fidelity Low Price Stock

As of December 31, 2012

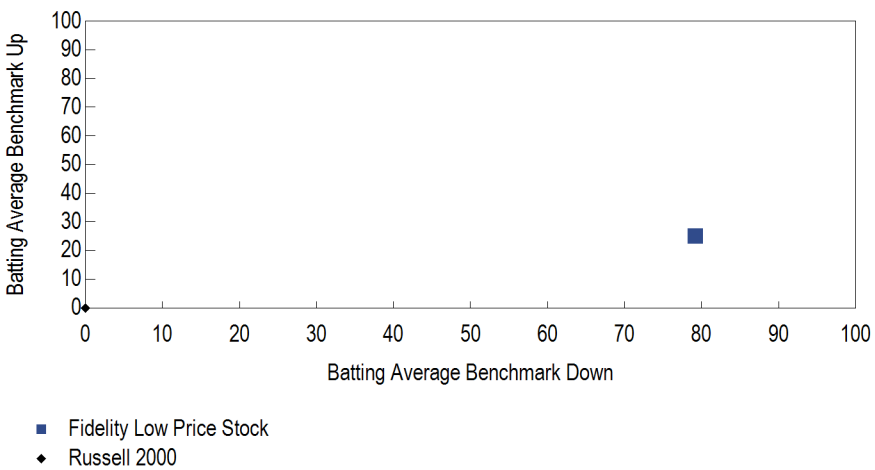
Quarterly Excess Performance



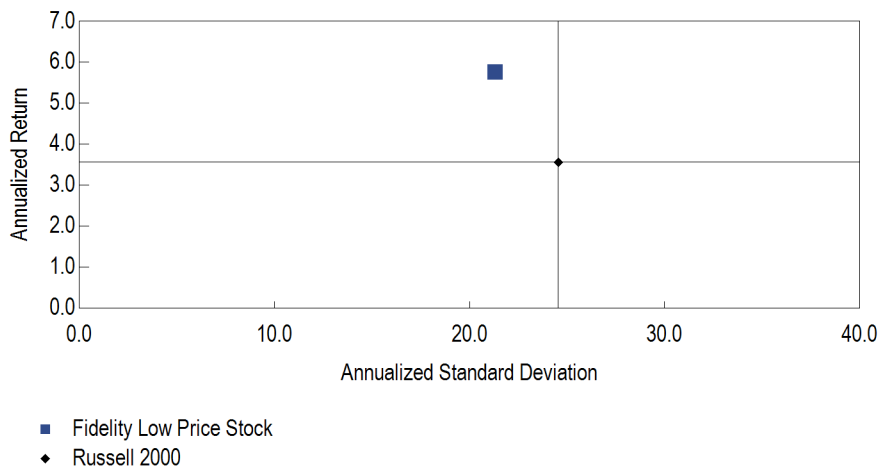
Upside Capture Ratio vs. Downside Capture Ratio
5 Years Ending December 31, 2012



Batting Average Benchmark Up vs. Batting Average Benchmark Down
5 Years Ending December 31, 2012



Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2012



Fidelity Low Price Stock

As of December 31, 2012

Performance Summary

Annualized Returns	Dec-12	1 Yr	3 Yrs	5 Yrs	2012	2011	2010
Fidelity Low Price Stock	3.2%	18.5%	12.6%	4.9%	18.5%	-0.1%	20.7%
Russell 2000	*1.9%*	*16.3%*	*12.2%*	*3.6%*	*16.3%*	*-4.2%*	*26.9%*
Over/Under	1.4%	2.1%	0.4%	1.3%	2.1%	4.1%	-6.2%
Universe Median	2.0%	14.9%	12.3%	3.6%	14.9%	-3.0%	26.8%
Points in Universe	400	393	359	339	393	372	377
Universe Quartile Ranking							

Mutual Fund returns and universes are net of investment management fees.

Fixed Income

Wilmington Trust Bonds

As of December 31, 2012

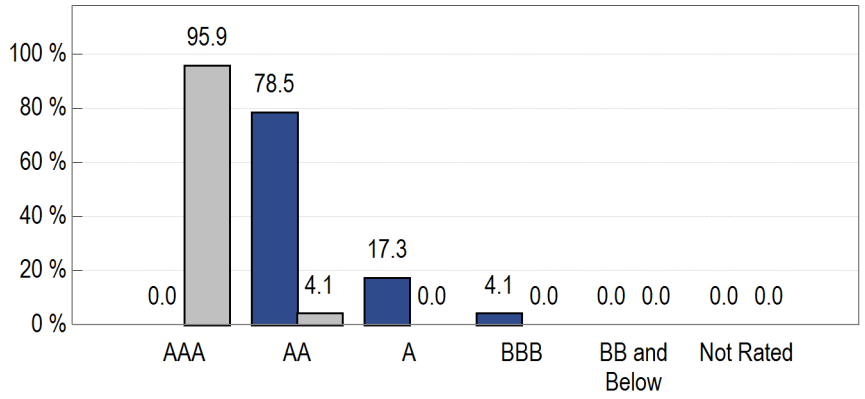
Manager Summary

- Strategy focuses equally on duration management, sector selection and yield curve exposure.

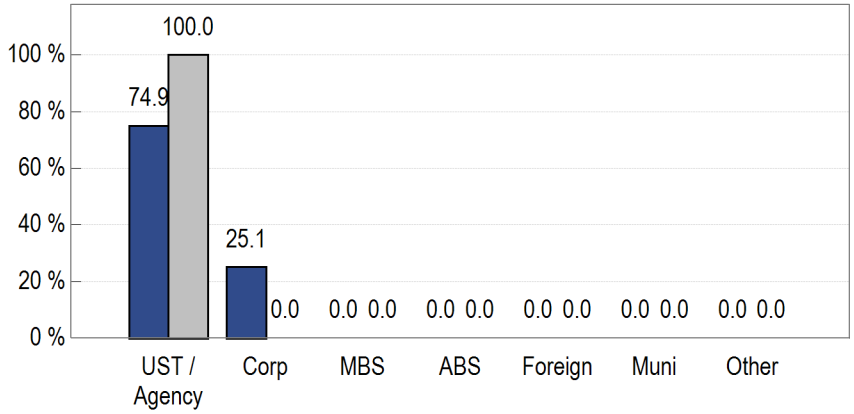
- Assess overall market environment and position portfolio to benefit from realistic expectations.

- Will actively trade, including analysis of technical factors, price momentum, interest rate outlook and yield curve movement.

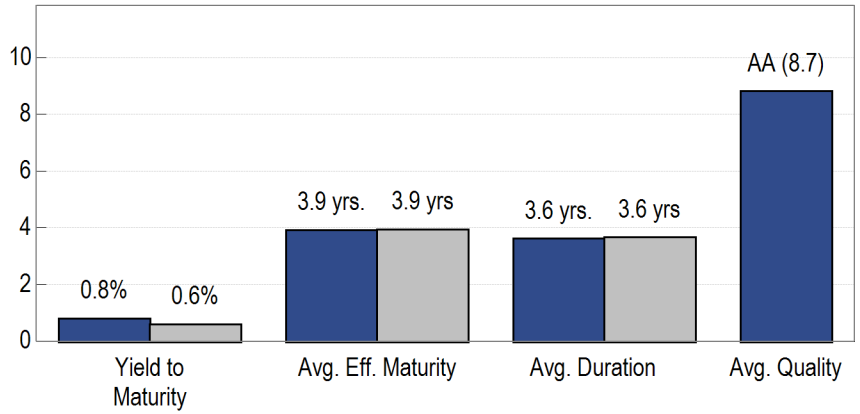
Quality Ratings
Wilmington Trust Bonds



Sectors
Wilmington Trust Bonds



Characteristics
Wilmington Trust Bonds

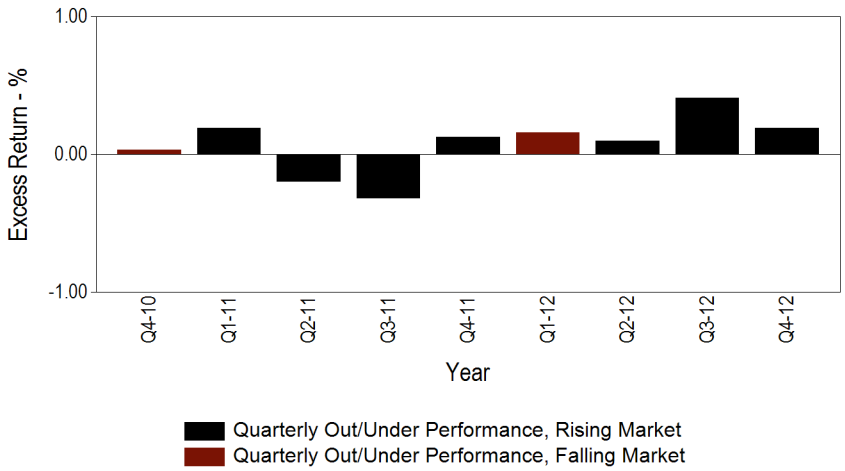


Wilmington Trust Bonds Barclays Int Govt.

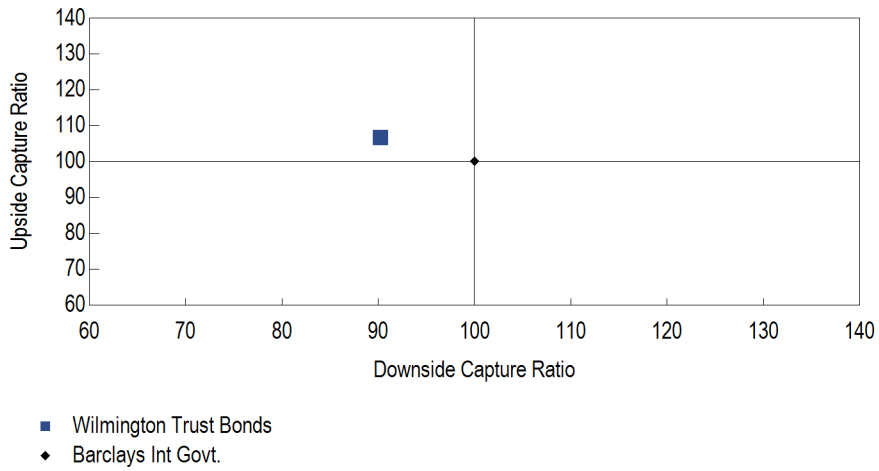
Wilmington Trust Bonds

As of December 31, 2012

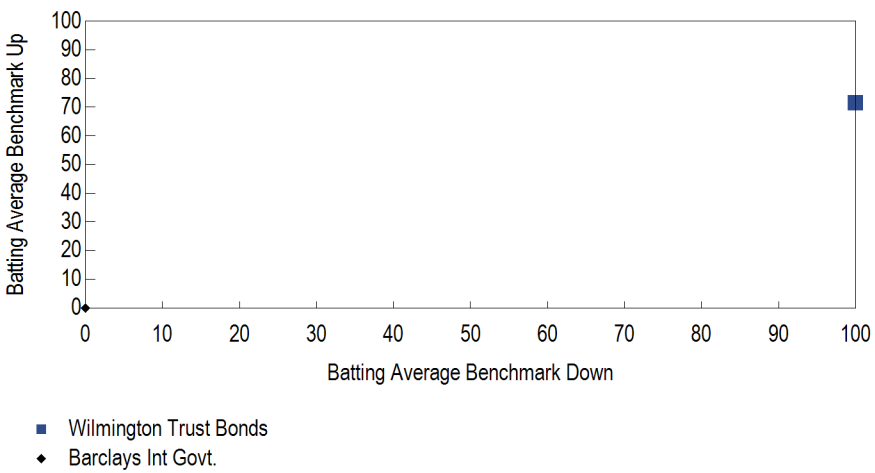
Quarterly Excess Performance



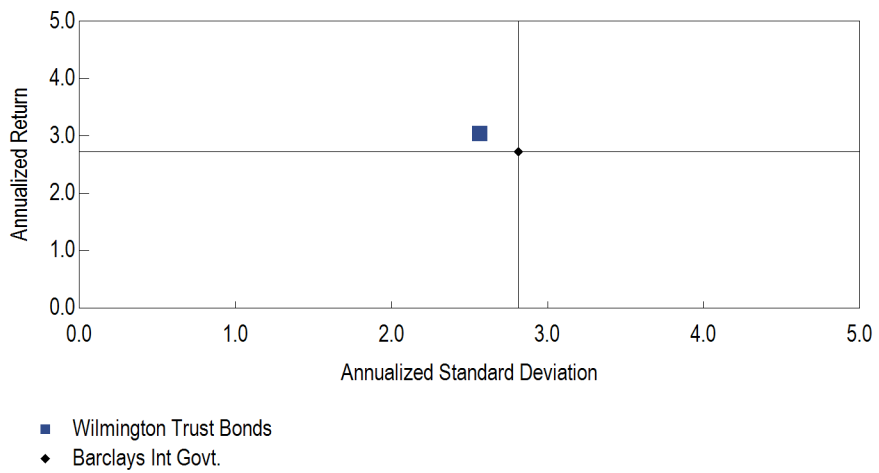
Upside Capture Ratio vs. Downside Capture Ratio
2 Years 3 Months Ending December 31, 2012



Batting Average Benchmark Up vs. Batting Average Benchmark Down
2 Years 3 Months Ending December 31, 2012

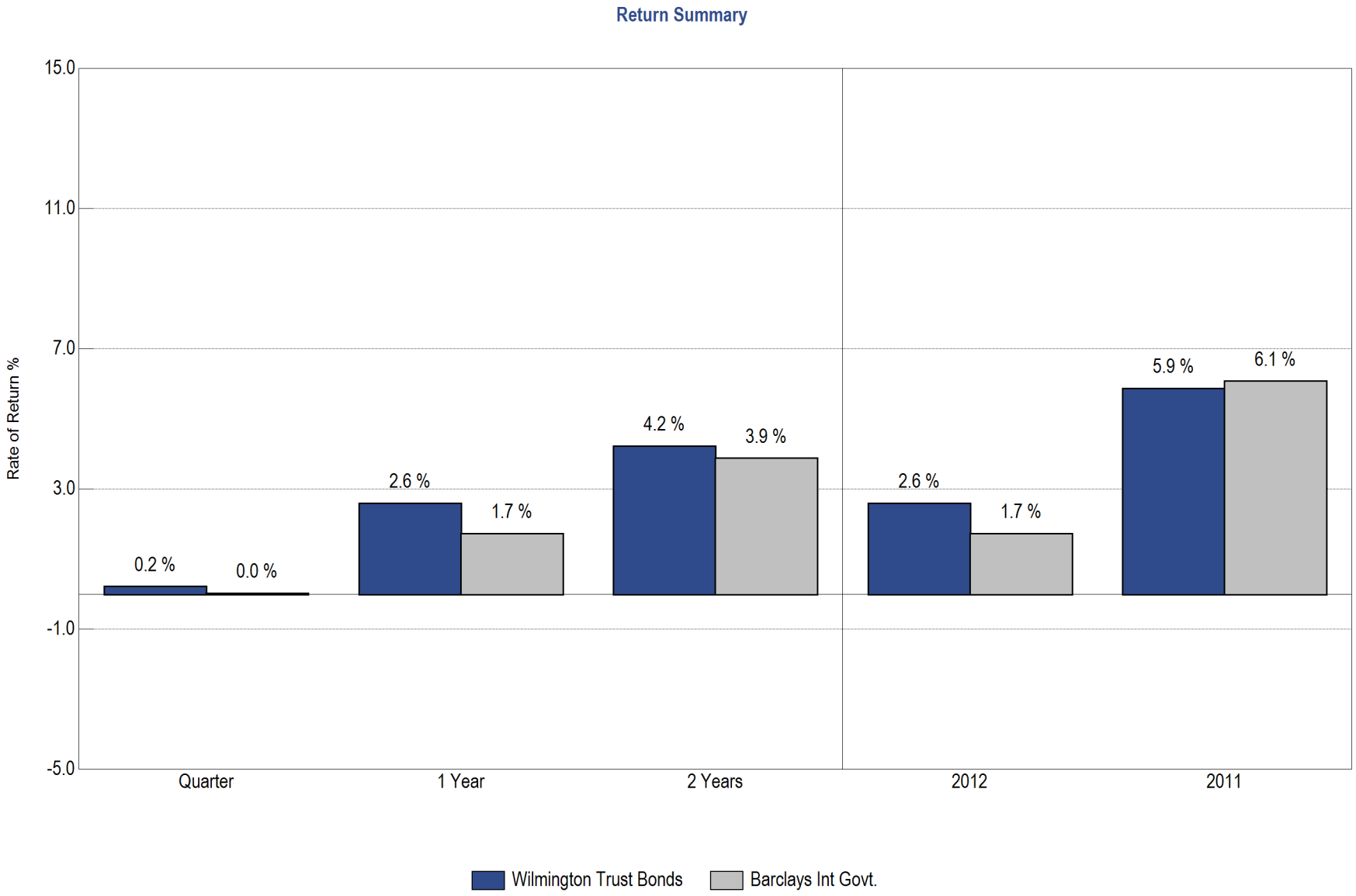


Annualized Return vs. Annualized Standard Deviation
2 Years 3 Months Ending December 31, 2012



Wilmington Trust Bonds

As of December 31, 2012



OPEB

Observations For Sussex OPEB

- 4th quarter: $230,000 gain (net)
  1.0% return (gross)
  0.9% return (net)
  Slightly beat benchmark 1.0% vs. 0.9%

- 2012: $1.9 million gain (net)
  8.9% return (gross)
  8.4% return (net)

- Low manager expenses 0.37%

- Added mid cap value index in December

- 2012 – strong performance by Dodge & Cox and Ridgeworth

- Lagged peer universe due to conservative investment approach at time when markets rewarded aggressive investing

Looking Ahead for Sussex OPEB

- Fixed Income guidelines
- Actuarial return assumptions
- L.D.I.
- GASB 67 & 68

Sussex County OPEB Trust

Total Plan Information

As of December 31, 2012

Summary of Cash Flows

	Fourth Quarter	Year-To-Date
Beginning Market Value	**$24,115,185.4**	**$23,502,150.8**
- Withdrawals	-$187,776.2	-$1,357,478.5
+ Contributions	$2,106,808.0	$2,106,808.0
= Net Cash Flow	$1,919,031.8	$749,329.5
+ Net Investment Change	$255,157.4	$2,037,894.3
= Ending Market Value	**$26,289,374.6**	**$26,289,374.6**
Time Weighted Return	1.0%	8.9%

Withdrawals also contain estimated Investment Manager Fees.

Asset Allocation vs. Target
As Of December 31, 2012

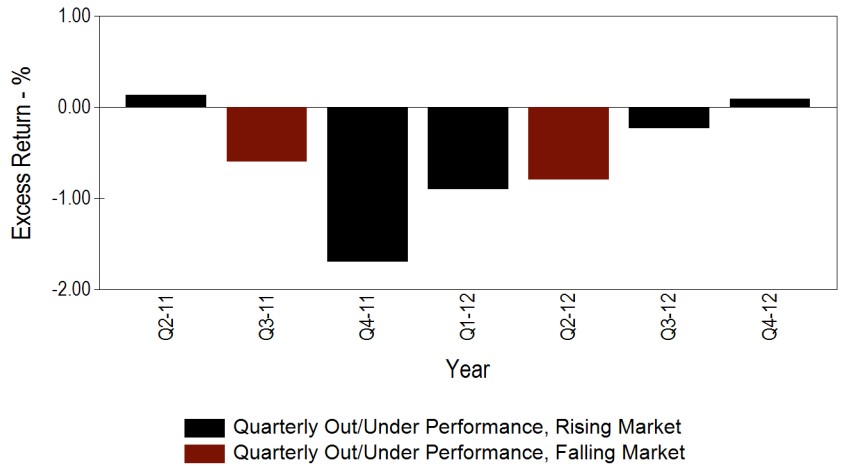
	Policy	Policy Range	Current	Within Range
Domestic Equity	38.0%	33.0% - 43.0%	34.0%	**Yes**
Global Equity	22.0%	17.0% - 27.0%	22.0%	**Yes**
Domestic Fixed Income	40.0%	35.0% - 50.0%	34.9%	**No**
Cash	0.0%	0.0% - 10.0%	9.0%	**Yes**
Total	**100.0%**		**100.0%**	

Sussex County OPEB Trust

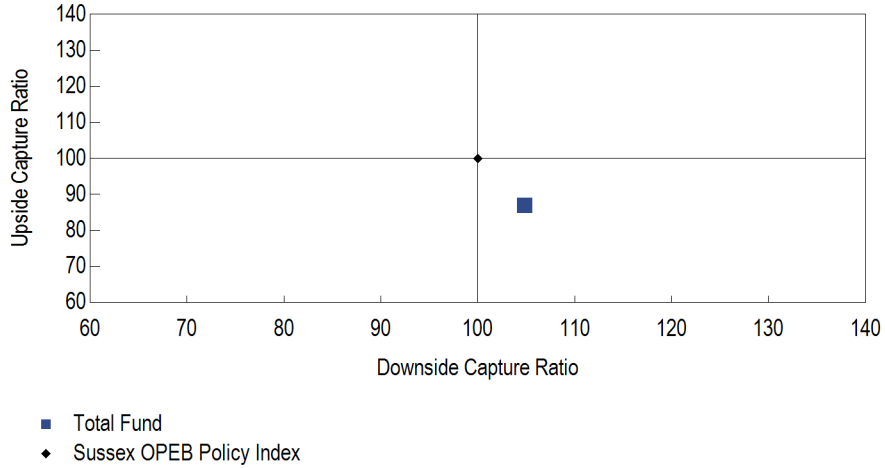
Total Plan Information

As of December 31, 2012

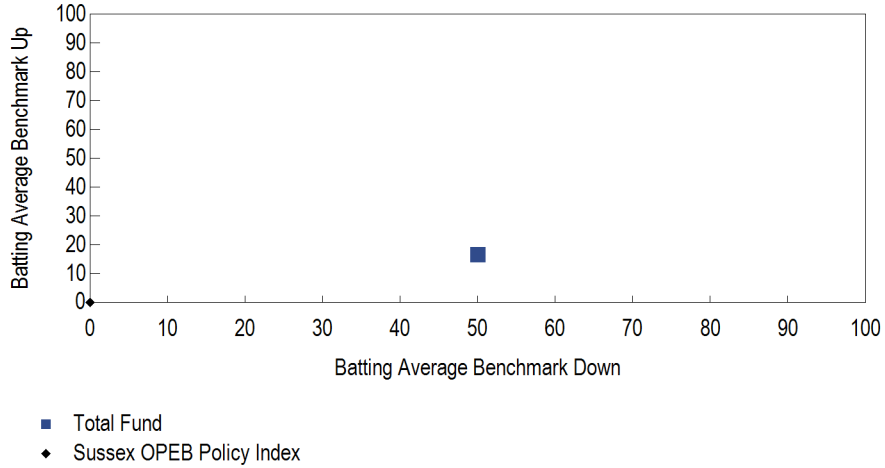
Quarterly Excess Performance



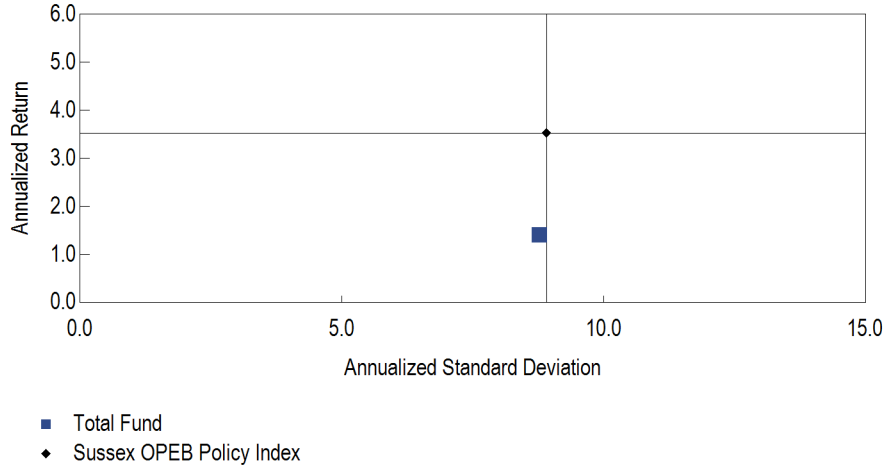
Upside Capture Ratio vs. Downside Capture Ratio
1 Year 10 Months Ending December 31, 2012



Batting Average Benchmark Up vs. Batting Average Benchmark Down
1 Year 10 Months Ending December 31, 2012



Annualized Return vs. Annualized Standard Deviation
1 Year 10 Months Ending December 31, 2012

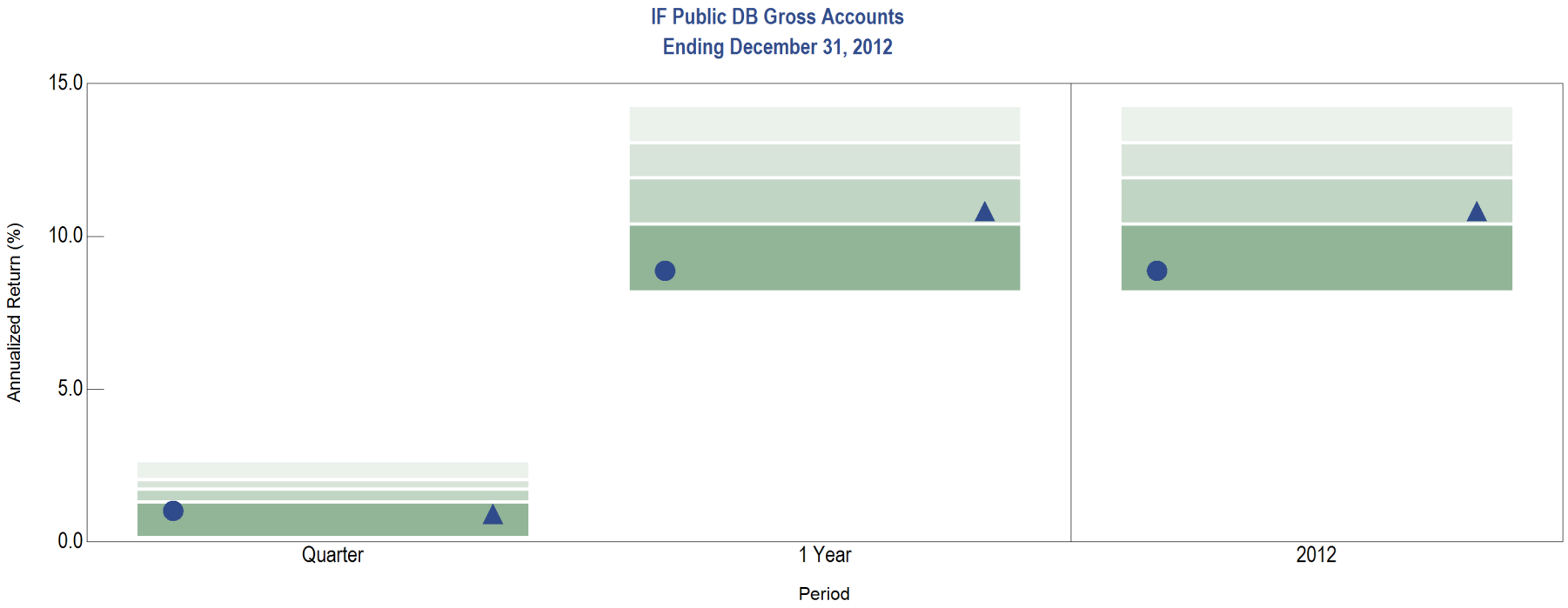


Total Plan Performance

As of December 31, 2012

Performance Summary

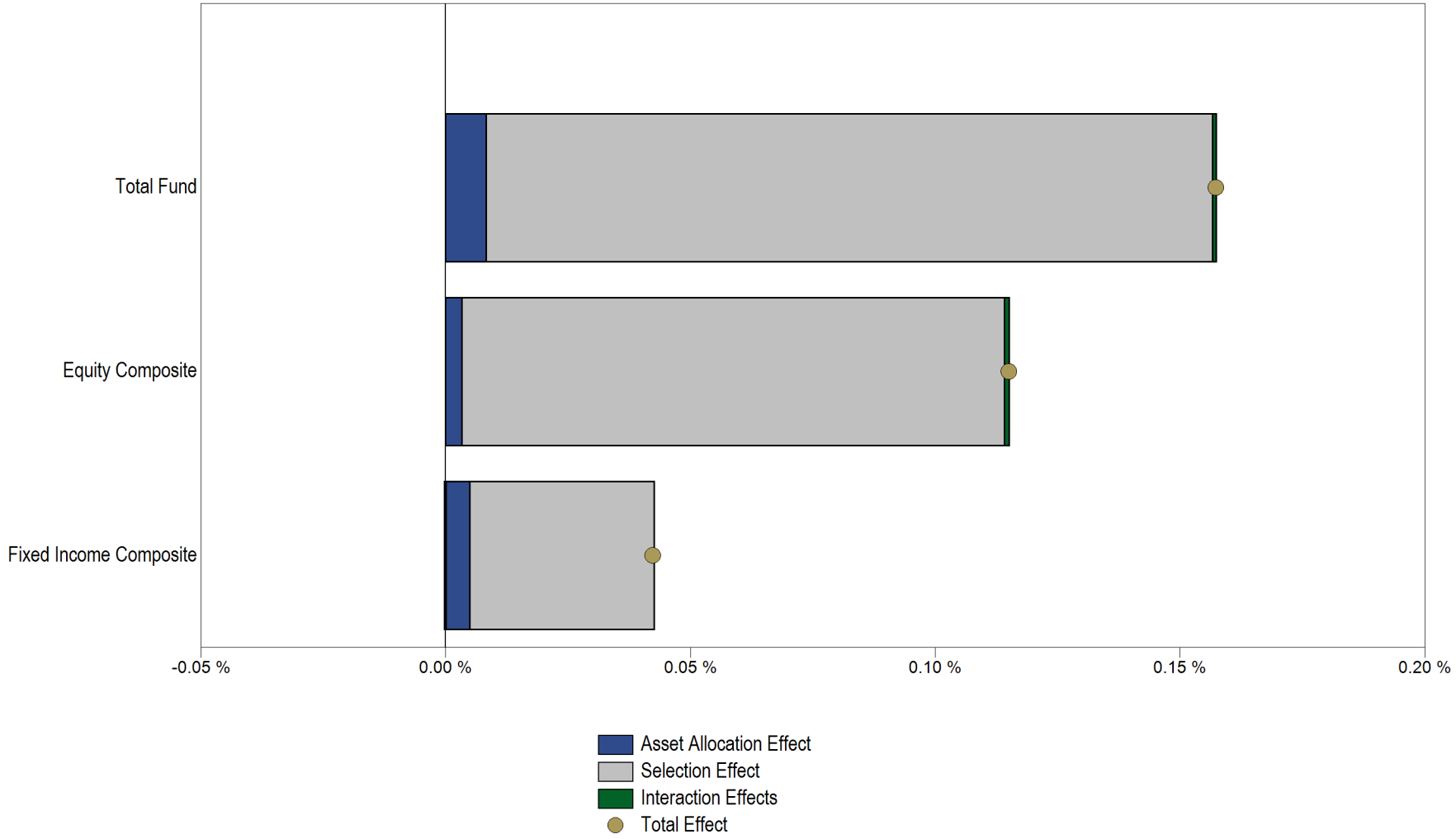
Annualized Returns	Dec-12	1 Yr	2012
Total Fund	1.0%	8.9%	8.9%
Sussex OPEB Policy Index	*0.9%*	*10.8%*	*10.8%*
Over/Under	0.1%	-2.0%	-2.0%
Universe Median	1.4%	11.6%	11.6%
Points in Universe	215	204	204
Universe Quartile Ranking			



Attribution Analysis

As of December 31, 2012

Attribution Effects Relative to Sussex OPEB Policy Index
3 Months Ending December 31, 2012



Total Fund

Performance Summary

As of December 31, 2012

	% of Portfolio	Policy %	2012 Q4	Rank	Ending December 31, 2012 1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Inception Return	Since
Total Fund	**100.0**	**100.0**	**1.0**	**87**	**8.9**	**94**	**--**	**--**	**--**	**--**	**1.4**	**Mar-11**
Sussex OPEB Policy Index			*0.9*	*88*	*10.8*	*69*	--	--	--	--	*3.5*	*Mar-11*
Equity Composite	**56.0**	**60.0**	**1.7**	**--**	**15.4**	**--**	**--**	**--**	**--**	**--**	**--**	**Sep-11**
80% Russell 3000 / 20% EAFE			*1.5*	--	*16.7*	--	--	--	--	--	--	*Sep-11*
BlackRock Equity Dividend	3.9		0.4	67	13.0	80	11.2	15	2.9	13	3.8	Aug-12
Russell 1000 Value			*1.5*	*36*	*17.5*	*24*	*10.9*	*20*	*0.6*	*56*	*7.0*	*Aug-12*
Vanguard Dividend Growth	3.8		-0.3	63	10.7	91	10.8	24	4.4	4	3.0	Aug-12
S&P 500			*-0.4*	*68*	*16.0*	*40*	*10.9*	*19*	*1.7*	*34*	*4.5*	*Aug-12*
Vanguard Russell 1000 Index	15.7		0.1	51	16.4	29	--	--	--	--	5.2	Aug-12
Russell 1000			*0.1*	*51*	*16.4*	*29*	--	--	--	--	*5.2*	*Aug-12*
Vanguard Mid Cap Index	5.7		2.9	65	16.1	59	12.7	34	3.3	41	--	Dec-12
MSCI US Mid Cap 450			*2.7*	*72*	*15.5*	*65*	*12.2*	*47*	*2.7*	*58*	--	*Dec-12*
Ridgeworth Small Cap Value	4.9		6.2	4	18.2	33	14.5	10	7.3	9	5.9	Feb-11
Russell 2000 Value			*3.2*	*63*	*18.1*	*33*	*11.6*	*57*	*3.5*	*79*	*3.3*	*Feb-11*
Dodge & Cox Global	9.2		4.9	20	21.9	13	7.5	45	--	--	1.8	Feb-11
MSCI World			*2.5*	*69*	*15.8*	*55*	*6.9*	*59*	--	--	*1.8*	*Feb-11*
Harding Loevner Global Equity	12.9		1.3	89	18.5	29	8.6	32	2.5	13	3.4	Feb-11
MSCI ACWI			*2.9*	*62*	*16.1*	*53*	*6.6*	*62*	*-1.2*	*62*	*1.6*	*Feb-11*
Fixed Income Composite	**44.0**	**40.0**	**0.1**	**--**	**2.1**	**--**	**--**	**--**	**--**	**--**	**1.7**	**Sep-11**
Fixed Income Composite Policy Index			*0.0*	--	*2.1*	--	--	--	--	--	*1.7*	*Sep-11*
Wilmington Trust Fixed Income	34.9		0.1	--	--	--	--	--	--	--	2.5	Mar-12
Barclays Int Govt.			*0.0*	--	--	--	--	--	--	--	*2.1*	*Mar-12*
Operating Account	8.1											
Mutual Fund Cash	0.9											

Policy Index (as of 4/1/2012): 48% Russell 3000 / 12% MSCI EAFE (Net) / 40% Barclays Intermediate Government.

Please note: All returns shown are gross of fees, including mutual funds. Mutual fund rankings are calculated using gross of fee returns. It is important to note the mutual fund universes use net of fee returns. Therefore rankings will be higher due to this fee advantage.

Total Fund

Fee Schedule

As of December 31, 2012

Account	Fee Schedule	Market Value As of 12/31/2012	% of Portfolio	Estimated Annual Fee ($)	Estimated Annual Fee (%)
BlackRock Equity Dividend	0.76% of Assets	$1,024,320	3.9%	$7,785	0.76%
Vanguard Dividend Growth	0.31% of Assets	$1,009,737	3.8%	$3,130	0.31%
Vanguard Russell 1000 Index	0.08% of Assets	$4,118,323	15.7%	$3,295	0.08%
Vanguard Mid Cap Index	0.10% of Assets	$1,491,356	5.7%	$1,491	0.10%
Ridgeworth Small Cap Value	1.21% of Assets	$1,300,021	4.9%	$15,730	1.21%
Dodge & Cox Global	0.69% of Assets	$2,406,381	9.2%	$16,604	0.69%
Harding Loevner Global Equity	0.95% of Assets	$3,384,305	12.9%	$32,151	0.95%
Wilmington Trust Fixed Income	0.20% of Assets	$9,184,443	34.9%	$18,369	0.20%
Operating Account	No Fee	$2,123,846	8.1%	--	--
Mutual Fund Cash	No Fee	$246,643	0.9%	--	--
Investment Management Fee		**$26,289,375**	**100.0%**	**$98,555**	**0.37%**

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U.S. Equities

BlackRock Equity Dividend

As of December 31, 2012

Manager Summary

- Focuses on investing in dividend-paying securities with market capitalizations greater than $1 billion.

- Seeks companies that display the following characteristics:
  - Conservative balance sheets
  - History of dividend payments
  - Strong management teams
  - Consistent strategies

- Bottom-up research emphasizes valuation, attempting to buy companies trading at the lower end of their historic price-to-earnings range.

Top Ten Holdings

PROSHARES ULTRA SEMICS.	3.6%
CHEVRON	3.0%
JP MORGAN CHASE & CO.	2.9%
WELLS FARGO & CO	2.8%
PFIZER	2.2%
EXXON MOBIL	2.1%
HOME DEPOT	2.1%
BHP BILLITON	2.0%
INTERNATIONAL BUS.MCHS.	1.8%
PHILIP MORRIS INTL.	1.8%
Total For Top Ten Holdings	**24.1%**

Portfolio Information

	Portfolio	Russell 1000 Value
Number of Holdings	110	696
Weighted Avg. Market Cap. ($B)	87.10	85.95
Median Market Cap. ($B)	32.78	4.97
Price To Earnings	16.88	16.69
Price To Book	3.15	1.90
Price To Sales	1.82	1.56
Return on Equity (%)	23.01	12.90
Yield (%)	3.14	2.52
Beta	0.84	1.00

Best Performers

	Weight %	Return %
RIO TINTO (A:RIOX)	0.6%	23.5%
ROCKWELL AUTOMATION (ROK)	0.3%	21.5%
PEABODY ENERGY (BTU)	0.1%	19.7%
SOUTHERN COPPER (SCCO)	0.4%	18.8%
MARATHON PETROLEUM (MPC)	0.6%	16.1%

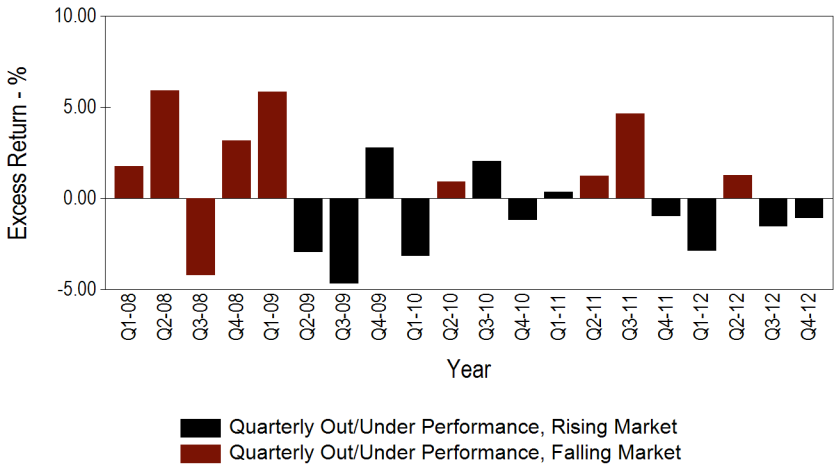
Worst Performers

	Weight %	Return %
BARRICK GOLD (NYS) (ABX)	0.0%	-15.7%
OCCIDENTAL PTL. (OXY)	0.7%	-10.3%
VODAFONE GP.SPN.ADR 1:10 (VOD)	0.4%	-9.8%
MEAD JOHNSON NUTRITION (MJN)	0.3%	-9.7%
E I DU PONT DE NEMOURS (DD)	1.3%	-9.6%

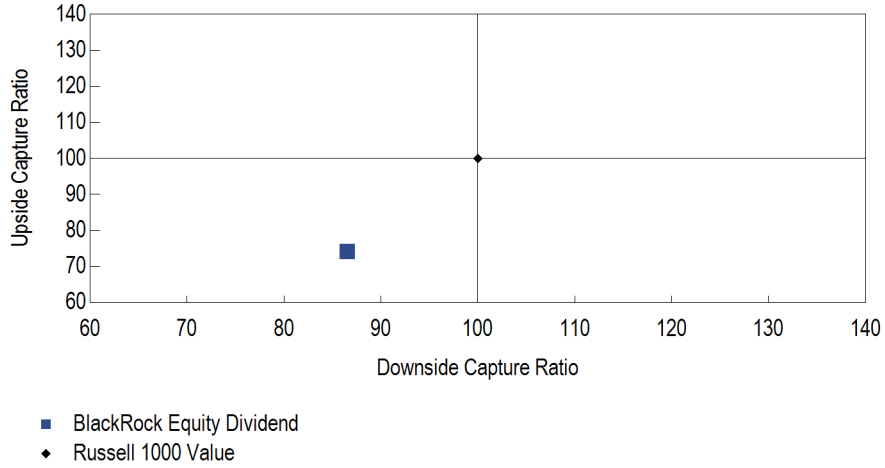
BlackRock Equity Dividend

As of December 31, 2012

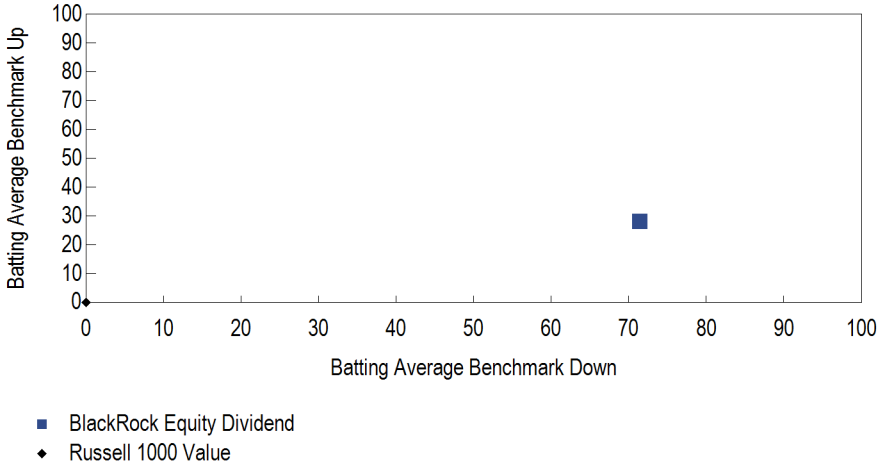
Quarterly Excess Performance



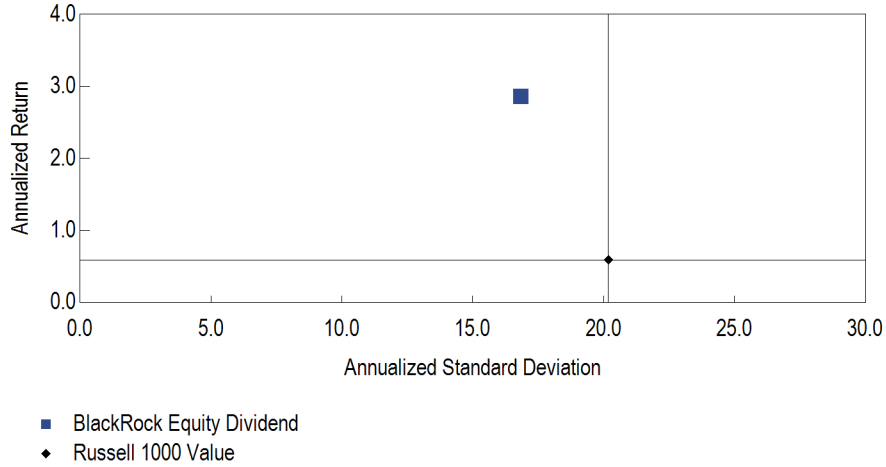
Upside Capture Ratio vs. Downside Capture Ratio
5 Years Ending December 31, 2012



Batting Average Benchmark Up vs. Batting Average Benchmark Down
5 Years Ending December 31, 2012



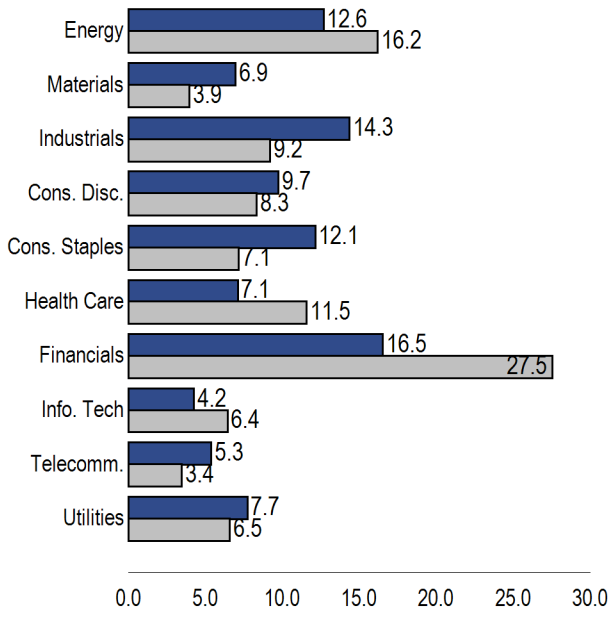
Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2012



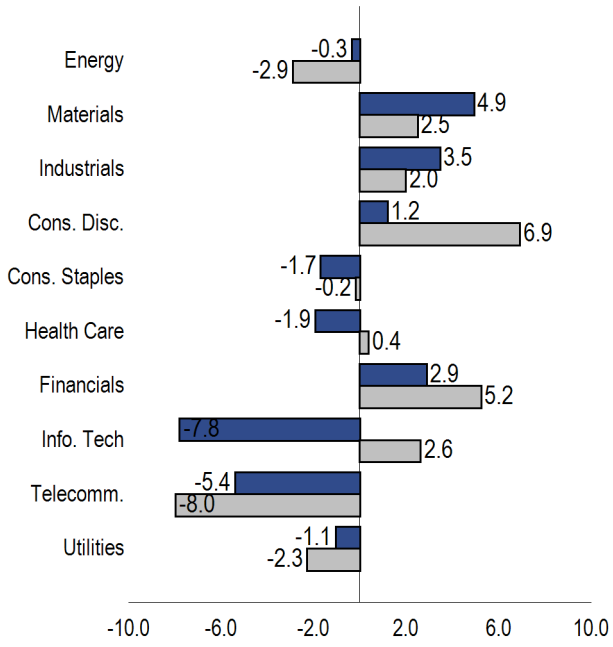
BlackRock Equity Dividend

As of December 31, 2012

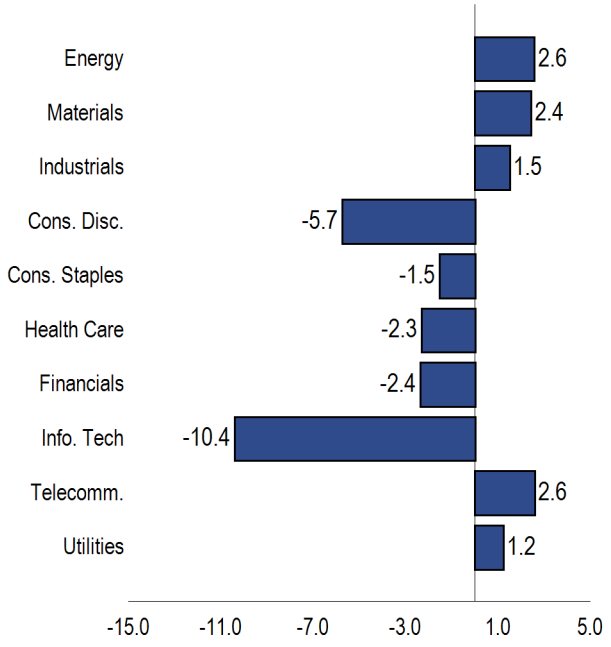
Sector Allocation (%) vs Russell 1000 Value



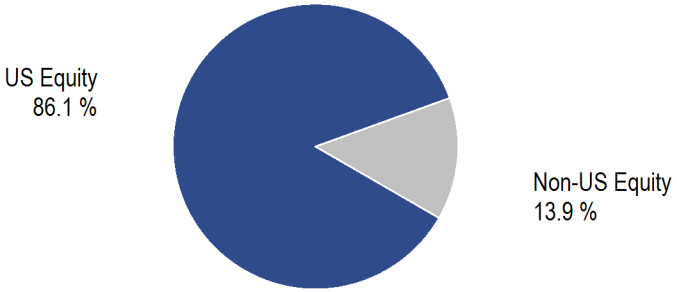
Sector Returns (%) vs Russell 1000 Value



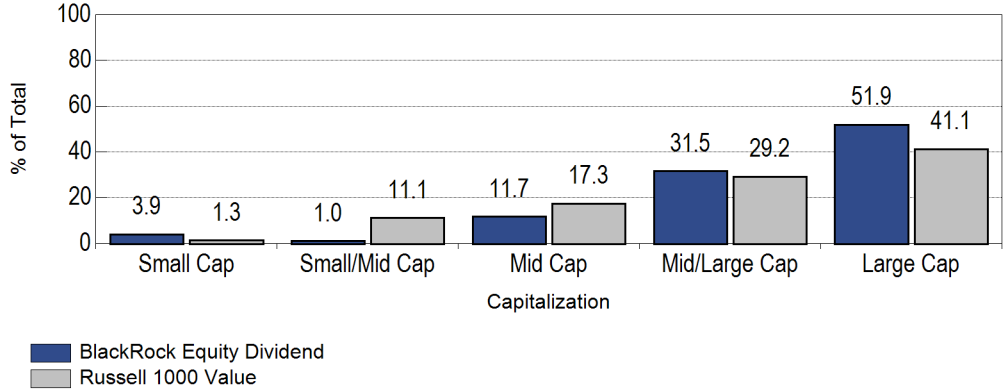
Sector Excess Returns (%) vs Russell 1000 Value



Current Allocation



Market Capitalization As Of December 31, 2012

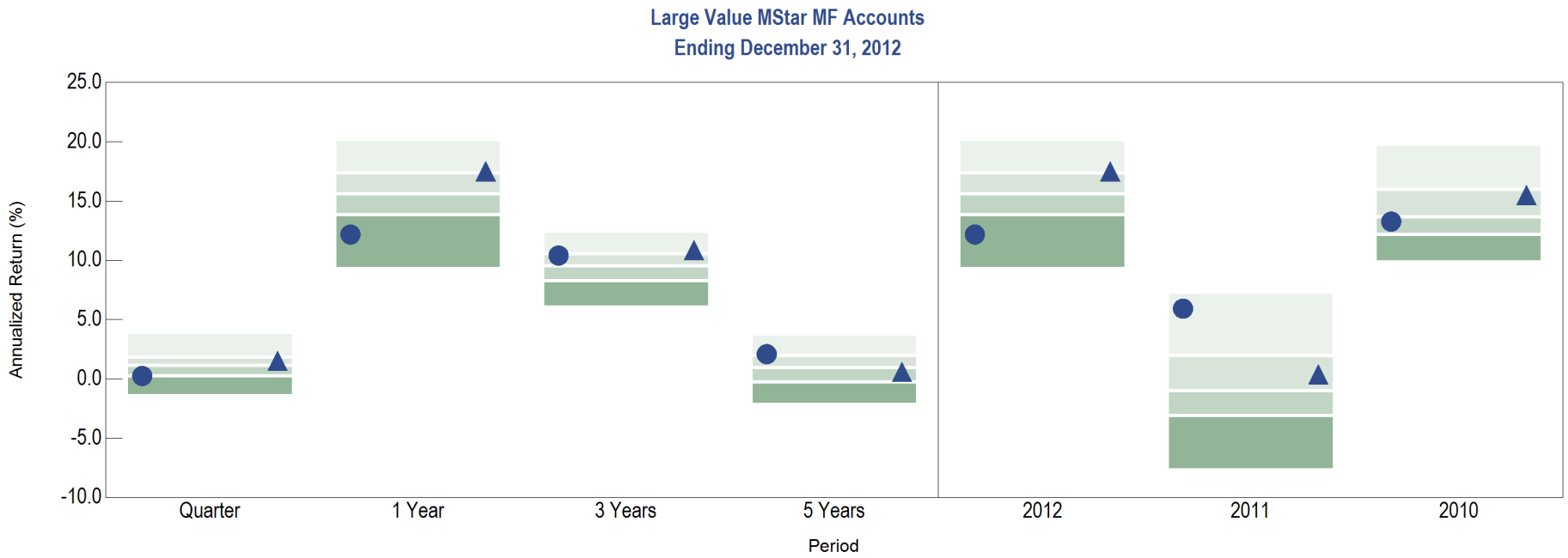


BlackRock Equity Dividend

As of December 31, 2012

Performance Summary

Annualized Returns	Dec-12	1 Yr	3 Yrs	5 Yrs	2012	2011	2010
BlackRock Equity Dividend	0.2%	12.2%	10.4%	2.1%	12.2%	5.9%	13.3%
Russell 1000 Value	*1.5%*	*17.5%*	*10.9%*	*0.6%*	*17.5%*	*0.4%*	*15.5%*
Over/Under	-1.3%	-5.3%	-0.5%	1.5%	-5.3%	5.5%	-2.2%
Universe Median	1.2%	15.6%	9.6%	1.0%	15.6%	-1.0%	13.7%
Points in Universe	241	232	213	205	232	230	235
Universe Quartile Ranking							



Please note: All returns shown are net of fees, including mutual funds.

Vanguard Dividend Growth

As of December 31, 2012

Manager Summary

- Invest in large cap equities, emphasizing dividend-paying stocks of high quality companies.

- Sub-advised by Wellington Management Company.

- Seeks companies with strong operating characteristics, including confidence to sustainably grow dividends.

- Concentrated strategy. Tends to do well in defensive markets.

Top Ten Holdings

JOHNSON & JOHNSON	3.3%
PEPSICO	3.2%
OCCIDENTAL PTL.	3.1%
EXXON MOBIL	2.9%
TARGET	2.7%
ROCHE HOLDING	2.6%
PROCTER & GAMBLE	2.5%
MEDTRONIC	2.5%
AUTOMATIC DATA PROC.	2.4%
UNITED PARCEL SER.'B'	2.4%
Total For Top Ten Holdings	**27.6%**

Portfolio Information

	Portfolio	S&P 500
Number of Holdings	51	500
Weighted Avg. Market Cap. ($B)	88.42	103.20
Median Market Cap. ($B)	47.84	12.27
Price To Earnings	17.29	18.16
Price To Book	3.97	3.27
Price To Sales	1.91	2.08
Return on Equity (%)	30.11	18.96
Yield (%)	2.69	2.29
Beta	0.78	1.00

Best Performers

	Weight %	Return %
LOWE'S COMPANIES (LOW)	2.3%	18.0%
BLACKROCK (BLK)	1.4%	16.8%
ENBRIDGE (NYS) (ENB)	0.0%	11.8%
ECOLAB (ECL)	1.8%	11.3%
EMERSON ELECTRIC (EMR)	1.3%	10.6%

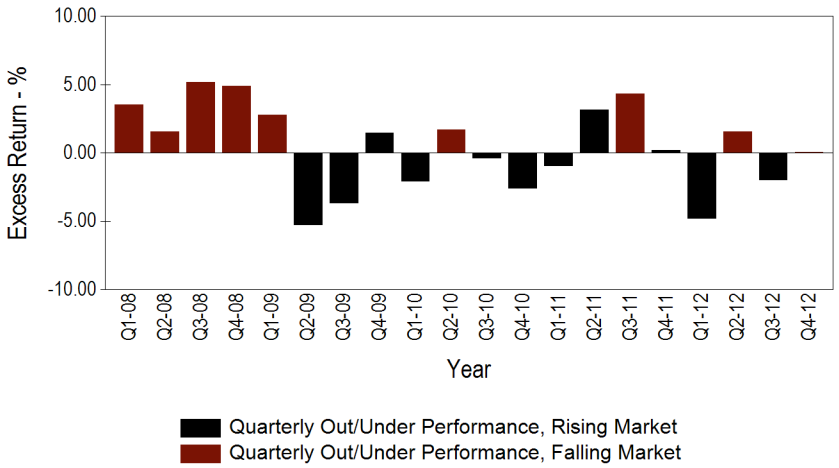
Worst Performers

	Weight %	Return %
WESTERN UNION (WU)	1.0%	-24.6%
BG GROUP (UKIR:BG.)	2.1%	-18.5%
OCCIDENTAL PTL. (OXY)	3.1%	-10.3%
MICROSOFT (MSFT)	2.1%	-9.5%
TEVA PHARM.INDS.ADR 1:1 (TEVA)	1.6%	-9.2%

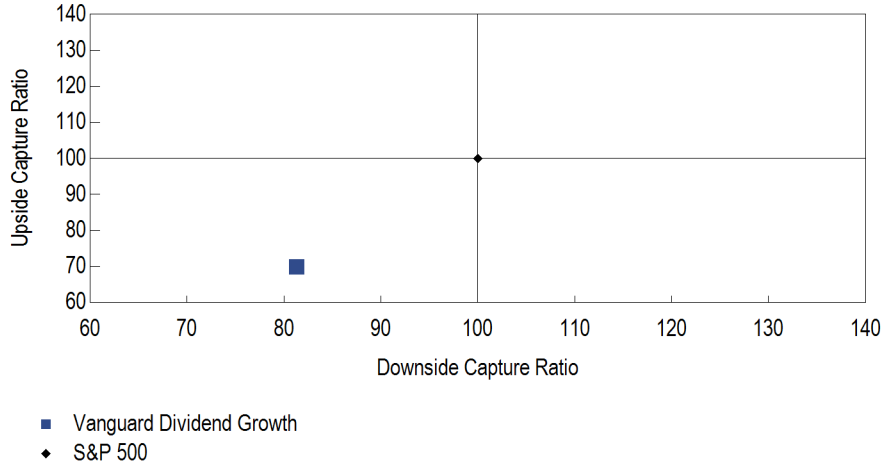
Vanguard Dividend Growth

As of December 31, 2012

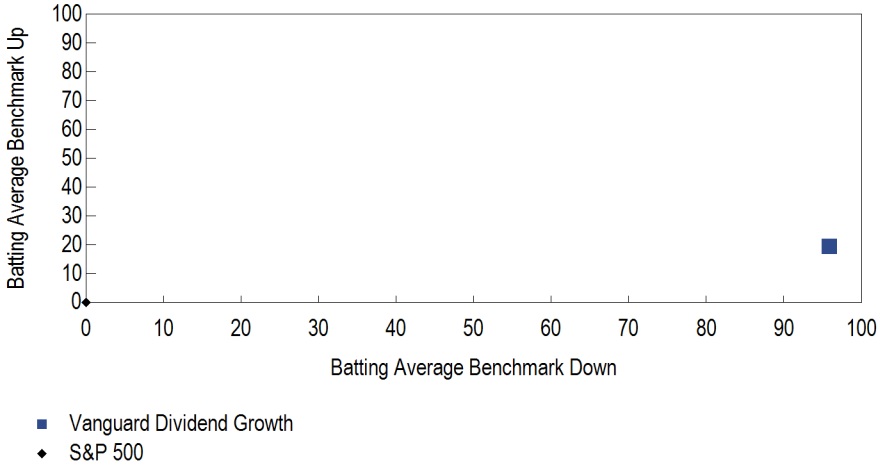
Quarterly Excess Performance



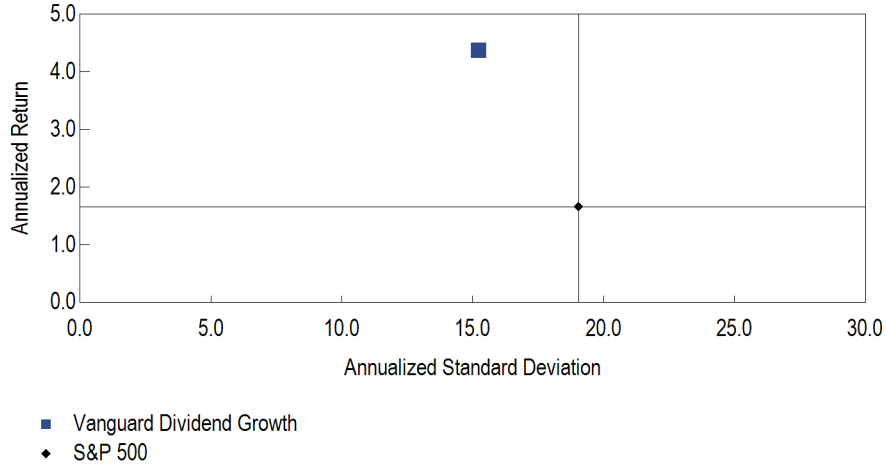
Upside Capture Ratio vs. Downside Capture Ratio
5 Years Ending December 31, 2012



Batting Average Benchmark Up vs. Batting Average Benchmark Down
5 Years Ending December 31, 2012



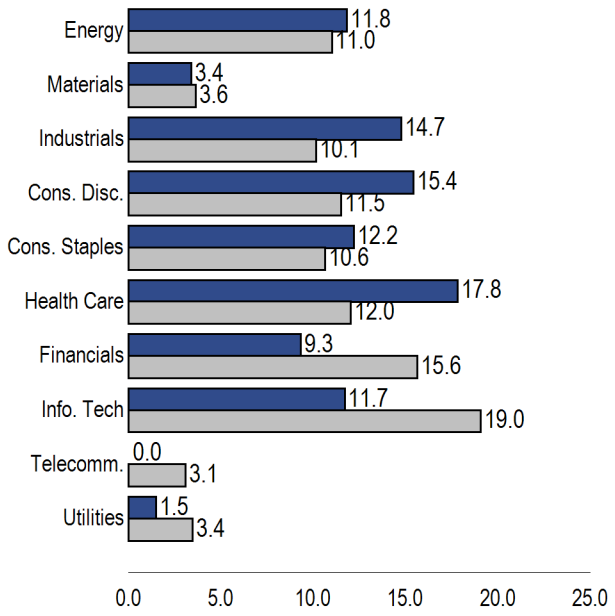
Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2012



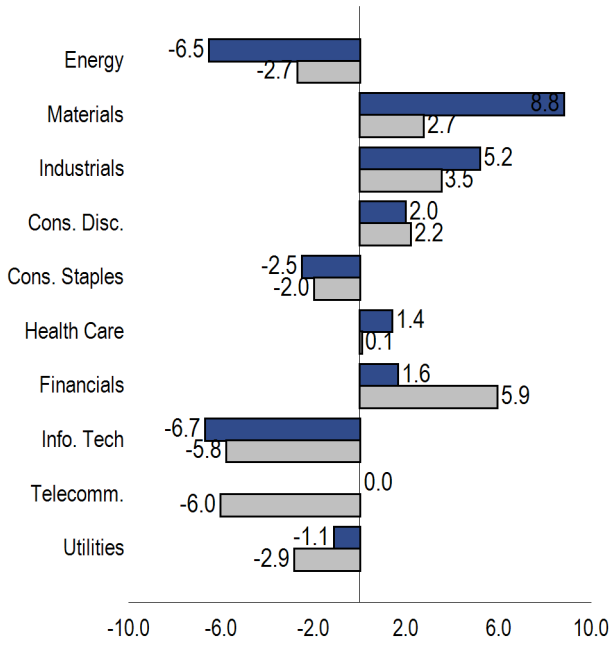
Vanguard Dividend Growth

As of December 31, 2012

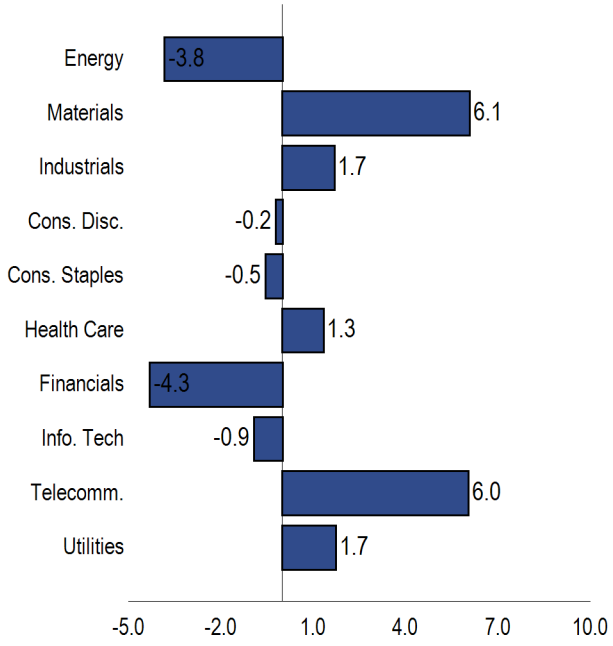
Sector Allocation (%) vs S&P 500



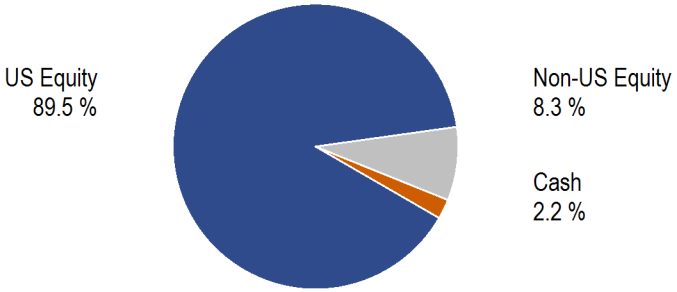
Sector Returns (%) vs S&P 500



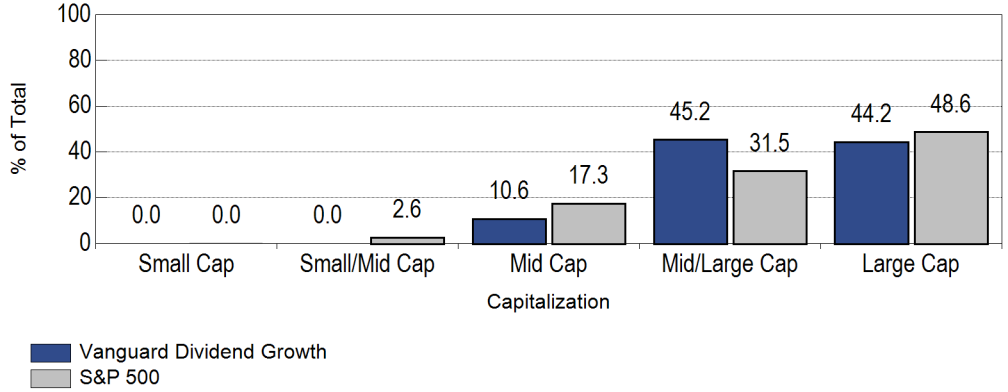
Sector Excess Returns (%) vs S&P 500



Current Allocation



Market Capitalization As Of December 31, 2012

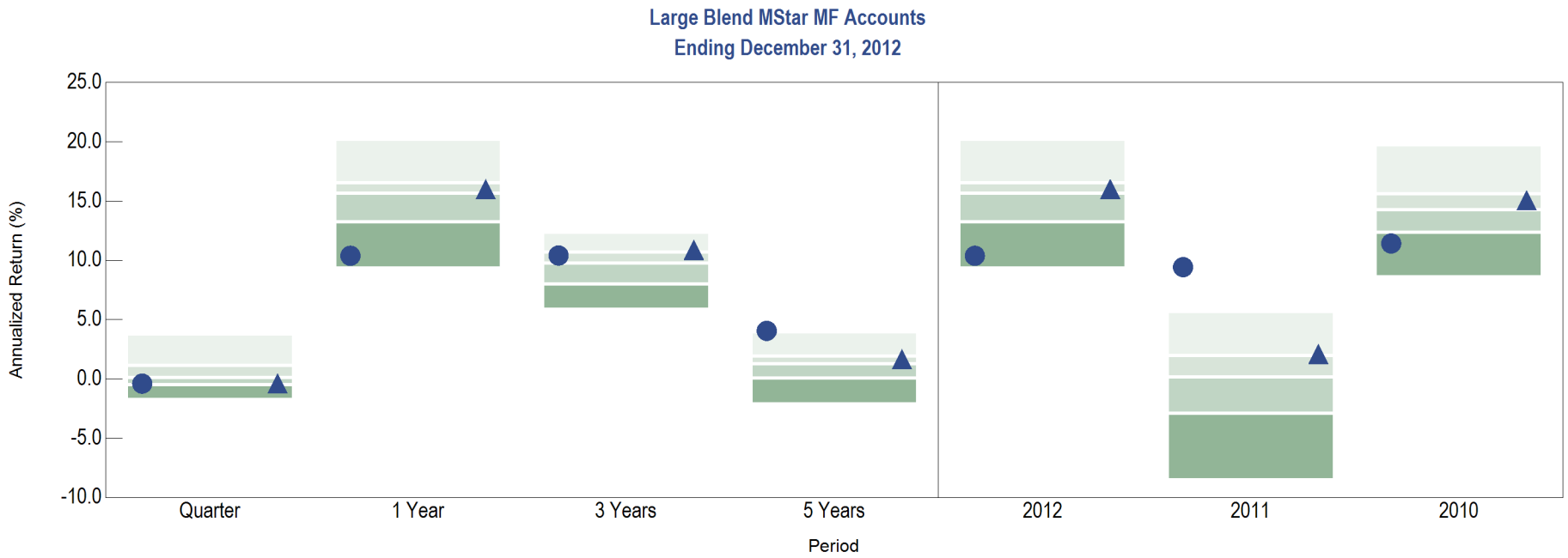


Vanguard Dividend Growth

As of December 31, 2012

Performance Summary

Annualized Returns	Dec-12	1 Yr	3 Yrs	5 Yrs	2012	2011	2010
Vanguard Dividend Growth	-0.4%	10.4%	10.4%	4.0%	10.4%	9.4%	11.4%
S&P 500	*-0.4%*	*16.0%*	*10.9%*	*1.7%*	*16.0%*	*2.1%*	*15.1%*
Over/Under	0.0%	-5.6%	-0.5%	2.4%	-5.6%	7.3%	-3.6%
Universe Median	0.1%	15.7%	9.8%	1.3%	15.7%	0.2%	14.3%
Points in Universe	343	335	307	286	335	337	366
Universe Quartile Ranking							



Please note: All returns shown are net of fees, including mutual funds.

Vanguard Russell 1000 Index

As of December 31, 2012

Manager Summary

- Passively managed.
- Seeks to track the performance of the Russell 1000 Index.
- Invests in large equities across value and growth styles.
- Strategy remains fully invested.

Top Ten Holdings

APPLE	3.4%
EXXON MOBIL	2.8%
GENERAL ELECTRIC	1.5%
CHEVRON	1.5%
INTERNATIONAL BUS.MCHS.	1.4%
MICROSOFT	1.4%
AT&T	1.4%
JOHNSON & JOHNSON	1.3%
PFIZER	1.3%
PROCTER & GAMBLE	1.3%
Total For Top Ten Holdings	**17.2%**

Portfolio Information

	Portfolio	Russell 1000
Number of Holdings	993	991
Weighted Avg. Market Cap. ($B)	91.74	91.71
Median Market Cap. ($B)	5.70	5.69
Price To Earnings	18.41	18.38
Price To Book	3.57	3.25
Price To Sales	2.35	2.18
Return on Equity (%)	21.46	18.34
Yield (%)	2.20	2.17
Beta		1.00

Best Performers

	Weight %	Return %
CLEARWIRE 'A' (CLWR)	0.0%	115.7%
GREEN MNT.COF.ROASTERS (GMCR)	0.0%	74.1%
NETFLIX (NFLX)	0.0%	70.1%
ALPHA NATURAL RESOURCES (ANR)	0.0%	48.2%
GENWORTH FINANCIAL (GNW)	0.0%	43.6%

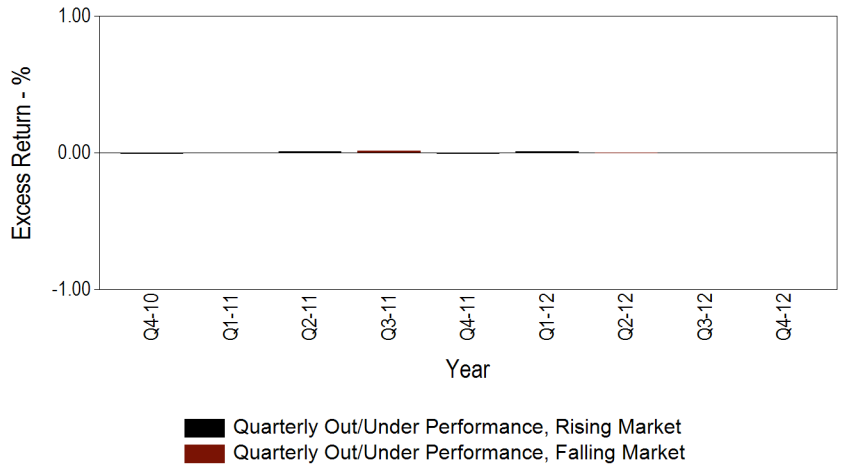
Worst Performers

	Weight %	Return %
ITT EDUCATIONAL SVS. (ESI)	0.0%	-46.3%
BEST BUY (BBY)	0.0%	-30.1%
HERBALIFE (HLF)	0.0%	-30.1%
ADVANCED MICRO DEVC. (AMD)	0.0%	-28.8%
APOLLO GP.'A' (APOL)	0.0%	-28.0%

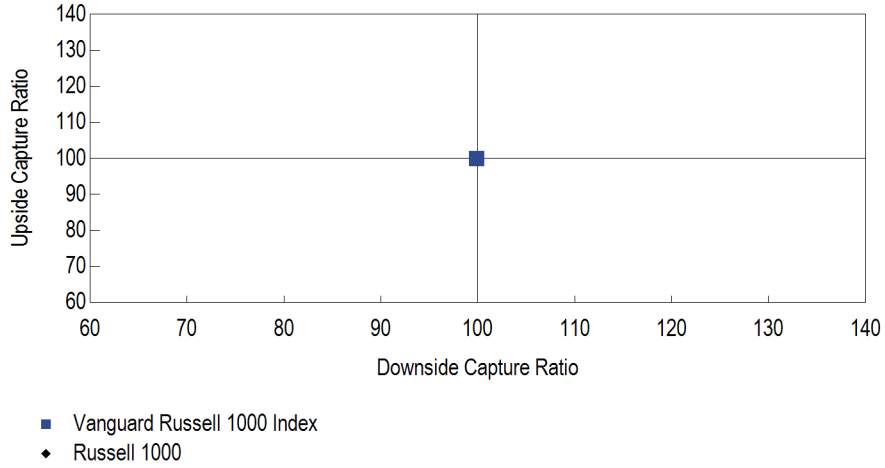
Vanguard Russell 1000 Index

As of December 31, 2012

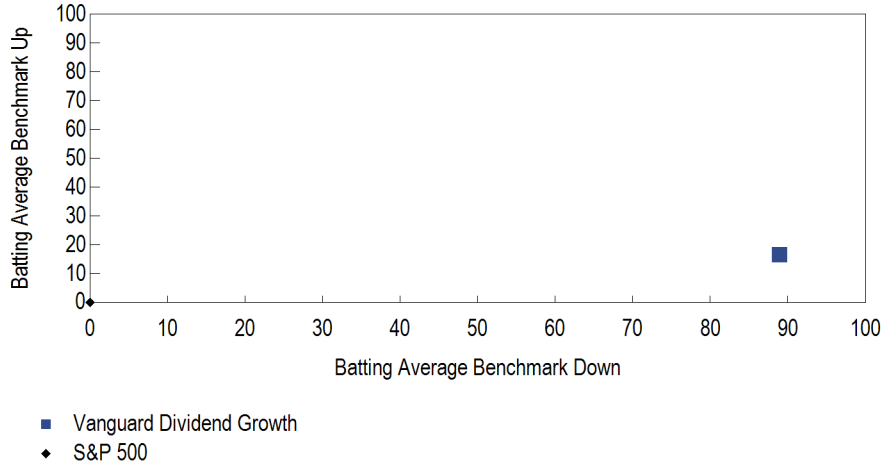
Quarterly Excess Performance



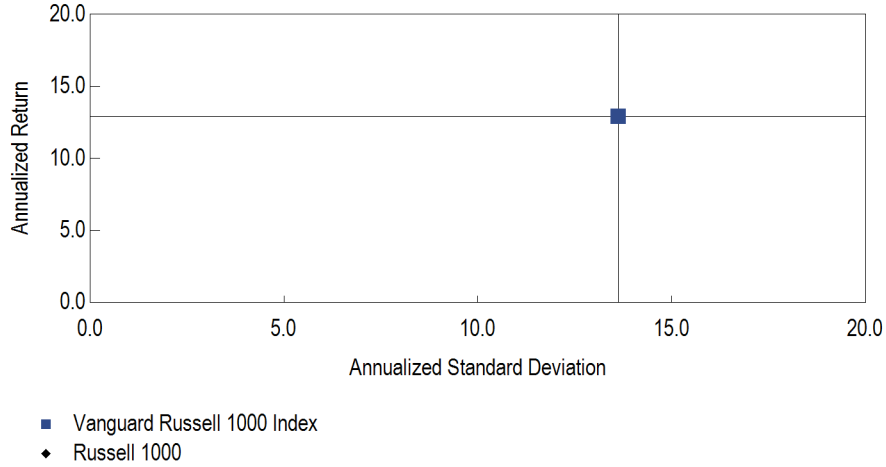
Upside Capture Ratio vs. Downside Capture Ratio
2 Years 3 Months Ending December 31, 2012



Batting Average Benchmark Up vs. Batting Average Benchmark Down
2 Years 3 Months Ending December 31, 2012



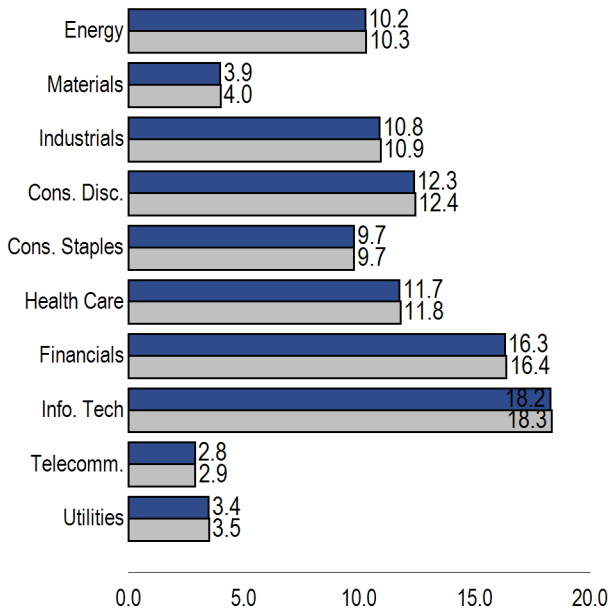
Annualized Return vs. Annualized Standard Deviation
2 Years 3 Months Ending December 31, 2012



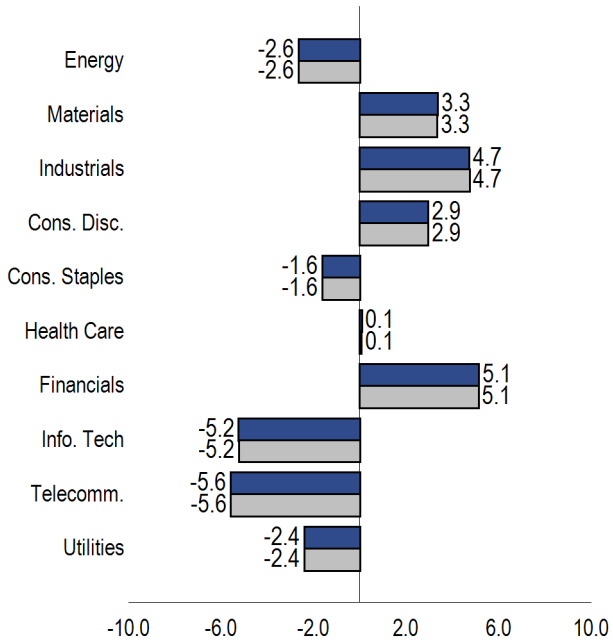
Vanguard Russell 1000 Index

As of December 31, 2012

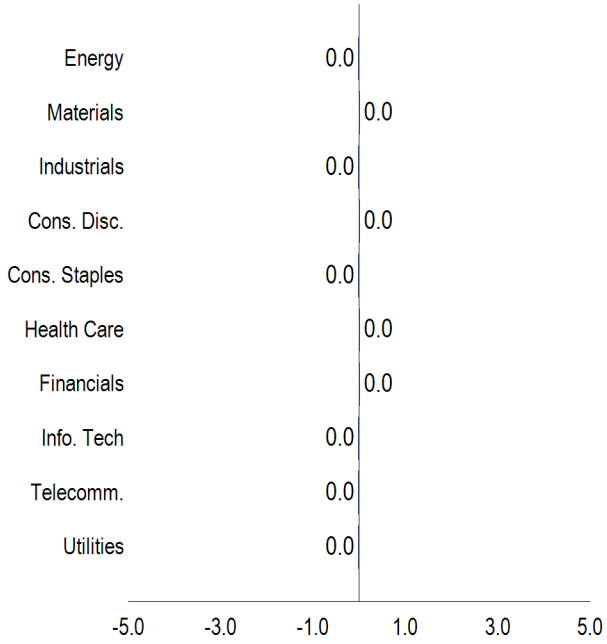
Sector Allocation (%) vs Russell 1000



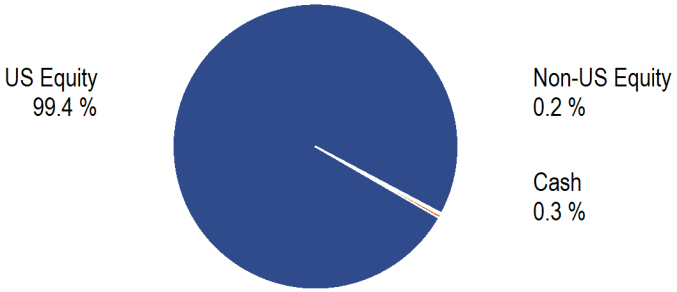
Sector Returns (%) vs Russell 1000



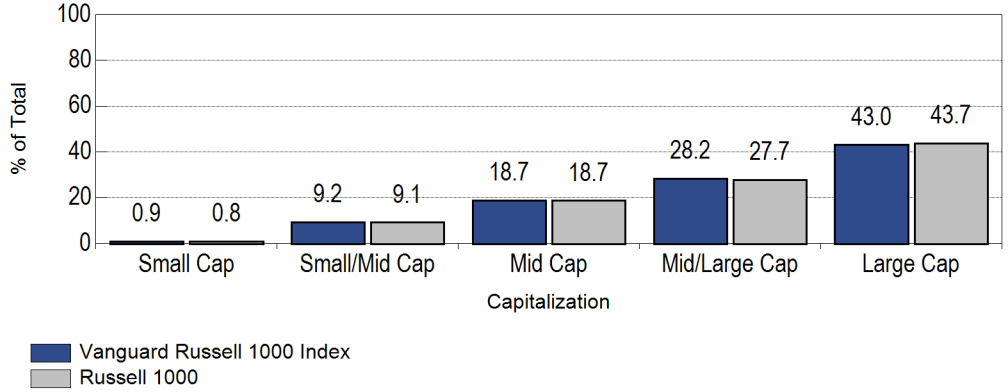
Sector Excess Returns (%) vs Russell 1000



Current Allocation



Market Capitalization As Of December 31, 2012

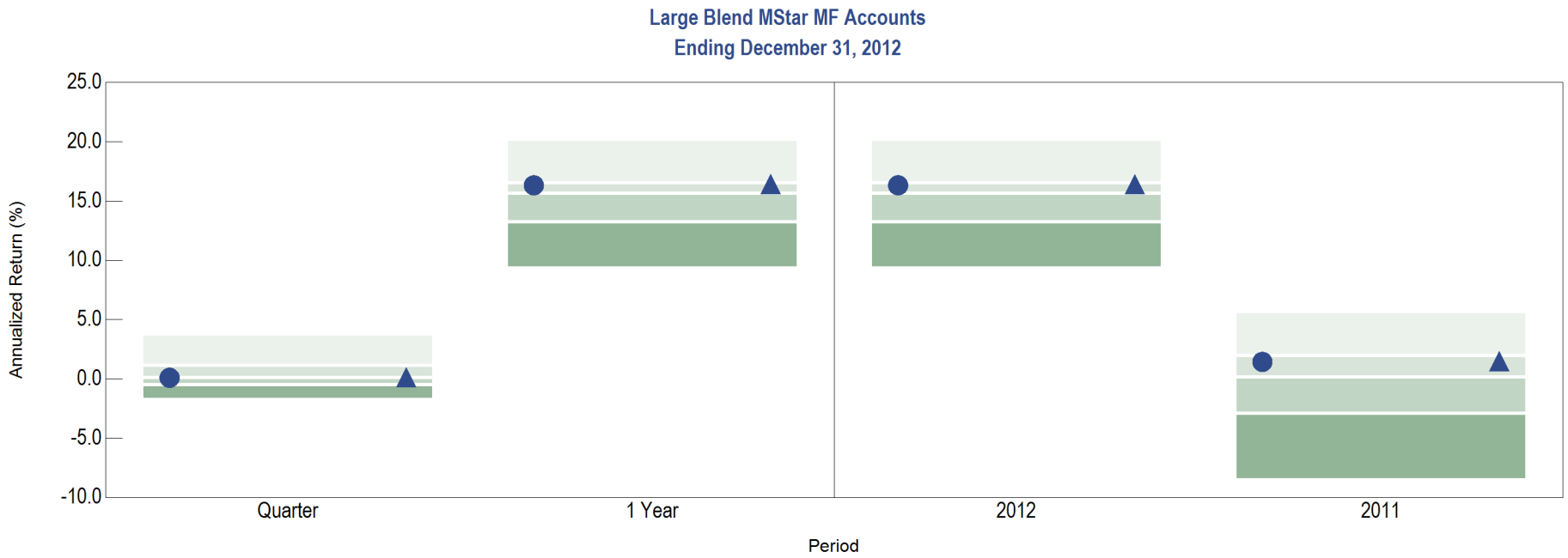


Vanguard Russell 1000 Index

As of December 31, 2012

Performance Summary

Annualized Returns	Dec-12	1 Yr	2012	2011
Vanguard Russell 1000 Index	0.1%	16.3%	16.3%	1.4%
Russell 1000	*0.1%*	*16.4%*	*16.4%*	*1.5%*
Over/Under	0.0%	-0.1%	-0.1%	-0.1%
Universe Median	0.1%	15.7%	15.7%	0.2%
Points in Universe	343	335	335	337
Universe Quartile Ranking				



Please note: All returns shown are net of fees, including mutual funds.

Vanguard Mid Cap Index

As of December 31, 2012

Manager Summary

- Passively-managed.
- Seeks to track the performance of the MSCI US Mid Cap 450 Index.
- Invests in value stocks of medium-size U.S. companies.
- Fund remains fully invested.

Top Ten Holdings

CF INDUSTRIES HDG.	0.5%
MATTEL	0.5%
PIONEER NTRL.RES.	0.5%
DELPHI AUTOMOTIVE	0.5%
HOST HOTELS & RESORTS	0.5%
CERNER	0.5%
STARWOOD HTLS.& RSTS. WORLDWIDE	0.5%
MYLAN	0.5%
HARLEY-DAVIDSON	0.5%
SIRIUS XM RADIO	0.5%
Total For Top Ten Holdings	**4.8%**

Portfolio Information

	Portfolio	MSCI US Mid Cap 450
Number of Holdings	452	449
Weighted Avg. Market Cap. ($B)	6.91	6.91
Median Market Cap. ($B)	5.30	5.30
Price To Earnings	20.48	19.99
Price To Book	3.41	3.19
Price To Sales	2.38	2.27
Return on Equity (%)	15.12	14.82
Yield (%)	1.57	1.46
Beta	1.00	1.00

Best Performers

	Weight %	Return %
GREEN MNT.COF.ROASTERS (GMCR)	0.2%	74.1%
NETFLIX (NFLX)	0.2%	70.1%
ALPHA NATURAL RESOURCES (ANR)	0.0%	48.2%
GENWORTH FINANCIAL (GNW)	0.2%	43.6%
ABERCROMBIE & FITCH 'A' (ANF)	0.2%	42.0%

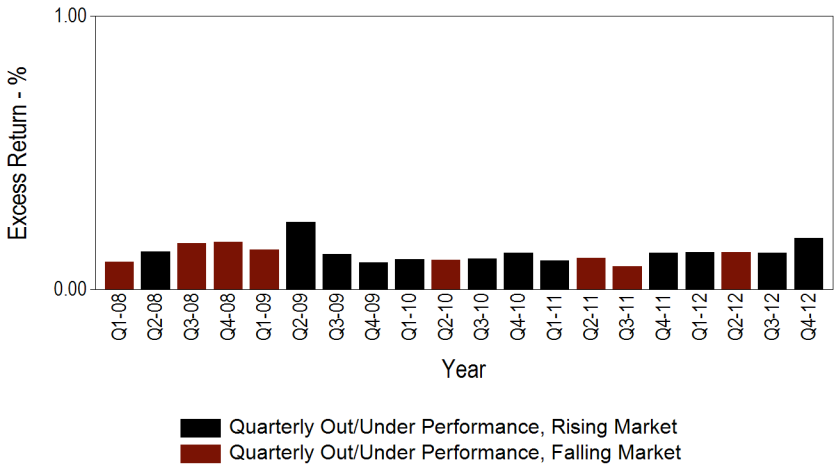
Worst Performers

	Weight %	Return %
HERBALIFE (HLF)	0.2%	-30.1%
ADVANCED MICRO DEVC. (AMD)	0.0%	-28.8%
APOLLO GP.'A' (APOL)	0.1%	-28.0%
TIBCO SOFTWARE (TIBX)	0.1%	-27.3%
VERTEX PHARMS. (VRTX)	0.4%	-25.0%

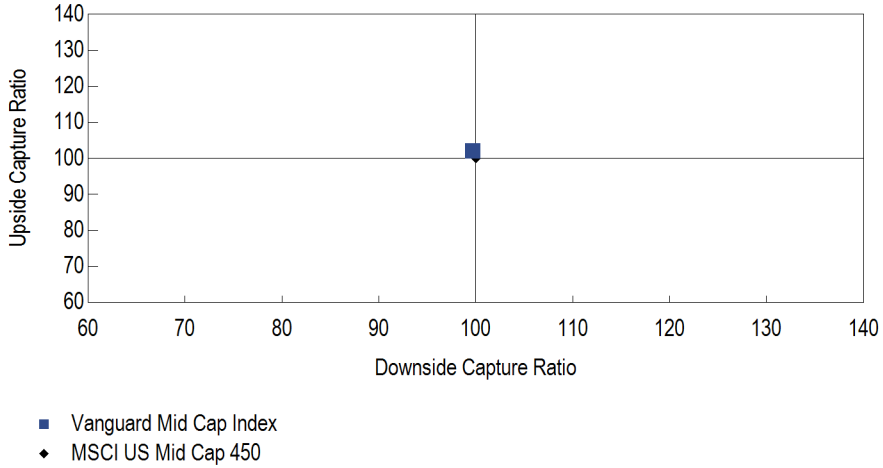
Vanguard Mid Cap Index

As of December 31, 2012

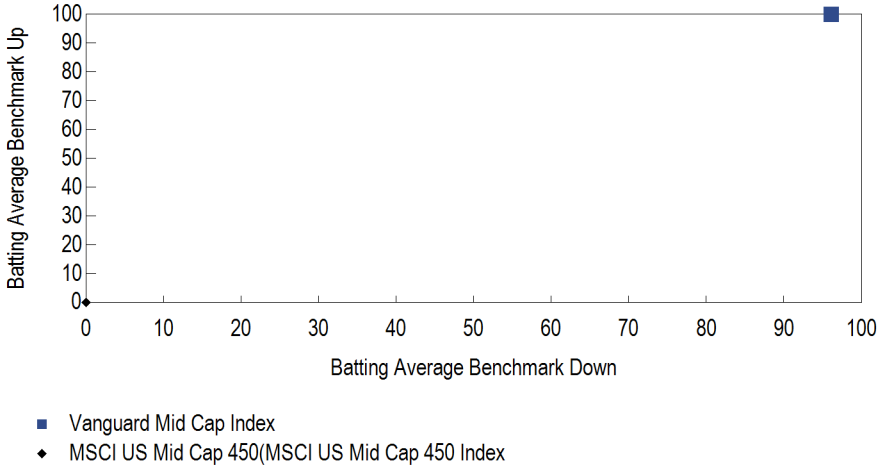
Quarterly Excess Performance



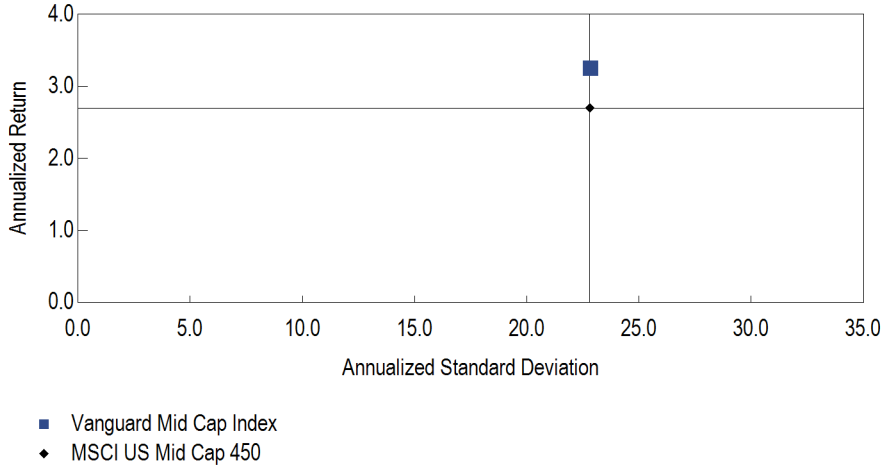
Upside Capture Ratio vs. Downside Capture Ratio
5 Years Ending December 31, 2012



Batting Average Benchmark Up vs. Batting Average Benchmark Down
5 Years Ending December 31, 2012



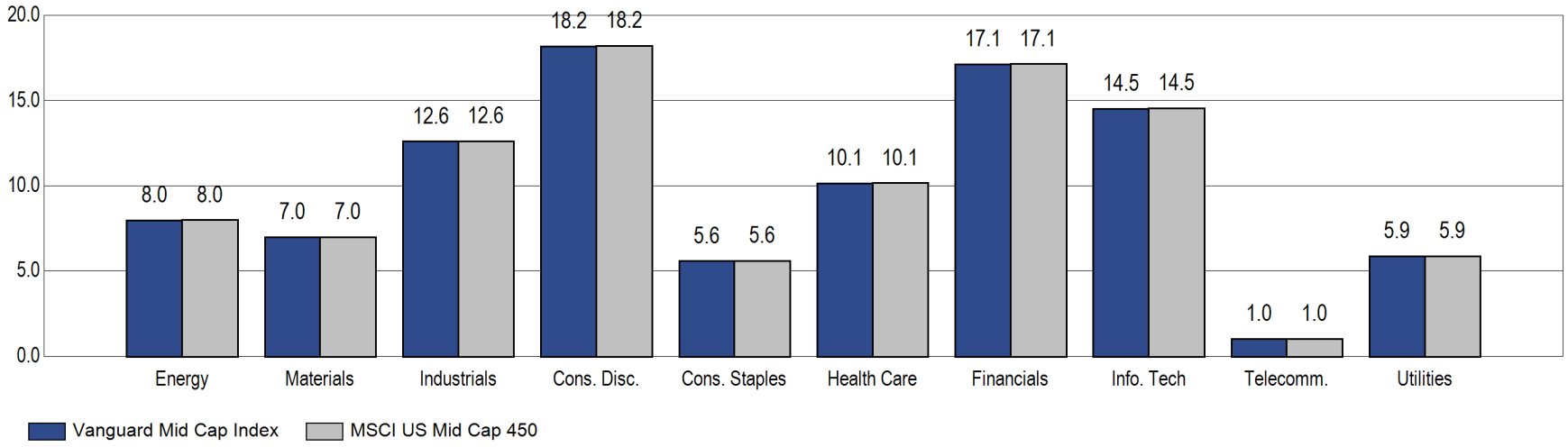
Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2012



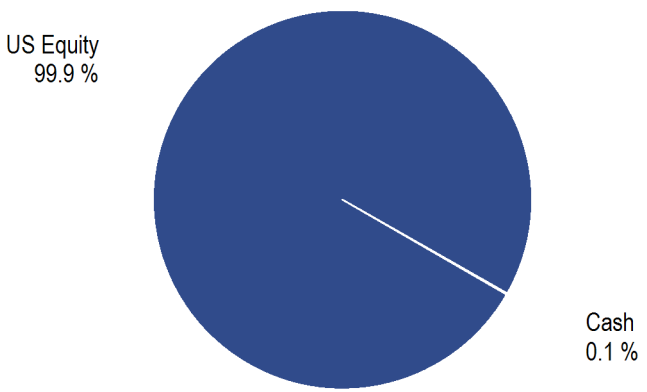
Vanguard Mid Cap Index

As of December 31, 2012

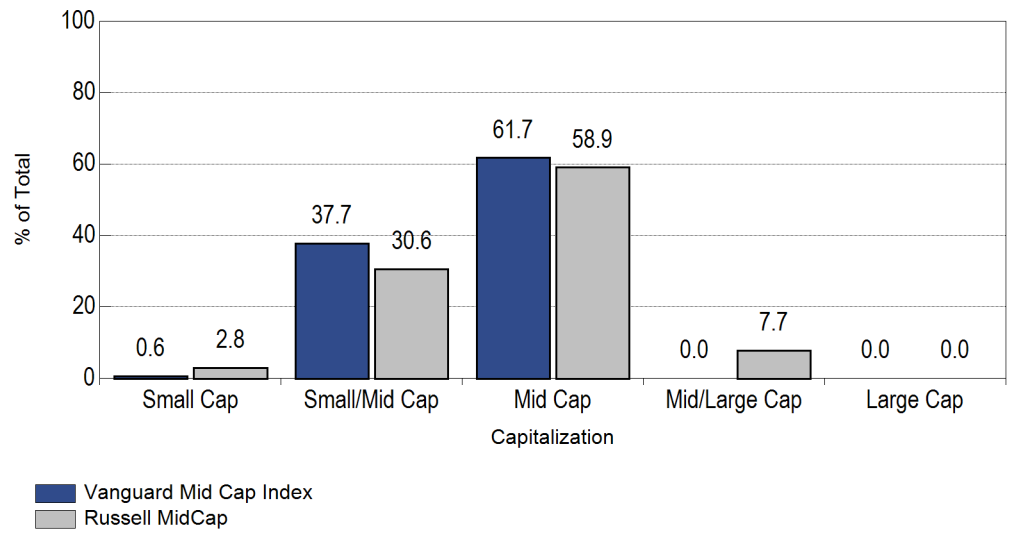
Sector Allocation (%) vs MSCI US Mid Cap 450



Current Allocation



Market Capitalization As Of December 31, 2012

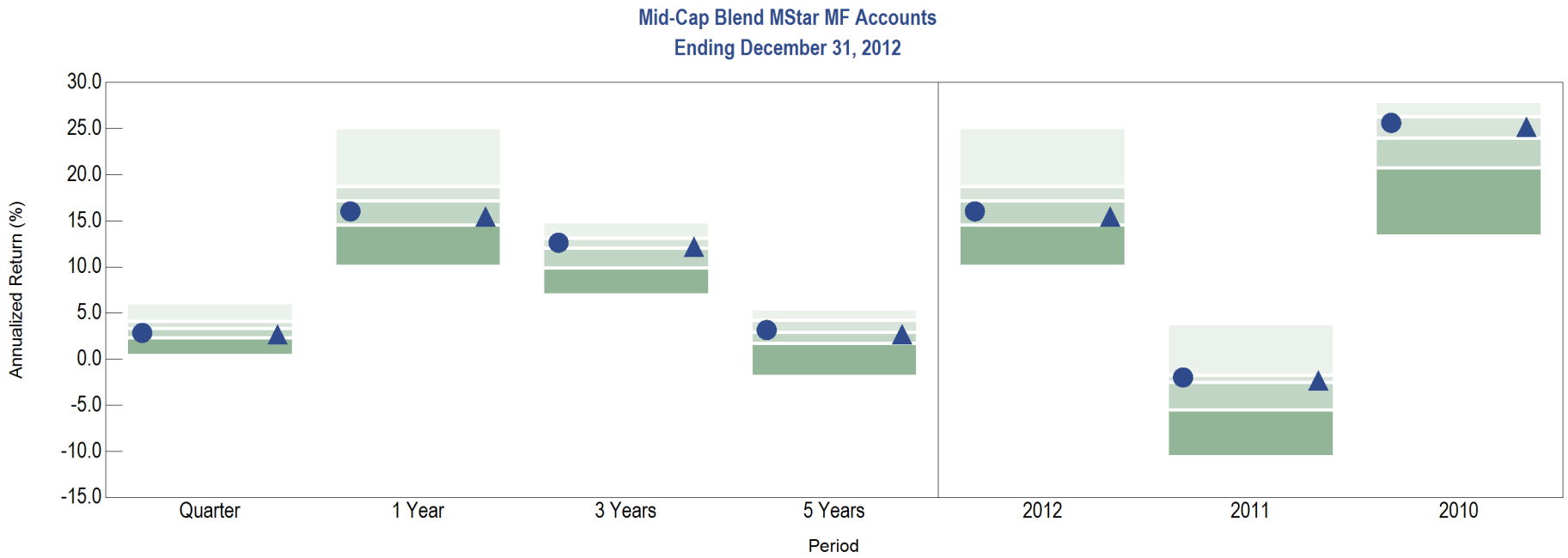


Vanguard Mid Cap Index

As of December 31, 2012

Performance Summary

Annualized Returns	Dec-12	1 Yr	3 Yrs	5 Yrs	2012	2011	2010
Vanguard Mid Cap Index	2.8%	16.0%	12.6%	3.2%	16.0%	-2.0%	25.6%
MSCI US Mid Cap 450	*2.7%*	*15.5%*	*12.2%*	*2.7%*	*15.5%*	*-2.3%*	*25.2%*
Over/Under	0.2%	0.6%	0.4%	0.5%	0.6%	0.3%	0.4%
Universe Median	3.4%	17.2%	12.1%	3.0%	17.2%	-2.5%	24.0%
Points in Universe	94	91	82	77	91	82	88
Universe Quartile Ranking							



Please note: All returns shown are net of fees, including mutual funds.

Ridgeworth Small Cap Value

As of December 31, 2012

Manager Summary

- Focus on investing in companies with market capitalizations ranging from $50 million to $3 billion at the time of purchase.

- Emphasize:
  - Dividends - strategy only invests in companies that pay dividends. Ceredex Value Advisors, the fund's sub-advisor, believes dividends are a good indicator of management's confidence in the earnings potential of the company.
  - Valuation - seeks companies that trade at a lower third of their historical valuations.
  - Fundamentals - seeks catalysts that could drive meaningful price appreciation in the next 18-36 months.

Portfolio Information

	Portfolio	Russell 2000 Value
Number of Holdings	93	1,422
Weighted Avg. Market Cap. ($B)	2.13	1.16
Median Market Cap. ($B)	1.76	0.46
Price To Earnings	17.40	13.14
Price To Book	2.50	1.49
Price To Sales	1.53	1.68
Return on Equity (%)	11.51	6.61
Yield (%)	2.18	1.80
Beta	0.84	1.00

Top Ten Holdings

SMITH (AO)	4.5%
HSN	3.9%
HCC INSURANCE HDG.	2.9%
PROGRESSIVE WASTE SLTN.	2.8%
INTERFACE	2.6%
SOTHEBY'S	2.6%
COPA HOLDINGS S A	2.5%
CARBO CERAMICS	2.4%
CASH AM.INTL.	2.4%
SNAP-ON	2.2%
Total For Top Ten Holdings	**28.8%**

Best Performers

	Weight %	Return %
GRUPO AEROPORTUARIO DEL PACIFICO SR.B ADR 1:10 (PAC)	1.6%	36.1%
VIAD (VVI)	1.0%	30.7%
BRUNSWICK (BC)	1.3%	28.8%
RYDER SYSTEM (R)	0.2%	28.7%
COPA HOLDINGS S A (CPA)	2.5%	25.3%

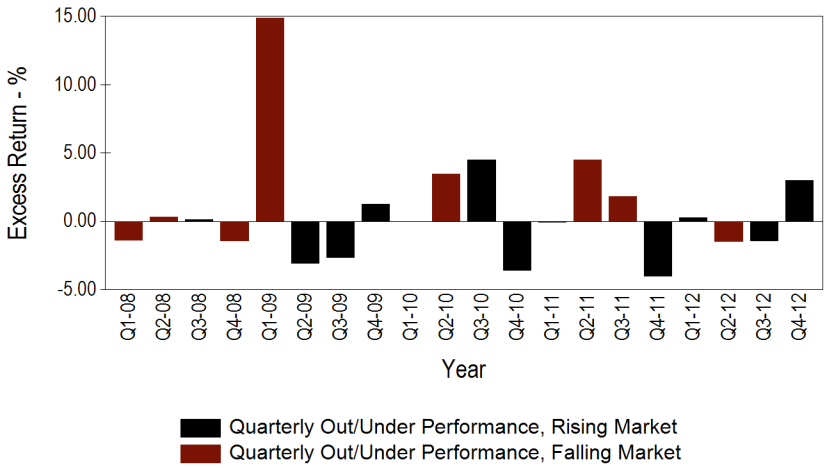
Worst Performers

	Weight %	Return %
ARCOS DORADOS HOLDINGS (ARCO)	2.0%	-21.8%
NUTRISYSTEM (NTRI)	0.4%	-20.5%
BERRY PTL.A (BRY)	1.4%	-17.2%
ENSIGN GROUP (ENSG)	0.6%	-11.1%
BUCKEYE TECHNOLOGIES (BKI)	0.8%	-10.1%

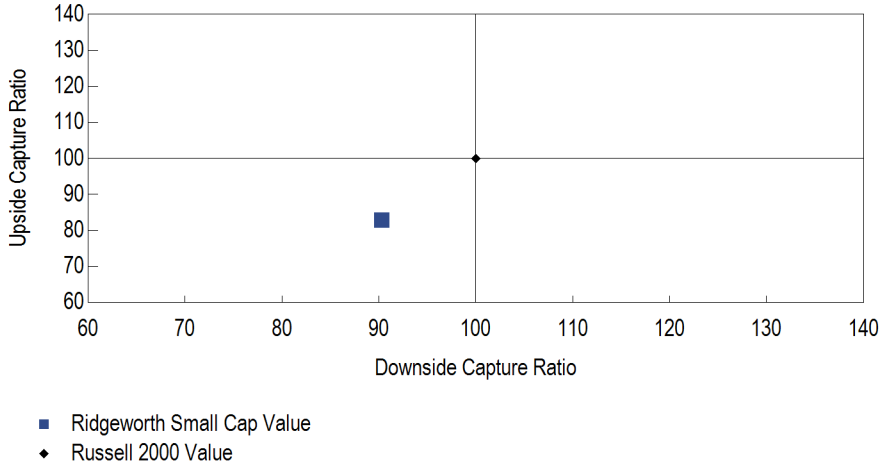
Ridgeworth Small Cap Value

As of December 31, 2012

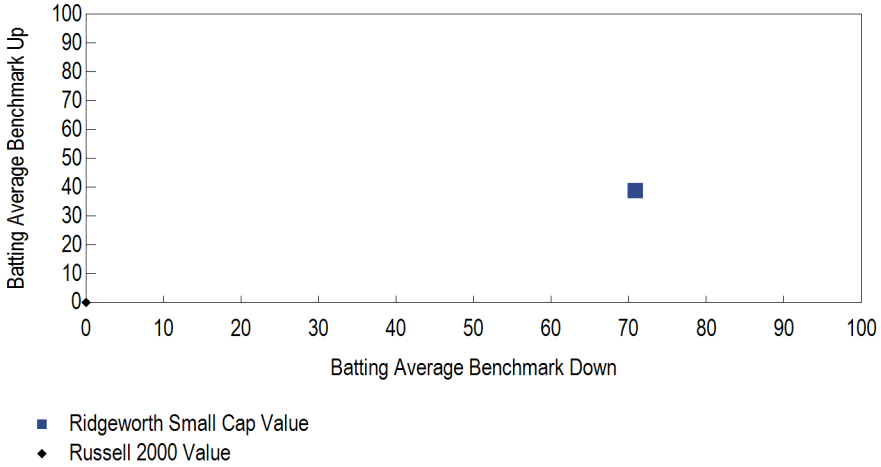
Quarterly Excess Performance



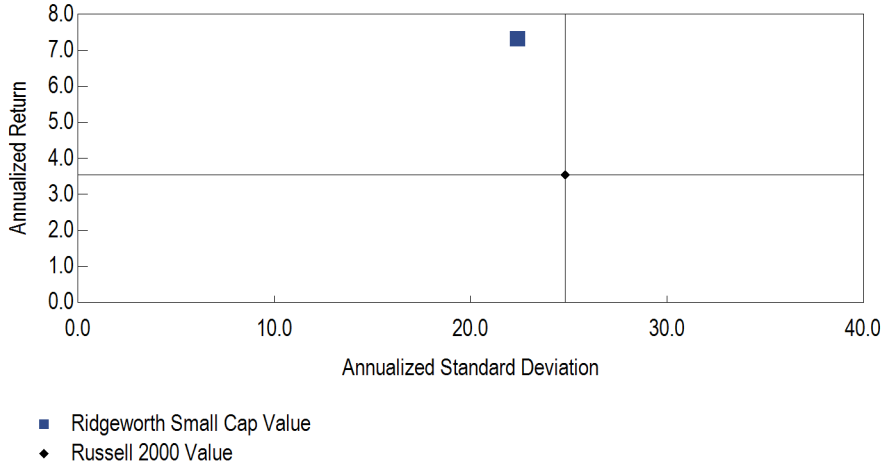
Upside Capture Ratio vs. Downside Capture Ratio
5 Years Ending December 31, 2012



Batting Average Benchmark Up vs. Batting Average Benchmark Down
5 Years Ending December 31, 2012



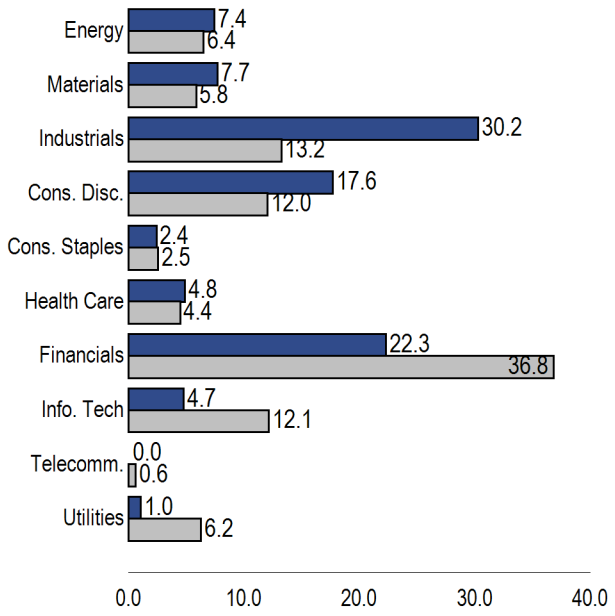
Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2012



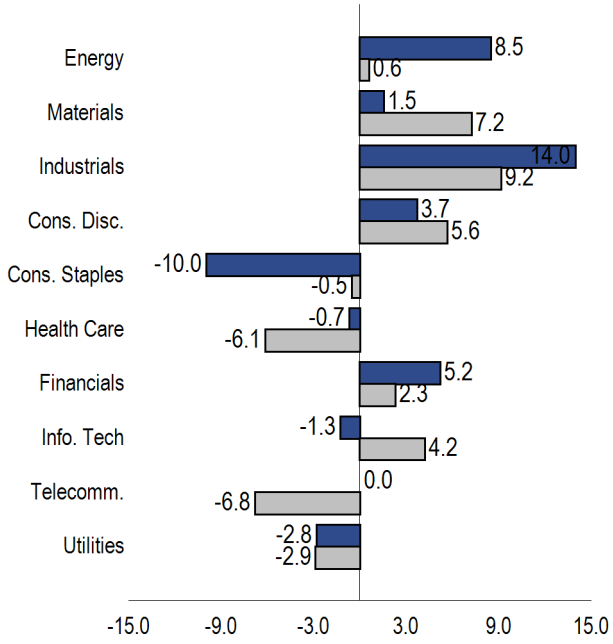
Ridgeworth Small Cap Value

As of December 31, 2012

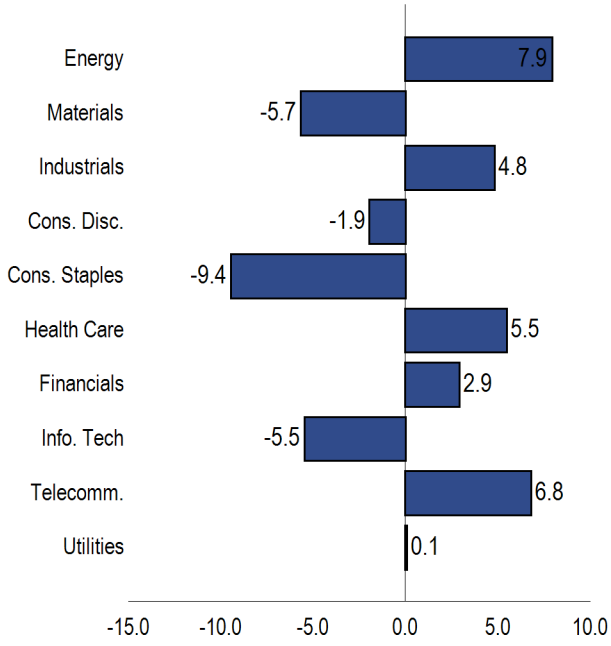
Sector Allocation (%) vs Russell 2000 Value



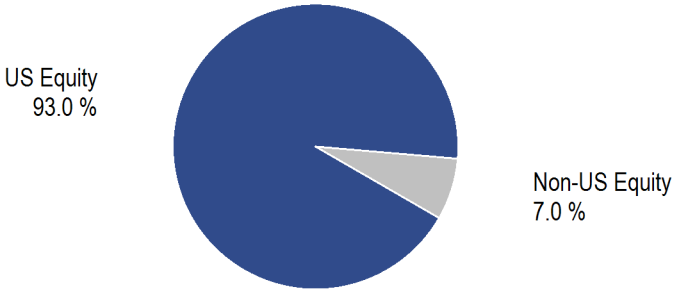
Sector Returns (%) vs Russell 2000 Value



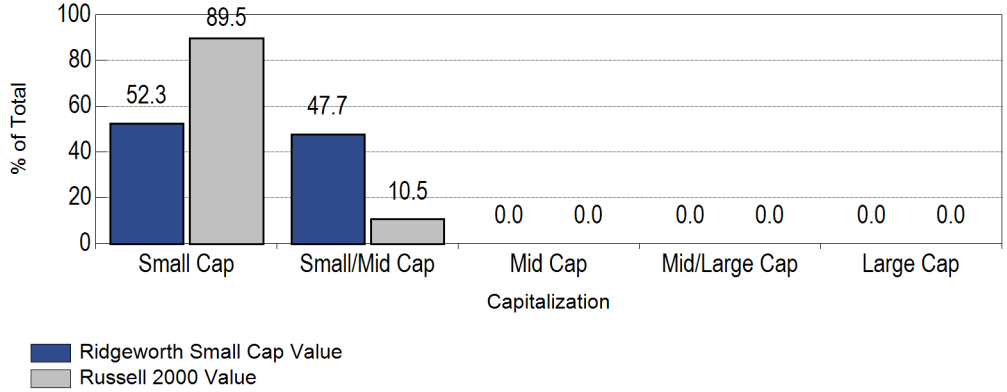
Sector Excess Returns (%) vs Russell 2000 Value



Current Allocation



Market Capitalization As Of December 31, 2012

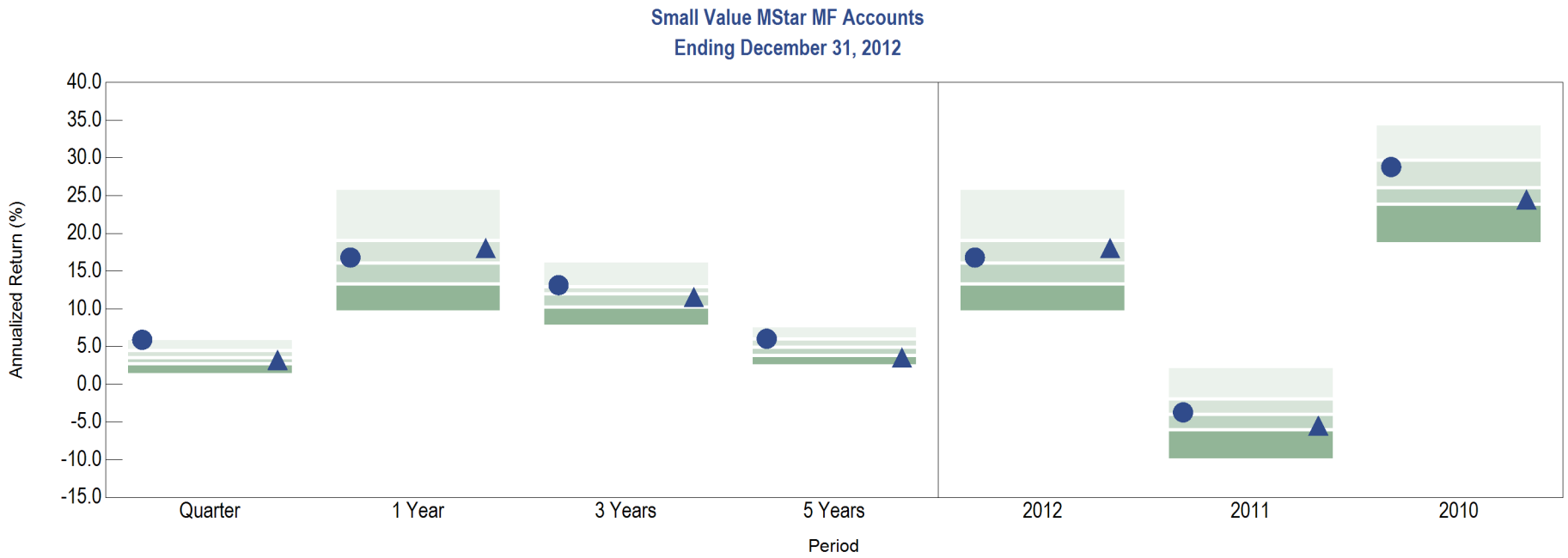


Ridgeworth Small Cap Value

As of December 31, 2012

Performance Summary

Annualized Returns	Dec-12	1 Yr	3 Yrs	5 Yrs	2012	2011	2010
Ridgeworth Small Cap Value	5.9%	16.8%	13.1%	6.0%	16.8%	-3.7%	28.8%
Russell 2000 Value	*3.2%*	*18.0%*	*11.6%*	*3.5%*	*18.0%*	*-5.5%*	*24.5%*
Over/Under	2.7%	-1.3%	1.6%	2.5%	-1.3%	1.8%	4.3%
Universe Median	3.5%	16.1%	12.0%	4.9%	16.1%	-4.0%	26.1%
Points in Universe	79	76	63	63	76	69	66
Universe Quartile Ranking							



Please note: All returns shown are net of fees, including mutual funds.

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Global Equities

Dodge & Cox Global

As of December 31, 2012

Manager Summary

- Focuses on identifying large, well-established companies across the globe that trade at a discount to their long-term profit opportunities.

- Emphasize fundamental research, attempting to understand risks facing businesses over a 3-5 year time horizon.

- Seek companies with solid management teams and strong, competitive franchises.

- Strategy tends to hold deep value stocks that may be out-of-favor in the short-term but offer good value for the long-term investor.

Top Ten Holdings

SANOFI	2.9%
HEWLETT-PACKARD	2.7%
ROCHE HOLDING	2.6%
MICROSOFT	2.5%
WELLS FARGO & CO	2.2%
LAFARGE	2.1%
SPRINT NEXTEL	2.0%
NASPERS	2.0%
CREDIT SUISSE GROUP N	1.9%
CHARLES SCHWAB	1.8%
Total For Top Ten Holdings	**22.7%**

Portfolio Information

	Portfolio	MSCI World
Number of Holdings	101	1,610
Weighted Avg. Market Cap. ($B)	62.67	75.79
Median Market Cap. ($B)	25.11	8.67
Price To Earnings	14.57	17.26
Price To Book	2.10	2.61
Price To Sales	1.60	1.90
Return on Equity (%)	11.27	16.46
Yield (%)	2.62	2.74
Beta	1.13	1.00

Country Allocation

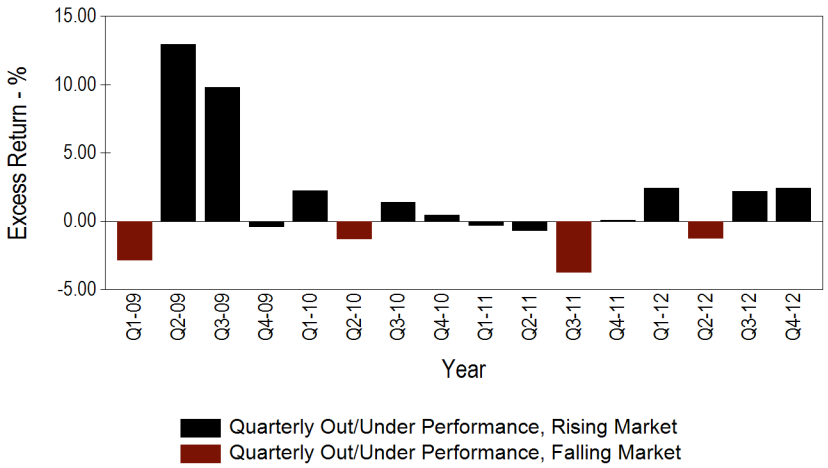
Versus MSCI World - Quarter Ending December 31, 2012

	Manager Ending Allocation (USD)	Index Ending Allocation (USD)
Top 5 Largest Countries		
United States	44.2%	52.5%
Switzerland	8.4%	3.7%
United Kingdom	8.4%	9.6%
France	6.5%	4.1%
Japan	6.0%	8.5%
Total-Top 5 Largest Countries	**73.7%**	**78.4%**
Totals		
Developed	88.0%	100.0%
Emerging*	10.0%	0.0%
Other	0.0%	
Cash	2.0%	

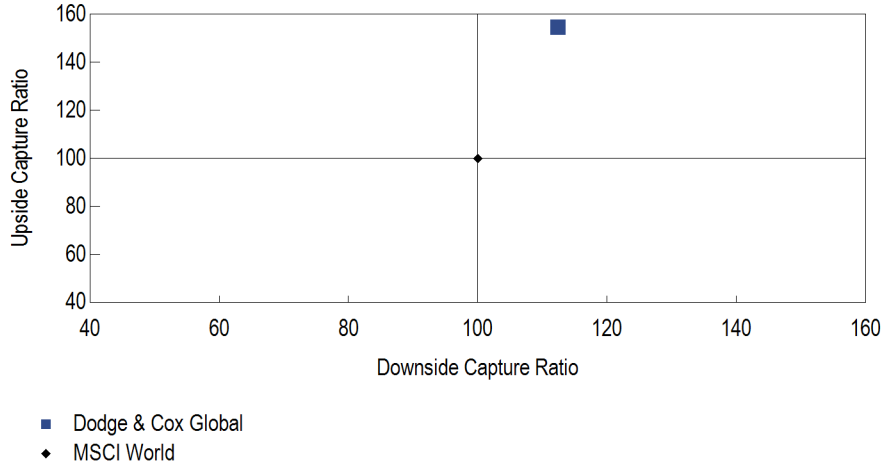
Dodge & Cox Global

As of December 31, 2012

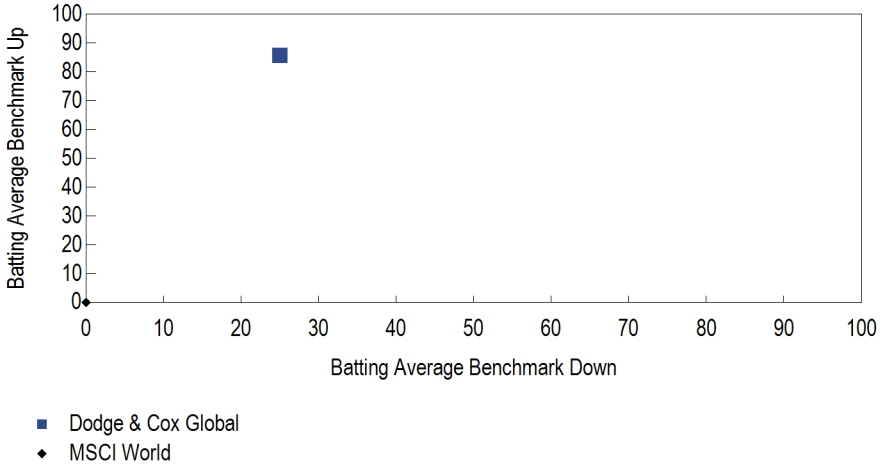
Quarterly Excess Performance



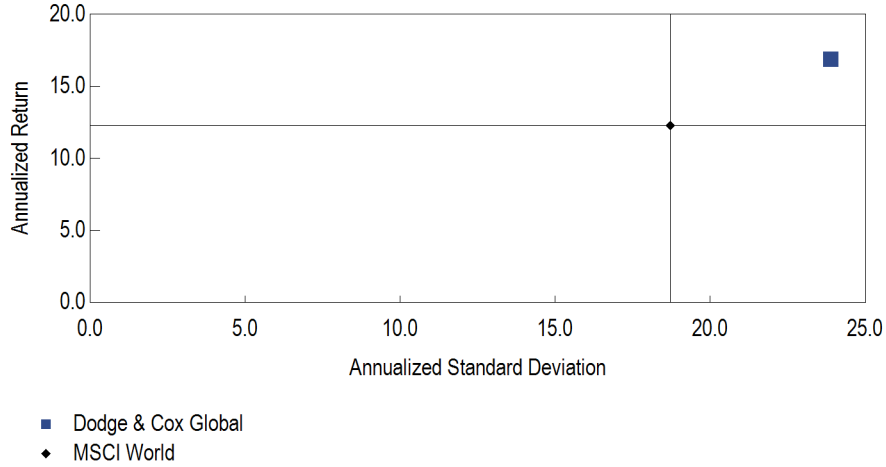
Upside Capture Ratio vs. Downside Capture Ratio
4 Years Ending December 31, 2012



Batting Average Benchmark Up vs. Batting Average Benchmark Down
4 Years Ending December 31, 2012



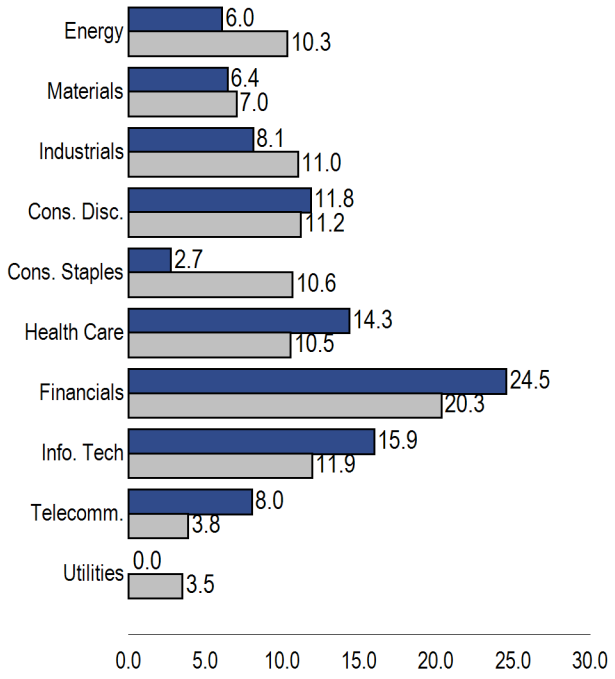
Annualized Return vs. Annualized Standard Deviation
4 Years Ending December 31, 2012



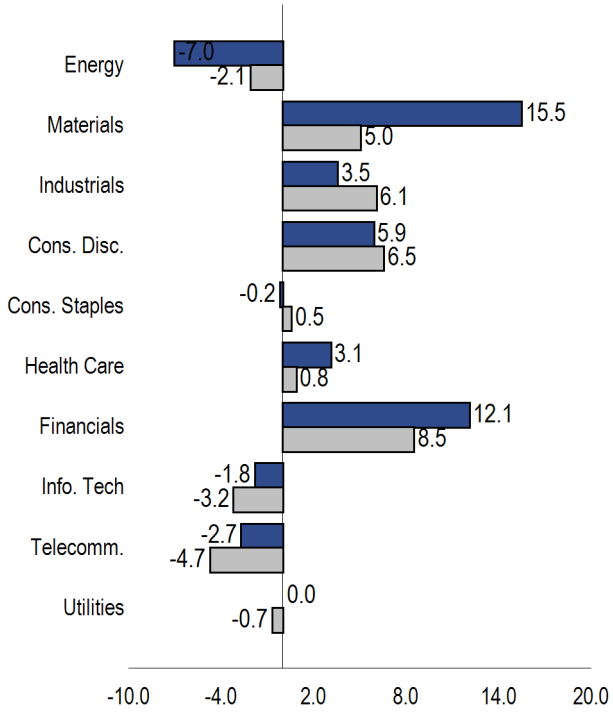
Dodge & Cox Global

As of December 31, 2012

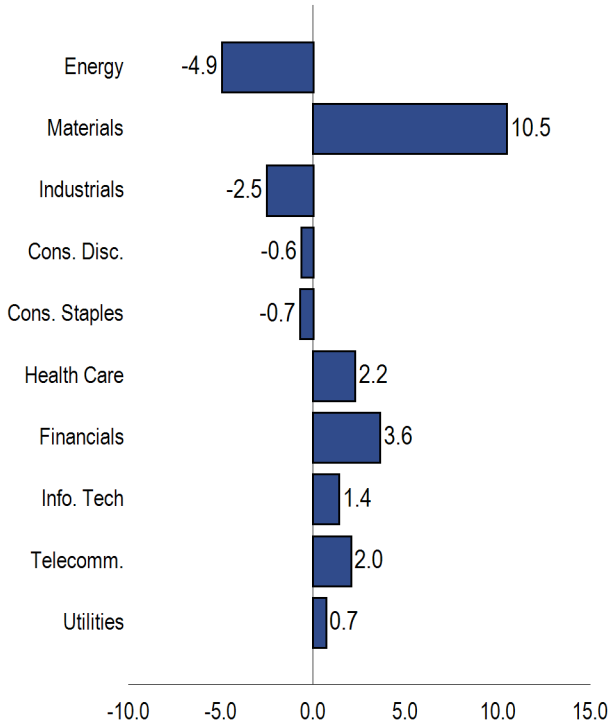
Sector Allocation (%) vs MSCI World



Sector Returns (%) vs MSCI World



Sector Excess Returns (%) vs MSCI World



Dodge & Cox Global
MSCI World

Best Performers

	Weight %	Return %
NOKIA (M:NOK1)	0.9%	49.2%
LIBERTY VENTURES 'A' (LVNTA)	0.0%	36.5%
BANK OF AMERICA (BAC)	1.6%	31.6%
BMW (D:BMW)	0.7%	30.9%
YAMAHA MOTOR (J:YM@N)	1.1%	25.9%

Worst Performers

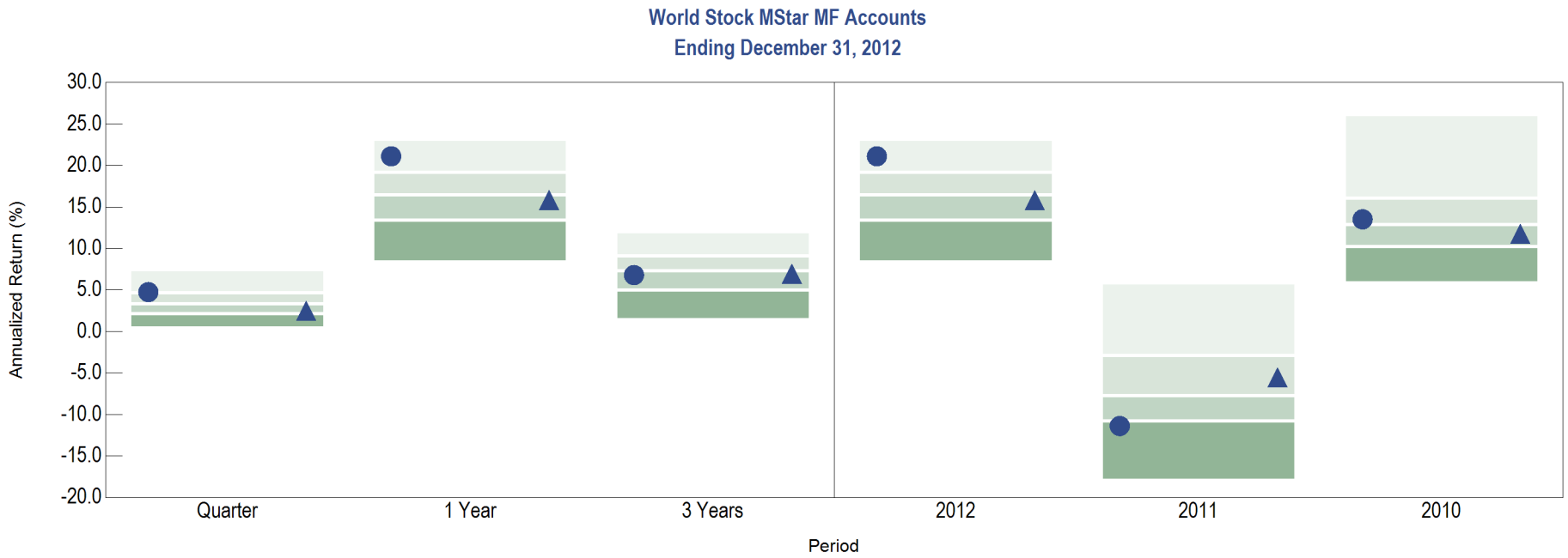
	Weight %	Return %
NIDEC (J:NDEN)	1.1%	-21.3%
PENNEY JC (JCP)	0.8%	-18.9%
NINTENDO (J:NNDO)	1.1%	-17.9%
HEWLETT-PACKARD (HPQ)	2.7%	-15.7%
PTRO.BRAO.ADR 1:2 (PBRA)	1.3%	-12.5%

Dodge & Cox Global

As of December 31, 2012

Performance Summary

Annualized Returns	Dec-12	1 Yr	3 Yrs	2012	2011	2010
Dodge & Cox Global	4.7%	21.1%	6.8%	21.1%	-11.4%	13.5%
MSCI World	*2.5%*	*15.8%*	*6.9%*	*15.8%*	*-5.5%*	*11.8%*
Over/Under	2.3%	5.3%	-0.1%	5.3%	-5.9%	1.7%
Universe Median	3.4%	16.5%	7.3%	16.5%	-7.7%	12.9%
Points in Universe	201	179	145	179	162	160
Universe Quartile Ranking						



Please note: All returns shown are net of fees, including mutual funds.

Harding Loevner Global Equity

As of December 31, 2012

Manager Summary

- Focuses on investing in high quality, growing companies that can be purchased at reasonable prices.

- Emphasizes four critical characteristics before a company is considered for purchase:
  - Capable management
  - Competitive advantages
  - Durable growth
  - Financial strength

- Seeks to understand companies from a fundamental perspective (bottom-up) and from an industry perspective (relative to peers).

Top Ten Holdings

EBAY	3.7%
WELLS FARGO & CO	3.5%
NESTLE SPN.ADR.REGD.SHS. ADR 1:1	2.9%
UNI CHARM	2.9%
FANUC	2.7%
MICROSOFT	2.5%
SCHLUMBERGER	2.5%
STANDARD CHARTERED	2.4%
EMERSON ELECTRIC	2.4%
DASSAULT SYSTEMES	2.1%
Total For Top Ten Holdings	**27.5%**

Portfolio Information

	Portfolio	MSCI ACWI
Number of Holdings	66	2,431
Weighted Avg. Market Cap. ($B)	68.74	70.82
Median Market Cap. ($B)	22.01	7.42
Price To Earnings	22.79	17.09
Price To Book	4.05	2.60
Price To Sales	2.96	1.90
Return on Equity (%)	21.13	16.75
Yield (%)	1.64	2.72
Beta	0.94	1.00

Country Allocation

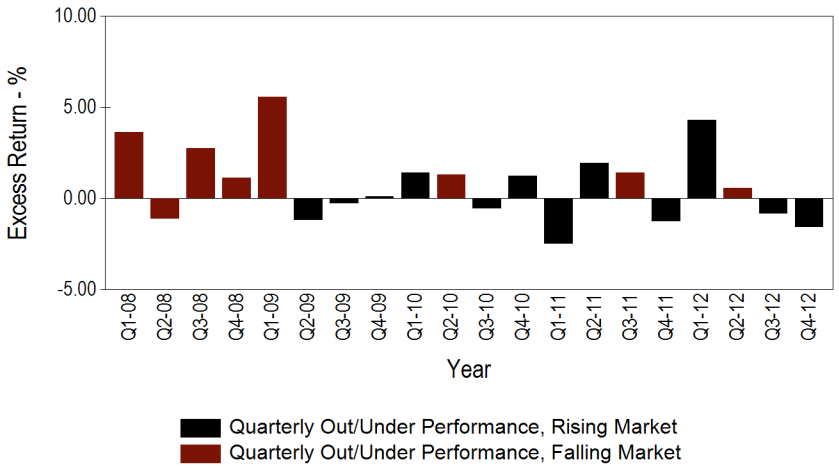
Versus MSCI ACWI - Quarter Ending December 31, 2012

	Manager Ending Allocation (USD)	Index Ending Allocation (USD)
Top 5 Largest Countries		
United States	52.5%	45.6%
Japan	9.2%	7.4%
Switzerland	7.2%	3.2%
United Kingdom	6.3%	8.4%
France	4.7%	3.5%
Total-Top 5 Largest Countries	**79.9%**	**68.1%**
Totals		
Developed	86.7%	86.9%
Emerging*	11.4%	13.1%
Other	0.0%	
Cash	1.8%	

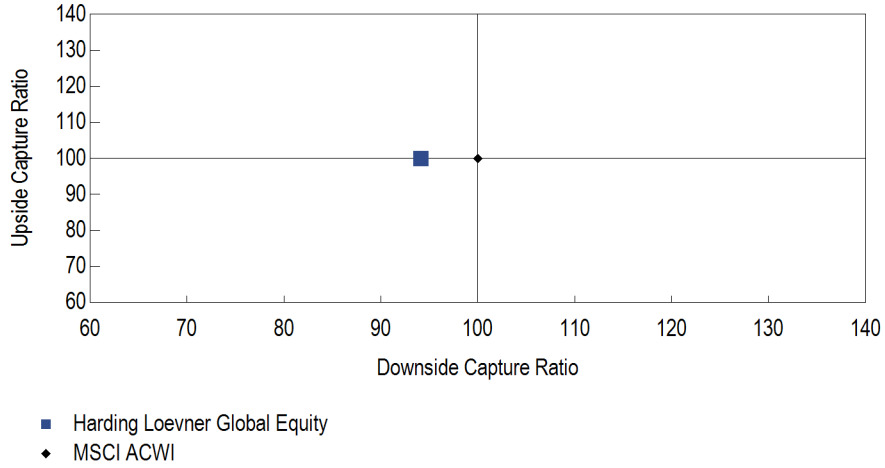
Harding Loevner Global Equity

As of December 31, 2012

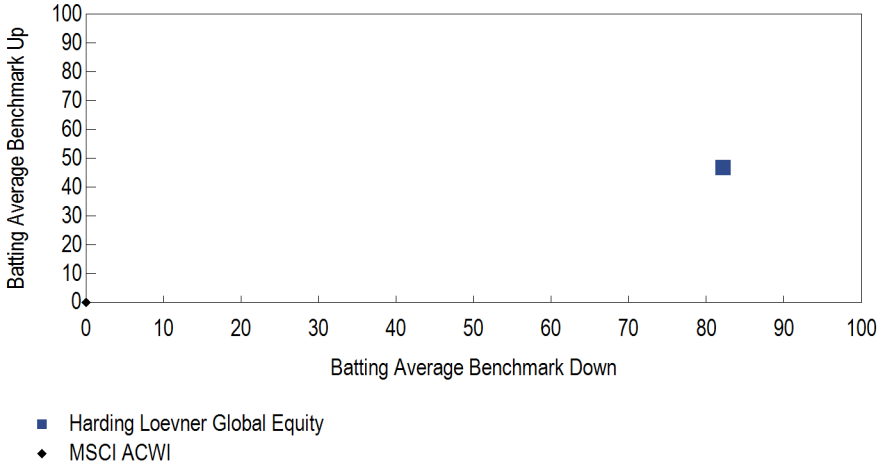
Quarterly Excess Performance



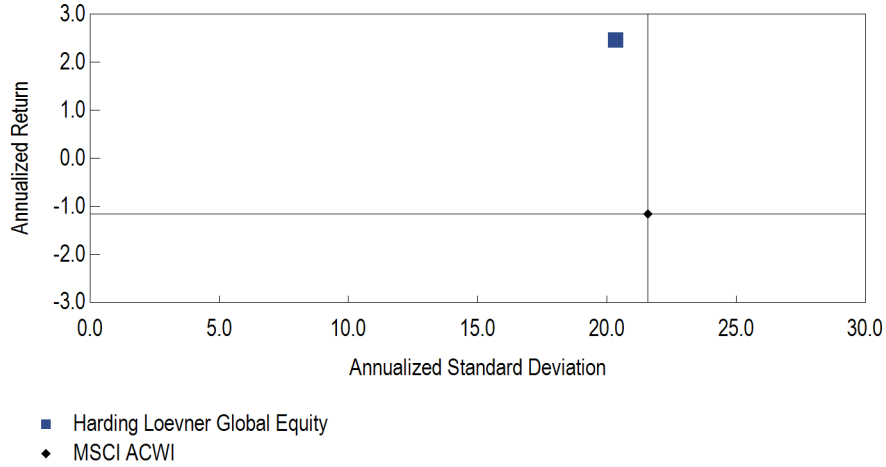
Upside Capture Ratio vs. Downside Capture Ratio
5 Years Ending December 31, 2012



Batting Average Benchmark Up vs. Batting Average Benchmark Down
5 Years Ending December 31, 2012



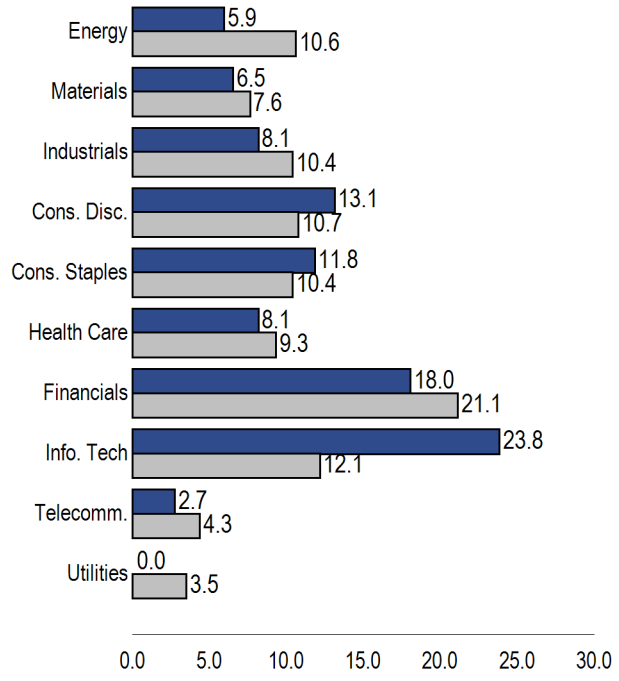
Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2012



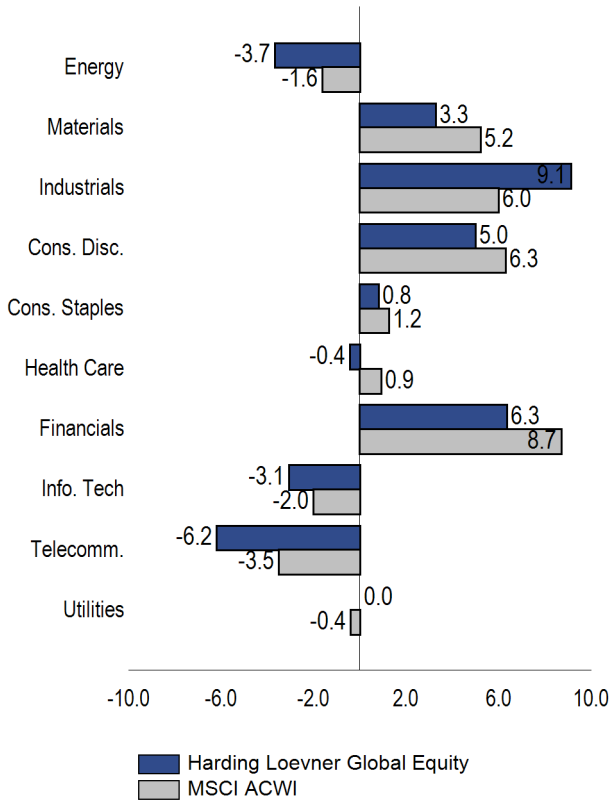
Harding Loevner Global Equity

As of December 31, 2012

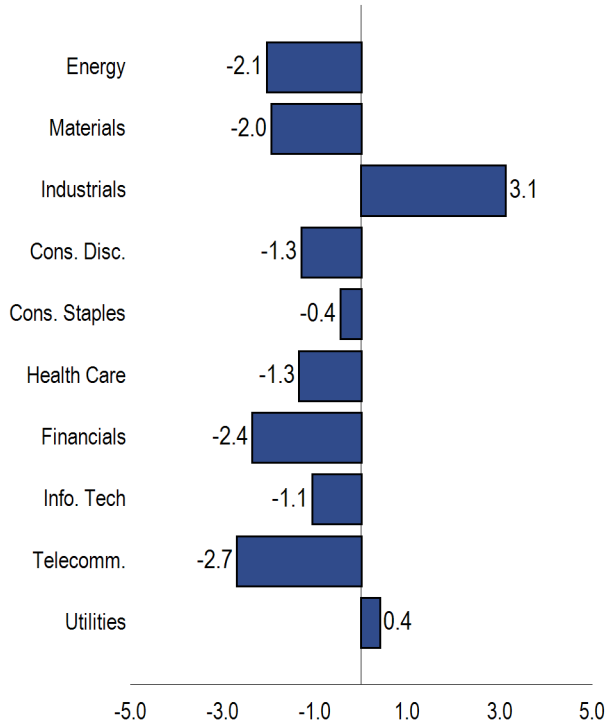
Sector Allocation (%) vs MSCI ACWI



Sector Returns (%) vs MSCI ACWI



Sector Excess Returns (%) vs MSCI ACWI



Best Performers

	Weight %	Return %
ARM HDG.SPN.ADR 1:3 (ARMH)	1.5%	35.2%
THE SWATCH GROUP 'B' (S:UHR)	1.3%	26.2%
TRIMBLE NAVIGATION (TRMB)	1.3%	25.4%
TKI.GARANTI BKSI.ADR. 1:1 (TKGBY)	1.6%	20.1%
COCHLEAR (A:COHX)	1.5%	17.6%

Worst Performers

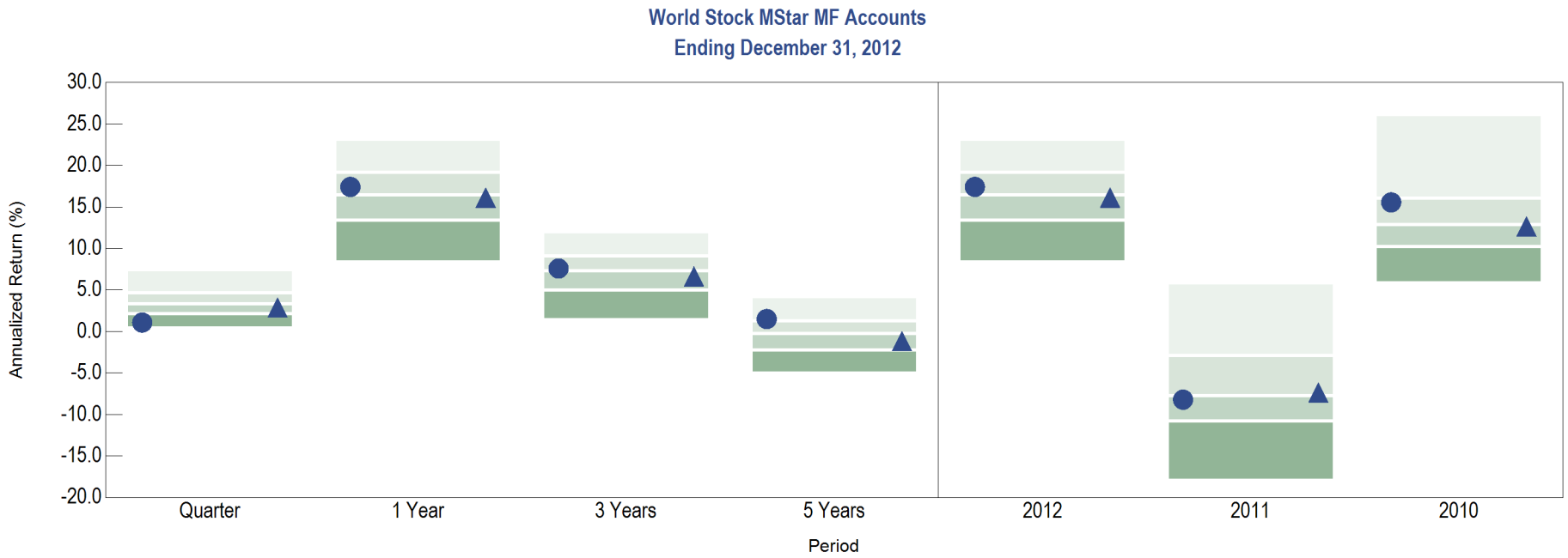
	Weight %	Return %
SHANDONG WEIGAO GP.MED. POLYMER 'H' (K:SDW)	0.2%	-22.7%
APPLE (AAPL)	1.8%	-19.8%
TERADATA (TDC)	1.6%	-17.9%
M3 (J:SNET)	1.0%	-16.4%
CITRIX SYS. (CTXS)	1.7%	-14.3%

Harding Loevner Global Equity

As of December 31, 2012

Performance Summary

Annualized Returns	Dec-12	1 Yr	3 Yrs	5 Yrs	2012	2011	2010
Harding Loevner Global Equity	1.1%	17.4%	7.6%	1.5%	17.4%	-8.2%	15.6%
MSCI ACWI	*2.9%*	*16.1%*	*6.6%*	*-1.2%*	*16.1%*	*-7.3%*	*12.7%*
Over/Under	-1.8%	1.3%	1.0%	2.7%	1.3%	-0.9%	2.9%
Universe Median	3.4%	16.5%	7.3%	-0.2%	16.5%	-7.7%	12.9%
Points in Universe	201	179	145	113	179	162	160
Universe Quartile Ranking							



Please note: All returns shown are net of fees, including mutual funds.

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Fixed Income

Wilmington Trust Fixed Income

As of December 31, 2012

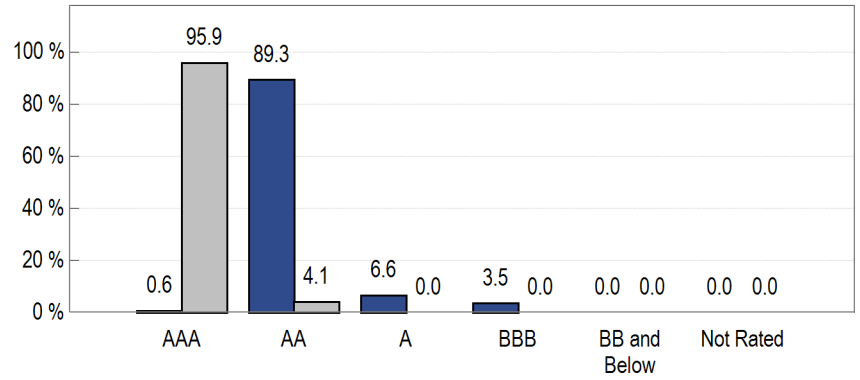
Manager Summary

- Strategy focuses equally on duration management, sector selection and yield curve exposure.

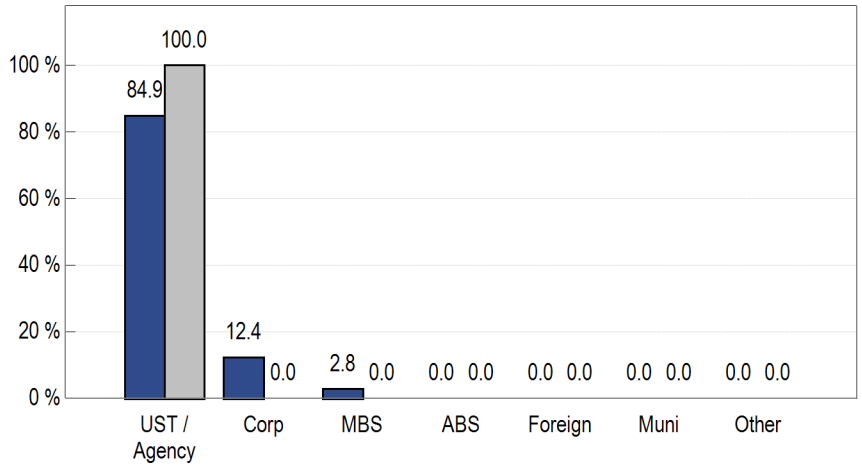
- Assess overall market environment and position portfolio to benefit from realistic expectations.

- Will actively trade, including analysis of technical factors, price momentum, interest rate outlook and yield curve movement.

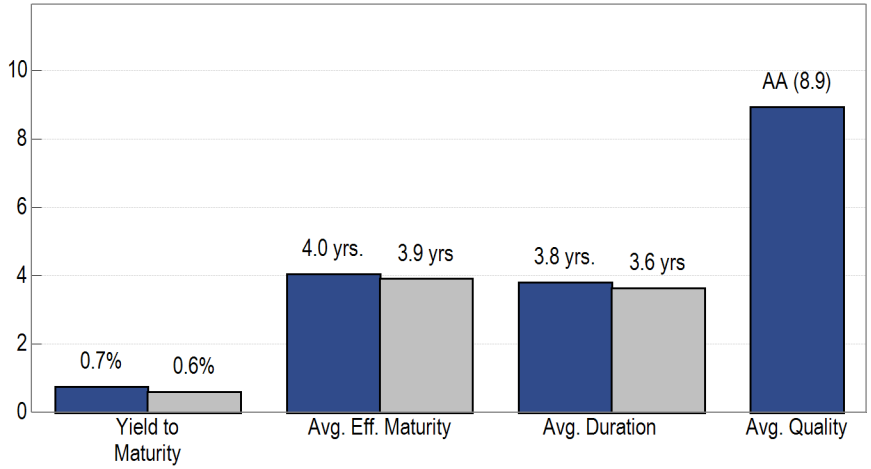
Quality Ratings
Wilmington Trust Fixed Income



Sectors
Wilmington Trust Fixed Income



Characteristics
Wilmington Trust Fixed Income

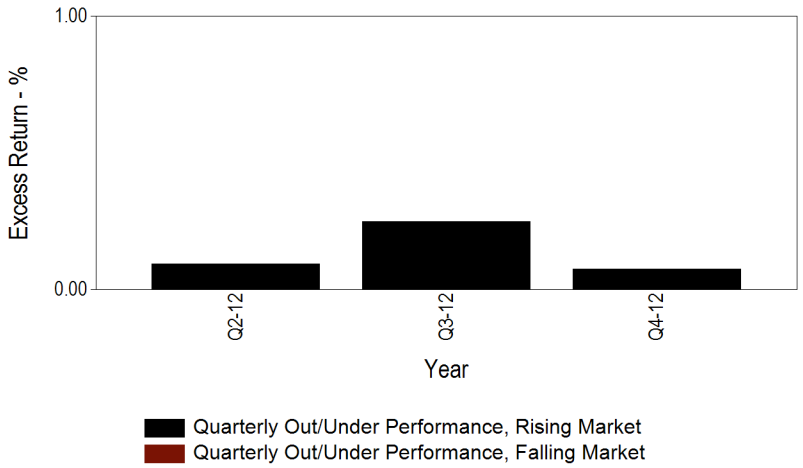


Wilmington Trust Fixed Income Barclays Int Govt.

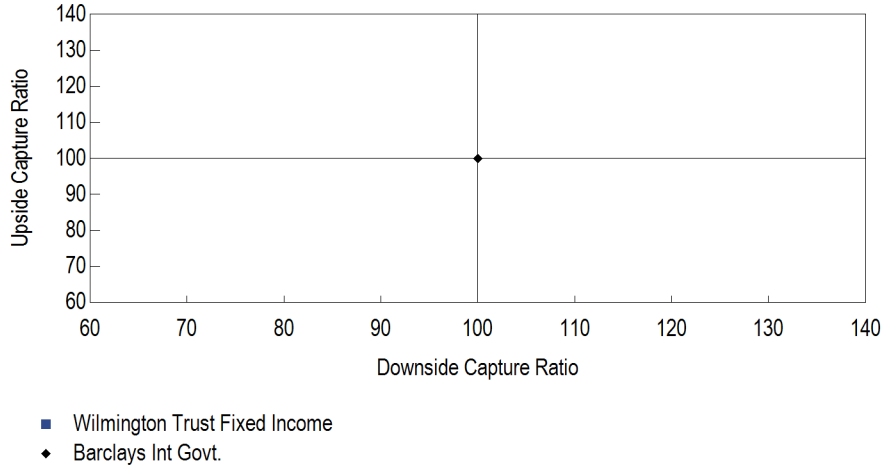
Wilmington Trust Fixed Income

As of December 31, 2012

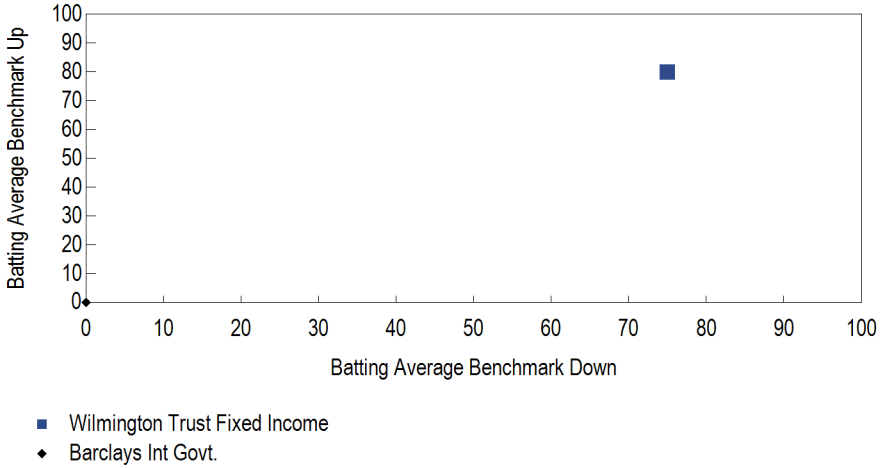
Quarterly Excess Performance



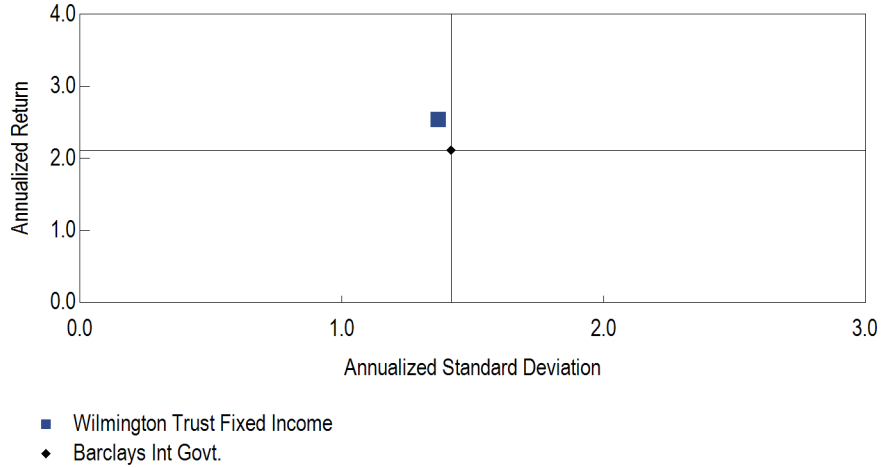
Upside Capture Ratio vs. Downside Capture Ratio
9 Months Ending December 31, 2012



Batting Average Benchmark Up vs. Batting Average Benchmark Down
9 Months Ending December 31, 2012



Annualized Return vs. Annualized Standard Deviation
9 Months Ending December 31, 2012



ENGINEERING DEPARTMENT

ADMINISTRATION	(302) 855-7718
AIRPORT & INDUSTRIAL PARK	(302) 855-7774
ENVIRONMENTAL SERVICES	(302) 855-7730
PUBLIC WORKS	(302) 855-7703
RECORDS MANAGEMENT	(302) 854-5033
UTILITY ENGINEERING	(302) 855-7717
UTILITY PERMITS	(302) 855-7719
UTILITY PLANNING	(302) 855-1299
FAX	(302) 855-7799

Sussex County
DELAWARE
sussexcountyde.gov

MICHAEL A. IZZO, P.E.
COUNTY ENGINEER

BRAD HAWKES
DIRECTOR OF UTILITY ENGINEERING

March 07, 2013

FACT SHEET

SUSSEX COUNTY PROJECT 81-04
AMERICANA BAYSIDE - DEL DOT SEGMENT 3, WITH PUMP STATION -
CONSTRUCTION PHASE 1
AGREEMENT NO. 672 - 1

DEVELOPER:
Mr. Doug Brown
Carl M. Freeman Communities
36097 Sand Cove Road
Selbyville, DE 19975

LOCATION:
East Sand Cove Road

SANITARY SEWER DISTRICT:
Fenwick Island Sanitary Sewer District

TYPE AND SIZE DEVELOPMENT:
Del Dot Segment 3,Mainline,Force main and a
Pump Station

SYSTEM CONNECTION CHARGES:
$0.00

SANITARY SEWER APPROVAL:
Sussex County Engineering Department Plan Approval
02/07/08

Department Of Natural Resources Plan Approval
08/22/08

SANITARY SEWER CONSTRUCTION DATA:
Construction Days – 60
Construction Admin And Construction Inspection Cost – $73,922.85
Proposed Construction Cost – $492,819.00

ENGINEERING DEPARTMENT

ADMINISTRATION	(302) 855-7718
AIRPORT & INDUSTRIAL PARK	(302) 855-7774
ENVIRONMENTAL SERVICES	(302) 855-7730
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Sussex County
DELAWARE
sussexcountyde.gov

MICHAEL A. IZZO, P.E.
COUNTY ENGINEER

BRAD HAWKES
DIRECTOR OF UTILITY ENGINEERING

March 26, 2013

PROPOSED MOTION

BE IT MOVED THAT BASED UPON THE RECOMMENDATION OF THE SUSSEX COUNTY ENGINEERING DEPARTMENT, FOR SUSSEX COUNTY PROJECT NO. 81-04, AGREEMENT NO. 672-1 THAT THE SUSSEX COUNTY COUNCIL EXECUTE A CONSTRUCTION ADMINISTRATION AND CONSTRUCTION INSPECTION AGREEMENT BETWEEN SUSSEX COUNTY COUNCIL AND "CARL M. FREEMAN COMMUNITIES", FOR WASTEWATER FACILITIES TO BE CONSTRUCTED IN "AMERICANA BAYSIDE- DEL DOT SEGMENT 3 ", LOCATED IN THE FENWICK ISLAND SANITARY SEWER DISTRICT.

ORDINANCE NO. 38
AGREEMENT NO. 672-1

TODD LAWSON
COUNTY ADMINISTRATOR

Sussex County Council

Delaware General Assembly Legislative Report

Prepared by:
Hal Godwin, Deputy County Administrator
March 26, 2013

Bill No.	Description and Purpose	Action
	2013 BILLS	
HB 14	This bill provides that any income and/or capital gain received from easements preserving agricultural land shall not be taxed for purposes of Delaware personal income taxes.	FYI
HB 27	This bill allows school taxes and property taxes to be collected by tax intercept. The current law specifically prohibits school taxes from being collected by tax intercept. Currently millions of dollars of property taxes are owed to school districts and local governments and such taxes are difficult to collect. Tax intercept programs have been successful in collecting child support and other obligations owed the State and will help collections for education and other taxes.	We supported this legislation last year and it nearly passed. We requested it again this year and it has been introduced and released from Committee as of 3/13/13.
HB 44	This bill permits a real property owner or tenant to display an American flag on a pole attached to the exterior of the property's structure or on a flagpole located within the property's boundaries, provided the flagpole does not exceed 25 feet in height and conforms to all setback requirements. Any and all community restrictions to the contrary will not be enforceable.	This legislation would circumvent local zoning laws.

No Number Issued at this time	This Act is the first leg of a constitutional amendment that will remove the offices of Clerks of the Peace from the State Constitution and remove the requirement to elect the Clerks of the Peace	Bill not introduced yet, item for our discussion

SPONSOR: Rep. Carson & Sen. Ennis
Reps. Briggs King, Kenton, Miro, Outten, Paradee, Peterman, Ramone, D. Short, Spiegelman; Sens. Hall-Long, Hocker, Pettyjohn

HOUSE OF REPRESENTATIVES
147th GENERAL ASSEMBLY

HOUSE BILL NO. 14

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO PERSONAL INCOME TAX.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend §1110, Title 30 of the Delaware Code by making insertions as shown by underlining as follows:

(d) For tax years after December 31, 2012 a resident shall be allowed an exemption on all income and/or capital gains received from the sale or granting of an agricultural lands preservation easement pursuant to Chapter 9, Title 3 of this Code or from the sale or granting of an easement through any county, state or federal program in which land is preserved for agricultural purposes.

SYNOPSIS

This bill provides that any income and/or capital gain received from easements preserving agricultural land shall not be taxed for purposes of Delaware personal income taxes.

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Bill Tracking
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Recent Legislation
Signed Legislation
Calendar
Reports:
By Sponsor
By Status
By Date Introduced
By Date Signed
Activity Report
Agenda Report
Archives
Contact Info
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147th General Assembly
House Bill # 14

Primary Sponsor: Carson

Additional Sponsor(s): Sen. Ennis Reps. Briggs King Kenton Miro Outten Paradee Peterman Ramone D. Short Spiegelman Sens. Hall-Long Hocker Pettyjohn

CoSponsors: { NONE...}

Introduced on : 01/10/2013

Long Title: AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO PERSONAL INCOME TAX.

Synopsis: This bill provides that any income and/or capital gain received from easements preserving agricultural land shall not be taxed for purposes of Delaware personal income taxes.

Current Status: House Appropriations Committee **On** 01/24/2013

Full text of Legislation: (in HTML format) Legis.html Email this Bill to a friend

Full text of Legislation: (in MS Word format) Legis.Docx (Microsoft Word is required to view this document.)

Fiscal Notes/Fee Impact: F/N (Complete)

Amendments: HA 1 to HB 14 - PWB

Committee Reports:

House Committee Report 01/23/13 F=0 M=7 U=3---->

Fiscal Notes:

Fiscal Note------->

Actions History:

Jan 24, 2013 - Assigned to Appropriations Committee in House
Jan 23, 2013 - Reported Out of Committee (REVENUE & FINANCE) in House with 7 On Its Merits, 3 Unfavorable
Jan 22, 2013 - Amendment HA 1 - Introduced and Placed With Bill
Jan 10, 2013 - Introduced and Assigned to Revenue & Finance Committee in House

SPONSOR: Rep. D. Short & Rep. Scott & Sen. Pettyjohn; Reps. Briggs King, Dukes, Gray, Kenton, Miro, Smyk, Spiegelman, Wilson, Baumbach, Bolden, Carson, Q. Johnson, Keeley, Potter; Sens. Lavelle, Hocker, Lopez, Peterson, Simpson, Sokola, Townsend

HOUSE OF REPRESENTATIVES
147th GENERAL ASSEMBLY

HOUSE BILL NO. 27

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO STATE TAXES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 545(b)(1), Title 30 of the Delaware Code by making insertions as shown by underlining as follows:

(b) Definitions. -- For purposes of this section:

(1) "Claimant agency" means:

a. Any department or agency of the State, including the University of Delaware, Delaware State University and Delaware Technical and Community College, ~~but not school districts of this state,~~ with respect to any debt owed to it and any political subdivision or school district of this State, with respect to property taxes owed to it; and

SYNOPSIS

This bill allows school taxes and property taxes to be collected by tax intercept. The current law specifically prohibits school taxes from being collected by tax intercept. Currently millions of dollars of property taxes are owed to school districts and local governments and such taxes are difficult to collect.

Tax intercept programs have been successful in collecting child support and other obligations owed the State and will help collections for education and other taxes.

governing the time, place, size, number or manner of those displays. Unless the declaration provides otherwise during the first 2 years of the period of declarant control, no rule may prohibit the right of a unit owner to display a "For Sale" sign, measuring up to 12 inches by 18 inches (12/'/' x 18/'/'), on the exterior wall of the unit owner's unit or the limited common elements appurtenant to that unit. Unless the declaration provides otherwise, the "For Sale" sign shall be entitled "For Sale" and may contain such information as accurately describes the unit and any applicable names, addresses and phone numbers of the person or persons who are offering the unit for sale.

SYNOPSIS

This bill permits a real property owner or tenant to display an American flag on a pole attached to the exterior of the property's structure or on a flagpole located within the property's boundaries, provided the flagpole does not exceed 25 feet in height and conforms to all setback requirements. Any and all community restrictions to the contrary will not be enforceable.

SPONSOR: Rep. Hudson

HOUSE OF REPRESENTATIVES
147th GENERAL ASSEMBLY

HOUSE BILL NO.

AN ACT PROPOSING AN AMENDMENT TO ARTICLE III, SECTION 22 OF THE DELAWARE CONSTITUTION OF 1897, AS AMENDED, RELATING TO CLERKS OF THE PEACE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Two-thirds of all members elected to each house thereof concurring therein):

Section 1. Amend § 22, Article III of the Delaware Constitution of 1897, as amended, by making deletions as shown by strikethrough as follows:

Section 22. The terms of office of ~~Clerks of the Peace,~~ Registers of Wills, Recorders, and Sheriffs shall be 4 years. These officers shall be chosen by the qualified electors of the respective counties at general elections, and be commissioned by the Governor.

Section 2. This Act shall be effective upon the end of the term of office for each Clerk of the Peace that has been elected prior to this act.

SYNOPSIS

This Act is the first leg of a constitutional amendment that will remove the offices of Clerks of the Peace from the State Constitution and remove the requirement to elect the Clerks of the Peace.

TODD F. LAWSON
COUNTY ADMINISTRATOR

(302) 855-7742 T
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tlawson@sussexcountyde.gov

Sussex County
DELAWARE
sussexcountyde.gov

Memorandum

TO: Sussex County Council
The Honorable Michael H. Vincent, President
The Honorable Samuel R. Wilson, Jr., Vice President
The Honorable George B. Cole
The Honorable Joan R. Deaver
The Honorable Vance C. Phillips

FROM: Todd F. Lawson
County Administrator

RE: Fair Housing Plan Progress

DATE: March 25, 2013

During Tuesday's Council meeting, Brandy Nauman and Stephanie Hansen will provide you an update on the County's Fair Housing Plan.

As you are aware, there are several time-specific benchmarks we must meet to remain in compliance with our agreements. Some of those benchmarks are approaching and will be discussed during Tuesday's meeting.

Please note, no action is required of Council on Tuesday, this is simply an update on our progress.

In preparation for that discussion, I wanted to give you a snapshot of the topics and documents we will explore. Attached to this memo, please find:

1. **"Affordable Housing Strategies for Consideration Memo"**
    a. This is a memo from Brandy outlining strategies we have identified the Council may want to consider in the future.
    b. The strategies are for discussion purposes only, Council is not required to take action on the strategies.
    c. Recommending strategies is required by the HUD Voluntary Compliance Agreement (VCA).

2. **"Sussex County Affordable and Fair Housing Marketing Plan"**
    a. This is the draft County's Fair Housing Marketing Plan.
    b. The plan must be submitted to DSHA and HUD for review.

c. The plan is required by the HUD VCA.

3. **"Moderately Priced Housing Unit (MPHU) Draft Ordinance Amendment"**
   a. This is a draft ordinance to amend the MPHU program's median income level from 80%-125% to 50%-125%.
   b. The Ordinance must be introduced for consideration.
   c. This proposed change is a requirement of both the HUD VCA and DOJ Consent Decree.

If you have any questions, please don't hesitate to ask.

TFL/kac

Attachments

pc: Brad Whaley, Director of CDH
Brandy Nauman, FHCO
Stephanie Hansen

BRANDY BENNETT NAUMAN
HOUSING COORDINATOR &
FAIR HOUSING COMPLIANCE OFFICER
(302) 855-7777 T
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Sussex County
DELAWARE
sussexcountyde.gov

MEMORANDUM

TO: Sussex County Council
The Honorable Michael H. Vincent, President
The Honorable Samuel R. Wilson, Vice President
The Honorable George B. Cole
The Honorable Joan R. Deaver
The Honorable Vance Phillips
Todd Lawson, County Administrator

FROM: Brandy Nauman, Fair Housing Compliance Officer

RE: Affordable Housing Strategies for Consideration

DATE: March 22, 2013

On Tuesday, March 26, 2013, I present successful affordable housing strategies in other locales which may be similar in jurisdiction and authority to Sussex County. These strategies are items for consideration as a means to expand our existing affordable housing programs to improve their access and impact to residents. Below is a summarized listing of the items that will be discussed.

1. Anti-NIMBY Policy
    a. Expand the County's Fair Housing Policy to include an Anti-NIMBY policy
        i. Clarify the County's position on affordable housing
        ii. Require that all public speakers at County public hearings sign an acknowledgement that "Sussex County, in its zoning and land use decisions, does not discriminate against persons based on race, color, religion, national origin, disability, familial status, or sex."
2. Inclusionary Zoning
    a. Option 1: Amend the existing Moderately Priced Housing Unit (MPHU) and Sussex County Rental Program (SCRP) Ordinances from voluntary participation to mandatory in Levels 1 & 2.
    b. Option 2: Amend the existing Moderately Priced Housing Unit (MPHU) and Sussex County Rental Program (SCRP) Ordinances to improve bonuses and incentives offered to developers.
        i. Waive or reduce impact/permitting fees for affordable units or;

        ii. Defer payment of impact/permitting fees for affordable units until developer receives Certificate of Occupancy or;
        iii. Allow for design flexibility of affordable units (i.e. setbacks, variances)
3. Training
    a. Offer periodic fair housing training to municipal officials/staff, lenders, and Realtors.
4. Foreclosed Subdivisions
    a. Identify projects for developers to purchase foreclosed subdivisions for the provision of affordable housing.
5. Affordable Housing Outreach
    a. The County will consider drafting a letter to affordable housing developers supporting affordable housing located in areas identified by DSHA as appropriate for affordable housing.
    b. Develop a team of County employees from various departments (i.e. CD&H, P&Z, Economic Development, Administration) to connect affordable housing developers with existing incentive programs available from the State and non-profit organizations.
6. Brownfields
    a. County would agree to explore the possibility that Brownfields redevelopment in the County may provide a mechanism to develop additional affordable housing.

Thank you.

-DRAFT-

Sussex County Affordable and Fair Housing Marketing Plan

I. Mission Statement

It is Sussex County's mission to promote non-discrimination and ensure fair and equal housing opportunities for all. Further, to inform housing developers and the general public that the County supports the development of affordable housing opportunities in Sussex County.

II. The Fair Housing Act Summary

A. The Fair Housing Act prohibits discrimination in housing because of:

1. Race or color;

2. National origin;

3. Religion;

4. Sex;

5. Familial status (families with children under the age of 18, or who are expecting a child); or

6. Handicap (If you or someone close to you has a disability).

The Delaware Code enlarges this list to include creed, marital status, and age.

B. The Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use of a broker and housing operated by organizations and private clubs that limit occupancy to members.

C. What is Prohibited. In the Sale and Rental of Housing: no one may take any of the following actions based on race, color, national origin, religions, sex, familial status or handicap (disability);

1. Refuse to rent or sell housing;

2. Refuse to negotiate for housing;

3. Make housing unavailable;

4. Deny a dwelling;

5. Set different terms, conditions or privileges for sale or rental of a dwelling;

6. Provide different housing services of facilities;

7. Falsely deny that housing is available for inspection, sale or rental;

8. For profit, persuade owners to sell or rent (blockbusting); or

9. Deny anyone access to membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

D. In Mortgage Lending: No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap (disability):

1. Refuse to make a mortgage loan;

2. Refuse to provide information regarding loans;

3. Impose different terms or conditions on a loan, such as different interest rate, points, or fees;

4. Discriminate in appraising property;

5. Refuse to purchase a loan; or

6. Set different terms or conditions of purchasing a loan.

E. In addition: It's illegal for anyone to:

1. Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right; and

2. Advertise or make any statement that indicates a limitation or preference based on race, color, national origin, religion, sex, familiar status, or handicap. This prohibition against discriminatory advertising applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.

F. Additional Protection If You Have a Disability: If you or someone associated with you:

1. Have a physical or mental disability (including hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex and mental retardation) that substantially limits one or more major life activities;

2. Have a record of such a disability; or

3. Are regarded as having such a disability, your landlord may not:

a. Refuse to let you make reasonable modifications to your dwelling or common use areas, at your expense, if necessary for the disabled person to use the housing. (Where reasonable, the landlord may permit changes only if you agree to restore the property to its original condition when you move.)

b. Refuse to make reasonable accommodations in rules, policies, practices or services if necessary for the disabled person to use the housing.

However, housing need not be made available to a person who is a direct threat to the health or safety of others or who currently uses illegal drugs.

G Requirements of New Buildings: In buildings that are ready for first occupancy after March 13, 1991, and have an elevator or four or more units:

1. Public and common areas must be accessible to persons with disabilities.

2. Doors and hallways must be wide enough for wheelchairs.

3. All units must have:

a. An accessible route into and through the unit;

b. Accessible switches, electrical outlets, thermostats and other environmental controls;

c. Reinforced bathroom walls to allow later installation of grab bars and

d. Kitchen and bathrooms that can be used by people in wheelchairs.

If a building with four or more units has no elevator and will be ready for first occupancy after March 13, 1991, these standards apply to ground floor units.

These requirements for new buildings do not replace any more stringent standards in State or Local law.

H. Housing Opportunities for Families: Unless a building or community qualifies as housing for older persons, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under 18 live with:

1. A parent;

2. A person who has legal custody of the child or children, or

3. The Designee of the parent or legal custodian, with the parent or custodian's written permission.

Familial status protection also applies to pregnant women and anyone securing legal custody of a child under 18.

Exemption: Housing for older persons is exempt from the prohibition against familial status discrimination if:

1. The U.S. Department of Housing and Urban Development (HUD) Secretary had determined that it is specifically designed for and occupied by elderly persons under a Federal, State or Local government program;

2. It is occupied solely by persons who are 62 years or older;

3. It houses at least one person who is 55 or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates an intent to house persons who are 55 or older.

A transition period permits resident on or before September 13, 1988 to continue living in the housing, regardless of their age, without interfering with the exemption.

I. If you think your rights have been violated: Please visit HUD's website at www.hud.gov for the most accurate and up-to-date information. HUD is ready to help with any problem of housing discrimination. If you think your rights have been violated, the Housing Discrimination Complaint Form is available for you to download, complete and return, or complete online and submit, or you may write a letter or telephone the HUD office nearest you. You have one year after the alleged violation to file a complaint with HUD, but you should file it as soon as possible.

1. What to tell HUD

a. Your name and address;

b. The name and address of the person your complaint is against (the respondent);

c. The address or other identification of the housing involved;

d. A short description of the alleged violation (the event that caused you to believe your rights were violated); and

e. The date(s) of the alleged violation.

2. Where to write or call: Send a letter to the fair housing office nearest you, or if you wish, you may call that office directly.

a. For Delaware:

Wilmington Field Office
U.S. Dept. of Housing and Urban Development
920 North King Street, Suite 404
Wilmington, DE 19801-3016

Telephone: (302) 573-6300
Fax: (302) 573-6259
Email: DE_Webmanager@hud.gov

3. If you are disabled: HUD also provides:

a. A TTY phone for the deaf/hard of hearing users

b. Interpreters

c. Tapes and Braille materials

d. Assistance in reading and completing forms

To learn more on what happens after you file a complaint, please visit HUD's website at www.hud.gov for the most accurate and up-to-date information.

III. Historical Housing Information

A. What Sussex County has Done to Affirmatively Further Fair Housing

1. How Long CD&H has Been in Existence

Sussex County's Department of Community Development & Housing was created 24 years ago when the Delaware State Housing Authority (DSHA) made the Community Development Block Grant (CDBG) program available to local government jurisdictions.

2. Specific County Accomplishments

a. Discussion of the Moderately Priced Housing Unit (MPHU) Program and the Sussex County Rental Program (SCRP)

1. In 2006, the County created the Moderately Priced Housing Unit Program (MPHU), which focuses on integrating affordable housing units within a market-rate development. The program focuses on providing housing to households with incomes between 80% and 120% of AMI. In 2006, County Council approved the first project for participation in the program, The Villages of Elizabethtown, located in Milton. In 2008, the Council approved five additional projects for the program in Dagsboro, Georgetown (x2), and Ellendale (x2) generating 180 more affordable units for the program.
2. In 2008, the County created the Sussex County Rental Program (SCRP), which integrates affordable rental housing within a market-rate rental project. The program focuses on providing housing to households with incomes between 30% and 80% of the AMI. In July 2009, County Council approved the first project for participation in the program, The Arbors of Cottagedale. The project was proposed just outside of Lewes and would provide twenty-six (26) affordable rental units.
3. The MPHU and SCRP program applications/Request for Proposal processes were amended to include point incentives for Universal Design and Good Neighborhood Design features.

b. Discussion of the Neighborhood Stabilization Program I (NSP 1) and the Neighborhood Stabilization Program II (NSP 2)

1. In 2008, the County was awarded $2 million in Neighborhood Stabilization Program I (NSP 1) funding through the Housing and Economic Recovery Act of 2008 stimulus package. NSP 1 funding was designed to stabilize distressed neighborhoods by assisting low- and moderate-income homebuyers purchase foreclosed homes. HUD designated five targeted zip codes in Sussex County for NSP 1: 19956 (Laurel), 19973 (Seaford), 19947 (Georgetown), 19950 (Greenwood), and 19963 (Milford). The County assisted thirty-one (31) households with the funding. Sussex County also exceeded the HUD requirement to spend 25% of funds ($500,000) on those households at or below 50% of Area Median Income (AMI), by directing $1.1 million on those households. The County partnered with three non-profit affordable housing providers, as well as administered their own NSP homebuyer assistance model.
2. In 2009, the County was awarded $939,204 in Neighborhood Stabilization Program II (NSP 2) through the American Recovery and Reinvestment Act (ARRA) of 2009. Like NSP 1, NSP 2 was created to continue the work of stabilizing neighborhoods by incentivizing the purchase of foreclosed homes in communities that have been negatively affected by foreclosure. HUD targeted five census tracts in Sussex County for NSP 2 funding: 509 (Milton/Lewes area), 510.01 (Lewes/Rehoboth), 511 (Rehoboth/Dewey Beach), 507.02 (Millsboro/Long Neck area), and 501.02 (Lincoln/Milford area). To-date, the County has assisted nine (9) households with the funding. The County partnered with two local non-profit housing developers to help spread the funding efficiently to those most in need, as well as utilizing their own NSP homebuyer assistance model.

c. Discussion of use of Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Housing Preservation Grant (HPG)

1. For over 20 years, the Community Development & Housing Department has administered the Community Development Block Grant Program (CDBG). The office uses the funds to protect and support the most vulnerable residents of the County. The funds are primarily used for the rehabilitation of income-eligible owner-occupied properties, home modifications for persons with disabilities, water/sewer hookups, demolitions, and small infrastructure projects. The County applies for CDBG funds on behalf of municipalities and rural communities across the County. In addition to the County Council, all participating towns are required to sign an affirmatively furthering fair housing resolution.

2. The County also uses Housing Preservation Grant (HPG) funds from the U.S. Department of Agriculture Rural Development and HOME Investment Partnerships Program (HOME) funds from HUD for the rehabilitation of income-eligible owner-occupied properties.
3. Annually, CD&H assists approximately 130 households with CDBG, HOME, and HPG funds.

d. Use of County Council Grant Funding and General Funding for Infrastructure in Impacted Communities.

1. Through Sussex County's Human Service Grant program, the County Council provides numerous grants to various agencies annually that promote and advocate for affordable, fair housing, and other humanitarian efforts. Some of these organizations include, Delaware Housing Coalition, La Esperanza, Habitat for Humanity, NCALL Research, First State Community Action, Sussex Housing Group, and DCRAC. The Human Service Grant funding also allows rural communities to seek small infrastructure improvement grants like, funding for streetlights, road improvements, handicap accessibility, and community clean-ups.
2. Sussex County Council also provides funding for CD&H to assist with emergency housing rehabilitations, typically an average of $60,000 annually. This funding goes primarily towards assisting low- and moderate-income owner-occupied properties with rehabilitations, but has also assisted rural communities with improvements to their community centers.

e. Discussion of County Vacant Properties.

Sussex County owns two (2) vacant properties that were purchased in preparation for future County Airport Runway expansion. Since the expansion was not expected to take place for several years, the County created a RFP process that encouraged local non-profit housing providers to submit plans for the use of the vacant homes. The County elected to award Sussex County Habitat for Humanity the vacant homes to lease. One of the homes would provide housing to future Habitat families that were currently in substandard housing and needed safe housing until their Habitat home was completed. The second home would house AmeriCorps volunteers that work with Habitat for Humanity in the construction of homes.

f. Discussion of Foreclosure Prevention Efforts.

CD&H collaborates with the Attorney General and Office of State Bank Commissioner to provide consumer education events pertaining to foreclosure prevention. These events take place every month in areas of the County most hard hit by the foreclosure crisis. The Department also records and monitors monthly foreclosure filing and Sheriff Sale data.

IV. Outreach Activities

A. Description of Specific Outreach Activities

1. Sussex County's Efforts.

a. The County will encourage developers to affirmatively market their units to diverse populations by making it clear in the County's comments during the PLUS process on the development proposal that this is the County's policy. (Timetable: By July 1, 2013)

b. The County will develop standard language that will be incorporated into every residential development plan review subject to the PLUS process which sets forth the County's policy to affirmatively further fair housing by emphasizing the desire for the creation of racially/ethnically diverse, mixed-income communities and encouraging developers to affirmatively market their units to diverse populations. (Timetable: By July 1, 2013)

c. The County will propose an ordinance to modify its Moderately Priced Housing Unit ("MPHU") Program to apply to homebuyers earning 50% to 120% of the County's median income. (Introduced on March 26, 2013)

d. The County will continue discussions with Diamond State Community Land Trust ("DSCLT") and other providers of low to moderate income housing to create additional incentives within the MPHU Program to entice developers to price some homes to be affordable to lower area median income families. (Timetable: Dec. 31, 2013)

e. The County will formulate a policy regarding affordable housing projects seeking support. As part of this policy, conditional support letters may be provided upon proof of affordability. The support letter would not only commend affordable housing construction, but also perhaps provide waivers of certain fees upon satisfaction of the planning approval process. (Timetable: Dec. 31, 2013)

f. Sussex County held a Fair Housing training session on March 8th, 2013 to educate staff on Fair Housing requirements. Elected and appointed representatives of the County participated in the training, including members of County Council and the Planning and Zoning Commission. (Timetable: Currently in-place)

g. Partner with www.DelawareHousingSearch.org, a website that provides a comprehensive listing of publicly-assisted properties for sale, as well as publicly-

assisted and market-rate rental units. The website is fully supported by a toll-free bilingual call center. Listings are monitored daily for accuracy and fair housing compliance. The advanced search feature allows individuals to search using a wide variety of criteria, including income, accessibility features, proximity to services, and more. (Timetable: Currently in place).

h. Work with the Sussex County Association of Realtors to expand their listing form to include accessibility features of available units. The accessibility features should also be searchable on the Association's MLS database. (Timetable: Dec. 31, 2013)

2. Community Involvement

a. Public participation in updates to Comprehensive Plan (Timetable: Currently in-place)

b. Notices of meetings published in accordance with State law and on the County's Fair Housing webpage. (Timetable: Currently in-place)

i. Notice of the County's Department of Community Development and Housing meetings and public hearings will be published in at least one Hispanic newspaper or website. (Timetable: Dec. 31, 2013)

c. Amendments to the Zoning and Subdivision sections of the County Code will not be more restrictive on affordable housing. (Timetable: Currently in-place)

3. Neighborhood Meetings

a. The County will encourage affordable housing developers to have neighborhood meetings with residents early in the plan approval process. (Timetable: July 1, 2013)

b. The County's Community Development & Housing Department will spearhead the Sussex County Strong Communities Initiative to improve the quality of life for residents in historically low-income rural areas. (Timetable: Currently in-place)

4. Coordination

a. The County will coordinate housing strategies with the DSHA and the Office of State Planning Coordination as part of the updates to the Sussex County Comprehensive Plan. (Timetable: Currently in-place)

b. Because credit history is a major reason for denial of home mortgage applications in Sussex County, the County will coordinate with housing counseling and financial literacy agencies to target credit repair education

through existing advocacy organizations that work with minority populations on a regular basis. (Timetable: Currently in-place)

5. Fair Housing Materials

a. The County will maintain brochures and other written material on services, education and information offered by other agencies related to discrimination in housing and the development of affordable housing. The material will be available at the Community Development and Housing Department of Sussex County and on the County's website. (Timetable: Currently in-place)

6. Fair Housing Webpage (Timetable: June 19th, 2013)

a. The County will develop a Fair Housing webpage that will be publicly accessible and which will have links to the following information and documents:

i. Sussex County's Housing Discrimination Complaint Form;

ii. A link to the Delaware Human Relations Commission complaint page;

iii. A link to HUD's complaint page;

iv. HUD Complaint, Form 903;

v. HUD pamphlet, Form 903.1;

vi. Sussex County's Fair Housing Policy;

vii. Compliance reports due to the federal government;

viii. Copies of any letters of support issued by the County in support of New Horizons;

ix. A summary of each zoning or land use request or application related to Affordable Housing or housing being processed under the MPHU or SCRP programs;

x. Copies of the redacted Certificates of Training;

xi. A link to any proposed change to the County's zoning or land use laws, regulations, policies or procedures addressing the construction of or approval process for Affordable Housing (housing intended to serve households earning less than 80% of the area median income) or housing being processed under the MPHU or SCRP programs;

xii. A link to the County's Affordable and Fair Housing Marketing Plan once available;

xiii. Information on the plan filed by Diamond State Community Land Trust once an application has been acted upon by the Planning and Zoning Commission; and

xiv. Listing of certain information about the New Horizons development as required under Paragraph 11(e) of the Consent Decree once the development has final plan approval.

V. Marketing

A. The County will develop materials describing the County's outreach work and post or make those materials available at the County Administration Building, the West Complex, and on the County's website. (Timetable: Early 2014)

VI. Timetable for Implementation

The timetable for each action item listed above is listed within the discussion of the item.

VI. Contact Information

Sussex County
Brandy Nauman, Fair Housing Compliance Officer
22215 DuPont Boulevard
P.O. Box 589
Georgetown, DE 19947
Phone: 302.855.7779
Fax: 302.854.5397
Email: bnauman@sussexcountyde.gov
Website: TBD

ORDINANCE NO. _____

AN ORDINANCE TO AMEND CHAPTER 72, ARTICLE I OF THE CODE OF SUSSEX COUNTY BY AMENDING THE DEFINITION AND APPLICATION OF "MODERATE INCOME" USED TO DETERMINE ELIGIBILITY FOR MODERATELY PRICED HOUSING UNITS.

WHEREAS, Sussex County Code, Chapter 72, Article I, defines "moderate income" and eligibility requirements for moderately priced housing units; and

WHEREAS, § 72-5 of the current ordinance defines "moderate income" as "80% to 125% of area median income adjusted for household size as defined by the U.S. Department of Housing and Urban Development (HUD)"; and

WHEREAS, Sussex County desires to broaden the definition of "moderate income" to "50% to 125% of the area median income adjusted for household size as defined by the U.S. Department of Housing and Urban Development (HUD)" and its application under the Chapter, thereby allowing a greater number of residents to qualify for moderately priced housing units.

NOW THEREFORE, THE COUNTY OF SUSSEX HEREBY ORDAINS:

Section 1. Amend Sussex County Code, Chapter 72, Article I, § 72-3C., <u>Governmental Findings</u>, by deleting the language in brackets and inserting the underlined language as follows:

> **"C. In turn, the supply of moderately priced housing has decreased over the past 10 years as housing costs have escalated due to the influx of affluent households. The most recent real estate data suggests that households earning [80%]<u>*50%*</u> to 125% of the area median income have very few choices for modern, modest quality housing except in the most western areas of the County and, even there, choices and supply are limited."**

Section 2. Amend the definition of "Moderate Income" in Sussex County Code, Chapter 72, Article I, § 72-5, <u>Definitions</u>, by deleting the language in brackets and inserting the underlined language as follows:

PROPOSED

"MODERATE INCOME

Those levels of income established by the County Administrator which prohibit or severely limit the financial ability of persons to buy housing in Sussex County. [Initially, m]Moderate income is established as [80%]*50%* to 125% of area median income adjusted for household size as defined by the U.S. Department of Housing and Urban Development (HUD). Income includes salary, wages, dividends, interest and all other sources recognized by HUD from the eligible buyer and all other adults who will occupy the MPHU. Further, for persons or households with significant assets that do not produce income, the Department will establish criteria for imputing income to such assets."

Section 3. Effective Date. This Ordinance shall become effective on _____, 2013.

Synopsis

This Ordinance amends the definition of "moderate income" used to determine eligibility for moderately priced housing units (and its application under Chapter 72, Article I) to "50% to 125% of the area median income adjusted for household size as defined by the U.S. Department of Housing and Urban Development (HUD)" from the original eligibility requirement of "80% to 125% of the area median income adjusted for household size as defined by the U.S. Department of Housing and Urban Development (HUD)."

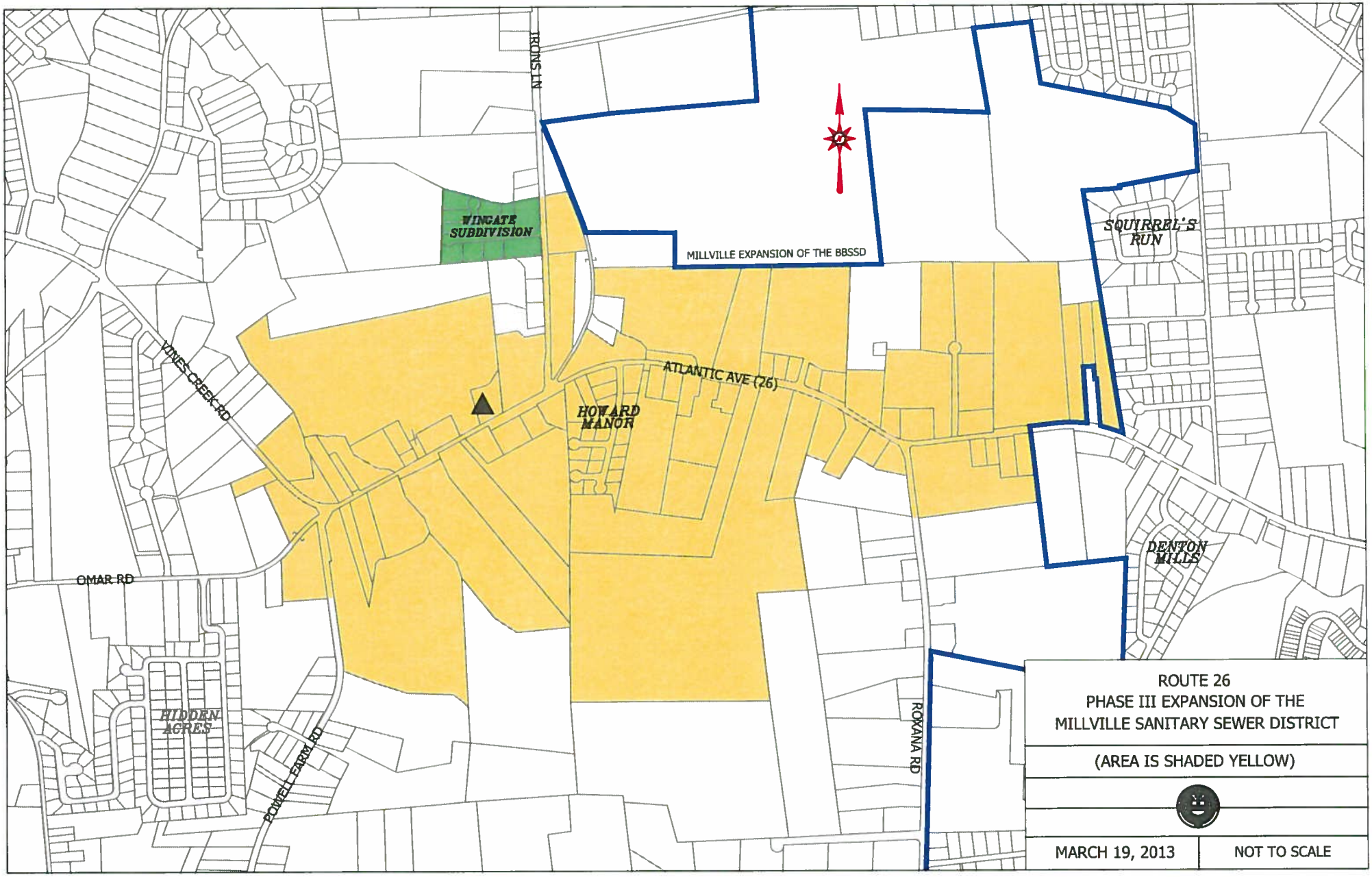
Deleted text is in brackets. Additional text is underlined and in italics.

PROPOSED

SCHEDULE FOR:
EXTENSION OF THE MILLVILLE SANITARY SEWER DISTRICT
ROUTE 26, PHASE III ANNEXATION
2nd Public Hearing

October 2, 2012	APPROVAL FROM COUNCIL TO PREPARE & POST NOTICE
December 14, 2012	PREPARE NOTICE & SEND TO LEGAL
December 21, 2012	APPROVAL FROM LEGAL ON NOTICE
February 18, 2013	POST NOTICES (MINIMUM OF 4 IN THE EXPANSION AREA AND 4 IN THE EXISTING DISTRICT – BOTH AREAS)
February 18, 2013	MAIL/FAX NOTICES • Wave • Web Page • Representative Ron Gray • Senator Gerald Hocker • Councilmen Vance Phillips
February 19, 2013	PREPARE AFFIDAVIT
February 19, 2013	PREPARE RESOLUTION
February 20, 2013	SUBMIT RESOLUTION FOR LEGAL REVIEW
February 27, 2013	ADVERTISE
March 6, 2013	ADVERTISE
March 7, 2013	PUBLIC HEARING: **6:00 PM** IN THE MILLVILLE TOWN HALL, MILLVILLE, DE
March 8, 2013	APPROVAL OF RESOLUTION FROM LEGAL
March 19, 2013	PRESENTATION OF PUBLIC HEARING RESULTS TO COUNTY COUNCIL IN SUSSEX COUNTY COUNCIL CHAMBERS
March 20, 2013	NOTIFY ASSESSMENT DIVISION AND PERMIT TECHNICIAN OF CHANGE TO BOUNDARIES IF APPROVED BY COUNCIL

cc: David Rutt
Michael A. Izzo, P.E.
John J. Ashman
Gary Tonge
Denise Burns
Penny Massey
Jayne Dickerson
Chip Guy
File: NM-4.01-H


IRONS LN
WINGATE SUBDIVISION
MILLVILLE EXPANSION OF THE BBSSD
SQUIRREL'S RUN
VINES CREEK RD
ATLANTIC AVE (26)
HOWARD MANOR
OMAR RD
DENTON MILLS
HIDDEN ACRES
POWELL FARM RD
ROXANA RD
ROUTE 26
PHASE III EXPANSION OF THE
MILLVILLE SANITARY SEWER DISTRICT
(AREA IS SHADED YELLOW)
MARCH 19, 2013
NOT TO SCALE

INTEROFFICE MEMO

TO: **Sussex County Council**

THRU: Todd Lawson
County Administrator

FROM: Jim Hickin, A.A.E.
Airport Manager

DATE: March 18, 2013

RE: **William Briedis (California Closets)**

William Briedis currently leases Lot 20B in the Sussex County Industrial Park. He has requested Council's approval to add his son's name (Jason) to the lease.

I recommend Council approve William Briedis' request.

cc: Michael A. Izzo, P.E., Director
Engineering Dept.

SECOND ADDENDUM TO LEASE AGREEMENT

THIS SECOND ADDENDUM to a Lease Agreement is made and executed on this _____ day of _____, A.D., 20_____ by and between:

SUSSEX COUNTY, DELAWARE, a political subdivision of the State of Delaware, with an address of 2 The Circle, Georgetown, Delaware 19947, hereinafter referred to as **"Lessor"**

AND

WILLIAM BRIEDIS with an address of 19 Bay Reach, Rehoboth Beach, Delaware 19971, hereinafter referred to as **"Lessee"**

AND

JASON WILLIAM BRIEDIS with an address of 32 Manor Drive, Dagsboro, DE 19939, hereinafter referred to as **"Additional Lessee"**

WHEREAS, on October 1, 2001, Lessor and Lessee entered into a Lease Agreement (hereinafter referred to as "the Agreement") for space known as Lot 20-B, at the Sussex County Industrial Air Park, Georgetown, Delaware 19947 (hereinafter referred to as "the Subject Property"); and

WHEREAS, the parties hereto desire to amend the terms of the Agreement to add Jason William Briedis as an additional tenant to the Agreement,

WITNESSETH:

That Lessor, in consideration of the rents, terms, covenants, conditions and agreement hereinafter made on the part of Lessee and Additional Lessee to be paid, kept and performed and Lessee and Additional Lessee, in consideration of the right to occupy the Subject Property, subject to the terms, covenants, conditions and agreements hereinafter set forth, do together hereby agree as follows:

DRAFT

1. The Agreement shall be amended to add Jason William Briedis as an additional tenant to the Agreement. All references to "Tenant" and / or "Lessee" in the Agreement and any amendments thereto shall refer to William Briedis and Jason William Briedis. Jason William Briedis hereby agrees to be bound by the terms of the Agreement as amended and he shall be jointly and severally liable with William Briedis for all obligations and responsibilities as a tenant under the Agreement.

2. **Interpretation of Addendum**. All other terms and conditions of the Agreement dated the 1st day of October, 2001 shall remain intact and in full force and effect. Wherever there exists a conflict between this Addendum and the Agreement, the provisions of this Addendum shall control. Unless otherwise indicated, capitalized terms shall be defined in the manner set forth in the Agreement.

3. **Counterparts**. This Addendum may be signed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one (1) instrument.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, this ____ day of _____, A.D. 20_____.

Attest:

_____
Name: _____
Title: Clerk of County Council

LESSOR: SUSSEX COUNTY COUNCIL

_____**(SEAL)**
Name: _____
Title: _____

APPROVED AS TO FORM:

_____
J. Everett Moore, Jr., County Attorney

DRAFT

Witness:

LESSEE: WILLIAM BRIEDIS

_____

_____**(SEAL)**

Name:_____

William Briedis

Witness:

LESSEE: JASON WILLIAM BRIEDIS

_____

_____**(SEAL)**

Name:_____

Jason William Briedis

DRAFT

MEMORANDUM

TO: **Sussex County Council**

THROUGH: Todd Lawson
County Administrator

FROM: Jim Hickin, A.A.E.
Airport & Industrial Park

RE: **GEORGETOWN AIR SERVICE LEASE AMENDMENT**

DATE: March 18, 2013

I'm on the Council agenda March 26th to ask your approval of an amendment to Georgetown Air Service's lease with the County.

Georgetown Air Services (GAS) leases the old terminal building and the land containing the fuel farm to operate its fixed base operation (FBO). It's this lease that covers GAS' fuel sales, hangar rental, and flight line servicing operations. The original term of the lease expires May 1, 2013 and GAS has exercised the first of two five year options of the lease. However, the lease is not clear about the amount of rent due during the option period.

The purpose of the amendment is to clarify the amount of rent due during the option period. It proposes that rent be based on GAS' total fuel sales, to be paid at $0.09 per gallon. This rate is based on total fuel sales for 2012 and the current rent. In other words, if GAS sells the same amount of fuel in 2013 that they did in 2012, the rent will remain the same. If they sell more, the rent will be higher; if they sell less, rent will be lower.

The amendment also sets a lower limit of $750.00 per month, to cover County costs for utilities and building maintenance in the event of low fuel sales. Also, additional rent in the form of a fuel flowage fee is also charged each month ($.03/gal for AVGAS and $.08/gal for jet fuel). Appropriate audit protections are also added to the lease.

I recommend Council approve this lease amendment. Please feel free to call me with any questions.

cc: Michael A. Izzo, P.E., Director
Engineering Dept.

FOURTH AMENDMENT TO LEASE AGREEMENT

THIS FOURTH AMENDMENT to a Lease Agreement is made and executed on this _____ day of _____, A.D., 20_____ by and between:

SUSSEX COUNTY, DELAWARE, a political subdivision of the State of Delaware, with an address of 2 The Circle, Georgetown, Delaware 19947, hereinafter referred to as **"Lessor"**

AND

GEORGETOWN AIR SERVICES, a Delaware Limited Liability Company, with an address of 21553 Rudder Lane, Georgetown, Delaware 19947, hereinafter referred to as **"Lessee"**

WITNESSETH

WHEREAS, on March 11, 1998, Lessor and the Harvey & Vera Patrick Family Foundation, Inc., a Maryland not-for-profit corporation (hereinafter referred to as "the Foundation") entered into a certain Lease and Operating Agreement to Establish and Operate General Aviation Support Service Facility for the Sussex County Airport, Georgetown, Delaware, (hereinafter referred to as "the Agreement"), at the Sussex County Industrial Air Park, Georgetown, Delaware 19947 (hereinafter referred to as "the Subject Property");

WHEREAS, Lessor and the Foundation entered into a First Amendment to the Lease Agreement dated May 24, 1999; and

WHEREAS, subsequently the Foundation assigned all of its rights and obligations under the Agreement to Lessee pursuant to the terms of an Assignment of Commercial Lease dated March 13, 2002 (hereinafter referred to as "the Assignment"); and

DRAFT

WHEREAS, Lessor and Lessee subsequently amended the Lease to terminate that portion of the lease for Lot No. A3-3 and the Hangar built thereon (hereinafter referred to as "the Terminated Parcel"); and

WHEREAS, Lessor and Lessee entered into a Third Amendment to the Lease Agreement dated February 1, 2008 (hereinafter referred to as "the Third Amendment"); and

WHEREAS, the parties hereto desire to further amend the terms of the Agreement as set forth herein,

WITNESSETH:

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessee hereby agree to amend the Agreement as follows:

1. In Article III, Section A-1, the following language shall be inserted at the end of the paragraph:

   "Beginning on May 1, 2013, the Annual Rent shall be based on the amount of fuel sold by Lessee. Lessee shall pay to Lessor on a monthly basis nine cents ($0.09) per gallon of fuel sold by Lessee at the Sussex County Airpark during the prior month. Lessee shall pay to Lessor no less than Seven Hundred and Fifty Dollars ($750.00) per month for rent pursuant to this Section."

2. The following language shall be inserted as a new Article III, Section A-4 of the Agreement:

   "Lessor shall have the right to inspect and audit Lessee's records relating to fuel sales, including but not limited to daily sales reports, inventory calculations and bills of lading for bulk fuel purchases from suppliers(hereinafter referred to as "the Records") during the term of the Lease in order to verify that the fuel sales reported by Lessee to Lessor are

DRAFT

true and correct. Lessor shall give Lessee no less than seven (7) days' written notice of Lessor's intent to inspect the Records and, within seven (7) days of the receipt of the notice, Lessee shall make the Records available for Lessor's inspection and review at Lessee's place of business."

3. **Interpretation of Addendum**. All other terms and conditions of the Agreement dated the 11th day of March, 1998, as amended, shall remain intact and in full force and effect. Wherever there exists a conflict between this Fourth Amendment and the Agreement, the provisions of this Fourth Amendment shall control. Unless otherwise indicated, capitalized terms shall be defined in the manner set forth in the Agreement.

4. **Counterparts**. This Fourth Amendment may be signed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one (1) instrument.

(REST OF PAGE LEFT INTENTIONALLY BLANK)

DRAFT

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, this ____ day of _____, A.D. 20_____.

Attest:

_____
Name: _____
Title: Clerk of County Council

LESSOR: SUSSEX COUNTY COUNCIL

_____**(SEAL)**
Name: _____
Title: _____

APPROVED AS TO FORM:

_____
J. Everett Moore, Jr., County Attorney

Witness:

_____
Name:_____

LESSEE: GEORGETOWN AIR SERVICES, LLC

_____**(SEAL)**
Name: _____
Title: _____

DRAFT

A Walk in Delaware?! What?!

For Huntington's Disease

What IS Huntington's Disease?

Huntington's disease is a disorder passed down through families in which nerve cells in certain parts of the brain waste away, or degenerate.

Purpose: To bring awareness of this horrible disease, to meet with others who are dealing with Huntington's or those who would like to get more involved, and to raise some funds for HDSA(Huntington's Disease Society of America)

When: Saturday May 18, 2013

Registration: 8-9 Am

Walking& basket auction will begin at 9-1pm.

Where: Trap Pond State Park, Laurel Delaware

Cost: $10 per person// $20 for families of four (includes parking, walk t-shirt, and proceeds go to HDSA)

How Can I help? You may help by coming to the walk, and if you would like to help with donations for the basket auction, you may also do that! ☺

Please Visit: https://www.firstgiving.com/hdsa-de/thwdesouth2013 and http://www.facebook.com/#!/events/299226213516493/?fref=ts

Huntington's Disease Society of America

Delaware Chapter

Huntington's Disease Society of America TEAM HOPE

<Date>

<Address Block>

Dear Potential Supporter,

Huntington's Disease Society of America is pleased to announce its first annual Team Hope Walk for HD at Trap Pond in Laurel, Delaware scheduled for May 18, 2013. In order to make this annual event a success, we need in kind donations to help support our cause. The funds raised through this important event will provide vital support to improve the lives of those affected by Huntington's disease. As a resident in our community and someone who has been personally affected by this devastating disease, I am asking you to help fight this battle with me. Our community should join together to raise awareness and encourage those affected by HD to remain hopeful for the future. Your donation can help catapult our research, care and educational programs for local families who face the challenges of Huntington's disease every day. Therefore, we are asking for your support as an in-kind donor of our 2013 Trap Pond Team Hope Walk.

Huntington's Disease (HD) is a devastating, hereditary, degenerative brain disorder that results in a loss of cognitive, behavioral and physical control. More than 30,000 people in the United States are currently diagnosed with HD. Each of their siblings and children has a 50 percent risk of developing the disease. Currently there is no effective cure.

Team Hope is the Huntington's Disease Society of America's (HDSA) signature grassroots fundraising campaign designed to provide hope and support for those touched by this devastating disease. The Team Hope Walk is a way to show the nation how a team of inspired individuals can join together to make a difference. All proceeds support the mission of HDSA, the largest voluntary health agency dedicated to finding a cure and providing assistance to those individuals living daily with HD. More than a fundraiser, it is a time for the entire community to join together in a day of camaraderie, inspiration and above all, hope.

This cause is extremely important to so many members of our community. Your donation towards the 2013 Hope Walk will be greatly appreciated and will make a huge difference to the thousands of families who are living with HD. We are requesting all types of support including sponsorship, in-kind goods, and corporate teams to participate in the walk and volunteers. To learn more about Huntington's disease and HDSA, please visit www.hdsa.org, and our local webpage at www.hdsa.org/dech.

For your donation, we would love to put your company name on our Team Hope t-shirts. If you have any questions, please do not hesitate to contact the Delaware Chapter office at 610-260-0421. Carryn Freas

Your participation and generosity is a key factor in the success of the HDSA Team Hope Walk. Thank you for your consideration.

Sincerely,

Huntington's Disease Society of America
Delaware Chapter
Team Hope Walk Committee Chair

Request: Gift card for our basket auction.

EIN # 133349872

LEAGUE OF
WOMEN VOTERS®

March 11, 2013

Finance Director
Susan M. Webb, CPA
Sussex County Administration Office
2 The Circle, PO Box 589
Georgetown, DE 19947

Dear Ms. Webb,

As per our phone conversation, the League of Women Voters of Sussex County is hereby requesting the additional funding grant for $900.00 for our "They Represent You" pamphlets from the Sussex County Council. We had originally requested a grant for $3975.00 to allow for printing of 12,000 pamphlets for this year. The check we received in the amount of $3075.00 will not cover the printing of enough pamphlets to satisfy the increased needs of the county. We are hoping the Council will be able to increase the grant by the $900.00 needed to cover the difference.

We very much appreciate the funding from the SC Council for the pamphlets as they are such a critical tool for Sussex County residents. We have already received numerous requests for the new and updated 2014-2016 version, so we are hoping we will be able to meet the demands of the growing population of the county.

As with the original grant check, this additional check, if approved, should be made out to: League of Women Voters of Sussex County. It should be mailed to: League of Women Voters of Sussex County, PO Box 474, Nassau, DE 19969.

I would be very grateful if you would call or email me to let me know when you have any update on this so we can move forward with the print order for the pamphlets. Thank you very much in advance for your assistance in this matter.

Yours truly,

Janet Orlando

Janet Orlando

League of Women Voters Sussex County
Voters Services, Co-Chair
(c) (954) 856-8110

RECEIVED
MAR 12 2013
SUSSEX COUNTY COUNCIL

Dear Softball Enthusiast: / Sussex County Council

The Sussex Central High School Boosters, home of the 2005 and 2008 Delaware State Champions and the 2006 and 2007 State Finalist, are looking for local businesses to help support our teams for the **2013** season. **In the past**, your financial support enabled our teams to purchase warm up suits, practice shirts, and other necessary items.

A minimum donation in the amount of $50.00 will guarantee that your business' name will appear on the back of this year's program. However, a donation of less than $50.00 will equally be appreciated. Your business can purchase a billboard sign to be hung in the outfield for $350.00. The annual renewal fee for the billboard is $200.00. Please include a business card or artwork for your billboard with your payment.

_____ Yes, my business would like to make a $50.00 donation.

_____ Yes, my business would like to make a donation in the amount of $_____

_____ Yes, my business would like to have a billboard sign. A check in the amount of $350.00 is enclosed.

_X_ Yes, my business would like to renew their billboard sign for the upcoming season. A check in the amount of $200.00 is enclosed.

Please make checks payable to **SCHS Softball Boosters** and return by **March 23, 2013** to:

Jessica Hudson
C/o Sussex Central Softball Boosters
24907 Magnolia Circle
Millsboro, DE 19966

If you have any questions, please feel free to contact **John Wells** @ 302-249-6219 or Jessica Hudson @ jessica.l.hudson@irsd.k12.de.us

Thank you for all your support!
Sincerely,

John W. Wells Jr

Sussex Central Softball Boosters
Tax ID #51-700007K

LEWES HISTORICAL SOCIETY ™

110 Shipcarpenter Street
302-645-7670

Lewes, Delaware 19958
www.historiclewes.org

March 21, 2013

The Honorable Joan Deaver
Councilwoman, Sussex County Council
19208 Plantation Road
Rehoboth Beach DE 19971

Dear Councilwoman Deaver:

The Lewes Historical Society on behalf of the local community is requesting $2,000 for the 14th Annual Chautauqua Tent Show, June 9-13. The Chautauqua, held under "the big top," draws a diverse audience of area residents and visitors to explore a central theme through re-enactments, informative talks, and musical performances. Children are encouraged to participate in fun, educational activities to help them understand the theme. All events are free of charge to the public, and are held in Zwaanendael Park and on the Society's grounds.

This five day and evening event is planned and coordinated by the Lewes Chamber of Commerce, the staff of the Zwaanendael Museum, and us for the enjoyment of area residents and visitors. Estimated costs for this year are $12,000 and will be paid by a combination of in-kind and cash donations from the Delaware Division of Historical and Cultural Affairs, the Chamber, the Society, and local businesses. We also seek support from funding agencies and friends. Sponsors are acknowledged on signage at the events, on local websites, and in the media.

We believe we have selected a fun and interesting theme this year, "America Takes Flight," commemorating the Wright Brothers' first flight. Notables from the era who will appear are Amelia Earhart, Galileo, Bessie Coleman, and Charles Lindbergh. We will also honor the contributions of local NASA astronaut, Theodore Freeman.

All of us who coordinate the annual Chautauqua shows are grateful for last year's council grant of $2,000, and sincerely hope you will be able to help the show go on again this year. Please contact me (302-645-7670 or (mike@historiclewes.org) if you need any more information.

Thank you for your attention to this request.

Sincerely yours,

E. Michael DiPaolo
Executive Director

The Lewes Historical Society is a 501(c)3 nonprofit organization, Tax ID #516017951.

TELEPHONE: (302) 227-2055
FAX: (302) 226-0961

CAPE HENLOPEN SENIOR CENTER

11 Christian Street — Rehoboth Beach, Del. 19971

Date: March 14, 2013

Cole

Dear ~~Sussex County~~ Council,

I am the new Executive Director at the Cape Henlopen Senior Center. Our Senior Center is in immediate need of new gutters on our entire building. I have met with, and received, three quotes from gutter companies. The least expensive is $1,509.00 dollars. We are also in need of replacing a whirly bird, which blew off in the most recent storm, at the cost of $650.00 dollars. If it would be possible to use any council funds for these necessary repairs I would greatly appreciate it.

Sincerely,

Leslie

Leslie Boehlert
Executive Director

BIG BROTHERS BIG SISTERS
of Delaware, Inc.

105 Robino Court, Suite 413, Wilmington, Delaware 19804 (302) 998-3577
838 Walker Road, Suite 22-2, Dover, Delaware 19904 (302) 674-2486
111-A North Bedford Street, Georgetown, Delaware 19947 (302) 856-2918

February 26, 2013

Sussex County Council

Councilman George Cole

2 The Circle

Georgetown, DE 19947

Dear Mr. Cole and Fellow Council Members,

On May 15th we are holding our big fundraiser of the year 'Bowl for Kids' Sake" Beach Bowl where ask the people of Sussex County to help us raise money for our At Risk Kids in Sussex County. We are having the event at Milford Lanes and we are renting the whole facility or 32 lanes and we hope to sell it out with teams of volunteers that gather pledges to benefit BBBS. We provide free bowling, food, great door prizes, event tee shirts, trophies and music for the volunteers that help raise money for BBBS. We are asking banks, businesses, hospitals and community groups as well as the County Council to help sponsor and pay for some of our costs so that all money raised can go to matching kids of Sussex with good mentors and role models so the kids can grow up and become good citizens.

Last year the council gave us a $500 sponsorship which I believe $100 came from each council member. This year funding is tight for us and many non-profits like us so if you could possibly help us again and consider sponsoring us in the amount of $1,000 or $2,000 that would help us greatly in continuing our effort to be able and provide good mentors or "Bigs" to kids from single or no parent homes. Big Brothers Big Sisters is the nation's oldest (108 years old), largest and most effective mentoring organization of kids (6 through 17 years of age). I hope that we can rely on you and the entire council again for your support so we can continue and provide help for the kids and their families of Sussex. If you have any questions please contact me by phone or e-mail, thank you!

Sincerely,

Raymond M. Quillen

Raymond M. Quillen

Program Coordinator for BBBS in Sussex County

111-A North Bedford Street

Georgetown, DE 19947

3002-856-2918; Rquillen@bbbsde.org

CC: Todd Larson, County Administrator of Sussex County

March 13, 2013

Sussex County Council
#2, The Circle
Georgetown DE 19947

Dear Council Members:

We are the Delaware Storm Travel Softball Team with players from all around the County. Our age group is 12 years old and under. Our Organization is currently in the process of buying new uniforms.

We request your help to cover this cost and assist our Team who will be playing in several tournaments this spring and summer.

Please consider our request.
Thank You.

Sincerely,

Mitch Bramble

Delaware Storm Softball Coach
Mitch Bramble
Georgetown DE 19947

3/13/13

Sussex County Council
C/o Councilman Wilson
#2, the Circle
Georgetown DE 19947

Dear Mr. Wilson and fellow Council Members:

Georgetown Little League is about to kick off its ball season. Our volunteer staff is busy preparing new uniform orders and request your help.

We are asking for your assistance to cover the cost and help us have the best season ever for the children.

Please consider our request.

Thank You.

Sincerely,

Bill Bryan

Bill Bryan
Georgetown Little League Board of Directors
Georgetown DE 19947

MILFORD SENIOR HIGH SCHOOL

1019 N. Walnut Street - Milford, DE 19963

January 2013

To Whom It May Concern,

We would like to introduce ourselves as the parent volunteers for the Milford High School After-Prom committee. We are writing you today to ask if your business would be able to sponsor the 2013 After-Prom party for the Milford High School.

The after prom was started more than 20 years ago in order to provide Milford High School students and their guests a safe, alcohol free, parent chaperoned party. The parents of the junior class are responsible for organizing this party and providing incentives for students to attend. This party is free to all students and guests.

We are asking your organization if they would be interested in helping support this cause either financially and/or with items that can be used as door prizes. All donated money is budgeted to cover the cost of the facility, decorations, food, the police department chaperone and various door prizes. Examples are flat screen televisions, dorm refrigerators, laptop computers, Kindles, iPods and IPads. Our smaller items that are given out as door prizes have included gift cards from Wawa, iTunes, Grotto Pizza, fast food establishments, car washes, grocery stores, and Wal-Mart.

Any donations are tax deductible. The federal tax ID # for Milford High School is #51-60002793. We greatly appreciate your consideration and your support of our youth. All checks should be made out to *MHS After-Prom committee* and donations should be mailed to:

Brenda Mariner
7000 Calhoun Road
Milford, DE 19963

Should you have any questions or need to speak to someone regarding this, please feel free to contact any of the donation committee members at the numbers below. Thank you in advance for your support.

Sincerely,

Milford High School After-Prom Committee

Brenda Mariner	Dawn Coverdale	Vicki Campbell	Carolyn Lingo
302-381-8148	302-670-0567	302-670-3750	302-424-3923

MILFORD BUCCANEERS

302-422-1610

SUSSEX COUNTY HEALTH PROMOTION coalition

BOARD OF DIRECTORS

Julius Mullen
Past President

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Darrell Meade
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Val Harris

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Crystal Timmons

Dr. Meredith Arthur

Peggy Geisler
Director

To engage the entire community in collaborative family-focused effort to improve the health of children, youth and families in Sussex County

Address:
PO Box 1496
Seaford, DE 19973

Phone:
302-262-9459

Fax:
410-690-3377

Website:
www.healthysussex.org

March 6, 2013

County Councilman Michael Vincent
Sussex County Administrative Office Bldg.
PO Box 589
Georgetown, DE 19947

Dear ~~Councilman Vincent~~ Mike,

We know that the Sussex County Council has always been a dedicated supporter of programs in Sussex County that benefit the health and welfare of families. We would like to enlist your aide in our goal to make the children and families of Sussex County healthy. Sussex County has a high rate of obesity in its children which often leads to even more serious health issues such as diabetes and heart disease? This staggering fact led us to initiate the first ever **Obesity Camp** in the state here in Sussex County, Delaware.

In 2010, **SHORE** (Sussex, Health, Outdoor, Recreational, Educational) camp was started to work with children, who are at the **85 percentile** or higher of their BMI. This camp, a weeklong program, hosts a myriad of services and activities that engage youth into a healthier lifestyle. This year the camp will accommodate up to 40 campers from Sussex County with ages ranging from9-12. A majority of our campers will require a scholarship as they live at or below the poverty level.

The weeklong camp involves many costs and would cost youth parents over $300 for the week. With donations, from individuals like yourself, no child will be sent away. Here he/she will receive screenings by nursing staff, will be provided classes with a certified nutritionist and emotional and behavioral health with a certified therapist. These services will all be interwoven with numerous exciting activities in an atmosphere of support and caring.

We are asking the Sussex County Council to consider being a SHORE Fun Camp Champion for Children's Health Sponsor for our 2013 summer camp June 24-28. Please consider sponsoring anywhere from 1 to 3 children to a week at camp! Your sponsorship covers their healthy meals/snacks, nutrition services, counseling, activities and screenings for a week! In addition we will be seeking volunteers to help that week and could use you and your expertise! Please feel free to contact me with any questions or if you are interested in Volunteering 302-262-9459!

You will know that because of your support children will receive health education and care in a supportive environment!

Please help us help Sussex county children get and stay healthy!

Sincerely,

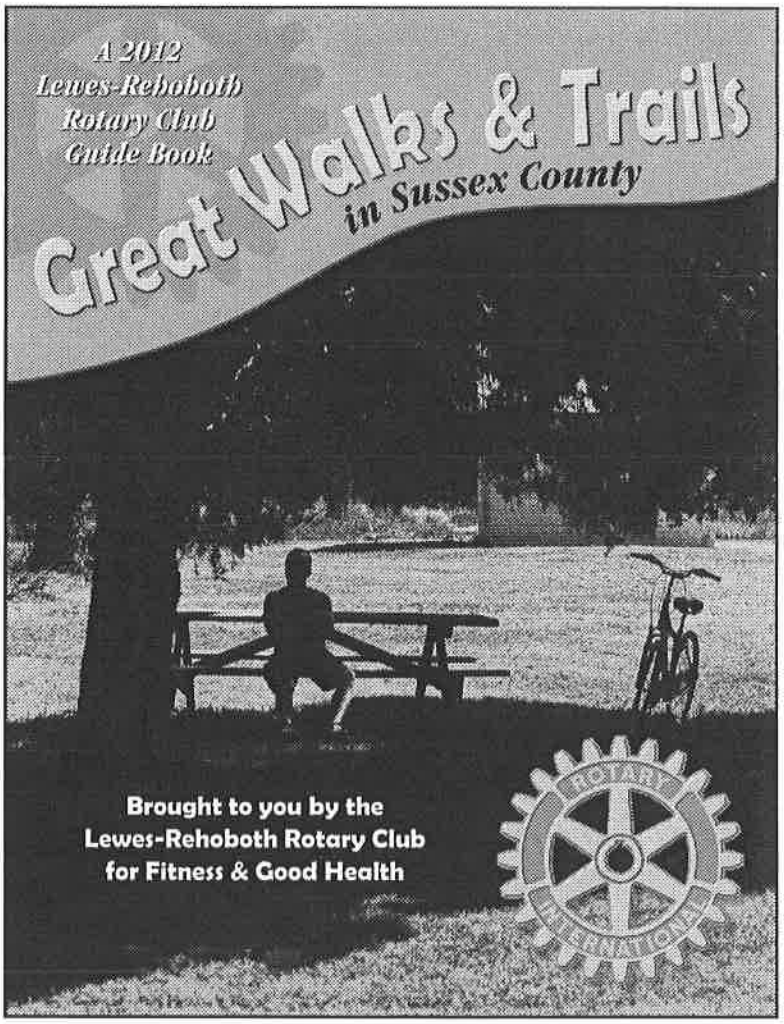
Cathy

Cathy VanSciver
Chief Operating Officer
Camp Organizer

2013 Lewes-Rehoboth Rotary Club Guide Book

Great Walks & Trails In Sussex County

A guide to great walks, hikes and trails in the parks, preserves and towns of Sussex County. This full-color publication includes trail and walk descriptions, photographs and maps, and health tips related to fitness and walking.



TRAIL GUIDE NUTS AND BOLTS

- PUBLICATION DATE: April 30, 2013 - ADVERTISING DEADLINE: March 15, 2013

- PRESS RUN AND DISTRIBUTION: 25,000 full-color, trimmed and stapled booklets to be distributed via Sussex County chambers of commerce, schools, visitor centers, ferry terminal, real estate rental offices and fitness and outdoors-related businesses.

- TRAILS AND AREAS: Walking tours in Lewes, Milton and Rehoboth Beach, trails in Cape Henlopen State Park, Delaware Seashore State Park, McCabe Preserve - Broadkill River, Redden State Forest, Trap Pond State Park, Prime Hook National Wildlife Refuge and many others.

- ADVERTISING PRICES: (with color) Full Page - $375 - 7.25" w x 9.5" d; Half Page - $225 - 7.5" w x 4.7" d; Business Card - $80 - 4.75" w x 2" d. Premium pages: Back Cover - $650; Inside Front: $425. Page Three: $550. Center spread (two pgs.): $1,200.

Proceeds of this special publication will benefit fitness initiatives in our community and Lewes-Rehoboth Rotary Club scholarships

Prevent Child Abuse Delaware
Member Agency of the United Way of Delaware

Officers
Susan Purcell
President

Stephanie Chapman
Vice President

Michael Meraglia
Treasurer

Executive Director
Karen K. DeRasmo

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Elaine DeMichiel
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Kristina Gonser
Ryan Keating
Caren Lajosa
Denise Lovett
Melissa Moore
Stephen Peeke
Linda Phillips
Carol Post
Diane Turnbull
Gina Way

October 22, 2012

Michael Vincent, President
Sussex County Council
P.O. Box 589
Georgetown, DE 19947

Dear Mr. Vincent:

As a member of the Sussex County Child Sexual Abuse Prevention Working Group I would like to request $2,500 for our Stewards of Children Initiative on the group's behalf. The Working Group consists of concerned professionals representing a variety of disciplines that came together in July of 2010 in response to the Bradley Case. It was and remains the group's goal to provide a prevention message throughout Sussex County. After much research the group decided to bring the Stewards of Children program to Delaware.

Stewards of Children is a child sexual abuse prevention curriculum that was created by Darkness to Light, a non-profit focusing on child sexual abuse prevention. The curriculum is used in all 50 states and in 11 countries. This training program educates adults to prevent, recognize, and react responsibly to child sexual abuse. This program is relevant for adults who work with youth in their professions and for those who are parents, grandparents, aunts, uncles, and/or advocates for children. During this three-hour workshop, participants:

- Learn about the prevalence, consequences, and circumstances of child sexual abuse
- Develop new skills to prevent, recognize, and react responsibly to child sexual abuse
- Learn how to promote positive change to organizational policies and procedures

This initiative started in Sussex County and has since become a statewide initiative that involves 29 organizations. Currently Delaware has 60 volunteer facilitators representing organizations and communities throughout the State. The Steering Committee which includes representatives from Prevent Child Abuse Delaware, The Department of Services for Children Youth and Their Families, Department of Education, The Office of the Child Advocate and the Children's Advocacy Center, has established a goal of reaching 35,000 Delawareans by March, 2016, so that they have the tools and knowledge they need to keep children safe.

100 West 10th Street • Suite 715 • Wilmington, DE 19801 • 302-425-7490 • Fax: 302-425-7494
www.pcadelaware.org • Email: pcad@pcadelaware.org

PUBLIC HEARINGS
March 26, 2013

This is to certify that on February 28, 2013 the Sussex County Planning and Zoning Commission conducted public hearings on the below listed applications for Conditional Use and Change of Zone.. At the conclusion of the public hearings, the Commission moved and passed that these applications be forwarded to the Sussex County Council with the recommendations as stated.

Respectfully submitted:

COUNTY PLANNING AND ZONING
COMMISSION OF SUSSEX COUNTY

Lawrence B. Lank
Director of Planning and Zoning

The attached comments relating to the public hearings are findings of the Planning and Zoning Commission based on a summary of comments read into the record, and comments stated by interested parties during the public hearings.

Change of Zone #1726 – application of **ROBERT M. & SANDRA E. DAVIDSON** to amend the Comprehensive Zoning Map from AR-1 Agricultural Residential District to a CR-1 Commercial Residential District, to be located on a certain parcel of land lying and being in Broadkill Hundred, Sussex County, containing 7.57 acres, more or less, lying north of Route 9 approximately 800 feet east of Route 5 at Harbeson (Tax Map I.D. 2-35-30.00-26.00).

The Commission found that the Applicants provided a survey of the property with the application, and that on February 18, 2013 the Applicants provided an Exhibit Booklet, which contains a listing of the project team; references to the qualifications of Pennoni Associates, Inc., Mark H. Davidson, Associate Vice President and Office Director for Pennoni, and Douglas D. Barry, Professional Engineer and Division Manager for Pennoni; an aerial map of the Harbeson area depicting the location of other commercial/business uses and zoning; a copy of the application form; a copy of the deed and surveys for the property; copies of portions of the Comprehensive Land Use Plan referencing Developing Areas and a copy of the Future Land Use Plan from the Comprehensive Land Use Plan; a copy of the Service Level Evaluation form to DelDOT and response letter and Support Facilities Report from DelDOT; a series of Maps and aerial photographs referencing the location, zoning, the State Strategies, soil classifications, ground water recharge, State wetlands, topography, and suggested proposed Findings of Fact.

The Commission found that DelDOT provided comments on November 19, 2012 in the form of a letter and Support Facilities Report which reference that a traffic impact study is not recommended and that the current Level of Service "E" will not change as a result of this application; that given the size of the parcel, commercial uses that could be developed on the land could generate up to 5,390 trips during a typical weekday, 209 trips during the morning peak hour and 544 trips during the evening peak hour; that based on those volumes, the development would warrant a traffic impact study; that DelDOT volume warrants for such a study are 400 trips per day and 50 trips per peak hour; that however, while the site could be redeveloped in the future to meet or exceed the criteria referenced, the Department presently cannot predict the site's future trip generation with enough accuracy to make a traffic impact study useful; and that the Department is willing to postpone a decision on DelDOT requirements for a traffic impact study until the subject land has been rezoned and is proposed for redevelopment in a manner that warrants a traffic impact study.

The Commission found that the Sussex County Engineering Department Utility Planning Division provided comments in the form of a memorandum on February 21, 2013 and that the memorandum references that the site is located in the North Coastal Planning Area; that the parcel is not in an area where the County currently plans to provide sewer service; and that a concept plan is not required.

The Commission found that Robert Davidson was present with Douglas Barry, Professional Engineer with Pennoni Associates, Inc. and that they stated in their presentations and in response to questions raised by the Commission that they are applying for rezoning so that the Applicant does not have to apply for every expansion of his existing Conditional Use; that the site is currently used for an office and storage of materials and equipment for his house moving business; that additional storage buildings may be built in the near future; that he has no intent to change the use; that there are several business and commercial uses in the area; that the adjacent parcel was recently rezoned CR-1 Commercial Residential; that according to the State Strategies the site is located in an Investment Level 3; that according to the Comprehensive Land Use Plan the site is located in a Developing Area; that they have met with DelDOT and were advised that since no development is currently proposed, a traffic impact study will not be required at this time; that the site is served with on-site water and on-site septic; that Route 9 is a major arterial roadway; that they are aware that the Commission and other agencies will review any future site plans before any development activities take place; that no outside storage is intended; that the existing storage contains approximately 1,500 square feet; and that a home being relocated may be stored on the site for one or two weeks pending preparation of the site for the relocation.

The Commission found that there were no parties present in support of or in opposition to this application.

At the conclusion of the public hearings, the Commission discussed this application.

Mr. Johnson stated that he would move that the Commission recommend approval of C/Z #1726 for Robert M. and Sandra Davidson for a change of zone from AR-1 to CR-1 based upon the record made during the public hearing and for the following reasons:

1) This property is currently the subject of a conditional use for a contractor's storage yard.
2) The location is appropriate for CR-1 zoning. It is located along Route 9 near the intersection with Route 5. The adjoining property was recently rezoned to CR-1. It is next to a Delmarva Power substation and there are other commercially zoned properties and businesses in the immediate vicinity. These uses include retail, warehouse, contracting, and truck repair facilities.
3) The property is in a Development District according to the current Sussex County Comprehensive Land Use Plan.
4) The rezoning will not have an adverse effect on traffic or neighboring properties.
5) The rezoning promotes the orderly growth of Sussex County.
6) CR-1 zoning is appropriate, since the County Zoning Code states that the purpose of such zoning is to provide for retail shopping, personal and miscellaneous service activities, and that such uses should be located along arterial roadways where a general mixture of commercial and service activity now exists. In this case, the project along this area of Route 9 falls within the stated purposes of the CR-1 District.

Motion by Mr. Johnson, seconded by Mr. Burton, and carried unanimously to forward this application to the Sussex County Council with the recommendation that the application be approved for the reasons stated. Motion carried 4 – 0.

Conditional Use #1958 – application of **OMAR ROAD, LLC** to consider the Conditional Use of land in an AR-1 Agricultural Residential District for warehousing and relocation of a helicopter pad as extension to Conditional Use No. 1679 (office and warehousing) and Conditional Use No. 1858 (helicopter landing site, private) to be located on a certain parcel of land lying and being in Dagsboro Hundred, Sussex County, containing 8.46 acres, more or less, lying north of Omar Road (Route 54) approximately 1,692 feet east of the intersection of Omar Road and Dukes Road (Road 354)(Tax Map I.D. 4-33-7.00-15.01 & 15.02).

The Commission found that the Applicants provided a survey/site plan for the intended use.

Mr. Lank advised the Commission that the property has been approved for two previous Conditional Use application, i.e. C/U #1679 for office and warehousing, and C/U #1858 for a helicopter landing site, private; that the Applicants are proposing to add additional warehousing and to slightly relocate the helicopter pad; and that copies of Ordinance No. 1894 for Conditional Use No. 1679 and Ordinance No. 2149 for Conditional Use No. 1858 can be made available.

The Commission found that DelDOT provided comments in the form of a Support Facilities Report on December 10, 2012 which reference that a traffic impact study is not

recommended, and that the current Level of Service "C" of Omar Road will not change as a result of this application.

The Commission found that the County Engineering Department Utility Planning Division provided comments in the form of a Memorandum on February 21, 2013 which references that the site is located in the Dagsboro/Frankford Planning Area; that sewer service has not been extended to the area at this time; that an on-site septic system is proposed; that the project is not capable of being annexed into a County operated Sanitary Sewer District at this time; that conformity to the Dagsboro/Frankford Planning Study will be required; that the parcel is in a planning area for sewer service; that when sewer service is provided to the area, connection is mandatory; that the County does not have a schedule to provide sewer service at this time; and that a concept plan is not required.

The Commission found that George Herker was present with Ron Sutton, Professional Engineer with Civil Engineering Associates, LLC, and stated in their presentations and in response to questions raised by the Commission that additional warehousing is proposed to allow for expansion of Mr. Herker's landscaping business; that the helicopter pad is being moved approximately 15 feet to accommodate the location of the new warehouse building; that the warehouse building will be utilized for the storage of trucks, equipment and materials; that no new entrances are proposed; that DelDOT did not required a traffic impact study; that the company has 8 to 10 regular employees; that the maximum number of employees anticipated in the future will be 16 to 20; that the proposed warehouse building will be similar to the existing warehouse; and that the business has been in operation for approximately eight (8) years.

The Commission found that there were no parties present in support of or in opposition to this application.

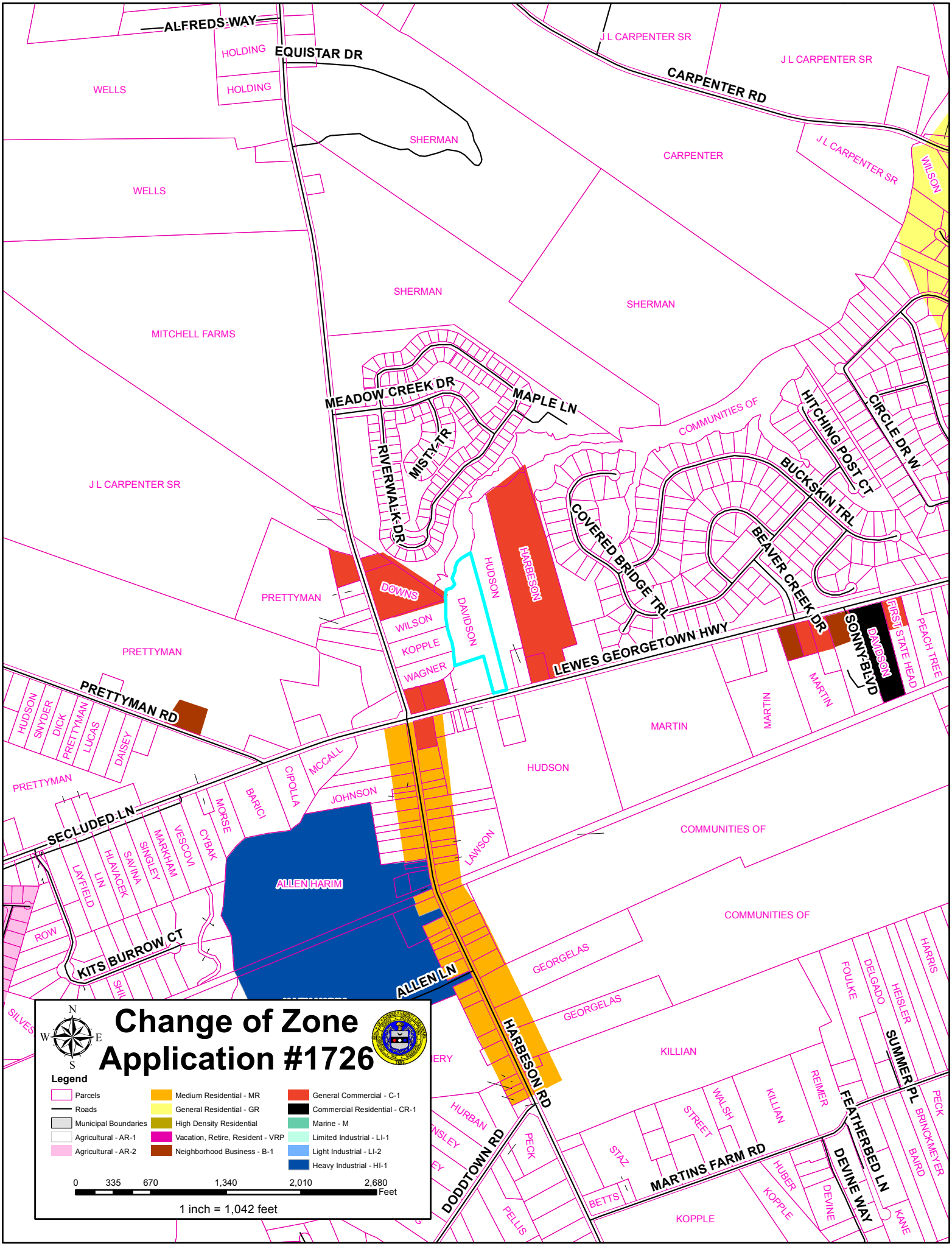
At the conclusion of the public hearings, the Commission discussed this application.

Mr. Ross stated that he would move that the Commission recommend approval of C/U #1958 for Omar Road, LLC for warehousing and relocation of a helicopter pad as an extension to C/U #1679 (office and warehousing) and C/U #1858 (helicopter landing site, private) based upon the record made during the public hearing and for the following reasons:

1) This is an extension of an existing conditional use. It will not require any new entrances on Omar Road, and it will not have any adverse effect on traffic or neighboring properties.
2) The relocated helipad will not have any material effect on the site or the area. It is still centrally located on the site.
3) The use as a landscaping company, with warehouses for that use, provides a benefit to Sussex County businesses and residents.
4) The application represents a reasonable expansion of the Applicant's business to meet the growing needs and economy of Sussex County.
5) No parties appeared in opposition to the application.

6) This Conditional Use shall be subject to the existing conditions of C/U #1679 (office and warehousing) and C/U #1858 (helicopter landing site, private).
7) The Final Site Plan shall be subject to the review and approval of the Sussex County Planning and Zoning Commission.

Motion by Mr. Ross, seconded by Mr. Johnson, and carried unanimously to forward this application to the Sussex County Council with the recommendation that the application be approved for the reasons stated. Motion carried 4 – 0.


Change of Zone
Application #1726
Legend
Parcels
Roads
Municipal Boundaries
Agricultural - AR-1
Agricultural - AR-2
Medium Residential - MR
General Residential - GR
High Density Residential
Vacation, Retire, Resident - VRP
Neighborhood Business - B-1
General Commercial - C-1
Commercial Residential - CR-1
Marine - M
Limited Industrial - LI-1
Light Industrial - LI-2
Heavy Industrial - HI-1
0 335 670 1,340 2,010 2,680 Feet
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MAPLE LN
MISTY TR
RIVERWALK DR
COVERED BRIDGE TRL
BUCKSKIN TRL
HITCHING POST CT
CIRCLE DR W
BEAVER CREEK DR
LEWES GEORGETOWN HWY
SONNY BLVD
PRETTYMAN RD
SECLUDED LN
KITS BURROW CT
ALLEN LN
HARBESON RD
DODDTOWN RD
MARTINS FARM RD
FEATHERBED LN
DEVINE WAY
SUMMER PL
DOWNS
HARBESON
ALLEN HARIM
WELLS
HOLDING
SHERMAN
CARPENTER
J L CARPENTER SR
MITCHELL FARMS
PRETTYMAN
WILSON
KOPPLE
WAGNER
DAVIDSON
HUDSON
MARTIN
COMMUNITIES OF
MCCALL
CIPOLLA
JOHNSON
BARICI
MORSE
CYBAK
VESCOVI
MARKHAM
SINGLEY
SAVINA
HLAVACEK
LIN
LAYFIELD
LAWSON
GEORGELAS
KILLIAN
HURBAN
PECK
STAZ
BETTS
PELLIS
WALSH
STREET
REIMER
HUBER
DEVINE
FOULKE
DELGADO
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BAIRD
KANE
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PEACH TREE
SNYDER
DICK
LUCAS
DAISEY
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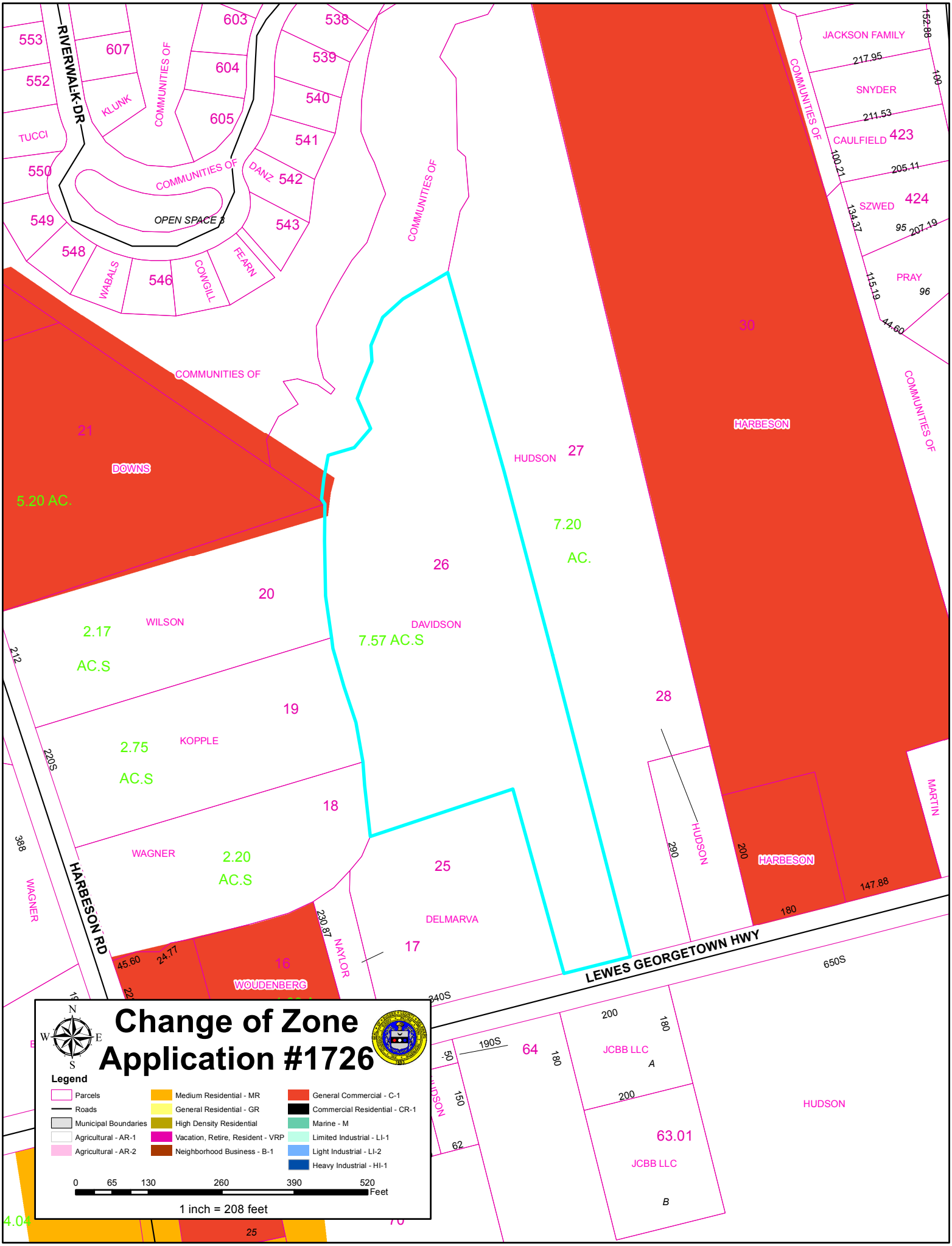
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General Residential - GR
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Vacation, Retire, Resident - VRP
Neighborhood Business - B-1
General Commercial - C-1
Commercial Residential - CR-1
Marine - M
Limited Industrial - LI-1
Light Industrial - LI-2
Heavy Industrial - HI-1
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607
KLUNK
TUCCI
DANZ
WABALS
COWGILL
FEARN
21
DOWNS
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WILSON
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KOPPLE
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AC.S
18
WAGNER
2.20
AC.S
16
WOUDENBERG
17
DELMARVA
25
26
DAVIDSON
7.57 AC.S
27
HUDSON
7.20
AC.
28
30
HARBESON
JACKSON FAMILY
SNYDER
CAULFIELD
423
SZWED
424
PRAY
96
MARTIN
HARBESON RD
LEWES GEORGETOWN HWY
NAYLOR
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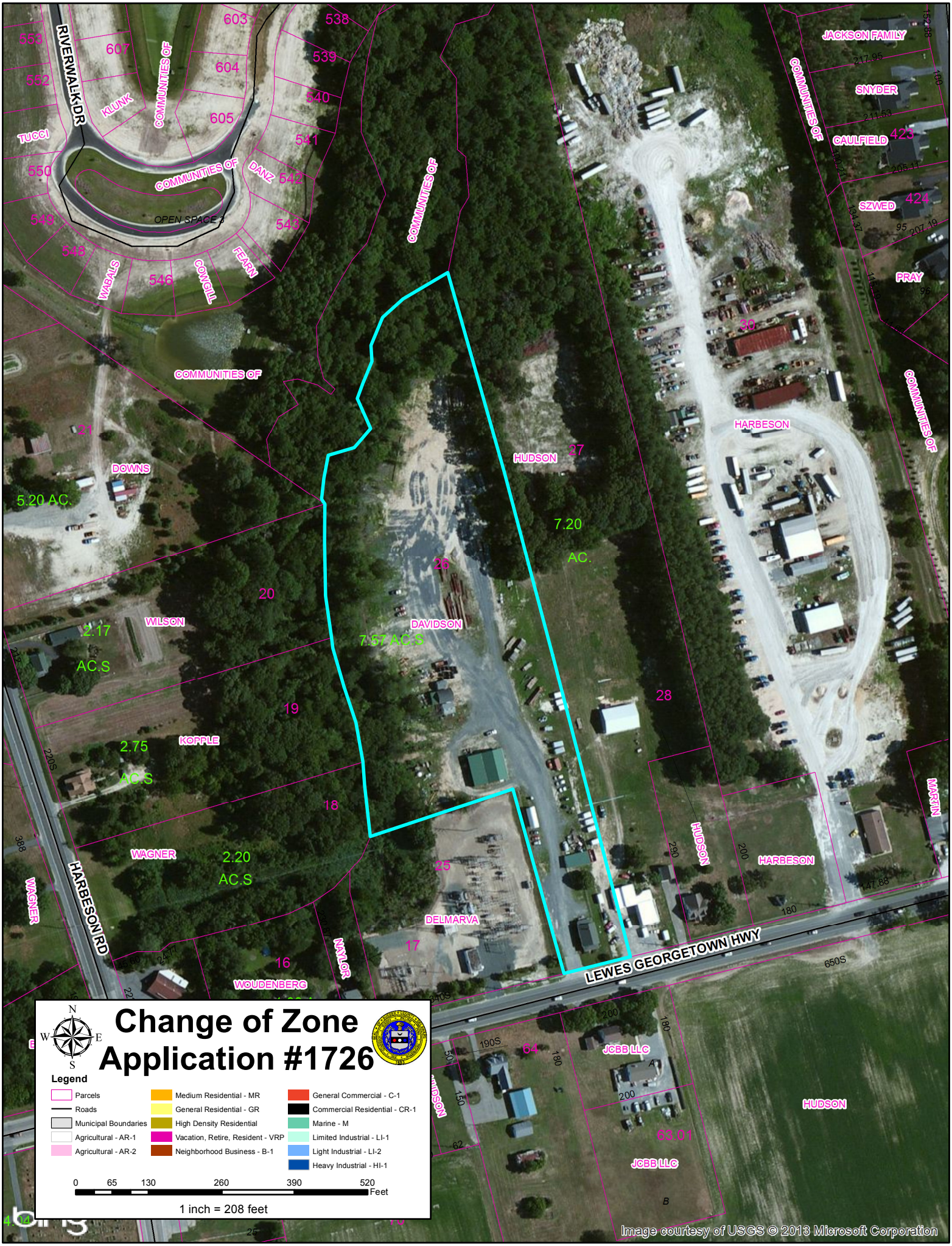
JCBB LLC
A
63.01
JCBB LLC
B
HUDSON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Marine - M
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Heavy Industrial - HI-1
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COMMUNITIES OF
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PRAY
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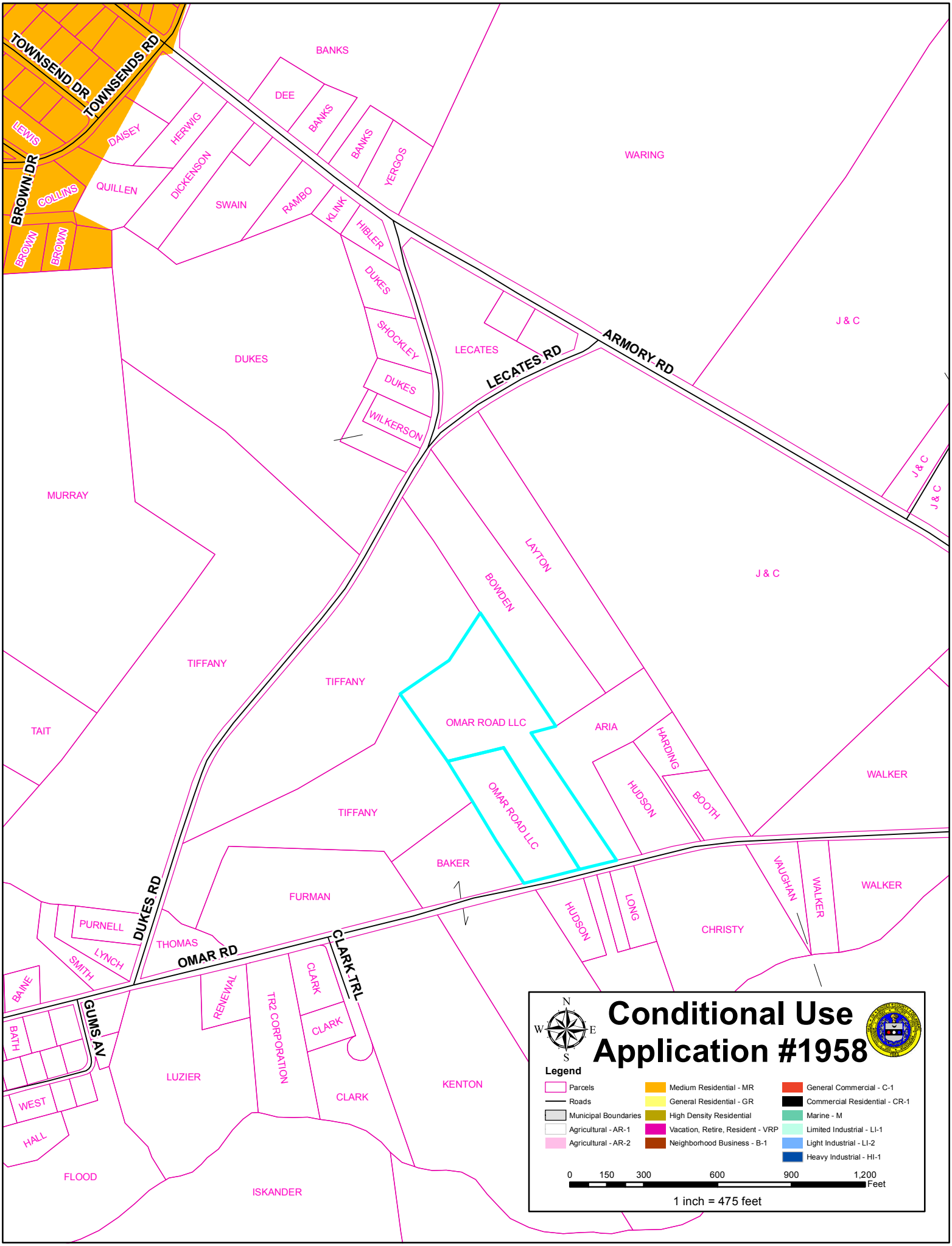
AC.
DAVIDSON
7.57 AC.S
WILSON
2.17
AC.S
KOPPLE
2.75
AC.S
WAGNER
2.20
AC.S
HARBESON RD
DELMARVA
NAYLOR
WOUDENBERG
LEWES GEORGETOWN HWY
MARTIN
JCBB LLC
Image courtesy of USGS © 2013 Microsoft Corporation


TOWNSEND DR
TOWNSENDS RD
BROWN DR
LEWIS
COLLINS
BROWN
BROWN
DAISEY
HERWIG
QUILLEN
DICKENSON
SWAIN
RAMBO
KLINK
BANKS
DEE
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BANKS
YERGOS
WARING
HIBLER
DUKES
SHOCKLEY
DUKES
WILKERSON
DUKES
LECATES
LECATES RD
ARMORY RD
J & C
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MURRAY
LAYTON
BOWDEN
TIFFANY
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TIFFANY
TAIT
OMAR ROAD LLC
OMAR ROAD LLC
ARIA
HARDING
HUDSON
BOOTH
WALKER
BAKER
FURMAN
HUDSON
LONG
CHRISTY
VAUGHAN
WALKER
WALKER
DUKES RD
PURNELL
LYNCH
SMITH
THOMAS
OMAR RD
CLARK TRL
BAINE
GUMS AV
BATH
RENEWAL
TR2 CORPORATION
CLARK
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CLARK
LUZIER
KENTON
WEST
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Conditional Use Application #1958
Legend
Parcels
Roads
Municipal Boundaries
Agricultural - AR-1
Agricultural - AR-2
Medium Residential - MR
General Residential - GR
High Density Residential
Vacation, Retire, Resident - VRP
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Commercial Residential - CR-1
Marine - M
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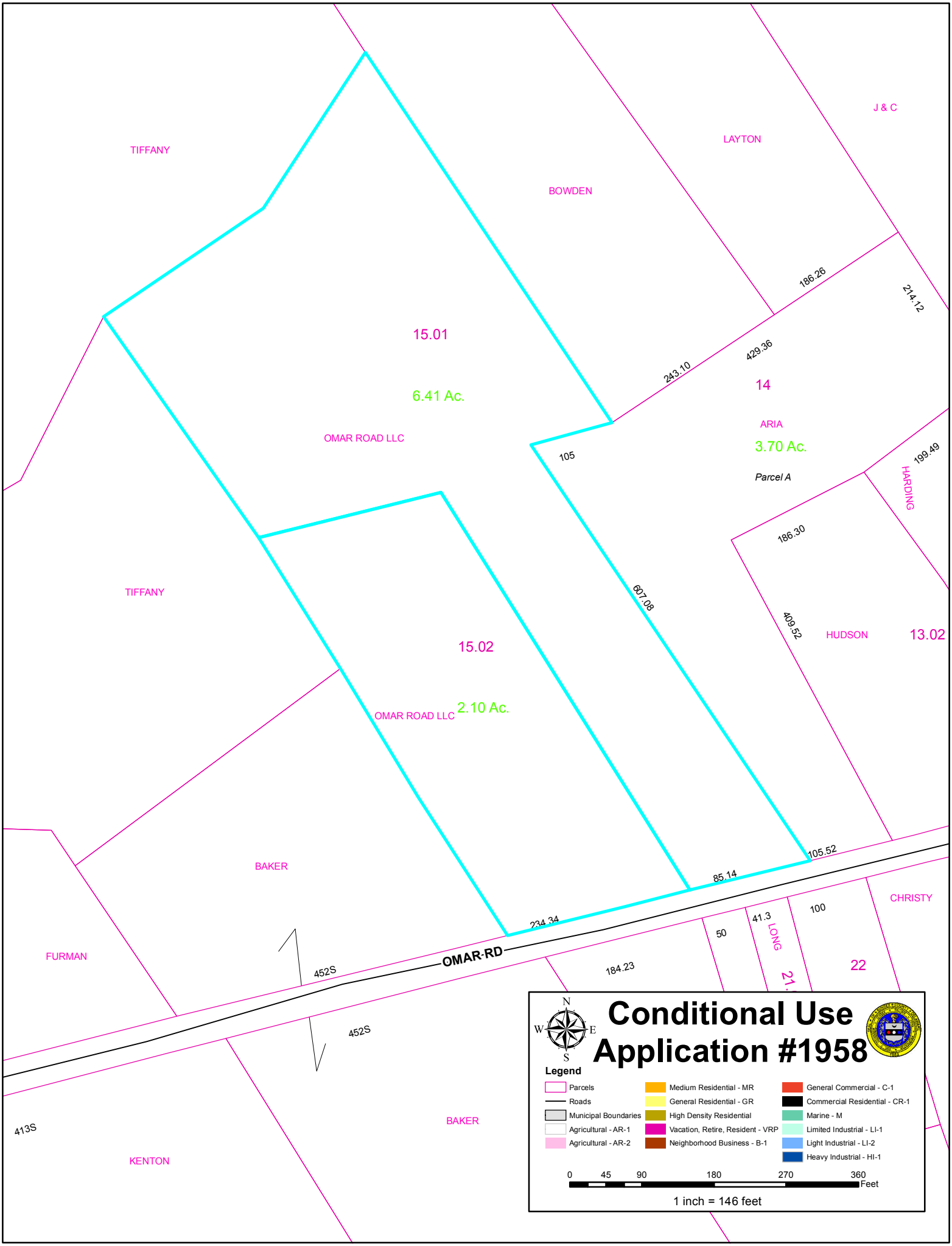
Feet
1 inch = 475 feet


TIFFANY
BOWDEN
LAYTON
J & C
15.01
6.41 Ac.
OMAR ROAD LLC
186.26
214.12
429.36
243.10
14
ARIA
3.70 Ac.
Parcel A
105
199.49
HARDING
186.30
607.08
409.52
HUDSON
13.02
TIFFANY
15.02
OMAR ROAD LLC
2.10 Ac.
BAKER
105.52
85.14
234.34
CHRISTY
100
41.3
LONG
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FURMAN
452S
OMAR RD
184.23
22
452S
413S
BAKER
KENTON
Conditional Use
Application #1958
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Commercial Residential - CR-1
Marine - M
Limited Industrial - LI-1
Light Industrial - LI-2
Heavy Industrial - HI-1
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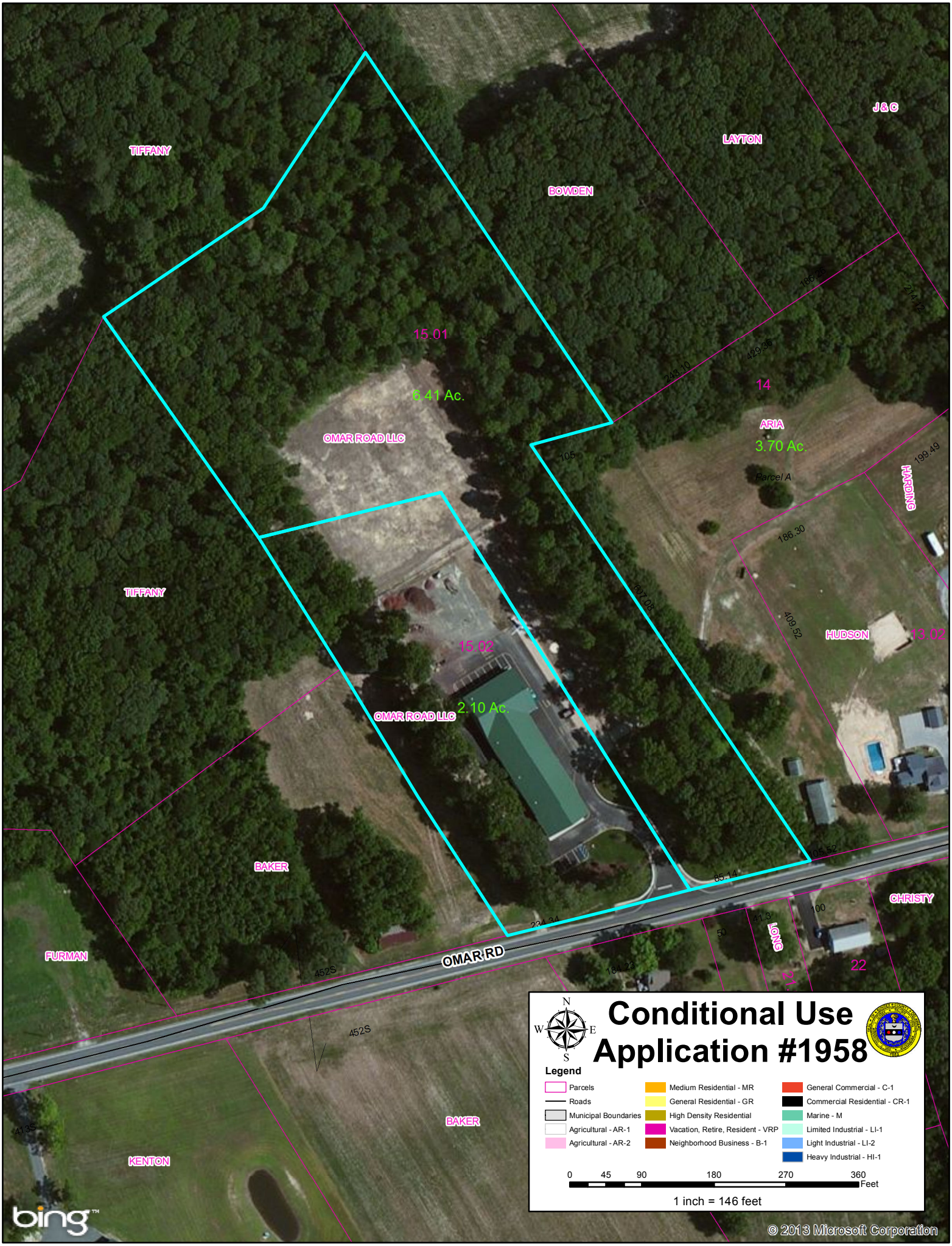
Feet
1 inch = 146 feet


TIFFANY
BOWDEN
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6.41 Ac.
OMAR ROAD LLC
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