



Sussex County Council Public/Media Packet

**MEETING:
December 8, 2015**

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MICHAEL H. VINCENT, PRESIDENT
SAMUEL R. WILSON JR., VICE PRESIDENT
ROBERT B. ARLETT
GEORGE B. COLE
JOAN R. DEEVER



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Sussex County Council

AGENDA

DECEMBER 8, 2015

10:00 A.M.

Call to Order

Approval of Agenda

Approval of Minutes

Reading of Correspondence

Public Comments

Secretary Jennifer Cohan, DelDOT – Update and Discussion

Todd Lawson, County Administrator

1. Introduction of the new County Engineer
2. Administrator's Report

Gina Jennings, Finance Director

1. Pension Review and Update
2. Dog Control Update
3. Discussion and Possible Introduction of a Proposed Ordinance entitled "AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO \$3,887,000 OF GENERAL OBLIGATION BONDS OF SUSSEX COUNTY IN CONNECTION WITH THE EXPANSION OF THE MILLVILLE SANITARY SEWER DISTRICT AND AUTHORIZING ALL NECESSARY ACTIONS IN CONNECTION THEREWITH"



Chris Keeler, Director of Assessment

1. CAMA System – Bid Award

Old Business

**Conditional Use No. 2032
Guillermo Vasquez, t/a F&N Vasquez Concrete, LLC**

Grant Requests

- 1. Good Samaritan Aid Organization for Christmas Basket Program**
- 2. Nanticoke Health Services for Holiday Appeal**
- 3. Delaware Community Foundation for community leadership activities and philanthropic services**
- 4. Overfalls Maritime Museum Foundation for Year-End Giving Campaign**
- 5. Coastal Concerts for community concerts, programs and events**
- 6. Lewes Historical Society for operating expenses**
- 7. Sussex Community Crisis Housing Services for operating costs**

Introduction of Proposed Zoning Ordinances

Council Members' Comments

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

Possible Action on Executive Session Items

Adjourn

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

In accordance with 29 Del. C. §10004(e)(2), this Agenda was posted on December 1, 2015 at 5:00 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, DECEMBER 1, 2015

A regularly scheduled meeting of the Sussex County Council was held on Tuesday, December 1, 2015, at 1:07 p.m., in the Council Chambers, Sussex County Administrative Office Building, Georgetown, Delaware, with the following present:

Michael H. Vincent	President
George B. Cole	Councilman
Joan R. Deaver	Councilwoman
Robert B. Arlett	Councilman
Todd F. Lawson	County Administrator
Gina A. Jennings	Finance Director
J. Everett Moore, Jr.	County Attorney

Councilman Sam Wilson was absent.

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

**Call to
Order**

Mr. Vincent called the meeting to order.

**M 586 15
Approve
Agenda**

A Motion was made by Mr. Wilson, seconded by Mr. Arlett, to approve the Agenda, as posted.

Motion Adopted: 4 Yeas, 1 Absent.

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

Minutes

The minutes of November 17, 2015 were approved by consent.

**Corre-
spondence**

Mr. Moore read the following correspondence:

**THE WAY HOME, GEORGETOWN, DELAWARE.
RE: Letter in appreciation of grant.**

**LOVE, INC., SEAFORD, DELAWARE.
RE: Letter in appreciation of grant.**

**WEST SIDE NEW BEGINNINGS, INC., WEST REHOBOTH CHILDREN
& YOUTH PROGRAM, REHOBOTH, DELAWARE.
RE: Letter in appreciation of grant.**

**LA RED HEALTH CENTER, GEORGETOWN, DELAWARE.
RE: Letter in appreciation of grant.**

(continued) **READING ASSIST INSTITUTE, WILMINGTON, DELAWARE.**
RE: Letter in appreciation of grant.

**Public
Comments**

Public Comments

Michael Eisenhauer commented on his complaint which was submitted to the County regarding Paradise Grill in Long Neck (Pot Nets).

Stephen Wilz commented on issues with Paradise Grill in Long Neck (Pot Nets).

Dan Kramer commented on the Council's schedule.

**M 587 15
Approve
Consent
Agenda**

A Motion was made by Mrs. Deaver, seconded by Mr. Arlett, to approve the following items listed under the Consent Agenda:

**Wastewater Agreement No. 343-10
Sussex County Project No. 81-04
Forest Landing – Phase 3C
Miller Creek Sanitary Sewer District**

**Wastewater Agreement No. 343-11
Sussex County Project No. 81-04
Forest Landing – Phase 3D
Miller Creek Sanitary Sewer District**

Motion Adopted: 4 Yeas, 1 Absent.

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

**Third
Quarter
Pickle
Awards**

Mr. Lawson reported that, beginning in 2015, the County embarked on the employee recognition campaign known as "Give Them the Pickle Program", an employee based peer-to-peer recognition program.

Mr. Lawson reported that 37 employees received pickle awards for the third quarter of 2015. One recipient had his name drawn and will receive a trophy and a free vacation day. The Third Quarter Winner was Barry Hitchens, Sussex County Paramedic. The Council recognized Mr. Hitchens and the other Pickle Award winners in attendance.

**Adminis-
trator's
Report**

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

1. Caroling on The Circle

A reminder that the annual Caroling on The Circle program will take place on Monday, December 7th, at 6:30 p.m. in front of the Sussex County Courthouse. This is a free event sponsored by the Sussex

**Administrator's
Report
(continued)**

County Council each year. Everyone is welcome and encouraged to attend, and to bring a food item for the less fortunate if they can afford to do so. Hot chocolate and cookies will be served at the Georgetown Fire Hall after the program. The "Pack the POD" campaign will remain in full swing until the end of December.

2. Mildred King Luncheon

Sussex County offices will close for a two-hour period on Friday, December 11th, to allow employees to attend the annual Mildred King Luncheon. County offices will close from 11:00 a.m. to 1:00 p.m. on that date. Members of the public with business to conduct are asked to plan accordingly. County offices will reopen promptly at 1:00 p.m.

3. Delaware State Police Activity Report

Per the attached Delaware State Police activity report for October, there were 310 violent crime arrests with 213 clearances; 2,681 property crimes with 929 clearances; and 39,115 total traffic charges with 27,531 corresponding arrests. Of those traffic arrests, 824 were for DUI. Finally, there were 4,300 total vehicle crashes investigated in October. In total, there were 197 troopers assigned to Sussex County for the month of October.

4. Projects Receiving Substantial Completion

Per the attached Engineering Department Fact Sheets, the following projects have received Substantial Completion: Coastal Club – Phase 1C, effective November 19th; Rehoboth Shores (Part of Area 1), effective November 23rd; and Oak Creek – Phase 4 (a/k/a/ Sawgrass North), effective November 23rd.

(Attachments to the Administrator's Report are not attachments to the minutes.)

**Grant
Requests**

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

**M 588 15
Council-
manic
Grant**

A Motion was made by Mrs. Deaver, seconded by Mr. Cole, to give \$500.00 (\$250.00 each from Mr. Wilson's and Mrs. Deaver's Councilmanic Grant Accounts) to Delmarva Clergy United in Social Action Foundation for program expenses.

Motion Adopted: 4 Yeas, 1 Absent.

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

M 589 15 Councilmanic Grant **A Motion was made by Mr. Arlett, seconded by Mrs. Deaver, to give \$1,000 (\$800.00 from Mr. Arlett's Councilmanic Grant Account and \$200.00 from Mr. Cole's Councilmanic Grant Account) to the Fenwick Island Lions Club for project expenses.**

Motion Adopted: 4 Yeas, 1 Absent.

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

M 590 15 Councilmanic Grant **A Motion was made by Mrs. Deaver, seconded by Mr. Arlett, to give \$500.00 from Mr. Vincent's Councilman Grant Account to the Downtown Seaford Association for Christmas parade expenses.**

Motion Adopted: 4 Yeas, 1 Absent.

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

M 591 15 Councilmanic Grant **A Motion was made by Mr. Arlett, seconded by Mr. Cole, to give \$1,000.00 from Mr. Arlett's Councilmanic Grant Account to All About Pink, Inc. for an educational retreat for breast cancer survivors.**

Motion Adopted: 4 Yeas, 1 Absent.

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

M 592 15 Councilmanic Grant **A Motion was made by Mrs. Deaver, seconded by Mr. Arlett, to give \$250.00 (\$50.00 from each Councilmanic Grant Account) to CHEER for *Deck the Halls with Christmas* event.**

Motion Adopted: 4 Yeas, 1 Absent.

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

Council Members' Comments

Council Members' Comments

Mrs. Deaver commented on the County's signage/notification of public hearings on zoning applications.

M 593 15 Go Into E/S **A Motion was made by Mrs. Deaver, seconded by Mr. Arlett, to recess the Regular Session and go into Executive Session for the purpose of discussing matters relating to job applicants' qualifications, personnel, and land**

**M 594 15
Recess &
Go Into
Executive
Session
(continued)**

acquisition.

Motion Adopted: 4 Yeas, 1 Absent.

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

**Executive
Session**

At 1:32 p.m., an Executive Session of the Sussex County Council was held on December 1, 2015 for the purpose of discussing matters relating to job applicants' qualifications, personnel, and land acquisition. The Executive Session concluded at 2:20 p.m.

**M 595 15
Reconvene
Regular
Session**

At 2:22 p.m., a Motion was made by Mrs. Deaver, seconded by Mr. Arlett, to come out of Executive Session and to reconvene the Regular Session.

Motion Adopted: 4 Yeas, 1 Absent.

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

**M 596 15
Negotiate
Contract
to Purchase
Land**

A Motion was made by Mr. Cole, seconded by Mrs. Deaver, to grant authority to the County Administrator to negotiate and execute a contract and purchase Tract A.

Motion Adopted: 4 Yeas, 1 Absent.

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

**M 597 15
Offer to
Candidate
for County
Engineer
Position**

A Motion was made by Mrs. Deaver, seconded by Mr. Arlett, to grant authority to the County Administrator to offer Candidate G the position of County Engineer.

Motion Adopted: 4 Yeas, 1 Absent.

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

**Request to
Withdraw
CU 2021**

Lawrence Lank, Director of Planning and Zoning, reported on the Public Hearing on Conditional Use No. 2021 filed on behalf of VIII P-Loan Portfolio Holding, LLC. Mr. Lank advised that a letter of request to withdraw the application was received on November 30, 2015. Mr. Lank noted that, since the request was not received two working days prior to the Public Hearing, the Council has to vote on approving the withdrawal.

**Request to
Withdraw
CU 2021
(continued)**

Mr. Lank commented on circumstances surrounding the submission of the request to withdraw.

Aaron Baker, Attorney, explained to Council why the letter of request was not submitted prior to the deadline.

**M 598 15
Permit
Withdraw
of
CU 2021**

A Motion was made by Mr. Cole, seconded by Mrs. Deaver, to permit the withdraw of Conditional Use No. 2021 filed on behalf of VIII P-Loan Portfolio Holding, LLC.

Motion Adopted: 4 Yeas, 1 Absent.

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

**Public
Hearing/
CU 2032**

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 A CONSTRUCTION COMPANY OFFICE, EQUIPMENT PARKING AND SHOP/YARD TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN CEDAR CREEK HUNDRED, SUSSEX COUNTY, CONTAINING 3.125 ACRES, MORE OR LESS" (Conditional Use No. 2032) filed on behalf of Guillermo Vasquez, t/a F&N Vasquez Concrete, LLC. (Tax I.D. No. 330-14.16-5.03 and 5.00) (911 Address: 18578 Sherman Avenue, Lincoln).

The Planning and Zoning Commission held a Public Hearing on this application on October 29, 2015 at which time action was deferred. On November 12, 2015, the Commission recommended that the application be denied.

(See the minutes of the meetings of the Planning and Zoning Commission dated October 29 and November 12, 2015.)

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

Mr. Lank reported that numerous complaints have been received regarding activities on the site; that the property owners were sent violation notices; and that the Zoning Inspector and County Constables have visited the site on several occasions to require that operations cease and desist or that the owners make application.

Mr. Lank also reported that business is being conducted on two separate parcels and that the application is for both sites.

The Council found that Fernando Vasquez was present on behalf of the application. Mr. Vasquez provided information on the use of the property

**Public
Hearing/
CU 2032
(continued)**

for a construction company office, equipment parking and a shop/yard. Mr. Vasquez stated that they are in the process of looking for a commercial property on which to relocate the business and that they would like to continue to operate on the site until another site is found.

Mr. Cole questioned if the Council has the ability to approve a Conditional Use for a limited time such as 6 months. Mr. Moore responded that he would have to report back to Council on this question.

Public comments were heard.

There were no public comments in support of the application.

Mike Maney stated that he was representing the concerned residents of Lincoln and he spoke in opposition to the application. He stated that the business has never been in compliance; that the business continues to grow; that the use does not belong in a residential area; that the use is not in compliance with existing codes and regulations; and that they want the County to issue a cease and desist order immediately.

Doris Maney also spoke in opposition to the application and she expressed concern about noise and fumes.

There were no additional public comments and the Public Hearing and public record were closed.

**M 599 15
Motion
Died**

A Motion was made by Mrs. Deaver, to Adopt the Proposed Ordinance entitled "AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR A CONSTRUCTION COMPANY OFFICE, EQUIPMENT PARKING AND SHOP/YARD TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN CEDAR CREEK HUNDRED, SUSSEX COUNTY, CONTAINING 3.125 ACRES, MORE OR LESS" (Conditional Use No. 2032) filed on behalf of Guillermo Vasquez, t/a F&N Vasquez Concrete, LLC.

The Motion died for the lack of a Second.

**M 600 15
Defer
Action on
CU 2032**

A Motion was made by Mr. Cole, seconded by Mr. Arlett, to defer action on Conditional Use No. 2032, filed on behalf of Guillermo Vasquez, t/a F&N Vasquez Concrete, LLC., for one week to allow time for Legal Counsel to research the Council's ability to approve a Conditional Use for a limited time (i.e. a period of 6 weeks).

Motion Adopted: 3 Yeas, 1 Nay, 1 Absent.

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

**Public
Hearing/
CZ 1788**

A Public Hearing was held on the Proposed Ordinance entitled “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 INDIAN RIVER HUNDRED, SUSSEX COUNTY, CONTAINING 26,596 SQUARE FEET, MORE OR LESS” (Change of Zone No. 1788) filed on behalf of Upesh Vyas (Tax Map I.D. No. 234-23.00-269.08) (911 Address: 24858 John J. Williams Highway, Millsboro).

The Planning and Zoning Commission held a Public Hearing on this application on October 29, 2015 at which time the Commission recommended that the application be approved.

(See the minutes of the meeting of the Planning and Zoning Commission dated October 29, 2015.)

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

The Council found that Jim Clark, Architect, was present on behalf of the application. Mr. Clark presented information on the reasons for the request for rezoning – the Applicant proposes to remove the existing convenience store and replace the store with a new structure; the gas pumps and canopy will remain as existing. Mr. Clark explained that the site has historically been a commercial use and the change of zone would be infill zoning since the lot is surrounded by commercial zonings. Mr. Clark commented on the variances on the property lines that will be needed and it was noted that variances are a Board of Adjustment issue. Mr. Clark stated that the property lines changed when DelDOT widened Route 24 and that the site has historically been a commercial use.

There were no public comments.

The Public Hearing and public record were closed.

**M 601 15
Adopt
Ordinance
No. 2427/
CZ 1788**

A Motion was made by Mrs. Deaver, seconded by Mr. Arlett, to Adopt Ordinance No. 2427 entitled “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 INDIAN RIVER HUNDRED, SUSSEX COUNTY, CONTAINING 26,596 SQUARE FEET, MORE OR LESS” (Change of Zone No. 1788) filed on behalf of Upesh Vyas.

Motion Adopted: 4 Yeas, 1 Absent.

**M 601 15
(continued)**

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

**M 602 15
Adjourn**

**A Motion was made by Mrs. Deaver, seconded by Mr. Cole, to adjourn at
3:37 p.m.**

Motion Adopted: 4 Yeas, 1 Absent.

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

Respectfully submitted,

**Robin A. Griffith
Clerk of the Council**

{An audio recording of this meeting is available on the County's website.}

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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, Jr., Vice President
The Honorable Robert B. Arlett
The Honorable George B. Cole
The Honorable Joan R. Deaver

FROM: Gina A. Jennings
Finance Director

RE: **SUSSEX COUNTY PENSION UPDATE**

DATE: December 3, 2015

On Tuesday, Michael Shone will be discussing the County's pension performance and the Pension Committee's recommendation on changing the investment policy statements to make them more consistent. Attached for your review are the draft minutes of the November 16, 2015 Pension Committee meeting, the Investment Performance Report as of September 30, 2015, and a November 30, 2015 performance update. Here is a brief summary of the County's pension performance.

Pension Performance

Summary of the Pension Investment Analysis

- Market value was \$70,739,340 as of September 30, 2015
- Year-to-date loss of \$296,000
- Continued strong performance in the third quarter by ranking in the top 36 percent when compared to our peer group

Summary of the OPEB Investment Analysis

- Market value was \$30,057,238 as of September 30, 2015
- Year-to-date loss of \$55,000
- Very strong performance in the third quarter by ranking in the top 19 percent when compared to our peer group
- Outperformed the benchmark by almost 1 percent



Memo to Council – Sussex County Pension Update
December 3, 2015
Page 2 of 2

Investment Policy Updates

The Pension Committee reviewed both the Pension and Pension Benefit (OPEB) Investment Policy Statements at the November meeting. The Committee, with the assistance of Piece Park Group, are making the recommendation to change the investment policy statements that accomplish the following goals:

- Make the Pension and OPEB Investment Policy Statements as similar as possible
- Update the investment guidelines and restrictions
- Make the investment policy statements easier to read
- Remove any unnecessary or redundant language

Along with the Pension Investment Policy amendment and a new OPEB Investment Policy, I have attached a table containing all of the changes for your review. I will be asking for your approval of these changes on Tuesday.

Please contact me if you have any questions or concerns.

Attachments

pc: Mr. Todd F. Lawson

PENSION FUND COMMITTEE

Minutes of Meeting

November 16, 2015

The Sussex County Pension Fund Committee met on November 16, 2015, at 10:00 a.m. in the County Council Chambers, Georgetown, Delaware. Those in attendance included members: Gina Jennings, Todd Lawson, Karen Brewington, Jeffrey James, David Baker, Hugh Leahy, and Kathleen Ryan. Also in attendance was Michael Shone of Peirce Park Group, the County's Pension Investment Consultant.

On November 6, 2015, the Agenda for today's meeting was posted in the County's locked bulletin board located in the lobby of the County Administrative Offices, as well as posted on the County's website.

Ms. Jennings called the meeting to order.

1. **Approval of Minutes**

The minutes of the August 20, 2015 meeting were approved by consent.

2. **Performance Reports of the Pension and OPEB Funds**

Mr. Shone distributed copies of a booklet entitled, "Sussex County Investment Performance Report, September 30, 2015". The Investment Performance Report includes information regarding the market environment for the third quarter of 2015, 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 – 3rd Quarter of 2015 (Tab 1).

The Year-Over-Year Real Gross Domestic Product (GDP) Growth has seen reasonably steady growth (inflation adjusted) of 1-1/2 to 2 percent, with a slight reverse in the third quarter both internationally and domestically. Although, historically over a 30 to 80 year timeframe, inflation has averaged approximately 3 percent, the 10-year breakeven inflation is projected to be 1.5 percent. The decline seen in the world economy has been primarily driven by China. Over the last 20 years, the year-over-year world trade volume has grown at approximately 5 percent, but the last two years has seen a significant decrease. In an effort to combat their sluggish economy, China took action to devalue their currency, which allows their goods to be less expensive and more attractive to buyers.

Equities, for the quarter and year, all saw negative returns; U.S. Equities: -7.2 for the quarter and -5.4 for year-to-date; international equities: -10.2 for the quarter and -5.3 for the year-to-date; and emerging market equities: -17.9 for the quarter and -15.5 for year-to-date. U.S. bonds were slightly positive for the quarter (1.2 percent) and for the year-to-date (1.1 percent). Commodities have performed extremely poorly for the third quarter (-11.8) and -17.2 for year-to-date. Within U.S. Equity returns, growth stocks continued to outperform their value counterparts among large-caps, but value was the better performer within small-caps. Large caps fared well amid mid and small caps for the quarter, although they were the worst performers during August.

Mr. Shone directed members to the Pension Fund Performance Report (Tab II).

As of September 30, 2015, the ending market value of the Pension Plan was \$70.7 million and realized a third quarter loss of \$3.5 million, and a 1 year (October 1, 2014 thru September 30, 2015) loss of \$296,000. The quarterly performance was in line with the Policy Index; underperformance by DuPont was offset by outperformance by the State Investment Pool. Looking ahead, the Committee will be discussing possible changes to the Pension Investment Policy Statement, as well as a possible increase in the international allocation [add new international or global manager(s)].

The ending market value of \$70,739,340 included: DuPont Capital Investment: \$13,152,500, Operating Account: \$112,474, State of Delaware Investment Pool: \$44,086,218, Vanguard Extended Market Index: \$2,724,804, Vanguard Mid Cap Value: \$2,373,239, Wilmington Trust Bonds: \$8,290,105, and Wilmington Trust Short Term: \$0. Over the last 3 years, the pension fund saw an investment gain of \$14.6 million, or an 8.1 percent return.

As of September 30, 2015, Sussex County's Pension Asset Allocation included: State of Delaware Investment Pool: 62.3 percent; Cash: 0.2 percent; Domestic Fixed Income: 11.7 percent; and Domestic Equity: 25.8 percent; these percentages have remained very consistent over time.

Year-to-date, the Pension Fund realized a -2.2 percent return and ranked in the top 30th percentile nationwide (250 public funds); -0.2 percent return for 1 year (top 36th percent); top 19 percent for 3 years; and in the top 25 percent for 5 years. For the quarter, the fund realized a negative return of 4.7 percent (top 36th percent), which was above the policy index of -4.6 percent. Mr. Shone noted Peirce Park likes to see their clients within the top 20th to 30th percentile, which allows for more consistent returns overall. Over the last 5 years, the County's pension plan has realized a return of 8.4 percent, which is above the 7.8 percent policy index. Mr. Shone noted that the County's overall fees are more expensive due to the State's fee of .68, but their returns justify the added cost.

Portfolio summary for the third quarter include: DuPont Capital Investment: -7.4 percent return; Vanguard Extended Market Index (added October 2014): -10.5 percent; Vanguard Mid Cap Value (added December 2014): -6.7; Wilmington Trust Bonds: 1.2 percent; and State of Delaware Investment Pool: -4.4 percent.

Mr. Shone referred members to the OPEB Fund Performance Report (Tab III).

As of September 30, 2015, the ending market value of the OPEB Plan was \$30 million (\$31.3 million as of October 31, 2015) and realized a first quarter loss of \$1.3 million,

and a one year (October 1, 2014 thru September 30, 2015) loss of \$55,000. The OPEB Plan outperformed its policy index by approximately 0.9 percent due to strong quarter performance from active equity managers and very low investment fees of .26 percent. Looking ahead: Investment Policy Statement review.

Since its inception (March 1, 2011), at which time the market value was \$22,982,102, the OPEB has realized a 4.7 percent return. For the quarter, the plan was down 4.2 percent and ranked in the top 19th percentile; year-to-date: -2.5 percent (top 39th percent), and 1 year: 0.2 percent (top 27 percent); two years: top 42nd percent; and 3 years: top 50th percent.

Mr. Shone reported that he would be recommending one fund to go on their watch list even though they had outperformed their benchmarks by 10 percentage points per year for the last three years, ranking them in the top 2 percent of global equity managers. PPG's heightened concern regarding Thornburg is due to their significant decrease in international equity assets and several portfolio manager changes.

When questioned, Mr. Shone noted that Peirce Park's expectations are that returns, over the next ten years, will be below historic norms for two reasons: fixed income (expected returns of 2.5 percent) and the overvalue of domestic equities.

3. **Review and Modify Pension and OPEB Investment Policy Statements**

Committee members were provided with copies of a report prepared by Peirce Park entitled, "Sussex County Pension & OPEB Investment Policy Statements – November 2015". Also included were two additional documents, "Sussex County OPEB Fund Investment Policy Statement – November 2015" and "ADDENDUM – The Sussex County, Delaware Employee Pension Plan Investment Policy Statement Dated June 24, 2014". Today's information is being presented as a result of discussion held at the Committee's August 20, 2015 meeting and the goals include: updating the investment guidelines and restrictions, making the statements easier to read, removing unnecessary or redundant language, and providing consistency between the Pension and OBEP.

OPEB

The existing OPEB Investment Policy Statement was signed almost 5 years ago (December 2010) and has been amended three times (April 2013, September 2014, and December 2014). The proposed revisions would improve consistency with the Pension's guidelines (pending approval of the Pension's IPS Addendum). Mr. Shone stated that he had contacted Mr. D'Eramo, fixed income manager with Wilmington Trust, to ensure his agreement with the suggested revisions. Mr. Shone and the Committee reviewed and discussed the following:

SUSSEX OPEB IPS COMPARISON

Section	Existing IPS	New IPS
Investment Objectives	States that the target return of the fund is an annualized 8%.	States that the target return is the Plan's actuarially assumed rate of return.
Investment Guidelines	Investment Manager(s) shall report immediately to the Committee or its designees any shift between or decrease in market value of asset classes	Removed.

Investment Guidelines (Con't.)	during any calendar quarter which equal or exceeds ten (10) percent of the market value of the assets assigned to the Investment Manager(s).	
	Investment Manager(s) should exceed their assigned benchmarks, post fees, on an annualized basis over periods of three (3) years or more.	Increased to five (5) years, net of fees.
Equity Guidelines	Limits investment manager(s) to a 5% position in any one security.	Limits investment manager(s) to the greater of: 1. Five (5) percent or 2. 1.5 times the weighting of a security within an Investment Manager's benchmark.
	No limit.	5% limit on convertible securities and ADRs.
International/Global Equity Investment Guidelines		Removed. International/Global is included within Equity Guidelines.
Fixed Income Investment Guidelines	No less than 50% of the total fixed income portfolio shall be invested in U.S. Government securities.	Removed.
	Average credit quality shall exceed A2 as determined by Moody's.	Average credit quality shall exceed A/A2 as determined by S & P/Moody's .
	Investment grade bonds rated BBB/Baa	Added a limit of 35%.
	Single issuer limited to 30%.	Single issuer limited to 25% .
	Federal Agencies limited to 50%.	Removed.
	Zero coupon treasuries limited to 10%.	Removed.
Cash Investment Guidelines		Removed. Included new guidelines within fixed income.
Review Procedures	All investment managers will rank above agreed upon peer group medians over periods of three (3) or more years.	All investment managers will rank above agreed upon peer group medians over periods of five (5) or more years.

Mr. Baker questioned "single issuer limited to **25%**" under Fixed Income Investment Guidelines, and whether this included U. S. Government/Corporate Bonds. Mr. Shone noted that this should read "single issuer of agency bonds limited to 25%".

PENSION

The existing Investment Policy Statement was signed in June 2014. The current IPS was reviewed and redlined to make it consistent with the new OPEB IPS, and Peirce Park is recommending approval of the IPS Addendum. A review of the changes include:

SUSSEX PENSION IPS COMPARISON

Section	Existing Sussex Pension IPS	New Sussex OPEB IPS/Pension IPS Addendum
Investment Guidelines	Investment Manager(s) shall report immediately to the Committee or its designees any shift between or decrease in	Removed.

	market value of asset classes during any calendar quart which equal or exceeds ten (10) percent of the market value of the assets assigned to the Investment Manager(s).	
Equity Guidelines	5% limit on REITS	Removed.
	Limits investment managers(s) to a 5% position in any one security.	Limits investment manager(s) to the greater of 1) Five (5) percent or 2) 1.5 times the weighting of a security within an Investment Manager's benchmark.
	Limits access to liquidity.	Modified to give investment manager's more latitude to find liquidity.
Fixed Income Investment Guidelines	Average credit quality shall exceed A2 as determined by Moody's.	Average credit quality shall exceed A/A2 as determined by S&P/Moody's .
	Allows non-investment grade bonds up to 20%.	Prohibits non-investment grade bonds.
	Investment grade bonds rated BBB/Baa	Added a limit of 35%.
	The effective duration ... shall be no more than twenty-five (25) percent greater or less than the effective duration of the policy benchmark.	The effective duration ... shall be no more than twenty-five (25) percent greater or fifty (50) percent less than the effective duration of the policy benchmark.
	Single issuer limited to 30%.	Single issuer limited to 25% .
	Zero coupon treasuries limited to 10%.	Removed.
	Federal Agencies limited to 50%.	Removed.
	No guidelines for cash.	Added guidelines for cash (section 2G).
Asset Allocation	International Equity Benchmark: MSCI EAFE (net).	Changed to: MSCI ACWI ex U.S. (net)
	Fixed Income Benchmark: Barclay's Intermediate Government Index	Changed to: Barclay's Intermediate Government/Credit Index.

Note: As was noted for the OPEB, the above "Single Issuer limited to 25%" under Fixed Income Guidelines should read, "Single issuer of agency bonds limited to 25%".

When questioned, although not included in the summary, Mr. Shone confirmed that changes were made and included in the Pension IPS revisions pertaining to cash guidelines, REITS, and duration, as was done for the OPEB.

Ms. Jennings thanked Mr. Shone for the tremendous amount of work required by Peirce Park in presenting their comparisons and recommendations to the Committee.

A Motion was made by Mr. Baker, seconded by Mr. Leahy, to recommend to the Sussex County Council to amend both the OPEB and Pension Investment Policy Statements as recommended and presented by Peirce Park Group.

Before passage of the motion, Mr. Shone suggested that discussion would need to take place to define the international equity targets and allow inclusion in the Committee's recommendations to County Council.

Mr. Baker and Mr. Leahy withdrew their motion to allow discussion on the international targets for both Investment Policy Statements (next item on the agenda).

4. **Pension and OPEB Manager Recommendations**

Committee members were presented with copies of a report entitled, “Sussex County Global/Int’l Equity Manager Search – November 2015”. At the August 2015 meeting, the Committee had expressed an interest in increasing the allocation of international equities for both the Pension and the OPEB. At the present time, the Pension’s exposure to International Equities is approximately 12 percent thru the Delaware State Pool. The OPEB’s allocation is 14 percent thru two global managers (MFS and Thornburg) and one international manager (American Funds). Given the potential allocation size, Peirce Park recommends the use of an international passive option should the Committee decide not to use global equity managers. Mr. Shone noted that the OPEB can also allocate more assets to existing managers.

Mr. Shone reviewed the following Summary and Manager information for the 4 noted managers (as well as Fund Comparisons – Regional and Sector Distributions, and Market Capitalization):

SUMMARY

<u>Artisan Global Opportunities</u>	<ul style="list-style-type: none"> - Five portfolio managers supported by a team of research analysts - Aims to find companies experiencing accelerating profit cycles - Invests in developed (U.S. and international) and emerging markets - Guidelines for total exposure to industry, market capitalizations, countries, and individual positions
<u>MFS Low Volatility Global Equity</u>	<ul style="list-style-type: none"> - Four portfolio managers who use both fundamental and quantitative metrics - Targets 30% less risk than the MSCI ACWI - Invests in developed (U.S. and international) and emerging markets - The strategy has a shorter track record and limited assets
<u>Vanguard Total World Stock Index</u>	<ul style="list-style-type: none"> - Seeks to track the performance of the FTSE Global All Cap Index - Passively managed, using index sampling - Broad exposure across non-U.S. developed and emerging markets around the world, including the U.S.
<u>Vanguard FTSE All-World ex-US Index</u>	<ul style="list-style-type: none"> - Seeks to track the performance of the FTSE All-World ex US Index - Employs a passively managed, full-replication strategy - Broad exposure across non-U.S. developed and emerging markets around the world

MANAGER INFORMATION – AS OF SEPTEMBER 30, 2015

	<u>Artisan Global Opportunities</u>	<u>MFS Low Volatility Global Equity</u>	<u>Vanguard Total World Stock Index</u>	<u>Vanguard FTSE All-World ex-US Index</u>
Location	Milwaukee, WI	Boston, MA	Malvern, PA	Malvern, PA
Firm Inception	1994	1924	1975	1975
Firm Assets (\$B)	97	403	3,105	3,105

Style	Fundamental, Bottom-up	Combined, Bottom-Up	Index	Index
Strategy Inception	2007	November 2011	2008	2007
Strategy Assets (\$B)	6.5	0.1	7.1	23.0
Expense Ratio	0.97%	0.95%	0.27*	0.14%*
Vehicle	Mutual Fund (Ticker: APHRX)	Mutual Fund (Ticker: MVGNX)	Mutual Fund (Ticker: VTWSX)	Mutual Fund (Ticker: VFWSX)
Preferred Benchmark	MSCI ACWI	MSCI ACWI	FTSE Global All Cap	FTSE All-World ex US Index
# of Holdings	46	95	7,424	2,510

*The strategy also has an institutional share class with an expense ratio of 0.15%. The minimum for this vehicle is \$5 million. There is also an ETF, which has an expense ratio of 0.17%.

	Artisan Global Opportunities	MFS Low Volatility Global Equity
Portfolio Management:	<ul style="list-style-type: none"> - 5 portfolio managers on the strategy - Supported by 11 research analysts 	<ul style="list-style-type: none"> - Two portfolio managers on the strategy - Global research platform – fundamental research, sector teams, quantitative research, etc. (supports the portfolio managers)
Looking for stocks with:	<ul style="list-style-type: none"> - Franchise companies that exhibit financial strength, high industry position, revenue growth, and strong margins - An accelerating profit cycle - Attractive valuations that sell at a discount to private market value 	<ul style="list-style-type: none"> - Volatility (as measured by standard deviation) below the highest 40% within universe - High quality of products and services, strong growth rate versus its industry, strong management, and solid financial strength - Attractive valuations that have an investment catalyst
Managers risk in absolute terms and relative to benchmark:	<ul style="list-style-type: none"> - Max of 35% in any single country other than the U.S. - Max of 25% in any industry - Market capitalization greater than \$3B at initiation of position 	<ul style="list-style-type: none"> - 4% position maximum - Sector, industry, and region weights within 5% of benchmark 50 year average - Use MSCI Barra in daily risk monitoring and optimization process

YEARLY RETURNS

	2015 YTD	2014	2013	2012	2011	2010	2009	2008
Artisan	-1.2	2.6	24.6	30.2	-6.6	28.2	47.9	-44.7
MFS	-4.5	10.0	26.0	16.3				
Vanguard Total World	-7.9	3.9	22.8	16.9	-7.9	14.5	37.1	-42.4
ACWI	-8.8	4.2	22.8	16.1	-7.4	12.7	34.6	-42.2

CUMULATIVE RETURNS ANNUALIZED (%) – AS OF OCTOBER 2015

	YTD	1 Year	3 Year	5 Year	Since Oct. 2007
Artisan	-1.2	-0.2	10.0	12.0	6.7
MFS*	-4.5	0.3	10.8	11.6	6.2
Vanguard Total World	-7.9	-5.9	7.23	7.1	2.3
ACWI	-8.8	-6.7	7.0	6.8	1.9

*The MFS strategy incepted in November 2011. Prior to that, Peirce Park used the MSCI ACWI Minimum Volatility Index as a proxy.

PENSION IMPLEMENTATION

(possible portfolio structure)

	Current	14% Int'l	14% Intl v2	16% Int'l	16% Int'l v2
DuPont Large Cap Structured Equity	19.2	17.2	16.2	16.2	13.2
Vanguard Extended Market Index	2.7	2.7	2.7	2.7	2.7
Vanguard Mid Cap Value Index	4.8	4.8	3.8	3.8	2.8
Wilmington Trust FI	11.1	11.1	11.1	11.1	11.1
Cash	0.2	0.2	0.2	0.2	0.2
DE State Pool	62.0	62.0	62.0	62.0	62.0
New Global Manager(s)	-	-	4.0	-	8.0
New International Manager	-	2.0	-	4.0	-

Contributing
Withdrawing

OPEB IMPLEMENTATION

(possible portfolio structure)

	Current	16% International	18% International
Vanguard Institutional Index	35.1	32.1	29.1
Vanguard Mid Cap Value Index	6.3	6.3	6.3
Vanguard Small Cap Value Index	2.9	2.9	2.9
MFS Low Volatility Global Index	6.4	7.4	9.4
Thornburg Global Opportunities	6.3	6.2	6.2
American Funds Int'l Growth & Income	6.9	8.9	9.9
Wilmington Trust FI	35.1	35.1	35.1
Cash	1.0	1.0	1.0

Contributing
Withdrawing

Ms. Ryan inquired as to the impact of recent events in Europe (made in reference to the November 12, 2015 violence in France by ISIS) to international performance going forward; she also questioned the timing and appearance for the Committee to recommend international target changes to the Council considering recent events. Ms. Jennings noted her agreement with Ms. Ryan's concerns.

A Motion was made by Ms. Ryan, seconded by Mr. Leahy, to table discussion on increasing international equity targets until the first quarter of 2016.

Motion Adopted: 7 Yea.

Vote by Roll Call: Mr. James, Yea; Ms. Brewington, Yea; Ms. Ryan, Yea;
Mr. Leahy, Yea; Mr. Baker, Yea; Mr. Lawson, Yea;
Ms. Jennings, Yea.

A Motion was made by Mr. Baker, seconded by Mr. James, that the Pension Committee recommend to the Sussex County Council to approve the changes to the OPEB and Pension Investment Policy Statements as recommended and presented by Peirce Park Group.

Motion Adopted: 7 Yea.

Vote by Roll Call: Mr. James, Yea; Ms. Brewington, Yea; Ms. Ryan, Yea;
Mr. Leahy, Yea; Mr. Baker, Yea; Mr. Lawson, Yea;
Ms. Jennings, Yea.

Ms. Jennings, again, thanked Mr. Shone for his time in preparing the information presented today. (Note: The Committee's recommendations will be brought before Council at their December 8, 2015 meeting, with Mr. Shone in attendance).

5. **Committee Member Replacement**

In addition to Mr. James' upcoming retirement on December 31, 2015, Ms. Jennings reported that terms of two additional committee members – Mr. Baker and Mr. Leahy – would expire on January 17, 2016. Ms. Jennings requested Mr. Baker and Mr. Leahy to let her know if they would consider serving an additional 4-year term, and for the committee to consider a replacement for Mr. James' who serves as the County employee representative on the Committee. Mr. Baker and the Committee congratulated Mr. James and thanked him for his valuable service and expertise on the Committee. Mr. James expressed his appreciation and pleasure in being able to serve as a member on the Committee.

6. **2016 Meeting Dates**

Ms. Jennings announced the quarterly meetings for 2016:

February 18, 2016
May 19, 2016
August 18, 2016
November 17, 2016

All meetings begin at 10:00 a.m. and are held in the Sussex County Council Chambers. Members were asked to review the suggested dates and notify Ms. Jennings of any conflicts.

7. **Additional Business**

Ms. Jennings presented Committee members with two documents prepared by Aon (the County's Actuary), "Actuarial Valuation Report – Sussex County Employee Pension

Plan for the Fiscal Year Ending June 30, 2015” and “Sussex County Actuarial Report for OPEB Benefits (GASB 43 and 45). She specifically mentioned the Funding Ratio for both plans and noted that the new mortality tables were implemented, which has resulted in a decrease in the funding ratio. A RFP will be issued in early 2016 to hire an actuary to review the assumptions, the sustainability of the County’s pension plan with the current allocations, possible changes to the plans, and to make recommendations. The Actuary’s two documents will be discussed at the February 2016 meeting.

Mr. Leahy inquired as to public disclosure/reporting of pensions. Ms. Jennings stated that the Pension Plan will show the unfunded portion on the financial statements as of June 30; the funding mechanism has not changed, only the reporting method. For the OPEB, changes in reporting are not expected until 2017. The unfunded pension liability will be a new line item to be noted in the financial statements. Ms. Jennings noted that she will have the opportunity to explain these changes and the County’s ranking in relation to other plans when the County’s Comprehensive Annual Financial Report is prepared.

8. **Adjourn**

At 11:20 a.m., a Motion was made by Mr. Leahy, seconded by Ms. Ryan, to adjourn.

Motion Adopted: 7 Yea.

Vote by Roll Call: Mr. James, Yea; Ms. Brewington, Yea; Ms. Ryan, Yea;
Mr. Leahy, Yea; Mr. Baker, Yea; Mr. Lawson, Yea;
Ms. Jennings, Yea

The next meeting of the Pension Fund Committee is scheduled for February 18, 2016, at 10:00 a.m. in the Sussex County Council Chambers.

Respectfully submitted,

Nancy J. Cordrey
Administrative Secretary



SUSSEX COUNTY

Investment Performance Report
September 30, 2015



PEIRCE PARK GROUP

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I. Market Environment

II. Pension

III. OPEB



PEIRCE PARK GROUP
PERFORMANCE EVALUATION AND REPORTING SERVICES INFORMATION DISCLAIMER

We exercised reasonable professional care in the preparation of this performance report. Information on market indices, security characteristics, and universe comparisons is received from external sources. Therefore, we make no guarantees as to the completeness or accuracy of the report.

Generally we use a client's custodian for market values and transaction dates. When we rely on the client's custodian values, returns are calculated using the custodian's statements. If the custodian cannot provide accurate information, manager data is generally used. Custodial information may differ from investment manager records. When the manager(s) and the custodian are one and the same, or where the manager provides the valuation to the custodian, we have no ability to determine the accuracy of the valuation put forth.

Returns are generally calculated by geometrically linking the holding period returns (generally monthly). Returns may be presented as gross or net of fees.

For investment managers that provide net of fee return calculations or asset values (e.g. mutual funds), we increase (gross-up) the total fund return by an amount that reflects, as accurately as possible, the internal costs of the manager or fund (internal costs include, but are not limited to, management fees, advisory/sub-advisory fees, administrative fees, interest expenses, and fee reimbursements). In determining a manager or fund's cost, we attempt to obtain accurate information that is readily available. Our results may differ from other reported sources such as Morningstar. As such, we make no guarantee as to the accuracy of fee calculations.

Investments have various types and levels of risk. There is no guarantee of gain nor any guarantee of loss protection. Information provided in this report should not be considered a recommendation by us.

This performance report is for evaluation purposes only. There is no guarantee that the portfolio complies with the guidelines and restrictions established by the Investment Policy Statement.

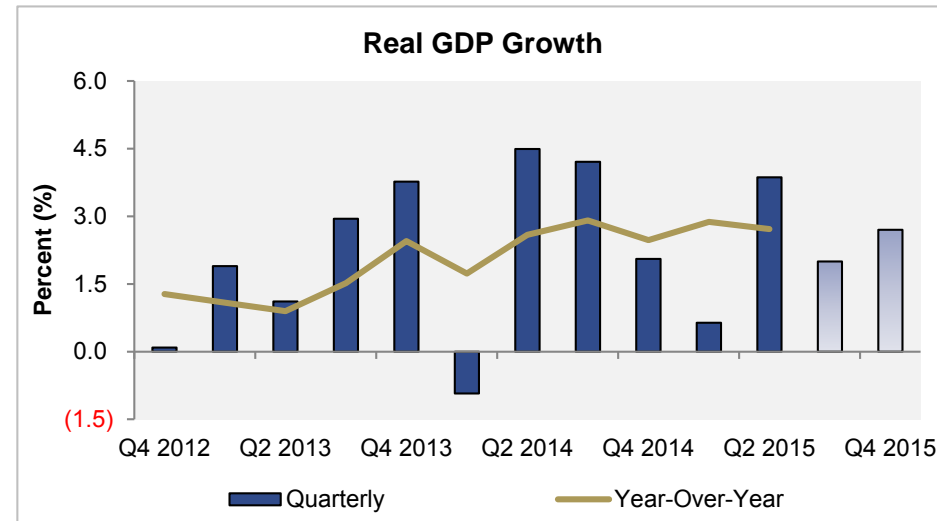
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MARKET ENVIRONMENT

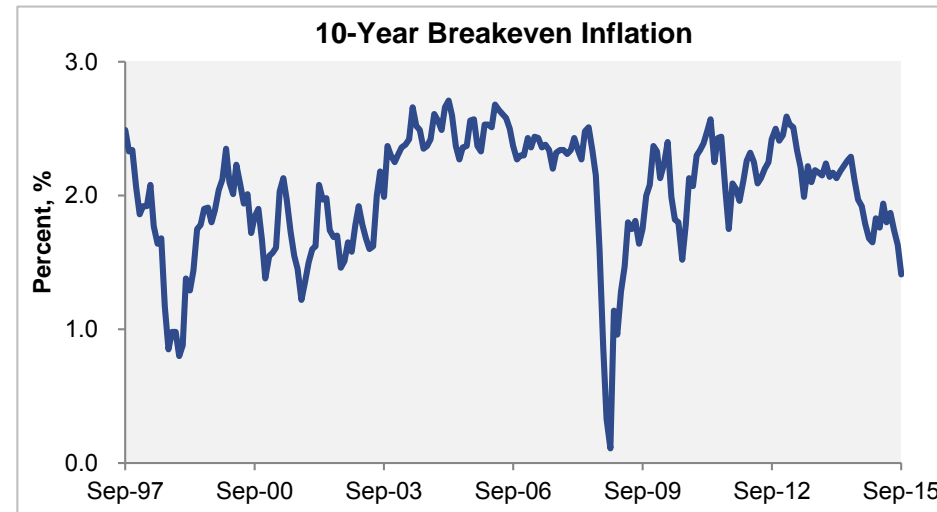


DOMESTIC ECONOMY

- After a strong economic rebound in Q2, economists expect a weak third quarter, calling for real GDP growth of just 2.0%. An economic slowdown overseas coupled with a reduction in the pace of inventory accumulation will likely act as a drag on real GDP growth.
- Amid a softer economic environment and weakening commodity prices, ten-year breakeven inflation (as measured by TIPS) fell to its lowest level since March 2009.
- Even though the labor market remains strong, the market has pushed back its estimate of when the Federal Reserve will raise short-term interest rates. As of mid-October, the odds of a short-term rate hike before the end of the year had fallen to just 30%.



Source: Board of Governors of the Federal Reserve System/FRED. Light bars reflect analyst estimates.



Source: Thomson Reuters Datastream.

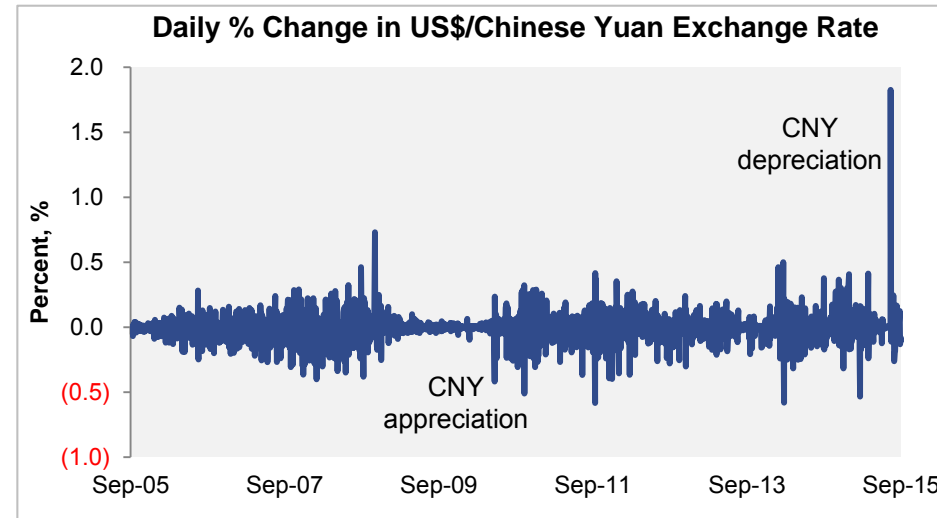


GLOBAL ECONOMY

- Outside the U.S., economic growth remains soft. This is quite evident when reviewing global trade. While the rolling three-month average of global trade growth ended 2014 at a level of 3.7%, it decelerated notably as 2015 unfolded, ending July at 1.4%.
- The deceleration in global trade activity is evident in emerging Asia, particularly China. In September, Chinese exports fell 3.7% from a year earlier, while imports plunged 20.4% over the same period.
- In an effort to perhaps combat sluggish economic growth, the People's Bank of China (PBoC) took action that resulted in the devaluation of the Chinese currency (yuan) by about 2% versus the U.S. dollar in mid-August.



Source: Netherlands Bureau for Economic Policy Analysis World Trade Monitor.

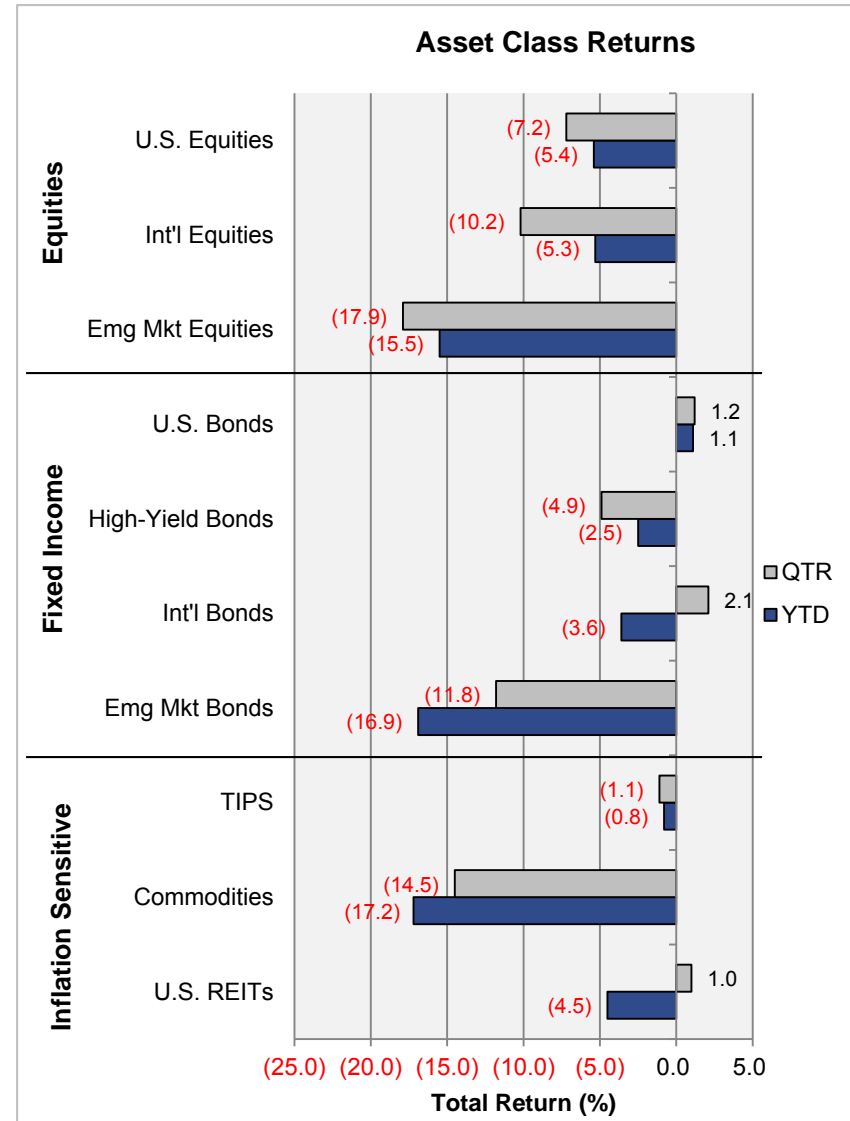


Source: Thomson Reuters Datastream.



GLOBAL ASSET CLASS PERFORMANCE

- **Equities** across the globe posted negative returns for the quarter given increasing concerns regarding the global economy. Emerging markets were hardest hit. While U.S. stocks performed well in relative terms, they still suffered a 10% intra-quarter market correction for the first time since Q4 2011.
- High quality **fixed income** returns were positive, reflecting higher demand for safe-haven assets amid heightened equity volatility. However, credit-sensitive issues including EM debt and junk bonds, were sharply negative as spreads widened.
- **Inflation-sensitive** assets were for the most part in the red. TIPS experienced small losses as real yields edged up. Commodities were down sharply, particularly crude oil, which declined about 24% to end the quarter at \$45/barrel.



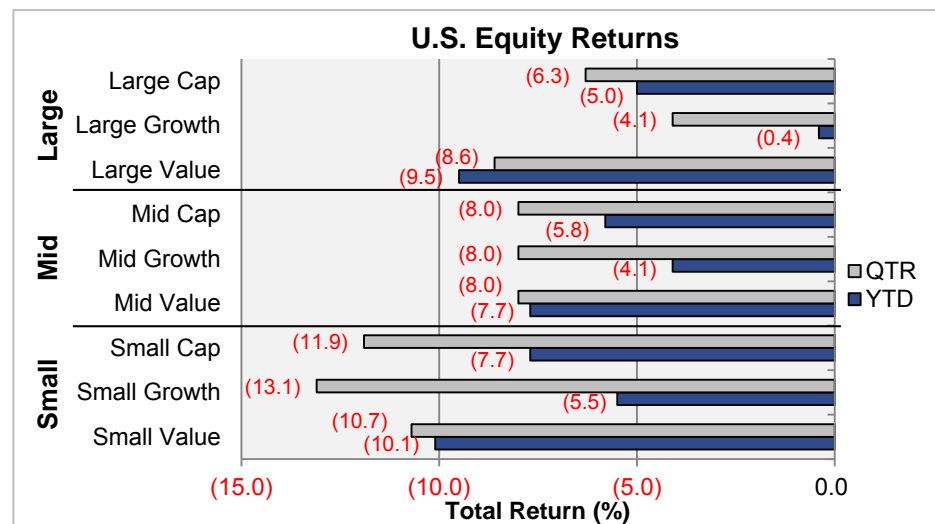
Source: Markov Processes International.



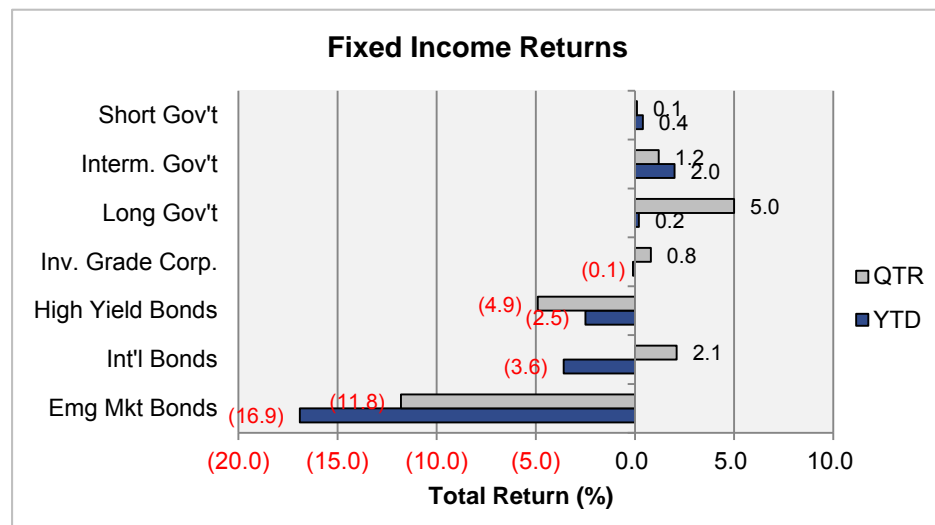
U.S. MARKETS

- Investors found little shelter within any segment of the U.S. market. Growth stocks continued to outperform their value counterparts among large-caps, but value was the better performing style within small-caps. Large caps fared relatively well versus mid and small caps for the quarter, though they were the worst performers during August.

- Global growth concerns spilled over to credit markets. Bonds with minimal credit risk outperformed. Not surprisingly, U.S. Government debt led the market. Further, Investment-grade corporates easily outpaced their lower-quality counterparts. High yield spreads expanded by 130 basis points (bps) compared to only 24 bps for investment grade corporates.



Source: Russell.



Source: Morningstar



U.S. SIZE, STYLE, AND SECTOR PERFORMANCE

DOMESTIC EQUITY	QTR	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500 Index	(6.4)	(5.3)	(0.6)	12.4	13.3	6.8
Russell 3000 Index	(7.2)	(5.4)	(0.5)	12.5	13.3	6.9
Russell 3000 Growth Index	(5.9)	(1.9)	3.2	13.5	14.4	8.1
Russell 3000 Value Index	(8.6)	(9.1)	(4.2)	11.4	12.1	5.7
Russell TOP 200 Index	(6.3)	(5.0)	(0.8)	12.1	13.4	6.6
Russell TOP 200 Growth Index	(4.1)	(0.4)	3.9	13.5	14.9	8.2
Russell TOP 200 Value Index	(8.6)	(9.5)	(5.4)	10.7	11.9	5.0
Russell 1000 Index	(6.8)	(5.2)	(0.6)	12.7	13.4	7.0
Russell 1000 Growth Index	(5.3)	(1.5)	3.2	13.6	14.5	8.1
Russell 1000 Value Index	(8.4)	(9.0)	(4.4)	11.6	12.3	5.7
Russell Mid-Cap Index	(8.0)	(5.8)	(0.2)	13.9	13.4	7.9
Russell Mid-Cap Growth Index	(8.0)	(4.1)	1.4	14.0	13.6	8.1
Russell Mid-Cap Value Index	(8.0)	(7.7)	(2.1)	13.7	13.2	7.4
Russell 2000 Index	(11.9)	(7.7)	1.2	11.0	11.7	6.5
Russell 2000 Growth Index	(13.1)	(5.5)	4.0	12.8	13.3	7.7
Russell 2000 Value Index	(10.7)	(10.1)	(1.6)	9.2	10.2	5.3
DOMESTIC EQUITY BY SECTOR (MSCI)						
Consumer Discretionary	(4.2)	1.9	11.1	18.2	18.8	10.0
Consumer Staples	(0.8)	(1.3)	7.0	12.8	14.4	10.4
Energy	(18.9)	(22.3)	(32.5)	(5.0)	2.9	2.7
Financials	(6.1)	(5.5)	1.8	14.6	11.7	1.0
Health Care	(11.6)	(1.4)	6.9	20.7	19.6	10.5
Industrials	(7.9)	(9.8)	(3.4)	13.6	12.7	7.5
Information Technology	(4.8)	(3.2)	2.3	12.7	13.9	8.8
Materials	(17.3)	(17.2)	(17.8)	4.3	6.8	6.9
Telecommunication Services	(6.8)	(3.4)	(7.2)	2.4	8.5	6.6
Utilities	4.5	(6.6)	5.6	10.1	11.2	6.8



REGIONAL PERFORMANCE ACROSS MARKETS

INTERNATIONAL/GLOBAL EQUITY	QTR	YTD	1 Year	3 Year	5 Year	10 Year
MSCI EAFE (Net)	(10.2)	(5.3)	(8.7)	5.6	4.0	3.0
MSCI EAFE Growth (Net)	(8.7)	(2.4)	(4.7)	6.5	4.8	3.8
MSCI EAFE Value (Net)	(11.8)	(8.1)	(12.6)	4.7	3.1	2.1
MSCI EAFE Small Cap (Net)	(6.8)	2.6	0.3	10.2	7.3	4.7
MSCI AC World Index (Net)	(9.5)	(7.0)	(6.7)	7.0	6.8	4.6
MSCI AC World Index Growth (Net)	(8.6)	(4.2)	(2.5)	8.3	8.1	5.6
MSCI AC World Index Value (Net)	(10.3)	(9.9)	(10.8)	5.5	5.5	3.6
MSCI Europe ex UK (Net)	(8.1)	(3.8)	(8.0)	7.6	4.1	3.5
MSCI United Kingdom (Net)	(10.0)	(8.2)	(12.1)	3.0	4.5	3.0
MSCI Pacific ex Japan (Net)	(16.0)	(15.5)	(16.8)	(2.0)	0.9	5.1
MSCI Japan (Net)	(11.8)	0.2	(2.2)	9.0	4.9	1.1
MSCI Emerging Markets (Net)	(17.9)	(15.5)	(19.3)	(5.3)	(3.6)	4.3
FIXED INCOME						
Merrill Lynch 3-month T-Bill	0.0	0.0	0.0	0.1	0.1	1.3
Barclays Intermediate Government/Credit	0.9	1.8	2.7	1.4	2.4	4.2
Barclays Aggregate Bond	1.2	1.1	2.9	1.7	3.1	4.6
Barclays Short Government	0.1	0.4	0.3	0.3	0.4	2.0
Barclays Intermediate Government	1.2	2.0	3.0	1.1	1.9	3.9
Barclays Long Government	5.0	0.2	8.6	2.8	6.2	6.9
Barclays Investment Grade Corporates	0.8	(0.1)	1.7	2.2	4.3	5.4
Barclays High Yield Corporate Bond	(4.9)	(2.5)	(3.4)	3.5	6.1	7.3
JPMorgan Global ex US Bond	2.1	(3.6)	(6.4)	(4.6)	(1.2)	3.1
JPMorgan Emerging Market Bond	(11.8)	(16.9)	(21.6)	(9.2)	(3.8)	3.7
INFLATION SENSITIVE						
Consumer Price Index	(0.3)	1.3	0.0	0.9	1.7	1.8
BC TIPS	(1.1)	(0.8)	(0.8)	(1.8)	2.5	4.0
Commodities	(14.5)	(17.2)	(26.0)	(16.0)	(8.9)	(5.7)
Gold	(5.0)	(7.5)	(8.4)	(14.7)	(3.7)	8.1
REITs	1.0	(4.5)	7.8	9.0	11.9	6.8
FTSE EPRA/NAREIT Global REITs	(3.2)	(5.0)	1.7	5.8	7.0	-

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

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PENSION



OBSERVATIONS FOR SUSSEX COUNTY PENSION

- Market Value (September 30, 2015): \$70.7 million
- 3rd quarter gain: **-\$3.5 million**
- 1 Year gain: **-\$296,000**
- Quarterly performance in line with Policy Index
 - Underperformance by DuPont was offset by outperformance by the State Investment Pool



LOOKING AHEAD FOR SUSSEX COUNTY PENSION

- Investment Policy Statement changes
- Increase International Allocation
 - Add new international or global manager(s)

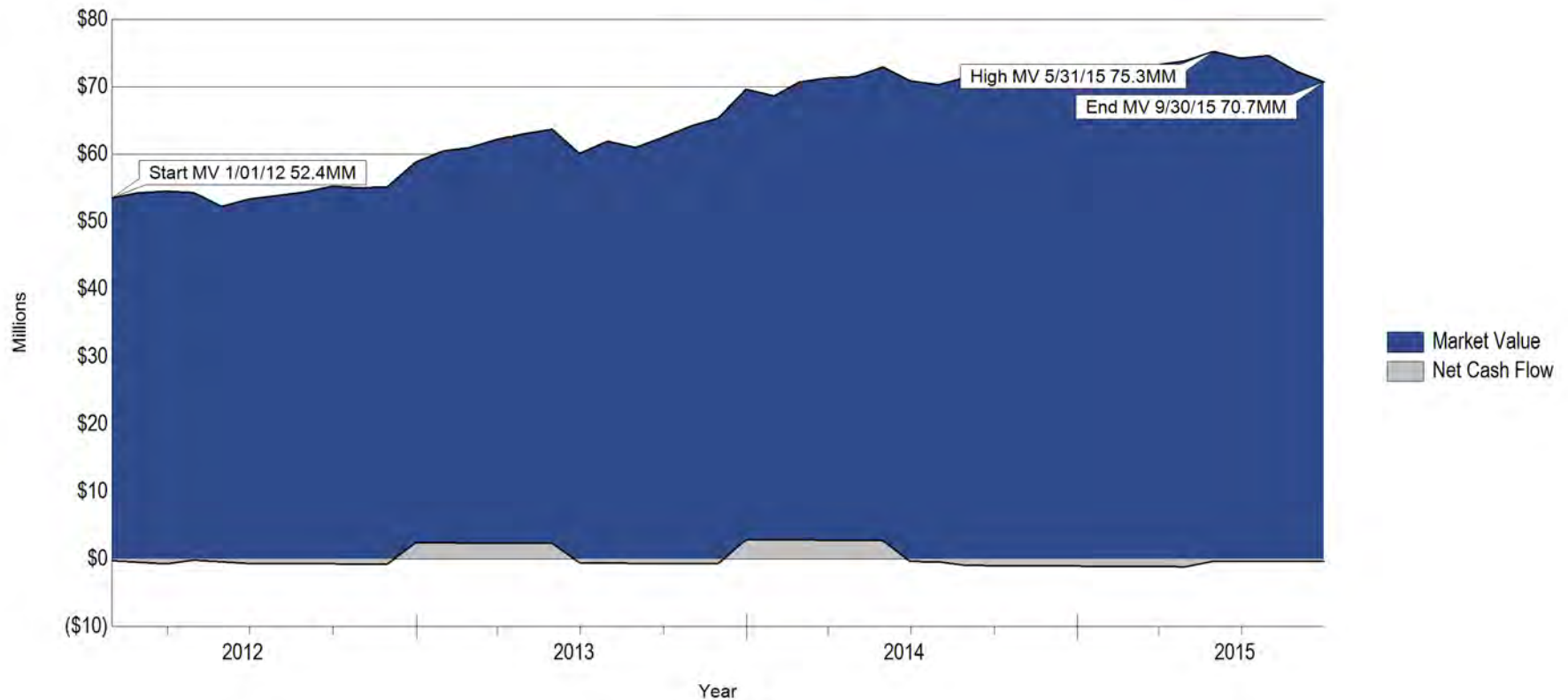


Summary of Cash Flows

As of September 30, 2015

	Third Quarter	Year-To-Date	One Year	Three Years
Beginning Market Value	\$74,254,839.0	\$71,652,479.3	\$70,246,308.5	\$55,251,502.8
Net Additions/Withdrawals	-\$390.3	\$816,841.4	\$789,047.7	\$923,308.8
Investment Earnings	-\$3,515,108.9	-\$1,729,980.8	-\$296,016.4	\$14,564,528.3
Ending Market Value	\$70,739,339.8	\$70,739,339.8	\$70,739,339.8	\$70,739,339.8
Time Weighted Return	-4.7%	-2.2%	-0.2%	8.1%

Market Value History



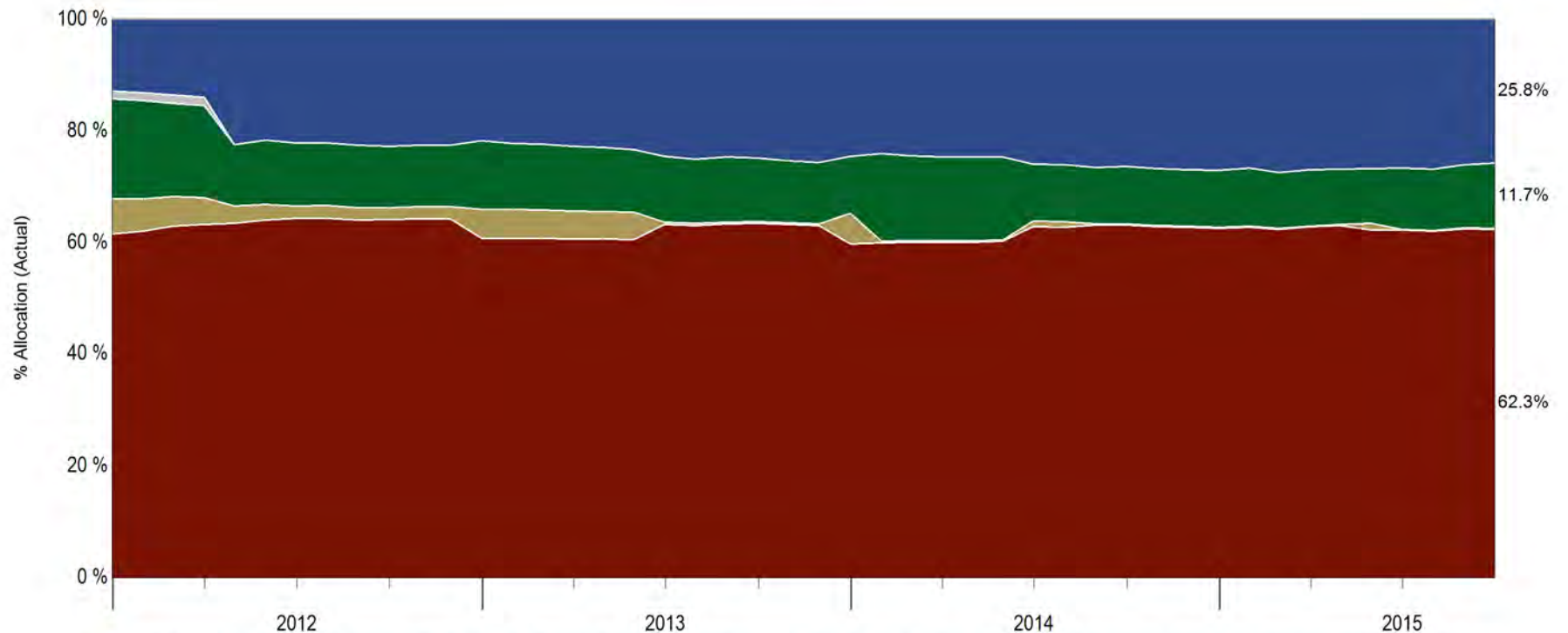
Portfolio Summary

As of September 30, 2015

Quarter Ending September 30, 2015

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Dupont Capital Investment	\$14,199,873	\$0	-\$1,047,374	\$13,152,500
Operating Account	\$112,859	-\$390	\$5	\$112,474
State of Delaware Investment Pool	\$46,158,675	\$0	-\$2,072,456	\$44,086,218
Vanguard Extended Market Index	\$3,046,608	\$0	-\$321,804	\$2,724,804
Vanguard Mid Cap Value	\$2,544,696	\$0	-\$171,457	\$2,373,239
Wilmington Trust Bonds	\$8,192,129	\$0	\$97,976	\$8,290,105
Wilmington Trust Short Term	\$0	\$0	\$0	\$0
Total	\$74,254,839	-\$390	-\$3,515,109	\$70,739,340

Asset Allocation History



	2012					2013					2014					2015				
Domestic Equity	13.9	22.2	22.8	21.8	22.8	24.6	24.9	24.6	24.6	26.0	26.4	27.1	27.0	26.7	25.8					
Global Equity	1.5	--	--	--	--	--	--	--	--	--	--	--	--	--	--					
Domestic Fixed Income	16.5	11.3	11.0	12.3	11.6	11.8	11.4	10.2	15.1	10.2	10.3	10.2	10.1	11.0						
Cash	4.9	2.3	2.2	5.3	5.0	0.4	0.3	5.4	0.3	1.0	0.2	0.2	0.2	0.2						
State of Delaware Investment Pool	63.2	64.3	64.1	60.7	60.6	63.2	63.4	59.7	60.0	62.8	63.1	62.5	62.8	62.2						

■ Domestic Equity
 ■ Global Equity
 ■ Domestic Fixed Income
 ■ Cash
 ■ State of Delaware Investment Pool

Annualized Cumulative Returns - Gross

	2015 Q3	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
Total Fund Composite	-4.7%	36	-2.2%	30	-0.2%	36	8.1%	19	8.4%	25	9.8%	Jan-09
<i>Pension Policy Index</i>	<i>-4.6%</i>	<i>32</i>	<i>-3.0%</i>	<i>56</i>	<i>-0.7%</i>	<i>52</i>	<i>7.1%</i>	<i>46</i>	<i>7.8%</i>	<i>43</i>	<i>9.8%</i>	<i>Jan-09</i>

InvestorForce Public DB Gross Accounts



Benchmark History

Total Fund Composite		
7/1/2014	Present	60% Balanced Pooled Fund Policy Index / 24% Russell 3000 / 14% Barclays Int Govt. / 2% BofA Merrill Lynch 91-Day T-Bill
12/1/2008	6/30/2014	Russell 3000 46% / Barclays Int Govt/Credit 40% / MSCI EAFE 14%

Calendar Year Returns - Gross

	2014	Rank	2013	Rank	2012	Rank	2011	Rank	2010	Rank
Total Fund Composite	8.5%	3	18.1%	24	10.0%	82	3.2%	7	10.8%	82
<i>Pension Policy Index</i>	6.6%	30	17.4%	32	11.6%	68	1.6%	32	11.8%	72

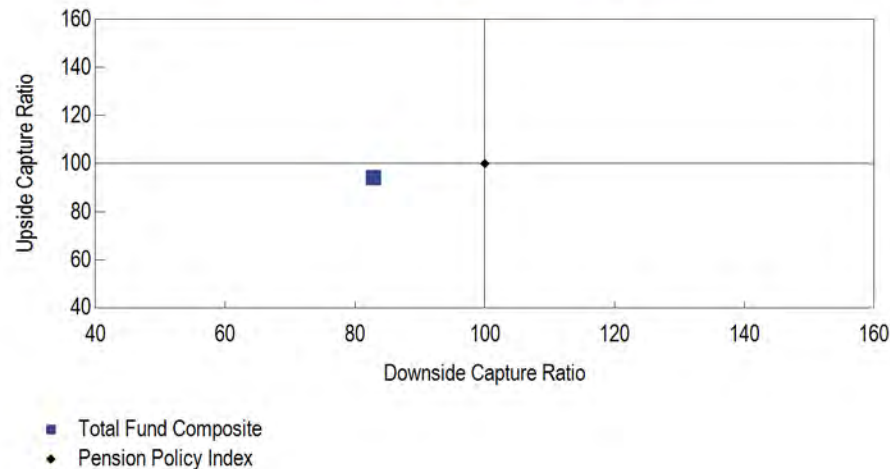
InvestorForce Public DB Gross Accounts



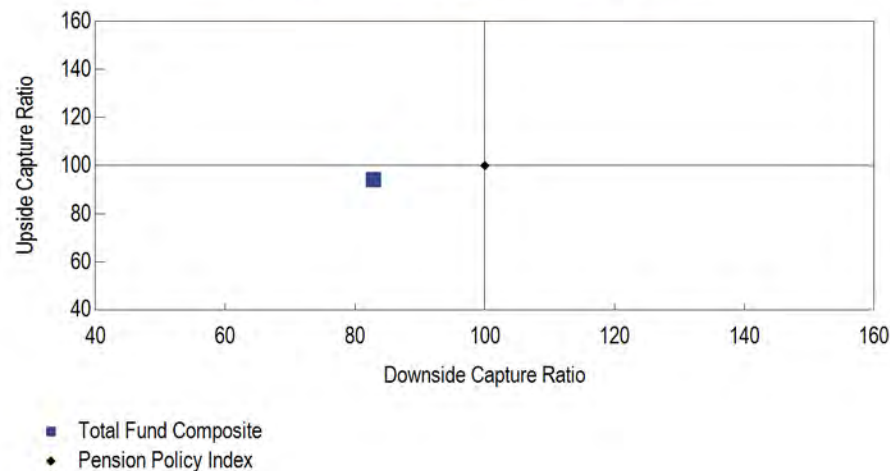
Benchmark History

Total Fund Composite		
7/1/2014	Present	60% Balanced Pooled Fund Policy Index / 24% Russell 3000 / 14% Barclays Int Govt. / 2% BofA Merrill Lynch 91-Day T-Bill
12/1/2008	6/30/2014	Russell 3000 46% / Barclays Int Govt/Credit 40% / MSCI EAFE 14%

Upside Capture Ratio vs. Downside Capture Ratio
3 Years 9 Months Ending September 30, 2015



Upside Capture Ratio vs. Downside Capture Ratio
3 Years 9 Months Ending September 30, 2015



InvestorForce Public DB Gross Universe
Since January 1, 2012



Tracking Error: A measure of the degree to which a portfolio tracks its benchmark. It is also a measure of consistency of excess returns. Computed as the annualized standard deviation of the difference between a portfolio's return and that of its benchmark.

Information Ratio: A measure of the risk-adjusted return of a financial security (or assets in a portfolio). It is defined as expected active return divided by tracking error, where active return is the excess return and tracking error is the annualized standard deviation of the excess returns.

Portfolio Summary

As of September 30, 2015

	% of Portfolio	2015 Q3	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
Total Fund Composite	100.0%	-4.7%	36	-2.2%	30	-0.2%	36	8.1%	19	8.4%	25	9.8%	Jan-09
<i>Pension Policy Index</i>		-4.6%	32	-3.0%	56	-0.7%	52	7.1%	46	7.8%	43	9.8%	Jan-09
Dupont Capital Investment	18.6%	-7.4%	57	-6.1%	62	-1.8%	59	13.1%	37	14.1%	24	15.3%	Jul-10
<i>S&P 500</i>		-6.4%	37	-5.3%	50	-0.6%	48	12.4%	48	13.3%	40	15.0%	Jul-10
Vanguard Extended Market Index	3.9%	-10.5%	58	-6.2%	52	-0.1%	53	13.0%	30	13.1%	29	-4.0%	Oct-14
<i>S&P Completion Index TR</i>		-10.6%	59	-6.3%	53	-0.3%	56	12.8%	35	12.9%	33	-4.1%	Oct-14
Vanguard Mid Cap Value	3.4%	-6.7%	15	-5.5%	18	1.1%	14	15.4%	10	13.9%	9	-5.5%	Dec-14
<i>Spliced Mid Cap Value Index</i>		-6.7%	15	-5.5%	17	1.1%	14	15.4%	10	13.9%	10	-5.5%	Dec-14
Wilmington Trust Bonds	11.7%	1.2%	--	2.1%	--	3.0%	--	1.2%	--	2.0%	--	2.0%	Sep-10
<i>Barclays Int Govt.</i>		1.2%	--	2.0%	--	3.0%	--	1.1%	--	1.9%	--	1.9%	Sep-10
Operating Account	0.2%	0.0%	--	0.0%	--	0.1%	--	0.1%	--	--	--	0.1%	Sep-11
<i>91 Day T-Bills</i>		0.0%	--	0.0%	--	0.0%	--	0.0%	--	--	--	0.0%	Sep-11
State of Delaware Investment Pool	62.3%	-4.4%	27	-1.4%	13	-0.2%	36	7.9%	21	8.7%	16	10.7%	Jan-09
<i>Balanced Pooled Fund Policy Index</i>		-5.0%	49	-3.3%	70	-1.7%	74	6.0%	76	6.9%	64	9.3%	Jan-09

- Pension Policy Index = 60% Balanced Pooled Fund Policy Index / 24% Russell 3000 / 14% Barclays Int Govt. / 2% BofA Merrill Lynch 91-Day T-Bill

- Spliced Mid Cap Value Index = CRSP US Mid Cap Value TR USD

- Balanced Pooled Fund Policy Index = Russell 3000 38% / MSCI ACWI ex USA 20% / Barclays U.S. Universal 38.5% / Barclays US TIPS 1.5% / BofA Merrill Lynch 91-Day T-Bill 2%

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. All returns over one year are annualized.

Portfolio Summary

As of September 30, 2015

Account	Fee Schedule	Market Value As of 9/30/2015	% 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	\$13,152,500	18.6%	\$46,034	0.35%
Vanguard Extended Market Index	0.10% of Assets	\$2,724,804	3.9%	\$2,725	0.10%
Vanguard Mid Cap Value	0.09% of Assets	\$2,373,239	3.4%	\$2,136	0.09%
Wilmington Trust Bonds	0.20% of Assets	\$8,290,105	11.7%	\$16,580	0.20%
Wilmington Trust Short Term	No Fee	\$0	0.0%	--	--
Operating Account	No Fee	\$112,474	0.2%	--	--
State of Delaware Investment Pool	0.68% of Assets	\$44,086,218	62.3%	\$299,786	0.68%
Investment Management Fee		\$70,739,340	100.0%	\$367,261	0.52%

Please note: Expense Ratio of 0.68% was provided to Peirce Park Group by the Delaware Public Employees' Retirement System.

As of September 30, 2015

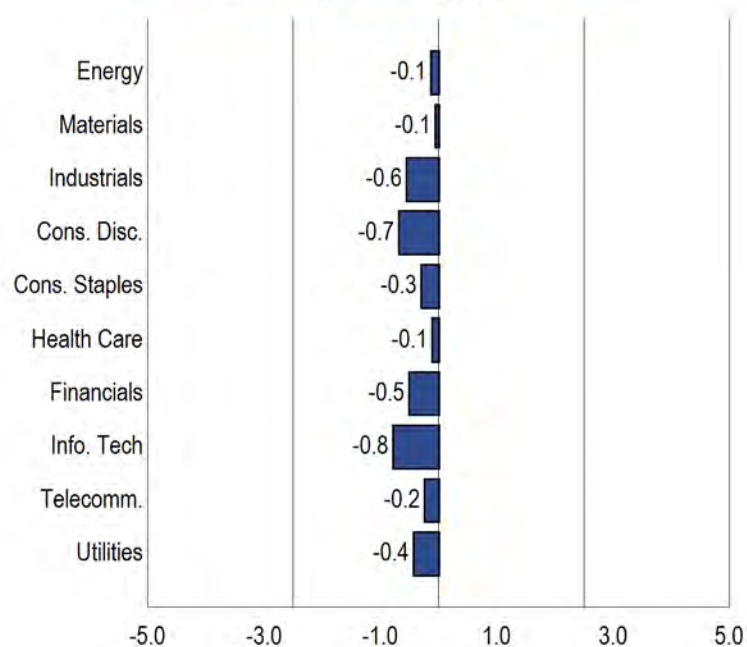
Manager Summary

- 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.

Characteristics

	Portfolio	S&P 500
Number of Holdings	165	505
Weighted Avg. Market Cap. (\$B)	128.26	119.17
Median Market Cap. (\$B)	35.56	16.64
Price To Earnings	19.52	20.88
Price To Book	4.03	4.10
Price To Sales	2.96	2.98
Return on Equity (%)	18.73	18.27
Yield (%)	2.32	2.29
Beta (holdings; domestic)	1.03	0.96

Sector Over/Under Allocation (%) vs S&P 500

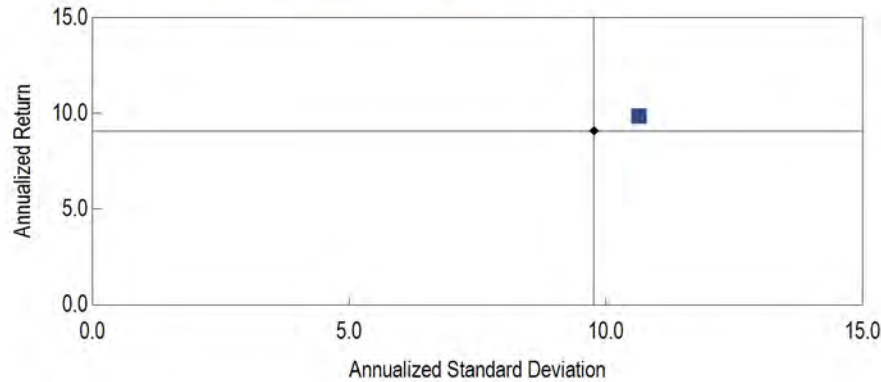


Top Ten Holdings

APPLE	4.0%
SPDR S&P 500 ETF TST.	3.6%
MICROSOFT	2.1%
PFIZER	2.1%
JP MORGAN CHASE & CO.	2.0%
WELLS FARGO & CO	1.8%
GILEAD SCIENCES	1.7%
JOHNSON & JOHNSON	1.6%
CITIGROUP	1.6%
AMAZON.COM	1.5%
Total For Top Ten Holdings	22.0%

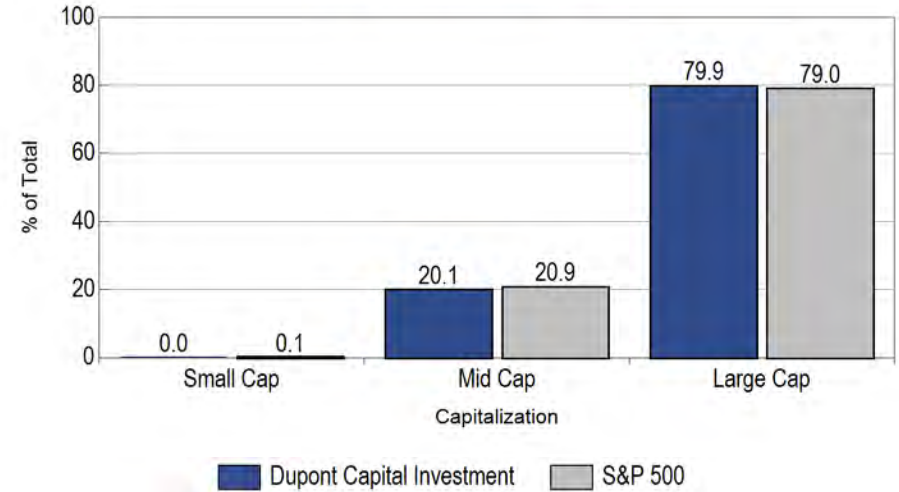
As of September 30, 2015

**Annualized Return vs. Annualized Standard Deviation
 2 Years Ending September 30, 2015**

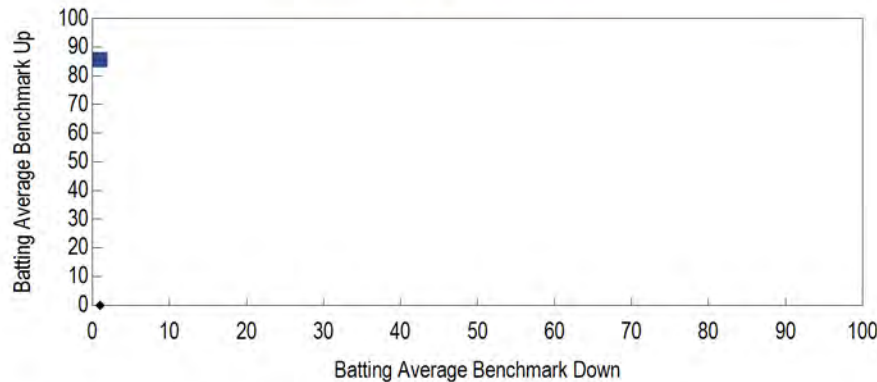


- Dupont Capital Investment
- ◆ S&P 500

**Market Capitalization
 As of September 30, 2015**

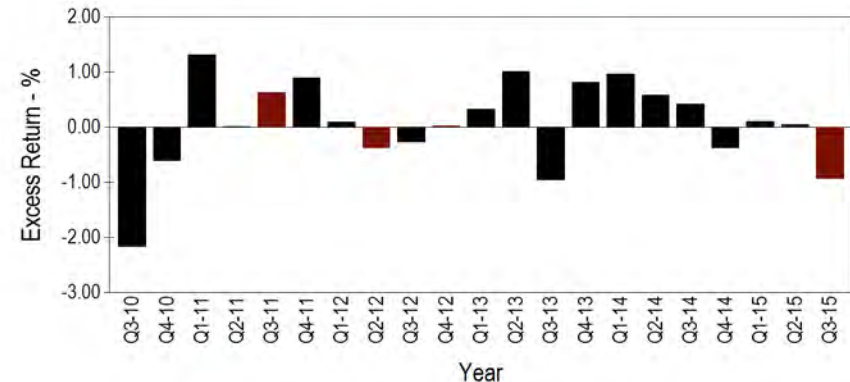


**Batting Average Benchmark Up vs. Batting Average Benchmark Down
 2 Years Ending September 30, 2015**



- Dupont Capital Investment
- ◆ S&P 500

Quarterly Excess Performance



- Quarterly Out/Under Performance, Rising Market
- Quarterly Out/Under Performance, Falling Market

Sussex County Pension

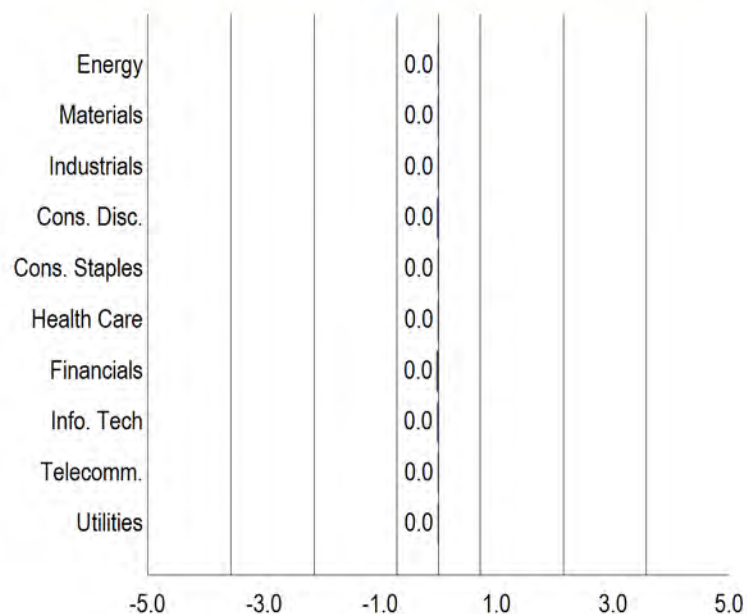
Vanguard Mid Cap Value

As of September 30, 2015

Manager Summary

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

Sector Over/Under Allocation (%) vs CRSP US Mid Cap Value TR USD



Characteristics

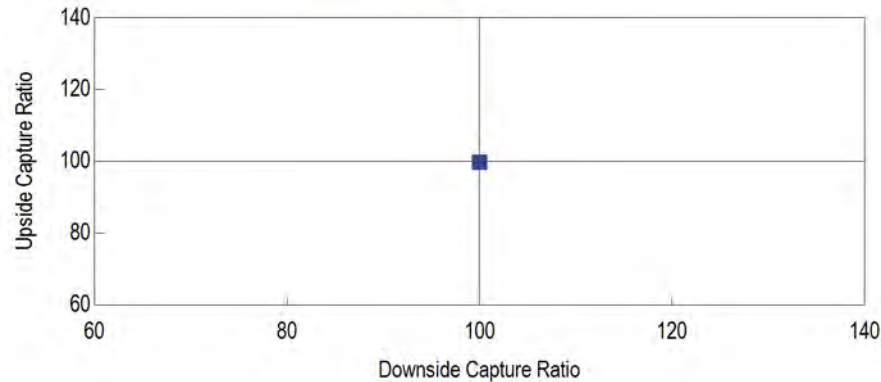
	Portfolio	CRSP US Mid Cap Value TR USD
Number of Holdings	215	207
Weighted Avg. Market Cap. (\$B)	10.45	10.45
Median Market Cap. (\$B)	8.04	8.34
Price To Earnings	19.70	18.81
Price To Book	2.89	2.72
Price To Sales	2.19	1.92
Return on Equity (%)	13.91	12.68
Yield (%)	2.28	2.06
Beta (holdings; domestic)	1.13	1.13

Top Ten Holdings

HARTFORD FINL.SVS.GP.	1.2%
FIDELITY NAT.INFO.SVS.	1.2%
CONAGRA FOODS	1.1%
SIGMA ALDRICH	1.0%
WEC ENERGY GROUP	1.0%
EVERSOURCE ENERGY	1.0%
ROYAL CARIBBEAN CRUISES	1.0%
ALTERA	1.0%
DR PEPPER SNAPPLE GROUP	1.0%
CLOROX	0.9%
Total For Top Ten Holdings	10.4%

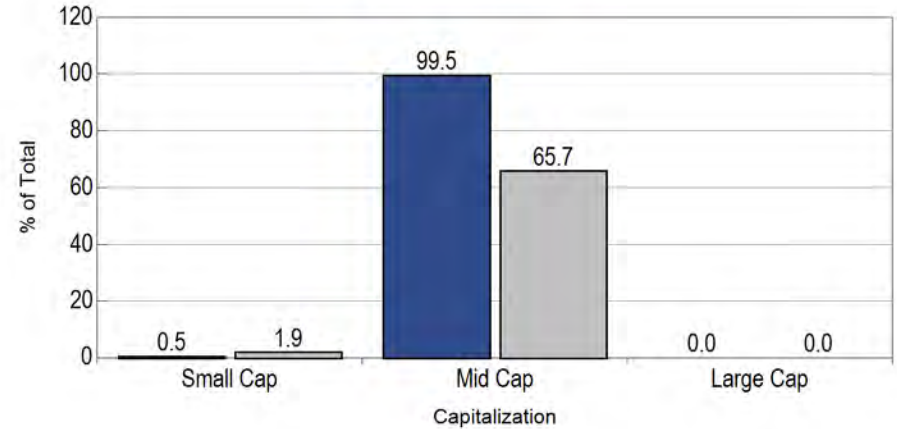
As of September 30, 2015

Upside Capture Ratio vs. Downside Capture Ratio
 5 Years Ending September 30, 2015



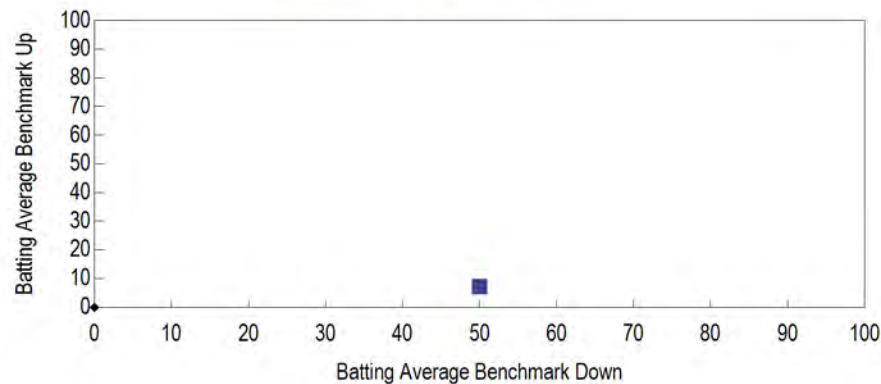
- Vanguard Mid Cap Value
- ◆ Spliced Mid Cap Value Index

Market Capitalization
 As of September 30, 2015



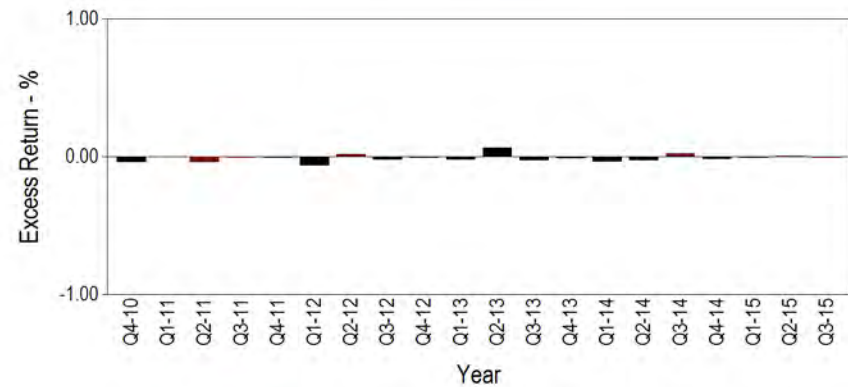
- Vanguard Mid Cap Value
- CRSP US Mid Cap Value TR USD

Batting Average Benchmark Up vs. Batting Average Benchmark Down
 5 Years Ending September 30, 2015



- Vanguard Mid Cap Value
- ◆ Spliced Mid Cap Value Index

Quarterly Excess Performance



- Quarterly Out/Under Performance, Rising Market
- Quarterly Out/Under Performance, Falling Market

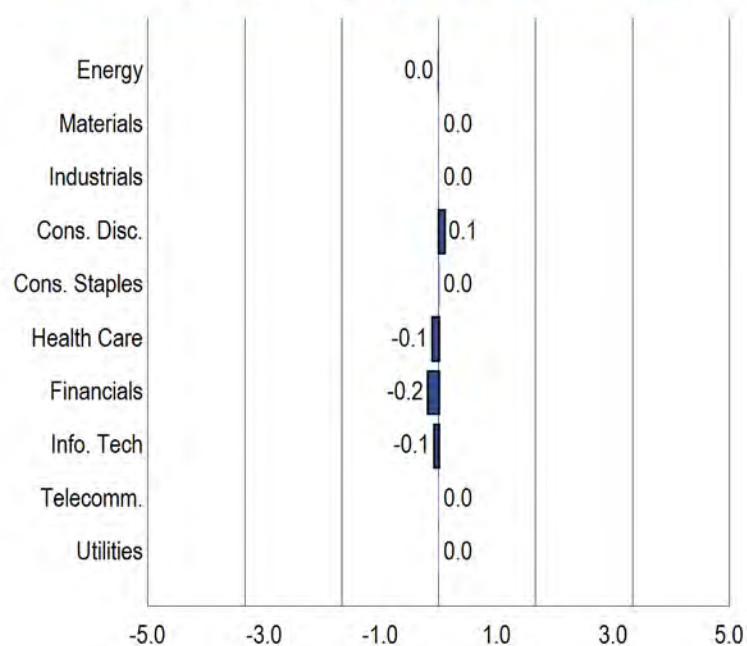
Vanguard Extended Market Index

As of September 30, 2015

Manager Summary

- Passively managed strategy.
- Seeks to track the performance of the S&P Completion Index.
- Mid and small cap equity diversified across growth and value styles.
- Fund remains fully invested.

Sector Over/Under Allocation (%) vs S&P Completion Index TR



Characteristics

	Portfolio	S&P Completion Index TR
Number of Holdings	3,355	3,476
Weighted Avg. Market Cap. (\$B)	5.20	5.21
Median Market Cap. (\$B)	0.50	0.45
Price To Earnings	24.71	24.41
Price To Book	3.98	2.99
Price To Sales	3.87	3.01
Return on Equity (%)	13.81	12.31
Yield (%)	1.55	1.32
Beta (holdings; domestic)	1.19	1.19

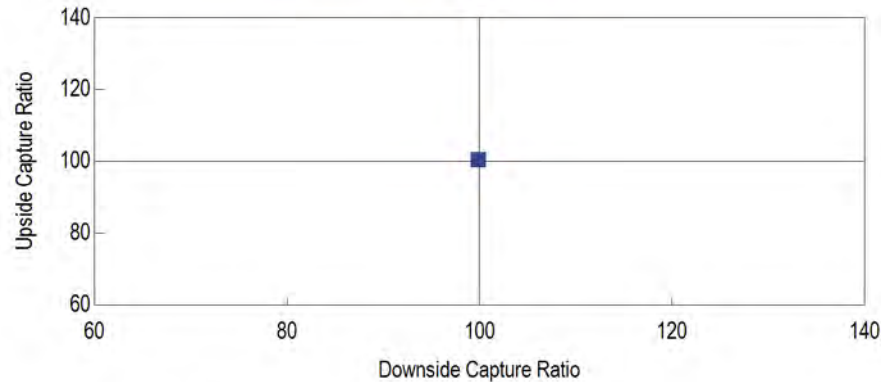
Top Ten Holdings

LIBERTY GLOBAL SR.C	0.7%
ILLUMINA	0.6%
TESLA MOTORS	0.6%
LINKEDIN CLASS A	0.5%
INCYTE	0.4%
BIOMARIN PHARM.	0.4%
TWITTER	0.4%
LAS VEGAS SANDS	0.3%
CHARTER COMMS.CL.A	0.3%
SBA COMMS.	0.3%
Total For Top Ten Holdings	4.7%

Vanguard Extended Market Index

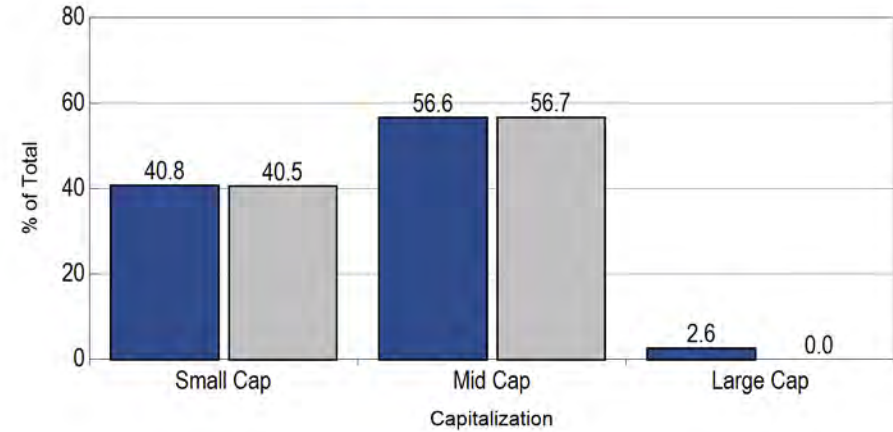
As of September 30, 2015

Upside Capture Ratio vs. Downside Capture Ratio
5 Years Ending September 30, 2015



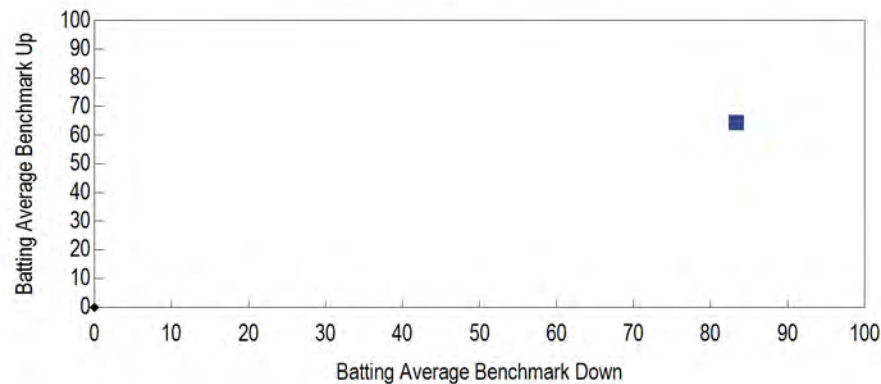
- Vanguard Extended Market Index
- ◆ S&P Completion Index TR

Market Capitalization
As of September 30, 2015



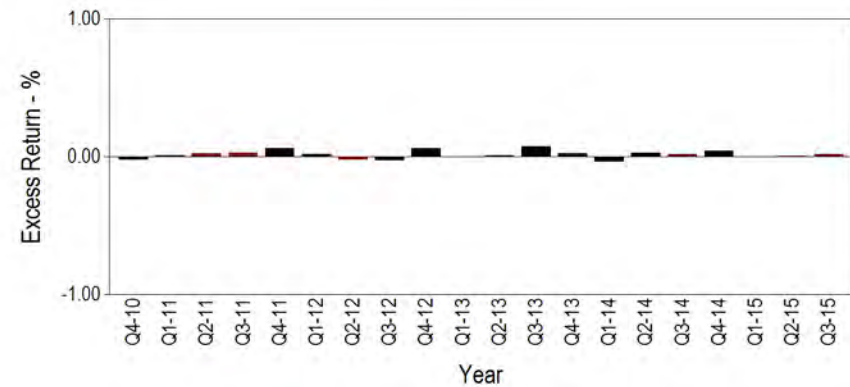
- Vanguard Extended Market Index
- S&P Completion Index TR

Batting Average Benchmark Up vs. Batting Average Benchmark Down
5 Years Ending September 30, 2015



- Vanguard Extended Market Index
- ◆ S&P Completion Index TR

Quarterly Excess Performance

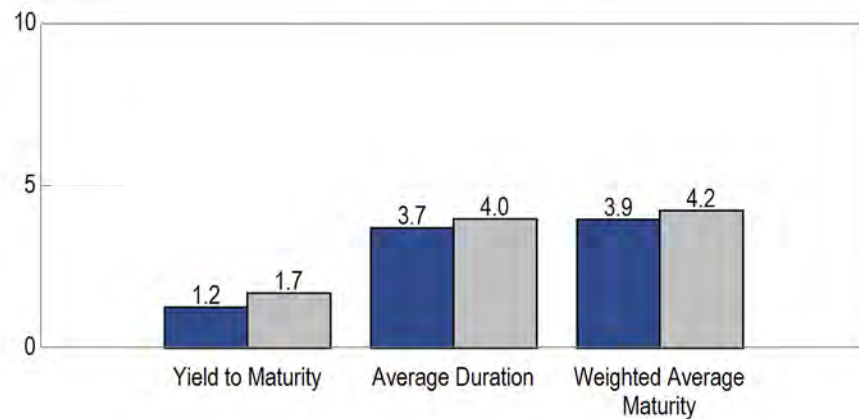


- Quarterly Out/Under Performance, Rising Market
- Quarterly Out/Under Performance, Falling Market

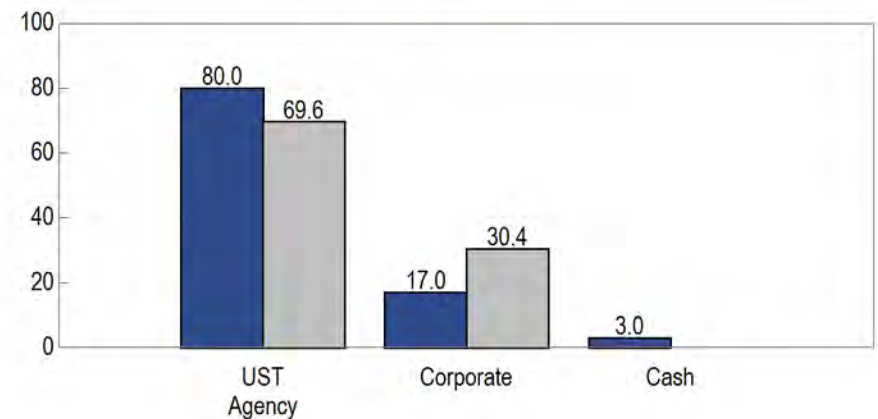
As of September 30, 2015

Summary: Strategy focuses equally on duration management, sector selection and yield curve exposure. Assess overall market environment and position portfolio to

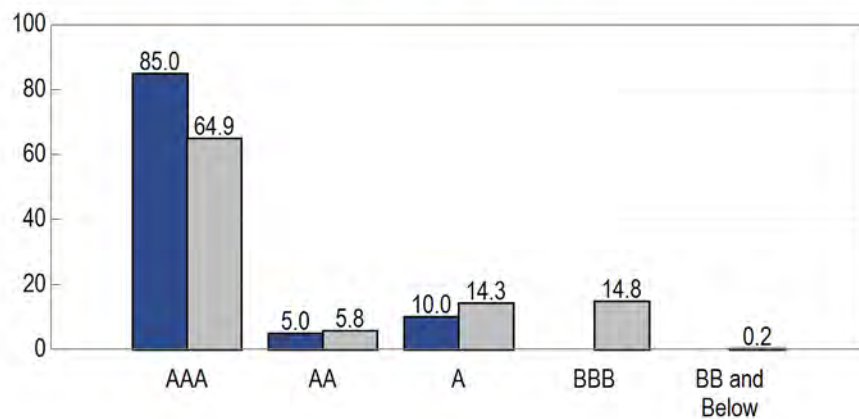
Fixed Income Characteristics



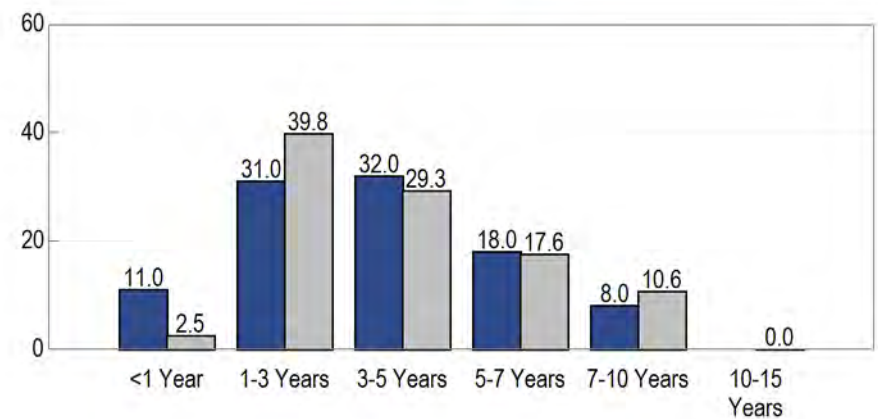
US Sector Allocation



Credit Quality Allocation



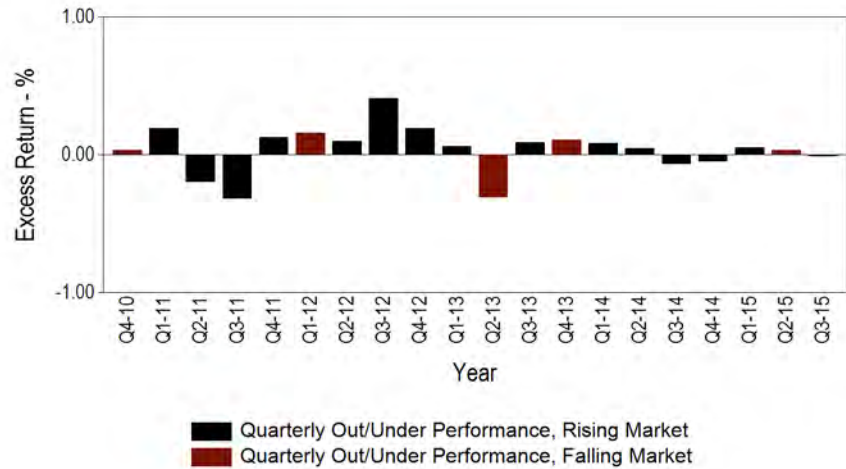
Duration Allocation



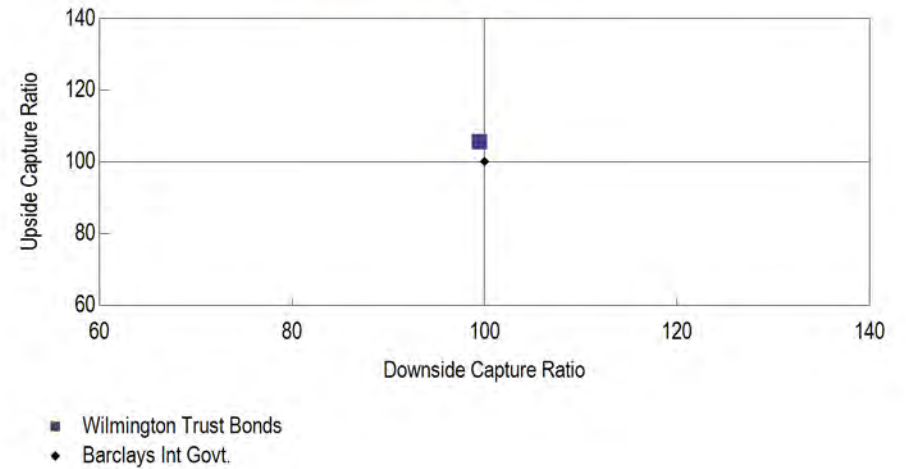
■ Wilmington Trust Bonds ■ Barclays Int Govt/Credit

As of September 30, 2015

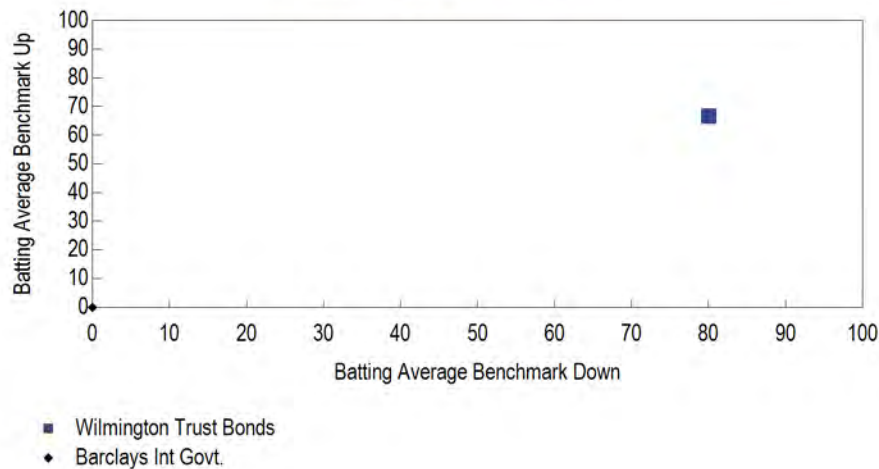
Quarterly Excess Performance



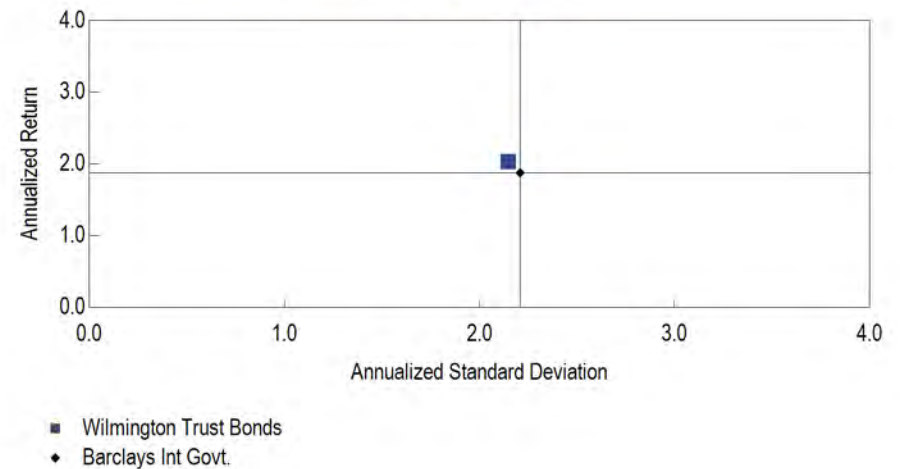
Upside Capture Ratio vs. Downside Capture Ratio
 5 Years Ending September 30, 2015



Batting Average Benchmark Up vs. Batting Average Benchmark Down
 5 Years Ending September 30, 2015



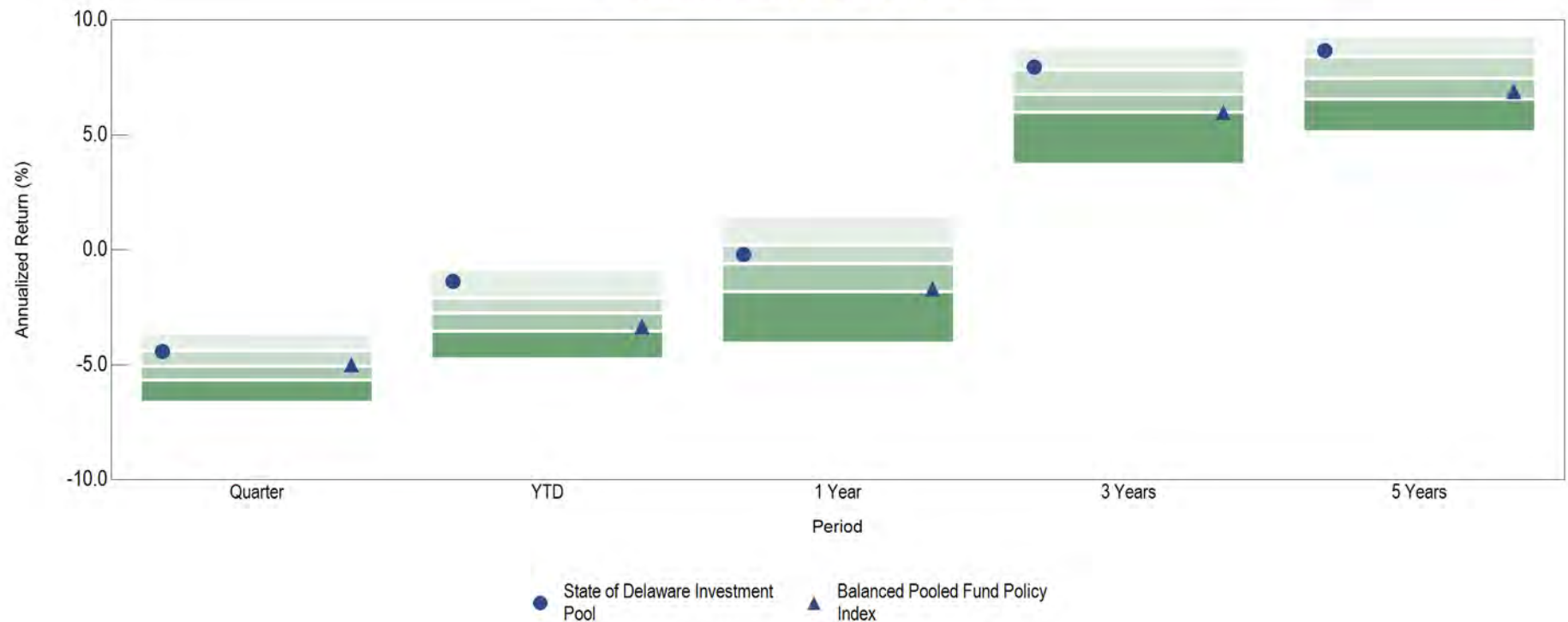
Annualized Return vs. Annualized Standard Deviation
 5 Years Ending September 30, 2015



Annualized Cumulative Returns - Gross

	2015 Q3	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
State of Delaware Investment Pool	-4.4%	27	-1.4%	13	-0.2%	36	7.9%	21	8.7%	16
Balanced Pooled Fund Policy Index	-5.0%	49	-3.3%	70	-1.7%	74	6.0%	76	6.9%	64

InvestorForce Public DB Gross Accounts



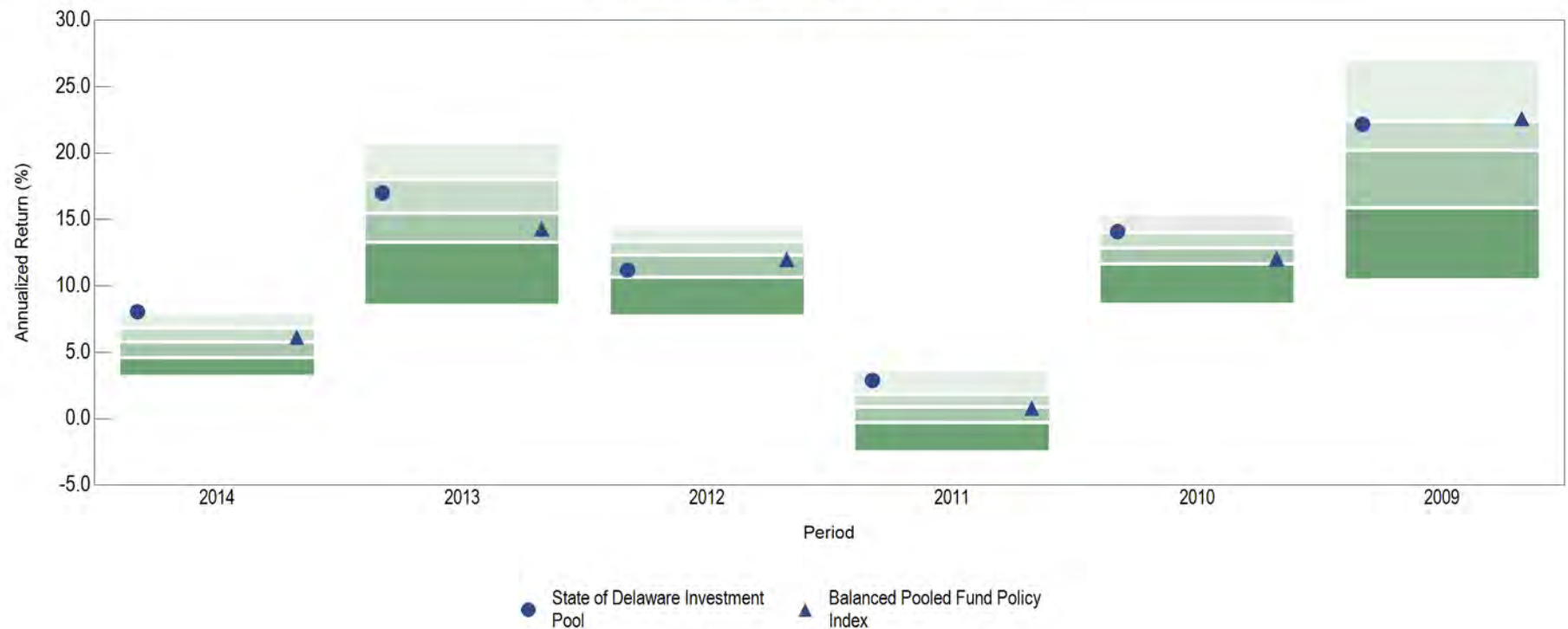
Benchmark History

State of Delaware Investment Pool
9/30/2008 Present Russell 3000 38% / MSCI ACWI ex USA 20% / Barclays U.S. Universal 38.5% / Barclays US TIPS 1.5% / BofA Merrill Lynch 91-Day T-Bill 2%

Calendar Year Returns - Gross

	2014	Rank	2013	Rank	2012	Rank	2011	Rank	2010	Rank	2009	Rank
State of Delaware Investment Pool	8.0%	5	17.0%	35	11.2%	72	2.9%	9	14.1%	23	22.2%	27
Balanced Pooled Fund Policy Index	6.1%	40	14.3%	65	12.0%	56	0.8%	56	12.0%	68	22.6%	24

InvestorForce Public DB Gross Accounts



Benchmark History

State of Delaware Investment Pool
9/30/2008 Present Russell 3000 38% / MSCI ACWI ex USA 20% / Barclays U.S. Universal 38.5% / Barclays US TIPS 1.5% / BofA Merrill Lynch 91-Day T-Bill 2%



Investment Hierarchy

October 21, 2015

Trust : Delaware Retirement System

Reference Date : 09/30/15

Asset Class : Total Fund Gross of Fees

Current View : Investment Hierarchy

Group/Account	09/30/15 Market Value	% of Total	Inception Date	% Rate of Return				
				1 Mo.	3 Mos.	YTD	1 Yr.	3 Yrs.
Delaware Retirement System	8,819,570,229	100.00%	6/30/71	-2.25	-4.43	-1.40	-0.23	7.86
<i>Delaware Benchmark</i>				-1.89	-5.00	-3.34	-1.69	5.97
DPERS w/o Vol. Firemen Fund	8,803,214,794	99.81%	4/30/08	-2.25	-4.43	-1.39	-0.23	7.86
Total Equity	3,933,804,427	44.60%	4/30/08	-4.46	-10.03	-8.12	-7.08	8.18
Total Fixed Income	2,423,613,064	27.48%	4/30/08	-0.17	-0.47	0.10	0.73	2.28
<i>BC U.S. Aggregate</i>				0.68	1.23	1.13	2.94	1.71
Private Equity/Venture Cap.	1,602,103,116	18.17%	4/30/08	-0.03	3.51	14.80	17.90	15.31
<i>90 Day T-Bill + 4%(DPERS)</i>				0.33	1.00	3.01	4.03	4.05
Hedge Funds	586,321,874	6.65%	4/30/08	-2.80	-2.79	0.92	1.26	9.86
<i>HFRI Fund of Funds Composite</i>				-1.91	-3.67	-1.08	-0.14	4.12
Cash	257,372,313	2.92%	4/30/08	0.01	0.02	0.05	0.06	0.10
Volunteer Firemen Fund	16,355,435	0.19%	5/31/08	-1.58	-4.64	-3.03	-1.23	5.98
3-8380 Volunteer Fire	87,787	0.00%	5/31/08	--	--	--	--	--
Mellon EB DV	7,037,469	0.08%	1/31/14	0.67	1.15	1.13	2.93	--
Vanguard Total Bond Market	0	0.00%	8/31/08	--	--	--	--	--
Vanguard Total Intl Index Fd	3,144,809	0.04%	8/31/08	-3.90	-11.60	-6.80	-10.71	3.17
Vanguard Total Stock Market	6,085,370	0.07%	8/31/08	-2.94	-7.28	-5.51	-0.71	12.51

OPEB



OBSERVATIONS FOR SUSSEX COUNTY OPEB

- Market Value (September 30, 2015): \$30 million
- 3rd Quarter gain: **-\$1.3 million**
- 1 Year gain: **-\$55,000**
- Outperformed policy index by approximately 0.9%
 - Strong quarter performance from active equity managers
- Very low investment fees 0.26%



LOOKING AHEAD FOR SUSSEX COUNTY OPEB

- Investment Policy Statement review

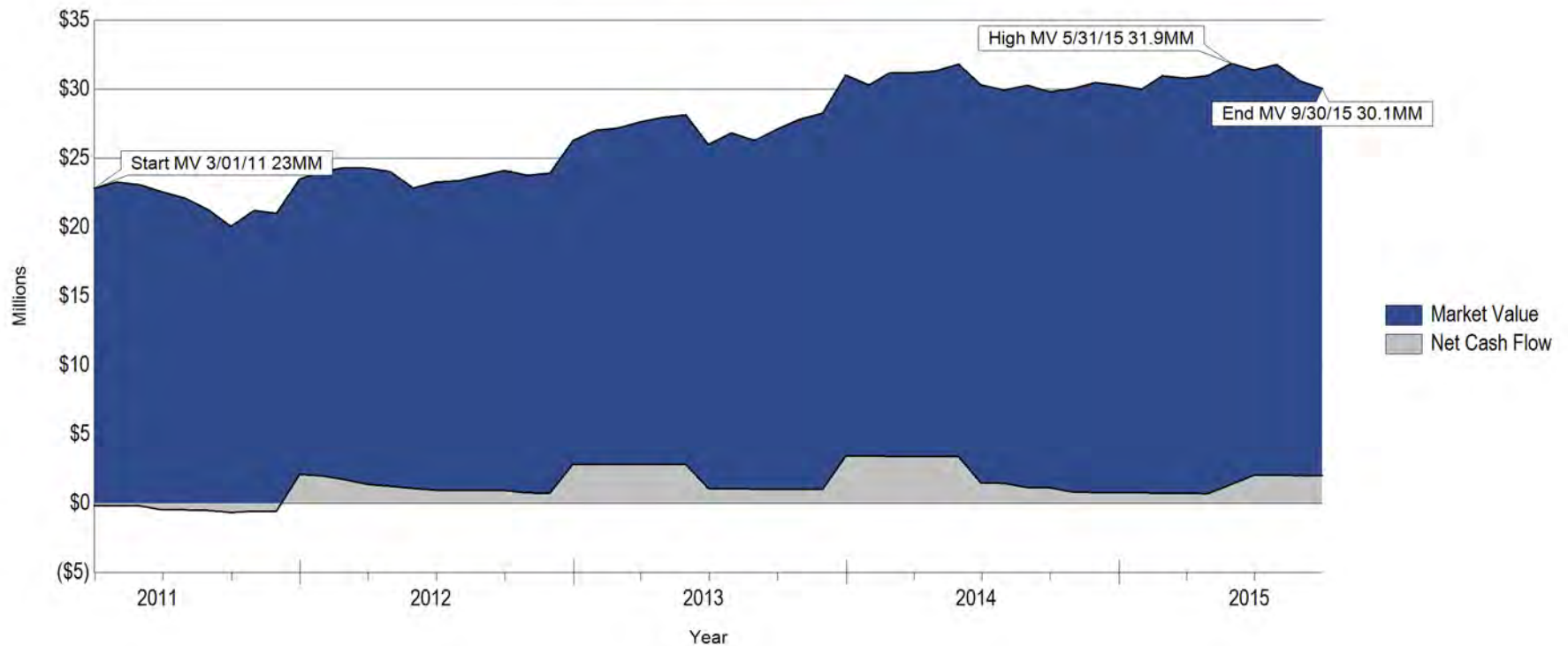


Summary of Cash Flows

As of September 30, 2015

	Third Quarter	Year-To-Date	One Year	Three Years	Inception 3/1/11
Beginning Market Value	\$31,390,466.2	\$30,290,647.6	\$29,814,549.5	\$24,115,185.4	\$22,982,101.7
Net Additions/Withdrawals	\$0.0	\$623,925.3	\$297,789.3	\$682,753.5	\$1,695,413.6
Investment Earnings	-\$1,333,228.2	-\$857,334.9	-\$55,100.9	\$5,259,299.1	\$5,379,722.7
Ending Market Value	\$30,057,238.0	\$30,057,238.0	\$30,057,238.0	\$30,057,238.0	\$30,057,238.0
Time Weighted Return	-4.2%	-2.5%	0.2%	6.8%	4.7%

Market Value History
4 Years 7 Months Ending September 30, 2015



As of September 30, 2015

Cash Flow Summary

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Vanguard Institutional Index	\$10,842,380	\$0	-\$698,992	\$10,143,388
Vanguard Mid Cap Value	\$1,980,463	\$0	-\$133,440	\$1,847,023
Vanguard Small Cap Value Index	\$941,312	\$0	-\$85,848	\$855,464
MFS Low Volatility Global Equity	\$1,974,614	\$0	-\$112,274	\$1,862,340
Thornburg Global Opportunities	\$2,116,046	\$0	-\$197,696	\$1,918,350
American Funds Int'l Growth & Income	\$2,319,129	\$0	-\$235,074	\$2,084,054
Wilmington Trust Fixed Income	\$10,891,083	\$0	\$130,056	\$11,021,139
Wilmington Trust Short Term	\$0	\$0	\$0	\$0
Operating Account	\$222,183	\$0	\$34	\$222,216
Mutual Fund Cash	\$103,257	\$0	\$6	\$103,263
Total	\$31,390,466	\$0	-\$1,333,228	\$30,057,238

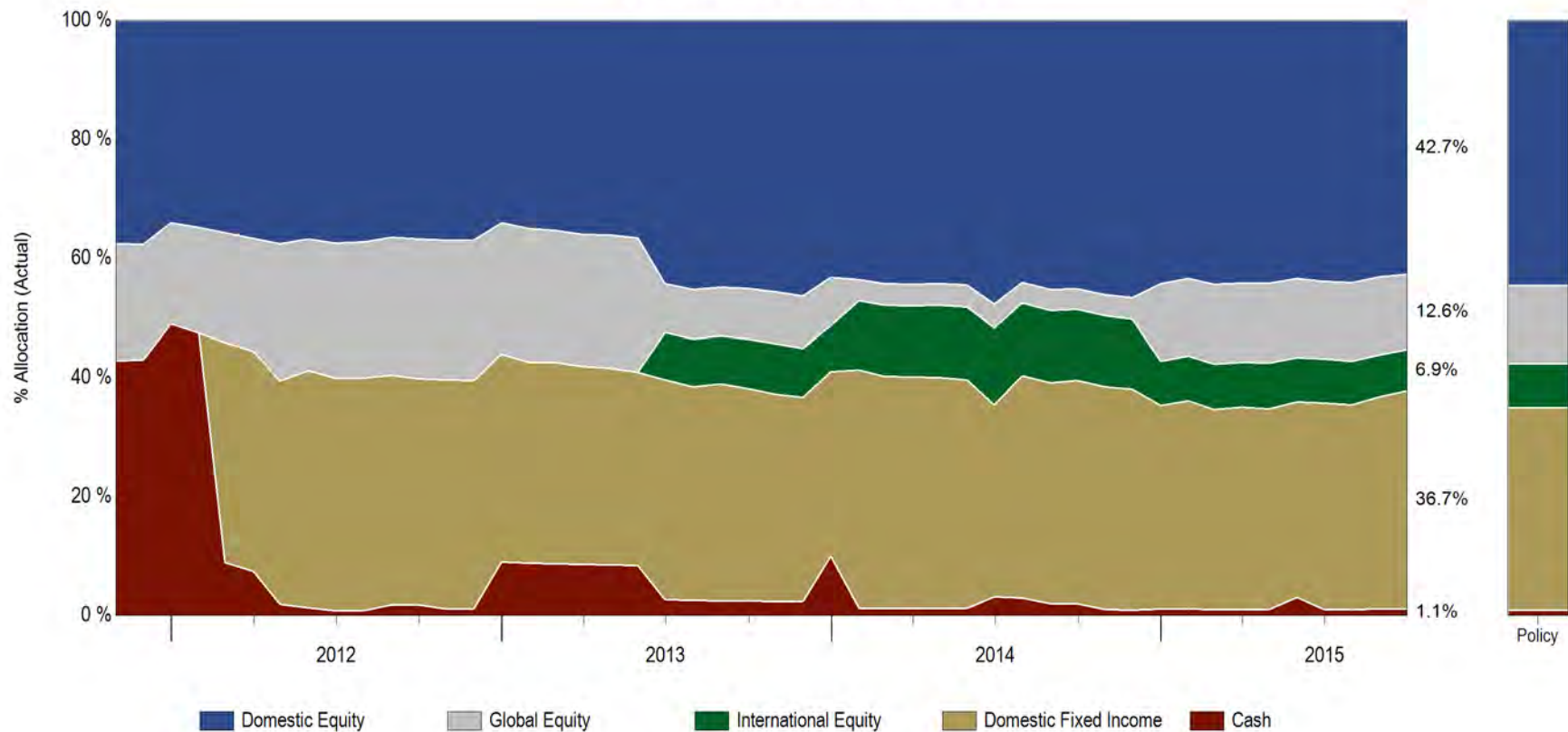
Portfolio Summary

Asset Allocation vs. Target

As of September 30, 2015

	Current	Policy	Policy Range	Within Range
Domestic Equity	42.7%	44.5%	39.5% - 49.5%	Yes
Global Equity	12.6%	13.0%	8.0% - 18.0%	Yes
International Equity	6.9%	7.5%	2.5% - 12.5%	Yes
Domestic Fixed Income	36.7%	34.0%	29.0% - 39.0%	Yes
Cash	1.1%	1.0%	0.0% - 5.0%	Yes
Total	100.0%	100.0%		

Asset Allocation History
3 Years 11 Months Ending September 30, 2015



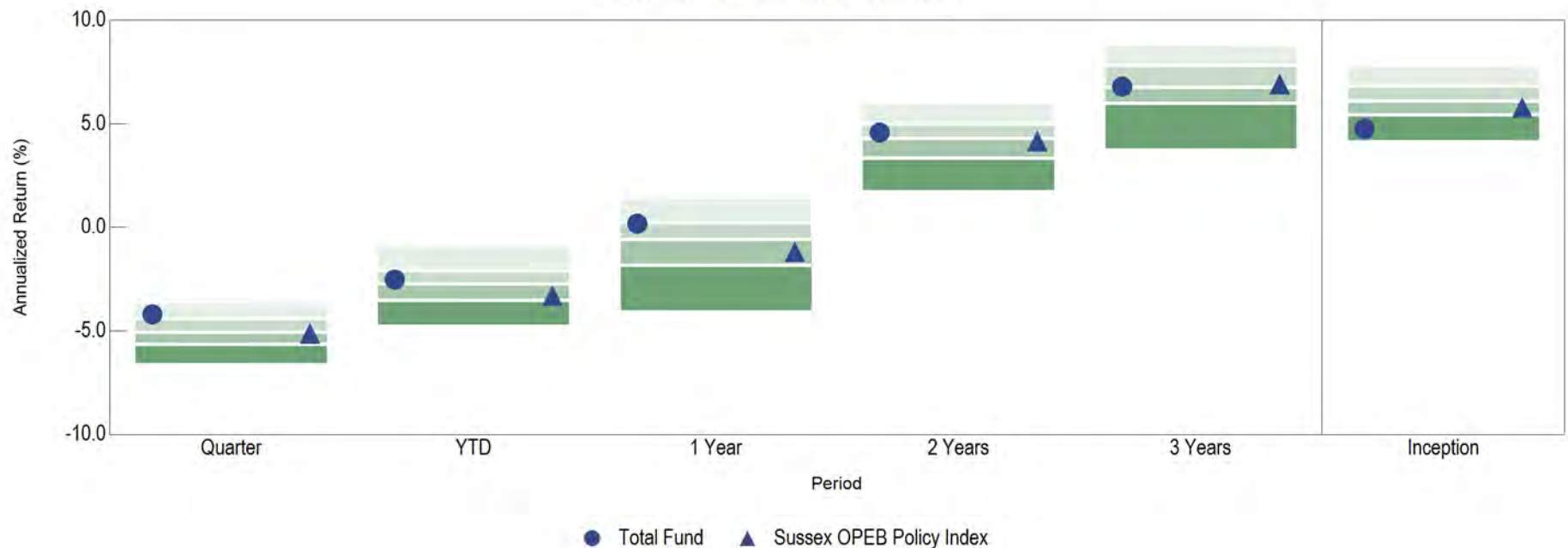
Total Plan Performance

As of September 30, 2015

Annualized Cumulative Returns - Gross

	2015 Q3 Rank	YTD Rank	1 Yr Rank	2 Yrs Rank	3 Yrs Rank	Return	Since					
Total Fund	-4.2%	19	-2.5%	39	0.2%	27	4.6%	42	6.8%	50	4.7%	Mar-11
Sussex OPEB Policy Index	-5.1%	53	-3.3%	69	-1.2%	61	4.2%	54	6.9%	48	5.8%	Mar-11

InvestorForce Public DB Gross Accounts



Benchmark History

Total Fund

1/1/2015	Present	51% Russell 3000 / 14% MSCI ACWI ex USA / 34% Barclays Int Govt/Credit / 1% 91 Day T-Bills
10/1/2014	12/31/2014	46% Russell 3000 / 14% MSCI ACWI ex USA / 39% Barclays Int Govt/Credit / 1% 91 Day T-Bills
4/1/2012	9/30/2014	48% Russell 3000 / 12% MSCI EAFE / 40% Barclays Int Govt/Credit
3/1/2011	3/31/2012	Russell 3000 48% / MSCI EAFE 12% / BofA Merrill Lynch 91-Day T-Bill 40%

Total Plan Performance

As of September 30, 2015

Calendar Year Returns - Gross

	2014	Rank	2013	Rank	2012	Rank
Total Fund	6.3%	36	16.3%	44	8.9%	93
<i>Sussex OPEB Policy Index</i>	6.4%	35	17.6%	30	11.3%	71

InvestorForce Public DB Gross Accounts



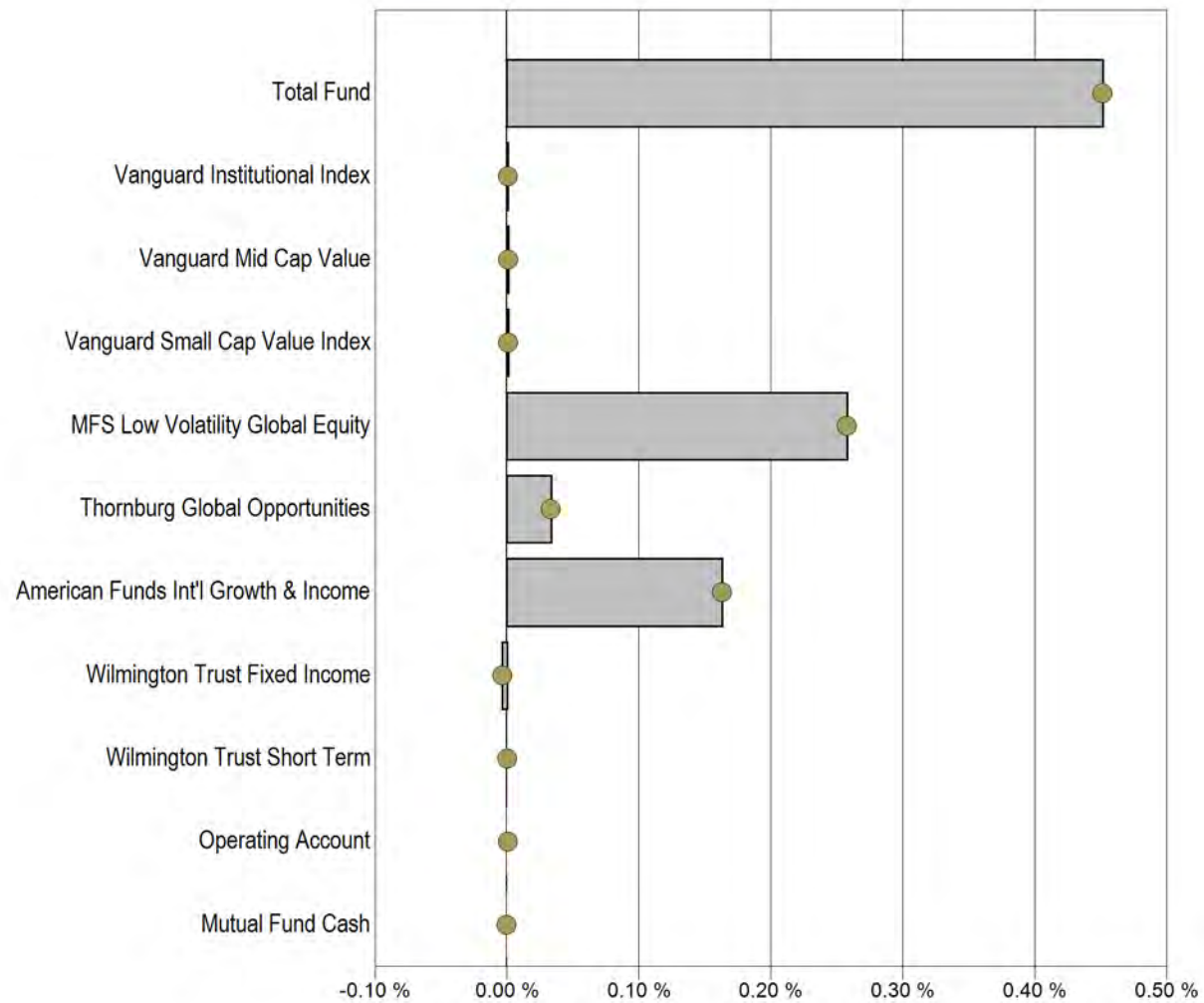
Benchmark History

Total Fund		
1/1/2015	Present	51% Russell 3000 / 14% MSCI ACWI ex USA / 34% Barclays Int Govt/Credit / 1% 91 Day T-Bills
10/1/2014	12/31/2014	46% Russell 3000 / 14% MSCI ACWI ex USA / 39% Barclays Int Govt/Credit / 1% 91 Day T-Bills
4/1/2012	9/30/2014	48% Russell 3000 / 12% MSCI EAFE / 40% Barclays Int Govt/Credit
3/1/2011	3/31/2012	Russell 3000 48% / MSCI EAFE 12% / BofA Merrill Lynch 91-Day T-Bill 40%

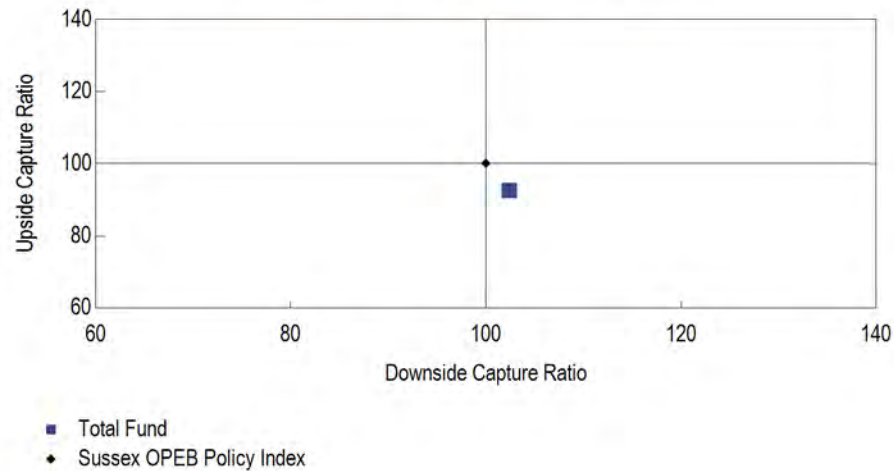
Attribution Analysis

As of September 30, 2015

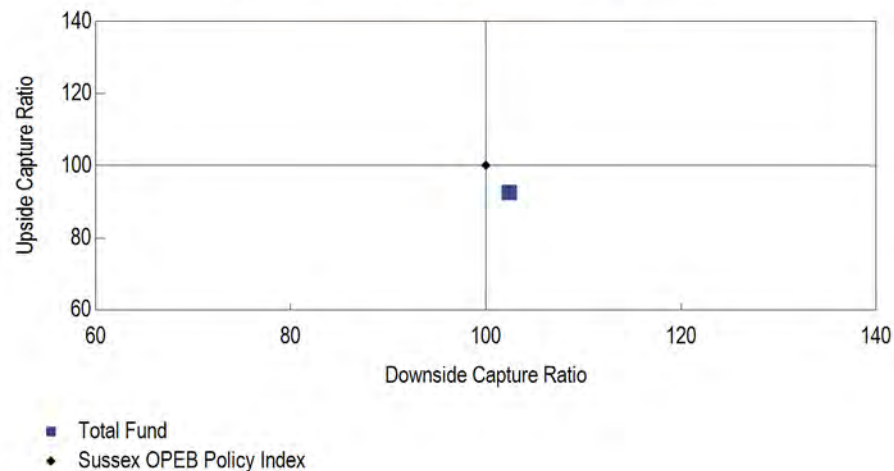
Attribution Effects
3 Months Ending September 30, 2015



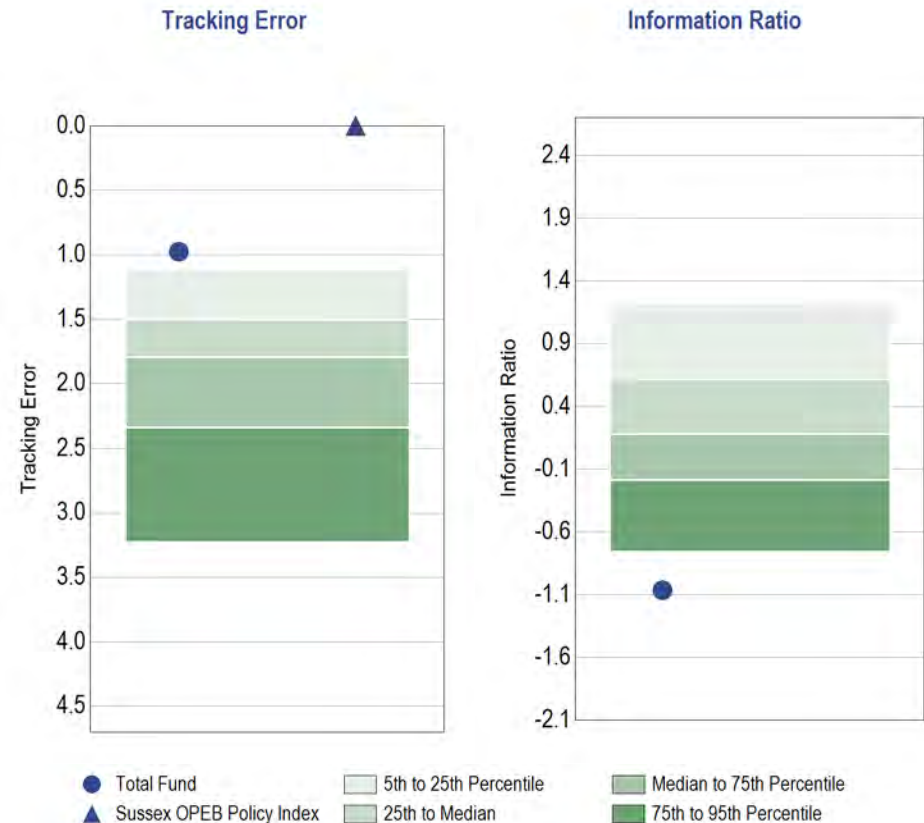
Upside Capture Ratio vs. Downside Capture Ratio
4 Years 7 Months Ending September 30, 2015



Upside Capture Ratio vs. Downside Capture Ratio
4 Years 7 Months Ending September 30, 2015



InvestorForce Public DB Gross Universe
Since Inception (March 31, 2011)



Tracking Error: A measure of the degree to which a portfolio tracks its benchmark. It is also a measure of consistency of excess returns. Computed as the annualized standard deviation of the difference between a portfolio's return and that of its benchmark.

Information Ratio: A measure of the risk-adjusted return of a financial security (or assets in a portfolio). It is defined as expected active return divided by tracking error, where active return is the excess return and tracking error is the annualized standard deviation of the excess returns.

Portfolio Summary

Performance Summary

As of September 30, 2015

	% of Portfolio	Policy %	2015 Q3	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
Equities	62.2	65.0												
Vanguard Institutional Index	33.7		-6.4	26	-5.3	31	-0.6	29	12.4	34	13.4	20	4.3	Jan-14
<i>S&P 500</i>			-6.4	26	-5.3	31	-0.6	30	12.4	34	13.3	21	4.3	Jan-14
Vanguard Mid Cap Value	6.1		-6.7	15	-5.5	16	1.2	14	15.5	9	13.9	9	4.4	Jan-14
<i>Spliced Mid Cap Value Index</i>			-6.7	15	-5.5	17	1.1	14	15.4	10	13.9	10	4.4	Jan-14
Vanguard Small Cap Value Index	2.8		-9.1	33	-7.2	41	0.2	30	13.3	9	12.8	10	-9.1	Jun-15
<i>Spliced Small Cap Value Index</i>			-9.1	34	-7.2	42	0.1	34	13.3	9	12.8	10	-9.1	Jun-15
MFS Low Volatility Global Equity	6.2		-5.5	12	-3.1	26	1.3	13	--	--	--	--	-3.1	Dec-14
<i>MSCI ACWI</i>			-9.4	67	-7.0	77	-6.7	74	--	--	--	--	-7.0	Dec-14
Thornburg Global Opportunities	6.4		-9.1	60	-2.2	20	4.2	5	17.4	2	14.4	1	9.7	Jan-14
<i>MSCI ACWI</i>			-9.4	67	-7.0	77	-6.7	74	7.0	70	6.8	74	-1.8	Jan-14
American Funds Int'l Growth & Income	6.9		-10.0	47	-7.7	87	-11.2	86	4.9	58	5.0	22	-5.8	Jan-14
<i>MSCI ACWI ex USA</i>			-12.2	87	-8.6	93	-12.2	91	2.3	91	1.8	87	-7.1	Jan-14
Fixed Income	37.8	35.0												
Wilmington Trust Fixed Income	36.7		1.2	--	2.1	--	3.0	--	1.2	--	--	--	1.7	Mar-12
<i>Barclays Int Govt.</i>			1.2	--	2.0	--	3.0	--	1.1	--	--	--	1.5	Mar-12
Operating Account	0.7													
Mutual Fund Cash	0.3													

Spliced Mid Cap Index: MSCI US Mid Cap 450 through January 31, 2013; CRSP US Mid Cap Index thereafter.

Returns prior to inception are reported by the mutual funds and are for informational purposes only. They are not the returns realized by the plan.

Please note: All returns shown are net of fees. All returns over one year are annualized.

Portfolio Summary

Fee Schedule

As of September 30, 2015

Account	Fee Schedule	Market Value As of 9/30/2015	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
Vanguard Institutional Index	0.04% of Assets	\$10,143,388	33.7%	\$4,057	0.04%
Vanguard Mid Cap Value	0.09% of Assets	\$1,847,023	6.1%	\$1,662	0.09%
Vanguard Small Cap Value Index	0.09% of Assets	\$855,464	2.8%	\$770	0.09%
MFS Low Volatility Global Equity	0.95% of Assets	\$1,862,340	6.2%	\$17,692	0.95%
Thornburg Global Opportunities	0.99% of Assets	\$1,918,350	6.4%	\$18,992	0.99%
American Funds Int'l Growth & Income	0.58% of Assets	\$2,084,054	6.9%	\$12,088	0.58%
Wilmington Trust Fixed Income	0.20% of Assets	\$11,021,139	36.7%	\$22,042	0.20%
Wilmington Trust Short Term	No Fee	\$0	0.0%	--	--
Operating Account	No Fee	\$222,216	0.7%	--	--
Mutual Fund Cash	No Fee	\$103,263	0.3%	--	--
Investment Management Fee		\$30,057,238	100.0%	\$77,303	0.26%

EQUITIES

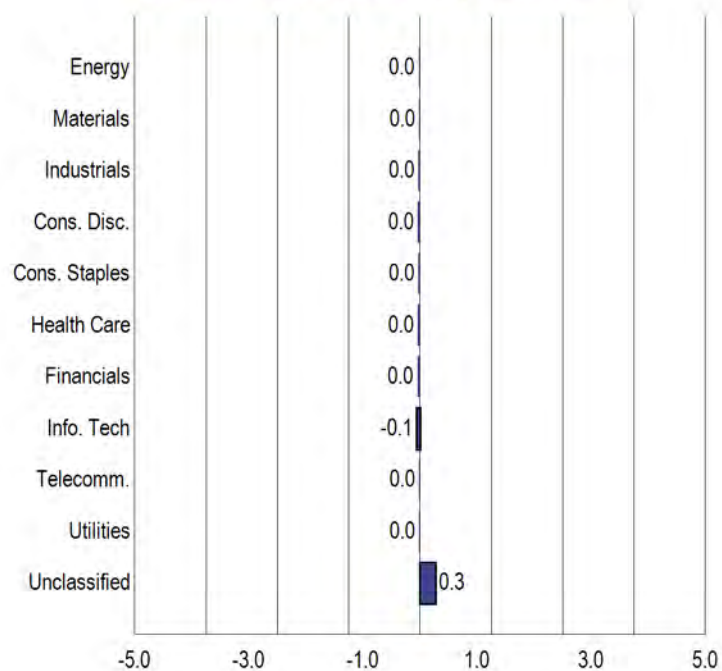


As of September 30, 2015

Manager Summary

- Passively-managed.
- Seeks to track the performance of the S&P 500 Index.
- Invests in large-cap U.S. equities diversified among growth and value styles.
- Fund remains fully invested.

Sector Over/Under Allocation (%) vs S&P 500



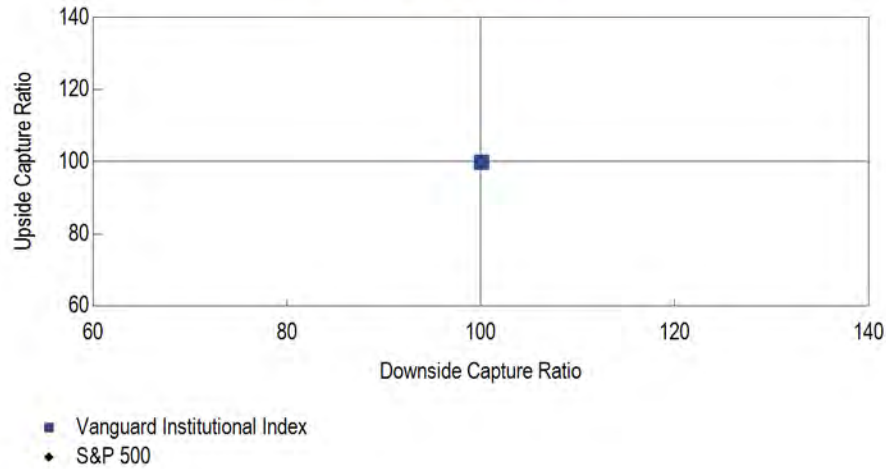
Characteristics

	Portfolio	S&P 500
Number of Holdings	507	505
Weighted Avg. Market Cap. (\$B)	119.27	119.17
Median Market Cap. (\$B)	16.69	16.64
Price To Earnings	22.19	20.88
Price To Book	4.74	4.10
Price To Sales	3.26	2.98
Return on Equity (%)	19.04	18.27
Yield (%)	2.29	2.29
Beta (holdings; domestic)	0.96	0.96

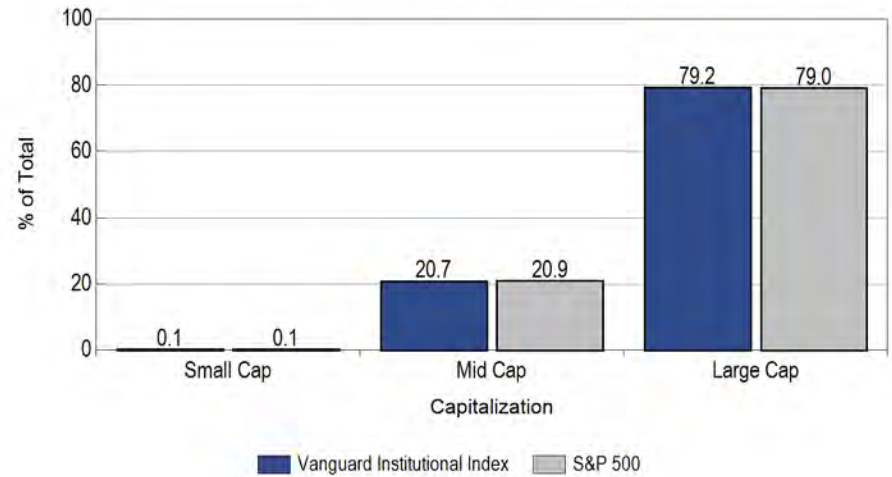
Top Ten Holdings

APPLE	3.7%
MICROSOFT	2.1%
EXXON MOBIL	1.8%
JOHNSON & JOHNSON	1.5%
GENERAL ELECTRIC	1.5%
WELLS FARGO & CO	1.4%
BERKSHIRE HATHAWAY 'B'	1.4%
JP MORGAN CHASE & CO.	1.3%
FACEBOOK CLASS A	1.2%
AT&T	1.2%
Total For Top Ten Holdings	17.1%

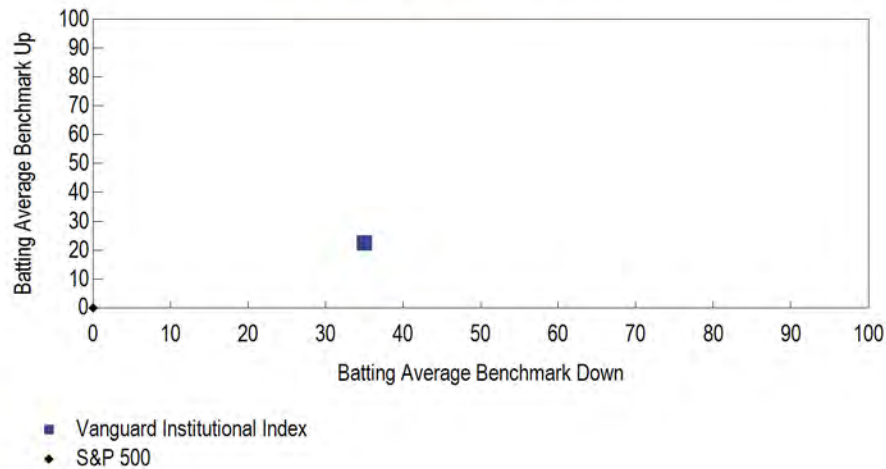
Upside Capture Ratio vs. Downside Capture Ratio
5 Years Ending September 30, 2015



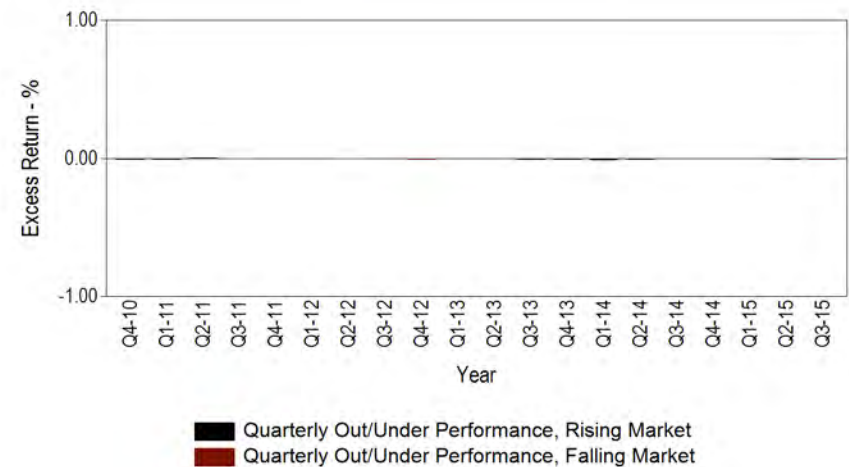
Market Capitalization
As of September 30, 2015



Batting Average Benchmark Up vs. Batting Average Benchmark Down
5 Years Ending September 30, 2015



Quarterly Excess Performance



Sussex County OPEB Trust
Vanguard Mid Cap Value

As of September 30, 2015

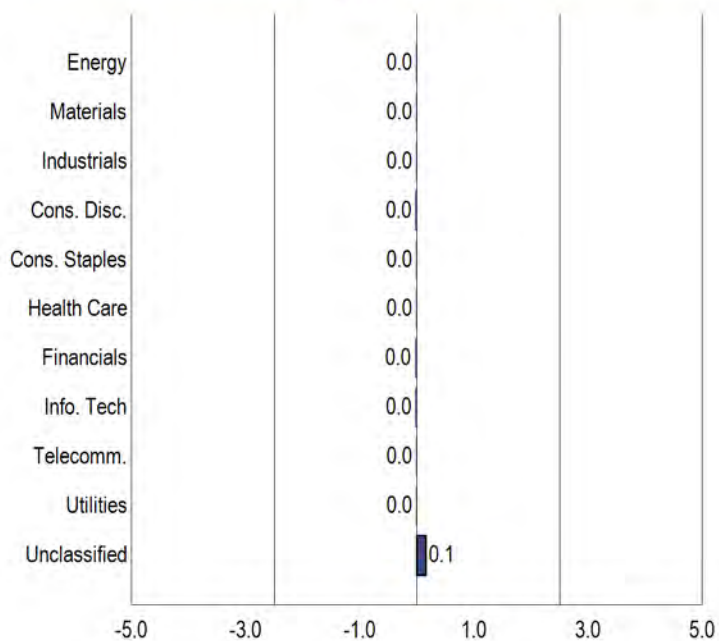
Manager Summary

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

Characteristics

	Portfolio	CRSP US Mid Cap Value TR USD
Number of Holdings	215	207
Weighted Avg. Market Cap. (\$B)	10.45	10.45
Median Market Cap. (\$B)	8.04	8.34
Price To Earnings	19.70	18.81
Price To Book	2.89	2.72
Price To Sales	2.19	1.92
Return on Equity (%)	13.91	12.68
Yield (%)	2.28	2.06
Beta (holdings; domestic)	1.13	1.13

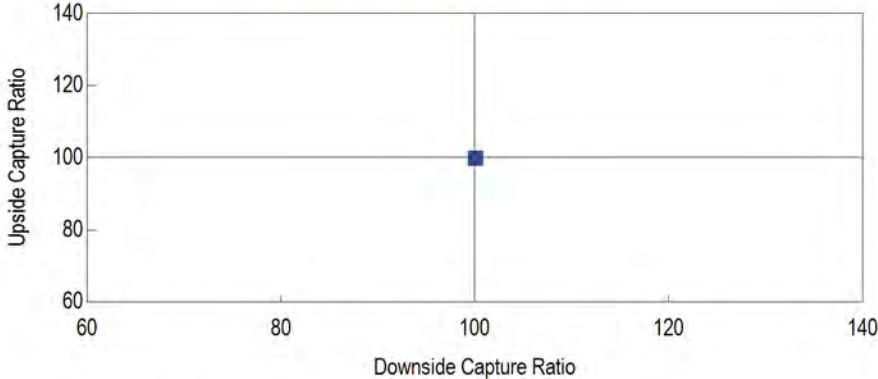
Sector Over/Under Allocation (%) vs CRSP US Mid Cap Value TR USD



Top Ten Holdings

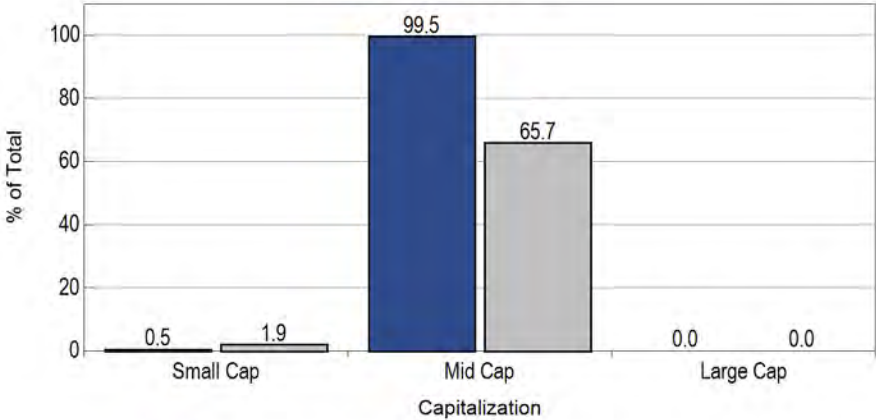
HARTFORD FINL.SVS.GP.	1.2%
FIDELITY NAT.INFO.SVS.	1.2%
CONAGRA FOODS	1.1%
SIGMA ALDRICH	1.0%
WEC ENERGY GROUP	1.0%
EVERSOURCE ENERGY	1.0%
ROYAL CARIBBEAN CRUISES	1.0%
ALTERA	1.0%
DR PEPPER SNAPPLE GROUP	1.0%
CLOROX	0.9%
Total For Top Ten Holdings	10.4%

Upside Capture Ratio vs. Downside Capture Ratio
5 Years Ending September 30, 2015



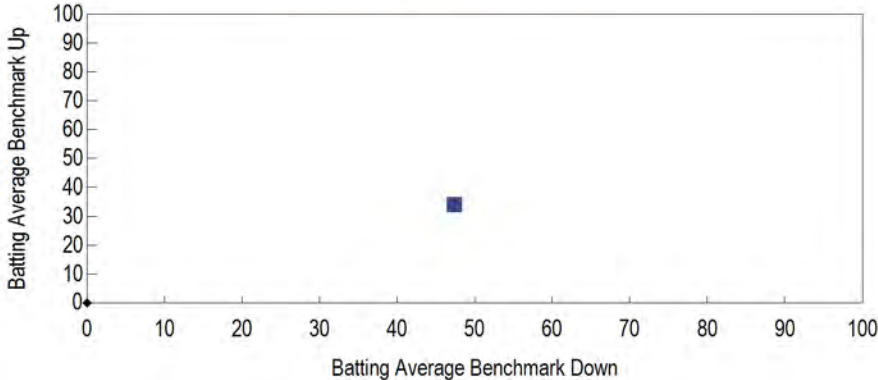
- Vanguard Mid Cap Value
- ◆ Spliced Mid Cap Value Index

Market Capitalization
As of September 30, 2015



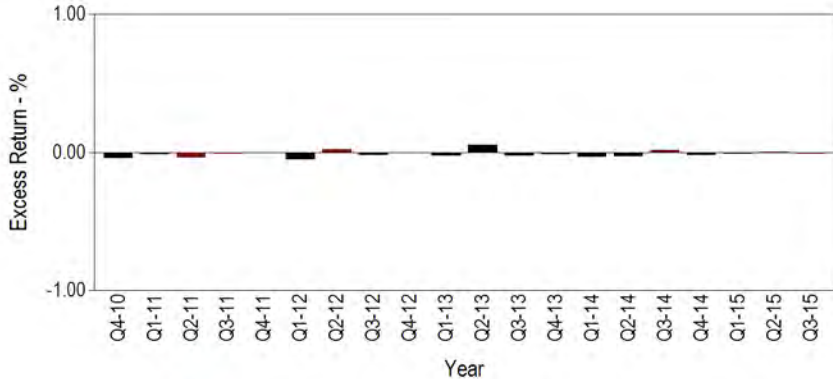
- Vanguard Mid Cap Value
- CRSP US Mid Cap Value TR USD

Batting Average Benchmark Up vs. Batting Average Benchmark Down
5 Years Ending September 30, 2015



- Vanguard Mid Cap Value
- ◆ Spliced Mid Cap Value Index

Quarterly Excess Performance



- Quarterly Out/Under Performance, Rising Market
- Quarterly Out/Under Performance, Falling Market

Vanguard Small Cap Value Index

As of September 30, 2015

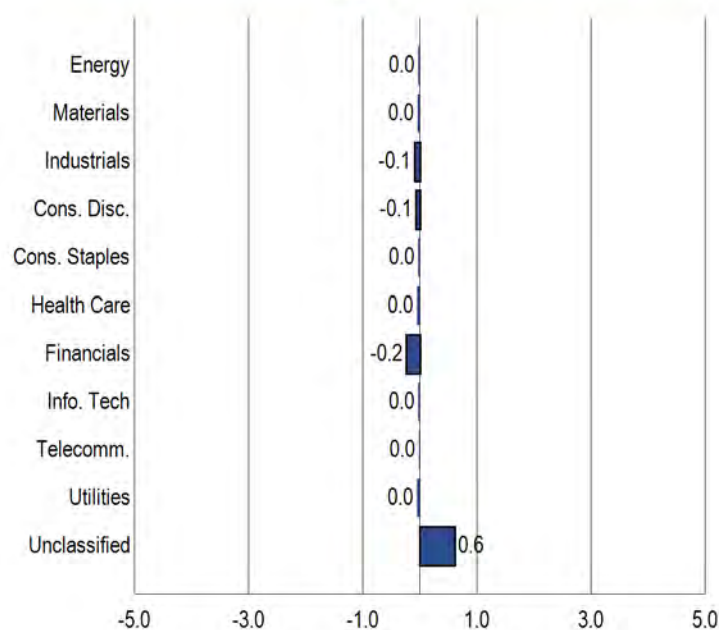
Manager Summary

- Passively managed to track the performance of the CRSP US Small Cap Value Index.
- Follows a full-replication approach whereby the fund attempts to hold the same securities at the same weights as the benchmark.
- Low expense ratio means the returns will also track the benchmark closely on a net-of-fees basis.

Characteristics

	Portfolio	CRSP US Small Cap Value TR USD
Number of Holdings	849	842
Weighted Avg. Market Cap. (\$B)	3.19	3.19
Median Market Cap. (\$B)	1.55	1.56
Price To Earnings	20.44	17.92
Price To Book	2.45	2.15
Price To Sales	2.15	1.97
Return on Equity (%)	12.37	11.55
Yield (%)	2.29	2.17

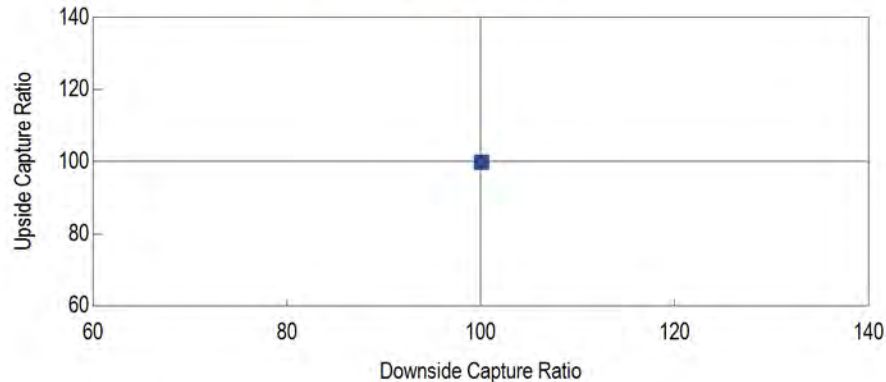
Sector Over/Under Allocation (%) vs CRSP US Small Cap Value TR USD



Top Ten Holdings

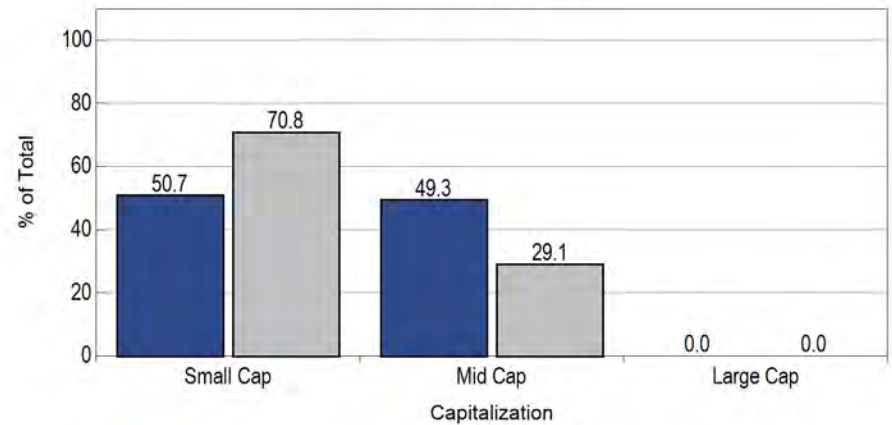
CASH - USD	0.6%
JETBLUE AIRWAYS	0.6%
GOODYEAR TIRE & RUB.	0.5%
GLOBAL PAYMENTS	0.5%
HCC INSURANCE HDG.	0.5%
AGL RESOURCES	0.5%
CABLEVISION SYS.	0.5%
ARTHUR J GALLAGHER	0.5%
SPIRIT AEROSYSTEMS CL.A	0.5%
BROADRIDGE FINL.SLTN.	0.5%
Total For Top Ten Holdings	5.1%

Upside Capture Ratio vs. Downside Capture Ratio
5 Years Ending September 30, 2015



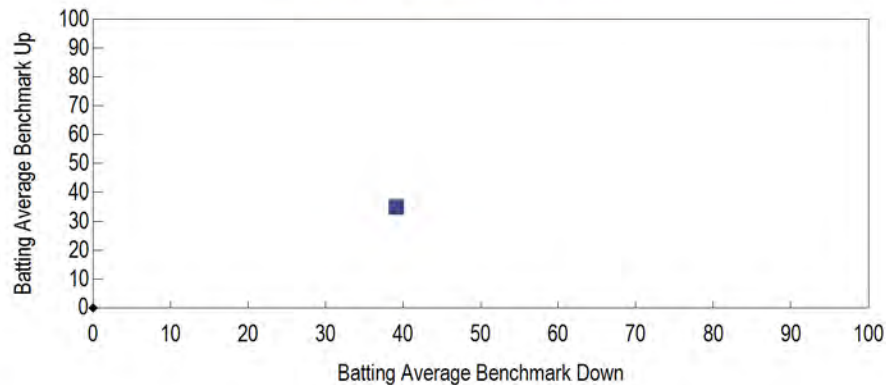
- Vanguard Small Cap Value Index
- ◆ Spliced Small Cap Value Index

Market Capitalization
As of September 30, 2015



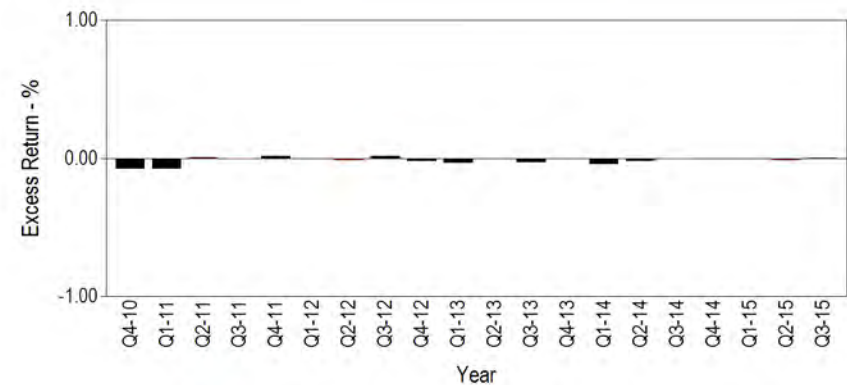
- Vanguard Small Cap Value Index
- CRSP US Small Cap Value TR USD

Batting Average Benchmark Up vs. Batting Average Benchmark Down
5 Years Ending September 30, 2015



- Vanguard Small Cap Value Index
- ◆ Spliced Small Cap Value Index

Quarterly Excess Performance



- Quarterly Out/Under Performance, Rising Market
- Quarterly Out/Under Performance, Falling Market

MFS Low Volatility Global Equity

As of September 30, 2015

Manager Summary

- Strategy seeks to produce long-term excess market returns with less volatility than the market.
- Investment process combines quantitative inputs and fundamental analysis. Only stocks that exhibit low volatility are considered for further analysis.
- Fundamental inputs include analyst expectations for earnings and valuation. Stocks are then rated buy, hold, or sell.
- Strategy typically holds 80-120 names with a maximum position limit of 4%.

Country Allocation**Versus MSCI ACWI - Quarter Ending September 30, 2015**

	Manager Ending Allocation (USD)	Index Ending Allocation (USD)
Top 5 Largest Countries		
United States	49.0%	52.8%
Japan	10.4%	7.7%
Switzerland	5.6%	3.3%
Canada	4.6%	3.0%
Taiwan*	4.6%	1.2%
Total-Top 5 Largest Countries	74.2%	68.1%
Totals		
Developed	92.6%	90.3%
Emerging*	6.5%	9.7%
Cash	0.9%	

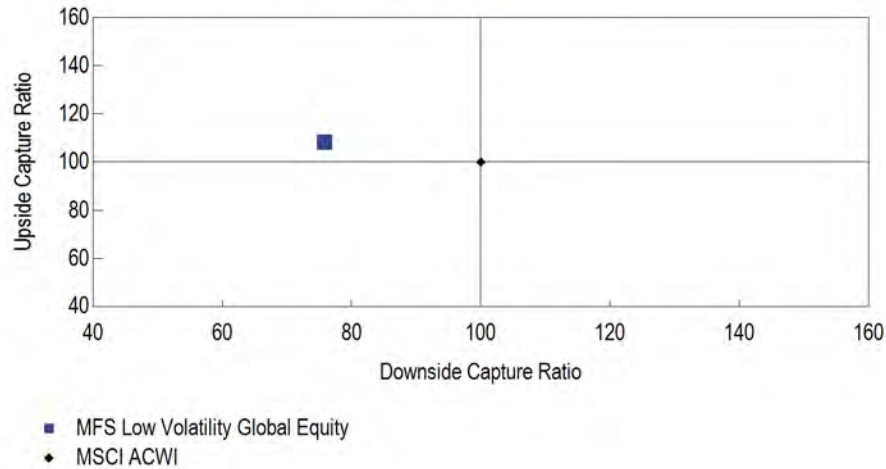
Characteristics

	Portfolio	MSCI ACWI
Number of Holdings	96	2,480
Weighted Avg. Market Cap. (\$B)	57.28	82.21
Median Market Cap. (\$B)	25.83	7.68
Price To Earnings	21.69	19.64
Price To Book	4.30	2.99
Price To Sales	3.27	2.66
Return on Equity (%)	20.51	16.44
Yield (%)	2.77	2.66
Beta (holdings; global)	0.68	1.01

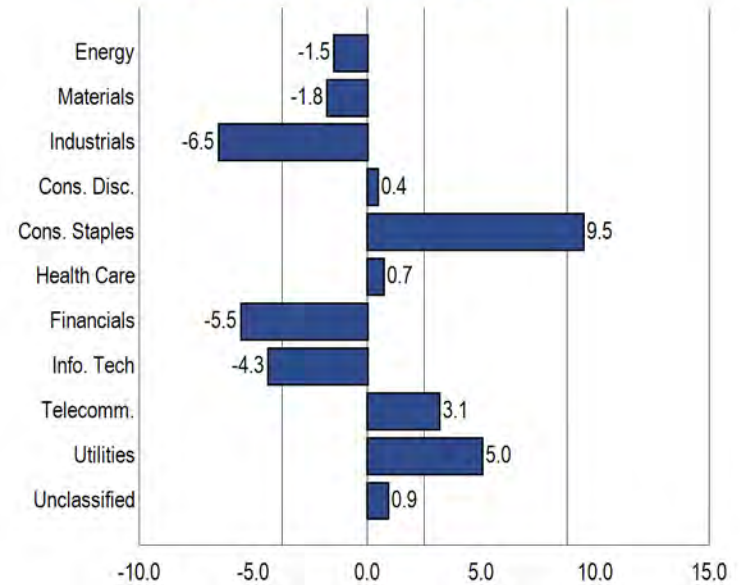
Top Ten Holdings

GENERAL MILLS	3.7%
TAIWAN SEMICON.SPN.ADR 1:5	3.4%
ROCHE HOLDING	2.6%
DISCOVER FINANCIAL SVS.	2.5%
FISHER & PAYKEL HLTHCR.	2.3%
JOHNSON & JOHNSON	2.2%
LAWSON	2.0%
LOCKHEED MARTIN	1.9%
ROSS STORES	1.8%
MCDONALDS	1.8%
Total For Top Ten Holdings	24.1%

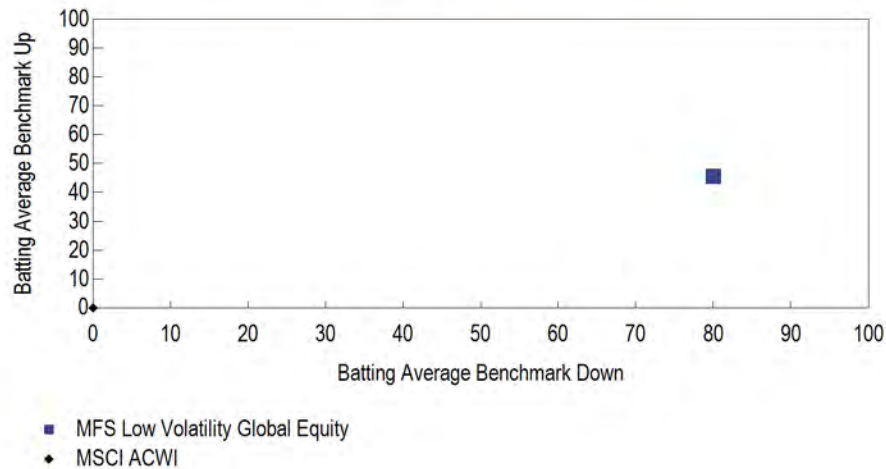
Upside Capture Ratio vs. Downside Capture Ratio
1 Year 9 Months Ending September 30, 2015



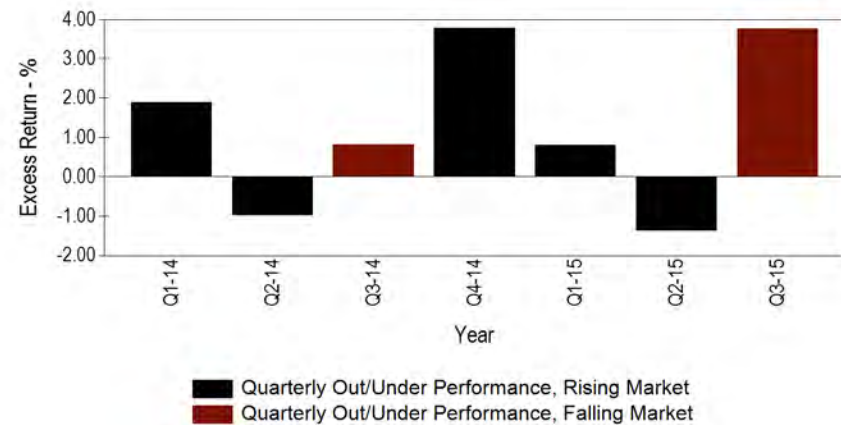
Sector Over/Under Allocation (%) vs MSCI ACWI



Batting Average Benchmark Up vs. Batting Average Benchmark Down
1 Year 9 Months Ending September 30, 2015



Quarterly Excess Performance



As of September 30, 2015

Manager Summary

- Focus on investing in companies trading at a discount to their intrinsic value.
- Emphasizes good management, strong corporate culture and easy to understand business models.
- Portfolio tends to hold 30-40 stocks and will typically experience higher than average volatility.
- Will invest opportunistically across the globe in small, medium and large companies.

Country Allocation**Versus MSCI ACWI - Quarter Ending September 30, 2015**

	Manager Ending Allocation (USD)	Index Ending Allocation (USD)
Top 5 Largest Countries		
United States	58.2%	52.8%
Cash	8.0%	0.0%
Canada	7.6%	3.0%
Spain	5.6%	1.2%
United Kingdom	5.4%	7.0%
Total-Top 5 Largest Countries	84.8%	64.0%
Totals		
Developed	90.2%	90.3%
Emerging*	1.8%	9.7%
Cash	8.0%	

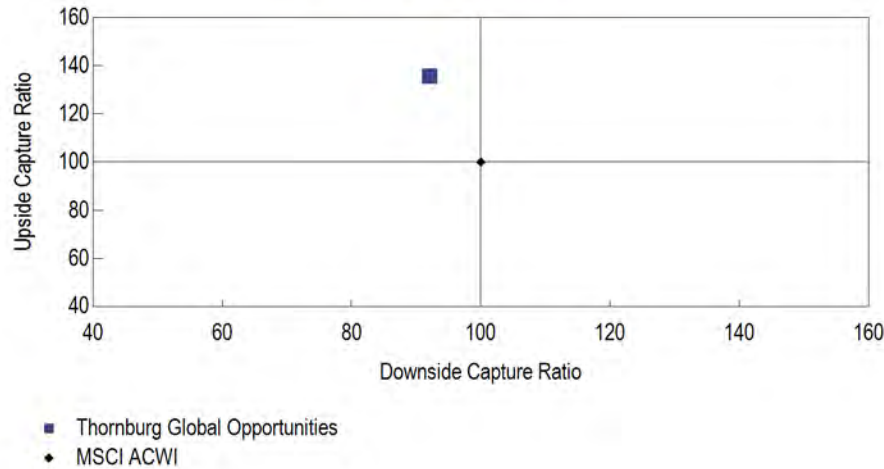
Characteristics

	Portfolio	MSCI ACWI
Number of Holdings	36	2,480
Weighted Avg. Market Cap. (\$B)	42.59	82.21
Median Market Cap. (\$B)	20.19	7.68
Price To Earnings	31.71	19.64
Price To Book	3.17	2.99
Price To Sales	3.05	2.66
Return on Equity (%)	13.71	16.44
Yield (%)	1.38	2.66
Beta (holdings; global)	1.31	1.01

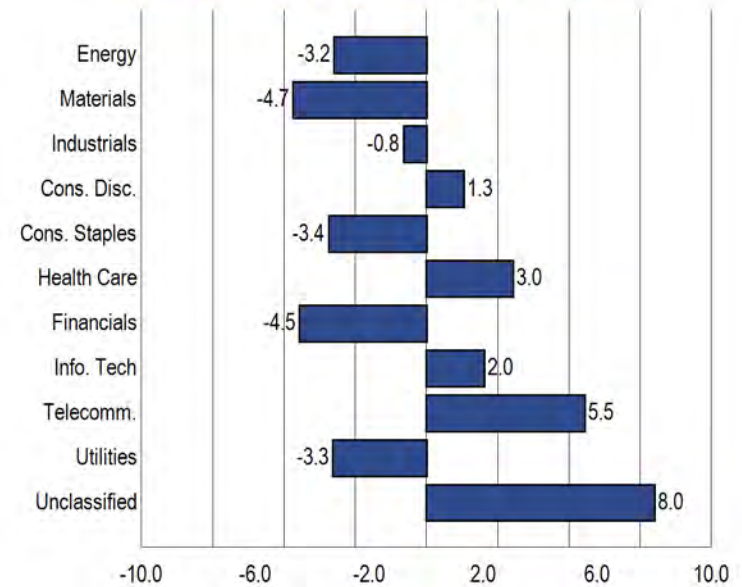
Top Ten Holdings

CASH - USD	8.0%
AENA SHS	5.6%
LEVEL 3 COMMS.	5.0%
NUMERICABLE SFR	5.0%
VEREIT	4.6%
INTERXION HOLDING	4.5%
T-MOBILE US	4.3%
MONDELEZ INTERNATIONAL CL.A	4.3%
VALEANT PHARMS. (NYS) INTL.	4.2%
ALLERGAN	4.1%
Total For Top Ten Holdings	49.6%

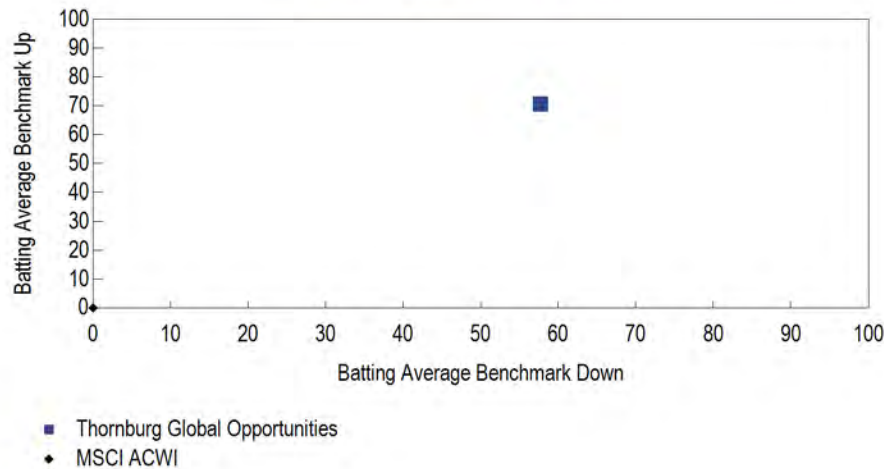
Upside Capture Ratio vs. Downside Capture Ratio
5 Years Ending September 30, 2015



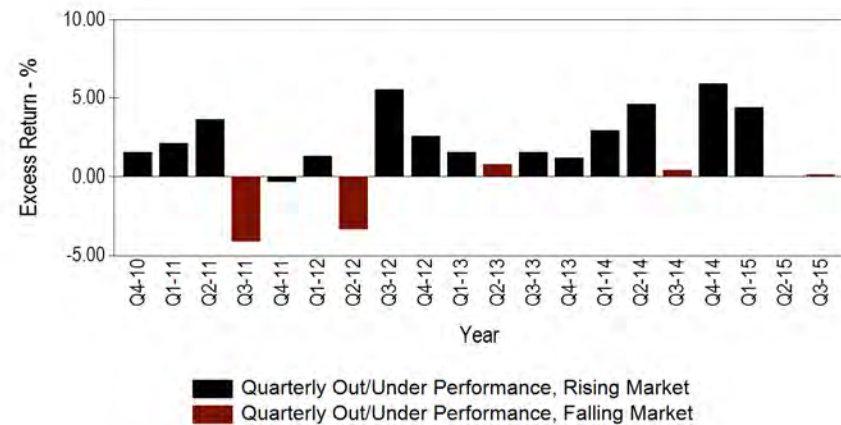
Sector Over/Under Allocation (%) vs MSCI ACWI



Batting Average Benchmark Up vs. Batting Average Benchmark Down
5 Years Ending September 30, 2015



Quarterly Excess Performance



American Funds Int'l Growth & Income

As of September 30, 2015

Manager Summary

- Focuses on investing in established companies that pay dividends.
- Emphasis on companies that may be relatively resilient during economic hardship.
- Multiple portfolio managers provide complementary investment styles of contrarian value, relative value and capital appreciation.
- Strategy tends to have dividend yield higher than the benchmark.

Country Allocation

Versus MSCI ACWI ex USA - Quarter Ending September 30, 2015

	Manager Ending Allocation (USD)	Index Ending Allocation (USD)
Top 5 Largest Countries		
United Kingdom	18.7%	14.8%
Japan	12.1%	16.3%
Hong Kong	9.7%	2.2%
United States	8.7%	0.0%
France	8.7%	7.4%
Total-Top 5 Largest Countries	58.0%	40.7%
Totals		
Developed	85.8%	79.4%
Emerging*	13.8%	20.6%
Other	0.4%	

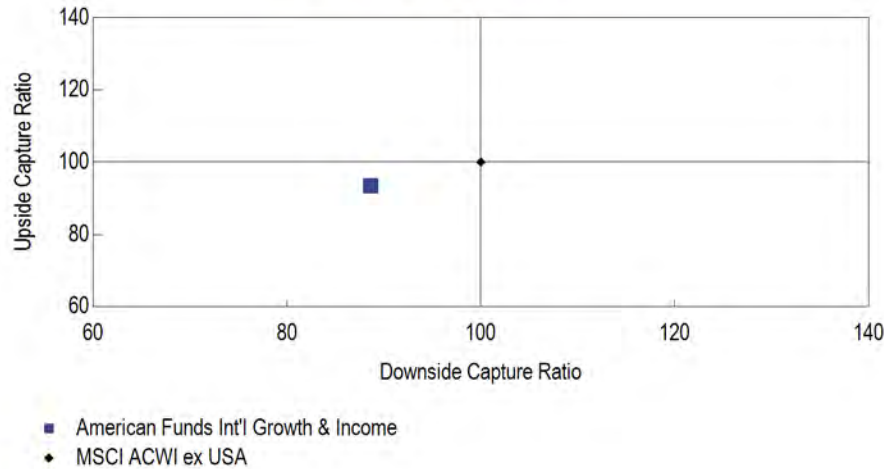
Characteristics

	Portfolio	MSCI ACWI ex USA
Number of Holdings	179	1,843
Weighted Avg. Market Cap. (\$B)	41.52	47.49
Median Market Cap. (\$B)	17.05	6.17
Price To Earnings	18.95	17.97
Price To Book	3.17	2.31
Price To Sales	2.39	2.21
Return on Equity (%)	17.58	15.16
Yield (%)	3.88	3.20
Beta (holdings; global)	1.03	0.98

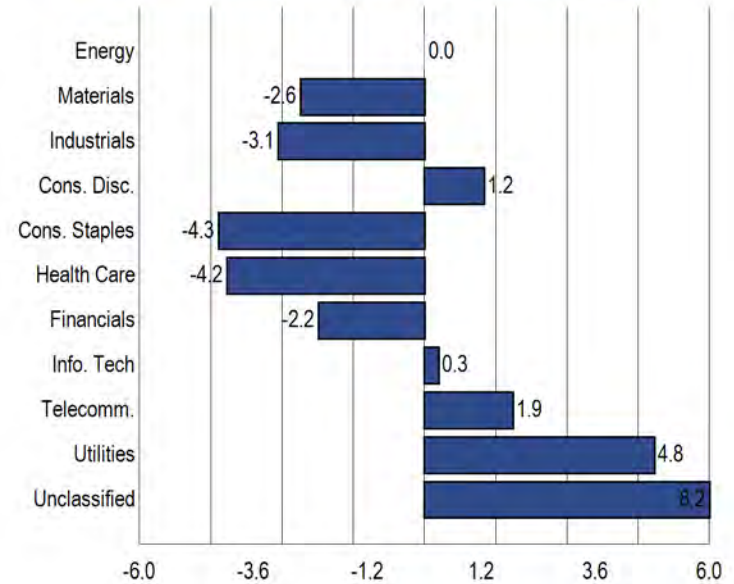
Top Ten Holdings

AXA	3.0%
TAIWAN SEMICON.MNFG.	2.6%
NOVARTIS 'R'	2.4%
EDP ENERGIAS DE PORTUGAL	2.3%
POWER ASSETS HOLDINGS	1.9%
BRITISH AMERICAN TOBACCO	1.8%
SUN HUNG KAI PROPERTIES	1.7%
NINTENDO	1.7%
INTL.CONS.AIRL.GP.(CDI)	1.6%
BANCO SANTANDER	1.5%
Total For Top Ten Holdings	20.5%

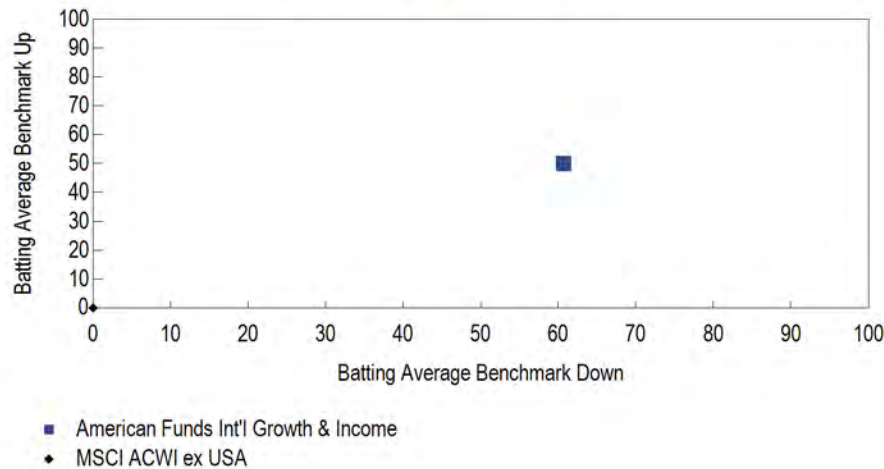
Upside Capture Ratio vs. Downside Capture Ratio
5 Years Ending September 30, 2015



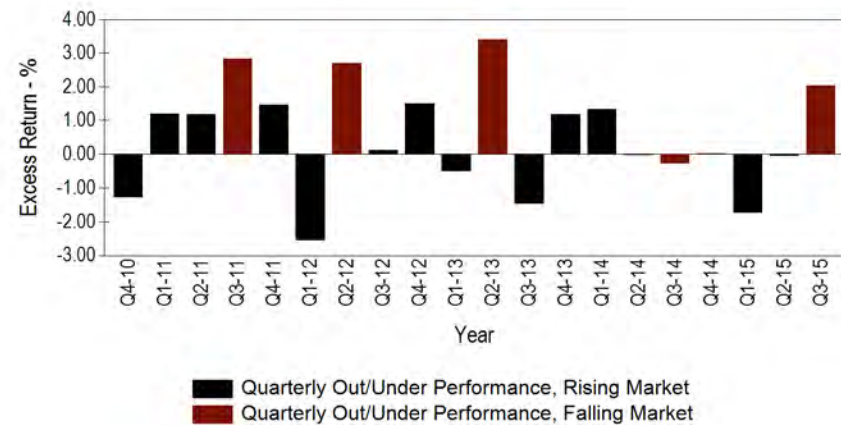
Sector Over/Under Allocation (%) vs MSCI ACWI ex USA



Batting Average Benchmark Up vs. Batting Average Benchmark Down
5 Years Ending September 30, 2015



Quarterly Excess Performance



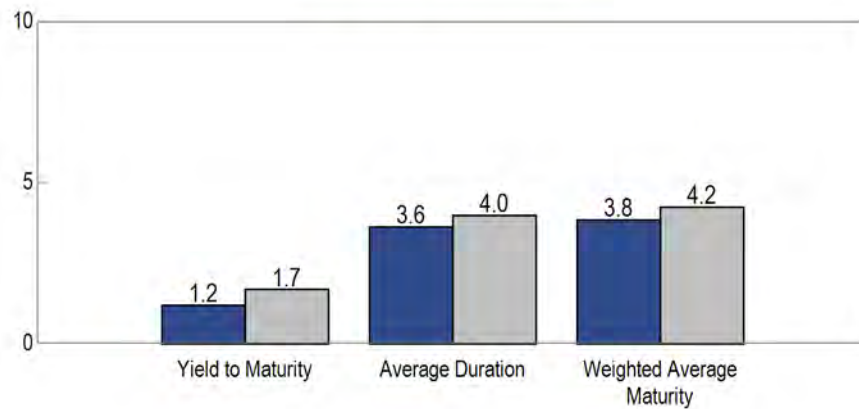
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FIXED INCOME

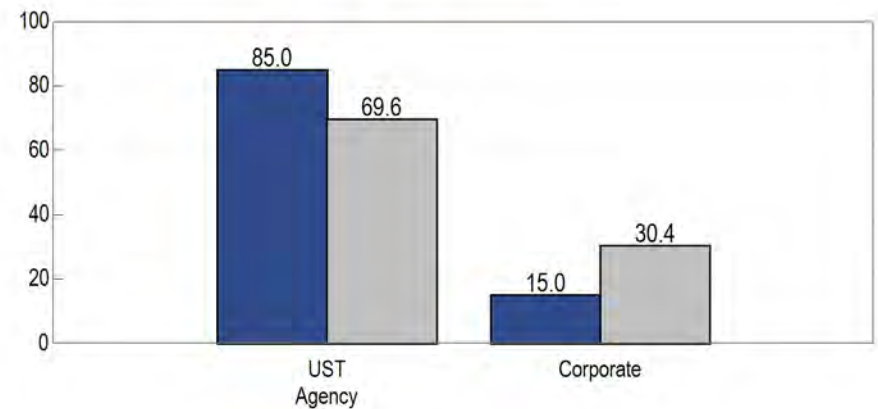


Summary: Strategy focuses equally on duration management, sector selection and yield curve exposure. Assess overall market environment and position portfolio to

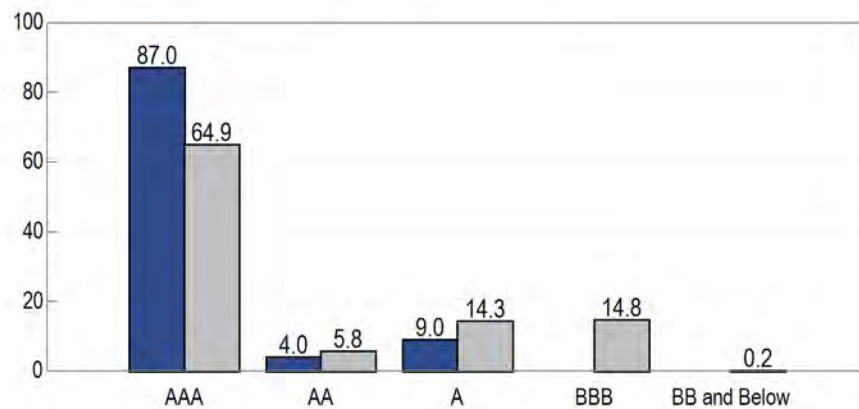
Fixed Income Characteristics



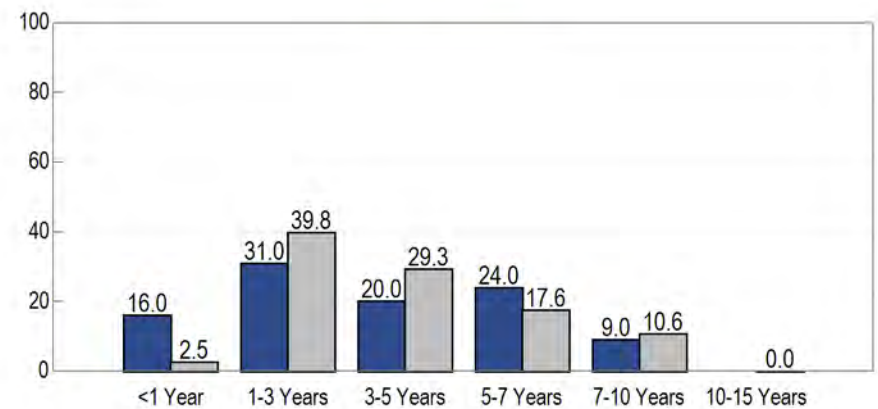
US Sector Allocation



Credit Quality Allocation

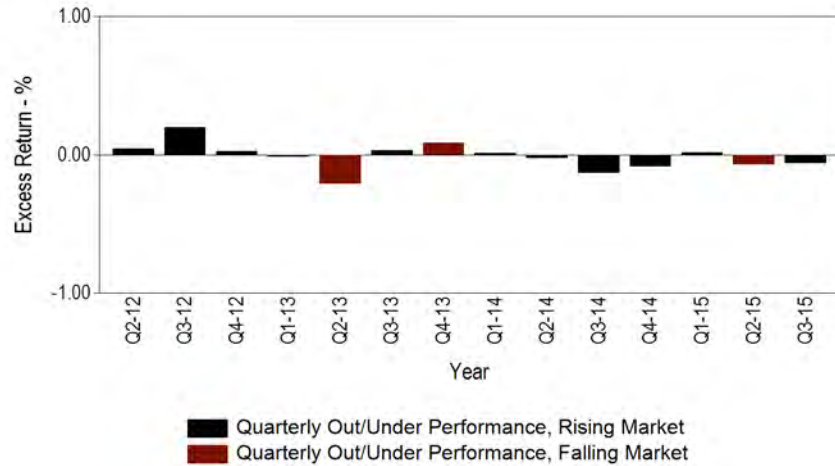


Duration Allocation

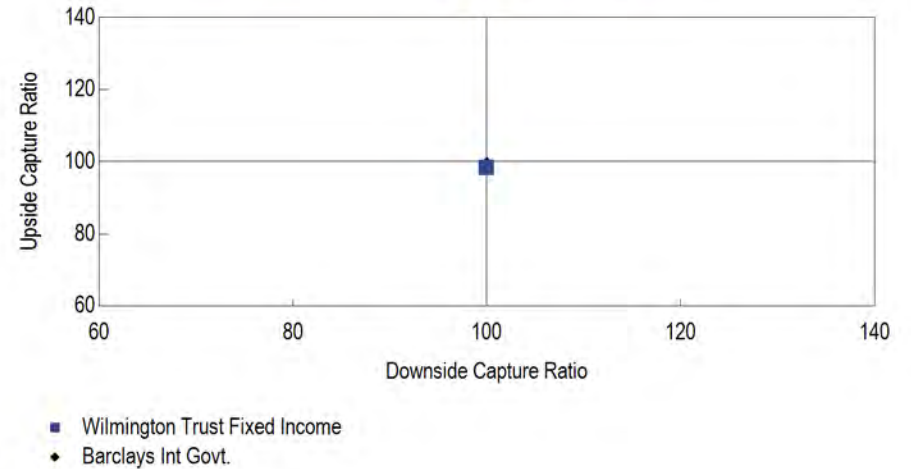


■ Wilmington Trust Fixed Income ■ Barclays Int Govt/Credit

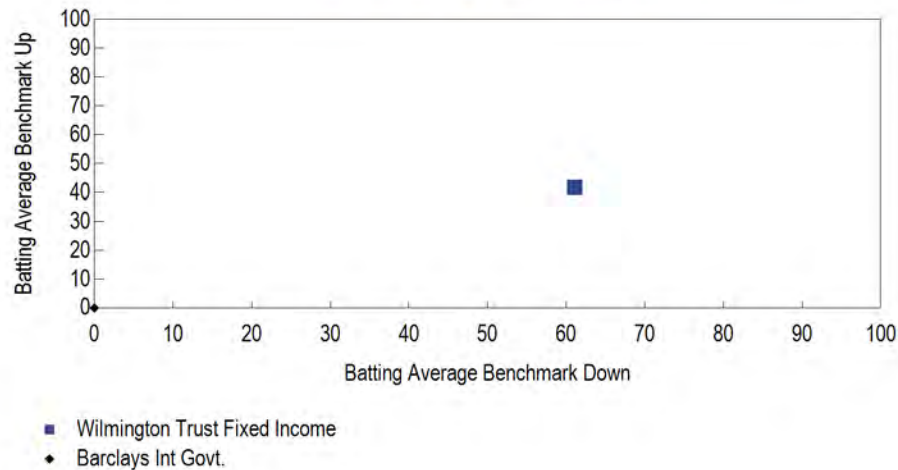
Quarterly Excess Performance



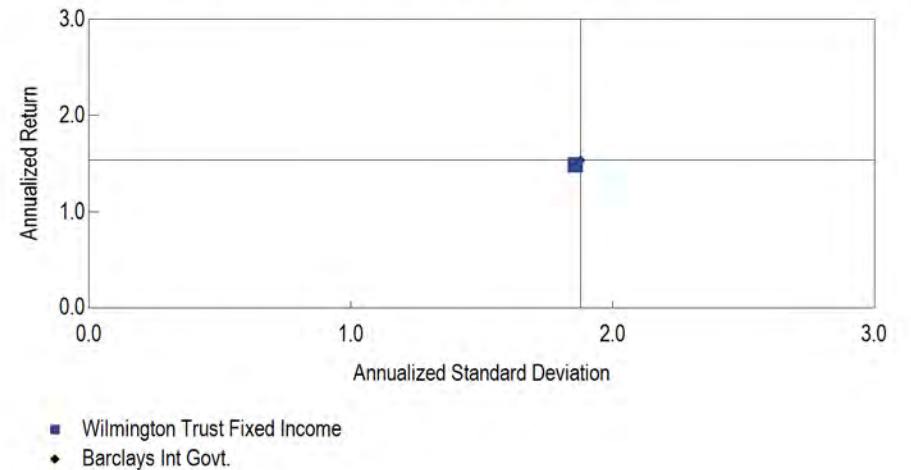
Upside Capture Ratio vs. Downside Capture Ratio
3 Years 6 Months Ending September 30, 2015



Batting Average Benchmark Up vs. Batting Average Benchmark Down
3 Years 6 Months Ending September 30, 2015



Annualized Return vs. Annualized Standard Deviation
3 Years 6 Months Ending September 30, 2015



Sussex County Pension Performance Update

As of November 30, 2015

Preliminary Return - Gross

	QTD	YTD	Market Value	% of Portfolio
Total Fund Composite	3.6	1.4	73,299,440	100.0
<i>Pension Policy Index</i>	4.5	1.4		
Dupont Capital Investment	8.9	2.3	14,326,580	19.5
<i>S&P 500</i>	8.8	3.0		
Vanguard Extended Market Index	7.4	0.8	2,926,348	4.0
<i>S&P Completion Index TR</i>	7.3	0.6		
Vanguard Mid Cap Value	6.9	1.0	2,536,702	3.5
<i>Spliced Mid Cap Value Index</i>	6.9	1.0		
Wilmington Trust Bonds	-0.4	1.7	8,260,237	11.3
<i>Barclays Int Govt.</i>	-0.6	1.4		
Operating Account	0.0	0.0	116,593	0.2
<i>91 Day T-Bills</i>	0.0	0.0		
State of Delaware Investment Pool	2.4	1.0	45,132,981	61.6
<i>Balanced Pooled Fund Policy Index</i>	4.3	0.8		

- Pension Policy Index = 60% Balanced Pooled Fund Policy Index / 24% Russell 3000 / 14% Barclays Int Govt. / 2% BofA Merrill Lynch 91-Day T-Bill

- Spliced Mid Cap Value Index = CRSP US Mid Cap Value TR USD

- Balanced Pooled Fund Policy Index = Russell 3000 38% / MSCI ACWI ex USA 20% / Barclays U.S. Universal 38.5% / Barclays US TIPS 1.5% / BofA Merrill Lynch 91-Day T-Bill 2%

Please note: November 2015 information for the State of Delaware Investment Pool is not yet available. The benchmark's November performance was used to calculate an estimated Market Value as of November 30, 2015 and performance for the above time periods.

As of November 30, 2015

Preliminary Returns - Gross

	1 Mo	QTD	YTD	Market Value	% of Portfolio	Policy %
Total Fund	0.0	4.3	1.7	31,340,797	100.0	100.0
<i>Sussex OPEB Policy Index</i>	<i>-0.1</i>	<i>4.9</i>	<i>1.5</i>			
Equities				20,036,963	63.9	65.0
Vanguard Institutional Index	0.3	8.8	3.0	11,032,236	35.2	
<i>S&P 500</i>	<i>0.3</i>	<i>8.8</i>	<i>3.0</i>			
Vanguard Mid Cap Value	0.5	6.9	1.1	1,974,241	6.3	
<i>Spliced Mid Cap Value Index</i>	<i>0.5</i>	<i>6.9</i>	<i>1.0</i>			
Vanguard Small Cap Value Index	1.4	8.1	0.3	924,304	2.9	
<i>Spliced Small Cap Value Index</i>	<i>1.3</i>	<i>8.0</i>	<i>0.3</i>			
MFS Low Volatility Global Equity	-0.6	5.3	2.1	1,958,209	6.2	
<i>MSCI ACWI</i>	<i>-0.8</i>	<i>7.0</i>	<i>-0.6</i>			
Thornburg Global Opportunities	1.3	5.5	3.2	2,020,714	6.4	
<i>MSCI ACWI</i>	<i>-0.8</i>	<i>7.0</i>	<i>-0.6</i>			
American Funds Int'l Growth & Income	-1.9	2.2	-5.7	2,127,258	6.8	
<i>MSCI ACWI ex USA</i>	<i>-2.1</i>	<i>5.2</i>	<i>-3.9</i>			
Fixed Income				11,303,834	36.1	35.0
Wilmington Trust Fixed Income	-0.1	-0.4	1.7	10,978,341	35.0	
<i>Barclays Int Govt.</i>	<i>-0.3</i>	<i>-0.6</i>	<i>1.4</i>			
<i>Barclays Int Govt/Credit</i>	<i>-0.3</i>	<i>-0.4</i>	<i>1.4</i>			
Operating Account				222,228	0.7	
Mutual Fund Cash				103,265	0.3	

- Sussex OPEB Policy Index = 51% Russell 3000 / 14% MSCI ACWI ex USA / 34% Barclays Int Govt/Credit / 1% 91 Day T-Bills

- Spliced Mid Cap Value Index = CRSP US Mid Cap Value TR USD

- Spliced Small Cap Value Index = CRSP US Small Cap Value TR USD

ADDENDUM

THE SUSSEX COUNTY, DELAWARE EMPLOYEE PENSION PLAN INVESTMENT POLICY STATEMENT

DATED JUNE 24, 2014

DOCUMENT CHANGES:

GENERAL GUIDELINES.....PAGE 10

REMOVED:

“NEVERTHELESS, WHEN RESPONSIBLE FOR ANY FUND INVESTMENT PORTFOLIO, THE INVESTMENT MANAGER(S) SHALL REPORT IMMEDIATELY TO THE COMMITTEE OR THEIR DESIGNEES ANY SHIFT BETWEEN OR DECREASE IN MARKET VALUE OF ASSET CLASSES DURING ANY CALENDAR QUARTER WHICH EQUALS OR EXCEEDS TEN (10) PERCENT OF THE MARKET VALUE OF THE ASSETS ASSIGNED TO THE INVESTMENT MANAGER(S).”

EQUITY INVESTMENT GUIDELINES.....PAGE 11

SECTION 1, REMOVED:

“AND PUBLICALLY TRADED REITS”

SECTION 2, ADDED AN ADDITIONAL CONDITION:

“OR, 2) 1.5 TIMES THE WEIGHTING OF A SECURITY(IES) WITHIN AN INVESTMENT MANAGER’S EQUITY BENCHMARK.”

SECTION 4, REMOVED:

“OR ACTIVELY TRADED WITHIN THE NATIONAL NASDAQ FRAMEWORK; U.S. EQUITY SECURITIES, PURCHASED OUTSIDE THE CHANNELS CITED, OR PURCHASED WITHOUT REGARD TO NECESSARY MARKET LIQUIDITY AS DEMONSTRATED THROUGH WEEKLY TRADING STATISTICS, PLACE UPON THE INVESTMENT MANAGER(S) A SPECIAL BURDEN RESPECTING THE COMMITTEE’S TOLERANCE OF UNACCEPTABLE RISK AND/OR LOSSES WHICH MIGHT ENSUE.”

FIXED INCOME INVESTMENT GUIDELINES.....PAGES 12-13

SECTION 2B, ADDED:

NO LESS THAN FIFTY (50) PERCENT OF THE TOTAL FIXED INCOME PORTFOLIO SHALL BE INVESTED IN U.S. GOVERNMENT SECURITIES (TREASURIES AND AGENCIES).

SECTION 2D, ADDED:

S&P AS AN ADDITIONAL CREDIT-RATING SOURCE.

SECTION 2E, ELIMINATED NON INVESTMENT GRADE BONDS AS A PERMISSIBLE INVESTMENT. REPLACED LANGUAGE WITH:

“NON INVESTMENT GRADE BONDS (BELOW BBB-/BAA3) ARE PROHIBITED.”

SECTION 2F, ADDED:

“INVESTMENT GRADE BONDS RATED IN THE CATEGORY OF BBB/BAA MAY CONSTITUTE NO MORE THAN THIRTY-FIVE (35) PERCENT OF ANY INVESTMENT MANAGER(S)’ FIXED INCOME INVESTMENTS AT MARKET VALUE. IF THIS LIMIT IS BREACHED DUE TO MARKET MOVEMENTS OR OTHER CIRCUMSTANCES OUT OF THE INVESTMENT MANAGER’S CONTROL, THE INVESTMENT MANAGER SHALL COMMUNICATE THE BREACH TO THE BOARD AND BRING THE PORTFOLIO BACK WITHIN GUIDELINE COMPLIANCE WITHIN THIRTY (30) DAYS, OR ADVISE WHY A LONGER PERIOD IS APPROPRIATE UNDER THE CIRCUMSTANCES.”

SECTION 2G, ADDED:

“FIFTY (50) PERCENT” (TO ALLOW INVESTMENT MANAGERS TO GO 50% LESS THAN THE EFFECTIVE DURATION OF THE POLICY BENCHMARK.

SECTION 2H, CHANGED:

- DECREASED SINGLE COUPON ISSUE LIMIT TO 25% FROM 30%
- REMOVED LIMIT ON SINGLE TREASURY ZERO COUPON ISSUES
- REMOVED LIMIT ON FEDERAL AGENCY SECURITIES.

SECTION 2I, ADDED:

CASH AND EQUIVALENTS ARE THE ONLY PERMISSIBLE FORM OF INVESTMENT THAT IS TO BE USED FOR OPERATING CAPITAL NECESSARY FOR THE DAILY OPERATIONS AND RESERVES.

INVESTMENTS IN CASH AND EQUIVALENTS SHALL BE IN U.S. DOLLARS IN EITHER:

- I) MONEY MARKET MUTUAL FUND IN COMPLIANCE WITH SEC RULE 2A-7 OR,
- II) FDIC-INSURED DEPOSIT ACCOUNTS OR,
- III) CASH SWEEP VEHICLES OR RULE 2A-7 MONEY MARKET MUTUAL FUNDS HELD WITHIN SIPC-PROTECTED BROKERAGE ACCOUNTS.

ASSET ALLOCATION.....ATTACHMENT I

INTERNATIONAL EQUITIES, CHANGED BENCHMARK:

To MSCI ACWI ex U.S. (NET) FROM MSCI EAFE (NET)

FIXED INCOME, CHANGED BENCHMARK:

To BARCLAY’S INTERMEDIATE GOVERNMENT/CREDIT INDEX FROM BARCLAY’S INTERMEDIATE GOVERNMENT INDEX

ADOPTED _____, 201_

EFFECTIVE _____, 201_

SUSSEX COUNTY COUNCIL PRESIDENT

FINANCE DIRECTOR

INVESTMENT GUIDELINES

Investment Guidelines describe for the guidance of Fund Investment Manager(s) and for the information of the Fund Custodian(s) a range of permissible investment activities and choices while also delineating, specifically or by broader proscription, those which are not permissible. Investment Guidelines for the Fund appear below. Different guidelines and benchmarks may be assigned to individual Investment Managers by written authority of the Committee.

GENERAL GUIDELINES

Subject to the asset allocation ranges set forth as a table in **Attachment I** or separate asset allocation ranges assigned specifically to any Investment Manager(s) by the Committee, any Investment Manager is expected to undertake discretionary management of any Fund portfolio. ~~Nevertheless, when responsible for any Fund investment portfolio, the Investment Manager(s) shall report immediately to the Committee or their designees any shift between or decrease in market value of asset classes during any calendar quarter which equals or exceeds ten (10) percent of the market value of the assets assigned to the Investment Manager(s).~~ For the purpose described herein, cash and money market or cash equivalent securities shall be considered an asset class.

The Investment Manager(s) shall conform to the Investment Guidelines set forth above and below. Any departure from the Guidelines must be submitted in writing to the Committee for prior approval, as must any change in the "style" or investment philosophy, process, or practices approved by the Committee at the time any Investment Manager was retained to serve the Fund.

- 1) Full discretion, consistent with the Investment Objectives, Investment Policies, and Investment Guidelines set forth in this Statement, is granted to each Investment Manager retained to manage securities.
- 2) Each Investment Manager shall select investments in conformity with criteria normally applied in its decision making process and previously reviewed and approved by the Committee.
- 3) The total annualized investment return from all investments of the Fund and each asset class of the Fund is expected to meet or exceed the total annualized return of the appropriate benchmark designated for rolling five (5) year periods.
- 4) Any security purchased in compliance with the quality, maturity, and/or diversification standards cited above, but no longer meeting a specific, per-security Investment Guideline standard, and/or by marginal effect causing portfolio non-compliance, may, in lieu of immediate sale, be reported to the Committee with background information and an intended future course of action by any Investment Manager(s). The Committee may, upon review, approve temporary or indefinite retention or, in the Committee's best judgment, order disposition of the security and a return to full compliance with the Investment Guidelines. For any individual Investment Manager(s), securities retained under such circumstances shall constitute no more than five (5) percent of the market value of securities (5 percent "basket clause").
- 5) Any Investment Manager(s) managing active portfolios may be assigned indices or other types of benchmarks deemed suitable for them and agreed upon with the Committee; as a general expectation those managers should exceed their assigned benchmarks, net of fees, on an annualized basis over periods of five (5) years or more.

The Committee has determined, except as noted in the Mutual Funds and Other Commingled Funds guidelines that the following investments and investment practices are **not suitable** for the Fund. (Certain exceptions are delineated below, see Fixed Income Guidelines)

- 1) Buying or (short) selling securities on margin, and/or the use of any other form of leverage, including the lending of securities, unless approved in writing by the Committee.
- 2) Privately placed or otherwise unregistered securities excepting fixed income securities, issued under SEC Rule 144(a), which are demonstrably marketable and otherwise within guidelines.
- 3) Direct Investment in commodities or in any type of commodities contracts, forward, or futures trading activities, and all forms of portfolio hedging, excepting the limited use of stock options and/or currency hedges. Investments in mutual funds that invest in commodities are not considered direct investments.
- 4) Fixed income investments may not include deep discount or zero coupon (excepting U.S. Treasury) securities, tax exempt, derivative or synthetic securities, such as collateralized debt obligation (CDOs), credit default swaps (CDS), interest rate swaps and any total return swaps.

EQUITY INVESTMENT GUIDELINES

- 1) Permissible equity investments shall include convertible securities ~~and publically traded REITS~~, which shall be limited to five (5) percent of Fund at market value, as well as American Depositary Receipts (ADRs), equally limited.
- 2) No Investment Manager shall invest on a market value basis more than (the greater of: 1) five (5) percent of their assigned equity portion of any portfolio in the equity security(ies) of a single corporation or group of directly affiliated corporations or, 2) 1.5 times the weighting of a security(ies) within an Investment Manager's equity benchmark. Exceptions may be granted to this limitation only if provided for in writing with the Investment Manager or in the investment guidelines of the Investment Manager contract.
- 3) No Investment Manager may make or maintain an investment equaling or exceeding ten (10) percent ownership of the outstanding equity security(ies) of a single corporation, or group of directly affiliated corporations, without the written consent of the Committee.
- 4) Investment Manager(s) are expected to purchase marketable equity securities listed on ~~—national securities exchanges, or actively traded within the national NASDAQ framework; U.S. equity securities, purchased outside the channels cited, or purchased without regard to necessary market liquidity as demonstrated through weekly trading statistics, place upon the Investment Manager(s) a special burden respecting the Committee's tolerance of unacceptable risk and/or losses which might ensue.~~
- 5) As an exception to the general prohibition against so-called alternative investment instruments, stock options may be utilized by an Investment Manager(s) managing U.S. equity securities in “covered” or hedging postures but not in “naked” or speculative postures.

- 6) Proper global, regional, national, industry and individual security diversification should be maintained at all times.
- 7) Because an active currency hedging strategy may reduce risk of loss and/or enhance manager investment performance, hedging to protect against currency impact upon a security position is permissible. Nevertheless, the purchase of speculative or “naked” currency contracts (i.e., currency trading or related risk taking), undertaken without a demonstrable exposed investment position to be hedged in a specific currency, is prohibited.

FIXED INCOME INVESTMENT GUIDELINES

- 1) Suitable fixed income investments include, but are not limited to, U.S. Treasury and Agency securities, taxable municipal securities, marketable debt securities of U.S. corporations, U.S. certificates of deposit and banker’s acceptances, and commercial paper or other generally utilized money market or cash equivalent investments, including money market mutual funds meeting the quality standards delineated below.
- 2) Investment Managers are given latitude in security selection subject to the following restrictions:
 - a) No issuer, other than the U.S. Government or other Federal agencies, may represent more than five (5) percent of the total market value of the fixed income portfolio managed by any Investment Manager(s).

b) No less than fifty (50) percent of the total fixed income portfolio shall be invested in U.S. Government securities (Treasuries and Agencies).

~~b)c)~~ At no time shall margin or other leveraged transactions, short sales, forward or futures trading, or any form of portfolio hedging be employed in the management of fixed income investments without prior written approval of the Committee.

~~d)~~ The average quality of fixed income securities purchased by any Investment Manager(s) shall equal or exceed A/A₂, the third broad investment grade as determined by S&P/Moody’s.

~~e)~~ ~~So called n~~ Non investment grade bonds (below BBB-/Baa₃) are ~~prohibited, ermissible but may not constitute more than twenty (20) percent of the fixed income portfolio.~~

~~f)~~ Investment grade bonds rated in the category of BBB/Baa may constitute no more than thirty-five (35) percent of any Investment Manager(s)’ fixed income investments at market value. If this limit is breached due to market movements or other circumstances out of the Investment Manager’s control, the Investment Manager shall communicate the breach to the Board and bring the portfolio back within guideline compliance within thirty (30) days, or advise why a longer period is appropriate under the circumstances.

~~g)~~ The effective duration of fixed income securities, ~~said average~~ including any investments considered to be reserve or cash equivalent assets specific to any fixed income portfolio, shall be no more than 25 percent greater or fifty (50) percent less than the effective duration of the policy benchmark.

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h) There shall be no limit upon investment in U.S. Treasury securities as a percentage of fixed income investments at cost or market value, except that any single coupon issue thereof may constitute no more than ~~twenty-five~~ (25) percent of any Investment Manager(s)' fixed income investments at market value, ~~and any single Treasury zero coupon issue ten (10) percent at market value.~~ Federal Agency securities are hereby limited to ~~fifty (50) percent of fixed income investments at market value,~~ twenty-five (25) percent per agency, and to ten (10) percent, at market value, per any single Federal Agency issue.

i) ~~Cash and equivalents are the only permissible form of investment that is to be used for operating capital necessary for the daily operations and reserves. Investments in cash and equivalents shall be in U.S. dollars in either:~~

- i) ~~Money market mutual funds in compliance with SEC rule 2a-7 or,~~
- ii) ~~FDIC-insured Deposit Accounts or,~~
- iii) ~~Cash sweep vehicles or Rule 2a-7 money market mutual funds held within SIPC-protected brokerage accounts.~~

~~⊕~~

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ATTACHMENT I

Asset Class	Minimum %	Target %	Maximum%	Benchmark
Delaware State Pool	0	60	0	38% Russell 3000 20% MSCI ACWI ex USA (net) 38.5% Barclays U.S. Universal 1.5% Barclays U.S. TIPS 2% BofA ML 3 Month Tbill
Equities	19	24	29	
Domestic	19	24	29	Russell 3000
International	0	0	5	MSCI EAFE <u>ACWI ex U.S. (net)</u>
Fixed Income	11	16	21	
Bonds		14		Barclay's Intermediate Government/ <u>Credit</u> Index
Cash	0	2	5	ML 90 Day T-Bill

The Committee intends to maintain an overall, targeted allocation of 60% equities and 40% fixed income. If changes to the Delaware State Pool benchmark occur, the Committee will review the target allocations listed above and may adjust accordingly.

SUSSEX COUNTY OPEB FUND
INVESTMENT POLICY STATEMENT

DECEMBER 2015



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INTRODUCTION

PLAN DESCRIPTION

The Sussex County OPEB Plan ("Plan") is a post retirement employee benefit program established for the purpose of funding retiree health care and life insurance as provided for in Chapter 27 of the Sussex County Code. The OPEB fund shall constitute a trust fund that shall be separate and distinct from all other funds, including the pension fund established by Chapter 26 of the Sussex County Code. The members of the Retirement Board ("Board") are the trustees under the Plan.

PURPOSE OF THE STATEMENT

This Investment Policy Statement ("Statement") describes the objectives, policies, guidelines, methods, and approaches that will be used to govern the assets ("Fund") of the Plan. The Statement has been developed based upon, and in keeping with, legal and regulatory requirements that govern the conduct of fiduciaries serving the Fund. The Fund shall be operated in conformance with federal, state, and all other legal requirements.

The Statement's purpose is to:

- 1) Present appropriate goals and objectives for the Fund.
- 2) Establish and delineate the liquidity and diversification requirements of the Fund.
- 3) Identify any legal constraints affecting management of the Fund.
- 4) Communicate the investment guidelines established by the Board.
- 5) Establish standards and procedures for monitoring, measuring, reviewing, and evaluating any Investment Manager(s) and/or Fund Custodians.
- 6) Foster understanding and effective communication between the Board, staff, and others serving the Fund.
- 7) Serve as the official, Board-approved document detailing the specifics of Fund investment, management, and administration for use by the Board and any persons appointed, employed, designated or in any way called upon by the Board or staff to serve the Fund and its participants and/or beneficiaries.

RESPONSIBILITIES OF THE BOARD

The Board is charged with overall responsibility for investment of the Fund. To assist the Board in this function, the Board is authorized and permitted to appoint Investment Manager(s), including for this purpose: banks, insurance companies, and firms registered under the Investment Advisers Act of 1940 and/or Delaware law, to manage, acquire and dispose of the Plan's assets. The Board may consult with legal counsel as necessary. In addition, the Board may appoint an Investment Consultant.

Any Investment Manager(s) the Board appoints must agree to act in accordance with all applicable state and federal laws.

The Board shall develop policies and guidelines regarding Fund investments. These policies and guidelines shall include (but are not restricted to) establishment of:

- 1) Investment Objectives, Investment Policy, Investment Guidelines, and Review Procedures as set forth herein.
- 2) Standards for measuring, monitoring, evaluating and comparing investment performance of the Fund.
- 3) Procedures for authorization, reporting, control, review and general governance to ensure that Fund investment policies and guidelines are reviewed on a regular basis.
- 4) A management structure and contractual relationships which will ensure appropriate investment management, custody, and compliance procedures.

The Board shall examine this statement no less than annually and make appropriate revisions, if necessary. All modifications of policies and/or guidelines shall be in writing, signed by appropriate Board signatories.

RESPONSIBILITIES OF ANY INVESTMENT MANAGER(S)

The management of the Fund and the responsibilities for investment decisions are delegated to the appointed Investment Manager(s). Any Investment Manager(s) shall exercise complete discretion, consistent with the Investment Objectives, Investment Policies, and Investment Guidelines set forth in this Statement, over the assets they have been assigned, within the limits established by this Statement and their Investment Manager contract. Accordingly, the Investment Manager shall use its best efforts to comply with all laws and regulations in effect during the term of their agreement. Particular attention should be given to the fiduciary duties established by the prudent person doctrine.

The Board, when appointing an Investment Manager(s), shall require the Investment Manager(s) to covenant that it shall adhere to all applicable laws as now apply or may apply in the future.

Applicable terms, conditions, limitations and restrictions notwithstanding, any Investment Manager(s) serving the Fund shall:

- 1) Discharge all duties relating to the Fund solely in the interest of Plan participants and beneficiaries.
- 2) Diversify the investments of any Fund portfolio(s) so as to minimize the risk of substantial loss.

Any Investment Manager shall also consider the composition of the Investment Manager's portfolio(s) with regard to:

- 1) Diversification.
- 2) Liquidity relative to the Plan's cash flow requirements.
- 3) Projected total return relative to the Plan's funding objectives.
- 4) Potential losses and gains

All investment performance data submitted by, or on behalf of, any Investment Manager to the Board or the Board's designee, shall conform with the Performance Presentation Standards and/or Global Investment Performance Standards established by the CFA Institute.

Any Investment Manager(s) shall demonstrate insurance coverage and bonding at such levels as set by the Board from time to time.

Any Fund Investment Manager(s) shall be responsible for seeking periodic projections of Fund liquidity requirements from the Board or any party designated by the Board.

Investment Managers shall comply with reasonable Board requests.

If, at any time, an Investment Manager(s) believes this Statement inhibits its ability to effectively perform its investment assignment, it is the Investment Manager's responsibility to communicate this view to the Board and the Investment Consultant.

Any Investment Manager will promptly notify the Board and Investment Consultant, in writing, regarding all material matters or significant changes including but not limited to:

- 1) Changes in investment strategy, portfolio structure, tactical approaches, and market value of managed assets.
- 2) Material changes in ownership, organizational structure, financial condition, and/or professional staff of the investment firm.
- 3) All material legal, SEC, and/or other regulatory proceedings affecting the firm.

RESPONSIBILITIES OF THE FUND CUSTODIAN(S)

The Custodian(s) shall be responsible for safekeeping of the Fund. This responsibility includes all security transaction settlements and deliveries, recordkeeping and reporting. Recordkeeping and reporting shall include providing ready access to information by the Board and staff and any custom recordkeeping, record retention, or reporting reasonably required by the Board or staff. Transaction records shall be maintained on a trade date basis. Nationally accepted asset pricing should be daily and reported not less often than monthly.

Safekeeping of assets and continuity of operations shall be the primary objectives of any Custodian. Timely, accurate, and complete recordkeeping and reporting shall be the primary benchmarks for evaluation of Custodian performance.

RESPONSIBILITIES OF THE INVESTMENT CONSULTANT

The Board may utilize the services of an Investment Consultant for the purpose of performance review, asset allocation studies, manager screening and selection, investment policy development, topical studies, or any other service deemed necessary. The comments and recommendations of the consultant will be considered by the Board in conjunction with other available information for the purpose of making an informed and prudent decision.

STANDARD OF CARE

1. Prudence

Guidelines respecting prudence have been developed in light of investment objectives related to the Plan's obligations to its participants and beneficiaries. Actuarial, economic, investment, and socio-political events and trends are factors that affect meeting those obligations. Accordingly, these guidelines are, as a part of this Statement, intended to present broad and balanced considerations to guide incumbent and successor Board and staffs, and all other parties concerned, seeking appropriate allocation, investment, safekeeping, monitoring and evaluation of the Fund.

Fund fiduciaries shall discharge their responsibilities and assets shall be invested in a manner consistent with this Statement, and generally accepted fiduciary standards. All transactions undertaken on behalf of this Fund shall be solely in the interest of Plan participants and their beneficiaries.

Investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

2. Ethics and Conflicts of Interest

Individuals involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Individuals shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

3. Delegation of Authority

Authority to manage the Fund is granted to the Investment Manager(s). Investment Manager(s) shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this Statement. No person may engage in an investment transaction except as provided under the terms of this Statement and the Investment Manager Agreement(s). The Investment Manager(s) shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

INVESTMENT OBJECTIVES

Investment objectives are long-term in nature. Given Board assumptions respecting current and projected Plan and capital market conditions and recognizing securities markets are unlikely to provide a consistently favorable climate, on a shorter-term basis, for longer-term investments, the Fund objectives are:

- 1) Earn a total rate of return, net of investment fees, that achieves at least the Plan's actuarially assumed rate of return.
- 2) Total annualized net investment return from all investments of the Fund and each asset class of the Fund is expected to meet or exceed the annualized return of the designated benchmark for rolling five (5) year periods.
- 3) Maintain sufficient liquidity to meet benefit payment obligations and other Plan expenses.
- 4) Minimize the risk of large losses.

Investment performance objectives for the Fund are, as stated above, long-term in nature. Concern respecting market value or Fund investment return volatility and other measures reflecting investment uncertainty, will be addressed by functional constraints imposed by the Board through asset (class) allocations, investment management processes or "styles", portfolio diversification requirements, and other investment management guidelines and/or limitations.

INVESTMENT POLICY

Investment Policy delineates controls and the associated monitoring intended to enhance the likelihood of meeting Investment Objectives.

PORTFOLIO MANAGEMENT PRECEPTS

The Board endorses the construction of a well-diversified multi-asset portfolio, which facilitates control of investment risk and affords reasonably predictable long-term investment returns.

ASSET ALLOCATION

Asset class allocation decisions are intended to identify an appropriate investment approach for achieving Fund Investment Objectives while limiting investment risk through diversification. The asset class targets delineated in **Attachment I** provide a framework through which the Fund's investments may be adjusted to meet economic and/or investment market conditions while continuing to be invested within the broader allocation framework deemed appropriate to the Fund's long-term Investment Objectives.

ALLOCATION MONITORING/REBALANCING

The Board or their designee(s) will review asset allocation quarterly and rebalance as appropriate. In the event that asset allocations fall outside the ranges in the tables in **Attachment I**, the Board may adjust cash flows or adjust assets to achieve appropriate allocation levels. The Board may establish asset allocation ranges for individual Investment Manager(s) that are different from ranges established for the overall Fund.

DIVERSIFICATION

Fund investments must be broadly diversified to minimize the risk of substantial loss. The Board recognizes that significant diversification can be accomplished through asset allocation, portfolio structure, and the selection of different Investment Managers. This Statement includes certain constraints intended to optimize investment diversification.

PROXY VOTING

Matters of political and public interest as well as corporate governance have long been a part of Annual Meetings and proxy activity in the United States. The Board adheres to a policy of proxy voting intended to protect the long-term value of the equity securities represented in each vote, provided said vote, when exercised, would be solely in the interest of Plan participants and their beneficiaries. The Board, when delegating proxy voting authority, may provide general guidance as to the Board's proxy voting standards, but shall provide specific proxy matter viewpoints only if, and as requested.

MUTUAL AND OTHER COMMINGLED FUNDS

Given the nature of mutual and other commingled funds, it is recognized that there may be deviations between the objectives, intent or specific requirement of this Statement and the stated objectives, intent or content of any mutual or other commingled fund. However, every effort shall be made, to the extent practical, prudent and appropriate, to select mutual or other commingled funds that have investment objectives and policies that are consistent with this Statement.

INVESTMENT GUIDELINES

Investment Guidelines describe a range of permissible investment activities and choices, while also delineating those which are not permissible. Different guidelines and benchmarks may be assigned to individual Investment Managers by written authority of the Board.

GENERAL GUIDELINES

The Investment Manager(s) shall conform to the Investment Guidelines set forth below. Any departure from the Guidelines must be submitted in writing to the Board for prior approval, as must any change in the "style" or investment philosophy, process, or practices approved by the Board at the time any Investment Manager was retained to serve the Fund.

- 1) Each Investment Manager shall select investments in conformity with criteria normally applied in its decision-making process and previously reviewed and approved by the Board.
- 2) Any security purchased in compliance with the standards cited in this Statement or in the Investment Manager(s) contract, but no longer meeting Investment Guideline standards and/or causing portfolio non-compliance, may, in lieu of immediate sale, be reported by any Investment Manager(s) to the Board with background information and an intended future course of action. The Board may, upon review, approve temporary or indefinite retention or, in the Board's best judgment, order disposition of the security and a return to full compliance. For any individual Investment Manager, securities retained under such circumstances shall constitute no more than five (5) percent of the market value of securities of the assets managed by the Investment Manager (5 percent "basket clause").
- 3) Any Investment Manager(s) managing active portfolios may be assigned indices or other types of benchmarks deemed suitable for their investment assignment and agreed upon with the Board. As a general expectation investment performance of those Investment Managers should exceed their assigned benchmarks, net of fees, on an annualized basis over periods of five (5) years or more.

The Board has determined that the following investments and investment practices are **not suitable** for the Fund. (Certain exceptions are delineated below):

- 1) Buying or (short) selling securities on margin, and/or the use of any other form of leverage, including the lending of securities, unless approved in writing by the Board.
- 2) Privately placed or otherwise unregistered securities excepting fixed income securities, issued under SEC Rule 144(a), which are demonstrably marketable and otherwise within guidelines.

- 3) Direct investment in commodities or in any type of commodities contracts, forward, or futures trading activities. Investments in mutual funds that invest in commodities are not considered direct investments.
- 4) All forms of portfolio hedging, excepting the limited use of stock options and/or currency hedges.
- 5) Deep discount or zero coupon (excepting U.S. Treasury) securities, tax exempt, derivative or synthetic securities, such as collateralized debt obligation (CDOs), credit default swaps (CDS), interest rate swaps and any total return swaps.

EQUITY INVESTMENT GUIDELINES

- 1) Investment Manager(s) are expected to purchase marketable equity securities listed on national securities exchanges.
- 2) Permissible equity investments include convertible securities and American Depositary Receipts which shall each be limited to five (5) percent of assigned Fund allocation at market value.
- 3) Sector, industry and individual security diversification should be maintained.
- 4) No Investment Manager shall invest on a market value basis more than (the greater of): 1) five (5) percent of their assigned portfolio in the security(-ies) of a single corporation or group of directly affiliated corporations or, 2) 1.5 times the weighting of a security(-ies) within an Investment Manager's equity benchmark. Exceptions may be granted to this limitation only if provided for in writing with the Investment Manager or in the investment guidelines of the Investment Manager contract.
- 5) No Investment Manager may use assigned funds to make or maintain an investment equaling or exceeding ten (10) percent ownership of the outstanding equity security(-ies) of a single corporation, or group of directly affiliated corporations, without the written consent of the Board.
- 6) As an exception to the general prohibition against so-called alternative investment instruments, stock options may be utilized by an Investment Manager(s) managing U.S. equity securities in "covered" or hedging postures but not in "naked" or speculative postures.
- 7) Hedging to protect against currency impact upon a security position is permissible. Nevertheless, the purchase of speculative or "naked" currency contracts (i.e., currency trading or related risk taking), undertaken without a demonstrable exposed investment position to be hedged in a specific currency, is prohibited.

FIXED INCOME INVESTMENT GUIDELINES

- 1) Suitable fixed income investments include, but are not limited to, U.S. Treasury and Agency securities, taxable municipal securities, marketable debt securities of U.S. corporations, U.S. certificates of deposit and banker's acceptances, and commercial paper or other generally utilized money market or cash equivalent investments, including money market mutual funds meeting the quality standards delineated below.
- 2) No less than fifty (50) percent of the total fixed income portfolio shall be invested in U.S. Government securities (Treasuries and Agencies).
- 3) The average quality of fixed income securities of the total fixed income portfolio shall equal or exceed A/A₂, the third broad investment grade as determined by S&P/Moody's.
- 4) Non-investment grade bonds (below BBB-/Baa3) are prohibited.
- 5) Investment grade bonds rated in the category of BBB/Baa may constitute no more than thirty-five (35) percent of any Investment Manager(s)' fixed income investments at market value. If this limit is breached due to market movements or other circumstances out of the Investment Manager's control, the Investment Manager shall communicate the breach to the Board and bring the portfolio back within guideline compliance within thirty (30) days, or advise why a longer period is appropriate under the circumstances.
- 6) The effective duration of fixed income securities, including any investments considered to be reserve or cash equivalent assets specific to any fixed income portfolio, shall be no more than twenty-five (25) percent greater or fifty (50) percent less than the effective duration of the policy benchmark.
- 7) No issuer, other than the U.S. Government or Federal agencies, may represent more than five (5) percent of the total market value of the fixed income portfolio managed by any Investment Manager(s).
- 8) There is no limit upon investment in U.S. Treasury securities as a percentage of fixed income investments, except that any single issue thereof may constitute no more than twenty five (25) percent of any Investment Manager(s)' fixed income investments at market value. Federal Agency securities are hereby limited to twenty-five (25) percent per agency, and to ten (10) percent, at market value, per any single Federal Agency issue.

- 9) Cash and equivalents are the only permissible form of investment that is to be used for operating capital necessary for daily operations and reserves. Investments in cash and equivalents shall be in U.S. dollars in either:
- a) Money market mutual funds in compliance with SEC rule 2a-7 or,
 - b) FDIC-insured Deposit Accounts or,
 - c) Cash sweep vehicles or Rule 2a-7 money market mutual funds held within SIPC-protected brokerage accounts.

REVIEW PROCEDURES

Investment Policies, Objectives and Guidelines contained in this Statement shall be reviewed by the Board no less than annually, or whenever circumstances change to the extent that the representations are ineffective or inappropriate. All concerned parties shall be notified, in writing, of any changes and/or additions to this Investment Policy Statement.

- 1) Total Fund and Investment Manager investment performance will be reviewed quarterly. Returns shall be compared to returns of comparable professionally managed portfolios or mutual funds as well as to appropriate benchmark indices.
- 2) It is expected that the investment performance of any Investment Manager(s) will rank above agreed upon peer group medians over periods of five (5) or more years and will meet or exceed the Investment Objectives previously identified in this Statement. Shorter term results will be regularly reviewed. Any Investment Manager(s) failing to keep pace with stated performance norms may be placed on probation and evaluated as to whether they will be retained.
- 3) The Board reserves the right to terminate a relationship with any Investment Manager(s) at any time. In addition, the Board reserves the right to remove assets, in part, at any time.
- 4) Investment Manager(s) shall provide statements of assets under management to the Board no less than quarterly.
- 5) As requested by the Board, Investment Managers shall meet with the Board to review the Fund and any respective portfolio(s).

SIGNATURES

The effective date of this Investment Policy Statement is _____ 201_.

Adopted by Sussex County OPEB Fund Board on _____ 201_.

Sussex County Council President

Sussex County Finance Director

Member

Member

Member

ATTACHMENT I

<u>Asset Class</u>	<u>Minimum, %</u>	<u>Target, %</u>	<u>Maximum, %</u>	<u>Benchmark</u>
Equities	60	65	70	
Domestic	46	51	56	Russell 3000
International	9	14	19	MSCI ACWI ex US (net)
Fixed Income	30	35	40	
Bonds	29	34	39	Barclay's Intermediate Government/Credit
Cash	0	1	10	90-Day T-Bill



SUSSEX COUNTY PENSION & OPEB

Investment Policy Statements
December 2015



PEIRCE PARK GROUP
INVESTMENT MANAGEMENT CONSULTANTS

INVESTMENT POLICY STATEMENT

In 2015, Peirce Park Group updated your Investment Policy Statements.

Goals:

- Make Pension and OPEB IPS as similar as possible
- Update the investment guidelines and restrictions
- Make the IPS easier to read
- Remove any unnecessary or redundant language

EXISTING INVESTMENT POLICY STATEMENTS

- **OPEB** - Signed five years ago (December 2010).
 - Also amended three times (April 2013, September 2014, December 2014).
- **Pension** – Signed in June 2014.

INVESTMENT POLICY STATEMENT COMPARISONS

<u>Section</u>	<u>Existing Pension IPS</u>	<u>Existing OPEB IPS</u>	<u>New IPS</u>
Investment Objectives	States that the target return is the Plan's actuarially assumed rate of return.	States that the target return of the fund is an annualized 8%.	<p>OPEB – Restated so that the target return is the Plan's actuarially assumed rate of return.</p> <p>Pension – No change.</p>
Performance Evaluation	Investment Manager(s) should exceed their assigned benchmarks, post fees, on an annualized basis over periods of five (5) years or more.	Investment Manager(s) should exceed their assigned benchmarks, post fees, on an annualized basis over periods of three (3) years or more.	<p>OPEB - Increased to five (5) years, net of fees.</p> <p>Pension – No change.</p>



IPS COMPARISONS (CONTINUED)

<u>Section</u>	<u>Existing Pension IPS</u>	<u>Existing OPEB IPS</u>	<u>New IPS</u>
Equity Guidelines	Limits investment manager(s) to a 5% position in any one security.		Limits investment manager(s) to the greater of: a. Five (5) percent or b. 1.5 times the weighting of a security within an Investment Manager's benchmark.
REITs, Convertible securities, and ADRs	5% Limit.	No Limit.	5% Limit on Convertible securities and ADRs. No Limit on REITs.
International/Global Equity Investment Guidelines	International/Global is included within Equity Guidelines.	Separate section for International/Global equities.	OPEB - International/Global is now included within Equity Guidelines. Pension – No change.
Fixed Income Investment Guidelines	No guideline.	No less than 50% of the total fixed income portfolio shall be invested in U.S. Government securities.	OPEB – No change. Pension - No less than 50% of the total fixed income portfolio shall be invested in U.S. Government securities.
Duration	The effective duration... shall be no more than twenty-five (25) percent greater or less than the effective duration of the policy benchmark.	The effective duration... shall be no more than twenty-five (25) percent greater or fifty (50) percent less than the effective duration of the policy benchmark.	OPEB – No change. Pension - The effective duration... shall be no more than twenty-five (25) percent greater or fifty (50) percent less than the effective duration of the policy benchmark.



IPS COMPARISON (CONTINUED)

<u>Section</u>	<u>Existing Pension IPS</u>	<u>Existing OPEB IPS</u>	<u>New IPS</u>
Non-investment grade bonds	Non investment grade bonds allowed up to 20%.	Prohibits non investment grade bonds.	OPEB – No change. Pension - Prohibits non investment grade bonds.
Investment grade bonds (rated BBB/Baa)	No Limit.		Limit of 35%.
U.S. Treasuries	Single issuer limited to 30%.		Single issuer limited to 25%.
Federal Agencies	Limited to 50%.		No Limit.
Zero Coupon Treasuries	Limited to 10%.		No Limit.
Cash Investment Guidelines	No guidelines.	Separate guidelines.	Included new guidelines within fixed income.
Review Procedures	All investment managers will rank above agreed upon peer group medians over periods of five (5) or more years.	All investment managers will rank above agreed upon peer group medians over periods of three (3) or more years.	OPEB - All investment managers will rank above agreed upon peer group medians over periods of five (5) or more years. Pension – No change.



IPS BENCHMARK CHANGES

<u>Section</u>	<u>Existing Pension IPS</u>	<u>Existing OPEB IPS</u>	<u>New IPS</u>
International Equity	MSCI EAFE (net)	MSCI ACWI ex U.S. (net)	<p>OPEB – No change.</p> <p>Pension - MSCI ACWI ex U.S. (net)</p>
Fixed Income	Barclay's Intermediate Government Index	Barclay's Intermediate Government/Credit Index	<p>OPEB – No change.</p> <p>Pension - Barclay's Intermediate Government/Credit Index</p>



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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, Jr., Vice President
The Honorable Robert B. Arlett
The Honorable George B. Cole
The Honorable Joan R. Deaver

FROM: Gina A. Jennings
Finance Director

RE: **DOG CONTROL UPDATE**

DATE: December 3, 2015

The State of Delaware continues to plan on taking over dog control on January 1. On Tuesday, Ms. Hetti Brown, the Executive Director of the Office of Animal Welfare, will give you an update on the transition.

Until legislation updates the State Code removing the authority of dog control under the three counties, it is recommended that the County Council enter into a Memorandum of Understanding (MOU) that transfers the County's authority of dog control to The Office of Animal Welfare. The attached MOU has been reviewed and approved by our legal counsel.

After the transition, the County will continue to pay \$56,885 a month for these services.

Please let me know if you have any questions.

Attachment





**DELAWARE HEALTH
AND SOCIAL SERVICES**

**MEMORANDUM OF UNDERSTANDING # 16-329
BETWEEN
THE DIVISION OF PUBLIC HEALTH,
DELAWARE DEPARTMENT OF HEALTH & SOCIAL SERVICES,
STATE OF DELAWARE
AND
SUSSEX COUNTY
TO
ENFORCE DELAWARE DOG CONTROL AND DANGEROUS DOG STATUTES**

This Agreement is entered into between Delaware Department of Health and Social Services (the Department), Division of Public Health (the Division), and the Sussex County (“County”) on this day of ___ in December, 2015.

I. AUTHORITY/RESPONSIBILITIES OF OFFICE OF ANIMAL WELFARE

Pursuant to HB 225, State Government Appropriations for Fiscal Year ending June 30, 2016, the General Assembly directs: “The Office of Animal Welfare to incrementally assume enforcement responsibilities for animal control and licensing, dangerous dog, rabies control, and animal cruelty laws as the current City of Wilmington and New Castle, Kent and Sussex County contracts for these services expire.” Because county dog control contracts expire on December 31, 2015, the Office of Animal Welfare (“OAW) will assume responsibility for these services. The Office of Animal Welfare is requesting this agreement to outline the services that will be performed until Title 9, Chapter 9, concerning dogs, is permanently reassigned as a state responsibility in the Delaware Code.

II. THE ROLE OF OFFICE OF ANIMAL WELFARE TO ENFORCE DOG CONTROL

A. OAW receives reports in the following manner:

1. By telephone: (302) 255-4646, Option 4
2. In person: During field patrol
3. In writing: DelawareAnimalServices@state.de.us or at Office of Animal Welfare, H-150 Carvel Building, 1901 N. Du Pont Hwy, New Castle, DE 19720

B. Scope of enforcement services by the OAW:

1. The OAW will enforce all provisions in 9 Del. Code §§901-928, concerning dogs and dangerous dogs, starting January 1, 2016. The County delegates all lawful authority to OAW necessary for such enforcement.

2. The OAW will sell dog licenses for all three counties through a state website, offering online and offline sale of licenses, starting January 1, 2016. The OAW is hereby authorized by the County to make those sales and collect the proceeds associated therewith.

III. OAW PROCEDURES FOR REPORTING TO THE COUNTY

- A. OAW will submit quarterly reports to the County containing the following information:
 1. Number of complaints pursuant to 9 Del. Code §§901-928 received and responded to.
 2. Number of dog, kennel, and retail licenses sold in the county.
- B. The OAW will maintain all case files pursuant to investigations of potential violations of 9 Del. Code §§901-928 and will provide case files to the County upon request.

IV. COUNTY RESPONSIBILITY TO OAW

- A. The County will submit a monthly payment in the amount of \$56,884.67 for dog control and dangerous dog law enforcement to the Office of Animal Welfare upon monthly receipt of an invoice. This amount is the same amount paid monthly to the previous provider, per HB 225. In the event that this Agreement is terminated prior to the last day of any month, the County shall pay the prorated amount for the month in which the Agreement is terminated, upon the receipt of the final invoice.
- B. The Office of Animal Welfare will work with the County to define a fair pricing structure for service in future years.

V. ADMINISTRATIVE REQUIREMENTS

- A. The Agreement shall commence on January 1, 2016 and terminate on June 30, 2016 unless specifically extended by an amendment signed by all parties to the MOU, or terminated as referenced in Section VI of this Agreement.
- B. This Agreement shall not be altered, changed, modified or amended except by written consent signed by all parties to the Agreement.
- C. In the event of amendments to current Federal or State laws which nullify any term(s) or provision(s) of this Agreement, the remainder of the Agreement will remain unaffected.
- D. Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Agreement unless stated to be such in writing, signed by an authorized representative of the Department and attached to the original Agreement.
- E. Nothing in this Agreement shall be deemed a waiver of the doctrine of sovereign immunity on the part of the State of Delaware or a waiver of the statutory immunity of the County.

VI. LEGISLATION

If the State of Delaware enacts legislation that transfers responsibilities under the Title 9, Chapter 9 of the Delaware Code to the Department, this Agreement shall immediately and automatically terminate upon the effective date of said legislation. If said legislation transfers only a portion of these responsibilities, the parties agree to re-negotiate this Agreement and the monthly payments hereunder promptly.

Certification:

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Rita M. Landgraf
Secretary
Department of Health & Social Services

Date

DIVISION OF PUBLIC HEALTH

Karyl T. Rattay, MD, MS
Director
Division of Public Health

Date

SUSSEX COUNTY

Michael H. Vincent
President
Sussex County Council

Date

GINA A. JENNINGS, MBA, MPA
FINANCE DIRECTOR

(302) 855-7741 T
(302) 855-7749 F

gjennings@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 Robert B. Arlett
The Honorable George B. Cole
The Honorable Joan R. Deaver

FROM: Gina A. Jennings
Finance Director

RE: **EXPANSION OF THE MILLVILLE SANITARY SEWER DISTRICT**

DATE: December 4, 2015

On Tuesday, I will present the attached ordinance for introduction to authorize the issuance of \$3,887,000 of General Obligation Bonds of Sussex County for the cost of the design, construction, and equipping of the expansion of the Millville Sanitary Sewer District.

The bonds are backed by the County's full faith and credit and are expected to be paid back over 40 years through revenues from the expansion of the Millville Sanitary Sewer District. This bond issuance is within the legal debt limit of the County.

It is anticipated that the Bonds will be sold to the United States of America, Rural Utilities Services. The bonds will provide the funding for the boundaries of the area known as Millville Phase III Expansion – State Route 26 and a spur line project along State Route 26 for additional sewer service. The funding for the expansion is in line with what was presented at the public meeting in March 2013.

Please let me know if you have any questions.

Attachment

pc: Mr. Todd F. Lawson



ORDINANCE NO. ____

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO \$3,887,000 OF
GENERAL OBLIGATION BONDS OF SUSSEX COUNTY IN CONNECTION WITH
THE EXPANSION OF THE MILLVILLE SANITARY SEWER DISTRICT AND
AUTHORIZING ALL NECESSARY
ACTIONS IN CONNECTION THEREWITH**

WHEREAS, pursuant to Title 9, Delaware Code, Section 7001(a) Sussex County (the "County") has "all powers which, under the Constitution of the State, it would be competent for the General Assembly to grant by specific enumeration, and which are not denied by statute" (the "Home Rule Power");

WHEREAS, acting pursuant to its Home Rule Power, and pursuant to Title 9, Delaware Code, Chapters 65 and 67, the County has authorized the design, construction and equipping of the wastewater collection, conveyance and transmission facilities for the expansion of the Millville Sanitary Sewer District (the "Project");

WHEREAS, pursuant to Title 9, Delaware Code, Section 6706, the County is authorized to issue its bonds and to pledge its full faith and credit thereto, to finance the cost of any object, program or purpose for which the County is authorized to raise, appropriate or expend money under Chapter 67 of Title 9; and

WHEREAS, acting pursuant to the aforesaid authority, the County desires to authorize the issuance of general obligations of the County to finance the costs of the Project and for the other purposes described herein.

NOW THEREFORE THE COUNTY OF SUSSEX HEREBY ORDAINS (AT LEAST FOUR FIFTHS OF THE MEMBERS OF COUNCIL CONCURRING HEREIN):

Section 1. Amount and Purpose of the Bonds. Acting pursuant to Title 9, Delaware Code, Chapters 65 and 67, Sussex County shall issue its negotiable general obligations in the maximum aggregate principal amount not to exceed \$3,887,000 (the "Bonds") to finance or reimburse the County for a portion of the cost of the design, construction and equipping of the Project.

The monies raised from the sale of the Bonds (including the investment earnings thereon) after the payment of the costs of issuance, shall be held in one or more Project accounts and shall be expended only for the purposes authorized herein or as may otherwise be authorized by subsequent action by County Council. Authorized purposes include the costs of planning, constructing, acquiring and equipping the Project or any portion thereof; interest on the Bonds and any interim financing during the construction period and for a period of up to one year following the estimated date of completion; the reasonable costs of issuance of the Bonds and any interim financing; the repayment of temporary loans incurred with respect to the Project; and the reimbursement of authorized costs previously expended by the County from other funds.

Section 2. Security for the Bonds. The principal, interest and premium, if any, on the Bonds may be paid by ad valorem taxes on all real property subject to taxation by the County without limitation as to rate or amount, except as limited by Title 9, Delaware Code Section 8002 (c). Pursuant to Title 9, Delaware Code, Section 6706, the full faith and credit of the County is pledged to such payment. The Bonds shall contain a recital that they are issued pursuant to Title 9, Delaware Code, Chapter 67, which recital shall be conclusive evidence of their validity and of the regularity of their issuance. While the Bonds are backed by the County's full faith and credit, it is expected that the debt service will be paid from revenues of the Millville Sanitary Sewer District.

Section 3. Terms of the Bonds. The Bonds shall be sold at such prices and upon such other terms and conditions consistent with the provisions of this Ordinance and otherwise as the County Administrator shall determine to be in the best interests of the County. The Bonds shall bear interest at such rate or rates and shall mature in such amounts and at such times, but not exceeding 40 years from the date of issue of the Bonds, and shall be subject to redemption, as the County Administrator shall determine.

Section 4. Sale of the Bonds. The Bonds may be issued in one or more series and shall be sold in one or more public sales or private negotiated transactions upon such terms and conditions as the County Administrator shall determine shall be in the best interest of the County. It is anticipated that the Bonds will be sold to the United States of America, Rural Utilities Service (or any successor agency).

Section 5. Details of the Bonds. The County Administrator is authorized to determine the details of the Bonds including the following: the date or dates of the Bonds; provisions for either serial or term bonds; sinking fund or other reserve fund requirements; due dates of the interest thereon; the form of the Bonds; the denominations and designations of the Bonds; registration, conversion and transfer provisions; provisions for the receipt, deposit and investment of the proceeds of the Bonds; provisions for the replacement of lost, stolen, mutilated or destroyed Bonds; and provisions for issuing uncertificated obligations and all procedures appropriate for the establishment of a system of issuing uncertificated debt. The Bonds shall be executed by the manual or facsimile signature of the County Administrator, shall contain an impression of the County seal or a facsimile thereof and shall be attested by the manual signature of the County Clerk. The County Administrator shall determine the form of the Bonds.

Section 6. Debt Limit. It is hereby determined and certified, as of the effective date hereof, that the issuance of the Bonds is within the legal debt limit of the County.

Section 7. Further Action. The President of the County Council, the County Administrator, the Finance Director and the County Clerk are authorized and directed to take such other action on behalf of the County, as may be necessary or desirable to effect the adoption of this Ordinance and the issuance and sale of the Bonds and to provide for their security and to carry out the intent of this Ordinance, including the publication of notices and advertisements and the execution and delivery of customary closing certificates.

Section 8. Effective Date. This Ordinance shall become effective immediately upon its passage. The County Clerk is hereby directed to publish a notice of the adoption hereof in accordance with Section 7002(m)(2) of Title 9 of the Delaware Code, as amended.

ADOPTED this ___ day of _____, 201_.

SUSSEX COUNTY, DELAWARE

Attest:

Clerk
Sussex County Council

President
Sussex County Council

[Seal]

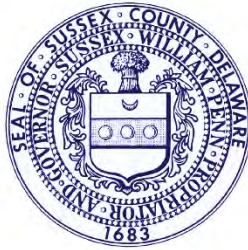
APPROVED AS TO LEGALITY AND FORM:

County Attorney

(Millville-Ordinance)

SYNOPSIS: This Ordinance provides for the issuance of up to \$3,887,000 of Sussex County General Obligation Bonds in order to finance or reimburse the County for a portion of the costs for the design, construction and equipping of the wastewater collection, conveyance and transmission facilities for the expansion of the Millville Sanitary Sewer District.

CHRIS KEELER
DIRECTOR OF ASSESSMENT
(302) 855-7824 T
(302) 855-7828 F
ckeeler@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 Robert B. Arlett
The Honorable George B. Cole
The Honorable Joan R. Deaver

FROM: Christopher S. Keeler, Director of Assessment

DATE: December 3, 2015

RE: Computer Assisted Mass Appraisal System Award Recommendation

During the December 8, 2015 Council meeting, I will present a motion asking for your approval to award a contract to Tyler Technologies to purchase their Computer Assisted Mass Appraisal system, CAMA. The following information is provided for your review and consideration.

Project Goals

The goal of this implementation is to eliminate inefficiencies associated with an antiquated system, improve taxpayer services by integrating with our current Munis and GIS systems, provide enhanced valuation services, improve internal controls, and provide increased accountability. After the system is implemented the county will at a minimum:

1. Eliminate errors caused by confusing and unconventional work flows.
2. Eliminate duplicate processes.
3. Improve inefficiencies by streamlining tasks.
4. Provide increased controls over tasks, so no job gets missed.
5. Improve confidence in assigned tasks since procedures are clear, concise and are done in one location.
6. Provide tools aimed at increasing productivity.
7. Integrate with existing county software that allow real time information.
8. Increase transparency.
9. Reduce phone calls and FOIA requests.
10. Reduce positions through attrition.

Timeline

April 2015 Workshop – During our Budget workshops for FY 2016, I presented the purpose and need for a Computer Assisted Mass Appraisal System. I have attached the original presentation for your review. The concept and budgetary requests were approved.



May/June 2015 On Site Demonstrations – Upon receipt of the RFPs, the two responding vendors were onsite to provide demos of system capabilities. Employees from Assessment, Billing, Information Technology, and Mapping & Addressing participated in the demonstration.

July/August 2015 Reference Checks – Upon completion of the demos, reference checks were performed by contacting multiple clients for each vendor.

August 2015 Selection – After extensive meetings and a rigorous selection process, Tyler Technologies was selected as the vendor to recommend to County Council.

September/November 2015 Contract Negotiations – During the months of September – November, Berry Dunn McNeil and Parker, LLC, Assessment, the County Attorney, Information Technology and the Director of Finance participated in contract negotiations with Tyler Technologies.

Review and Recommendation

A committee made up of Assessment, Information Technology and Finance, have reviewed the proposals, participated in demonstrations and reference checks and would like to recommend Tyler Technologies as the vendor of choice for the CAMA system. The cost of their contract, including installation, testing and training will not exceed \$963,040. Additionally, after the first 24 months, the next consecutive five years carry a fixed maintenance rate.

After review of the proposals, demonstrations and reference checking the committee recommends Tyler Technologies based on the following:

1. They scored the highest of all the vendors in Approach and Experience.
2. They were able to provide a bid on all needs requested by the County. The other vendor was unable to provide a demo on field mobile which is critical to our daily functions.
3. They are a stable company. They were founded in 1966 and are publicly traded. They have 13,000 local government clients throughout all fifty states.
4. They are the largest company in the U.S., focused solely on providing software solutions to public sector clients.
5. They have a presence in Delaware with clients including the City of Dover.
6. The CAMA product integrates with the MUNIS product also offered and supported by Tyler Technologies.
7. We had successful negotiations that included a decrease in the original bid by \$57,000 with maintenance fees capped for 5 years after the first 24 months.

Implementation

The implementation phases are as follows:

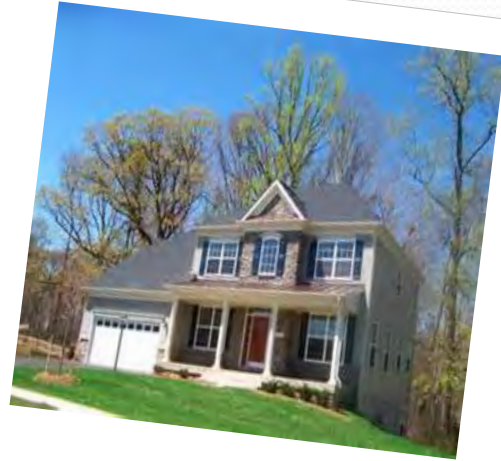
Sept 2016: Phase I – IAS World CAMA, includes IAS World Inquiry and Appeals Tracking and the IAS World Tax Extension

Oct 2016: Phase II – IAS World Field Mobile and the IAS World IAS Public Access

Thank you for your time, consideration and review of the information provided. I look forward to gaining your support for the purchase of Tyler Technologies' CAMA system during the December 8, 2015 Council meeting. Please do not hesitate to contact me with any questions regarding the information provided.

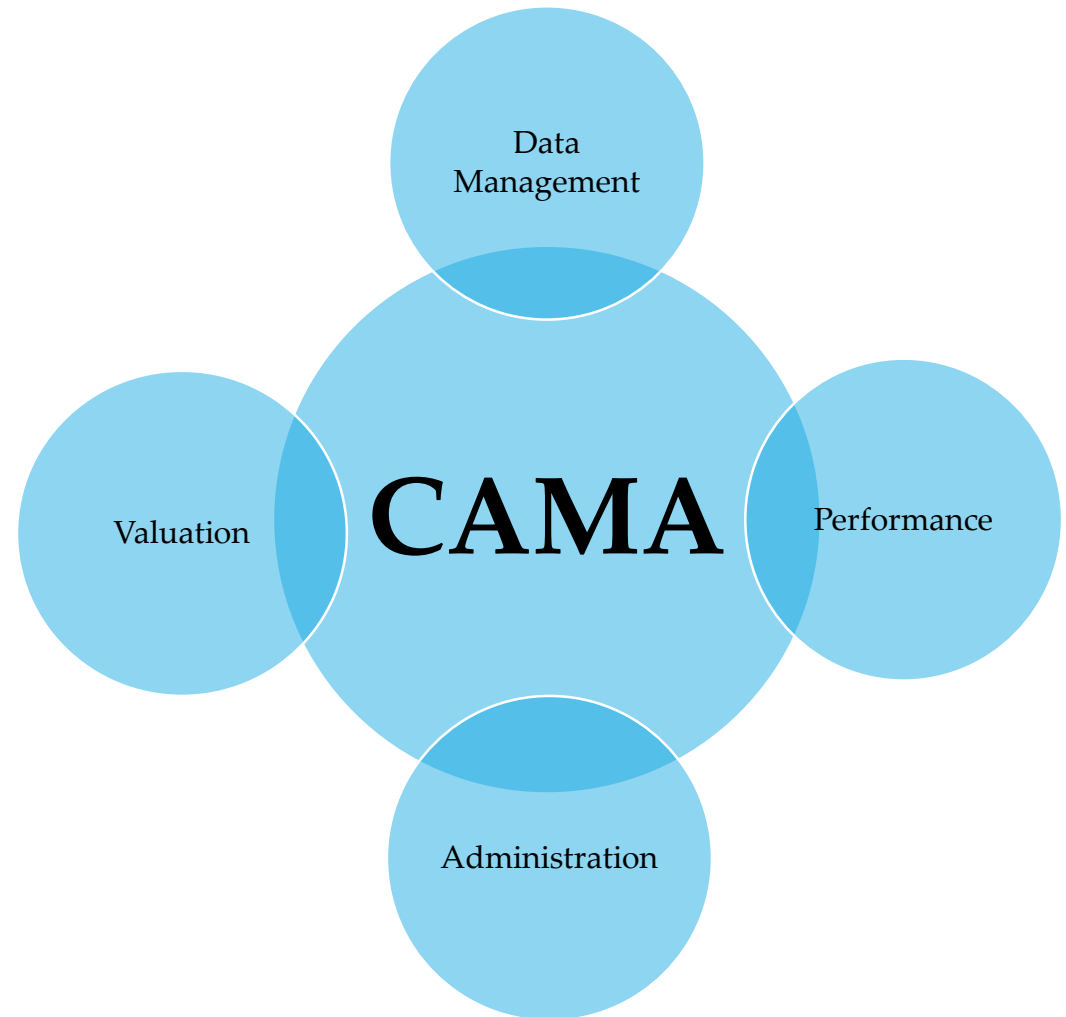
CAMA System Assessment Division

Christopher S. Keeler, Director



What is a **CAMA** system?

- **Computer Assisted Mass Appraisal**
- Automated system for
 - Maintaining property data
 - Valuing property
 - Notifying owners
 - Ensuring tax equity through uniform valuations.



Goals

- To replace our current antiquated system built in the late 70's (AS400)
- To integrate with other systems including Munis and GIS
- To provide improved data management
- To enhance valuation services
- To manage productivity
- To provide more services in a more efficient and cost effective manner
- To ensure the system will not become functionally or technically obsolete in the future

Current Workflow

- Ownership and Address Changes
 - Clerks have to key changes in two systems
- Parcel Splits and Sub-divisions
 - Clerks have to key updates in three systems



Current Workflow

- Building Permits
 - Assessor picks up a paper copy of the building permit
 - Assessor visits site and makes a rough sketch of improvement
 - Assessor notes all building characteristics (number of bedrooms, bathrooms, type of heat/air, quality of construction, etc.)
 - Assessor returns to office with all the data and provides it to a clerk
 - The clerk will draw a sketch to scale
 - The clerk records all building characteristics on the physical property record card
 - The clerk will then update three systems

Current Workflow

- Appraiser Requests
 - The Assessment office has averaged 250 requests per week
 - Upon receipt
 - Clerk must go to file room
 - Find and pull card from file
 - Read information to appraiser
- Historical Data
 - Resides in the legacy system or property card
 - Munis tax module only has history since the July 2013 implementation
 - Vital to our assessment process, title searchers and the real-estate community

Proposed Workflow (CAMA)

- Ownership and Address Changes
 - Directly connect from Deed input
 - Update in one location – will automatically update all modules
- Parcel Splits and Sub-divisions
 - User would fill in parent parcel number and number of new parcels
 - System generates new parcel numbers
 - System copies data from the parent parcel to the new parcels automatically
 - System updates the applicable information in other applications

Proposed Workflow (CAMA)

- Building Permits
 - CAMA mobile device
 - Assessors will download property information electronically
 - Assessors will perform tasks such as updating property characteristics, doing property sketches and taking photos
 - Information will be uploaded when a network connection is established
 - Work orders are prioritized to improve efficiency
- Appraiser Requests
 - All information pertaining to a property would be available. This includes:
 - Picture
 - Sketch
 - Property Characteristics
 - Ownership
 - Taxes

Proposed Workflow (CAMA)

- Historical Data
 - Ownerships, parcel splits, and deed history would be readily available to view all in one convenient location

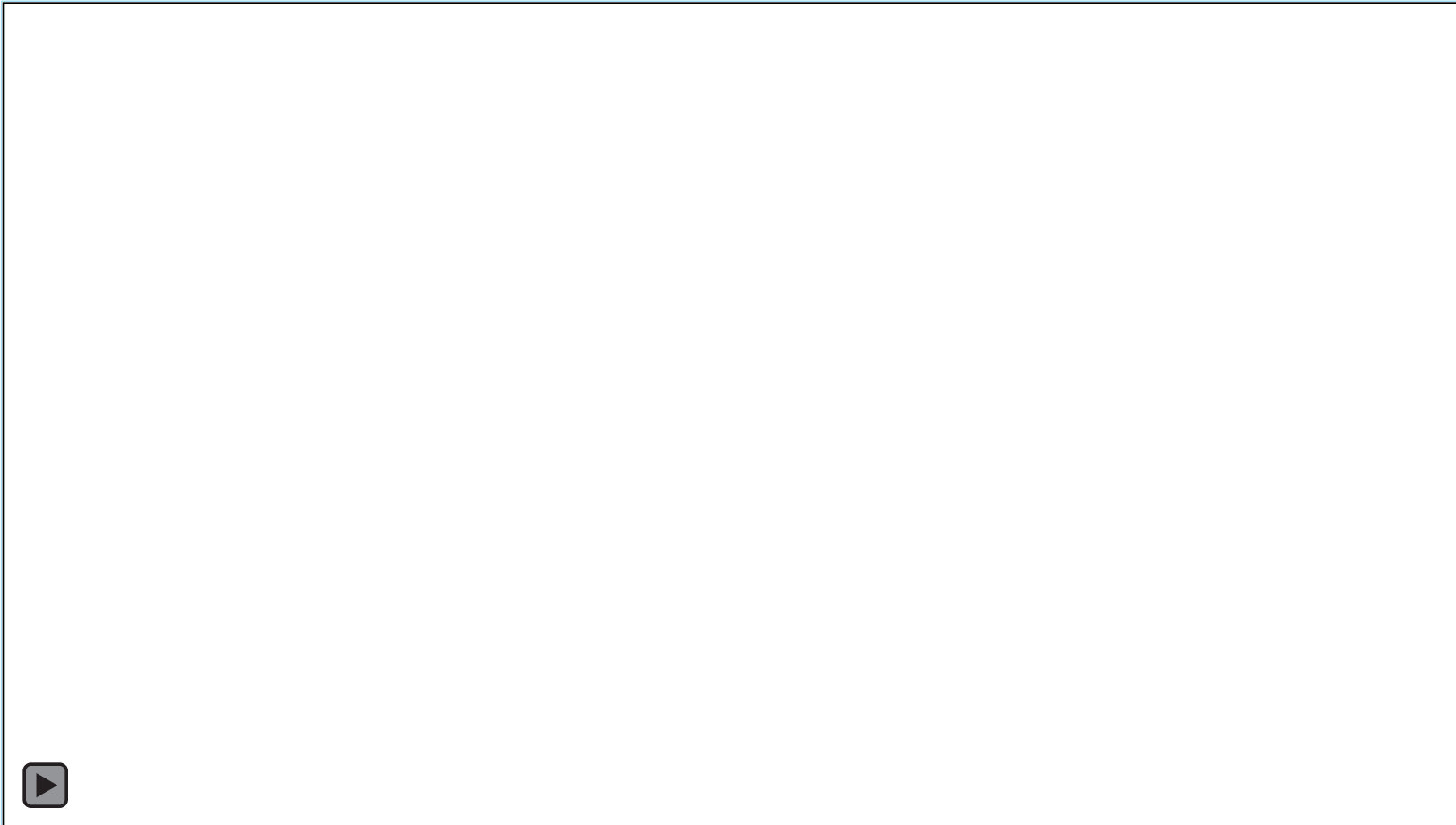
CAMA System Benefits

- Eliminate errors caused by confusing and unconventional work flows
- Eliminate duplicate processes
- Improve inefficiencies by streamlining tasks
- Provide increased controls over tasks, so no job gets missed
- Improve confidence in assigned tasks since procedures are clear, concise and are done in one location.
- Provide tools aimed at increasing productivity
- Integrate with existing county software that allow real time information
- Increase transparency
- Reduce phone calls and FOIA requests

Legacy/CAMA Comparison

System Offerings	Legacy AS400	CAMA
Historical Data	X	X
Work Order Prioritization		X
Integration Capable		X
Self-Service Centric		X
Automated Performance Management		X
Reassessment Options		X
Business Intelligence Database		X

Client Feedback



OLD BUSINESS
December 8, 2015

This is to certify that on October 29, 2015 the Sussex County Planning and Zoning Commission conducted a public hearing 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 the 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 upon a summary of comments read into the record, and comments stated by interested parties during the public hearings.

C/U #2032 – Guillermo Vasquez, t/a F&N Vasquez Concrete, LLC

An Ordinance to grant a Conditional Use of land in an AR-1 (Agricultural Residential District) for a construction company office, equipment parking, and shop/yard to be located on a certain parcel of land lying and being in Cedar Creek Hundred, Sussex County, containing 3.125 acres, more or less. The property is located north of Sherman Avenue (Road 213B) 135 feet east of North Old State Road (Road 213) (911 Address: 18578 Sherman Avenue, Lincoln) Tax Map I.D. 330-14.16-5.03 and 5.00.

The Commission found that the applicant provided a survey/site plan with the application when finally accepted for processing on August 27, 2015.

Mr. Lank advised the Commission that numerous complaints were received in reference to activities on the site; that the property owners were sent violation notices; and that the Zoning Inspector and County Constables have visited the site on several occasions to get the applicants to cease and desist or make an application.

The Commission found that DelDOT provided comments on February 26, 2015 and advised that a Traffic Impact Study is not required; that originally two separate applications were filed, and that the application was changed to one application for the two parcels; and that the current Level of Service "A" of Sherman Avenue will not change as a result of this application.

The Commission found that the Sussex Conservation District provided comments on October 27, 2015 referencing that there is only one soil type on this property; that the applicants will be

required to follow recommended erosion and sediment control practices during any construction and to maintain vegetation; that no storm flood hazard areas or tax ditches are affected; and that it is not likely that any on-site or off-site drainage improvements will be required.

The Commission found that the County Engineering Department Utility Planning Division provided comments on October 28, 2015 referencing that the site is located in the North Coastal Planning Area; that the project is not capable of being annexed into a sewer district at this time; that conformity to the North Coastal Planning Study will be required; that the proposed project is not in an area where the County has a schedule to provide sewer service at this time; and that a concept plan is not required.

Mr. Lank provided the Commission with copies of a petition from “Concerned Residents of Lincoln, De” expressing concerns in opposition to this application. The petition contains seven (7) signatures and several photographs.

The Commission found that Fernando Vasquez was present on behalf of this application and stated in his presentation and in response to questions raised by the Commission that the Conditional Use requested is for the activities that have already been started on the site; that he would like to hear what the neighbors have to say about his activities; that he operates a small concrete business with 10 to 15 employees; that the site plan depicts the two houses on the site; that he operates his office from one of the houses; that two employees work in the office; that the shop and yard are for the repair and storage of equipment; that adequate parking is available for the employees on site; that employees park on the site and then leave for job sites in company vehicles; that the office contains approximately 1,000 square feet; that business hours are typically from 6:00 a.m. or 6:30 a.m. to 6:00 p.m. or 8:00 p.m.; that the company currently has 5 work trucks and 2 or 3 dump trucks; that he has not spoken to his neighbors about the business activities; that he has been in business for 5 or 6 years; that the business has progressively grown; that originally he operated the business from one of the lots, not both; that he now uses both lots; that he has been using the second lot for approximately 3 years; and that he has looked for another parcel to relocate, but has not found a site suitable for the use to date.

Mr. Ross stated that the use may not be in an appropriate location since it has grown to its current size.

The Commission found that there were no parties present in support of the application.

The Commission found that Mike Maney, Doris Maney, Diana Richardson, Jack Meredith, and Nancy Meredith were present in opposition to the use, not the applicant; that the applicant has been a good neighbor helping others clear snow from driveways; that the use impacts the quality of life and the quality of the air in the neighborhood; that they have some concerns about soil impacts; that if the use is approved, an escrow account should be provided to protect the residents in the area from any loss of property values; that the use impacts the character of the area and scenic values; that the use is not compatible with the residential character of the area; that the use is not needed for the welfare of the community; that there is no protection of area properties; that both properties were being utilized before the application was even filed; that there are numerous vehicles scattered over the property; that materials are regularly dropped off

at the site; that noises impact the community; that the noises include backup beepers, slamming noises from equipment being thrown into trucks, people hollering over vehicle noises, etc...; that the neighborhood is normally quiet, except when the site is active; that concrete crushing activities have taken place on the site; that the business hours are unfair to the neighbors in this residential neighborhood; that they cannot open windows due to dust and noise; that they question the diesel fuel tank installation on the site; that some of the employees speed when driving to and from the site; that the use has gotten out of hand as it grows; that the diesel fumes are annoying; that some of their trees have died from the fumes; that they wish the applicant success, but it should be located somewhere else that is more appropriate for the use; that there may be some runoff/drainage issues that need to be addressed; that permits have not been obtained; that some of the vehicles on the site are unlicensed; that some of the noises scare the pets in the neighborhood; and that the trees that exist do not block out the noises or the fumes.

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

On October 29, 2015 there was a motion by Mr. Burton, seconded by Mr. Johnson, and carried unanimously to defer action for further consideration. Motion carried 5 – 0.

On November 12, 2015 the Commission discussed this application under Old Business.

Mr. Burton stated that he would move that the Commission recommend denial of Conditional Use No. 2032 for Guillermo Vasquez t/a F & N Vasquez Concrete, LLC for a Conditional Use to operate a construction company office, equipment parking and shop/yard based upon the record made during the public hearing, and for the following reasons:

- 1) It appears that this business probably started small at the applicant's residence. However, as the business has successfully grown, it has outgrown this particular location.
- 2) Several parties appeared in opposition to the application. All of them agreed that the applicant is personally a good neighbor, but the business has outgrown the location and is no longer compatible with the neighborhood.
- 3) This location in Lincoln is primarily a residential neighborhood. The property is surrounded by homes on several sides. This commercial use, primarily the trucking activities, is not compatible with its residential surroundings.
- 4) There is information in the record that this use now adversely affects neighboring properties, the community and adjacent roadways due to the traffic generated by the use, the number of employees coming to and from the location, the sound generated by the equipment stored on the site and other factors.
- 5) There are other more appropriate locations for this type of use in Sussex County that are either zoned for the use or are not surrounded by existing residential properties.
- 6) For all of these reasons, the successful growth of this small business means that it no longer fits in its local surroundings and another more appropriate location should be found to allow it to continue its growth in Sussex County.

Motion by Mr. Burton, seconded by Mr. Johnson, and carried unanimously to forward this application to the Sussex County Council with the recommendation that the application be denied for the reasons stated. Motion carried 5 – 0.

Introduced 9/15/15

**Council District No. 2 – Wilson
Tax I.D. No. 330-14.16-5.03 and 5.00
911 Address: 18578 Sherman Avenue, Lincoln**

ORDINANCE NO. ____

AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR A CONSTRUCTION COMPANY OFFICE, EQUIPMENT PARKING AND SHOP/YARD TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN CEDAR CREEK HUNDRED, SUSSEX COUNTY, CONTAINING 3.125 ACRES, MORE OR LESS

WHEREAS, on the 27th day of March 2015, a conditional use application, denominated Conditional Use No. 2032 was filed on behalf of Guillermo Vasquez, t/a F&N Vasquez Concrete, LLC; and

WHEREAS, on the ____ day of _____ 2015, a public hearing was held, after notice, before the Planning and Zoning Commission of Sussex County and said Planning and Zoning Commission recommended that Conditional Use No. 2032 be _____; and

WHEREAS, on the ____ day of _____ 2015, a public hearing was held, after notice, before the County Council of Sussex County and the County Council of Sussex County determined, based on the findings of facts, that said conditional use is in accordance with the Comprehensive Development Plan and promotes the health, safety, morals, convenience, order, prosperity and welfare of the present and future inhabitants of Sussex County, and that the conditional use is for the general convenience and welfare of the inhabitants of Sussex County.

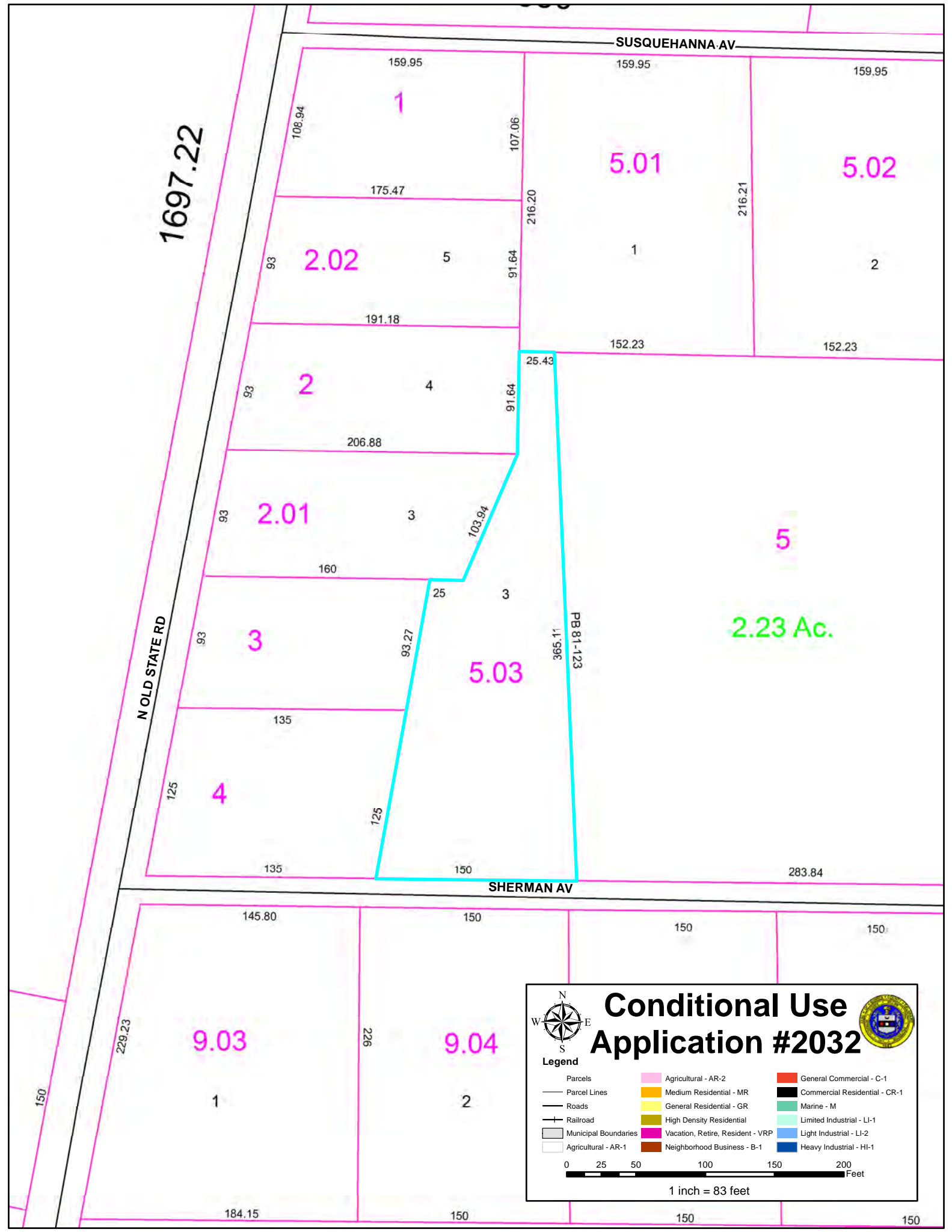
NOW, THEREFORE, THE COUNTY OF SUSSEX HEREBY ORDAINS:

Section 1. That Chapter 115, Article IV, Subsection 115-22, Code of Sussex County, be amended by adding the designation of Conditional Use No. 2032 as it applies to the property hereinafter described.

Section 2. The subject property is described as follows:

ALL that certain tract, piece or parcel of land, lying and being situate in Cedar Creek Hundred, Sussex County, Delaware, and lying north of Sherman Avenue (Road 213B) 135 feet east of North Old State Road (Road 213) and being more particularly described as Lot 3 and Residual Area in Plot Book 81, Page 123, as recorded in the Office of the Recorder of Deeds in and for Sussex County, said parcel containing 3.125 acres, more or less.

This Ordinance shall take effect immediately upon its adoption by majority vote of all members of the County Council of Sussex County, Delaware.



1697.22


SUSQUEHANNA AV

N OLD STATE RD


SHERMAN AV

2.23 Ac.

Conditional Use Application #2032

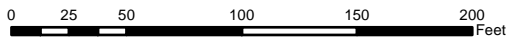


W N E S



Legend

Parcels	Agricultural - AR-2	General Commercial - C-1
Parcel Lines	Medium Residential - MR	Commercial Residential - CR-1
Roads	General Residential - GR	Marine - M
Railroad	High Density Residential	Limited Industrial - LI-1
Municipal Boundaries	Vacation, Retire, Resident - VRP	Light Industrial - LI-2
Agricultural - AR-1	Neighborhood Business - B-1	Heavy Industrial - HI-1



0 25 50 100 150 200 Feet

1 inch = 83 feet

150

229.23

9.03

1

184.15

226

9.04

2

150

108.94

159.95

1

175.47

2.02

5

191.18

2

206.88

2.01

3

160

3

135

4

125

135

93.27

5.03

25

3

150

103.94

91.64

216.20

107.06

159.95

5.01

1

152.23

PB 81-123

11,996

25.43

5.02

2

152.23

216.21

159.95

150

150

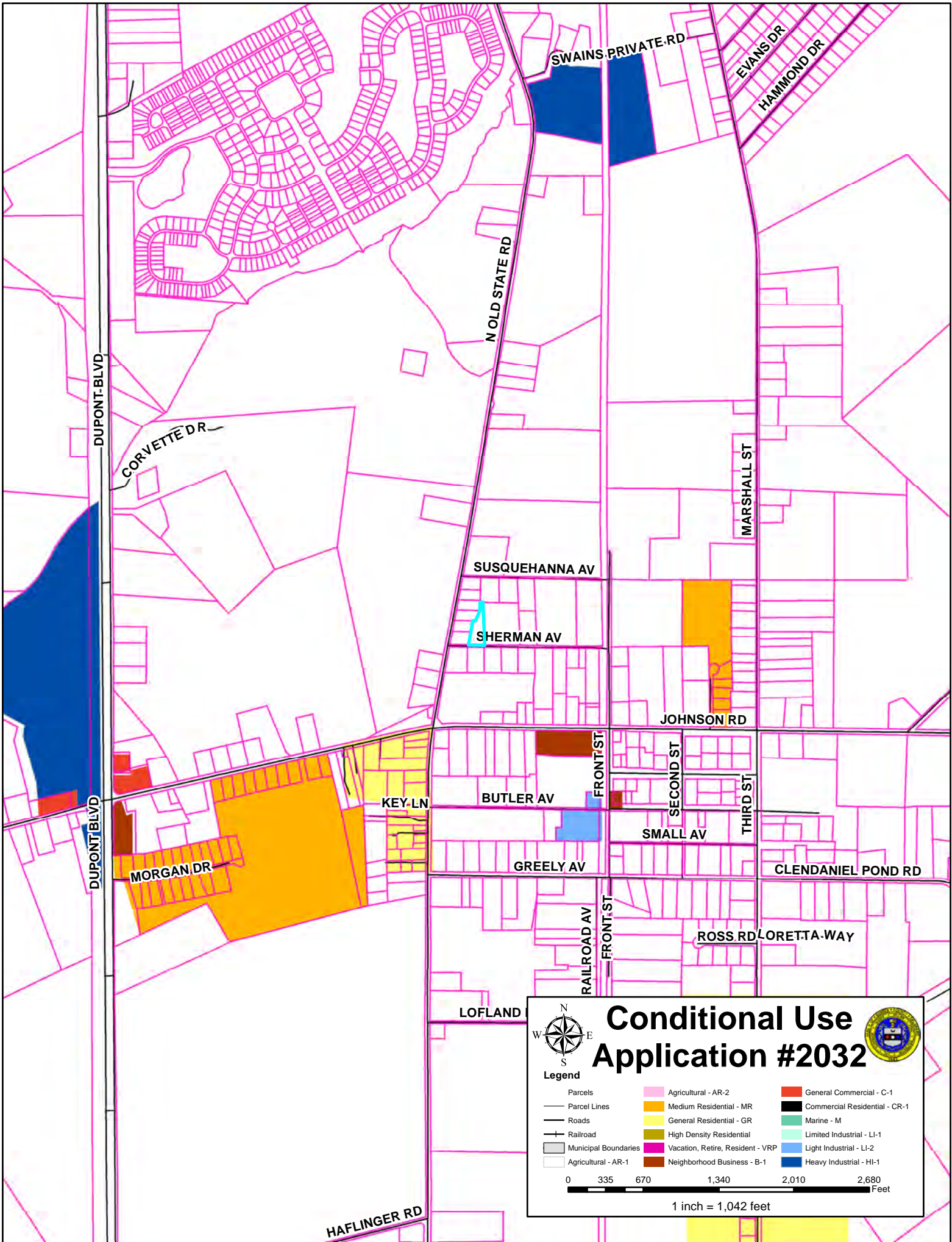
150

145.80


150

150

150



Conditional Use Application #2032




Legend

- Parcels
- Parcel Lines
- Roads
- Railroad
- 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

1 inch = 1,042 feet



1697.22

N OLD STATE RD

SUSQUEHANNA AV

SHERMAN AV

2.23 Ac.

Conditional Use Application #2032

Legend

<ul style="list-style-type: none"> Parcels Parcel Lines Roads Railroad Municipal Boundaries Agricultural - AR-1 	<ul style="list-style-type: none"> Agricultural - AR-2 Medium Residential - MR General Residential - GR High Density Residential Vacation, Retire, Resident - VRP Neighborhood Business - B-1 	<ul style="list-style-type: none"> 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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0 25 50 100 150 200 Feet

1 inch = 83 feet

Source: USDA, USGS, AEA, Geomapping, Aerogram, IGN, ICR, Swisstopo, and the City User Community

Good Samaritan Aid Organization Inc.
P. O. Box 643
Laurel, DE 19956

The Honorable Michael H. Vincent and
The Honorable Robert B. Arlett
Sussex County Council
2 The Circle
P. O. Box 589
Georgetown, DE 19947

Dear Mr. Vincent and Mr. Arlett:

The Good Samaritan Aid Organization Inc. (Tax ID # 51-0303717) of Laurel, DE operates as a 501(c) 3 non-profit organization with a mission of providing financial assistance to the most needy individuals and families in the Laurel community. The organization operates a thrift store in Laurel utilizing a totally volunteer staff to sell donated items and clothes. The monies raised at the thrift store are used to provide financial assistance to individuals referred by the local churches, Laurel school nurses and the state service center. Our organization is vital to the survival of the neediest families in the Laurel community.

Good Samaritan also sponsors an annual Christmas Basket program created to ensure that all families enjoy a Christmas meal, and every child in town receives a Christmas gift. In 2014, the program delivered food baskets and Food Lion gift cards to 240 families and provided gifts to over 700 children in the Laurel community.

The economic environment has taken a toll on our organization. The revenue generated from the thrift stores is barely able to produce the free cash flow necessary to assist the ever increasing number of needy individuals in our community. Prior to 2009, the Christmas Basket program was funded almost entirely by fundraising at the local Food Lion. In 2009, Food Lion withdrew its support of our solicitation effort. Since that time, we are totally reliant upon cash donations to fund the annual program.

Our annual Christmas Basket program is in jeopardy of being drastically reduced at a time when the economic need is at a very high level. Our organization would like to request a donation from the Sussex County Council in the amount of \$1,000. The funds will be used to purchase Food Lion gift cards and toys for the Christmas Basket program in 2015.

Thank you for your consideration of our request. I can be reached during business hours at 302/875-0355 if you should need any additional information.

Sincerely,



Melinda R. Tingle
President

When You Choose To Give...



\$1000 will provide medically necessary medications to four individuals so they can begin their journey to a healthier life.

\$500 will allow two individuals to receive medications needed for their recovery and lead to a better quality of life through healthier outcomes.

\$250 will assist one individual with medications. This could be a parent that needs the help of the Prescription Drug Fund so their child can have needed medications without the parent having to use money budgeted for other essentials.

\$100 will provide financial support of the Prescription Drug Fund and help individuals in our community during a time of need.

Every gift is valuable.

The average cost per patient is \$250. In the last six years, individuals have received over \$133,000 in support of prescriptions needed through the help of the community. Regardless of amount, every donation to the Prescription Drug Fund is a valuable gift to the patients at Nanticoke Memorial Hospital, and in turn, to the future of the community we share.



www.nanticoke.org | Always Caring. Always Here.

801 Middleford Road, Seaford, DE 19973 • 302-629-6611



“Wishing You a Healthy and Happy Holiday Season”

The Nanticoke Health Services Prescription Drug Fund was established over twenty years ago to assist patients who could not afford their prescription medications after their discharge from the hospital.

We take this holiday greeting for granted but for many, remaining healthy after leaving the hospital is impossible if they cannot afford their medication. And connecting patients with the health care services they need is our mission.

You see, about 250 patients, needing about \$60,000, will be unable to pay for their prescriptions when they are discharged from the hospital.

Your generous gifts to the Holiday Appeal continue to make a wish a reality for many. Being here for one another is what it means to be part of the Nanticoke family.

Please join us in giving from the heart and making a difference in just one patient's life.
You will be part of keeping them connected to better health.

From our family to yours wishing you the blessings of health, family, friends and happiness this holiday season.

Dr. & Mrs. Joseph P. Olekszyk
Holiday Appeal Co-Chairs

Dr. & Mrs. Harry A. Lehman, III
Holiday Appeal Co-Chairs

Holiday Appeal 2015

Sussex County
Advisory Committee

The Hon. Joan R. Deaver
2 The Circle
P.O. Box 589
Georgetown, DE 19947

Lynn Adams Kokjohn
Chairperson

Dear Councilwoman Deaver,

Thanks to our many Friends, the Delaware Community Foundation has accomplished a great many things over the past year positioning us to better serve Delawareans:

Jason Adkins
Marlene Elliott Brown
Charles L. Burton
Valery L. Cordrey
David C. Doane, CPA
Greg Fuller, Sr.
Mike Furnari
John Hollis
Hugh D. Leahy, Jr.
David F. Lyons, Sr.
C.W. Mitchell
Harold W.T. Purnell, Esq.
Cindy L. Szabo, Esq.

- **DelawareFocus.org** – DCF has reaffirmed its independent civic leadership role by launching the state’s first **community indicator project**, DelawareFocus.org. This publicly accessible website will help us all gain a deeper understanding of Delaware’s most pressing challenges and opportunities. DCF will use the information to lead concerted action to address key needs in Delaware.
- **Delaware Forever Fund** – Shining a spotlight on these challenges and opportunities is just the first step. Our communities will want the DCF to increase its grants to stimulate progress. In anticipation, the DCF’s unrestricted fund has become the Delaware Forever Fund. As future generations of Delawareans wrestle with problems unique to their era, the Delaware Forever Fund, built through donor bequests, will always be there as a catalyst for progress.
- **Client Services** – The DCF has improved its direct services for Delaware philanthropists:
 - New online access to fundholder accounts
 - Dedicated client services staff
 - Technology and communications upgrades to improve information flow
- **Expanding Our Expertise** – The DCF has increased its in-house expertise to facilitate the transfer of donor assets (e.g. IRAs, stock, precious metals or real estate) to their charitable accounts. We’re expanding our network of professional advisors to include hundreds of attorneys, accountants, financial advisors, and real estate and insurance experts – all of whom are eager to access “best practices” when advising clients on making philanthropy part of their financial and estate plans.

Please consider supporting us this year. Thank you!

This progress is made possible largely through contributions to our Friends Campaign. We hope you will support our **community leadership activities and philanthropic services** through a gift of \$100 or more. You may donate online at delcf.org/friends or use the enclosed response envelope.*

Sincerely,



William R. Allan
Senior VP, Southern Delaware



Lynn Kokjohn
Chair, Sussex County Advisory Committee

Yks Joan!



2015 Year-End Giving Campaign

Ms. Joan Deaver
P.O. Box 589
Georgetown, DE 19947

November 14, 2015

Dear Ms. Deaver,

With your help and the support of our all-volunteer team, the Overfalls Foundation worked diligently throughout the year to preserve the Lightship Overfalls, our National Historic Landmark, and to grow the American Lightship Museum.

The lightship and the museum welcomed a growing number of visitors and residents in 2015 and continued to **educate, inspire, and promote our maritime history**. They sit proudly as a centerpiece of the Lewes Canalfront Park. And while the Lightship Overfalls is our most visible accomplishment, the American Lightship Museum has grown to house, catalog, and preserve over 1,000 artifacts — enriching our understanding of how these vessels served our nation's waterways. The artifacts provide insight to many aspects of everyday life and work on lightships.

As you review your year-end giving priorities, I ask that you remember that the Lightship Overfalls and the American Lightship Museum are here in Lewes because of you.

Please consider a tax-deductible gift to the *Overfalls Foundation 2015 Year-End Giving Campaign*, which will fund the continued expansion of the American Lightship Museum and support the operations, constant maintenance and inevitable restoration of the lightship.

(over, please)

-----**2015 Year-End Giving Campaign Reply**-----

*Please detach and return this reply form in the enclosed envelope provided with your contribution. **Thank you!***

Ms. Joan Deaver
P.O. Box 589
Georgetown, DE 19947

Email:

YES! I want to support the Lightship Overfalls and the growing American Lightship Museum's *2015 Year-End Giving Campaign* with an immediate gift:

\$25 \$50 \$100 Other

See back for additional giving options. If you wish to donate with a credit card, please go to the website www.overfalls.org and follow the donate button.

P.O. Box 413, Lewes, DE 19958
Home of the National Historic Landmark Lightship Overfalls (LV-118)
www.overfalls.org

Every gift makes a difference and is an important endorsement of our work. And because the Overfalls Foundation remains an all-volunteer effort, I can assure you that your gift will be used wisely and will go directly to preserve the lightship and support our museum. For example, earlier this year, we dedicated our newest exhibit, the restored Monomoy boat, and our Dirty Hands Crew added several important safety features to protect lightship visitors.

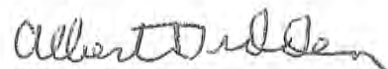
Built in 1938, the Lightship Overfalls (LV-118) was the last lightship built by the US Lighthouse Service. It helped protect vessels sailing through treacherous shoal waters, until it was taken out of service in 1972. This National Historic Landmark is one of the **few remaining lightships** in the country and tells the story of these proud-serving vessels and their dedicated sailors.

The Lightship Overfalls is strong because of you. Thanks to our visionary volunteer founders and all the past and present volunteer efforts *we manage to operate on a very efficient and limited budget.*

Your support is vital in funding our upcoming projects for the Lightship Overfalls and the American Lightship Museum, which are integral to maritime history and the beauty of Lewes.

You are the enduring legacy of our lightship. Thank you again for your support.

Very truly yours,



Albert Didden

President

Overfalls Foundation

-----**URGENT REPLY FORM**-----

Additional giving options:

I want to give my YEAR END gift as a Rivet, Porthole or other Naming Opportunity. Please contact me. (see below)

I want to join the Keeper of the Bell Society for \$30/month. Please contact me. (see below)

Please send me information on how to include the Overfalls Foundation in my will, trust or other plans.

I want someone to contact me at _____ (email or phone).

P.O. Box 413, Lewes, DE 19958
Home of the National Historic Landmark Lightship Overfalls (LV-118)
www.overfalls.org



November 15, 2015

Ms. Joan Deaver
19208 Plantations Road
Rehoboth Beach, DE 19971

Dear Ms. Deaver, *Joan,*

Each day, we're bombarded by thousands of messages that compete for our attention: emails, text messages, social media posts, news stories, television commercials, print ads and, yes, even letters (including this one) that ask for your support. Experts predict that the number of communications we receive each day will skyrocket as new information sharing technologies emerge.

Classical music offers a welcome respite from this cacophony. As the house lights dim before a performance, it's a rare opportunity to turn off our phones and detach from the outside world, particularly the constant din of 24/7 communications. Attendance at a live performance allows us to surrender our senses to the musicians who take to the stage and to the composers whose works they perform. Our imaginations are free to take flight as each note and phrase resonates through the hall.

As a loyal supporter of Coastal Concerts, you play a vital role in making the classical music experience available throughout our community. Our annual concert series, free music appreciation programs and school-based outreach events are just a few of the ways we make fine music accessible and enjoyable.

Among our new initiatives is the inaugural "wild card" concert we'll present on April 16, 2016, with discounted admission. We've also arranged for award-winning pianist and composer Michael Brown to host a free Musical Perspectives discussion and demonstration on February 19, the evening before he performs in Lewes.

These programs are possible only because of the loyalty of our audience members and the generosity of individual donors. You, like Coastal Concerts, recognize that classical music contributes to a vibrant community and serves as a unifying force that blends backgrounds, ethnicities and cultures. The quality and diversity of the programs you support are among the reasons for Coastal Concerts' selection by *Delaware Today* magazine for a 2015 "Best of Delaware" award.

I hope that you will help us to continue our efforts by making a tax-deductible contribution to Coastal Concerts. If you'd like to learn more about what we do and how you can help, please visit our website, email me at president@coastalconcerts.org or call me at 888-212-6458.

Thank you in advance for your commitment to promoting classical music appreciation among all people in our community. (And thanks for taking the time to read this letter!)

We appreciate your consistent support - and that of the Council - over the year. Many thanks!

Sincerely,

Peter A. Harrigan
President



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President

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Vice President

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Jack Leshner,
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Wesley Perkins

Bonnie Taylor

Barbara Warnell

EXECUTIVE DIRECTOR

Michael DiPaolo

November 9, 2015

The Hon. Joan Deaver
19208 Plantation Road
Rehoboth Beach, DE 19971

Dear The Hon. Joan Deaver,

History happens every day. The Lewes Historical Society's job is to preserve the stories of the people, places and events that make Lewes special and then help others draw the connections that help them illuminate a question, resolve an inquiry, or help uncover the memory of a long-departed ancestor. This past year has seen dramatic growth in educational programming, the expansion of our campus with the addition of the Zwaanendael Club which allows us to relocate our Museum Shop and focus on interpreting the Ryves Holt House, still a Society property and now a part of First State National Historical Park. We need your support to keep our critical work moving forward.

The Society is dedicated to the idea that history - and organizations like ours - ought to serve as resources and venues to inform decisions that will impact today and make a difference for the future. Without your support, we will miss extraordinary opportunities to teach and inspire future generations about the stories, people and places that have shaped their world.

I ask that you join me in sending in a tax-deductible contribution today. Every dollar you contribute helps to keep Lewes' history alive. As the Society continues to engage our community through its heritage, your support is more critical than ever. Thank you!

Sincerely,

Ann D. Hilaman
President, Board of Trustees



Sussex Community Crisis Housing Service, Inc.
204 E. North Street • Georgetown, DE 19947
Phone: (302) 856-7524 Fax: (302) 856-7503

Emergency Shelter
Crisis House
(302) 856-2246

Transitional Housing
Northport
SJK House

November 13, 2015

Councilman Robert Arlett
Sussex County Council
2 The Circle
P.O. Box 589
Georgetown, DE 19947

Dear Councilman Arlett,

Thank you for attending our breakfast mixer on November 3rd. We have had positive feedback from many of the attendees and hope we have raised the awareness for the need to serve the homeless in the county.

As discussed at the Breakfast, without the services provided by Sussex Community Housing Services, many families and individuals would not be housed or fed throughout the year. Our immediate need is for funding to accomplish necessary repairs to the shelter's physical structure in order to provide a safe and secure habitat for our residents. In order to repair broken window sashes, cracks and leaks around the chimney and roof and repair to one of the HVAC units we are requesting \$5000 from Sussex County Council.

I hope you will consider assisting us in these necessary repairs to the Crisis House. If you need any additional information, please feel free to contact me at 302.856.7524.

Thank you in advance for your consideration in this matter.

Sincerely,

Marie T. Morole
Executive Director

To Be Introduced 12/08/15

**Council District No. 4 - Cole
Tax Map I.D. No. 234-23.00-269.13 (Part of) and 269.15 (Part of)
911 Address: None Available**

ORDINANCE NO. ____

AN ORDINANCE TO AMEND THE COMPREHENSIVE ZONING MAP OF SUSSEX COUNTY FROM A C-1 GENERAL COMMERCIAL DISTRICT TO AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR A CERTAIN PARCEL OF LAND LYING AND BEING IN INDIAN RIVER HUNDRED, SUSSEX COUNTY, CONTAINING 8.66 ACRES, MORE OR LESS

WHEREAS, on the 2nd day of October 2015, a zoning application, denominated Change of Zone No. 1790 was filed on behalf of Carillon Square Apartments, LLC; and

WHEREAS, on the ____ day of _____ 2015, a public hearing was held, after notice, before the Planning and Zoning Commission of Sussex County and said Planning and Zoning Commission recommended that Change of Zone No. 1790 be _____; and

WHEREAS, on the ____ day of _____ 2015, a public hearing was held, after notice, before the County Council of Sussex County and the County Council of Sussex County has determined, based on the findings of facts, that said change of zone is in accordance with the Comprehensive Development Plan and promotes the health, safety, morals, convenience, order, prosperity and welfare of the present and future inhabitants of Sussex County,

NOW, THEREFORE, THE COUNTY OF SUSSEX COUNTY ORDAINS:

Section 1. That Chapter 115, Article II, Subsection 115-7, Code of Sussex County, be amended by deleting from the Comprehensive Zoning Map of Sussex County the zoning classification of [C-1 General Commercial District] and adding in lieu thereof the designation of AR-1 Agricultural Residential District as it applies to the property hereinafter described.

Section 2. The subject property is described as follows:

ALL that certain tract, piece or parcel of land lying and being situate in Indian River Hundred, Sussex County, Delaware, and lying 520 feet west of John J. Williams Highway (Route 24) and 1,200 feet south of Indian Mission Road (Route 5) and being more particularly described as follows:

FROM a point on the westerly right-of-way of John J. Williams Highway (Route 24) of the southeast corner of the Timber Acres Trailer Park; thence northwesterly approximately 530 feet along the southerly property line for the Timber Acres Trailer Park to a concrete marker, the beginning point; thence north 72°04'19" west 104.84 feet to a point; thence south 10°38'44" west 109.95 feet to a point; thence north 71°07'00" west 498.16 feet to a point; thence north 20°38'46" east 287.06 feet to a point; thence north 58°12'01" west 229.20 feet to a point in a ditch; thence by and along the meandering centerline of said ditch 283.70 feet to a point; thence south 71°50'08" east 749.98 feet to a point; and thence south 11°56'19" west 406.62 feet to the point and place of beginning, and containing 8.66 acres, more or less.

This Ordinance shall take effect immediately upon its adoption by majority vote of all members of the County Council of Sussex County, Delaware.

TO BE INTRODUCED

To Be Introduced 12/08/15

**Council District No. 4 - Cole
Tax Map I.D. No. 234-23.00-260.00 & 269.18 (Part of)
911 Address: None Available**

ORDINANCE NO. ____

AN ORDINANCE TO AMEND THE COMPREHENSIVE ZONING MAP OF SUSSEX COUNTY FROM AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT AND A C-1 GENERAL RESIDENTIAL DISTRICT TO A HR-1 HIGH DENSITY RESIDENTIAL DISTRICT FOR A CERTAIN PARCEL OF LAND LYING AND BEING IN INDIAN RIVER HUNDRED, SUSSEX COUNTY, CONTAINING 17.19 ACRES, MORE OR LESS

WHEREAS, on the 2nd day of October 2015, a zoning application, denominated Change of Zone No. 1791 was filed on behalf of Carillon Square Apartments, LLC; and

WHEREAS, on the ____ day of _____ 2015, a public hearing was held, after notice, before the Planning and Zoning Commission of Sussex County and said Planning and Zoning Commission recommended that Change of Zone No. 1791 be _____; and

WHEREAS, on the ____ day of _____ 2015, a public hearing was held, after notice, before the County Council of Sussex County and the County Council of Sussex County has determined, based on the findings of facts, that said change of zone is in accordance with the Comprehensive Development Plan and promotes the health, safety, morals, convenience, order, prosperity and welfare of the present and future inhabitants of Sussex County,

NOW, THEREFORE, THE COUNTY OF SUSSEX COUNTY ORDAINS:

Section 1. That Chapter 115, Article II, Subsection 115-7, Code of Sussex County, be amended by deleting from the Comprehensive Zoning Map of Sussex County the zoning classification of [AR-1 Agricultural Residential District and C-1 General Commercial District] and adding in lieu thereof the designation of HR-1 High Density Residential District as it applies to the property hereinafter described.

Section 2. The subject property is described as follows:

All that certain tract, piece or parcel of land lying and being situate in Indian River Hundred, Sussex County, Delaware, and lying southwest of Indian Mission Road (Route 5) and 500 feet west of John J. Williams Highway (Route 24) and being more particularly described as follows:

BEGINNING at a point, at the centerline of a ditch on the southwesterly right-of-way of Indian Mission Road (Route 5) a corner for these subject lands and lands of the Mid-Sussex Rescue Squad, Inc.; thence South 52°16'42" East 113.54 feet along the southwesterly right-of-way of Indian Mission Road to a point; thence southeasterly 155.94 feet along the southerly right-of-way of Indian Mission Road to a point; thence across lands of Lighthouse Carillon, LLC the following five (5) courses: South 32°08'56" West 120.02 feet to a point; thence southerly along the curvature of a 225.00 foot radius 358.64 feet to a point; thence South 13°28'08" West 186.08 feet to a point; thence South 12°09'45" West 436.49 feet to a point; thence South 15°46'52" East 132.93 feet to a point, the northwest corner of Timber Acres Trailer Park; thence South 11°56'19" West 111.94 feet along the westerly line of the Timber Acres Trailer Park to a point; thence North 71°50'08" West 749.98 feet across lands of Lighthouse Carillon, LLC to a point in center of a ditch; thence northeasterly along the meandering centerline of the ditch 1516.81 feet to the point and place of beginning, and containing 17.19 acres, more or less.

This Ordinance shall take effect immediately upon its adoption by majority vote of all members of the County Council of Sussex County, Delaware.