



# **Sussex County Council Public/Media Packet**

**MEETING:  
December 10, 2013**

**\*\*DISCLAIMER\*\***

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SAMUEL R. WILSON JR., VICE PRESIDENT  
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# Sussex County Council

## AGENDA

DECEMBER 10, 2013

10:00 A.M.

### Call to Order

### Approval of Agenda

### Approval of Minutes

### Reading of Correspondence

### Todd Lawson, County Administrator

1. Administrator's Report

### Gina Jennings, Finance Director

1. Pension Committee Report
  - A. Actuarial Assumption Recommendation
  - B. Quarterly Financial Review
  - C. Annual Required Contribution Recommendation
  - D. Additional services offered by Pierce Park Group

### Hal Godwin, Deputy County Administrator

1. Wastewater Agreement – Deep Valley Farm, Phase 1

### Brandy Nauman, Housing Coordinator & Fair Housing Compliance Officer

1. Fair Housing Update



**Lawrence Lank, Director of Planning and Zoning**

**1. Subdivision No. 2004-8 - Spring Breeze Associates**

**A. Request to Amend Conditions**

**John Ashman, Director of Utility Planning**

**1. Bethel Sewer Study – Memorandum of Agreement**

**Old Business**

**“AN ORDINANCE TO AMEND CHAPTER 52, SECTION 52-18C. AND E. OF THE CODE OF SUSSEX COUNTY IN REGARD TO THE SEALING OF DRAWINGS, SPECIFICATIONS, ETC. BY AN ARCHITECT AND/OR ENGINEER”**

**Grant Requests**

- 1. Centenary Food Pantry to serve the Laurel community.**
- 2. Greater Georgetown Chamber of Commerce for parade expenses.**
- 3. Nanticoke Health Services Foundation for the Prescription Drug Fund.**

**Introduction of Proposed Zoning Ordinances**

**Any Additional Business Brought Before Council**

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

**Possible Action on Executive Session Items**

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Sussex County Council meetings can be monitored on the internet at [www.sussexcountydela.gov](http://www.sussexcountydela.gov).

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In accordance with 29 Del. C. §10004(e)(2), this Agenda was posted on December 3, 2013 at 4:50 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.

###

GINA A. JENNINGS, MBA, MPA  
FINANCE DIRECTOR

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**Sussex County**

DELAWARE  
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**MEMORANDUM:**

**TO:** The Honorable Michael H. Vincent  
President, Sussex County Council

The Honorable Samuel R. Wilson, Jr.  
Vice President, Sussex County Council

The Honorable George B. Cole  
Sussex County Councilman

The Honorable Joan R. Deaver  
Sussex County Councilwoman

The Honorable Vance Phillips  
Sussex County Councilman

**FROM:** Gina A. Jennings  
Finance Director

**DATE:** December 6, 2013

**SUBJECT:** **Pension Update and Recommendations**

On Tuesday, I will be updating the Council on the County's Pension and OPEB plans and will be sharing the Pension Committee's recommendations for actuarial assumptions, the County's annual required contribution, and additional services provided by Pierce Park Group. Attached for your review are the draft minutes of the November 13, 2013 Pension Committee meeting and the Investment Performance Report as of September 30, 2013. Below is a summary of the items to be discussed.

- A. Actuarial Assumptions – Assumptions are used to determine the County's unfunded liability. Assumptions that overstate liabilities will cause current taxpayers to be overcharged and future taxpayers to be undercharged. The result would be reversed if the liabilities are understated. An assumption wrong in either direction will cause misallocation of resources and unfairly distribute costs among generation of taxpayers. A study was completed to bring our assumptions in line with the County's past experience. See the attached spreadsheet for the recommendations and the impact it has on the County's annual required contribution.

B. Quarterly Financial Review – Michael Shone from Pierce Park Group will be presenting the quarterly results of the County’s Pension and OPEB funds.

Summary of the Pension Investment Analysis

- Market value was \$62,514,075 as of September 30, 2013
- Year-to-date return of \$6.6 million, or 11.7 percent

Summary of the OPEB Investment Analysis

- Market value was \$27,102,651 as of September 30, 2013
- Year-to-date return of \$2.5 million, or 10.3 percent

C. Annual Required Contribution – We have budgeted to contribute \$5,020,764. Our required contribution, per our actuary, was \$4,528,846. Per our budget, the County will be contributing \$491,918 more than the required amount.

Fund	Required Contribution	Actual Contribution
Pension	\$2,784,557	\$3,087,012
OPEB	\$1,744,289	\$1,933,752

Because our contribution closely matches up with our annual payments, the recommendation from the Pension Committee is to invest the annual contribution in Treasuries with the Wilmington Trust Company.

D. Additional services offered by Pierce Park Group – The County’s Pension Fund consistently outperforms the national average. Although we have seen improvements, the County’s OPEB plan does not perform as well. Mr. Shone will be at Tuesday’s meeting to discuss services his firm can offer the County at no cost for 12 months.

Please let me know if you have any questions.

Attachments

## **PENSION FUND COMMITTEE**

### ***Minutes of Meeting***

***November 13, 2013***

The Sussex County Pension Fund Committee met on November 13, 2013, 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, and Hugh Leahy. Also in attendance were John Lessl of Aon, the County's Actuary, as well as Michael Shone of Peirce Park Group, the County's Investment Consultant. Committee member Lynda Messick was unable to attend.

On November 5, 2013, the Agenda for today's meeting was posted in the County's locked bulletin board located in the lobby of the County Administrative Office Building, as well as posted on the County's website.

Ms. Jennings called the meeting to order.

### **Approval of Minutes**

The minutes of the August 15, 2013 meeting were approved by consent.

### **Actuarial Assumptions**

It was explained that an experience study had been completed for the pension plan to review the County's actuarial assumptions. Ms. Jennings introduced Mr. Lessl who noted that the study reflects actual performance/experience versus the assumptions used for valuation for the past 5 years. The following assumptions were used for the experience study: retirement rates, termination rates, salary increases, COLA, marital assumptions, and payroll growth. Mr. Lessl noted that an experience study provides information that can provide justification for the assumptions used, test the accuracy of the assumptions, make revisions to improve the assumptions, and show the cost impact if changes are made. The cost impact

would be affected by any applicable offsetting changes. Any changes implemented would be effective as of the January 1, 2014 valuation.

### **Retirement Rates** (not including paramedics and dispatchers)

Information given included exposure, current assumptions, actual experience, and recommendations. Over the 5-year period, the study reviewed how many times an employee was eligible to retire (exposure), whether they did so or not. The study reflected that there were 19 occasions for early retirement and 83 for normal retirement. Significant retirements occurred after 30 years of service regardless of age, which was very different for retirements strictly based on age. Retirement information was given in three components: early retirement, normal retirement (age 62), and those with 30+ years of service.

Actual experience reflected 2 early retirements and 18 normal retirements over this 5-year period. Mr. Lessl met with Michael Schooley of Aon, actuary for the OPEB Plan, and together made recommendation as to the assumptions to be used: for example, 10 percent of employees elect early retirement at age 60 and another 10 percent at age 61, or 1.9 retirements. Early retirement is considered at 60 years of age, with 15+ years of service. It was mentioned that the numbers reported could be inflated due to two early retirement incentive options offered during this 5-year period; it was thought that 12 employees took advantage of these early retirements. Full retirement for social security is now at the age of 66 and 67 versus 65. Ms. Brewington will provide Mr. Lessl with the pertinent information regarding these two early retirement options and Mr. Lessl, in turn, will revise the numbers reported.

30 plus years of service – The early retirement incentives did not impact the eligibility for this particular segment of employees, other than adding years when computing their pension. During this 5-year period, actual experience reflected 18 employees retiring.

Dispatchers and Paramedics – The current assumption is 100 percent retirement after 25 years of service. Mr. Lessl noted that there was not sufficient data to allow recommendations so it is recommended that the 25 years of service remain in place.

Taking into consideration the recommended changes for the retirement assumptions, Mr. Lessl noted that an increase of \$167,064 would be realized for the annual required contribution.

### **Termination Rates**

Males – Termination tends to be a function of both service and age. Mr. Lessl stated that fewer employees terminated than the current assumption. The recommended assumptions include:

	<1	1	2	3	4	5	6+	
<20								0.0
20-24	22.0%	16.0%	17.6%	9.8%	9.1%	6.4%		3.8
25-29	16.7%	12.6%	14.4%	8.4%	7.8%	5.7%	8.2%	8.6
30-34	13.0%	10.1%	11.5%	6.4%	5.9%	4.4%	6.6%	7.5
35-39	9.5%	7.5%	8.0%	5.1%	4.7%	3.4%	5.1%	6.5
40-44	8.5%	6.2%	6.8%	4.0%	3.8%	2.6%	4.1%	7.3
45-49	7.0%	4.7%	5.3%	3.0%	2.7%	2.1%	3.1%	5.6
50-54		3.3%	3.8%	2.2%	2.1%	1.4%	2.1%	2.7
55-59		6.0%	6.0%	3.6%	3.6%	3.0%	3.0%	4.4
60-61		20.0%	20.0%	12.0%	12.0%	10.0%	10.0%	9.0
	1.3	4.4	5.8	4.5	5.4	4.3	29.9	55.4
Recommended Factor	2.0	2.0	2.0	1.2	1.2	1.0	1.0	
Current Factor	4.0	4.0	3.0	2.5	2.0	1.5	1.0	

While actual experience shows similar male terminations versus the current assumption, 56 and 58.11 respectively, Mr. Lessl noted that their distribution was quite different. Mr. Lessl noted that he and Mr. Schooley felt that similar 6+ years of service rates could be recommended with the exception of 3 percent for ages 55-59, and 10 percent for ages 60-61.

Females – Mr. Lessl noted that female employees have a different pattern of termination. The recommended assumptions include:

	<1	1	2	3	4	5	6+	
<20								0.0
20-24	32.0%	13.6%	6.4%	6.3%	5.6%	9.8%		1.7
25-29	25.8%	11.9%	5.5%	5.3%	4.8%	8.5%	6.1%	4.6
30-34	19.7%	9.5%	4.2%	3.9%	3.6%	6.8%	5.1%	4.0
35-39		6.5%	3.1%	3.0%	2.9%	5.2%	3.8%	3.4
40-44	12.5%	5.5%	2.6%	2.5%	2.3%	4.1%	3.0%	3.9
45-49	10.0%	4.6%	2.1%	1.9%	1.8%	3.1%	2.3%	3.6
50-54		3.0%	1.3%	1.3%	1.3%	2.1%	1.6%	1.5
55-59		4.8%	2.0%	2.0%	2.0%	4.0%	2.0%	2.3
60-61		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0
	2.0	2.1	1.3	1.7	1.7	3.2	13.0	25.0
Recommended Factor	2.0	1.2	0.5	0.5	0.5	1.0	0.5	
Current Factor	4.0	4.0	3.0	2.5	2.0	1.5	1.0	



Taking into consideration the recommended changes for the termination assumptions, Mr. Lessl noted that an increase of \$76,605 would be realized for the annual required contribution.

### **Salary Increases**

The current annual salary increase assumption has been 5 percent. During the last five years, the actual experience has shown a smaller increase, averaging 2.9 percent. It is being recommended to not use a constant salary increase assumption, but rather one that varies by age. The recommended percentages include:

<u>Age</u>	<u>Recommended</u>
<20	
20-14	4.5%
25-29	5.5%
30-34	5.0%
35-39	4.5%
40-44	3.5%
45-49	3.5%
50-54	3.5%
55-59	3.5%
60-64	3.0%
65-69	3.0%
70+	3.0%
	3.8%

The above salary scale changes are recommended only if the assumed 8 percent rate of return is to lowered to 7.5 percent.

Taking into consideration the recommended changes for the salary scale assumptions, along with a 7.5 percent assumed rate of return, Mr. Lessl noted that an increase of \$8,831 would be realized to the annual required contribution.

### **COLA (Pension Plan)**

The average COLA increase for the last 5 years was 1.230 percent, and 1.365 percent for the past 10 years. The current assumption is 2.0 percent; Mr. Lessl is recommending 1.250 percent. Currently, pensioners are given half of what active employees receive, up to a maximum of two percent. Although not included in the information, Mr. Leahy felt 1.250 percent was too low based on the average 3.8 percent recommended salary increase assumption discussed earlier. Ms. Jennings stated that pensioners did not receive a COLA increase during the 2014 budget

year. In private industry, Mr. Leahy noted that it was unusual to see COLA increases for pensioners.

Mr. Shone noted that, possibly, a 1.50 percent COLA assumption would be more reflective of the 3 percent salary increase assumption for employees 60+ years of age.

Mr. Lessl noted that the County's method of providing COLA increases is a very sound approach compared to other plans having an automatic increase.

Taking into consideration the recommendation of a 1.250 percent COLA assumption, Mr. Lessl noted that a savings of \$409,184 would be realized to the annual required contribution.

### **Marital Assumptions**

It is currently assumed that there is a 3-year age difference between male employees and their spouse. Although not a huge cost factor, the actual age difference is one year. The current assumption is also that 100 percent of employees are married, whereas the actual total is 61.7 percent for married employees and pensioners. Mr. Lessl felt that when this 100 percent assumption was made, the County was not able to provide data regarding retiree spouses. It is recommended that an overall assumption of 65.0 percent be used for active employees.

With pension plans that provide both employee and spousal protection, Mr. Lessl noted most plans reduce the participant's pension benefit. The County automatically provides the spousal benefit with no adjustment to the employee's pension. This is known as a fully subsidized joint and survivor benefit, which does have a greater impact to the County's plan.

Taking into consideration the recommended marital assumption that 65 percent of employees are married, Mr. Lessl noted that a decrease of \$105,412 (actives only) would be realized. An additional \$100,000 savings would be realized if this assumption is used for retirees as well.

Ms. Brewington left the meeting.

### **Payroll Growth**

Payroll growth, currently 3.5 percent, is used as part of the methodology for amortizing the County's unfunded liability. There are two components of the County's required contribution: the current year's contribution and the contribution needed to make up for any shortfall. If there is underfunding, that

amount is amortized and added to the current year's contribution requirement. There is great variation in amortization methods used by governmental entities. The County uses a process that involves amortizing the entire unfunded amount every year over a 30-year period, using a 3.5 percent payroll growth assumption; this process does not cover the interest on the unfunded amount, which Mr. Lessl explained would prohibit the pension plan from ever being fully funded.

The Committee discussed various options and noted the importance of addressing this issue. Taking into consideration the recommended 2.5 percent payroll growth assumption, Mr. Lessl noted that an increase of \$74,935 would be realized. Reducing the payroll growth assumption to zero, the total increase would be approximately \$200,000.

In light of increased reporting regulations, Mr. Leahy expressed the importance of the County having a clear method to reduce and/or eliminate any unfunded liability over a reasonable period of time.

Ms. Jennings felt the County should have a goal to have a fully funded pension plan, and mentioned a zero percent payroll growth assumption.

Taking into consideration all of the above recommended assumptions changes, Mr. Lessl reported an overall savings of \$183,961 in the annual required contribution would be realized, or a total savings of approximately \$283,961 when using actual retiree spouse data.

In an effort to assist with these assumptions, Ms. Jennings stated that it was her intention to have an experience study performed every 5 years.

Mr. Leahy stated concern over a 30-year approach to eliminate the unfunded pension liability and would like to see a more aggressive methodology of addressing any unfunded liability.

Ms. Jennings referred to Mr. Shone's November 4, 2013 letter that was included in the information packet. Based upon the County's asset allocation mix and conservation investment approach, Peirce Park would like to see the County's assumed rate of return at no more than 7.5 percent. The packet also contained a study entitled, "NASRA Issue Brief: Public Pension Plan Investment Return Assumptions", which reflected that most governments are making the transition of decreasing their assumed rate of return; the state-by-state return assumptions showed Delaware currently using a rate of 7.5 percent. Ms. Jennings stated that the County's auditors are also making the recommendation for a 7.5 percent assumed rate of return.

Ms. Jennings noted that any assumption recommendations would be brought before Council at their December 10, 2013 meeting.

Regarding the retirement rate assumption, it was the consensus of the committee for Mr. Lessl to provide revised retirement figures taking into consideration the two early retirement options, which will be shared with the Committee prior to making recommendation to Council.

A Motion was made by Mr. Leahy, seconded by Mr. Baker, to make recommendation to the Sussex County Council to adjust the termination scale assumption as included in the chart entitled “Sussex County Employee Pension Plan Termination – Male (Recommended)” and “Sussex County Employee Pension Plan Termination – Female (Recommended)”.

Motion Adopted: 5 Yea.

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

A Motion was made by Mr. Leahy, seconded by Mr. Baker, to make recommendation to the Sussex County Council to reduce the assumed investment rate of return for the Pension and OPEB Plans to 7.5 percent and adjust the salary scale assumption as included in the chart entitled “County of Sussex Pension Plan Salary Increases (Recommended)”.

Motion Adopted: 5 Yea.

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

A Motion was made by Mr. Leahy, seconded by Mr. Baker, to make recommendation to the Sussex County Council to adjust the COLA assumption to 1.4 percent.

Motion Adopted: 5 Yea.

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

A Motion was made by Mr. Leahy, seconded by Mr. Baker, to make recommendation to the Sussex County Council to adjust the married marital status assumption to 65 percent for active employees.

Motion Adopted: 5 Yea.

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

A Motion was made by Mr. Leahy, seconded by Mr. Baker, to make recommendation to the Sussex County Council to adjust the payroll growth assumption to zero percent (while continuing to look at other options).

Motion Adopted: 5 Yea.

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

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

Mr. Shone suggested a slight revision to the sequence of the remaining agenda items.

### **Performance Reports of the Pension and OPEB Funds**

Mr. Shone provided copies of the “Sussex County Investment Performance Report – September 30, 2013”, which included 2 subsections for the County’s Pension and OPEB Funds, as well an introductory section regarding the overall Market Environment for the third quarter of 2013. Also provided were a quarterly newsletter, “Peirce Park Perspective – Fall 2013”, as well as a October 31, 2013 update on the OPEB Fund. Although the Investment Performance Report should be referenced for a more detailed analysis, highlights discussed include:

Mr. Shone noted that the stock markets performed very well during the third quarter, which was far better than anticipated; also anticipated was the slightly negative performance of the bond markets.

#### **Market Environment – 3<sup>rd</sup> Quarter**

- The fiscal year 2013 Federal deficit will be four percent of the Gross Domestic Product, compared to more than 10 percent in 2009.
- The job separation rate (quit rate versus laid off) reflects an increased quit rate, which is a positive sign of an improving labor market; workers typically quit when they have found other employment or are comfortable with their ability to secure another position.
- Although positive, the average hourly earnings growth rate of 2.2 percent in the 12 months ending August 2013 was below the 3.1 average growth rate, which impacts consumer spending and encourages the use of personal savings.

- U. S. equities, as of the end of September, were up 20 percent for the year; international equities were up 14.7 percent; U. S. bonds were down for the year; and high yield bonds up 3.7 year-to-date and 2.3 percent for the quarter. The County does not have direct exposure to junk bonds, other than what may be contained within the State Pool;
- Inflation-sensitive investments have been sharply negative for the year; and
- On average, small cap bonds were up 27.7 percent; mid cap – up 24.3 percent; and large cap – up 20.8 percent.

### **Tab II – Pension Fund**

- Portfolio gained \$2.4 million during the quarter – 4.2 percent gross return (approximate year-to-date gain of \$6.6 million, or 11.7 percent);
- Looking ahead/items to consider: actuarial return assumptions and investing the 2013 annual required contribution (ARC);
- As of September 30, 2013, the ending market value of the Pension Fund was \$62,514,074, a 12.5 percent one-year return;
- For the quarter, the Pension Fund had a 4.2 percent return, and ranked in the 21 percentile nationally for the year-to-date. Although the County has a lower allocation in equities, the types of equities are more conservative in nature. At the current time, the County has 12 percent in equities; Mr. Shone would recommend a change to 14 percent. International equities are slightly more volatile than domestic; and
- The County's expense ratio is .59 percent, which is higher than the rest of Peirce Park's public funds, but is due to the State Pool; their returns offset this additional cost.

### **Tab III – OPEB**

- Portfolio gained \$1.1 million net (of investment expenses) during the quarter – 4.4 percent gross return (year-to-date gain of \$2.5 million, or 10.3 percent). The OPEB Plan has very low investment manager fees;
- Looking ahead/things to consider: actuarial return assumptions, increase international target (12% to 14%), further international equity diversification, more active large cap stock diversification, and investing 2013 ARC;
- Ending market value – 27,102,650, year-to-date return of 10.3 percent; one year return – 11.4 percent, and two year return – 12.0 percent;

- The OPEB plan ranked in the 63<sup>rd</sup> percentile for the quarter, 44<sup>th</sup> for year-to-date; 57<sup>th</sup> percentile for the one-year ranking, and 80<sup>th</sup> percentile for the two-year ranking; and
- The County’s expense ratio was 32 basis points, or .32 percent.

Mr. Shone referred the Committee to a separate handout, “Sussex County OPEB – Total Fund as of October 31, 2013”. With a one month return of 2.7 percent, the year-to-date return was 13.0 percent. The ending market value as of October 31, 2013 was \$27,842,168.

**Annual Contribution/Investment for Pension and OPEB Funds**

Mr. Shone distributed two rebalancing handouts regarding the annual required contribution for both the Pension and OPEB plans.

A Motion was made by Mr. Baker, seconded by Mr. James, that the Sussex County Pension Fund Committee recommend to the Sussex County Council to invest the 2014 Pension Fund annual required contribution of \$3,087,012 in treasuries with the Wilmington Trust Company.

Motion Adopted: 5 Yea.

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

Mr. Shone noted that in speaking with Mr. D’Eramo, of Wilmington Trust, they would not charge an investment management fee, only a custody fee (approximately 3 to 5 basis points).

A Motion was made by Mr. Leahy, seconded by Mr. James, that the Sussex County Pension Fund Committee recommend to the Sussex County Council to invest the 2014 OPEB Fund annual required contribution of \$1,933,752 in short-term treasuries with the Wilmington Trust Company.

Motion Adopted: 5 Yea.

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

**Peirce Park Proposal**

Ms. Jennings explained that the next topic for discussion was Peirce Park’s proposals for increased services to manage the OPEB fund, with the intent for

better performance. Mr. Shone provided a letter dated November 5, 2013 explaining several consultant service options, as well as the fees involved:

Option 1: Continue as is, but with 4 or 5 recommended changes to the fund

Option 2: Peirce Park selects the funds, with weekly reviews by Peirce Park; a very hands-on approach

Option 3: Similar to Option 2, with weekly reviews by Peirce Park, but the County would still have the ultimate authority to make decisions

Options 2 and 3 would have extra cost (20 basis points) due to additional work and liability for Peirce Park. At the current time, Peirce Park is paid .1 percent in consultant fees.

With Options 2 and 3, possible Peirce Park recommendations would include:

1. On the bond side, no immediate changes would be made at this time;
2. On the stock side, add one additional large cap;
3. Increased diversification on the international side – probably four funds instead of two;
4. Increase international funds to 14 percent;
5. Increase diversification in the mid and small cap area; and
6. Weekly meetings – including rebalancing

Discussion was held regarding the various consultant service options.

With Option 2, Peirce Park's specific recommendation would still be brought before the Pension Committee.

Ms. Jennings stated that she does not feel comfortable regarding the extra fees and making decisions without the Committee's input.

Mr. Shone recommended that the County try Option 3 for 12 months, with Peirce Park waiving any related costs. At the end of that time period, if the County determined the services to be worthwhile, Peirce Park would receive compensation for the additional OPEB consultant services.

A Motion was made by Mr. Leahy, seconded by Mr. Baker, to accept Option 3 offered by Peirce Park Group, with fees deferred 6 months to a year, based on performance.

Motion Adopted: 5 Yea.

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



Ms. Jennings thanked Mr. Shone for his time and presentation.

### **Pension Investment Policy Statement Update**

Ms. Jennings distributed copies of a booklet entitled, “Employee Pension Investment Policy Statement – Proposed Revisions”, which contained the current Investment Policy Statement adopted in 2007; recommended changes and the reasons for such changes; and a final copy of the IPS with recommended revisions. Members are to review the information for discussion at the February 2014 meeting.

### **2014 Meeting Dates**

Ms. Jennings announced the quarterly meetings for 2014: February 20, May 15, August 21, and November 13. All meetings begin at 10:00 a.m. and are held in the Sussex County Council Chambers.

### **Additional Business**

Ms. Jennings reiterated that the Committee’s recommendations will be brought before Council at their December 10, 2012 meeting, with Mr. Shone in attendance.

At 12:22 p.m., a Motion was made by Mr. Leahy, seconded by Mr. Baker, to adjourn.

Motion Adopted: 5 Yea.

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

Respectfully submitted,

Nancy J. Cordrey  
Administrative Secretary

Actuarial Assumption Change Recommendations

<b>Assumption</b>	<b>Current</b>	<b>Recommended</b>	<b>Change to Annual Required Contribution</b>
Termination	table	table	76,605
Salary Scale	5.0%	3.8%	(469,509)
Investment Rate	8.0%	7.5%	478,340
COLA	2.0%	1.4%	(327,347)
Marital Status	100.0%	65.0%	(105,412)
Payroll Growth	3.50%	0%	262,272
Total change in Annual Required Contribution			(85,051)



# SUSSEX COUNTY

Investment Performance Report  
September 30, 2013



PEIRCE PARK GROUP

# TABLE OF CONTENTS

I. Market Environment

II. Pension

III. OPEB



# PEIRCE PARK GROUP

## PERFORMANCE EVALUATION AND REPORTING SERVICES INFORMATION DISCLAIMER

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

Where we use the InvestorForce database, total fund universes are generally comprised using gross of management fee return calculations. When clients have investment managers that provide net of fee return calculations or asset values (e.g. mutual funds), we increase (gross-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 can make no guarantee as to the accuracy of fee calculations.

Depending on the client, we may use attribution on segments of the portfolio to help explain sources of return. It is important to note that total fund attribution is calculated using the total fund's policy index. When attribution is used, we analyze each segment and then combine the results to calculate total fund effects. Although the sum of segment benchmarks is very close to the total fund policy index, there may not be an exact match.

The value of securities held by mutual fund investment companies is the market value when market quotations are readily available. When market quotations are not readily available, a fund must use "fair values", as determined in good faith by the fund's board of directors or Fair Valuation Committee. Mutual funds that hold international securities value these holdings using Fair Market Valuation. International markets are closed when U.S. markets are open and trading. Once the international market is closed, there is a static value to the security in that particular market, while the value of that security on the U.S. market may fluctuate, due to supply and demand for the security. Therefore, the valuation of the security in the U.S. market is based on the fluctuations that take place in the U.S. market during the hours that the international market was closed. Benchmarks do not use Fair Market Valuation. Therefore, the difference in returns between benchmarks and mutual funds may be attributable to this phenomenon.

**2013-04-22**

**Information Disclaimer**

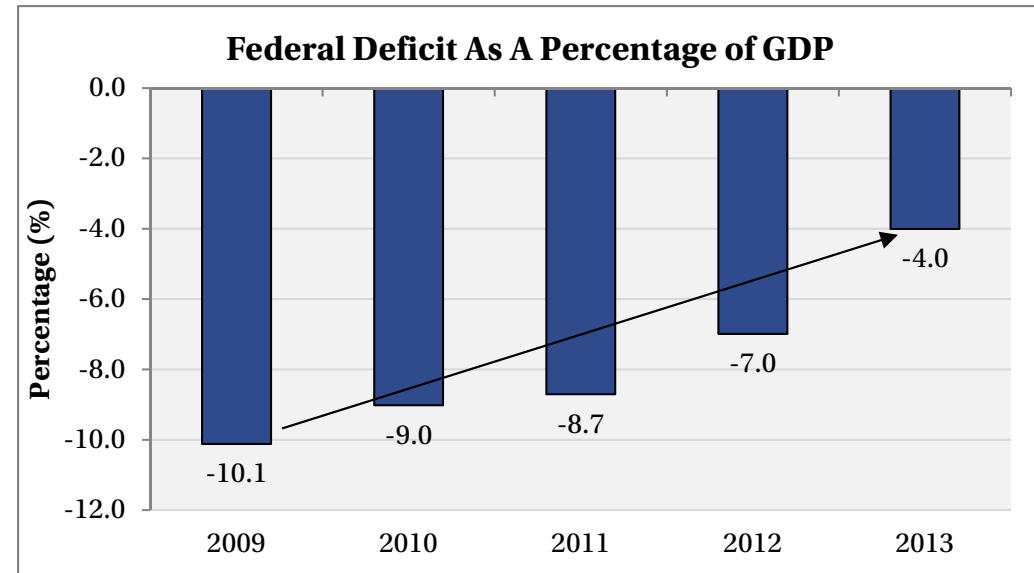
# MARKET ENVIRONMENT

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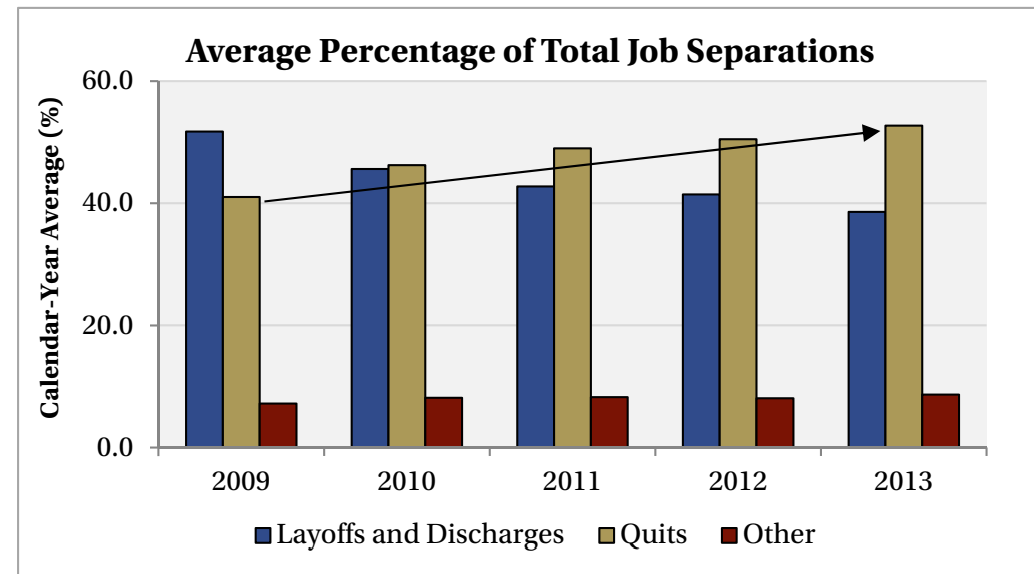


# ECONOMIC SUMMARY

- The Congressional Budget Office estimates that the fiscal-year 2013 deficit will be just 4% of GDP, compared to more than 10% in 2009. Despite this tightening in fiscal policy, the economy has maintained steady, but slow, growth.
- Monetary policy, on the other hand, is almost the polar opposite of fiscal policy. At its September meeting, the Federal Reserve (Fed) decided to maintain its historic policy.
- The labor market continues its gradual recovery. For example, the job quit rate is increasing. This is a sign of an improving labor market, as workers typically quit when they have already found other work or are comfortable with their ability to secure another position.



Source: Board of Governors of the Federal Reserve System/FRED.  
Please Note: 2013 reflects an estimate by the Congressional Budget Office .

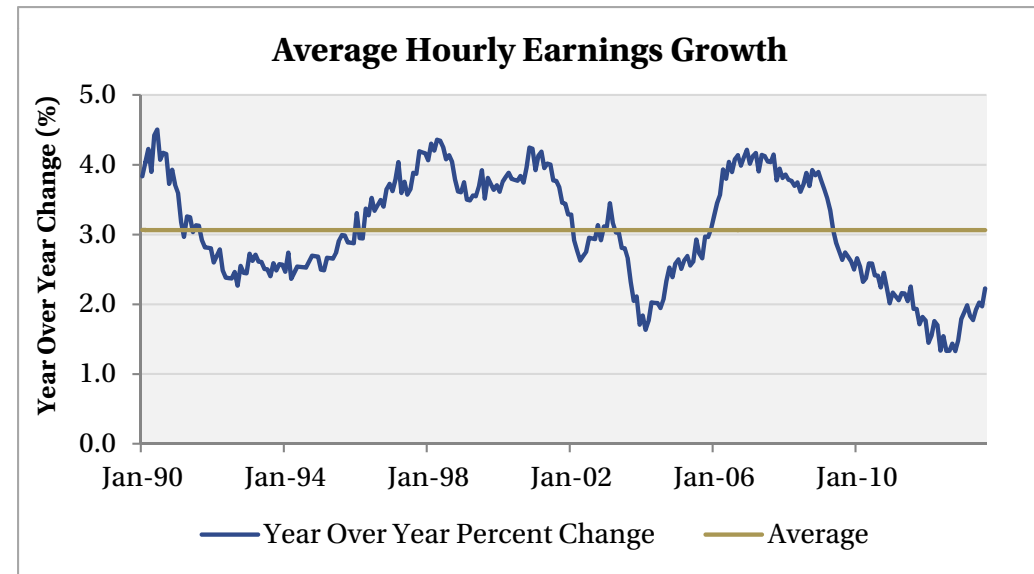


Source: Board of Governors of the Federal Reserve System/FRED.  
Please Note: 2013 data are through August.

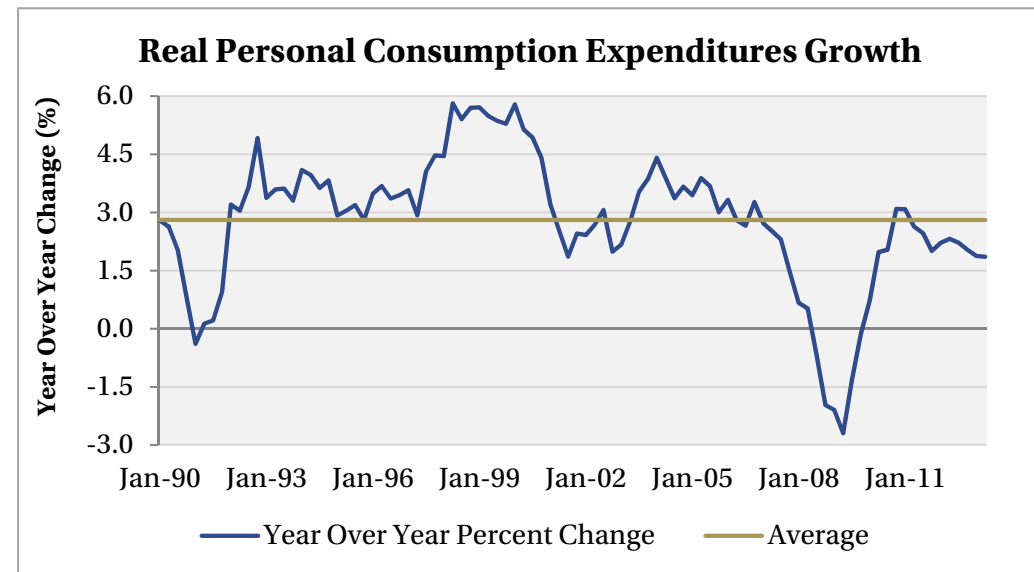


# ECONOMIC SUMMARY

- Employment gains have not translated into a meaningful increase in wage growth. For example, average hourly earnings for private sector employees grew at 2.2% in the twelve months ending August 2013, well below the 3.1% average growth rate since 1990.
- With savings hovering near recent lows, consumer spending is unlikely to pick up on a sustained basis, without an acceleration in income growth. Recent economic statistics reflect this dynamic. For instance, consumer spending growth for nondurable goods and for services were 1.6% and 1.2%, respectively, in Q2. These data are in line with income growth over the same period.



Source: Board of Governors of the Federal Reserve System/FRED.



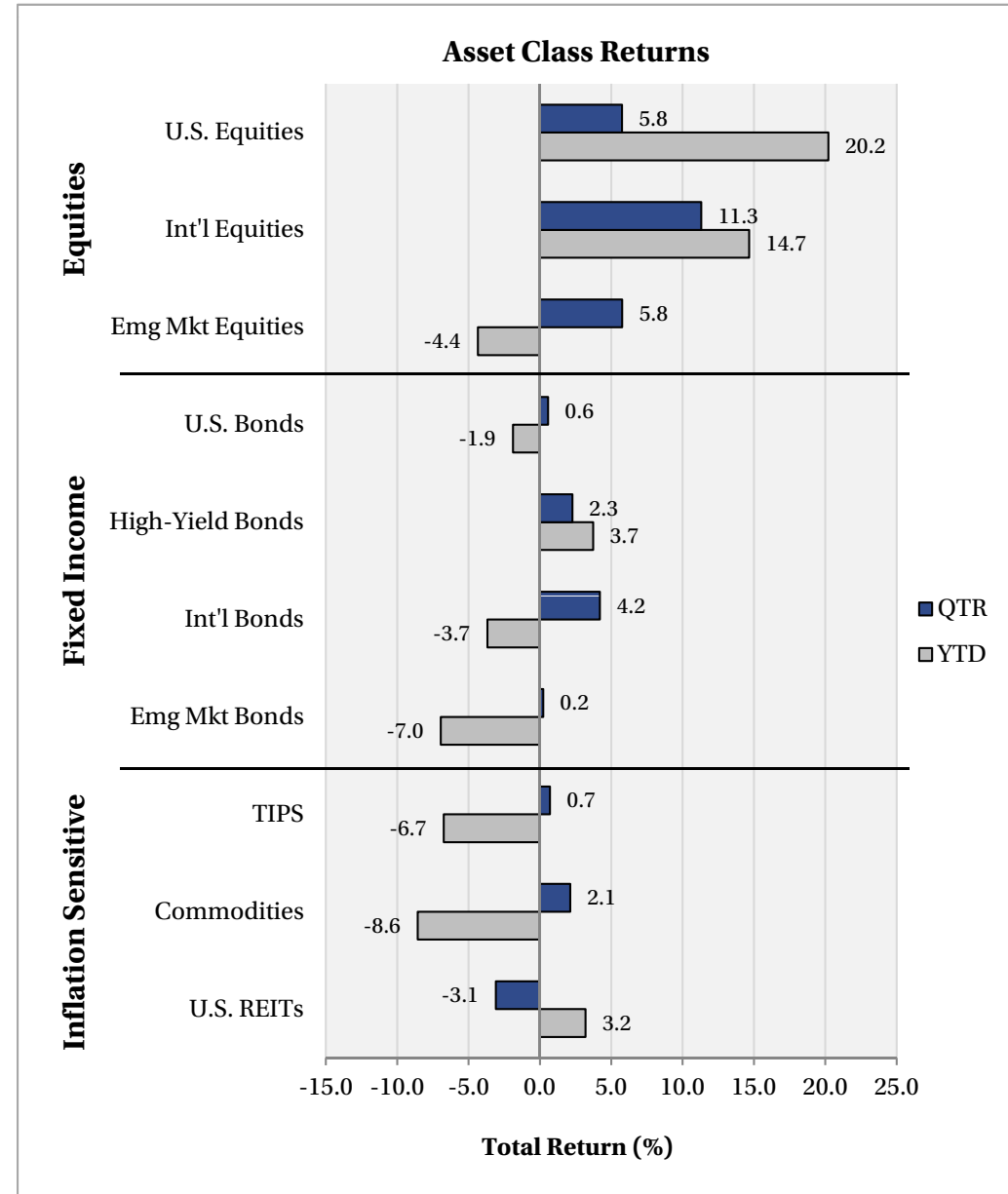
Source: Board of Governors of the Federal Reserve System/FRED.





# GLOBAL ASSET CLASS PERFORMANCE

- Developed equity markets posted strong returns in Q3. Returns were broad-based, with a majority of markets posting double-digit gains. Emerging markets were in the black as well though trailed non-U.S. developed markets.
- Fixed income markets rebounded slightly from second quarter losses. Long-term U.S. government bonds underperformed, while high-yield bonds returned 2.3%, outperforming both government bonds and investment-grade issues.
- Inflation-sensitive assets were mixed in the quarter. TIPS rebounded from a poor Q2, returning 0.7%, as real yields declined slightly. Commodities also did well, particularly precious metals.

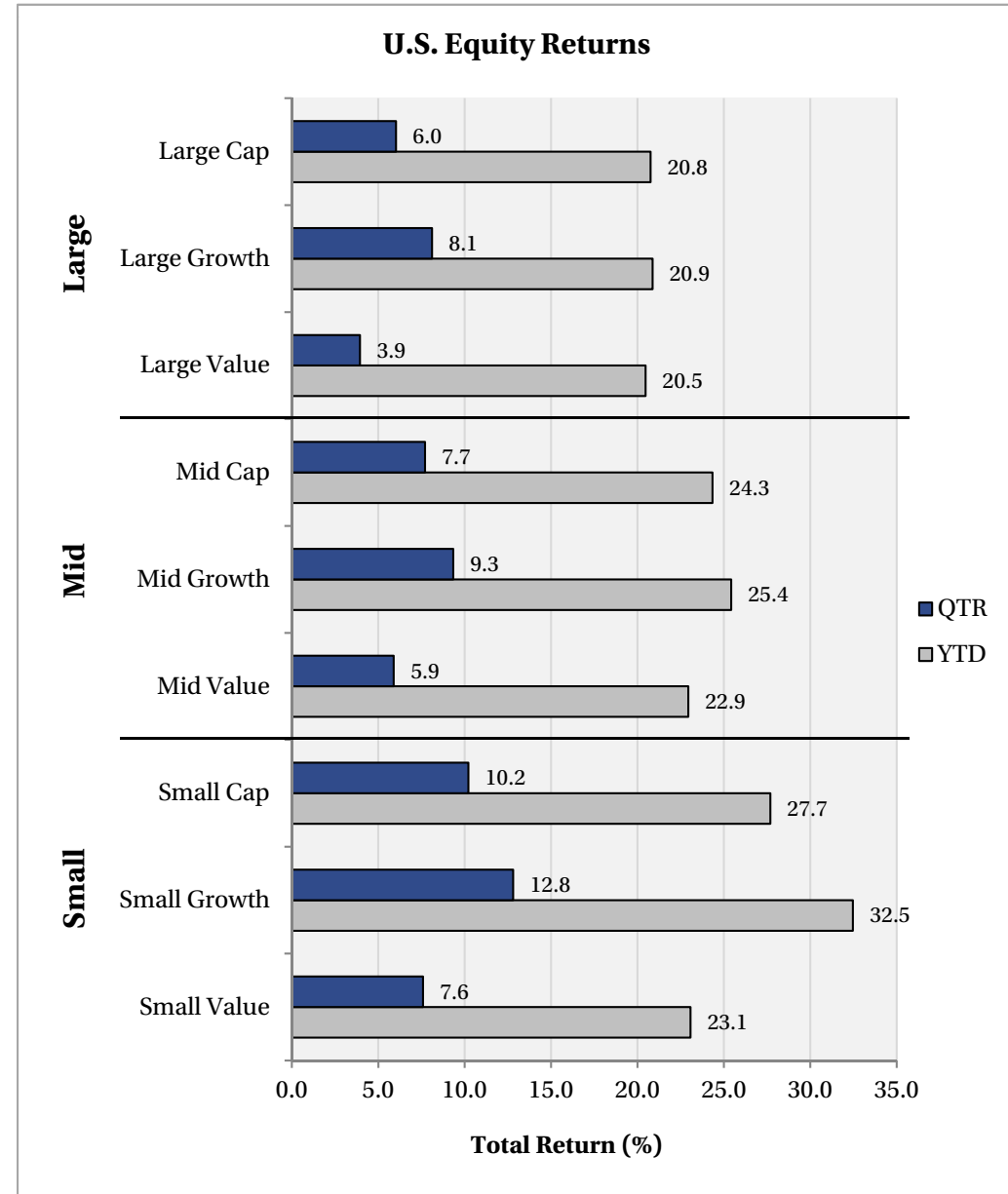


Source: Morningstar



# U.S. EQUITIES

- U.S. equity markets (as measured by the Russell 3000 Index) posted another strong quarter in Q3, returning 6.3%.
- The huge gain, however, masks some intra-quarter volatility. Markets posted sizable gains in July and September, sandwiching losses in August.
- Investor sentiment was boosted by the Fed, which decided not to taper its asset purchases, along with an improved outlook for the Chinese and European economies.
- Gains for the quarter were broad-based across the capitalization spectrum. Among styles, growth stocks managed to outperform value equities for the first time since Q1 2012.



Source: Russell



# U.S. SIZE, STYLE, AND SECTOR PERFORMANCE

<b>DOMESTIC EQUITY</b>	<b><u>QTR</u></b>	<b><u>YTD</u></b>	<b><u>1 Year</u></b>	<b><u>3 Year</u></b>	<b><u>5 Year</u></b>	<b><u>10 Year</u></b>
S&P 500 Index	5.2	19.8	19.3	16.3	10.0	7.6
Russell 3000 Index	6.3	21.3	21.6	16.8	10.6	8.1
Russell 3000 Growth Index	8.5	21.8	20.3	17.2	12.2	8.0
Russell 3000 Value Index	4.2	20.7	22.7	16.3	8.9	8.1
Russell TOP 200 Index	5.3	19.2	18.0	16.2	9.6	6.9
Russell TOP 200 Growth Index	7.5	19.0	16.1	16.7	11.4	7.1
Russell TOP 200 Value Index	3.1	19.4	20.0	15.8	7.6	6.7
Russell 1000 Index	6.0	20.8	20.9	16.6	10.5	8.0
Russell 1000 Growth Index	8.1	20.9	19.3	16.9	12.1	7.8
Russell 1000 Value Index	3.9	20.5	22.3	16.2	8.9	8.0
Russell Mid-Cap Index	7.7	24.3	27.9	17.5	13.0	10.8
Russell Mid-Cap Growth Index	9.3	25.4	27.5	17.7	13.9	10.2
Russell Mid-Cap Value Index	5.9	22.9	27.8	17.3	11.9	10.9
Russell 2000 Index	10.2	27.7	30.1	18.3	11.2	9.6
Russell 2000 Growth Index	12.8	32.5	33.1	20.0	13.2	9.9
Russell 2000 Value Index	7.6	23.1	27.0	16.6	9.1	9.3
<b>DOMESTIC EQUITY BY SECTOR (MSCI)</b>						
Consumer Discretionary	8.6	30.2	34.0	24.3	19.3	10.0
Consumer Staples	1.4	17.3	15.6	16.4	11.2	10.4
Energy	6.1	16.6	13.5	15.1	6.7	14.5
Financials	2.9	21.4	27.4	13.7	2.9	1.7
Health Care	8.0	30.1	29.5	21.8	13.9	9.2
Industrials	9.6	25.6	32.1	17.9	11.3	9.7
Information Technology	9.0	16.8	11.4	14.4	12.7	7.7
Materials	10.0	13.1	17.1	12.8	9.3	10.7
Telecommunication Services	(3.2)	7.2	1.3	12.4	10.8	8.9
Utilities	0.4	11.6	9.0	11.5	7.8	9.9

# REGIONAL PERFORMANCE ACROSS MARKETS

<b>INTERNATIONAL/GLOBAL EQUITY</b>	<b>QTR</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>
MSCI EAFE (Net)	11.6	16.1	23.8	8.5	6.4	8.0
MSCI EAFE Growth (Net)	10.5	16.5	23.3	8.9	6.8	8.0
MSCI EAFE Value (Net)	12.6	15.7	24.3	8.0	5.9	7.9
MSCI EAFE Small Cap (Net)	15.5	22.1	29.4	11.2	11.4	10.3
MSCI AC World Index (Net)	7.9	14.4	17.7	10.2	7.7	7.9
MSCI AC World Index Growth (Net)	8.7	14.6	17.1	10.8	8.5	7.8
MSCI AC World Index Value (Net)	7.2	14.2	18.4	9.6	6.9	7.9
MSCI Europe ex UK (Net)	14.4	18.1	28.2	8.0	5.2	8.7
MSCI United Kingdom (Net)	12.0	12.3	17.0	10.2	7.7	8.1
MSCI Pacific ex Japan (Net)	10.3	5.2	11.6	7.4	11.6	12.6
MSCI Japan (Net)	6.7	24.3	31.5	8.9	5.2	4.8
MSCI Emerging Markets (Net)	5.8	(4.4)	1.0	(0.3)	7.2	12.8
<b>FIXED INCOME</b>						
Merrill Lynch 3-month T-Bill	0.0	0.1	0.1	0.1	0.2	1.7
Barclays Intermediate Government/Credit	0.6	(0.8)	(0.5)	2.4	5.0	4.1
Barclays Aggregate Bond	0.6	(1.9)	(1.7)	2.9	5.4	4.6
Barclays Short Government	0.1	0.1	0.2	0.5	1.1	2.3
Barclays Intermediate Government	0.4	(0.8)	(0.8)	1.8	3.5	3.8
Barclays Long Government	(2.1)	(9.8)	(10.4)	3.6	6.5	6.1
Barclays Investment Grade Corporates	0.8	(2.6)	(1.6)	4.4	9.2	5.3
Barclays High Yield Corporate Bond	2.3	3.7	7.1	9.2	13.5	8.9
JPMorgan Global ex US Bond	4.2	(3.7)	(6.3)	0.5	4.6	5.1
JPMorgan Emerging Market Bond	0.2	(7.0)	(3.8)	1.8	6.1	9.1
<b>INFLATION SENSITIVE</b>						
Consumer Price Index*	0.2	1.9	1.5	2.3	1.3	2.4
Barclays TIPS	0.7	(6.7)	(6.1)	4.0	5.3	5.2
DJ-UBS Commodity Index	2.1	(8.6)	(14.3)	(3.2)	(5.3)	2.1
DJ-UBS Gold Index	8.3	(21.2)	(25.6)	(0.2)	7.8	12.2
FTSE NAREIT Equity REITs	(3.1)	3.2	5.9	12.3	5.7	9.5
FTSE EPRA/NAREIT Global REITs	2.1	3.4	9.9	9.2	7.3	-

\*Data through August 2013

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

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# PENSION

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# OBSERVATIONS FOR SUSSEX COUNTY

- 3<sup>rd</sup> quarter gain - \$2.4 million(net)

3<sup>rd</sup> quarter return: 4.2% (gross)

- YTD gain - \$6.6 million (net)

YTD return: 11.7% (gross)



# LOOKING AHEAD FOR SUSSEX COUNTY

- Actuarial return assumptions
- Investing 2013 ARC



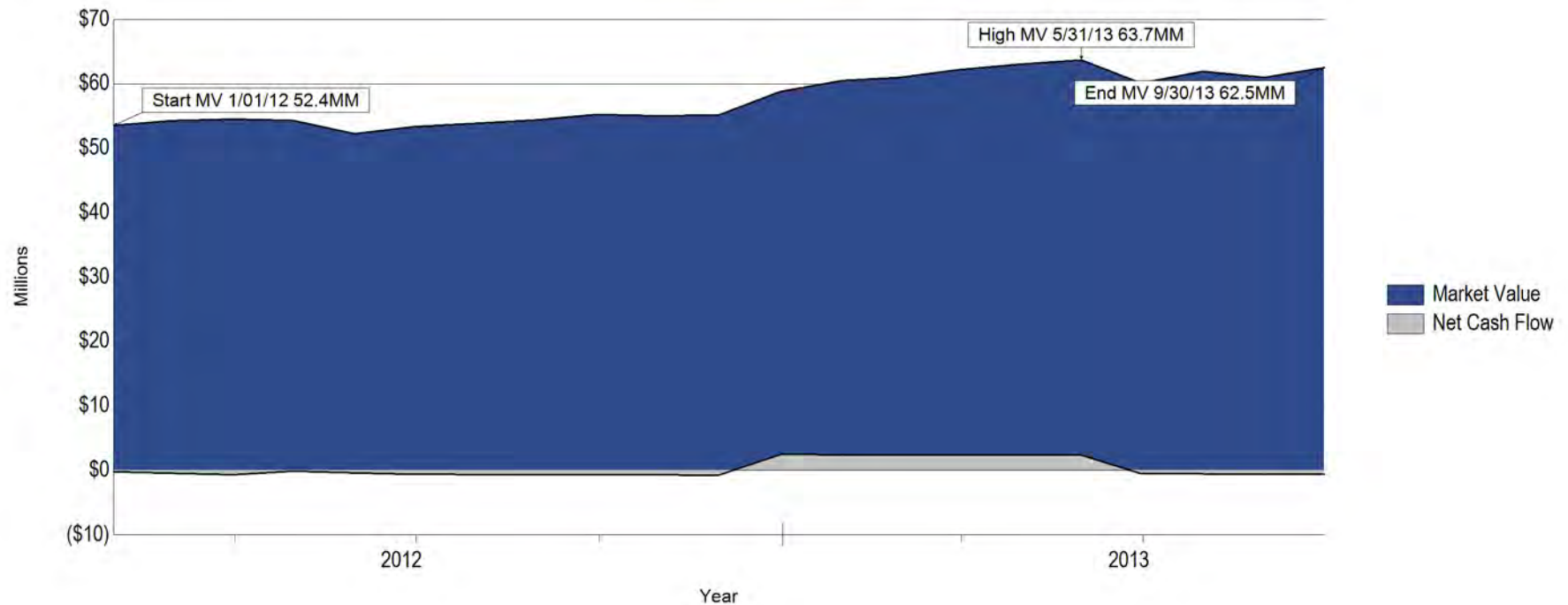


As of September 30, 2013

### Summary of Cash Flows

Sources of Portfolio Growth	Third Quarter	Year-To-Date	One Year
<b>Beginning Market Value</b>	<b>\$60,110,352.6</b>	<b>\$58,813,167.3</b>	<b>\$55,251,502.8</b>
Net Additions/Withdrawals	-\$66,971.7	-\$2,951,589.4	\$225,397.4
Investment Earnings	\$2,470,693.9	\$6,652,496.7	\$7,037,174.5
<b>Ending Market Value</b>	<b>\$62,514,074.7</b>	<b>\$62,514,074.7</b>	<b>\$62,514,074.7</b>
Time Weighted Return	4.2%	11.7%	12.5%

Market Value History  
1 Year 9 Months Ending 9/30/13

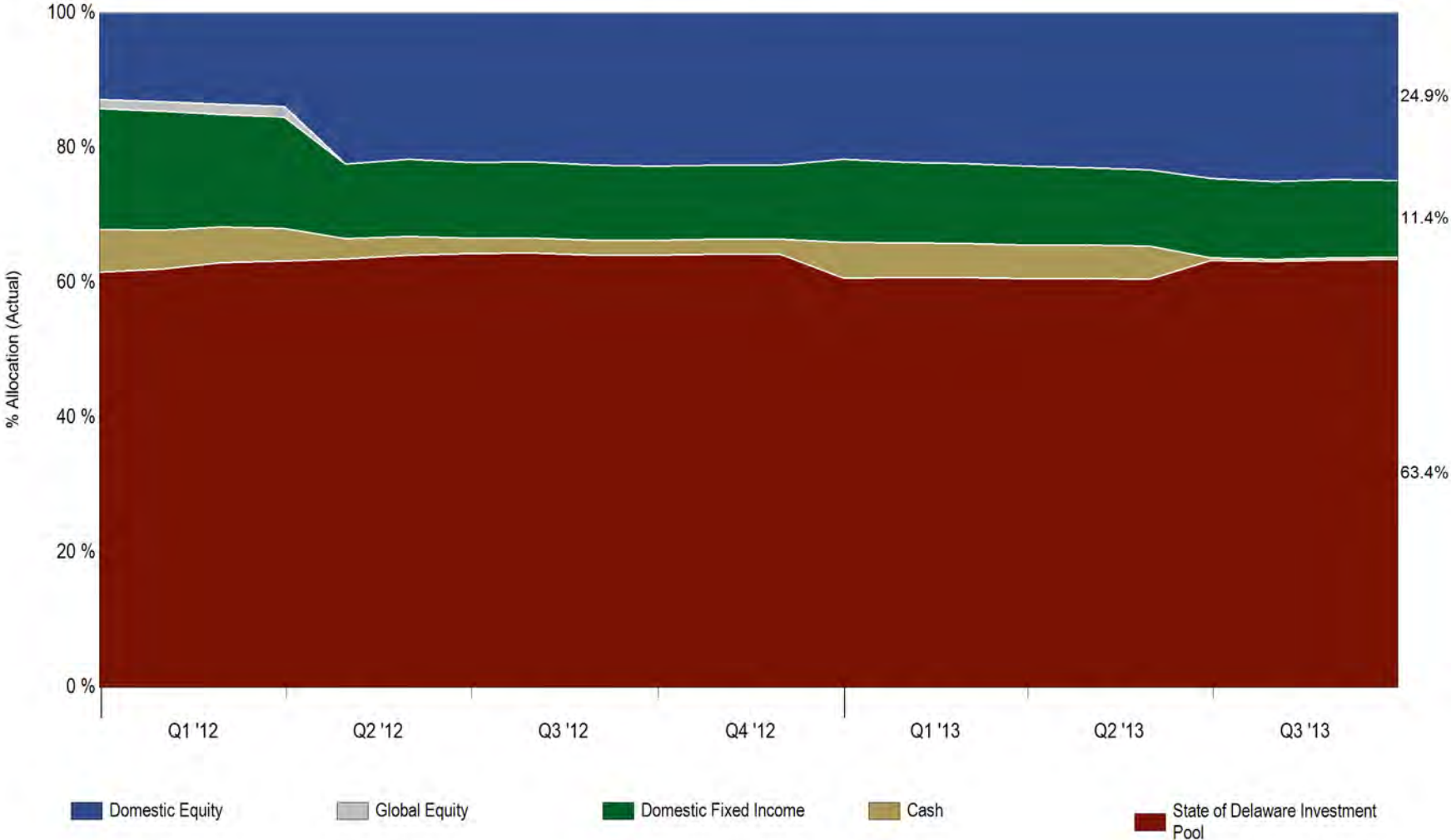


As of September 30, 2013

## Quarter Ending September 30, 2013

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Dupont Capital Investment	\$10,477,350	-\$1,957	\$448,357	\$10,923,750
Fidelity Low Price Stock	\$4,280,092	\$0	\$342,699	\$4,622,791
Operating Account	\$238,880	-\$45,283	\$84	\$193,680
State of Delaware Investment Pool	\$38,000,916	-\$16,345	\$1,644,400	\$39,628,971
Wilmington Trust Bonds	\$7,113,115	-\$3,387	\$35,155	\$7,144,883
<b>Total</b>	<b>\$60,110,353</b>	<b>-\$66,972</b>	<b>\$2,470,694</b>	<b>\$62,514,075</b>

Asset Allocation History  
 1 Year 9 Months Ending September 30, 2013



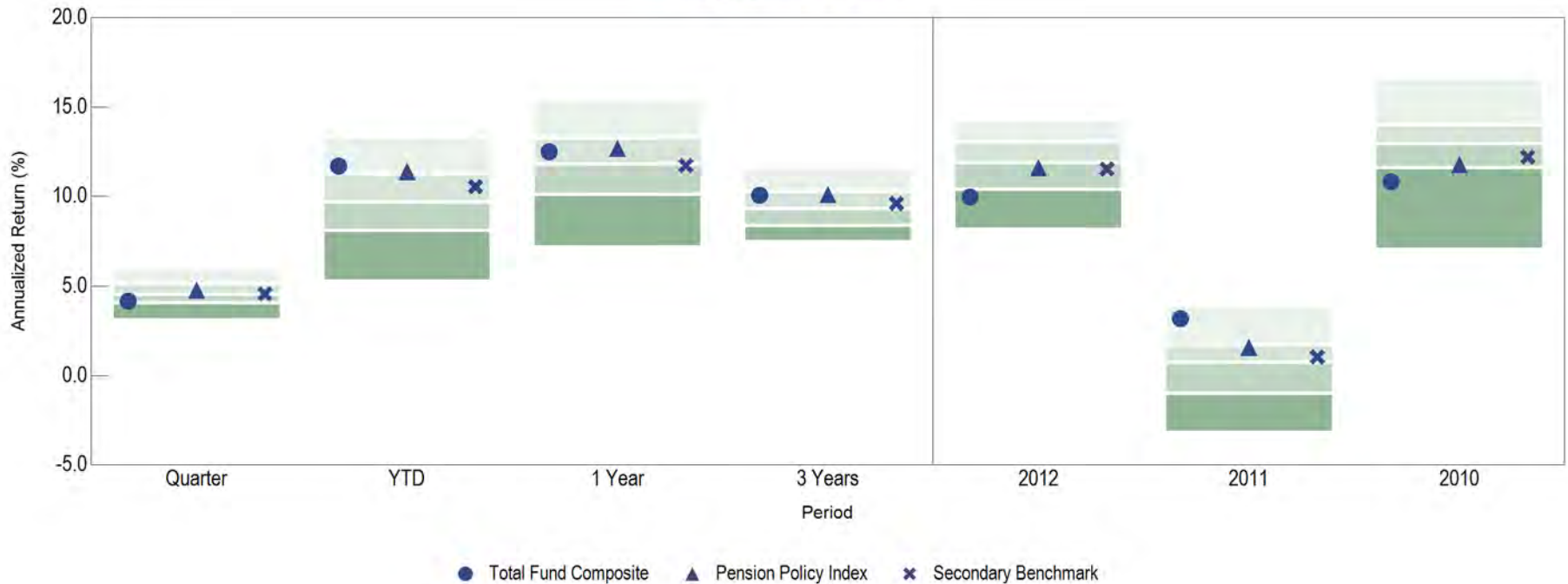
Sussex County Pension  
Total Fund Composite

Total Plan Performance

As of September 30, 2013

	Ending September 30, 2013								Inception					
	2013 Q3 Rank	YTD Rank	1 Yr Rank	3 Yrs Rank	2012 Rank	2011 Rank	Return	Since	2012 Rank	2011 Rank	Return	Since		
<b>Total Fund Composite</b>	<b>4.2%</b>	<b>73</b>	<b>11.7%</b>	<b>21</b>	<b>12.5%</b>	<b>36</b>	<b>10.1%</b>	<b>30</b>	<b>10.0%</b>	<b>80</b>	<b>3.2%</b>	<b>11</b>	<b>11.4%</b>	<b>Jan-09</b>
<i>Pension Policy Index</i>	4.8%	43	11.4%	23	12.7%	35	10.1%	30	11.6%	60	1.6%	28	12.2%	Jan-09
<i>Secondary Benchmark</i>	4.6%	50	10.5%	40	11.7%	53	9.6%	43	11.5%	61	1.0%	44	11.7%	Jan-09

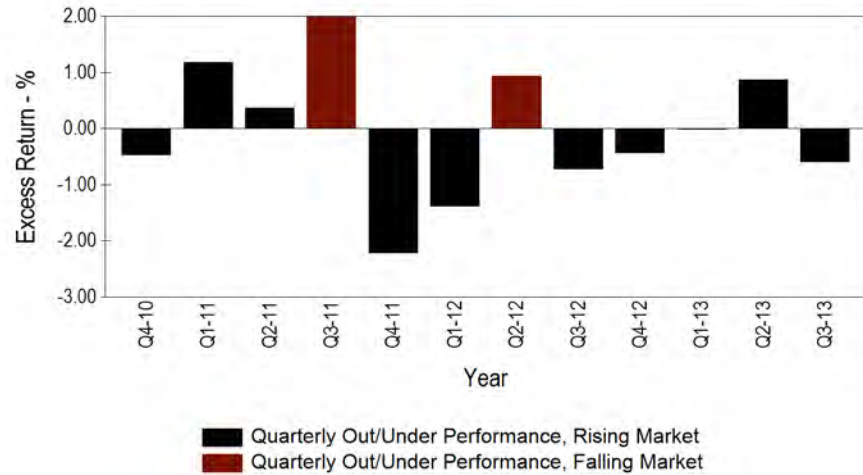
IF Public DB Gross Accounts  
Ending September 30, 2013



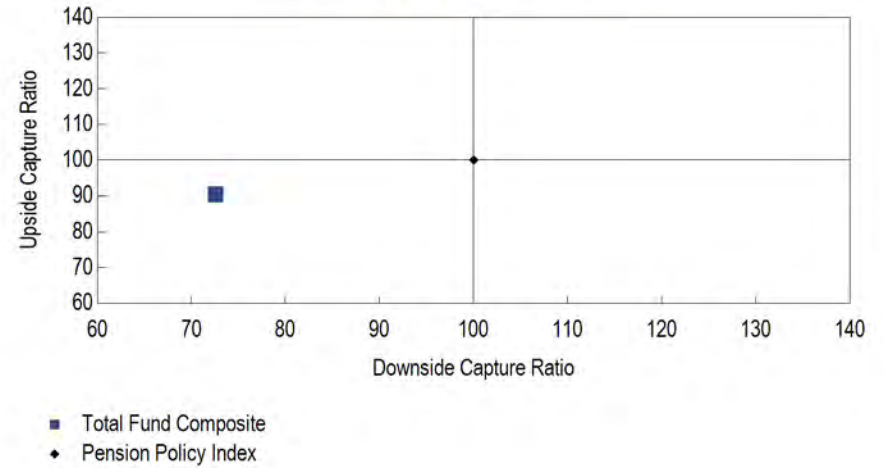
Current Policy Index: 46% Russell 3000 / 40% Barclays Intermediate Gov't/Credit / 14% MSCI EAFE (Net)

Current Secondary Benchmark: 46% Russell 3000 / 40% Barclays Intermediate Gov't/Credit / 14% MSCI ACWI ex US (Net)

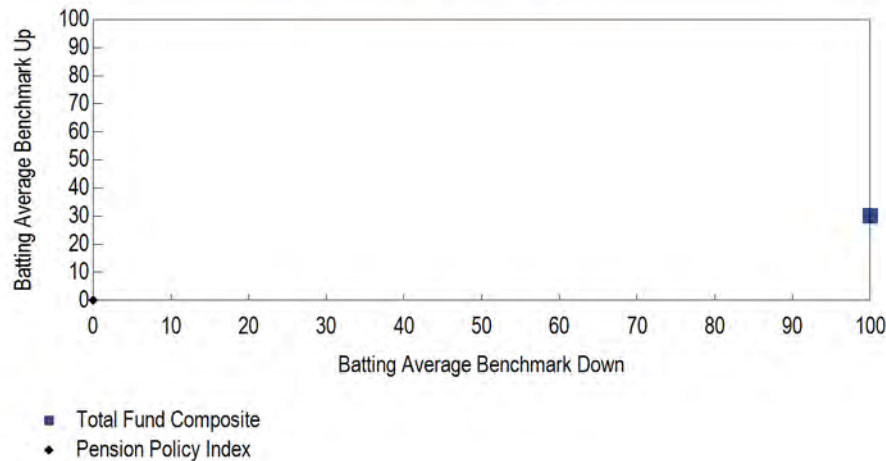
Quarterly Excess Performance



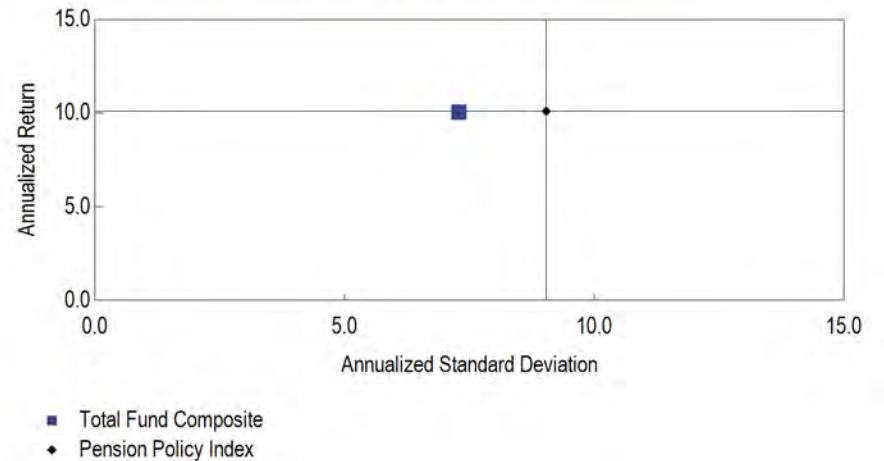
Upside Capture Ratio vs. Downside Capture Ratio  
3 Years Ending September 30, 2013



Batting Average Benchmark Up vs. Batting Average Benchmark Down  
3 Years Ending September 30, 2013



Annualized Return vs. Annualized Standard Deviation  
3 Years Ending September 30, 2013



Sussex County Pension  
Total Fund Composite

Performance Summary

As of September 30, 2013

	% of Portfolio	Ending September 30, 2013								Inception					
		2013 Q3 Rank	YTD Rank	1 Yr Rank	3 Yrs Rank	2012 Rank	2011 Rank	Return	Since						
<b>Total Fund Composite</b>	<b>100.0%</b>	<b>4.2%</b>	<b>73</b>	<b>11.7%</b>	<b>21</b>	<b>12.5%</b>	<b>36</b>	<b>10.1%</b>	<b>30</b>	<b>10.0%</b>	<b>80</b>	<b>3.2%</b>	<b>11</b>	<b>11.4%</b>	<b>Jan-09</b>
<i>Pension Policy Index</i>		4.8%	43	11.4%	23	12.7%	35	10.1%	30	11.6%	60	1.6%	28	12.2%	Jan-09
<i>Secondary Benchmark</i>		4.6%	50	10.5%	40	11.7%	53	9.6%	43	11.5%	61	1.0%	44	11.7%	Jan-09
Dupont Capital Investment	17.5%	4.3%	84	20.2%	54	19.8%	41	17.1%	20	15.4%	52	5.0%	13	--	Apr-10
<i>S&amp;P 500</i>		5.2%	67	19.8%	62	19.3%	46	16.3%	34	16.0%	44	2.1%	35	--	Apr-10
Fidelity Low Price Stock	7.4%	8.2%	77	25.3%	62	29.6%	55	18.8%	39	19.5%	12	0.8%	13	15.4%	Sep-08
<i>Russell 2000</i>		10.2%	34	27.7%	34	30.1%	45	18.3%	47	16.3%	39	-4.2%	66	11.2%	Sep-08
Wilmington Trust Bonds	11.4%	0.5%	--	-1.0%	--	-0.8%	--	1.9%	--	2.6%	--	5.9%	--	1.9%	Sep-10
<i>Barclays Int Govt.</i>		0.4%	--	-0.8%	--	-0.8%	--	1.8%	--	1.7%	--	6.1%	--	1.8%	Sep-10
Operating Account	0.3%	0.0%	--	0.1%	--	0.1%	--	--	--	0.0%	--	--	--	0.1%	Sep-11
<i>91 Day T-Bills</i>		0.0%	--	0.0%	--	0.1%	--	--	--	0.1%	--	--	--	0.1%	Sep-11
State of Delaware Investment Pool	63.4%	4.4%	--	11.4%	--	12.4%	--	10.6%	--	11.2%	--	2.9%	--	--	
<i>Balanced Pooled Fund Policy Index</i>		4.7%	--	9.1%	--	10.7%	--	9.1%	--	12.0%	--	0.8%	--	--	

Current Policy Index: 46% Russell 3000 / 40% Barclays Intermediate Gov't/Credit / 14% MSCI EAFE (Net)

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.

Please note: All returns shown are gross of fees, including mutual funds. All returns over one year are annualized.

Sussex County Pension  
**Total Fund Composite**

As of September 30, 2013

Account	Fee Schedule	Market Value As of 9/30/2013	% 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	\$10,923,750	17.5%	\$38,233	0.35%
Fidelity Low Price Stock	0.83% of Assets	\$4,622,791	7.4%	\$38,369	0.83%
Wilmington Trust Bonds	0.20% of Assets	\$7,144,883	11.4%	\$14,290	0.20%
Operating Account	No Fee	\$193,680	0.3%	--	--
State of Delaware Investment Pool	0.70% of Assets	\$39,628,971	63.4%	\$276,610	0.70%
<b>Investment Management Fee</b>		<b>\$62,514,075</b>	<b>100.0%</b>	<b>\$367,502</b>	<b>0.59%</b>

Please note: Expense Ratio of 0.70% was provided to Peirce Park Group by the Delaware Public Employees' Retirement System.

# U.S. EQUITIES

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As of September 30, 2013

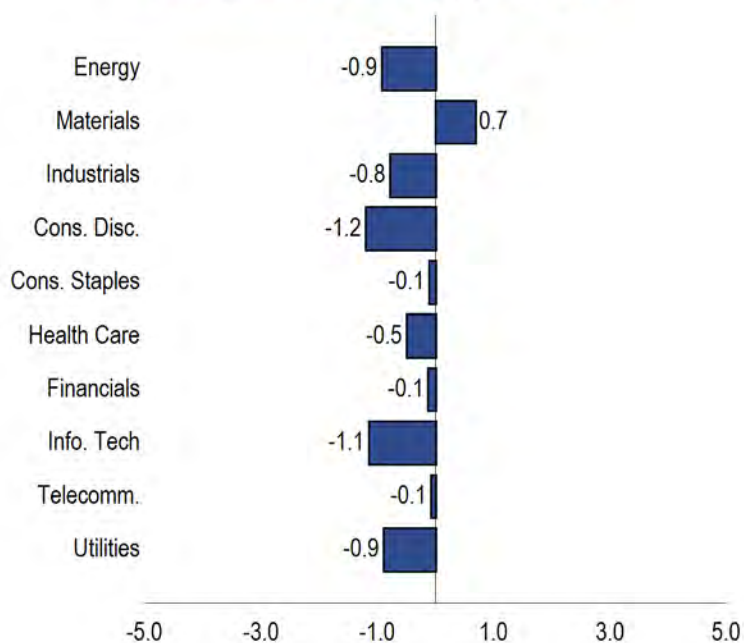
**Manager Summary**

- Strategy seeks to systematically identify companies with sustainable earnings power trading at reasonable valuations.
- Quantitative approach looks for companies with the strongest relative value within their industries through a combination of valuation, quality and momentum characteristics.
- Focuses on companies that are under-priced relative to their long-term intrinsic value and supported by sustainable, high quality earnings and realistic cash flows expectations.
- Enhanced index portfolio of 100 to 200 securities, targets a tracking error between 1.5% and 2.25 relative to the S&P 500.

**Portfolio Information**

	Portfolio	S&P 500
Number of Holdings	146	500
Weighted Avg. Market Cap. (\$B)	106.17	103.01
Median Market Cap. (\$B)	29.33	15.04
Price To Earnings	17.64	19.13
Price To Book	2.98	3.55
Price To Sales	1.70	2.14
Return on Equity (%)	17.83	18.32
Yield (%)	2.23	2.13
Beta	0.99	1.00

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

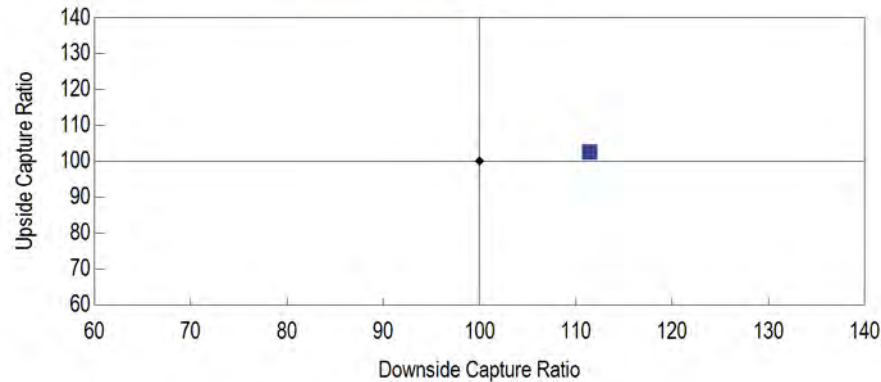


**Top Ten Holdings**

SPDR S&P 500 ETF TST.	4.9%
APPLE	2.8%
EXXON MOBIL	2.3%
CHEVRON	2.3%
MICROSOFT	2.2%
PFIZER	2.2%
JP MORGAN CHASE & CO.	2.2%
WELLS FARGO & CO	2.1%
GENERAL ELECTRIC	1.7%
INTERNATIONAL BUS.MCHS.	1.6%
<b>Total For Top Ten Holdings</b>	<b>24.2%</b>

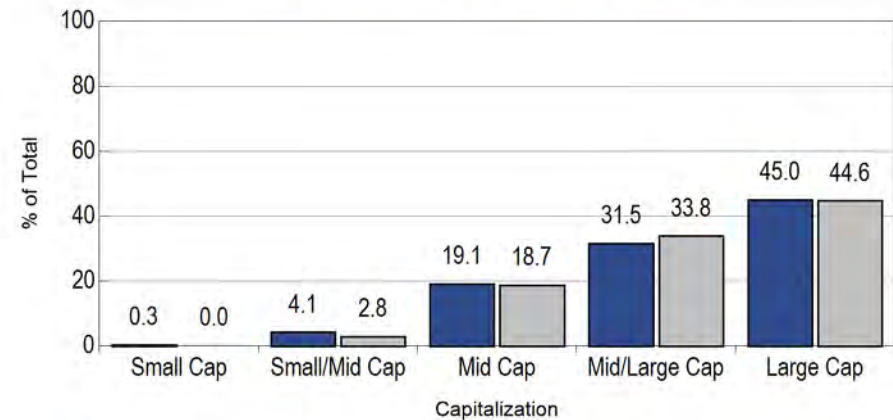
As of September 30, 2013

Upside Capture Ratio vs. Downside Capture Ratio  
 2 Years Ending September 30, 2013



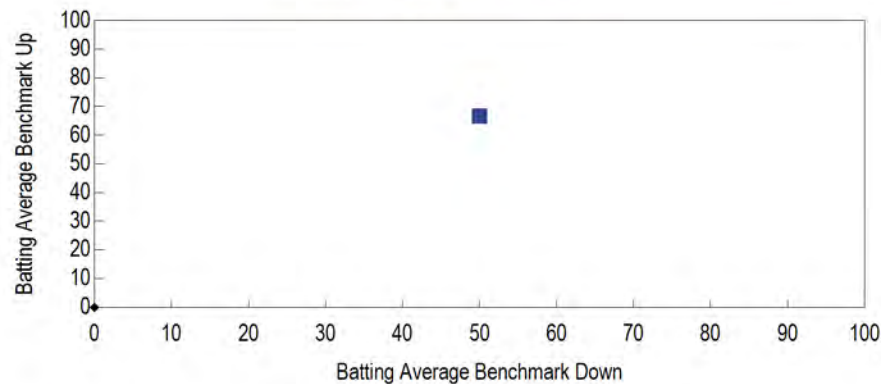
- Dupont Capital Investment
- ◆ S&P 500

Market Capitalization As Of September 30, 2013



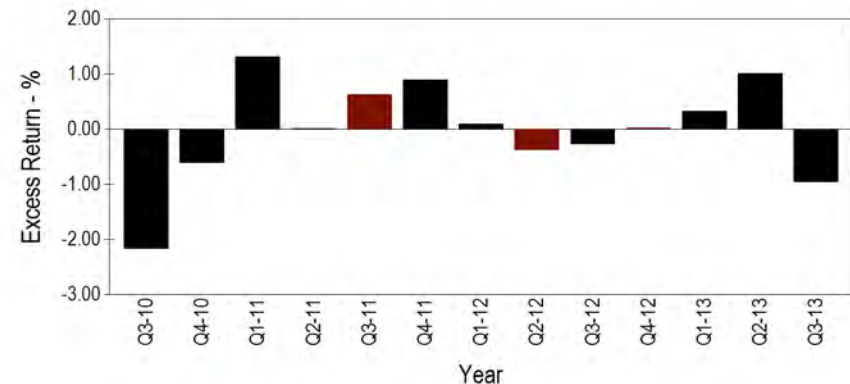
- Dupont Capital Investment
- S&P 500

Batting Average Benchmark Up vs. Batting Average Benchmark Down  
 2 Years Ending September 30, 2013



- Dupont Capital Investment
- ◆ S&P 500

Quarterly Excess Performance



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

As of September 30, 2013

**Manager Summary**

- Strategy focuses on stocks that are priced at or below \$35 per share.
- Premise of the strategy is that low-priced stocks may offer significant growth potential because they are often overlooked by many investors.
- Fund will invest globally in both value and growth stocks, predominantly small and mid capitalization companies.

**Top Holdings as of 07/31/2013**

UNITEDHEALTH GROUP INC	3.9%
NEXT PLC	3.0%
SEAGATE TECHNOLOGY PLC	2.9%
MICROSOFT CORPORATION	2.4%
METRO INC.	1.8%
BEST BUY CO INC	1.7%
ROSS STORES, INC.	1.6%
UNUM GROUP	1.2%
BED BATH & BEYOND, INC.	1.2%
ORACLE CORPORATION	1.1%

**Fund Characteristics as of 07/31/2013**

Versus Russell 2000

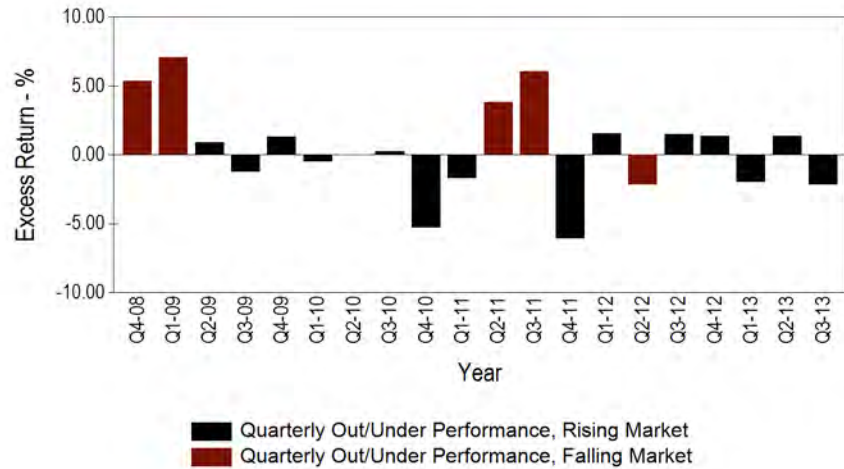
Sharpe Ratio (3 Year)	1.28
Average Market Cap (\$mm)	4,821.88
Price/Earnings	12.77
Price/Book	1.51
Price/Sales	0.58
Price/Cash Flow	5.58
Dividend Yield	1.86
Number of Equity Holdings	867
R-Squared (3 Year)	0.90
Alpha (3 Year)	0.29%

**Sector Allocation as of 07/31/2013**

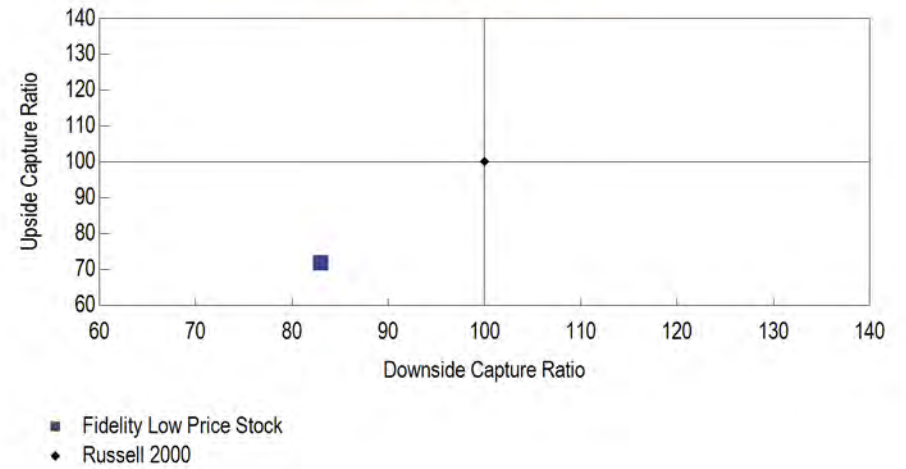
BASIC MATERIALS	3.2%
COMMUNICATION SERVICES	0.4%
CONSUMER CYCLICAL	25.1%
CONSUMER DEFENSIVE	9.3%
ENERGY	4.6%
FINANCIAL SERVICES	10.8%
HEALTHCARE	9.1%
INDUSTRIALS	8.9%
REAL ESTATE	0.3%
TECHNOLOGY	15.6%
UTILITIES	0.2%

As of September 30, 2013

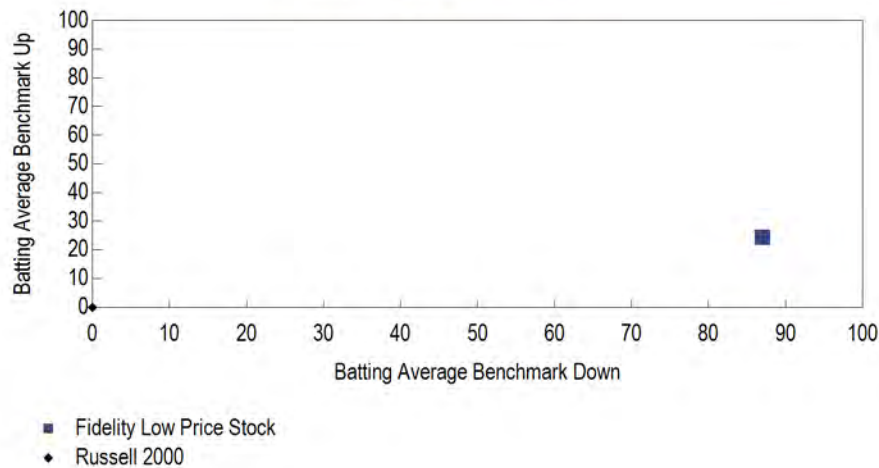
**Quarterly Excess Performance**



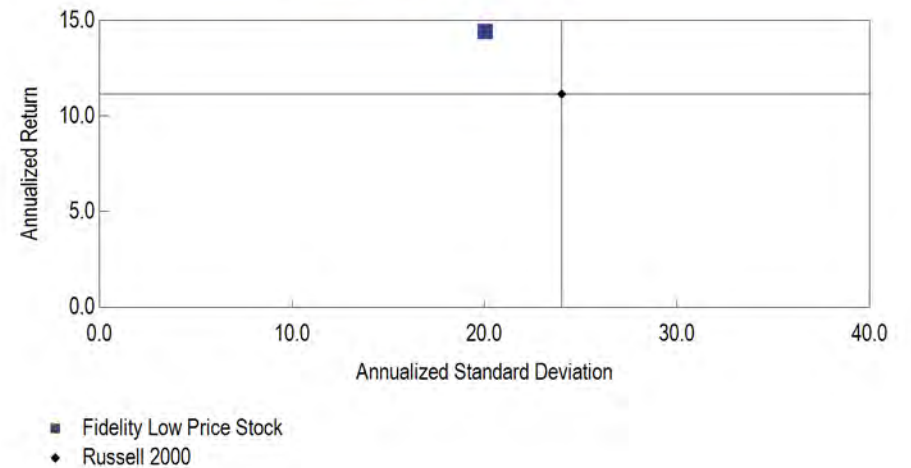
**Upside Capture Ratio vs. Downside Capture Ratio**  
 5 Years Ending September 30, 2013



**Batting Average Benchmark Up vs. Batting Average Benchmark Down**  
 5 Years Ending September 30, 2013



**Annualized Return vs. Annualized Standard Deviation**  
 5 Years Ending September 30, 2013



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# U.S. FIXED INCOME

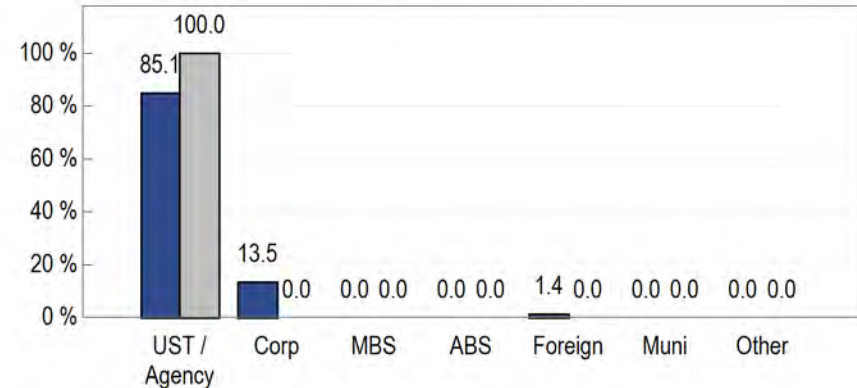
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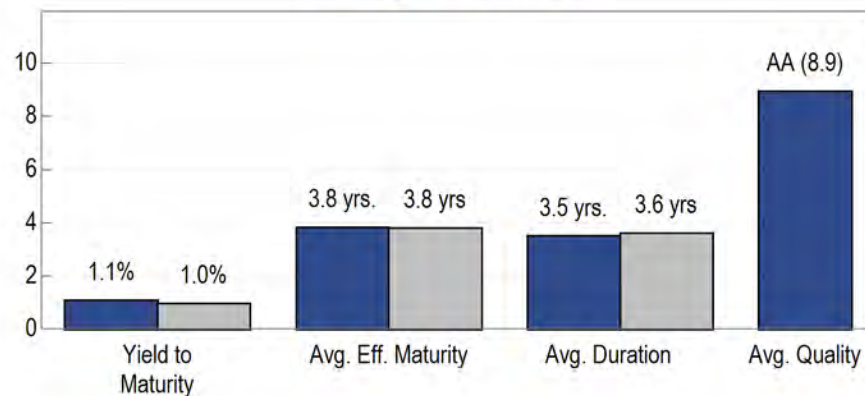
**Manager Summary**

- Strategy focuses equally on duration management, sector selection and yield curve exposure.
- Assess overall market environment and position portfolio to benefit from realistic expectations.
- Will actively trade, including analysis of technical factors, price momentum, interest rate outlook and yield curve movement.

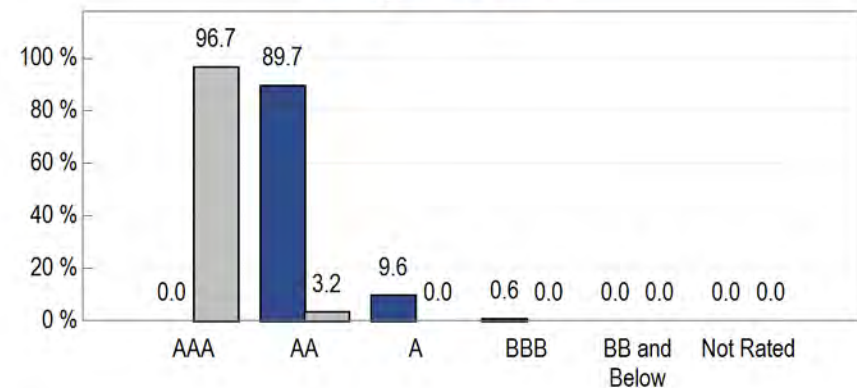
**Sectors**  
**Wilmington Trust Bonds**



**Characteristics**  
**Wilmington Trust Bonds**



**Quality Ratings**  
**Wilmington Trust Bonds**

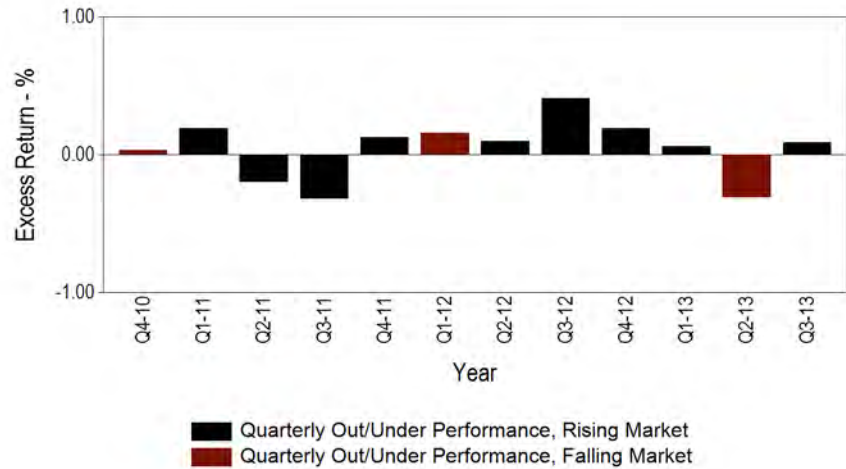


■ Wilmington Trust Bonds    ■ Barclays Int. Govt.

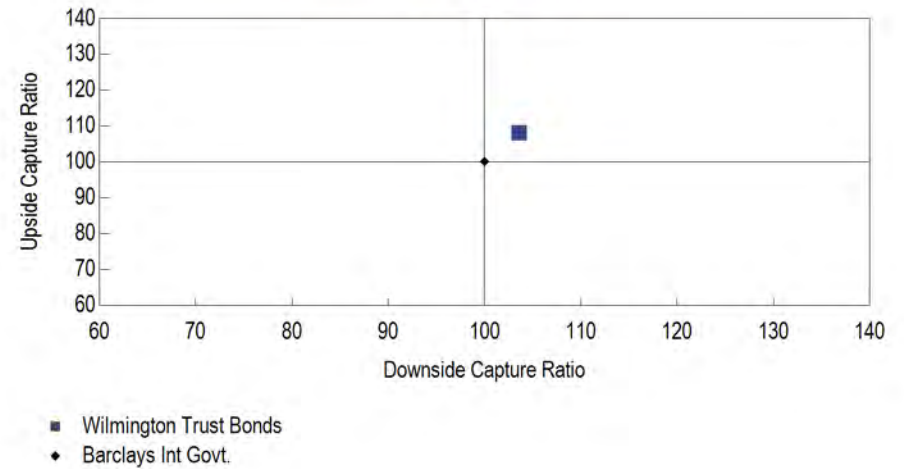
Actual holdings use S&P rankings whereas the Barclays Index uses the median of the three ratings agencies.

As of September 30, 2013

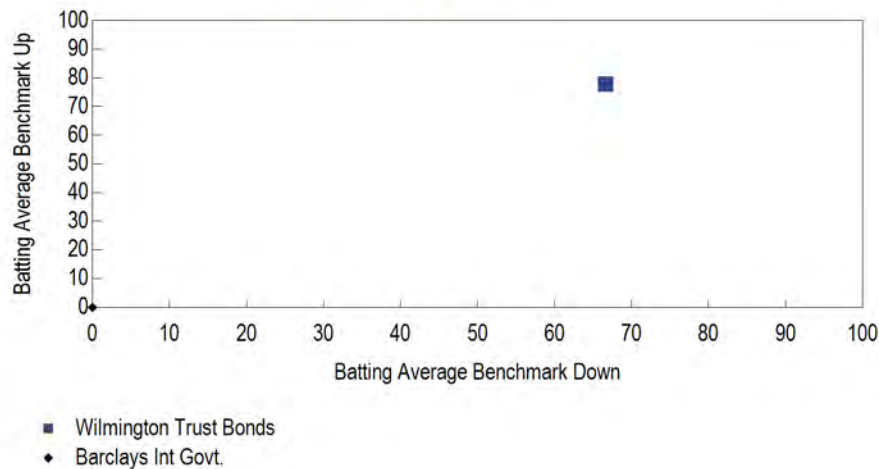
**Quarterly Excess Performance**



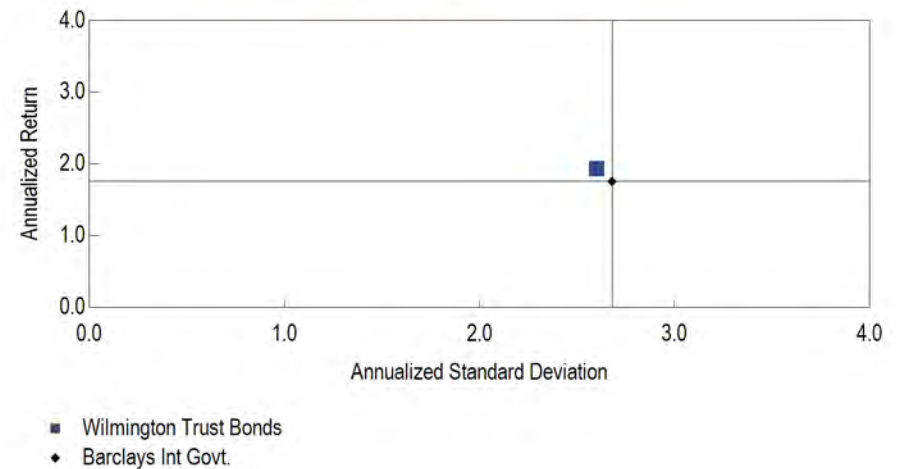
**Upside Capture Ratio vs. Downside Capture Ratio  
 3 Years Ending September 30, 2013**



**Batting Average Benchmark Up vs. Batting Average Benchmark Down  
 3 Years Ending September 30, 2013**



**Annualized Return vs. Annualized Standard Deviation  
 3 Years Ending September 30, 2013**





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BALANCED

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## ◆ Allocation Schedule - Market Value

		-704- Sussex County DELRIP	PLAN TOTALS
<b>Beginning Totals</b>	Balance	<b>38,629,072.78</b>	<b>38,629,072.78</b>
<b>Allocation</b>	Balance	38,629,072.78	38,629,072.78
	Percent	0.47243%	0.47243%
<b>Earnings</b>	Interest	33,127.66	33,127.66
	Dividends	24,907.34	24,907.34
	Net Change Accrued Income	(12,969.85)	(12,969.85)
	Unrealized Gain/Loss Change	749,949.95	749,949.95
	Realized Gain/Loss	207,317.62	207,317.62
	Custodian Fees	(188.43)	(188.43)
	Accrued Expense Change	5.94	5.94
	Investment Manager/Advisory Fees	(2,052.36)	(2,052.36)
	Transaction Fees	(199.95)	(199.95)
		<b>999,897.92</b>	<b>999,897.92</b>
<b>Ending Totals</b>	Balance	<b>39,628,970.70</b>	<b>39,628,970.70</b>
	Percent	<b>0.47401%</b>	<b>0.47401%</b>

Please note that this report has been prepared using best available data. This report may also contain information provided by third parties, derived by third parties or derived from third party data and/or data that may have been categorized or otherwise reported based upon client direction - Northern Trust assumes no responsibility for the accuracy, timeliness or completeness of any such information. Northern Trust assumes no responsibility for the consequences of investment decisions made in reliance on information contained in this report. If you have questions regarding third party data or direction as it relates to this report, please contact your Northern Trust relationship team.

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# Policy Tree

October 22, 2013

Trust : Delaware Retirement System

Reference Date : 09/30/13

Asset Class : Total Fund Gross of Fees

Current View : Policy Hierarchy

Group/Account	09/30/13 Market Value	% of Total	% Rate of Return							
			1 Mo.	3 Mos.	YTD	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	15 Yrs.
Delaware Retirement System	8,375,944,623	100.00%	2.60	4.36	11.29	12.21	10.53	9.74	8.47	7.60
<i>Delaware Benchmark</i>			<i>3.21</i>	<i>4.72</i>	<i>9.07</i>	<i>10.70</i>	<i>9.07</i>	<i>8.15</i>	--	--
DPERS w/o Vol. Firemen Fund	8,360,315,150	99.81%	2.59	4.36	11.30	12.21	10.54	9.75	--	--
Volunteer Firemen Fund	15,629,473	0.19%	3.22	4.55	8.89	10.53	8.86	7.34	--	--

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OPEB

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# OBSERVATIONS FOR SUSSEX COUNTY OPEB

- 3<sup>rd</sup> quarter gain - \$1.1 million (net)                      3<sup>rd</sup> quarter return: 4.4% (gross)
- YTD gain - \$2.5 million (net)                                      YTD return:                      10.3% (gross)
- Very low investment manager fees



# LOOKING AHEAD FOR SUSSEX COUNTY OPEB

- Actuarial return assumptions
- Increase international target (from 12% - 14%)
- Further international equity diversification
- Move active large cap stock diversification
- Investing 2013 ARC



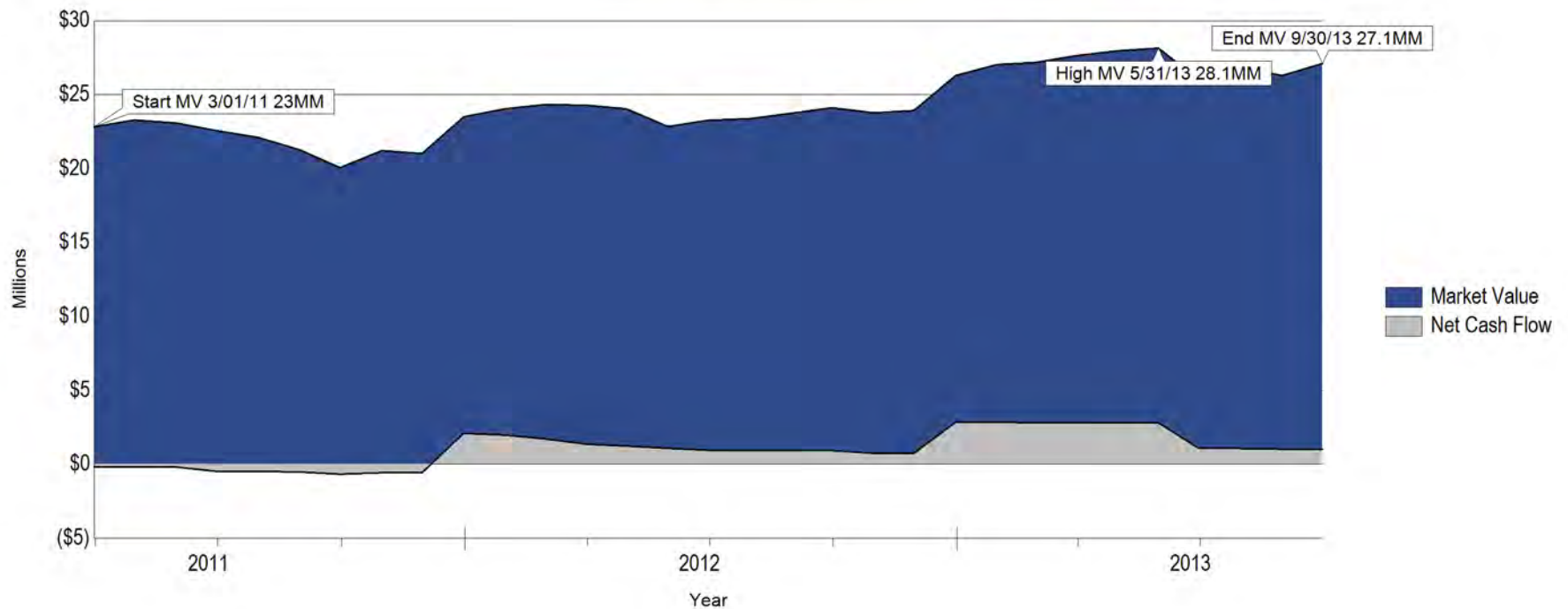


As of September 30, 2013

Summary of Cash Flows

	Third Quarter	Year-To-Date	One Year	Two Years	Inception 3/1/11
<b>Beginning Market Value</b>	<b>\$26,000,954.4</b>	<b>\$26,289,374.6</b>	<b>\$24,115,185.4</b>	<b>\$20,061,336.3</b>	<b>\$23,985,446.9</b>
Net Additions/Withdrawals	-\$37,560.4	-\$1,754,261.2	\$189,750.7	\$1,864,301.2	\$363,395.9
Investment Earnings	\$1,139,256.5	\$2,567,537.0	\$2,797,714.4	\$5,177,013.0	\$2,753,807.7
<b>Ending Market Value</b>	<b>\$27,102,650.5</b>	<b>\$27,102,650.5</b>	<b>\$27,102,650.5</b>	<b>\$27,102,650.5</b>	<b>\$27,102,650.5</b>
Time Weighted Return	4.4%	10.3%	11.4%	12.0%	4.9%

Market Value History  
2 Years 7 Months Ending 9/30/13



As of September 30, 2013

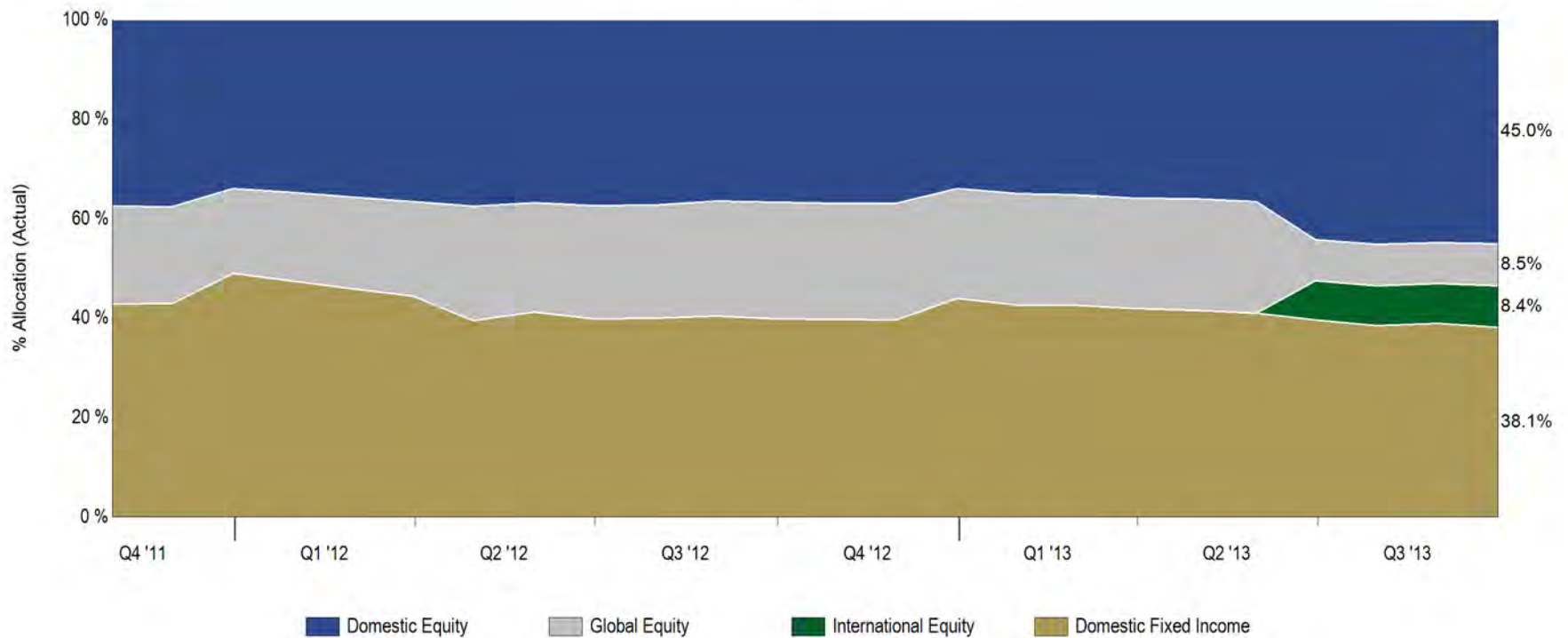
	Quarter Ending September 30, 2013			
	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
BlackRock Equity Dividend	\$1,127,777	-\$1,174,838	\$47,062	\$0
Vanguard Dividend Growth	\$1,478,487	\$765,000	\$59,730	\$2,303,217
Vanguard Russell 1000 Index	\$6,263,859	\$382,500	\$371,433	\$7,017,792
Vanguard Mid Cap Index	\$1,325,949	\$0	\$102,024	\$1,427,973
Ridgeworth Small Cap Value	\$1,321,388	\$0	\$135,132	\$1,456,520
Dodge & Cox Global	\$2,120,702	\$0	\$177,606	\$2,298,308
Harding Loevner International Equity	\$2,066,953	\$0	\$199,523	\$2,266,476
Wilmington Trust Fixed Income	\$9,614,931	\$0	\$46,590	\$9,661,521
Operating Account	\$408,444	-\$37,560	\$149	\$371,032
Mutual Fund Cash	\$272,466	\$27,338	\$8	\$299,812
<b>Total</b>	<b>\$26,000,954</b>	<b>-\$37,560</b>	<b>\$1,139,257</b>	<b>\$27,102,650</b>

As of September 30, 2013

Asset Allocation vs. Target

	Policy	Policy Range	Current	Within Range
Domestic Equity	44.0%	39.0% - 49.0%	45.0%	Yes
Global Equity	8.0%	3.0% - 13.0%	8.5%	Yes
International Equity	8.0%	3.0% - 13.0%	8.4%	Yes
Domestic Fixed Income	40.0%	35.0% - 50.0%	38.1%	Yes
<b>Total</b>	<b>100.0%</b>		<b>100.0%</b>	

Asset Allocation History  
1 Year 11 Months Ending September 30, 2013

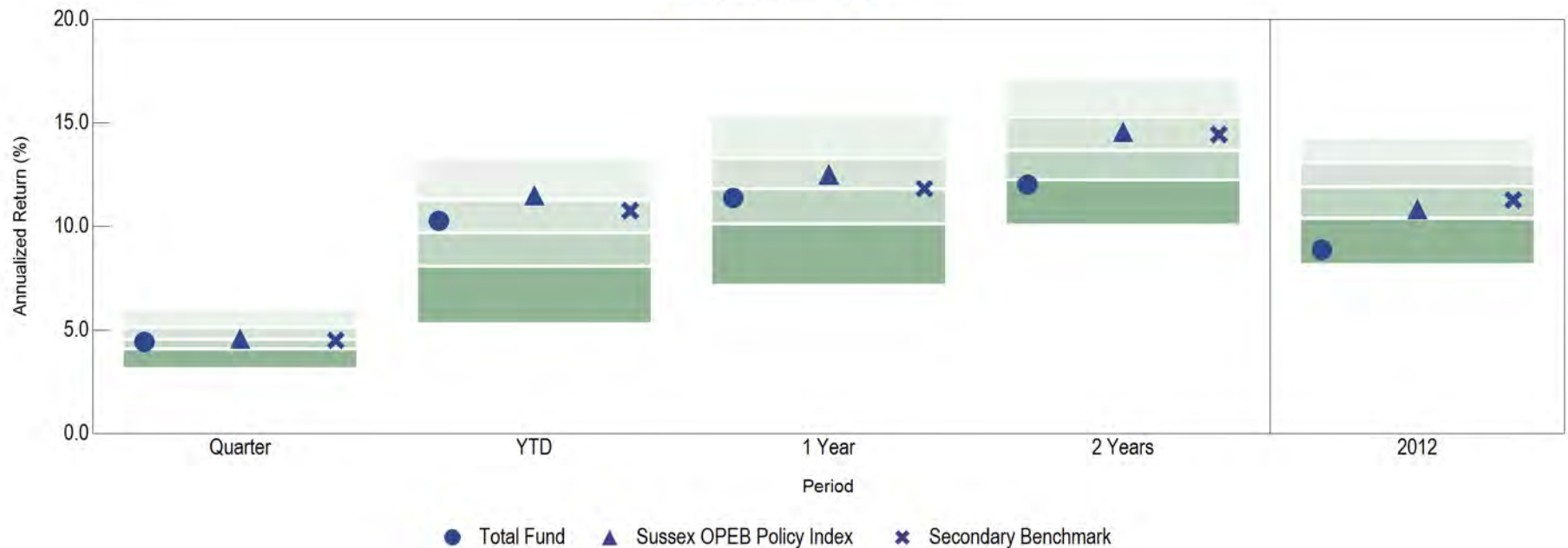


Total Plan Performance

As of September 30, 2013

	Ending September 30, 2013				Inception							
	2013 Q3 Rank	YTD Rank	1 Yr Rank	2 Yrs Rank	2012 Rank	Return Since						
<b>Total Fund</b>	<b>4.4%</b>	<b>63</b>	<b>10.3%</b>	<b>44</b>	<b>11.4%</b>	<b>57</b>	<b>12.0%</b>	<b>80</b>	<b>8.9%</b>	<b>94</b>	<b>4.9%</b>	<b>Mar-11</b>
<i>Sussex OPEB Policy Index</i>	4.6%	50	11.5%	22	12.5%	36	14.6%	37	10.8%	69	6.9%	Mar-11
<i>Secondary Benchmark</i>	4.5%	56	10.8%	37	11.8%	51	14.4%	39	11.3%	65	6.7%	Mar-11

IF Public DB Gross Accounts  
Ending September 30, 2013

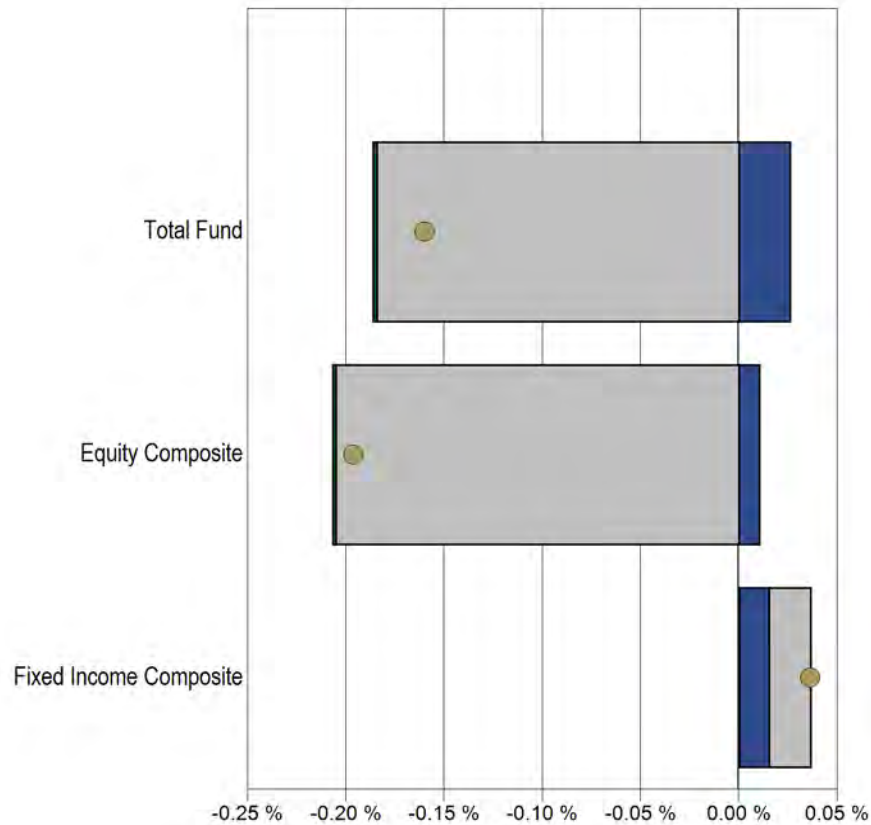


Policy Index (as of 4/1/2012): 48% Russell 3000 / 12% MSCI EAFE (Net) / 40% Barclays Intermediate Government.

Secondary Benchmark (as of 4/1/2012): 48% Russell 3000 / 12% MSCI ACWI ex US (Net) / 40% Barclays Intermediate Government.

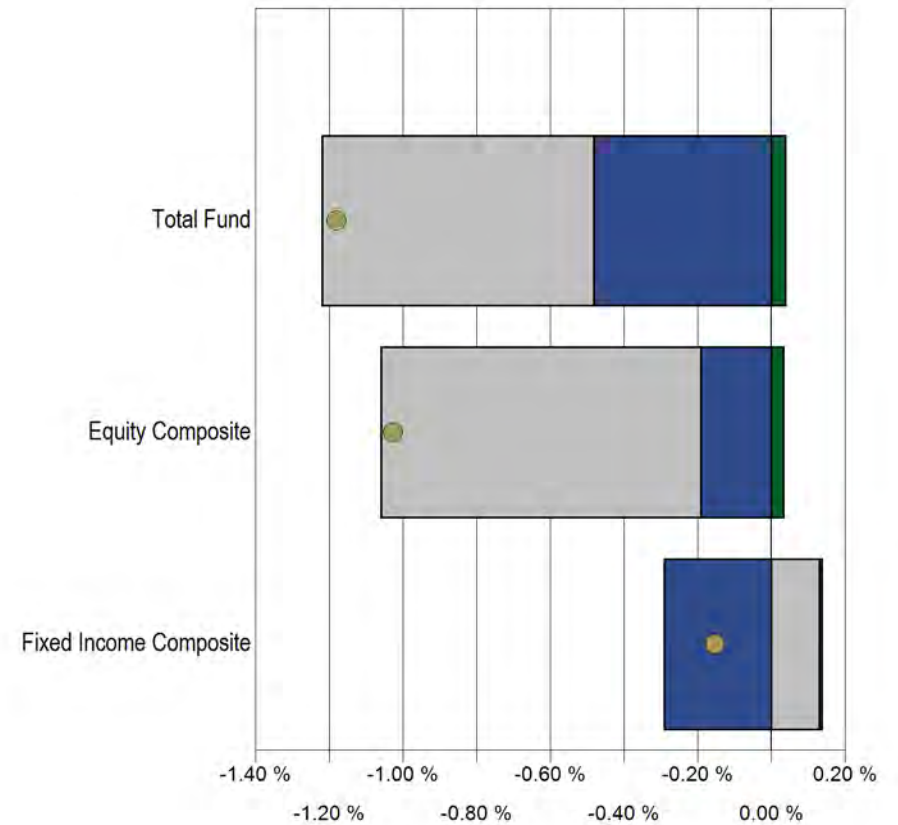
Please note: All returns shown are gross of fees. All returns over one year are annualized.

Attribution Effects  
3 Months Ending September 30, 2013



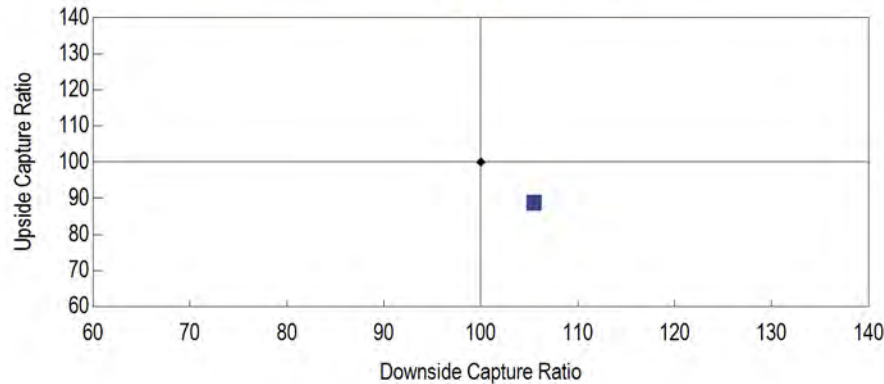
- Allocation Effect
- Selection Effect
- Interaction Effects
- Total Effect

Attribution Effects  
1 Year Ending September 30, 2013



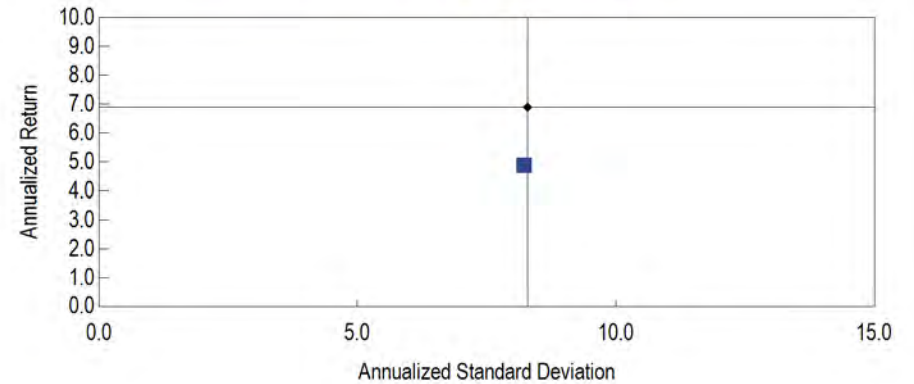
- Allocation Effect
- Selection Effect
- Interaction Effects
- Total Effect

Upside Capture Ratio vs. Downside Capture Ratio  
 2 Years 7 Months Ending September 30, 2013



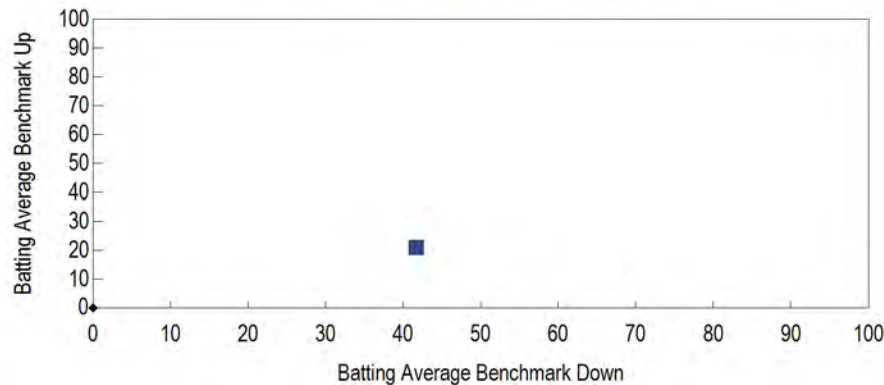
- Total Fund
- ◆ Sussex OPEB Policy Index

Annualized Return vs. Annualized Standard Deviation  
 2 Years 7 Months Ending September 30, 2013



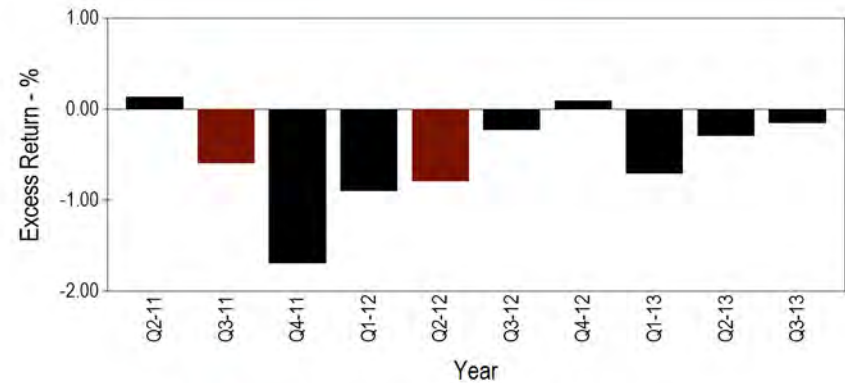
- Total Fund
- ◆ Sussex OPEB Policy Index

Batting Average Benchmark Up vs. Batting Average Benchmark Down  
 2 Years 7 Months Ending September 30, 2013



- Total Fund
- ◆ Sussex OPEB Policy Index

Quarterly Excess Performance



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

## Performance Summary

As of September 30, 2013

	% of Portfolio	Policy %	2013 Q3 Rank	Ending September 30, 2013						Inception	
				1 Yr Rank	3 Yrs Rank	5 Yrs Rank	Return	Since			
<b>Equity Composite</b>	<b>61.9</b>	<b>60.0</b>									
Vanguard Dividend Growth	8.5		4.6 81	20.3 47	16.4 28	10.4 25	20.4	Aug-12			
<i>S&amp;P 500</i>			5.2 61	19.3 56	16.3 30	10.0 37	21.2	Aug-12			
Vanguard Russell 1000 Index	25.9		6.0 43	20.8 44	16.5 25	-- --	22.7	Aug-12			
<i>Russell 1000</i>			6.0 43	20.9 44	16.6 24	-- --	22.8	Aug-12			
Vanguard Mid Cap Index	5.3		7.7 43	28.0 40	17.1 53	13.2 23	24.4	Dec-12			
<i>Spliced Mid Cap Index</i>			7.7 42	28.2 35	17.3 45	13.3 15	24.7	Dec-12			
Ridgeworth Small Cap Value	5.4		10.2 8	30.5 41	15.6 66	12.2 34	12.0	Feb-11			
<i>Russell 2000 Value</i>			7.6 65	27.0 79	16.6 51	9.1 99	10.9	Feb-11			
Dodge & Cox Global	8.5		8.4 49	26.6 19	12.3 38	10.8 16	8.5	Feb-11			
<i>MSCI World</i>			8.2 52	20.2 49	11.8 44	7.8 75	7.7	Feb-11			
Harding Loevner International Equity	8.4		9.7 63	16.3 82	8.2 42	8.8 13	9.7	Jun-13			
<i>MSCI ACWI ex USA</i>			10.1 55	16.5 81	5.9 82	6.3 42	10.1	Jun-13			
<b>Fixed Income Composite</b>	<b>38.1</b>	<b>40.0</b>									
Wilmington Trust Fixed Income	35.6		0.4 --	-1.0 --	-- --	-- --	0.9	Mar-12			
<i>Barclays Int Govt.</i>			0.4 --	-0.8 --	-- --	-- --	0.8	Mar-12			
Operating Account	1.4		0.0 --	0.1 --	-- --	-- --	0.1	Sep-11			
Mutual Fund Cash	1.1		0.0 --	0.0 --	-- --	-- --	0.1	Jul-12			
<i>BofA Merrill Lynch 91-Day T-Bill</i>			0.0 --	0.1 --	-- --	-- --	0.1	Jul-12			

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

Please note: 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.

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

## Fee Schedule

As of September 30, 2013

Account	Fee Schedule	Market Value As of 9/30/2013	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
Vanguard Dividend Growth	0.29% of Assets	\$2,303,217	8.5%	\$6,679	0.29%
Vanguard Russell 1000 Index	0.08% of Assets	\$7,017,792	25.9%	\$5,614	0.08%
Vanguard Mid Cap Index	0.10% of Assets	\$1,427,973	5.3%	\$1,428	0.10%
Ridgeworth Small Cap Value	1.21% of Assets	\$1,456,520	5.4%	\$17,624	1.21%
Dodge & Cox Global	0.69% of Assets	\$2,298,308	8.5%	\$15,858	0.69%
Harding Loevner International Equity	0.86% of Assets	\$2,266,476	8.4%	\$19,492	0.86%
Wilmington Trust Fixed Income	0.20% of Assets	\$9,661,521	35.6%	\$19,323	0.20%
Operating Account	No Fee	\$371,032	1.4%	--	--
Mutual Fund Cash	No Fee	\$299,812	1.1%	--	--
<b>Investment Management Fee</b>		<b>\$27,102,650</b>	<b>100.0%</b>	<b>\$86,018</b>	<b>0.32%</b>



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# U.S. EQUITIES

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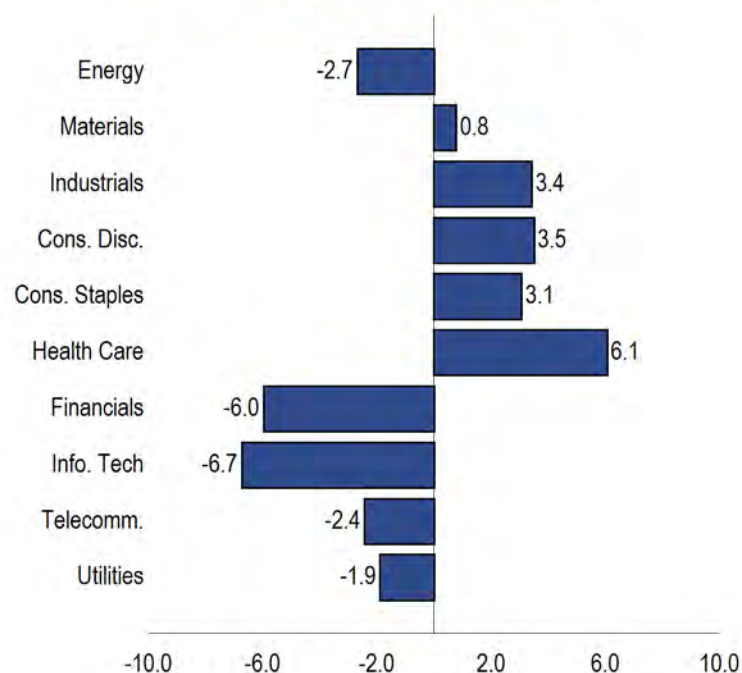
As of September 30, 2013

**Manager Summary**

- Invest in large cap equities, emphasizing dividend-paying stocks of high quality companies.
- Sub-advised by Wellington Management Company.
- Seeks companies with strong operating characteristics, including confidence to sustainably grow dividends.
- Concentrated strategy. Tends to do well in defensive markets.

**Portfolio Information**

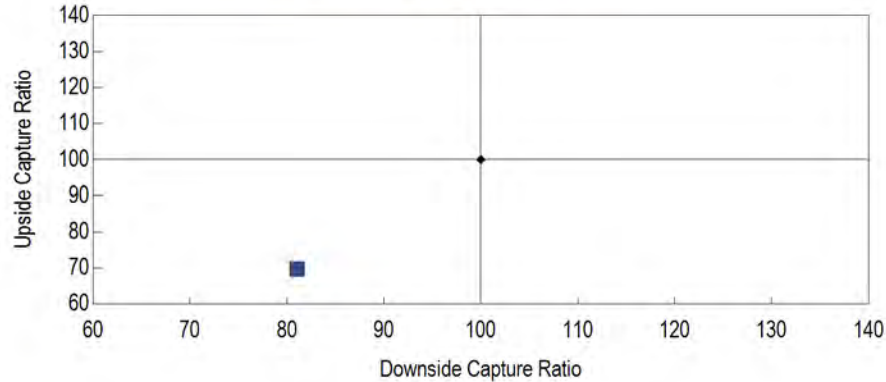
	Portfolio	S&P 500
Number of Holdings	53	500
Weighted Avg. Market Cap. (\$B)	99.98	103.01
Median Market Cap. (\$B)	54.06	15.04
Price To Earnings	20.30	19.13
Price To Book	4.41	3.55
Price To Sales	2.06	2.14
Return on Equity (%)	21.26	18.32
Yield (%)	2.48	2.13
Beta	0.75	1.00

**Sector Over/Under Allocation (%) vs S&P 500****Top Ten Holdings**

MCDONALDS	3.0%
CASH - USD	2.9%
MICROSOFT	2.8%
UNITED PARCEL SER.'B'	2.8%
WAL MART STORES	2.7%
INTERNATIONAL BUS.MCHS.	2.7%
MERCK & CO.	2.5%
TARGET	2.5%
PRAXAIR	2.5%
ROCHE HOLDING	2.5%
<b>Total For Top Ten Holdings</b>	<b>26.9%</b>

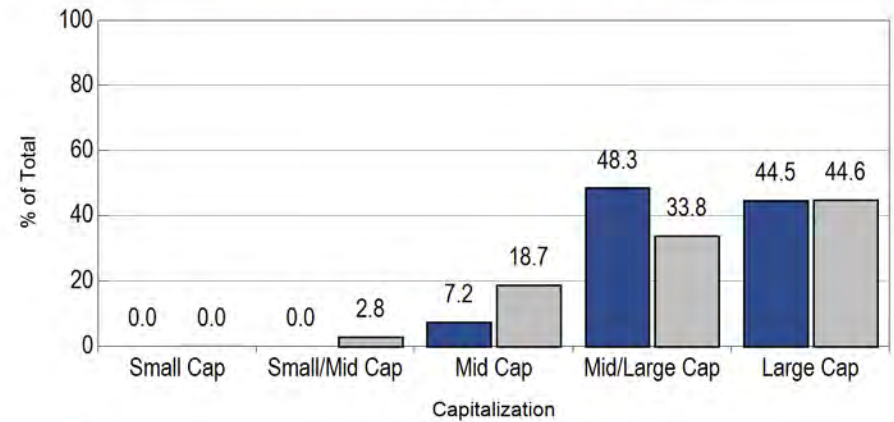
As of September 30, 2013

**Upside Capture Ratio vs. Downside Capture Ratio  
 5 Years Ending September 30, 2013**



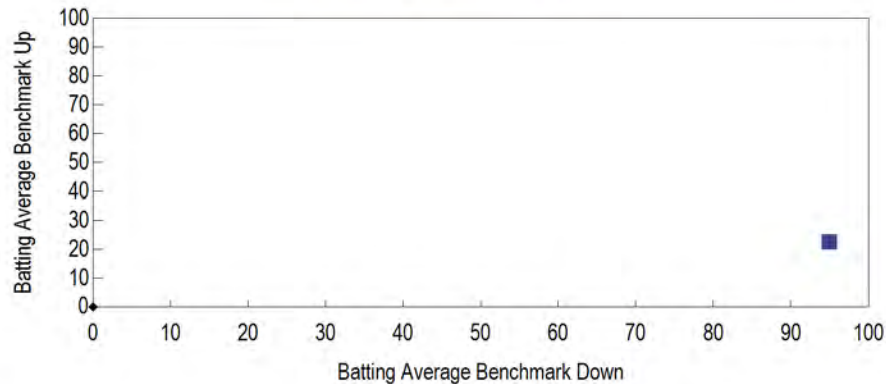
- Vanguard Dividend Growth
- ◆ S&P 500

**Market Capitalization As Of September 30, 2013**



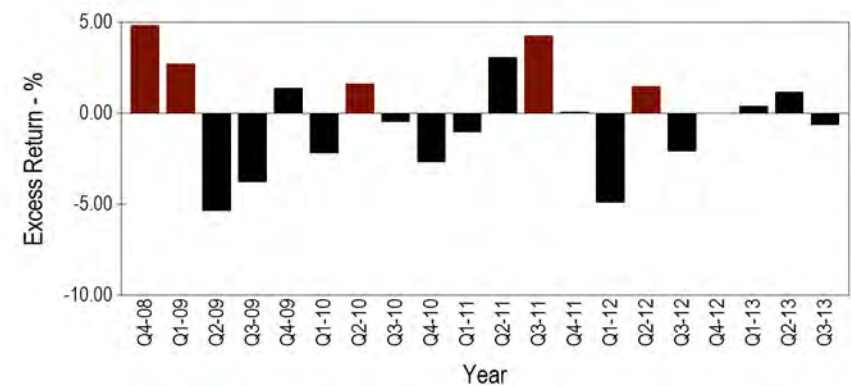
- Vanguard Dividend Growth
- S&P 500

**Batting Average Benchmark Up vs. Batting Average Benchmark Down  
 5 Years Ending September 30, 2013**



- Vanguard Dividend Growth
- ◆ S&P 500

**Quarterly Excess Performance**

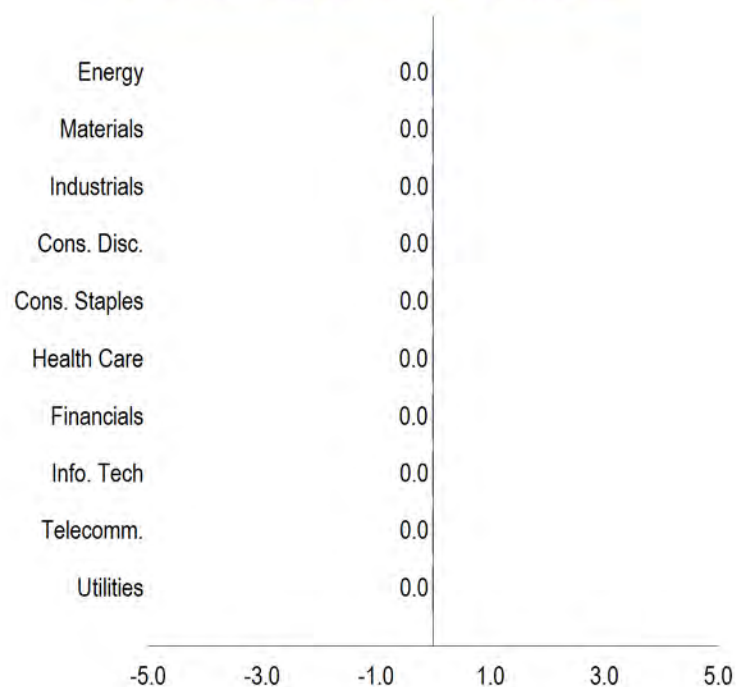


- Quarterly Out/Under Performance, Rising Market
- Quarterly Out/Under Performance, Falling Market

As of September 30, 2013

**Manager Summary**

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

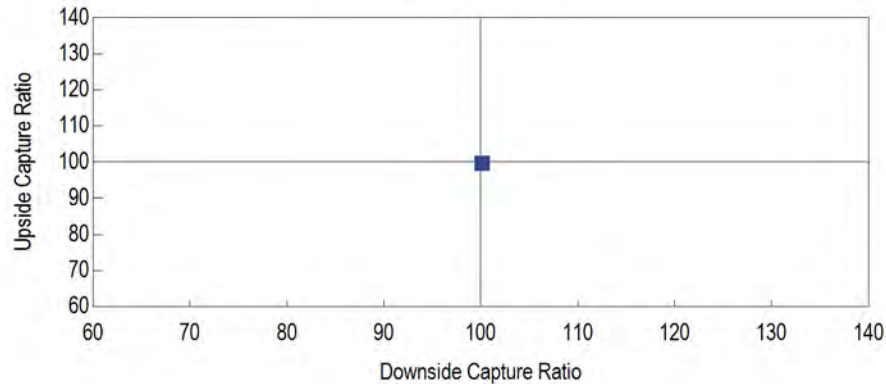
**Sector Over/Under Allocation (%) vs Russell 1000****Portfolio Information**

	Portfolio	Russell 1000
Number of Holdings	1,012	1,003
Weighted Avg. Market Cap. (\$B)	91.29	91.38
Median Market Cap. (\$B)	6.87	6.99
Price To Earnings	21.22	19.98
Price To Book	3.81	3.59
Price To Sales	2.55	2.31
Return on Equity (%)	18.55	17.85
Yield (%)	2.03	2.00
Beta	1.00	1.00

**Top Ten Holdings**

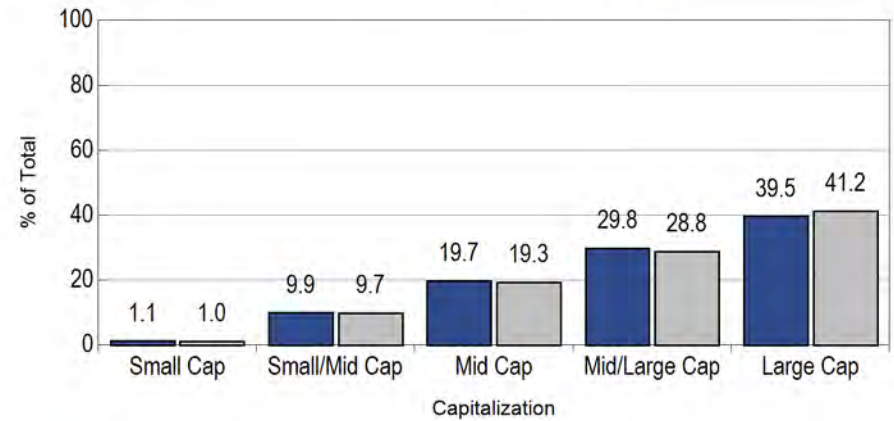
APPLE	2.6%
EXXON MOBIL	2.2%
MICROSOFT	1.6%
GENERAL ELECTRIC	1.4%
JOHNSON & JOHNSON	1.4%
GOOGLE 'A'	1.4%
CHEVRON	1.4%
PROCTER & GAMBLE	1.2%
BERKSHIRE HATHAWAY 'B'	1.2%
WELLS FARGO & CO	1.1%
<b>Total For Top Ten Holdings</b>	<b>15.4%</b>

Upside Capture Ratio vs. Downside Capture Ratio  
3 Years Ending September 30, 2013



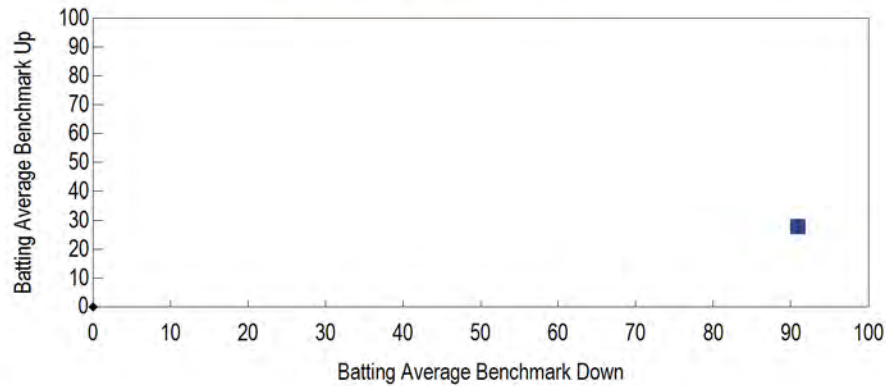
- Vanguard Russell 1000 Index
- ◆ Russell 1000

Market Capitalization As Of September 30, 2013



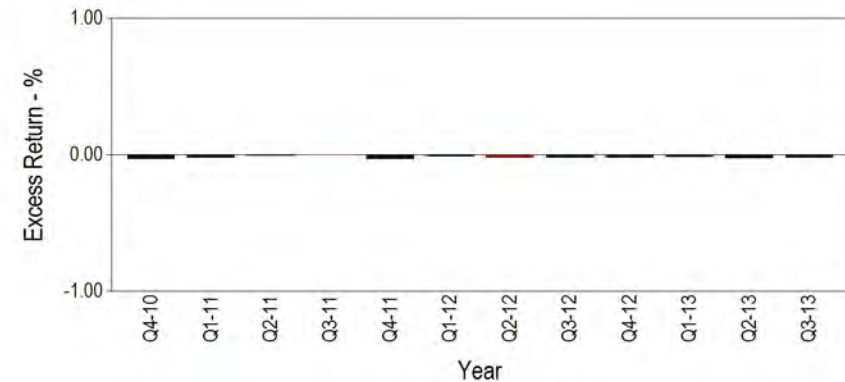
- Vanguard Russell 1000 Index
- Russell 1000

Batting Average Benchmark Up vs. Batting Average Benchmark Down  
3 Years Ending September 30, 2013



- Vanguard Dividend Growth
- ◆ S&P 500

Quarterly Excess Performance



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

As of September 30, 2013

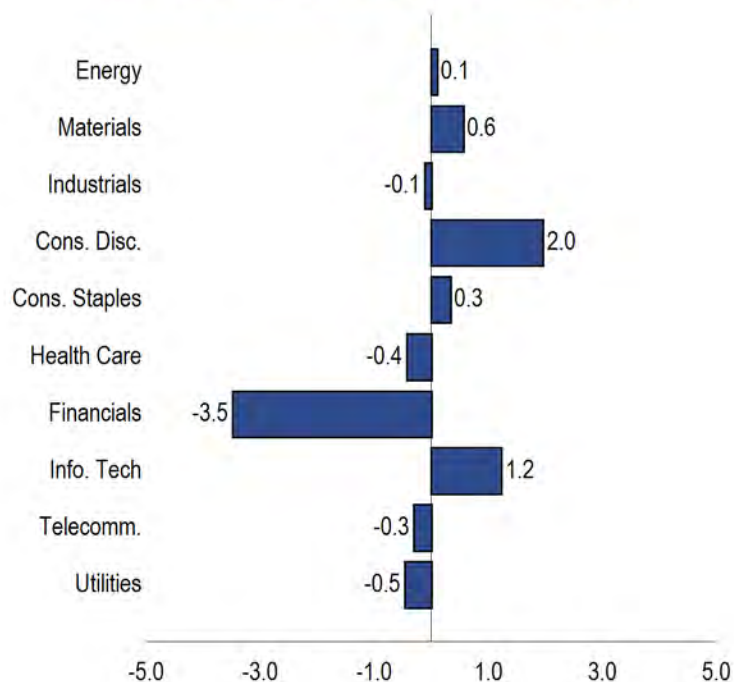
### Manager Summary

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

### Portfolio Information

	Portfolio	MSCI US Mid Cap 450
Number of Holdings	371	448
Weighted Avg. Market Cap. (\$B)	9.99	8.79
Median Market Cap. (\$B)	7.80	6.56
Price To Earnings	26.06	23.88
Price To Book	3.86	3.49
Price To Sales	2.63	2.32
Return on Equity (%)	16.14	15.08
Yield (%)	1.40	1.35
Beta	1.00	1.00

Sector Over/Under Allocation (%) vs Russell MidCap

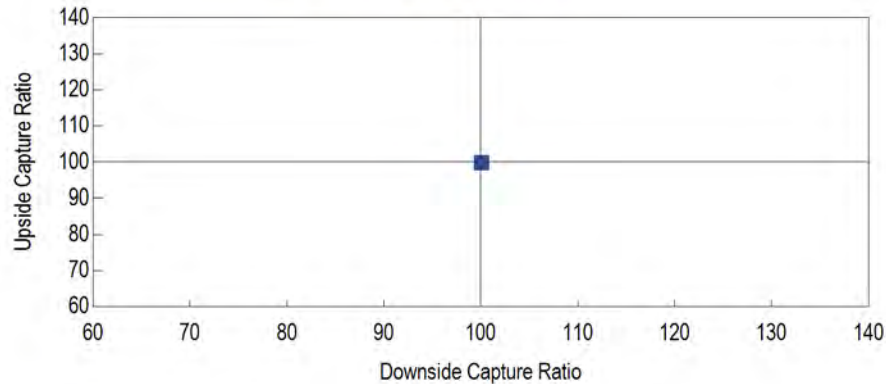


### Top Ten Holdings

DELTA AIR LINES	0.7%
MICRON TECHNOLOGY	0.6%
DELPHI AUTOMOTIVE	0.6%
HEALTH CARE REIT	0.6%
VERTEX PHARMS.	0.6%
NETFLIX	0.6%
WW GRAINGER	0.6%
MACY'S	0.6%
CASH - USD	0.6%
CERNER	0.6%
<b>Total For Top Ten Holdings</b>	<b>6.2%</b>

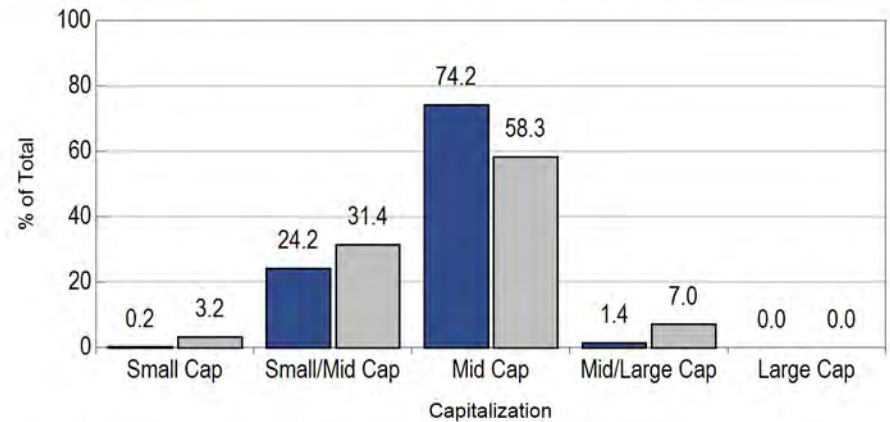
As of September 30, 2013

**Upside Capture Ratio vs. Downside Capture Ratio  
 5 Years Ending September 30, 2013**



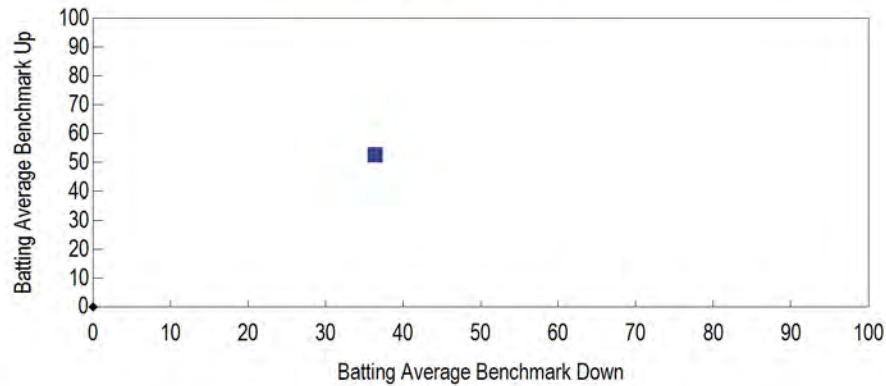
- Vanguard Mid Cap Index
- ◆ Spliced Mid Cap Index

**Market Capitalization As Of September 30, 2013**



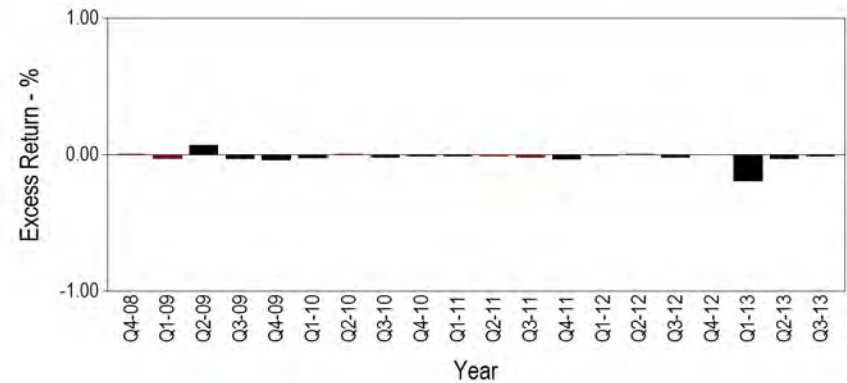
- Vanguard Mid Cap Index
- Russell MidCap

**Batting Average Benchmark Up vs. Batting Average Benchmark Down  
 5 Years Ending September 30, 2013**



- Vanguard Mid Cap Index
- ◆ Spliced Mid Cap Index

**Quarterly Excess Performance**



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



As of September 30, 2013

### Manager Summary

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

- Emphasize:

- Dividends - strategy only invests in companies that pay dividends. Ceredex Value Advisors, the fund's sub-advisor, believes dividends are a good indicator of management's confidence in the earnings potential of the company.

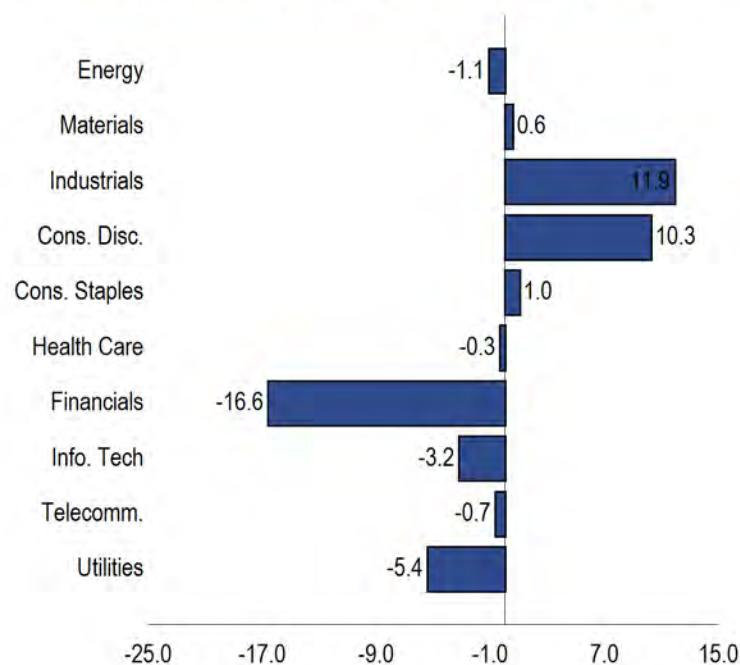
- Valuation - seeks companies that trade at a lower third of their historical valuations.

- Fundamentals - seeks catalysts that could drive meaningful price appreciation in the next 18-36 months.

### Portfolio Information

	Portfolio	Russell 2000 Value
Number of Holdings	84	1,343
Weighted Avg. Market Cap. (\$B)	2.47	1.38
Median Market Cap. (\$B)	2.02	0.55
Price To Earnings	23.81	17.55
Price To Book	3.00	1.67
Price To Sales	1.57	1.83
Return on Equity (%)	13.49	8.29
Yield (%)	1.87	1.65
Beta	0.90	1.00

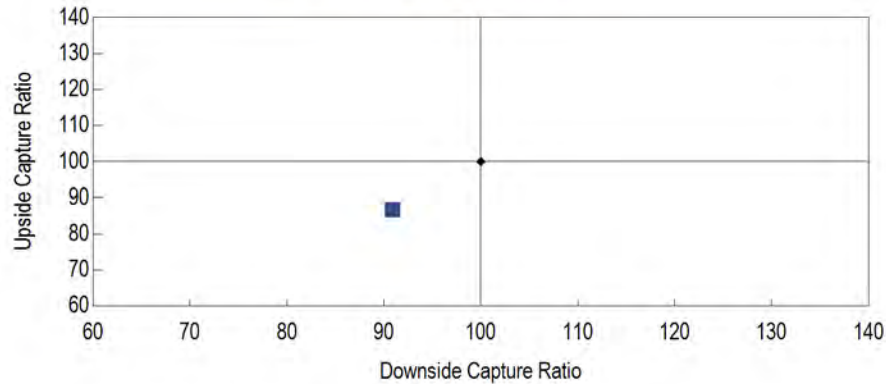
Sector Over/Under Allocation (%) vs Russell 2000 Value



### Top Ten Holdings

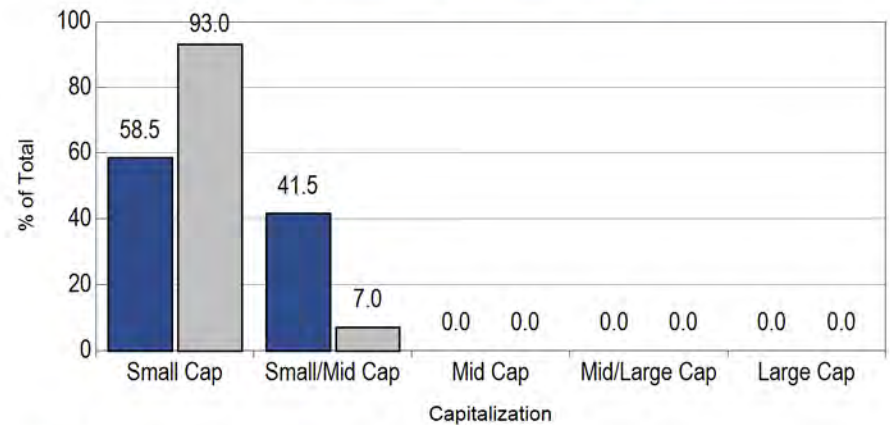
SMITH (AO)	4.3%
STANCORP FINL.GP.	3.2%
HSN	3.1%
GUESS	3.0%
PROGRESSIVE WASTE SLTN.	3.0%
CARBO CERAMICS	2.8%
HCC INSURANCE HDG.	2.8%
SOTHEBY'S	2.6%
INTERFACE	2.5%
CASH AM.INTL.	2.5%
<b>Total For Top Ten Holdings</b>	<b>30.0%</b>

Upside Capture Ratio vs. Downside Capture Ratio  
5 Years Ending September 30, 2013



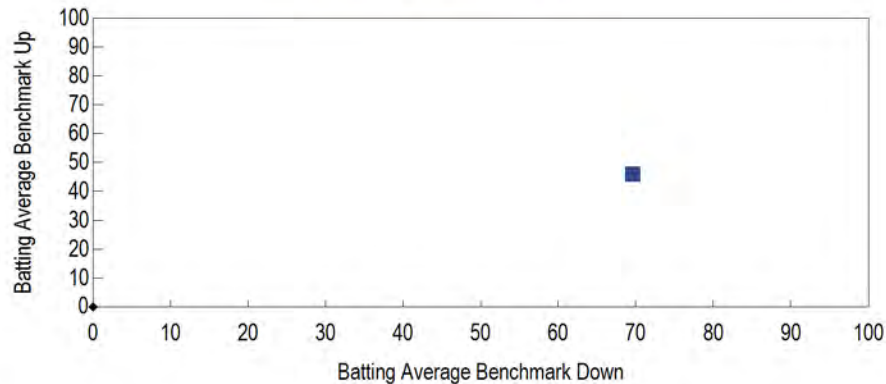
- Ridgeworth Small Cap Value
- ◆ Russell 2000 Value

Market Capitalization As Of September 30, 2013



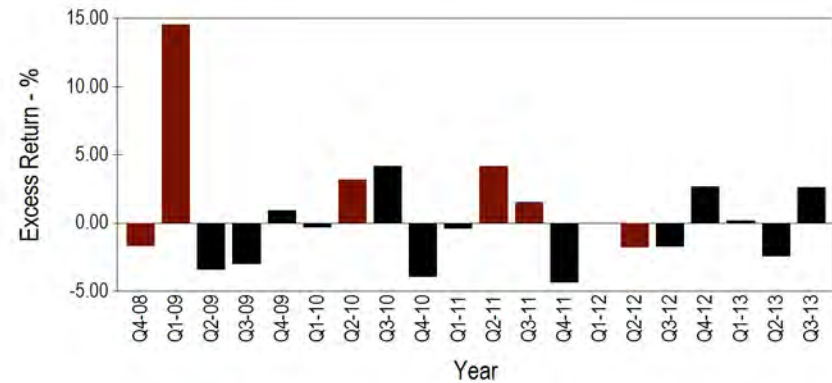
- Ridgeworth Small Cap Value
- Russell 2000 Value

Batting Average Benchmark Up vs. Batting Average Benchmark Down  
5 Years Ending September 30, 2013



- Ridgeworth Small Cap Value
- ◆ Russell 2000 Value

Quarterly Excess Performance



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

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# GLOBAL EQUITIES

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As of September 30, 2013

**Manager Summary**

- Focuses on identifying large, well-established companies across the globe that trade at a discount to their long-term profit opportunities.
- Emphasize fundamental research, attempting to understand risks facing businesses over a 3-5 year time horizon.
- Seek companies with solid management teams and strong, competitive franchises.
- Strategy tends to hold deep value stocks that may be out-of-favor in the short-term but offer good value for the long-term investor.

**Country Allocation****Versus MSCI World - Quarter Ending September 30, 2013**

	Manager Ending Allocation (USD)	Index Ending Allocation (USD)
<b>Top 5 Largest Countries</b>		
United States	42.2%	53.5%
Switzerland	8.6%	3.8%
Japan	6.9%	9.1%
United Kingdom	6.4%	9.2%
France	5.9%	4.2%
<b>Total-Top 5 Largest Countries</b>	<b>70.0%</b>	<b>79.8%</b>
<b>Totals</b>		
Developed	83.7%	100.0%
Emerging*	14.3%	0.0%
Other	0.0%	
Cash	2.0%	

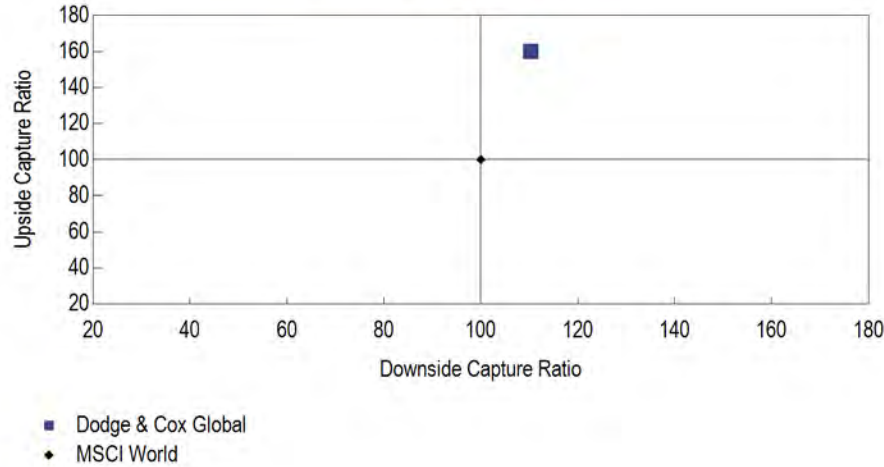
**Portfolio Information**

	Portfolio	MSCI World
Number of Holdings	92	1,606
Weighted Avg. Market Cap. (\$B)	68.76	79.33
Median Market Cap. (\$B)	30.66	10.22
Price To Earnings	20.44	19.12
Price To Book	2.73	2.92
Price To Sales	1.92	2.03
Return on Equity (%)	15.39	16.02
Yield (%)	2.32	2.52
Beta	1.14	1.00

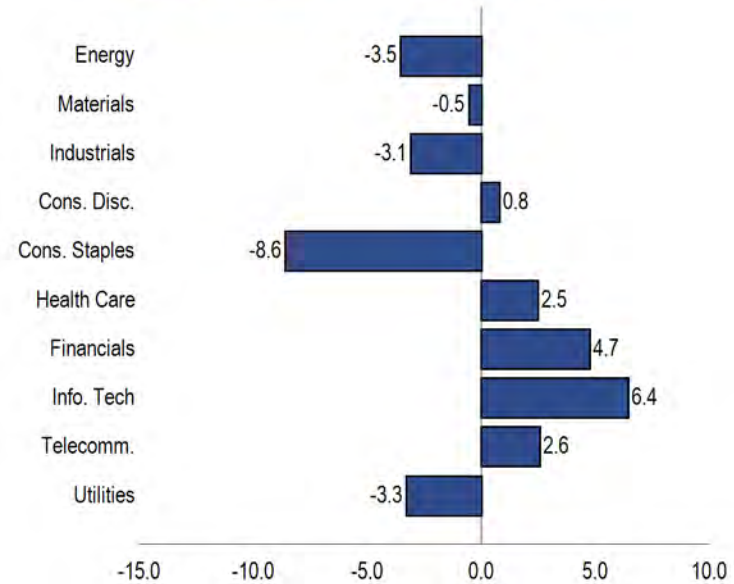
**Top Ten Holdings**

HEWLETT-PACKARD	3.3%
MICROSOFT	3.0%
ROCHE HOLDING	2.7%
SANOFI	2.6%
NASPERS	2.2%
CAPITAL ONE FINL.	2.2%
SCHLUMBERGER	2.1%
CREDIT SUISSE GROUP N	2.1%
CHARLES SCHWAB	2.0%
WELLS FARGO & CO	2.0%
<b>Total For Top Ten Holdings</b>	<b>24.3%</b>

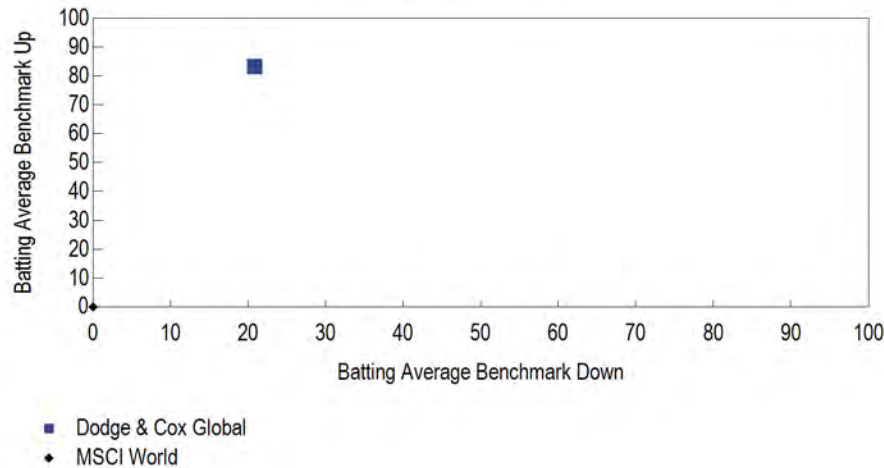
Upside Capture Ratio vs. Downside Capture Ratio  
5 Years Ending September 30, 2013



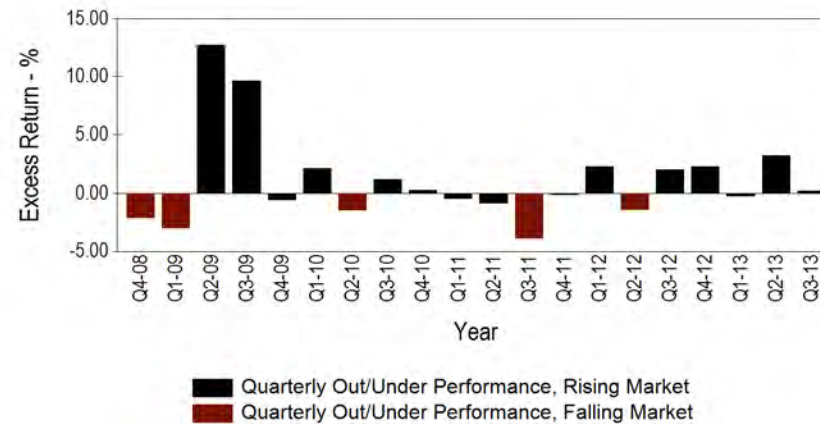
Sector Over/Under Allocation (%) vs MSCI World



Batting Average Benchmark Up vs. Batting Average Benchmark Down  
5 Years Ending September 30, 2013



Quarterly Excess Performance



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# INTERNATIONAL EQUITIES

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## Harding Loevner International Equity

As of September 30, 2013

## Manager Summary

- Focuses on investing in high quality, growing companies that can be purchased at reasonable prices.
- Emphasizes four critical characteristics before a company is considered for purchase:
  - Capable management
  - Competitive advantages
  - Durable growth
  - Financial strength
- Seeks to understand companies from a fundamental perspective (bottom-up) and from an industry perspective (relative to peers).

## Country Allocation

## Versus MSCI ACWI ex USA - Quarter Ending September 30, 2013

	Manager Ending Allocation (USD)	Index Ending Allocation (USD)
<b>Top 5 Largest Countries</b>		
Japan	14.4%	15.5%
France	13.3%	7.1%
Germany	10.9%	6.3%
Switzerland	9.0%	6.5%
United Kingdom	9.0%	15.6%
<b>Total-Top 5 Largest Countries</b>	<b>56.6%</b>	<b>50.9%</b>
<b>Totals</b>		
Developed	80.8%	78.9%
Emerging*	15.6%	21.1%
Other	0.0%	
Cash	3.6%	

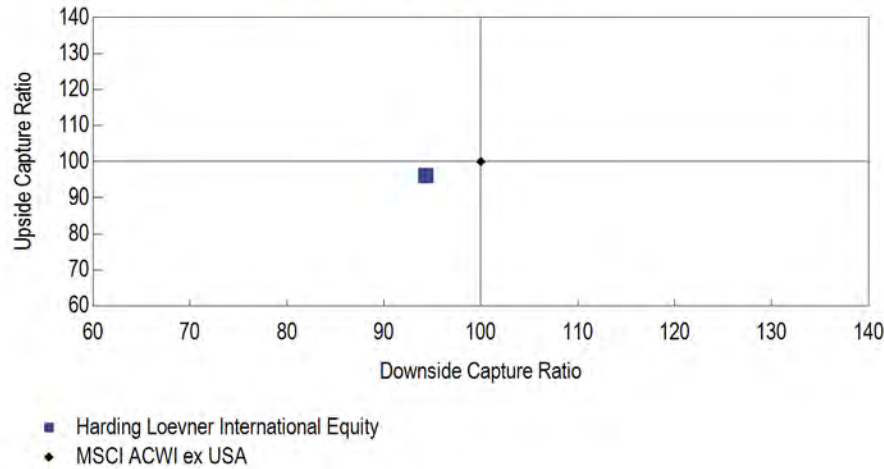
## Portfolio Information

	Portfolio	MSCI ACWI ex USA
Number of Holdings	56	1,822
Weighted Avg. Market Cap. (\$B)	56.36	52.70
Median Market Cap. (\$B)	35.44	6.50
Price To Earnings	24.49	18.00
Price To Book	4.29	2.26
Price To Sales	3.30	1.82
Return on Equity (%)	18.36	14.61
Yield (%)	2.08	2.97
Beta	0.89	1.00

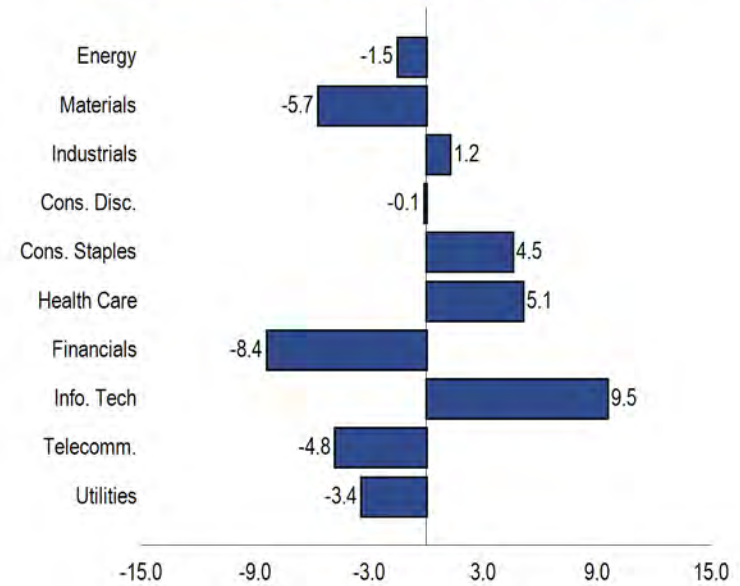
## Top Ten Holdings

DASSAULT SYSTEMES	3.8%
CASH - USD	3.6%
SAP ADR 1:1	3.5%
NESTLE SPN.ADR.REGD.SH.S. ADR 1:1	3.4%
WPP	3.2%
AIR LIQUIDE	3.1%
ROCHE HOLDING	3.0%
ALLIANZ	2.9%
AIA GROUP	2.7%
L'OREAL	2.6%
<b>Total For Top Ten Holdings</b>	<b>31.8%</b>

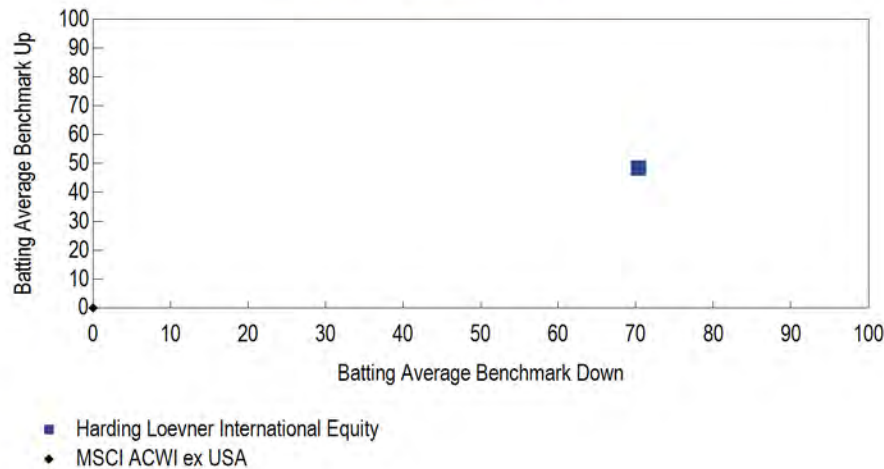
Upside Capture Ratio vs. Downside Capture Ratio  
5 Years Ending September 30, 2013



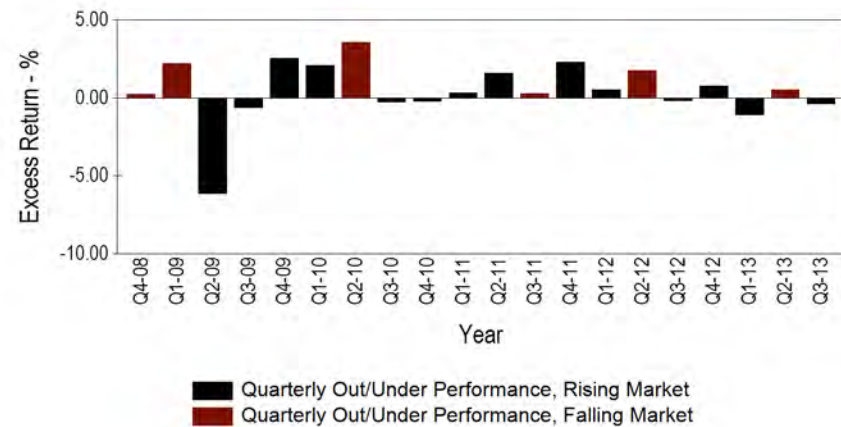
Sector Over/Under Allocation (%) vs MSCI ACWI ex USA



Batting Average Benchmark Up vs. Batting Average Benchmark Down  
5 Years Ending September 30, 2013



Quarterly Excess Performance



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# U.S. FIXED INCOME

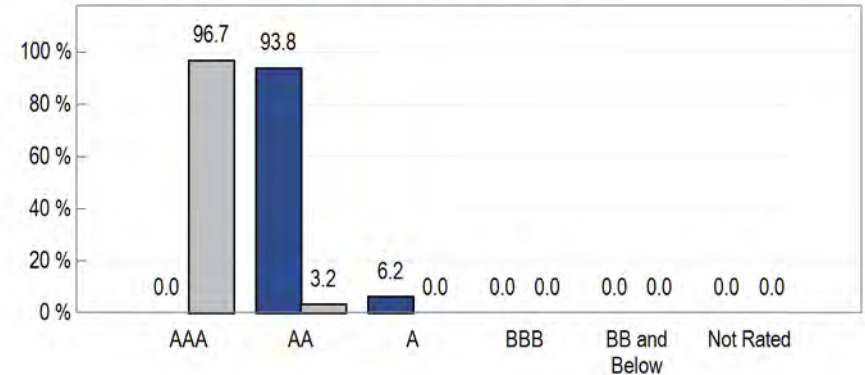
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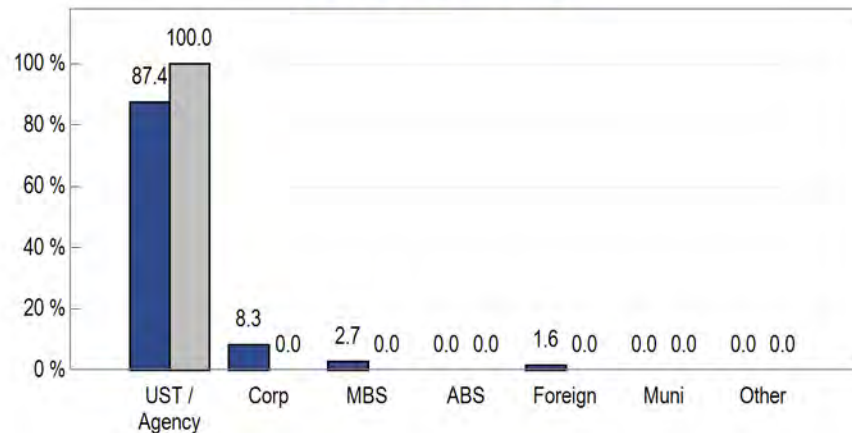
**Manager Summary**

- Strategy focuses equally on duration management, sector selection and yield curve exposure.
- Assess overall market environment and position portfolio to benefit from realistic expectations.
- Will actively trade, including analysis of technical factors, price momentum, interest rate outlook and yield curve movement.

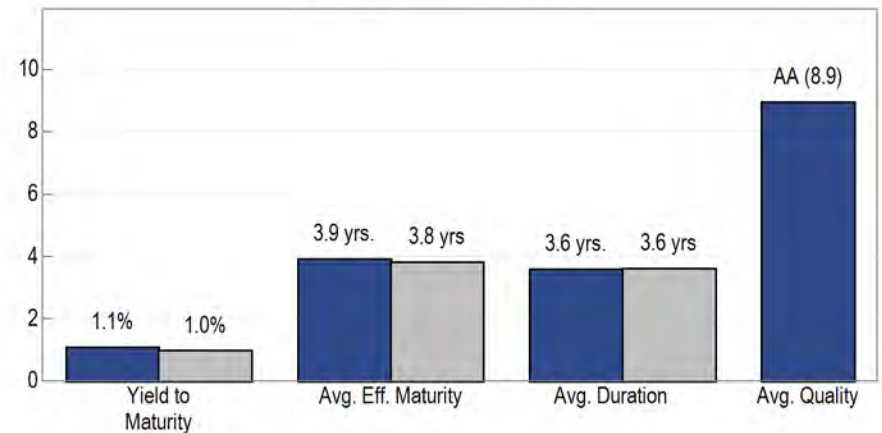
**Quality Ratings**  
Wilmington Trust Fixed Income



**Sectors**  
Wilmington Trust Fixed Income



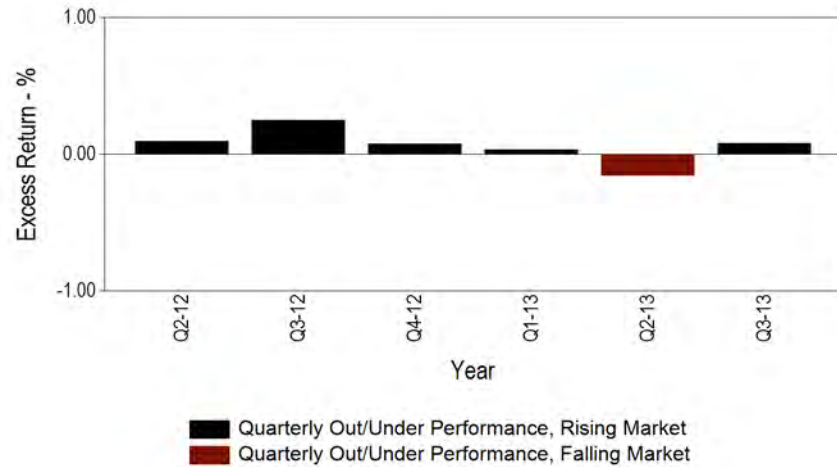
**Characteristics**  
Wilmington Trust Fixed Income



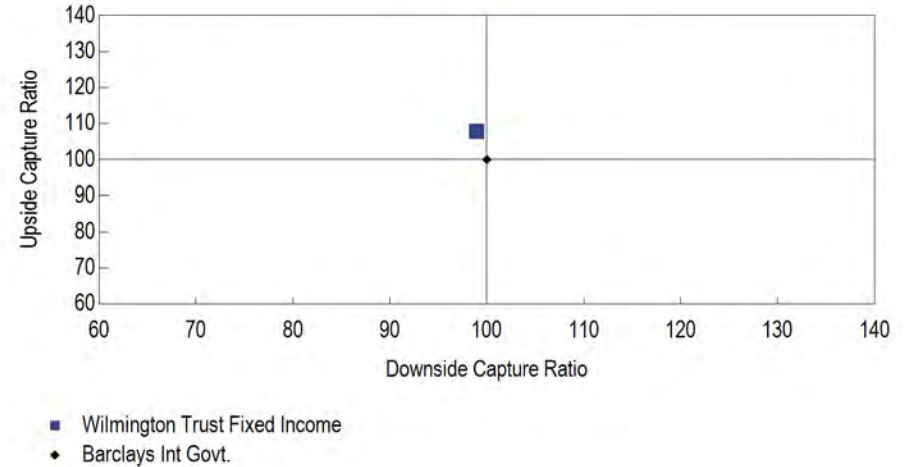
■ Wilmington Trust Fixed Income    ■ Barclays Int Govt.

Actual holdings use S&P rankings whereas the Barclays Index uses the median of the three ratings agencies.

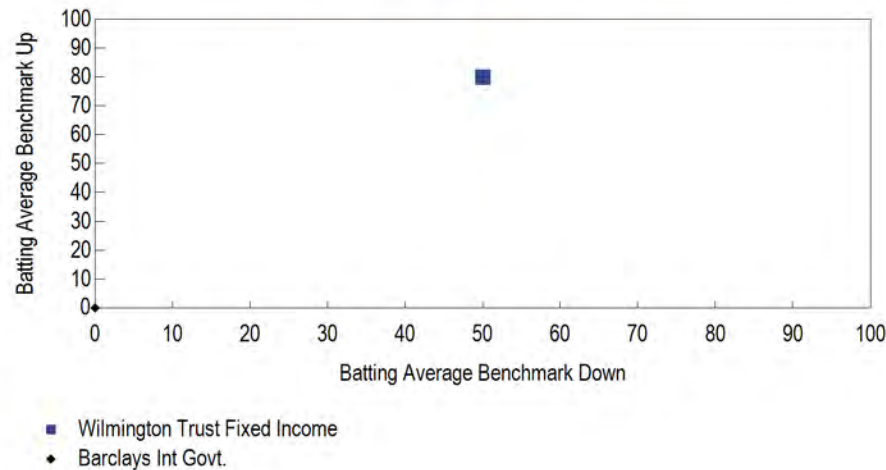
Quarterly Excess Performance



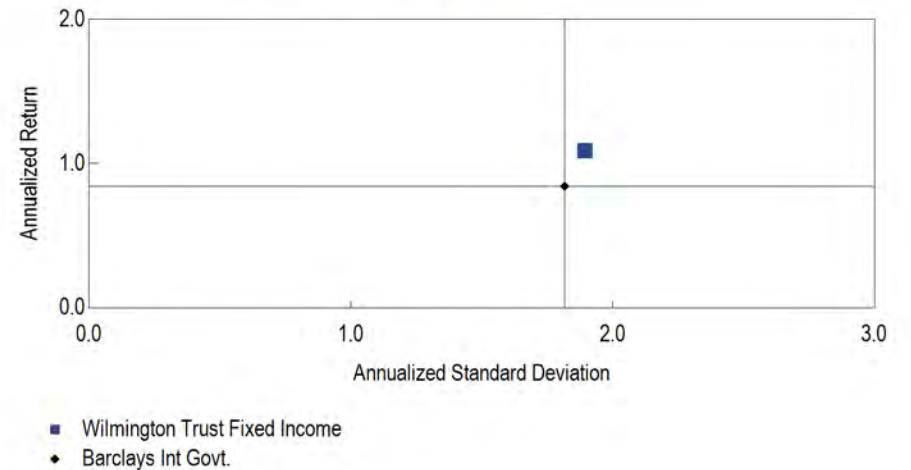
Upside Capture Ratio vs. Downside Capture Ratio  
1 Year 6 Months Ending September 30, 2013



Batting Average Benchmark Up vs. Batting Average Benchmark Down  
1 Year 6 Months Ending September 30, 2013



Annualized Return vs. Annualized Standard Deviation  
1 Year 6 Months Ending September 30, 2013



As of October 31, 2013

## Ending October 31, 2013

	1 Mo	YTD	Market Value	% of Portfolio	Policy %
<b>Total Fund</b>	<b>2.7</b>	<b>13.0</b>	<b>27,842,168</b>	<b>100.0</b>	<b>100.0</b>
<i>Sussex OPEB Policy Index</i>	2.6	14.4			
<i>Secondary Benchmark</i>	2.7	13.8			
<b>Equity Composite</b>			<b>17,474,764</b>	<b>62.8</b>	<b>60.0</b>
Vanguard Dividend Growth	3.7	25.3	2,387,878	8.6	
<i>S&amp;P 500</i>	4.6	25.3			
Vanguard Russell 1000 Index	4.4	26.0	7,326,138	26.3	
<i>Russell 1000</i>	4.4	26.1			
Vanguard Mid Cap Index	3.4	28.6	1,476,131	5.3	
<i>Spliced Mid Cap Index</i>	3.4	28.9			
Ridgeworth Small Cap Value	4.5	28.8	1,522,375	5.5	
<i>Russell 2000 Value</i>	3.2	27.1			
Dodge & Cox Global	5.2	27.3	2,418,826	8.7	
<i>MSCI World</i>	3.9	21.9			
Harding Loevner International Equity	3.4	12.7	2,343,416	8.4	
<i>MSCI ACWI ex USA</i>	3.7	14.1			
<b>Fixed Income Composite</b>			<b>10,367,404</b>	<b>37.2</b>	<b>40.0</b>
Wilmington Trust Fixed Income	0.4	-0.6	9,702,943	34.8	
<i>Barclays Int Govt.</i>	0.4	-0.5			
Operating Account	0.0	0.1	371,032	1.3	
Mutual Fund Cash	0.0	0.0	293,429	1.1	
<i>BofA Merrill Lynch 91-Day T-Bill</i>	0.0	0.1			

Current Policy Index: 48% Russell 3000 / 12% MSCI EAFE (Net) / 40% Barclays Intermediate Government.

Current Secondary Benchmark: 48% Russell 3000 / 12% MSCI ACWI ex US (Net) / 40% Barclays Intermediate Government.

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

Please note: All returns are preliminary and may be subject to change.

## ENGINEERING DEPARTMENT

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



# Sussex County

DELAWARE  
sussexcountyde.gov

MICHAEL A. IZZO, P.E.  
COUNTY ENGINEER

BRAD HAWKES  
DIRECTOR OF UTILITY ENGINEERING

November 25, 2013

### FACT SHEET

SUSSEX COUNTY PROJECT 81-04  
DEEP VALLEY FARM  
AGREEMENT NO. 866 - 1

#### DEVELOPER:

Mr. John Duffy  
Lewes Crossing Capital Partners, LLC  
39684 Sunrise Court, Unit 720  
Bethany Beach, DE 19930

#### LOCATION:

South side Rt. 9, north and south sides of  
Rd. 285,  
Beaver Dam Rd.

#### SANITARY SEWER DISTRICT:

West Rehoboth Expansion of the Dewey Beach Sanitary Sewer District

#### TYPE AND SIZE DEVELOPMENT:

192 Lot Residential Sub-Division, 18 single  
family lots along with the clubhouse in phase  
one

#### SYSTEM CONNECTION CHARGES:

\$91,618.00

#### SANITARY SEWER APPROVAL:

Sussex County Engineering Department Plan Approval  
09/13/13

Department Of Natural Resources Plan Approval  
02/04/13

#### SANITARY SEWER CONSTRUCTION DATA:

Construction Days – 30  
Construction Admin And Construction Inspection Cost – \$10,448.33  
Proposed Construction Cost – \$69,655.50



## ENGINEERING DEPARTMENT

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



# Sussex County

DELAWARE  
sussexcountyde.gov

MICHAEL A. IZZO, P.E.  
COUNTY ENGINEER

BRAD HAWKES  
DIRECTOR OF UTILITY ENGINEERING

**December 10, 2013**

## **PROPOSED MOTION**

BE IT MOVED THAT BASED UPON THE RECOMMENDATION OF THE SUSSEX COUNTY ENGINEERING DEPARTMENT, FOR SUSSEX COUNTY PROJECT NO. 81-04, AGREEMENT NO. 866-1 THAT THE SUSSEX COUNTY COUNCIL EXECUTE A CONSTRUCTION ADMINISTRATION AND CONSTRUCTION INSPECTION AGREEMENT BETWEEN SUSSEX COUNTY COUNCIL AND "LEWES CROSSING CAPITAL PARTNERS, LLC", FOR WASTEWATER FACILITIES TO BE CONSTRUCTED IN "DEEP VALLEY FARM – PHASE 1", LOCATED IN THE WEST REHOBOTH EXPANSION OF THE DEWEY BEACH SANITARY SEWER DISTRICT.

ORDINANCE NO. 38  
AGREEMENT NO. 866-1

TODD LAWSON  
COUNTY ADMINISTRATOR

BRANDY BENNETT NAUMAN  
HOUSING COORDINATOR &  
FAIR HOUSING COMPLIANCE OFFICER  
(302) 855-7777 T  
(302) 854-5397 F  
bnauman@sussexcountyde.gov



**Sussex County**  
DELAWARE  
sussexcountyde.gov

## **MEMORANDUM**

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

**FROM:** Brandy Nauman, Fair Housing Compliance Officer

**RE:** **Fair Housing Policy**

**DATE:** December 6, 2013

During Tuesday's Council meeting, I will provide you with a brief update on actions taken in compliance with the U.S. Department of Justice and U.S. Department of Housing & Urban Development fair housing settlement agreements over the last six months in order to comply with Section IV(18) of the Consent Decree. Below you will find an outline of the items I will be discussing. Please note that no action is required of Council; this is simply an update.

### U.S. Department of Justice Consent Decree

- Section III(13)(a-d) – Affordable and Fair Housing Marketing Plan
  - PLUS Language
  - MPHU Review (Ordinance No. 2302)
  - Affordable Housing Support Policy and Template Letter
  - New Fair Housing Language in County's Major Subdivision Application
- Sections IV(15) and (16) – Housing Discrimination Complaints
- Section V(19) – Fair Housing Policy (Anti-NIMBY provision and Delaware FHA updates)
- Section VI(18) – Submission of Second Semi-Annual Compliance Report (11/27/13)
- Section VI(21 – 23) and VII(26) – Fair Housing Training
- Section VII(27)(a) through (f) – Affordable Housing Webpage



U.S. Department of Housing & Urban Development Voluntary Compliance Agreement

- Section III(1) – Fair Housing Training
- Section III(7)(a)(i-iii) – Sussex County Analysis of Impediments Evaluation and Proposed Priority Fair Housing Plan
- Section III(7)(c) – Strong Communities Initiative
- Section V – Submission of Second Semi-Annual Compliance Report (11/27/2013)

If you have any questions, please do not hesitate to ask. Thank you.

CC: Brad Whaley, Director of CD&H  
Stephanie Hansen, Esquire  
Robin Griffith, Clerk of Council

## **Subdivision #2004 – 8 - - Spring Breeze Associates**

### **A. Request to Amend Conditions**

**Subdivision #2004 – 8 - -** application of **SPRING BREEZE ASSOCIATES** to consider the Subdivision of land in an AR-1 Agricultural Residential District in Indian River Hundred, Sussex County, by dividing 139.05 acres into 275 lots, located north of Road 48 (Hollymount Road), 1,380 feet east of Road 285. Tax Map I.D. #2-34-11.00-78.00.

The following is a dated outline of the Sussex County Planning and Zoning Commission's and Sussex County Council's action on this application:

December 9, 2004: Public Hearing before the Commission and action was deferred.

January 20, 2005: The Commission reviewed this application under Old Business and denied the application as submitted.

April 7, 2005: The Commission approved the applicant's request for reconsideration with a new public hearing.

June 23, 2005: Public Hearing before the Commission and action was deferred.

July 14, 2005: The Commission reviewed this application under Old Business and deferred action.

July 28, 2005: The Commission reviewed this application under Old Business and denied the application as submitted.

September 13, 2005: The Sussex County Council held a Public Hearing on an appeal of the Commission's decision and action was deferred.

November 13, 2005: The Sussex County Council reversed the Commission's denial of this application and granted preliminary approval with 14 conditions of approval.

November 20, 2006: The Commission granted a one-year time extension.

December 12, 2007: The Commission granted a one-year time extension retroactive to the anniversary date of the preliminary approval and also granted final record plan approval for 176 lots.

January 11, 2008: The final record plan for the 176-lot subdivision was recorded in Plot Book 117 Page 310. Under the sun-setting provisions referenced in Chapter 99, the developers have five (5) years to be substantially under construction. Under the time extension ordinance adopted by the County Council, the project now needs to be substantially under construction by January 1, 2016.

October 10, 2013: The Commission reviewed a revised preliminary site plan for this project. The revisions were for the removal of the on-site sewer treatment and disposal facility. Artesian will now provide sewer treatment at another off-site treatment facility. The reconfiguration of lots and open space resulting in a decrease in road impervious area, an increase in open space and an increase in woodland preservation. Roads are designed to meet current County specifications.

The applicants are requesting to amend condition #5 of the preliminary approval of November 13, 2005 which states: **“The use of a central community sewer system and stormwater management system shall maximize ground water recharge and erosion and sediment control measures shall comply with all State and County requirements. The wastewater treatment system shall be designed to be able to tie into a County system when one becomes available. The perimeter of the wastewater treatment site shall be landscaped.”**

As previously stated, the intent is to now serve the project with an off-site wastewater treatment and disposal system provided by Artesian.

Since this condition of approval originated by the Council’s action, the Commission does not have the authority to amend the condition of approval. The revised preliminary plan complies with the other 13 conditions of approval.

## MEMORANDUM OF AGREEMENT

### BETHEL PLANNING STUDY

This Memorandum of Agreement ("AGREEMENT") is by and between the **Department of Natural Resources and Environmental Control ("Department")** and **Sussex County Council ("County")** to establish the responsibilities of both parties relating to a project to study the most effective manner to provide sanitary sewer service to the town of Bethel, Delaware. This AGREEMENT is effective on the latest date signed by the parties.

#### WITNESSETH THAT:

**WHEREAS**, the County, at the Department's request, is preparing to commence a project to obtain engineering and technical services to determine the most effective manner to provide sanitary sewer service to the town of Bethel, Delaware ("Project"), as more specifically delineated in the Request for Proposals ("RFP") dated October 28, 2013, attached hereto as Exhibit A and incorporated by reference herein; and

**WHEREAS**, the Department desires to participate in this Project by providing an amount not to exceed **Forty Thousand and no/100 Dollars (\$40,000.00)** to defray the total Project expenditures; and

**WHEREAS**, said amount represents a portion of US Environmental Protection Agency Grant Agreement ("Grant") CB 97398101 dated September 2, 2010, as modified dated December 21, 2011, October 16, 2012 and September 18, 2013. Such Grant, including its modifications, is incorporated by reference herein; and

**WHEREAS**, utilization of Grant funds is expressly subject to the Administrative and Programmatic Conditions as stipulated in Exhibit B; and

**WHEREAS**, this project will commence as soon as reasonably possible after the execution of this AGREEMENT by the parties, but, in any event, this project must be completed no later than July 31, 2014.

**NOW, THEREFORE**, the County and the Department, in consideration of the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, jointly and mutually agree as follows:

#### **Section 1. The County agrees to the following:**

- A. Manage the project in accordance with the terms and conditions expressly delineated in Exhibit A to this AGREEMENT.
- B. Manage and control the Grant funds committed by the Department to this Project consistent with the Administrative and Programmatic Conditions expressly stipulated in Exhibit B to this AGREEMENT.

- C. Provide quarterly reports and invoices to the Department addressing the progress of the Project.

**Section 2. The Department agrees to the following:**

- A. Transfer an amount up to, but not in excess of, forty thousand dollars (\$40,000.00) to the County.
- B. Provide a principal contact to interact with the County as needed during the course of this Project.

**Section 3. General provisions pertaining to both parties are as follows:**

- A. This AGREEMENT will be interpreted and construed according to the laws of the State of Delaware.
- B. This AGREEMENT may be modified or amended only in writing and signed by both the County and the Department.
- C. All notices regarding this AGREEMENT or Project shall be sent, in writing, to the following addresses:

**To the County:**

Sussex County Engineering Department  
P.O. Box 589  
Georgetown, DE 19947  
Attn: Michael A. Izzo, P.E.

**To the Department:**

Department of Natural Resources  
And Environmental Control  
Division of Watershed Stewardship  
820 Silver Lake Blvd, Ste. 220  
Dover, DE 19904  
Attn: Jennifer Walls

- D. This AGREEMENT, including its attachments, constitutes the entire agreement between the parties.

**SUSSEX COUNTY COUNCIL**

By: \_\_\_\_\_  
President, Sussex County Council

Date: \_\_\_\_\_

**DEPARTMENT OF NATURAL  
RESOURCES AND ENVIRONMENTAL  
CONTROL**

By: \_\_\_\_\_  
Collin P. O'Mara, Secretary

Date: \_\_\_\_\_

2 Attachments  
Exhibits A & B



**Sussex County  
Engineering Department**

**Michael A. Izzo, P.E.  
County Engineer**



**2 THE CIRCLE  
POST OFFICE BOX 589  
GEORGETOWN, DE 19947  
VOICE 302.855.7718  
FAX 302.855.7799**

## **REQUEST FOR PROPOSAL**

**October 28, 2013**

### **BETHEL PLANNING STUDY**

Sussex County in cooperation with DNREC and the Office of State Planning are soliciting proposals for engineering and technical services to determine the most effective manner in which Sussex County Council, hereinafter referred to as the "County," can provide sanitary sewer service to the Town of Bethel, which shall consider the findings of the Town's 2008 Comprehensive Land Use Plan. Questions may be directed to Mr. John Ashman at 302-855-1299 or [jashman@sussexcountyde.gov](mailto:jashman@sussexcountyde.gov).

All work shall be performed in accordance with US Environmental Protection Agency Grant Agreement ("Grant") CB 97398101 dated September 2, 2010, as modified dated December 21, 2011, October 16, 2012 and September 18, 2013. Such Grant, including its modifications, is incorporated by reference herein; and utilization of Grant funds is expressly subject to the Administrative and Programmatic Conditions as stipulated in Exhibit B.

#### **The work will consider three (3) options:**

- **Option 1** - Collection system designed for the Bethel Service Area with a transmission system designed to pump effluent to Blades/Seaford for treatment and disposal.
- **Option 2** - Collection system designed for the Bethel Service Area with a transmission system designed to pump effluent to Laurel for treatment and disposal.
- **Option 3** - Collection system designed for the Bethel Service Area with a transmission system designed to pump effluent to a stand-alone treatment facility. Due to funding concerns for this RFP, this option may not be cost effective and may not be explored at this time. Please provide Option 3 as an alternate bid.

#### **Scope: Consultant shall perform the following:**

1. Meet with the County to clarify expectations and obtain information relevant to the proposed study area.
2. Coordinate with the County to determine the most practical service area around the Town of Bethel. The service area will be divided into an initial service area, and a future service area (if appropriate). Using that determination, calculate and identify existing Equivalent Dwelling Units (EDUs) and future growth for each service area.
3. Meet with City of Seaford and Town of Laurel to evaluate nearest available connection point to their respective systems. Document any infrastructure upgrades specified by the Town/City to accept the flows from the Bethel service area and estimate a capital cost. Based upon direction from the Town/City, provide a rate for wastewater treatment and disposal for Options 1 & 2.
4. Propose a practical location for the stand-alone system for Option 3. Provide a capital cost for the improvements and specify a treatment and disposal rate that can be compared to the rates determined for alternate nos. 1 & 2. Provide Option 3 as a bid alternate due to potential funding limitations.
5. For each option, identify a location for the main pump station(s) and layout a transmission system to the connection point or treatment facility.
6. Develop a Collection System layout for the initial service area that considers the location of the main pump station.
7. Prepare capital cost estimates and user rates for all three options.
8. Specify a recommendation for the most cost-effective option.
9. Propose an estimated implementation schedule for construction of all three options.
10. Compile the results into a planning document, and present the results to the Engineering Department as well as to the Bethel Town Council and the Sussex County Council.

Sussex County is requesting your written or e-mailed proposal be submitted to Mr. Ashman on or before 3:00 PM on Wednesday \_\_\_\_\_, 2013.

Sincerely,

Michael A. Izzo  
County Engineer

cc: Todd Lawson  
John Ashman

## EXHIBIT B – GRANT ADMINISTRATIVE AND PROGRAMMATIC CONDITIONS FOR EPA FUNDED PROJECTS

### A. *General:*

- 1) "COUNTY" shall mean the Sussex County Council. "DEPARTMENT" shall mean the "State of Delaware Department of Natural Resources and Environmental Control. "Contract" shall mean the Memorandum of Agreement between Sussex County Council and Department of Natural Resources and Environmental Control and its attached Exhibits.
- 2) COUNTY shall comply with all applicable State and Federal laws and regulations. If applicable State and Federal laws and regulations conflict with these provisions of this Exhibit B, then applicable laws and regulations supersede these provisions. These provisions shall apply to the work to be performed under this Contract and such provisions shall supersede any conflicting provisions of this Contract.
- 3) This Contract is funded by a grant from the EPA. Neither the United States nor any of its departments, agencies, or employees is a party to this Contract.
- 4) The rights and remedies of DEPARTMENT provided for in these clauses are in addition to any other rights and remedies provided by law or under this Contract.

### B. *Remedies:*

Except as may be otherwise provided in this Contract all claims, counterclaims, disputes and other matters in question between DEPARTMENT and COUNTY arising out of or relating to this Contract or the breach thereof will be decided by arbitration if the parties hereto mutually agree, or in a court of competent jurisdiction within the State of Delaware.

### C. *Audit; Access to Records:*

COUNTY shall maintain books, records, documents and other evidence directly pertinent to performance on EPA grant work under this Contract in accordance with generally accepted accounting principles and practices. COUNTY shall also maintain the financial information and data used by COUNTY in the preparation or support of the cost submission, and a copy of the cost summary submitted to DEPARTMENT. The United States Department of Labor, DEPARTMENT (and the State of Delaware) or any of their duly authorized representatives shall have access to such books, records, documents and other evidence for the purpose of inspection, audit and copying. COUNTY will provide proper facilities for such access and inspection.

### D. *Subcontracts:*

Any subcontractors and outside associates or consultants required by COUNTY in connection with the services covered by this Contract will be limited to such individuals or firms as were specifically identified and agreed to in writing during negotiations, or as are specifically authorized in writing by DEPARTMENT during the performance of this Contract. Any substitutions in or additions to such subcontractors, associates, or consultants will be subject to the prior written approval of DEPARTMENT.

### E. *Equal Employment Opportunity:*

COUNTY agrees that it will not discriminate against any employee or applicant for employment because of race, religion, color, sex, age or national origin.

### F. *Utilization of Small and Minority Business:*

COUNTY agrees that qualified small business and minority business enterprises shall have the maximum practicable opportunity to participate in the performance of Federal grant assisted contracts and subcontracts.

### G. *Covenant against Contingent Fees:*

COUNTY warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees. For breach or violation of this warranty, DEPARTMENT shall have the right to annul this Contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

### H. *Gratuities:*

- 1) If it is found, after notice and hearing, by DEPARTMENT that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by COUNTY with a view toward securing a Contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with

respect to the performance of this Contract, DEPARTMENT may, by written notice to COUNTY, terminate the right of COUNTY to proceed under this Contract and/or may pursue such other rights and remedies provided by law or under this agreement; provided that the existence of the facts upon which DEPARTMENT makes such findings shall be in issue and may be reviewed in proceedings pursuant to the Remedies clause of this Contract.

2) In the event this Contract is terminated as provided in paragraph H.1) hereof, DEPARTMENT shall be entitled (i) to pursue the same remedies against COUNTY, and (ii) as a penalty in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by DEPARTMENT), which shall be not less than three nor more than ten times the costs incurred by COUNTY in providing any such gratuities to any such officer or employee.

*I. Patents:*

If this Contract involves research, developmental, experimental, or demonstration work and any discovery or invention arises or is developed in the course of or under this Contract, such invention or discovery shall be subject to the reporting and rights provisions of Subpart D of 40 C.F.R. Part 30, in effect on the date of execution of this Contract including the Appendix of said Part 30. In such case, COUNTY shall report the discovery or invention to EPA directly or through DEPARTMENT and shall otherwise comply with DEPARTMENT'S responsibilities in accordance with Subpart D of 40 C.F.R. Part 30. COUNTY hereby agrees that the disposition of rights to inventions made under this Contract shall be in accordance with the terms and conditions of aforementioned Appendix. COUNTY shall include provisions appropriate to effectuate the purposes of this condition in all subcontracts involving research, developmental, experimental, or demonstration work.

*J. Debarment, Suspension, Ineligibility and Voluntary Exclusion:*

COUNTY certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

*K. Lobbying:*

- 1) COUNTY certifies that no Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- 2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions.

*L. Trafficking Victim Protection Act:*

To implement requirements of Section 106 of the Trafficking Victims Protection Act of 2000, as amended, the following provisions apply to this award: The COUNTY, COUNTY employees, sub-recipients under this award, and sub recipients' employees may not engage in severe forms of trafficking in persons during the period of time that the award is in effect; procure a commercial sex act during the period of time that the award is in effect; or use forced labor in the performance of the award or sub-awards under this award.

*M. Recycling:*

In accordance with the policies set forth in EPA Order 1000.25 and Executive Order 13423, Strengthening Federal Environmental, Energy and Transportation Management (January 24, 2007), the COUNTY agrees to use recycled paper and double sided printing for all reports which are prepared as a part of this agreement and delivered to the DEPARTMENT.

*N. Payment to Consultants:*

EPA participation in the salary rate (excluding overhead) paid to individual consultants retained by the DEPARTMENT or the DEPARTMENT'S contractors (COUNTY) or subcontractors shall be limited to the maximum daily rate for a Level IV of the Executive Schedule (formerly GS 18), to be adjusted annually. This limit applies to consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate. As of January 1, 2013, the limit is \$596.00 per day and \$74.50 per hour. This rate does not include transportation and subsistence costs for travel performed (the recipient will pay these in accordance with their normal travel reimbursement practices).

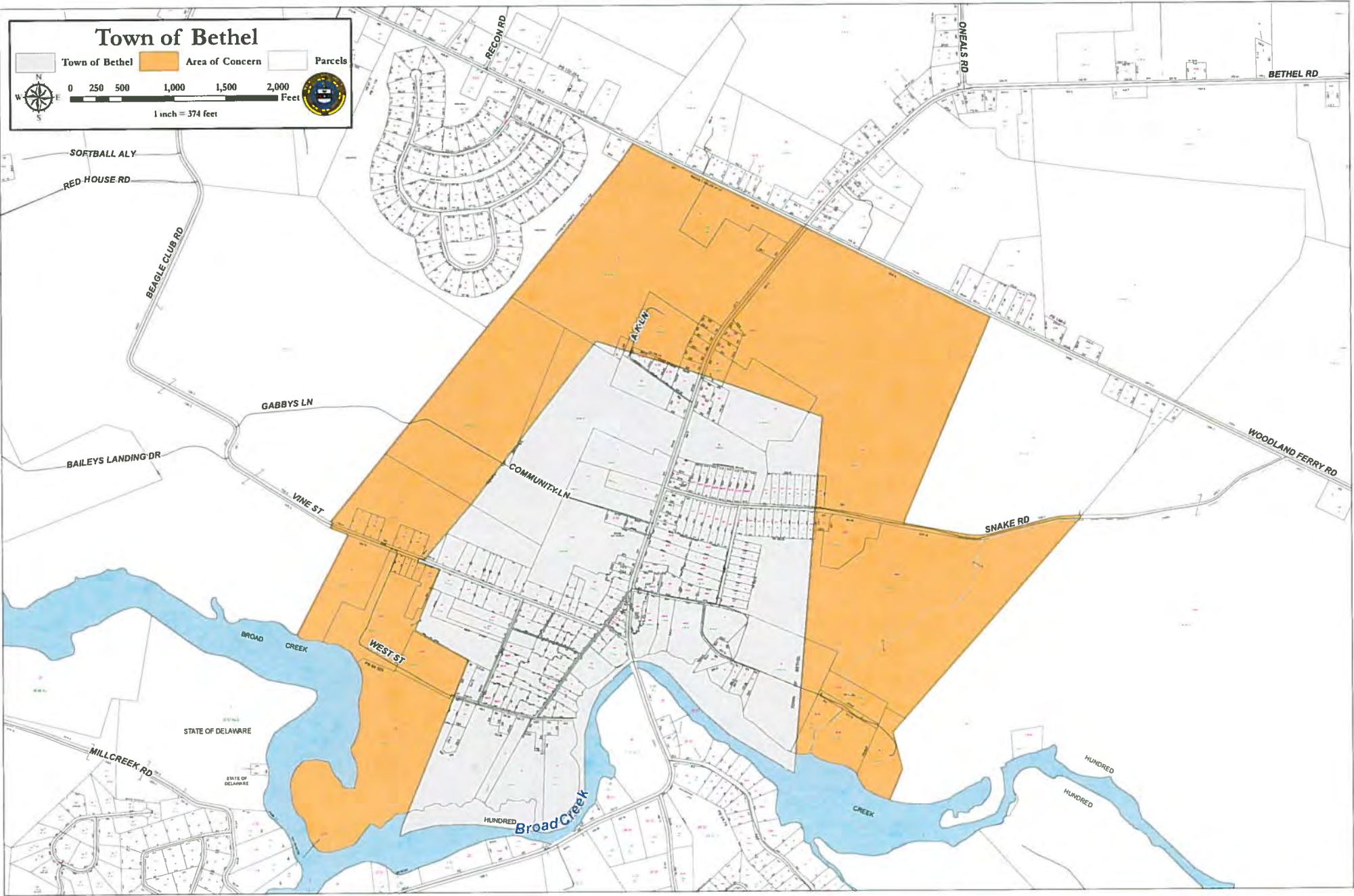
Sub-agreements with firms for services which are awarded using procurement requirements in 40 CFR 30 or 31, as applicable, are not affected by this limitation unless the terms of the contract provide the recipient with responsibility for the selection, direction and control of the individuals who will be providing services under the contract at an hourly or daily rate of compensation. See 40 CFR 31.36(j) or 30.27(b).

**Town of Bethel**

Town of Bethel    Area of Concern    Parcels

0 250 500 1,000 1,500 2,000 Feet

1 inch = 374 feet



ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE TO AMEND CHAPTER 52, SECTION 52-18C. AND E. OF THE CODE OF SUSSEX COUNTY IN REGARD TO THE SEALING OF DRAWINGS, SPECIFICATIONS, ETC. BY AN ARCHITECT AND/OR ENGINEER**

WHEREAS, Sussex County Code, Chapter 52, Section 52-18C. currently does not require that building plans be sealed by a registered or licensed architect or engineer unless the building or structure is 5,000 square feet or greater in size; and

WHEREAS, Sussex County Code, Chapter 52, Section 52-18E. provides that plans and specifications for buildings and structures less than 5,000 square feet in area shall not be required to be developed by an architect or engineer; and

WHEREAS, in order to be in compliance with the Delaware Code, this ordinance shall delete the current language of Section 52-18C. in its entirety and insert new language therein that all building plans and accompanying documents shall meet the requirements of the Delaware Code and shall be sealed by an architect or engineer who is in compliance with the registration and/or licensing provisions of the Delaware Code pertaining to the respective profession; and

WHEREAS, Section 52-18E. shall be deleted in its entirety.

**NOW THEREFORE, THE COUNTY OF SUSSEX HEREBY ORDAINS:**

**Section 1. Amend Sussex County Code, Chapter 52, Section 52-18C., Drawing and specifications, by deleting the current language in its entirety and as shown in brackets below:**

- [C. All drawings, specifications and accompanying data shall bear the name and address of the designer. In the case of buildings or structures of Group E – Educational, Group I – Institutional, and Group A – Assembly Occupancy, as defined by and regulated by the IBC, and in the case of all buildings and structures of 5,000 square feet or more in area, such designer shall be an architect or engineer legally registered under the laws of any state in the United States regulating the practice of architecture and/or engineering and shall affix his official seal to said drawings, specifications and accompanying data.]

Section 2. Amend Sussex County Code, Chapter 52, Section 52-18C., Drawing and specifications, by inserting the new underlined language as follows:

C. All drawings, specifications and accompanying data shall bear the name and address of the designer. All drawings, specifications and accompanying data submitted for review by the building official and any documents submitted to the building official with a permit application shall meet the requirements of the Delaware Code. Said drawings, specifications and accompanying data shall have affixed upon them the official seal of an architect and/or engineer, and no permit application will be approved unless, for plans sealed by an architect, the person so affixing his or her seal is, in connection with the preparation and submission of such drawings, specifications and accompanying data, in compliance with the registration provisions of 24 Del. C. Ch. 3 or, for plans sealed by an engineer, the person so affixing his or her seal is, in connection with the preparation and submission of such drawings, specifications and accompanying data, in compliance with the licensing requirement of 24 Del. C. Ch. 28.

Section 3. Amend Sussex County Code, Chapter 52, Section 52-18E., Drawing and specifications, by deleting the current language in its entirety and as shown in brackets below:

[E. Nothing in this section is to be construed as a requirement that an architect or engineer is required to develop drawings and/or specifications of less than five thousand (5,000) square feet in area.]

Section 4. Effective Date. This Ordinance shall become effective on January 1, 2013.

#### Synopsis

In order to be in compliance with the Delaware Code, this Ordinance amends Chapter 52, Sections 52-18C. and E. to require that, among other things, prior to the issuance of a building permit, all drawings, specifications and accompanying data shall be sealed by an architect and/or engineer who is in compliance with the registration provisions of 24 Del. C., Chapter 3 or licensing requirement of 24 Del. C., Chapter 28, as the case may be.

Deleted text is shown in brackets. Additional text is underlined.



*CENTENARY UNITED METHODIST CHURCH*  
*200 W. MARKET STREET*  
*LAUREL, DE 19956*

Rev. Joseph G. Burris, Pastor  
302-875-3983

November 26, 2013

The Honorable Michael Vincent  
Sussex County Council  
734 E. Ivy Dr.  
Seaford, DE 19973

Dear Councilman Vincent:

Thank you for your interest in the food pantry operated by Centenary United Methodist Church. Our food pantry has been in operation for approximately thirteen years. Currently, it is open every other Wednesday of each month, and we serve approximately 100 families from our community each Wednesday.

Our food pantry is operated on funds which are donated from our church members and others, and we purchase the food locally from the Food Bank and Dollar General. It costs us approximately \$1600 per month to furnish a basic bag of canned goods and a package of frozen meat to each client.

Any financial support you can provide will be greatly appreciated. It will help us continue to serve the less fortunate in our Laurel community. Any donations are made payable to Centenary UMC Food Pantry.

Thanks, again, for your interest and support.

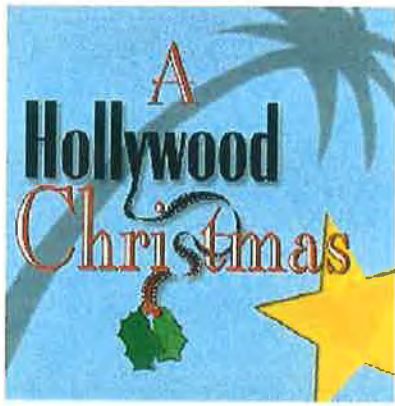
Sincerely,

A handwritten signature in cursive script that reads "Rev. Joseph Burris" with a small cross-like mark at the end of the line.

Rev. Joseph Burris, Pastor

JB:abl

cc: Don White  
Ann Lee



**GREATER GEORGETOWN**  
**CHAMBER OF COMMERCE**  
Georgetown Delaware  
**LINKING BUSINESS & THE COMMUNITY**

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

November 13, 2013

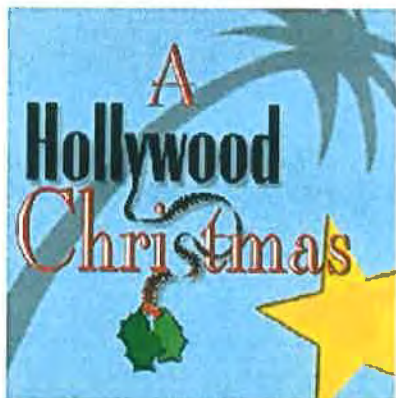
**RE: 2013 Georgetown Christmas Parade**  
**To be held December 5, 2013**

To the Sussex County Council:

Thank you for taking the time to consider your ongoing partnership with the Greater Georgetown Chamber of Commerce in its annual *Georgetown Christmas Parade*. This year's theme is "A Hollywood Christmas" and we hope the parade will have all the glitz, glamor and glee of any red carpet event, and participants will decorate with the idea of a beloved holiday movie or TV show in mind.

The Chamber's Christmas Parade in Georgetown is a holiday tradition in Sussex County, and there are many good reasons for the County Council to continue to help sponsor this event:

- ❖ **The Georgetown Christmas Parade grows in size and celebrity every season, yet always maintains its small-town charm and character. This parade in particular, brings a community of great cultural diversity together in peace & joy- the true spirit of Christmas.**
- ❖ **Public and private organizations in Sussex County including schools, civic groups, churches, etc. participate in this parade- often at significant cost. Their time, energies and monies are generously spent to make the Georgetown parade the great event it is. County sponsorship helps the Chamber provide the spotlight for them to really shine.**
- ❖ **Georgetown is the county seat, and as such, many thousands of Sussex Countians come to Georgetown to see its Christmas parade and celebrate the season. Council's sponsorship in the Georgetown Christmas Parade demonstrates its support of a special community event that serves a special community in a special county.**



Sussex County Council  
November 13, 2013  
Page 2

As we have these past several years, the Chamber has budgeted quite conservatively in 2013 and made deliberate effort to hold down costs for this year's parade. Nevertheless, there is still significant expense associated with it (balloon decorations, school bands' transportation costs, food for volunteers, prizes awarded, etc.) So, we would be very grateful to the Council if it joined with the Georgetown Chamber and the other distinguished organizations and businesses that make a financial commitment to support the parade, and matched last year's contribution (\$1,000.00) towards this community program.

Your sponsorship will be recognized as the highest level of Parade Sponsorship, and as such, the County will enjoy all of the benefits of a **Diamond Sponsorship**, as detailed in the attached material. Please join the production this year a let Council be the Star. We'll all experience a splash of Hollywood in Sussex County!

Sincerely,

Karin Joensen, Chairperson,  
GGCOC 2012 Christmas "Balloon" Parade

Karen Duffield, Executive Director  
GGCOC

## Enclosure

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229 East Market Street

Georgetown, DE 19947

T) 302-856-1544; (F) 856-1577

[www.georgetowncoc.com](http://www.georgetowncoc.com)

[info@georgetowncoc.com](mailto:info@georgetowncoc.com)



## *“Wishing You a Happy and Healthy Holiday Season”*

### 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 five years, individuals have received over \$100,000 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](http://www.nanticoke.org) | Always Caring. Always Here.

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

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.

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

The generous gifts from the community to the Holiday Appeal have made a wish a reality for many.

Please join us in making a difference in just one patient's life. You will be part of making it a healthier one.

The four of us wish you the joy of family, the gift of friends and the blessings of good health.

Dr. & Mrs. Joseph P. Olekszyk    Dr. & Mrs. Harry A. Lehman, III  
*Holiday Appeal Co-Chairs*                      *Holiday Appeal Co-Chairs*



ORDINANCE NO. \_\_\_\_

AN ORDINANCE TO AMEND THE COMPREHENSIVE ZONING MAP OF SUSSEX COUNTY FROM AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT TO MR-RPC MEDIUM DENSITY RESIDENTIAL – RESIDENTIAL PLANNED COMMUNITY FOR A CERTAIN PARCEL OF LAND LYING AND BEING IN BALTIMORE HUNDRED, SUSSEX COUNTY, CONTAINING 30.695 ACRES, MORE OR LESS (Tax Map I.D. 134-8.00 parcels 17.00, 17.02, and 18.00) (No 911 address available at this time)

WHEREAS, on the 4th day of November 2013, a zoning application, denominated Change of Zone No. 1741 was filed on behalf of Bay Forest Club, LLC; and

WHEREAS, on the \_\_\_\_ day of \_\_\_\_\_ 2014, 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. 1741 be \_\_\_\_\_; and

WHEREAS, on the \_\_\_\_ day of \_\_\_\_\_ 2014, 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 HEREBY 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 adding in lieu thereof the designation MR-RPC Medium Density Residential – Residential Planned Community 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 Baltimore Hundred, Sussex County, Delaware, and lying east of White's Neck Road (Road 347) ½ mile north of Old Mill Road (Road 349) and being more particularly described per the attached legal description by Morris & Ritchie Associates, Inc. and containing a total of 30.695 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.

# MORRIS & RITCHIE ASSOCIATES, INC.

ENGINEERS, ARCHITECTS, PLANNERS, SURVEYORS,  
AND LANDSCAPE ARCHITECTS



October 3, 2013

26.532 Acre Parcel of Land, Land of Eileen P. McCaffery, Located East of County Road 347, Baltimore Hundred, Sussex County, Delaware.

BEGINNING for the same at a common corner on the easterly right of way of County Road 347, said common corner being at the beginning of the second or South 74° 27' 27" East 263.72 foot line of the land conveyed by and described in a deed from Ethelyn Ann Mitchell to Eileen P. McCaffery, dated September 20, 1996 and recorded in the Office of the Recorder of Deeds in and for Sussex County, Delaware in Deed Book 2150, Page 237, said common corner being a corner for the land conveyed by and described in a deed from John Hammond Mitchell, Jr. to Bay Forest, LLC, dated November 15, 2010 and recorded in the aforesaid Office of the Recorder of Deeds in Deed Book 3843, Page 311, thence leaving the easterly right of way line of County Road 347 and binding on the aforesaid second line, as now surveyed, with bearings referred to the Delaware Coordinate System (NAD'83/86),

1. South 88° 16' 42" East 263.92 feet to a common corner, said common corner being at the beginning of the last or South 74° 27' 27" East 791.43 foot line of the land conveyed by and described in a deed from Alice B. Simpler, Ethelyn Ann Mitchell and Penny Helena Mitchell to Eileen P. McCaffery, dated September 20, 1996 and recorded in the aforesaid Office of the Recorder of Deeds in Deed Book 2150, Page 233, said common corner being a corner for Future Phase 4 as shown on sheet 26 of 26 of a plat entitled "Record Plat, Bay Forest Club, Phase 1" dated March 22, 2005 and recorded in the aforesaid Office of the Recorder of Deeds in Plot Book 101, Page 181-205, said common corner also being a corner for the aforesaid land of Bay Forest, LLC, thence binding on the said last line and also binding on the outline of the said Future Phase 4,
2. South 88° 16' 42" East 791.14 feet to intersect the fourteenth or North 22° East 782 foot line of the land conveyed by and described in a deed from Asa H. Clogg, Ollie Clogg and Grace M. Hudson to James T. Buck and Eileen P. Buck, dated April 16, 1970 and recorded in the aforesaid Office of the Recorder of Deeds in Deed Book 653, Page 338, thence binding on part of the said fourteenth line and continuing to bind on the outline of the aforesaid Future Phase 4,
3. North 14° 12' 33" East 641.24 feet to a concrete monument heretofore planted at a common corner for the said Land of James T. Buck and Eileen P. Buck, the aforesaid Future Phase 4 and the land conveyed by and described in a deed from Lynn Ann Simpler (n/a Lynn A. Hoyle) to Eileen P. McCaffery, dated May 11, 1993 and recorded in the aforesaid Office of the Recorder of Deeds in Deed Book 1911, Page 253, thence binding reversely on the last line of the last mentioned deed (1911/253) and continuing to bin on the outline of the aforesaid Future Parcel 4,

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4. North 33° 14' 51" East 228.46 feet to an iron pipe heretofore set at a common corner for the said Land of Eileen P. McCaffery, the aforesaid Future Phase 4, and the land conveyed by and described in a deed from Kendell W. Hickman, Jr and Linda A. Hickman to Steven M. Sprogell, dated May 29, 2002 and recorded in the aforesaid Office of the Recorder of Deeds in Deed Book 2714, Page 126, thence binding on the fourth or South 34° 02' 45" West 381.61 foot line of the last mentioned deed (2714/126) and also binding reversely on the fourth or South 39° 09' 47" West 380.23 foot line of the fifth mentioned deed (1911/253),
5. North 25° 27' 35" East 381.61 feet to intersect the outline of Future Phase 3 as shown on sheet 25 of 26 of the aforesaid plat, thence binding reversely on the third line of the fifth mentioned deed (1911/253) and also binding on the outline of Future Phase 3,
6. South 66° 47' 04" East 435.76 feet to an iron axle heretofore planted at a common corner for the land of Eileen P. McCaffery, the aforesaid land of James T. Buck and Eileen P. Buck, and the aforesaid Future Phase 3, thence binding on the first and second lines of the fourth mentioned deed (653/338) and continuing to bind on the outline of Future Phase 3, the following two courses, viz:
  7. South 65° 38' 20" East 189.91 feet to a concrete monument heretofore planted, and
  8. South 03° 54' 09" West, passing over a concrete monument heretofore set at a distance of 536.92 feet, for a total distance of 1071.54 feet intersect the Open Space as shown on sheets 11 of 26 and 12 of 26 of the aforesaid plat, thence binding on the outline of the said Open Space, the following forty-one courses, viz:
    9. North 86° 25' 33" West 63.26 feet,
    10. South 45° 00' 32" West 46.94 feet,
    11. North 84° 10' 16" West 176.08 feet,
    12. North 46° 48' 14" West 55.22 feet,
    13. North 69° 13' 56" West 42.81 feet,
    14. South 61° 31' 04" West 109.26 feet,
    15. South 41° 50' 33" West 16.24 feet,
    16. South 77° 22' 15" West 23.27 feet,
    17. North 85° 14' 46" West 33.61 feet,

18. South 55° 29' 43" West 27.89 feet,
19. South 78° 26' 19" West 27.77 feet,
20. South 72° 11' 38" West 16.91 feet,
21. South 59° 31' 33" West 19.98 feet,
22. South 44° 03' 52" West 13.76 feet,
23. North 57° 41' 30" West 28.92 feet,
24. North 60° 56' 13" West 57.23 feet,
25. North 44° 40' 28" West 12.34 feet,
26. South 80° 42' 48" West 32.63 feet,
27. South 61° 45' 14" West 14.48 feet,
28. North 85° 57' 30" West 54.06 feet,
29. North 59° 03' 18" West 25.38 feet,
30. North 82° 00' 13" West 29.95 feet,
31. North 86° 21' 33" West 28.18 feet,
32. North 51° 05' 47" West 48.01 feet,
33. North 79° 48' 12" West 25.08 feet,
34. South 74° 27' 18" West 23.92 feet,
35. North 40° 54' 28" West 13.90 feet,
36. North 65° 46' 34" West 17.10 feet,
37. North 84° 24' 51" West 9.90 feet,
38. North 58° 40' 06" West 22.88 feet,
39. North 79° 31' 21" West 48.11 feet,



40. North 79° 51' 57" West 58.17 feet,
41. North 78° 38' 45" West 34.09 feet,
42. North 83° 37' 25" West 43.97 feet,
43. South 80° 00' 42" West 39.83 feet,
44. South 83° 26' 45" West 134.99 feet,
45. North 79° 21' 15" West 53.69 feet,
46. North 80° 28' 01" West 44.86 feet,
47. South 86° 16' 43" West 101.92 feet,
48. South 86° 41' 29" West 73.55 feet, and
49. South 85° 44' 16" West 57.90 feet to the 1.836 Ac Parcel to be conveyed to Tidewater Utilities as shown on sheet 11 of 26 of said plat, thence binding on the outline of the 1.836 Ac Parcel to be conveyed to Tidewater Utilities, the following six courses, viz:
  50. South 85° 44' 16" West 13.05 feet
  51. South 85° 58' 07" West 74.27 feet,
  52. South 85° 42' 02" West 58.80 feet,
  53. South 85° 01' 18" West 69.38 feet,
  54. South 87° 28' 41" West 55.92 feet, and
  55. South 84° 47' 56" West 28.66 feet to intersect the aforesaid easterly right of way of County Road 347, thence binding thereon,
56. North 03° 18' 19" West 155.27 feet to the place of beginning

CONTAINING 26.532 acres of land, more or less.

BEING all of land conveyed by and described in a deed from Ethelyn Ann Mitchell to Eileen P. McCaffery, dated September 20, 1996 and recorded in the Office of the Recorder of Deeds in and for Sussex County, Delaware in Deed Book 2150, Page 237. BEING ALSO all of the land conveyed by and described in a deed from Alice B. Simpler, Ethelyn Ann Mitchell and Penny

26.532 Acre Parcel  
Land of Eileen P. McCaffery  
October 3, 2013  
Page 5

Helena Mitchell to Eileen P. McCaffery, dated September 20, 1996 and recorded in the aforesaid Office of the Recorder of Deeds in Deed Book 2150, Page 233. BEING ALSO all of the land conveyed by and described in a deed from Asa H. Clogg, Ollie Clogg and Grace M. Hudson to James T. Buck and Eileen P. Buck, dated April 16, 1970 and recorded in the aforesaid Office of the Recorder of Deeds in Deed Book 653, Page 338. BEING ALSO all the land conveyed by and described in a deed from Lynn Ann Simpler (n/a Lynn A. Hoyle) to Eileen P. McCaffery, dated May 11, 1993 and recorded in the aforesaid Office of the Recorder of Deeds in Deed Book 1911, Page 253.



# MORRIS & RITCHIE ASSOCIATES, INC.

ENGINEERS, ARCHITECTS, PLANNERS, SURVEYORS,  
AND LANDSCAPE ARCHITECTS



October 10, 2013

4.163 Acre Parcel of Land, Land of Bay Forest, LLC, Located East of County Road 347, Baltimore Hundred, Sussex County, Delaware.

BEGINNING for the same at a common corner on the easterly right of way of County Road 347, said common corner being at the beginning of the second or South  $74^{\circ} 27' 27''$  East 263.72 foot line of the land conveyed by and described in a deed from Ethelyn Ann Mitchell to Eileen P. McCaffery, dated September 20, 1996 and recorded in the Office of the Recorder of Deeds in and for Sussex County, Delaware in Deed Book 2150, Page 237, said common corner being a corner for the land conveyed by and described in a deed from John Hammond Mitchell, Jr. to Bay Forest, LLC, dated November 15, 2010 and recorded in the aforesaid Office of the Recorder of Deeds in Deed Book 3843, Page 311, thence binding on the easterly right of way line of County Road 347 and binding on the aforesaid second line, as now surveyed, with bearings referred to the Delaware Coordinate System (NAD'83/86), the following seven courses, viz:

1. North  $02^{\circ} 50' 42''$  West 50.42 feet,
2. North  $02^{\circ} 11' 15''$  West 95.46 feet,
3. North  $00^{\circ} 01' 22''$  West 96.58 feet,
4. North  $04^{\circ} 44' 57''$  East 95.92 feet,
5. North  $09^{\circ} 08' 55''$  East 95.33 feet,
6. North  $11^{\circ} 50' 17''$  East 97.18 feet, and
7. North  $13^{\circ} 23' 14''$  East 155.38 feet to a  $\frac{3}{4}$ -inch pipe heretofore set at a common corner of Future Phase 4 as shown on sheet 26 of 26 of a plat entitled "Record Plat, Bay Forest Club, Phase 1" dated March 22, 2005 and recorded in the aforesaid Office of the Recorder of Deeds in Plot Book 101, Page 181-205, and the aforesaid land of Bay Forest, LLC, thence binding on the outline of the said Future Phase 4, the following two courses, viz:
  8. South  $79^{\circ} 15' 09''$  East 242.12 feet, and
  9. South  $04^{\circ} 11' 02''$  West 642.80 feet to a  $\frac{3}{4}$ -inch pipe heretofore set, said  $\frac{3}{4}$ -inch pipe being at the end of the aforesaid second line in the deed from Ethelyn Ann Mitchell to Eileen P. McCaffery, thence binding reversely on the second line of the McCaffery deed,
10. North  $88^{\circ} 16' 42''$  West 263.92 feet to the place of beginning.

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4163 Acre Parcel  
Land of Bay Forest, LLC  
October 10, 2013  
Page 2

CONTAINING 4.163 acres of land, more or less.

BEING all of land conveyed by and described in a deed from John Hammond Mitchell, Jr. to Bay Forest, LLC, dated November 15, 2010 and recorded in the Office of the Recorder of Deeds in and for Sussex County, Delaware in Deed Book 3843, Page 311.

