



Sussex County Council Public/Media Packet

**MEETING:
December 16, 2014**

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**Sussex County Council
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MICHAEL H. VINCENT, PRESIDENT
SAMUEL R. WILSON JR., VICE PRESIDENT
GEORGE B. COLE
JOAN R. DEEVER
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Sussex County Council

AGENDA

DECEMBER 16, 2014

10:00 A.M.

Call to Order

Approval of Agenda

Approval of Minutes

Reading of Correspondence

Bill Andrew, Delaware Electric Cooperative – Check Presentation

Bob Carey – Delmarva Teen Challenge Presentation

Todd Lawson, County Administrator

1. Proclamation – Cape Henlopen Field Hockey Team
2. Administrator's Report

Gina Jennings, Finance Director

1. Pension Committee Update and Recommendations
2. Health Insurance RFP Process

Brandy Nauman, Housing Coordinator and Fair Housing Compliance Officer

1. Fair Housing Update

John Ashman, Director of Utility Planning

1. EMS Station #105

A. Bid Award



2. Records Management Roof Replacement

A. Substantial Completion and Change Order No. 1

Robert Stuart, Director of EMS

1. Lease Renewal – EMS Station #101

Chris Keeler, Director of Assessment

1. Discussion of Chicken House Assessment

Grant Requests

- 1. Delmarva Teen Challenge for emergency grant for operating costs.**
- 2. Kiwanis International for the Sussex Tech Key Club for conference costs.**
- 3. Delaware State University Alumni Association for scholarship fundraiser.**

Old Business

Conditional Use No. 1998 filed on behalf of Todd Fisher

“AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR A SELF-STORAGE FACILITY TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED, SUSSEX COUNTY, CONTAINING 3.74 ACRES, MORE OR LESS” (Tax I.D. No. 334-1.00-15.02/15.04) (911 Address: 16542 Old Mill Road, Lewes)

Conditional Use No. 1999 filed on behalf of Hopkins Farm Creamery, Inc.

“AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR A BBQ VENDOR TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED, SUSSEX COUNTY, CONTAINING 73 ACRES, MORE OR LESS” (Tax I.D. No. 334-10.00-51.00) (911 Address: 18186 Dairy Farm Road, Lewes)

Conditional Use No. 2000 filed on behalf of Jovid Venture, LLC

“AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR A FACILITY FOR WEDDING CEREMONIES AND RECEPTIONS TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED, SUSSEX COUNTY, CONTAINING 1.683 ACRES, MORE OR LESS” (Tax I.D. No. 334-12.00-121.01) (911 Address: 35060 Warrington Road, Rehoboth Beach)

Conditional Use No. 2001 filed on behalf of Christina Abramowicz

“AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR A VETERINARY PRACTICE TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED, SUSSEX COUNTY, CONTAINING 32,671 SQUARE FEET, MORE OR LESS” (Tax I.D. No. 334-1.00-23.00) (911 Address: 16403 Old Mill Road, Lewes)

Conditional Use No. 2002 filed on behalf of Beach Bum Distilling, c/o I3A

“AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN A C-1 GENERAL COMMERCIAL DISTRICT FOR A DISTILLERY WITH TOURS/TASTING/RETAIL TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED, SUSSEX COUNTY, CONTAINING 24,523 SQUARE FEET, MORE OR LESS” (Tax I.D. No. 334-5.00-74.01) (911 Address: 32191 Nassau Road, Lewes)

Introduction of Proposed Zoning Ordinances

Executive Session – Land Acquisition pursuant to 29 Del. C. §10004(b)

Possible Action on Executive Session Items

Any Additional Business Brought Before Council

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

In accordance with 29 Del. C. §10004(e)(2), this Agenda was posted on December 9, 2014 at 4:20 p.m., and at least seven (7) days in advance of the meeting.

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

Agenda items listed may be considered out of sequence.

###

SUSSEX COUNTY COUNCIL - GEORGETOWN, DELAWARE, DECEMBER 2, 2014

A regularly scheduled meeting of the Sussex County Council was held on Tuesday, December 2, 2014, at 10:00 a.m., in the Council Chambers, Sussex County Administrative Office Building, Georgetown, Delaware, with the following present:

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

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

**Call to
Order**

Mr. Vincent called the meeting to order.

**M 548 14
Approve
Agenda**

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

Motion Adopted: 5 Yeas.

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

Minutes

The minutes of November 18, 2014 were approved by consent.

**Corre-
spondence**

Mr. Moore read the following correspondence:

**THE WAY HOME, GEORGETOWN, DELAWARE.
RE: Letter in appreciation of Human Service Grant.**

**Procla-
mation/
Young
Marines**

The Council presented to Young Marine 1st Sgt. Richard Pope a Proclamation entitled "A PROCLAMATION RECOGNIZING THE RED RIBBON CAMPAIGN OF THE YOUNG MARINES OF THE MARINE CORPS LEAGUE".

**Tribute/
King**

The Council presented a Tribute to Richard King, Sussex County Employee of the Fourth Quarter.

**Proposed
Schedule**

Mr. Lawson presented the proposed 2015 Holiday Schedule:

Proposed 2015 Holiday Schedule (continued)	New Year's Day	January 1 (Thursday)
	Martin Luther King, Jr. Day	January 19 (Monday)
	Good Friday	April 3 (Friday)
	Memorial Day	May 25 (Monday)
	Independence Day	July 3 (Friday)
	Labor Day	September 7 (Monday)
	Veterans Day	November 11 (Wednesday)
	Thanksgiving Day	November 26 (Thursday)
	Day After Thanksgiving	November 27 (Friday)
	Christmas	December 24 (Thursday) December 25 (Friday)

The County grants two floating holidays to eligible employees per calendar year in accordance with the Floating Holiday Policy.

M 549 14 **A Motion was made by Mrs. Deaver, seconded by Mr. Wilson, that the Sussex Adopt**
2015 **County Council adopts the 2015 County Holiday Schedule, as presented.**

Holiday **Motion Adopted: 5 Yeas.**
Schedule

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

Wastewater **Mr. Lawson presented a Wastewater Agreement for the Council's**
Agreement **consideration.**

M 550 14 **A Motion was made by Mr. Phillips, seconded by Mrs. Deaver, based upon**
Execute **the recommendation of the Sussex County Engineering Department, for**
Wastewater **Sussex County Project No. 81-04, Agreement No. 1016, that the Sussex**
Agreement/ **County Council execute a Construction Administration and Construction**
Dozer, LLC **Inspection Agreement between Sussex County Council and Dozer, LLC for**
 wastewater facilities to be constructed in Dozer, LLC, located in the Miller
 Creek Sanitary Sewer District.

Motion Adopted: 5 Yeas.

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

Further Consideration of CU 1992 and CU 1994

Mr. Lawson presented information on the agenda items entitled “Further consideration of Conditional Use No. 1992 filed on behalf of W. Ralph Brumbley” and “Further Consideration of Conditional Use No. 1994 filed on behalf of Robert Wilkerson”. On October 7, 2014, the Council voted to deny Conditional Use No. 1992 for the failure to appear by the applicant, and on October 14, 2014, the Council voted to deny Conditional Use No. 1994 for the failure to appear by the applicant.

The County Code is clear and gives no option to the Council when an applicant does not appear during the public hearing process. County Code § 115-216 F. states:

Failure to appear. If a petitioner, applicant or appellant fails to appear, or appear by agent, or fails to withdraw his application as provided for in Subsection E hereof, a petition requesting an amendment, supplement or change substantially similar shall not be reconsidered sooner than one year after the previous failure to appear or failure to withdraw.”

Mr. Lawson reported that there are extenuating circumstances involving both applications. In the case of Conditional Use No. 1992, inaccurate information was provided to Mr. Brumbley causing him to miss the public hearing. In the case of Conditional Use No. 1994, the original hearing was rescheduled and the yard sign placed on the applicant’s property was not updated. Mr. Lawson stated that after considering these circumstances, it is his recommendation that the Council rescind the previous vote denying each of the respective applications. Mr. Lawson reviewed the process of rescinding a Motion.

Mr. Lawson advised that he asked legal staff to review the Council’s rules and Mason’s Manual – which governs the process for County Council – to provide a recommendation to reconsider the applications. Legal staff agreed that a Motion to Rescind the vote(s) is appropriate in this case; Motions to Rescind are applied to actions which have been taken and are already in effect. Mr. Lawson noted that legal staff believes that Motions to Rescind should only be used in very limited situations, since they run contrary to the desire for finality in all actions taken by County Council. As a result, they should be used sparingly, and very clear reasons should be given when making them.

M 551 14 Rescind Vote of Denial on CU 1992

A Motion was made by Mrs. Deaver, seconded by Mr. Phillips, that the Sussex County Council rescinds the vote of denial made on October 7, 2014 for Conditional Use No. 1992 filed on behalf of W. Ralph Brumbley because the County provided inaccurate information to the Applicant that caused him to miss the Public Hearing.

Motion Adopted: 5 Yeas.

**M 551 14
(continued)**

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

**M 552 14
Rescind
Vote of
Denial on
CU 1994**

A Motion was made by Mrs. Deaver, seconded by Mr. Wilson, that the Sussex County Council rescinds the vote of denial made on October 14, 2014 for Conditional Use No. 1994 filed on behalf of Robert Wilkerson because the County failed to update the new Public Hearing date listed on the notice posted on the Applicant's property causing him to miss the Public Hearing.

Motion Adopted: 5 Yeas.

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

**Discussion/
Draft
Ordinance
Relating to
Failure
to Appear/
Withdraw**

Mr. Lawson reported that legal staff has drafted an ordinance that amends Sussex County Code, Chapter 115, Article XXVIII, § 216D. and F. to provide that, in the event an applicant fails to appear or fails to withdraw its application in accordance with the Code for reasons beyond the applicant's control, if the failure to appear occurred before the Planning and Zoning Commission or, if the failure to appear occurred before the Sussex County Council, the Planning and Zoning Commission or the Sussex County Council, as applicable, shall have discretion to reconsider the application upon an affirmative vote of the body following applicant's submission of a Petition for Reconsideration within fifteen (15) days of the scheduled public hearing containing facts sufficient to demonstrate the failure to appear was beyond applicant's control. Upon affirmative vote to reconsider the application, the public hearing shall be rescheduled.

It was noted that the draft ordinance was not included in the packet nor was it previously distributed to Council members. It was decided that the draft ordinance would be copied and distributed to Council members for review and discussion later in the meeting on this date.

**Adminis-
trator's
Report**

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

1. Caroling on The Circle

A reminder that the annual Caroling on The Circle program will take place on Monday, December 8th, at 6:30 p.m. in front of the Sussex County Courthouse. This is a free event sponsored by the Sussex County Council each year. Everyone is welcome and encouraged to attend, and to bring a food item for the less fortunate if they can afford to do so. Hot chocolate and cookies will be served at the Georgetown Fire Hall after the program. The "Pack the POD" campaign will remain in full swing until the end of December.

**Adminis-
trator's
Report
(continued)**

2. Mildred King Luncheon

Sussex County offices will close for a two-hour period on Friday, December 5th, to allow employees to attend the annual Mildred King Luncheon. County offices will close from 11:00 a.m. to 1:00 p.m. on that date. Members of the public with business to conduct are asked to plan accordingly. County offices will reopen promptly at 1:00 p.m.

3. Project Receiving Substantial Completion

Per the attached Engineering Department Fact Sheet, Forest Landing – Remainder of Phase 2D received Substantial Completion effective November 17, 2014.

4. William Siegmund, Jr.

It is with sadness that we inform you that pensioner William “Bill” Siegmund, Jr., passed away on Friday, November 28, 2014. Mr. Siegmund worked as a Utility Construction Tech III in the Engineering Department. He was employed with the County for 22 years, from September 1984 until his retirement in October 2006.

A memorial service will be held on Thursday, December 4th, at the Chapel of Short Funeral Services, 416 Federal Street, Milton, where friends may call at 12:30 p.m. and services will begin at 1:00 p.m. In lieu of flowers, memorial contributions may be made to the Delaware Hospice Center, 100 Patriots Way, Milford, or any local SPCA.

We would like to express our condolences to the Siegmund family.

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

Rules

Mr. Moore read the rules of procedure for public hearings.

**Public
Hearing/
CU 2000**

A Public Hearing was held on the Proposed Ordinance entitled “AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR A FACILITY FOR WEDDING CEREMONIES AND RECEPTIONS TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED, SUSSEX COUNTY, CONTAINING 1.683 ACRES, MORE OR LESS” (Conditional Use No. 2000) filed on behalf of Jovid Venture, LLC (Tax I.D. No. 334-12.00-121.01) (911 Address: 35060 Warrington Road, Rehoboth Beach).

**Public
Hearing/
CU 2000
(continued)**

The Planning and Zoning Commission held a Public Hearing on this application on November 13, 2014 at which time the Commission deferred action.

(See the minutes of the meeting of the Planning and Zoning Commission dated November 13, 2014.)

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

The Council found that Tim Willard, Attorney, was present with Joe Brinton and David Sterner, innkeepers and owners of The Homestead Bed & Breakfast, were present on behalf of the application.

Mr. Lank distributed Exhibit Packets, including photos, which were previously provided by the Applicant.

Mr. Willard and Mr. Sterner stated that the site of The Homestead Bed & Breakfast is at the corner of Warrington Road and Old Landing Road; that the site is an historic site; that if Council approves this application, the site plan will have to go to DeIDOT for approval; that since the entrance is located so close to Old Landing, it may have to be adjusted; that the site is almost a 2 acre parcel; that approximately ten years ago, the site was approved for a special use to run a Bed & Breakfast; that recently, the cottage in the back was approved for two more bedrooms for a Bed & Breakfast; that Mr. Brinton and Mr. Sterner purchased the property approximately two years ago and the business has been successful and is growing; that their customers have requested to have wedding ceremonies and receptions on the grounds of the property; that to be able to charge for this service, they need approval from the County Council; that the proposed use is a semi-public use and it will provide for the general convenience of the public; that it would provide an alternative venue for weddings and wedding receptions; that they would agree to conditions limiting the number of events, people, and hours; that the site is located in a Developing Area and in a Level 2 or 3 Area according to State Strategies; that the site plan depicts temporary tent locations and ceremony areas with landscaping features; that in regard to the submitted site plan it was noted that the two parking spaces closest to the open area would not be included and the proposed temporary tent would have to be moved – the tent area would be moved to the northeast corner; that 4 parking spaces are available in a garage and parking would be made available in the large field (northeast corner); that the size of the site is adequate for the use intended; that no permanent construction is contemplated in this application – everything would be temporary; that DeIDOT did not require a Traffic Impact Study; and that The Homestead Breakfast has been rated No. 1 in the area by Trip Advisors.

Mr. Willard referenced letters of support that he read into the record during the Public Hearing before the Planning and Zoning Commission.

**Public
Hearing/
CU 2000
(continued)**

Mr. Cole raised questions regarding adequate parking places and he stated that the site is totally inadequate for 125 people; that the site is located at a tricky intersection; and that there is concern that cars would park along the shoulders of public roads.

Mr. Cole commented on conditions relating to number of people attending, number of cars parked, and hours of operation since the County does not have the ability to enforce these types of conditions, especially during evening hours and on weekends.

Mr. Willard responded to the comments regarding parking and he stated that these events are planned; that parking will be limited; and that a shuttle to the site will be planned during events and attendees will be dropped off, thereby reducing the number of people parking their vehicles.

There were no public comments in support of or in opposition to the application.

The Public Hearing and public record were closed.

**M 553 14
Defer
Action on
CU 2000**

A Motion was made by Mr. Phillips, seconded by Mrs. Deaver, to defer action on Conditional Use No. 2000 filed on behalf of Jovid Ventures, LLC.

Motion Adopted: 5 Yeas.

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

**Public
Hearing/
CU 2001**

A Public Hearing was held on the Proposed Ordinance entitled “AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR A VETERINARY PRACTICE TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED, SUSSEX COUNTY, CONTAINING 32,671 SQUARE FEET, MORE OR LESS” (Conditional Use No. 2001) filed on behalf of Christina Abramowicz (Tax I.D. No. 334-1.00-23.00) (911 Address: 16403 Old Mill Road, Lewes).

The Planning and Zoning Commission held a Public Hearing on this application on November 13, 2014 at which time action was deferred.

(See the minutes of the meeting of the Planning and Zoning Commission dated November 13, 2014.)

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

**Public
Hearing/
CU 2001
(continued)**

Mr. Lank distributed a survey/site plan previously provided by the Applicant.

The Council found that Dr. Christina Abramowicz was present on behalf of her application for a veterinary practice and she stated that she is the owner/operator of Veterinary Alternative Care, LLC; that she is a Doctor of Veterinary Medicine; that she has earned a Certified Acupuncture Certificate; that she operates a holistic practice focusing on Chinese and alternative medicine, including acupuncture, massage, herbal therapy, etc.; that she offers equine chiropractic services; that she is one of two acupuncturists in Sussex County; that she currently has no employees and one intern; that the main purpose of being able to see dogs, cats, and other small animal patients in her home is to eliminate the additional charge of a call fee associated with her making home visits; that pet owners have advised her that cost is a concern when she has to travel to the site of the pet owner; that she will only see one animal at a time; that sufficient parking is available for overlapping appointments; that she does not propose any kennels or overnight stays even as her business grows; that there will be no drop-offs; that appointments can last from 1 hour to 3 hours; that she does not perform any surgeries; that emergencies are referred to other veterinary clinics; that she has adequate room in her house for this use; and that this proposal is just a stepping-stone in her business as she hopes to move to another, larger site in the future.

Public comments were heard.

The Council found that Lori Farrell, an adjacent property owner, spoke in support of the application and stated that she supports what the Applicant is proposing.

The Council found that Mary Groome, Vince Brady, Ellen Carta, Suzanne Hain, George Dellinger, Michael Carta, George Nason, Robert Head, and Linda Brady spoke in opposition to the application. They stated that they have been misinformed by the Applicant; that the application was presented as a harmless occupation and they have since found out differently; that there was no visible public notice posted on the Applicant's property until a call was made to the Planning and Zoning Department; that they have learned a lot more about what is or can be involved in a veterinarian practice and it is more than the Applicant outlined in her letter to the neighbors; that there are concerns about environmental and health issues, such as the drainage field from her septic system which could be polluted due to toxic wastes which could affect the quality of the groundwater in the area; that a sign on her property and a sign on Coastal Highway would suggest that Old Landing Road is a commercial road; that a conditional variance for a commercial use can be renewed every 5 years; that they are concerned about the present and future use of the property with a conditional use approval; that the Council should consider the other people in the community versus the Applicant's needs and wants; that the Applicant proposes to see six animals per day which is not low volume; that

**Public
Hearing/
CU 2001
(continued)**

there is concern that the practice could expand and develop into a full-service veterinarian office; that the proposed use is inappropriate for AR-1 zoning and they recommend that the Applicant find a facility elsewhere; that the Applicant has not maintained the property since she purchased it; that the front yard has been turned into plantings and different types of gardening with a plastic covering over it; that the yard was never mowed; that there is a crude work structure in the front yard; that the Applicant has already been seeing patients since living there; that the use would be a detriment to other properties in the area; that it would negatively affect property values; that they worry about sick animals in the area, possibly getting loose and leaving discharge on the ground which could affect their well water; that if the application is approved, the following conditions should be imposed: fencing, the separation of the office for the vet practice and the living areas by doors, a two year limit on the use, alternative services only, affiliation with a veterinary hospital, no boarding, no signage for the business, and no other business to be permitted in the Old Mill neighborhood; that the application is a blatant attempt to misuse the AR-1 process and ignores existing AR-1 codes; that it would expose the neighborhood and the Applicant to wide-ranging health and safety risks; that at least 120 sick animals will visit the facility each month (per the Applicant's testimony); that there are concerns about the health risks of urine and feces on the ground from the 120 animal-patients per month; that sick animals can contaminate all properties within 100 yards of the property; that there are risks that animals could get loose and chase and/or bite neighborhood pets or residents; that a commercial business of any nature would be inappropriate in the neighborhood; that it is offensive that the applicant purchased the property, expecting to run a business that is clearly not allowed by the current zoning without obtaining a conditional use approval; that a veterinary practice is specifically limited to properties of 5 acres or more in AR-1 zones with specific restrictions on setbacks, etc.; that there is concern about infection hazards; that mixing a home, a veterinary practice, and a residential neighborhood is not a practice designed to minimize the potential for disease transmission; and that the area residents request that the application be denied.

Written comments were submitted by Mary Groome, Vince Brady (with attachments), Ellen Carta, Suzanne Hain, George Dellinger (with attachments), Michael Carta, George Nason, and Robert Head (with attachments).

The Public Hearing and public record were closed.

**M 554 14
Defer
Action/
CU2001**

A Motion was made by Mrs. Deaver, seconded by Mr. Phillips, to defer action on Conditional Use No. 2001 filed on behalf of Christina Abramowicz.

Motion Adopted: 5 Yeas.

**M 554 14
(continued)**

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

**Old
Business/
Proposed
Ordinance
Relating to
Definitions**

Under Old Business, the Council discussed the Proposed Ordinance entitled “AN ORDINANCE TO AMEND CHAPTER 115, ARTICLE I BY AMENDING THE DEFINITIONS OF “DWELLING”, DWELLING, SINGLE FAMILY”, DWELLING, MULTI-FAMILY”, AND “FAMILY”.

This Ordinance amends the definitions of Family, Single Family Dwellings and Multifamily Dwellings to avoid unintended discrimination under State and Federal Law. It confirms that a family may include one or two people living together and not only their natural or adopted children but also step-children and foster children. It also clarifies that children are permitted to reside with legally appointed guardians. It permits licensed and approved residential houses or no more than ten persons with disabilities as defined in the Delaware Fair Housing Act. Lastly, it recognizes that it is appropriate for 2 families to reside in a single unit when the owner(s) of the unit are elderly and/or disabled.

The Planning and Zoning Commission held a Public Hearing on this application on August 7, 2014 at which time action was deferred. On August 21, 2014, the Commission deferred action again. On September 11, 2014, the Commission recommended that the Proposed Ordinance be approved.

The County Council held a Public Hearing on this application on October 21, 2014 at which time action was deferred.

The Council discussed the Proposed Ordinance. Lawrence Lank, Director of Planning and Zoning, and Vince Robertson, Assistant County Attorney, participated in the discussion.

It was noted that legal staff agree that the Proposed Ordinance would make the definitions consistent with State and Federal laws.

**M 555 14
Adopt
Ordinance
No. 2374**

A Motion was made by Mrs. Deaver, seconded by Mr. Phillips, to Adopt Ordinance No. 2374 entitled “AN ORDINANCE TO AMEND CHAPTER 115, ARTICLE I BY AMENDING THE DEFINITIONS OF “DWELLING”, DWELLINGS, SINGLE FAMILY”, DWELLING, MULTI-FAMILY”, AND “FAMILY”, based upon the information presented and the recommendation of the Sussex County Planning and Zoning Commission.

Motion Adopted: 4 Yeas, 1 Abstention.

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

**Grant
Requests**

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

**M 556 14
Council-
manic
Grant**

A Motion was made by Mrs. Deaver, seconded by Mr. Cole, to give \$800.00 (\$500.00 from Mrs. Deaver's Councilmanic Grant Account and \$300.00 from Mr. Cole's Councilmanic Grant Account) to the Cape Henlopen Food Basket for operating costs.

Motion Adopted: 5 Yeas.

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

**M 557 14
Council-
manic
Grant**

A Motion was made by Mr. Cole, seconded by Mrs. Deaver, to give \$400.00 (\$200.00 each from Mr. Cole's and Mrs. Deaver's Councilmanic Grant Accounts) to the Cape Henlopen High School for the Boys Basketball Boosters for program costs.

Motion Adopted: 5 Yeas.

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

The grant request from Delmarva Teen Challenge was deferred.

**M 558 14
Countywide
Youth
Grant**

A Motion was made by Mr. Phillips, seconded by Mrs. Deaver, to give \$2,500.00 from Countywide Youth Grants to the Delaware Community Foundation for the MERIT Program.

Motion Adopted: 5 Yeas.

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

**M 559 14
Council-
manic
Grant**

A Motion was made by Mr. Phillips, seconded by Mr. Cole, to give \$1,000.00 from Mr. Phillips' Councilmanic Grant Account to the Delaware Community Foundation for the MERIT Program.

Motion Adopted: 5 Yeas.

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

M 560 14 Councilmanic Grant **A Motion was made by Mr. Phillips, seconded by Mr. Cole, to give \$2,000.00 (\$1,000.00 each from Mr. Phillips' and Mr. Vincent's Councilmanic Grant Accounts) to the Delaware Community Foundation for the Plus 3 Network.**

Motion Adopted: 5 Yeas.

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

Mr. Lawson explained the Plus 3 Network.

M 561 14 Councilmanic Grant **A Motion was made by Mr. Cole, seconded by Mrs. Deaver, to give \$1,000.00 (\$500.00 each from Mrs. Deaver's and Mr. Wilson's Councilmanic Grant Accounts) to Delmarva Clergy United in Social Action Foundation for their Christmas gift program.**

Motion Adopted: 5 Yeas.

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

Additional Business **Paul Reiger and Dan Kramer addressed Council under Additional Business.**

**Draft Ordinance/
Failure to Appear** **Mr. Lawson distributed copies of the Draft Ordinance to amend the County Code relating to the failure of an applicant to appear. Mr. Vincent asked the members of Council to review the draft during the recess for possible introduction on this date during the p.m. session.**

M 562 14 Recess **A Motion was made by Mr. Cole, seconded by Mr. Phillips, to recess until 1:30 p.m.**

Motion Adopted: 5 Yeas.

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

M 563 14 Reconvene **A Motion was made by Mrs. Deaver, seconded by Mr. Cole, to reconvene at 1:39 p.m.**

Motion Adopted: 4 Yeas, 1 Absent.

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

Mr. Phillips joined the meeting.

**Introduction
of Proposed
Ordinance**

Mr. Cole introduced the Proposed Ordinance entitled “AN ORDINANCE TO AMEND CHAPTER 115, ARTICLE XXVIII, §216D. AND F. OF THE CODE OF SUSSEX COUNTY TO GRANT THE COUNTY COUNCIL AND THE PLANNING AND ZONING COMMISSION DISCRETION TO RECONSIDER ZONING APPLICATIONS WHERE APPLICANT HAS FAILED TO APPEAR OR FAILED TO TIMELY WITHDRAW FOR REASONS BEYOND HIS CONTROL”. The Proposed Ordinance will be advertised for Public Hearing.

Rules

Mr. Moore read the rules of procedure for public hearings.

**Public
Hearing/
CU 1996**

A Public Hearing was held on the Proposed Ordinance entitled “AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN A C-1 GENERAL COMMERCIAL DISTRICT FOR A FOOD VENDOR TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN BALTIMORE HUNDRED, SUSSEX COUNTY, CONTAINING 15,285 SQUARE FEET, MORE OR LESS” (Conditional Use No. 1996) filed on behalf of Hector Patraca Carmona (Tax I.D. No. 533-4.00-13.00) (911 Address: 34892 DuPont Boulevard, Frankford).

The Planning and Zoning Commission held a Public Hearing on this application on September 25, 2014 at which time action was deferred. On October 9, 2014, the Commission recommended that the application be approved, subject to the following conditions:

- A. The use shall comply with all setback and parking requirements, or obtaining appropriate approvals from the Sussex County Board of Adjustment.**
- B. The Applicant shall comply with all DelDOT requirements, including entrances to and from U.S. Route 113.**
- C. Any trash containers associated with the use shall be screened from view of neighboring properties and roadways.**
- D. There shall be permitted one lighted sign, not to exceed 32 square feet in size.**
- E. Bathroom/sanitation facilities shall be provided on the site.**
- F. The Applicant shall obtain all agency approvals for the food service operations prior to Final Site Plan approval.**
- G. The Final Site Plan for this use including the location of the food truck, any bathroom/sanitation facilities, driveways, entrances, and parking and picnic tables shall be subject to the review and approval of the Sussex County Planning and Zoning Commission.**

(See the minutes of the Planning and Zoning Commission dated September 25 and October 9, 2014.)

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

**Public
Hearing/
CU 1996
(continued)**

The Council found that Hector Patraca Carmona was present with Holly Carmack and Raul Perez. They stated that a taco / seafood stand is proposed; that they propose to sell the food out of a mobile food truck; and that there will be wood decking which can be taken up.

Mr. Lank explained to the Applicant that DelDOT's approval of the entrance will be required prior to receiving any approval from Planning and Zoning; that the decking and the mobile truck are too close to the road and have to be moved back; that a variance from the Board of Adjustment may be required; and that the driveway is going to have to be installed but relocated, subject to DelDOT.

There were no public comments.

The Public Hearing and public record were closed.

**M 564 14
Adopt
Ordinance
No. 2375/
CU 1996**

A Motion was made by Mr. Phillips, seconded by Mrs. Deaver, to Adopt Ordinance No. 2375 entitled "AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN A C-1 GENERAL COMMERCIAL DISTRICT FOR A FOOD VENDOR TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN BALTIMORE HUNDRED, SUSSEX COUNTY, CONTAINING 15,285 SQUARE FEET, MORE OR LESS" (Conditional Use No. 1996) filed on behalf of Hector Patraca Carmona, with the following conditions:

- A. The use shall comply with all setback and parking requirements, or obtaining appropriate approvals from the Sussex County Board of Adjustment.
- B. The Applicant shall comply with all DelDOT requirements, including entrances to and from U.S. Route 113.
- C. Any trash containers associated with the use shall be screened from view of neighboring properties and roadways.
- D. There shall be permitted one lighted sign, not to exceed 32 square feet in size.
- E. Bathroom/sanitation facilities shall be provided on the site.
- F. The Applicant shall obtain all agency approvals for the food service operations prior to Final Site Plan approval.
- G. The Final Site Plan for this use including the location of the food truck, any bathroom/sanitation facilities, driveways, entrances, and parking and picnic tables shall be subject to the review and approval of the Sussex County Planning and Zoning Commission.

Motion Adopted: 5 Yeas.

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

**Public
Hearing/
CZ 1758**

A Public Hearing was held on the Proposed Ordinance entitled “AN ORDINANCE TO AMEND THE COMPREHENSIVE ZONING MAP OF SUSSEX COUNTY FROM AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT TO A MR MEDIUM DENSITY RESIDENTIAL DISTRICT FOR A CERTAIN PARCEL OF LAND LYING AND BEING IN BALTIMORE HUNDRED, SUSSEX COUNTY, CONTAINING 7.2035 ACRES, MORE OR LESS” (Change of Zone No. 1758) filed on behalf of Dozer, LLC, c/o Hal Dukes (Tax I.D. No. 134-19.00-19.00 (Part of) (911 Address: None Available).

The Planning and Zoning Commission held a Public Hearing on this application on September 25, 2014 at which time the Commission deferred action. On October 9, 2014, the Commission recommended approval.

(See the minutes of the Planning and Zoning Commission dated September 25 and October 9, 2014.)

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

Mr. Lank distributed project books which were previously provided by the Applicant.

The Council found that Harold Dukes, Esq., was present with Ken Christenbury of Axiom Engineering. Mr. Dukes stated that the property was purchased by the LLC over ten years ago; that the property was an open field at the time; that the highway department didn’t get some ditches cleared and over the years, water flowed into the area and wetlands became an issue; that several years ago, the County contacted them and wanted to put a pump station in the area and they offered to give the County the land, and the pump station was built; that when they started to develop the land they subsequently discovered that, over the last few years, the wetlands vegetation had taken hold; that they decided to go to the high ground and build a small community to get their money back out of the purchase of the land; that the neighbors are supportive of the proposal; and that the significant amount of open space, including the wetlands, will be given to the community.

Mr. Christenbury stated that Dozer LLC is proposing a major subdivision consisting of 14 lots; that the property is located in the Miller Creek Sanitary Sewer District; that the property is located in a Mixed Residential Area according to the Comprehensive Plan Update of 2008; that the property is located in the Environmentally Sensitive Developing District Overlay Zone, which allows for the subdivision of 7,500 square foot lots served by central sewer and central water; that the applicants have dedicated a portion of the property to the County for the installation of Pump Station #286 for the Sewer District; that the Public Service Commission has issued a Certificate of Public Convenience and Necessity to Artesian Water Company to provide central water to the property; that subsequent to the addition of these lands to the Sewer District, no extensions

**Public
Hearing/
CZ 1758
(continued)**

of central water have been made in the vicinity of the property; that Artesian Water Company has issued a statement to the State DNREC's Well Permitting Branch indicating that individual wells would be appropriate for the property; that when the applicants dedicated the land for the pump station, it was with the anticipation that the land could be developed in similar fashion to the surrounding GR zoned lands; that AR-1 lands without central water have a minimum lot size of 20,000 square feet; that approval of this application would allow for a MR subdivision with 10,000 square foot lots that are served by central sewer and individual wells, in character with the existing subdivision in the area; that the applicants own 14.6 acres, the entire parcel; that this request for rezoning only includes approximately half of that acreage (7.2 acres); that the residual acreage will remain AR-1; that plans to construct a sanitary sewer extension from Pump Station #286 to the property have been approved by the Engineering Department; that portions of the sanitary sewer are to be installed under 404 Wetlands regulated by the U.S. Army Corps. of Engineers; that the Corps. have issued a Nationwide Permit permitting said installation from Pump Station #286 to the property; that no additional wetland impact permits are anticipated for the construction of the subdivision; that the general trend of development in the area is GR General Residential zoning with 10,000 square foot lots improved with manufactured homes and dwellings; that 5 minor subdivision lots have been approved by DelDOT and the Planning Department staff; and that sewer is being made available to the 5 lots and the proposed subdivision, if approved.

There were no public comments.

The Public Hearing and public record were closed.

**M 565 14
Adopt
Ordinance
No. 2376/
CZ 1758**

A Motion was made by Mrs. Deaver, seconded by Mr. Phillips, to Adopt Ordinance No. 2376 entitled "AN ORDINANCE TO AMEND THE COMPREHENSIVE ZONING MAP OF SUSSEX COUNTY FROM AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT TO A MR MEDIUM DENSITY RESIDENTIAL DISTRICT FOR A CERTAIN PARCEL OF LAND LYING AND BEING IN BALTIMORE HUNDRED, SUSSEX COUNTY, CONTAINING 7.2035 ACRES, MORE OR LESS" (Change of Zone No. 1758) filed on behalf of Dozer, LLC, c/o Hal Dukes.

Motion Adopted: 5 Yeas.

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

**M 566 14
Adjourn**

A Motion was made by Mr. Phillips, seconded by Mr. Wilson, to adjourn at 2:14 p.m.

Motion Adopted: 5 Yeas.

**M 566 14
(continued)**

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

Respectfully submitted,

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

DRAFT



A PROCLAMATION TO HONOR THE CAPE HENLOPEN HIGH SCHOOL FIELD HOCKEY TEAM UPON WINNING THE 2014 DIAA CHAMPIONSHIP

WHEREAS, the Sussex County Council wishes to recognize the Cape Henlopen High School field hockey team for winning the Delaware Interscholastic Athletic Association title as State Champions for the 2014 season; and

WHEREAS, the Cape Henlopen High School field hockey team capped yet another impressive season in beating Polytech High School by a score of 3 to 1 during the state championship game on Saturday, November 15, 2014, ending with an impressive 19-0 record; and

WHEREAS, the Cape Henlopen High School field hockey team's accomplishment is the fourth consecutive state title for the school's field hockey program, and the sixth field hockey state championship title for the school since 1979; and

WHEREAS, the Cape Henlopen High School field hockey team played as a formidable opponent in facing squads from across Sussex County and throughout the State of Delaware during the 2014 season, displaying cooperation, consistency, and character above all else; and

WHEREAS, the Cape Henlopen High School field hockey team's accomplishment is a source of tremendous pride for the Cape Henlopen School District community and all of Sussex County;

NOW, THEREFORE, BE IT RESOLVED that the Sussex County Council commends the Cape Henlopen High School field hockey team upon winning the 2014 Delaware Interscholastic Athletic Association championship title, and proclaims Tuesday, December 16, 2014, as a day for all Sussex County residents to honor the team's remarkable achievement.



Joan R. Deaver, Councilwoman

GINA A. JENNINGS, MBA, MPA
FINANCE DIRECTOR

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Sussex County

DELAWARE
sussexcountyde.gov

Memorandum

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

FROM: Gina A. Jennings
Finance Director

DATE: December 12, 2014

RE: **SUSSEX COUNTY PENSION UPDATE**

On Tuesday, I will be discussing the County's pension performance, moving the remaining Fidelity funds to Vanguard, and revising the Pension Investment Policy Statement. Attached for your review are the draft minutes of the November 19, 2014 Pension Committee meeting and the Investment Performance Report as of September 30, 2014.

Pension Performance

Summary of the Pension Investment Analysis

- Market value was \$70,246,309 as of September 30, 2014
- Year-to-date gain of \$4.3 million, or 6.1 percent, net of investment fees
- The fund's annual performance ranked in the top 1 percent for pension funds tracked by Peirce Park Group

Summary of the OPEB Investment Analysis

- Market value was \$29,814,550 as of September 30, 2014
- Year-to-date return of \$1 million, or 3.2 percent, net of investment fees
- The fund's performance ranked in the top 6 percent this quarter. This shows great improvement when compared to the fund's annual ranking in the top 49 percent

Recommendation to Replace Fidelity Low-Priced Stock

The Pension Committee is recommending to replace Fidelity Low-Priced Stock. While the fund has done well over the years, it has drifted away from its original investment style. The fund holds a material amount in large cap stocks and non-U.S. stocks. History has shown that mid cap stocks outperform large cap stocks over time.



The committee reviewed two options, one passive and one active. Due to the decrease in expense by 58 basis points and its performance from 2008 through 2013, the committee recommends moving the remaining funds of approximately \$2.5 million to Vanguard Mid Cap Value Index. This change will save the fund approximately \$18,500 in fees annually.

A complete analysis is attached. A summary of pros and cons are below:

	Pros	Cons
Fidelity	<ul style="list-style-type: none"> • Solid long-term track records • Mutual fund vehicle 	<ul style="list-style-type: none"> • Extremely large fund • Many off-benchmark holdings • Tracking error
Vanguard	<ul style="list-style-type: none"> • Very inexpensive approach • Mutual fund vehicle 	<ul style="list-style-type: none"> • Less downside protection
Victory	<ul style="list-style-type: none"> • Solid long-term track record • More downside protection • Mutual fund vehicle 	<ul style="list-style-type: none"> • More expensive • Tracking error

Pension Investment Policy Statement

As you are aware, we lowered our return assumption from 8.0% to 7.5% last year for both the Pension Fund and the OPEB Fund. As our auditors begin to review new accounting standards, they feel that 7.5% may be tough to reach in our OPEB Fund. With the advice of Michael Shone, of Peirce Park Group, and the County’s auditors, the committee would like to increase the equity target to 65% from 60%. To make this decision the committee observed the following:

Item Reviewed	Findings
Asset Class Returns	U.S stocks brought in 9.2% returns compared to 5.4% returns for bonds the last 20 years
Possible County Portfolio with 65% Equities	The County Portfolio would have-on average-performed .3% better each of the last 20 years

The committee also reviewed the implementation of a new policy that would limit the number of managers to save costs. Again, both active and passive alternatives were reviewed. Due to performance and lower costs, the committee is recommending using a consolidated, passive approach that would save the fund approximately \$18,000 per year.

More analysis information is included in your packet. I will be presenting a motion on Tuesday for Council to address this change.

Please contact me if you have any questions or concerns.

Attachments

pc: Mr. Todd F. Lawson

PENSION FUND COMMITTEE

Minutes of Meeting

November 19, 2014

The Sussex County Pension Fund Committee met on November 19, 2014, 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 was Michael Shone of Peirce Park Group, the County's Investment Consultant. Committee member Kathleen Ryan was unable to attend.

On November 10, 2014, 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.

1. **Approval of Minutes**

The minutes of the August 21, 2014 meeting were approved by consent.

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

Mr. Shone provided copies of the "Sussex County Investment Performance Report – September 30, 2014", which included 2 subsections for the County's Pension and OPEB Funds, as well as an introductory section regarding the overall Market Environment for the third quarter of 2014. Also provided were a quarterly newsletter, "Peirce Park Perspective – Fall 2014", as well as a October 31, 2014 update on the OPEB Fund. Although the Investment Performance Report should be referenced for a more detailed analysis, highlights discussed include:

Market Environment – 3rd Quarter

- The U.S. economy rebounded in the second quarter of 2014, with the real Gross Domestic Product growth increasing at an annual rate of 4.6 percent;
- Unemployment rates continue to decline;
- Equity markets performed very well;
- The United States is the economic driver of the world, with some countries/regions going into recession;

- The County's Pension Plan ranked in the top one percent last year of all pension funds nationwide (out of approximately 200 funds), with the OPEB ranking in the top six percent for the third quarter;
- 10-year Government Bond yields have remained steady for the past year-and-a-half;
- U. S. Equities were up 7.0 percent year-to-date while International Equities were down 5.9 percent for the quarter and down 1.4 percent year-to-date. Emerging Market Equities were down 3.5 percent for the quarter and up 2.4 percent year-to-date;
- Large and mid-cap stocks all posted positive returns, with small cap posting very negative returns for the quarter after leading the market in 2013. DuPont Capital is the manager for large cap stocks for the County, with Fidelity managing mid-cap. Equities outperformed fixed income;
- International equities were negative for the year, or only slightly positive; and
- Long-term maturity Treasury Bonds (fixed income) outperformed those of shorter maturities. Fixed Income returns were up .2 percent year-to-date for short-term government bonds, 1.6 percent for intermediate, and 15 percent long-term.

Tab II – Pension Fund

- As of September 30, 2014, the ending market value of the Pension Fund was \$70.2 million and realized a third quarter loss of \$109,000 (net of all investment management fees), or -0.2 percent; a year-to date gain of \$4.27 million (net), or 6.1 percent;
- Very strong peer group rankings;
- The Pension Plan outperformed the policy index by almost 3 percent over the last year; Mr. Shone stated that this level of outperformance is unusually high relative to a plan's benchmark. All managers performed very well;
- The Plan added Vanguard Extended Market by transferring half of Fidelity's Low Priced Stock assets;
- Looking ahead/items to consider: GASB 67 and 68 implementation and a possible replacement for Fidelity Low Priced Stock;
- The ending market value of the Sussex County Pension Plan as of September 30, 2014 was \$70,246,309, which included DuPont Capital Investment - \$13,413,373, Fidelity Low Priced Stock - \$5,152,472; Operating Account - \$152,844; State of Delaware Investment Pool - \$44,303,564, Wilmington Trust Bonds - \$7,224,055, and Wilmington Trust Short Term - \$0;
- The County has a target asset allocation mix of 60 percent stocks and 40 percent bonds. As of September 30, 2014, Sussex County's Pension Asset Allocation included: State of Delaware – 63.1 percent; Cash – 0.2 percent; Domestic Fixed Income – 10.3 percent; and Domestic Equity – 26.4 percent;

- For the quarter, the Pension Fund ranked in the top three percent nationally; year-to-date in the top 2 percent; and in the top one percent for the year; and
- In the up markets, the County’s Pension Plan performs closely with the policy index. The County’s pension plan has also had very good protection in the down markets.

As a result of questions raised by Mr. James regarding Fidelity’s Low Priced Stock Fund, Ms. Jennings requested Mr. Shone to present Peirce Park’s review at this time. At the August 2014 meeting, the Committee asked Mr. Shone to present possible alternatives in replacing the Fidelity Low Priced Stock Fund. Committee members were provided with a report entitled, “Sussex County – Fidelity Replacement Search November 2014”. While the fund has done well, over the years it has drifted away from its original investment style (it holds a material amount in large cap stocks and non-U.S. stocks). Peirce Park recommends complementing current managers with an investment in U. S. mid-cap value stocks. More specifically, the report presents two options: (1) Vanguard Mid Cap Value Index and (2) Victory Established Value.

The below manager information was provided for Fidelity, DuPont and Vanguard as of September 30, 2014:

	Fidelity Low-Priced Stock	Vanguard Mid Cap Value Index	Victory Established Value
Location	Boston, MA	Malvern, PA	Brooklyn, OH
Firm Inception	1946	1975	1894
Firm Assets (\$B)	1,980	2,875	18
Style	Fundamental, bottom-up	Index	Fundamental, bottom-up
Strategy Inception	1990	2006	1983
Strategy Assets (\$B)	48.5	6.1	3.0
Expense Ratios	.83	.09	.67
Vehicle	Mutual Fund	Mutual Fund	Mutual Fund
Preferred Benchmark	Russell 2000	CRSP U.S. Mid Cap Value	Russell Mid Cap Value
No. of Holdings	916	205	70

Although a relatively new benchmark, Mr. Shone is comfortable with the use of the CRSP index.

Cumulative Returns Annualized (%) include:

	Q3	YTD	1 Year	5 Year	7 Year
Fidelity	-1.5	3.3	11.5	15.9	8.0
Vanguard	-2.2	6.6	17.8	17.0	7.7
Victory	-3.6	4.2	14.6	15.3	8.8
Russell 2000	-7.4	-4.4	3.9	14.3	6.0
CRSP Mid Cap Value	-2.3	6.6	17.9	17.7	7.7
Russell Mid Cap Value	-2.6	8.2	17.5	17.2	7.3

Mr. Shone advised that a manager should not be selected based only on best performance.

Yearly Returns (%) include:

	2008	2009	2010	2011	2012	2013
Fidelity	-36.2	39.1	20.7	-0.1	18.5	34.3
Vanguard	36.5	37.7	21.8	-0.3	16.0	37.3
Victory	-29.1	34.2	21.5	0.5	12.5	34.9
Russell 2000	-33.8	27.2	26.9	-4.2	16.3	38.8
CRSP Mid Cap Value	-37.9	35.2	24.6	-0.4	17.9	37.4
Russell Mid Cap Value	-38.4	34.2	24.8	-1.4	18.5	33.5

While Vanguard had the best performance in 2013, Victory performed better in the down market of 2008.

In reference to the Up/Down Market Participation, Mr. Shone stated that Vanguard performed slightly better than the benchmarks in the down markets, while Victory and Fidelity had similar performance in up markets – although Victory offered more protection in down markets. In the context of the County’s overall portfolio, Mr. Shone noted that possible considerations for the Committee include who would provide more protection in down markets or who would have better performance in the up markets.

Pros and Cons include:

	PROS	CONS
Fidelity	Solid Long Term Track Record Mutual Fund Vehicle	Extremely Large Fund Many Off-Benchmark Holdings Tracking Error
Vanguard	Very Inexpensive Approach Mutual Fund Vehicle	Less Downside Protection
Victory	Solid Long-Term Track Record More Downside Protection Mutual Fund Vehicle	More Expensive Tracking Error

Mr. Leahy questioned if there were any holdings of concern for either Vanguard or Victory. Mr. Shone noted the number of holdings should be taken into consideration, with a preferred methodology that would offer a little more protection in the down markets. The Committee also considered expense ratios, the fact that the plan is already very well protected in the down markets, price earnings ratios, and indexing. Ms. Jennings and Mr. Leahy noted their slight preference toward Vanguard.

A Motion was made by Mr. James, seconded by Mr. Leahy, that the Sussex County Pension Fund Committee recommend to the Sussex County Council to transfer all funds out of the Fidelity Low Priced Stock Fund to the Vanguard Mid Cap Value Index Fund.

Motion Adopted: 6 Yea.

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

Mr. Shone continued with the Performance Report for the OPEB Plan.

Tab III – OPEB

- As of September 30, 2014, the ending market value of the OPEB Fund was \$29.8 million and realized a third quarter loss of \$193,800 (net of all investment management fees), or -0.6 percent; a year-to date gain of \$1.0 million (net), or 3.5 percent. The OPEB Plan outperformed its benchmark by 15 basis points, which put the plan in the top 6 percent in the InvestorForce Universe for the past quarter;
- Looking ahead/items to consider: Fund changes/consolidation, consider Consulting Plus, and GASB Exposure Draft. Mr. Shone noted that he felt that the County's OPEB Plan is one of the best funded nationwide;
- As of September 30, 2014, the Sussex County's OPEB Asset Allocation are all within the ranges contained in the Investment Policy State and include: Domestic Equity – 45.1 percent; Global Equity – 3.5 percent; International Equity – 11.9 percent; and Domestic Fixed Equity – 39.6 percent.
- For the quarter, the OPEB Plan ranked in the top six percent nationally, a year-to-date return of 3.5 percent (71st percentile); one year return of 9.2 percent (49th percentile), and two year return of 10.3 percent (54th percentile); and
- Mr. Shone referred members to a separate one-page handout, "Sussex County OPEB Trust – Total Fund as of October 31, 2014". For the period February 1, 2014 to October 31, 2014, the OPEB Fund realized a 7.8 percent return, with an ending market value of \$30,046,536. The one month return was 1.8 percent and year-to-date 5.4 percent.

3. **Update on Peirce Park's Performance to Weekly Monitor OPEB Fund**

At the November 2013 meeting, the Committee voted to enter into a temporary agreement with Peirce Park Group – fees deferred for 6 months to a year – for their weekly review of the OPEB Fund with the intent to realize improved performance. At the end of the trial period, if the County determined the services to be worthwhile, Peirce Park would receive compensation for their additional consultant services. Mr. Shone provided copies of "Sussex OPEB – Consulting Plus Review November 2014". Consulting Plus included the following additional services:

- (a) Portfolio structure and implementation
 - (i) Swift manager changes based on most recent information
 - (ii) Rapid implementation of Peirce Park Group best ideas (current projects include real estate and fixed income)
- (b) Disciplined portfolio rebalancing
 - (i) Maintain adequate exposure to asset classes
 - (ii) Implement immediate adjustments if necessary
- (c) Weekly portfolio review
 - (i) Assess cash needs
 - (ii) Evaluate manager performance

Prior to Consulting Plus (January 2014), review was provided quarterly, ad hoc portfolio rebalancing, slower implementation with less than optimum portfolio structure (performance lagged policy index).

Before Consulting Plus, annualized returns for the OPEB Plan were 6.0 percent, with a policy index of 9.0 percent. After Consulting Plus, annualized returns were 5.6 for both the OPEB Fund and the policy index.

At the beginning, Consulting Plus may have increased the value of the OPEB portfolio by approximately \$2.5 million, improved risk-adjusted returns, lessened administrative burdens, and maintained investment continuity. The report included a review of portfolio changes and possible next step options.

Peirce Park had originally quoted a price of 10 basis points (\$30,000) for the Consulting Plus Services. After discussion with his partner, Mr. Shone stated that the fee would now be 7 basis points, or \$20,000.

Ms. Jennings stated that the additional services, specifically noting the weekly reports and more responsive rebalancing, had been very helpful and recommended compensating Peirce Park Group for the Consulting Plus services provided during 2014. She noted that the County was now on a good path and the plan was well balanced. As a result, she recommended that the County not continue with Consulting Plus Services for 2015, but closely monitor the fund's performance with the option to renew services at a future time.

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 discontinue the Consulting Plus Services and to compensate Peirce Park Group 7 basis points, approximately \$20,000, for Consulting Plus Services provided in 2014.

Motion Adopted: 6 Yea.

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

4. **OPEB Portfolio Options**

For prior review, members were emailed a report entitled "Sussex OPEB – Portfolio Options November 2014" prepared by Peirce Park Group; hard copies were distributed. The Committee had requested Mr. Shone to prepare the report to assist in deciding whether the equity target should remain at 60 percent, style targets, number of managers in the portfolio, large cap equity manager – DuPont or Vanguard, as well as a possible change to the traditional consulting services provided by Peirce Park.

As background, Mr. Shone noted:

- (1) Sussex County recently lowered the OPEB assumed rate of return from 8 percent to 7.5 percent;
- (2) Given the fixed income environment, could the current asset mix meet a 7.5 percent assumed rate of return;

- (3) The investment committee expressed a desire to condense the OPEB investment manager lineup; and
- (4) The report reviews various options that the County could consider, such as equity target, style/cap tilts, large cap equity manager (DuPont or Vanguard), and the number of managers.

Several points that the Committee now needs to consider include: the percentage allocation to equities, equity capitalization and style targets, number of managers in the portfolio, and the possible decision to select DuPont or Vanguard as the large cap equity manager.

Although the report should be referenced for a more detailed analysis, following is a brief summary of the information presented:

Asset Class Returns include:

	75 Year	20 Year	10 Year	5 Year
U. S. Stocks	10.9	9.2	7.4	17.9
Non-U.S. Developed Stocks	-	5.7	6.9	12.4
All non-U.S. Stocks	-	6.3	8.0	13.3
Bonds (Intermediate Gov't)	5.4	5.4	4.4	2.9
Inflation	3.8	2.4	2.4	2.1

Over a 75 year period, stocks have outperformed bonds by approximately 5 percentage points a year, 10.9 versus 5.4. Stocks have outperformed inflation by 7 percent and bonds by approximately 1.5 percent. During the last 5 years, stocks have outperformed bonds by approximately 15 percent, 17.9 percent versus 2.9. Bonds typically perform approximately 2 percent above inflation.

Ms. Jennings reported that the County auditors were pleased with the 7.5 percent assumed rate of return for the Pension Plan, but would like the County to consider possibly lowering this same rate of return for the OPEB Plan and/or an increasing the equity target to 65 percent.

With the current equity target of 60 percent, the portfolio realized a return of \$135,046,548 from 1994 to 2013. Using a 65 percent equity target, it was estimated that the OPEB Plan would have realized a return \$139,582,602 over the past 20 years, or an increase of \$4.5 million.

Mr. Shone explained that with a 5 percent equity target increase (65 percent) and in the worst equity market year (2008), a plan would have lost an additional two percentage points; this extra loss would have increased the County's contribution by approximately \$80,000 per year. The question to be considered is whether the Plan could tolerate a potential increase in contributions, given the higher expected return.

Historically, implementing tilts toward mid cap and value stocks in an equity portfolio has been beneficial over the long-term by increasing the return at a lower level of

volatility. Mid cap stocks have generated earnings at a much higher rate than their large and small-cap counterparts, leading to their historical outperformance.

Manager Information as of September 30, 2014 include:

	DuPont Large Cap Structured Equity	Vanguard Institutional Index
Location	Wilmington, DE	Malvern, PA
Firm Inception	1975	1975
Firm Assets (\$B)	37	2,875
Style	Quantitative and Fundamental, bottom-up	Index
Strategy Inception	1994	1976
Strategy Assets (\$B)	0.7	354
Fees (expense ratios for mutual funds)	.35%	.04%
Vehicle	Separate Account	Mutual Fund
Preferred Benchmark	S & P 500	S & P 500
No. of Holdings	162	510

Mr. Shone noted that the fee charged by DuPont – 35 basis points – for a portfolio of its size, is very fairly priced.

Cumulative Returns Annualized (%) include:

	Q3	YTD	1 Year	5 Year	7 Year
DuPont	1.5	10.1	22.5	15.9	6.0
Vanguard	1.1	8.3	19.7	15.7	6.0
S & P 500	1.1	8.3	19.7	15.7	6.0

DuPont and Vanguard both realized returns of 6 percent over the last 7 years.

Yearly Returns (%) include:

	2008	2009	2010	2011	2012	2013
DuPont	-36.9	25.1	11.1	4.8	15.1	33.5
Vanguard	-37.0	26.6	15.1	2.1	16.0	32.4
S & P 500	-37.0	26.5	15.1	2.1	16.0	32.4

Given their similar performance, Mr. Shone noted that Peirce Park did not have a preference as to the selection of Vanguard or DuPont.

Pros and Cons include:

	PROS	CONS
DuPont Large Cap Structured Equity	Long-term track record Manage U.S. Equities for County Pension	Benchmark-like performance
Vanguard Institutional Index	Very inexpensive approach Mutual Fund Vehicle	No value tilt

Mr. Shone reviewed the new manager summary for MFS Low Volatility Global Equity.

The Committee also discussed splitting funds between Vanguard and DuPont, the portfolio size (dollar amount) DuPont would be willing to manage, modeling the 65%-v1 (DuPont) and 65%-v2 (Vanguard) for a quarter with a decision to be made at a later date, and the possibility of selecting Vanguard while modeling DuPont to determine if a future switch may be warranted. Taking into consideration concerns expressed by the County's auditors and reporting methods, Ms. Jennings stated her preference to increase the OPEB equity target allocation to 65 percent.

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 modify the OPEB Investment Policy Statement to reflect a 65 percent equity target and to adopt the 65V2 (Vanguard) implementation strategy while monitoring DuPont's performance and clarifying whether they would accept a \$5 million portfolio.

Motion Adopted: 6 Yea.

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

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

5. **2015 Meeting Dates**

Ms. Jennings announced the quarterly meetings for 2015:

February 26, 2015
May 21, 2015
August 20, 2015
November 19, 2015

All meetings begin at 10:00 a.m. and are held in the Sussex County Council Chambers.

6. **Additional Business**

(a) Mr. Leahy expressed concern regarding the actuarial methods used for municipal and governmental plans and any possible shortcomings there may be when compared to corporate pension plans. He also questioned the possible repercussions of the County's long-term strategies as it relates to maintaining compliance with actuarial standards, which could change dramatically in the future. In their report, Ms. Jennings noted that the actuary will discuss both reporting and funding methods.

(b) Mr. Baker inquired if Wilmington Trust held the securities. Ms. Jennings noted that Wilmington Trust is the custodian for the OPEB and Trustee for the Pension Plan. The County is currently working with Wilmington Trust to have them act as Custodians for both funds. Mr. Shone noted that Wilmington Trust charges 7 basis points for the Pension Plan and 4 basis points on the OPEB Fund.

It should be noted that Ms. Jennings intends to bring the Committee's recommendations to Council at their December 16, 2014 meeting, with Mr. Shone in attendance.

7. **Adjourn**

At 11:46 a.m., a Motion was made by Mr. Leahy, seconded by Mr. James, to adjourn.
Motion Adopted: 6 Yea.

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

Respectfully submitted,

Nancy J. Cordrey
Administrative Secretary

DRAFT



SUSSEX COUNTY

Review

December 16, 2014



PEIRCE PARK GROUP
INVESTMENT MANAGEMENT CONSULTANTS

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I. Pension

II. OPEB

III. Fidelity Replacement

IV. OPEB IPS Addendum



PENSION



OBSERVATIONS

- Market value September 30, 2014: \$70.2 million
- 3rd quarter gain: **-\$109,000** (net) 3rd quarter return: **-0.2%** (gross)
- YTD gain: **+\$4.27 million** (net) YTD return: **6.1%** (gross)
- Very strong peer group rankings
- Outperformed Policy Index by almost 3% over the last year
 - All managers did very well
- Added Vanguard Extended Market, taking away half of Fidelity's assets



LOOKING AHEAD

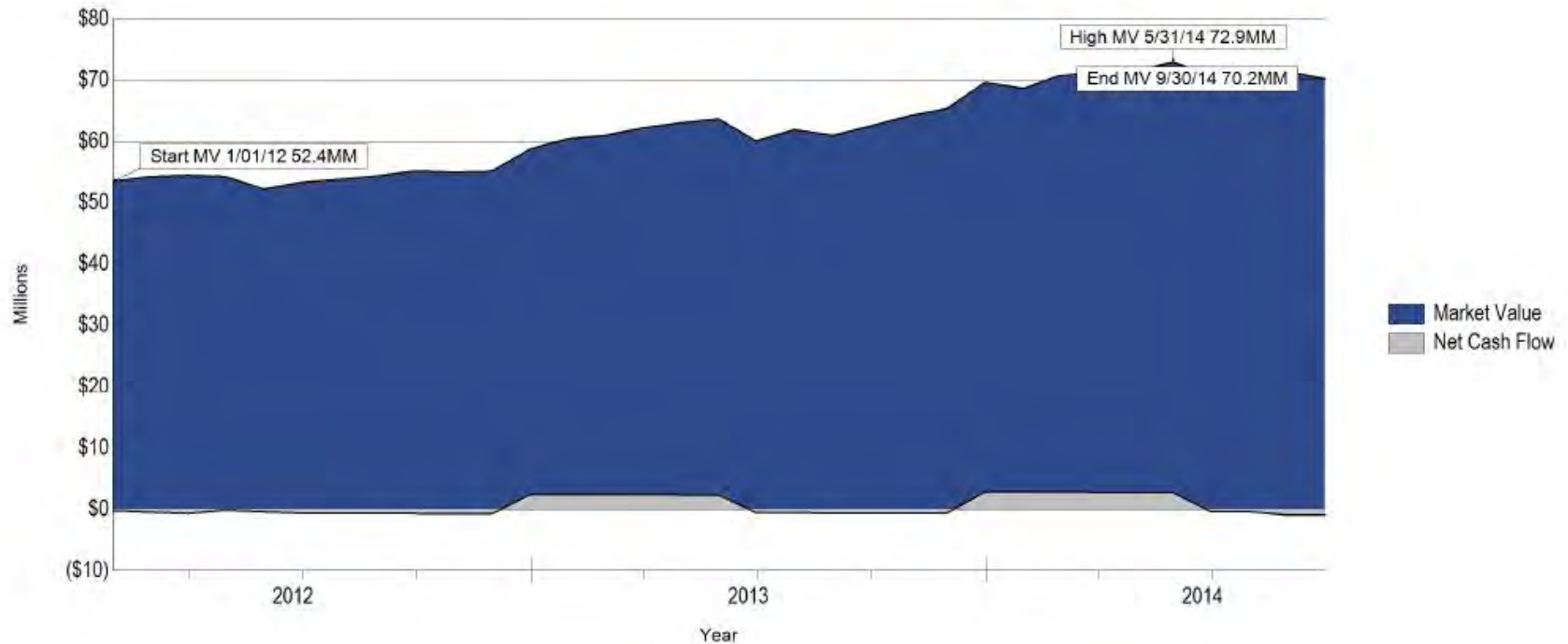
- GASB 67 & 68 implementation
- Look at replacement for Fidelity Low Priced Stock



SUMMARY OF CASH FLOWS

	Third Quarter	Year-To-Date	One Year	Two Years
Beginning Market Value	\$70,904,338.3	\$69,649,238.6	\$62,514,074.7	\$55,251,502.8
Net Additions/Withdrawals	-\$548,906.1	-\$3,675,337.6	-\$94,523.7	\$134,261.1
Investment Earnings	-\$109,123.8	\$4,272,407.5	\$7,826,757.5	\$14,860,544.7
Ending Market Value	\$70,246,308.5	\$70,246,308.5	\$70,246,308.5	\$70,246,308.5
Time Weighted Return	-0.2%	6.1%	12.1%	12.1%

Market Value History
2 Years 9 Months Ending September 30, 2014



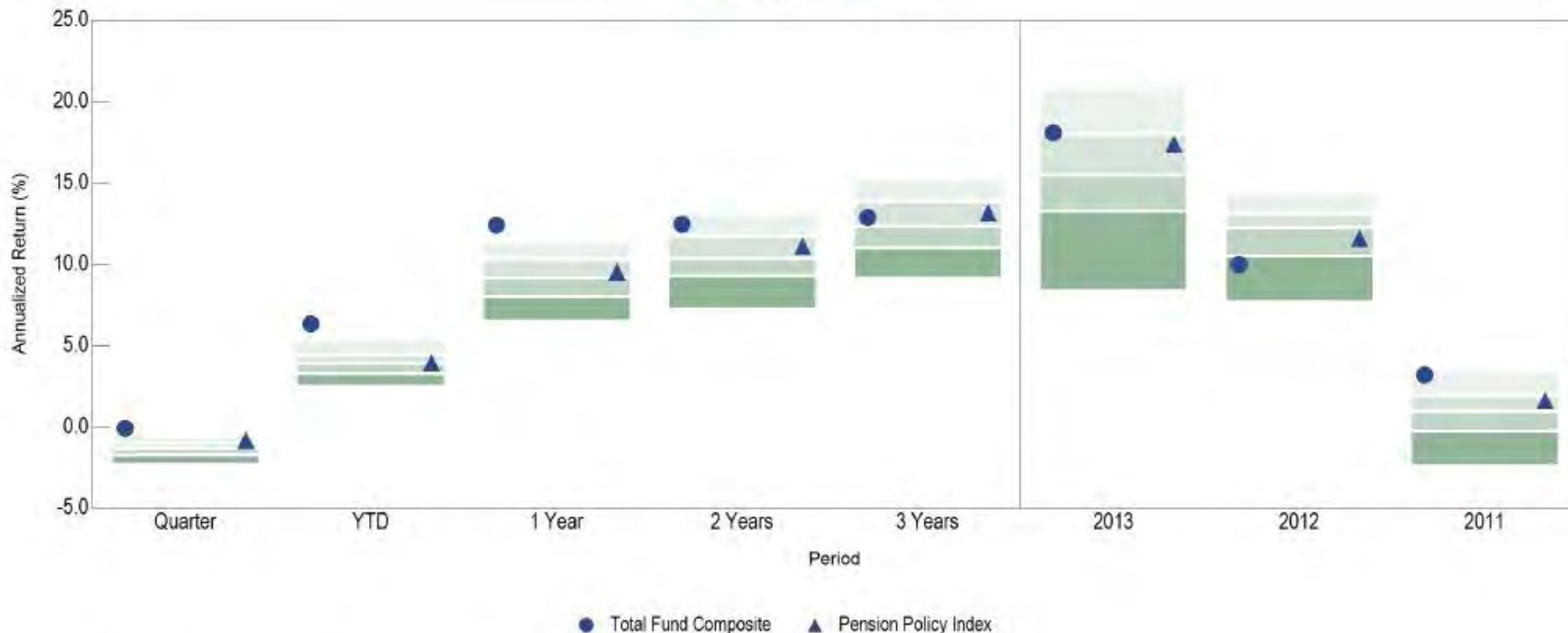
UNIVERSE COMPARISON

Ending September 30, 2014

Inception

	2014 Q3 Rank	YTD Rank	1 Yr Rank	2 Yrs Rank	3 Yrs Rank	2013 Rank	2012 Rank	Return Since								
Total Fund Composite	-0.1%	3	6.3%	2	12.4%	1	12.4%	12	12.9%	43	18.1%	24	10.0%	82	11.6%	Jan-09
<i>Pension Policy Index</i>	<i>-0.8%</i>	<i>20</i>	<i>3.9%</i>	<i>50</i>	<i>9.5%</i>	<i>41</i>	<i>11.1%</i>	<i>38</i>	<i>13.1%</i>	<i>37</i>	<i>17.4%</i>	<i>33</i>	<i>11.6%</i>	<i>64</i>	<i>11.7%</i>	<i>Jan-09</i>

InvestorForce Public DB Gross Accounts
Ending September 30, 2014



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



MANAGER PERFORMANCE

	% of Portfolio	2014 Q3 Rank	Ending September 30, 2014							Inception					
			YTD Rank	1 Yr Rank	3 Yrs Rank	2013 Rank	2012 Rank	Return	Since						
Total Fund Composite	100.0%	-0.1%	3	6.3%	2	12.4%	1	12.9%	43	18.1%	24	10.0%	82	11.6%	Jan-09
<i>Pension Policy Index</i>		-0.8%	20	3.9%	50	9.5%	41	13.1%	37	17.4%	33	11.6%	64	11.7%	Jan-09
Dupont Capital Investment	19.1%	1.5%	18	10.4%	6	22.9%	6	24.3%	20	33.8%	40	15.4%	52	--	Apr-10
<i>S&P 500</i>		1.1%	29	8.3%	28	19.7%	27	23.0%	40	32.4%	56	16.0%	44	--	Apr-10
Fidelity Low Price Stock	7.3%	-1.3%	1	4.0%	2	12.4%	3	22.6%	34	35.4%	79	19.5%	12	14.9%	Sep-08
<i>Russell 2000</i>		-7.4%	77	-4.4%	71	3.9%	77	21.3%	58	38.8%	41	16.3%	39	9.9%	Sep-08
<i>Russell MidCap Value</i>		-2.6%	--	8.2%	--	17.5%	--	24.7%	--	33.5%	--	18.5%	--	12.8%	Sep-08
Wilmington Trust Bonds	10.3%	-0.1%	--	1.6%	--	1.3%	--	1.2%	--	-1.3%	--	2.6%	--	1.8%	Sep-10
<i>Barclays Int Govt.</i>		0.0%	--	1.6%	--	1.1%	--	0.9%	--	-1.2%	--	1.7%	--	1.6%	Sep-10
Operating Account	0.2%	0.0%	--	0.1%	--	0.1%	--	0.1%	--	0.1%	--	0.0%	--	0.1%	Sep-11
<i>91 Day T-Bills</i>		0.0%	--	0.0%	--	0.0%	--	0.0%	--	0.0%	--	0.1%	--	0.0%	Sep-11
State of Delaware Investment Pool	63.1%	-0.4%	--	6.8%	--	12.2%	--	12.9%	--	17.0%	--	11.2%	--	--	
<i>Balanced Pooled Fund Policy Index</i>		-1.1%	--	4.4%	--	9.4%	--	12.3%	--	14.3%	--	12.0%	--	--	

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.



OPEB



OBSERVATIONS

- September 30, 2014 market value: \$29.8 million
- 3rd quarter gain: **-\$193,800** (net) 3rd quarter return: **-0.6%** (gross)
-0.7% (net)
- YTD gain: +\$1.0 million (net) YTD return: 3.5% (gross)
3.2% (net)
- Outperformed benchmark by 15 basis points
- Top 6% in InvestorForce Universe for past quarter



LOOKING AHEAD FOR SUSSEX COUNTY OPEB

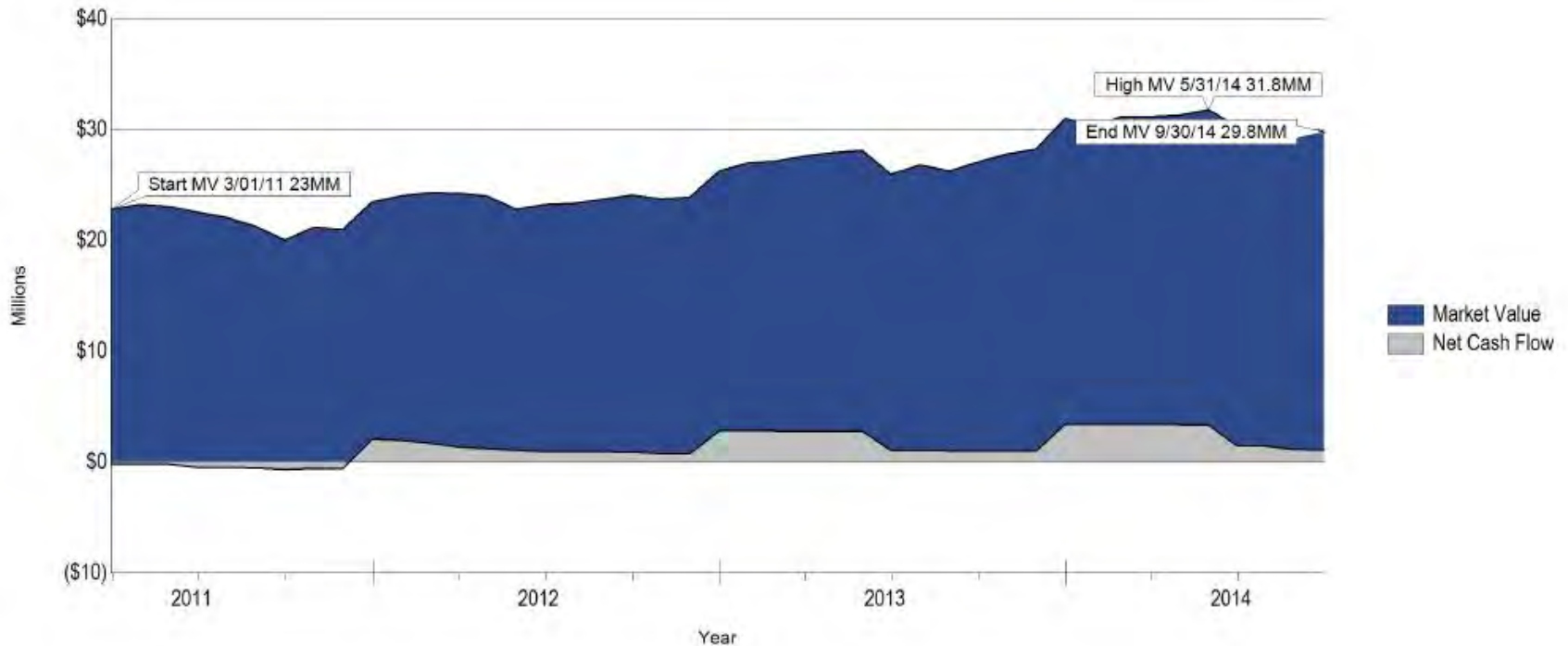
- Fund changes/consolidation
- Consider Consulting Plus?
- GASB Exposure Draft



SUMMARY OF CASH FLOWS

	Third Quarter	Year-To-Date	One Year	Two Years	Three Years	Inception 3/1/11
Beginning Market Value	\$30,316,792.8	\$31,028,917.7	\$27,102,650.5	\$24,115,185.4	\$20,061,336.3	\$23,985,446.9
Net Additions/Withdrawals	-\$308,866.9	-\$2,232,152.9	\$195,213.4	\$384,964.2	\$2,059,514.6	\$558,609.4
Investment Earnings	-\$193,376.5	\$1,017,784.7	\$2,516,685.6	\$5,314,400.0	\$7,693,698.6	\$5,270,493.3
Ending Market Value	\$29,814,549.5	\$29,814,549.5	\$29,814,549.5	\$29,814,549.5	\$29,814,549.5	\$29,814,549.5
Time Weighted Return	-0.6%	3.5%	9.2%	10.3%	11.1%	6.1%

Market Value History
3 Years 7 Months Ending September 30, 2014



UNIVERSE COMPARISON

Ending September 30, 2014

Inception

	2014 Q3 Rank	YTD Rank	1 Yr Rank	2 Yrs Rank	3 Yrs Rank	2013 Rank	2012 Rank	Return Since								
Total Fund	-0.6%	6	3.5%	71	9.2%	49	10.3%	54	11.1%	74	16.3%	44	8.9%	93	6.1%	Mar-11
<i>Sussex OPEB Policy Index</i>	<i>-0.7%</i>	<i>15</i>	<i>4.1%</i>	<i>43</i>	<i>9.8%</i>	<i>37</i>	<i>11.2%</i>	<i>37</i>	<i>13.1%</i>	<i>38</i>	<i>17.6%</i>	<i>31</i>	<i>11.3%</i>	<i>69</i>	<i>7.8%</i>	<i>Mar-11</i>

InvestorForce Public DB Gross Accounts
Ending September 30, 2014



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



MANAGER PERFORMANCE

	% of Portfolio	Policy %	Ending September 30, 2014										Inception	
			2014 Q3	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
Equities	60.4	60.0												
American Funds Washington Mutual <i>Russell Top 200 Value</i>	6.2		1.0	10	7.8	28	18.4	30	21.6	65	16.1	10	7.8	Jan-14
Vanguard Institutional Index	18.0		0.9	12	8.1	21	19.5	15	23.6	29	14.4	50	8.1	Jan-14
Vanguard Dividend Growth <i>S&P 500</i>	5.1		1.1	20	8.3	16	19.7	17	23.0	33	15.7	23	8.3	Jan-14
T. Rowe Price Inst'l Large Cap Core Growth <i>Russell Top 200 Growth</i>	5.1		1.4	14	6.0	65	15.7	70	20.0	79	15.1	44	18.2	Aug-12
Vanguard Mid Cap Value <i>Spliced Mid Cap Value Index</i>	2.9		1.1	20	8.3	16	19.7	16	23.0	32	15.7	23	20.5	Aug-12
T. Rowe Price Inst'l Large Cap Core Growth <i>Russell Top 200 Growth</i>	5.1		1.8	28	4.8	66	18.2	35	24.6	6	17.4	8	4.8	Jan-14
Vanguard Mid Cap Value <i>Spliced Mid Cap Value Index</i>	2.9		2.5	9	8.9	10	21.4	9	22.4	39	16.4	21	8.9	Jan-14
Eaton Vance Atlanta Capital SMID <i>Russell 2500</i>	4.9		-2.2	22	6.6	20	17.8	13	24.7	32	17.0	15	6.6	Jan-14
Target Small Capitalization Value <i>Russell 2000 Value</i>	2.9		-2.3	23	6.6	20	17.9	12	24.7	31	17.0	14	6.6	Jan-14
Thornburg Global Opportunities <i>MSCI ACWI</i>	3.5		-3.5	20	-2.6	61	6.4	64	21.1	67	15.7	42	-2.6	Jan-14
American Funds Int'l Growth & Income <i>MSCI ACWI ex USA</i>	5.3		-5.3	45	0.3	39	9.0	43	22.8	40	16.0	36	0.3	Jan-14
MFS International Value <i>MSCI EAFE Value</i>	3.5		-5.8	19	-1.3	41	7.4	47	20.6	64	14.7	38	-1.3	Jan-14
Harding Loevner International Equity <i>MSCI ACWI ex USA</i>	3.0		-8.6	88	-4.7	88	4.1	90	20.6	64	13.0	73	-4.7	Jan-14
Thornburg Global Opportunities <i>MSCI ACWI</i>	3.5		-1.9	28	11.9	4	21.4	5	23.4	2	14.3	7	11.9	Jan-14
American Funds Int'l Growth & Income <i>MSCI ACWI ex USA</i>	5.3		-2.3	39	3.7	36	11.3	36	16.6	56	10.1	70	3.7	Jan-14
MFS International Value <i>MSCI EAFE Value</i>	3.5		-5.6	52	1.0	13	7.0	11	14.5	28	8.3	10	1.0	Jan-14
Harding Loevner International Equity <i>MSCI ACWI ex USA</i>	3.0		-5.3	39	0.0	25	4.8	42	11.8	82	6.0	72	0.0	Jan-14
MFS International Value <i>MSCI EAFE Value</i>	3.5		-4.1	4	1.3	18	6.4	26	16.1	9	10.2	1	1.3	Jan-14
Harding Loevner International Equity <i>MSCI ACWI ex USA</i>	3.0		-6.2	58	-0.6	41	5.7	37	13.9	42	5.5	61	-0.6	Jan-14
Harding Loevner International Equity <i>MSCI ACWI ex USA</i>	3.0		-4.0	9	-0.2	30	4.3	52	13.2	57	9.0	6	11.4	Jun-13
Harding Loevner International Equity <i>MSCI ACWI ex USA</i>	3.0		-5.3	39	0.0	25	4.8	42	11.8	82	6.0	72	12.1	Jun-13
Fixed Income	39.6	40.0												
Wilmington Trust Fixed Income <i>Barclays Int Govt.</i>	37.6		-0.1	--	1.4	--	1.1	--	--	--	--	--	1.0	Mar-12
Operating Account	1.9		0.0	--	1.6	--	1.1	--	--	--	--	--	1.0	Mar-12
Mutual Fund Cash	0.0													

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

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.

FIDELITY REPLACEMENT



PURPOSE

- At the last meeting, the Investment Committee decided to replace Fidelity Low-Priced Stock.
 - While the fund has done well, over the years it has drifted away from its original investment style.
 - It holds a material amount in large cap stocks and non-U.S. stocks.
- Peirce Park Group recommends complimenting current managers with an investment in U.S. mid-cap value stocks.
 - The following pages present two options, one passive and one active:
 - Vanguard Mid Cap Value Index
 - Victory Established Value

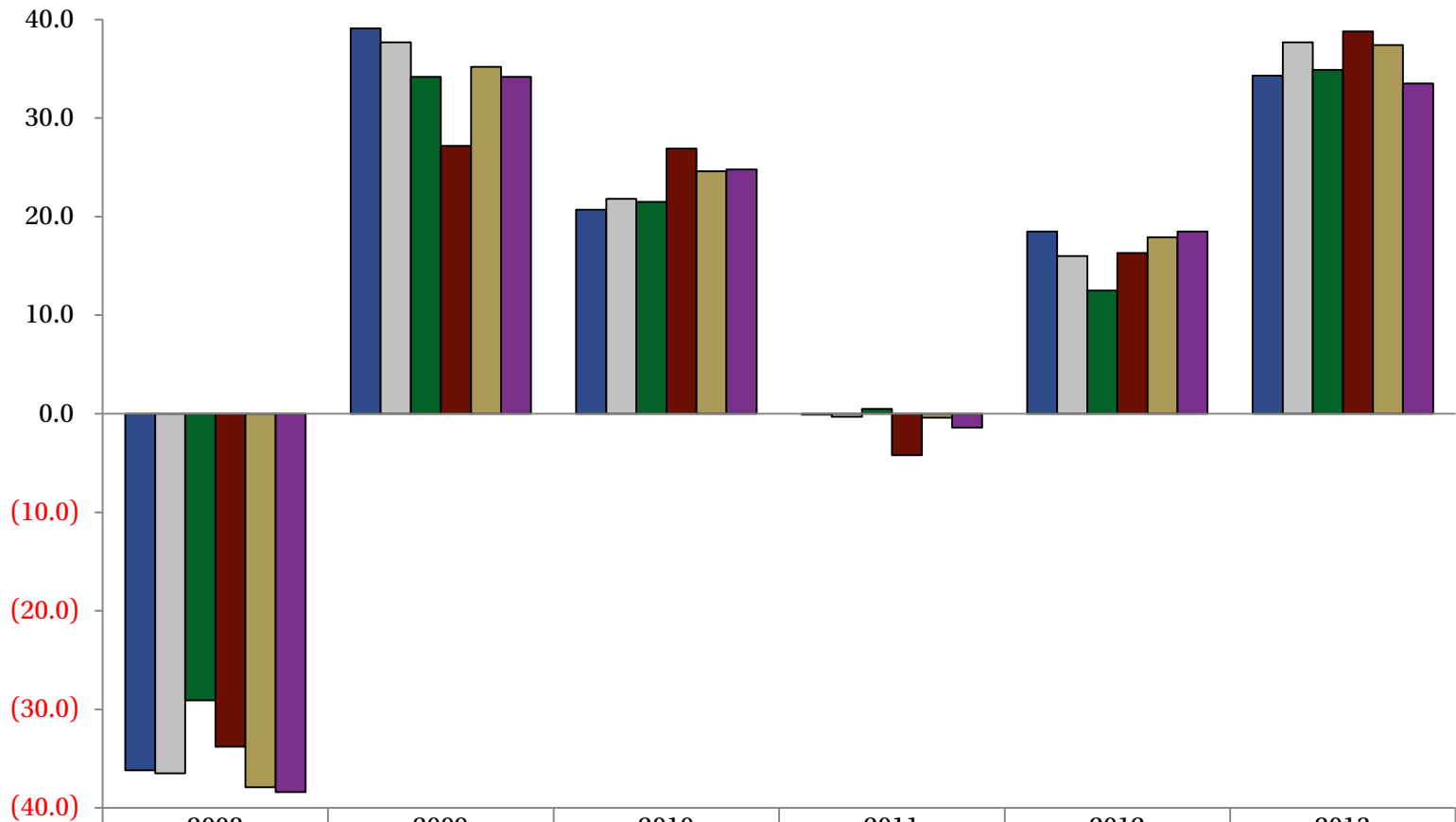


MANAGER INFORMATION – AS OF SEPTEMBER 30, 2014

	<u>Fidelity Low-Priced Stock</u>	<u>Vanguard Mid Cap Value Index</u>	<u>Victory Established Value</u>
Location	Boston, MA	Malvern, PA	Brooklyn, OH
Firm Inception	1946	1975	1894
Firm Assets (\$B)	1,980	2,875	18
Style	Fundamental, bottom-up	Index	Fundamental, bottom-up
Strategy Inception	1990	2006	1983
Strategy Assets (\$B)	48.5	6.1	3.0
Expense Ratios	0.83	0.09	0.67
Vehicle	Mutual Fund	Mutual Fund	Mutual Fund
Preferred Benchmark	Russell 2000	CRSP US Mid Cap Value	Russell Mid Cap Value
# of Holdings	916	205	70



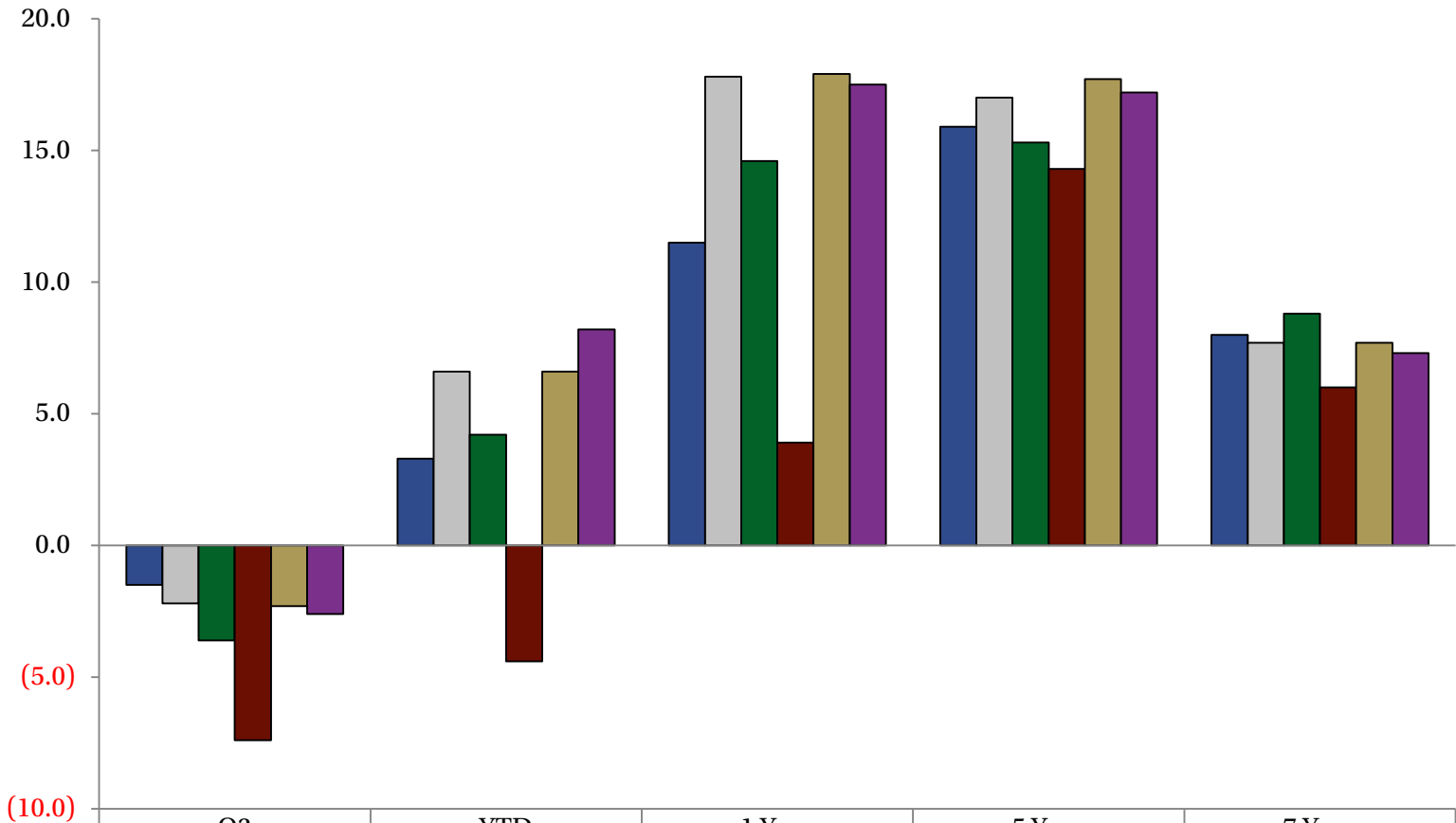
YEARLY RETURNS (%)



	2008	2009	2010	2011	2012	2013
■ Fidelity	-36.2	39.1	20.7	-0.1	18.5	34.3
■ Vanguard	-36.5	37.7	21.8	-0.3	16.0	37.7
■ Victory	-29.1	34.2	21.5	0.5	12.5	34.9
■ Russell 2000	-33.8	27.2	26.9	-4.2	16.3	38.8
■ CRSP Mid Cap Value	-37.9	35.2	24.6	-0.4	17.9	37.4
■ Russell Mid Cap Value	-38.4	34.2	24.8	-1.4	18.5	33.5



CUMULATIVE RETURNS ANNUALIZED (%)



	Q3	YTD	1 Year	5 Year	7 Year
■ Fidelity	-1.5	3.3	11.5	15.9	8.0
■ Vanguard	-2.2	6.6	17.8	17.0	7.7
■ Victory	-3.6	4.2	14.6	15.3	8.8
■ Russell 2000	-7.4	-4.4	3.9	14.3	6.0
■ CRSP Mid Cap Value	-2.3	6.6	17.9	17.7	7.7
■ Russell Mid Cap Value	-2.6	8.2	17.5	17.2	7.3



PROS & CONS

	Pros	Cons
<u>Fidelity</u>	<ul style="list-style-type: none">• Solid long-term track record• Mutual fund vehicle	<ul style="list-style-type: none">• Extremely large fund• Many off-benchmark holdings• Tracking error
<u>Vanguard</u>	<ul style="list-style-type: none">• Very inexpensive approach• Mutual fund vehicle	<ul style="list-style-type: none">• Less downside protection
<u>Victory</u>	<ul style="list-style-type: none">• Solid long-term track record• More downside protection• Mutual fund vehicle	<ul style="list-style-type: none">• More expensive• Tracking error



OPEB IPS ADDENDUM



SUMMARY OF CHANGES

- **Increase equity targets from 60% to 65%**
 - Domestic equity target increases from 46% to 51%
- **Decrease fixed income target from 39% to 34%**
- **Cash and international equity targets remain unchanged**





SUSSEX OPEB

Portfolio Options
December 2014



PEIRCE PARK GROUP
INVESTMENT MANAGEMENT CONSULTANTS

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- I. Overview
- II. Returns: Historical and Expected
- III. Equity Tilts
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- VI. Historical Portfolio Comparisons



OVERVIEW



BACKGROUND

- Sussex County recently lowered the OPEB Assumed Rate of Return (ARR) from 8.0% to 7.5%.
- Given the fixed income environment, can the current asset mix meet a 7.5% ARR?
- The Investment Committee expressed a desire to condense the OPEB investment manager lineup.
- The following materials review options that the County could consider:
 - Equity targets
 - Style/cap tilts
 - Large cap equity manager (DuPont or Vanguard)
 - # of managers



DECISIONS TO MAKE

- Percentage allocation to equities
- Equity capitalization & style targets
- Number of managers in the portfolio
- DuPont or Vanguard (active vs. passive investing)
- Consulting Plus



RETURNS: HISTORICAL AND EXPECTED



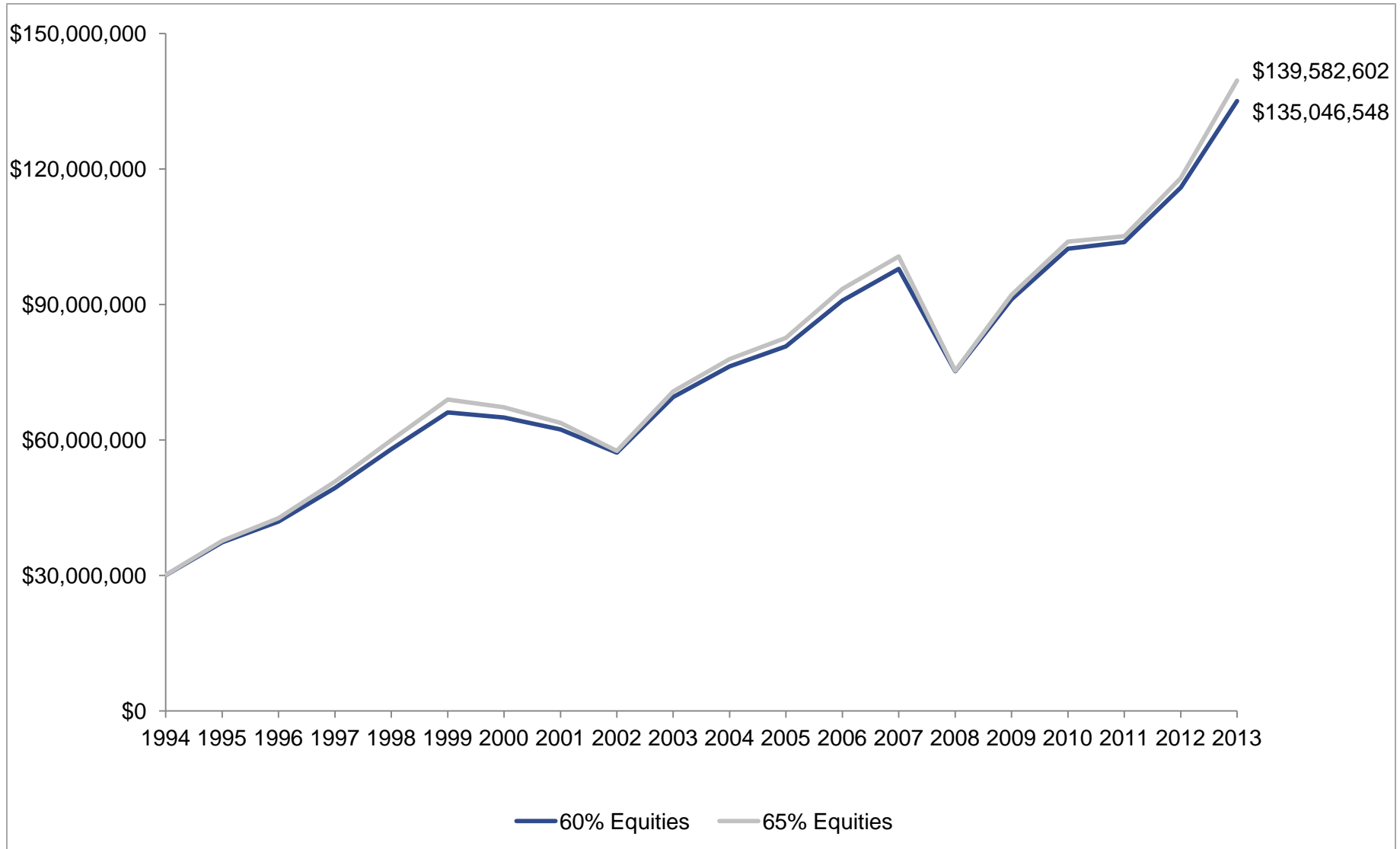
ASSET CLASS RETURNS

	75 Year	20 Year	10 Year	5 Year
U.S. Stocks	10.9	9.2	7.4	17.9
Non-U.S. Developed Stocks	-	5.7	6.9	12.4
All non-U.S. Stocks	-	6.3	8.0	13.3
Bonds (Intermediate Gov't)	5.4	5.4	4.4	2.9
Inflation	3.8	2.4	2.4	2.1



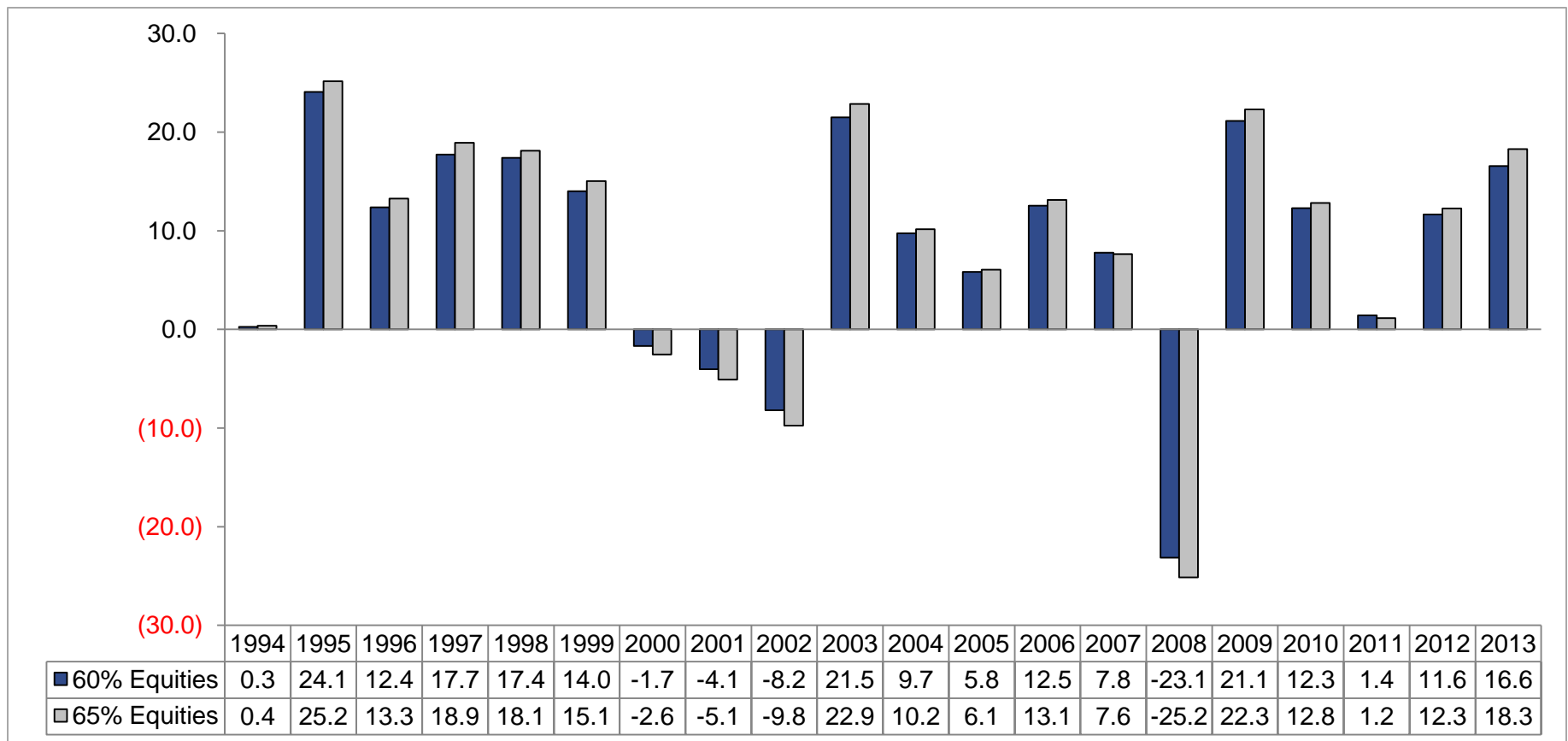
Source: Morningstar.

PORTFOLIO GROWTH



PORTFOLIO YEARLY RETURNS (%)

- In the worst equity market year (2008), a portfolio with 5% more allocated to equities lost an additional two percentage points.
- This extra loss would have increased the County's contribution by about \$80,000 per year.
- Can the Plan tolerate a potential increase in contributions, given a higher expected return?



EQUITY TILTS

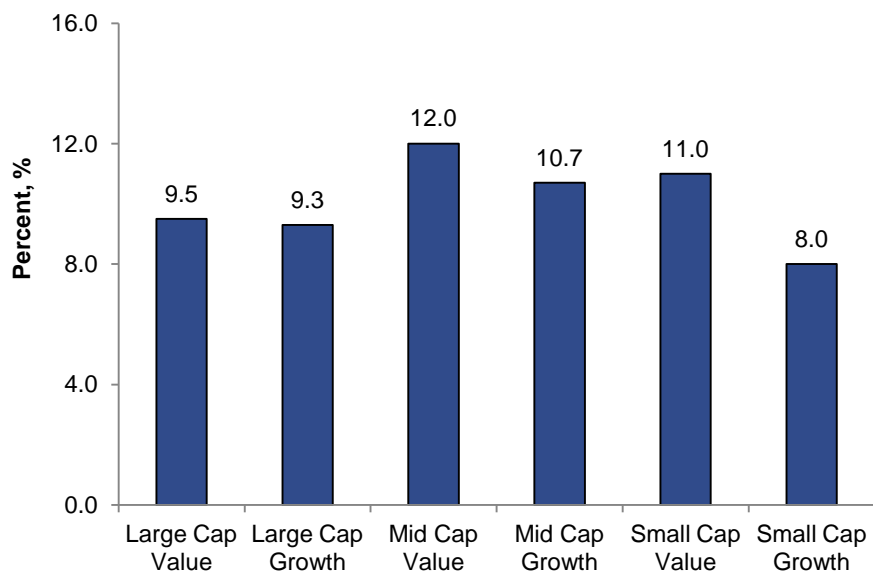


BENEFITS OF STRATEGIC EQUITY TILTS

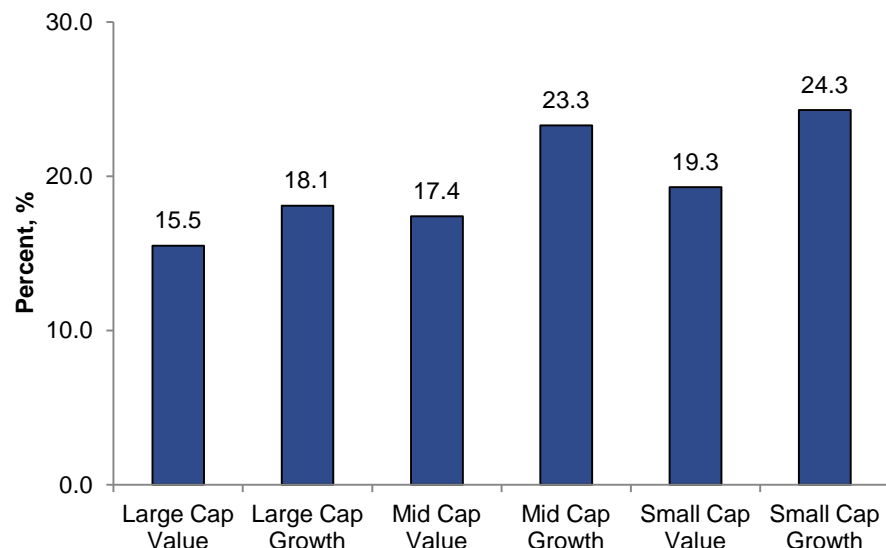
Historically, implementing tilts in the equity portfolio towards value and mid cap stocks has been beneficial over the long term

- Increased the return of the portfolio
- At a lower level of volatility

Annualized Return

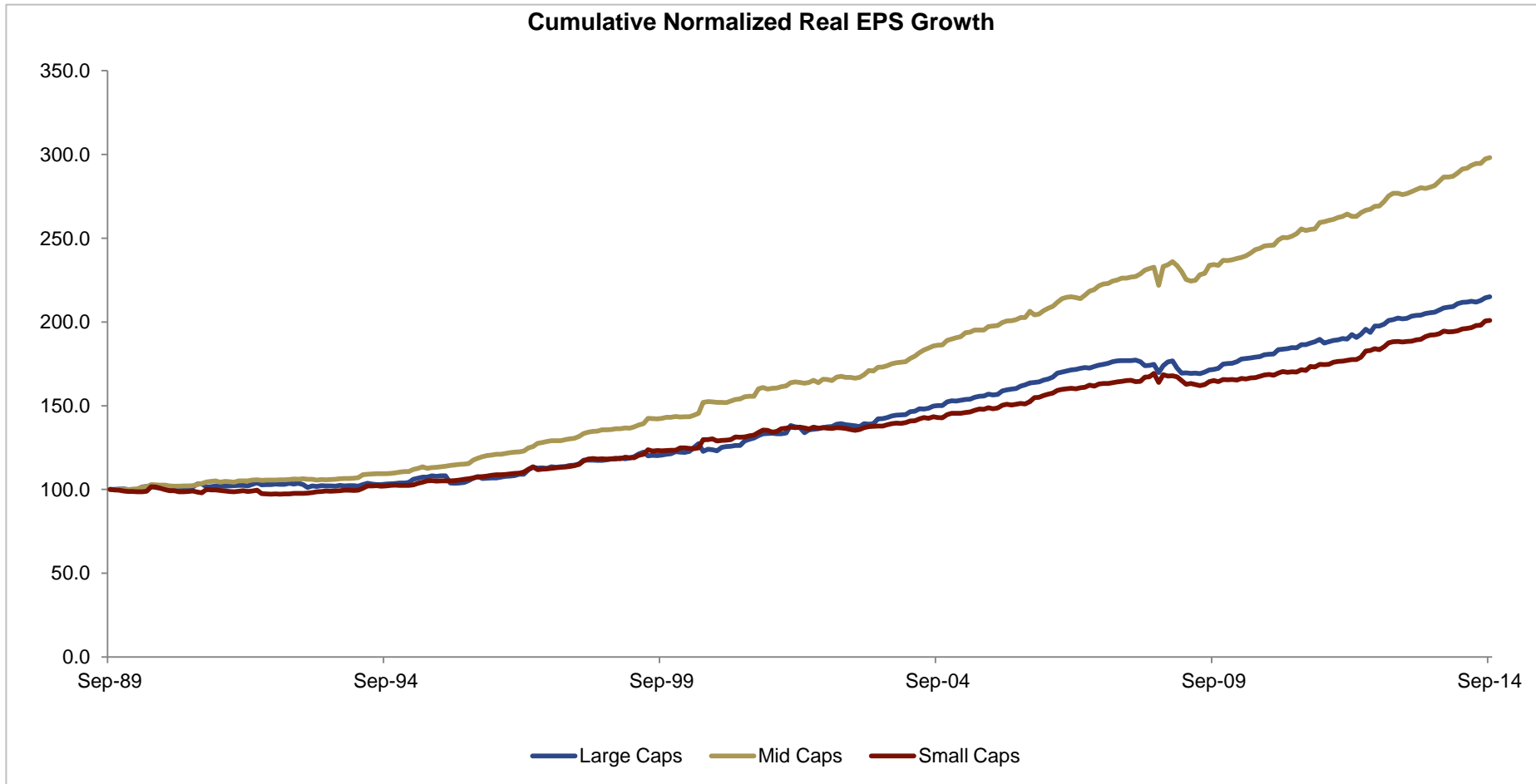


Annualized St Dev



WHY HAVE MID CAPS OUTPERFORMED?

Mid Cap stocks have generated earnings at a much higher rate than their large- and small-cap counterparts, leading to their historical outperformance.



Source: Thomson Reuters Datastream.

Note: Normalized ratios adjust valuations for earnings cyclicality. This approach helps us determine the “normalized” earnings power of a stock market. Simple P/E ratios can sometimes send false signals, depending on the earnings cycle. For instance, they often appear understated at earnings cycle peaks, while they overstate valuations at troughs when earnings collapse.



EQUITY OPTIONS



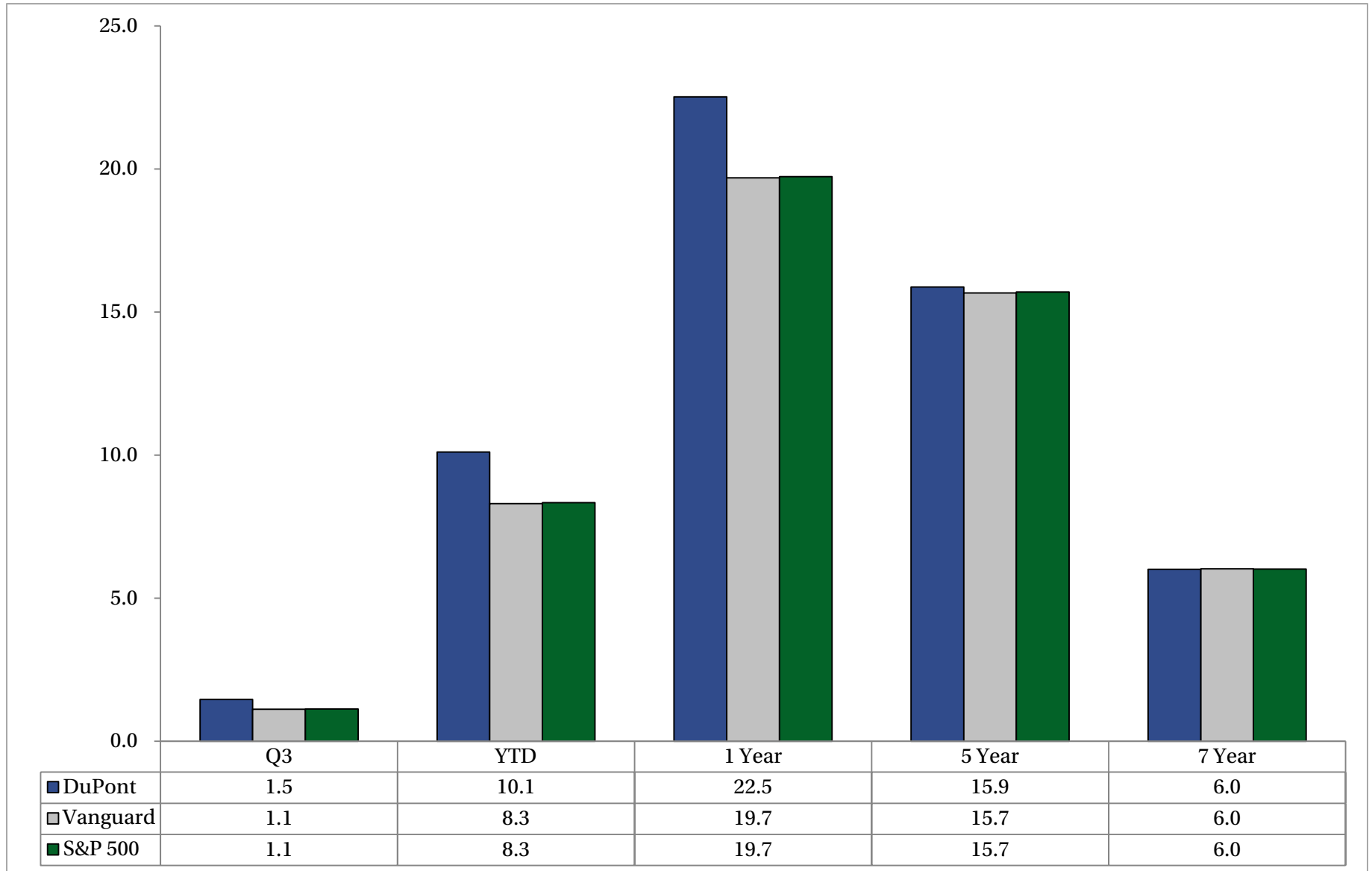
MANAGER INFORMATION – AS OF SEPTEMBER 30, 2014

	<u>DuPont Large Cap Structured Equity</u>	<u>Vanguard Institutional Index</u>
Location	Wilmington, DE	Malvern, PA
Firm Inception	1975	1975
Firm Assets (\$B)	37	2,875
Style	Quantitative and Fundamental, bottom-up	Index
Strategy Inception	1994	1976
Strategy Assets (\$B)	0.7	354
Fees (Expense Ratios for Mutual Funds)	0.35%	0.04%*
Vehicle	Separate Account	Mutual Fund
Preferred Benchmark	S&P 500	S&P 500
# of Holdings	162	510

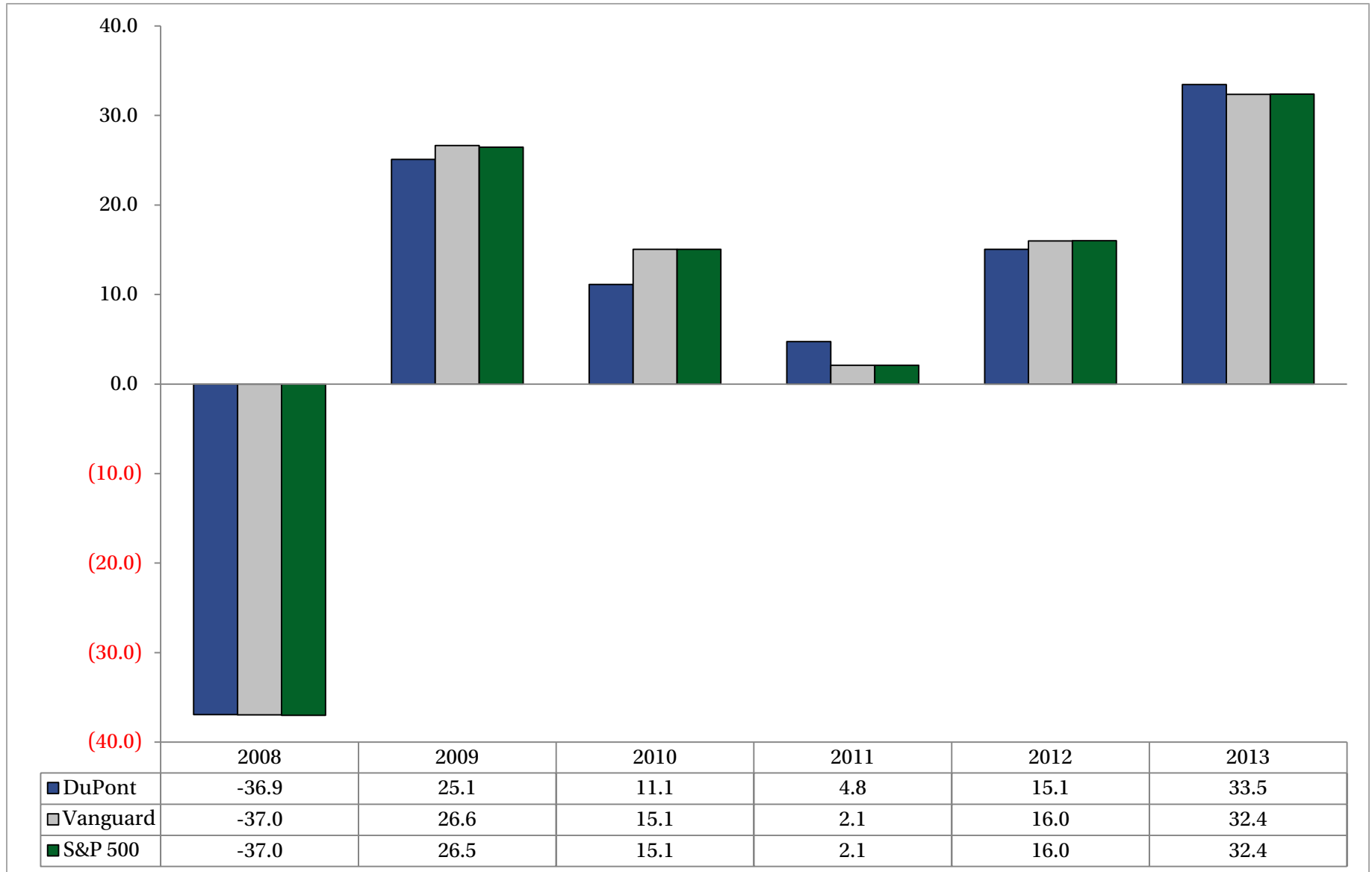
*There is an institutional share class available with an investment minimum of \$5 million.



CUMULATIVE RETURNS ANNUALIZED (%)



YEARLY RETURNS (%)



PROS & CONS

	Pros	Cons
<u>DuPont Large Cap Structured Equity</u>	<ul style="list-style-type: none">• Long-term track record• Manage U.S. equities for the County Pension• Slight value tilt	<ul style="list-style-type: none">• Benchmark-like performance
<u>Vanguard Institutional Index</u>	<ul style="list-style-type: none">• Very inexpensive approach• Mutual fund vehicle	<ul style="list-style-type: none">• No value tilt



IMPLEMENTATION



IMPLEMENTATION

		Current Portfolio	65% v1	65% v2
Manager Allocations (%)	American Funds Washington Mutual	6.0	-	-
	Vanguard Institutional Index	17.5	-	35.0
	DuPont Capital Large Cap Structured Equity	-	35.0	-
	Vanguard Dividend Growth	5.0	-	-
	T. Rowe Price Inst'l Large Cap Core Growth	5.0	-	-
	Vanguard Mid Cap Value Index	3.0	6.5	6.5
	Eaton Vance Atlanta Capital	5.0	-	-
	Target Small Capitalization Value	3.0	3.0	3.0
	Thornburg Global Opportunities	3.5	6.5	6.5
	MFS Low Volatility Global Equity	-	6.5	6.5
	American Funds Int'l Growth & Income	5.5	7.5	7.5
	MFS International Value	3.5	-	-
	Harding Loevner International Equity	3.0	-	-
	Wilmington Trust	39.0	34.0	34.0
	CASH	1.0	1.0	1.0
Estimated Expenses	0.35%	0.40%	0.29%	



Note: The "v1" portfolio includes DuPont Capital. The "v2" portfolio includes Vanguard.

EQUITY TILTS

		Policy	Current Portfolio	65% v1	65% v2	
Market Exposure	Value/Growth Splits	Value	50.0%	47.5%	57.2%	54.5%
		Growth	50.0%	52.5%	42.8%	44.5%
	Market Capitalization Distribution	Large	69.2%	71.4%	72.1%	72.1%
		Mid	23.3%	22.8%	22.9%	22.9%
		Small	7.5%	5.8%	5.0%	5.0%

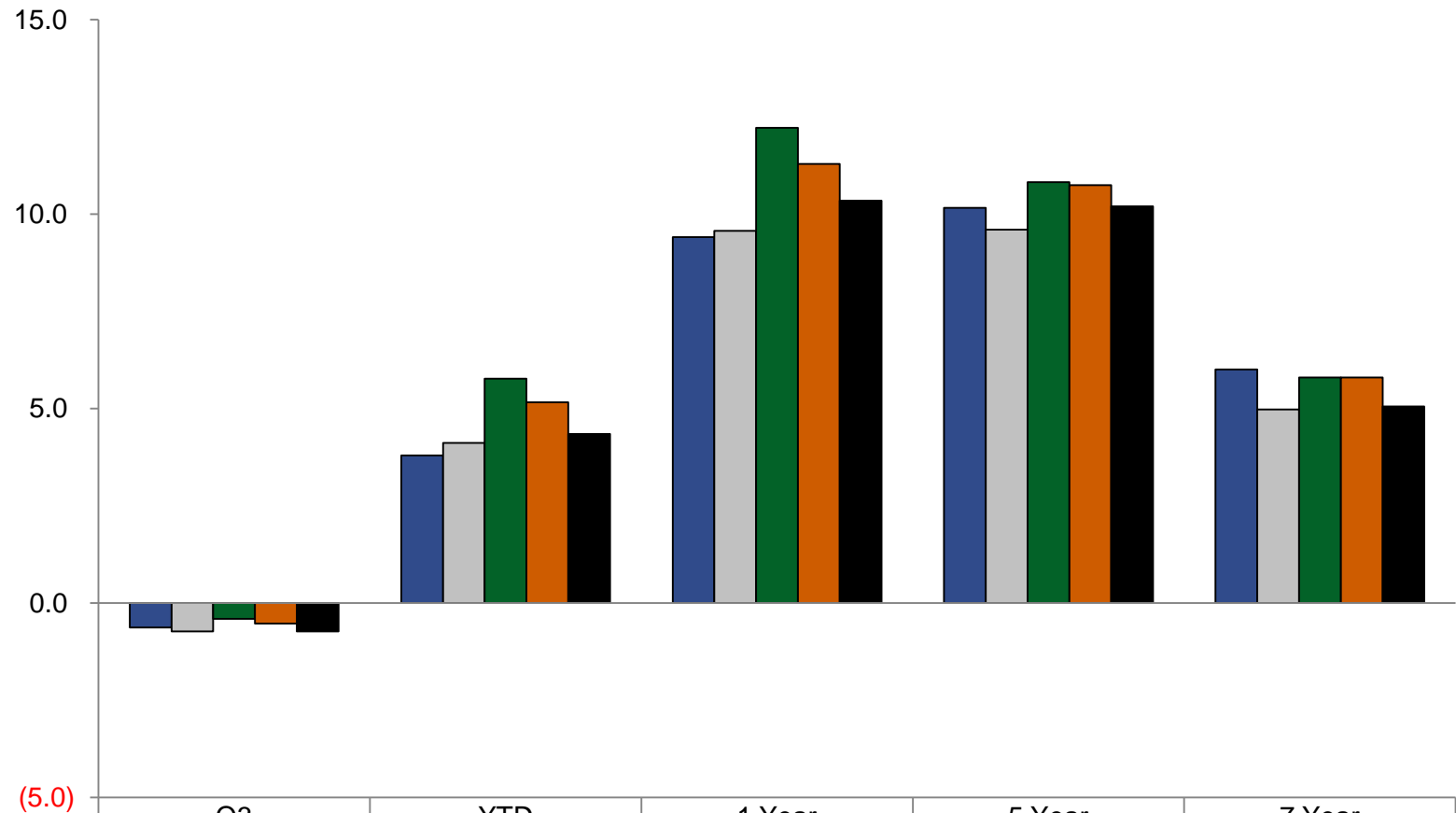
Note: The "v1" portfolio includes DuPont Capital. The "v2" portfolio includes Vanguard.



HISTORICAL PORTFOLIO COMPARISONS



CUMULATIVE RETURNS ANNUALIZED (%)

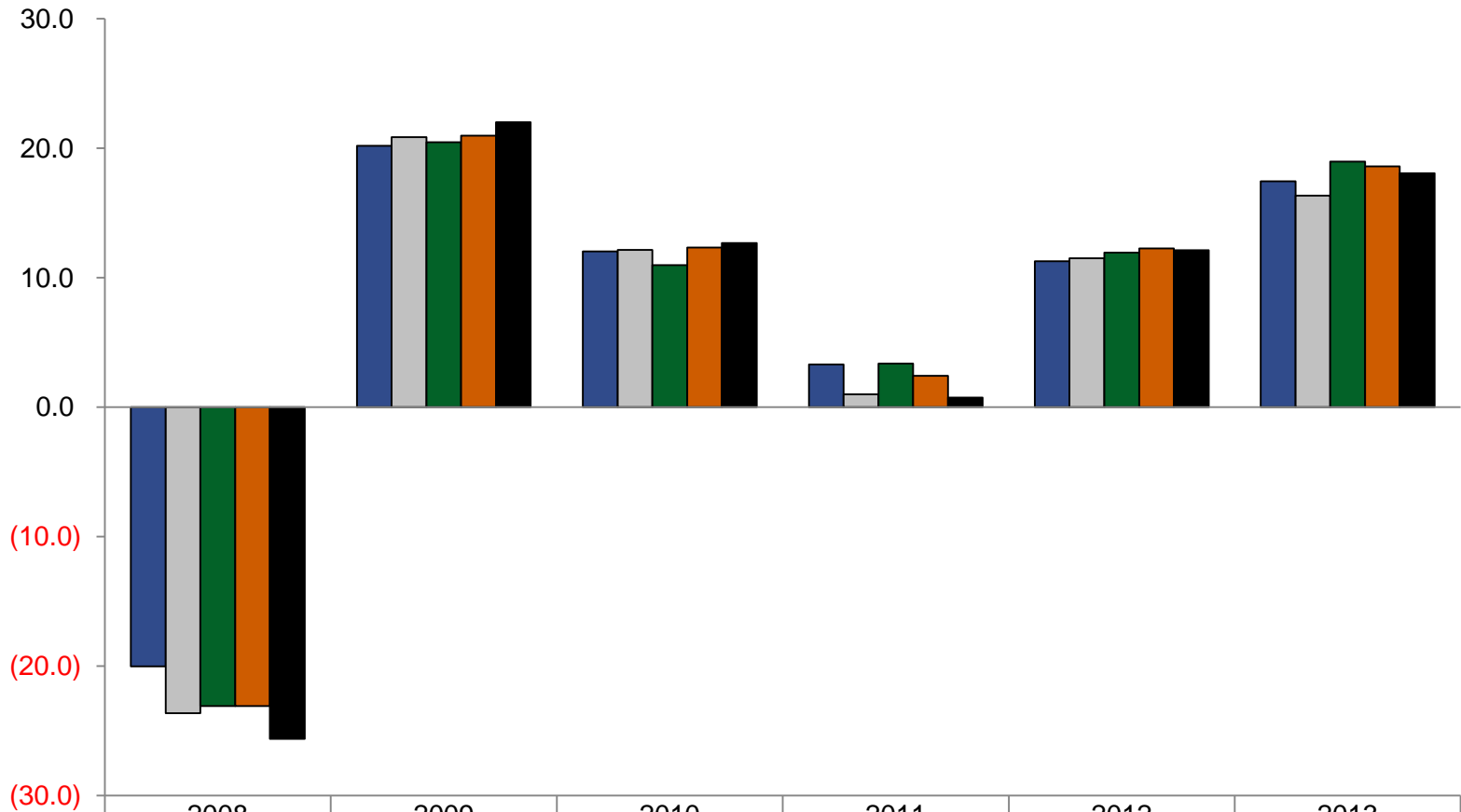


	Q3	YTD	1 Year	5 Year	7 Year
■ Current Portfolio	-0.6	3.8	9.4	10.2	6.0
□ 60% Equities Policy	-0.7	4.1	9.6	9.6	5.0
■ 65% v1	-0.4	5.8	12.2	10.8	5.8
■ 65% v2	-0.5	5.2	11.3	10.8	5.8
■ 65% Equities Policy	-0.7	4.4	10.4	10.2	5.1



Returns are net of investment management fees through September 30, 2014. The "v1" portfolio includes DuPont Capital. The "v2" portfolio includes Vanguard.

YEARLY RETURNS (%)

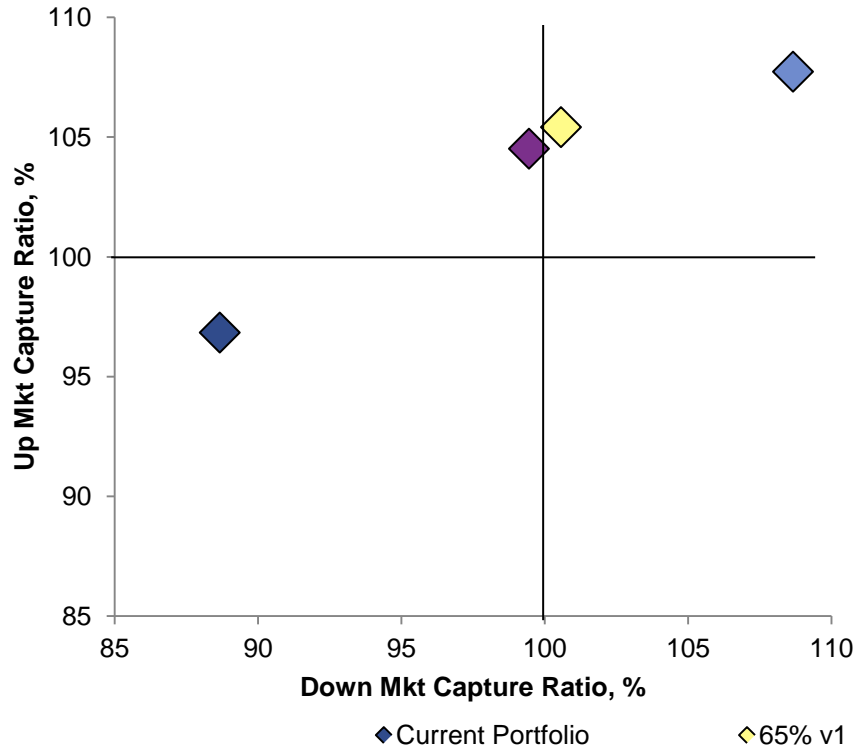


	2008	2009	2010	2011	2012	2013
■ Current Portfolio	-20.0	20.2	12.0	3.3	11.3	17.5
□ 60% Equities Policy	-23.6	20.9	12.1	1.0	11.5	16.3
■ 65% v1	-23.1	20.5	11.0	3.4	11.9	19.0
■ 65% v2	-23.1	21.0	12.3	2.4	12.3	18.6
■ 65% Equities Policy	-25.6	22.0	12.7	0.7	12.1	18.1

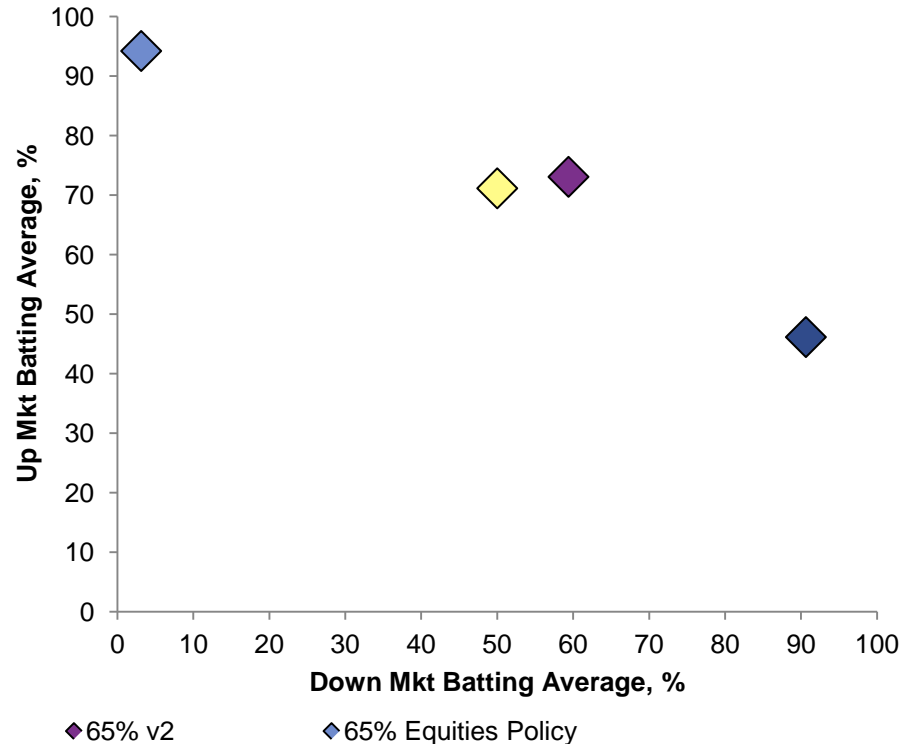


UP/DOWN MARKET PARTICIPATION – 7 YEARS THROUGH SEPTEMBER 30, 2014

Capture Ratio



Batting Average



Up Market Capture Ratio – Greater than 100% is considered desirable. Average return of portfolio divided by index return calculated using only periods with positive market return.

Down Market Capture Ratio – Less than 100% is considered desirable. Average return of portfolio divided by index return calculated using only periods with negative market return.

Up Market Batting Average – Higher numbers are considered desirable. Measures frequency with which manager has beaten benchmark using only periods with positive market return.

Down Market Batting Average – Higher numbers are considered desirable. Measures frequency with which manager has beaten benchmark using only periods with negative market return.



Returns are net of investment management fees. 60% Policy Index is used as the benchmark in the analysis. The “v1” portfolio includes DuPont Capital. The “v2” portfolio includes Vanguard.

RISK STATISTICS – 7 YEARS THROUGH SEPTEMBER 30, 2014

	Current Portfolio	60% Equities Policy	65% v1	65% V2	65% Equities Policy
Max Drawdown Return, %	(29.8)	(33.8)	(34.2)	(34.0)	(36.4)
Worst 3 Month Return, %	(18.4)	(20.7)	(19.8)	(20.0)	(22.2)
Best 3 Month Return, %	16.9	18.1	18.1	18.2	19.3
Annualized Standard Deviation, %	10.2	11.0	11.1	11.1	11.9

Max Drawdown – The largest top-to-bottom decline.

Standard Deviation – Measures volatility of manager's returns. Extent to which returns vary from average return.



Returns are net of investment management fees.

Note: The "v1" portfolio includes DuPont Capital. The "v2" portfolio includes Vanguard.

SUMMARY: WHAT NEEDS TO BE DECIDED?

- Equity target: 60% or 65%?
- Style targets?
- Number of managers in the portfolio: Current, Proposed, Reduced?
- DuPont or Vanguard?
- Consulting Plus?



GINA JENNINGS
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Sussex County
DELAWARE
sussexcountyde.gov

MEMORANDUM:

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

FROM: Gina A. Jennings
Finance Director

RE: **HEALTH INSURANCE REQUEST FOR PROPOSALS**

DATE: December 12, 2014

During Tuesday's Council meeting, I will be announcing that Finance and Human Resources will be soliciting bids for the County's health insurance plan. The County has a self-insured plan that is administered by a third party, Integra. This year, we will be undertaking a comprehensive review of our health insurance plan. We will be looking at both fully-insured and self-insured options.

The objectives of this process are:

- To conduct a comprehensive review of the County's benefits program including cost, benefit levels, level of service, funding method, and provider discounts;
- To develop a strategy to control the growth in the employee benefit costs; and
- To maintain a competitive benefits program allowing the County to attract and retain talent and maintain a high level of employee satisfaction.

The scope of the RFP is attached. This process will take over three months to complete. The County will be working with our insurance consultant, Insurance Buyers Council, throughout the process. The data collection process will begin this month, with the RFP being distributed in January. We plan to make a selection in March.

Please let me know if you have any questions.

Attachment

Sussex County Government

Proposal for Employee Benefit Consulting Services

Submitted by:



**Insurance Buyers' Council, Inc.
9720 Greenside Drive, Suite 1E
Cockeysville, Maryland 21030**

800-666-2846

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INTRODUCTION TO EMPLOYEE BENEFITS CONSULTING SERVICES

We appreciate the opportunity to present a proposal outlining our qualifications and strategy for partnering with Sussex County Government (SCG) in identifying opportunities to reduce and control costs of your employee benefit programs.

Insurance Buyers' Council (IBC) is unique in that we are a consulting firm working exclusively on a fee basis. We do not receive any commissions or incentive payments from insurance companies for the placement of coverage. This method of payment ensures our objectivity and aligns our compensation with the goals and objectives of our clients.

IBC has a longstanding commitment to public sector organizations and we count over thirty municipalities, school boards, counties, and authorities as clients.

Objectives

We understand Sussex County Government has these objectives:

- Conduct a comprehensive review of Sussex County Government's benefits program including cost, benefit levels, level of service, funding method, and provider discounts;
- Develop a strategy to control the growth in employee benefit costs; and
- Maintain a competitive benefits program allowing Sussex County Government to attract and retain talent and maintain a high level of employee satisfaction.

Introduction to IBC's Employee Benefits Practice

We are committed to providing Sussex County Government with superior service and application of Best Practices while reducing your employee benefit costs and improving the administration of your program. We will provide SCG with the following Health & Welfare Consulting services:

- Opportunities Assessment and Recommendations
- Comprehensive financial analysis
- Plan marketing (RFP)
- Implementation/transition (if required)

As independent employee benefit consultants, we deliver objective expertise designed specifically to meet the goals and priorities of your organization.

OUR PROCESS

Assessment

Our approach to employee benefit consulting begins with a thorough understanding of your objectives and the role your benefit program has in supporting the philosophy of your organization.

Having identified your objectives, we begin the process of delivering consulting expertise with a thorough analysis of your benefits program and your risk profile. Investing time in the initial background analysis gives us a strong foundation on which to begin our engagement.

Review

Our benefits review is a comprehensive Opportunities Analysis designed to identify ways to reduce costs and improve the administration of the program. Examples of the types of opportunities explored include:

- Evaluate the competitiveness of the current prescription drug program.
- Review large claim history and determine feasibility of increasing the medical pooling point, thereby reducing fixed premium costs.
- Determine the network utilization and design strategies for increasing utilization of participating providers.
- Conduct comprehensive RFP process for SCG's self-funded health plan and determine if lower cost alternatives are available without compromising quality and access for employees.

Implementation

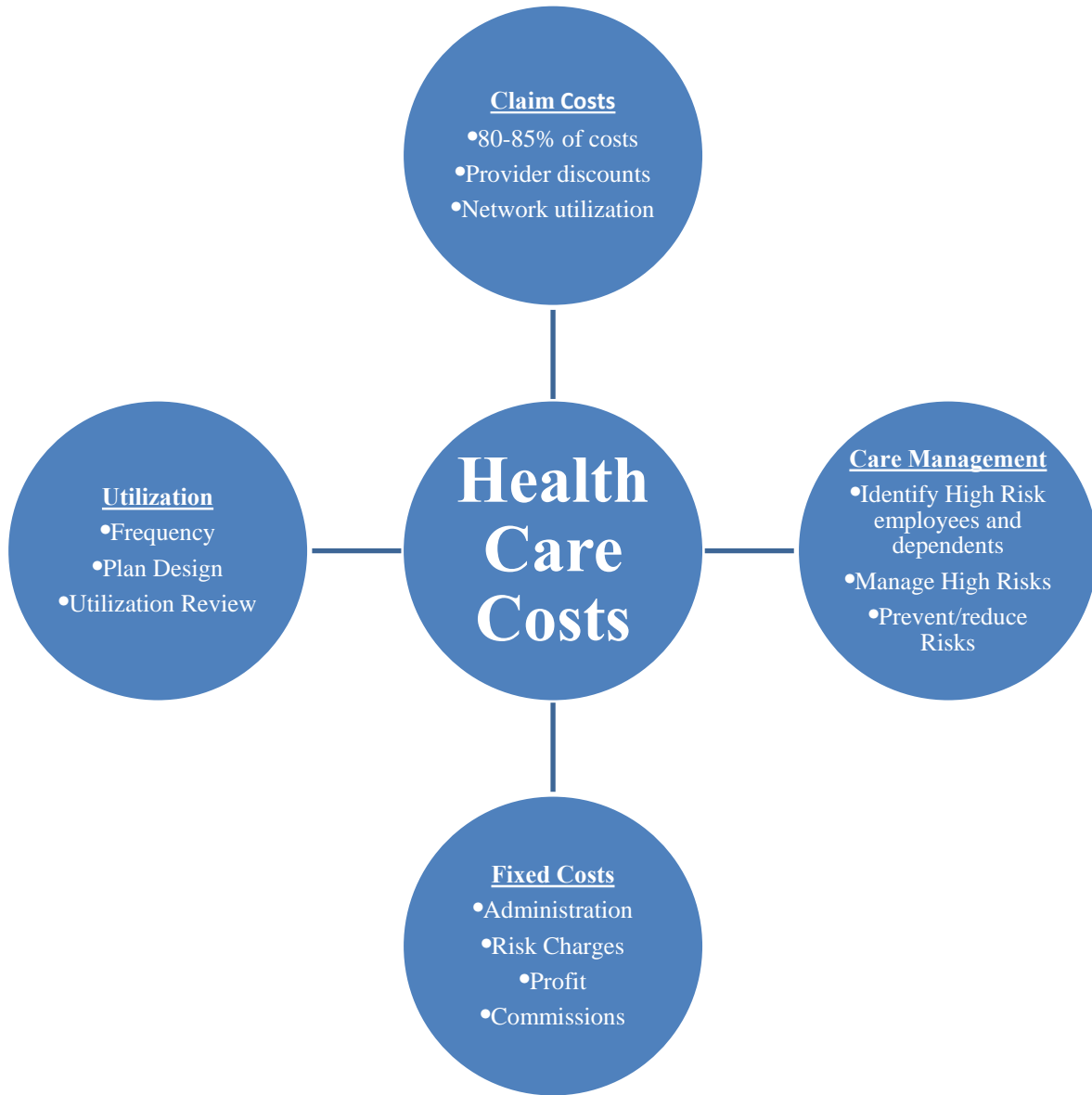
Having completed a comprehensive review, we work with clients in implementing the appropriate strategy designed to control costs and improve plan performance.

Differentiating IBC:

- Independent and objective consulting expertise
- Client-centric
- Knowledgeable professional staff
- State of the art solutions
- Fee-for-service compensation model

IBC has enjoyed a longstanding relationship with Sussex County Government and we look forward to delivering the same level of independent expertise to your employee benefits program as we have previously provided in assisting with your Risk Management program.

HOLISTIC APPROACH TO CONTAINING
HEALTH CARE COSTS



We work with our clients in evaluating all the factors driving health care costs. We develop plans to address the various components and base carrier selection, in part on the vendors approach to each of these core areas.

SCOPE OF WORK

The comprehensive benefit review is a routine service we have provided for numerous clients and you will find a copy of a similar analysis in the Appendix. While we cannot guarantee the results of our analysis, we are usually successful in identifying several opportunities for savings with a typical savings range between 1% - 5% of premium or total plan costs.

PHASE ONE

I. PRESENTATION TO MARKETPLACE (RFP)

We will prepare Request for Proposals (RFP) to market Sussex County Government's medical (self-insured), reinsurance, and Pharmacy Benefit Management (PBM) programs to obtain the most competitive pricing and services from appropriate carriers and vendors evaluating both self-insured and fully insured options.

Our guiding objectives for the marketing process are:

- Reduce costs/rate of increase short term
- Control cost increases long term
- Minimize disruption for employees
- Select carriers based on long-term compatibility measures
- Availability of COBRA and FSA administration services

As a tool for successful selection and partnership, we will provide vendor due diligence analysis and plan design modeling. We will also negotiate vendor performance guarantees, rates, terms, and all conditions of your vendor contract.

Our evaluation of prospective carriers takes into account all the complexities that differentiate one carrier from another as well as all the variables that can impact members. Our RFP process analyzes each of the following:

- Proposed rates (are they priced appropriately?)
- Funding method or contract type including:
 - Fully insured/experience rated
 - Limited self-funding
 - Community rated
- Plan design that balances the needs of employer and employees
- Provider networks providing maximum access and minimum disruption
- Negotiated provider discounts for each network
- Ability to “manage” care (disease management programs and outreach)
- Risk and retention levels
- Performance guarantees putting a percentage of the carrier's premium at risk based on performance

In the RFP process, we will:

- Develop a customized questionnaire that is designed to address key concerns/ priorities addressed during plan review
- Review each proposal and conduct onsite meetings with the finalists
- Produce a report and meet with management to present an analysis of our findings.
- Assist in the decision making process and negotiate final plan design and rates with finalists
- Oversee enrollment process and implementation of new plans and/or carriers

The criteria for comparison used by us in evaluating RFP responses include:

Scope of Coverage

- Benefit levels
- Provider discounts
- Member access/disruption analysis
- Performance guarantees

Services

- Client service
- Disease Management/Wellness Initiatives
- Value-added products/services

Net Costs

- Proposed rates/fees
- Retention levels
- High claim pooling point (fixed costs vs. additional claim risk)

Claim Targets and Financial Performance Guarantees

- Vendor performance guarantee request and review

Financial Ratings

- Carrier financial stability amongst at least three rating bureaus
- Monitor trends/changes in carrier ratings

Competitiveness of Current Pharmacy Benefit Manager (PBM)

IBC has found one of the biggest opportunities for savings when evaluating a benefit program, is in the competitiveness of the current Pharmacy Benefit Manager. This is especially true in light of recent pricing changes in the PBM industry due to a Court ordered adjustment on the calculation of AWP and the discounts.

IBC will analyze Sussex County Government's current pharmacy program with CVS/CareMark and will negotiate required contract changes. If required, IBC will prepare Request for Proposals (RFPs) to market the pharmacy program to obtain the most competitive pricing and services from appropriate Pharmacy Benefit Managers (PBMs). We will review current R_x utilization and suggest plan design changes to introduce consumerism and promote employees' involvement with their care.

This project will provide the following service deliverables:

- Comprehensive review of current PBM service and financial offering
- Identification and qualification of PBMs to target for RFP distribution
- Customized RFP designed to address key concerns/ priorities addressed during plan review
- RFP response review and evaluation utilizing a weighted customized scoring model
- Preparation and presentation of an executive RFP report evaluation document
- Coordination of best and final presentations by the PBMs selected as finalists
- Initial and final PBM price negotiations
- PBM contract review, negotiations and finalization
- Plan design education

The review and RFP process will incorporate the following items:

Reviewing employee and financial impact of the following Rx options:

- Step therapy program
- Prior Authorization programs
- Mandatory mail order program
- Mandatory generic substitution program
- Mandatory formulary program

Care Management

- Integrate drug information into medical management programs to provide enhanced care management

- Evaluate possible systems that encourage compliance and participation in drug management programs
- Review drug management programs – targeted prescription to the right person at right time can mitigate high dollar medical/disability cases

PHASE TWO

II. OVERSEE IMPLEMENTATION (IF APPLICABLE)

If, at the conclusion of our analysis, SCG decides to transition to a new carrier(s), IBC will assist in the implementation to ensure a smooth and effective transition.

This oversight role includes:

- Meeting with carriers to establish expectations and an implementation timeline
- Reviewing plan design and approving Plan Document and installation protocols
- Reviewing employee communications
- Assisting in employee orientation sessions
- Monitoring ongoing implementation
- Open enrollment assistance (including COBRA population)
- Ensuring delivery of new plan materials for employees
- Development of a vendor contact list
- Ensure eligibility data is provided to any and all new carriers
- Website testing (if applicable)
- Providing appropriate plan summaries and contact information for Intranet site (if applicable)

PROPOSED TENTATIVE TIMELINE

<i>Task and Projected Date</i>	Responsible Party		Actual Date	
	IBC	SCG	Start	Complete
Initial client interview and objective setting session-work on strategy and goals	X	X		X
Week of December 15-19, 2014				
Data Collection-Obtain current census, plan information, and all claims data.	X	X		
Current Plan Review and PBM Contract Review	X			
January 7, 2015				
Finalize RFPs & distribute to carriers to obtain proposals for medical, pharmacy, stop loss, administration of FSA and COBRA.	X			
January 16, 2015				
RFP Questions and Answers (questions due 1/16, responses out to vendors by 1/18)	X			
January 30, 2015-Final Proposals Due /Early Feb-Review and Negotiate				
Review vendor responses	X			
Receive and distribute updated claims data to finalists	X			
Renewal negotiations with incumbent carriers/vendors & finalists	X			
February 17, 2015- February 27, 2015				
Develop report and recommendations regarding finalists and plan selection analysis	X			
Final Presentation of Plans for May 1, 2015 Benefits	X			
March 2, 2015				
Select Final Vendors for May 1, 2015 Benefits	X			
March 3, 2015				
Notify select vendors	X			
Begin Implementation	X	X		
Week of March 16, 2015				
Hold Implementation Meetings	All parties including selected vendors			
Work on Communication Materials				
Finalize Communications & Enrollment Kits				
Week of March 23, 2015-All Dates TBD				
Enrollment Kits to be distributed to employees		X		
Open Enrollment Begins (Date TBD)		X		
Open Enrollment Ends (Date TBD)		X		
Open Enrollment Recap Meeting (Date TBD)	X	X		
Furnish Enrollment Data to Vendors (late March 2015)		X		
May 1, 2015				
Effective Date of all Plans	All Parties			

PRIMARY ACCOUNT TEAM

The Senior Executive responsible for the Borough of South Plainfield will be **Stephen J. Fallon, Director of IBC's Employee Benefits Practice**. Steve has over 25 years of employee benefits experience and is responsible for leading the Health & Welfare Practice team in the development and implementation of all strategic initiatives and client-specific service plans. Steve specializes in public sector benefit strategies and has worked with over one hundred municipalities, boards of education and county governments.

He helped develop Pennsylvania's first municipal health insurance trust covering over 109 municipalities and public entities for a range of medical, dental and prescription drug benefits. This extremely successful and innovative program has helped control the rate of increase of health insurance costs for members and has become a model for public sector risk pooling throughout the region.

Mr. Fallon's other areas of expertise include:

- Self-funding and reinsurance
- Provider discount analysis
- Prescription drug carve-out feasibility analysis and implementation
- Post-retirement benefit strategies

Prior to joining IBC, he served as Director of Benefit Solutions for a New York based benefits consulting firm where he developed a Public Entities practice specializing in meeting the employee benefit needs of municipalities and boards of education.

Mr. Fallon is a graduate of Villanova University with a Bachelor of Arts in Political Science/Honors.

Assisting will be **Mary Ellen McDonald, CEBS, GBA, RPA Account Manager, Employee Benefits Practice**. Ms. McDonald has worked in the employee benefits field for over eighteen years. She has a wide range of experience working with private and public sector clients on both fully-insured and self-funded medical and dental plans as well ancillary lines, voluntary benefits, and Section 125 plans.

Mary Ellen graduated with Honors from The Johns Hopkins University with a Bachelor's degree in Business and Management. She has been designated a Certified Employee Benefit Specialist (CEBS) and a Retirement Plan Associate (RPA) and a Group Benefit Associate (GBA) by the International Foundation of Employee Benefit Plans and the Wharton School of the University of Pennsylvania. She also is a registered Life and Health Adviser through the State of Maryland. Ms. McDonald serves on the Board of the Baltimore Chapter of the International Society of CEBS (ISCEBS) and is a member of both the International Foundation of Employee Benefit Plans (IFEBP) and ISCEBS.

Prior to joining IBC, she held account management positions with Blue Cross Blue Shield, a Third Party Administrator and served as a Consultant for a Broker.

Ms. McDonald's functions include:

- Assisting in developing RFP
- Marketing of plans
- Carrier follow-up
- Vendor negotiations
- Presentations and analysis

Staff providing administrative support – **Angela Hubbard, Executive Assistant**

REFERENCES

<i>Current Clients</i>			
Client Name	Contact Name and Title	Current Address and Phone Number	Number of Employees
Delaware Valley Insurance Trust	Mr. Richard J. Lee, CPCU, ARM Trust Administrator	719 Dresher Road Horsham, PA 19044 215-706-0101	16,000
FutureCare Health and Management Corporation	Mr. Brian Finglass Chief Financial Officer	8028 Ritchie Highway Suite 118 Pasadena, MD 21122 410-766-6484	1,800
Borough of South Plainfield	Mr. Glenn Cullen Chief Financial Officer	2480 Plainfield Avenue South Plainfield, NJ 07080 908-226-7606	265
Hamilton Township School District	Dr. James Parla Superintendent of Schools Hamilton Township School District	90 Park Avenue Hamilton, NJ 08690 609-631-4100	1,413

COMPENSATION

As independent employee benefit consultants, IBC does not accept carrier commissions for the placement of coverage. Our income is based solely on professional fees for service. IBC's philosophy is to earn a fair, fully disclosed fee for our services.

With a project of this scope it is always difficult to project the exact amount of time spent in advance. There are a number of variables including whether a carrier change (or several) will be recommended. Consequently, we are proposing a Maximum fee which will cap the costs to Sussex County Government in the event the project takes more than the estimated number of hours. In the event we can perform the project in less time than is anticipated, SCG will only be charged for the actual time and expenses incurred.

Based on IBC providing the services below, we are projecting a total maximum fee for both phases of \$39,570 including expenses.

Based on IBC providing the services outlined in our proposal, we are estimating the project will require the following hours (including 4 meetings at various stages of the project with County personnel):

Phase of Project	Title	Anticipated Hours	Current Hourly Fee
1	Director	150	\$150
	Account Manager	72	\$130
2	Director	30	\$150
	Account Manager	42	\$130

PHASE I:	Cost:\$29,610
<p>A thorough analysis of all of the elements of SCG's Benefit Plan. To include the structure, cost, contributions and benefit levels of the following:</p> <ul style="list-style-type: none"> • Medical • Prescription (PBM) <p>As well as offering recommendations for cost-containment and/or cost savings on each component.</p> <p>RFPs and marketing of the following plans in conjunction with the renewal:</p> <ul style="list-style-type: none"> • Medical (self-insured administration and provider networks) • Reinsurance/Stop Loss • Pharmacy Benefit Management <p>Presentation of current and future trends in health care, and the future cost impact of those trends.</p> <p>Recommendations that will position Sussex County Government for sound budget management of Employee Benefit Plans now and into the future.</p>	
PHASE II:	Cost:\$9,960
<ul style="list-style-type: none"> • Oversee implementation of new plans and new carriers (if applicable) 	

We appreciate the opportunity to be of service to Sussex County Government and look forward to working with you in order to manage and control your costs as well as providing a comprehensive benefit package to your employees.

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 Update**

DATE: December 11, 2014

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
 - Sussex County Homebuyer Fair – September 2014
 - Sussex County Outreach Flyer
- Sections IV(15) and (16) – Housing Discrimination Complaints
- Section VI(18) – Submission of Fourth Semi-Annual Compliance Report
- Section VI(21 – 23) and VII(26) – Fair Housing Training
 - 6 new employees trained
 - Next annual training – February/March 2015
- Section VII(27)(a) through (f) – Affordable Housing Webpage
- Section VII(28) – Reporting & Recordkeeping
 - Dwelling Definition Ordinance Amendment



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

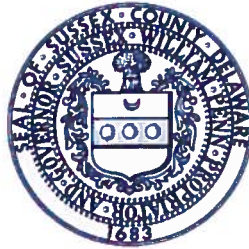
- Section III(1) – Fair Housing Training
- Section III(7)(a)(i-iii) – Sussex County Analysis of Impediments Evaluation and Proposed Priority Fair Housing Plan
- Section III(7)(c) – Strong Communities Initiative
 - Update
- Section V – Submission of Fourth Semi-Annual Compliance Report

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

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
sussexcountype.gov

MICHAEL A. IZZO, P.E.
COUNTY ENGINEER

JOHN J. ASHMAN
DIRECTOR OF UTILITY PLANNING

PROPOSED MOTION

BE IT MOVED BASED UPON THE RECOMMENDATION OF THE SUSSEX COUNTY ENGINEERING DEPARTMENT, THAT SUSSEX COUNTY PROJECT 14-05, "SUSSEX COUNTY EMERGENCY MEDICAL SERVICES, SOUTH COASTAL STATION #105" , BE AWARDED TO RBCI CORP. OF EASTON MARYLAND AT THE BID AMOUNT OF \$497,660.00.

**JOHN J. ASHMAN
DECEMBER 16, 2014
FILE: ADM 2.31D**



COUNTY ADMINISTRATIVE OFFICES
2 THE CIRCLE | PO BOX 589
GEORGETOWN, DELAWARE 19947

Substantial Completion of Records Management Roof Replacement

Project # 14-08

I am here before you this morning to request that the council grant substantial completion to Project #14-08, Sussex County Records Management Roof Replacement.

Project bid date was September 24, 2014

Low bidder was C.T.A Roofing, Newark Delaware @ \$107,000.00

Notice to proceed was given October 29, 2014, substantial completion was December 10, 2014.

We have a change order request #1 in the amount of \$3,457.00 for additional blocking for the new coping due to the additional thickness of the insulation and the poor condition of the pre-cast concrete caps.

Bringing the total of the contract to \$110,457.00 still under our Engineers Estimate of \$120,000.00

Contractor Warranty dates will extend one year from the date of substantial completion. Warranties from the suppliers or manufacturer shall remain in effect for their entire specified lifetime

SUSSEX COUNTY
CHANGE ORDER REQUEST

A. ADMINISTRATIVE:

1.	Project Name:	<u>Records Management Roof Replacement</u>
2.	Sussex County Contract No.	<u>14-08</u>
3.	Change Order No.	<u>1</u>
4.	Date Change Order Initiated -	<u>11/20/14</u>
5.	a.	Original Contract Sum <u>\$107,000</u>
	b.	Net Change by Previous Change Orders <u>0.00</u>
	c.	Contract Sum Prior to Change Order <u>\$107,000</u>
	d.	Requested Change <u>\$3,457</u>
	e.	Net Change (No. of days) <u>-0-</u>
	f.	New Contract Amount <u>\$110,457</u>
6.	Contact Person	<u>John J. Ashman</u>
	Telephone No.	<u>(302) 855-1299</u>

B. REASON FOR CHANGE ORDER (CHECK ONE)

- 1. Differing Site Conditions
- 2. Errors and Omissions in Construction Drawings and Specifications
- 3. Changes Instituted by Regulatory Requirements
- 4. Design Change
- 5. Overrun/Underrun in Quantity

6. Factors Affecting Time of Completion

 x 7. Other (explain below):

C. BRIEF DESCRIPTION OF CHANGE ORDER:

Extra thickness of insulation requires additional layer of blocking for the coping on small parapet walls.
Poor condition of existing pre-cast concrete caps requires extra blocking for securing the new coping over the precast caps.

D. JUSTIFICATION FOR CHANGE ORDER INCLUDED?:

Yes X No

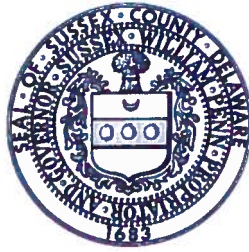
E. APPROVALS

1. _____
C.T.A. Roofing Date

2. _____
County Engineer Date

ENGINEERING DEPARTMENT

ADMINISTRATION	(302) 855-7718
AIRPORT & INDUSTRIAL PARK	(302) 855-7774
ENVIRONMENTAL SERVICES	(302) 855-7730
PUBLIC WORKS	(302) 855-7703
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Sussex County

DELAWARE
sussexcountyde.gov

MICHAELA A. IZZO, P.E.
COUNTY ENGINEER

JOHN J. ASHMAN
DIRECTOR OF UTILITY PLANNING

MOTION

BE IT MOVED BASED UPON THE RECOMMENDATION OF THE SUSSEX COUNTY ENGINEERING DEPARTMENT THAT SUSSEX COUNTY COUNCIL GRANT "SUBSTANTIAL COMPLETION", EFFECTIVE DECEMBER 10, 2014, FOR SUSSEX COUNTY PROJECT #14-08 SUSSEX COUNTY RECORDS MANAGEMENT ROOF REPLACEMENT, TO C.T.A. ROOFING, AND THAT FINAL PAYMENT BE MADE AND ANY RETAINAGE BE HELD UNTIL THE FINAL BALANCING CHANGE ORDER IS APPROVED AND THE PUNCH-LIST COMPLETED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE CONTRACT DOCUMENTS.

John J. Ashman
December 16, 2014
File: ADM 2.12-B.10



LEASE AGREEMENT

THIS LEASE AGREEMENT is made this ___ day of _____, 2014 between LINCOLN COMMUNITY HALL, INC., a corporation of the State of Delaware with an address of P.O. Box 21, Lincoln, DE 19960, hereinafter referred to as the "Landlord" and SUSSEX COUNTY, a political subdivision of the State of Delaware with an address of P.O. Box 589, 2 The Circle, Georgetown, DE 19947, hereinafter referred to as the "Tenant."

The parties hereto, each intending to be legally bound hereby, do mutually covenant and agree as follows:

1. The Landlord hereby leases to the Tenant, subject to the conditions hereinafter expressed, the building located at 18881 Washington Street, Unit 2, Lincoln, Delaware 19960, identified as Sussex County Tax Map Parcel No. 2-30 6.17 11.00, and consisting of a garage area, office area, crew lounge, crew dormitory, lavatory, shower facility and storage area, together with the uninterrupted driveway access and parking as more fully set forth in paragraph 7 hereof.
2. The term of this lease shall commence at midnight on the 1st day of January, 2015 and shall continue for a period of five (5) years until 11:59 p.m. on the 31st day of December, 2019 unless modified by mutual agreement of both parties. Either party may terminate this Lease prior to the expiration of the lease term by providing the other party with at least six (6) months' written notice of its intent to so terminate.
3. Tenant agrees to pay the Landlord monthly rent in the amount of One Thousand Seventy Four Dollars (\$1,074.00), for the first year of the lease term. Thereafter, rent shall be subject to an annual increase of three percent (3%) per year beginning on January 1, 2016 and the 1st day of January for each year thereafter. The rent shall be due and payable without demand and without setoff or deduction on or before the 1st day of each month during the lease term beginning on January 1, 2015. If this Lease commences or terminates during a given month, rent for that month shall be prorated. Tenant's payment of rent shall be subject to the provisions of paragraph 4 below. All rent payments shall be sent to Landlord's mailing address set forth in paragraph 23 of this Lease.
4. It is expressly agreed and understood that the Tenant relies upon the General Assembly of the State of Delaware for the funding of the paramedic operations of Sussex County, Delaware, and should the General Assembly of Delaware at any time fail to appropriate sufficient funds for the purpose of maintaining this Lease, the Tenant's total liability under this Lease shall be limited to the funds designated for this Lease by the County Council of Sussex County and the Tenant's obligation under this Lease shall immediately

terminate when the funds available have been exhausted in making payments as provided for in this Lease.

5. In the event the Tenant desires to renew this Lease beyond the stated term, Tenant shall provide Landlord with written notice of Tenant's desire to renew no less than sixty (60) days prior to the end of the initial Lease term. If Landlord desires to renew this Lease, the parties shall negotiate the terms of this Lease, including the amount of rent. Tenant's notification to the Landlord shall be mailed as defined in paragraph 23.
6. The Tenant may use and occupy the leased property for any emergency medical services and operations, or such other lawful uses designated by the Sussex County Council. The Tenant shall not use or knowingly permit any part of the leased property to be used for any unlawful purpose.
7. During the term of this Lease, the Landlord leases to the Tenant the right to the uninterrupted use of the presently existing driveway and parking lot to be shared with the other tenants of the complex and the use of at least six (6) parking spaces for Tenant's employees at any given time. The Landlord shall maintain a clear, uninterrupted thoroughfare for ingress/egress of emergency medical services vehicles at all times.
8. The Tenant shall not place or erect any signs of any nature on any part of the leased property, or the sidewalk adjoining the leased property, or on any part of the Landlord's property adjacent to the leased property which do not conform to requirements of any State, Federal, Municipal or county law, ordinance, rule or regulation. Said sign(s) shall not be placed without the prior written consent of the Landlord, and said consent shall not be unreasonably withheld.
9. The Tenant, upon the payment of the rent herein reserved, and upon performance of all the terms of this lease, shall at all times during the term of this lease and during any extension or renewal thereof peaceably and quietly enjoy and have the free and uninterrupted right of exclusive access and possession of the leased property without any disturbance from the Landlord or from any other person claiming through the Landlord.
10. Maintenance and Repairs
 - a. The Landlord shall maintain and make all necessary repairs to the foundations, load bearing walls, roof, gutters, downspouts, exterior water and sewer lines, fixtures, glass and equipment on or associated with the leased premises (including but not limited to heating and air conditioning systems, hot water heater, and plumbing and electrical systems), sidewalks and landscaping on or appurtenant to the building; provided, however, that

Tenant shall provide and maintain the HVAC units in the detached garage only.

- b. Tenant shall maintain and keep the leased premises in good repair, free of refuse and rubbish.
 - c. Tenant shall attend to the painting of and repairs to all interior surfaces, including walls, floors and ceilings.
 - d. Notwithstanding the other provisions of this paragraph, any repairs and replacements necessitated by any act, omission or negligence of either party or its agents or servants shall be made at the expense of that party.
 - e. Landlord shall keep the grounds surrounding the building mowed and trimmed to provide a kept appearance to the property
 - f. Landlord shall be responsible for the timely removal of snow from the driveway, entrances/exits and parking areas of the property thereby maintaining a clear and continuous route of ingress and egress to and from the leased premises during inclement weather. Landlord shall remove all snow from the paved on-site parking/driving areas and entrances/exits adjacent to and serving the premises within six (6) hours of each snowfall. In the event Landlord fails to remove the snow in a timely manner, Tenant shall be permitted to contract for the removal of the snow without further notice to Landlord and at Landlord's expense. Landlord shall reimburse Tenant for the cost thereof within thirty (30) days of Landlord's receipt of the invoice from Tenant. Tenant shall be responsible to keep all sidewalks adjacent to the building free and clear of snow during inclement weather.
11. Tenant shall arrange for, procure and pay for all electricity and all utilities required for adequate lighting, heating, telephone, internet, cable and other services Tenant requires on the leased premises, except that the Landlord shall be responsible for the provision of water and sewer services at Landlord's expense. Landlord shall be responsible for the payment of all real estate taxes on the leased property. Landlord shall provide weekly trash pick-up services which shall include the provision of an outside trash receptacle of sufficient size for Tenant's use. Tenant shall obtain trash recycling service on an as-needed basis at its expense.
12. Tenant may only make alterations, additions or improvements to the leased property with the prior written approval of the Landlord, which shall not be unreasonably withheld. Any and all alterations, additions or improvements shall conform to the requirements of all applicable municipal, county, state or federal laws, ordinances, rules or regulations. Tenant shall maintain all of Tenant's alterations, additions or improvements to the leased property in conformance with the terms hereof. At Landlord's option, Tenant shall remove the alterations, additions and improvements from the leased property upon the expiration of the lease term or its earlier termination, at Tenant's expense. If Landlord decides to exercise its option for Tenant to remove the alterations, additions and improvements, Landlord shall provide Tenant with at least sixty (60) days' written notice prior to the expiration of the lease term.

Tenant shall repair any damage to the leased property which occurred in connection with such removal.

13. At the expiration of this lease, the Tenant shall surrender the leased property in as good condition as it was in the beginning of the term, reasonable use and wear and damages by the elements excepted.
14. A. The following shall be deemed acts of default by Tenant under the terms of this Lease:
 - i. If Tenant defaults in the payment of rent or any sum collectable by Landlord as rent, and such default shall continue for fifteen (15) days, without notice thereof by Landlord to Tenant;
 - ii. Tenant defaults in the prompt and full performance of any covenant, condition, agreement or provision of this lease and such default shall continue for fifteen (15) days after Landlord provides Tenant with written notice thereof; provided, however, that in the case of a default which cannot with due diligence be corrected by the Tenant within a period of fifteen (15) days, Tenant shall have such additional time to correct the same as may reasonably be necessary, provided Tenant proceeds promptly and with due diligence to correct such default; or
 - iii. The commission of any act which is prohibited by the terms of this Lease.
- B. In the event of an act of default by Tenant, the Landlord shall have the following remedies:
 - i. Cancel and terminate this Lease by thirty (30) days' written notice to Tenant or any person claiming under Tenant, and upon Landlord's filing of an action for summary possession and obtaining a Court Order therefor, Tenant or any person claiming under Tenant shall thereupon surrender quiet and peaceable possession of the Leased Premises and all keys and other personal property of Landlord to Landlord. Provided, however, that if the default is for nonpayment of rent, such notice period shall be sixty (60) days written notice.
 - ii. File a debt action for unpaid rent or for damages to the leased premises; or
 - iii. Exercise of any other remedy which may be available at law or in equity or under the terms of this Lease.

15. The Landlord or his agents shall have the right to enter the leased property at all reasonable times during normal business hours in order to examine it or to show it to prospective Tenants, upon no less than twenty-four (24) hours' prior notice to Tenant, unless otherwise agreed to by both parties. All showings shall be in the company of a representative of the Tenant, unless Tenant agrees otherwise. Landlord's right of entry shall not be deemed to impose upon the Landlord any obligation, responsibility or liability for the care, supervision or repair of the leased property other than as herein provided.
16. Through the term of this lease, the Landlord shall secure and maintain at its own expense the following insurance coverages on the leased property, with a responsible insurance company licensed to do business in Delaware.
 - a. All risk or special form property insurance that insures against direct physical loss of or damage to Landlord's property situated on the leased premises, on a replacement cost valuation basis, with limits not less than 100% of the insurable replacement cost of Landlord's property.
 - b. All risk or special form business income insurance in amounts satisfactory to protect Landlord's interests for loss of income or extra expense that result from direct physical loss of or damage to Landlord's property situated at the leased premises.
 - c. Commercial general liability insurance that insures against bodily injury, property damage, and personal injury claims arising from the leased premises or operations incidental thereto, with minimum limits of:
 - i. \$1,000,000 combined single limit - each occurrence;
 - ii. \$1,000,000 personal injury limit;
 - iii. \$2,000,000 combined single limit - general aggregate; and
 - iv. \$1,000,000 combined single limit - products/completed operations aggregate.
17. Tenant shall secure and maintain, at its own expense:
 - a. All risk or special form property insurance that insures against direct physical loss of or damage to Tenant's property situated at the leased premises, on a replacement cost valuation basis, with limits not less than 100% of the insurable replacement cost of Tenant's property.
 - b. All risk or special form business income and extra expense insurance in amounts satisfactory to protect Tenant's interests for loss of income or extra expense that result from direct physical loss of or damage to Tenant's property situated at the leased premises.

- c. Commercial general liability insurance that insures against bodily injury, property damage, and personal injury claims arising from Tenant's occupancy of the leased premises or operations incidental thereto, with minimum limits of:
 - i. \$1,000,000 combined single limit - each occurrence;
 - ii. \$1,000,000 personal injury limit;
 - iii. \$2,000,000 combined single limit - general aggregate; and
 - iv. \$1,000,000 combined single limit - products/completed operations aggregate.
18. A. If, during the term of the Lease, the building is so injured by fire or otherwise, including whole or partial condemnation, that the demised premises are rendered wholly unfit for Tenant's intended use and said demised premises cannot be repaired within ninety (90) days from the happening of such injury, then the Lease shall cease and terminate from the date of such injury. In such case, the Tenant shall pay the rent apportioned to the time of injury and shall surrender to the Landlord, who may enter upon and repossess the premises. If the injury is such that the demised premises can be repaired within the ninety (90) days thereafter, Landlord shall enter and repair with reasonable promptness, and this lease shall not be affected, except that the rent shall be suspended while such repairs are being made.
- B. In the event of condemnation, Landlord shall be entitled to the full award paid by the condemnor.
19. Indemnification/Waiver of Subrogation:
- a. To the extent permitted by law, the Tenant shall indemnify, defend and hold Landlord harmless, including court costs, expenses and attorneys' fees, from and against claims for bodily injury (including death) and property damage arising out of Tenant's occupancy of the leased premises or operations incidental thereto, unless such claims arise from the negligence or willful act of the Landlord.
 - b. To the extent permitted by law, the Landlord shall indemnify, defend and hold Tenant harmless, including court costs, expenses and attorneys' fees, from and against claims for bodily injury (including death) and property damage arising out of Landlord's ownership, maintenance or use of the premises or operations incidental thereto, unless such claims arise from the negligence or willful act of the Tenant.
 - c. To the fullest extent permitted by law, Landlord and Tenant each waives any right of recovery from the other and their respective appointed and elected officials, officers, directors, partners employees, agents and volunteers for any loss of or damage to the property (or resulting loss of

income or extra expense) of the other party, by reason of any peril required to be insured against under this lease, regardless of the cause of origin, including the negligence of the other party. To the fullest extent permitted by law, Landlord's and Tenant's property insurers shall not hold any right of subrogation against the other party. Landlord and Tenant shall advise their respective insurer(s) of the foregoing and such waiver shall be permitted under any property and/or business income insurance policies maintained by Landlord and Tenant. It is agreed that, if Tenant is negligent for damage to Landlord's property, that the Tenant will reimburse Landlord for the amount of the deductible, not to exceed \$5,000.00. It is further agreed that, if Landlord's negligence results in damage to any of Tenant's property located on the leased premises during the term hereof, Landlord shall reimburse Tenant for the amount of the deductible, not to exceed \$5,000.00.

20. In the event Landlord defaults on any of its obligation under this Lease, Tenant shall provide Landlord with written notice of Landlord's default and Landlord shall have a period of fifteen (15) days from the date of the notice to cure the default. The notice shall be delivered in accordance with paragraph 23 of this Lease. In the event Landlord fails or refuses to cure the default within the 15-day cure period, Tenant shall, at its sole discretion, have the right to terminate this Lease and shall have no further obligation hereunder. In the event Landlord does not cure the default and Tenant does not terminate the Lease, Tenant's failure to terminate shall not act as a waiver of any potential future default on Landlord's behalf.
21. Any controversy which shall arise between the Landlord and the Tenant regarding the rights, duties or liabilities hereunder of either party may be settled by arbitration, if agreed upon by the parties. Such arbitration shall be before one disinterested arbitrator if one can be agreed upon, otherwise before three disinterested arbitrators, one named by the Landlord, one named by the Tenant, and one by the two thus chosen. The arbitrator or arbitrators shall determine the controversy in accordance with the laws of the State of Delaware, as applied to the facts found by him or them. The arbitrator's decision shall be non-binding. Nothing herein contained shall be construed as a waiver by either party to file suit, either in law or in equity, against the other party to resolve any and all disputes under this Lease.
22. The Tenant may not sublet or assign any or all of the leased property without the prior written consent of the Landlord. Such written consent by the Landlord shall not be unreasonably withheld, provided that the business or occupation of the subtenant is not extra hazardous, disreputable, or illegal. Landlord's consent to an assignment or subletting shall not be construed to relieve the Tenant from obtaining the consent in writing of the Landlord to any further assignment or subletting.

23. All notices, requests, demands and other communications, including a notice to quit, required or permitted under this Lease shall be in writing, signed by or on behalf of the person giving such notice and may be served in any one of the following manners and shall be effective as of the time specified: (a) If by personal service upon Landlord or Tenant, on the date of such service when served by an adult person upon the party to receive the notice or upon an adult member of the household or upon the agent of any corporation, or other business entity; (b) If by posting on the Leased Premises, on the date of posting the same in a conspicuous place on the Leased Premises (this method of service to be used only for notices, requests, demands and other communications, including notices to quit, from Landlord to Tenant); or (c) If by registered or certified mail, on the date of receipt of the same as evidenced by the return receipt if signed by the party to be served or an adult member of the household or agent of the corporation or other business entity. If the same is returned by the U.S. Postal Service bearing notations such as "Refused" or "Unclaimed," service shall be deemed to have been made on the first business day following mailing of the same.

The Landlord designates its address as:

William E. Warren
Lincoln Community Hall, Inc.
P.O. Box 21
Lincoln, DE 19960

The Tenant designates its address as:

Todd Lawson, Sussex County Administrator
2 The Circle
P.O. Box 589
Georgetown, DE 19947

24. The language in all parts of this Lease shall in all cases be simply construed according to its fair meaning and not strictly for or against Landlord or Tenant.
25. If any particular term, covenant or provision of this Lease shall be determined to be invalid, illegal, void or unenforceable, the same shall not affect the remaining provisions of this Lease which shall nevertheless remain in full force and effect and said term, covenant or provision shall be deemed modified to conform with the law. This Lease shall be governed under the laws of the State of Delaware. The parties acknowledge and agree that this is a Commercial Lease. Accordingly, this Lease shall NOT be governed by the Delaware Landlord-Tenant Code 25 Del. C. § 5101 et seq.

26. This Lease sets forth all the promises or representations, agreements and undertakings between Landlord and Tenant relative to the Leased Premises. There are no promises, representations, agreements or undertakings, either oral or written, between Landlord and Tenant except as set forth herein. No amendment, change or addition to this Lease shall be binding upon either party unless reduced to writing and signed by both parties. This Lease shall be binding upon Landlord and Tenant, their heirs, executors, administrators, assigns and successors, both Landlord and Tenant being duly authorized to execute the same.
27. This Lease shall be executed in two (2) counterparts and each shall be considered valid as an original for all purposes.
28. In the event any action is brought to enforce the terms of this Lease, the prevailing party shall be entitled to collect costs and reasonable attorney's fees arising therefrom.
29. This Lease is the product of the parties hereto and no conclusion shall be made as to its drafter in the event of any dispute.
30. The parties to this Lease agree to waive their rights to demand a jury trial in any action which may be brought to enforce any portion of this Lease.
31. Time shall be of the essence for the performance of all terms of this Lease.

IN WITNESS WHEREOF, the parties hereto, through their duly authorized representatives, have hereunto set their hands and seals on the day and year set forth below.

LANDLORD:

LINCOLN COMMUNITY HALL, INC.

By: _____ (SEAL)

Print Name and Title

Date

Attest: _____ (SEAL)

Print Name and Title

TENANT:

SUSSEX COUNTY

By: _____ (SEAL)
Michael H. Vincent, President
Sussex County Council

Date

Attest: _____ (SEAL)
Robin A. Griffith, Clerk of the Council

Approved as to Form:

J. Everett Moore, Jr., Sussex County Attorney

Date

MOTION

That the Sussex County Council approve the lease agreement between the Lincoln Community Hall, Incorporated and Sussex County, Delaware, for the use of a portion of the building owned by them as described therein by Sussex County EMS as Paramedic Station 101.

Poultry House Assessment

Comparison and Review

CHRIS KEELER, DIRECTOR OF ASSESSMENT

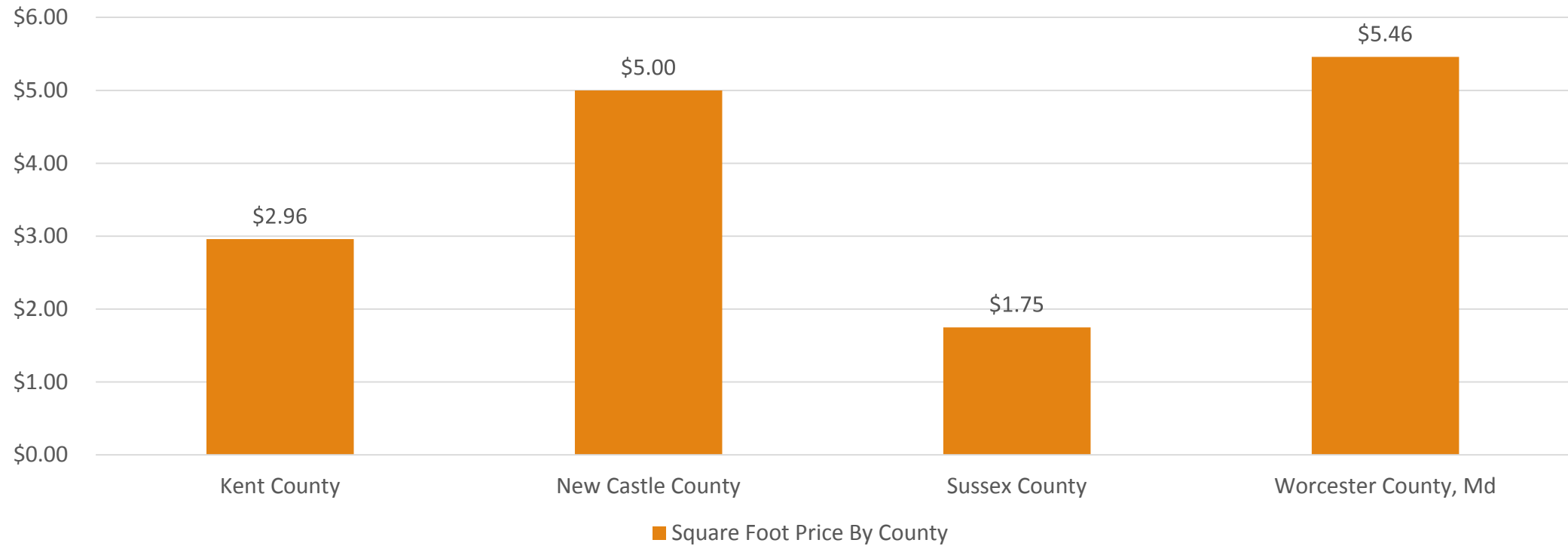
DECEMBER 16, 2014

Current Sussex County Assessment

- All poultry houses constructed since 1974 are priced at \$1.75 per square foot.
 - This value was established by the H.L. Yoh Company in 1974 during Sussex County's last reassessment.

Assessed Value Comparison

Square Foot Price By County



Assessment Calculation Example

Sussex County

- A 45x600 poultry house measures 27,000 square feet. To determine the assessment, first, multiply the square footage by the established price of \$1.75 per sq. foot.

$$\begin{array}{r} 27,000 \text{ sq. ft.} \\ \$ 1.75 \text{ price per} \\ \hline \$ 47,250.00 \text{ Total value} \end{array}$$

- Sussex County uses 98% of the calculated value to determine appraised value.

$$\$47,250.00 \times 98\% = \$46,305.00$$

- For Assessment purposes the total appraised value is \$46,300 as we round down to the nearest whole number.

- The total assessed value for determining taxes is one half of the appraised value or \$23,150.00.

$$1/2 \text{ of } \$46,300.00 = \$23,150.00$$

Assessment by School District

Sussex County

- Annual Sussex County tax bill per school district based on assessment of \$23,150.00 for a 27,000 sq. ft. poultry house.

School District	School	Sussex Tech	County	Total
Indian River	\$623.43	\$63.15	\$103.02	\$789.60
Laurel	\$855.62	\$63.15	\$103.02	\$1,021.79
Seaford	\$740.80	\$63.15	\$103.02	\$906.97
Milford	\$805.23	\$63.15	\$103.02	\$971.40
Woodbridge	\$837.34	\$63.15	\$103.02	\$1,003.51
Cape Henlopen	\$710.94	\$63.15	\$103.02	\$877.11
Delmar	\$842.52	\$63.15	\$103.02	\$1,008.69

Assessment Calculation Example

Kent County

- A 45x600 poultry house measures 27,000 square feet. To determine the assessment, first, multiply the square footage by the established price of \$2.96 per sq. foot. *(based on 1987 rates)*

$$\begin{array}{r} 27,000 \text{ sq. ft.} \\ \$ 2.96 \text{ price per} \\ \hline \$ 79,920.00 \text{ Total value} \end{array}$$

- Kent County uses 60% of the calculated value to determine assessed value. The calculated value is also rounded down.

$$\$79,900.00 \times 60\% = \$47,940.00$$

- The total assessed value for determining taxes is \$47,900.00 as the assessed value is also rounded down.

Assessment by School District

Kent County

- Annual Kent County tax bill per school district based on assessment of \$47,900.00 for a 27,000 sq. ft. poultry house.

School District	School Tax	Vo-Tech	County	Total
Smyrna	\$787.14	\$65.72	\$159.51	\$1,012.37
Capital	\$872.50	\$65.72	\$159.51	\$1,097.73
Caesar Rodney	\$591.57	\$65.72	\$159.51	\$816.80
Lake Forest	\$682.91	\$65.72	\$159.51	\$908.14

Additional Information

- Recent building permit taken out for three poultry houses on Seashore Highway near Bridgeville had an estimated value of \$324,000.00.
- Sussex County has those three poultry houses assessed at a total of \$69,450.00.



November 12, 2014

Mr. Sam Wilson and Council
Sussex County Council
P.O. Box 589
Georgetown, Delaware 19947

RE: Delmarva Teen Challenge Emergency Grant

Dear Sussex County Council:

The Delmarva Teen Challenge, Inc. (DTC) is pleased to submit our request for \$10,000 in funds to offset the rising number of individuals we are helping due to their addictions.

Delaware had the fifth highest rate of heroin-related treatment admissions per 100,000 in the nation according to recent statistics. Overdose deaths from all drugs, including alcohol, spiked from 12 to almost 15 a month from October 2013 to April 2014. State health officials and police think the resurgence in pure, plentiful and inexpensive heroin is the driving force behind the increase. Nearly 40 percent of the overdose deaths in that time-frame were in Kent (17 percent) and Sussex (21 percent) counties.

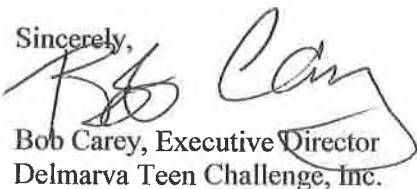
The police response to a variety of heroin-related activities increased more in Kent and Sussex counties from 2012 to 2013 than it did in New Castle County, according to Delaware State Police statistics. Delaware police departments responded to 125 percent more heroin calls in Kent County, **70 percent more in Sussex County.**

As referenced above, heroin addiction is increasing with multiple arrests each week, incarceration and fatalities here in Sussex County. This epidemic must be addressed. Delmarva Teen Challenge has a proven track record of helping men become free from addictions. To date, 154-men have graduated our one year residential program.

Teen Challenge International USA was started in New York in 1958; DTC is a 501(c) (3) organization and was established in Seaford, Delaware in 2008. DTC, a faith-based organization, is the only long term residential program in Delaware for drug, alcohol, and other life-controlling problems.

Thank you in advance for your consideration of this request.

Sincerely,



Bob Carey, Executive Director
Delmarva Teen Challenge, Inc.



Kiwanis Club of Greater Millsboro, Inc.

December 4, 2014

Ms. Gina Jennings, Finance Director
Sussex County Council
2 The Circle
PO Box 589
Georgetown, DE 19947

Dear Ms. Jennings,

As president of the Kiwanis Club of Greater Millsboro, I kindly ask that you have the Sussex County Council consider the following councilmanic grant request concerning the Sussex Tech Key Club, a service leadership group proudly sponsored by our club. I have enclosed our last IRS Form 990, attesting to our club's 501c(4), non-profit status.

Thank you and the members of the Sussex County Council for their support and may I wish you all a joyous holiday season!

Sincerely,

Darlene B. Phillips, President
Kiwanis Club of Greater Millsboro



Kiwanis Club of Greater Millsboro, Inc.

GRANT REQUEST

Members of the Sussex County Council:

On behalf of the Sussex Technical High School Key Club, which we sponsor, the Kiwanis Club of Greater Millsboro, is requesting a Sussex Councilmanic grant in the amount of \$1,000. This money will be used to cover charter bus expenses for 45 Key Club students, plus four advisors, to travel to their Capital Key Club District Leadership Conference to be held in Baltimore, MD, March 20-22, 2015. Transportation services will be through Dutton Bus Services and, based on the cost of past trips, estimated charges are expected to exceed \$900. Any extra money received under this grant request will be used to help less affluent Key Club members cover the estimated \$180 conference/hotel expenses each attendee will incur.

Kiwanis' Key Club International is the oldest and largest service program for high school students in the world. The first club originated in 1925, when two Sacramento Kiwanis Club members started a junior service program modeled after their own club. The concept spread quickly to the point where today nearly 5,000 Key Clubs have been established in over 30 countries. Each club is student-led, and provides its members with opportunities to offer service, build character and develop leadership. World-wide, total Key Club membership is now approaching 300,000 students.

The Capital District Key Club Leadership Conference is held each spring. There, Key Club members elect officers for the forthcoming year, learn about new potential service projects, share ideas with other area Key Club members and attend informative workshops. This training is designed to help the students learn new skills, build character and foster leadership abilities. This year, the Capital District conference will last three days. It is expected that Sussex Tech Key Club attendees will come back to Delaware with a renewed sense of commitment to serving others and with a host of new ideas on how to improve their respective communities throughout Sussex.

The Sussex Tech Key Club is a high school organization sponsored by the Kiwanis Club of Greater Millsboro. Both are part of Kiwanis International's Capital District which encompasses the states of Maryland, Delaware and Virginia. Members of this school's Key Club come from all five of the County Council members' districts. Both the Sussex Tech Key Club and the Millsboro Kiwanis are 501c(4) non-profit, tax-exempt charitable organizations. The high school student members of the Key Club perform various acts of service in their communities. Members are expected to perform at least 50 hours of community service per year.

The following is a list of Sussex Tech Key Club's recent projects:

- The Key Club helped start a food and clothing pantry in 2013 at Sussex Tech for needy students and family members.

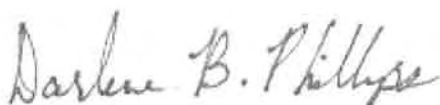
POST OFFICE BOX 285 • MILLSBORO, DELAWARE 19966
gmillsborokiwanis@mchsl.com



Young Children
PRIORITY ONE

- They organized and implemented Sussex Tech's 1st annual Prom Fashion Show Extravaganza to raise awareness of homelessness in Sussex County. The Key Club raised \$200, and made a donation to the Sussex Community Crisis Housing service in Georgetown. On several occasions, including this past Thanksgiving, club members delivered whole van loads of canned goods and staple food items to organizations serving the needy through their school-wide food drives.
- Key Club Officers and Members Participated in the Rehoboth Beach Boardwalk Buddy Walk and the Walking for the Homeless Walk-a-thon in Rehoboth.
- As part of the Kiwanis International's Eliminate Project and in conjunction with UNICEF, the Sussex Tech Key Club has, over the past three years, raised hundreds of dollars to help eradicate maternal and neonatal tetanus worldwide. At a cost of just \$1.80 per vaccination, the work of the Sussex Tech Key Club has saved the lives of literally scores of mothers and infants in third world, impoverished countries. Their noble effort continues.
- Last year the club collected over 30lbs of soda can tabs which were donated to A.I. Dupont Children's Hospital and the Ronald McDonald House. The hospital recycled those tabs and, from the proceeds, was able to help family members of children who were patients at the hospital. This humanitarian effort continues again this current school year.
- Presently underway is the Key Club drive to collect coats, hats, scarves and gloves for needy students, as well, as children in the community in time for the cold winter ahead.

In conclusion, the Kiwanis Club of Greater Millsboro is quite proud of our Sussex Tech Key Club and is very hopeful the Council will approve this grant request. We see it as such a small investment for so large a payout in the development of this county's future leaders. My own club will be providing them with other funds throughout this year to support their endeavors. Should you have any questions, I can be reached at (302) 381-2116.



Darlene B. Phillips, President
Kiwanis Club of Greater Millsboro

DELAWARE STATE UNIVERSITY
ALUMNI ASSOCIATION
SUSSEX COUNTY CHAPTER
P.O. Box 108 Millsboro, DE. 19966

October 10, 2014

Joan Deaver
Sussex County Council
1928 Plantation RD.
Rehoboth Beach, DE. 19971

Dear Councilwoman Deaver

Greetings and best wishes from the Sussex County Chapter of the Delaware State University Alumni Association.

Once again the Sussex County Chapter is sponsoring a Holiday Dinner Dance to raise scholarship funds for deserving students from Sussex County matriculating to Delaware State University 2015. Your generous contribution of \$500.00 last year Enabled The Sussex County Chapter to award three \$1000.00 scholarships.

Again, we would appreciate a contribution from the County Council to support our scholarship fundraiser.

Your contribution and support will be greatly appreciated.

Make check payable to the Sussex County Chapter DSUAA.

Sincerely,



Robert G. Draine, Sr.
President

OLD BUSINESS
December 16, 2014

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

Respectfully submitted:

COUNTY PLANNING AND ZONING
COMMISSION OF SUSSEX COUNTY

Lawrence B. Lank
Director of Planning and Zoning

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

Conditional Use #1998 – Todd Fisher

On October 23, 2014 the Planning and Zoning Commission held a public hearing on this application.

Application of **TODD FISHER** to consider the Conditional Use of land in an AR-1 Agricultural Residential District for a self-storage facility to be located on a certain parcel of land lying and being in Lewes and Rehoboth Hundred, Sussex County, containing 3.74 acres, more or less, land lying northwest of Old Mill Road (Road 265-A) 300 feet northeast of Route One (911 Address: 16542 Old Mill Road, Lewes, DE) (Tax Map I.D. #3-34-1.00-15.02/15.04).

The Commission found that the Applicant had submitted an Exhibit Booklet, a Conditional Use site plan, a boundary and topographic survey plan for Fisher Warehouse, and a boundary and topographic survey plan for Red Mill Storage. The Exhibit Booklet included references to an Executive Summary; site data; suggested proposed Findings of Fact and Conditions of Approval for consideration; a cover letter; a copy of the application form; reduced copies of the referenced survey/site plans; copies of the contract of sale for the properties; a copy of the Service Level Evaluation Request; a DelDOT Support Facilities Report; a copy of the site evaluation; a location map; an existing land use map; an aerial photograph; a copy of the Tax Map of the area; a copy of the zoning of the area; a copy of the Future Land Use map from the Comprehensive Land Use Plan of the area; a Public Water Systems map for the area; a copy of the Strategies for State Policies and Spending map of the area; a map of the West Rehoboth Sanitary Sewer District; a copy of the Flood Insurance Rate Map of the area; an Illustrative Site Plan; references to compliance with the standards of the Subdivision Ordinance Section 99-9C; references to the

criteria for consideration in the Environmentally Sensitive Developing District Overlay Zone; a series of portfolio on multi-story self-storage systems; photographs to and from the site; a report of subsurface exploration and geotechnical engineering recommendations; and comments from Bradley Cate on wetlands.

The Commission found that DelDOT provided comments in the form of a Support Facilities Report, dated February 6, 2014 and July 15, 2014, which reference that a traffic impact study was not recommended, and that the current Level of Service "A" of Old Mill Road will not change as a result of this application.

The Commission found that the Sussex Conservation District provided comments in the form of a memorandum on October 15, 2014, referencing that there are two soil types on this site; that the applicants will be required to follow recommended erosion and sediment control practices during construction and to maintain vegetation after construction; that no storm flood hazard areas are affected; that it may not be necessary for any off-site drainage improvements; that it is not likely that on-site drainage improvements will be required; and that no tax ditches are affected.

The Commission found that the County Engineering Department Utility Planning Division provided comments in the form of a memorandum on October 20, 2014 referencing that the site is located in the North Coastal Planning Area for the West Rehoboth Expansion; that central sewer is not available to the parcel at this time; that an on-site septic system is proposed; that conformity to the North Coastal Planning Study will be required; that the parcel is located within a sewer planning area of the West Rehoboth Expansion of the Dewey Beach Sanitary Sewer District; that the County does not have a schedule to provide central sewer service to the parcel at this time; that when the County provides sewer service, it is required that the on-site system be abandoned and a connection made to the central sewer system; and that a concept plan is not required.

Mr. Lank provided the Commission with copies of original letters, sample form letters and petitions in opposition to the application. The signed petition contains 50 signatures in opposition. A total of 55 form and individual letters were received in opposition referencing the size of the facility, the inappropriateness of the use proposed, the inconsistency with the homes in the community, the unsafe volume of traffic, traffic safety, personal safety, the violation of the zoning requirements, the financial impact on the residents in the area by possible devaluation, the impact on quality of life, the loss of the agricultural setting of Old Mill Road, additional traffic caused by this application on the already impacted intersection of Old Mill Road and Route One, placing a business/commercial activity in a residential area, traffic accidents at the intersection, and questioning the need for additional storage facilities. All of the letters and petitions are available for review in the application file.

The Commission found that Todd Fisher and Michael Long, Partners in this project, were present with David Kuklish, Professional Engineer with Bohler Engineering, and Betty Tustin, Professional Engineer (Traffic Engineer), and stated in their presentation and in response to questions raised by the Commission that the site contains two vacant parcels totaling 3.6 acres;

that they are dedicating 15 foot of the property to DelDOT for right-of-way; that a portion of the site was previously approved for a tennis facility; that several business/commercial activities exist in close proximity along Route One, referencing a furniture store, a restaurant, marine services, a lighting business, and an auto repair and service facility; that the site is not in a flood plain; that four storage buildings are proposed with one being one story and the other three being three story; that security fencing will be provided around the facility and that a central security gate will be provided; that landscaping will be provided along the front of the property based on the Highway Corridor Overlay Zone requirements; that a septic system will be located in the northeast corner of the site; that septic feasibility has been approved; that on-site well water will be provided; that stormwater can be addressed per State regulations; that security lighting will be installed on the buildings; that DelDOT did not require a Traffic Impact Study; that the entrance and any roadway improvements will be constructed per DelDOT requirements; that the facility will be open from 6:00 a.m. to 10:00 p.m. seven days per week; that once full build-out is completed, an on-site manager will be present; that the site plan depicts an office building with an apartment above for the on-site manager; that a minimal amount of traffic is anticipated; that there should not be any on-site traffic passing the site into the residential area to the east; that traffic reports indicate that from October 2011 through October 2014 there have been two traffic accidents, neither of which had fatalities; that no safety concerns are anticipated since this is a storage facility; that the security system will include lighting and cameras, inside and outside; that access to the storage facility will be some type of entry card access; that the three story buildings will have elevators; that the number of units could range from 350 to 1,000 units depending on the size of the units; that buffering along the sides and rear will be natural grasses with fencing; that portions of the northeast, south and southeast of the site are intended for stormwater management; that the closest building will be at least 50 feet from the DelDOT dedicated right-of-way; that parking is planned to be within the 40 foot setback, but outside of the 20 foot landscaping buffering required by the Highway Corridor Overlay Zone; that private users, not businesses, will utilize the facility; that the security fencing will be at least 6 feet high; that the only retail sales will be for accessory storage products, i.e. boxes, locks, etc.; that the project will meet all State Fire Marshal regulations; and that no outside storage is intended.

The Commission found that Suzanne Hain, Mary Groom, Jim Wright, Bill Landon, Vince Brady, David Williams, Vicki Head, George Dellinger, Maggie Bowden, Christina Abramowicz, Mark Nyden, George Nason, Carole Pizzilla, Marie Mayor, and Ruth Shiffleth, of the 30 parties present in opposition spoke expressing concerns that the most dangerous part of Old Mill Road is crossing Route One to go southbound; that there are approximately 80 homes with access to Old Mill Road; that over the years the farmland and woodlands have changed to residential development; that the business/commercial activities along Route One do not impact Old Mill Road since they are north of Old Mill Road; that the residents have a fear that a precedent will be set by approval of this application bringing additional commercial activities to this residential area; that this application will have no positive benefit to the community; that there do not appear to be any safety benefits for the residents of the community; that the residents only anticipate negative impacts on the community by development of this project; that the residents are concerned about traffic and pedestrian safety; that the only C-1 General Commercial zoning along Old Mill Road is at the corner with Route One; that residents purchased their properties

because the area along Old Mill Road is residentially zoned and for residential purposes; that the homes in the area range from 1,500 to 3,000 square feet; that the downslope of the Nassau Bridge is used by motorists as an acceleration zone; that the residents have a fear of accidents involving slow moving box trucks and pulled trailers leaving the storage facility pulling into the heavy traffic coming off of the Nassau Bridge; that the property directly across from the site is intended for residential development which will be impacted by this proposal; that this application does not meet the purpose of the AR-1 Agricultural Residential District or the purpose of the Conditional Use section of the AR-1 Agricultural Residential District; that the use should be agricultural related; questioning how a 30 plus foot high storage facility meets that criteria; that the residents are concerned about the storage of hazardous waste; that the residents are concerned about the attraction of strangers and crime increasing; that the size of the project is not an amenity to the neighborhood, it will be a nuisance; that the building design is a warehouse, not a building maintaining a residential character; that the businesses in the area face Route One, not Old Mill Road; that Old Mill Road is primarily residential; that the average customer at a storage facility only maintains the unit for seven months; that the parking on the site plan appears to be inadequate; that emptying out abandoned units is a problem, with trash, litter and debris issues; that the site plan does not depict a location for a dumpster; that the Comprehensive Plan depicts this area as residential; that there are a large number of storage facilities in the area, most of which are on major highways, not on residential roadways, and questioning the need for additional storage facilities; that the farmland at the end of Old Mill Road is a hunting club which causes additional traffic along Old Mill Road; that one of the major concerns of the residents is traffic; that the merge lane on Route One, close to Old Mill Road, creates traffic issues; that the signage for Old Mill Road is missing; that this request is a large project on a small site; that light pollution is a concern for any residential area; that a needs assessment was not provided; that abandoned units create auction sales, causing more traffic; that some of the residents have expressed major concerns about the activities on the site from 6:00 a.m. to 8:00 a.m. and 7:00 p.m. to 8:00 p.m.; that concerns have been expressed about equipment noises; that the existing yield sign on New Road should be a stop sign; and that this application is totally out of character with the neighborhood.

The Commission found that Mr. Dellinger provided a Booklet in opposition to the application with facts and concerns supporting the denial of this application. The Booklet contains photographs of the vacant site and then a site depicting a similar self-storage building; a listing of those residents opposed to the application and a copy of the petition; a copy of the Existing Land Use Map from the Comprehensive Land Use Plan; statements disputing that the application is not consistent with nearby businesses; a map depicting the location of several self-storage facilities and photographs of some of those storage facilities; a listing of self-storage facilities in the County; additional facts and concerns referencing problems with self-storage facilities in other jurisdictions; copies of portions of manuals prepared for the Self-Storage Association in reference to a Self-Storage Entitlement Manual, Self-Storage Standards and the Modern Community, a Self-Storage Demand Study 2005, a 2004 Self-Storage Almanac, a 2003 Development Handbook, and a photograph questioning the location for a dumpster.

By a show of hands it was found that there were 30 parties present in opposition to this application.

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

On October 23, 2014 there was a motion by Mr. Burton, seconded by Mr. Johnson, and carried unanimously to defer action for further consideration. Motion carried 4 – 0.

On November 13, 2014 the Commission discussed this application under Old Business

There was a motion by Mr. Burton, seconded by Mr. Johnson, and carried unanimously to defer action for further consideration. Motion carried 5 – 0.

On December 11, 2014 the Commission discussed this application under Old Business.

Mr. Burton stated that he would move that the Commission recommend denial of C/U #1998 for Todd Fisher for a conditional use for a mini-storage facility based upon the record made during the public hearing and for the following reasons:

1. This location is not suitable for a mini-storage facility. While there are some commercially used properties adjacent to this street, those properties have primary frontage on Route 1.
2. A conditional use of this type, which is essentially in the form of warehousing, is not appropriate for this location. The property is currently zoned AR-1 Agricultural Residential and the use of all adjacent properties and nearby properties, except those with frontage on Route 1, is residential. The conversion of this property to a warehousing use is not compatible with the predominantly residential nature of this neighborhood and the residential roadways.
3. As many people testified during the public hearing, the intersection of Old Mill Road and Route 1 is already a dangerous intersection. Old Mill Road intersects with Route 1 and Nassau Road at the base of the Route 1 Nassau Bridge and is directly in line with the New Road/Nassau Road yield lane only Route 1. Residents of the surrounding neighborhood testified that it is currently dangerous to leave Old Mill Road for access to Route 1 given the high speeds of traffic coming off of the Nassau Bridge at the same time as crossing traffic accelerating from New Road into Route 1 traffic.
4. Four (4) large box-like warehouse buildings are not appropriate for this site and are out of character with the residential setting of Old Mill Road.
5. A conditional use such as this is more appropriate for property that has direct frontage onto an arterial road where other commercial and business uses exist.
6. More than 30 individuals, including residents of the surrounding neighborhood, appeared in opposition to the application. A petition signed by 50 people was entered into the record. There were also 55 letters received by the County in opposition to the application. Reasons for the opposition included inconsistency with the homes in the community, the size of the facility, the volume of traffic, safety concerns, personal safety, devaluation of residential properties, and other reasons.

7. While the property previously had a conditional use for a tennis center, that use is much different from mini-storage warehouse buildings. Unlike the mini-storage facility, tennis facilities are often incorporated into residential uses and developments and are an amenity or activity for the surrounding residential properties. The multi-story warehouse structures proposed as part of this conditional use are neither compatible nor integrated into the residential properties along Old Mill Road.
8. In summary, this site, along this residential road, is not appropriate for the proposed mini-storage conditional use.

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

Conditional Use #1999 – Hopkins Farm Creamery, Inc.

On October 23, 2014 the Planning and Zoning Commission held a public hearing on this application.

Application of **Hopkins Farm Creamery, Inc.** to consider the Conditional Use of land in an AR-1 Agricultural Residential District for a BBQ vendor to be located on a certain parcel of land lying and being in Lewes and Rehoboth Hundred, Sussex County, containing 73 acres, more or less, land lying southwest corner of U.S. Route 9 (Lewes Georgetown Highway, aka Seashore Highway) and Road 261 (Dairy Farm Road) (911 Address: 18186 Dairy Farm Road, Lewes, DE) (Tax Map I.D. #3-34-10.00-51.00).

The Commission found that DelDOT had provided comments in the form of a Support Facilities Report, dated July 15, 2014, referencing that a traffic impact study was not recommended; and that the current Level of Service “B” of Sweetbriar Road from Beaver Dam Road to U.S. Route 9 may change to a Level of Service “C”.

The Commission found that the Sussex Conservation District had provided comments in the form of a memorandum, dated October 15, 2014, referencing that the site has five soil types; that the applicants will be required to following recommended erosion and sediment control practices during any construction and to maintain vegetation after construction; that no storm flood hazard areas are affected; that no off-site drainage improvements will be necessary; that it is not likely that any on-site drainage improvements will be necessary; and that no tax ditches are affected.

The Commission found that the County Engineering Department Utility Planning Division had provided comments in the form of a memorandum, dated October 20, 2014, referencing that the site is located in the North Coastal Planning Area; that an on-site septic system is proposed; that conformity to the North Coastal Planning Study will be required; that the proposed use is not in an area where the County currently has a schedule to provide sewer service; and that a concept plan is not required.

The Commission found that there was not anyone present on behalf of this application.

Motion by Mr. Johnson, seconded by Mr. Burton, and carried unanimously to table this application to the end of the public hearings. Motion carried 4 – 0.

At the conclusion of the public hearings, the Chairman again announced this application.

The Commission again found that there was not anyone present on behalf of this application.

Motion by Mr. Johnson, seconded by Mr. Burton, and carried unanimously to forward a recommendation to the Sussex County Council that this application be denied due to the lack of a record of support, since no one appeared on behalf of the application. Motion carried 4 – 0.

Conditional Use #2000 – Jovid Venture, LLC

On November 13, 2014 the Planning and Zoning Commission held a public hearing on this application.

Application of **JOVID VENTURES, LLC** to consider the Conditional Use of land in an AR-1 Agricultural Residential District for a facility for wedding ceremonies and receptions to be located on a certain parcel of land lying and being in Lewes and Rehoboth Hundred, Sussex County, containing 1.683 acres, more or less, land lying at the southwest corner of Warrington Road (Road 275) and Old Landing Road (Road 274))911 Address: 35060 Warrington Road, Rehoboth Beach, DE) (Tax Map I.D. #3-34-12.00-121.01).

The Commission found that the applicants provided a survey/site plan with the application on July 31, 2014, and an Exhibit Packet on November 3, 2014. The Exhibit Packet contains references to the description of a Conditional Use; references to the Comprehensive Plan; a copy of an aerial of the area; a copy of the tax map of the area; a copy of the survey/site plan; a copy of the Support Facilities Report from DelDOT; and suggested proposed Conditions of Approval for consideration.

The Commission found that DelDOT provided comments in the form of a Support Facilities Report on April 24, 2014 which reference that a Traffic Impact Study is not recommended; and that the Level of Service “D” of Warrington Road and the Level of Service “C” of Old Landing Road will not change as a result of this application.

The Commission found that the Sussex Conservation District provided comments in the form of a memorandum on November 5, 2014 referencing that there are two soil types on the property; that the applicant will be required to follow recommended erosion and sediment control practices during any construction and to maintain vegetation; that there are no storm hazard areas affected; that no off-site drainage improvements are necessary; that it is not likely that any on-site drainage improvements will be necessary; and that there are no tax ditches affected.

The Commission found that the County Engineering Department Utility Planning Division provided comments on November 10, 2014 referencing that the site is located in the West Rehoboth Expansion Area; that wastewater capacity is available, if the equivalent dwelling unit (EDU) sewer assessment for the parcel does not exceed 6.73 EDU; that the EDU assessment for the proposed use is not known at this time; that the system design assumption for the AR-1 zoned parcel is 4.0 EDU per acre; that Ordinance 38 construction is not required; that the current

System Connection Charge Rate is \$5,500.00 per EDU; that the parcel is served with one 6-inch lateral located along the parcel's frontage on Old Landing Road; that installation of an 8-inch lateral may be required; that the installation of an additional lateral would be at the owner's expense; that conformity to the North Coastal Planning Study will be required; and that a concept plan is not required.

The Commission found that Joe Brinton and David Sterner of Jovid Ventures, LLC were present with Tim Willard, Esquire of Fuqua, Yori and Willard, P.A. and that they stated in their presentations and in response to questions raised by the Commission that the site is at the corner of Warrington Road and Old Landing Road and is improved with a bed and breakfast approved by the Board of Adjustment; that they would like to have wedding ceremonies and receptions on the grounds of the property; that the use should be considered as a semi-public use; that they are submitting seven (7) letters in support and photographs of the property; that the use meets the purpose of a Conditional Use in that it is a business/commercial activity with a public or semi-public character and is intended for the general convenience of the residents of the County; that the use conforms to the Comprehensive Development Plan since it a light use and provides convenient services to the residents; that the site is located in the Environmentally Sensitive Developing District and in a Level 2 or 3 in the State Strategies; that the site plan depicts temporary tent locations and ceremony areas with landscaping features; that the site contains 1.68 acres, which is adequate for the use intended; that the area contains a mix of residential zonings; that DeIDOT did not require a Traffic Impact Study; that 12 parking spaces are available on site with 10 overflow parking spaces partially in the grass; that the bed and breakfast recently had a rating change from being No. 6 to No. 1 in the Rehoboth Beach area for bed and breakfast inns; that the entrance is approximately 60 feet from the intersection; that there will not be any parking permitted along public roadways; that the closest fire house is approximately 1 mile away on Route One; that a fire hydrant exist across from the site; that they are planning on providing a shuttle service contract with certain hotels/motels for the guests to make arrangements to be dropped off and picked up for receptions, etc. on the site; that the plan on limiting the number of guest at a ceremony or reception to 125 persons; that the do not anticipate more than 15 events per year; that they do not object to a prohibition on noise makers being a restriction; that the bed and breakfast has 5 rental rooms; that adequate space is available for the shuttle vehicles to turn around in the driveway; and that they have submitted suggested conditions of approval for consideration.

The Commission found that Dr. Nicholas DelCampo was present in support of this application and stated that he had provided a letter of support, but wanted to add that the applicants are great neighbors; that they have improved the property; that they have added landscaping; and that he supports the suggested conditions of approval submitted.

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

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

On November 13, 2014 there was a motion by Mr. Johnson, seconded by Mr. Burton, and carried unanimously to defer action for further consideration. Motion carried 5 – 0.

On December 11, 2014 the Commission discussed this application under Old Business.

Mr. Johnson stated that he would move that the Commission recommend approval of C/U #2000 for Jovid Ventures, LLC for a facility for wedding ceremonies and receptions based upon the record made during the public hearing and for the following reasons:

1. The site is currently approved for use for a bed and breakfast. The owners are seeking to have weddings on the site as part of the bed and breakfast operation.
2. The use will be limited in scope, and will not require any additional permanent structures on the property.
3. The use of the site for outdoor weddings and receptions on a limited basis is not inconsistent with the surrounding residential uses.
4. With the conditions and limitations placed upon the conditional use, it will not adversely affect neighboring or adjacent properties or area roadways.
5. Several neighboring property owners appeared in support of the application.
6. The use is a benefit to Sussex County residents and visitors by providing an affordable location for wedding receptions in a convenient area near hotels, shopping and restaurants.
7. This recommendation is subject to the following conditions:
 - A. No more than 25 events per year shall occur. "Events" shall include activities occurring over more than one day if they are for the benefit of the same host/guest/client (for example, a rehearsal dinner on Friday, wedding on Saturday, and a Sunday brunch, all count as a single event). If a tent is required for the event, tent setup may occur two (2) business days prior to the event and removal must occur within two (2) business days after the event.
 - B. No more than 125 guests (not including staff) shall be permitted at any event.
 - C. All events shall conclude no later than 10:00 p.m. on Fridays and Saturdays. Events held on Sundays through Thursdays shall conclude no later than 9:00 p.m.
 - D. Music or similar entertainment is permitted. The area set aside for a stage location shall be generally shown on the Final Site Plan.
 - E. Portable toilet facilities may be permitted during any event as needed. They must be delivered no more than two (2) days prior to the event and removed no later than two (2) days after the event. The general location of the portable toilets must be shown on the Final Site Plan, and the location must be screened from view of neighboring properties and roadways.
 - F. Subject to the Final Site Plan approval, at least 12 parking spaces shall be shown on the Final Site Plan and clearly marked on the site itself. No parking shall be permitted along Warrington Road or Old Landing Road.
 - G. No drop-offs or pickups of guests or staff shall occur on either Old Landing Road or Warrington Road. All vehicles must be required to pull into the site. No vehicles shall be permitted to back out onto Old Landing Road or Warrington Road.
 - H. The interior drive and parking area shall contain sufficient space for vehicles and shuttle buses to turn around completely on the site.
 - I. All entrance locations shall be subject to the review and approval of DelDOT.

- J. To insure that traffic and associated parking with the events are not adversely affecting area roadways or the community, this use and its site plan shall reviewed by the Planning and Zoning Commission five (5) years after Final Site Plan approval is granted.
- K. The Final Site Plan shall be subject to the review and approval of the Sussex County Planning and Zoning Commission.

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

Conditional Use #2001 – Christina Abramowicz

On November 13, 2014 the Planning and Zoning Commission held a public hearing on this application.

Application of **CHRISTINA ABRAMOWICZ** to consider the Conditional Use of land in an AR-1 Agricultural Residential District for a veterinary practice to be located on a certain parcel of land lying and being in Lewes and Rehoboth Hundred, Sussex County, containing 32,671 square feet, more or less, land lying southeast of Old Mill Road (Road 265-A), 1,900 feet northeast of Route One (Coastal Highway) (911 Address: 16403 Old Mill Road, Lewes, DE) (Tax Map I.D. #3-34-1.00-23.00).

The Commission found that the applicant provided a survey/site plan with her application.

The Commission found that DelDOT provided comments in the form of a Support Facilities Report on May 15, 2014 which reference that a Traffic Impact Study is not recommended; and that the Level of Service “A” of Old Mill Road will not change as a result of this application.

The Commission found that the Sussex Conservation District provided comments in the form of a memorandum on November 5, 2014 referencing that there is one soil type on the property; that the applicant will be required to follow recommended erosion and sediment control practices during any construction and to maintain vegetation; that there are no storm hazard areas affected; that it is not likely that off-site drainage improvements are necessary; that it is possible that any on-site drainage improvements will be necessary; and that there are no tax ditches affected.

The Commission found that the County Engineering Department Utility Planning Division provided comments on November 10, 2014 referencing that the site is located in the North Planning Area for the West Rehoboth Expansion; that central sewer service is not available at this time; that an on-site septic is proposed; that conformity to the North Coastal Area Planning Study will be required; that the parcel is located within a sewer planning area of the West Rehoboth Expansion of the Dewey Beach Sanitary Sewer District; that the County does not have a schedule to provide central sewer service to the parcel at this time; that when the County provides sewer service, it is required that the on-site system be abandoned and a connection made to the central sewer system; and that a concept plan is not required.

Mr. Lank advised the Commission that the Department has received 10 letters/emails in support and 36 letters/emails in opposition to this application; that there is some duplication since some writers have sent letters, emails and fax copies. Mr. Lank advised the Commission that he would make copies of the letters/emails available for the Commission to review.

The Commission found that Dr. Christina Abramowicz was present on behalf of her application for a veterinary practice; that she provides veterinary alternative care for dogs, cats, horses and some exotic animals; that her practice will serve a need for the community; that she treats the animals by appointment; that some visits last from one hour (1) to three (3) hours; that her practice is hands on, with no surgery, x-rays or medications; that her practice is considered holistic since she performs acupuncture, posture rehabilitation, some chiropractic, and uses Chinese and herbal medicines, medical massage and food therapy; that her current practice is considered mobile with services for acute illnesses, allergies, arthritis or hip dysplasia, behavior issues, cancer, chronic conditions, metabolic syndromes, musculoskeletal problems, and neurological issues; that pet owners have advised her that cost is a concern when she has to travel to the site of the pet owner; that she is proposing to serve a need for eastern Sussex County; that the closest veterinarian that performs acupuncture is in Seaford or Salisbury; that she has a website that provides details on her practice; that she would like approval for a small practice at her home; that her normal appointments take approximately 60 minutes; that there is adequate parking; that no additional buildings are proposed; that she does not perform any surgeries; that she has support from some of her neighbors and area community members; that she would not object to a restriction limiting the use to her practice only so that the conditional use could not transfer to another user; that currently she is exclusively mobile; that her primary intent is to remain mobile, but is requesting permission to allow pets to be brought to her home for treatment; that her typical hours are from 10:00 a.m. to 6:00 p.m. for mobile services six (6) days per week; that she would like to maintain the same hours from her home on certain days; that the pets that she would treat at home would be dogs, cats, and exotic pets; that she will not treat wild animals or large animals at the home; that he normally treats horses on Saturdays off-site and by appointment only; that all of her sessions are by appointment only; that she sees one client per hour; that she has no employees; that she does have a high school intern that studies under her; that emergencies are referred to other veterinary clinics; that she currently has 200 clients; that she would like to be able to erect a small marker type sign to label her location; that her back yard is partially fenced; that she has no plans for any kennels or any overnight housing of animals; that the living room would be converted to a waiting room and that she would have an examination room and a treatment room; that bio-hazardous waste will be placed in trash containers and properly disposed of as needed; that she does not treat aggressive dogs; that she does deal with some dogs with anxiety and abnormal behaviors; and that she will have some retail sales of vitamins, herbs.

The Commission found that Dan Lynch of Delaware Equine was present in support of the application and stated that Dr. Abramowicz assisted him in caring for his horses; that he trains horses and that she has helped his rehabilitate several horses; that there is a need for this type of treatment in Sussex County; that he would have to travel to get holistic treatment for the horses;

that there is a void in this area for this type of treatment; and that the use is an asset to the equine community.

The Commission found that Denise Dumont was present in support of the application and stated that the applicant has treated her dog; that she supports holistic veterinary treatment of animals; and that a need exists in the area for this type of service.

The Commission found that Vince Brady, Kathanna Billups, George Dellinger, Jim Wright, and Anita Hart were present in opposition expressing concerns that they oppose a veterinary practice in this residential neighborhood; that they are concerned about changes in the description of the proposed practice; that if the use is approved, there should be conditions of approval limiting hours and retail sales; that there is no upside for the business in this community; that approval would create a mixed use community with business, commercial and residential uses; that the use may impact and lower property values; that the majority of the residents along Old Mill Road are opposed to this application, and opposed to any type of commercial use in the area; that there are multiple veterinary practices in the general area; that no kennels or overnight housing of animals should be permitted; that the business could be expanded if approved; that the residents have no objection to the applicants mobile off-site activities; that the use is not appropriate in a residential area; that the application to DeIDOT referenced a veterinary animal hospital; that the application for conditional use references a veterinary practice; that the Sussex Conservation District references that on site drainage improvements may possibly necessary; that the applicants website references care for all types of animals, including dogs, cats, horses, exotics, and livestock; that the facility is proposed in the middle of a residential area and questioning what is a healthy separation between a clinic and living quarters; expressing concerns about the disposal of needles and swabs, used testing supplies, infected dressings, biological samples of infected animals; cadavers; questioning what the risks of contamination; that the majority of the residents of four (4) residential subdivisions along Old Mill Road are opposed to this application; that the use is not consistent with the Zoning Code, the Comprehensive Plan, or the community; that the use should not be considered a home occupation; that some types of diseases in animals may cause health hazards for the residents of the area; that animals may get loose causing concerns for the residents safety; that there is a concern that there is a lack of enforcement of conditions of approval, if granted, and referencing an example that landscaping for the boat yard to the north not having any landscaping; that Old Mill Road is a cul-de-sac road and that the residents of the communities oppose any business activity along Old Mill Road; and that the area residents requests that the application be denied.

By a show of hands, the Commission found that there were four (4) parties present in support and 17 parties present in opposition.

The Commission found that Dr. Abramowicz responded to questions raised by the Commission that she has attempted to locate office space in the area and that due to the size of her business she could not afford such rentals; that she did oppose the proposed self-storage facility on the north side of Old Mill Road due to traffic; and that the self-storage facility would create more traffic than her proposal; and that she is only maintaining her property, not clearing it.

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

On November 13, 2014 there was a motion by Mr. Burton, seconded by Mr. Johnson, and carried unanimously to defer action for further consideration. Motion carried 5 – 0.

On December 11, 2014 the Commission discussed this application under Old Business.

Mr. Burton stated that he would move that the Commission recommend denial of Conditional Use #2001 for Christina Abramowicz for a veterinary practice based upon the record made during the public hearing and for the following reasons:

1. The site is located within an entirely residential location. The proposed use is inconsistent with the residential surroundings.
2. He does not want to start a trend of small businesses locating in this otherwise residential neighborhood. There are other locations for small businesses with the possibility of expansion on properties that are more appropriate for business uses or are already zoned for business use.
3. Many parties from the neighborhood appeared in opposition to the Conditional Use expressing concerns about the traffic generated by it, the incompatibility with the neighborhood, concerns about the number of animals that could be seen at the facility being incompatible with the residential area; concerns about the property losing its appearance as a residential structure within the otherwise residential neighborhood; and other issues. During the public hearing, 17 people were present in opposition to the application from the neighborhood. While there were people on the record in favor of the application, none of them were from the residential neighborhood surrounding the site.
4. While this could be a home occupation that does not require a conditional use, the information in the record does not clearly support that possibility. For example, the Applicant stated that she has an intern working with her which is not permitted as a home occupation. Also, based upon the Applicant's plans for the property, it was unclear whether she intended to reside there full time. The information that was provided about the Applicant's business plan was also unclear, with the possibility of business growth and expansion exceeding what is permitted as a home occupation.
5. To summarize, he is concerned that the approval of a Conditional Use for a veterinary practice at this site, even with conditions, would create problems in this residential neighborhood. Even if the Commission imposed restrictive conditions on the use, it would lead to future problems as a veterinary practice becomes more popular and expands. It is more appropriate for this use to be started in an appropriate location from the beginning, where it can reasonably expand under appropriate zoning and a location that is suitable to future expansion.

Mr. Johnson stated that this application differs from some applications; there is a volunteer student intern, who is not paid; the lot is not in a subdivision; the lot fronts a public street; the use should qualify as a home occupation since the applicant is residing there and there are no employees; the use should be a low impact since there are no housed animals, and since it is a residential use.

Mr. Robertson advised the Commission that the definition of a home occupation references that the use shall be operated solely by a member or members of a family residing on the premise.

Mr. Smith agreed with Mr. Burtons comments.

Mr. Ross agreed that the Code must be complied with.

Mr. Wheatley agreed with Mr. Johnson referenced that the use could be considered as a home occupation, and also agreed with Mr. Burton that the Commission has had a long standing policy that conditional uses are not typically approved in subdivision.

Motion by Mr. Burton, seconded by Mr. Smith, and carried unanimously to forward this application to the Sussex County Council with the recommendation that the application be denied for the reasons stated. Motion carried 3 – 2, with Mr. Johnson and Mr. Wheatley opposing the motion.

Conditional Use #2002 – Beach Bum Distilling, c/o 13A

On November 20, 2014 the Planning and Zoning Commission held a public hearing on this application.

Application of **BEACH BUM DISTILLING, C/O 13A** to consider the Conditional Use of land in a C-1 General Commercial District for a distillery with tours/tasting/retail to be located on a certain parcel of land lying and being in Lewes and Rehoboth Hundred, Sussex County, containing 24,523 square feet, more or less, land lying at the southeast corner of Nassau Road (Route 14) and New Road (Road 266) (911 Address: 32191 Nassau Road, Lewes, De) (Tax Map I.D. #3-34-5.00-74.01).

The Commission found that the applicant had submitted a survey and site plan for consideration with the application.

The Commission found that DelDOT had provided comments in the form of a Support Facilities Report, dated July 16, 2014, which reference that a Traffic Impact Study was not recommended, and that the current Level of Service “B” of New Road will not change as a result of this application.

The Commission found that the County Engineering Department Utility Planning Division had provided comments, dated November 19, 2014, which reference that the site is located in the West Rehoboth Expansion area; that wastewater capacity is available, based upon the assumption that the total equivalent dwelling unit (EDU) sewer assessment does not exceed 6.74 EDUs; noting that the actual EDU assessment is not known; that Ordinance 38 construction is not required; that the current System Connection Charge Rate is \$5,500.00 per EDU; that the parcel is served with one 6-inch lateral located along the parcel’s frontage on Nassau Road, and that the Applicant’s Engineer/Architect shall determine whether sufficient capacity is provided or the installation of an 8-inch lateral shall be required; that installation of a larger lateral shall be performed at the Applicant’s expense; that conformity to the North Coastal Planning Study shall be required; that a concept plan is not required; that Best Management Practices or Industrial Permit is required; that in order to determine whether Best Management Practices or Industrial

Permit is required, the applicant shall complete an Industrial Waste Program Survey and Questionnaire and submit to the Director of Utility Permits; that the Applicant shall submit said Survey and Questionnaire prior to requesting a building permit; that the Applicant will be advised of the appropriate application fee due after permit type is determined; and that the Applicant shall anticipate providing a sampling port and flow meter as part of the distillery process plumbing.

Mr. Lank advised the Commission that three emails were received by the Department in support of the application.

The Commission found that Dominick Schiavoni was present on behalf of Beach Bum Distilling (BBD), as an Associate of 13A Engineering Consultants, and stated in his presentation and in response to questions raised by the Commission that BBD will operate as a Delaware craft distillery, manufacturing a hand crafted product on premises; that the manufacturing process includes fermentation, distillation, barrel aging, and bottling; that fermentation and distillation will be done in small 50 gallon batches; that the distilled product will be hand bottled in batches of 30 gallons or smaller; that the distillery's products will be offered for sale exclusively in the retail space where tastings and limited tours will be available to the public; that their flagship product will be a family of rum spirits inspired by the area's maritime history and beaches; that the planned receiving hours are 8:00 a.m. to 4:00 p.m.; that small package deliveries are expected to increase by 2 or 3 per week from providers such as UPS and FedEx in their standard residential delivery vehicles; that pallet sized deliveries are expected to increase by 2 per month by common carrier with lift gate service; that their planned operating hours for the retail space are Monday through Thursday from Noon to 6:00 p.m., Friday from Noon to 7:00 p.m., Saturday from 11:00 a.m. to 7:00 p.m., and Sunday from 1:00 p.m. to 6:00 p.m.; that that operating hours could be reduced seasonally; that there are no plans to extend hours; that there are 15 regular parking spaces, one handicap parking space, and four short term parking (15 minute) spaces; that they anticipate that the number of visitors to the distillery will be from 10 to 15 per day on Monday through Friday and 20 to 40 per day on Saturday and Sunday; that due to the size of the retail area, they anticipate that a maximum of 25 persons could be reasonably accommodated during any private function or event; that their three year business model projects the generation of approximately \$31,000 in State excise tax revenue, and \$71,000 in Federal excise revenue; that the distillery is expected to create two full-time manufacturing jobs and two part-time retail jobs; that they received a Federal Distilled Spirits Plant permit on October 7, 2014; that they are in the process of creating a fire protection plan to submit for approval by the State Fire Marshal which will dictate how the operations are laid out and isolated within their space; that once conditional use for the distillery is approved then they can proceed to apply for a Delaware Craft Distillery license from the Delaware Alcoholic Beverage Control Commission; that they have secured a three-year lease for the facility; that access to the facility is in the front of the building; that they will only be selling their products as made and processed on premise; that they are only utilizing the first floor of the building; and that they have a similar distillery in the Town of Smyrna.

The Commission found that Anthony Zeccola was present in support and stated that the use fits in with the community; and that there should not be any impact on New Road or Nassau Road.

The Commission found that David J. Lee, the property owner, was present in support and stated that he supports the application; that an engineering company rents the second floor unit of the building, that a bakery rents the adjacent unit on the first floor; and that he has not heard of any objections to the proposed distillery.

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

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

On November 20, 2014 there was a motion by Mr. Burton, seconded by Mr. Johnson, and carried unanimously to defer action for further consideration. Motion carried 5 – 0.

On December 11, 2014 the Commission discussed this application under Old Business.

Mr. Burton stated that he would move that the Commission recommend approval of C/U #2002 for Beach Bum Distilling for a distillery with tours, tastings and retail sales based upon the record made during the public hearing and for the following reasons:

1. The location of the site is zoned C-1 General Commercial. The C-1 Zoning District is appropriate for this type of use and the conditional use.
2. The Conditional Use will be on a small scale as proposed by the Applicant and will be housed within an existing building on the site.
3. The proposed Conditional Use will not adversely impact neighboring or adjacent properties or uses, and several letters were received by the County supporting the proposal. There was also testimony that the use as a small distillery would enhance the other uses that currently exist at this corner of New Road and Nassau Road.
4. No parties appeared in opposition to the proposed Conditional Use.
5. This recommendation for approval is subject to the following conditions:
 - A. The use shall be limited to a distillery with tours, tasting and retail sales to be located within the existing building on the site.
 - B. The proposed use shall comply with all parking requirements associated with it. The parking required by Sussex County Code shall be clearly depicted on the Final Site Plan.
 - C. The Final Site Plan shall clearly show the location for all shipping deliveries associated with the use. The location shall be placed so that it does not interfere with neighboring roadways or parking for this use or other uses on the property.
 - D. As stated by the Applicant's representative, there shall be no on-premises sales of alcoholic beverages, but tastings will be permitted. All sales shall be for off-premises consumption only.
 - E. Only alcoholic beverages distilled on the site can be sold at the site.
 - F. The use shall comply with all requirements of the State and County for distillery operations, including requirements of the Sussex County Engineering Department

regarding wastewater collection, conveyance and disposal associated with the process.

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

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

Introduced 09/09/14

Council District – Deaver - District No. 3
Tax I.D. No. 334-1.00-15.02/15.04
911 Address: 16542 Old Mill Road, Lewes

ORDINANCE NO. ____

“AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR A SELF-STORAGE FACILITY TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED, SUSSEX COUNTY, CONTAINING 3.74 ACRES, MORE OR LESS”

WHEREAS, on the 30th day of July 2014, a conditional use application, denominated Conditional Use No. 1998 was filed on behalf of Todd Fisher; 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 Conditional Use No. 1998 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 determined, based on the findings of facts, that said conditional use is in accordance with the Comprehensive Development Plan and promotes the health, safety, morals, convenience, order, prosperity and welfare of the present and future inhabitants of Sussex County, and that the conditional use is for the general convenience and welfare of the inhabitants of Sussex County.

NOW, THEREFORE, THE COUNTY OF SUSSEX HEREBY ORDAINS:

Section 1. That Chapter 115, Article IV, Subsection 115-22, Code of Sussex County, be amended by adding the designation of Conditional Use No. 1998 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 Lewes and Rehoboth Hundred, Sussex County, Delaware, and lying northwest of Old Mill Road (Road 265-A) 300 feet northeast of Route One and being more particularly described as Lot “A” and Lot “B” in Plot Book 105, Page 271, in the Office of the Recorder of Deeds in and for Sussex County, said parcel containing 3.74 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.

Lands N/F of WRIGHT
PROEDERS DR

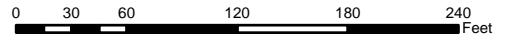


Conditional Use Application #1998



Legend

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



1 inch = 104 feet

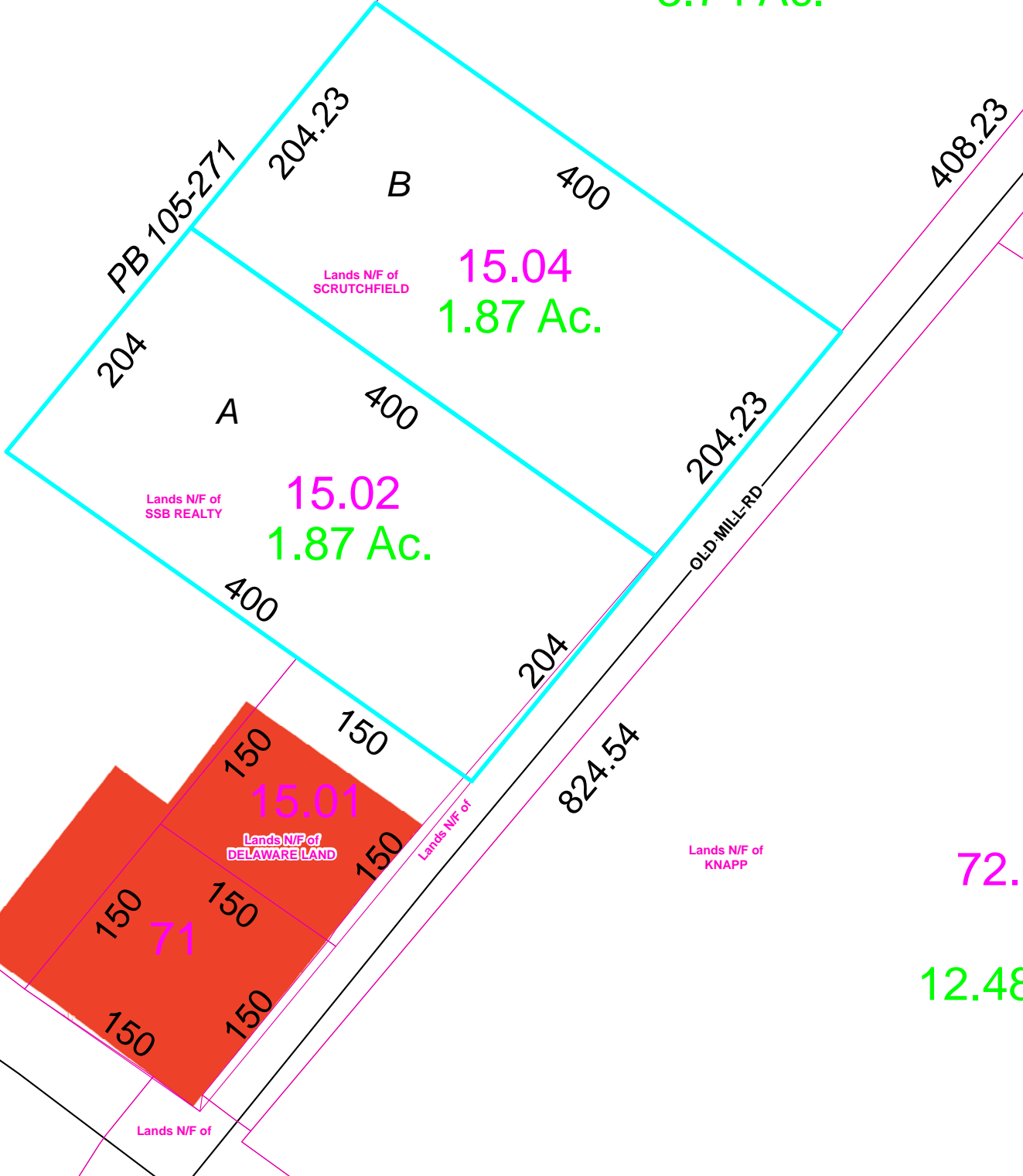
15

9.27 Ac.S

Lands N/F of HAGAN

Lands N/F of MOORE

15.03
3.74 Ac.



Lands N/F of KNAPP

Lands N/F of

Lands N/F of

UNKNOWN

WILLOW CREEK RD

HERON CIR



Conditional Use Application #1998

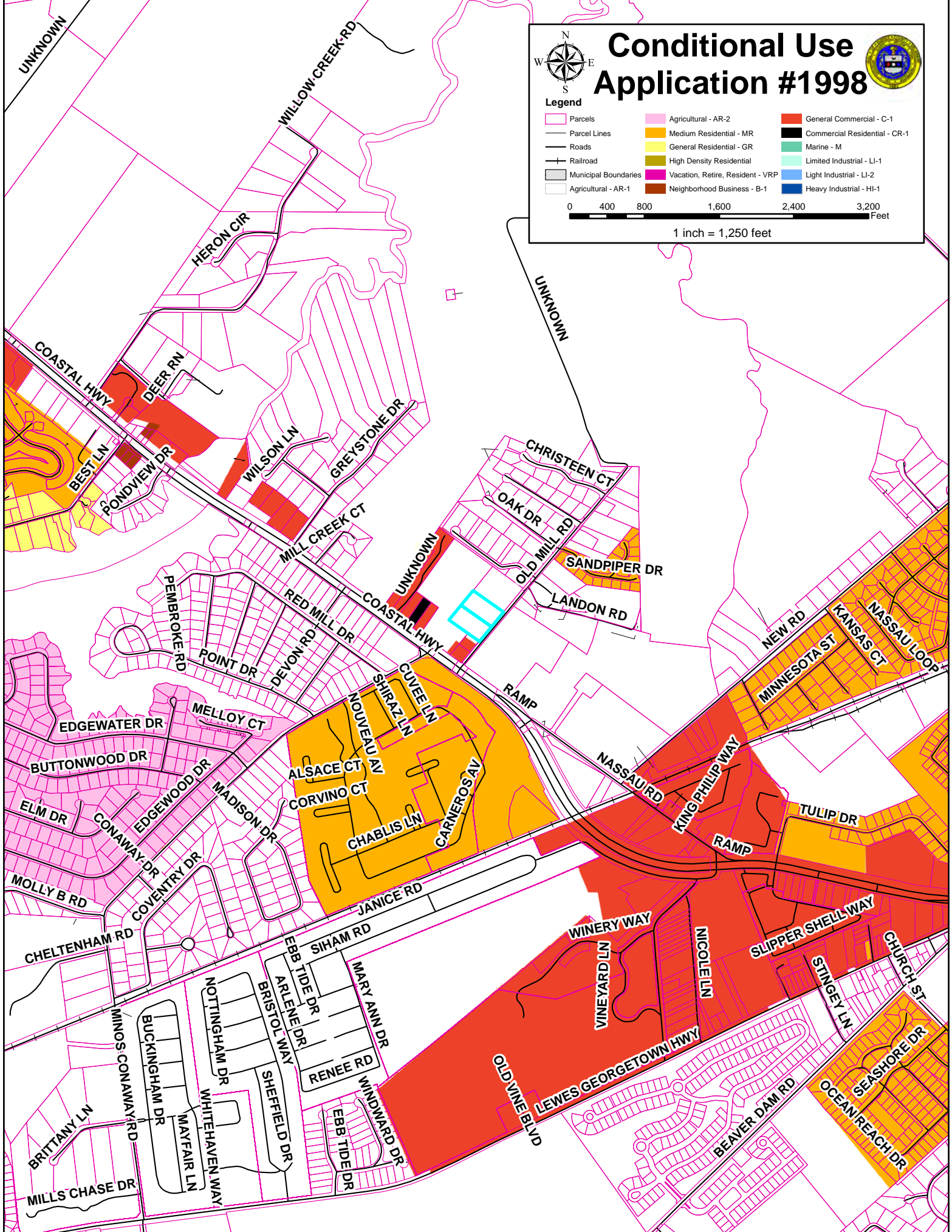


Legend

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

0 400 800 1,600 2,400 3,200 Feet

1 inch = 1,250 feet



UNKNOWN

COASTAL HWY

BEST LN
PONDVIEW DR

WILSON LN

GREYSTONE DR

CHRISTEN CT

OAK DR

SANDPIPER DR

LANDON RD

MILL CREEK CT

RED MILL DR

COASTAL HWY

UNKNOWN

RAMP

NEW RD

KANSAS CT

NASSAU LOOP

MELLOY CT

SHIRAZ LN

ALSACE CT

CORVINO CT

CHABLIS LN

CARNEROS AV

NASSAU RD

KING PHILIP WAY

RAMP

TULIP DR

EDGEWATER DR

BUTTONWOOD DR

ELM DR

MOLLY B RD

CHELTENHAM RD

BRITANNY LN

MILLS CHASE DR

CONAWAY DR

EDGEWOOD DR

COVENTRY DR

MINOS CONAWAY RD

BUCKINGHAM DR

NOTTINGHAM DR

WHITEHAVEN WAY

MAYFAIR LN

MADISON DR

NOUVEAU AV

CUVEE LN

EBB TIDE DR

ARLENE DR

BRISTOL WAY

SHEFFIELD DR

WINDWARD DR

JANICE RD

SIHAM RD

MARY ANN DR

RENEE RD

WINDWARD DR

EBB TIDE DR

WINERY WAY

VINEYARD LN

NICOLE LN

SLIPPER SHELLWAY

CHURCH ST

STINGEY LN

BEAVER DAM RD

OCEAN REACH DR

SEASHORE DR

OLD VINE BLVD

LEWES GEORGETOWN HWY

BEAVER DAM RD

OCEAN REACH DR

Lands N/F of WRIGHT
COEDERS DR



Conditional Use Application #1998



Legend

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

0 30 60 120 180 240 Feet

1 inch = 104 feet

15

9.27 Ac.S

Lands N/F of HAGAN

Lands N/F of MOORE

15.03
3.74 Ac.

PB 105-271
204

204.23
B

Lands N/F of SCRUTCHFIELD

15.04
1.87 Ac.

204

A

400

Lands N/F of SSB REALTY

15.02
1.87 Ac.

400

204

OLD MILL RD

15.01

Lands N/F of DELAWARE LAND

Lands N/F of

824.54

Lands N/F of KNAPP

72.1

150
71

COASTAL HWY

COASTAL HWY

Lands N/F of

12.48

Source: Esri, DigitalGlobe, GeoEye, i-cubed, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Introduced 09/09/14

**Council District – Deaver - District No. 3
Tax I.D. No. 334-10.00-51.00
911 Address: 18186 Dairy Farm Road, Lewes**

ORDINANCE NO. ____

AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR A BBQ VENDOR TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED, SUSSEX COUNTY, CONTAINING 73 ACRES, MORE OR LESS”

WHEREAS, on the 31st day of July 2014, a conditional use application, denominated Conditional Use No. 1999 was filed on behalf of Hopkins Farm Creamery, Inc.; 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 Conditional Use No. 1999 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 determined, based on the findings of facts, that said conditional use is in accordance with the Comprehensive Development Plan and promotes the health, safety, morals, convenience, order, prosperity and welfare of the present and future inhabitants of Sussex County, and that the conditional use is for the general convenience and welfare of the inhabitants of Sussex County.

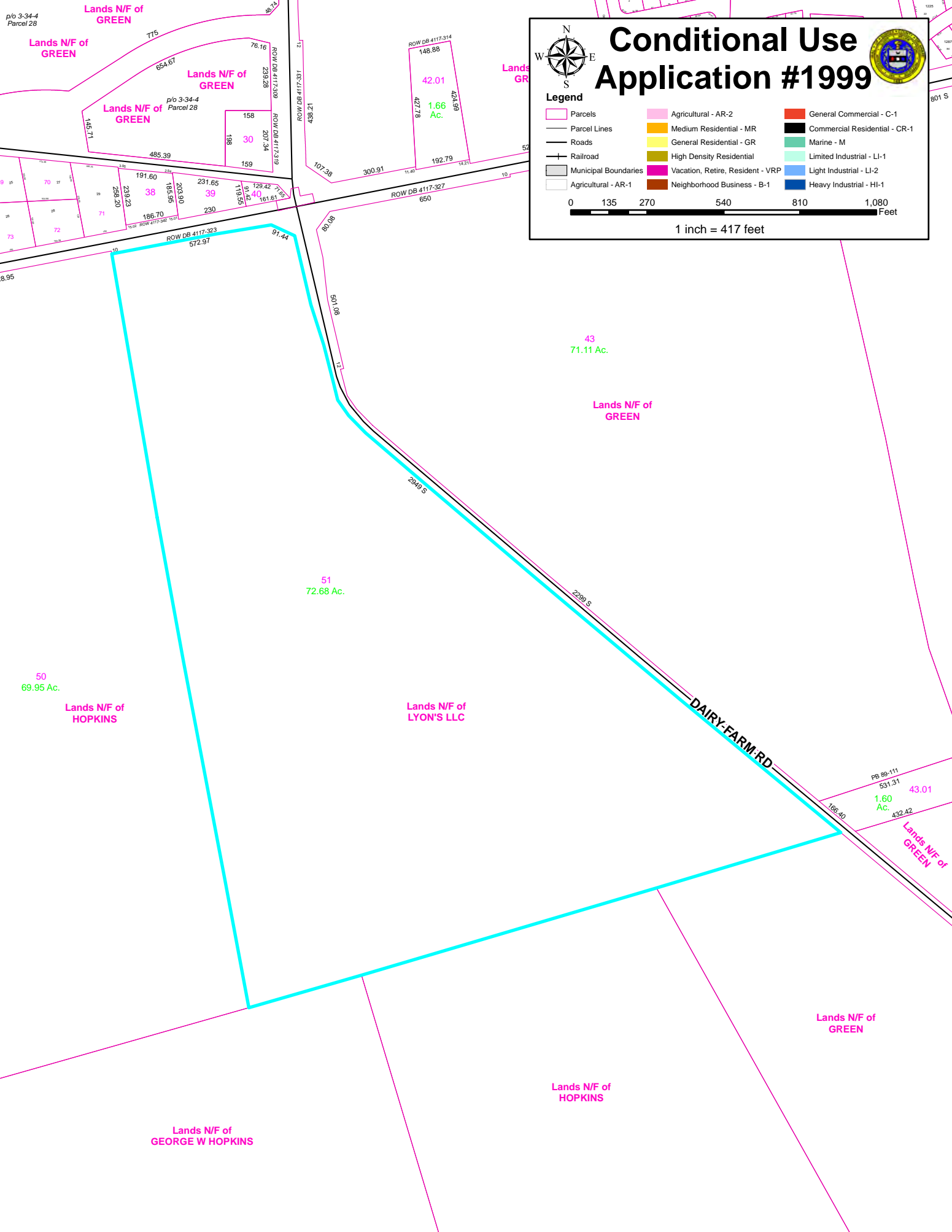
NOW, THEREFORE, THE COUNTY OF SUSSEX HEREBY ORDAINS:

Section 1. That Chapter 115, Article IV, Subsection 115-22, Code of Sussex County, be amended by adding the designation of Conditional Use No. 1999 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 Lewes and Rehoboth Hundred, Sussex County, Delaware, and lying at the southwest corner of U.S. Route 9 (Seashore Highway) and Road 261 (Dairy Farm Road) and being more particularly described in Deed Book 2872, Page 1, in the Office of the Recorder of Deeds in and for Sussex County, said parcel containing 73 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.



Conditional Use Application #1999



Legend

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

0 135 270 540 810 1,080 Feet

1 inch = 417 feet

p/o 3-34-4 Parcel 28
Lands N/F of GREEN
775
654.67
76.16
239.28
145.71
485.39
158
30
207.34
159

ROW DB 4117-314
148.88
42.01
424.99
427.78
1.66 Ac.

191.60
185.99
239.23
258.20
186.70
230
203.90
38
231.65
39
129.42
119.35
40
161.61

ROW DB 4117-309
127.65
158-217-09 (ROW)
107.38
300.91
11.40
192.79
14.21

ROW DB 4117-327
650

ROW DB 4117-323
572.97
91.44

ROW DB 4117-318
814.31

43
71.11 Ac.

Lands N/F of GREEN

51
72.68 Ac.

Lands N/F of LYON'S LLC

50
69.95 Ac.

Lands N/F of HOPKINS

DAIRY-FARM RD

PB 89-111
531.31
43.01
1.60 Ac.
432.42

Lands N/F of GREEN

Lands N/F of GREEN

Lands N/F of HOPKINS

Lands N/F of GEORGE W HOPKINS

Conditional Use Application #1999

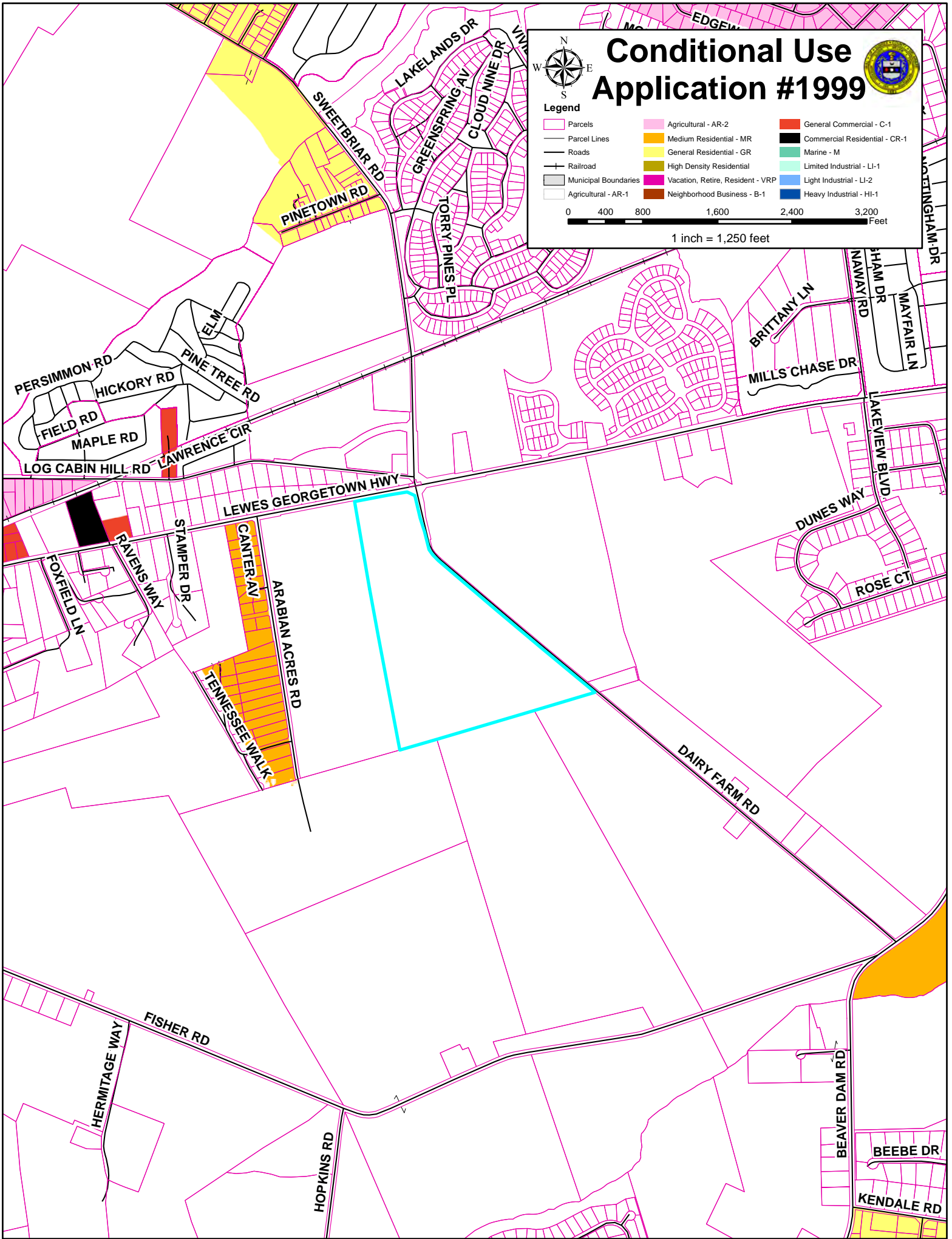


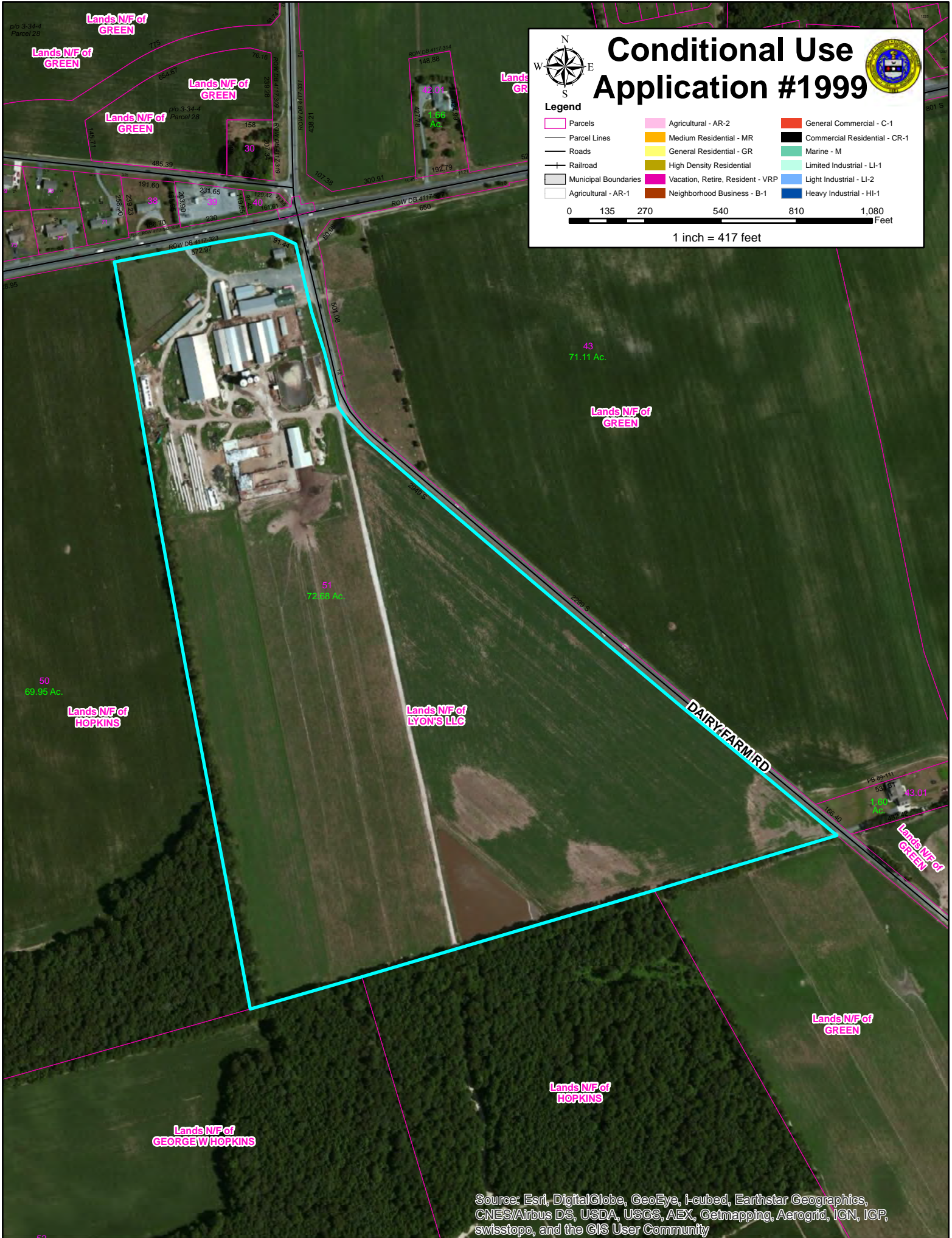
Legend

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

0 400 800 1,600 2,400 3,200 Feet

1 inch = 1,250 feet





Source: Esri, DigitalGlobe, GeoEye, i-cubed, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Introduced 09/09/14

Council District – Cole - District No. 4
Tax I.D. No. 334-12.00-121.01
911 Address: 35060 Warrington Road, Rehoboth Beach

ORDINANCE NO. ____

AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR A FACILITY FOR WEDDING CEREMONIES AND RECEPTIONS TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED, SUSSEX COUNTY, CONTAINING 1.683 ACRES, MORE OR LESS”

WHEREAS, on the 31st day of July 2014, a conditional use application, denominated Conditional Use No. 2000 was filed on behalf of Jovid Venture, 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 Conditional Use No. 2000 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 determined, based on the findings of facts, that said conditional use is in accordance with the Comprehensive Development Plan and promotes the health, safety, morals, convenience, order, prosperity and welfare of the present and future inhabitants of Sussex County, and that the conditional use is for the general convenience and welfare of the inhabitants of Sussex County.

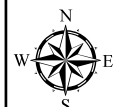
NOW, THEREFORE, THE COUNTY OF SUSSEX HEREBY ORDAINS:

Section 1. That Chapter 115, Article IV, Subsection 115-22, Code of Sussex County, be amended by adding the designation of Conditional Use No. 2000 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 Lewes and Rehoboth Hundred, Sussex County, Delaware, and lying at the southwest corner of Warrington Road (Road 275) and Old Landing Road (Road 274) and being more particularly described in Deed Book 4177, Page 182, in the Office of the Recorder of Deeds in and for Sussex County, said parcel containing 1.683 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.



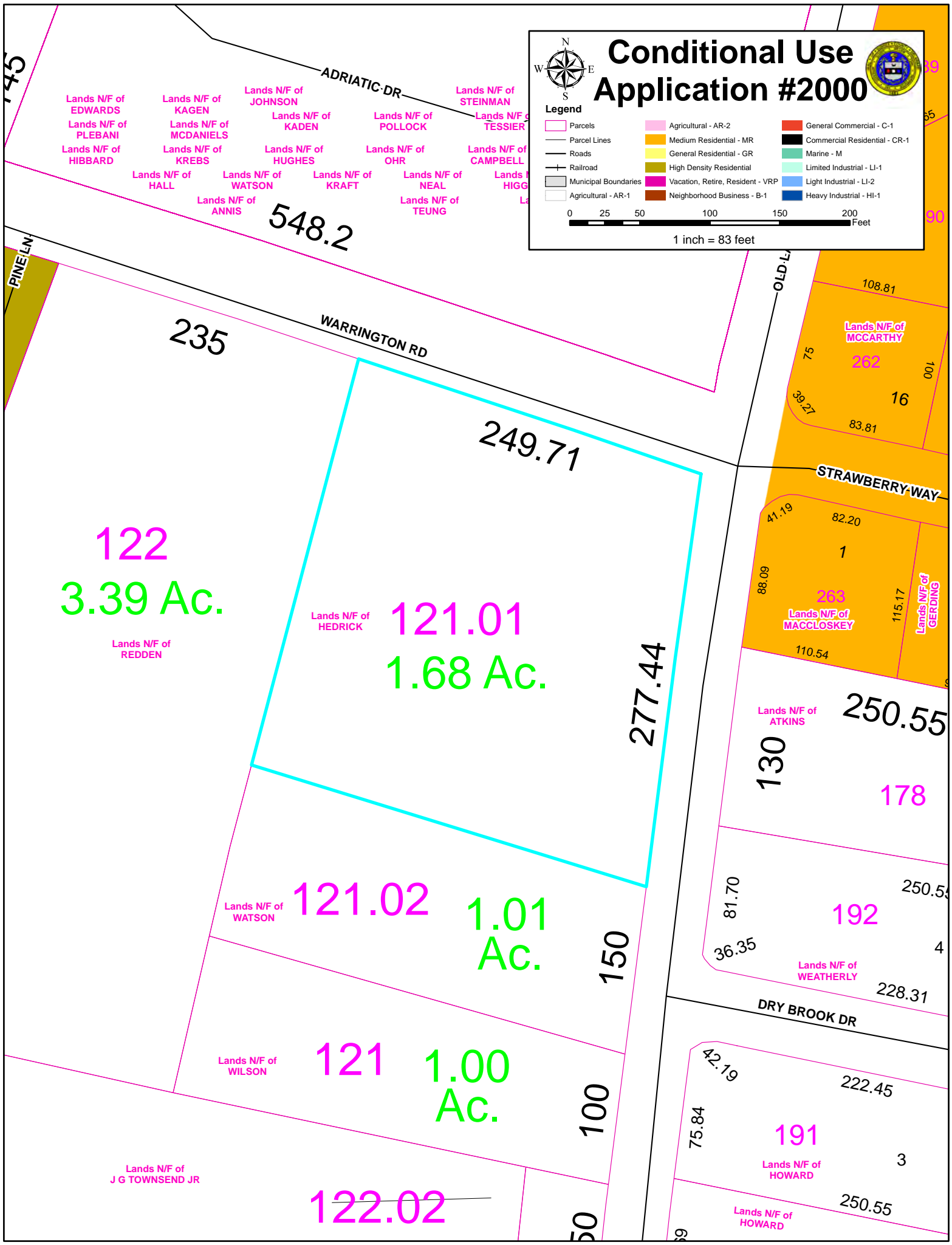
Conditional Use Application #2000




Legend

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

0 25 50 100 150 200 Feet
1 inch = 83 feet



Conditional Use Application #2000

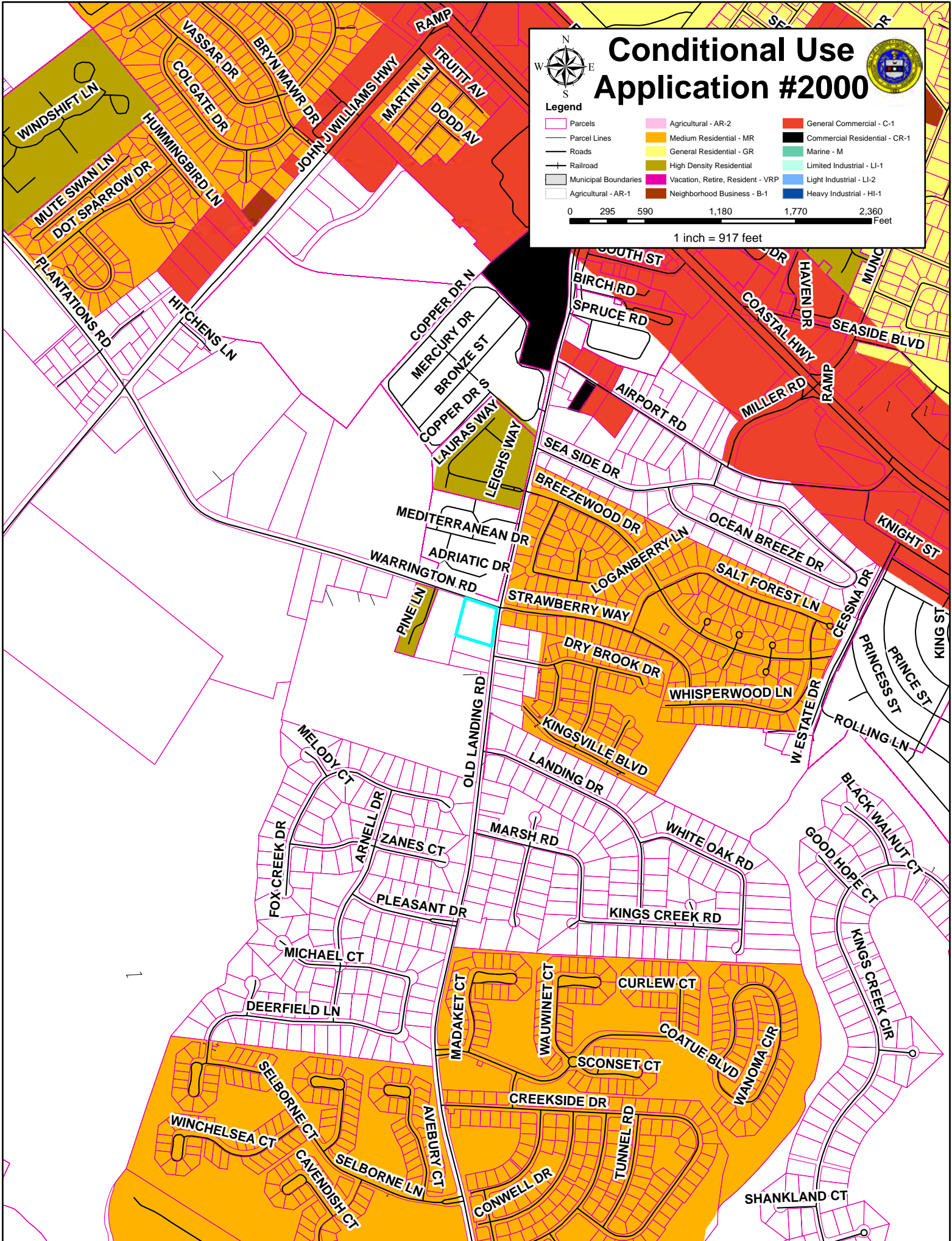


Legend

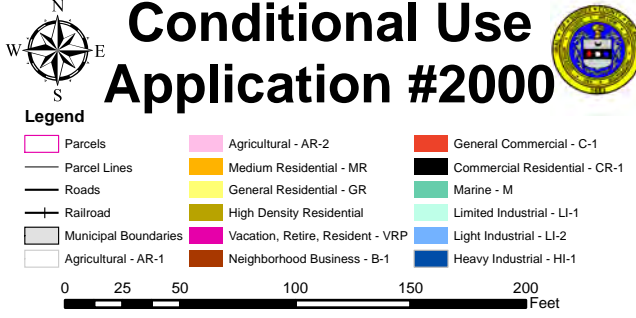
Parcels	Agricultural - AR-2	General Commercial - C-1
Parcel Lines	Medium Residential - MR	Commercial Residential - CR-1
Roads	General Residential - GR	Marine - M
Railroad	High Density Residential	Limited Industrial - LI-1
Municipal Boundaries	Vacation, Retire, Resident - VRP	Light Industrial - LI-2
Agricultural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

0 295 590 1,180 1,770 2,360
Feet

1 inch = 917 feet



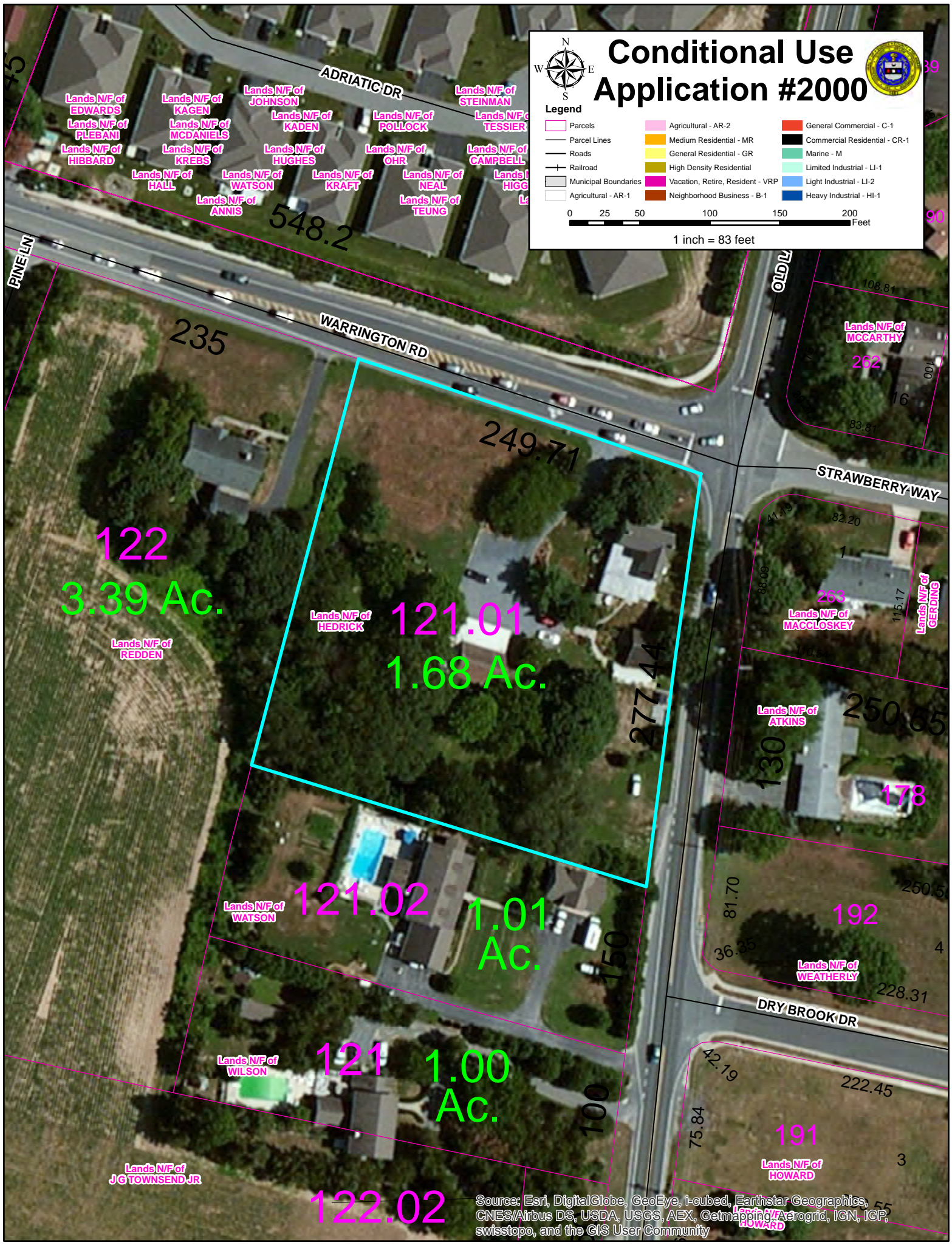
Conditional Use Application #2000



Legend

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

0 25 50 100 150 200 Feet
1 inch = 83 feet



Source: Esri, DigitalGlobe, GeoEye, i-cubed, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Introduced 09/09/14

Council District – Deaver - District No. 3
Tax I.D. No. 334-1.00-23.00
911 Address: 16403 Old Mill Road, Lewes

ORDINANCE NO. ____

AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR A VETERINARY PRACTICE TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED, SUSSEX COUNTY, CONTAINING 32,671 SQUARE FEET, MORE OR LESS

WHEREAS, on the 19th day of August 2014, a conditional use application, denominated Conditional Use No. 2001 was filed on behalf of Christina Abramowicz; 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 Conditional Use No. 2001 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 determined, based on the findings of facts, that said conditional use is in accordance with the Comprehensive Development Plan and promotes the health, safety, morals, convenience, order, prosperity and welfare of the present and future inhabitants of Sussex County, and that the conditional use is for the general convenience and welfare of the inhabitants of Sussex County.

NOW, THEREFORE, THE COUNTY OF SUSSEX HEREBY ORDAINS:


Section 1. That Chapter 115, Article IV, Subsection 115-22, Code of Sussex County, be amended by adding the designation of Conditional Use No. 2001 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 Lewes and Rehoboth Hundred, Sussex County, Delaware, and lying southeast of Old Mill Road (Road 265-A), 1,900 feet northeast of Route One (Coastal Highway) and being more particularly described in Deed Book 4274, Page 333, in the Office of the Recorder of Deeds in and for Sussex County, said parcel containing 32,671 square feet.

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

Conditional Use Application #2001

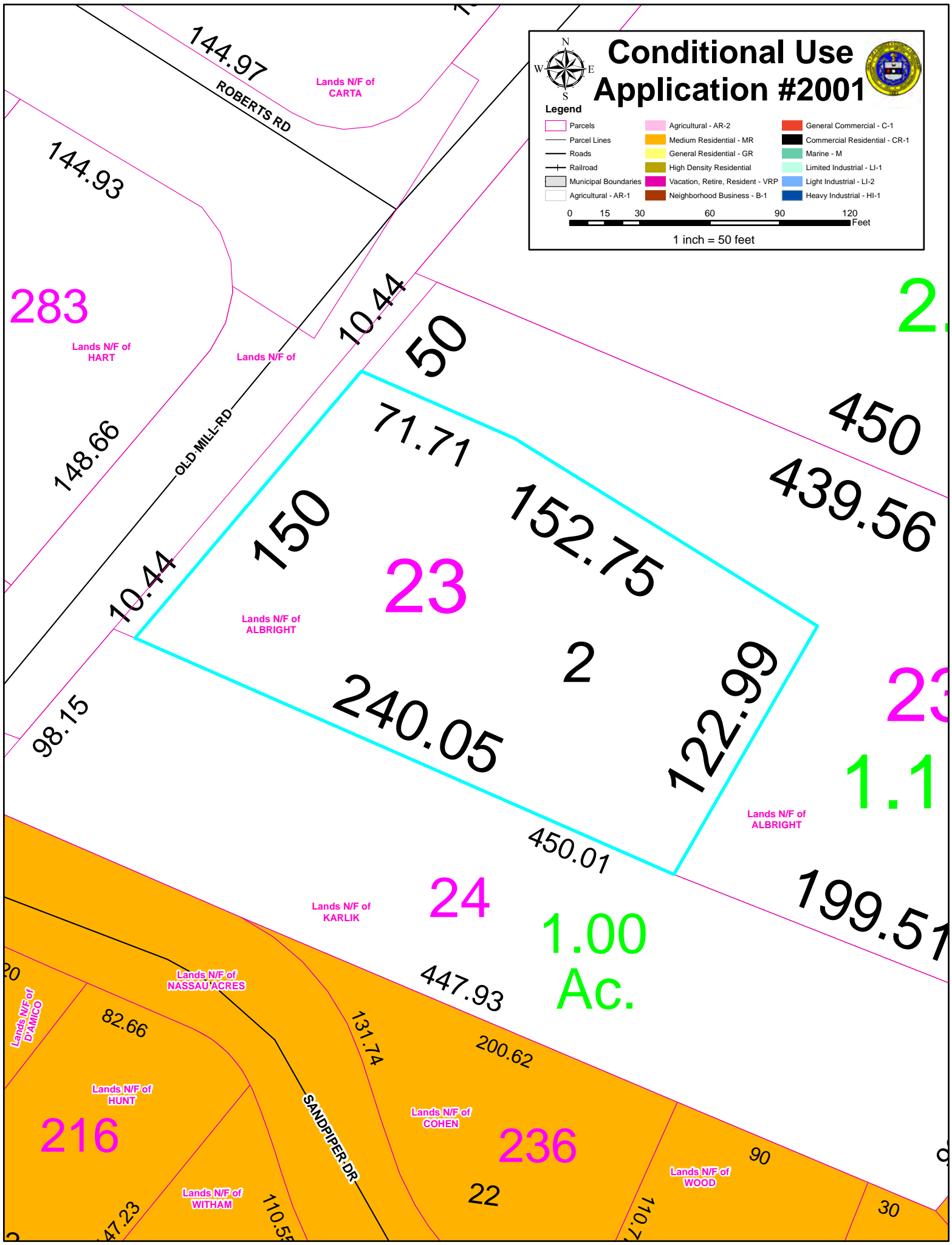


Legend

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

0 15 30 60 90 120 Feet

1 inch = 50 feet





Conditional Use Application #2001

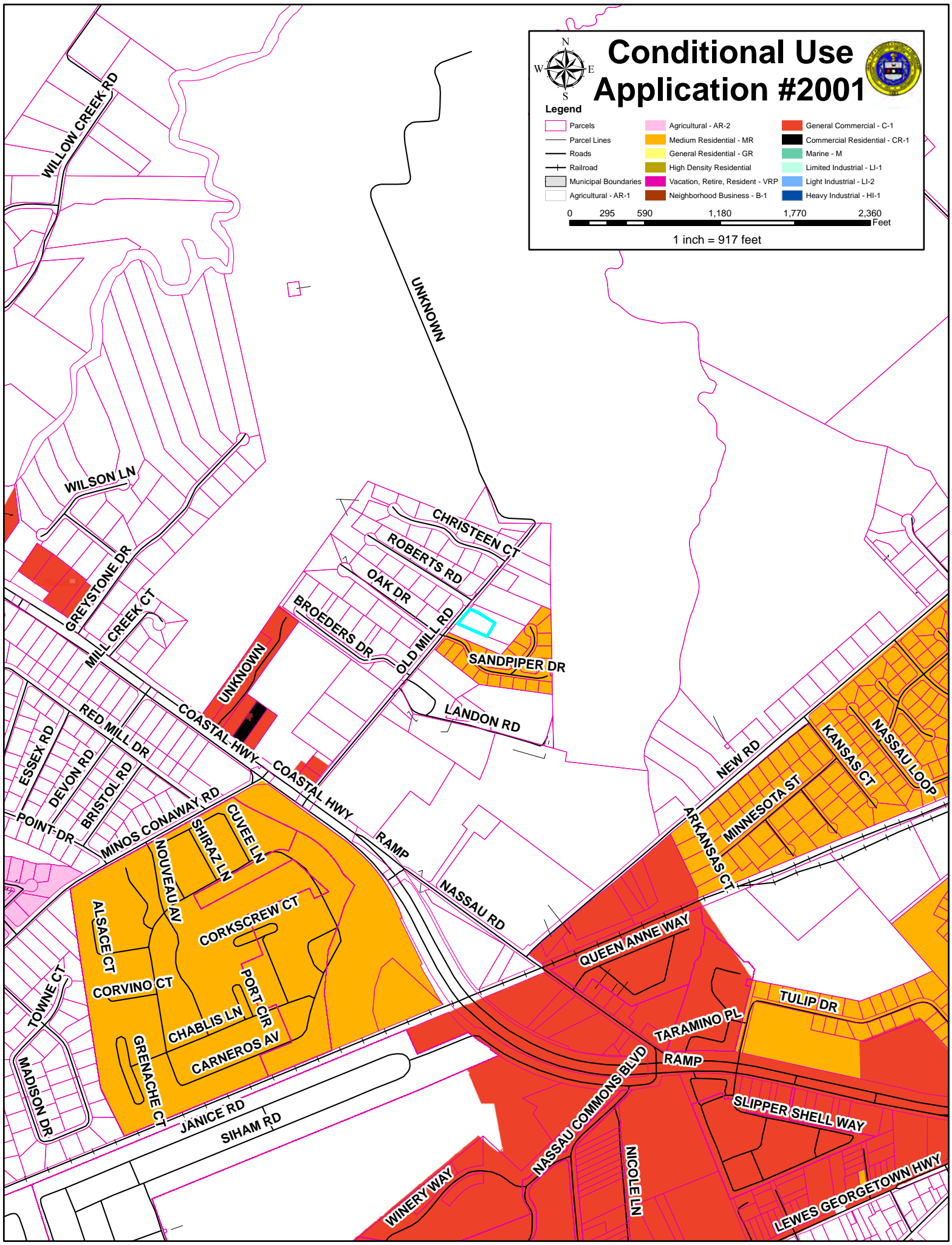


Legend


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

0 295 590 1,180 1,770 2,360 Feet

1 inch = 917 feet



Conditional Use Application #2001



Legend

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

0 15 30 60 90 120 Feet

1 inch = 50 feet

283

2

23

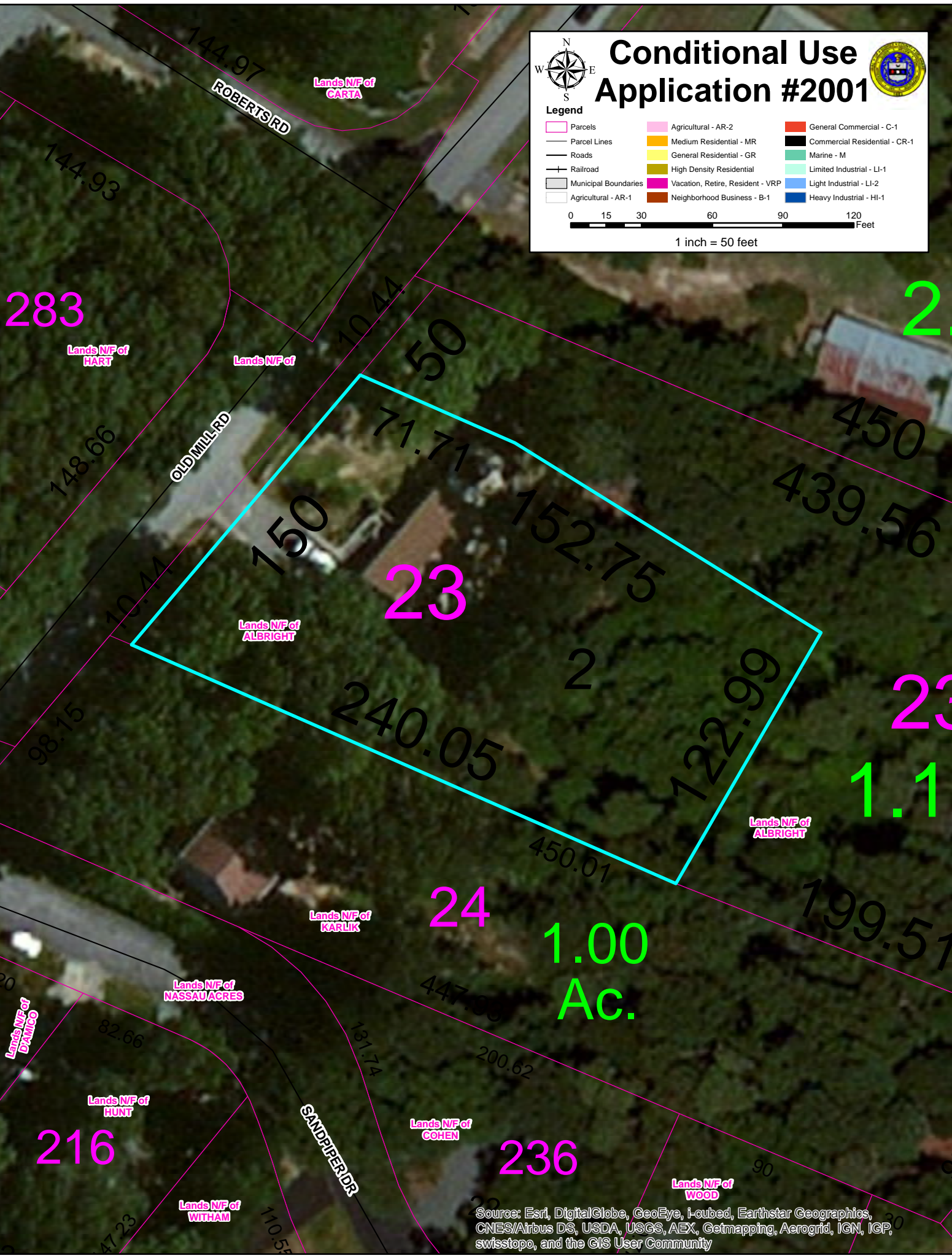
23

1.1

1.00
Ac.

216

236



Source: Esri, DigitalGlobe, GeoEye, i-cubed, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Introduced 09/09/14

**Council District – Deaver - District No. 3
Tax I.D. No. 334-5.00-74.01
911 Address: 32191 Nassau Road, Lewes**

ORDINANCE NO. ____

AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN A C-1 GENERAL COMMERCIAL DISTRICT FOR A DISTILLERY WITH TOURS/TASTING/RETAIL TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED, SUSSEX COUNTY, CONTAINING 24,523 SQUARE FEET, MORE OR LESS

WHEREAS, on the 26th day of August 2014, a conditional use application, denominated Conditional Use No. 2002 was filed on behalf of Beach Bum Distilling, c/o I3A; 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 Conditional Use No. 2002 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 determined, based on the findings of facts, that said conditional use is in accordance with the Comprehensive Development Plan and promotes the health, safety, morals, convenience, order, prosperity and welfare of the present and future inhabitants of Sussex County, and that the conditional use is for the general convenience and welfare of the inhabitants of Sussex County.

NOW, THEREFORE, THE COUNTY OF SUSSEX HEREBY ORDAINS:

Section 1. That Chapter 115, Article XI, Subsection 115-79, Code of Sussex County, be amended by adding the designation of Conditional Use No. 2002 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 Lewes and Rehoboth Hundred, Sussex County, Delaware, and lying at the southeast corner of Nassau Road (Route 14) and New Road (Road 266) and being more particularly described in Deed Book 4073, Page 262, in the Office of the Recorder of Deeds in and for Sussex County, said parcel containing 24,523 square feet, 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.

80.01

Conditional Use Application #2002



Legend

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

0 20 40 80 120 160 Feet

1 inch = 75 feet

Lands N/F of KNAPP

75

Lands N/F of BEST

Lands N/F of BEST

Lands N/F of NASSAU

Lands N/F of WILMINGTON

Lands N/F of DELAWARE

Lands N/F of BEST

74

Lands N/F of REED

Lands N/F of AVON

Lands N/F of DAVIS

Lands N/F of RAPER

Lands N/F of ZERN

Lands N/F of RAY

Lands N/F of KIRBY

Lands N/F of VAUGHAN

Lands N/F of WU

Lands N/F of PIZZI

Lands N/F of ICKRATH

Lands N/F of MCVEY

Lands N/F of FRATICELLI

215

275 S

QUEEN ANNEWAY

NASSAU RD

Lands N/F of BEST

87

Lands N/F of NASSAU

Lands N/F of NASSAU


178
50
10
121
121
100-10
312
294
78
122.6
225
PB 102-233 & 108-230
16.5
300 S

PB 60-156

100

100

Conditional Use Application #2002

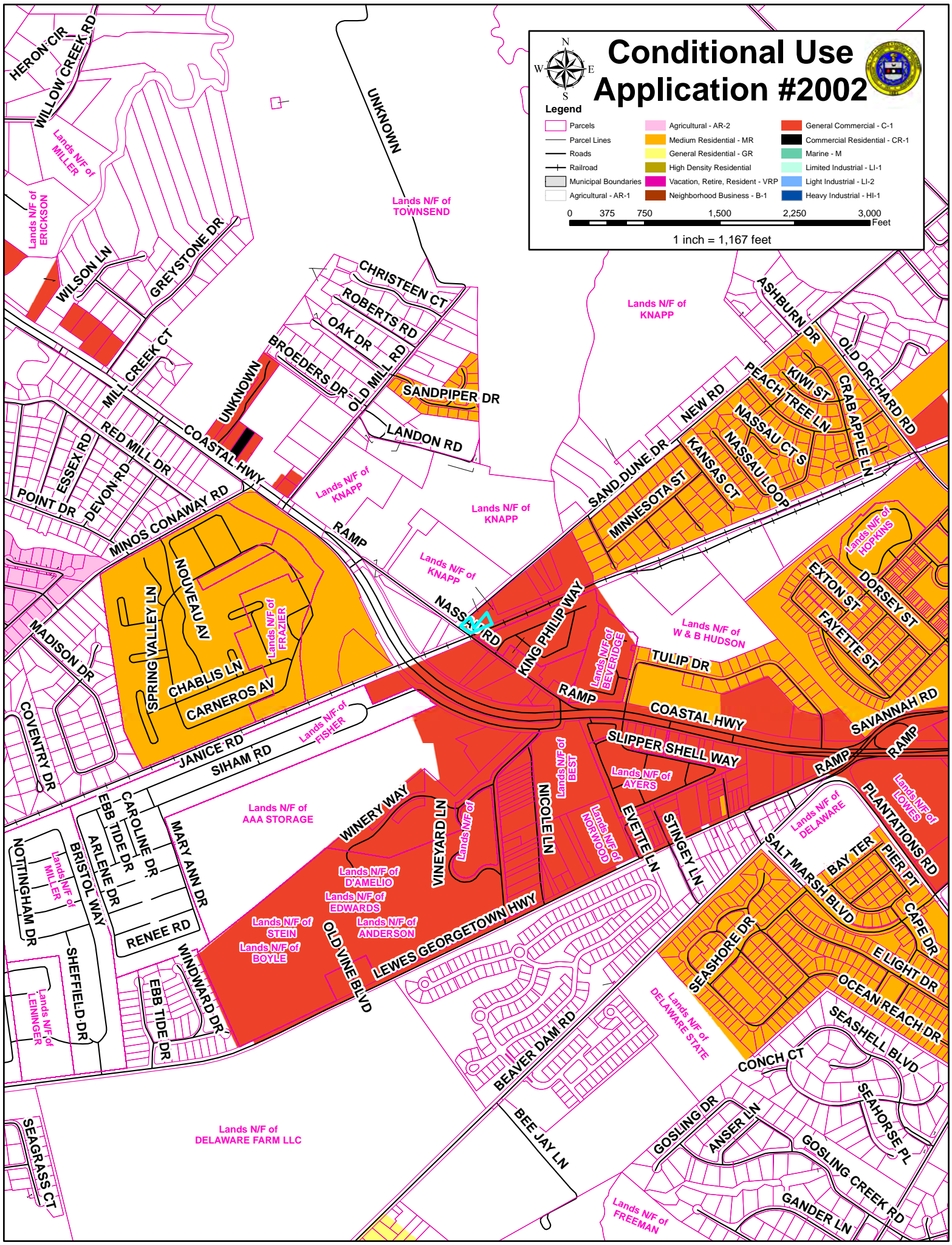


Legend

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


0 375 750 1,500 2,250 3,000
Feet

1 inch = 1,167 feet



80.01

Conditional Use Application #2002



Legend

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

0 20 40 80 120 160 Feet

1 inch = 75 feet

Lands N/F of KNAPP

75

Lands N/F of BEST

5
A

NEW

78

Lands N/F of NASSAU

294

312

Lands N/F of BEST

50

10

100.10

74.01

Lands N/F of WILMINGTON

122.6

PB 60-156

PB 102-233 & 108-230

Lands N/F of DELAWARE

178

Lands N/F of BEST

74

16.5

Lands N/F of AVON

Lands N/F of DAVIS

Lands N/F of RAPER

300 S

Lands N/F of REED

Lands N/F of ZERN

Lands N/F of RAY

Lands N/F of KIRBY

215

Lands N/F of VAUGHAN

Lands N/F of WU

Lands N/F of PIZZI

275 S

Lands N/F of ICKRATH

Lands N/F of MCVEY

Lands N/F of FRATICELLI

QUEEN ANNEWAY

Lands N/F of BEST

87

100

Lands N/F of NASSAU

100

Source: Esri, DigitalGlobe, GeoEye, I-cubed, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Council District 3 - Deaver
Tax I.D. No. 334-11.00-5.00, 395.00 and 396.00
911 Address: None Available

ORDINANCE NO. ____

(Change of Zone No. 1764)

AN ORDINANCE TO MODIFY CONDITION NUMBERS 1, 4, 13, AND 17 IMPOSED ON ORDINANCE NO. 1770 FOR CHANGE OF ZONE NO. 1554, THE APPLICATION OF MARINE FARM, LLC FOR THE COASTAL CLUB, A MR-RPC MEDIUM DENSITY RESIDENTIAL DISTRICT – RESIDENTIAL PLANNED COMMUNITY, AND TO AMEND THE COMPREHENSIVE ZONING MAP OF SUSSEX COUNTY FROM A MR-RPC MEDIUM DENSITY RESIDENTIAL DISTRICT – RESIDENTIAL PLANNED COMMUNITY TO A MR MEDIUM DENSITY RESIDENTIAL DISTRICT FOR A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED, SUSSEX COUNTY, FOR A 13.425 ACRES, MORE OR LESS, PORTION OF THE PROPERTY

WHEREAS, on the 10th day of December 2003, a zoning application, denominated Change of Zone No. 1554 was filed on behalf of Marine Farm, LLC; and

WHEREAS, on the 23rd day of September 2004, a public hearing was held, after notice, before the Planning and Zoning Commission of Sussex County and on the 3rd day of February 2005, said Planning and Zoning Commission recommended that Change of Zone No. 1554 be approved with conditions; and

WHEREAS, on the 12th day of October 2004, a public hearing was held, after notice, before the County Council of Sussex County and the County Council of Sussex County determined, based on the Finding of Fact, 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, and

WHEREAS, on the 14th day of June 2007, a public hearing was held, after notice, before the Planning and Zoning Commission of Sussex County, to delete and/or modify the conditions imposed on Ordinance No. 1770 for Change of Zone No. 1554, and on the 18th day of July 2007, said Planning and Zoning Commission recommended that the requested proposal to delete and/or modify the conditions be denied; and

WHEREAS, on the 17th day of July 2007, a public hearing was held, after notice, before the County Council of Sussex County, and the County Council of Sussex County deferred action; and

WHEREAS, on the 11th day of March 2008, the County Council of Sussex County considered a request from Marine Farm, LLC to withdraw their request for the deletion and/or modification of the conditions imposed in Ordinance No. 1770 and the County Council of Sussex County approved the request to withdraw; and

WHEREAS, on the 21st day of October 2014, a zoning application denominated as Change of Zone No. 1764, was filed on behalf of Coastal Club, LLC, successor in interest of Marine Farm, LLC, to modify condition numbers 1, 4, 13 and 17 imposed on Ordinance No. 1770 for Change of Zone No. 1554 and to amend the Comprehensive Zoning Map of Sussex County from a MR-RPC Medium Density Residential District – Residential Planned Community to a MR Medium Density Residential District for 13.425 acres, more or less; and

WHEREAS, on the ____ day of _____ 2015, a public hearing was held after, after notice, before the Planning and Zoning Commission of Sussex County, and said Planning and Zoning Commission recommended that Change of Zone No. 1764 be _____; and

WHEREAS, on the ____ day of _____ 2015, a public hearing was held, after notice, before the County Council of Sussex County and the County Council of Sussex County determined, based on the Findings of Fact, 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 [MR-RPC Medium Density Residential District – Residential Planned Community] and adding in lieu thereof the designation of MR Medium Density Residential District as it applies to the property hereinafter described.

Section 2. The subject property is described as follows:

BEGINNING at a point on the southeasterly right-of-way of Beaver Dam Road (Road 285) a corner for these subject lands and lands of Coastal Farms – Lender, LLC; thence southeasterly the following four (4) courses along lands of Coastal Farms – Lender, LLC: South 47°57'18" East 25.85 feet to a point; South 09°25'18" East 46.68 feet to a point; South 32°58'59" East 194.24 feet to a point; and South 28°47'15" East 437.52 feet to a point; thence southwesterly along Bundick's Branch the following eight (8) courses: South 52°56'09" West 86.36 feet to a point; South 86°37'32" West 97.46 feet to a point; South 52°05'41" West 159.54 feet to a point; South 20°17'50" West 53.36 feet to a point; South 71°11'15" West 278.63 feet to a point; North 76°38'34" West 310.04 feet to a point; South 77°32'12" West 230.58 feet to a point; and South 87°25'26" West 104.26 feet to a point on the southeasterly right-of-way of Beaver Dam Road (Road 285); thence northeasterly along the southeasterly right-of-way of Beaver Dam Road (Road 285) 2,316.32 feet to the point and place of beginning and containing 13.425 acres, more or less.

Section 3. This Ordinance shall include modifications to condition numbers 1, 4, 13 and 17 imposed on Ordinance No. 1770 for Change of Zone No. 1554, the application of Marine Farm, LLC.

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

To Be Introduced 12/16/14

Council District – Cole - District No. 4

Tax I.D. No. 334-13.00-325.02

911 Address: 19406 Coastal Highway, Rehoboth Beach

ORDINANCE NO. ____

AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN A C-1 GENERAL COMMERCIAL DISTRICT FOR A FOOD TRUCK (VENDOR) TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED, SUSSEX COUNTY, CONTAINING 20,271 SQUARE FEET, MORE OR LESS

WHEREAS, on the 28th day of October 2014, a conditional use application, denominated Conditional Use No. 2009 was filed on behalf of Josh Grapski; and

WHEREAS, on the ____ day of _____ 2015, a public hearing was held, after notice, before the Planning and Zoning Commission of Sussex County and said Planning and Zoning Commission recommended that Conditional Use No. 2009 be _____; and

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

NOW, THEREFORE, THE COUNTY OF SUSSEX HEREBY ORDAINS:

Section 1. That Chapter 115, Article XI, Subsection 115-79, Code of Sussex County, be amended by adding the designation of Conditional Use No. 2009 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 Lewes and Rehoboth Hundred, Sussex County, Delaware, and lying southwest of Coastal Highway (Route One) and southeast of Airport Road (Road 275A) and being more particularly described in Deed Book 3014, Page 251, in the Office of the Recorder of Deeds in and for Sussex County, said parcel containing 20,271 square feet, 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.