

DELAWARE MUNICIPAL ELECTRIC CORPORATION
Regular Finance Committee Meeting
February 16, 2021
Smyrna, Delaware

A meeting of the Finance Committee of the Board of Directors of the Delaware Municipal Electric Corporation was held on February 16, 2021 via Zoom.

The meeting was called to order at 9:01 a.m.

The following roll call was presented:

Committee Present:

Pamela Patone, Chair
MSC of New Castle, General Manager/Secretary
Tyler Reynolds
Town of Middletown, Finance Manager
David Del Grande
City of Newark, Finance Director

DEMEC Staff Present:

Patrick McCullar, President & CEO
Stephanie Dove, Director of Accounting and Settlements
Charles Santo, Accounting Analyst
Jennifer Coulbourne, IT System Administrator

Special Guests: None.

APPROVAL OF MINUTES – November 30, 2020

Upon motion by Mr. DelGrande and second by Mr. Reynolds, the November 30, 2020 Regular Finance Committee meeting minutes were approved by the Committee.

FOLLOW UP ON ACTION ITEMS

DEMEC Rate Study

Mr. McCullar gave an update on where staff was in looking into the possibility of a DEMEC Rate Study. He indicated that a proposal was received and what the scope of the project may look like. Mr. McCullar indicated that this was on the board meeting agenda, as well, and he would report the same update to the Board of Directors.

Investment Services RFP

Ms. Dove indicated that any Investment RFP will be discussed once the Draft Investment Policy has been adopted. The item will stay on the agenda for future discussion.

The Finance Committee is an advisory-only committee of the DEMEC Board of Directors and has no power to finally approve or order any action. The power to act rests exclusively with the DEMEC Board of Directors.

AUDIT

Ms. Dove reported that final fieldwork is happening this week and an update was provided.

TREASURER'S REPORT

Ms. Patone noted that she is working with staff to review what the expectations of the role and that a meeting is happening in February. Mr. McCullar explained his role as AMP Treasurer and how their structure works.

ACCOUNTING POLICIES & PROCEDURES

Investment Policy

A Draft Investment Policy was presented to the Committee by DEMEC staff in November and the policy was sent to the auditors for review and comment. DEMEC staff incorporated the auditors comment into the policy and the Committee requested an addition of a summary table be added. The Draft Investment Policy was recommended for approval by Mr. DelGrande and second by Mr. Reynolds with the addition of the summary table. Ms. Dove noted that the addition will be made, and the policy will be added to the Board meeting agenda in March.

Purchasing Policy

No update.

REVIEW OF FINANCIAL REPORTS

4Q 2020

Ms. Dove provided an overview of the 4th quarter financial statements for the Committee noting that DEMEC ends 2020 with a positive Net Position and Cash remains stable and only changed slightly versus 2019. She noted that this illustrates the stability of DEMEC given the current pandemic environment and that this will be very important to Rating Agencies during their reviews. The Committee asked a few questions regarding payables and prepaids and Ms. Dove answered them.

BUSINESS FROM THE FLOOR

A discussion ensued regarding the Board's expectations of the timing of the Finance Committee's reviews. Ms. Patone will ask the board in the February meeting for feedback.

EXECUTIVE SESSION

None.

Finance Committee Meeting (continued)
February 16, 2021

NEXT MEETING DATES

DEMEC staff will distribute calendar invites to the committee members for the upcoming meetings set for:

- a. Tuesday, May 18, 2021 at 9:00am
- b. Tuesday, August 17, 2021 at 9:00am
- c. Tuesday, November 16, 2021 at 9:00am

ADJOURMENT

The Finance Committee adjourned at 9:42 am.