

DELAWARE MUNICIPAL ELECTRIC CORPORATION
Regular Finance Committee Meeting
August 23, 2022
Smyrna, Delaware

A meeting of the Finance Committee of the Board of Directors of the Delaware Municipal Electric Corporation was held on August 23, 2022 via Zoom.

The meeting was called to order at 9:08 a.m.

The following roll call was presented:

Committee Present:

Charles Anderson
City of Seaford, City Manager
Tyler Reynolds
Town of Middletown, Finance Director
David Del Grande
City of Newark, Finance Director

DEMEC Staff Present:

Stephanie Dove, VP& CFO
Charles Santo, Accounting Analyst

Special Guests: None.

APPROVAL OF MINUTES – May 24, 2022

Upon motion by Mr. Del Grande and second by Mr. Reynolds, May 24, 2022, Regular Finance Committee Meeting minutes were approved by the Committee.

FOLLOW UP ON ACTION ITEMS

DEMEC Rate Study

Ms. Dove gave an update that the study is on hold while DEMEC goes into a deeper review of the Milford data with the Rate Consultant.

Investment Services RFP

After review and discussion, the Committee approved staff to proceed with the RFP but outlining the revisions as presented in the discussion. Revisions included cyber and licensing information for the respondents.

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.

Cash Reserves Study

Ms. Dove discussed the need for a cash study to have outside advisors for the evaluation of appropriate cash balances because staff research within the industry has not helped. Ms. Dove explained the fees involved, the time needed for the study and that this would be a historical look at DEMEC financials and power markets. The Committee agreed for Ms. Dove to add funds to the 2023 budget and to move forward with PFM for the study in Spring 2023.

FINANCE COMMITTEE LEADERSHIP

Chairperson/DEMEC Treasurer Position

Ms. Dove reminded the Committee that the full Board will appoint a new Finance Committee chairperson and committee members at the Annual Meeting in September 2022, as well as the DEMEC Treasurer, who typically holds both roles.

TREASURER'S REPORT

Mr. Anderson had no formal report but mentioned that he continues to work with Ms. Dove to answer any questions he has regarding reports provided by staff on a monthly basis.

ACCOUNTING POLICIES & PROCEDURES

Capital Asset Maintenance O&M Reserve Policy

Ms. Dove noted that this policy still needs more time to be researched and updated.

Beasley Operating Reserve Policy

Ms. Dove noted that this policy still needs more time to be researched and updated.

Rate Stabilization Policy

Ms. Dove noted that this policy still needs more time to be researched and updated.

MRPS Reserve Policy

Ms. Dove noted that this policy still needs more time to be researched and updated.

Cash Flow Policy

Ms. Dove noted that this policy still needs more time to be researched and updated.

Accounting Policies & Procedures

Ms. Dove noted that this policy still needs more time to be researched and updated.

Purchasing Policy

Ms. Dove noted that this policy still needs more time to be researched and updated.

REVIEW OF FINANCIAL REPORTS

2Q 2022

Ms. Dove highlighted the financial results for the period ending June 30, 2022, during the Executive Session.

BUSINESS FROM THE FLOOR

The Committee discussed the adding of additional time to the upcoming Quarterly Board Meetings in order to discuss the next budget. Other potential financial topics for Quarterly Board Meetings were discussed.

EXECUTIVE SESSION

The Committee went into executive session at 10:01 a.m. upon motion by Mr. Del Grande, seconded by Mr. Reynolds, to discuss the following:

1. To discuss 2Q 2022 financial highlights

The Committee ended executive session and returned to regular session at 10:24 a.m.

NEXT MEETING DATES

(Third Tuesday of the second month following the quarter end; subject to change)

- a. Tuesday, November 15, 2022 at 9:00 am
- b. Tuesday, February 21, 2023 at 9:00 am
- c. Tuesday, May 11, 2023 at 9:00 am

ADJOURNMENT

The Finance Committee adjourned at 10:28 a.m.