

**DELAWARE MUNICIPAL ELECTRIC CORPORATION**  
**Regular Finance Committee Meeting**  
November 8, 2022  
Smyrna, Delaware

A meeting of the Finance Committee of the Board of Directors of the Delaware Municipal Electric Corporation was held on Tuesday, November 8, 2022, via Zoom.

The meeting was called to order at 1:01 p.m.

The following roll call was presented:

Committee Present:

Charles Anderson  
City of Seaford, City Manager  
Tyler Reynolds  
Town of Middletown, Finance Director

Absent:

David DelGrande  
City of Newark, Finance Director

DEMEC Staff Present:

Kimberly Schlichting, President & CEO  
Stephanie Dove, Vice-President & CFO  
Willie Marshall, Director of Finance  
Tara LaGrassa, Accounting Analyst

Special Guests: None.

APPROVAL OF MINUTES – August 23, 2022

Upon motion by Tyler Reynolds and second by Charles Anderson, August 23, 2022, Regular Finance Committee Meeting minutes were approved by the Committee.

FOLLOW UP ON ACTION ITEMS

NEW STAFF ADDITION

Ms. Dove welcomed new DEMEC staff additions Willie Marshall, Director of Finance and Tara LaGrassa, Accounting Analyst.

DEMEC Rate Study

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

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.

### Investment Services RFP

Ms. Dove stated the RFP was sent to the committee and back on the street and the responses due on November 14<sup>th</sup> – Potential interviews on the calendars for December 15<sup>th</sup> and 16<sup>th</sup>. When proposals are received, DEMEC staff will work with PFM and the Finance Committee on the next steps. Charles Anderson asked if the readvertisement of the RFP was successful in getting additional respondents. Ms. Dove replied that two proposals have come in so far.

### Cash Reserves Study

Ms. Dove stated that it is in the 2023 budget to work with PFM after the audit is done in the Spring to see what we should have in all the reserve buckets and have an appropriate level of funding.

### AUDIT

Ms. Dove stated the Prelim Fieldwork has been moved to the week of December 12th. As noted in the financial statements we still need to work through GASB 91 *Conduit Debt Standard* to adjust DEMEC books to remove all On Behalf of Financing related accounts. Information already in the records must be tracked for the Bond Covenants but we will be working with Baker Tilly to get everything moved. Once everything is removed it should zero out.

### TREASURER'S REPORT

Mr. Anderson and Ms. Dove had no formal report.

### 2023 BUDGET

Reviewed in executive session.

### ACCOUNTING POLICIES & PROCEDURES

#### Capital Asset Maintenance O&M Reserve Policy

Ms. Dove noted that this policy is on hold until after the cash reserves study in 2023.

#### Beasley Operating Reserve Policy

Ms. Dove noted that this policy is on hold until after the cash reserves study in 2023.

#### Rate Stabilization Policy

Ms. Dove noted that this policy is on hold until after the cash reserves study in 2023.

#### MRPS Reserve Policy

Ms. Dove noted that this policy is on hold until after the cash reserves study in 2023.

#### Cash Flow Policy

Ms. Dove noted that this policy is on hold until after the cash reserves study in 2023.

Accounting Policies & Procedures

Ms. Dove noted that this policy is on hold until after the cash reserves study in 2023.

Purchasing Policy

Ms. Dove noted that this policy is on hold until after the cash reserves study in 2023.

REVIEW OF FINANCIAL/INVESTMENT REPORTS

Reviewed in executive session.

BUSINESS FROM THE FLOOR

None.

EXECUTIVE SESSION

The Committee went into executive session at 1:10 p.m. upon motion by Tyler Reynolds, seconded by Charles Anderson, to discuss the following:

1. To discuss 3Q 2022 financial highlights and review of 2023 budget.

The Committee ended executive session and returned to regular session at 2:23 p.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 2.25 p.m.