

DELAWARE MUNICIPAL ELECTRIC CORPORATION
Regular Finance Committee Meeting
February 20, 2024
Smyrna, Delaware

A meeting of the Finance Committee of the Board of Directors of the Delaware Municipal Electric Corporation was held on Tuesday, February 20, 2024, via Microsoft Teams.

The meeting was called to order at 9:02 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 DelGrande
City of Newark, Finance Director

DEMEC Staff Present:

Kimberly Schlichting, President & CEO
Stephanie Dove, Chief Financial Officer
Willie Marshall, Director of Finance
Tara LaGrassa, Accounting Analyst

Absent: None

APPROVAL OF MINUTES – November 14, 2023

Upon motion by David DelGrande and second by Tyler Reynolds, November 14, 2023, Regular Finance Committee Meeting minutes were approved by the Committee.

FOLLOW UP ON ACTION ITEMS

Credit Ratings

Discussed in Executive Session.

Capital Improvement Plan

Ms. Dove stated that part of the goals this year for 2024 is to provide a 5-year capital improvement plan. DEMEC does have a capital improvement plan for Beasley that is used, however, staff would like to know what the committee is looking for so staff can fulfill those needs. Mr. Anderson stated that Seaford requires their directors and supervisors to do a 3-year CIP for big projects. Mr. Anderson stated that since DEMEC is marching forward with a new office building, to consider putting together a timeline of the events since it will be projected over the next couple of budget years. Mr. Anderson and Mr. Reynolds also asked if we could identify the big projects at Beasley that are coming up. Both Mr. Reynolds and Mr. DelGrande also stated that they too require their department heads to give them a plan. Currently DEMECs capital

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.

Finance Committee Meeting (continued)

February 20, 2024

improvement plan is a living document that is updated frequently to capture forward costs that we know will be coming up. Suggestions were made by the committee on what should be included in the plan.

TRAINING

Ms. Dove noted that DEMEC will be hosting their first Finance and Accounting Roundtable on March 12, 2024. The training will be PFM: Introduction to Rating Agency Criteria.

AUDIT

Final Fieldwork

Mr. Marshall provided an up-to-date overview of where DEMEC is regarding the final fieldwork. Duties were assigned to individuals to complete each task. Requested items will be uploaded by Friday, February 20th. DEMEC is working with the auditors on the GASB 96 standard to see whether it is something that we must adhere to and if we scope out of the standard.

Audit Timing

Mr. Marshall and Ms. Dove provided a draft audit timeline and stated sometime during the week of March 25 - April 5, we should be getting drafts that we will then share with the committee for comments and then we will have a meeting with Baker Tilly and the Finance Committee to discuss.

ACCOUNTING POLICIES & PROCEDURES

Cash Flow Policy

Ms. Dove noted that this policy is on hold until after the 2023 Audit is completed.

Purchasing Policy

Ms. Dove noted that this policy is on hold until after the 2023 Audit is completed.

REVIEW OF FINANCIAL/INVESTMENT REPORTS

4Q 2023

Ms. Dove highlighted the financial results for the period ending December 31, 2023. A discussion ensued.

BUSINESS FROM THE FLOOR

None.

EXECUTIVE SESSION

Motion was made by Mr. Reynolds and seconded by Mr. Del Grande to go into Executive Session at 9:46 a.m. to discuss the following:

1. Credit Ratings

The Finance Committee ended the executive session at 10:34 a.m.

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.

Finance Committee Meeting (continued)

February 20, 2024

NEXT MEETING DATES

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

- a. Tuesday, May 21, 2024, at 9:00 a.m.
- b. Tuesday, August 20, 2024, at 9:00 a.m.
- c. Tuesday, November 19, 2024, at 9:00 a.m.

ADJOURNMENT

The Finance Committee adjourned at 10:36 a.m.