

DELAWARE MUNICIPAL ELECTRIC CORPORATION
Regular Finance Committee Meeting
November 18, 2025
Smyrna, Delaware

A meeting of the Finance Committee of the Board of Directors of the Delaware Municipal Electric Corporation was held on Tuesday, November 18, 2025, via Microsoft Teams.

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

The following roll call was presented:

Committee Present:

Charles Anderson
City of Seaford, City Manager
Tyler Reynolds
Town of Middletown, Finance Director
Kendrick Natale II
City of New Castle, Comptroller/Treasurer

DEMEC Staff Present:

Stephanie Dove, Chief Financial Officer
Willie Marshall, Director of Finance
Tara LaGrassa, Accounting Analyst

Absent: None

APPROVAL OF MINUTES – August 19, 2025

Upon motion by Kendrick Natale II and second by Tyler Reynolds, August 19, 2025, Regular Finance Committee Meeting minutes were approved by the Committee.

FOLLOW UP ON ACTION ITEMS

Upcoming Training

Ms. Dove expressed that the two-part webinars that occurred in October and November with Dawn Lund, Vice President of Utility Financial Solutions, LLC were very good. The training covered “Understanding Financial Statements & Operations Ratios.” Mr. Natale stated he had taken one of Ms. Lunds training at APPA and it was great. The Committee agreed that Ms. Lund’s classes are fantastic. Ms. Dove stated the training courses were recorded and will be uploaded onto the LMS so they can be shared with staff and council members. There will be more in-depth workshop training sometime in June 2026 with Dawn Lund going over each member’s financials and because it will be done through APPA, DEMEC will offer CPEs. Mr. Reynolds suggested having PFM do training after the cash management study is done.

ACCOUNTING POLICIES & PROCEDURES

Cash Flow Policy

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)

November 18, 2025

Ms. Dove noted that this policy is forthcoming.

Purchasing Policy

Ms. Dove noted that this policy is forthcoming.

Credit Rating Policy (Member Financial Assessment Program)

Ms. Dove stated that Willie is working on scoring Middletown, then New Castle is next. Once the scoring is completed, the memo will be put together and according to the policy it then goes to the President and the Treasurer for review. Once it is reviewed, it will be given to the member.

Investment Policy Review

Ms. Dove stated for the investment policy review, an update is needed just for a title change because there is no longer an SVP Power Supply & Operations title. Ms. Dove said DEMEC is making good interest in the portfolio and does not want to make the weighted average term longer because then we are more subject to interest rate risk. Ms. Dove said she would consider changing the credit quality to triple B because triple B is investment grade. Ms. Dove asked the committee if their investment policy says investment grade quality or has a credit requirement in it and a conversation ensued.

DAYS OF CASH ON HAND

Ms. Dove stated DEMEC continues to monitor the cash reserves and provided recommendations for 2026.

AUDIT

Mr. Anderson reported that he had the entrance meeting yesterday with Baker Tilly and it went really well. Mr. Marshall then gave an update on where finance is with the prelim field work and reported that finance is making good strides and is on target to complete the audit in a timely manner. Ms. Dove stated the only new thing that has been identified this year is the pension. The other thing that is being reviewed is GASB 102. Mr. Reynolds stated the state's pension reporting is on a year lag. Mr. Natale II stated we will have to take whatever the state's last report is and use that. Finance has reached out to the pension department to try to get the information that is needed and we are working with the auditor to see what must be done to be compliant.

2026 BUDGET

None.

REVIEW OF FINANCIAL/INVESTMENT REPORTS

3Q 2025

Ms. Dove reviewed the unaudited financial results for the third quarter of 2025. Also discussed were generation performance and associated revenues. A conversation ensued.

BUSINESS FROM THE FLOOR

None.

EXECUTIVE SESSION

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Finance Committee Meeting (continued)

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None.

NEXT MEETING DATES

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

- a. Tuesday, February 17, 2026, at 9:00 a.m.
- b. Tuesday, May 19, 2026, at 9:00 a.m.
- c. Tuesday, August 18, 2026, at 9:00 a.m.

ADJOURNMENT

The Finance Committee adjourned at 9:33 a.m.