

**Lewes Board of Public Works
Finance Committee Meeting Minutes**

Tuesday, May 13, 2025

10:00am

BPW Conference Room, 107 Franklin Avenue, Lewes, DE 19958

1. Call to Order

The meeting was called to order at **10:03 AM** by Co-Chair Richard Nichols.

2. Roll Call

Members Present:

Richard Nichols, BPW Treasurer, Co-Chair
Bob Heffernan, Assistant BPW Treasurer, Co-Chair
Robin Davis, Interim General Manager
Kimberly Bellere, Finance Manager
Amy Marasco, Ex-Officio City Council
Carolyn Jones, Committee Member

Members Absent:

Calvin Jaber
Mike Hogan

Others Present,

Sharon Sexton, BPW Special Projects Coordinator
Jennifer Daisey, BPW AP Specialist, Finance Assistant

3. Approval of Minutes – March 17, 2025

- A review of the March 17 minutes included discussion about a suggested title change from “Finance Manager” to “Finance Director.”
- After clarifying the organizational structure and reporting relationships, the committee agreed to retain “Finance Manager” as the correct title.
- Ms. Jones motion to approve the March 17, 2025, Finance Committee meeting minutes and was seconded by Mr. Heffernan. Motion passed unanimously.

4. Finance Committee Resolution

- The committee reviewed a resolution modifying the description, creation, and voting rights of the Finance Committee.
- Key clarifications:

- The Finance Committee is **appointed by the Board**.
 - All members are eligible to vote.
 - Ms. Jones motioned to approve all changes and forward the resolution to the Board. Ms. Bellere seconded the motion, which passed unanimously.
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5. Policy 3.1 – Capitalization Threshold

- The current threshold of **\$5,000**, set 20 years ago, was considered outdated given rising costs.
 - Ms. Bellere referenced DEMEC's \$50,000 threshold and suggested aligning to broader industry norms.
 - Staff emphasized that if an asset is not capitalized, the expense hits the budget all at once versus being spread over its useful life.
 - Capitalization impacts timing of budget impacts, asset detail, and depreciation schedules.
 - Staff recommended increasing the threshold and reviewing it **every 3 years**, aligned with the fiscal year.
 - Electronic asset tagging was proposed for future asset tracking, requiring new equipment.
 - The committee reached a consensus to double the threshold to **\$10,000** and forward the recommendation to the Board.
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6. Policy 3.2 – Purchase Authorization

- Current policy requires a **\$2,500 threshold**, above which a purchase order must be issued and approved by the GM.
 - Kim Bellere noted it feels low but effective due to the accountability built into the process.
 - **No changes** were recommended.
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7. Policy 3.11 – 5-Year Capital Budget

- The committee agreed to remove references to a 10-year budget and reaffirm the 5-year planning model.
 - The financial framework will be a mechanism to help create the capital budget.
 - The revised policy will focus on actionable planning for major repairs, renovations, and capital additions.
 - The committee reached a consensus to send the updated policy to the Board was passed by consensus.
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8. Audit Process & Federal Audit Requirements

- Audit began the week of April 21, with auditors (Zelenkofske & Axelrod) requesting invoice samples and documentation.
- The process is being conducted virtually, using Teams and email communication.
- A pre-Board review of the audit with the Finance Committee was recommended and supported by Bob Heffernan to ensure multi-perspective oversight and staff support.
- Audit findings are expected to be presented to the Board in July or August, following a June committee review.
- If federal funding exceeds \$1 million, a Single Audit Act requirement is triggered:
 - Funds from DHSS, DNREC, and ARPA are subject to this.
 - A separate audit report will be submitted to DNREC and included as a supplemental annex to the regular audit.
- Donovan Smith project is nearing completion and will be covered under the federal audit.

9. Future Agenda Topics

- **Investment Policy (3.7)** is under review and will be discussed at a future meeting.
- **10-Year Financial Framework** update in progress:
 - Capital and operating expenditures finalized.
 - Debt and grant data to be added.

10. Adjournment

- Motion to adjourn was made by Carolyn Jones, seconded by Bob Heffernan.
- Motion passed unanimously.
- Meeting adjourned at **10:40 AM**.

Respectfully Submitted,
Sharon Sexton
BPW Special Projects Coordinator



Board Secretary, D. Preston Lee, P.E.

9/26/25
Date