

Lewes Board of Public Works
Finance Committee Meeting
March 13, 2026, at 10:00 am
BPW Conference Room
107 Franklin Avenue
Lewes, DE 19958

Meeting minutes

1. Welcome, Call the Meeting to Order

Richard Nichols called the Finance Committee meeting to order at 10:05 AM on March 13, 2026.

2. Roll Call

Present:

Richard Nichols (BPW Treasurer, Co-Chair)
Bob Heffernan (BPW Asst Treasurer)
Robin Davis (BPW General Manager),
Kimberly Bellere (BPW Finance Manager)
Mike Hogan (Committee Member)
Calvin Jaber (Committee Member)
Carolyn Jones (Committee Member)

Absent: Trina Brown Hicks (Committee Member)

Others Present:

Sharon Sexton (BPW Asst. General Manager)
Kristina Keller (BPW Office Manager)
Jennifer Daisey (BPW Finance Asst – online)

3. Review Finance Committee Minutes from February 20, 2026

Kimberly Bellere requested several corrections to the February 20th minutes, including clarifications about cost of service study pricing, rate terminology, and speaker attributions. The changes focused on technical accuracy regarding bid results, rate calculations, and Sussex County Agreement.

Motion by Bob Heffernan, seconded by Carolyn Jones, to approve the minutes as amended. Motion Passed unanimously.

4. Review Changes to Fiscal Year 2027 Operations & Maintenance and Capital Budgets

Kimberly Bellere presented budget revisions based on discussions with GMB and the City of Lewes. Key changes included timing adjustments for capital projects, updated gate replacement costs to \$38,500, corrections to the PCA base rate resulting in an eleventh of a

penny adjustment, and January actuals. Storm water fees were revised to \$3, \$6, and \$12 annual increases to comply with tariff requirements. Additional expenses included \$16,500 for maintenance management software and a project manager position for half the year.

The committee discussed cash flow presentation issues, with Mike Hogan noting that the model needed to properly reflect the \$10 million liquidity account at UBS in addition to Fulton Bank balances for accurate cash reporting.

Motion by Carolyn Jones, seconded by Bob Heffernan to approve the fiscal year 2027 budget and 5-year capital projects for presentation to the board, with the understanding that summary sheets will be adjusted to include the UBS liquidity account for complete cash reporting. Motion Passed unanimously.

5. Discussion About Operations, Account Cash Balance, and Investments of Reserve Funds

Kimberly Bellere presented an analysis of optimal operating account balances, showing three calculation methods ranging from \$18 million to \$19.6 million annually. The committee discussed maintaining 1 to 2 months of operating expenses in the Fulton Bank account, with excess funds transferred to the UBS money market account earning 3.56%. A money market rate comparison was conducted to compare our current rate at UBS vs Fulton (3.29%) and Vanguard (3.65%). Committee agreed with staff recommendation to stay with UBS because the rate difference was not significant enough to create a new relationship.

The committee agreed to establish operating range rather than fixed amounts, with Kimberly tasked to return with an analysis showing transfer frequency under different balance ranges. Mike Hogan noted that UBS reduced reserve management fees from 80 to 75 basis points due to increased assets under management.

The model was adjusted to show \$2 million in operating accounts, moving approximately \$8 million to investments, resulting in total UBS investments of approximately \$20 million split between reserve and liquidity accounts.

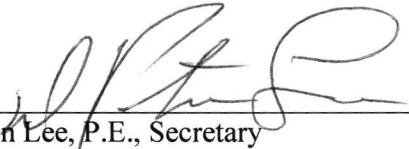
6. Schedule the Next Meeting and Agenda Topics

The committee identified reserve policy review as the primary agenda item for the next meeting. Mike Hogan outlined several policy areas requiring discussion including debt management, reserve calculations, and investment policies. The next meeting was tentatively scheduled for the week of April 27th, after the board meeting and year-end closing activities.

7. Adjournment

**Motion by Carolyn Jones, seconded by Bob Heffernan, to adjourn at 11:54 am.
Motion Passed unanimously.**

Respectfully submitted
Kristina Keller
Office Manager



D. Preston Lee, P.E., Secretary

5/27/20

Date