

# BOARD OF PUBLIC WORKS

## *Vision*

The Board of Public Works exists to improve the quality of life of the customers we serve.

## *Mission*

We are dedicated to providing our current and future customers with utility and other value added services in a safe, reliable, and economical manner consistent with sustainable growth, community involvement, and environmental stewardship.

**Special Meeting of the Board of Public Works was held in Lewes City Hall, Council Chambers,  
114 East Third Street, Lewes, Delaware on Thursday, December 20, 2012 at 2:00 PM.**

### **Board Members Present:**

*C. Wendell Alfred  
D. Preston Lee, P.E.  
Jack Leshner  
James N. Richmann  
Candace Vessella*

### **Ex-Officio Members Present:**

*James L. Ford III, Mayor  
Darrin Gordon, General Manager  
Glenn C. Mandalas, Legal Counsel  
Heidi Wagner, Asst. General Manager*

### **Others Present:**

*Dennis Reardon, Resident (1302 Bay Avenue)  
Adrian Nakayama, Resident (53 DeVries Circle)  
Theodore Becker, City Council  
Victor Letonoff, City Council  
Fred Beaufait, City Council  
Bonnie Osler, City Council*

## **1. Welcome, Call Meeting to Order and Pledge of Allegiance**

At 2:00 PM, President Alfred welcomed everyone, called the meeting to order and led Pledge of Allegiance. A moment of silence was observed for the families of the children of Sandy Hook Elementary School.

## **2. Roll Call**

President Alfred stated all Board Members, General Manager Darrin Gordon, Assistant General Manager Heidi Wagner, Mayor James Ford, and Legal Counsel Glenn Mandalas are present.

## **3. Revisions and/or Deletions to the Agenda**

There were no revisions or deletions to the Agenda.

## **4. The approval of a loan to the City of Lewes. (D. Gordon)**

### **INFORMATION:**

Darrin Gordon presented a draft resolution that allows the Board of Public Works ("BPW") to authorize a loan to the City of Lewes in the amount of \$2,150,000. He stated that it is his responsibility to make sure that this is legal according to the Charter, Bylaws, and Investment Policy and will do no harm to the ratepayers. The note is drafted so that it will meet the very same interest rates as if the money went to Chesapeake Group, the BPW's investment bankers. Darrin Gordon recommended passing the resolution.

Glenn Mandalas read Resolution 2012-08 authorizing a loan to the City of Lewes in the amount of \$2,150,000 for the Purchase of Real Property identified as Sussex County Tax Map and Parcel No. 3-35-8.15-40.00. He stated that Section 1 does authorize the President of the Board to sign not only this note but to take any other actions within reason that are necessary or desirable to complete the loan to the City of Lewes. The initial interest rate on the unpaid principal balance shall be one one-hundredth of a percent (0.01%) per annum. The interest rate will be adjusted quarterly to match the rate of return on investments that Creditor invests with the Chesapeake Group at UBS Financial Services; provided, however, that the maximum interest rate shall be ten

percent.

**DISCUSSION:** Jack Leshner had questions as to when the interest rate would be adjusted. Darrin Gordon said the BPW will be receiving quarterly audited reports from Chesapeake Group on the investments and that will be the rate applied to the payment. The payments from the City will mirror the investment with the Chesapeake Group.

James Richmann asked Darrin Gordon if he can disperse the funds without a counter signature. Darrin Gordon responded yes, that he would be wiring the monies and that Jack Leshner will then approve the transaction.

Wendell Alfred asked if there were any questions of the public. There were none.

James Richmann made motion for the Board to adopt Resolution 2012-08 as read by Glenn Mandalas. Jack Leshner seconded and motion carried unanimously.

Candace Vessella stated that she is the President of the Board of the Friends of the Lewes Public Library ("Friends"). This is not the body that has control over the library regarding decision making and fund raising. Friends raises money for books and programs at the library. The Library Board is a separate body whose Commissioners are appointed by the Superior Court of the State of Delaware and are responsible for the fund raisers for the bricks and mortar, and the selection and design of the library. She stated that she wants to make it clear that her role is separate and that Friends is a 501c3. Glenn Mandalas said that Candace did contact him and that there is no conflict of interest.

Wendell Alfred brought up the issue of transparency. He stated that this loan became public record at last night's City Council meeting. Because of the time frame that they were given, both the City as well as the BPW wants the ratepayers to know that this loan was not something that was kept under the covers. We have kept this as transparent as possible and we are here to support the City.

**5. Call to the Press:**

No questions or comments.

**6. Adjournment**