



What is the Background on the BPW loan to the City of Lewes for the Library?

BACKGROUND: The BPW was asked by the City of Lewes to provide a temporary (24 month) loan in the amount of \$2,150,000 for the purchase of the land for the new Lewes Public library, a trail head and other uses deemed appropriate by the City Council. The monies loaned are a part of the capital funds held in reserve. For additional information about the BPW cash reserve policy, please see “What is the BPW Cash reserve Policy” information paper published in July 2012 and on the Documents portion of our web page: lewesbpw.delaware.gov

Terms of the Loan: The City of Lewes has signed a loan agreement providing the Lewes BPW the same interest rate that it is receiving from the financial institutions that hold these funds. The term of the loan commenced on December 20, 2012 for a term of 24 months. The loan may be paid back in advance of the term without penalty. Once the monies are returned to the BPW they will again be invested with a commercial banking enterprise that comports with the conservative investment policy of the Board. The Citizens of Lewes are getting a favorable rate on the monies borrowed and the customers of the BPW are not losing any revenue on the monies it had with a commercial banking institution.

QUESTIONS: If you have further questions about the BPW loan of monies to the City of Lewes for the purchase of the Lewes Public Library land, please contact the BPW General Manager, Darrin Gordon: 302-645-6228 or go to: www.lewesbpw.delaware.gov