

**DRAFT MINUTES FROM MEETING OF CASH MANAGEMENT POLICY BOARD
BUENA VISTA CONFERENCE CENTER
NOVEMBER 19, 2013**

A meeting of the Cash Management Policy Board (the "Board") was held on Tuesday, November 19, 2013 at 10:30 am at the Buena Vista Conference Center, 661 South DuPont Highway, New Castle, DE 19720.

Board Members in Attendance: Honorable Chip Flowers, State Treasurer
Honorable Tom Cook, Secretary of Finance
Honorable Jeff Bullock, Secretary of State
Mr. John Flynn
Mr. Warren Engle
Mr. Mike Karia
Mr. David Marvin
Ms. Margaret Iorii (via phone)

Others in Attendance: Deputy Attorney General Ed Black
Mr. Steve McVay, Investment Manager
Ms. Kelly Callahan, Special Assistant to the State Treasurer
Mr. Chip Kurtzman, Credit Suisse Securities (USA) LLC
Ms. Celia Cohen, Member of the Public
Mr. Jonathan Starkey, Member of the Public
Mr. Ken Simpler, Member of the Public

Mr. Flynn called the meeting to order at 10:34 am.

Minutes

There was a motion to approve the minutes from the April 2013 9:00 am meeting of the Board made by Treasurer Flowers. Secretary Cook seconded the motion. Without objection, the motion carried. Mr. Engle abstained from the vote.

There was a motion by Treasurer Flowers to approve the minutes from the April 2013 10:30 am meeting of the Board as amended. Mr. Karia seconded the motion. Without objection, the motion carried.

Investment Subcommittee Report

Mr. Marvin reported that he had a meeting with Treasurer Flowers and Mr. Kurtzman. Mr. Marvin did not see the meeting as productive and asked that the investment subcommittee report be dismissed and the Board move to the next item on the agenda.

There was discussion about performance reports and Mr. Flynn asked Mr. Kurtzman to report.

Credit Suisse Report

Mr. Kurtzman began to review the economic forecast from Credit Suisse. Mr. Marvin did not wish for Mr. Kurtzman to proceed with this report. Treasurer Flowers did. There was an extensive report presented by Mr. Kurtzman after much discussion. Please see the entire report from Credit Suisse for details.

Treasury Report

Treasurer Flowers discussed his meeting with Governor Markell and the questions raised about the Board. Discussion ensued.

Attorney General Report

There was a resolution to get an opinion from the Attorney General's Office. Treasurer Flowers inquired as to whether the Treasury's Deputy Attorney General was consulted on the letter submitted. He was not. There was a discussion concerning disagreement over the questions presented to the Attorney General's Office. There was a motion by Mr. Engle to see a resolution to the questions contained in Mr. Black's letter. Mr. Karia seconded the motion and the motion passed.

Mr. Flynn inquired as to whether the proposed legislation concerning the Board exempted the Board from the Administrative Procedures Act ("APA") and expressed his belief that the Board should be exempted. The Attorney General's Office did not give a firm opinion on this, but did provide a previous recommendation that the Board follow the APA. Discussion ensued concerning the APA's application to the Board. The discussion continued as to whether the Board met the time standard concerning the APA with regards to particular policy changes. Mr. Black provided the opinion that the Board had met the standard even though the APA procedures were not followed. Treasurer Flowers disagreed and asked the Attorney General's Office to provide clarification.

Request from Department of Natural Resources and Environmental Control ("DNREC")

Secretary O'Mara presented for the Board's consideration some potential variation in the guidelines for the Land & Water Fund. Secretary O'Mara said that the performance did not meet DNREC's hopes. Discussion ensued and the proposal will be reviewed by the Board.

Banking Subcommittee Report

There was no report.

Treasury Report (continued)

Treasurer Flowers asked for clarification regarding the inclusion of the Land & Water and Health funds as well as cash on hand to allocation percentages. There was a recommendation to not count cash on hand to the percentages. Treasurer Flowers expressed concerns with this recommendation as it was counter to past practices of the Treasury and the norm in the financial industry.

Other Business

Mr. Black suggested the Board might consider meeting more often because of the Joint Sunset Committee review. Treasurer Flowers asked who was completing the Board's paperwork as Treasury paperwork would be submitted. Secretary Cook informed that he would be handling for the Board.

Secretary Bullock asked for consideration that the request from Secretary O'Mara not necessarily need to be confirmed in person. There did not appear to be a full resolution to this request.

Public Comment

Mr. Simpler commented that he thought there was good data and good discussion at the meeting. He would like to see the Board meet more and would request past performance data. Treasurer Flowers commented that the current Treasury administration had made more data available than past administrations of the Treasury and would meet Mr. Simpler's request where possible.

Mr. Engle moved to adjourn the meeting at 12:00 pm. Without objection, the meeting was adjourned.