



**MINUTES FROM MEETING OF  
THE CASH MANAGEMENT POLICY BOARD  
September 7, 2022**

A meeting of the Cash Management Policy Board (the “Board”) was held on September 7, 2022, at 10:00 a.m. The meeting was conducted virtually, with public accommodations provided in the Large Conference Room of the Office of the State Treasurer (“OST”), 820 Silver Lake Blvd., Suite 100, Dover, Delaware.

Board Members Represented or in Attendance:

Mr. John Flynn, Chair  
Mr. David Marvin, Investment Subcommittee Chair  
Mr. Mike Karia, Investment Subcommittee Co-Chair  
Mr. Warren Engle, Banking Subcommittee Chair  
Ms. Tarrie Miller, Banking Subcommittee Co-Chair  
The Honorable Colleen Davis, State Treasurer  
Ms. Ruth Ann Jones, Controller General  
Mr. Richard Geisenberger, Secretary, Department of Finance

Board Members Not Represented or in Attendance:

Mr. Jeffrey Bullock, Secretary, Department of State

Others in Attendance:

Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice  
Ms. Liza Davis, Deputy State Treasurer, OST  
Ms. Lisa Embert, Director of Reconciliations and Transaction Management, OST  
Mr. Jordan Seemans, Director of Policy and Communication Management, OST  
Mr. Brennon Fountain, Controller II, OST  
Mr. Stephen McVay, Assistant Cash and Debt Manager, OST  
Ms. Lindy Scott, Executive Assistant, OST  
Mr. Marqez Ford, Member of the public

**CALLED TO ORDER**

Mr. Flynn called the meeting to order at 10:03 a.m.

**INTRODUCTIONS**

Ms. Davis shared organizational updates including the departure of Chief Operating Officer, Dan Madrid.

## **APPROVAL OF THE MINUTES**

**A MOTION was made by Mr. Engle and seconded by Mr. Marvin to approve minutes from the Board meeting on June 1, 2022.**

## **MOTION ADOPTED UNANIMOUSLY.**

### **NEPC PERFORMANCE REPORT**

#### *2022 2<sup>nd</sup> Quarterly Investment Performance Report*

Mr. Leonard presented the Board with an overview of the State's portfolio performance for the 2<sup>nd</sup> Quarter of 2022. The State's consolidated balance is \$5.7 billion (including CARES and ARPA funds), with liquidity and reserve portfolio balances of \$4.9 billion.

#### *Analysis of the Architecture Allocation Discussion and Vote*

Ms. Appel presented regarding the investment portfolio architecture allocation. The Investment Subcommittee voted to pursue a 50/50 liquidity reserve split at their preceding meeting, pending the results of NEPC analysis. NEPC's analysis supported delaying a reallocation at this time due to the probability of further interest rate hikes. The Board discussed the merits of modifying the architecture now versus delaying a decision until after the next Investment Subcommittee. The issue was debated and the Board ultimately expressed a willingness to postpone a decision until November 2022. Mr. Flynn proposed a telephonic special meeting immediately following the November subcommittee meeting, so that any possible reallocation decisions can be expediently implemented.

### **INVESTMENT SUBCOMMITTEE REPORT**

#### *Investment Manager Contract Extensions – Discussion and Vote*

Ms. Davis notified the Board of the need for an extension of the incumbent fixed income managers' contracts. The initial five-year terms are set to expire on January 31, 2023. Each contract has three optional one-year extensions which can be exercised with 60-days' notice.

**A MOTION was made by Mr. Engle and seconded by Treasurer Davis to authorize OST to memorialize one-year extensions for the two incumbent liquidity and four incumbent reserve managers.**

### **BANKING SUBCOMMITTEE REPORT**

#### *Local Banking Services Project Discussion and Vote*

Ms. Embert notified the Board of the need for certain PNC Bank accounts to remain open into 2023. All local bank accounts are on schedule to be converted to M&T, TD, and Citizens Banks by December 2022. The need for PNC accounts to remain open is a result of the payment clearing process and the 180-day stale dated check rule.

**A MOTION was made by Secretary Geisenberger and seconded by Ms. Miller to authorize OST to pursue a one-year extension for PNC Bank.**

## *Merchant Services Project Discussion and Vote*

### *PCI Compliance*

Ms. Hopkins provided an update on the State's Merchant services systems. OST, in conjunction with CampusGuard, has evaluated 99% of State of Delaware merchant services systems for PCI compliance certification. The review included an analysis of card holder data handling practices and identifying the appropriate annual Self-Assessment Questionnaires to be completed. The State is actively working with Fiserv to prioritize the migration of agencies to P2PE solutions. Some delays have occurred due to supply chain disruptions impacting product availability through Fiserv, which delays recently were resolved. The State must be fully certified by March 31, 2023 and will complete the certification process annually going forward.

### *CampusGuard Contract*

OST is seeking a second one-year extension through February 2024 for the State's Qualified Security Advisor, CampusGuard. The current extension expires in February 2023.

**A MOTION was made by Ms. Miller and seconded by Mr. Engle to authorize OST to memorialize a second one-year contract extension with CampusGuard.**

### *Digital Government RFP Update*

Ms. Davis notified the Board that contract negotiations for account reconciliation and fee analysis services have been finalized. This service will be provided by Frontier, a subsidiary of Fiserv, in a separate contract.

The fourth component of the digital government RFP, the design of a resident and visitor portal, remains under contract negotiation with the Department of Technology and Information. This service will be awarded to a vendor within the next month. This portal will allow residents and visitors to leverage a single payment service through a centralized platform or through existing state agency websites.

## **OTHER MATTERS OF THE BOARD**

### **PUBLIC COMMENTS**

No members of the public present for comment.

### **EXECUTIVE SESSION**

No executive session was held.

### **NEXT MEETINGS**

- The next Investment Subcommittee meeting is scheduled for November 2, 2022.
- The next Banking Subcommittee meeting is scheduled for November 9, 2022.
- The next full Board meeting is scheduled for December 14, 2022.

## **ADJOURNMENT**

**Mr. Flynn adjourned the meeting at 11:15 a.m. (no motion)**

Respectfully submitted,

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John Flynn  
Board Chair

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