



**MINUTES FROM THE BANKING SUBCOMMITTEE  
OF THE CASH MANAGEMENT POLICY BOARD  
February 10, 2021**

A meeting of the Banking Subcommittee (the “Subcommittee”) of the Cash Management Policy Board (the “Board”) was held on February 10, 2021 at 10:00 a.m. Pursuant to Governor Carney’s Emergency Orders concerning COVID-19, the meeting was held telephonically, without a physical location.

Subcommittee Members Represented or in Attendance:

Ms. Tarrie Miller, Subcommittee Co-Chair  
The Honorable Colleen Davis, State Treasurer  
Mr. Rick Geisenberger, Secretary, Department of Finance

Subcommittee Members Not Represented or in Attendance:

Mr. John Flynn, Board Chair  
Mr. Warren Engle, Subcommittee Co-Chair

Others in Attendance:

Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice  
Ms. Liza Davis, Deputy Treasurer, Office of the State Treasurer (“OST”)  
Mr. Daniel Madrid, Chief Operating Officer, OST  
Ms. Fiah Kwesseu, Director of Operations & Fund Management, OST  
Mr. Brennon Fountain, Controller II, OST  
Mr. Jordan Seemans, Director of Policy and Communication Management, OST  
Mr. Sean McNeeley, Director of Bond Finance, Department of Finance  
Ms. Dawn Davis, Assistant Debt and Cash Manager, OST  
Ms. Claudia Moses, Executive Assistant, OST

**CALLED TO ORDER**

Ms. Miller called the meeting to order at 10:01 a.m.

**INTRODUCTION**

Ms. Fiah Kwesseu introduced Ms. Claudia Moses, as the new Executive Assistant to the Operations and Fund Management division of OST.

**APPROVAL OF THE MINUTES**

**A MOTION was made by Treasurer Davis and seconded by Secretary Geisenberger to approve minutes from the Subcommittee meeting on November 18, 2020.**

**MOTION ADOPTED UNANIMOUSLY**

## **BANKING SERVICES PROJECT**

Ms. Kwesseu noted that the general banking project has continued at a steady pace. On January 12<sup>th</sup>, the payroll checking, and direct deposit accounts were transitioned to JP Morgan. The transition went smoothly for OST, PHRST (state's payroll system), and most importantly state employees. The wire payments from First State Financials are scheduled to move from BNYM to JP Morgan on March 1<sup>st</sup> with the checking and ACH accounts transitioning on July 1<sup>st</sup>. OST will begin implementation meetings with the Office of Pensions ("Pensions") this week. Pensions' goal is to transition to JP Morgan before August 1<sup>st</sup>. There are 3-4 agency accounts outstanding and remain on track to complete the transition to JP Morgan by this summer.

## **LOCAL BANKING**

### *M&T, Citizens and TD Bank Implementation Status*

Ms. Kwesseu noted that the Citizens and TD Bank contract negotiations concluded on December 21<sup>st</sup> and December 28<sup>th</sup> respectively. Currently, OST is finalizing the method of communication to the agencies to ensure a smooth transition of the 300 plus accounts to our new banking partners. A local banking conversion roadmap was provided to the Subcommittee.

### *WSFS Contract Status*

WSFS Bank would not agree to the State of Delaware's Standard Terms and Conditions which ultimately led to an impasse on December 8<sup>th</sup>, 2020. OST is optimistic that between the remaining three local banking providers there are over fifty branch locations geographically dispersed throughout the state to meet agencies' banking needs.

Ms. Miller asked for validation that WSFS had been notified that the relationship would not continue. Ms. Kwesseu confirmed that the bank was informed of this decision on December 8<sup>th</sup>, 2020.

## **MERCHANT SERVICES**

### *PCI Compliance Update*

Mr. Madrid updated the Subcommittee on merchant services. First, positive progress continues in this arena – as of the latest scan of the State's external facing websites which occurred last week, the report showed the fewest number of vulnerabilities to date. Overall, vulnerabilities have been discovered and remediated by more than 75% since OST started the process over a year ago.

With the digital government RFP underway, the next set of products and services are anticipated to set forth a stricter standard for data security. This will allow OST to potentially expedite efforts in fully securing the State's merchant environments.

Ms. Miller added to the discussion, inquiring of the expected timeframe that the State could achieve 90% PCI compliance. Mr. Madrid responded that the initial benchmark was to begin with the Department of State ("DOS") which houses roughly 90% of the States' transactions of which most occur within the Division of Corporations. OST assisted in better securing the payment infrastructure for

“DOS” over the prior year. With the completion of the digital government RFP and meeting with the remaining agencies, OST anticipates reaching 90% of the remaining state agencies who are providing merchant services by the end of calendar year 2021.

#### *Digital Government RFP Update*

On December 18<sup>th</sup> OST received proposals from twelve qualified vendors for a combination of web and application design, payment gateway, merchant processing and account reconciliation services. The evaluation period is currently underway, and interviews were conducted with all twelve vendors on January 25<sup>th</sup>, 27<sup>th</sup>, and February 1<sup>st</sup>. The evaluation team will continue to review proposals and discuss the terms and conditions that will be the most effective for the State. It is anticipated that a smaller pool of finalists will be selected by the end of March for presentation to the Board, before final negotiations and contracts are developed in late spring/early summer 2021.

Ms. Miller inquired if there has been a selection made from the initial 12 vendors selected. Mr. Madrid stated that due to the business requirements sought by the state, the outcomes that are needed in regard to data security, cost effectiveness and efficiency for staff, and modernizing payment infrastructure the goal is to have 2-3 different models to propose to the Board before selecting vendors to enter into contracts with.

Secretary Geisenberger added to the discussion suggesting the addition of someone from the Department of Finance to the digital government vendor conversations that may offer guidance from the business perspective.

In addition, it was noted that because this is a major project with enterprise-wide implications that span beyond banking issues, it would be beneficial to discuss the project in the next financial services delivery meeting of the Government Efficiency and Accountability Review (“GEAR”) Board.

#### **EXECUTIVE SESSION**

No executive session was held.

#### **PUBLIC COMMENTS**

No members of the public present for comment.

#### **NEXT MEETING**

The next full Board meeting is scheduled for February 24, 2021.

The next Banking Subcommittee meeting is scheduled for May 12, 2021.

#### **ADJOURNMENT**

**A MOTION was made by Secretary Geisenberger and seconded by Treasurer Davis to adjourn the meeting of the Subcommittee at 10:21 a.m.**

**MOTION ADOPTED UNANIMOUSLY**

Respectfully Submitted,

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Warren Engle  
Co-Chair, Banking Subcommittee

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Tarrie Miller  
Co-Chair, Banking Subcommittee