



**MINUTES FROM MEETING OF BANKING SUBCOMMITTEE
OF THE CASH MANAGEMENT POLICY BOARD
FEBRUARY 13, 2019**

A meeting of the Banking Subcommittee (“Subcommittee”) of the Cash Management Policy Board (“Board”) was held on February 13, 2019 at 10:00 a.m. in the main conference room of the Office of the State Treasurer (“OST”), 820 Silver Lake Blvd., Suite 100, Dover, Delaware.

Subcommittee Members Represented or in Attendance:

Mr. Warren Engle, Subcommittee Chair (Telephonically)
Mr. Richard Geisenberger, Secretary, Department of Finance (Telephonically)
The Honorable Colleen Davis, State Treasurer

Subcommittee Members Not Represented or in Attendance:

Mr. John Flynn, Board Chair

Others in Attendance:

Mr. Dan Scholl, Deputy State Treasurer, OST
Mr. Josh Berkow, Director of Debt and Cash Management, OST
Mr. Khary DeWitt, Director of Banking Services, OST
Mr. Jason Staib, Deputy Attorney General (Telephonically)

CALLED TO ORDER

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

Mr. Engle introduced Treasurer Colleen Davis and Deputy Dan Scholl to the Subcommittee.

APPROVAL OF MEETING MINUTES

A MOTION was made by Mr. Geisenberger and seconded by Treasurer Davis to approve the minutes of the November 4, 2018 meeting.

MOTION ADOPTED UNANIMOUSLY

BANKING SERVICES PROJECT UPDATE

Contract Negotiations

Mr. Berkow provided an update on the Banking Services RFP contract negotiations. The stored value card contract with US Bank has been finalized and is ready for Board approval. The P-card contract with JP Morgan is currently being negotiated, and is expected to be ready for execution prior to the expiry of the current contract on March 31, 2019. Mr. Berkow reminded the Board that this contract will continue

to be administered by the Department of Finance, Division of Accounting. The general banking contract with JP Morgan, covering collections, disbursements, lockbox and check printing services, will likely have the longest negotiation period due to the scope and cost. The general banking contract should be ready for Board approval by the May Board meeting, possibly sooner.

Planning and Implementation

Mr. Berkow informed the Subcommittee that implementation planning will commence as soon as contract negotiations are completed. OST is requesting three full-time positions in the FY2020 budget to support the implementation of the banking transition.

Local Bank RFP

Mr. Berkow stated that the Local Banking RFP will be issued in the coming weeks. OST anticipates that many state agencies will become less reliant on the local banks in conjunction with the improvements implemented by the new banking services contracts.

MERCHANT SERVICES IMPLEMENTATION UPDATE

Arrow Payments engagement & PCI Compliance

Mr. DeWitt updated the Subcommittee on the Payment Efficiency and Security Project, an OST initiative to improve the payment processing systems that support State agencies. OST has entered into an engagement with Arrow Payments, an independent payment technology advisor, to analyze current payment systems and security across agencies, with the goal of recommending strategies for improvements. Arrow is currently conducting one-on-one agency review sessions, and is expected to present their findings prior to the Board meeting in May.

As a part of their assessment, Arrow will be considering the State's need to remain in compliance with Payment Card Industry (PCI) standards and the State's gateway provider needs, which are currently being served by Govolution. The Department of Technology and Information ("DTI") is partnering with OST on this project, to support the technical elements of the work.

ACTION ITEMS

Vote on recommendation regarding OST authority to negotiate an extension of the banking consultant contract

Mr. Berkow informed the Subcommittee of OST's need to extend the contract with PFM, the State's banking consultant before their current contract expires in April. Mr. Berkow noted that there is no cost component to extending the contract and recommended exercising the second of two six-month extensions in order for PFM to assist with the Local Bank RFP.

A MOTION was made by Mr. Geisenberger and seconded by Mr. Engle to recommend that OST be granted the authority to negotiate the final six-month extension of PFM's banking consultant contract.

MOTION ADOPTED UNANIMOUSLY

PUBLIC COMMENTS

No members of the public present for comment.

NEXT MEETING

The next meeting is scheduled for May 8, 2019.

ADJOURNMENT

A MOTION was made by Mr. Geisenberger and seconded by Mr. Engle to adjourn the meeting at 10:31 a.m.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

Warren Engle
Chair, Banking Subcommittee

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