



**MINUTES FROM MEETING OF BANKING SUBCOMMITTEE
OF THE CASH MANAGEMENT POLICY BOARD
FEBRUARY 14, 2018**

A meeting of the Banking Subcommittee (“Subcommittee”) of the Cash Management Policy Board (“Board”) was held on February 14, 2018 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 Co-Chair
Ms. Lynda Messick, Subcommittee Co-Chair
The Honorable Kenneth Simpler, State Treasurer
Ms. Stephanie Scola, Director of Bond Finance, Department of Finance (on behalf of Mr. Richard Geisenberger)

Subcommittee Members Not Represented or in Attendance:

Mr. John Flynn, Board Chair

Others in Attendance:

Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice
Ms. Nora Gonzalez, Deputy State Treasurer, OST
Ms. Susan Steward, Policy Advisor, OST

CALLED TO ORDER

Mr. Engle called the meeting to order at 10:00 a.m.

APPROVAL OF MEETING MINUTES

A MOTION was made by Ms. Messick and seconded by Ms. Scola to approve the minutes of the November 8, 2017 meeting.

MOTION ADOPTED UNANIMOUSLY

COLLATERALIZATION OF STATE FUNDS

Mr. Staib discussed the findings and recommendations in his memo on the collateralization of state funds and proposed changes to Section 5 of the Board’s Guidelines. The Subcommittee discussed the costs and benefits of the various collateralization options and Guideline changes.

A MOTION was made by Ms. Messick and seconded by Ms. Scola to recommend to the full Board the proposed changes to the Guidelines.

MOTION ADOPTED UNANIMOUSLY

MERCHANT SERVICES IMPLEMENTATION

Ms. Gonzalez provided an update on the merchant services transition from EPX to Bank of America Merchant Services and the State's gateway provider, Govolution. The conversion is underway and no major issues were reported to the Subcommittee. The Subcommittee recommended an examination on activities conducted during the procurement, selection, negotiation and implementation phases. A post-mortem after the transition would allow the State to learn from this experience and deploy better project management processes going forward.

BANKING STRUCTURE REVIEW PROJECT

Ms. Gonzalez provided an update on the banking structure review project. A summary of current practices in the State and the findings and recommendations from PFM was provided. The Subcommittee discussed the RFP process and other considerations for implementing PFM's recommendations, including whether to incorporate banking services contracts not directly under the purview of the Board into the banking services RFP. The Subcommittee agreed that it probably would be in the best interest of the State to include the Purchasing and Virtual Card Programs in a comprehensive RFP, rather than having the Division of Accounting conduct a separate RFP for the program, as long as all State actors are agreeable.

NEW BUSINESS

No new business.

PUBLIC COMMENTS

No members of the public present for comment.

NEXT MEETING

The next meeting is scheduled for May 9, 2018.

ADJOURNMENT

A MOTION was made by Mr. Engle and seconded by Ms. Scola to adjourn the meeting at 11:05 a.m.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

Warren Engle
Chair, Banking Subcommittee

Lynda Messick
Co-Chair, Banking Subcommittee