



**MINUTES FROM THE INVESTMENT SUBCOMMITTEE  
OF THE CASH MANAGEMENT POLICY BOARD  
February 3, 2021**

A meeting of the Investment Subcommittee (the “Subcommittee”) of the Cash Management Policy Board (the “Board”) was held on February 3, 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:

Mr. John Flynn, Board Chair  
Mr. Dave Marvin, Subcommittee Chair  
Mr. Mike Karia, Subcommittee Co-Chair  
The Honorable Colleen Davis, State Treasurer  
Mr. Rick Geisenberger, Secretary, Department of Finance

Others in Attendance:

Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice  
Ms. Liza Davis, Deputy State Treasurer, Office of the State Treasurer (“OST”)  
Mr. Daniel Madrid, Chief Operating Officer, OST  
Ms. Lisa Embert, Director of Reconciliation and Transaction Management, OST  
Ms. Fiah Kwesseu, Director of Operations & Fund Management, OST  
Mr. Brennon Fountain, Controller II, OST  
Ms. Dawn Davis, Assistant Cash and Debt Manager, OST  
Mr. Stephen McVay, Assistant Cash and Debt Manager, OST  
Ms. Claudia Moses, Executive Assistant, OST  
Mr. Sean McNeeley, Director of Bond Finance, Department of Finance  
Mr. John Krimmel, Partner, NEPC  
Mr. Kevin Leonard, Partner, NEPC

**CALLED TO ORDER**

The meeting was called to order at 10:00 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 Mr. Karia and seconded by Mr. Marvin to approve minutes with one correction to notate an annual fee of \$160K paid to Northern Trust from the Subcommittee meeting held on November 4, 2020.  
MOTION ADOPTED UNANIMOUSLY**

## **INVESTMENT CUSTODIAN RFP**

Ms. Kwesseu provided the status of the Investment Custodian contract with Northern Trust. The contract will expire on November 30, 2021. The current contract has a three-year term and provided for two one-year extensions. All extensions have been used at this point. The new proposed contract will be a five-year term to begin on December 1, 2021 and end November 30, 2026. The contract will provide for three one-year extensions, bringing the potential contract end date to November 30, 2029.

**A MOTION was made by Mr. Flynn and seconded by Treasurer Davis to recommend that the Board grant OST authority to proceed with the RFP process for investment custodian services.  
MOTION ADOPTED UNANIMOUSLY**

## **INVESTMENT GUIDELINE CHANGE**

Ms. Fiah Kwesseu provided the update for the Investment Guideline change. The guideline changes went into effect on January 11, 2021. The online version of the Administrative Code will be updated to reflect the new Guidelines some time in February 2021.

In regard to private placements, OST has sent all investment managers a letter concerning the Board's requested private placement limitation (15% cap) effective January 11, 2021

There was a brief discussion around possible changes in regard to private placements. There has been dialogue with PFM Asset Management ("PFM") who is expected to have some private placements within their portfolio. It was noted that the Board will be monitoring the portfolios closely.

## **CARES ACT FUND**

Mr. Madrid provided the update for the CARES Act Fund. The State has received approximately \$927.2 million of CARES Act funds. The CARES balances as of January 6, 2021 are \$146.1 MM and \$146.2 MM for PFM and Wilmington Trust ("WTC"), respectively. There has been a total of sixteen draws from each account since initial funding.

New Castle County ("NCC") balances as of January 13, 2021 are \$69.5 MM for both PFM and WTC. NCC initial funding occurred on December 18, 2020, and the PFM portion is earning no interest.

Secretary Geisenberger added that there is currently \$100 MM not yet allocated to any specific program(s), however, the funds may be accounted for by the unemployment insurance trust fund reimbursements if unemployment continues to rise. In addition, it was stated that President Biden issued an Executive Order related to FEMA and the National Guard reimbursements for states, and this will be a priority to obtain further information surrounding its correlation to the CARES Act funds. Secretary

Geisenberger inquired about the additional \$3MM transfer to the State of Delaware from NCC to which Mr. Madrid said he would provide a response after the meeting.

**OTHER MATTERS OF THE SUBCOMMITTEE**

No other matters of the subcommittee.

**PUBLIC COMMENTS**

No members of the public present for comment.

**EXECUTIVE SESSION**

No executive session was held.

**NEXT MEETING**

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

The next Investment Subcommittee meeting is scheduled for May 5, 2021.

**ADJOURNMENT**

**Meeting was adjourned at 10:13 a.m.**

Respectfully submitted,

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David Marvin  
Chair for the Investment Subcommittee

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Mike Karia  
Co-Chair for the Investment Subcommittee