



**MINUTES FROM THE BANKING SUBCOMMITTEE
OF THE CASH MANAGEMENT POLICY BOARD
May 12, 2021**

A meeting of the Banking Subcommittee (the “Subcommittee”) of the Cash Management Policy Board (the “Board”) was held on May 12, 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
Ms. Tarrie Miller, Subcommittee Co-Chair
Mr. Warren Engle, Subcommittee Co-Chair
The Honorable Colleen Davis, State Treasurer

Subcommittee Members Not Represented or in Attendance:

Mr. Rick Geisenberger, Secretary, Department of Finance

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
Ms. Lisa Embert, Director of Reconciliations and Transaction 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
Ms. Valeria Cappucci, Executive Director, J.P. Morgan Chase

CALLED TO ORDER

The meeting was called to order at 10:01 a.m.

INTRODUCTION

APPROVAL OF THE MINUTES

A MOTION was made by Co-Chair Tarrie Miller and seconded by Mr. McNeeley to approve minutes from the Subcommittee meeting on February 10, 2021.

MOTION ADOPTED UNANIMOUSLY

BANKING SERVICES PROJECT

Ms. Embert informed the Committee that all bank accounts identified as a part of the General Banking project with J.P. Morgan Chase have been opened and services have been established. OST is currently in the process of working with the state agencies to move their transactions and/or services from Bank of New York Mellon and PNC to the newly established accounts at J.P. Morgan Chase. OST is beginning to review the general banking accounts at PNC for closure.

It was noted that two of the three state agencies transitioned to the Stored Value Card, (“SVC”) program in January 2020. The Department of Services for Children, Youth and their families is scheduled implement the ReliaCard in September of 2021. This will complete the transition of SVC programs from KeyBank to US Bank.

LOCAL BANKING

Ms. Kwesseu noted that the OST have met with Appoquinimink & Caesar Rodney School Districts. Appoquinimink has agreed to serve as the first implementation to work out all technical details before additional agencies are onboarded. OST is discovering more robust banking solutions will be needed. As these requests arise, they will be addressed accordingly with the agencies’ chosen banking partner.

MERCHANT SERVICES

PCI Compliance Update

Mr. Madrid updated the Subcommittee on merchant services. First, OST received notice on April 9th, from the State’s incumbent merchant processor, Fiserv, that the State of Delaware is now being classified as a Level II merchant, instead of a Level III merchant. The impetus for this qualification is because the State, in the aggregate, is now processing more than 1 million credit/debit transactions annually.

The new classification does not place the State under any additional PCI compliance requirements, other than an annual requirement to host an on-site evaluation of the State’s merchant environment with a qualified security assessor (QSA). Fortunately, OST already has CampusGuard contracted to provide this service and are in the process of scheduling the on-site assessment.

Per Fiserv’s recent communication to the State, our next PCI reporting date for all merchants is due on March 31st, 2022.

Digital Government RFP Update

The status of the RFP is that OST remains in the evaluation phase through June, 2021 with five of the twelve original vendors under consideration. The committee is continuing to review best and final offers and discuss the terms and conditions that will be the most effective to the State.

It is anticipated that recommendations to the Board to proceed with final negotiations and enter into contracts will occur in July or August. This timeline may warrant an additional Board meeting but may align with the next round of meetings in August.

Vote on Extension of Payment Gateway Contract with Govolution

Based on the scoring of proposals within the digital government RFP, it was determined that Govolution, the State's incumbent payment gateway (point of sale and virtual payment systems) provider, will not be awarded a contract under this RFP. However, given the anticipated timeline to transition all of the State's payment gateway components under the digital government RFP, it is recommended by OST and the digital government evaluation committee, that Govolution be provided a one-year extension of their existing contract (\$68,250 per annum billed bi-monthly). Future extensions will be determined on an annual basis considering the progress made to date on the transition to new payment gateway components. Mr. Madrid noted that an opinion had already been provided by the Delaware Department of Justice in support of an extended services contract extension.

A MOTION was made by Mr. Engle and seconded by Ms. Miller to grant OST authority to extend the payment gateway contract with Govolution for one year (through June 30th, 2022) with the option to terminate at OST's discretion.

MOTION ADOPTED UNANIMOUSLY

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 May 26, 2021.

The next Banking Subcommittee meeting is scheduled for August 11, 2021.

ADJOURNMENT

A MOTION was made by Treasurer Davis and seconded by Mr. Engle to adjourn the meeting of the Subcommittee at 10:15 a.m.

MOTION ADOPTED UNANIMOUSLY

Respectfully Submitted,

Warren Engle
Co-Chair, Banking Subcommittee

Tarrie Miller
Co-Chair, Banking Subcommittee