



**MINUTES FROM MEETING OF
THE CASH MANAGEMENT POLICY BOARD
June 7, 2023**

A meeting of the Cash Management Policy Board (the “Board”) was held on June 7, 2023, at 10:00 a.m. The meeting was conducted virtually, with public accommodations provided at Buena Vista Conference Center, DuPont Room, 661 South DuPont Highway, New Castle, DE.

Board Members Represented or in Attendance:

Mr. John Flynn, Chair
Mr. David Marvin, Investment Subcommittee Chair
Mr. Mike Karia, Investment Subcommittee Co-Chair
Ms. Tarrie Miller, Banking Subcommittee Co-Chair
The Honorable Colleen C. Davis, State Treasurer
Mr. Richard Geisenberger, Secretary, Department of Finance
Mr. Jeffrey Bullock, Secretary, Department of State
Ms. Ruth Ann Miller, Controller General

Not in Attendance:

Mr. Warren Engle, Banking Subcommittee Chair

Others in Attendance:

Mr. Jordan Seemans, Deputy Treasurer, Office of the State Treasurer, (“OST”)
Ms. Lisa Embert, Chief Operating Officer, OST
Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice
Ms. Fiah M. Kwesseu, Director of Operations & Fund Management, OST
Mr. Brennon Fountain, Director of Reconciliations and Transaction Management, OST
Mr. Stephen McVay, Assistant Cash and Debt Manager, OST
Ms. Paulette Hopkins, Merchant Services Program Manager, OST
Ms. Monai Washington, Special Assistant to the State Treasurer, OST
Ms. Priya Vaidya, Accounting Specialist, OST
Ms. Lindy Scott, Executive Assistant, OST
Mr. Leland Sylver, Invited Guest
Mr. Steven Marvin, Invited Guest
Mr. Kevin Leonard, NEPC
Ms. Jennifer Appel, NEPC
Mr. Brent Hobby, CampusGuard

CALLED TO ORDER

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

APPROVAL OF THE MINUTES

A motion was made by Ms. Miller and seconded by Secretary Geisenberger to approve minutes from the Board meeting on February 8, 2023.

MOTION ADOPTED UNANIMOUSLY

INVESTMENT SUBCOMMITTEE REPORT

- **NEPC Performance Report**

- Mr. Leonard and Ms. Appel presented the Board with an overview of the State's portfolio performance for the 1st Quarter 2023. The State's consolidated balance is \$6.0 billion (including CARES and ARPA funds), with liquidity and reserve portfolio balances of \$5.3 billion.

- **School and Special Fund Rate Calculation (SSF) Discussion and Update**

Ms. Kwesseu shared an update regarding the SSF calculation. In 2022, NEPC presented 3, 6, and 9-month SSF calculation scenarios to both the subcommittee and the full Board. After review and discussion, the full Board approved the 9-month SSF calculation. NEPC reviewed this information during the May 3, 2023, Investment Subcommittee meeting. To date, the current calculation remains the best scenario for the SSF. A vote was not necessary as the rate set on June 1, 2022, remains in effect. This is a standing agenda item that will be reviewed annually by the Board.

- **Architecture Allocation Discussion and Vote**

During the February 8, 2023, full Board meeting, the Architecture Allocation was discussed and reviewed with a vote to return to a 50% liquidity and 50% reserve allocation split. The Board expressed desire to return to a 25% liquidity and 75% reserve allocation. During the Investment Subcommittee Meeting on May 3, 2023, Ms. Appel provided an update on the market and recommended moving the liquidity and reserve allocation. The subcommittee made a motion to recommend to the full Board a return to a 25% liquidity and 75% reserve allocation.

A motion was made by Mr. Marvin and seconded by Mr. Karia to return to 25% liquidity and 75% reserve allocation.

MOTION ADOPTED UNANIMOUSLY

- **Coronavirus Aid, Relief, and Economic Security (CARES) Act Fund Discussion and Update**

Mr. McVay shared an update on the CARES account. As of March 31, 2023, both CARES accounts (\$18.2 million) and New Castle County CARES (\$3.1 million) were completely liquidated per the request from the Office of Management and Budget.

- **American Rescue Plan Act (ARPA) Fund Discussion and Update**

Mr. McVay reviewed the ARPA funding. As of March 31, 2023, the State ARPA funds totaled \$676.7 million with one draw for \$58.8 million occurring during the quarter. The local government ARPA fund balance was \$2.9 million, which account has been with the state's general banking partner, JP Morgan Chase.

BANKING SUBCOMMITTEE REPORT

- **General Banking Update**

Ms. Embert stated that the PNC account is scheduled to close by end of calendar year. Child Support needs additional time relating to the file share with TD Bank. If this can be addressed sooner, the PNC account will close before the December 31, 2023, deadline.

- **Local Banking Project Update**

Ms. Embert shared that discovery calls have been scheduled with all remaining schools and state agencies converting to M&T, TD and Citizens Banks. This project is progressing as predicted and is expected to be completed by December 31, 2023.

- **Merchant Services Discussion and Vote**

- **Fiserv Migration Project Update**

Ms. Kwesseau reported that progress continues with the migration of payment gateway and merchant processing services to Fiserv. The migration has a target completion date of May 31, 2025, which is contingent upon the creation of the digital government payment portal.

- **PCI Compliance Project Update**

PCI Compliance will remain a long-term project and standing agenda item. Mr. Hobby and Ms. Hopkins provided a quick presentation on the PCI Compliance project. The project is on target to meet the December 31, 2024, deadline for attestation.

- **Digital Government Project Update**

Ms. Kwesseau provided an update about the fourth component of the digital government RFP, focused on the design of a resident and visitor portal. The contract negotiation was completed on December 29, 2022. The coordinated set of digital government services, which includes the payment infrastructure provided by OST, has a multi-track project implementation plan which should be available by March 2024.

- **Govolution Extension Discussion and Vote**

Ms. Kwesseau addressed the status of the Govolution contract and suggested that an extension is needed. The contract with Govolution ends on December 31, 2023. The contract has one additional six-month extension remaining, which would extend the contract through June 30, 2024. OST will need to extend our contract beyond June 2024 to support the transition/migration to Fiserv.

A MOTION was made by Ms. Miller and seconded by Secretary Geisenberger to request a contract extension with Govolution with an effective date of June 30, 2025.

MOTION ADOPTED UNANIMOUSLY

- **Recognition of Service and New Members**

Treasurer Davis acknowledged the 42-year dedicated service of John Flynn and Dave Marvin to the residents of Delaware via their combined leadership on the Board.

Effective Thursday, June 8, 2023, Governor Carney has appointed, and the Senate has confirmed, Mr. Leland Sylver and Mr. Steven Marvin as new Board members. We are also

pleased to announce that Mr. Warren Engle has been named as successor for the Chair of the Board.

Mr. Flynn shared his reflections of serving for over 42 years on the Board. He outlined the history of the Board which began in 1980 and has not changed significantly since its inception. The intention of the Board was to provide sound financial stewardship to the residents of the State of Delaware. Mr. Flynn has enjoyed his tenure, particularly the last eight years due to the work of former Treasurer Simpler and current Treasurer Davis as well as the staff who support the Board.

Mr. Marvin provided commentary on his journey with the Board. He shared that one of the Board's biggest accomplishments is the establishment of industry standard for investing, which is still in use by other states today. He shared that being part of the Board from the beginning was new, fun, and exciting. He firmly believes the Board is in good hands.

OTHER MATTERS OF THE BOARD

PUBLIC COMMENTS

No members of the public present for comment.

EXECUTIVE SESSION

No executive session was held.

NEXT MEETINGS

- The next full Board meeting is scheduled for September 6, 2023.
- The next Investment Subcommittee meeting is scheduled for August 2, 2023.
- The next Banking Subcommittee meeting is scheduled for August 9, 2023.

ADJOURNMENT

Mr. Flynn adjourned the meeting at 11:56 a.m.

Respectfully submitted,

John Flynn
Board Chair