



**MINUTES FROM MEETING OF  
THE CASH MANAGEMENT POLICY BOARD  
March 13, 2024**

A meeting of the Cash Management Policy Board (the “Board”) was held on March 13, 2024, at 10:00 a.m. The meeting was conducted virtually, with public accommodations provided in the Large Conference Room of the Office of the State Treasurer (“OST”), 820 Silver Lake Blvd., Suite 100, Dover, Delaware.

Board Members Represented or in Attendance:

Mr. Warren C. Engle, Chair  
Ms. Tarrie Miller, Banking Subcommittee Chair  
The Honorable Colleen C. Davis, State Treasurer  
Mr. Richard Geisenberger, Secretary, Department of Finance  
Ms. Ruth Ann Miller, Controller General  
Mr. Leland Sylver, Member  
Mr. Stephen Marvin, Member  
Mr. Mike Karia, Investment Subcommittee Chair

Not in Attendance:

Mr. Jeffrey Bullock, Secretary, Department of State

Others in Attendance:

Mr. Jordan Seemans, Deputy Treasurer, OST  
Ms. Khairat Makanjuola, Chief Operating Officer, OST  
Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice (“DOJ”)  
Ms. Fiah M. Kwesseu, Director of Operations & Fund Management, OST  
Mr. Brennon Fountain, Director of Reconciliations and Transaction Management, OST  
Mr. Mark Miller, IT Director, OST  
Mr. Stephen McVay, Assistant Cash and Debt Manager, OST  
Mr. Vivek Maharaj, Merchant Services Program Manager, OST  
Ms. Monai Roberts, Special Assistant to the State Treasurer, OST  
Ms. Lindy Scott, Executive Assistant, OST  
Ms. Priyanshi Vaidya, Accounting Specialist, OST  
Mr. Kevin Leonard, NEPC  
Mr. Jonovan Sackey, NEPC  
Mr. Brent Hobby, CampusGuard

**CALLED TO ORDER**

Mr. Engle called the meeting to order at 10:00 a.m. A quorum was met.

## **INTRODUCTION**

Treasurer Davis introduced OST's new Chief Operating Officer, Khairat Makanjuola.

## **APPROVAL OF THE MINUTES**

A motion was made by Secretary Geisenberger and seconded by Ms. Miller to approve minutes from the Board meeting on December 13, 2023.

**MOTION ADOPTED with one member abstaining from the vote.**

## **Resolution Establishing Subcommittee Charters Discussion**

Mr. Staib shared that during the December full board meeting, the topic of subcommittee charters was discussed and ultimately tabled until the February/March meeting cycle. Both Investment and Banking subcommittees have agreed to formally adopt the charter. The Charter gives the subcommittee authority to vote and elect subcommittee chairs without approval from the Board.

MOTION to adopt the Resolution Establishing Charters was made by Treasurer Davis and seconded by Mr. Karia.

**MOTION ADOPTED UNANIMOUSLY**

## **INVESTMENT SUBCOMMITTEE REPORT**

### **Presentation and Discussion of the 2023 4th Quarter Investment Performance Analysis**

Mr. Leonard and Ms. Appel presented the Board with an overview of the State's portfolio performance for the 4<sup>th</sup> Quarter 2023. The State's consolidated balance is \$6.6 billion (including ARPA funds), with liquidity and reserve portfolio balances of \$5.9 billion. The Board will review the benchmark.

### **Election of Vice Chair Discussion and Potential Vote**

Due to the unanimous decision to approve the Subcommittee Charters, a formal vote is unnecessary. Mr. Marvin has been designated as the Vice Chair of the Investment Subcommittee.

### **ARPA Fund Update**

Mr. McVay indicated that as of December 31, 2023, the State ARPA funds totaled \$551.4 million with one draw for \$39.2 million occurring during the quarter. The local ARPA fund balance is \$6K and was drawn down to \$0.00 on January 2, 2024. This account has been with the state's banking partner, JP Morgan Chase.

### **Vanguard Group, Inc. Assignment Discussion and Potential Vote**

Mr. McVay shared that on December 6, 2023, Vanguard provided notice to OST about its decision to sell its institutional investment management business to Mercer Investments, LLC. As part of this sale, current clients will transition to Mercer, pending client consent to the assignment. Vanguard's current investment management team will also be transitioning to Mercer.

A MOTION to approve the Vanguard assignment was made by Mr. Karia and seconded by Treasurer Davis.

**MOTION ADOPTED UNANIMOUSLY**

## **BANKING SUBCOMMITTEE REPORT**

### **Election of Vice Chair Discussion and Potential Vote**

Due to the unanimous decision to approve the Subcommittee Charters, a formal vote is unnecessary. Mr. Sylver has been designated as the Vice Chair of the Banking Subcommittee.

### **Division of Small Business Update**

Mr. Seemans reported that the Division of Small Business is still evaluating options. If they decide to go through the exemption process, it will be presented to the Banking Subcommittee and presented to the full Board at a future meeting.

### **Delaware State University and JP Morgan Discussion**

Mr. Seemans reported that Delaware State University seeks to utilize the JP Morgan General Banking contract. OST consulted with the Board's Deputy Attorney General and the procurement office and understands that the Board may consent to the University's use of the contract. OST expects to have the draft agreements by this week. Upon receipt, they will be reviewed with legal counsel.

### **Adult Use Marijuana Retailers Update**

Mr. Seemans noted the need to ensure that tax payments from adult use marijuana retailers are collected efficiently and securely to minimize risk associated with handling large amounts of cash. The Division of Revenue plans to require tax payments via ACH. OST confirmed that JPMC, our primary ACH service provider, will not accept ACH payments directly from retailers. The State's primary local banking partner, M&T, is willing to serve as the ACH service provider with respect to retailers. OST, Revenue, Accounting and M&T have started meeting to get the services set up.

OST will keep the Banking Subcommittee and full Board apprised of those. Mr. Seemans provided an update on the proposed cannabis banking legislation that would help to encourage banks, accountants, armored car services and other related financial services to support the new legalized cannabis marketplace.

### **General and Local Banking Projects Discussion**

#### **General Project Update**

The concentration account at PNC Bank has closed, effective December 31<sup>st</sup>. The Child Support withholding account successfully transitioned to JPMC. There are a handful of accounts that are still under review. OST's goal is to have the remaining accounts closed prior to July 1, the start of the State's new fiscal year.

#### **Local Banking Project Update**

Discovery calls have been scheduled with all remaining schools and State agencies converting to M&T, TD and Citizens Banks.

#### **Local Banking Accounts Discussion**

The transition of local banking accounts has stalled for two school districts, Capital School District (Del-One Student Banking Program) and Polytech School District (Shore United).

## **Merchant Services and Payment Card Industry Data Security Standards (“PCI-DSS”) Compliance Discussion**

### **Fiserv Migration Project Update**

Mr. Maharaj shared that OST continues to make progress with the migration of payment gateway and merchant services to Fiserv. Currently, the migration has a target completion date of May 31, 2025, which is contingent upon the creation of the digital government payment portal.

### **PCI-DSS Compliance Project Update**

OST is diligently making strides towards the attestation deadline of December 2024. One of the first steps is to launch the 2024 PCI Compliance Training for Merchants and IT Professionals through the Delaware Learning Center. Agencies must attest to this training as part of the compliance roll up.

### **Digital Government Project Update**

The design of a resident and visitor portal, which includes the payment infrastructure provided by OST, is progressing with an anticipated start date of March 2024.

### **Electronic Payment Consulting Services (PCI Consultant) RFP Discussion and Potential Vote**

The Banking Subcommittee recommends that OST issue a request for proposals for PCI consulting services. The current contract with CampusGuard will expire on February 28, 2025. The requested term will be four years with a one-year extension.

A MOTION to grant OST the authority to commence an RFP for Electronic Payment Consulting Services was made by Ms. Miller and seconded by Treasurer Davis.

**MOTION ADOPTED UNANIMOUSLY**

### **2024 Calendar Dates**

The 2024 Investment, Banking, and Full Board calendars have been updated. We will be moving the last two meetings of the full cash management policy board to be in line with the Investment and Banking Subcommittee. The meetings will take place on August 28 and December 4.

### **Other Matters of the Board**

None

### **Public Comment**

None

### **Executive Session**

None scheduled

### **Next Meetings**

- The next full Board meeting is scheduled for June 12, 2024
  - This meeting will be held at Buena Vista Conference Center
- The next Investment Subcommittee meeting is scheduled for May 1, 2024
- The next Banking Subcommittee meeting is scheduled for May 8, 2024
  - The State Code of Conduct (Ethics) Training will begin at the conclusion of the Banking Subcommittee

**The meeting was adjourned at 11:05 a.m.**

Respectfully submitted,

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Warren C. Engle  
Board Chair

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