



**MINUTES FROM THE BANKING SUBCOMMITTEE
OF THE CASH MANAGEMENT POLICY BOARD
May 8, 2024**

A meeting of the Banking Subcommittee (the “Subcommittee”) of the Cash Management Policy Board (the “Board”) was held on May 8, 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, DE 19904.

Subcommittee Members Represented or in Attendance:

Ms. Tarrie Miller, Subcommittee Chair
Mr. Leland Sylver Subcommittee Co-Chair
Ms. Colleen Davis, State Treasurer
Mr. Warren Engle, Board Chair
Mr. Dan Madrid, Deputy Director of GEAR, designee of the Secretary of Finance

Others in Attendance:

Mr. Jordan Seemans, Deputy State Treasurer, OST
Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice
Ms. Monai Roberts, Special Assistant to the State Treasurer
Mr. Brent Hobby, Security Advisor, Campus Guard
Ms. Khairat Makanjuola, Chief Operating Officer, OST
Ms. Fiah Kwesseu, Director of Operations and Fund Management, OST
Mr. Vivek Maharaj, Merchant Services Program Manager, OST
Mr. Priyanshi Vaidya, Accounting Specialist, OST
Mr. Mike Karia, Chair Investment Subcommittee
Mr. Stephen Marvin, Co-Chair
Ms. Ruth Ann Miller, Controller General
Ms. Deborah Moreau, Public Integrity Commission Counsel

CALLED TO ORDER

The meeting was called to order at 10:00 a.m. A quorum was established.

INTRODUCTIONS

Khairat Makanjuola, OST's new Chief Operating Officer, was introduced. Steve McVay's retirement and dual incumbency were recognized. Lindy Scott, Executive Assistant, has transitioned to DTI, and Priyanshi "Priya" Vaidya will be supporting the Board until a successor is hired.

APPROVAL OF THE MINUTES

A MOTION was made by Mr. Madrid seconded by Mr. Engle to approve minutes from the Subcommittee meeting on February 14, 2024.

MOTION ADOPTED UNANIMOUSLY

LOCAL BANKING PROJECT DISCUSSION

Ms. Makanjuola provided an update on local banking project. OST is actively working with the remaining subset of agencies to transfer remaining accounts from PNC Bank to one of the three contracted banking partners by December 2024. Furthermore, OST has apprised the Banking Subcommittee and Full Board of developments with Capital and Polytech School Districts.

Regarding Capital School District, their initial deposit was successfully transferred to their M&T Bank account, with an additional amount of \$81,267.23 yet to be transferred.

On Friday, April 12th, OST visited and met with Polytech’s business manager and superintendent to discuss the transition of their local banking account. Polytech has agreed to move their accounts to Citizen’s Bank before June 30, 2024.

MERCHANT SERVICES AND PAYMENT CARD INDUSTRY DATA SECURITY STANDARDS (“PCI-DSS”) COMPLIANCE DISCUSSION

Mr. Hobby and Mr. Maharaj provided following updates on the Merchant services and PCI-DSS compliance:

- **Fiserv Migration Project Update**

OST continues to make progress with our migration of payment gateway and merchant processing services to Fiserv. Currently, the migration has a target completion date of, June 30, 2025, which is contingent upon the creation of the digital government payment portal. OST also continues to work with the Judiciary (“Courts”) on their migration to Fiserv; however, a recent review of Courts’ merchant environment revealed that their payment card processing is dependent on the Delaware Criminal Justice Information System (“DELJIS”) which currently acts as a service provider for processing credit card payments on behalf of both the state and several local courts. In addition, DELJIS provided notice to OST about necessary programmatic changes (estimated to take 18 months to complete) to existing systems that have not yet begun.

DELJIS must coordinate any changes with its county and municipality customers in addition to the state. Given that these local courts are not under OST’s purview and Courts is dependent on DELJIS’s migration, which will be impacted by the previously mentioned needed programmatic changes, Courts is not likely to complete its migration to Fiserv by June 2025. OST is working with CampusGuard and Courts/DELJIS to identify a definitive timeline for completion of this migration and will keep Committee apprised of progress.

- **Digital Government Project Update**

The design of a resident and visitor portal, which includes the payment infrastructure provided by OST, is now available to all state agency and school districts. A 3rd communication was sent to provide guidance on next steps. Overall communication included Govolution’s end date of June 30, 2025, transition to Fiserv by December 2024, a link to the GoDe test-site and the PCI Compliance mandatory awareness.

- **PCI-DSS Compliance Project Update and Potential Vote**

OST is diligently making strides towards the attestation deadline of December 2024. The 2024 PCI Compliance Training for Merchants and IT Professionals through the Delaware Learning

Center was successfully launched in February. As of April 9, 2024, 712 of 798 State of Delaware employees, consisting of state agencies and school districts have successfully completed the training. Agencies must attest to this training as part of the PCI compliance roll up. OST is looking to have agencies complete their respective SAQ type beginning in June 2024.

Due to the delay with DELJIS/Courts' migration mentioned above, OST requested the Committee's approval to begin conversation with Fiserv on the best approach to separate (carve out) their attestation from State.

A MOTION to give OST authority to begin conversation with Fiserv in regard to separating DELJIS/Courts' from the State's attestation was made by Mr. Madrid and seconded by Mr. Sylver.

MOTION ADOPTED UNANIMOUSLY

CONTRACT EXTENSIONS DISCUSSION

Ms. Kwesseu provided the following updates on contract extensions:

- **JP Morgan Discussion**

The current JP Morgan contract will expire on August 19, 2024. OST has exercised the last contract extension which will give the JP Morgan contract end date of August 19, 2026. OST will request authorization from the Banking Subcommittee and the Full Board to begin a new Request for Proposals ("RFP") process in 2025. This is for informational purposes only.

- **Govolution Contract Amendment Discussion and Potential Vote**

As of July 1, 2024, the Annual Maintenance Fee will be increased to \$155,000 which will be billed in quarterly installments. Govolution has stipulated that each year thereafter, if services are needed, regardless of volume, there will be a 25% increase to that fee with a cap of \$300,000 per annum. Originally, the vendor's contract with the state in 2008 started with a fee of \$65,000. In 2016, the fee increased to \$68,250.

Govolution has not proposed another increase until now and as such, is trying to increase contract revenue as much as possible to make up for the relatively flat fee since the contract began in 2008. The Cash Management Policy Board ("CMPB") previously authorized a contract extension until June 30, 2025, during the June 7, 2023, board meeting. CMPB also authorized another extension to June 30, 2026, during the December 13, 2023, board meeting. Given the anticipated delay with DELJIS/Courts' migration to Fiserv, OST is requesting the authority to proceed with an additional six-month extension on this contract until December 2026.

A MOTION to give OST authority to proceed with an additional six-month extension on this contract until December 2026 was made by Mr. Sylver and seconded by Mr. Engle.

MOTION ADOPTED UNANIMOUSLY

- **Electronic Payment Consulting Services (PCI Consultant) RFP Tentative Timeline Discussion**

The PCI Consultant contract with CampusGuard will expire on February 28, 2025. OST plans to post the RFP on September 9, 2024.

EVENT	DATE
RFP Published	August 5, 2024
Deadline for Vendor Questions	August 23, 2024
Deadline for State Responses – Q&A Closed & Published	September 6, 2024
Deadline for Vendor Proposal Submission	September 27, 2024
Finalist Presentations (Virtual)	October 14-18, 2024
Estimated Board Approval	November 13, 2024 December 5, 2024
Contract Negotiation and Execution	December 9, 2024
Award Notification	By January 31, 2025
Implementation to Start	February 28, 2025

OTHER MATTERS OF THE SUBCOMMITTEE

State Code of Conduct (Ethics) Training

Ms. Deborah Moreau reviewed a presentation from the Public Integrity Commission about ethics and appropriate conduct for members of public boards. Ms. Vaidya provided a copy of the presentation to members of the Board and its subcommittees.

PUBLIC COMMENT

Mr. Seemans extended congratulations to Ms. Miller for her service and accomplishments with the Delaware Bankers Association.

EXECUTIVE SESSION

None Scheduled

NEXT MEETING

The next full Board meeting is scheduled for June 12, 2024, at Buena Vista. The next Banking Subcommittee meeting is scheduled for August 14, 2024.

ADJOURNMENT

The Meeting of the Banking Subcommittee of the Cash Management Policy Board was adjourned at 11:02 a.m.

Respectfully Submitted,

Tarrie Miller
Chair, Banking Subcommittee