



**MINUTES FROM MEETING OF
THE CASH MANAGEMENT POLICY BOARD
June 12, 2024**

A meeting of the Cash Management Policy Board (the “Board”) was held on June 12, 2024, at 10:00 a.m. in the DuPont Room of Buena Vista, 661 South DuPont Highway, New Castle, DE 19720. Board members and members of the public were able to participate in person or virtual using the provided dial in information.

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, Banking Subcommittee Vice Chair
Mr. Stephen Marvin, Investment Subcommittee Vice Chair
Mr. Mike Karia, Investment Subcommittee Chair

Not in Attendance:

Mr. Jeffrey Bullock, Secretary, Department of State

Others in Attendance:

Mr. Jordan Seemans, Deputy Treasurer, Office of State Treasurer (“OST”)
Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice (“DOJ”)
Ms. Fiah M. Kwesseu, Director of Operations & Fund Management, OST
Mr. Mark Miller, IT Director, OST
Mr. Stephen McVay, Cash Manager, OST
Mr. Vivek Maharaj, Merchant Services Program Manager, OST
Ms. Monai Roberts, Special Assistant to the State Treasurer, OST
Ms. Priyanshi “Priya” Vaidya, Accounting Specialist, OST
Mr. Kevin Leonard, NEPC
Ms. Jennifer Appel, NEPC
Mr. Jonovan Sackey, NEPC
Mr. Brent Hobby, CampusGuard
Mr. Kyle Baranski, Courts

CALLED TO ORDER

Mr. Engle called the meeting to order at 10:07 a.m. A quorum was established.

INTRODUCTION

None

APPROVAL OF THE MINUTES

A MOTION was made by Ms. Miller and seconded by Mr. Karia to approve minutes from the Board meeting on March 13, 2024.

MOTION ADOPTED UNANIMOUSLY

DISCUSSION AND VOTE REGARDING RESOLUTION 2024-2 ADOPTING CERTAIN GOVERNANCE POLICIES.

During the December full board meeting, the topic of adopting certain governance policies was discussed and ultimately tabled pending Public Integrity Commission (“PIC”) training. Mr. Staib reviewed Resolution 2024-2 with the Board.

A MOTION to recommend approval of Resolution 2024-2 was made by Ms. Miller and seconded by Secretary Geisenberger.

MOTION ADOPTED UNANIMOUSLY

INVESTMENT SUBCOMMITTEE REPORT

Presentation and Discussion of the 2024 1st Quarter Investment Performance Report

NEPC provided a review of the 1st Quarter Performance Report. Mr. Sackey and Ms. Appel presented the Subcommittee with an overview of the State’s portfolio performance for the 1st Quarter 2024. The State’s consolidated balance is \$6,512,551,802 (including ARPA funds), with liquidity and reserve portfolio balances of \$ 5,897,630,034. The set goal of 25% liquidity, and 75% reserve was achieved.

ARPA Fund Update

Mr. McVay shared that as of March 29, 2024, the State ARPA funds totaled \$511.1 million with one draw for \$47.1 million occurring during the quarter.

BANKING SUBCOMMITTEE REPORT

Local Banking Project Discussion

Ms. Kwesseu 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 (M&T, TD and Citizens Banks) by December 2024. Furthermore, OST has apprised the Banking Subcommittee and full Board of developments with Capital and Polytech School Districts.

A portion of Capital School District’s balances were transferred to M&T Bank, 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 (“MS”) and Payment Card Industry Data Security Standards (“PCI-DSS”) Compliance Discussion

Mr. Hobby and Ms. Kwesseu provided the following updates on MS 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 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 Courts. The migration is not likely to be completed by June 2025. OST is working with CampusGuard and Courts/DELJIS to identify a definitive timeline for completion of this migration and will keep the Board 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 and has been an available solution since April 2024. 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 2025, a link to the GoDE test-site and the PCI-DSS Compliance mandatory awareness was included in this correspondence.

- **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 2024. As of May 21, 2024, 759 of 830 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 hopes to have agencies complete their respective SAQ type beginning in June 2024.

Due to the delay with DELJIS/Courts' migration mentioned above, OST has initiated conversations with Fiserv on the best approach to separate (carve out) DELJIS/Courts' attestation from the State's attestations.

No MOTION was made.

Contract Extensions Discussion

- **JP Morgan Discussion**

OST has exercised the last contract extension through 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.

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

As of July 1, 2024, the annual maintenance fee will be increased to \$155,000, billed quarterly. 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 an annual fee of \$65,000. In 2016, the fee increased to \$68,250.

The Board previously authorized contract extensions through June 30, 2026. Given the anticipated delay with migration to Fiserv, OST is requesting the authority to proceed with an additional six-month extension through December 2026.

A MOTION to give OST authority to proceed with an additional six-month extension, December 2026, was made by Mr. Engle and seconded by Ms. Miller.

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.

Other Matters of the Board

None

Public Comment

None

Executive Session

None

Next Meetings

- The next full Board meeting is scheduled for Thursday, August 29, 2024
 - This meeting will be held at Buena Vista Conference Center.
- The next Investment Subcommittee meeting is scheduled for Wednesday, August 7, 2024
- The next Banking Subcommittee meeting is scheduled for Wednesday, August 14, 2024

ADJOURNMENT

The meeting was adjourned at 11:28 a.m.

Respectfully submitted,

Warren C. Engle
Board Chair