MINUTES FROM THE BANKING SUBCOMMITTEE
OF THE CASH MANAGEMENT POLICY BOARD
August 14, 2024

A meeting of the Banking Subcommittee (the "Subcommittee") of the Cash Management Policy Board (the "Board") was held on August 14, 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
Ms. Fiah M. Kwesseu, Director of Operations and Fund Management, OST
Mr. Vivek Maharaj, Merchant Services Program Manager, OST
Ms. Priyanshi Vaidya, Accounting Specialist, OST

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

INTRODUCTIONS
Mr. Seemans introduced Antonia Kramer as the successor to Steve's position following his retirement. He also welcomed Ninna Vaughn as the new Executive Assistant, taking over Priya Vaidya's CMPB-related responsibilities. Additionally, Mr. Seemans introduced Heather Konesey and Lisa Foraker, who recently joined the Reconciliations and Transaction Management team.

APPROVAL OF THE MINUTES
A MOTION was made by Treasurer Davis seconded by Mr. Sylver to approve minutes from the Subcommittee meeting on May 8, 2024, with the additional amendments.
MOTION ADOPTED UNANIMOUSLY

LOCAL BANKING PROJECTS DISCUSSION AND UPDATE
Ms. Kwesseu provided an update on local banking project. There are 82 accounts belong to agencies/school districts that have already transitioned but need to be at a zero balance to close the account at PNC Bank. The project is still moving forward to accomplishing this goal. OST continues to receive resistance from Polytech School District. Ms. Kwesseu reported that the school district has

substantially withdrawn the bulk of its funds from Shore United Bank (with a small balance left to settle outstanding claims) with the intention to deposit funds into a new Citizens Bank account.

MERCHANT SERVICES AND PAYMENT CARD INDUSTRY DATA SECURITY STANDARDS ("PCI-DSS") COMPLIANCE DISCUSSION
Mr. Maharaj provided the following updates on the Merchant services and PCI-DSS compliance:

- **Fiserv Migration Project Update**
  OST continues to make progress with the migration of payment gateway and merchant processing services to Fiserv. Currently, the migration has a target completion date of May 31, 2025, which was contingent upon the creation of the digital government payment portal (GoDE). The GoDE ecommerce solution became available in April 2024.

  OST continues to work with the judiciary ("Courts") on the 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 local courts are not under OST's purview, and that Courts is dependent on DELJIS's migration, 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.

- **PCI-DSS Compliance Project Update**
  OST is working with CampusGuard to ensure we are staying on track to attest in December 2024. To date, 794 out of 843 (94%) state employees have completed the required training.

  From a continuous improvement perspective, OST has requested CampusGuard to create a step by step recorded tutorial. This new tutorial will be shared with all merchant environments who need to complete an SAQ. OST plans to release all SAQs to State merchants for completion via the portal by August 2024. OST will continue to provide guidance for State merchants as this process continues.

- **Digital Government Project Update**
  The design of a resident and visitor portal, which includes the payment infrastructure provided by OST, was launched with a start date of April 2024. OST has confirmed there are 354 applications (ecommerce) environments at Govolution. There are 200 clover devices for in-person transactions of which 27 are pending. The Division of Agriculture is the first user of GoDE.

  Since the availability of the GoDE solution in April of 2024, there are 42 applications in the Fiserv Ecommerce migration queue; 30 of these represent existing Govolution applications. OST will continue to onboard new and existing applications and provide regular updates.

CONTRACT EXTENSIONS DISCUSSION

Ms. Kwesseu provided the following updates on contract extensions:

- **JP Morgan Discussion**
  The General Banking contract with JP Morgan is set to expire on August 18, 2024. OST has one remaining two-year extension available. The new contract expire will be August 18, 2026. OST and Division of Accounting are in discussions about the timing to post these services for RFP.

- **Govolution Contract Amendment Discussion and Potential Vote**
  To recap, the original Govolution contract expired on June 30, 2024.

  The Board granted OST the authority to negotiate:
  - two six-month extensions to June 30, 2025 (approved on June 7, 2023)
  - two six-month extensions to June 30, 2026 (approved on December 13, 2023)
  - one six-month extension to December 31, 2026 (approved on June 8, 2024)

  OST had a brief discussion with CMPB Board Chair about the possibility of securing another six-month extension to June 30, 2027, if pricing could be the same as prior extensions.

  Govolution previously proposed an annual maintenance fee for periods beginning on July 1, 2024, of $155,000 with a 25% increase to that fee with a cap of $300,000 per annum.

  OST successfully negotiated the following contract pricing for approved extension periods. The pricing terms for approved extension periods are as follows:
  - July 1, 2024- June 30, 2025- $135,000
  - July 1, 2025 – June 30, 2026 - $160,000
  - July 1, 2026 – December 31, 2026 - $80,000

A MOTION was made by Mr. Warren and seconded by Mr. Madrid to memorialize an additional six-month extension to June 30, 2027, at fixed price of $80,000.
MOTION ADOPTED UNANIMOUSLY

The Subcommittee requested a memo from Ms. Kwesseu to memorialize the contractual terms negotiated in this contract amendment.

- **Electronic Payment Consulting Services (PCI Consultant) RFP Tentative Timeline Discussion**
  The PCI Consultant contract with CampusGuard will expire on February 28, 2025. OST has received a supplemental services opinion from DAG that supports an additional one-year extension which would set the new contract date to February 28, 2026, with plans to post the RFP in August 2025.

A MOTION was made by Mr. Warren and seconded by Ms. Miller for authority to negotiate and execute a one-year extension with Campus Guard, pricing and contract terms will be the same for this amendment.

MOTION ADOPTED UNANIMOUSLY

OTHER MATTERS OF THE SUBCOMMITTEE

PUBLIC COMMENT

EXECUTIVE SESSION
None Scheduled

NEXT MEETING
The next full Board meeting is scheduled for September 11, 2024, at Buena Vista.
The next Subcommittee meeting is scheduled for November 13, 2024.

ADJOURNMENT
The meeting was adjourned at 10:29 a.m.

Respectfully Submitted,

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Tarrie Miller
Chair, Banking Subcommittee