



MINUTES FROM THE MEETING OF THE CASH MANAGEMENT POLICY BOARD

September 3, 2025

A meeting of the Cash Management Policy Board (the “Board”) was held on September 3, 2025, commencing at 10:00 a.m. in the Buck Library of the Buena Vista, 661 South DuPont Highway, New Castle, DE 19720. Committee members and members of the public were able to participate in person or virtually using the provided dial-in information.

Board Members Represented or in Attendance:

Mr. Warren C. Engle, Chair
Mr. Mike Karia, Investment Subcommittee Chair
Mr. Stephen Marvin, Investment Subcommittee Vice Chair
Ms. Tarrie Miller, Banking Subcommittee Chair
Mr. Leland Sylver, Banking Subcommittee Vice Chair
Ms. Colleen C. Davis, State Treasurer
Ms. Kylie Taylor-Roberts, Deputy Principal Assistant, Department of Finance, designee for Secretary of Finance
Ms. Charuni Patibanda-Sanchez, Secretary of State
Ms. Ruth Ann Miller, Controller General

Others in Attendance:

Mr. Brennon Fountain, Deputy Treasurer, Office of State Treasurer (“OST”)
Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice (“DOJ”)
Ms. Khairat Makanjuola, Chief Operating Officer, OST
Ms. Fiah M. Kwessey, Director of Operations & Fund Management, OST
Mr. Vivek Maharaj, Merchant Services Program Manager, OST
Ms. Antonia Kramer, Cash Manager, OST
Ms. Shanese Ridgeway, Director of Reconciliations and Transaction Management, OST
Ms. Ninna Vaughn, Executive Assistant, OST
Ms. Layne Taylor, Director of Policy and Communication, OST
Ms. Jennifer Appel, NEPC
Mr. Jonovan Sackey, NEPC
Mr. Brent Hobby, CampusGuard
Ms. Tammy Teeter, Fiscal Manager, DHSS
Ms. Esther Woolford, Fiscal Advisor II, DHSS

CALL TO ORDER

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

INTRODUCTIONS

Mr. Fountain introduced Ms. Kylie Taylor-Roberts, Deputy Principal Assistant at the Department of Finance. After introductions, Mr. Fountain commenced roll call. Each attendee introduced themselves.

APPROVAL OF MINUTES

A MOTION was made by Mr. Karia and seconded by Ms. Miller to approve the minutes from the Board meeting on June 4, 2025.

MOTION ADOPTED UNANIMOUSLY.

INVESTMENT SUBCOMMITTEE REPORT

Presentation and Discussion of the 2nd Quarter Performance Abbreviated Report

NEPC provided a review of the 2nd Quarter Performance Report. Ms. Appel and Mr. Sackey presented the Board with an overview of the State's portfolio performance for the 2nd Quarter of 2025.

School and Special Fund Rate Calculation Annual Review Discussion and Potential Vote

Ms. Appel explained that the School and Special Fund (SSF) rate is reviewed annually, providing an opportunity to assess the rate methodology. To protect SSF recipients and the State, a rate cap and floor are applied: if the liquidity rate exceeds the total portfolio rate, the cap limits payment to the portfolio rate; if returns are negative, the floor ensures the SSF rate does not fall below zero, guaranteeing no loss to SSFs. NEPC recommended no changes to the rate methodology. NEPC also confirmed that June's rate was at 3.3%.

Annual Investment Manager Review Meetings Update

Ms. Kwesseu explained that the annual investment manager meetings have concluded. All investment managers have submitted their recommendations pertaining to the investment guidelines, and NEPC provided a due diligence memo. Mr. Sackey reviewed NEPC's recommendations that were outlined in the memo with the Board.

Ms. Davis and other Board members agreed that the recommendations proposed, such as increasing the 144a limits from 15% to 30% in Reserve, will go back through the Investment Subcommittee for further discussion and vetting. Upon the Subcommittee's discussion, this topic will then be included in the December 3rd Board agenda. Mr. Sackey clarified that Rule 144a securities are private placement securities that do not have to be registered with the SEC, meaning less regulatory oversight. The purpose of these securities within the State's portfolio is to provide broader access to the liquidity market. Securities registered with the SEC often include anchor costs like legal and compliance and require more time to bring new issuances to the market.

Endowment Manager Contracts Discussion and Potential Vote

Ms. Kwesseu detailed that the Endowment Investment Managers' initial five-year term (July 1, 2020 – June 30, 2025) has expired. Each contract includes three additional one-year extension options. OST is seeking authority to exercise the first one-year extension for each contract, which would extend the expiration date to June 30, 2026.

A separate discussion ensued about how much the Board would like to be involved in contract extensions. Mr. Engle asserted that the Board's duty was to set policy and not micromanage OST's administrative duties as the Board relies on the office to execute transactions on behalf of the state, given day-to-day interactions with managers while performing several operational functions. Mr. Staib advised that contract language is not uniform, as some contracts are written with both Board and OST having the authority to exercise extensions, whereas others were written with the Board having this authority exclusively. Members expressed a desire not to micromanage OST's operations. Mr. Staib provided legal counsel on options to further clarify OST's authority by the board.

MOTION to approve the negotiation and execution of the first one-year term extension for the Mercer (Vanguard) and SEI Endowment contracts was made by Mr. Karia and seconded by Mr. Engle.

MOTION ADOPTED UNANIMOUSLY.

ARPA Funds

Ms. Kramer updated the Board that as of June 30, 2025, the State ARPA funds totaled \$289 million, with two draws for \$111 million occurring during the quarter.

BANKING SUBCOMMITTEE REPORT

Collateral for State Funds Discussion and Potential Vote

Ms. Kwesseu and Mr. Staib explained that Moody's recently downgraded the credit rating of Federal Home Loan Banks (FHLBs), following earlier U.S. credit downgrades by Standard & Poor's in 2011 and Fitch in 2023.

OST received an inquiry from the FHLB of Pittsburgh as to whether its letters of credit remain eligible as collateral under Section 5.2.1 of the Investment Guidelines. Mr. Staib determined that FHLB letters of credit are not eligible. Of the three most used nationally recognized statistical rating organizations (“NRSRO”), Moody’s was the last to formally downgrade the US government debt since the others started issuing rating downgrades in 2010. The downgrade of the FHLB System is tied to the downgrade of the US federal government from AAA to AA. OST believes that the FHLB’s remain acceptable credit risks, notwithstanding the downgrades and recommends guideline changes to the effect of requiring FHLB’s have credit ratings that are “at least as high as US debt” while retaining the “highest credit rating” for letters of credit issued by other financial institutions. The BSC recommended that the Board approve the continued use of the FHLB LOC pending formal amendment of the guidelines.

MOTION to approve OST’s continued use of FHLB letters of credit, pending formal amendment of the Investment Guidelines, was made by Ms. Miller and seconded by Mr. Karia.
MOTION ADOPTED UNANIMOUSLY.

Local Banking Projects Discussion and Update

Ms. Ridgeway updated the Board that as of July 2025, all local banking PNC accounts have been zeroed out and transitioned over to one of the state’s local banking partners.

DHSS/DHCI Canteen Request – Fiserv Reloadable Prepaid Card Solution Discussion and Potential Vote

Mr. Maharaj discussed that OST received a request from DHSS/DHCI Canteen seeking a reloadable card solution to replace their current use of a paper ledger with non-rolling allotments. Unfortunately, our current prepaid debit card vendor, U.S. Bank, does not offer a reloadable solution that meets their needs. DHSS/DHCI Canteen receives federal funding for residents at the nursing home and intends to use those funds to load the cards. Fiserv has confirmed they can offer a suitable solution through a separate agreement under their Money Network subsidiary. There is no cost to the State for this solution. The \$4.00 per card fee will be paid by the agency.

MOTION needed to allow OST to negotiate and execute a contract with Fiserv under their Money Network subsidiary at no cost to the State was made by Ms. Miller and seconded by Mr. Engle.

MOTION ADOPTED UNANIMOUSLY.

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

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

- **Fiserv Migration Project Update**

OST continues to migrate merchants to Fiserv payment gateway and processing services. OST currently anticipates that by December 31, 2026, all merchants and their infrastructure will be fully migrated. DNREC, DEJLIS, and Courts are working with OST and CampusGuard on a PCI-DSS solution for accepting payments.

- **PCI-DSS Compliance Project Update**

Delaware received its first PCI-DSS Attestation of Compliance (AOC) in December 2024. This initial AOC excluded MIDs associated with the Judicial Branch, which has been granted a compliance extension through December 31, 2026. Both the Courts and DELJIS are actively working on a transition plan to move to Fiserv prior to the extension deadline. In April 2025, CampusGuard launched its updated PCI-DSS training through the CampusGuard portal. In collaboration with OST, DTI, and CampusGuard, a Single Sign-On (SSO) integration is being implemented to ensure seamless access for all State agencies and school districts via the myDelaware portal.

Training Progress as of August 15, 2025:

- 1,398 users have been assigned the 2025 PCI-DSS training
- 84% completion rate has been achieved to date

OST and CampusGuard will continue to track training completion throughout the year. Additionally, OST will promote the use of online PCI resources and remain available to support merchant environments through the 2025 SAQ (Self-Assessment Questionnaire) process. Guidance and direct assistance will continue to be provided to all State merchants to ensure compliance is maintained.

OST will also provide regular PCI compliance and training updates during Full Board meetings to ensure all stakeholders remain informed and aligned with statewide compliance efforts.

Mr. Hobby expressed that the State of Delaware demonstrates the blueprint of what it takes to accomplish PCI compliance and thanked the Treasurer and the Board for their great leadership.

- **Digital Government Project Update**

The resident and visitor portal, which includes the payment infrastructure provided by OST, was officially launched in April 2024. As of July 2025, GoDE has successfully processed over 29,000 payment transactions through the platform.

Govolution to Fiserv Migration Overview

Govolution to Fiserv merchant identification numbers (MIDs) are not one to one but one to many and is dependent on the merchant's new Fiserv environment.

- *Govolution Environment Baseline:*
 - OST initially confirmed **361** merchant environments under Govolution.
 - **276** Govolution environments are **transitioned** to Fiserv
 - **85** Govolution environments are **pending transition** to Fiserv

- *ServiceNow applications: 100*
 - **61** of 100 are **existing** Govolution applications
 - **26** of 100 are **new** GoDe applications
 - **14** of 100 are **cancelled or were test production** applications
- *Clover Device Deployment (In-Person Transactions):*
 - **275** Clover devices have been deployed
 - **13** devices are currently pending activation

OST, in collaboration with GoDE, will continue onboarding new and existing applications into the Fiserv environment. Regular updates will be provided as part of ongoing oversight and compliance reporting.

RFP Discussion & Updates

Ms. Kwesseau provided the following updates:

- **Electronic Payment Consulting Services (PCI Consultant)**
The PCI RFP was reposted for bidding on July 14th. Bid submissions were due June 27, 2025. OST received no bids and has reposted the RFP. In hopes of receiving a better response, the second go-around, OST has expanded the outreach to potential bidders. Bid submissions are now due September 5th. Since the RFP has been posted, vendor questions have been received, and the final Q&A was posted on August 15th.
- **General Banking**
This RFP was released for bidding on June 9, 2025. OST received questions from interested vendors, and the final Q&A was posted for vendors to review on July 23rd. Bids were due August 8th. OST received seven (7) proposals. All proposals have passed the minimum requirements review and have been released to the evaluation committee and stakeholders for review and scoring. Preliminary scores are due by August 19th.

OTHER MATTERS OF THE BOARD

None

PUBLIC COMMENT

None

EXECUTIVE SESSION

None

NEXT MEETING

The next full Board meeting is scheduled for December 3, 2025

The next Investment Subcommittee meeting is scheduled for November 5, 2025

The next Banking Subcommittee meeting is scheduled for November 12, 2025

ADJOURNMENT

The meeting was adjourned at 11:31 a.m.

Respectfully submitted,

Warren C. Engle
Chair, Cash Management Policy Board