



MINUTES FROM THE MEETING OF THE CASH MANAGEMENT POLICY BOARD

December 3, 2025

A meeting of the Cash Management Policy Board (the “Board”) was held on December 3, 2025, commencing at 10:00 a.m. in the Large Conference Room of the Office of the State Treasurer (“OST”), 820 Silver Lake Blvd., Suite 100, Dover, DE 19904. 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
Mr. Michael Smith, 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
Mr. Vivek Maharaj, Merchant Services Program Manager, OST
Ms. Shanese Ridgeway, Director of Reconciliations and Transaction Management, OST
Ms. Ninna Vaughn, Executive Assistant, OST
Ms. Daly Pineryo, Special Payments Manager, OST
Mr. Steve McVay, Casual Seasonal Assistant Cash and Debt Manager, OST
Ms. Layne Taylor, Director of Policy and Communication, OST
Mr. Bradley Lofton, Senior Policy Advisor, OST
Ms. Jennifer Appel, NEPC
Mr. Jonovan Sackey, NEPC
Mr. Brent Hobby, CampusGuard
Mr. Matthew Phillips, JPMorgan Chase

CALL TO ORDER

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

INTRODUCTIONS

Mr. Fountain led introductions. Mr. Fountain formally introduced Steve McVay, casual seasonal Assistant Cash and Debt Manager at OST. Mr. McVay has returned from retirement to assist OST with the departure of Antonia Kramer.

APPROVAL OF MINUTES

A MOTION to approve the September 3, 2025, minutes was made by Ms. Miller and seconded by Mr. Sylver.

MOTION ADOPTED UNANIMOUSLY

INVESTMENT SUBCOMMITTEE REPORT

PRESENTATION AND DISCUSSION OF THE 3RD QUARTER PERFORMANCE ABBREVIATED REPORT

NEPC provided a brief market update and reviewed the 3rd Quarter Performance Abbreviated Report as of September 30, 2025. Ms. Appel reported that the third quarter reflected strong capital market performance, supported by positive equity and fixed-income returns and a 25-basis-point Federal Reserve rate cut in September, followed by an additional 25-basis-point rate cut at the end of October.

Ms. Appel noted continued strength in global equity markets, benefiting the endowment portfolio, while acknowledging potential near-term market volatility. NEPC indicated that the State's liquidity and reserve portfolios remain appropriately positioned and are performing in line with expectations.

Mr. Sackey then presented an overview of liquidity and reserve portfolio performance for the quarter and confirmed that portfolio positioning remains consistent with targeted allocation ranges. Mr. Marvin asked NEPC to further explain why PFM's unrated category was reported at 43%. NEPC stated that, based on its confirmation with PFM, the portfolio does not contain a significant concentration of unrated securities and remains in compliance with Delaware's established guidelines. NEPC indicated that the reported variance reflects differences in its internal rating categorization methodology, particularly with respect to short-term securities rated on a prime scale rather than traditional A/AA/AAA classifications.

RESERVE WITHDRAWAL UPDATE

Treasurer Davis explained that OST implemented precautionary measures starting on October 3, 2025, in coordination with OMB and DOF, to ensure sufficient liquidity during the federal government shutdown. Actions included a \$500 million withdrawal from the reserve portfolio to bolster the JPMorgan concentration account, maintain operational funding, and mitigate risks from delayed federal receipts and slower property tax collections. No realized losses occurred from the Reserve sales.

BUDGET RESERVE (RAINY DAY) AND BUDGET STABILIZATION ACCOUNT UPDATE

Mr. Sackey reviewed and presented the Budget Reserve (Rainy Day) and Budget Stabilization Account memos. For fiscal year 2026, the amount requested is \$366,545,000, an increase of an estimated \$17,825,000 from fiscal year 2025. NEPC recommended adding a \$5 million cushion to the Budget Reserve account and making no changes to the reserve amount to the Budget Stabilization Account, with a minimum required level of \$469,300,000. OST was in agreement with and has implemented NEPC's recommendations.

ARPA FUNDS

Mr. Fountain explained that as of September 30, 2025, the State ARPA funds totaled \$255 million, with two draws for \$36.6 million occurring during the quarter.

CONTRACT UPDATES

Mr. Fountain provided the following contract updates on:

NEPC – INVESTMENT ADVISORY SERVICES

The NEPC – Investment Advisory Services agreement recently expired on September 23, 2025. There are three one-year extension options available. OST has exercised one of the extension options, extending the contract through September 23, 2026.

ENDOWMENT INVESTMENT MANAGEMENT AGREEMENT

The Endowment Investment Management agreement expired on June 30, 2025. There are three one-year extension options available. OST has exercised one of the extension options, extending the contract through June 30, 2026.

LIQUIDITY AND RESERVE MANAGERS – INVESTMENT MANAGEMENT PROFESSIONAL SERVICES AGREEMENT

The Liquidity and Reserve Manager Professional Services Agreements were set to expire on January 31, 2026. At the February 26, 2025, meeting, the Board approved additional one-year extensions through January 31, 2027, maintaining the same pricing and contract terms. OST has negotiated and memorialized the extensions. OST plans to post the RFP for investment manager services in March 2026. We will keep the subcommittee updated as to the RFP timeline.

BANKING SUBCOMMITTEE REPORT

INVESTMENT GUIDELINES CHANGES FOR COLLATERAL FOR STATE FUNDS DISCUSSION AND POTENTIAL VOTE

Mr. Fountain advised that Moody's 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 has received an inquiry from the FHLB of Pittsburgh regarding whether the bank's letters of credit ("LOCs") remain eligible to be posted as collateral under the Board's Investment Guidelines.

DAG Staib advised that FHLB letters of credit arguably are not eligible due to the downgrade.

The Banking Subcommittee previously recommended that the Board approve the continued use of FHLB LOCs pending formal amendment and the Board ratified that vote during its September 3, 2025, meeting.

OST believes that the FHLB's remain acceptable credit risks, notwithstanding the downgrades and recommends guideline changes to require that FHLBs 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. This change was presented during the subcommittee's November 12, 2025, meeting and was approved for recommendation to the Board.

MOTION to approve changes to the Investment Guidelines as described related to the use of FHLB LOCs as collateral was made by Ms. Miller and seconded by Mr. Sylver.

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 Merchant Services and PCI-DSS compliance:

PCI – DSS COMPLIANCE PROGRAM UPDATE

Training Progress as of November 26, 2025:

- 1,529 users have been assigned to the 2025 PCI-DSS training
- 92% completion rate has been achieved to date

OST and CampusGuard will continue to track training completion throughout the year to the end of December. The Self-Assessment Questionnaire has been fully completed, with 100% participation achieved as of December 3, 2025. 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.

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 November 2025, GoDE successfully processed over 69,298 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 are dependent on the merchant's new Fiserv environment.

- Govolution Environment Baseline:
 - OST initially confirmed 361 merchant environments under Govolution.
 - 315 Govolution environments are transitioned to Fiserv
 - 46 Govolution environments are pending transition to Fiserv
- ServiceNow applications: 108
 - 65 of 110 are existing Govolution applications
 - 31 of 110 are new GoDe applications
 - 14 of 110 were cancelled or were test production applications
- Clover Device Deployment (In-Person Transactions):
 - 301 Clover devices have been deployed
 - 40 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.

CONTRACT UPDATES

Mr. Fountain provided the following contract updates:

GOVOLUTION CONTRACT

The Govolution contract will expire on June 30, 2026. There are three six-month extension options available for OST to use if support is needed for the Fiserv project.

M&T BANK CONTRACT

The M&T Bank contract will expire on September 10, 2027. OST exercised the last two-year extension available.

TD BANK & CITIZENS BANK CONTRACT

The TD Bank & Citizens Bank contracts are expiring on December 21, 2025. Each contract has a two-year extension option available, extending the contracts until December 21, 2027. Both contract extensions have been executed.

BANKING SERVICES & ELECTRONIC PAYMENT CONSULTING SERVICES (PCI CONSULTANT) RFP RESULTS, DISCUSSION, AND VOTE

Mr. Fountain discussed the current status of the Banking Services and Electronic Payment Consulting Services (PCI Consultant) RFPs.

The Banking Services RFP evaluation phase was completed in August, narrowing the field from seven original vendors to three finalists under consideration. The PCI Consultant RFP evaluation was completed in September, and one bid was received for consideration.

The recommendations of the evaluation team are documented in the memos provided, which recommend issuances of notices to proceed with contract negotiations and execution of contracts with the vendors identified as the most effective solutions for the State.

Mr. Engle asked if CampusGuard's bid pricing is more than what their current contract price is, and if so, by how much. Mr. Fountain and the OST team were unable to provide exact numbers but promised to follow up with the Board.

Mr. Engle asked which vendors were identified as the most effective solutions for the State. Ms. Vaughn responded that the vendors would be JPMorgan and U.S. Bank.

MOTION to authorize OST to negotiate a contract with CampusGuard was made by Ms. Miller and seconded by Mr. Smith.

MOTION to authorize OST to negotiate a contract with JPMorgan and U.S. Bank was made by Ms. Miller and seconded by Ms. Davis.

During discussion, members expressed that final negotiated agreements would be presented to the Banking Subcommittee and the Full Board for review and approval prior to execution.

MOTION ADOPTED UNANIMOUSLY

OTHER MATTERS OF THE BOARD

None

PUBLIC COMMENT

No members of the public made a comment.

EXECUTIVE SESSION

The Board did not enter executive session, as it was determined that such a session was not necessary.

NEXT MEETING

The next full Board meeting is scheduled for February 25, 2026.

The next Investment Subcommittee meeting is scheduled for February 4, 2026.

The next Banking Subcommittee meeting is scheduled for February 11, 2026.

ADJOURNMENT

The meeting was adjourned at 11:00 a.m.

Respectfully submitted,

Warren C. Engle
Chair, Cash Management Policy Board