



MINUTES FROM THE MEETING OF THE CASH MANAGEMENT POLICY BOARD

February 25, 2026

A meeting of the Cash Management Policy Board (the “Board”) was held on February 25, 2026, 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.

Board Members Represented or in Attendance:

Mr. Warren C. Engle, Chair
Mr. Mike Karia, Investment Subcommittee Chair
Mr. Stephen Marvin, Investment Subcommittee Vice Chair
Mr. Leland Sylver, Banking Subcommittee Vice Chair
Mr. Michael Smith, Secretary of Finance
Ms. Colleen C. Davis, State Treasurer
Ms. Ruth Ann Miller, Controller General
Ms. Regina Mitchell, Deputy Secretary of State, Secretary of State Designee

Members Absent:

Ms. Tarrie Miller, Banking Subcommittee Chair

Others in Attendance:

Mr. Brennon Fountain, Deputy Treasurer, State Treasurer
Ms. Fiah M. Kwesseu, Director of Operations & Fund Management, 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
Mr. Steve McVay, Casual Seasonal Assistant Cash and Debt Manager, OST
Ms. Ninna Vaughn, Executive Administrator, OST
Ms. Daly Pineryo, Special Payments Manager, OST
Ms. Layne Taylor, Director of Policy and Communication, OST
Mr. Bradley Lofton, Senior Policy Advisor, OST
Mr. Kevin Leonard, NEPC
Mr. Jonovan Sackey, NEPC
Ms. Allison Zwaschka, CampusGuard
Mr. Dave Tancredi, Public

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 December 3, 2025, minutes was made by Mr. Karia and seconded by Mr. Secretary Smith.

MOTION ADOPTED UNANIMOUSLY

INVESTMENT SUBCOMMITTEE REPORT

PRESENTATION AND DISCUSSION OF THE 4th QUARTER PERFORMANCE ABBREVIATED REPORT

Mr. Leonard presented the 4th quarter performance report, giving an overview of each portfolio.

- Total Portfolio (Liquidity & Reserves):
The ending market value of the combined liquidity and reserve portfolio was \$5.9 billion, with a 6.71% annual return, reflecting strong absolute and relative performance as of December 31, 2025.
- Liquidity Portfolio (\$1.7B):
Delivered 4.69% for the year, outperforming its benchmark by 21 basis points. Consistent relative outperformance across all time periods.
- Reserve Portfolio (\$4.2B):
Returned 7.19% for the year, outperforming its benchmark by 21 basis points and significantly outperforming liquidity. Longer-duration managers were key contributors to excess returns in 2025.
- Endowment (\$153M):
Strong equity-driven performance with a 16.45% annual return, outperforming the benchmark by 93 basis points.
- ARPA Funds (\$237M):
Returned 4.42% for the year, modestly outperforming the benchmark.

GOVERNANCE/PORTFOLIO REPORTING DISCUSSION

Mr. Karia reported that the Investment Subcommittee (ISC) engaged in a governance-focused discussion regarding portfolio reporting and allocation review during its February 4, 2026, meeting. Subcommittee members expressed interest in supplementing existing reporting with benchmarking and comparative insights from NEPC to support a more top-down perspective of the overall portfolio.

The Subcommittee also discussed whether allocation adjustments should be considered within a more consolidated review framework, rather than on a piecemeal basis as individual manager requests arise.

NEPC will provide comparative information to support continued discussion. The item will remain on a future Subcommittee agenda for further refinement. No formal action was taken.

CONTRACT DISCUSSION & UPDATES

Ms. Kwesseu provided contract updates, including the following:

LIQUIDITY AND RESERVE MANAGERS – INVESTMENT MANAGEMENT PROFESSIONAL SERVICES REQUEST FOR PROPOSAL (RFP)

The Board was informed that the Liquidity and Reserve Managers – Investment Management Professional Services agreement will expire on January 31, 2027. A tentative RFP timeline has been established, with plans to post the RFP in March 2026. The Board will be kept informed as the RFP process and timeline progress.

BANKING SUBCOMMITTEE REPORT

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

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

FISERV MIGRATION PROJECT UPDATE

Progress was reported in addressing the Judiciary’s complex merchant environment, which has received a PCI DSS extension through December 31, 2026.

It was reported that OST, CampusGuard, Delaware Digital Government, and the Delaware Criminal Justice Information System (“DELJIS”) have identified a compliant replacement solution and established project teams to develop workflows, conduct proof-of-concept testing, and define requirements, with conversion efforts expected to begin prior to the end of the second quarter of 2026.

PCI – DSS COMPLIANCE PROGRAM UPDATE

As of December 31, 2025, 1,526 users were assigned PCI-DSS training, with a 93% completion rate. OST and CampusGuard supported training efforts through outreach, online resources, and direct assistance to State merchants to support completion of the 2025 SAQ process.

DIGITAL GOVERNMENT PROJECT UPDATE

The resident and visitor portal (GoDE), supported by OST payment infrastructure, launched in April 2024. As of January 2026, GoDE has processed over 112,421 payment transactions.

GOVOLUTION TO FISERV MIGRATION OVERVIEW

It was reported that Govolution merchant identification numbers (MIDs) do not convert on a one-to-one basis and are dependent on the configuration of each merchant's Fiserv environment.

- Govolution Environment Baseline:
 - OST initially confirmed 361 merchant environments under Govolution, of which 302 have transitioned to Fiserv, and 57 remain pending transition.
- ServiceNow applications: 114
 - A total of 114 applications were reported, including 67 existing Govolution applications, 33 new GoDE applications, and 14 applications that were cancelled or identified as test production environments.
- Clover Device Deployment (In-Person Transactions):
 - A total of 305 Clover devices have been deployed, with 7 devices pending activation.

The Board was informed that onboarding of remaining applications into the Fiserv environment will continue, with updates provided as part of ongoing oversight and reporting.

MONEY NETWORK PAYMENT SERVICES AGREEMENT DISCUSSION AND VOTE

Mr. Maharaj reported that a request was received from DHSS/DHCI Canteen for a reloadable prepaid debit card solution to replace its current paper-based ledger process. The program supports the administration of federal funds on behalf of nursing home residents, which would be distributed via prepaid debit cards.

It was reported that the State's current prepaid debit card provider, U.S. Bank, does not offer a reloadable card solution that meets the agency's operational needs. Fiserv has indicated that a suitable reloadable card solution is available through its Money Network subsidiary. The Board was informed that there is no cost to the State for this service, and that the \$4.00 per card fee will be paid by the agency.

Mr. Maharaj further reported that this item was previously presented to the Banking Subcommittee on August 13, 2025, and approved, with subsequent approval by the full Board on September 3, 2025. During contract negotiations, it was identified that the solution utilizes Flagstar Bank, which is not currently an approved CMPB depository institution.

The Board was informed that the associated Flagstar funding account is a non-traditional account and does not function as a standard demand deposit account (DDA).

- Two funding options are available under this solution:
 - ACH directly to individual prepaid cards, in which case no Flagstar funding account is required; or
 - Use of a program-specific Flagstar funding account, which functions as a non-traditional “holding” account tied to a 16-digit account number and is used solely to facilitate real-time card funding.

The matter was returned to the Subcommittee for additional discussion and consideration due to the involvement of a non-approved depository institution.

The Board was informed that there are no applicable collateral concerns at this time, as the current program exposure is approximately \$5,000, and collateral is not expected based on this low balance. The Banking Subcommittee approved a motion to establish an overall program card load cap of \$10,000 across all participating prepaid debit cards. Any request to exceed this threshold will require review and approval by both the Banking Subcommittee and the full Board.

The Board was informed that program balances will be monitored and that any applicable deposit or collateral requirements will be evaluated if exposure materially increases.

A MOTION to approve the use of Flagstar Bank solely for the purpose of implementing a prepaid debit card solution for DHSS/DHCI Canteen, subject to compliance with CMPB guidelines, ongoing balance monitoring, and an overall program card load cap of \$10,000 across all participating prepaid debit cards, with any amount exceeding this cap requiring review and approval by the Banking Subcommittee and the full Board, was made by Mr. Engle and seconded by Mr. Smith.

MOTION ADOPTED UNANIMOUSLY

BANKING SERVICES AND ELECTRONIC PAYMENT CONSULTING SERVICES (PCI CONSULTANT) REQUEST FOR PROPOSAL (RFP) DISCUSSION, UPDATES, AND VOTE

Ms. Kwesseu reported that, following the Board’s ratification vote, formal communications were issued to the incumbent bidders on December 19, 2025, to initiate contract negotiations. Negotiations are currently focused on the U.S. Bank and CampusGuard agreements, which expire on March 6, 2026, and February 28, 2026, respectively. The remaining banking services contracts expire in August 2026.

The Board was informed that, if negotiations are not finalized prior to expiration, temporary contract extension letters may be issued to the applicable vendors to ensure continuity of services under the same terms, conditions, and pricing as the existing agreements.

A MOTION to authorize OST to issue temporary contract extension letters, not to exceed 90 days, to the applicable vendors to ensure continuity of services under the same terms, conditions, and pricing as the current contracts, if negotiations are not finalized prior to expiration and a Special Banking Subcommittee and Full Board meeting cannot be scheduled in time to approve final agreements, was made by Mr. Engle and seconded by Mr. Sylver.

MOTION ADOPTED UNANIMOUSLY

RESPONSE TO BANKING SUBCOMMITTEE QUESTION REGARDING COLLATERALIZATION

Ms. Kwesseu informed the Board that the State maintains collateralization levels at approximately 102% of public deposit balances, ensuring coverage above statutory requirements.

She noted that collateral levels fluctuate based on changes in cash balances, investment activity, and agency cash flow patterns. The collateral portfolio consists primarily of U.S. Treasuries and other eligible securities, as well as Federal Home Loan Bank (FHLB) Letters of Credit provided by participating banking partners.

The Board was informed that collateral levels are actively monitored to ensure compliance with policy requirements.

CONTRACT DISCUSSION, UPDATES, AND VOTE

Ms. Kwesseu provided the following contract updates, including tentative RFP timelines:

LOCAL BANKING SERVICES REQUEST FOR PROPOSAL (RFP)

The Board was informed that the Local Banking Services Professional Services Agreements are scheduled to expire on September 10, 2027, for M&T Bank, and on December 21, 2027, for Citizens Bank and TD Bank. A tentative RFP timeline has been developed, with plans to post the Local Banking Services RFP in October 2026. The Board will be kept informed as the RFP process and timeline progress.

The Board was further informed that, as M&T Bank's agreement expires first, alignment of M&T Bank's contract expiration date with the expiration dates of the other local banking contracts is being considered to support continuity of services and a coordinated competitive procurement process.

A MOTION to authorize OST to align the M&T Bank Local Banking Services contract expiration date with the expiration dates of the Citizens Bank and TD Bank contracts in support of a single, coordinated Local Banking Services RFP was made by Mr. Engle and seconded by Mr. Sylver.

MOTION ADOPTED UNANIMOUSLY

ANNUAL REPORT DISCUSSION AND VOTE

A MOTION to approve the FY 25 Annual Report was made by Mr. Karia and seconded by Secretary Smith.

MOTION ADOPTED UNANIMOUSLY

OTHER MATTERS OF THE BOARD

None

PUBLIC COMMENT

No members of the public made a comment.

EXECUTIVE SESSION

None

NEXT MEETING

The next full Board Meeting is scheduled for May 27, 2026.

The next Investment Subcommittee meeting is scheduled for May 6, 2026.

The next Banking Subcommittee meeting is scheduled for May 13, 2026.

ADJOURNMENT

The meeting was adjourned at 10:40 a.m.

Respectfully submitted,

Warren C. Engle
Chair, Cash Management Policy Board