



**STATE OF DELAWARE**  
**STATE BOARD OF PENSION TRUSTEES**  
**AND**  
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**BOARD OF PENSION TRUSTEES**  
**AUDIT COMMITTEE**  
**PUBLIC MINUTES OF JULY 12, 2024**

The meeting of the Audit Committee was called to order by Mark Finrock, Chair, at 9:02 a.m., via video and teleconferencing.

**Committee Members Present**

Mark Finrock, Chair  
Gigi Maniyatte  
Stephen Ritchie  
Joseph Seibert  
Harold Stafford  
Tom Vermeer

**Committee Members Absent**

**Others Present**

Joanna Adams, Pension Office  
Stephenie Tatman, Pension Office  
Tammy LeCates, Pension Office  
Arian Daniels, Pension Office  
Josh Hitchens, Pension Office  
Melanie Moore, Pension Office  
Mary Page Bailey, Deputy Attorney General  
Courtney Stewart, Office of Management & Budget

Sophia Smith, Windmark Investment Partners  
Scott Warnetski, BDO USA, P.C.  
Dhruti Parikh, BDO USA, P.C.  
Michael Devitis, KPMG  
Morgan Chako, BDO USA, P.C.

**1. OPENING COMMENTS:**

M. Finrock welcomed everyone to the third Audit Committee meeting of 2024 and then followed with a roll call and introduction of G. Maniyatte, the newest Audit Committee member.

**2. PUBLIC COMMENT**

There was no public comment.

**3. APPROVAL OF THE MINUTES:**

The Audit Committee reviewed the Public Minutes of the May 10, 2024, meeting.

**MOTION** made by S. Ritchie and seconded by T. Vermeer to approve the Public Minutes of the May 10, 2024, meeting with changes.

**MOTION ADOPTED UNANIMOUSLY**

The Audit Committee reviewed the Executive Minutes of the May 10, 2024, meeting during Executive Session.

**MOTION** made by T. Vermeer and seconded by J. Seibert to approve the Executive Minutes of the May 10, 2024, meeting with changes.

**MOTION ADOPTED UNANIMOUSLY**

**MOTION** made by S. Ritchie and seconded by J. Seibert to move into an Executive Session for the purpose of discussing confidential financial information, sensitive commercial information, proprietary business information, internal audit reports, and preliminary external audit reports.

**MOTION ADOPTED UNANIMOUSLY**

The Audit Committee then moved into Executive Session.

#### **4. EXTERNAL AUDIT REPORT**

Planning for the year ended June 30, 2024 external audit was reviewed in Executive Session.

#### **5. INTERNAL AUDIT REPORT**

The Investments Cash Management Internal Audit and Internal Audit Plan were reviewed in Executive Session.

**MOTION** made by S. Ritchie and seconded by J. Seibert to approve the Investments Cash Management Internal Audit Report.

**MOTION ADOPTED UNANIMOUSLY**

**MOTION** made by T. Vermeer and seconded by J. Seibert to approve the Fiscal Year 25 Internal Audit Plan subject to Board review.

**MOTION ADOPTED UNANIMOUSLY**

**MOTION** made by J. Seibert and seconded by T. Vermeer to exit Executive Session.

**MOTION ADOPTED UNANIMOUSLY**

## 6. PENSION ADMINISTRATOR'S REPORT

### POSITIONS UPDATE:

J. Adams shared the Information Systems Manager position is on hold while the Enterprise Resource Planning (ERP) and Information Technology organizational structure is re-evaluated. The Administrative Specialist II position is temporarily on hold pending reclassification. The Deputy Attorney General position has been posted in light of the previous Deputy Attorney General's departure. The Department of Justice is temporarily covering the vacancy with three Deputy Attorney Generals: Patricia A. Davis, Mary Page Bailey, and Jason Staib. The Investment Financial Manager accepted a promotional position with another state agency and that position has been posted. Two HR Analyst positions were filled recently with internal candidates from limited term positions. Therefore, seven limited term positions will be posted. Discussion ensued about limited term positions, how they serve as a good recruitment source, and prevent a disruption of daily operations.

### LEGISLATIVE UPDATE:

J. Adams shared there was minimal legislation specifically regarding Office of Pensions. However, several bills passed the General Assembly that will affect benefits.

- Senate Bill 174 – This bill allows Justices of the Peace, Commissioners in Superior Court, Family Court and Court of Common Pleas and Magistrates in Chancery to join the State Judicial Pension Plan. This will affect roughly 80 positions.
- House Bill 282 – This bill adds procedural requirements to meetings of the State Employee Benefits Committee (“SEBC”), revises the membership of the SEBC, and requires the Secretary of the Department of Human Resources inform State Employees and retired State employees (eligible pensioners) about changes in benefits coverages affecting eligible pensioners who are receiving or are eligible to receive retirement benefits under the State employees’ pension plan, including proposed changes.
- House Bill 330 – House Amendment 2 – Increase the amount of annual appropriation to prefund Other Post Employment Benefits. The contribution rate will incrementally increase each year.
- House Bill 375 – This bill establishes the amount of the premium for a health-care insurance plan that the State will pay on behalf of eligible pensioners who were first employed as a regular officer or employee on or after January 1, 2025, and who are not subject to mandatory retirement.
- House Bill 376 – This bill implements a pensioner coordination of benefits policy for the group health insurance program.
- House Bill 377 – This bill requires the State to continue to offer eligible pensioners first employed by the State before January 1, 2025, a plan that is comparable to the current Special Medicfill Medicare Supplement plan.
- Senate Bill 326 includes a post-retirement increase based upon the pensioner’s effective date of retirement.

Discussion ensued regarding the effects of the post-retirement increase on the auditor’s actuarial and the State’s bond rating.

### ERP MODERNIZATION PROJECT:

J. Adams shared our current system has been in place since 1999 and is near the end of life. The 100 plus page RFP was published in June. Ninety-eight questions were received from vendors. Every effort has been made to be thorough and to document all business requirements and processes. In September and October, vendor demonstrations will take place to select our top candidates. Currently, PeopleSoft,

a global HR/Pension system is used. The goal is to implement a Pension Administration System. Mariah Krass is doing excellent managing the project.

BOARD OF PENSION TRUSTEES UPDATE:

J. Adams shared highlights of the May meeting at the Greenville Country Club where Paul Marcus of Markus Partners made a presentation. There was an in-depth discussion of Securities Litigation. In June, there was a presentation by Chris Doll, CEM Benchmarking Survey showing our service score increased by seven points over the prior year. The Board also recognized Jim Testerman, founding member and elected chair of the Pension Advisory Council, when it was established on August 25, 1976. J. Testerman served 48 years on the Pension Advisory Council. BLA Schwartz made a presentation on securities litigation monitoring. Lastly, an overview of pending legislation was discussed.

CORE FUNCTIONS AND FLOWCHARTS OF INVESTMENT ACTIVITIES:

The Core Functions and Flowcharts of Investment Activities were reviewed in executive session.

**7. DEPUTY ATTORNEY GENERAL REPORT**

There was nothing to report in public session.

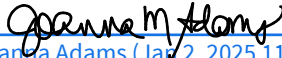
**8. ADJOURNMENT**


At 11:02 a.m., there being no further business:

**MOTION** was made by J. Seibert and seconded by T. Vermeer to adjourn the meeting.

**MOTION ADOPTED UNANIMOUSLY**

Respectfully submitted,

  
Joanna Adams (Jan 2, 2025 11:38 EST)  
Joanna M. Adams  
Pensions Administrator

  
Mark Finfock (Jan 3, 2025 16:30 EST)  
Mark Finfock, Chair  
Audit Committee