



STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
AND
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BOARD OF PENSION TRUSTEES
AUDIT COMMITTEE
PUBLIC MINUTES OF MAY 9, 2025

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
Maria Hurd
Stephen Ritchie
Joseph Seibert
Tom Vermeer

Committee Members Absent

Gigi Maniyatte

Others Present

Stephenie Tatman, Pension Office
Tammy LeCates, Pension Office
Arian Daniels, Pension Office
William Tate, Deputy Attorney General
Ann Visalli, Office of Management & Budget

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

1. OPENING COMMENTS:

M. Finrock welcomed everyone to the second Audit Committee meeting of 2025 and then followed with a roll call. S. Tatman read a Resolution that will be presented to the Board of Pension Trustees at the May 28, 2025 meeting in honor of M. Finrock and shared a gift to thank him for years of outstanding service to the Delaware Public Employees' Retirement System.

2. PUBLIC COMMENT

No public comment.

3. APPROVAL OF THE MINUTES:

The Audit Committee reviewed the Public Minutes of the February 14, 2025, meeting.

MOTION made by T. Vermeer and seconded by J. Seibert to approve the Public Minutes of the February 14, 2025, meeting.

MOTION ADOPTED UNANIMOUSLY

MOTION made by J. Seibert and seconded by T. Vermeer to move into 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.

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

The Audit Committee reviewed the Executive Minutes of the February 14, 2025, meeting during Executive Session.

MOTION made by S. Ritchie and seconded by J. Seibert to approve the Executive Minutes of the February 14, 2025.

MOTION ADOPTED UNANIMOUSLY

4. EXTERNAL AUDIT REPORT

GASB 68 AND 75 UPDATE:

The GASB 68 and 75 update was presented by BDO in Executive Session.

PROFESSIONAL SERVICES FOR THE FINANCIAL STATEMENT AUDITOR:

The Professional Services for the Financial Statement Auditor was discussed in Executive Session.

MOTION made by J. Seibert and seconded by T. Vermeer to award the Financial Audit Services contract to BDO, subject to the Board of Pension Trustees approval and legal review of the contract.

MOTION ADOPTED UNANIMOUSLY

5. INTERNAL AUDIT REPORT

FY25 INTERNAL AUDIT STATUS UPDATE:

The Internal Audit status update was presented in Executive Session.

6. PENSION ADMINISTRATOR'S REPORT

POSITIONS UPDATE:

S. Tatman shared the HR Supervisor position that was vacant due to an internal promotion has been filled by an internal candidate. A request to fill the Limited Term HRIS Analyst I and one LT HR Analyst I position has been submitted. Interviews are scheduled for two HR Analyst I positions due to two of our employees transitioning to the ERP Modernization team. The Cash & Debt Manager remains vacant. The HR Associate position has been submitted for reclassification to an HR Analyst I position due to the scope of work becoming more complex and analytical. One Limited Term HR Analyst I position will be posted in the future. The Information Systems Manager position remains vacant.

LEGISLATIVE UPDATE:

S. Tatman shared two bills: House Bill 2, sponsored by Representative Carson, to increase the burial benefit from \$7,000 to \$8,000 and Senate Bill 31, sponsored by Senator Brown, to increase the burial benefit from \$7,000 to \$10,000 have been introduced. The burial benefit has not been increased in years. However, every \$1,000 burial benefit increase raises the pension liability by \$14 million.

Senate Bill 52, sponsored by Senator Buckson, passed the Senate and is assigned to the House Administration Committee. This bill seeks to change the "return-to-work" restrictions for retirees who return to work for the State of Delaware. The key changes:

1. Reduce the required bona fide separation from 6 months to 3 months;
2. Reduce the bona fide separation requirement from age 65 to age 59 ½; and
3. Eliminate the annual earnings limit.

House Bill 108, sponsored by Representative Yearick, seeks to amend Title 30 of the Delaware Code relating to personal income tax modifications subtracted from federal adjusted gross income. This bill increases the personal income tax pension exclusion from \$12,500 to \$25,000.

House Bill 113, sponsored by Representative Shupe, has been assigned to the House Education Committee. This bill denies retirement and disability benefits to Education employees if they were convicted of sexual abuse of a child, sexual solicitation of a child, or promoting sexual solicitation of a child.

ERP MODERNIZATION PROJECT:

S. Tatman shared the ERP Executive Sponsors have approved TELUS Health as our software vendor. An introductory meeting was held with staff from the Office of Pensions, Computer Aid, Inc., Department of Justice, and Ice Miller, LLP, to kick off the ERP Modernization Project contract negotiations. Computer Aid, Inc. drafted an email that was sent to TELUS Health via Government Support Services Procurement Officer to reduce their cost of implementation. Ten submissions were received for the Independent Verification and Validation request for proposal. The scoring must be completed by May 30, 2025.

The Committee asked if TELUS Health has built pension administration systems in other states and if anyone has had communication with those systems. S. Tatman affirmed and shared our team has verified references provided by TELUS Health and also networked with other pension systems to get feedback. The scoring committee had the opportunity to be present at demonstrations to visualize the facelift TELUS Health can give to our system.

BOARD OF PENSION TRUSTEES UPDATE:

S. Tatman shared the following updates:

February

- The Board of Pension Trustees appointed Maria Hurd to serve as an audit committee member. Maria Hurd is a Certified Public Accountant, Director of Accounting and Auditing, leads a team of specialized retirement plan auditors, and has retirement plan audit niche in benefits.
- Amanda Polley was selected as the 2025 William “Ray J” Johnson Award recipient for exemplary quality of work, work ethic, professionalism, willingness to assist coworkers and pensioners, desire for growth, training role with new employees, ability to identify and implement process improvements, and playing a crucial role in reaching an impressive milestone within her section. She is a true asset to our office.
- The Active and Retiree newsletters were issued to keep our active employees and retirees current.

March

- The Board of Pension Trustees welcomed Jeffrey Reeves, Esquire to the Board of Pension Trustees. He is the founder and managing partner of the Reeves Law Firm that primarily specializes in Plaintiff’s Litigation and Shareholder and Security Litigation matters. He will be a valuable asset to the Board.
- Ann Marie Johnson, former Deputy Attorney General, has entered into an agreement with the Board of Pension Trustees in an effort to reestablish the Governance Committee. In the past, the Committee had been using goals from the AON best practices review and Board of Pension Trustees self-assessment. Those goals were accomplished and the Committee is seeking direction moving forward.

April

- Julie Covell was recognized as the Office of Pensions’ Employee of the Quarter for her vision to provide all Comprehensive Annual Statements online at <https://my.delaware.gov>. In the past, the individuals who are not paid through the State’s payroll system could not review their statements online. She led a team to capture email information and educate groups who will receive those statements available online. Previously over 10,000 annual statements were mailed. This initiative will save on vendor printing costs and postage.
- B. Tate reported that questions had been raised at the most recent meeting of the State Employee Benefits Committee (“SEBC”) regarding the propriety of certain payments from the OPEB Trust to the State’s Group Health Insurance Program. In response to those questions, B. Tate reviewed the OPEB statutes, the Trust Agreement, and the payments in question and determined that the payments from the OPEB to the GHIP were made in accordance with the Trust Agreement and Delaware law.

PROFESSIONAL SERVICES FOR FINANCIAL REPORTING:

S. Tatman shared the Cash & Debt Manager is responsible for the accounting activities and the compilation of the Annual Comprehensive Financial Report (ACFR). Due to the position remaining vacant, the Board of Pension Trustees approved a Professional Services Agreement with Santora CPA for one year to provide compilation services for the fiscal year 2025 ACFR.

7. DEPUTY ATTORNEY GENERAL REPORT

Nothing to report.

8. ADJOURNMENT

At 10:14 a.m., there being no further business:

MOTION was made by S. Ritchie and seconded by M. Hurd to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY
Respectfully submitted,

Stephenie Tatman

Stephenie Tatman
Deputy Pensions Administrator

Joseph Seibert
[Joseph Seibert \(Aug 19, 2025 07:57:28 EDT\)](#)
Joseph Seibert, Acting Chair
Audit Committee