

STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
AND
OFFICE OF PENSIONS
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BOARD OF PENSION TRUSTEES
AUDIT COMMITTEE
PUBLIC MINUTES OF JULY 11, 2025

The meeting of the Audit Committee was called to order by Joseph Seibert, Acting Chair, at 9:01 a.m., via video and teleconferencing.

Committee Members Present

Joseph Seibert, Acting Chair
Maria Hurd
Gigi Maniyatte
Stephen Ritchie
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
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
Keith Hammond, Santora CPA

1. OPENING COMMENTS:

J. Seibert welcomed everyone to the third Audit Committee meeting of 2025 and then followed with a roll call.

2. PUBLIC COMMENT

No public comment.

3. APPROVAL OF THE MINUTES:

The Audit Committee reviewed the Public Minutes of the May 9, 2025, meeting.

MOTION made by G. Maniyatte and seconded by S. Ritchie to approve the Public Minutes of the May 9, 2025, meeting.

MOTION ADOPTED UNANIMOUSLY

MOTION made by T. Vermeer and seconded by S. Ritchie 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 S. Ritchie and seconded by G. Maniyatte to exit Executive Session.

MOTION ADOPTED UNANIMOUSLY

The Audit Committee reviewed the Executive Minutes of the May 9, 2025, meeting during Executive Session.

MOTION made by S. Ritchie and seconded by G. Maniyatte to approve the Executive Minutes of the May 9, 2025.

MOTION ADOPTED UNANIMOUSLY

4. EXTERNAL AUDIT REPORT

Planning for the year ended June 30, 2025 external audit was reviewed in Executive Session.

5. INTERNAL AUDIT REPORT

The Internal Employer Audit Summary, Fiscal Year 25 Succession Planning Special Project and Internal Audit Plan were reviewed in Executive Session. The Internal Audit Report dated July 11, 2025 was passed to the November Audit Committee meeting.

MOTION made by G. Maniyatte and seconded by T. Vermeer to approve the Fiscal Year 25 Succession Planning Special Project.

MOTION ADOPTED UNANIMOUSLY

MOTION made by T. Vermeer and seconded by S. Ritchie to approve the Fiscal Year 26 Internal Audit Plan subject to Board review.

MOTION ADOPTED UNANIMOUSLY

6. PENSION ADMINISTRATOR'S REPORT

LEGISLATIVE UPDATE:

House Bill 192, sponsored by Representative Smith, allows for additional disbursements from a special fund created by the General Assembly to ensure adequate pensions for affected police officers and firefighters, and their surviving spouses who are not participants in either of the County and Municipal pension plans raising the amount an individual is permitted to receive from \$35,000 to \$55,000 or less. This bill was signed by Governor Meyer on July 1, 2025.

The following bills are waiting for Governor's signature:

- Senate Bill 52, sponsored by Senator Buckson, changes the “return-to-work” restrictions for retirees who return to work for the State of Delaware. The key changes are:
 1. Reduces the required bona fide separation from 6 months to 3 months.
 2. Reduces the separation requirement from age 65 to age 59 ½.
 3. Eliminates the annual earnings limit.
- Senate Bill 136, sponsored by Senator Sokola, eliminates the “minimum factor” pension calculation for all members of the General Assembly who are elected after February 28, 2025. The monthly pension benefit for any member of the General Assembly who is elected after February 28, 2025 will be calculated exactly like the majority of state employees.
- Senate Bill 154, sponsored by Senator Sokola, grants full-service credit to members of the General Assembly if they serve from Election Day to Election Day.

ERP MODERNIZATION PROJECT:

The Executive Sponsors approved TELUS Health as the preferred vendor for the new Pension Administration System. The Statement of Work and Professional Services Agreement negotiations have begun with the assistance of Ice Miller's legal team, our Deputy Attorney General, project management consultant, and the project management team. Additional cost negotiations are occurring simultaneously. Lastly, the Independent Verification and Validation RFP was published with Linea Solutions as the preferred vendor. The Statement of Work and Professional Services Agreement negotiations have begun on this effort as well.

BOARD OF PENSION TRUSTEES UPDATE:

J. Adams shared the following updates:

May

- The Board of Pension Trustees approved a Professional Services Agreement for the Fiscal Year 25 Financial Statements and ACFR preparation.
- David Taylor, Chair of the Pension Advisory Council, passed away unexpectedly. Karen Crouse has moved up to Chair and Mark Ryde has moved up to 1st Vice Chair.
- Legislative and ERP Modernization updates were provided.
- Windmark Investment Partners presented an executive summary of the quarter ending March 31, 2025.

June

- CEM Pension Administration Benchmarking survey results were presented to the Board. DPERS received a beautiful crystal commemorating its 20th year of participation. Overall, the survey results presented positive improvements. The service score increased to 64, a 25-point increase since 2017. The new ERP Modernization efforts will provide an opportunity for more self-service options which will increase the service score even more. Our administration costs are roughly half of what our peers spend by comparison which is mainly attributable to lower salaries and less positions. All in all, the lower costs and lower service scores put DPERS below the average participant in the cost-effective management survey.
- Retention and retainment are not really issues for the Office of Pensions. With the continued support of the Office of Management & Budget Administration to fill positions timely, there is no need to continue to report on vacant positions. If that situation changes, J. Adams will be sure to update the Board and its subcommittees.
- The Board voted to maintain 7% as the annual expected rate of return.

CORE FUNCTIONS AND FLOWCHARTS OF INVESTMENT ACTIVITIES:

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

MOTION made by G. Maniyatte and seconded by T. Vermeer to approve the Core Functions and Flowcharts of Investment Activities.

MOTION ADOPTED UNANIMOUSLY

S. Tatman reported on the progress of the vested application team in reducing the backlog of vested pension applications that have yet to receive service verification or a benefit calculation.

7. DEPUTY ATTORNEY GENERAL REPORT

Nothing to report.

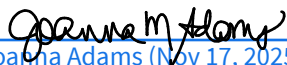
8. ADJOURNMENT

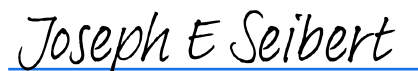
At 10:58 a.m., there being no further business:

MOTION was made by S. Ritchie and seconded by G. Maniyatte to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,


Joanna Adams (Nov 17, 2025 12:26:32 EST)
Joanna Adams
Pensions Administrator


Joseph E Seibert (Dec 16, 2025 20:46:10 EST)
Joseph Seibert, Acting Chair
Audit Committee