

**STATE OF DELAWARE**  
**STATE BOARD OF PENSION TRUSTEES**  
**AND**  
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**BOARD OF PENSION TRUSTEES**  
**AUDIT COMMITTEE**  
**PUBLIC MINUTES OF FEBRUARY 14, 2025**

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

**Committee Members Present**

Mark Finrock, Chair  
Gigi Maniyatte  
Stephen Ritchie  
Joseph Seibert  
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.

**1. OPENING COMMENTS:**

M. Finrock welcomed everyone to the first 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 November 8, 2024, meeting.

**MOTION** made by J. Seibert and seconded by T. Vermeer to approve the Public Minutes of the November 8, 2024, meeting.

**MOTION ADOPTED UNANIMOUSLY**

The Audit Committee reviewed the Executive Minutes of the November 8, 2024, meeting during Executive Session.

**MOTION** made by T. Vermeer and seconded by J. Seibert to approve the Executive Minutes of the November 8, 2024, meeting with changes.

**MOTION ADOPTED UNANIMOUSLY**

**MOTION** made by J. Seibert and seconded by S. Ritchie 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**

GASB 68 AND 75 UPDATE:

The GASB 68 and 75 update was presented by BDO in executive session.

**5. INTERNAL AUDIT REPORT**

FY25 INTERNAL AUDIT PLAN UPDATE:

The Internal Audit Plan was reviewed in Executive Session.

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

**MOTION ADOPTED UNANIMOUSLY**

**6. PENSION ADMINISTRATOR'S REPORT**

POSITIONS UPDATE:

J. Adams introduced Ann Visalli, Deputy Director, Office of Management & Budget, and William Tate, Deputy Attorney General. Julye Covell was promoted from a HR Supervisor to HR Manager II. Two HR Analyst I positions have been filled. The Cash & Debt Manager position is vacant due to Melanie Moore's resignation in January. Three HR Analyst I positions, two of which are limited term, an HRIS Analyst I, and the Information Systems Manager remain on hold.

LEGISLATIVE UPDATE:

J. Adams 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. An increase from \$7,000 to \$10,000 would increase the liability by \$42 million.

Senate Amendment 1 for Senate Bill 42, sponsored by Senator Paradee, adds magistrates, commissioners, and masters in chancery to the Judicial Pension Plan, and increases the employee contribution rate to 5% for new hires with an effective date of February 9, 2025.

Senate Bill 52, sponsored by Senator Buckson, 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.

ERP MODERNIZATION PROJECT:

At the January Board of Pension Trustees’ meeting, J. Adams made an ERP Modernization Project presentation to the Board with representation from Computer Aid, Inc. (“CAI”, Department of Technology & Information (“DTI”), and Pension Office staff. Topics included:

- Need to modernize
- Benefits of modernization
- Project Management Organization
- Overview of Tasks completed to date
- Preferred Vendor
- Board approved, now going to the ERP Executive Sponsors for approval
- Next steps – contract negotiations, expected implementation in four years
- Independent Verification and Validation (IV&V) request for proposal

The Pension Office has completed the drafting and legal review of the request for proposal and sent to DTI for review.

BOARD OF PENSION TRUSTEES UPDATE:

J. Adams shared in the November Board of Pension Trustees’ meeting, BDO-USA, LLP presented the FY24 External Audit. The Board approved the 53<sup>rd</sup> Annual Comprehensive Financial Report (“ACFR”) for FY24. Two new entities joined the County and Municipal General Plan. The Board recognized Rick Geisenberger and Cerron Cade for their dedication and support to the Board and the Office of Pensions during their tenure.

In December, Henry Ellengoben, Management Partner and CIO of Durable Capital, and Howard Marks, Co-Founder and Co-Chairman of Oaktree Capital, presented to the Board and Investment Committee. J. Adams shared the 2024 Successes with the Board. One new entity joined the County and Municipal Police/Firefighters Plan. The legal services agreement with tax counsel, Ice Miller LLP, was extended. The Board approved the custodial opening of Saudi Arabia by Northern Trust. The Board approved a motion to not accept Senate Substitute 1 for Senate Bill 174, after a presentation by Ice Miller LLP, because it jeopardized the plan’s qualified tax status.

In January, the Board welcomed two new members, Office of Management and Budget Director Brian Maxwell and Secretary of Finance Michael Smith. The Board approved Non-Disclosure Agreements for Tax Reclamation Assessment and a request for proposal for legal services was published. Harold Stafford attended his last Board meeting. Harold served with distinction since 2019 and was also a member of the Audit committee and Governance committee.

J. Adams shared the Governance Committee was temporarily dissolved; however, the Board is working on the potential of hiring a consultant to review governance and a new direction forward.

M. Finfrock thanked and commended the Pension Office on behalf of the committee for the tremendous work completed in 2024 and the full update of activities since the last Audit Committee meeting.

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.

An Audit Committee member inquired about the process of onboarding new entities. J. Adams shared we have an established process in place.

The Audit Committee inquired about paper retention. J. Adams shared the Pension Office implemented a digital system in approximately 1999. Paper documents was scanned and uploaded into the digital system for 99 years of records retention. This includes off site imaging of that data.

## 7. DEPUTY ATTORNEY GENERAL REPORT

W. Tate shared the request for proposal for specialized legal services for the System has been published. Those applications are due Tuesday, February 18, 2025.

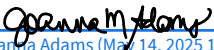
## 8. ADJOURNMENT

At 10:33 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 \(May 14, 2025 15:26 EDT\)](#)

Joanna M. Adams  
Pensions Administrator

  
[Mark Finfrock \(May 27, 2025 13:31 EDT\)](#)  
Mark Finfrock, Chair  
Audit Committee