

BUDGET & AUDIT COMMITTEE

BOARD OF TRUSTEES

OF

THE PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI

AND

THE PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM OF MISSOURI

April 10, 2022

MEMBERS PRESENT

Jason Steliga, Chair
Beth Knes, Vice-Chair
Dr. Melinda Moss

MEMBERS ABSENT

OTHERS PRESENT

Dearld Snider, Exec. Director
Bill Betts, Asst. Exec. Dir., Oper.
Craig Husting, Asst. Exec. Dir. Invest.
Sarah Swoboda, General Counsel
Anita Brand, Chief Financial Officer
Kim Harris, Dir. Human Resources
Jennifer Martin, Dir. Board Admin.

OTHER TRUSTEES PRESENT

Dr. Kyle Collins
Dr. D. Eric Park
Sharon Kissinger

Meeting Convened

The meeting of the Budget & Audit Committee of the Board of Trustees convened at 5:30 p.m. at the Retirement System offices in Jefferson City, Missouri. In attendance were Board members Jason Steliga, Beth Knes, Dr. Kyle Collins, Sharon Kissinger, Dr. Melinda Moss, and Dr. Eric Park. Also present were Executive Director Dearld Snider; Assistant Executive Director, Operations Bill Betts; Assistant Executive Director, Investments Craig Husting; General Counsel Sarah Swoboda; Chief Financial Officer Anita Brand; Director of Human Resources Kim Harris; Director of Executive and Board Administration Jennifer Martin; and various other PSRS/PEERS staff members.

Approval of Minutes

Ms. Knes moved that the minutes from the December 6, 2021, meeting of the Budget and Audit Committee be approved. Dr. Collins seconded the motion. A roll call vote was taken. Voting “Aye”— Steliga, Knes, Collins, Park, Kissinger and Moss; “Nay”—None. The motion carried unanimously.

No.0140

Preliminary 2022-2023 Budget Discussion

Ms. Anita Brand and Mr. Bill Betts from PSRS/PEERS and Mr. Joe Rice from CBIZ led a compensation and budget discussion in preparation for the upcoming fiscal year. Mr. Betts reviewed the Board of Trustees' compensation strategy by highlighting the purpose, principles and overall approach of the strategy. As part of the Board of Trustees' compensation strategy, an independent compensation study is conducted every three years to ensure the Systems maintain external competitiveness. Due to the current labor market and competition to recruit and retain employees, the Systems performed the operation compensation study off cycle. Mr. Joe Rice of CBIZ presented the results of the compensation study which included a review of the salary range structure and the adoption of a career level framework. Overall, the study results concluded that modest adjustments were necessary to implement the adoption of a career level framework. CBIZ commended the Systems' reliance on their compensation strategy. They see the approach as good governance and best practice to keep compensation at or near the market.

Ms. Brand described the annual budgeting process, which begins in the second quarter of each calendar year. The budget includes two broad categories: investment expenses and administrative expenses, inclusive of capital assets.

The annual budget is prepared with consideration of the necessary expenses to ensure the Systems continue to meet their goals and objectives in an efficient and effective manner.

Final detailed budget requests will be presented to the Budget and Audit Committee and the Board of Trustees during the June 2022 meeting.

External Auditor RFP Review The Systems issued a Request for Proposals (RFP) for Professional Auditing Services. The RFP requested proposals from qualified firms of certified public accountants to audit the Systems’ financial statements for each of the fiscal years ending June 30, 2022, June 30, 2023 and June 30, 2024. The Systems also requested proposals to audit the Systems’ Schedules of Pension Information for Participating Employers, inclusive of employer allocations, net pension liability, total deferred outflows of resources, total deferred inflows of resources and total pension expense. Based on the RFP responses, staff recommended awarding the external audit contract to Williams-Keepers, LLC. No.0141 Dr. Moss moved to approve the external audit contract to Williams-Keepers, LLC. as recommended by the Budget and Audit Committee. Dr. Collins seconded the motion. A roll call vote was taken. Voting “Aye”— Steliga, Knes, Collins, Park, Kissinger, and Moss; “Nay”—None. The motion carried unanimously.

**Prepared by
Jennifer Martin**

Jason Steliga, Chair

Dearld Snider, Executive Director