

BUDGET & AUDIT COMMITTEE

BOARD OF TRUSTEES

OF

THE PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI

AND

THE PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM OF MISSOURI

April 6, 2025

MEMBERS PRESENT

Beth Knes, Chair
Dr. Eric Park, Vice Chair
Katie Webb

MEMBERS ABSENT

OTHERS PRESENT

Dearld Snider, Exec. Director
Craig Husting, Chief Inv. Officer
Sarah Swoboda, Chief Operating Ofc.
Mike Moorefield, Chief Counsel
Anita Brand, Chief Financial Officer
Michelle Varcho, Dir. of Human Res.
Jake Woratzeck, Chief Info. Sec. Offic.
Lisa Scheulen, Chief Technology Officer
Jennifer Martin, Dir. Board Admin.

OTHER TRUSTEES PRESENT

Allie Gassmann
Chuck Bryant
Dr. Nate Moore

Meeting Convened The meeting of the Budget & Audit Committee of the Board of Trustees convened on Sunday, April 6, 2025 at 5:00 p.m. at the Retirement Systems offices in Jefferson City, Missouri. In attendance were Board members Beth Knes, Dr. Eric Park, Allie Gassmann, Katie Webb, Chuck Bryant and Dr. Nate Moore. Also present were Executive Director Dearld Snider, Chief Operating Officer Sarah Swoboda, Chief Investment Officer Craig Husting, Chief Counsel Mike Moorefield, Chief Financial Officer Anita Brand, Director of Human Resources Michelle Varcho, Chief Information Security Officer Jake Woratzeck, Chief Technology Officer Lisa Scheulen, Director of Executive and Board Administration Jennifer Martin and various other PSRS/PEERS staff members.

**Approval of
Minutes
No.0173**

Ms. Katie Webb moved that the minutes from the December 15, 2024, meeting of the Budget and Audit Committee be approved. Dr. Park seconded the motion. Voting “Aye”—Knes, Park, Gassmann, Webb, Bryant and Moore; “Nay”—None. The motion carried unanimously.

**External Auditor
Contract**

Ms. Anita Brand from PSRS/PEERS reviewed the most recent Request for Proposals (RFP) for Professional Auditing Services from February 2022. 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. An option to audit the financial statements for the two subsequent fiscal years was also requested. 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. The Board of Trustees approved hiring Williams-Keepers for the three years ended June 30, 2024, based off the RFP. Dr. Park moved to

No. 0174

accept the Staff's recommendation of extending the Williams-Keepers audit contract for the two optional years included in the February 2022 RFP response. Ms. Knes seconded the motion. Voting "Aye"—Knes, Park, Gassmann, Webb, Bryant, and Moore; "Nay"—None. The motion carried unanimously. An RFP will be issued after the June 30, 2026, engagements have been completed.

Preliminary 2025-2026 Budget Discussion

Ms. Anita Brand, Ms. Sarah Swoboda, and Ms. Michelle Varcho, all from PSRS/PEERS, and Mr. Joe Rice, from CBIZ, led a compensation and budget discussion in preparation for the upcoming fiscal year. Ms. Swoboda and Ms. Varcho 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 at least every three years to ensure the Systems maintain external competitiveness. Mr. Rice presented the results of the compensation study, which included a review of the salary range structure and the overall labor market. Overall, the study results concluded that modest adjustments were necessary to maintain market competitiveness in alignment with the Board's compensation strategy and philosophy. 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 2025 meeting.

Public Comment

None

Adjournment
No.0175

Ms. Knes moved that the meeting adjourn. Ms. Webb seconded the motion. Voting "Aye"—Knes, Park, Gassmann, Webb, Bryant, and Moore; "Nay"—None. The motion carried unanimously.

Prepared by
Jennifer Martin

Ms. Beth Knes, Chair

Dearld Snider, Executive Director