

**CITY OF MILWAUKEE
MINUTES OF THE DEFERRED COMPENSATION
EXECUTIVE FINANCE COMMITTEE
MEETING OF FRIDAY, MAY 10, 2024
2:00 P.M. – VIRTUAL MEETING**

MEMBERS/DESIGNEES PRESENT:

Mr. Jerry Allen
Ms. Molly Christianson
Mr. James Klajbor
Mr. Steve Mahan
Ms. Tea Norfolk
Mr. Charles Roedel

EXCUSED/ABSENT:

Mr. Richard Bare – excused
Mr. Stuart Mukamal – excused
Mr. Robin Pederson – excused

OTHER PLAN PROVIDERS and STAFF PRESENT:

Mr. Tyler Calligaro, Budget Department
Ms. Beth Conradson Cleary, Executive Director, Deferred Compensation
Mr. Mike Joecken, Callan LLC
Mr. Mark Kinoshita, Callan LLC
Ms. Kimberly Kuehn, Plan Coordinator, Deferred Compensation
Mr. Jack Malone, Callan LLC
Mr. Ben Taylor, Callan LLC

2:02 p.m. A quorum being present, Mr. Klajbor, Chairman, called the meeting to order.

1. Roll call and Introductions [00:30]

2. Approval of the 2026 Budget Request [02:02]

Ms. Cleary noted that a few typos had been identified in the draft budget. On page two of the BMD-2, under "Operating Expenditures – General Office Expenses," Mr. Klajbor

suggested reducing the amount from \$2,000 to \$1,000, citing recent actuals. Ms. Christianson recommended maintaining the \$2,000 allocation due to rising costs. Ms. Cleary proposed a compromise of \$1,500. Mr. Klajbor sought input from Mr. Calligaro, who supported maintaining the \$2,000 figure, in agreement with Ms. Christianson and Mr. Allen. Based on this, Mr. Klajbor agreed to retain the original amount.

Ms. Cleary explained that both the BMD-2 and BMD-2a include a 5% reduction version, as required under ACT 12. Although the department is levy-supported and the reduction is largely optical, it shows a decrease in the special funds account—from \$75,000 to \$47,831—which serves as a contingency reserve (e.g., legal defense costs).

Mr. Klajbor inquired why the Plan Services Assistant position was removed in the 5% reduction version if it wasn't being eliminated. Mr. Calligaro confirmed this was a clerical error. Mr. Klajbor clarified the correct staffing count should include one Services Assistant, totaling three positions before adjustments and three FTEs in the gross and net columns. Both Mr. Calligaro and Ms. Cleary agreed.

Ms. Cleary then addressed the BMD-10, which had three blank fields: total plan assets, total plan participants, and eligible employees. She noted these figures are unknown due to the City's hiring projections. Ms. Christianson stated that estimated figures are typically included. Mr. Calligaro added that leaving them blank has not affected prior budget submissions. However, to avoid drawing attention, Ms. Cleary agreed to include reasonable estimates and correct remaining typos.

[21:51] Motion by Ms. Christianson to approve the 2026 Budget Request with edits. No objections.

3. Approval of the 2026 External Budget [22:24]

Ms. Cleary explained that the external budget reflects expenditures outside the City budget process, including reserve fund allocations and administrative fees for the legacy AUL (American United Life) plan. Top expenses remain fiduciary insurance, recordkeeping, and custodial fees. Mr. Allen asked whether investment manager fees, not shown on the external budget, are included in financial statements. Ms. Cleary confirmed they are. Ms. Christianson suggested including them for greater transparency. Mr. Mahan and Mr. Roedel expressed support for maintaining the current format, citing simplicity.

[30:35] Motion by Mr. Allen to approve the 2026 External Budget Request. No objections.

4. Multi-year Comparison of MDCP Budgets Inclusive of All Expenses/Revenues [31:02]

Ms. Cleary presented a side-by-side comparison developed in prior years to track trends in expenditures and revenues. She noted:

- Slight increases in Callan's fees per contract (dip in 2023, rise in 2024).
- Northern Trust fees increased in 2024 due to higher mutual fund transaction volume.
- Significant growth in fiduciary insurance costs over time.
- Lower 2024 travel costs due to NAGDCA covering Ms. Cleary's NAGDCA Board-related expenses.
- No 2024 professional dues listed, as dues were paid in early 2025.

Mr. Klajbor asked whether Ms. Cleary was comfortable with the 2026 budget as presented. She confirmed she was.

Please be advised that the Committee may vote to convene in closed session on the following Item 5 on proper motion and action pursuant to Section 19.85(1)(d), Wisconsin Statue for deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting the specified public business, whenever competitive or bargaining reasons require a closed session (Item 5). Please note: A roll call is required for the Committee to enter closed session. The Committee may then vote to reconvene in open session following the closed session.

[36:32] Motion by Ms. Christianson to convene in closed session. No objections.

2:37 p.m. Board enters closed session

5. Update on Custodial Banking Services

2:52 p.m. Meeting adjourned from closed session.