

**CITY OF MILWAUKEE
MINUTES OF THE DEFERRED COMPENSATION
EXECUTIVE FINANCE COMMITTEE
MEETING OF THURSDAY, DECEMBER 18, 2025
1:30 P.M. – VIRTUAL MEETING**

MEMBERS/DESIGNEES PRESENT:

Mr. Richard Bare
Ms. Molly Christianson
Mr. James Klajbor, Chair
Mr. Stuart Mukamal
Mr. Robin Pederson

EXCUSED/ABSENT:

None noted

OTHER PLAN PROVIDERS and STAFF PRESENT:

Mr. Jerry Allen, MDCP Board Member
Ms. Kathy Brengosz, MDCP Board Member
Ms. Beth Conradson Cleary, Executive Director, Deferred Compensation
Ms. Deborah Whitfield, Deferred Compensation
Mr. Travis Gresham, City Attorney's Office
Mr. Lendall Goff, Voya Financial
Ms. Dawn Conlin, Voya Financial
Mr. Mike Joecken, Callan LLC
Mr. Clark Holland, Reams Asset Management
Mr. Jason Hoyer, Reams Asset Management
Mr. Greg Van Dusen, Reams Asset Management

1:32 p.m. A quorum being present, Mr. Klajbor, Chairman, called the meeting to order.

1. Roll call and Introductions [00:10]
2. Approval of Meeting Minutes of October 23, 2025 [02:10]

Motion by Mr. Mukamal to approve the meeting minutes of October 23, 2025 as submitted. No objections.

3. Investment Manager Presentation by Reams [03:00]

Mr. Joecken introduced Reams Asset Management, noting that Reams manages approximately \$15 million within the Actively Managed Income Account, which represents 15% of that account as of the end of September.

Mr. Holland of Reams provided a market update, highlighting continued normalization of the yield curve and noting relative value opportunities within the agency mortgage-backed securities (MBS) sector. Mr. Hoyer of Reams reviewed the portfolio's strong performance, reporting a return of 9.68% through September 30 and 11.51% through November 30. He noted that the portfolio outperformed its cash benchmark and the broader Bloomberg Aggregate Index by significant margins year-to-date. He emphasized the portfolio's tactical shifts, including reduced exposure to investment-grade corporate and high yield bonds and increased allocations to agency and non-agency MBS. Mr. Van Dusen of Reams provided an overview of the firm's cybersecurity protocols, noting that IT infrastructure and cyber protections are managed through Raymond James, Reams' parent company.

Mr. Joecken affirmed that Callan maintains a favorable opinion of the Reams team and strategy. Discussion ensued.

4. Economic and Markets Review/Update from Callan LLC [23:25]

Mr. Joecken provided an economic and market overview on behalf of Callan. He reported that markets were volatile during the first half of November but rebounded during the Thanksgiving week, ending the month relatively flat. He noted that year-to-date performance across asset classes was strong, with non-U.S. equities outperforming domestic equities in seven of the past twelve months, aided by a weakening U.S. dollar. The rebound in diversification benefited several Plan managers. Emerging and developed markets were both up nearly 30% for the year, while domestic large-cap equities returned approximately 15%. Ms. Cleary raised a question about employment data discrepancies and their potential correlation to inflation and market conditions. Mr. Joecken acknowledged the importance of data quality, particularly in light of federal delays, and affirmed that the Fed appears to be signaling a pause or possible rate cuts in 2026. Discussion ensued.

5. Approval of Callan Fourth Amendment [30:10]

Ms. Cleary reviewed the proposed amendment to Callan's contract, formalizing the scope, fee (\$40,000), and duration (3–4 months) of the fee study and RFI process previously approved by the Board.

Mr. Gresham confirmed it was a standard contract amendment. Mr. Mukamal affirmed the amendment aligned with the Board's direction.

Motion by Mr. Mukamal to approve the Fourth Amendment. No objections. Motion carried.

6. Update on SECURE 2.0 [33:13]

Ms. Cleary provided an update on SECURE 2.0. She noted that the City's Emergency Management Director, Ryan Zollicoffer, proposed a joint webinar on Qualified Disaster Distributions (QDDs), scheduled for January 2026. She confirmed that Voya will track and report QDD-related activity to the Board. Ms. Cleary also highlighted recent legislative movement regarding the use of CITs in 403(b) plans and previewed the upcoming 2026 mandatory Roth catch-up requirement for participants earning \$150,000 or more in 2025. She reported that coordination with Voya and internal departments is underway to support communication and implementation of the provision.

7. Voya Reports [36:33]

a. Activity Report

Ms. Conlin reported slightly lower November activity following higher October outreach driven by open enrollment fairs. Outreach to new employees continue. The local team continues to visit worksites with Nurse Mary and is expanding outreach at the Fire and Police Academy.

Mr. Klajbor and Mr. Bare noted discrepancies in the outreach totals and potential formula errors in the November report. Mr. Goff committed to reviewing and reissuing corrected versions.

b. Rollover Report [42:00]

Mr. Goff presented the rollover report. He noted that November rollovers totaled \$6.1 million, higher than October's \$4.7 million, with large individual transactions to Pershing, Bear Trust, and Charles Schwab. Mr. Klajbor inquired about motivations behind rollouts. Ms. Cleary shared preliminary observations from outreach calls, including themes such as account consolidation with spouses or specialized investment needs. Mr. Mukamal requested a more granular analysis of

retention rates by tenure, and Mr. Bare raised the possibility that some rollouts may be due to participant death rather than dissatisfaction. Mr. Goff will research further.

c. VRA Report [51:47]

Mr. Goff reported stable participation, with one in four participants using VRA services.

d. Loan Outreach Update [52:00]

Mr. Goff presented the loan outreach report. He noted that in October, 32 participants missed payments totaling \$174,912, of which 29 were contacted and 9 committed to repayment. In November, only 5 participants were identified for outreach, and 1 committed to repayment. No defaults due to delinquency occurred in either month. Mr. Klajbor requested a monthly breakdown of total outstanding loans and delinquency rates. Mr. Goff agreed to explore whether that level of reporting could be provided.

e. 2025 Year-End Letter [56:20]

Mr. Goff reviewed the 2025 Annual Year-End Letter from Voya, summarizing major initiatives and participant engagement over the past year. He highlighted over 500 one-on-one appointments, enhanced digital tools and behavioral nudges, education efforts around SECURE 2.0, and continued coordination with City departments. Mr. Klajbor thanked Voya for its ongoing partnership and dedicated service to Plan participants.

8. Informational [1:00:27]

- a. Charles Schwab – Explanation of Fees and Services
- b. 3Q2025 Newsletter

2:36 p.m. Meeting adjourned.