CITY OF MILWAUKEE
MINUTES OF THE DEFERRED COMPENSATION
EXECUTIVE FINANCE COMMITTEE
MEETING OF THURSDAY, APRIL 23, 2026
1:30 P.M. – VIRTUAL MEETING

MEMBERS/DESIGNEES PRESENT:
Mr. Richard Bare
Ms. Molly Christianson
Mr. James Klajbor
Mr. Stuart Mukamal

EXCUSED/ABSENT:
Mr. Robin Pederson

OTHER PLAN PROVIDERS and STAFF PRESENT:
Ms. Kathy Brengoz, Board Member
Mr. Tyler Calligaro, Budget Department
Ms. Dawn Conlin, Voya Financial
Ms. Beth Conradson Cleary, Executive Director, Deferred Compensation
Mr. John Cremer, Baird Advisors
Mr. Jeff Deetsch, Invesco
Ms. Sharon deGuzman, Baird Advisors
Mr. Len Goff, Voya Financial
Mr. Travis Gresham, City Attorney
Mr. Mike Joecken, Callan LLC
Ms. Amy Junker, Baird Advisors
Ms. Kimberly Kuehn, Plan Coordinator, Deferred Compensation
Mr. Jack Malone, Callan LLC
Ms. Deborah Whitfield, Plan Services Assistant, Deferred Compensation

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

1. Roll call and Introductions [00:21]

2. Approval of Meeting Minutes of March 19, 2026

Motion by Mr. Mukamal to approve the meeting minutes of March 19, 2026. No objections.

3. Investment Manager Presentation by Baird

Mr. Joecken reported that Baird manages the bulk of the actively managed income account.

Ms. deGuzman provided an overview of market conditions and fund performance. She noted that the first quarter was marked by elevated market volatility. Despite the challenging environment, the Baird Aggregate Bond Fund's first-quarter return was essentially flat and generally tracked its benchmark. She reported that over longer periods the fund has added value relative to the benchmark, generating an annualized return of 4.32% since inception compared to 3.86% for the benchmark, representing 46 basis points of excess return. Relative to peers, the fund ranked in the top decile of its Morningstar category. She also reported that the fund had generated positive returns in April.

Mr. Cremer reviewed the fund's investment philosophy and portfolio positioning. He noted that the Aggregate Bond Fund is a diversified, investment-grade portfolio that may invest across the yield curve and consists entirely of U.S. dollar-denominated securities, with no use of derivatives or leverage. He reported that the fund's yield-to-worst was 4.80%, compared to 4.57% for the benchmark, providing a 23-basis-point yield advantage that has historically been a positive indicator of future excess returns. He also reviewed portfolio characteristics, including quality and sector allocations, and emphasized the importance of maintaining sufficient liquidity and a disciplined risk-control process during periods of market uncertainty.

Mr. Klajbor requested examples of companies represented in the BBB-rated portion of the portfolio, and Mr. Cremer provided examples and related commentary. Ms. Christianson inquired about recent sector allocation changes and the key risks that could result in future portfolio repositioning, and discussion ensued. Discussion ensued.

Ms. Junker provided an overview of Baird's cybersecurity program, including its governance framework, security monitoring, training initiatives, and external risk management practices.

Mr. Joecken reported that Callan continues to maintain a favorable opinion of Baird and considers the firm to be a top-tier fixed-income manager. He noted that Callan conducts ongoing due diligence and regularly meets with members of the Baird investment team.

4. Economic and Markets Review/Update from Callan LLC

Mr. Joecken reported that markets continue to face significant uncertainty due to geopolitical developments, including the Iran war, and other global economic factors. He noted that approximately 20% of global seaborne oil supply moves through the Strait of Hormuz and that supply disruptions have contributed to higher energy prices, increased inflation concerns, and uncertainty regarding future economic growth and interest rate policy. He further reported that Brent crude oil prices increased significantly during the quarter and discussed the potential economic implications of sustained elevated oil prices.

Mr. Joecken reviewed first-quarter market performance and reported that the S&P 500 declined approximately 4.3%, while small-cap equities posted a modest gain of approximately 0.9%. Developed markets outside the United States declined approximately 0.7%, emerging markets declined approximately 0.2%, and the Bloomberg U.S. Aggregate Bond Index was essentially flat.

Mr. Joecken reported that headline inflation increased through March, driven largely by higher energy and gasoline prices associated with supply disruptions, while labor market conditions moderated and economic growth remained relatively resilient. He further reported that markets had rebounded during April, resulting in positive month-to-date returns across most major asset classes. Discussion ensued.

5. RFI Record Keeping Update

Ms. Cleary reported that she met with Jamie McAllister of Callan in early April to review the project timeline and the status of the recordkeeping RFI process. She reported that Callan had obtained and was evaluating information regarding the services currently being provided to the Plan in order to fully assess the Plan's recordkeeping needs and develop the RFI.

Ms. Cleary reported that the RFI process was progressing as anticipated and that, following receipt and evaluation of responses, Callan's findings and recommendations would be presented to the Committee for review and discussion. She reported that the project remained on schedule.

Mr. Bare inquired whether Voya would receive the RFI, and Ms. Cleary confirmed that the RFI would be distributed to the four major recordkeepers and potentially one additional provider. Mr. Klajbor asked whether future discussions regarding the RFI process could occur in closed session, and Ms. Cleary responded affirmatively.

6. Update on SECURE 2.0

Ms. Cleary reported that no significant guidance related to SECURE 2.0, including guidance specific to public plans, had been issued since the prior meeting and, therefore, there were no substantive updates to report.

7. Annual Auto Escalation Update/Discussion

Mr. Goff provided an overview of the proposed annual auto-escalation program. He explained that participants contributing less than three percent would automatically be increased to a three percent deferral rate and participants contributing at least three percent but less than seven percent would receive an automatic one percent increase in their contribution rate.

Mr. Goff reported that Voya currently has the functionality to administer the program and reviewed the participant communication process. Participants would receive advance notifications of the upcoming change, including an opportunity to opt out or make alternative elections prior to implementation. Additional reminders and post-implementation confirmations would also be provided.

Committee members discussed participant communication methods, participant options following implementation, and the timing of Committee review of participant communications. Ms. Cleary reported that staff intends to coordinate communications with the Department of Employee Relations. Mr. Goff indicated that sample participant communications would be provided for Committee review at a future meeting.

Mr. Goff further explained that automatic increases would generally follow participants' existing contribution elections, with increases applied on a pre-tax basis if participants maintained both pre-tax and Roth contribution elections. Participants would retain the ability to make alternative elections at any time through the Plan website.

Ms. Christianson emphasized the importance of ensuring the Committee has an opportunity to review participant communications in advance, particularly given the August meeting recess. Ms. Cleary acknowledged the concern and stated that staff would take the timing into consideration. Discussion ensued.

8. Voya Report(s) and Update

a. VRA Usage

Mr. Goff reported a small increases in overall utilization of Voya Retirement Advisors services between January and February. Advisory call activity remained relatively stable, while both online advice utilization and professional management participation experienced slight increases. He noted that overall engagement with advisory services continues to remain strong.

b. Rollover Report

Mr. Goff reported that Pershing LLC received the largest volume of rollover distributions by both dollar amount and number of transactions during March 2026, followed by Edward Jones and North Shore Bank. He further reported that approximately $1.6 million was distributed through twelve rollover transactions during the month, representing a decrease from recent activity levels.

c. Loan Outreach

Mr. Goff reported in March there were 958 outstanding total loans, total balance of loans is at $10.5 million, there were 381 cumulative deemed defaults with a value of $2.9 million so those numbers did not change drastically from this month to last. In March they did see a large number of missed payments, there's no known reason for it but there does seem to be an uptick. The March missed payment reporting was not available so reporting for February is 42 total participants with an outstanding loan balance of $371,466, 13 were contacted, 24 voicemails left and five were unreachable. Of the 13 contacted over half agreed to make up payments. Discussion ensued.

Mr. Goff further reported an increase in missed loan payments during March, although no specific cause had been identified. February outreach activities included contacting participants with missed loan payments, leaving voicemails when necessary, and encouraging participants to bring their loans current. He noted that more than half of the participants who were successfully contacted agreed to make up their missed payments. Discussion ensued.

d. Field Team Activity Report

Ms. Conlin reported that, during March, the field team scheduled 82 participant appointments and completed 77 appointments, including virtual, telephone, and in-person meetings. She highlighted Voya's continued efforts to meet employees through multiple engagement channels and discussed the positive feedback received from participants regarding the accessibility of those services.

Ms. Conlin also reported that the field team conducted 16 outreach calls, resulting in nine scheduled appointments. Discussion ensued.

9. Informational

a. Charles Schwab – Explanation of Fees and Expenses

3:30 p.m. Meeting adjourned.

Ref: 04/19/min26