

# 2024 Proposed Budget Overview



## Deferred Compensation

Mission: To help City of Milwaukee employees save assets adequate to retire at the desired time, with dignity, and with sufficient income throughout retirement via a tax deferred savings plan under Section 457(b) of the Internal Revenue Code.

Finance & Personnel Committee

Budget Hearing: October 4, 2023

Prepared By: Nathaniel Haack, Budget & Fiscal Policy Analyst and  
Beth Conradson Cleary, Deferred Compensation Plan Executive Director



# 2024 Budget Summary

	2023 Adopted Budget	2024 Proposed Budget	Amount Change	Percent Change
FTEs – O&M	3.00	3.00	0.00	0.0%
FTEs – Other	0.00	0.00	0.00	-
Total Positions Authorized	3.00	3.00	0.00	0.0%
Salaries & Wages	\$198,553	\$259,881	\$61,328	30.9%
Fringe Benefits	\$89,349	\$116,946	\$27,597	30.9%
Operating Expenditures	\$67,600	\$67,600	\$0	0.0%
Equipment	\$3,000	\$3,000	\$0	0.0%
Special Funds	\$75,000	\$75,000	\$0	0.0%
<b>TOTAL</b>	<b>\$433,502</b>	<b>\$522,427</b>	<b>\$88,925</b>	<b>20.5%</b>

- No salary assigned to ARPA as Deferred Compensation is entirely self-funded through participant fees
- The proposed 2024 budget has been approved by the Deferred Compensation Board

# Salaries and Positions

	2023 Adopted Budget	2024 Proposed Budget	Amount Change	Percent Change
FTEs – O&M	3.00	3.00	0.00	0.0%
FTEs – Other	0.00	0.00	0.00	-
<b>FTEs – TOTAL</b>	<b>3.00</b>	<b>3.00</b>	<b>0.00</b>	<b>0.0%</b>
Total Positions Authorized	3.00	3.00	0.00	0.0%
<b>Salaries &amp; Wages</b>	<b>\$198,553</b>	<b>\$259,881</b>	<b>\$61,328</b>	<b>30.9%</b>

- Two of the three positions have been reclassified, increasing salaries by \$42,488
- The third position was provided a raise due to a promotional underfill, increasing salaries by \$18,840

# Operating Expenses

	<b>2023 Adopted Budget</b>	<b>2024 Proposed Budget</b>	<b>Amount Change</b>	<b>Percent Change</b>
Operating Expenditures	\$67,600	\$67,600	\$0	0.0%

- No changes to the proposed operating budget

# Equipment Expenses

	<b>2023 Adopted Budget</b>	<b>2024 Proposed Budget</b>	<b>Amount Change</b>	<b>Percent Change</b>
Equipment	\$3,000	\$3,000	\$0	0.0%

- No changes to the proposed equipment budget

# Special Funds

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<b>Account</b>	<b>2023 Adopted Budget</b>	<b>2024 Proposed Budget</b>	<b>Amount Change</b>	<b>Percent Change</b>
Contingency	\$75,000	\$75,000	\$0	0.0%

- No changes to the proposed special fund budget

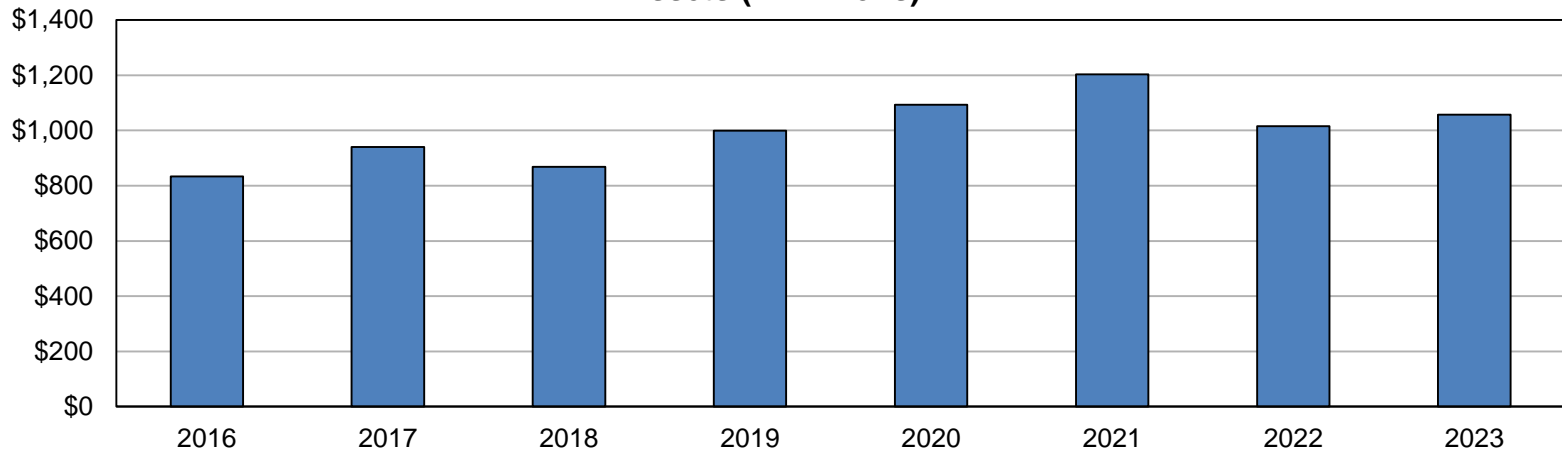
# Revenues

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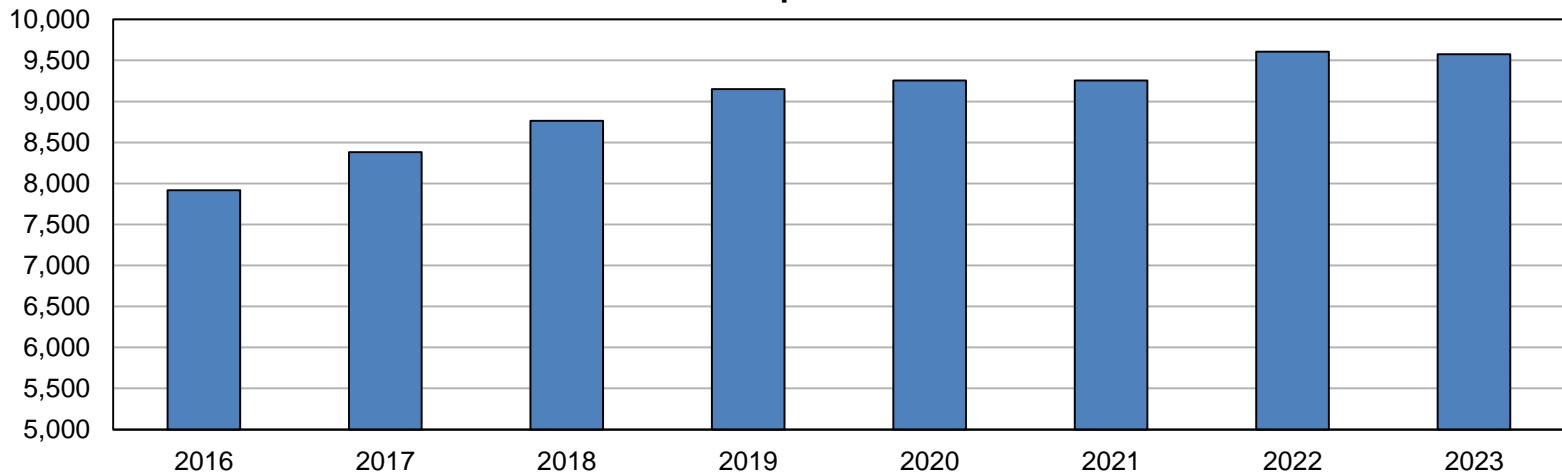
<b>Category</b>	<b>2023 Adopted Budget</b>	<b>2024 Proposed Budget</b>	<b>Amount Change</b>	<b>Percent Change</b>
Charges for Service	\$433,502	\$522,427	\$88,925	20.5%

# Key Performance Indicators

**Assets (in millions)**



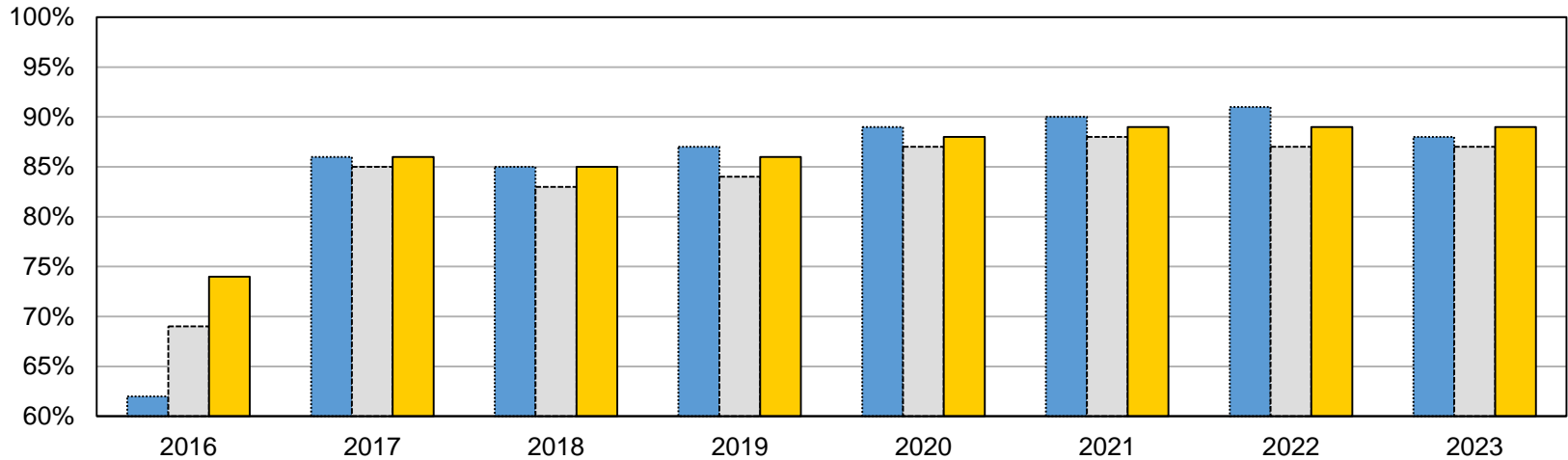
**Participants**



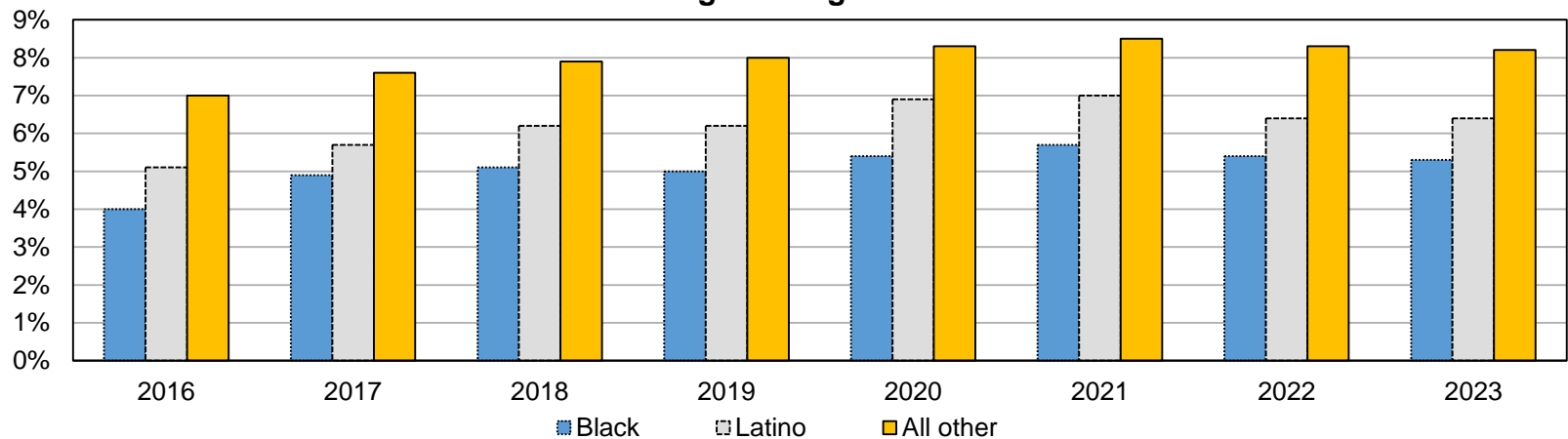


# Key Performance Indicators

## Participation Rate



## Average Savings Rate



# Core Services

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The Department, through the oversight of the Deferred Compensation Board,

- Vigilantly monitors investment management and administrative fees and clearly discloses same to participants on an annual basis
- Assists Plan participants with inquiries and requests
- Educates participants on financial wellness and planning topics
- Utilizes industry best practices, academic research, and partnerships with financial sector experts to consistently improve the Plan's investment options, performance analysis, and employee participation and savings rates
- Administers the Plan in accordance with applicable regulations to maintain the Plan's tax deferred status
- Analyzes, coordinates and implements legislative and compliance updates as required by law

# Major Updates - Department

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- Compilation and circulation of a clear and comprehensive annual fee disclosure
- Continued expansion of the Financial Wellness component in the City's Wellness Program
- Common Council Recognition for 2022 National Plan Sponsor of the Year Award
- Recipient of 2023 Communicator Awards Excellence in Content Distribution Strategy-Institutional for Marketing Achievement for City of Milwaukee Deferred Compensation Plan Healthy Rewards Program
- Recipient of 2023 Communicator Awards Distinction in Overall Communications Strategy-Consumer for Marketing Achievement for City of Milwaukee Deferred Compensation Plan Healthy Rewards Program
- The Plan was featured as a successful case study in a 2023 Voya Perspectives entitled "Bringing greater financial equity to the workplace to support everyone's opportunity for a better financial future; How diversity, equity and inclusion best practices can close retirement savings gaps to improve financial outcomes"

# Common Council Recognition for Plan Sponsor of the Year Award



# 2023 Communicator Awards



# MDCP Featured in Voya Perspective Paper

Voya Perspectives | Orange Paper

## Bringing greater financial equity to the workplace to support everyone's opportunity for a better financial future

How diversity, equity and inclusion best practices can help close retirement savings gaps to improve financial outcomes

Produced by Voya's Thought Leadership Council  
April 2023

PLAN | INVEST | PROTECT

**VOYA**  
FINANCIAL

## Case study: City of Milwaukee

**Closing savings gaps** – Over the last five years, Voya client City of Milwaukee has had success in closing many financial gaps of Black and Latino employees and encouraging greater participation and savings for all employees by implementing many of the initiatives outlined in this paper.

**Plan design action:** Deployed automatic re-enrollment and automatic contribution increases for employees saving below 3%.

### Results:

Increased participation rates



Increased average savings rates



■ Black ■ Latino

The City of Milwaukee plan participant data was collected by Voya Financial in 2021, reflecting historical data from Sept. 30, 2016 to Sept. 30, 2021.

Aside from the obvious advantage of increased participation, auto enrollment also frees up time and energy for human resources teams to focus on implementing other initiatives to drive engagement and deliver customized support to diverse populations.



*"Incorporating auto enrollment and re-enrollment features into our plan design has resulted in our ability to address and close prior disparity gaps. This best practice serves as a powerful tool — it is the tide that raises all boats and has yielded proven outcomes in terms of participation and saving rates amongst all of our participants."*

— Beth Conradson Cleary, City of Milwaukee

# MDCP Board Demographics

	Female	Male	Total	%
Black		3	3	30%
White	2	4	7	60%
Hispanic				
Asian				
American Indian				
Other	1			10%
<b>Total</b>	<b>3</b>	<b>7</b>		

- 100% City of Milwaukee Residents

# Racial Equity and Inclusion

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- Successfully addressed and reduced disparity gaps over the past 6+ years:
  - **42% overall increase** in Plan participation rates amongst Black/African American employees
    - **33% overall increase** in average savings rates
  - **26% overall increase in** Plan participation rates amongst Hispanic/Latino employees
    - **25% overall increase** in average savings rates
  - **26% overall increase in** Plan participation rates amongst female employees
    - **20% overall increase in** average savings rates
- Engagement with the leadership of various ERG communities (e.g., Avanzando, BAA and the Hive) regarding how to better understand unique barriers and concerns, as well as specific ways the Plan can provide financial wellness guidance, education and support for various employee groups
- The Plan, in partnership with its recordkeeper, also provides specific resources and services to address the financial planning needs unique to caregivers of and individuals with disabilities and special needs through a program entitled Voya Cares