



# MEMO

## Department

To: Common Council

From: Finance Director Van Rossum

Date: 09/15/2025

Re: Deferred Compensation Committee Charter – Draft for Consideration

### Background information:

Over the past year, staff from the City of Kaukauna and Kaukauna Utilities have collaborated to develop a charter for the Deferred Compensation Committee. This work was undertaken to establish a formal governance structure for oversight of the Employers' 457 Deferred Compensation Plan and 401(a) Defined Contribution Plan.

The draft charter was provided by the city investment consultant and reviewed by both former and current city attorneys. It reflects best practices from other municipalities and utility organizations with similar retirement offerings. Comparable were defined through a review of peer Wisconsin municipalities and utilities that have formalized oversight committees to ensure fiduciary compliance and consistent monitoring of plan investments, recordkeeping, and participant services.

The proposed charter provides clear guidance on membership, authority, responsibilities, meeting structure, and reporting expectations. Importantly, it establishes a consistent and transparent process for monitoring investment performance, evaluating third-party providers, and ensuring participant communication.

### Strategic Plan:

This proposed action aligns with the Strategic Plan's focus on Operational Excellence and Financial Stewardship. By creating a structured committee with defined responsibilities, the City and Kaukauna Utilities will enhance oversight of employee retirement benefits, reduce fiduciary risk, and promote best practices in investment oversight and plan administration.

While the Strategic Plan does not specifically reference retirement plan oversight, this action supports the broader goal of responsible financial management and transparent governance. Adoption of this charter will formalize the governance structure for the City and Kaukauna Utilities' deferred compensation and defined contribution plans, ensuring consistent oversight and long-term fiduciary responsibility.

**Budget:**

There is no direct budget request associated with adoption of the Committee Charter. Staff and committee member participation will be absorbed within existing resources. Should future consultant support be deemed necessary, such costs would be presented to the Employers for approval as part of the budget process

**Staff Recommended Action:**

Staff recommend that the Common Council approve the Deferred Compensation Committee Charter as presented.

**KAUKAUNA (WI) AND KAUKAUNA (WI) UTILITIES**  
**DEFERRED COMPENSATION PLANS**  
**COMMITTEE CHARTER**

**I. PURPOSE.**

The purpose of the Deferred Compensation Committee (the "Committee") is to assist the City of Kaukauna and Kaukauna Utilities (jointly referred to as the "Employers") in fulfilling responsibilities in the areas of policy, investment menu design and content, third party administration and recordkeeping, and any relevant investment and administration decisions of the Employers' 457 Deferred Compensation and 401(a) Defined Contribution Plans (jointly referred to as the "Plans").

**II. AUTHORITY.**

The Employers hereby delegate all necessary power and authority to the Committee to perform the duties and responsibilities described in this Charter and as may otherwise be delegated by the Employers from time to time.

**III. COMPOSITION.**

The Committee shall consist of 6 members that are appointed by the Employers.

The terms of appointment for Committee Members shall be as determined by the Employers' policies. The three positions from City staff shall include: Mayor, Finance Director, Human Resources Director. The three positions from the Kaukauna Utilities shall include: General Manager, Finance & Administration Director, Human Resources Director.

Any of the designated members may appoint a representative to attend and participate on their behalf. Such representatives shall have the same authority to engage in discussion and decision-making as the appointing member.

**IV. MEETINGS.**

Committee meetings shall be conducted as determined by the Employers but should be conducted at least semi-Annually. The Committee shall meet at the request of a majority of its members. The Committee may invite Employers' officials, Staff, Investment Consultants, recordkeepers, investment managers, and others to attend meetings and provide pertinent information, as it deems necessary or desirable. The Committee shall arrange to provide notice of meetings in accordance with Employers' requirements.

**V. RESPONSIBILITIES.**

**A. The Plans' Statement of Investment Policy.**

1. The Committee shall collaborate with applicable Employers' Staff to review and maintain the Statement of Investment Policy for the Plans at least annually. If deemed appropriate by the Committee, seek

input from an investment consultant.

2. The Committee shall monitor the Plans' compliance with the Policy. If deemed appropriate by the Committee, seek support from an investment consultant.

B. Investment Menu Design and Content.

1. The Committee shall review and maintain discretion for investment fund selection and investment asset mix options for the Plans based on support. If deemed appropriate by the Committee, seek recommendations from an investment consultant.
2. The Committee shall review the Plans' structures and design as necessary and report any recommendations to the Employers for any modifications.

C. Third Party Administrator and Recordkeeper Oversight.

1. The Committee and applicable Employers' Staff, shall:
  - a. Oversee the research and due diligence to identify and evaluate qualified third-party administrators and/or recordkeepers; and report any findings and recommendations to the Employers.
  - b. Review any recommendations from applicable Employers Staff regarding the engagement or termination of third-party administrators, investment consultants, and/or recordkeepers and update the Employers.
  - c. Review any recommendations from the investment consultant, if one is contracted with.
  - d. Make recommendations to the Employers on customer service matters relating to the administration of the Plans, including the application of information technology, and oversee coordination of Employers approved recommendations with third party administrators and/or recordkeepers.

D. Investment Consultant Oversight

1. The Committee shall oversee the research and due diligence performed by applicable Employers Staff to identify and evaluate qualified investment consultants; and report any findings and recommendations to the Employers.
2. The Committee shall review any recommendations from applicable Employers Staff regarding the engagement or termination of industry experts, including but not limited to independent investment consultants, and update the Employers.

E. Investment Manager Oversight

1. The Committee shall oversee the research and due diligence performed by applicable Employers Staff to identify and evaluate

qualified investment managers.

2. The Committee shall oversee the research, due diligence and recommendations of the investment consultant, if currently contracted with one, to identify and evaluate qualified investment managers.
3. The Committee shall review and evaluate the performance and costs of investment managers based on recommendations from Employer's Staff, and/or the investment consultant if currently contracted with one .
4. The Committee shall review any recommendations from Employer's Staff, and/or the investment consultant, if currently contracted with one, regarding the engagement or termination of investment managers.

F. Other Responsibilities.

1. The Committee shall monitor member participation in the Plans, as supported by the third-party administrators, recordkeepers, and/or investment consultant, and advise applicable Employers' Staff of communication to the Plans' participants as necessary.
2. The Committee shall oversee and monitor applicable Employers' Staff responsible for the oversight and management of the Plans and report any management findings and recommendations to the Employers.
3. The Committee shall perform such other activities related to the Committee's functions and duties as are reasonably appropriate or are requested by the Employers from time to time.
4. The Committee, as supported by the applicable investment consultant, third-party administrator and recordkeeper, shall electronically maintain a Fiduciary File containing all documentation pertaining to the Plans including, but not limited to Plan Documents, amendments, Committee operations, meeting agendas, meeting minutes, service provider selection reports, investment manager selection and termination recommendation reports, periodic investment monitoring reports, recordkeeper Plan Management reports, Committee education, industry research, and participant education schedules and reports.

**VI. REPORTING.**

- A. Following a Committee meeting, the Committee shall provide Committee meeting minutes to the Employers as required and provide electronic access to the Fiduciary File.
- B. The Committee shall share the agendas for all upcoming Committee meetings in accordance with Employers' policies.

**VII. CHARTER EVALUATION.**

- A. The Committee shall collaborate with the applicable Employers' Staff to review this Committee Charter and the procedures described herein (or

otherwise overseen by the Committee) as necessary to recommend any changes thereto to the Employers. If deemed necessary, the committee shall also seek input from an Investment Consultant.

- B. The Committee and each Committee Member shall comply with the Employers' evaluation policies and processes and shall participate in any independent Fiduciary reviews.

#### **VIII. MISCELLANEOUS.**

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Employers' policies.

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