

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
RETIREMENT PLAN COMMITTEE
AUGUST 20, 2019
MINUTES**

I. Call to Order

Chair Stephanie Barboza called the meeting to order at 2:14 p.m.

II. Roll Call

Present	Absent	Guests
Stephanie Barboza, Committee Chair (voting)	Debra Hammond, Executive Director (voting)	Dennis DeYoung, Certified Financial Planner
Tyrone Carter, Board Chair (non-voting)	Dr. Shelly Ruelas-Bischoff, Associate Vice President of Student Life Student Affairs (voting)	
Arrah Enaw, Co-Chair (voting)		
Joe Illuminate, Associate Director, Accounting & Finance (voting)		
Jonathan Navarro, Executive Secretary (non-voting)		
Kristen Pichler, Associate Director, Human Resources & Professional Development (voting)		

III. Approval of Agenda

M/S/P (J. Illuminate /K. Pichler) motion to approve the agenda for August 20, 2019.

Main Motion approved by general consensus.

IV. Approval of Minutes

M/S/P (A. Enaw /J. Illuminate) motion to approve the minutes for May 7, 2019.

Main Motion approved by general consensus.

V. Chair's Report

Chair, Stephanie Barboza, welcomed the committee members to the first meeting of the 2019-20 fiscal year. The new committee members include Tyrone Carter, Stephanie Barboza, and Arrah Enaw. Stephanie and Arrah met with the Executive Secretary to prepare for their committee orientation presentation. Stephanie shared her excitement about being this year's Chair.

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The Chair also led an icebreaker whereby each member was to name a priceless possession and share the meaning of the possession with the committee.

VI. Discussion Items

A. Retirement Plan Committee Orientation

Chair, Stephanie Barboza and Co-Chair, Arrah Enaw, presented the fall 2019 orientation whose purpose is to explain the fundamentals of the Retirement Plan Committee. Their presentation included the following topics:

1. Purpose of the committee
2. Responsibilities of the committee and individual committee members (Committee Code)
3. The structure of the committee (voting and non-voting members)
4. Fiduciary responsibilities of committee members
5. USU Retirement Plans
6. Voluntary Employees Beneficiary Association

B. Second Quarter 2019 Retirement Plan Review

Financial advisor, Dennis DeYoung, presented the Second Quarter 2019 Retirement Plan Review reporting cash balances, asset allocations, and the FI360 Fiduciary Score Breakdown report as of June 30, 2019.

The following table summarizes the cash balances and asset allocations of the 403(b) and pension plans:

Allocations	403(b) Plan	Money Purchase Plan
Cash Balance*	\$3,641,181	\$2,501,819
Asset Allocation – Stocks	69.96%	70.24%
Asset Allocation – Bonds**	30.04%	29.76%

**The Cash Balance” for the 403(b) plan includes \$117,254 in participant loans.*

***The Asset Allocation – Bonds category includes the Stable Asset Fund.*

DeYoung discussed that the end of the second quarter marked the best first half of the year performance in 22 years for the S&P 500. The index reached new highs making up for the losses at the end of the 4th quarter in 2018. The US economy grew at an annualized rate of 3.1% in the first quarter, but economists expect that growth will slow in the second quarter. Unemployment remains low at 3.7% and inflation has continued to hover around 2.0%. The Federal Reserve held interest rates down with the 10-year government bonds ending the quarter yielding 2.0%.

DeYoung then discussed the FI360 Fiduciary Score Breakdown report that rates all the investment options in the two retirement plans. The FI360 report uses a color scoring methodology to determine if the investments are meeting the eleven FI360 Fiduciary Score criteria. Funds with

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scores from zero to 50 are green; funds with scores from 51-74 are yellow; and funds with scores from 75 to 100 are red. The highest score a fund can receive is zero and the lowest score is 100.

As of June 30, 2019, all but one fund was in the green zone. The MFS International Diversification fund had a score of 51, placing it the yellow zone. The committee will monitor this fund, but DeYoung did not express any concerns because its past performance has been positive.

C. Voluntary Employers Beneficiary Association (VEBA) Update

Joe Illuminate led the discussion and notified the committee that the USU will contribute \$400,000 to the VEBA plan this fiscal year. The USU will send a payment of 12 equal payments of \$33,333.33 that started in July 2019. The plan balance as of June 30, 2019 is \$1,029,879, which is an increase of \$29,879 from the original investment of \$1,000,000.

VII. Action Items

A. 2019-20 Retirement Plan Committee Goals

M/S/P (K. Pichler /A. Enaw) Motion to accept the 2019-20 Retirement Plan Committee goals as presented:

No.	GOALS
1	Review the key components and assumptions of the Retirement Health Benefit Plan (RHBP) Actuarial Valuation Report so committee members are familiar with how the total postretirement expense and liability is determined (May 2020)

Motion passes 3-0-0

The committee considered adding a second goal, which is for Dennis DeYoung to reevaluate the plans' investment fund lineup to determine if any changes should be made. This goal may be presented as an action item at the next meeting.

VIII. Announcements

None

IX. Adjournment

The meeting was adjourned by Chair Stephanie Barboza at 3:29 p.m.

Respectfully submitted by,

Jonathan Navarro
Accounting Manager