

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY NORTHRIDGE
RETIREMENT PLAN COMMITTEE
DECEMBER 15, 2022
MINUTES**

<https://csun.zoom.us/j/82015721316?pwd=ZVRDNG9tckovWU13NlhFcVMxNDdLdz09>

I. Call to Order

Chair, C. Lipton called the meeting to order at 8:46 A.M.

II. Roll Call

Present	Absent	Guests
Debra Hammond, Executive Director (voting)		Dennis DeYoung, Certified Financial Planner
Adrian Hernandez, Student Board Representative (voting)		Sallie DeYoung, Financial Planner
Joseph Illuminate, Associate Director, Accounting & Finance (voting)		Gregory Guajardo, Student Administrative Assistant II, Accounting & Finance
Christian Lipton, Committee Chair (voting)		
Kristen Pichler, Associate Director, Human Resources & Professional Development (voting)		
Dr. Freddie Sanchez, Interim Asst VP, Student Affairs, Equity & Inclusion (voting)		

**Kristen Pichler Joined the meeting at 8:56 A.M.*

**Adrian Hernandez Joined the meeting at 8:56 A.M.*

III. Approval of Agenda

M/S/P (J. Illuminate/ F. Sanchez) Motion to approve the Agenda for December 15, 2022.

Motion approved by General Consensus.

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY NORTHRIDGE
RETIREMENT PLAN COMMITTEE
DECEMBER 15, 2022
MINUTES**

<https://csun.zoom.us/j/82015721316?pwd=ZVRDNG9tckovWU13NlhFcVMxNDdLdz09>

IV. Approval of Minutes

M/S/P (F. Sanchez/ A. Sanchez) Motion to approve the Minutes for September 26, 2022.

Motion approved by General Consensus.

V. Chair's Report

Chair, C. Lipton expressed gratitude to J. Illuminate for preparing him for every meeting. He also thanked D. Deyoung and S. Deyoung for their comprehensive explanations of Discussion Items.

VI. Action Items

A. None

VII. Discussion Items

A. Third Quarter 2022 Retirement Plan Review

Financial Planners, D. DeYoung and S. DeYoung, led the discussion.

As of September 30, 2022, the cash balance in the 403(b) Plan is \$3,897,340 (including outstanding loans) and the cash balance in the Money Purchase Pension Plan (MPPP) is \$2,984,372. The total cash balance in the two plans is \$6,881,712.

The overall investment performance for the third quarter was a negative **4.78%**. The average performance for the last twelve months was a negative **19.53%**.

D. DeYoung further commented that the market's losses are due to the increase in interest rates that the Federal Reserve has implemented to fight inflation. It is expected that the Federal Reserve will continue to raise interest rates in the first quarter of 2023.

K. Pichler inquired of D. DeYoung whether plan participants have been asking for assistance. D. DeYoung stated that in the past quarter, participants have not been meeting with him. He suggested that during an USU All-Staff meeting, he could come to re-introduce himself to plan participants and explain the basics of the 403(b) and the MPPP.

He also recommended that participants navigate to The Standard website and choose to receive hard copies of their quarterly statements by regular mail instead

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY NORTHRIDGE
RETIREMENT PLAN COMMITTEE
DECEMBER 15, 2022
MINUTES**

<https://csun.zoom.us/j/82015721316?pwd=ZVRDNG9tckovWU13NIhFcVMxNDdLdz09>

of by email so that participants would be more aware of their investment performance.

It was reported that on October 1, 2022 the fixed rate that the Standard Stable Asset Fund pays to plan participants increased to 2.35% from 2.25%. The 2.35% fixed rate will be reflected in the fourth quarter report.

With the exception of three funds, the FI360 scores in both the 403(b) and the MPPP are in the green and light green zones with scores ranging from 0 to 50. The best FI360 score is 0 and the worst FI360 score is 100. Funds in the green zone meet the majority of the FI360 Fiduciary Score Criteria.

The Vanguard Extended Market Index Admiral (70), Invesco Global R6 (75), and the TIAA-CREF Large-Cap Growth Inst (54) funds are in the yellow zone. Funds in the yellow zone do not meet the FI360 Fiduciary Score Criteria. These funds will be considered for replacement if they remain in the yellow zone or move to the red zone.

B. Retirement Plan Expenses

Financial Planners, D. DeYoung and S. DeYoung, led the discussion by stating that the Committee reviews plan expenses every six months using the Fee Benchmark Report.

The Fee Benchmark Report shows that the total number of participants in both the 403(b) and MPPP is 101. D. DeYoung stated that the number of plan participants as of the date of the Retirement Plan Committee meeting was 99 participants.

When only Plan Participant expenses are considered, the Average Plan fee is 1.05%. The USU's fee is only 0.75%. The USU's fee is 30 basis points **less** than the fees of the Average Plan.

When both USU and Plan Participant expenses are considered, the Average Plan fee is 1.05% and the USU's fee is only 0.98%. The USU's fee is 7 basis points **less** than the fees of the Average Plan.

The USU pays the expenses for the services of Financial Planner, Dennis DeYoung and the Ryding Company. These fees are not deducted from the participant's retirement accounts.

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY NORTHRIDGE
RETIREMENT PLAN COMMITTEE
DECEMBER 15, 2022
MINUTES**

<https://csun.zoom.us/j/82015721316?pwd=ZVRDNG9tckovWU13NlhFcVMxNDdLdz09>

C. Voluntary Employer Beneficiary Association (VEBA) Update

Executive Secretary, J. Illuminate led the discussion and informed the committee of the recent activity in the USU VEBA Trust account.

For 2022-23, The USU is investing \$33,333.33 per month for a total of \$400,000 for the fiscal year.

The balance of the VEBA, as of November 30, 2022, was \$2,294,279. This total includes investment gains of \$59,002 and \$31,389 in disbursements to plan participants.

Investment gains were reduced by \$496,697 in fiscal year 2021-22. From July 2022 through November 2022, investment gains have totaled \$49,745.

D. Voluntary Employer Beneficiary Association (VEBA) Funding Scenarios

Executive Secretary, J. Illuminate, led the discussion.

The USU has contracted with Demsey Filliger to develop scenarios to fully fund the Retirement Health Benefits Plan (RHBP). “Fully Funded” means that the RHBP plan has cash in the VEBA to provide all the projected benefits for plan participants.

The advantage of fully funding the RHBP is that the overall expense of the plan is reduced since additional funds invested to fully fund the RHBP could generate investment income to offset benefit expenses paid to USU retirees.

The scenario that fully funds the RHBP by 2031, is the scenario that fully funds the RHBP in the shortest period of time. The advantage of this scenario is that no large lump sum payment is required to fully fund the plan.

Annual payments from 2024 through 2032 would increase from \$425,000 per year to a maximum of \$600,000 per year. However, after the plan is fully funded, annual payments would decrease to only \$175,000 per year from 2033 through 2037.

Committee members expressed support for this scenario. Annual funding amounts, for whatever scenario is selected, will be incorporated into the long-term financial plan.

J. Illuminate stated that the VEBA cannot be fully funded until the financial impact of the reimaged New Heart of Campus project is determined.

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY NORTHRIDGE
RETIREMENT PLAN COMMITTEE
DECEMBER 15, 2022
MINUTES**

<https://csun.zoom.us/j/82015721316?pwd=ZVRDNG9tc kovWU13NIhFcVMxNDdLdz09>

VIII. Announcements

- J. Illuminate expressed appreciation for S. DeYoung's comments about how plan participants are moving money from stock funds to less volatile funds like the Standard Stable Asset fund.
- J. Illuminate thanked the DeYoung's for their holiday season gift of cookies for the USU.
- C. Lipton expressed his appreciation for every committee member being a capable fiduciary for the USU's retirement plans.
- C. Lipton wished everyone a good holiday break.

IX. Adjournment

The meeting was adjourned by Chair, Christian Lipton at 9:45 A.M.

Respectfully submitted by,



Joseph Illuminate,
Associate Director, Accounting & Finance