

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY NORTHRIDGE
RETIREMENT PLAN COMMITTEE
JUNE 8, 2023
MINUTES**

<https://csun.zoom.us/j/85966980438?pwd=UkJma0lXU293U3cxdGo0WU0rRThKQT09>

I. Call to Order

Chair, C. Lipton called the meeting to order at 12:02 P.M.

II. Roll Call

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

**Dr. Freddie Sanchez Joined the meeting at 12:04 P.M.*

III. Approval of Agenda

M/S/P (S. Pala/J. Illuminate) Motion to approve the Agenda for June 8, 2023.

Motion approved by General Consensus.

IV. Approval of Minutes

M/S/P (K. Pichler/S. Pala) Motion to approve the Minutes for March 27, 2023.

Motion approved by General Consensus.

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V. Chair's Report

C. Lipton informed the committee members about his recent new full-time position and extended kudos to Sankalp for his outstanding contributions leading the last committee meeting when he could not be present.

VI. Action Items

A. None

VII. Discussion Items

A. First Quarter 2023 Retirement Plan Review

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

As of March 31, 2023, the cash balance in the 403(b) Plan is \$4,256,122 (including outstanding loans) and the cash balance in the Money Purchase Pension Plan (MPPP) is \$3,146,150. The total cash balance in the two plans is \$7,402,272.

The overall investment performance for the first quarter was a positive 5.54%. The average performance for the last twelve months was a negative 7.17%.

The only fund that had positive returns throughout calendar year 2022 was the Stable Asset Fund, which is earning 2.36% as of 3/31/2023. The Stable Asset Fund is a viable option for plan participants who want to minimize risk while still earning a reasonable return on their investment during a time of economic uncertainty. 26.5% of all plan assets are invested in the Stable Asset Fund.

With the exception of one fund, the FI360 scores 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 (83) is in the red zone. This fund has been on the Watchlist for several quarters and will be considered for replacement at the next meeting.

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 reports presented in the committee packet are in error, because unbeknownst to the DeYoung's and the committee, the asset-based fee

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increased to 60 basis points from 45 basis points, a 15-basis point increase.

S. DeYoung stated that to achieve the target of 45 basis points, a total of \$3.3 million in the MPPP and a total of \$5 million in the 403(b) would be required.

When only Plan Participant expenses are considered, the Average Plan fee is 0.95%. The USU's fee is 0.90%. The USU's fee is five basis points **lower** than the fees of the Average Plan. If the fee had not increased to 60 basis points, the USU's Plan fee would have been only 75 basis points.

When both USU and Plan Participant expenses are considered, the Average Plan fee is 0.95% and the USU's fee is 1.11%. The USU's fee is 16 basis points higher than the fees of the Average Plan.

The USU's plan fees are higher when both USU and Plan Participant expenses are considered because The USU subsidizes 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.

If the asset-based fee had not increased to 60 basis points, the USU's Plan fee would have been only 96 basis points which is only one basis point higher than the Average Plan.

The good news is that even though the asset-based fee increased to 60 basis points, the USU's plan fees are lower than the Average Plan when only Participants' expenses are considered.

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.

- The balance of the VEBA, as of April 30, 2023, was \$2,544,141. This total includes \$142,197 of inception-to-date investment gains and \$31,389 of inception-to-date disbursements to plan participants.
- For 2022-23, the USU is investing \$33,333.33 per month to fund the VEBA for a total investment of \$400,000 per year.
- From July 2022 through April 2023, investment gains have totaled \$142,197.

K. Pichler stated that several individuals are approaching retirement within the

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organization. She inquired about the status of fully funding the VEBA (Voluntary Employees' Beneficiary Association) to honor the fiduciary commitments made to these individuals.

J. Illuminate explained that a definitive decision cannot be made about fully funding the plan until the financial impact of the New Heart of Campus project is determined and the Long-Term Financial Plan has been updated.

At the current annual funding amount of \$400,000, it is projected that the VEBA will be fully funded by June 30, 2032.

D. Gabelli U.S. Treasury Money Market Fund

Financial Planners, Dennis and Sallie DeYoung, led the discussion.

D. DeYoung recommended replacing the Stable Asset Fund with the Gabelli Treasury Money Market Fund. The Gabelli Treasury Money Market Fund is 100% invested in United States Treasury securities which are backed by the full faith and credit of the federal government.

The Gabelli Treasury Money Market Fund is currently paying close to 5.0% whereas the Stable Asset Fund is paying 2.75%. a 2.25% difference. With inflation currently hovering around 4%-5%, the Gabelli fund will keep pace with inflation more so than the Stable Asset Fund.

All committee members expressed interest in scheduling an additional meeting as soon as possible to ensure so that Plan participants can benefit from the 5.0% rate of return. D. Deyoung will collaborate with The Standard to determine the process for making the switch and how long will it take to make the switch.

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E. 2022-23 Committee Goals Year-End Review

Chair, C. Lipton, presented the progress of the 2022-23 Committee Goals:

No.	GOALS	PROGRESS
1	Create multiple scenarios to determine how much money would be required to fully fund the Retirement Health Benefit Plan (RHBP)* in five years, 10 years, and fifteen years*.	Completed – Funding Scenarios were presented to the committee on December 15, 2022
2	Provide a general training for employees interested in learning about the Retirement Health Benefits Plan (RHBP)	Not Completed – training not provided
3	Provide a general training for employees interested in learning about the 401(a) and 403(b) plans and familiarize them with The Standard’s website	Not Completed – training not provided

F. Committee member Appreciation

Chair, C. Lipton extended his appreciation to each committee member for their invaluable contributions to the Retirement Plan Committee. He individually recognized and thanked each member for their unwavering dedication and remarkable efforts in advancing the committee's objectives.

In recognition of their outstanding contributions, C. Lipton presented each member with certificates of appreciation as a token of gratitude for their exceptional commitment and valuable input.

VIII. Announcements

C. Lipton expressed gratitude to all the members for their valuable contributions and their dedication in discussing the specific topics. He extended his appreciation to everyone for making a significant impact during his time as an undergraduate at CSUN.

IX. Adjournment

The meeting was adjourned by Chair, C. Lipton at 1:01 P.M.

Respectfully submitted by,



Joseph Illuminate,
Associate Director, Accounting & Finance