

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
RETIREMENT PLAN COMMITTEE
DECEMBER 10, 2020
MINUTES**

I. Call to Order

Chair, Albert Martinez called the meeting to order at 8:02 A.M.

II. Roll Call

Present	Absent	Guests
Debra Hammond, Executive Director (voting)	Melanie Alvarez, Board Chair (non-voting)	Carlos Diaz, (Title)
Ayana Galves, Co-Chair (voting)		Reshini Ekanayake, Student Administrative Assistant, Accounting & Finance
Joe Illuminate, Associate Director, Accounting & Finance (voting)		Dennis DeYoung, Certified Financial Planner
Albert Martinez, Committee Chair (voting)		Jasmine Medina, Student Administrative Assistant, Accounting & Finance
Jonathan Navarro, Executive Secretary (non-voting)		
Kristen Pichler, Associate Director, Human Resources & Professional Development (voting)		
Dr. Shelly Ruelas-Bischoff, Associate Vice President of Student Life Student Affairs (voting)		

- *Ayana Galves left at 8:41 A.M.*

III. Approval of Agenda

M/S/P (K. Pichler/J. Illuminate) motion to approve the agenda for December 10, 2020.

Main Motion approved by general consensus.

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IV. Approval of Minutes

M/S/P (A. Galves/K. Pichler) motion to approve the minutes for September 17, 2020.

Main Motion approved by general consensus.

V. Chair's Report

Chair, Albert Martinez, mentioned that Jasmine Medina, Administrative Support Assistant will be leaving. Reshini Ekanayake will be taking over for her. He asked the committee to introduce themselves.

VI. Discussion Items

A. Third Quarter 2020 Retirement Plan Review

The total cash balance in the 403(b) plan is \$4,127,853 which includes \$95,437 in 403(b) loans. The total cash balance in the Money Purchase Plan is \$2,902,330. The asset allocations in both plans is approximately 70% stocks and 30% bonds.

Most funds in both plans have a FI360 scores in the green and light green zones ranging from 0 to 50. The best FI360 score is 0 and the worst FI360 score is 100. Fund in the green zone meet the majority of the FI360 Fiduciary Score Criteria.

Funds with FI360 scores from 51-74 are in the yellow zone and those with scores from 75-100 are in the red zone. The USU closely monitors all funds in the yellow and red zones. Scores in the yellow and red zones indicate that the funds do not meet the FI360 Fiduciary Score Criteria. Any fund that remains in the yellow zone or red zone for an extend period of time is put on the Watchlist. Funds on the Watchlist have the potential of being replaced with a similar fund that meets the FI360 Fiduciary Score Criteria and has a score in the green zone. For the current period the only funds in the watchlist are the Nuveen Real Estate Securities I, with a score of 54 and JP Morgan High Yield R5 funds, with a score of 57.

B. Retirement Plan Expenses

Financial Advisor, Dennis DeYoung, discussed retirement plan expenses, using the Fee Benchmark Report.

When only plan participant expenses are considered, the Average Plan has total fees of 1.09% compared to USU's total fees of 1.19%. When both USU and plan participant expenses are considered, the "Average Plan" total fees are 1.09%

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C. Voluntary Employers Beneficiary Association (VEBA) Update

Joe Illuminate led the discussion and notified the committee that the total balance in the VEBA Trust Account as of October 31, 2020 was \$1,628,557. The balance is comprised of \$1,500,000 of USU cash contributions and \$151,023 in investment gains and a total of \$22,466 in disbursements for eligible expenses [$\$1,500,000 + \$151,023 - \$22,466 = \$1,628,557$]. The Board approved cash contribution for 2020-21 is \$300,000 which is being paid out \$25,000 per month [$\$25,000$ monthly cash contribution X 12 months = \$300,000].

D. RHBP Funding Plan

The USU has contracted with Demsey Filliger to develop scenarios to fully fund the RHBP by June 30, 2020.

The advantage of fully funding the RHBP is that the overall expense of the plan will be reduced because the additional funds invested to fully fund the RHP will generate additional investment income which are used to pay benefits to USU retirees. The RHBP is funded by transferring cash to the USU's Voluntary Employer Beneficiary Association account.

The recommended scenario is an additional investment of \$1.7 million in 2020-21 and annual funding of \$381,000 from 2021-22, will result in the RHBP being fully funded by 6/30/2030. An additional cash investment of \$929,000 over 10 years will result in expense saving of \$2,270,156 by June 30, 2030.

E. Retiree Medical Final Disclosure Report

The USU contracts with Demsey-Filliger, a professional actuarial firm, to prepare the annual Retiree Medical Final Disclosure report (actuarial valuation). Carlos Diaz, Demsey-Filliger Actuarial Consultant, guided the committee through the key components of the report. Key components of this report included the following:

1. Accumulated Postretirement Benefit Obligation (APBO) and Funded Status
2. Net Periodic Benefit Cost (NPBC) for the current fiscal year
3. The total amount recognized in Changes in Unrestricted Net Assets (CUNA)
4. Actuarial assumptions

VII. Action Items

- A. None

VIII. Announcements

Executive Secretary, Jonathan Navarro informed the committee that he will be sending out a Doodle for the next upcoming meeting.

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IX. Adjournment

The meeting was adjourned by Chair, Albert Martinez at 9:22 A.M.

Respectfully submitted by,



Jonathan Navarro
Accounting Manager