

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
RETIREMENT PLAN COMMITTEE AGENDA
APRIL 30, 2013
MINUTES**

I. Call to Order

The meeting was called to order by Chair, D. Thompson at 11:07 am.

II. Roll Call

Present	Absent	Guests
Debra Hammond, Executive Director (voting)	Sabrina Lockey, Board Chair (non-voting)	Patrick Robison, USU Financial Advisor
J. Illuminate, Associate Director, FBS (voting)	Chenice Rand, Student Board Representative (voting)	
Jonathan Navarro, Executive Secretary (non-voting)		
Kristen Pichler, Human Resources Officer (voting)		
Demontae Thompson, Committee Chair (voting)		
Shelly Ruelas-Bischoff, AVP Student Affairs (voting)		

S. Ruelas-Bischoff arrived at 11:11 a.m. and left at 12:55pm. D. Thompson left at 12:45 pm and assigned J. Illuminate the task of running the rest of the meeting.

III. Approval of Agenda

M/S/P (Illuminate /Pichler) motion to approve the agenda for April 30, 2013.

Motion approved by general consensus

IV. Approval of Minutes

M/S/P (Hammond/Illuminate) motion to approve the minutes for December 19, 2012.

Motion passes 3-0-1

V. Chair's Report

None

VI. Discussion Items

A. Watchlist Funds Update

P. Robinson updated the committee with the performance of the TIAA-CREF Mid Cap Value and Thornburg International Value Funds as of 3/31/13. Thornburg International Value improved compared to the previous quarter. The percentage rank category went from 72 to 74. P Robison stated that the economy is slowing down and this fund performs better during a slow economy. TIAA-CREF Mid Cap also improved its percentage rank category from 49 to 52. BlackRock Small Cap Growth Equity was added to the watchlist this quarter because its peer ranking fell below the 50th percentile which means that it's performing below its peer group.

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The committee determined that these funds would stay on the watchlist through the end of the second quarter of 2013. If investment results in absolute or risk adjusted returns do not improve, the funds on the watchlist will be considered for replacement based on the recommendation of Patrick Robison

B. 2013 First Quarter Monitoring Reports Review

P. Robison reviewed the quarterly monitoring reports from the Standard which give the performance of the investments in both the 403(b) and pension plans. The current assets for the pension plan are \$1,193,306 and for the 403(b) \$984,200 as of March 31, 2013. P. Robison stated that the assets of both plans are growing and that 40% of the plans' assets are allocated bonds and cash.

P. Robison advised that despite the positive gains in the stock market this year, one needs to remain cautious in the near term. The U.S. stock markets are closing at record highs so prudence is recommended because the market remains unstable. In addition, the European economy remains stagnant and the unemployment rate in Europe is at record levels which are even affecting England and Germany.

C. Automatic Enrollment

P. Robison discussed the advantages and disadvantages of automatic enrollment. The goal of automatic enrollment is for employees to participate in their company's 401(k) or 403(b) plans. The Department of Labor estimates that one-third of eligible employees do not participate in their company's retirement plan, but automatic enrollment brings the participation rate up to 90%.

P. Robison also pointed that research by the Employee Benefits Research Institute found that lower income workers in automatic enrollment retirement plans would accumulate five times their annual earnings by their retirement date. In plans that don't have automatic enrollment, lower income workers would only accumulate by retirement an amount less than their annual earnings. A disadvantage of automatic enrollment is that notices must be given to participants describing the plan's features on the first day of employment.

The sentiment of the committee was that automatic enrollment was not a desired option for the USU, but would be willing to discuss the matter in the future as more information is made available.

D. The Standard Retirement Plan Expense Review

P. Robison reviewed the fund expense ratios the Standard charges plan participants. P. Robison prepared an investment expense analysis to compare the Standard's fund expense ratios with the industry's average fund expense ratios. The analysis showed that 85% of the Standard's fund expense ratios are higher than the industry average.

Robison stated that one way to lower the fund expense ratios charged to participants would be for the USU to subsidize about 50% of the fees. Robison stated that subsidizing fees is not a best practice and that a preferable strategy would be to search for an alternate provider with fund expense ratios at or below the industry averages. The committee assigned Robison the task of providing a list of alternative providers by May 31, 2013.

VII. Action Items

A. Additional Investment Option: American Century Gov't Bond Fund

M/S/P (Hammond/ Pichler) move to approve the addition of the American Century Government Bond fund as an investment option both in the 403(b) and pension plans.

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Both the Retirement Plan Committee and Board approved the addition of the PIMCO GNMA fund as an investment option to both to the 403(b) and pension plans. It was discovered subsequent to approval of adding this fund, that this fund was not included on the Standard's "approved list." A fund not on the approved list means that the Standard will not accept a fiduciary role for the fund. As a result, the PIMCO GNMA fund was no longer an acceptable alternative.

P. Robison recommended the American Century Government fund as a substitute for the PIMCO GNMA fund because which it is on the Standard's approved list as an investment option in both the 403(b) and pension plans. The fund has a conservative investment approach and since the fund's inception, it has yielded an annual return of about 7.3%.

Motion passes 4-0-0

VIII. Announcements

None

IX. Adjournment

The meeting was adjourned by J. Illuminate at 12:58 pm.

Respectfully submitted by,

Jonathan Navarro