

**PENSION BENEFITS COUNCIL
BOARD MEETING MINUTES
March 15, 2023**

I. CALL TO ORDER

- A. Location: Bennazar, García & Milián C.S.P. & videoconference
- B. Time: The meeting began at 10:11 am

II. ATTENDANCE

PENSION BENEFITS COUNCIL MEMBER	ATTENDANCE
Financial Oversight and Management Board for Puerto Rico	
Mr. Jason Fichtner	Present (Videoconference)
Official Committee of Retirees of the Commonwealth of Puerto Rico	
Mrs. Carmen H. Núñez Rodríguez	Present
Mrs. Blanca E. Paniagua Adorno	Present
Mr. Juan Ortiz Curet	Present
Mrs. Wanda G. Santiago López	Present
Carlos A. Cabán García, Esq.	Present
American Federation of State, County and Municipal Employees	
Vacant	N/A
Mrs. Sandra Pacheco Santiago	Present (Videoconference)
Commonwealth of Puerto Rico	
Rita González, Esq. in representation of Omar Marrero Díaz	Excused

Guests: AJ Bennazar and Francisco del Castillo from Bennazar, García & Milián C.S.P.; Jorge Marchand, Male Noguera and Iris González from Marchand ICS Group.

III. AGENDA

A. Quorum:

1. Wanda Santiago, Secretary, certified the quorum with the attendance of seven members of the Pension Benefits Council.

B. Presentation from Insurance Agent:

1. Francisco del Castillo indicated that Enrique Pérez from Fulcro Insurance was scheduled to participate in the meeting, but he excused himself. However, he reported that he is currently in talks with the insurance companies to restructure the proposals. He expects that we will have reduced premiums, but the companies would also be lowering the coverage from \$1,000,000 to \$500,000. To keep the coverage at \$1,000,000, Enrique Pérez is looking for a second company to insure the difference. In any case, between the two premiums, a reduction in costs of around \$20,000 is expected. He is also exploring the possibility that since the Pension Reserve Trust is the one who must pay the premiums, that a tax exemption could be obtained.
2. On the other hand, the retention of \$50,000 is maintained for claims against the Pension Benefits Council and zero withholdings in lawsuits against members. In addition, previous acts of the Pension Benefits Council are insured. Proposals are expected to be received in the coming weeks.

C. Budget of the Pension Benefits Council for Fiscal Year 2022-2023:

1. Francisco del Castillo indicated that in the last meeting the amendments to the budget for Fiscal Year 2022-2023 were discussed, taking into account the creation of new line items and movement of expenses in the budget. However, it was pending to establish the amount of the restricted reserve of funds and the amount of funds that will be requested from the Pension Reserve Trust to complete the expenditures of the budget for Fiscal Year 2022-2023.
2. The Pension Benefits Council agreed:
 - i. The restricted reserve will be used to operate the entity in the event that funds are not received in a timely manner from the Pension Reserve Trust.
 - ii. Set the fixed amount of the reserve to be \$250,000 which is the maximum amount insured by the Federal Deposit Insurance Corporation.

- iii. That the funds be deposited in a bank other than the one where the operational account of the Pension Benefits Council is located.
 - iv. Fund the restricted reserve with the remaining funds from the initial contribution of the Pension Benefit Council.
3. After establishing the amount of the restricted reserve, the Pension Benefits Board approved making the second amendment to the budget for Fiscal Year 2022-2023 for a total of \$320,000 of ordinary or administrative expenses and \$596,260 of non-ordinary expenses for a total of \$916,260. This represents a reduction of \$83,740 compared to the previously approved budget. The Second Amended Budget for Fiscal Year 2022-2023 is included as an exhibit to this minute.
4. On the other hand, the Pension Benefits Council evaluated the expenses incurred so far, the checks issued and the invoices pending for payment, which amounted to around \$204,260. To establish the amount that would be requested from the Pension Reserve Board, the considered the amended budget of \$916,260 minus the \$204,260 (in expenses already incurred or in the process of being paid) minus \$250,000 of the restricted reserve (which would be financed from initial funds) for a total of \$462,000. In consideration of the foregoing, the Pension Benefit Council unanimously approved the following:
 - i. That under Section 5.2 of the "Guidelines for the Governance and Administration of the Puerto Rico Plan of Adjustment Pension Reserve Trust and Monitoring of Plan of Adjustment Pension Benefits" it was agreed to authorize the Pension Reserve Board to withdraw from the Reserve Trust of Pensions the amount of \$462,000.00 for the Pension Benefits Council to cover part of the expenses established in the Second Amended Budget for Fiscal Year 2022-2023.
 - ii. That the transfer of funds be carried out in coordination with Carlos Cabán, Treasurer and legal advisers of the Pension Benefits Council and representatives of the Pension Reserve Board on a mutually acceptable date, considering the liquidation and transfer processes of funds that have to be held in the Pension Reserve Trust.
5. Amendment of contracts: Due to the fact that the original budget did not contemplate the costs of establishing the Pension Benefits Council, nor had the expenses of the election process been specified yet, it is necessary to amend the contracts of Bennazar, García & Milián C.S.P. and Marchand ICS Group. The Pension Benefits Council approved the amendment to the contract of Bennazar, García & Milián C.S.P. for \$240,000 and Marchand ICS Group for \$180,000 respectively for services to be provided in Fiscal Year 2022-2023.

D. Reading and Approval of the Previous Minutes:

1. The Pension Benefits Council approved the minutes of the meeting of February 15, 2023 with an amendment in letter B entitled "Budget of the Benefits Council Fiscal Year 2022-2023" in number 6 (iii) under "Accounting" in terms of the amount of \$7,600 to read \$7,760 (page 4 of the draft of the minutes).
2. The Pension Benefits Council approved the minutes for February 22, 2023.

E. Completed and Pending Items:

1. Francisco del Castillo explained, regarding the completed matters, that on February 22, 2023, the Pension Benefits Council received the quarterly report from the Pension Reserve Board and completed the review of the budget for fiscal year 2022-2023.
2. Regarding the pending issues, Francisco del Castillo indicated:
 - i. Bylaws: that the Regulations Committee met the day before to evaluate the final comments and the document is almost ready to be presented at a future meeting of the Pension Benefits Council. However, the Transitory Administrative Resolution expires on March 31, 2023, and the Pension Benefits Council agreed to extend them until April 30, 2023.
 - ii. Vacancy to the Pension Benefits Council: On February 23, 2023, Francisco del Castillo sent an email to Iram Ramírez Linares, Executive Director of Servidores Públicos Unidos, indicating that it was necessary for AFSCME to send his appointment letter to the Pension Benefits Council and explained the initial orientation and the acceptance of the position by a deed of trust. At the moment, we have not received the letter of appointment from AFSCME and in conversation with Blanca Paniagua, it was agreed to call Benjamín Borges, AFSCME Area Director to follow up on the matter.
 - iii. Reimbursement of Expenses: The materials included the form to request the reimbursement of expenses with the amendment that when the member signs, they certify the information as correct. The Pension Benefits Board agreed to amend the Expense Reimbursement Request form. In addition, the Pension Benefits Council agreed to establish the following process for requesting expense reimbursements:
 - a. Once the members fill out the expense form, it will be submitted to the accounting firm for review.
 - b. The Secretary of the Pension Benefits Council will prepare

a certification with the assistance to be used in the evaluation by the accounting firm.

- c. Once the expense form has been reviewed by the accounting firm, the member will be notified if there was any type of adjustment or change. If the member agrees with the result, the reimbursement will be paid without the need to take the payment to a regular meeting of the Pension Benefits Council. If a member disagrees with an adjustment, they must present it before the Pension Benefits Council.
 - d. Any refund that includes a miscellaneous expense must be approved by the Pension Benefits Council for payment.
- iv. Amendment to the Certificate of Incorporation: when the Fiscal Oversight Board incorporated the Pension Benefits Council, it included the address of said entity, it established that the Council itself would be the resident agent and Genoveva Valentín was the only officer. The Pension Benefits Council agreed to amend the Certificate of Incorporation in the following paragraphs:

“Article II - Designated Office and Resident Agent

Its designated office in the Government of Puerto Rico will be located at:

Street Address: Edificio Unión Plaza, 1701, Ave. Ponce de León 416 Hato Rey, P.R. 00918.

Mailing Address: Apartado 19400, Número 122, San Juan Puerto Rico 00919-4000.

Phone: (787) 754-9191

The name, street and mailing address of the Resident Agent in charge of said office is:

Name: Francisco del Castillo Orozco

Street Address: Edificio Unión Plaza, 1701, Ave. Ponce de León 416 Hato Rey, P.R. 00918.

Mailing Address: Edificio Unión Plaza, 1701, Ave. Ponce de León 416 Hato Rey, P.R. 00918.

Phone: (787) 754-9191”

“Article VII Officers:

Name: Carmen Núñez Rodríguez

Title: President

Street Address: Calle las Flores 300, San Juan PR 00912.

Mailing Address: Calle las Flores 300, San Juan PR 00912.

Email: chaydee3@yahoo.com

Expiration Date: January 1, 2024, or until replaced.

Name: Blanca Paniagua Adorno

Title: Vice President

Street Address: Cond. Monte Centro 414, Daguao Apto.
806, Carolina, PR 00987.

Mailing Address: Cond. Monte Centro 414, Daguao Apto.
806, Carolina, PR 00987.

Email: paniaguac@aol.com

Expiration Date: January 1, 2024, or until replaced.

Name: Wanda Santiago López

Title: Secretary

Street Address: Urb. Santa Teresita, Calle 43 AU-16
Bayamón, PR 00961.

Mailing Address: Urb. Santa Teresita, Calle 43 AU-16
Bayamón, PR 00961.

Email: wasantiago1956@hotmail.com

Expiration Date: January 1, 2024, or until replaced.

Name: Carlos Cabán García

Title: Treasurer

Street Address: Colinas de Parkville A 27 Calle Roberto
Arana, Guaynabo PR 00969.

Mailing Address: PO Box 360445 San Juan, PR 00936

Email: carcabgar@yahoo.com

Expiration Date: January 1, 2024, or until replaced.”

- v. 480 Forms: Francisco del Castillo explained that he received a question from Jason Fichtner about how the stipend income was going to be reported and the question was sent to the accounting company who replied that a 480 form was needed. Bur when the response was received, the period of February 28, 2023 established by the Treasury Department to issue the 480 had passed. A penalty of \$3,000 (\$500 for each 480 form) must be paid for late filing. The Pension Benefits Council agreed that the 480 be issued by the accounting firm and that the penalty be paid.

F. Invoices from Providers: After evaluating the invoices, the Pension Benefits Council agreed to approve the payment of the following providers:

1. Rita: (a) Invoice # 9655 - \$200 per meeting on February 15, 2023 and (b) Invoice # 9713 - \$1,238.40 for the translation of the website.
2. Bennazar, García & Milián C.S.P.: Invoice # 230102 - \$15,602.81 for the month of January 2023.
3. Marchand ICS Group: Invoice # CSJO0123 - \$13,143.01 for the month of January 2023.
4. NMA: Invoice # 1007306 - \$1,291.66 for the month of February 2023.

G. Presentation on the status of communications and elections:

1. Jorge Marchand provided a general report on the work that has been carried out in the communications area, with the work committees and with representatives of the Pension Reserve Board on the website, logos, column by Carmen Núñez and content in general.
2. Male Noguera presented a report on the website and Facebook page. In particular: (a) the English translation of the website is being worked on, (b) she provided the metrics of visits to digital platforms, (c) indicated that the content of the Facebook page was created, (d) also from the page of the COR participants will be invited to access the website and Facebook page of the Pension Benefits Council and (e) explained the campaign to promote digital platforms.
3. The modified logo of the Pension Benefits Council was presented, where the term of the "Pension Reserve Trust" that was at the end of the logo was replaced by the "Pension Reserve Fund" to avoid confusion of the entity with the Pension Reserve Trust, which is another legal person.
4. Iris González presented a summary of all the activities and presentations to groups and associations of retirees and active employees of the Benefits Council on the trust and the election process. Also, Carlos Cabán, Sandra Pacheco and Juan Ortiz provided background about their different meetings, presentations and orientations they provided.
5. Maria Schell gave a presentation on the process of establishing content for the different materials, presentations and questions and answers, website, Facebook and handouts.

H. Other Matters:

1. The Pension Benefits Council agreed to appoint Sandra Pacheco and Blanca Paniagua to the Elections Committee.
2. The Pension Benefits Council re-evaluated the previously approved logo of the "Transitory Pension Benefits Council". Members discussed that the Pension Benefits Council is in a Transitional Period as provided in the Guidelines, but the Council itself is not transitional and agreed to remove the word "transitional" from the logo.

IV. CLOSING

- A. The meeting adjourned at 12:10 p.m.

In San Juan, Puerto Rico, on April 19, 2023.

Carmen Núñez Rodríguez

Carmen Núñez Rodríguez
President

Wanda Santiago López

Wanda Santiago López
Secretary

