

**PENSION BENEFITS COUNCIL
BOARD MEETING MINUTES
April 19, 2023**

I. CALL TO ORDER

- A. Location: Bennazar, García & Milián C.S.P. & videoconference
- B. Time: The meeting began at 10:18 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 (Videoconference)
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
Commonwealth of Puerto Rico	
Rita González, Esq. in representation of Omar Marrero Díaz	Present (Videoconference)

Guests: Héctor Mayol and Francisco del Castillo from Bennazar, García & Milián C.S.P.; Jorge Marchand, María Schell, Male Noguera and Iris González from Marchand ICS Group; Mariela Rosado and Enrique Pérez from Fulcro Insurance; Craig Johnson and Alex Orchowski from Kroll Restructuring Administration LLC.

III. AGENDA

A. Quorum:

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

B. Presentation from Insurance Agent:

1. Enrique Pérez and Mariela Rosado from Fulcro Insurance made an updated presentation on the insurance coverage that is included as Exhibit A of these minutes. The only difference from the previous presentation was to reduce costs by around \$20,000.00 in the officers and directors' insurance. Under the new proposal the same coverage is maintained, but one insurer covers up to \$500,000 and the other covers the excess of up to \$1,000,000.00. In addition, the retention of \$50,000 is maintained for claims against the Pension Benefits Council and we have zero withholdings on claims against members.
2. On the other hand, the 9% tax charge is not being included because under the Guidelines, the Pension Reserve Trust is responsible for paying the insurance and is exempt from paying taxes. Also, the coverage of previous acts retroactive to the origin of the Pension Benefits Council was obtained.
3. After receiving the presentation and asking several questions of the representatives of Fulcro Insurance, the Pension Benefits Council unanimously agreed to obtain the following insurance coverage:
 - i. Management and Entity Fiduciary, Liability & Crime Limits: Option I - Axis, Lexington & Lloyd's – CFF for a premium of \$118,550.00.
 - ii. General Liability & Umbrella: Option III – Mapfre for a premium of \$2,238.00.

C. Presentation on the status of the elections and communications:

1. Francisco del Castillo made a presentation of the draft of the Election Regulations in Spanish and English that had previously been circulated to the members of the Pension Benefits Council and which is included as Exhibit B of these minutes. The draft Election Regulations were prepared by the professionals of the Pension Benefits Council (Bennazar, Kroll and

Marchand) and discussed jointly by the Regulations and Elections Committees.

2. The draft of the Election Regulations was discussed article by article and was unanimously approved in both languages by the Pension Benefit Council and is effective immediately.
3. María Schell presented the Nomination Form that was also previously circulated to the members of the Pension Benefits Council and discussed jointly by the Regulations and Elections Committees and is included as Exhibit C of these minutes. The Pension Benefits Council unanimously approved the Nominations Form subject to insubstantial and format changes that are necessary for its publication.
4. María Schell and Jorge Marchand presented the election calendar. The Pension Benefits Council unanimously agreed that the nominations period be established from May 1 to 22, 2023.
5. On the other hand, during the last meeting of the Pension Benefits Council it was agreed to modify the logo to eliminate the transitory term from it. Marchand ICS Group provided a cost estimate of (a) changing the transitory term on all platforms and modifying content or (b) simply modifying the logo and leaving the content as it currently is. Male Noguera and Jorge Marchand presented each of the alternatives, their costs, and the time they would require to implement the changes.
 - i. The members of the Pension Benefits Council discussed at length the alternatives and the reasons for and against changing the logo.
 - ii. A motion was made to choose between one of two alternatives:
 - a. First - leave the logo of the Pension Benefits Council with the word "transitory". Sandra Pacheco, Wanda Santiago and Juan Ortiz voted in favor of the option.
 - b. Second – remove the word “transitory” from the logo without modifying the content and keep all printed documents as they are. Carlos Cabán, Carmen Núñez, Blanca Paniagua and Jason Fichtner voted in favor of the option.
 - iii. The Second Alternative prevailed with four votes over of three votes. At the time of the vote, Rita González had excused herself from the meeting.

D. Reading and Approval of the Previous Minutes:

1. The Pension Benefits Council approved the minutes of the meeting of

March 15, 2023.

E. Administrative Matters:

1. Extension of the Temporary Administrative Resolution: the Pension Benefits Council unanimously agreed to extend the Temporary Administrative Resolution until May 31, 2023.
2. Access to accounting information: The Pension Benefits Council unanimously agreed that all Council members may request information and documents from the accounting firm.
3. Dates of the next meetings of the Pension Benefits Council: The Pension Benefits Council agreed to meet on the following dates: April 27, 2023 at 10:00 am, May 19, 2023 at 10:00 am, on June 8, 2023 at 10:00 am (quarterly meeting with the Pension Reserve Board) and on June 8, 2023 at 1:00 pm (regular meeting of the Pension Benefits Council – offices of the Bennazar law firm).

F. Completed and Pending Items:

1. Francisco del Castillo gave details regarding the completed matters:
 - i. Amendment to the Certificate of Incorporation: The amendment to the certificate of incorporation was completed in accordance with what was approved at the last meeting of the Pension Benefits Council.
 - ii. Budget Amendment: On March 21, 2023, the 2nd budget amendment was notified to the Office of Management and Budget and on March 30, 2023, to the Oversight Board.
2. Regarding the pending issues, Francisco del Castillo indicated:
 - i. AFSCME vacancy: As discussed during the last meeting of the Pension Benefits Council, Francisco del Castillo had a conversation with Benjamín Borges, AFSCME's Regional Director that covers Puerto Rico. On March 16, 2023, an email with a draft letter with the necessary elements to make the appointment was forwarded to him and a copy of the deed of Trust and the Guidelines. Then he contacted Iram Ramírez and a meeting was scheduled for April 5, 2023 for the orientation and for him to sign the deed accepting the position. However, the presentation was suspended by Mr. Ramírez and we are waiting to coordinate a new meeting.
 - ii. Process for withdrawing funds from the Pension Reserve Trust: On March 27, 2023, Francisco del Castillo had a call with María López and Julián Bayne from the Pension Reserve Board to discuss the

approval of the amendment to the budget and the request of funds. On March 30, 2023, the letter signed by Carmen Núñez was sent to the Pension Reserve Board authorizing the transfer of funds.

- iii. Elections Procedure: pending approval.
 - iv. Annual Audits for fiscal years 2021-2022 and 2022-2023: we are waiting for the end of fiscal year 2023 to do FY 2022 and 2023 together. Pending to identify firms to carry out the audit.
 - v. FY 2021-2022 Annual Report: will be presented at the next regular meeting of the Pension Benefits Council.
 - vi. Annual Report to the Department of State: the accounting firm requested certain information that was provided during the month of April and requested an extension to file the report.
 - vii. Application for Tax Exemption of the non-for-profit corporation: referred to and pending with the accounting firm.
- G. Invoices from Providers: After evaluating the invoices, the Pension Benefits Council agreed to approve the payment of the following providers:
- 1. FTI Consulting: invoice #7667645 for services rendered from its hiring until March 31, 2023 - for \$24,700.00.
 - 2. RITA:
 - i. Invoice #9792 for services rendered on March 15, 2023 – \$208.
 - ii. Invoice #9931 for services rendered on April 12, 2023 – \$260.
 - 3. Bennazar, García & Milián C.S.P.: invoice # 230202 for services rendered in February 2023 - \$24,029.27.
 - 4. NMA Certified Public Accountants:
 - i. Invoice #1007951 for services rendered in March 2023: \$1,291.66.
 - ii. Invoice #1008607 for the services rendered in the month of April 2023: \$1,291.66 (the check will be sent once the month of April is over).
 - 5. Marchand ICS Group: invoice CSJO0223 for services rendered in the month of February 2023 - \$21,370.93.

IV. CLOSING

- A. The meeting adjourned at 12:52 p.m.

In San Juan, Puerto Rico, on May 12, 2023.


Carmen Núñez Rodríguez
President


Wanda Santiago López
Secretary

