

**PENSION BENEFITS COUNCIL
BOARD MEETING MINUTES
August 17, 2022**

I. CALL TO ORDER

- A. Location: Bennazar, García & Milián C.S.P. & videoconference
- B. Time: 10:15 a.m.

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	
Genoveva Valentín Soto, Esq.	Present
Mrs. Sandra Pacheco Santiago	Present
Commonwealth of Puerto Rico	
Rita González, Esq. in representation of Omar Marrero Díaz	Present (videoconference)

III. AGENDA

A. Quorum:

1. The quorum of the meeting was certified with the attendance of all the members of the Pension Benefits Council.

B. Reading and Approval of the Previous Minutes:

1. Prior to the meeting, the minutes of the July 19, 2022, meeting of the Pension Benefits Council were circulated. Rita González made some comments about the minute that is discussed in detail under Letter G in "Other Matters" of this document.
2. Juan Ortiz presented a motion for the minutes to be approved and Carlos Cabán seconded the motion with a clarification in subsection F, 2, (h) of the document to include that "Rita González, representative of Omar Marrero received the orientation". The subsection will read as follows: "(h) the orientation program was carried out and only Omar Marrero is pending to receive it, however Rita González in representation of Omar Marrero received the orientation." There being no opposition to the amended motion, the minutes of July 19, 2022, were approved.

C. Service Proposals from financial advisor, communications agent, and accounting services:

1. Francisco del Castillo indicated that, during the meeting of July 19, 2022, it was agreed that the RFPs for financial advisor and communications agent would be published by the Oversight Board with the deadline to submit proposals of August 5. However, the RFPs could not be published within the original terms and the deadline for all vendors was extended to August 12, 2022.
 - i. No other proposals were received for financial advisor and FTI Consulting is the sole proponent.
 - ii. Regarding the communications agent, on August 12, 2022 we received the proposal from Forculus LLC. Previously we received the proposal from Marchand ICS Group.
 - iii. The Benefits Council agreed that the three suppliers be asked to make presentations. The dates of Tuesday, August 23 and Friday, August 26 were tentatively set aside to meet with the proponents.
2. Regarding accounting services, it was agreed to request that the Association of Public Accountants circulate the RFP and that the Oversight Board publish the document on its page, but with the deadline of August 12, 2022. However, representatives of the Oversight Board and members of the

Pension Reserve Board expressed their concern that the accounting firm is required to be nationally recognized. Therefore, they submitted an amended RFP, which was discussed and approved by the Benefits Council. Said request for proposal would be published by the Oversight Board on August 19 and the contractors would have until August 26, 2022, to present their proposals.

D. Invoices and payment to providers:

1. Invoices from certain service providers were circulated as part of the meeting materials. These services were provided on or before June 30, 2022, and will be paid from the budget for Fiscal Year 2021-2022. After reviewing the invoices, the Benefits Council agreed to approve the payment of the following providers:
 - i. Translators: RITA Inc – invoice #8778 for \$208.00 and invoice #8793 for \$832.00 for a total of \$1,040.00.
 - ii. Background check for the two candidates for the Pension Reserve Board: Brenda Marrero & Asociados – invoice # 016122001 for \$578.24.
 - iii. Legal Advisor: Bennazar, García & Milián C.S.P. – invoice #222601 for a total of \$11,375.00, but since the maximum amount reserved under the budget for Fiscal Year 2021-2022 was \$10,000.00 for legal services, the firm made a courtesy adjustment reducing the invoice to \$10,000.00.

E. Draft of Budget for Fiscal Year 2022-2023:

1. Francisco del Castillo Orozco explained that by letter dated August 8, 2022, the Oversight Board notified that it had reviewed the budget of the Benefits Council for Fiscal Year 2021-2022 and had no recommendation or objection.
2. Francisco del Castillo explained that regarding the budget for Fiscal Year 2022-2023 there are multiple elements that are unknown such as the cost of the insurance premium, the cost of running the elections, the cost of the auditors, among other items. Therefore, it is expected that as the Benefits Council has more information about the actual costs of services the budget will undergo changes in the future.
3. A draft of the budget for Fiscal Year 2022-2023 was previously circulated and during the meeting was discussed item by item by members of the Benefits Council who made multiple questions and comments on the document. Sandra Pacheco indicated that she is an active employee and believes that she should not receive the stipend.

- i. The Pension Benefits Council unanimously approved the budget for Fiscal Year 2022-2023, which is included as Exhibit A of these minutes.

F. Discussion of Pending Items:

1. Francisco del Castillo discussed a table of pending issues that was previously circulated to the members of the Benefits Council.

- i. Completed Matters: includes matters that were pending in the previous meeting but have been completed – (a) approval of the corporate seal; (b) approval of the FY 2021-2022 budget; (c) opening of a bank account and the 4 signatories of the account had an orientation with representatives of Banco Popular; (d) we received the provisional checks and requested regular checks and (e) the entity number was obtained from the Comptroller's Office to file contracts (1556) and we are pending to fill out a form to register the entity.

- ii. Pending Matters:

- a. Budget FY 2022-2023: pending review of the Oversight Board.
- b. Bylaws: expire on August 31, 2022. The Pension Benefits Council agreed to extend the validity of the Temporary Administrative Resolution until October 31, 2022, and create a Regulations Sub-Committee composed of Rita González, Genoveva Valentín, Blanca Paniagua and Carlos Cabán, together with the legal representatives, to work on a draft statute that would later be presented to the Pension Benefits Council.
- c. Insurance: Francisco del Castillo explained that he has been in talks and received an email from the insurance agent where she listed all the entities that have been asked to quote insurance coverage, however, we still do not have a proposal.
- d. Others: the hiring of the Election Administrator, Review of the Pay Go Position, Election Procedure, Annual Audit, Annual Report, Create a web page, Evaluation of the Annual Contribution to the Trust and receive the quarterly reports from the Pension Reserve Board were generally discussed.

G. Other Matters:

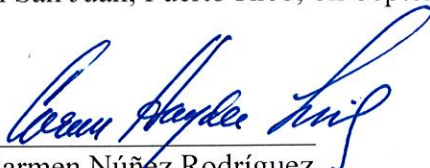
1. During the approval of the minutes of July 19, 2020, Rita González explained that the draft indicates that Omar Marrero has not received the orientation, but since she is the one who attends the meetings of the Benefits Council on behalf of the Government that then it is not necessary for Omar Marrero to receive the orientation.
 - i. Francisco del Castillo explained that since Omar Marrero was appointed by the Governor, he can attend at any time and then he would be doing so without having received the orientation required by the Guidelines and that all members of the Benefits Council they already received.
 - ii. Rita González asked the legal advisors what an orientation under the Guidelines would consist of. Francisco del Castillo explained that it would be the same that was received by the other members of the Benefits Council, but that it could be coordinated with Omar Marrero to make the presentation and due to his knowledge of the Puerto Rico bankruptcy case, it will probably take less time.
 - iii. Rita González stated that since she received the orientation and is the representative of the Government, it is not necessary for Omar Marrero to take it, unless he begins to participate in the meetings. However, she was going to discuss in AAFAF the possibility of coordinating an orientation with the legal advisers of the Benefits Council and Omar Marrero.
2. Access to the Bank Account: the Pension Benefits Council agreed that the members who are signatories have access to the bank account through the Banco Popular website.
3. Approval of supplier invoices: It was agreed that the supplier invoices be circulated to all the members of the Benefits Council and that Carmen Núñez and Genoveva Valentín approve the invoices for payment.

IV. CLOSING

- A. The meeting adjourned at 11:50 a.m.



In San Juan, Puerto Rico, on September 12, 2022.


Carmen Núñez Rodríguez
President


Wanda Santiago López
Secretary