

**PENSION BENEFITS COUNCIL  
BOARD MEETING MINUTES  
October 3, 2023**

**I. CALL TO ORDER**

- A. Location: Bennazar, García & Milián C.S.P. & videoconference
- B. Time: The meeting began at 1:30 pm

**II. ATTENDANCE**

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

**Guests:** Héctor Mayol and Francisco del Castillo from Bennazar, García & Milián C.S.P.; Jorge Marchand, Iris González and Male Noguera from Marchand ICS Group; Craig Johnson from Kroll Restructuring Administration LLC.

### **III. AGENDA**

#### **A. Quorum:**

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

#### **B. Report on the Elections:**

1. Craig Johnson of Kroll Restructuring Administration LLC (Kroll) gave a presentation on ballots received during the voting process. Around 10,000 votes were expected, and 34,950 ballots have been received so far and are currently being processed. Of that total, 3,178 were received by voting on the website, 30,774 votes by mail and almost 1,000 votes at the collection centers. Ballots are verified three times to ensure that votes are counted and awarded correctly.
2. The Pension Benefits Council agreed to set October 24, 2023, at 10:00 am for Kroll as election administrator to present and certify the results of the election.
3. Male Noguera from Marchand ICS Group gave a presentation on the digital platforms and the election process. The website was launched on February 8, 2023, and so far around 25,000 visits have been received, of which 13,000 have been during the election period. In addition, 2,795 people have registered to receive information. On the other hand, 19 informative campaigns were sent by email and around 218 questions were received and answered by email. As for the Facebook page, it was launched on March 23, 2023, and the promotion of the page began on April 26 with 48 publications made. The posts reached 185,313 user accounts and the ads were displayed 1,361,854 times. In addition, 290 “likes” were received, the page has 451 followers, and 308 questions were answered on Facebook.
4. Regarding the call center, Male Noguera explained the people who were going to receive the calls received training, that there was direct contact with the Marchand ICS Group to answer questions and with representatives of Kroll regarding ballot requests and to attend technical issues of access to voting through the website. From August 17 to September 15, 2023, a total of 2,230 calls were received. Also, 437 ballot requests were received of which 26 people ended up not being eligible to vote.
5. Iris González provided a summary of the election process that included the two meetings with the candidates that took place in Ponce and San Juan and the raffle for the order on the ballot. In addition, she explained that the

ballots were printed with an error in the names of two of the candidates in the part where they had to mark their vote. However, the box had the full and correct name at the top, followed by the photo and vote for the candidate, but with the mother's last name. She called both candidates and explained that it would be corrected in the digital version of the ballots.

6. In terms of the interaction with the candidates, a controversy arose regarding the delivery of ballots to the collection centers. Kroll was asked if third parties could take the ballots and leave them at the collection centers, to which they replied in the affirmative. Three candidates opposed the Election Administrator's determination, and all candidates were notified that once the election process concluded they would have the right to appeal the process. As of September 15, 2023, 998 ballots had been received at the collection centers.
7. Regarding the communication campaign, Iris González explained that during May 2023, the nomination period was announced twice on a full black and white page in El Nuevo Día and El Vocero. Additionally, two black and white half-page advertisements were carried in El Nuevo Día and El Vocero for participants to update their addresses to receive the ballots.
8. In the month of August, two full-page color advertisements were made in El Nuevo Día and El Vocero to notify the election process. Also, in August an announcement was made about the functions of the Pension Benefits Council in two color half-pages in El Nuevo Día and El Vocero. In addition, the candidate announcements were made in two full-page color pages in El Vocero and an irregular-sized color piece in El Nuevo Día. Three half-page advertisements were made in El Nuevo Día and El Vocero about the vote.
9. Regarding radio advertisements, one hundred fifteen 30-second spots were made in programs with the highest audience in the target group on Noti Uno and WKAQ 580. There were four radio interviews and 4 television interviews with representatives of the Pension Benefits Council. Regarding digital media, 225 advertisements were scheduled in 3 weeks in the digital versions of El Nuevo Día, El Vocero, Metro and Noticel. In addition, there were 4 unpaid interviews or publications in El Nuevo Día and El Vocero, the television program Noticentro Al Amanecer and three radio programs.
10. Members of the Benefits Council asked several questions and received the reports from Kroll and Marchand ICS Group.

C. Reading and Approval of the Previous Minutes:

1. The Pension Benefits Council approved the minutes of the September 14, 2023 meeting with the following amendments:
  - i. The meeting location should read Residence Inn, Isla Verde instead of Bennazar, García & Milián C.S.P.

- ii. Amend letter E, 1, (iii), (b) to correct the sum of \$10,000 to be \$100,000 and to read: "Under the Non-Ordinary Expenses Budget.... is modified from \$100,000 to \$105,000...".
- iii. Amend the second sentence of letter F, 1, (iv) in the Spanish version of the minutes to read: "Determinación del Departamento de Hacienda: tuvimos una reunión el 8 de agosto de 2023, con representantes del Departamento de Hacienda y NMA para discutir la solicitud de exención contributiva como corporación sin fines de lucro. Sin embargo, nos indicaron que por la naturaleza de la entidad, se atenderá la solicitud por un "ruling" específico sobre las obligaciones contributivas del Consejo de Beneficios de Pensiones."

D. Report on the Contribution to the Pension Reserve Trust:

1. Francisco del Castillo explained that among the materials was the email from Alix Partners dated September 26, 2023, which is the Calculation Agent hired by the Government. In the email they indicated that the base contribution for FY 2022-2023 is \$1,003,528,908 and that the additional contribution is \$87,818,199. This is equivalent to \$1,091,347,107.
2. María López from the Pension Reserve Board sent an email indicating that before October 1, 2023, two transfers from the Government were received. One for \$999,999,999.00 and another for \$3,528,909.00. This is equivalent to \$1,003,528,908 or the base contribution.
3. Among the materials, a table was circulated with the expected contributions for 10 years that was presented by Héctor Mayol. For FY 2022-2023, \$1,035,707,403 was expected between both contributions. Which would be a difference of \$55,639,704. FTI Consulting is aware of the contribution received and is in contact with the Calculation Agent.
4. Francisco del Castillo indicated that they are reviewing the additional contribution that under the Calculation Agent contract establishes that it must be paid on or before November 1, 2023, and there is also an informative motion from the Oversight Board that sets the same date for last year. But the Plan of Adjustment establishes that both contributions must be made on or before October 1st and we are validating this to be completely clear when is the date to make the additional contribution.

E. Completed and Pending Items:

1. Francisco del Castillo gave details regarding the completed matters:
  - i. The meeting materials included the response to candidate Domingo Madera Ruiz, as agreed during the meeting on September 14, 2023.
  - ii. He explained that regarding the completed matters, the entire

election process was carried out concluding on September 15, the contract with FTI Consulting was signed and the Procurement Regulations were approved.

2. Regarding the pending issues, Francisco del Castillo indicated:
    - i. Audit of financial statements for fiscal years 2021-2022 and 2022-2023: As for 2021-2022, they are practically completed and we need to review the notes to the statement. As for 2022-2023, meetings have been held with the accounting firm to clarify aspects so that they can be sent to the auditors.
    - ii. Annual Report of the Pension Benefits Council: it is important that members submit their expense forms in order to close the year.
    - iii. Annual Report to the Department of State: the accounting firm requested another extension to file the report.
    - iv. Pending regulations and Orientation Program: The Regulations Committee during the morning reviewed the amendments to address the issue of access of information. Regarding the orientation program, once the results of the elections and challenges, if any, are available, a date can be established for the new members to receive the orientation.
- F. Invoices from providers: The Pension Benefits Council agreed to pay the following invoices:
1. Bennazar, García & Milián C.S.P: invoice #230801 from the month of August for \$29,432.71.
  2. NMA – invoice #1012307 for the month of September for \$1,580.41.

#### IV. CLOSING

- A. The meeting adjourned at 3:00 p.m.

In San Juan, Puerto Rico, on October 3, 2023.

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Carmen Núñez Rodríguez  
President

  
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Wanda Santiago López  
Secretary

