

**PENSION BENEFITS COUNCIL  
BOARD MEETING MINUTES  
December 12, 2023**

**I. CALL TO ORDER**

- A. Location: Bennazar, García & Milián C.S.P. & videoconference
- B. Time: The meeting began at 10:06 am

**II. ATTENDANCE**

<b>PENSION BENEFITS COUNCIL 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
Mrs. Wanda G. Santiago López	Present
Carlos A. Cabán García, Esq.	Present
<b>American Federation of State, County and Municipal Employees</b>	
Vacant	
Mrs. Sandra Pacheco Santiago	Present
<b>Commonwealth of Puerto Rico</b>	
Rita González, Esq. in representation of Omar Marrero Díaz	Present

**Guests:** Héctor Mayol and Francisco del Castillo from Bennazar, García & Milián C.S.P.; Male Noguera and María Schell from Marchand ICS Group; Eduardo Herencia and Solimar Díaz from Kevane, Grant Thornton.

### III. AGENDA

A. Quorum:

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

B. Reading and Approval of the Previous Minutes:

1. The Pension Benefits Council approved the minutes of the quarterly meeting with the Pension Reserve Board on November 16, 2023 and the ordinary meeting on November 21, 2023.

C. Presentation from the Communications Group:

1. Male Noguera from Marchand ICS Group made a presentation on the changes they recommend to the website and social networks, after the election process has ended and before the end of the transition period of the Pension Benefits Council. Male Noguera recommended creating a section or historical file on the website that would include the information, history and legacy of the Pension Benefits Council during the transition period and that would also contain everything related to the first cycle of elections.
2. At this time, they don't recommend making changes to the [consejotransitorio.org](http://consejotransitorio.org) address until the elected Pension Benefits Council takes office. The right to use the [consejodebeneficios.org](http://consejodebeneficios.org) address must be maintained to ensure that it will be available when the new Pension Benefits Council takes over the website. It is also not recommended to make significant changes to the content, design or current structure of the webpage.
3. Regarding the Facebook page, it is only recommended to update the information about the Pension Benefits Council in the "About" section, which represents a minimal change. Otherwise, the recommendation is to continue reporting to the public as necessary until the elected Pension Benefits Council takes office.
4. On the other hand, it is recommended to store the data of the Pension Benefit Council in a cloud to maintain a historical file. The data that is suggested to be saved are those related to the election process such as press releases; audios of radio interviews and videos of television interviews.
5. Male Noguera explained that the 2023-2024 budget included the time and cost to develop new content for the website after the election period and before the start of the elected Pension Benefits Council. The Pension

Benefits Council accepted the recommendations presented by the Marchand ICS Group regarding changes and updates to the page.

6. On the other hand, Francisco del Castillo explained that during the last meeting of the Official Committee of Retired Employees (the "COR") held on November 28, 2022, it was agreed to "make available and grant access to the Pension Benefits Council of all the material and information on the Committee's website". However, it is up to the Pension Benefits Council to determine what to do with the website and the information found there. Male Noguera explained that the Pension Benefits Council has the following alternatives:
  - i. Keep the COR's website active for a certain time, and keep the storage of the data in a cloud.
  - ii. Do not continue with the maintenance of the COR's website and do keep the data in the cloud.
  - iii. Do not continue with the maintenance of the COR's website, nor with the storage of the data in the cloud.
7. After asking several questions and discussing various options, the Pension Benefits Board unanimously agreed not to continue maintaining the COR's website, but to keep the COR's data stored in a cloud. In addition, it was agreed that the Pension Benefits Council's page would include a notification that the information on the COR's website is maintained by the Pension Benefits Council.

D. Completed and Pending Items:

1. Regarding the completed matters, Francisco del Castillo explained:
  - i. The Pension Benefits Council received \$799,804 from the Pension Reserve Trust for the budget of fiscal year 2024.
  - ii. Financial statements for fiscal years 2022 and 2023 are completed.
  - iii. Amendments to the bylaws were approved including provisions on contracts and access to documents of the Pension Benefits Council.
2. Regarding pending matters:
  - i. Annual report: once the financial statements for Fiscal Year 2023 are completed, they can be presented for approval to the Pension Benefits Council.
  - ii. Request for Tax Exemption to the Department of the Treasury: the Pension Reserve Board has already received a determination from the

Department of the Treasury regarding its tax treatment. This determination was passed to the accounting firm, which in turn sent it to the technician who is working on the case and is following up on the case.

iii. 2023 Annual Report to the Department of State: pending with the accounting company.

3. Regarding other matters, Francisco del Castillo indicated:

i. Letters to AFSCME:

a. By letter dated November 21, 2023, signed by Carmen H. Núñez and addressed to Steven Kreisberg, it was notified that the election process was carried out and once the appeal process is concluded, the transitional period will end, and it will be necessary for AFSCME appoint a representative to the Pension Benefits Council. Steve Kreisberg replied that they would be making the appointment soon.

b. As for Iram Ramírez Linares, we had been notified that he was no longer working with Servidores Públicos Unidos and we were able to speak with him, who confirmed the information. By letter dated November 29, 2023, signed by Carmen H. Núñez and addressed to Steven Kreisberg, it was requested that a substitute be appointed to the Pension Benefits Council during the transitional period.

E. Audited Financial Statements Fiscal Years 2022 and 2023:

1. Eduardo Herencia and Solimar Díaz of Kevane, Grant Thornton made a presentation that was previously circulated to the Pension Benefits Council along with the draft audited financial statements for fiscal years 2022 and 2023.

2. Solimar Díaz indicated that the firm has been independent and that independence has not been affected during the audit process. The statements were prepared by management and follow generally accepted accounting principles (GAAP) for nonprofit entities. All significant transactions have been recognized in the financial statements and in the correct periods. The audit firm did not identify any unusual transactions or accounting statements that were in controversy.

3. Eduardo Herencia explained that the financial statements were issued without errors and all the adjustments that were recommended were accepted and incorporated by management. There was no disagreement with management over the accounting treatments of the various transactions. The opinions on the fiscal years 2022 and 2023 financial

statements are unmodified or clean opinions.

4. The Pension Benefits Board received and approved the audited financial statements for the fiscal year ending June 30, 2022, and the fiscal year ending June 30, 2023.

F. Appeal to the Election Process:

1. Francisco del Castillo provided a background of Professor Domingo Madera's appeal and indicated that the initial hearing of the case was held on November 28, 2023. The appellant was accompanied by his lawyer José A. Carlo Rodríguez. Each side briefly discussed their theory of the case and the witnesses they would present. The arbitrator established the following calendar for the arbitration case:

- i. December 28, 2023 - Complete discovery.
- ii. January 19, 2024 - Submit report for the Conference before the Hearing.
- iii. January 26, 2024 - Conference before the Hearing.
- iv. February 9, 2024 - Dispositive motions.
- v. February 16, 2024 - Opposition to dispositive motions.
- vi. February 22 and 23, 2024 - Arbitration Hearings.

2. On December 4, 2023, we sent the first interrogatories and on December 5 we received the interrogatories from Professor Domingo Maderas' lawyer.

3. After concluding the discovery process, the legal advisors' recommendation is to file a dispositive motion in the case.

4. Francisco del Castillo indicated that he had a call with Domingo Madera's lawyer and he proposed as a transaction to resolve the controversy, that the election for the Teachers' Retirement System be held again. However, this offer is the equivalent of having an adverse judgement and the redundant omission on the ballot should not result in the election being revoked by the arbitrator.

5. The members of the Pension Benefits Council asked several questions and received the report of legal advisors on the Domingo Madera's appeal.

G. Invoices from providers: The Pension Benefits Council agreed to pay the following invoices:

1. Emmalind García: Invoice #2 for arbitrator services until October 6, 2023 for \$1,600.00.

2. Kroll Restructuring Administration: Invoice # 22322 for the months of September and October 2023 for the amount of \$805,675.32.
3. Rita Inc.: Invoice # 11018 for services for the November 21, 2023 meeting, in the amount of \$208.00.
4. NMA Certified Public Accountants: Invoice # 1013810 for services for the month of November 2023 for \$1,580.41.
5. Bennazar, García & Milián C.S.P.: Invoice #231101 for services provided in November 2023, for \$25,539.03.

**IV. OTHER MATTERS:**


A. Francisco del Castillo indicated that on November 29, 2023, a letter was received from the Comptroller's Office about a study it is carrying out on lawsuits filed by public officials and employees for dismissals, disciplinary actions, among others, for reasons of discrimination, political affiliation, workplace harassment and sexual harassment during the period from January 1, 2018, to June 30, 2023. The Pension Reserve Board received the same communication.

B. The Pension Benefits Council is not an agency or instrumentality of the Government of Puerto Rico. On the other hand, the entity has no employees or labor claims of any kind. The Pension Benefits Council agreed to respond to the Comptroller's Office that it is not an agency or instrumentality of the Government of Puerto Rico, but to indicate that it does not have employees, nor did it have any legal actions from employees during the period of the study.

**V. CLOSING:**

- A. The meeting adjourned at 12:06 pm.

In San Juan, Puerto Rico, on January 16, 2024.

  
Carmen Núñez Rodríguez  
President

  
Wanda Santiago López  
Secretary

