

**PENSION BENEFITS COUNCIL
BOARD MEETING MINUTES
October 26, 2022**

I. CALL TO ORDER

- A. Location: Bennazar, García & Milián C.S.P. & videoconference
- B. Time: 2:00 p.m.

II. ATTENDANCE

PENSION BENEFITS COUNCIL MEMBER	ATTENDANCE
Financial Oversight and Management Board for Puerto Rico	
Mr. Jason Fichtner	Present
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	
Genoveva Valentín Soto, Esq.	Present
Mrs. Sandra Pacheco Santiago	Present
Commonwealth of Puerto Rico	
Rita González, Esq. in representation of Omar Marrero Díaz	Present

III. AGENDA

A. Quorum:

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

B. Reading and Approval of the Previous Minutes:

1. The Pension Benefits Council approved the minutes of the meeting of September 12, 2022.

C. Results of the Referendum:

1. Wanda Santiago indicated that on September 27, 2022, she sent an email to the members of the Pension Benefits Council requesting that a referendum be held in accordance with Article 2.8 of the Transitory Administrative Resolution approved on July 6, 2022. The purpose of the referendum was to vote on two issues:
2. First: Accounting Services Contract

Background: On September 12, 2022, the Pension Benefits Council received submissions from NMA Certified Public Accountants, PSC and Falcón Sánchez & Associates, PSC. In addition, it was agreed to designate a Sub Committee to receive an additional presentation from Alchavo.com which took place on September 13, 2022, and make recommendations to the Pension Benefits Council on the proposals. Alchavo.com made a proposal to the Pension Benefits Council that was attached to the email referendum. The proposal includes payment to suppliers, withholdings, and remittance of taxes to the Treasury Department, preparation of financial statements and reconciliation of the bank account. The cost is \$420 per month and a one-time payment of \$450 to establish the account. After evaluating all the proposals for accounting services, the Subcommittee's recommendation was to hire Alchavo.com.

The motion on which they would be voting: "Motion to approve the contracting of Alchavo.com for accounting services for fiscal year 2022-2023 as provided in the services proposal that is included as an exhibit to the email referendum."

3. Second: Communications Agent Contract

Background: On August 26, 2022, the Benefits Board agreed to retain Marchand ICS Group as communications agent. It was determined that the services proposal and election budget be discussed with the contractor to establish the amounts for the contract. The Subcommittee recommended that it be contracted under the amounts established in the budget for

communications agent and web page development (\$50,000 and \$20,000, respectively) for fiscal year 2022-2023. Also, that a nominal/preliminary amount of \$15,000 be included under the elections budget, which will then be reviewed once the final budget for elections is established.

The motion on which they would be voting on would be: "Motion to hire Marchand ICS Group for fiscal year 2022-2023 with the following amounts: (a) Communications Agent - \$50,000, (b) Website Establishment and maintenance - \$20,000 and (c) Communications related to the elections \$15,000."

4. The date of October 5, 2022, was established as the deadline for the members of the Benefits Council to cast their votes in favor or against the referendum.
5. Wanda Santiago certified that as of September 29, 2022, all votes were received from the members, and they voted unanimously in favor of the two motions presented.

D. Report from the Treasurer:

1. Carlos Cabán, Treasurer, discussed the income and expense reports for the bank account of the Pension Benefits Council for the months of September and from October 1 to 15, 2022. In addition, the account statement for the month of August 2022 and the account balance as of October 24, 2022 was circulated.
2. The initial deposit by the Fiscal Oversight Board was \$550,184.04 and for the month of August there were expenses of \$18,683.24 and \$136.59 for the issuance of the checks. Also \$1,060.00 was withheld from service providers and sent to the Treasury Department.
3. For September there are expenses of \$25,228.75, stipends of \$1,250.00. In addition, \$2,118.00 was withheld from professionals and sent to the Treasury Department. The balance as of today is \$502,957.46.
4. The Pension Benefits Board received the Treasurer's report.

E. Insurance Coverage:

1. Francisco del Castillo explained that during the first week of October, Ana Casiano from MassMutual, the insurance agent, contacted him to indicate that after making multiple efforts to obtain insurance coverage for the Pension Benefits Council, that it was not possible. In addition, she indicated that she did not want to make the Pension Benefits Board wait any longer to obtain coverage and suggested that we find that another insurance agent.
2. After this occurred, legal counsel contacted representatives of the Pension

Reserve Board who had already had a similar experience with a first insurance agent who was unable to obtain coverage. Marsh Saldaña is currently being used by the Pension Reserve Board and we call them to see if they could represent the Pension Benefits Board. Marsh Saldaña indicated that they could not represent the Benefits Council because they understood that there could be a potential conflict of interest.

3. Francisco del Castillo indicated that they looked for other insurance agents to at least bring one provider for the consideration of the Pension Benefits Council. However, if there is any other insurance agent that the Pension Benefits Council wishes to consider, they would contact them.
4. The Pension Benefits Council authorized the legal counsel to work with Fulcro Insurance to obtain insurance coverage.

F. Creation of Committees:

1. Carmen Núñez indicated that it is necessary to create several committees to address different responsibilities of the Pension Benefits Council. The President made several recommendations regarding the creation of committees and their members.
2. The Pension Benefits Council agreed to the creation of the following committees with the following members and responsibilities:
 - i. PayGo Committee: to evaluate the payment of the PayGo Charge by employers to the Government of Puerto Rico. Pursuant to the Guidelines, the Pension Benefits Council must monitor the collection of the PayGo Charge every year. The PayGo Committee will evaluate the reports prepared by AAFAF, will meet with representatives of the Government of Puerto Rico, the Oversight Board and others, to render a report to the Pension Benefits Council on the status of the PayGo Charge in order to discharge its obligations under the Guidelines.
 - a. PayGo Committee Members: Rita González, Carlos Cabán, Jason Fichtner, Juan Ortíz and Blanca Paniagua.
 - ii. Elections Committee: work on the preparation of the RFP for the Election Administrator, prepare the election procedure, work on the logistics of the election, orientations, and any other incidental functions for the elections to take place.
 - a. Members of the Elections Committee: Rita González, Wanda Santiago, Carlos Cabán and Genoveva Valentín.
 - iii. Communications Committee: would be working on the corporate identity, WEB page, the orientations to participants on the Pension

Benefits Council and Pension Reserve Trust and interact with the press.

- a. Members of the Communications Committee: Rita González, Carmen Núñez, Sandra Pacheco, Wanda Santiago and Juan Ortiz.

G. Discussion of Pending Items:

1. Matters completed since the last meeting of the Pension Benefits Council - Francisco del Castillo reported the following:
 - i. Letter to the Director of the Office of Management and Budget: the letter to the Director of OGP was sent notifying about the budget for fiscal year 2022 of the Pension Benefits Council.
 - ii. Contribution to the Pension Reserve Trust: on September 30, 2022, the contribution of \$1,420,936,000 was received from the Government of Puerto Rico.
 - iii. Contracts: Agreements were signed with Marchand ICS Group and FTI Consulting. As for the accounting company of Alchavo.com, we are waiting for them to send us the certificate of the Single Registry of Providers of the General Services Administration in order to sign the contract.
 - iv. Orientation Program: on October 6, 2022, Omar Marrero received the orientation required under the Guidelines as a member of the Pension Benefits Council from Héctor Mayol and Francisco del Castillo.
 - v. Certification under Section 6.1 of the Guidelines: Certification of compliance with education and experience requirements (under the Guidelines) was received for the two Governor's appointees to the Pension Reserve Board.
2. Pending Items - Francisco del Castillo reported the following:
 - i. Bylaws: The Pension Benefits Council agreed to extend the validity of the Temporary Administrative Resolution that expires on October 31, 2022 until December 31, 2022. The Regulations Committee will be working on the draft of the permanent statutes of the Pension Benefits Council.
 - ii. 2022-2023 Budget: The amended budget for fiscal year 2023 has already been submitted for consideration by the Fiscal Oversight Board. We are waiting to receive approval.

iii. Other topics also discussed were the annual audits for fiscal years 2021-2022 and 2022-2023, annual report, website, quarterly reports from the Pension Reserve Board and annual report to the Department of State as a non-profit corporation.

H. Supplier Invoices: After evaluating the invoices, the Pension Benefits Council agreed to approve the payment of the following suppliers:


1. Translators: RITA Inc – invoice # 9056 for \$260.00 about the September 12, 2022 meeting.
2. Legal Advisor: Bennazar, García & Milián C.S.P. – invoice # 220802 for a total of \$18,474.75 for the month of August 2022.

I. Other Business: The Pension Benefits Council agreed to establish in advance the following dates for the next meetings: November 30, 2022 and December 14, 2022, at 2:00 pm. The dates of January and February will be coordinated with the members through email consultation.

IV. CLOSING

A. The meeting adjourned at 4:05 p.m.

In San Juan, Puerto Rico, on November, 30 2022.


Carmen Núñez Rodríguez
President


Wanda Santiago López
Secretary

