



Approved

AFICS/NY GB 453

Summary of the Minutes of the 453rd meeting (44th virtual, 13th hybrid) of the Governing Board (virtually by Microsoft Teams & in-person) on Tuesday 18 June 2024, at 11:00 am.

Agenda

1. The President declared the meeting open at 11:00 am. The Agenda was presented as follows:
 1. Adoption of the Agenda
 2. Approval of the Minutes of the Governing Board meeting held on 16 May
 3. Introduction of new Governing Board members
 4. President's Report
 5. Elections
 6. Committee and Working Group reports (for the Communications Committee report attached three documents)
 7. Board approval of amendments to the AFICS/NY Governing Board Rules of Procedure (attached one document)
 8. FAFICS matters
 9. AOB

Adoption of the Agenda [1]

2. The agenda was revised as follows Item no. 7 'Board approval of amendments to the AFICS/NY Governing Board Rules of Procedure', should be discussed by the Board before item no. 5 'Elections'.

Decision

3. **The Governing Board agreed to this change of agenda items.**

Approval of the Minutes of the Governing Board Meeting held on 16 May 2024 [2]

Decision

4. **The Governing Board adopted the edits provided and approved the Minutes**

Introduction of new Governing Board members [3]

5. The President welcomed the three new members recently elected to Governing Board, namely Judith Karl, Andrew Nye and Michael Zilberg. They were attending the Governing Board meeting for the first time and requested them to briefly introduce themselves.
6. Each one of them did so and expressed their appreciation for the work that the Governing Board was doing, noting that the work done by AFICS/NY was very important in providing value for a very wide range of retirees. All of them stated their willingness to contribute and support this significant work.



President's Report [4]

7. The President announced that her Report consisted of two parts, one was her normal report and for the second part, she had requested the Co-Chair of the Nominating Committee to say a few words about the expectations that the Board has of the new Board members.
8. The President made the following points in the first part of her report:
 - a. The Annual Assembly had been a success and was a huge collective effort. She congratulated each one of the members involved in the organization. The participation of the President of the General Assembly was secured through his Deputy Chief of Staff since he was traveling. A draft statement was presented from AFICS/NY to his Office, and much was retained in the final statement in which he also included a very moving minute of silence for colleagues who have fallen in service to the UN. The President of FAFICS, Jerry Barton, came next and shortened his presentation to keep the meeting on track. Catherine Pollard, who was representing the Secretary-General, addressed the Assembly as well with the timing working out well.
 - b. A set of protocol procedures for the Annual Assembly was proposed by Pilar Fuentes Conte who also agreed to lead such an undertaking which would need to be maintained and improved based on the experience gained
 - c. The reception after the Annual Assembly was well received. The President gave a special thanks to Barbara Linardo, who even being very unwell, managed to prepare and attend the reception. She also thanked Velimir and Véronique, who helped with the shopping and preparation for the reception.
 - d. Concerning the collection of dues, which had fallen behind because of COVID and other circumstances, a list of about 500 people with outstanding dues was created. These members have been systematically called and the dues are being collected. This significant task has resulted in a good return in amounts owed to the Association.
 - e. On 11 June, AFICS/NY had another partnership event with the UN Joint Staff Pension Fund helping retirees with their enrollment in the DCE (Digital Certificate of Entitlement).
 - f. During the in-person Annual Health Insurance Renewal campaign held in the lobby of the Secretariat, Dr. Narula and Nancy Hurtz-Soyka represented AFICS/NY in providing information on health care enrollment in retirement and information for retirees inquiring about becoming AFICS/NY members.
9. The President then gave the floor to the Co-Chair of the Nominating Committee, Dr. Narula, to say a few words, in that capacity, about the expectations expected of new Governing Board members.



10. Dr. Narula, made the following points:
 - a. The new members of the GB are the first group of new members who have been elected for a four-year term.
 - b. For the recently revised AFICS/NY By-laws, approved by the membership at large, the Governing Board elections will be held every other year.
 - c. In the absence of consensus, the Governing Board takes its decisions by a majority vote of the Members present and voting.
 - d. Regarding the composition, there are 18 voting members. There are also non-voting members, who may participate in discussions, but don't have the right to vote, and they are five Honorary Members, respected former Presidents of the Association, and there are two Committee Chairs. The President of the Charities Foundation also attends meetings as does the Editor of the Bulletin.
 - e. A Board quorum is constituted when one half of the voting members of the Board are present. In addition, any elected or appointed member of the Board who fails to attend 3 consecutive Board meetings without adequate reasons will be considered by the Board as having resigned therefrom and shall be so notified.
 - f. The expectation for the new members is to familiarize themselves with the substantive issues the Board focuses on, participate actively in the discussions at the Board Meetings and be a member of at least one of the standing seven committees of the Governing Board.

Board approval of amendments to the AFICS/NY Governing Board Rules of Procedure [5]

11. Co-Chairs of the Working Group stated that the By-laws had been thoroughly analyzed and noted that updates had been required under the New York State Not-For-Profit Corporation law, as the Association was organized in 1970 as a Not-for-Profit Corporation. There was a need to make several changes to the By-laws since the last time there were updated was in 2002, The proposed amendments to the By-laws were approved by the Assembly at large, which led to the need to update the Rules of Procedure in order to make sure that they also conformed to the changes made to the By-laws.

Summary Discussion

12. Several questions were raised about adding a notice to how elections were run, and which positions were open. Other questions concerned the situation of honorary members and if they were considered members for life and why particular positions like the Treasurer was not subject to elections (rule 4.2). Points were raised on the subject of conflict of interest and it was noted that if there was a need to attain permission to serve on Boards and also when the Board member was called back to work at the UN under a temporary contract.



13. The Co-Chair of the Working Group replied that as regards honorary members they were considered as members for life, but they did not have a right to vote just to attend and participate in a meeting. On the question of elections, the terms of elections are set out in the By-laws. The detailed procedures are set out in Rules 2.2 of the Rules of Procedure. It was further explained that the Nominating Committee has a huge role in proposing candidates and then the Board takes its decisions based on the Rules set forth therein. The announcement is assumed because without adequate notice it would not be possible to get biographical and other information. On the question of Rule 4.2 and why particular positions like Treasurer were not subject to election, while making sure that the President, First Vice President, Treasurer and Secretary constituted the Bureau as set forth in the By-laws in the Rules of Procedure, some of these positions do not have to come from the Board in case there is not sufficient talent on the Board. Also, the Board has the authority to designate other officials of the Association, from its own membership or the membership at large. On the question of whether members could continue to serve on the board or as officials of AFICS/NY while on temporary contracts with the UN or its Funds and Programmes, it was pointed out that, once one resumes duties at the UN under a temporary contract, one is subject to the rules of the United Nations and, thus, would have to abide by those rules as to whether they could also engage in an outside activity. Moreover, there could be a conflict of interest between one's temporary UN duties and one's duty to AFICS/NY (e.g., serving in a role regarding ASHI for the UN and serving in the AFICS/NY health and life insurance committee).
14. One of the members wanted to understand actual steps taken within the Governing Board as to how nominations were done, that was to know who was running for election.
15. The Co-Chair of the Working Group stated that the Rules of Procedure can be amended as many times as deemed necessary by the Board and suggested that this could be part of a much longer debate.
16. The Co-Chair of the Working Group added that under the New York Law, it is required that the Board has a defined conflict of interest Policy, which for AFICS/NY has yet to be developed. The Board had charged the Working Group to reconvene and prepare a conflict-of-interest policy. On the Rules of Procedure, there are a number of footnotes that relate back to the original By-laws. The Rules will be amended to conform to the changes made in the By-laws. The Co-Chair added that if the Board agreed with the changes, the new Rules could be adopted but left on the agenda of future meetings further discussion and possible amendments when needed.
17. The President asked the Board if they agreed to adopt the Rules of Procedure as they were currently prepared.

Decision

18. **The Rules of Procedure were adopted on the understanding that they could be amended as many times as the Board deemed necessary. The Co-Chairs of the Working Group will send out a clean version of the Rules of Procedure.**



Elections [6]

19. President, Deborah Landey notified the Board that with the culmination of the elections, she would be stepping down from the Presidency of AFICS/NY. She stated that it was a huge honor to have worked on behalf of retirees, serving for eight years as First Vice President, under the leadership of John Dietz, alongside Jay Karia, and the past two years as President with Darshak Shah and Nancy Hurtz-Soyka as Vice Presidents. She added that it had also been a huge privilege to have served for four years as one of the Vice Presidents of FAFICS. She then opened the floor for nominations.

Summary Discussion

20. One of the Board members asked if there was anything the Board could do to have Deborah Landey continue and not step down.
21. However, this not being possible, Sandra Haji-Ahmed nominated Darshak Shah for President. She did so in light of his work and experience in the Governing Board as First and Second Vice-President, his leadership in the Pension Committee, and as someone who is hands on and who could continue the legacy and good traditions of previous Presidents. His nomination was seconded by Pilar Fuentes Conte and approved by the Board.
22. Darshak Shah, on accepting his nomination, introduced a slate of officers who he would like to support him and the Bureau. He provided the following slate to be approved by the Board: First Vice President, Nancy Hurtz-Soyka, Second Vice President, Jay Pozenel, Secretary Pilar Fuentes Conte, Treasurer Mac Chiulli, and Deputy Secretary, Marianne Brzak-Metzler. He added that there was still ongoing discussions with a potential Deputy Treasurer, and the Board would be so informed if the candidate accepted the position.
23. Furio DeTomassi moved to have the Bureau agree with the slate that Darshak Shah had put forward and Mac seconded his statement.

Decision

24. **Darshak Shah was elected President unanimously by the Governing Board. The slate of officers was approved as presented. The President would communicate the name of the Deputy Treasurer to the Board as soon as a candidate emerged.**



Committee and Working Group reports [7]

Pension Committee.

The Co-Chair of the Pension Committee, Jay Pozenel, reported that he had sent in advance to the Board the document on comments from AFICS/NY to the FAFICS Council for its July Council meeting. There were three main issues of concern: additional benefit considerations, increasing transparency among three areas (Pension Board, Office of Investment Management and Administration), and finally, performance reporting on investments:

- a. Regarding benefits AFICS/NY reaffirmed its support to FAFICS Council in two preliminary matters that were discussed and agreed by consensus: first the restoration of the remaining 0.5% reduction in the cost-of-living adjustment after separation. The restoration of this economy measure started in the 1980's once the General Assembly wanted to prioritize this benefit when there was a pattern of actuarial surpluses. The Board was encouraged to say that the restoration of this reduction was a priority to be actioned as soon as the Fund showed a trend in positive actuarial balances and these conditions have been met, and therefore this is long overdue. Second, Improvements for small and minimum pensions should be raised to the Pension Board and there should be a push for a one-time adjustment in the base amounts of small and minimum pensions and to align cost-of-living adjustment methods and calculations.
 - b. Issues of Concern to AFICS/NY: On the benefits, increasing the amount of the child benefits and disabled child benefits: If increasing all child benefits would be too costly from an actuarial perspective, the Pension Board could focus on increasing only the child disability benefits for the considerably smaller population. While the UN itself had increased benefits for disabled children, the child benefit under the Pension Fund is modest, however enables health insurance coverage, which is a big benefit for families under ASHI.
 - c. Increasing Transparency: As a subsidiary organ of the General Assembly, the Pension Fund and the Pension Board should make its agenda public, in advance of meetings so input could be given by participants and beneficiaries, as well as making public the information about the actuarial valuation results of the Fund, the OIM should explain its strategy and activities for outsourcing of investment management activities, actuarial valuation reports are technical data and could be published even post facto; in addition the Fund Administration should be more transparent about outstanding cases of initial separations and survivor benefits
25. AFICS/NY recommends that the Pension Board request the RSG to improve its reporting on the performance of investments. The report should be available at a minimum on a quarterly basis, should be made from industry standard providers, comparisons should show performance against both industry standard benchmarks and UNJSPF customized benchmarks, and data for the reports should be automatically provided by the Fund's Custodian to ensure objectivity, timeliness, and accuracy.



Health Insurance Committee (HIC)

26. The Co-Chair of the Health Insurance Committee, Jay Karia, informed the Board that for the HLIC open information session both Dr. Narula and Nancy Hurtz-Soyka participated, representing AFICS/NY.
27. The FAFICS Standing Committee on ASHI issued its report which had been circulated to the HIC members for their review before presenting it to the Board. The Co-Chair of the Health Insurance Committee, Dr. Narula added that HLIS was in the process of calculating the contribution rates for retirees starting in July 2024 as the adjustments over the deductions from the pension fund would be retroactive.

Summary Discussion

28. There were some questions about items to be added to the FAFICS talking points regarding: the information about investments to be shared with all members; the long wait for survivor benefits to be received; the increases of the external management of the Fund's investments; the sense of front-running, and the benefits for children with disabilities.
29. It was requested to add to the talking points that, under the rules of FAFICS and agreed at FAFICS Council meetings, that the Standing Committees have a Core Team, as this has not yet been operationalized.
30. The Co-Chair of the Pension Committee, Suzanne Bishopric suggested that it would not be prudent to put forward any recommendation of increasing benefits in the absence of data from the actuarial valuation and an opinion from the Plan Review Group, but she did support the inflation and adjustments for small pensions.
31. The Co-Chair of the Pension Committee Jay Pozenel, responded to the question of external management of alternative investments and explained that it was not possible to do so in-house because they were done through limited partnerships. On the question of whether detailed reporting on pension transactions would risk front- running of the Fund's investment actions, he clarified that these were recommendations being made to FAFICS, whose delegation could choose whether or not to bring them to the attention of the Pension Board.
32. The President reported that the presentation of the new Communications Strategy by the Communications Committee was the next item but, as there was another item that required a decision, he proposed to defer this item to the next Board meeting.

Decisions

33. **The Board approved the deferment of the new Communications Strategy by the Communications Committee to the next Board meeting, which at that time the Strategy would be discussed in depth.**
34. **The additional point concerning the importance of implementing a Pension Core Team was approved by the Board to be added to the FAFICS talking points.**



FAFICS matters [8]

35. Nancy Hurtz-Soyka reported that the FAFICS 54th Council agenda was very comprehensive with some 15-20 items including elections, and reports from Standing Committees.
36. Deborah Landey, as FAFICS outgoing Vice President, informed that while being President, she forwarded the nomination of Nancy Hurtz-Soyka to stand for election for one of the Vice Presidents of FAFICS.
37. The President of AFICS/NY Darshak Shah, proposed to the Board that, as was normally set out, the AFICS/NY delegation to FAFICS, would include the President and two Vice Presidents.
38. The Second Vice President, Jay Pozenel, informed that he would not be able to travel but would participate virtually in the 54th FAFICS Council session.

Decision

39. **The Board approved the AFICS/NY delegation to attend the FAFICS 54th Council as proposed by the President.**

AOB [9]

40. The President thanked Deborah Landey for her work and dedication to the retirees. He detailed how her incredible energy and amazing foresight took AFICS to a completely new level of modernization and a new way of managing meetings, setting up very high standards to be followed. Many members of the Board took the floor to personally express their appreciation and propose that she be appointed an honorary member and to continue with the Board as a great asset thanks to her experience and talent, and as an important value to the work of the Association.
41. The President formally nominated Debbie Landey and John Dietz, both Former AFICS/NY Presidents, as Honorary Members of the AFICS/NY Governing Board.
42. Jay Pozenel also proposed that Jay Karia be included on the list of Honorary Members to be nominated by the President, based on his established contributions to the Board, to AFICS itself, and to all retirees through his work with the Health and Life Insurance Committee.
43. The President clarified that, while there was a precedent of past Presidents becoming Honorary Members, a Working Group should be established for other situations. It was noted that having this new Working Group would be an opportunity to bring back the Distinguished Service Award, as a reward for extraordinary continuing performance, and a way to encourage participation.
44. Regarding vacation time, the Board approved the dates of 12 August to 3 September as the time frame for the closure of the Office.



45. Concerning the issue of submitting interest for serving on the Staff Pension Committee for Disability cases, it was noted that a letter of interest with a bio needed to be received by the Secretary of the Bureau by **15 July**.

Decisions

46. **The Board agreed to the President's proposal for Deborah Landey and John Dietz to become Honorary Members of AFICS/NY and for the establishment of a Working Group on the methods and basis for selecting honorary board members.**
47. **The Board also approved the proposed closure of the Office from 12 August to 3 September.**
48. **The Board agreed that the next Board meeting would be held on Tuesday, 17 September 2024 at 11 a.m.**
49. The President closed the meeting at 1:20 pm
