

**TEXAS MUNICIPAL LEAGUE  
INTERGOVERNMENTAL RISK POOL**

**Board of Trustees Meeting**

In Person and Via Zoom Teleconference Software

Omni Fort Worth Hotel – Texas Ballroom A-D  
1300 Houston Street, Fort Worth, TX 76102

Recorded Meeting Video May be Viewed at

<https://www.tmlirp.org/who-we-are/your-board-members/board-meetings-and-agenda/>

February 5, 2022

**Trustees Present**

Randy Criswell, Chair  
Mary Dennis, Vice-Chair  
Noel Bernal  
J.W. ‘Buzz’ Fullen  
Jeffrey Snyder  
Austin Bleess  
Bert Lumbreras  
Mary Gauer  
Harlan Jefferson  
Carol Loughlin  
Byron Black  
David Harris  
Rickey Childers  
Bennett Sandlin  
Michael Smith

**Staff Present**

Jeff Thompson  
David Reagan  
Susie Green  
Lindsey Fields  
Tito Villegas  
Mike Raigosa  
Atul Poladia  
Scott Houston  
Mike Rains  
Mike Bratcher  
David Nix  
Bo Joseph  
Jennifer O’Sullivan  
Paula Marr-Ludwig  
Aaron Hardiman

**Staff Cont.**

Melinda Walters  
Wendy Standorf  
Allan Romer  
Kim Williams  
Julie Nguyen  
Patti Ledesma

**Others Present**

Dan Smereck, Strategic Asset Alliance  
Gretchen Leifeste, Armanino LLP  
Ruth Snell, Armanino LLP

Vice-Chair Mary Dennis called the meeting of the Board of Trustees of the Texas Municipal League Intergovernmental Risk Pool to order at 8:00 a.m. on Saturday, February 5, 2022. Some of the Board members attended the meeting by the use of Zoom Software. Vice-Chair Mary Dennis presided over the meeting because Chair Randy Criswell could not attend in person. Chair Criswell attended the meeting using Zoom Software.

1. Roll call and excused absences (Tab 1)<sup>1</sup>

Jeff Thompson reported the absence of Henry Wilson and the reason he asked his absence be excused.

MOTION by David Harris, seconded by Austin Bleess, to excuse the absence of Henry Wilson. Motion carried with unanimous approval.

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<sup>1</sup> All references to “Tabs” in these minutes are references to the Tabs in the Board of Trustee Agenda packet.

2. Public Comment on Agenda Items

Vice-Chair Dennis opened the meeting to public comment on any item on the agenda for this meeting. No comments were made. Vice-Chair Dennis closed the meeting to public comments.

3. Consideration of minutes of October 22, 2021 Board of Trustees meeting in Southlake. (Tab 2)

MOTION by Randy Criswell, seconded by David Harris, to approve the October 22, 2021 Board of Trustees minutes. Motion carried with unanimous approval.

4. Nominations Committee

a. Consideration of minutes of October 21, 2021 Committee Meeting (Tab 3)

Vice-Chair Dennis announced this item would be deferred to the April 2022 Board of Trustees meeting.

b. Consideration of appointment of a member to the Board of Trustees to fill the unexpired term of Place 12 (Tab 4)

Vice-Chair Dennis announced this item would be deferred to the April 2022 Board of Trustees meeting.

5. Finance & Information Technology Committee Items

a. Consideration of minutes of October 21, 2021 Committee Meeting (Tab 5)

MOTION by Rickey Childers, seconded by Austin Blee, to approve the October 21, 2021 Finance & Information Technology Committee Meeting minutes. Motion carried with unanimous approval.

b. Staff presentation of year-end financial results and presentation by Holtzman Partners, LLP of Financial Audit for October 1, 2020 to September 30, 2021, and Staff Response (Tab 6)

Tito Villegas presented the year-end financial results. Gretchen Leifeste with Armanino, LLP and Ruth Snell of Armanino, LLP presented the results of the Financial Audit for the fiscal year October 1, 2020 to September 30, 2021. Armanino LLP purchased Holtzman Partners, LLP effective January 1, 2022. Armanino LLP had no audit recommendations requiring staff response.

MOTION by Byron Black, seconded by Jeffrey Snyder, to accept the Financial Audit for the fiscal year October 1, 2020 to September 30, 2021 as presented and as set forth under Tab 6. Motion carried with unanimous approval.

- c. Review of November 30, 2021 (2-month) Financial Statements and presentation of December 31, 2021 Financial Results (Tab 7)

Tito Villegas presented the November 30, 2021 (2-month) Financial Statements and the December 31, 2021 Financial Results set forth under Tab 7.

- d. Review of November 30, 2021 (2-month) Investment Report and presentation of December 31, 2021 Investment Results (Tab 8)

Tito Villegas provided an overview of the November 30, 2021 (2-month) and December 31, 2021 Investment Results as set forth under Tab 8.

Dan Smereck of Strategic Asset Alliance presented an overview by video conference of the markets and performance of the Pool's investments.

- e. Consideration of Updating Target Equity Range (Tab 9)

Vice-Chair Dennis reminded the Board of Trustees that this item had been discussed and acted upon at the Planning Session on February 4, 2022. She asked if the Board of Trustees had a need to discuss the item further or to make any changes in its previous action. There were no comments or questions by the Board of Trustees.

- f. Consideration of extending Manulife Asset Management Company contract for two years (Tab 10)

Tito Villegas presented the Staff recommendation to extend the investment management contract with Manulife Asset Management for two years as set forth under Tab 10.

MOTION by Austin Bleess, seconded by Noel Bernal, to approve a two-year contract extension with Manulife Asset Management beginning July 1, 2022 and ending June 30, 2024, at the same fee rate provided in the original contract. Motion carried with unanimous approval.

- g. Consideration of extending Rudd & Wisdom contract for two years (Tab 11)

Tito Villegas presented the recommendation for the two-year contract extension with Rudd & Wisdom, Inc., to conduct reserve reviews and rate reviews as set forth under Tab 11.

MOTION by Bert Lumbreras, seconded by Opal Mauldin-Jones, to approve a two-year contract extension with Rudd & Wisdom, Inc., to conduct reserve reviews for the fiscal year ending September 30, 2022 and rate reviews for the fiscal year beginning October 1, 2023, at a base fee of \$57,553; and to perform reserve reviews for the fiscal year ending September 30, 2023, and rate reviews for the fiscal year beginning October 1, 2024, at a fee of \$57,553 adjusted by the Consumer Price Index for all Urban Consumers at November 30, 2022; and with additional services not contemplated in the base fee charged at an hourly rate agreed upon by both parties. Motion carried with unanimous approval.

- h. Notification of Armanino LLP purchase of Holtzman Partners LLP and Consideration of Financial Auditing Services Agreement with Armanino, LLP (Tab 12)

Armanino LLP purchased Holtzman Partners LLP, the Pool's financial auditor, effective January 1, 2022. The Pool has previously awarded Holtzman Partners a three-year financial auditing services agreement in January of 2021. Holtzman Partners has completed the 2020-2021 audit. Tito Villegas presented the recommendation that the Pool enter into a financial services agreement with Armanino LLP for the remaining two years of the original agreement with Holtzman Partners.

MOTION by Noel Bernal, seconded by Bert Lumbreras, to authorize the Executive Director to execute an agreement for financial auditing services with Armanino LLP for a two-year period at a cost of \$120,000 and \$122,000 for fiscal years 2021-22 and 2022-23, respectively, with an option to extend the agreement for additional two-year periods. Motion carried with unanimous approval.

- i. Consideration of awarding contract to Insurance Services Office/Verisk (ISO/Verisk) for reporting First Report of Injury (FROI) and Subsequent Reports of Injury (SROI) transactions to Texas Department of Workers' Compensation (DWC) on behalf of the Pool (Tab 13).

Mike Bratcher presented the recommendation under Tab 13 to enter into a contract with Insurance Services Office/Verisk (ISO/Verisk) for reporting First Report of Injury and Subsequent Reports of Injury transactions to the Texas Department of Workers' Compensation on behalf of the Pool.

MOTION by Carol Loughlin, seconded by Jeffrey Snyder, to authorize the Executive Director to execute an agreement with ISO/Verisk as the Pool's Claims Electronic Data Interchange for reporting the Pool's First Report of Injury and Subsequent Reports of Injury to the Texas Department of Workers' Compensation for a three-year period with the option of two additional one-year periods with one-time implementation fees of \$35,000 and the licensing fee schedule based on Workers' Compensation direct written premium, which amounts to \$60,000 annually with a 3% annual increase over the base annual license fee. Motion carried with unanimous approval.

- j. Report from Office of Project Management and Analytics, including Consideration of updated Business Application & IT Road Map (Tab 14)

This item was discussed at the Board's Planning Session Meeting on February 4, 2022. There was no further discussion concerning this item.

- k. Information Technology report (Tab 15)

The Information Technology report under Tab 15 was submitted for the Board's review without an oral presentation.

6. Underwriting and Claims Committee Items

a. Consideration of minutes of October 21, 2021 committee meeting (Tab 16)

MOTION by David Harris, seconded by Rickey Childers, to approve the minutes of the October 21, 2021 Underwriting and Claims Committee meeting. Motion carried with unanimous approval.

b. Consideration of Workers' Compensation Preauthorization Services Interlocal Agreement with TASB for Interim Period February 1, 2022 through February 5, 2022 and 1-year period February 6, 2022 through February 5, 2023 (Tab 17)

Mike Bratcher presented the recommendation for Preauthorization Services under Tab 17.

MOTION by Byron Black, seconded by Jeffrey Snyder, to authorize the Executive Director to execute a five-day Interlocal Agreement Extension to the current agreement with Texas Association of School Boards for Workers' Compensation Preauthorization Services at the same rate as the agreement expired on January 31, 2021, for the period of February 1, 2022 through February 5, 2022; and to authorize the Executive Director to execute a one-year Interlocal Agreement with Texas Association of School Boards for Workers' Compensation Preauthorization Services for the period beginning February 6, 2022 through February 5, 2023, at a per-case rate of \$187 and a \$100 physician advisory fee and \$120 physician advisory fee for cases with 150 or more pages, more than three questions or spinal surgery requests. Motion carried with unanimous approval.

c. Consideration of Extension of Medical Bill Review Services with Mitchell Genex Coventry and Agreement for Preauthorization Services no later than February 6, 2023 (Tab 18)

Mike Bratcher presented the recommendation for an extension of Medical Bill Review Services and Workers' Compensation Preauthorization Services with Mitchell Genex Coventry as set forth under Tab 18.

MOTION by Rickey Childers, seconded by Jeffrey Snyder, to authorize the Executive Director to (1) execute an agreement with Mitchell Genex Coventry to act as the Pool's Preauthorization Review Agent for a five-year period beginning February 6, 2023, at an estimated annual cost of \$804,000, and (2) execute a five-year contract extension with Mitchell Genex Coventry for Medical Bill Review Services at an estimated annual cost of \$288,000, with both contracts to have the same termination date. Motion carried with unanimous approval.

d. Member Services Report including Annual Review of Membership Activity (Tab 19)

Aaron Hardiman presented the Annual Member Services Report, which included Membership activity, under Tab 19.

e. Update on Cyber Grant Program and Consideration of Alternative Grant Opportunities

Aaron Hardiman presented a verbal report on the Pool's Cyber Grant Program and Alternative Grant Opportunities. Recommendation concerning the Cyber Grant Program is to be presented to the Board at its April Board meeting.

f. Liability and Property Claims Report on trends concerning liability claims and property claims (Tab 20)

The Liability and Property Claims Report on trends concerning liability claims and property claims under Tab 20 was submitted for the Board's review without an oral presentation.

Vice-Chair Dennis recessed the meeting at 9:43 AM.

Vice-Chair Dennis reconvened the meeting at 9:57 AM.

g. Workers' Compensation Claims Report on trends concerning Workers' Compensation claims (Tab 21)

Mike Bratcher presented the Workers' Compensation Claims Report on trends concerning Workers' Compensation Claims under Tab 21.

h. Report from Office of Project Management and Analytics, including Consideration of updated Business Application & IT Road Map (Tab 14)

This item was discussed at the Board's Planning Session Meeting on February 4, 2022. There was no further discussion concerning this item.

i. Underwriting Report on underwriting results, loss ratios, including the Quarterly Report by Victor O. Schinnerer & Company, Inc. regarding revenues received and contract activities (Tab 22)

The Underwriting Report on underwriting results, loss ratios, including the Quarterly Report by Victor O. Schinnerer & Company, Inc. regarding revenues received and contract activities under Tab 22 was submitted for the Board's review without an oral presentation.

j. Loss Prevention Report on member surveys, training, and property valuations conducted (Tab 23)

The Loss Prevention Report on member surveys, training, and property valuations conducted as set forth under Tab 23 was submitted for the Board's review without an oral presentation.

k. Subrogation Division Progress Report (Tab 24)

The Subrogation Division Progress Report under Tab 24 was submitted for the Board's review without an oral presentation.

7. Executive Committee Items

a. Human Resources Report identifying employment changes (Tab 25)

The Human Resources Report identifying employment changes under Tab 25 was submitted for the Board's review without an oral presentation.

b. Communications Office Report on Communication Efforts and Initiatives During the Last Quarter (Tab 26)

The Communications Office Report on Communication Efforts and Initiatives During the Last Quarter under Tab 26 was submitted for the Board's review without an oral presentation.

c. Consideration of (1) a Resolution approving a contingent fee contract for legal services for subrogation of winter-storm property claims and making certain related findings, and (2) authorization to enter into a related pro-rata cost sharing agreement with other insurance carriers for expenses (Tab 27)

Bo Joseph and Jennifer O'Sullivan presented the recommendation to retain an attorney to represent the Pool under a contingent fee arrangement to seek losses suffered by Pool members from Winter Storm Uri under Tab 27.

MOTION by Bert Lumbreras, seconded by Jeffrey Snyder, to adopt a resolution to (1) authorize the execution of a contingent fee contract with Kane Russell Coleman Logan, PC for legal services to pursue subrogation of property damage claims arising from the lack of power during Winter Storm Uri and making certain related findings as set forth under Tab 27, and (2) to authorize the Executive Director to enter into an agreement, on behalf of the Pool, with other property insurance carriers for sharing certain non-contingent costs, including expert fees, on a pro-rata basis, in an amount not expected to exceed \$100,000. Motion carried with unanimous approval.

d. Consideration of Board governance and Board travel and ethics policies

Vice-Chair Dennis reminded the Board of Trustees that this item had been discussed and acted upon at the Planning Session on February 4, 2022. She asked if the Board of Trustees had a need to discuss the item further or to make any changes in its previous action. There were no comments or questions by the Board of Trustees.

e. Consideration of bylaw changes that would place qualifications on certain Places on the Board of Trustees

Vice-Chair Dennis reminded the Board of Trustees that this item had been discussed and acted upon at the Planning Session on February 4, 2022. She asked if the Board of Trustees had a need to discuss the item further or to make any changes in its previous action. There were no comments or questions by the Board of Trustees.

- f. Review and consideration of the Target Members' Equity Ranges Methodology, including opportunities for enhancing Members' Equity Position

Vice-Chair Dennis reminded the Board of Trustees that this item had been discussed and acted upon at the Planning Session on February 4, 2022. She asked if the Board of Trustees had a need to discuss the item further or to make any changes in its previous action. There were no comments or questions by the Board of Trustees.

- g. Consideration of the results of the Class and Compensation Study and an update on the organization restructuring

Vice-Chair Dennis reminded the Board of Trustees that this item had been discussed and acted upon at the Planning Session on February 4, 2022. She asked if the Board of Trustees had a need to discuss the item further or to make any changes in its previous action. There were no comments or questions by the Board of Trustees.

- h. Consideration of the Member Termination Process

Vice-Chair Dennis reminded the Board of Trustees that this item had been discussed and acted upon at the Planning Session on February 4, 2022. She asked if the Board of Trustees had a need to discuss the item further or to make any changes in its previous action. There were no comments or questions by the Board of Trustees.

- i. Consideration of updated Business Application and IT Road Map and demonstration of the Pool's Member Portal

Vice-Chair Dennis reminded the Board of Trustees that this item had been discussed and acted upon at the Planning Session on February 4, 2022. She asked if the Board of Trustees had a need to discuss the item further or to make any changes in its previous action. There were no comments or questions by the Board of Trustees.

- j. Consideration of office renovations at the TMLIRP Offices

Vice-Chair Dennis reminded the Board of Trustees that this item had been discussed and acted upon at the Planning Session on February 4, 2022. She asked if the Board of Trustees had a need to discuss the item further or to make any changes in its previous action. There were no comments or questions by the Board of Trustees.

- k. Consideration of building a redundancy for TMLIPR Data Center

Vice-Chair Dennis reminded the Board of Trustees that this item had been discussed and acted upon at the Planning Session on February 4, 2022. She asked if the Board of Trustees had a need to discuss the item further or to make any changes in its previous action. There were no comments or questions by the Board of Trustees.

- l. Consideration of an annual "Pool Exchange" concept

Vice-Chair Dennis reminded the Board of Trustees that this item had been discussed and acted upon at the Planning Session on February 4, 2022. She asked if the Board of Trustees



had a need to discuss the item further or to make any changes in its previous action. There were no comments or questions by the Board of Trustees.

8. Comments by Ex-officio Members from and to TML and TML Health Benefits Pool Boards

Michael Smith, ex-officio Board Member for the TML Health Benefits Pool, reported that the Benefits Pool is experiencing staffing shortages in its Billing and Enrollment Departments. This has prevented the Benefits Pool from having a dedicated representative for each Benefit Pool Member. The Benefit Pool Board has approved a budget amendment allowing for the retention of additional staff. The Benefits Pool Board has also updated its Member Equity Target Range that is based on a percentage of Member contributions. The new range is 24% to 40% of Member contributions. On Covid claims, the Benefits Pool has paid \$20 million to date, and this figure could increase by an additional \$23 million.

Bennet Sandlin, ex-officio Board Member for the Texas Municipal League, reported that the Texas Municipal League now has 1,164 Members, which is an all-time membership record. He also reported the Texas Municipal League had its Mid-Year Elected Officials Conference this past week in Sugarland with good attendance. The TML Board will meet on February 25, at which time it will consider amending its procedure for nominating the Board officials and its procedure for nominating officials to the National League of Cities Board. The Board will also consider 2026 Annual Conference request for proposals. The Texas Municipal League will soon be appointing members to its Legislative Policy Committees. The issues that the Legislative Policy Committees will address are attacks on extra territory jurisdiction of cities, economic development authority, prohibitions on legislative lobbying by cities and the Texas Department of Transportation “Take Back” Program. The Texas Municipal League is in the process of preparing for the October 4-7, 2022 Annual Conference in San Antonio, Texas.

John Fullen, ex-officio Board Member to the TML Health Benefits Pool, mentioned that the City of Henderson had refused to take over a state highway from the Texas Department of Transportation because it was in need of major repairs. If Henderson had accepted the highway, the Texas Department of Transportation probably would take back the highway after repairs were made under its “Take-Back” Program.

Jeffrey Snyder, ex-officio Board Member to the Texas Municipal League Board of Directors, said he had nothing to report from the Texas Municipal League Board. He did express his appreciation for everything that Bennett Sandlin and his staff do on behalf of the Texas Municipal League.

9. General Counsel’s Report on Legislative Activities

David Reagan presented the General Counsel’s Report on Legislative Activities set forth under Tab 28.

Vice-Chair Dennis announced it was 10:47 A.M. and the Board of Trustees would go into Executive Session to discuss claims and lawsuits under Agenda Items 10.a., 10.b., 10.c., and 10.d. under Texas Government Code Sections 551.071 to 551.076, and 551.089.

## 10. Executive Session

- a. Workers' Compensation Claims Report on selected items concerning (1) fatality claims, (2) large exposure claims, (3) presumption claims, and (4) new claims that have reserves exceeding \$150,000

This item was discussed in Executive Session.

- b. Liability and Property Claims Report on claims that have indemnity reserves exceeding \$300,000, expense reserves in excess of \$250,000

This item was discussed in Executive Session.

- c. Status of lawsuits in which the Pool is a Party

This item was discussed in Executive Session.

- d. Update on the Pool's Internal Cyber Security Efforts

This item was discussed in Executive Session.

Vice-Chair Dennis reconvened the meeting of the Board of Trustees in open session at 11:43 A.M. There were no actions taken on the items discussed in Executive Session.

## 11. Meeting Schedule and Board Continuing Education

- a. Select a location for the April 25-26, 2024 Board Meeting

Recommended: Houston

Vice-Chair Dennis asked if there were any other recommendations. Since there were no other recommendations, Vice-Chair Dennis announced the April 25-26, 2024 Board Meeting would be in the Houston area.

- b. Next Board Meeting: April 28-29, 2022  
Horseshoe Bay Resort  
Horseshoe Bay, Texas

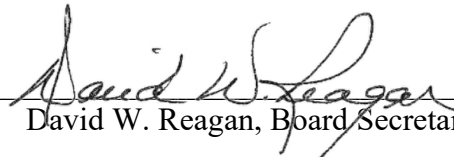
Vice-Chair Dennis announced the April 28-29, 2022, Board Meeting would be in Horseshoe Bay, Texas, at the Horseshoe Bay Resort.

Chair Randy Criswell thanked Vice Chair Mary Dennis for presiding over the meeting since he could not personally attend. Chair Criswell also thanked the Staff for scrambling to make preparations that would allow some of the Board Members to participate in this meeting virtually.

12. Adjournment

Vice-Chair Dennis adjourned the meeting of the Texas Municipal League Intergovernmental Risk Pool Board of Trustees at 11:46 A.M.

Approved by the Board of Trustees on April 29, 2022.

  
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David W. Reagan, Board Secretary