

**TEXAS MUNICIPAL LEAGUE  
INTERGOVERNMENTAL RISK POOL  
Board of Trustees Meeting**

**Embassy Suites by Hilton – Angus Room  
270 Bass Pro Drive  
Round Rock, TX 78665**

**October 20, 2023**

**Trustees Present**

Mary M. Dennis, Chair  
Bert Lumbreras, Vice-Chair  
Byron Black  
Austin Bleess  
Rickey Childers  
Chris Coffman  
Randy Criswell  
Victor A. Flores  
J.W. (Buzz) Fullen  
Holly Gray-Moore  
Allison Heyward  
Opal Mauldin-Jones  
Mike Land  
Kimberly Meisner

**Trustees (cont.)**

Bennett Sandlin  
Jeffrey Snyder

**Staff Present**

Jeff Thompson  
Lindsey Fields  
Susie Green  
Aaron Hardiman  
Scott Houston  
Irvin Janak  
Bo Joseph  
Patti Ledesma  
Gil Lee

**Staff (cont.)**

Paula Marr-Ludwig  
David Nix  
Atul Poladia  
Mike Raigosa  
Debbie Sherwood  
Cynthia Turner  
Tito Villegas  
Melinda Walter

**Others Present**

Dan Smereck, Strategic Alliance, Inc.  
*Via Video Conference*  
Andrew Weegar, HUB International  
Brent Weegar, HUB International

Chair Mary M. Dennis called the meeting of the Board of Trustees of the Texas Municipal League Intergovernmental Risk Pool to order at 8:00 AM on Friday, October 20, 2023. After a brief invocation and recital of the Pledges of Allegiance to the United States and the state of Texas, Chair Dennis acknowledged Allison Heyward's election as President-Elect of the Board of the Texas Municipal League. She next acknowledged Opal Mauldin-Jones, who informed the Board of her election as President of the Texas City Management Association. Chair Dennis informed the Board she had reappointed Jeffrey Snyder as the Pool's representative to the Board of the Texas Municipal League, thanking him for his continued service. Chair Dennis also informed the Board that Harlen Jefferson had resigned and thanked him for his service on the Board. Chair Dennis further expressed her appreciation to Vice-Chair Bert Lumbreras for having chaired July's Board meeting in her absence.

**1. Roll call and excused absences (Tab 1)**

Jeff Thompson reported that all Board Members were present. He further mentioned that General Counsel David Reagan, although present for yesterday's committee meetings, had been called away regarding a family emergency. Chair Mary M. Dennis applauded all Board Members for being here.

2. Consideration of Minutes of July 20-21, 2023 Board Meeting (Tab 2)

MOTION by Opal Mauldin-Jones, seconded by Austin Bleess, to approve the July 20-21, 2023 Board Meeting Minutes. Motion carried with unanimous approval.

3. Consideration of Minutes of August 29, 2023 Virtual Board Meeting at City of Live Oak Administrative Offices (Tab 3)

MOTION by Jeffrey Snyder, seconded by Byron Black, to approve the Minutes of the August 29, 2023 Virtual Board Meeting at City of Live Oak Administrative Offices. Motion carried with unanimous approval.

4. Public Comment on Agenda Items

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

5. Finance & Information Technology Committee Items

a. Election of Committee Chair

Chris Coffman reported he had been elected as Chair of the Finance & Information Technology Committee.

b. Consideration of July 20, 2023 Committee Meeting (Tab 4)

Chris Coffman reported the July 20, 2023 Underwriting and Claims Committee Meeting Minutes were approved at the Underwriting and Claims Committee Meeting on October 19, 2023.

c. Review of August 31, 2023 (11-month) Financial Statements and Presentation of Preliminary Year-End (September 30, 2023) Financial Projections (Tab 5)

Tito Villegas presented the August 31, 2023 (11-month) Financial Statements and the Preliminary Year-End (September 30, 2023) Financial Projections set forth under Tab 5, stating that a full report of the 2022-23 financial results will be presented as part of the annual report and audit results at the January 2025 Board meeting. Mr. Villegas indicated that the financial state of the Pool is strengthening and stable.

d. Review of August 31, 2023 (11-month) Investment Report and Presentation of September 30, 2023 Investment Results (Tab 6)

Tito Villegas provided an overview of the August 31, 2023 (11-month) Investment Report and the September 30, 2023 Investment Results set forth under Tab 6. Dan Smereck of

Strategic Asset Alliance joined the meeting via video conference and presented an overview of the markets and the performance of the Pool's investments.

e. Consideration of extending contracts with Conning Asset Management and Manulife Asset Management (Tab 7)

Tito Villegas presented the recommendation regarding extension of contracts with Conning Asset Management and Manulife Asset Management, under Tab 7.

MOTION by Chris Coffman on behalf of the Finance & Information Technology Committee, seconded by Byron Black, to authorize the Executive Director to extend contracts with Conning Asset Management and Manulife Asset Management through June 30, 2026. Motion carried with unanimous approval.

f. Report on Accounting and Financial Reporting for Leases and Subscription-Based Information Technology Arrangements

Tito Villegas provided information regarding GASB Statements No. 87 and No. 96, pertaining to leases and subscription-based information technology arrangements and how they apply to the Pool's contracts for (1) the Mesquite Office, (2) Switch Data Center, (3) Guidewire Software, (4) Microsoft Office 365, and (5) DraaS (Disaster Recovery).

g. Annual Review of the Pool's Investment Policy and Proposed Broker List, and Consideration of Adopting the Policy with Amendments (Tab 8)

Tito Villegas presented the recommendation concerning the Pool's investment policy and proposed broker list, set forth under Tab 8. One change is recommended to the Pool's investment policy related to the diversification of the Workers' Compensation Lifetime Benefits Investment Portfolio. There are no changes to the recommended list of brokers used by Conning or the Pool's investment staff. Manulife added four brokers and deleted one from their list. Overall, four brokers were added to the recommended list: (1) Cowen & Co., (2) Flow Traders, (3) National Bank of Canada, and (4) Stone X Group (none were deleted).

The recommended updated custom benchmark for the investments governed by Chapter 504 of the Texas Labor Code is the following:

50% weighting to the Barclays US Intermediate Corporate Bond Index  
13.125% weighting to the FTSE High Dividend Yield Index (TGPVAN)  
13.125% weighting to the S&P U.S. Dividend Growers Index (SPUDIGUT)  
4.375% weighting to the FTSE All-World Ex-US High Dividend Yield Index (GPVANOTR)  
4.375% weighting to the S&P Global Ex-U.S. Dividend Growers TR Index (SPGIGUT)  
15% weighting to the 95% U.S. High-Yield Ba/B 2% Issuer Capped Index and  
5% U.S. Treasury 1-5 Years (I31551US)

It was noted the Board report had a typo for the identifier for the S&P Global Ex-U.S. Dividend Growers TR Index shown above. The correct identifier is SPGDIGUT and will be correctly shown in the investment policy.

MOTION by Chris Coffman on behalf of the Finance & Information Technology Committee, seconded by Rickey Childers, to approve the resolution readopting the Pool's investment policy with amendments and authorizing the list of brokers presented in Appendix C of the investment policy as set forth under Tab 8. Motion carried with unanimous approval.

Chair Mary M. Dennis recessed the meeting at 9:30 AM.

Chair Mary M. Dennis reconvened the meeting at 9:41 AM.

- h. Report from Office of Project Management and Analytics, Including Update of Business Application & IT Road Map (Tab 9)

The Report from Office of Project Management and Analytics, including Update of Business Application & IT Road Map, under Tab 9, was submitted for the Boards' review without an oral presentation.

- i. Information Technology Report on Hardware and Software of the IT Infrastructure (Tab 10)

The Information Technology Report on Hardware and Software of the IT Infrastructure, under Tab 10, was submitted for the Boards' review without an oral presentation.

#### 6. Underwriting & Claims Committee Items

- a. Election of a Committee Chair

Opal Mauldin-Jones reported she had been elected as Chair of the Underwriting & Claims Committee.

- b. Consideration of minutes of July 20, 2023 Committee Meeting (Tab 11)

Opal Mauldin-Jones reported the July 20, 2023 Underwriting and Claims Committee Meeting Minutes were approved at the Underwriting and Claims Committee Meeting on October 19, 2023.

- c. Consideration of Workers' Compensation Reinsurance Recommendation for November 1, 2023 through October 31, 2024 (Tab 12)

Lindsey Fields presented the recommendation for the renewal of catastrophic workers' compensation coverage based on quotes received from the reinsurance markets, set forth under Tab 12.

MOTION by Opal Mauldin-Jones on behalf of the Underwriting & Claims Committee, seconded by Allison Heyward, to authorize staff to place up to 100% of the workers' compensation reinsurance placement for the \$15M x \$10M layer coverage (as described in the report under Tab 12) at a cost of \$660,000. Motion carried with unanimous approval.

d. Consideration of Claims Reporting Protocols for Liability & Property Claims Report (Tab 13)

David Nix presented the Claims Reporting Protocols for Liability and Property Claims Report, under Tab 13.

MOTION by Opal Mauldin-Jones on behalf of the Underwriting & Claims Committee, seconded by Chris Coffman, to approve changing the reporting protocols for liability claims to align with the guidelines applicable to worker's compensation and property claims as set forth under Tab 13. Motion carried with unanimous approval.

e. Consideration of Extension of Lease for Mesquite Office (Tab 14)

David Nix discussed the lease extension for the Mesquite office, under Tab 14.

MOTION by Opal Mauldin-Jones on behalf of the Underwriting & Claims Committee, seconded by Allison Heyward, to authorize the execution of the Ninth Amendment of the Lease Agreement with International Town East Tower, L.P. reducing the space leased by 27% and renewing the lease for a period of three years commencing December 1, 2023, to November 30, 2026, at a rate of \$21.87 per square foot. The total cost for the three-year period is \$214,151.04. Motion carried with unanimous approval.

f. Significant Cases and Legal Developments Impacting the Pool (Tab 15)

Bo Joseph presented the Report on Significant Cases and Legal Developments Impacting the Pool under Tab 15.

g. Liability and Property Claims Report: Report on 2023 Catastrophe Claims and Pool's Enhanced Response Services (Tab 16)

The Liability and Property Claims Report: Report on 2023 Catastrophe Claims and Pool's Enhanced Response Services under Tab 16 was submitted for the Board's review without an oral presentation.

h. Workers' Compensation Claims Report on trends concerning workers' compensation claims (Tab 17)

The Workers' Compensation Claims Report on trends concerning workers' compensation claims under Tab 17 was submitted for the Board's review without an oral presentation.

i. Risk Services Report including Membership Activity (Tab 18)

The Risk Services Report including Membership Activity under Tab 18 was submitted for the Board's review without an oral presentation.

j. Underwriting Report on underwriting results, loss ratios, including the Quarterly Report by Victor O. Schinnerer & Company, Inc. regarding revenues received and contract activities (Tab 19)

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 19 was submitted for the Board's review without an oral presentation.

k. Loss Prevention Report on Member Interactions, Activities, and Training (Tab 20)

The Loss Prevention Report on Member Interactions, Activities, and Training under Tab 20 was submitted for the Board's review without an oral presentation.

l. Subrogation Division Progress Report (Tab 21)

The Subrogation Division Progress Report under Tab 21 was submitted for the Board's review without an oral presentation.

7. Executive Committee Items

a. Consideration of January 2024 Board Planning and Training Session Topics (Tab 22)

Jeff Thompson presented the proposed Agenda for the January 25, 2024 Board Planning and Training Session, set forth under Tab 22.

MOTION by Mary M. Dennis on behalf of the Executive Committee, seconded by Jeffrey Snyder, to accept the proposed Board Planning and Training Session Topics under Tab 22, with the addition of some team building exercises. Motion carried with unanimous approval.

b. Consideration of the Pool's Role in Supporting Excellence in Law Enforcement (Tab 23)

Scott Houston and Irvin Janak presented the preliminary report 'The Pool's Role in Supporting Excellence in Law Enforcement' and 'Summary of Actions,' set forth under Tab 23.

MOTION by Jeffrey Snyder, seconded by Bert Lumbreras, to accept the report 'The Pool's Role in Supporting Excellence in Law Enforcement' and 'Executive Summary' of the actions set forth in the report under Tab 23. Motion carried with unanimous approval.

c. Consideration of Awarding Contract for Health Insurance for the Pool's Staff and Report on Ancillary Product Offerings (Tab 24)

Susie Green and Melinda Walter presented the recommendation of awarding Employee Health and Welfare Benefits Contracts and the review of Ancillary Benefits, as set forth under Tab 24. Melinda Walter introduced Brent Weeger, Senior Vice President, and Andrew Weeger, Senior Account Executive, of HUB International. Andrew Weeger presented an overview of the recommendations of HUB International for the award of medical, vision, dental, and life and disability coverages based on the responses received to the request for proposals.

MOTION by Opal Mauldin-Jones, seconded by Bert Lumbreras, to award the Employee Health and Welfare Benefits Contracts, effective January 1, 2024, as follows:

- Medical Coverage, Vision Coverage, and Life and Disability Coverage to Blue Cross Blue Shield Texas; and
- Dental Coverage to Equitable

Motion carried with unanimous approval.

d. Consideration of Disposition of the Texas Municipal Center

Jeff Thompson and Bo Joseph provided an update on the disposition of the Texas Municipal Center indicating that the Texas Health Benefits Pool has accepted all terms of the Pool's offer to purchase the Health Benefits Pool's ownership interest in the Texas Municipal Center. Mr. Joseph reported that real estate attorney John Akerman of Blank Rome had been retained to represent the Pool in this transaction, and Mr. Akerman is in the process of drafting necessary documents needed for the transaction. Further, Mr. Joseph indicated that Jonathan Herrera, the Pool staff person appointed as 'point-person' for post-transition operational issues, had met with Jerry Greer of the Health Benefits Pool and is analyzing the Health Benefits Pool's list of vendors currently used for building operations. The Health Benefits Pool would like to continue using the entire first floor office space they presently occupy along with some space on the second floor and intends to move out by December 31, 2024.

Bennett Sandlin reported that the TML rents its office space from the Health Benefits Pool and that lease expires December 31, 2023. He has requested that the Health Benefits Pool allow TML to continue that lease on a month-to-month basis. After the purchase of the ownership interest of the Health Benefits Pool, TML will become a tenant of this Pool.

Mr. Thompson indicated the purchase contract will be brought to the Board for review and approval for execution. He further stated the closing is still scheduled for February 1, 2024. Mr. Thompson informed the Board that he intends to ask the Board in a future meeting to authorize the retention of a real estate consultant to help analyze how the Pool should utilize the Texas Municipal Center after the purchase is completed.

Bert Lumbreras commended the Board for working in good faith with the Health Benefits Pool.

e. People Operations Report Identifying Activities & Initiatives (Tab 25)

The People Operations Report Identifying Activities & Initiatives under Tab 25 was submitted for the Board's review without an oral presentation.

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

Scott Houston presented the Communications Office Report on Communications Efforts and Initiatives during the last quarter, under Tab 26. Chair Mary M. Dennis expressed her appreciation for his work.

8. Comments by Ex-officio Members from and to TML Board

Holly Gray-Moore, Ex-officio Board Member for the Texas Municipal League Board of Directors, reported the 2023 TML Conference was a great success with record attendance. Preparations for the 2024 TML Conference in Houston are already underway. Ms. Gray-Moore also indicated that the Allison Heyward has been elected as President-Elect. During the 2023 TML Conference, the TML Constitution was amended as recommended by the Constitution Committee. The last time the Constitution was revised was in 1958. The highlights of the amendments to the Constitution were a more formalized election process for Regional Directors, the removal of term limits, and the creation of a few standing committees. Ms. Gray-Moore reported that the Legislature is in its third special session and there were no issues involving cities. She then requested Bennett Sandlin address HB 4 regarding immigration.

Bennett Sandlin, Executive Director of the Texas Municipal League and Ex-officio Member of the Board of Trustees, reported that HB 4 is far reaching, will have some affect all law enforcement, and passed the House Committee. HB 4 criminalizes illegal entry into the United States and authorizes individual law enforcement officers to arrest and return immigrants to the border, ordering them to return to their country of origin. It further requires all governmental entities employing the peace officers to indemnify those peace officers for both civil and criminal liability. TML has taken a neutral position on all immigration issues.

Holly Gray-Moore also indicated that TML is preliminarily looking at offering finance officer services to small city members.

Allison Heyward, Texas Municipal League Board of Directors member, had nothing to add to what had already been reported.

Jeffrey Snyder, Ex-officio Board Member to the Texas Municipal League Board of Directors, had nothing to add to what had already been reported; however, he did want to compliment



TML on the 2023 Conference and for considering the finance officer service to small cities. He also complimented the Risk Pool Staff for hosting an exceptional anniversary reception.

Chair Mary M. Dennis recessed the meeting at 11:05 AM.

Chair Mary M. Dennis reconvened the meeting at 11:17 AM.

Chair Mary M. Dennis announced it was 11:18 AM and the Board of Trustees would go into Executive Session to discuss claims and lawsuits under Items 10.a., 10.b., and 10.c. under Texas Government Code Section 551.071.

10. Executive Session

- a. Workers' Compensation Claims Report including selected items concerning (1) fatality claims, (2) large exposure claims, (3) presumption claims, (4) new claims that have reserves exceeding \$150,000, and (5) complaints from the Texas Department of Insurance, Division of Workers' Compensation, of possible administrative violations

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.

Chair Mary M. Dennis reconvened the meeting of the Board of Trustees in Open Session at 11:53 AM. No action was taken on any of the items discussed in the Executive Session.

11. Meeting Schedule and Board Continuing Education (Tab27)

- a. Select a location for the October 31, 2025 Meeting

Recommended: Austin, TX area

It was noted that the TML Conference will be held in Fort Worth on the same dates of the Pool's Board meeting. Discussion was held regarding holding the Board meeting in conjunction with the TML Conference.

After much discussion, Chair Mary M. Dennis stated that it appeared that the consensus of the Board was to hold the October 31, 2025 meeting in conjunction with the TML Annual Conference in Fort Worth, TX.

b. Next Board Meeting

January 25-26, 2024

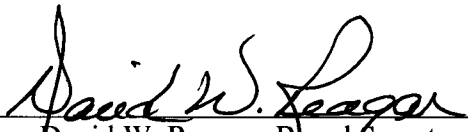
JW Marriott San Antonio Hill Country Resort & Spa  
San Antonio, TX

Chair Mary M. Dennis announced the January 25-26, 2024 Board meeting will be held at the JW Marriott San Antonio Hill Country Resort & Spa in San Antonio, Texas.

12. Adjournment

Chair Mary M. Dennis adjourned the meeting of the Texas Municipal League Risk Pool Board of Trustees at 12:01 PM.

Approved by the Board of Trustees on  
January 26, 2024

  
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David W. Reagan, Board Secretary