

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

**Hilton Dallas Southlake Town Square  
Statler 1 & 2 Meeting Rooms  
1400 Plaza Place  
Southlake, TX 76092**

**October 22, 2021 (8:00 AM)**

**Trustees Present**

Randy Criswell, Chair  
Mary Dennis, Vice Chair  
Noel Bernal  
Rickey Childers  
J.W. “Buzz” Fullen  
David Harris  
Harlan Jefferson  
Carol Loughlin  
Bert Lumbreras  
Opal Mauldin-Jones  
Bennett Sandlin  
Mike Smith  
Jeffrey Snyder  
Henry Wilson

**Staff Present**

Jeff Thompson  
David Reagan  
Susie Green  
Tito Villegas  
Atul Poladia  
Mike Rains  
Mike Bratcher  
David Nix  
Mike Raigosa  
Bo Joseph  
Lindsey Fields  
Paula Marr-Ludwig  
Gil Lee  
Patti Ledesma  
Debbie Sherwood

**Others Present**

Dan Greensweig  
League of Minnesota Cities

Chair Criswell called the meeting of the Board of Trustees of the Texas Municipal League Intergovernmental Risk Pool to order at 8:03 A.M. on Friday, October 22, 2021.

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

Jeff Thompson reported the absences of Byron Black, Mary Gauer, and Brad Stafford and the reasons they asked their absences be excused.

MOTION by Rickey Childers, seconded by Jeffrey Snyder, to excuse the absence of Byron Black, Mary Gauer, and Brad Stafford. Motion carried with unanimous approval.

2. Consideration of minutes of July 22-23, 2021 Board Meeting at Hotel Emma (San Antonio) (Tab 2)

MOTION by David Harris, seconded by Jeffrey Snyder, to approve the July 22-23, 2021, Board of Trustees minutes. 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.

### 3. Public Comment on Agenda Items

Chair Criswell opened the meeting to public comment on any item on the Agenda for this meeting. No comments were made. Chair Criswell closed the meeting to public comments.

Chair Criswell announced that he would take up Agenda Item No. 4 later in the meeting. There was no objection. Chair Criswell then took up Agenda Item No. 5.

### 5. Finance & Information Technology Committee

#### a. Election of Committee Chair

Jeffrey Snyder announced that he was elected as Chair of the Finance & Information Technology Committee.

#### b. Review of August 31, 2021 (11-month) Financial Statements and presentation of Preliminary Year-End September 30, 2021 Financial Projections, including report on Ultimate Loss Selections (Tab 5)

Tito Villegas presented the report on the August 31, 2021 (11-month) Financial Statements and the Preliminary Year-End September 30, 2021 Financial Projections, including the report on Ultimate Loss Selections as set forth under Tab 5.

#### c. Review of August 31, 2021 (11-month) Investment Report and presentation of September 30, 2021 Investment Report (Tab 6)

Tito Villegas presented the August 31, 2021 (11-month) Investment Report and the September 30, 2021 Investment Report as set forth under Tab 6.

#### d. Consideration of extending Conning Asset Management contract for two years (Tab 7)

MOTION by Jeffrey Snyder on behalf of the Finance & Information Technology Committee, seconded by Harlan Jefferson, to approve a two-year contract extension with Conning Asset Management (extending the contract to February 28, 2024) at the same fee rate provided in the original contract. Motion carried with unanimous approval.

#### e. Consideration of Updated Funding Range for the Lifetime Benefits Investment Portfolio and Discount Rate for Lifetime Benefits Claims (Tab 8)

Tito Villegas presented the recommendation to increase the Funding Range for the Lifetime Benefits Investment Portfolio due to the increase in first responder death claims due to the Covid pandemic and to maintain the Discount Rate at 4.4% for non-first responder lifetime benefit claims and 3.5% for first responder lifetime benefit claims.

MOTION by Jeffrey Snyder on behalf of the Finance & Information Technology Committee, seconded by Harlan Jefferson, to approve the Funding Range for the Lifetime Benefits Investment Portfolio of \$145 million to \$187 million and to maintain the Discount Rate for non-first responder lifetime benefits claims at 4.4% and to maintain the Discount

Rate for first responder lifetime benefit claims at 3.5%. Motion carried with unanimous approval.

f. Annual Review of the Pool's Investment Policy and Proposed Broker List, and Consideration of adopting the Policy with Amendments (Tab 9)

Tito Villegas presented the staff recommendations under Tab 9 recommending certain changes to the Pool's Investment Policy and Proposed Broker List under Tab 9, and summarized as follows:

1. Add commercial mortgage-backed securities, asset-backed securities, and non-agency residential mortgage-backed securities to the list of authorized investments for the Lifetime Benefits Portfolio;
2. Clarify that banking depository services must provide 102% collateral for all Pool funds;
3. Provide that the Pool's auditors shall perform procedures to examine management controls on investments and adherence to the Pool's Investment Policy as part of their annual audit;
4. Provide that the Pool shall utilize an independent party to calculate investment returns that are reported to the Board; and
5. Approve the changes to the list of authorized brokers.

MOTION by Jeffrey Snyder on behalf of the Finance & Information Technology Committee, seconded by Rickey Childers, to adopt a Resolution approving the changes to the Pool's Investment Policy and list of authorized brokers as set forth under Tab 9. Motion carried with unanimous approval.

g. Consideration of Policy Center / Billing Center Release 3, including a Capital Budget Amendment to the Adopted 2021-22 TMLIRP Budget (Tab 10)

Committee Chair Jeffrey Snyder announced this item would be reported by the Underwriting & Claims Committee.

h. Report from Office of Project Management and Analytics on Progress for Business Application & IT Road Map (Tab 11)

The Report from the Office of Project Management and Analytics under Tab 11 was submitted for the Board's review without an oral presentation.

i. Information Technology Report (Tab 12)

The Information Technology Report under Tab 12 was submitted for the Board's review without an oral presentation.

Chair Criswell announced he would now take up Agenda Item 4.

4. Nominations Committee

a. Election of Committee Chair

Mary Dennis announced that she had been elected Chair of the Nominations Committee.

b. Consideration of minutes of July 22, 2021 Nominations Committee Meeting (Tab 3)

Mary Dennis reported the July 22, 2021 Nominations Committee minutes were approved at the Nominations Committee meeting on October 21, 2021.

c. Consideration of appointment to the Board of Trustees to fill the unexpired term of Places 4 and 5 (Tab 4)

MOTION by Mary Dennis on behalf of the Nominations Committee, seconded by John Fullen, to appoint Austin Bleess, City Manager of Jersey Village, to Place 4 on the Board of Trustees, effective November 1, 2021, and Bert Lumbreras to Place 5 on the Board of Trustees, effective upon his retirement from the city of San Marcos on January 31, 2022, and his resignation or termination from Place 12 on the Board of Trustees. Motion carried with unanimous approval.

6. Underwriting and Claims Committee

a. Election of Committee Chair

David Harris announced he had been elected Chair of the Underwriting and Claims Committee.

b. Consideration of minutes of July 22, 2021 Underwriting and Claims Committee meeting (Tab 13)

David Harris reported the July 22, 2021 Underwriting and Claims Committee meeting minutes set forth under Tab 13 were approved at the Underwriting and Claims Committee meeting on October 21, 2021.

c. Consideration of Workers' Compensation Reinsurance Recommendation for November 1, 2021 through October 31, 2022 (Tab 14)

Lindsey Fields presented the staff recommendation for Workers' Compensation Reinsurance. The recommendation was to obtain \$15 million of coverage in excess of a retention of \$10 million, with a \$10 million maximum for one life, a one free reinstatement at 100%, and with terrorism included but excluded nuclear, biological, chemical and radiological risks. The cost of such coverage is not to exceed \$565,000. Quotes received for such coverage indicate plenty of capacity and appetite for placing the Pool's coverage at a competitive price.

MOTION by David Harris on behalf of the Underwriting and Claims Committee, seconded by Opal Mauldin-Jones, to authorize the staff to place up to 100% of Workers' Compensation Reinsurance placement for \$15 million excess of a \$10 million retention, with the cost not to exceed \$565,000, as set forth under Tab 14. Motion carried with unanimous approval.

- d. Consideration of Policy / Billing Center Release 3, including a Capital Budget Amendment to the Adopted 2021-22 TMLIRP Budget (Tab 10)

Lindsey Fields presented the staff recommendation to proceed through the Commit Gate of the Pool's Project Execution Framework to allow Pool staff to move into the Implementation Phase for Release 3 to Policy Center and Billing Center.

MOTION by David Harris on behalf of the Underwriting and Claims Committee, seconded by Opal Mauldin-Jones, to (1) authorize the design and development phase of the Policy Center / Billing Center Release 3 Project, thereby clearing the "Commit" Gate of the Project Execution Framework, (2) adopt the proposed Project Budget of \$2.163 million for the Design and Development Phase of Policy Center / Billing Center Release 3 Project by amending the Capital Outlay Budget by \$2.163 million, and (3) authorize the Executive Director to amend the scope/budget of the Design and Development Phase to expend contingency funds or reallocate funds as necessary within the Project, but not to exceed \$2.163 million overall for the Project Budget. Motion carried with unanimous approval.

- e. 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.

- f. Liability and Property Claims Report on trends concerning liability claims and property claims, including an Update on Winter Storm Uri (Tab 16)

The Liability and Property Claims Report on trends concerning liability claims and property claims, including an update on Winter Storm Uri under Tab 16 was submitted for the Board's review without an oral presentation.

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

Mike Bratcher presented the Workers' Compensation Claims Report on trends concerning workers' compensation claims under Tab 17.

- h. Report from Office of Project Management and Analytics on Progress for Business Application & IT Road Map (Tab 11)

The Report from Office of Project Management and Analytics under Tab 11 was submitted for the Board's review without an oral presentation.

i. Member Services Report on Membership Activity (Tab 18)

The Member Services Report on 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 surveys, training, and property valuations conducted (Tab 20)

The Loss Prevention Report on member surveys, training, and property valuations conducted 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

a. Human Resources Report identifying employment changes (Tab 22)

The Human Resources Report identifying employment changes under Tab 22 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 23)

The Communications Office Report on Communication Efforts and Initiatives During the Last Quarter under Tab 23 was submitted for the Board's review without an oral presentation.

c. Consideration of February 4, 2022 Board Planning and Training Session (Tab 24)

Jeff Thompson presented the proposed agenda for the February 4, 2022 Board Planning Session as set forth under Tab 24 of the Board of Trustees Agenda Packet.

MOTION by Mary Dennis, seconded by Opal Mauldin-Jones, to approve the proposed agenda for the February 4, 2022 Board Planning Session as set forth under 24 of the Board of Trustees Agenda Packet. Motion carried with unanimous approval.

Chair Randy Criswell recessed the meeting at 9:22 A.M.

Chair Randy Criswell reconvened the meeting and announced it was 9:40 A.M.

- d. Report on Operations of League of Minnesota Cities Trust from Trust Administrator Dan Greensweig, including Pilot LMCIT Law Enforcement Data Initiative

Dan Greensweig presented an oral report on the Operations of the League of Minnesota Cities Trust and the Pilot LMCIT Law Enforcement Data Initiative.

- e. Consideration of an Employment Agreement with Jeffrey R. Thompson, Executive Director.

This item was deferred until after the Executive Session.

- f. Consideration of amending the Pool Retirement Health Savings Plan to delete the “TMRS Pension Contribution Limit” category and authorize the Executive Director to execute the Plan amendment

This item was deferred until after the Executive Session.

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

Henry Wilson, Ex-Officio Board Member from the Texas Municipal League Board of Directors, reported that the TML Annual Conference was successful with 2,215 registered participants, and that the TML Risk Pool Breakfast was good. He reported that the Texas Municipal League increased staff salaries by two percent. He also reported that during the three recently held Special Sessions of the Legislature, there was little support for local control. The Legislature raised the homestead exemption from \$20,000 to \$40,000 for school districts, passed a dog-restraint bill, passed a bill prohibiting participation in sports of a person of the opposite sex as reflected on their birth certificate, and passed new redistricting maps.

Mary Dennis, Past President of the Texas Municipal League Board of Directors, commented that Bennett Sandlin and the Texas Municipal League legislative staff did a great job during the recent three Special Sessions of the Legislature.

Henry Wilson commented that the Texas Municipal League’s change in its lobbying efforts to grassroots politics has been working well.

Jeffrey Snyder, Ex-Officio Board Member to the Texas Municipal League Board of Directors, commented that it was good that the Texas Municipal League staff received a pay raise because the staff does a good job.

Michael Smith, Ex-Officio Board Member for the TML Health Benefits Pool, reported that the Benefits Pool had created a captive reinsurance company that saved the Benefits Pool \$1 million. The Benefits Pool also had strong returns on its equity. Beginning October 1, COVID costs will be included in loss ratios. He also reported that the Benefits Pool had created new wellness programs and added four additional holidays for the staff.

9. General Counsel's Report on Legislative Activities (Tab 25)

David Reagan presented the General Counsel's Report on Legislative Activities set forth under Tab 25.

Chair Randy Criswell recessed the meeting at 10:37 A.M.

Chair Randy Criswell reconvened the meeting and announced it was 10:50 A.M.

Chair Randy Criswell announced it was 10:50 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., 10.e, and 10.f. under Texas Government Code Section 551.071; and a personnel matter under Agenda Item 10.d. under Texas Government Code Section 551.074.

10. Executive Session

- a. Workers' Compensation Claims Report on 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.

- d. Consideration of an Employment Agreement with Jeffrey R. Thompson, Executive Director

This item was discussed in Executive Session.

- e. Consideration of Settlement in the matter of *Kenneth Page and Jean Marie Page v. the City of Helotes and Kenneth Dempsey*, Cause No., 2018C101629, in the 37<sup>th</sup> District Court, Bexar County, Texas

This item was discussed in Executive Session.

- f. Consideration of Settlement in the matter of *Edwards v. the City of Balch Springs and Roy Oliver*, Cause No. 3:17-CV-01208-M, in the U.S. District Court, Northern District of Texas, Dallas Division

This item was discussed in Executive Session.



Chair Randy Criswell reconvened the meeting of the Board of Trustees in open session at 12:32 P.M. The Board of Trustees took action on the following Agenda Items:

7.e. & 10.d. Consideration of an Employment Agreement with Jeffrey R. Thompson, Executive Director

MOTION by Mary Dennis, seconded by Jeffrey Snyder, to approve the proposed Employment Agreement with Jeffrey R. Thompson, Executive Director, at an annual salary of \$368,960, with the Pool contributing 6.78% of the annual salary to a 401(a) defined contribution plan for the Executive Director, and an informal annual review of the Executive Director's performance. Motion carried with unanimous approval.

7.f. Consideration of amending the Pool Retirement Health Saving Plan to delete the "TMRS Pension Contribution Limit" category and authorize the Executive Director to execute the Plan amendment

MOTION by Bert Lumbreras, seconded by Mary Dennis, to approve the resolution authorizing the amendment of the VantageCare Retirement Health Savings Program to eliminate provisions that provide for an offset to the Texas Municipal Retirement System limit on contributions. Motion carried with unanimous approval.

10.e. Consideration of Settlement in the matter of Kenneth Page and Jean Marie Page v. the City of Helotes and Kenneth Dempsey, Cause No., 2018C101629, in the 37<sup>th</sup> District Court, Bexar County, Texas

10.f. Consideration of Settlement in the matter of *Edwards v. the City of Balch Springs and Roy Oliver*, Cause No. 3:17-CV-01208-M, in the U.S. District Court, Northern District of Texas, Dallas Division

Chair Randy Criswell called up both Agenda Items 10.e. and 10.f. for Board consideration.

MOTION by Rickey Childers, seconded by Jeffrey Snyder, to approve settlement in the matter of *Kenneth Page and Jean Marie Page v. the City of Helotes and Kenneth Dempsey* for \$1,200,000; and to approve settlement in the matter of *Edwards v. City of Balch Springs and Roy Oliver* for \$900,000. Motion carried with unanimous approval.

11. Meeting Schedule and Board Continuing Education (Tab 26)

a. Select a location for the January 2024 Meeting

Recommended: Hotel Emma  
San Antonio, Texas

MOTION by John Fullen, seconded by Mary Dennis, to hold the Board meeting of January 2024 at Hotel Emma in San Antonio, Texas. Motion carried with unanimous approval.

b. Next Board Meeting:

February 4-5, 2022  
Omni Fort Worth Hotel  
Fort Worth, Texas

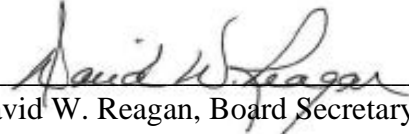
Jeff Thompson informed the Board that the location of the Board meeting of February 4-5, 2022, would be at the Omni Fort Worth Hotel in Fort Worth, Texas.

12. Adjournment

Chair Randy Criswell adjourned the meeting of the Texas Municipal League Intergovernmental Risk Pool at 12:35 P.M.

Approved by the Board of Trustees on

February 5, 2022

A handwritten signature in dark ink, appearing to read "David W. Reagan", is written over a horizontal line.

David W. Reagan, Board Secretary