

**TEXAS MUNICIPAL LEAGUE  
INTERGOVERNMENTAL RISK POOL**

**Board of Trustees Planning Session 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 4, 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  
Debbie Sherwood

**Others Present**

Ron Cox, Ron Cox Consulting  
Kevin Wick, PwC  
Jordan He, PwC  
John Rappaport, University of Chicago  
Lee Weisiger, Gallagher USA

Vice-Chair Mary Dennis called the meeting of the Board of Trustees of the Texas Municipal League Intergovernmental Risk Pool Planning Session to order at 8:30 a.m. on Friday, February 4, 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**

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

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

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.

Jeff Thompson reminded all to speak directly into their microphones in order for all participants to be able to hear. He then asked David Reagan to speak about the logistics of the meeting.

David Reagan reminded the Board that in order to comply with the Open Meetings Act, Board members needed to keep their cameras on even if the Board member left the room. If technical difficulties are experienced and a quorum is lost, the meeting will be recessed until the difficulties are corrected. There is a time limit in which to fix the technical difficulties and to continue the meeting. If there are technical difficulties but, there's a quorum still present in the meeting, the meeting can continue. We are recording the meeting and when a vote is taken, it will be by a show of hands. If a Board member has technical difficulties, use the chat function to notify Atul Poladia of your technical difficulties. Otherwise, do not use the chat function because whatever is put in the chat will be recorded and subject to public view.

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

The meeting facilitator, Ron Cox, led the Board in a review and discussion of the Board governance model. The Board reviewed the Pool's mission statement, guiding objectives, and core values. The schedule to review the Board's governance model calls for a full review and discussion of the Pool's mission in 2023, at which time a more thorough review will be conducted.

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

The Pool's focus since its inception has been cities. There has been tremendous growth in the number and type of other members since the Pool's inception. The Board discussed amending the bylaws to ensure that municipalities remain the primary focus of the Pool's priorities. The Board discussed four alternatives of establishing qualifications to serve as a Board member that would ensure the majority of Board members are employees or officials of municipalities. The Board consensus was to designate nine of the 12 elected positions on the Board that would be occupied only by municipal employees or officials. Three elected positions would be occupied by officials or employees of any member of the Pool. Staff was instructed to prepare an appropriate amendment to the bylaws to be considered by the Board at the upcoming Board meeting in April of 2022.

5. Review and consideration of the Target Members' Equity Range Methodology, including opportunities for enhancing Members' Equity Position

Kevin Wick and Jordan He from Pricewaterhouse Cooper, along with Tito Villegas, reviewed the Pool's current Target Equity Range and made recommendations to update the Target Equity Range. It was 2014 when the range was last updated. Since then, the Pool has experienced Hurricane Harvey, a Covid pandemic, and winter storm Uri. To ensure the financial stability of the Pool, the range should be updated.

MOTION by Opal Mauldin-Jones, seconded by Rickey Childers, to update the Target Members' Equity Range where the lower limit of the range is a 1-in-200-year capital event (\$311 million) and the upper limit of the range is 2 times a 1-in-200-year capital event (\$622 million). Motion carried with unanimous approval.

The Target Member Equity range policy will be updated by Staff and brought back to the Board for consideration in April 2022.

Vice-Chair Dennis recessed the meeting at 10:29 AM.

Vice-Chair Dennis reconvened the meeting at 10:40 A.M.

Jeff Thompson made a presentation on opportunities for enhancing the Members Equity position. He presented the background and reasons that would justify a Covid Public Safety Presumption Catastrophe Charge for Pool Members that had first responder employees. The Staff recommended the Board consider a charge that would result in contributions of \$10 to \$15 million per year. After much discussion by the Board, it was the consensus that the Staff bring a recommendation to the Board at the April 2022 meeting that would utilize the Pool's Workers' Compensation payroll rates and experience modification factors. This approach balances the approach of allocation of costs equally among Pool members with public safety employees and requiring such Pool Members with Covid losses to pay more.

Vice-Chair Dennis recessed the meeting at 11:48 A.M.

Vice-Chair Dennis reconvened the meeting at 12:15 P.M.

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

Vice-Chair Dennis announced this item would be taken up later in the afternoon after Agenda Item 8. There was no objection.

7. Training session on the Pool's role on promoting a positive policing culture and effective police procedures with Pool Members

John Rappaport with the University of Chicago made a presentation on how Pools can promote a positive policing culture and establish effective police procedures. It was the consensus of the Board that Staff explore what the Pool can do to assist Members in eliminating bad officers and identifying bad hires and other policing problems.

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

Lee Weisiger of Gallagher Consulting and Allan Romer presented a compensation and benefits study recently conducted by Gallagher Consulting. Overall, the Pool remains at the 50<sup>th</sup> to 75<sup>th</sup> percentile of market for tenured staff. It was recommended in the compensation policy the following:

- Analyze and adjust, as necessary, positions below the 50<sup>th</sup> percentile;
- New staff are to be brought in based on prior experience and not automatically at the minimum of the paygrade;
- Continue the practice of awarding merit increases based upon the midpoint of the paygrade;

- Conduct an outside review of the compensation and classification plan every four years.

It was the consensus of the Board that the recommendations should be implemented.

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

Atul Poladia and Lindsey Fields presented a recommendation for a new IT Road Map to focus on utilizing and improving the capabilities of the IT system. The goals in the plan adopted in 2014 to replace and upgrade the Legacy Software System have been reached. The key in new plan is to integrate the technology with the Pool members.

MOTION by David Harris, seconded by John Fullen, to approve the proposed January 2022 updated Business Application and IT Road Map and for Staff to develop a Scope of Services for Consultants to prepare an updated Road Map to be brought to the Board for consideration. Motion carried with unanimous approval.

Aaron Hardiman presented a demonstration of the new Member portal to submit claims and obtain coverage.

Vice-Chair Dennis recessed the meeting at 2:51 PM.

Vice-Chair Dennis reconvened the meeting at 3:00 PM.

9. Consideration of Member Termination Process

Jeff Thompson presented the recommendation that the Board consider a process and criteria for termination of a Member's membership in the Pool. It was recommended that the initial responsibility for determination would be with the Executive Director, in consultation with the General Counsel. Bennett Sandlin asked if the policy could include notice to the Texas Municipal League with an opportunity to comment on the Member termination. Once the decision was made to terminate a Member, the Member would have the opportunity to appeal the decision to the Board of Trustees within sixty (60) days of the decision. Coverage would not be terminated during this appeal. If the appeal was denied by the Board, the Member would continue to be covered for an additional sixty (60) days after the appeal was denied. It was the consensus of the Board that the Staff proceed to develop a clear policy and process for the termination of Pool Members. The policy and process will be brought back to the Board for its consideration at a later meeting.

10. Consideration of building a redundancy for TMLIRP Data Center

Atul Poladia presented the idea of creating or obtaining a redundant or additional Data Center. The Pool has increased its reliance on technology, which requires it to have more redundancy if something goes wrong with the current Data Center. The Staff recommends either building redundancy by having a second Data Center outside the state of Texas or implementing a disaster recovery plan as a service cloud-based solution.

Atul Poladia also presented the recommendation that the Pool integrate a new electronic payment process as part of the Claims Center upgrade.

It was the consensus of the Board that Staff begin exploring the best way to build redundancy by either having a second Data Center outside the state of Texas or implementing a disaster recovery plan as a service cloud-based solution. The cost of the Staff recommendation is to be considered in next year's budget request for further Board consideration. It was also the Board's consensus that the Staff continue to look for an electronic payment option and present a recommendation after the Claim Center upgrade project is complete.

11. Consideration of office renovations at the TMLIRP Offices

Jeff Thompson outlined for discussion the changing needs of the Pool's office space. In order to accommodate the changing work environment, Staff recommended seeking an architect to assist in redesigning the use and layout of the current office space.

It was the Board's consensus that the Staff seek requests for proposals from architectural firms or similar consultants to be considered by the Board.

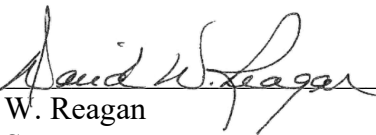
12. Consideration of an annual "Pool Exchange" concept

Jeff Thompson proposed an exchange of information and best practices with other Pools. It was proposed the Pool invite representatives of other Pools from around the country to meet with the Board during an annual planning retreat. It was the Board's consensus that this would be beneficial to the Pool and staff should take steps to implement such a program.

13. Adjournment

Vice-Chair Mary Dennis adjourned the meeting of the Texas Municipal League Intergovernmental Risk Pool Board of Trustees at 4:06 PM.

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

  
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David W. Reagan  
Board Secretary