TEXAS MUNICIPAL LEAGUE
INTERGOVERNMENTAL RISK POOL

Board of Trustees Meeting

Carter Creek Resort
Live Oak Ballroom
4064 West US Highway 290
Johnson City, TX 78636

January 23, 2026

Trustees Present

Bert Lumbreras, Chair
Austin Bleess, Vice Chair
Mary M. Dennis
Mike Alexander
Chris Coffman
Rickey Childers
J.W. "Buzz" Fullen
Opal Mauldin-Jones
Kimberly Meismer
Allison Heyward
Mike Land
Harlan Jefferson
Emily Crawford
Holly Gray
Monty Wynn

Staff Present

Jeff Thompson
Lindsey Fields
David Reagan
Jeffrey Snyder
Tito Villegas
David Nix
Bo Joseph
Scott Houston
Aaron Hardiman
Irvin Janak
Kim Williams
Julie Nguyen
Atul Poladia
Mike Raigosa

Staff (Cont).

Melinda Walter
Valessa Gutierrez
Gil Lee
Jessica Rodriguez
Debbie Sherwood

Others Present

Dan Smereck,
Strategic Asset Alliance, Inc.
John Duke, CPM Consulting
Casey Kent, Perkins & Will
Ryan Therrell, The Beck Group
Gretchen Leifeste, Armanino, LLP
Dustin Warren, Armanino, LLP

Chair Bert Lumbreras called the meeting of the Board of Trustees of the Texas Municipal League Intergovernmental Risk Pool to order at 8:02 AM on Friday, January 23, 2026.

1. Roll call and excused absences (Tab 1)[1]

   Jeff Thompson reported the absences of Randy Criswell and David Rutledge.

   MOTION by Allison Heyward, seconded by Rickey Childers, to excuse the absence of Randy Criswell and David Rutledge. Motion carried with unanimous approval.

Chair Bert Lumbreras called up agenda items 2, 3, and 4 to be considered together.

2. Consideration of minutes of October 29, 2025 Board Meeting (Tab 2)

3. Consideration of minutes of October 31, 2025 Board Meeting (Tab 3)

4. Consideration of minutes of October 23, 2025 Visioning Committee Meetings (Tab 4)

   MOTION by Austin Bleess, seconded by Allison Heyward, to approve the Minutes of the October 29, 2025 and October 31, 2025 Board Meetings and the Minutes of the October 23, 2025 Visioning Committee Meetings. Motion carried with unanimous approval.

5. Public Comment on Agenda Items

   Chair Bert Lumbreras opened the meeting to public comment on any item on the agenda for the meeting. No comments were made. Chair Bert Lumbreras closed the meeting to public comments.

[1] All references to "Tabs" in these minutes are references to the Tabs in the Board of Trustee Agenda packet.

6. Finance & Information Technology Committee Items

   a. Staff presentation of year-end financial results and presentation by Armanino, LLP of Financial Audit for October 1, 2024 to September 30, 2025, and Staff Response (Tab 5)

      Tito Villegas presented the year-end financial results of September 30, 2025, under Tab 5. Auditors, Gretchen Leifeste and Dustin Warren, Armanino, LLP, presented the results of the financial audit for October 2024 to September 30, 2025. It was the auditor's opinion that the financial statements of each of the major funds of the Pool present fairly, in all material respects, the financial position of the TML Intergovernmental Risk Pool as of September 30, 2025 and 2024, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

      MOTION by Mary M. Dennis, seconded by Chris Coffman, to accept the financial audit by Armanino, LLP, for the fiscal year October 1, 2024, to September 30, 2025. Motion carried with unanimous approval.

   b. Review of November 30, 2025 (2-month) Financial Statements and presentation of December 31, 2025 Financial Results (Tab 6)

      Tito Villegas presented the November 30, 2025 (2-month) Financial Statements and the December 31, 2025 Financial Results under Tab 6.

   c. Review of November 30, 2025 (2-month) Investment Report and presentation of December 31, 2025 Investment Results (Tab 7)

      Tito Villegas provided an overview of the November 30, 2025 (2-month) Investment Report and the December 31, 2025 Investment Results set forth under Tab 7. Dan Smereck of Strategic Asset Alliance presented an overview of the markets and the performance of the Pool's investments.

   d. Consideration of Two-Year Contract Extension with Rudd & Wisdom for Actuarial Services (Tab 8)

      Tito Villegas presented the staff recommendation under Tab 8 to approve a two-year contract extension with Rudd & Wisdom to conduct reserve reviews for the fiscal year ending September 30, 2026 and rate reviews for the fiscal year beginning October 1, 2027 at a base fee of $67,223; and perform reserve reviews for the fiscal year ending September 30, 2027 and rate reviews for the fiscal year beginning October 1, 2028 at a base fee adjusted for the Consumer Price Index at November 30, 2026, with additional services not contemplated in the base fee charged at an hourly rate agreed upon by both parties.

      MOTION by Harlan Jefferson, seconded by Opal Mauldin-Jones, to approve a two-year contract extension agreement set forth under Tab 8 with Rudd & Wisdom to conduct reserve reviews for the fiscal year ending September 30, 2026 and rate reviews for the fiscal year beginning October 1, 2027 at a base fee of $67,223; and perform reserve reviews for the fiscal year ending September 30, 2027 and rate reviews for the fiscal year beginning October 1, 2028 at a base fee adjusted for the Consumer Price Index at November 30, 2026, with additional services not contemplated in the base fee charged at an hourly rate agreed upon by both Motion carried with unanimous approval.

   e. Consideration of Two-Year Contract Extension with Armanino LLP for Financial Auditing Services (Tab 9)

      Tito Villegas presented the recommendation under Tab 9 to exercise the option to extend the contract with Armanino LLP for an additional two-year term for financial auditing services, in accordance with the terms of the original contract and the engagement letter set out under Tab 9.

      MOTION by Rickey Childers, seconded by Chris Coffman, to approve the engagement letter set out under Tab 9 with Armanino LLP for a two-year contract extension for financial auditing services at a cost of $129,500 and $132,000 for fiscal years 2025-26 and 2026-27, respectively. Motion carried with unanimous approval.

f. Report from Office of Project Management and Analytics, including Consideration for Updated Business Application & IT Road Map (Tab 10)

Lindsey Fields presented the report from the Office of Project Management and Analytics, including the staff recommendation to update the Business Application & IT Road Map as set forth under Tab 10.

MOTION by Allison Heyward, seconded by Emily Crawford, to adopt the proposed updated Business Application & IT Roadmap set forth in the report under Tab 10. Motion carried with unanimous approval.

g. Information Technology Report on Hardware and Software of the IT Infrastructure (Tab 11)

The Information Technology Report on Hardware and Software of the IT Infrastructure, under Tab 11, was submitted for the Board's review without an oral presentation.

7. Underwriting & Claims Committee Items

a. Risk Services Report including Annual Review of Membership Activity (Tab 12)

Aaron Hardiman presented the Risk Services Report including the annual review of Membership Activity under Tab 12.

b. Significant Cases and Legal Developments Impacting the Pool (Tab 13)

Bo Joseph presented the report under Tab 13 on significant cases and legal developments impacting the Pool.

c. Liability and Property Claims Report on claim trends concerning liability claims and property claims (Tab 14)

David Nix presented the Liability and Property Claims Report under Tab 14 on claim trends concerning liability claims and property claims.

d. Workers' Compensation Claims Report on trends concerning workers' compensation claims (Tab15)

The Workers' Compensation Claims Report under Tab 15 on trends concerning workers' compensation claims was submitted for the Board's review without an oral presentation.

e. Loss Prevention Report on Member Interactions, Activities and Training (Tab 16)

The Loss Prevention Report under Tab 16 on Member interactions, activities and training was submitted for the Board's review without an oral presentation.

f. Subrogation Division Progress Report (Tab 17)

The Subrogation Division Progress Report under Tab 17 was submitted for the Board's review without an oral presentation.

Chair Bert Lumbreras recessed the meeting at 9:52 AM.

During this break, Harlan Jefferson left for the remainder of the meeting.

Chair Bert Lumbreras reconvened the meeting at 10:03 AM.

8. Executive Committee Items

a. Consider items from Planning Session on January 22, 2026

i. Consider Board Governance Matters, including the Pool Mission Statement, Pool Guiding Objectives, Pool Core Values, and Membership Philosophy

This agenda item was not taken up by the Board.

ii. Consideration of Operationalization of the Pool's Strategic Plan

This agenda item was not taken up by the Board.

iii. Consideration of Benchmarking and Effectiveness of Pool's Performance compared to the Industry and Consideration of the Pool's Loss Prevention Efforts

This agenda item was not taken up by the Board.

iv. Consideration of the Pool's Investment Management, including the Fundamental Mechanisms and Roles, and Investment Manager RFP Process, including preliminary results

This agenda item was not taken up by the Board.

v. Consideration of Ethics and the Pool's Role of Promoting Ethical Use of Artificial Intelligence

This agenda item was not taken up by the Board.

vi. Update on the Pool's Human Resources Roadmap, including Payroll Management Modernization, and Consideration of Setting a Framework and Updating the Pool's Personnel Policies

This agenda item was not taken up by the Board

vii. Consider any Additional thoughts on Planning Session Topics and Future Planning Session Topics

This agenda item was not taken up by the Board.

b. Texas Municipal Center Building Project Report, (Tab 18)

i. Project Schedule and Budget

ii. Construction Manager at Risk (CMAR) Selection and Phase IV: Preconstruction Design Progress

iii. Consideration of Authorization of Guaranteed Maximum Price Amendment No. 1 to the Construction Manager at Risk Agreement with The Beck Group for Demolition, Abatement and Associated Early Work

Jeffrey Snyder and John Duke, CPM Consulting, presented an update on Phase IV Preconstruction on the Texas Municipal Center Building Project. Phase IV establishes the design, entitlement, and procurement foundation necessary for construction. Casey Kent, Perkins & Will, presented an update on the early design concepts. Ryan Therrell spoke on behalf of The Beck Group which has been selected as the Construction Manager at Risk (CMAR) for the project. In order to maintain project momentum and support design development, staff recommended authorization for demolition work for an amount not to exceed $5 million. The authorization will allow the project team to proceed with interior and selective exterior demolition and abatement, as well as other investigative work necessary to advance building scanning and structural investigations. If the Board approves, the CMAR will competitively bid the demolition and abatement scope. Based on the results, a Guaranteed Maximum Price Amendment No. 1 to the Construction Manager at Risk Contract will be presented to the Executive Director for approval, provided it falls within the parameters of the Board authorization.

MOTION by Chris Coffman, seconded by Austin Bleess, to approve a $5.0 million FY 2025-26 capital budget amendment, authorize a Construction-Phase Guaranteed Maximum Price (GMP) Amendment No, 1 to the Construction Manager at Risk Agreement with The Beck Group for demolition, abatement, and related early work for the Texas Municipal Center Building Project, in an amount not to exceed $5.0 million, and authorize the Executive Director to execute all documents necessary related to this action. Motion carried with unanimous approval.

c. Consideration of Consultancy Contract with HUB International for Advisement and Oversight of Pool Retirement Plans (Tab 19)

Melinda Walter presented the staff recommendation under Tab 19 for ongoing comprehensive retirement plan support from HUB International to provide expert guidance on retirement plan design, governance, fiduciary responsibilities, and best practices for an annual fee of $75,000, with a five-year rate guarantee. The services will support sound oversight and long-term sustainability of the Pool's retirement plans.

MOTION by Chris Coffman, seconded by J.W. "Buzz" Fullen, to authorize the Executive Director to execute a contract with HUB International for retirement plan consulting services effective February 1, 2026, for an annual fee of $75,000, with a five-year guarantee. Motion carried with unanimous approval.

d. Consideration of Interlocal Agreement and Master Services Agreement for Supplemental Critical Illness Policy, in fulfillment of Member Statutory Obligations under HB 4144 (2025) (Tab 20)

Scott Houston presented the recommendation under Tab 20 to ratify a master service agreement with MetLife/AmWins and a truncated interlocal agreement with Pool Members to obtain critical-illness supplemental income benefits required to be provided to firefighters and peace officers under HB 4144 (2025). In October 2025, the Board selected MetLife/AmWins to provide the coverage for the supplemental income benefits to Pool Members under a policy where the Pool would be the policy holder. The Pool would serve as a pass-through from MetLife/AmWins to Pool Members. MetLife/AmWins would handle all marketing materials, claims administration, payouts, and all other related matters. To finalize the arrangement, a master service agreement was needed spelling out the duties and responsibilities of the parties and a truncated interlocal agreement among the governmental entities to obtain the coverage.

MOTION by Chris Coffman, seconded by Allison Heyward, to ratify the use of the truncated interlocal agreement and master services agreement as set out under Tab 20. Motion carrier with unanimous approval.

e. People Operations Report Identifying Activities & Initiatives (Tab 21)

The People Operations Report under Tab 21 identifying activities and initiatives was submitted for the Board's review without an oral presentation.

f. Review of the Pool's Communication Efforts and Initiatives in 2025 (Tab 22)

The Report under Tab 22 reviewing the Pool's Communication Efforts and Initiatives in 2025 was submitted for the Board's review without an oral presentation.

9. Comment by Ex-officio Members from and to the TML Board

Holly Gray, Ex-officio Member from the Texas Municipal League Board of Directors, reported that the Texas Municipal League had its mid-year conference coming up in Sugarland on March 5-6, 2026. The TML Policy Summit will be held in Georgetown on March 27-28, 2026. The TML Annual Conference will be in San Antonio on November 11-13, 2026.

Monty Wynn, Executive Director of the Texas Municipal League and Ex-officio Member of Board of Trustees, reported the upcoming Texas Legislative Session will be a heavy tax session. There will be bills on expenditure caps of 3.5%, lowering of the roll back rate to 2.5%, and setting more appraisal caps. The Lt. Governor has proposed lowering the tax freeze from age 65 to age 55.

10. General Counsel's Report on Legislative Activities

David Reagan reported that nothing had occurred since the last Board meeting that affected the Pool. Most of the legislature's attention was currently focused on upcoming elections. In the next couple of months, interim charges should be issued in both the House and Senate, which will be reported to the Board at its April Board meeting.

Chair Bert Lumbreras announced it was 10:53 AM and the Board of Trustees would go into Executive Session to discuss claims and lawsuits under Agenda Items 11.a., 11.b., 11.c., and 11.d. under Texas

Government Code Section 551.071; and to deliberate the acquisition of real property under Agenda item 11.e. under Texas Government Code Section 551.072.

11. Executive Session

    a. Workers' Compensation Claims & Litigation Report including selected items concerning (1) fatality claims, (2) large exposure claims, (3) presumption claims, and (4) new claims that have reserves exceeding $250,000

       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 and significant updates on previous claims and trial results

       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 Settlement in the matter of Terry Bevill v. City of Quitman, et al.

       This item was discussed in Executive Session.

    e. Consideration of the Acquisition of Property for the Texas Municipal Center Project

       This item was discussed in Executive Session.

Chair Bert Lumbreras reconvened the meeting of the Board of Trustees in open session at 11:48 AM.

Chair Bert Lumbreras called up agenda item 11.d.

11. d. Consideration of Settlement in the matter of Terry Bevill v. City of Quitman, et al.

MOTION by Austin Bleess, seconded by Allison Heyward, to approve settlement of Terry Beville v. City of Quitman for the limits of coverage provided by the Pool to the City of Quitman for the lawsuit. Motion carried with unanimous approval.

12. Meeting Schedule and Board Continuing Education (Tab 23)

    a. Select a location for the January 27-28, 2028 Board Meeting

       Recommended: Horseshoe Bay Resort

       MOTION by Mike Alexander, seconded by J.W. "Buzz' Fullen, to approve Horseshoe Bay Resort as the location for a Board Meeting to be held January 27-28, 2028. Motion carried with unanimous approval.

    b. Next Board Meeting: April 22-23, 2026
The Westin Austin at the Domain
Austin, TX

13. Adjournment

    Chair Bert Lumbreras adjourned the meeting of the Texas Municipal League Intergovernmental Risk Pool Board of Trustees at 11:52 AM

Approved by the Board of Trustees on
April 24, 2026

David W. Reagan

David W. Reagan, Board Secretary