TEXAS MUNICIPAL LEAGUE
INTERGOVERNMENTAL RISK POOL

Board of Trustees Meeting

The Westin – Austin at the Domain
11301 Domain Drive – Plumeria Room
Austin, TX 78758

April 24, 2026

Trustees Present

Bert Lumbreras, Chair
Austin Bleess, Vice Chair
Rickey Childers
Chris Coffman
Randy Criswell
J.W. "Buzz" Fullen
Harlan Jefferson
Mike Land
David Rutledge
Allison Heyward
Opal Mauldin-Jones
Kimberly Meismer
Mike Alexander
Emily Crawford

Staff Present

Jeff Thompson
Lindsey Fields
Jeffrey Snyder
David Reagan
Tito Villegas
David Nix
Bo Joseph
Kim Williams
Mike Raigosa
Aaron Hardiman
Melinda Walter
Joshua Haley
Jennifer O'Sullivan
Irvin Janak
Atul Poladia
Phil English
Kathy Westbrook
Julie Nguyen

Staff (Cont.)

Gil Lee
Mike Shaw
Valessa Guitierrez
Debbie Sherwood
Ryan Seater
Racquel Brown

Others Present

Collin Schoenfeld,
  Guy Carpenter & Company, LLC
Kiersten Picardo,
  Guy Carpenter & Company, LLC
John Duke, CPM Consulting
Mike Watson, The Beck Group
Casey Kent, Perkins & Will
Dan Smereck,
  Strategic Asset Alliance, Inc.

Chair Bert Lumbreras called the meeting of the Board of Trustees of the Texas Municipal League Intergovernmental Risk Pool to order at 8:00 AM on Friday, April 24, 2026. Chair Bert Lumbreras led those in attendance in the pledge of allegiance to the U.S. and Texas flags. Mike Alexander led those in attendance in an invocation.

1. Roll call and excused absences (Tab 1)

   Jeff Thompson reported the absences of Mary M. Dennis, Monty Wynn, and Holly Gray and the reasons for their absences.

   MOTION by Rickey Childers, seconded by Opal Mauldin-Jones, to excuse the absences of Mary M. Dennis, Monty Wynn, and Holly Gray. Motion carried with unanimous approval.

2. 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.

3. Consideration of Minutes of January 23, 2026 Board Planning Session and January 24, 2026 Board Meeting (Tab 2)

   MOTION by John "Buzz" Fullen, seconded by Allison Heyward, to approve the January 23, 2026 Board Planning Session Minutes and the January 24, 2026 Board Meeting Minutes. Motion carried with unanimous approval.

4. Review of Board of Trustees Election Process and Board Election of Board Chair and Vice Chair (Tab 3)

   David Reagan presented the review of the upcoming Board election process for Places 1 – 5 and the election of the next Board Chair and Vice Chair under Tab 3.

5. Finance & Information Technology Committee Items

   a. Review of February 28, 2026 (5-month) Financial Statements and presentation of March 31, 2026 Financial Results (Tab 4)

      Tito Villegas presented the February 28, 2026 (5-month) Financial Statements and the Financial Results as of March 31, 2026 under Tab 4.

   b. Review of February 28, 2026 (5-month) Investment Report and presentation of March 31, 2026 Investment Results (Tab 5)

      Tito Villegas provided an overview of the February 28, 2026 (5-month) Investment Report and the March 31, 2026 Investment Results set forth under Tab 5. Dan Smereck of Strategic Asset Alliance presented an overview of the markets and the performance of the Pool's investments.

   c. Consideration of Agreement for Investment Management Services with Conning, Inc. (Tab 6)

      Mike Raigosa and Gil Lee presented the staff recommendation to consolidate the Pool's investment management services with Conning, Inc., under Tab 6.

      MOTION by Chris Coffman on behalf of the Finance & Information Technology Committee, seconded by Opal Mauldin-Jones to authorize the Executive Director to execute an agreement for consolidated investment management services with Conning, Inc. for a two-year period commencing no later than July 1, 2026, with the option of two additional years subject to Board approval. Fees to be assessed in accordance with the proposed fee schedule under Tab 6 at an estimated cost of $461,000 per year based on current assets under management. Motion carried with unanimous approval.

   d. Consideration of Request for Proposal for Investment Master Custody Services (Tab 7)

      Tito Villegas presented the staff recommendation under Tab 7 to cancel the February 2026 RFP for investment master custody services, reject all submissions received, and issue a revised RFP that does not require the Clearwater integration. Clearwater Analytics will be provided by Conning, Inc., as the Pool's investment manager.

      MOTION by Harlan Jefferson, seconded by Allison Heyward, to authorize the Pool to (1) cancel the February 2026 RFP for investment master custody services and reject all submissions received, (2) issue a revised RFP that does not require the Clearwater Analytics integration, and (3) continue the existing contract with Principal Bank on a month-to-month basis until a new contract is approved. Motion carried with unanimous approval.

   e. Consideration of Authorization for the Workers' Compensation Fund to Finance the New Texas Municipal Center (Tab 8)

      Tito Villegas presented the staff recommendation under Tab 8 that the Workers' Compensation Fund finance the ownership and construction of the new Texas Municipal Center. The Workers' Compensation Fund would own and capitalize the facility and would record depreciation over the useful life of the asset. The other Pool funds would pay rent to the Workers' Compensation Fund based on space utilization and allocated operating costs.

      MOTION by Chris Coffman on behalf of the Finance & Information Technology Committee, seconded by Opal Mauldin-Jones, to authorize the Workers' Compensation Fund to finance and capitalize the new Texas Municipal Center as the owning enterprise fund effective October 1, 2025, with reimbursement from other Pool funds based on proportional occupancy and allocated operating costs. Motion carried with unanimous approval.

f. Report from Office of Project Management and Analytics, including status of Business Application & IT Road Map Items (Tab 9)

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

g. Information Technology Report on Hardware & Software of the IT Infrastructure (Tab 10)

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

6. Underwriting & Claims Committee Items

a. Consideration of Property Rate Recommendations & Property Reinsurance Recommendations for May 1, 2026 to May 1, 2027 (Tab 11)

Lindsey Fields presented the recommendations for property rates and property reinsurance for May 1, 2026 to May 1, 2027 under Tab 11.

MOTION by Mike Land on behalf of the Underwriting & Claims Committee, seconded by Allsion Heyward, as follows:

Property Rates/Coverage Changes

- Apply a 5% inflationary factor to all Members' scheduled building and contents values.
- Apply a 2% base rate increase for all non-municipality members to better align contributions with their relative exposure and loss experience, recognizing the Membership Philosophy by ensuring an equitable distribution of costs across the membership.
- Adjust Real & Personal Property deductible credits and rates resulting in an overall flat rate change.
- Apply a 5% rate increase to Auto Physical Damage coverage.
- Discontinuing Auto Catastrophe coverage as a separate option and continuing to address this risk within Auto Physical Damage coverage.
- Discontinuing the Computer Fraud coverage option and directing Members toward the Cyber Liability program for these exposures.
- Apply a $25 increase in the Real and Personal Property, Mobile Equipment, and Crime coverages' minimum contribution based on the year-to-year change in the Pool's operating budget for a $5,645 total minimum contribution across all applicable coverages.

Reinsurance Rates & Structure

- Approve the overall reinsurance structure set forth in the body of the report under Tab 11.
- Approve the estimated external reinsurance expenditure on layers above $25 million of $35,609,437 with an additional contingency of $5,341,415 (15%), with leeway for the Executive Director to make modifications to the structure among internal and external sources, but not to exceed $40,950,852.
- Approve the estimated external expenditure of $2,446,250 with NLC Mutual, for co-participations in various levels of the proposed reinsurance structure, with an additional contingency of $500,000, with leeway for the Executive Director to make modifications to the structure of the internal and external sources, but not to exceed $2,946,250 in premium to NLC Mutual;
- Approve the internal reinsurance fund pricing by layer, as noted in the body of the report under Tab 11, with a total estimated allocation above the $25 million layer of $10,805,110.

Motion carried with unanimous approval.

b. Consideration of Workers' Compensation Rate Recommendations for 2026-27 (Tab 12)

Lindsey Fields presented the staff recommendations for Workers' Compensation rates for 2026 – 2027 under Tab 12.

MOTION by Mike Land on behalf of the Underwriting & Claims Committee, seconded by Rickey Childers, to adopt the following Workers' Compensation rate changes:

1. Apply a 10% rate reduction to the paid Firefighters and paid Ambulance Services class codes.
2. Apply a 7% rate reduction to the paid Police Officers and Clerical Office class codes.
3. Increase the Workers' Compensation minimum contribution based on the year-to-year change in the Pool's operating budget (as shown in the report under Tab 12) for a $5,645 total minimum contribution across all applicable coverages.

Motion carried with unanimous approval.

c. Consideration of Liability Rate Recommendations for 2026-27 (Tab 13)

Lindsey Fields presented the staff recommendation for liability rates for the 2026-27 fiscal year under Tab 13.

MOTION by Mike Land on behalf of the Underwriting & Claims Committee, seconded by Opal Mauldin-Jones, to adopt the rate changes set forth under Tab 13 as follows:

- General Liability – No rate change.
- Law Enforcement – 5% rate decrease.
- Errors & Omissions Liability – 5% rate decrease.
- Automobile Liability – 20% rate increase. The rate adjustment to be applied by rating territory, based on seven-year verified loss trends withing the Auto Liability program, as set forth in Appendix A of the report under Tab 13.
- No rate change to Supplemental Sewage Backup and Aviation Liability coverages.
- Apply a $25 increase to the General Liability, Law Enforcement Liability, Errors & Omissions Liability, and Auto Liability coverages' minimum contribution based on the year-to-year change in the Pool's operating budget for a $5,645 total minimum contribution across all applicable coverages.

Motion carried with unanimous approval.

d. Consideration of Cyber Rate Recommendations and Coverage Changes for 2026-27 (Tab 14)

Aaron Hardiman presented the staff recommendations set forth under Tab 14 for the cyber rate changes and cyber coverage changes for 2026-27.

MOTION by Mike Land on behalf of the Underwriting & Claims Committee, seconded by Allison Heyward, to approve the staff recommendations as follows:

- Approve continuing the partnership with Cowbell Cyber with no rate changes for the 2026-27 fund year.
- Approve expanding the cyber program to include the additional Premier tier described under Tab 14 for Members with revenues below $100 million.

Motion carried with unanimous approval.

e. Consideration of Proposed Changes to the Property, Liability, and Aviation Coverage Documents (Tab 15)

Joshua Haley presented the proposed changes to the Property, Liability, and Aviation coverage documents set forth under Tab 15.

MOTION by Mike Land on behalf of the Underwriting & Claims Committee, seconded by Allison Heyward, to approve the proposed changes to the Property, Liability, and Aviation coverage documents as set forth under Tab 15, with the addition of the word "not" to change number 14 to the Property Coverage Document so that the last phrase of the first sentence of the exclusion reads "provided such alloys or metals are not unattended or unprotected." Motion carried with unanimous approval.

f. Consideration of revisions to the list of approved defense attorneys (Tab 16)

Jennifer O'Sullivan presented the staff recommended revisions to the list of approved defense attorneys under Tab 16

MOTION by Mike Land on behalf of the Underwriting & Claims Committee, seconded by Rickey Childers, to approve the revisions to the list of approved defense attorneys set forth under Tab 16. Motion carried with unanimous approval.

g. Significate Cases and Legal Developments impacting the Pool (Tab 17)

Bo Joseph presented the report on Significant Cases and Legal Developments impacting the Pool under Tab 17.

h. Liability and Property Claims Report on Liability Claims Trends (Tab 18)

The Liability and Property Claims Report on Liability Claims Trends under Tab 18 was submitted for the Board's review without an oral presentation.

i. Workers' Compensation Claims Report on trends concerning workers' compensation claims (Tab 19)

The Workers' Compensation Claims Report on trends concerning workers' compensation claims under Tab 19 was submitted for the Board's review without an oral presentation.

j. Risk Services Report including Membership Activity, Operations Update, Cyber Coverage Update and Underwriting Results (Tab 20)

The Risk Services Report including Membership Activity, Operations Update, Cyber Coverage Update and Underwriting Results under Tab 20 was submitted for the Board's review without an oral presentation.

k. Loss Prevention Report on Member Interactions, Activities, and Training (Tab 21)

The Loss Prevention Report on Member Interactions, Activities and Training under Tab 21, was submitted for the Board's review without an oral presentation.

l. Claims Subrogation Report (Tab 22)

The Claims Subrogation Report under Tab 22 was submitted for the Board's review without an oral presentation.

7. Executive Committee Items

a. Consideration of January 22, 2026 Planning Session Report from Ron Cox Consulting (Tab 23)

MOTION by Bert Lumbreras on behalf of the Executive Committee, seconded by Mike Land, to approve the January 22, 2026 Planning Session Report from Ron Cox Consulting set forth under Tab 23. Motion carried with unanimous approval.

b. Consideration of Administrative Services Contract with the Texas Municipal League, including review of Support, Methodology and Services Provided (Tab 24)

Jeff Thompson presented the recommendation to enter into a new agreement with the Texas Municipal League (TML) that more clearly outlines the services provided by TML to the Pool, provides reasonable compensation to TML for the services provided, and provides a methodology for updating the fee during the term of the agreement. TML provides extensive training to cities that reduces liability exposure, specifically its training on good governance. Distribution of the Pool program through TML's statewide communications, education, and convening network allows the Pool to avoid using licensed insurance agents and having to pay commissions. It is estimated that such commission could be as high as $60 million annually, a savings that is passed on directly to Pool members. A draft agreement was presented that outlined such services, an initial fee of $1,600,000, an annual increase in the fee of the greater of the CPI-U index or 3%, and a term of 5 years.

MOTION by Bert Lumbreras on behalf of the Executive Committee, seconded by Mike Land, to authorize the Chair to execute a new administrative contract presented with the Texas Municipal League that clearly outlines the services provided to the Pool, provides for an initial fee of $1,600,000, an annual increase in the fee of the greater of the CPI-U index or 3%, and a term of 5 years commencing on October 1, 2026. Motion carrier with unanimous approval.

c. Report on the Strategic Plan Operationalization (Tab 25)

Jeffrey Snyder presented the proposed 2026 Strategic Plan and governance structure under Tab 25 as discussed during the January 2026 Planning Session.

MOTION by Bert Lumbreras on behalf of the Executive Committee, seconded by Harlan Jefferson, to approve the proposed Strategic Plan and governance structure under Tab 25. Motion carried with unanimous approval.

Chair Bert Lumbreras recessed the meeting at 9:35 AM on April 24, 2026.

Chair Bert Lumbreras reconvened the meeting at 9:50 AM on April 24, 2026.

d. Report on the Texas Municipal Center Building Project, including (Tab 26)

i. Project Schedule

ii. Project Design and Budget

Jeffrey Snyder provided an overview of the progress of the Texas Municipal Center Project. The project remains on track and within the Board-approved budget. Casey Kent of Perkins & Will presented the current schematic design of the project that includes staff feedback and executive team review. John Duke of CPM Consultants presented an updated construction cost budget estimate. Mike Watson of The Beck Group presented information on value engineering and the construction schedule.

e. Consideration of Resolution Amending the Member Termination Procedure to Clarify Board Options Upon Appeal and to Establish a Voluntary Extension of Coverage Pathway for Members Facing Termination (Tab 27)

Bo Joseph presented the recommendation to amend the Member Termination Procedure to allow members receiving a notice of termination of coverage to obtain a voluntary extension of coverage without the necessity of filing an appeal to the Board.

MOTION by Bert Lumbreras on behalf of the Executive Committee, seconded by Randy Criswell, to adopt the resolution and amended Member Termination Procedure set forth under Tab 27. Motion carried with unanimous approval.

f. People Operations Report Identifying Activities and Initiatives (Tab 28)

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

g. Communication Efforts and Initiatives During the Last Quarter (Tab 29)

The Communications Office Report on Communication Efforts and Initiatives was submitted for the Board's review without an oral presentation.

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

Harlan Jefferson, Ex-officio Board Member to the Texas Municipal League Board of Directors, had no comments.

Allison Heyward, Past President of the Texas Municipal League Board of Directors, had no comments.

David Ruthledge, Past President of the Texas Municipal League Board of Directors, had no comments.

9. General Counsel's Report on Legislative Activities (Tab 30)

David Reagan, General Counsel, presented the General Counsel's Report on Legislative Activities under Tab 30

Chair Bert Lumbreras announced it was 10:34 AM and the Board of Trustees would go into Executive Session to discuss claims and lawsuits under Agenda Items 10.a., 10.b., and 10.c., under Texas Government Code section 551.071; and to deliberate the acquisition of real property under Agenda Item 10.d. under Texas Government Code section 551.072.

10. Executive Session

a. Workers' Compensation Claims 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 new 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 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 11:20 AM.

11. Meeting Schedule and Board Continuing Education (Tab 31)

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

Recommended: Central Texas Area

MOTION by Bert Lumbreras, seconded by Austin Bleess, to select the Central Texas Area as the location for the April 27-28, 2028 Board meeting. Motion carried with unanimous approval.

b. Change Location for the April 2027 Board Meeting

MOTION by Emily Crawford, seconded by Rickey Childers, to move the April 2027 Board meeting from Brownwood, Texas, to Abilene, Texas. Motion carried with unanimous approval.

c. Next Board Meeting: July 30-31, 2026
Hotel Emma
San Antonio, TX

Adjournment

Chair Bert Lumbreras adjourned the meeting of the Texas Municipal League Intergovernmental Risk Pool Board of Trustees at 11:23 AM.

Approved by the Board of Trustees on
July 31, 2026

David W. Reagan

David W. Reagan, Board Secretary