TEXAS MUNICIPAL LEAGUE
INTERGOVERNMENTAL RISK POOL

Board of Trustees Meeting

Hotel Emma – Elephant Cellar
136 E. Grayson Street, San Antonio, TX 78215

July 24 – July 25, 2025

Trustees Present

Bert Lumbreras, Chair
Austin Bleess, Vice-Chair
Mary M. Dennis
Rickey Childers
Chris Coffman
Randy Criswell
J.W. "Buzz" Fullen
Opal Mauldin-Jones
Allison Heyward
Harlan Jefferson
Kimbley Meismer
Mike Land
Mike Alexander
David Rutledge
Holly Gray
Bennett Sandlin

Staff Present

Jeff Thompson
Lindsey Fields
Jeffrey Snyder
David Reagan
Susie Green
Tito Villegas
David Nix
Bo Joseph
Scott Houston
Aaron Hardiman
Paula Marr-Ludwig
Melinda Walter
Jessica Rodriguez
Irvin Janak
Tamara Chafin
Atul Poladia

Staff (Cont.)

Mike Raigosa
Phil English
Julie Nguyen
Kim Williams
Joseph Florance
Chase Stapp
Debbie Sherwood

Others Present

John Duke, CPM Consulting
John Rosato, Southwest Strategies Group
Casey Kent, Perkins & Will
Jeffrey Rieder, AON
Dan Smereck, Strategic Asset Alliance, Inc. *(via videoconference)*
Monty Wynn, TML

Chair Bert Lumbreras called the meeting of the Board of Trustees of the Texas Municipal League Intergovernmental Risk Pool to order at 12:33 PM on Thursday, July 24, 2025. Chair Bert Lumbreras led those in attendance in pledge of allegiance to the U.S. and Texas flags. Mary M. Dennis led those in attendance in an invocation.

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

   Jeff Thompson reported the absence of Emily Crawford and the reason for her absence.

   MOTION by Mary M. Dennis, seconded by Opal Maudin-Jones, to excuse the absence of Emily Crawford. 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 April 24-25, 2025 Board Meeting (Tab 2)

   MOTION by Austin Bleess, seconded by Opal Mauldin-Jones, to approve the April 24-25, 2025 Board Meeting Minutes. Motion carried with unanimous approval.

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

Chair Bert Lumbreras called up agenda item 5.

5. Consideration of Resolution Naming the Main Conference Room at the Texas Municipal Center for Patti A. Ledesma (Tab 3)

MOTION by Harlan Jefferson, seconded by Chris Coffman, to approve the Resolution Naming the Main Conference Room at the Texas Municipal Center for Patti A. Ledesma, as set forth under Tab 3. Motion carried with unanimous approval.

Chair Bert Lumbreras called up agenda item 4.

4. Board Workshop on Proposed 2025-26 Operating Budget

Jeff Thompson presented an overview of the Proposed 2025-26 Operating Budget and the major items proposed in the Budget. Tito Villegas presented the budget development process and details on the Pool's operating environment. Mike Raigosa presented the financial details of the Proposed 2025-26 Operating Budget.

Chair Bert Lumbreras recessed the meeting at 1:39 PM until 8:00 AM on July 25, 2025.

Chair Bert Lumbreras reconvened the meeting at 8:02 AM on July 25, 2025.

Chair Bert Lumbreras called up agenda item 9.a.

9. Executive Committee Items

a. Consideration of Final Report from AON/Ward on the Pool's Classification, Pay Structure, and Total Rewards (Tab 24)

Jeffrey Rieder with AON/Ward presented the final report from AON/Ward on the comprehensive classification, compensation, and total rewards study. The report recommends the Pool utilize a blend of market data from both the public and private sectors to determine the Pool's comparable compensation market.

MOTION by Chris Coffman, seconded by Allison Heyward, to accept the Class and Compensation Study report from AON/Ward and instruct staff to implement the recommendations in the report, including the proposed salary structure. The Board will consider conducting a comprehensive compensation and classification study every 4 to 5 years, supplemented by interim market updates to inform annual budget planning and ensure ongoing market competitiveness.

In addition, instruct staff to explore options related to (and bring back specific recommendations for):

- Opening the 401(a) Plan to all employees;
- Implementing a 5-Year Vesting provision for TMRS;
- Updating the Pool's Employee Benefits; and
- Updating the Pool's Personnel Policy.

Motion carried with unanimous approval.

Chair Bert Lumbreras called up Agenda Item 6.

6. Finance & Information Technology Committee Items

a. Consideration of minutes of April 24, 2025 Committee Meeting (Tab 4)

The April 24, 2025 Finance & Information Technology Committee minutes were approved at the Finance & Information Technology Committee meeting on July 24, 2025.

b. Review of May 31, 2025 (8-month) Financial Statements and presentation of June 30, 2025 Financial Results (Tab 5)

Mike Raigosa presented the May 31, 2025 (8-month) Financial Statements and the Financial Results as of June 30, 2025 under Tab 5.

c. Review of May 31, 2025 (8-month) Investment Report and presentation of June 30, 2025 Investment Results (Tab 6)

Tito Villegas provided an overview of the May 31, 2025 (8-month) Investment Report and the June 30, 2025 Investment Results set forth under Tab 6. Dan Smereck of Strategic Asset Alliance joined the meeting via videoconference and presented an overview of the markets and the performance of the Pool's investments.

d. Consideration of the Proposed Budget for 2025-26 (Separate Document) including: (1) Authorization of the Executive Director to Transfer Funds within Budgets, (2) Authorization for Executive Director to make necessary changes in personnel that are not budgeted if growth in new Members or added functions warrant need for such changes; (3) Adoption of Citizen Member Compensation Daily Rate, (4) Adoption of the list of existing contracts budgeted in excess of $100,000 annually, as provided by the Proposed Budget and (5) Adoption of the 2025-26 Proposed Budget (Tab 7)

MOTION by Harlan Jefferson, seconded by Allison Heyward, to adopt the "Workshop" line item within the budget, in the amount $217,000 for 2025-26. Motion carried with Mike Alexander abstaining.

MOTION by J.W. "Buzz" Fullen, second by Opal Mauldin-Jones, to adopt the Citizen Board Member Compensation Daily Rate of $1,265 for 2025-26. Motion carried with unanimous approval.

MOTION by Chris Coffman on behalf of the Finance & Information Technology Committee, seconded by Allison Heyward, to:

- Authorize the Executive Director to transfer funds within budgets;
- Authorize the Executive Director to make necessary changes in personnel that are not budgeted if growth in new members or added functions warrant the need for such changes;
- Adopt the list of existing contracts budgeted in excess of $100,000 annually, as provided by the Proposed Budget;
- Authorize the drawdown of the Employment Cost Reserve (ECR) by $800,000;
- Establish capital reserve of $1,200,000 for future facility investments; and
- Adopt the 2025-26 Proposed Budget.

Motion carried with unanimous approval.

e. Consideration of Updated Funding Range of the Workers' Compensation Lifetime Benefits (LTB) Investment Portfolio (Tab 8)

Tito Villegas and Jeff Thompson presented the staff recommendation under Tab 8 to increase the funding range for the LTB Investment Portfolio under Tab 8.

MOTION by Chris Coffman on behalf of the Finance & Information Technology Committee, seconded by Mary M. Dennis, to approve the updated funding range of the Workers' Compensation Lifetime Benefits (LTB) Investment Portfolio of $195 million to $250 million. Motion carried with unanimous approval.

e. 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.

f. 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.

Chair Bert Lumbreras recessed the meeting at 9:36 AM on July 25, 2025.

Chair Bert Lumbreras reconvened the meeting at 9:47 AM on July 25, 2025.

7. Underwriting & Claims Committee Items

a. Consideration of Minutes of April 24, 2025 Underwriting & Claims Committee (Tab 11)

The April 24, 2025 minutes of the Underwriting & Claims Committee meeting were approved at the Underwriting & Claims Committee meeting on July 24, 2025.

b. Report regarding Final Property Reinsurance Placement Effective May 1, 2025 (Tab 12)

Lindsey Fields presented the report under Tab 12 providing an update on the final placement of the 2025-2026 Property Reinsurance program, as authorized by the Board at the April 2025 Board meeting

c. Consideration of the renewal of the Brokerage Services Agreement with Guy Carpenter, LLC (Tab 13)

Lindsey Fields presented the staff recommendation under Tab 13 for a five-year Brokerage Services Agreement with Guy Carpenter,

MOTION by Mike Land on behalf of the Underwriting & Claims Committee, seconded by Allison Heyward, to authorize the Executive Director to enter into a new brokerage services agreement (set out under Tab 13) with Guy Carpenter, LLC for reinsurance placement services, for five years effective May 1, 2026, with the following compensation structure:

- Property: Flat annual brokerage fee of $885,000 for the first treaty year. For the second treaty year, the $885,000 fee will apply, subject to a true-up in which the fee will be adjusted to match the percentage increase in Total Insured Value, subject to a minimum 3% increase and maximum 15% increase. For all subsequent treaty years, the fee will be determined by the amount of the final true-up figure from the preceding treaty year which will then be subject to the same true-up procedure at the conclusion of each such treaty years. Plus, a $75,000 claims handling fee for any year in which a property reinsurance claim is initiated;

- Workers' Compensation: Brokerage rate of 9% of gross premiums for business placed other than markets domiciled in London; plus an additional 4.5% of gross premium for business placed with London markets;

- Cyber: Brokerage rate of 4.5% of gross premiums.

Motion carried with unanimous approval.

d. Consideration of Independent Claims Adjusting, Subrogation, Appraisal and Damage/Remediation Consulting Firms Handling TMLIRP Claims, and update on historical costs, including Enhanced Recovery costs (Tab 14)

David Nix presented the staff recommendation to approve the list under Tab 14 of independent adjusting contractors and appraisers, contract adjustors, and Enhanced Recovery Partners utilized by the Pool. Additionally, staff recommends the approval of National Subrogation Services to provide subrogation services with related litigation services provided by Cozen O'Connor or Aaron Wilkerson.

MOTION by Mike Land on behalf of the Underwriting & Claims Committee, seconded by Rickey Childers, to approve the list under Tab 14 of independent adjusting contractors and appraisers, contract adjustors, and Enhanced Recovery Partners, to be utilized by the Pool. Additionally, to approve the utilization of National Subrogation Services to provide subrogation services with related litigation services provided by Cozen O'Connor or Aaron Wilkerson.

Motion carried with unanimous approval.

e. Consideration of the Pool's Update on its Role in Supporting Excellence in Law Enforcement Initiative and Affirmation of the Progress Report (Tab 15)

Irvin Janak, with Chase Stapp and Joseph Florance, presented the progress report under Tab 15 on the Support for Excellence in Law Enforcement.

MOTION by Mike Land on behalf of the Underwriting & Claims Committee, seconded by Harlan Jefferson, to affirm the findings in the Pool's "Support for Excellence in Law Enforcement Initiative" Progress Report dated June 16, 2025, and set out under Tab 15, and to direct Staff to continue the implementation and evolution of the initiative.

Motion carried with unanimous approval.

f. Consideration of Membership for the City of Starbase (Tab 16)

Aaron Hardiman presented the staff recommendation under Tab 16 to approve newly incorporated City of Starbase's full membership in the Pool.

MOTION by Mike Land on behalf of the Underwriting & Claims Committee, seconded by Kimberly Meismer, to approve the City of Starbase's full membership in the Pool, effective October 1, 2025, with Endorsement E104 (set out in Tab 16) limiting the coverage provided on indemnification to private enterprises by contract to the limits set out in the Texas Tort Claims Act.

Motion carried with unanimous approval.

g. Consideration of Contract with Lexipol (LocalGovU) for Online Training Services (Tab17)

Irvin Janak presented the staff recommendation under Tab 17 for the Pool to enter into a new contract with Lexipol to utilize LocalGovU as its provider of Online Learning which is widely utilized by Pool members.

MOTION by Mike Land on behalf of the Underwriting & Claims Committee, seconded by Opal Mauldin-Jones, to authorize the Executive Director to execute a new contract with Lexipol for purchasing a minimum of 20,000 courses per fiscal year at $4.30 per completed course with reduced pricing of $4.20 per completed course for purchases above the 20,000 threshold. Based on expected usage and the yearly cost of the Course Builder Tool, it is estimated the fiscal year cost will be $133,000 for three years beginning on October 1, 2025, with three one-year renewal options beginning on October 1, 2028.

Motion carried with unanimous approval.

h. Significant Cases and Legal Developments impacting the Pool (Tab 18)

Bo Joseph presented the report on Significant Cases and Legal Developments impacting the Pool under Tab 18.

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)

Aaron Hardiman presented a report on Housing Authorities that no longer were obtaining coverage from the Pool. The remainder of the Risk Services Report 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. Subrogation Division Progress Report (Tab 22)

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

8. Texas Municipal Center Visioning Committee

a. Report on Texas Municipal Center Relocation Project (Tab 23)

- Update on the Proposed Budget for the Project
- Update on Property Search Process for the Project

Jeffrey Synder presented the update under Tab 23 on the property search process.

b. Consideration of Property for the Texas Municipal Center Relocation Project

This agenda item was deferred until after the executive session.

9. Executive Committee Items

a. Consideration of Final Report from AON/Ward on the Pool's Classification, Pay Structure, and Total Rewards (Tab 24)

This agenda item was considered by the Board earlier in the meeting.

b. Consideration and Feedback on the Draft of the Pool's Strategic Plan (Tab 25)

Jeff Thompson and Jeffrey Snyder presented the draft of the Pool's Strategic Plan framework centered around five strategic pillars set forth under Tab 25.

MOTION by Bert Lumbreras on behalf of the Executive Committee, seconded by Harlan Jefferson, to approve the TML Risk Pool's Strategic Plan framework under Tab 25, and to formally incorporate it into the January 2026 Planning Session and operationalized.

Motion carried with unanimous approval.

c. Consideration of Legislative Services Contract with Davis Kaufman PLLC (Tab 26)

Jeff Thompson presented the recommendation under Tab 26 to execute a new two-year Legislative Services Agreement with Davis Kaufman PLLC at a monthly fee of $15,000.

MOTION by Bert Lumbreras on behalf of the Executive Committee, seconded by Mary M. Dennis, to authorize continuation of the Legislative Services Agreement with Davis Kaufman PLLC, effective August 1, 2025 through July 31, 2027, at the current rate of $15,000 per month, and authorize the Executive Director to execute the proposed contract under Tab 26.

Motion carried with unanimous approval.

d. People Operations Report Identifying Activities and Initiatives (Tab 27)

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

e. Communication Efforts and Initiatives During the Last Quarter (Tab 28)

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

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

Holly Gray, Ex-officio Board Member for the Texas Municipal League Board of Directors, reported the TML Board of Directors appointed Monty Wynn as the next Executive Director of the Texas Municipal League effective December 31, 2025. The TML Board of Directors approved the 2025-26 budget for TML and has eliminated the affiliate known as the Texas Association of Mayors, Councilmembers and Commissioners because it no longer is an active organization. The First Special Legislative Session for 2025 began on July 21, 2025. There are two issues in the First Special Legislative Session of concern for TML which are taxpayer funded lobbying and a spending limit on municipalities. The 2025 TML Annual Conference will be held in Fort Worth on October 29-31, 2025.

Harlan Jefferson, Ex-officio Board Member to the Texas Municipal League Board of Directors, had nothing to add to what had already been reported.

Mary M. Dennis, Past President of the Texas Municipal League Board of Directors, had nothing to add to what had already been reported.

Bennett Sandlin, Executive Director of the Texas Municipal League and Ex-officio Member of Board of Trustees, had nothing to add to what had already been reported.

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

11. General Counsel's Report on Legislative Activities (Tab 29)

David Reagan, General Counsel, presented the General Counsel's Report on Legislative Activities under Tab 29.

Chair Bert Lumbreras recessed the meeting at 11:13 AM on July 25, 2025.

Chair Bert Lumbreras reconvened the meeting at 11:47 AM on July 25, 2025.

Chair Bert Lumbreras announced it was 11:47 AM and the Board of Trustees would go into Executive Session to discuss claims and lawsuits under Agenda Items 12.a., 12.b., and 12.c. under Texas Government Code section 551.071; and personnel matters under Agenda Items 12.d. and 12.e. under Texas Government Code section 551.074; and deliberate the acquisition of real property under Agenda Item 8.b. under Texas Government Code section 551.072.

12. Executive Session

a. Workers' Compensation Claims Report including selected items concerning (1) fatality claims, (2) large exposure claims, including new claims over $250,000, (3) presumption claims, and (4) litigated claims.

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 an Agreement for General Counsel and Board Secretary Services from David W. Reagan.

This item was discussed in Executive Session.

e. Consideration of Amendments to Contract with Jeffrey R. Thompson, Executive Director.

This item was discussed in Executive Session.

8. b. Consideration of Property for the Texas Municipal Center Relocation Project

This item was not discussed in Executive Session.

Chair Bert Lumbreras reconvened the meeting of the Board of Trustees in open session at 1:42 PM.

Chair Bert Lumbreras called up agenda item 12.d.

12. d. Consideration of an Agreement for General Counsel and Board Secretary Services from David W. Reagan.

MOTION by Harlan Jefferson, seconded by Kimberly Meismer, to authorize the Executive Director to execute the attached employment agreement with David Reagan to continue to serve in the capacity of the Pool's General Counsel and Board Secretary for a three year term, at a rate of \$20,000/month (or \$240,000 annually), plus employee benefits, as provided in the employment agreement. Motion carried with unanimous approval.

8. b. Consideration of Property for the Texas Municipal Center Relocation Project

MOTION by Harlan Jefferson, second by Chris Coffman, to authorize the staff to carefully examine the following sites for the relocation of the Texas Municipal Center and negotiate the terms of purchase for such sites for the Board's future consideration, without eliminating any other sites from consideration that have been identified for the relocation of the Texas Municipal Center:

1. Rock Street site in Georgetown, TX
2. Georgetonian Building at 205 E. University Ave., Georgetown, TX
3. Mueller Development site at 51st/Berkman Dr., Austin, TX
4. Southwestern University site located in a mixed-use development adjacent to the east side of Southwestern University, Georgetown, TX

The authority granted to the staff to negotiate the terms of purchase includes the authority of the Executive Director to enter into a nonbinding letter of intent with owners of such sites setting forth basic purchase terms at a cost for the letter of intent that is within the purchasing authority previously granted to the Executive Director.

Motion carried with unanimous approval.

13. Meeting Schedule and Board Continuing Education (Tab 28)

a. Select a location for the July 29-30, 2027 Board Meeting

Recommended: San Antonio Area

Jeff Thompson informed the Board that it had a proposed contract for Hotel Emma for this July 2027 Board meeting.

MOTION by J.W. "Buzz" Fullen, second by Allison Heyward, to hold the July 2027 Board meeting in the San Antonio area. Motion carried with unanimous approval.

b. Next Board Meeting: October 31, 2025
(Board Meeting Only – No Committee Meetings)
Omni Hotel (as part of TML Conference)
Fort Worth, TX

14. Adjournment

Chair Bert Lumbreras adjourned the meeting of the Texas Municipal League Intergovernmental Risk Pool Board of Trustees at 1:50 PM.

Approved by the Board of Trustees on
October 31, 2025

David W. Reagan

David W. Reagan, Board Secretary