

TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL RISK POOL

Board of Trustees Meeting

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

July 31, 2026

Trustees Present

Bert Lumbreras, Chair
Austin Bleess, Vice-Chair
Mary M. Dennis
Rickey Childers
Chris Coffman
Randy Criswell
J.W. “Buzz” Fullen
Allison Heyward
Harlan Jefferson
Kimbly Meisner
Mike Land
Mike Alexander
David Rutledge
Emily Crawford
Holly Gray
Monty Wynn

Staff Present

Jeff Thompson
Lindsey Fields
Jeffrey Snyder
David Reagan
Kimberly Williams
David Nix
Bo Joseph
Aaron Hardiman
Melinda Walter
Jessica Rodriguez
Atul Poladia
Mike Raigosa
Julie Nguyen
Brittani Miller
Chrissy Alves
Gil Lee

Staff (Cont.)

Valessa Gutierrez
Janet Mata

Others Present

Casey Kent, Perkins & Will
Austin Streifert, CPM Texas
Dan Smereck,
Strategic Asset Alliance, Inc.
(via videoconference)
Joshua Buckmire, TMLIRP Intern

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, July 31, 2026.

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

Jeff Thompson reported the absence of Opal Mauldin-Jones and the reason for her absence.

MOTION by Randy Chriswell, seconded by Mary M. Dennis, to excuse the absence of Opal Mauldin-Jones. Motion carried with unanimous approval.

At the request of Chair Bert Lumbreras, Rickey Childers to lead those in attendance in an invocation. Chair Bert Lumbreras led those in attendance in the pledges of allegiance to the U.S. flag and the Texas flag.

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, 2026 Board Meeting (Tab 2)

MOTION by Rickey Childers, seconded by Austin Bleess, to approve the April 24, 2026 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.

4. Nominations Committee Items

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

David Reagan presented a brief review of the Board election process and the election of the Board Chair and Vice Chair.

- b. Consideration of nominations for Places 1-4 on the Board of Trustees for the 2026 election for six-year terms beginning October 1, 2026

MOTION by Bert Lumbreras on behalf of the Nominations Committee, seconded by Chris Coffman, to make the following nominations for Places 1-4 of the Board of Trustees for the 2026 election:

Place 1: J.W. "Buzz" Fullen
Place 2: Emily Crawford
Place 3: none
Place 4: Austin Bleess

Motion carried unanimous approval.

- c. Consideration of the nomination and appointment of a Citizen Trustee for a six-year term to Place 5 of the Board of Trustees, beginning on October 1, 2026

MOTION by Mike Land, seconded by Austin Bleess, to appoint Bert Lumbreras to Place 5 on the Board of Trustees for a six-year term beginning October 1, 2026. Motion carried with Bert Lumbreras abstaining.

- d. Consideration of the qualification of the Board Vice-Chair to be elevated to Board Chair as of October 1, 2026

MOTION by Bert Lumbreras on behalf of the Nominations Committee, seconded by Chris Coffman, Austin Bleess continues to be qualified to serve as Chair and shall be elevated to Chair of the Board of Trustees as of October 1, 2026. Motion carried with unanimous approval.

- e. Consideration of the nomination and election of a Board Vice-Chair to take office on October 1, 2026

MOTION by Rickey Childers, seconded by Mary M. Dennis, to elect Opal Mauldin-Jones to Vice-Chair of the Board of Trustees as of October 1, 2026. Motion carried with unanimous approval.

5. Finance & Information Technology Committee Items

- a. Consideration of minutes of April 23, 2026 Committee Meeting (Tab 4)

The April 23, 2026 Finance & Information Technology Committee minutes were approved at the Finance & Information Technology Committee meeting on July 30, 2026.

- b. Review of May 31, 2026 (8-month) Financial Statements and presentation of June 30, 2026 Financial Results (Tab 5)

Kim Williams presented the May 31, 2026 (8-month) Financial Statements and the Financial Results as of June 30, 2026 under Tab 5.

- c. Review of May 31, 2026 (8-month) Investment Report and presentation of June 30, 2026 Investment Results (Tab 6)

Mike Raigosa provided an overview of the May 31, 2026 (8-month) Investment Report and the June 30, 2026 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 2026-27 (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; (5) Transfer \$350,000 from the Cyber Grant Reserve to the Employment Cost Reserve; (6) Authorization of the use of the Employment Cost Reserve in the amount of \$823,000 should Personnel Expenses exceed the Budgeted Amount; (7) Designate \$2.65M in Net Position for the Capital Reserve; and (8) Adopt the 2026-27 Proposed Budget (Tab 7)

MOTION by Chris Coffman on behalf of the Finance & Information Technology Committee, seconded by Rickey Childers, to adopt the "Workshop" line item within the budget, in the amount \$217,000. Motion carried with Mike Alexander abstaining.

MOTION by Chris Coffman on behalf of the Finance & Information Technology Committee, second by Allison Heyward, to adopt the Citizen Board Member Compensation Daily Rate of \$1,309 for 2026-27. Motion carried with Mike Alexander, Rickey Childers, and Bert Lumbreras abstaining.

MOTION by Chris Coffman on behalf of the Finance & Information Technology Committee, seconded by Emily Crawford, 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;
- Transfer \$350,000 from the Cyber Grant Reserve to the Employment Cost Reserve;
- Authorize the use of the Employment Cost Reserve by \$825,000 should personnel expenses exceed the budgeted amount;
- Designate \$2.65M in Net Position for the Capital Reserve; and
- Adopt the 2026-27 Proposed Budget.

Motion carried with unanimous approval.

- e. Consideration of Adopting a Net Position Designation Policy, Reclassifying the Capital Reserve, Employment Cost Reserve (ECR) and Cyber Grant Reserve (Tab 8)

Kim Williams presented the staff recommendation under Tab 8 to adopt a Net Position Designation Policy and establish the Capital Reserve, Employment Cost Reserve (ECR), Cyber Grant Reserve, and Subsequent Injury Fund (SIF) Reserve as Board-Designated Net Position accounts.

MOTION by Chris Coffman on behalf of the Finance & Information Technology Committee, seconded by Mike Land, to adopt the Net Position Designation Policy and establish the Capital Reserve, Employment Cost Reserve (ECR), Cyber Grant Reserve, and Subsequent Injury Fund (SIF) Reserve as Board-Designated Net Position accounts; approve the reclassification of the ECR from a liability to Board-Designated Net Position; and authorize management to implement the necessary accounting and financial statement presentation changes retrospectively to October 1, 2025. Motion carried with unanimous approval.

f. Consideration of Awarding Investment Manager Custody Agreement to Principal Bank (Tab 9)

Mike Raigosa presented the staff recommendation under Tab 9 to award the Investment Master Custody Agreement to Principal Bank.

MOTION by Chris Coffman on behalf of the Finance & Information Technology Committee, seconded by J.W. "Buzz" Fullen, to authorize the Executive Director to execute an agreement for master custody services with Principal Bank for a three-year period commencing after the end of the month-to-month contract with Principal Bank with the option of two additional years at an estimated cost of \$50,000 per year. Motion carried with unanimous approval.

g. Consideration of TexPool Resolution Amending Authorized Representatives (Tab 10)

Mike Raigosa presented the staff recommendation under Tab 10 to adopt a resolution amending the list of Pool representatives to TexPool, a Local Government Investment Pool, that are authorized to transmit and withdraw funds on behalf of the Pool. This is necessary due to the retirement of the Pool's CFO/CIO.

MOTION by Chris Coffman on behalf of the Finance & Information Technology Committee, seconded by Allison Heyward, to adopt the resolution set forth under Tab 10 amending the Pool's authorized representatives and designating the Chief Investment & Analytics Officer, Senior Actuary & Assistant Investment Director, Chief Financial Officer, and Assistant Chief Financial Officer as authorized representatives to TexPool.

Emily Crawford left the meeting for a business call at 8:53 AM on July 31, 2026.

h. Consideration of Updated Funding Range of the Workers' Compensation Lifetime Benefits (LTB) Investment Portfolio (Tab 11)

Gil Lee presented the staff recommendation under Tab 11 to increase the funding range for the Workers' Compensation Lifetime Benefits (LTB) Investment Portfolio to a range of \$226 million to \$291 million.

MOTION by Chris Coffman on behalf of the Finance & Information Technology Committee, seconded by May M. Dennis, to approve the funding range of the Workers' Compensation Lifetime Benefits (LTB) Investment Portfolio to \$226 million to \$291 million. Motion carried with unanimous approval.

i. Report from Office of Project Management and Analytics, including progress on Business Application & IT Road Map (Tab 12)

The Report from the Office of Project Management and Analytics, including the progress on Business Application & IT Roadmap, under Tab 12, was submitted for the Board's review without an oral presentation.

j. Information Technology Report on Hardware and Software of the IT Infrastructure (Tab 13)

The Information Technology Report on Hardware and Software of the IT Infrastructure under Tab 13 was submitted for the Board's review without an oral presentation.

6. Underwriting & Claims Committee Items

a. Consideration of Minutes of April 23, 2026 Committee (Tab 14)

The April 23, 2026 minutes of the Underwriting & Claims Committee meeting were approved at the Underwriting & Claims Committee meeting on July 30, 2026.

b. Report regarding Final Property Reinsurance Placement Effective May 1, 2026 (Tab 15)

Lindsey Fields presented the report under Tab 15 providing an update on the final placement of the 2026-2027 Property Reinsurance program, as authorized by the Board at the April 2026 Board meeting

- c. Consideration of Independent Claims Adjusting, Appraisal and Damage/Remediation Consulting Firms Handling TMLIRP Claims, and update on historical costs, including Enhanced Recovery costs (Tab 16)

Chrissy Alves presented the staff recommendation under Tab 16 to approve the list under Tab 16 of independent adjusting firms and appraisers, contract adjusters, and Enhanced Recovery Partners for services on liability and property claims. The Pool pays four of the firms over \$100,000 annually. Additionally, it is recommended that Sedgwick be approved for the Pool's Direct Repair Program for automobile repairs.

MOTION by Mike Land on behalf of the Underwriting & Claims Committee, seconded by J.W. 'Buzz' Fullen, to approve the list under Tab 16 of independent adjusting firms and appraisers, contract adjusters, and Enhanced recovery Partners for services on Pool liability and property claims. Additionally, to approve Sedgwick as a vendor to continue the Pool's Direct Repair Program for automobile repairs. Motion carried with unanimous approval.

- d. Significant 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.

- e. Workers' Compensation Claims Report on trends concerning workers' compensation claims (Tab 18)

The Workers' Compensation Claims Report on trends concerning workers' compensation claims under Tab 18 was submitted for the Board's review without an oral presentation.

- f. Risk Services Report including Membership Activity, Operations Update, Cyber Coverage, and Underwriting Results (Tab 19)

The Risk Services Report including Membership Activity, Operations Update, Cyber Coverage, and Underwriting Results under Tab 19 was submitted for the Board's review without an oral presentation.

- g. Loss Prevention Report on Member Interactions, Activities, and Training (Tab 20)

The Loss Prevention Report on Member Interactions, Activities and Training under Tab 20, was submitted for the Board's review without an oral presentation.

- h. 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.

Chair Bert Lumbreras recessed the meeting at 9:18 AM on July 31, 2026.

Chair Bert Lumbreras reconvened the meeting at 9:36 AM on July 31, 2026.

7. Executive Committee Items

- a. Consideration of Personnel Policies and Administrative Directives for the Texas Municipal League Intergovernmental Risk Pool, including Transition to PTO Leave Format from Vacation/Sick Leave (Tab 22)

Melinda Walter presented the staff recommendation under Tab 22 to approve the redeveloped personnel policy manual which is restructured into two components: a Policy Manual, which establishes governance and requires Board approval, and Administrative Directives, which govern operational implementation and are approved by the Executive Director. The Policy Manual transitions the Pool from a semi-monthly payroll paid on a current basis to a bi-weekly payroll paid in arrears with a one-week processing lag. It consolidates the Pool's separate vacation and sick leave banks into a single Paid Time Off (PTO) program supplemented by annual Personal Time,

new paid Family and Medical Leave (FMLA) and paid bereavement leave, and a one-time liquidation of existing sick leave banks.

MOTION by Bert Lumbreras on behalf of the Executive Committee, seconded by Mary M. Dennis, to approve the following:

1. Adopt the redeveloped Personnel Policy Manual, effective September 12, 2026;
2. Approve the governance framework separating the manual into Board-approved Policies and Executive Director-approved Administrative Directives, with additions and revisions to the Administrative Directives communicated to the Board through the quarterly People Resources update;
3. Approve the change in payroll frequency and timing from semi-monthly and paid current to bi-weekly and paid in arrears with a one-week processing lag, effective September 12, 2026, including a one-time, two-working-day overlap on September 14 and 15, 2026, for which staff will be paid twice;
4. Approve the redesigned paid leave framework, including the consolidation of vacation and sick leave into a single PTO program;
5. Approve the one-time partial liquidation of existing sick leave banks, based on balances effective September 11, 2026, with all converted amounts deposited into affected staff's 401(a) account and any remaining balance eliminated, as follows:
 - a. For staff who meet retirement eligibility under TMRS, sick leave hours above 500, up to a maximum of 400 hours, converted at \$30 per hour and deposited into the staff member's 401(a) account;
 - b. For staff who are not eligible for or do not elect the voluntary retirement incentive option, one-half of the remaining sick leave bank, up to 250 hours, converted at \$30 per hour and deposited into the staff member's 401(a) account;
 - c. For staff who have at least 25 years of Pool service, announce their intent to retire no later than March 30, 2027, and retire before September 30, 2027, up to 500 hours converted at \$40 per hour and deposited into the staff member's 401(a) account; and
6. Authorize the one-time costs identified in the memo necessary to implement the transition.

Motion carried with unanimous approval.

b. Consideration of Adoption of a Policy Regarding Public Comments on Agenda Items at Board Meetings (Tab 23)

David Reagan presented the recommendation under Tab 23 to adopt a policy regarding public comments on agenda items at Board meetings to establish an orderly, fair, and legally compliant process for receiving public comments. The policy limits comments to items on the Board's posted agenda, requires individuals to register in advance by submitting a public comment request form, limits each speaker to three minutes per agenda item, and allows written comments to be submitted. Speakers are required to conduct themselves in a civil and orderly manner and allows the Chair to take lawful actions reasonably necessary to continue the meeting.

MOTION by Bert Lumbreras on behalf of the Executive Committee, seconded by Allison Heyward, to approve the policy under Tab 23 regarding public comments on agenda items at Board meetings. Motion carried with unanimous approval.

c. Consideration of Revision to the Group Critical Illness Interlocal Agreement for the HB 4144 Supplemental Critical Illness Policy (Tab 24)

Bo Joseph presented the recommendation under Tab 24 to ratify a revision to the Group Critical Illness Interlocal Agreement revising the second paragraph of Section 6 concerning indemnification by Pool members to add the wording "To the Extent Permitted By Applicable Law."

MOTION by Harlan Jefferson, seconded by Allison Heyward, to ratify the use of the revised Group Critical Illness Interlocal Agreement set forth under Tab 24. Motion carried with unanimous approval.

Emily Crawford returned to the meeting at 10:27 AM on July 31, 2026.

d. Report on the Texas Municipal Center Building Project, including (Tab 25)

- i. Project Schedule, Design and Budget
- ii. Consideration of Agreements with the City of Georgetown for the design, construction and shared use of a Parking Garage adjacent to the new Texas Municipal Center, including authorization of related preconstruction phase expenditures for the project
- iii. Consideration of improvements to the Texas Municipal Center Extension (1009 S. Church Street)

Jeffrey Snyder introduced Austin Streifert with CPM Texas and Casey Kent with Perkins & Will to give an update on the Texas Municipal Center Building Project. Austin Streifert is the Project Manager for the Texas Municipal Center Building Project. He provided an update on budget, progress on demolition, project timeline, upcoming work, permitting, and key activities. Casey Kent presented details and pictures of the design of the proposed Texas Municipal Center Building along with a short video of the proposed building.

Jeffrey Snyder provided a design of the proposed garage for the Texas Municipal Center and the status of the negotiations with the City of Georgetown for a shared-use parking garage agreement. The agreement is being finalized and there will be a special meeting of the Board to review and approve the agreement.

Jeffrey Snyder provided an update on the condition of property referred to as the Texas Municipal Center Extension, located at 1009 S. Church Street across the street from the Texas Municipal Center project. Certain repairs are needed for the residential property to protect it from deterioration and while long-term plans for the property are being developed. It is recommended the Board authorize the following work:

- Programing and visioning for the Texas Municipal Center Extension, including evaluation of potential ancillary uses that support the Texas Municipal Center.
- Preliminary review of the existing structure and identification of work needed to support potential non-residential use.
- Evaluation and planning support for near-term structural repairs, deferred maintenance, and related work needed to protect the property while the long-term plan is being developed.
- Landscape planning and coordination with the broader Texas Municipal Center site and PUD process.
- Project management and owner's representation services by CPM Texas for the Texas Municipal Center Extension.

MOTION by Bert Lumbreras on behalf of the Executive Committee, seconded by Mary M. Dennis, to authorize the Executive Director to procure, negotiate, and execute agreements and related expenditures with O'Connell Architecture, Nudge Design, CPM Texas, and other necessary consultants or service providers for the Texas Municipal Center Extension, in an amount not to exceed \$250,000, subject to applicable law, purchasing policies, and final review and approval as to form by legal counsel. Motion carried with unanimous approval.

e. People Operations Report Identifying Activities and Initiatives (Tab 26)

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

f. Communication Efforts and Initiatives During the Last Quarter (Tab 27)

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

Holly Gray, Ex-officio Board Member for the Texas Municipal League Board of Directors, reported the President of TML Board of Directors was not reelected as Mayor in Floresville, and had to step down as President. The new President is Andrea J. Barefield, Councilmember, Waco. The President-Elect is Jon McKenzie, Councilmember, Hurst. TML is in strong financial condition and there will not be a new rate increase for its membership. The 2026 TML Municipal Policy Summit will be held August 27-28, 2026, to set TML policy for the 2027 Legislative Session. TML completed its recent membership survey. The core values of TML remain the same. The membership survey also indicated a desire for more training and more legislative engagement. TML is currently getting ready for the 2027 Legislative Session to begin January 2027. The upcoming TML Annual Conference will be held 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, mentioned that data centers and property taxes would be major issues during the 2027 Legislative Session.

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

Harlan Jefferson, Ex-officio Board Member to the Texas Municipal League Board of Directors, 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 but stated that TML needed for more people to get involved in the 2027 Legislative Session.

Emily Crawford left the meeting for a business call at 10:49 AM on July 31, 2026.

9. General Counsel's Report on Legislative Activities (Tab 28)

David Reagan, General Counsel, presented the General Counsel's Report on Legislative Activities under Tab 28.

Chair Bert Lumbreras announced it was 11:00 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; and the Pool's Internal Cybersecurity Efforts under Agenda Item 10.e. under Texas Government Code section 551.076 and 551.089; and personnel matters under Agenda Items 4.b., 4c., 4.d and 4.e. under Texas Government Code section 551.074.

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 \$150,000.

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.

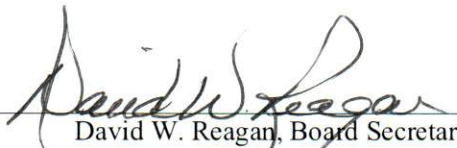
This item was discussed in Executive Session.

- 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 Building Project
This item was not discussed in Executive Session.
- e. Report on the Pool's Internal Cybersecurity Efforts
This item was discussed in Executive Session.
- 4. b. Consideration of nominations for Places 1-4 on the Board of Trustees for the 2026 election for six-year terms beginning October 1, 2026
This item was not discussed in Executive Session.
- 4. c. Consideration of the nomination and appointment of a Citizen Trustee for a six-year term to Place 5 of the Board of Trustees, beginning on October 1, 2026
This item was not discussed in Executive Session.
- 4. d. Consideration of the qualification of the Board Vice-Chair to be elevated to Board Chair as of October 1, 2026
This item was not discussed in Executive Session.
- 4. e. Consideration of the nomination and election of a Board Vice-Chair to take office on October 1, 2026
This item was not discussed in Executive Session.
- 11. Meeting Schedule and Board Continuing Education (Tab 28)
 - a. Select a location for the July 30-31, 2028 Board Meeting
Recommended: San Antonio Area
MOTION by Allison Heyward, second by David Rutledge, to hold the July 2028 Board meeting in the San Antonio area on July 27-28, 2026. Motion carried with unanimous approval.
 - b. Next Board Meeting: October 22-23, 2026
The Westin Dallas Stonebriar Golf Resort & Spa
Frisco, TX

12. Adjournment

Chair Bert Lumbreras adjourned the meeting of the Texas Municipal League Intergovernmental Risk Pool Board of Trustees at 11:57 AM.

Approved by the Board of Trustees on
October 23, 2026


David W. Reagan, Board Secretary