TEXAS MUNICIPAL LEAGUE
INTERGOVERNMENTAL RISK POOL

Board of Trustees Meeting

Horseshoe Bay Resort – Yacht Club Ballroom
200 Hi Circle N
Horseshoe Bay, TX 78657

January 31, 2025

Trustees Present

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

Staff Present

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

Staff (Cont).

Mike Raigosa
Melinda Walter
Ryan Burns
Jessica Rodreguez
Debbie Sherwood

Others Present

Dan Smereck,
Strategic Asset Alliance, Inc.
(via Zoom)
John Duke, CPM Consulting
Dan Greensweig, League of
Minnesota Cities Insurance Trust
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 8:30 AM on Friday, January 31, 2025.

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

Jeff Thompson reported the absences of Mary M. Dennis, Randy Criswell, and Holly Gray.

MOTION by Opal Mauldin-Jones, seconded by Mike Land, to excuse the absence of Mary M. Dennis, Randy Criswell, and Holly Gray. Motion carried with unanimous approval.

2. Consideration of Minutes of October 25, 2024 Board Meeting (Tab 2)

MOTION by Austin Bleess, seconded by Kimberly Meismer, to approve the Minutes of the October 25, 2024, Board Meeting. Motion carried with unanimous approval.

3. Consideration of Minutes of November 12, 2024 Virtual Board Meeting at the Texas Municipal Center (Tab 3)

MOTION by Rickey Childers, seconded by Opal Mauldin-Jones, to approve the Minutes of November 12, 2024 Virtual Board Meeting at the Texas Municipal Center. 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. 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.

5. Finance & Information Technology Committee Items

a. Consideration of Minutes of October 24, 2024 Committee Meeting (Tab 4)

MOTION by Chris Coffman, seconded by John "Buzz" Fullen, to approve the October 24, 2024 Finance & Information Technology Committee minutes. Motion carried with unanimous approval.

b. Staff presentation of year-end financial results and presentation by Armanino, LLP of Financial Audit for October 1, 2023 to September 30, 2024, and Staff Response (Tab 5)

Tito Villegas presented the year-end financial results of September 30, 2024, under Tab 5. Auditors, Gretchen Leifeste and Dustin Warren, Armanino, LLP, presented the results of the financial audit for October 2023 to September 30, 2024. It was the auditor's opinion that the 2024 financial statements present fairly, in all material respects, the financial position of each major fund of the TML Risk Pool as of September 30, 2024.

MOTION by Chris Coffman, seconded by Allison Heyward, to accept the financial audit by Armanino, LLP, for the fiscal year October 1, 2023, to September 30, 2024. Motion carried with unanimous approval.

c. Review of November 30, 2024 (2-month) Financial Statements and presentation of December 31, 2024 Financial Results (Tab 6)

Mike Raigosa presented the November 30, 2024 (2-month) Financial Statements and the December 31, 2024 Financial Results under Tab 6.

d. Review of November 30, 2024 (2-month) Investment Report and presentation of December 31, 2024 Investment Results (Tab 7)

Tito Villegas provided an overview of the November 30, 2024 (2-month) Investment Report and the December 31, 2024 Investment Results set forth under Tab 12. Dan Smereck of Strategic Asset Alliance joined the meeting via video conference and presented an overview of the markets and the performance of the Pool's investments.

e. Consideration of Awarding the Depository Banking Services Agreement to Frost Bank (Tab 8)

Tito Villegas presented the staff recommendation under Tab 8 to award a depository banking services agreement to Frost Bank for a three-year period, with the option of two one-year extensions at a cost not to exceed $20,000 per year.

MOTION by Mike Land, seconded by Opal Mauldin-Jones, to authorize the Executive Director to execute an agreement for depository banking services with Frost Bank for a three-year period commencing on June 1, 2025, with the option of two one-year extensions at a cost not to exceed $20,000 per year. Motion carried with unanimous approval.

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

Atul Poladia presented the report from the Office of Project Management an Analytics, including the staff recommendation to update the Business Application & IT Road Map as set forth under Tab 9.

MOTION by Allison Heyward, seconded by Chris Coffman, to adopt the proposed updated Business Application & IT Roadmap set forth in the report under Tab 9. Motion carried with unanimous approval.

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

The Information Technology Report on Hardware and 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. Risk Services Report including Annual Review of Membership Activity (Tab 11)

Aaron Hardiman presented the Risk Services Report including the annual review of Membership Activity under Tab 11.

b. Consideration of Expansion of the Cyber Grant Program to include CyberCube Services (Tab 12)

Aaron Hardiman and Ryan Burns presented the staff recommendation to provide CyberCube services to all Pool members participating in cyber coverage fund and the Risk Placement Services program. CyberCube is a modeling tool that transforms cyber risk into clear, actionable strategies and translates it into financial impacts. CyberCube will enhance the Pool's ability to analyze and manage the cyber risk of its members more efficiently and effectively. Risk Placement Services has agreed to contribute $35,000. The Pool's portion will be $85,000 which is available in the Pool's Cyber Grant Program.

MOTION by Mike Land, seconded by Harlan Jefferson, to approve expanding the Cyber Grant Program for 24/25 Fund Year to include the proposed CyberCube program set forth in Tab 12 with allocated funds from the current program (with no additional operational budget funding needed), and authorize the Executive Director to enter into an agreement with CyberCube to provide these services on behalf of the Pool and the Membership. Motion carried with unanimous approval.

c. 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.

d. 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.

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

David Nix presented the Workers' Compensation Claims Report under Tab 15 on trends concerning workers' compensation claims.

f. 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.

g. 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 10:01 AM.

Chair Bert Lumbreras reconvened the meeting at 10:12 AM.

7. Executive Committee Items

a. Consider items from Planning Session on January 30, 2025

1) Consider Board Governance Matters, including the Pool Mission Statement, Pool Guiding Objectives and Pool Core Values

MOTION by Allison Heyward, seconded by Kim Meismer, to approve the following Pool Mission Statement with the changes indicated:

Mission Statement

The Mission of the Texas Municipal League Intergovernmental Risk Pool is to ~~offer and provide~~ facilitate and empower a partnership amongst Texas municipalities (and other eligible local governments) by providing ~~with~~ a stable and economical source of risk financing and loss prevention services.

Motion carried with unanimous approval.

2) Consideration of the Pool's Membership Philosophy

MOTION by Mike Land, seconded by Rickey Childers, to approve the following Pool Membership Philosophy ("Partnership Philosophy") with the changes indicated:

Partnership Philosophy

- The Pool operates as a partnership among its Members, rooted in **Shared Purpose** – a collective commitment to providing stability, security, and financial protection for municipalities and municipal interests. Membership in the Pool is not merely transactional; it is a collaborative relationship founded on mutual trust, resource pooling, and the shared goal of safeguarding public services,
- Through **Collective Resilience**, Members enhance their capacity to manage risks and recover from setbacks, ensuring the continuity of vital services for the communities they serve, Each Member has an obligation to act responsibly and in alignment with the Pool's Mission, contributing to the partnership's overall strength and effectiveness.
- Recognizing the principles of **Equitable Responsibility**, the Pool ensures that the contributions, benefits, and costs are shared ~~fairly~~ equitably among Members, Governance, eligibility criteria, and rating adjustments (including rates, deductibles, and limits) are applied thoughtfully to address exposures or actions that do not align with the Pool's standards or the spirit of partnership, maintaining fairness and accountability.

- Finally, the Pool is committed to **Long-Term Sustainability**. By adapting to evolving risks and maintaining financial stability, the Pool ensures enduring value and support for its Members, securing the ability to serve municipal interests effectively over time.

Motion carried with unanimous approval.

3) Consideration of the Pool's Property Coverage Offering to Current and New Pool Members.

   This agenda item was not taken up by the Board.

4) Consideration of the Future of the Texas Municipal Center and its relocation, including a governance framework, a timeframe and a budget (including a capital budget amendment) for the site selection phase

   This agenda item was not taken up by the Board.

5) Consider the Preliminary Results of the Pool's Compensation and Classification Plan Study and the Board's Compensation Philosophies

   This agenda item was not taken up by the Board.

6) Consider any Additional thoughts on Planning Session Topics and Future Planning Session Topics

   This agenda item was not taken up by the Board.

b. Consideration of hiring a Real Estate Broker to Assist the Pool in identifying a future location for the Texas Municipal Center (Tab 18)

Jeff Thompson and John Duke, CPM Texas, presented the staff recommendation for the selection of a commercial real estate broker to assist in locating and providing advice on a new site for the Texas Municipal Center. Based on qualifications and interviews with potential brokerage firms, staff and CPM Texas recommend Southwest Strategies Group to the Board.

MOTION by John "Buzz" Fullen, seconded by Allison Heyward, to authorize the Executive Director to execute a contract with Southwest Strategies Group for the site selection phase of the Texas Municipal Center project, based on the terms indicated under Tab 18. Motion carried with unanimous approval.

c. Consideration of hiring a Civil Engineer for the Site Assessment Services for a future location for the Texas Municipal Center (Tab 19)

Jeff Thompson and John Duke, CPM Texas, presented the staff recommendation for the selection of a civil engineer to assist in the site assessment of a future location for the Texas Municipal Center by evaluating the land's suitability for construction, identifying potential issues like unstable soil or drainage problems, and ensuring compliance with zoning laws and other regulations. Based on qualifications and experience, staff and CPM Texas recommend GarzaEMC, LLC, for the site assessment portion of the Texas Municipal Center project.

MOTION by Chris Coffman, seconded by Austin Bleess, to authorize the Executive Director to execute a contract with GarzaEMC, LLC, for the site assessment portion of the Texas Municipal Center project (Phase III) based on the terms outline under Tab 19. Motion carried with unanimous approval.

d. People Operations Report Identifying Activities & Initiatives (Tab 20)

The People Operations Report under Tab 20 identifying activities and initiatives was submitted for the Board's review without an oral presentation.

e. Review of the Pool's Communication Efforts and Initiatives in 2024 (Tab 21)

The Report under Tab 21 reviewing the Pool's Communication Efforts and Initiatives in 2024 was submitted for the Board's review without an oral presentation.

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

Allison Heyward, President of the Texas Municipal League Board of Directors, reported that the Texas Legislative Session had begun and bill filings were already at a record pace at 40% more than this time last Legislative Session. TML held a legislative webinar on January 15 and almost 300 city officials watched the webinar, which is a record and indicates city officials are engaging in the legislative session. Allison Heyward is appointing a special committee to help counter the bills filed on community advocacy (prohibiting taxpayer funded lobbying) and a few other legislative matters. Bills have already been filed on most bills that are a priority for TML to support, such as the publication of public notices and raising the threshold for competitive bidding. Lt. Governor Patrick has issued 25 of his 40 legislative priorities. Among them are requiring local law enforcement to assist with immigration enforcement, removing barriers to affordable housing, and prohibiting taxpayer funded lobbying. The governor will most likely issue his emergency measures later this week. The TML Board will meet on February 28 to hear an update on the legislative session and make any necessary modifications to positions on legislation. There will be some turnover of employees at TML. The Director of Legal Services is retiring, and no one has been named as a replacement. TML Deputy Director, Joe Foster is retiring effective February 28 after 35 years at TML. Thomas Lype has been named as his replacement.

Harlan Jefferson, Ex-officio Board Member to 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.

9. General Counsel's Report on Legislative Activities (Tab 22)

David Reagan presented the report under Tab 22 along with an update on legislative activities since the Legislature convened on January 14. This included a report on the House Speaker election, the adoption of House Rules, Senate Committee assignments, and a couple of bills of significance to the Pool.

Chair Bert Lumbreras announced it was 10:35 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.

10. 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.

Chair Bert Lumbreras reconvened the meeting of the Board of Trustees in open session at 11:35 AM.

Jeff Thompson announced that the Loss Prevention Department has a pilot program with the Meadows Institute for the remaining fiscal year for $30,000 to provide mental health support to law enforcement personnel in an anonymous manner.

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

a. Select a location for the January 28-29, 2027 Board Meeting

Recommended: Jersey Village (Area), TX

MOTION by Austin Bleess, seconded by Mike Land, to approve Jersey Village (Area), TX, as the location for a Board Meeting to be held January 28-29, 2027. Motion carried with unanimous approval.

b. Select a location for the April 22-23, 2027 Board Meeting

Recommended: Brownwood, TX

MOTION by Austin Bleess, seconded by Mike Land, to approve Brownwood, TX, as the location for Board Meeting to be held April 22-23, 2027. Motion carried with unanimous approval.

c. Next Board Meeting: April 24-25, 2025
Lake Granbury Conference Center and Hilton Garden Inn
Granbury, TX

12. Adjournment

Chair Bert Lumbreras adjourned the meeting of the Texas Municipal League Intergovernmental Risk Pool Board of Trustees at 11:35 AM

Approved by the Board of Trustees on
April 24, 2025

David W. Reagan, Board Secretary