

**TEXAS MUNICIPAL LEAGUE  
INTERGOVERNMENTAL RISK POOL  
Board of Trustees Meeting**

**Via Zoom Teleconference Software**

**Recorded Meeting Video May Be Viewed at**

<https://www.tmlirp.org/who-we-are/your-board-members/board-meetings-and-agenda/#video>

**January 29, 2021 (8:00 A.M.)**

**Trustees Present**

Randy Criswell, Chair  
Mary Dennis, Vice Chair  
Robert T. Herrera  
J.W. "Buzz" Fullen  
Jeffrey Snyder  
Robert S. Hauck  
Leo Montalvo  
Mary Gauer  
Larry Melton  
Andres Garza, Jr.  
Carol Loughlin  
Bert Lumbreras  
Byron Black  
David Harris  
Rickey Childers  
Henry Wilson  
Bennett Sandlin

**Staff Present**

Jeff Thompson  
David Reagan  
Susie Green  
Tito Villegas  
Atul Poladia  
Mike Rains  
Mike Bratcher  
David Nix  
Mike Raigosa  
Bo Joseph  
Lindsey Fields  
Irvin Janak  
Allan Romer  
Tamara Chafin  
Paula Marr-Ludwig  
Kim Williams  
Julie Nguyen  
Tim Salzman  
Phil English  
Joshua Haley

**Staff Present (cont.)**

Brittani Miller  
Aaron Hardiman  
James Vinson  
Wendy Standorf  
Victoria Fisher  
Gil Lee  
Gary McAuliffe  
Kathy Westbrook  
Jeff Trinker  
Jon Norwood  
Ryan Seater  
Chris Remmert  
Patti Ledesma  
Debbie Sherwood

**Others Present**

Dan Smereck, Strategic Asset Alliance  
Carrie Rice, Johnson Lambert & Co.  
Amy Strachan, Johnson Lambert & Co.  
Scott Houston

At 8:00 a.m., the meeting of the Board of Trustees of the Texas Municipal League Intergovernmental Risk Pool began with Jeff Thompson, Executive Director, making the following statement:

In an effort to mitigate the spread of COVID-19 by avoiding meetings that bring people in a group setting and in accordance with the Texas Governor's Declaration of Disaster enacted on March 13, 2020, and subsequently renewed monthly, members of the Texas Municipal League Intergovernmental Risk Pool are participating remotely in compliance with the Texas Open Meetings Act, as temporarily modified by Governor Abbott. Members of the public may participate by joining via Zoom by registering at the web address provided on the agenda posted at the TMLIRP website at [www.tmlirp.org](http://www.tmlirp.org) and at the Secretary of State's office. Once registered, instructions on how to access the meeting using Zoom or telephonically, and how to make public comment are sent to the registrant either by email or phone call.

I'm Jeff Thompson. I will be your host of the TMLIRP Board Meeting on this 29<sup>th</sup> of January, 2021. Zoom teleconferencing software is being utilized for this electronic meeting. All members of the Board have the ability to communicate during this meeting through this platform and the public has access to listen. Please remember that it is the requirement of the Texas Open Meetings Act that in order to lawfully participate in the teleconference, your camera must be engaged at all times, even if you step away from your computer. Board members are to refrain from using the chat function within Zoom unless they are experiencing technical difficulties and it is necessary to send a message to the I.T. Staff or if they need to indicate that they would like to make a comment or ask a question, they can then signify their intent to the Board Chairman. Any messages sent via chat will be recorded. All votes taken during this meeting will be done by a show of hands with a roll call vote to be taken, if necessary. Should the meeting be interrupted by technical difficulties, it will be restarted as soon as those technical difficulties are resolved and you are encouraged to check your email if the meeting is interrupted.

Chair Criswell called the meeting of the Texas Municipal League Intergovernmental Risk Pool to order at 8:03 a.m. on Friday, January 29, 2021.

Chair Criswell acknowledged John 'Buzz' Fullen, informing the Board that yesterday was Mr. Fullen's birthday and wishing him happy birthday.

1. Roll call and excused absences (Tab 1)<sup>1</sup>

Jeff Thompson reported the absence of Michael Smith and the reasons he asked his absence be excused.

MOTION by Robert Herrera, seconded by Byron Black, to excuse the absence of Michael Smith. Motion carried with unanimous approval.

2. Consideration of Minutes of October 23-24, 2020 and November 10, 2020 Virtual Board Meetings (Tab 2)

MOTION by Bert Lumbreras, seconded by Larry Melton, to approve the October 23-24, 2020 and November 10, 2020, Board of Trustees Minutes. Motion carried with unanimous approval.

3. Public Comment on Agenda Items

David Reagan advised the public how to make a public comment. No comments were made. Chair Randy Criswell closed the meeting to public comments.

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<sup>1</sup> All references to "Tabs" in these minutes are references to the Tabs in the Board of Trustee Agenda packet.

4. Finance & Information Technology Committee

a. Consideration of minutes of October 23, 2020 committee meeting (Tab 3)

Robert Herrera reported the October 23, 2020 Finance & Information Technology Committee minutes set forth under Tab 3 were approved at the Finance & Information Technology Committee meeting on January 28, 2021.

b. Staff presentation of year-end financial results and presentation by Johnson Lambert & Company, LLP of Financial Audit for October 1, 2019 to September 30, 2020, and Staff Response (Tab 4)

Tito Villegas presented an overview of the highlights and year-end financial results for 2019-20 as set forth under Tab 4.

Carrie Rice and Amy Strachan of Johnson Lambert & Company presented the results of the financial audit for the fiscal year of October 1, 2019 to September 30, 2020. Ms. Strachan stated that clean opinions were issued over each of the Fund's financial statements. Clean opinions were also issued over required supplementary information.

No staff response was necessary.

MOTION by Robert Herrera on behalf of the Finance and Information Technology Committee, seconded by David Harris, to accept the financial audit for the fiscal year of October 1, 2019 to September 30, 2020, conducted by Johnson Lambert & Company, LLP. Motion carried with unanimous approval.

c. Report on November 30, 2020 (2-month) Financial Statements and presentation of December 31, 2020 Financial Statements (Tab 5)

Tito Villegas presented the November 30, 2020 (2-month) and December 31, 2020 financial statements as set forth under Tab 5, indicating the position of the Pool is strong and contributions remain steady.

d. Report on November 30, 2020 (2-month) Investment Results and presentation of December 31, 2020 Investment Results (Tab 6)

Tito Villegas provided an overview of the November 30, 2020 (2-month) and December 31, 2020 investment results as set forth under Tab 6. Mr. Villegas indicated the Pool's investment portfolio is at \$848 million with a total rate of return of 6.5%.

Dan Smereck of Strategic Asset Alliance presented an overview of the markets and performance of the Pool's investments during the COVID-19 pandemic.

e. Report on Internal Controls Review Conducted by Holtzman Partners, LLC (Tab 7)

Tito Villegas reported that after a segregation of duties analysis related to the Pool's internal controls conducted by Holtzman Partners, LLC, set forth under Tab 7, no material weaknesses were found in the segregation of duties.

f. Update on Request for Proposals for Financial Auditing Services and Investment Custodial Services (Tab 8)

Tito Villegas indicated that Requests for Proposal for Financial Auditing Services and Investment Custodial Services, set forth under Tab 8, will be issued on Monday, February 1, 2021. Recommendations will be brought before the Board during the April 24, 2021 Board meeting.

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

Lindsey Fields presented an updated Business Application and Information Technology Road Map, set forth under Tab 9.

MOTION by Robert Herrera on behalf of the Finance & Information Technology Committee, seconded by Rickey Childers, to adopt the updated Business Application & IT Road Map proposed by Staff, as indicated in the graphic on the first page of the Report from Office of Project Management and Analytics, set forth under Tab 9. Motion carried with unanimous approval.

h. Information Technology Report (Tab 10)

The Information Technology Report under Tab 10 was submitted for the Board's review without an oral presentation.

5. Underwriting and Claims Committee

a. Consideration of minutes of October 23, 2020 committee meeting (Tab 11)

Chair David Harris reported the October 23, 2020 Underwriting and Claims Committee minutes set forth under Tab 11 were approved at the Underwriting and Claims Committee meeting on January 28, 2021.

b. Member Services Report on Membership Activity including Annual Review of Membership Activity (Tab 12)

Aaron Hardiman. presented the Member Services Report on Membership Activity including review of Annual Membership Activity, set forth under Tab 12. Mr. Hardiman stated there was significantly less bidding activity related to municipalities this year. Only four municipal members went out to bid this year. He further indicated that the Pool has started receiving inquiries from large municipal entities related to Property and Workers' Compensation. The external markets appear to be transitioning in response to the Presumption Statute and no longer desire to enter into the municipal market, specifically the firefighter presumption class codes. In addition, the commercial insurance market for property coverage has hardened considerably. Mr. Hardiman believes more public entities and cities not presently members of the Pool will reach out to the Pool over the next year.

- c. Liability and Property Claims Report on trends concerning liability claims and property claims (Tab 13)

The Liability and Property Claims Report on trends concerning liability claims and property claims under Tab 13 was submitted for the Board's review without an oral presentation.

- d. Workers' Compensation Claims Report on trends concerning workers' compensation claims (Tab 14)

Jeff Thompson indicated the focus of the upcoming Workers' Compensation Claims Report was the impact of COVID-19 claims, describing it as Workers' Compensation's version of a hurricane, albeit a very slow-moving hurricane compared to what Property experiences, including pay-out patterns.

Mike Bratcher presented the Workers' Compensation Claims Report, set forth under Tab 14, reiterating the Pool's decision made early during the pandemic to treat the claims of first responders as presumption claims because of the respiratory nature of the illness.

Mike Raigosa presented an overview of the data analysis, emphasizing the fluidity of the numbers. It was anticipated there would be a reduction of non-COVID-19-related claims as people quarantined at home. Unanticipated in the COVID-19 claims, however, were the cost drivers and the frequency of the smaller claims. Over the last three months, for every one less non COVID-19 claim, the Pool has received four COVID-19 claims. For every \$1 decrease in non-COVID-19-related losses, the Pool incurred approximately \$2.5 in COVID-19 losses.

Mr. Thompson indicated there will be policy questions that will be brought before the Board at April's Board meeting regarding how we rate and price for the impact of COVID-19 claims. Lindsey Fields indicated data is being gathered to be submitted to the actuary for the actuarial rate study in order to see the impact of COVID-19 claims on Workers' Compensation for the rating analysis.

- e. Report from Office of Project Management and Analytics, including Consideration of updated Business Application and IT Road Map (Tab 9) Finance and IT to Report

See Item 4.g. under Finance and Information Technology Committee, above.

- f. Underwriting Report on underwriting results, loss ratios, including the Quarterly Report by Victor O. Schinnerer & Company, Inc. regarding revenues received and contract activities (Tab 15)

The Underwriting Report on underwriting results, loss ratios, and the Quarterly Report by Victor O. Schinnerer & Company, Inc. regarding revenues received and contract activities under Tab 15 was submitted for the Board's review without an oral presentation.

- g. Loss Prevention Report on member surveys, training, and property valuations conducted (Tab 16)

The Loss Prevention Report on member surveys, training, and property valuations under Tab 16 was submitted for the Board's review without an oral presentation.

- h. Subrogation Performance Report (Tab 17)

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

Chair Randy Criswell recessed the meeting for a 10-minute break at 10:11 A.M.

Chair Randy Criswell reconvened the meeting and announced it was 10:20 A.M.

## 6. Executive Committee

- a. Human Resources Report identifying employment changes (Tab 18)

The Human Resources Report identifying employment changes under Tab 18 was submitted for the Board's review without an oral presentation.

- b. Communications Office Report on communication efforts and initiatives during the last quarter (Tab 19)

The Communications Office Report on communication efforts and initiatives during the last quarter under Tab 19 was submitted for the Board's review without an oral presentation.

## 7. Comments by ex officio Members from and to TML and Employee Benefits Boards

Henry Wilson, ex-officio Board member from the Texas Municipal League, reported that bills have been filed in both the House and Senate to make permanent the Open Meetings Act exemptions for online public hearings. There also appears to be a desire in the House and Senate to improve the quality of broadband internet service to help students. The number of cities enrolled as members of TML is at an all-time high of 1,163. Due to the necessity of the Legislature meeting virtually, they seem focused on the pandemic and school financing. He is hopeful the TML annual conference will be held in-person in Houston in October.

Mary Dennis stated she is hopeful the focus of this legislative session will not be on cities and TML will continue to work on the taxpayer-funded lobbyist.

J.W. 'Buzz' Fullen, ex-officio Board member to the TML Health Benefits Pool, stated the Health Pool is healthy, cash reserves are where they need to be, and it has funded the things necessary to the Health Pool. The Health Pool is also hopeful their next Board meeting will be in person.

8. General Counsel's Report

a. General Counsel's Report on Legislative Activities (Tab 20)

David Reagan presented the General Counsel's Report on Legislative Activities, set forth under Tab 20. He advised that the Legislature will mainly be in recess through the month of February, 2021. Mr. Reagan detailed the election results and explained the House and Senate COVID-19-related rules of protocol adopted. It is projected that it will be very difficult to get many bills passed this session because of the pandemic. Members have been informed to pick their two top priority bills.

9. Consideration of Resolution in Recognition and Appreciation of Distinguished Service by Andres Garza, Jr. (Tab 21)

Jeff Thompson presented the Resolution in Recognition and Appreciation of Distinguished Service by Andres Garza, Jr., set forth under tab 21.

Andres Garza, Jr. thanked the Board for the Resolution. He has watched the transformation and growth of the organization, making it great for the cities of the State of Texas. He wishes continued success for the Board in the future.

Robert Herrera indicated he truly enjoyed working with Mr. Garza. He also thoroughly enjoyed playing golf with him and beating him on a regular basis.

Bert Lumbreras thanked Mr. Garza for being a mentor and a good friend over the years, for being such a dedicated public servant over the years and wishing him all the best.

Randy Criswell complimented Mr. Garza for his wisdom and knowledge of the Board, indicating it has been an honor to serve with him. In addition, Mr. Criswell looks forward to when we can honor Mr. Garza in person.

Byron Black thanked Mr. Garza for his support on updating the Pool's I.T. Department and software.

MOTION by Chair Randy Criswell on behalf of the Executive Committee, seconded by Larry Melton, to approve the Resolution in Recognition and Appreciation of Distinguished Service by Andres Garza, Jr., as set forth under Tab 21. Motion carried with unanimous approval.

Chair Randy Criswell then read aloud the text of the Resolution, set forth under Tab 21.

Jeff Thompson announced that along with the framed Resolution, Mr. Garza will be presented with a vase, which is presented to all outgoing Board Members.

Chair Randy Criswell announced it was 10:57 A.M. 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, a personnel matter under Agenda item 10.e. under Texas Government Code, Section 551.074, and network security under Agenda item 10.d. under Texas Government Code, Section 551.089.

#### 10. Executive Session

- a. Workers' Compensation Claims Report including selected (1) fatality claims, (2) large exposure claims, (3) presumption claims, (4) new claims that have reserves exceeding \$150,000, and (5) complaints from the Texas Department of Insurance, Division of Workers' Compensation, of possible administrative violations (Addendum – Tab A)

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 (Addendum - Tab B)

This item was discussed in Executive Session.

- c. Status of lawsuits in which the Pool is a Party (Addendum - Tab C)

This item was discussed in Executive Session.

- d. Update on Cyber Security and Defense Program for the Pool (Addendum – Tab D)

This item was discussed in Executive Session.

- e. Discuss the retirement of the General Counsel (Addendum – Tab E)

This item was discussed in Executive Session.

Chair Randy Criswell reconvened the open session of the Board of Trustees at 12:29 P.M. There were no actions to be taken on the items discussed in Executive Session.

#### 11. Meeting Schedule and Board Continuing Education (Tab 22)

- a. Select a location for the January 26-27, 2023 Meeting

Recommended: San Marcos, TX

MOTION by Chair Randy Criswell on behalf of the Executive Committee, seconded by Andres Garza, Jr., to approve the meeting dates and locations as set forth under Tab 22 and to hold the Board meeting of January 26-27, 2023 in San Marcos, Texas. Motion carried with unanimous approval.

Jeff Thompson indicated the continuing education posted in the back of the Board packet is out of date. Both AGRiP and NLC-RISC will be held virtually and we will keep you posted.

Chair Randy Criswell relayed that at this time, the April Board meeting will be held virtually. However, at the April Board meeting, he would like to discuss the possibility of an in-person or some type of hybrid meeting at the July Board meeting. He invited the Board Members to communicate their thoughts to him about this.



b. Next Board Meeting:

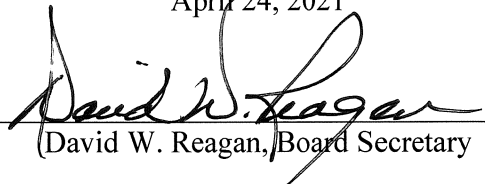
April 23-24, 2021  
San Luis Resort & Conference Center  
Galveston, TX

12. Adjournment

Chair Randy Criswell adjourned the meeting of the Texas Municipal League Intergovernmental Risk Pool at 12:33 P.M.

Approved by the Board of Trustees on

April 24, 2021

  
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(David W. Reagan, Board Secretary)