

**TEXAS MUNICIPAL LEAGUE
INTERGOVERNMENTAL RISK POOL
Finance and Information Technology Committee 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>

April 23, 2021 (12:00 P.M.)

Committee Members Present

Robert Herrera, Chair
Bert Lumbreras
Byron Black
Mary Gauer
Jeffrey Snyder
Henry Wilson

Other Members Present

Randy Criswell
Mary Dennis
Carol Loughlin
David Harris

Staff Present

Jeff Thompson
David Reagan
Tito Villegas
Atul Poladia
Susie Green
Kim Williams
Julie Nguyen
Mike Raigosa
Gil Lee
Bo Joseph
Wendy Standorf
Lindsey Fields

Staff Present (continued)

Kathy Westbrook
Tamara Chafin
Timothy Salzman
Latasha Partlow
Brittani Miller
Victoria Fisher
Patti Ledesma
Debbie Sherwood

Others Present

Dan Smereck, Strategic Asset Alliance
Jordan He, PricewaterhouseCoopers LLP

At 12:20 P.M., on Friday, April 23, 2021, Tito Villegas, CFO and CIO of the Texas Municipal League Intergovernmental Risk Pool made the following statement on behalf of the Finance and Information Technology Committee:

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 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 Tito Villegas and I will be the host of the TMLIRP Finance and Information Technology Committee Meeting on this 23rd day of April, 2021. Zoom teleconferencing software is being utilized for this electronic meeting. All members of the Committee have the ability to communicate during this meeting through the platform and the public has access to listen. Committee members should remember that it is the requirement of the Texas Open Meetings Act that in order to lawfully participate in the teleconference, their cameras must be engaged at all times, even if they step away from their computer. Committee 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 otherwise signify their intent to the Committee Chair. Any messages sent via chat will be recorded.

Any Board member who is attending the Committee meeting, but is not a member of the Committee, is respectfully requested to turn their camera off so that Committee members can be easily identified for all participants. If a Board member who is NOT a Committee member would like to speak, they should turn their camera on and indicate their desire to speak by either raising their hand virtually, raising their actual hand, or simply speaking up.

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 technical difficulties are resolved and you are encouraged to check your email if the meeting is interrupted.

Committee Chair Robert Herrera called the meeting of the Finance and Information Technology Committee of the Texas Municipal League Intergovernmental Risk Pool to order at 12:21 P.M. on Friday, April 23, 2021.

Committee Chair Herrera asked if there was an objection to taking up the agenda items first that require action by the Committee. There were no objections.

Consideration of minutes of January 28, 2021 committee meeting (Tab 4)¹

MOTION by Byron Black, seconded by Bert Lumbreras, to approve the January 28, 2021 committee minutes.

Motion carried with unanimous approval.

Presentation of Report from PricewaterhouseCoopers LLP on Target Equity Funding Levels on a Pool-Wide (Combined) and Operating Fund Basis, and Consideration of Target Equity Range for Combined Funds, Minimum Funding Levels for Operating Funds, and Member Equity Distribution (Tab 7)

Jordan He of PricewaterhouseCoopers LLP presented a summary of the PricewaterhouseCoopers LLP report on target equity levels under Tab 7. Tito Villegas provided an overview of the target equity range for combined funds, minimum funding levels for operating funds, and member equity distribution.

MOTION by Jeffrey Snyder, seconded by Bert Lumbreras, to recommend to the Board the following:

1. Adopt the updated Combined Target Equity Range of \$326 million to \$473 million.

¹ All references to “Tabs” in these minutes are references to the Tabs in the Board of Trustees Agenda packet.

2. Adopt the updated minimum funding levels for the operating funds, as indicated in the PricewaterhouseCoopers report under Tab 7.
3. Authorize no equity distribution to members based on the Members' Equity Distribution Policy and the significant losses incurred due to the COVID-19 pandemic and 2021 winter storm.
4. Review the (1) Target Equity Policy and (2) Member Equity Distribution Policy at the February 2022 Board Planning Session.

Motion carried with unanimous approval.

Consideration of Awarding Financial Auditing Services Agreement (Tab 8)

Tito Villegas presented results of the request of proposals for financial auditing services under Tab 8.

MOTION by Byron Black, seconded by Bert Lumbreras, to recommend to the Board the Executive Director be authorized to execute an agreement for financial auditing services with Holtzman Partners LLP for a three-year period with the option of two additional one-year periods at costs of \$118,000, \$120,000, and \$122,000 for fiscal years 2020-21, 2021-22, and 2022-23, respectively.

Motion carried with unanimous approval.

Consideration of Awarding Investment Master Custody Agreement (Tab 9)

Tito Villegas presented results of the request of proposals for investment master custody services under Tab 9.

MOTION by Mary Gauer, seconded by Bert Lumbreras, to recommend to the Board the Executive Director be authorized to execute an agreement for master custody services with Wells Fargo Institutional Retirement and Trust for a three-year period commencing July 1, 2021 with the option of two additional years at an estimated cost of \$85,630 per year.

Motion carried with unanimous approval.

Report on February 28, 2021 (5-month) Financial Statements and presentation of March 31, 2021 Financial Statements (Tab 5)

Tito Villegas presented the financial statements for the 5-month period ending on February 28, 2021 under Tab 5 and presented the March 31, 2021 Financial Statements.

Report of February 28, 2021 (5-month) Investment Results and presentation of March 31, 2021 Investment Results (Tab 6)

Tito Villegas presented the investment results as of February 28, 2021 under Tab 6 and Tito Villegas and Dan Smereck gave an overview of the market and the Pool's investment results as of March 31, 2021.

Report from Office of Project Management and Analytics, including report on Progress for Business Application and IT Road Map (Tab 10)

Tim Salzman and Atul Poladia presented the report from Office of Project Management and Analytics, including report on progress for Business Application and IT Road Map under Tab 10 and Claim Center / Contact Manager upgrade.

Information Technology Report (Tab 11)

Atul Poladia presented the information technology report under Tab 11.

Robert Herrera adjourned the meeting at 1:43 p.m. on April 23, 2021.

Approved by the Finance and Information
Technology Committee
on July 22, 2021



Tito P. Villegas Jr., CPA, CFA
Chief Financial Officer & CIO