

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

**Hilton Garden Inn San Antonio  
Live Oak Conference Center – Ballroom A  
8101 Pat Booker Road  
Live Oak, Texas 78233**

**October 20, 2022**

**Committee Trustees Present**

Byron Black  
Chris Coffman

**Staff Present**

Tito Villegas  
Atul Poladia  
Mike Raigosa  
Gil Lee

**Others Present**

Dan Smereck,  
Strategic Asset Alliance  
*(Via Video Conference)*

Byron Black called to order the Finance and Information Technology Committee of the Texas Municipal League Intergovernmental Risk Pool at 2:06 p.m. on Thursday, October 20, 2022.

**Election of Committee Chair of the Finance and Information Technology Committee**

MOTION by Byron Black, seconded by Chris Coffman, to nominate Jeffrey Snyder as Committee Chair of the Finance and Information Technology Committee. Motion carried with unanimous approval.

**Consideration of Minutes of July 28, 2022 Finance and Information Technology Committee Meeting (Tab 6)**

MOTION by Byron Black, seconded by Chris Coffman, to approve the July 28, 2022, Finance and Information Technology Committee Minutes. Motion carried with unanimous approval.

**Report on August 31, 2022 (11-month) Financial Statements and Presentation of Preliminary Year-End (September 30, 2022) Financial Projections (Tab 7)**

Tito Villegas presented the financial statements for the 11-month period ending on August 31, 2022 as set forth under Tab 7 and an overview of the Pool's preliminary year-end (September 30, 2022) financial projections.

**Report on August 31, 2022 (11-month) Investment Report and Presentation of September 30, 2022 Investment Results (Tab 8)**

Tito Villegas presented the investment report for the 11-month period ending on August 31, 2022 as set forth under Tab 8 and Tito Villegas and Dan Smereck (via video conference) gave an overview of the market and the Pool's investment results as of September 30, 2022.

Annual Review of the Pool's Investment Policy and Proposed Broker List, and Consideration of adopting the Policy with amendments (Tab 9)

Tito Villegas presented the annual review of the Pool's investment policy and recommendation for approving the attached resolution readopting the investment policy with amendments and authorizing the list of brokers as set forth under Tab 9.

MOTION by Byron Black, seconded by Chris Coffman, to recommend that the Board approve the attached resolution readopting the Pool's investment policy with amendments and authorizing the list of brokers presented in Appendix C of the Investment Policy. Motion carried with unanimous approval.

Consideration of Three-Year Agreement with Strategic Asset Alliance (SAA) for Investment Advisory Services (Tab 10)

Tito Villegas presented the recommendation to authorize the Executive Director to enter into a three-year agreement with Strategic Asset Alliance as set forth under Tab 10.

MOTION by Byron Black, seconded by Chris Coffman, to recommend that the Board authorize the Executive Director to enter into a three-year agreement with Strategic Asset Alliance for investment advisory services effective February 1, 2023 at an annual fee of \$53,900 plus travel expenses including an annual service cost inflation increase of 4.0%. Motion carried with unanimous approval.

Consideration of Updating the Unallocated Loss Adjustment Expense (ULAE) Reserve (Tab 11)

Tito Villegas presented the recommendation to update the Unallocated Loss Adjustment Expense (ULAE) Reserve as set forth under Tab 11.

MOTION by Byron Black, seconded by Chris Coffman, to recommend that the Board:

- Establish a target ULAE reserve of \$19.1 million and authorize the funding of this amount through Members' Equity transfers to be scheduled over three years. For the first year, the equity transfers from the Workers' Compensation, Liability and Property Funds will be \$1,500,000, \$1,400,000, and \$400,000, respectively. Subsequently, for the next two years, the annual transfer amounts will be \$1,450,000, \$1,350,000, and \$350,000, respectively.
- Conduct the ULAE reserve analysis on an annual basis based on the results of the preceding fiscal year end. The annual change in the reserve will be recognized in the Stability Fund and the related equity transfers from (to) the operating funds will be in addition (reduction) to the funding schedule established for the target ULAE of \$19.1 million.
- Finally, at the end of each fiscal year during the two remaining funding years, Members' Equity shall be restricted for the remaining funding balance.

Motion carried with unanimous approval.

Consideration of Implementation of Disaster Recovery as a Service (DRaaS) for the Data Center (Tab 12)

Atul Poladia presented the recommendation for the implementation of Disaster Recovery as a Service (DRaaS) for the Data Center as set forth under Tab 12.

MOTION by Byron Black, seconded by Chris Coffman, to recommend that the Board authorize the Executive Director to:

1. Enter into a three-year agreement with a TX-DIR approved vendor to provide DRaaS subscription service and extend internet connectivity between the current data center and new DRaaS site to provide continuous replication for a monthly fee of \$15,000/month, with a \$3,000/day fee when the pool utilizes DRaaS environment during disaster or fire drill event;
2. Amend the Pool's 2022-23 operational budget to add \$213,000 to support the DRaaS project;
3. Include fees for DRaaS service as part of the Annual Budget process for board consideration.

Motion carried with unanimous approval.

Report from Office of Project Management and Analytics, including report on Progress for Business Application and IT Road Map (Tab 13)

Atul Poladia provided an update of Pool initiatives managed by the Office of Project Management and Analytics including the progress of the Business Application and IT Road Map as set forth under Tab 13.

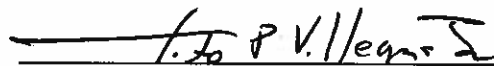
Information Technology Report (Tab 14)

Atul Poladia presented the Information Technology Report as set forth under Tab 14.

MOTION by Byron Black, seconded by Chris Coffman, to adjourn. Motion carried with unanimous approval.

Byron Black adjourned the meeting at 3:45 p.m. on October 20, 2022.

Approved by the  
Finance and Information Technology Committee  
on April 27, 2023

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