

**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>

October 23, 2020 (1:00 P.M.)

Committee Members Present

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

Other Members Present

Randy Criswell

Staff Present

Jeff Thompson
David Reagan
Susie Green
Tito Villegas
Atul Poladia
Cindy Arce
Kolby Burkhardt
Lindsey Fields
Victoria Fisher
Joshua Haley
Irvin Janak
Paula Marr
Gary McAuliffe

Staff Present (continued)

Julie Nguyen
Jennifer O'Sullivan
Latasha Partlow
Mike Raigosa
Mike Rains
Tim Salzman
Ryan Seater
Debbie Sherwood
Kim Williams

Others Present

Dan Smereck, Strategic Asset Alliance

At 1:00 P.M., the meeting of the Board of Trustees of the Texas Municipal League Intergovernmental Risk Pool began with Tito Villegas, CFO & CIO, 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 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 October, 2020. 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. Please remember that it is the requirement of the Texas Open Meetings Act that in order to lawfully participate in the teleconference, committee member cameras must be engaged at all times, even if you step away from your 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 Chairperson. Any messages will be recorded.

Any Board Member who is attending the committee meeting, but is not a member of the committee, we respectfully request that you turn your 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, please turn your camera on and indicate your desire to speak by either raising your hand virtually, raising your 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.

At 1:03 P.M., Tito Villegas informed the Finance and Information Technology Committee of the Texas Municipal League Intergovernmental Risk Pool the first item on the agenda was to elect a Chair.

Election of Committee Chair of the Finance and Information Technology Committee

MOTION by Byron Black, seconded by Jeffrey Snyder, to elect Robert Herrera as Committee Chair of the Finance and Information Technology Committee.

Motion carried with unanimous approval.

Report on August 31, 2020 (11-month) Financial Statements and Presentation of Preliminary Year-End (September 30, 2020) Financial Statements (Tab 5)¹

Tito Villegas presented the financial statements for the 11-month period ending on August 31, 2020 under Tab 5 and gave an overview of the Pool's preliminary year-end financial projections (September 30, 2020).

Update on Fiscal 2019-20 Year-End Estimates (Tab 6) including:

1. Workers' Compensation, Liability, Property, and Reinsurance Funds Ultimate Loss Selections
2. Unallocated Loss Adjustment Expense (ULAE) Reserve
3. Discount rate for workers' compensation lifetime and death indemnity benefit claims
4. Restricted Members' Equity for the Subsequent Injury Fund's long-term obligations to the Pool

Tito Villegas presented an explanation and update of the year-end estimates.

Consideration of Updating Funding Range for the Lifetime Benefits Investment Portfolio (Tab 7)

Tito Villegas presented the update of the funding range for the Lifetime Benefits Investment Portfolio.

MOTION by Bert Lumbreras, seconded by Byron Black, to recommend that the Board approve the updated funding range for the Lifetime Benefits Investment Portfolio of \$102 million to \$140 million.

Motion carried with unanimous approval.

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

Consideration of Agreement with PricewaterhouseCoopers, LLP for a Target Equity Study for the Pool (Tab 8)

Tito Villegas presented the proposed agreement with PricewaterhouseCoopers, LLP to perform a target equity study for the Pool, set forth under Tab 8.

MOTION by Jeffrey Snyder, seconded by Bert Lumbreras, to recommend that the Board authorize the Executive Director to execute the proposed agreement under Tab 8 with PricewaterhouseCoopers, LLP for a Target Equity Study for the Pool.

Motion carried with unanimous approval.

Report of August 31, 2020 (11-month) Investment Results and Presentation of September 30, 2020 investment results (Tab 9)

Tito Villegas presented the investment results as of August 31, 2020 under Tab 9 and Tito Villegas and Dan Smereck gave an overview of the market and the Pool's investment results as of September 30, 2020.

Annual Review of the Pool's Investment Policy and Proposed Broker List and Consideration of adopting the Policy with amendments (Tab 10)

Tito Villegas presented the proposed changes to the Pool's Investment Policy including the proposed broker list.

MOTION by Mary Gauer, seconded by Jeffrey Snyder, to recommend that the Board approve the resolution under Tab 10 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 TexPool Resolution Amending Authorized Representatives (Tab 11)

Tito Villegas presented the TexPool resolution amending the Pool's authorized representatives.

MOTION by Bert Lumbreras, seconded by Mary Gauer, to recommend that the Board adopt the resolution under Tab 11 amending the Pool's authorized representatives by designating the CFO/Chief Investment Officer, Staff Actuary/Investment Officer, Controller, and Senior Accountant as authorized representatives of the Pool.

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 12)

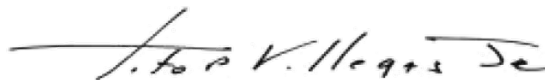
Tim Salzman provided an update of Pool initiatives managed by the Office of Project Management and Analytics including the progress of the Business Application and IT Road Map.

Information Technology report on status of hardware and software updates to the computer systems (Tab 13)

Atul Poladia provided an update on the status of hardware and software installation projects.

Robert Herrera adjourned the meeting at 2:34 p.m. on October 23, 2020.

Approved by the Finance and Information
Technology Committee
on January 28, 2021

A handwritten signature in black ink, reading "Tito P. Villegas Jr." with a stylized flourish at the end.

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