



2024-2025
ADOPTED BUDGET



STRONGER TOGETHER

Texas Municipal League Intergovernmental Risk Pool Fiscal Year 2024-25 Budget

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July 5, 2024

To: TMLIRP Board of Trustees

Subject: 2024-25 Proposed Budget



"PARTNERSHIP, SERVING MEMBERS, AND FINANCIAL STRENGTH."

Over the past several years, through the thoughtful leadership of the Board of Directors and with an eye on the long-term, the Pool has positioned itself to continue its reputation as a reliable partner for its Members. It has continued to bolster its financial strength to meet its primary mission of rate stability, and integrated numerous initiatives designed to help Members reduce or eliminate losses that disrupt their abilities to operate effectively. The environment in which its Members operate continues to change, and the Pool has been quick to develop or refine its methods for delivering the services the Members most need.

Examples include:

- The introduction of best practices for cyber hygiene and security;
- The development of a new Cyber Fund, intended to provide baseline coverage for all Members, while promoting rate stability within the other lines of coverage by insulating the Cyber exposure from the majority of the Pool's assets;
- The development of first-party property coverage programs that assist Members in rebuilding damaged property (at a discounted rate, with an emphasis on future fortification);
- The continued investment in its information technology infrastructure, both member and inward-facing, promoting access and efficiency;
- The development of a law enforcement excellence initiative intended to promote accountability and excellence in and among its membership;
- Adapting the Pool's governance structure to promote stability and competence among the Members of the Board of Trustees;
- Developing a diversified investment portfolio, accomplished through the introduction of the Lifetime Benefits Portfolio four years ago, which now constitutes 25% of the Pool's overall assets;
- A continued investment in staff, both through a competitive compensation and benefits program, but also through leadership and development initiatives;
- The purchase of the remaining half of the Texas Municipal Center from the TX Health Benefits Pool, positioning both TMLIRP and TML to determine its long-term physical space needs;
- Other initiatives intended to strengthen the bond between the Pool and its Members, and among the Members.

Over the years, Texas cities and municipalities have experienced volatile times and significant costs, including catastrophic weather events and even a worldwide pandemic. Commercial providers have shunned away from public entities because of this volatility. It's the Pool's financial strength that has allowed it to support Texas municipalities consistently through both hard and soft market cycles, and more importantly, when Members needed the Pool the most. The Board of Trustees' commitment to *Operational Excellence* has controlled operating expenses even as the demand for Pool services has increased alongside a surging Texas economy.

The initiatives noted above, certainly, must be funded by an annual budget. But most, if not all of them, span over multiple budget cycles. The upcoming year is no exception. The proposed 2024-2025 Budget does not introduce any new initiatives (as was the case last year when six were introduced); instead, the focus for 2024-2025 is on continuing the Pool's routine operations and the initiatives adopted last year, and on curbing the effects of core inflation seen in almost every aspect of our lives. Furthermore, staff will introduce the beginnings of a capital infrastructure plan, as it looks to fund renovations or relocation of the Texas Municipal Center, all the while minimizing impact on the Pool's operating budget.

Proposed 2024-25 Budget

The prevailing goals and themes, as identified by the Board of Trustees, for the proposed budget are as follows:

- Propose a transparent operating budget which is: (1) fiscally responsive to the needs of the membership, (2) in line with the historical operating costs, and (3) consistent with the Pool's core values.
- Reinforce the Risk Pool's partnership with its members through the principles of servant leadership.
- Support, enhance and advance the Pool's technological footprint to provide top-of-the-art services to the membership.
- Include a personnel budget that is in line with the industry and market conditions, both locally and nationally, and supports the operating environment for the future workplace.
- Support programs and initiatives designed to provide comprehensive and responsive risk management services to members.

Combined Funds (In \$Million)	2023-24 Budget	2024-25 Budget	\$ Change	% Change
Beginning Members' Equity	\$368.9	\$397.5	\$28.6	7.8%
Earned Contributions	308.2	346.9	38.7	12.5%
Investment & Other Income	24.8	33.2	8.4	33.9%
Total Revenues	333.0	380.1	47.1	46.4%
Losses	217.8	238.1	20.3	9.3%
Reinsurance Expense	32.2	42.4	10.2	31.7%
Operating Expense	60.3	62.0	1.7	2.8%
Total Loss & Expenses	310.3	342.5	32.2	10.4%
Revenues Over Expenses	22.7	37.6	14.9	65.3%
Ending Members' Equity	\$391.6	\$435.1	\$43.5	11.1%

Operating Expenses

The proposed 2024-25 budget includes projections for members' equity, revenues, and expenses. Operating expenses are the costs to operate the Pool and managing these costs is an important responsibility of the Pool. The staff is pleased to propose a **2.8%** increase in the operating budget, which reflects the Pool's core value of fiscal responsibility, investment in technology, and a recognition of productivity gains of recent years. Equally important, the proposed budget will continue the tradition of providing great Member service and upholding the principles of true partnership. The increase in the operating budget is below most measures of increases in core economic costs, and consistent with an expense ratio (operating expenses/contributions) below Pool historical norms and well below the commercial industry.

Other highlights of the overall budget include:

- *Contributions*, which are loss-driven, are expected to increase by \$38.7 million to \$346.9 million. Higher losses from weather-related events and auto liability are leading to higher rates and contributions; however, better post-pandemic loss experience for workers' compensation is supporting rate decreases for this coverage.
- *Investment income* is expected to jump by \$8.4 million to \$32.0 million, the highest in fourteen years, due to higher interest rates and investment in the Lifetime Benefits Investment Portfolio.
- *Claim losses*, the toughest component to project, is expected to increase by \$20.3 million to \$238.1 million, primarily due to weather-related loss activity.
- *Reinsurance expense* is budgeted at \$42.4 million, reflecting higher rates for property reinsurance coverage.
- *Revenues are projected to exceed expenses by \$37.6 million in 2024-25*, which reflects growth in Members' Equity. Stronger Members' Equity would be welcomed after major loss events including a world-wide pandemic, Winter Storm Uri, and the financial market downturn.

Structural Changes

In the proposed budget, the *Risk Services Department* is the rebranded department replacing the Member Services Department. The Pool offers members risk management consulting, coverage services, and educational support. Most of the Pool's members do not have the resources to dedicate to risk management, and the Risk Services Department fills that void by providing this essential service.

The proposed budget sets the foundation for combining the coordination and management of two member-centric departments, the Risk Services and Underwriting Departments. Historically, these two departments have worked hand-in-hand to assess members' risks and provide appropriate coverage and services. The restructuring aims to delineate activities, create cross-functional teams, and recognize synergies and cost savings. Additionally, the combination will consolidate cyber-related activities for the implementation of the new Cyber Fund. Included in the proposed budget is the Board-approved funding of \$10 million from the Liability Fund to begin the implementation of the Cyber Fund effective October 1, 2024.

Conclusion

Through the hard work and dedication of the Risk Pool’s Board and entire staff, the activities and programs developed in this budget address the dual objectives of member retention and improving the Pool’s processes designed to deliver exemplary Member service and maintain long-term rate stability. This proposed budget is based on the short and long-term priorities set forth by the Board, as well as the rates established in April 2024 for all lines of coverage.

The primary focus of the overall budget is on the Risk Pool’s operational budget. The operating budget includes the expenses over which the Risk Pool exercises the most control, and accounts for 18% of overall expected expenses. The remaining 82% of expenses are for claims and reinsurance expenses; while these costs can be estimated with some degree of precision, they vary considerably from year-to-year.

In short, staff believes this budget adheres to the Risk Pool’s core values of *operational excellence, fiscal responsibility, integrity, and public service*, and most importantly, to the Risk Pool’s mission. Accordingly, staff recommends the adoption of the proposed budget and looks forward to your consideration at the July 2024 Board meeting.

Respectfully submitted,



Jeffrey R. Thompson
Executive Director

2024-25 PROPOSED BUDGET ANALYSIS



Budget Summary

“FINANCIAL STRENGTH, STABILITY and PARTNERSHIP.”

The 2024-25 Proposed Budget details the projected funding and expenditures necessary for operating the Risk Pool. It includes projections of Member' Equity, which is the foundation of the financial strength and stability of the Partnership between the Pool and its Members. It's also a reflection of the core values of the Risk Pool: *Public Service, Fiscal Responsibility, Operational Excellence, and Integrity*. Members' Equity is projected to remain strong and stable, and operating expenses are estimated below general cost of living indicators and well below the operating expense of commercial providers. The proposed budget also includes the implementation of the Cyber Fund to offer members various options for managing an ever-growing risk to Texas municipalities.

POOL OPERATIONS - “Start to Finish” Risk Management Services

The Risk Pool is a “start to finish” provider of risk management services for the membership promoting member service and accountability. Members have direct access to various key functions including underwriting, risk services, loss prevention and claims handling. Just as importantly, the Pool has the ability to address issues directly and in a timely manner. Operations are centralized in Austin with services provided throughout the State of Texas.

Primary Functions of the Pool



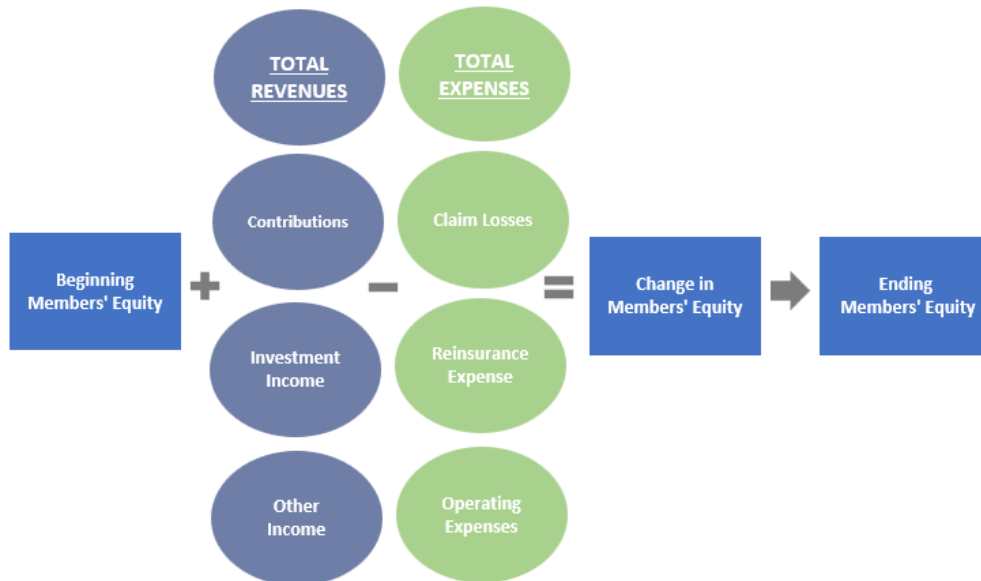
- Underwriting is analyzing the risk profile of members and determining the proper rates and contributions to fund expected claim losses.
- Risk Services provides members with risk management services not available within the operations of the public entity. Working with the membership as risk management professionals enhances the communication between members and the Risk Pool to better meet the unique needs of public entities.
- Loss Prevention provides training and other resources to meet the safety and loss control needs of members.
- Claims Handling involves the crucial process of analyzing and paying claims in a professional, cost effective, and timely manner.

The Risk Pool also provides legal services, financial services (including investing), information technology management, and administrative services (including human resources and development, project management, and building management). Executive management works with the Board of Trustees, Members, and staff to formalize and implement strategic initiatives and programs.



BUDGET STRUCTURE

The budget is comprised of Beginning Members' Equity, Revenues, Expenses, Change in Members' Equity and Ending Members' Equity. When revenues exceed expenses, members' equity grows; if expenses exceed revenues, members' equity decreases.



- Contributions depend on Members' exposures (property values, payrolls, etc.), claim loss experience, and rates approved by the Board.
- Investment income is dependent on the Risk Pool's investment balance and market conditions, including interest rates.
- Other Income comes from miscellaneous items including sub-lease rents from TML and reimbursements for managing the Political Subdivision Workers' Compensation Alliance.
- Claim losses are based on actual claims reported by Members and estimated development of those claims.
- Reinsurance expenses are what the Risk Pool pays to protect against large losses, which are primarily property losses (hurricanes, storms, etc.).
- Operating expenses are the costs of operating the Risk Pool.

COMBINED FUND BUDGET

The Pool's proposed 2024-25 budget begins with the estimated beginning balance of Members' Equity of \$397.5 million. Revenues include contributions, investment income, and other income and are projected to be \$380.1 million. Expenses include claim losses, operating expenses, reinsurance, and pension expenses and are estimated to be \$342.5 million. The 2024-25 Budget projects that the Pool will generate \$37.6 million in revenues over expenses, thus producing an anticipated ending members' equity balance of \$435.1 million at the end of the proposed budget year.

Combined Funds (In \$Million)	2023-24 Budget	2024-25 Budget	\$ Change	% Change
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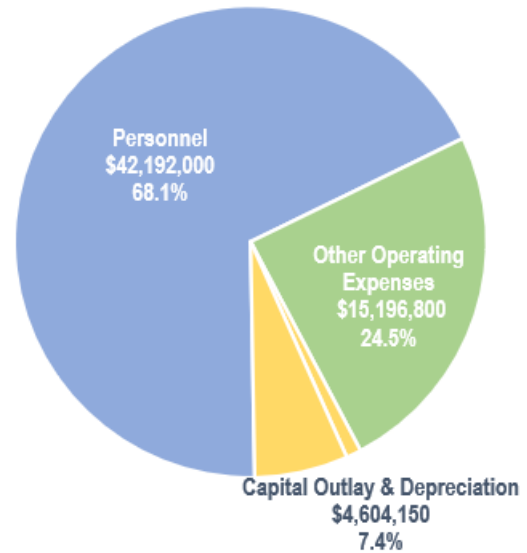
ANALYSIS OF OPERATING EXPENSES

2024-25 Operating Budget

The Risk Pool’s operating expenses are initially developed at the departmental level with department managers building their budgets from a zero-base, justifying each line-item expense, explaining new program requests, and recommending changes to existing programs.

Proposed departmental budgets reflect the 2024-25 overarching budget themes and include those expenses that best promote organizational agility and delivery of the Risk Pool’s services to members. The recommended operating budget is \$61,992,950, an increase of \$1,677.800 or 2.8% over the current 2023-24 amended budget. The 2.8% increase is below general cost of living indicators, as well as Pool historical norms. The year-to-year budget increase is primarily driven by personnel costs.

2024-25 OPERATING EXPENSES
\$61,992,950



Budget-to-Budget Comparison

Operating Budget	2023-24 Amended Budget	2024-25 Proposed Budget	Budget to Budget Change	% Change
Personnel Costs	\$40,282,600	\$42,192,000	\$1,909,400	4.7%
Other Operating Expenses	15,256,250	15,196,800	(59,450)	-0.4%
Capital Outlay Purchases	390,600	635,950	245,350	62.8%
Depreciation Expenses	4,385,700	3,968,200	(417,500)	-9.5%
Total	\$60,315,150	\$61,992,950	\$1,677,800	2.8%

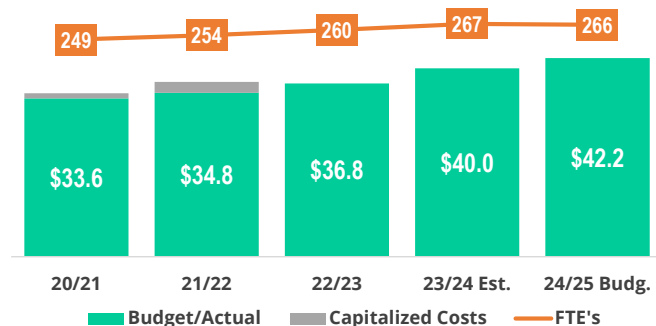
Personnel Costs

To provide a “start to finish” risk management operation, staff must possess knowledge and expertise in underwriting, risk services, finance and investments, people operations, claims, legal matters and lawsuit management, information technology, loss prevention, and knowledge of risk pool and local government operations.

Total personnel costs in the 2024-25 budget are \$42.2 million compared to \$40.3 million last year. The increase is due to the performance-based merit pool which is tied to the Employment Cost Index (ECI).

The full time equivalents (FTEs) changed from 267 to 266 as a position in the OPMA department was reclassified and combined.

Personnel Costs (Millions) & FTEs



Personnel	2023-24 Amended Budget	2024-25 Proposed Budget	Budget to Budget Change
Full-Time Equivalent: 266			
Salary	\$29,124,900	\$30,530,900	\$1,406,000
TMRS	\$3,564,800	\$3,550,900	(\$13,900)
Deferred Comp.	\$1,687,500	\$1,850,500	\$163,000
Health Insurance	\$4,451,200	\$4,615,300	\$164,100
Disability Insurance	\$150,100	\$230,700	\$80,600
Merit Pool	\$1,304,100	\$1,413,700	\$109,600
Personnel Total	\$40,282,600	\$42,192,000	\$1,909,400

Key Points

- The proposed performance-based merit pool increase is effective December 1, 2024. The proposed budget will provide an average 4.5% merit increase for staff, which will provide for a potential maximum increase of 6.0% for individual outstanding performance.
- The budget includes a moderate increase in Health and Medical costs. This cost accounts for 10.9% of personnel costs.
- The Pool's retirement related costs (TMRS & Deferred Compensation) increase slightly budget-to-budget. However, TMRS cost is expected to decrease due to a lower contribution rate.

Other Operating Expenses

Other operating expenses of \$15.2 million (office, travel, professional fees, etc.) have changed little budget-to-budget. The following are the major groupings and primary drivers of these operating expenses:

- Office Expenses – Software and equipment maintenance and rentals, office supplies, and postage, telephone services, and office supplies.
- Staff Expenses - Travel, professional (leadership development), and membership dues.
- Professional and Contract Service Fees – TML/legislative consultants, audit and actuary, and investment managers.
- Board Member Expenses - Board meetings, board member fees, and board reimbursement/training.
- Auto Expenses - Maintenance, fuel, and insurance.
- Building Expenses – Building management service company, utilities, janitorial services, landscaping, and security.

Expense Classification	2023-24 Amended Budget	2024-25 Proposed Budget	Budget to Budget Change
Office Related Expenses	\$4,206,900	\$4,340,600	\$133,700
Staff Expenses	1,671,400	1,566,800	(104,600)
Professional & Contract Svc Fees	7,741,200	7,325,300	(415,900)
Board Member Expenses	335,000	377,300	42,300
Auto Expenses	171,500	186,000	14,500
Building Expenses	1,130,250	1,400,800	270,550
Total	\$15,256,250	\$15,196,800	(\$59,450)

Key Points

- Office Expenses - higher software and equipment maintenance expenses offset the decrease in office rents. Continued remote working at the Pool resulted in the closure of four field offices.
- Staff Expenses reflects the Risk Pool's continued dedication to professional development, including the *Leadership & Development Program*.
- Building expenses reflect full building operations costs due to the purchase of 50% of the Texas Municipal Center (TMC). In addition, the building operations budget reflects a reclass of \$250,000 from building personnel expenses to a possible contract with a building management company to manage the Texas Municipal Center.
- Board member expenses include board meeting costs, training conferences and citizen board member per diem payments. The proposed daily per diem payment to citizen board members for 2024-25 is \$1,234.
- Insurance coverage for the Pool increases due to additional cyber risk coverage and exposure growth.
- The following are existing contracts with budgeted costs exceeding \$100,000:

List of Existing Contracts Exceeding \$100,000

Legislative Consulting	\$230,000
General Counsel	\$221,000
Financial Audits (Armanino)	\$137,000
Investment Managers	\$524,500
Investment Custody	\$115,000
WC Audits	\$355,000
Guidewire Software Maintenance	\$1,300,000
Programming Svcs	\$1,600,000
Disaster Recovery Draas	\$140,000
Data Center	\$110,000
Microsoft 365	\$250,000
TML Admin Fees	\$1,030,000
E-Learning (LocalGovU)	\$150,000

Capital Outlays

Capital outlays of \$635,950, which include procurement of network software and hardware, and replacement of vehicles, are \$245,350 higher than last year as these purchases are based on warranty and rotation guidelines.

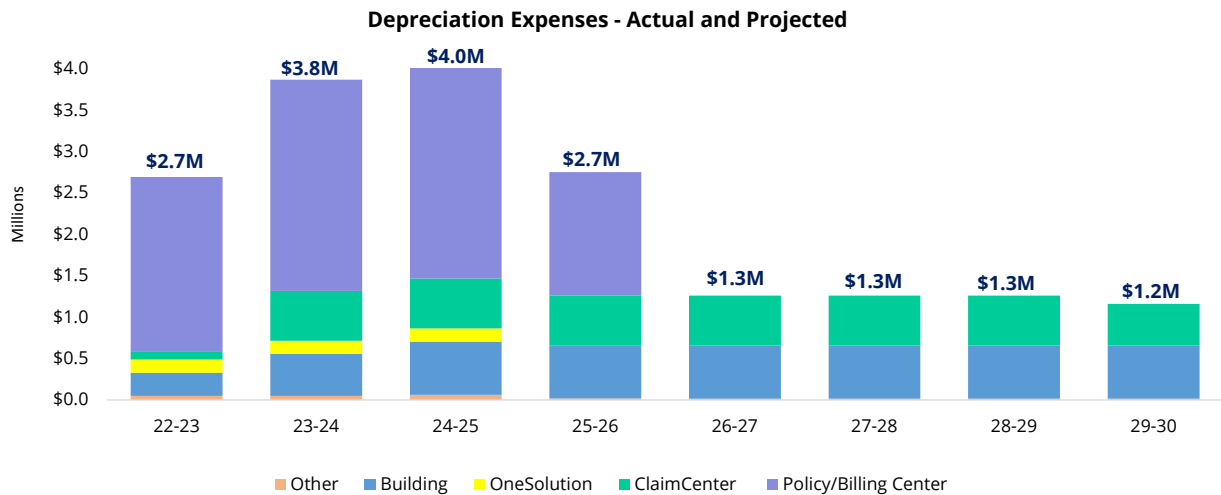
Asset Classification	2023-24 Amended Budget	2024-25 Proposed Budget	Budget to Budget Change
Vehicles	\$132,200	\$170,500	\$38,300
Computer Equipment	144,050	270,500	126,450
Computer Software	71,750	167,750	96,000
Furniture, Fixtures, & Equipment	42,600	27,200	(15,400)
Capital Outlay	\$390,600	\$635,950	\$245,350

Key Points

- The Risk Pool's current fleet and durability of new automobiles extend vehicle usage; therefore, one truck and three vehicle purchases are budgeted in 2024-25.
- No major building improvements are budgeted in 2024-25 as the Pool is performing an analysis on the future usage of the building.

Depreciation

Depreciation expense reflects the Risk Pool's commitment to the investment in technology and capital investments currently in use.



The Pool has completed the last major milestone in upgrading its major operating applications in the current year. Maintaining these applications continues to be a primary goal of the proposed budget. With the Pool's adoption of paying for these expenses as an operational item as opposed to a capital item, there are no additional capital costs associated with software development anticipated within the next several years.

Key Point

- Depreciation expense reflects additional building depreciation expense of \$643,200.
- Depreciation is projected to peak at \$4.0 million, compared to \$3.8 million last year, and accounts for 6.5% of operating expenses.
- Starting in 2026-27, annual depreciation expense is expected to level to \$1.3 million annually as the major software application (Policy Center/Billing Center) will be fully recognized.
- This reduction of \$2.7 million in depreciation expense will provide headroom in future budgets to fund the renovation or relocation of the Texas Municipal Center.
- 2023-24 budget initiative transitioned \$1.3 million in IT programming costs from capital/depreciation to other operating cost expense recognition.

Operating Expenses – Ratio Analysis

The following ratios are percentages to net contributions (contributions less reinsurance expense). For example, the projected expense ratio for 2024-25 of 20.36% means that for every \$100 in net contributions received, \$20.36 is used to cover operating expenses.

TMLIRP Ratio Analysis	Loss Ratio	Expense Ratio	Combined Ratio	Investment Ratio	Operating Ratio	Net Income Margin
2015-16	103.12%	27.43%	130.45%	12.27%	118.18%	-18.25%
2016-17	99.30%	25.89%	125.09%	12.08%	113.01%	-13.00%
2017-18	80.76%	24.02%	104.68%	11.64%	93.04%	7.07%
2018-19	80.95%	23.96%	104.81%	11.55%	93.26%	6.81%
2019-20	81.67%	23.11%	104.68%	10.86%	93.82%	6.53%
2020-21	104.55%	22.06%	126.61%	8.95%	117.66%	-17.19%
2021-22	88.04%	19.96%	108.00%	9.33%	98.67%	1.83%
2022-23	86.40%	21.15%	107.55%	10.92%	96.63%	3.77%
2023-24 Estimated	77.48%	19.76%	97.24%	10.18%	87.07%	13.31%
2024-25 Budgeted	78.21%	20.36%	98.57%	10.51%	88.06%	12.34%
TMLIRP	88.05%	22.77%	110.77%	10.83%	99.94%	0.32%
Commercial Multiperil	63.58%	35.51%	99.09%	8.61%	90.48%	4.39%

The expense ratio has decreased from 27.43% ten years ago to a projected 22.77% for 2024-25. Contributions have increased over this time period due to higher losses (contributions are loss driven), but the decrease in the expense ratio indicates that operating expenses are not growing as fast as contributions. This means that a greater percentage of the contribution collected is used to pay claims and support the financial strength of the Pool.

The Risk Pool's expense ratio is notably lower than the insurance industry average. As shown above, the 10-year average expense ratio for the insurance industry is 35.51% compared to the Pool's expense ratio of 22.77% (Industry Data Source - Conning-Total Industry Forecast 2024 Q1 – Commercial Multiperil). The goal of risk pooling is to provide Members stable and competitive rates in a responsive and cost-effective manner.

Comment on Loss Ratio (Net Losses/Contributions): The Risk Pool's 10-year loss ratio is 88.05% compared to the industry's 63.58%. The Pool's loss ratio is higher than the industry because the Pool's contributions (or rates) are much lower than the market. In other words, the Risk Pool would have to raise rates significantly to be operating at the loss ratio of the industry. The key to keeping contributions and rates low is the financial strength of the Risk Pool and an operating budget that supports operational excellence and Member service.

Comment on Information Technology Expense Ratio (Information Technology Operating Expenses/Contributions): The Risk Pool's Information Technology Expense Ratio over the last 10 years has increased from 2.88% to 4.12% exemplifying the Pool's commitment to leveraging technology to better serve the membership and enhance operating productivity. As shown below, the investment in technology has helped control costs and reduce the "Non-IT Expense Ratio":

INFORMATION TECHNOLOGY EXPENSE RATIO BY FUND YEAR

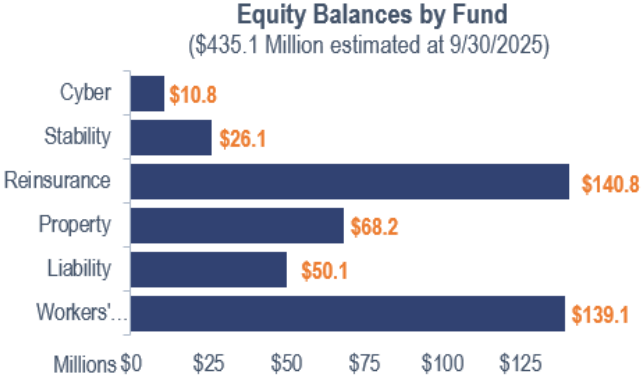
	15/16	16/17	17/18	18/19*	19/20*	20/21	21/22	22/23	23/24 Est.	24/25 Budg.
IT Expense Ratio	2.88%	3.55%	2.78%	3.16%	3.17%	4.00%	3.68%	2.94%	4.05%	4.12%
Non-IT Expense Ratio	24.55%	22.35%	21.24%	20.80%	19.94%	18.66%	17.82%	16.70%	15.71%	16.24%
Total Expense Ratio	27.43%	25.89%	24.02%	23.96%	23.11%	22.66%	21.51%	19.64%	19.76%	20.36%

* Includes \$1,155,000 and \$1,503,700 of capitalized personnel costs, respectively.

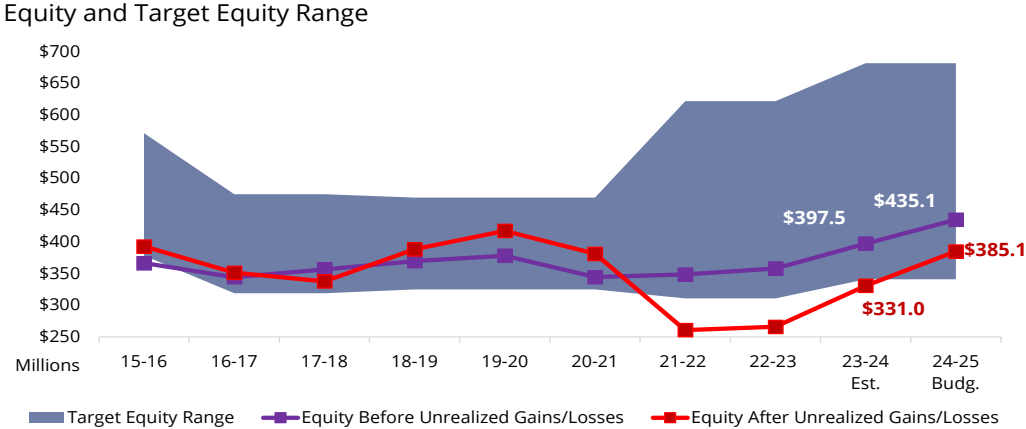
COMBINED FUND ANALYSIS

Members' Equity

Members' Equity is the Risk Pool's financial foundation supporting its core value of *fiscal responsibility* to provide members with long-term stability, assurance and steady rates. Member contributions fund claim losses, however, when losses are higher than expected, Members' Equity is the safety-net used to fund those losses. The Pool is expected to begin 2024-25 with \$397.5 million in Accumulated Members' Equity and end the year with \$435.1 million. This represents a \$37.6 million or 9.4% increase. Starting 2024-25, the Cyber Fund is established with an initial \$10 million equity transfer from the Liability Fund. The Fund is projected to end the year with \$10.8 million.

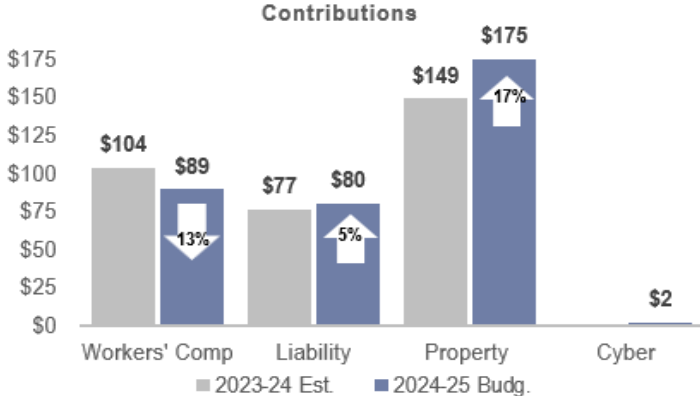


To promote financial strength and stability, the Pool performs a target Members' Equity assessment to analyze the impact of possible catastrophic occurrences. The goal is to maintain enough Members' Equity to fund such catastrophic losses and continue as a going-concern. This assessment provides a "Target Members' Equity Range" with a minimum and a maximum based on the Risk Pool's risk profile. The Board approved range is \$341 million to \$682 million. The Risk Pool's financial position is stable, and Members' Equity is projected to be within target equity range in 2024-25.



Contributions

Member contributions are the Pool's major source of revenue and used primarily to fund losses (claims). Contributions have been increasing due to higher claim losses and the growth of the Texas economy including exposure growth (property values, payrolls and operations). Contributions for 2024-25 are projected to be \$346.9 million, an increase of \$17.4 million when compared to the estimated 2023-24 contribution of \$329.5 million.

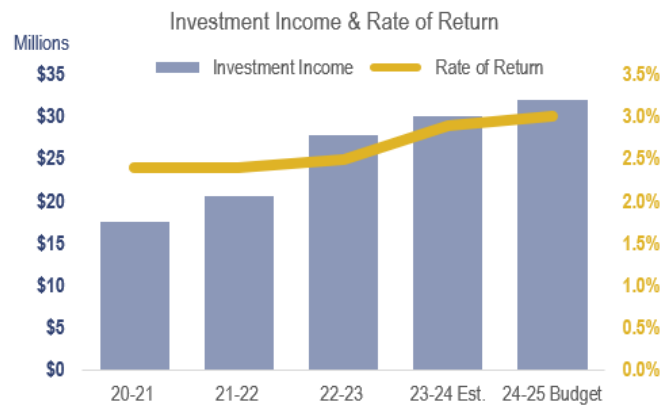


As shown, Workers' Compensation contributions are expected to decrease due to a significant rate claims decreases following a surge in losses related to the pandemic; Liability contributions are steady; and Property contributions continue to rise to fund severe weather-related losses.

Investment Income

After years in a low interest rate environment, the Pool's investment income and returns have started an upward trend as the Federal Open Market Committee (FOMC) has raised the federal funds rate from zero to over 5.0% since 2022.

Investment income for 2023-24 and 2024-25, which does not include unrealized investment gains and losses, is estimated to be \$30.0 million and \$32 million, respectively. In addition, the return on investment without unrealized gains/losses has been trending upward toward 3.0% after a prolonged period of near zero interest rates. Prior to 2020, the Pool's investments were restricted by the Texas Public Funds Investment Act (primarily government securities). In 2020, the Pool created the Lifetime Benefits Investment Portfolio (LTB) after changes to the workers' compensation law expanded the cancer presumption provision for first responders. One key change in the law was allowing the Pool and other public entities flexibility to fund these long-term obligations with investments based on the Prudent Person Rule. Investment in the LTB portfolio includes corporate bond, and domestic and international stock mutual funds. The LTB portfolio has increased the return on investment while reducing risk through diversification.

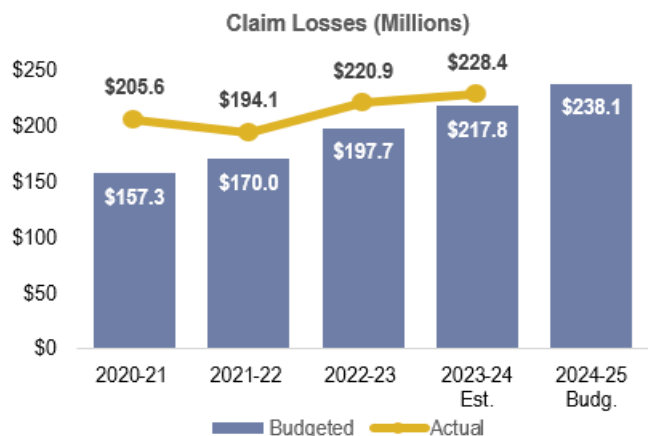


Other Income

The Risk Pool manages and accounts for the operations of the Political Subdivision Workers' Compensation Alliance (the Alliance). The cost of operating the Alliance is included in the operating budget. The Risk Pool receives approximately \$860,000 in management fees from the Alliance for the cost of the operations. Effective February 2024, the Risk Pool purchased the remaining 50% ownership of the Texas Municipal Center, which included leasing office space to the Texas Municipal League (TML) for an estimated \$275,800 for 2024-25. Including other miscellaneous items, "Other Income" is projected at \$1.2 million for 2024-25.

Claim Losses

Claim losses are the most difficult financial element to project due to the uncertainty about the weather and other potential occurrences such as a once-in-a-generation winter storm or world-wide pandemic. Losses for many lines of coverage have been trending higher, and the Risk Pool utilizes these trends and historical data - as analyzed by the Risk Pool's independent actuary - to project losses.

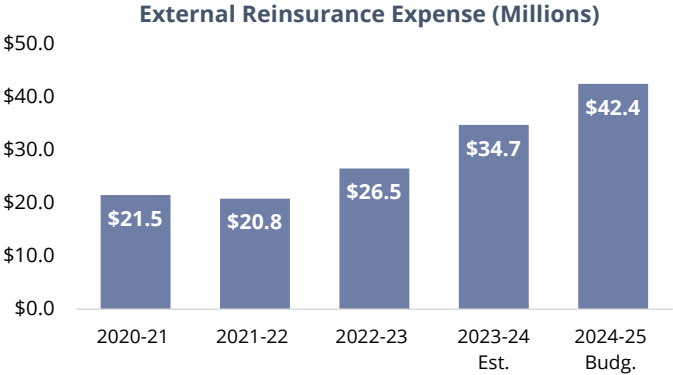


Losses are projected to be \$238.1 million in 2024-25 compared to the estimated \$228.4 million in 2023-24. The 2024-25 projected losses include a continuation of elevated weather-related losses, higher trending auto liability claims, and improved Workers' Compensation loss patterns. Both Liability and Property projected losses include Independent Adjuster Fees of \$2.8 million for 2024-25 (independent adjusters are used to assist in managing high volume loss activity).

Reinsurance Expense

The Pool purchases reinsurance coverage to protect against large losses. The Pool's reinsurance program consists of two funding sources: The Pool's internal Reinsurance Fund and the external reinsurance market.

- o **Internal Reinsurance Fund** - The Pool transfers funds from the Operating Funds to the Reinsurance Fund to provide reinsurance coverage for losses at various levels.
- o **External Reinsurance** - The Pool purchases reinsurance at various levels up to \$400 million from various syndicates (London Reinsurers, Bermuda/Domestic Reinsurers, Beazley, and the National League of Cities Mutual Insurance Corporation).



The external reinsurance expense increase from 2023-24 estimated is \$7.7 million resulting in the 2024-25 budget estimate of \$42.4 million. This consists of \$37.1 million for the property reinsurance program, \$3.3 million second event coverage for the property, \$1.3 million for Cyber risk coverage, and \$660,000 excess coverage for workers' compensation.

PROGRAMS AND INITIATIVES

As indicated, The Pool provides a “Start to Finish” operation to serve its Members. Included in the 2024-25 operating budget are resources for programs and initiatives designed to enhance the partnership between the Pool and its Members, provide targeted efforts to meet the unique needs of Texas public entities, utilize and plan for an everchanging technological environment, and support training for staff and the membership.

The Cyber Fund and Cyber Security Training – The Pool will implement the *Cyber Fund* effective October 1, 2024 to offer members various options for managing an ever-growing risk to Texas municipalities. The Risk Pool will continue to provide training and education opportunities related to cybersecurity. Cyber incidents are increasing in number, and they are having a negative impact on operations and becoming more costly to address. The aim of the Pool’s initiatives is for Members to become more cyber-secure by applying best practices, good cyber hygiene, and establishing sound policies and procedures.

Business Application and IT Road Map – The Risk Pool is committed to providing members with excellent and responsive service using state-of-the-art technology. The Pool’s first Business Application and IT Roadmap included developing and implementing foundational applications, including claims, underwriting, and financial services. Now that the foundation is set, the updated roadmap focuses on member experience and digital engagement transformation initiatives that will enable and support services through additional touchpoints and interactions with members. The roadmap also includes initiatives to maintain and improve core systems to meet the needs of both members’ and internal operations, and to keep up with the Risk Pool’s defenses against ongoing cybersecurity threats.



Member Experience and Digital Transformation Team (MEDiT) – The MEDiT team is composed of manager and leadership staff members from each department. The Pool’s Office of Project Management (OPMA) is working with the MEDiT Team to prioritize and put into action the Board-approved roadmap initiatives with an emphasis on member facing technology. One key focus is enhancing the current member portal to provide members the ability to submit and review claims in real time, analyze loss data, and prepare customized reports.

Law Enforcement Services and Training – The Risk Pool provides training to law enforcement under the administrative oversight of the Texas Commission of Law Enforcement (TCOLE), the licensing and regulatory entity that sets standards for non-federal law enforcement in the State of Texas. The profession faces many challenges including critical incident response. The Risk Pool provides stress management training for first responders (“Resilience Strategies for First Responders”) and critical incident management workshops (“Moving Right of Bang”) for departmental supervisors. Other programs include:

- Texas Police Chiefs Association Best Practices Accreditation
- TPCA Officer Safety Committee’s VINCIBLE program
- Texas Sergeant Academy, co-sponsored with the Institute for Law Enforcement Administration

Loss Prevention Prioritization Process – Each year, the Risk Pool’s Loss Prevention Department identifies a group of “high priority” members based on risk management needs and loss experience. As part of the program, goals and specific and easily identifiable action items are developed to assist the members.

R.O.A.D Ready – This Risk Pool program is designed to save lives, prevent injuries, and protect property by raising member awareness of dangers on and near roadways. The Risk Pool provides participating members with specifically designed resources and training to mitigate roadway risks and promotional materials to increase employee awareness to be R.O.A.D. Ready.

Enhanced Program Loss Recovery Programs for Members – For roofing and building envelope damages, the Risk Pool provides the Building Envelope Systems Team (BEST) roofing program to assist with the procurement process and management of repair projects. For larger scale damage requiring coordination of many trades, the Risk Pool utilizes Synergy NDS to provide options and viable estimates for repairs.

T.I.P.S. - Together Improving Processes and Safety - Loss Prevention created a Resource Team involving interdepartmental collaboration. These resources address exposures and hazards that affect member employees. T.I.P.S. are published on a consistent frequency, conveying risk management information and safety best practices.

Specialized Exposure Surveys – To assist members that have operations including gas utilities, electric utilities, boilers, and parks/recreation equipment and devices, the Risk Pool provides members with surveys and inspections to address these unique exposures.

Stronger, Together Podcast (STP) – The STP continues to provide topical information important to the Risk Pool’s membership, including elected officials, managers, and city attorneys. Recent episodes included a special report on 2024-25 member rates, an episode that satisfies the state-mandated cybersecurity training requirements, and many other topics. Several new topics and updates are in development.

Partnership Award – The award is presented to cities for exhibiting exemplary service to the community, strengthening the bond between risk pool partners, and espousing the core values of public service, fiscal responsibility, operational excellence, and integrity. The Risk Pool bestowed one partnership award in 2023 to the City of Mesquite for its accident traffic attenuator truck and one in 2024 to the City of Laredo for its drug overdose prevention efforts. Pool staff are always looking for outstanding member risk-mitigation programs to recognize.

Performance Based Oversight (PBO) - The Texas Department of Insurance, Division of Workers’ Compensation (DWC) is required to monitor compliance with Texas Workers’ Compensation Act and DWC rules and to take appropriate action to ensure compliance. Based on the performance assessment, carriers and pools will be placed into regulatory tiers: poor, average, and high performers. DWC must then focus its regulatory oversight on the poor performers. The carriers and pools are assessed during even-numbered years. The Pool continues to maintain a high performer status of 95% or greater since 2010 on the assessed critical regulatory goals of timeliness of medical and indemnity payments and electronic data interchange.

Alliance Network Report Card - The Texas Department of Insurance Research and Evaluation Group releases the Workers’ Compensation Network Report Card every other year. The Alliance continues to score very high compared to other networks and, year after year, has one of the lowest average medical costs per claim, along with one of the highest satisfaction ratings.

People Operations - The People Operations Department will continue its initiatives toward the transformation and modernization of the department and the employee experience. The primary initiative is a Total Rewards review led by the Classification and Compensation study. The project consists of a job architecture review, ensuring consistency in nomenclature and new job descriptions; additional creation of career paths with corresponding criteria for career movement; the creation of new pay structures ensuring pay ranges and staff pay is market competitive; conducting an employee survey; and a comprehensive benefits review. The department will also continue to expand its health and financial well-being programs and opportunities, including the Spring Benefit Wellness Fair, by bringing in vendors to conduct preventive screenings and providing information sessions on mental, physical, and financial wellness. People Operations will continue to support the Pool's objectives to develop, train, and retain highly qualified staff.

Combined Fund

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Estimated	2024-25 Proposed Budget
Beginning Fund Balance	\$344,643,261	\$348,685,771	\$368,925,469	\$358,287,630	\$397,536,276
Earned Contributions	241,372,144	282,155,387	308,239,900	329,502,600	346,864,500
Service Fee & Other Income	1,101,538	1,030,426	1,026,000	1,126,900	1,194,000
Investment Income	20,584,359	27,916,273	23,700,000	30,000,000	32,000,000
Total Revenues	263,058,041	311,102,086	332,965,900	360,629,500	380,058,500
Current-Year Losses	185,273,459	209,141,971	212,300,000	222,500,000	233,835,000
Prior-Years' Losses	4,604,401	5,908,604	0	0	0
Chg in Unalloc. Loss Adj. Expense	3,100,000	3,700,000	3,200,000	3,200,000	1,500,000
Independent Adjusters Expenses	1,167,652	2,112,882	2,300,000	2,700,000	2,800,000
Total Losses	194,145,512	220,863,457	217,800,000	228,400,000	238,135,000
Reinsurance Expense	20,844,723	26,514,384	32,161,700	34,720,454	42,369,450
Pension Expense	(3,645,392)	3,357,500	0	0	0
Operating Expense	47,670,686	50,721,063	60,315,150	58,260,400	61,992,950
Total Loss and Expenses	259,015,529	301,456,404	310,276,850	321,380,854	342,497,400
Revenues Over (Under) Expenses	4,042,510	9,645,682	22,689,050	39,248,646	37,561,100
Balance Before Distribution	348,685,771	358,331,453	391,614,519	397,536,276	435,097,376
Members' Equity Return	0	(37,800)	0	0	0
Prior Period Adjustment - Lease	0	(6,022)	0	0	0
Ending Fund Balance	\$348,685,771	\$358,287,630	\$391,614,519	\$397,536,276	\$435,097,376

2024-25 Budget Assumptions:

Contributions - based on member exposures and rates approved at April 2024 Board meeting plus estimated \$3M in WC Audits.

Investment Income - estimated to be \$32.0 million based on 3.0% return and market value of \$900M.

Losses - based on current ultimate loss estimates.

Reinsurance Expense - based on final approved reinsurance contracts plus 5% potential increase in the following reinsurance placement.

Operating Expenses - based on funds needed to carry out the Pool's proposed operations.

Equity Returns - not proposed at the April 2024 Board meeting.

Pension Expense - based on actuarial rates set by TMRS and investment market returns.

ULAE Adjustments - based on proposed ultimate reserve changes at September 30, 2023.

Combining Statement of Operations and Changes in Accumulated Members' Equity by Fund
Budget for the twelve months ending September 30, 2025

	Workers' Compensation	Liability	Property	Reinsurance	Stability	Cyber	Consolidating	Combined
Beginning Fund Balance	\$126,768,408	\$57,228,246	\$64,567,663	\$123,440,027	\$25,531,932	\$0	\$0	\$397,536,276
Earned Contributions	89,454,600	80,236,100	175,090,200	27,713,300	0	2,083,600	(27,713,300)	346,864,500
Service Fee & Other Income	1,012,000	72,100	72,100	29,800	4,000	4,000	0	1,194,000
Investment Income	14,848,300	6,366,300	4,634,600	4,770,000	1,080,800	300,000	0	32,000,000
Total Revenues	105,314,900	86,674,500	179,796,900	32,513,100	1,084,800	2,387,600	(27,713,300)	380,058,500
Current-Year Losses	58,800,000	67,200,000	99,750,000	7,875,000	0	210,000	0	233,835,000
Chg in Unalloc. Loss Adj. Expense	0	0	0	0	1,500,000	0	0	1,500,000
Independent Adjusters Expenses	0	400,000	2,400,000	0	0	0	0	2,800,000
Total Losses	58,800,000	67,600,000	102,150,000	7,875,000	1,500,000	210,000	0	238,135,000
Reinsurance Expense	2,760,000	1,158,000	61,546,500	3,318,250	0	1,300,000	(27,713,300)	42,369,450
Operating Expenses	30,663,968	14,380,874	12,432,694	3,973,874	441,542	100,000	0	61,992,950
Total Loss and Expenses	92,223,968	83,138,874	176,129,194	15,167,124	1,941,542	1,610,000	(27,713,300)	342,497,400
Revenues Over Expenses	13,090,933	3,535,626	3,667,706	17,345,977	(856,742)	777,600	0	37,561,100
Balance Before Distribution	139,859,341	60,763,872	68,235,369	140,786,003	24,675,191	777,600	0	435,097,376
Equity Transfer to Cyber Fund	0	(10,000,000)	0	0	0	10,000,000	0	0
Other Equity Adjustment - ULAE	(800,000)	(700,000)	0	0	1,500,000	0	0	0
Ending Fund Balance	\$139,059,341	\$50,063,872	\$68,235,369	\$140,786,003	\$26,175,191	\$10,777,600	\$0	\$435,097,376

2024-25 Proposed Budget Assumptions:

Contributions - based on member exposures and rates approved at April 2024 Board meeting plus estimated \$3M in WC Audits.

Investment Income - estimated to be \$32.0 million based on 3.0% return and market value of \$900M.

Losses - based on current ultimate loss estimates.

Reinsurance Expense - based on final approved reinsurance contracts plus 5% potential increase in the following reinsurance placement.

Operating Expenses - based on funds needed to carry out the Pool's proposed operations.

Equity Returns - not proposed at the April 2024 Board meeting.

Pension Expense - based on actuarial rates set by TMRS and investment market returns.

ULAE Adjustments - based on proposed ultimate reserve changes at September 30, 2023.

Workers' Compensation Fund

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Estimated	2024-25 Proposed Budget
Beginning Fund Balance	\$85,780,250	\$73,484,108	\$81,495,942	\$97,238,525	\$126,768,408
Earned Contributions	73,984,387	94,228,516	92,765,800	103,645,600	89,454,600
Service Fee & Other Income	986,107	946,524	946,000	994,000	1,012,000
Investment Income	10,457,887	14,226,292	10,883,600	14,052,000	14,848,300
Total Revenues	85,428,381	109,401,332	104,595,400	118,691,600	105,314,900
Current-Year Losses	68,429,810	48,525,833	62,500,000	56,000,000	58,800,000
Prior-Years' Losses	2,000,000	4,500,000	0	0	0
Total Losses	70,429,810	53,025,833	62,500,000	56,000,000	58,800,000
Reinsurance Expense	2,656,473	2,688,694	2,692,000	2,746,050	2,760,000
Operating Expense	24,487,268	25,658,778	30,042,750	28,949,000	30,663,968
Total Loss and Expenses	97,573,551	81,373,305	95,234,750	87,695,050	92,223,968
Revenues Over (Under) Expenses	(12,145,170)	28,028,027	9,360,650	30,996,550	13,090,933
Balance Before Distribution	73,635,080	101,512,135	90,856,592	128,235,075	139,859,341
Pension Contributions from/to Stability	1,915,696	(1,704,235)	0	0	0
Other Equity Adjustment - ULAE	(2,066,667)	(2,566,665)	(1,466,667)	(1,466,667)	(800,000)
Prior Period Adjustment - Lease	0	(2,710)	0	0	0
Ending Fund Balance	\$73,484,108	\$97,238,525	\$89,389,925	\$126,768,408	\$139,059,341

Liability Fund

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Estimated	2024-25 Proposed Budget
Beginning Fund Balance	\$73,663,762	\$67,092,004	\$66,285,937	\$56,578,913	\$57,228,246
Earned Contributions	61,530,734	65,504,328	71,268,100	76,596,200	80,236,100
Service Fee & Other Income	55,897	27,667	40,000	53,700	72,100
Investment Income	3,805,895	4,976,346	4,992,300	6,024,900	6,366,300
Total Revenues	65,392,526	70,508,341	76,300,400	82,674,800	86,674,500
Current-Year Losses	54,751,475	57,422,756	56,800,000	64,000,000	67,200,000
Prior-Years' Losses	3,962,851	7,600,000	0	0	0
Independent Adjuster Expenses	187,313	195,475	500,000	500,000	400,000
Total Losses	58,901,639	65,218,231	57,300,000	64,500,000	67,600,000
Reinsurance Expense	2,348,017	2,747,011	2,458,000	2,701,600	1,158,000
Operating Expense	10,636,084	11,410,110	14,090,900	13,457,200	14,380,874
Total Loss and Expenses	71,885,740	79,375,352	73,848,900	80,658,800	83,138,874
Revenues Over (Under) Expenses	(6,493,214)	(8,867,011)	2,451,500	2,016,000	3,535,626
Balance Before Distribution	67,170,548	58,224,993	68,737,437	58,594,913	60,763,872
Equity Transfer to Cyber Fund	0	0	0	0	(10,000,000)
Pension Contributions from/to Stability	888,123	(778,058)	0	0	0
Other Equity Adjustment - ULAE	(966,667)	(866,667)	(1,366,667)	(1,366,667)	(700,000)
Prior Period Adjustment - Lease	0	(1,355)	0	0	0
Ending Fund Balance	\$67,092,004	\$56,578,913	\$67,370,770	\$57,228,246	\$50,063,872

Property Fund

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Estimated	2024-25 Proposed Budget
Beginning Fund Balance	\$69,059,668	\$82,231,249	\$83,008,081	\$70,528,129	\$64,567,663
Earned Contributions	105,857,023	122,422,543	144,206,000	149,260,800	175,090,200
Service Fee & Other Income	59,534	56,235	40,000	53,700	72,100
Investment Income	2,427,735	3,482,501	3,547,100	4,386,100	4,634,600
Total Revenues	108,344,292	125,961,279	147,793,100	153,700,600	179,796,900
Current-Year Losses	60,631,215	92,290,864	82,500,000	95,000,000	99,750,000
Prior-Years' Losses	(3,774,999)	(4,567,844)	0	0	0
Independent Adjuster Expenses	980,339	1,917,407	1,800,000	2,200,000	2,400,000
Total Losses	57,836,555	89,640,427	84,300,000	97,200,000	102,150,000
Reinsurance Expense	28,893,382	37,313,602	49,367,900	50,462,800	61,546,500
Operating Expense	9,074,189	9,800,264	11,958,800	11,631,600	12,432,694
Total Loss and Expenses	95,804,126	136,754,293	145,626,700	159,294,400	176,129,194
Revenues Over (Under) Expenses	12,540,167	(10,793,013)	2,166,400	(5,593,800)	3,667,706
Balance Before Distribution	81,599,835	71,438,236	85,174,481	64,934,329	68,235,369
Pension Contributions from/to Stability	698,078	(642,084)	0	0	0
Other Equity Adjustment - ULAE	(66,666)	(266,668)	(366,666)	(366,666)	0
Prior Period Adjustment - Lease	0	(1,355)	0	0	0
Ending Fund Balance	\$82,231,249	\$70,528,129	\$84,807,815	\$64,567,663	\$68,235,369

Reinsurance Fund

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Estimated	2024-25 Proposed Budget
Beginning Fund Balance	\$91,339,668	\$101,049,225	\$112,973,125	\$109,013,631	\$123,440,027
Reinsurance Revenues	13,053,149	16,609,923	22,356,200	23,097,600	27,713,300
Service Fee & Other Income	0	0	0	22,500	29,800
Investment Income	3,299,986	4,451,191	3,547,800	4,514,200	4,770,000
Total Revenues	16,353,135	21,061,114	25,904,000	27,634,300	32,513,100
Current-Year Losses	1,460,959	10,902,518	10,500,000	7,500,000	7,875,000
Prior-Years' Losses	2,416,549	(1,623,552)	0	0	0
Total Losses	3,877,508	9,278,966	10,500,000	7,500,000	7,875,000
Reinsurance Expense	0	375,000	0	1,907,604	3,318,250
Operating Expense	2,904,364	3,211,021	3,800,400	3,800,300	3,973,874
Total Loss and Expenses	6,781,872	12,864,987	14,300,400	13,207,904	15,167,124
Revenues Over (Under) Expenses	9,571,263	8,196,127	11,603,600	14,426,396	17,345,977
Balance Before Distribution	100,910,931	109,245,352	124,576,725	123,440,027	140,786,003
Pension Contributions from/to Stability	138,294	(193,379)	0	0	0
Members' Equity Return	0	(37,800)	0	0	0
Prior Period Adjustment - Lease	0	(542)	0	0	0
Ending Fund Balance	\$101,049,225	\$109,013,631	\$124,576,725	\$123,440,027	\$140,786,003

Stability Fund

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Estimated	2024-25 Proposed Budget
Beginning Fund Balance	\$24,799,912	\$24,829,184	\$25,162,384	\$24,928,432	\$25,531,932
Service Fee & Other Income	0	0	0	3,000	4,000
Investment Income	592,856	779,944	729,200	1,022,800	1,080,800
Total Revenues	592,856	779,944	729,200	1,025,800	1,084,800
Change in ULAE	3,100,000	3,700,000	3,200,000	3,200,000	1,500,000
Total Losses	3,100,000	3,700,000	3,200,000	3,200,000	1,500,000
Pension Expenses	(3,645,392)	3,357,500	0	0	0
Operating Expense	568,784	640,890	422,300	422,300	441,542
Total Loss and Expenses	23,392	7,698,390	3,622,300	3,622,300	1,941,542
Revenues Over (Under) Expenses	569,464	(6,918,446)	(2,893,100)	(2,596,500)	(856,742)
Balance Before Distribution	25,738,369	17,910,738	22,269,284	22,331,932	24,675,191
Pension Contributions from/to Stability	(3,640,191)	3,317,755	0	0	0
Other Equity Adjustment - ULAE	3,100,000	3,700,000	3,200,000	3,200,000	1,500,000
Prior Period Adjustment - Lease	0	(60)	0	0	0
Ending Fund Balance	\$24,829,184	\$24,928,432	\$25,469,284	\$25,531,932	\$26,175,191

Cyber Fund

	2024-25 Proposed Budget
Beginning Fund Balance	\$0
Earned Contributions	2,083,600
Service Fee & Other Income	4,000
Investment Income	300,000
Total Revenues	2,387,600
Current-Year Losses	210,000
Prior-Years' Losses	0
Total Losses	210,000
Reinsurance Expense	1,300,000
Operating Expense	100,000
Total Loss and Expenses	1,610,000
Revenues Over (Under) Expenses	777,600
Balance Before Distribution	777,600
Equity Transfer from Liability Fund	10,000,000
Ending Fund Balance	\$10,777,600

Revenue Summary

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Estimated	2024-25 Proposed Budget
Contributions (net of prepay discount):					
Workers' Compensation	\$73,984,387	\$94,228,516	\$92,765,800	\$103,645,600	\$89,454,600
Liability					
General Liability (incl. Cyber & Sewage)	8,402,185	9,382,878	9,818,200	10,233,700	9,827,800
Law Enforcement Liability	13,197,430	13,670,047	15,342,800	16,448,400	16,871,500
Public Officials Liability	13,423,872	14,663,726	14,965,800	16,416,300	16,838,600
Automobile Liability	26,069,311	27,355,218	30,702,000	33,040,900	36,235,100
Aviation Liability	437,936	432,459	439,300	456,900	463,100
Total Liability	\$61,530,734	65,504,328	71,268,100	\$76,596,200	\$80,236,100
Property					
Auto Physical Damage	24,593,706	26,316,256	28,449,500	27,930,900	33,971,200
Real & Personal Property (Incl. other coverages)	74,674,693	88,940,634	108,375,000	113,428,200	133,067,600
Mobile Equipment	5,655,440	6,229,280	6,416,400	6,897,200	7,027,900
Crime	933,185	936,373	965,100	1,004,500	1,023,500
Total Property	\$105,857,024	\$122,422,543	\$144,206,000	\$149,260,800	\$175,090,200
Cyber	-	-	-	-	\$2,083,600
Total Contributions	\$241,372,145	\$282,155,387	\$308,239,900	\$329,502,600	\$346,864,500
Other Income:					
Service Fee and Other Income*	1,101,538	1,030,426	1,026,000	1,126,900	1,194,000
Total Other Income	1,101,538	1,030,426	1,026,000	1,126,900	1,194,000
Investment Income:					
TMLIRP	6,482,746	8,243,799	8,074,000	9,734,100	10,383,000
MFC Global	3,370,309	4,531,943	4,512,200	5,281,600	5,633,700
Lifetime Benefits Portfolio	6,762,148	10,158,651	6,186,300	9,113,300	9,720,900
Conning	3,969,154	4,981,880	4,927,500	5,871,000	6,262,400
Total Investment Income	\$20,584,357	\$27,916,273	23,700,000	\$30,000,000	32,000,000
Total Revenues	\$263,058,040	\$311,102,086	\$332,965,900	\$360,629,500	\$380,058,500

*Service Fee and Other Income consists of Administrative Fees for ASO members; Claim Handling Fees; income received from disposal of fixed assets; Management Fee from the Alliance; and sub-lease income.

Combined Budget Summary by Expense Classification

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Est. Total Expenditure	2024-25 Proposed Budget
Personnel					
Full-Time Equivalent: 266					
Salary - Regular	\$26,307,843	\$27,684,755	\$28,632,400	\$29,287,600	\$30,078,700
Medicare Tax	399,963	417,370	492,500	453,000	452,200
TMRS	2,977,979	3,173,300	3,564,800	3,646,900	3,550,900
Deferred Compensation	1,621,702	1,679,783	1,687,500	1,735,700	1,850,500
Disability Insurance	110,257	114,565	150,100	191,300	230,700
Health Insurance	3,399,434	3,657,997	4,451,200	4,162,200	4,615,300
Workers Compensation	22,853	32,906	0	0	0
Performance Based Merit Pool	0	0	1,304,100	505,000	1,413,700
Personnel Total	34,840,031	36,760,677	40,282,600	39,981,700	42,192,000
Operating					
Temporary Services	5,763	0	500	0	500
Rents	241,174	144,141	251,500	167,150	93,200
Telephone	94,740	103,308	121,300	110,300	117,800
Office Supplies	125,022	144,395	194,500	109,400	144,200
Postage and Freight	171,181	166,008	216,400	197,700	187,900
Copies and Printing	69,205	76,954	97,900	87,850	73,700
Records Retention	75,110	97,173	97,700	116,300	128,400
Publications & Subscription	83,172	93,227	119,100	98,200	113,400
Liability/Property Insurance	69,997	76,873	145,000	208,700	231,000
Reimb. Deductibles	3,768	39,248	30,000	10,000	20,000
Equipment Maintenance	154,835	111,143	163,300	157,500	196,700
Software Maintenance	1,492,345	464,365	1,726,500	1,724,300	1,970,500
Small Equipment Purchases	30,689	15,254	51,700	31,500	43,500
Equipment Rental	51,800	50,972	62,000	57,800	65,000
Conference Expenses	112,083	302,306	198,000	158,000	221,800
Workshops	148,278	159,603	215,000	202,000	216,000
Electronic Media	135,641	138,998	200,000	167,000	203,000
Unemployment Reimb.	6,479	3,608	10,000	10,000	10,000
Subrogation	10,508	8,883	62,500	13,000	17,000
Communications	210,070	208,058	244,000	244,000	287,000
Contracts	370,372	226,709	750,000	450,400	496,400
Work Comp Fees/Penalties	5,500	(726)	0	0	0
Programming Services	116,403	277,621	1,523,500	1,523,500	1,600,000
Building Repairs & Maint	(23,494)	82,548	109,700	109,700	395,000
Elevator Repairs & Maint	2,406	22,173	11,700	6,600	6,600
Window Cleaning	8,110	7,246	7,700	15,400	16,200
Landscaping	46,658	75,093	40,900	40,900	44,600
Utilities-Electric	110,619	159,773	337,500	337,500	343,700
Utilities-Water	9,163	10,036	22,000	22,000	33,000
Property Insurance	18,443	55,087	25,400	25,400	0
Janitorial Service	148,919	114,618	288,000	288,000	288,000
Cleaning Supplies	0	239	18,600	18,600	10,000
Pest Control Service	1,464	1,414	3,350	3,350	3,400
Security Service	103,267	108,592	244,100	244,100	244,100
Trash Removal	3,517	2,718	9,300	9,300	10,200

Combined Budget Summary by Expense Classification

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Est. Total Expenditure	2024-25 Proposed Budget
Inspections	2,658	2,881	12,000	6,000	6,000
Membership Dues	52,661	57,911	85,700	72,100	74,700
Professional Development	125,702	115,993	293,800	213,200	218,400
Prof Dev - College	49,403	26,953	72,500	26,000	50,500
Leadership & Developments	164,474	65,923	243,000	243,000	249,600
Travel	652,384	663,891	956,400	875,500	923,600
Moving Expenses	0	7,607	0	0	0
Advertising Expenses	624	700	10,000	10,000	10,000
Bank Charges	4,954	2,181	10,000	2,500	40,000
Board Member Expenses	255,415	291,814	335,000	335,000	377,300
Auto Maintenance	44,712	61,910	53,700	52,000	62,100
Auto Insurance	24,800	16,499	0	0	0
Auto Fuels	80,603	78,824	117,800	104,400	123,900
Operating Total	5,671,596	4,940,742	9,788,550	8,905,150	9,967,900
Professional Services					
Auditor	94,400	120,000	130,000	122,000	137,000
Actuarial Studies	57,520	67,552	70,000	70,850	92,000
TML	933,817	939,264	1,000,000	1,000,000	1,030,000
Claims On-Line Search ISO	120,609	140,864	186,200	169,600	214,800
Legislative Consultants	183,740	201,956	225,100	210,000	230,000
General Counsel	194,104	212,854	221,000	204,700	221,000
R. Dylong & Assoc-Audits	288,670	312,791	352,000	350,000	355,000
Gas Utility Surveys	39,607	126,089	150,000	135,000	150,000
Boiler/Machinery Inspection	18,705	13,655	30,000	25,000	30,000
Other Professional Fees	607,038	433,092	966,700	900,700	994,300
Texas Housing Assoc. Fees	53,729	69,495	76,400	76,400	84,000
Medical Bill Review	268,556	273,778	302,200	275,000	311,300
Political Subdivision WCA	395,829	423,857	470,000	450,000	440,000
Personnel Consultants	0	137,783	480,000	480,000	89,000
Investment Consultant	52,104	53,444	56,100	56,100	58,500
Investment Custodian	107,032	105,264	100,000	105,000	115,000
Conning	193,122	189,935	233,000	203,000	233,000
Manulife	187,799	185,751	233,000	199,000	233,000
Electrical Util Surveys	884	800	1,000	1,000	1,000
Internal Controls & Claims Audits	0	0	75,000	75,000	0
Personnel Matters	0	0	5,000	0	5,000
Reserve	126,500	119,335	100,000	100,000	200,000
Windstorm Engineering	0	0	5,000	0	5,000
Professional Services Total	3,923,761	4,127,557	5,467,700	5,208,350	5,228,900
Total	\$44,435,388	\$45,828,977	\$55,538,850	\$54,095,200	\$57,388,800
Depreciation & Capital Outlay					
Capital Outlay (Purchases)	665,375	276,622	390,600	390,600	635,950
Depreciation Expense	2,332,797	4,099,658	4,385,700	3,774,600	3,968,200
Subtotal	2,998,172	4,376,280	4,776,300	4,165,200	4,604,150
Total Budget	\$47,433,560	\$50,205,257	\$60,315,150	\$58,260,400	\$61,992,950

Combined Budget Summary by Department

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Est. Total Expenditure	2024-25 Proposed Budget
Personnel					
Full-Time Equivalent: 266					
Executive	\$2,716,067	\$2,807,608	\$2,604,800	\$2,766,600	\$2,813,500
Risk Services	1,897,301	2,060,269	2,227,700	2,243,800	2,452,200
Office of Project Mgmt	591,609	650,465	888,700	882,600	947,400
Legal	2,115,748	2,361,427	2,382,200	2,596,200	2,645,900
Underwriting	4,644,365	4,991,515	5,292,700	5,317,500	5,556,200
Loss Prevention	2,901,222	3,264,501	3,490,800	3,502,500	3,699,600
Finance	2,506,906	2,865,131	2,986,400	3,017,300	2,958,600
People Operations	802,058	669,007	787,000	792,600	858,400
Information Technology	3,298,346	3,432,925	3,696,600	3,719,700	3,876,000
Workers' Compensation	8,483,546	8,458,505	8,607,900	8,611,800	8,807,900
Liability & Property	4,750,285	5,065,975	5,726,700	5,800,500	6,162,600
Building	132,580	133,349	287,000	225,600	0
Performance Based Merit Pool	0	0	1,304,100	505,000	1,413,700
Personnel Total	34,840,033	36,760,677	40,282,600	39,981,700	42,192,000
Operating					
Executive	1,058,969	1,118,717	1,228,800	1,141,200	1,205,600
Risk Services	164,406	147,036	339,000	344,800	330,800
Office of Project Mgmt	9,714	11,866	179,800	22,800	43,300
Legal	145,910	136,087	196,300	136,000	152,700
Underwriting	144,786	163,135	209,700	138,800	176,000
Loss Prevention	529,601	555,703	810,300	669,500	758,100
Finance	745,713	673,029	1,001,400	782,400	825,400
People Operations	64,026	139,671	467,400	467,900	498,600
Information Technology	1,699,803	763,163	3,353,200	3,341,200	3,678,200
Workers' Compensation	497,945	417,178	520,700	465,450	580,900
Liability & Property	176,420	170,648	338,200	262,800	311,300
Building	434,302	644,510	1,143,750	1,132,300	1,407,000
Operating Total	5,671,596	4,940,742	9,788,550	8,905,150	9,967,900
Professional Services					
Executive	1,491,890	1,542,904	1,697,500	1,666,100	1,765,000
Legal	14,181	61,284	130,000	80,000	130,000
Underwriting	319,245	351,566	387,000	390,000	402,000
Loss Prevention	177,462	278,584	362,000	331,000	379,500
Finance	661,401	683,170	792,100	715,950	826,500
People Operations	0	137,783	480,000	480,000	89,000
Information Technology	458,843	233,768	650,700	650,700	660,800
Workers' Compensation	789,589	822,320	948,400	870,000	955,800
Liability & Property	11,152	16,179	20,000	24,600	20,300
Professional Services Total	3,923,761	4,127,557	5,467,700	5,208,350	5,228,900
Subtotal BEFORE Capital Outlay and Depreciation					
	\$44,435,390	\$45,828,977	\$55,538,850	\$54,095,200	\$57,388,800
Capital Outlay & Depreciation					
Capital Outlay (Purchases)	665,375	276,622	390,600	390,600	635,950
Depreciation Expense	2,332,797	4,099,658	4,385,700	3,774,600	3,968,200
Subtotal	2,998,172	4,376,280	4,776,300	4,165,200	4,604,150
Total Budget	\$47,433,562	\$50,205,257	\$60,315,150	\$58,260,400	\$61,992,950

Combined Budget Summary by Department

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Est. Total Expenditure	2024-25 Proposed Budget
Total Department Expenses					
Full-Time Equivalent: 266					
Executive	5,266,926	5,469,229	5,531,100	5,573,900	5,784,100
Risk Services	2,061,707	2,207,305	2,566,700	2,588,600	2,783,000
Office of Project Mgmt	601,323	662,331	1,068,500	905,400	990,700
Legal	2,275,839	2,558,798	2,708,500	2,812,200	2,928,600
Underwriting	5,108,395	5,506,216	5,889,400	5,846,300	6,134,200
Loss Prevention	3,608,285	4,098,788	4,663,100	4,503,000	4,837,200
Finance	3,914,020	4,221,329	4,779,900	4,515,650	4,610,500
People Operations	866,084	946,460	1,734,400	1,740,500	1,446,000
Information Technology	5,456,992	4,429,856	7,700,500	7,711,600	8,215,000
Workers' Compensation	9,771,080	9,698,003	10,077,000	9,947,250	10,344,600
Liability & Property	4,937,857	5,252,803	6,084,900	6,087,900	6,494,200
Building	566,883	777,859	1,430,750	1,357,900	1,407,000
Performance Based Merit Pool	0	0	1,304,100	505,000	1,413,700
Capital Outlay (Purchases)	665,374	276,622	390,600	390,600	635,950
Depreciation Expense	2,332,798	4,099,659	4,385,700	3,774,600	3,968,200
Total Budget	\$47,433,562	\$50,205,257	\$60,315,150	\$58,260,400	\$61,992,950

Staffing Summary

	Position	FY 2023-24	Current Staffing	FY 2024-25
	Pay Grade	Budget	5/15/2024	Budget
<u>EXECUTIVE</u>				
Executive Director	Z	1	1	1
Deputy Director & COO	V	1	1	1
Assoc. Dir. & Employment Couns	U	1	1	1
Assistant Director	T	1	0	1*
Intergovernmental Relations Manager	T	1	1	1
Director of Claims	U	1	1	1
Communications Officer	S	1	1	1
Operations Supervisor	N	1	1	1
Member Svcs Coordinator/SME	J	1	1	1
Communications Coordinator	I	1	1	1
Executive Assistant	H	1	1	1
Administrative Assistant	F	1	1	1
Administrative Assistant	D	1	0	0
Sr. Administrative Clerk	D	0	1	1
Administrative Clerk	C	1	1	1
TOTAL		14	13	14
*1 Position vacant and unfunded				
<u>RISK SERVICES</u>				
Manager of Risk Services	S	1	1	1
Cyber Risk Services Manager	R	0	1	1
Cyber Risk Services Manager	P	1	0	0
Risk Services Manager	P	2	2	2
Senior Cybersecurity Advisor	P	0	0	1
Senior Cybersecurity Advisor	O	1	1	0
Senior Risk Management Advisor	O	3	3	3
Risk Management Advisor	N	5	5	5
TOTAL		13	13	13
<u>OFFICE OF PROJECT MANAGEMENT</u>				
Manager of Technical & Process Implementations	S	1	1	1
Senior Product Analyst	P	1	0	0
Business Analyst Project Manager	N	2	2	2
Business Analyst	M	2	2	2
User Experience Designer	L	1	1	1
TOTAL		7	6	6
<u>LEGAL</u>				
Chief Legal Officer (formerly Director of Legal Services)	U	1	1	1
Coverage & Contracts Counsel (formerly Staff Attorney III)	R	1	1	1
Litigation Counsel	R	1	1	1
Employment Counsel	R	1	1	1
Subrogation Supervisor	P	1	1	1
Subrogation Staff Attorney	O	1	1	1
Litigation Specialist	L	2	2	2
Senior Subrogation Specialist	L	2	2	2
Subrogation Specialist	J	3	3	3
Legal Operations Coordinator	H	1	1	1
Legal Assistant	F	2	2	2
Subrogation Claims Intake Specialist	D	1	1	1
TOTAL		17	17	17

Staffing Summary

	Position Pay Grade	FY 2023-24 Budget	Current Staffing 5/15/2024	FY 2024-25 Budget
UNDERWRITING				
Underwriting Manager	S	1	1	1
Assistant Underwriting Manager	Q	1	1	1
Underwriting Lead	P	2	2	2
Underwriter Supervisor	O	2	2	2
Senior Underwriter	O	2	2	2
Underwriter II	N	8	5	7**
Systems & Process Analyst	N	1	1	1
Underwriter I	L	0	1	1
Membership Services Coordinator	L	3	3	3
Admin Supervisor/Document Analyst	L	1	1	1
Sr Quality Assurance Specialist	L	1	0	1
Quality Assurance Specialist	K	2	3	2
Sr Underwriting Specialist	K	1	2	2
Underwriting Specialist	J	10	9	10*
Operations Specialist	J	2	1	1
Administrative Technician	D	2	2	2
Administrative Clerk	C	0	0	0
File Clerk	A	1	1	1
TOTAL		40	37	40
*1 Position vacant and unfunded				
**2 Positions vacant				
LOSS PREVENTION				
Loss Prevention Manager	S	1	1	1
Asst Loss Prevention Manager	Q	1	1	1
Safety & Loss Control Supervisor	P	0	0	3
Safety & Loss Control Supervisor	O	3	3	0
Sr Law Enforcement Outreach Consultant	P	0	0	1
Law Enforcement Outreach Consultant	O	2	1	1
Human Resources Outreach Consultant	O	1	1	1
Public Works Outreach Consultant	O	1	1	1
Safety & Loss Control Consultant	N	9	9	9
Senior Special Projects Assistant	J	1	1	1
Special Projects Assistant	F	1	1	1
Administrative Technician	D	2	2	2
TOTAL		22	21	22
FINANCE				
Chief Financial Officer & Chief Investment Officer	U	1	1	1
Deputy CFO & Chief Analytics Officer	T	1	1	1
Controller	S	1	1	1
Staff Actuary/Asst Investment Officer	R	1	1	1
Assistant Controller	R	1	1	1
Accts Receivable & Reinsurance Supervisor	P	1	1	1
Lead Payroll Administrator	P	1	1	1
Senior Accountant	O	1	1	1
Lead BI Analyst	O	1	1	1
Purchasing Agent	N	1	1	1
Accountant	K	1	1	2*
Quality Assurance Specialist	K	1	0	0
BI Report Developer	J	2	2	2

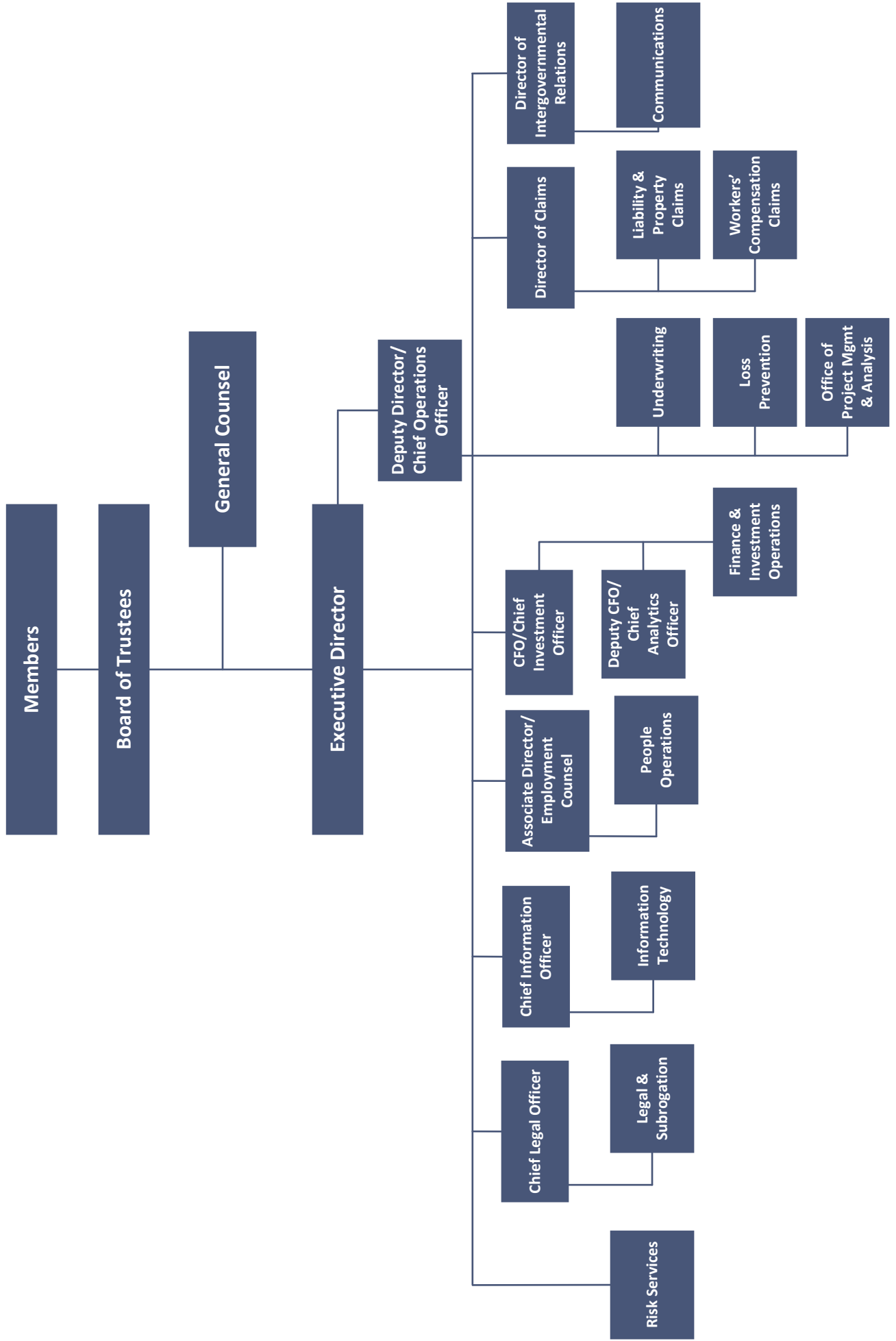
Staffing Summary

	Position Pay Grade	FY 2023-24 Budget	Current Staffing 5/15/2024	FY 2024-25 Budget
FINANCE (continued)				
Senior Accounting Technician	H	0	1	3
Senior Accounts Payable Technician	H	2	1	0
Senior Accounts Receivable Technician	H	1	1	0
TOTAL		17	16	17
*1 Position vacant and unfunded				
PEOPLE OPERATIONS				
People & Dev Director	S	1	1	1
People Operations Manager	S	1	1	1
Sr People Operations Analyst	L	2	2	2
People Operations Analyst	J	1	1	1
TOTAL		5	5	5
INFORMATION TECHNOLOGY				
Chief Information Officer	U	1	1	1
DevOps Manager	R	1	1	1
Infrastructure Manager	R	0	1	1
Infrastructure Manager	Q	1	0	0
IT Architect	Q	2	2	2
Data Warehouse Architect	Q	1	1	1
Infrastructure Architect	Q	0	1	1
Senior Programmer Analyst	P	2	1	2*
Senior Network Administrator	P	1	0	0
Network Administrator - Helpdesk Lead	O	1	1	1
Programmer Analyst	M	4	4	4
Database Administrator	M	1	1	1
Quality Assurance Analyst	M	4	3	3
Programmer Analyst Trainee	L	0	1	1
Assistant Network Administrator	K	1	1	1
Technical Support Specialist	I	2	2	2
IT Administrative Coordinator	H	1	1	1
TOTAL		23	22	23
*1 Position vacant and unfunded				
WORKERS' COMPENSATION CLAIMS				
Workers Comp Claims Manager	S	1	1	1
Executive Director/Dir of Network	R	1	1	1
Asst Workers Comp Claims Manager	Q	2	2	2
Workers Comp Claims Mgmt Specialist	P	5	4	5
Asst Director and Network Administrator	P	1	1	1
System & Process Analyst	N	1	1	1
Medical Bill Review Supervisor	N	1	1	1
Senior Workers Comp Claims Specialist	N	6	6	6
Provider Relations Manager	N	1	1	1
Training and Compliance Specialist	L	0	1	1
Workers Comp Claims Specialist	L	12	12	12
Quality Assurance Specialist	K	1	1	1
WC Claims Spec Trainee	J	1	0	0
Medical Claims Specialist	H	3	3	3
Administrative Supervisor	H	2	2	2
Credentialing Specialist	G	2	2	2
Workers Comp Asst. Claims Specialist	F	5	4	4***

Staffing Summary

	Position Pay Grade	FY 2023-24 Budget	Current Staffing 5/15/2024	FY 2024-25 Budget
<u>WORKERS' COMPENSATION CLAIMS</u> (continued)				
Sr Workers Comp Claims Assistant	E	3	3	3
Workers Comp Claims Assistant	D	13	13	13
Medical Bill Review Assistant	D	6	6	6
TOTAL		67	65	66
*** FTE Moved to Liability & Property Claims				
<u>LIABILITY/PROPERTY CLAIMS</u>				
Property Claims Manager	S	1	1	1
Liability Claims Manager	S	1	1	1
Claims Specialist Supervisor	P	4	4	4
Claims Support Supervisor	N	1	1	1
Analyst-Claims & System Development	N	1	1	1
Senior Claims Specialist	N	10	9	9
Claims Specialist	L	11	11	12***
Quality Assurance Specialist	K	1	1	1
Auto Adjuster	J	5	5	5
Claims Processor	F	1	2	2
Senior Claims Assistant	E	2	1	1
Claims Assistant	D	4	5	5
TOTAL		42	42	43
*** FTE Moved from Workers' Compensation Claims				
Total Staff for All Departments		267	257	266

TML Intergovernmental Risk Pool



EXECUTIVE PROGRAM ANALYSIS

PROGRAM DESCRIPTION AND OPERATIONS

The Executive Office is responsible for overall management and coordination of the Pool. This department makes recommendations and implements Board policies. The Executive Director is charged with developing long-term goals for the organization and making sure that the objectives of the Board are accomplished. Goals for the current year are to continue to improve the quality of service to Pool members at the most stable and economic cost possible, ensure the Pool remains financially sound, provide loss prevention training and seminars to members so that the number and size of claims can be reduced, promptly and fairly pay claims, provide legal and subrogation assistance to members as the need arises on specific claims, continue the development of a plan for improving the Pool's core systems (underwriting, finance, human resources, data warehouse, medical bill review, document imaging, etc.), and develop and retain qualified staff.

As part of Executive, the Communications Office is tasked with providing consistent and cohesive messaging of the Pool's "Why," core values, and mission internally and externally. The Communications Office conveys the Pool's messaging through a variety of channels, including email, social media, podcasts, video productions, marketing materials, publications, and graphical design.

DEPARTMENTAL GOALS AND MEASURES

- Develop, initiate, and maintain Pool-wide strategic goals and initiatives.
- Develop and execute Board approved initiatives, such as implementing the Business Applications and IT Roadmap, controlling losses and personnel costs, and continually improving interaction with members.
- Continually enhance member service, support, and relationships.
- Continue developing future leaders through the CALLeD Program and technical expertise through enhanced training.
- Continually develop and implement process improvements.
- Develop communication initiatives, in conjunction with TML and other public entity partners.

COMMUNICATIONS SPECIFIC GOALS AND MEASURES

- Increase Members' understanding and engagement with the Pool. Creatively connect with Members to emphasize the Pool is a partnership and that the Pool serves as the fiduciary of their partnership. Track and report Member online activity to better target messaging.
- Continue to collaborate with other Pools within the state as well as throughout the United States and Canada to foster shared communication and member service initiatives and strategies.
- Continue to collaborate with departmental managers to develop targeted efforts that reinforce the Pool's why and core values such that they provide the "North Star" that guides each employee to make decisions that positively affect both the Pool and its members, i.e. employees embrace the idea that the Pool is a partnership supported by the core values and these ideals are the prism by which employees think and act.

- Continue collaborative efforts with the core values, employee engagement, and creative design teams to drive various engagement initiatives with current staff and potential employees.
- Continue progress towards communications review of most external communications, with a process for implementation. This initiative is called *One Voice* and is designed to streamline messaging and appearance of outgoing communications.
- Wrap up 50th Anniversary celebration.
- Continue to refresh the website to better serve the Pool's Members.

INTERGOVERNMENTAL RELATIONS MANAGER SPECIFIC GOALS AND MEASURES

- Serve as the Executive Department manager of the communications office.
- Work with the communications officer and staff, to include authorship of articles, position papers, and other policy analysis-related items.
 - Provide written articles for TML, TML affiliate, and Pool publications, such as for the external and internal newsletters, *Texas Town & City Magazine*, and other publications, and comprehensive policy/legal analysis papers in conjunction with podcast episodes (as well as executive summary "cheat sheets" to go along with them).
- Serve as a liaison to the Pool's operational departments, to include advising departments on municipal structure, governance, and procedure.
- Represent the Pool at state and national conferences.
- Serve as an emergency management resource to the Pool's staff and Members.
 - Review and update the Pool's resources in conjunction with TML's and ensure that Members are aware.
 - Prepare podcast episodes and written materials on various storm and other disaster legal issues and Pool programs.
- Provide public speaking, training, and other consultative services with Members.
 - Prepare bi-weekly episode of the *Stronger, Together* Podcast Series
 - Attend main TML conferences, small cities clinics, regional meetings, and affiliate conferences to educate elected officials and managers (i.e., beyond the fund contact) on the Pool's benefits and resources.

REQUESTED BUDGET CHANGES FROM PREVIOUS YEAR

- Continued website refresh.
- Additional funding for all-staff events and employee engagement committee events.
- Increase in budget for new conference exhibit display.

Activities/Performance Goals & Measures Executive Department

	Actual 2021-22	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
■ Revenues Over Expenses Before Equity Return	\$4.0M	\$9.6M	\$27.2M	\$39.2M	\$37.6M
■ Members' Equity at end of year	\$348.7M	\$358.3M	\$391.6M	\$397.5M	\$435.1M
■ Operating Expenses to Total Expenses (%)	18.3%	16.7%	19.4%	18.1%	18.1%
■ Operating Expenses to Total Revenues (%)	18.0%	16.1%	18.1%	16.2%	16.3%

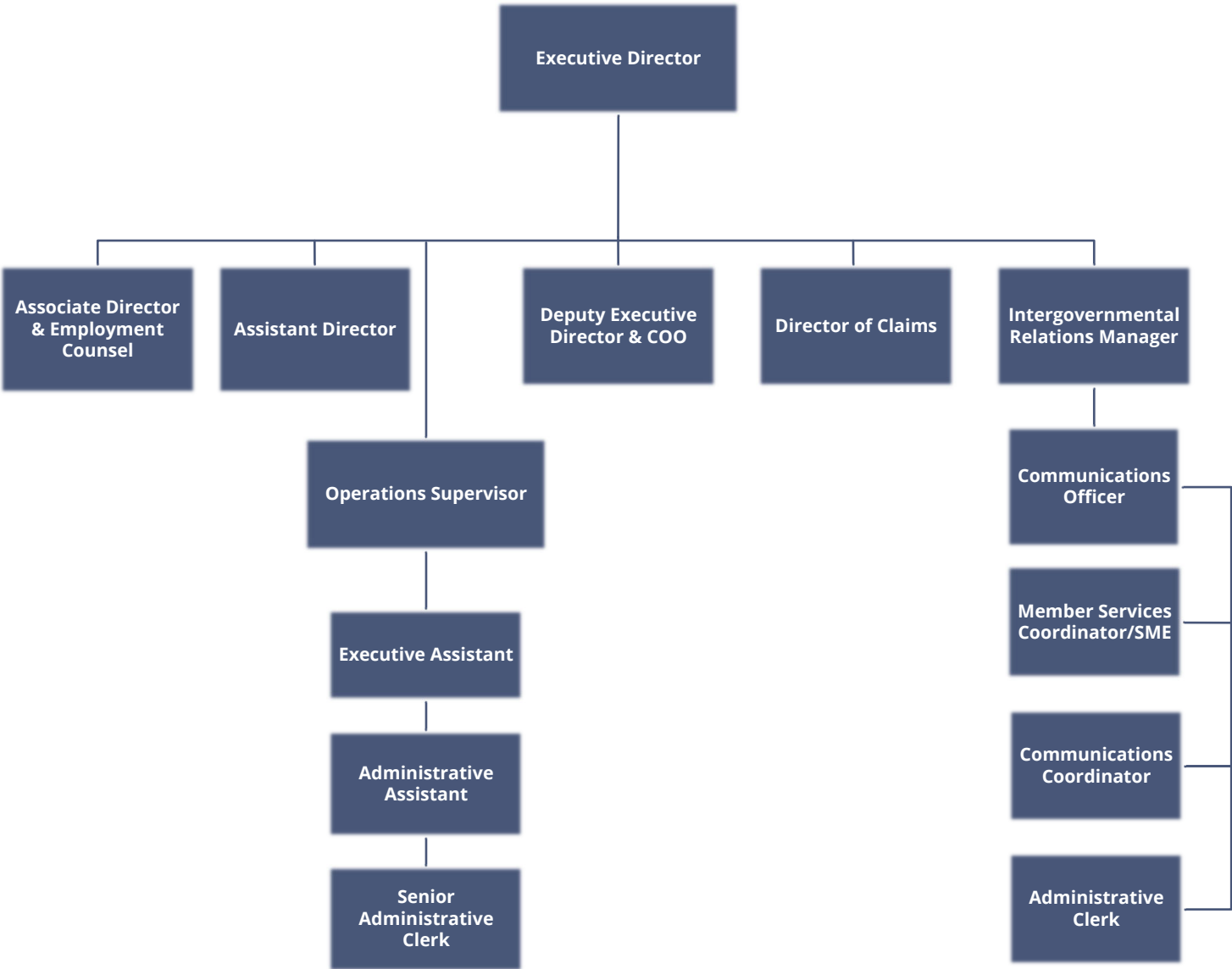
Executive Department

Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Est. Total Expenditure	2024-25 Proposed Budget
Personnel					
Full-Time Equivalent: 14					
Regular	\$2,152,905	\$2,216,145	\$2,010,400	\$2,150,000	\$2,176,300
Medicare Tax	31,809	33,049	34,100	33,400	32,700
TMRS	236,193	250,602	250,200	261,800	257,100
Deferred Compensation	94,888	107,122	87,800	96,100	99,500
Disability Insurance	8,802	9,005	10,500	10,800	13,300
Health Insurance	190,164	191,684	211,800	214,500	234,600
Workers' Compensation	1,305	0	0	0	0
Personnel Total	2,716,067	2,807,608	2,604,800	2,766,600	2,813,500
Operating					
Telephone	9,399	9,269	11,000	9,500	9,000
Office Supplies	5,755	5,890	5,000	8,400	5,000
Postage and Freight	(351)	915	1,200	1,200	1,200
Copies and Printing	25,384	29,435	32,000	32,000	32,000
Publications & Subscription	6,111	7,126	5,400	5,400	9,900
Software Maintenance	60	0	0	0	0
Small Equipment Purchases	2,231	0	5,000	5,000	5,000
Conference Expenses	90,920	296,303	154,700	114,700	178,500
Communications	210,070	208,058	244,000	244,000	287,000
Contracts	127,265	107,780	254,000	219,900	114,000
Membership Dues	28,820	29,633	42,300	42,300	40,600
Professional Development	14,320	5,116	25,400	10,000	15,500
Leadership & Developments	164,474	0	0	0	0
Travel	116,156	109,832	107,800	107,800	121,600
Board Member Expenses	255,415	291,814	335,000	335,000	377,300
Auto Maintenance	885	14,508	3,000	3,000	4,000
Auto Fuels	2,056	3,038	3,000	3,000	5,000
Operating Total	1,058,969	1,118,717	1,228,800	1,141,200	1,205,600
Professional Services					
TML	933,817	939,264	1,000,000	1,000,000	1,030,000
Legislative Consultants	183,740	201,956	225,100	210,000	230,000
General Counsel	194,104	212,854	221,000	204,700	221,000
Texas Housing Assoc. Fees	53,729	69,495	76,400	76,400	84,000
Internal Controls & Claims Audits	0	0	75,000	75,000	0
Reserve	126,500	119,335	100,000	100,000	200,000
Professional Services Total	1,491,890	1,542,904	1,697,500	1,666,100	1,765,000
Grand Total	\$5,266,926	\$5,469,229	\$5,531,100	\$5,573,900	\$5,784,100

Organizational Chart

Executive Department



Staffing Summary

	Position	FY 2023-24	Current Staffing	FY 2024-25
	Pay Grade	Budget	5/15/2024	Budget
EXECUTIVE				
Executive Director	Z	1	1	1
Deputy Director & COO	V	1	1	1
Assoc. Dir. & Employment Couns	U	1	1	1
Assistant Director	T	1	0	1*
Intergovernmental Relations Manager	T	1	1	1
Director of Claims	U	1	1	1
Communications Officer	S	1	1	1
Operations Supervisor	N	1	1	1
Member Svcs Coordinator/SME	J	1	1	1
Communications Coordinator	I	1	1	1
Executive Assistant	H	1	1	1
Administrative Assistant	F	1	1	1
Administrative Assistant	D	1	0	0
Sr. Administrative Clerk	D	0	1	1
Administrative Clerk	C	1	1	1
TOTAL		14	13	14

*1 Position vacant and unfunded

RISK SERVICES PROGRAM ANALYSIS

PROGRAM DESCRIPTION AND OPERATIONS

The Risk Services Department's role is to provide exceptional, high-value support and interaction with the Pool's members. Risk Services staff act as advisors to the Pool's membership. This involves educating members on risk management concepts and helping them make sound fiscal decisions for their citizens. Staff provides updates related to emerging exposures and changes to their coverage or board decisions that may have an impact on their daily operations. They also meet with prospective members, discuss coverage and services that the Pool offers, and in coordination with the Underwriting Department, respond to requests for proposals. Risk Services Staff will continue to identify local governments that are not members of the Pool and meet with those entities to discuss coverage and proposal bid opportunities. The goals are member satisfaction and superb service to existing and prospective members.

DEPARTMENTAL GOALS AND MEASURES

- Provide members with benchmarking data and actionable recommendations related to operations.
- Retain 98% of members by count.
- Provide members with in-depth cyber training related to identifying exposures and transferring risk when appropriate.
- Administer the Cyber Grant Program for phishing and assessment.
- Attend 17 conferences annually.
- Work in coordination with Loss Prevention to deliver annual reports to the membership.
- Educate members on the political landscape and potential laws that can impact their risk management program.
- Educate members on the evolving landscape of exposures affecting governmental entities.
- Perform self-insured retention analysis with members who may benefit from retaining risk.
- Consistent messaging of Board approved decisions, including rate changes, coverage changes, and any other items of importance to the membership.
- Complete analysis of any member that withdraws from the Pool.
- Conduct regional meetings across the state, messaging the partnership between the Pool and its members.
- Increase face time with all members by 5%. Increase face time/interaction, specifically with members who have a higher risk profile by 50%.
- Continue developing Hubspot platform to increase member and internal staff members' access to needed documents and notes.
- Utilize the member portal to provide complete documentation related to member coverage.
- Realign department and provide opportunities for a technical and managerial track.

REQUESTED BUDGET CHANGES FROM PREVIOUS YEAR

- None

Activities/Performance Goals & Measures

Risk Services Department

	Actual 2021-22	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
■ New Members	42	31	30	36	18
■ Net Member Growth	-17	0	2	-8	-13
■ Members at Year-End	2,817	2,817	2,819	2,811	2,798
■ Member Visits	3,838	3,901	4,000	4,058	4,000
■ Retention (count)	99%	99%	99%	99%	99%

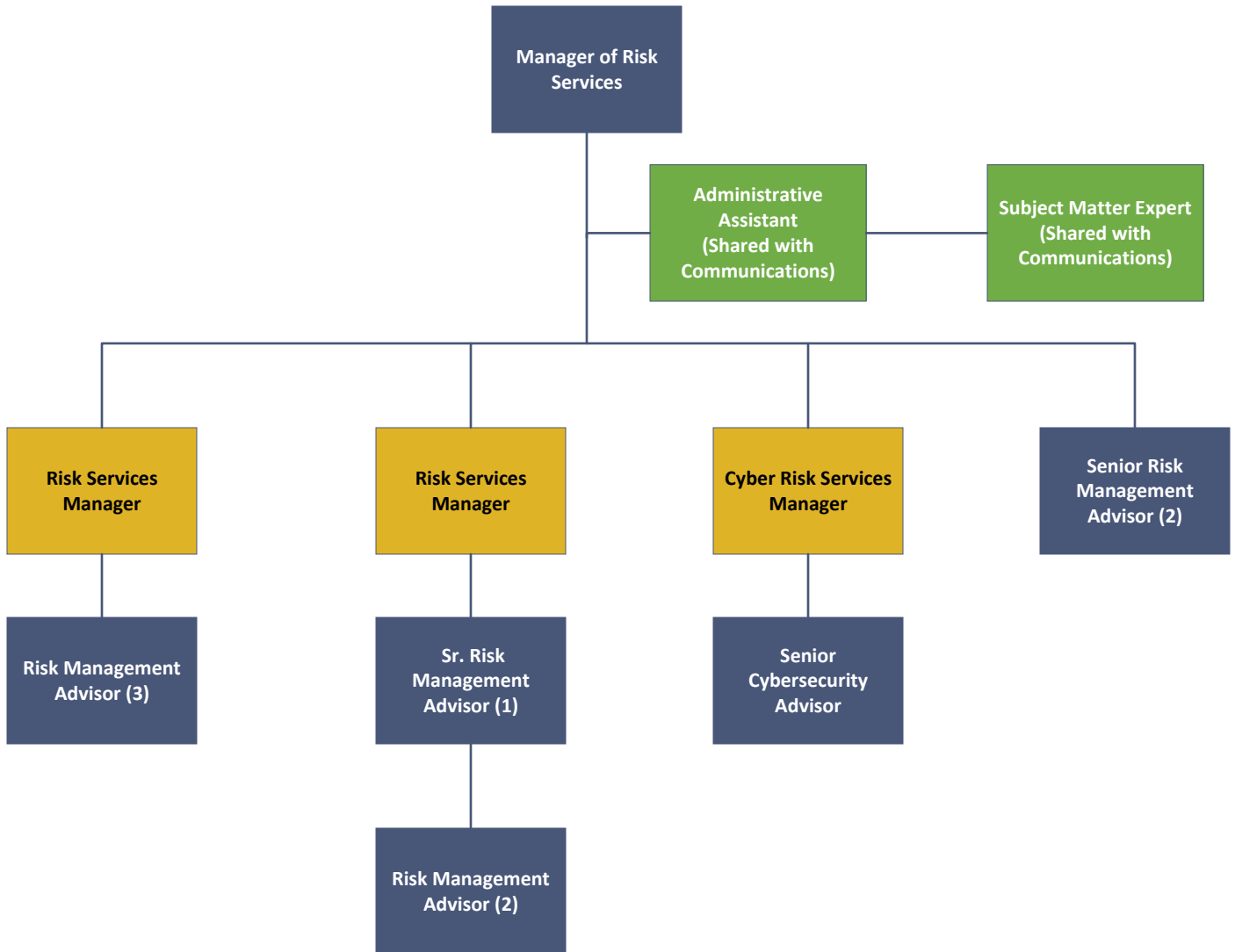
Risk Services Department

Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Est. Total Expenditure	2024-25 Proposed Budget
Personnel					
Full-Time Equivalent: 13					
Regular	\$1,447,206	\$1,574,456	\$1,653,500	\$1,685,200	\$1,846,200
Medicare Tax	21,733	23,739	28,500	26,600	27,700
TMRS	162,566	181,020	207,300	215,600	217,700
Deferred Compensation	76,456	86,223	101,200	102,300	115,100
Disability Insurance	6,071	6,587	8,100	11,300	14,100
Health Insurance	181,328	188,245	229,100	202,800	231,400
Workers' Compensation	1,941	0	0	0	0
Personnel Total	1,897,301	2,060,269	2,227,700	2,243,800	2,452,200
Operating					
Telephone	10,474	10,337	13,000	13,000	13,000
Office Supplies	1,724	3,308	5,000	5,000	5,000
Postage & Freight	2,706	344	2,000	2,000	2,000
Copies and Printing	0	8	5,000	5,000	5,000
Publications & Subscriptions	4,389	4,628	9,700	9,700	10,000
Equipment Maintenance	0	0	500	500	500
Software Maintenance	260	0	11,000	11,000	11,000
Small Equipment Purchases	76	0	0	0	0
Conference Expenses	13,617	6,003	43,300	43,300	43,300
Electronic Media	0	0	37,000	37,000	40,000
Membership Dues	1,306	1,934	1,700	1,700	1,700
Professional Development	7,099	6,411	16,300	16,300	12,200
Travel	93,051	84,739	144,200	150,000	136,800
Auto Maintenance	9,116	9,273	11,300	11,300	11,300
Auto Fuels	20,588	20,051	39,000	39,000	39,000
Operating Total	164,406	147,036	339,000	344,800	330,800
Professional Services					
Professional Services Total	0	0	0	0	0
Grand Total	\$2,061,707	\$2,207,305	\$2,566,700	\$2,588,600	\$2,783,000

Organizational Chart

Risk Services Department



Staffing Summary

	Position	FY 2023-24	Current Staffing	FY 2024-25
	<u>Pay Grade</u>	<u>Budget</u>	<u>5/15/2024</u>	<u>Budget</u>
<u>RISK SERVICES</u>				
Manager of Risk Services	S	1	1	1
Cyber Risk Services Manager	R	0	1	1
Cyber Risk Services Manager	P	1	0	0
Risk Services Manager	P	2	2	2
Senior Cybersecurity Advisor	P	0	0	1
Senior Cybersecurity Advisor	O	1	1	0
Senior Risk Management Advisor	O	3	3	3
Risk Management Advisor	N	5	5	5
TOTAL		13	13	13

OFFICE OF PROJECT MANAGEMENT & ANALYTICS

PROGRAM ANALYSIS

PROGRAM DESCRIPTION AND OPERATIONS

The Office of Project Management & Analytics' purpose is to facilitate, communicate and guide the execution of various initiatives defined by the Pool's strategic mission and goals. The Office provides project management, process definitions, and business analysis support to guide projects to a successful conclusion and to increase business competencies. The Office also guides requirements, business case development and product analysis with a deeper understanding of systems architecture and technical dependencies. Additionally, the Office promotes collaboration across the organization to foster and support strategic initiatives that advance the Pool's mission. The Office is comprised of four cross functioning areas with shared activities and one budget:

- **Project Management** - The project management function is to formulate and oversee the processes by which the initiatives identified on the Business Applications and IT Roadmap are implemented.
- **Business Analysis** - The business analysis function oversees the operational aspect of the Pool's professional business analyst functions.
- **Product Analysis** - The business product analysis function serves as a resource with more technical knowledge of our applications and their architecture. As such, this function guides business decisions and requirements in such a way as to maximize system integrity and sustainability.
- **User Experience Design** - The UX Design function oversees the design of all member-facing interfaces and the overall front-end structure of member interfaces. i.e. The member portal.
- **The Member Experience & Digital Transformation Team (MEDiT)** - As initiatives complete and priorities change the MEDiT team ensures that there is an 18-month schedule in place for consideration. OPMA has undertaken the role as Pool owner for the implementation of these prioritized initiatives.

DEPARTMENTAL GOALS AND MEASURES

- Oversee the MEDiT team as it maintains the 18-month technology roadmap.
- Provide requirement definitions from partnership with stakeholders for the applications in the continuous improvement phase.
- Oversee and ensure proper resource allocation over multiple projects.
- Working with business to develop project charter/business case for new technology/process improvement ideas.
- Guide business requests and requirements through a technical lens in order to maintain application integrity.
- Work with IT to produce viable technical requirements where necessary.
- Evaluate and improve all member-facing interfaces through user experience design.
- Evaluate and ensure the scalability of all member-facing applications.
- Provide UX leadership and requirements for all internal and external technology interfaces.

REQUESTED BUDGET CHANGES FROM PREVIOUS YEAR

- None

Activities/Performance Goals & Measures

Office Of Project Management & Analytics

	Actual 2021-22	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
■ Roadmap/MEDiT projects facilitated	2	2	2	2	4
■ Average Sprint Duration (in weeks)	4.0	4.0	4.0	4.0	4.0
■ Average Enhancements & Defects delivered per sprint	181	181	170	175	180
■ Epics (work packages)	51	51	65	70	70
■ User Stories or Requirements	2171	2171	1800	2100	2000

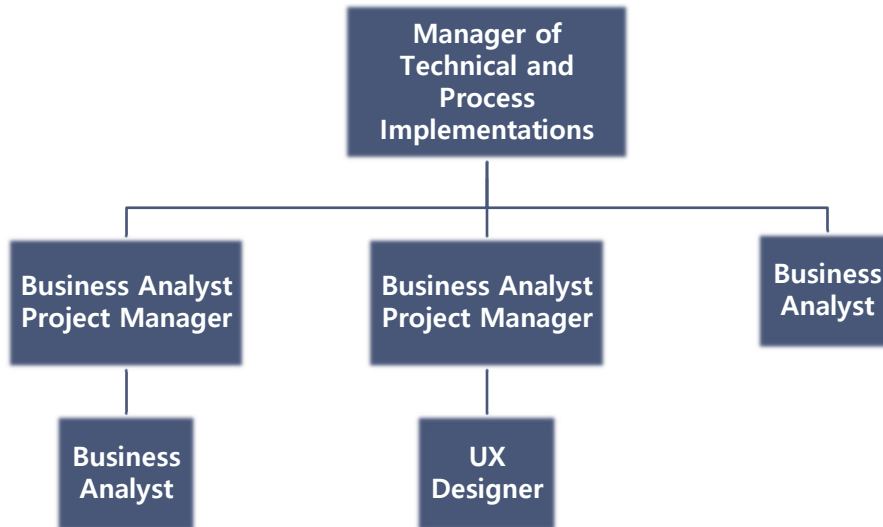
Office of Project Management and Analytics

Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Est. Total Expenditure	2024-25 Proposed Budget
Personnel					
Full-Time Equivalent: 6					
Regular	\$467,920	\$514,469	\$679,000	\$671,700	\$719,500
Medicare Tax	7,094	7,613	11,600	10,400	10,800
TMRS	52,851	57,712	84,200	84,000	84,900
Deferred Compensation	26,335	28,093	40,000	39,800	43,900
Disability Insurance	1,996	2,139	3,700	4,500	5,600
Health Insurance	34,977	40,438	70,200	72,200	82,700
Workers' Compensation	437	0	0	0	0
Personnel Total	591,609	650,465	888,700	882,600	947,400
Operating					
Telephone	1,020	1,020	1,200	1,200	1,200
Office Supplies	0	0	2,000	1,000	2,000
Postage & Freight	1	1	100	100	100
Copies and Printing	0	0	200	100	200
Publications & Subscriptions	0	0	100	0	0
Software Maintenance	0	179	200	0	0
Small Equipment Purchases	0	0	700	0	0
Contract Services	0	0	131,000	0	0
Membership Dues	139	239	400	400	400
Professional Development	2,600	1,949	25,300	10,000	22,100
Travel	5,955	8,478	15,600	10,000	17,300
Operating Total	9,714	11,866	179,800	22,800	43,300
Professional Services					
Professional Services Total	0	0	0	0	0
Grand Total	\$601,323	\$662,331	\$1,068,500	\$905,400	\$990,700

Organizational Chart

The Office of Project Management & Analytics



Staffing Summary

	Position	FY 2023-24	Current Staffing	FY 2024-25
	Pay Grade	Budget	5/15/2024	Budget
OFFICE OF PROJECT MANAGEMENT				
Manager of Technical & Process Implementations	S	1	1	1
Senior Product Analyst	P	1	0	0
Business Analyst Project Manager	N	2	2	2
Business Analyst	M	2	2	2
User Experience Designer	L	1	1	1
TOTAL		7	6	6

LEGAL DEPARTMENT PROGRAM ANALYSIS

PROGRAM DESCRIPTION AND OPERATIONS

The Legal Department provides services to the Executive Director and all Pool departments, including counseling, document preparation, managing legal aspects of claims processing, and evaluating the legal aspects of the organization's decisions. The Legal Department currently coordinates the activities of various lawyers contracted to represent Pool Members in workers' compensation, liability, and property lawsuits and claims. The Legal Department also pursues subrogation cases on both property and workers' compensation losses. The Chief Legal Officer is responsible for developing the Pool's legal opinions on various issues that arise and providing the other services of the Legal Department. The Legal Department's goals are to continue attempting to reduce the number of cases that are filed against Pool members, to increase the number of successful conclusions to lawsuits, and to ensure effective legal services are provided within a reasonable time frame. The Legal Department also coordinates with the General Counsel to the Pool's Board of Trustees on legislative activities and other legal matters as needed. The Legal Department will continue the following programs:

- Managing litigation cases in coordination with the Liability/Property Department staff.
- Participating in the development and fine tuning of various dashboards and reports for data analytics to help with litigation and subrogation results.
- Coordinating the Pool's legislative activities along with the General Counsel to the Pool's Board of Trustees.
- Providing the Employment Hotline, in coordination with the Liability/Property Department, which allows Pool members to call in and ask questions on what steps to take before disciplining an employee. This service helps to reduce the number of Errors and Omissions Liability Coverage cases.
- Advising internally on employment matters, personnel policies, and immigration issues.
- Managing the Pool's coverage documents and the coverage changes process.
- Pursuing subrogation cases against responsible third parties for both property and workers' compensation losses.
- Coordinating with other Pool departments and outside entities to participate in various seminars.
- Providing an annual continuing education workshop for defense attorneys hired by the Pool.
- Coordinating with the General Counsel to the Pool's Board of Trustees on legal matters as needed.
- Assisting other Pool departments by drafting/reviewing contracts for products and services and assisting with other legal issues.
- Assisting with release planning of various technology system fixes, modifications, and enhancements as needed.
- Assisting with infrastructure improvements, including the purchase, installation, and development of new software systems.
- Providing legal services to the Political Subdivision Workers' Compensation Alliance as agreed in the Interlocal Cooperation Agreement Regarding Administrative Services.

DEPARTMENTAL GOALS AND MEASURES

- Work with Liability/Property Department and Workers' Compensation Department to reduce claims and lawsuits and increase the successful conclusion of lawsuits.
- Develop, manage, and update form letters and authority policies to allow the Liability/Property Claims Specialists to empower themselves in the routine handling of liability and property claims and litigation.
- Continue providing Pool members with the Employment Hotline to help reduce Errors and Omissions Liability claims.
- Continue pursuing subrogation recoveries on property and workers' compensation losses, including keeping the pre-litigation open to close ratio above 85%, keep the recovery percentage above 85% of possible recovery potential, and recovering \$4,000,000 for Pool members.
- Implement a new contract handling policy and management system.
- Assist and manage the implementation of the Pool's data security policies.
- Ensure effective legal services are provided in a timely manner.

REQUESTED BUDGET CHANGES FROM PREVIOUS YEAR

- No changes requested. The overall budget amount for operating expenses is the same as the 2023-24 budget amount. The only changes are adjustments to current line items.

Activities/Performance Goals & Measures Legal Department

	Actual 2021-22	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
■ Liability Fund Members	2,748	2,762	2,750	2,749	2,749
■ New Liability Lawsuits	436	543	510	600	600
■ Average Suits Per Member	0.159	0.197	0.185	0.218	0.218
■ Personnel Calls	145	183	160	200	200
■ Contracts Processed	N/A	54	60	60	60

Subrogation Division

	Actual 2021-22	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
■ Subrogation Files Closed	1,151	863	1,100	1,100	1,100
■ Workers' Comp. Subrogation Gross Recoveries	\$1.1M	\$1.143M	\$1.0M	\$1.5M	\$1.5M
■ Property Subro. Gross Recoveries	\$4.8M	\$3.179M	\$3.0M	\$3.5M	\$3.5M
■ Workers' Comp. Credit Obtained	\$0.1M	\$0.415M	\$0.2M	\$0.55M	\$0.55M
■ Property Subrogation Member Deductibles Returned	\$0.4M	\$0.361M	\$0.4M	\$0.375M	\$0.375M

Legal Department

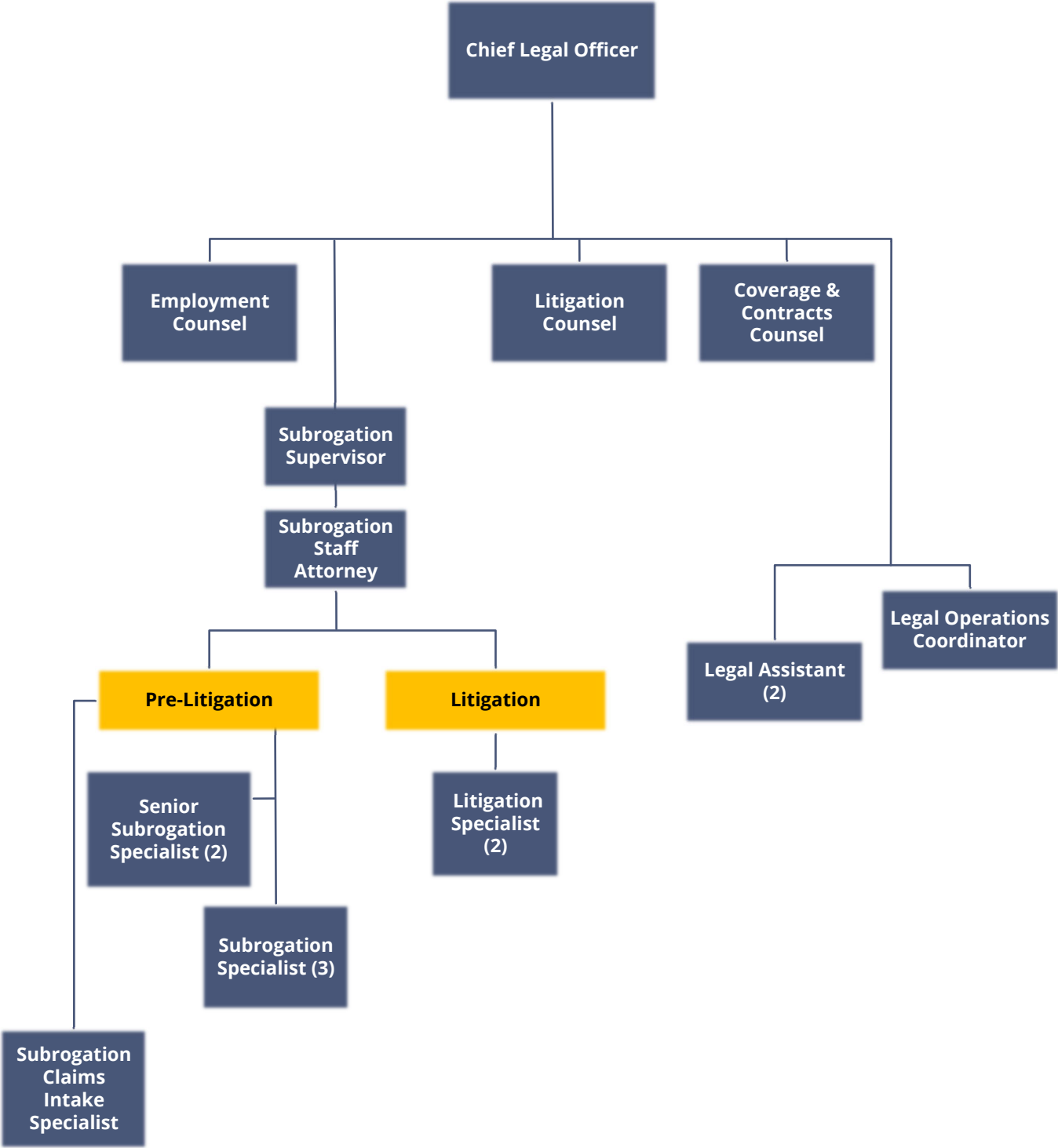
Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Est. Total Expenditure	2024-25 Proposed Budget
Personnel					
Full-Time Equivalent: 17					
Regular	\$1,601,661	\$1,781,975	\$1,733,000	\$1,927,200	\$1,952,600
Medicare Tax	24,043	26,756	29,700	29,400	29,300
TMRS	178,033	202,572	216,100	238,500	230,100
Deferred Compensation	92,589	104,491	101,000	113,100	118,300
Disability Insurance	6,732	7,504	9,100	12,500	14,800
Health Insurance	211,553	238,129	293,300	275,500	300,800
Workers' Compensation	1,138	0	0	0	0
Personnel Total	2,115,748	2,361,427	2,382,200	2,596,200	2,645,900
Operating					
Temporary Services	0	0	500	0	500
Telephone	3,997	3,950	4,500	3,600	4,500
Office Supplies	1,063	853	3,500	900	3,000
Postage and Freight	724	381	3,500	500	3,000
Copies and Printing	(473)	0	1,000	0	1,000
Publications & Subscription	41,028	40,116	36,000	36,000	36,000
Equipment Maintenance	0	0	300	0	300
Small Equipment Purchases	134	1,489	1,000	0	1,000
Workshops	30,051	34,034	40,000	37,000	41,000
Subrogation*	10,508	8,883	62,500	13,000	17,000
Membership Dues	2,460	6,572	4,000	4,000	5,000
Professional Development	10,524	6,226	8,000	8,000	6,800
Prof Dev - College	17,973	9,086	0	0	0
Travel	27,442	24,496	28,100	33,000	30,600
Advertising Expenses	449	0	0	0	0
Auto Maintenance	0	0	900	0	1,000
Auto Fuels	29	0	2,500	0	2,000
Operating Total	145,910	136,087	196,300	136,000	152,700
Professional Services					
Other Professional Fees	14,181	61,284	125,000	80,000	125,000
Personnel Matters	0	0	5,000	0	5,000
Professional Services Total	14,181	61,284	130,000	80,000	130,000
Grand Total	\$2,275,839	\$2,558,798	\$2,708,500	\$2,812,200	\$2,928,600

*Budget Summary includes Subrogation Division.

Organizational Chart

Legal Department



Staffing Summary

	Position	FY 2023-24	Current Staffing	FY 2024-25
	Pay Grade	Budget	5/15/2024	Budget
LEGAL				
Chief Legal Officer (formerly Director of Legal Services)	U	1	1	1
Coverage & Contracts Counsel (formerly Staff Attorney III)	R	1	1	1
Litigation Counsel	R	1	1	1
Employment Counsel	R	1	1	1
Subrogation Supervisor	P	1	1	1
Subrogation Staff Attorney	O	1	1	1
Litigation Specialist	L	2	2	2
Senior Subrogation Specialist	L	2	2	2
Subrogation Specialist	J	3	3	3
Legal Operations Coordinator	H	1	1	1
Legal Assistant	F	2	2	2
Subrogation Claims Intake Specialist	D	1	1	1
TOTAL		17	17	17

UNDERWRITING PROGRAM ANALYSIS

PROGRAM DESCRIPTION AND OPERATIONS

Underwriting provides various coverage services to members, including accurate exposure and loss review for rating of proposals, renewals and added lines of coverage, evaluation, and processing of audit information and, in conjunction with Loss Prevention, review and determination of appropriate building values on member schedules. Underwriters and their assigned Underwriting Specialists are daily resources to members for coverage questions, risk assessment and information and routinely work with third parties who have an interest in the coverage provided by the member (i.e., Victor Insurance Managers, certificate holders, etc.). Timely responses to member requests and rating documents enhance member service and promote member retention. The Underwriting Business Systems Unit is responsible for managing, updating, and testing Underwriting software to ensure accuracy of rating and storage of data associated with coverage attributes for all Members. New and continued efforts include:

- Continued refinement of a single platform Underwriting System, focusing primarily on foundational underpinning for consistency and efficiency in process flow, data storage and retrieval.
- Increased volume and efficiency in processing changes submitted via the Member Portal.
- Updating and management of Cyber specific coverage, rating, and policy issuance.
- Document generation and refinement of delivery to Members through electronic transmission options.
- Reinforcing a unified approach to member service and retention in conjunction with the Risk Services and Loss Prevention departments.
- Identification of coverage enhancements to serve the changing needs of the Pool's membership.
- Timely and accurate processing of all rerate, policy change, audit, and proposal documents.
- Engaging with the Claims Departments to regularly review and train on new or changing coverage endorsements.

DEPARTMENTAL GOALS AND MEASURES

- Complete 90% of Liability/Property Rerate Declarations of Coverage by the end of the fiscal year, dependent upon the Rerate Exposure Summary process.
- Complete 100% of Workers' Compensation Audits received as of 1/31/2025 by 2/15/2025.
- Continued review of contracts for all Members for coverage and endorsement application.
- Send 98% of proposals two days in advance of the due date when requests have at least seven business days for processing.
- Further expansion of Member Portal for policy changes and integration with Pool's Policy Administration System to enhance Member Experience.
- Implement policy change enhancements to the Property Package to improve system functionality and Member Experience.
- Expand staff knowledge and underwriting of Cyber Breach coverage, including available endorsements and upper tier rating.

REQUESTED BUDGET CHANGES FROM PREVIOUS YEAR

- Future changes in responsibility of the Business Systems unit to oversee both Underwriting and Risk Services software platforms have resulted in requested promotional opportunities and one additional QA Specialist position.
- Transfer of one Underwriter position (approved in January of 2024) to Risk Services as a blended position to perform both underwriting and member services functions to a specific group of members.
- Promotion of an Operations Specialist to Senior Operations Specialist as data extraction and analysis is transferred to this position for more complex topics, such as property and workers' compensation reinsurance.

Activities/Performance Goals & Measures Underwriting Department

	Actual 2021-22	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
■ Workers' Comp. Rerates Completed	2,355	2,354	2,375	2,270	2,265
■ Liability Rerates Completed	2,750	2,744	2,760	2,749	2,750
■ Property Rerates Completed	2,395	2,387	2,400	2,387	2,400
■ Cyber Rerates Completed	2,680	2,674	2,675	2,675	2,500
■ Policy Change Transactions Completed	3,865	4,177	4,000	4,000	4,000
■ Property Values (buildings and contents - in billions)	\$52.70	\$61.10	\$57.00	\$62.00	\$64.00
■ Vehicles Covered	85,851	89,556	86,500	90,000	91,000
■ Number of Employees Covered	191,535	197,029	200,000	200,000	203,000

**The number of employees covered includes volunteers, which fluctuate from year to year.*

Policy change transactions were added as of 2021 with new policy transaction reporting availability. Only policy changes generating a contribution adjustment are included.

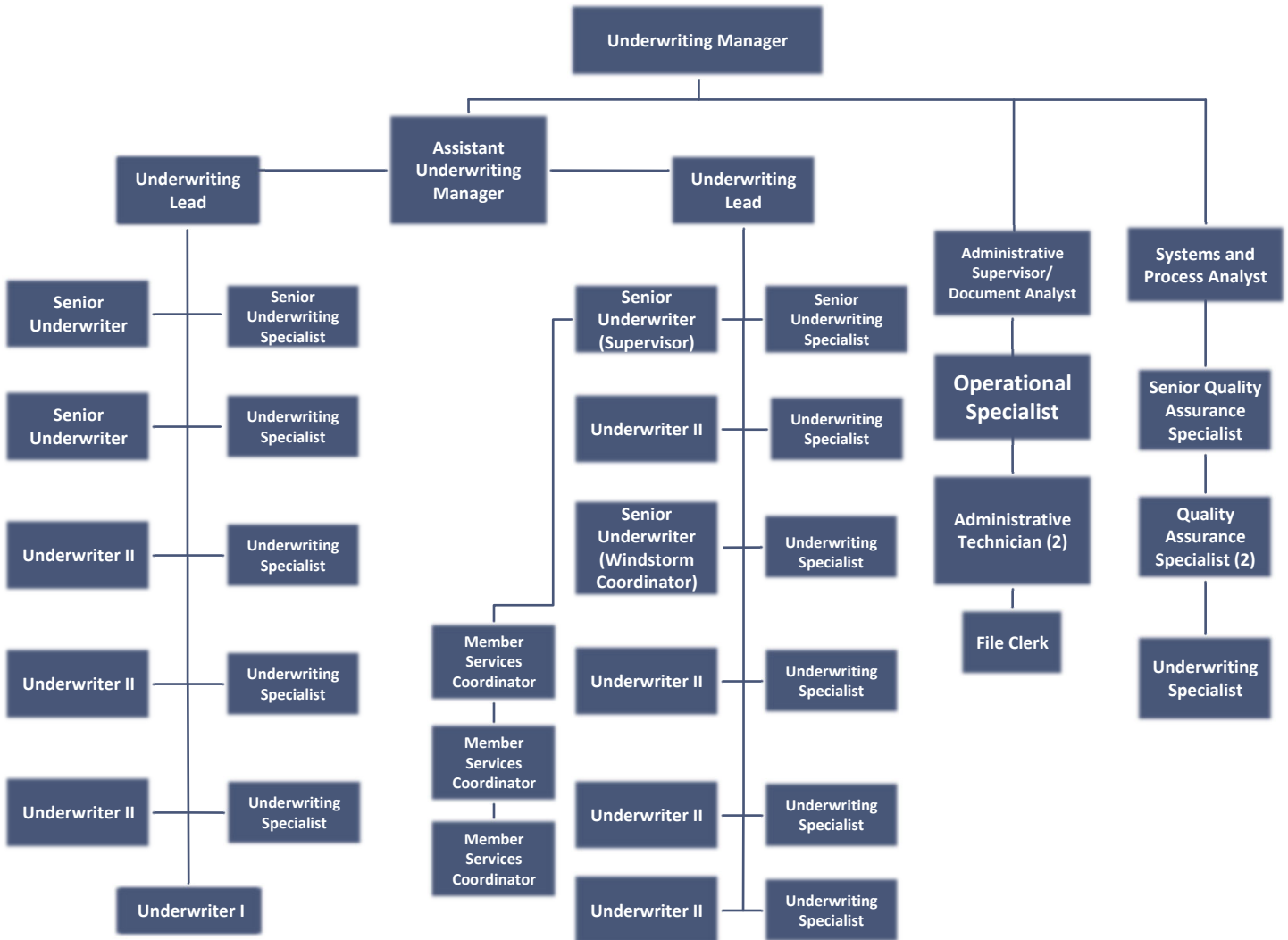
Underwriting Department

Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Est. Total Expenditure	2024-25 Proposed Budget
Personnel					
Full-Time Equivalent: 40					
Regular	\$3,492,587	\$3,737,448	\$3,866,600	\$3,899,800	\$4,051,100
Medicare Tax	52,806	56,099	65,800	60,900	60,900
TMRS	391,713	424,691	478,700	485,000	477,900
Deferred Compensation	220,546	230,637	233,600	240,600	254,700
Disability Insurance	14,687	15,488	20,400	26,300	32,200
Health Insurance	469,283	527,152	627,600	604,900	679,400
Workers' Compensation	2,744	0	0	0	0
Personnel Total	4,644,365	4,991,515	5,292,700	5,317,500	5,556,200
Operating					
Telephone	3,441	3,522	3,600	3,600	3,600
Office Supplies	50,635	70,205	69,000	25,000	46,000
Postage and Freight	13,892	6,469	30,000	15,000	15,000
Copies and Printing	11,240	2,524	15,000	12,000	7,500
Records Retention	24,834	28,038	25,000	38,000	40,000
Publications & Subscription	3,130	3,783	3,000	2,500	2,500
Equipment Maintenance	0	0	2,500	1,500	2,500
Software Maintenance	5,003	(1,499)	0	0	0
Small Equipment Purchases	710	0	2,500	0	2,500
Contracts	0	0	5,000	2,500	15,000
Membership Dues	1,320	960	2,300	1,700	2,000
Professional Development	12,631	15,539	20,000	13,000	13,500
Prof Dev - College	0	5,921	6,000	0	0
Travel	17,951	27,674	25,800	24,000	25,900
Operating Total	144,786	163,135	209,700	138,800	176,000
Professional Services					
Actuarial Studies	30,575	38,775	30,000	40,000	42,000
R. Dylong & Assoc-Audits	288,670	312,791	352,000	350,000	355,000
Windstorm Engineering	0	0	5,000	0	5,000
Professional Services Total	319,245	351,566	387,000	390,000	402,000
Grand Total	\$5,108,395	\$5,506,216	\$5,889,400	\$5,846,300	\$6,134,200

Organizational Chart

Underwriting Department



Staffing Summary

	Position	FY 2023-24	Current Staffing	FY 2024-25
	Pay Grade	Budget	5/15/2024	Budget
UNDERWRITING				
Underwriting Manager	S	1	1	1
Assistant Underwriting Manager	Q	1	1	1
Underwriting Lead	P	2	2	2
Underwriter Supervisor	O	2	2	2
Senior Underwriter	O	2	2	2
Underwriter II	N	8	5	7**
Systems & Process Analyst	N	1	1	1
Underwriter I	L	0	1	1
Membership Services Coordinator	L	3	3	3
Admin Supervisor/Document Analyst	L	1	1	1
Sr Quality Assurance Specialist	L	1	0	1
Quality Assurance Specialist	K	2	3	2
Sr Underwriting Specialist	K	1	2	2
Underwriting Specialist	J	10	9	10*
Operations Specialist	J	2	1	1
Administrative Technician	D	2	2	2
Administrative Clerk	C	0	0	0
File Clerk	A	1	1	1
TOTAL		40	37	40

*1 Position vacant and unfunded

**2 Positions vacant

LOSS PREVENTION PROGRAM ANALYSIS

PROGRAM DESCRIPTION AND OPERATIONS

Loss Prevention provides programs and services to address potential loss exposures impacting Members. Member needs are determined through onsite consultations, Member requests, Member feedback, loss trend analyses, and evolution of loss prevention services offered by others in our industry for similar operations. Programs, services, and resources are developed to address recurring, high-risk exposures to prevent employee injuries, preserve assets, and avoid injury to the public. Staff provide training programs to increase awareness of exposures and controls with specific attention to Members' primary functions. Staff conduct consultations to assist Members in all areas of local governmental operations and customize those services to meet unique needs. The department utilizes technology to deliver Member training through virtual meeting platforms, videos, online learning and streaming programs. Various forms of technology are used continuously in our operations when preparing for, during, and after Member interactions when completing documentation of activities.

Loss Prevention is also involved in gathering information for and completing valuations of property and structures as requested by the Underwriting Department.

DEPARTMENTAL GOALS AND MEASURES

- Each Safety and Loss Control Consultant is required to identify twenty (20) High Priority Members within their assigned territory to help facilitate changes and enhancements to prevent, mitigate or reduce exposures impacting all lines of coverage. As part of the process, Safety and Loss Control Consultants are required to establish Action Items and Service Goals for each calendar year. High Priority Members will be visited as frequently as necessary, but no less than four contacts per year. Safety and Loss Control Consultants also identify two Focus Departments within each High Priority Member that are "driving" losses for the Member. Visits with Focus Departments (implemented in 2024) will be measured separately from High Priority contacts. Performance Goals and Measures for 2024-2025 address minimum contacts, completed action plan items, and completed service goals.
- Loss Prevention schedules training programs to educate, motivate and increase awareness of potential exposures in Member operations. The number of onsite training programs and the number of attendees has rebounded to pre-pandemic numbers, and requests from Members have increased significantly. Outreach Consultants provide training on core topics related to law enforcement, public works and utilities, human resources, and supervisory skills. Safety and Loss Control Consultants also provide training and safety meeting presentations on a variety of subject matter. The number of onsite training programs provided by Loss Prevention (Outreach Consultants, contract trainers, and Safety and Loss Control Consultants) in 2024-2025 is expected to be around 500 with about 7,500 participants.
- The TML Risk Pool wants all Members' employees to go home safely every day. To support this notion, Loss Prevention staff created the Safety @ Your Finger T.I.P.S. initiative. Safety @ Your Finger T.I.P.S. utilizes mass texting to reach individual employees and provide regular access to resources that increase awareness of safety-related hazards and exposures in the

workplace. The subject matter can also be utilized during safety/tailgate meetings. Registrations have been good so far and Loss Prevention expects at least 1,500 users in 2024-2025.

- Loss Prevention staff developed the R.O.A.D. Ready initiative to increase awareness of hazards and exposures related to Member employees working on or near roadways. The program was conceptualized following repetitive discussions about the number of injuries and incidents involving these types of activities. Loss Prevention staff assists members through onsite consultations, jobsite assessments, safety meetings, and training. Each January is designated as R.O.A.D. Ready Month with an emphasis on increasing awareness of related exposures. Loss Prevention expects at least 300 Member departments to be active and regularly receiving updates associated with the initiative by the end of the 2024/2025 budget period.
- The Risk Pool continues to offer access to online training for Members through LocalGovU. Utilization of online courses has been increasing and is expected to be around 25,000 completed courses in 2024-2025.

REQUESTED BUDGET CHANGES FROM PREVIOUS YEAR

- **Capital Outlay**
 - The 2018 half-ton pickup used by one of the Department's Law Enforcement Outreach Consultants is due for replacement. The estimated cost to replace the vehicle is \$65,000.
- **Operating Expenses**
 - Fuel – Increase to \$54,000 to address expenses associated with new Law Enforcement Outreach position.
 - Auto Maintenance – Increase to \$24,500 to address expenses associated with new Law Enforcement Outreach position.
- **Professional Fees and Expenses**
 - Other Professional Fees (ILEA) – For the first time since Texas Sergeant Academies commenced in 2017, ILEA has initiated an increase in cost per student for 2024-2025. The increase is from \$1,100 to \$1,200 for the two-week program. Increase budgeted amount to \$85,000 from \$70,000.
 - Other Professional Fees (TMHRA) – Loss Prevention is progressing in a partnership with TMHRA to develop training resources. A budget of \$7,500 is being proposed (an increase of \$2,500 over the current year) to help support this effort.

Activities/Performance Goals & Measures Loss Prevention Department

	Actual 2021-22	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
■ Total Number of Field Contacts (All Members)	1,461	1,461	1,700	1,600	1,700
■ Field Contacts with High Priority (HP) Members*	N/A	700	750	725	750
■ Percentage of HP Member Action Items Completed*	N/A	33%	50%	50%	60%
■ Percentage of HP Member Service Goals Completed*	N/A	56%	75%	75%	80%
■ Percentage of HP Member Minimum Contact Requirements Completed*	N/A	70%	80%	80%	90%
■ R.O.A.D. Ready Participating Members (Individual Departments in 24-25)	132	132	250	180	300
■ Safety @ Your Finger TIPS Registrations*	250	250	700	800	1,500
■ On-site Training Programs	132	282	350	250	350
■ Number of Safety Meeting Presentations Conducted by SLCCs	134	134	150	150	150
■ On-site Training Members Represented	174	328	450	300	450
■ On-site Training Participants	2,632	6,611	7,500	4,500	7,500
■ Video Media Circulated	302	368	450	400	450
■ Video Media Participation	2,732	4,155	6,000	3,500	6,000
■ Online Learning Courses Taken (Excludes DIR Cybersecurity Training)	19,166	25,881	25,000	23,500	25,000
■ Online Learning by Member (Excludes DIR Cybersecurity Training)	285	288	250	225	250
■ Online Learning by Individual Employees (Excludes DIR Cybersecurity Training)	11,433	10,633	12,500	12,000	12,500

* Denotes new measurements added for 2024/25 Budget

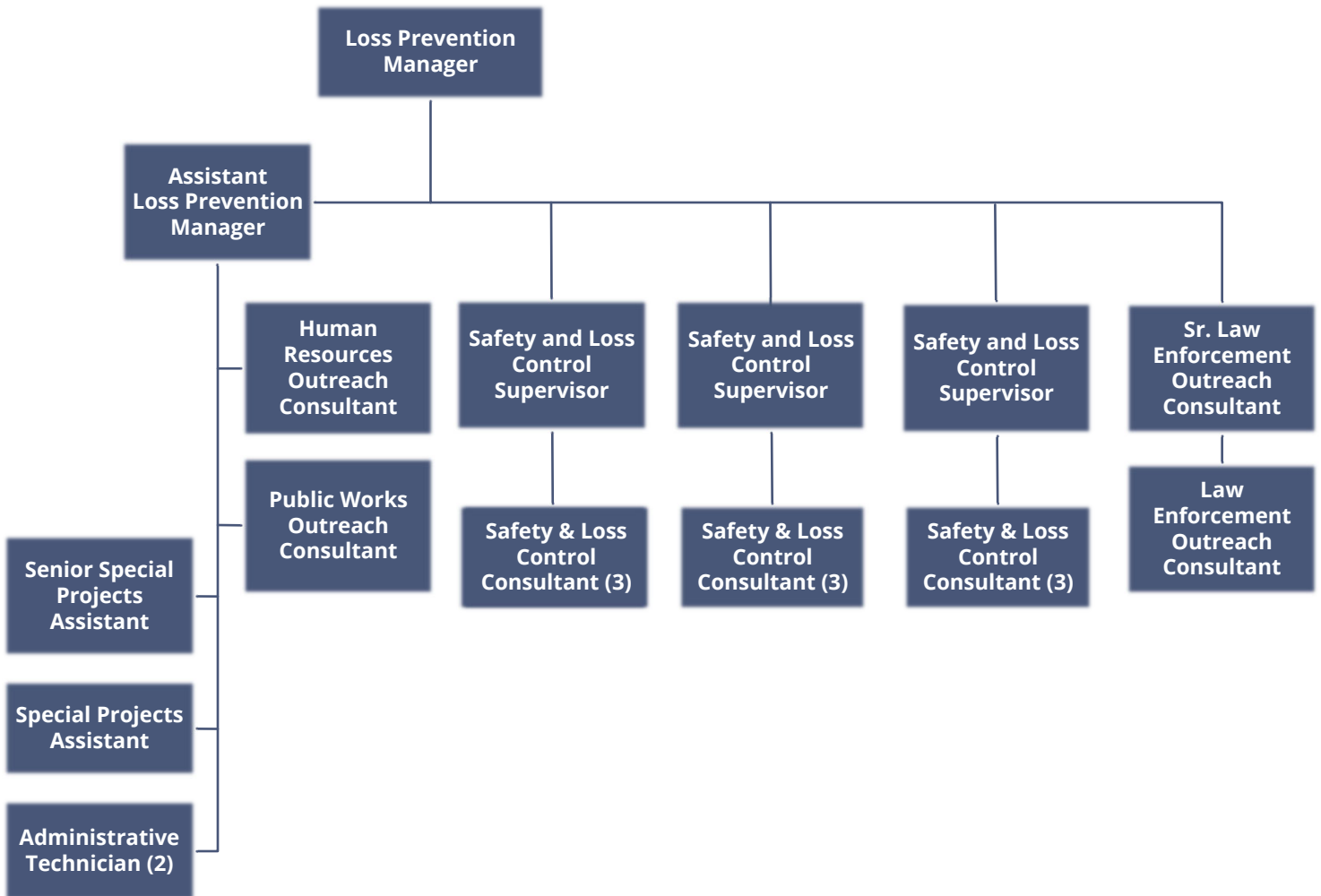
Loss Prevention Department

Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Est. Total Expenditure	2024-25 Proposed Budget
Personnel					
Full-Time Equivalent: 22					
Regular	\$2,176,632	\$2,442,983	\$2,553,900	\$2,591,000	\$2,737,800
Medicare Tax	33,386	37,667	44,000	42,600	41,200
TMRS	247,391	284,348	319,700	325,600	323,200
Deferred Compensation	142,208	160,631	156,000	159,600	173,400
Disability Insurance	9,205	10,264	12,900	18,700	21,500
Health Insurance	288,787	328,608	404,300	365,000	402,500
Workers' Compensation	3,614	0	0	0	0
Personnel Total	2,901,222	3,264,501	3,490,800	3,502,500	3,699,600
Operating					
Telephone	11,426	16,090	22,500	20,000	22,500
Office Supplies	7,108	10,262	10,000	8,500	10,000
Postage and Freight	4,240	4,501	7,000	6,000	7,000
Copies and Printing	2,241	2,517	10,000	7,500	10,000
Publications & Subscription	4,061	2,956	10,000	5,000	10,000
Equipment Maintenance	0	0	3,000	1,500	3,000
Software Maintenance	35,928	43,115	48,000	48,000	48,000
Small Equipment Purchases	68	4,946	13,000	5,000	13,000
Equipment Rental	0	0	2,000	2,000	2,000
Conference Expenses	7,547	0	0	0	0
Workshops	118,228	125,569	175,000	165,000	175,000
Electronic Media	135,641	138,998	163,000	130,000	163,000
Contract Services	5,700	14,500	100,000	50,000	50,000
Membership Dues	2,859	4,046	9,500	6,000	7,100
Professional Development	18,495	13,360	20,000	22,000	20,300
Prof Dev - College	12,441	0	10,000	0	10,000
Travel	103,633	113,793	136,000	125,000	128,700
Advertising Expenses	175	0	0	0	0
Auto Maintenance	20,232	20,174	18,800	23,000	24,500
Auto Fuels	39,580	40,875	52,500	45,000	54,000
Operating Total	529,601	555,703	810,300	669,500	758,100
Professional Services					
Gas Utility Surveys	39,607	126,089	150,000	135,000	150,000
Boiler/Machinery Inspect	18,705	13,655	30,000	25,000	30,000
Other Professional Fees	118,266	138,040	181,000	170,000	198,500
Electrical Util Surveys	884	800	1,000	1,000	1,000
Professional Services Total	177,462	278,584	362,000	331,000	379,500
Grand Total	\$3,608,285	\$4,098,788	\$4,663,100	\$4,503,000	\$4,837,200

Organizational Chart

Loss Prevention Department



Staffing Summary

	Position	FY 2023-24	Current Staffing	FY 2024-25
	Pay Grade	Budget	5/15/2024	Budget
<u>LOSS PREVENTION</u>				
Loss Prevention Manager	S	1	1	1
Asst Loss Prevention Manager	Q	1	1	1
Safety & Loss Control Supervisor	P	0	0	3
Safety & Loss Control Supervisor	O	3	3	0
Sr Law Enforcement Outreach Consultant	P	0	0	1
Law Enforcement Outreach Consultant	O	2	1	1
Human Resources Outreach Cousultant	O	1	1	1
Public Works Outreach Consultant	O	1	1	1
Safety & Loss Control Consultant	N	9	9	9
Senior Special Projects Assistant	J	1	1	1
Special Projects Assistant	F	1	1	1
Administrative Technician	D	2	2	2
TOTAL		22	21	22

FINANCE PROGRAM ANALYSIS

PROGRAM DESCRIPTION AND OPERATIONS

Finance encompasses Accounting, Investments, Cash Management, Payroll, Accounts Payable, Accounts Receivable, Inventory and Purchasing, and Reporting and Analytics. Finance develops Board-level policy recommendations concerning the Pool's finances and administrative matters and provides management and oversight of these functions.

The accounting function is responsible for capturing and recording all financial transactions, providing timely and useful financial reports to stakeholders, and managing the accounts receivable, accounts payable and payroll processes.

The investment function sets policies and procedures for the Pool's investment program, manages up to one-half of the Pool's government portfolio, and monitors the Pool's investment managers.

The purchasing function provides procurement of goods and services to support the operations of the Pool.

Finance ongoing operations include:

- Develop financial policy recommendations for the Board.
- Develop and manage annual and project budgets.
- Assist in developing plans for improving core business systems software applications.
- Continued involvement with the design and implementation of enhancements to core financial systems.
- Oversee cash and investment management, including investment portfolio management and analysis.
- Provide financial reporting, including budget and loss trend analysis to communicate the Pool's performance and financial results.
- Manage payroll processing and payroll tax reporting.
- Ensure continued maximum accounts receivable collections and work with members to resolve related issues.
- Continue prompt payment of vendor invoices.
- Obtain favorable contract pricing to minimize Pool expenses.

DEPARTMENTAL GOALS AND MEASURES

- Update the Pool's Purchasing Policy.
- Develop and implement new claim disbursement function.
- Develop and implement financial procedures related to Cyber Fund.
- Refine investment performance to incorporate Lifetime Benefits (LTB) returns.
- Reinforce and enhance analytics for the rate-setting process.
- Manage and refine the payroll function.
- Continue collaboration with departments for report development and reporting analytics.

REQUESTED BUDGET CHANGES FROM PREVIOUS YEAR

- Insurance expenses increased by \$76,000 due to The Pool's purchase of the TX Health Benefits Pool's half of the building.
- Budgeted bank fees are increasing by \$30,000 due to possible increases as The Pool will issue a Request for Proposal in 2024-25.
- Budgeted rent expenses are decreasing from \$245,000 to \$93,200, budget to budget, due to field office closures.

Activities/Performance Goals & Measures

Finance Department

	Actual 2021-22	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
■ Consolidated Investment Portfolio (Market Value)	\$670.0M	\$716.8M	\$860.0M	\$810.0M	\$900.0M
■ Government Investment Portfolio (Market Value)	\$491.1M	\$510.5M	\$625.0M	\$547.0M	\$640.0M
■ Lifetime Benefits (LTB) Investment Portfolio (Mkt. Value)	\$178.9M	\$206.3M	\$235.0M	\$263.0M	\$260.0M
■ Consolidated Return on Investment	2.6%	3.2%	2.6%	3.5%	3.0%
■ Consolidated Total Rate of Return	-12.5%	2.7%	3.0%	5.0%	3.0%
■ Government Benchmark (Total Rate of Return)	-13.0%	0.6%	2.5%	3.0%	2.5%
■ LTB Return on Investment	3.6%	4.5%	3.2%	3.6%	3.5%
■ LTB Total Rate of Return	-10.1%	8.3%	3.5%	12.0%	5.0%
■ LTB Benchmark (Total Rate of Return)	-9.9%	8.5%	3.5%	12.0%	5.0%

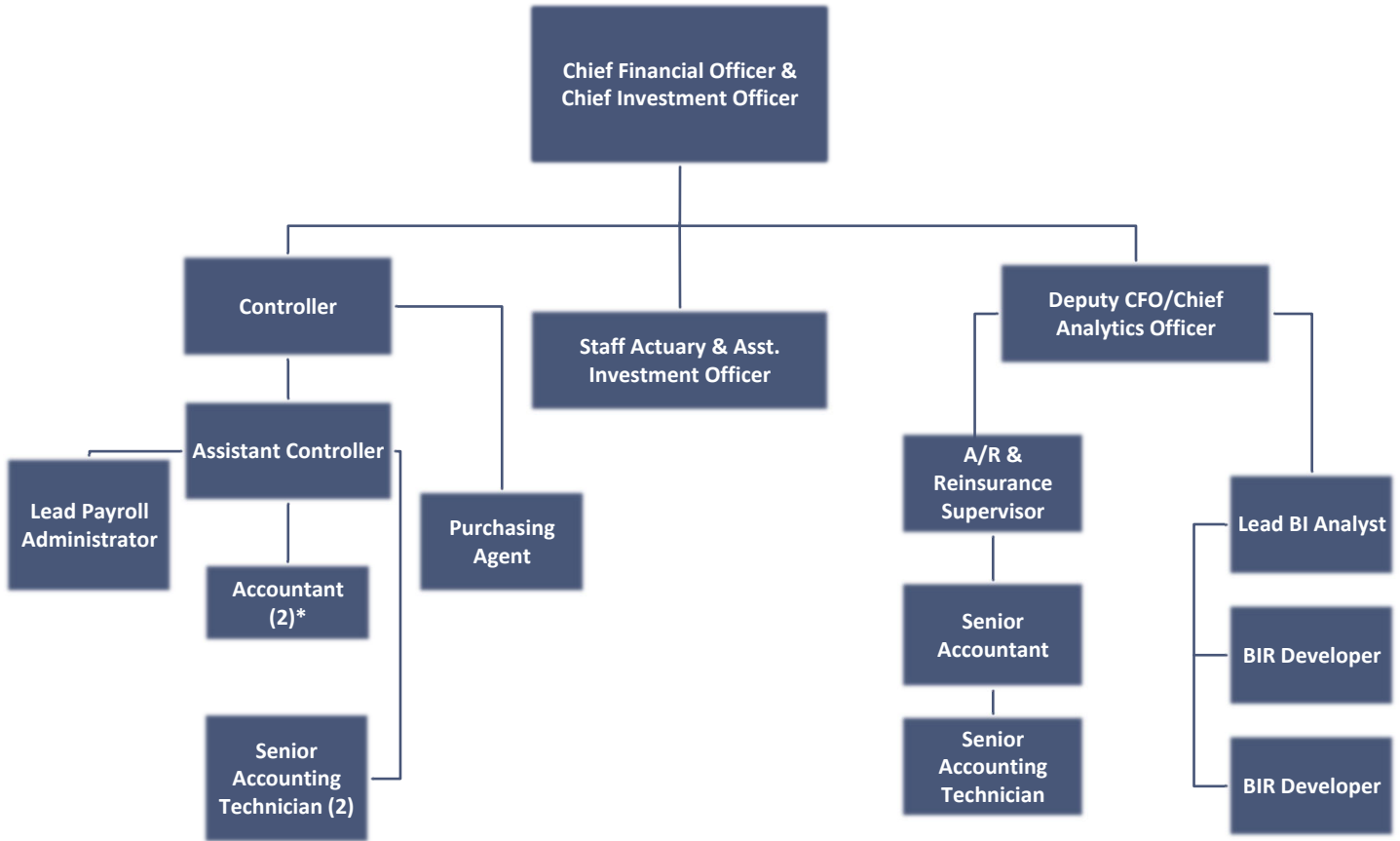
Finance Department

Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Est. Total Expenditure	2024-25 Proposed Budget
Personnel					
Full-Time Equivalent: 17					
Regular	\$1,953,728	\$2,207,558	\$2,241,500	\$2,280,600	\$2,232,300
Medicare Tax	28,843	32,042	38,400	34,600	33,500
TMRS	214,993	243,956	279,200	282,900	263,200
Deferred Compensation	91,715	101,651	122,100	124,700	125,300
Disability Insurance	7,987	8,981	11,700	13,800	15,800
Health Insurance	208,101	238,037	293,500	280,700	288,500
Workers' Compensation	1,539	32,906	0	0	0
Personnel Total	2,506,906	2,865,131	2,986,400	3,017,300	2,958,600
Operating					
Rents (Field Offices)	238,644	142,301	245,000	166,000	93,200
Telephone	2,985	3,700	6,000	3,300	5,100
Office Supplies	19,272	24,075	50,000	22,000	28,000
Postage and Freight	19,636	18,037	30,000	30,000	25,000
Copies and Printing	29,704	42,366	30,000	30,000	15,000
Records Retention	7,745	13,178	25,000	12,000	12,000
Publications & Subscription	1,686	3,147	10,000	3,000	5,000
Liab/Property Insurance	69,997	76,873	145,000	208,700	231,000
Reimb. Deductibles	3,768	39,248	30,000	10,000	20,000
Equipment Maintenance	49,831	57,566	55,000	55,000	55,000
Software Maintenance	77,531	82,439	87,200	85,200	91,800
Small Equipment Purchases	3,745	1,686	10,000	3,000	3,000
Equipment Rental	51,800	50,972	60,000	55,800	63,000
Contracts	56,382	30,480	60,000	20,000	30,000
Membership Dues	5,304	5,404	13,000	3,500	6,000
Professional Development	12,832	13,176	49,000	13,200	26,300
Prof Dev - College	5,453	842	2,500	2,500	2,500
Travel	54,276	40,514	72,300	49,200	63,000
Bank Charges	4,954	2,181	10,000	2,500	40,000
Auto Maintenance	3,986	6,726	7,500	5,000	7,500
Auto Insurance	24,800	16,499	0	0	0
Auto Fuels	1,382	1,618	3,900	2,500	3,000
Operating Total	745,713	673,029	1,001,400	782,400	825,400
Professional Services					
Auditor	94,400	120,000	130,000	122,000	137,000
Actuarial Studies	26,945	28,777	40,000	30,850	50,000
Investment Consultant	52,104	53,444	56,100	56,100	58,500
Investment Custodian	107,032	105,264	100,000	105,000	115,000
Conning	193,122	189,935	233,000	203,000	233,000
Manulife	187,799	185,751	233,000	199,000	233,000
Professional Services Total	661,401	683,170	792,100	715,950	826,500
Grand Total	\$3,914,020	\$4,221,330	\$4,779,900	\$4,515,650	\$4,610,500

Organizational Chart

Finance Department



* One position vacant and unfunded

Staffing Summary

	Position	FY 2023-24	Current Staffing	FY 2024-25
	Pay Grade	Budget	5/15/2024	Budget
FINANCE				
Chief Financial Officer & Chief Investment Officer	U	1	1	1
Deputy CFO & Chief Analytics Officer	T	1	1	1
Controller	S	1	1	1
Staff Actuary/Asst Investment Officer	R	1	1	1
Assistant Controller	R	1	1	1
Accts Receivable & Reinsurance Supervisor	P	1	1	1
Lead Payroll Administrator	P	1	1	1
Senior Accountant	O	1	1	1
Lead BI Analyst	O	1	1	1
Purchasing Agent	N	1	1	1
Accountant	K	1	1	2*
Quality Assurance Specialist	K	1	0	0
BI Report Developer	J	2	2	2
Senior Accounting Technician	H	0	1	3
Senior Accounts Payable Technician	H	2	1	0
Senior Accounts Receivable Technician	H	1	1	0
TOTAL		17	16	17

*1 Position vacant and unfunded

PEOPLE OPERATIONS PROGRAM ANALYSIS

PROGRAM DESCRIPTION AND OPERATIONS

Members First, Staff ALWAYS! In 2022, Human Resources and the CALLeD Leadership and Development Program were combined into one department and rebranded as People Operations. The essence of People Operations lies in its people-centric approach, which prioritizes well-being and development to empower staff to thrive. Overall, People Operations embodies an approach to developing and supporting employees, focusing on humanizing processes, leveraging data-driven insights, and continuously evolving through digitalization efforts, aiming to streamline administrative tasks, analyze employee data effectively, and enhance self-service delivery channels. People Operations supports the Pool's objective to develop, train, and retain highly qualified staff, emphasizing internal career progression and skills development. The Pool will continue a comprehensive Total Rewards review led by a Classification and Compensation study. After implementing the study, People Operations will acquire an HRIMS system and related technology to automate processes further. By investing in its people and fostering a culture of continuous growth and development, People Operations is a strategic partner in ensuring the Pool's competitiveness, adaptability, and sustainability in an evolving and competitive labor market while creating a positive employee experience.

DEPARTMENTAL GOALS AND MEASURES

- Continue Compensation/Classification/Total Rewards Study and Implementation.
- Purchase a single-source cloud-based HRIMS/LMS system and related technology modules.
- Purchase an additional leadership development subscription to build leadership programs.
- Continue training opportunities through the Servant Leadership Culture lens while using a variety of medium platforms, including on-demand, "virtual-live," and in-person training.
- Review and revise the Personnel Policies.
- Continue to develop internal career growth.
- Review and expand recruitment sources to attract a diverse workforce and potential development of internship programs.
- Continue review of health and ancillary benefits and wellness programs.
- Continue review of the deferred compensation programs.
- Continue development of the People Operations SharePoint site.
- Continue analyzing People Analytics.
- Comprehensively review and update the Onboarding Program.

REQUESTED BUDGET CHANGES FROM PREVIOUS YEAR

- Additional memberships, professional development and travel included for Sr. Analyst-Projects & Initiatives.
- Additional subscription-based technology is needed to support internal workflow, create competencies, and provide tools for managers.

Activities/Performance Goals & Measures

	Actual 2021-22	Actual 2022-23	Budget 2023-24	Budget 2024-25
■ Full Time Equivalent Pool Employees	252	256	267	266

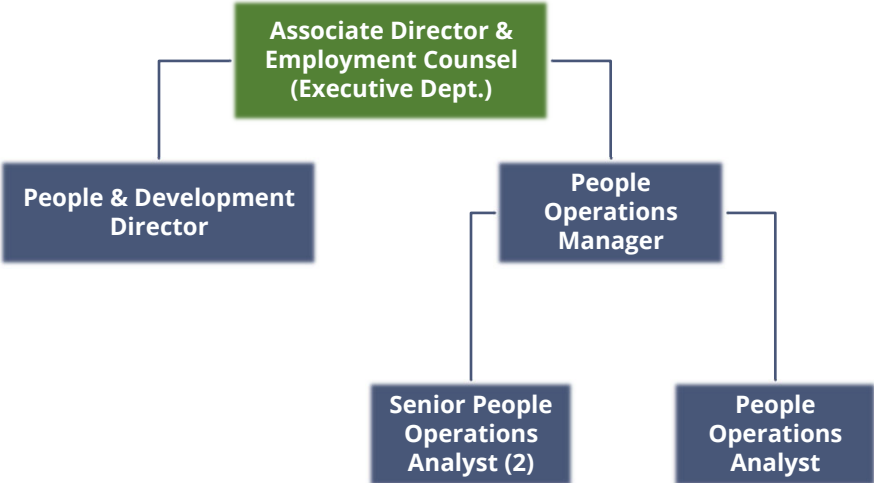
People Operations Department

Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Est. Total Expenditure	2024-25 Proposed Budget
Personnel					
Full-Time Equivalent: 4					
Regular	\$599,389	\$502,406	\$586,200	\$599,900	\$646,300
Medicare Tax	9,542	8,260	9,900	9,200	9,700
TMRS	71,034	63,068	74,300	74,700	76,300
Deferred Compensation	44,484	30,009	34,200	34,300	39,100
Disability Insurance	2,490	2,279	2,700	3,800	4,800
Health Insurance	74,783	62,985	79,700	70,700	82,200
Workers' Compensation	335	0	0	0	0
Personnel Total	802,058	669,007	787,000	792,600	858,400
Operating					
Temporary Services	5,763	0	0	0	0
Telephone	2,678	3,227	4,400	4,400	4,400
Office Supplies	9,231	7,027	10,000	10,000	10,000
Postage and Freight	198	356	1,000	1,000	1,000
Copies and Printing	911	38	500	500	500
Records Retention	701	1,176	700	1,200	1,200
Publications & Subscription	1,321	693	12,600	12,600	12,900
Software Maintenance	5,701	0	3,500	3,500	12,800
Unemployment Reimb.	6,479	3,608	10,000	10,000	10,000
Contract Services	0	300	8,000	8,000	8,000
Membership Dues	2,343	2,967	5,600	5,600	4,700
Professional Development	6,391	15,736	37,200	37,200	37,100
Prof Dev - College	0	2,215	3,000	3,000	3,000
Leadership & Developments	0	64,777	243,000	243,000	249,600
Travel	22,310	36,853	117,900	117,900	133,400
Advertising Expenses	0	700	10,000	10,000	10,000
Operating Total	64,026	139,671	467,400	467,900	498,600
Professional Services					
Personnel Consultants	0	137,783	480,000	480,000	89,000
Professional Services Total	0	137,783	480,000	480,000	89,000
Grand Total	\$866,084	\$946,460	\$1,734,400	\$1,740,500	\$1,446,000

Organizational Chart

People Operations Department



Staffing Summary

	Position	FY 2023-24	Current Staffing	FY 2024-25
	Pay Grade	Budget	5/15/2024	Budget
PEOPLE OPERATIONS				
People & Dev Director	S	1	1	1
People Operations Manager	S	1	1	1
Sr People Operations Analyst	L	2	2	2
People Operations Analyst	J	1	1	1
TOTAL		5	5	5

INFORMATION TECHNOLOGY PROGRAM ANALYSIS

PROGRAM DESCRIPTION AND OPERATIONS

The Information Technology (IT) Department plays a crucial role in helping the Pool leverage technology as a business enabler by aligning its technology platform with the organization's mission to serve its members. The department accomplishes this by executing a comprehensive Strategic IT and Business Application Roadmap, the Pool's Cyber Security and Defense Program, and a continuous effort to "Keep The Shop Open" (KTSO) through proper calibration and alignment of the organization's technology platforms.

To achieve its mission, the IT Department works towards a set of ambitious goals and measures. It assists in executing the long-term Business Application and IT Roadmap plan and projects approved by the Board while building and executing the Cyber Security and Defense Program to ensure that the Pool's technology platform is secure from cyber threats. The department also aims to enhance the functionality of the Member portal, build and execute the IT Asset life cycle management plan, and provide ongoing technical training for in-house staff.

Through these efforts, the IT Department ensures that the Pool's core systems, including Claims, Underwriting, Finance, People Operations, the Member Portal, Medical Bill Review, Electronic Document Management, and Data Warehousing, align with the organization's long-term technology needs. It also ensures that ancillary systems are aligned with core systems and that the Pool's Cyber Security posture is continually monitored and improved. With a focus on these goals and measures, the IT Department is dedicated to keeping the Pool's technology platform up-to-date and secure, enabling the organization to serve its members effectively.

DEPARTMENTAL GOALS AND MEASURES

- Continue to assist in executing the long-term Business Application and IT Roadmap plan and projects as approved by the Board.
- Build and execute the Cyber Security and Defense Program as approved by the Board.
- Enhance existing Member portal functionality.
- Build and execute IT Asset life cycle management plan.
- Continuing technical training for in-house staff.

REQUESTED BUDGET CHANGES FROM PREVIOUS YEAR

- Increase in Guidewire license and support fees.
- Several End-of-Life hardware replacement costs.
- A new position will be created to support endpoints and Intune updates.

Activities/Performance Goals & Measures

Information Technology Department

Activities/Performance Goals & Measures

- Continue to assist in the execution of the long-term Business Application and IT Roadmap plan and projects as approved by the Board.
- Develop and implement multi-year IT Asset life cycle management plan.
- Continue technical training for in-house staff.

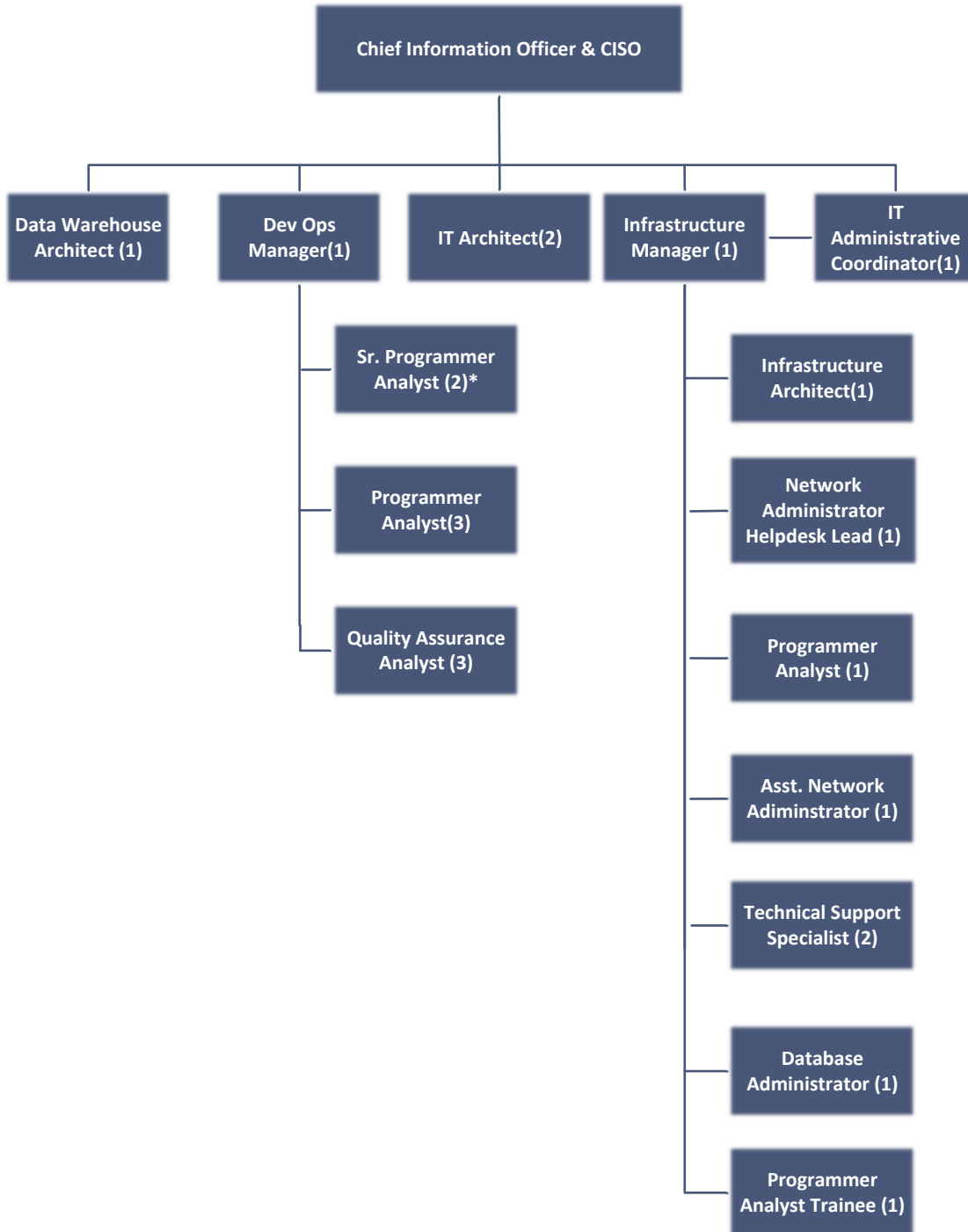
Information Technology Department

Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Est. Total Expenditure	2024-25 Proposed Budget
Personnel					
Full-Time Equivalent: 23					
Regular	\$2,523,438	\$2,610,751	\$2,728,700	\$2,793,700	\$2,877,600
Medicare Tax	37,523	38,705	47,400	42,300	43,300
TMRS	280,728	296,650	340,300	344,900	339,900
Deferred Compensation	144,039	147,693	158,700	160,700	190,900
Disability Insurance	10,644	11,041	14,400	17,700	21,400
Health Insurance	299,867	328,085	407,100	360,400	402,900
Workers' Compensation	2,108	0	0	0	0
Personnel Total	3,298,346	3,432,925	3,696,600	3,719,700	3,876,000
Operating					
Telephone	10,255	12,065	12,000	12,000	12,500
Office Supplies	3,979	2,424	3,000	3,000	3,000
Postage and Freight	1,343	1,873	1,000	1,000	1,000
Publications & Subscription	60	720	500	500	500
Equipment Maintenance	104,360	53,577	96,500	96,500	130,400
Software Maintenance	1,365,859	340,131	1,576,600	1,576,600	1,806,900
Small Equipment Purchases	17,100	7,132	15,000	15,000	15,000
Contracts	31,666	22,235	50,000	50,000	40,000
Programming Services	116,403	277,621	1,523,500	1,523,500	1,600,000
Professional Development	15,639	14,330	33,500	33,500	21,400
Prof Dev - College	13,230	8,889	18,000	6,000	18,000
Travel	19,909	22,166	23,600	23,600	29,500
Operating Total	1,699,803	763,163	3,353,200	3,341,200	3,678,200
Professional Services					
Other Professional Fees	458,843	233,768	650,700	650,700	660,800
Professional Services Total	458,843	233,768	650,700	650,700	660,800
Grand Total	\$5,456,992	\$4,429,856	\$7,700,500	\$7,711,600	\$8,215,000

Organizational Chart

Information Technology Department



*One position vacant and unfunded

Staffing Summary

	Position	FY 2023-24	Current Staffing	FY 2024-25
	Pay Grade	Budget	5/15/2024	Budget
<u>INFORMATION TECHNOLOGY</u>				
Chief Information Officer	U	1	1	1
DevOps Manager	R	1	1	1
Infrastructure Manager	R	0	1	1
Infrastructure Manager	Q	1	0	0
IT Architect	Q	2	2	2
Data Warehouse Architect	Q	1	1	1
Infrastructure Architect	Q	0	1	1
Senior Programmer Analyst	P	2	1	2*
Senior Network Administrator	P	1	0	0
Network Administrator - Helpdesk Lead	O	1	1	1
Programmer Analyst	M	4	4	4
Database Administrator	M	1	1	1
Quality Assurance Analyst	M	4	3	3
Programmer Analyst Trainee	L	0	1	1
Assistant Network Administrator	K	1	1	1
Technical Support Specialist	I	2	2	2
IT Administrative Coordinator	H	1	1	1
TOTAL		23	22	23

*1 Position vacant and unfunded

WORKERS' COMPENSATION PROGRAM ANALYSIS

PROGRAM DESCRIPTION AND OPERATIONS

The Workers' Compensation Claims staff processes and adjudicates all Pool members' workers' compensation claims in the Austin and Mesquite offices. The department's objectives are to promptly pay compensable claims; timely dispute non-compensable claims and unrelated treatment; identify subrogation opportunities; assist members in returning injured employees back to work; assist injured workers in obtaining reasonable and necessary medical care and appropriate treatment; keep current on the Labor Code requirements; keep members informed on claims and other relevant issues, such as workers' compensation legislation and train members to comply with the Labor Code and rules of the Workers' Compensation process. To accomplish these objectives, the department will perform the following ongoing activities:

1. Utilize Guidewire ClaimCenter to process claims and pay benefits accurately and timely.
2. Manage the Political Subdivision Workers' Compensation Alliance through an Interlocal Cooperation Agreement to provide administrative and operational services. The highly ranked panel of medical providers is utilized to treat work-related injuries to provide better return-to-work outcomes.
3. Work with Optum to provide pharmacy services to injured workers on a reduced fee from the Division of Workers' Compensation fee schedule.
4. Utilize Mitchell software to provide a quality medical bill review platform. Audit medical bills to pay appropriate fees based on either the Alliance contract or the Division of Workers' Compensation Fee schedule.
5. Work with Mitchell / Genex to perform preauthorization of medical procedures per Alliance procedures or Division of Workers' Compensation rules.
6. Work with the Legal Department and legislative workgroup committee regarding proposed statutory changes.

DEPARTMENTAL GOALS AND MEASURES

- Provide the highest level of claims service to all our members and injured workers.
- Through the Alliance network, maintain a high-quality provider panel of doctors and return injured employees to work promptly. Achieve a Top 5 network report card ranking by the Workers' Compensation Research and Evaluation Group.
- Maintain a High Performer Rating and at least 95% timely payment and electronic data interchange compliance.
- Develop more efficient workflows between the member portal and ClaimCenter.

REQUESTED BUDGET CHANGES FROM PREVIOUS YEAR

- **Political Subdivision Workers' Compensation Alliance** decreased by \$30,000 due to a reduction in management fees paid by the Alliance to The Pool for operational expenses and services provided by Pool employees (e.g. Accounting, IT).
- **Records Retention** will increase by \$22,500 due to the additional off-site storage space needed for the field office closed claims.

- **ISO Search** will increase by \$28,300 to include the Discovery Navigator, an artificial intelligence document review service provided by Verisk. This product will review and summarize medical records with greater accuracy and efficiency.
- **Contract Services** will decrease by \$12,600. The need for additional adjusting staff is less likely post-COVID. Temporary staff is still being utilized to assist with document scanning.
- **Medical Bill Review** will likely increase with the renewed contract. A three percent increase in the amount of \$9,100 is estimated.
- **Enhance Payment Process-EPay** will streamline the Pool's check/payment processes. This will impact the Finance and Claims departments most and provide added efficiency. We will need to review vendor proposals to provide budget cost projections.

Activities/Performance Goals & Measures

Workers' Compensation Department

	Actual 2021-22	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
■ New Claims Handled Annually	15,570	11,734	12,000	12,000	12,100
■ Number of Employees Covered	191,535	197,029	200,000	200,000	203,000
■ Total Audited Payroll	\$6.5 Billion	\$6.7 Billion	\$6.9 Billion	\$7.1 Billion	\$7.2 Billion
■ New Indemnity Claims Handled	4,614	3,393	3,600	3,700	3,600
■ Achieve High Performer Rating of 98.60	97.44	97.44	98	98	98
■ Timely Payment of Initial Temporary Income Benefit	94.93	94.93	95	95	95
■ Timely Processing and Payment of Medical Bills	100	100	99	99	99
■ Timely Electronic Submission of Indemnity Payment Data	99.96	99.96	99	99	99
■ Timely Electronic Submission of Medical Payment Data	99.99	99.99	99	99	99

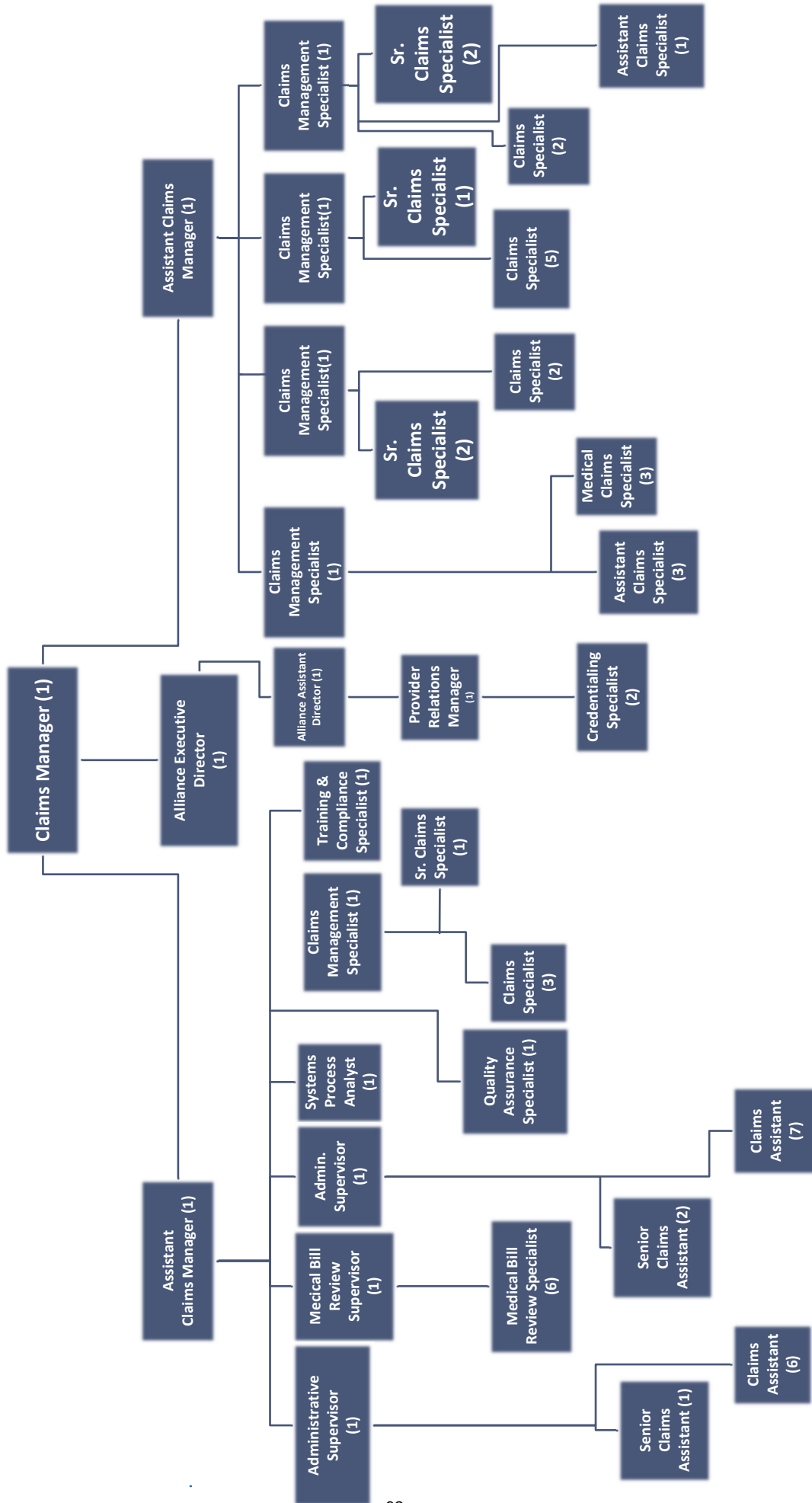
Workers' Compensation Department

Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Est. Total Expenditure	2024-25 Proposed Budget
Personnel					
Full-Time Equivalent: 66					
Regular	\$6,277,899	\$6,235,752	\$6,188,000	\$6,262,900	\$6,368,800
Medicare Tax	95,989	94,917	106,700	96,700	95,900
TMRS	719,480	725,838	782,000	791,000	753,000
Deferred Compensation	418,938	415,941	378,700	384,900	404,400
Disability Insurance	26,533	26,247	32,600	42,900	51,300
Health Insurance	940,022	959,811	1,119,900	1,033,400	1,134,500
Workers' Compensation	4,684	0	0	0	0
Personnel Total	8,483,546	8,458,505	8,607,900	8,611,800	8,807,900
Operating					
Telephone	17,347	17,075	17,300	17,000	16,700
Office Supplies	17,627	18,130	28,000	17,500	23,000
Postage and Freight	113,448	116,066	120,000	125,000	112,000
Copies and Printing	190	8	3,000	750	2,500
Records Retention	34,402	45,756	37,500	50,000	60,000
Publications & Subscription	11,685	10,740	20,300	12,000	15,100
Equipment Maintenance	645	0	5,500	2,500	5,000
Small Equipment Purchases	403	0	2,000	1,000	2,000
Contracts	116,272	32,631	92,000	50,000	149,400
Work Comp Fees/Penalties	5,500	(726)	0	0	0
Membership Dues	4,144	3,550	3,700	3,700	4,000
Professional Development	11,496	15,962	21,500	15,000	16,900
Prof Dev - College	0	0	10,000	7,500	10,000
Travel	145,665	135,653	141,900	150,000	146,300
Moving Expenses	0	7,607	0	0	0
Auto Maintenance	8,792	7,837	9,000	6,500	9,000
Auto Fuels	10,329	6,890	9,000	7,000	9,000
Operating Total	497,945	417,178	520,700	465,450	580,900
Professional Services					
Claims On-Line Search ISO	109,457	124,685	166,200	145,000	194,500
Other Professional Fees	15,748	0	10,000	0	10,000
Medical Bill Review	268,556	273,778	302,200	275,000	311,300
Political Subdivision WCA	395,829	423,857	470,000	450,000	440,000
Professional Services Total	789,589	822,320	948,400	870,000	955,800
Grand Total	\$9,771,080	\$9,698,003	\$10,077,000	\$9,947,250	\$10,344,600

Organizational Chart

Workers' Compensation Department



Staffing Summary

	Position	FY 2023-24	Current Staffing	FY 2024-25
	Pay Grade	Budget	5/15/2024	Budget
<u>WORKERS' COMPENSATION CLAIMS</u>				
Workers Comp Claims Manager	S	1	1	1
Executive Director/Dir of Network	R	1	1	1
Asst Workers Comp Claims Manager	Q	2	2	2
Workers Comp Claims Mgmt Specialist	P	5	4	5
Asst Director and Network Administrator	P	1	1	1
System & Process Analyst	N	1	1	1
Medical Bill Review Supervisor	N	1	1	1
Senior Workers Comp Claims Specialist	N	6	6	6
Provider Relations Manager	N	1	1	1
Training and Compliance Specialist	L	0	1	1
Workers Comp Claims Specialist	L	12	12	12
Quality Assurance Specialist	K	1	1	1
WC Claims Spec Trainee	J	1	0	0
Medical Claims Specialist	H	3	3	3
Administrative Supervisor	H	2	2	2
Credentialing Specialist	G	2	2	2
Workers Comp Asst. Claims Specialist	F	5	4	4***
Sr Workers Comp Claims Assistant	E	3	3	3
Workers Comp Claims Assistant	D	13	13	13
Medical Bill Review Assistant	D	6	6	6
TOTAL		67	65	66

*** FTE Moved to Liability & Property Claims

LIABILITY & PROPERTY CLAIMS PROGRAM ANALYSIS

PROGRAM DESCRIPTION AND OPERATIONS

The Liability & Property Claims Department provides claims handling services to all Risk Pool members. The claims staff manages claims for nine lines of coverage. Staff uses Service Level Objectives (SLO) to verify coverage, initiate contact with all parties involved, investigate, reserve, and promptly and fairly pay or deny claims.

Adjusters are responsible for managing pre-litigation, EEOC, and litigated claim files. They establish strategies to bring cases to the most reasonable and cost-effective resolutions. The department's overall goal is to improve the member experience and enhance claims handling and operations efficiencies that align with the Pool's core values. The department will continue these operations:

- Invest in training to enhance staff's knowledge, skills, and abilities. Provide opportunities for current employees to advance.
- Support the Pool's Digital initiatives (Digital Culture, Software Modernization, New claim Entry etc.).
- Continue to evaluate independent adjusting and property consulting firms to ensure the best people are handling Risk Pool claims and to get the most efficient vendor rates available in the market while maintaining or improving service levels.
- Continue to conduct an annual independent adjuster workshop to ensure consistency and accuracy in estimating Member losses.
- Continue refinement of our enhanced property claims services utilizing roofing consultants and the Member Select Rapid Recovery Program.
- Continue to evaluate and manage the Risk Pool's litigation program to ensure successful outcomes.
- Continue to have in-house staff utilize Xactimate whenever possible to save IA costs and deliver improved service.

DEPARTMENTAL GOALS AND MEASURES

- Goal: 35% of Property Claims Handled In-House
- Goal: 80% of Liability Claims Handled In-House
- Goal: Liability IA Expenditures Less than \$400,000
- Goal: Property IA Expenditures Less than \$2,400,000
- Goal: Liability & Property Actual Expenditures Equal to or Less than 5.0% of Liability & Property Contribution

REQUESTED BUDGET CHANGES FROM PREVIOUS YEAR:

- We previously requested the addition of one Property Claim Specialist as this Fund continues to grow and we continue to seek to increase our service levels for property claims. This addition was approved in 23/24 budget.
- We are requesting \$8600 for Safari & Vale Auto Adjuster training. We are anticipating NLC to reimburse us a portion of this expenditure at the end of the year. This expense will go under Contracting Services in the actual budget.
- Earmarking \$1,000 in Professional Development for our ongoing Leadership Development Program (LEAD).

- We are requesting \$60,000 for Contract Services. We seek to continue using contractors to provide support during CAT events or adjuster shortages, given the success we've seen throughout the current year.
- ISO Budget has increased due to a new contract. The overall budget for ISO increased to \$89,900 for this next year. Workers Compensation and ALP split monthly billing - 80% being billed to WC and 20% being billed to ALP.

Activities/Performance Goals & Measures

Liability/Property Claims Department

	Actual 2021-22	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
■ Exposures Received :					
Liability	6,257	7,149	6,500	7,000	7,000
Property	5,573	8,895	7,500	9,000	9,000
Total Exposures Received	11,830	16,044	14,000	16,000	16,000
■ Claims Received :					
Liability	5,587	6,366	5,800	6,500	6,600
Property	4,361	5,021	4,000	6,000	6,000
Total Claims Received	9,948	11,387	9,800	12,500	12,600
■ Open Claims as of 9/30	2,675	3,268	2,800	3,274	3,400
■ Number of Covered Lawsuits	577	654	600	690	700
■ Independent Adjuster Fees :					
Number of Claims with IA payments					
Liability	1,072	1,205	1,044	1,100	1,320
Property	2,509	3,123	2,400	3,000	3,900
Total Number of Claims with IA payments	3,581	4,328	3,444	4,100	5,220
■ % of Claims Handled by IAs					
Liability	19%	19%	18%	20%	20%
Property	57%	62%	60%	64%	65%
Total % of Claims Handled by IAs	37%	38%	35%	39%	39%
■ Outside Adjusters Fees Incurred (LAE)					
Liability	\$270,320	\$313,492	\$500,000	\$500,000	\$400,000
Property	\$1,692,619	\$2,776,840	\$1,800,000	\$2,200,000	\$2,400,000
Total IA Fees Incurred	\$1,962,939	\$3,090,332	\$2,300,000	\$2,700,000	\$2,800,000
■ IA Fees Cost Per Claim					
Liability	\$418	\$260	\$480	\$508	\$304
Property	\$675	\$889	\$750	\$733	\$641
Total Cost per Claim	\$1,093	\$714	\$1,230	\$1,241	\$945
■ Contribution					
Liability Contribution	\$61,530,734	\$65,504,328	\$71,268,100	\$76,566,061	\$79,191,828
Property Contribution	\$105,857,024	\$122,422,543	\$144,206,000	\$148,834,030	\$174,356,486
Costal Storm Fund Contribution	\$0	\$0	\$0	\$0	\$0
Total Contribution Handled	\$167,387,758	\$187,926,871	\$215,474,100	\$225,400,091	\$253,548,314
Total Liab & Prop Claims Budget + LAE	\$6,861,484	\$8,343,135	\$7,764,000	\$8,059,374	\$9,294,200
ALP Budget as a % of Contributions	4.0%	4.4%	3.6%	4.1%	3.6%

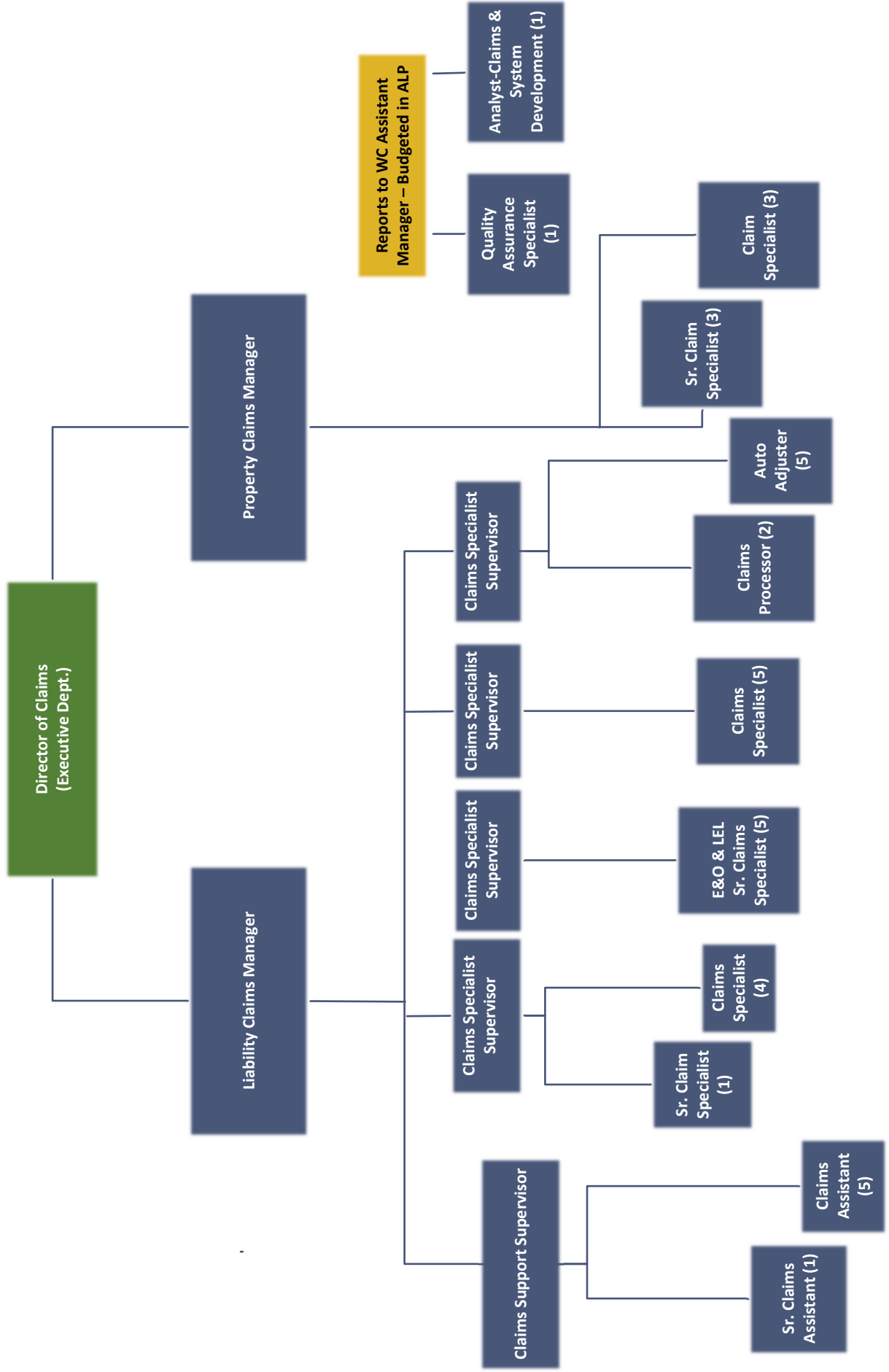
Liability & Property Department

Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Est. Total Expenditure	2024-25 Proposed Budget
Personnel					
Full-Time Equivalent: 43					
Regular	\$3,506,413	\$3,752,556	\$4,165,500	\$4,249,000	\$4,470,200
Medicare Tax	55,818	57,191	72,600	64,900	67,200
TMRS	414,828	434,562	519,400	529,900	527,600
Deferred Compensation	263,920	261,923	257,000	262,600	285,900
Disability Insurance	15,110	15,031	22,600	29,000	35,900
Health Insurance	491,185	544,711	689,600	665,100	775,800
Workers' Compensation	3,011	0	0	0	0
Personnel Total	4,750,285	5,065,975	5,726,700	5,800,500	6,162,600
Operating					
Telephone	21,686	23,053	21,700	18,600	19,500
Office Supplies	8,628	2,221	8,800	7,900	8,800
Postage and Freight	15,344	17,065	20,600	15,900	20,600
Copies and Printing	8	60	1,200	0	0
Records Retention	7,428	9,025	9,500	15,100	15,200
Publications & Subscription	9,701	19,318	11,500	11,500	11,500
Software Maintenance	2,005	0	0	0	0
Small Equipment Purchases	6,221	0	2,500	2,500	2,000
Contracts	33,088	18,783	50,000	50,000	90,000
Membership Dues	3,966	2,605	3,200	3,200	3,200
Professional Development	13,675	9,336	35,000	35,000	26,300
Prof Dev - College	306	0	20,000	7,000	7,000
Travel	46,027	59,440	143,100	85,000	90,500
Auto Maintenance	1,701	3,392	3,200	3,200	4,800
Auto Fuels	6,639	6,350	7,900	7,900	11,900
Operating Total	176,420	170,648	338,200	262,800	311,300
Professional Services Total					
Claims On-Line Search ISO	11,152	16,179	20,000	24,600	20,300
Professional Services Total	11,152	16,179	20,000	24,600	20,300
Grand Total	\$4,937,857	\$5,252,803	\$6,084,900	\$6,087,900	\$6,494,200

Organizational Chart

Liability/Property Department



Staffing Summary

	Position	FY 2023-24	Current Staffing	FY 2024-25
	Pay Grade	Budget	5/15/2024	Budget
<u>LIABILITY/PROPERTY CLAIMS</u>				
Property Claims Manager	S	1	1	1
Liability Claims Manager	S	1	1	1
Claims Specialist Supervisor	P	4	4	4
Claims Support Supervisor	N	1	1	1
Analyst-Claims & System Development	N	1	1	1
Senior Claims Specialist	N	10	9	9
Claims Specialist	L	11	11	12***
Quality Assurance Specialist	K	1	1	1
Auto Adjuster	J	5	5	5
Claims Processor	F	1	2	2
Senior Claims Assistant	E	2	1	1
Claims Assistant	D	4	5	5
TOTAL		42	42	43

*** FTE Moved from Workers' Compensation Claims

BUILDING MANAGEMENT PROGRAM ANALYSIS

PROGRAM DESCRIPTION AND OPERATIONS

The Building Management activity is responsible for building maintenance and improvements to the Texas Municipal Center (TMC). Since acquiring full ownership of the TMC from the Texas Health Benefits Pool in February 2024, this is the sole responsibility of the Texas Municipal League Intergovernmental Risk Pool. The previously established Governing Committee, consisting of two members from each of the Pools and one member from the Texas Municipal League, has been dissolved. TMLIRP's Building Management Department will continue to provide recommendations and implement the annual operating and capital improvement budgets. The primary objective is to provide a secure, clean and comfortable work environment for staff, visitors and organizations using the building's facilities. The goals of the Building Management Department are to:

- Continue to provide security to assure that only authorized personnel are allowed access to the building.
- Continue to provide building maintenance supervision to assure that all building equipment is operating properly and that contractors are properly keeping the work areas and other facilities clean and stocked, and the surrounding grounds are properly maintained.
- Continue to provide a quality conference facility for the many organizations that utilize the building.

REQUESTED BUDGET CHANGES FROM PREVIOUS YEAR

- \$250,000 budgeted for building management as The Pool takes full responsibility for operation and maintenance of the TMC.
- There are no Building & Land Capital expenditures expected for FY 2024-25.

Activities/Performance Goals & Measures

Building Maintenance

	Actual 2021-22	Actual 2022-23	Budget 2023-24	Estimated 2023-24	Budget 2024-25
■ Building Maintenance (Operating)	\$566,882	\$777,859	\$1,430,750	\$1,357,900	\$1,407,000
■ Building Improvements (Capital) *	\$139,406	\$703,354	\$1,630,000	\$422,000	\$0
Total **	\$706,288	\$1,481,213	\$3,060,750	\$1,779,900	\$1,407,000

* Building improvements are capitalized costs that are depreciated over the remaining useful life of the building.

** The TML Intergovernmental Risk Pool and TML Health Benefits Pool share all building maintenance and capital costs equally. The amounts shown represent 50% of total costs, except for 2023-24 Budget and forward. The Board approved the purchase of TMC building in January 2024. The amounts shown represent 100% of total costs.

Building Maintenance

Budget Summary

	2021-22 Actual	2022-23 Actual	2023-24 Budget	2023-24 Est. Total Expenditure	2024-25 Proposed Budget
Personnel					
Regular	\$108,065	\$108,256	\$225,800	\$176,600	\$0
Medicare Tax	1,380	1,332	3,600	2,000	0
TMRS	8,168	8,280	13,400	13,000	0
Deferred Compensation	5,584	5,369	17,200	17,000	0
Health Insurance	9,384	10,112	27,000	17,000	0
Personnel Total	132,580	133,349	287,000	225,600	0
Operating					
Rent And Property Taxes	2,530	1,840	6,500	1,150	0
Telephone	32	0	4,100	4,100	5,800
Office Supplies	0	0	200	200	400
Building Repairs & Maint	(23,494)	82,548	109,700	109,700	395,000
Elevator Repairs & Maint	2,406	22,173	11,700	6,600	6,600
Window Cleaning	8,110	7,246	7,700	15,400	16,200
Landscaping	46,658	75,093	40,900	40,900	44,600
Utilities-Electric	110,619	159,773	337,500	337,500	343,700
Utilities-Water	9,163	10,036	22,000	22,000	33,000
Property Insurance	18,443	55,087	25,400	25,400	0
Janitorial Service	148,919	114,618	288,000	288,000	288,000
Cleaning Supplies	0	239	18,600	18,600	10,000
Pest Control Service	1,464	1,414	3,350	3,350	3,400
Security Service	103,267	108,592	244,100	244,100	244,100
Trash Removal	3,517	2,718	9,300	9,300	10,200
Inspections	2,658	2,881	12,000	6,000	6,000
Professional Development	0	0	2,600	0	0
Travel	10	252	100	0	0
Operating Total	434,302	644,510	1,143,750	1,132,300	1,407,000
Professional Services					
Professional Services Total	0	0	0	0	0
Grand Total	\$566,883	\$777,859	\$1,430,750	\$1,357,900	\$1,407,000

Capital Outlay & Office Equipment Budget Detail 2024-25 Budget

Department	Description	Quantity	Per Unit Cost	Total Cost
Computer Software				
IT	SonicWall Firewall (Mesquite and Austin Office)	2	22,000	44,000
IT	LT07 Upgrade	1	17,000	17,000
IT	Austin Switch Replacement	1	60,000	60,000
IT	UPS Replacement	1	5,000	5,000
IT	Austin Server Replacement	1	30,000	30,000
UW	Abode Pro	1	500	500
UW	Snagit 12.0	1	50	50
LI/PR	Xactimate	4	2,800	11,200
Computer Software Total				\$ 167,750
Building & Improvements				
	None			-
Building & Improvements Total				\$ -
Furniture, Fixtures and Equipment				
WC	Network Printers	1	1,500	1,500
WC	High Speed Document Scanner	1	10,000	10,000
WC	Desk Chairs	4	800	3,200
LI/PR	Maintenance Agreement on large capacity scanner/copier	2	1,500	3,000
LI/PR	Headset	20	150	3,000
MSM	Furniture	1	6,500	6,500
Furniture, Fixtures and Equipment Total				\$ 27,200
Computer Equipment				
MSM	iPad Pro w/ keyboard	2	2,050	4,100
IT	Laptops	80	3,300	264,000
IT	Monitor Replacements	8	300	2,400
Computer Equipment Total				\$ 270,500
Vehicles				
	Full size truck	1	55,000	55,000
	Small SUV	3	38,500	115,500
Vehicles Total				\$ 170,500
TOTAL - Capital Purchases Expenditures Total (Furniture & Computer Equipment and Vehicles)				\$ 635,950
Less: Depreciable Capital Purchases				
	None			-
Depreciable Capital Purchases Total				\$ -
Non-Depreciated Capital Purchases (Total Capital Purchases - Depreciable Capital Purchases)				\$ 635,950
Add: Depreciation Expense				
	Computer Software			3,325,700
	Building & Improvements			642,500
Depreciable Fixed Assets Total				\$ 3,968,200
Non-Depreciated Capital Purchases and Depreciation Expense Total for 2024-25 Budget				\$ 4,604,150

Depreciation Forecast 2024-25 Budget

Description	Type	Remaining Depreciation Months @ 9/30	Monthly Depreciation Amount	2024-25 Depreciation Months	2024-25 Budget
Computer Software					
Web Design Project	SFT	11	2,980.49	11	32,800
Network Monitoring/Logging Software (Solarwinds)	SFT	13	520.48	12	6,200
Adobe Licenses	SFT	16	613.59	12	7,400
Policy Center (Phase 1,2 and 3)	SFT	19	209,651.05	12	2,515,800
ONE Solution	SFT	12	11,990.75	12	143,900
ClaimCenter/Contact Manager Upgrade	SFT	69	50,242.94	12	602,900
Microsoft SQL Server Enterprise	SFT	68	1,388.11	12	16,700
Computer Software Total			277,387.41		\$ 3,325,700
Building Improvements					
Building at 1821 Rutherford Lane	BLD	124	1,641.45	12	19,700
Building Improvements	BLD	123	51,897.94	12	622,800
Building Improvements Total			53,539.39		\$ 642,500
Total Current Assets Depreciation in 2023-24					\$ 3,968,200
Proposed Depreciable Assets in 2024-25 Budget					
None					-
Proposed Depreciable Assets in 2024-25 Budget Total					\$ -
2024-25 Budget Depreciation Expense Total by Type					
Computer Software					3,325,700
Building & Improvements					642,500
Grand Total					\$ 3,968,200

**Texas Municipal League Intergovernmental Risk Pool
Salary Schedule
Effective December 1, 2024**

Grade		Minimum	Mid-Point	Maximum
A	Monthly	\$3,325.93	\$4,434.57	\$5,543.21
	Annual	\$39,911.13	\$53,214.84	\$66,518.55
B	Monthly	\$3,492.22	\$4,656.30	\$5,820.37
	Annual	\$41,906.68	\$55,875.57	\$69,844.47
C	Monthly	\$3,666.83	\$4,889.11	\$6,111.39
	Annual	\$44,002.02	\$58,669.36	\$73,336.70
D	Monthly	\$3,850.18	\$5,133.57	\$6,416.96
	Annual	\$46,202.12	\$61,602.83	\$77,003.53
E	Monthly	\$4,042.69	\$5,390.25	\$6,737.81
	Annual	\$48,512.23	\$64,682.97	\$80,853.71
F	Monthly	\$4,244.82	\$5,659.76	\$7,074.70
	Annual	\$50,937.84	\$67,917.12	\$84,896.40
G	Monthly	\$4,457.06	\$5,942.75	\$7,428.44
	Annual	\$53,484.73	\$71,312.98	\$89,141.22
H	Monthly	\$4,679.91	\$6,239.89	\$7,799.86
	Annual	\$56,158.97	\$74,878.62	\$93,598.28
I	Monthly	\$4,913.91	\$6,551.88	\$8,189.85
	Annual	\$58,966.92	\$78,622.56	\$98,278.20
J	Monthly	\$5,159.60	\$6,879.47	\$8,599.34
	Annual	\$61,915.26	\$82,553.68	\$103,192.10
K	Monthly	\$5,675.57	\$7,567.42	\$9,459.28
	Annual	\$68,106.79	\$90,809.05	\$113,511.32
L	Monthly	\$6,243.12	\$8,324.16	\$10,405.20
	Annual	\$74,917.47	\$99,889.96	\$124,862.45
M	Monthly	\$6,867.43	\$9,156.58	\$11,445.72
	Annual	\$82,409.21	\$109,878.95	\$137,348.68
N	Monthly	\$7,554.18	\$10,072.24	\$12,590.30
	Annual	\$90,650.13	\$120,866.84	\$151,083.55
O	Monthly	\$8,309.60	\$11,079.46	\$13,849.33
	Annual	\$99,715.15	\$132,953.53	\$166,191.92
P	Monthly	\$9,140.55	\$12,187.41	\$15,234.26
	Annual	\$109,686.66	\$146,248.88	\$182,811.10
Q	Monthly	\$10,054.61	\$13,406.15	\$16,757.68
	Annual	\$120,655.33	\$160,873.77	\$201,092.22
R	Monthly	\$11,060.07	\$14,746.76	\$18,433.45
	Annual	\$132,720.86	\$176,961.15	\$221,201.44
S	Monthly	\$11,613.08	\$15,484.10	\$19,355.13
	Annual	\$139,356.91	\$185,809.21	\$232,261.51
T	Monthly	\$12,774.38	\$17,032.51	\$21,290.64
	Annual	\$153,292.59	\$204,390.12	\$255,487.65
U	Monthly	\$15,329.26	\$20,439.01	\$25,548.77
	Annual	\$183,951.11	\$245,268.15	\$306,585.19
V	Monthly	\$16,862.19	\$22,482.91	\$28,103.64
	Annual	\$202,346.22	\$269,794.97	\$337,243.71



Texas Municipal League
Intergovernmental Risk Pool
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