

**TEXAS MUNICIPAL LEAGUE
INTERGOVERNMENTAL RISK POOL**

Finance and Information Technology Committee Meeting

**Hyatt Regency Conroe – Mesquite A Room
1001 Grand Central Parkway
Conroe, Texas 77304**

April 25, 2024 (2:00 PM)

Committee Trustees Present

Chris Coffman - Chair
Jeffrey Snyder
Harlan Jefferson

Staff Present

Tito Villegas
Atul Poladia
Gil Lee

Others Present

Dan Smereck,
Strategic Asset Alliance, Inc.
(via video conference)

Committee Trustees Absent

Victor Flores

Chris Coffman called to order the Finance and Information Technology Committee of the Texas Municipal League Intergovernmental Risk Pool at 2:19 p.m. on Thursday, April 25, 2024.

Review on February 29, 2024 (5-month) Financial Statements and presentation of March 31, 2024 Financial Results Tab 6

Tito Villegas presented the February 29, 2024 (5-month) Financial Statements and the Financial Results as of March 31, 2024 as set forth under Tab 6.

Review on February 29, 2024 (5-month) Investment Report and presentation of March 31, 2024 Investment Results Tab 7.

Tito Villegas provided an overview of the February 29, 2024 (5-month) Investment Report and the March 31, 2024 Investment Results as set forth under Tab 7

Dan Smereck, Strategic Asset Alliance Inc., joined the meeting via video conference and gave an overview of the investment market and the Pool's investment performance.

Presentation of Capital Adequacy Assessment from PricewaterhouseCoopers LLP and Consideration of Updated Target Equity Range, Target Equity Policy, and Members' Equity Distribution Policy Tab 8.

Tito Villegas presented the Capital Adequacy Assessment performed by PricewaterhouseCoopers LLP as set forth under Tab 8, along with the proposed updated Target Equity Range, Target Equity Policy and Members' Equity Distribution Policy. Staff also recommended that there be no equity distribution to members due to uncertainty and risks facing the Pool as of the end of the 2022-23 fiscal year.

MOTION by Harlan Jefferson, seconded by Jeffrey Snyder, to recommend that the Board:

- Adopt the updated Combined Target Equity Range of \$341 million to \$682 million;

- Authorize no equity distribution to members due to uncertainties and risks facing the Pool as of the end of the 2022-23 fiscal year;
- Approve the updated (1) Target Equity Policy and (2) Member Equity Distribution Policy set forth under Tab 8; and
- Approve a change in methodology for the next target equity study to include a program-level approach with target equity minimums and maximums.

MOTION carried with unanimous approval.

Consideration of one-year contract extension with Principal Financial Group for investment custodial services Tab 9

Tito Villegas presented the staff recommendation under Tab 9 to approve a contract extension with Principal Financial Group for a one-year period from July 1, 2024 to June 30, 2025 at an estimated cost of \$100,000 with all other provisions of the original contract remaining unchanged.

MOTION by Jeffrey Snyder, seconded by Harlan Jefferson, to recommend that the Board approve the contract extension under Tab 9 with Principal Financial Group for a one-year period from July 1, 2024 to June 30, 2025 at an estimated cost of \$100,000 with all other provisions of the original contract remaining unchanged.

MOTION carried with unanimous approval.

Report from Office of Project Management and Analytics, including status of Business Application & IT Road Map Items Tab 10.

Atul Poladia presented the Report from Office of Project Management and Analytics, including status of Business Application and IT Road Map Items as set forth under Tab 10.

Information Technology Report on Hardware and Software of the IT Infrastructure Tab 11

Atul Poladia presented the Information Technology Report as set forth under Tab 11, along with a report on findings from the Internal Penetration Test conducted by the AT&T Cybersecurity team.

Chris Coffman adjourned the meeting at 4:09 p.m. on April 25, 2024.

Approved by the
Finance & Information Technology Committee
on July 25, 2024



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