



**CITY OF WHARTON
FINANCE COMMITTEE MEETING**

**Monday, July 22, 2024
5:30 PM**


***CITY HALL 120 EAST CANEY STREET
WHARTON, TEXAS 77488***

**NOTICE OF
CITY OF WHARTON
FINANCE COMMITTEE MEETING**

Notice is hereby given that a Finance Committee Meeting will be held on Monday, July 22, 2024, at 5:30 p.m. at the Wharton City Hall, 120 East Caney Street, Wharton, Texas, at which time the following subjects will be discussed to-wit:

SEE ATTACHED AGENDA

Dated this 18th day of July 2024.


By: 
Joseph R. Pace, City Manager

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the Finance Committee Meeting is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice on the bulletin board at City Hall of said City or Town in Wharton, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted on July 18, 2024, at 4:30 p.m. and remained so posted continuously for at least 72 hours preceding the scheduled time of said Meeting.

The Wharton City Hall is wheelchair accessible. Access to the building and special parking is available at the primary entrance. Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services, such as interpreters for persons who are deaf or hearing impaired, readers, or large print, are requested to contact the City Secretary's Office at (979) 532-4811 Ext. 225 or by FAX (979) 532-0181 at least two (2) days prior to the meeting date. BRAILLE IS NOT AVAILABLE.

Dated this 18th day of July 2024.

CITY OF WHARTON

By: 
Paula Favors
City Secretary



A G E N D A
CITY OF WHARTON
Finance Committee Meeting
Monday, July 22, 2024
City Hall - 5:30 PM

Call to Order.

Roll Call.

Public Comments.


Review & Consider:

1. Minutes from the meeting held May 28, 2024.
2. Discussion of possible salary increases for the Fiscal Year 2025 Budget.
3. Funding requests for the Fiscal Year 2025 Budget.
4. Resolution: A resolution of the Wharton City Council approving an agreement for medical, long-term disability, life, accidental death & dismemberment, flexible spending account, health reimbursement account, and voluntary vision plans for city employees for October 1, 2024, to September 30, 2025, Fiscal Year for coverage for City employees; authorizing the Mayor of the City of Wharton to execute all documents relating to said contracts.
5. Discussion on possible changes to the City of Wharton's Employee Retirement.
6. Resolution: A resolution of the Wharton City Council approving the Interlocal Agreement with the Texas Municipal League Intergovernmental Risk Pool for Cyber Liability and Data Breach Response and authorizing the City Manager of the City of Wharton to execute all documents relating to said contracts.
7. Resolution: A resolution of the Wharton City Council authorizing the purchase of an air conditioning unit for the lobby area of City Hall and authorizing the City Manager of the City of Wharton to execute all documents related to said purchase.

Adjournment.

City of Wharton
 120 E. Caney Street
 Wharton, TX 77488

FINANCE COMMITTEE

Meeting Date:	7/22/2024	Agenda Item:	Minutes from the meeting held May 28, 2024.
<p>Attached is a copy of the draft minutes from the meeting held on May 28, 2024.</p>			
City Manager: Joseph R. Pace		Date: Thursday, July 18, 2024	
Approval: 			
Mayor: Tim Barker			

**MINUTES
OF
CITY OF WHARTON
FINANCE COMMITTEE MEETING
120 EAST CANEY STREET
WHARTON, TEXAS 77488
Tuesday, May 28, 2024–6:00 p.m.**

City Manager Joseph R. Pace declared a meeting of the City Council Finance Committee duly open for the transaction of business at 6:00 p.m.

Committee Members present: Mayor Tim Barker, Councilmember Larry Pittman, and Councilmember Russell Machann.

Committee Members absent: None.

City Council Members present: Councilmember Terry Freese.

Staff members present: City Manager Joseph R. Pace, Finance Director Joan Anandel, Assistant to the City Manager Brandi Jimenez, City Secretary Paula Favors, Public Works Director Roderick Semien, Airport Manager Dwayne Pospisil, and Director of Planning & Development Gwyn Teves.

Staff members absent: None.

Visitors: Mr. David Allen, Mr. David Benham and Mr. Joseph Lockwood with Constellation via Zoom.

Public Comments. There were no public comments.

The first item on the agenda was to review and consider minutes from the meeting held on May 13, 2024. Councilmember Russell Machann made a motion to approve the minutes as presented. Councilmember Larry Pittman seconded the motion. All voted in favor.

The second item on the agenda was to review and consider City of Wharton Final ESPC Implementation Phase Closeout Proposal. Finance Director Joan Anandel stated to the Committee that Constellation NewEnergy (CNE) had provided the City with a final Energy Savings Plan Closeout Proposal. She stated that this project started in 2016 and was funded through a Qualified Energy Conservation Bond (QECB). She stated that the project included lighting upgrades, wastewater treatment plant blowers, and air conditioning improvements. She stated that CNE had requested in the close-out documents to be paid \$503,706.73 from the escrow account funds in the City's possession of \$811,416.39. She stated that this amount would compensate them for energy savings achieved from years 1-8 (Sept 2016-May 2024). She stated that CNE had provided the City with a Measurement and Verification document as support. After some discussion, Mayor Tim Barker made a motion to recommend to the City Council to approve the Final ESPC Implementation Phase Closeout Proposal. Councilmember Russell Machann seconded the motion. All voted in favor.

The third item on the agenda was to review and consider Wharton Regional Airport Runway Project. Finance Director Joan Anandel stated to the Committee that the City Staff had been working with TxDOT Aviation Planners Ms. Emily Lambert and Mr. Robert Johnson to discuss pavement rehabilitation for the runway and taxiways at the Wharton Regional Airport. She stated that the project is not safety critical at this time but that the Staff would like to move forward in the discussion of possibly having this project designed in FY2024 and constructed in FY2025. She stated that funding would be obtained through Federal, State, and Local City funds. After some discussion, Councilmember Russell Machann made

motion for the City Staff to proceed with the project. Mayor Tim Barker seconded the motion. All voted in favor.


The fourth item on the agenda was adjournment.

The meeting was adjourned at 6:29 p.m.

Joseph R. Pace, City Manager


City of Wharton
120 E. Caney Street
Wharton, TX 77488

FINANCE COMMITTEE

Meeting Date:	7/22/2024	Agenda Item:	Discussion of possible salary increases for the Fiscal Year 2025 Budget.
City Manager: Joseph R. Pace		Date: Thursday, July 18, 2024	
Approval: 			
Mayor: Tim Barker			

City of Wharton
120 E. Caney Street
Wharton, TX 77488

CITY COUNCIL COMMUNICATION

Meeting Date:	7/22/2024	Agenda Item:	Funding requests for the Fiscal Year 2025 Budget.
<p>At the Budget Workshop held on Monday, July 15, 2024, the following groups presented funding requests:</p> <p>Crisis Center-\$7,000-General Fund Friends of Wharton Animal Control-\$15,000-General Fund Wharton County SPOT-\$3,000-General Fund Just Do It Now-\$25,000-General Fund Wharton Chamber of Commerce-\$58,000-Hotel/Motel Fund</p> <p>Finance Director Joan Andel will be present to discuss this item.</p>			
City Manager: Joseph R. Pace			Date: Thursday, July 18, 2024
Approval: 			
Mayor: Tim Barker			



City of Wharton

120 E. Caney Street ° Wharton, TX
77488

Phone (979) 532-2491° Fax (979) 532-
0181

MEMORANDUM

To: Joseph R. Pace, City Manager

From: Joan Andel, Finance Director

Date: July 16, 2024

Re: Funding requests FY25 Budget

At the Budget Workshop held on Monday, July 15, 2024, the following groups presented funding requests:

Crisis Center	\$7,000	General Fund
Friends of Wharton Animal Control	\$15,000	General Fund
Wharton County SPOT	\$3,000	General Fund
Just Do It Now	\$25,000	General Fund
Wharton Chamber of Commerce	\$58,000	Hotel/Motel Fund


Please include this item in the Finance Committee Meeting on July 22, 2024, for discussion purposes regarding the fiscal year 2025 budget.

Please contact me for any questions.

Thank you.

City of Wharton
120 E. Caney Street
Wharton, TX 77488

FINANCE COMMITTEE

Meeting Date:	7/22/2024	Agenda Item:	Resolution: A resolution of the Wharton City Council approving an agreement for medical, long-term disability, life, accidental death & dismemberment, flexible spending account, health reimbursement account, and voluntary vision plans for city employees for October 1, 2024, to September 30, 2025, Fiscal Year for coverage for City employees; authorizing the Mayor of the City of Wharton to execute all documents relating to said contracts.
<p>The City Council approved contracting with HUB International to send out requests for proposals for health insurance premiums since over the last several years the City of Wharton had seen large increases in premiums through the TX Health Benefits Pool and it is believed that this year would not be an exception.</p> <p>HUB International received proposals from the following:</p> <p>Texas Health Benefits</p> <p>Blue Cross Blue Shield of Texas</p> <p>Cigna</p> <p>United Health Care</p> <p>HUB is formulating a recommendation for the City Council to consider. The proposal was for the same benefit level the City currently has for its employees.</p>			
City Manager: Joseph R. Pace			Date: Thursday, July 18, 2024
Approval: 			
Mayor: Tim Barker			



City of Wharton

120 E. Caney Street ° Wharton, TX 77488
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MEMORANDUM

Date: July 17, 2024
From: Paula Favors, TRMC, CPM, City Secretary
To: Joseph R. Pace, City Manager
Subject: RFP for Employee Benefits

The City Council approved contracting with HUB International to send out requests for proposals for health insurance premiums since over the last several years the City of Wharton had seen large increases in premiums through the TX Health Benefits Pool and it is believed that this year would not be an exception.

HUB International received proposals from the following:
Texas Health Benefits
Blue Cross Blue Shield of Texas
Cigna
United Health Care

HUB is formulating a recommendation for the City Council to consider. The proposal was for the same benefit level the City currently has for its employees.

The Finance Committee met to discuss and review proposals from HUB International. They will present a recommendation to the City Council for the approval of one of the companies that submitted a proposal.

If you have any questions, please contact Paula Favors at (979) 532-2491 Ext. 225. Thank you.

**CITY OF WHARTON
RESOLUTION NO. 2024-XX**

A RESOLUTION OF THE WHARTON CITY COUNCIL APPROVING AN AGREEMENT FOR MEDICAL, LONG-TERM DISABILITY, LIFE, ACCIDENTAL DEATH & DISMEMBERMENT, FLEXIBLE SPENDING ACCOUNT, HEALTH REIMBURSEMENT ACCOUNT, AND VOLUNTARY VISION PLANS FOR CITY EMPLOYEES FOR OCTOBER 1, 2024, TO SEPTEMBER 30, 2025, FISCAL YEAR FOR COVERAGE FOR CITY EMPLOYEES; AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXECUTE ALL DOCUMENTS RELATING TO SAID CONTRACTS.

WHEREAS, The City of Wharton received the rate for medical, long-term disability, life, accidental death & dismemberment for city employees, voluntary vision through HUB International for City employees; and,

WHEREAS, The City of Wharton medical plan with _____ would be a _____ increase/decrease; and,

WHEREAS, The City of Wharton would provide to each full-time employee a \$1,250 yearly contribution to the employee health reimbursement account (HRA) administered by the _____; and,

WHEREAS, The Mayor of the City of Wharton has executed on behalf of the City said agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS as follows:

Section I. That the Wharton City Council hereby approves the interlocal agreement with _____ for medical, long-term disability, life, and accidental death & dismemberment coverage, voluntary vision for City employees signed by the Mayor.

Section II. That Wharton City Council hereby approves providing to each full-time employee a \$1,250 yearly contribution to the employee health reimbursement account (HRA) administered by the _____.

Section III. That the Mayor of the City of Wharton's execution of all documents relating to the aforementioned agreements is hereby approved.

Section IV. That this resolution shall become effective immediately upon its passage.

Passed, Approved, and Adopted this 22nd day of July 2024.

CITY OF WHARTON, TEXAS


By: _____
TIM BARKER
Mayor

ATTEST:

PAULA FAVORS
City Secretary

City of Wharton
 120 E. Caney Street
 Wharton, TX 77488

FINANCE COMMITTEE

Meeting Date:	7/22/2024	Agenda Item:	Discussion on possible changes to the City of Wharton's Employee Retirement.
<p>In an effort to stay competitive with other agencies, the City Staff is asking that the Finance Committee discuss changes to either the employee's contribution to the Texas Municipal Retirement System (TMRS) and/or the City's contribution to the employee's account.</p> <p>City Secretary Paula Favors will present different options for discussion at the meeting.</p>			
City Manager: Joseph R. Pace		Date: Thursday, July 18, 2024	
Approval: 			
Mayor: Tim Barker			



City of Wharton

120 E. Caney Street ° Wharton, TX 77488
Phone (979) 532-2491° Fax (979) 532-0181

MEMORANDUM

Date: July 17, 2024

From: Paula Favors, TRMC, CPM, City Secretary

To: Joseph R. Pace, City Manager

Subject: Employee Retirement Changes


I am requesting the Finance Committee meet to discuss and review possible changes to the City of Wharton's employee retirement. In an effort to stay competitive with other agencies, I am asking that the Finance Committee discuss changes to either the employees' contribution to the Texas Municipal Retirement System (TMRS) and/or the City's contribution to the employee's account.

I will present different options for discussion at the meeting.

If you have any questions, please contact Paula Favors at (979) 532-2491 Ext. 225. Thank you.

City of Wharton
120 E. Caney Street
Wharton, TX 77488

FINANCE COMMITTEE

Meeting Date:	7/22/2024	Agenda Item:	Resolution: A resolution of the Wharton City Council approving the Interlocal Agreement with the Texas Municipal League Intergovernmental Risk Pool for Cyber Liability and Data Breach Response and authorizing the City Manager of the City of Wharton to execute all documents relating to said contracts.
<p>Attached is a memo from City Secretary Paula Favors regarding the Texas Municipal League Intergovernmental Risk Pool’s Interlocal Agreement for Cyber Liability and Data Breach Response Coverage. The coverage is being changed to an opt-in coverage which requires a new interlocal agreement. The cost would be \$1,250 for FY 2024-2025.</p> <p>Ms. Favors will be present to answer any questions.</p>			
City Manager: Joseph R. Pace		Date: Thursday, July 18, 2024	
Approval: 			
Mayor: Tim Barker			



City of Wharton

120 E. Caney Street ° Wharton, TX 77488
Phone (979) 532-2491° Fax (979) 532-0181

MEMORANDUM

Date: July 15, 2024

From: Paula Favors, TRMC, CPM, City Secretary

To: Joseph R. Pace, City Manager

Subject: Texas Municipal League Intergovernmental Risk Pool (TML-IRP) Interlocal Agreement.

The Texas Municipal League Intergovernmental Risk Pool's Cyber Liability and Data Breach Response Coverage in the past has been included for a small charge within their contract for services. The the continued risk factor of cyber-attacks the TML-IRP is changing their coverage to include an interlocal agreement. The coverage is something that the City cannot risk going without. One successful cyber-attack could shut a governmental entity down and cost large amounts of money to recover from. The coverage is being changed to an opt-in coverage which requires a new interlocal agreement. The cost would be \$1,250 for FY 2024-2025.

It would be the City Staff's recommendation that the City Council consider approving this interlocal agreement.

If you have any questions, please contact Paula Favors at (979) 532-2491 Ext. 225. Thank you.



WORKERS' COMPENSATION • PROPERTY • LIABILITY

CRITICAL ALERT:
Cyber Liability and Data Breach Response Coverage

DATE: June 7, 2024
TO: All Members with Core + (Band 1) Cyber Coverage
RE: 2024-2025 *Cyber Liability and Data Breach Response Coverage* Updates

Dear Valued Member:

Since 2016, when the TML Risk Pool first began offering *Cyber Liability and Data Breach Response Coverage* ("*Cyber Coverage*"), cyber claims have exponentially increased in both frequency and severity.

Future cybercriminal activity is impossible to predict, which means neither the Pool nor any other insurer can rely on past patterns and trends to predict future losses. That's why the Board of Trustees recently created a new Cyber Fund and approved changes to the Pool's Coverage structure, effective on October 1, 2024. *Members must elect to continue coverage or "opt-in" by completing and returning the Cyber Interlocal Agreement to participate in the newly-created Cyber Fund.*

MEMBERS THAT DON'T FOLLOW THE OPT-IN PROCEDURES WILL LOSE THEIR EXISTING CYBER COVERAGE EFFECTIVE AT MIDNIGHT ON SEPTEMBER 30, 2024.

Included in this packet are:

1. A two-page flyer **explaining the updated Cyber Coverage and why the Pool made certain adjustments to ensure the viability of the program.**
2. A **Limits Page** for the updated Cyber Coverage and a link to the updated Cyber Coverage Document, which shows the contribution increases and available limits.
3. A **new, separate Interlocal Agreement (contract)** to join the Pool's new Cyber Fund.

Please review the above information.

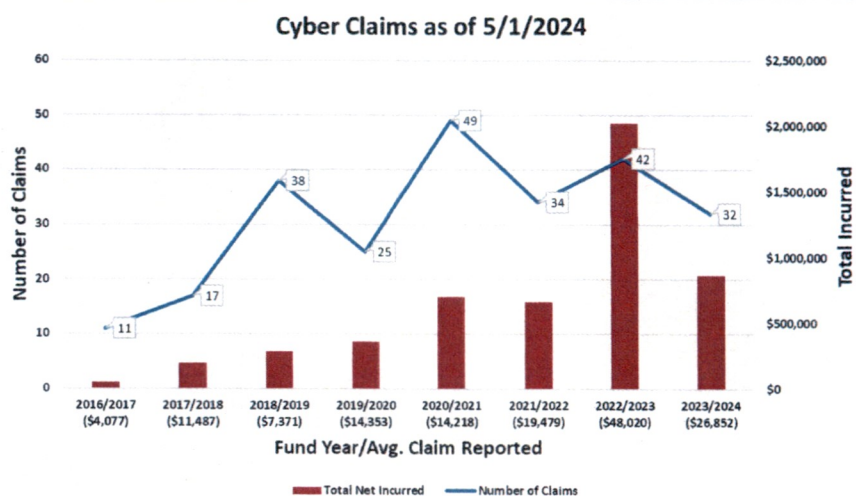
If your entity wishes to continue Cyber Coverage, simply review, complete and sign, and return the completed Cyber Fund Interlocal Agreement as soon as possible but no later than September 30, 2024. (Each Member must follow their own statutory and local policies related to contract approval prior to signing.) You can either scan and return the completed and signed agreement by email to underwriting@tmlirp.org or mail or ship it to Cyber Coverage, c/o TML Intergovernmental Risk Pool, P.O. Box 149194, Austin, Texas 78714. To change the Core or Core+ limit selection, simply include that request with the Interlocal Agreement. An executed copy of the agreement will be returned to you.

REMEMBER – THE INTERLOCAL AGREEMENT MUST BE RETURNED BY SEPTEMBER 30, 2024, IN ORDER FOR COVERAGE TO CONTINUE.

CRITICAL ALERT: The Pool's NEW Cybersecurity Fund

Introduction

In 2016, the Pool recognized its Members' growing cyber liability exposure. Starting that year, complimentary coverage was provided to all Members with either General Liability or Real & Personal Property Coverage. Later, as the exposure increased, the Pool began charging a minimal amount for the coverage. As shown by the chart below, cyber claims have exponentially increased in both frequency and severity since that time.



Future cybercriminal activity is impossible to predict, which means neither the Pool nor any other insurer can rely on past patterns and trends to predict future losses. That's why the Board of Trustees recently approved the Pool's formation of a new Cyber Fund and updated *Cyber Liability and Data Breach Response Coverage* ("Cyber Coverage"), effective October 1, 2024, for those Members who opt-in and sign the **Cyber Liability Interlocal Agreement**. Read on for details.

Of course, nothing can cover every possible scenario. That's why each Member *must* take steps to protect themselves, and we can help you do so (regardless of whether you choose our cyber coverage). **Most cyberattacks are preventable, and local officials should implement basic policies, train on them, and follow them.** (See the final section below on loss prevention to learn more.)

The New Cyber Fund – Ensuring the Viability of the Pool's Cyber Coverage

Cyberattacks are becoming more common, more sophisticated, and more expensive. In fact, the Pool's cyber claims have increased exponentially since 2016. Right now, if every Member of the Pool was hit by a coordinated attack, the Pool's *total exposure is in the billions of dollars*. Thankfully, that hasn't happened. But the Pool is updating its Cyber Coverage to ensure that it never does.

The following is a brief overview of the changes:

- The Pool is creating a **separate Cyber Fund** – each Member that wants to continue coverage **must sign a new, separate interlocal agreement (contract) to join the Fund**.
- The Pool's **total annual payout** for cyber claims will be **capped at \$25 million** – should criminals execute a widespread attack, the Pool's Board of Trustees would decide how to allocate those funds.
- The limit for third party liability has been reduced to **\$500,000 or \$1,000,000**, depending on whether Core or Core+ option is selected.
- **Cyber coverage contributions (premiums) will increase** based on a Member's elected limits. The new contribution ranges from \$1,000 to \$1,850 depending on Member type and coverage level (unless a Member chooses a different coverage level, the current level will roll over). Suggestion: Coverage will be renewed at the current elected limit.

The Coverage: What You Get

Some of the worst news a local official can receive is that they have fallen victim to a cyberattack. Whether criminals lock up your data and ask you for a ransom to restore it, they trick you into sending money to a fraudulent account and steal it, or whatever the form of an attack, the Pool's coverage provides, among other things:

- **Breach response**, which includes access to computer experts, public relations specialists, attorneys, negotiators, and others with experience responding to cyberattacks – these experts help you lessen the damage from an attack.
- **Network business interruption**, which can help cover the loss of income and extra expenses (for a limited period) caused by an attack.
- **Cyber extortion**, which can help with ransom payments to recover data.
- **Data recovery costs**, which can help with costs to restore data that was damaged, corrupted, and/or deleted.
- **Fraud protection**, which can help (if certain conditions are met) with costs related to – for example – when an employee is tricked into sending money to a cybercriminal.

The above provides only a very basic overview of the coverage. Every claim is unique, and reading the above isn't a substitute for carefully reviewing the terms of the new interlocal agreement and coverage document. Please refer to the enclosed outline of the coverages, limit, and sublimit.

What You Need to Do to Continue Coverage

To continue coverage, simply review, complete and sign, and return the Cyber Fund Interlocal Agreement. (Each Member **must follow their own statutory and local policies related to contract approval prior to signing.**) To change the Core or Core+ limit selection, simply include that request with the Interlocal Agreement.

As part of this process, we encourage you to review the 2024-2025 Cyber Liability and Data Breach Response Coverage Document that is stored on the Pool's Member Portal, which you can access from the Pool's website at www.tmlirp.org.

That's it! You'll be billed later for the costs of all your coverages, including the cyber coverage.

REMEMBER – THE INTERLOCAL AGREEMENT MUST BE RETURNED BY SEPTEMBER 30, 2024, IN ORDER FOR COVERAGE TO CONTINUE.

Risk Management and Loss Prevention

As mentioned above, the best way to deal with a cyberattack is to avoid it altogether. The Pool has a dedicated Cyber Risk Services Manager – Ryan Burns (rburns@tmlirp.org) – who can assist any Member with loss prevention, including individual review of Member exposures and transfer of risk via contracts provisions, loss prevention efforts, appropriate coverage, and more.

Additional Resources

The Pool provides prevention education in various ways. The easiest to access are short podcast episodes and YouTube videos. For example, any local official who wants to know just how painful a cyberattack can be should listen to Episode 9c of the "Local Officials: Stronger, Together Podcast."

In the eye-opening episode, Scott interviews City of Tomball Assistant City Manager Jessica Rogers. Cyber-criminals hacked Tomball at the end of 2022, and the city is still — one year later — dealing with the aftermath. In this episode — which should be required listening for every city official in Texas (and beyond) — Jessica explains exactly what it's like to have essentially every computer system go down, including 9-1-1 dispatch, utility metering and billing, permitting, and everything in between. She also describes the long road to getting everything up and running. Don't miss our chance to learn from this chill-inducing story. (To listen, go to www.tmlirp.org, click on the "STP Podcast" link at the top of the page, and scroll down to Episode 9c.)

LIMIT PAGE

Your entity currently has **Core + Cyber Coverage** with the Pool. The following is an abbreviated description of the Core and Core+ limit structure beginning October 1, 2024. The Coverage Document can be accessed at <https://members.tmlirp.org/downloads> (this link will ask you to log into the Member Portal for access).

*A limit of \$25,000,000 is shared by all **Members** for aggregate losses occurring within the Fund Year as defined in the Cyber Liability and Data Breach Response Interlocal Agreement.*

	Core	Core+
Tower 1 - Limit of Liability*	\$500,000	\$1,000,000
Data & Network and Media Liability Aggregate Limit of Liability	\$500,000	\$1,000,000
Retention	\$0	\$0
Tower 2 - Limit of Liability	\$100,000	\$250,000
<u>First Party Loss</u>		
Business Interruption Aggregate Sublimit	\$20,000	\$50,000
Cyber Extortion Loss Aggregate Sublimit	\$25,000	\$50,000
Data Recovery Costs Aggregate Sublimit	\$20,000	\$50,000
Reputational Loss Aggregate Sublimit	\$5,000	\$10,000
Retention (other than Business Interruption)	\$0	\$5,000
Income Loss Retention under Business Interruption	\$5,000	\$5,000
<u>Third Party Loss</u>		
Regulatory Defense and Penalties Aggregate Sublimit	\$25,000	\$75,000
Payment Card Liabilities & Costs Aggregate Sublimit	\$10,000	\$25,000
Retention	\$0	\$5,000
<u>eCrime</u>		
Fraudulent Instruction Aggregate Sublimit	\$25,000	\$50,000
Funds Transfer Aggregate Sublimit	\$25,000	\$50,000
Telephone Fraud Aggregate Sublimit	\$25,000	\$50,000
Criminal Reward	\$2,500	\$2,500
Retention (other than Criminal Reward)	\$2,500	\$5,000
Retention Criminal Reward	\$0	\$0
Tower 3 - Limit of Liability	\$100,000	\$150,000
Breach Breach Response Aggregate Limit of Liability Beazley Response Services	\$100,000	\$150,000
Retention	\$0	\$0
New 2024-25 Annual Contribution	\$1,000	\$1,250
<i>Previous 2023-24 Contribution</i>	<i>\$175</i>	<i>\$247.24</i>

**The Tower 1 Limit of Liability changed from \$1 million to \$500,000 for Core limits and from \$2 million to \$1 million for Core+ limits. All other limits remained unchanged.*

Texas Municipal League Intergovernmental Risk Pool

1821 Rutherford Lane, First Floor • Austin, Texas 78754

CYBER LIABILITY AND DATA BREACH RESPONSE INTERLOCAL AGREEMENT

This Contract and Interlocal Agreement is entered into by and between political subdivisions of this state (hereinafter referred to as "Pool Members") to form a joint self-insurance pool to be named the Texas Municipal League Joint Cyber Liability and Data Breach Response Self-Insurance Fund (hereinafter referred to as the "Fund") for the purpose of providing coverages against risks which are inherent in operating a political subdivision.

WITNESSETH:

The undersigned Pool Member, in accordance with Chapter 2259, Texas Government Code, the Interlocal Cooperation Act, Tex. Gov't Code § 791.001, et seq., and the interpretation thereof by the Attorney General of the State of Texas (Opinion #MW-347, May 29, 1981), and in consideration of other political subdivisions executing like agreements, does hereby agree to become one of the Pool Members of this self-insured pool. The conditions of membership agreed upon by and between the parties are as follows:

1. Definitions of terms used in this Interlocal Agreement.
 - a. Board. Refers to the Board of Trustees of the Fund.
 - b. Fund Year. 12:01 a.m. October 1 through 12:01 a.m. the following October 1.
 - c. Manual Rates. The basic rates applicable to each cyber liability and data breach response classification promulgated by the Insurance Service Office or the Board.
 - d. Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan. The Cyber Liability and Data Breach Response Coverage Document that sets forth in exact detail the coverages provided as part of the overall plan.
 - e. Adjustments. Refers to any offsets to manual premium that may result from the Pool Member's election of deductibles, loss experience, or Fund Modifier which reflects the savings to the Pool Member by entering into this Interlocal Agreement.
 - f. Premium and Contribution. Used interchangeably in some parts of this Interlocal Agreement. Any reference at any time in this Interlocal Agreement to an insurance term not ordinarily a part of self-insurance shall be deemed for convenience only and is not construed as being contrary to the self-insurance concept except where the context clearly indicates no other possible interpretation such as but not limited to the reference to "reinsurance."
 - g. Reimbursable Deductible. The amount that was chosen by this Pool Member to be applicable to the first monies paid by the Fund to effect judgment or settlement of any claim or suit. The Pool Member, upon notification of the action taken, shall promptly reimburse the Fund for all or such part of the deductible amount as has been paid by the Fund. Further, however, the Fund's obligation to pay damages shall be subject to the limits of liability stated in the Declarations of Coverage or Endorsements to this Interlocal Agreement less the stated deductible amount.
 - h. Fund Modifier. A percentage figure that is applied to the manual rates by the Fund to reflect the savings to the Pool Member by entering into this Interlocal Agreement.
 - i. Agreement Period. The continuous period since the Pool Member first became a member of this Fund excluding, however, any period or periods of time therein that the member did not participate as a member of the Pool.
 - j. Declarations of Coverage. The specific indication of the coverages, limits, deductibles, contributions, and special provisions elected by each individual Pool Member. The Declarations of Coverages may be modified by Endorsement.
2. The Board, acting through its agents and Fund staff, is responsible for the administration of all Fund business on behalf of the Pool Members.
3. In consideration of the execution of this Interlocal Agreement by and between the Pool Member and the Fund and of the contributions of the Pool Member, the coverage elected by the Pool Member is afforded according to the terms of the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan. The affirmative declaration of contributions and limits of liability, the Declarations of Coverage and Endorsements determine the applicability of the Self-Insurance Plan.

Each Pool Member agrees to adopt and accept the coverages, provisions, terms, conditions, exclusions, and limitations as further provided for in the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan or as specifically modified by the Pool Member's Declarations of Coverage. This Interlocal Agreement shall be construed to incorporate the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan, Declarations of Coverage, and Endorsements and addenda whether or not physically attached hereto.

4. It is understood that by participating in this risk sharing mechanism to cover cyber liability and data breach response exposures, the Pool Member does not intend to waive any of the immunities that its officers or its employees now possess. The Pool Member recognizes the Texas Tort Claims Act and its limitations to certain governmental functions as well as its monetary limitations and that by executing this Interlocal Agreement does not agree to expand those limitations.
5. The term of this Interlocal Agreement and the self-insurance provided to the Pool Member shall be continuous commencing 12:01 a.m. on the date designated in this Interlocal Agreement until terminated as provided below. Although the self-insurance provided for in this Interlocal Agreement shall be continuous until terminated, the limit of liability of the Fund under the coverages that the Pool Member elects shall be limited during any Fund Year to the amount stated in the Declarations of Coverage for that Fund Year.

This Interlocal Agreement may be terminated by either party giving to the other sixty (60) days' prior written notice of intent to terminate except the Pool Member may terminate this Interlocal Agreement and its coverages thereunder without giving the sixty (60) days' notice if the reason is because of a change by the Fund in the Pool Member's contribution, coverage, or other change in the limits of liability, terms, conditions, exclusions, and limitations provided for in the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan provided that no termination by the Member shall be effective prior to the date that written notice of termination is actually received in the offices of the Fund and provided that the Pool Member agrees to and shall pay the applicable premium and contribution for those coverages it is terminating until the date the notice of termination is actually received by the Fund.

The Fund shall provide the Pool Member with Declarations of Coverage and any Endorsements that determine the applicability of the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan annually by December 1. Such Declarations of Coverage shall include, but not be limited to, the coverage period which shall be the applicable Fund Year, limits, deductibles, contributions, special provisions, and limitations. Changes made during the Fund Year, whether requested by the Pool Member or required by the Fund, will be handled by Endorsement.

It is the intention of the parties that the Pool Member's coverages under this Interlocal Agreement shall remain in full force and effect from Fund Year to Fund Year, subject to the limits of liability that the Fund can provide each Fund Year and the terms, conditions, and limitations that the Fund may require to protect its solvency and to comply with reinsurance requirements, until notice of termination is given as herein provided. Realizing that the Pool Member needs the earliest possible information concerning the Fund coverages, limits, and exclusions, and the Pool Member's contribution that will be required for any new Fund Year, the Fund will endeavor to provide this information as soon as possible before the beginning of each Fund Year. The parties recognize, however, that conditions in the reinsurance industry are such that the Fund may not be able to provide this information to the Pool Member before the beginning of a Fund Year for various reasons including the failure of the Pool Member to timely submit the appropriate exposure summary or delays on the part of reinsurers in getting information to the Fund, and so, to protect the Pool Member from gaps in its coverage and to protect the solvency of the Fund, the parties agree as follows:

If, for any reason other than the Pool Member's failure to provide the information requested in the exposure summary, the Fund has not been able to provide the Pool Member with information concerning available coverages for a new Fund Year or advise the Pool Member of the amount of its contribution for the new Fund Year by the beginning of the Fund Year, the Fund shall nevertheless continue the Pool Member's coverages at the same limits of liability (if still available and if not, then at the highest limit of liability available for the new Fund Year) so that the Pool Member shall at all times remain covered as herein provided and the Pool Member's initial contributions for the new Fund Year shall be determined by a "tentative contribution" as determined by the Board with the Pool Member's actual annual contribution to be credited by the amount paid in accordance with the tentative contribution and adjusted during the Fund Year. In the event the Pool Member does not wish to have its coverages extended or renewed at the end of any Fund Year, the burden shall be upon the Pool Member to give written notice to the Fund as provided hereinabove and the Pool Member agrees to pay as hereinabove stated all contributions or pro rata contributions until the date such written notice is received in the offices of the Fund or the date of termination of this Interlocal Agreement, whichever is later.

6. Commensurate with the execution of this Interlocal Agreement and annually thereafter, the Pool Member shall complete the appropriate exposure summary and deliver it or cause it to be delivered to the Fund, or, if so instructed, to a designated contractor, no later than September 1 of each year and new annual contributions shall be calculated using manual rates times exposure, less any adjustments. Intentional or reckless misstatements on the exposure summary shall be grounds for cancellation. In the event that the Pool Member fails or refuses to submit the appropriate exposure summary, the Fund reserves the right to terminate such Pool Member by (30) days' written notice and to collect any and all contributions that are earned pro rata for the period preceding contract termination.

The Pool Member agrees to pay the annual contribution to the Fund in four (4) equal quarterly installments, in advance, commencing at the beginning of this Interlocal Agreement with subsequent installments due the first quarter thereafter. In the event this Interlocal Agreement is terminated as herein provided, the Fund shall promptly repay to the Pool Member any such unearned annual contribution prorated as of the date of termination and the Pool Member agrees during the term of this Interlocal Agreement to promptly pay all reimbursable deductibles upon receipt of statement.

At the end of each and every Fund Year, the Fund may require the Pool Member to submit the actual data requested on the exposure summary as reflected by the books and records of the Pool Member. The Fund reserves the right to audit the records of any Pool Member and adjust contributions accordingly.

In the event that the Pool Member fails or refuses to make the payments, including accrued interest, as herein provided, the Fund reserves the right to terminate such Pool Member by giving them ten (10) days' written notice and to collect any and all amounts that are earned pro rata for the period preceding contract termination. If the amounts owed, including reimbursable deductibles, must be collected by suit, the Pool Member agrees to pay attorneys' fees and costs incurred in such suit.

7. The Fund shall maintain adequate protection from catastrophic losses to protect its financial integrity. Aggregate protection shall also be maintained. The Member's contributions shall be limited to that amount as calculated under this Interlocal Agreement. Notwithstanding anything to the contrary, the total combined aggregate limit of liability of the Fund for all Pool Members in any Fund Year, regardless of the number of occurrences or claims, shall be limited to the amount of money contained in the Fund. As to the Pool annual aggregate limits or the amount of money in the Fund, the Board of Trustees, in its sole discretion, may determine an allocation methodology among affected Pool Members should the Pool annual aggregate limit be reached, or should the money in the Fund be exhausted.
3. Notwithstanding the provisions of the foregoing paragraph, it is agreed the Board shall have the right to adjust the financial protection outlined above and/or amend coverages as it finds available or deems necessary to maintain the fiscal soundness of the Fund at the beginning of or during any Fund Year.
2. The Fund will make available loss control services to the Pool Members to assist them in following a plan of loss control that may result in reduced losses. The Pool Member agrees that it will cooperate in instituting any and all reasonable loss control recommendations. In the event that the recommendations submitted seem unreasonable, the Pool Member has a right to appeal to the Board. The Board shall hear the objections of the Pool Member at its next regularly scheduled meeting and its decisions will be final and binding on all parties. Any Pool Member who does not agree to follow the decision of the Board shall be withdrawn from the Fund immediately.
0. The Pool Member agrees that it will appoint a contact of department head rank, and the Fund shall not be required to contact any other individual except this one person. Any notice to or any agreements with the contact shall be binding upon the Pool Member. The Pool Member reserves the right to change the contact from time to time by giving written notice to the Fund.
1. The Fund agrees to handle all cyber liability and data breach response claims, and provide a defense for any and all cyber liability and data breach response claims covered under this Interlocal Agreement after prompt notice has been given. The Pool Member hereby appoints the Fund staff and Contractors as its agents to act in all matters pertaining to processing and handling of claims covered under this Interlocal Agreement and shall cooperate fully in supplying any information needed or helpful in settlement or defense of such claims. As respects cyber liability and data breach response claims, the Fund staff and Contractors shall carry on all negotiations with the claimant and his/her attorney, when applicable, and negotiate within authority previously granted by the Fund. If a personal appearance by the Pool Member or an employee is necessary, the expense of this appearance will not be the responsibility of the Fund. With the advice and consent of the Fund, the Fund staff and the Contractors will retain and supervise legal counsel for the prosecution and defense of any litigation. All decisions on individual cases shall be made by the Fund through the Fund staff and the Contractors, which include, but are not limited to, the decision to appeal or not to appeal, settlement negotiations, the decision of whether to settle, and other litigation tactics. However, any Pool Member shall have the right in any case to consult with the Fund on any decision made by the Fund staff or Contractors. The Board shall hear the objections of the Pool Member at its next regularly scheduled meeting and its decision will be final and binding on all parties. Any suit brought or defended by the Fund shall be brought or defended only in the name of the Pool Member and/or its officers or employees. There shall be supplied periodically to each Pool Member a computer printout involving a statement of claims. As respects the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan, the Fund shall have priority in enforcing its subrogation claims against the claims of Pool Member.
2. The Pool Member acknowledges that it has received a copy of the Bylaws of the Fund and agrees to abide by the Bylaws and any amendments thereto.
3. The Fund agrees that all Fund transactions will be annually audited by a nationally recognized certified public accounting firm.
4. If legally required, the Fund shall cause to be filed the necessary tax forms with the Internal Revenue Service.

15. As the administrators of the Fund, the Board shall primarily and consistently keep foremost in their deliberations and decisions in operating the Fund that each of the participating Pool Members is a "self-insured." At least annually, the Board shall carefully review, study, and consider the actual claims or loss experience (including reserves for future claims payments) of each of the Pool Members, the pro rata savings to the Fund resulting from overall loss experience attributed to each Pool Member, and the pro rata portion of the cost of all catastrophic loss protection and aggregate stop loss protection allocated to each Pool Member as well as the pro rata allocation, as determined by the Board of the other and necessary administrative expenses of the Pool, in order to reasonably determine the actual pro rata cost, expense, and loss experience of each Pool Member in order to maintain as nearly as possible an equitable and reasonable self-insurance administration of the Fund as applied to each Pool Member.

The Fund shall maintain case reserves and supplemental reserves computed in accordance with standard actuarial principles, taking into account historical and other data, designed to measure claims development and claims incurred but not yet reported, so that funds will be available to meet these claims as they become due, subject to paragraph 7 above. The Board has complete authority to determine all matters pertaining to the existence and dissolution of the Fund.

16. Venue of any suit or action arising out of or related to this Interlocal Agreement shall be exclusively in the state and federal courts of Travis County, Texas. The parties agree they shall assume their own expenses for attorney's fees in any suit or action arising out of or related to this Interlocal Agreement.
17. The parties agree this Interlocal Agreement may be executed by original written ink signature on paper documents, an exchange of copies showing the original written ink signature on paper documents, or electronic or digital signature technology in such a manner that the signature is unique and verifiable to the person signing. The use of any one or combination of these methods of execution shall constitute a legally binding and valid signing of this Interlocal Agreement, which may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

EMPLOYER MEMBERS' FUND CONTACT (See Section 10):

Member Name _____

Name of Contact _____ Title _____

Mailing Address _____ Email Address _____

Street Address (if different from above) _____

City _____ Zip _____ Phone _____

SIGNATURE OF AUTHORIZED MEMBER OFFICIAL

Title _____

Date _____

Member's Federal Tax I.D. Number _____

This Information is MANDATORY

TO BE COMPLETED BY FUND: (OFFICE USE ONLY)

Effective Date of This Agreement _____

Member Name _____

Contract Number _____

SIGNATURE OF AUTHORIZED FUND OFFICIAL

Title _____

Date _____

**CITY OF WHARTON
RESOLUTION NO. 2024-XX**

A RESOLUTION OF THE WHARTON CITY COUNCIL APPROVING THE INTERLOCAL AGREEMENT WITH THE TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL RISK POOL FOR CYBER LIABILITY AND DATA BREACH RESPONSE, AND AUTHORIZING THE CITY MANAGER OF THE CITY OF WHARTON TO EXECUTE ALL DOCUMENTS RELATING TO SAID CONTRACTS.

WHEREAS, The City of Wharton wishes to have insurance coverage for cyber liability and data breach response; and,

WHEREAS, The City of Wharton wishes to continue with the coverage with the Texas Municipal League Intergovernmental Risk Pool (TML-IRP) for the cyber liability and data breach response under an Interlocal Agreement; and,

WHEREAS, The City of Wharton authorizes the City Manager to sign any documents relating to the agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS as follows:

Section I. That the Wharton City Council hereby approves the Interlocal Agreement with the Texas Municipal League Intergovernmental Risk Pool (TML-IRP) for Cyber Liability and Data Breach Response.

Section II. That Wharton City Council hereby approves coverage at a rate of \$1,250 for FY 2024-2025.

Section III. That the City Manager of the City of Wharton is hereby authorized to sign any documents relating to the aforementioned agreements.

Section IV. That this resolution shall become effective immediately upon its passage.

Passed, Approved, and Adopted this 22nd day of July 2024.

CITY OF WHARTON, TEXAS

By: _____

TIM BARKER

Mayor


ATTEST:

PAULA FAVORS

City Secretary

City of Wharton
120 E. Caney Street
Wharton, TX 77488

FINANCE COMMITTEE

Meeting Date:	7/22/2024	Agenda Item:	Resolution: A resolution of the Wharton City Council authorizing the purchase of an air conditioning unit for the lobby area of City Hall and authorizing the City Manager of the City of Wharton to execute all documents related to said purchase.
<p>The City Staff obtained quotes for replacing an air conditioning unit in the lobby area of City Hall. This unit is currently non-operational and has never provided adequate heating capabilities. The funds to pay for air conditioning improvements have been allocated in the 2019 Bond Funds.</p> <p>Finance Director Joan Andel will be present to answer any questions.</p>			
City Manager: Joseph R. Pace			Date: Thursday, July 18, 2024
Approval: 			
Mayor: Tim Barker			



City of Wharton

120 E. Caney Street ° Wharton, TX
77488

Phone (979) 532-2491° Fax (979) 532-
0181

MEMORANDUM

To: Joseph R. Pace, City Manager

From: Joan Andel, Finance Director

Date: July 16, 2024

Re: Air conditioning unit City Hall

The City Staff is obtaining quotes for the replacement of an air conditioning unit in the lobby area of City Hall. This unit is currently non-operational and has never provided adequate heating capabilities. All quotes are due to me by noon on Wednesday, July 17, 2024. The funds to pay for air conditioning improvements have been allocated in the 2019 Bond Funds.

Please include this item in the Finance Committee meeting on July 22, 2024, so that a recommendation can be made and submitted to the City Council for final approval on the same date.

Please contact me for any questions.

Thank you.

**CITY OF WHARTON
RESOLUTION NO. 2024-XX**

A RESOLUTION OF THE WHARTON CITY COUNCIL AUTHORIZING THE PURCHASE OF AN AIR CONDITIONING UNIT FOR THE LOBBY AREA OF CITY HALL AND AUTHORIZING THE CITY MANAGER OF THE CITY OF WHARTON TO EXECUTE ALL DOCUMENTS RELATED TO SAID PURCHASE.

WHEREAS, The Wharton City Council wishes to approve _____ for the air conditioning unit for the lobby area of City Hall in the amount of _____; and,

WHEREAS, The Wharton City Council wishes to authorize the City Manager of the City of Wharton to execute all documents related to said purchase.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS as follows:

Section I. The Wharton City Council hereby authorizes the City Manager of the City of Wharton, Texas, to execute all documents related to the purchase from _____ for the air conditioning unit for the lobby area of City Hall in the amount of _____;

Section II. That this resolution shall become effective immediately upon its passage.

Passed, Approved, and Adopted this 22nd day of July 2024.

CITY OF WHARTON, TEXAS

By: _____
TIM BARKER
Mayor

ATTEST:

PAULA FAVORS
City Secretary