

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Worker Risk Cooperative for Counties**  
**August 21, 2008 at 1:00 p.m.**  
**Clubhouse Inn**  
**924 SW Henderson Road**  
**Topeka, KS 66615**

The August 2008 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:09 p.m. at the Clubhouse Inn in Topeka by Board President F. E. "Shep" Schoepf on Thursday, August 21, 2008. Trustees participating included F. E. "Shep" Schoepf, Reno County Commissioner, President; Michelle Garrett, Morris County Clerk, Vice President; Jim Wise, Miami County Commissioner, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Doyle "Hooley" Alcorn, Jewell County Commissioner; and Ralph D. Unger, Decatur County Commissioner.

Staff participating included Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator and Staff Counsel; Mr. Carl Eyman, Deputy Administrator and Loss Prevention Specialist; Mr. Philip J. Rippee, Loss Prevention Specialist; Mr. Richard Alexander, Accountant; Mr. Bruce Woner, Board Counsel and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates appeared by Ms. Annette Duncan, Mr. Paul Davis and Mr. Gus Campuzano.

President Schoepf addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the following two additions to the agenda: Item No. 12a. "Joint Board Dinner Discussion" and Item No. 12b "Special Recognition." Mr. Wise moved to approve the agenda as amended. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of July 17, 2008." Ms. Swartz noted a spelling correction on the last page and then moved to approve the minutes as corrected. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Schoepf proceeded to Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." Mr. Parrish itemized checks and wire transfers of funds. Mr. Unger moved to approve the checks and ratify the wire transfers as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 4b, "Master Repurchase Agreement from CCB." Mr. Parrish reviewed the renewal agreement with Country Club Bank and answered questions. Mr. Unger moved to approve the repurchase agreement. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish asked Ms. Bird to discuss Agenda Item No 4c, "Suggestions for KAC Vendor Booth Give Away Items." Ms. Bird presented several options and the Board indicated preferences.

President Schoepf then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities.

President Schoepf addressed Agenda Item No. 6, "Financial Report." Mr. Alexander reported on financial statements he prepared for July 2008. Ms. Swartz moved to accept the financial reports as presented. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 12656 through 12700 and the direct debits, all as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of August 12, 2008.

President Schoepf addressed Agenda Item No. 6, "Claims Report." Ms. Duncan reported on several claims and answered questions.

Ms. Duncan reviewed the Logicomp report for the period of January 1, 2008 through July 31, 2008. She stated that the total amount billed is \$2,639,711. The report showed actual paid amount to be \$1,569,304 for net savings after fees of \$1,070,409 or more than 41% of the amount billed for this seven-month period.

Mr. Davis explained an analytical review generated by IMA showing KWORCC's claim history for policy years 2007 and 2008. The documents consist of graphs which compared the actual paid and incurred losses to the estimated paid and incurred losses and show the actuarial projections. Mr. Davis emphasized these charts should not be considered as a guarantee of either good or poor ultimate-loss performance.

President Schoepf called upon Messrs. Eyman and Rippee to address Agenda Item No. 7, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for July, August and September for the loss-prevention staff as well as the breakdown of county visits since the first of the year. Mr. Eyman then reviewed the loss data for the last 5.5 years for members with loss ratios over 100%. Finally, Mr. Eyman gave a report on the video library and the counties' use of the available materials since the first of the year.

President Schoepf declared a break at 1:55 p.m. The meeting resumed at 2:15 p.m.

President Schoepf addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported there were no legal matters to review. Mr. Woner had no official legal report, but said a few words about the changing political climate.

President Schoepf addressed Agenda Item No. 10, "Committee Reports." Mr. Unger addressed Agenda Item No. 10a, "Investment Committee - Approval of Investments, KWORCC Resolution No. 2008-58." He stated the investment committee reviewed the investments with Christopher Thompson of Country Club Bank and Bradley Downard of Security Benefit. Of particular note is that the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (Fannie Mae) investments held by KWORCC are short term discount notes guaranteed by the United States Government and used primarily as a cash substitute and not the highly publicized publicly-traded stock. Mr. Unger stated the Committee recommends that KWORCC invest \$5,000 per month in each of the four Security Benefit equity funds for the months of September through December of this year, provided funds are available without incurring a penalty for early sale of securities. Mr. Unger moved to adopt the Committee's recommendation. Mr. Wise seconded the motion which CARRIED unanimously. Mr. Unger then moved for the acceptance of resolution 2008-58, which approves government investments for the period March 11, 2008 through July 23, 2008. The motion was seconded by Ms. Buttron and CARRIED unanimously.

President Schoepf proceeded to Agenda Item No. 11, "Trustee Training: Workers Compensation Benefit Reduction by Retirement Benefits." Ms. Bird discussed how retirement benefits reduce workers compensation indemnity payments. After questions and discussion, President Schoepf thanked Ms. Bird for an informative presentation.

President Schoepf proceeded to Agenda Item No. 12, "Other items." Mr. Eyman addressed Agenda Item No. 12a, "Joint Board Dinner Discussion." He updated details of the KWORCC and KCAMP Board dinner scheduled September 25<sup>th</sup>, and the Trustees provided a head-count for reservations. Final details will be disseminated when available.

Next Mr. Parrish addressed Agenda Item No. 12b, "Special Recognition." He announced that it was Mr. Alexander's birthday and presented Alex with a card and cake. Board and staff expressed appreciation and well wishes.

Ms. Swartz moved to adjourn at 2:59 p.m. Mr. Unger seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 25<sup>th</sup> day of September 2008.

Mr. Jim Wise, Secretary  
KWORCC Board of Trustees