

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
December 10, 2009 at 2:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The December 2009 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 2:18 p.m. at the Clubhouse Inn in Topeka by Board President Michelle Garrett on Thursday, December 10, 2009. Trustees present included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Doyle 'Hooley' Alcorn, Jewell County Commissioner, Secretary; Bonnie Swartz, Gray County Clerk; Francis Garcia, Reno 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 and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates (IMA) appeared by Ms. Susan May, Mr. Gene Miller and Mr. Paul Davis.

President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of Agenda Item No. 3c, "Excuse Linda Buttron, Jefferson County Clerk, for county business" and the removal of Agenda Item No. 4h. He asked that Agenda Item No 4b be handled in executive session. Mr. Wise moved to approve the agenda with those changes. Mr. Unger seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3a, "Consideration of Minutes of Meeting of October 23, 2009." Mr. Unger moved to approve the minutes as presented. Mr. Alcorn seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3b, "Consideration of Minutes of Special Meeting of November 16, 2009." Mr. Unger moved to approve the minutes as presented. Mr. Alcorn seconded the motion, which CARRIED unanimously.

President Garret next called for a motion pursuant to Agenda Item No. 3c to excuse Linda Buttron for county business. Mr. Unger so moved; Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 4, "Administrator's Report." Mr. Parrish first discussed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Electronic Transfer of Funds." He itemized the electronic transfer of funds and explained that there were no checks to approve. Ms. Garcia moved to ratify the transfers as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish asked for an executive session until 2:45 to address Agenda Item No. 4b, "Acknowledge Gus Campuzano." Ms. Swartz moved to enter executive session to discuss non-elected personnel to begin at 2:20 p.m. and to continue until 2:45 p.m. with the KWORCC Board and Staff present. Mr. Unger seconded the motion, which CARRIED unanimously. At 2:45 p.m. Mr. Wise moved to extend the executive session to 3:00 p.m. Ms. Garcia seconded the motion, which CARRIED unanimously. At 3:00 p.m. Mr. Unger moved to extend to the executive session to 3:10 p.m. Mr. Wise seconded the motion which, CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 4c, "Contract Renewals." Under Agenda Item No. 4ci, Mr. Unger moved to table the discussion of "IMA – Brokerage and Claims" for further review by the Board. Mr. Alcorn seconded the motion, which CARRIED unanimously.

Mr. Parrish asked Ms. Bird to present contract renewals with Parrish Management Corporation and Jayhawk Tower Partners for approval by the Board of Trustees. Ms. Bird detailed the terms and changes incorporated in the renewal contracts for office space, storage space and office sharing and support staff costs and noted that these contracts reflect the same costs as the 2009 contracts. Ms. Bird said the proposed expenditures incorporated in these agreements were approved when the Trustees adopted the 2010 budget in October. She recommended that the Board approve the contracts as presented. Ms. Swartz moved to approve the contracts as presented by staff counsel. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Parrish then asked Mr. Eyman to address Agenda Item No. 4d, "Review Underwriting Worksheet." Mr. Eyman explained factors considered when advance discounts are calculated for the members.

Next, Mr. Parrish addressed Agenda Item No. 4e, "Accept New Member(s) into KWORCC Pool." He reported that Scott County has accepted KWORCC's bid. Mr. Unger moved to adopt resolution number 2009-89 to accept Scott County into the pool. Ms. Swartz seconded the motion, which CARRIED unanimously. Mr. Wise moved to admit Barton County into the pool if the county accepts the bid submitted by KWORCC. Mr. Unger seconded the motion, which CARRIED unanimously.

Ms. Bird then addressed Agenda Item No. 4f, "Schedule 2010 KWORCC Board Meetings." After discussion, the following dates were chosen for KWORCC Board meetings in 2010: January 14th, February 18th, March 11th, April 23rd, May 20th, June 17th, July 16th, August 19th, September 9th, October 21st, November 15th (Annual Meeting) and December 16th. Mr. Wise moved to approve the dates noting that all of the meetings which occur during daylight savings time will begin at 1:00 p.m., and the other meetings will begin at 2:00 p.m. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No. 4g, "2010 Premiums Approval." Mr. Parrish presented a worksheet itemizing data and proposed 2010 premiums for each member. After discussion, Ms. Swartz moved to approve the premiums as presented. Ms. Garcia seconded the motion, which CARRIED unanimously.

President Garrett then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities in several counties.

President Garrett announced a short break in the meeting at 3:53 p.m. The meeting resumed at 4:02 p.m.

President Garrett addressed Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for October 2009 and November 2009. Ms. Swartz moved to receive and file the reports as presented. Ms. Garcia seconded the motion, which CARRIED unanimously.

Mr. Alexander made a recommendation for fund year allocation. Ms. Swartz moved to allocate \$85,000 in investment income to fund year 2004. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 13399 through 13460 and the direct debits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed two reports showing the value of KWORCC's equity investments as of December 1 and December 9, 2009.

President Garrett next addressed Agenda Item No. 7, "Claims Report – IMA." Addressing Agenda Item No. 7a, "Select Claims Review," Ms. May and Mr. Miller reported on claims and answered questions.

For Agenda Item No. 7b, "Logicomp Bill Review Report," Ms. May reported that for the period from January 1, 2009 through November 30, 2009, the total amount billed is \$3,935,348; the actual paid amount is \$2,402,118 for a net savings after fees of \$1,533,232. This is more than 38% of the amount billed for this 11-month period.

Mr. Davis then explained the "Policy Year Performance Review" under Agenda Item No. 7c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2006 through 2009. The documents consist of graphs which compare 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 Garrett called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for November, December and January for the loss-prevention staff as well as the breakdown of county visits since the first of the year.

President Garrett addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was no legal report.

Next, President Garrett addressed Agenda Item No. 10, "Committee Reports." Mr. Wise reported that the Investment Committee met just before the board meeting and recommends continuing to refrain from making further investments. He said the Investment Committee will meet in January to review further the state of the investments. After further discussion, Mr. Alcorn moved to grant authority to the Investment Committee to liquidate KWORCC's holdings in Alpha Opportunity Fund provided there will not be a substantial loss. Mr. Unger seconded the motion, which CARRIED unanimously.

Mr. Unger moved to adopt KWORCC Resolution No. 2009-97 approving the purchase and sales of government securities for the period beginning July 1, 2009 and ending November 30, 2009. Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett then called upon Mr. Eyman to address Agenda Item No. 11, "Trustee Training: Whole Body Vibration." Mr. Eyman discussed a new concept of whole body vibration. Among other important points, Mr. Eyman explained that there are no current standards for whole body vibration; however, it most likely will become a common source cited for repetitive trauma injury, especially lower back claims. President Garrett thanked Mr. Eyman for his presentation.

President Garrett then addressed Agenda Item No. 12, "Other Business." Mr. Unger moved to allocate \$100 for staff to purchase a memento of appreciation for Mr. Campuzano. Ms Swartz seconded the motion which CARRIED unanimously.

There being nothing further before the Board, Ms. Swartz moved to adjourn at 4:27 p.m. Ms. Garcia seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 14th day of January, 2010.

Linda Buttron, Secretary
KWORCC Board of Trustees