

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
August 19, 2010 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The August 2010 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:01 p.m. at the Clubhouse Inn in Topeka by Board President Jim Wise on Thursday, August 19, 2010. Trustees present included: Jim Wise, Miami County Commissioner, President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Vice-President; Linda Buttron, Jefferson County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Frances Garcia, Reno County Commissioner and Bonnie Swartz, Gray County Clerk.

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 Mr. Gene Miller, Mr. Paul Davis and Ms. Susan May.

President Wise addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of Agenda Item No.2a, "Excuse Ralph D. Unger, Decatur County Commissioner for a family emergency." Ms. Buttron moved to approve the agenda with that addition. Ms. Garcia seconded the motion, which CARRIED unanimously.

President Wise called for a motion to excuse Mr. Unger for a family emergency. Ms. Garrett so moved. The motion was seconded by Ms. Garcia and CARRIED unanimously.

President Wise addressed Agenda Item No. 3a, "Consideration of Minutes of Meeting of July 16, 2010." Ms. Buttron moved to approve the minutes as presented. Mr. Alcorn seconded the motion, which CARRIED unanimously.

President Wise then turned his attention to Agenda Item No. 3b, "Consideration of Minutes of Special Meeting of July 27, 2010." Ms. Buttron moved to approve the minutes as presented. Mr. Alcorn seconded the motion, which CARRIED unanimously.

President Wise addressed Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." He itemized the electronic transfers of funds and the checks requiring approval. Mr. Alcorn moved to ratify the transfers and approve the checks as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Parrish addressed Agenda Item No. 4b, "Proposed Bylaws Amendment." Mr. Parrish stated that the staff mailed out the proposed Bylaws change to the county commissioners. He said the staff had not received any negative responses but had received positive responses from Ellsworth, Morton and Reno Counties. Ms. Garrett reported that the Morris County Commissioners asked her to convey their support as well. Mr. Wise stated that the Miami County Commissioners appreciated the notification of the possible amendment and approved of the

change. Ms. Garcia moved that the Board approve the proposed amendment and present it for consideration at the KWORCC Annual Meeting in November. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No. 4c, "Equity Investment Policy." Mr. Parrish reviewed the proposed new language for the investment guidelines. Ms. Swartz moved to adopt the change to the KWORCC Investment Policy. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Parrish then called the Board's attention to Agenda Item No. 4d, "Equity Investment Management Discussion." After discussion, Ms. Swartz moved to retain GTrust to manage KWORCC's equity investments. Ms. Garret seconded the motion, which CARRIED unanimously.

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

President Wise addressed Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for July 2010. Ms. Garcia moved to receive and file the reports as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Buttron moved to approve check Nos. 13821 through 13869 and the direct debits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of August 10, 2010 and August 18, 2010. He called attention to the wide fluctuation in the two reports.

President Wise proceeded to 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. Mr. Miller also requested approval on a pending settlement. Ms. Swartz moved to approve the settlement on claim No. 2010039538. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Miller then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." For the period beginning January 1, 2010 through July 31, 2010, Mr. Miller reported the amount billed totals \$2,299,176. The actual paid amount totals \$1,197,601 resulting in a net savings of \$1,101,575 after fees are paid. This is more than 48% of the amount billed for this 7-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 2007 through 2010. 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. He noted these charts show the status as of the end of July, 2010 and should not be considered as a guarantee of either good or poor ultimate loss performance.

President Wise called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for July, August and September for the loss-prevention staff. The plan is that Messrs. Eyman and Rippee will be finished with visiting all the county commissions of member counties by the end of September.

President Wise addressed Agenda Item No. 9, "Legal Report." Mr. Parrish provided an update on the fee fund sweep litigation. None of the Trustees have received a response to the letters written to their legislators concerning this matter, and the Trustees determined that a follow up letter would be appropriate if no response is forthcoming. Staff members reported on efforts to amend the workers compensation laws to nullify the *Bergstrom* decision. President Wise suggested that staff prepare letters for Trustees to send their legislators requesting assistance with this issue.

Next, President Wise addressed Agenda Item No. 10, "Committee Reports." There were no committee reports. During discussion regarding the scheduling of the Personnel Committee meeting, Ms. Swartz said she will not be present for the September meeting. Mr. Parrish suggested that the committee meeting be conducted by teleconference. President Wise asked the staff to accumulate the data necessary for the committee and coordinate the telephone meeting.

President Wise then addressed Agenda Item No. 11, "Other Items." There was no other business to be discussed.

There being nothing further before the Board, Ms. Swartz moved to adjourn at 2:10 p.m. Ms. Garrett seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 9th day of September, 2010.

Linda Buttron, Secretary
KWORCC Board of Trustees