

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**January 14, 2010 at 2:00 p.m.**  
**Clubhouse Inn**  
**924 SW Henderson Road**  
**Topeka, KS 66615**

The January 2010 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 2:00 p.m. at the Clubhouse Inn in Topeka by Board President Michelle Garrett on Thursday, January 14, 2010. Trustees present included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Doyle 'Hooley' Alcorn, Jewell County Commissioner, Secretary; Linda Buttron, Jefferson County Clerk, Controller; 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. Marla Dipman, Mr. Gene Miller and Mr. Paul Davis.

President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the following additions to the Agenda: Item No. 4g, "2010 Premium Receipts"; Item No. 7b, "4<sup>th</sup> Quarter Preliminary Report to KID"; Item No. 8a, "Introduce Marla Dipman" and Item No. 10a, "Law Suit Challenging Fund Sweeps by the State." He also requested that any items after the agenda items be renumbered to accommodate these additions. Mr. Unger moved to approve the agenda with the additions. Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3a, "Consideration of Minutes of Meeting of December 10, 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 December 29, 2009." Mr. Unger stated that discussion and action on the 2010 IMA contract had been tabled at the December 14, 2009 meeting and asked that the minutes reflect that this item was removed from the table prior to discussion and action. Mr. Unger moved to approve the minutes with that modification. Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 4, "Election of Officers and Establish Committees." She stated that all proposed officers and committee members had been contacted by the staff and agreed to serve. The officers include Jim Wise, President; Doyle Alcorn, Vice-President; Linda Buttron, Secretary and Michelle Garrett, Controller. The committee members include Frances Garcia, Chair Personnel Committee with Bonnie Swartz and Doyle Alcorn as committee members; Ralph D. Unger as Chair of Investment Committee with Michelle Garrett and Jim Wise as committee members; Bonnie Swartz as Chair of Audit Committee with Michelle Garrett and Linda Buttron as committee members and Ralph D. Unger as chair of the Joint KWORCC/KCAMP Committee on Cooperation with Jim Wise and Linda Buttron as committee members. Mr. Unger moved to close nominations, elect the slate of officers and to ratify appointment of committee members as proposed. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Wise addressed Agenda Item No. 5, "Administrator's Report." Mr. Parrish first addressed Agenda Item No. 5a "Presentation to President Garrett." Mr. Wise thanked Ms. Garrett for her year of service to KWORCC as President. Ms. Garrett stated that she appreciated the honor of serving the membership as President and expressed best wishes for Mr. Wise in taking over the office.

Mr. Parrish then discussed Agenda Item No. 5b, "Checks Requiring Board Approval and Approval of Electronic Transfer of Funds." He itemized the electronic transfer of funds and checks requiring approval. Ms. Swartz moved to approve the transfer and the checks as presented. Ms. Garcia seconded the motion, which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No. 5c, "Complete Conflict of Interest Forms." He asked that all Trustees and staff complete the conflict of interest forms for filing with the Kansas Insurance Department.

Mr. Parrish proceeded to Agenda Item No. 5d, "Request Waiver from KDOA of GAAP, Resolution No. 2010-06." Ms. Swartz moved to adopt Resolution No. 2010-06. Ms. Garret seconded the motion, which CARRIED unanimously.

Mr. Parrish next addressed Agenda Item No. 5e, "Move April Meeting to April 22, 2010." Mr. Unger moved to change the April meeting date from April 23<sup>rd</sup>, 2010 to April 22<sup>nd</sup>, 2010. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Parrish discussed Agenda Item No. 5f, "KAC Joint Venture." As a report from previous inquiries by Trustees, he stated that KCAMP has entered into a universal sponsorship with Kansas Association of Counties (KAC) that provides exclusive recognition of KCAMP as a property, casualty and liability insurance provider for Kansas counties. The arrangement provides KCAMP notification of all KAC meetings and other marketing benefits and allows KCAMP to provide loss-prevention seminars at KAC meetings. He said that KCAMP staff had no objection to KWORCC pursuing a similar arrangement with KAC. Such a universal sponsorship would include all current sponsorships and would provide KWORCC notifications for KAC meetings with an opportunity to participate and would yield word-of-mouth recognition for KWORCC. KAC has training meetings, new commissioner orientation and regional meetings, all of which could be included in the universal sponsorship. Ms. Swartz moved to authorize the KWORCC staff to initiate discussions with KAC about entering into a similar agreement and report the results at the next meeting. Ms. Garcia seconded the motion, which CARRIED unanimously.

Under Agenda Item No. 5g, "2010 Premium Receipts," Ms. Bird reported the premiums received thus far total \$1,351,615.

President Wise then proceeded to Agenda Item No. 6, "Marketing Report." Mr. Eyman discussed marketing activities in several counties.

President Wise addressed Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the preliminary financial statements he prepared for December 2009. Ms. Swartz moved to receive and file the preliminary reports as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander discussed in detail the interim fourth quarterly financial report for 2009 to be filed with the Kansas Insurance Department. Ms. Swartz moved to receive and file that interim report. Mr. Alcorn seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Garrett moved to approve check Nos. 13461 through 13509 and the direct debits, all as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed two reports showing the value of KWORCC's equity investments as of January 6 and January 14, 2010.

Mr. Davis introduced Ms. Dipman to the Trustees and stated she has been with IMA for eight years and had worked on some of the KWORCC claims. Ms. Dipman thanked the Board and staff for the opportunity to work with them and encouraged communication if any issues on claims arise. The Board and staff welcomed Ms. Dipman.

President Wise next addressed Agenda Item No. 8, "Claims Report – IMA." Addressing Agenda Item No. 7a, "Select Claims Review," Ms. Dipman and Mr. Miller reported on claims and answered questions. Ms. Dipman also requested approval on pending settlements. Ms. Swartz moved to approve settlement of claim Nos. 2008034677 and 2008035952 as recommended. Ms. Garrett seconded the motion, which CARRIED unanimously. Ms. Buttron moved to approve settlement of claim No. 2008036263 as recommended. Ms. Garcia seconded the motion, which CARRIED unanimously.

For Agenda Item No. 8b, "Logicomp Bill Review Report," Ms. Dipman reported that for the period from January 1, 2009 through December 31, 2009, the total amount billed is \$4,101,156; the actual paid amount is \$2,500,458 for a net savings after fees of \$1,600,700. This is more than 39% of the amount billed for this 12-month period.

Mr. Davis then explained the "Policy Year Performance Review" under Agenda Item No. 8c. 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 Wise called upon Messrs. Eyman and Rippee to address Agenda Item No. 9, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for December, January and February for the loss-prevention staff.

President Wise announced a short break in the meeting at 3:11 p.m. The meeting resumed at 3:19 p.m.

President Wise addressed Agenda Item No. 10, "Legal Report." Mr. Parrish reported on the status of the law suit challenging the sweeps by the state of monies from fee funds. He explained that there was a delay in filing the suit for inclusion of a new series of sweeps contained in the Governor's FY 2011 budget.

Next, President Wise addressed Agenda Item No. 11, "Committee Reports." Mr. Unger reported that the Investment Committee met just before the board meeting and looked at alternatives to the Alpha Opportunity Fund. He said the committee reviewed the different funds and recommends to the board that KWORCC start to invest in two new funds, Rydex/SGI All Cap Value Fund and Rydex/SGI Small Cap Value Fund, at a rate of \$15,000 per month in each of these new funds for the first quarter of 2010 and that this decision be reviewed at the March investment committee meeting. He said the committee recommends no additional investments in the four existing funds but that investment in these funds should be retained pending further review. Mr. Unger moved to follow the investment committee's recommendation. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Parrish addressed the schedule for committee meetings through April. The Personnel Committee meeting will be February 18 at 1:00 p.m., the Investment Committee meeting is scheduled for March 11 at Noon and the Audit Committee meeting will be April 22<sup>nd</sup> at Noon. Ms. Swartz moved to approve the committee meeting schedule. Ms. Garcia seconded the motion, which CARRIED unanimously.

President Wise then called upon Ms. Bird to address Agenda Item No. 12, "Trustee Training: Look out for ICE." Ms. Bird reviewed the procedures to follow when Immigration and Customs Enforcement (ICE) arrives unannounced to audit the I-9 immigration forms. She recommended that counties audit their I-9s and keep them in a separate file away from the rest of the personnel records. She stated that employers are required to keep I-9s for three years, or one year after the employee leaves, whichever is later. One option is to use the system known as "e-verify." However, using e-verify opens a county's personnel records to the United States Department of Homeland Security. The benefit to using e-verify is that it will keep a county from being liable if a county hires someone e-verify says is eligible who later turns out to be ineligible for employment in the United States. It also protects a county in the event the county declines to hire someone based on the results if it later turns out they were actually eligible. President Wise thanked Ms. Bird for her presentation.

President Wise then addressed Agenda Item No. 13, "Other Business." There was no other business.

There being nothing further before the Board, Ms. Swartz moved to adjourn at 3:50 p.m. Ms. Garrett seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 18th day of February, 2010.

Linda Buttron, Secretary  
KWORCC Board of Trustees