

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
January 17, 2008 at 2:00 p.m.
Club House Inn
924 SW Henderson
Topeka, KS 66615

The January 2008 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Ralph D. Unger on Thursday, January 17, 2008 at 2:00 p.m. Trustees participating included Ralph D. Unger, Decatur County Commissioner, President; Francis "Shep" Schoepf, Reno County Commissioner, Vice President; Michelle Garrett, Morris County Clerk, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Jim Wise, Miami County Commissioner; and Doyle "Hooley" Alcorn, Jewell County Commissioner.

Staff participating from the KWORCC office included Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Mr. Philip J. Rippee, Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Nicole Jarboe, Executive Assistant and Media Director.

Others present included Ms. Annette Duncan, Mr. Gus Campuzano and Mr. Tris Felix of Insurance Management Associates (IMA) and Ms. Carol Lauffer.

President Unger addressed Agenda Item No. 2, "Approval of the Agenda." President Unger asked to add "Executive Session with Administrator and the Board of Trustees" under Agenda Item No. 13, "Other Items." Mr. Parrish requested the addition of Agenda Item 5d, "Meeting schedule" and 5e, "2008 Premium Receipts" under the Administrators Report. Mr. Wise moved to approve the agenda as amended. Mr. Alcorn seconded the motion, which CARRIED unanimously.

President Unger addressed Agenda Item No. 3, "Consideration of Minutes, December 20, 2007." President Unger requested the insertion of the word "the" and the addition of a period on the end of the phrase "A break was declared in meeting." Mr. Schoepf moved to approve the minutes as amended; Ms. Garrett seconded the motion, which CARRIED unanimously.

President Unger addressed Agenda Item No. 4, "Election of Officers." Mr. Parrish stated that in the past, officers have been elected under a rotation system, which gives each Board Member the opportunity, if desired, to move sequentially through each of the officer positions. He pointed out that a proposed slate of officers and committee members was included on page 61 of the Agenda book. Ms. Swartz moved to elect the slate of officers as proposed, which includes Francis "Shep" Schoepf, President; Michelle Garrett, Vice-President; Jim Wise, Secretary and Linda M. Buttron, Controller. Mr. Alcorn seconded the motion, which CARRIED unanimously. Mr. Parrish explained that this list of committee chairs and members were proposed to follow the Board's earlier directive that Board members who are not officers would serve as committee chairs. By consensus, the Board approved the staff recommendation for committee chairs and members. They include Hooley Alcorn, Chair Personnel Committee with Linda Buttron and Michelle Garrett as Committee members; Ralph D. Unger as Chair of Investment Committee with Francis "Shep" Schoepf and Jim Wise as committee members; Bonnie Swartz as Chair of Audit Committee with Jim Wise and Linda Buttron as committee members and Francis "Shep" Schoepf, Doyle "Hooley" Alcorn and Bonnie Swartz as members of the Joint KWORCC/KCAMP Committee on Cooperation.

Mr. Schoepf presented a gift of appreciation to Mr. Unger for his year of service as President of KWORCC and asked him to continue to chair the balance of the meeting.

Mr. Unger proceeded to Agenda Item No. 5, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 5a, "Checks Requiring Board Approval and Ratification of Wire Transfers." Mr. Parrish itemized checks and wire transfers of funds. Ms. Buttron moved to approve the checks and ratify the wire transfers as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Parrish proceeded to Agenda Item No. 5b, "National PRIMA Discussion" and asked Ms. Bird to present an update. She reported that she had reserved eight tickets for direct flight to Anaheim on Saturday, May 31, 2008 departing from Kansas City International Airport at approximately 11:00 a.m. The return flight is scheduled to depart Anaheim on Thursday, June 5th and would arrive in Kansas City at approximately 6:00 p.m. that day. Final payment for the tickets and a list of names of the people using the tickets are required no later than April 30, 2008. Mr. Unger asked the Trustees to let the staff know as soon as possible their plans for attending the national PRIMA conference.

Mr. Parrish next addressed Agenda Item No. 5c, "Complete Conflict of Interest Forms." He confirmed that the Board and staff members had received the conflict of interest forms and had completed them.

Mr. Parrish then addressed Agenda Item No. 5d, "Meeting Schedule: February, March and May." After discussion the date for February remained as scheduled on Tuesday the 12th at 4:00 p.m. The Personnel Committee meeting would start at 3:30 p.m. that day. Mr. Parrish suggested those commissioners attending the "Kansas Government Day" event in Topeka invite the other commissioners from their counties to attend the February KWORCC meeting. The March Board meeting was rescheduled from the 20th to the 13th at 1:00 p.m. with the Investment Committee meeting scheduled at noon that day. Mr. Parrish said that a box lunch would be provided. Trustees discussed the meeting scheduled for May 22nd and confirmed that date. Mr. Unger asked if the intention was for the June Board Meeting to be a conducted by teleconference. After brief discussion Mr. Alcorn moved to approve the change in the March date, ratification of the February and May dates and the designation of the June meeting as a teleconference. Ms. Buttron seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish asked Ms. Bird to address Agenda Item No. 5e, "2008 Premium Receipts." Ms. Bird reviewed a list of the premiums received thus far and explained the separation of the premiums was 70% into the claims account and 30% into the administrative account as required by the Kansas Insurance Department examiner. She assured the Board that the funds were transferred into investments as soon as administratively possible.

Mr. Parrish then introduced Carol Lauffer, the new office manager at PMCorp. He explained she will be assisting with some KWORCC matters at the office and invited her to meet the Trustees and observe a KWORCC meeting. Mr. Unger welcomed Ms. Lauffer.

Mr. Unger then proceeded to Agenda Item No. 6, "Marketing Report." In the absence of Mr. Carl Eyman, Mr. Parrish presented the marketing report. He reported that KAC requested KWORCC to advertise in the County Officials Directory, and KWORCC staff decided to sponsor the directory. Mr. Parrish further reported on current marketing activities.

Mr. Unger asked Mr. Alexander to address Agenda Item No. 7, "Financial Reports." Mr. Alexander reported on preliminary financial statements he prepared for December 2007. Ms. Swartz moved to receive and file the reports as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Schoepf moved to approve check Nos. 12265 through 12300 and the direct debits, all as presented. Ms. Buttron seconded the motion, which CARRIED unanimously. Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of December 31, 2007.

Mr. Unger addressed Agenda Item No.8, "Claims Report." Ms. Duncan reported on several claims and answered questions. She also reported on subrogation recovery during 2007.

Ms. Duncan also reviewed the Logicomp report for the period of January 1, 2007 through December 31, 2007. She stated that the total amount billed is \$4,809,658.57. The report showed actual paid amount to be \$3,006,087.14 for net savings after fees of \$1,709,637.32 or 35.55% for this twelve-month period. Mr. Alexander asked for clarification on the Logicomp report, pointing out that the column totals did not match the net savings number. Mr. Felix explained that savings from the code review and fee schedule were not included on the report and will be added to future reports.

Next, Mr. Felix presented an analytical review of KWORCC's claim history for policy years 2002 through 2007. Separate exhibits compared the actual paid and incurred claim payments to the estimated paid and incurred claim payments. The intent of the presentation was to provide Board members a visual comparison of the currently estimated losses, the actuarial projected losses and the budgeted losses. IMA staff emphasized these charts should not be viewed as a guarantee of either good or poor ultimate-loss performance.

A break was declared in the meeting.

Mr. Unger called upon Mr. Rippee to address Agenda Item No. 9, "Loss Prevention and County Visits." Mr. Rippee reviewed calendars for December, January and February for the loss prevention staff. He reported that the county officials and employees have expressed approval of the new loss prevention manual format.

Mr. Unger addressed Agenda Item No.10, "Legal Report." Mr. Parrish stated there were no legal matters to report.

Mr. Unger addressed Agenda Item No. 11, "Committee Reports." There were no committee reports. The committee meeting schedules were confirmed with the Personnel Committee meeting February 12th at 3:30 p.m., the Investment Committee meeting March 13th at noon and the Audit Committee meeting on April 17th at noon.

Mr. Unger next proceeded to Agenda Item No. 12, "Trustee Training: Human Resources Quiz." Ms. Bird presented a nine question quiz on Human Resources. Mr. Unger thanked her for the informative session.

Mr. Unger proceeded to Agenda Item No. 13 and requested an executive session to discuss non-elected personnel with Mr. Parrish. Mr. Wise moved to recess the meeting into executive session to discuss non-elected personnel to begin at 3:47 p.m. and end no later than 4:00 p.m. with only the Trustees and Mr. Parrish in attendance. Ms. Swartz seconded the motion, which CARRIED unanimously.

The meeting reconvened at 4:00 p.m. There being no further business on the agenda, Ms. Swartz moved to adjourn at 4:01 p.m. After passing the gavel to Mr. Schoepf, Mr. Unger seconded the motion, which CARRIED unanimously.

The Board of Trustees approved the foregoing minutes of the Board of Trustees of Kansas Workers Risk Cooperative for Counties on the 12th day of February 2008.

Mr. Jim Wise, Secretary
KWORCC Board of Trustees