

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**January 16, 2014 at 1:00 pm**  
**Clubhouse Inn**  
**924 SW Henderson Road**  
**Topeka, KS 66615**

The January 2014 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:01 p.m. on January 16, 2014 in Topeka by Board President Michelle Garrett. Trustees attending included: Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Steve Garten, Barber County Commissioner; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; Mr. Brandon Mann, Loss Prevention Specialist; Mr. Ralph D. Unger, Member Services Representative and Mr. Benjamin Woner, Loss Prevention Specialist.

Insurance Management Associates (IMA) was represented by Ms. Marla Dipman, Mr. Jess Cornejo and Mr. Gene Miller.

President Garrett first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of Agenda Item No. 5f "MOKAN Meeting." Dr. Garten moved to approve the agenda with that addition. Ms. Buttron seconded the motion which CARRIED unanimously.

President Garrett then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of December 19, 2013." Mr. McEvoy moved to approve the minutes as presented. Mr. Caspers seconded the motion which CARRIED unanimously.

Next, President Garrett asked Mr. Parrish to address Agenda Item No. 4, "Election of Officers and Establish Committees." Mr. Parrish then described the slate of officers recommended by staff after consultation with the members. The slate of officers includes Jim Wise, President; Steven Garten, Vice-President; Bonnie Swartz, Secretary and Michelle Garrett, Controller. Mr. Parrish then described staff recommendations for committee chairs and membership which includes Bonnie Swartz, Chair Personnel Committee with Steven Garten and Michelle Garrett as committee members; Gary Caspers as Chair of Investment Committee with Jim Wise and Stan McEvoy as committee members; Steve Garten as Chair of Audit Committee with Linda Buttron and Michelle Garrett as committee members and Linda Buttron as Chair of the Joint KWORCC/KCAMP Committee on Cooperation with Bonnie Swartz and Jim Wise as committee members. Ms. Buttron 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.

Ms. Garrett passed the gavel to President Wise who chaired the remainder of the meeting.

President Wise proceeded to Agenda Item No. 5a of the Administrator's Report, "Presentation to Past-President Michelle Garrett." He presented a plaque and expressed appreciation to Ms. Garrett for her year of service as President. Ms. Garret thanked the Board members for their support during the past year and for the opportunity to serve as Board President.

Next, President Wise asked Mr. Parrish to address Agenda Item No. 5, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 5b, "Checks Requiring Board Approval and Ratification of Electronic Transfer of Funds." He itemized the checks for approval and described the electronic transfers of funds to be ratified. Ms. Swartz moved to approve the checks and ratify the electronic transfers of funds as presented. Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No. 5c, "Complete Conflict of Interest Forms." He explained the purpose and details of the form and asked that all trustees and staff complete the conflict of interest forms and return them to Ms. Bird for filing with the Kansas Insurance Department (KID).

Mr. Parrish then addressed Agenda Item No. 5d, "Waiver of GAAP, Resolution No. 2014-04." He explained the purpose of the resolution is to comply with statutory accounting as opposed to generally accepted accounting principles. Mr. McEvoy moved that the resolution be adopted. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Parrish then asked Ms. Bird to address Agenda Item No. 5e, "PRIMA National." The annual National PRIMA conference will be in Long Beach, California beginning June 8, 2014 and ending on June 11, 2014. Ms. Bird discussed itinerary, travel preferences, accommodations and registration details.

Mr. Parrish then asked Mr. Eyman to address Agenda Item No. 5f, "MOKAN Meeting." Mr. Eyman said the meeting will be held April 23rd - April 25th in Overland Park. He explained that it is usually an excellent meeting, resembling a mini-PRIMA, including local vendors and attendees.

President Wise then proceeded to Agenda Item No. 6, "Marketing Report." Mr. Eyman discussed marketing activities and responded to questions.

President Wise then proceeded to Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the preliminary, pre-audited financial statements he prepared for December 2013. He stated the reports do not include the most recent actuarial review and the results of the 2013 payroll audits were very preliminary. Ms. Swartz moved to receive and file the financial reports. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Alexander then discussed in detail the interim, pre-audited fourth quarterly financial report for 2013 he prepared for filing with KID. Ms. Swartz moved to approve filing the report as proposed. Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. McEvoy moved to approve check Nos. 15662 through 15716 and the direct debits. Mr. Caspers seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of January 7, 2014.

President Wise addressed Agenda Item No. 8, "Claims Report - IMA." As to Agenda Item No. 8a, "Select Claims Review," Mr. Miller and Ms. Dipman reported there were no significant claims on which to report at this time.

Ms. Dipman then discussed Agenda Item No. 8b, "Logicomp Bill Review Report." She reported the amount billed totals \$3,426,455 for the period beginning January 1, 2013 through December 31, 2013. She said the actual paid amount for that period totals \$1,759,858, resulting in a net savings of \$1,666,597 after fees are paid. This is more than 49% of the amount billed for this 12-month period.

Mr. Comejo 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 2009 through 2013. 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 said the charts show the performance status as of the end of December 2013 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Wise called upon Mr. Mann to address Agenda Item No. 9, "Loss Prevention and County Visits." Mr. Mann reviewed December, January and February calendars for the loss-prevention staff. Next, Mr. Eyman reported on the enrollment rates and courses completed by the membership for the GovU online courses.

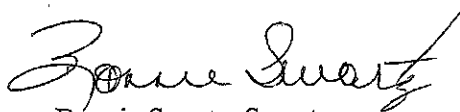
President Wise addressed Agenda Item No.10, "Legal Report." Mr. Parrish stated there was no legal report at this time.

President Wise moved to Agenda Item No. 11, "Committee Reports." Mr. Caspers reported that the investment committee met briefly before the regular board meeting and is recommending an additional investment of \$25,000 per month in equities through GTrust. This strategy is to be reviewed at the July investment committee meeting. Ms. Buttron moved to follow the investment committee's recommendation. Ms. Garrett seconded the motion which CARRIED unanimously. The Personnel Committee is scheduled to meet at 12:15 p.m. before the February 20, 2014 meeting.

President Wise then addressed Agenda Item No. 12, "Other Business." Ms. Bird reported that we have received approximately 33% of 2014 premiums to date.

There being nothing further, Dr Garten moved to adjourn the meeting at 1:48 p.m. Mr. McEvoy seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 20th day of February, 2014.

  
Bonnie Swartz, Secretary  
KWORCC Board of Trustees

**Minutes**  
**Special Meeting, Investment Committee**  
**Kansas Worker Risk Cooperative for Counties**  
**Clubhouse Inn - Conference Room**  
**924 SW Henderson Rd., Topeka KS 66615**  
**January 16, 2014**

On Thursday, January 16, 2014 at 12:46 PM the Investment Committee of Kansas Workers Risk Cooperative for Counties ("KWORCC") held a Special Meeting at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, Jim Wise. Committee Members participating included: Jim Wise, Miami County Commissioner; Gary Caspers, Cloud County Commissioner and Stan McEvoy, Decatur County Commissioner. Also present was KWORCC Administrator, Jim Parrish.

Chairman Wise called the meeting to order at 12:46 PM. Mr. Caspers moved to approve the Agenda and to approve the minutes of the December 19, 2013 meeting as presented. Mr. McEvoy seconded the motion which CARRIED unanimously.

Next, the Committee took up the memo from Mr. Parrish (copy attached to these minutes) regarding future equity investments. In it, Mr. Parrish recommended incremental equity investments at GTrust of \$25,000 per month beginning January, 2014, to be reviewed by the Committee no later than July 17, 2014. After discussion, Mr. McEvoy moved to recommend the investment strategy to the KWORCC Board of Trustees during its regular meeting, January 16, 2014. Mr. Caspers seconded the motion which CARRIED unanimously.

Chairman Wise pointed out that it would be appropriate for someone else to take over as the Chair of the Investment Committee as he will be President of KWORCC during the current year. Mr. McEvoy suggested that Mr. Caspers become Chairman of KWORCC's Investment Committee for 2014. The Committee, by consensus, agreed with that suggestion.

There being no further business to come before the Committee Chairman Wise adjourned the meeting at 1:02 PM.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on July 17, 2014.

  
\_\_\_\_\_  
Gary Caspers, Chair  
KWORCC Investment Committee

# KWORCC

KANSAS  
WORKERS RISK COOPERATIVE  
for COUNTIES

## Memo

**Trustees**  
Michelle Garrett  
Morris County Clerk  
President

Jim Wise  
Miami County Commissioner  
Vice-President

Bonnie Swartz  
Gray County Clerk  
Secretary

Linda M. Buttron  
Jefferson County Clerk  
Controller

Gary Caspers  
Cloud County Commissioner

Steve Garten  
Barber County Commissioner

Stan McEvoy  
Catur County Commissioner

**Staff**  
James W. Parrish  
Administrator

Dortha O. Bird  
Deputy Administrator  
& Staff Counsel

Carl Eyman, ARM-P  
Deputy Administrator &  
Loss Prevention Specialist

Brandon Mann  
Loss Prevention Specialist

Richard "Alex" Alexander  
Accountant

Ralph D. Unger  
Member Services  
Representative

**Office Address**  
Jayhawk Towers  
700 SW Jackson, Suite 200  
Topeka, KS 66603

**Telephones**  
Toll Free (877) 357-1069  
(785) 357-1069  
Facsimile (785) 233-5440

**Website**  
www.kworcc.com

Date: January 9, 2014  
To: KWORCC Investment Committee  
From: Jim Parrish  
RE: Additional GTrust Equity Investments – Recommendation



As I indicated during our December 18<sup>th</sup> Investment Committee meeting, I am submitting the following recommendation for additional equity investments with GTrust.

Upon review of the Kansas law and KWORCC's Investment Policy, KWORCC may make equity investments with GTrust in an additional amount of approximately \$500,000. Pursuant to KSA 40-2a22(b)(4), and as reflected in "Specific Guidelines," Section 5F of KWORCC's Investment Policy, equity investments in any one investment company (e.g. GTrust) shall not exceed 10% of the admitted assets of KWORCC at last annual filing, at cost basis. Attached you will find KWORCC's final KID year-end filing for 2012. In it, you will see that KWORCC's total assets were \$19,723,140. Currently, KWORCC's cost basis for the equities invested at GTrust totals approximately \$1.4M. Thus, an additional \$500,000 equities investment at GTrust is allowable.

At this time, I recommend incremental investments of \$25,000 per month, beginning January 20, 2014 and each month thereafter. The Investment Committee will review this strategy no later than the next regularly-scheduled Investment Committee meeting on July 17, 2014.

Please consider this strategy and let's discuss it at a special meeting of the Investment Committee at 12:45 pm prior to the regular Board meeting on January 16, 2014.

JWP:db  
pc:File  
Enclosure

**GROUP-FUNDED POOL - QUARTERLY REPORT  
K.S.A. 12-2620**

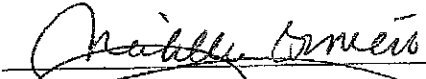


AMENDED REPORT 25-Apr-13

**KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES**

AS OF: 31-Dec-12

	<u>POST-AUDIT</u>	
4th QUARTER		
<u>ASSETS</u>	<u>CURRENT FISCAL YEAR TO DATE</u>	<u>PREVIOUS FISCAL YEAR END</u>
ADMINISTRATIVE FUND:		
CASH	17,000	17,000
INVESTMENTS		
CLAIMS FUND:		
CASH	1,054,197	1,220,090
INVESTMENTS	17,909,764	17,535,357
PREMIUM CONTRIBUTIONS RECEIVABLE	463,366	357,441
EXCESS INSURANCE RECOVERABLE		
INTEREST INCOME DUE AND ACCRUED	76,163	87,762
RECEIVABLE FROM AFFILIATES		
OTHER ASSETS:		
PREPAID ASSETS	0	0
FIXED ASSETS	0	0
OTHER RECEIVABLES	202,650	47,447
 TOTAL ASSETS	 19,723,140 *	 19,265,097

To the best of my knowledge, I hereby certify that the balance sheet and summary of operations contained herein represents a true and complete accounting of KANSAS WORKERS COOPERATIVE FOR COUNTIES

By:  Chair of Trustees  
 Administrator  
 Staff Accountant

**GROUP-FUNDED POOL - QUARTERLY REPORT**  
**K.S.A. 12-2620**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>CURRENT FISCAL YEAR TO DATE</u>	<u>PREVIOUS FISCAL YEAR END</u>
RESERVE FOR UNPAID CLAIMS	4,064,602	4,003,402
RESERVE FOR CLAIMS INCURRED BUT NOT REPORTED	3,116,763	2,917,810
UNEARNED PREMIUM CONTRIBUTIONS	0	0
OTHER EXPENSES DUE OR ACCRUED	79,400	73,546
TAXES, LICENSES, FEES DUE OR ACCRUED	280,146	278,657
BORROWED MONEY		
PREMIUMS PAYABLE TO MEMBERS	151,117	170,523
DEPOSITS ON PREMIUM CONTRIBUTIONS		
EXCESS INSURANCE PREMIUM CONTRIBUTIONS PAYABLE		
PAYABLE TO AFFILIATES		
ACCOUNTS PAYABLE	9,277	4,953
MISCELLANEOUS LIABILITIES		
TOTAL LIABILITIES	7,701,305 *	7,448,891
SPECIAL RESERVE FUNDS:		
FUND BALANCE	10,020,018	9,534,662
MEMBER PROTECTION FUND	1,796,188	1,797,621
UNREALIZED GAIN (LOSS) ON EQUITY INVESTMENTS	249,677	(164,692)
OPERATIONS YTD	(44,047)	648,615
TOTAL SPECIAL RESERVE FUNDS	12,021,835 *	11,816,205
<b><u>FUND BALANCE:</u></b>		
TOTAL RESERVES AND FUND BALANCE	12,021,835	11,816,205
TOTAL LIABILITIES, RESERVES, FUND BAL	19,723,140 *	19,265,097

**GROUP-FUNDED POOL - QUARTERLY REPORT  
K.S.A. 12-2620**

<u>SUMMARY OF OPERATIONS</u>	<u>CURRENT FISCAL YEAR TO DATE</u>	<u>PREVIOUS FISCAL YEAR END</u>
UNDERWRITING INCOME		
DIRECT PREMIUM CONTRIBUTIONS EARNED	5,335,274	5,760,165
DEDUCTIONS:		
CLAIMS INCURRED, NET OF RECOVERIES	4,050,761	3,736,956
CLAIMS ADJUSTMENT EXPENSES	190,000	190,000
WORKERS COMP FUND	134,529	337,060
EXCESS INSURANCE PREMIUM CONTRIBUTIONS EXPENSES	456,147	422,831
OTHER ADMINISTRATIVE EXPENSES	844,526	797,319
TOTAL UNDERWRITING DEDUCTIONS	5,675,964 *	5,484,166
NET OPERATIONS GAIN OR (LOSS)	(340,690) *	275,999
INVESTMENT INCOME:		
INTEREST INCOME EARNED (NET OF INVESTMENT EXPENSES)	296,643	372,615
OTHER INCOME		
OTHER INCOME	0	0
NET INCOME (LOSS) BEFORE DIVIDENDS TO MEMBERS	(44,047) *	648,615
DIVIDENDS TO MEMBERS	0	0
NET INCOME (LOSS) AFTER DIVIDENDS TO MEMBERS	(44,047)	648,615
NET INCOME (LOSS)	(44,047)	648,615



**GROUP-FUNDED POOL - QUARTERLY REPORT**  
**K.S.A. 12-2620**

<u>ANALYSIS OF FUND BALANCE</u>	<u>CURRENT FISCAL YEAR TO DATE</u>	<u>PREVIOUS FISCAL YEAR END</u>
FUND BALANCE, PREVIOUS PERIOD	10,020,018	9,534,662
MEMBER PROTECTION FUND	1,796,188	1,797,621
NET INCOME (LOSS)	(44,047)	648,615
NON-ADMITTED ASSETS	0	
CHANGE IN ASSETS (ENCUMBRANCES)		
CHANGE IN UNREALIZED GAIN/LOSS ON EQUITY INVESTMENTS	249,677	(164,692)
CHANGE IN FUND BALANCE FOR THE PERIOD	205,629 *	483,923
FUND BALANCE, CURRENT PERIOD	12,021,835 *	11,816,205

\*May not total due to rounding difference

**KANSAS PREMIUM AND LOSS EXPERIENCE EXHIBIT**  
 Contract Year January 1, 2012 to December 31, 2012

**NAME OF KANSAS GROUP-FUNDED POOL \_\_\_\_\_ KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES**

LINE OF BUSINESS	WORKERS COMPENSATION	EXPERIENCE CURRENT AS OF	31-Dec-12	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Current Injuries	Total Injuries	Contract Period	Excess Insurance Premium Contribution Expense	Direct Premiums Earned	Direct Losses Incurred	Loss Adjustment Expenses Incurred	Loss & Loss Adjustment Expenses Incurred	Direct Premiums Written	Service Agent Fees Incurred	General Expenses Incurred	Taxes Licenses & Fees Incurred	Total Expense Incurred	Claims Ratios	Admin Ratios	Investment Income Earned or Allocated				
0	574	PCY12	66,276	2,510,763	1,950,000	130,000	2,080,000	2,577,039	50,000	385,126	52,633	487,769	83%	19%	110,000				
0	697	PCY11	71,986	2,563,748	2,300,001	130,000	2,430,001	2,636,744	50,000	442,783	63,725	556,509	95%	22%	480,000				
0	829	PCY10	169,956	3,493,170	2,200,000	135,000	2,335,000	3,663,126	50,000	367,442	80,004	497,446	67%	14%	0				
0	908	PCY9	208,470	4,128,961	2,950,000	145,000	3,095,000	4,337,431	50,000	521,973	120,509	692,482	75%	17%	0				
0	858	PCY8	210,973	4,733,784	4,550,000	165,000	4,715,000	4,944,757	50,000	559,377	144,541	753,918	100%	16%	795,000				
0	872	PCY7	431,112	5,171,471	3,800,000	165,000	3,965,000	5,802,583	50,000	579,739	165,443	795,182	77%	15%	0				
0	876	PCY6	461,128	5,995,576	4,550,000	165,000	4,715,000	6,456,704	50,000	603,259	215,766	869,025	79%	14%	0				
0	870	PCY5	455,190	5,929,212	4,960,000	175,000	5,125,000	6,384,402	55,000	614,429	233,411	902,840	86%	15%	110,000				
0	820	PCY4	460,300	6,402,282	4,500,000	175,000	4,675,000	6,862,582	55,000	630,360	239,997	925,358	73%	14%	0				
0	721	PCY3	453,423	6,465,290	3,400,000	180,000	3,580,000	6,918,713	60,000	648,089	236,149	944,237	55%	15%	0				
0	752	PCY2	449,005	5,494,919	4,200,000	190,000	4,390,000	5,943,924	60,000	674,320	241,144	975,464	80%	18%	0				
28	601	PCY1	433,106	5,348,641	3,300,000	190,000	3,490,000	5,781,747	60,000	692,612	222,314	974,926	65%	18%	0				
647	647	CCY	444,147	4,886,788	3,700,000	190,000	3,890,000	5,330,935	60,000	776,059	223,522	1,059,581	80%	22%	840,000				

PCY = Prior Contract Year  
 CCY = Current Contract Year  
 \*Includes 2013 Prepaid Expenses

TOTAL INVESTMENT INCOME 6,210,806 \*

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 16<sup>th</sup> day of January, 2014 at which a quorum was present:

### **RESOLUTION # 2014-04**

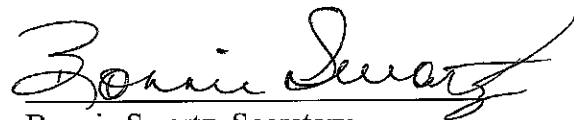
WHEREAS the Kansas Workers Risk Cooperative for Counties has determined that the financial statements and financial reports to be prepared for the year ending December 31, 2013, if prepared in conformity with the requirements of K.S.A. 75-1120a(a) will not be relevant to the requirements of the cash basis and budget basis laws of this state and are of no significant value to the Board of Trustees, members of the general public, or members of Kansas Workers Risk Cooperative for Counties;

WHEREAS there are no revenue bond ordinances or other ordinances or resolutions of the Cooperative which would require financial statements and financial reports to be prepared in conformity with K.S.A. 75-1120a(a) for the year ending December 31, 2013;

NOW, THEREFORE BE IT RESOLVED, by the Board of Trustees of Kansas Workers Risk Cooperative for Counties, in its regular meeting duly assembled this 16<sup>th</sup> day of January, 2014, that the Board of Trustees waives the requirements of K.S.A. 75-1120a(a) as they apply to Kansas Workers Risk Cooperative for Counties for the year ending December 31, 2013.

BE IT FURTHER RESOLVED that the Board of Trustees shall cause the financial statements and financial reports of Kansas Workers Risk Cooperative for Counties to be prepared on the statutory basis of accounting as promulgated by rules and regulations as set forth for the Kansas Insurance Commissioner.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 16<sup>th</sup> day of January, 2014.

  
Bonnie Swartz, Secretary

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**February 20, 2014 at 1:00 pm**  
**Jayhawk Tower Senate Room**  
**700 SW Jackson**  
**Topeka, KS 66603**

The February 2014 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:04 p.m. on February 20, 2014 in Topeka by Board President Jim Wise. Trustees attending included: Steve Garten, Barber County Commissioner, Vice-President; Gary Caspers, Cloud County Commissioner and Stan McEvoy, Decatur County Commissioner. Participating via telephone was Jim Wise, Miami County Commissioner, President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller and Linda Buttron, Jefferson 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. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; Mr. Brandon Mann, Loss Prevention Specialist and Mr. Ralph D. Unger, Member Services Representative.

Insurance Management Associates (IMA) was present via telephone and was represented by Mr. Paul Davis, Ms. Marla Dipman, Mr. Jess Cornejo and Mr. Gene Miller. Also present via telephone was Sam Cargnel of Centric Actuarial Solutions.

President Wise first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. McEvoy moved to approve the agenda as presented. Mr. Caspers seconded the motion which CARRIED unanimously.

President Wise then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of January 16, 2014." Mr. McEvoy moved to approve the minutes with correction of typographical errors. Dr. Garten seconded the motion which CARRIED unanimously.

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

Mr. Parrish then asked Mr. Cargnel to address Agenda Item No. 4b. "Actuarial Year-End Adjustments." Mr. Cargnel reported that 2013 was originally projected to have a total claims cost of \$4.3 million. This amount was lowered to \$4.2 million as a result of the August actuarial review and is now adjusted downward to \$3.7 million. Further, Mr. Cargnel reported that 2013 had the lowest number of claims in 10 years. The average cost per claim over the last eight years has not fluctuated and continues to be around \$8,000. The number of claims per year averaged 570 from 2005 to 2008. Starting with 2009, the claims number has shown more variance, with an average of 460 claims per year. Using that data, he said, the claims forecast for 2014 is \$4.3 million.

Mr. Parrish then addressed Agenda Item No. 4c, "Draft Legislation & Regulatory Fund Sweeps." Mr. Parrish reviewed Senate Bill 398. This bill would provide a more liberal application of benefits to life safety workers suffering from coronary artery diseases and cerebrovascular injury. He then discussed another piece of legislation proposed by the Kansas Insurance Department (KID) to seek authority to raise regulatory fees because the legislature has swept regulatory funds from KID.

Mr. Parrish then asked Ms. Bird to address Agenda Item No. 4d, "Report on 2014 Member Premium Receipts." Ms. Bird reported that all premiums have been received and deposited.

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

President Wise then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander presented the Amended Pre-Audit 4<sup>th</sup> Quarterly report for submission to the KID. He explained the reason for filing the amended report and detailed the changes that were being made. Ms. Swartz moved to approve filing the report as proposed. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Alexander then discussed in detail the financial statements he prepared for January 2014. Ms. Swartz moved to receive and file the financial report. Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. McEvoy moved to correct the amount of check 15715 which was approved in January and approve check Nos. 15717 through 15785 and the direct debits. Mr. Caspers seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of February 12, 2014.

President Wise addressed Agenda Item No. 7, "Claims Report - IMA." As to Agenda Item No. 7a, "Select Claims Review," Mr. Miller and Ms. Dipman reported on claims and answered questions. Mr. Miller also requested approval of a pending settlement. Ms. Swartz moved to approve the proposed course of action for claim number 2013046209. Dr. Garten seconded the motion which CARRIED unanimously.

Ms. Dipman then discussed Agenda Item No. 7b, "Logicomp Bill Review Report." She reported that the amount billed totals \$365,175 for the period beginning January 1, 2014 through January 31, 2014. She said the actual paid amount for that period totals \$158,380, resulting in a net savings of \$206,794 after fees are paid. This is more than 57% of the amount billed for this 1-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 2010 through 2014. 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 said the charts show the performance status as of the end of January 2014 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Wise called upon Mr. Eyman to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed the loss prevention staff's activities for 2013. He stated that in 2013 KWORCC loss prevention specialists performed 204 inspections, 31 commissioner visits, 33 defensive driving courses (with 932 students), 11 forklift classes, three work zone safety courses and 46 other safety courses. He then reviewed the January, February and March calendars for the loss-prevention staff. Next, Mr. Eyman reported on the enrollment rates and courses completed by the KWORCC membership for the GovU online courses.

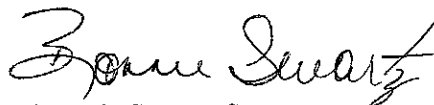
President Wise addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was no legal report at this time.

President Wise moved to Agenda Item No. 10, "Committee Reports." Ms. Swartz stated that the personnel committee had met prior to the Board Meeting and recommends paying a performance enhancement of \$16,500 to the KWORCC staff to be distributed pro rata based on salary. Ms. Swartz moved to approve the committee's recommendation. Ms. Garrett seconded the motion which CARRIED unanimously.

President Wise then addressed Agenda Item No. 11, "Other Business." Ms. Garrett congratulated staff on the relevance and timeliness of the slip safety illustration published on this month's board packet cover.

There being no further business, Ms. Garrett moved to adjourn the meeting at 2:25 p.m. Ms. Swartz seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 20th day of March, 2014.



Bonnie Swartz, Secretary  
KWORCC Board of Trustees

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**March 20, 2014 at 1:00 pm via Teleconference**  
**700 SW Jackson, Ste 200**  
**Topeka, KS 66603**

The March 2014 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order via teleconference at 1:03 p.m. on March 20, 2014 in Topeka by Board President Jim Wise. Trustees attending included: Jim Wise, Miami County Commissioner, President; Steve Garten, Barber County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; Mr. Brandon Mann, Loss Prevention Specialist; Mr. Ben Woner, Loss Prevention Specialist and Mr. Ralph D. Unger, Member Services Representative.

Insurance Management Associates (IMA) was represented by Mr. Paul Davis, Ms. Marla Dipman, Mr. Jess Cornejo and Mr. Gene Miller.

President Wise first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of Agenda Item No. 2a, "Excuse Ms. Buttron for County Business." Mr. McEvoy moved to approve the agenda with that addition. Ms. Swartz seconded the motion which CARRIED unanimously.

Ms. Swartz moved to excuse Ms. Buttron from the meeting for county business. Ms. Garrett seconded the motion which Carried unanimously.

President Wise then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of February 20, 2014." Ms. Swartz moved to approve the minutes as presented. Ms. Garrett seconded the motion which CARRIED unanimously.

Next, President Wise asked Mr. Parrish to address Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Approval of Electronic Transfer of Funds." He itemized the electronic transfer of funds and checks requiring approval. Mr. Caspers moved to approve the checks and ratify the electronic transfer of funds as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Parrish then asked Ms. Bird to address Agenda Item No. 4b. "Report on 2013 Payroll Audits." Ms. Bird reported the differences in estimated and audited payroll were reviewed by staff and ultimately found to be accurate. Some variations were within staff expectations and the remainder due to changes in county operations. The payroll audits resulted in an additional \$77,022 in premium receipts for policy year 2013. Dr. Garten moved to approve the audits. Mr. McEvoy seconded the motion which CARRIED unanimously.

President Wise then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman reported that Allen County has joined the pool. He then discussed additional marketing activities and responded to questions.

President Wise then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander presented a pre-audit "snap shot" financial report for December 2013. He then discussed in detail the financial statements he prepared for February 2014. Ms. Swartz moved to receive and file the financial reports. Ms. Garrett seconded the

motion which CARRIED unanimously. Next, Mr. Alexander recommended returning \$510,000 from policy year 2013 to investment income. Ms. Garrett moved to follow the staff's recommendation. Mr. Caspers seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Garrett moved to approve check Nos. 15786 through 15852 and the direct debits. Ms. Swartz seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of March 12, 2014.

President Wise addressed Agenda Item No. 7, "Claims Report - IMA." As to Agenda Item No. 7a, "Select Claims Review," Mr. Miller reported on claims and answered questions. Mr. Miller also requested approval of a pending settlement. Ms. Swartz moved to approve the proposed course of action for claim number 2010038507. Mr. McEvoy seconded the motion which CARRIED unanimously.

Ms. Dipman then discussed Agenda Item No. 7b, "Logicomp Bill Review Report." She reported that the amount billed totals \$533,776 for the period beginning January 1, 2014 through February 28, 2014. She said the actual paid amount for that period totals \$257,580, resulting in a net savings of \$276,196 after fees are paid. This is more than 52% of the amount billed for this 2-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 2010 through 2014. 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 said the charts show the performance status as of the end of February 2014 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Wise called upon Mr. Eyman to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed February, March and April calendars for the loss-prevention staff. Next, Mr. Eyman reported on the enrollment rates and courses completed by the KWORCC membership for the GovU online courses.

President Wise addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported that there are several bills affecting workers compensation that have been introduced this legislative session; one of significance has moved forward and is awaiting the governor's signature. It is Senate Substitute for HB2023 and gives preference to law enforcement and firefighters for coronary vascular accidents (CVAs). The bill has been amended and no longer includes corrections officers. Another amendment requires that a specific event must be the prevailing factor causing the injury and the CVA must have occurred within 24 hours of the triggering event.

President Wise moved to Agenda Item No. 10, "Committee Reports." There was no committees business to report.

President Wise then addressed Agenda Item No. 11, "Other Business." There was no other business.

There being no further business, Ms. Garrett moved to adjourn the meeting at 1:49 p.m. Ms. Swartz seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 24th day of April, 2014.



Bonnie Swartz, Secretary  
KWORCC Board of Trustees



I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 24<sup>th</sup> day of April, 2014 at which a quorum was present:

## ***RESOLUTION #2014-34***

WHEREAS, the KWORCC Board of Trustees has engaged the firm of Wendling, Noe, Nelson and Johnson LLC to undertake an independent audit of KWORCC's books and records for the year ending December 31, 2013 as required by KSA 12-2620(b);

WHEREAS, the independent audit was completed and is ready to be filed with the Kansas Insurance Department and the Kansas Department of Administration;

WHEREAS auditor Eric Otting met with the KWORCC Audit Committee on the 24<sup>th</sup> day of April, 2014; and,

WHEREAS the Audit Committee, having discussed the independent audit with the auditor and having reviewed the audit reports with accompanying materials, recommends that the independent audit be accepted by the KWORCC Board of Trustees;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of Kansas Workers Risk Cooperative For Counties, that the independent audit prepared by the firm of Wendling, Noe, Nelson and Johnson LLC for the fiscal year ending December 31, 2013 shall be adopted and filed in the books and records of the Kansas Insurance Department, Kansas Department of Administration and the KWORCC administrative files for public view.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 24<sup>th</sup> day of April, 2014.

  
Bonnie Swartz, Secretary

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**April 24, 2014 at 1:00 pm**  
**Clubhouse Inn**  
**924 SW Henderson Road**  
**Topeka, KS 66615**

The April 2014 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:02 p.m. on April 24, 2014 in Topeka by Board President Jim Wise. Trustees attending included: Jim Wise, Miami County Commissioner, President; Steve Garten, Barber County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Linda Buttron, Jefferson County Clerk; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director and Mr. Brandon Mann, Loss Prevention Specialist.

Insurance Management Associates (IMA) was represented by Mr. Paul Davis, Ms. Marla Dipman, Mr. Jess Cornejo and Mr. Gene Miller. Mr. Eric Otting of Wendling, Noe Nelson & Johnson, LLC was also present.

President Wise first addressed Agenda Item No. 2, "Approval of the Agenda." Dr. Garten moved to approve the agenda as presented. Mr. McEvoy seconded the motion which CARRIED unanimously.

President Wise then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of March 20, 2014." Ms. Swartz moved to approve the minutes as presented. Mr. Caspers seconded the motion which CARRIED unanimously.

President Wise then called for a motion to excuse Ms. Garrett from the meeting. Ms. Swartz moved to excuse Ms. Garrett from the meeting for trustee training. Mr. McEvoy seconded the motion which CARRIED unanimously.

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

Mr. Parrish then asked Mr. Otting to address Agenda Item No. 4b, "Report from Independent Auditor." Mr. Otting reported that they had issued a clean opinion on the financial statements, meaning that the financials comply with state statutes and requirements of the Kansas Insurance Department (KID). He said the strength of the balance sheet remains consistent from year to year and is in a very strong position. He asked for and responded to questions.

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

President Wise then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander presented a "snap shot" financial statement as of December 31, 2013. Mr. Alexander then presented the post-audit KID 4th Quarter Report for 2013. He then discussed in detail the financial statements he prepared for March 2014. Ms. Buttron moved to receive and file the financial reports. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Alexander then presented the 2014 1st Quarterly reports for submission to the KID. Ms. Swartz moved to approve filing the 2013 4th Quarter and the 2014 1st Quarter reports as proposed. Mr. McEvoy seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. McEvoy moved to approve check Nos. 15853 through 15907 and the direct debits. Mr. Caspers seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of April 16, 2014.

President Wise addressed Agenda Item No. 7, "Claims Report - IMA." As to Agenda Item No. 7a, "Select Claims Review," Mr. Miller reported on claims and answered questions. Mr. Miller also requested approval of a pending settlement. Mr. Caspers moved to approve the proposed course of action for claim number 2013045651. Mr. McEvoy seconded the motion which CARRIED unanimously. Ms. Dipman then presented information on a recent severe accident.

Ms. Dipman then discussed Agenda Item No. 7b, "Logicomp Bill Review Report." She reported that the amount billed totals \$684,651 for the period beginning January 1, 2014 through March 31, 2014. She said the actual paid amount for that period totals \$361,780, resulting in a net savings of \$322,871 after fees are paid. This is more than 47% of the amount billed for this 3-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 2010 through 2014. 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 said the charts show the performance status as of the end of March 2014 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Wise called upon Mr. Mann to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Mann reviewed March, April and May calendars for the loss-prevention staff. He reported that so far this year the counties have sent 279 workers through defensive driving classes, over 200 county workers have attended forklift class and approximately 100 workers have attended flagger training. Next, Mr. Mann reported on the enrollment rates and courses completed by the KWORCC membership for the GovU online courses.


President Wise addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported that on April 8, 2014, Governor Brownback approved Senate Substitute for HB 2023. This is the change discussed at previous meetings to allow coverage for cardiovascular accidents to emergency personnel (police and fire) under certain circumstances. The effective date for this new law will be July 1, 2014.

President Wise moved to Agenda Item No. 10, "Committee Reports." Dr. Garten discussed the meeting the Audit Committee had earlier in the day with Eric Otting, independent auditor. Dr. Garten then moved to approve Resolution No. 2014-34. Mr. McEvoy seconded the motion which CARRIED unanimously.

President Wise then addressed Agenda Item No. 11, "Other Business." Mr. Wise reminded the Board that May and June meetings are being held by teleconference.

There being no further business, Ms. Swartz moved to adjourn the meeting at 1:46 p.m. Ms. Buttron seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 15th day of May, 2014.

  
Bonnie Swartz, Secretary  
KWORCC Board of Trustees

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**May 15, 2014 at 1:00 pm via Teleconference**  
**700 SW Jackson, Ste 200**  
**Topeka, KS 66603**

The May 2014 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order via teleconference at 1:02 p.m. on May 15, 2014 in Topeka by Board President Jim Wise. Trustees attending included: Jim Wise, Miami County Commissioner, President; Steve Garten, Barber County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Linda Buttron, Jefferson County Clerk; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; Mr. Ben Woner, Loss Prevention Specialist and Ralph Unger, Member Services Representative.

Insurance Management Associates (IMA) was represented by Mr. Paul Davis, Ms. Marla Dipman, Mr. Jess Cornejo and Mr. Gene Miller.

President Wise first addressed Agenda Item No. 2, "Approval of the Agenda." Ms. Garrett moved to approve the agenda as presented. Dr. Garten seconded the motion which CARRIED unanimously.

President Wise then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of April 24, 2014." Ms. Buttron moved to approve the minutes with correction of three typographical errors. Mr. Caspers seconded the motion which CARRIED unanimously.

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

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

President Wise then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for April 2014. Ms. Swartz moved to receive and file the financial reports. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Caspers moved to approve check Nos. 15908 through 15947 and the direct debits. Mr. McEvoy seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of May 7, 2014.

President Wise addressed Agenda Item No. 7, "Claims Report - IMA." As to Agenda Item No. 7a, "Select Claims Review," Ms. Dipman stated there were no claims to discuss.

Ms. Dipman then reviewed Agenda Item No. 7b, "Logicomp Bill Review Report." She reported that the amount billed totals \$1,292,027 for the period January 1, 2014 through April 30, 2014. She said the actual paid amount for that period totals \$725,492, resulting in a net savings of \$566,535 after fees are paid. This is more than 44% of the amount billed for this four-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 2010 through April, 2014. 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 said the graphs should not be considered a guarantee of either good or poor ultimate-loss performance.

President Wise called upon Mr. Eyman to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed April, May and June calendars for the loss-prevention staff. Next, He reported on the enrollment rates and courses completed by the KWORCC membership for the GovU online courses.


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

President Wise moved to Agenda Item No. 10, "Committee Reports." Mr. Parrish reminded the Board that there will be an Investment Committee meeting before the July Board Meeting and a Personnel Committee meeting before the August Board Meeting.

President Wise then addressed Agenda Item No. 11, "Other Business." Mr. Wise reminded the Board that the June meeting will be held by teleconference.

There being no further business, Ms. Swartz moved to adjourn the meeting at 1:29 p.m. Dr. Garten seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 19th day of June, 2014.

  
Bonnie Swartz, Secretary  
KWORCC Board of Trustees

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**June 19, 2014 at 2:00 pm via Teleconference**  
**700 SW Jackson, Ste 200**  
**Topeka, KS 66603**

The June 2014 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order via teleconference at 2:02 p.m. on June 19, 2014 in Topeka by Board President Jim Wise. Trustees attending included: Jim Wise, Miami County Commissioner, President; Steve Garten, Barber County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Linda Buttron, Jefferson County Clerk; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; Mr. Brandon Mann, Loss Prevention Specialist; Mr. Ben Woner, Loss Prevention Specialist and Ralph D. Unger, Member Services Representative.

Insurance Management Associates (IMA) was represented by Ms. Marla Dipman, Mr. Jess Cornejo and Mr. Gene Miller.

President Wise first addressed Agenda Item No. 2, "Approval of the Agenda." Ms. Garrett moved to approve the agenda as presented. Mr. McEvoy seconded the motion which CARRIED unanimously.

President Wise then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of May 15, 2014." Dr. Garten moved to approve the minutes as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

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

Next, Mr. Parrish addressed Agenda Item No. 4b, "Discussion of National PRIMA at Long Beach." The trustees and staff discussed the various sessions that they attended and what they learned in some of the classes.

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

President Wise then called upon Mr. Alexander to address Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for May 2014. Ms. Swartz moved to receive and file the financial reports. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. McEvoy moved to approve check Nos. 15948 through 15998 and the direct debits. Ms. Garrett seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of June 11, 2014.

President Wise addressed Agenda Item No. 7, "Claims Report - IMA." As to Agenda Item No. 7a, "Select Claims Review," Mr. Miller reported and answered questions.

Ms. Dipman then presented Agenda Item No. 7b, "Logicomp Bill Review Report." She reported that the amount billed totals \$1,716,300 for the period January 1, 2014 through May 31, 2014. She said the actual paid amount for that period totals \$938,039, resulting in a net savings of \$778,261 after fees are paid. This is more than 45% of the amount billed for this five-month period.

Mr. Cornejo 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 2010 through May, 2014. The documents consist of graphs that compare the actual paid and incurred losses to the estimated paid and incurred losses and show the actuarial projections. He said the graphs should not be considered a guarantee of either good or poor ultimate-loss performance.

President Wise called upon Mr. Mann to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Mann reviewed May, June and July calendars for the loss-prevention staff. He further reported that the staff have performed 91 inspections of county facilities, and have taught defensive driving to 498 county employees, forklift training to 264 county employees and flagger training to over 200 county employees so far this year. Next, He reported on the enrollment rates and courses completed by the KWORCC membership for the GovU online courses.

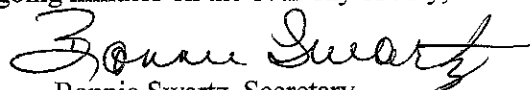
President Wise addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was no legal report.

President Wise moved to Agenda Item No. 10, "Committee Reports." Mr. Parrish reminded the Board that there will be an Investment Committee meeting before the July Board Meeting and a Personnel Committee meeting before the August Board Meeting.

President Wise then addressed Agenda Item No. 11, "Other Business." There was no further business to bring before the board.

There being no further business, President Wise adjourned the meeting at 2:45 p.m.

The KWORCC Board of Trustees approved the foregoing minutes on the 17th day of July, 2014.



Bonnie Swartz, Secretary  
KWORCC Board of Trustees

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 17<sup>th</sup> day of July, 2014 at which a quorum was present:

## ***RESOLUTION #2014-54***

WHEREAS, KWORCC has elected to place investments pursuant to Chapter 40 of Kansas Statutes Annotated, and thus is to comply with the provisions thereof;

WHEREAS, KSA 40-2a01 states, in pertinent part: A [C]ompany...may invest with the direction or approval of a majority of its board of directors or authorized committee thereof, any of its funds, or any part thereof in bonds or other evidences of indebtedness issued, assumed or guaranteed by the United States of America, or by any agency or instrumentality thereof;

WHEREAS, KWORCC has invested in certain United States instruments during the period December 1, 2013 through June 30, 2014, which have been reviewed by the Board of Trustees. Pursuant to that review, the Board determined said investments to be in accordance with K.S.A. 40-2a01 and KWORCC's investment policy;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees that investment purchases made in United States Government securities from the period December 1, 2013 through June 30, 2014, having been reviewed and determined to be made in accordance with K.S.A. 40-2a01 and KWORCC's investment policy hereby are approved.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 17<sup>th</sup> day of July, 2014.



Bonnie Swartz, Secretary



InTrader (trdhist ) 07/02/14

Trade History Report  
Country Club Bank

For Trades Executed At: Country Club Bank

Select Fields	From Value	To Value	Seq.	Totals
Entity	144	144		n
Customer Mbr.	300121	300121		n
Cusip Nbr.				n
Security ID				n
Portfolio ID				n
Salesperson				n
Enter Date				n
Trade Date	12/01/2013	06/30/2014		n
Settle Date				n
Bank Eligible		ZZ		n
Purch/Sale/Both				b
Int/Mat/Both				n
Fed Funds				n
Repo Agmts				n

For Trades Executed At: Country Club Bank

Ticket Nbr	Cust S/N	Sec Descrip 1	Sec Descrip 2	Sec Descrip 3	Moody/Stdpoor/MktRtg	Bank Elig	Reg Type/Id	Apr By	Dt Enter	Factor	Face	Prin
Cust Nbr							Call Cd-Dt	Apr Date	Trade Dt	Tran Cd	Par	Interest
Security							Call Price	Apr Time	Settle Dt	Ent By	Basis	Fees
Port ID							Mat Date	Fail Del	Trd Status	Trd For	Price	Withholding
Deal ID	Broker	Comm Basis	CPN Rate	Fail Pmt	Conv	Yield	Cloc/Plc	Pay/Del	Buyback		P/L	Penalty
												Total Amt
311132114	KWORCC (302)		E/*				C-02/28/14		12/23/2013	1.0000000000	250,000.00	250,312.50
300121	FHFB 2.15 STEP UP 4.0 2/28/14		100.000						12/23/2013	Purch	250,000.00	1,717.01
3133721Y8	CALED 2/28/14		02/28/2018						12/23/2013	skml44	100.125	.00
3133721Y8	ONE TIME STEP		VAR						09	BCT	100.125000000	.00
032-AGCY	Aaa/AA+/		ccf/ccf						na		1.4460000	.00
0									n			252,029.51
311132940	KWORCC (302)		E/*						01/22/2014	1.0000000000	500,000.00	500,000.00
300121	U.S. Treasury Notes								01/22/2014	Sale	500,000.00	82.87
912828A91			01/15/2017						01/23/2014	skml44	100.00	.00
912828A91			.750						09	BCT	100.000000000	.00
028-TNTS	//		ccf/ccf						na		.7500000	.00
0									n			500,082.87
311133029	KWORCC (302)		E/*						01/23/2014	1.0000000000	1,000,000.00	1,000,000.00
300121	U.S. Treasury Notes								01/23/2014	Sale	1,000,000.00	686.81
912828A59			12/15/2016						01/24/2014	skml44	100.00	.00
912828A59			.625						09	BCT	100.000000000	.00
028-TNTS	//		ccf/ccf						na		.6250000	.00
0									n			1,000,686.81
311133082	KWORCC (302)		E/*						01/24/2014	1.0000000000	400,000.00	400,000.00
300121	FHFB 1.15 STEP UP 3.0 12/27/16		C-03/27/14						01/24/2014	Sale	400,000.00	383.33
3130A0E10	QTRLY CALL BEG 3/27/14		100.000						01/27/2014	skml44	100.00	.00
3130A0E10	ONE TIME STEP		12/27/2018						09	BCT	100.000000000	.00
011-app	Aaa/AA+/		VAR						na		1.1490000	.00
0			ccf/ccf						n			400,383.33
311133244	KWORCC (302)		E/*						01/30/2014	1.0000000000	1,000,000.00	1,000,000.00
300121	U.S. Treasury Notes								01/30/2014	Sale	1,000,000.00	.00
912828VP2			07/31/2020						01/31/2014	skml44	100.00	.00
912828VP2			2.0						09	BCT	100.000000000	.00
028-TNTS	//		ccf/ccf						na		2.0000000	.00
0									n			1,953.13
311133589	KWORCC (302)		E/*						02/10/2014	1.0000000000	1,000,000.00	1,000,000.00
300121	FEDERAL HOME LOAN BANK								02/10/2014	Sale	1,000,000.00	.00
3130A0XD7			03/12/2021						02/12/2014	skml44	100.00	.00
3130A0XD7			2.375						09	BCT	100.000000000	.00
032-AGCY	Aaa/AA+/		ccf/ccf						na		2.3750000	.00
0									n			1,000,000.00

InTrader (onltrdhist) 07/02/2014

For Trades Executed At: Country Club Bank

Trade History Report  
Country Club Bank

Ticket Nbr	Cust S/N	Reg Type/Id	Apr By	Dt Enter	Factor	Face	Prin
Cust Nbr	Sec Descrip 1	Call Cd-Dt	Apr Date	Trade Dt	Tran Cd	Par	Interest
Cusip	Sec Descrip 2	Call Price	Apr Time	Settle Dt	Ent By	Basis	Fees
Security	Sec Descrip 3	Mat Date	Fail Del	Trd Status	Trd For	Price	Withholding
Port ID	Moody/Stdpoor/MktRtg	CPN Rate	Fail Pmt	Conv	Penalty		
Deal ID	Broker	Cloc/Plcc	Pay/Del	Buyback	Yield	P/L	Total Amt
311133797	KWORCC (302)	E/*		02/12/2014	1.0000000000	750,000.00	750,000.00
300121	U.S. Treasury Notes			02/12/2014	Sale	750,000.00	227.90
912828A67		.000		02/13/2014	skml14	100.00	.00
912828A67		12/31/2015	n-02/13/14	09	BCT	100.000000000	.00
028-TNNTS	//	.250	n-02/13/14	na			.00
0		ccf/ccf	c/ski	n	.2500000	908.20	750,227.90
311134407	KWORCC (302)	E/*		02/26/2014	1.0000000000	250,000.00	250,000.00
300121	FEDERAL HOME LOAN BANK			02/26/2014	Sale	250,000.00	.00
3130A15G9		.000		03/05/2014	skml14	100.00	.00
3130A15G9		03/05/2020	n-03/05/14	09	BCT	100.000000000	.00
011-APP	Aaa/AA+/	2.0	n-03/05/14	na			.00
0		ccf/ccf	c/ski	n	2.0000000	312.50	250,000.00
311137824	KWORCC (302)	E/*		06/04/2014	1.0000000000	500,000.00	500,000.00
300121	U.S. Treasury Notes			06/04/2014	Purch	500,000.00	269.34
912828UD0		.000		06/05/2014	skml14	100.00	.00
912828UD0		12/31/2014	n-06/05/14	09	BCT	100.000000000	.00
028-tnts	//	.125	n-06/05/14	na			.00
0		ccf/ccf	c/sko	n	.1250000	.00	500,269.34

Report Totals

Par: 5,650,000.00

P/L: 14,439.45

Prin: 5,650,312.50  
Int: 3,367.26  
Total: 5,653,679.76

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**July 17, 2014 at 1:00 pm**  
**Clubhouse Inn**  
**924 SW Henderson Road**  
**Topeka, KS 66615**

The July 2014 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:11 p.m. on July 17, 2014 in Topeka by Board President Jim Wise. Trustees attending included: Jim Wise, Miami County Commissioner, President; Steve Garten, Barber County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Linda Buttron, Jefferson County Clerk; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; Mr. Brandon Mann, Loss Prevention Specialist; Mr. Ben Woner, Loss Prevention Specialist and Mr. Ralph D. Unger, Member Services Representative.

Insurance Management Associates (IMA) was represented by Mr. Jess Cornejo. Also present was Mr. Chris Thompson of Country Club Bank.

President Wise first addressed Agenda Item No. 2, "Approval of the Agenda." Dr. Garten moved to approve the agenda as presented. Ms. Buttron seconded the motion which CARRIED unanimously.

President Wise then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of June 19, 2014." Ms. Swartz moved to approve the minutes as presented. Mr. McEvoy seconded the motion which CARRIED unanimously.

Next, President Wise asked Mr. Parrish to address Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Electronic Transfers of Funds." He itemized the electronic transfers of funds and check requiring approval. Mr. McEvoy moved to approve the check and ratify the electronic transfers of funds as presented. Dr. Garten seconded the motion which CARRIED unanimously.

Next, Mr. Parrish asked Mr. Thompson to address Agenda Item No. 4b, "Bond Portfolio Overview." Mr. Thompson reviewed the current state of KWORCC's bond portfolio. He stated that KWORCC's is a high grade government securities portfolio, managed for liquidity and yield. He explained that because he expects rates to remain flat for the next year, one of his investment strategies is to ride the yield curve to increase return on investments. This entails purchasing a five-year treasury note and selling it at a profit after a year; if rates go up, KWORCC will hold the note. Mr. Thompson answered questions from the Trustees.

Mr. Parrish then asked Mr. Cornejo to proceed to Agenda Item No 4c, "Loss Cost Multiplier Overview." Mr. Cornejo stated that the tiered loss cost multiplier (LCM) that KWORCC initiated for policy year 2012 has proven to be an effective underwriting tool to equitably assign premiums. Using the current year data, he presented three models to consider with regard to modifying the LCM rate filing for

2015. He explained the presentation was intended to refresh the Board on the issues and process involved in setting the LCM. Mr. Parrish explained that the staff recommendation for the 2015 LCM will be presented in September, using updated payroll data, a new actuarial analysis and 2015 budget information.

Mr. Eyman then addressed Agenda Item No. 4d, "Cherokee County 2014 Train Wreck." Mr. Eyman presented the facts of a train - dump truck accident that occurred in April.

Finally, Mr. Parrish addressed Agenda Item No. 4e, "Vehicle Search." Mr. Parrish stated that KWORCC currently has two vehicles. Mr. Eyman's vehicle has approximately 67,000 miles on it and Mr. Mann's vehicle has approximately 70,000 miles on it. KWORCC needs a third vehicle for Mr. Woner who has started traveling to deliver training and perform inspections for members. The vehicles usually accrue approximately 30,000 miles a year. Ms. Swartz suggested that staff rotate a vehicle out once a year and keep each vehicle for three years.

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

President Wise then called upon Mr. Alexander to address Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for June 2014. Ms. Swartz moved to receive and file the financial reports. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Alexander then presented the 2014 Quarterly report ending June 30, 2014 for submission to the Kansas Insurance Department. Ms. Swartz moved to approve filing the 2014 2nd Quarter reports as proposed. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Garrett moved to approve check Nos. 15999 through 16046 and the direct debits. Dr. Garten seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of July 1, 2014.

President Wise addressed Agenda Item No. 7, "Claims Report - IMA." As to Agenda Item No. 7a, "Logicomp Bill Review Report," Mr. Cornejo reported that the amount billed totals \$2,136,990 for the period January 1, 2014 through June 30, 2014. He said the actual paid amount for that period totals \$1,175,088, resulting in a net savings of \$961,902 after fees are paid. This is more than 45% of the amount billed for this six-month period.

Mr. Cornejo then explained the "Policy Year Performance Review" under Agenda Item No. 7b. This analytical review generated by IMA shows KWORCC's claim history for policy years 2010 through June, 2014. The documents consist of graphs that compare the actual paid and incurred losses to the estimated paid and incurred losses and show the actuarial projections. He said the graphs should not be considered a guarantee of either good or poor ultimate-loss performance.

President Wise called upon Mr. Mann to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Mann reviewed June, July and August calendars for the loss-prevention staff. He further reported that Kansas Department of Labor inspectors have been visiting many of the counties.

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

President Wise moved to Agenda Item No. 10, "Committee Reports." Under Item 10a, "Investment Committee - KWORCC Resolution No. 2014-54" Mr. Caspers reported that the investment committee met earlier in the day and is recommending the approval of Resolution #2014-54. Mr. Wise moved to approve the resolution. Ms. Buttron seconded the motion which CARRIED. Mr. Caspers further reported that the committee reviewed KWORCC's strategy of investing \$25,000 per month in equities with GTrust since January. He stated the committee currently recommends ceasing the monthly investments and will make further recommendation to the Board after it meets with GTrust representatives on October 16, 2014 at 12:15pm.

Mr. Parrish reminded the Board that there will be a Personnel Committee meeting before the August Board.

President Wise then addressed Agenda Item No. 11, "Other Business." Under Item No. 11a, "Christmas Dinner: BBQ Catered to CHL," the board discussed the proposed barbeque restaurants. After discussion, it was agreed that the Christmas Dinner would be held at the Club House Inn and would be catered by Boss Hawgs.

There being no further business, Ms. Swartz moved to adjourn the meeting at 2:45 p.m. Ms. Garrett seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 21st day of August, 2014.



Bonnie Swartz, Secretary  
KWORCC Board of Trustees

**Minutes**  
**Meeting, Personnel Committee**  
**Kansas Worker Risk Cooperative for Counties**  
**February 20, 2014**  
**Telephone Conference Meeting**  
**700 SW Jackson – Suite 200**  
**Topeka, KS 66603**

On Thursday, February 20, 2014, the Personnel Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met via telephone conference. The meeting was called to order by Committee Chair, Bonnie Swartz at 12:15 p.m. Committee Members participating included: Bonnie Swartz, Gray County, Steven Garten, Barber County Commissioner and Michelle Garrett, Morris County Clerk. Also present was James W. Parrish, KWORCC Administrator.

Ms. Garrett moved to adopt the agenda as presented. Dr. Garten seconded the motion which CARRIED unanimously.

Ms. Garrett moved to approve the September 19, 2013 minutes with recommended revisions. Dr. Garten seconded the motion which CARRIED unanimously.

Chairperson Swartz called for discussion of Agenda Item 4, "Consideration of KWORCC Staff 2013 Performance Enhancement." After some discussion, Ms. Garrett moved that the Committee recommend to the KWORCC Board a lump-sum payment of \$16,500 to salaried and contract personnel during 2013, to be distributed pro rata on the basis of salary. Dr. Garten seconded the motion which CARRIED unanimously.

There being no further business to come before the Personnel Committee, Dr. Garten moved to adjourn the meeting at 12:40 p.m. Ms. Garrett seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Personnel Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on the 21<sup>st</sup> day of August, 2014.



Bonnie Swartz, Chair  
KWORCC Personnel Committee

## KWORCC Payroll History -- for 2014 Employees 1999 to 2014

	James W. Parrish Jan. 1999	Dortha O. Bird Apr. 1999	Carlin D. Eyman Sept. 1993	Richard Alexander Jan. 1996	Brandon Mann Aug. 2012	Ralph D. Unger Feb. 2013	Ben Woner Jun. 2013	Performance Enhancement
1999	\$49,200 (60%)		\$ 52,000	\$ 12,000				
2000	\$67,500 (80%)	\$ 48,600	\$ 54,000	\$ 16,500				\$ 10,000 (Paid in 2001)
2001	\$69,252 (80%)	\$ 55,620	\$ 55,620	\$ 17,000				\$ 12,000 (Paid in 2002)
2002	\$76,500 (85%)	\$ 58,000	\$ 58,000	\$ 18,000				\$ 10,000 (Paid in 2003)
2003	\$78,030 (85%)	\$ 59,160	\$ 59,160	\$ 20,000				\$ 13,500 (Paid in 2004)
2004	\$79,200 (85%)	\$ 60,047	\$ 60,047	\$ 20,300				\$ 13,500 (Paid in 2005)
2005	\$81,180 (85%)	\$ 61,548	\$ 61,548	\$ 20,870				\$ 12,500 (Paid in 2006)
2006	\$84,761 (85%)	\$ 63,776	\$ 63,776	\$ 21,560				\$ 12,000 (Paid in 2007)
2007	\$87,719 (85%)	\$ 66,000	\$ 66,000	\$ 22,312				\$ 12,000 (Paid in 2008)
2008	\$89,938 (85%)	\$ 68,634	\$ 68,634	\$ 23,315				\$ 12,000 (Paid in 2009)
2009	\$92,636 (85%)	\$ 71,139	\$ 71,139	\$ 25,001				\$ 15,000 (Paid in 2010)
2010	\$94,026 (85%)	\$ 72,206	\$ 72,206	\$ 25,376				\$ 15,000 (Paid in 2011)
2011	\$94,489 (85%)	\$ 72,561	\$ 72,561	\$ 25,501				\$ 15,000 (Paid in 2012)
2012	\$96,851 (85%)	\$ 74,375	\$ 74,375	\$ 26,139				\$ 15,000 (Paid in 2013)
2013	\$98,788 (85%)	\$ 75,863	\$ 75,863	\$ 26,662	\$ 72,000	\$ 9,000	\$9.75/hr	\$ 16,500 (Paid in 2014)
2014	\$115,864 (100%)	\$ 77,380	\$46,438 (62%)	\$ 27,195	\$ 73,440	\$ 9,000	\$10.50/hr	



**Minutes**  
**Meeting, Personnel Committee**  
**Kansas Worker Risk Cooperative for Counties**  
**August 21, 2014**  
**Clubhouse Inn**  
**924 SW Henderson Road**  
**Topeka, KS 66615**

On Thursday, August 21, 2014, the Personnel Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, Bonnie Swartz at 12:17 p.m. Committee Members participating included: Bonnie Swartz, Gray County Clerk; Michelle Garrett, Morris County Clerk and Steven Garten, Barber County Commissioner. Also present was James W. Parrish, KWORCC Administrator.

Chairman Swartz asked if there were any changes to the agenda. Ms. Garrett moved to approve the agenda as presented. Dr. Garten seconded the motion which CARRIED unanimously. Dr. Garten moved to approve the personnel committee meeting minutes dated February 20, 2014 as written. Ms. Garrett seconded the motion which CARRIED unanimously.

Whereupon, Chairman Swartz requested discussion of the proposed revisions to the Personnel Policy. Mr. Parrish explained two changes to KWORCC's personnel policy. The first was to provide that KWORCC-owned vehicles are to be used for KWORCC business only. The second is to comply with the Patient Protection and Affordable Care Act. KWORCC will procure a health insurance plan and will no longer be reimbursing employees for health insurance premiums. Those who are insured outside of the plan will receive a proportionate salary increase for the lost benefit. Dr. Garten suggested another change to the personnel policy to specify that alcohol transported in KWORCC owned or rented vehicle to be out of reach of the driver and in no event shall containers with any form of alcohol be opened in the vehicle. Ms. Garrett moved to recommend the change suggested by Dr. Garten. Dr. Garten seconded the motion which CARRIED unanimously. Dr. Garten moved to recommend to the KWORCC Board of Trustees the changes to the personnel policy, as outlined KWORCC Resolution #2014-70. Ms. Garrett seconded the motion which CARRIED unanimously.


Chairman Swartz reviewed changes to Brandon Mann's employment contract that integrates the modifications to the KWORCC personnel policy concerning vehicle usage and health insurance coverage.

Chairman Swartz next asked the committee to consider the research and information provided by staff concerning COLA for 2015. After discussion, Ms. Garrett moved to recommend to the full KWORCC Board of Trustees approval of a 3% cost-of-living adjustment for KWORCC employees for 2015. Dr. Garten seconded the motion which CARRIED by unanimous vote.

Next, Chairman Swartz asked Mr. Parrish to address 2015 wage for Mr. Ben Woner. Mr. Parrish suggested that based upon data from the Kansas Wage Survey and the performance of Mr. Woner and the job training he has completed, \$34,000 would be a reasonable wage to offer Mr. Woner for 2015. Ms. Garrett agreed that Mr. Woner has been a valuable addition to KWORCC staff and agreed to the reasonableness of the wage offer. Mr. Parrish and the Personnel Committee were complimentary of Mr. Woner's accomplishments and job performance.

There being no further business to come before the Personnel Committee, Ms. Garrett moved to adjourn the meeting at 1:00 p.m. Dr. Garten seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Personnel Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on the 19<sup>th</sup> day of February, 2015.

  
Michelle Garrett, Chair  
KWORCC Personnel Committee



**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**August 21, 2014 at 1:00 pm**  
**Clubhouse Inn**  
**924 SW Henderson Road**  
**Topeka, KS 66615**

The August 2014 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:17 p.m. on August 21, 2014 in Topeka by Board President Jim Wise. Trustees attending included: Jim Wise, Miami County Commissioner, President; Steve Garten, Barber County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Gary Caspers, Cloud County Commissioner and Stan McEvoy, Decatur County Commissioner. Linda Buttron, Jefferson County Clerk was present via telephone.

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. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; Mr. Brandon Mann, Loss Prevention Specialist; Mr. Ben Woner, Loss Prevention Specialist and Mr. Ralph D. Unger, Member Services Representative.

Insurance Management Associates (IMA) was represented by Mr. Paul Davis, Ms. Marla Dipman and Mr. Jess Cornejo.

President Wise first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. McEvoy moved to approve the agenda as presented. Dr. Garten seconded the motion which CARRIED unanimously.

President Wise then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of July 17, 2014." Ms. Swartz moved to approve the minutes as presented. Ms. Garrett seconded the motion which CARRIED unanimously.

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

Whereupon, Mr. Parrish requested that Ms. Bird address Agenda Item No. 4b, "Consider KWORCC Member Human Resources Outreach." Ms. Bird reported that in the process of working with KWORCC's consultant, CBiz, staff asked them to prepare a checklist of issues that every employer and/or human resources personnel should be aware when navigating compliance with the Patient Protection and Affordable Care Act. She stated the checklist outlines the issues well enough that staff thinks it would be helpful to furnish it to the human resources contacts of the KWORCC membership. Ms. Bird then asked for and answered questions, after which the KWORCC Trustees agreed that sending the information to the membership would be very beneficial.

Mr. Parrish then addressed Agenda Item No 4c, "Report on Vehicle Acquisition." He reviewed the options and stated that the vehicle that was purchased should get good gas mileage, the oil changes for the first two years are included in the price and the truck should be a safe vehicle for Mr. Woner.

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

President Wise then called upon Mr. Alexander to address Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for July 2014. Ms. Swartz moved to receive and file the financial reports. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Garrett moved to approve check Nos. 16047 through 16109 and the direct debits. Dr. Garten seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of August 13, 2014.

President Wise addressed Agenda Item No. 7, "Claims Report - IMA." As to Agenda Item No. 7a, "Logicomp Bill Review Report," Ms. Dipman reported that the amount billed totals \$2,340,107 for the period January 1, 2014 through July 31, 2014. She said the actual paid amount for that period totals \$1,301,646, resulting in a net savings of \$1,038,461 after fees are paid. This is more than 44% of the amount billed for this seven-month period.

Mr. Cornejo then explained the "Policy Year Performance Review" under Agenda Item No. 7b. This analytical review generated by IMA shows KWORCC's claim history for policy years 2010 through July, 2014. The documents consist of graphs that compare the actual paid and incurred losses to the estimated paid and incurred losses and show the actuarial projections. He said the graphs should not be considered a guarantee of either good or poor ultimate-loss performance.

President Wise called upon Mr. Mann to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Mann reviewed July, August and September calendars for the loss-prevention staff. He reviewed the GovU courses that have been taken by counties.

Mr. Mann then discussed the Kansas Department of Labor (KDOL) inspections that the counties are experiencing. KDOL now has three inspectors that are full time doing inspections in the state. The standard is to be in each county once every three years. KWORCC staff has offered to be present during the inspections if requested.

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

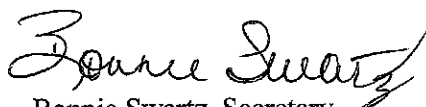
President Wise moved to Agenda Item No. 10, "Committee Reports." Under Item 10a, "Personnel Committee," Ms. Swartz reported that the personnel committee met prior to the meeting and recommended adoption of Resolution 2014-70. Ms. Swartz moved to adopted Resolution 2014-70. Ms. Garrett seconded the motion which CARRIED unanimously. Next, Ms Swartz moved to approve a 3% COLA increase for next year. Ms. Garrett seconded the motion, which CARRIED unanimously. Finally, Ms. Swartz moved to modify the language in the personnel policy regarding alcohol in KWORCC owned or rented vehicles, as follows: "...Transport of any form of alcohol beverage shall be in the back of the vehicle and out of reach of the driver of the vehicle, and at no time shall an open container of any form of alcoholic beverage be present in any vehicle ...". Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Parrish reminded the Board that there will be a Investment Committee meeting before the October Board meeting.

President Wise then addressed Agenda Item No. 11, "Other Business." Reminder that the September meeting will be on a Tuesday and by telephone.

There being no further business, Ms. Garrett moved to adjourn the meeting at 2:10 p.m. Ms. Swartz seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 16th day of September, 2014.

A handwritten signature in cursive script, appearing to read "Bonnie Swartz".

Bonnie Swartz, Secretary  
KWORCC Board of Trustees

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 21<sup>st</sup> day of August, 2014 at which a quorum was present:

## ***RESOLUTION #2014-70***

WHEREAS, KWORCC has a personnel policy for its employees;

WHEREAS the KWORCC Personnel Committee has found it to be in the best interest of KWORCC to revise provisions of the personnel policy and have reviewed and recommend to the Board of Trustees to do the same;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees that KWORCC's Personnel Policy be revised to include the following:

**Vehicles owned by KWORCC shall be used for KWORCC business. ... In the event an employee uses a KWORCC-owned vehicle for personal reasons, such employee shall either 1) be charged that amount currently authorized by state government or charged a periodic amount as is reasonable relative to such personal use; or, 2) the personal use taxable income will be reported on the employee's W-2 and social security tax will be withheld from employee's wages for personal use taxable income each year.**

\*\*\*

**KWORCC offers a health insurance program to all regular employees. Enrollment must be completed by the eligible employee as required by the health program. Single person coverage will be at no cost to the employee. Coverage for spouse and dependents will be made available and the cost will be the responsibility of the employee. If employee does not wish to enroll in KWORCC's health insurance program, the employee must provide a waiver on a form acceptable to the health program.**

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 21<sup>st</sup> day of August, 2014.



Bonnie Swartz, Secretary

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**September 16, 2014 at 1:00 pm via Teleconference**  
**700 SW Jackson, Ste 200**  
**Topeka, KS 66603**

The September 2014 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order via teleconference at 1:15 p.m. on September 16, 2014 by Board President Jim Wise. Trustees attending included: Jim Wise, Miami County Commissioner, President; Steve Garten, Barber County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Linda Buttron, Jefferson County Clerk; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; and Mr. Ralph D. Unger, Member Services Representative.

Insurance Management Associates (IMA) was represented by Mr. Paul Davis, Mr. Jess Cornejo, Ms. Marla Dipman and Ms. Jacqueline Davis.

President Wise first addressed Agenda Item No. 2, "Approval of the Agenda." Ms. Swartz moved to approve the agenda as presented. Ms. Garrett seconded the motion which CARRIED unanimously.

President Wise then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of August 21, 2014." Ms. Garrett moved to approve the minutes with a typographical correction. Ms. Swartz seconded the motion which CARRIED unanimously.

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

Whereupon, Mr. Parrish requested that Ms. Bird address Agenda Item No. 4b, "KAC Vendor Booth and KWORCC Annual Meeting Update." Ms. Bird reported the KAC annual conference is November 12-14 in Wichita at the Hyatt. She has provided a vendor booth schedule based on last year's schedule and asked to be informed if any changes need to be made. Ms. Bird stated KWORCC's annual meeting will most likely be in the same meeting room as last year at the Hyatt.

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

President Wise then called upon Mr. Alexander to address Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for August 2014. Ms. Swartz moved to receive and file the financial reports. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Buttron moved to approve check Nos. 16110 through 16142 and the direct debits. Mr. McEvoy seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of September 8, 2014.

President Wise addressed Agenda Item No. 7, "Claims Report - IMA." As to Agenda Item No. 7a, "Select Claims Review," Ms. Dipman requested approval of a pending settlement. Ms. Swartz moved to approve the proposed course of action for claim number 2012043393. Ms. Garrett seconded the motion which CARRIED unanimously.

As to Agenda Item No. 7a, "Logicomp Bill Review Report," Ms. Dipman reported that the amount billed totals \$2,558,148 for the period January 1, 2014 through August 31, 2014. She said the actual paid amount for that period totals \$1,430,130, resulting in a net savings of \$1,128,018 after fees are paid. This is more than 44% of the amount billed for this eight-month period.

Mr. Cornejo then explained the "Policy Year Performance Review" under Agenda Item No. 7b. This analytical review generated by IMA shows KWORCC's claim history for policy years 2010 through August, 2014. The documents consist of graphs that compare the actual paid and incurred losses to the estimated paid and incurred losses and show the actuarial projections. He said the graphs should not be considered a guarantee of either good or poor ultimate-loss performance.

President Wise called upon Mr. Eyman to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed August, September and October calendars for the loss-prevention staff. He reviewed the GovU courses that have been taken by counties.

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

Mr. Parrish reminded the Board that there will be a Investment Committee meeting before the October Board meeting.

President Wise then addressed Agenda Item No. 11, "Other Business." There was no other business to bring before the Board.

There being no further business, Ms. Garrett moved to adjourn the meeting at 1:46 p.m. Ms. Swartz seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 16th day of October, 2014.



Bonnie Swartz, Secretary  
KWORCC Board of Trustees



**Minutes**  
**Meeting, Investment Committee**  
**Kansas Worker Risk Cooperative for Counties**  
**Clubhouse Inn - Conference Room**  
**924 SW Henderson Rd., Topeka KS 66615**  
**July 17, 2014**

On Thursday, July 17, 2014 at 12:24 p.m. the Investment Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chairman Gary Caspers. Committee Members participating included: Gary Caspers, Cloud County Commissioner, James Wise, Miami County Commissioner, and Stan McEvoy, Decatur County Commissioner. Also present were KWORCC Administrator, Jim Parrish and Chris Thompson, of Country Club Bank.


Chairman Caspers asked for approval of the Agenda. Mr. McEvoy moved to approve the agenda and the minutes dated January 16, 2014 as published. Mr. Wise seconded the motion which CARRIED unanimously.

Chairman Caspers asked for consideration of KWORCC Resolution No. 2014-54, with the attached itemization of purchases and sales of US Government securities from the period beginning December 1, 2013 to June 30, 2014. The Committee reviewed the investment transactions and the resolution. Prior to taking action on the resolution, the Committee called upon Mr. Thompson to discuss KWORCC's bond portfolio. Mr. Thompson referred to a document prepared for the Committee entitled "KWORCC Bond Portfolio Update: June 30, 2014" and a list of bonds owned by KWORCC as of June 30, 2014. Mr. Thompson described his strategy and reasoning for the KWORCC portfolio. He then asked for and responded to questions from the Committee. A copy of the documents distributed by Mr. Thompson are attached and made part of these minutes. Mr. Wise moved that the Investment Committee recommend that the KWORCC Board of Trustees adopt KWORCC Resolution 2014-54. Mr. McEvoy seconded the motion which CARRIED unanimously.

Next, Chairman Caspers addressed the \$25,000 per month equity investment strategy that KWORCC has undergone for the first six months of 2014. The Committee reviewed the equity investment reports and the materials from GTrust concerning equities market. On discussion and advice of Mr. Parrish, Mr. Wise moved to recommend to the KWORCC Board of Trustees that KWORCC defer further equity investments pending the Committee's meeting with GTrust on October 16, 2014 at 12:15 pm. Mr. McEvoy seconded the motion which CARRIED unanimously.

There being no further business, Mr. McEvoy moved to adjourn the meeting. Mr. Wise seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on October 16, 2014.

  
\_\_\_\_\_  
Gary Caspers, Chair  
KWORCC Investment Committee

## KWORCC Bond Portfolio Update: June 30, 2014

- Portfolio is invested in top grade US Government/Agency debentures (ie: plain, old-fashioned, bonds) and FDIC insured bank CDs
- As of June 30, 2014, the portfolio is comprised of 26 separate and direct holdings which trade in “steady and ready” liquid markets (ie: easily and quickly converted to cash)
- Total Par Value: \$19,885,000
- Current Portfolio Market Value: \$19,533,666 (-\$504,665 unrealized loss, 2.518% of book value)
- Average “Effective” Maturity: approximately 6.16yr (“effective maturity” is the most likely maturity, which accounts for likely call options being exercised, or not, prior to stated maturity). This represents an extension of roughly four years vs pre May 2013 estimated average effective maturity.
- Portfolio Average Coupon Rate: 2.068%
- Market themes impacting the portfolio
  - **A “taper tantrum” grows up:** In May 2013 Fed Chairman Bernanke addressed a congressional joint economic committee and remarked that QE “could begin to taper off in the next few meetings if the economy continues to improve.” That’s all it took for bond markets to sell off in great waves (lower, prices, higher yields). Since then, the reality of tapering has been reconsidered. While bond prices have not edged back up to pre May 2013 levels, they have recovered substantially from late 2013 levels. Stock markets, which sold off dramatically (7%+ initially), have not only recovered, but have hit historical highs (off and on). Currently, bond markets are accepting of the Fed’s tapering schedule (by October, the Fed should be finished with QE purchases) because it is widely expected that the Fed’s bond holdings will NOT be shrinking even as the Fed halts the new purchases (ie: Purchase cessation DOES NOT EQUAL active liquidation or shrinking of sizeable bond holdings).
  - **European concerns:** Recession still looms for the European Union
  - **Unrealized Market Loss:** In prior meetings I’ve commented that “rates have been so low for so long, many have fallen asleep to the embedded price risk” in portfolios. In May 2013 markets awoke to this risk as demonstrated by price action since then. It reminds us why we are in high grade fixed income and why we DO NOT OWN BOND MUTUAL FUNDS which have no maturity date, and thus, no assurance that otherwise temporary/transient market losses won’t be realized. I continue to be cognizant of the dual goals of **liquidity and income**.

**KWORRC Bond Portfolio**  
**6/30/2014**  
**CCB Capital Markets - (800) 288-5489**

Item	Issuer	Par Value	Gain / Loss	Pct G/(L)	Coupon	Step Coupon	Step Date	Next Call	Call Type	Maturity	Effective Maturity	Book Price	Market Price	Net Percent
1	FHLB	1,250,000	3,129	0.25%	2.750					12/12/2014	12/12/2014	100.976	101.226	6.29%
2	USTN	500,000	450	0.09%	0.125					12/31/2014	12/31/2014	99.933	100.023	8.80%
3	FHLB	250,000	(2,118)	-0.83%	3.500			4/24/2015	1x Call	4/24/2025	4/24/2015	102.008	101.161	10.06%
4	USTN	750,000	(557)	-0.07%	0.250					12/31/2015	12/31/2015	100.000	99.926	13.83%
5	FHLB	550,000	(6,694)	-1.22%	1.000	3.000	2/13/2016	8/13/2014	Qtrly Call	8/13/2021	2/13/2016	100.000	98.783	16.60%
6	USTN	1,000,000	(2,148)	-0.21%	0.625					12/15/2016	12/15/2016	100.000	99.785	21.62%
7	USTN	500,000	(39)	-0.01%	0.750					1/15/2017	1/15/2017	100.000	99.992	24.14%
8	Discover Bank	125,000	-	0.00%	0.850					4/17/2017	4/17/2017	100.000	100.000	24.77%
9	FECB	650,000	13,788	1.96%	4.250					4/16/2018	4/16/2018	107.965	110.086	28.04%
10	FHLB	400,000	(648)	-0.16%	1.150			9/27/2014	Qtrly Call	12/27/2018	12/27/2018	100.000	99.838	30.05%
11	FNMA	1,000,000	(36,530)	-3.65%	1.500			8/21/2014	Qtrly Call	2/21/2020	2/21/2020	100.000	96.347	35.08%
12	FHLB	250,000	(1,938)	-0.78%	2.000					3/5/2020	3/5/2020	100.000	99.225	36.33%
13	FHLB	500,000	(5,275)	-0.94%	4.125					3/13/2020	3/13/2020	112.254	111.199	38.85%
14	FNMA	2,000,000	(16,820)	-0.84%	2.000			3/27/2020		3/27/2020	3/27/2020	100.000	99.159	48.91%
15	USTN	1,000,000	78	0.01%	2.000			7/31/2020		7/31/2020	7/31/2020	100.000	100.008	53.94%
16	FNMA	1,000,000	1,700	0.17%	2.350			10/16/2020		10/16/2020	10/16/2020	100.000	100.170	58.96%
17	FHLB	1,000,000	1,780	0.18%	2.375			3/12/2021		3/12/2021	3/12/2021	100.000	100.178	63.99%
18	FNMA	1,000,000	(44,760)	-4.48%	2.000			9/27/2021	Quarterly	9/27/2021	9/27/2021	100.000	95.524	69.02%
19	FHLB	1,000,000	(57,630)	-5.76%	2.000			9/9/2022		9/9/2022	9/9/2022	100.000	94.237	74.05%
20	Goldman Sachs	240,000	-	0.00%	2.250					2/21/2023	2/21/2023	100.000	100.000	75.26%
21	FHLB	1,000,000	(20,276)	-1.98%	3.000			10/5/2015	1x Call	4/5/2023	4/5/2023	102.341	100.313	80.29%
22	FHLMC	1,000,000	(77,620)	-7.76%	2.000			11/26/2014	1x Call	5/26/2023	5/26/2023	100.000	92.238	85.32%
23	FNMA	420,000	(41,643)	-9.92%	2.250			10/30/2014	1x Call	10/30/2024	10/30/2024	100.000	90.085	87.43%
24	FHLB	500,000	(38,455)	-7.69%	1.500	1.750	12/20/2016	9/20/2014	Qtrly Call	12/20/2024	12/20/2024	100.000	92.309	89.94%
25	FNMA	1,000,000	(72,780)	-7.28%	3.150			9/27/2014	Qtrly Call	12/27/2027	12/27/2027	100.000	92.722	94.97%
26	FHLB	1,000,000	(99,660)	-9.97%	2.500	2.625	3/21/2018	9/21/2014	Qtrly Call	3/21/2028	3/21/2028	100.000	90.034	100.00%
		<b>\$ 19,885,000</b>	<b>\$(504,665)</b>	<b>-2.518%</b>	<b>2.068%</b>					<b>9/20/2020</b>	<b>100.771</b>	<b>98.233</b>		
Annual Cashflow		\$	411,138											

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**October 16, 2014 at 1:00 pm**  
**Clubhouse Inn**  
**924 SW Henderson Road**  
**Topeka, KS 66615**

The December 2014 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:07 p.m. on December 18, 2014 in Topeka by Board President Jim Wise. Trustees attending included: Jim Wise, Miami County Commissioner, President; Steve Garten, Barber County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Linda Buttron, Jefferson County Clerk; Gary Caspers, Cloud County Commissioner and Stan McEvoy, Decatur County Commissioner.

Staff participating included Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator and Staff Counsel; Mr. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; Mr. Brandon Mann, Loss Prevention Specialist; Mr. Ben Woner, Loss Prevention Specialist and Mr. Ralph D. Unger, Member Services Representative.

Insurance Management Associates (IMA) was represented by Ms. Marla Dipman, Ms. Amanda Chamberland, Mr. Jess Cornejo and Mr. Paul Davis. Also present were Mr. Chris Thompson, Country Club Bank, Trustee elect Ms. Sandy Barton, Stanton County Clerk and Mr. Phil Dixon, Miami County Commissioner.

President Wise first addressed Agenda Item No. 2, "Approval of the Agenda." Ms. Garrett moved to approve the agenda with the addition of Item No 7a, "Select Claim Review". Mr. Garten seconded the motion which CARRIED unanimously.

President Wise then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of October 16, 2014." Ms. Swartz moved to approve the minutes as presented. Mr. Caspers seconded the motion which CARRIED unanimously.

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

Mr. Parrish then asked Mr. Thompson to address Agenda Item No. 4b, "Fixed Assets Update." Mr. Thompson presented the portfolio update for KWORCC's fixed income holdings. This is a highly liquid portfolio that could be converted to cash at any time. This portfolio is managed for liquidity and income. The average maturity of the bonds in the portfolio is five and a half years and the average yield is approximately 2.2%. Mr. Thompson requested and responded to questions. President Wise thanked Mr. Thompson for his report.

Next, Mr. Parrish addressed Agenda Item No. 4c, "Presentations to Bonnie Swartz and Jim Wise." Mr. Parrish spoke of the dedication and leadership afforded to KWORCC by Ms. Swartz and Mr.

Wise. Mr. Parrish presented inscribed plaques with clock insert and thanked Ms. Swartz for her service to KWORCC from 1997 to 2014 and Mr. Wise for his service to KWORCC from 2005 to 2014.

Mr. Parrish then welcomed Trustee elect Ms. Sandy Barton, Stanton County Clerk, who was elected at the KWORCC Annual meeting to fill the South West District Representative position being vacated by Ms. Swartz. Mr. Phil Dixon, Miami County Commissioner elect has been nominated to fulfill the remainder of the term for the Southeast District being vacated by Mr. Wise. Mr. Garten moved to approve the nomination. Mr. Caspers seconded the motion which CARRIED unanimously.

Mr. Parrish then directed the Board's attention to Agenda Item No 4e, "Amend 457 Deferred Compensation Plan." Ms. Bird explained that the changes to the plan would allow participants to make catch up contributions and make hardship withdrawals and loans. Ms. Swartz moved to approve resolution #2014-102. Ms. Buttron seconded the motion which CARRIED unanimously.

Next, Mr. Parrish asked Ms. Bird to explain Agenda Item No. 4f, "Contracts." Ms. Bird presented the contract renewal for CORnerstone Risk Solutions (CRS). She explained that the contract is the same as last year except for the dates, the name IMA is being removed from the contract and IMA's subsidiary, CRS is being named as the party to the contract and an increase in the Risk Management Fee and the Claim Management Fee as budgeted. Mr. McEvoy moved to approve the renewal of the CRS contract. Ms. Garrett seconded the motion which CARRIED unanimously. Ms. Bird presented the contract renewal for Parrish Management Corporation, noting a slight increase in the cost of services, as budgeted and a couple of changes made for clarification. Next Ms. Bird presented the lease renewal with Jayhawk Tower Partners. She stated the only changes are the dates and an increase in rent. Ms. Bird then presented the contract renewal for Master Lock/Field ID (inspection tool used by loss prevention staff). She then discussed the agreements with GovU (online education program for the membership) and Kansas Association of Counties. She recommended approval of these agreements with Parrish Management, Jayhawk Tower, Master Lock/Field ID, Gov U and KAC. Ms. Buttron moved to approve the contract renewals. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No. 4g, "2015 Premiums Approval." Mr. Parrish presented a worksheet itemizing data and proposed 2015 premiums for each member. KWORCC's members include 71 counties and 12 county instrumentalities for 2015. After discussion, Ms. Garrett moved to approve the premiums as presented. Mr. McEvoy seconded the motion which CARRIED unanimously.

Ms. Bird then addressed Agenda Item No. 4h, "Schedule 2015 KWORCC Board Meetings." After discussion, the following dates were chosen for KWORCC Board meetings in 2015: Thursday, January 22 via teleconference; Thursday, February 19; Thursday, March 26 via teleconference; Thursday, April 23; Thursday, May 21 via teleconference; Thursday, June 25 via teleconference; Thursday, July 23; Thursday, August 20; either Thursday, Thursday September 24 via teleconference; Thursday, October 22; Wednesday, November 4 (Annual Meeting) and Thursday, December 17. The annual meeting is planned to coincide with the annual conference of the KAC beginning Tuesday November 3. Ms. Buttron moved to approve the dates with all of the meetings beginning at 1:00 p.m. Mr. Caspers seconded the motion which CARRIED unanimously.

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

President Wise then called upon Mr. Alexander to address Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for October and November 2014. Ms. Swartz moved to receive and file the financial reports. Mr. Garrett seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. McEvoy moved to approve check Nos. 16177 through 16275 and the direct debits. Ms. Buttron seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of December 9, 2014.

President Wise addressed Agenda Item No. 7, "Claims Report - IMA." Ms. Dipman reported on a claim and answered questions. She then requested approval of a claim settlement. Ms. Garrett moved to approve the proposed course of action for claim number 2009036886. Ms. Swartz seconded the motion which CARRIED unanimously.

s to Agenda Item No. 7b, "Logicomp Bill Review Report," Ms. Dipman reported that the amount billed totals \$3,334,423 for the period January 1, 2014 through November 30, 2014. She said the actual paid amount for that period totals \$1,847,124, resulting in a net savings of \$1,487,299 after fees are paid. This is more than 45% of the amount billed for this eleven-month period.

Mr. Cornejo 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 2010 through November, 2014. The documents consist of graphs that compare the actual paid and incurred losses to the estimated paid and incurred losses and show the actuarial projections. He said the graphs should not be considered a guarantee of either good or poor ultimate-loss performance.

President Wise called upon Mr. Mann to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Mann reviewed November, December and January calendars for the loss-prevention staff. He then reviewed the GovU courses that have been taken by counties.

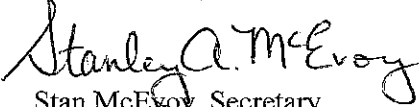
President Wise addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated that information on the sweep litigation was included in the board packet. On December 10th, the Kansas Supreme Court heard oral arguments on whether the plaintiffs have standing. If they decide the plaintiffs have standing it will be sent back down to district court for a decision.

President Wise moved to Agenda Item No. 10, "Committee Reports." Under Item 10a, "Investment Committee," Mr. Caspers reported that the Investment Committee met prior to the Board meeting and recommended the Board adopt resolution #2014-107. Mr. Caspers moved that the Board follow the committee's recommendation; Mr. McEvoy seconded the motion which CARRIED unanimously.

President Wise then addressed Agenda Item No. 11, "Other Business." Mr. McEvoy moved to give the KWORCC Staff December 26th off as part of the Christmas Holiday. Ms. Garrett seconded the motion which CARRIED unanimously.

There being no further business, Ms. Swartz moved to adjourn the meeting at 3:07 p.m. Mr. Wise seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 22nd day of January, 2015.

  
Stan McEvoy, Secretary  
KWORCC Board of Trustees

**Minutes**  
**Meeting, Investment Committee**  
**Kansas Worker Risk Cooperative for Counties**  
**Clubhouse Inn - Conference Room**  
**924 SW Henderson Rd., Topeka KS 66615**  
**October 16, 2014**

On Thursday, October 16, 2014 at 12:15 p.m. the Investment Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chairman, Gary Caspers. Committee Members participating included: Gary Caspers, Cloud County Commissioner, James Wise, Miami County Commissioner, and Stan McEvoy, Decatur County Commissioner. Also present were KWORCC Administrator, Jim Parrish and BOK Financial representatives, Stephen Page and Sheryl Burhenn.

Chairman Caspers asked for approval of the Agenda. Mr. Wise moved to approve the agenda. Mr. McEvoy seconded the motion which CARRIED unanimously.

Next, Chairman Caspers presented the minutes of Investment Committee meeting of July 17, 2014. Mr. McEvoy moved to approve the minutes as published. Mr. Wise seconded the motion which CARRIED unanimously.

Chairman Caspers requested that Stephen Page of BOK Financial address KWORCC's equity holdings and what to take into consideration for future investments. Mr. Page furnished a publication by BOK Financial, "Economic & Market Review, Third Quarter 2014" (attached to these minutes). This summarized the state of the equity market. He explained that the recent volatility in the stock market reminds us that this is more normal than the smooth upward path of stock prices we've seen over the past three years. Historically, corrections of 10% or more are common and often present opportunities to buy stocks at lower prices, he said, and that he feels stock valuations are reasonable now – not too cheap or too rich. Furthermore, Mr. Page pointed out that our country's economy continues to show steady growth considering unemployment, loan demand, corporate earnings and housing statistics. Falling oil prices and a persistently low rate of inflation are positive for American consumers. Meanwhile, he explained, foreign economies struggle, as Europe slides toward recession and China experiences an economic slowdown.

As for KWORCC, Mr. Page showed that within the past month and a half, gains for 2014 were lost. The best performing section in 2014 are large company American stocks, with small company stocks and foreign developed market stocks showing poor performance. The portfolio is diversified by size, style and location and invested entirely in low-cost mutual funds. Top holdings of each mutual fund have little if any duplication of individual stock holdings. He recommended that KWORCC stay with the current allocations. Mr. Page then asked for and answered questions.

Chairman Caspers reminded the committee that during the first six months of 2014, KWORCC invested \$25,000 per month into equities, for a total of \$150,000. Thereafter, the Committee recommended to the KWORCC Board of Trustees to defer further investments until the committee met with BOK Financial to review the investments and the state of the market.

Whereupon, Mr. Wise moved to recommend to the KWORCC Board of Trustees to invest \$20,000 into equities each month for the next six months, beginning in November of this year and to review the matter again thereafter. Mr. McEvoy seconded the motion which CARRIED unanimously.

There being no further business, Mr. McEvoy moved to adjourn the meeting. Mr. Wise seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on December 18, 2014.



---

Gary Caspers, Chair  
KWORCC Investment Committee



# ECONOMIC & MARKET REVIEW

Third Quarter 2014



The third quarter made no one happy. Bonds were basically unchanged for the quarter up +0.1% (Barclays Aggregate), larger cap U.S. equities were up +1.1% (S&P 500), U.S. small caps were down -7.4% (Russell 2000), international developed markets fell -5.9% (EAFE), and emerging markets were down -3.5% (EM). Bulls ran out of steam after a good start to the year and bears wanted more of a correction than they got.

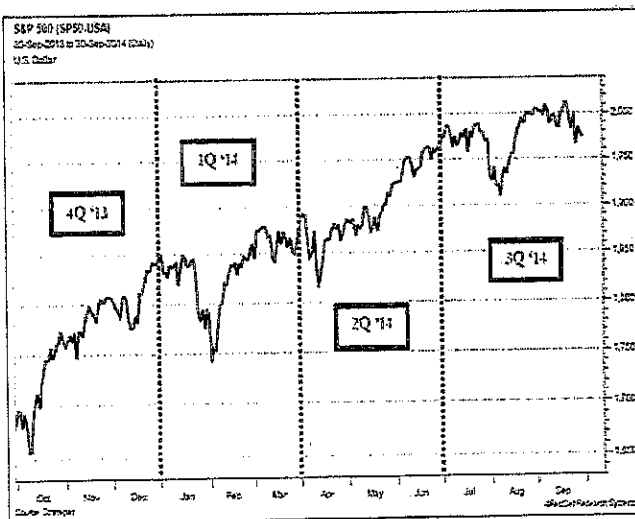
Updated performance year-to-date, through September 30, 2014:

<b>S&amp;P 500</b>	8.30%
<b>Russell 2000</b>	-4.40%
<b>Barclays Agg.</b>	4.10%
<b>MSCI EAFE</b>	-1.40%
<b>MSCI EM</b>	2.40%

A very noticeable change in direction has taken place this year within the U.S. equity markets. With small caps down -4.4% vs. large caps up +8.3%, this 12.7% difference has some believing that small caps are indicating trouble ahead for the whole market. I don't think so. It is true that higher interest rates would fall disproportionately harder on small companies. But rates are low and will stay low for quite a while. Also, in past periods of a strong dollar, small caps have performed very well. In addition, don't forget that in 2013 small caps were up nearly 40%, so some give back seems normal. Finally, during a period of weak/no growth in Europe, small caps are only modestly exposed to those markets as their revenues are primarily U.S. based.

Second quarter 2014 real GDP was +4.6%. This follows the weather-influenced first quarter of -2.1%. While 4.6% is not sustainable given current conditions, it does show that the U.S. is on solid footing as it relates to economic growth. Estimates for GDP growth in the third and fourth quarters are between 3.0% and 3.2%. So the nature of the economic recovery remains the same in America – long, slow, and sustainable. Leading indicators for the quarter also lead to the conclusion that growth should continue. Weekly unemployment claims are now under 300,000 and monthly payroll job growth has averaged 226,000 through the end of the quarter. Again- reinforcing the idea of a long, slow, steady economic recovery.

We could publish a world history text book with just the events from 2014, and there is still three months to go. No doubt, the turmoil internationally has had a negative effect on equity markets, and a positive effect on bonds. Only the continent of Antarctica has escaped war, political turmoil, epidemic, and terrorism.



The Fed is getting ready to close out quantitative easing and set the stage for slightly higher short term interest rates, probably beginning in the summer of 2015. Leaving the "emergency" policy response to the economic meltdown of 2008-2009 is a good thing. Markets will need to adjust to a slightly tighter Federal Reserve. However, the Fed will not move too quickly or raise rates too much to cause a negative reaction in the economy. Not that the onset of tightening won't cause volatility, but I'm confident markets will quickly adjust and accept the normalization of interest rate as a sign of economic strength.

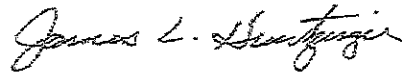
Europe has a much different economic environment than we do. Growth rates are slightly negative to very modestly positive. German PMI (Germany Manufacturing Purchasing Managers' Index) slipped below the neutral 50.0 threshold in September to, 49.9, down from 51.4 in August. This indicator is designed so that 50 is the point of demarcation between growth and contraction. European challenges fall mostly on the fact that their economies need major structural reform, especially in the labor markets. Mario Draghi, President of the European Central Bank, has encouraged member countries to make reform a cornerstone of growth. Understanding that without reform economic progress will be difficult to achieve. Only Spain has done much reform, and their economy has started to respond with 2<sup>nd</sup> quarter GDP +0.6%. The rest of Europe has a long way to go.

So, while the U.S. economy is doing ok, Europe represents a potential road block to sustainable global growth. The European Central Bank appears to be behind the curve. They will need to find a way to become more aggressive, while appeasing the Germans who want no part of it. The situation in Europe affects both the U.S. equity markets – less risk taking – and the bond market – lower interest rates – than would otherwise be occurring domestically.

#### A Letter From Camp

"Hello Muddah, hello Fadduh,  
Here I am at, Camp Granada.  
Camp is very entertaining,  
And they say we'll have some fun if it stops raining".

Let's hope the Europeans can find a way to stop the rain.



Jim Huntzinger  
Chief Investment Officer  
BOK Financial Corporation  
October 1, 2014

## Disclosures

The information in the report was prepared by Jim Huntzinger, Chief Investment Officer, BOK Financial Corporation. The opinions expressed herein reflect the judgment of the author at this date, are subject to change without notice, and are not a complete analysis of any sector, industry or security. The information provided in this presentation is not a solicitation for the investment management services of any Investment Subsidiary.

BOK Financial Corporation, a financial holding company (NASDAQ:BOKF), offers trust and investment management services through its subsidiaries including BOKF, NA (and its banking divisions Bank of Oklahoma, Bank of Texas, Bank of Albuquerque, Bank of Arkansas, Bank of Arizona, Colorado State Bank and Trust, and Bank of Kansas City) and investment advisory services through its subsidiaries including BOSC, Inc., a registered investment adviser, registered broker/dealer, Member FINRA/SIPC, and Cavanal Hill Investment Management, Inc., an SEC registered investment adviser and a subsidiary of BOKF, NA (each an "Investment Subsidiary") (collectively, "BOKF").

Investments are not insured by the FDIC and are not guaranteed by any bank or bank affiliate. Investments are subject to risks, including the possible loss of the principal amount invested. This report may not be reproduced, redistributed, retransmitted or disclosed, or referred to in any publication, in whole or in part, or in any form or manner, without the express written consent of BOKF. Any unauthorized use or disclosure is prohibited. Receipt and review of this research report constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained in this report.

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**October 16, 2014 at 1:00 pm**  
**Clubhouse Inn**  
**924 SW Henderson Road**  
**Topeka, KS 66615**

The October 2014 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:13 p.m. on October 16, 2014 in Topeka by Board President Jim Wise. Trustees attending included: Jim Wise, Miami County Commissioner, President; Steve Garten, Barber County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Linda Buttron, Jefferson County Clerk; Gary Caspers, Cloud County Commissioner and Stan McEvoy, Decatur County Commissioner.

Staff participating included Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator and Staff Counsel; Mr. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; Mr. Brandon Mann, Loss Prevention Specialist; Mr. Ben Woner, Loss Prevention Specialist and Mr. Ralph D. Unger, Member Services Representative.

Insurance Management Associates (IMA) was represented by Ms. Marla Dipman and Mr. Jess Cornejo. Also present was Mr. Dustin Gary of Centric Actuarial Solutions.

President Wise first addressed Agenda Item No. 2, "Approval of the Agenda." Dr. Garten moved to approve the agenda as presented. Mr. McEvoy seconded the motion which CARRIED unanimously.

President Wise then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of September 16, 2014." Ms. Garrett moved to approve the minutes as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

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

Mr. Parrish then asked Mr. Gary to address Agenda Item No. 4b, "Actuarial Report as of 8/31/14." Mr. Gary reported that after review of loss data and having discussed this with KWORCC and IMA staff, he made adjustments to the ultimate loss projections for each of the past seven years. Six of the last seven years were adjusted downward, for a total reduction in ultimate loss estimates for all these years of \$648,000. Based upon the losses reported for the first eight months of 2014, Mr. Gary's loss forecast for 2014 increased from \$4.3 million to \$4.65 million. He said the average cost per claim has been flat at approximately \$8,000 for the past six years, however, for 2014 the cost per claim is just over \$9,000. Additionally, the frequency of claims has generally been trending downward; however in 2014, the number of claims is up again. Next he discussed his findings for 2015, concluding that the loss pick would be approximately \$1.79 per \$100 of payroll. Based upon the payroll estimates from the membership, the ultimate loss for 2015 is projected to be \$4.5 million. Mr. Gary then asked for and responded to questions. President Wise thanked Mr. Gary for his report.

Mr. Parrish then addressed Agenda Item No. 4c, "KWORCC Budget 2015." He explained the proposed 2015 budget in relation to the budget for 2014 with explanations of increases and decreases in line items over the previous year. He asked for and responded to questions. Ms. Swartz moved to approve the budget as amended. Dr. Garten seconded the motion which CARRIED unanimously.

Whereupon, Mr. Parrish requested that Ms. Bird address Agenda Item No. 4d, "KWORCC Annual Meeting Update." She reviewed the nominees for the three trustee positions which are up for election. Next, she reviewed the voting delegates and alternate delegates for the annual meeting. A quorum for the meeting is 36 members, and 46 member forms have been received.

President Wise then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Parrish discussed current marketing activities and responded to questions.

President Wise then called upon Mr. Alexander to address Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for September 2014. Ms. Swartz moved to receive and file the financial reports. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Alexander then presented the 2014 Third Quarterly report for submission to the Kansas Insurance Department. Ms. Swartz moved to approve filing the report as proposed. Mr. Caspers seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Caspers moved to approve check Nos. 16143 through 16176 and the direct debits. Mr. McEvoy seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of October 10, 2014.

President Wise addressed Agenda Item No. 7, "Claims Report - IMA." Ms. Dipman reported on several claims and answered questions.

As to Agenda Item No. 7b, "Logicomp Bill Review Report," Ms. Dipman reported that the amount billed totals \$2,774,842 for the period January 1, 2014 through September 30, 2014. She said the actual paid amount for that period totals \$1,559,551, resulting in a net savings of \$1,215,291 after fees are paid. This is more than 44% of the amount billed for this nine-month period.

Mr. Comejo 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 2010 through September, 2014. The documents consist of graphs that compare the actual paid and incurred losses to the estimated paid and incurred losses and show the actuarial projections. He said the graphs should not be considered a guarantee of either good or poor ultimate-loss performance.

President Wise called upon Mr. Mann to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Mann reviewed September, October and November calendars for the loss-prevention staff. He then reviewed the GovU courses that have been taken by counties. Mr. Woner then presented information on a recent accident.

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

President Wise moved to Agenda Item No. 10, "Committee Reports." Under Item 10a, "Investment Committee," Mr. Caspers reported on the meeting with BOK Financial. The committee is

recommending \$20,000 per month be invested for the next six months beginning in November of this year and then the strategy should be reviewed again thereafter. Mr. Caspers so moved. Mr. McEvoy seconded the motion which CARRIED unanimously.

President Wise then addressed Agenda Item No. 11, "Other Business." There was no other business to bring before the Board.

There being no further business, Ms. Garrett moved to adjourn the meeting at 2:38 p.m. Dr. Garten seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 18th day of December, 2014.

  
Bonnie Swartz, Secretary  
KWORCC Board of Trustees

***Minutes of the KWORCC***  
***Annual Meeting***  
**Hyatt Regency - Eagle Grand Ballroom FGH**  
**400 West Waterman**  
**Wichita, Kansas 67202**  
**November 13, 2014**

The Annual Meeting of Kansas Workers Risk Cooperative for Counties (KWORCC) was held on November 13, 2014 in Wichita at the Hyatt Regency Hotel. Trustees attending included Steve Garten, Barber County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Gary Caspers, Cloud County Commissioner and Stan McEvoy, Decatur County Commissioner.

Staff present: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator and Staff Counsel; Mr. Carl Eyman, Deputy Administrator and Loss Prevention Supervisor; Mr. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; Mr. Brandon Mann, Loss Prevention Specialist; Mr. Benjamin Woner, Loss Prevention Specialist and Mr. Ralph D. Unger, Member Services Representative.

Others present for KWORCC: Mr. Jess Cornejo and Ms. Marla Dipman of Insurance Management Associates, Inc.

Vice-President Garten called the meeting to order at 5:25 p.m. and verified that a quorum was present. Mr. Parrish announced that a total of 48 Member County representatives were present and that the quorum requirements were met.

Member County representatives were present as follows: Sherrie L. Riebel, Allen County Clerk, Delegate; Phyllis Gettler, Anderson County Clerk, Alternate; R. Steven Garten, Barber County Commissioner, Delegate; Barbara Albright, Bourbon County Commissioner, Delegate; Keith C. Olson Brown County Commissioner, Delegate; Pat Collins, Cherokee County Commissioner, Delegate; Gary Caspers, Cloud County Commissioner, Delegate; Gary Wilson, Cowley County Commissioner, Delegate; Stan McEvoy, Decatur County Commissioner, Delegate; Craig Chamberlin, Dickinson County Commissioner, Delegate; Dean Haselhorst, Ellis County Commissioner, Delegate; Kermit Rush, Ellsworth County Commissioner, Delegate; Sharon Seibel, Ford County Clerk, Alternate; Don Stottlemire, Franklin County Commissioner, Delegate; Larry Hicks, Geary County Commissioner, Delegate; Mahlon Tuttle, Gove County Commissioner, Delegate; Bonnie Swartz, Gray County Clerk, Delegate; Nikki Schwerdfeger, Hamilton County Commissioner, Delegate; Cheryl Adelhardt, Harper County Clerk, Alternate; G.A "Chip" Westfall, Harvey County Commissioner, Delegate; Michael McNair, Hodgeman County Commissioner, Delegate; Richard Malm, Jefferson County Commissioner, Alternate; Dwight S. Frost, Jewell County Commissioner, Delegate; Thomas J. Bennett, Lane County Commissioner, Delegate; David Lamb, Linn County Commissioner, Delegate; Scott A Briggs, Lyon County Commissioner, Alternate; Sonya Stohs, Marshall County Clerk, Delegate; Tom Claussen, Mitchell County Commissioner, Delegate; Michelle Garrett, Morris County Clerk, Delegate; Jay D. Coen, Morton County Commissioner, Delegate; Mike Schoenhofer, Neosho County Commissioner, Delegate; Jay Harris, Ness County Commissioner, Delegate; Charles Posson, Norton County Commissioner, Delegate; Kenneth Kuykendall, Osage County Commissioner, Delegate; James P. Kay, Ottawa County Commissioner, Delegate; Kathy Bowman, Pawnee County Commissioner, Alternate; Max Dibble, Phillips County Commissioner, Delegate; Lisa Woody, Rawlins County Commissioner, Alternate; Kathleen Marsicek, Republic County Clerk, Delegate; Alicia Showalter, Rice County Clerk, Delegate; Leonard Mastroni, Rush County Commissioner, Alternate; Gary

Skibbe, Scott County Commissioner, Alternate; Vic Bielser, Sheridan County Commissioner, Delegate; John D. Smith, Stanton County Commissioner, Delegate; Pat Hall, Stevens County Commissioner, Delegate; Mike Baughn, Thomas County Commissioner, Delegate; Wesley Hobbs, Trego County Commissioner, Delegate and Adam W. Smith, Wallace County Commissioner, Delegate.

Vice-President Garten then addressed Agenda Item No. 2, "Approval of the Agenda." Bonnie Swartz, Gray County Clerk, moved to approve the agenda as presented. Stan McEvoy, Decatur County Commissioner, seconded the motion which CARRIED unanimously.

Vice-President Garten addressed Agenda Item No. 3, "Consideration of the Minutes of the Meeting of October 30, 2013." Stan McEvoy, Decatur County Commissioner, moved to approve the minutes as presented. Gary Caspers, Cloud County Commissioner, seconded the motion which CARRIED unanimously.

Vice-President Garten next addressed Agenda Item No. 4, "Election of KWORCC Trustees." He announced that there were three positions open, with nominations received for the following: Michelle Garrett, Morris County Clerk, incumbent for the At Large position; Linda Buttron, Jefferson County Clerk, incumbent for the Northeast District; Sandy Barton, Stanton County Clerk, for the Southwest District. Vice-President Garten then asked for nominations from the floor. There were no further nominations. Vice-President Garten called for a motion to close nominations. G.A "Chip" Westfall, Harvey County Commissioner, moved to close nominations and cast a unanimous ballot. Pat Collins, Cherokee County Commissioner, seconded the motion which CARRIED unanimously.

Vice-President Garten addressed the membership, pursuant to Agenda Item No. 5, "President's Opening Remarks." He stated that 80% of the cities, towns, schools, counties and special districts in the United States address some or all of their risk management and risk financing needs through member-owned, member-governed, non-profit pools. He emphasized appreciation to the delegates and alternates for participating and continuing support of their government risk pool.

Vice-President Garten then introduced the members of the KWORCC Board of Trustees, the KWORCC staff and the representatives from IMA. He discussed the current status of KWORCC membership, noting that the pool has 81 members including 70 county members, two hospitals, five rural water districts, an airport authority and three county instrumentalities.

Vice-President Garten explained that the KWORCC Board consists of county elected officials who serve as trustees. The board meets each month and has three primary committees consisting of the Investment Committee, the Personnel Committee and the Audit Committee that meet periodically and make recommendations to the full board.

Vice-President Garten reported that KWORCC has more than \$23 Million in assets and is stronger than ever. He said KWORCC continues to strive to keep premiums down, thus for a fourth year in a row, the Trustees have committed substantial reserve funds to reduce premiums in 2015. He explained that this also rewards members for continued loyalty. Vice-President Garten said another strategy for reducing premiums is that KWORCC highlights continuous promotion of workplace safety and encouraged the membership to use the resources offered by KWORCC.

Vice-President Garten then called upon Mr. Richard Alexander to address Agenda Item No. 6, "Financial Report." Mr. Alexander presented the statement of financial condition and statement of operations as of September 30, 2014. He then asked for and responded to questions.

Vice-President Garten asked that Messrs. Carl Eyman and Brandon Mann, address Agenda Item No. 7, "Safety Services Report." Mr. Mann reported on the loss prevention staff's visits to counties for training



and inspections. In 2014 they performed 205 safety inspections, 37 Defensive Driving classes, 4 Coaching the Emergency Vehicle Operator classes, 12 Flagging classes, 22 Forklift classes and 51 other classes. He encouraged the member representatives to contact KWORCC to schedule safety training and to take advantage of the online training and safety videos available for check out from KWORCC's extensive video library.

Mr. Eyman then explained that loss prevention staff will deliver plaques to the members who have the best loss ratios in three categories created according to premium. The 2013 awards are as follows:

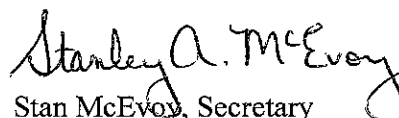
<u>Premium</u>	<u>Winners</u>	<u>Loss Ratio</u>
0-\$50,000	1 <sup>st</sup> (tie) – Comanche Hospital	0.00%
	1st (tie) - Cowley County	0.00%
	2 <sup>nd</sup> – Decatur County	0.02%
	3 <sup>rd</sup> – Scott County	0.23%
\$51,000— \$125,000	1 <sup>st</sup> – Greenwood County	0.44%
	2 <sup>nd</sup> (tie) – Brown County	0.71%
	2 <sup>nd</sup> (tie) – Jewell County	0.71%
	3 <sup>rd</sup> - Haskell County	1.48%
Greater than \$125,000	1 <sup>st</sup> – Linn County	10.0%
	2 <sup>nd</sup> – Saline County	12.9%
	3 <sup>rd</sup> – Ellis County	15.3%

Vice-President Garten asked Mr. Parrish to address Agenda Item No. 8, "Presentation of 2015 Budget." Mr. Parrish reviewed the budget with the membership and explained that it had been approved by the Board of Trustees at the October board meeting in accordance with the bylaws and is presented each year at the annual meeting.

Vice-President Garten addressed Agenda Item No. 9, "Other Business." Mr. Parrish acknowledged two KWORCC Trustees who are retiring: KWORCC Secretary, Ms. Bonnie Swartz, Gray County Clerk, served for 17 years on the KWORCC Board of Trustees and KWORCC President, Jim Wise, Miami County Commissioner, served for nine years. Mr. Parrish thanked them for their exceptional contribution to KWORCC and dedicated service to Kansas county government.

There being no further business, Scott A Briggs, Lyon County Commissioner, moved to adjourn the meeting at 5:54 p.m. Stan McEvoy, Decatur County Commissioner, seconded the motion which CARRIED unanimously.

Respectfully Submitted for Approval

  
Stan McEvoy, Secretary

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties (KWORCC), hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 18th day of December, 2014 at which a quorum was present:

## ***RESOLUTION #2014-102***

IN THE MATTER OF AMENDING THE KWORCC 457 ELIGIBLE DEFERRED COMPENSATION PLAN (hereafter the "Plan").

WHEREAS, the Board of Trustees (the "Board") of KWORCC (the "Employer"), finds it is in the best interest of the Employer and its employees to amend the Plan to allow for catch-up contributions, hardship withdrawals and loans.

NOW THEREFORE, BE IT RESOLVED that the Plan shall be amended to provide for employees to make catch-up contributions, to make hardship withdrawals and to borrow from their 457 account, as set forth in the attached summary of plan provisions.

FURTHER RESOLVED that the Administrator of Employer be and is hereby authorized and directed to execute all documents and to do such other acts as are necessary to effectuate the adoption of the Amendment.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 18<sup>th</sup> day of December, 2014.

  
\_\_\_\_\_  
Bonnie Swartz, Secretary

## **CODE §457(b) ELIGIBLE DEFERRED COMPENSATION PLAN ADOPTION AGREEMENT**

The Employer named below hereby establishes an Eligible Deferred Compensation Plan and Trust/Custodial Account for eligible Employees as provided in this Adoption Agreement and the accompanying Plan Document. This Plan is intended to satisfy the requirements for an "Eligible Deferred Compensation Plan" under Code §457, and all other applicable provisions of the law and the regulations issued thereunder.

### **I. EMPLOYER INFORMATION**

- A. **NAME AND ADDRESS:** KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES  
700 S.W. Jackson, Suite 200  
Topeka, KS 66603
- B. **TELEPHONE NUMBER:** 785-357-1069
- C. **TAX ID NUMBER:** 48-1148078
- D. **TYPE OF ENTITY:** Political Subdivision, Agency or Instrumentality of a State or Local Government
- E. **NAME OF PLAN:** Kansas Workers Risk Cooperative for Counties §457 Deferred Compensation Plan

### **II. EFFECTIVE DATE**

This is an amended Plan. The initial Effective Date of the Plan was January 1, 2012. The Effective Date of the amended Plan is January 1, 2014.

### **III. DEFINITIONS**

#### **A. "Compensation"**

Compensation is defined as the total annual remuneration for employment or contracted services actually received by the Participant from the Employer and reported on his or her Form W-2 or 1099, whichever is applicable. Compensation shall not include contributions made pursuant to a Salary Deferral Agreement that are not includible in the gross income of the Employee, overtime, bonuses or commissions. Employer Compensation shall be determined on the basis of the Plan Year.

#### **B. "Entry Date"**

The day the eligibility requirements of the Plan are met.

#### **C. "Hours of Service"**

For purposes of eligibility, allocation accruals and vesting, Hours of Service shall be determined on the basis of actual hours for which an Employee is paid or entitled to payment.

#### **D. "Normal Retirement Age"**

The Normal Retirement Age shall be defined as the attainment of age sixty-five (65).

#### **E. "Plan Year"**

Plan Year is defined as the twelve (12) consecutive month period commencing on January 1 and ending on December 31.

### **IV. ELIGIBILITY REQUIREMENTS**

Each Eligible Employee shall be eligible to participate in the Plan and make Salary Deferrals immediately upon becoming employed by the Employer.

V. **CONTRIBUTIONS TO THE PLAN**

A. **Employee Salary Deferrals:**

Participants shall be permitted to defer the maximum amount permitted by law. The Employer shall contribute and allocate to each Participant's account an amount equal to the amount withheld from the Compensation of such Participant pursuant to his or her Salary Deferral Agreement.

B. **Age 50 Catch-up Contributions:**

Participants shall be permitted to make Age 50 Catch-up Contributions.

C. **Special Catch-up Contributions:**

Participants shall NOT be permitted to make Special Catch-up Contributions.

D. **Rollover and Direct Rollover Contributions:**

Rollover Contributions will be accepted by this Plan from the following types of Plans:

1. A Qualified Plan described in Code Section 401(a) or 403(a).
2. An annuity contract described in Code Section 403(b).
3. An eligible plan under Code Section 457(b), which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

E. **Employer Contributions:**

The Employer shall NOT make contributions to this Plan.

VI. **VESTING**

Employees shall have a 100% vested interest in their account balance at all times.

VII. **INVESTMENT MANAGEMENT**

Investment selections and investment directions otherwise to be made or given by the Employer will be made or given by the Custodian named herein.

VIII. **IN-SERVICE WITHDRAWALS AND LOANS**

- A. Hardship withdrawals due to Unforeseeable Emergencies are permitted.
- B. Participant Loans are permitted.

IX. **PAYMENT OF BENEFITS**

In addition to a lump sum, payment may be made in the form of installment payments.

A Participant's deferred Compensation must commence payment not later than the later of: (1) sixty (60) days after the close of the Plan Year in which the Participant attains Normal Retirement Age or (2) sixty (60) days after the close of the Plan Year in which the Participant Separates from Service for any reason.

X. **PAYMENT OPTIONS**

A Participant who separates from Service prior to retirement, death or Disability may make application to the Employer requesting an early payment of his or her vested account balance. Distribution shall be made as soon as administratively feasible following the close of the Plan Year during which a distribution is payable or requested.

If the Participant has had the right to withdraw his or her account balance in the past, this right may not be taken away. Notwithstanding the above, required minimum distributions will be paid.

**XI. AUTOMATIC ROLLOVER PROVISIONS**

Rollover Contributions and the earnings thereon are excluded in determining the value of the Participant's nonforfeitable account balance for purposes of the Plan's involuntary cash-out rules with respect to distributions made from the Plan.

For a distribution of all or a portion of an amount that is not attributable to Rollover Contributions, the Plan provides that the distribution amount shall not exceed the dollar limit under Code §411(a)(11)(A).

The Plan shall make involuntary cash-out distributions of Vested Account Balances of \$1,000 or less. Distribution of amounts more than \$1,000 will only be made at the Participant's request.

**XII. SIGNATURES:**

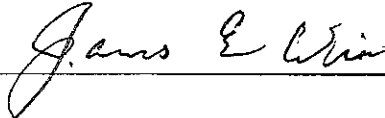
The Employer understands that its failure to properly complete the Adoption Agreement may result in the Plan not meeting the requirements of Code §457.

**A. EMPLOYER:**

This agreement and the corresponding provisions of the Code §457 Plan Document were adopted by the Employer the 18<sup>th</sup> day of December, 2014.

Executed on behalf of the Employer by: James E. Wise  
Title: KWORCC President

Signature: \_\_\_\_\_



**B. TRUSTEE:**

Name of Trustee:

**GTRUST  
900 South Kansas Avenue  
Topeka, KS 66612**

The Employer's Plan as contained herein was accepted by the Trustee the \_\_\_ day of \_\_\_\_\_.

Accepted on behalf of the Trustee by: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

**NOTE: Attach Applicable Trust Agreement**

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 18<sup>th</sup> day of December, 2014 at which a quorum was present:

## ***RESOLUTION #2014-107***

WHEREAS, KWORCC has elected to place investments pursuant to Chapter 40 of Kansas Statutes Annotated, and thus is to comply with the provisions thereof;

WHEREAS, KSA 40-2a01 states, in pertinent part: A [C]ompany...may invest with the direction or approval of a majority of its board of directors or authorized committee thereof, any of its funds, or any part thereof in bonds or other evidences of indebtedness issued, assumed or guaranteed by the United States of America, or by any agency or instrumentality thereof;

WHEREAS, KWORCC has invested in certain United States instruments during the period July 1, 2014 through November 30, 2014, which have been reviewed by the Board of Trustees. Pursuant to that review, the Board determined said investments to be in accordance with K.S.A. 40-2a01 and KWORCC's investment policy;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees that investment purchases made in United States Government securities from the period July 1, 2014 through November 30, 2014, having been reviewed and determined to be made in accordance with K.S.A. 40-2a01 and KWORCC's investment policy hereby are approved.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 18<sup>th</sup> day of December, 2014.

  
Bonnie Swartz, Secretary

InTrader (trdhist ) 12/02/14

Trade History Report  
Country Club Bank

For Trades Executed At: Country Club Bank

Select Fields	From Value	To Value	Seq.	Totals
Entity	144	144		n
Customer Nbr.	300121	300121		n
Custid Nbr.				n
Security ID				n
Portfolio ID				n
Salesperson				n
Enter Date				n
Trade Date	07/01/2014	11/30/2014		n
Settle Date				n
Bank Eligible		ZZ		n
Purch/Sale/Both				b
Int/Mat/Both				n
Fed Funds				n
Repo Agmnts				n

Ticket Nbr	Cust Nbr	Sec Descrip 1	Reg Type/Id	Apr By	Dt Enter	Factor	Face	Prtn
Cusip	Sec Descrip 2	Call Cd-Dt	Apr Date	Trade Dt	Tran Cd	Par	Interest	Fees
Security	Sec Descrip 3	Mat Date	Apr Time	Settle Dt	Ent By	Basis	Price	Withholding
Port ID	Moody/StdPoor/MktRtg	CPN Rate	Fall Del	Trd Status	Trd For	Yield	Penalty	Total Amt
Deal ID	Broker	ClOrd/Ploc	Pay/Del	Conv	Buyback			
311138851	KWORCC (302)	E/*	07/03/2014	1.0000000000		500,000.00	500,000.00	
300121	U.S. Treasury Notes		07/03/2014	Purch		500,000.00	5.10	
912828UD0		.000	07/03/2014	SKM144		100.00	.00	
912828UD0		12/31/2014	n-07/03/14	BCT		100.0000000000	.00	
028-TNNTS	//	.125	n-07/03/14	na			.00	
0		ccf/ccf	c/sko	n		.1250000		500,005.10
311140021	KWORCC (302)	E/*	08/07/2014	1.0000000000		100,000.00	100,027.34	
300121	U.S. Treasury Notes		08/07/2014	Purch		100,000.00	26.49	
912828A67		.000	08/08/2014	SKM144		100.02734375	.00	
912828A67		12/31/2015	n-08/08/14	BCT		100.027343750	.00	
028-TNNTS	//	.250	n-08/08/14	na			.00	
0		ccf/ccf	c/sko	n		.2300000		100,053.83
311140852	KWORCC (302)	E/*	09/08/2014	1.0000000000		350,000.00	350,164.06	
300121	U.S. Treasury Notes		09/08/2014	Purch		350,000.00	166.44	
912828A67		.000	09/08/2014	SKM144		100.046875	.00	
912828A67		12/31/2015	n-09/08/14	BCT		100.046875000	.00	
028-TNNTS	//	.250	n-09/08/14	na			.00	
0		ccf/ccf	c/sko	n		.2140000		350,330.50
311141735	KWORCC (302)	E/*	10/07/2014	1.0000000000		300,000.00	300,187.50	
300121	U.S. Treasury Notes		10/07/2014	Purch		300,000.00	203.80	
912828A67		.000	10/08/2014	SKM144		100.0625	.00	
912828A67		12/31/2015	n-10/08/14	BCT		100.062500000	.00	
028-TNNTS	//	.250	n-10/08/14	na			.00	
0		ccf/ccf	c/sko	n		.1990000		300,391.30
311142962	KWORCC (302)	E/*	11/14/2014	1.0000000000		400,000.00	400,000.00	
300121	FHIB 1.15 STEP UP 3.0 12/27/16	c-12/27/14	11/14/2014	Purch		400,000.00	1,788.89	
3130A0E10	OTRLY CALL BEG 3/27/14	100.000	11/17/2014	SKM144		100.00	.00	
3130A0E10	ONE TIME STEP	12/27/2018	n-11/17/14	BCT		100.0000000000	.00	
032-AGCY	Aaa/AA+	VAR	n-11/17/14	na			.00	
0		ccf/ccf	c/sko	n		1.1450000		401,788.89

Report Totals

Par: 1,650,000.00

Prin: 1,650,378.90  
 Int: 2,190.72  
 Total: 1,652,569.62



**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**December 18, 2014 at 1:00 pm**  
**Clubhouse Inn**  
**924 SW Henderson Road**  
**Topeka, KS 66615**

The December 2014 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:07 p.m. on December 18, 2014 in Topeka by Board President Jim Wise. Trustees attending included: Jim Wise, Miami County Commissioner, President; Steve Garten, Barber County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Linda Buttron, Jefferson County Clerk; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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 Supervisor; Mr. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; Mr. Brandon Mann, Loss Prevention Specialist; Mr. Ben Woner, Loss Prevention Specialist and Mr. Ralph D. Unger, Member Services Representative.

Insurance Management Associates (IMA) was represented by Ms. Marla Dipman, Ms. Amanda Chamberland, Mr. Jess Cornejo and Mr. Paul Davis. Also present were Mr. Chris Thompson, Vice President Country Club Bank, Trustee elect Ms. Sandy Barton, Stanton County Clerk and Mr. Phil Dixon, Miami County Commissioner-elect.

President Wise first addressed Agenda Item No. 2, "Approval of the Agenda." Ms. Garrett moved to approve the agenda with the addition of Item No 7a, "Select Claim Review." Dr. Garten seconded the motion which CARRIED unanimously.

President Wise then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of October 16, 2014." Ms. Swartz moved to approve the minutes as presented. Mr. Caspers seconded the motion which CARRIED unanimously.

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

Mr. Parrish then asked Mr. Thompson to address Agenda Item No. 4b, "Fixed Assets Update." Mr. Thompson presented the portfolio update for KWORCC's fixed income holdings. This is a highly liquid portfolio that could be converted to cash at any time. This portfolio is managed for liquidity and income. The average maturity of the bonds in the portfolio is five and a half years and the average yield is approximately 2.2%. Mr. Thompson requested and responded to questions. President Wise thanked Mr. Thompson for his report.

Next, Mr. Parrish addressed Agenda Item No. 4c, "Presentations to Bonnie Swartz and Jim Wise." Mr. Parrish spoke of the dedication and leadership afforded to KWORCC by Ms. Swartz and Mr.

Wise. Mr. Parrish presented inscribed plaques with clock insert and thanked Ms. Swartz for her service to KWORCC from 1997 to 2014 and Mr. Wise for his service to KWORCC from 2005 to 2014.

Mr. Parrish then welcomed Ms. Sandy Barton, Stanton County Clerk, who was elected at the KWORCC Annual meeting to fill the Southwest District Representative position being vacated by Ms. Swartz. Mr. Phil Dixon, Miami County Commissioner elect has been recommended to fulfill the remainder of the term for the Southeast District being vacated by Mr. Wise. Dr. Garten moved to nominate Mr. Dixon for the vacancy in the Southeast District. Mr. Caspers seconded the motion which CARRIED unanimously.

Mr. Parrish then directed the Board's attention to Agenda Item No 4e, "Amend 457 Deferred Compensation Plan." Ms. Bird explained that the changes to the plan would allow participants to make catch up contributions and take hardship withdrawals and loans. Ms. Swartz moved to approve resolution #2014-102. Ms. Buttron seconded the motion which CARRIED unanimously.

Next, Mr. Parrish asked Ms. Bird to explain Agenda Item No. 4f, "Contracts." Ms. Bird presented the contract between KWORCC and CORnerstone Risk Solutions (CRS). She explained IMA is being removed from the contract and IMA's subsidiary, CRS is the party to the contract, providing all the same services. Mr. McEvoy moved to approve the CRS contract. Ms. Garrett seconded the motion which CARRIED unanimously. Ms. Bird presented the contract renewal for Parrish Management Corporation for rent and office sharing and the storage space lease renewal with Jayhawk Tower Partners. She next presented the contract renewal for Master Lock | FieldiD (inspection tool used by loss prevention staff). She then discussed the agreements with GovU (online education program for the membership) and Kansas Association of Counties. She recommended approval of these agreements. Ms. Buttron moved to approve the contract renewals. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No. 4g, "2015 Premiums Approval." Mr. Parrish presented a worksheet itemizing data and proposed 2015 premiums for each member. KWORCC's members include 71 counties and 12 county instrumentalities for 2015. After discussion, Ms. Garrett moved to approve the premiums as presented. Mr. McEvoy seconded the motion which CARRIED unanimously.

Ms. Bird then addressed Agenda Item No. 4h, "Schedule 2015 KWORCC Board Meetings." After discussion, the following dates were chosen for KWORCC Board meetings in 2015: Thursday, January 22 via teleconference; Thursday, February 19; Thursday, March 26 via teleconference; Thursday, April 23; Thursday, May 21 via teleconference; Thursday, June 25 via teleconference; Thursday, July 23; Thursday, August 20; Thursday September 24 via teleconference; Thursday, October 22; Wednesday, November 4 (Annual Meeting) and Thursday, December 17. The annual meeting is planned to coincide with the annual conference of the KAC beginning Tuesday November 3. Ms. Buttron moved to approve the dates with all of the meetings beginning at 1:00 p.m. Mr. Caspers seconded the motion which CARRIED unanimously.

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

President Wise then called upon Mr. Alexander to address Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for October and November 2014. Ms. Swartz moved to receive and file the financial reports. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. McEvoy moved to approve check Nos. 16177 through 16275 and the direct debits. Ms. Buttron seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of December 9, 2014.

President Wise addressed Agenda Item No. 7, "Claim Report - IMA." Ms. Dipman reported on a claim and answered questions. She then requested approval of the claim settlement. Ms. Garrett moved to approve the proposed course of action for claim number 2009036886. Ms. Swartz seconded the motion which CARRIED unanimously.

As to Agenda Item No. 7b, "Logicomp Bill Review Report," Ms. Dipman reported that the amount billed totals \$3,334,423 for the period January 1, 2014 through November 30, 2014. She said the actual paid amount for that period totals \$1,847,124, resulting in a net savings of \$1,487,299 after fees are paid. This is more than 45% of the amount billed for this eleven-month period.

Mr. Cornejo 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 2010 through November, 2014. The documents consist of graphs that compare the actual paid and incurred losses to the estimated paid and incurred losses and show the actuarial projections. He said the graphs should not be considered a guarantee of either good or poor ultimate-loss performance.

President Wise called upon Mr. Mann to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Mann reviewed November, December and January calendars for the loss-prevention staff. He then reviewed the GovU courses that have been taken by counties and the GovU courses being offered in 2015. He also advised that KWORCC received Honorable Mention from National Safety Council due to the volume of defensive driving courses KWORCC administered in 2013.


President Wise addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated that information on the sweep litigation was included in the board packet. On December 10th, the Kansas Supreme Court heard oral arguments on whether the plaintiffs have standing. If they decide the plaintiffs have standing it will be sent back down to district court to continue litigation.

President Wise moved to Agenda Item No. 10, "Committee Reports." Under Item 10a, "Investment Committee," Mr. Caspers reported that the Investment Committee met prior to the Board meeting and recommended the Board adopt KWORCC Resolution #2014-107. Mr. Caspers moved that the Board follow the committee's recommendation; Mr. McEvoy seconded the motion which CARRIED unanimously.

President Wise then addressed Agenda Item No. 11, "Other Business." Mr. McEvoy moved to give the KWORCC Staff paid holiday on December 26th as part of the Christmas holiday. Ms. Garrett seconded the motion which CARRIED unanimously.

There being no further business, Ms. Swartz moved to adjourn the meeting at 3:07 p.m. Mr. Wise seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 22nd day of January, 2015.

  
Stan McEvoy, Secretary  
KWORCC Board of Trustees

**Minutes**  
**Meeting, Investment Committee**  
**Kansas Worker Risk Cooperative for Counties**  
**Clubhouse Inn - Conference Room**  
**924 SW Henderson Rd., Topeka KS 66615**  
**December 18, 2014**

On Thursday, December 18, 2014 at 12:15 PM the Investment Committee of Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, Gary Caspers. Committee Members participating included: Jim Wise, Miami County Commissioner; Stan McEvoy, Decatur County Commissioner and Gary Caspers, Cloud County Commissioner. Also present was KWORCC Administrator, Jim Parrish and Country Club Bank Vice President Christopher B. Thompson.

Chairman Caspers called the meeting to order at 12:15 PM. Mr. Wise moved to approve the Agenda as presented. Mr. McEvoy seconded the motion which CARRIED unanimously.

Chairman Caspers asked consideration of the Committee's meeting on October 16, 2014. Mr. McEvoy made a motion to approve the minutes as presented. Mr. Wise seconded the motion which CARRIED unanimously.

Whereupon, Chairman Caspers addressed the schedule for equity investments as outlined at the Investment Committee's October 16, 2014 meeting. Mr. Parrish stated that the 6-month period terminated in April, and he thus recommended that the Committee review this matter prior to the Board of Trustees teleconference on May 21, 2015. Chairman Caspers announced that the Committee would meet by telephone on May 21, 2015, at 12:30pm to consider further equity investments.

Next, the Committee took up KWORCC Resolution 2014-107 with attached itemization of investment purchases made in United States Government securities from the period July 1, 2014 through November 30, 2014. Upon review, the Committee determined that the transactions were in accordance with KWORCC Investment Policy and K.S.A. 40-2a01. Mr. Wise moved to recommend that the KWORCC Board of Trustees adopt KWORCC Resolution 2013-104. Mr. McEvoy seconded the motion which CARRIED unanimously.

Then, Chairman Caspers called upon Mr. Thompson to discuss KWORCC's bond portfolio. Mr. Thompson handed out a list of KWORCC's holdings. He stated the effective maturity is 5.57 years, the average coupon is 2.216 percent and average book yield is 1.785 percent. On the basis of current holdings, he said annual cash flow is just over \$400,000. Because KWORCC requires liquidity to pay claims, Mr. Thompson stated that he balances that with the goal of income. Next, he described market themes impacting the portfolio, including the federal government ending quantitative easing, European economic uncertainty (United States investment thus more secure and popular), crude oil price decline

(technical positive for bond prices) and unrealized market loss (bonds have a maturity and can ride the tide of temporary/transient market losses). He then answered questions from the Committee.

There being no further business to come before the Committee, Mr. McEvoy made a motion to adjourn the meeting. Mr. Wise seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on May 21, 2015.



---

Gary Caspers, Chair  
KWORCC Investment Committee



## KWORCC Bond Portfolio Update: Dec 18, 2014

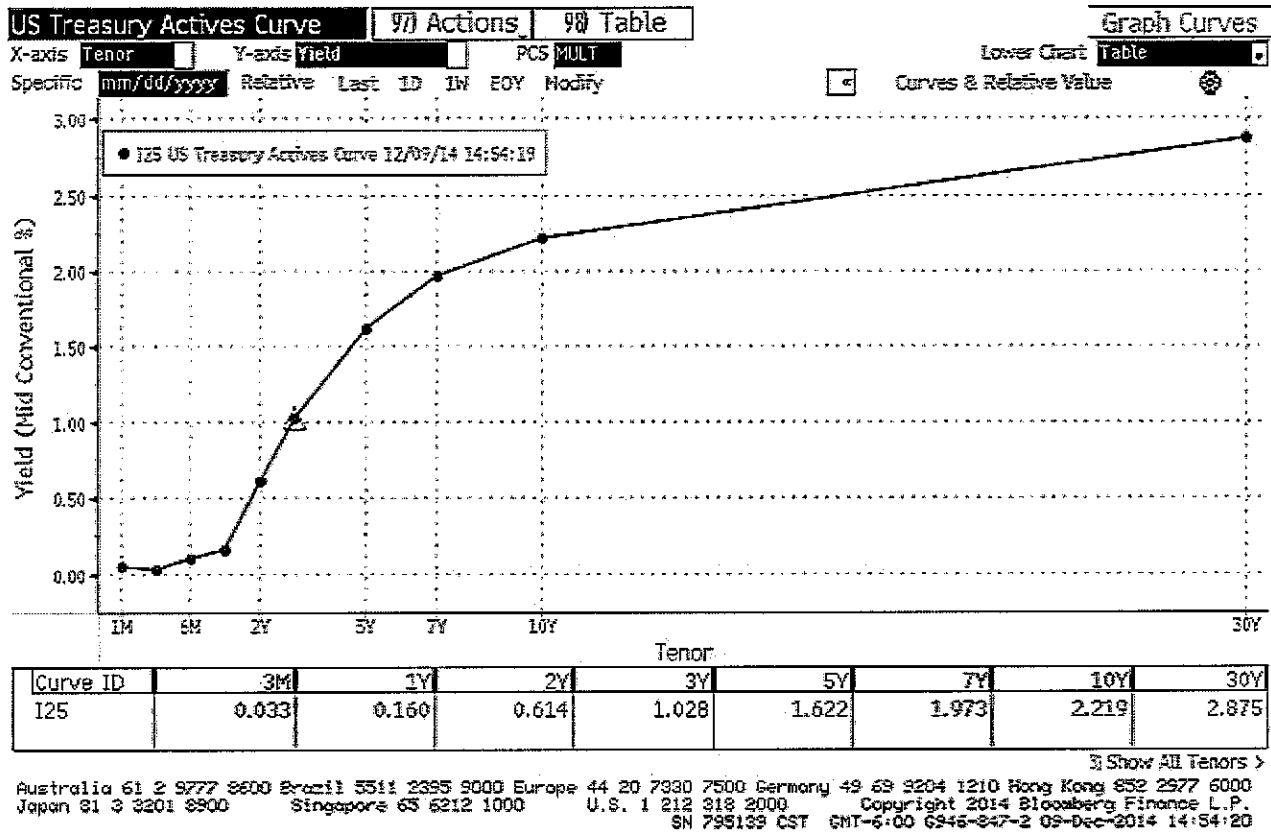
- Portfolio is invested in top grade US Government/Agency debentures (ie: plain, old-fashioned, bonds) and FDIC insured bank CDs
- As of Nov 30, 2014, the portfolio is comprised of 23 separate and direct holdings which trade in “steady and ready” liquid markets (ie: easily and quickly converted to cash)
- Nov 30 2014 Par Value: \$18,235,000
- Nov 30 2014t Market Value: \$18,028,265 (-\$328,565 unrealized loss, 1.79% of book value)
- Average “Effective” Maturity: approximately 5.57yr (“effective maturity” is the most likely maturity, which accounts for likely call options being exercised, or not, prior to stated maturity). This represents a contraction of roughly seven months vs June 2014.
- Portfolio Average Coupon Rate: 2.216% (0.14% higher than June 2014)
- Market themes impacting the portfolio
  - **RIP Q.E. 2009 - 2014:** Since May 2013, the Fed has been preparing bond markets for the end of Quantitative Easing. In October 2014, the monthly “new money” purchases halted (though the Fed is still reinvesting portfolio principal and interest in high grade bonds). By now, this is old news to markets which have been accepting of the Fed’s exit from the bond bin.
  - **European concerns help US bond market:** Like a bad luck penny that rolls back to you, fears of European recession are, once again, a gathering storm which looms over Europe and world markets. In an effort to ward off the worst of it, the European Central Bank surprised financial markets with a cut to a key short-term interest rate (to negative levels) and new stimulus plans that resemble the Quantitative Easing which the Fed just completed. What we’ve just emerged from, they seem to be embracing. Many see this as further fuel for US bond market rally (ie: higher prices) because even by “sitting still” US rates are high by comparison. The overall performance of Treasuries has been good in 2014, certainly better than anticipated. This is especially impressive considering the growing supply of debt, the Fed’s guidance toward rate hikes in 2015 and the end of QE price support. *If markets operated logically, those three factors might send bond prices lower and yields higher. Yet yields are significantly lower today than January 2014.* The best explanation for this phenomenon is continued buying by foreign and domestic investors who are fearful of the global investment climate, opting to sacrifice nominal yield for perceived maximum safety. These investors have done well vs. most asset classes over the past year. Investors who purchased a 5yr or 10yr Treasury in Jan 2014 have reaped total returns of +3.22% and +9.68%, respectively. Compare these numbers to common equity indices’ 2014 Oct YTD returns such as the DJIA @ +6.76% and the S&P500 @ +10.67. Given the disparate

risk/reward profile of owning US Treasuries vs. equities, one might conclude that Treasuries have outperformed equities (adjusted for risk). And there's a compelling argument to be made that US Treasury performance is bound to improve. Of the 19 countries which issue 10yr sovereign debt, 10 of them price at a lower yield than the 10yr US Treasury. And of the 17 countries which issue 5yr sovereign debt, again, 10 of them price at a lower yield than the 5yr US Treasury. Does it make sense that Spain and Italy can sell their debt at higher prices and lower yields than US Treasuries? Many believe not, and they're certain they're buying Treasuries on the cheap.

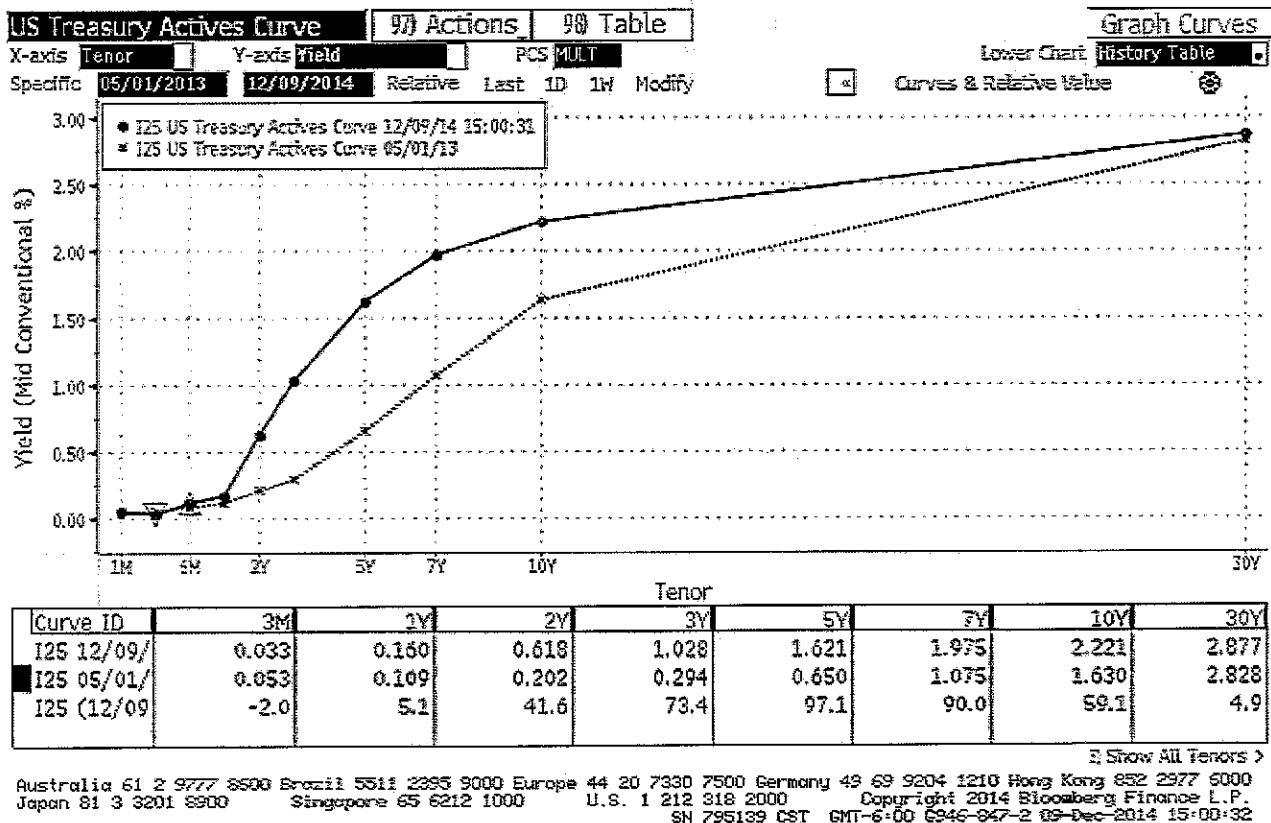
- **Oil Price Decline:** Oil dropped 18% in November to the lowest price in 5yrs as OPEC maintained its target daily output, despite burgeoning production growth from US drillers and weakening global demand. This has been a technical positive for bond prices.
  - **Unrealized Market Loss:** The unrealized loss as of Nov 30 2014 has improved by \$175,000 since June 2014 (ie: less loss). As a metric to appreciate the relative size of the unrealized loss, if the bonds were sold at Nov 30 levels, the realized loss would be equivalent to one year of net portfolio income. As before...in prior meetings I've commented that "rates have been so low for so long, many have fallen asleep to the embedded price risk" in portfolios. In May 2013 markets awoke to this risk as demonstrated by price action since then. It reminds us why we are in high grade fixed income and why we DO NOT OWN BOND MUTUAL FUNDS which have no maturity date, and thus, no assurance that otherwise temporary/transient market losses won't be realized. I continue to be cognizant of the dual goals of **liquidity and income**.
- Where to from here? While the Fed is still guiding toward rate increases in 2015, it's difficult to make the case in terms of strict economic indicators, such as GDP (which has been volatile) and many expect a lower 4<sup>th</sup> qtr 2014 reading as compared to the 3.9% 3<sup>rd</sup> qtr result. Investment strategy will not change dramatically. It will be a mixture of buying nominal yields above 2% with bonds and CDs and looking for "yield curve roll" opportunities. And though yields are thought to be higher in 2015, there's not an overwhelming sense that rates will be dramatically different than current levels. "Range bound" yields are still likely.



<HELP> for explanation, <MENU> for similar functions.

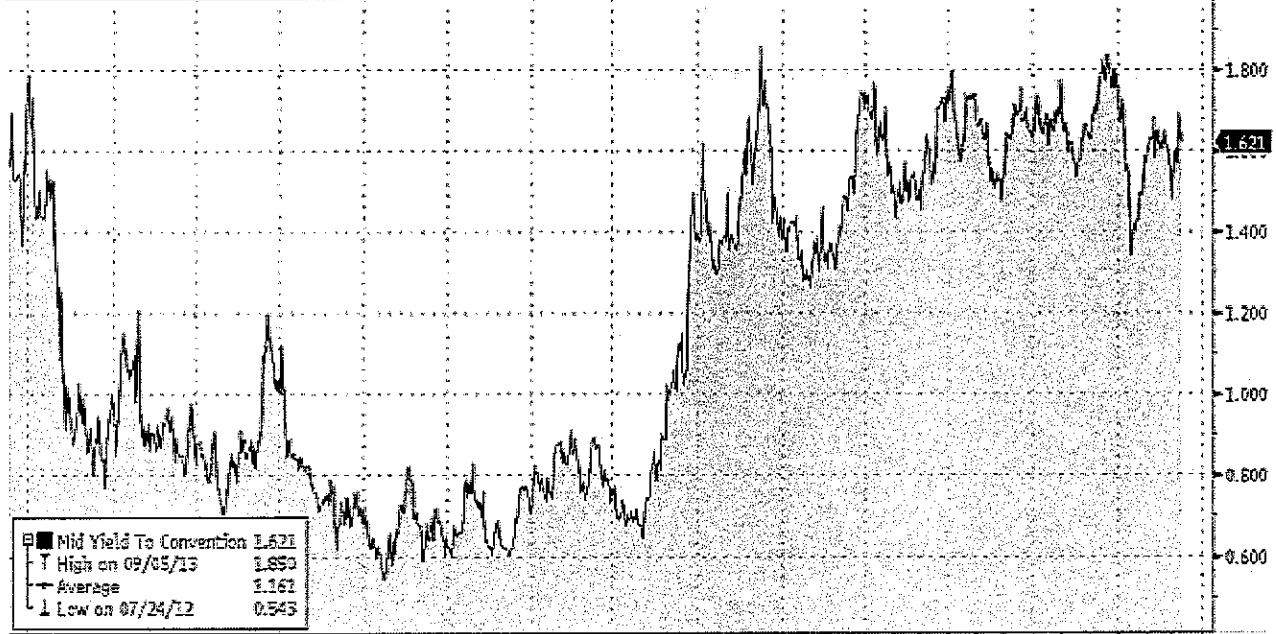


<HELP> for explanation.



T 1 1/2 11/30/19 199-13 3/4 + 06+ 99-13+ / 99-13 3/4 1.621 / 1.620 -- x --  
 At 14:59 Up 99-07 Hi 99-18 Lo 99-05 1/4 Prev 99-07 1/4 CBST

GT05 Govt	99 Save As	90 Actions	97 Edit	98 Table	Yield Chart
06/10/2011 - 12/09/2014	Yld Wst		Compare	Nov. Avgs	No Lower Chart
1D 3D 1M 6M YTD 1Y 5Y Max Daily					USD
					Security/Study
					Event



2011 2012 2013 2014  
 Australia 61 2 9777 8500 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2014 Bloomberg Finance L.P.  
 SN 798139 CST GMT-5:00 6946-847-2 09-Dec-2014 14:59:53

I, Stan McEvoy, Secretary of Kansas Workers Risk Cooperative for Counties (KWORCC), hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 22<sup>nd</sup> day of January, 2015 at which a quorum was present:

**RESOLUTION # 2015-07**


WHEREAS the KWORCC has determined that the financial statements and financial reports to be prepared for the year ending December 31, 2014, if prepared in conformity with the requirements of K.S.A. 75-1120a(a) will not be relevant to the requirements of the cash basis and budget basis laws of this state and are of no significant value to the Board of Trustees, members of the general public, or members of KWORCC;

WHEREAS there are no revenue bond ordinances or other ordinances or resolutions of the KWORCC that would require financial statements and financial reports to be prepared in conformity with K.S.A. 75-1120a(a) for the year ending December 31, 2014;

NOW, THEREFORE BE IT RESOLVED, by the Board of Trustees of KWORCC, in its regular meeting duly assembled this 22<sup>nd</sup> day of January, 2015, that the Board of Trustees waives the requirements of K.S.A. 75-1120a(a) as they apply to KWORCC for the year ending December 31, 2014.

BE IT FURTHER RESOLVED that the Board of Trustees shall cause the financial statements and financial reports of KWORCC to be prepared on the statutory basis of accounting as promulgated by rules and regulations of the Kansas Insurance Commissioner.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 22<sup>nd</sup> day of January, 2015.

  
Stan McEvoy, Secretary