

## **Osenbaugh Personal Services Agreement**

### **AMENDMENT, August 22, 2014**

The Personal Services Agreement between KMIT and Don Osenbaugh (original, effective date of 12-21-12, attached) was amended by unanimous action of the KMIT Board of Trustees, on August 22, 2014 (see attached minutes).

Per that amending action, the contract amounts of the original agreement become as follows:

September 1, 2014 through December 31, 2014: \$7,280/mo

January 1, 2015 through December 31, 2015: \$7,480/mo

January 1, 2016 through December 31, 2016: \$7,680/mo

January 1, 2017 through December 31, 2017: \$7,880/mo

## Personal Services Agreement

This Personal Services Agreement (Agreement) is entered into this 21<sup>st</sup> day of December, 2012, by and between Kansas Municipal Trust (hereinafter called "KMIT" (Corporation), and Donald Osenbaugh, or any prospective corporation or partnership of which Mr. Osenbaugh is a principal or partner, an independent contractor (Contractor), in consideration of the mutual promises made herein, as follows:

### RECITALS

#### Term of Agreement

This Agreement will become effective on the 1st day of January, 2013, and will continue in effect until: December 31, 2017.

#### Scope of Services to be Rendered by Contractor

Contractor agrees, concerning participation by Kansas Municipalities in KMIT insurance programs, to act as the Pool Administrator and to facilitate: Marketing, retention of participants, general administration (renewals, record-keeping, contracting, etc.), oversight of operations, coordination of services with TPA (IMA), financial management, (banking, coordinating with auditors, payroll auditors, actuaries, etc.), regulatory compliance, production of training seminars and materials, publishing of newsletters, and maintaining an organization website, raising awareness of KMIT and KMIT programs by the representation of KMIT through attendance at professional conferences, by participation in industry organizations (ex. KSIA), and speaking at industry seminars.

#### Compensation

In consideration for the services to be performed by Contractor, KMIT agrees to pay Contractor monthly, adjusted annually as indicated, for services performed according to the following schedule:

January 1, 2013	\$6,300.00/monthly
January 1, 2014	\$6,500.00/monthly
January 1, 2015	\$6,700.00/monthly
January 1, 2016	\$6,900.00/monthly
January 1, 2017	\$7,100.00/monthly

#### Tools and Instruments

Contractor will supply office space, insurance, tools, equipment, and all supplies required to perform the services under this Agreement.

#### Non-Exclusive Relationship

Contractor may, unless there is a conflict of interest, offer his services regarding similar services to other businesses, organizations, or to the public generally. It is the expectation of the parties that KMIT will not be the Contractor's sole client or customer.

#### Employees

Contractor may, at his discretion, hire employees to assist him in the completion of services under this contract. Contractor agrees that all legal requirements, including but not limited to, insurance, bonding, adherence to government regulations, and taxation issues shall be the sole responsibility of the Contractor.

#### Insurance

Contractor agrees to maintain a policy of insurance in the minimum amount of One Million Dollars (\$1,000,000) to cover any negligent acts committed by Contractor or Contractor's employees or agents during the performance of any duties under this Agreement. Contractor further agrees to hold Corporation free and harmless from any and all claims arising from any such negligent act or omission.

#### Reimbursements

Contractor will be reimbursed for all personal expenses associated with the operations of the pool, including, but not necessarily limited to: business mileage at the IRS rate; lodging and meals; marketing expenses; miscellaneous office supplies; Expenses associated with the pool administrator's attendance at various "in-state" professional conferences and seminars pertaining to "city" and pool affairs such as KSGFOA, CCMFOA, KACM, etc. and expenses related to professional boards and committees at which the pool administrator directly represents KMIT like PRIMA, KSIA, etc. will also be reimbursed. In all cases, the current KMIT President shall approve all reimbursements submittals.

Contractor will not be reimbursed for office space, cell phone purchase or usage, or for any office equipment used in conjunction with the operation of the pool. Attendance at national conferences is also not considered a reimbursable expense, unless Contractor is specifically requested by the Board of Trustees to attend such a conference as a representative of KMIT.

All reimbursed expenses shall be added to the 1099 IRS statement provided to Contractor at the end of each year.

This agreement presumes that the current KMIT President has the authority to approve reimbursable expenses which may come up which are not specifically contemplated in this agreement, but which, in the judgment of the President, fall within the intent of those allowable area listed above.

#### Obligations of Corporation

Corporation agrees to meet the terms of all reasonable requests of Contractor necessary to the performance of Contractor's duties under this Agreement.

#### Assignment

Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Corporation or Contractor without the prior written consent of Contractor and Corporation.



Termination of Agreement.

Notwithstanding any other provisions of this Agreement, either party hereto may terminate this Agreement at any time by giving 6 months written notice to the other party.

GENERAL PROVISIONS

Notices

Any notices to be given hereunder by either party to the other may be effected either by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing in the introductory paragraph of this Agreement, but each party may change that address by written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated as of the date of actual receipt; mailed notices shall be deemed communicated as of three (3) days after the date of mailing.


Entire Agreement

This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the performance of services by Contractor for Corporation, and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any parties, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing signed by the party to be charged.

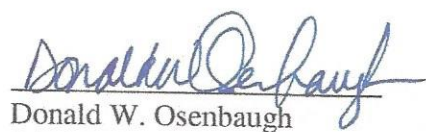
Partial Invalidity

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

Governing Law This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas.

  
Larry Paine, KMIT President  
118 E. Grand  
Hillsboro, KS 67063

Date: 12/21/2012



Donald W. Osenbaugh  
1631 E. James St.  
Derby, KS 67037

Date: 12/21/2012

# KANSAS MUNICIPAL INSURANCE TRUST

## Board of Trustees Minutes from August 22, 2014

*Approved in Wichita on October 12, 2014*

**Meeting Convened:** Friday, August 22, 2014 in Marysville City Hall, Marysville, KS. The meeting was called to order by KMIT Treasurer Keith Schlaegel at 9:14 AM (CDT). Marysville Mayor Bill Phillipi gave a nice welcome to the group.

**Members Present:** *Board Members Present:* Treasurer Keith Schlaegel (Stockton), Immediate Past President Larry Paine (Hillsboro), Debbie Price (Marysville), Tim Hardy (Elkhart), Michelle Stegman (Garden City), Tim Vandall (Ellsworth), Fred Gress (Parsons), Megan Fry (Pittsburg), and Randy Frazer (Moundridge). *Staff:* Paul Davis (IMA), Jaci Davis (IMA), Renee Rhodes (IMA), Gene Miller (IMA), Jess Cornejo (IMA), Deanna Furman (IMA), and Don Osenbaugh (KMIT Pool Administrator). *Guests:* None.

**Members Absences From Meeting:** President Herb Llewellyn (El Dorado). One Trustee position is vacant.

**Minutes, June 27, 2014 (Roeland Park):** Motion to approve as written by Paine; second by Frazer. Approved unanimously.

### **Financial Reports:**

- a. June 30, 2014 Financials
- b. July 31, 2014 Financials
- c. Second Quarter 2014 KID Report
- d. July 31, 2014 Cash Summary

Motion to approve all of the above reports made by Paine, seconded by Gress. Approved unanimously.

**Reserve Advisory and Settlement Authority:** Miller gave a brief update on the recent major injury events in Russell and Lucas.

Upon a motion by Paine and a second by Hardy, the Board unanimously *re-approved* three Roeland Park (6/27/14) claims ( 8/22 agenda items 1, 2 and 5), which were not fully documented earlier.

Miller then reported on the following claims—

1. Claim #2012044260. Settlement request approved unanimously upon a motion by Hardy and second by Stegman. Full and final authority of up to \$20,000.
2. Claim #2013046062. Settlement request approved unanimously upon a motion by Vandall and second by Hardy. Full and final authority of up to \$20,000.
3. Claim #2013046286. Settlement request approved unanimously upon a motion by Paine and second by Price. Full and final authority of up to \$18,183.
4. Claim #2013047392. Settlement request approved unanimously upon a motion by Paine and second by Gress. Full and final authority of up to \$33,415.18.
5. Claim #2013045740. Settlement previously approved by Pool Administrator. Authority up to \$10,000.



6. Claim #2013045671. Settlement previously approved by Pool Administrator. Authority up to \$9,576.
7. Claim #2013046295. Settlement previously approved by Pool Administrator. Authority up to \$7,382.06.
8. Claim #2011042336. Settlement request approved unanimously upon a motion by Hardy and second by Vandall. Authority up to \$12,500.

**Loss Control Activities:** Rhodes reported on loss control activities.

**'LCM' (Rate) Review/2015 Rate Determination:** After the annual review of the variables and data related to the financial condition of KMIT, the Board voted unanimously to leave the Loss Cost Multiplier where it is for 2015. The KMT rate for 2015 will be 1.40. The motion was made by Hardy and seconded by Gress.

**CORnerstone (IMA) Contract Renewal, for 2015:** P. Davis presented the contract proposal of CORnerstone. The Board unanimously agreed to the changes requested, including: (1) the limits on decision-making on settlement. The adjuster's authority limit was increased to \$10,000, and the Pool Administrator's limit was raised to \$20,000. The Board will decide on all settlements over \$20,000; (2) The annual fee for services was increased by 5%, to \$530,000. Motion by Gress; second by Price.

**Nomination Committee Report:** On behalf of the committee, Schlaegel presented the list of nominees to fill the eight Trustee positions open for replacement/renewal. The four nominees who would be new to the Board include: Ty Lasher (Bel Aire City Manager, who served on the board for one term a few years ago, when he was with the City of Cheney), Kerry Rozman (Clay Center City Clerk), Nathan McCommon (Tonganoxie City Administrator), and David Dillner (Abilene City Manager). The four 'returning' nominees are Schlaegel, Frazer, Hardy and Fry.

**2015 Board Meeting Sites/Dates:** Osenbaugh discussed a draft list of meeting places and dates for 2015. He also announced that the December 2014 meeting is being moved to Wichita (WSU Student Union), following the recent decision by Llewellyn to retire from the Board.

**Staff Reports:** Osenbaugh gave a brief report covering current staff activities and the upcoming annual meeting.

**Closed Session:** Schlaegel requested a closed session, with only the Board in attendance. Stegman made that motion, seconded by Paine, and unanimously approved. That session began at 11:27 and ended at 11:37. At 11:38, the Board entered another closed session, with Osenbaugh present. Motion by Stegman; second by Paine. Osenbaugh exited at about 11:45. That closed session ended at 11:48.

Paine made a motion to increase Osenbaugh's contract by 12%, effective September 1. Second by Hardy. Unanimously approved.

**Adjournment:** Motion made by Gress to adjourn; seconded by Vandall. Approved unanimously. The meeting was adjourned at 11:50.