



City of Dublin

**Office of the City Manager**

5200 Emerald Parkway • Dublin, OH 43017-1090  
Phone: 614-410-4400 • Fax: 614-410-4490

# Memo

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**To:** Members of Dublin City Council  
**From:** Dana L. McDaniel, City Manager   
**Date:** September 8, 2016  
**Initiated By:** Ron Whittington, Risk Manager  
**Re:** Resolution No. 49-16 – New Central Ohio Risk Management Association Member

## Background

Attached for your consideration is Resolution No. 49-16 authorizing the addition of the City of Bexley, Ohio as a new member of the Central Ohio Risk Management Association (CORMA). CORMA is the joint self-insurance pool formed under Chapter 2744 of the Ohio Revised Code of which the City of Dublin has been a member since its inception in 1997. For the past 19 years, CORMA has provided cost effective property and liability insurance services to its membership, which, in addition to the City of Dublin, includes the Cities of Westerville, Upper Arlington, Pickerington, Powell, Grove City, Groveport and Canal Winchester.

Through the assistance of CORMA's Pool Administrator (Wichert Insurance Services), the CORMA Board of Trustees has determined that it would be advantageous for CORMA to expand its membership, on a selective basis, to other cities they believe have like risk management interests and priorities and would be a good fit for the current CORMA membership. The main benefits of expanding the membership include spreading the risk over a larger base of like exposures which makes CORMA more attractive to excess carriers. The CORMA Board has established a membership committee that has engaged in the process of identifying a list of prospects based on certain common attributes. The entities that have been identified on this prospect list are financially strong cities with a reputation for professional local government management and a commitment to sound risk management practices.

In order to accomplish CORMA's objective of adding quality members, approval must be obtained by a two-thirds majority of the currently member cities' governing bodies. In that regard, Article V, paragraph (i) of the CORMA ByLaws (attached) requires that new members first be approved by at least two-thirds of the CORMA Board of Trustees, followed by the approval, by resolution, of at least two-thirds of the current membership's City Councils. The CORMA Board of Trustees has unanimously approved the addition of the City of Bexley as a new member of CORMA, thus advancing the new membership process to the second stage of the process requiring approval by at least two-thirds of the current membership's City Councils.

CORMA's Pool Administrator, Wichert Insurance Services, has completed an analysis of the property and liability exposure of the City of Bexley and has determined that it presents a risk profile that is appropriate for membership in CORMA.

Accompanying this memo are two exhibits (“Exhibits A & B”) labeled “CORMA 2016 - 2017 Exposure Allocation Including Bexley.” (Exhibit A shows the exposure allocation for the current CORMA membership including Bexley, while Exhibit B shows the fee allocation and funding methodology for CORMA.) As noted in these exhibits, the factors determining each entity’s proportionate share of the risk include the following:

- Population
- Number of Full-Time Police Officers
- Property Values
- Titled Vehicles
- Ratable Expenditures
- Loss Experience

Each of the first five factors are weighted at 15 percent, respectively, while the Loss Experience factor is weighted at 25 percent. One thing to note on “Exhibit B” is that the proportionate share assigned to the City of Bexley is 4.37 percent. Given the relative size and complexity of their operations, Bexley does not represent a significant increase in exposure for the current CORMA membership.

### **Recommendation**

Staff recommends the adoption of Resolution No. 49-16 at the September 12, 2016 Council meeting.

Attachments

# RECORD OF RESOLUTIONS

Resolution No. 49-16

Passed \_\_\_\_\_,

**A RESOLUTION AUTHORIZING THE ADDITION OF A NEW MEMBER TO THE CENTRAL OHIO RISK MANAGEMENT ASSOCIATION (CORMA), PURSUANT TO ARTICLE V, PARAGRAPH (I), OF THE CENTRAL OHIO RISK MANAGEMENT ASSOCIATION BY LAWS.**

**WHEREAS**, pursuant to Article V, paragraph (I) of the Central Ohio Risk Management Association (CORMA) Board Bylaws, the CORMA Board of Trustees has unanimously recommended the addition of the City of Bexley, Ohio for membership in the Central Ohio Risk Management Association; and

**WHEREAS**, Section V, paragraph (I) of the Central Ohio Risk Management Association (CORMA) Bylaws requires that said Board of Trustees' recommendation be approved by at least two-thirds of the City Councils of the current CORMA membership.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Dublin, State of Ohio, \_\_\_\_\_ of the elected members concurring, that:

Section 1. The addition of the City of Bexley, Ohio as a new member of CORMA is hereby approved.

Section 2. This resolution shall take effect upon passage in accordance with Section 4.04 (a) of the Revised Charter.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, 2016

\_\_\_\_\_  
Mayor – Presiding Officer

Attest:

\_\_\_\_\_  
Clerk of Council

# **Central Ohio Risk Management Association (CORMA)**

## **Bylaws**

### **Article V. Paragraph (i)**

An approving Resolution passed by governing bodies of at least two-thirds (2/3) of the Members after recommendation by two-thirds (2/3) of the Board of Trustees shall be required for the following matters:

- (1) Admission of New Members
- (2) Amendment of these Bylaws.

Exhibit A

*CORMA 2016-2017 Allocation  
Including Bexley*

Exposures 2016	Population	# FT Officers	Property Values	Titled Vehicles	Ratable exp	4+ yrs experience
Dublin	43,703	86	\$105,600,882	281	\$26,555,101	\$632,562
Pickerington	19,085	28	\$50,298,575	67	\$4,053,167	\$227,072
Upper Arlington	34,223	48	\$48,366,125	181	\$19,559,260	\$242,944
Westerville	37,073	85	\$121,940,530	239	\$30,196,495	\$351,429
Grove City	36,079	63	\$51,764,867	109	\$10,026,715	\$192,343
Powell	12,681	19	\$12,760,585	29	\$2,753,851	\$120,779
Groveport	5,505	24	\$20,074,477	59	\$5,884,060	\$171,083
Canal Winchester	7,543	0	\$36,383,889	33	\$1,435,938	\$66,680
Bexley	13,517	31	\$26,372,401	46	\$3,929,000	\$10,432
<b>Totals</b>	<b>209,409</b>	<b>384</b>	<b>\$473,562,331</b>	<b>1,044</b>	<b>\$104,393,586</b>	<b>\$2,015,324</b>

Share 2016	Population	# FT Officers	Property Values	Titled Vehicles	Expenditures	Experience	TOTALS
Dublin	20.87%	22.40%	22.30%	26.92%	25.44%	31.39%	<b>25.53%</b>
Pickerington	9.11%	7.29%	10.62%	6.42%	3.88%	11.27%	<b>8.42%</b>
Upper Arlington	16.34%	12.50%	10.21%	17.34%	18.74%	12.05%	<b>14.28%</b>
Westerville	17.70%	22.14%	25.75%	22.89%	28.93%	17.44%	<b>21.97%</b>
Grove City	17.23%	16.41%	10.93%	10.44%	9.60%	9.54%	<b>12.08%</b>
Powell	6.06%	4.95%	2.69%	2.78%	2.64%	5.99%	<b>4.37%</b>
Groveport	2.63%	6.25%	4.24%	5.65%	5.64%	8.49%	<b>5.78%</b>
Canal Winchester	3.60%	0.00%	7.68%	3.16%	1.38%	3.31%	<b>3.20%</b>
Bexley	6.45%	8.07%	5.57%	4.41%	3.76%	0.52%	<b>4.37%</b>
<b>Totals</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Prepared By: Wichert Insurance  
Date: August 17, 2016



**Exhibit B**

**CORMA GA-Travelers 2016-17 Fees and Allocation -  
With Bexley (\$150,000 SIR)  
Funding \$630,000 of \$782,636 Loss Fund  
Using Current Methodology (25% Weight on Claims/15% All Other Factors)**

	Dublin	Pickerington	Upper Arlington	Westerville	Grove City	Powell	Groveport	Canal Winchester	Bexley	Total
<b>Great American/Travelers</b>	\$238,297	\$78,592	\$133,289	\$205,068	\$112,754	\$40,789	\$53,950	\$29,869	\$40,789	<b>\$933,398</b>
<b>Travelers Boiler</b>	\$9,747	\$3,215	\$5,452	\$8,388	\$4,612	\$1,668	\$2,207	\$1,222	\$1,668	<b>\$38,179</b>
<b>Administration Fee</b>	\$33,304	\$10,984	\$18,628	\$28,660	\$15,758	\$5,701	\$7,540	\$4,174	\$5,701	<b>\$130,450</b>
<b>Actuarial Fee</b>	\$1,532	\$505	\$857	\$1,318	\$725	\$262	\$347	\$192	\$262	<b>\$6,000</b>
<b>Audit / Accounting</b>	\$1,404	\$463	\$785	\$1,208	\$664	\$240	\$318	\$176	\$240	<b>\$5,500</b>
<b>Claims Administration</b>	\$12,765	\$4,210	\$7,140	\$10,985	\$6,040	\$2,185	\$2,890	\$1,600	\$2,185	<b>\$50,000</b>
<b>Loss Fund*</b>	\$160,839	\$53,046	\$89,964	\$138,411	\$76,104	\$27,531	\$36,414	\$20,160	\$27,531	<b>\$630,000</b>
										<b>\$1,793,527</b>
<b>TOTALS</b>	<b>\$457,887</b>	<b>\$151,015</b>	<b>\$256,116</b>	<b>\$394,038</b>	<b>\$216,658</b>	<b>\$78,377</b>	<b>\$103,666</b>	<b>\$57,393</b>	<b>\$78,377</b>	<b>\$1,793,527</b>
<b>Percentages</b>	<b>25.53%</b>	<b>8.42%</b>	<b>14.28%</b>	<b>21.97%</b>	<b>12.08%</b>	<b>4.37%</b>	<b>5.78%</b>	<b>3.20%</b>	<b>4.37%</b>	<b>100.00%</b>

