City of Dublin

Office of the City Manager
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Memo

To: Members of Dublin City Council

From: Dana L. McDaniel, City Manager

Date: June 8, 2017

Initiated By: Ron Whittington, Risk Manager

Re: Resolution No. 47-17 – New Central Ohio Risk Management Association Member

Background

Attached for your consideration is Resolution No. 47-17, authorizing the addition of the City of Grandview Heights, 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 20 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. Within the past year, 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 current 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 Grandview Heights 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 exposures of the City of Grandview Heights and has determined that that this city presents a risk profile that is appropriate for membership in CORMA. Attached for your reference are charts from the Pool Administrator providing further allocation perspectives to assist the CORMA Board in this process of adding a new member and the assessment of the risk exposures of Grandview Heights when expanding the CORMA membership. Three major advantages cited in this memo are lower fixed costs for each current member of the Pool (i.e. pool administration, actuarial, and accounting fees); spreading the risk over a larger base of like exposures; and making CORMA more attractive to excess insurance carriers.

Accompanying this memo are two exhibits ("Exhibits A and B") labeled "CORMA 2016 - 2017 Exposure Allocation Including Grandview Heights." (Exhibit A shows the exposure allocation for the current CORMA membership including Grandview Heights, 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%, respectively, while the Loss Experience factor is weighted at 25%. One thing to note on "Exhibit B" is that the proportionate share assigned to the City of Grandview Heights is 3.13 %. Given the relative size and complexity of their operations, Grandview Heights does not represent a significant increase in exposure for the current CORMA membership.

It should be noted that at this time, Grandview Heights has already been accepted into CORMA, as over two-thirds majority of the member cities have approved authorizing legislation. Along with the City of Westerville, staff from the City of Dublin decided to delay requesting legislative approval until Grandview Heights was certain of their decision to join CORMA. Unfortunately, the timing of their decision to join, coupled with the Dublin City Council meeting schedule did not allow for City Council to approve this legislation earlier. While it is staff's goal to prepare for City Council's consideration legislation in advance so that Dublin's approval/disapproval is relevant, we are cautious to not ask Council to act on legislation regarding the approval of new members to CORMA that may ultimately decide not to join the group. Oftentimes, this decision is made by the prospective entity very close to their insurance renewal date, leaving little time for the member communities. However, staff does believe that it is important that Dublin City Council's records, as well as CORMA's records, reflect the City's consideration of Grandview Heights.

Recommendation

Staff recommends the adoption of Resolution No. 47-17 at the June 12, 2017 Council Meeting.

Attachments

RECORD OF RESOLUTIONS

Dayton Legal Blank, Inc., Form No. 30045

Resolution No. 47-17 Passed _____, 20____

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

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 Grandview Heights, 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 Resolution) by at least the 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, _____ members concurring that:

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

Section 2. This resolution shall take effect and be in force upon passage pursuant to Section 4.04 (a) of the Revised Charter.

Passed this _____ day of _____, 2017.

_____
Mayor – Presiding Officer

Attest:

_____
Clerk of Council

AFFIDAVIT

STATE OF OHIO :
: SS
COUNTY OF FRANKLIN :

The undersigned, having been duly cautioned and sworn, hereby depose and state the following:

1. The undersigned is the City Manager of the City of Upper Arlington, a Member of CORMA Self-Insurance Pool, Inc. ("CORMA"), an Ohio corporation, incorporated on September 24, 1997.

2. The City of Upper Arlington has been a Member of CORMA since its inception, executing a duplicate, original counterpart to the Agreement and Bylaws at said inception pursuant to the authority granted in page 21 of the same together with the other founding Members, being the City of Dublin and the City of Westerville.

3. Any and all other records evidencing Upper Arlington's duly signed and executed duplicate, original counterpart of the Agreement and Bylaws have either been lost or destroyed.

4. This affidavit shall serve to authorize, approve, adopt, ratify, confirm, and deem prudent and in the best interest of CORMA and Upper Arlington all actions taken by CORMA and its Members in reliance of the duly executed duplicate, original counterpart.

5. The City of Upper Arlington hereby submits the following duplicate, original counterpart, duly signed and executed, made effective October 1, 1997, attached hereto as Exhibit "A."

6. The foregoing statements are made based upon the personal knowledge of the undersigned City Manager and are true, correct, and complete to the best of the undersigned's knowledge.

FURTHER AFFIANT SAYETH NAUGHT.

City of Upper Arlington:

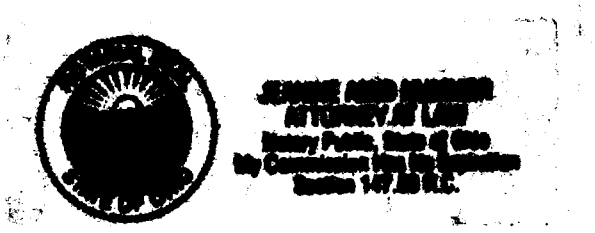
By Virginia Barney
Virginia Barney, City Manager

Sworn to and subscribed before me, a Notary Public in and for said County and State, by Virginia Barney, City Manager of the City of Upper Arlington, this 10th day of September, 2009.

Jeannie Hummer
Notary Public

My commission expires no exp

Approved to form:



Jeanine Hummer
City Attorney

EXHIBIT A

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and executed this Agreement and Bylaws, made effective the 1st day of October, 1997, in Franklin County, Ohio, pursuant to the authority of ordinances or resolutions as hereinafter certified.

Approved as to Legal Form

By: Jeanine Hummer
Jeanine Hummer, City Attorney

CITY OF UPPER ARLINGTON

By: Virginia Barney
Virginia Barney, City Manager

Pursuant to Ordinance No. 89-97

Passed on August 25, 1997

CERTIFICATION

I certify that the money required to meet this contract has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit to this fund free from any previous obligation or certification as required by Ohio Revised Code §§ 5705.01 to 5705.47.

Catherine Armstrong, Finance Director

AGREEMENT AND BYLAWS

CORMA SELF-INSURANCE POOL, INC.

(A Central Ohio Risk Management Association

and Self-Insurance Pool for Political Subdivisions)

Effective October 1, 1997

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AGREEMENT OF AND BYLAWS OF
CORMA SELF-INSURANCE POOL, INC.
(A Central Ohio Risk Management Association
and Self-Insurance Pool)

ARTICLE I PURPOSE:

The purpose of this Agreement is to establish and maintain a Joint Self-Insurance Pool under Chapter 2744.081 of the Ohio Revised Code and under contract with a nonprofit corporation for administration of the Pool (to be known as CORMA SELF-INSURANCE POOL, INC. and also referred to as the "Association") for the public purpose of enabling the subscribing political subdivisions to obtain insurance coverage, to provide methods for paying claims and to provide for a formalized, jointly administered Self-Insurance fund for its Members. Membership in the Pool and the Association is intended to enable Members to take advantage of any economies to be realized from an insurance pool and to provide more Member control over claims than is normally available with traditional insurance coverage. This Agreement shall constitute the Joint Self-Insurance Pool and shall also constitute the Bylaws of the Association and an Agreement between the Joint Self-Insurance Pool and the Association. A copy of the Articles of Incorporation of CORMA SELF-INSURANCE POOL, Inc. is attached hereto as Appendix A and is incorporated herein.

As set forth in this Agreement and Bylaws, the Members of the Joint Self-Insurance Pool shall also be Members of the Association and the Members shall appoint the Board of Trustees of the Association.

The Association shall utilize funds contributed by the Members to defend and protect the Members against stated liability or loss and to otherwise do all things necessary to fulfill its purposes and exercise its powers on behalf of the Members as set forth in this Agreement and Bylaws, the Laws of Ohio governing nonprofit corporations and Joint Self-Insurance Pools and such other powers and duties as may be assigned to it by the Members. Included within its powers and obligations is the right to purchase Specific Excess Insurance (as is hereafter defined) and Annual

Aggregate Stop Loss Insurance (as is hereafter defined) to supplement the Joint Self-Insurance Pool funds.

All funds contained within the Joint Self-Insurance Pool shall be funds directly derived from its Members which are political subdivisions within the State of Ohio. It is the intent of the Parties in entering into this agreement that, to the fullest extent possible, the scope of Risk Management undertaken by them through a Joint Self-Insurance Pool using governmental funds shall not waive, on behalf of any political subdivision or public officials or employees, any defenses or immunities provided to public subdivisions or their officials or employees under Ohio law. Specifically, the Members of this Pool and/or Association intend to effect no waiver of immunities through their contribution of public funds retained within the Joint Self-Insurance Pool and not used to purchase Specific Excess Insurance or Annual Aggregate Stop Loss Insurance policies. It is further intended by the Parties that the Association shall make no profit and that the funds contributed by the Members and utilized by the Association to fulfill its purposes and obligations shall not be considered income to the Association.

ARTICLE II. DEFINITIONS:

As used in this Agreement, the following terms shall have the meaning hereinafter set out:

ANNUAL AGGREGATE STOP LOSS INSURANCE - Insurance purchased by the Association on behalf of the Members and Joint Self-Insurance Pool providing coverage for that portion of a valid claim to be paid from the Self-Insurance Fund and not covered by Specific Excess Insurance in the event that a series of claims in any year exceeds the maximum aggregate amount in the Self-Insurance Fund as established by the Board of Trustees.

ASSOCIATION - A nonprofit corporation known as CORMA SELF-INSURANCE POOL, Inc. created pursuant to the Agreement and pursuant to Chapter 1702 of the Ohio Revised Code for the purpose of administering the Joint Self-Insurance Pool. This Agreement and Bylaws shall constitute and become the initial Bylaws of the Association.

BOARD OF TRUSTEES - Those persons who, from time to time, are duly appointed and serving as the Board of Trustees of the Association and having the powers and duties described in Article V of this Agreement and Bylaws.

CLAIMS ADMINISTRATOR - A person or group of persons, under the supervision of the Executive Director, who are employed either as employees or independent contractors to administer the claims made against the Members and other duties which may be assigned by the Board of Trustees.

EXECUTIVE DIRECTOR - A person or group of persons designated by the Association to perform certain duties related to Risk Management and administration of claims made against the Members. The President of the Association shall perform the duties of the Executive Director unless otherwise assigned or delegated by the Board of Trustees.

JOINT SELF-INSURANCE - A Self-Insurance program in which political subdivisions agree to contribute annual and, where required, Supplementary Payments to support a Risk Management program, a Joint Self-Insurance Pool and administration of a Joint Self-Insurance Pool.

JOINT SELF-INSURANCE POOL or POOL- A legal entity established pursuant to Section 2744.081 of the Ohio Revised Code by the Members for the public purpose of enabling the Members to obtain insurance or to provide for a formalized, jointly administered Self-Insurance fund for its Members.

MEMBERS - The Political Subdivisions which initially subscribe to or such political subdivisions as later enter into the intergovernmental Joint Self-Insurance Pool established by this Agreement and which shall be Members of CORMA SELF-INSURANCE POOL, Inc. until Termination of membership as hereinafter provided.

POOL CONTRIBUTION FACTOR - Each Member's required portion of the costs of and the contributions to the Joint Self-Insurance Pool and the Association expressed as a percentage of total costs and contributions. The procedure to be used and the items to be considered in determining a Pool Contribution Factor for each Member together with the initial Pool Contribution Factors for each member are set forth in Appendix B. The Members' Pool Contribution Factors shall be reviewed and adopted as part of the annual Association budget in June of each year.

REGULAR ANNUAL PAYMENT - The total annual contribution computed using the relevant Pool Contribution Factor of each Member set forth and established in the annual Association budget for any particular fiscal year for payment of all estimated costs, whether fixed, variable or otherwise classified, regardless of the amount billed or paid therefore.

RISK MANAGEMENT - A program attempting to reduce or limit casualty losses to political subdivision properties and injuries to persons or property caused by the operations of political subdivisions.

SELF-INSURANCE - The decision by a political subdivision not to purchase insurance coverage for risks below certain limits; to seek all immunities provided by Ohio law for a non-insured political subdivision; to rely upon its financial capabilities to pay any losses that

occur, and in the case of third-party claims that are held valid and not barred by available immunities, and to purchase some insurance to protect against catastrophic or aggregate losses.

SELF-INSURANCE FUND - The fund established by the Association for payment of Association self-insured claims.

SPECIFIC EXCESS INSURANCE - Insurance purchased by the Association on behalf of the Members and Joint Self-Insurance Pool providing certain coverage for losses exceeding the amount covered by Self-Insurance up to a maximum amount of coverage.

SUPPLEMENTARY PAYMENT - Payment(s) that may be required from the Members in addition to the Regular Annual Payment in order to provide additional monies for the Self-Insurance Fund or the Association's costs.

ARTICLE III. POWERS AND DUTIES OF THE ASSOCIATION

The powers of the Association to perform and accomplish the purposes set forth above and in its Articles of Incorporation shall, within the budgetary limits established, the procedures and provisions set forth in these Bylaws and the Articles of Incorporation of the Association, be the following:

(a) To retain independent contractors including, without limitation, attorneys, accountants and insurance service providers, and/or employ agents, or employees;

(b) To lease or purchase real property and to purchase or lease equipment, machinery, or personal property necessary for the carrying out of the purpose of the Association;

(c) To carry out educational and other programs relating to risk reductions;

(d) To oversee the collection of funds for, and to administer a Joint Self-Insurance Pool;

(e) To purchase Specific Excess Insurance and Annual Aggregate Stop Loss Insurance on behalf of and for the benefit of the Joint Self-Insurance Pool;

(f) To establish reasonable and necessary loss reduction and prevention procedures to be followed by the Members;

(g) To provide for the defense and settlement of claims;

(h) Solely within the budgetary limits established by the Members, to carry out such other activities as are necessarily implied or required to be carried out under the purposes of the Association specified herein, under Ohio law, or the Articles of Incorporation of the Association and to perform any and all other activities which are

not inconsistent with the provisions of Chapter 1702 and Section 2744.081 of the Ohio Revised Code, including without limitation, the exercise of all powers of the Joint Self-Insurance Pool and its Members authorized now or hereafter by Ohio Revised Code Chapter 2744, or otherwise.

ARTICLE IV. MEMBERSHIP; TERM OF MEMBERSHIP; COMMENCEMENT OF THE ASSOCIATION

(a) All initial Members of the Association, unless expelled as provided in Article XVI of these Bylaws, shall remain Members of the Association for a period of at least one (1) year after the Association has commenced its operations. After the initial one (1) year term, the Members may, as provided below, extend the term of the Association for additional terms, each term not to exceed one (1) year.

(b) So long as the Association continues to exist, any new Member joining the Association shall remain a Member for the remaining period of the then-current term. After the initial one (1) year term of the Association, any Member of the Association may withdraw from the Association at any term anniversary date upon ninety (90) days prior written notice. Such notice shall be addressed to the President of the Association and shall be accompanied by a resolution or ordinance of the governing body of the Member determining to withdraw from the Association. To the extent that there are surplus funds in the Association that are allocable to the withdrawing Member, the surplus funds shall be distributed to the withdrawing Member (after taking into account reserves for future liabilities pursuant to this Agreement).

(c) The Association will commence its term at 12:01 a.m. on October 1, 1997, if by that date the Councils of the three (3) initial Members have adopted resolutions or ordinances obligating the political subdivisions to join the Joint Self-Insurance Pool and the Association in accordance with these Bylaws and have executed and delivered this Agreement. After the date of commencement of the Association, new Members may only be admitted in the manner set forth in these Bylaws and upon such other terms and conditions as may be determined by the existing Members and the Board of Trustees.

ARTICLE V. BOARD OF TRUSTEES

(a) The Association shall have a Board of Trustees in accordance with Ohio nonprofit corporation laws. Each Member shall be entitled to two (2) Trustees and alternate representatives to serve if the Trustees appointed by that Member are unable to carry out his or her duties as Trustee. Each Trustee shall have one (1) vote. Unless otherwise designated by resolution or ordinance of council, the Trustees and alternates shall be the Members' chief administrative officer and/or his or her designee. Once such appointments are made known to the Association, the persons appointed shall remain in office until the Association receives evidence of the appointment of their successors. The Association shall be the judge of the proper appointment of Members of the Board of Trustees and alternates and in case of dispute shall utilize general principles of Ohio law. Trustees and alternate Trustees need not be elected officials of the Member.

(b) The Board of Trustees shall determine the policy of the Association to be followed by the Association officers, agents, employees and independent contractors. Among other duties, the Board of Trustees shall be responsible for:

(1) Hiring Association agents, employees, if any, and independent contractors, whose employment and contracts shall be at the will and pleasure of the Board of Trustees and subject to termination without cause, unless a term of employment or contract is otherwise specifically approved by the Board of Trustees;

(2) Setting compensation for all persons, firms and corporations employed by the Association;

(3) Setting fidelity bonding requirements for employees or other persons not otherwise provided for in these Bylaws;

(4) Recommending amendments to these Bylaws;

(5) Recommending approval of the acceptance of new Members;

(6) Expelling Members;

(7) Approving and amending the Association's annual budget;

(8) Resolving disputes over the scope of pooled Self-Insurance coverage provided by the Association;

(9) Approving educational and other programs relating to risk reduction;

(10) Approving reasonable and necessary loss reduction and prevention procedures to be followed by all Members;

(11) Approving Regular Annual Payments and Supplementary Payments for each Member;

(12) Establishing rules and regulations, as appropriate from time to time, regarding the payout of funds from the Pool, including the determination of persons who may settle claims against the Pool or Members and the monetary levels at which such persons may settle claims; and

(13) Performing such other duties as shall be necessary to carry out the Purposes of the Association under these Bylaws, the Articles of Incorporation, this Agreement and Ohio Law.

(c) Each Trustee shall be entitled to one (1) vote on the Board of Trustees except that the President shall have an additional vote in the event of a tie. Voting shall be conducted by voice vote. A roll call vote shall be required for those matters under the Bylaws that require a two-thirds (2/3) majority of all the Trustees on the Board for passage. A roll call vote shall also be required if one (1) or more Trustee requests a roll call vote.

(d) Trustees shall serve on the Board at the pleasure of, and for a term determined by, each Member's appointing authority. The failure of a Member to designate or appoint a Trustee or the failure of that Trustee to participate shall not affect the responsibilities or duties of a Member under this Agreement and Bylaws.

(e) The Board of Trustees shall have the authority to establish both standing and ad hoc committees. The President may also establish ad hoc committees that do not conflict with those established by the Board. Unless the Board of Trustees shall establish some other procedure, the selection of persons to serve on such committees and chair them shall reside with the President. The President may appoint persons who are not Trustees to serve on committees of the Association. The Board of Trustees may assign to a committee the authority to authorize the expenditure of funds and to settle claims or suits brought against Members within the scope of coverage provided by the Association. The Executive Director, President or Claims Administrator may also be granted such authority. The Board of Trustees may authorize the establishment of an Executive Committee. The Board of Trustees may grant the Executive Committee the authority to approve expenditures,

authorize settlement of claims and suits and take such other action as shall be specifically delegated to it.

(f) The Board of Trustees may establish rules governing its own conduct and procedure not inconsistent with these Bylaws.

(g) The presence of at least two-thirds (2/3) of the entire Membership of the Board of Trustees shall constitute a quorum. Except as provided in Subsections (h) and (i), herein, or elsewhere in these Bylaws, a simple majority vote of the Members present at the meeting at which a quorum is present shall be sufficient to pass upon all matters.

(h) A two-thirds (2/3) vote of the entire membership of the Board of Trustees shall be required for the following matters:

(1) Expulsion of a Member (see Article XVI herein).

(2) Establishment and Amendment of budgets or scope of loss coverage.

(3) Changes in a Member's deductible.

(4) Changes in a Member's required contribution to insurance premiums.

(5) Changes in a Member's required contribution to the loss fund.

(6) Returns to Members of unused loss funds.

(7) Changes in the Members' rate of contribution for administrative and insurance related services.

(8) Any establishment of or changes in a Member's pool contribution or Pool Contribution Factor.

(9) Calls for Supplementary Payments.

(10) Termination of the Association.

(11) Such other matters as the Board of Trustees by a two-thirds (2/3) vote may establish within its rules to require a two-thirds (2/3) vote.

(i) An approving Resolution passed by the 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.

(j) No one serving on the Board of Trustees shall receive any salary or other payment from the Association and any salary, compensation, payment or expenses for such representative, shall be paid by each Member separate from this Agreement. The aforesaid notwithstanding, the Association may reimburse Association officers for expenses incurred in pursuit of their duties as officers of Association upon approval by the Board of Trustees.

(k) A Trustee shall perform his or her duties as a Trustee, including duties as a member of any committee of the Board, in good faith, in a manner each reasonably believes to be in or not opposed to the best interests of the Pool, and with the care that an ordinary prudent person in a like position would use under similar circumstances. In performing his or her duties, a Trustee is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, that are prepared or presented by: (1) One or more Trustees, officers or employees of the Pool whom the Trustee reasonably believes are reliable and competent in the matters prepared or presented; and (2) Legal counsel, public accountants, actuaries, insurance experts or other persons as to matters that the Trustee reasonably believes are within the person's professional or expert competence.

ARTICLE VI. MEETINGS OF THE BOARD OF TRUSTEES

(a) Regular meetings of the Board of Trustees shall be held at least quarterly. The dates of regular meetings of the Board shall be established at the beginning of each fiscal year. Any item of business may be considered at a regular meeting. Special meetings of the Board of Trustees may be called by its President, or by any three Trustees. Seven (7) days written notice of special meetings shall be given to each Trustee and an agenda specifying the subjects to be considered shall accompany such notice. Business conducted at special meetings shall be limited to those items specified in the agenda.

(b) To the extent not contrary to these Bylaws, and except as modified by the Board of Trustees, Roberts Rules of Order, latest edition, shall govern all meetings of the Board of Trustees. Minutes of all regular and special meetings of the Board of Trustees and all committee meetings shall be sent to all Trustees.

(c) Notice of any meeting of the Board of Trustees may be waived in writing by any Trustee before or after any such meeting or by attendance at such meeting without protest prior to its commencement.

(d) Any action that may be taken at a meeting of the Board of Trustees may be taken by written resolution of the Trustees without a meeting as permitted by Ohio law.

ARTICLE VII. ASSOCIATION OFFICERS

The Association shall have a President, Vice President, Treasurer and Secretary and such other officers as may be determined necessary by the Board of Trustees. The office of Treasurer and Secretary may be held by the same person. The officers shall be elected annually by the Board of Trustees to hold office for a term of one (1) year. The Board shall fill any vacancies which may occur in such offices for the remainder of the term.

(a) The President of the Board of Trustees shall be the President and the Chief Administrative Officer of the Association and shall in general supervise and control the day-to-day operations of the Association and shall carry out the policy of the Association as established in these Bylaws and by the Board of Trustees. The President shall preside at all meetings of the Board or the Executive Committee at which the President is present. The President may request information from any officer of the Board or the Association or any employee or independent contractor of the Association. The President shall vote on all matters that come before the Board or Committees on which the President serves. The President shall be a nonvoting ex-officio Member of all committees of the Association on which the President does not directly serve. The President shall have such other powers as are set forth in these Bylaws and such other powers as he may be given from time to time by action of the Board. Without limitation, among his duties shall be the following:

1. He may sign, with such other person authorized by the Board of Trustees, any instruments which the Board of Trustees has authorized to be executed and, in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Trustees from time to time.

2. He shall prepare a proposed annual budget, proposed Regular Annual Payments to be made by the Members, and, where required, Supplementary Payments to be paid by the Members and shall submit such proposals to the Board of Trustees.

3. He shall, where necessary, make recommendations regarding policy decisions, the creation of other Association officers and the employment of agents and independent contractors. At each regular meeting of the Board of Trustees and at such other times as he shall be required to do so, he shall present a full report of his activities and the fiscal condition of the Association.

4. He shall report or cause reports to be made quarterly to all Members on all claims filed and payouts made.

5. He shall perform the duties of a Executive Director unless otherwise delegated by the Board of Trustees and he shall, within the constraints of the approved or amended budget employ all secretarial, clerical and other similar help and expend funds for administrative expenses.

(b) The Vice President shall carry out all duties of the President of the Board during the absence or inability of the President to perform such duties and shall carry out such other functions as are assigned from time to time by the President.

(c) The Treasurer or, at the direction of the Board, the Executive Director shall:

1. Have charge and custody of and be responsible for all funds and securities of the Association; receive and give all receipts for moneys due and payable to the Association from any source whatsoever; deposit all such moneys in the name of the Association in such banks, savings and loan associations or other depositories as shall be selected by the Board of Trustees; invest the funds of the Association as are not immediately required in such securities as the Board of Trustees shall specifically or generally select from time to time; and maintain the financial books and records of the Association; provided, however, that all investments of the Association funds shall be made only in those securities which may be purchased by the Association under Ohio or other applicable law and within policies established by the Board of Trustees.

2. In general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or the Board of Trustees.

(d) The Secretary, or his designee, shall keep the minutes of the meetings of the Board of Trustees in one or more books provided for that purpose; see that all notices of meetings are duly given in accordance with the provisions of these regulations, or as required by law, provided, however, that any persons calling such meetings may, at their options, themselves give such notice;

be custodian of the Corporate records; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board of Trustees.

(e) The Board may select a financial institution to carry out some or all of the functions which would otherwise be assigned to the Treasurer and may select a person or entity to serve as Claims Administrator and to make recommendations to the President, Executive Director, the Board or any committee of the Board regarding the settlement of claims, the annual budget, Regular Annual Payments and Supplementary Payments to be made by the Members and other matters as the Board or the President shall deem appropriate.

(f) The Association may purchase such fidelity bonds as the Board of Trustees determines to be appropriate to assure the fidelity of the President and Vice President of the Board, the Treasurer, the Secretary, and any other officer, committee member, or employee who shall have the right to authorize the transfer or payment of Association funds. Without amendment of these Bylaws, the Board of Trustees, by motion, may increase or decrease the amount of the bonds or the persons covered.

ARTICLE VIII. FISCAL YEAR, FINANCES AND RISK MANAGEMENT POOL

(a) The fiscal year of the Association shall commence on October 1 of each year and end on September 30 of the following year.

(b) The Board of Trustees shall approve a final budget for the administration of the Association during the upcoming fiscal year by September 1 of each year. Copies of the final budget shall be promptly mailed to each Trustee and to any additional persons designated by any Member. At the time of adopting a final budget, the Board shall also determine the amount of Regular Annual Payments to be made by each Member and the date or dates upon which payment is due. The budget for the first year of operations and the Regular Annual Payments to be made by each Member during the first year are set forth in the attached Appendix C. Failure of the Board of Trustees to approve a final budget within the time set forth in this Section shall not relieve the Members of the obligation to make Regular Annual Payments or Supplementary Payments to the Association as long as such budgets are finally adopted and the Members are given at least thirty (30) days after passage of the final budget in which to make payments to the Association.

(c) In subsequent years the Board of Trustees shall establish a Pool Contribution Factor for each Member in accordance with the procedure set forth in Appendix B. The Board may require Members to submit updated underwriting information or audited information for its review prior to establishing the Pool Contribution Factor. Written notice of this Pool Contribution Factor shall be delivered to each Member. If a Member wishes to contest the determination, it may request a hearing before the Board. The decision by the Board after such a hearing shall be final.

(d) Budgets, including the Regular Annual Payment for each Member, may be amended at any time by two-thirds (2/3) vote of the Board. Calls for Supplementary Payments may be made by the Board of Trustees. The Board may call for Supplementary Payments from Members, including withdrawn or expelled Members for the years of their membership. Members shall forward such Regular Annual Payments and Supplementary Payments within a time specified in notices to the Members, which time shall be not less than thirty (30) days. Supplementary Payments shall only be required by the Board of Trustees in a situation in which there is a reasonable concern that the sum remaining from the Regular Annual Payments will not be sufficient to meet the responsibilities of the Association. Members shall be responsible for Supplementary Payments during the entire life of the Association when claims or expenses must be paid that are attributable to any year of membership when the event out of which the expense or claim occurred.

(e) The Board of Trustees may permit the Regular Annual Payments or Supplementary Payments to be made on a periodic basis, as determined by the Board. The amount of such Regular Annual Payments and any Supplementary Payments required shall be based upon the Pool Contribution Factor established annually. The funds derived through application of the Pool Contribution Factor shall be sufficient to annually produce a sum of money within the Joint Self-Insurance Pool adequate in amount to fund the Administrative expenses of the Association and to create adequate reserves to pay losses not covered directly by the Member or by Specific Excess Insurance or Annual Aggregate Stop Loss Insurance.

(f) If all claims for any particular year have been paid or provided for, the Board of Trustees may, at its discretion, distribute all or part of the surplus funds to the Members who were Members of the Pool during that particular year; provided that such Members are also Members of the Pool in the year in which the distribution is made. The distribution of surplus funds, if any, shall be made after first deducting reasonable administrative and other non-allocated costs incurred or

projected to be incurred by the Association in the processing of those claims. The distribution among the Members shall be in the same proportion to the total as was their Regular Annual Payment for that year to the Regular Annual Payments of all Members. In lieu of distributing any such surplus funds to the Members, the Board may apply such surplus funds to the Member's Regular Annual Payment for subsequent years.

(g) The Association shall provide to the Members an annual audit of the financial affairs of the Association in accordance with generally accepted auditing standards. The audit shall be conducted by a certified public accounting firm. The annual audit report shall be delivered to each Member.

(h) The Association shall be provided with a report at least semiannually from all agents and independent contractors including attorneys with regard to the status of their work for the Association, problems encountered during the performance of their duties and recommendations for improvements in the performance of the Association including their efforts on the Association's behalf.

(i) As required by law or as otherwise determined necessary by the Board of Trustees, the Association shall, on an annual basis employ a person or company who, as an independent contractor, shall prepare an actuarial audit of the affairs of the Association. Such actuarial audit shall be authorized within a reasonable period of time after the end of each fiscal year. The entity chosen to carry out the actuarial audit shall be a member of the American Academy of Actuaries. The audit may be a part of the financial audit of the Association but shall specifically direct itself to the adequacy of the pooled funds maintained by the Association in relationship to claims made and those actuarially expected to be made in the future.

(j) The Board of Trustees shall cause an annual analysis to be made of the manner in which the pooled funds of the Association are invested, so as to reasonably assure their security and availability for the payment of claims and other expenses. An analysis shall also be made of the interest revenues produced by the investment of such funds, in order to determine if the investment has provided a reasonable return. In performing these analyses, national indices or other similar standards for the investment return on funds invested on behalf of public bodies shall be utilized. Unless the Board of Trustees specifically directs that these analyses be conducted in another manner, they shall be carried out in the manner chosen by the President.

ARTICLE IX. SCOPE OF LOSS PROTECTION

In addition to the Self-Insurance Fund, the Association shall provide loss protection within the terms of the Specific Excess Insurance and Annual Aggregate Stop Loss Insurance policies held from time to time by the Association for the benefit of its Members. The initial scope of protection to be furnished by the Association shall be substantially as provided in Appendix D attached to and made a part of this Agreement.

Any Member of the Association may request that the Board of Trustees take action to affirm or reverse a decision by the President, Executive Director or other officer, employee or independent contractor of the Association that a particular matter is or is not within the scope of coverage provided by the Association. The Member requesting such consideration by the Board of Trustees shall have a full opportunity to explain its position. The decision of the Association shall be final unless the Association institutes legal proceedings to further resolve the issue.

After having reviewed a claim forwarded to the Association for coverage, the Executive Director shall decline to provide coverage for such claim if, in his opinion, the claim is not within the scope of coverage afforded by the Association. The Executive Director may also agree to accept the claim and provide a defense but reserve the right of the Association to withdraw from the defense or refuse to provide indemnification against the claim in the event it is subsequently determined that the claim is not properly within the scope of protection accorded by the Association.

ARTICLE X. EXCESS INSURANCE

The Association shall purchase Specific Excess Insurance from a company approved or authorized by the Department of Insurance to write such coverage in Ohio. The amount and limits of such Specific Excess Insurance shall be initially as set forth in Appendix E attached hereto.

In addition to the stated Specific Excess Insurance coverage, the Association shall obtain Annual Aggregate Stop Loss Insurance from a company approved or authorized by the Department of Insurance to write such coverage in Ohio. Annual Aggregate Stop Loss Insurance shall pay additional claims otherwise paid from the Self-Insurance Fund in the event that, in any single year, the Association's payment for claims covered by the Self-Insurance Fund has exceeded the maximum aggregate sum that the Board determined to be necessary for the payment of such claims. The purpose of the Annual Aggregate Stop Loss Insurance is to ensure that no Member shall pay for the

loss of any other Member in excess of the Regular Annual Payments and Supplementary Payments, if any, required by this Agreement and the Board of Trustees to fund the Self-Insurance Fund. Annual Aggregate Stop Loss Insurance shall be intitally provided as set forth in Appendix F attached hereto.

The sequence of the obligations of the Member, the Association and the excess insurer for a claim resulting in liability within the scope of the Self-Insurance shall be as follows:

(1) A Member or Members against which a claim is made shall pay an initial amount, if any, approved by the Board known as the Member's "deductible."

(2) The Association shall pay from the Self-Insurance Fund (if applicable to an individual Member) that remaining portion of the claim covered by the Self-Insurance Fund up to the limit at which Specific Excess Insurance coverage commences.

In the event that the Association determined in a particular year to create a Self-Insurance Fund from Regular Annual Payments that produces a sum less than the amount at which Specific Excess Insurance and Annual Aggregate Stop Loss Insurance coverage commences, and if additional funds are required for payment of claims from the Self-Insurance Fund, the Association may call for Supplementary Payments attributable to that year.

(3) The excess insurer shall pay the remaining portion of a claim up to the limit covered by Specific Excess Insurance, if any loss exceeds the amount of coverage provided by the Self-Insurance Fund (or Self-Insurance in the event that a Member does not participate in the Self-Insurance Fund).

(4) An individual Member or Members against which a claim is made shall be obligated to pay any remaining portion of a claim that exceeds the amount of coverage provided by the Self-Insurance Fund and the Specific Excess Insurance.

This sequence of obligations shall apply to all claims within the scope of coverage of the Joint Self-Insurance Pool and Association from its inception on October 1, 1997 and shall apply to all Members for those claim years during which they were Members. The Association shall make payments from the Self-Insurance Fund and the Specific Excess Insurance and Annual Aggregate Stop Loss Insurance proceeds in the order in which the judgments against a Member have been entered or settlements of claims have been reached.

ARTICLE XI. OBLIGATIONS OF MEMBERS

The obligations of Members of the Association shall be as follows:

(a) To appropriate or budget for, where necessary, to levy for and to promptly pay all annual and supplementary or other payments to the Risk Management Pool at such times and in such amounts as shall be established by the Board of Trustees within the scope of this Agreement. Any delinquent payments shall be paid with a penalty which shall be equal to the highest interest rate allowed by statute to be paid by an Ohio political subdivision on the date of delinquency.

(b) To appoint persons to serve on the Board of Trustees and to appoint alternate Trustees.

(c) To allow the Association reasonable access to all facilities of the Member and all records including but not limited to financial records which relate to the purpose or powers of the Association.

(d) To allow attorneys employed by the Association to represent the Member in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Member within the scope of loss protection furnished by the Association.

(e) To furnish full cooperation with the Association's attorneys, claims adjusters, the Executive Director and any agent, employee, officer or independent contractor of the Association relating to the purpose and powers of the Association.

(f) To follow in its operations all loss reduction and prevention procedures established by the Association within its purpose and powers.

(g) To furnish to the Association updated underwriting information of all revenues received by the Member for any fiscal year of the Member for which figures are requested by the Association and to furnish any other information required by the Association to assist it in making its determination of a Pool Contribution Factor, which information may include, but is not limited to, providing appraisals of the Members' properties. When requested by the Board of Trustees, the Member shall provide the Association with the above-stated information in a form satisfactory to the Board of Trustees.

(h) To report to the Claims Administrator within the time limit specified the following items:

(1) To report immediately (but in no event more than ten (10) days after receipt) a statutory notice of claim, a summons, formal complaint or other formal pleading on a matter for which coverage from the Association is sought.

(2) To report, within thirty (30) days of receipt, a written demand for monetary relief for which coverage from the Association is sought.

(3) To report to the Claims Administrator at the earliest practicable moment any information of an occurrence received by the Member and from which the Member could reasonably conclude that coverage from the Association will be sought.

In the event that the items set forth above are not submitted to the Claims Administrator within the time periods set forth above, the Board of Trustees of the Association, by a vote of a majority of a quorum of the Board, at a regular or special meeting, may in whole or in part decline to provide a defense to the Member or to extend the funds of the Association for the payment of losses or damages incurred. In reaching its decision, the Board shall consider whether and to what extent the Association was prejudiced in its ability to investigate and defend the claim due to the failure of the Member to promptly furnish notice of the claim to the Claims Administrator. The decision of the Board of Trustees shall be final.

(i) A minimum non-refundable deposit ("New Member Fee") in an amount to be determined by the Board of Trustees at the time the Member joins the Pool, shall be paid to the Association by all Members joining the Pool after October 1, 1997. Members joining the Pool prior to October 1, 1997 shall not be required to pay the New Member Fee.

ARTICLE XII. LIABILITY AND IDENTITY OF TRUSTEES OR OFFICERS

Trustees shall be immune from personal liability to the extent provided by law including Section 1702.30 of the Ohio Revised Code.

The Association shall indemnify any Trustee or officer or any former Trustee or officer of the Association against reasonable expenses, judgments, decrees, fines, penalties or amounts paid in settlement actually and necessarily incurred by him in connection with the defense of any pending or threatened action, suit, or proceeding, criminal or civil, to which he is or may be made a party by reason of being or having been such Trustee or officer, provided it is determined in the manner hereinafter set forth: (1) that such Trustee or officer was not, and is not adjudicated to have been,

negligent or guilty of misconduct in the performance of his duty to the Association; (2) that he acted in good faith in what he reasonably believed to be the best interest of the Association; (3) that, in any criminal action, suit, or proceeding, he had no reasonable cause to believe that his conduct was unlawful; and (4) in case of settlement, that the amount paid in the settlement was reasonable. Such determination shall be made either: (1) by the Trustees of the Association acting at a meeting at which a quorum consisting of Trustees who are not parties to or threatened with any such action, suit or proceeding is present; or (2) in the event of settlement, by a written opinion of independent legal counsel selected by the Trustees.

Funds to cover expenses with respect to any pending or threatened action, suit, or proceeding, may be advanced by the Association prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amounts unless it shall ultimately be determined that he is entitled to indemnification hereunder.

The indemnity hereinabove provided for shall not be deemed to be exclusive of: (1) any other rights to which any person may be entitled under any agreement, any insurance acquired with funds in the Pool or provided by the Association, or otherwise; (2) any immunity, qualified or otherwise, afforded a Trustee or officer pursuant to Chapter 1702 and Section 2305.38 of the Ohio Revised Code; or (3) the power of the Association to indemnify any person who is or was an employee of the Association to the same extent and in the same situations and subject to the same determinations as are hereinabove set forth with respect to a Trustee or officer. The Association may purchase and maintain insurance on behalf of any person who is or was a Trustee, officer, or employee against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE XIII. ADDITIONAL INSURANCE

Membership in the Association shall not preclude any Member from purchasing any insurance coverage above those amounts purchased by the Association. The Association may make its facilities available to advise Members of the types of additional or different coverages available to political subdivisions.

ARTICLE XIV. OPTIONAL DEFENSE BY MEMBERS

Whenever the Association proposes to settle any pending claim or suit where the amount of that proposed settlement shall exceed Ten Thousand Dollars ($10,000.00), the Member involved in the pending claim or suit shall be given advance notice of that settlement. The officers and employees of the Association shall endeavor to give specific oral or written notice to a Member of the exact amount of any proposed settlement in excess of Ten Thousand Dollars ($10,000.00) at least fourteen (14) days prior to the date at which the Association proposes to bind itself to pay such settlement amount. The Members recognize that under some circumstances the Association may not be able to give fourteen (14) days prior oral or written notice of the proposed settlement. The officers, employees or independent contractors of the Association shall attempt to give the Members as much notice of the settlement as possible under the circumstances of each case.

If a Member involved in the pending claim or suit disagrees with the amount at which the Association proposes to settle the claim or suit, that Member may notify the Executive Director of the Association, through its Law Director, Chief Administrative Officer, Trustee or alternate Trustee, that the Member exercises its right to veto the Association's proposed settlement. A Member exercises its right to veto the Association's proposed settlement at its own risk as described in this Article XIV. The Executive Director may require that the veto be submitted in writing. If the Association does not settle a case based upon the Member veto, the Association shall continue to provide a defense to the defendants unless the Member determines to undertake the defense itself.

If the case or claim is eventually resolved through a settlement or judgment in an amount that is less than the amount of the Association's proposed settlement, a Member that has undertaken the costs of its own defense shall be entitled to its additional actual costs, including attorneys' fees, up to the level at which its costs and the prior allocated costs of the Association, including attorneys' fees, equal the amount at which the case could have been settled by the Association. If the case or claim is resolved through settlement or judgment at an amount that is greater than the amount of the Association's proposed settlement, the Member shall be obligated for that portion that exceeds the Association's proposed settlement amount, including all allocated costs of the Association. If at any time the amount of the allocated costs of the Association devoted to the case shall equal or exceed the amount at which the case could have been settled, the Association may require periodic Supplementary Payments from the Member if the Member wishes to have the Association continue

to provide the defense. The Member shall pay its portion of the judgment or settlement directly to the plaintiff and the Association shall not be required to pay the Member's portion of such judgment or settlement.

Allocated costs shall mean those costs which are allocated to individual cases under the bookkeeping and accounting system utilized by the Association. The Association may establish the amount at which it could have settled the case through a written settlement offer by the plaintiff or through other competent evidence of the availability of the settlement at a particular sum.

To the extent that payment shall be made with funds derived from Specific Excess Insurance, Annual Aggregate Stop Loss Insurance or other insurance carrier, the provisions of this Article XIV shall prevail when not contrary to those insurance contracts.

ARTICLE XV. CONTRACTUAL OBLIGATION

This document shall constitute a contract among those political subdivisions that become Members of the Joint Self-Insurance Pool and between the Joint Self-Insurance Pool and the Association. The obligations and responsibilities of the Members set forth herein, including the obligation to take no action inconsistent with these Bylaws as originally written or validly amended, shall remain a continuing obligation and responsibility of the Member. The terms of this Agreement may be enforced in a court of law by the Association or any of its Members.

The mutual promises and agreements of the Members set forth herein shall be the consideration for the duties imposed upon the Members by these Bylaws to take certain actions and to refrain from certain other actions. This Agreement and Bylaws may be executed in duplicate originals and its adoption by political subdivisions shall be evidenced by a certified copy of an ordinance or resolution passed in accordance with law. Provided, however, that except to the extent of the limited financial contributions to the Association agreed to herein or such additional obligations as may come about through amendments to these Bylaws, no Member agrees or contracts by this Agreement and Bylaws to be held responsible for any claims in tort or contract made against any other Member. In the creating of the Joint Self-Insurance Pool and Association, the contracting Parties intend to establish an organization for joint risk management only within the scope set forth in these Bylaws and have not created as between Member and Member any relationship of surety, indemnification or responsibility for the debts of or claims against any Member.

ARTICLE XVI. EXPULSION OF MEMBERS

By the vote of two-thirds (2/3) of the entire membership of the Board of Trustees, any Member may be expelled. Such expulsion may be carried out for one or more of the following reasons:

(a) Failure to make any payments due to the Association, including failure to pay any Regular Annual Payments or Supplementary Payments;

(b) Failure to undertake or continue loss reduction and prevention procedures adopted by the Association,

(c) Failure to allow the Association reasonable access to all facilities of the Member and all records which relate to the purpose or powers of the Association,

(d) Failure to furnish full cooperation with the Association's attorneys, claims adjusters, the Executive Director and any agent, employee, officer or independent contractor of the Association relating to the purpose and powers of the Association,

(e) Poor loss experience;

(f) Failure to carry out any obligation of a Member which impairs the ability of the Association, to carry out its purpose or powers.

No Member may be expelled except after notice from the Association of the alleged failure along with a reasonable opportunity of not less than thirty (30) days to cure the alleged failure provided, however, that if the failure is a failure to make a Regular Annual Payment or Supplementary Payment, such failure must be cured within ten (10) days of written notice of cancellation. The Member may request a hearing before the Board before any decision is made as to whether the expulsion shall take place. The Board shall set the date for a hearing which shall not be less than ten (10) days after the expiration of the time to cure has passed. A decision by the Board to expel a Member shall be final. The Board of Trustees may establish the date at which the expulsion of the Member shall be effective at any time not less than sixty (60) days after the action expelling the Member has been made by the Board of Trustees. If the motion to expel the Member made by the Board of Trustees or a subsequent motion does not state the time at which the expulsion shall take place, such expulsion shall take place sixty (60) days after the date of the vote by the Board of Trustees expelling the Member.

After expulsion, the former Member shall continue to be fully obligated for its portion of any claim against the assets of the Joint Self-Insurance Pool that was created during the term of its membership along with any other unfulfilled obligation as if it was still a Member of the Association. The expelled Member shall, after expulsion, no longer be entitled to participate or vote on the Board of Trustees. To the extent there are surplus funds allocable to the expelled Member, such surplus funds shall be distributed to the expelled Member after the Association has properly accounted for any liabilities of such expelled Member pursuant to this Agreement.

ARTICLE XVII. TERMINATION OF THE ASSOCIATION

If, sixty (60) days prior to the conclusion of any fixed term of the Association, the Board of Trustees does not vote to continue the existence of the Association, then the Association shall cease its existence at the close of the then current fiscal year. Under those circumstances, the Board of Trustees shall continue to meet on such a schedule as shall be necessary to wind up of the affairs of the Association. It is contemplated that the Board of Trustees may be required to continue to hold meetings for some substantial period of time in order to accomplish this task.

All Members of the Association, including those that have withdrawn or been expelled, shall remain fully obligated for the payment of Supplementary Payments attributable to the years during which they were Members of the Association. Such Supplementary Payments may include, but are not limited to, sums sufficient to pay claims, retain reserve levels and pay for continuing claims administration. In addition, all such Members shall continue to be responsible for all other obligations of membership attributable to such prior years.

If any Member withdraws from the Association while the Association continues in operation, the withdrawing Member shall continue to hold membership on the Board of Trustees but only for the purpose of voting on matters effecting its limited continuing interest in the Association for such years as it was a Member of the Association. After all claims and liabilities have been properly paid or reserves established payment of any such claim, any surplus funds of the Association shall be distributed to the Members in proportion to their interest in the surplus funds.

IN WITNESS WHEREOF, the parties have hereunto set their hands and executed this Agreement and Bylaws this 15th day of December, 1997, in Franklin County, Ohio, pursuant to the authority of ordinances or resolutions as hereinafter certified.

Approved as to Legal Form

By _____
Stephen J. Smith, Law Director

CITY OF DUBLIN

By _____
Timothy C. Hansley, City Manager

Pursuant to Ord./Res. No. 125-97

Passed on 9-15-97

CERTIFICATION

I certify that the money required to meet this contract has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit to this fund free from any previous obligation or certification as required by Ohio Revised Code §§5705.01 to 5705.47.

_____
Marsha I. Grigsby, Director of Finance

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and executed this Agreement and Bylaws this 16th day of September, 1997, in Franklin County, Ohio, pursuant to the authority of ordinances or resolutions as hereinafter certified.

Approved as to Legal Form

By _____
Bruce Bailey, Law Director

CITY OF WESTERVILLE

By _____
City Manager

Pursuant to Ord./Res. No. 97-20

Passed on September 16, 1997

CERTIFICATION

I certify that the money required to meet this contract has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit to this fund free from any previous obligation or certification as required by Ohio Revised Code §§5705.01 to 5705.47.

_____
Jack Winkel, Director of Finance

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and executed this Agreement and Bylaws this _____ day of _____, 1997, in Franklin County, Ohio, pursuant to the authority of ordinances or resolutions as hereinafter certified.

Approved as to Legal Form

By_____
Sharon Psancuff, Law Director

CITY OF UPPER ARLINGTON

By_____
Yvonne E. Simon, Mayor

Pursuant to Ord./Res. No. _____

Passed on _____

CERTIFICATION

I certify that the money required to meet this contract has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit to this fund free from any previous obligation or certification as required by Ohio Revised Code §§5705.01 to 5705.47.

_____
Cathe Armstrong, Director of Finance

Exhibit A

CORMA 2016-2017 Allocation

Including Grandview Heights

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
Grandview Heights	6,600	18	$6,885,888	49	$3,185,000	$43,060
Totals	**202,492**	**371**	**$454,075,818**	**1,047**	**$103,649,586**	**$2,047,952**

Share 2016	Population	# FT Officers	Property Values	Titled Vehicles	Expenditures	Experience	TOTALS
Dublin	21.58%	23.18%	23.26%	26.84%	25.62%	30.89%	**25.79%**
Pickerington	9.43%	7.55%	11.08%	6.40%	3.91%	11.09%	**8.53%**
Upper Arlington	16.90%	12.94%	10.65%	17.29%	18.87%	11.86%	**14.46%**
Westerville	18.31%	22.91%	26.85%	22.83%	29.13%	17.16%	**22.30%**
Grove City	17.82%	16.98%	11.40%	10.41%	9.67%	9.39%	**12.29%**
Powell	6.26%	5.12%	2.81%	2.77%	2.66%	5.90%	**4.42%**
Groveport	2.72%	6.47%	4.42%	5.64%	5.68%	8.35%	**5.83%**
Canal Winchester	3.73%	0.00%	8.01%	3.15%	1.39%	3.26%	**3.26%**
Grandview Heights	3.26%	4.85%	1.52%	4.68%	3.07%	2.10%	**3.13%**
Totals	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Prepared By: Wichert Insurance
Date: April 10, 2017

Exhibit B

CORMA GA-Travelers 2016-17 Fees and Allocation - With Grandview Heights ($150,000 SIR) $655,000 Loss Fund Using Current Methodology (25% Weight on Claims/15% All Other Factors)

	Dublin	Pickerington	Upper Arlington	Westerville	Grove City	Powell	Groveport	Canal Winchester	Grandview Heights	Total
Great American/Travelers	$242,357	$80,159	$135,885	$209,560	$115,493	$41,536	$54,786	$30,635	$29,414	**$939,733**
Travelers Boiler	$10,316	$3,412	$5,784	$8,920	$4,916	$1,668	$2,332	$1,304	$1,252	**$40,000**
Administration Fee	$33,643	$11,127	$18,863	$29,090	$16,032	$5,766	$7,605	$4,253	$4,083	**$130,450**
Actuarial Fee	$1,547	$512	$868	$1,338	$737	$265	$350	$196	$188	**$6,000**
Audit / Accounting	$1,418	$469	$786	$1,227	$676	$243	$321	$179	$172	**$5,500**
Claims Administration	$12,895	$4,265	$7,230	$11,150	$6,145	$2,210	$2,915	$1,630	$1,565	**$50,000**
Loss Fund*	$168,925	$55,872	$94,713	$146,065	$80,500	$28,951	$38,187	$21,353	$20,502	**$655,000**
										$1,826,683
TOTALS	**$471,102**	**$155,816**	**$264,129**	**$407,350**	**$224,499**	**$80,639**	**$106,496**	**$59,550**	**$57,175**	**$1,826,756**
Percentages	**25.79%**	**8.53%**	**14.46%**	**22.30%**	**12.29%**	**4.42%**	**5.83%**	**3.26%**	**3.13%**	**100.01%**

Prepared by: Wichert Insurance
Date: August 17, 2016