

OFFICIAL MINUTES

THE COOPERATIVE COUNCIL OF GOVERNMENTS ANNUAL MEETING

DATE: January 25, 2023

LOCATION: Meeting In Person: 6001 Cochran Road, Suite 333, Solon, Ohio 44139
Meeting via Zoom: <https://zoom.us/j/6210017133>
Zoom Meeting ID: 621 001 7133

Call to Order:

Mr. Morgan called the meeting to order at 12:15 P.M.

Roll Call:

Present: Frank Corlett, Bob Dolan, Paul Pestello (Zoom), Matt Rubino, Steve Sayers

Others: David J. Akers, Zach Heidmann, Stephen Hull (Zoom), Keith McDevitt, Kirk McGonigle, Eric Merkle (Zoom), David Robbins (Zoom)

Motion to Approve Minutes from 2022.11.09 CCOG Board of Directors Meeting:

Motion: Mr. Dolan

Second: Mr. Sayers

Discussion: None.

Ayes: 5

Nays: 0

Discussion – Officer Slate:

Mr. Morgan is retiring from Cuyahoga County Public Library in November 2023 and decided not to stand for Board President this year as he will not be able to serve a full term. He thanked the Board for the opportunity to serve as Board President. Mr. Corlett volunteered for the role following the November 11, 2022 Board meeting after learning Mr. Morgan would not stand for reelection. Mr. Dolan and Mr. Akers have each agreed to continue to serve in their current positions for the coming year. Mr. Dolan notified the Board that he is retiring from Cuyahoga County Public Library in three years. The following 2023 CCOG Board officer slate was proposed:

- Board President – Frank Corlett
- Treasurer – Bob Dolan
- Secretary to the Board – David J. Akers

Motion to Approve 2023 CCOG Board of Directors Officer Slate:

Motion: Mr. Rubino

Second: Mr. Sayers

Discussion: None.

Ayes: 5

Nays: 0

Discussion – Amended & Restated Code of Regulations:

Per Mr. Akers' email correspondence of January 2, 2023, he recently reviewed the Amended & Restated Code of Regulations adopted by the Board in November 2018. The Code of Regulations referenced Sourcing Alliance, which is now part of Equalis Group, and the name should be updated accordingly. He added language to **Section 2.2 (a)** to codify two resolutions previously adopted by the Board identifying the CCOG Master Interlocal Agreement and the Equalis Group Master Intergovernmental Purchasing Agreement as CCOG Affiliate Membership Agreements. He also made minor changes to provide additional clarity in **Section 3.1** and **Section 15.1**. The Board discussed and agreed to incorporate these changes in the Amended & Restate Code of Regulations effective January 25, 2023.

Motion to Approve Resolution 2023.01.1 Approving & Adopting the Amended & Restated CCOG Code of Regulations:

Motion: Mr. Dolan

Second: Mr. Rubino

Discussion: None.

Ayes: 5

Nays: 0

Discussion – CCOG Financials:

Mr. Akers notified the Board that the December Equalis payment was mailed on time, but not received in December. Equalis issued payment via ACH totaling \$24,690.91 on January 12, 2023 for both the December 2022 and January 2023 monthly payments.

Mr. Akers reported his discussions with both Mr. Dolan and Mr. Corlett regarding transitioning to a quarterly payment via ACH as this is the second time the U.S. Postal Service has lost checks in the mail. Under this approach, which is the same approach Equalis utilizes with Region 10 and other partners, Equalis will issue an ACH payment to CCOG in the first month of a new calendar quarter for CCOG's share of fees Equalis received during the prior calendar quarter, eliminating reliance on the U.S. Postal Service to deliver payments in a timely manner. The Board approved this transition from monthly payment by check to quarterly payment by ACH via unanimous voice vote.

The Board reviewed the December 31, 2022 Statement of Activity and Statement of Financial Position. Mr. Akers noted that because CCOG's financials are prepared on a cash basis and the December fee share did not arrive

in December, the year-to-date (YTD) revenue totals are for 11 months, from January through November. CCOG's year-over-year (YOY) revenue increased by 11%; the increase would have been approximately 20% had the December payment arrived in December.

CCOG's 2022 revenue totaled \$111,572.57, representing a positive variance of \$11,164.57 from the \$100,408 annual budget. 2022 expenditures of \$118,974.05 represent a negative variance of \$(20,085.05) versus the budgeted 2022 expenses of \$98,889. 2022 Net Operating Revenue of \$(7,401.48) represents a negative variance of \$(8,920.48) vs. the 2022 budget of \$1,519. CCOG's year-end cash position was \$28,443.06 as compared to \$35,828.35 on December 31, 2021.

Gardiner revenue significantly outperformed budget due to higher project volume in 2022, including a \$7 million windows and doors project for East Cleveland City Schools. Office Depot revenue also exceeded budget in 2022 as the company slowly begins to recover from the impact of COVID-19. McKesson revenue fell short of budget – the company did not fulfill its commitment to migrate a portion of its public sector business to the CCOG contract. SourceRx was below budget due to one member transitioning off the Pharmacy Benefit Management program.

There was no audit expense in 2022 because the state auditor is transitioning CCOB to a two-year audit cycle from a one-year audit cycle. Computer software costs increased slightly due to price increases from Zoom and QuickBooks. Mr. Robbins discussed the RFP publication costs: a typical national solicitation, of which there are three per year, costs approximately \$3,500. Single state publications in multiple outlets, such as state-level Job Order Contracting RFP's, typically cost approximately \$2,500. The most significant expense change vs. 2022 budget was the Voting Member Allocation, as CCOG distributed \$24,000 more to Voting Members than budgeted due to top line revenue growth.

Mr. Akers reviewed the supplier reporting detail tables and charts. Equalis Group's revenue spiked in January due to the Office Depot Retention Bonus; that increase impacted CCOG's fee share in February. Gardiner significantly outperformed in 2022 and the ComDoc revenue increased due to the Library's copier replacement, which is a ComDoc contract carve out paid at four percent (4%) administrative fee.

Motion to Approve the December 31, 2023 Financials:

Motion: Mr. Sayers

Second: Mr. Dolan

Discussion: None.

Ayes: 5

Nays: 0

Discussion – Proposed 2023 Budget:

Mr. Akers presented the proposed 2023 Budget, which was developed with input from Ms. Fuentes, Mr. Merkle, Ms. Rich, and Mr. Akers. The annual budget is prepared by using the prior year revenue and expenses as a baseline and making adjustments if any changes in 2023 are known or reasonably anticipated. Projected 2023 revenue for contracts that reported for the first time in 2022 were established based on a review of 2022 revenue trends, known sales opportunities in the pipeline, and Equalis 2023 revenue forecasts. The budget does not

include any forecasted revenue for newly established contract awards or existing contracts that did not produce revenue in 2022. Office Depot provided the Retention Bonus report earlier this week, so the Office Depot Retention Bonus is accurate. The 2023 budget shows the actual revenue received in January (which includes the December 2022 and January 2023 fee shares), along with projected revenue that will be received in April, July, and October.

Mr. Merkle described the variance in supplier payment timing; some suppliers report and pay administrative fees monthly, others do so quarterly. Some suppliers of capital project work make progress payments as they receive payments from members, others (such as FieldTurf) remit payment once they have received 100% payment from members. The budget was developed taking these variances and other forecasting factors into account.

Mr. Dolan noted the budget used the 2021 year-end cash number for starting cash, rather than the 2022 year-end cash balance. Mr. Akers made that correction and distributed a corrected budget following the Annual Meeting.

Motion to Approve Corrected 2023 Budget:

Motion: Mr. Morgan

Second: Mr. Sayers

Discussion: None.

Ayes: 5

Nays: 0

Discussion – Voting Member Check-in & Utilization of Equalis Group Programs:

- ***Cuyahoga County Public Library.***
 - W.B. Mason is delivering supplies to some branch locations before those locations open due to the delivery drivers' routes. It is the same challenge the Library experienced with Office Depot. Mr. McDevitt will follow up with Dan Sabin, the Cleveland office manager.
 - ComDoc installed the new copiers for staff and that transition has gone well. However, the installation of new copiers for the public has been challenging for a variety of reasons, including the delay in copiers arriving, software challenges, credit card readers that were obsolete at year-end and will not be replaced until March. The installation started at two branches on January 24th and the copiers were not working properly, so the Library stopped further installation until the problem is resolved. Installation should resume on January 26th. Mr. Dolan is trying to resolve a billing issue; he received the January billing for a full month, but the public copiers have not yet been installed. Mr. McDevitt will follow up with Frank Vigliucci, who leads ComDoc's major account team.
 - The Library is engaging in numerous building projects, including designing a new branch for Brooklyn, securing Board approval of the Solon project design earlier this week, and beginning the design for replacement buildings in both Parma Heights and Beachwood.
 - Mr. McDevitt had a productive call recently with Jeff Mori and three designers from MeTEOR.
- ***Kenston Local Schools.***
 - The School Board extended Mr. Sayers a two-year contract.

- Mr. Pestello resigned his position effective January 31, 2023 and the district is looking for a replacement treasurer.
- Kenston is beginning to develop a three-year strategic plan. These plans historically have had a five-year timeframe; however, things are changing so quickly that three-year plans are appropriate.
- Kenston is one of the 10-12% of public K-12 schools in Ohio that does not have a permanent improvement levy. The district is putting a permanent improvement levy on the November ballot.
- Kenston is working with Garland on a \$300,000 roofing project, which will commence June 1, 2023 and be completed shortly after the Fourth of July. Kenston's attorney reviewed the materials Mr. Akers provided in the fall and approved moving forward with this expenditure of ESSER funds.
- Pipes in the Kenston Intermediate School building froze and burst over winter break. Fourth and fifth grade students were moved to other buildings while the District completed repairs.
- Mr. Pestello thank the Board and Equalis team for the opportunity to serve on the Board. He has been in public finance for 37 years and it was time for him to move on.
- **City of Solon.**
 - The City has entered the second phase of ERP deployment with utility billing. Tyler is working on payment processing. The current payroll system is no longer supported, so the City is incurring a near term cost until MUNIS is live in 2024-2025.
 - The City is due to replace its copier fleet. The IT Director is the point person. Mr. Rubino is evaluating whether to lease or buy. The current quote to purchase copiers with more limited functionality is approximately \$160,000.
 - The City entered into a \$170,000 contract with Johnson Laux to make repairs in the community center and just approved a \$30,000 expenditure for a compressor project with another CCOG awarded supplier.
 - Mr. McDevitt is actively engaged with Mr. Bill Drsek, who leads Public Works for the City.
 - Mr. Corlett will be acquiring a new postage printer to replace the existing machine, which the City purchased in 2012.

General Discussion & Strategic Priorities:

Procurement

Mr. Robbins discussed contract awards from the last RFP cycle. CCOG is awarding contracts to SportMaster (a current supplier), Mammoth Construction (which serves the middle of the country), and LandTek (which operates primarily along the eastern seaboard) for the Sports Construction Services RFP. CCOG also issued a Cloud Solutions RFP to continue to strengthen the IT portfolio. CCOG is awarding contracts to DLT Solutions and EC America (both of which are distributors, but have different manufacturers in their portfolio), GTY (which operates six different companies, including Bonfire, CCOG's procurement platform), and Kyndryl (an IBM spin-off that provides infrastructure for cloud computing. The next round of RFPs will be published on February 10th.

Mr. Robbins worked with two suppliers to finalize amended and restated contracts. CVS/caremark and Health Action Council conduct a market check every year to ensure prices continue to be competitive. The contract is updated each year to incorporate more competitive pricing for program participants. Ameresco contacted Mr. Robbins to incorporate additional Ameresco smart building capabilities that were part of the original Energy Services RFP.

Motion to Approve Resolutions 2023.01.2 - 2023.01.5:

Motion: Mr. Morgan

Second: Mr. Sayers

Discussion: None.

Ayes: 5

Nays: 0

Nantucket Trivia:

The Nantucket Land Bank, the first of its kind in the U.S., receives 2% of the purchase price of Nantucket real estate to acquire open space resources for the use and enjoyment of the public. Since its creation a decade ago, the Land Bank has purchased more than 1,300 acres at a cost of nearly \$40 million.

Adjournment:

The meeting was adjourned at 1:31 P.M by unanimous voice vote.

Next Board Meeting:

The next CCOG Board of Directors Meeting is scheduled on March 8, 2023, from 12 P.M.to 1:30 P.M. Board members will have the option to attend in person or via Zoom.

Attachments to Minutes:

- *Summary - CCOG Board of Directors (Annual Meeting Materials) – 2023.01.25.pdf*

Respectfully submitted:

David J. Akers, CCOG Secretary