

The Center for Local Government Board of Directors Meeting  
September 5, 2018

1:30pm – 3pm

CLG Conference Room  
(4015 Executive Park Dr. Suite 226)

In attendance: Vicky Earhart, Jim Lukas, Kristen Bitonte, Mike Rahall, Jack Cameron (Board); TJ White, Jeremy Worley (Staff); Tom Carroll (Guest) NOTE: Jack Cameron attended by telephone.

Absent: None

- Call to order at 1:36pm
- Approve July 11, 2018 board meeting minutes
  - Motion to approve by J. Lukas. Seconded by K. Bitonte. Motion passed 5-0
- New CLG Program Development Director Jeremy Worley briefly introduced himself.
- T. White stated that he invited Silverton Village Manager Tom Carroll to the CLG Board meeting to address a member concern related to potential conflicts of interest in situations where the Chief Administrative Officer of one CLG community served as an elected official in a second CLG community. T. White explained that this had happened at least two times in the history of CLG, and it was problematic for a number of reasons: It could create a situation where we were putting one of our CAOs under undue pressure in instances where both communities had a vote in the same CLG program; it goes against the ICMA Code of Ethics, and CLG was stated as an organization for Managers. Also, we should be putting our CAOs in their best position to succeed, and therefore should not be placing them in potentially awkward situations.
  - T. Carroll expanded on the point, laying out instances in the past where this has happened, specifically revolving around the CLG Benefits Pool. He also laid out at least once instance where it affected the internal dynamics of the CLG Board in the 2009/2010 era. Furthermore, since no specific conflict of this sort exists currently within the CLG membership, this is an appropriate time to address it, since it will not be pulling CLG into any specific controversies.
  - J. Cameron stated that when he was the Administrator of Evendale, one of his Council Members was the Manager of Woodlawn. T. Carroll stated that this would then be a third instance where this situation has occurred.
  - T. White stated that he and Mr. Carroll had identified possible ways to rectify this issue and to prevent these instances from occurring in the future. At the very least, they proposed that both communities receive a letter notifying them that this could cause a conflict of interests, especially pertaining to the governance of CLG programs. They went on to propose a policy whereby neither community would get a vote on the governance of CLG programs that they are in. This would NOT affect those communities' own decisions regarding their internal participation. (e.g. what services to accept in a SWORRE bid).
  - J. Lukas asked whether a letter could put a CAO in a worse position. He stated it may make sense for CLG to ask the CAO if he/she would like such a letter to be sent, as not to inadvertently escalate a situation.
  - The Board turned their attention to the proposal of asking members to recuse themselves from the CLG Board or from program governance votes. J. Lukas asked if it should be someone in that CAO's chain of command making a decision on behalf of the affected community. T. Carroll

stated that whoever made such decisions would still be either under the auspices of the CAO, OR could still be pressured by the same elected official.

- J. Cameron stated that CLG would need to identify the potential areas within its programming envelope where potential conflicts could occur.
  - V. Earhart stated that this issue may need to be addressed as part of a larger CLG ethics policy.
  - T. Carroll thanked the Board for their time after the discussion.
- The CLG Board then considered how to amend CLG’s conflict of interests’ policy to address instances where an elected official in one CLG government is the CAO of another CLG government. V. Earhart stated that it make sense to approach this issue from the perspective of how one member could potentially be able to have (or have the perception of) undue influence over CLG programming. T. White stated that a policy could be written that states “While your community can participate in a CLG program, your community cannot participate in the governance of that program.” This would apply to both the community with the elected official and the community where the elected official is CAO. This would NOT apply to instances where communities are making their own decisions about participation in CLG programs and their scope of participation (e.g. accepting the final SWORRE bid or what accounts to include in CLG’s electricity program).
    - T. White stated that he would have a policy proposal for the November Board meeting outlining the idea above, and written from the perspective of making sure one member did not have the ability to unduly influence CLG’s programming.
  - T. White then discussed the CLG 2019-2021 budget projections report. He stated that CLG is in a financially healthy position, with a cash reserve projected to be over \$180,000 at the end of 2018, and an investment reserve of over \$190,000. Additionally, CLG historically has underspent its projected expenses, leading to increases in the reserve each year. He went on to state that if the status quo holds, including current operational spending trends, member growth, and payroll growth, CLG will dip into the cash reserve in the amount of \$5,000 in 2019, \$5,700 in 2020, and \$6,700 in 2021. These are well within the parameters of what CLG can afford. He did go on to state however that if there were a major change to the status quo, such as losing members or hiring a fourth employee, that would potentially drain the reserve at a much faster rate.
    - K. Bitonte asked if CLG had any plans to expand their staff. T. White said they did not at this time.
    - K. Bitonte asked how much longer CLG had on its office lease. T. White stated that it runs through 2020.
    - K. Bitonte asked about IT needs. T. White stated that all of CLG’s computer equipment had been replaced in the last two years, and that replacement projections would show up in the long range part of next year’s forecast.
    - T. White then stated that the next step in CLG’s budget process is to present a draft budget at the November meeting.
    - V. Earhart asked T. White to explain the \$10,000 in special project revenue and expense projected for 2019. T. White explained that money was allocated to the information sharing redesign project, and that \$5,000 of that \$10,000 had been recently applied for through Duke Energy.
  - As was discussed above. T. White stated that he applied to the Duke Energy Foundation for a \$5,000 grant to cover part of the information sharing overhaul project. He proposed a budget amendment as follows:
    - MOTION: Eliminate the “Residential Energy Aggregation” line items from the CLG Program Budget. In place of the Residential Energy Aggregation” line items, create “Information Sharing Overhaul” line items. (Revenues; Expenses; Gain/loss)
    - Motion by V. Earhart. Second by Mike Rahall. Motion passed 5-0
  - T. White provided an update to the Greater Cincinnati Waterworks (GCWW) lead service line replacement program project. He stated that it looked as if a solid solution had been developed for incorporated

communities who wished to pass a special assessment. However there was still a need for solutions for Townships. V. Earhart asked if T. White had any luck finding volunteers for a legislative taskforce. T. White stated that he had not yet had luck, but that he would continue trying.

- T. White stated that CLG had applied for a \$5,000 grant to the Duke Energy foundation for the information sharing overhaul project. He would have a report on whether CLG received the grant prior to the November Board meeting.
- T. White stated that all CLG member communities had renewed.
- T. White reminded the Board that he would be out of the office on Friday September 7<sup>th</sup>, and through September 13<sup>th</sup> through 20<sup>th</sup>.
- The meeting adjourned at 2:55pm