

March 21st, 2017

The Honorable Tim Schaffer

Chair, Ohio House Ways and Means Committee

77 South High Street, 13th Floor

Columbus OH 43215

Dear Chairman Schaffer:

I appreciate the opportunity to share my perspective as a family owned and operated small business owner on a couple items raised in House Bill 49, the state operating budget, as proposed by Governor Kasich.

I am new to the small business world, having spent the majority of my working career in the non-profit sector. In 2012, my wife and I embarked on opening northeast Ohio's first indoor play cafe, which our third son who was 7 at the time coined "Cafe O'Play", which is the name we choose for our business. Our son continues to remind us that he created that name and therefore holds some form of copy write: he'll make a great lawyer or politician someday.

Cafe O'Play is a diversified destination indoor play cafe combining recreation, entertainment, and physically active play in a 9000 square foot facility. Key features include a comfortable and relaxing 70 seat coffeehouse/cafe serving a healthy breakfast, lunch, and dinner menu. The cafe includes a performance space for concerts & children's events and a small retail store featuring the best in children's gifts and toys. The large indoor playground includes a huge, two story climbing structure, sports court, Gaga Ball pit, Eye Click interactive floor, dedicated toddler area, dance party room, and two rooms for birthday parties.

Our staffing fluctuates based on the seasonality of our business. Year round I employ four full time staff and at our busiest time of the year up to an additional 22 part timers. Many of our staff are high schoolers who are entering the workplace for the first time. Since we opened the day after Christmas in 2014, we have seen over 50,000 child admissions and generated over \$1,250,000 in revenue.

Two items surprised me when we were starting up this business and both are addressed to some degree in the Governor's budget.

The first is the municipal tax system. I currently pay tax into four different municipalities. This can fluctuate up to eight or nine depending on where our staff come from. For 4th quarter 2016 I paid \$431 to the City of Cuyahoga Falls, \$84 to the City of Stow, \$48 to the City of Akron, and \$12 to the City of Ravenna in municipal taxes. When we first opened our business, like many small business owners, I attempted to wear as many hats as I could in order to save as much money I as could. This included all of our bookkeeping and basic accounting. Despite being knowledgeable in QuickBooks and Excel, I quickly found the different municipal tax systems confusing. After my second or third late payment fee for something that slipped through the cracks, I turned over our payroll and tax payments to a payroll service.

While I only have one location now and only pay net business profit tax to one municipality, expansion is part of our long term plan. If I were to expand to other locations it would add another layer to our taxes.

I think the proposal, in the Governor's budget, for simplifying the complicated filing system for municipal tax on net profits makes very good sense from my perspective and would make expansion easier for us.

Utilizing the Ohio Business Gateway as the single place for filing municipal would streamline this complicated system, save small businesses time and money, and create better efficiencies and cost savings for municipalities themselves. While the Gateway is certainly not perfect in terms of current website functionality it is a system that business owners are familiar with and would seem a logical place for paying municipal taxes.

The second item I wanted to comment on, while I know is not the prevue of this committee, is the proposal for teachers to shadow businesses every five years to renew their license. I believe this to be a very good idea for both teachers and business. Recently we did a group audition interview attended by 16 applicants of high school age. One aspect of our interview process is a simple cash drawer test followed by two scenarios. Applicants must correctly count a cash drawer containing a mixture of bills and coins that total around \$60. Then they must answer two scenarios, such as if the final bill is \$13.87 and you are given a \$20 bill, how much change do you give back and they must correctly show that change? Of the 16 applicants, only one high school student got the complete test correct. Watching juniors and seniors in high school, struggle to make change, was simply depressing for me as a father of four children, the oldest of whom is a high school freshman.

I would welcome the opportunity to have teachers shadow our business and see this first hand. I can only imagine that this would positively impact their future engagement with their students, leading to better applicants for business such as mine.

Thank you for the opportunity to provide these comments on House Bill 49. And thank you for your public service to the citizens, organizations, and businesses of our state.

Sincerely,

John Green

Owner, Cafe O'Play, Stow OH