Testimony
Ohio House Finance Committee
House Bill 62

My name is Howard Elstro. I serve as the Public Works Director for the City of Lima, which 38,000 people call home. I want to acknowledge and thank Chairman Oelslager, members of the Finance Committee and the Governor for allowing local governments to provide testimony on the impact a proposed fuel tax increase would have on citizens across the state. Thank you all for demonstrating leadership in considering the increase as we are hopeful that this will be a significant step in the right direction.

For 28 years as the City’s Public Works Director, I have had a front seat in viewing the impact that dwindling fuel tax revenues and upwardly trending costs of material, manpower, and equipment have had on Lima, and all of our neighboring communities, cities, townships, and counties.

The City of Lima maintains 160 miles of streets, including 4 state routes at an average annual maintenance cost of $3.2 million. In an effort to meet these costs, we have implemented every increment of the permissive tax that has been made available; twice we have asked local voters to consider capital initiatives for infrastructure and capital improvements; and we have adopted operational changes to optimize spending by utilizing cooperative purchasing programs and interdepartmental cost sharing to stretch public dollars. Despite our best efforts, these measures have not been enough.

As you are all aware, the fuel tax has not been increased since 2005. However, over the course of the last 14 years, wages, materials, and equipment have significantly increased in cost while the fuel tax and other revenues have remained flat. Prior to 2004, 60% of our street related expenses were supported by the fuel tax. In 2018, fuel tax revenue support of the street related activities has dropped to 47%.

I offer the example of a single snow plow, a piece of equipment that every citizen depends on and is glad to see at this time of the year. In 2004, the City of Lima purchased a dump truck
outfitted with a plow and salt box for $77,400. In 2018, that same equipment cost $137,200. A 77% increase which is attributed to mandated fuel emissions standards, safety features, and increased cost of labor and materials to build. Keep in mind that every piece of equipment, and every material we use to maintain our streets, bridges, and transportation systems have increased costs over these 14 years. Yet, there has been no increase from the fuel tax revenue stream. If Ohio is going to be the place where employers can successfully locate and operate their businesses; if Ohio is going to be the place where families want to live, work, and play; we must have sufficient funding to maintain and improve our transportation infrastructure. The proposed 18 cents will not completely meet our needs, but it is a very important and significant step towards catching up with the increased cost experienced over these last 14 years.

Thank you for the opportunity to comment.

J Howard Elstro
Director of Public Works
City of Lima