



FEBRUARY 28, 2019
HOUSE BILL 62: PROPONENT TESTIMONY
MAYOR LAWRENCE MULLIGAN, JR, CITY OF MIDDLETOWN

To the Honorable Members of the Ohio House Finance Committee:

My name is Larry Mulligan. I am the Mayor of Middletown, Ohio in Butler County. I am also a board member of the Ohio Mayors Alliance, a bipartisan coalition of mayors from Ohio's largest cities.

Thank you for the opportunity to speak today. I appreciate the Governor's leadership on this important matter and your time to gather input. Middletown is a community in southwest Ohio with a 200-year history and is home to over 48,000 people. There is significant pride in Middletown; deteriorating and pothole ridden streets is not the image of we want to project to the region and visitors.

During my time on city council and 12 years as Mayor, the condition of our streets and roadways has been a significant concern to many. We have consistently heard our residents raise the issue of potholes, limited maintenance and the overall poor condition of the city's streets, as disappointments and items that need to be addressed. I'm sure this can be said for many communities across the state.

Our current city administration, as well as previous administrations, worked diligently to allocate scarce resources from the general fund, because we cannot rely on current levels of funding from Auto and Gas taxes and grants to fund the need. Still those resources fall short. The challenge we've faced over the past decade, and before, has been to focus on critical services of public safety as a priority, which resulted in limiting funding for other areas of the city. Our \$30 million general fund budget only allows for \$700,000 dedicated for local paving.

When Auto and Gas tax revenue is not enough to support our local infrastructure, local communities then have to rely on local general revenue to make up the difference. This means that we are either cutting into our safety services budget or short-changing both. Making sure that our residents are safe is one of the most important responsibilities of local leaders.

At any moment, one of our residents could be involved in a life-threatening emergency. When that happens, we must have confidence that our law enforcement, fire protection, emergency medical, and traffic management services will be ready to protect them, with prompt response times and to effectively transfer them to safety. With roads in poor conditions, the city is also faced with increased maintenance expenses on our expensive fire and EMS apparatus due to increased wear and tear. We respond to over 12,000 calls for fire and EMS on an annual basis. Our police department has over 40,000 calls for service each year.



The recession, beginning in 2008, created further stress on the city's budget and further limited funds available for maintenance and repairs. The State of Ohio reduced local government funds, eliminated personal property taxes and the estate tax, for the overall improvement of the state, but borne by local governments facing reduced budgets and increasing expenditures. For Middletown, the state reductions totaled about \$3 million per year, or 10% of our general fund revenue.

The city of Middletown currently has in excess of 600 lane miles of roads, the majority of which are rated "fair to failed" by the most recent pavement conditions survey. Today, only 35% of the roads are rated good to excellent. If we do not act to address the situation in the near future, many of the roads that are in marginal condition, will begin to fail, which will further increase the cost to repair them. These roads are used by local companies like AK Steel to ship their product, local residents to get to and from work, and many visitors and others throughout the region. Earlier estimates of the cost to repair our streets increased from around \$120 million, from a study about 5 years ago, to a current estimate of \$160 million. The city's annual auto and gas tax and Ohio Public Works Commission grants, and general fund street allocation total about 2 million, or only about 1.5% of the total needed. Even when it is spread over the 20-year life of a repaved street, the \$8 million annual need is significant, and we fall well short of that. Middletown's City Council and our City Manager and staff made good progress towards reaching an improved level of sustainable services in our "new normal" based on the past several years. Those efforts included new staffing models, a much smaller government reduced about 40% to 350 employees, with cuts in all areas, including public safety. However, to fully succeed in reaching a fully sustainable level, it will require additional job growth and new residents in Middletown. I am optimistic that we will ultimately achieve it, but as a city, we must act now to address the issue of deteriorating infrastructure.

We are looking to the future of transportation and the city is in the midst of a transportation study. This will provide a plan for the next several years of how we will address pedestrian, bike, bus and automobile movements in and around the city. We will be proactively looking at creative ways to prepare for the second century of transportation in Middletown.

I believe the proposed increase in the gas tax, effectively a user fee for the roads in our state, will provide needed funding for our transportation infrastructure across the state. First, our local and city streets are a primary concern to many residents, regardless of where they work, reside or attend school. Second, cities and local government have limited financial resources to address ever decaying streets and ensure that our communities are safe. And, third, if we fail to address the issue now, the cost will only increase in future years. Taking action now will position the state for future advances in transportation.

Thank you for your time and consideration today.