



City of North Royalton

Dan Langshaw

Ward 3 Councilman

Paul F. Marnecheck, II

Ward 4 Councilman

**North Royalton Ward 3 Councilman Dan Langshaw & Ward 4 Councilman Paul Marnecheck
House Bill 166 Joint Testimony
Ohio House Finance Committee
May 6, 2019**

Chairman Oelslager, Vice Chair Scherer, Ranking Member Cera, and committee members. My name is Dan Langshaw and I am the Ward 3 Councilman on the North Royalton City Council. I am also accompanied by my colleague North Royalton Ward 4 Councilman Paul Marnecheck. Thank you for the opportunity for us both to testify on House Bill 166 the State Operating Budget.

The residents we both serve and all Ohioans wonder why there are so many communities having to put more levies, bond issues, and other ballot measures these days? Why are our highways, roads, bridges, and infrastructure falling apart in our state? The answer is looking you in the mirror. It is the leadership in Columbus for almost a decade that has caused this mess. Local governments historically have not been getting the funding they desperately need to address these issues in our communities.

Repeatedly Columbus has raided the Local Government Fund (LGF). This is a complete betrayal against everything that this fund was established for dating back to 1930s. This funding is supposed to return money from Columbus back to the local governments who are the closest to ensuring the needs of the people that live in their respective communities. A study done by Policy Matters Ohio a few years ago reported that cuts in local government funds and tax changes made at the state level cost Ohio counties and communities an estimated \$1.2 billion dollars in 2017, as compared to 2010. Since 2011 the state has made deep cuts to the Local Government Fund (LGF) through slashing it in half from 3.68% to 1.66% today. As a result our own city of North Royalton has experienced approximately \$7 million dollars in state local government funding cuts. (See attached is a chart of a breakdown of those cuts since 2011).

Governor DeWine's proposed budget includes a 9.1% increase to the Local Government Fund (LGF) in FY 2020 and a 1.8% increase in FY 2021. However, the Governor does not go far enough especially in FY 2021 to fully make up for the historic cuts that cities like ours have faced for close to a decade to their share of LGF. The state's rainy day fund is now at a record high of \$2.7 billion dollars while the needs of local governments like ours keep pouring down upon us. (See attached Rainy Day Fund chart). This issue needs to be addressed now and not kicked down the road for another biennium budget to tackle.

The late Congressman Ralph Regula once said that people underestimate the impact they can have by contacting their legislators. We hope our participation today can help bring about positive change and we do wish to highlight some brighter notes as progress is being made. The recently passed state transportation budget, Substitute House Bill 62 contains such examples.

Specifically, as a result of the gas tax adjustment, communities can expect an increase in state funding for road repair and maintenance. North Royalton's increase is forecasted to be \$730,000 – an increase of over 64%. (See attached breakdown from Ohio Municipal League and North Royalton Finance Director). To add context, this would equate to the cost of repairing 66,000 linear feet, or 12.2 miles, of concrete roadways. These additional funds could allow our very talented service department to increase our preventative infrastructure maintenance work and put the City in the driver's seat to take full advantage of favorable material costs. I know many members of this Committee have previous local government service experience and know infrastructure repairs are a clear example of tax dollars being used for community improvement.

We urge members of this Committee and the General Assembly to increase the investment in Ohio's communities by amending HB 166 to restore the Local Government Fund back to pre-recession levels of 3.68% by FY 2021. We understand that this won't fully restore all the cuts the state has made since 2011 but it would be a step in the right direction to help the Ohioans we all serve. We know that investing these funds back into our local communities will only yield positive results.

Thank you for the opportunity to advocate for our residents. We are happy to answer any questions you may have for us.



NORTH ROYALTON CITY COUNCIL

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City of North Royalton

Paul F. Marnecheck

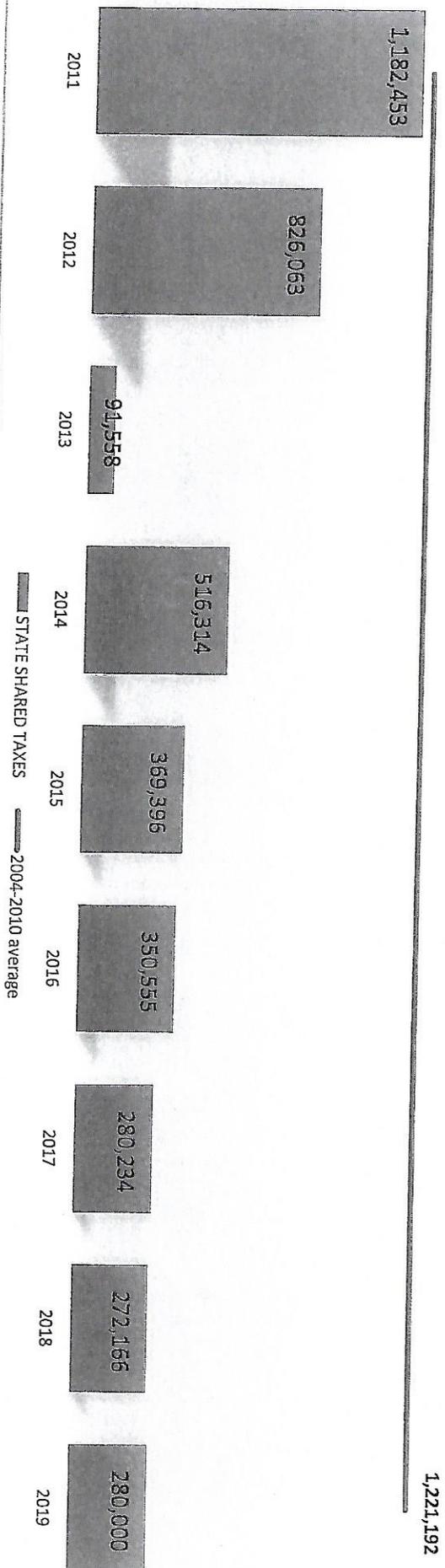
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CITY OF NORTH ROYALTON - GENERAL FUND - STATED SHARED TAXES BY YEAR



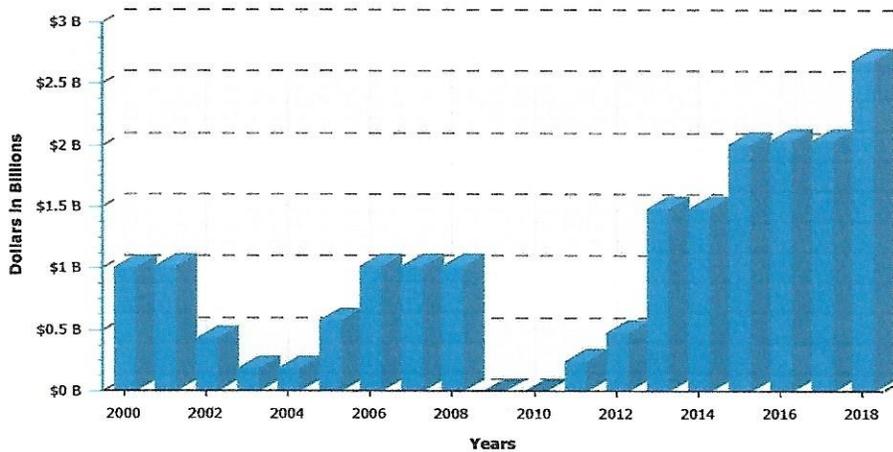
Dept.	Object Name/Department	2011	2012	2013	2014	2015	2016	2017	2018	2019
STATE SHARED TAXES	Local Gov't - County	557,521	378,240	6,099	238,743	262,924	297,272	270,202	272,166	280,000
STATE SHARED TAXES	Local Gov't Rev Assist	-	-	-	-	-	-	-	-	-
STATE SHARED TAXES	Local Gov't - State	100,210	69,698	56,804	56,116	44,096	20,715	7,515	-	-
STATE SHARED TAXES	Estate Tax	524,722	378,125	28,655	221,455	62,376	32,568	2,517	-	-
STATE SHARED TAXES		1,182,453	826,063	91,558	516,314	369,396	350,555	280,234	272,166	280,000
	Difference	(222,794)	(356,391)	(734,505)	424,756	(146,918)	(18,841)	(70,321)	(8,068)	7,834
	% change	-16%	-30%	-89%	464%	-28%	-5%	-20%	-3%	3%
	2004-2010 average	1,221,189	1,221,189	1,221,189	1,221,189	1,221,189	1,221,189	1,221,190	1,221,191	1,221,192
	Lost Revenue per year		(395,126)	(1,129,631)	(704,875)	(851,792)	(870,633)	(940,955)	(949,025)	(941,192)
	Cumulative Loss of Revenue Since 2010 (cuts Enacted in 2011)		(395,126)	(1,524,758)	(2,229,632)	(3,081,425)	(3,952,058)	(4,893,014)	(5,842,038)	(6,783,230)

Ohio's Budget Stabilization Fund

The Rainy Day Fund

Current account balance: **\$ 2,691,554,191**

July 11, 2018,
OBM Deposits \$657.5 Million in the Budget Stabilization Fund,
Boosting Ohio's Rainy Day Reserves to \$2.7 Billion



For more information, contact:

Ohio Office of Budget and Management
Front Desk: 614-466-3813
Email: Contact@obm.ohio.gov

Ohio Department of Transportation
Motor Fuel Tax Comparison of - Original and HB62 as Signed
Estimation of Local Gas Tax Revenues For State FYs 2020 - 2021

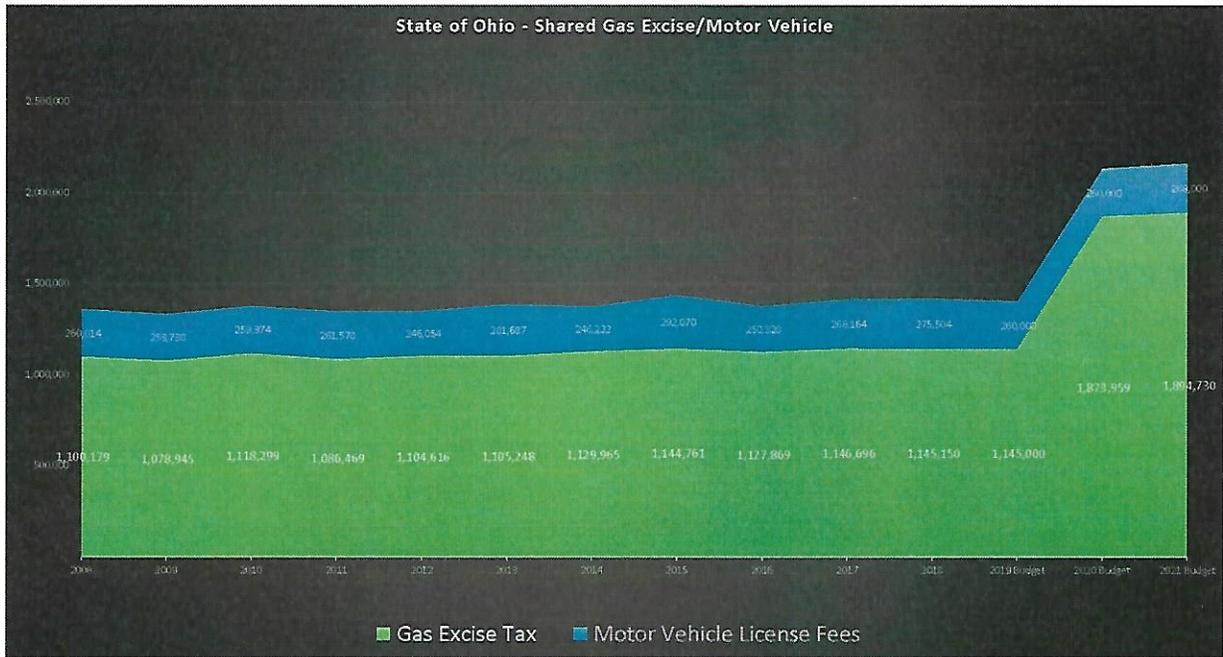
Estimated

Includes updated township formula.

Division of Finance
Updated April 4, 2019

Key Assumption: Motor fuel consumption estimated to be approximately 1% growth through SFY21.

District	County	City - C, Village - V or Township - T	SFY 2020			SFY 2021		
			Original	HB62	Difference	Original	HB62	Difference
			Original 28cpg	Orig 28cpg + 10.5cpg Gas 19cpg Diesel (July 1) Est Grand Total	Original Compared with HB62	Original 28cpg	Orig 28cpg + 10.5cpg Gas 19cpg Diesel (July 1) Est Grand Total	Original Compared with HB62
12	Cuyahoga	Bentleyville V	31,107	\$50,559	\$19,453	31,500	\$51,120	\$19,620
12	Cuyahoga	Berea C	577,603	\$938,807	\$361,205	584,902	\$949,213	\$364,311
12	Cuyahoga	Bratenahl V	47,196	\$76,711	\$29,514	47,793	\$77,561	\$29,768
12	Cuyahoga	Brecksville C	515,805	\$838,363	\$322,559	522,323	\$847,656	\$325,333
12	Cuyahoga	Broadview Hts C	724,140	\$1,176,982	\$452,842	733,291	\$1,190,027	\$456,736
12	Cuyahoga	Brook Park C	687,705	\$1,117,762	\$430,057	696,395	\$1,130,151	\$433,755
12	Cuyahoga	Brooklyn C	434,664	\$706,482	\$271,818	440,157	\$714,312	\$274,155
12	Cuyahoga	Brooklyn Hts V	98,510	\$160,114	\$61,604	99,755	\$161,889	\$62,133
12	Cuyahoga	Chagrin Falls T	90,475	\$147,205	\$56,729	91,610	\$148,827	\$57,218
12	Cuyahoga	Chagrin Falls V	134,773	\$219,053	\$84,280	136,476	\$221,481	\$85,005
12	Cuyahoga	Cleveland C	9,322,163	\$15,151,788	\$5,829,625	9,439,968	\$15,319,726	\$5,879,759
12	Cuyahoga	Cleveland Hts C	1,150,050	\$1,869,235	\$719,185	1,164,583	\$1,889,953	\$725,370
12	Cuyahoga	Cuyahoga Hts V	63,667	\$103,481	\$39,814	64,471	\$104,628	\$40,156
12	Cuyahoga	East Cleveland C	296,120	\$481,298	\$185,179	299,862	\$486,633	\$186,771
12	Cuyahoga	Euclid C	1,320,670	\$2,146,552	\$825,882	1,337,359	\$2,170,344	\$832,985
12	Cuyahoga	Fairview Park C	539,091	\$876,213	\$337,121	545,904	\$885,924	\$340,021
12	Cuyahoga	Garfield Hts C	804,485	\$1,307,570	\$503,085	814,651	\$1,322,063	\$507,412
12	Cuyahoga	Gates Mills V	97,472	\$158,427	\$60,954	98,704	\$160,183	\$61,479
12	Cuyahoga	Glenwillow V	49,100	\$79,804	\$30,704	49,720	\$80,688	\$30,968
12	Cuyahoga	Highland Hill V	14,014	\$22,777	\$8,763	14,191	\$23,029	\$8,839
12	Cuyahoga	Highland Hts C	331,309	\$538,494	\$207,185	335,496	\$544,463	\$208,966
12	Cuyahoga	Hunting Valley V	32,110	\$52,190	\$20,080	32,516	\$52,769	\$20,253
12	Cuyahoga	Independence C	346,569	\$563,296	\$216,727	350,948	\$569,539	\$218,591
12	Cuyahoga	Lakewood C	1,424,924	\$2,316,002	\$891,078	1,442,931	\$2,341,672	\$898,741
12	Cuyahoga	Linndale V	4,740	\$7,705	\$2,964	4,800	\$7,790	\$2,990
12	Cuyahoga	Lyndhurst C	460,996	\$749,280	\$288,284	466,821	\$757,585	\$290,763
12	Cuyahoga	Maple Hts C	663,311	\$1,078,113	\$414,802	671,693	\$1,090,062	\$418,369
12	Cuyahoga	Mayfield V	127,922	\$207,918	\$79,996	129,538	\$210,222	\$80,684
12	Cuyahoga	Mayfield Hts C	569,195	\$925,141	\$355,947	576,388	\$935,395	\$359,008
12	Cuyahoga	Middleburg Hts C	591,236	\$960,966	\$369,730	598,707	\$971,617	\$372,910
12	Cuyahoga	Moreland Hills V	124,185	\$201,844	\$77,659	125,754	\$204,081	\$78,327
12	Cuyahoga	Newburgh Hts V	55,708	\$90,546	\$34,837	56,412	\$91,549	\$35,137
12	Cuyahoga	North Olmsted C	1,110,258	\$1,804,560	\$694,301	1,124,289	\$1,824,561	\$700,272
12	Cuyahoga	North Randall V	31,003	\$50,391	\$19,388	31,395	\$50,949	\$19,554
12	Cuyahoga	North Royalton C	1,152,957	\$1,873,959	\$721,003	1,167,527	\$1,894,730	\$727,203
12	Cuyahoga	Oakwood V	210,931	\$342,837	\$131,906	213,596	\$346,636	\$133,040
12	Cuyahoga	Olmsted T	106,734	\$186,767	\$80,033	108,075	\$188,823	\$80,748
12	Cuyahoga	Olmsted Falls C	306,223	\$497,720	\$191,497	310,093	\$503,237	\$193,144
12	Cuyahoga	Orange V	110,033	\$178,842	\$68,809	111,423	\$180,824	\$69,401
12	Cuyahoga	Parma C	2,631,928	\$4,277,808	\$1,645,879	2,665,188	\$4,325,222	\$1,660,034
12	Cuyahoga	Parma Hts C	646,045	\$1,050,049	\$404,005	654,209	\$1,061,688	\$407,479
12	Cuyahoga	Pepper Pike C	222,142	\$361,058	\$138,917	224,949	\$365,060	\$140,111
12	Cuyahoga	Richmond Hts C	337,365	\$548,336	\$210,971	341,628	\$554,414	\$212,786
12	Cuyahoga	Rocky River C	668,709	\$1,086,886	\$418,178	677,159	\$1,098,933	\$421,774
12	Cuyahoga	Seven Hills C	424,630	\$690,172	\$265,543	429,996	\$697,822	\$267,826
12	Cuyahoga	Shaker Hts C	777,219	\$1,263,254	\$486,035	787,041	\$1,277,255	\$490,214
12	Cuyahoga	Solon C	846,629	\$1,376,070	\$529,441	857,328	\$1,391,322	\$533,994
12	Cuyahoga	South Euclid C	629,609	\$1,023,335	\$393,727	637,565	\$1,034,678	\$397,113
12	Cuyahoga	Strongsville C	1,727,030	\$2,807,030	\$1,080,000	1,748,855	\$2,838,143	\$1,089,288
12	Cuyahoga	University Hts C	316,915	\$515,098	\$198,183	320,920	\$520,808	\$199,888
12	Cuyahoga	Valley View V	154,288	\$250,772	\$96,484	156,238	\$253,552	\$97,314
12	Cuyahoga	Walton Hills V	124,392	\$202,181	\$77,789	125,964	\$204,422	\$78,458
12	Cuyahoga	Warrensville Hts C	393,938	\$640,288	\$246,350	398,916	\$647,384	\$248,468
12	Cuyahoga	Westlake C	1,137,559	\$1,848,933	\$711,374	1,151,934	\$1,869,426	\$717,491
12	Cuyahoga	Woodmere V	21,799	\$35,431	\$13,632	22,074	\$35,824	\$13,749
12	Geauga	Aquilla V	12,976	\$21,090	\$8,114	13,140	\$21,324	\$8,184
12	Geauga	Auburn T	105,890	\$184,714	\$78,824	107,220	\$186,747	\$79,527
12	Geauga	Bainbridge T	136,267	\$258,631	\$122,364	137,984	\$261,473	\$123,490
12	Geauga	Burton T	90,475	\$147,205	\$56,729	91,610	\$148,827	\$57,218
12	Geauga	Burton V	53,563	\$87,059	\$33,496	54,240	\$88,024	\$33,784
12	Geauga	Chardon C	548,503	\$891,510	\$343,007	555,434	\$901,391	\$345,957
12	Geauga	Chardon T	90,475	\$147,205	\$56,729	91,610	\$148,827	\$57,218
12	Geauga	Chester T	131,036	\$245,903	\$114,867	132,687	\$248,606	\$115,920
12	Geauga	Claridon T	90,475	\$147,205	\$56,729	91,610	\$148,827	\$57,218
12	Geauga	Hambden T	90,475	\$147,205	\$56,729	91,610	\$148,827	\$57,218
12	Geauga	Huntsburg T	90,475	\$147,205	\$56,729	91,610	\$148,827	\$57,218
12	Geauga	Middlefield T	90,475	\$147,205	\$56,729	91,610	\$148,827	\$57,218
12	Geauga	Middlefield V	90,587	\$147,235	\$56,649	91,731	\$148,867	\$57,136
12	Geauga	Montville T	90,475	\$147,205	\$56,729	91,610	\$148,827	\$57,218



fund	Acct	account	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 Budget	2020 Budget	2021 Budget
211	32131	SCMR-Gas Excise Tax	1,017,666	998,024	1,034,427	1,004,984	1,021,770	1,022,354	1,045,277	1,058,804	1,043,279	1,060,694	1,059,263	1,060,000	1,733,412	1,752,825
212	32131	State Highway-Gas Excise Tax	82,513	80,921	83,872	81,485	82,846	82,894	84,689	85,857	84,590	86,002	85,897	85,000	140,547	142,105
		Gas Excise Fees	1,100,179	1,078,945	1,118,299	1,086,469	1,104,616	1,105,248	1,129,965	1,144,761	1,127,869	1,146,696	1,145,150	1,145,000	1,873,959	1,894,730
		Increase (Decrease)	213,110	(21,234)	39,354	(31,831)	18,147	632	24,718	14,796	(16,892)	18,827	(1,547)	(150)	728,959	20,771
		% Change	24%	-2%	4%	-3%	2%	0%	2%	1%	-1%	2%	0%	0%	64%	1%
211	32135	Motor Vehicle License Fees	240,513	234,707	239,921	241,959	227,600	260,561	227,756	270,238	231,553	248,051	254,842	240,000	245,000	248,000
212	32135	Motor Vehicle License Fees	19,501	19,030	19,453	19,618	18,454	21,127	18,467	21,832	18,775	20,112	20,663	20,000	20,000	20,000
		Motor Vehicle License Fees	260,014	253,738	259,374	261,578	246,054	281,687	246,222	292,070	250,328	268,164	275,504	260,000	260,000	268,000
		Increase (Decrease)	(84,128)	(6,276)	5,636	2,204	(15,524)	35,634	(35,465)	45,848	(41,743)	17,836	7,341	(15,504)	-	8,000
		% Change	-41.46%	-2.41%	2.22%	0.85%	-5.93%	14.48%	-12.59%	18.62%	-14.29%	7.13%	2.74%	-5.63%	0.00%	3.08%