

May 29, 2019, Testimony Offered Before the Ohio House Public Utilities Committee

by Mike Barhorst, Mayor, City of Sidney, Ohio
and President, Ohio Municipal League Board of Trustees

Chairman Callender, Vice-Chair Wilkin, Ranking Member Smith and members of the Ohio House Public Utilities Committee. Thank you for scheduling testimony on House Bill 163 today.

I am Mike Barhorst, Mayor of the City of Sidney and I currently have the privilege of serving as the President of the Board of Trustees of the Ohio Municipal League.

Sidney is located on Interstate 75 about half-way between Cincinnati and Toledo. Sidney is fortunate to have four interstate interchanges. State Route 29 and 47 pass through Sidney and intersect with the Interstate. In addition, both north/south and east/west rail lines pass through Sidney, and there is an important rail intersection between the lines in Sidney.

Sidney is the County Seat of Shelby County, with a population of just over 21K. Sidney has more manufacturing jobs per capita than any other city in Ohio. Several thousand people come into Sidney every day to fill jobs within the community before returning home to their families. In fact, there were more than 33K W-2 forms filed in Sidney last year.

As you likely know, the Ohio Municipal League (OML) represents Ohio's 933 municipalities – from the largest city – Columbus with 880K people to the smallest village – Rendville with just 36 souls – our municipalities are diverse -some large – some small; some thriving – some not; but the one thing we all have in common is that the leadership of each of our municipalities understands the importance of the financial support we receive from the State of Ohio.

HB 163 would allow the State to withhold Local Government Funds as well as water and sewer grant and loan assistance from municipalities that charge an additional fee for utility services outside the corporate boundaries of the municipality.

The City of Sidney currently provides utility services, including water and sewer, to residents and businesses outside the corporate limits. Those businesses and residents are, in nearly every case, charged half again as much as Sidney residents.

In our view, this is a very “reasonable” rate considering the fact that these residents and businesses did not and do not contribute to the capital infrastructure needs of the City of Sidney. In addition, these outside customers consume available capacity for Sidney's treatment plants requiring the potential of additional capital infrastructure investments by the City of Sidney, and the possibility that new business and industry wishing to locate in Sidney would have to be turned away

Currently, one of our largest wastewater customers is Shelby County's largest employer, Honda of America Manufacturing. When Honda located their engine plant near Anna, they utilized the village's wastewater treatment plant, and even gave the village more than \$1M to expand the plant. Even with Honda's infusion of capital, Anna's wastewater plant was quickly overwhelmed.

Honda then came to the City of Sidney in search of services. Honda and the City of Sidney worked out an agreement whereby Honda installed the 8.2 miles of sewer pipe and the necessary pumping stations. Once installed, they turned that infrastructure over to the City of Sidney, and we maintain it. Honda happily pays their monthly bill.

The City of Sidney also supplies sewage treatment for the 165 business and residential accounts in the Village of Port Jefferson and for Shelby County's package plant that serves the Stephens Subdivision. Neither of these projects was something that anyone in the City of Sidney was anxious to do. Council ultimately decided to provide the service as much as an act of Christian charity as anything else - we understood there were pollution problems that were worsening, and we had the ability to provide the assistance to help.

In the interest of full disclosure, we are currently in negotiations to provide water services to a major industry located outside the corporate limits. This legislation, if passed, will likely result in the City of Sidney providing no further utility services outside our municipal corporate boundaries – there is simply no reason for us to do so and lots of reasons not to.

This legislation would be among the reasons not to. As a result, at least the City of Sidney would have no reason to provide services even for communities or neighborhoods or businesses with failing wells or septic sewer systems. Certainly if we do not provide service, we will neither find ourselves in violation of the provisions of HB163, nor be penalized by the provisions of HB163.

As president of the Ohio Municipal League, I will state that I've grown weary of trying to work with the General Assembly. Our state representatives should be finding ways to put fuel in the engines of Ohio's economy rather than constantly threatening to take fuel away by subtracting funds from the Local Government Fund.

Home Rule is an important provision of Ohio's Constitution. I've grown weary as well with the seemingly constant introduction of legislation preempting Home Rule.

We should never find ourselves in adversarial positions. We want to work with you to make the State of Ohio the place where everyone in the country wants to visit, wants to live, wants to retire, and wants to grow their business.

It is my hope that you will support the local governments that have generously provided needed utility services outside their corporate boundaries, and simply bury this ill-advised legislation.

On behalf of Ohio's 933 municipalities, I thank you for your time. I would be happy to try to answer any questions you may have.