



## OHIO TOWNSHIP ASSOCIATION

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### **HB 333 Force Account Limits for Townships Proponent Testimony House Local Government Committee February 16, 2016**

Good morning Madam Chair and members of the House Local Government Committee. My name is Matthew DeTemple and I am the Executive Director for the Ohio Township Association. On behalf of the Ohio Township Association (OTA), I would like to offer our strong support for HB 333, which would increase the force account bidding thresholds for townships. As you know, the term “force account” refers to the situation in which a public official is statutorily authorized to act as a contractor on a project, and the public body does the work itself, employing its own labor and purchasing its own materials.

The limits on force account work (R.C. §5575.01) were last increased in 2003. Current law sets thresholds at \$45,000 per maintenance and repair road project and \$15,000 per mile for construction and reconstruction of a road.

Road maintenance is a mandated obligation for townships. Townships are responsible for over 41,000 miles of road and over 80,000 lane miles. While townships are responsible for the largest number of miles of roads in the state, they receive the least amount of funding in comparison to ODOT, counties and municipalities. All revenue a township receives from gas tax, motor vehicle license fees and road levies must be used on roads. They may not use these funds to supplement other township services.

All trips begin and end on local roads. Dramatically increased raw material prices have increased construction costs directly since 2003. The following is data that was included in HB 53 (131<sup>st</sup> GA) testimony given by the County Engineers Association of Ohio earlier this year.

<b>Material</b>	<b>Approx. cost 2000</b>	<b>Approx. cost 2014</b>	<b>% Increase</b>
Concrete	\$59	\$85	25%
Asphalt FOB Plant	\$23	\$65	183%
Asphalt in Place	\$24	\$70	192%
Asphalt Emulsion RS2P (Gallon)	\$1	\$2.25	125%
Aggregate	\$4.50	\$8.65	92%
Salt (ton)	\$34.50	\$80.50	133%
Re - Steel (per 100 lb)	\$26	\$48	85%

The price increases experienced over the past several years have affected all infrastructure projects in Ohio. In 2002, it cost \$24,000 to pave one mile of road in Allen County. By 2013, the cost of doing the same one mile of road had risen to \$62,000 per mile. To further illustrate the dramatic increases in price, data provided by the Fairfield County Engineer shows that in 2005 it cost \$9,536 per

mile to chip seal 23.775 miles of township road compared to \$15,114 per mile in 2015 to chip seal 35.47 miles.

Despite the overwhelming evidence that construction costs have risen and will be elevated for some time, funding for these projects have become stagnate, at best, or shrinking. According to the Tax Data series published by the Ohio Department of Taxation, township motor vehicle fuel tax funding has decreased from \$123.1 million in 2007 to \$120 million in 2014.

The Ohio Department of Transportation (ODOT) released a report titled "Access Ohio 2040" in May 2014. The report noted that it is estimated that ODOT has \$55 billion worth of needed transportation investments between 2014 and 2040, yet is only projected to receive \$41 billion in revenue during that same time period. Furthermore, the report states that the estimated cost of maintaining locally owned roads and bridges are approximately \$41 billion and that local revenue statewide is estimated to be significantly below the need. While ODOT funding was increased in HB 53, this is not expected to directly impact upkeep of township roads.

Limited funding sources force townships to run an efficient operation. Across the state, you will find that many township employees and elected officials plow snow in the winter, pick up litter, spray noxious weeds and mow along roads in the spring, summer and fall; but they are also qualified and trained to do the work needed on the roads. By having multiple roles in the township, the township saves money by not having to hire additional staff for snow removal, mowing, spraying weeds and other tasks. Furthermore, townships share employees to save taxpayer money. For example, Greenfield Township and Liberty Township in Fairfield County have a signed agreement whereby the employees of both road departments combine forces in the summer to level coat, crack seal, or otherwise assist with the annual summertime asphalt work program. They go to one township for a week or two, do the work, then go to the other township and do the work scheduled there.

I would also just like to note, pursuant to current law and unchanged by this legislation, a force account assessment form must be completed before a township can undertake a project (R.C. Sect. 117.16). The county engineer, a qualified, unbiased expert, is required to review and sign the force account form. The county engineer knows the roads and the township personnel. The county engineer acts as contractor for a township on force account projects. Per R.C. Sect. 5575.01(b), the county engineer must prepare a detailed estimate.

The OTA is requesting an increase in the force account limits to reflect the cost of doing business today. Increasing force account limits would allow townships to complete small road projects in a cost-effective way. The OTA strongly supports HB 333. We would like to thank Reps. Hambley and Schaffer for sponsoring this legislation and we urge the House Local Government Committee to support the measure. Thank you Madam Chair, I would be happy to answer any questions you or the members may have.