SPRINGBORO

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Jonathan Hudson, Finance Director
City of Springboro
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Chairman Koehler, Vice Chair Reynolds, Ranking Member Ingram and Members of the Ohio Senate Workforce Committee:

Thank you for the opportunity to present testimony in support of Senate Bill 331, legislation to allow certain municipal employees to accept gratuity in a limited set of roles and settings in which tips traditionally supplement service income.

My name is Jonathan Hudson, and I serve as Finance Director for the City of Springboro in Warren County. With special thanks to our State Senator Steve Wilson for his role in introducing SB331 in joint sponsorship with Senator Blackshear, we would first like to share our appreciation to the committee for your consideration on this legislation. SB331 represents a thoughtful and we believe needed update to state law that supports both the day-to-day realities of municipal operations and the workforce we rely upon to deliver high-quality recreation and hospitality services to the public.

You've heard from some of our peer communities in neighboring counties about a wide variety of recreation facilities that would be covered under the legislation. All share a common exposure due to the current law and its effect on each of these communities' operations. These places are often staffed by seasonal and part-time employees who interact directly with visitors and create the customer experience that residents value. In many of these settings, tipping is both traditional and expected, yet current ethics interpretations prevent public-sector employees from accepting gratuities even when performing duties identical to those in private hospitality settings.

In Springboro, as referenced in Senator Wilson's proponent testimony, the city-owned Heatherwoode Golf Club is a central part of that experience. As the premier public golf course in southwest Ohio and one of the city's most recognizable community assets, it relies on roughly 125 seasonal staff members each year. Approximately 70% of these seasonal workers are high school or college age. Their work is vital in supporting all Heatherwoode's operations including golf, concessions, events, and beverage cart service. These seasonal service-oriented positions are historically precisely the types of hospitality-oriented roles in which gratuities are customary in the private sector, and patrons often express a desire to tip staff for the service they receive.

Likewise, the Springboro Performing Arts Center, which welcomes approximately 35,000 visitors annually, fuels both cultural vibrancy and the local economy, with many patrons dining at nearby restaurants before or after performances. While difficult to provide an exact measure of the direct and induced activity these facilities bring to Springboro annually, our staff estimates that these assets together generate more than $10 million in annual economic activity. These amenities shape the city's

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identity and character, and their success depends heavily on the seasonal and part-time workforce that interacts directly with the public.

Under current law, public employees in these service-oriented roles are barred from accepting gratuities, even when their day-to-day duties mirror those performed at private facilities where tipping is standard. This limitation compounds an existing challenge for municipalities, which already struggle to compete with private-sector employers that have greater flexibility in management of their payroll resources when compared to the regulation on public budgeting. This disparity makes municipal employment less attractive and ultimately constrains our ability to maintain the level of service that residents and visitors associate with Springboro's amenities.

Springboro and other municipalities take our obligation to uphold Ohio's ethics laws seriously. We believe that SB331 offers a responsible framework that preserves ethical safeguards while recognizing the realities faced by public operators who must compete for talent in the same labor market as private businesses in the recreation and hospitality areas. On behalf of the City of Springboro, I would respectfully ask for your support for Senate Bill 331, and I am happy to answer any questions you may have at this time.

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