

Proponent Testimony of the Jack Schron, Jr., 6th District County Council, for Cuyahoga County

Regarding House Bill 251

Chairman Oelslager, Vice-Chair Manning, Ranking Member Skindell, and the Members of the Senate Finance Committee:

Thank you for allowing me the opportunity to testify in support of HB 251 (Greenspan) relative to a proposed increase in maturity levels of bonds eligible for investing interim money from five to ten years.

I am pleased to present my testimony regarding HB 251. My name is Jack Schron. I am currently serving my third term as 6th District Cuyahoga County Councilman where I represent approximately 130,000 people on the East and South sides of Cuyahoga County. I chair the Council's Economic Development Committee and serve on the county's Investment Advisory Committee. I have served in these roles for about six years.

In my capacity on the three member Investment Advisory Committee it is our responsibility to set the investment policy for county funds and to seek out, through our oversight responsibility, to balance risk and returns on behalf of the county. The return on investments with the interest rates being at all-time lows has made it difficult to achieve favorable returns at the required risk levels. In an effort to seek higher returns while still seeking low levels of risk the Investment Advisory Committee adopted The **CUYAHOGA COUNTY Municipal Infrastructure Program**.

The **CUYAHOGA COUNTY Municipal Infrastructure Program** is a program that allows for the investment of a portion of the county's funds currently invested in our approved investment to now be invested by purchasing the bonds and other obligations of Cities, villages, townships, school districts and special districts whose boundaries are fully or partially within the County. The Program (see attached) is designed to assist the various types of governmental bodies by providing them a lower interest rate while returning to the county, payments at higher rates than we can achieve through traditional investments. This policy is designed to be a win/win for all involved,

The **CUYAHOGA COUNTY Municipal Infrastructure Program** has been in effect since 2014. During this time there has not been a single City, village, township, school district or special district to use the program. The reason mentioned is that the time and costs associated with processing under this program is not warranted due to The State of Ohio's current limitation of five years. We are being told that the time and origination fees cannot be justified to refinance or create original financing for only five years.

Today I speak in support of HB 251 to extend the period from five years to ten years. Counties having the funds would be able to earn their taxpayers, within their counties, higher returns while providing a valuable services to Cities, villages, townships, school districts and special districts whose boundaries. This would provide these governmental bodies with cost savings to borrow funds at better than market rates, recall higher priced borrowing instruments and do it over a longer period of time. This will provided a new tool which would provide certainly for both the county in its investment portfolio and the borrower and I encourage the passage of HB 251.

Thank you

Jack H. Schron, Jr.

6th District Councilman

Cuyahoga County