

The City of Lorain, Ohio Chase Ritenauer Mayor

Ohio House Finance Committee House Bill 62 Testimony Chase M. Ritenauer, CPA Mayor of Lorain, OH February 27, 2019

Good Morning, Chairman Oelslager, Vice Chair Scherer, Ranking Minority Member Cera, and members of the Ohio House Finance Committee.

My name is Chase Ritenauer, and I am the Mayor of the City of Lorain—Ohio's 10^{th} largest city with a population just over 63,000 people and almost 600 lane miles. Lorain is located on Lake Erie approximately halfway between Cleveland to the east and Sandusky to the west. Thank you for the opportunity to provide testimony today on the local challenges relative to infrastructure funding.

I took office in 2012 at a time when Lorain was in "Fiscal Watch." Operationally, the city was running structural deficits, which made capital investment virtually impossible. Roadway repair was a conservative 45 million dollars behind, and all types of roads—from federally funded highways to major thoroughfares to arterials to side streets to residential streets—were crumbling. With the dire budget situation, Lorain risked losing 80 percent funding on federal projects because it could not provide the 20 percent match out of its general fund or street fund. Much like the position you are in today, in 2012 I had a difficult decision to make.

I placed on the ballot and campaigned for a permanent income tax increase of which half would be earmarked for roads. It would allow Lorain to borrow approximately 20 million dollars to fix immediately the worst roads while also providing a necessary match for federal and state projects. From there it would provide a steady stream of unencumbered dollars annually to be used for in-house repairs or other neighborhood road projects. While this was a necessary move, it was not what I wanted in my first year in office. However, I believed then what I believe now; the situation had to be addressed before we fell so far behind we would never be able to recover. The taxpayers supported the plan, and in the last 7 years we have made great strides in fixing our local roadways. But it is not enough. Even with a local funding stream, Lorain spends approximately 3 million dollars a year within its local roadway system—this is basically our residential streets program outside of major highway and federally funded projects. Lorain's City Engineer believes that for a road program commensurate with Lorain's size, we need 15 million dollars per year. That is a 12 million dollar annual gap in local roadway repair.

With the local funding stream, we have purchased new equipment to do concrete work and asphalt work in-house in areas of the city were roads are graded as maybe a "C" and with some seam work or slab work can be saved. This has helped to shave off some of the cost and catch up faster than if we solely outsourced this type of work or did full replacement. Unfortunately, though, many roads need full replacement. We have made strides in Lorain, but we are reaching a point where additional revenue is necessary as "C" roads with northeast Ohio's winters do not take long to turn into "D" and "F" roads.

An increase in the motor vehicle fuel tax is not something anyone wants to do. I know I did not run for office to raise Lorain's income tax. But it was what the situation demanded. The state must act now and work in partnership with its local communities, which this plan does. With additional dollars, Lorain will address critical neighborhood roadway conditions. We will be able to provide matching funds for much needed dollars from federal and state partners. And we will be able to invest in other areas that are often overlooked—much needed infrastructure for the actual operation.

Last year, Lorain was featured in a *New York Times* article about the impact of cuts to local governments. The city's street department complex was the lead story. During budgetary difficulties, capital is often cut first, and when capital projects can happen they are done so residents can see the result. Lorain's street department building and much of the equipment within it has not been addressed in decades. The street building has attracted raccoons, snakes, and termites. During the walk-through with the *New York Times*, ceiling tiles fell and a wall started to give way. It is not an appropriate building to house important equipment used daily on Lorain's roads and is certainly not a place to house Lorain's hardworking men and women who maintain its roads. The service center and equipment have not been ignored because of lack of desire; it has been because of lack of funds. A gas tax that has remained flat and does not adjust for inflation continues to yield less and less. That means demand outpacing funding, and it means those things not as noticeable get neglected. As a result, in Lorain we fix fewer roads than we should and we watch the critical infrastructure necessary to fix those roads wither away.

This is simply not sustainable. I credit Governor DeWine for realizing this early in his tenure. This plan is about more than roads and bridges. It is about Ohio's future. Infrastructure and transportation are directly tied to economic development opportunities. I remember a time when developers left Lorain before their meeting with the city because of the condition of Lorain's roads. Certain aspects about a city, a region, or a state serve as truth serum when it comes to decisions about private investment and job creation. People look for cues or shortcuts to make quick, decisive judgments. Our roads and bridges are perhaps the most tangible. Those we are trying to attract to our state or city not only can see the roads and bridges, but they can feel them. It sends a sign of whether we, together, are on top of our game or if we are content with eroding public infrastructure. And eroding infrastructure sends the prominent message of "we are not open for business." We have heard much talk at all levels of government of the need to repair roads and bridges. Well, today, you have before you a plan to get to work. We owe it to our constituents to do just that. I ask for your support of Governor DeWine's transportation budget and plan to increase the motor vehicle fuel tax. Ohio's future cannot afford delay. Thank you for your time.