

HOUSE FINANCE AGRICULTURE & NATURAL RESOURCES SUBCOMMITTEE

HB-153 SHARED SERVICES TESTIMONY

Good morning Mr. Chairman and members of the Committee. My name is Greg Hanahan, I am a German Township, Montgomery County Trustee and currently President of The Ohio Township Association (OTA). My full time job is Township Administrator for Miami Township, Montgomery County which is a large Ohio Township that is currently experiencing significant growth. It is on behalf of all three positions that I address you here today. My comments are based on my experiences and beliefs as a 34-year participant of local government both as an elected official as well as a public sector employee. For a number of years I worked in the private sector in road construction and as a developer. My public sector experience includes having been involved in collaborations and shared services for group purchasing, consolidated trash hauling contracts, joint management of parks, Fire/EMS Services, even joint union cemeteries. Currently I am working on a merger project for Miami Township and City of Miamisburg Fire Departments that would result in a joint fire district.

First let me state that I believe that in order for local governments to be successful, they must be managed to the extent possible, in the same manner as a private business would be. Simply stated, local government must be effective, efficient, and adaptable to changing dynamics. In the case of local governments, those changes include but are not limited to, changes in population, changes in land use, demands for services, and of course, changing revenues. Successful businesses are successful because they adapt to change. It is no different for local governments.

The goals for shared services should be the same as the goals of successful local governments; that is providing effective, efficient services, and giving tax payers the best possible return for their tax dollar investment. In the case of townships it is important to understand that the services we provide are for the most part funded through local property tax levies. There are exceptions, but in general this statement holds true. It is very important to remember that local dollars are paying for services. Therefore it is extremely important that all entities participating in shared services contribute their fair share, and that one community is not subsidizing services for another. Determining fair share is in my opinion, key to the success of shared services.

I would also like to note SB 125 “the shared services bill” included language that had been basically agreed to by the OTA and Ohio Municipal League with regards to contracts, and the statutory authority granted to JEDD’s. It would be helpful to mirror this language in HB 153.

In conclusion, I would like to state that shared services have a role in Ohio local governments. Local governments need to strive to provide effective, efficient services and shared services should be another tool in the tool box to do so. Ohio is a very diverse state and Ohio Townships are no different. What works well in the metropolitan areas is not necessarily what works best in the more rural areas. For example, a shared service structure that works well for a Fire/EMS Department made up of all full-time employees may not work in an area with departments that made up mostly of volunteer or part time employees. Shared services in more densely populated areas may not make sense in areas that are sparsely populated even if the two areas are adjacent to each other. I truly believe shared services have a viable future in Ohio local governments. Key to the success of shared services will be encouraging local governments to be creative by providing maximum flexibility. Of course providing additional funding or at least the resources to fund startup costs for shared services should be a consideration. I also encourage the legislature to remain realistic in

understanding that shared services may not always be the most effective and efficient way to provide services. Bigger or combined is not always best, and mitigating factors are often going to exist.

Finally, I would close by stating that many Ohio Townships have been collaborating or sharing services in numerous ways for many years. I mentioned some examples previously in my testimony. Ohio Townships are up to the challenge of providing effective efficient services to our residents. We simply ask you provide us the tools and leave the rest "In our Hands".

Thank you, Mr. Chairman and members of the Committee. I would be happy to answer any questions you might have.