

The Ohio Commission on Local Government Reform and Collaboration
February 26, 2010
Minutes

Mr. Troy called the meeting to order and gave a brief overview on the Ohio Commission on Local Government Reform and Collaboration.

In Attendance:

Daniel Troy: Co-Chair	Michael Cochran
Anita Lopez: Co-Chair	Dan Foley
Charleta Tavares	Rob Roland
Larry Wolpert	Jennifer Economus

Mr. Troy moved for the approval of the January 30th, 2010 minutes; the motion was approved unanimously.

Mr. Troy reported that Commission member Tim Downing was not present to provide an overview of financial payments to the Glenn Institute. Mr. Downing had, however, been in communication with the Glenn Institute to define the Institute's role as it relates to research and work with the Commission. There were no proposed payments to the Glenn Institute at the time of the meeting.

Mr. Troy informed the Commission that the next meeting is was scheduled for March 26th and would be held in the greater Columbus area.

Ms. Lopez reminded Commission members that each subcommittee's report is due on March 15, 2010, as agreed at the January 30th meeting.

Mayor William Healy of Canton welcomed the Commission to the city. He spoke of difficulties encouraging local governments and officials to promote regional approaches to problem solving and governance. Mayor Healy provided examples of interjurisdictional success between the city of Canton and neighboring jurisdictions such as a Jobs-4-US program and a Joint Economic Development Agreement, noting that progress was made despite rather than because of full cooperation between neighboring jurisdictions. Mr. Healy provided recommendations to the Commission, specifically:

- The processes for annexation should be simplified to enable municipalities to expand more easily, noting that the current process to annexation has many obstacles.
- It should be easier to merge neighboring jurisdictions, and the State Legislature should streamline the multi-stepped process and provide financial incentives/grants to this end.
- It should be easier to merge departments within and between jurisdictions to reduce redundant services.
- State laws, grants, and other funding should be designed to promote regionalism, and municipalities should be enabled to work together to bring economic development to their region.

Mr. Troy agreed with the emphasis on incentives and disincentives to encourage collaboration, and added that the importance of decision-making by local officials is equally important to local collaboration.

Mr. Cochran noted the present political system already enables mergers and other reform processes discussed by Mayor Healy, and added that the lengthy process for a merger is part of an important vetting process.

Mayor Healy replied that the process for a merger may take years and is too easily impeded by individuals who set up roadblocks.

Mr. Daniel Geroni, graduate intern for the Glenn Institute, provided an update on progress for a prevailing wage report due to the Commission and provided two brief reports that summarized citizen testimony submitted to the Commission from previous meetings and material from research reports created for the Commission.

Ms. Tavares reported on the Identification of Options for Encouraging and Incentivizing Local Government to Collaborate subcommittee. The subcommittee had not met since the last Commission meeting, but intended to meet in the coming weeks.

Mr. Foley reported on the Local Tax Structures subcommittee. Mr. Foley noted that the current tax system consists of a complex variety of property, income, and sales taxes levied by different jurisdictions. The subcommittee is considering how to restructure Ohio's comparatively high local taxes to make the state more attractive to business.

Mr. Troy reported that the Current/Alternative Service Delivery Model subcommittee had not met since the last meeting, but the subcommittee's work accomplished prior to the last meeting can be found in the January 30th minutes. These topics included state recognition of Metropolitan Planning Organizations, providing greater authority to form more joint service provision districts, and also removing any arbitrary restrictions on the size and purpose of joint service provision districts that are currently in statute.

Ms. Lopez informed the Commission that the Ohio Society of CPA's had provided Commission members with a report created for the Governor containing a section concerning local government efficiency. She noted representatives of the organization were unable to attend but will testify at the March 26th meeting.

Public Testimony began. Mr. Ron Becker, Chairman and CEO of Hilscher-Clarke Electric Co offered testimony on the differences in electrical codes, plan approvals, and inspections between jurisdictions. Mr. Becker explained that the diverse codes and inspections result in lost productivity and delays, and recommended that codes and inspections be standardized and applied in a uniform manner.

Mr. Troy noted that many communities contract inspection work to the county, and asked if there were more opportunities for work to be carried out this way. Mr. Becker suggested that whatever succeeds in simplifying building and electrical codes should be considered.

Mr. Wolpert agreed that complex codes and inspections such as these may make Ohio less competitive compared to other states.

Mr. Joseph Halter, President of Solmet Technologies, explained that local businesses are willing to lend talent and expertise to work in short-term, task-oriented teams to analyze more cost effective operations that can improve local governance. He added that generally business owners have a history of collaboration and understand the importance of assisting government leaders in the decision-making process. He named local chambers of commerce as vehicles for government-business collaboration. He outlined opportunities from the 21st Century Initiative, which included:

- Help governments improve services through greater efficiency and collaboration, eliminate redundancies, and reduce operating costs.
- Produce tangible results from cooperation among governments and praise the results when they occur
- Improve government processes through collaboration with the private sector.

Mr. Troy asked if Mr. Halter believed the Commission should enable local collaboration by recommending removing restrictions in current law that hinder collaboration. Mr. Halter replied that he did.

Mr. Roland suggested the Commission recommend funding be made available for a local effort to find successful methods of collaboration. Mr. Halter agreed.

Ms. Tavares added that there are examples of other entities such as nonprofit organizations that also reach out to local government to offer insight on collaboration efforts. She agreed that funded incentives can also be of benefit in these collaborative efforts.

Mr. Kim Perez, Stark County Auditor, spoke to the Commission on the Northeastern Ohio Local Government Consortium (NEO Logic). The consortium has the objective of improving government efficiency through collaborative technology initiatives, and is centered on several goals, including creation of a shared disaster recovery site in the event of a major emergency.

Mr. Perez noted key challenges, such as:

- Sustainable affordable broadband connectivity
- Lack of a regional data center

He recommended that a common virtualized hardware environment should be adopted for compatibility of disaster recovery initiatives between all local government entities. He also recommended investments to enable secure data facilities and network connectivity between different regions in northeast Ohio to address the issue of disaster recovery.

Mr. Troy asked if information technology (IT) service sharing and collaboration could be beneficial, e.g. could multiple counties share one IT center. Mr. Perez replied that some centralized functions that rely on IT would be difficult to apply in multiple counties. Instead, he recommended making information and skills available to all counties.

Mr. Mike Cunnington, political consultant, recommended the Commission address several areas of reform, and make bold changes that are need in Ohio to give the state a “21st Century economy”. His recommendations included:

- Reform Ohio school districts, reducing their total number to achieve economies of scale. He suggested countywide consolidated school districts as being a viable option.

- Encourage members of local government such as county commissioners, township trustees, county engineers, coroners, and sheriffs to work in a less territorial manner.
- Adopt best governmental practices that have been implemented around the country.
- He recommended making specific county positions such as coroner, engineer, and clerk of courts appointed rather than elected.

Regarding Mr. Cunningham's recommendation on school district reform, Ms. Economus noted that there are successful small school districts in Ohio that benefit from a strong local identity.

Mr. Cochran added that he believes that many Ohio's schools compare favorably to schools to schools in other states.

Mr. Gene Krebs, Co-Director of Greater Ohio, offered testimony to the Commission relating to information found in a report "Restoring Prosperity, Transforming Ohio's Communities for the Next Economy". The report draws attention to the fact that Ohio's state and local tax burden is distributed in such a way that state taxes are comparatively low, whereas tax burden is relatively high. He also noted that Ohio spending on school district administration is higher than the national average.

Mayor William Currin of Hudson, Ohio and Chairman of the Northeast Ohio Mayors and City Managers Association, spoke to the Commission on the Regional Prosperity Initiative (RPI). RPI is a nonpartisan initiative to incentivize collaboration on issues of economic development across the 16 county region of Northeast Ohio. Goals of RPI include:

- A region-wide, collaborative land use and infrastructure planning process
- A new growth tax base sharing system.

Mayor Currin added that RPI does not usurp local authority of any local jurisdiction, nor does it promote merging or consolidating any jurisdiction. He said that the report of the Greater Ohio Policy Center and the Brookings Institution support much of the RPI's recommendations, including:

- Change state law to make local government tax sharing explicitly permitted
- Support the creation of regional business plans.

He pointed out key encumbrances to these recommendations:

- H.B. 920
- The potential inability for tax base sharing under the Ohio Constitution, Article 12, Section 5.

Mr. Troy reminded the Commission that RPI will be providing specific recommendations to the Commission at a future date.

Mr. Daniel C. Mamula, Manager of the Mahoning River Corridor Initiative (MRCI), offered testimony recommending expansion of the Local Government Services and Regional Collaboration Grant Program (LGSRCG) as a way of facilitating collaboration between local governments. One such grant from this program in conjunction with other funding sources allowed for the creation of the MRCI. Among MRCI's achievements:

- Promote regional development and collaboration among jurisdictions
- Develop a collaborative redevelopment strategy for the thirty mile river corridor

- Inventory and develop site plans and comprehensive site maps in each community.
- To date, 16 brownfield sites totaling over 900 acres have been identified for economic development, recreational, and/or environmental enhancement.

Mr. Mamula cited the Local Government Services and Regional Collaboration Grant as making the MRCI possible. He recommended:

- Funding for the LGSRC program be fully restored to help fund feasibility studies aimed at facilitating regional collaboration and the regionalization of local government services
- Expand the program to provide implementation grant assistance for projects deemed feasible.

Mayor Glenn Holmes, Mayor of McDonald Village, Ohio and President of the Mahoning River Mayor's Association spoke to the Commission on the need to reform Joint Economic Development Zone laws (JEDZ). He explained that in their present form, JEDZ laws often result in boundary disputes due to differences in income tax between neighboring municipalities. He provided an example of an investment by V & M Star Steel in Youngstown. The company wanted to expand facilities into Girard, which had a different income tax. The issue was a contentious one, and was resolved only by an agreement that allowed Youngstown to annex parts of Girard. Mayor Holmes recommended that the Commission address current JEDZ laws to make their application less contentious as applied in situations such as this.

Mr. Tony Paglia, Vice President of Government Affairs for the Youngstown/Warren Regional Chamber, related to the Commission examples of successful collaboration in the Youngstown area. These successes included the Mahoning/Youngstown Regional Information Network, a four-community storm water management district, and growth of utility aggregation throughout most communities in the county. Mr. Paglia believes that similar successes can be incentivized through a stick and carrot approach. His specific examples included:

- Local Government Fund – require any local government receiving the funds to provide proof that the entity is involved in collaborative efforts.
- Ohio Public Works project funds – Priority points should be given to projects that involve two or more communities, encouraging neighboring jurisdictions to come together on projects that involve them both.
- Local Government Collaboration Grants – The state should commit to a five year program to promote and support efforts by local governments to collaborate with the goal of saving money and providing effective services. These grants would come in the form of Feasibility Grants and Implementation Grants.

Mr. Troy asked if Mr. Paglia believed it would be beneficial to have an office of Local Government. Mr. Paglia replied that there should be at least a kind of advisory board to provide assistance on local government issues and draw attention to issues of local government.

Mr. Cochran added that the feasibility and implementation grants could be applied not only to municipalities but also to other kinds of local jurisdictions. Mr. Paglia agreed.

Mr. Larry Morgan, Superintendent of Stark County Educational Service Center, offered examples of successful collaboration to the Commission regarding school districts in Stark County. Examples of successful collaboration include efforts between the community and

various agencies within the community. Bus and Van Driver Certification and home schooling program approval are examples of functions that could benefit from being centralized to the county.

Mr. Troy observed that Mr. Morgan's testimony featured many services that are currently carried out collaboratively. He inquired why there is not a drive to simply consolidate school districts, and further inquired if a consolidated school district could serve educational needs by utilizing specialized magnet schools. Mr. Morgan replied that he did not necessarily assume that smaller school districts are less inefficient, as they can carry out the same number of functions with a smaller number of staff.

Rick Campbell, Stark County Recorder, addressed issues of technology, legislation, and funding as it relates to the position of recorder. He noted that the Stark County Recorder's office was poorly organized and not utilizing state of the art technology to serve residents of the county. He described different improvements he undertook to provide backup for information stored in the office and processes that made the return of information significantly faster.

Mr. Troy noted the importance of the office of recorder, but inquired if the position should be combined with the auditor's office. He also asked if the position should be appointed instead of elected, given that the position is administrative rather than policymaking. Mr. Campbell suggested that it should remain elected, and said that appointed positions are susceptible to corruption and may not necessarily be carried out by the most qualified person.