

TO: City Council
FROM: Eric Hansen, City Manager
DATE: August 16, 2018
RE: State of Ohio Budget Surplus

ITEM: Authorizing a resolution urging the State of Ohio to invest its budget surplus toward municipalities.

ACTION REQUESTED: By motion, adopt **Resolution 2018 – 15** urging the Ohio Governor and members of the Ohio General Assembly to invest the State budget surplus in municipal governments.

PURPOSE: Ohio Municipal League (OML) is encouraging municipalities to pass resolutions to urge the State to use its budget surplus to restore some of the funding lost to local governments when the State balanced its budget during the recession by cutting and eliminating funding needed to provide local services.

Attached is the news release from the Ohio Municipal League and a sample draft letter that may be submitted by residents that may be posted to the City's website when action is taken on the resolution.

Resolution 2018 – 15 is recommended for adoption. If you have any questions, please contact me.



MEMBER ALERT

LEAGUE URGES STATE TO RETURN BUDGET SURPLUS TO MUNICIPALITIES

Yesterday, Governor Kasich proposed using the projected state budget surplus of \$147 million to fund an income tax withholding reduction and an additional \$68 million to max out the state's rainy day fund. The League released the following statement urging the governor and state leaders in the General Assembly to route these dollars back to cities and villages instead.

NEWS RELEASE

FOR IMMEDIATE RELEASE: 8/8/18

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OML URGES BUDGET SURPLUS BE INVESTED IN OHIO'S CITIES AND VILLAGES

COLUMBUS, Ohio - Yesterday Governor Kasich proposed using the projected state budget surplus of \$147 million to fund an income tax withholding reduction and an additional \$68 million to max out the state's rainy day fund.

The Ohio Municipal League urges the state to invest these dollars in crucial local services. Municipalities have an urgent need to rebuild infrastructure and bolster public safety services to fight the opioid epidemic. These dollars should be used to close the gap created through past Local Government Fund raids that resulted in a loss of \$435 million for municipalities in CY 2015 alone.

"Municipalities have been needlessly shortchanged by deep cuts in funding sources and revenue sharing with the state," said OML President Mayor Scott Schertzer. "State leaders must realize the impact their funding raids have on the ability of local governments to provide basic services and make crucial infrastructure improvements. We urge the state to not waste this opportunity to invest in municipalities, ensuring they are equipped to provide safe roads, clean drinking water, and fire and police services to millions of Ohioans."

Investing these funds in our local governments is an investment in Ohio, helping to ensure stable infrastructure, job growth, and a strong future for our communities.



Sample Letter

(Date)

John R. Kasich
Governor, State of Ohio
Riffe Center, 30th Floor
77 South High Street
Columbus, OH 43215-6117

Dear Governor Kasich,

I'm writing today to urge you to invest this year's projected budget surplus in Ohio's municipalities. You recently proposed using the projected surplus of \$147 million to fund an income tax withholding reduction and an additional \$68 million to max out the state's rainy day fund. This revenue would be more useful if it was returned to local governments.

In recent years, your administration and the Ohio General Assembly have repeatedly decreased funding and revenue sharing. You have significantly decreased the Local Government Fund (LGF), eliminated the Estate Tax, and phased out the Tangible Personal Property Tax. In CY 2015 alone, LGF raids cost municipalities a total of \$435 million. These cuts have made it more difficult for municipalities to provide basic services, rebuild infrastructure, and bolster public safety services to fight the opioid epidemic.

Our community has suffered from this revenue loss, and I want to encourage you to prioritize investing in municipalities. When cities and villages experience success in creating safe communities, building sound infrastructure, and increasing economic development, the State of Ohio also reaps the benefits. We are partners in ensuring that Ohioans have strong communities and futures.

I strongly urge you support distributing the budget surplus revenue to cities and villages.

Respectfully,

(Your Name and Title)

CC: Paul Zeltwanger, State Representative
Steve Wilson, State Senator