



COUNTY ENGINEERS ASSOCIATION OF OHIO

Ohio House of Representatives

Finance Committee

Chairman Ryan Smith

February 17, 2015

Chairman Smith, Ranking Minority Member Driehaus and all members of the House Finance committee, my name is Doug Davis and I am the Muskingum County Engineer and current President of County Engineers Association of Ohio (CEAO). It is a pleasure to stand before you today and talk briefly with you about the County Engineers of Ohio and what we do to help keep Ohio's roads and bridges safe to travel on and the tools we use to fund our projects.

Who Are Your County Engineers

Only persons who hold registration certificates from the State of Ohio as both Registered Professional Engineer (P.E.) and Registered Professional Surveyor (P.S.) may hold the office of County Engineer. In Ohio, 87 of the 88 counties elect a County Engineer and the remaining county (Cuyahoga) has a P.E. / P.S. County Engineer on staff. **Ohio currently has over 750 individuals with active "Dual" Licenses as both P.E. and P.S.** To achieve both accreditations it requires a minimum of a college degree in engineering and surveying, four years of experience in engineering and surveying, and 2 eight-hour state exams for each license. Dual registration as a Professional Engineer and Professional Surveyor is ONLY available to engineers who meet the requirements as a CIVIL engineer. This qualification ensures the public with the guarantee that the individual ultimately responsible for county roadways, bridges, drainage and other civil engineering matters has the correct education, experience and licensure for those duties. Duties required of the County Engineer that contain a mandatory surveying component include road construction, property mapping and maintenance of the County Tax Map boundary data, documentation of county sections, creation and recording of maps and property line changes.

County Engineers are responsible for 60% of all bridges in Ohio

The replacement cycle of bridges on average is 80 to 120 years. Out of Ohio's 44,900 total bridges, 26,800 are maintained by the County Engineers often referred to as "County Managed Maintenance".

Current County Managed Maintenance "Bridges in Need" Status

- 5,400 County bridges are rated as structurally deficient or functionally obsolete
- 1,200 Bridges reduced load limits
- 2,552 rated structurally deficient
- 79 closed

Funding Issue Summary

A simple index of the gasoline tax, often referred to as the motor fuel tax, to the consumer price index (CPI) is not a long-term solution because highway maintenance and construction costs are rising at a

faster rate than the CPI. How we pay for transportation infrastructure affects not only how much we build, but also how well the system performs over time. In short, system finance and performance are intimately linked.

Transportation financing options exist on a spectrum with some taxes and fees completely disconnected from system use while others are directly tied to use. The more closely the tax or fee is tied to system use, the greater its ability to reduce travel demand and improve system performance.

County Engineers primary funding is Motor Fuel Tax NOT the Local Government Fund

- Last increase in State Motor Fuel Tax was 2005, bringing the total to 28 cents.
- Last increase in Federal Motor Fuel Tax was 1993, bringing the total to 18.4 cents.

Cost of Doing Business in Ohio

Dramatically increased raw materials prices (e.g., steel, cement) have increased construction cost directly. The price increases experienced over the past several years have affected all infrastructure projects in Ohio. Despite the overwhelming evidence that construction costs have risen and will be elevated for some time, funding for these projects has become stagnate, at best, or shrinking.

| Material | Approx cost 2000 | Approx cost 2014 | % Increase |
|--------------------------------|-------------------------|-------------------------|-------------------|
| Concrete | \$68 | \$85 | 25% |
| Asphalt FOB Plant | \$23 | \$65 | 183% |
| Asphalt in Place | \$24 | \$70 | 192% |
| Asphalt Emulsion RS2P (Gallon) | \$1 | \$2.25 | 125% |
| Aggregate | \$4.50 | \$8.65 | 92% |
| Salt (ton) | \$34.50 | \$80.50 | 133% |
| Re - Steel (per 100 lb) | \$26 | \$48 | 85% |

Three of the most common forms of transportation fees and tax:

Vehicle Fees

Vehicle fees levied by states function like a property tax and are not connected to use. Vehicle owners pay an annual fee regardless of how much, when, or where they drive. These fees are attractive to many states because they provide predictable and stable revenue. After all, the total number of registered vehicles does not change significantly from year to year and tends to rise over time.

Motor Fuel Taxes

Motor fuel taxes—both state and federal—fall in the middle of the spectrum, as they are tied to use, but only loosely. Significant differences in fuel-efficiency rates mean some light-duty vehicles can travel as many as 50 miles per gallon while others can only travel 15. Moreover, motor fuel taxes are collected not at the point of use but instead at the wholesale level, with most of the cost passed along to consumers. The resulting tax revenue supports a number of different highway and public transportation programs, with states determining how to allocate funds based on competing needs. Motor fuel taxes provide a macro-level indicator of overall travel demand and fuel consumption, but they do not capture use by day, time, direction, or facility.

Tolls

By comparison, tolls are directly tied to use and levied on drivers when they enter a specific facility. Tolls finance the construction and maintenance of specific roadways rather than surface transportation programs more broadly. Moreover, toll rates may be adjusted in real time to manage travel demand and ensure conditions remain free flowing. Unlike vehicle fees and gas taxes, tolling only works on highways with strictly controlled access and cannot be scaled up to finance federal surface transportation programs.

Items for consideration:

1) Increase the Vehicle Registration Permissive Fee

The following groups are in support of legislation to allow local authorities to expand the license plate fee by up to \$15.00, with revenue being split between local governments: Ohio Township Association, Ohio Engineer's Association, County Commissioners Association of Ohio, Ohio Municipal League and Mid-Ohio Regional Planning Commission.

Proposal

- a. The proposal contemplates a maximum of \$15 increase if three separate fees are enacted. Counties, municipalities or townships would have authority to first pass a \$5 increase regardless of whether others do.
- b. A second new \$5 motor vehicle license fee would be available to the county for a four-year period immediately following enactment of the law, the revenues from which being split either the municipality, township or urban township. Prior to any township or municipal corporation receiving the percentage of revenue identified under the second \$5 license plate proposal, each eligible municipal corporation or township shall first pass a resolution requesting adoption of the motor vehicle license fee and forward a copy of that resolution to the board of commissioners within a specified period of time of being notified by the board of commissioners of their intent to adopt a resolution under the second \$5 motor vehicle license plate authority.
- c. After the expiration of four years, any county that had not taken action could enact the fee in any jurisdiction that has not taken action.
- d. After the expiration of four years, any municipal corporation or township in a county that had not enacted this fee may enact this fee and retain all revenues within the jurisdiction.

2) Design-Build Limit from \$1.5 million to \$5 million

The reason for the request to increase the design-build limit is two-fold. First, construction and material costs have doubled and even in some cases tripled since the \$1.5 million limit was put in place. The size of bridge that counties could do using design-build was a lot greater in 2003 than it is now. Counties would like to have the limit increased so that they

can do some of their larger structures design-build. It is financially advantageous for them to use design-build since the engineering and construction costs are rolled into one fee. They typically get better prices from consultants and contractors this way.

Secondly, ODOT does not have a per-project design-build limit. Instead, they have an overall dollar limit that they can spend on design-build projects. Currently, ODOT does not have limits placed on them by the size of the project. Raising your County Engineers limit to \$5 million would ensure that almost all of the County projects could use the design-build process if they so choose. (Counties Currently using design-build: Butler, Gallia, Lake, Lawrence, Logan, Lorain, Meigs, Portage, Preble, Ross, Scioto, Union) \$5 million is the limit that the Federal Highway Administration (FHWA) recognizes as a minor project. Anything over \$5 million is considered a major project, and these projects would not likely be good candidates for design-build.

Mr. Chairman, thank you again for permitting CEAO to come before your committee today and present a brief overview. Since 1940, the County Engineers Association of Ohio has worked to unify its members in providing the highest quality transportation, drainage, surveying and land record keeping. Your County Engineers number one job is the traveling safety of your constituents and the out of state traveler. I am happy to answer any question you or your committee members may have at this time.

Doug Davis

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County Engineers Association of Ohio, President