



County of Hamilton

DUSTY RHODES
AUDITOR

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CINCINNATI, OHIO 45202

May 17, 2016

Hon. Robert E. Antonacci, CPA, Esq.
Office of the Onondaga County Comptroller
14th Fl, John H. Mulroy Civic Center
421 Montgomery Street
Syracuse, NY 13202

Dear Comptroller Antonacci:

Yours was an excellent column about the false benefits of a city-county merger in "The Post Standard" and Syracuse.com. As a Syracuse native and graduate of Syracuse University in 1961, I like to keep up with the news there.

We have had a number of abortive attempts to build interest in a similar merger here in Hamilton County and Cincinnati over the past fifty years. Enclosed is my response to latest effort presented to a civic group at the end of 2014. Nothing has been heard of their proposal since. I thought you might find this of interest.

Sincerely,

A handwritten signature in black ink that reads "Dusty Rhodes". The signature is stylized with a large, bold "D" and "R".

Dusty Rhodes

enclosure

**Response to the Report by the Joint Task Force of the Cincinnati Association
and Citizens for Civic Renewal on Government Cooperation in Greater Cincinnati
as dated and distributed to Cincinnati members on November 11, 2014**

By Dusty Rhodes

This critique of the report begins with its premise. It is unclear who or what (organization?) may have labeled us a “dysfunctional” region and by what standards that assumption was made. Throughout the report it is treated as some kind of revealed unassailable truth. It is not.

In spite of extreme reductions in historic and promised state support our local governments and our county government are “functioning” quite well, thank you.

Our metropolitan area is at least equal to and often much better than the other areas with which we are compared in measurable terms as well as the more subjective quality of life indicators including higher education, cultural opportunities and availability of quality medical care.

Following are recent numbers in just two areas between our SMSA and those with which we are often compared for purposes of promoting various metropolitan government schemes.

	Unemployment rate September, 2014	Median household income United States Census 2010
Cincinnati	4.8%	\$44,914
Indianapolis	4.8%	\$45,548
Lexington	5.0%	\$39,357
Nashville	5.3%	\$44,223
Louisville	5.5%	\$40,821
Cleveland-Akron	6.1%	\$42,215
Columbus	4.3%	\$44,782

In just these two measures there is no significant difference between our area and the more “progressive”, unified government areas. Note that we are considerably ahead of Louisville in spite of their much ballyhooed city-county consolidation.

Strangely missing from possible “benchmarks” to fairly evaluate the differences between our area and the larger, more remote metropolitan governments is detail on local spending, taxes, government employees and voter participation. They tell us their ideas will save money but never say how. For example, the latest study claims - with no documentation - that Cuyahoga and Summit counties “saved money” by switching to a “county executive” form of government.

The mythology that eliminating elected county administrative offices and local government will somehow "save money" is routinely accepted and peddled by proponents of a metropolitan government and/or a county charter. In fact replacing the eight elected county administrative officials with appointed bureaucrats would certainly increase the salaries for each function.

If you compare the job of County Auditor to private sector jobs it will recommend a major pay increase. When a colleague in another county ran the necessary qualifications to be County Auditor on a website that does these comparisons, he found his salary is 15% below the very lowest bracket of jobs requiring the same skills in private business. So, to get to the midpoint would require about a 65% pay increase.

Just two of Ohio's 88 counties have adopted county charters. Summit County's dates back to the 1980s and Cuyahoga's happened more recently. By replacing independent elected officials with the County Executive's appointees the effort succeeded in diminishing direct control by the voters as well as accountability. Neither county has ever demonstrated any savings with this new form of government.

"In fact, evidence suggests these (cost savings) are vastly exaggerated and that the cost of government can actually go up (with consolidations). This was the case in Indianapolis where in 2007 the city finally consolidated police departments. The move was projected to save \$8.8 million per year. A post-merger audit by the firm KSM Consulting found that actual savings were 'negligible'". ("Governing" magazine, January 2015 issue).

Cuyahoga's grand experiment came as a quick fix response to a County Commissioner and County Auditor being sent to prison for corruption. Now they have a County Executive handpicking officials rather than allowing them to be chosen by and held accountable by the voters. This year it was revealed that their County Executive had driven for over a decade without a driver's license. So much for "reform" and "good government".

In 2013, about a year after the Cuyahoga County charter became effective "The Cleveland Plain Dealer" praised the return of \$5 million in unspent real estate appraisal funds to local taxing entities by the now appointed official who replaced the elected County Auditor. The newspaper called that a "good government dividend".

In 2012, I returned over three times as much, \$16.5 million from the same source, in a county two-thirds the size of Cuyahoga (in population and total property parcels). Perhaps "The Plain Dealer", a county charter booster, would label that a "bad government dividend". Just because a form of government is different and conforms to some supposed private enterprise model or some community activist's preference does not mean it is reform or that it will be economical.

Always ignored in the promotion of consolidated governments is the obvious fact that personnel would still be required to provide basic services to the same population. For example, instead of locally appointed Police Chiefs you would have District Commanders, not accountable to local officials but selected by a more remote big government.

Recent Hamilton County experience proves the fallacy of expecting automatic "cost savings" from mergers. In fact, mergers may actually make costs go up. In 2003 the Village of Newtown decided to merge their Fire Department with the Fairfax/ Madison Place Department to form the Little Miami Joint Fire and Rescue District.

Over the past few years Newtown's annual charges from the district have jumped from \$600,000 to \$1,100,000. Newtown has no alternative but to pay the bill and has effectively lost control of its own fire service expenses.

On the other hand, residents of the Village of Mariemont voted down a merger of their Fire Department into the Little Miami District in 2013. In spite of campaign promises of significant tax savings they voted to keep their local department by a wide margin. By retaining their own Fire Department Mariemont provides topnotch fire and paramedic service, maintains control over costs and operates now with a combined Police and Fire Chief. This is the kind of innovative, cost-saving idea that springs from independent, local governments.

The only possible "dysfunction" may appear when our local governments are compared to large corporations in the private sector. Such comparisons fail to recognize the differences between the corporate world and a democratic government. If efficiency is the prime goal the ultimate government solution is a dictatorship. Fortunately, such is not the case.

Yet even in the private sector the conglomerates of the 'eighties were found to be less than efficient in operation. Most of them have long ago broken up into separate parts. "Activist" investors/shareholders seeking to unlock value and provide more return for shareholders are routine in the financial world. The way they do it is usually through breaking up the corporation into smaller pieces.

The Executive Summary of the report is riddled with contradictions and questionable conclusions such as "People in the County do not want to pay for City (assume City of Cincinnati) problems...". Whether they "want to" or not, the reality is that many people in the County are paying for City "problems" through the earnings tax by virtue of working within the corporate limits of the City of Cincinnati. People who live outside the City but work there are paying as much as 80 percent of their local tax dollars to the City of Cincinnati.

It should be noted that some of the major City of Cincinnati "problems" are self-inflicted. The current streetcar fiasco is but one example. There is no justification for or reason why non-residents should bail out the City of Cincinnati for a decision made with no regard to obvious lack of finances to support it and the clear opposition of the majority of their residents.

After two confusing ballot issues failed to stop the streetcar, in the 2013 election an openly anti-streetcar candidate was elected Mayor over a pro-streetcar candidate by a wide margin. An anti-streetcar Council majority was also elected but three of the candidates who ran and promoted themselves as anti-streetcar altered their publicly understood position after being elected to four year terms. (Cincinnati Councilmembers P. G. Sittenfeld, David Mann and Kevin Flynn).

The paper written by John J. Frank, Jr. in January 2013 laments the "many road blocks in the way of having a unified city and county government in this area". Will it ever be understood and acknowledged that "the city" and "the county" are two completely different governments with different authority, duties, and responsibilities under state law? Repeated calls for a city-county merger willfully overlook this critical and undeniable truth. It is apparent that some proponents mistakenly believe such a merger would somehow eliminate other cities, villages and townships in the county. It will not.

NOTE. Attached to this response is the full previously referenced article from the January, 2015 edition of "Governing Magazine" which corrects some of the misinformation about other local government consolidations which are regularly presented by supporters here.

For example, under the "Unigov" system in Indianapolis "virtually none of the existing municipalities were legally eliminated. Police and fire departments were left unconsolidated as were 11 school districts". In Louisville "neither existing municipalities nor fire departments were abolished". Yet Jerry Abramson is credited as some kind of hero for bringing about a city-county merger there.

We are supposed to be dazzled by the claim that Louisville merged with Jefferson County and "moved from 65th largest city in the country to 16th". But the measure that matters is the Census Bureau's list of Metropolitan Statistical Areas. Our area is 28th and Louisville is 43rd.

A former Mayor of Indianapolis was reported to have said the citizens never would have voted to approve their merged government. But "strong city leaders were able to convince the state government to force the change of their government structure". Columbus is lauded for having used "the availability of its water supply to force smaller towns and cities in the county to be annexed into the city". (Franklin County still has 15 cities, 10 villages and 18 townships). There is a pattern here which can best be described as "citizens don't want it but we know what is best so we will use any possible means to implement it".

There are obvious parallels with the kind of elitism prevalent in higher levels of government which has recently given us a monstrosity of a health care law, which one of its prime architects now admits was passed by a massive fraud on the American people. Transforming the health care system will resonate for decades, and it was based largely on lies and subterfuge. Even if the law is overturned, picking up the pieces will affect every single American, causing widespread chaos, confusion and wasteful, unnecessary expenditures. Still, it was sold as a more efficient means of delivering health care.

The same could be said about the repeated yet failed attempts to build support for drastic and dramatic changes in local government. It is nothing new. In 1969 a local activist named Lola Hessler Silberstein published a booklet called "Our Patchwork Quilt". This publication was highly critical of the local government structure. It appeared shortly after an unsuccessful ballot box effort to establish a county charter in 1966.

It was followed by the ill-fated "Lingle Committee" in the 'seventies, several abortive attempts in the 'eighties and Citizens for Civic Renewal in the 'nineties. This group with its lofty name hired a "national expert" – one Michael Gallis who wrote a report and collected a fat honorarium for his efforts.

The turn of the century brought us yet another "national expert". This time it was Myron Orfield who came to town, wrote another report, collected his money and then left. A few years back Commissioner Todd Portune created his "Government Reform Task Force" to promote a county charter. This group wasted the better part of a year holding meetings and paying a "consultant" (Jerry Newfarmer) before folding their tents and silently stealing away.

These so-called "good government", "reform" and "modernization" exercises are much like the cicadas which come out of the ground at regular intervals without encouragement. They make a lot of noise and nothing meaningful results, except for aerating the soil.

When all else fails they resort to derogatory words and phrases like "horse and buggy government". That is supposed to upset everyone because Ohio's local government structures date back to the 1850s. By those standards we should toss out the Constitution and the Bill of Rights because they predate us by sixty or seventy years. Elected county officials are maligned with intentionally disparaging terms such as "fiefdoms" and "silos".

The goal of the "reformers" is the same: take away the voters' right to local control, to elect local officials and dilute the power of the ballot box. They believe they know what is best for us even if we don't. Instead of trying to promote something in which a majority of citizens have no interest, see no need and will not support, I suggest we devote our energies to projects that might actually be beneficial and serve to increase our organization's respect and credibility in the community.

One suggestion is a top to bottom review of area non-profits, how much they receive from government funds and how much they spend for administration. This is a report which could make a positive difference in how to best meet important local needs.

Another idea is to review local "economic development" efforts and taxpayer corporate subsidies. How well have they worked out? At what point does the need for government support end or how will we know when it is no longer necessary?

And yet a third possibility is to investigate the number and extent of tax abatements handed out to commercial and residential properties by the City of Cincinnati, Hamilton County and other communities. Is this a counter-productive policy that involves an excessive and dislocating government intrusion in the private marketplace?

The alternative to these types of genuinely needed reviews is to become irrelevant by continuing to promote something that has never built any public support in spite of over six decades of emotional and episodic promotion.

January 13, 2015