

Analysis of the Fiscal Impact of Public Service Delivery Practices in Lucas County, Ohio



September 5, 2002

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September 5, 2001

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Foreword

On a snowy night in Lucas County Ohio, county snowplows pull out of the garage located in the City of Maumee. Operated by Lucas County, the snowplows will spend a busy night plowing and salting the roads in the County's unincorporated areas (townships). Maumee and the other incorporated areas of the County (municipalities) will have to pay their own employees and operate their own plows. While 80% of county residents live in municipalities and pay taxes to the County to provide these services to the townships, those municipal residents must pay municipal taxes to receive these services for themselves. Is it fair for the residents and businesses of the incorporated areas to pay twice?

Today two shoplifters will be arrested and booked into the Lucas County jail, one of them at Westfield Shopping Town at Franklin Park in the City of Toledo, the other at Spring Meadows Shopping Center in Springfield Township. Each will be booked, interviewed for pretrial release, spend a day in jail prior to the first court hearing, and be assigned a public defender. The two defendants will notice little difference in treatment, but the taxpayers of the two communities will pay very different prices for the same criminal justice services. Lucas County runs the jail, handles the booking and pretrial release interview process, and pays for the Public Defender program. Toledo will receive a bill from Lucas County for each of these services and the townships will benefit from free services. Shouldn't the townships receive a bill for the same services for which the cities are billed?

The Sylvania Municipal Court is located in the City of Sylvania but serves a wide geographic area in western Lucas County. The City of Sylvania provides two thirds of the funding for the court but supplies only one third of the court's caseload. The balance of the caseload comes from townships who are served by the court but who pay very little for the service. The Oregon and Maumee municipal courts have similar funding arrangements. Should the residents of these municipalities subsidize court programs for their neighbors in unincorporated areas?

For the most part, Townships in Lucas County are no longer strictly agricultural areas. They now compete with the cities for residential, commercial, and industrial development. In their marketing efforts, townships frequently point to the absence of income taxes as an advantage to choosing their township as a location for residents and businesses. Are such low tax rates made possible because their services are funded to a significant extent by their municipal neighbors?

Questions such as these prompted Toledo City Council to ask the University of Toledo Urban Affairs Center to examine the issue of service and tax equity in Lucas County.

This study is will enable cities, townships, and the county to all develop a better understanding of how current services are delivered, how they are paid for, and the consequences of these current and historic practices.

Executive Summary

This report is an examination of the financial impact of the funding of services in Lucas County Ohio. The purpose of the report is to determine whether or not:

1. The cities and villages in Lucas County are paying a significant share of the cost of services delivered to the unincorporated townships and then pay again for the same services for their residents.
2. Current policies and practices, as historically developed, serve as a vehicle for the reallocation of public resources, economic opportunity, wealth, and population from cities to unincorporated areas.
3. There is a hidden subsidy for people and businesses locating in unincorporated areas and a fiscal penalty for living in cities.

We examined the following components of the Lucas County service system: Criminal Justice, Construction and Maintenance, Physical Infrastructure, and Other Services. The information used in this study was collected in 2000 and 2001.

Major Findings

1. In Lucas County, residents of incorporated areas pay a significant share of the costs of criminal justice, engineering, and planning services delivered to the unincorporated areas—the townships. Those residents of incorporated areas then pay again, through their municipal payroll taxes, to receive those services from their own municipalities. The residents and businesses of incorporated areas provide up to \$14 million a year to subsidize services to unincorporated townships. This includes approximately \$9 million for engineering and infrastructure services, almost \$5 million for criminal justice, and over \$300,000 for planning and related development services.
2. Other county services, of which costs were examined include: sanitary engineering, solid waste, building regulations, and dog warden. This research shows that these services are not significantly subsidized by cities.
3. While some of the practices contributing to this subsidy are mandated by Ohio law, others were born in the discretionary and incremental decisions of county, township, and city officials, and are embedded as on-going and patterned practices.
4. A portion of the subsidy is mitigated by expenditures by the County Engineer's support of joint projects with the cities.
5. The policies and practices leading to the subsidization of unincorporated areas can be redressed through statutory, organizational, and/or administrative changes at both the county and state level. Particular policy solutions are described in detail and in context in each chapter.

Policy Implications and Recommendations

There are several important implications to this study.

1. **Equity or Basic Fairness:** Fair and just taxation is a core American value. The residents of incorporated areas should not subsidize urban flight and contribute to the decline of their own property values, school quality, infrastructure quality, and public safety.
2. **Efficient Use of Public Resources:** Sprawling growth or movement of population into outlying greenfields requires costly investment in redundant new infrastructure. Such a movement of population without real population growth is inefficient because it requires increased infrastructure without a corresponding increase in population/tax base to support the infrastructure. This results in under-utilization, poor maintenance, and/or premature abandonment of infrastructure (including: schools, parks, highways, sewer and water lines, fire stations, etc.) before the end of its useful life in incorporated areas.¹
3. **Urban Sprawl and Loss of Productive Agricultural Lands:** Currently, about 80% of Lucas County residents live in municipalities, yet there is a trend toward population shifts to the unincorporated areas. This leads to a decline in the tax base of incorporated areas and leaves decision-makers with either the option of raising taxes, which would create additional pressure for relocation, or not raising taxes, which would result in further deterioration of existing infrastructure. Both options constitute a “push” factor for residents and businesses to relocate to unincorporated areas. This population shift often results in the loss of productive agricultural land. According to the "Lucas County Farmland Preservation Task Force Report (Commissioned by the Lucas County Commissioners and released in June, 2000), Lucas County lost 9% of its farmland from 1982 to 1997 (89,877 acres to 79,037 acres). The County lost 33% of its farms in the same period (574 to 385). Additionally, between 1960 and 1990, the metro area population grew by 12% but the amount of land consumed grew by 42%. This 3.5:1 ratio of growth in land consumption to population growth greatly exceeds the national average of 2.3:1. The report also predicts that between 1997 and 2020 an additional 8,331 acres (or 10.5%) of the County's farmland will be lost to development.
4. **Politics of Annexation:** A critical issue in Ohio is the ability of incorporated areas to annex unincorporated areas. Historically, cities attracted potential annexees with promises of urban amenities and services. The subsidization of unincorporated areas, examined in this report, removes the incentives to accept annexation.

¹ Haughwout, Andrew F (Summer 2000) The Paradox of Infrastructure Investment-Can a Productive Good Reduce Productivity? The Brookings Review, The Brookings Institution, Vol.18 No. 3 Pages 38-41. Also see the following websites: <http://www.farmland.org/pnw/cocs.htm>
http://www.farmland.org/news_2001/091901_mi.htm

5. **Implications for other Ohio Counties:** This study is an examination of Lucas County Ohio but some of the impacts described may also have implications for other urban counties in Ohio.

Preliminary research indicates that other service areas that need to be explored, including the following:

1. **Economic Development Programming:** This programming area has some complex issues and it should be examined in a separate study.
2. **The regional jail in Stryker Ohio:** Municipalities contract with the regional jail and pay the costs of incarcerating their prisoners at that facility. All the taxpayers of Lucas County bear the townships' incarceration costs.
3. **The Emergency Medical Services (EMS) and 911 Services:** Apparently the cities pay for their own call-takers while the townships benefit from call-takers funded by the County as a whole.
4. **The Toledo-Lucas County Health Department:** This new joint department should be examined to determine how costs are apportioned among the various communities using the services.
5. **The distribution of Ohio Local Government Funds:** These funds, provided by State law, need to be examined to determine if the percentage distributions unfairly penalize Lucas County municipalities.
6. **Other areas for further study:** There needs to be an examination of the funding relationships between certain suburban cities and the townships of which they are a part. For example, residents of the Waterville and Whitehouse municipalities pay approximately \$30,000 a year in inside millage property taxes to Waterville Township. Waterville Township currently uses these funds to deliver services only to the unincorporated portions of the township. Sylvania and Sylvania Township face similar issues.

While not a focus of this study, it is also worth noting that the municipal taxpayers frequently contribute at up to twice the rate of township taxpayers for certain quality of life services as well. Toledo taxpayers provide over a hundred thousand dollars a year to organizations such as the Toledo Symphony Orchestra. While the orchestra serves the entire region, townships do not contribute toward its operation. Lucas County does provide funding to the symphony, but these funds are provided from tax revenue derived from all Lucas County residents. Once again, the residents of incorporated areas pay twice.

The funding mechanisms for county functions in Ohio are complex and varied. Current accounting practices do not always make a distinction between expenditures by

jurisdiction served. These factors will always leave room for debate about the precise size of the subsidy provided to townships in Lucas County. While the exact size of the funding disparity is open to interpretation, it is clear that cities, townships, and counties need to address the problems identified in this study.

It is important to note that it does not appear that the funding disparities identified in this study result from any anti-city bias on the part of County elected officials. Most of the funding discrepancies appear to have resulted from state law or gradually evolving practices at the local level. The County Commissioners, County Sheriff, and County Engineer cooperate regularly with the municipalities on joint projects and help fund many developments and projects within the cities. Developments in Toledo such as the Valentine Theatre, the new Jeep plant, the Mud Hens stadium and numerous road and bridge projects have all benefited from County investment and participation. Nevertheless, the fact that the County participates in projects in both cities and townships does not eliminate the necessity to examine the funding disparities identified in this study.

Introduction

Lucas County, primarily an urban and suburban community, is located in northwest Ohio and has a population of 455,054 residents. Toledo, its largest city, has a population of 313,619. Over 50,000 residents live in suburban municipalities, which include the cities of Maumee, Sylvania, and Oregon and the villages of Ottawa Hills, Waterville, Holland, and Whitehouse. Just fewer than 75,000 live in the County's unincorporated townships which include: Harding, Jerusalem, Monclova, Providence, Richfield, Spencer, Springfield, Swanton, Sylvania, Washington, and Waterville (see table 16).

This project examines the financial impact of the current method of funding and delivering services in Lucas County, Ohio. It determines whether or not the County's incorporated areas (cities and villages) are paying for the costs of county services delivered to the unincorporated areas (townships) and are paying again for the same services for their own residents. Are current policies and practices, as historically developed, serving as a vehicle for the reallocation of public resources, economic opportunity, wealth, and population from cities to unincorporated areas? We also wish to determine whether or not a hidden subsidy exists for people and businesses locating in unincorporated areas, and if a fiscal penalty exists for living in a city or village. This is important for the following reasons:

1. **Equity or basic fairness:** Fair and just taxation is a core American Value. If the residents of incorporated areas are both subsidizing urban flight and are forced to help fuel the decline of their own property values, school quality, infrastructure quality, and public safety, this inherently unfair situation requires remediation.
2. **Efficient Use of Public Resources:** Sprawling growth or movement of population into outlying greenfields requires costly investment in redundant new infrastructure. Such a movement of population without real population growth is inefficient because it requires increased infrastructure without a corresponding increase in population/tax base to support the infrastructure. This results in under-utilization, poor maintenance, and/or premature abandonment of infrastructure (including: schools, parks, highways, sewer and water lines, fire stations, etc.) before the end of its useful life in incorporated areas.
3. **Urban Sprawl and Loss of Productive Agricultural Lands:** Currently, about 80% of Lucas County residents live in municipalities, yet there is a trend toward population shifts to the unincorporated areas. This leads to a decline in the tax base of incorporated areas and leaves decision-makers with either the option of raising taxes, which would create additional pressure for relocation, or not raising taxes, which would result in further deterioration of existing infrastructure. Both options constitute a "push" factor for residents and businesses to relocate to unincorporated areas. This population shift often results in the loss of productive agricultural land. According to the "Lucas County Farmland Preservation Task Force Report (Commissioned by the Lucas County Commissioners and released

in June, 2000), Lucas County lost 9% of its farmland from 1982 to 1997 (89,877 acres to 79,037 acres). The County lost 33% of its farms in the same period (574 to 385). Additionally, between 1960 and 1990, the metro area population grew 12% but the amount of additional land consumed grew by 42%. This 3.5:1 ratio of growth in land consumption to population growth greatly exceeds the national average of 2.3:1. The report also predicts that between 1997 and 2020 an additional 8,331 acres (or 10.5%) of the County's farmland will be lost to development.

4. **Politics of Annexation:** A critical issue in Ohio is the ability of incorporated areas to annex unincorporated areas. Historically cities were able to attract a potential annexee with promises of urban amenities and services. The subsidization of unincorporated areas removes the incentives to accept annexation.
5. **Implications for Other Ohio Counties:** This study is an examination of Lucas County Ohio but some of the impacts described may also have implications for other urban counties in Ohio.

Services available to all eligible county residents with no difference based on where they live will not be considered in this study because all County residents have equal access to such services. Also excluded will be services financed by some kind of user fee, such as building inspections. These services are self-financed and do not draw on the general fund. Lucas County does not deliver any significant services to the cities that are not also delivered to the townships. This study will focus on two types of services:

1. Services provided without cost to some or all townships but not to municipalities.
2. Services provided for a fee on a contractual basis to municipalities but without cost to townships.

The services identified below in Chart 1 are the focus of the report, because they are jurisdictionally specific and are underwritten by tax revenues.

**Chart 1
Targeted Services**

Service Category	Specific Service
Criminal Justice	Pre-trial detention, pre-trial release, booking, public defender, work release, health care, drug testing, court room security, patrol, and courts
Non-Utility Construction & Maintenance	Sanitary engineering, solid waste management
Physical Infrastructure	County engineer, road construction, maintenance and service, leaf and snow removal, bridges, tree and ditch maintenance, and weed control
Other services	Planning, building inspections, economic development

The Research Questions

In examining each of these service areas, we will ask the following:

1. Does state law mandate the county services, or are they discretionary and, consequently, can be negotiated between the county and local jurisdictions?
2. Do incorporated jurisdictions pay more than the unincorporated areas for the same County-provided public services?
3. Are incorporated areas required to provide the same services that the county provides the townships.
4. Do the above policies impact development patterns within Lucas County?

Methodology

The information sources used in this report are extensive and diverse. They include: population and demographic information from the U.S. Census Bureau, contracts between Lucas County and its jurisdictions, budgets, financial reports, and other financial documents. Much of the data was collected by Toledo City Council interns, under the supervision of Paula Hicks-Hudson, former Toledo City Council Legislative Director. The researchers conducted formal and informal phone and personal interviews with relevant county and local government officials to gain additional information and clarity. The data was reviewed and analyzed with assistance from Toledo City Council Staff. The state constitution, the Ohio Revised Code (ORC), and the following websites were consulted: Lucas County, The Ohio Department of Transportation, The Ohio Township Association, the Ohio Public Works Commission, the Ohio Department of Taxation, and the Ohio Municipal League. In addition, Keith Wilkowski, J.D.² and Paula Hicks-Hudson, J.D., reviewed the document for accurate interpretation of the ORC and other relevant Ohio Municipal Statutes.

² Wilkowski is a former Lucas County Commissioner and a former Toledo City Law Director. He is currently a practicing attorney specializing in Ohio Municipal Law and serves as the Law Director for the City of Rossford, Ohio and the Village of Waterville, Ohio.

The Legal Framework

It is important to begin with a summary of the status of counties, townships, and municipal corporations within state law. This includes a review of the services that each are legally required to provide and those that they are not required to provide. An important factor is determining which services the County is required to deliver and which are discretionary.

Counties

Chapter 307 of the Ohio Revised Code (ORC) defines the powers and responsibilities of county commissioners, the chief legislative, as well as executive authority of Ohio counties. Chapter 307.15 gives commissioners wide latitude for establishing contractual relationships with incorporated areas and townships, as well as with other counties. Such contracts permit counties to act as agents in performing functions that the contracting entities are authorized to perform. Numerous court decisions have clarified and amplified these provisions over the years. The county may, but is not obligated to, charge fees for these services. The Ohio Constitution also states, in Article X Section 1, that *“Municipalities and townships shall have authority, with the consent of the county, to transfer to the county any of their powers or to revoke the transfer of any such power....”* Section 311.29 similarly permits county sheriffs to enter into contractual relations with townships and municipal corporations (and other units) to provide *“any police function,”* and *“shall provide for the reimbursement of the county for the costs incurred by the sheriff for such policing....”* This reference implies that the sheriff’s obligations to local jurisdictions are relatively equal and that townships do not necessarily enjoy a special relationship with the sheriff.

Incorporated Areas

The Constitution of Ohio and the Ohio Revised Code provide more autonomy to incorporated areas than to unincorporated areas, but also impose far more service obligations on cities than are imposed on unincorporated townships. These mandated services are primarily governmental functions, and the state confers police powers on the incorporated areas so they can act as an agent of the state. These requirements include such services as public safety and public health. Incorporated areas are further permitted but not obligated to provide certain specified services to their residents. Some of these are discretionary. For example, if the city is acting as an agent of the state, and if the service is entirely discretionary, it is generally proprietary. This distinction is important not only in differentiating between mandated and discretionary services, but also in determining the liability limits of governmental units.

Article 18, Section 3 of the Constitution outlines the powers of municipal corporations as follows³:

³ Article 18, Section 4 also grants Municipalities the right to own, operate, and regulate Public Utilities.

Municipalities shall have authority to exercise all powers of local self-government and to adopt and enforce within their limits such local police, sanitary and other similar regulations, as are not in conflict with general laws.

Similarly, the ORC provides discretionary powers to municipal corporations, particularly in Chapter 715 (See Appendix 1). However, unlike with townships, the ORC imposes service requirements on municipal corporations, some of which are included in Appendix 2.

Townships

Under Ohio law, the governmental functions of townships are largely discretionary. They may, but are not required, to provide services to their residents. The law frequently uses phrases such as “have the authority to” or “may,” and there is a lack of such terms as “must” and “required to do so.” Townships are required to maintain township roads, but they are not required to have township roads. Similarly, they must maintain township cemeteries, but they are not required to have township cemeteries. They may provide police and fire protection, either through their own employees/volunteers or by contracting with other jurisdictions, but again are not required to do so. Similar conditions apply to other functions such as parks, zoning, animal control, etc.

Chapter 503.01 summarizes the powers and status of townships:

Each civil township is a body politic and corporate, for the purpose of enjoying and exercising the rights and privileges conferred upon it by law. It may sue and be sued, plead and be impleaded, and receive and hold real estate by devise or deed, or receive and hold personal property for the benefit of the township for any useful purpose.

Although courts in the past have referred to townships as municipal corporations, they are not corporations in the same sense that cities and villages are and are not invested with the general powers of municipal corporations. Several court decisions have made it clear that townships have no inherent or constitutionally granted police powers.

Consequently, the State Constitution and the ORC are clear that townships have minimal obligations to their citizens. The Constitution and ORC are less clear in defining the governmental responsibilities of municipalities and in distinguishing the obligations that counties have to municipalities and to townships. Although counties may charge municipalities for services they provide, it is also clear that they may choose not to. Similarly, counties may charge townships for these same services, but it is clear that the county is not the default service provider for townships or that they are required to provide these services.

Should townships choose not to provide vital services such as public safety or public health, many of those interviewed for this study assume that counties are the default service provider. However, there is not such a requirement in either the state

constitution or the ORC. Our research could not identify any legal requirement for counties to provide, without charge, services that townships choose not to provide for their citizens. Nor could it discover any prohibition from counties providing services without charge to incorporated areas.

Financing Lucas County Government

County governments have a wide variety of revenue sources, not all of which are taxes. Some are intergovernmental transfers from the state and national governments to finance specific services. Others are grants whose usage is restricted by law and by grant conditions. Since this study focuses on those services paid for by all residents but which benefit only selected residents, we will examine those services paid for by the following means:

1. Property and sales taxes.
2. State refunds of local taxes paid by all residents.
3. Grants and other intergovernmental transfers received by the county but used only in unincorporated areas.
4. Services funded by fees paid by some, but not all, jurisdictions.

Based on each specific revenue source, county revenues are directed into funds or regulated accounts that have legal restrictions on how they can be expended. Funds used by Lucas County, their approved uses, and their revenue sources are indicated in Chart 2, which summarizes Lucas County's budgeted revenues for 2000.

Chart 2
Budgeted Funds, Revenue Sources, and General Uses in Lucas County
(Budgeted Amounts for 2000)

Fund Name	2000 Budget	Revenue Sources	Uses
General Fund	\$124,131,125	Property & sales taxes, interest income, fines, fees/licenses, intergovernmental revenues, miscellaneous, refunds & reimbursements	General governmental function
Special Revenue Fund	\$250,177,057	Same as Above	Special revenues that are legally restricted to expenditures for particular purposes
Debt Service Fund	\$6,439,759	Fees/licenses, miscellaneous, refunds & reimbursements	Account to accumulate resources to pay general obligation bonds
Capital Project Funds	\$69,715,395	Taxes, miscellaneous, refunds & reimbursements	Acquisition & construction of major capital facilities other than those financed by proprietary and trust funds
Enterprise Funds	\$21,548,650	Taxes, fees/licenses, fines, miscellaneous, refunds & reimbursements	Operations financed & operated in a manner similar to private business enterprises
Internal Service Fund	\$28,835,000	Interest income, miscellaneous, refunds & reimbursements	Financing goods or services provided by one department of agency to another, or to another government unit, on a cost reimbursement basis

Source: Lucas County 2000 Adopted Budget and Plan

Table 1 below summarizes Lucas County's budgeted 2000 revenues from all sources.

Table 1
Year 2000 Adopted Revenue Budget

Revenue Category	Revenues	Percent of Total
Taxes	\$162,971,244	32.5%
Interest	\$9,934,000	2.0%
Fees/Licenses	\$21,458,144	4.3%
Intergovernmental	\$164,305,216	32.8%
Fines, Cost, Forfeitures	\$540,700	0.1%
Miscellaneous Revenues	\$107,377,185	21.4%
Miscellaneous Revenues & Reimbursements	\$34,160,497	6.8%
Total	\$500,846,986	100%

Source: Lucas County 2000 Adopted Budget and Plan

Lucas County collects most of its general fund revenue from its share of the sales tax. City residents and township residents pay the same sales tax percentage on their purchases⁴. Similarly, the gasoline tax, which is a major source of revenue for streets and roads for all jurisdictions, is also collected from all county residents.

Since there is no precise information about who pays what proportion of local sales and gasoline taxes, this study will utilize population as an approximate measure of the share of taxes paid. We recognize that this approach may overstate or understate the actual share sales and gasoline taxes paid by residents of a particular municipality or township. However, it is the most accurate measure available.

Townships collect most of their revenue from property taxes. Although property owners are not necessarily residents, by owning property they have some obligation to support township services.

Lucas County cities depend primarily on income taxes. The tax is collected from city residents and non-residents who work in the cities. The non-resident city taxpayers use city roads and benefit from city police and fire protection as well.

⁴ By comparison, New York State mandates a partial redistribution of sales tax revenues from the County to incorporated municipalities based on their population, % of sales tax generated within that jurisdiction, and net property values. Buffalo News 6/23/02:A1, A8.

Engineering Services and Infrastructure

The Lucas County Engineer has statutory responsibility to perform for the county “*all duties authorized or declared by law to be done by a registered professional engineer or registered surveyor,*” according to the ORC 315.08. These duties include the “*maintenance, and repair of all bridges, culverts, roads, drains, ditches, roads on county fairgrounds, and other public improvements.*” The county commissioners have the authority to designate county roads, without restrictions to their location. They may be either in unincorporated or incorporated areas. In Lucas County, commissioners have chosen to designate 287 miles as county roads. According to the current practice, *although not required by law*, all county roads are in unincorporated areas of the county. If a city or village annexes an area of a township containing a county road, the road loses this designation, and maintenance and engineering responsibilities are ceded to the annexing entity.

Municipalities

Since the county commission does not designate roads within the boundaries of the municipalities as county roads, the County Engineer has only limited responsibilities to municipalities. Municipalities have responsibility for all residential streets and thoroughfares within their boundaries, except for state, U.S, and Interstate highways.⁵ Cooperation between municipalities and the county is permitted, and the county “*may construct a proposed road improvement into, within, or through a municipal corporation,*” with the consent of the “*legislative authority.*” The municipality “*may assume and pay such proportion of the cost of that part of the proposed improvement within the municipal corporation as agreed upon*” (ORC 5557.01-2). Just as the county is not legally required to limit its road system to areas outside municipalities, they are not legally required to obtain reimbursement for work conducted within their limits.

The only clear legal obligation of the engineer toward municipalities is to “*construct and keep in repair all necessary bridges in municipal corporations on all state and county roads and improved roads which are of general and public utility, running into or through the municipal corporations*” (ORC 5591.02). However, in Lucas County, all of the 165 bridges maintained by the County Engineer are located in townships, 32% of which are on the township road system. The County Engineer is significantly involved in a number of joint projects with and in municipalities. Those projects include: the I-280 Maumee River crossing (in Toledo), planning and acquiring the necessary right-of-way to improve the I-475 Interchange with US20A, and Salisbury Rd./ Dussel Rd. (in Maumee). They are also studying the possible alignments for a new I-475 interchange in Sylvania Township near Corey Road and Sylvania Avenue (with Sylvania and Sylvania Township).

⁵ For municipalities in Lucas County, these include I-75 and I-475, US 20 (Reynolds-Conant), U.S. 24 (Detroit) and 20A (Illinois Avenue in Maumee). State highways include 184 (Alexis), 120 (Central), 246 (Dorr east from US 20), 2 (Airport Highway/Navarre), 25 (Anthony Wayne Trail), 51 (Monroe Street/Woodville Road), and 65 (Summit Street between downtown and I-280).

Townships

Townships have no statutory responsibility to have roads, but if they do, they are required to maintain them. In Lucas County, virtually all township roads are residential. Township roads, created under township authority, are for access to residential areas and include “*all public highways other than state or County roads*” (ORC 5535.01). Townships are responsible for their repair and maintenance (ORC 5571.02, 5535.08). As in municipalities, the state maintains the state, interstate, and US highway system. These include the extensions mentioned above in footnote 2, in addition to state 64 and 295 in the western portion of the county. The county road system lies entirely within townships and include some of the major thoroughfares of Sylvania, Springfield, Monclova and Jerusalem Townships.

Townships have a closer relationship to the county and thus to the County Engineer than do municipalities for three reasons.

1. The county road system lies entirely within townships and includes some of the major thoroughfares of Sylvania, Springfield, and Monclova Townships: Sylvania Avenue, Bancroft Street, Nebraska Avenue, Hill Avenue, Angola Road, Garden Road, Salisbury Road, Monclova Road, McCord Road, King Road, and Centennial Road. In Jerusalem Township (eastern end of Lucas County), the most important thoroughfares are maintained by other jurisdictions, including State Route 2 and two county roads: North Curtice and Corduroy Roads. The county maintains this road system, including snow removal in the winter.
2. Township trustees have input on the designation of county roads and may petition to have township roads designated as county roads (ORC 5541.01-03). No similar provision exists for municipalities. In Lucas County, when municipalities annex township land, the County Commission re-designates county roads as city or village roads, and the cities assume responsibility for those roads.⁶
3. The County Engineer provides engineering services to the townships by supervising the “reconstruction, resurfacing, and improvement of public roads by boards of township trustees” (ORC 5543.09), and may “contribute to the repair and maintenance of the roads under the control” of the trustees (ORC 5535.08); these trustees and their jurisdictions are not required to reimburse the County for such expenses. Chart 3 below summarizes the most important services that the County Engineer provides to townships but not to municipalities.

⁶ The most recent example was when Maumee annexed parts of Monclova Township and thus became responsible for maintaining roads that had previously been part of the county road system.

Chart 3
Services Lucas County Engineer Provides to
Townships but Not Municipalities

Maintain public surveying records, bridge/culvert data, property tax maps and the County/Township's road, culvert and drainage records.

Advise and provide engineering/surveying services to the eleven Townships in regard to maintenance, construction and repair of Township highway system.

Oversee design and construction of new subdivisions and review site plans and permits for development projects in the Townships.

Inspection, repair, reconstruction and replacement of bridges on the County and Township roadway systems.

Maintain and repair ditches and retention areas petitioned by affected property owners.

Source: Lucas County Engineer

Financing the County Engineer

While the County Engineer predominantly serves the unincorporated areas, residents of the entire county finance the office either directly through taxes or indirectly through other revenues available to the county, such as grants or interest income. The county is required to pay administrative expenses for the County Engineer from the county general fund by the ORC 315.11. The Comprehensive Annual Financial Report (CAFR) listed public works expenditures for 1998 from the general fund at \$191,000, while the county Office of Management and Budget (OMB) indicated expenditures for the County Engineer Facilities/CIP at \$163,887. Actual expenditures for 1999 are \$173,111, with \$168,020 budgeted for 2000. There are three major revenue sources for the Engineer's operations, which will be examined below. These are the county's vehicle registration fees, reimbursements of the motor vehicle fuel tax paid in the county, and grants from the Ohio Public Works Commission. Other revenue sources are from investments, fines, and miscellaneous. The actual revenue received for 1998 and 1999, and the estimated revenues for 2000, are presented in Table 2 below.

Table 2
Revenue Sources – Lucas County Engineer

Source	1998 (actual)	1999 (actual)	2000 (est.)
Shared Revenues			
Vehicle Registration	9,274,285.43	9,591,647.58	9,500,000
Fuel Tax	1,348,238.78	1,390,484.59	1,400,000
Reimbursements			
OPWC grants	2,108,843.97	3,094,766.48	2,105,000.00
OPWC loans	431,141.60	0.00	1,405.00
Refunds & Project Reimbursements	206,072.79	712,654.73	825,000.00
Miscellaneous			
Investments	431,670.93	348,185.05	350,000.00
Fines	55,737.38	54,250.13	55,000.00
Others	7,423.74	14,551.17	5,000.00
Total	14,078,320.19	15,426,671.48	15,800,000.00
Beginning Balance	4,720,575.73	5,461,445.64	2,503,257.36
Total Available	\$18,798,895.92	\$20,888,117.12	\$18,323,257.00

The Vehicle Registration Fee—Annual Basic License Fee

The largest shared revenue is also the most important revenue source for the County Engineer. This is the vehicle registration fee, which is composed of two parts, both of which originate with county residents. The first is the county share of the annual basic license fee, which is \$20 for passenger cars and varying amounts for other vehicles based on use, weight, etc. According to ORC 4501, the first claimant on this fee is the state for its highway improvement bond retirement fund and the highway obligation bond retirement funds. The remainder, less administrative costs and other expenses, are to be divided among local governments, according to the following formula:

1. 47% is distributed to counties based on total motor vehicle registration in each county
2. 34% “are for the use of the municipality or county which constitutes the district of registration.” For 1999, 81.1% of this 34% went to municipalities in Lucas County and 18.9% to the county, since this represents the municipality/township share of vehicle registrations. According to the County Engineer’s Association of Ohio, in the whole state this share is approximately 70% to municipalities and 30% to counties.

3. Nine percent is divided among all 88 counties. The distribution is based on a ratio of miles of county roads in each county to the total mileage of all county roads in the state.
4. Five percent is shared equally among all 88 counties
5. Five percent is distributed to the townships in the county. The distribution is based on a ratio of miles to township roads in each township to the total mileage of all township roads in the state. The approximate breakdown comparing the receipts for each vehicle registered in a municipality or a township (assuming all of the \$20 is returned to the local jurisdiction by the state) is shown in Chart 4. These are only approximate because some of these shares are based on statewide ratios.

Chart 4
Receipts for Vehicles Registered in Lucas County

JURISDICTION	AMOUNT RECEIVED IF REGISTERED IN MUNICIPAL CORPORATION	AMOUNT RECEIVED IF REGISTERED IN TOWNSHIP
Lucas County	61% (47%+0+9%+5%) or \$12.20	95% (47%+34%+9%+5%) or \$19.00
Municipality	34% or \$6.80	0
Township	0	5% or \$1.00

Source: Calculated from ODOT website

Note: Total for Vehicles registered in municipal corporations does not total 100% because it does not include the 5% reserved for townships.

The rough proportion for Lucas County resulting from this formula is as follows:

- **County:** $47\% + (18.9\% \text{ of } 34\%) = 6.426 + 9\% + 5\% = 67.426$
- **Municipalities:** $(81.1\% \text{ of } 34\%) = 27.574\%$
- **Townships:** $5\% = 5\%$

These calculations illustrate the proportion of the \$20 returned by the state to the local jurisdictions (excluding the state's share) and assumes that in Lucas County the ratio of county and township roads to the total road mileage in the county is the same as the state average, although in reality they are less in Lucas County than in the state as a whole. Therefore, these calculations should be viewed only as approximations.⁷ They

⁷This approximation probably underestimates the financial impact on incorporated areas, as suggested by Table 3.

do illustrate, however, two important effects that this formula has on the resources of municipalities.

1. The share for incorporated areas is limited to a maximum of 34% of the fee paid by vehicles registered in their jurisdictions. Municipalities in Lucas County receive less than 30% of the revenues of this source. However, of the 432,025 vehicles registered in Lucas County in 1999, 81.1% were in incorporated areas and thus only 18.9% were registered in townships. Incorporated areas also have 68% of the county's road mileage. Although only 13% of the road mileage is on county roads, the county receives two-thirds of the total revenue from vehicle registration.
2. The second effect is the revenue loss to municipalities as population and vehicle registrations shift into unincorporated township areas. While such moves increase service costs to the county and to township governments who receive the increased revenue, they are unlikely to significantly reduce the demands on municipal streets, which are likely still used by non-residents who no longer contribute to their maintenance. Further, constructing roads in new areas makes revival of older areas more difficult since greenbelt construction is less costly than reconstructing already developed areas.

The total amount redistributed to jurisdictions in Lucas County is unavailable. However, we can approximate this amount from the proportions previously calculated.

1. In 1998, Lucas County received \$6,343,140.6 from the statewide license plate fee. According to the rough proportion calculated for this report, this amount represents 67.4% of the total amount distributed in townships (including the county's share).
2. The approximate total received by all jurisdictions in Lucas County was calculated as \$9,411,188.
3. Of the remainder, after deducting the county share, municipalities received \$2,597,488 and townships \$470,559.
4. 81% of Lucas County vehicle registrations remain in incorporated areas and paid approximately \$7,623,062 of the total, while receiving only 34% of this amount and thus providing a subsidy to townships (including the amount refunded to the County Engineer) of \$5,025,574.
5. Consequently, two thirds of those registration fees paid by residents of incorporated areas that are returned to Lucas County are used to subsidize roads in townships.

The Vehicle Registration Fee—Permissive License Plate Fees

The second part of revenue from the vehicle registration fee is the permissive license plate fees. Local jurisdictions may assess motor vehicle license taxes in \$5 increments. Counties may collect three, municipalities four, and townships one, so long as the total fee for all local jurisdictions does not exceed \$20. Lucas County has enacted two of the three allowable five dollar per vehicle fees. This fee generated \$2,931,145 in 1998. As

with the license plate fee, over 80% of the vehicles paying this fee to the county are registered in incorporated areas. Since these revenues, however, are utilized by the County Engineer in townships, the fee represents an approximate shift of \$2,374,227 from incorporated areas to townships.

This permissive license plate fee provides local governments with a discretionary revenue source. All four cities in Lucas County collect an additional \$5 or \$10. Among the villages only Waterville and Whitehouse collect a fee, and two of the three largest townships (Sylvania and Monclova) collect a fee. As an illustration, a resident of Maumee pays a \$20 fee for each vehicle registered, while nearby in Springfield Township, a resident pays only half that amount. Table 3 summarizes these estimates of the subsidies that incorporated areas provide for creating and maintaining the infrastructure of unincorporated areas through the license fee.

Table 3
Net Allocation or Subsidy of Incorporated to Unincorporated Areas
through the License Plate Fees (Estimate for 1998)

	Annual Registration Fee	County Permissive Fee
Approximate Amount Paid	\$7,623,062	\$2,374,227
Approximate Amount Received	\$2,597,488	0

Source: Calculated

Fuel Tax

The other shared revenue is the fuel tax, which originates from gasoline purchased in Lucas County, based on the 22 cents per gallon state tax. It is distributed between the state, municipalities, townships, and the county consistent with the statutory formula illustrated in Chart 5.

Chart 5
Statutory distribution of the 22 cents per gallon state fuel tax

2 cents per gallon levy from the Gasoline Excise Tax Fund:

30.0 percent goes to municipal corporations in proportion to their vehicle registrations

25.0 percent is divided equally among counties

45.0 percent goes to the state highway operating fund

2 cents per gallon levy from the Gasoline Excise Tax Fund:

7.5 percent goes to municipal corporations in proportion to their vehicle registrations

7.5 percent is divided equally among counties

17.5 percent is divided equally among townships

67.5 percent goes to the state highway operating fund

15 cents per gallon levy from the State and Local Government Highway Distribution Fund:

1 cent, or 6.7 percent, of the current 15 cents rate goes to the Local
Transportation Improvement Program Fund.

The remaining 14 cents is distributed as follows:

75.0 percent goes to the state highway operating fund

10.7 percent goes to municipal corporations in proportion to their vehicle registrations

9.3 percent is divided equally among counties

5.0 Percent is divided equally among townships

The remaining 3 cents-per-gallon is used for state highway purposes.

Source: Ohio Revised Code--ORC

The calculations for determining the distribution of the 22 cents among the various jurisdictions are as follows:

Municipalities: 30% of 2 cents=.6 cents; 7.5% of 2 cents=.15 cents; 10.7% of 14 cents=1.498 cents. Total = 2.248 cents, or 10.22% of total.

Counties: 25% of 2 cents = .5 cents; 7.5% of 2 cents = .15 cents; 9.3% of 14 cents=1.302 cents. Total = 1.952 cents; or 8.87% of total.

Townships: 17.5% of 2 cents=.35 cents; 5% of 14 cents=.7 cents. Total = 1.05 cents or 4.77% of total.

State: 45% of 2 cents=.9 cents; 67.5% of 2 cents=1.35 cents; 75% of 14 cents=10.5 cents; 100% of 3 cents=3 cents. Total =15.75 cents or 71.59% of total.

Local transportation improvement program fund: 100% of 1 cent=1 cent or 4.54% of total

The percentage distribution of this 22 cents is shown in Table 4 below.

Table 4
Percentage distribution of fuel tax

JURISDICTION	SHARE OF 22 CENTS	% OF 22 CENTS
Counties	1.952 cents	08.87%
Municipalities	2.248 cents	10.22%
Townships	1.05 cents	04.77%
State	15.75 cents	71.59%
Local Transportation Improvement Fund	1 cent	04.54%

Source: Calculated

This formula (as applied to Lucas County) is far more equitable to incorporated areas than the formula for the vehicle registration fee. According to the Ohio Office of Budget and Management, the total fuel taxes collected in Ohio for 2000 was \$1,459,374,000, of which \$326,194,375 was reimbursed to local governments. This distribution is illustrated in Table 5. Of the total amount received by Lucas County, 78% went to municipalities, a distribution that more closely reflects the source of those revenues than the formula used for distribution of the registration fees. However, since 81% of the vehicle registrations and 84% of the county's population are in incorporated areas, this still represents a shift of resources from municipalities to townships. Using the lower figure of 81% as a base for calculating the share of this amount paid by residents of incorporated areas gives us \$7,053,382 (81% of \$8,707,879), which is \$272,990 more than the share they received. This amount represents the subsidy that incorporated areas provide to townships. A major reason for this disparity is statutory. The municipalities' share is based on their proportion of registered vehicles. However, counties and townships receive equal shares, regardless of their size or vehicle registration. Consequently, the law works not only to the detriment of municipalities, but also to urban counties and large townships in general.

Table 5
Distribution of Fuel Taxes in Ohio

Jurisdiction	Total	County	Township	Municipality
Ohio (total)	\$326,194,397	\$121,275,476	\$65,254,383	\$139,664,537
Lucas	\$8,707,879	\$1,378,130	\$548,356	\$6,781,392

Source: Website, Ohio Department of Taxation

Ohio Public Works Commission

The third major revenue source for the Lucas County Engineer is from the Ohio Public Works Commission (OPWC). This Commission was created to assist in financing local public infrastructure improvements and administers the State Capital Improvements Program (SCIP), and the Local Transportation Improvements Program (LTIP). These two programs provide financial assistance to local communities for the improvement of their basic infrastructure systems through grants, loans, and financing for local debt support and credit enhancement. Eligible projects include improvements to roads, bridges, culverts, water supply systems, wastewater systems, storm water collection systems, and solid waste disposal facilities. The SCIP, popularly known as “Issue 2,” allows the state to use its general revenues as debt support and issues up to \$120 million in bonds each year. The LTIP, funded by one cent of the 22 cent gasoline tax, provides an additional \$60 million state wide in gasoline tax receipts each year and is spent entirely within the district of origin.

The OPWC approves projects for both these programs after review and priority ranking by the District Public Works Integrating Committee (DPWIC) of the Department of Transportation. There are 19 of these in Ohio (Lucas County is number 12). The local committee consists of nine members representing all levels of government: Lucas County (2), City of Toledo (2), Townships (2), Villages (1), Other Cities (1), and the Private Sector (1). The chair is the Lucas County Engineer, Keith Early, and the liaison is his administrator Mark E. Drennen. A subcommittee administers the Ohio Small Governments Capital Improvements Commission, which represents the interests of villages and townships.

The committee evaluates and scores applications using methodology based on the criteria listed in Chapter 164 of the Ohio Revised Code. These evaluation criteria focus on the financial need of the subdivision, the project’s strategic importance to the district and subdivision, and emphasize the repair and replacement of infrastructure rather than new and expansionary infrastructure. Since the SCIP grants and loans are state funded and competitively awarded, they were not viewed as funding that originated from the municipalities, villages, or townships within the county. However, the LTIP program does return part of the gasoline tax to jurisdictions within the county where it is paid and, consequently, is considered a redistributive program.

Table 6 presents the totals of LTIP funding that has recently been distributed to local jurisdictions in Lucas County, according to the OPWC. Since these funds are for multi-year projects, it is impractical to utilize the totals for single years. We should note that villages and townships are eligible for regular funding under LPIT as well as for the Small Government Improvements program, which excludes cities. Both are presented in Table 6.

Table 6
Distributions of LTIP Funding Approved to Local Jurisdictions in Lucas County

Jurisdiction	LTIP	Small Governments	Total Funding	Percent of Total
County (Administration)	120,000	0	120,000	.3%
County (Projects)	13,400,000	0	13,400,000	34.65%
Cities	14,459,930	0	14,459,930	37.39%
Villages	1,169,762	1,973,521	3,143,283	8.1%
Townships	3,845,200	3,700,615	7,545,815	19.5%
Net	\$32,994,892	\$5,674,136	\$39,669,028	100%

Source: calculated from data provided by the OPWC web site

The LTIP funding source distributes funding to incorporated areas at a rate far lower than their contributions to this fund. Including the county's share, which is utilized for projects almost exclusively in townships, the unincorporated areas have received almost 55% of the funding in the county from the one-cent of the gasoline tax, although they contain less than 20% of the registered vehicles and around 15% of the county's population. This distribution is entirely discretionary, except for the Small Governments Improvement program, and consequently is in contrast to the distribution of proceeds from vehicle registration and from the remainder of the fuel tax, which are determined by statute. *Since these funds are utilized to improve transportation infrastructure in townships, they force incorporated areas to subsidize development in townships and thus provide incentives for population flight.* Because of the multi-year nature of these projects, it is not possible to place a precise dollar figure on the subsidy provided by incorporated areas to transportation projects in townships. However, the 1% tax generates an estimated \$2.5 million annually for the LTIP fund in Lucas County. Since 81% of the registered vehicles are in incorporated areas, it is safe to assume that these generate over \$2 million of this amount. However, based on past distributions, these have received only 37.4% of the funding, or an average of a little over \$900,000 annually, for a net transfer or subsidy each year of over one million dollars from incorporated to unincorporated areas.

A common justification for urban funding of transportation improvements in rural areas is that urban residents also use these roads. Table 7 indicates that traffic flow on the major county routes drops significantly (between one-third and two-thirds) shortly after the roads enter unincorporated areas. *This data implies that township residents use city streets approximately twice as much as city residents use township roads.*

Table 7
Traffic flow changes, incorporated and unincorporated areas

County Road	Volume in Incorporated Area	Volume in Unincorporated Area	% Volume Unincorporated/ Incorporated
Sylvania Ave.	6900	4500	65%
Bancroft Street	13,500	6400	47%
Monclova Rd.	6300	2150	34%
Hill Avenue	650	4600	53%
Angola Road	8050	4500	56%
Garden Road	7300	3700	51%
Salisbury Road	9650	2900	30%

Source: Calculated from "Traffic Flow Map", Lucas County Engineer, 1995

Although it is difficult to calculate the precise amounts Table 8 summarizes the approximate annual subsidies provided by incorporated areas to unincorporated areas through the various instruments used to finance the Lucas County Engineer.

Table 8
Annual Subsidies Provided by Incorporated Areas to Unincorporated Areas
Lucas County Engineer Financing

FINANCING METHOD	ANNUAL AMOUNT TRANSFERRED
Annual Registration Fee	\$5,000,000
County Permissive Fee	\$2,400,000
Fuel Tax	\$ 270,000
LTIP	\$1,100,000
Total Transferred	\$8,770,000

Source: Calculated

It is clear that the current methods of financing the County Engineer favors unincorporated areas at the expense of the municipalities. Residents of the municipalities pay the greatest share of the taxes that finance the Engineer; however, the office provides services primarily to townships. Thus, urbanized areas in effect pay for the infrastructure improvements that facilitate the movement of people and jobs into unincorporated areas. They effectively help subsidize their own economic decline.

The impact of the funding formulas and county road designations are mitigated to some extent by the discretionary projects that the County Engineer funds in some of the municipalities. Most of these projects are in locations that border on townships but the County Engineer still helps some projects that are entirely within municipalities. These projects may be worth up to one or two million dollars a year to the municipalities. The County Engineer's office has long cooperated with local municipalities, but the current funding mechanisms make it difficult for the engineer to provide balanced service throughout the county.

Policy Implications and Recommendations

There are four policy-based actions that could help remedy these conditions, they include the following:

1. Changing state law, particularly in setting the formula for the distribution of vehicle license fees, which is inherently the most inequitable to urban areas.
2. The County or the local District Public Works Integrating Committee has the discretion of shifting to townships the responsibility to bear more of the burden of maintaining roads that are more vital to them than to incorporated areas. This type of shift would allow the Engineer to provide more assistance to revitalizing decaying urban infrastructure. Existing legislation does not require that the location of county roads be limited to townships, and does not prevent the county commission from designating roads in incorporated areas as "county roads." Just as the state does not cease being responsible once state highways enter cities, county roads would continue being the county's responsibility. Particularly obvious opportunities for initial conversion would include those major arteries connecting townships with cities, such as a Bancroft Avenue or Dorr Street. Their designation as county roads would shift some of the revenues that incorporated areas lose with the current formula back to those who pay the bulk of the taxes.⁸ Such policies would add to the responsibilities of the County Engineer whose resources are already strained by existing responsibilities.

⁸Designating roads within a municipality as county roads would also increase net state revenue pay-out to engineering and maintenance for the County Engineer, since 9% of the vehicle registration fee "is divided among all 88 counties based on a ratio of miles of county roads in each county to the total mileage of all county roads in the state." Increasing the mileage of county roads would likely provide at least a marginal increase of county revenues.

3. The County can reduce the number of miles of roads in townships that are designated as county roads. Once done, the maintenance of roads that primarily serve township residents shifts to those townships and the County can designate as county roads, those located within incorporated areas that serve both townships and cities.
4. Another administrative measure would be to allow villages and townships to compete with cities for regular LTIP funding, but also have access to Small Governments Capital Improvements Program, which let them exclude cities. The grants received under this latter program, combined with county expenditures exclusively in unincorporated areas, give townships the benefits of more than half the funding paid for primarily by urban residents. Consequently, incorporated areas rely heavily on loans from the STIP program that (unlike LTIP grants) must be repaid. Such an operating rule is possible since five of the nine members of the DPWIC are representatives of Lucas County and incorporated areas.

Criminal Justice Services

Criminal justice services in Lucas County include those activities related to protecting the lives and property of citizens, adjudicating disputes, and protecting the rights of accused persons. These are among the most vital and most expensive services provided by local governments, and include police patrol, arrests and booking, pre-trial detention, pre-trial release, courts and court room security, public defender, work release, health care, and drug testing.

The costs, associated with courtroom security and drug testing, were not examined in this study. The Sheriff's Department provides security to Toledo City Courts on a contract basis, but since it is not a service provided without cost to other jurisdictions, it did not meet the test for the study. Drug testing is provided to all prisoners without regard to which jurisdiction arrested them; thus it was considered outside the scope of this study.

Incorporated areas have far more responsibilities for providing criminal justice services than do unincorporated areas, and they do so either through direct provision or under contract with the county. Townships, on the other hand, *may*, but are not required to, provide these services. As a result, the county has become the default provider. All incorporated areas have their own police departments, as permitted under the ORC, Chapter 715.05: *"All municipal corporations may organize and maintain police and fire departments, erect the necessary buildings, and purchase and hold all implements and apparatus required therefore."* The permissive implication of this provision is altered in Chapter 737.01, which states, *"In each city there shall be a department of public safety, which shall be administered by a director of public safety...."*

There are four municipal courts in Lucas County. They are independent of the County Common Pleas courts and are largely outside the scope of this study. Under the Ohio Constitution, the General Assembly has the responsibility for creating Municipal courts. The current statute specifying the courts is in Chapter 1901.01 of the ORC.

A wide range of other criminal justice services are provided to the cities on a contract basis. These same services are provided to the unincorporated townships at no cost. These services include booking and pre-trial detention, public defender, and work release. In addition, Toledo has contracts with the County for pre-trial release and for health care of its defendants.⁹ The Villages of Holland, Waterville, and Whitehouse have contracts for public defender and work release with the County, and the latter two also have contracts for pre-trial detention.

Townships have borne little of the burden for criminal justice services for their residents and rely largely on the County. Thus, they have passed much of the cost on to all

⁹It is not known why only Toledo pays for the health care of inmates arrested within its boundaries when other jurisdictions do not. One explanation is that it accounts for over three-fourths of those arrested in the county; however, other jurisdictions provide almost a quarter of inmates but do not contribute to health care.

County taxpayers, the majority of whom are not residents of townships. Only three townships, Sylvania, Waterville, and Washington, have their own police departments. For the remainder, the Sheriff provides police services through the department's road patrol, which operates only in the townships. Only Springfield currently bears any of the cost of this expensive service, and it just began this practice in 2001. None of the townships share any of the other costs of criminal justice services resulting from arrests made in their jurisdictions, including booking, pre-trial detention, pre-trial release, courts, public defender, work release, and health care. The criminal justice contracts that existed between local jurisdictions and Lucas County in 1999 are summarized in Table 9. *The absence of a contract indicates that the County provides these services without charge to the jurisdiction where the person was arrested.* The residents of the entire County thus bear the cost of providing these services.

Table 9
Value of Criminal Justice Contracts Between Lucas County and Local Jurisdictions, 1999

	Maumee	Oregon	Sylvania	Toledo	Holland	Waterville	Whitehouse
<i>Pre-trial Detention</i>	20,787	57,954	23,400	1,064,373		0,739	10,739
<i>Pre-Trial Release</i>				578,008			
<i>Booking</i>	45,772	9,821	3,630	2,384,974			
<i>Public Defender</i>	28,000	28,000	28,000	547,252 (\$290,755 after reimbursement ¹⁰)	4,725	2,340	2,340
<i>Work Release</i>	18,000	26,400	42,500	385,632.00	6,000	1,300	600
<i>Health Care</i>				82,000			

Source: Contract Documents

There are two major organizations through which townships pass on their responsibilities for providing services for their own residents the County Sheriff's department and the municipal courts.

¹⁰ Each year the State of Ohio reimburses the County for some of the costs of the Public Defender Program. The amount of reimbursement varies from year to year and is declining because of State budget cuts. The county passes along that all of that reimbursement to the City of Toledo. In 1999 Toledo's Public Defender Program contract amount with the county was \$547,252. The State reimbursement for that year was \$256,497. Thus, the discounted the cost of Toledo's Public Defender Program for 1999 was \$290,755 (source: Lucas County Management and Budget Office.) Our calculations for this report are based on the contracted amount for the Public Defender Program.

The County Sheriff

The Lucas County Sheriff 's Department is by far the largest consumer of general fund resources in county government, expending \$51,138,000 in 2000. The Sheriff, together with the courts, consumes more than half the County's general fund budget. The Sheriff operates the Lucas County Correctional Center (LCCC) and charges incorporated areas for a number of services that are provided without charge to townships. The most important of these are basic police services and custody of arrested persons. The Sheriff is the default provider of police services to unincorporated areas that have chosen not to have their own police services. For smaller townships, like Jerusalem or Harding, such an arrangement is logical and has little overall impact for other residents of the county. However, providing police services without cost to the larger, more prosperous and growing townships, such as Monclova and (until 2001) Springfield does have a substantial impact on other County residents. The Sheriff's road patrol had 1999 expenditures of \$4,808,159, according to the Lucas County Auditor's office. This amount (paid by all taxpayers in the County) averages out to \$10.57 per capita. For residents of townships except Sylvania, Waterville, and Washington, this is the sum total of their criminal justice expenses. *For residents of incorporated areas (Toledo, Sylvania, Maumee, Oregon, and villages) however, citizens must pay the additional expense of providing their own police services.* Further, these municipalities also bear the post-arrest expenses, not only of persons arrested within their own jurisdictions, but also of persons arrested in townships.

The ORC does not obligate the Sheriff to provide free services to townships that are not also provided to municipalities nor does the ORC prevent the Sheriff from charging townships at the same rate as municipalities. Chapter 311.07 "*General powers and duties of the sheriff,*" states that "*Each sheriff shall preserve the public peace and cause all persons guilty of any breach of the peace, within the sheriff's knowledge or view, to enter into recognizance with sureties to keep the peace and to appear at the succeeding term of the court of common pleas, and the sheriff shall commit such persons to jail in case they refuse to do so.*" Jurisdictions not arresting or charging under a municipal code, i.e. villages and townships, are not billed for LCCC expenses. Since all charges outside of the cities are made under the Ohio Revised Code, the County Sheriff incurs all of the costs; in turn, some of the costs are later reimbursed by the State.

Courts

There are four municipal courts in Lucas County, each located in one of the County's cities and supported by the budgets of these cities. Villages and townships fall within the jurisdiction of one or more of those municipal courts. Toledo has jurisdiction over the Village of Ottawa Hills and Washington Township. Oregon has jurisdiction over Harbor View and Jerusalem townships. Maumee has jurisdiction over the western townships south of the turnpike.¹¹ Sylvania has jurisdiction over the western townships north of the

¹¹Waterville and Whitehouse Villages; Monclova, Providence, Swanton, Waterville, Whitehouse, and part of Springfield Townships.

turnpike.¹² While villages contribute to the administrative overhead of the municipal courts serving their jurisdiction, the townships do not contribute to the administrative overhead of the courts serving their jurisdiction; thus, their costs are underwritten by the residents of the incorporated areas. Additionally, Holland Village contracts with the County for public defender expenses, and Waterville and Whitehouse villages reimburse Maumee for public defender and work release services.

If there were only a few persons in townships who were arrested, detained, and tried at County expense, there would be no significant extra burden on residents of incorporated areas. However, the inequities in the existing system can be demonstrated by examining the differing costs for criminal justice services in different jurisdictions. This data is presented in Table 10, which shows the number of arrests made by each jurisdiction in 2000 and the value of each jurisdiction's contract with the county for services provided by the Sheriff and by the courts in 1999 (the value of 2000 contracts were not available for this report, although the difference is probably minimal). These services include booking and pre-trial detention, (and for Toledo, health care), public defender, and work release, and are consequently rough indicators of differential costs to different jurisdictions. The data does not provide information on the total number of days spent in confinement, but rather assumes that persons arrested in each of the jurisdictions spent a comparable number of days in the LCCC.

¹²Berkey and Holland Villages; Harding, Richfield, Spencer, Sylvania, and most of Springfield Townships

Table 10
Total Arrests
Percent of Total, Average Per Arrest Costs in Lucas County by Jurisdiction

	Total Arrests Booked into LC Jail 2000	% of Total	Total value of 1999 contracts w/ Sheriff (booking, pre-trial detention, health)	Total value other County contracts (Public Defender & work release)
CITIES				
Toledo	18,362	77.22	3,531,347	932,884
Maumee	264	1.11	66,559	46,000
Sylvania	76	0.32	27,030	70,500
Oregon	357	1.50	67,775	54,400
VILLAGES				
Ottawa Hills	48	0.20	0	0
Waterville	30	0.13	10,739	3,640
Holland	53	0.22	0	10,725
Whitehouse	16	0.07	10,739	2,940
TOWNSHIPS				
County Sheriff	4,081	17.14	0	0
Sylvania	363	1.52	0	0
Waterville	12	0.05	0	0
Washington	124	0.52	0	0

Sources: Arrest data--Lucas County Sheriff and value of contracts--from contracts.¹³

It is important to note that each city handles arrests in a different manner. The City of Sylvania maintains its own small jail and therefore books fewer people into the Lucas County system. Maumee and Oregon each book and release certain misdemeanor offenders at their own police stations. In addition, Sylvania's work release costs are

¹³ These data do not include arrests made by the following: Metro Parks, State Adult Parole Authority, University of Toledo, State Agencies, Highway Patrol, U.S. Marshal, Federal, & other state agencies

significantly higher because they make more extensive use of the County's work release program than the other cities in the County. In each category on this table, the cities pay the County for these services, while the townships receive the services at no cost.

There is a surprisingly high arrest rate in the townships. While more persons by far were arrested in Toledo than in any other jurisdiction, the next highest number of arrests are made by the County Sheriff. Since the Sheriff's road patrol functions exclusively in townships, these arrests occurred predominantly in townships, which do not contract to pay for any of the costs associated with persons arrested in their jurisdictions. Including the three townships with their own police departments (Sylvania, Waterville, Washington), townships accounted for almost 20% of the arrests in Lucas County, far more than the total recorded in all the other cities and villages (except Toledo) in the county. Lucas County residents, 81% of whom do not live in townships, bear the enforcement and judicial costs of those arrested in townships,

It is clear from this analysis that the current criminal justice service delivery system benefits unincorporated areas. Some of those jurisdictions pay for some or all the services they receive, others do not. Chart 6 provides a framework to illustrate this inequity by summarizing whether residents of the jurisdiction or of the entire county pay for each of these services.

**Chart 6
Who Pays in the Various Jurisdictions for Criminal Justice Services**

	Cities		Villages				Townships	
	Maumee Oregon Sylvania	Toledo	Holland	Waterville Whitehouse	Berkey Harbor View	Ottawa Hills	Harding Jerusalem Monclova Providence Richfield Spencer Springfield Swanton	Sylvania Waterville Washington
Policing	Local Jurisdiction	Local Jurisdiction	Local Jurisdiction	Local Jurisdiction	Lucas County	Local Jurisdiction	Lucas County	Local Jurisdiction
Booking	Local Jurisdiction	Local Jurisdiction	Lucas County	Lucas County	Lucas County	Lucas County	Lucas County	Lucas County
Pre-Trial Detention	Local Jurisdiction	Local Jurisdiction	Lucas County	Local Jurisdiction	Lucas County	Lucas County	Lucas County	Lucas County
Pre-trial Release	Lucas County	Local Jurisdiction	Lucas County	Lucas County	Lucas County	Lucas County	Lucas County	Lucas County
Public Defender	Local Jurisdiction	Local Jurisdiction	Local Jurisdiction	Local Jurisdiction	Lucas County	Lucas County	Lucas County	Lucas County
Work-release	Local Jurisdiction	Local Jurisdiction	Local Jurisdiction	Local Jurisdiction	Lucas County	Lucas County	Lucas County	Lucas County
Health Care	Lucas County	Local Jurisdiction	Lucas County	Lucas County	Lucas County	Lucas County	Lucas County	Lucas County

Note: In addition to these services, all jurisdictions pay for the Sheriff's road patrol, even if they have their own police department.

Source: Calculated

Although we cannot calculate the degree of inequity in this system because much of the needed cost data is unavailable, we can estimate its level from the cost of providing the most expensive service: that of booking and pre-trial detention. Table 11 below calculates the cost of booking and pre-trial detention in those jurisdictions lacking a contract with the county based on the aggregate cost per arrest that the county charges those jurisdictions who do have a contract. These calculations assume that the actual per arrestee costs to the county are the same. Jurisdictions with contracts paid \$3,719,320 for booking and pre-trial detention of 19,263 arrestees, for an average of \$193 each. In jurisdictions without a contract, 4,543 were arrested during the same period. If we assume that the costs for those arrested in non-contract jurisdictions were the same, these cost the taxpayers of Lucas County almost \$877,000.

Table 11
Estimated Costs of Booking and Pre-trial Detention for Arrestees in Jurisdictions without a Contract with Lucas County

Jurisdiction	Arrested	Per Arrest Average	Total Cost
With Contracts	19,263	\$193	\$3,719,320
Without Contracts	4,543	\$193*	\$877,000**

*Assumed **Calculated

Policy Implications and Recommendations

The current practices in Lucas County excessively require that residents of incorporated areas, particularly municipalities, bear a disproportionate share of the costs of criminal justice services for townships. The taxpayers of the entire county bear the cost of policing unincorporated areas without their own police departments at a cost of almost \$5 million annually, and bear the cost of booking and pre-trial detention of persons arrested in some unincorporated areas and some villages of a little less than \$900,000. Based on the population proportion of the county, this represents a subsidy of around \$4.8 million annually of incorporated areas to unincorporated areas.

There are three obvious policy options open to the County and the Sheriff that could be taken to increase the responsibilities of townships for their own services and reduce their ability to shift the cost of their own services to others in the county.

1. Change the financing for the Sheriff’s road patrol to an enterprise fund, to be financed by contracts with local jurisdictions rather than from the general fund. Besides making local communities responsible for the safety of their own citizens, such an arrangement would allow them also to choose their own level of services, rather than relying on decisions by an external agency. This arrangement, similar to the Lakewood Plan,¹⁴ is much fairer to residents of other jurisdictions within the County who are not required to finance services they do not receive. There are ample precedents for such an arrangement within Lucas County, such as with the County Building Regulations Department.
2. Require that all jurisdictions within the limits placed by the ORC, be treated the same as municipalities. They should be responsible for the costs of booking and pre-trial detention of persons arrested within their jurisdictions, at least beyond whatever reimbursement the state provides. Subsequent changes should include

¹⁴The Lakewood Plan is named for a planned community in California. That community, incorporated in 1954, has a novel approach to providing city services. The City Council sets policy and budgets at the local level, but contracts with Los Angeles County to receive a wide range of county services such as road repair, water and sewer services, and fire protection. This arrangement lets the city retain local control of its government while tapping efficiently into existing services. Known as the Lakewood Plan, it has been adopted and modified by many other communities, particularly in California, but also throughout the United States.

billing the jurisdiction for other services provided by the courts, particularly for the public defender and for work release.

3. Call for a clarification from the Ohio Attorney General of the contradiction between “may” and “shall” in ORC 715.05 vs. 737.01, so that incorporated areas can know with more certainty about their mandated and discretionary services.

As the population in townships continues to increase, we can expect further growth in criminal incidents. Under the existing system of criminal justice delivery, cities are subsidizing services in townships, and this subsidy can be expected to grow in the future. This practice also subsidizes this growth and encourages sprawl, for as people move into townships they reduce their costs for crime protection.

As noted in the executive summary further study needs to be done on the funding of the regional jail in Stryker, Ohio. This jail is not operated by the County, but Lucas County municipalities pay for the costs of incarcerating their own prisoners there, while Township prisoners are paid for by all the taxpayers of the County.

Toledo-Lucas County Plan Commissions

The Toledo/Lucas County Plan Commission is responsible for planning for both the City of Toledo and Lucas County. The City Plan Commission, established in 1916, operates under the Toledo City Charter. Section 190 of the Charter specifies its authorities and duties:

The City Plan Commission shall have power to control the design and location of works of art which are, or may become, the property of the City; the plan, design and location of public buildings, harbors, bridges, viaducts, street fixtures and other structures and appurtenances having to do with the beauty and convenience of the City; the removal, relocation, extension and platting of streets, parks and other public places, and of new areas; and the preparation of plans for the future physical development of the City.

The Lucas County Planning Commission, established in 1924, operates under the ORC. In December 1931, the staffs of the two commissions were merged, but they are legally separate entities. They employ the same persons and share expenses. They retain two independent governing bodies (commissions), composed of volunteers who serve without pay. One has a five-member board appointed by the Mayor of Toledo with the approval of City Council; the other has eleven members including the County Commissioners, with the remainder appointed by the County Commissioners to represent the townships and the City of Toledo. The director of the plan commissions is chosen by the majority vote from these two commissions. Both the City of Toledo and Lucas County fund the commissions. Toledo's share is from the general fund and from a share of Toledo's federal block grant program; Lucas County's share is from its general fund. For 1999, \$562,800 came from Toledo's general fund, and \$115,000 from Toledo's block grant allocations. Lucas County provided \$384,000 from its general fund.

The staff of the Toledo-Lucas County Plan Commissions serve as the Townships' planning agency, and as such is a service that meets the requirement for analysis by this project. This function is funded by resources belonging to all county residents but only benefits townships. The incorporated areas provide almost all the financing for the Commission, amounting to a net annual transfer from incorporated to unincorporated areas of 84% of \$384,000 or approximately \$332,560. In turn, these incorporated areas must fund their own planning agencies or activities through their own budgets. The per capita cost for residents of Lucas County in 1999 (based on 2000 population figures) was only \$0.84. For township residents, this cost represents their total for planning activities. Incorporated areas, however, have the additional cost of supporting their own planning activities, which for Toledo residents in 1999 (again, using 2000 census figures) was \$2.16 per capita, in addition to the \$0.84 paid to support the county commission, for a total of \$3 per capita. The situation is similar for other incorporated jurisdictions.¹⁵

¹⁵It should be noted that if the residents of townships exclusively were required to pay the County's share in financing the Lucas County Planning Commission, which only benefits township residents, the average

Besides being financed primarily by residents of incorporated areas, the Lucas County Plan Commission provides many development services for the unincorporated areas. This is demonstrated in the following Table 12.

Table 12
Case Intake for the Toledo Lucas County Plan Commission, 1999

Township	Case Intake of Plats	Zoning Changes	Site Plan Reviews	Deed Transfers	1999 Total
Harding	0	0	0	5	5
Jerusalem	0	4	2	10	16
Monclova	17	21	3	22	74
Providence	0	1	0	9	10
Richfield	0	2	0	3	5
Spencer	0	3	0	4	7
Springfield	11	15	18	14	63
Swanton	0	1	0	12	13
Sylvania	17	30	24	22	105
Washington	0	2	0	0	2
Waterville	0	6	0	10	16
Totals	45	85	47	111	316

Source: Toledo/Lucas County Plan Commissions

These data indicate that the primary activity of the County Plan Commission is facilitating development in the townships. The three townships experiencing the fastest rate of growth, Monclova, Springfield, and Sylvania, primarily use the Commission. These together accounted for 77% of the commission's total activity, including 100% of its plat intakes, 78% of its zoning changes, and 96% of its site review plans.

per capita cost would be \$5.16 (\$384,000 divided by 74,459 residents). The fact that this amount is almost twice as much as the per capita cost for the Toledo plan Commission implies either that the County's share of the cost is greater than the actual benefits, or that township residents are receiving an even greater subsidy than at first appears from shifting the cost of their planning to residents of the entire county.

Policy Implications and Recommendations

The current arrangement thus permits townships to pass on the cost of services that exclusively benefit them, to those incorporated jurisdictions. A more fair and equitable solution would be for each jurisdiction to pay for its own planning, including townships. *The ORC does not require the county to finance these services exclusively for townships without doing so for all jurisdictions.* Chapter 713.22 states in part that “The board of county commissioners of any county may, and on petition of the planning commissions of a majority of the municipal corporations in the county having those planning commissions shall, provide for the organization and maintenance of a county planning commission.”

Given these assumptions, there are three possible and practical solutions available:

1. Reorganize the Lucas County Plan Commission dropping the fiction that it is a County Wide Commission. Such reorganization would require rethinking representation on the commission as well as the methods of financing. Larger and growing townships, which utilize planning services most and can most afford them, would pay a price that more realistically measures the benefits they receive. Both commissions could continue to share staff and administration.
2. Retain the current structure but replace County funding with fees for services provided to townships.
3. Develop a true countywide/regional planning commission and engage in true regional planning.

Other Services Distributed by the County

Other services provided by Lucas County were reviewed for this study and found to be more equitable and have less of a differential impact on services delivered to incorporated and to unincorporated areas. These include the non-utility construction and maintenance services of sanitary engineering and solid waste management, as well as building inspections, the dog warden, and economic development.

Sanitary Engineering

The Lucas County Sanitary Engineering Department is under the direction of the Board of the County Commissioners and is responsible for the operation and maintenance of the county water distribution, wastewater collection, and wastewater treatment systems. The Department has a total annual operating budget of \$13.1 million (not including construction costs of assessment projects). It provides water and sanitary sewer service to more than 75,000 residential customers and many businesses. The County provides both water supplies and wastewater collection and treatment services to Monclova, Springfield, Sylvania, and Washington Townships; Ottawa Hills, Harbor View, Waterville, and Holland Villages; water supplies to Jerusalem and Waterville Townships; and has contractual arrangements for wastewater treatment services with the Cities of Maumee and Sylvania and the Village of Whitehouse.

Although the Sanitary Engineer is the primary provider of water and sanitary sewer services to townships, it was excluded from extensive analysis in this study because it is funded primarily by user fees rather than by tax revenues. Non-consumers are not required to support this service. No Policy recommendations are offered herein.

The Lucas County Solid Waste Management District

The Lucas County Solid Waste Management District (LCSWMD) is responsible for developing a comprehensive plan for managing solid wastes generated by its residents. The purpose of the plan is to reduce reliance on land filling as a means for managing solid waste, and instead to promote alternative methods such as recycling, composting, and reuse. The District was formed on March 6, 1989 and was established as a single countywide District with the Lucas County Board of Commissioners as its Board of Directors. The District monitors the volume of Lucas County-generated solid waste accepted at designated landfills and other solid waste facilities. The District has private contracts with solid waste landfills, transfer, composting, and recycling facilities for the disposal, processing, and management of solid waste generated within the District. It administers the following programs:

1. **District Drop-off Collection Program:** Nineteen sites located throughout Lucas County, where residents may recycle any of the following materials at the unmanned sites: cardboard; magazines and newspapers; glass; plastic bottles and containers; aluminum cans; and steel food cans.

2. **City of Toledo Residential Recycling Program:** A contractual agreement between the District and Toledo for curbside recycling service to all of its single-family households. The service is bi-weekly and accepts the following materials: newspapers; glass; soda bottles; plastic detergent bottles; milk jugs; aluminum cans; and steel food cans. This program is funded and operated by the City of Toledo.
3. **Yard Waste Drop-off Program:** Two yard waste drop-off sites under contract with two private-sector composting operators for use by Lucas County residents, who may recycle grass clippings, trimmings, leaves, and other yard waste free of charge. Commercial businesses may also use facilities at their own expense.
4. **Commercial Industrial Technical Assistance Program:** A cooperative program with The University of Toledo, College of Engineering, offering free waste assessments and waste minimization assistance to manufacturers, businesses, and institutions located within Lucas County.
5. **Outreach and Education Program:** A program through the Ohio Department of Natural Resources (ODNR) Recycle Ohio! Grant Program, subcontracting with the non-profit organization Keep Toledo/Lucas County Beautiful to meet the terms of the grant application.
6. **Household Hazardous Waste Collection Program:** Program provides low or no-cost options for managing household hazardous wastes (HHW) such as paint, used oil, solvents, pesticides/herbicides, caustics, and other toxic items used in the home and garden. The District contracts with private sector companies to offer drop-off service to Lucas County residents.
7. **Scrap Tire Management:** Annual collection events for scrap tires, working with local communities and private businesses in the abatement of scrap tires, and utilizing grants from the Ohio Department of Development (ODOD) for projects utilizing scrap tires.

Revenues for the District come primarily from four sources:

1. A \$1.00 generation fee levied on each ton of district waste disposed, increased to \$2.00 per ton in 2001.
2. A \$1.00 contract disposal fee levied on all district solid waste accepted for disposal at designated landfills located within and outside the district.
3. Recycling revenues.
4. Tire fee reimbursements.

In addition, the solid waste district receives revenues from the State through the

Recycle Ohio Grant, which it shares with “Keep Toledo Beautiful.”

The City of Toledo and the Villages of Ottawa Hills and Holland have direct contracts with the District. Toledo also has indirect contracts with the District through its support of the non-profit organizations “Keep Toledo Beautiful” and the “Neighborhood Improvement Foundation of Toledo, Inc.,” as does Sylvania Township through its contract with Miller’s Hauling Service. The remaining jurisdictions in Lucas County hire private hauling companies and, therefore, do not have contracts with Lucas County.

The District does not provide any services to township residents that it does not also provide to residents of incorporated areas, and its primary source of revenue is from district waste disposed and from district solid waste accepted for disposal, regardless of origin. Therefore, it was excluded from further analysis in this study, and there are no recommendations for changes in policy.

Lucas County Building Regulations Department

The Lucas County Building Regulations Department is responsible for the enforcement of adopted codes pertaining to residential and commercial construction, and flood damage prevention. All jurisdictions located within the boundaries of Lucas County are eligible to utilize its services, although five jurisdictions within the County provide their own services. They are the Cities of Toledo, Maumee, and Oregon, and the Villages of Berkey and Whitehouse. The Building Regulations Department has standing agreements to provide services to the City of Sylvania and to the Villages of Holland, Ottawa Hills, and Waterville. The remaining county jurisdictions are under a general blanket agreement allowing them to utilize the Department services on an *as needed* basis.

The Department operates as an *enterprise fund*, in that revenues do not come from taxes but rather from user fees. Since each jurisdiction or individual who uses their services must pay, the department can be excluded from analysis of this project, and no policy changes are proposed herein.

Dog Warden (after hours)

A minor inequity between incorporated and unincorporated jurisdictions is the additional charge that the Lucas County Dog Warden levies for after-hour calls. For 1999, the charges were for Toledo (\$45,383), Sylvania (\$6,262), and Oregon (\$4,054). The fourth city, Maumee, has its own animal control officer. No similar charges were levied against villages or townships.

Conclusion

This project has examined the impact of the funding practices for county services in Lucas County Ohio. The study has presented evidence that residents of cities and villages (incorporated areas) pay for the services they receive (either from their own municipal jurisdiction or from the County), as well as large share of the costs for County services delivered to townships (unincorporated areas). Decisions by the County as to whether to provide services, where to provide them, and at what level, are generally discretionary. In many cases, as noted in the report, policy changes that could address inequities can be easily implemented. Many of the practices and policies described in this report originated at a time when Ohio was a predominantly rural state and county government served all residents. Cities relied on the rural areas to provide food and other natural resources to support the population of the cities. As documented in this report, those historic practices now lead to subsidies for township residents and businesses.

While this study reaches the conclusion that municipalities are subsidizing the townships to a considerable extent, accounting practices and the nature of the services make it difficult to measure the full impact of these practices. The analysis concludes that there is, at minimum, an annual subsidy in the following service areas:

1. For Infrastructure, approximately \$9 million.
2. For the Criminal Justice System, for public defender costs, road patrol, and non-reimbursed booking and pre-trial detention, almost \$5 million.
3. For the Plan Commission, over \$300,000.

It should be noted that these calculations do not include such items as townships not paying for costs of supporting municipal court systems and the administrative overhead of the County. Also not included is the subsidy for the cost of incarcerating prisoners at the Regional Jail in Stryker, Ohio, where the residents of cities pay to house their own prisoners and then pay again when the county uses their money to pay for the incarceration costs of township prisoners. Nor does this report include costs associated with EMS, 911, or the Toledo-Lucas County Health Department, which might further increase the negative financial impact on incorporated areas.

This study has answered the five following questions that were posed in the Introduction.

- 1 There are county services that are provided without cost to townships but to incorporated areas only on a fee basis. These include maintenance of county roads that lie entirely within townships; police patrol, incarceration, judicial, and correctional functions; planning services; and after-hours animal control.
- 2 Many services that the County provides to townships are not mandated by the ORC, but are discretionary. It is not clear that state law requires the County to be

the default service provider to townships or that it prohibits the county from negotiating service delivery costs or charging fees for its services.

- 3 Incorporated jurisdictions are paying more than unincorporated areas for some of the same County-provided public services, particularly from the LCCC.
- 4 Incorporated areas are required by the ORC to provide at least some services for their citizens that the county provides for townships, particularly police services. However, cities apparently do not have as many legally mandated service obligations as are commonly assumed.¹⁶
- 5 The last concern, the implications for the growth and development within Lucas County, deserves more detailed discussion (see below.)

Residents of incorporated areas pay approximately 80% of the costs of county-provided public services, which are primarily delivered to unincorporated areas. While municipal residents finance services to township residents, they have to pay for those same services for themselves. Thus, most Lucas County residents pay for services they do not receive. This subsidy, in effect, creates some of the conditions that lead to urban sprawl as residents and businesses relocate to the townships.

Implications of the Findings

This study has important implications for the future of Lucas County. Current policies contribute to urban sprawl.

Sprawl vs. Smart Growth

The service delivery practices described in this report have facilitated residential and business relocation from incorporated areas to the unincorporated areas of Lucas County. By spreading the costs of sprawling infrastructure among all Lucas County taxpayers, these practices have enabled investment in the infrastructure that makes sprawling development. In addition, providing basic services to township residents, reduces their tax burden and makes their relocation from incorporated areas more attractive.

The movement of population within Lucas County is summarized in Tables 13 and 14. Table 13 shows the population changes in the various jurisdictions of Lucas County over the past three decades, between 1970 and 2000. The County's population decline during this 30-year interval is almost 30,000 residents, 6% of its 1970 population. Toledo's population, however, declined by nearly 70,000, or 18%. The only other major incorporated area to show a persistent decline was Maumee, while Ottawa Hills only grew at 7%. While the population dynamics of both these municipalities are a consequence of basically static land areas and aging populations with smaller family sizes, Toledo's decline is the result of residents leaving the city. Even so, the three suburban cities grew by 20% during this period (largely attributable to Sylvania) and the

¹⁶ It is important to note that the voters of some municipalities elect to increase their payroll taxes in order to receive additional or higher quality services.

villages by a greater 33% (primarily because of Waterville and Whitehouse). The population gains of townships were even more pronounced, with a nearly 60% (30,000) growth in population. This increase reflects the growth of three townships, Monclova and Springfield (which more than doubled), and Sylvania, which grew by 55%.

Table 13
Population Changes in Lucas County, 1970-2000

LUCAS COUNTY	1970	1980	1990	2000	% CHANGE
Toledo	383,062	354,635	332,943	313,619	-18%
SUBURBAN CITIES					
Maumee	15,937	15,747	15,561	15,231	-4%
Oregon	16,563	18,675	18,334	19,355	17%
Sylvania	12,031	15,527	17,301	18,670	55%
	44,531			53,256	20%
VILLAGES					
Berkey	294	306	267	264	-10%
Harbor View	238	165	124	99	-58%
Holland	1,108	1,048	1,210	1,306	18%
Ottawa Hills	4,270	4,065	4,543	4,564	7%
Waterville	2,940	3,884	4,517	4,828	64%
Whitehouse	1,542	2,137	2,528	2,733	77%
	10,392			13,794	33%
TOWNSHIPS					
Harding	719	631	593	724	1%
Jerusalem	3,405	3,327	3,253	3,161	-7%
Monclova	3,340	4,285	4,547	6,767	103%
Providence	1,856	2,702	3,016	3,454	86%
Richfield	1,218	1,095	1,178	1,359	12%
Spencer	1,925	1,744	1,665	1,708	-11%
Springfield	10,909	15,043	18,835	22,817	109%
Swanton	3,026	3,379	3,508	3,354	10%
Sylvania	16,496	17,534	22,682	25,583	55%
Washington	2,146	4,000	3,803	3,574	67%
Waterville	1,634	1,813	1,958	1,958	20%
	46,674			74,459	60%
TOTAL	484,496	471,579	462,545	455,054	-6%

Source: U. S. Census Bureau

Table 14 shows the shift in relative balance of the county population. Toledo's share during this period shrunk from 79% to 67%, while other incorporated areas grew from 11% to 14%. That of townships, however, increased from 10% to 16%, so that more people in Lucas County reside in townships than in incorporated areas outside Toledo. Springfield and Sylvania Townships are larger than any of the suburban incorporated areas, with no slowdown of this growth in sight.

Table 14
Changing Proportions of Lucas County Population

Jurisdiction	Percent of Population			
	1970	1980	1990	2000
Lucas County				
Toledo	79.06%	75.20%	71.98%	68.92%
SUBURBAN	9.19%	10.59%	11.07%	11.70%
Maumee				
Oregon				
Sylvania				
VILLAGES	2.14%	2.46%	2.85%	3.03%
Berkey				
Harbor View				
Holland				
Ottawa Hills				
Waterville				
Whitehouse				
TOWNSHIPS	9.63%	11.78%	14.06%	16.36%
Harding				
Jerusalem				
Monclova				
Providence				
Richfield				
Spencer				
Springfield				
Swanton				
Sylvania				
Washington				
Waterville				

Source: U. S. Census Bureau

This population shift is consistent with national trends and is influenced by factors such as the changing structure of the economy, personal preferences, and state and national housing and transportation policies. However, this report is concerned with whether the movement of people and jobs out of central cities and other municipal areas has been accelerated by subsidies borne disproportionately by residents of the incorporated areas. Township residents are capable of bearing the cost of their own services, since the movement of population and jobs also means the movement of wealth. Table 15 compares the average household income of jurisdictions in Lucas County, based on 1990 and 2000 census data. Except for the small village of Harbor View, Toledo has the lowest median family income in the county. The three townships having the fastest

growth rates have incomes significantly higher than Toledo's, and this gap has increased during the past decade. Monclova Township's was 43% greater than Toledo's, and after the spurt of development during the past decade has increased to 87% greater. The data for Springfield and Sylvania Townships are not as precise because they include the incorporated areas within them (Holland Village and Sylvania City). However, both of these have populations smaller than the townships and only slightly skew the overall result. Sylvania Township's family income increased only slightly from 77% greater than Toledo's to 80% greater, while Springfield's jumped from 25% greater to 41% greater.

Table 15
Comparison of Median Family Incomes in Lucas County, 1990 and 2000

Jurisdiction Type	Jurisdiction	Median Family Income	
		1990	2000
Cities	Maumee	\$42,116	\$60,776
	Oregon	\$39,483	\$57,156
	Toledo	\$30,980	\$41,175
Villages	Harbor View	\$25,327	\$40,025
	Ottawa Hills	\$106,162	\$117,130
Townships	Harding	\$42,946	\$63,077
	Jerusalem	\$41,069	\$62,096
	Monclova	\$44,183	\$77,155
	Providence	\$39,406	\$59,732
	Richfield	46,667	\$67,917
	Spencer	\$31,607	\$48,611
	Springfield (inc. Holland Village)	\$38,737	\$58,077
	Swanton	\$39,464	\$52,703
	Sylvania (inc. City of Sylvania)	\$54,903	\$74,238
	Washington	\$44,578	\$59,012
County	Waterville (inc. Waterville & Whitehouse Villages)	\$46,691	\$70,657
	Lucas County	\$35,130	\$48,190

Source: U.S. Census Bureau 1990, 2000

There is some validity to the argument that townships have limited revenue-raising capacity because of the restrictions that the ORC places on the kinds and amount of taxes they can collect; for example, they cannot collect income taxes. However, townships have not taken full advantage of the fiscal measures that are allowed, such as collecting the permissive license registration fee, which Springfield does not do. Yet, given the income of their residents, townships are unable to make a credible claim that they cannot afford to pay for the basic services they receive from the County.

Summary of Policy Implications and Recommendations

While some of the inequities that exist in Lucas County service delivery are a matter of state law, there are a number of options open to the County to provide a fairer and more equitable service distribution. Some of the measures to reduce the subsidies that incorporated areas are forced to provide to townships (and to ensure that townships assume responsibilities for their own services) are indicated below:

1. The County can require that all jurisdictions, within the limits placed by the ORC, be treated the same as municipalities.
2. The County can reduce the number of miles of roads in townships designated as county roads, thus shifting the maintenance of roads that primarily serve township residents to those townships.
3. The County can designate as county roads those located within incorporated areas that serve both townships and cities.
4. The District Public Works Integrating Committee can reduce the awards of LTIP funding to townships and villages, which already have exclusive access to Small Governments Capital Improvements Program, a program that excludes cities. This would make more LTIP resources available for projects within incorporated areas.
5. The County can change the financing for the Sheriff's road patrol to an enterprise fund to be financed by contracts with local jurisdictions rather than from the general fund.
6. The County can require that all jurisdictions be responsible for the costs of booking and pre-trial detention of persons arrested within their jurisdictions by a local agency. Subsequent changes can include billing the jurisdiction for other services provided by the courts, particularly for the public defender and for work release.
7. The County should change the way it supports/funds planning in Lucas County. The operations of the Lucas County Plan Commission, which serves the townships, either should be funded fully by the townships it serves, or should expand its service to include support of planning in the incorporated areas as well. They could do this and continue to share leadership, staffing, and administration under the auspices of the Toledo-Lucas County Plan Commissions.
8. Following New York State's lead, the County could support policy that would allow a partial reallocation of sales tax revenues to incorporated jurisdictions.

The practices and procedures that result in urban residents subsidizing urban sprawl to the detriment of their own communities are a fundamental violation of American values

of equity and fair taxation. This study has identified some of the sources and consequences of this problem and has demonstrated that some can be redressed by public attention and political remediation. The costs of inaction will mount and compound to the detriment of all the residents of our Toledo metropolitan region.

Appendix 1

Selected General Powers of Municipal Corporations

Chapter 715, ORC

- 715.011 Power to lease.
- 715.012 Authority as to real estate conveyed from the state.
- 715.013 Prohibited municipal taxes.
- 715.02 Joint municipal improvement.
- 715.03 Powers by ordinance or resolution.
- 715.04 Compounding or release of claims due from banks.
- 715.05 Police and fire departments.
- 715.06 Light, power, and heat.
- 715.07 Purchase of gas without advertisement or competitive bidding.
- 715.08 Water supply.
- 715.09 Limitation on motor vehicle parking tax rate.
- 715.13 Public band concerts and libraries.
- 715.14 Hospitals.
- 715.15 Ship canals.
- 715.16 Places of correction; quarters for municipal courts and offices.
- 715.17 Census.
- 715.18 Department of purchase, construction, and repair.
- 715.19 Establish and care for streets.
- 715.20 Shade trees.
- 715.21 Power to acquire, hold, lease, sell, or donate lands.
- 715.211 Assistance to metropolitan park districts.
- 715.22 Vehicles and use of streets.
- 715.23 Impounding animals.
- 715.24 Regulation of street vendors.
- 715.25 Width of tires and rate of transportation.
- 715.26 Erection, inspection, and numbering of buildings.
- 715.261 Recovery from owner of total cost of correcting hazardous condition or abating nuisance; exception.
- 715.262 Priority of appeals on municipal building code violations.
- 715.263 Real property tax credit for abating building nuisance on tax foreclosed property.
- 715.27 Regulation of fences, signs, other structures, electrical equipment; licensing of contractors.
- 715.28 Market places.
- 715.29 Sanitation.
- 715.30 Injunction may be granted for failure to comply.
- 715.31 Wharves and docks.
- 715.32 License and regulation of ferries.

- 715.33 Streetcars.
- 715.34 Hot water and steam heating.
- 715.35 Movable and rolling roads.
- 715.36 United States mail subways.
- 715.37 Contagious diseases.
- 715.38 Maintenance of physician; tax levy; election; anticipatory notes.
- 715.39 Assistance by board of county commissioners authorized.
- 715.40 Watercourses and sewers.
- 715.41 Drainage in municipal corporations.
- 715.42 Public conveniences.
- 715.43 Refuse disposal.
- 715.44 Power to abate nuisance and prevent injury.
- 715.45 Weights and measures.
- 715.46 Inspection.
- 715.47 Powers to fill lots and remove obstructions.
- 715.48 Regulation by license of shows and games; trafficking in tickets; exceptions.
- 715.49 Preservation of peace and protection of property.
- 715.50 Police jurisdiction outside municipal corporation.
- 715.51 Billiards, pool, and gambling.
- 715.52 Houses of ill fame.
- 715.53 Taverns.
- 715.54 Vicious literature.
- 715.59 Hospitals for diseased prisoners.
- 715.60 Regulation of explosives.
- 715.61 Regulation and licensing of certain occupations and premises.
- 715.62 Evidence.
- 715.63 License power; exception.
- 715.64 Licensing transient dealers and solicitors.
- 715.65 Licensing of advertising mediums and matters.
- 715.66 Vehicle license for undertakers; money to be used for street repairs.
- 715.67 Violation of ordinances may be made a misdemeanor.
- 715.68 Municipal corporation may not adopt plans for public improvement under certain circumstances.
- 715.69 Contract designating joint economic development zone; election on approval.
- 715.69.1] § 715.691 Alternative procedures and requirements for creating zone; income tax.
- 715.70 Contract creating joint economic development district; election on income tax.
- 715.71 Election on alternative procedure and requirements for creating district.
- 715.72 Definitions; alternative procedures and requirements for joint economic development district.
- 715.73 Criteria for inclusion of area or areas.
- 715.74 Provisions of contract; invalidity due to separate contract for utility services.
- 715.75 Public hearings and inspection of documents prior to approval of contract; agreement with county commissioners.
- 715.76 Adoption of ordinances or resolutions approving contract; filing of documents; county resolution of disapproval.

- 715.76.1] § 715.761 Amendment adding area to district.
- 715.77 Election on approval of contract.
- 715.771 Filing of documents with development director.
- 715.78 Board of directors.
- 715.79 Annexation, merger, or consolidation proceedings.
- 715.80 Agreements concerning zoning, other regulatory and proprietary matters.
- 715.81 Municipal and township authority; tax exemptions.
- 715.82 Issuance of industrial development bonds.
- 715.83 Eligibility of unincorporated area or township for certain projects.

Source: Anderson's Ohio Revised Code, <http://onlinedocs.andersonpublishing.com/revisedcode/>

Appendix 2

Selected Service Obligations Imposed on Municipal Corporations by the ORC

Chapter 735.01 Director of public service; qualifications; powers. In each city there shall be a department of public service that shall be administered by a director of public service. The director shall be appointed by the mayor and need not be a resident of the city at the time of his appointment but shall become a resident thereof within six months after his appointment unless such residence requirement is waived by ordinance. He shall make rules and regulations for the administration of the affairs under his supervision.

Chapter 737.01 Director of public safety. In each city there shall be a department of public safety, which shall be administered by a director of public safety. The director shall be appointed by the mayor and need not be a resident of the city at the time of his appointment but shall become a resident thereof within six months after his appointment unless such residence requirement is waived by ordinance.

Chapter 723.01 Legislative authority to have care, supervision, and control of streets. Municipal corporations shall have special power to regulate the use of the streets. Except as provided in section 5501.49 of the Revised Code, the legislative authority of a municipal corporation shall have the care, supervision, and control of the public highways, streets, avenues, alleys, sidewalks, public grounds, bridges, aqueducts, and viaducts within the municipal corporation, and the municipal corporation shall cause them to be kept open, in repair, and free from nuisance.

Chapter 3709.05 City health district board. (A) Unless an administration of public health different from that specifically provided in this section is established and maintained under authority of its charter, or unless a combined city health district is formed under section 3709.051 [3709.05.1] of the Revised Code, the legislative authority of each city constituting a city health district shall establish a board of health, composed of five members appointed by the mayor and confirmed by the legislative authority.

Source: Anderson's Ohio Revised Code,
<http://onlinedocs.andersonpublishing.com/revisedcodeo>