



**Local Government Innovation Fund
Summary of Public Comments
Prepared November 23, 2011**

Outreach

- The Office of Redevelopment reached out via email to all persons/organizations on the "Interested Parties List"
- The following agencies were asked to make their stakeholders aware of the public comment period:
 - Ohio School Board Association
 - Ohio Municipal League
 - County Commissioner's Association of Ohio
 - Efficient Government Now
 - Ohio Township Association
- The Office of Redevelopment has been contacted by / in discussions with the following persons/organizations:
 - Law Offices of Matthew G. Kallner, LLC
 - Centric Consulting
 - Finance Fund
 - Public Performance Partners
 - Development Strategies Group, LLC
 - SZD Whiteboard
 - Ohio Water Development Authority
 - Ohio Government Finance Officers Association
 - County Commissioners Association of Ohio
 - Cuyahoga County
 - Fairfield County Job & Family Services
 - Coshocton County Engineer
 - Washington County
 - Ohio Township Association
 - Cuyahoga County
 - Union County
 - Future Fund Northeast Ohio
 - City of Hilliard
 - City of Loveland (Bill Testimony)
 - Ohio School Board Association (Bill Testimony)
 - Eugene Krebs(Bill Testimony)
 - David Collinsworth
 - Randy Cole
 - Representative, Ron Amstutz

General Comments

Legislation

- Incorporate compliance into legislation
 - Penalties should be used to ensure savings and compliance
- Legislation should require annual cost report similar to the Cupp Report
- How will the Council handle HB 371 with respect to the program guidelines?

Stakeholders

- Southeastern Ohio needs to be well represented. The community knows how to work with local businesses to help them grow and is too often overlooked
- Provide notice to interested parties if there are any changes to the policies
- Communities are interested in collaborations but face significant hurdles when trying to bring them to fruition

LGIF Administration

- Work with DAS/Auditor's Office to develop a mechanism to review proposals
- Use benchmarking practices for local governments through the International City & County Manager's Association Process (ICMA) process
 - Set aside \$500,000 in FY 12 and FY 13 to be used on a first come first serve basis
- The State is urged to be as flexible as possible when administering LGIF by being open to all options and consider each application on its individual merits
- Reach out to universities for best practices
- Work with ESCs
- Do not utilize universities for best practices (too time consuming)
- Utilize the Ohio Government Finance Officer Association (OGFOA) as a conduit for local governments replacing Public Works Commission Integrating Committees
- Extend the application deadline by two months
- Allow for two grant rounds in the inaugural year

Fund Allocation

- Strongly urge the State to reconsider the division of resources. There is a high supply of loan funds that may not have comparable demand.
- The individual project limits need to be reconsidered. The \$100,000 and \$500,000 limits may not be sufficient to fund projects
- Change loan limits from \$500,000 to \$1M per multi-entity applicant
- Provide larger percentage of funds for grants than loans (perhaps \$20 million grants & \$25 million loans)
- Allow grants to include actual implementation projects not simply feasibility studies
- The inclusion of colleges, universities, metropolitan planning organizations, transportation improvement districts and the like will diminish the availability of funds for local governments which is the general purpose of the program

Award Agreements and Terms

- Repaying the loan awards using savings achieved from the project causes serious concern
 - In some instances the projects may not come to fruition
 - In others, the savings may not be realized for years
- Consider restructuring loan terms and repayments
- Consider forgiving a portion of the amount funded
- There is strong support for the in-kind matching provision

- With respect to grant vs. loan funding, consideration should be given to whether grant funding should go towards building institutional capacity to enable collaborative activity across a region rather than directed toward individual projects.
- Forgivable loans are strongly preferred

Project Structure / Scoring

- Make outcomes and savings as tangible as possible
- Relate probability of success to a need-based alternatives analysis
- Preference should be given to projects that extend or improve services to veterans
- Give preference points for planning efforts
- Incorporate transit programs
- Create financial incentives for participants
- Implement programs (such as latch-key) in school systems for ½ day kindergarten students

Proposed Projects

- A county strives to share IT personnel and hardware, have purchasing capability and have a centralized modern data center and needs funds to do so.

Comments Specific to the Policies

Overview

- “Projects are also expected to facilitate improved business environments and promote community attraction” - Why is this provision included in policy.

Section 1: Definitions

- Provide a clearer definition of demonstration projects
- Provide examples of the types of demonstration projects the Council is looking for
- Be more specific when defining “reasonable” consultant fees
- Specify whether the applicants can be private corporations and businesses
 - Can private consultants apply on behalf of local governments?
- What about “process improvements or implementations” (§189.04(B) of the ORC)? Why aren’t they included in the definition of eligible project?

Section 2: Eligibility

- “Should two applications for the same project arrive for review, both applications will be deemed materially insufficient and returned to the applicants for further collaborative development.” – What if these projects have nothing to do with each other?
- In §2.03 it is unclear whether the number of collaborative partners limits the maximum loan amount.
 - For example, if a proposal includes four communities looking to merge services, would the award be limited to \$400,000 (\$100,000 per community) or would the \$500,000 maximum award be possible?
- The use of the word invoice in §2.06 is confusing. Does the work need to be completed by a vendor or can it be a township official or employee?

Section 3: Application Procedures

- *General Comments*
 - Reword sections 3.06 and 3.07
 - Efficiencies should not be limited to “advanced technologies”

- New or innovative process, equipment or practices should also be included
 - LGIC should get completed copies of all applications
 - They should not be available upon request
 - It is unclear how an applicant is to determine the expected return on investment based on the ratio of expected savings when submitting a proposal for a grant
 - The information will not be available until the feasibility study is complete
 - How does an applicant calculate the probability of success?
 - The type of agreements and resolutions required in §3.08 is unclear
 - A definition is needed for “other participating entities”
 - Better define Coproduction
- *Integrating Committees*
 - Will district priorities be unique to this program? Would each district score the applications differently?
 - The program should not be assigned to the Public Works Commission Integrating Committees for rating as there is no correlation between what they do and what the program entails
 - Maintain the involvement of the Integrating Committees or alternatively use MPO’s as it will help foster collaboration and long-term coordination
- *Shale Fracturing*
 - The types of projects that would be fitting for a loan or grant application, as it relates to fracturing, are unclear
 - More explanation is necessary
 - Eliminate §3.09.
 - Preference should not be given to communities impacted by oil and gas exploration
 - Preference for natural gas regions is a little difficult to operationalize
 - The concept of "projects assisting with related community impacts" is very broad

Section 4: Awards

- Clarify the funding allocation by size of political subdivision
- There should be a requirement that states funding will selected from the larger pool (as opposed to either large or small) with respect to the size of the political subdivisions
- It is unclear whether a participant is the same as a partner

Section 5: Grant Agreements

- Include process improvement projects not just feasibility studies

Section 6: Loan Agreements

- What happens if an entity defaults?
- What happens if there are no savings? Is the applicant required to repay?