CITY OF KENT, OHIO

320 S. Depeyster Street, Kent, OH 44240 (Main Fire Station)
(330) 678-8007 Fax (330) 678-8688

CITY COUNCIL

WEDNESDAY, OCTOBER 16, 2019

PUBLIC HEARING CDBG PY 2018 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER) 7:25 P.M.
REGULAR CITY COUNCIL MEETING 7:30 P.M.

AGENDA

7:20 P.M. **BOARD OF CONTROL**

7:25 P.M. **PUBLIC HEARING** - *On October 2, 2019 notice was given that the Kent City Council was conducting a Public Hearing to allow for public comment on the PY2018 Community Development Block Grant (CDBG) Consolidated Annual Performance and Evaluation Report (CAPER)*

7:30 P.M. **REGULAR COUNCIL**

1. **ROLL CALL**
2. **OPENING REMARKS/PLEDGE OF ALLEGIANCE** *(Mr. Ferrara)*
3. **APPROVAL OF MINUTES**
   - **3.1** Regular City Council Meeting of September 18, 2019
   - **3.2** Democracy Day Public Hearing of October 2, 2019
4. **COMMUNICATIONS**
   - **4.1 AUDIENCE** *(Visitors wishing to address Council please sign up with the Clerk of Council prior to start of the meeting)*
   - ***4.2*** **WRITTEN** *(All placed on file in the Clerk of Council's office)*
     - **4.2.1** Planning Commission Agenda for October 1, 2019 and Staff Report for September 25, 2019 received September 25, 2019.
     - **4.2.2** Standing Rock Cemetery minutes for September 12, 2019 received October 3, 2019.
     - **4.2.3** Liquor License Transfer Request from the Ohio Division of Liquor Control **for Bricco Kent LLC DBA Bricco** of 210 S.Depeyster Street Suite 100 &Patio, Kent, to **Bricco Dining Kent LLC** 210 S.Depeyster Street Suite 100 &Patio, Kent on September 26, 2019. Chief Lee returned no objections.
   - **4.3 CITY MANAGER'S REPORT**
5. **STANDING COMMITTEES/ LEGISLATION**
   - **5.1 COMMITTEE OF THE WHOLE** *(Mayor Fiala)*
     - **5.1.1** COMMITTEE MEETING MINUTES: October 2, 2019
     - **5.1.2** ACTION RECOMMENDED:
       1) None

5.2 COMMUNITY DEVELOPMENT COMMITTEE *(Kuhar/Rosenberg)*

5.2.1 COMMITTEE MEETING MINUTES: October 2, 2019

5.2.2 ACTION RECOMMENDED:

1) None

5.3 FINANCE COMMITTEE *(DeLeone/Wallach)*

5.3.1 COMMITTEE MEETING MINUTES: October 2, 2019

5.3.2 ACTION RECOMMENDED*:*

1) Authorize a request from the County Auditor for an estimate of the renewal of the 2015 General Operating Levy with an emergency clause
2) Approve the 2019 Budget Appropriations Amendment with an emergency clause.
3) Approve addendum to employment contract between City of Kent and Dave Ruller, granting a 4% pay increase effective June 15, 2019 with an emergency clause.

5.3.3 ***Draft No. 2019-114*** **AN ORDINANCE ACCEPTING A DONATION IN THE AMOUNT OF $250.00 TO THE CITY OF KENT PARKS & RECREATION DEPARTMENT TO SUPPORT THE TORCH FEST HELD ON JUNE 20, 2019, AND DECLARING AN EMERGENCY.** (Unauthorized)

5.3.4 ***Draft No. 2019-115:*** **A RESOLUTION DECLARING IT NECESSARY TO RENEW THE CITY'S EXISTING 1.16-MILL TAX LEVY FOR THE PURPOSE OF CURRENT EXPENSES; REQUESTING THE COUNTY AUDITOR TO CERTIFY THE TOTAL CURRENT TAX VALUATION OF THE CITY AND THE DOLLAR AMOUNT OF REVENUE THAT WOULD BE GENERATED BY THAT RENEWAL LEVY, PURSUANT TO SECTIONS 5705.03, 5705.19(A) AND 5705.191 OF THE REVISED CODE, AND DECLARING AN EMERGENCY** (Authorized)

5.3.5 ***Draft No. 2019-116:*** **AN ORDINANCE AMENDING ORDINANCE NO. 2018-142, THE CURRENT APPROPRIATION ORDINANCE, PASSED DECEMBER 19, 2018; SO AS TO ADJUST APPROPRIATIONS, TRANSFERS AND ADVANCES FROM THE VARIOUS FUNDS OF THE CITY OF KENT TO INDIVIDUAL ACCOUNTS FOR THE CURRENT EXPENSES OF THE CITY FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019; AND DECLARING AN EMERGENCY** (Authorized)

5.3.6 ***Draft No. 2019-119*****: AN ORDINANCE ACCEPTING A DONATION IN THE AMOUNT OF $250.00 TO THE CITY OF KENT HEALTH DEPARTMENT FROM THE UNIVERSITY HOSPITAL PORTAGE MEDICAL CENTER, AND DECLARING AN EMERGENCY** (Unauthorized**)**

5.3.7 ***Draft No.*** **20219-120: AN ORDINANCE AUTHORIZING THE CITY BUDGET & FINANCE DIRECTOR AND LAW DIRECTOR, OR THEIR DESIGNEES, TO SIGN AN ADDENDUM TO AN EMPLOYMENT CONTRACT BETWEEN THE CITY OF KENT AND DAVID RULLER, DATED JULY 3, 2008 GRANTING A FOUR PERCENT (4%) PAY RAISE EFFECTIVE JUNE 15, 2019, AND DECLARING AN EMERGENCY** (Authorized**)**

5.4 HEALTH & SAFETY COMMITTEE *(Amrhein/Sidoti)*

5.4.1 COMMITTEE MEETING MINUTES: October 2, 2019

5.4.2 ACTION RECOMMENDED:

1) Authorize new film permitting procedures with an emergency clause.

5.4.3 ***Draft No. 2019-118*: AN ORDINANCE ADOPTING CHAPTER 746 "FILM PERMITS" OF THE CODIFIED ORDINANCES OF THE CITY OF KENT, OHIO, AND DECLARING AN EMERGENCY.** (Authorized)

5.5 LAND USE COMMITTEE (*Ferrara/Shaffer)*

5.5.1 COMMITTEE MEETING MINUTES: None

5.5.2 ACTION RECOMMENDED: None

5.6 STREETS, SIDEWALKS & UTILITIES COMMITTEE *(Sidoti/Wallach)*

5.6.1 COMMITTEE MEETING MINUTES: October 2, 2019

5.6.2 ACTION RECOMMENDED:

1) Authorize updates to Small Cell Wireless Regulation with an emergency clause

5.6.3 ***Draft No. 2019-117:* AN ORDINANCE AMENDING CHAPTER 939 OF THE STREETS, UTILITIES AND PUBLIC SERVICES CODE, "USE OF PUBLIC WAYS FOR SMALL CELL WIRELESS FACILITIES AND WIRELESS SUPPORT STRUCTURES", AND DECLARING AN EMERGENCY** (Authorized**)**

6. SPECIAL COMMITTEE REPORTS

7. UNFINISHED BUSINESS

8. NEW BUSINESS

8.1 Items needing Council action or referral
8.2 Schedule future Council meetings
8.3 Councilmembers' comments

9. MAYOR'S REPORT

10. ADJOURNMENT

Posted: October 9, 2019
Amy Wilkens, Clerk of Council
Visit www.kentohio.org for up to the minute Agenda Amendments

Any person who requires an auxiliary aid or service for effective communication or a modification of policies and procedures to participate in any City or City Council public meeting or event should contact the Clerk of Council at 330-676-7555 or councilclerk@kent-ohio.org. Any request for auxiliary aid or other accommodation should be made as soon as possible, but no later than forty-eight hours prior to the event.

THE CITY OF KENT, OHIO
REGULAR COUNCIL MEETING
WEDNESDAY, SEPTEMBER 18, 2019

At 7:30 p.m., Mayor Jerry T. Fiala called the **Regular Meeting of Kent City Council** to order. Roll was taken.

PRESENT: Mr. Jack Amrhein; Mr. Michael DeLeone; Mr. Garret Ferrara; Mr. John Kuhar; Ms. Gwen Rosenberg; Ms. Heidi Shaffer; Mr. Roger Sidoti; Mr. Robin Turner; and Ms. Tracy Wallach.

ALSO PRESENT: Mr. Jerry T. Fiala, Mayor and President of Council; Mr. Dave Ruller, City Manager; Ms. Hope Jones, Law Director; Ms. Bridget Susel, Community Development Director; Ms. Melanie Baker, Public Service Director; Mr. Jim Bowling, City Engineer; Mr. Harrison Wicks, Assistant to the City Manager; Ms. Amy Wilkens, Clerk of Council

Mayor Fiala introduced the new Clerk of Council, Amy Wilkens, and presented the council chamber nameplate to her. The Mayor then asked for roll to be read and called upon Councilmember Schaffer for opening remarks. (The first two minutes of the meeting were not recorded due to an error with recorder)

Ms. Schaffer referenced an article in *The Atlantic Monthly*, Oct 2019, "In the Fall of Rome, Good Things for America" by James Fallows. He quoted the author Samuel Abrams of the American Enterprise Institute study on social capital in America. By larger margins, citizens feel connected to and satisfied with their local governments and are optimistic about own communities and optimistic about their futures. 80% of Americans consider their own town an excellent or good place to live, and 70% said they trusted people in their neighborhood. The study concluded that America is more functional at the local levels than many people think. Ms. Shaffer stated what it means for Kent is to continue to keep doing what we are doing by building trust, staying transparent, keeping an open democracy and encouraging people to participate and be engaged. Don't wait for the Federal Government to do it first. With that being said, Ms. Shaffer encouraged all those who are eligible to, to vote this fall. She encouraged all to learn about the issues, be engaged and vote.

Ms. Schaffer then led the Pledge of Allegiance.

APPROVAL OF MINUTES:

MOTION TO APPROVE THE MINUTES OF THE REGULAR COUNCIL MEETING OF August 21, 2019 and September 4, 2019 made by Mr. Sidoti, seconded by Mr. DeLeone, and CARRIED by a voice vote of 8-0-1 with Ms. Wallach abstaining.

COMMUNICATIONS:

Mayor Fiala read a statement to the audience: *"While the law does not require Council to provide time for public comment, we have historically invited the public to make comments and we appreciate their input. This is the time where residents and others can comment on matters that concern them. However, we will not engage in debate, and as President of Council, I reserve the right to end any public communication that is disruptive, embarrassment, harassment or otherwise objectionable. We ask that when you come to the microphone that you speak into the microphone clearly, give your name and address and limit comments to three (3) minutes of discussion."* He then asked the Clerk if anyone was signed in. There were two visitors who signed in with the Clerk and were both given permission to talk at the same time for a total of six minutes.

Caroline Stiller of 1615 Kent Street Kent, said she came with her partner, Abby Camara both members of the local DECA chapter at Kent Roosevelt High School to present on partnership with a local Nonprofit; Drink Local, Drink Tap, located in Cleveland Ohio. Copies of the presentation of the water project **(Attachment #1)** were distributed to Council. Caroline described the location of the project they are heading, which is at Kazinga Primary School in Kazinga, Kenya.

Abby Camara of 908 Stonewater Dr., Kent, Ohio referenced the Drink Local, Drink Tap website which reviews how many students are impacted by the Wavemaker program; how many pounds of trash were picked up and how many people received safe drinking water on behalf of this organization. She explained that access to safe water is not equal everywhere. Many people need to walk miles for clean water and this global crisis is not going to go away on its own. She introduced the event to raise money for this cause-4Miles4Water, which is a race slated to be held October 12, 2019 in Kent, Ohio. Permission has already been obtained by the police, but in order to go further they needed to get approval from Council. Insurance has already been obtained and the race would be on the Kent Hike and Bike trail.

Mayor Fiala and City Manager Mr. David Ruller referred Abby Camara and Caroline Stiller to speak with Harrison Wicks, to obtain a permit from the City of Kent. Dave Ruller said if there are street closures, you do have to approach council for approval and it's good to also raise awareness. Mr. Ruller said Council is welcome to make a motion tonight to give tentative approval with the condition as long as the conditions of the permit are met.

MOTION TO APPROVE THEODORE ROOSEVELT DECA'S 4MILES4WATER RUN ON SATURDAY, OCTOBER 12, 2019 made by Mr. Sidoti, seconded by Mr. Kuhar, and CARRIED by a voice vote of 9-0.

Written Communications were reported by Clerk Wilkens and placed on file in the Clerk's office as follows:

1. Civil Service Commission Agenda for August 26, 2019, received August 23, 2019.
2. Planning Commission Agenda and Staff Report for September 3, 2019 received August 27, 2019.
3. Sustainability Commission Agenda for September 9, 2019, and minutes of August 12, 2019 received September 5, 2019.
4. Health Board Agenda for September 10, 2019 and minutes and statistical report from August 12, 2019, received September 6, 2019.
5. Liquor License Transfer Request from the Ohio Division of Liquor Control for Paying It Forward LLC formerly of 437 Lake Street, Kent, and moving locations to 154 N Depeyster Street, Kent, OH received August 26, 2019. Chief Lee returned no objections.

   MOTION TO RETURN WITH NO OBJECTIONS THE LIQUOR LICENSE REQUEST made by Mr. Kuhar, seconded by Mr. Ferrara, and CARRIED by a voice vote of 9-0.
6. Civil Service Commission Agenda for September 16, 2019 received September 12, 2019.
7. Parks and Recreation Board Packet for September 19, 2019 received September 16, 2019.

City Manager's Report was called for by Mayor Fiala.

1. Request Council's authorization to schedule Democracy Day on October 2nd at 6 pm.
2. Request Council's approval of the Draft City Retirement Funding Policy.
3. Request Committee of the Whole time to receive an update on the status of the City Hall project.
4. Request Committee of the Whole time to discuss proposed changes to Council balloting

procedures in filling vacancies on City Boards and Commissions.
5. Request Streets, Sidewalks & Utilities Committee time to consider an update to the City's small cell wireless utility regulations.
6. Request Health and Safety Committee time to consider proposed new film permitting procedures.
7. Request Community Development Committee time to discuss Council's expectations for the sale of the N. Water Street properties.
8. Request Finance Committee time to consider authorizing the placement of the expiring General City Operating Levy on the March 2020 ballot.
9. Request Council's authorization to allocate $750 to supply food for the multi-agency public safety personnel that will work extended shifts on Halloween.

MOTION TO APPROVE ITEMS #1-9 OF THE CITY MANAGER'S REPORT made by Mr. Amrhein, seconded by Ms. Shaffer, and CARRIED by a voice vote of 9-0.

STANDING COMMITTEES/ LEGISLATION

COMMITTEE OF THE WHOLE:

MEETING MINUTES OF September 4, 2019 were previously approved.

MOTION TO APPROVE THE RECOMMENDED ACTIONS made by Mr. Amrhein, seconded by Mr. DeLeone, and CARRIED by a voice vote of 9-0.

Recommended Actions:

1. AUTHORIZE PROPOSED RETIREMENT FUNDING POLICY

COMMUNITY DEVELOPMENT COMMITTEE:

MOTION TO APPROVE THE COMMUNITY DEVELOPMENT MEETING MINUTES OF August 21, 2019 made by Mr. Kuhar, seconded by Mr. DeLeone, and CARRIED by a voice vote of 8-0-1, with Ms. Wallach abstaining.

MOTION TO APPROVE THE COMMUNITY DEVELOPMENT MEETING MINUTES OF September 4, 2019 made by Mr. Kuhar, seconded by Mr. DeLeone, and CARRIED by a voice vote of 8-0-1, with Ms. Wallach abstaining.

MOTION TO APPROVE THE RECOMMENDED ACTION ITEMS made by Mr. Kuhar, seconded by Mr. DeLeone, and CARRIED by a voice vote of 9-0.

Recommended Actions:

1. AUTHORIZE THE ACCESS AGREEMENT FOR MOGADORE ROAD SITE REMEDIATION, WITH AN EMERGENCY CLAUSE.
2. AUTHORIZE THE PROPOSED AMENDMENT TO BACKYARD CHICKEN REGULATION, WITH AN EMERGENCY CLAUSE.

Draft No. 2019-106- AN ORDINANCE AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE A RIGHT OF ACCESS AGREEMENT WITH ABB INSTALLATION PRODUCTS INC. (ABB IP, INC.) FOR SITE REMEDIATION AT 800 MOGADORE ROAD, AND DECLARING AN EMERGENCY was read by title only by Clerk Wilkens per Mayor Fiala's request.

MOTION TO SUSPEND THE THREE READINGS made by Mr. Ferrara, seconded by Mr. Sidoti. On Roll call, voting "Yes": Mr. Amrhein, Mr. DeLeone, Mr. Ferrara, Mr. Kuhar, Ms. Rosenberg, Ms. Shaffer, Mr. Sidoti, Mr. Turner, and Ms. Wallach.

MOTION TO ADOPT DRAFT NO. 2019-106 made by Mr. Kuhar and seconded by Mr. DeLeone.

On Roll call, voting "Yes": Mr. Amrhein, Mr. DeLeone, Mr. Ferrara, Mr. Kuhar, Ms. Rosenberg, Ms. Shaffer, Mr. Sidoti, Mr. Turner, and Ms. Wallach.

ORDINANCE 2019-106 PASSED as stated by Clerk Wilkens.

*Draft No. **2019-107:*** **AN ORDINANCE AMENDING 505.22 "BACKYARD CHICKENS" OF THE CODIFIED ORDINANCES OF THE CITY OF KENT, AND DECLARING AN EMERGENCY** was read by title only by Clerk Wilkens per Mayor Fiala's request.

MOTION TO SUSPEND THE THREE READINGS made by Ms. Shaffer and seconded by Mr. Sidoti. On Roll call, voting "Yes": Mr. DeLeone, Mr. Ferrara, Mr. Kuhar, Ms. Rosenberg, Ms. Shaffer, Mr. Sidoti, Mr. Turner, Ms. Wallach, and Mr. Amrhein. The Motion CARRIED by a roll call vote of 9-0.

MOTION TO ADOPT DRAFT No. 2019-107 made by Mr. Kuhar and seconded by Mr. Sidoti. On Roll call, voting "Yes": Mr. DeLeone, Mr. Ferrara, Mr. Kuhar, Ms. Rosenberg, Ms. Shaffer, Mr. Sidoti, Mr. Turner, Ms. Wallach, and Mr. Amrhein. The Motion CARRIED by a roll call vote of 9-0.

ORDINANCE 2019-107 PASSED as stated by Clerk Wilkens.

FINANCE COMMITTEE:

MOTION TO APPROVE THE FINANCE COMMITTEE MEETING MINUTES OF September 4, 2019 made by Mr. DeLeone, seconded by Mr. Sidoti, and CARRIED by a voice vote of 8-0-1, with Ms. Wallach abstaining.

MOTION TO APPROVE THE ACTION ITEMS made by Mr. DeLeone, seconded by Mr. Ferrara, and CARRIED by a voice vote of 9-0.

Recommended Actions:

1. AUTHORIZE THE SALE OF USED POLICE PATROL VEST, WITH AN EMERGENCY CLAUSE.
2. AUTHORIZE THE CERTIFICATION OF TAX RATES TO PORTAGE COUNTY, WITH AN EMERGENCY CLAUSE.
3. AUTHORIZE THE APPLICATION FOR OHIO MUNICIPAL BRIDGE FUNDING, WITH AN EMERGENCY CLAUSE.
4. AUTHORIZE THE APPLICATION FOR AMATS RESURFACING FUNDING, WITH AN EMERGENCY CLAUSE.
5. APPROVE THE BUDGET APPROPRIATIONS AMENDMENT, WITH AN EMERGENCY CLAUSE.
6. AUTHORIZE THE DKC OPERATING AGREEMENT, WITH AN EMERGENCY CLAUSE.

Draft No. ***2019-108:*** **AN ORDINANCE AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE TO SELL A USED POLICE PATROL BULLET PROOF VEST TO A RETIRED KENT POLICE OFFICER FOR $310.00, WAIVES COMPETITIVE BIDDING AND DECLARING AN EMERGENCY** was read by title only by Clerk Wilkens per Mayor Fiala's request.

MOTION TO SUSPEND THE THREE READINGS made by Mr. Ferrara and seconded by Ms. Rosenberg. On Roll call, voting "Yes": Mr. Ferrara, Mr. Kuhar, Ms. Rosenberg, Ms. Shaffer, Mr. Sidoti, Mr. Turner, Ms. Wallach, Mr. Amrhein, and Mr. DeLeone.

MOTION TO ADOPT DRAFT No. 2019-108 made by Mr. Kuhar and seconded by Mr. Ferrara. On Roll call, voting "Yes": Mr. Ferrara, Mr. Kuhar, Ms. Rosenberg, Ms. Shaffer, Mr. Sidoti, Mr. Turner, Ms. Wallach, Mr. Amrhein, and Mr. DeLeone.

RESOLUTION NO. 2019-108 PASSED as stated by Clerk Wilkens.

Draft No. ***2019-109:*** **RESOLUTION ACCEPTING THE AMOUNTS AND RATES AS DETERMINED BY THE BUDGET COMMISSION AND AUTHORIZING THE NECESSARY TAX LEVIES AND CERTIFYING THEM TO THE COUNTY AUDITOR AND DECLARING AN EMERGENCY** was read by title only by Clerk Wilkens per Mayor Fiala's request.

MOTION TO SUSPEND THE THREE READINGS made by Mr. Ferrara and seconded by Mr. Sidoti. On Roll call, voting "Yes": Mr. Kuhar, Ms. Rosenberg, Ms. Shaffer, Mr. Sidoti, Mr. Turner, Ms. Wallach Mr. Amrhein, Mr. DeLeone, and Mr. Ferrara. The Motion CARRIED by a roll call vote of 9-0.

MOTION TO ADOPT DRAFT No. 2019-109 made by Mr. Sidoti and seconded by Mr. DeLeone. On Roll call, voting "Yes": Mr. Kuhar, Ms. Rosenberg, Ms. Shaffer, Mr. Sidoti, Mr. Turner, Ms. Wallach Mr. Amrhein, Mr. DeLeone, and Mr. Ferrara. The Motion CARRIED by a roll call vote of 9-0.

ORDINANCE NO. 2019-109: PASSED as stated by Clerk Bishop.

Draft No. ***2019-110:*** **AN ORDINANCE AUTHORIZING THE CITY OF KENT TO SUBMIT A FUNDING APPLICATION TOTALING $1.5 MILLION AND TO EXECUTE THE SUBSEQUENT AGREEMENT WITH THE OHIO DEPARTMENT OF TRANSPORTATION'S (ODOT) MUNICIPAL BRIDGE PROGRAM, AND TO ACCEPT THE GRANT, IF AWARDED, WITH CORRESPONDING APPROPRIATION OF FUNDS FOR THE SUNRISE DRIVE BRIDGE OVER FISH CREEK, AND DECLARING AN EMERGENCY** was read by title only by Clerk Wilkens per Mayor Fiala's request.

MOTION TO SUSPEND THE THREE READINGS made by Ms. Shaffer and seconded by Ms. Rosenberg. On Roll call, voting "Yes": Ms. Rosenberg, Ms. Shaffer, Mr. Sidoti, Mr. Turner, Ms. Wallach, Mr. Amrhein Mr. DeLeone, Mr. Ferrara, and Mr. Kuhar. The Motion CARRIED by a roll call vote of 9-0.

MOTION TO ADOPT DRAFT No. 2019-110 made by Ms. Shaffer and seconded by Ms. Wallach. On Roll call, voting "Yes": Ms. Rosenberg, Ms. Shaffer, Mr. Sidoti, Mr. Turner, Ms. Wallach, Mr. Amrhein, Mr. DeLeone, Mr. Ferrara, and Mr. Kuhar. The Motion CARRIED by a roll call vote of 9-0.

ORDINANCE NO. 2019-110 PASSED as stated by Clerk Wilkens.

Draft No. ***2019-111:*** **AN ORDINANCE AUTHORIZING THE CITY OF KENT TO SUBMIT A FUNDING APPLICATION TOTALING $700,000 AND TO EXECUTE THE SUBSEQUENT AGREEMENT WITH THE AKRON METROPOLITAN AREA TRANSPORTATION STUDY (AMATS) RESURFACING PROGRAM,**

AND TO ACCEPT THE GRANT, IF AWARDED, WITH CORRESPONDING APPROPRIATION OF FUNDS TO RESURFACE MOGADORE ROAD FROM CHERRY STREET TO SUMMIT STREET, AND DECLARING AN EMERGENCY was read by title only by Clerk Wilkens per Mayor Fiala's request.

MOTION TO SUSPEND THE THREE READINGS made by Mr. Ferrara and seconded by Mr. DeLeone. On Roll call, voting "Yes": Ms. Shaffer, Mr. Sidoti, Mr. Turner, Ms. Wallach, Mr. Amrhein, Mr. DeLeone, Mr. Ferrara, Mr. Kuhar, and Ms. Rosenberg. The Motion CARRIED by a roll call vote of 9-0.

MOTION TO ADOPT DRAFT No. 2019-111 made by Mr. Ferrara and seconded by Mr. Amrhein. On Roll call, voting "Yes": Ms. Shaffer, Mr. Sidoti, Mr. Turner, Ms. Wallach, Mr. Amrhein, Mr. DeLeone, Mr. Ferrara, Mr. Kuhar, and Ms. Rosenberg. The Motion CARRIED by a roll call vote of 9-0.

ORDINANCE NO. 2019-111 PASSED as stated by Clerk Wilkens.

*Draft No. **2019-112:*** **AN ORDINANCE AMENDING ORDINANCE NO. 2018-142, THE CURRENT APPROPRIATION ORDINANCE, PASSED DECEMBER 19, 2018; SO AS TO ADJUST APPROPRIATIONS, TRANSFERS AND ADVANCES FROM THE VARIOUS FUNDS OF THE CITY OF KENT TO INDIVIDUAL ACCOUNTS FOR THE CURRENT EXPENSES OF THE CITY FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019 AND DECLARING AN EMERGENCY** was read by title only by Clerk Wilkens per Mayor Fiala's request.

MOTION TO SUSPEND THE THREE READINGS made by Mr. Ferrara and seconded by Ms. Rosenberg. On Roll call, voting "Yes": Mr. Sidoti, Mr. Turner, Ms. Wallach, Mr. Amrhein, Mr. DeLeone, Mr. Ferrara, Mr. Kuhar, Ms. Rosenberg, and Ms. Shaffer. The Motion CARRIED by a roll call vote of 9-0.

MOTION TO ADOPT DRAFT No. 2019-112 made by Mr. Ferrara and seconded by Mr. DeLeone. On Roll call, voting "Yes": Mr. Sidoti, Mr. Turner, Ms. Wallach, Mr. Amrhein, Mr. DeLeone, Mr. Ferrara, Mr. Kuhar, Ms. Rosenberg, and Ms. Shaffer. The Motion CARRIED by a roll call vote of 9-0.

ORDINANCE NO. 2019-112 PASSED as stated by Clerk Wilkens.

*Draft No. **2019-113:*** **AN ORDINANCE APPROVING AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE THE OPERATING AGREEMENT, AND ALL OTHER DOCUMENTS NECESSARY FOR THE ACQUISITION OF CERTAIN PARCELS COMMONLY KNOWN AS 252-266 NORTH WATER STREET, KENT, OHIO, BY KENT DOWNTOWN COMMUNITY URBAN REDEVELOPMENT CORPORATION (DKC), AND DECLARING AN EMERGENCY** was read by title only by Clerk Wilkens per Mayor Fiala's request.

MOTION TO SUSPEND THE THREE READINGS made by Mr. Ferrara and seconded by Ms. Shaffer. On Roll call, voting "Yes": Mr. Turner, Ms. Wallach, Mr. Amrhein, Mr. DeLeone, Mr. Ferrara, Ms. Rosenberg, and Ms. Shaffer. Voting "Abstain": Mr. Kuhar, Mr. Sidoti. The Motion CARRIED by a roll call vote of 7-0-2.

MOTION TO ADOPT DRAFT No. 2019-113 made by Ms. Shaffer and seconded by Ms. Wallach. On Roll call, voting "Yes": Mr. Turner, Ms. Wallach, Mr. Amrhein, Mr. DeLeone, Mr. Ferrara, Ms. Rosenberg, and Ms. Shaffer. Voting "Abstain": Mr. Kuhar, Mr. Sidoti. The Motion CARRIED by a roll call vote of 7-0-2.

ORDINANCE NO. 2019-113 PASSED as stated by Clerk Wilkens.

HEALTH AND SAFETY COMMITTEE:

MOTION TO APPROVE THE HEALTH AND SAFETY COMMITTEE MEETING MINUTES OF September 4, 2019 made by Mr. Amrhein, seconded by Mr. DeLeone and CARRIED by a voice vote of 8-0-1 with Ms. Wallach abstaining.

NO RECOMMENDED ACTIONS TO BE APPROVED.

***LAND USE COMMITTEE*:**
NO MINUTES OR RECOMMENDED ACTIONS TO BE APPROVED.

STREETS, SIDEWALKS AND UTILITIES COMMITTEE:
NO MINUTES OR RECOMMENDED ACTIONS TO BE APPROVED.

SPECIAL COMMITTEE REPORTS: NONE

UNFINISHED BUSINESS: NONE

NEW BUSINESS:

ITEMS NEEDING COUNCIL ACTION OR REFERRAL

MOTION MADE TO MOVE INTO COMMITTEE THE TOPIC OF FLASH BIKES made by Mr. Kuhar and seconded by Mr. Sidoti.

Mr. Kuhar said he has received calls and has witnessed Flash bikes being left in wheelchair ramps, in doorways and middle of walkways and laying around looking unsightly. Need to have a discussion on how to make it better.

Mr. Sidoti said maybe we can bring the managers from Kent State in so they know Council is not being critical, just want to see if there is a way we can make this a little smoother, especially on the sidewalks. We pride ourselves of being a walkable community and people are calling and complaining. It's a learning process for both sides.

THE MOTION PASSED on a voice vote of 8-1 with Ms. Rosenberg against.

SCHEDULE FUTURE COUNCIL MEETINGS

COUNCILMEMBERS' COMMENTS
Mr. Kuhar said that over the past few months we have a new hardware store in Kent and have gone too frequently. They are well staffed, very knowledgeable and have a tremendous inventory and competitive prices. He has been very satisfied with his purchases there and encourages everyone to go out and visit the store in University Plaza.

Mr. DeLeone said he had a request regarding a text he received about the work on Water Street. Would like to know if the alley that goes behind Portage is going to be addressed? The alley is not very nice and a hill is involved. Clarification of which alley in question, and it was clarified this is Alley #2.

MAYOR'S REPORT:

Mayor Fiala said he did not have anything for his report.

MOTION FOR AN EXECUTIVE SESSION *IN ACCORDANCE WITH ORC §121.22 Section G, Item (1): To consider the appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee or official, or the investigation of charges or complaints against a public employee, official, licensee, or regulated individual, unless the public employee, official, licensee, or regulated individual requests a public hearing* made by Mr. Amrhein, seconded by Ms. Rosenberg at 8:01 p.m. On Roll call voting "Yes:" Mr. Amrhein, Mr. DeLeone, Mr. Ferrara, Mr. Kuhar, Ms. Rosenberg, Ms. Shaffer; Mr. Sidoti, Mr. Turner, Ms. Wallach. The Motion CARRIED by a roll call vote of 9-0.

At 9:09 p.m. Council adjourned from Executive Session and reconvened the regular meeting.

Mr. DeLeone stated that Council has finished the City Manager's yearly performance review.

MOTION TO INCREASE THE CITY MANAGER'S SALARY BY 4% WITH AN ORDINANCE TO BE PREPARED FOR THE OCTOBER 16, 2019 COUNCIL MEETING RETROACTIVE TO THE CITY MANAGER'S ANNIVERSARY HIRING DATE OF JUNE 15, 2019 made by Mr. DeLeone, second by Mr. Sidoti. Motion carried by a voice vote of 8-0-1 with Mr. Kuhar abstaining.

The regular meeting adjourned at 9:10 p.m.

Amy Wilkens
Clerk of Council

Jerry T. Fiala
Mayor and President of Council

DRINK LOCAL
DRINK TAP™

DECA

www.DrinkLocalDrinkTap.org www.DECA4Water.wordpress.com

Our mission is to inspire and empower people to recognize and solve our water issues. We envision a world where water is valued, protected, and available as a basic necessity of life.

Attachment #1

What Makes us Different?

We connect with and invest in **people**. Sustainable–clean- water for everyone can only be possible if we begin with a focus on the individual. At DLDT, we believe that we should take care of the water resources we have and share with those who don't. We care about human connection and sustainability through all of our programming. We dig deep not only for water in Africa, but with **people**.

12,679

Students impacted by the Wavemaker Program

6,861

Pounds of trash picked up from Edgewater Park

24,148

Number of people with safe water now in Uganda

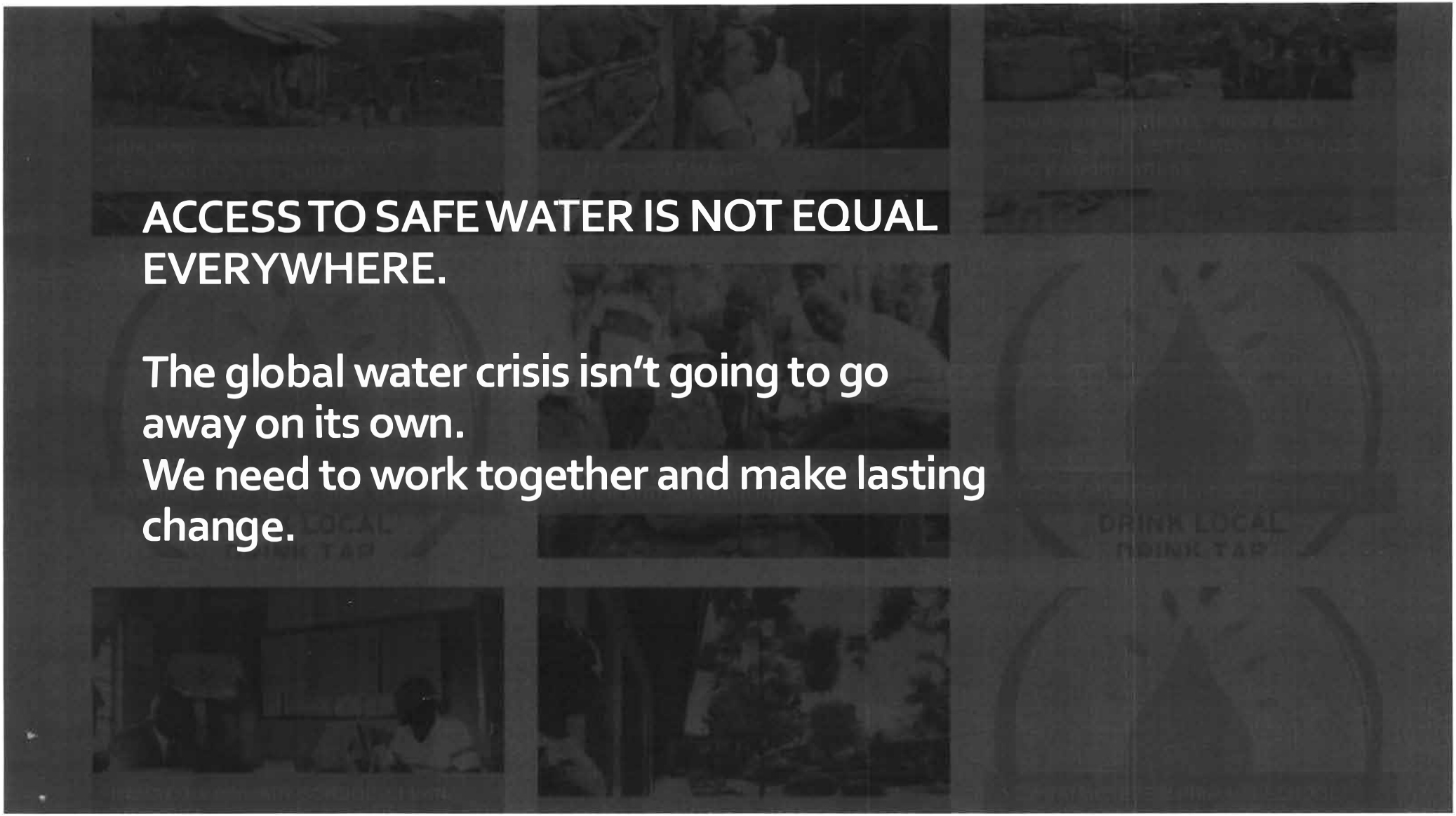
8,311

Volunteer hours donated to Drink Local, Drink Tap.

9462

Number of people that now have sanitation

Attachment #1


ACCESS TO SAFE WATER IS NOT EQUAL EVERYWHERE.
The global water crisis isn't going to go away on its own.
We need to work together and make lasting change.

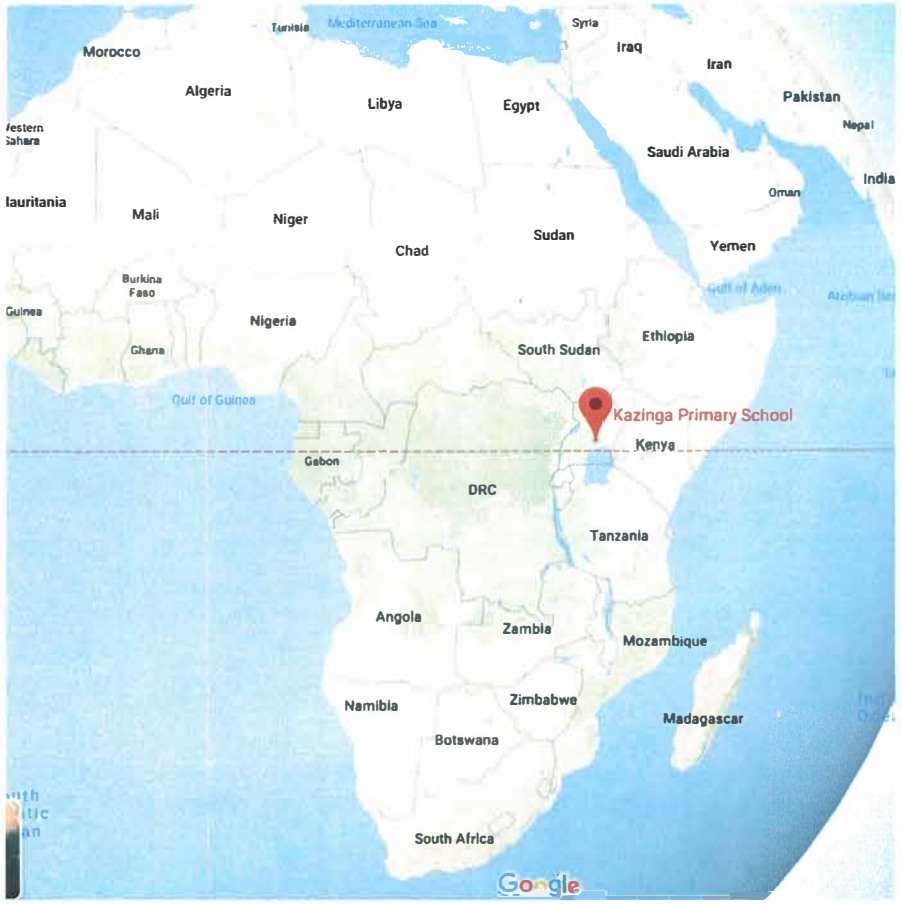
LOCATION:

District: Kyakegwa

Village: Kazinga

Kazinga Primary School

1214 students, 12 teachers 337girls / 381 boys), 4 teachers are not on payroll so PTA raises money. Camp added 300 kids and gov didn't do anything



Attachment #1

Problem

Vulnerable people do not have access to safe or reliable water. This keeps kids out of school, searching for water, being sick from water and even dying from water one illnesses.

Water: comes from down in the valley where all runoff from house latrines and animals drains, animals share water, it's a muddy pool of water, students get very sick, collect water 2 hours a days 8am-10am, water is used for mixing with cow poop to smear on the walls of classrooms to keep the dust down and cleaning old latrines. No water is saved for handwashing or drinking though they have a small stand in the office and mobile ones they put out sometimes. Children fall in and drown- one already died.

Attachment #1

Solution

A 70 meter deep borehole can be drilled and designed to serve students and the surrounding community. Boreholes are human powered and managed by the community after professional design and implementation by Drink Local Drink Tap

Cost: $7,900 for 70 meter deep borehole

Attachment #1

Theodore Roosevelt DECA presents:

4MILES4WATER

SATURDAY OCTOBER 12, 2019

Race Starts at 10:00 AM

Race Starts at Dix Stadium

Register to run and get more details at

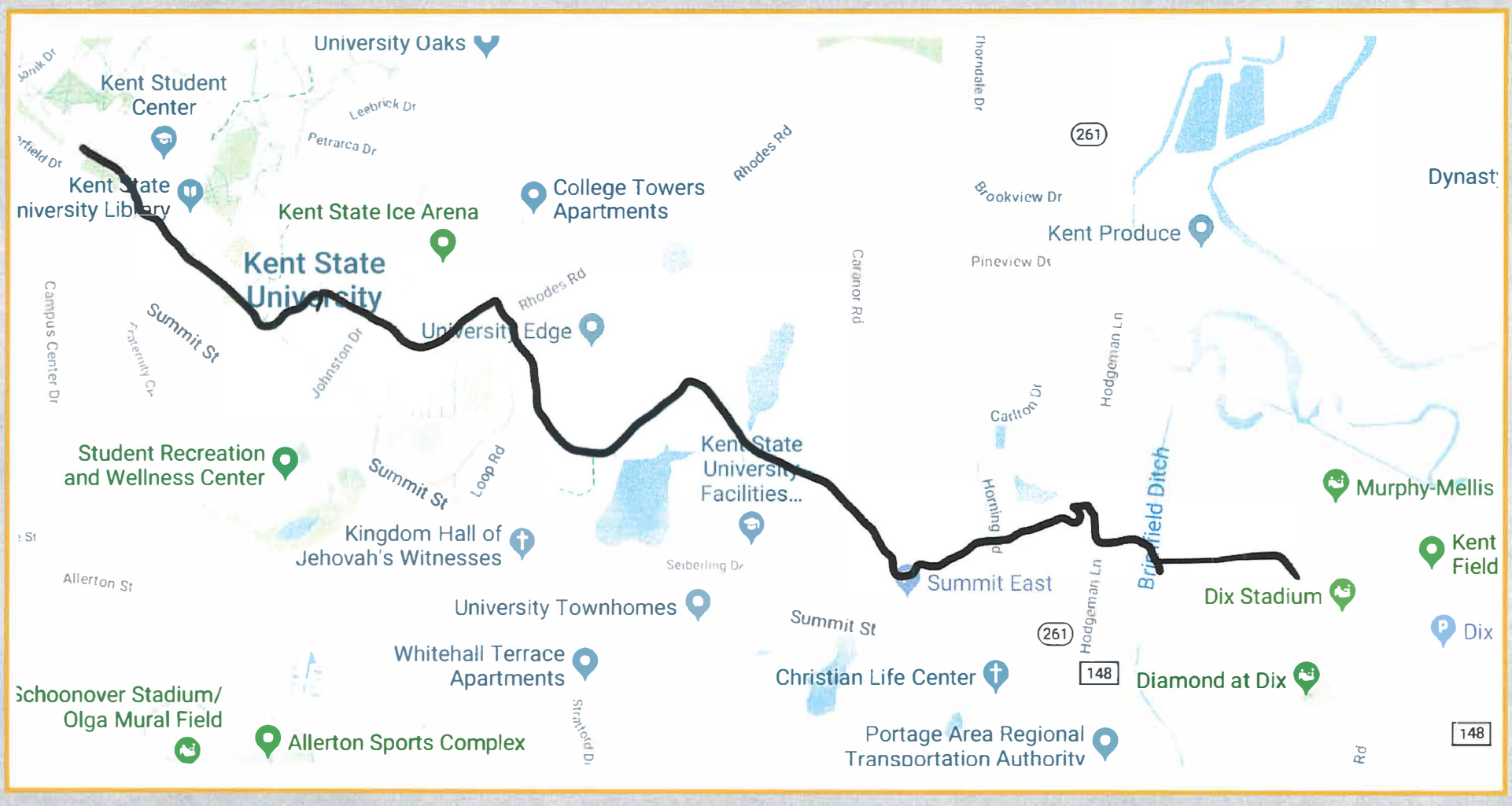
www.DECA4Water.wordpress.com

and click the 'Events' Tab!

Supports bringing clean water to 1214 students, 12 teachers, and the surrounding community at Kazinga Primary School in Uganda.

4 Mile Run

Attachment #1



Attachment #1

THE CITY OF KENT, OHIO
SPECIAL COUNCIL MEETING for
PUBLIC HEARING "DEMOCRACY DAY"
WEDNESDAY, OCTOBER 2, 2019

Mayor Fiala called to order the Special Meeting of Kent City Council for purposes of a Public Hearing for "Democracy Day" at 6:00 p.m. A quorum was present.

PRESENT: Mr. Jack Amrhein; Mr. Michael DeLeone; Mr. Garrett Ferrara; Mr. John Kuhar; Ms. Gwen Rosenberg; Mr. Roger Sidoti; and Mr. Robin Turner.

ALSO PRESENT: Mr. Jerry T. Fiala, Mayor And President Of Council; Mr. Dave Ruller, City Manager; Ms. Hope Jones, Law Director; Mr. Jim Bowling, City Engineer; and Ms. Amy Wilkens, Clerk Of Council.

ABSENT: Ms. Heidi Schaffer *(Arrived 6:45 p.m.)* and Ms. Tracy Wallach (Arrived at 6:55 p.m.)

MOTION TO EXCUSE MS. WALLACH'S ABSENCE FROM THE PUBLIC HEARING made by Mr. DeLeone, seconded by Mr. Ferrara, and CARRIED by a voice vote of 8-0.

Mayor Fiala welcomed everyone and read portions of the Charter as outlined below:

In accordance with the Kent City Charter Article XII, Section 12.05 titled "DEMOCRACY DAY PUBLIC HEARING/POLITICAL INFLUENCE":

"Beginning in 2016, City Council shall designate one day a "Democracy Day" during the first week of October each year in which a local, state, or national election is held in Kent. On this day, the Mayor and City Council shall sponsor a Public Hearing in a public space within the City. The public hearing shall be held during the evening or weekend time. The City will publicize the public hearing on its website and in area media at least one month in advance. The Public Hearing shall examine the impact on our City, our state and our nation of political influence resulting from campaign contributions by corporate entities. Corporate entities include business corporations, Political Action Committees, PACS, Super PACs, 501(c)(4) groups and unions. Members of the general public in attendance shall be afforded the opportunity to speak on these matters for up to five minutes per person. The City shall record the minutes of the hearing and make them available to the public no later than November 1 of each year in which it is held by posting them on the City's website.

Within one (1) week following the annual Public Hearing, the Clerk of City Council shall send a letter to every elected state-level representative of the citizens of the City, to the leaders of the Ohio House and Senate, to our U.S. Congressional Representative(s), and to both U.S. Senators from Ohio. The letter shall include a brief summary of the Public Hearing and will state that the citizens of Kent in November 2015 voted in support of a Citizens' Initiative calling for an amendment to the U.S. Constitution declaring the following principles:

1. *Only human beings, not corporations, are legal persons with Constitutional rights, and*
2. *Money is not equivalent to speech, and therefore, regulating political contributions and spending does not equate to limiting political speech.*

The annual Public Hearings will no longer be required if and when a Constitutional Amendment reflecting the principles set forth in Section 02 is ratified by three-quarters (3/4) of the state legislatures."

Mayor Fiala then referred to Clerk Wilkens to read each name, in turn, of the Visitors who signed-in. There were nine (9) visitors who wished to speak.

Debbie Silverstein of 1072 Erin Dr., Kent read from a pre-prepared statement. ***(See Attachments #1, #1.2).***

Swanhild Voneida of 401 Oakwood Dr., Kent read from a pre-prepared statement. ***(See Attachment #2.)***

Bill Wilen of 867 Stonewater Dr., Kent read from a pre-prepared statement. ***(See Attachment #3.)***

Drew Tiene of 1873 Pine Dr., Kent withdrew his name from the list.

Judy Nelson of 330 Whetstone, Kent read from a pre-prepared statement. **(*See Attachment #4.)***

Jackie Peck of 907 Highridge Lane, Kent read from a pre-prepared statement ***(See attachment #5).***

Lee Brooker of 814 Hudson Road, *Kent* read from a pre-prepared statement ***(See Attachment #6).***

Greg Coleridge (address omitted) read from a pre-prepared statement ***(See Attachment #7).***

Kathy Hazelton of 19601 Van Aken Blvd., Shaker Heights read from a pre-prepared statement ***(See Attachment #8).***

Mayor Fiala thanked everyone for coming. Meeting adjourned at 6:45 p.m.

Amy Wilkens
Clerk of Council

Jerry T. Fiala
Mayor and President of Council

Over 1 million Americans have had to turn to Go Fund Me to raise money for needed surgeries, chemotherapy, medications and more. It has been reported that 41% of campaigns on crowd funding sites are for medical bills but that only 11% of them meet their goals. In the truly American free market way, families have to market themselves so that potential donors will find them worthy of living. And those who don't have access to the tools to crowd fund suffer and die in silence.

As Margaret Flowers recently wrote, there seems to be a lack of awareness in the United States about how much our healthcare system is an aberration. We tolerate levels of injustice that would be unthinkable in other advanced nations. Let me be clear: This is NOT normal. In no other industrialized nation in the world do people have to beg strangers for money so they or a loved one can live. It takes a special kind of cruelty to accept this and think it is ok.

That fact should disgust each and every one of us enough to inspire action to turn our health care system away from the Wall Street markets and profiteers and create a system that is truly just, truly humane, and that serves the needs of the people.

Protecting or tweaking the status quo isn't enough because the status quo is woefully inadequate. We cannot be satisfied simply protecting a system where people die because they can't afford care and people lose their homes and life savings because they have an accident or get sick, or they are left out completely. Our mission is one of moral urgency.

We must demand a health care system that is truly universal, that is equitable, where services and resources are allocated according to the needs of the people

and financing is public through progressive taxation. We must demand a system that is transparent, provides for public participation at all levels and is accountable directly to the people it serves, not the Wall Street investors.

America must fund people's needs, not corporate greed. Rise up!

I call on the Kent City Council to pass a resolution in support of the Medicare for All Act of 2019, HR 1384 and the Ohio Health Plan, HB 292, which was introduced into the Ohio House this session.

Economic Analysis of Single Payer Health Care in Ohio: Context, Savings, Costs, Financing

Gerald Friedman
Professor of Economics
University of Massachusetts at Amherst
Amherst, MA. 01003
August 19, 2018

gfriedma@econs.umass.edu

@gfriedma

I am grateful for research assistance from Joseph Kane,Tai Spargo, and Natasha Friedman.

Democracy Day Attachment #1.2

Contents

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Introduction

This economic analysis explores the implications of a single payer health plan in the state of Ohio if it were to go into effect in 2019. The Act would replace Ohio's current multi-payer system in which individuals, private businesses and government entities pay public and private insurers for health care coverage. The Act would establish a state health plan to finance medically necessary care, including hospitalization, doctor visits, dental, vision, mental/behavioral health, prescribed occupational and physical therapy, prescription drugs, medical devices, and rehabilitative care.[1] The Plan would offer this comprehensive coverage to all residents and would pay for it with broad-based, progressively graduated premiums assessed by the State on payrolls and on non-payroll income.

The Ohio Health Plan would finance medical care with substantial savings compared with the existing multi-payer system of public and private insurers. By reducing administrative and other waste, including health insurance company profits and excessive prices for drugs, hospitals, and medical devices, the Plan would increase real disposable income for the vast majority of Ohio residents. It would simultaneously increase employment by reducing the burden of health insurance on business. Some of these savings would be used to extend coverage to the 6% of Ohio residents still without insurance under the Affordable Care Act. Other savings would be reinvested in the health care system to improve coverage for the growing number with inadequate coverage. In addition to improving residents' health by reducing barriers to access to health care, the Plan would eliminate the financial penalty associated with health problems. It would also reduce economic inequality by replacing the current regressive system of health insurance finance with contributions proportional to income and ability to pay.

Context: health care spending and quality in the United States with markets

Rising health care inflation

Personal health care spending has been rising at an unsustainable pace in Ohio. Between 1991 and 2001, total health consumption spending rose 5.5% a year with per-capita spending rising at over 5.0% a year (see Figure 1).[2] The rate of increase in total health consumption slowed slightly after 2001, but only to 5.1% a year, including annual increases of 4.8% in per-capita spending. In line with national trends, health care is absorbing a growing share of state spending and income. Indeed, Ohio has done a little worse than the nation as a whole, with spending rising faster than income (see Figure 2).

[1] Long-term care may be added later.

[2] Expenditures are estimated from the Centers for Medicare & Medicaid Services, Office of the Actuary, data on personal health expenditures by state linked to national expenditure projections; see appendix for details.

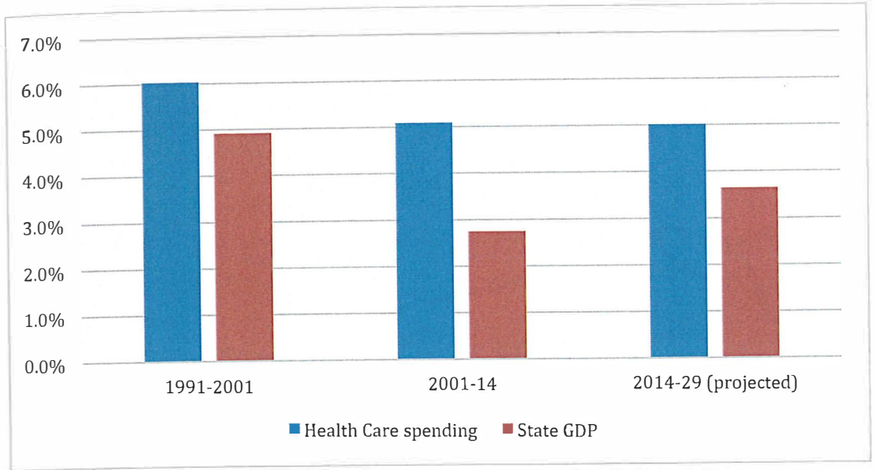

Figure 1. Growth in Ohio health care spending and gross state product, 1991-2029, projected
Note: This shows the average annual increase in health expenditures (personal plus insurance administration) and Gross State Product income since 1991. GSP is from United States Bureau of Economic Analysis; health spending is from United States, Center for Medicare and Medicaid Statistics, National Health Expenditures data, http://www.cms.gov/NationalHealthExpendData/Downloads/res-tables.pdf

Even at a slower rate of increase, health care spending absorbs a growing share of the state's income, and a rising share of wages and salaries (see Figure 2). As a share of state product, health care costs have risen since 1991, from under 10% of state income to over 14% in 2014. With current policies, it is projected to rise to almost 17% of state income in the next decade (see Figure 2).

Health care cost inflation is squeezing disposable income for residents of Ohio. If health care spending per person had risen only as fast as income since 1991, then spending in 2018 would have been 37% less, saving the average person $4,139, or more than $16,500 in savings for a family of four. Spending projections for 2029 suggest that spending will rise by 77% compared to a growth in GDP of only 50%. This will be more than double the gap between actual spending and spending at the 1991 share of income. By 2029, this gap will rise to over $9,000, or $36,000 for a family of four.

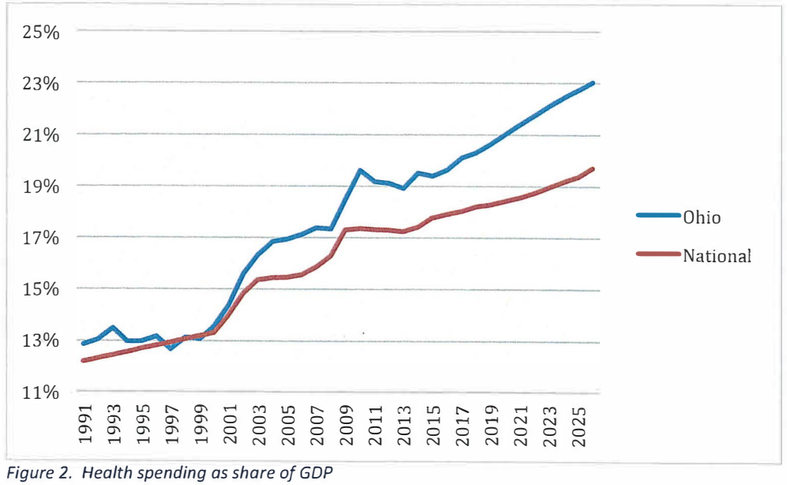

Figure 2. Health spending as share of GDP

The system of employment-based health insurance concentrates the burden of health care inflation on wages and salaries.[3] As a share of employee compensation, health care spending rose to 12.3% in 2014 and will continue to increase through 2029 unless there is a dramatic increase in costs borne directly by the sick in the form of higher deductibles and copayments.[4] Every worker who has engaged in collective bargaining, or even individual bargaining over wages, knows what these increases in health care spending mean for wages. After taking account of normal inflation, increases in the cost of health insurance cost the average Ohio worker $2,383 in 2017, and are expected to cost $5,921 in 2029 (see Figure 3).[5] Higher health care spending is reducing the funds employers have available for wages, pensions, training programs, or for other employee benefits. In 2017, health insurance costs absorbed over 80% of funds spent for pensions and insurance. By 2029, at current rates, they will absorb all of such funds.[6]

[3] 30% of health care spending in 2014 was through employment, including the medical share of workers compensation.

[4] By reducing the insurance function, cost shifting is a viable alternative to raising premiums in the face of rising health costs. The average deductible for an individual in an employer-provided plan was $1,408 in 2014, and $2,575 for a family. In just two years, these had increased to $1,781 and $3,181, increases of 26% and 21% respectively or over twice the increase in health care spending.

[5] This assumes that employment-related spending will continue to be 52% of total spending.

[6] Health insurance costs include all private health insurance spending, as reported by the CMS National Health Expenditures, adjusted for administrative expense. This figure includes employee payments towards insurance premiums as well as all non-group plans. The ratio of spending on health insurance to wages and salaries is this total health insurance spending divided by wages and salaries as reported by the Bureau of Economic Analysis. Excess spending is estimated as spending beyond the 1991 ratio of private health insurance spending to wages and salaries, or 10.05%.

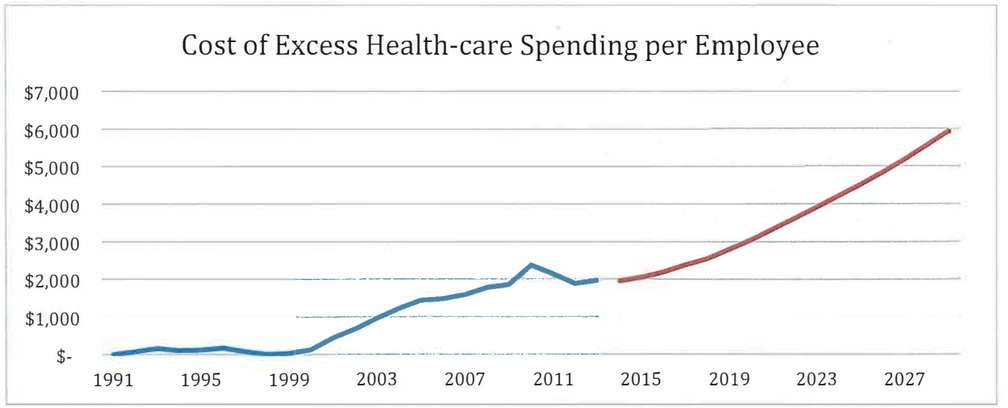

Figure 3. Cost per employee of excess health-care spending, 1991-2029 (projected).

Note: This shows for each year beginning in 1998, the average cost per employee in the state of Ohio of the growth in private health insurance spending relative to wages and salaries. Estimates after 2017 are projections using CMS projections of health care spending and assumes employee compensation will grow at the 1991-2017 rate.

Declining efficiency in health care delivery

Increased health care spending might be justified if it reflected increasing utilization of quality care. Instead, however, health care spending in the United States has been increasing due to higher costs with little or no improvement in care. After controlling for general inflation, only a fifth of the excess increase in health care spending since 1971 reflects increased utilization. Almost half of the increased spending reflects the higher inflation rate for health care compared with other products.[7] Excess inflation is almost entirely due to the private market, where costs have risen significantly faster than in Medicare, either the United States' or Canada's version. Since 1969, private health insurance spending per enrollee on a common set of benefits has increased seven times as fast as the price of other commodities, and nearly twice as fast as the increase for Medicare. Had all health care prices increased only as fast as Medicare's, health care spending in the United States would have risen only slightly faster than the rate of growth in national income.[8]

[7] Between 1971 and 2009, the general consumer price index rose at an annual rate of 4.4% while the medical inflation rate rose 6.2% per year, 1.8% per year faster. Over the same time, the inflation rate for Medicare rose only slightly faster than the general inflation rate, but the inflation rate for private health insurance rose 1.26% per year faster than the Medicare rate. For comparison, in Canada, with a government-financed, single-payer health care system, there is almost no difference between the general inflation rate and the inflation rate for medical care. Also see Abe Dunn, Eli B. Liebman, and Adam Shapiro, "Decomposing Medical-Care Expenditure Growth," Working Paper (National Bureau of Economic Research, February 2017), https://doi.org/10.3386/w23117.

[8] David U. Himmelstein and Steffie Woolhandler, "Cost Control in a Parallel Universe: Medicare Spending in the United States and Canada," *Archives of Internal Medicine* 172, no. 22 (December 10, 2012): 1764–66, https://doi.org/10.1001/2013.jamainternmed.272; Diane Archer, "Medicare Is More Efficient Than Private Insurance," Health Affairs, accessed September 4, 2017, http://healthaffairs.org/blog/2011/09/20/medicare-is-more-efficient-than-private-insurance/; Diane Archer and Theodore Marmor, "Medicare And Commercial Health Insurance: The Fundamental Difference – Health Affairs Blog," HealthAffairs Blog, February 15, 2012,

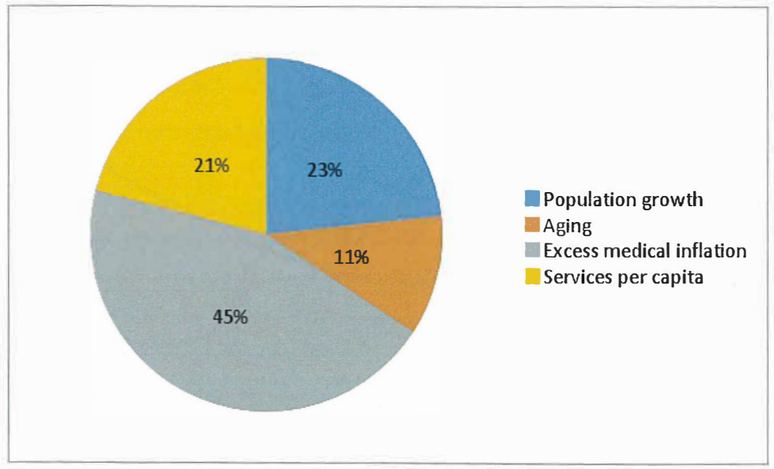

Figure 4. Sources of increase in after-inflation health care spending, 1971-2015

There is direct evidence that rising health care costs in the United States are not due to excessive utilization. Compared with residents of other affluent countries, residents of the United States are less likely to see a doctor (see Figure 5), probably because, as a survey by the Commonwealth Fund confirms, people in the United States report more financial barriers to access than do residents of other countries.[9] Sara Collins of the Commonwealth Fund summarizes the situation facing many Americans with insurance with high deductibles or other cost-sharing:

> As of late 2016, 28 percent of U.S. adults ages 19 to 64 who were insured all year were underinsured — or an estimated 41 million people. This is more than double the rate in 2003 when the measure was first introduced in the survey, and is up significantly from 23 percent, or 31 million people, in 2014. . . . Half (52%) of

http://healthaffairs.org/blog/2012/02/15/medicare-and-commercial-health-insurance-the-fundamental-difference/comment-page-1/#comment-165108.

[9] Sara Collins et al., "The Problem of Underinsurance and How Rising Deductibles Will Make It Worse Findings from the Commonwealth Fund Biennial Health Insurance Survey, 2014," May 2015, http://www.commonwealthfund.org/~/media/files/publications/issue-brief/2015/may/1817_collins_problem_of_underinsurance_ib.pdf; Sara R. Collins, Munira Z. Gunja, and Michelle M. Doty, "How Well Does Insurance Coverage Protect Consumers from Health Care Costs?," October 18, 2017, http://www.commonwealthfund.org/publications/issue-briefs/2017/oct/insurance-coverage-consumers-health-care-costs; Irene Papanicolas, Liana R. Woskie, and Ashish K. Jha, "Health Care Spending in the United States and Other High-Income Countries," *JAMA* 319, no. 10 (March 13, 2018): 1024–39, https://doi.org/10.1001/jama.2018.1150; Sarah Thomson et al., "International Profiles of Health Care Systems, 2013 Australia, Canada, Denmark, England, France, Germany, Italy, Japan, the Netherlands, New Zealand, Norway, Sweden, Switzerland, and the United States" (Commonwealth Fund, November 2013), http://www.commonwealthfund.org/~/media/files/publications/fund-report/2013/nov/1717_thomson_intl_profiles_hlt_care_sys_2013_v2.pdf.

underinsured adults reported problems with medical bills or debt and more than two of five (45%) reported not getting needed care because of cost.[10]

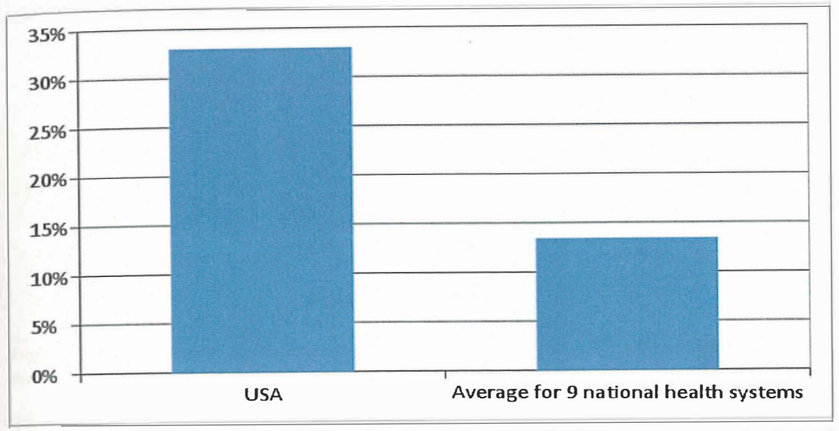

Figure 5. Proportion of population reporting they experienced access barrier because of cost in past year, the United States and nine countries with national health systems

The restrictions on access come directly from policy decisions made to control health care costs by promoting market competition among health insurers. The driving idea has been that rising health care costs come from the over-utilization of care by "consumers" who, because of first-dollar insurance coverage, do not pay the cost of their care. Consumers therefore abuse the health care system by indulging in too much care, and by failing to shop around for the best provider, they contribute to inflated prices for provider services. The lack of aggressive health care consumers, these economists conclude, discourages health-care providers from seeking out greater efficiency, leading to technological stagnation.[11]

Residents of Ohio have experienced this shift towards market-oriented health care. As recently as 2001, it was so common for employers to offer health insurance without deductibles that the national survey of employer-provided health insurance did not include a question about insurance deductibles.[12] When they did begin asking about deductibles, in 2002, almost half of employees were in plans without any. 46% still had "first-dollar coverage." By 2016, 95% had a deductible, and the average deductible in a plan with a deductible had risen from $412 and $916, for an individual or a family plan respectively, to $1,781 and $3,189. Including the zero cost for

[10] Collins, Gunja, and Doty, "How Well Does Insurance Coverage Protect Consumers from Health Care Costs?"

[11] These new policy developments came from the emerging field of health economics. The founding-father of the sub-discipline, Kenneth Arrow, must have been shocked at how his ideas were transformed and even abused. See Kenneth J. Arrow, "Uncertainty and the Welfare Economics of Medical Care," *The American Economic Review* 53, no. 5 (December 1, 1963): 941–73; Amy Finkelstein, *Moral Hazard in Health Insurance: Developments since Arrow (1963)*, Kenneth J. Arrow Lecture Series (New York: Columbia University Press, 2014).

[12] This is the Medical Expenditure Panel Survey by the Agency for Healthcare Research and Quality; see https://meps.ahrq.gov/mepsweb/data_stats/state_tables.jsp?regionid=38&year=2003

plans without deductibles, the average deductible for an employee in an employer-sponsored health insurance plan rose over seven-fold for single coverage, and nearly six-fold for family coverage (see Figure 6).[13]

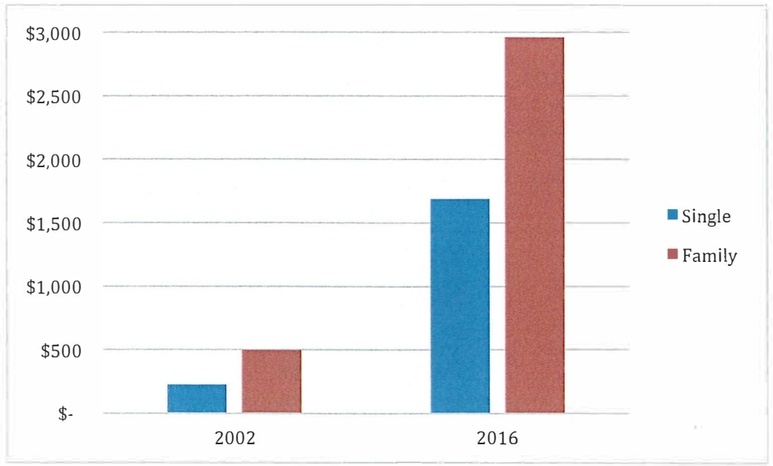

Figure 6. Rising Cost of Deductibles, Private Sector, employer-provided health plans, Ohio 2002 and 2016

The declining quality of employer-sponsored health insurance matters less for Ohio's workers because of the steady decline in the number with employer-sponsored health insurance. Fewer people have employer-sponsored health insurance. As recently as 1999, over 60% of employees in Ohio had employer-sponsored insurance, and 55% of these covered their entire families. By 2016, however, the proportion of employees with any coverage fell to under 45%. Only 31% had family coverage, so the share of family members covered by employer-provided plans falls from 33% to only 13% (see Figure 7). Instead of employer-provided insurance, more people in Ohio are seeking coverage through individual plans (about 6% of the population in 2016), and, perhaps of most concern, through public programs like Medicaid (23%) or Medicare (16%).[14]

[13] This is from the MEPS survey referred to above. For national comparisons, see Gary Claxton et al., "Increases in Cost-Sharing Payments Have Far Outpaced Wage Growth," *Peterson-Kaiser Health System Tracker* (blog), accessed October 11, 2017, https://www.healthsystemtracker.org/brief/increases-in-cost-sharing-payments-have-far-outpaced-wage-growth/; also see the discussion in John Tozzi and Zachary Tracer, "Sky-High Deductibles Broke the U.S. Health Insurance System," *Bloomberg.Com*, June 26, 2018, https://www.bloomberg.com/news/features/2018-06-26/sky-high-deductibles-broke-the-u-s-health-insurance-system.

[14] Census data from http://www.kff.org/other/state-indicator/total-population/?currentTimeframe=0&selectedRows=%7B%22states%22:%7B%22Ohio%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D

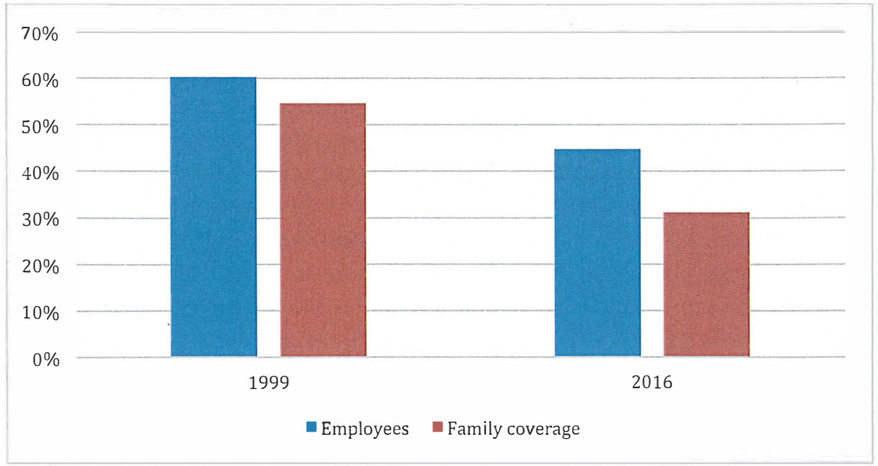

Figure 7. Employer provided health insurance coverage, Ohio 1999-2016: Declining coverage of employees, and disappearing extension to family members

The market-turn in American health-care and the declining performance of American healthcare

Guided by the new economic thinking, in the early 1970s American states opened up health insurance markets to competing providers and removed price and other regulations on health care providers, including hospitals. This was intended to promote for-profit behavior and market competition.[15] Even the federal government's Medicare plan was opened to market competition, through Medicare Part C or Medicare Advantage. Many states have likewise put their Medicaid plans out for bids by private contractors.[16] The number of competing health insurers has increased dramatically. Instead of universal access at set prices, or community rating where insurers are required to sell coverage to all and at the same rate, as with the Blue Cross-Blue Shield monopoly, states allow insurers to offer an exploding number of plans so that individuals and businesses have choice of coverage and can buy coverage they think appropriate for their expected health care needs. This allows the healthy, or those who anticipate being healthy, to

[15] Robert Cunningham and Robert M. Cunningham, *The Blues: A History of the Blue Cross and Blue Shield System* (DeKalb: Northern Illinois University Press, 1997); Steven Brill, *America's Bitter Pill: Money, Politics, Back-Room Deals, and the Fight to Fix Our Broken Healthcare System* (New York: Random House, 2015); Christy Ford Chapin, *Ensuring America's Health: The Public Creation of the Corporate Health Care System* (New York, NY: Cambridge University Press, 2015); Jennifer Klein, *For All These Rights: Business, Labor, and the Shaping of America's Public-Private Welfare State* (Princeton, N.J.: Princeton University Press, 2003); Jill S Quadagno, *One Nation, Uninsured: Why the U.S. Has No National Health Insurance*, Oxford University Press pbk (Oxford ; New York: Oxford University Press, 2006); Paul Starr, *Remedy and Reaction the Peculiar American Struggle over Health Care Reform* (New Haven: Yale University Press, 2011), http://site.ebrary.com/lib/amherst/Doc?id=10506565; Paul Starr, *The Social Transformation of American Medicine* (New York: Basic Books, 1982), http://libproxy.smith.edu:2048/login?url=http://hdl.handle.net/2027/heb.00104.

[16] Jonathan Gruber, "Delivering Public Health Insurance through Private Plan Choice in the United States," *Journal of Economic Perspectives* 31, no. 4 (November 2017): 3–22, https://doi.org/10.1257/jep.31.4.3.

avoid plans popular with the sick and disabled, giving them lower rates at the expense of abandoning part of the insurance function of health insurance.

The result of our national experiment in free-market health care has been a relative decline in our health, and an increase in the cost of care. In 1970, female life expectancy in the United States was 11th among 35 states belonging to (or later to join) the Organization of Economic Cooperation and Development. Our life expectancy was higher than in other affluent countries like Australia and Germany. By 2015, on the other hand, we had fallen to 30th of 35 countries, ahead of Mexico and Hungary, but behind virtually all of our affluent peers.[17] Higher spending is associated with longer life expectancy in other affluent countries, but life expectancy in the United States is over 5 years short of what would be expected from its spending. Our poor performance can be quantified in dollars and cents: if we spent what other countries spend to achieve our life expectancy, we would save over half of what we currently spend (see Figure 8). Furthermore, our performance is getting worse. Compared with other affluent countries, we are spending more to get less (see Figure 9). In a comprehensive comparison of health care systems in eleven affluent countries, the Commonwealth Fund ranked the United States last, with low scores for poor health outcomes and administrative efficiency.[18]

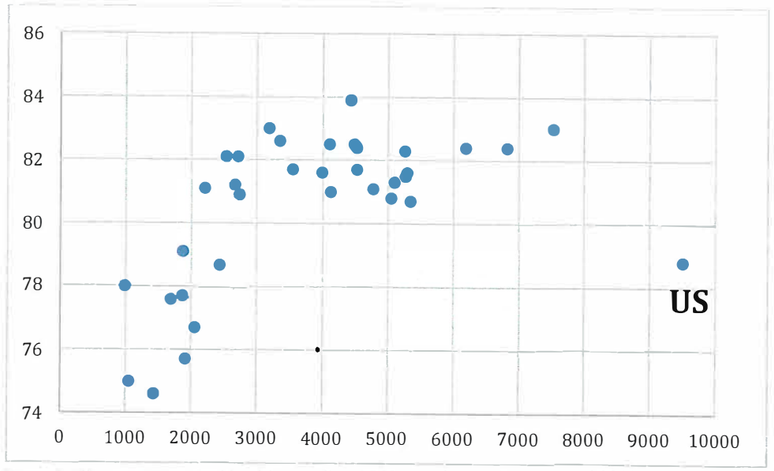

Figure 8. Life expectancy and health spending OECD member nations, around 2011

The poor performance of our health care system is largely a post-1971 phenomenon, since we began to rely on for-profit medicine and market-incentives. Compared with other affluent countries with public programs providing universal health insurance coverage, our great national experiment in the use of markets to provide health care has failed to provide quality health care

[17] See "Frequently Requested Data" at http://www.oecd.org/els/health-systems/health-data.htm .
[18] Eric C. Schneider et al., "Mirror, Mirror 2017: International Comparison Reflects Flaws and Opportunities for Better U.S. Health Care" (Commonwealth Fund, 2017), http://www.commonwealthfund.org/interactives/2017/july/mirror-mirror/?omnicid=EALERT1243408&mid=gfriedma@econs.umass.edu.

to Americans. Since 1971, the shortfall in US life expectancy compared with affluent members of the OECD has grown from 5 months less to over 31 months less. Over the past 40 years, other countries with national health systems have increased female life expectancy by over 7 years with an increase in real (that is, after-inflation) annual per-capita health expenditures of $446. We have increased female life expectancy by less, only 5 years, while our real spending has increased much more: by $748 (see Figure 9). We continue to do worse even while we are spending more.

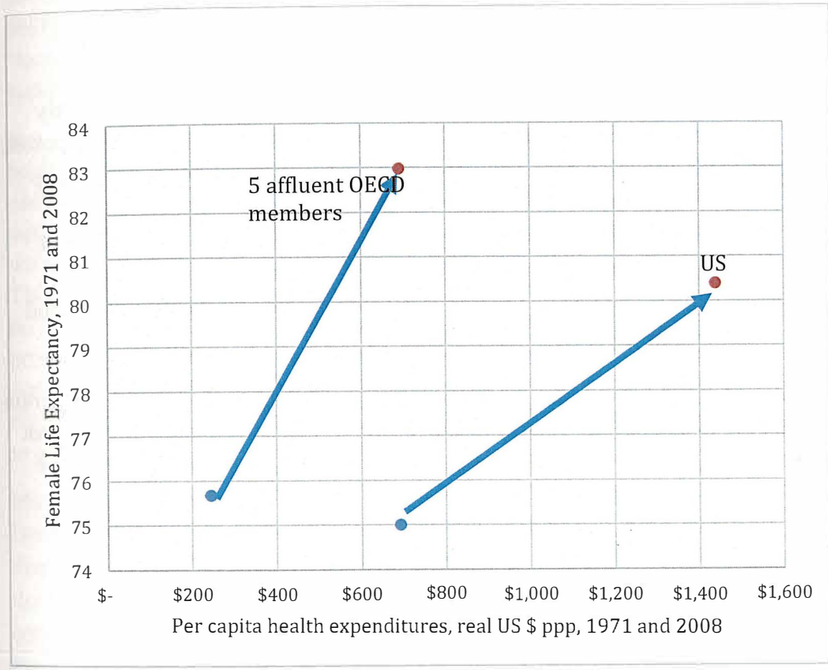

Figure 9. Increasing life expectancy and health care spending, US and other countries, 1971 and 2008

The burden of our failed health-care experiment falls most heavily on the poor and the sick. Relying on for-profit insurance, the United States distributes much of the burden of health care costs as fixed charges on individuals through premiums, deductible charges, and copays rather than as taxes or other charges related to income or wealth. Increasing "consumer cost sharing," or "skin in the game," the cost borne by the sick and unwell has been defended as a way of promoting more efficient utilization of healthcare. In practice, however, people are rarely able to judge the efficacy of medical treatment and rarely shop for health care. Instead, they reduce the amount of medical care they use, including high-value as well as low-value care, especially reducing preventative care. In high-deductible plans, for example, few shop for a better priced MRI, but women are more likely to delay follow-up tests after mammograms, including imaging, biopsies and early-stage diagnoses that could detect tumors when they are easiest to treat. One

observer concludes, "high-deductible plans do reduce health-care costs, but they don't seem to be doing it in smart ways."[19]

Why markets don't work

While undermining our health, these measures have failed to control costs and most insurers do little to resist the demands of monopoly providers.[20] Despite ever narrower insurance networks, prices at elite providers and pharmaceuticals continue to rise. This should surprise no one. Instead, it is predictable that the market turn would do little to control costs even while lowering the quality of healthcare for Americans.

One problem with applying market models is that healthcare is never conducted in a perfectly competitive environment. Instead, virtually all providers enjoy some degree of monopoly power, while many have a great deal. Because of their control over access to an essential, life-saving service, and that control over information and knowledge of healthcare, private, for-profit providers are natural monopolies. Traditionally, we have relied on professional ethics to limit monopolistic practice by physicians and hospitals.[21] Ironically, the market turn has freed monopolistic providers to exploit that position precisely by emphasizing market incentives and market behavior while undermining professional ethics.[22]

Recognizing the power of these monopolies, economists have turned to health insurers to restrain monopoly pricing, hoping to balance the countervailing power of insurance monopolies against provider monopolies. During the debate over the Affordable Care Act, for example, insurance industry lobbyists -- notably Karen Ignagni of America's Health Insurance Plans (AHIP) -- supported many of the Obama Administration's initiatives in alliance with Administration economists who sought to strengthen insurance companies against hospitals and drug

[19] Neeraj Sood, director of research at the Leonard D. Schaeffer Center for Health Policy and Economics at the University of Southern California in Tozzi and Tracer, "Sky-High Deductibles Broke the U.S. Health Insurance System"; the research on this is well summarized in Austin Frakt, "Shopping for Health Care Simply Doesn't Work. So What Might?," *The New York Times*, July 31, 2018, sec. The Upshot, https://www.nytimes.com/2018/07/30/upshot/shopping-for-health-care-simply-doesnt-work-so-what-might.html.

[20] Barry Meier, Julie Creswell, and Jo Craven McGinty, "Hospital Billing Varies Wildly, U.S. Data Shows," *The New York Times*, May 8, 2013, http://www.nytimes.com/2013/05/08/business/hospital-billing-varies-wildly-us-data-shows.html; Office of Massachusetts Attorney General Martha Coakley, "Investigation of Health Care Cost Trends and Cost Drivers," January 29, 2010, http://www.mass.gov/Cago/docs/healthcare/Investigation_HCCT&CD.pdf; Brill, *America's Bitter Pill*.

[21] This point is made in the seminal article on health economics by Arrow, "Uncertainty and the Welfare Economics of Medical Care" While nothing in Hippocratic or other professional oaths prohibits doctors from enjoying a high standard of living, they pledge to treat patients according to medical need .without mention of ability to pay or to pay well.

[22] Steffie Woolhandler and Dan Ariely, "Will Pay For Performance Backfire? Insights From Behavioral Economics," Health Affairs, accessed August 1, 2016, http://healthaffairs.org/blog/2012/10/11/will-pay-for-performance-backfire-insights-from-behavioral-economics/.

companies.[23] Obama Administration economists even opposed limits on the medical loss ratio for insurance, fearing that any restrictions on insurance profits would undermine these companies' commitment to restraining provider prices.

Alas, insurance companies have proven to be weak reeds on which to rest our hopes to protect the public. And, indeed, this is predictable. One problem is that the easiest way for insurers to increase profits is not to take on powerful providers, but to screen subscribers more carefully to avoid covering people likely to use insurance while attracting subscribers unlikely to need healthcare. By careful marketing and targeted promotion, companies can inflate their profits by "lemon dropping" those likely to be in the top 20% who account for 80% of costs, and "cherry picking" from the 50% who use almost no healthcare in any year.

Nor do market-based efforts by insurers to restrain provider profits necessarily help public health. Effective market bargaining depends on the ability to walk away, to leave a market exchange if the price is not right. For health insurance, this means that to bargain effectively with providers, insurers need to restrict access to high-priced providers, barricading members within narrow networks or allowing access to some providers only at the cost of higher co-pays. This has created a public health crisis that has grown with the market turn. Not only are the sick no longer able to see needed providers, but growing numbers are routinely forced to change their providers or their drug regimen because of changing network rules or renegotiation of insurance contracts. For many, this happens on an annual basis when an insurer revises its network or employers change insurers. It also happens every time a worker changes employment or moves to a new insurer.[24]

Making the poor pay, and die

Because working people are more price sensitive, increasing cost-sharing has widened the disparity between access to health care between the rich and others, increasing the gap between the health of rich and poor Americans compared to past experience and compared to other countries. For the United States as a whole, life expectancy has increased for men and women but increases have largely been confined to the affluent.[25] For men, over the past two decades, life expectancy has increased at all income levels, with the poorest gaining a few months while the richest Americans have had increases of over 5 years. For women, however, increases in life

[23] Bob Herman, "Seismic Changes in the Health Insurance Industry Bring Opportunities and Friction," accessed September 10, 2017, http://www.modernhealthcare.com/article/20160130/MAGAZINE/301309964; Starr, *Remedy and Reaction the Peculiar American Struggle over Health Care Reform*; Brill, *America's Bitter Pill*.

[24] For a recent study of the role of insurance provider networks in ACA Exchange Plans, see Physicians for Fair Coverage, "The High Cost of Healthcare: Patients See Greater Cost Shifting and Reduced Coverage in Exchange Markets 2014-2018," July 2018, https://endtheinsurancegap.org/sites/default/files/resources/the_high_cost_of_healthcare_2014-2018_-_report_and_state_vignettes_final_0.pdf; for a study of the frequency and medical impact of interruptions in insurance coverage, see Mary A. M. Rogers et al., "Interruptions In Private Health Insurance And Outcomes In Adults With Type 1 Diabetes: A Longitudinal Study," *Health Affairs* 37, no. 7 (July 1, 2018): 1024–32, https://doi.org/10.1377/hlthaff.2018.0204.

[25] Barry P. Bosworth and Kathleen Burke, "Differential Mortality and Retirement Benefits in The Health And Retirement Study," The Brookings Institution, accessed April 21, 2014, http://www.brookings.edu/research/papers/2014/04/differential-mortality-retirement-benefits-bosworth.

expectancy have been exclusively for the affluent; life expectancy has been falling for the poorest 40% of American women.

Low-income and working people have the greatest difficulty accessing our health care system. Their short life expectancy accounts for much of the shortfall in our relative life expectancy. The gradient of life-expectancy with income has grown increasingly steeper in the United States and access problems have become greater, because a growing share of the cost of health care has been pushed onto the sick through direct cost-sharing and by experience-rating (linking insurance premiums to health status).[26]

In Ohio, the link between higher mortality and rising copayments, deductibles, and other charges are especially close: the r-squared between the proportion of the population unable to access Health Care and mortality is 0.41 (see Figure 10).[27] In 88 Ohio counties, when more people report that they cannot afford to see a doctor, the mortality rate is higher. The number of preventable deaths per 100,000 increases by nearly 9 for every percentage point increase in the proportion of residents who report they could not see a doctor because of cost. Going from the county with the lowest share reporting they could not see a doctor (Delaware at 4%) to the county with the highest share (Scioto at 26%) results in nearly 300 more deaths per 100,000.

[26] Across over 3000 US counties, there is a strong positive relationship between age-adjusted mortality and the proportion unable to see a doctor because of cost. A regression of mortality on access difficulty has an R2 of .35. Robert Wood Johnson and University of Wisconsin, Population Health Institute, "County Health Rankings," County Health Rankings & Roadmaps, accessed April 28, 2014, http://www.countyhealthrankings.org/rankings/data.

[27] There is abundant evidence that increased cost-sharing hurts people's health because few can distinguish between high-value and low-value care; instead of economizing on the latter, people facing copayments and deductibles reduce both. See Jonathan Gruber, "The Role of Consumer Copayments for Health Care: Lessons from the RAND Health Insurance Experiment and Beyond" (Kaiser Family Foundation, October 2006), http://www.kff.org/insurance/upload/7566.pdf; Collins et al., "The Problem of Underinsurance and How Rising Deductibles Will Make It Worse Findings from the Commonwealth Fund Biennial Health Insurance Survey, 2014"; Amy Finkelstein et al., "The Oregon Health Insurance Experiment: Evidence from the First Year" (NBER Working Paper, July 2011); Katherine Baicker and Dana Goldman, "Patient Cost-Sharing and Healthcare Spending Growth," *Journal of Economic Perspectives* 25, no. 2 (Spring 2011): 47–68; for direct evidence that higher cost sharing leads to higher costs over time to deal with more complicated conditions that could have been handled at lower costs had they been discovered earlier, see Amal N. Trivedi, Husein Moloo, and Vincent Mor, "Increased Ambulatory Care Copayments and Hospitalizations among the Elderly," *New England Journal of Medicine* 362, no. 4 (January 28, 2010): 320–28, https://doi.org/10.1056/NEJMsa0904533; Brian Schilling, "Hitting the Copay Sweet Spot," accessed December 5, 2017, http://www.commonwealthfund.org/publications/newsletters/purchasing-high-performance/2009/november-3-2009/featured-articles/hitting-the-copay-sweet-spot.

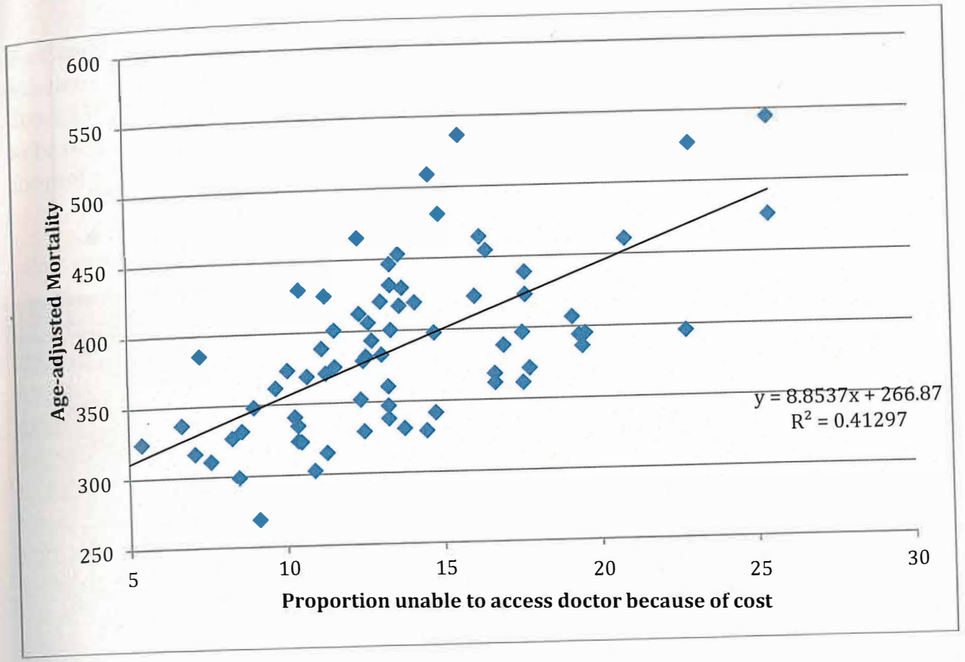

Figure 10. Age-adjusted mortality rate and access to care, counties in the state of Ohio

Higher mortality is concentrated among the poor.[28] Increases in the county poverty rate are closely associated with higher mortality. Across counties in Ohio, there are nearly 9 additional deaths per 100,000 for every percentage point rise in the share of children receiving a free school lunch. Going from one standard deviation below the median county rate, about 27%, to one above, about 48%, the premature, age-adjusted mortality rate rises by over 100 deaths per 100,000, or by over 25%.[29] The county with the highest free-lunch rate in the state (Vinton County) has over 460 more deaths per 100,000 because of its poverty rate compared with the county with the lowest free-lunch rate (Delaware County).

[28] For a national review of the relationship between poverty and life expectancy, showing the increased gap between life expectancy for rich and poor Americans,, see Raj Chetty et al., "The Association Between Income and Life Expectancy in the United States, 2001-2014," *JAMA* 315, no. 16 (April 26, 2016): 1750–66, https://doi.org/10.1001/jama.2016.4226.

[29] The median value of the premature, age-adjusted mortality rate for 89 Ohio counties is 377 per 100,000, with a standard deviation of 63.

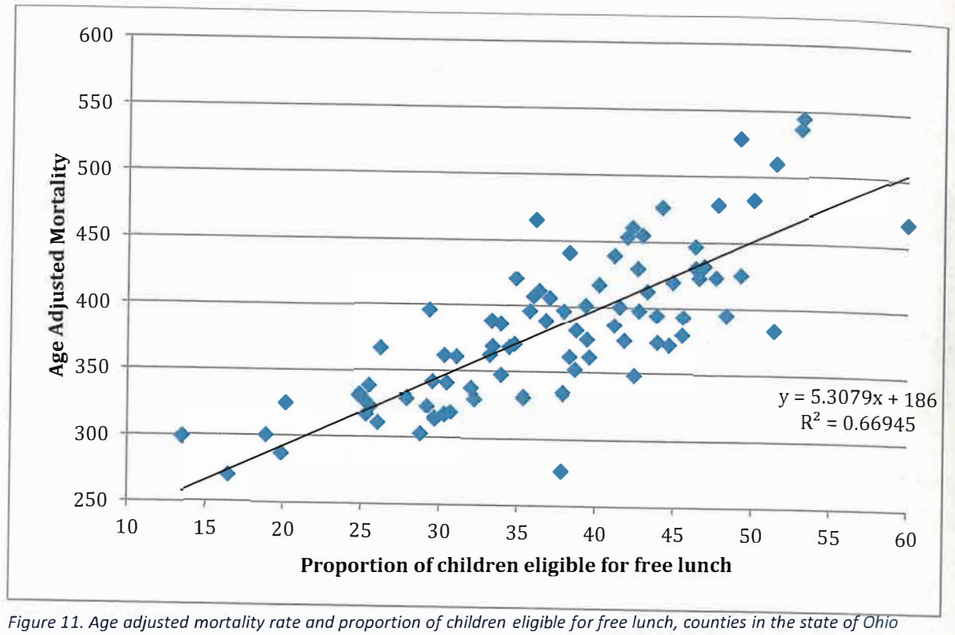

Figure 11. Age adjusted mortality rate and proportion of children eligible for free lunch, counties in the state of Ohio

The market turn and rising health care costs

Health care is increasingly expensive for Americans, including people in Ohio, because our fragmented private health care finance system is increasingly inefficient and unable to limit charges by monopoly providers. In Ohio, nineteen different private companies now offer health insurance, with hundreds of separate plans.[30] Multiple plans inflate insurer expenses by raising marketing costs, saddling insurers with the administrative costs of managing multiple plans per company, and by limiting scale economies in claims processing. The large number of separate plans also raises costs for providers, who are forced to maintain the administrative apparatus to bill all of these different plans.[31] The proliferation of different insurance programs also limits the ability of any insurer to limit monopoly pricing by providers, whether it be pharmaceutical companies, medical equipment manufacturers, hospitals, or other providers.

The cost of for-profit health care can be evaluated in Ohio under these headings: administrative waste in insurance and in provider offices, and the public cost of monopoly pricing. Data on spending by function are available for Ohio (and other states) for 2014.[32] Using projections from

[30] NCQA, "Ohio Private Health Insurance Plan Ratings – NCQA," accessed May 6, 2018, http://healthinsuranceratings.ncqa.org/search/Commercial/OH/?utm_source=blog&utm_medium=Ohio&utm_campaign=ratings; Adam O'Neill, "Top Health Insurance Plans in Ohio," NCQA Blog, September 19, 2014, http://blog.ncqa.org/top-health-insurance-plans-ohio/.

[31] This is, of course, in addition to billing public programs like Medicaid, Medicare, and SCHIP.

[32] Centers for Medicare and Medicaid Services, Medicaid Services 7500 Security Boulevard Baltimore, and Md21244 Usa, "NationalHealthAccountsStateHealthAccountsResidence," November 21, 2017,

the Centers for Medicare and Medicaid Services, health care spending per capita is expected to increase between 2014 and 2019 by about 25%, and total spending is expected to increase by about 33%.[33] Including the cost of administering insurance plans, spending in 2019 is expected to be over $140 billion (see Table 1).[34] A quarter of this spending is waste associated with the for-profit health care system.

Table 1. Health care spending, non-investment, Ohio State, 2019, current system, in $millions

Projected personal health expenditures		
Hospital	$	55,684
Physician	$	26,007
Other Professional	$	3,406
Dental	$	4,634
Home Health	$	3,786
Drugs	$	14,955
Durable Medical	$	2,105
Nursing Home	$	8,845
Other	$	7,924
Projected health insurance administrative expenditures		
Private health insurance	$	7,330
Public health programs	$	4,197
Employer expenses	$	1,312
Health expenditures	**$**	**140,187**

Fixing health care with single-payer finance

Eliminating the waste associated with the administration of private health insurance

In the current system, over 9% of total spending is on the administration of the payment system -- including private insurance and employer-sponsored self-insured plans (which are administered much like insurance) -- as well as on government insurance programs. Private health insurers account for the bulk of this spending. They spend nearly 15% of premiums on administrative activities, including redundant bill reviews, medical review programs, and other overhead, plus

https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsStateHealthAccountsResidence.html.

[33] https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsProjected.html

[34] This is in addition to spending by employers on consultants and other administrative costs to interact with the health insurance industry, spending that comes to over $1 billion in Ohio; see Steffie Woolhandler, Terry Campbell, and David Himmelstein, "Cost of Health Care Administration in the United States and Canada," *New England Journal of Medicine*, no. 349 (2003): 768–75.

profit.[35] Salaries are also much higher for managers in private health insurers. The head of the Centers for Medicare and Medicaid Services, responsible for health insurance programs covering nearly half the population of the United States, is paid a bit less than $250,000. By contrast, in 2016, annual compensation for the CEOs of seven large health insurers averaged over $16 million.[36] The average health insurance CEO was paid more in a week than the CMS head was paid in a year.

Private insurers also waste resources in other ways. Competition leads them to spend money on advertising and marketing their competing plans, spending that cures no illness and provides no healthcare. Many insurers are too small to realize the scale economies possible with a large billing network. Traditional Medicare operates with a medical loss ratio of over 98%, which means that less than 2% of its spending is for administrative activities, saving over 10% compared to private insurance. Despite the greater efficiency of public programs, the private system of administrative waste has spread to the public sector through the Medicare Advantage plans and to Medicaid (through managed care programs).[37] Maintaining dual public – private systems also inflates the public costs because it requires eligibility checks for access to public programs. For Medicare, this can be done relatively cheaply by checking birth certificates.[38] Public safety-net programs like Medicaid and CHIP, however, spend significant funds policing eligibility. The limited range of public insurance has also undermined efficiency by leading individuals to seek supplemental private coverage. Overhead costs are even higher in the individual insurance market, including the Medigap policies purchased by many seniors to cover insurance costs not covered by Medicare.

[35] The Affordable Care Act sets limits on administrative waste with minimum Medical Loss Ratios of 85% for group plans and 80% for individual plans. Nationally, health insurers refunded over $446 million in excessive administrative charges under the ACA in 2016 to nearly 4 million subscribers; Ohio insurers refunded $7.8 million to 110,000 households. See http://kff.org/health-reform/state-indicator/mlr-rebates-total/. Even under the ACA, government measures of insurance company medical loss ratios leave extensive scope for insurance companies to pass off administrative costs as medical costs. Allowable expenses include "educational outreach to members, utilization management, case management, disease management, and quality management." In addition, the time period allowed for medical expenses, net premiums and re-insurance recovery are not consistently defined, leaving room for companies to inflate their Medical Loss Ratio. Families USA, "Medical Loss Ratios: Evidence from the States" (Families USA, June 2008), http://www.familiesusa.org/assets/pdfs/medical-loss-ratio.pdf; Eric Naumburg, "Medical Loss Ratios in Maryland," July 12, 2010; General Accounting Office, "Private Health Insurance: Early Effects of Medical Loss Ratio Requirements and Rebates on Insurers and Enrollees" (Washington, D. C.: General Accounting Office, July 2014), http://www.gao.gov/assets/670/664719.pdf; a pre-ACA estimate for California is that the MLR was only 82%, James G. Kahn et al., "The Cost Of Health Insurance Administration In California: Estimates For Insurers, Physicians, And Hospitals," *Health Affairs* 24, no. 6 (November 1, 2005): 1629–39, https://doi.org/10.1377/hlthaff.24.6.1629.

[36] Shelby Livingston, "Health Insurer CEOs Score 2016 Pay Raises despite Uncertain Future," April 27, 2017, http://www.modernhealthcare.com/article/20170427/NEWS/170429877; FederalPay.org, "Centers for Medicare & Medicaid Services Salary Statistics," accessed September 11, 2017, https://www.federalpay.org/employees/centers-for-medicare-and-medicaid-services.

[37] Gruber, "Delivering Public Health Insurance through Private Plan Choice in the United States."

[38] Medicare is also available for the disabled, with somewhat expensive eligibility checks with disability

In 2019, administering the third-party payer system will cost governments and businesses in Ohio over 11.5 billion plus an additional $1.3 billion for the cost to employers of negotiating and administering private health insurance. Lowering administrative costs to the level of traditional Medicare (1.8%) would save over $9 billion 2019, plus the $1.3 billion saved by employers who will no longer have to identify and administer health insurance plans.[39]

Waste in billing and insurance-related expenses in provider offices

American health care providers (hospitals, physicians, etc.) spend significantly more time on administrative tasks than do their counterparts in countries with universal coverage systems. Physicians in the U.S., for example, devote one-sixth of their work hours on administration, including bill processing. This is four times the time spent by their Canadian counterparts.[40] It costs much more to process bills in our system than in other countries because, as the Commonwealth Fund says, our Doctors waste time on billing and insurance claims. Even other countries that rely on private health insurers, like Switzerland or the Netherlands, reduce the administrative burden for providers through regulations that standardize benefit packages and payment systems.[41]

Simplifying the reimbursement process would save physicians nearly six hours a week, equivalent to more than a 10% increase in the available supply of physicians.[42] If Ohio health

[39] Note that the entire Medicare program has higher administrative costs because of the costs of administering Medicare Advantage plans. Also note that there are additional administrative savings because the entire health care sector will be smaller because of savings in other areas. Archer and Marmor, "Medicare And Commercial Health Insurance: The Fundamental Difference – Health Affairs Blog"; Archer, "Medicare Is More Efficient Than Private Insurance"; Boards of Trustees, "2017 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds" (Washington, D. C.: BOARDS OF TRUSTEES OF THE FEDERAL HOSPITAL INSURANCE AND FEDERAL SUPPLEMENTARY MEDICAL INSURANCE TRUST FUNDS, July 13, 2017), https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/Downloads/TR2017.pdf.

[40] David U. Himmelstein et al., "A Comparison Of Hospital Administrative Costs In Eight Nations: US Costs Exceed All Others By Far," *Health Affairs* 33, no. 9 (September 1, 2014): 1586–94, https://doi.org/10.1377/hlthaff.2013.1327; Woolhandler, Campbell, and Himmelstein, "Cost of Health Care Administration in the United States and Canada"; Aliya Jiwani et al., "Billing and Insurance-Related Administrative Costs in United States' Health Care: Synthesis of Micro-Costing Evidence," *BMC Health Services Research* 14, no. 556 (2014), http://www.biomedcentral.com/content/pdf/s12913-014-0556-7.pdf; Phillip Tseng et al., "Administrative Costs Associated With Physician Billing and Insurance-Related Activities at an Academic Health Care System," *JAMA* 319, no. 7 (February 20, 2018): 691–97, https://doi.org/10.1001/jama.2017.19148; Donald Berwick and Andrew Hackbarth, "Eliminating Waste in US Health Care," *JAMA: The Journal of the American Medical Association* 307, no. 14 (2012): 1513–16; ; In addition to hiring billing and insurance workers, American doctors also spend much more time on billing activities than do physicians in Canada, Steffie Woolhandler and David Himmelstein, "Administrative Work Consumes One-Sixth of U.S. Physicians' Working Hours and Lowers Their Career Satisfaction," *International Journal of Health Services* 44, no. 4 (January 1, 2014): 635–42, https://doi.org/10.2190/HS.44.4.a.

[41] Schneider et al., "Mirror, Mirror 2017: International Comparison Reflects Flaws and Opportunities for Better U.S. Health Care."

[42] There may be a substantial increase in the number of physicians because frustrations with the insurance industry drive many physicians from medicine. The lower administrative burden would draw physicians back to medicine and would attract physicians in neighboring states to practice in Ohio, Woolhandler and Himmelstein,

care providers were to spend, proportionally, only as much on administration as do physicians in Canada, or 14% of revenue instead of 24%, they would save over $10 billion in administrative costs, including nearly $7 billion in hospitals and nearly $2.7 billion in provider offices.[43]

Waste associated with monopoly power: drugs, devices, hospitals

Not only is US health care spending inflated by the inefficiency of our administrative system, but also by the higher prices extorted by providers with market power. In his seminal article on health economics, Nobel-prize winning economist Kenneth Arrow warned that health care markets have a tendency toward monopoly because of the combination of asymmetric information (where the sick lack information about the proper treatment of their illnesses) and economies of scale in medical facilities, like hospitals.[44] Until the 1970s, monopoly pricing was restrained by state regulations, by the force of professional mores, and by the culture of not-for-profit communities.[45] The demise of rate setting, and the replacement of mores and non-profit values with financial incentives, has liberated the managers of hospitals and pharmaceutical and equipment manufacturers to use monopoly power to raise prices and profits, and to expand their power through forming alliances and through collusion.[46]

"Administrative Work Consumes One-Sixth of U.S. Physicians' Working Hours and Lowers Their Career Satisfaction"; Himmelstein et al., "A Comparison Of Hospital Administrative Costs In Eight Nations"; a 2005 study found that California physician practices spent 41% of their revenue on administrative activities, including 14% directly on billing and insurance related expenses, Kahn et al., "The Cost Of Health Insurance Administration In California."

[43] Wooldhandler, et al., found that providers' administrative costs are much lower in Canada with a plan like that envisioned for Ohio, and they estimate that a third of costs in provider offices in the United States are administrative, triple the Canadian rate. See Woolhandler, Campbell, and Himmelstein, "Cost of Health Care Administration in the United States and Canada"; Dante Morra et al., "US Physician Practices Versus Canadians: Spending Nearly Four Times As Much Money Interacting With Payers," *Health Affairs* 30, no. 8 (2011): 1443–50, https://doi.org/10.1377/hlthaff.2010.0893; Health care providers spend nearly eight-times as much collecting bills as do other businesses; Bonnie B. Blanchfield et al., "Saving Billions Of Dollars—And Physicians' Time—By Streamlining Billing Practices," *Health Affairs*, April 29, 2010, 10.1377/hlthaff.2009.0075, https://doi.org/10.1377/hlthaff.2009.0075; Higher administrative costs are a major reason why healthcare is more expensive in the United States than in otheraffluent countries; see Papanicolas, Woskie, and Jha, "Health Care Spending in the United States and Other High-Income Countries."

[44] Arrow, "Uncertainty and the Welfare Economics of Medical Care."

[45] Gerard F. Anderson, "All-Payer Ratesetting: Down but Not Out," *Health Care Financing Review* 1991, no. Suppl (March 1992): 35–41; Gerard F. Anderson and Bradley Herring, "The All-Payer Rate Setting Model for Pricing Medical Services and Drugs," *AMA Journal of Ethics* 17, no. 8 (August 2015): 770–75; J E McDonough, "Tracking the Demise of State Hospital Rate Setting," *Health Affairs* 16, no. 1 (January 1, 1997): 142–49, https://doi.org/10.1377/hlthaff.16.1.142; David A Moss, *When All Else Fails: Government as the Ultimate Risk Manager* (Cambridge, Mass.: Harvard University Press, 2002); Woolhandler and Ariely, "Will Pay For Performance Backfire?"

[46] There is always a danger that providers will gain control over ratesetting. To some degree this is happened for medical specialists; see Miriam Laugesen, *Fixing Medical Prices: How Physicians Are Paid* (Cambridge, Massachusetts: Harvard University Press, 2016).

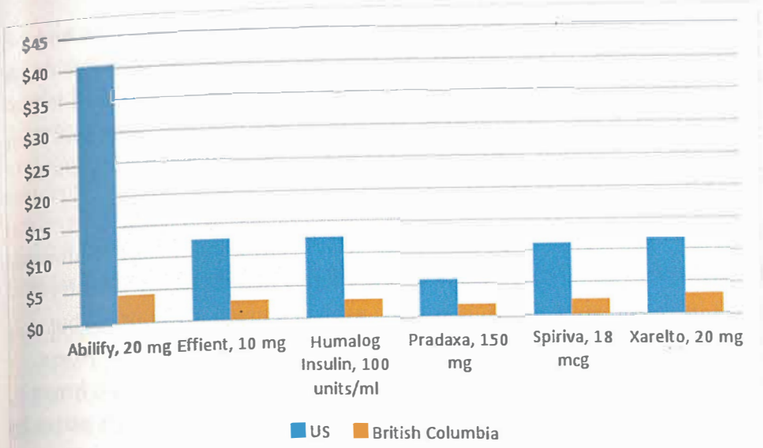

Figure 12. Prices for common prescription drugs, US vs. British Columbia

The unfettered exercise of monopoly power has raised prices for Americans using health care. Public attention has been focused on pharmaceutical and drug prices. A comprehensive survey published in 2007 found that drug prices are about 60% higher in the United States than in Europe or Canada.[47] More recent studies suggest that this now understates the penalty Americans pay for excessive drug prices. Over 40% of the revenue for 12 leading multi-national pharmaceutical companies comes from the United States, and direct comparisons of particular drugs shows American prices are often dramatically higher.[48] Prices in the United States range from 3.2 times the Canadian price to 9.3 times as high (see Figure 12 referencing British Columbia prices). The Council of Economic Advisers claims the mark-up is four-times as high in the United States as elsewhere.[49] The International Federation of Health Plans found that, for eight common drugs, the price in the United States is on average over three times the average

[47] McKinsey Global Institute, "Accounting for the Cost of Health Care in the United States," January 2007, http://www.mckinsey.com/mgi/rp/healthcare/accounting_cost_healthcare.asp; International Federation of Health Plans, "2013 Comparative Price Report: Variation in Medical and Hospital Prices by Country" (International Federation of Health Plans, 2014), http://static.squarespace.com/static/518a3cfee4b0a77d03a62c98/t/534fc9ebe4b05a88e5fbab70/1397737963288/2013%20iFHP%20FINAL%204%2014%2014.pdf; In a 2016 study, Kesselheim, et al., suggest that US prices are more than double those of other countries; Aaron S. Kesselheim, Jerry Avorn, and Ameet Sarpatwari, "The High Cost of Prescription Drugs in the United States: Origins and Prospects for Reform," *JAMA* 316, no. 8 (August 23, 2016): 858–71, https://doi.org/10.1001/jama.2016.11237; some state Medicaid programs also negotiate prices 40 to 50% less than those paid by the rest of us, Jodi L. Liu et al., "An Assessment of the New York Health Act," Product Page, 2018, https://www.rand.org/pubs/research_reports/RR2424.html.

[48] David Belk, "The Pharmaceutical Industry," True Cost of Heathcare, accessed September 19, 2017, http://truecostofhealthcare.org/the_pharmaceutical_industry/; David Belk, "Brand Name Medication Prices," *True Cost of Health Care* (blog), accessed February 6, 2016, http://truecostofhealthcare.net/brand-name-medication-prices/.

[49] Council of Economic Advisers, "Growing the American Economy: The Economic Report of the President," 314, accessed February 26, 2018, https://www.whitehouse.gov/briefings-statements/growing-american-economy-economic-report-president/.

price in Canada, England, or the Netherlands. In no case is the United States price lower and prices in the United States are less than twice the price paid in other countries for only two drugs (Enbrel and Humira).[50] For example, a treatment of the cancer drug Gleevac costs $6,214 in the United States, but only $1,141 in Canada. The multiple sclerosis drug Copaxone costs $3,875 in the United States, but only $862 in England. The acid reflux drug Nexium costs $215 in the United States, but only $23 in the Netherlands.[51]

Inflated drug prices reflect the market power of companies whose brand reputation is reinforced by patent protection and the lack of an effective check by our fragmented insurance industry.[52] Producers could still profit from providing the same product even at a much lower price, but instead they charge inflated prices derived from market power.[53] When the removal of patent protection reduces market power, for example, patients can buy the same drug for much lower prices. When a drug goes "off patent," the entry of two new producers typically lowers prices by 50%, and prices fall by 80% or more when there are eight or more producers.[54] The large penalty paid in the United States for drugs still under patent protection suggests that even the 60% figure understates the role of market power in inflating drug prices.[55]

[50] International Federation of Health Plans, "2013 Comparative Price Report: Variation in Medical and Hospital Prices by Country"; the Council of Economic Advisers appointed by Donald Trump has found that the mark-up on drugs is 80% in the US but only 20% in Europe. Their conclusion is that Europeans should pay more; Council of Economic Advisers, "Growing the American Economy," 314.

[51] International Federation of Health Plans, "2013 Comparative Price Report: Variation in Medical and Hospital Prices by Country."

[52] Loss of patent protection can drive down prices. Prices are as much as 80% lower for generic drugs; see David Belk, "Generic Medication Price Study: Method and Results," *True Cost of Health Care* (blog), accessed November 23, 2016, http://truecostofhealthcare.net/generic-medication-price-study-method/; Aaron S. Kesselheim et al., "Strategies That Delay Market Entry of Generic Drugs," September 18, 2017, http://www.commonwealthfund.org/publications/in-the-literature/2017/sep/strategies-delay-market-entry-generic-drugs?omnicid=EALERT1275272&mid=gfriedma@econs.umass.edu.

[53] At $1000 per pill in the United States, $84,000 for a full course of treatment, Gilead Science's new Hepatitis C drug Sovaldi has produced more profit in one year than Gilead spent on R and D for over a decade. Almost half of all revenue to Gilead in 2014 was profit. Despite large sales elsewhere, 84% of Sovaldi revenues were in the United States because of hard bargaining by foreign governments and insurers to secure lower prices than are paid by Americans; see David Belk, "Gilead Sciences: A Profile in Congressionally Guaranteed Profiteering," The Huffington Post, accessed February 9, 2015, http://www.huffingtonpost.com/david-belk/gilead-sciences-a-profile_b_6641194.html; Jaimy Lee, "Gilead's 2014 Profit Margin Nears 50%, Fueled by Hep C Drugs," Modern Healthcare, accessed February 15, 2015, http://www.modernhealthcare.com/article/20150203/NEWS/302039949&cachebust=JHMQ; Andrew Pollack, "Gilead Revenue Soars on Hepatitis C Drug," *The New York Times*, April 22, 2014, http://www.nytimes.com/2014/04/23/your-money/gilead-revenue-soars-on-hepatitis-c-drug.html.

[54] Center for Devices and Radiological Health, "About the Center for Drug Evaluation and Research - Generic Competition and Drug Prices," WebContent, accessed August 1, 2014, http://www.fda.gov/AboutFDA/CentersOffices/OfficeofMedicalProductsandTobacco/CDER/ucm129385.htm.

[55] Neeraj Sood et al., "Follow The Money: The Flow Of Funds In The Pharmaceutical Distribution System," *Health Affairs Blog* (blog), June 13, 2017, https://www.healthaffairs.org/do/10.1377/hblog20170613.060557/full/; Belk, "Generic Medication Price Study."

Some Americans pay less for drugs. Negotiating directly to buy drugs in bulk, the Veteran's Administration buy drugs at half the price paid by other Americans.[56] With a population of nearly 12 million, the state of Ohio is larger than the number of veterans receiving health care from the VA (about 9 million), and larger than half the members of the European Union, including Austria, Belgium, and Sweden.[57] A single agency negotiating prices for 12 million residents should negotiate dramatically lower prices, towards at least prices comparable to those achieved at smaller European countries. If the state negotiates prices that are 37% lower, a smaller saving than is achieved by the Veterans Administration, it would save nearly $6 billion. Similar bargaining over the price of medical equipment would save a further $800 million.[58]

Pharmaceutical companies are not the only ones to profit from monopoly power. The growth of hospital networks, including both for-profit chains looking to enhance profits and not-for-profit chains focused on building "reserves," has created powerful institutions with market power based on control of access to providers, especially elite or must-have hospitals.[59] Hospital networks have been buying up physician practices in order to steer patients, creating powerful vertically integrated networks able to enforce higher prices.[60] Studies of pricing in

[56] Austin Frakt, Steven D. Pizer, and Roger Feldman, "Should Medicare Adopt the Veterans Health Administration Formulary?," SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, April 14, 2011), http://papers.ssrn.com/abstract=1809665; Congressional Budget Office, "Comparing the Costs of the Veterans' Health Care System With Private-Sector Costs," December 2014, https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/49763-VA_Healthcare_Costs.pdf.

[57] Erin Bagalman, "The Number of Veterans That Use VA Health Care Services: A Fact Sheet" (Congressional Research Service, June 3, 2014), https://fas.org/sgp/crs/misc/R43579.pdf; ; a study of 11 countries found those with single-payer insurance system had lower drug prices and bargaining power largely explains higher drug spending in the United States Steven G. Morgan, Christine Leopold, and Anita K. Wagner, "Drivers of Expenditure on Primary Care Prescription Drugs in 10 High-Income Countries with Universal Health Coverage," *Canadian Medical Association Journal* 189, no. 23 (June 12, 2017): E794–99, https://doi.org/10.1503/cmaj.161481.

[58] McKinsey Global Institute, "Accounting for the Cost of Health Care in the United States"; As is done with the VA, the state would establish a formulary of covered drugs and negotiate prices with producers. It would then make these drugs available at the reduce prices to pharmacies and other private vendors. National Committee to Preserve Social Security and Medicare, "Price Negotiation for the Medicare Drug Program: It Is Time to Lower Costs for Seniors" (National Committee to Preserve Social Security and Medicare, October 2009), http://www.ncpssm.org/pdf/price_negotiation_part_d.pdf.

[59] Office of Massachusetts Attorney General Martha Coakley, "Investigation of Health Care Cost Trends and Cost Drivers"; Reed Abelson, "Merged Hospitals Gain Both Power and Critics," *The New York Times*, September 26, 2002, sec. Business, http://www.nytimes.com/2002/09/26/business/merged-hospitals-gain-both-power-and-critics.html; Ge Bai and Gerard F. Anderson, "Extreme Markup: The Fifty US Hospitals With The Highest Charge-To-Cost Ratios," *Health Affairs* 34, no. 6 (June 1, 2015): 922–28, https://doi.org/10.1377/hlthaff.2014.1414; Erica Coe et al., "Hospital Networks: Configurations on the Exchanges and Their Impact on Premiums," McKinsey Center for U.S. Health System Reform (McKinsey Corporation, December 14, 2013); Brill, *America's Bitter Pill*; Nicholas C. Petris Center on Health Care Markets and Consumer Welfare, "Consolidation in California's Health Care Market 2010-2016: Impact on Prices and ACA Premiums" (Berkeley, Calif.: School of Public Health, University of California, Berkeley, March 26, 2018), http://petris.org/wp-content/uploads/2018/03/CA-Consolidation-Full-Report_03.26.18.pdf; monopoly pricing at hospitals is having an aggregate effect dragging down US economic performance; Jonathan Rothwell, "No Recovery: An Analysis of Long-Term U.S. Productivity Decline" (2016), http://www.gallup.com/reports/198776/no-recovery-analysis-long-term-productivity-decline.aspx.

[60] It is estimated that the share of physicians with an independent practice has fallen from 57% in 2000 to barely 30% now, Accenture, "Clinical Care - The Independent Doctor Will NOT See You Now | Accenture," accessed July

Massachusetts and California, for example, have found a wide variation in prices for the same services, with elite providers and hospitals able to charge as much as 4 or 5 times the price charged by other providers. [61] The consolidation of hospital physician networks, where hospitals own physician practices, allows hospitals to steer patients towards their own facilities, so they can raise prices to the benefit of monopoly profits and inflated managerial salaries. In California, the average median upper respiratory infection/common cold (adult) price across 18 rating areas analyzed was $151 but the range was from $131 in Orange County, with little market consolidation, to $215 in San Mateo, where a few hospital networks have bought up most of the physician practices.[62] Prices for outpatient treatment of cardiomyopathy (heart muscle disease) range by over 200%, as do those for ankle fracture examinations.[63] Inpatient hospital charges vary as much or more. The median charge for inpatient procedures in the districts in California with more market consolidation is nearly 80% higher than the average charge in districts with less market concentration.[64] The range in charges at individual hospitals can be even greater. In Massachusetts, for example, the most elite hospitals charge over 4 times as much for the same services as do the lowest cost facilities.[65]

Few competitive health insurers have the market clout to resist the demands of elite hospitals and these networks, especially when they can simply pass the costs along to their subscribers.[66]

Restraining monopoly pricing by hospitals could save an Ohio health plan between $8 and $9 billion, largely by reducing inflated prices at a relatively few hospitals with monopoly power. There is a wide range in the prices charged for the same services in different hospitals. Lowering prices to no more than the current mean price per DRG would lower aggregate hospital spending by 14%, or nearly $8 billion.[67]

It is also possible to compare charges at hospitals for Medicare and other billings. Medicare pays significantly less than does private insurance, although more than the variable cost associated with providing care to Medicare recipients or, presumably, patients with private insurance.[68] Ohio hospitals collect 71% as much from Medicare as from private payers.[69] After deducting 12% for the administrative cost of processing bills for the private insurance system, savings we have already counted, this still leaves 17% for overcharging. Using this formula suggests that Ohio could save $9 billion by paying hospitals at Medicare rates.

Waste from fraud

Fraudulent billing -- including duplicate billing and billing for services not rendered -- accounts for between 3 percent and 10 percent of health care spending in the United States, including an error rate in Federal programs of over 9 percent.[70] This includes the "accidental fraud" caused by duplicate billing due to the confusing nature of the insurance process.[71] A single payer authority would reduce fraud in three ways. Eliminating multiple payers would immediately eliminate the possibility of duplicate billing. It would also simplify the process of tracking bills. In addition, public authorities have greater subpoena and prosecutorial powers, giving them more power to stop fraud. By reducing fraud and "accidental" overcharging, Ohio could, conservatively, save 2% of total costs, adding to over $2.3 billion.[72]

18, 2018, https://www.accenture.com/us-en/insight-clinical-care-independent-doctor-will-not-see-you-now; for the effect on prices, see Nicholas C. Petris Center on Health Care Markets and Consumer Welfare, "Consolidation in California's Health Care Market 2010-2016: Impact on Prices and ACA Premiums."

[61] Office of Massachusetts Attorney General Martha Coakley, "Investigation of Health Care Cost Trends and Cost Drivers"; Martha Coakley, "Examination of Health Care Cost Trends and Cost Drivers Pursuant to G.L. c. 118G, § 6½(b) Report, 2011" (Boston, Mass.: Attorney General of Massachusetts, 2011), http://www.mass.gov/ago/docs/healthcare/2011-hcctd.pdf; Nicholas C. Petris Center on Health Care Markets and Consumer Welfare, "Consolidation in California's Health Care Market 2010-2016: Impact on Prices and ACA Premiums"; Paul Ginsburg, "Health Care Market Consolidations: Impacts on Costs, Quality and Access," *Brookings* (blog), March 16, 2016, https://www.brookings.edu/testimonies/health-care-market-consolidations-impacts-on-costs-quality-and-access/.

[62] Nicholas C. Petris Center on Health Care Markets and Consumer Welfare, "Consolidation in California's Health Care Market 2010-2016: Impact on Prices and ACA Premiums," 28.

[63] Nicholas C. Petris Center on Health Care Markets and Consumer Welfare, 31.

[64] Nicholas C. Petris Center on Health Care Markets and Consumer Welfare, 33.

[65] Office of Massachusetts Attorney General Martha Coakley, "Investigation of Health Care Cost Trends and Cost Drivers" outpatient charges at physician practicesvery by over 200%. Also see Bai and Anderson, "Extreme Markup"; Abelson, "Merged Hospitals Gain Both Power and Critics"; Meier, Creswell, and McGinty, "Hospital Billing Varies Wildly, U.S. Data Shows."

[66] Insurance premiums are 15% higher in California counties with more hospital consolidation to cover inpatient prices as much as 80% higher; see Nicholas C. Petris Center on Health Care Markets and Consumer Welfare, "Consolidation in California's Health Care Market 2010-2016: Impact on Prices and ACA Premiums."

[67] The Ohio Department of Health provides billing data for 2010 by diagnostic group for every hospital in the state. An interesting comparison is with Massachusetts data; see Office of Massachusetts Attorney General Martha Coakley, "Investigation of Health Care Cost Trends and Cost Drivers."

[68] Medicare Payment Advisory Commission, "Report to the Congress: Medicare Payment Policy" (Washington, D. C.: Medicare Payment Advisory Commission, March 2017), http://medpac.gov/docs/default-source/reports/mar17_entirereport.pdf; "Do Medicare And Medicaid Payment Rates Really Threaten Physicians with Bankruptcy?," Health Affairs Blog, accessed March 2, 2015, http://healthaffairs.org/blog/2012/10/02/do-medicare-and-medicaid-payment-rates-really-threaten-physicians-with-bankruptcy/.

[69] Center for Medicare and Medicaid Services, "Inpatient Charge Data FY 2015" (Washington, D. C.: Center for Medicare and Medicaid Services, n.d.), https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Medicare-Provider-Charge-Data/Inpatient2015.html.

[70] Kathleen King and General Accounting Office, "Medicare and Medicaid Fraud, Waste, and Abuse" (United States Senate, Subcommittee on Federal Financial Management, March 9, 2011), http://www.gao.gov/new.items/d11409t.pdf; National Health Care Anti-Fraud Association, "Testimony of the National Health Care Anti-Fraud Association to the House Insurance Committee" (Harrisburg, PA: House of Representatives, Commonwealth of Pennsylvania, January 28, 2010), http://www.docucu.com/view/7d4b3344492e717c21f4767dcad3ae16/National-Health-Care-Anti-Fraud-Association.pdf; Berwick and Hackbarth, "Eliminating Waste in US Health Care."

[71] Anyone who has tried to interpret a hospital bill can appreciate how easy it would be to make mistakes.

[72] This savings estimate is made after taking account of increases in utilization due to the universal coverage plans, extension of coverage, and removal of copayments and deductibles. The estimate of savings from fraud reduction is conservative compared with, for example, the Lewin Group, which regularly assumes that 5% of claims are fraudulent. 20% of these errors would be detected with enhanced subpoena powers without taking account of the reduction in duplicate claims under a system like that proposed here for Ohio.

All single payer savings:

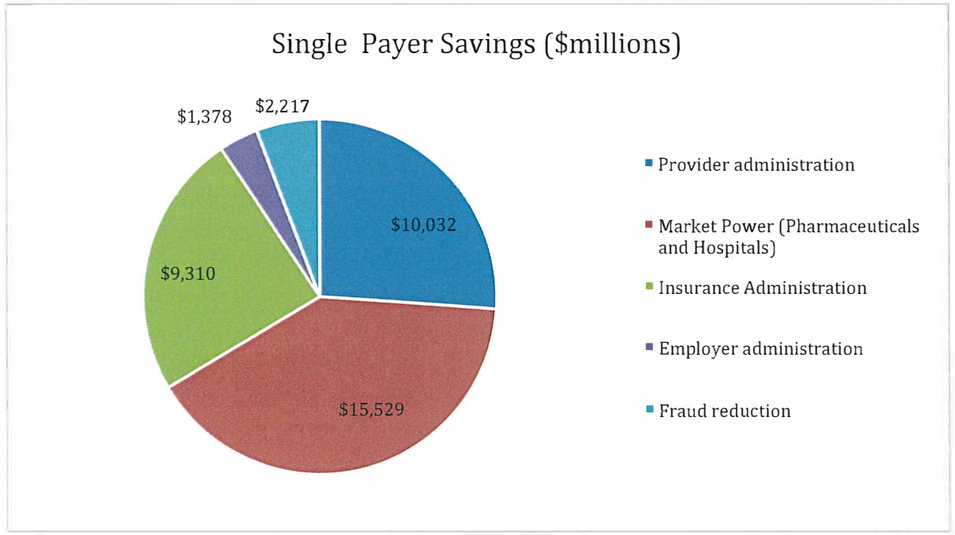

Figure 13. Projected single payer savings, Ohio, 2019 $millions.

Altogether, projected gross savings on current health care activities come to over $38 billion for 2019, which is nearly 28% of projected health care spending in that year. Savings are itemized in Table 2 and in Figure 13, below.

Table 2. Projected savings (in $millions) from single payer in Ohio

Provider administration	$	10,032
Market Power (Pharmaceuticals and Hospitals)	$	15,529
Insurance Administration	$	9,310
Employer administration	$	1,378
Fraud reduction	$	2,217
Total savings	$	38,467

Expanded and improved coverage under Ohio single payer

The savings in table 2 and figure 13 are gross savings, calculated before any expansions or improvements in the provision of medical services, including program improvements necessitated by a universal coverage program. Gross savings would come to nearly $3,283 per resident, achieved largely by reducing excessive prices, unpleasant and wasteful administrative forms, and bureaucratic barriers to care.[73] Savings accrued would allow Ohio to expand access

[73] The following discussion shows how much spending will increase because of health care improvements. After deducting these increases, net spending would fall by almost $2,200 per resident.

to care for those still without insurance, to pay all providers fairly, to reduce out-of-pocket costs and barriers to access for those with insurance, and to finance an extensive program to help workers displaced by the transition.

The Affordable Care Act makes it easier to establish a single-payer system in Ohio because it has already significantly expanded health insurance coverage. Between 2013 and 2016, the number of uninsured fell by more than half despite a slight decline in the population covered by employer-provided insurance. More than 700,000 residents gained coverage because of the expansion in Medicaid (which grew by 35%) and nongroup coverage (which grew by 58%).[74] (The full effect of the ACA may be greater than this, and the uninsurance rate might have increased without the ACA. Charles Gaba estimates that repeal would increase the number without health insurance in Ohio by between 848,000 and 964,000.[75]) This still leaves over 600,000 people without health insurance in Ohio, leading to 600 extra deaths each year due to the lack of health insurance.[76] Nor does the ACA expansion significantly address the problem of *underinsurance,* where thousands die because high deductibles and copays leave the insured unable to afford needed care (see Figure 10).[77]

Universal coverage

While the uninsured do use doctors and hospitals, their per-capita health care spending is only 55% of the average for the population as a whole. Because of the average age of the uninsured (much younger than those with health coverage), we calculate that, when insured, their care would cost 85% as much as for a currently insured person.[78] The difference, 30% of per-capita spending (85%-55%) times the number of uninsured, is the cost of covering the uninsured with universal coverage. Thus, expanding coverage to the over 638,000 uninsured in Ohio under the ACA will cost over $1.6 billion.[79]

[74] Kaiser Family Foundation, "State Health Facts.Org," n.d.

[75] Charles Gaba, "ACA Repeal Impact," Text, ACA Signups, accessed May 23, 2018, http://acasignups.net/tags/aca-repeal-impact.

[76] This includes undocumented immigrants without insurance in addition to uninsured citizens. Mortality is estimated by applying a 40% higher mortality rate to the estimated mortality rate for the insured population; see Andrew Wilper et al., "Health Insurance and Mortality in US Adults," *American Journal of Public Health* 99, no. 12 (n.d.): 1–8; Note that this 40% figure is higher than the 25% estimated by an earlier study, Institute of Medicine (US) Committee on the Consequences of UninsuranceUninsurance, "Estimates of Excess Mortality Among Uninsured Adults," 2002, http://www.ncbi.nlm.nih.gov/books/NBK220638/.

[77] The county mortality rate would be almost 23% lower if the proportion reporting could not see a doctor because of cost was the UK average (4%) instead of the county average of 14%; a difference that would account for 32,000 extra deaths. See Figure 10 and Robert Wood Johnson and University of Wisconsin, Population Health Institute, "County Health Rankings."

[78] Jack Hadley and John Holahan, "The Cost of Care for the Uninsured: What Do We Spend, Who Pays, and What Would Full Coverage Add to Medical Spending" (Kaiser Commission on Medicaid and the Uninsured, May 10, 2004), http://www.thesoutherninstitute.org/docs/publications/Policy%20Resources/KaiserReport.pdf Coverage expansion is relatively inexpensive because the population without insurance is relatively young, and would spend only about 85% as much on health care as the general population, and they currently spend 55% as much as the average.

[79] It is also possible that expanded access will eventually lower health care costs. There is a jump in health care activity when people reach Medicare age, followed by a drop after new Medicare recipients address pent-up

Increased utilization

Expenditures may increase if eliminating deductibles, copayments, limited provider networks and other restrictive insurance policies leads to more utilization among those already insured.[80] It is likely that in recent years increased "cost-sharing" by insurance companies – imposing financial barriers to care – has contributed to the slowdown in health care spending since 2008.[81] Removing these higher barriers to access -- deductibles and copays -- likely will lead to more utilization.[82] There is also an extensive literature in health economics relating utilization to the level of cost sharing.[83] To be sure, much of this literature is myopic and short-sighted to the degree that some of this increased utilization --especially of primary care -- will lead to savings in other areas of health care, and some will lead to savings in the future.[84]

Utilization will increase for the population that was constrained in their use of health care because of cost, including copayments and deductibles. In the county data, this is about 13.6% of the population of Ohio. In national data, the share who are cost-constrained may be over twice as high, or as much as 33%.[85] A study by Brot et al. found that moving people to a high-deductible plan with significant cost sharing was associated with a reduction in spending of between 11 and 15%.[86] If we apply this to Ohio and move in the opposite direction, we can predict that removing cost constraints will raise spending for people currently constrained by between 11% and 15%, or an increase in total spending of between 1.49% (.11*.136) and 5.00% (.33*.15).

An alternative approach would rely on estimates of the effect on utilization of changes in the actuarial value of insurance plans, or the share of course covered by insurance. In Ohio, the current actuarial value of plans is 86%., including Medicaid and Medicare, but not including the effect of Medigap coverage. Estimates from CMS are that moving from 86% to 96%, the level of coverage in the proposed Ohio plan, would increase utilization by 6.2%.[87]

health care needs. There is also evidence that continued access to primary care reduces long-term health care spending; see, for example, Donald Fruge, "Impact of Primary Care on Healthcare Cost and Population Health: A Literature Review" (Rhode Island Department of Health, February 23, 2012), http://www.health.ri.gov/publications/literaturereviews/ImpactOfPrimaryCareOnHealthcareCostAndPopulationHealth.pdf; Yue-Chune Lee et al., "The Impact of Universal National Health Insurance on Population Health: The Experience of Taiwan," *BMC Health Services Research* 10, no. 1 (December 2010), https://doi.org/10.1186/1472-6963-10-225.

[80] There would be no increase in utilization if usage is supply driven, or depends on the supply of medical services, as is sometimes argued by the Dartmouth group, see Nancy L. Keating et al., "Dartmouth Atlas Area-Level Estimates of End-of-Life Expenditures: How Well Do They Reflect Expenditures for Prospectively Identified Advanced Lung Cancer Patients?," *Health Services Research* 51, no. 4 (August 1, 2016): 1584–94, https://doi.org/10.1111/1475-6773.12440; a correction to this view is at David Squires, "Explaining High Health Care Spending in the United States: An International Comparison of Supply, Utilization, Prices, and Quality" (Commonwealth Fund, May 2012), http://www.commonwealthfund.org/~/media/Files/Publications/Issue%20Brief/2012/May/1595_Squires_explaining_high_hlt_care_spending_intl_brief.pdf.

[81] The proportion of those with insurance reporting that they have put off medical treatment because of cost has risen sharply in the Gallup survey; Rebecca Riffkin, "Cost Still a Barrier Between Americans and Medical Care," *Gallup* (blog), November 28, 2014, http://www.gallup.com/poll/179774/cost-barrier-americans-medical-care.aspx; in Taiwan and Quebec there was little change in utilization after the enactment of a single-payer health insurance program with minimal copayments: Tsung-Mei Cheng, "Reflections On The 20th Anniversary Of Taiwan's Single-Payer National Health Insurance System," *Health Affairs* 34, no. 3 (March 1, 2015): 502–10, https://doi.org/10.1377/hlthaff.2014.1332; S. H. Cheng and T. L. Chiang, "The Effect of Universal Health Insurance on Health Care Utilization in Taiwan. Results from a Natural Experiment," *JAMA* 278, no. 2 (July 9, 1997): 89–93; Philip E. Enterline et al., "The Distribution of Medical Services before and after Free Medical Care — The Quebec Experience," *New England Journal of Medicine* 289, no. 22 (November 29, 1973): 1174–78, https://doi.org/10.1056/NEJM197311292892206; the role of rising cost sharing in the recent slowdownin American health-care spending is emphasized in Amitabh Chandra, Jonathan Holmes, and Jonathan Skinner, "Is This Time Different? The Slowdown in Healthcare Spending," Working Paper (National Bureau of Economic Research, December 2013), https://doi.org/10.3386/w19700.

[82] And removing these restrictions may also save lives, as in the discussion of the county mortality data above.

[83] The slowdown in spending growth sometimes attributed to rising cost sharing may overstate the effect on utilization because there would not be the same change for the 24% of health care that is already funded through Medicare and the Veteran's Administration. This may also overestimate the long-term impact, because greater utilization may, over time, lead to some savings from better health. There is a substantial literature on the effects of copayments on utilization. William Manning et al., "Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment," *American Economic Review* 77, no. 3 (June 1987): 251–77; Robert Brook et al., "The Effect of Coinsurance on the Health of Adults: Results from the RAND Health Insurance Experiment" (Rand, 1984), http://www.rand.org/pubs/reports/R3055/; B. Harris, A. Stergachis, and L. Ried, "The Effect of Drug Co-Payments on Utilization and Cost of Pharmaceuticals in a Health Maintenance Organization," *Medical Care* 28, no. 10 (1990): 907–17; D. Cherkin, L. Grothaus, and E. Wagner, "The Effect of Office Visit Copayments on Utilization in a Health Maintenance Organization," *Medical Care* 27, no. 7 (1989): 669–79; Leighton Ku, Elaine Deschamps, and Judi Hilman, "The Effects of Copayments on the Use of Medical Services and Prescription Drugs in Utah's Medicaid Program," Center on Budget and Policy Priorities, December 15, 2008, https://www.cbpp.org/research/the-effects-of-copayments-on-the-use-of-medical-services-and-prescription-drugs-in-utahs; Lee et al., "The Impact of Universal National Health Insurance on Population Health"; Gruber, "The Role of Consumer Copayments for Health Care: Lessons from the RAND Health Insurance Experiment and Beyond"; William Hsiao, Steven Kappel, and Jonathan Gruber, "Act 128: Health System Reform Design. Achieving Affordable Universal Health Care in Vermont," January 21, 2011, 128, http://www.leg.state.vt.us/jfo/healthcare/FINAL%20VT%20Draft%20Hsiao%20Report.pdf; Catherine Maclean et al., "Impact of Increased Cost Sharing on Utilization of Low Value Services" (6th Biennial Conference of the American Society of Health Economists, Ashecon, 2016), https://ashecon.confex.com/ashecon/2016/webpreliminary/Paper4949.html; Zarek C. Brot-Goldberg et al., "What Does a Deductible Do? The Impact of Cost-Sharing on Health Care Prices, Quantities, and Spending Dynamics," Working Paper (National Bureau of Economic Research, October 2015), http://www.nber.org/papers/w21632.

[84] Studies of the Medicare and the Medicaid populations have found that increased access to primary care can lead to very large reductions in health care spending; see Fruge, "Impact of Primary Care on Healthcare Cost and Population Health: A Literature Review"; James Reschovsky et al., "Paying More for Primary Care: Can It Help Bend the Medicare Cost Curve?," Issue Brief (Commonwealth Fund, March 2012), http://www.commonwealthfund.org/~/media/Files/Publications/Issue%20Brief/2012/Mar/1585_Reschovsky_paying_more_for_primary_care_FINALv2.pdf.

[85] Gallup reports that 33% of Americans put off medical treatment because of cost in 2014, Riffkin, "Cost Still a Barrier Between Americans and Medical Care"; the Commonwealth Fund finds that 23% of insured non-elderly adults, or 10% of the entire population, were underinsured in 2014, Collins et al., "The Problem of Underinsurance and How Rising Deductibles Will Make It Worse Findings from the Commonwealth Fund Biennial Health Insurance Survey, 2014."

[86] Brot-Goldberg et al., "What Does a Deductible Do?"; CMS has an estimate of the effect of cost sharing; see Gregory Pope et al., "Risk Transfer Formula for Individual and Small Group Markets Under the Affordable Care Act," *Medicare & Medicaid Research Review* 4, no. 3 (2014): E1–23.

[87] Pope et al., "Risk Transfer Formula for Individual and Small Group Markets Under the Affordable Care Act."

Choosing a conservative approach, I use the highest number here and assume an increase in utilization of 6.2%, or $5.8 billion.

Medicaid and Medicare rate equity

For some time Medicaid and Medicare have paid physicians, hospitals, and other providers significantly less than commercial insurers do. In 2016, for example, Medicaid paid Ohio physicians only 69 percent as much for the same services as Medicare paid. Medicare pays physicians only 80 percent as much as private insurers.[88] By folding Medicaid into a single state program, the legislation would raise overall spending by about 1.8% or $1.7 billion.[89] This will benefit recipients as well as providers, because current low reimbursement rates threaten Medicaid's viability by forcing a growing number of physicians to stop accepting patients with Medicaid insurance.

Unemployment and job training for displaced billing and insurance workers

In 2019, there will be approximately 580,000 workers employed in health care in Ohio, and an additional 130,000 employees of health insurers.[90] While many administrative workers will be displaced by the more efficient single-payer plan, employment in health care will change little because of the increase in utilization by newly insured workers and those no longer subject to constraint by copayments and deductibles. The displacement of about 8% of workers due to greater administrative efficiency will be balanced by the creation of about the same number of positions in healthcare because of the increased demand for health care workers coming with the expansion in coverage and increased utilization by those under-insured.

Dramatically reducing the cost of health care for Ohio will improve the position of employers, especially small businesses. Implementing a single-payer program would improve the overall employment climate in Ohio, and lead to the creation of enough new jobs to more than off-set the loss in insurance company and health care administrative positions.[91] Nonetheless, provision should be made for insurance workers who will be displaced by the change. The current Unemployment Insurance system will provide support for these workers for six months. Even in the depths of the Great Recession, this was long enough for 74% of the unemployed to find new jobs. In periods of lower unemployment, it is long enough for over 90% to get new work.[92] Funding an additional 78 weeks of unemployment compensation with job training to the remaining unemployed would cost about $178 million in the first year and $52 million in the second year. By the end of the second year, over 99% of the displaced workers will have found new jobs.

Medicare Part B premiums

Over two million Ohio residents are over age 65 and most are eligible for Medicare, including hospitalization (Part A), doctor visits (Part B), and the Medicare drug benefit (Part D).[93] All have to pay premiums for Part B, although low-income recipients have their premiums paid by Medicaid. Some have premiums for Part A (because of lack of sufficient coverage) and Part D (depending on income and the plan chosen).

I am assuming that the Ohio single-payer program would receive Federal Medicare funds either through a negotiation with CMS or by establishing itself as a plan under Medicare part C (also known as Medicare Advantage) open to all currently eligible for Medicare. Because this program and other medical services would be available for any resident, none would have reason to continue to pay Medicare premiums. But for the single-payer program to continue to receive Medicare payments, the population would have to be enrolled in Medicare, and someone must pay the premiums.

I assume that the single-payer state program will pay these premiums, at an estimated cost of $3.9 billion in 2019. While a charge to the Ohio taxpayer, this is a transfer rather than a cost because the spending will raise the net income of Medicare recipients by the same amount as the cost to the general population. While it raises costs for the Ohio state program, it is an equivalent reduction in cost to Medicare recipients without increasing overall health care spending.[94]

Table 3. Cost of projected program improvements under Ohio single payer program ($millions, 2019).

Universal coverage	$	1,551
Utilization (removal of copays and deductibles)	$	5,798
Medicaid rate	$	1,713
Assumption of Medicare premiums	$	3,894
Transition costs for UI and retraining	$	178
Cost of program improvements	$	13,136

[88] The Medicaid rate index is from http://kff.org/medicaid/state-indicator/medicaid-fee-index/?state=OH. Also see Will Fox and John Pickering, "HOSPITAL & PHYSICIAN COST SHIFT PAY MENT LEVEL COMPARISON OF MEDICARE, MEDICAID, AND COMMERCIAL PAYERS"" (Milliman, December 2008); American Academy of Pediatrics, "Medicaid Reimbursement: Medicaid Rates and Provider Participation," July 2009, http://www.sdsma.org/documents/MedicaidSummerStudy.final.pdf; "Do Medicare And Medicaid Payment Rates Really Threaten Physicians with Bankruptcy?"; Peter Cunningham and Jessica May, "Medicaid Patients Increasingly Concentrated Among Physicians," August 2006, http://www.hschange.com/CONTENT/866/#ib10.

[89] The cost of provider reimbursement equity is estimated as the share of percentage adjustment needed to reach equity, multiplied by the share of spending on Medicaid physician services after taking account of savings achieved and anticipated increases utilization from the expansion of coverage and the removal of barriers to access.

[90] "Occupational Employment Statistics Home Page," accessed November 4, 2014, http://www.bls.gov/oes/.

[91] Over 5% of workers in the financial services sector (including insurance) change jobs every month. The weekly re-employment rate from unemployment in November 2014 was 5.1%. Applying this rate, 26.5% of the unemployed will remain out of work after 26 weeks and 7.1% after 52 weeks; see "Occupational Employment Statistics Home Page."

[92] Randy Ilg, "How Long before the Unemployed Find Jobs or Quit Looking?," Bureau of Labor Statistics, May 2011, https://www.bls.gov/opub/ils/summary_11_01/unemployed_jobs_quit.htm.

[93] U. S. Census Bureau, "American FactFinder - Results," accessed May 23, 2015, http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk.

[94] I estimated average premiums for the country as a whole from Boards of Trustees, "2017 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds;" the cost to the Ohio program is estimated assuming that premiums will rise at the rate of per-capita personal health care spending.

Single payer and the distribution of health care spending in Ohio: more equitable and efficient spending

A single payer program in Ohio will shift major categories of spending from their current sources to a more equitable cost-sharing system. Central to the task is to replace insurance premiums. These are now paid as fixed amounts per person by private and public employers, employees, and individuals, or as amounts reflecting age and health status, so as to penalize the elderly and the sick.[95] These will be replaced by broad-based funding through assessments on payroll and taxable upper-bracket non-payroll income, based on ability to pay. Other key elements of the program reflect the same principle of equity. The new system will replace out-of-pocket spending on deductibles, copays, out-of-network charges, and spending by uninsured patients. The poor, the elderly, the sick, and the disabled will no longer be penalized financially by the health care system. Recognizing that misfortune may befall any of us and will eventually come to all of us, we will all share in the financial cost of poor health and disability according to our ability to bear this cost.[96]

A single payer program would involve a dramatic shift in Ohio health expenditures. While *total* expenditures would fall, there would be more spending on the actual delivery of health care services. Instead of paying for corporate executives, advertising, insurance company profits, and other administrative expenses unrelated to health care, payments to providers will increase by almost $11 billion, rising from 58% of spending to 80% percent. Under the current system, administrative costs account for almost 30% of total health care spending and overcharging for drugs and hospitals comes to another 11%. Under a single-payer program, monopoly overcharging will be eliminated, and administrative spending will be reduced by a third, down to 16% (including the cost of administering the Ohio plan and the reduced administrative costs of health care providers), making more money available for the provision of health care (see Figure 14).

[95] The concentration of health care spending among a few individuals is discussed in Emily Mitchell and Steven Machlin, "Concentration of Health Expenditures and Selected Characteristics of High Spenders, U.S. Civilian Noninstitutionalized Population, 2015," 506, Statistical Brief (Washington, D.C.: Agency for Healthcare Research and Quality, December 2017), https://meps.ahrq.gov/data_files/publications/st506/stat506.pdf.

[96] Moss, *When All Else Fails*; Archer and Marmor, "Medicare And Commercial Health Insurance: The Fundamental Difference – Health Affairs Blog"; Theodore R. Marmor, *Social Insurance: America's Neglected Heritage and Contested Future*, Public Affairs and Policy Administration Series (Thousand Oaks, California: SAGE/CQ Press, 2014); John Rawls, *A Theory of Justice* (Cambridge, MA: Belknap Press of Harvard University Press, 1971).

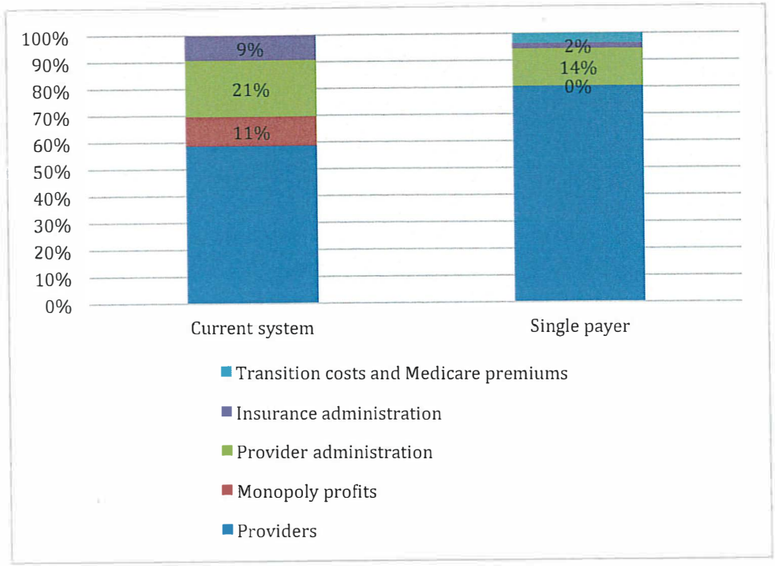

Figure 14. Distribution of Payments under Current System and Single Payer.

Beginning with projected spending under the current system, and adjusting for savings and program improvements, single payer will lower health care spending by 11%, saving almost $9 billion in the first year. This is itemized in Tables 2, 3, and 4.

Table 4. Financing Ohio single payer, 2019.

Personal health expenditures	$	127,372
Insurance and government administration	$	11,527
Employer administration	$	1,378
Uncompensated care	$	(638)
Total spending	$	139,639
Savings		
Provider administration	$	10,032
Market Power (Pharmaceuticals and Hospitals)	$	15,529
Insurance Administration	$	9,310
Employer administration	$	1,378
Fraud reduction	$	2,217
Total savings	$	*38,467*
Program improvements		
Universal coverage	$	1,551
Utilization (removal of copays and deductibles)	$	5,798
Medicaid rate	$	1,713
Assumption of Medicare premiums	$	3,894
Transition costs for UI and retraining	$	178
Cost of program improvements	$	*13,136*
Net spending, single payer, 2019	$	*114,309*
Existing revenues		
Medicare	$	34,895
Medicaid	$	24,823
SCHIP	$	522
VA	$	4,511
Fed share of Medicaid rate adjustment	$	1,191
New Federal Medicaid for utilization	$	441
Other third party (local public health, TRICARE, IHS, charity, etc.)	$	2,403
Remaining out-of-pocket (actuarial value of 96%)	$	4,572
Current state spending	$	626
ACA subsidies	$	711
Available revenue	$	*74,694*
Needed revenue	$	*39,614*

Paying for better health care

A single-payer program in Ohio will require $114 billion in 2019, including $75 billion in existing revenue and nearly $40 billion in new revenue. In terms of spending by the people of

Ohio, $40 billion in new state revenues will replace over $65 billion in "private taxes" currently paid into the private health insurance system and as out-of-pocket spending. And, while saving money, the new system will provide better health care to more people because single-payer will save billions in administrative waste and monopoly profits built into the current system.

The question then is not whether Ohio can afford single payer because a single-payer plan is cheaper than continuing with the status quo. Rather the question is whether the people of Ohio can continue to pay for an inefficient and wasteful health care system that often fails to care for them. They can certainly afford one that is more effective and less profligate with their money.

Available resources

A funding program for single payer in Ohio begins with considerable funds already committed to paying for health care in the state. These include:

- *Medicare.* The new state agency could operate as a Medicare Advantage (Medicare Part C) plan. With its large scale and economies, it would offer benefits superior to those of any existing plan, so as to attract virtually all Medicare recipients in the state. Because of the formula used to reimburse Medicare Advantage providers, these are reimbursed at a *higher* rate than traditional Medicare. By offering to provide services at the traditional Medicare rate, the new state program would be saving the federal program money.[97]
- *Medicaid.* The new state program will require a waiver to enroll all of the state's Medicaid enrollees. In practice, the federal government has been very accommodating to state initiatives in Medicaid, as shown by the very long list of state waivers already in place.[98]
- *Veteran's Administration, Indian Health Service.* These will continue to operate separately from the state program with their own funding and service providers.
- *Additional Federal spending.* Universal coverage will enroll a number of poor people eligible for Medicaid. Half of the cost of raising reimbursement rates will be reimbursed by the federal government under the Medicaid program. While these

[97] Medicare Payment Advisory Commission, "Report to the Congress: Medicare Payment Policy"; Kaiser Family Foundation, "Medicare Advantage," *The Henry J. Kaiser Family Foundation* (blog), October 10, 2017, https://www.kff.org/medicare/fact-sheet/medicare-advantage/; Medicare.gov, "How Medicare Advantage Plans Work," accessed November 24, 2017, https://www.medicare.gov/sign-up-change-plans/medicare-health-plans/medicare-advantage-plans/how-medicare-advantage-plans-work.html; Fred Schulte, David Donald, and Erin Durkin, "Why Medicare Advantage Costs Taxpayers Billions More than It Should," Center for Public Integrity, June 4, 2014, https://www.publicintegrity.org/2014/06/04/14840/why-medicare-advantage-costs-taxpayers-billions-more-it-should.

[98] Medicaid.gov, "State Waivers List," accessed November 24, 2017, https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/index.html; The ACA has provision for state initiatives, Ron Wyden, "State Waivers: How a State Could Do Health Reform Its Own Way" (Washington, D. C.: Office of Senator Ron Wyden, United States Senate, n.d.), http://www.wyden.senate.gov/download/?id=6073398f-c82c-42f4-8da5-e004a867e01a&download=1.; John E. McDonough, "Wyden's Waiver: State Innovation on Steroids," *Journal of Health Politics, Policy and Law*, May 19, 2014, 2744824, https://doi.org/10.1215/03616878-2744824.

programs will increase federal spending in the state, they are accepted practices under the Medicaid law, where states set reimbursement rates and are free to manage enrollment.

- *Other health care spending.* In addition to the IHS, this catch-all category includes *TRICARE/Defense Health Agency,* the NIH and NSF research, local government spending on public health programs (including school health programs), charitable giving, and others. The various public insurance programs could continue to operate on their own or they could offer better benefits and a higher actuarial rate to their enrollees through the state plan. It is assumed that the research and other spending will continue.
- *Remaining out-of-pocket spending.* While the Ohio plan would cover most medical services, it would not cover over-the-counter medications such as aspirin, non-durable medical devices (facial tissues, band aids, etc.), or optional medical devices and services (cosmetic surgery, designer eyewear, etc.). With an estimated actuarial value of 98%, the state plan would provide more coverage than an ACA platinum plan (actuarial value 90%), and much more coverage than the Federal Employee Health Benefits (average about 82%) or traditional Medicare (80%).[99]

[99] Frank McArdle et al., "How Does the Benefit Value of Medicare Compare to the Benefit Value of Typical Large Employer Plans? A 2012 Update," *Kaiser Family Foundation: Medicare Policy* (blog), April 2012, https://kaiserfamilyfoundation.files.wordpress.com/2013/01/7768-02.pdf.

Options for additional revenues

After taking account of savings, spending on program improvements, and remaining revenue sources, the Ohio single payer program needs nearly $40 billion in additional funds. There are many ways to raise these funds. Two programs are summarized in Table 5, one more progressive and the other less so. Each is summarized along with projected income streams for 2019:

Table 5. Funding options, Ohio single payer program, 2019, in $millions[100]

	Less Progressive Program	More Progressive Program
11% charge on salaries and wages with $15,000 exemption, sliding scale at 33% and small business deduction	$ 23,587,562	
11% business or professional net income with $15,000 exemption, sliding scale at 33%	$ 969,621	
11% capital income (for AGI>$50,000)	$ 3,114,944	
10% charge on salaries and wages with income sliding scale at 33% and small employer deduction		$ 21,443,238
10% business or professional net income with sliding scale		$ 881,474
10% capital income (for AGI>$50,000)		$ 2,831,767
Income tax at 3% above $15,000 with sliding scale		$ 10,156,563
Double Gross Receipts Tax (CAT)	$ 2,091,041	
High income surtax of 5%		$ 3,961,550
Excise taxes on alcohol, marijuana, tobacco	$ 2,843,698	
Premiums at Medicare rate with low income and children deduction	$ 7,494,399	
Capture insurance health costs	$ 2,876,366	$ 2,876,366
Total revenue:	$ 42,977,630	$ 42,150,958
Needed revenue:	$ 39,614,381	$ 39,614,381
Surplus (deficit)	$ 3,363,249	$ 2,536,577

The above proposed funding sources described more fully:

- Both the 10% or 11% payroll premiums and premiums on business net income are less than employers and their employees *now pay* for health insurance: barely half the almost

[100] While these are presented as to alternative programs, different taxes could be used from each.

22% now paid for covered workers.[101] The exemption shields low-wage workers from payment and limits the payment by small employers. The exemption phases out at a rate of $0.33 for every dollar, so that it disappears completely at $45,000 in wage/salary income. Small businesses will also be shielded from the full impact. Businesses with fewer than 10 workers would initially pay at half the rate, and those with 10 to 24 workers would pay at 75% of the full rate.

- The 10% or 11% premium on capital income (including business net income) balances the assessment of wage/salary income, so that all categories of income are treated equally. The basic exemption of $15,000 with a sliding scale is to exempt capital income for low and middle-income households.
- The 3% income tax and 5% surtax on high incomes recognizes that those with the greatest ability to pay can afford to contribute more. These taxes would somewhat recapture some of the savings from the recently enacted federal tax cuts.[102]
- Ohio already has a gross receipts tax which produced nearly $2 billion in revenue in 2015.[103] This is an inherently inequitable tax because it taxes products according to the number of stages they go through, so that products more intermediary steps, sold between more companies, pay higher rates. Furthermore, the burden of the tax grade up on households that spend more of their income on Ohio consumables, meaning so that low- and middle-income households pay a higher rate.[104]
- Taxes on alcohol, marijuana, and tobacco could be raised, with public health benefits as well as revenue. I have estimated the additional revenue from raising tobacco and alcohol taxes to the highest rates of any state. I have estimated marijuana revenues assuming Ohio would produce as much revenue per capita as Colorado in 2018.[105]
- Premiums collected would be conceptually like current health care premiums, although lower than any private insurance. They would also be apportioned to protect lower income households and households with children. They would be paid by all adults in the labor force with an income above twice the poverty level. For those above 300% of the Federal Poverty Line, the premium is set to the rate for basic Medicare Part B

[101] This is from the MEPS survey for Ohio; Agency for Healthcare Research and Quality, "Medical Expenditure Panel Survey," 2017, http://www.meps.ahrq.gov/mepsweb/data_stats/state_tables.jsp?regionid=18&year=-1.

[102] The effects of the tax-cut on income in Ohio are given in: https://itep.org/finalgop-trumpbill/ The highest income will be saving nearly $50,000 in 2019; the average savings for the bottom 20% of households come to about $100.

[103] https://www.tax.ohio.gov/Portals/0/communications/publications/annual_reports/2015_Annual_Report/2015_AR.pdf

[104] the share of income taxed is estimated using consumer expenditure survey data from the Bureau of Labor Statistics and the Census Department https://www.bls.gov/cex/tables.htm

[105] Cigarette tax rates are from https://taxfoundation.org/cigarette-tax-cigarette-smuggling-2015/ Alcohol tax rates are also from the tax foundation, see https://taxfoundation.org/state-beer-taxes-2018/ Alcohol beverage consumption is from https://pubs.niaaa.nih.gov/publications/surveillance108/CONS15.pdf Colorado data on marijuana revenue off from the Colorado Department of Revenue at https://www.colorado.gov/pacific/revenue/colorado-marijuana-tax-data

($134/month). For those between 200% and 233% of the premiums would be FPL, the premium is 25% of the Medicare Part B level; for those 233-267% of the FPL, the premium is 50%; for those 267-300%, it is 75%.[106]

- Currently, healthcare costs seep into other insurance programs, and these would enjoy savings from the Ohio program. An excise tax would be assessed on auto insurance, homeowner's insurance, and workers comprehensive insurance to capture these savings.[107]

Both programs would generate additional revenues of over $42 billion, more than is needed to fund the Ohio State universal coverage program.[108]

Distributional effects of single payer

Whatever the tax program chosen, more than 95% of the population of Ohio will save money even while enjoying better access to health care under the single-payer program. For most residents, savings come from two sources: the efficiency gains from the single-payer program and from shifting the basis of funding from fixed premiums per covered individual and cost-sharing to a system where charges are related to ability to pay (see Figures 16 and 17). Most will save thousands of dollars a year, compared to what they and their employer currently spend on health insurance premiums and out-of-pocket costs. The largest savings will go to working families and to middle-income households, especially those with children, because the burden of family health insurance coverage and cost sharing is particularly heavy on them.[109] Businesses will also benefit, with the greatest savings going to those that have been paying the highest health insurance premiums. These include small and mid-sized private establishments that offer health insurance at relatively high cost. Taxpayers will also benefit because local governments

[106] Revenue estimates are made assuming that the distribution is flat for those between 200-300% of the FPL so the average premium for those is 50% of the full premium.

[107] Workers comp data, including the share of health care, are from the Social Security Administration at http://www.ssa.gov/policy/docs/ssb/v67n1/v67n1p17.html The number of insured cause is from the Bureau of motor vehicles at http://www.bmv.ohio.gov/links/bmv_2017-Facts-Figures.pdf Average insurance rates and the share of health care are from https://www.valuepenguin.com/average-cost-of-insurance#nogo and https://www.nerdwallet.com/blog/insurance/medical-payments/ Homeowners insurance data are from https://www.valuepenguin.com/average-cost-of-homeowners-insurance#nogo The number of homes is from the Census at https://www.census.gov/quickfacts/fact/table/oh/PST04521

[108] Revenue estimates are made using 2015 IRS data; I adjusted these to 2019 by assuming all income sources would rise at projected GDP growth rates; Internal Revenue Service, Internal Revenue Service, "SOI Tax Stats Historic Table 2," accessed November 24, 2017, https://www.irs.gov/statistics/soi-tax-stats-historic-table-2.

[109] The program's benefits are targeted at the working middle class. Lower income families have received larger public subsidies through Medicaid, SCHIP, and the ACA. Higher income families can support their health expenses more easily.

and the state will save money from reduced health insurance premiums for public employees.[110] Family members will, of course, receive coverage, like all Ohioans. However, the cost will be spread across all payroll and non-payroll income, not concentrated on certain employers.

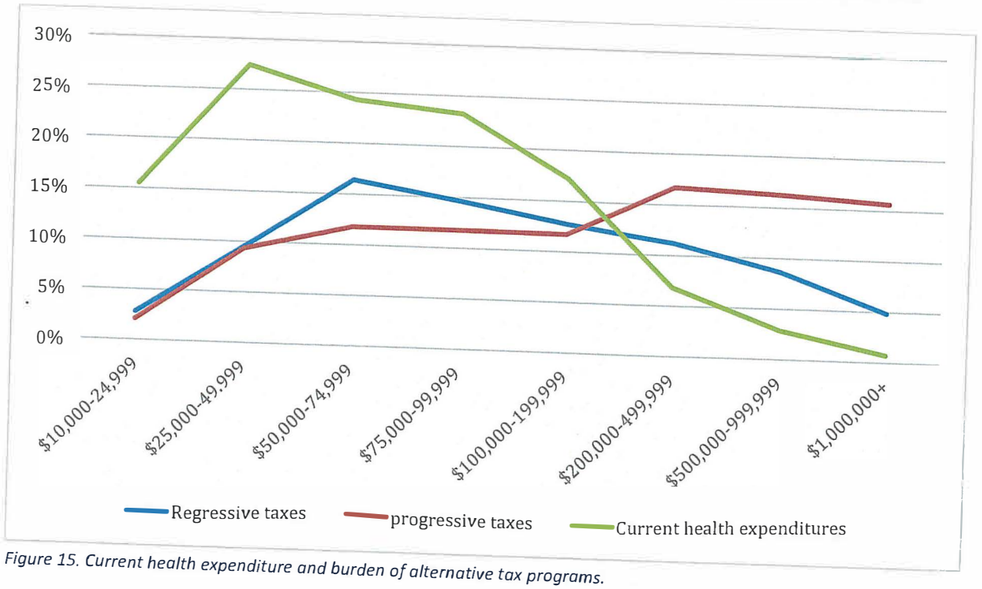

Figure 15. Current health expenditure and burden of alternative tax programs.

Current health expenditures are a heavy burden on working people in Ohio. While the poorest receive some protection through programs like Medicaid, ACA subsidies, premiums and out-of-pocket costs come to over 20% of income for most people (see Figure 15). The burden falls with hiring, because insurance premiums and out-of-pocket costs do not change much while incomes rise. The most affluent may purchase some luxury health insurance, such as cosmetic surgeries or more desirable hospital rooms, but there is relatively little change in per capita spending on healthcare as incomes rise. For this reason, taxes of 10 to 15% are significantly less than what most are currently spending (see Figure 16). With progressive tax rates, this savings for working people are even greater.

For the very rich, the wealthiest 3% of all Ohioans whose taxable income exceeds $200,000, taxes will exceed what they currently spend on health care, especially with the progressive tax program. To be sure, some of these extra costs will be balanced by savings from recently enacted federal tax cuts.[111]

[110] Public plans are expensive because there is a high take-up rate and because public employees are more likely to enroll their family members. These plans provide a significant subsidy to private employers because they enroll family members of public employees who then do not take up private employers' insurance plans.
[111] These tax cuts disproportionately favor the rich. The distribution of benefits is estimated in https://itep.org/finalgop-trumpbill-oh/

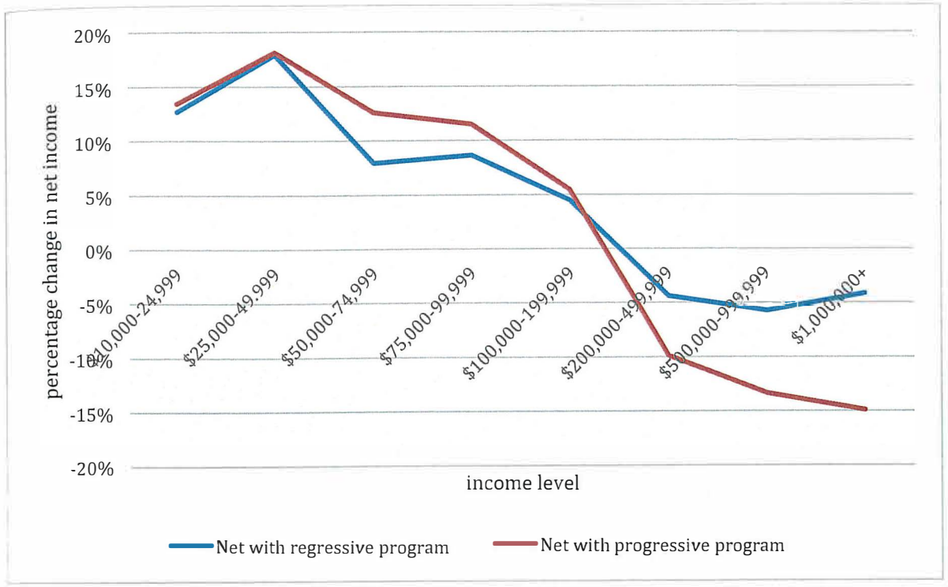

Figure 16. Effect of Ohio single-payer on net income after taxes and healthcare spending

Lives saved

Greater than the dollars saved by paying less for health care are the benefits to those who have been denied access to health care because of lack of insurance or inability to pay their cost sharing (deductibles, copayments, and out-of-network charges). This includes the nearly 600,000 still without health insurance under the ACA *and the* 1,395,000 unable to see a doctor because of cost.[112] Based on the analysis reported in Figure 10, by lowering the share unable to see a doctor to 4%, (the rate in the United Kingdom with its universal health insurance system), we would lower the premature mortality rate by as much as 23%. This would save as many as 32,000 lives. Poor and rural areas would benefit the most, because these are the locales with the largest number unable to see doctors because of cost (see Figure 11). The United States government assesses a human life as worth about $10,000,000.[113] The economic benefit from saving 32,000 lives could be roughly estimated at $322 billion, a figure greater than total health care spending in the state.

[112] There is, of course, overlap between these; about 2/3 of those without health insurance reported that they could not see a doctor because of cost, or about 400,000 people, so that leaves about 995,000 people with health insurance who could not afford to see a doctor because of the cost of copays or deductibles; see Robert Wood Johnson and University of Wisconsin, Population Health Institute, "County Health Rankings."
[113] The EPA recommends a valuation of $7.4 million in $2006; updating this brings the estimate to almost $10 million in 2016, and more than that for 2019. Environmental Protection Agency, "Mortality Risk Valuation," Overviews and Factsheets, accessed April 25, 2017, https://www.epa.gov/environmental-economics/mortality-risk-valuation.

Single payer and the Ohio economy

The analysis thus far understates the economic gains from the Ohio Health Plan, because it uses a static model that neglects likely changes in economic parameters. These parameters might include changes in the locus of investment, employment, and entrepreneurial activity generated by adopting a reform that would dramatically lower the burden of health care costs. The plan would increase employment and income by reducing inefficient waste, putting money back into the economy and making businesses more competitive by helping small businesses in particular. It will also lower the cost of government, allowing lower taxes and increased investment in infrastructure and education.

Table 6. Health insurance costs, 2019, for different size establishments. Current system and proposed Ohio Health Plan

Size of establishment	Insurance share of payroll, 2019 current system,	Insurance share of payroll, 2019, covered workers only, current system	Effective payroll tax rate, proposed Ohio Health Plan
Less than 10 employees	7.8%	38.22%	3.60%
10-24 employees	11.6%	28.78%	6.24%
25-99 employees	11.2%	27.82%	8.43%
100-999 employees	11.6%	21.40%	8.92%
1000 or more employees	13.6%	22.39%	8.94%
All:	12.8%	24.96%	8.72%

Note: insurance spending 2019 is estimated based on spending in 2016 with wages updated and insurance costs updated through 2019 based on past trends. The effective payroll rate assumes an 11% payroll tax with a 50% exemption for small employees and 25% exemption for establishments with 10 to 24 employees. Rates are adjusted for the estimated wage distribution for full time and part time workers.

Opening the door to entrepreneurship

The current system of employer-provided health insurance was established by employers looking to reduce competition for their workers and to discourage workers from quitting or changing jobs.[114] Many workers in Ohio currently suffer from job-lock, and are unable to change jobs or to open new businesses from fear of losing their current health insurance.[115] Employers too are discouraged from hiring some workers -- older workers or those with families -- from fear that

[114] Richard B Freeman, "The Exit-Voice Tradeoff in the Labor Market: Unionism, Job Tenure, Quits, and Separations," *The Quarterly Journal of Economics* 94, no. 4 (1980): 643–73; Klein, *For All These Rights*; Jennifer Klein, "The Business of Health Security: Employee Health Benefits, Commercial Insurers, and the Reconstruction of Welfare Capitalism, 1945-1960," *International Labor and Working-Class History*, no. 58 (2000): 293–313; Sanford M. Jacoby, *Modern Manors: Welfare Capitalism since the New Deal* (Princeton, NJ: Princeton University Press, 1997); Nelson Lichtenstein, *State of the Union: A Century of American Labor*, Politics and Society in Twentieth-Century America (Princeton, N.J: Princeton University Press, 2002); many businesses no longer value the worker loyalty purchased with health insurance and other benefits; Rick Wartzman, *The End of Loyalty: The Rise and Fall of Good Jobs in America*, First edition (New York: PublicAffairs, 2017); Gerald Friedman, "Workers without Employers: Shadow Corporations and the Rise of the Gig Economy," *Review of Keynesian Economics* 2, no. 2 (April 2014): 171–88, https://doi.org/10.4337/roke.2014.02.03; Gerald F. Davis, *The Vanishing American Corporation: Navigating the Hazards of a New Economy*, First edition (Oakland, California: Berrett-Koehler Publishers, Inc, 2016).

[115] The Affordable Care Act helps by providing for improved access to individual health insurance through the exchange system.

they will add to their health insurance bills. Single payer would make the economy work more efficiently and liberate entrepreneurial energies. It would free workers to seek more efficient employment or to open new businesses, and it will liberate employers to choose the best worker for the job.[116]

Small businesses especially would benefit, because new and small businesses pay particularly high health insurance rates. Under the current system, a typical Ohio start-up that employs a dozen workers could pay health insurance premiums of nearly 30% of its payroll if all workers took up the insurance offered.[117] Ohio's single payer plan would lower that burden to less than 7% in payroll assessments.[118]

Reducing medical bankruptcies

Ohio's single payer plan would also improve the working of the economy for everyone by reducing the risk of medical bankruptcy. This is especially important to the elderly, who are increasingly in risk of bankruptcy because of rising out-of-pocket healthcare spending.

When combined with increased cost-sharing, rising health care prices have been associated with increased medical debt and personal bankruptcy over the last decades.[119] From 2011 to 2016, an average of over 20,000 personal bankruptcies per year were filed in Ohio.[120] For the United States as a whole, it is estimated that between 7% and 29% of bankruptcies are directly due to medical bills, and in 35% of bankruptcies, medical bills come to over $5000 or over 10% of family income.[121] Applying these estimates to Ohio, this would suggest that a minimum of 2,450

[116] David Sterret, Ashley Bender, and David Palmer, "A Business Case for Universal Healthcare: Improving Economic Growth and Reducing Unemployment by Providing Access for All," *Health Law and Policy Brief* 8, no. 2 (Spring 2014): 41–56.

[117] Estimated from data in Agency for Healthcare Research and Quality, "Medical Expenditure Panel Survey."

[118] Note that this is lower than the 8.5% rate because of the exemptions. This is estimated using the average wage data and premium data from the BLS at http://www.bls.gov/oes/current/oes_ny.htm#00-0000 and the Medical Expenditure Survey from the Agency for Healthcare Research and Quality at http://meps.ahrq.gov/mepsweb/. Because this estimate uses the average health insurance premiums for this size of establishment, it underestimates the cost of insurance for new small business, and also underestimates the savings from single payer.

[119] David U. Himmelstein et al., "Medical Bankruptcy in the United States, 2007: Results of a National Study," *The American Journal of Medicine* 122, no. 8 (August 1, 2009): 741–46, https://doi.org/10.1016/j.amjmed.2009.04.012 note that most of the bankruptcies were for people with health insurance but for whom cost sharing (deductibles and copays) posed too great a burden.

[120] American Bankruptcy Institute, "Bankruptcy Statistics | ABI," December 2017, https://www.abi.org/newsroom/bankruptcy-statistics.

[121] Himmelstein et al., "Medical Bankruptcy in the United States, 2007"; the Himmelstein et al. study is supported by Christina LaMontagne, "NerdWallet Health Finds Medical Bankruptcy Accounts for Majority of Personal Bankruptcies - NerdWallet," *NerdWallet Credit Card Blog* (blog), June 19, 2013, http://www.nerdwallet.com/blog/health/managing-medical-bills/nerdwallet-health-study-estimates-56-million-americans-65-struggle-medical-bills-2013/; Himmelstein's work is challenged in Carlos Dobkin et al., "The Economic Consequences of Hospital Admissions," *American Economic Review* 108, no. 2 (February 2018): 308–52, https://doi.org/10.1257/aer.20161038 who find that only 7% of bankruptcies are directly related to hospital admissions; Also see Carlos Dobkin et al., "Myth and Measurement — The Case of Medical Bankruptcies | NEJM," New England Journal of Medicine, accessed July 31, 2018, https://www.nejm.org/doi/10.1056/NEJMp1716604

bankruptcies, and as many as 14,209 or 17,002 bankruptcies per year are due to medical bills. With over five million households, this means an annual medical bankruptcy rate of between 0.05% and 0.29% up to 0.35%. Over a 40 year span, this would mean between 2 and 11-13% of Ohio adult household heads will go bankrupt because of medical bills.[122]

The bankruptcy rate has been rising for all Americans over the last decades. The sharpest increases are for the elderly, with 60% of bankruptcies citing health care costs as the cause of bankruptcy.[123] Rising bankruptcy among the elderly is associated with high out-of-pocket spending, nearly twice as much for people over 65 as for the younger population.[124] Add to out-of-pocket spending the cost of supplemental health insurance, and the elderly spend on average over $4000 on health care, leaving on average only two thirds of Social Security income for other expenses.[125] Health care costs an even larger share of income for those over 85, and for those with lower Social Security benefits or entirely dependent on Social Security.

Bankruptcy is a personal tragedy. At a minimum, it is humiliating. It can also reduce the ability to borrow for household investments, such as to buy a car, a house, or to pay tuition. It can make it harder to rent, or even to gain employment. By leaving debts unpaid, personal bankruptcy can also hurt medical providers as well as banks and the broader financial system. The threat of personal bankruptcy hurts everyone when it leads creditors, including medical providers, to raise interest rates and other fees to cover anticipated losses from bankruptcy. To the extent that it thus reduces the availability of credit and liquidity, personal bankruptcy undermines the working of the entire economy, slowing business and lowering income for everyone. By largely eliminating cost sharing, Ohio's single payer plan would lift the cloud of bankruptcy off the Ohio economy, freeing liquidity and promoting economic activity.

While the Himmelstein number is almost certainly too high because medical bills are a more socially acceptable reason to explain bankruptcy,this figure is certainly too low because it does not include bankruptcies that came after other hospital bills, or bankruptcies that come more than six months after the hospital admission.

[122] As mentioned above, the middle figure is probably about right. While Himmelstein et al. have overstated medical bankruptcies by relying on self reporting, the Dobkin et al. study certainly minimizes the issue by only including bankruptcies relatively soon after hospital admission. And, Himmelstein is supported by the nerd wallet study.

[123] "Bankruptcy Statistics," Debt.org, accessed August 6, 2018, https://www.debt.org/bankruptcy/statistics/; Jonathan Fisher, "Who Files for Personal Bankruptcy in the United States?" (Washington DC: Center for economic studies, September 2, 17AD), https://www2.census.gov/ces/wp/2017/CES-WP-17-54.pdf; the 60% figure is from Deborah Thorne et al., "Graying of U.S. Bankruptcy: Fallout from Life in a Risk Society," SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, August 5, 2018), https://papers.ssrn.com/abstract=3226574.

[124] Age and gender tables are from https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Age-and-Gender.html

[125] Melissa McInerney, Matthew Rutledge, and Sara King, "How Much Does Out-of-Pocket Medical Spending Eat Away at Retirement Income?," accessed August 6, 2018, http://crr.bc.edu/working-papers/how-much-does-out-of-pocket-medical-spending-eat-away-at-retirement-income/; Thorne et al., "Graying of U.S. Bankruptcy."

Declining payroll costs will encourage hiring

Ohio employers are burdened by high health insurance costs, with family plans costing more than $17,500 in 2016.[126] High health insurance costs have forced employers to reduce the value of coverage offered their workers, to lower wages, to lay off workers, and to reduce hiring. By lowering the overall burden of health care spending and shifting the burden from premiums unrelated to ability to pay to graduated assessments, single payer would lower the relative cost of labor to employers, giving employers a competitive advantage against those based in other states.

Replacing current health insurance premiums with the proposed assessments would immediately save businesses nearly $1.4 billion currently spent on administering employer-provided health insurance, or nearly 0.3% of payroll costs.[127] In addition, single payer would be significantly less expensive than existing private insurance. After taking account of the exemption, the payroll assessment would cost businesses 7.7%-8.7% of payroll, 4-5 percentage points less than current spending on health insurance premiums for all businesses (12.8%), and as much as 17.2 percentage points less than is paid for covered workers. Lower benefit costs will allow Ohio businesses to lower prices, increase sales, and attract new businesses to the state. Lower benefit costs would also encourage businesses to adopt relatively labor-intensive technologies, employing more workers rather than machinery.[128] On balance, lowering health care costs by the single payer program could increase employment in Ohio by 5-6% -- adding 260-325,000 new jobs -- many more than the number of workers displaced from billing operations and insurance companies.[129]

Lifting the burden of legacy costs

While businesses and governments in Ohio have committed to provide health insurance to millions of retired workers, they have put aside relatively little to pay for these obligations.

[126] Coverage costs more than in 40 other states; see Agency for Healthcare Research and Quality, "Medical Expenditure Panel Survey," see Kaiser Family Foundation, "Average Annual Family Premium per Enrolled Employee For Employer-Based Health Insurance," *The Henry J. Kaiser Family Foundation* (blog), August 24, 2017, https://www.kff.org/other/state-indicator/family-coverage/.

[127] In 1999, employer costs of administering health insurance came to 4.2% of private health insurance premiums; I have applied the same ratio here: see Woolhandler, Campbell, and Himmelstein, "Cost of Health Care Administration in the United States and Canada."

[128] It is also likely that the shift from administrative occupations will increase employment in Ohio (at the expense of jobs in other states) by bringing spending back to Ohio from New Jersey, Connecticut, and other insurance centers. Comparing Bureau of Labor Statistics estimates of insurance employment with the state's population, Connecticut has nearly five-times as high a share of insurance jobs as it does population.

[129] Employment gains depend on the tax program chosen. Because these employment benefits come from reduced payroll costs, they are greater if a program is chosen with lower payroll tax rates.

Legacy costs, the unpaid benefits associated with past work, burden current economic activity.[130]

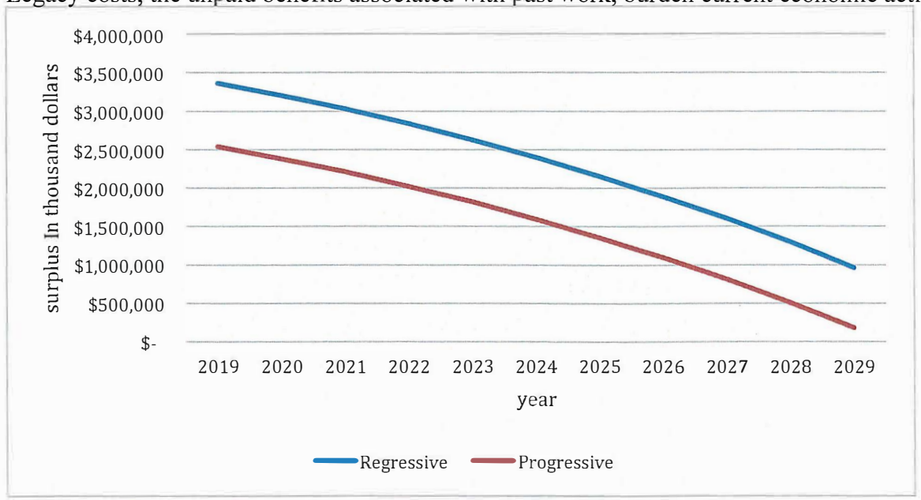

Figure 17. Projected budget surplus under alternative funding programs, 2019 – 2029

The Pew Charitable Trusts estimates, for example, that in 2015 the State of Ohio had unfunded liabilities of over $9 billion in promised retiree health insurance benefits. This does not include unfunded liabilities for local governments or for businesses.[131] The weight of these unfunded benefits burdens many businesses and is especially heavy on local governments. For retirees, anxiety about whether their employer will honor past commitments weighs heavily. By providing health care to all, including the elderly, single payer will remove this burden from business and from retirees. This will be an extra boon for businesses competing with rivals elsewhere.

Facilitating collective bargaining

The increasing price of private health insurance has become a particularly contentious issue between labor and management, as well as a burden for unionized employers, who are significantly more likely to provide health insurance to their workers.[132] Health insurance also

[130] Alicia H Munnell Sass, Steven A, Hutchens, Robert, Manchester, Joyce, "The Labor Supply of Older American Men/Comments on 'The Labor Supply of Older American Men' by Alicia H. Munnell and Steven A. Sass/Comments on 'The Labor Supply of Older American Men' by Alicia H. Munnell and Steven A. Sass," *Federal Reserve Bank of Boston. Conference Series*, no. 52 (2007): 83-157,366,368-370; Robert C. Pozen, "Unfunded Retiree Healthcare Benefits Are the Elephant In the Room," *Brookings* (blog), August 5, 2014, https://www.brookings.edu/opinions/unfunded-retiree-healthcare-benefits-are-the-elephant-in-the-room/.

[131] Pew Charitable Trust, "State Retiree Health Care Liabilities: An Update," September 2017, http://www.pewtrusts.org/~/media/assets/2017/09/opeb-liablitly-brief_v5.pdf.

[132] Richard B Freeman, *What Do Unions Do?* (New York: Basic Books, 1984); Freeman, "The Exit-Voice Tradeoff in the Labor Market"; Richard B Freeman, *What Workers Want* (Ithaca: ILR Press, 1999); the burden of costs on business in one state is discussed in Diana Rodin and Jack Meyer, "Health Care Costs and Spending in New York State" (NYS Health Foundation, February 2014), http://nyshealthfoundation.org/uploads/resources/health-care-costs-in-NYS-chart-book.pdf.

divides the workforce, creating conflict between older workers and those with families, whose members use more health care, and younger, healthier, and single workers. By separating access to health care from employment, single payer would ease this tension in the collective bargaining process. Labor unions would be able to shift their efforts from the increasingly difficult effort to protect health benefits, and concentrate on issues such as wages, pensions, and vacations.

The future of health care in Ohio

Both proposed tax programs would fund the Ohio health plan through 2029 with a substantial, albeit shrinking, surplus (see figure 17). More important, under the Ohio health plan total spending by people in Ohio will fall substantially compared with the status quo. Per capita savings will rise from nearly $2300 in 2019 up to over $3400 by 2029, or nearly $14,000 for family of four.

Ohio is at a crossroads. On one side is a health-care financing system that, despite improvements made under the Affordable Care Act, still provides care at ever rising costs for a shrinking part of the population. On the other is a proven system that would provide more care, at a lower cost, to more people.

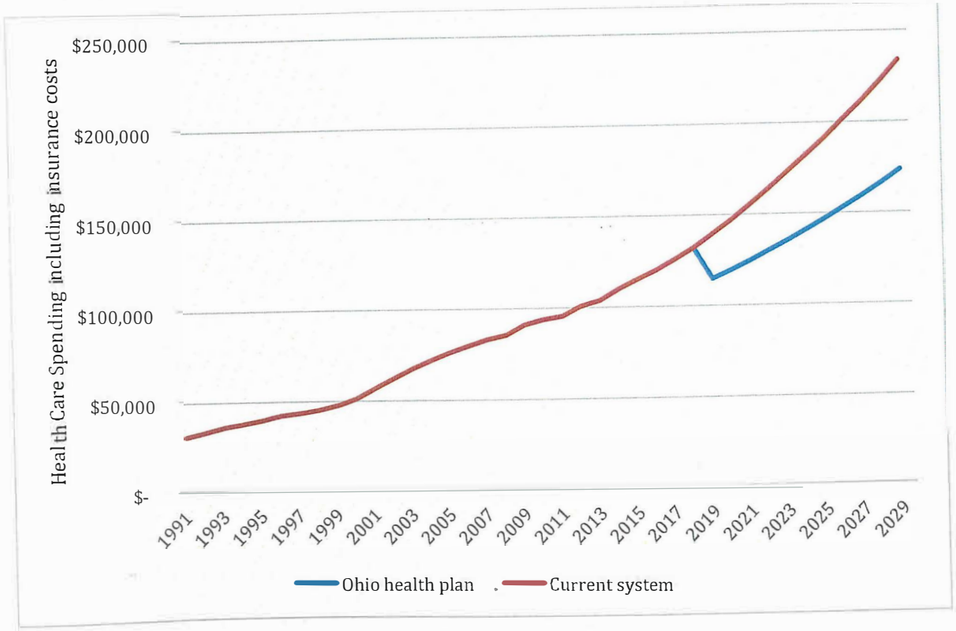

Figure 18. Health care spending under current system and single payer program.
Note: It is assumed that the single-payer system is adopted for 2019.

Without reform, the cost of health care under the current system *is expected to double* over the next decade, increasing by nearly $100 billion, rising from 21% of the state output to 24% (see

Figures 17 and 18).[133] This increase will require that 3% of real state income be transferred from other activities -- schools, infrastructure, or vacation spending -- to pay for a bloated health care administration and to fund monopolistic profits in drugs, hospitals, and other medical activities. A single payer program would change this, because it will give the state the tools to limit bureaucracy and to negotiate reasonable prices for health care services. Even while providing care to everyone -- including those currently uninsured and the many more who are underinsured -- single payer would allow Ohio to bring down health care costs and to restrain future health care inflation to about the level of increases in state income, i.e., the state's real ability to pay.[134] In a word: single payer will save money, it will save lives, and it will make health care sustainable and paid for more equitably.

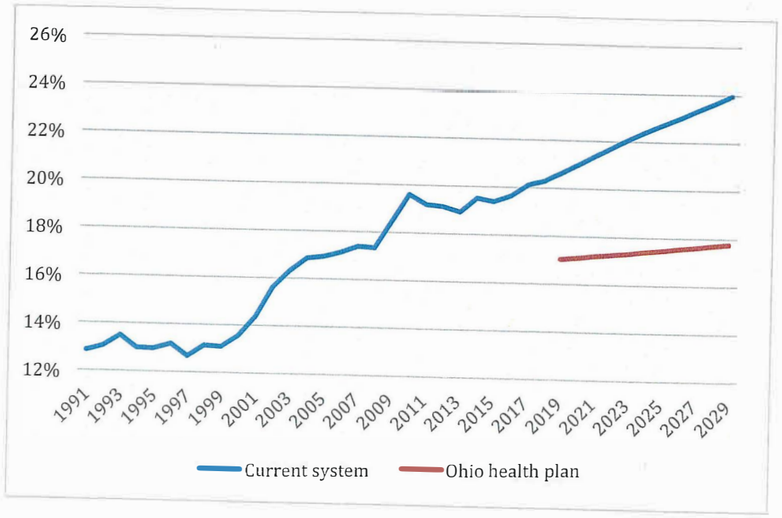

Figure 19. Health care as share of state GDP: Current system and proposed single payer

[133] This projection assumes that per-capita health care spending will increase in Ohio as projected for the nation by the Centers for Medicare and Medicaid Services, and the population will grow at the rate forecast by the Census Department.

[134] Health care inflation under single payer is estimated assuming that price increases will follow the same pattern as in Canada since 1974, increasing at a rate only 0.2 percentage points faster than the all commodity consumer price index, rather than the 1.7 percentage point differential in the United States.

Appendix 1: Estimating Ohio health care expenditures

Annual personal health care expenditures from 1997-2014 are from the Centers for Medicare & Medicaid Services, Office of the Actuary at http://www.cms.gov/NationalHealthExpendData/Downloads/res-tables.pdf

Expenditures beyond 2014 have been projected assuming the same rate of increase in per-capita expenditures as for the nation as a whole from the CMS.[135] Total health consumption expenditures have then been estimated as the state population times projected per-capita expenditures. Population data are from the United State, Bureau of the Census:

http://quickfacts.census.gov/qfd/states/36000.html

Appendix 2: Estimating the sources of Ohio health expenditures

Spending for employer-based insurance in 2014 is from Medical Expenditure Panel Survey of the Agency for Healthcare Research and Quality.

Spending for 2014 for public sector programs (Medicare and Medicaid) is from the Center for Medicare and Medicaid Services.

Spending for 2019 is estimated by adjusting current spending for the increase in spending on these services as projected by the Center for Medicare and Medicaid Services.

Spending on individual insurance is estimated as the sum of the number of individual plans plus the number buying through the ACA exchange, and ACA subsidies are from the Kaiser Family Foundation, State Health Facts.

Other and out-of-pocket spending are calculated as a residual: total expenditures minus private health insurance and public spending. The allocation of spending between the two is estimated using national data from the CMS, "National Health Expenditures by Type of Service and Source of Funds."

Appendix 3: Estimating savings from the Ohio health plan

Savings have been calculated for 2019 in three steps.

First, expenditures for nine types of personal health care services have been calculated for 2019 from CMS data through 2014 on the assumption that expenditures for that service will increase from 2014-19 at the same annual rate of increase per capita as the CMS projects for the nation as a whole.

[135] Andrea M. Sisko et al., "National Health Spending Projections: The Estimated Impact Of Reform Through 2019," *Health Affairs* 29, no. 10 (October 1, 2010): 1933–41, https://doi.org/10.1377/hlthaff.2010.0788.

Table 7. Estimated 2019 personal health care expenditures ($millions)

	Per capita 2001	Per capita 2014	Per capita spending, 2019	Total spending 2019
Personal health expenditures, NHE	4171	7913	9,873	72,766
Hospital	1354	3090	3,856	28,415
Physician	1134	2064	2,575	18,980
Other Professional	179	324	404	2,979
Dental	359	498	621	4,579
Home Health	69	188	235	1,729
Drugs	529	795	992	7,311
Durable Medical	91	146	182	1,343
Nursing Home	262	462	576	4,248
Other	193	346	432	3,182

Second, provider savings for each category have been estimated by applying a savings rate to each activity.

Table 8. Estimates of savings by activity, personal health spending, 2019 (millions)

	Savings rate
Hospital	9.1%
Physician	11.7%
Other Professional	10.6%
Dental	8.3%
Home Health	3.1%
Drugs	37.5%
Durable Medical	10.0%
Nursing Home	1.6%
Other	16.1%

The administrative savings rate is the difference between administrative costs in Canada and the United States. The Canadian rate is estimated by Woolhandler, Campbell, and Himmelstein.[136]

[136] Woolhandler, Campbell, and Himmelstein, "Cost of Health Care Administration in the United States and Canada."

For hospitals, I use the updated data from Himmelstein et al.[137] The United States rate is the share of salaries for administrative positions in the 2012 Bureau of Labor Statistics, Occupational Employment Statistics.[138]

It is assumed that the Ohio Plan board will use its bargaining power to lower prices. A savings of 37.5% is assumed for pharmaceuticals and medical devices.[139]

Savings for each activity are calculated as the savings rate times the 2019 expenditures, except for uncovered services.

Administrative spending by insurance companies under the ACA is the difference between the personal health expenditures and the health consumption expenditures in the CMS National Health Expenditures. It is assumed that the sponsor administrative rate will be 1.8% of spending, the current rate under Medicare fee-for-service.

Total savings are the sum of the provider savings and administrative savings.

Appendix 4: Estimating the cost of program improvements

Three program improvements are necessarily associated with universal state coverage. The increase in the Medicaid reimbursement rate is described in the text above.

Universal coverage

Currently, the uninsured spend about 55% of the average per-capita health care spending.[140] Because they are younger and healthier than the general population, it is assumed that their spending will rise to 85% when covered.[141] The increase in spending with universal coverage is estimated by multiplying the increase in spending (30%) by the uninsured by their share of the population. This proportion is applied to every category of personal spending *except* uncovered services, such as nursing home and long-term care.[142]

Change in utilization

Eliminating deductibles and copayments will allow the sick to utilize the health care system more. The increase in utilization is estimated as the share of the population who reports it did

[137] Himmelstein et al., "A Comparison Of Hospital Administrative Costs In Eight Nations."
[138] "Occupational Employment Statistics Home Page."
[139] McKinsey Global Institute, "Accounting for the Cost of Health Care in the United States."
[140] Hadley and Holahan, "The Cost of Care for the Uninsured: What Do We Spend, Who Pays, and What Would Full Coverage Add to Medical Spending."
[141] Hadley and Holahan; Rachel Garfield, Rachel Licata, and Katherine Young, "The Uninsured at the Starting Line: Findings from the 2013 Kaiser Survey of Low Income Americans and the ACA," 47 Million (Kaiser Family Foundation, February 2014), http://kaiserfamilyfoundation.files.wordpress.com/2014/02/8552-the-uninsured-at-the-starting-line6.pdf.
[142] Note that the same procedure was used to estimate the increase in spending due to the ACA increase in coverage.

not see a physician because of cost, times .15.[143] This ratio is applied to every category of personal spending.

[143] Brot-Goldberg et al., "What Does a Deductible Do?"; Robert Wood Johnson and University of Wisconsin, Population Health Institute, "County Health Rankings."

Appendix 5: Revenue sources for Ohio Health Care Plan and the net burden of the plan

Adjusted Gross Income by source is from the Internal Revenue Service, Statistics of Income (SOI), 2014. Spending for health insurance is from the Agency for Health Care Research and Quality, Medical Expenditure Survey.

Personal income for 2019 has been estimated as the 2014 rate times the Congressional Budget Office projection of the change in income over that period.[144] It is assumed that income increases for all groups at the same rate.[145]

Revenues are estimated as the assessment rate for each bracket of income, multiplied by the income for each group.

[144] Congressional Budget Office, "Budget and Economic Outlook: 2014 to 2024" (Washington, D. C.: Congressional Budget Office, February 2014), https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/45010-Outlook2014_Feb_0.pdf.

[145] Because this understates income for higher groups with higher tax rates, this assumption understates revenue from the tax program.

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WHEREAS, the number of Americans without health insurance is still nearly 30 million, while more than 40 million Americans remain underinsured, despite important gains made since the implementation of the Affordable Care Act; and

WHEREAS millions with insurance have coverage so inadequate that a major illness would lead to financial ruin, and medical illness and bills contribute to two-thirds of all bankruptcies; and

WHEREAS entrusting care to profit-oriented firms diverts billions of dollars to outrageous incomes for CEOs and threatens the quality of care; and

WHEREAS, every person in Kent deserves high quality health care; and

WHEREAS, the never-ending rising costs of health care add challenges to our already strapped municipal budget and our small businesses, which keep our communities thriving; and

WHEREAS the Medicare for All Act of 2019 would provide national health insurance for every person in the United States for all necessary medical care including prescription drugs; hospital, surgical and outpatient services; primary and preventive care; emergency services; women's reproductive care; dental and vision care; and long-term care; and

WHEREAS the Medicare for All Act of 2019 would provide coverage without copays, deductibles or other out-of-pocket costs, and would slash bureaucracy, protect the doctor-patient relationship and assure patients a free choice of doctors; and

WHEREAS, recent polls show that a majority of Americans support Medicare-for-All; and

WHEREAS, the Medicare for All Act of 2019 will guarantee that all residents of Kent will be fully covered for health care without copays, deductibles or other out-of-pocket costs, and would save millions in

This is from a recent article in the Record Courier

Defenders of nuke bailout lie in new ad

A new TV commercial from the defenders of the House Bill 6 consumer bailout of Ohio's two nuclear power plants includes an outright lie.

The 30 –second spot that began airing Thursday, entitled "Lights Out Ohio," makes the false assertion that Chinese companies are buying Ohio power plants.

"Now because of deregulation, foreign entities including China are pouring into Ohio buying Power plants and infiltrating our power grid," the commercial says.

Despite repeated requests, Ohioans for Energy Security, the group opposing a petition drive to place a referendum on the ballot in November 2020 to repeal the law, could provide no documentation supporting its ad.

Group spokesman Carlo Lo Paro provided dozens of articles from corporate financing websites about the government-owned Industrial and Commercial Bank of China and natural-gas fired power plants in Ohio, but all the articles concerned loans and financing it provided – not ownership interests, "Chinese banks are heavily financing these projects-that's a fair topic of discussion," he said. "These are not simple loans..(these are) substantial funders."

LoParo declined to reveal the cost of the statewide commercial buy and who is funding his group.

The new commercial continues a Communist-tinged theme from Ohioans for Energy Security claiming that Chinese interest are attempting to take over Ohio's electricity generation and close Akron-based First Energy Solutions' pair of nuclear power plants along Lake Erie.

Again, the group can only point to Chinese loans to gas power plants, not ownership stakes. FirstEnergy, the parent of bankrupt First Energy Solutions, also has loans from a Chinese bank. The bank was among multiple lenders involved in financing three of Ohio's four natural gas-fired power plants.

A group opposed to House Bill 6-Ohioans Against Corporate Bailouts – is working to obtain the valid signatures of 265,774 registered Ohio voters by Oct. 21 to place a referendum before voters on the November 2020 ballot.

Signed into law by Gov. Mike DeWine, House Bill 6 will impose an 85-cent monthly charge on residential electricity bills to generate $ 150 million a year to subsidize the Lake Erie plants owned by FirstEnergy Solutions. If the referendum makes the 2020 ballot, the law will not take effect unless voters approve it. The bankrupt company threatened to close the plants starting June 30 without a subsidy, and will shut them down if the referendum qualifies for the ballot, LoParo said earlier.

Gene Pierce, spokesman for Ohioans Against Corporate Bailouts, said of the opposition's new TV commercial: "It's just as misleading and untruthful as before.. It's a sign of desperaton. They have a billion dollars coming from someone else's pocket and they will do everything they can – ignoring the truth – to get that money"

Ohioans for Energy Security is a so-called "dark money" group is not required to disclose its donors and the amounts they give. Ohioans Against Corporate Bailouts eventually will have to disclose its spending and donors. Pierce said they do not include Chinese interests.

Democracy Day Attachment #2

Susan Hilde Oneida

Owners of natural-gas fired power plants have signaled they are funding the referendum effort, while allies of FirstEnergy Solutions apparently are bankrolling the TV commercials.

Supporters contend the law is necessary to preserve thousands of jobs at the Davis-Besse and Perry nuclear power plants and retain Ohio's largest and cleanest source of electrical energy.

FirstEnergy Solutions also is attempting to overturn the referendum bid before the Ohio Supreme Court, arguing House Bill 6 imposed a tax that is not subject to repeal at the ballot box.

Kevin Graff, Record-Courier

lf against Kent Roosevelt Rough Riders at Friday night's game in to weather with a score of 0-0 and will be continued today at 1

ntinued . . .

Defenders of nuke bailout lie in new ad

By RANDY LUDLOW
GateHouse Media Ohio

A new TV commercial from the defenders of the House Bill 6 consumer bailout of Ohio's two nuclear power plants includes an outright lie.

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See Page A2 | Lie

A foothold in the

LEGALIZE DEMOCRACY AND HELP MITIGATE GLOBAL WARMING BY PASSING THE 28TH AMENDMENT TO THE CONSTITUTION

By Bill Wilen, Kent's Democracy Day Public Hearing, October 2, 2019

I want to focus on the global warming issue because of how it relates to corporate personhood and money as speech especially in connection with elections. Fortunately, we have some highly regarded authors who present valid and reliable information to help us understand the impact of money in politics or should I say more accurately – the impact of Dark Money on elections! Jane Mayer in her well-documented book by the same title focuses on Charles and David Koch the enormously rich proprietors of an oil company and how they use their money to buy their way to political power. Through their funding of organizations such as Americans for Prosperity and American Legislative-Exchange Council (ALEC) and other think tanks they promote their monied self-interests most notably in elections. And since the Supreme Court decided that money is a form of speech they and other plutocrats can spend as much money for their self-interests and thereby, essentially hijacking American democracy. One of their most notable crusades of recent years is the fight to prevent action against climate change. Why? Because their big money comes from fossil fuel production.

Bill McKibben in his new book, Falter: Has the Human Game Begun to Play Itself Out?, also documents the Koch's lavish spending in elections especially at the state level to ensure their business and personal interests were supported. For example, why would the EPA loosen federal rules on methane by allowing oil and gas industries to set their own rules when it comes to preventing this powerful greenhouse gas from leaking out of new drilling wells? Obama's

tougher restrictions on methane are being reduced. This is another Trump giveaway to the gas and oil companies by reducing their costs..

McKibben writes that Exxon's scientists, 40 years ago in 1978, reported that there is general scientific agreement that the release of CO2 gasses from the burning of fossil fuels is influencing the global climate. This was the beginning of one of the most consequential big cover-ups in human history. The Exxon corporation in partnership with the other major oil, gas and coal industries coordinated a campaign of disinformation and lies.

McKibben draws the conclusion that "we're at a bleak moment in human history – we'll either confront that bleakness or watch the civilization our forebearers built slip away."

By the way, there's a new book on the Koch brothers' monied influence in politics with their huge amounts of money, Kochland: The Secret History of Koch Industries and Corporate Power in America. Margaret Talbot of the New Yorker in her review of the book concluded that "the Koch machine bought its way into Congress and turned climate-change denial into an unchallengeable Republican talking point.

Let's go to the Northeast Ohio region. In a recent report by the Union of Concerned Scientists it was mentioned that "global warming has brought more intense storms and more precipitation to Cleveland and other parts of the Midwest. Various pieces of evidence indicate that the Great Lakes are warming. For example, the ice season has been starting later and ending earlier. Scientists expect more intense storms to occur in the Midwest, and more precipitation to fall in winter and spring."

What do we do about the Citizens United ruling that money is speech, therefore those with lots of money have much more power and

influence in politics and elections. The wealthy and corporations are always going to have influence in elections, one way or another. We need to focus on empowering average people by re-invigorating and expanding the public financing system for campaigns, both at the federal and state levels.

At the local level, Kent's City Council approved the Paris Agreement. The realization is that "we the people" can publicly disapprove of Trump's irrational and self-serving decision and make a small step in the right direction of sustainability. Hopefully the Sustainability Commission's climate action plan committee will fulfill its responsibility soon and move us forward.

Back to the bigger picture, we need to get the "We the People" 28th Amendment to the US Constitution passed by getting 2/3 of the House of Representatives to approve it. Thank you, Tim Ryan, for getting on board. But we need more from Ohio to serve as a model for the rest of the country.

Democracy Day Presentation to Kent City Council
10/2/19
By Judy Nelson, 330 Whetstone Drive, Kent, OH

Money in Politics

In June of this year, many communities in Northeast Ohio celebrated the 50 year anniversary of the burning of the Cuyahoga River. Even a torrential downpour did not prevent our Kent community from coming together to recognize the importance of the changes that occurred along the whole Cuyahoga River Watershed as a result of the attention its burning received. The federal Clean Water Act and our yearly celebration of the Earth were both born from the new awareness this generated.

We all know water cannot burn so what was the cause of the fire? Industrial waste and debris. The prosperity that industry had brought to the region was also the culprit in the degradation of the river and the quality of the water.

Fast forward 50 years. We continue to recognize the importance of protecting our environment, right? Hmmmm. It seems we may need a refresher course. Under the guise of promoting economic growth and development, federal regulations meant to protect our air, water, health, and safety are being attacked and dismantled. This implies that economic prosperity and a clean, healthy environment cannot coexist. The reality is that the destruction of our environment puts both economic prosperity and human existence at grave risk.

So what does this have to do with money in politics? We are all aware of the saying "Follow the money" as it relates to the reasons for changes in the status quo. Whose money is behind the deregulation frenzy of this administration? Yours? Mine? Polls consistently show that Americans want not only a healthy economy but also want to have a government that protects them, to have and enforce regulations to ensure that they are not harmed for the sake of corporate profits.

I believe the recent controversy over emission standards is an example of corporate profits trumping the public interest. The auto industry, through innovation and technology, has been rising to the challenge of meeting the stricter standards CA has put in place. This is a win-win for the industry and for air quality. So who would profit from more lax standards? The oil and gas industry perhaps? Follow the money. This industry clearly has extensive financial influence in our democracy. Should we let their interests usurp our rights to clean air?

Democracy – a government of the people, by the people, for the people. People. Not corporations.

Democracy Day, October 2, 2019

Kent, Ohio Council Chambers

Statement by Jackie Peck on Behalf of The League of Women Voters of Kent

Good evening. I am pleased to be here to speak as a board member representing the League of Women Voters of Kent about Money in Politics. As members of the LWV of Kent, we are also members of the LWVOhio and LWVUS, allowing us to work from a grass roots perspective at all levels of government. Many of you know The League as an organization that supports voting rights and voter access and education, as well as efficient and economical government. We are also an organization which works on selected issues, carefully studying pros and cons, educating our membership, engaging in dialog on those issues, and coming to consensus to develop a "position" which forms the basis for our lobbying and advocacy on that issue. Since our League of Women Voters US Convention in 1972 we have had a position on campaign finance reform; we have acted strongly and frequently to apply our League Principles of supporting an open and representative government to our political campaigns.

Our most recent study in 2016 resulted in a revised position as summarized below:

> **Money in Politics -**Campaign finance regulation should enhance political equality for all citizens, ensure transparency, protect representative democracy from distortion by big money, and combat corruption and undue influence in government. The League believes that campaign spending must be restricted but not banned. The League supports public financing, full disclosure, abolishing Super PAC's and creating an effective enforcement agency.

Transparency and disclosure are key words in this position. Ohio voters *should* be able to "follow the money." For example, the aggressive campaigning and scare tactics currently employed by dark money groups that are determined to stop a vote on repealing HB 6 have misled voters, thus highlighting the urgent need to close this loophole in Ohio's campaign finance laws.

Disclosure and transparency are important for 3 reasons:

1) Voters need to be able to determine the source of election information. Who is speaking? The Farm Bureau? Big Pharma? Disclosure gives voters the information to make informed election decisions.

2) Voters need to be able to determine when improper pressure and/or special treatment is given to candidates. By exposing large contributions and expenditures, disclosure deters corruption and avoids the appearance of corruption.

3) Voters need to be able to determine if campaign finance law is violated. Disclosure is necessary.

I stand with the LWVO in calling for the Ohio General Assembly to bring Ohio's finance laws up to date before the 2020 election. Voters need to know who is funding political advertisements. Without disclosure big pocket expenditures remain "dark money" that distorts the truth.

Thank you.

LWVUS POSITION ON MONEY IN POLITICS

The League of Women Voters of the United States believes that the methods of financing political campaigns should:

- Enhance political equality for all citizens;
- Ensure maximum participation by citizens in the political process;
- Protect representative democracy from being distorted by big spending in election campaigns;
- Provide voters sufficient information about candidates and campaign issues to make informed choices;
- Ensure transparency and the public's right to know who is using money to influence elections;
- Enable candidates to compete equitably for public office;
- Ensure that candidates have sufficient funds to communicate their messages to the public; and
- Combat corruption and undue influence in government.

The League believes that political corruption includes the following:

- A candidate or officeholder agrees to vote or work in favor of a donor's interests in exchange for a campaign contribution;
- An officeholder or staff gives greater access to donors;
- An officeholder votes or works to support policies that reflect the preferences of individuals or organizations in order to attract contributions from them;
- A candidate or office holder seeks political contributions implying that there will be retribution unless a donation is given; and
- The results of the political process consistently favor the interests of significant campaign contributors.

In order to achieve the goals for campaign finance regulation, the League supports:

- Public financing of elections, either voluntary or mandatory, in which candidates must abide by reasonable spending limits;
- Enhanced enforcement of campaign finance laws that includes changes to ensure that regulatory agencies are properly funded, staffed, and structured to avoid partisan deadlock in the decision-making process;
- Abolishing Super PACs and abolishing spending coordinated or directed by candidates (other than a candidate's own campaign committee); and
- Restrictions on direct donations and bundling by lobbyists, which may include monetary limits as well as other regulations.

Until full public financing of elections is enacted, limits on election spending are needed in order to meet the League's goals for protecting democratic processes. Among the different entities that spend money to influence elections, the League supports the following comparative limits:

- Higher spending limits for political parties, genuinely non-partisan voter registration and get-out-the-vote organizations and activities, and candidates spending money raised from contributors;

- Mid-level spending limits for individual citizens (including wealthy individuals), Political Action Committees (with funds contributed by individuals associated with the sponsoring organization, such as employees, stockholders, members and volunteers), and candidates spending their own money;
- Lower spending limits for trade associations, labor unions and non-profit organizations from their general treasury funds;
- Severely restricted spending by for-profit organizations spending from their corporate treasury funds; and
- No limits on spending by bona fide newspapers, television, and other media, including the Internet, except to address partisan abuse or use of the media to evade campaign finance regulations.

AS ANNOUNCED BY THE NATIONAL BOARD APRIL 2016

Lee Brooker
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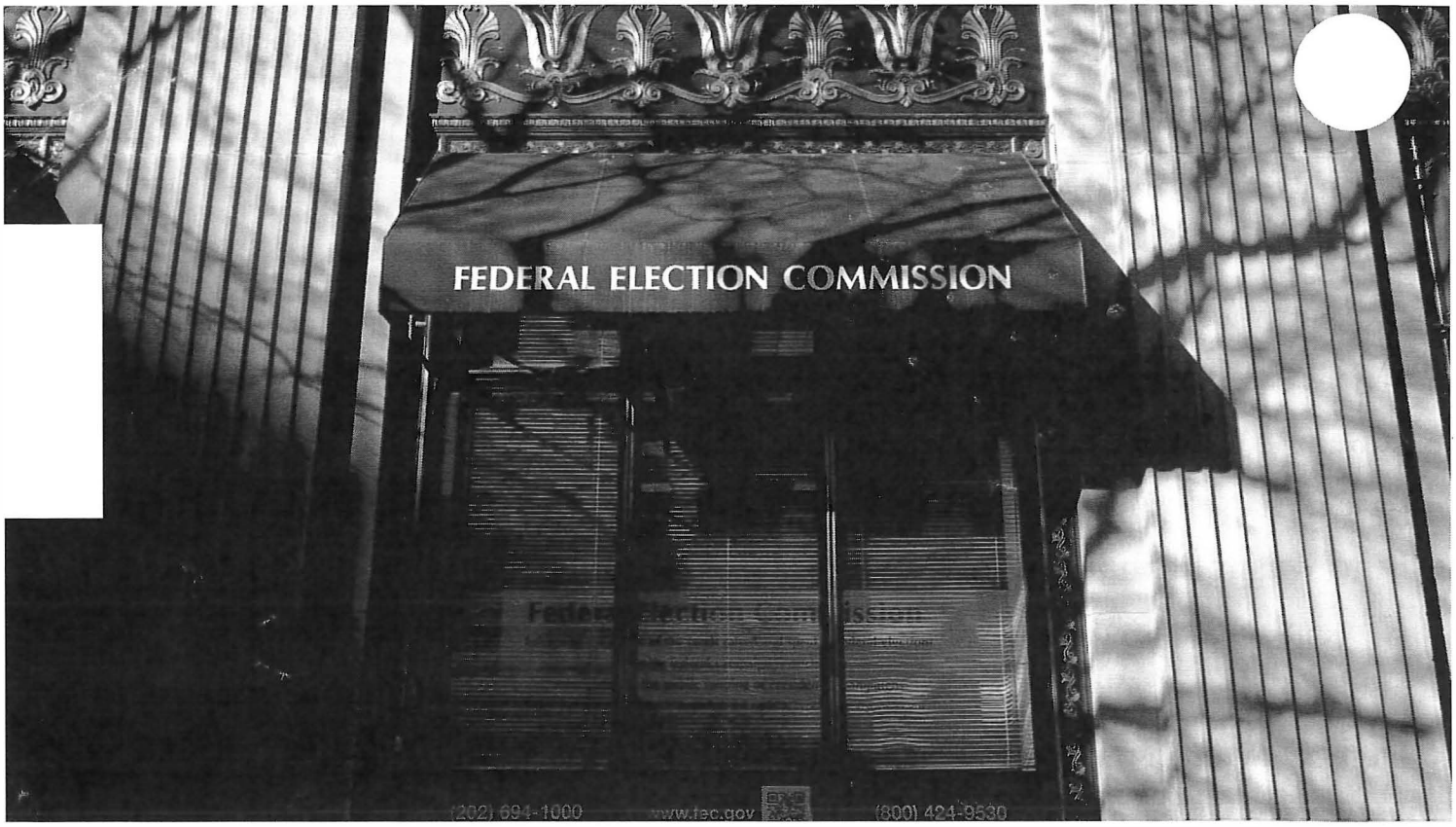
SLUDGE
Relentlessly uncovering corruption.



The Federal Election Commission headquarters October 24, 2016 in Washington, DC.

CHIP SOMODEVILLA / GETTY

INFLUENCE

Government Contractors Are Making Political Contributions, Despite Longstanding Ban

Federal election law prohibits these kinds of donations because of concerns over pay-to-play government contracting, but contractors are still making them—and the FEC is not actively working to stop them.

MAR 20, 2019 3:59PM EDT

Donald Shaw

EDITED BY
ALEX KOTCH

Democracy Day Attachment #6

In the 2018 election cycle, at least seven companies that had active contracts with the federal government made donations to PACs despite such contributions being illegal under the Federal Election Campaign Act. Recent post-general disclosures filed with the Federal Election Commission (FEC) revealed at least two political contributions from contractors, and several other such contributions were identified by campaign finance watchdog group Campaign Legal Center (CLC) and by money-in-politics reporters earlier in 2018.

Louisiana-based Alpha Marine Services, which has active contracts with the Department of Defense worth more than $80 million, gave $100,000 to a Super PAC aligned with Republican House leadership, the Congressional Leadership Fund, in June 2018. Also giving to the Congressional Leadership fund was multinational conglomerate 3M, which contributed $50,000 in November 2018. 3M has dozens of active contracts with multiple government agencies, including two large contracts with the Department of Defense worth more than $53 million.

A third company, Michigan-based KMW Group, contributed $10,000 in July 2018 to Outsider PAC, which spent money in support of unsuccessful Michigan Republican Senate candidate John James. In November 2018, KMW Group subsidiary Skytron LLC, which has active contracts with the Veterans Department and the Department of Health and Human Services, contributed another $10,000 to Outsider PAC, prompting a complaint from CLC regarding its seemingly illegal contribution. Following the complaint, Outsider PAC amended its filing with the FEC to reattribute the contribution to KMW Group. However, KMW Group is also a government contractor and had an active contract with the Department of Veterans Affairs worth nearly $500,000 at the time of that contribution and the one it made in July.

Democracy Day Attachment #6

Democracy Day Attachment #6

Since 1940, companies that have contracts with the government or are in negotiations to secure contracts have been banned from making "any contribution of money or other things of value, or to promise expressly or impliedly to make any such contribution to any political party, committee, candidate for public office or to any person for any political purpose or use." The contractor contribution ban has been upheld by federal courts after the 2010 *Citizens United v FEC* decision, most recently in the *Wagner* decision.

The reason for the ban, as explained by the CLC's federal reform program director, Brendan Fischer, is to prevent pay-to-play in the contracting process.

"Handing out taxpayer-funded government contracts to political contributors not only looks bad, but it warps government priorities," Fischer said. "Federal contractors have a lot to gain by making large contributions to super PACs, and decisions about which private companies are handed taxpayer money should be based on the public's interest, not what's in the interest of a politician's biggest donors."

Indeed, some of the politicians who benefitted from 2018 election spending by the super PACs funded by the government contractors have the power to influence government policies that could affect those contractors, and they could even influence the contractors themselves.

Democracy Day Attachment #6

For example, Rep. Will Hurd (R-Texas) benefitted from more than $1 million that was spent by the Congressional Leadership Fund on independent expenditures opposing his 2018 Democratic challenger, Gina Ortiz Jones. Hurd sits on the House Appropriations Committee, which approves spending for all government operations and contracts. He is also a member of the Appropriations Committee's Subcommittee on Military Construction for Veterans Affairs, which has jurisdiction over the agencies with which Congressional Leadership Fund donors 3M and Alpha Marine Services have active contracts.

Rep. Don Bacon (R-Neb.) is a member of the House Armed Services Committee, which has broad jurisdiction over defense policy, including acquisitions and contract workforces. The Congressional Leadership Fund spent $63,000 supporting Bacon in his 2018 election and $1.2 million against his Democratic opponent, Kara Eastman. Other beneficiaries of Congressional Leadership Fund spending who sit on committees with jurisdiction over issues affecting the PAC's contractor donors include Foreign Affairs Committee members Reps. Steve Chabot (R-Ohio) and Brian Fitzpatrick (R-Pa.) and Appropriations Committee member Rep. Jamie Herrara Beutler (R-Calif.).

Despite the conflicts of interest that are presented when government contractors make illegal political contributions, the FEC is not working to check for these donations in order to enforce the prohibition.

"To my knowledge [the FEC] is not reviewing reports for any potential contractors, so they really rely on outside groups to file complaints," Fischer explained. "It's not something that they're undertaking on their own."

With this lack of government review, CLC and other watchdog groups have taken on this task. CLC reviews super PAC filings from the FEC and cross-references corporate contributions against lists of companies with active government contracts that are publicly available at the usaspending.gov website. However, there is no way for the group to check if companies making contributions are in negotiations for contracts, something that would be illegal under the Federal Election Campaign Act, because that information is not typically made available to the public.

Other political donations by government contracts have also been discovered, including some from GEO Acquisitions II, a wholly owned subsidiary of private prison giant GEO Group, which has valuable contracts with U.S. Immigration and Customs Enforcement (ICE). In April, GEO Acquisitions II gave $125,000 to New Republican PAC, a super PAC that spent more than $30 million to support Sen. Rick Scott's (R-Fla.) election. Other contributions from contractors like Haworth, Ashbritt, and Ring Power Corporation have been refunded or reattributed to the companies' executives following complaints filed by CLC.

Democracy Day Attachment #6

END CORPORATE RULE. LEGALIZE DEMOCRACY.

MOVE TO AMEND

TESTIMONY AT "DEMOCRACY DAY" PUBLIC HEARING
Greg Coleridge, Outreach Director | Kent, Ohio | October 2, 2019

Happy Democracy Day!

Congratulations to all those who circulated petitions.

Thanks to all those who voted for "Democracy 4 U and ME! Yes on Issue 43!"

And kudos to the organizers for somehow convincing the state of Ohio to support this initiative by coordinating state road signs with that exact number go right through the center of town!

Kent is one of more than 500 communities and more than a dozen states that have passed municipal resolution or citizen initiatives calling for ending corporate constitutional rights and money defined as First Amendment-protected free speech.

Over 460,000 individuals have signed our petition, hundreds of organizations have endorsed our initiative, and our We the People [constitutional] Amendment (HJR 48) has 65 cosponsors, including Rep. Tim Ryan.

This growing movement is a reflection of the growing disconnect between what people want on issue after issue and the policies that our elected representatives don't pass – which is contributing to the growing movement for transformational change.

This movement is also a reflection of the growing awareness of the absurdity of money being defined as free speech and corporations having constitutional rights. Neither of which existed at the time of this country's founding.

Many have said the greatest threat to democracy or a democratic republic is the mistaken belief that we actually have an authentic one. We the People have never been All the People. People with property have always had more rights. Social/democracy movements driving women and people of color, among others, have partially changed that.

While white, male, property owners were certainly well shielded by the US Constitution, corporations weren't. They, in fact, aren't mentioned. Thus, corporations were defined as subordinate creations of the state, only able to provide goods and services as instructed in their charters or licenses, which was passed early on one-at-a-time by state legislatures.

Corporate entities only acquired "constitutional rights" because activist Supreme Court justices fictionally interpreted parts of the Constitution and Constitutional Amendments to apply to these artificial legal creations of government.

Corporate constitutional rights, or corporate personhood goes well beyond corporate political money spent in elections being defined as "first amendment free speech." As harmful to people, places and the planet and to democracy as these are, there's so much more.

Corporations have hijacked Constitutional Amendments and parts of the original Constitution — with impacts in many cases that limit the ability of local and state legislatures to protect the health, safety and welfare of their residents, citizens, communities and state.

For example:
-A state law mandating the labeling of certain ingredients in food has been overturned as violating a corporation's right not to speak under the first amendment

-Employees of a corporation wanting to access contraception coverage were denied by the court as a violation of the business corporation's first amendment religious rights (Hobby Lobby).

-A state regulation limiting the amount of fossil fuels that can be extracted from the ground has been overturned as violating a corporation's "taking" rights under the 5th Amendment — which could have direct implications in trying to keep fossil fuels in the ground to save the climate.

-Laws giving preferential treatment to locally owned over big box stores has been overtured by corporations claiming the law discriminates under the 14th Amendment

-Numerous laws limiting the importation of toxic materials and other items in communities in the name of health, safety and welfare have been overturned under the Constitution's Commerce Clause that places principle of commerce or trade over the principle of health, safety and welfare.

The list goes on to include the numerous instances of local laws across the country preempted or trumped by state laws or the courts to protect corporate interests over community concerns.

The point being: elections are not enough, laws are not enough, and regulations are not enough -- not when the foundational rules and the interpretation of those rules are rigged to protect corporate rights over human rights and the rights to a livable world.

Amending the constitution to abolish not only political money in elections as first amendment protected free speech but also all forms of corporate personhood is essential. The We the People Amendment is that amendment. Only people are persons.

Victor Hugo once said, "Nothing is more powerful than an idea whose time has come."

Thank you Kent residents for contributing to this growing awareness and to shifting the culture — prerequisites to changing our foundational governing rules. This is an idea…and a proposal…whose time has come.

End Corporate Rule. Legalize Democracy. Move to Amend.
http://MoveToAmend.org

Democracy Day Attachment # 7

SB33: AN ATTACK ON OUR RIGHT TO PEACEFUL PROTEST

By Kathy Hazelton, Shaker Heights

Submitted in writing only because of lack of time at Democracy Day

Last December a bill passed in the Ohio Senate and moved to the House which claims to protect critical infrastructure from mischief by making it a **felony** to peacefully protest power plants and gas lines on private property, even on one's own private property. Since Ohio already has criminal trespass law, a primary purpose of that bill – called Senate Bill 250 in last year's General Assembly -- appeared to be to discourage peaceful protest against environmental hazards by raising the penalty from a misdemeanor to a felony.

As originally written, SB250 would have carried a prison sentence of 11 years for peaceful protest on the property of power plants and gas lines. After opposition testimony in November from over 30 individuals and many environmental and free-speech organizations, including the League of Women Voters, the Sierra Club, the Buckeye Environmental Network, and the American Civil Liberties Union, the charge was softened to a third-degree felony, but it still carried a prison term of three years.

Now SB 33, the bill also intimidates Ohio organizations with $100,00 fines if they object to or impede certain private infrastructure or work with citizens exercising their free speech and association rights. Organizations could be held responsible for members whose actions they do not endorse or control. These penalties seem excessive.

But I suppose one might ask why citizens would feel the need to trespass on private property to protest against power plants and gas lines. Don't we have a democratic process to make our voices heard?

Well, the democratic process to get Ohio legislators to write laws protecting our environment simply isn't working:

- For one thing, citizens have their voices drowned out because of a gerrymandered legislature and campaign finance laws which permit oil and gas companies and trade associations to make virtually limitless contributions to candidates who will do their will. The sponsor of SB 33 was Senator Frank Hoagland of Mingo Junction in the southeastern Ohio district, where the fossil fuel industry wields huge power.

- Second, many bills introduced into the Ohio House and Senate—like SB33--actually are drafted in a national organization where corporate lobbyists and state legislators create model bills which often diminish citizens' rights and benefit the corporations' bottom line. Given that Frank Hoagland and several co-sponsors of SB33 are members of that organization (ALEC), it's likely that this bill was drafted with the influence of lobbyists for the oil and gas industry. Not surprisingly, it resembles bills introduced in states across the country since shortly after the protests of the Dakota Access Pipeline near Standing Rock

Indian Reservation in 2016-2017. The bills have become laws in many states. SB33 has passed in the Ohio Senate and a companion bill is in the Ohio House now.

- Since the state's corrupt legislative process is drowning out our voices, Ohioans have attempted to have their voices heard through **citizens initiatives** (like ours), but the results of these initiatives are not always upheld. Although the Columbus Community Bill of Rights, an environmental group, gathered 12,134 signatures (far more than the 8900 required) to place an anti-fracking initiative on the November 6, 2018 ballot seeking to ban oil and natural gas extraction and waste disposal in Columbus, but the Franklin County Board of Elections questioned the legality of the proposed ballot measure, and in October the Ohio Supreme Court ruled in favor of the Board of Elections.

- In another example of the difficulty of getting citizens' voices heard, citizens in Athens County have been protesting applications for Class II injection wells in their county since 2011, and citizens, public officials, and water districts have sent hundreds of letters to the Ohio Department of Natural Resources to express credible concerns about these wells given extensive scientific evidence of their ability to poison water and air and cause earthquakes, explosions and fires. **Ohio has never granted a public hearing to Athens County officials and citizens to record their grave and substantive concerns, which are highly relevant to health and safety and good conservation practices, as Ohio injection well law requires**.

- And currently, a group called Ohioans for Energy Security, back by big energy interests, is running ads to keep Ohioans from signing petitions to get a referendum om the ballot that would lead to a popular vote on whether to fail out First Energy's 2 nuclear power plants.

So back to the need for protest. The Ohio Constitution guarantees Ohioans the right to assemble in a peaceable manner to consult for the common good; to instruct their representatives; and to petition the General Assembly for the redress of grievances. The health of our environment **IS** a common good. We have a right to clean air and drinkable water and the right to freedom from diseases caused by leakage of toxic chemicals into our ground. But it appears that the profits of corporations are more important to our lawmakers than the health and safety of the people.

If our legislators do not listen to us but to corporations pushing for legislation in their own interests, if citizens initiatives are restricted and ignored, **we must protest. And we must insist that our state representatives prevent SB 33 from becoming law.** We cannot sit by and let our children and grandchildren suffer because moneyed interests and our political leaders prefer to put their heads in the sand.

I ask for your support of efforts to stop this anti-protest bill and end the ride of the runaway train of corporate personhood which overrides the rights of citizens. Thank you.

Democracy Day Attachment #8

Sources:

League of Women Voters of Ohio Testimony on Senate Bill 250, November 14, 2018

"Senate Bill 250 limiting free-speech rights in Ohio is unneeded and pernicious: editorial 12.2.2018
https://www.cleveland.com/opinion/index.ssf/2018/12/senate_bill_250_limiting_free-.html

ACTION ON SB 250 IMMINENT Fact Ohio, November 9, 2018

https://www.factohio.org/news/2018/11/9/action-on-sb-250-imminent

Democracy Day Attachment #8

DRAFT

THE CITY OF KENT, OHIO
COMMITTEE OF THE WHOLE
WEDNESDAY, October 2, 2019

Mayor Fiala called the Committee of the Whole of Kent City Council to order at 6:55 p.m.

PRESENT: Mr. Jack Amrhein; Mr. Michael DeLeone; Mr. Garret Ferrara; Mr. John Kuhar; Ms. Gwen Rosenberg; Ms. Heidi Schaffer; Mr. Roger Sidoti; Mr. Robin Turner; Ms. Tracy Wallach

ALSO PRESENT: Mr. Jerry T. Fiala, Mayor and President of Council; Mr. Dave Ruller, City Manager; Ms. Hope Jones, Law Director; Ms. Bridget Susel, Community Development Director; Ms. Melanie Baker, Public Service Director; Mr. Jim Bowling, City Engineer; Mr. Harrison Wicks, Executive Assistant to the City Manager; Mr. Dave Coffee, Budget and Finance Director; Mr. Tom Wilke, Economic Development Director; Ms. Amy Wilkens, Clerk of Council

There were two (2) items on the Agenda.

1. City Hall Project Update

   Nancy Nozik from Brandstetter Carroll, Inc. presented updated plans for the City Hall project. Square footage and cost have been examined and some slight changes have been made. The schematic design was reviewed by floor (lower level, main level and upper level). Utility and tax counters will be divided by glass with transaction windows. Existing square footage of Finance and Utility Building was compared to proposed square footage, with increases to both to accommodate future use. Upper level offices of the Mayor, City Manager and Clerk of Council were reviewed, including storage rooms for items currently being housed in the Service Department. The Law Department is separated in its own suite and separated off from other offices.HR department located at the end of the suite to accommodate their work with Business and Finance. Exterior design shows the reductions in size but is consistent with what was in previous drawings. Square footage and anticipated costs reviewed; project estimated in a range based on square footage, between $6,000,000- $8,000,000**. (Attachment #2)**

   Mr. Ferrara said he thought the Council Executive Conference room was going to be behind Council Chambers. Potential issues with the location of the conference room was discussed regarding ease of access and not having to go through the crowd. Ms. Nozik will review all options.

   Ms. Rosenberg asked about a potential information desk to greet people as they come in to the lobby. Ms. Nozik said there is room for a reception desk in a central check-in spot in the lobby. Ms. Rosenberg said it is part informational, part security for people working in those offices. Nancy stated all offices are secured behind a security access door.

   Mr. Kuhar said if Council Chambers were indeed rotated, an egress door would almost need to be in front of the building. Ms. Nozik agreed and said it may need to be placed there due to slope.

   Mr. Ferrara said it would be nice to have the dais by the windows. Ms. Nozik states she will be able to show many different options.

   Mr. Turner asked about the budget for the project and Mr. Ruller discussed the existing budget vs. funds available for down payment and financing options. The fire department debt will be coming off and can be used for this building.

   Mr. Sidoti asked about the elevation of the council table. It will be six inches up.

Mr. Kuhar said he did not want to sit at dais and have issues with sun glare.

Ms. Heidi Shaffer favored moving the Council dais by the west facing window.

Ms. Melanie Baker would like to have a public hearing during first week in November to share designs.

2. Council Balloting Procedures

Ms. Hope Jones sent out a memorandum regarding new Supreme Court decision that came to her attention regarding secret ballot and voting procedures. We need to change from our current ballot process to voice votes, roll call votes or tallying and announcing who voted. There would be no difference in how to proceed with the ordinance. This procedure needs to be adjusted to avoid trouble in future. Ms. Jones shared in other cities (Cuyahoga Falls and Beachwood), applicants would be vetted by Administration and then brought before Council.

Mayor Fiala asked if the responsibility of council to appoint to boards and commissions would then be shifting to the City Manager.

Ms. Hope Jones stated that it is Council's responsibility to appoint members to boards and commissions. Could consider allowing administration to spend time doing vetting.

Ms. Schaffer asked if having an Executive Session was the problem.

Ms. Jones stated that it is the ballot process that is the issue.

Mr. Ferrara asked if we could do both; having administration do vetting of candidates and also have the candidates meet with Council.

Ms. Jones said the procedure is up to Council on how to proceed.

Mr. Turner said the current process is not a secret ballot because Council members put their name on the ballot. People could know who was voted for by approaching clerk. Names are on the ballot and public has right to look at votes with names next to them.

Ms. Jones stated some may put name on, but some do not. She cited a case with the City of Bratenahl voting for President Pro Tem in which the tallied votes were counted by the Solicitor. The Supreme Court stated that open meeting laws require all deliberations to be held in public.

Mr. Sidoti clarified this discussion regarding the voting process. He stated it's important for candidates to be seen before the vote and for the public to also see them. Main issue at hand is changing of voting process.

Mr. Kuhar suggested a scenario of receiving candidate packets to review prior to the interview, candidates coming in for the interview, and at next council meeting have a verbal vote. This eliminates the paper ballot.

Ms. Jones concurred this would be acceptable.

Ms. Rosenberg asked if additional information obtained in discussion or background check made a difference.

Ms. Jones stated in some instances it did, but not a lot.

Ms. Wallach stated she would like it to be a requirement the candidate come to the Council Meeting for the interview.

Mr. Sidoti said in past years when there were multiple candidates the Executive Session was helpful in making the decision and important to the process.

Mayor Fiala summarized changes of current process; interviewing candidates, having Executive Session and publicly voting on the candidate.

MOTION TO AUTHORIZE A VOICE VOTE FOR BOARDS AND COMMISSION CANDIDATES made by Mr. Sidoti, seconded by Mr. Kuhar.

Ms. Wallach asked if we are changing the way candidates present themselves.

Mayor Fiala clarified that candidates currently do not have to come to the meeting.

MOTION TO AMEND THE ORIGINAL MOTION TO ADD LANGUAGE REQUIRING CANDIDATES TO BE PRESENT AT MEETING WITH COUNCIL made by Ms. Wallach, seconded by Mr. Ferrara.

Mr. Sidoti said if a person is reapplying for same position they should not be made to come in again.

Mr. Amhrein said it should be mandatory for all to be present for the interview.

Mr. Kuhar said he agrees that every candidate should show up so Council and the public can hear them.

Ms. Schaffer said it may be difficult if candidates cannot make the meeting and asked if there would be an option for those who are not able to make it.

Mr. Amhrein asked how we can question the candidate if they are not here. If there are extenuating circumstances we could work on an alternate day.

There were no further comments from Council.

MOTION TO AMEND CARRIED by a voice vote of 6-3 with Mr. Ferrara, Ms. Shaffer and Mr. Turner against.

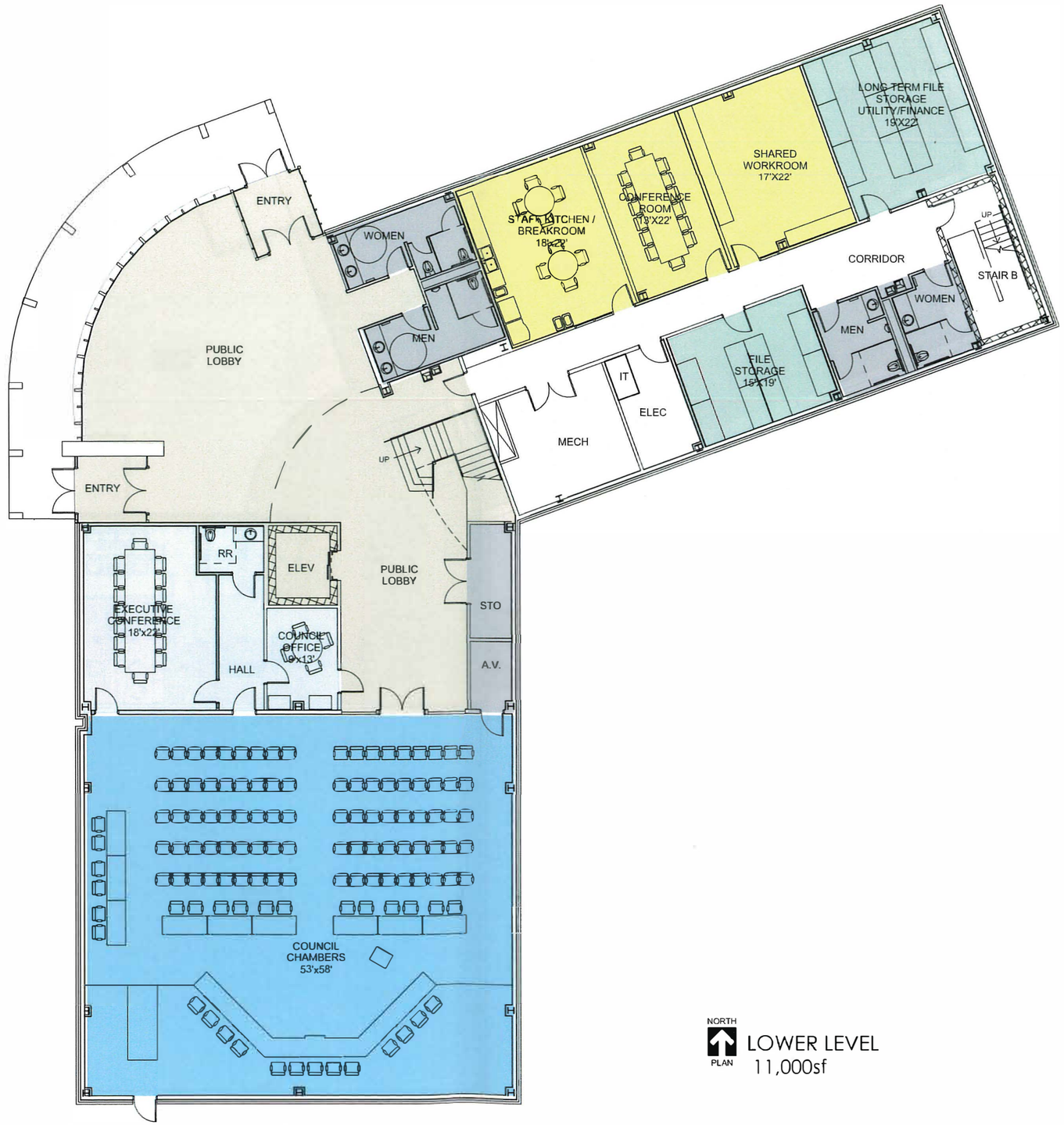
ORIGINAL MOTION AS AMENDED TO AUTHORIZE A VOICE VOTE FOR BOARDS AND COMMISSION CANDIDATES CARRIED by a voice vote of 9-0.

Hearing no further business before this Committee, the meeting adjourned at 7:15 p.m.

Amy Wilkens
Clerk of Council

ACTION RECOMMENDED:

1) **Authorize a voice vote for Boards and Commission Candidates and require Candidate presence to be interviewed.**



NORTH

LOWER LEVEL
11,000sf

10-02-2019

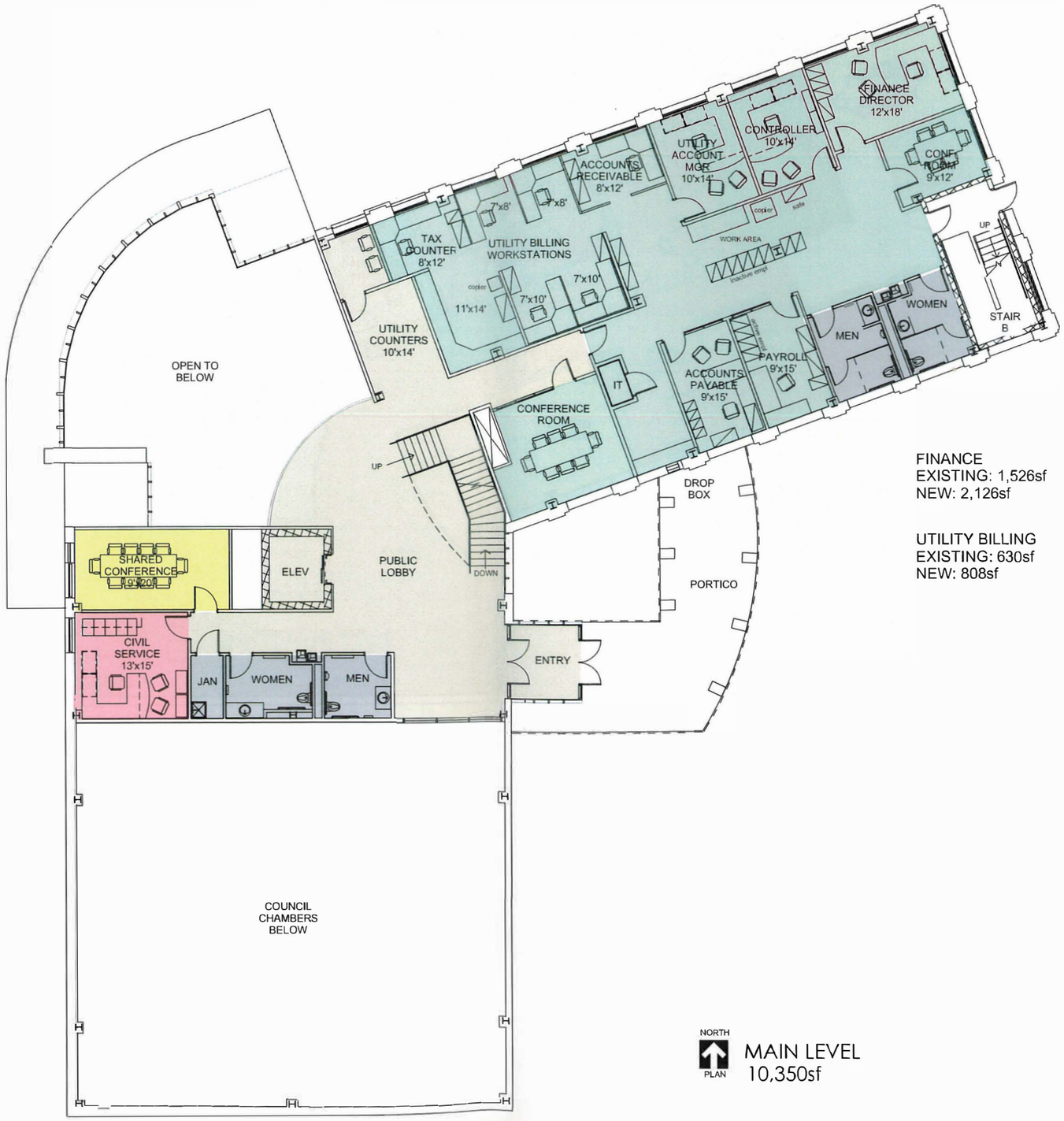
Kent City Hall

319 S. Water Street
Kent, OH 44240

Schematic Design

BRANDSTETTER CARROLL INC
ARCHITECTS . ENGINEERS . PLANNERS
Lexington · Cincinnati · Cleveland · Dallas

Attachment #2



FINANCE
EXISTING: 1,526sf
NEW: 2,126sf

UTILITY BILLING
EXISTING: 630sf
NEW: 808sf

NORTH
PLAN

MAIN LEVEL
10,350sf

10-02-2019

Kent City Hall

319 S. Water Street
Kent, OH 44240

Schematic Design

BRANDSTETTER CARROLL INC
ARCHITECTS . ENGINEERS . PLANNERS
Lexington Cincinnati Cleveland Dallas

Attachment #2

NORTH

UPPER LEVEL
7,090sf

10-02-2019

Kent City Hall

319 S. Water Street
Kent, OH 44240

Schematic Design

BRANDSTETTER CARROLL INC
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Attachment #2

10-02-2019

BRANDSTETTER CARROLL INC
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Kent City Hall

319 S. Water Street
Kent, OH 44240

Schematic Design

Attachment #2

Schematic Design

PROJECT NOTES
KENT CITY HALL
PROJECT NO. 18023

SUBJECT: PROGRAM REVIEW WITH CITY COUNCIL

BY: Nancy Nozik, Brandstetter Carroll Inc.

BRANDSTETTER CARROLL INC

October 2, 2019

Concept Space Plan: 21,500 – 23,000sf

Schematic Design Plan: 24,000sf (28,440sf including 2-story spaces)

OPC @ $250/sf = $6,000,000 - $7,110,000

OPC @ $300/sf = $7,200,000 - $8,532,000

Build-out of 2nd Floor:

3,260 sf @ $200/sf = $652,000

Parking:

Anticipate 57 spaces.

Currently approx. 56 spaces

Attachment #2

DRAFT

THE CITY OF KENT, OHIO
COMMUNITY DEVELOPMENT COMMITTEE
WEDNESDAY, OCTOBER 2, 2019

Chair Kuhar yielded his chairmanship to Ms. Rosenberg and she called the Community Development Committee Meeting to order at 7:59 p.m.

PRESENT: Mr. Jack Amrhein; Mr. Michael DeLeone; Mr. Garret Ferrara; Mr. John Kuhar; Ms. Gwen Rosenberg; Ms. Heidi Schaffer; Mr. Roger Sidoti; Mr. Robin Turner; Ms. Tracy Wallach

ALSO PRESENT: Mr. Jerry T. Fiala, Mayor and President of Council; Mr. Dave Ruller, City Manager; Ms. Hope Jones, Law Director; Ms. Bridget Susel, Community Development Director; Ms. Melanie Baker, Public Service Director; Mr. Jim Bowling, City Engineer; Mr. Harrison Wicks, Executive Assistant to the City Manager; Mr. Dave Coffee, Budget and Finance Director; Mr. Tom Wilke, Economic Development Director; Ms. Amy Wilkens, Clerk of Council

There was one (1) item on the Agenda.

1. North Water Street Parcel Sale Expectations

Mr. Dave Ruller said the City has acquired through DKC three parcels of land on N. Water Street. **(Attachment #3)** He explained two parcels have structures on them (Attachment) for your reference. If someone would want to purchase and knock down these structures, how do you feel about that? Are there certain uses you do not want Tom (Wilke) to pursue? Part of pursuing this property was to have a say in what or who goes in there. There is no action item with this; we are looking for ideas and feedback.

Mr. Tom Wilke reviewed the attachment showing the properties up for discussion. This could support a fairly large building and possibly generate income tax revenue. Perhaps an office building with highly paid professionals? Others want to recreate the history and build between existing buildings. Do we do something that supports current existing structures surrounding these parcels, such as the mill? A parking structure was discussed as well. There has not been an announcement or marketing of the parcel being in the city's hands.

Ms. Wallach said she likes the idea of renovating the current structures. Walter's Café has a lot of history in Kent which is a musical town. Would like to keep existing structures and is okay if want to put a parking or store in the middle as long as it blends in.

Ms. Schaffer said blending in is key and also developing something unique in appearance. She would like to discourage any type of major chain going in, but something that would support arts and entertainment, creating jobs and/or residences. More of a critical mass of activities would support other developments, giving people a reason to walk around and visit local businesses. It has to be decided on a case by case basis and suggested a mission statement be written to bring back to council. We don't want to narrow it so much to discourage people from coming forward.

Mr. Wilke said he had not yet considered a mission statement but wanted to bring to Council tonight. He said the Downtown Kent Corporation (DKC) owns this and is not obligated to request permission for proposals; he really wanted to hear what people propose for these parcels.

Ms. Schaffer said she is not opposed to new structures and doesn't think we should save everything at all costs if building is beyond the brink. If it's a new structure it should be built to fit character.

Mr. Wilke asked if it is a new structure that fills in vacant lot, is there a preference on the height of the building.

Ms. Roseburg encouraged other comments on the last question from other members of Council before answering question.

Mr. Ferrara said we have a good track record on developing and the rest of the downtown speaks to that. You should use your best judgement on what people want. You want to maintain Kent's character. Riverfront area should not be wasted on parking. He also stated he can see having four stories. Mr. Ferrara said there is more economic development in that area with local coffee shops and is interested in non-student housing for professionals, whether young or old. Foot traffic will enhance rest of the properties.

Ms. Bridget Susel said there are other new downtown residences coming along soon and we want to be conscience of not oversaturating area because we've seen what that can do on the student end and do not want to do to the downtown.

Mr. Wilke said can it be built as high as sixty feet from the Water Street level.

Mr. Sidoti asked for a point of clarification if he could participate in conversation.

Ms. Hope Jones said he could not.

Mr. Amhrein said he is in favor of building preservation if possible unless buildings are beyond saving. Wooster has done a wonderful job of repurposing buildings, but it is very expensive. Stated he is in favor of preserving the historic integrity of the neighborhood if possible.

Ms. Wallach said we need more senior housing and that people aren't interested in it anymore.

Ms. Bridget Susel stated it's all about cost (inaudible portion of recording).

Ms. Wallach stated we are losing a lot of city housing (Silver Oaks) but may be more appropriate for another discussion.

Mr. Wilke mentioned it is in a CRA zone and you have the option of who we sell the properties to.

Ms. Bridget Susel stated for affordable senior housing there has to be a tax credit project. It is a complicated process compared to a private developer.

Mr. Turner asked what are the implications for parking and how can this not negatively affect it?

Mr. Wilke said he believed the existing parking would support commercial development such as a bar, restaurant or merchandise store. One advantage is someone could build a parking structure below with residences above depending on whether they continue to use existing structures.

Mr. Ferrara would like to call it active living housing as opposed to senior housing. Low income senior housing would not necessarily enhance the downtown in terms of spending.

Ms. Wallach said if it was a mix, seniors have an interest in shopping downtown but are unable to access it.

Ms. Rosenberg asked if there were any questions or comments from the audience.

Mr. Joe Culley of 1550 S. Lincoln Street said as an art educator he had a brainstorm. If you have an area that has a specific need and you open it up to an architecture competition it can bring interest into the unique landscape of Kent.

Hearing no further business, Ms. Rosenberg adjourned the Community Development Committee Meeting at 8:20 PM.

_____
Amy Wilkens
Clerk of Council

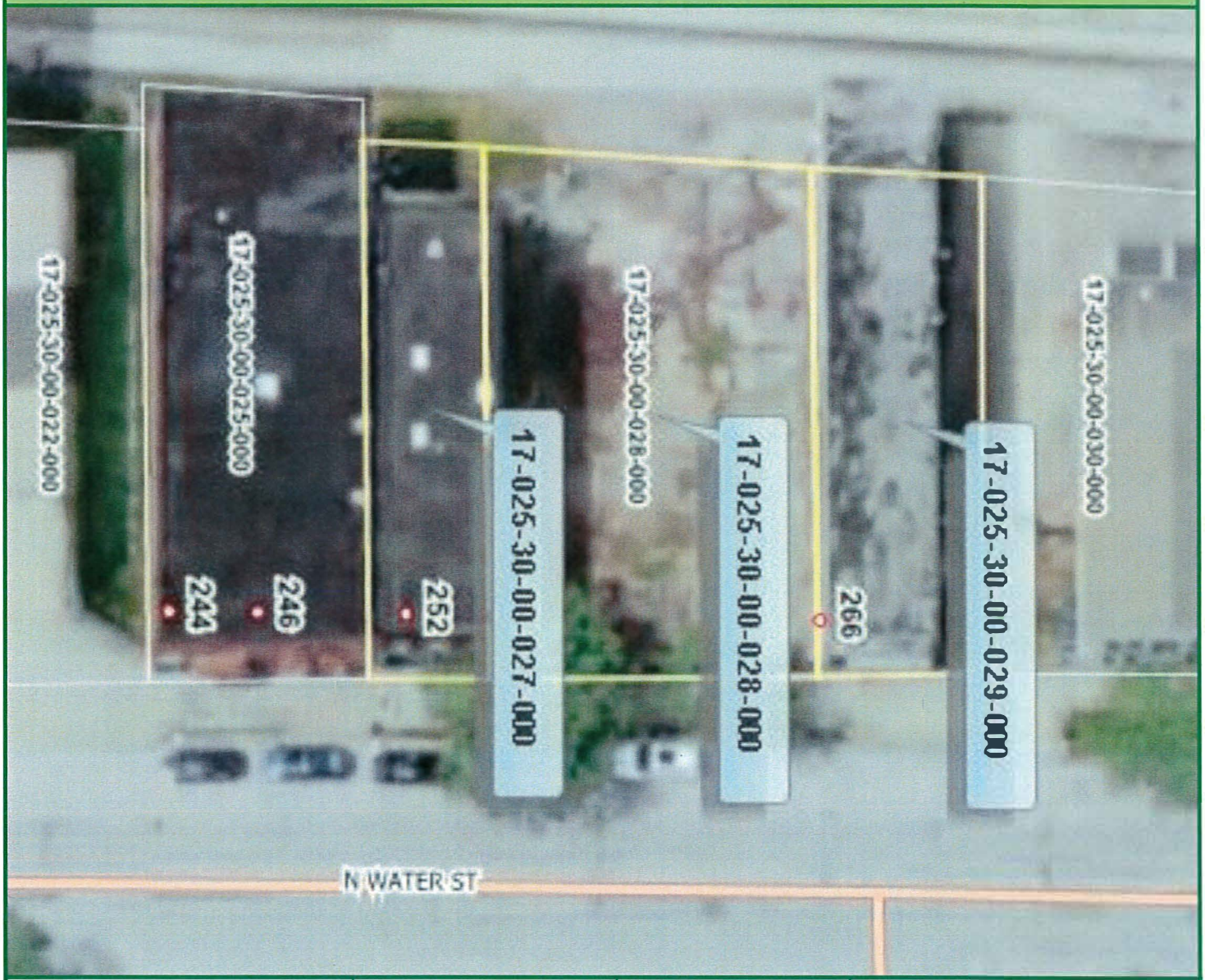
ACTION RECOMMENDED:

1. **No Action Requested**

252—266 N. Water Street

Attachment #3

Parcel Information



Parcel Number	Address	Parcel Size	Building Size
17-025-30-00-027-000	252 N. Water St.	0.0468 Acres	3,388 sf - Two Floors
17-025-30-00-028-000	NA	0.1295 Acres	NA
17-025-30-00-029-000	266 N. Water St.	0.0627 Acres	4,000 sf - Two Floors
Totals		**0.239 Acres**	**7,388 sf**

Attachment #3

DRAFT

THE CITY OF KENT, OHIO
FINANCE COMMITTEE
WEDNESDAY, OCTOBER 2, 2019

Chair Michael DeLeone called the meeting of the Finance Committee of Kent City Council to order at 8:20 p.m.

PRESENT: Mr. Jack Amrhein; Mr. Michael DeLeone; Mr. Garret Ferrara; Mr. John Kuhar; Ms. Gwen Rosenberg; Ms. Heidi Schaffer; Mr. Roger Sidoti; Mr. Robin Turner; Ms. Tracy Wallach

ALSO PRESENT: Mr. Jerry T. Fiala, Mayor and President of Council; Mr. Dave Ruller, City Manager; Ms. Hope Jones, Law Director; Ms. Bridget Susel, Community Development Director; Ms. Melanie Baker, Public Service Director; Mr. Jim Bowling, City Engineer; Mr. Harrison Wicks, Executive Assistant to the City Manager; Mr. Dave Coffee, Budget and Finance Director; Mr. Tom Wilke, Economic Development Director; Ms. Amy Wilkens, Clerk of Council

There were two (2) items on the Agenda.

1. 2015 General Operating Levy Renewal

   Mr. Coffee said the City has a 1.16 mill General Operating Levy due to expire in the 2019 tax year and there is a need to get on the ballot in 2020. It is staff opinion the renewal levy is the most likely to be accepted by the community. We would like to get this on the March ballot which is the first opportunity in the next year. It is an important source of revenue for us and the tax base is increasing. The process to be followed, with Council authorization, is to request the County Auditor give us an estimate of the renewal or replacement, which ever direction is chosen. Then formal legislation will then be put on the ballot. There is a hard deadline of December 18th with the Board of Elections.

   Ms. Schaffer asked if this is the only levy that goes to General Fund.

   Mr. Coffee said it is the only voted levy that goes to the General Fund. We have non-voted as well, and the West Side Fire as well.

   Ms. Schaffer said a lot of people think just because they live in Kent they are paying their taxes in Kent. The fact is if you own property in Kent you are paying a small portion of taxes to city for services.

   Mr. Coffee said for a $100,000 market value property the cost is $25.75 annually and is important to the City's annual budget process. A replacement levy may be tempting, but we are trying to be sensitive to the community. A renewal levy will not be an increase in what they currently pay.

   Mr. Kuhar asked if the renewal levy is based on the appraisal value at the time of the original levy and a replacement levy will be a new tax levy, making it more expensive.

   Mr. Coffee said that is correct.

   Mr. Kuhar said then what you are projected is more user friendly on the pocketbook.

   Mr. Coffee said that 1960 was the first year of the passing of the original levy. We have not asked for an increase in the millage since.

   Mr. Sidoti asked when the school levy would be on the ballot.

Mr. Ruller said the school levy would be on the March ballot.

Mr. Sidoti said it's important for the public to hear that this will not be an increase.

Mr. Coffee said ideally we would have had it on the November ballot but we did not, so it must be on the March ballot.

MOTION TO AUTHORIZE A RESOLUTION FROM THE COUNTY AUDITOR FOR AN ESTIMATE OF THE RENEWAL OR REPLACEMNT OF THE 2015 GENERAL OPERATING LEVY WITH AN EMERGENCY CLAUSE made by Kuhar, seconded by Mr. Sidoti, and CARRIED by a voice vote of 9-0.

2. 2019 Budget Appropriations Amendment
   Mr. Coffee made a request authorization for budget amendments as outlined in memo of September 25, 2019 to the City Manager.

MOTION TO APPROVE THE 2019 BUDGET APPROPRIATIONS AMENDEMENT WITH AN EMERGENCY CLAUSE made by Mr. Kuhar, seconded by Mr. Amhrein and CARRIED by a voice vote of 9-0.

Hearing no further business before this Committee, Chair DeLeone adjourned the committee meeting at 8:30 p.m.

_____

Amy Wilkens
Clerk of Council

ACTION RECOMMENDED:

1) **MOTION TO AUTHORIZE A REQUEST FROM THE COUNTY AUDITOR FOR AN ESTIMATE OF THE RENEWAL OR REPLACEMNT OF THE 2015 GENERAL OPERATING LEVY WITH EMERGENCY CLAUSE.**
2) **MOTION TO APPROVE THE 2019 BUDGET APPROPRIATIONS AMENDEMENT WITH AN EMERGENCY CLAUSE.**

THE CITY OF KENT, OHIO
HEALTH & SAFETY COMMITTEE
WEDNESDAY, OCTOBER 2, 2019

Chair Jack Amrhein called the meeting of the Health & Safety Committee of Kent City Council to order at 7:40 p.m.

PRESENT: Mr. Jack Amrhein; Mr. Michael DeLeone; Mr. Garret Ferrara; Mr. John Kuhar; Ms. Gwen Rosenberg; Ms. Heidi Schaffer; Mr. Roger Sidoti; Mr. Robin Turner; Ms. Tracy Wallach

ALSO PRESENT: Mr. Jerry T. Fiala, Mayor and President of Council; Mr. Dave Ruller, City Manager; Ms. Hope Jones, Law Director; Ms. Bridget Susel, Community Development Director; Ms. Melanie Baker, Public Service Director; Mr. Jim Bowling, City Engineer; Mr. Harrison Wicks, Executive Assistant to the City Manager; Mr. Dave Coffee, Budget and Finance Director; Mr. Tom Wilke, Economic Development Director; Ms. Amy Wilkens, Clerk of Council

Chair Jack Amhrein called the meeting of the Health and Safety Committee of Kent City Council to order at 7:40 p.m.

There was one (1) item on the Agenda.

1. Authorize the Proposed New Film Permitting Procedures

Mr. Dave Ruller mentioned actor Liam Neeson was in the township today which happened to coincide with the work being done between the City and Kent State University's film program. A lot more potential filming activity is expected and students came to the city to discuss. Mr. Wicks has created an application process to help work with students.

Mr. Wicks introduced Scott Hallgren, Assisted Professor in the School of Journalism and Mass Communication's Digital Media Production Program. Mr. Hallgren has been working with the City to develop and streamline the permitting process for filming.

Mr. Sidoti asked Mr. Hallgren if he found this proposal restrictive.

Mr. Hallgren stated he did not. He thinks the City of Kent has been very responsive to this and the form has been put through a great deal of diligence. The goal was to keep it simple and it be able to address things quickly.

Mr. Kuhar said pop up activities in town resulted in complaints from business owners if streets and sidewalks are closed. How do we resolve that issue?

Mr. Hallgren said a new curriculum has been created and is similar to what is found at a major film school in a major city. A Safety and Set Protocol class has created a manual which includes understanding the difference between a permit and a location release. Students have a location release that must be secured and business and residences must be notified two weeks in advance. We would rather not have complaints and are taking measures to ensure students do what they need to do.

Mr. Kuhar said he is concerned that some businesses care and some do not want roads closed.

Mr. Wicks said there is a section for neighborhood approval that is required to get 70% approval of residents in the area. Access needs to be maintained and detours posted.

Ms. Schaffer asked if neighborhood approval is the same as location release.

Mr. Wicks said it is similar.

Mr. Hallgren stated the Digital Media Production program has grown to 320 student and are cycling out previous expectations and creating new ones. If it evolves to having multiple shoots in a year there will need to be continued conversations. There won't be a lot of these happening but what will be happening will be handled as strictly as possible and the process with continually be developed.

Ms. Schaffer asked about the "gaining approval of 70%" clause.

Mr. Wicks said similar to neighborhood approval which is done by property lines, having signatory of someone who lives or owns property.

Mr. Kuhar asked how many times a year would the streets be closed.

Mr. Hallgren said he does not anticipate more than a handful of closures over the next three years. Students are going to have to do the paperwork to get this set up. Processes at the school require students to get signatures by faculty before they can even apply for a permit.

Ms. Rosenberg asked about film production definition. There are a tremendous amount of students with video assignments.

Mr. Wicks stated they would not regulate YouTube videos, personal or family videos and pointed to exceptions to identify what is already included in current permitting system.

Mr. Sidoti asked of a way to get information about this process out to the community. A lot of confrontations that happen because people are unaware.

Mr. Hallgren stated students have to present a notification to businesses and homeowners within a five hundred foot radius to sign off on approval.

There were no comments or questions from the audience or further questions from Council.

MOTION TO AUTHORIZE NEW FILM PERMITTING PROCEDURES WITH AND EMERGENCY CLAUSE made by Ms. Schaffer, seconded by Mr. Kuhar.

Mr. Kuhar had a discussion item reiterating his seconding of the motion due to it looks like it was going to be more controlled. He referred to a previous incident on N. Water St. where people were trespassing on private residential property and said this appears to not allow that to happen.

CARRIED by a voice vote of 9-0.

Hearing no further business before this Committee, Chair Amrhein adjourned the meeting at 7:59 p.m.

_____
Amy Wilkens
Clerk of Council

ACTION RECOMMENDED:

1) **NEW FILM PERMITTING PROCEDURES WITH AN EMERGENCY CLAUSE.**

DRAFT

THE CITY OF KENT, OHIO
STREETS, SIDEWALKS, AND UTILITIES COMMITTEE
WEDNESDAY, OCTOBER 2, 2019

Chair Roger Sidoti called the meeting of the Streets, Sidewalks, and Utilities Committee of Kent City Council to order at 7:35 p.m.

PRESENT: Mr. Jack Amrhein; Mr. Michael DeLeone; Mr. Garret Ferrara; Mr. John Kuhar; Ms. Gwen Rosenberg; Ms. Heidi Schaffer; Mr. Roger Sidoti; Mr. Robin Turner; Ms. Tracy Wallach

ALSO PRESENT: Mr. Jerry T. Fiala, Mayor and President of Council; Mr. Dave Ruller, City Manager; Ms. Hope Jones, Law Director; Ms. Bridget Susel, Community Development Director; Ms. Melanie Baker, Public Service Director; Mr. Jim Bowling, City Engineer; Mr. Harrison Wicks, Executive Assistant to the City Manager; Mr. Dave Coffee, Budget and Finance Director; Mr. Tom Wilke, Economic Development Director; Ms. Amy Wilkens, Clerk of Council

There was one (1) item on the Agenda.

1. Authorize Updates to Small Cell Wireless Regulations
   Mr. Dave Ruller explained we are trying to keep pace with laws and stay in conformance.

   Ms. Hope Jones said Attorney Bill Hanna was unable to attend this meeting due to being stuck in traffic. After this discussion, if there are questions that cannot be answered we can table it. There has been a review of the ordinance and the application process which resulted from questions from contractors. Mr. Hanna indicated the Federal Communication Commission's direction regarding the application process in the code that needs tightened. The first change has to do with the changes to the application process and defining which types of facilities fit with which types of applications.

   There were no further questions from Council or the audience.

MOTION AUTHORIZE UPDATES TO SMALL CELL WIRELESS REGULATION, WITH AN EMERGENCY CLAUSE made by Mr. Ferrara, seconded by Ms. Rosenberg, and **CARRIED** by a voice vote of 9-0.

Hearing no further business before this Committee, Chair Sidoti adjourned the meeting 7:40.

_____
Amy Wilkens
Clerk of Council

ACTION RECOMMENDED:

1) **MOTION AUTHORIZE UPDATES TO SMALL CELL WIRELESS REGULATION, WITH AN EMERGENCY CLAUSE**

DRAFT

ORDINANCE NO. 2019-114

AN ORDINANCE ACCEPTING A DONATION IN THE AMOUNT OF $250.00 TO THE CITY OF KENT PARKS & RECREATION DEPARTMENT TO SUPPORT THE TORCH FEST HELD ON JUNE 20, 2019, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Kent Parks & Recreation Department has received the following donation from the Friends of the Crooked River in the amount of $250.00 to support the Torch Fest held on June 20, 2019; and

WHEREAS, the City wishes to accept said donation.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Kent, Portage County, Ohio, at least three-fourths (3/4) of all members elected thereto concurring:

SECTION 1. That Council does hereby authorize the City Manager on behalf of the City of Kent to accept the donation of $250.00 to support the Torch Fest held on June 20, 2019.

SECTION 2. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council, and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements of Section 121.22 of the Ohio Revised Code.

SECTION 3. That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of the residents of this City, for which reason and other reasons manifest to this Council this Ordinance is hereby declared to be an emergency measure and shall take effect and be in force immediately after passage.

PASSED: _____ _____
Date Jerry T. Fiala
Mayor and President of Council

EFFECTIVE: _____
Date

ATTEST: _____
Amy Wilkens
Clerk of Council

I, AMY WILKENS, CLERK OF COUNCIL FOR THE CITY OF KENT, COUNTY OF PORTAGE, AND STATE OF OHIO, AND IN WHOSE CUSTODY THE ORIGINAL FILES AND RECORDS OF SAID COUNCIL ARE REQUIRED TO BE KEPT BY THE LAWS OF THE STATE OF OHIO, HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND EXACT COPY OF ORDINANCE *No.* _____, ADOPTED BY THE COUNCIL OF THE CITY OF KENT ON _____, 20_____.

(SEAL)

_____
AMY WILKENS
CLERK OF COUNCIL
(SEAL)

DRAFT

RESOLUTION NO. 2019-115

A RESOLUTION DECLARING IT NECESSARY TO RENEW THE CITY'S EXISTING 1.16-MILL TAX LEVY FOR THE PURPOSE OF CURRENT EXPENSES; REQUESTING THE COUNTY AUDITOR TO CERTIFY THE TOTAL CURRENT TAX VALUATION OF THE CITY AND THE DOLLAR AMOUNT OF REVENUE THAT WOULD BE GENERATED BY THAT RENEWAL LEVY, PURSUANT TO SECTIONS 5705.03, 5705.19(A) AND 5705.191 OF THE REVISED CODE, AND DECLARING AN EMERGENCY.

WHEREAS, at an election on November 4, 2014, voters of the City of Kent approved a 1.16-mill tax levy outside of the ten-mill limitation for the purpose of current expenses, for a period of five years; and

WHEREAS, the authority to levy that 1.16-mill tax will expire with the levy on the 2019 duplicate for collection in calendar year 2020; and

WHEREAS, this Council finds that the amount of taxes that may be raised within the ten-mill limitation by levies on the current tax duplicate will be insufficient to provide an adequate amount for the necessary requirements of the City, and that it is necessary to renew that existing 1.16-mill tax levy in excess of the ten-mill limitation in order to continue receiving revenue for the purpose of current expenses; and

WHEREAS, in accordance with Division (B) of Section 5705.03 of the Revised Code, in order to submit the question of a tax levy pursuant to Sections 5705.19(A) and 5705.191 of the Revised Code, this Council must first request that the Portage County Auditor certify (i) the total current tax valuation of the City and (ii) the dollar amount of revenue that would be generated by the levy; and

WHEREAS, in further accordance with Division (B) of Section 5705.03 of the Revised Code, upon receipt of a certified copy of a resolution of this Council declaring the necessity of a tax, stating its purpose, whether it is an additional levy, a renewal or a replacement of an existing tax, or the renewal or replacement of an existing tax with an increase or a decrease, the Section or Sections of the Revised Code authorizing the submission of the question of the tax, the term of years of the tax (or that it is for a continuing period of time), that the tax is to be levied upon the entire territory of the City, the date of the election at which the question of the tax shall appear on the ballot, that the ballot measure shall be submitted to the entire territory of the City, the tax year in which the tax will first be levied and the calendar year in which it will be first collected and each county in which the City has territory, and requesting such certification, the County Auditor is to certify the total current tax valuation of the City and the dollar amount of revenue that would be generated by the proposed levy;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Kent, Portage County, Ohio, at least three-fourths (3/4) of all members elected thereto concurring:

SECTION 1. That this Council declares that (i) it is necessary to renew the City's existing 1.16-mill ad valorem property tax outside of the ten-mill limitation for the purpose of current expenses, (ii) as authorized by Sections 5705.19(A) and 5705.191 of the Revised Code, it intends to submit the question of a 1.16-mill renewal tax levy for that purpose to the electors of the entire territory of the City at an election on March 17, 2020, and (iii) the City has territory only in Portage County. If approved, that tax will be levied upon the entire territory of the City for a period of five years, commencing in tax year 2020, for first collection in calendar year 2021.

SECTION 2. That this Council requests the Portage County Auditor to certify to it both (i) the total current tax valuation of the City and (ii) the dollar amount of revenue that would be generated by the 1.16-mill renewal levy specified in Section 1.

SECTION 3. That the Clerk of Council is authorized and directed to deliver promptly to the Portage County Auditor a certified copy of this Resolution.

SECTION 4. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council and that all deliberations of this Council, and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements of Section 121.22 of the Ohio Revised Code.

SECTION 5. That this Resolution is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of the residents of this City and for the further reason that it is necessary that this Resolution be effective immediately so that it can be timely filed with the County Auditor and additional proceedings taken in order to submit the question of the levy to the electors at an election on March 17, 2020; for which reason and other reasons manifest to this Council this Resolution shall take effect and be in force immediately upon its adoption.

ADOPTED: _____
Date

_____
Jerry T. Fiala
Mayor and President of Council

EFFECTIVE: _____
Date

ATTEST: _____
Amy Wilkens
Clerk of Council

I, AMY WILKENS, CLERK OF COUNCIL FOR THE CITY OF KENT, COUNTY OF PORTAGE, AND STATE OF OHIO, AND IN WHOSE CUSTODY THE ORIGINAL FILES AND RECORDS OF SAID COUNCIL ARE REQUIRED TO BE KEPT BY THE LAWS OF THE STATE OF OHIO, HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND EXACT COPY OF *RESOLUTION No.* _____, ADOPTED BY THE COUNCIL OF THE CITY OF KENT ON OCTOBER _____, 2019.

(SEAL)

_____
AMY WILKENS
CLERK OF COUNCIL

DRAFT

ORDINANCE NO. 2019-116

AN ORDINANCE AMENDING ORDINANCE NO. 2018-142, THE CURRENT APPROPRIATION ORDINANCE, PASSED DECEMBER 19, 2018; SO AS TO ADJUST APPROPRIATIONS, TRANSFERS AND ADVANCES FROM THE VARIOUS FUNDS OF THE CITY OF KENT TO INDIVIDUAL ACCOUNTS FOR THE CURRENT EXPENSES OF THE CITY FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019; AND DECLARING AN EMERGENCY.

WHEREAS, it is necessary to amend current appropriations, transfers and advances for the expenses and other expenditures for the City of Kent, Ohio, for the fiscal year ending December 31, 2019.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Kent, Portage County, Ohio, at least three-fourths (3/4) of all members elected thereto concurring:

SECTION 1. That the current appropriation Ordinance No. 2018-142 passed December 19, 2018; as amended by Ordinance No. 2019-16, passed 2/20/2019; as amended by Ordinance No. 2019-43, passed 4/17/2019; as amended by Ordinance 2019-57 passed 5/15/2019; as amended by Ordinance 2019-64 passed 6/19/2019; as amended by Ordinance 2019-93 passed 8/21/2019; and as amended by Ordinance 2019-112 passed 9/18/2019, be amended as set forth in Exhibit "A", attached hereto and incorporated herein, so as to increase appropriations in Fund 201, Water; Fund 301, Capital; and Fund 303, Police Facility; and so as to transfer appropriations within Fund 201, Water; and Declaring An Emergency.

SECTION 2. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council, and of any of its committees that resulted in such formation action, were in meetings open to the public in compliance with all legal requirements of Section 121.22 of the Ohio Revised Code.

SECTION 3. That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety, and welfare of the residents of this City, for which reason and other reason manifest to this Council this Ordinance is hereby declared to be an emergency measure and shall take effect and be in force immediate after passage.

PASSED: _____
Date

_____
Jerry T. Fiala
Mayor and President of Council

EFFECTIVE: _____
Date

ATTEST: _____
Amy Wilkens
Clerk of Council

I, AMY WILKENS, CLERK OF COUNCIL FOR THE CITY OF KENT, COUNTY OF PORTAGE, AND STATE OF OHIO, AND IN WHOSE CUSTODY THE ORIGINAL FILES AND RECORDS OF SAID COUNCIL ARE REQUIRED TO BE KEPT BY THE LAWS OF THE STATE OF OHIO, HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND EXACT COPY OF *ORDINANCE No.* _____, ADOPTED BY THE COUNCIL OF THE CITY OF KENT ON _____, 20_____.

(SEAL)

_____
AMY WILKENS
CLERK OF COUNCIL

2019 AMENDED APPROPRIATIONS

Fund - Department/Division	Personnel & Benefits	Other than Personnel & Benefits	Capital	Reserve/ Debt Service	Contingency	Fund & Department Total
General Fund (001)						
City Council	$161,266	$32,603				$193,869
Mayor	$9,530	$5,300				$14,830
Community Support		$85,700				$85,700
City Manager	$314,000	$62,923				$376,923
New City Hall Facility		$0	$188,000			$188,000
Information Technology	$80,395	$250,087				$330,482
Urban Renewal		$67,300				$67,300
Human Resources	$61,964	$19,488				$81,452
Civil Service	$31,105	$41,523				$72,628
Law	$320,560	$118,895				$439,455
Budget & Finance	$185,199	$143,585				$328,784
Community Development	$597,546	$208,070				$805,616
Economic Development	$119,722	$49,811				$169,533
Health	$448,125	$207,038				$655,163
Public Parking		$126,000				$126,000
Main Street Program		$70,000				$70,000
Service Administration	$70,060	$477,118				$547,178
Shade Tree		$80,420	$10,000			$90,420
Adjunct Facilities		$1,100				$1,100
Building	$305,506	$68,272				$373,778
Land banking		$10,000				$10,000
Engineering	$231,502	$106,842				$338,344
Miscellaneous & Sundry		$380,750				$380,750
Contingency					$100,000	$100,000
Fund Total	$2,936,480	$2,612,825	$198,000	$0	$100,000	$5,847,305
West Side Fire (101)						
Fire	$268,910	$26,427				$295,337
Fund Total	$268,910	$26,427	$0	$0	$0	$295,337
Street Construction Maintenance & Repair (102)						
Service	$1,137,201	$1,369,261				$2,506,462
Contingency					$25,000	$25,000
Fund Total	$1,137,201	$1,369,261	$0	$0	$25,000	$2,531,462
State Highway (103)						
Service		$70,000				$70,000
Fund Total	$0	$70,000	$0	$0	$0	$70,000
Recreation (106)						
Parks & Recreation	$1,372,462	$666,383	$322,000			$2,360,845
Fund Total	$1,372,462	$666,383	$322,000	$0	$0	$2,360,845
Food Service (107)						
Health	$101,005	$7,500				$108,505
Fund Total	$101,005	$7,500	$0	$0	$0	$108,505

2019 AMENDED APPROPRIATIONS

Fund - Department/Division	Personnel & Benefits	Other than Personnel & Benefits	Capital	Reserve/ Debt Service	Contingency	Fund & Department Total
Income Tax (116)						
Budget/Finance/IncTaxAdmin	$269,714	$526,683				$796,397
Managed Reserve				$25,540		$25,540
Fund Total	$269,714	$526,683	$0	$25,540	$0	$821,937
Revolving Housing (120)						
Health	$156,431	$10,500				$166,931
Fund Total	$156,431	$10,500	$0	$0	$0	$166,931
State & Local Forfeits (121)						
Police		$2,000				$2,000
Fund Total	$0	$2,000	$0	$0	$0	$2,000
Drug Law Enforcement (122)						
Police		$12,000				$12,000
Fund Total	$0	$12,000	$0	$0	$0	$12,000
Enforcement & Education (123)						
Police		$6,000				$6,000
Fund Total	$0	$6,000	$0	$0	$0	$6,000
Income Tax Safety (124)						
Police	$7,010,447	$677,700				$7,688,147
Fund Total	$7,010,447	$677,700	$0	$0	$0	$7,688,147
Law Enforcement Trust (125)						
Police						$0
Fund Total	$0	$0	$0	$0	$0	$0
Community Development Block Grant (126)						
Community Development	$8,453	$274,600	$116,000			$399,053
Fund Total	$8,453	$274,600	$116,000	$0	$0	$399,053
Neighborhood Stabilization (127)						
Community Development	$0	$139,100				$139,100
Fund Total	$0	$139,100	$0	$0	$0	$139,100
Fire & E.M.S. (128)						
Fire	$4,745,381	$470,724	$1,120,215			$6,336,320
Fund Total	$4,745,381	$470,724	$1,120,215	$0	$0	$6,336,320
Wireless 911 (129)						
Safety		$0				$0
Fund Total	$0	$0	$0	$0	$0	$0
Swimming Pool Inspections (130)						
Health	$8,261	$500				$8,761
Fund Total	$8,261	$500	$0	$0	$0	$8,761

2019 AMENDED APPROPRIATIONS

Fund - Department/Division	Personnel & Benefits	Other than Personnel & Benefits	Capital	Reserve/ Debt Service	Contingency	Fund & Department Total
Police Pension (132)						
Police	$120,000					$120,000
Fund Total	$120,000	$0	$0	$0	$0	$120,000
Fire Pension (133)						
Fire	$120,000					$120,000
Fund Total	$120,000	$0	$0	$0	$0	$120,000
UDAG / EDA-RLF (134)						
City Manager/C.D.		$110,000				$110,000
Fund Total	$0	$110,000	$0	$0	$0	$110,000
Water (201)						
Service	$1,739,036	$859,705	$217,578			$2,816,319
Service (Capital Facilities)			$2,061,559			$2,061,559
Admin. Support	$602,794	$71,655	$14,000			$688,449
Budget & Finance (Debt)				$54,608		$54,608
Contingency					$25,000	$25,000
Fund Total	$2,341,830	$931,360	$2,293,137	$54,608	$25,000	$5,645,935
Sewer (202)						
Service	$2,027,611	$868,684	$468,381			$3,364,676
Service (Capital Facilities)			$2,274,508			$2,274,508
Admin. Support	$602,794	$84,156	$14,000			$700,950
Budget & Finance (Debt)				$625,720		$625,720
Contingency					$50,000	$50,000
Fund Total	$2,630,405	$952,840	$2,756,889	$625,720	$50,000	$7,015,854
Utility Billing (204)						
Budget & Finance		$102,586				$102,586
Fund Total	$0	$102,586	$0	$0	$0	$102,586
Solid Waste (205)						
Service	$87,660	$147,953	$5,000			$240,613
Fund Total	$87,660	$147,953	$5,000	$0	$0	$240,613
Storm Water Utility (208)						
Service	$240,982		$27,750			$268,732
Service (Capital Facilities)			$1,798,157			$1,798,157
Admin. Support	$319,162	$69,371	$9,000			$397,533
Budget & Finance (Debt)				$9,968		$9,968
Fund Total	$560,144	$69,371	$1,834,907	$9,968	$0	$2,474,390
Guaranteed Deposits (230)						
Budget & Finance		$1,000				$1,000
Fund Total	$0	$1,000	$0	$0	$0	$1,000

2019 AMENDED APPROPRIATIONS

Fund - Department/Division	Personnel & Benefits	Other than Personnel & Benefits	Capital	Reserve/ Debt Service	Contingency	Fund & Department Total
Capital Projects (301)						
Safety			$402,900			$402,900
Service			$810,000			$810,000
Service (Capital Facilities)			$4,314,431			$4,314,431
Community Development			$22,000			$22,000
Admin. Support			$9,000			$9,000
Budget & Finance			$100,000	$554,828		$654,828
Contingency					$25,000	$25,000
Fund Total	$0	$0	$5,658,331	$554,828	$25,000	$6,238,159
Municipal Public Improvement Tax Increment Equivalent (302)						
Service (Capital Facilities)		$6,000				$6,000
Budget & Finance (Debt)				$1,447,936		$1,447,936
Fund Total	$0	$6,000	$0	$1,447,936	$0	$1,453,936
Police Facility (303)						
Safety (Capital Facilities)		$260,000	$588,603			$848,603
Budget & Finance (Debt)				$3,961,479		$3,961,479
Fund Total	$0	$260,000	$588,603	$3,961,479	$0	$4,810,082
Debt Service (402)						
Budget & Finance (Debt)				$70,084		$70,084
Fund Total	$0	$0	$0	$70,084	$0	$70,084
Internal Service (807)						
Health Insurance		$3,385,000				$3,385,000
Fund Total	$0	$3,385,000	$0	$0	$0	$3,385,000
Total Appropriations	$23,874,784	$12,838,313	$14,893,082	$6,750,163	$225,000	$58,581,342
Original Appropriations	$23,633,784	$11,862,557	$8,633,900	$6,750,163	$250,000	$51,130,404
Amendment #1	$231,000	$260,500	$4,562,718			$5,054,218
Amendment #2		$238,000	$302,000			$540,000
Amendment #3		$302,800	$629,000			$931,800
Amendment #4		$97,000	$128,146			$225,146
Amendment #5	$10,000	$33,371	$408,715			$452,086
Amendment #6		$19,085	$44,000			$63,085
Amendment #7		$25,000	$184,603		($25,000)	$184,603
Amendment #8						$0
	$23,874,784	$12,838,313	$14,893,082	$6,750,163	$225,000	$58,581,342

2019 AMENDED APPROPRIATIONS - SCHEDULE OF OPERATING TRANSFERS AND TEMPORARY ADVANCES

Paying Fund		Original	Current Request	Change	Receiving Fund
Operating Transfers					
Fund 116 - Income Tax		$3,600,000	$3,600,000	$0	Fund 001 - General
Fund 116 - Income Tax		$1,000,000	$1,000,000	$0	Fund 102 - St Const Maint & Repair
Fund 116 - Income Tax		$3,523,933	$3,523,933	$0	Fund 124 - Income Tax Safety
Fund 116 - Income Tax		$3,523,933	$3,523,933	$0	Fund 128 - Fire & E.M.S.
Fund 116 - Income Tax		$3,031,933	$3,237,674	$205,741	Fund 301 - Capital Projects
Fund 116 - Income Tax		$1,761,966	$1,689,459	($72,507)	Fund 303 - Police Facility
Fund 116 - Income Tax		$70,000	$70,000	$0	Fund 402 - Debt Service
Total Fund 116 Income Tax		$16,511,765	$16,644,999	$133,234.00	
Fund 201 - Water		$45,930	$45,930	$0	Fund 204 - Utility Billing
Fund 202 - Sewer		$45,930	$45,930	$0	Fund 204 - Utility Billing
Fund 001 - General		$3,200,000.00	$3,200,000.00	$0	Fund 124 - Income Tax Safety
Fund 001 - General		$120,000.00	$120,000.00	$0	Fund 106 - Parks and Rec
Fund 001 - General		$2,000,000.00	$2,000,000.00	$0	Fund 128 - Fire & EMS
Subtotal - Total Operating Transfers		$5,411,860	$5,411,860	$0.00	
Temporary Advances					
Fund 106 - Recreation	*	$50,000	$50,000	$0	Fund 001 - General
Fund 201 - Water	*	$32,100	$32,100	$0	Fund 116 - Income Tax
Fund 202 - Sewer	*	$38,980	$38,980	$0	Fund 116 - Income Tax
Fund 205 - Solid Waste	*	$56,000	$56,000	$0	Fund 001 - General
Fund 205 - Solid Waste	*	$53,000	$53,000	$0	Fund 116 - Income Tax
Fund 208 - Storm Water	*	$110,000	$110,000	$0	Fund 116 - Income Tax
Subtotal - Total Advances		$340,080	$340,080	$0	
Grand Total - All Transfers & Advances		$22,263,705	$22,396,939	$133,234	

*** Designates Repayment of Advance**

ORDINANCE 2019 - 117

AN ORDINANCE AMENDING CHAPTER 939 OF THE STREETS, UTILITIES AND PUBLIC SERVICES CODE, "USE OF PUBLIC WAYS FOR SMALL CELL WIRELESS FACILITIES AND WIRELESS SUPPORT STRUCTURES", AND DECLARING AN EMERGENCY.

WHEREAS, Substitute House Bill 478 (Sub. H.B. 478) took effect on August 1, 2018 and amended ORC Chapter 4939 with regard to the authority of municipalities to regulate the installation of small cell wireless facilities in the public right-of-way, including on utility poles and street lights, including municipally-owned facilities, and to construct, maintain, modify, operate, or replace wireless support structures in the right-of-way; and

WHEREAS, this Council on July 18, 2018 adopted Ordinance No. 2018-84 creating a new Chapter 939 of the Codified Ordinances of the City of Kent, "Use Of Public Ways For Small Cell Wireless Facilities And Wireless Support Structures," to regulate the use and occupancy of the public rights-of-way within the City for small cell wireless facilities and support structures and to authorize Design Guidelines for Small Cell Facilities and Wireless Support Structures within the public rights-of-way within the city; and

WHEREAS, on September 26, 2018, the Federal Communications Commission (FCC) adopted a Declaratory Ruling and Order known as the "Small Cell Order," that limited and revised state and local regulatory authority concerning certain small cell wireless installations within public rights-of-way nationwide; and

WHEREAS, on July 17, 2019, this Council amended Chapter 939 of the Code, "Use Of Public Ways For Small Cell Wireless Facilities And Wireless Support Structures" to lawfully exercise municipal authority on this subject in a manner that is consistent with Ohio Revised Code Chapter 4939 and the FCC's Small Cell Order; and

WHEREAS, this Council herein determines to further amend Chapter 939 to be consistent with the City's Small Cell Facilities Use Permit Application, recently updated in order to reflect the FCC Small Cell Order.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Kent, Portage County, Ohio, at least three-fourths (3/4) of all members elected thereto concurring:

SECTION 1. Chapter 939 "Use Of Public Ways For Small Cell Wireless Facilities And Wireless Support Structures" of the Streets, Utilities, and Public Services Code, of the Codified Ordinances of the City of Kent be amended to read as follows:

"CHAPTER 939
USE OF PUBLIC WAYS FOR SMALL CELL WIRELESS FACILITIES AND WIRELESS SUPPORT STRUCTURES

939.01 OVERVIEW AND PURPOSE; DEFINITIONS; AUTHORITY TO PROMULGATE DESIGN GUIDELINES

(a) The purpose of this Chapter is to:

(1) Provide standards for the construction, installation, modification, operation, and removal of Facilities and Wireless Support Structures in the City's

Right-of-Way to protect the health, safety, and welfare of the citizens of the City;

(2) Preserve the character of the City, including the City's neighborhoods, downtown, other business districts and historic districts;

(3) Give guidance to wireless telecommunications providers to assist such companies in the timely, efficient, safe, and aesthetically pleasing installation of Facilities and Wireless Support Structures; and

(4) Comply with, and not conflict with or preempt, all applicable state and federal law; and

(5) Facilitate deployment of small cell Facilities and advanced wireless communications within the City in a manner that complies with the requirements of this Chapter and does not materially inhibit such deployment or the provision or availability of advanced wireless communications.

(b) For the purpose of this Chapter, and the interpretation and enforcement hereof, the following words and phrases shall have the following meanings, unless the context of the sentence in which they are used shall indicate otherwise:

(1) "Applicant" means any person or entity who submits an Application pursuant to this Chapter.

(2) "Application" means all necessary documentation submitted by an Applicant to obtain a Small Cell Use Permit from the City to Collocate a Small Cell Facility and/or to construct, maintain, modify, operate, or replace a Wireless Support Structure.

(3) "Accessory Equipment" means equipment used in conjunction with a Small Cell Facility and generally at the same location of the Small Cell Facility, including, but not limited to, electric meters, concealment elements, telecommunications demarcation boxes, grounding equipment, power transfer switches, cut-off switches, and vertical cable runs.

(4) "City" means City of Kent.

(5) "Collocation" or "Collocate" means to install, mount, maintain, modify, operate, or replace wireless Facilities on a Wireless Support Structure.

(6) "Design Guidelines" means standards applicable to Small Cell Equipment and Wireless Support Structures in the Right-of-Way, promulgated by the Director of Community Development.

(7) "Facilities" means, for the purposes of this Chapter, Small Cell Facilities, Accessory Equipment, and Wireless Support Structures.

(8) "Facilities Operator" means the person or entity responsible for the installation, operation, maintenance, replacement, and modification of Facilities. Facilities Operator includes:

(i) Operators;

(ii) Applicants who applied for consent to Collocate a Small Cell Facility or to construct, maintain, modify, operate, or replace a new Wireless Support Structure pursuant to O.R.C. Section 4939.031(E) and who have obtained a Small Cell Use Permit; and

(iii) Applicants who applied for consent to Collocate a Small Cell Facility or to construct, maintain, modify, operate, or replace a new Wireless Support Structure pursuant to O.R.C. Section 4939.033 and who have obtained a Small Cell Use Permit.

(9) "Eligible Facilities or Eligible Support Structure Request" means any request for modification of an existing support structure or base station that does not *substantially change* the physical dimension of such support structure involving Collocation of new Facilities; removal of Facilities; or replacement of Facilities. A substantial change means:

(i) A modification that changes the physical dimension of a Wireless Support Structure by increasing the height of the Wireless Support Structure by more than ten percent (10%) or more than ten (10) feet, whichever is greater; and/or by adding an appurtenance to the body of the Wireless Support Structure that would protrude from the edge of the Wireless Support Structure by more than six (6) feet;

(ii) The installation of more than the standard number of equipment cabinets for the technology involved or the installation of more than (4) cabinets, whichever is less;

(iii) The installation for any new ground-mounted equipment cabinets if there are not existing ground-mounted equipment cabinets;

(iv) Any excavation or deployment outside of the current site of the Facility;

(v) Removal of any concealment elements of the Facilities or the Wireless Support Structure; and

(vi) Any change that does not comply with this Chapter, the Design Guidelines promulgated by the Director of Community Development, or state or federal law and regulations.

The threshold for measuring increases that may constitute a substantial change are cumulative, measured from the Facilities as originally permitted (including any modifications that were reviewed and approved by the City prior to the enactment of the Spectrum Act on February 22, 2012.)

(10) “Operator” means a wireless service provider, cable Operator, or a video service provider that operates a Small Cell Facility and provides wireless service, including a wireless service provider, cable operator, or a video service provider that provides information services as defined in the "Telecommunications Act of 1996," 110 Stat. 59, 47 U.S.C. 153(20), and services that are fixed in nature or use unlicensed spectrum.

(11) “Public Way” or “Right-of-Way” means the surface of, and the space within, through, on, across, above or below, any public street, public road, public highway, public freeway, public lane, public path, public alley, public court, public sidewalk, public boulevard, public parkway, public drive, public easement, and any other land dedicated or otherwise designated for a comparable public use, which is owned or controlled by the City or other public entity or political subdivision.

(12) “Small Cell Facility” means a wireless facility:

(A) That meets both of the following requirements:

(i) Each antenna is located inside an enclosure of not more than six (6) cubic feet in volume or, in the case of an antenna with exposed elements, the antenna and all of its exposed elements can fit within an enclosure of not more than six (6) cubic feet in volume; and

(ii) All other wireless equipment associated with the facility is cumulatively not more than twenty-eight cubic feet in volume. The calculation of equipment volume shall not include electric meters, concealment elements, telecommunications demarcation boxes, grounding equipment, power transfer switches, cut-off switches, and vertical cable runs for the connection of power and other services.

(B) That includes a “Small Wireless Facility,” which is a type of Small Cell Facility (i) in which each antenna is located within an enclosure of not more than three (3) cubic ~~fee~~ feet in volume or, in the case of an antenna with exposed elements, the antenna and all of its exposed elements can fit within an enclosure of not more than three (3) cubic feet in volume, (ii) where such antenna is associated with a structure (a) 50 feet or less in height, including the antenna, or (b) that is not more than 10 percent taller than adjacent structures, or (c) is not extended in height by more than 10 percent or to a height exceeding 50 feet, whichever is greater, and (iii) which also otherwise satisfies the definition of “Small Wireless Facilities” found in the FCC’s Small Cell Order adopted September 26, 2018, FCC 18-133.

(13) “Small Cell Equipment” means a Small Cell Facility and all Accessory Equipment.

(14) "Small Cell Use Permit" means the permit granted by the City authorizing the Applicant to Collocate a Small Cell Facility or to construct, maintain, modify, operate, or replace a Wireless Support Structure in the Right-of-Way.

(15) "Wireless Support Structure" means a pole, such as a monopole, either guyed or self-supporting, street light pole, traffic signal pole, a fifteen-foot or taller sign pole, or utility pole capable of supporting Small Cell Facilities. As used in this Chapter, "Wireless Support Structure" excludes the following except in connection with a Small Wireless Facility, in which case the following are not excluded:

(i) A utility pole or other facility owned or operated by a municipal electric utility; and

(ii) A utility pole or other facility used to supply traction power to public transit systems, including railways, trams, streetcars, and trolleybuses.

(c) The Director of Community Development is authorized and directed to promulgate written Design Guidelines for Small Cell Facilities with objective, technologically feasible criteria

939.02 CONSENT REQUIRED

(a) Any person or entity seeking to Collocate a Small Cell Facility in the Right-of-Way, or to construct, maintain, modify, operate, or replace a Wireless Support Structure in the Right-of-Way, shall first file a written Application for a Small Cell Use Permit with the Development Engineer in accordance with the requirements in this Chapter, Design Guidelines established by the Director of Community Development, O.R.C. Chapter 4939, and all applicable state and federal laws and regulations.

(b) If the Applicant receives a Small Cell Use Permit, then the Applicant shall not be required to obtain separate Consent to Occupy or Use the Public Right-of-Way under Section 937.02 of the Codified Ordinances to Collocate a Small Cell Facility in the Right-of-Way, or to construct, maintain, modify, operate, or replace a Wireless Support Structure in the Right-of-Way.

(c) Applicants are strongly encouraged to contact the Development Engineer and request a pre-Application conference. This meeting will provide an opportunity for early coordination regarding proposed Facilities, locations, design, Application submittal, and the approval process in order to avoid any potential delays in the processing of an Application and deployment of Facilities in the City.

(d) A Small Cell Use Permit granted under this Chapter shall not convey any right, title or interest in the Right-of-Way, but shall be deemed a permit only to use and occupy the Public Ways for the limited purposes and term stated in the permit, this Chapter, and the Design Guidelines established by the Director of Community Development. Further, no Small Cell Use Permit shall be construed as any warranty of title.

939.03 PERMIT APPLICATION TYPES

Applicants shall classify their Application as one of the following types:

(a) Type 1: Eligible Facilities Requests.

(b) Type 2: Application for Collocation of Small Cell Equipment on a Wireless Support Structure that ~~does~~ is not ~~constitute~~ an Eligible Facilities Request.

(c) Type 3: New Wireless Support Structure. Such applications will address construction, modification, replacement, or removal of a Wireless Support Structure within the Right-of-Way. At the time of Application, Applicants shall certify that Small Cell Equipment will be placed on the Wireless Support Structure within 180 days from the date the Small Cell Use Permit is issued.

(d) For Type 2 and Type 3 Applications, Applicants shall indicate whether the Application ~~is or is not for~~ does or does not include or relate to a Small Wireless Facility.

(1) If an application involves a Small Wireless Facility, any related required permits will be issued within the designated review period set forth below, if applications for such permits are filed no later than the application for the Small Cell Facilities Use Permit.

939.04 CONSOLIDATED CONSENT APPLICATIONS

(a) Pursuant to O.R.C. Section 4939.0312, an Applicant may file one consolidated application for up to ~~thirty (30) individual small cell Facilities or~~ thirty (30) individual Wireless Support Structures as long as the facilities or structures for which consent is requested are substantially similar.

(1) Small Cell Facilities shall be considered substantially similar when the Small Cell Equipment is identical in type, size, appearance and function.

(2) Wireless Support Structures shall be considered substantially similar when the Wireless Support Structures are identical in type, size, appearance and function and are to be located in a similar location.

(3) Applications for Small Cell ~~Facilities and~~ Equipment cannot be combined with applications for Wireless Support Structures ~~cannot be commingled.~~unless the Small Cell Facility involved is a Small Wireless Facility as defined in Section 939.01(b)(12)(B).

(4) Applications for Small Wireless Facilities cannot be combined with applications for Small Cell Facilities and Equipment, or Wireless Support Structures, that do not involve Small Wireless Facilities.

(5) If an application for a new Wireless Support Structure is related to an application for Small Wireless Facility antenna to be collocated thereupon, those applications may be filed on a consolidated basis but will be considered separate applications subject to separate application fees.

(b) The City may, at its discretion, require separate Applications for any Small Cell Facilities or Wireless Support Structures that are not substantially similar.

(c) Although applications ~~for~~ involving Small Wireless Facilities may be filed on a consolidated basis, such applications ~~involving Small Wireless Facilities~~ may not be commingled with applications for ~~other Small Cell Facilities or~~ collocation, or new Wireless Support Structures, that do not involve a Small Wireless Facility. The limit on the number of applications that may be filed in a consolidated application pursuant to Section 939.04(a) shall not apply to applications involving Small Wireless Facilities.

(1) There is no limit on the number of Small Wireless Facilities applications that may be consolidated.

939.05 APPLICATION FEE

(a) The fee for each application is Two Hundred Fifty Dollars ($250.00). The fee shall be adjusted upward by ten percent (10%) every five years, rounded to the nearest Five (5) Dollars, beginning in the year 2023.

(b) An Application shall not be deemed complete until the fee is paid.

(c) If Applications are consolidated, then the fee shall be the sum resulting from the fee set forth in subsection (a) multiplied by the total number of Facilities or Wireless Support Structures included in the consolidated Application. This provision also applies when an application for a new Wireless Support Structure is related to an application for a Small Wireless Facility to be collocated thereupon; that is, this situation requires two applications, each application is subject to the fee provided in Section 939.05(a).

939.06 ATTACHMENT FEE

(a) In addition to the Application Fee, an annual fee shall be paid to the City for each Small Cell Facility attached to a municipally-owned Wireless Support is Two Hundred Dollars ($200.00). The fee shall be adjusted upward by ten percent (10%) every five years, rounded to the nearest five (5) dollars, beginning in the year 2023.

(b) The first-year attachment fee shall be paid when the collocation is complete, and no later than January 1 each year thereafter. The first-year attachment fee shall not be prorated, regardless of the date that the collocation is complete.

939.07 REQUIRED APPLICATION MATERIALS

The Applicant must submit three (3) copies of the following documentation with each Application.

(a) Completed Application form including the identity, legal status and federal tax identification number of the Applicant, as well as all affiliates and agents of the Applicant that will use or be, in any way, responsible for the Facilities.

(b) The name, address, and telephone number of the local officer, agent, or employee responsible for the accuracy of the application to be notified in case of emergency.

(c) Fully dimensional scaled site plan (scale no smaller than one inch equals forty (40) feet). The site plan must include:

(1) The exact proposed location of the Facilities within the Right-of-Way;

(2) All existing Facilities with all existing transmission equipment;

(3) The location of all overhead and underground public utilities, telecommunications, cable, water, sanitary sewer, and storm water drainage utilities in the Public Way within one hundred (100) feet surrounding the proposed Facilities.

(4) The legal property boundaries within one hundred (100) feet surrounding the proposed Facilities;

(5) Indication of distance between the Facilities and existing curbs, driveways, sidewalks, trees, utilities, other poles, and existing buildings within one hundred (100) feet surrounding the proposed Facilities; and

(6) Access and utility easements within one hundred (100) feet surrounding the proposed Facilities.

(d) Elevation drawings (scale no smaller than one inch equals ten (10) feet) of the proposed Facilities.

(e) Evidence that the Applicant provided notice by mail to all property owners within 300 feet of the proposed Facilities prior to submitting the Application. The notice shall include:

(1) Name of the Applicant;

(2) Estimated date Applicant intends to submit the Application;

(3) Detailed description of the proposed Facilities and the proposed location; and

(4) Accurate, to-scale photo simulation of the proposed Facilities. Scale shall be no smaller than one inch equals forty (40) feet.

(f) A preliminary installation/construction schedule and completion date.

(g) Structural calculations prepared, stamped and signed by an engineer licensed and registered by the State of Ohio showing that the Wireless Support Structure can accommodate the weight of the proposed small cell equipment.

(h) Analysis demonstrating that the proposed Facilities do not interfere with the City's public safety radio system, traffic and emergency signal light system, or other City safety communications components. It shall be the responsibility of the Applicant to evaluate, prior to making the Application for a Small Cell Use Permit, the

compatibility between the existing City infrastructure and Applicant's proposed Facilities.

(i) A landscape plan that demonstrates screening of proposed small cell equipment.

(j) Drawings of the proposed Facilities. For all equipment depicted, the Applicant must also include, if applicable:

(1) The manufacturer's name and model number;

(2) Physical dimensions, including, without limitation, height, width, depth and weight with mounts and other necessary hardware; and

(3) The noise level generated by the equipment, if any.

(k) If the Applicant is not an Operator, then the Applicant must provide proof that the Applicant has been engaged by a wireless service provider who will be the end-user of the Facilities.

(l) If the Applicant intends to place Small Cell Facilities and Small Cell Equipment on a Wireless Support Structure that is not owned by the ~~Village~~City, then the Applicant shall provide written confirmation of permission to use the Wireless Support Structure upon which the Small Cell Facilities and Small Cell Equipment will be located.

939.08 APPLICATION REVIEW

(a) Applications shall be evaluated in the timeframes as follows:

(1) Type 1 Applications 60 days

(2) Type 2 Applications 90 days, except that for Small Wireless Facilities that are not to be collocated upon a new Wireless Support Structure, the timeframe for a Type 2 Application shall be 60 days.

(3) Type 3 Applications 120 days, except that for new Wireless Support Structures upon which a Small Wireless Facility is to be mounted, the timeframe for a Type 3 Application shall be 90 days.

(b) Applications shall be reviewed for completeness. If the Application is incomplete, then the Applicant will be notified of the insufficiency, and the timeframes set forth in subsection (a) shall be tolled until the Application is made complete, as described below:

(1) To toll the time period for incompleteness, the City must provide written notice to the Applicant, specifically identifying all missing documents or information, within thirty (30) days after receiving the Application; except that where an Applicant has indicated that the Application is for a Small Wireless Facility, or a Wireless Support Structure upon which a Small Wireless Facility is to be mounted, the written notice shall be provided within ten (10) days after receiving the Application.

(A) In the case of a proper and timely initial written notice of incompleteness provided concerning an Application involving a Small Wireless Facility pursuant to subsection (b)(1), the time period set forth in subsection (a) shall be deemed never to have started running at all until Applicant provides a supplemental submission.

(2) The time period set forth in subsection (a) will begin to run again when the Applicant provides a supplemental submission in response to the City's notice of incompleteness issued pursuant to subsection (b), but may be tolled again if the City notifies the Applicant in writing, within ten (10) days of receiving a supplemental submission, that the Application remains incomplete and identifies which items specified in the original notice of incompleteness are still missing. Timely notice by the City of the deficiencies in a supplemental submission tolls the time period set forth in subsection (a) until the Applicant supplies the specified information.

(c) The timeframes in subsection (a) may be tolled by mutual agreement between the Applicant and the City. The timeframes in subsections (a)(2) and (a)(3) may also be tolled as follows, except that where an Applicant has indicated that the Application is for a Small Wireless Facility, the provisions of subsections (c)(1) and (c)(2) below do not apply:

(1) If the City receives between fifteen (15) and thirty (30) applications in a thirty-day period, then the City may toll for an additional twenty-one (21) days beginning with the sixteenth (16th) application.

(2) If the City receives more than thirty (30) applications in a thirty-day period, then the City may toll for an additional fifteen (15) days for every fifteen (15) applications received, up to a maximum tolling period of ninety (90) days, as indicated below:

(A)	Applications 31-45:	36 additional days
(B)	Applications 46-60:	51 additional days
(C)	Applications 61-75:	66 additional days
(D)	Applications 76-90:	81 additional days
(E)	Applications 91+:	90 additional days

(3) When an Applicant submits an underground area waiver pursuant to Section 939.13(d) of the Codified Ordinances, in which case the City may toll for an additional fourteen (14) days.

(d) If two Applicants request to Collocate on the same Wireless Support Structure or two Wireless Support Structures are proposed within a distance that would violate the spacing requirements set forth in Section 939.16, then the Development Engineer may resolve the conflict in any reasonable and nondiscriminatory manner.

(e) If a request for consent is denied, the City shall provide, in writing, its reasons for denying the request, supported by substantial, competent evidence. The denial of

consent shall not unreasonably discriminate against the Applicant. Grounds for denying an Application may include, but are not limited to:

(1) Failure to provide information required under Section 939.07;

(2) Failure to comply with Design Guidelines promulgated by the Director of Community Development;

(3) Failure to provide financial surety pursuant to Section 939.15;

(4) Failure to remove abandoned Facilities as required under Section 939.12;

(5) Conflict with the historic nature or character of the surrounding area;

(6) Conflict with planned future improvements in the Right-of-Way; and

(7) Failure to comply with generally applicable health, safety, and welfare requirements.

939.09 PERMITTING PROCESS, DURATION, AND TERMINATION

(a) Upon approval of its Application, an Applicant shall receive a Small Cell Use Permit indicating that the City has granted the Applicant consent to occupy the Right-of-Way.

(b) A Small Cell Use Permit issued to an Operator shall have duration of ten (10) years. Permits may be renewed for five year terms.

(c) A Small Cell Use Permit issued to a Facilities Operator who is not an Operator shall have a term or ten (10) years or the duration of the Facilities Operator's agreement with a wireless service provider provided pursuant to Section 939.06(k), whichever is shorter.

(d) A Small Cell Use Permit shall not be renewed if the Facilities Operator or the Facilities are not in compliance with all applicable laws and regulations.

(e) Pursuant to O.R.C. Section 4939.0314(E), a Small Cell Use Permit shall be deemed terminated if the Facilities Operator has not completed construction of the Facilities or has failed to attach Small Cell Equipment to a Wireless Support Structure within 180 days of issuance of the permit, unless the delay is caused by:

(1) Make-ready work for a municipally-owned Wireless Support Structure; or

(2) Due to the lack of commercial power or backhaul availability at the site, provided that the Operator has made a request for commercial power or backhaul services within sixty days after the Small Cell Use Permit was granted.

If the additional time to complete the installation exceeds three hundred sixty days (360) after the issuance of the permit, then the permit shall be deemed terminated regardless of the cause of the delay.

(f) A Small Cell Use Permit for a new Wireless Support Structure shall be deemed terminated if the Facilities Operator fails to attach Small Cell Equipment to the new Wireless Support Structure within 180 days of issuance of the Small Cell Use Permit.

(g) If the Facilities Operator fails to remit the annual attachment fee required pursuant to Section 939.10, then the Small Cell Use Permit will expire on the ninetieth (90th) day from the date the annual attachment fee was due.

(h) A Small Cell Use Permit may be terminated by the Facilities Operator at any time upon service of 60-days written notice to the City.

(i) Upon termination of a Small Cell Use Permit, the Facilities Operator shall restore and rehabilitate all City-owned Wireless Support Structures and the Right-of-Way to their former condition and utility.

(j) The City shall not issue any refunds for any amounts paid by the Facilities Operator upon termination of the permit.

939.10 ANNUAL REGISTRATION

Facilities Operators shall comply with the annual registration requirements set forth in Section 937.03 of the Codified Ordinances.

939.11 NONCONFORMING FACILITIES

(a) Facilities in the Right-of-Way that are legally in existence on the date of the adoption of this Chapter but that do not comply with the requirements of this Chapter may remain in the Right-of-Way but shall be considered a nonconforming facility.

(b) Any person or entity who owns or operates a nonconforming facility shall register such facility pursuant to Section 937.03 of the Codified Ordinances within ninety (90) days of the date this ordinance takes effect.

(c) If a nonconforming facility is damaged or destroyed beyond repair, any replacement facility must be designed in accordance with all provisions of this Chapter, the Design Guidelines promulgated by the Director of Community Development, and state and federal law and regulations.

939.12 ABANDONED AND DAMAGED FACILITIES

(a) A Facilities Operator shall provide written notice to the City of its intent to discontinue use of any Facilities. The notice shall include the date the use will be discontinued. If Facilities are not removed within three hundred sixty five (365) days from the date the use was discontinued, the Facilities shall be considered a nuisance and the City may remove the Facilities at the expense of the Facilities Operator.

(b) In the event that Facilities are damaged, the Facilities Operator shall promptly repair the damaged Facilities. Damaged Facilities shall be repaired no later than

thirty (30) days after obtaining written notice that the Facilities were damaged. If the damaged Facilities are not repaired within thirty (30) days, then the damaged Facilities shall be considered a nuisance and the City may repair or remove the Facilities at the expense of the Facilities Operator.

939.13 INSURANCE REQUIREMENTS

Facilities Operators shall comply with the insurance requirements set forth in Section 937.02(e) of the Codified Ordinances.

939.14 INDEMNIFICATION

A Facilities Operator shall indemnify, protect, defend, and hold the City and its elected officials, officers, employees, agents, and volunteers harmless against any and all claims, lawsuits, judgments, costs, liens, losses, expenses, fees to include reasonable attorney fees and costs of defense, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including personal or bodily injury or death, property damage or other harm for which recovery of damages is sought, to the extent that it is caused by the negligence of the Operator who owns or operates Small Cell Facilities and wireless service in the Right-of-Way, any agent, officer, director, representative, employee, affiliate, or subcontractor of the Operator, or their respective officers, agents, employees, directors, or representatives while installing, repairing, or maintaining Facilities in the Right-of-Way.

939.15 FINANCIAL SURETY

(a) Each Facilities Operator must procure and provide to the City a bond, escrow, deposit, letter of credit, or other financial surety in an amount sufficient to cover the cost of removal of all Facilities owned or operated by the Facilities Operator.

(b) The City may, in its sole discretion, draw on the financial surety to remove abandoned, unused or unsafe Facilities, or to repair damage to any City property caused by the Facilities Operator or its agent. In such event, the Facilities Operator shall cause the financial surety to be replenished to its full prior amount within ten (10) business days after City notifies the Facilities Operator that it has drawn on the financial surety.

939.16 RESERVED SPACE

The City reserves the right to install, and permit others to install, Facilities in the Right-of-Way. The City may reserve space in the Right-of-Way and on Wireless Support Structures for future utility, safety, or transportation uses. Such space may be reserved in an ordinance or plan approved by the Mayor, City Manager, City Council, Building Commissioner, or Planning Commission.

939.17 REMOVAL OR RELOCATION OF FACILITIES

(a) Consistent with O.R.C. 4939.08, the City may require a Facilities Operator to remove or relocate Facilities to accomplish construction and maintenance activities. The Facilities Operator shall remove or relocate the Facilities at no cost to the City. If the Facilities Operator fails to remove or relocate the Facilities within ninety (90) days of receiving a request to do so from the City, then the City may

remove the Facilities at Facilities Operator's sole cost and expense, without further notice to the Facilities Operator.

(b) If the Facilities are placed in a location other than the location approved by the City, the Facilities Operator shall relocate the Facilities within thirty (30) days of receiving notice that the Facilities are located improperly.

939.18 NOTICE OF WORK

(a) A Facilities Operator shall notify the Development Engineer of all nonemergency work within ten (10) calendar days prior to performing any upgrades or maintenance on any Facilities, regardless of whether the work requires any permit or consent from the City.

939.19 CONSTRUCTION PERMIT

(a) Facilities Operators are required to obtain a construction permit pursuant to Section 937.07 of the Codified Ordinances prior to commencing any of the following activities:

(1) Collocation of small cell equipment on a Wireless Support Structure;

(2) Replacement, modification, repair, or maintenance of small cell equipment;

(3) Construction, replacement, modification, repair, or maintenance of a Wireless Support Structure associated with a small cell facility; and

(4) Any excavation of the Right-of-Way in connection with the activities described in this subsection (a).

(b) With respect to the proposed installation of Small Cell Facilities or Wireless Support Structures upon which such Facilities are to be mounted, a Facilities Operator shall utilize a form supplied by the Director of Community Development for such purpose.

939.20 EXCAVATION PERMIT

If a Facilities Operator must construct, reconstruct, alter, repair, remove or replace any culvert, sidewalk or driveway in any public street or road Right-of-Way, then the Facilities Operator shall obtain the required permit pursuant to Section 905.02 of the Codified Ordinances.

939.21 WAIVER

It is within the reasonable discretion of the Director of Community Development to waive any portion or portions of this Chapter, as permitted or warranted under state and federal law, where such requirements, in the Director of Community Development's judgment, are not necessary or appropriate to protect the City's interests and the purposes and intent of this Chapter.

939.99 PENALTIES; EQUITABLE REMEDIES.

(a) Any person or entity found guilty of violating, disobeying, omitting, neglecting or refusing to comply with any of the provisions of this Chapter shall be fined not less than One Hundred Dollars ($100.00) nor more than Five Hundred Dollars ($500.00) for each offense. A separate and distinct offense shall be deemed committed each day during or on which a violation occurs or continues.

(b) The City may revoke the Small Cell Use Permit of any person or entity who violates, disobeys, omits, neglects, or refuses to comply with any provisions of this Chapter or the Design Guidelines.

(c) Nothing in this Chapter shall be construed as limiting any judicial remedies that the City may have, at law or in equity, for enforcement of this Chapter."

SECTION 2: This Council also adopts the revised Design Guidelines regarding small cell facilities that were previously promulgated by the Director of Community Development, and authorized the Director of Community Development to modify the City's Design Guidelines from time to time consistent with applicable law.

SECTION 3. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council, and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements of Section 121.22 of the Ohio Revised Code.

SECTION 4. That this ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of the residents of this City, for which reason and other reasons manifest to this Council this ordinance is hereby declared to be an emergency measure and shall take effect and be in force immediately after passage.

PASSED: _____
Date

_____
Jerry T. Fiala
Mayor and President of Council

EFFECTIVE: _____
Date

ATTEST: _____
Amy Wilkens
Clerk of Council

I, AMY WILKENS, CLERK OF COUNCIL FOR THE CITY OF KENT, COUNTY OF PORTAGE, AND STATE OF OHIO, AND IN WHOSE CUSTODY THE ORIGINAL FILES AND RECORDS OF SAID COUNCIL ARE REQUIRED TO BE KEPT BY THE LAWS

OF THE STATE OF OHIO, HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND EXACT COPY OF *ORDINANCE NO.* _____, ADOPTED BY THE COUNCIL OF THE CITY OF KENT ON _____, 20_____.

(SEAL)

_____
AMY WILKENS
CLERK OF COUNCIL

DRAFT

ORDINANCE NO. 2019- 118

AN ORDINANCE ADOPTING CHAPTER 746 "FILM PERMITS" OF THE CODIFIED ORDINANCES OF THE CITY OF KENT, OHIO, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Kent, Ohio would like to adopt a film permit ordinance; and

WHEREAS, this chapter is designed to provide a procedure to authorize filming of motion pictures on public property while protecting the public interest.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Kent, Portage County, Ohio, at least three-fourths (3/4) of all members elected thereto concurring:

SECTION 1. That Chapter 746 of the Codified Ordinances be adopted as set forth in the document entitled "Chapter 746 "Film Permits", attached hereto as Exhibit "A" and incorporated herein by reference.

SECTION 2. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council, and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements of Section 121.22 of the Ohio Revised Code.

SECTION 3. That this ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of the residents of this City, for which reason and other reasons manifest to this Council this ordinance is hereby declared to be an emergency measure and shall take effect and be in force immediately after passage.

PASSED: _____
Date

_____
Jerry T. Fiala
Mayor and President of Council

EFFECTIVE: _____
Date

ATTEST: _____
Amy Wilkens
Clerk of Council

I, AMY WILKENS, CLERK OF COUNCIL FOR THE CITY OF KENT, COUNTY OF PORTAGE, AND STATE OF OHIO, AND IN WHOSE CUSTODY THE ORIGINAL FILES AND RECORDS OF SAID COUNCIL ARE REQUIRED TO BE KEPT BY THE LAWS OF THE STATE OF OHIO, HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND EXACT COPY OF *ORDINANCE NO.* _____, ADOPTED BY THE COUNCIL OF THE CITY OF KENT ON _____, 20_____.

(SEAL)

_____
AMY WILKENS
CLERK OF COUNCIL

Chapter 746 - FILM PERMITS

Sec. 746.01 - Title and purpose.

This ordinance shall be known as the film permit ordinance. It is designed to provide a procedure to authorize filming of motion pictures on public property while protecting the public interest.

Sec. 746.02 - Definitions.

Applicant means the person, firm, corporation or entity that applies for a permit pursuant to this Chapter

Film production means any and all motion picture production, television production, videography or web video (meaning video production for distribution on the internet).

News media means photographic, filming, and/or videotaping for the purpose of spontaneous, unplanned television news broadcast or reporting for print media by reporters, photographers or cameramen.

Student led Production means any film production project led by a student from an accredited digital media program/class of higher education. Proof of program/class registration at the time of application may be required.

Sec. 746.03 - Permit required.

No person shall engage in, conduct or carry on the business of film production on private or public property within the incorporated area of the City of Kent, Ohio, including but not limited to rights-of-way, without first receiving a film permit from the city. This is in addition to any permit that may be required by the International Fire Code or any other provisions of the City of Kent Codified Ordinances. Use of a city facility or building (other than a road) shall also require the applicant for the permit to enter into a "location agreement" contract with the city, governing the use of city property.

The permit shall set forth the approved location of such filming and also the approved duration of such filming by specific reference to day or dates. No permit shall authorize filming for more than three (3) consecutive days in any one location involving a road closure. Said permit must be readily available for inspection by city officials at all times at the site of the filming.

If a permit is issued and filming does not in fact take place on the dates specified due to good cause, including but not limited to reasons of inclement weather, the City Manager or designee may issue a new permit for filming on other dates subject to full compliance with all other provisions of this chapter. No additional fee shall be paid for this new permit.

Sec. 746.04 - Application.

Any person seeking the issuance of a film permit shall complete a written film permit application form provided by the city and shall provide all information requested thereon, not less than fourteen (14) days nor more than one hundred and eighty (180) days prior to the commencement of film production. The application must be signed by an authorized representative of the applicant.

Sec. 746.05 - Exemptions.

The following film production activities are exempt from permit requirements:

Film production by news media; personal or family videos (weddings, etc); studio filming inside a movie studio; film production activities taking place entirely on private property; and such other productions as are exempted by the City Manager.

However, if any of the exempt activities listed above desire to use city facilities or block or interfere with a city street, property or right-of-way, then the ordinance shall apply and a permit must be obtained.

Sec. 745.06 - Administration and regulations.

(a) *Administrator.* This article shall be administered by the City Manager or his/her designee.

(b) *Conditions.* A permit may be issued with special conditions unique to the particular film production based on the circumstances of the request and location or other special factors.

(c) *Safety and notice standards.*

(1) *Roads and traffic.* If roads or lanes are to be blocked or traffic disrupted in any manner, off-duty City of Kent police officers must be hired to provide safety supervision. Requirements of the Kent Police Department for flagging and lane closures shall be observed. Filming on state highways requires permission of the Ohio Department of Transportation. Removal,

cutting or trimming of vegetation on the right-of-way is prohibited unless specifically approved in the permit.

(2) *Fire department.* The City of Kent Fire Department shall have full access to any film production to ensure safety for crew members, the public and surrounding properties. No film activity involving the use of explosives, pyrotechnics, smoke machines or fire shall be permitted without approval of the fire chief or his/her designee.

(3) *Public notice.* Adjacent property owners shall be notified in advance of the filming and provided a contact number for any complaints or concerns. At least three (3) days' notice shall be posted in a manner approved by the City Manager of any full or partial road closure; a detour route must be posted for full road closures. Applicant shall ensure reasonable access to businesses and residences within the affected area during film production.

(d) *Fees & Bonds.* The fee structure will depend on the type and scope of filming requested.

Large Scale Productions

(Anything other than student led productions)

Permit Fee:	$100.00
Road closure fee:	$50.00 per day
Police/Fire Protection fee:	At cost. (required when road lanes closed)
Use of city facilities:	
General:	$100.00 per facility, per day
Park facilities:	Inquire with Kent Parks & Recreation Office 330-673-8897

Student Led Productions

Permit Fee:	No permit fee
Road closure fee:	$100.00 bond
Police/Fire Protection fee:	At cost. (required when road lanes closed)
Use of city facilities:	
General:	$25.00 per facility, per day
Park facilities:	Inquire with Kent Parks & Recreation Office 330-673-8897

The City reserves the right to include additional and/or waive fees related to production activities as needed.

(e) Permit holders shall be responsible for fulfilling ASCAP (American Society of Composers, Authors, and Publishers) or other similar entities requirements for any music played, including but not limited to reporting requirements. In addition, the permit holder shall be responsible for any costs charged to the city or the applicant by ASCAP. Any complaints resulting from Applicant's violation of this subsection will be subject to Section 746.07(c) below.

(f) *Alcoholic Beverages.* Possession of alcoholic beverages and/or the consumption of alcohol during film production activities, or within the affected area prescribed in the permit, is prohibited.

(g) *Food Vendors.* Food vendors planning to operate within the affected area during film production shall be licensed and inspected by the Kent City Health Department. A list of all food vendors and their proposed food items must be submitted at least fourteen (14) days prior to the event, to be reviewed for licensing and health provisions.

(1) Any vendors who utilize cooking or other heating equipment shall have a fire extinguisher with a minimum rating of 2A 1 OBC available at all times.

(2) A clear fire lane shall be maintained throughout the course of the affected area.

(3) Gasoline powered generators may be permitted, but gasoline storage on site shall be limited to five gallons which shall be stored in a UL approved container.

(4) Use of tents, canopies, etc. of greater than 400 square feet in size, or to be used above or in close proximity to open flames, cooking grills, or other flammable agents, shall be by permit issued by the fire department, and shall be consistent with the Ohio Fire Code.

(h) *First aid.* Applicant shall provide, or make arrangements to provide, a first aid station, or have in possession a first aid kit, to the satisfaction of the fire chief or his/her designee.

(i) *Trash and Recycling.* When necessary, the applicant will be required to make arrangements for necessary trash containers, recycling containers, and central dumping point for the removal of all solid waste generated by film production activities. The applicant will also make arrangements for the removal of all food preparation residue and waste consistent with Health Department recommendations.

(j) *Neighborhood Approval.* For film permits requiring a road closure, the sponsor shall conduct a survey of the residents and businesses in the affected area. The survey shall be in the form of a petition requesting the issuance of a film permit for a specific date and time and bearing the signatures of affected residents of seventy (70) percent or more of the affected area and affirms by affidavit that each such signature is genuine and that of an affected resident to the best of applicant's knowledge.

(k) *Noise Limitations.* City standards for noise will apply to film productions as they may affect surrounding residential neighborhoods as defined in Codified Ordinance Chapters 1127 to 1139.

Sec. 746.07 - Liability provisions.

(a) *Liability insurance.* Before a permit is issued, a certificate of insurance will be required in an amount of $1,000,000 minimum naming the city and its officers and employees as additional insureds for protection against claims of third persons for personal injury, wrongful death and property damage. The certificate shall not be subject to cancellation or modification until after 30 days written notice to the city. A copy shall remain on file.

(b) *Workers' compensation insurance.* An application shall conform to all applicable Federal and State statutes and requirements for workers' compensation insurance for all persons under the permit.

(c) *Hold harmless agreement.* The applicant's acceptance of the permit shall constitute a hold harmless agreement, holding the City of Kent and its officers and employees harmless from all damages, suits, actions or liabilities, including attorney's fees, arising out of or resulting from the filming activity, or from the acts of the filming company or its agents during the filming activity or occurring as a result of the use of filming locations by the filming company.

(d) *Security deposit.* To ensure cleanup and restoration of the site, an applicant may be required to submit a refundable deposit (amount to be determined). Upon completion of filming and inspection of the site by the city, if no verifiable damage has occurred, the security deposit shall be returned to the applicant.

(e) *Damage to property.* Any damage to city-owned property, facilities or infrastructure, including roads, arising from or relating to the film production, shall be the responsibility of the permit holder who shall repair all such damage or pay the city the costs of repair.

Sec. 746.08 - Violations/revocation.

(a) Any permit can be revoked by the City Manager or his/her designate, or if he/she is not present, by the ranking police officer on duty upon the happening of any one or more of the following events:

(1) Any expansion of the road closure beyond the affected area regardless of whether such expansion is known or approved by the permit holder;

(2) Any acts of vandalism, littering, disorderly conduct or criminal activity by any of the participants affiliated with the permit holder regardless of whether the perpetrators of such acts are apprehended; or

(3) Any other acts or circumstances, lawful or unlawful which, in the opinion of the City Manager or the ranking police officer on duty, create a substantial risk of injury to person or property.

(b) If a permit is revoked the fact of such revocation shall be given to all participants and persons in or near the affected area by announcing such fact over the public address system of any marked police car or by any other manner reasonably calculated to effect such notice.

Sec. 746.09. - Primary contact.

The applicant shall provide one primary contact of competent authority to maintain communication with and be responsive to the city manager during the entire period of filming. Minimum communication types shall be phone, text, and e-mail. The city manager and/or his designee shall be the primary contact for the applicant.

CITY OF KENT FILM PERMIT FORM

301 S. Depeyster Street, Kent, OH 44240
Application for filming in the City of Kent
Contact wicksh@kent-ohio.org
330-676-7500

APPLICANT INFORMATION		
Request By:	Project Name:	
Company:	Phone:	Email:
Address:		
City:	State:	ZIP Code:
Applicant's Signature:		

PRODUCTION CONTACT INFORMATION		
Project Manager:	Phone:	Email:
Location Manager:	Phone:	Email:
Director:	Phone:	Email:
Production Manager:	Phone:	Email:

DATE(S) *(for more dates, attach separate page)*	**LOCATION(S)** *(list street names)*
1.	1.
2.	2.

TIME(S) SET UP	**START**	**END**	**WRAP TIME**
1.			
2.			

TYPES OF ACTIVITIES PLANNED AND FACILITIES/EQUIPMENT USED

Detail:

CHECK IF YOU PLAN TO USE THE FOLLOWING: (ADDITIONAL PERMITS/MAY BE REQUIRED)

○ **Public Street or Other Right-of-Way** *(Include map of area)*	○ **Existing Private Buildings** *(Include addresses above & must secure permission from property owner)*
○ **Sidewalks**	○ **Government Buildings** *(specify location above)*
○ **Fake Weapons** *(Identify above)*	○ **Tent/Canopies** *(400 sq. ft. or larger)*
○ **Animals**	○ **Temporary Electric, Generators or Lighting**
○ **Public Park** *(Name which park)*	○ **Bodies of water** *(rivers, lakes, pools)*

OFFICE USE ONLY

Received By_____ Date _____

Types of Permits/Approvals Needed: (Check all that apply):

No Permit Needed	_____	Bagged Meter Permit	_____
Film Permit	_____	Parks & Rec Dept. Approval	_____
Street Assemblage Permit	_____	Fire Dept. Approval	_____
Special Event Permit	_____	Police Dept. Approval	_____
Temporary Parking Permit	_____	Building Dept. Approval	_____

$100 Bond Received _____ Yes _____ No _____N/A

General Liability Insurance on File _____ Yes _____ No _____N/A Approved _____ Date _____

Film Permit Approved _____ Yes _____ No City Manager _____ Date _____

DRAFT

Draft ORDINANCE NO. 2019-119

AN ORDINANCE ACCEPTING A DONATION IN THE AMOUNT OF $250.00 TO THE CITY OF KENT HEALTH DEPARTMENT FROM THE UNIVERSITY HOSPITAL PORTAGE MEDICAL CENTER, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Kent Health Department has received a donation in the amount of $250.00 for child helmet and safety gear purchases and educational handouts from the University Hospital Portage Medical Center; and

WHEREAS, the City wishes to accept said donation.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Kent, Portage County, Ohio, at least three-fourths (3/4) of all members elected thereto concurring:

SECTION 1. That Council does hereby authorize the City Manager on behalf of the City of Kent to accept the donation of $250.00 for purchases and educational handouts.

SECTION 2. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council, and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements of Section 121.22 of the Ohio Revised Code.

SECTION 3. That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of the residents of this City, for which reason and other reasons manifest to this Council this Ordinance is hereby declared to be an emergency measure and shall take effect and be in force immediately after passage.

PASSED: _____ _____
Date Jerry T. Fiala
Mayor and President of Council

EFFECTIVE: _____
Date

ATTEST: _____
Amy Wilkens
Clerk of Council

I, AMY WILKENS, CLERK OF COUNCIL FOR THE CITY OF KENT, COUNTY OF PORTAGE, AND STATE OF OHIO, AND IN WHOSE CUSTODY THE ORIGINAL FILES AND RECORDS OF SAID COUNCIL ARE REQUIRED TO BE KEPT BY THE LAWS OF THE STATE OF OHIO, HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND EXACT COPY OF ORDINANCE *No.* _____, ADOPTED BY THE COUNCIL OF THE CITY OF KENT ON _____, 20_____.

(SEAL)

_____
AMY WILKENS
CLERK OF COUNCIL
(SEAL)

DRAFT

ORDINANCE NO. 2019 - 120

AN ORDINANCE AUTHORIZING THE CITY BUDGET & FINANCE DIRECTOR AND LAW DIRECTOR, OR THEIR DESIGNEES, TO SIGN AN ADDENDUM TO AN EMPLOYMENT CONTRACT BETWEEN THE CITY OF KENT AND DAVID RULLER, DATED JULY 3, 2008 GRANTING A FOUR PERCENT (4%) PAY RAISE EFFECTIVE JUNE 15, 2019, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Kent has entered into an employment agreement dated July 3, 2008 with David Ruller to be the City Manager of Kent; and

WHEREAS, the parties agree to grant a four percent (4%) pay increase effective June 15, 2019; and

WHEREAS, time is of the essence.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Kent, Portage County, Ohio, at least three-fourths (3/4) of all members elected thereto concurring:

SECTION 1. That Kent City Council hereby authorizes the Budget & Finance Director and the Law Director or their designees to execute the Addendum to the agreement dated July 3, 2008, attached hereto as Exhibit "A", with David Ruller as City Manager of Kent.

SECTION 2. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council, and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements of Section 121.22 of the Ohio Revised Code.

SECTION 3. That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of the residents of this City, for which reason and other reasons manifest to this Council this Ordinance is hereby declared to be an emergency measure and shall take effect and be in force immediately after passage.

PASSED: _____ _____
Date Jerry T. Fiala
Mayor and President of Council

EFFECTIVE: _____
Date

ATTEST: _____
Amy Wilkens
Clerk of Council

I, AMY WILKENS, CLERK OF COUNCIL FOR THE CITY OF KENT, COUNTY OF PORTAGE, AND STATE OF OHIO, AND IN WHOSE CUSTODY THE ORIGINAL FILES AND RECORDS OF SAID COUNCIL ARE REQUIRED TO BE KEPT BY THE LAWS OF THE STATE OF OHIO, HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND EXACT COPY OF ORDINANCE *No.* _____, ADOPTED BY THE COUNCIL OF THE CITY OF KENT ON _____, 20_____.

DRAFT

(SEAL)

AMY WILKENS
CLERK OF COUNCIL

EXHIBIT "A"

ADDENDUM

THIS ADDENDUM is entered into by the City of Kent, Ohio ("City") and the City Manager, David Ruller ("Employee") to modify an employment agreement entered into between the parties on July 3, 2008 and modified on July 15, 2009, July 21, 2011, October 22, 2015 and October 18, 2018.

WHEREAS, the Kent City Council wishes to grant Employee a four percent (4%) pay raise, effective June 15, 2019.

NOW THEREFORE, it is hereby agreed between the parties that:

1) Ruller will receive a four percent (4%) pay increase effective June 15, 2019.

The remaining July 3, 2008 contract, as amended from time to time, shall remain in full effect.

Witness our signatures, this _____ day of _____, 2019.

Approved by City Council, on _____ in Ordinance 2019- _____.

FOR THE CITY OF KENT, OHIO:

_____
David Coffee
Budget & Finance Director

_____
Hope L. Jones
Law Director

APPROVED AS TO FORM:

_____
Hope L. Jones, Law Director
City of Kent, Ohio

BY THE EMPLOYEE:

_____
David Ruller