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# CIDS

## County Information and Data Service

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NO. 41

OCTOBER 14, 2011

### DATES TO REMEMBER

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|----------------------|--|
| OCTOBER 28, 2011     | CCC/EAPA REGIONAL MEETING, JOHNNY APPLESEED METROPOLITAN PARK DISTRICT, ALLEN COUNTY (LIMA)                                  |
| NOVEMBER 9, 2011     | PERSONAL LIABILITY OF PUBLIC OFFICIALS AND EMPLOYEES – CCAO 2 <sup>ND</sup> WEDNESDAY SEMINAR SERIES, CCAO OFFICES, COLUMBUS |
| DECEMBER 11-13, 2011 | CCAO/CEAO ANNUAL WINTER CONFERENCE, GREATER COLUMBUS CONVENTION CENTER, FRANKLIN COUNTY (COLUMBUS)                           |

### ASSOCIATION NEWS

#### CCAO PROVIDES COMMENTS TO GOVERNMENTAL ACCOUNTING STANDARDS BOARD ON ITS EXPOSURE DRAFT, ACCOUNTING & FINANCIAL REPORTING FOR PENSIONS

CCAO has submitted comments to the Governmental Accounting Standards Board (GASB) relative to its Exposure Draft, Accounting and Financial Reporting for Pensions and amendment of GASB Statement Number 27. This Exposure Draft addresses changes in the way participants in government sponsored pension plans account for and report pension assets and liabilities in their annual financial statements.

The purpose of the new financial reporting proposal is to standardize how participants in public pension plans disclose pension information in their financial statements. CCAO noted in its letter that while the proposed financial reporting is intended to make financial reporting more transparent, it poses significant challenges for multiple employer cost sharing plans like the Ohio Public Employee Retirement System (OPERS).

In its letter to GASB, CCAO notes that the net pension liability of individual counties “should be reflected on the financial statements of the pension system where the assets for future pension benefits are also reported, not within the financial statement of each county.” CCAO also notes that because OPERS contribution rates and benefits are established by the legislature through state law, there is the question of whether the accounting standards proposed under the Exposure Draft are at odds with the accounting requirements established by Ohio law.

CCAO also expressed concern that OPERS will have difficulty calculating the net pension liability of each Ohio county, which under the new accounting standards OPERS would be required to do. CCAO commented “that the liability, if allocated, would not be reliable and would result in significant increase in county audit expenses at a time of dwindling state revenue support of county government in Ohio.”

A further concern that CCAO expressed relates to the likely delay that the new accounting treatment will have in reporting the proportionate share of net pension liability and OPERS pension expense. CCAO notes that “with the time lag involved in calculating the county proportionate share, we expect delays in the ability of counties to issue their financial statements and other key financial reports.”

CCAO charged that “with the expected volatility of the new pension expense, it will be difficult to establish annual budgets accurately.” CCAO added that “a big concern is that users of county financial statements will become confused when county contributions no longer match the county annual pension expense and the county pension expense is not reflective of county employee experience.”

Lastly, CCAO expressed concern that the new accounting standards will adversely affect the bond rating of Ohio counties. This could mean counties that currently enjoy sound balance sheets will end up with what will look like poor financial results. This could adversely affect bond ratings which could result in higher interest costs for new bond issues.

CCAO concluded that “reporting of county pension expense and liabilities that are not representative of the county’s actual experience could lead to short-sighted decisions and ultimately lead to confusion and a lack of trust of county government by the public.”

A copy of CCAO’s letter to GASB is attached to this edition of CIDS. The deadline for submitting comments to GASB was recently extended from September 30 to October 14.

## 2nd WEDNESDAY SEMINAR SERIES: PERSONAL LIABILITY OF PUBLIC OFFICIALS AND EMPLOYEES

CCAO encourages commissioners and other county officials to attend the next CCAO 2nd Wednesday Seminar Series on “Personal Liability of Public Officials and Employees” on November 9, 2011 from 9:30 a.m. to 12:30 p.m. The 2nd Wednesday Seminar Series is held at the CCAO offices, 209 East State Street, in Columbus.

Mark Landes and Derek Haggerty of the law firm of Isaac Brant Ledman and Teetor LLP will provide an in depth discussion of public official liability for public money, the extent of individual liability of public officials to lawsuits, and the limitations of officeholder’s bonds in protecting officeholders from liability. Other topics handled by these experienced lawyers include how audit findings for recovery may expose public employees to the loss of their job, savings, and in limited circumstances their public pension when money has been illegally expended, not collected, misappropriated or stolen; procedures for removal of officeholders from office; and defense and indemnification of office holders. Ginny Shrimplin, Marketing Manager for the County Risk Sharing Authority will discuss insurance options to protect public officials from liability.

The 2nd Wednesday sessions are designed to be very interactive, allowing ample opportunity for attendees to ask questions and have dialogue directly with speakers. All sessions are free and parking is available in the lot adjacent to the CCAO office. Program details are posted at [www.ccao.org](http://www.ccao.org) Coffee will be served during the morning and lunch will be on your own. Best of all, no registration fee will be charged! To register contact Tanya McComas, CCAO Administrative Assistant, at [tmccomas@ccao.org](mailto:tmccomas@ccao.org) Please include the name and title of those attending and the county, agency or company they represent.

## CCAO/CEAO WINTER CONFERENCE REGISTRATION INFORMATION AVAILABLE

Join CCAO/CEAO for our 131<sup>st</sup> Annual Winter Conference to be held December 11-13, 2011 at the Greater Columbus Convention Center (GCCC), 400 North High Street, in downtown Columbus. There have been some Conference format changes.

In the past, the Conference has ended on Wednesday at noon. To save county officials time away from the office and additional lodging cost, the Conference will end this year after the Tuesday Luncheon & Closing General Session. All meetings and the trade show will be held at the GCCC instead of the Hyatt Regency. Moving the conference venue opens up more opportunities for exhibitors to participate, because there are no load limits in the exhibit hall.

Another change is the hotel room blocks. The headquarters hotel will be the Hyatt Regency. The Sunday night reception, Monday night karaoke reception, hospitality suites, and a block of hotel rooms are at the Hyatt Regency. Additional blocks of hotel rooms have been held at the Crowne Plaza, Drury Inn, and the Hampton Inn & Suites. Hotel reservation information is located on the conference registration form. Please note the Conference format changes when making your hotel reservations.

CCAO/CEAO is pleased to announce that U.S. Senator Sherrod Brown has accepted our invitation to speak at the Monday, December 12 Luncheon and Opening General Session. In addition, Mark Kvamme, President & Interim Chief Investment Officer of JobsOhio, will speak at the Tuesday, December 13 Luncheon and Closing General Session.

### **Monday, December 12**

#### **CCAO Sessions**

- Cost Controls for Local Government: A Presentation by the Auditor of State's Office
- Planning for Your Retirement
- SB 5 – Collective Bargaining (*if the law is not repealed*) or Reducing Workplace Staff Through Layoffs & Other Actions (*if the law is repealed*)
- Energy Conservation
- Wellness Initiative
- Impact of the Great Recession of Property Tax Revenue; Revenue Projections for Counties from Casinos
- HB 66 – Sentencing Reform & Justice Reinvestment
- Government Structure Reform
- Employee Discipline & Best Practices for Workplace Investigations

#### **CCAO/CEAO/Affiliate Session**

- OPERS for Soon-to-be Retirees

**CCAO Annual Business Meeting & Election of Officers** will be held on Monday morning at 11:00 a.m.

**CCAO/CEAO Reception, Banquet & Installation of Officers** will begin on Monday evening at 5:00 p.m.

### **Tuesday, December 13**

**District Meetings** – NW, SW & SE Commissioners & Engineers and the NE District Commissioners Associations will meet on Tuesday morning.

## CCAO Sessions

- CCAO Legislative Update featuring Ohio Job & Family Services Director Michael Colbert speaking about “Work Participation Rates & a Potential Financial Penalty for Ohio”
- Shared Services: Changing the County Service Model Delivery Through Partnerships
- Oil & Natural Gas Developments: What the Frack are You Talking About? What Shale We Do?
- Working with the Media in Challenging Times

The agenda and registration materials have been posted at [www.ccao.org](http://www.ccao.org) Click on the article on the front page. ***There have been a number of changes in the conference format, so please take some time to read the agenda.***

## COUNTY ACTIVITIES

### KEY CONSIDERATIONS FOR SHALE OIL AND GAS LEASING IN OHIO

Numerous commissioners have been contacted recently by both constituents with questions regarding private leases as well as developers looking to lease public property. Please find attached to today’s CIDS a one-page handout providing information on shale oil and gas leasing. This handout is provided by Matt Warnock of the Bricker and Eckler law firm. Mr. Warnock also will be part of the CCAO Winter Conference Session entitled “Oil and Natural Gas Developments: What the Frack are You talking About? What Shale We Do?” to be held at the Columbus Convention Center December 11-13, 2011. In addition to Mr. Warnock, representatives from the Ohio Department of Taxation and the County Engineers Association of Ohio will be providing insight into issues surrounding shale oil and gas development. For more information on this issue, please contact CCAO Senior Policy Analyst Josh Hahn at (614) 220-7982, (888) 757-1904 or [jhahn@ccao.org](mailto:jhahn@ccao.org).

## STATE ACTIVITIES

### LAKE ERIE SHORE EROSION MANAGEMENT PLAN MEETINGS – OCTOBER 17 & NOVEMBER 16

The Ohio Department of Natural Resources (ODNR) will host a pair of public meetings focused on the recent progress in the state’s Lake Erie Shore Erosion Management Program (LESEMP).

- **Monday, October 17, 2011** from 5:30 to 7:00 p.m. - Blue and Gold Room on the Kent State University-Ashtabula Campus, 3300 Lake Road West, in Ashtabula. LESEMP recommendations for Ashtabula County will be reviewed and additional erosion-control options will be discussed.
- **Wednesday, November 16, 2011** from 5:30 to 7:00 p.m. - Huron Public Library, 333 Williams Street, in Huron. The LESEMP recommendations for the Cedar Point to Vermilion region will be released.

LESEMP is being developed through a partnership between ODNR's Office of Coastal Management, Division of Geological Survey and the Division of Wildlife. For more information go to [www.ohiodnr.com/tabid/20501/default.aspx](http://www.ohiodnr.com/tabid/20501/default.aspx)

### NUMBER OF VACANT HOMES IN OHIO ON THE RISE, CENSUS BUREAU FINDS

Growth in Ohio's total housing inventory from 2000 to 2010 lagged the national rate of 13.6%, but the increase of vacant units in the state outpaced the country considerably, according to data the U.S. Census Bureau. The total number of housing units in Ohio grew 7.2% over the past decade to a total of 5.1 million. Meanwhile, the number of vacant houses in the state exploded by 55.4%.

All states saw an increase in vacant units, with a national average growth of 43.8%. Although Ohio had one of the country's largest increases, it was dwarfed by the nearly 120% growth experienced in Nevada, which also has one of the highest foreclosure rates in the U.S. Other states' increases in vacant units that outpaced Ohio were: Georgia, Arizona, Florida, Colorado, and Rhode Island.

Despite Ohio's rapid growth in vacant houses, most states still had a greater percentage of their total housing units vacant. Ohio's vacancy rate of 10.2% lagged the national 11.4% average. Homeownership in Ohio was also slightly higher than the national average. Nearly 68% of total housing units in the state were owner-occupied, compared to the U.S. rate of 65%.

Nationally, homeownership fell by 1.1% over the past decade, which was the largest decrease since 1930 to 1940, during the Great Depression. Nonetheless, the 2010 homeownership rate was still the second highest on record, behind only 2000, since homeownership data collection began in 1890.

## **FEDERAL ACTIVITIES**

### WHITE HOUSE RURAL COUNCIL FEEDBACK REPORT RELEASED

The White House Rural Council released its "Feedback from Rural America" Report on September 30. On June 9, 2011, President Obama signed an Executive Order establishing the White House Rural Council. Since the establishment of the Council, the President, the Secretary of Agriculture Tom Vilsack, and various senior Administration officials made nearly 200 visits to rural communities throughout the country. NACo members and leadership participated in many of these listening sessions. NACo's rural leadership also participated in the Rural Economic Forum held on August 16 in Peosta, Iowa, and presented NACo's rural priorities directly to the President. Click on the link for the report - [http://www.whitehouse.gov/sites/default/files/whrc\\_travel.pdf](http://www.whitehouse.gov/sites/default/files/whrc_travel.pdf)

### EPA'S PESTICIDE PERMIT PROGRAM MOVES FORWARD ON OCTOBER 31 UNLESS CONGRESS ACTS

In March, the House of Representatives passed the Reducing Regulatory Burdens Act (H.R. 872). The bill was referred to Senate Agriculture Nutrition and Forestry Committee and passed out of the committee in June. But Senate Environment and Public Works (EPW) Chair Barbara Boxer (D-Calif.) and Senator Ben Cardin (D-Md.) put a hold on the measure after arguing that the bill also should have been referred to the Senate EPW Committee for review because of its impacts to water quality. Until these concerns are worked out, H.R. 872 remains in limbo. This means the Environmental Protection Agency (EPA) permit program will move forward October 31 as planned, even though a number of states are not ready to implement it nor has consultation been finished with other impacted federal agencies.

H.R. 872 is especially important for county governments who serve as primary service providers for their residents. The pesticide regulations would have a huge impact on county government activities associated with public health, land use, forest and park management, flood control, transportation projects, air and water programs, invasive species control, and endangered species protection by requiring tight monitoring and paperwork requirements for all applications.

H.R. 872 was introduced as a bipartisan response to a court ruling on National Cotton Council v. EPA (6th Cir. 2009), which instructed the Environmental Protection Agency (EPA) to move forward with federally regulating pesticides under the National Pollution Discharge Elimination System (NPDES) permit. The EPA is under court ordered deadline to produce a permit by October 31.

NACo supports using pesticides in accordance with the instructions on the label and supports strong penalties for those who misuse pesticides in FIFRA. NACo also strongly supports H.R. 872. Urge Ohio Senators Brown

and Portman to support H.R. 872. For more information, contact Julie Ufner, NACo Associate Legislative Director, at (202) 942-4269 or [jufner@naco.org](mailto:jufner@naco.org)

## **NACo ACTIVITIES**

### NACo PUBLIC HEALTH TOOLKIT NOW AVAILABLE

NACo has a new online toolkit intended to serve as a resource for counties about some of the key aspects of the Affordable Care Act. The toolkit offers information about the increased support the ACA offers to national, state and local prevention and public health activities.

Go to <http://admin.naco.org/programs/csd/Pages/HealthReformImplementation.aspx> to access the toolkit and review additional resources. Email [healthreforminfo@naco.org](mailto:healthreforminfo@naco.org) to sign up for health reform implementation updates or submit questions.

## **WEBINARS**

### REDUCING YOUTH DETENTION POPULATIONS & INCREASING COST SAVING OPPORTUNITIES

Juvenile Detention Alternative Initiative (JDAI) core strategies has been proven to reduce the use of detention, reduce costs, increase system fairness and improve the juvenile justice system overall without compromising public safety. By conducting a deeper analysis of your county's overall detention system and determining which youth are being placed in secure detention and why, the information gained from this webinar may reveal gaps or unneeded procedures that contribute to the inefficiencies and high costs associated with running detention systems. By safely minimizing detention, local personnel and officials can effectively reduce unnecessary detention of youth into the system and better invest public resources in the juvenile justice system. JDAI has proven that juvenile detention rates can be dramatically reduced without a corresponding increase in juvenile crime.

Join NACo for a webinar on Thursday, October 27, 2011 from 2:00-3:15 p.m. to find out how you can use JDAI strategies to lower your county's juvenile detention population and increase cost savings. For more information contact Rebecca Hsieh, NACo Community Services Associate, at (202) 942-4279 or [rhsieh@naco.org](mailto:rhsieh@naco.org) Register online at <https://www2.gotomeeting.com/register/713635562>

## **CLASSIFIEDS**

### SENIOR TRANSPORTATION/MPO PLANNER

The Senior Transportation/MPO Planner, under direction, is responsible for planning, organizing and directing activities related to the County's transportation planning and its coordination with land use planning, multi-modal transportation planning and implementation; develop coordination activities and funding recommendations; and, provide complex professional assistance to the Department, the Board of Commissioners, planning commissions and boards and others in area of expertise. A professional position responsible for a variety of planning projects involving the collecting, recording, summarizing and interpreting of social, economic, land use, environmental and traffic engineering data, report writing and information management. The Senior Transportation/MPO Planner will receive supervision from the Director of Planning and Development.

Bachelor's degree in planning or related field. Two years experience in planning and development with experience in the use of AutoCadArcView. Knowledge of basic transportation and traffic engineering principles and transportation construction and maintenance practices and techniques. Knowledge of government and



government bidding procedures. Erie County residency preferred. Pre-employment testing required. Apply at the Department of Human Resources, 2900 Columbus Avenue, Suite 210, Sandusky, OH at [www.eriecountv.oh.gov](http://www.eriecountv.oh.gov) where employment applications and current job postings are available for viewing and/or downloading. A completed Erie County application must be received in the Human Resources Department **by 4:30 p.m. October 24, 2011**. Applications also accepted at Your Job Store, 5500 Milan Road, Sandusky (operating hours Monday, Wednesday & Friday, 8:30 a.m.-5:00 p.m.; Tuesday & Thursday 8:30 a.m. - 7:00 p.m. and Saturday, 9:00 a.m.-12:00 p.m.). EOE

### ASSISTANT PLANT MANAGER

The Maumee River Wastewater Treatment Plant, in Lucas County, seeks an Assistant Plant Manager. Under the direction of the Plant Manager, manages personnel and will monitor the operation of the Wastewater Treatment Plant; ensures effective, reliable plant performance and compliance with permit standards; assists with the management and implementation of the plant maintenance program; develops, prepares and reviews operating records and reports, trains wastewater treatment plant personnel.

Minimum Qualifications: Ohio EPA Class III Wastewater Operators License is required, an equivalent license from another state may be accepted if an Ohio Class III is obtained within one year of appointment to Assistant Plant Manager; Minimum of five years experience as Chief Plant Operator or equivalent; and a valid Ohio Driver's license.

To apply, complete an electronic application at [www.co.lucas.oh.us](http://www.co.lucas.oh.us) (click 'Apply for a Job') or submit to the Lucas County Human Resources/Personnel Department, One Government Center, Suite 450, Toledo, OH 43604, Attn: Assistant Plant Manager; Required documentation must be submitted in order to be considered. Application deadline: **Friday, October 21, 2011 at 4:30 p.m.** EOE.

### SOLID WASTE MANAGEMENT DISTRICT COORDINATOR

The Board of County Commissioners of Wyandot County seek a district coordinator for the Solid Waste Management District. The Solid Waste Management District operates the recycling center, accepting and processing recyclable materials for Wyandot County such as paper, glass, plastics, cans, etc. and holding special waste events (hazardous household waste, scrap tires, etc.).

Under administrative direction, the District Coordinator plans, organizes and directs the District's operations as prescribed by the Ohio law including but not limited to: developing and monitoring the District budget, writing and administering grants, project management, and the marketing of programs and services.

Bachelor's degree in environmental science, engineering, public administration, or business with at least three years progressive experience in public administration, including supervisory experience and personnel management: or an equivalent combination of education, training, and experience. Knowledge of solid waste management and Ohio solid waste regulations preferred. Salary commensurate with experience.

Interested applicants can request an employment application be sent to them by contacting the Wyandot County Solid Waste Management District Office at (419) 396-3541 ext. 103, at the Wyandot County Commissioners' office or online at [www.wyandotrecycles.org](http://www.wyandotrecycles.org) A properly completed application and resume with references must be submitted to the Wyandot County Board of Commissioners, 109 South Sandusky Avenue, Upper Sandusky, OH 43351 attention: Mr. Mike Wheeler no later than **October 27, 2011**, to be considered. EOE.

## JFS DIRECTOR

Applications are being accepted for the position of Director of the Delaware County Department of Job and Family Services. This individual is responsible for directing and overseeing the departments within the Department of Job and Family Services including but not limited to; personnel, program compliance and budgeting. The Director establishes and accomplishes human services objectives by researching opportunities and problems, recommending strategies to the management team and the Board of Commissioners, inaugurates programs and processes while meeting fiscal requirements and evaluating and reporting results. Qualified applicants must have a Bachelor's degree in Business Management, Human Services, Social Services, Education, Public Administration or related field and preferably post-graduate degree in a related field. Also requires a minimum of five years administrative/managerial experience to include responsibility in assisting in the development and implementation of policies, programs, laws, rules and/or regulations combined with a minimum of three years managing and leading subordinate personnel. Job qualifications and an employment application can be obtained from [www.co.delaware.oh.us](http://www.co.delaware.oh.us), at the Delaware County Human Resources Department, 10 Court Street, 2<sup>nd</sup> Floor, Delaware, OH 43015, or by calling (740) 833-2120. Application deadline: **November 9, 2011**. EOE .

## GIS COORDINATOR

The Hardin County Board of Commissioners is seeking a qualified individual for the position of GIS Coordinator for the Hardin County Geographic Information System (GIS) Department. The GIS Coordinator will be responsible for coordinating and disseminating GIS data; developing customized maps, view, coverage and integrating GIS layers; establishing various databases; developing and implementing County GIS standards; conducting needs assessments of GIS equipment/software; tracking County GIS projects.

This position requires an Associate's degree plus two years of GIS related experience or a Bachelor's degree in geography, computer science, or related field preferred. Direct experience in GIS or related fields may be considered in lieu of education. Familiarity with AutoDesk & ERSI software. Knowledge of computer hardware/software troubleshooting & programming techniques for geographic analysis preferred. Must possess a valid Ohio Driver's License. Salary is negotiable and is commensurate with education & experience, benefits package included. Qualified applicants may be subject to pass an employment physical, alcohol and or drug screen. Submit a cover letter and resume by **Friday, October 28, 2011** to the Hardin County Commissioners, One Courthouse Square, Suite 100, Kenton, OH 43326 to be considered. EOE.

## SR. HUMAN RESOURCES MANAGER

Plans, directs/coordinates functions and operations of Labor/Employee Relations and Classification/Compensation divisions of the HR Department; develops and implements department goals, objectives, policies/procedures; establishes/monitors department quality control standards/procedures; assigns work and coordinates work flow; prepares/monitors department budget; may serve as HR Director in his/her absence, or act for director with regard to HR matters.

Bachelor's degree in public administration, human resources management or related field, and two years experience in management or administration which indicates a comprehensive knowledge of government process; Ohio Civil Service laws, rules and regulations; federal, state and local human resources requirements; personnel administration; employee benefits; and labor/employee relations; must be able to apply this knowledge to practical work situations and sensitive personnel issues through effective human relation skills. Apply in person or send your resume/application to Hamilton County Human Resources Department, 138 E. Court Street, Room 707, Cincinnati, OH 45202, fax (513) 946-4720 or apply online at <http://www.hamiltoncountvolioo.gov/personnel/employmentapplication.asp>. Application deadline: **October 25, 2011**. EOE.



## COUNTY HOME ADMINISTRATOR

The Wyandot Commissioners are accepting applications for a County Home Administrator for a 100-bed facility. Applicants will not only have a passion for serving our residents but also leadership ability to direct our team of staff! Responsibilities: plans, directs and coordinates operation of Wyandot County Skilled Nursing & Rehab Center. Ensures compliance of facility with federal and state regulations; prepares and maintains documentation. Community involvement extremely important. Requirements: Minimum Bachelor's degree with three years or more experience in a nursing home and/or care center setting. Possess OLNHA. Application deadline: **November 11, 2011**. Applications and job descriptions can be picked up at the Commissioners' office, 109 S. Sandusky Avenue, Upper Sandusky, OH 43351 or at [www.co.wyandot.oh.us](http://www.co.wyandot.oh.us)

### **CLASSIFIED ADS**

CCAO publishes the County Information and Data Service (CIDS) weekly. Classified ads will be published free of charge as a service to counties. Ads will run for two weeks if space is available. Ads will also be published on the CCAO website at [www.ccao.org](http://www.ccao.org). When submitting your ad to CCAO please provide a link to the job posting online and a deadline. Please provide a copy of the classified ad by 5:00 p.m. on Wednesday of each week. Transmit the copy to Mary Jane Neiman, CCAO Public Relations Associate, by e-mail at [mjneiman@ccao.org](mailto:mjneiman@ccao.org)



**County  
Commissioners  
Association of Ohio**

*Serving Ohio Counties Since 1880*

Larry L. Long, Executive Director

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October 11, 2011

Director of Research and Technical Activities  
Project No. E-34  
Governmental Accounting Standards Board  
401 Merritt 7, PO Box 5116  
Norwalk, CT 06856-5116

To the Director of Research and Technical Activities:

The County Commissioners Association of Ohio represents Ohio's 86 Boards of County Commissioners and the Cuyahoga and Summit County Executives and County Councils. County Employees in Ohio's 88 counties participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multi-employer plan with approximately 3,700 employers.

We are responding to the Governmental Accounting Standards Board (GASB) invitation to provide comments on its Exposure Draft, Accounting and Financial Reporting for Pensions and amendment of GASB Statement No. 27. This Exposure Draft addresses changes in the way participants in government sponsored pension plans account for and report pension assets and liabilities in their annual financial statements.

We understand the intent that the new financial reporting proposals are designed to standardize how participants in public pension plans disclose pension information in their financial statements. We appreciate efforts to make financial reporting more transparent; however, we understand there are a number of significant challenges associated with implementing the proposed standards for multiple employer cost sharing plans like OPERS. Though these proposed standards may work well with single employer plans, they appear to conflict with the purpose of pooling assets and liabilities in a cost sharing multi-employer plan, and with the state laws governing these plans.

1. **Structure of OPERS under Ohio Law.** As noted above, OPERS is a cost-sharing multi-employer plan in the State of Ohio. County government participation in the plan is established by state law that also establishes employer contribution rates and the benefits to be received by county employees. As counties, we have no control over the contribution rates assessed. Likewise, counties do not control the benefits offered or how they are calculated. Any changes to the existing contribution rates or benefit levels require action by the Ohio General Assembly. Ultimately if there was a plan termination, default, or some other unlikely event, the state legislature would need to determine the final dispensation of any unfunded liability. Thus, the assignment of the liability to a county is



County Risk  
Sharing Authority

Fax: 614-220-0209  
www.corsa.org



Fax: 614-229-4588  
www.cebco.org



County Commissioners  
Association of Ohio  
Service Corporation

Fax: 614-221-6986  
www.ccao.org

misleading given the structure here in Ohio. This raises a question regarding the application of accounting standards that are not in accordance with state statute.

OPERS and counties may request contribution and benefit changes for legislative consideration and action, positioning the pension system to be in control of these variables. We recommend that the net pension liability be reflected on the financial statements of the pension system where the assets for future pension benefits are also reported, not within the financial statement of each county. We believe any allocation of the liability to a county is arbitrary and misleading, and would suggest additional note disclosures relating to OPERS on the financial statements of the 88 county governments in Ohio. Private employers do not record their portion of defined benefit Social Security or cost sharing net pension liabilities on their financial statements, so why should this be required of our 88 counties? We believe it is inappropriate for counties in Ohio to be subject to different accounting standards.

2. **Audit of proportionate share of OPERS net pension liability and OPERS pension expense.** We understand OPERS will provide us with our proportionate share of the net pension liability and pension expense. We also understand the calculation will be performed with the help of actuaries and include certain roll-forward calculations to derive balances as of the end of the county fiscal year. These liabilities can represent significant items on employer financial statements, particularly those of smaller counties. The question that arises is: How will Ohio's 88 counties validate the proportionate share calculated by OPERS, and how will our auditors obtain audit evidence to issue an opinion on county financial statements? We are concerned that the liability, if allocated, would not be reliable and would result in significant increase in county audit expenses at a time of dwindling state revenue support of county government here in Ohio.
3. **Timing of the availability of the county proportionate share of OPERS net pension liability and OPERS pension expense.** We understand the calculation of the proportionate share of net pension liability and pension expense takes time and requires the involvement of specialists, such as actuaries. Employers with the same fiscal year end as OPERS typically can issue financial statements within a few months of year end. However with the additional work involved in calculating the proportionate shares of pension expense and net pension liability for 3,700 employers, there is likely to be a significant delay in obtaining these values from OPERS for inclusion in county financial statements. With the time lag involved in calculating the county proportionate share, we expect delays in the ability of counties to issue their financial statements and other key financial reports in as timely a manner as are now possible.
4. **Fiscal planning and budgeting.** The current practice of reporting pension expense based on the statutorily required county contributions allows counties to establish accurate, balanced budgets with limited volatility. In general, county budgets are appropriated for the upcoming year well in advance of the end of the current year. With the expected volatility of the new pension expense, it will be difficult to establish our annual budgets accurately.

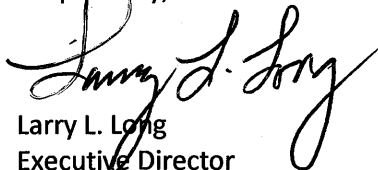
The calculation of proportionate shares means that those counties with a relatively stable workforce will share in the volatility of staffing changes by other governments who are also members of OPERS and this will not be representative of the each county's individual experience. Also, due to the structure of the system we understand that smaller governments will be subsidizing those employers with multiple divisions resulting in a disproportionately higher liability. A big concern is that users of county financial statements will become confused when county contributions no longer match the county annual pension expense and the county pension expense is not reflective of county employee experience.

5. **Bond Rating.** Most Ohio counties have paid their pension contributions when due and managed its budgets in an effective manner, resulting in favorable bond ratings. In many counties, the county proportionate share of the net pension liability is expected to be a significant number on the county balance sheet. This could change county financial reports from reporting sound financial results to reporting poor results. The potential impact on county bond rating could significantly impact county operating expenses for costs and liabilities over which counties could have no control and could result in higher interest costs for new bond issues.

The changes recommended by the proposed accounting standards will result in reporting data that is too volatile and not accurate as it applies to individual counties in Ohio. We believe it will give a distorted view of individual county government performance. Prudent fiscal management by individual counties can also be obscured by the actions of other participating employers. Reporting of county pension expense and liabilities that are not representative of the county's actual experience could lead to short-sighted decisions and ultimately lead to confusion and a lack of trust of county government by the public.

We do not object to the need for increased transparency and accountability for pension plans, employers and plan sponsors. However, we oppose this shift in reporting requirements that eliminates the connection between the accounting requirements and the actual liability that counties have for funding of OPERS as specified in Ohio law.

Respectfully,



Larry L. Long  
Executive Director

# Key Considerations for Shale Oil and Gas Leasing in Ohio

## The Oil and Gas Lease

	The Granting Clause	Habendum Clause (Lease Term)	Royalty Clause	Surface Disturbance Provisions	Utilization/Pooling	Other Landowner Protections
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Identifies the oil and gas company's rights (e.g., right to explore, develop, produce)</li> <li>Lists the minerals available for development</li> </ul>	<ul style="list-style-type: none"> <li>Sets forth the duration of the lease</li> </ul>	<ul style="list-style-type: none"> <li>Establishes the primary financial terms of the lease</li> </ul>	<ul style="list-style-type: none"> <li>Limits what can be done on your property and where it can be done</li> <li>Establishes parameters for restoring the surface and repairing damage</li> </ul>	<ul style="list-style-type: none"> <li>Combining tracts of land or leases for the drilling of a well or wells over a larger number of acres</li> </ul>	<ul style="list-style-type: none"> <li>Additional lease terms necessary to maximize the protections available to landowners</li> </ul>
<b>Issues to Consider</b>	<ul style="list-style-type: none"> <li>Can your oil and gas company install roads, power lines, compressor stations or pipelines on your property?</li> <li>Should the oil and gas company have the right to develop minerals other than oil and gas (e.g., coal, coalbed methane, gravel)?</li> <li>Can the oil and gas company install pipelines and other facilities to transport or treat gas and liquids not actually produced on your property?</li> </ul>	<ul style="list-style-type: none"> <li>How long should the primary term be? (generally 1-5 years)</li> <li>What triggers the secondary term? Operations? Production? Payment of money?</li> <li>What does the lease say about automatic termination or forfeiture?</li> <li>The duty to develop</li> </ul>	<ul style="list-style-type: none"> <li>Traditional royalty (12.5%) vs. higher royalty for shale (more than 15%)</li> <li>Gross royalty vs. net royalty (oil and gas company deducts certain post-production costs before paying royalty)</li> <li>Right to audit and verify the accuracy of royalty payments</li> <li>How should shut-in royalties be treated?</li> <li>Availability of free gas vs. payment in lieu of free gas</li> </ul>	<ul style="list-style-type: none"> <li>Drilling vs. non-drilling lease (prohibits surface disturbances)</li> <li>Installation of fencing and gates; limitations on locations of wells, compressor stations, pipelines; standards for restoration of disturbed surfaces; removal of timber; addressing crop damage</li> <li>Limitations on the use of water from your property</li> </ul>	<ul style="list-style-type: none"> <li>How large of a unit can be created using your property? 40 acres? 640 acres?</li> <li>Will all of your property be included in the unit?</li> <li>Consider the use of a Pugh clause (releases acreage and formations not included in drilling unit)</li> </ul>	<ul style="list-style-type: none"> <li>Up-front bonus payment (how much are you willing to take per acre?)</li> <li>Requirements for pre- and post-drilling groundwater testing</li> <li>Indemnification language, including an environmental indemnity</li> <li>Insurance requirements (e.g., minimum CGL policy including pollution and blowout coverage); addition of landowner as additional insured</li> <li>Right of assignment (is your consent required after receiving notice?)</li> <li>How and where are legal disputes to be handled?</li> </ul>

This information is not intended to constitute, and is not a substitute for, legal or other advice. Each circumstance should be considered and evaluated separately, and in consultation with your own legal counsel.

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