



To: Chair Mathews, Vice Chair King, Ranking Member Lightbody and Members of the Ohio House Pensions Committee

From: Mayor Bob Stone, City of Beavercreek

Date: November 27, 2023

On behalf of the City of Beavercreek, Ohio, I submit this testimony in opposition to the "As Introduced" version of House Bill 296.

Protecting the safety of our community is the most critical responsibility of the City of Beavercreek. Our community firmly supports its police personnel and their families, and the City duly prioritizes this commitment through the annual investment made in our first responders. The City of Beavercreek does not have an income tax and funds its safety services (Police) and other city services through individual property tax levies.

Per the City's proposed 2024 budget, nearly 27% of Beavercreek's community's property tax dollars support police operations annually, second only to streets and infrastructure costs. Of this, a majority of the costs, about 75%, represents the Police Department's personnel costs. Annual property tax growth is minimal through fixed levies, therefore any increase in costs directly impact the longevity of the levy revenue and cause the City to ask for additional levy dollars from residents just to maintain current service levels.

HB296 would increase the contribution amounts that employers of full-time municipal police officers must make to the Ohio Police and Fire Pension Fund, from the current 19.50% for police to 24% beginning on January 1, 2027. Even if introduced incrementally over the 4-year period prescribed in the "As Introduced" version of the legislation, this contribution increase would represent a substantial new mandate for the City's fiscal management.

Based on the pensionable wages for police, the City expects to pay out through the end of 2023, the current version of HB296 would raise Beavercreek's employer contribution payments by approximately \$82,482 during the first year of the phase-in and ultimately result in a year-over-year increase of approximately \$55,003 by 2027. **This calculation does not take into account any wage increases the City may authorize for our police department during that time period.** Indeed, we anticipate HB296 would manifest unintended consequences hindering the City's ability to commit additional fiscal resources to needed recruitment, training or other incentives supporting our police personnel when our required pension obligation increases to this unsustainable level. The full impact of the \$247,492 increase in 2027 would equate to hiring or retaining 2.5 police officers and when including a 3% annual increase, it would equate to more than 4 police officers or 7.8% of our total sworn officers. It is our belief that the employee should bear some responsibility of any increase.



The City of Beavercreek works diligently to manage our use of taxpayer dollars in applications that balance the well-being of our residents and businesses with investments that drive continued growth for the community into the future. Our success executing on this responsibility to the public depends on our ability to make fiscal decisions responsive to an ever-shifting field of needs and opportunities that local governments face. It is my belief the General Assembly can best support our City by upholding our home rule authority to direct investments in our public safety departments independently as the community deems appropriate.

For these reasons, I respectfully ask this Committee to oppose HB296 in its current form and to continue to seek workable alternatives with the Ohio Municipal League and the Ohio Mayor's Alliance as development proceeds on this legislation. Thank you for your consideration.

Sincerely,

Mayor, City of Beavercreek