

November 28, 2023

State Representative Adam Mathews
District 56

Re: House Bill 296

To Honorable Mr. Mathews:

I am here to testify in opposition to House Bill 296. The City of Beachwood recently approved a new 3-year contract with our Police Union members with wage increase percentages of 4, 3.75, and 3.5. Based upon those increases and other possible incentives, the yearly increase for the City of Beachwood will increase the police budget by more than \$1.2 million for the life of this three-year contract. With the wage increase on top of the pension increase the yearly police budget will increase by more than 6 percent per year, this is unsustainable.

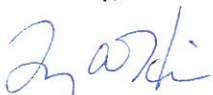
I meet regularly with a group of Finance Directors in the Northeast Ohio area (Solon, Broadview Heights, Seven Hills, Shaker Heights, South Euclid) and the last few discussions regarding this increase were two-fold, the investment Board made mistakes, but Cities are left to pay for those errors and secondly this increase will cause many Police departments to lower the size of their departments. By the third year the differential between the current pension liability and proposed liability is over \$400,000 for the City of Beachwood. This represents the cost of two full-time officers. It would be just as simple to not hire or delay in hiring when officers leave the department as a way to mitigate this unfunded mandate. By delaying or not actually hiring officers, the end result will be less revenue for the pension system than I am sure is being calculated.

If the State of Ohio House believes this is the fix needed for Police attraction and retention, it would seem prudent that the economic development monies given to attract businesses to Ohio could be partially redirected or budgeted for this effort. Cities in Ohio continue to hear about the growth and economic benefits of the State tax structure, now is the time for the State to appropriate those funds in order to facilitate this change being requested by the House of Representatives.

I am thankful to have this opportunity to speak in front of the committee, I am hopeful that if a change is made to the Police pension pickup that it not be an unfunded mandate.

Please feel free to contact me if you have any questions.

Sincerely,



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