



Mayor Aftab Pureval

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House Pension Committee
Testimony HB 296
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Chairman Matthews, Vice Chair King, Ranking Member Lightbody and members of the House Pensions Committee. I am Mayor Aftab Pureval, and I am City Manager Sheryl Long, and on behalf of the City of Cincinnati we want to share the city's perspective on how HB 296 will impact not only our police department but also our entire community.

We understand the critical point that our public pension systems must be able to provide the pensions our public servants earned when they went into public service. And no one is more deserving of that than our law enforcement officers. However, we must oppose the current legislation.

There remain questions as to the need for this increase. Testimony and studies by the Ohio Retirement Study Council establish that the conclusions reached by the system's actuaries rest on flawed assumptions. Accordingly, their analysis likely does not portray an accurate financial picture. Any proposal to alter this critical system should be paused until after there is certainty about the actuarial analysis.

If there is to be an increase in the employer contribution rates, how do we ensure that steps are taken to rein in rising costs so that we do not have the pension system asking for additional revenue again in the next three to five years? Rather than simply providing more funding, the system should be required to explain in detail how they intend to keep the system solvent without further increases from local governments.

There has been much said about equalizing the contributions between police and firefighters or between the Ohio Police & Fire Pension Fund and other state pension systems. If the General Assembly chooses to make the systems "equal," we ask that equality is imposed on all pertinent areas, including employee contribution rates and benefits, including the annual cost of living adjustments.

Like other Ohio communities, the City of Cincinnati invests the majority of its general fund in public safety. Public safety comprises more than 68% of our annual City budget, and over \$41 million of City funds are budgeted for contributions to the Ohio Police & Fire Pension Fund every year. Proposed HB 296 will cost the city an additional \$4.5 million in the first year alone, which only grows as our officers' negotiated annual raises and adjustments take effect. This is the annual equivalent of 40 sworn fulltime officers serving in our neighborhoods. At current City budget levels, we do not have the ability to absorb the proposed increases outlined in HB 296. At worst, we fear it will force reductions to the workforce or necessitate cuts to public safety services. Beyond direct impacts to City budgets, we

share a very real concern that local jurisdictions' cost-reduction measures to meet this proposed pension mandate will sacrifice response times, quality and breadth of response, multi-disciplinary officer training, and other critical resources that are proven to reduce violence and crime rates in our communities.

Given the issues raised by the Ohio Retirement Study Council and independent actuaries, and the significant impact this bill will have on our ability to fund safety forces, I respectfully request that the General Assembly not advance this bill until, at a minimum, these significant factual questions are answered and there is some assurance that any action taken will result in a stable, viable pension system for years to come while also ensuring local jurisdictions retain the resources and personnel necessary to protect their communities.

Sincerely,

Aftab Pureval
Mayor of the City of Cincinnati

Sheryl M.M. Long
City Manager