

OHIO HOUSE PENSIONS COMMITTEE

February 6, 2024

Opponent Testimony House Bill 296

Chair Mathews, Vice Chair King, Ranking Member Poccolantonio, and members of the Ohio House Pensions Committee:

My name is Belinda Kenley, and I have the pleasure of representing the City of Centerville, Ohio – in Montgomery County – as its Deputy Mayor. I am also a member of the Ohio Municipal League’s Board of Trustees and was recently selected to serve as its new President.

As you know, House Bill 296 increases the contribution amounts that employers of full-time municipal police officers must make to the Ohio Police and Fire Pension Fund in the coming years.

This contribution increase represents a significant amount of money that would be diverted from many of the important services and capital projects provided by Ohio’s municipal governments.

In Centerville, a city of 24,000 residents, we have 41 sworn officers. Our 2023 pensionable wages at 19.5% were \$4.2 million. If the proposed rate increase passes, the proposed rate increase and pension contribution will be:

- 2023 – 19.5% - \$827,082 - Current
- 2024 – 21% - \$890,704 - \$63,000 increase
- 2025 – 22% - \$933,118 - \$106,036 increase
- 2026 – 23% - \$975,533 - \$148,450 increase
- 2027 – 24% - \$1,017,947 - \$190,865 increase

These proposed increases reflect an increase in the city pension match of \$508,974 by 2027.

For Centerville, this legislation will severely impact our city’s ability to hire for new positions.

Municipalities see the value of our police, fire, and other first responders day in and day out; these services are critical to protecting the residents and businesses within our corporation limits. But carrying out these services effectively and efficiently also requires wise financial stewardship – finding the proper balance in how taxpayer dollars should be spent to maintain services and meet additional financial needs.

In today's environment, municipalities are already facing a variety of disruptions and challenges to their revenue streams. These include increased cost associated with inflationary pressures for goods and services, staff retention and attraction (particularly in the public safety fields), and unstable revenue collection resulting from the shift to more Ohioans working remotely.

If House Bill 296 were enacted, it would significantly hinder any progress that has already been made, and municipalities will likely come back to the state to ask for even more money to fill the hole already experienced from past cuts to local government at the state level.

I encourage this committee and the general assembly to gather independent data and to thoroughly evaluate the current state of the pension systems to examine all the options that are available before any action is taken to rely solely on the employer rate increases that could result in fewer police and firefighters protecting our communities.

Thank you for the opportunity to share our concerns on House Bill 296. I am happy to answer any questions.

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