

**CMERA COMMENTS AT CITY PUBLIC HEARING
ON AMERICAN RESCUE PLAN ACT**

[NOTES: The following are my notes I used when I spoke on behalf of CMERA at the April 19 City Council Budget and Finance Committee public hearing on allocating the federal funds from the American Rescue Plan Act. The video of this meeting can be found here: <https://archive.org/details/11210419-bfc> and my testimony begins at about 16 minutes in. Oh, also, they limit speakers to 2 minutes and I ran out of time before I could say the closing paragraph! – K Rahtz]

The federal money coming to the city from the American Rescue Plan Act is an amazing opportunity to address the longstanding, difficult problem of CRS underfunding.

It is my understanding the Act does not allow funds to be used for pensions. But please don't dismiss any possibilities out-of-hand. Even if the money can't be used directly for the retirement plan, some funds could be dedicated to other expenses to allow already budgeted monies to be used for the pension. Please look for every possible way to leverage the ARP funds to address the retirement plan debt.

The city manager's FYI memo says the Administration's top priority is to stabilize the city's fiscal position. She explains plans to restore the city's vitality, vibrancy, sense of community and hope. I respectfully point out that, quite possibly, the most serious long-term threat to the city's fiscal stability is its unmet, growing pension obligation. If an impossible pension debt ultimately leads the city into insolvency, there will be no vibrancy or hope in the neighborhoods.

The city's actuary, the state auditor, the bond rating agencies and others have all sounded persistent alarms about the city's growing risk of eventually running out of money to pay retirement benefits. Will I live to see that day? Maybe, or not. But the active city employees – the people who are working now – are at great risk of financial disaster from a failed pension plan. These are the people who are on your staffs, who are here in this room today working so we can have this meeting, and who are out there today and every day making Cincinnati a good place to live.

In closing, I want to reiterate my request that you look for every possible way to leverage the ARP funds to address the pension debt. I do appreciate the difficult job you have. COVID has created a huge strain on the City's resources and operations, and you have many competing priorities to balance as you make your decisions. Thank you for your service, and for your consideration of including pension funding as a priority as you undertake this challenging budget process.