



JEFF MOORE

ACTIVE UNION FIREFIGHTER
for PENSION TRUSTEE

Ohio Association of Professional Fire Fighters Questionnaire For the Ohio Police and Fire Pension Fund Active Fire Fighter Trustee

1. Why are you running for trustee?

In 2013, the crafted solution fell on active members. The additional employee money, the raise in retirement age, and delaying cost of living allowances were the base of pension reform. As a direct result of the efforts to improve our pension funding status, the ability to fund health care declined. Coupled with the national challenge of rising medical and prescription drug costs, the self-insured health care delivery model could not sustain itself. The half percent of employer money being allocated wasn't nearly enough. All the Ohio legislators would do is remind all pension systems that offering health care was optional.

These were the issues and challenges I knowingly accepted in 2014, when I was recruited by the Ohio Association of Professional Fire Fighters (OAPFF) to be your pension trustee. With my background, I took an inventory of my abilities and experience, recognizing how they are relevant for the position.

We need someone who understands the issues that affect our profession, our livelihoods, our health, and protects the value of our benefits. I am your advocate.

We need someone informing the fraternal groups, the state union and its members of the issues affecting our pension fund. Leading discussions or collaborating with these same groups are necessary when issues are addressed and solutions are developed. I am your liaison.

We need someone who identifies and navigates the political pressures from our local and state office holders. I am your lobbyist.

And we need someone who will monitor the fund's sustainability so that benefits can be provided for years to come. I am your fiduciary.

It takes something more to know the history, to get involved, apply the knowledge, and dedicate endless time and energy on behalf of it all. I have been doing that for members and retirees, my local union, the OAPFF, and for this pension fund. My work is far from over. I look forward to the due diligence and decision making that will continue to make our pension fund secure for many years. Our members deserve no less.

That is my pledge for the next four years... as your Active Fire Fighter Trustee on the Board of the Ohio Police and Fire Pension Fund.

2. Describe your fire department career and any experience you have as a union officer or trustee. How have these experiences prepared you to be a pension trustee?

After receiving my college degree in engineering, I decided to change careers, follow in my family's footsteps. With my grandfather and father retiring from the City of Cleveland, I would become a third-generation fire fighter by joining the West Chester Fire Department in 2000.



For 15 years now, I have been the President of IAFF Local 3518. This comes with the experience of representing members in contract negotiations, policy development, grievances, discipline issues and benefit administration.

One of the trying times in our local was in 2008, when one of our members was severely injured off duty. This member would not return to duty. And it became my first exposure to the pension fund's disability process. I am forever grateful to Kenneth Kiefer for his patience and experience, while we both worked to get this member the benefits he needed. And I am equally grateful for Thomas Rave, for his ongoing guidance with members since then.

I am a standing member of our employer's health care committee. This committee reviews utilization, trends, annual renewal processes, benefit levels and rates. And along with my executive team, we have collaborated to create mental health awareness and support, exposure reporting, and steps to minimize occupational cancer. But I would be remiss if I did not acknowledge the many educational OAPFF and IAFF conferences that provided the training and insight required to fulfill my role.

With the OAPFF, I have been a member on the following committees:

- Constitution and Bylaws – the governing document of how the state union conducts itself;
- Secondary Employment – reviewing the effects that part time employment has on our profession;
- 457 Plan Oversight – monitoring the plan performance offered to active union members;
- Legislative – lobbying for the advancement of firefighting issues, collective bargaining, and candidates supportive to our cause.

Having this exposure, both with my local and state union, prepared me for the duties of a pension trustee. Being a trustee on the pension board, I have the honor of being on several committees. These committees include:

- Administration and Audit – oversees financial reporting, ORSC reporting and internal controls;
- Benefits – current committee chairman, reviews the defined benefit pension plan and its rules, retirement trends and makes recommendations;
- Finance – monitors actuarial reporting and pension funding, reviews department budgets;
- Health Care – considers all matters concerning retiree health care and support levels;
- Investments – monitors investment objectives and performance with consultants and staff;
- Personnel – establishes goals and priorities of the board, directors and staff.

In 2017, I had the privilege of serving as the Chairman of the Board. This role required me to guide the mission of the Board and Fund, ensured that the Board operated consistently and within the guidelines of our governance, assigned committee members, convened meetings, and conduct disability appeals hearings.

And finally, all trustees are required the level of knowledge necessary to enable him to perform his duties. Taking the initiative, I have added to my education in the following areas:

- Wharton - Alternative Investment strategies, 2018
- IFEBP Investment Institute, 2018
- NCPERS Public Safety Conference, Pension and Benefits, Pension Funding Forum, 2017
- IFEBP Certificate of Achievement in Public Plan Policy for Health Care, 2017
- IFEBP Certificate of Achievement in Public Plan Policy for Pension Plans, 2016
- IFEBP Health Care Management Conference, 2016
- Wharton - Portfolio Concepts and Management, 2015
- Annual Ohio Institutional Investor Forums
- Annual Ohio Ethics Trainings



3. With health care being a major concern for both active and retired members of the fund, what is your view of the health care situation? What solutions do you recommend?

There is little control over the rising costs of health care and prescriptions drugs in this country. We have seen these costs exceed normal inflation. And active members feel these rising costs erode their wages, as employers constantly shift premiums, change benefit levels or hop from one insurance company to another.

A pre-Medicare retiree, someone who retired and is not yet 65 years old, has a more difficult and expensive experience. Pre-Medicare retirees are subjected to increased scrutiny and underwriting due to age and normal utilization. They suffer from not having a young, healthier person to balance out this claims experience or risk pool, like they would of have they remained employed. And in turn, it becomes exponentially expensive to find or afford a fully insured health care plan.

OP&F provided a self-insured health care plan. This means that the fund rented a health care network from a major provider, set premiums and benefit levels, and then paid all claims from the health care stabilization fund. It was a mechanism that kept health care affordable for the pre-Medicare retiree, but it began to drain the health care fund.

The legislators in Washington DC are of little help, as they have discussed raising the Medicare access age to 68 or even 70. This would further hurt public safety retirees and put greater strain on our available funds. I would certainly lobby against such a change. But there needs to be a significant discussion on price gouging and profit, while the middle class continues to see little relief.

The legislators in Columbus OH are of little help, as they constantly remind all pension funds that offering health care is discretionary. Currently there is no interest in providing any additional dedicated funding for this issue. I would lobby for the ability to have dedicated funding.

As a union leader, I have been a strong advocate of saving and investing money, especially with the availability of deferred compensation. Local union leaders are encouraged to work with their employers, create dedicated savings vehicles, or even consortiums. Deferred retirement options (DROP) can also build up significant dollars for a member to use how they please, if one is able to work longer. But most importantly, have a financial plan and prepare yourself for retirement.

Finally, I believe we can be successful lobbying for early access and buying into Medicare at the age of 55. It will take time, the right political partners, and a lot of effort. It will add funding that is desperately needed for Medicare with a pool of retirees that will be young in comparison to the national Medicare population. I urge all our actives and retirees to get involved with this cause.

With respect to OP&F's current health care offering, I have been working to make positive changes. The AON executive overseeing our process was fired and a new leader assigned. AON has paid all OP&F additional expenses related to the transition. AON is economically responsible under its failed performance guarantees. AON has committed to opening an office and staff in Columbus. Two new insurance companies are on board. I also listened to our retirees and implemented change. The stipend reimbursement process has been modified to that it could be used to cover COBRA payments for an extended employer health care plan. We will allow an open HRA for 2020, which allows eligible retirees to shop on their own for qualified plans on the health care market without the assistance of AON, and still receive the stipend.

With a group of retirees yet to transition this summer, I am paying close attention to the customer service that AON is providing. I will monitor and ensure the efforts and adjustments made thus far have improved the experience, process and support that our retirees receive.



4. What do you recommend for short term and long-term solvency of both the pension fund and the healthcare stabilization fund?

Annually, there is a review of the active membership, retirements, deaths, disabilities, salaries, payroll growth, cost of living adjustments (COLA), DROP participation, and investment return. All of these have a varying effect on the solvency of the pension fund. If any of these items significantly deviated from their trends, then a discussion should be entertained. The impact of pension reform (SB340) and the adoptive changes impacting new members since 2013 will continue to factor in over time. Pension reform has had a positive effect on the 30-year funding mandate, hovering around 29 years currently.

In 2018, the pension fund faced legislative pressure to reduce the assumed rate of investment return. By adjusting this rate down one quarter of a percent (0.25%), it significantly added to our unfunded liability and stalled the pension reform progress. The fund is still 70% funded and a model for other pension fund systems to follow. Allowing the pension reform progress to resume, coupled with expected investment returns, I would not suggest any significant benefit changes. If there is another stock market recession, expect discussions on COLA and retirement ages.

Ongoing revenue would help. Most notably this would require correcting the gap in fire and police employer contributions, 24% and 19.5% respectively. The additional 4.5% could bring in approximately \$90 million of new funds and be put to good use.

As far as the solvency for the health care fund, we had to decide quickly. The 2018 year end numbers prove that this change was necessary. The health care fund spent \$121 million more in claims than it brought in. The remaining balance dropped to \$790 million. The designed stipend reimbursement would stretch the health care fund solvency from eight years to about fifteen years.

If additional ongoing revenue is not found, as described above, the biggest triggers to improving solvency could be reducing the stipend amounts, reducing Medicare reimbursements, or eliminating spouses. I would rely on our stakeholders to provide any direction, like we have consistently through the health care transition thus far.

5. What is your position on defined benefit systems versus defined contribution systems?

There are tangible advantages for having and protecting our defined benefit pension plan.

- Defined benefits plans enhance an employer's ability to attract and retain employees, while maintaining some flexibility that could encourage the employee to retire earlier or work longer.
- Defined benefit plans provide retirement income based on salary and years of service.
- Defined benefit plans provide long term retirement income, disability and survivor benefits.

Think about how we currently participate in our pension plan. The employee contributes 12.25% of their annual salary, the employer contributes 24% of the annual, and when pooled and invested with other like funds, the member can achieve a lifetime defined benefit of 60%.

If the same employee participated in a defined contribution plan, the employee's benefit would be limited to whatever is in their individual account. In most cases, employer matching funds are significantly reduced. And the employee does not get the advantage of pooled investment gains, adding additional uncertainty. Defined contribution plans are useful in providing supplemental benefits, but nothing substantial for the long term.



Trustees must constantly monitor how pension funds are being scrutinized, attacked or even changed in other states by those in legislative power. You will always find me defending defined benefit plans, especially for those in public safety.

6. What is your position on the disability evaluation process? What changes, if any, would you recommend?

I fully support our disability evaluation process and the reform that was implemented back in 2010, before I was a trustee. The reform then puts weight on the conditions that prevent our members from being fire fighters, providing a financial benefit for those that are truly sick and injured.

Our pension fund averages about 140 disability cases each year. Of those cases, almost seventy-five percent (75%) are on-duty and twenty five percent (25%) of them are off-duty, both across wide age ranges.

I currently recommend no changes to this practice or process, since all the trends fall in line with projections and funding. There have been discussions or issues of some things that can affect disabilities.

The trustees will soon have to address the replacement of some of the doctors on the evaluation panel. Currently the doctors used are retired and not affected by exclusivity practice agreements. And it is difficult to find retired doctors willing to dedicate such time and expertise every month. The trustees will be looking to find a vendor or group to provide and review disability evaluations.

And frequently, there is the pressure to act like those in our sister systems. In this case, the Ohio State Patrol Pension Fund has tried to increase the off-duty disability year limit from ten (10) years to fifteen (15). They were unsuccessful in doing so through the ORSC. Right now, it is a matter to be aware of and monitor since our members qualify for an off-duty disability at five (5) years.

7. What is your position on fund transparency overall and specifically with the AON contract and the United Health Care claims experience? Would you advocate for the release of this information?

The pension fund diligently complies with all the audit and fiduciary reports as required by law. The comprehensive financial reports, popular reports, budgets and valuations can be found on the ORSC and OP&F websites. In addition, OP&F posts all committee and board meeting minutes online as well.

Members are welcome to attend committee and board meetings, including retreats. The OAPFF and other retiree groups are well represented. And you will frequently find the myself and other trustees engaging them for input or opinion.

Being an active member of the OAPFF, I can frequently be found either in the OAPFF offices, at their executive board meetings or at district meetings providing updates and reports. I have made sure that I am accessible, providing the most up to date information and receiving feedback.

The AON contract has been a source of frustration, in terms of full transparency. Vendors that do business with OP&F have the legal right to withhold portions of their contractual agreement, specifically their economic and penalty terms. As a member of the Board, through our legal team, we pushed AON to release as much as possible. In turn, OP&F cannot damage their business relationship or practices. It would undercut our status, negotiating power and protective terms the fund needs to have favorable contracts.



All of the pension fund's aggregate health care data is released annually and publicly through regular ORSC reporting requirements. This includes plan products, claim costs and limited enrollment data, protecting the private information of the retiree. This data should be adequate for any health care insurance company to estimate a proposal. Working with the OAPFF and the Health Care Task Force, I appreciate their enthusiasm to potentially provide a health care platform for pre-Medicare retirees. The OAPFF has the ability to be more flexible in their approach and dealings with health care insurers than OP&F can. And I look forward to the results of their efforts. I will certainly advocate the share of additional data if it is warranted.

8. Describe your view of fiduciary responsibility?

Fiduciary responsibilities are a set of principles that a pension fund trustee must use to govern their conduct and decisions.

An OP&F trustee is bound by law and oath to put the interests of the Fund, its members and beneficiaries above their own interests; to administer and monitor the funding and financial sustainability of the plan; and act accordingly like a prudent person would when making decisions, while also using discretion.

In my view, with these responsibilities well defined, it takes a strong moral character to consistently apply these principles in all situations.

9. Why should OAPFF members vote for you?

I believe OAPFF members will vote for a candidate that has shown consistent leadership within our union, for the advancement of our profession, the protection our families and our benefits. I believe the OAPFF members will vote for a candidate that is the most qualified, with experience and education. And I believe OAPFF members will vote for a candidate that is involved, honest, hardworking and dedicated to their issues and needs.

I am that candidate.

Whether it be labor campaigns and bargaining rights, occupational cancer, or attacks on our pension, OAPFF members know where I've stood for years... right next to them. It would be my honor to have their vote and continue to stand as your Active Fire Fighter Trustee on the Board of the Ohio Police and Fire Pension Fund.

10. Have you ever been to a pension fund meeting? Have you ever been to an Ohio Retirement Study Council Meeting?

Yes, I have been to pension fund committee and board meetings. And yes, I have been to an Ohio Retirement Study Council meeting.