

Councilor Dede asked that this be placed on the 4/9 agenda for legislative liaison update.

NEW Hampshire Municipal Association

THE SERVICE AND ACTION ARM OF NEW HAMPSHIRE MUNICIPALITIES

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INSIDE THIS ISSUE:

<i>Regional Dinners</i>	2
<i>Reporting Requirements for Hazardous Materials</i>	2
<i>Hazardous Buildings Bill</i>	2
<i>Municipal Deposits - SB 508</i>	3
<i>Legislative Policy 2009-2010</i>	3
<i>Local Officials Workshops</i>	3
<i>House Calendar</i>	4
<i>Senate Calendar</i>	5

Update on Retirement Bills

The Senate Executive Departments and Administration Committee is scheduling hearings for the retirement legislation that has passed the House. The first bill is **HB 1643**, which would extend to July 1, 2009 the retirement deadline for Group I teachers and local government employees who are eligible to retire by July 1, 2008 and receive the medical subsidy. NHMA's position in the House was that passage of the bill will affect the cost of the medical subsidy because it is likely that more individuals will retire in 2009 and become eligible. If more individuals receive the subsidy, it will increase the amount needed to be transferred from the Special Account to the corpus of the pension fund to cover those costs and avoid the unfunded mandate that occurs if employer rates are increased to cover the cost of the medical subsidy. The medical subsidy was intended to be funded by monies in the Special Account and to sunset if those funds were no longer available. The hearing on **HB 1643** is scheduled for **Monday, April 7 at 2:00 p.m. in Room 103 of the State House.**

HB 1645, the omnibus retirement bill, is scheduled to have its **first** hearing on **Wednesday, April 9 at 1:00 p.m. in Rooms 301-303 of the LOB.** The Senate Committee is planning to hold four Wednesday afternoon public hearings covering different aspects of the omnibus bill. The first topics include: How do I compute my retirement benefits? Who pays for the retirement benefits, employees or employers? and How old do I have to be to get my retirement? Those questions are covered by section 1 of the bill, defining earnable compensation; section 15, capping the maximum retirement benefit *for new hires* at 100% of an employee's highest year of full base rate of pay; and sections 33-39, increasing retirement age *for new hires* in Group II, police and fire, to 50 years of age with 25 years of service, from the current 45 years of age and 20 years of service

We know it will be difficult for local officials to make all four of these public hearings, but we strongly encourage you to make every effort to attend some of them. It is an opportunity to weigh in relative to your concerns about the bill and to urge support of the changes that were recommended by the House. Call the Government Affairs staff if you have questions or need additional information.

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Letter to the Editor, submitted by Douglas J. DeDe, Councilor Ward 2, Dover.

An alert for the citizens of Dover, Senator Estabrook & our District Representatives.

Some of Dover's District Representatives voted the *wrong way* on two *key bills*: HB 1436 and HB 1645. Senator Estabrook can help. Read on.....

HB 1436 should have been voted AGAINST in the House.

House Bill 1436 provides that if/when a Union-City contract negotiation hits an impasse, the Employees (higher level of) benefits will be maintained, however their raises would be continued. At present wages AND the benefits may be frozen until a new contract is agreed upon. If this bill passes in the Senate, there would be NO reason for unions to continue to negotiate. Although we hear unions complain that the current situation is unfair, the recent list of wages & benefits paid out to our Dover's City employees show that compensation levels in both wages and benefits are far more generous than the private sector. HB 1436 will next come to the Senate where it needs to be defeated on behalf of the taxpayers. Municipal Employee's unions will be working hard FOR the passage of HB 1436. We elected our Senator Estabrook to look out for us, and we must communicate the importance of defeating HB1436 when it comes to the Senate for a vote.

Thanks to Reps Brown and Fargo for voting against *but* Schmidt, Hofemann, Knowles & Hutz voted FOR. What were they thinking?

HB 1645 is a critical piece of legislation dealing with Labor Bills. The House passed it by a wide margin (as well it should have!) but two of *our* Representatives voted the wrong way.

This Bill is a good first step in fixing the 'broken' New Hampshire Retirement System'. For one thing, it prevents a retiree from receiving more than their final salary in retirement as was done by former Police Chief, Bill Fenniman. It prevents the continued raiding of the retirement system for the benefit of Group 2 (only) employees. This legislation will now be subject to several public hearings in the Senate. Fire and police unions have geared up to exercise their influence (read re-election campaign help) to convince the Senate to defeat the bill. Here's the bottom line for Dover: If the Senate passes HB 1645 the city of Dover's NEW money over and above the additional amount that we had to put into the system last year (which was a \$750,000 *increase*) will be an additional \$240,625. But, if the Senate *DOES NOT PASS* HB1645, Dover's additional increase will be \$1,080,144. If anyone saw the listing of the salaries/benefits published in Fosters on March 31st, there should be little thought that our employees are being short-changed.(Salary/Benefit costs can be viewed on Dover's City Website).

Unfortunately, two of *our* House Representatives voted *against* this key legislation: Hofemann in D/6 and Schmidt in D/4. These two representatives therefore *supported* the higher assessments!

Now it is important to contact Senator Estabrook and convince her to vote for House Bill 1645 and vote against HB 1436 when they come to the floor for a vote. Remember, the Senator will be hearing from the municipal employees' unions. The question is whether they will hear from us.