

Legislative Bulletin #10, Council Report
Submitted by D.J. DeDe

There was a legislative hearing on HB223 held on Monday, March 09, 2009, which is to delay the Spiking Rule until July 1, 2010. At this point I don't know the outcome of that hearing.

The real problem is that HB 641 which would have more properly defined the formula for retirement calculations was defeated in the House.

What is needed is a more gradual impact of the 'spiking' rule over a multi-year period to give municipalities an opportunity to adjust to the changes without wreaking havoc on municipal budgets. Hopefully the legislature, particularly the Senate, will address these issues when the measures come before them.

While the House overwhelmingly approved HB 590 to increase the age requirement and service requirements for group 2 employees, the real test will come in the Senate, which will be under a lot of pressure to maintain the status quo. If implemented, this change would greatly reduce the level of the unfunded retirement mandate and thereby reduce the annual amount that taxpayers need to put into the New Hampshire Retirement System. While it was estimated last year that the 2010 budget cycle would probably result in a 15% increase in the City's additional required contribution to the retirement fund annuity balance, the recent downturn of the market may well have the effect of driving that number up significantly, possibly even to a 40% increase. This could be a dollar increase of well over a million Dollars for Dover's taxpayers.

A work session on HB 590 will take place in LB Room 210 at 10:00 am in Concord on March 18th. Local municipalities need a strong presence to advocate for the changes that will preserve benefits for our current employees, while establishing a second tier for new employees. There will likely be many voices for the status quo, so it is important for communities to express their views on the need for these changes in retirement requirements.

The House passed a phased in .15 cent increase in the gas tax, with 5 cents being levied each of the next three years. Twelve cents of the money collected will go to support road and highways expensed for the municipalities.

While not a part of the Legislative Review, the Governor has changed his position and will use the Stimulus money at the state level and continue the traditional support of municipalities from tolls as well as the Rooms and Meals tax.. There is still much that has yet to be determined before the City will be able to accurately gauge the support that will come from Concord as well as the impact of the County budget which appears to be growing again with the restoration of some of the programs previously targeted for reduction or elimination.