Bill as Introduced

SB 458 -FN - AS INTRODUCED

2000 SESSION

00-2812
10/09

SENATE BILL ***458***

AN ACT increasing the salary of the executive secretary of the retirement system and changing the title to executive director.

SPONSORS: Sen. J. King, Dist 18; Rep. Dyer, Hills 8

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill changes the name of the executive secretary of the New Hampshire retirement system to the executive director and increases the salary grade for the office.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

00-2812
10/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand

AN ACT increasing the salary of the executive secretary of the retirement system and changing the title to executive director.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Executive Director of Retirement System; Salary Group Changed. Amend RSA 94:1-a, I by:

I. Deleting in group N:

Executive secretary, N.H. retirement system

II. Inserting in group S:

Executive director, N.H. retirement system

2 Retirement System; Administration; Change to Executive Director. Amend RSA 100-A:14, XII to read as follows:

XII. The executive [~~secretary~~] ***director*** appointed pursuant to RSA 100-A:44 shall notify the selectmen of all towns, all city councils, and the superintendent or chief fiscal officer of all school districts within 10 days of the introduction and within 30 days of the enactment of any legislative measure relative to the retirement systems which would affect the retirement system costs to cities, towns and school districts. For the purposes of this paragraph, "legislative measure" shall mean any bill or joint resolution introduced in either the senate or the house of representatives but shall not include amendments to bills or joint resolutions.

3 Retirement System; Call, Substitute, or Volunteer Firemen; Change to Executive Director. Amend RSA 100-A:19, I to read as follows:

I. Call, substitute, or volunteer firemen to be eligible for the benefits hereinafter set forth must be accepted by their respective city, town, precinct or organized volunteer company. All call, substitute, or volunteer firemen who desire the benefits of this section shall make application to the board of trustees and pay the sum of $6 per year, said amount to be paid in one sum, and shall give notice of their application for the benefits hereof to the treasurer or other disbursing officer of the city, town or precinct which employs them. The chief, clerk or other responsible officer of a fire company whose members have applied for the benefits of this section shall forward to the [~~secretary~~] ***executive director*** of the board, on a form approved by the board, the number and the names of such members as of July 1 of every year and shall also notify the board of any dismissals, resignations or deaths during the year of any of its members who were eligible for the benefits hereof. New members of such fire companies applying for the benefits of this section during the fiscal year, who are not replacing former members of their company who had applied for benefits hereunder shall be assessed the full amounts as set forth above, if their applications are received on or before December 31 of any year, but their eligibility for the benefits hereunder shall extend only to

June 30 of the following year or to the beginning of the new fiscal year. All new members of such fire companies, who are not replacing former members during the fiscal year and whose applications are received on or after January 1 of any year shall be assessed 1/2 the amount set forth above and shall be eligible for the benefits hereof only to June 30 of the same year or to the beginning of the new fiscal year. Members of such fire companies who, during the fiscal year, are replacing members who had applied for the benefits of this section but who are no longer members of the fire company, shall not be assessed, but shall be entitled to the benefits hereof to June 30 of the same fiscal year for which the member whom they are replacing was eligible. All assessments from call, substitute, or volunteer firemen, for any fiscal year beginning July 1 to June 30 of the following year, shall be paid on or before June 30 of that fiscal year in which application or renewal of application is received by the board; with the exception that, in case of total and permanent disability or accidental death of any member of a fire company who has made application for the benefits of this section, benefits accruing to such member or to [~~his~~] ***the member's*** beneficiary shall not be paid until [~~his~~] assessment for that fiscal year has first been received by the board.

4 Change to Executive Director. Amend the subdivision heading preceding RSA 100-A:44 and RSA 100-A:44 - RSA 100-A:47-a to read as follows:

Executive [~~Secretary~~] ***Director***

100-A:44 Appointment; Removal. The board of trustees of the retirement system shall appoint an executive [~~secretary~~] ***director*** who shall hold office during good behavior. The board may remove the executive [~~secretary~~] ***director*** for cause.

100-A:45 Oath; Bond. Before entering upon the duties of the office, the executive [~~secretary~~] ***director*** shall be sworn, and shall give bond to the state in the sum of $20,000, with sufficient sureties to be approved by the board, conditioned for the faithful discharge of the duties of the office. The bond shall be filed and preserved in the office of the secretary of state.

100-A:46 Duties. The executive [~~secretary~~] ***director*** shall be in charge of the office of the board of trustees of the retirement system under the direction of the board. [~~He~~] ***The executive director*** shall perform such other duties as may be assigned [~~to him~~] by the board.

100-A:47 Salary. The annual salary of the executive [~~secretary~~] ***director*** shall be that prescribed by RSA 94:1-4.

100-A:47-a Appointment; Duties; and Compensation. The executive [~~secretary~~] ***director*** of the retirement system shall nominate a director of finance for appointment by the board of trustees. The director of finance shall assist the board of trustees in the management of retirement system funds. [~~He~~] ***The director of finance*** shall report directly to the board of trustees or to a person or persons designated by the board and shall serve at their pleasure. [~~He~~] ***The director of finance*** shall be qualified to hold the position by reason of education and experience. The annual salary for the director of finance shall be that prescribed by RSA 94:1-a, I, Group M.

5 Effective Date. This act shall take effect July 1, 2000.

LBAO
00-2812
2/22/00

SB 458 -FN – FISCAL NOTE

AN ACT increasing the salary of the executive secretary of the retirement system and changing the title to executive director.

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill as it is awaiting information from an agency.

LBAO
00-2812
Revised 3/2/00

SB 458 FISCAL NOTE

AN ACT increasing the salary of the executive secretary of the retirement system and changing the title to executive director.

FISCAL IMPACT:

The Department of Administrative Services has determined that this bill will increase state restricted expenditures by $25,265 in FY 2001 and $25,468 in FY 2002 and each year thereafter. There will be no fiscal impact on county and local expenditures or on state, county and local revenue.

METHODOLOGY:

The Department stated that this bill would increase the salary of the executive director of the New Hampshire Retirement System from a maximum of $62,171 in salary group N to a maximum of $81,046 in salary group S. The Department has stated that the increase in salary and associated benefits would total $25,265 in FY 2001 and $25,468 in FY 2002 and each year thereafter. The increase in expenditures assume the following:

- Executive Director compensated at the maximum of the salary group;
- Benefits calculated at 31% of payroll;
- Increase in salary beginning on June 16, 2000, in order to result in an increase in the first paycheck dated July 2000; and
- Increase in the salary structure effective October 1, 1999 pursuant to Chapter 225:32, Laws of 1999 (Group N Maximum = $64,036 / Group S Maximum = $83,477).

Committee Minutes

Date: March 28, 2000
Time: 1:55 pm
Room: 101 LOB

The Senate Committee on Executive Departments Administration held a hearing on the following:

SB 458	increasing the salary of the executive secretary of the retirement system and changing the title to executive director.

Members of Committee present:	Senator Cohen Senator Francoeur Senator Brown Senator D'Allesandro Senator Larsen Senator Roberge Senator Trombly

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The Chair, Senator Burt Cohen, opened the hearing.

Senator Burton J. Cohen, D. 24: Open the hearing on SB 458. Call on the prime sponsor Senator John King.

Senator John A. King, D. 18: Chairman, members of the committee. For the record I am John King, District 18. I am going to ask you to support SB 458.

See Attachment A

That is why I bring this bill to you today. So that we will be able to compete. We will get a person there that will do as good of job as Harry Descoteau.

Thank you very much.

Senator Burton J. Cohen, D. 24: Any questions from the committee? Senator Roberge.

Senator Sheila Roberge, D. 9: Why was the decision to go from an N to an S? That is quite a jump. Is there a rationale for that?

Senator John A. King, D. 18: Because the job is worth more and he is put in a position in the state plan that more or less compared with his duties. It is just that this one little position was forgotten over the years and never was addressed about salaries.

Senator Sheila Roberge, D. 9: Where does the money come from?

Senator John A. King, D. 18: Mainly comes from the retirement fund.

Senator Sheila Roberge, D. 9: Does it come from the retirement fund or the general fund?

Senator John A. King, D. 18: No, it isn't the general fund. I am quite sure, but Merton will be able to tell you. The retirement system takes care of its own.

Senator Sheila Roberge, D. 9: Who is currently taking the position right now over there?

Senator John A. King, D. 18: We just hired an assistant director Norm Patenaude and John is the acting director at the president, JP.

Senator Sheila Roberge, D. 9: Do I see that that person is also going to get a rate increase?

Senator John A. King, D. 18: No, this is just for the Executive Secretary.

Senator Burton J. Cohen, D. 24: Senator Francoeur with a question.

Senator Gary R. Francoeur, D. 14: The N was 62,000 to 78,000 ruffle.

Senator John A. King, D. 18: Ruffle yes.

Senator Gary R. Francoeur, D. 14: What is the S?

Senator John A. King, D. 18: The S was that.

Senator Gary R. Francoeur, D. 14: Okay that is the S. Then what is the N?

Senator John A. King, D. 18: He was at his maximum at 61,000 dollars. That is what he N is.

Senator Gary R. Francoeur, D. 14: He was at the maximum at 61,000.

Senator John A. King, D. 18: I will leave on of these it has all the salaries so that you can compare them. You can look at who is in what position. We had one person come in and interviewed them. His request was 90,000 dollars and 8,000 dollars transport the person.

Senator Sheila Roberge, D. 9: Then you are luck you didn't get him.

Senator John A. King, D. 18: No, he as done a good job where he was. We just couldn't afford him. I don't think we should use that as a keep a position down because if you look at the positions he is in with it is very fair.

Senator Burton J. Cohen, D. 24: Any other questions? Senator Trombly.

Senator Rick A. Trombly, D. 7: I imagine that who ever does this is competing with the private sector also. Right?

Senator John A. King, D. 18: Definitely.

Senator Burton J. Cohen, D. 24: Further questions? Senator Roberge again.

Senator Sheila Roberge, D. 9: On page 2 line 36. Why does it get into the salaries of the finance director? It is not going to change.

Senator John A. King, D. 18: It is the same person the Executive Director. That is who we are talking about.

Senator Sheila Roberge, D. 9: Alright.

Senator Burton J. Cohen, D. 24: Further questions from the committee? Seeing none thank you very much.

Senator John A. King, D. 18: Thank you.

Senator Burton J. Cohen, D. 24: Representative Mert Dyer. Welcome.

Representative Merton Dyer, Hillsboro, D. 8: Thank you Mr. Chairman. For the record: Representative Mert Dyer, Hillsboro District 8, Peterborough and Sharon. It is always a pleasure to follow Senator King. We have been putting on a dog and pony show today running between the house and the senate on retirement.

The bill you may think is a little bit long, longer than what is needed. What we did when John and I talked about this. We wanted to include wherever the term Executive Secretary appeared in the statute rather than just do the salary and than have Executive Secretary appear other places. So we have gone through the whole statute and most of it just replaces the term Executive Director with Executive Secretary. That is why the bill is the length it is.

We sent out requests for resumes and so forth and we got some back. We did have one candidate that seemed to be appropriate. He didn't want to take the job. We couldn't offer him any travel expenses or anything. So we went, I use the term we. I am on the board of trustees. Went to fiscal committee to try and get an upgrade in the salary. As John said it was in-group one, group N.

That was withdrawn from the fiscal committee before they heard it. The chairman withdrew it. Frankly we had gotten indications that it wasn't going to go anywhere through the fiscal committee. So we talked about putting in a bill. This bill came about with myself, Ed Theobald chairman of the board of directors, Andrea Amodeo-Vickery a trustee of the retirement system. John was not able to attend meeting with the Governor.

We came to the conclusion that if we could change the name from Executive Secretary to something that had more class. I came up with some other terms, but we ended up with the Executive Director. Come up with group such as S it would be acceptable to the Governor. She would rather go this way than go through the fiscal committee. So this is why we have done it.

Now I think that a couple of questions that came up. One chart that I have here happens to be on teacher retirement systems. A system that is about our size, we are at about 4.7 billion right now. For your information the last figures that I had the system has grown from 1.4 billion in 1990 to 4.76 billion at the end of 1999.

So the system is growing a great deal. But a system that is somewhat in our type here. The chief executive office averages a 120,000 per year. Another survey shows it at 117,000, this is countrywide. We certainly can't afford that and I don't think we would get anything through. So we came up with this group S. It provided a salary range, which Senator King had mentioned. I don't have the figures.

There is a study committee, which passed the house and the senate to study the unclassified system. I have just talked to Don Hill the other day. Hopefully, the committee will get together and we will issue a contract for

that study within the next month. We already have some RFP's on it. That would cover other members of the retirement system. Only one who is an unclassified and that is JP Singh who is the Financial Director. He is unclassified. He is in group M and I think that is rather low for his type job.

The other the Deputy Executive Secretary is Norm Patenaude. He is a classified employee. We only have 2 unclassified. So in fairness to the system and to get the type of people that we need, you are only going to get what you are willing to pay for. You pay whatever you want to pay and you will get somebody to fill it.

This is almost a 5 billion-dollar system. We need somebody to operate the office, work with the legislator, and work with the investment people. We invest very little on our internal. It is all invested through managers and so forth.

We would hope that you would pass this bill and let us get somebody in this category. We have presently received some resumes on our second advertisement. I don't know all the names. I know a couple that I suggested that should apply. I don't know who the rest are.

Somebody about who is going to pay for it. It does not come out of the trust fund. It really does not come out of the general fund. It comes out of the administrative account, which all the members; all the employers pay into the administrative to operate it. The state pays about 50% to the administrative account. That account covers the expected secretaries, hopefully executive director.

Does not come out of the trust fund nor does it come out of the general budget in that fashion. Senator Trombly you might have asked something about the private sector. We can come nowhere near the private sector. We cannot offer bonuses and so forth. I did notice in my charts here that a couple offer bonuses, but they will run 200/250,000. You have to compromise and I think that we have made a pretty good compromise.

I know a couple of people that I spoke too. Would take the job for this price.

Senator Burton J. Cohen, D. 24: Senator Francoeur.

Senator Gary R. Francoeur, D. 14: Mert have you ever, it seemed like the trust fund should. If they funded it they could hire whoever they wanted and feel like it was more internal. Has there ever been anybody who as looked at doing that?

Representative Merton Dyer, Hillsboro, D. 8: I have looked at it. I want to wait for another year. The way that it is written. The way the statute is written you cannot fund it out of the trust fund. The trust fund is for the benefit of the members. So we have to do it out of a special account.

But where our hang up is coming is the court has told the system that you are not a state agency, but the state says you are a state agency and we will control your funding. The none bank and one of the housing a year or two ago was removed from that area of state government and taken out of the executive branch and sort of free standing. I would like to explore that in the future.

To have the retirement system handle the funds just as they do now, but be a free standing group that would set their own pay scale. We are loosing help because we can't pay enough. Lost 2 in the last month. Control the destiny of the retirement system, but the money only coming again from the administrative account.

I would rather not change the fact that that be paid out of the trust fund. The trust fund should be reserved for benefits.

Senator Burton J. Cohen, D. 24: Further questions? Seeing none thank you very much.

Representative Merton Dyer, Hillsboro, D. 8: Thank you.

Senator Burton J. Cohen, D. 24: Denis Parker you signed up in support. Anyone else wishing to speak to SB 458. Seeing none we will close the hearing.

Respectfully Submitted
Zita-Maria Wescott
Committee Secretary

Attachment A

SENATOR JOHN KING

SB 458

SB458 DOES 2 THINGS, IT INCREASES THE SALARY OF THE EXECUTIVE SECRETARY OF THE NEW HAMPSHIRE RETIREMENT SYSTEM AND CHANGES THE POSITION TITLE FROM SECRETARY TO EXECUTIVE DIRECTOR.

AS WE KNOW, THE LATE HARRY DESCOTEAU SERVED AS EXECUTIVE SECRETARY FOR 32 YEARS AT THE NEW HAMPSHIRE RETIREMENT BOARD - AND HE DID AN EXCELLENT JOB.

THE JOB GREW IN RESPONSIBILITY IN EACH YEAR OF ITS EXISTENCE AFTER COMBINING THE TEACHERS, POLICE AND STATE EMPLOYEES INTO WHAT IS NOW THE NEW HAMPSHIRE RETIREMENT SYSTEM.

THE GROWTH RESULTED IN HAVING 14,367 RETIREES AND BENEFICIARIES CURRENTLY BEING ABLE TO RECEIVE PENSIONS AND MEDICAL BENEFITS, AT A COST TOTALING $161.6 MILLION.

THE NEW HAMPSHIRE RETIREMENT SYSTEM NOW HAS 46,672 ACTIVE AND INACTIVE MEMBERS AS PART OF THE NEW

HAMPSHIRE RETIREMENT SYSTEM. THE NET ASSETS IN TRUST TODAY TOTALS $3,806,452,000.

THE JOB THAT HARRY DESCOTEAU STARTED OUT WITH HAS GROWN IN SUCCESS BUT ALSO IN COMPLEXITY IN THE PAST THIRTY YEARS. MORE SO, IN THE PAST 10 YEARS.

WE ARE IN SEARCH OF A NEW EXECUTIVE TO HANDLE THIS IMPORTANT TASK. AS WE KNOW, ADMINISTERING THE NEW HAMPSHIRE RETIREMENT SYSTEM, AS IN ANY OTHER RETIREMENT SYSTEM, GROWS IN COMPLEXITY AS WELL AS SIZE EACH YEAR. BUT IT IS A SYSTEM NEW HAMPSHIRE CAN BE PROUD OF AND WE WANT TO KEEP IT THAT WAY.

THE LAST EXECUTIVE WAS RECEIVING $60,361 AS SALARY IN GROUP N.

SB458 PLACES THE NEW HAMPSHIRE RETIREMENT SYSTEM'S EXECUTIVE IN GROUP S, WHICH HAS A RANGE OF $62,519 – 78,686.

SB 458 ALSO CHANGES THE TITLE OF THE POSITION TO EXECUTIVE DIRECTOR, WHICH WE FEEL ADDRESSES THE TASKS AND POSITION.

THE NEW SALARY RANGE WILL MAKE NEW HAMPSHIRE MORE COMPETITIVE IN ITS SEARCH FOR A NEW DIRECTOR TO

MANAGE THE NEW HAMPSHIRE RETIREMENT SYSTEM WHICH WILL CONTINUE TO GROW IN SIZE AND COMPLEXITY.

WE NEED TO MAKE SURE WE ARE ABLE TO COMPETE NATIONALLY FOR QUALIFIED CANDIDATES TO EFFECTIVELY OPERATE THE NEW HAMPSHIRE RETIREMENT SYSTEM.

3-28-00

SB 458 1:58 pm ①

RR-

Jk - District 16

Support SB 458

Increases salary

Sec. to Exec. director

32 years @ NH Retirement Board.

Teachers

14000 Currently Being able to Receive

46,000 active + inactive members

3 Billion

4 Billion dollars.

gone into Success

Past 10 yrs

Important task

grows in complexity & size.

Best Systems in

2,000 in Europe

Placed NH

Growth 62.000- 78.000-

Changes title
New Hampshire more
hiring exact sec.
Compete nationally.

BC -

SR -

JK - more or less compares w/ duties
Never was addressed.

SR -

JK - Retirement

SR - Currently

JK - Assistant Norm Rational
SP Finance Director

SR

JK

GF- N S

JK- S.

GF

JK- N

GF - @ Max

JK- 90,000 -

SK-

JK- Couldn't afford him.

BC

RT- Competing w/ private Sector.

BC -

SR - pg 2 line 36. give finance. Not going to change.

Jk - talking

SR -

BC -

Rep Ayer - Bill may think a little
Bit longer.
Exec. Sec.
Rather than just does
Salary.
Why Bill is length it is.
did have an Can
take Job.
Could + did have
experience
Fiscal Committe
in Group
Was w/drawn from
Fiscal Before Heard.
Came about w/ myself
Meeting w/ Governor
Exec. Sec. w/ Something that
had more Class.

would rather go this
way instead of
through fiscal
system about a size
growth 1.4 Billion
4.7 Billion 1999.
System
Average 120,000 yr.
Country wide.
Can't afford trial
Groups.
There is a study committed
which passed
Issue contract Study
other recommendations
[illegible]
Groups etc.
Reform [illegible]
2 unclassified
[illegible]
[illegible]
system
investment people
management

Pass this Bill.
Somebody in this Category
Doesn't come out of trust
a ~~slush~~ fund.
Comes out of admin fund
Comm.
No where near private
sector.
Have to compromise
with Republicans.

GF - trust fund. Higher anyone

Dyer - looked @ it.
Why statute is written
Can't cut of TRUST.
Not a State agency
But state says so
Not taken out.
free standing
Handle timeline.
free standing & group
change fact.
Reserved for Ben.

BC -

Close

2:10 pm

Speakers

SENATE EXECUTIVE DEPTS. & ADMIN. COMMITTEE

Date 3-28-00 Time 1:20pm Public Hearing On SB 458

Appearing in FAVOR: (Please print) **Please check box at left to speak.**

Speaking?	Name	Address	Representing
☑	Rep Mark Dyer	Peterborough	Sponsor
☐	Jeffs Parker	Concord	SEA
☐			
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Appearing in OPPOSITION: (Please Print) **Please check box at left to speak.**

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Voting Sheets

Senate Executive Depts. & Admin. Committee
EXECUTIVE SESSION

SB 458

Hearing date: 4-4-00 Room: 101

Motion of: OTP

Made by Senator:			*Seconded by Senator:*		
	Cohen	☐		Cohen	☐
	Francoeur	☑		Francoeur	☐
	M. Brown	☐		M. Brown	☑
	D'Allesandro	☐		D'Allesandro	☐
	S. Larsen	☐		S. Larsen	☐
	S. Roberge	☐		S. Roberge	☐
	Trombly	☐		Trombly	☐

4-0

Committee Member	*Present*	*Vote*	*Reported out by*
Senator Burton J. Cohen, Chairman	☐	✓	
Senator Gary Francoeur, Vice-Chair	☐	✓	
Senator Mary E. Brown	☐	✓	—
Senator Lou D. Allesandro	☐		
Senator Sylvia B. Larsen	☐		
Senator Sheila Roberge	☐	✓	
Senator Rick A. Trombly	☐		

*Amendments:

NOTES:

Committee Report

Date: March 28, 2000 Time: 1:55 pm

The Senate Committee on Executive Departments Administration held its hearing in Room 101 LOB, Concord, New Hampshire.

BILL NO.: SB 458 TITLE: increasing the salary of the executive secretary of the retirement system and changing the title to executive director.

Members of the Committee present:

Senator Cohen
Senator Francoeur
Senator Brown
Senator D'Allesandro
Senator Larsen
Senator Roberge
Senator Trombly

Those appearing in favor:

Name and Address	Representing
See Attached.	

Those appearing in opposition:

Name and Address	Representing
See Attached.	

REPORT OF THE COMMITTEE:

- ☒ Ought to Pass
- ☐ Ought to Pass w/ Amendment
- ☐ Inexpedient to Legislate
- ☐ Interim Study
- ☐ Continued Hearing
- ☐ Postponed Hearing

☐ Rereferred

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

Date:

THE COMMITTEE ON Executive Departments Administration

to which was referred Senate Bill 458

AN ACT increasing the salary of the executive secretary of the retirement system and changing the title to executive director.

VOTE: 4-0

Having considered the same, report the same without amendment and recommend that the bill: **OUGHT TO PASS.**

Senator Mary E. Brown
For the Committee