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Coffeyville, Kansas 67337-0949

May 9, 2017

To: Chairman Steven Johnson and House Taxation Committee:  
From: Kendal Francis, City Manager, Coffeyville  
Re: Written Testimony in Support of HB2424

Dear Chairman Johnson:

As you are aware, current law (KSA 79-2925c) caps cities' and counties' ability to raise property tax revenue above the "tax Lid", which is defined as the five-year rolling average of the Consumer Price Index, without a vote by the public to exceed the statutory limit. While I vehemently oppose the entirety of the law, I applaud legislators for realizing the law is flawed and working to correct the inadequacies, by adding exemptions to the tax lid.

I believe local government leaders to be excellent stewards of the public's money and do not arbitrarily choose to raise the mill levy. However, health care increases and State mandated increases to retirement and pension programs, which do not fall under local control, are some the largest cost drivers facing municipal budgets. Therefore, I wholeheartedly support exempting employee benefits from inclusion in the tax lid calculations.

The City of Coffeyville projects to be able to levy approximately an additional \$45,000 in property tax revenues under the new legislation. Fortunately, we have a self-funded health insurance program which allows us to better control health care costs. However, unless we eliminate staff and lessen services offered to our citizens, any realized savings from health care and the additional \$45,000 in tax revenues are quickly eradicated by the mandatory 9.46% and 19.03% annual contributions to KPERS and KP&F respectively.

Again, I ask that you support HB2424 exempting employee benefits from the tax lid law.

Thank you for your consideration.

Sincerely,

Kendal Francis  
City Manager