



A Place to Call Home

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City of Kechi

Date: May 9, 2017

To: Chairman Steven Johnson and House Committee Taxation Members

From: Robert Conger, City Administrator, City of Kechi

Subject: Written Testimony in Support of HB 2424

Dear Chairman Johnson,

My name is Robert Conger and I am the City Administrator for Kechi, Kansas (pop. 1,996). Kechi is a small town with an annual budget of just under \$4 million. Our City prides itself in our ability to provide quality professional services while maintaining one of the lowest property-tax rates in the Wichita region. We currently have thirteen full-time employees and seven part-time employees. With these employees we operate four utilities, a police department, and a street maintenance program.

While our staff is small, rising employee benefit costs have an enormous impact on our annual budget. In 2018, Kechi employee benefits are projected to increase \$36,460. At our current mill levy of 36.699 mills, ad valorem taxes will rise \$67,214. These amounts may appear small in comparison to State employee benefit numbers. However, because of the tax-lid legislation, employee benefits will consume 54% of Kechi's ad valorem tax increase.

The City has no control over these increases, as employer contributions for Social Security, Medicare, and the Kansas Public Employees Retirement are established by law. For health, dental, and workman's compensation, the City of Kechi has seen ten-percent annual increases for the last 3 years. By not allowing employee benefits to be exempt from the tax lid calculation the state is tying the hands of small cities, as any valuation increase will be consumed by rising employee benefit costs.

Sincerely,

Robert Conger
City Administrator

cc: Mayor Ed Parker
City Council Members