



City of Phillipsburg

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May 9, 2017

To: Chairman Steven Johnson and the House Taxation Committee Members

From: Brenda Chance, City Clerk, City of Phillipsburg, Kansas *Brenda Chance*

Subject: Written Testimony in Support of HB 2424

Thank you for the opportunity to provide comments in support of HB 2424. The cost of employer contributions for social security, workers compensation, unemployment insurance, health-care costs, and KPERs are not determined by local governments. As with most businesses, the employee cost to provide the required services are a large part of the budget.

In 2016, the employer share of employee health insurance cost was \$289,000. The cost in 2017 is estimated to be \$338,000 for the same number of employees. This is an increase of 17%. Since the health insurance premiums are based on age at this time, the cost will continue to increase as employee years of service increase. At this time, we can't even begin to factor in what the federal government changes to health insurance will cost in the future.

The Consumer Price Index increase for the 2017 Phillipsburg city budget was \$692. That is not much extra funding to work with. It doesn't even put a dent in the increased health insurance cost let alone any other benefit or expense. We need your help to continue providing the services our residents expect. Please vote yes to adopt HB 2424 and allow cities some flexibility to do what is right for their employees and citizens.

Once again, thank you for this opportunity to provide comments.