

City of  
**Hillsboro**



*Respect for the past, strength for the future.*

Date: May 9, 2017

To: Chairman Steven Johnson and the House Taxation Committee Members

From: Larry Paine, City Administrator, City of Hillsboro

Subject: Written Testimony in Support of HB 2424

Mr. Chairman, Members of the Committee, Thank you for the opportunity to comment on HB 2424.

2016 was a difficult year to deal with employee benefits in Hillsboro. Our quotes for health insurance initially varied from 28% to over 50%. We eventually settled on a Blue Cross/Blue Shield policy that ONLY went up 24%. We are expecting a visit from our Insurance Broker next week and to this date we have no idea whether there will be good or bad news.

I am showing a table below that outlines our 2017 budget costs. Hillsboro has 28 employees and we have 25 volunteer firemen and 6 police reserves. Summer employment adds another 20 in our recreation/pool staffing.

		% of Total
Salaries	\$1,663,980	70.49%
Overtime	\$55,534	2.35%
FICA	\$97,908	4.15%
Medicare	\$22,900	0.97%
KPERS	\$156,004	6.61%
Health Insurance	\$254,460	10.78%
Vision	\$3,508	0.15%
Dental	\$8,738	0.37%
Life Insurance	\$5,376	0.23%
Section 125 Contribution	\$14,500	0.61%
Worker's Compensation	\$67,818	2.87%
Unemployment	\$1,532	0.06%
Car Allowance	\$5,340	0.23%
ICMA Retirement	\$3,000	0.13%
	\$2,360,598	
<b>Total Benefits</b>	<b>\$696,618</b>	<b>29.51%</b>

You can easily see the cost of health insurance can easily exceed the limits set by the tax lid.