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March 14, 2017

To: Chair Caryn Tyson and the Senate Assessment and Taxation Committee
From: Terry Somers, Mayor, City of Mount Hope, Kansas
RE: Written Testimony in Support of SB 167

The governing body of the City of Mount Hope, Kansas supports the repeal of the Tax Lid which becomes effective January 1, 2018. The Tax Lid will have a negative impact on our efforts for community growth and efforts to maintain the infrastructure in our small town.

In the current 2017 budget year, if the Tax Lid had been in force, our maximum levy would have been capped at \$211,694.00. The 2016 actual levy was \$210,906.00 making the maximum increase of dollars available in 2017 of only \$788.00 additional. So, any increase over this paltry amount of \$788.00, would have required a mandatory vote of the constituents. Please note exhibit "A" for the computations.

The health insurance cost for the city increased over \$5300.00 for the year to cover our employees and families. A \$788.00 increase does not begin to cover the health insurance cost increase. In addition, an educational entity has moved their operation to our community, requiring a School Resource Officer position be put in place, which will add an additional estimated \$9200.00 to the insurance costs for the year of 2017; not to mention the additional expense of adding another employee. This facility will be bringing a minimum of 35 new jobs to our community. Please refer to Exhibit "B".

The Sedgwick County Election office has provided an estimate of nearly \$1000.00 to provide a Mail Ballot for our community. This cost is more than our allowed increase of \$788.00; without a vote of the people. Based upon the 2017 budget figures, we've been negatively affected from the start. Please see Exhibit "C".

The examples shown do not even bring in to consideration the needs for equipment replacement, street improvements, KPERS increases, fuel cost increases and the like. Our local governing body is best prepared to assess and decide what is necessary and proper for our community's future.

Please repeal the Tax Lid and give the authority back to the local constituents, where it belongs.

Sincerely,

Terry Somers, Mayor
City of Mount Hope, Kansas

Computation to Determine Limit for 2017

		Amount of Levy
1. Total tax levy amount in 2016 budget	+ \$	<u>210,906</u>
2. Debt service levy in 2016 budget	- \$	<u>0</u>
3. Tax levy excluding debt service	\$	<u>210,906</u>
2016 Valuation Information for Valuation Adjustments		
4. New improvements for 2016 :	+ _____	5,594
5. Increase in personal property for 2016 :		
5a. Personal property 2016	+ _____	37,752
5b. Personal property 2015	- _____	45,561
5c. Increase in personal property (5a minus 5b)	+ _____	0
		(Use Only if > 0)
6. Valuation of annexed territory for 2016 :		
6a. Real estate	+ _____	0
6b. State assessed	+ _____	0
6c. New improvements	- _____	0
6d. Total adjustment (sum of 6a, 6b, and 6c)	+ _____	0
7. Valuation of property that has changed in use during 2016 :	+ _____	4,181
8. Total valuation adjustment (sum of 4, 5c, 6d & 7)		<u>9,775</u>
9. Total estimated valuation July 1, 2016	<u>3,947,348</u>	
10. Total valuation less valuation adjustment (9 minus 8)		<u>3,937,573</u>
11. Factor for increase (8 divided by 10)		<u>0.00248</u>
12. Amount of increase (11 times 3)	+ \$	<u>524</u>
13. 2017 budget tax levy, excluding debt service, prior to CPI adjustment (3 plus 12)	\$	<u>211,430</u>
14. Debt service levy in this 2017 budget		<u>0</u>
15. 2017 budget tax levy, including debt service, prior to CPI adjustment (13 plus 14)		<u>211,430</u>
16. Consumer Price Index for all urban consumers for calendar year 2015		<u>0.125%</u>
17. Consumer Price Index adjustment (3 times 16)	\$	<u>264</u>
18. Maximum levy for budget year 2017, including debt service, not requiring 'notice of vote publication' or adoption of a resolution prior to adoption of the budget (15 plus 17)	\$	<u>211,694</u>

If the 2017 adopted budget includes a total property tax levy exceeding the dollar amount in line 18 you must, prior to adoption of such budget, adopt a resolution authorizing such levy and, subsequent to adoption of such budget, publish notice of vote by the governing body to adopt such budget in the official county newspaper and attach a copy of the published notice to this budget.

In no event will such resolution or published notice of the vote be required if the total budget year tax levy is \$1,000 or less.

Exhibit 'B'

Mount Hope, Kansas - 2016 vs 2017
 Bluecross Blueshield of Kansas employee premiums

2016	Health	Dental	Totals
E1	232.57	79.78	312.35
S1	232.57		232.57
E2	335.84	115.76	451.60
C2	147.68		147.68
S2	363.51		363.51
C2	147.68		147.68
E3*	697.71		697.71
E4	275.14	115.76	390.90
S4	269.55		269.55
C4	147.68		147.68
C4	147.68		147.68
TOTALS			\$ 3,308.91

2017	Health	Dental	Totals
E1	262.21	82.62	344.83
S1	262.21		262.21
E2	391.75	119.88	511.63
C2	165.84		165.84
S2	427.01		427.01
C2	165.84		165.84
E3*	680.00	120.00	800.00
E4	312.88	119.88	432.76
S4	308.96		308.96
C4	165.84		165.84
C4	165.84		165.84
TOTALS			\$ 3,750.76

% CHANGE
9.42%
11.30%
11.73%
10.95%
14.87%
10.95%
12.79%
9.67%
12.76%
10.95%
10.95%
11.78%

Monthly increase from 2016-2017 \$ 441.85
 Annual increase from 2016-2017 \$ 5,302.20

*E3 retired in 2016, estimated for next employee

Anticipating 1 additional full-time School Resource Officer to be insured in the later half of 2017
 Estimated cost for employee, spouse, 2 children would be \$1,100 more in premiums

Monthly increase with additional \$ 1,541.85
 6 months increase with additional \$ 9,251.10

Anticipated Mail Ballot Election Costs by District

District Type	Political Subdivision	Current Active Voters	Projected cost	
			at 100% Turnout	Projected cost at 50% Turnout
City	Andale (MYAN)	528	\$ 1,056	\$ 911
City	Bel Aire (MYBA)	4,571	\$ 9,142	\$ 7,885
City	Bentley (MYBN)	278	\$ 556	\$ 480
City	Cheney (MYCH)	1,137	\$ 2,274	\$ 1,962
City	Clearwater (MYCL)	1,396	\$ 2,792	\$ 2,409
City	Colwich (MYCO)	783	\$ 1,566	\$ 1,351
City	Derby (MYDB)	13,713	\$ 27,426	\$ 23,655
City	Eastborough (MYEB)	558	\$ 1,116	\$ 963
City	Garden Plain (MYGL)	553	\$ 1,106	\$ 954
City	Goddard (MYGO)	2,526	\$ 5,052	\$ 4,358
City	Haysville (MYHA)	5,571	\$ 11,142	\$ 9,610
City	Kechi (MYKI)	1,367	\$ 2,734	\$ 2,359
City	Maize (MYMA)	2,323	\$ 4,646	\$ 4,008
City	Mount Hope (MYMH)	488	\$ 976	\$ 842
City	Mulvane (MYMV)	3,361	\$ 6,722	\$ 5,798
City	Park City (MYPC)	4,069	\$ 8,138	\$ 7,020
City	Sedgwick (MYSE)	79	\$ 158	\$ 137
City	Valley Center (MYVC)	3,991	\$ 7,982	\$ 6,885
City	Viola (MYVL)	71	\$ 142	\$ 123
City	Wichita (MYWI)	193,041	\$ 386,082	\$ 332,996
County	Sedgwick County (all)	261,159	\$ 522,318	\$ 450,500

Source: Sedgwick County Election Commissioner

	Projected Cost
Andover	\$ 17,500
Augusta	\$ 12,000
Butler Co (all)	\$ 90,400

Source: Butler County Clerk

	Projected Cost
Wellington	\$ 10,635

Source: Sumner County Clerk

	Projected Cost
Partridge	\$ 10,635

Source: Reno County Clerk

	Projected Cost
Halstead	\$ 2,018
Newton	\$ 13,771
Sedgwick City	\$ 1,596
Harvey County (all)	\$ 23,272

Source: Harvey County Clerk