

Contingency Reserves

Mission: To assure Sedgwick County government and citizens of proper use of county resources and informed financial decision-making.

Chris Chronis
Chief Financial Officer

525 N. Main, Suite 823
Wichita, KS 67203
316.660.7591

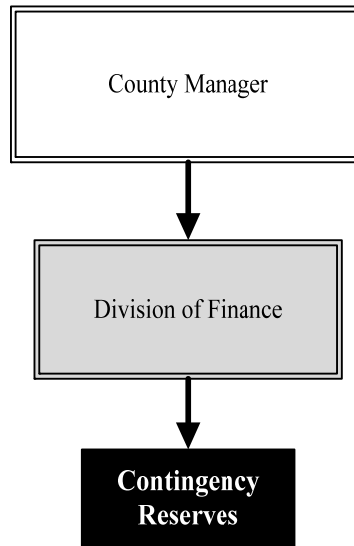
chris.chronis@sedgwick.gov

Overview

Contingency Reserves are used to set aside funds for unexpected events or events not anticipated at the time of budget adoption. These events include unforeseen increases in expenditures or reductions in revenues, public emergencies, mandates, and disasters.

The Contingency Reserves are comprised of allocated funding assigned to five contingencies based on the organizational unit it is intended to support:

- Operating Contingency
- BOCC Contingency
- Public Safety Contingency
- Rainy Day Reserve
- CIP Contingency



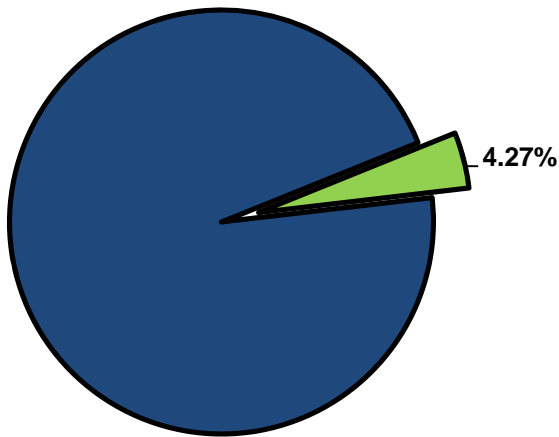
Significant Budget Adjustments

Changes to the Contingency Reserves' 2016 budget include the elimination of the Economic Development Reserve, the elimination of the Sustainability Contingency, a decrease of \$716,589 to the Operating Contingency, and a decrease of \$160,000 to the BOCC Contingency. Other changes include an increase of \$500,000 to the Public Safety Contingency for a Youth Residential Center (YRC) II alternative program, a decrease of \$2,500,000 to the Rainy Day Reserve, and the addition of \$356,724 for the CIP Contingency. Additionally, \$150,000 in the BOCC Contingency has been earmarked for Sedgwick County Zoo personnel expenses.

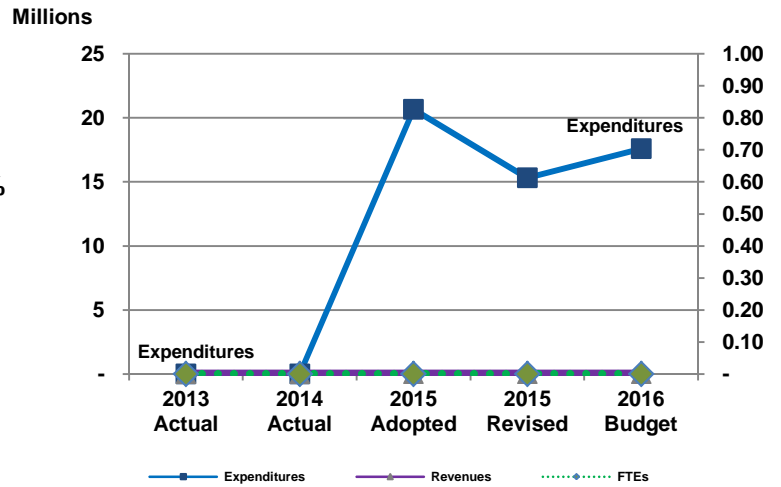


Departmental Graphical Summary

Contingency Reserves
Percent of Total County Operating Budget



Expenditures, Program Revenue & FTEs
All Operating Funds



Budget Summary by Category

	2013 Actual	2014 Actual	2015 Adopted	2015 Revised	2016 Budget	Amount Chg '15 Rev.-'16	% Chg '15 Rev.-'16
Expenditures							
Personnel	-	-	-	-	-	-	-
Contractual Services	-	-	20,664,126	15,312,370	17,594,270	2,281,900	14.90%
Debt Service	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-
Capital Improvements	-	-	-	-	-	-	-
Capital Equipment	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-
Total Expenditures	-	-	20,664,126	15,312,370	17,594,270	2,281,900	14.90%
Revenues							
Tax Revenues	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
All Other Revenue	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Full-Time Equivalent (FTEs)							
Property Tax Funded	-	-	-	-	-	-	-
Non-Property Tax Funded	-	-	-	-	-	-	-
Total FTEs	-	-	-	-	-	-	-

Budget Summary by Fund

Fund	2013 Actual	2014 Actual	2015 Adopted	2015 Revised	2016 Budget	Amount Chg '15 Rev.-'16	% Chg '15 Rev.-'16
General Fund	-	-	20,664,126	15,312,370	17,594,270	2,281,900	14.90%
Total Expenditures	-	-	20,664,126	15,312,370	17,594,270	2,281,900	14.90%

Significant Budget Adjustments from Prior Year Revised Budget

	Expenditures	Revenues	FTEs
Reduction in Operating Reserve Contingency	(716,589)		
Reduction in BOCC Contingency	(160,000)		
Increase in Public Safety Contingency budget authority for YRC II alternative program	500,000		
Elimination of Economic Development Contingency	(650,000)		
Elimination of Sustainability Contingency	(50,000)		
Reduction in Rainy Day Reserve	(2,500,000)		
Addition of CIP Contingency	356,742		
Total	(3,219,847)	-	-

Budget Summary by Program

Program	Fund	2013 Actual	2014 Actual	2015 Adopted	2015 Revised	2016 Budget	% Chg '15 Rev.-'16	2016 FTEs
Operating Reserve	110	-	-	8,064,126	8,214,117	7,497,528	-8.72%	-
BOCC Contingency	110	-	-	500,000	490,000	340,000	-30.61%	-
Public Safety Cont.	110	-	-	1,400,000	1,208,254	1,900,000	57.25%	-
Economic Dev. Cont.	110	-	-	650,000	650,000	-	-100.00%	-
Sustainability Cont.	110	-	-	50,000	50,000	-	-100.00%	-
Rainy Day Reserve	110	-	-	10,000,000	4,700,000	7,500,000	59.57%	-
CIP Contingency	110	-	-	-	-	356,742	0.00%	-
Total		-	-	20,664,126	15,312,370	17,594,270	14.90%	-

• Operating Reserve

The Operating Reserve sets aside funding to address potential changes in service delivery, emergency situations, and establishes a funding source for services whose scope or full cost is undefined at the time the budget is adopted. Of the total budgeted operating reserve, \$100,000 is allocated for Housing Assistance in the category of contractual services and the remaining balance is allocated as a general contingency reserve to support County operations.

Traditionally, when budget authority allocated to the Operating Reserve is needed, funding is transferred to the appropriate department, and then expended.

Fund(s): County General Fund 110

Expenditures	2013 Actual	2014 Actual	2015 Adopted	2015 Revised	2016 Budget	Amnt. Chg. '15 - '16	% Chg. '15 - '16
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	8,064,126	8,214,117	7,497,528	(716,589)	-8.7%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	8,064,126	8,214,117	7,497,528	(716,589)	-8.7%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
Total Revenues	-	-	-	-	-	-	0.0%
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%

• BoCC Contingency

The Board of County Commission (BoCC) Contingency represents funding reserved to address unanticipated costs due to public emergency, service expansion, or State mandates.

Traditionally, when budget authority allocated to the BoCC Contingency is needed, funding is transferred to the appropriate department, and then expended.

Fund(s): County General Fund 110

Expenditures	2013 Actual	2014 Actual	2015 Adopted	2015 Revised	2016 Budget	Amnt. Chg. '15 - '16	% Chg. '15 - '16
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	500,000	490,000	340,000	(150,000)	-30.6%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	500,000	490,000	340,000	(150,000)	-30.6%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
Total Revenues	-	-	-	-	-	-	0.0%
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%

• Public Safety Contingency

The Public Safety Contingency reserves funding for both unanticipated operating costs resulting from a public emergency or State mandates, in addition to funding Public Safety services whose full cost cannot be precisely estimated due to variances in uncontrollable variables or changes in service composition. Traditionally, when budget authority allocated to the Public Safety Contingency is needed, funding is transferred to the appropriate department, and then expended.

Fund(s): County General Fund 110							
Expenditures	2013 Actual	2014 Actual	2015 Adopted	2015 Revised	2016 Budget	Amnt. Chg. '15 - '16	% Chg. '15 - '16
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	1,400,000	1,208,254	1,900,000	691,746	57.3%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	1,400,000	1,208,254	1,900,000	691,746	57.3%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
Total Revenues	-	-	-	-	-	-	0.0%
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%

• Economic Development Reserve

The Economic Development Reserve set aside funds to provide economic development incentives to businesses. Sedgwick County continues to focus on long-term community growth and attracting new businesses. Sedgwick County has been an active partner in the Greater Wichita Economic Development Coalition (GWEDC), focusing on growing jobs in our community. This was eliminated in 2016.

Traditionally, when budget authority allocated to the Economic Development Reserve was needed, funding was transferred to the appropriate department, and then expended.

Fund(s): County General Fund 110							
Expenditures	2013 Actual	2014 Actual	2015 Adopted	2015 Revised	2016 Budget	Amnt. Chg. '15 - '16	% Chg. '15 - '16
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	650,000	650,000	-	(650,000)	-100.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	650,000	650,000	-	(650,000)	-100.0%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
Total Revenues	-	-	-	-	-	-	0.0%
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%

• Sustainability Contingency

The Sustainability Contingency was created in 2010 to fund the Sustainability Challenge, a sustainability pilot project program. The Sustainability Task Force developed criteria by which County departments were able to apply for seed money to implement sustainable practices or programs within their department, division, or organization-wide. This was eliminated in 2016.

Traditionally, when budget authority allocated to the Sustainability Contingency was needed, funding was transferred to the appropriate department, and then expended.

Fund(s): County General Fund 110

Expenditures	2013 Actual	2014 Actual	2015 Adopted	2015 Revised	2016 Budget	Amnt. Chg. '15 - '16	% Chg. '15 - '16
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	50,000	50,000	-	(50,000)	-100.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	50,000	50,000	-	(50,000)	-100.0%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
Total Revenues	-	-	-	-	-	-	0.0%
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%

• Rainy Day Reserve

Sedgwick County has a minimum fund balance requirement set by County policy. The minimum unrestricted fund balance in the General Fund is set at 20 percent of budgeted expenditures. Unrestricted fund balance above the minimum requirement is considered the County's Rainy Day Reserve. County policy allows this excess to be budgeted, but only for the following specific purposes: cash-fund capital projects or equipment replacement originally intended to be funded with debt; expected claims associated with risk management or workers' compensation; one-time expenditures that reduce future operating costs; and start-up expenditures for new programs approved by the Board of County Commissioners. The amount included in this budget is not related to any specific purpose. These funds will only be expended if consensus on a purpose is reached by the Board of County Commissioners.

Fund(s): County General Fund 110

Expenditures	2013 Actual	2014 Actual	2015 Adopted	2015 Revised	2016 Budget	Amnt. Chg. '15 - '16	% Chg. '15 - '16
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	10,000,000	4,700,000	7,500,000	2,800,000	59.6%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	10,000,000	4,700,000	7,500,000	2,800,000	59.6%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
Total Revenues	-	-	-	-	-	-	0.0%
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%

• CIP Contingency

New for 2016, the Capital Improvement Program (CIP) Contingency is an allocation of funding to be set aside for future use as a capital project funding source. It represents a designation of fund balance that will facilitate the stated desire of the Board of County Commissioners to reduce the use of debt as a financing tool for capital projects.

Fund(s): County General Fund 110								
Expenditures	2013 Actual	2014 Actual	2015 Adopted	2015 Revised	2016 Budget	Amnt. Chg. '15 - '16	% Chg. '15 - '16	
Personnel	-	-	-	-	-	-	0.0%	
Contractual Services	-	-	-	-	356,742	356,742	0.0%	
Debt Service	-	-	-	-	-	-	0.0%	
Commodities	-	-	-	-	-	-	0.0%	
Capital Improvements	-	-	-	-	-	-	0.0%	
Capital Equipment	-	-	-	-	-	-	0.0%	
Interfund Transfers	-	-	-	-	-	-	0.0%	
Total Expenditures	-	-	-	-	356,742	356,742	0.0%	
Revenues								
Taxes	-	-	-	-	-	-	0.0%	
Intergovernmental	-	-	-	-	-	-	0.0%	
Charges For Service	-	-	-	-	-	-	0.0%	
All Other Revenue	-	-	-	-	-	-	0.0%	
Total Revenues	-	-	-	-	-	-	0.0%	
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%	