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# NEWS

PUBLIC INFORMATION

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**FOR IMMEDIATE RELEASE**

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**SEDGWICK COUNTY REVISES DEBT POLICY AND SETS TARGET MILL LEVY**

(Sedgwick County, Kan.) –Today, Sedgwick County Commissioners voted (5-0) to set a target property tax rate (commonly known as a mill levy) of 29.359 mills for County budgets in 2017 – 2022. In 2023, the mill levy rate is expected to drop to 28.758 and remain in subsequent years. The certified tax rate for this year is 29.383 mills; it funds the 2016 budget.

According to Commissioner Ranzau, “This mill levy decrease is a result of many actions we have taken, including our lower debt ratio.”

Commissioners also voted (3-2) to adopt a revised debt policy that will reduce the County’s debt capacity and limit the issuance of future debt. This policy prohibits the use of debt to finance operations or maintenance activities and sets criteria under which debt is to be used for capital improvements or unusual equipment purchases. Chairman Jim Howell commented that Sedgwick County is “intentionally going into a more responsible direction” in regards to the debt issuance limit.

Previously, the policy allowed for a maximum of 20 percent of the budgeted expenditures. The revised policy changes the maximum capacity of debt service

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to nine percent of budgeted expenditures; in 2019 the maximum capacity will be eight percent and debt will not be issued if the total would exceed that percentage.

Over the past few years, Sedgwick County's debt has been about ten percent of budgeted expenditures. The County's current debt equals 9.67 percent of budgeted expenditures, more than the new maximum of debt. Therefore, the County will be unable to issue debt until the existing amount falls below the nine percent threshold; this is estimated to occur in 2017. Sedgwick County will be able to issue over \$7 million in new debt in 2017 and remain under the new debt capacity.

Commissioner Richard Ranzau added, "By doing this, Sedgwick County is still able to accomplish core values and use the leftover to spend funds on other things."

The new policy is not expected to change the County's financial condition. Sedgwick County holds the same AAA credit rating from Moody's Investor Services, Fitch Ratings, and Standard and Poor's. This rating is a result of the County's financial management and intentionally conservative debt capacity policy.

Sedgwick County is consistently working to lessen the property tax burden on citizens, especially the poor or citizens on a fixed income. High property taxes are also harmful to economic growth in the community. By approving the two items this morning, Commissioners have proven that they are listening to their constituents and keeping government spending under control and being good stewards of taxpayer money.

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