

# Contingency Reserves

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

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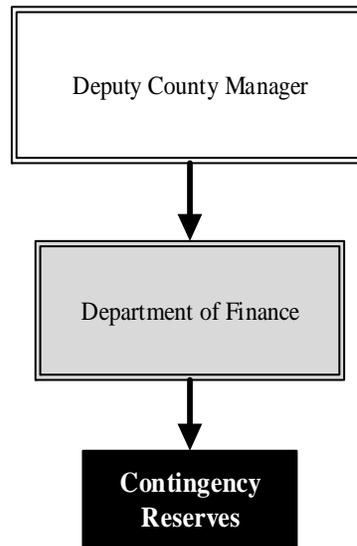
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## Overview

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 six contingencies based on the organizational unit it is intended to support:

- Operating Contingency
- Board of County Commissioners Contingency
- Public Safety Contingency
- General Fund Reserve
- CIP Contingency
- Compensation Adjustment & Fair Labor Standards Act Contingency



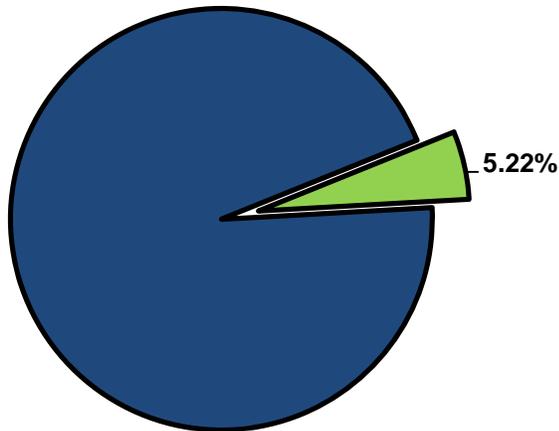
## Significant Budget Adjustments

Changes to the Contingency Reserves' 2017 budget include the addition of the Compensation Adjustment and Fair Labor Standards Act (FLSA) Contingency to reserve funding for targeted compensation adjustments as well as adjustments that are the result of changes to the FLSA that will go into effect on December 1, 2016. The contingency amount for all funds is \$3,750,178 (\$2,810,135 for compensation adjustments and \$940,043 for FLSA).

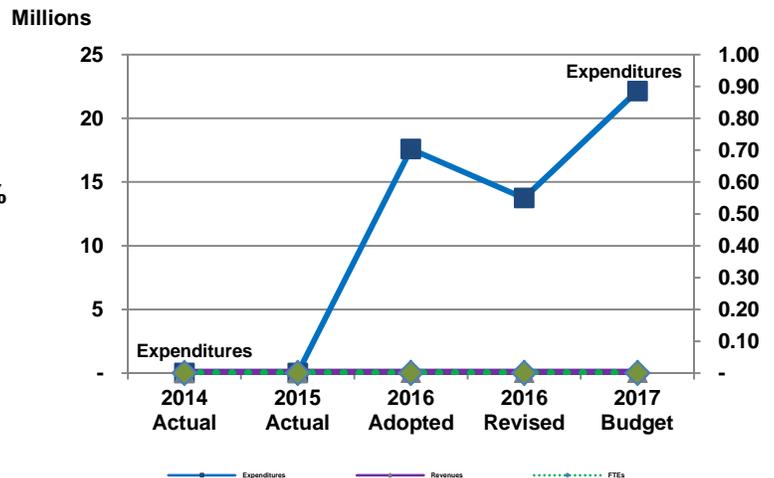


**Divisional Graphical Summary**

**Contingency Reserves**  
Percent of Total County Operating Budget



**Expenditures, Program Revenue & FTEs**  
All Operating Funds



**Budget Summary by Category**

	2014 Actual	2015 Actual	2016 Adopted	2016 Revised	2017 Budget	Amount Chg '16 Rev.-'17	% Chg '16 Rev.-'17
<b>Expenditures</b>							
Personnel	-	-	-	-	3,750,178	3,750,178	
Contractual Services	-	-	17,594,270	13,740,189	18,404,577	4,664,388	33.95%
Debt Service	-	-	-	-	-	-	
Commodities	-	-	-	-	-	-	
Capital Improvements	-	-	-	-	-	-	
Capital Equipment	-	-	-	-	-	-	
Interfund Transfers	-	-	-	-	-	-	
<b>Total Expenditures</b>	-	-	<b>17,594,270</b>	<b>13,740,189</b>	<b>22,154,755</b>	<b>8,414,565</b>	<b>61.24%</b>
<b>Revenues</b>							
Tax Revenues	-	-	-	-	-	-	
Licenses and Permits	-	-	-	-	-	-	
Intergovernmental	-	-	-	-	-	-	
Charges for Services	-	-	-	-	-	-	
All Other Revenue	-	-	-	-	-	-	
<b>Total Revenues</b>	-	-	-	-	-	-	
<b>Full-Time Equivalents (FTEs)</b>							
Property Tax Funded	-	-	-	-	-	-	
Non-Property Tax Funded	-	-	-	-	-	-	
<b>Total FTEs</b>	-	-	-	-	-	-	

**Budget Summary by Fund**

Fund	2014 Actual	2015 Actual	2016 Adopted	2016 Revised	2017 Budget	Amount Chg '16 Rev.-'17	% Chg '16 Rev.-'17
General Fund	-	-	17,594,270	13,740,189	20,895,655	7,155,465	52.08%
EMS Fund	-	-	-	-	301,260	301,260	
Corrections Grants	-	-	-	-	179,366	179,366	
Health Department Grants	-	-	-	-	141,376	141,376	
Multi. Funds	-	-	-	-	637,097	637,097	
<b>Total Expenditures</b>	-	-	<b>17,594,270</b>	<b>13,740,189</b>	<b>22,154,755</b>	<b>8,414,565</b>	<b>61.24%</b>

**Significant Budget Adjustments from Prior Year Revised Budget**

	Expenditures	Revenues	FTEs
Addition of Compensation Adjustment and Fair Labor Standards Act Contingency	3,750,178		
Increase in Operating Reserve to restore Contingency to prior levels	1,310,307		
Reduction in Public Safety Cont. related to one-time 2016 allocation for YRC II program	(500,000)		

**Total**      4,560,485      -      -

**Budget Summary by Program**

Program	Fund	2014 Actual	2015 Actual	2016 Adopted	2016 Revised	2017 Budget	% Chg '16 Rev.-'17	2017 FTEs
Operating Reserve	110	-	-	7,497,528	6,840,029	8,807,835	28.77%	-
BOCC Contingency	110	-	-	340,000	312,808	340,000	8.69%	-
Public Safety Cont.	110	-	-	1,900,000	1,048,610	1,400,000	33.51%	-
General Fund Reserve	110	-	-	7,500,000	5,182,000	7,500,000	44.73%	-
CIP Contingency	110	-	-	356,742	356,742	356,742	0.00%	-
Comp. Adjust. & FLSA	Multi.	-	-	-	-	3,750,178	0.00%	-
<b>Total</b>		-	-	<b>17,594,270</b>	<b>13,740,189</b>	<b>22,154,755</b>	<b>61.24%</b>	<b>-</b>

**• 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 division, and then expended.

**Fund(s): County General Fund 110**

Expenditures	2014 Actual	2015 Actual	2016 Adopted	2016 Revised	2017 Budget	Amnt. Chg. '16 - '17	% Chg. '16 - '17
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	7,497,528	6,840,029	8,807,835	1,967,806	28.8%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>7,497,528</b>	<b>6,840,029</b>	<b>8,807,835</b>	<b>1,967,806</b>	<b>28.8%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>

**• 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 division, and then expended.

**Fund(s): County General Fund 110**

Expenditures	2014 Actual	2015 Actual	2016 Adopted	2016 Revised	2017 Budget	Amnt. Chg. '16 - '17	% Chg. '16 - '17
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	340,000	312,808	340,000	27,192	8.7%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>340,000</b>	<b>312,808</b>	<b>340,000</b>	<b>27,192</b>	<b>8.7%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>

**• 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 division, and then expended.

<b>Fund(s): County General Fund 110</b>							
<b>Expenditures</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Adopted</b>	<b>2016 Revised</b>	<b>2017 Budget</b>	<b>Amnt. Chg. '16 - '17</b>	<b>% Chg. '16 - '17</b>
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	1,900,000	1,048,610	1,400,000	351,390	33.5%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>1,900,000</b>	<b>1,048,610</b>	<b>1,400,000</b>	<b>351,390</b>	<b>33.5%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>

**• General Fund 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 General Fund 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.

<b>Fund(s): County General Fund 110</b>							
<b>Expenditures</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Adopted</b>	<b>2016 Revised</b>	<b>2017 Budget</b>	<b>Amnt. Chg. '16 - '17</b>	<b>% Chg. '16 - '17</b>
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	7,500,000	5,182,000	7,500,000	2,318,000	44.7%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>7,500,000</b>	<b>5,182,000</b>	<b>7,500,000</b>	<b>2,318,000</b>	<b>44.7%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>

**• 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 BOCC to reduce the use of debt as a financing tool for capital projects.

**Fund(s): County General Fund 110**

Expenditures	2014 Actual	2015 Actual	2016 Adopted	2016 Revised	2017 Budget	Amnt. Chg. '16 - '17	% Chg. '16 - '17
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	356,742	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%
<b>Total Expenditures</b>	-	-	<b>356,742</b>	<b>356,742</b>	<b>356,742</b>	-	<b>0.0%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>

**• Compensation Adjustment & Fair Labor Standards Act Contingency**

New for 2017, the Compensation Adjustment and Fair Labor Standards Act (FLSA) Contingency was created to reserve funding for targeted compensation adjustments as well as adjustments that are the result of changes to the FLSA that will go into effect on December 1, 2016. Funding is allocated to various County funds based on the budgeted personnel costs (excluding health and life insurance) in each fund in relation to the total of all funds included in the Contingency. Funding is allocated to the various County funds in the following amounts: General Fund - \$2,491,078; Fire District 1 - \$7,735; EMS Fund - \$301,260; Corrections Grants - \$179,366; Health Department Grants - \$141,376; Highway Fund - \$132,559; COMCARE Fund - \$116,219; COMCARE Grants - \$93,471; CDDO Grants - \$52,532; Auto License Fund - \$49,035; Aging Services Fund - \$35,866; Solid Waste Fund - \$24,896; Fleet Management Fund - \$22,492; Court Trustee Fund - \$11,899; and Emergency Management Grants - \$10,465.

**Fund(s): Multi.**

Expenditures	2014 Actual	2015 Actual	2016 Adopted	2016 Revised	2017 Budget	Amnt. Chg. '16 - '17	% Chg. '16 - '17
Personnel	-	-	-	-	3,750,178	3,750,178	0.0%
Contractual Services	-	-	-	-	-	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	-	-	<b>3,750,178</b>	<b>3,750,178</b>	<b>0.0%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>