

# Contingency Reserves

***Mission:*** To assure accurate financial reporting and informed planning and decision making through continuous employment of best practices to ensure effective and proper stewardship of public resources.

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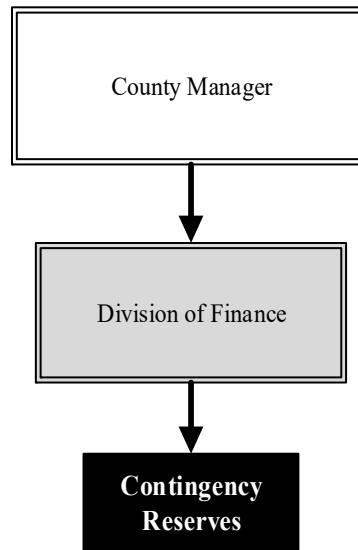
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## Overview

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

- Operating Reserve
- Board of County Commissioners (BOCC) Contingency
- Public Safety Contingency
- Rainy Day Reserve
- Technology Contingency
- FLSA Contingency
- Mental Health Contingency



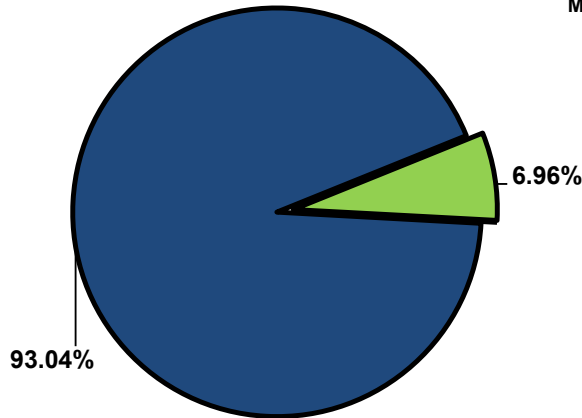
## Significant Budget Adjustments

Significant adjustments to the Contingency Reserves' 2025 Recommended Budget include an increase to right-size the Rainy Day Reserve based on the size of the 2025 budget (\$9,723,423), a decrease to repurpose the Compensation Contingency as the FLSA Contingency for 2025 (\$4,117,084), increases to right-size the Operating Reserve (\$3,034,820) and the Public Safety Contingency (\$2,107,357) based on the size of the 2025 budget, and increases to restore the Technology Contingency (\$418,870) and the Mental Health Contingency (\$232,625) for 2025.

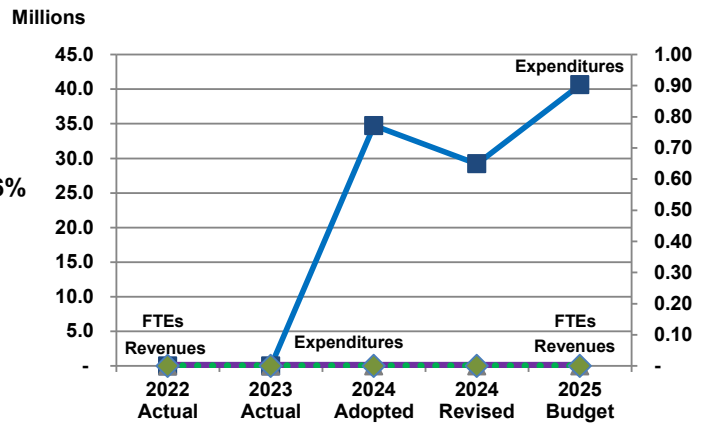


**Departmental Graphical Summary**

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



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



**Budget Summary by Category**

	2022 Actual	2023 Actual	2024 Adopted	2024 Revised	2025 Budget	Amount Chg '24 Rev.-'25	% Chg '24 Rev.-'25
<b>Expenditures</b>							
Personnel	-	-	4,927,577	4,927,577	810,493	-	-83.55%
Contractual Services	-	-	28,295,660	23,201,775	38,300,000	15,098,225	65.07%
Debt Service	-	-	-	-	-	-	-
Commodities	-	-	750,000	331,130	750,000	418,870	126.50%
Capital Improvements	-	-	-	-	-	-	-
Capital Equipment	-	-	750,000	750,000	750,000	-	0.00%
Interfund Transfers	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	<b>34,723,237</b>	<b>29,210,483</b>	<b>40,610,493</b>	<b>11,400,011</b>	<b>39.03%</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	2022 Actual	2023 Actual	2024 Adopted	2024 Revised	2025 Budget	Amount Chg '24 Rev.-'25	% Chg '24 Rev.-'25
General Fund	-	-	33,775,063	28,262,308	40,348,354	12,086,046	42.76%
Health Dept. Grants	-	-	141,250	141,250	169,721	28,471	20.16%
Multiple Funds	-	-	806,924	806,924	92,418	(714,506)	-88.55%
<b>Total Expenditures</b>	-	-	<b>34,723,237</b>	<b>29,210,483</b>	<b>40,610,493</b>	<b>11,400,011</b>	<b>39.03%</b>



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

	Expenditures	Revenues	FTEs
Right-size Rainy Day Reserve based on the size of the budget for 2025	9,723,423		
Repurpose Compensation Contingency as the FLSA Contingency for 2025	(4,117,084)		
Right-size Operating Reserve based on the size of the budget for 2025	3,034,820		
Right-size Public Safety Contingency based on the size of the budget for 2025	2,107,357		
Restore Technology Contingency for 2025	418,870		
Restore Mental Health Contingency for 2025	232,625		
<b>Total</b>	<b>11,400,011</b>	<b>-</b>	<b>-</b>

**Budget Summary by Program**

Program	Fund	2022 Actual	2023 Actual	2024 Adopted	2024 Revised	2025 Budget	% Chg '24 Rev.-'25	24-'25' FTEs
Operating Reserve	110	-	-	11,995,660	11,965,180	15,000,000	25.36%	-
BOCC Contingency	110	-	-	300,000	300,000	300,000	0.00%	-
Public Safety Contingency	110	-	-	5,000,000	4,892,643	7,000,000	43.07%	-
Rainy Day Reserve	110	-	-	10,000,000	5,276,577	15,000,000	184.28%	-
Technology Contingency	110	-	-	1,500,000	1,081,130	1,500,000	38.74%	-
Mental Health Contingency	110	-	-	1,000,000	767,375	1,000,000	30.31%	-
FLSA Contingency	Multi.	-	-	4,927,577	4,927,577	810,493	-83.55%	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>34,723,237</b>	<b>29,210,483</b>	<b>40,610,493</b>	<b>39.03%</b>	<b>-</b>



**• Operating Reserve**

The Operating Reserve sets aside funding to address potential changes in service delivery or emergency situations and establishes a funding source for services whose scope or full cost is undefined at the time the budget is adopted. It 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	2022 Actual	2023 Actual	2024 Adopted	2024 Revised	2025 Budget	Amnt. Chg. '24 - '25	% Chg. '24 - '25
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	11,995,660	11,965,180	15,000,000	3,034,820	25.4%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>11,995,660</b>	<b>11,965,180</b>	<b>15,000,000</b>	<b>3,034,820</b>	<b>25.4%</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 Commissioners (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	2022 Actual	2023 Actual	2024 Adopted	2024 Revised	2025 Budget	Amnt. Chg. '24 - '25	% Chg. '24 - '25
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	300,000	300,000	300,000	-	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>300,000</b>	<b>300,000</b>	<b>300,000</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>



**Public Safety Contingency**

The Public Safety Contingency reserves funding for both unanticipated operating costs resulting from a public emergency or State mandates and funding for public safety services whose full cost cannot be precisely estimated due to 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	2022 Actual	2023 Actual	2024 Adopted	2024 Revised	2025 Budget	Amnt. Chg. '24 - '25	% Chg. '24 - '25
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	5,000,000	4,892,643	7,000,000	2,107,357	43.1%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>5,000,000</b>	<b>4,892,643</b>	<b>7,000,000</b>	<b>2,107,357</b>	<b>43.1%</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>

**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 20.0 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-funded 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 BOCC. 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 BOCC.

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

Expenditures	2022 Actual	2023 Actual	2024 Adopted	2024 Revised	2025 Budget	Amnt. Chg. '24 - '25	% Chg. '24 - '25
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	10,000,000	5,276,577	15,000,000	9,723,423	184.3%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>10,000,000</b>	<b>5,276,577</b>	<b>15,000,000</b>	<b>9,723,423</b>	<b>184.3%</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>



**• Technology Contingency**

The Technology Contingency is intended to provide a funding source for unanticipated technology costs. This may include costs to purchase replacements of failing hardware, software licensing to replace or upgrade necessary County systems, or to respond to other critical needs that cannot be delayed until a future budget cycle.

As with other contingencies, funding will be transferred from the Technology Contingency to the appropriate department and then expended.

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

Expenditures	2022 Actual	2023 Actual	2024 Adopted	2024 Revised	2025 Budget	Amnt. Chg. '24 - '25	% Chg. '24 - '25
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	-	-	-	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	750,000	331,130	750,000	418,870	126.5%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	750,000	750,000	750,000	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>1,500,000</b>	<b>1,081,130</b>	<b>1,500,000</b>	<b>418,870</b>	<b>38.7%</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 Equivalentents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>

**• Mental Health Contingency**

The Mental Health Contingency is new for the 2023 budget. As the Commission seeks solutions for increased demand for mental health services in the community, this will provide a pool of funding to support such initiatives if other funding is not available.

As with other contingencies, funding will be transferred from the Mental Health Contingency to the appropriate department and then expended.

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

Expenditures	2022 Actual	2023 Actual	2024 Adopted	2024 Revised	2025 Budget	Amnt. Chg. '24 - '25	% Chg. '24 - '25
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	1,000,000	767,375	1,000,000	232,625	30.3%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>1,000,000</b>	<b>767,375</b>	<b>1,000,000</b>	<b>232,625</b>	<b>30.3%</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 Equivalentents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>



**• FLSA Contingency**

The former Compensation Contingency has been repurposed as the Fair Labor Standards Act (FLSA) Contingency for the 2025 budget. It has been created to reserve funding for adjustments that are the result of changes to the FLSA that will go into effect on January 1, 2025. Funding is allocated to various County funds based on where affected positions are assigned in the budget.

<b>Fund(s): Multi.</b>							
<b>Expenditures</b>	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Adopted</b>	<b>2024 Revised</b>	<b>2025 Budget</b>	<b>Amnt. Chg. '24 - '25</b>	<b>% Chg. '24 - '25</b>
Personnel	-	-	4,927,577	4,927,577	810,493	(4,117,084)	-83.6%
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>4,927,577</b>	<b>4,927,577</b>	<b>810,493</b>	<b>(4,117,084)</b>	<b>-83.6%</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 Equivalentents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>

