

# Manager's Message



## Honorable Board of Sedgwick County Commissioners and Citizens of Sedgwick County

The 2011 budget is a plan of how we allocate resources to meet changing needs and respond to changes in our resources. It is based on our efforts to work toward long-term sustainability. In developing the 2010 budget last year, we recognized that the economic downturn would not rebound quickly. We forecast that 2011 would be even more difficult and that perhaps we may not see an upswing in our local economy until 2012 at the earliest. Because of our planning and strong fiscal policies, we have positioned the organization to weather the economic storm. We continue to closely monitor revenues and expenditures to assure that we can continue to serve citizens with quality public services in the areas of:

- Public Safety
- Health & Welfare
- Public Works
- Community Development
- Culture & Recreation
- General Government

Sedgwick County has prepared for our current strong financial condition. Our fund balance allows us to fill the gap caused by declining revenues, as a short-term solution. We know this cannot be sustained for a significant period. But, we believe it is a temporary, appropriate means of continuing to provide essential services that help provide community safety, serve those most vulnerable and help position our community for recovery. While we anticipated that the State government's financial issues could trickle down to our level, the legislature's decision to impose a temporary sales tax has mitigated the potential and significant financial hits to COMCARE, Aging, Corrections and the Community Developmental Disability Organization (CDDO). The decision by the State to produce a solution for their financial challenges alleviated local governments from having to make those difficult choices.

At the present time, we are still in good financial condition. We are routinely monitoring economic and financial indicators that will give us the signs for economic recovery or if we need to make course corrections along the way. Our strong financial situation and resource management allows us to demonstrate our organization's stability and financial sustainability to the citizens of Sedgwick County. To our citizens, partners and employees, this Adopted Budget is about demonstrating that we are steadfast, consistent, dependable and sustainable.



Economic Development

Institutional and Financial Viability

Building a Stronger Community

Taking Care of People

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Social Equity

Environmental Protection

Compared to other local cities and counties across the nation, our 2011 Adopted Budget is “neutral.” Our current conditions do not require us to make drastic reductions in services. We have made adjustments in the current year to help reduce some of our expenditures as we observe declining revenues, including deferring over \$800,000 in capital improvement projects, reduced funding for radio replacements and implementing a position review process to evaluate filling vacant positions. While these are not generally recurring impacts, they do help to provide an additional financial cushion through the economic downturn, without significantly impacting services. In planning for 2011, we used 2009 “actual” expenditures for contractuals, commodities and equipment when establishing “base budgets” for departments, allocating just a 1% increase from the 2009 amount. Overall, the 2011 budget of \$411.8 million represents a slight decrease from the 2010 revised budget. **It also includes a 0.509 mill levy reduction as proposed and approved by the Board of County Commissioners.**

Sedgwick County continues to maintain one of the lowest property tax levies of the 105 Kansas counties. Sedgwick County ranked **7th lowest** (for 2010 budgets):

1. Johnson County	17.716 mills
2. Pottawatomie County	26.137 mills
3. Seward County	27.547 mills
4. Harvey County	27.875 mills
5. McPherson County	27.997 mills
6. Haskell County	28.713 mills
<b>7. Sedgwick County</b>	<b>29.868 mills</b>
8. Riley County	31.268 mills

This Adopted Budget is about maintaining levels of service. Like other organizations, we understand that this is simply not the time to fund projects to “expand” services, although they may be worthwhile and beneficial. However, there are some service enhancements included in this budget to help with increasing demands for service. We believe that departmental strategic planning, combined with financial planning, has helped Sedgwick County to be in the unique position of meeting demands for quality public services.

## Fire District #1

- The 2011 budget for the Fire District reduces the mill levy by 0.111 to 18.336 mills. The 2011 Adopted Budget is \$16,702,420.



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## Connecting the Budget to Organizational Sustainability

In 2007, Sedgwick County began a commitment to sustainability, not only in our internal processes and planning, but in how we provide services in the community. Our four factors of Sustainability include:

**Economic Development** - promoting, initiating, supporting, and facilitating the creation of wealth and employment opportunities

**Institutional and Financial Viability** - making fiscally responsible decisions, while considering the present and future impact to the effectiveness of our organization

**Social Equity** - equitable access to and distribution of public resources to the community, via education, partnership, and intervention

**Environmental Protection** - minimizing Sedgwick County Government's impact on air, water, and land

It requires a commitment from the organization to incorporate these sustainability factors into our decision making processes and into our strategic and financial planning. It is about thinking about what makes the most sense for today and into the future. It is consistent with our County Mission of "provide for the present and future well-being of the citizens of Sedgwick County."

Through the budget process, departments submit information with their budget allocation request to indicate their sustainability efforts. By doing so, we see not only how the sustainability factors are "put into action," but we can see that the efforts are at work within the organization and externally. Some examples of how we are considering sustainability as we allocate resources include:

### Economic Development —

- Provide funding for continued acquisition of Right of Way for the Northwest Bypass, in conjunction with Kansas Department of Transportation and other local communities
- Continued support of Kansas Affordable Airfares Program to support low-cost fares for families and businesses

### Institutional and Financial Viability —

- "Healthy Benefits" plan
- Budgeting for 2% Performance Compensation Pool, but actual distribution to be determined in late 2010

### Social Equity —

- Compliance with ADA requirements
- Providing funds for mental health solutions in the Adult Detention Facility

### Environmental Protection —

- Continuing efforts with recycling, including Household Hazardous Waste facility and budgeting for one special waste collection program in 2011
- Allocate resources for Clifton Channel drainage improvements in south Sedgwick County



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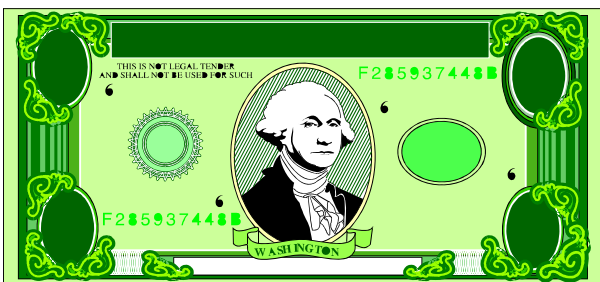
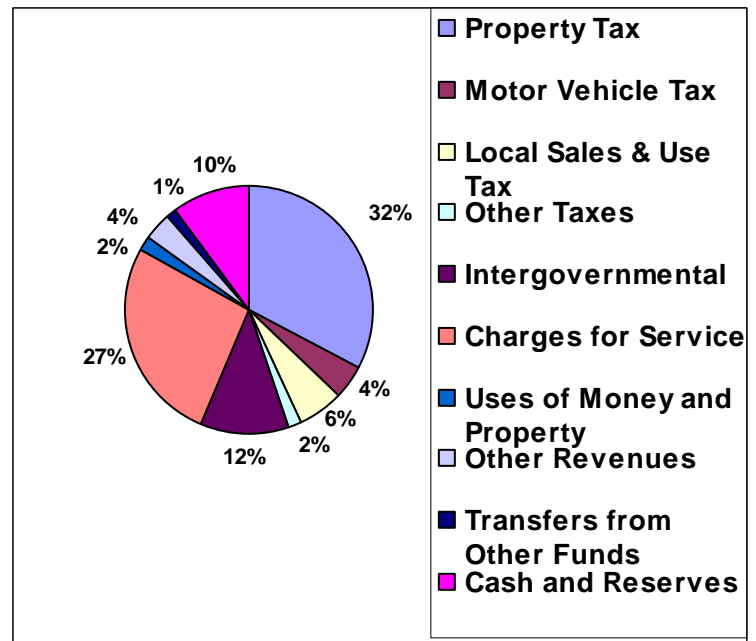
# 2011 MANAGER'S ADOPTED BUDGET —

## Strong Financial Standing

Strong financial planning and management helps us to ensure long-term financial viability. Because of our strategic financial planning, Sedgwick County continues to secure some of the financial institutions' highest levels of rating available to local governments.

Standard & Poor's	AAA
Moody's	Aa1
Fitch	AAA

2011 Revenues & Fund Balance —  
\$ 411,775,400



2011 Expenditures — \$ 411,775,400

	Share of Dollar	Total Expenditure
Public Safety	36 cents	\$ 146,386,462
General Government	26 cents	109,167,270
Health & Welfare	19 cents	76,998,434
Public Works	7 cents	29,545,814
Bond & Interest	5 cents	20,493,736
Community Development	3 cents	13,711,528
Culture & Recreation	3 cents	12,378,819
Employee Compensation Pool	1 cent	3,093,337
<b>Total:</b>	<b>\$ 1.00</b>	<b>\$ 411,775,400</b>



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## 2011 OPERATIONAL ADJUSTMENTS — (Property Tax Supported Funds)

### Adjustments

### Amount

#### **Service Enhancements**

- |                                                                                                                                                                                         |             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| • 911 - 2.0 FTE Dispatcher II positions (offset by a reduction in overtime)                                                                                                             | —           |
| • EMS - Restoration of supplies for local fire departments                                                                                                                              | \$ 75,974   |
| • EMS - Add one additional ambulance, staffed by 4.0 FTE<br>Emergency Medical Technician (EMT) positions                                                                                | \$ 459,406  |
| • Project Access, health services for uninsured citizens                                                                                                                                | \$ 68,000   |
| • Lake Afton - High risk dam inspection                                                                                                                                                 | \$ 6,500    |
| • Aging - Senior Centers funding increase based on allocation formula                                                                                                                   | \$ 35,000   |
| • HR - Implement Mind Leaders training program                                                                                                                                          | \$ 64,075   |
| • COMCARE - Child Advocacy Center, shift funding allocation from<br>COMCARE grants                                                                                                      | \$ 120,000  |
| • Public Safety Contingency - Earmark funding for mental health<br>solutions in the Adult Detention Facility and to address<br>State funding shortfalls in Community Corrections grants | \$1,200,000 |

#### **Employee Compensation**

- The Adopted Budget includes the restoration of a 2% compensation pool in conjunction with a Performance-Based Merit Compensation Plan. The Board of County Commissioners will decide no earlier than the fall of 2010 how much of the 2% pool and when the pool will be authorized for distribution to increase employee wages. This option gives the County flexibility to respond to changes in local economic conditions.
- Implement new “Healthy Benefit” plan. This innovative benefit solution works toward a plan that allows employees more control over their own health and healthcare costs by adding enhancements over the years to encourage employees to be healthy. The end result is both lower costs for the employee and Sedgwick County. This approach has helped us to contain the benefit cost increase to 5.8% for 2011. It is focused on the following goals:
  - Offer a locally competitive benefit package
  - Encourage employees to take responsibility for their personal health
  - Reduce future increases in benefit costs



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## 2011 CAPITAL IMPROVEMENT PROGRAM

Sedgwick County invests in infrastructure, including the building, maintenance and repair of our public facilities and roadways, bridges and drainage systems through our Capital Improvement Program (CIP). The long-range CIP planning process began in 1982 as a means of coordinating and prioritizing critical infrastructure needs, with the financial planning process. Our five-year CIP investment is \$179,647,315 with \$46.4 million budgeted for 2011. Significant projects for 2011 include:

<u>Amount</u>	<u>Area</u>	<u>Service</u>
\$ 625,172	ADA Projects	Compliance with Americans with Disabilities Act
\$ 48,247	ADA Projects — Fire District	Compliance with Americans with Disabilities Act
\$ 2,045,471	Emergency Medical Service	Replacement and renovation of three EMS facilities
\$25,000,000	Emergency Communications	Conversion of 911 800 MHZ radio system from analog to digital
\$ 103,696	Lake Afton Park	Renovate Mushroom restroom/shower building
\$ 525,910	Sedgwick County Park	South restroom & maintenance building replacement
\$10,729,944	Public Works	Road & Bridge projects funded from local sales tax revenues, including Right of Way for the Northwest Bypass
\$ 500,000	Public Works	Construct Clifton Channel Improvements south of 47th Street South
\$ 259,156	Sheriff	Design on Adult Detention Facility Master Control



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## SUMMARY —

### 2011 Manager's Adopted Budget — \$411,775,400

- 2011 Adopted budget is a slight decrease from the 2010 revised budget and reduces the mill levy by 0.509 to 29.359 mills
- The 2011 budget for the Fire District reduces the mill levy by 0.111 to 18.336 mills (2011 Budget \$16,702,420)

#### Takes into account:

- Continued reductions in Key Revenue Indicators— first half 2010, 17.2% reduction (or \$4.5 million); 2009, 17.4% reduction (or \$11.4 million)
- A marginal decline in assessed valuation—0.02% (the first time the County's assessed valuation has decreased since 1994)
- Maintaining service to respond to increasing needs during difficult times
- Using "rainy day" reserve fund balances for limited time
- Focusing efforts on organizational sustainability

Our organization has faced significant challenges in the past. We have made decisions in recent years to provide us greater financial stability and organizational sustainability to weather the economic downturn. We are not in a crisis. We are doing what we do best as managers and decision-makers — continue to monitor economic conditions, identify different ways of doing business and plan for how to deliver services in good times and bad. We will continue to work in a thoughtful and deliberate manner, keeping in touch with our stakeholders and with openness and transparency. I strongly believe our culture and organizational values have helped us to remain focused on providing quality public services.

It is my honor and pleasure to work with the employees of Sedgwick County to serve the citizens of Sedgwick County each and every day.

Respectfully,

William P. Buchanan  
County Manager



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