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Mission:

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

The Bond and Interest Fund provides for retirement of general obligation and special assessment bonds of the County. Each year, the County levies taxes that, together with special assessments credited to the Fund, are sufficient to pay the principal and interest payments due throughout the year.

In July 2003, the Board of County Commissioners approved a revised debt financing policy, which provides clear guidance on use of debt. The objectives of the policy are to ensure financing is obtained only when necessary; the process for identifying the timing and amount of debt or other financing be as efficient as possible; the most favorable interest rate and other related costs be obtained, and future financial flexibility is maintained.

A summary of key points from the Sedgwick County Debt Policy is presented here.

- Debt management committee formed to ensure compliance with debt policy.

- Pay as you go financing is favored when the project can be funded from available current revenue and fund balances, the project can be completed in an acceptable timeframe, additional debt could affect the county credit rating or when repayment sources or market conditions are considered unstable or suggest difficulty in marketing the debt.
- Debt financing is favored when market conditions are favorable, a project is mandated and current revenue or fund balances are insufficient, or a project is immediately required to meet capacity needs. The useful life of each project must equal or exceed the term of the financing.
- The policy limits direct debt per capita (\$500), overlapping and underlying debt per capita (\$3,000), direct and overall debt as a percentage of estimated full market value (1.5 percent and 6 percent, respectively), and debt service is limited to 20 percent of budgeted expenditures.

Budget Summary by Category

	2005 Actual	2006 Adopted	2006 Revised	2007 Budget	% Chg. 06-07
Expenditures					
Personnel	-	-	-	-	-
Contractual Services	3,486	-	4,650	-	-100.0%
Debt Service	14,499,680	15,427,527	15,422,877	15,574,819	1.0%
Commodities	-	-	-	-	-
Capital Improvements	-	-	-	-	-
Equipment	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Total Expenditures	14,503,166	15,427,527	15,427,527	15,574,819	1.0%
Revenue					
Taxes	12,361,569	13,114,121	13,114,121	13,244,179	1.0%
Intergovernmental	-	-	-	-	-
Charges For Service	81,667	81,368	81,368	81,666	0.4%
Other Revenue	2,623,997	2,225,052	2,225,052	2,247,722	1.0%
Total Revenue	15,067,232	15,420,541	15,420,541	15,573,567	1.0%
Full-Time Equivalents (FTEs)	-	-	-	-	-

Budget Summary by Fund

	2006 Revised	2007 Budget
Expenditures		
Bond and Interest	15,427,527	15,574,819
Total Expenditures	15,427,527	15,574,819



Budget Year	Bonds Outstanding	Principal	Interest	Total
2007	99,910,353	9,503,722	4,209,411	13,713,133
2008	90,406,631	9,218,690	3,826,388	13,045,078
2009	81,187,941	8,778,852	3,452,877	12,231,729
2010	72,409,089	8,084,211	3,112,361	11,196,572
2011	64,324,878	7,409,778	2,792,847	10,202,625
2012	56,915,100	7,315,559	2,489,946	9,805,505
2013	49,599,541	6,986,564	2,181,137	9,167,701
2014	42,612,977	6,492,800	1,880,268	8,373,068
2015	36,120,177	6,204,277	1,598,660	7,802,937
2016	29,915,900	5,621,004	1,329,523	6,950,527
2017	24,294,896	5,712,990	1,083,615	6,796,605
2018	18,581,906	5,950,248	831,069	6,781,317
2019	12,631,658	2,632,784	563,716	3,196,500
2020	9,998,874	2,780,612	445,863	3,226,475
2021	7,218,262	2,783,741	319,094	3,102,835
2022	4,434,521	2,202,185	190,898	2,393,083
2023	2,232,336	810,954	91,891	902,845
2024	1,421,382	791,382	59,064	850,446
2025	630,000	630,000	26,460	656,460
Total		99,910,353	30,485,088	130,395,441

* This table represents issued debt as of 06-01-2006 and excludes the principal and interest payment anticipated for general obligation bonds not yet issued to finance the expansion of the Detention Facility and special assessments

Direct Debt

As of June 1, 2006

	Issue Date	Maturity Date	Principal Outstanding
Current Principal Outstanding			
Special Assessments			
Series A 1992	9/1/1992	2007	100,000
Series A 1997	8/1/1997	2012	2,380,000
Series A 1998	4/15/1998	2012	820,000
Series B 1998	8/1/1998	2013	1,935,000
Series A 1999	8/1/1999	2014	3,660,000
Series A 2000	8/1/2000	2015	2,785,000
Series A 2001	8/1/2001	2016	1,530,000
Series A 2002	8/15/2002	2017	205,000
Series A 2003	8/15/2003	2018	155,000
Series A 2005	6/1/2005	2020	1,395,000
			<u>14,965,000</u>
General Obligation			
Series A 1997	8/1/1997	2007	480,000
Series A 1998	4/15/1998	2018	19,080,000
Series B 1998	8/1/1998	2008	1,380,000
Series A 1999	8/1/1999	2009	2,220,000
Series A 2001	8/1/2001	2021	7,490,000
Series A 2002	8/15/2002	2022	25,285,000
Series A 2003	8/15/2003	2018	13,485,000
Series A 2005	6/1/2005	2025	12,325,000
State Revolving Loan	1/5/2005	2024	3,200,353
			<u>84,945,353</u>
Total Principal Outstanding:			<u>99,910,353</u>
Total Direct Debt:			<u>\$99,910,353</u>



DIVISION OF FINANCE
BUDGETED TRANSFERS
AND
OPERATING RESERVE

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Contingency Reserves consists of the County’s Budgeted Transfers and the Operating Reserve.

- Budgeted Transfers represent funding that will either be held in reserve or transferred into other functions.

General Contingency:

- \$4,298,017 as shown in the personnel category, will be held in reserve to stabilize the County’s self-insured health and life insurance program.
- \$1,000,000 in general contingency is reserved for Workforce Development enhancements and service expansion.
- \$4,068,019 is allocated in the category of contractual services as a general contingency reserve to support County operations.

Housing Assistance:

- \$101,836 is allocated for Housing Assistance in the category of contractual services.

Risk Management:

- \$1,320,076 is allocated for transfer to the Risk

Management Reserve Fund. Risk Management services, which include the procurement of property/liability insurance and employee safety training, are primarily funded through this transfer.

- The Operating Reserve is comprised of funding set aside to address potential changes in service delivery and establish a funding source for services whose scope or full cost are undefined at the time the budget is adopted. Allocated funding to the Operating Reserve is assigned to four different categories based on the organizational unit the funding is intended to support. They include:

- BOCC (Board of County Commissioners) Contingency
- Public Safety Contingency
- Economic Development Incentives
- Operating Contingency

Both the BOCC and Operating Contingencies represent funding to address unanticipated costs due to public

Budget Summary by Category

	2005 Actual	2006 Adopted	2006 Revised	2007 Budget	% Chg. 06-07
Expenditures					
Personnel	-	4,298,017	4,135,948	3,217,029	-22.2%
Contractual Services	6,744	10,271,577	5,425,116	9,147,870	68.6%
Debt Service	-	-	-	-	-
Commodities	15,238	96,720	96,720	96,720	0.0%
Capital Improvements	-	-	-	-	-
Equipment	-	180,068	180,068	180,068	0.0%
Interfund Transfers	6,149,531	1,477,327	1,477,327	1,380,385	-6.6%
Total Expenditures	6,171,513	16,323,709	11,315,179	14,022,072	23.9%
Revenue					
Taxes	2,599,449	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges For Service	-	-	-	-	-
Other Revenue	(10,000)	-	-	-	-
Total Revenue	2,589,449	-	-	-	-
Full-Time Equivalents (FTEs)	-	-	-	-	-

Budget Summary by Fund

	2006 Revised	2007 Budget
Expenditures		
General Fund	11,298,883	14,022,072
Misc Grants	16,296	-
Total Expenditures	11,315,179	14,022,072



Budget Summary by Program

Program	Expenditures					Full-Time Equivalents (FTEs)			
	2005 Actual	2006 Adopted	2006 Revised	2007 Budget	% Chg. 06-07	2006 Adopted	2006 Revised	2007 Budget	% Chg. 06-07
Budget Transfers	6,149,531	9,832,282	7,482,698	8,654,352	15.7%	-	-	-	-
Operating Reserve	21,982	702,720	657,516	702,720	6.9%	-	-	-	-
BOCC Contingency	-	515,000	352,021	515,000	46.3%	-	-	-	-
Pub Safety Contingency	-	4,123,707	1,672,944	3,250,000	94.3%	-	-	-	-
Economic Dev. Reserv	-	1,150,000	1,150,000	900,000	-21.7%	-	-	-	-
Total	6,171,513	16,323,709	11,315,179	14,022,072	23.9%	-	-	-	-

emergency, service expansion or State mandates. Recent years have produced an increasing number of mandates that would not have been met absent this funding source.

The Public Safety Contingency represents funding reserved for both unanticipated operating costs resulting from a public emergency or State mandates, in addition to funding Public Safety services whose full cost can't be precisely estimated due to variances in uncontrollable variables or changes in service composition. The majority of the Public Safety Contingency has been designated to support the Sedgwick County Sheriff's Adult Detention Facility.

Over the past several years, the issue of overcrowding in the Adult Detention Facility has confronted this community. Combined with unfavorable changes to State sentencing guidelines and a growing population base, the capacity of the Detention Facility continues to be inadequate to serve the full jail population. Consequently, the County has relied on the placement of inmates in other facilities, also known as Out-of-County Housing, to satisfy the demand for jail beds. In 2006, a contract for Design of a Remodel and Expansion of the facility was awarded. Funding for the Construction Phase of the project is part of the 2007 Capital Improvement Program.

In late 2003, Sedgwick County received a comprehensive report from the Institute for Law and Policy Planning outlining issues and options to address capacity in the Adult Detention Facility. Upon completion of the report, the County also formed the Criminal Justice Coordinating Council (CJCC) in early 2004. The Council is comprised of various leaders in the criminal justice system and was assigned the task of studying and recommending options to serve the jail population.

The CJCC continues to address this important task and are currently formulating recommendations. In 2006 a day reporting program was implemented. For 2007, the Public Safety Contingency includes \$4.0 million to

implement CJCC recommendations and other options to address capacity issues at the Adult Detention Facility and support Out-of-County Housing and Medical Services in the Adult Detention Facility.

In both 2005 and 2006, \$1.15 million was budgeted for economic development incentives. The 2007 Budget includes \$900,000 for this purpose. 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. In 2006, the Board of County Commissioners approved the Jabara Campus to support a technical training program. These efforts will help to provide a diverse, trained workforce and an inviting environment for businesses.

