

On August 9, 2006 the Board of County Commissioners adopted the 2007 recommended budget of \$365,353, 193 as recommended by the County Manager. Composing the budget is a yearlong process that converts strategic plans and community needs into a one-year spending plan. The adopted budget allocates public resources to fund essential services to assist citizens in need, cultural and recreational opportunities, maintain and improve our transportation infrastructure, and provide for a safe community.

The adopted budget maintains the property tax rate for Sedgwick County Fire District #1 at 18.556 mills and calls for an increase of 2.547 mills to 31.305 for Sedgwick County.

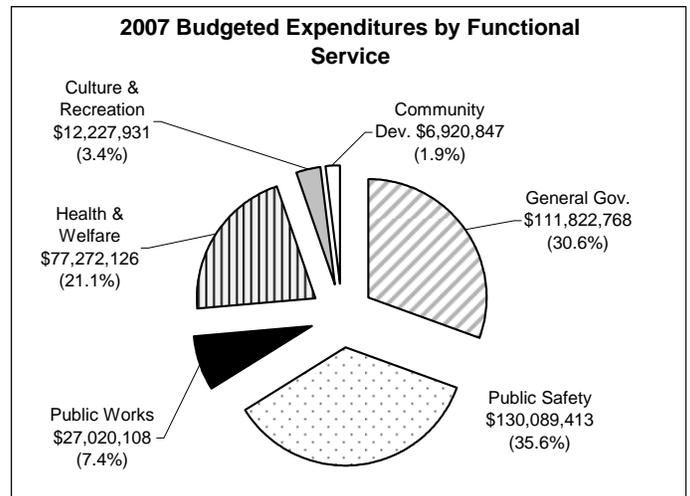
Of all 105 Kansas counties, Sedgwick County’s property tax rate, expressed as mills, for the 2005 budget year was the fourth lowest, as reported by the League of Kansas Municipalities. As demonstrated in the table below, the last property tax increase in Sedgwick County occurred in 1998 under similar circumstances to the adopted increase for 2007. At that time, the County was completing an expansion to the Adult Detention Facility. In 2007, as outlined in the County Manager’s Message beginning on page i, the recommended increase allows Sedgwick County to continue to perform two fundamental responsibilities of local government, “protecting people” and “investing for jobs”.

Sedgwick County - Property Tax Rates

Budget Year	Property Tax Levy (mills)	Change
1997	28.061	
1998	30.196	2.135
1999	29.638	-0.558
2000	28.671	-0.967
2001	28.600	-0.071
2002	28.654	0.054
2003	28.776	0.122
2004	28.817	0.041
2005	28.763	-0.054
2006	28.758	-0.005
2007	31.305	2.547

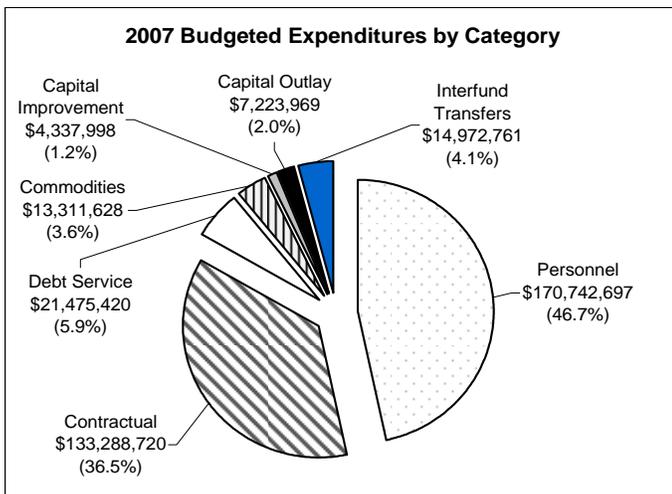
Budgeted Expenditures

The 2007 budget of \$365.3 million for All Funds represents a \$16.8 million or 4.8 percent increase from the 2006 revised budget. The 2007 budget is divided into six functional service sections based on the type of public service delivered. These functional services include: General Government, Public Safety, Public Works, Health and Welfare, Culture and Recreation and Community Development.



Of the six functional areas, the largest increase from the 2006 revised budget occurred in Public Safety (\$7.0 million) followed by General Government (\$5.8 million). The increase in General Government is largely a function of the County’s internal budgeting practices. Each year, the County budgets approximately \$14.0 million in Contingency Reserves (pg. 81) to address changes in service delivery or emergency needs. As the County has pursued the implementation of both Jail Alternative programs and the Workforce Development efforts, the budget authority from Contingency Reserves has consequently been transferred to other functional areas, such as Public Safety and Community Development as reflected in the 2006 revised budget. However, the 2007 budget restores a similar amount of budget authority, consequently presenting an increase in the General Government budget when comparing the 2006 revised budget to the 2007 adopted budget. Absent this internal budgeting practice, General Government’s budget would have increased by 3.6 percent.

The County’s financial structure also includes seven primary expenditure categories as outlined below.



Of these categories, the largest is personnel with a 2007 adopted budget of \$170.7 million. The growth in the personnel budget is influenced by a number of variables. These include increases in employee health benefit costs, increases in retirement rates with the Kansas Public Employees Retirement System and the employee compensation plan.

The 2007 employee compensation plan continues the strategic plan adopted in 2005. This plan was built on a philosophy to support the County’s Mission to encourage excellence in public service; be perceived as fair, both internally and within prevailing markets; and provide equitable incentives, holding employees accountable for results and rewarding high performance. In 2007, Phase I of Performance-Based Merit Pay will begin for six pilot departments. In the future, Phase II and III will expand this program organization-wide.

Strategic Compensation Plan:

2006

- ⇒ Performance Based Merit Pay for Leadership Team and Sheriff’s Office
- ⇒ Customer Service and Outstanding Performance Recognition Award Programs
- ⇒ Adjustments to compensation structure as needed
- ⇒ Employee General Pay Adjustment

2007

- ⇒ Performance Based Merit Pay for Leadership Team and Phase I Pilot. Departments: Register of Deeds, Department of Corrections, Code Enforcement, Environmental Resources, Sheriff Clerical and Fire Management
- ⇒ Begin phase out of Customer Service and Outstanding Performance Award Programs
- ⇒ Adjustments to compensation structure as needed

- ⇒ General Pay Adjustment for employees not participating as a Pilot for Performance-Based Merit Pay

2008

- ⇒ Performance-Based Merit Pay for Leadership Team and Phase I, II and III Pilot groups
- ⇒ Customer Service and Outstanding Performance Award Programs phased out
- ⇒ Adjustments to compensation structure as needed
- ⇒ General Pay Adjustment for employees not participating as a Performance-Based Merit Pay Pilot

2009

- ⇒ County-wide Performance-Based Merit Pay
- ⇒ Adjustments to compensation structure as needed

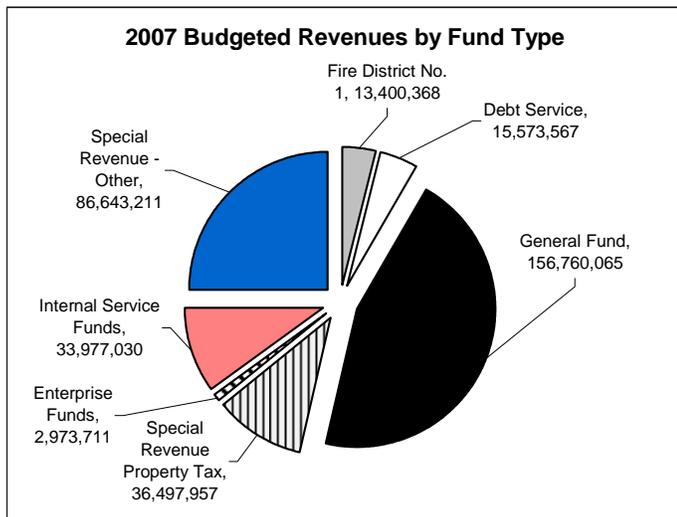
The 2007 adopted budget continues this strategic plan with a four percent salary pool that will be allocated through a general pay adjustment, continuation of both the Customer Service Recognition Awards Program and Outstanding Performance Recognition Program, which gives a monetary award for exemplary performance and significant contributions, and compensation structure adjustments.

A four percent salary pool will be utilized to fund the compensation plans for the established Performance-Based Merit Pilot groups (Sheriff, Register of Deeds, Department of Corrections, Code Enforcement, Environmental Resources and Fire Management) and the County Leadership Team (six executive staff reporting directly to the County Manager) who will continue to experience the Performance-Based Merit Pay Plan. The Leadership Team and the Pilot groups will not be eligible for the General pay adjustment or either of the Recognition Award Programs.

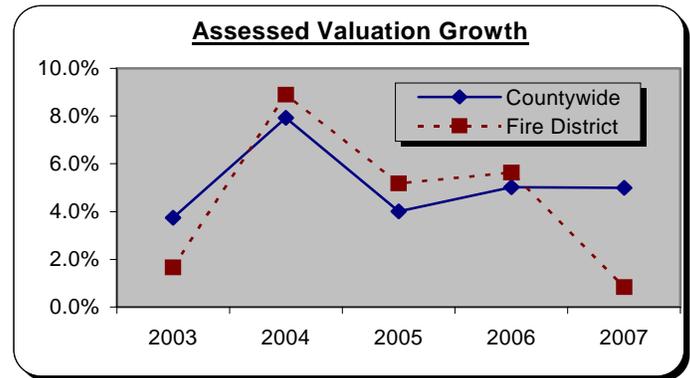
Budgeted Revenue

The 2007 budget is comprised primarily of five different fund types. They include the General Fund, Special Revenue Funds, Internal Service Funds, Enterprise Funds and Federal/State Assistance Funds. Of these, the largest is the General Fund, which totals \$156.8 million or 45.7 percent of total revenue. The General Fund is the primary funding source for the majority of County services. Some of these services include the County Sheriff, District Attorney, Community Development and Financial Management. The second largest fund type is Special Revenue Funds. These Funds were established to account for certain revenue sources, which can only be expended for specific purposes. Some of the County services funded through Special Revenue Funds include:

Emergency Medical Services, Noxious Weeds, and mental health services through COMCARE. For the 2007 adopted budget, revenue collections through Special Revenue Funds are budgeted at \$36.5 million.



The following graph displays annual changes in assessed valuation from 2003 to 2007. For 2007, the assessed valuation for Sedgwick County is estimated to increase by approximately 5.0 percent and 0.84% for Fire District No. 1. The decrease in the assessed valuation of Fire District No. 1 results from the City of Eastborough electing to no longer receive services from Fire District No. 1 and reductions in personal property valuations.



Property Taxes

Property taxes play a vital role in financing essential public services. Property tax revenues are primarily used to fund services countywide in the General Fund and various special revenue funds that do not have the capacity to self-finance their services, in addition to retiring the County’s long-term debt on capital projects for facilities and infrastructure. In addition, the County also levies a property tax in the Fire District. This reliable revenue source has no attached mandates, as many other state and federal revenues often do.

Capital Planning and Budgeting

Sedgwick County’s five-year Capital Improvement Program (CIP) includes the building, remodeling, and repairing of public facilities and infrastructure systems. This long-range CIP planning process began in 1982 with the goal of facilitating area-wide economic development by updating the County’s roads, bridges, and drainage systems, as well as maintaining facilities. It is a dynamic plan that specifies the capital spending budget for the 2007 budget year and projects it for 2008 through 2011, the planning years of the program.

The countywide property tax rate has remained steady for several years, but the recommended budget calls for an increase of 2.547 to 31.305 mills. The increase is recommended to fund an expansion of the Sheriff’s Adult Detention Facility, the construction of a technical training facility at the Jabara Airport, continue supporting Affordable Airfares, and other essential public services. For the Fire District, the mill levy rate remains virtually unchanged at 18.556 mills in the 2007 adopted budget.

Total planned 2007 capital spending is \$52,396,977, an increase of \$8,303,595 from the 2006 Capital Budget. The 2007 program continues to support the County’s commitment to maintain and improve its facilities and infrastructure including roads, bridges and drainage. 2007 projects include:

- Remodel and expansion of the Adult Detention Facility
- Phase I of fire station relocations, construction of Fire Stations 36 and 39
- Recondition 119th St W from 29th to 53rd St N
- Bridge work at 61st St N between Broadway & Seneca and between 61st St & 69th St N

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