

EXECUTIVE SUMMARY

**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 its facilities. It is a dynamic plan that specifies the capital spending budget for the 2006 budget year and projects it for 2007 through 2010, the planning years of the program.

Total planned 2006 capital spending is \$44,093,382, an increase of \$20,112,648 from the 2005 Capital Budget. The 2006 program continues to support the County's commitment to maintain and improve its facilities and infrastructure including roads, bridges and drainage. 2006 projects include:

- Construction of an annex for the Regional Forensic Science Center to help meet increased demand for services
- Widening of 13<sup>th</sup> Street to four lanes between K-96 and 159<sup>th</sup> Street East
- Replacement of the bridge on MacArthur between Hoover and Ridge
- Purchase of Right of Way, together with the City of Wichita and KDOT, for the Northwest Bypass

That commitment to maintaining and upgrading existing County-owned facilities is a major focus of this CIP. Since many County-owned buildings are 25 to 50 years old, careful evaluation of and investments in mechanical systems and roof replacements to maintain building integrity will continue. The Courthouse Bond that included projects in the 2002, 2003, 2004 and 2005 Capital Improvement Program addressed many of those needs within the immediate Courthouse Complex. Examples in this CIP include roof and parking lot replacements, as well as air conditioning and control system replacements.

The largest project contained in the 2006 CIP will be the construction of the Juvenile Court Facility. This project estimated at \$10,900,000 is one of three enhancements to expand capacity at the Juvenile Complex to allow treatment of juvenile offenders at home rather than housing some of them out of county.

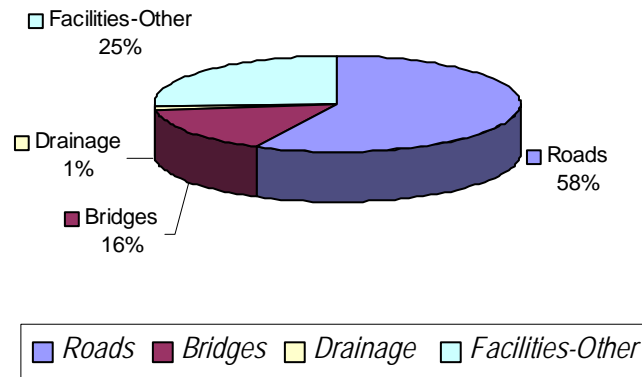
The CIP is funded on a year-by-year basis either with annual operating revenues from property tax, sales tax, liquor tax, and gasoline tax or by issuing bonds. Those bonds are repaid with debt service payments over a period of years. The actual timing of bond issues proposed to fund a portion of this CIP plan may vary, depending on interest rates and other priorities. The following table shows those funding sources for 2006 and for the five-year program.

Facilities	2006	2006-2010
Cash	1,191,421	12,841,815
Bonds	16,523,586	28,929,727
Total	17,715,007	41,771,542
Infrastructure (Roads, Bridges & Drainage)		
Cash	0	2,525,000
Local Sales Tax	17,965,625	62,079,125
Bonds	4,000,000	21,990,000
Other	4,412,750	43,532,750
Total	26,378,375	130,126,875
Grand Total	44,093,382	171,898,417

### **Fund Sources for the 2006-2010 Capital Improvement Program**

The pie chart below further illustrates how the CIP five-year total spending of \$171,898,417 is allocated. Facility projects account for 25 percent of that amount. Improvements to the County's infrastructure make up the remaining 75 percent of the total.

### **Selected 2006-2010 CIP Expenditures by Category**



### **The CIP Process:**

In 1999, the CIP process was further refined to ensure realistic project planning and support priorities of the County. That process has continued with minor modifications through the 2006-2010 planning phase. Consistent with prior years, the CIP was reviewed as the planning for the previous cycle ended. Facility Project Services assisted departments in developing new or updating current projects, obtaining accurate estimates, determining potential impact on the operating budget and submitting project requests for the next five years. These requests were then forwarded to their respective division directors to prioritize. Those prioritized requests, in turn, were then forwarded to the Budget Department for consolidation and were then presented in a draft five-year plan to the CIP committee early in the year.

This list of requests was initially unconstrained. After several meetings that included presentations from departments and divisions on their respective projects, the CIP Committee prioritized each facility and drainage project and developed a rank order listing. This priority is reflected in the project listing order on the CIP Facility Project spreadsheet that follows this executive summary. Special emphasis was given to projects initiated in previous years, projects that require system replacements or are intended to prevent building deterioration. These projects typically receive priority over remodeling or new construction projects. The impact of moderate revenue growth and competing new operational requirements to the county continues to be a concern and the committee recommended cash funding in the 2006 CIP at approximately half of the pre-2001 funding levels. A similar process was followed for road and bridge projects, both funded primarily from a different source, a one-cent local sales tax. The County Manager then reviewed and recommended the CIP to the Board of County Commissioners for approval.

For the 2006-2010 CIP, the CIP Committee consisted of Chris Chronis, Chief Financial Officer and Committee Chair; David Spears, Public Works Director; Bob Lamkey, Public Safety Director; Ron Holt, Assistant County Manager; John Schlegel, Director of Planning, Metropolitan Area Planning Department; and Kathy Sexton, Assistant County Manager. Facility Project Services and the Budget Department provided staff support.

**Watch Lists:**

The watch list is used to identify and monitor potential projects that are not yet fully defined either in scope or in cost. In some cases, those projects may not yet meet one or more established criteria, such as customer thresholds or traffic counts. Use of the watch list helps ensure these projects remain visible while keeping planning efforts focused on the current five-year program. If appropriate, each watch list follows its respective portion of the CIP in the spreadsheet.

**Project Execution and Prior Year Projects:**

Prior year approved projects that staff anticipates will not be completed by the end of the 2006 calendar year receive careful review throughout the year. Those projects are also listed in the spreadsheets following the Watch List. Projects that are superseded or unable to be accomplished due to changed circumstances are recommended for cancellation and their corresponding funding returned to the general fund with Board of County Commission approval. Most notable among these prior year projects is the Sedgwick County Arena approved by voters in November of 2004. The project will be funded by the proceeds from a one-cent countywide sales tax that will run from July 1, 2005 thru December 30, 2007, a period of thirty months.

**Impact on the Operating Budget:**

The 2006 County Operating Budget includes \$15.4 million in debt service for payment of long term debt used to finance past capital spending, \$19.2 million in cash supported (sales tax and property taxes) capital projects and \$2.9 million in lease payments to the Public Building Commission (PBC) for facilities financed through PBC. Sedgwick County PBC financed projects include Exploration Place, the Sedgwick County Public Works facility, and the Juvenile Detention Facility, which is currently under construction. Approximately 13.5 percent of the County's legal budget of \$220 million is for capital improvements.

The impact of the CIP on the County Operating Budget for 2006 remains manageable. The new Juvenile Detention Facility will be completed in early 2006. Additional staff members are included in this budget. The Public Safety Center is expected to be completed later in 2006 and will result in only modest increases to staff. In Public Works, the use of Novachip® paving technique continues to be evaluated in various projects for its potential in extending portions of the Public Works highway maintenance cycle past the current five-year interval. A similar, although less expensive process, that Public Works staff has named Ultrathin Rubberized Surface Seal will be funded as part of the 2006 CIP, applied by county forces and also evaluated for long-term durability. Elsewhere in the County, emphasis continues to be on maintaining and improving current County facilities to enhance efficiency and effectiveness.

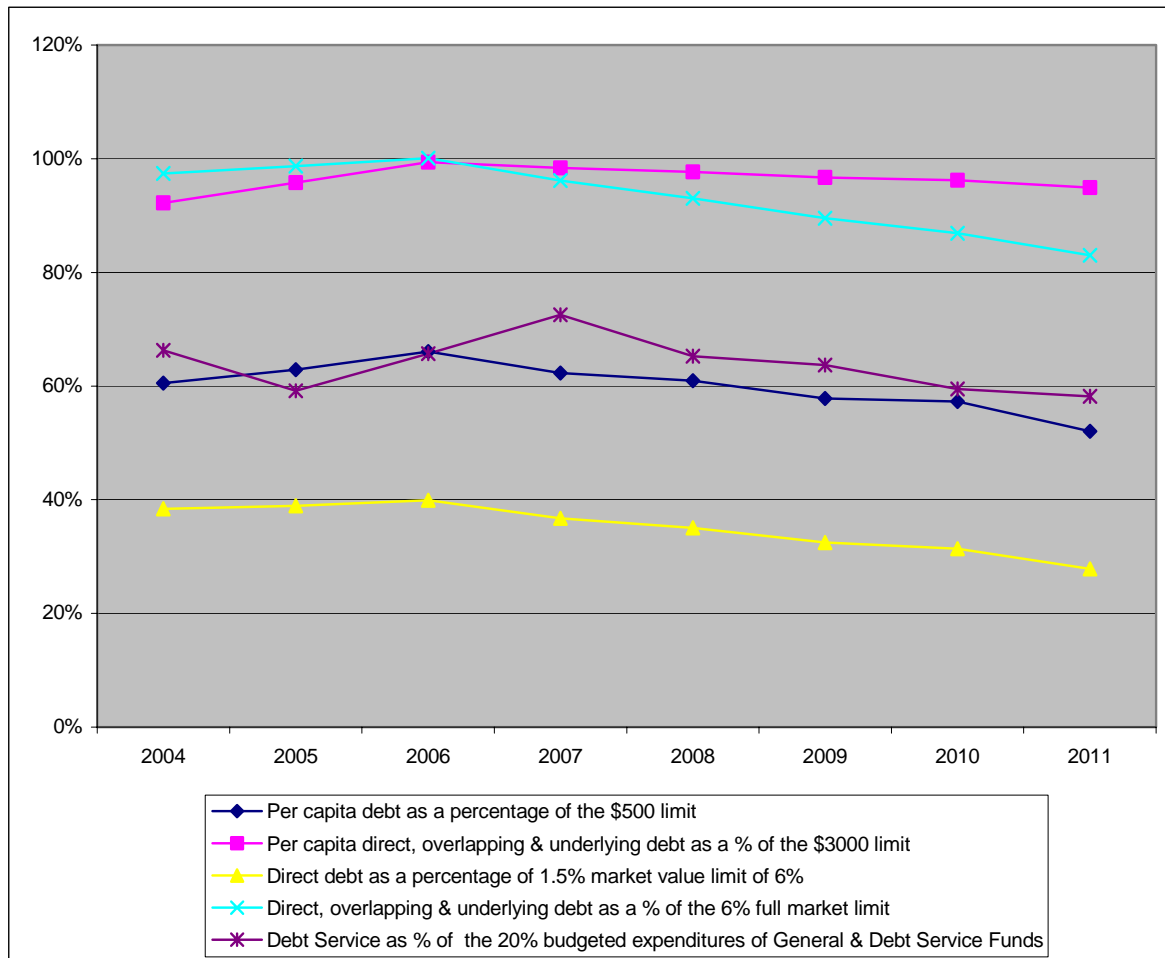
**Debt Limits:**

On July 16, 2003 the Sedgwick County Commission adopted a revised debt policy amending the policy originally adopted in 1991 and revised in 1998. The previous policy limited total outstanding debt to an amount not to exceed 5 percent of assessed value. The new policy adopted a series of limitations that are more consistent with measures used nationwide by bond rating agencies and in the financial markets. Specifically, the policy states:

1. Per capita debt will not exceed \$500.
2. Per capita direct, overlapping and underlying debt will not exceed \$3,000.
3. Direct debt as a percentage of estimated full market value will not exceed 1.5 percent.
4. Direct, overlapping and underlying debt as a percentage of estimated full market value will not exceed 6 per cent.
5. Annual debt service will not exceed 20 per cent of budgeted expenditures of the General Fund and Debt Service fund.

The following chart illustrates that the 2006-2010 conforms to the new policy. Projections reflect all

known projects. Two measures show that combined debt for all local government entities is near the established limits in 2006. A principal factor for this is the April 2000 school bond issue to upgrade facilities throughout Unified School District 259.



### State Mandates:

State law (K.S.A. 68-506f) requires counties to maintain streets in cities of less than 5,000 population which form connecting links in the County road system and highways included in the secondary road system or in the system of County minor collector roads and highways. This state mandate requires Sedgwick County to maintain such roads in all cities within the County except for Bel Aire, Valley Center, Derby, Haysville, Park City, and Wichita. According to state law, these cities are large enough that they are expected to maintain their own streets and highways. These cities receive an annual maintenance fee per lane-mile to maintain state highway connecting links within their city limits.

### The 2030 Long Range Transportation Plan (LRTP):

The LRTP addresses all common modes of transportation including automobile, transit, bicycle, and walking. Aviation/airport access, rail transportation, freight movement, and intermodal transportation issues as well as the safety and security of the transportation system are also included. In 1999, the 2030 Transportation Plan updated the basic 2020 plan. The 2020 Transportation Plan is an element of the Comprehensive Plan prepared by the Metropolitan Area Planning Department and was approved by the Board of County Commissioners on December 7, 1994. It addresses the planning period from 1993 to 2020. Several key

mobility issues in Wichita and Sedgwick County highlighted in the basic plan include:

- The need to improve the freeway system, especially Kellogg (US 54)
- Congestion on arterial streets and intersections
- Frequent traffic stoppages at train crossings
- The need for crossings over the Wichita/Valley Center Floodway and I-235
- The number of County bridges with posted weight limits
- Low commuter usage of the turnpike on the southeast side of the City of Wichita

Also of note in the 2020 Transportation Plan is the following highlights:

- Maintenance costs from 1993 to 2020 are estimated to be \$307 million for Sedgwick County and \$182 million for Wichita (in 1994 dollars). Sedgwick County's costs are significant due to the large backlog of bridges needing reconstruction and the extensive paved road system that are to be reconditioned over the 27-year planning period.
- The purpose of the County Road System is to:
  1. Connect cities in Sedgwick County to each other;
  2. Connect to other cities in adjoining counties;
  3. Provide modern all-weather farm-to-market roads;
  4. Generally provide for quick, efficient movement across the County in all directions.

The 2030 update accomplished in 1999 provided several important revisions to the basic plan. It identifies system changes made in the first five years of the plan (1994-1999), examines the traffic problems in 1997, and identifies those sections on major arterial streets that experienced high traffic demand beyond the desired service levels in 1997 and are consequently identified as areas of congestion. It details proposed improvements between 2000 and 2030, and potential residual problems and anticipated financing requirements from various sources.

In 2005, the Metropolitan Planning Organization has again updated the 2030 Long Range Transportation Plan (LRTP). This update, approved on August 25, 2005, will refresh and enhance the value of the plan as a tool for public and private decision makers. It also will continue to help public policymakers make cost effective transportation-related decisions, and will aid business owners and individuals in developing or selecting locations that are suitable for business or residence.

### **How the CIP Addresses State Mandates and the 2030 Plan:**

Sedgwick County's 2006-2010 Capital Improvement Program addresses many of the significant transportation issues noted in the latest revision to the 2030 Transportation Plan. The CIP also fulfills the County's responsibility to maintain existing paved roads in the County and its statutory duty to maintain connecting links in most cities in the County. A few examples in the planning years of the plan include:

- Completion of widening of 63<sup>rd</sup> St from the Butler County Line to Hydraulic in 2007
- Widening of Meridian from 47<sup>th</sup> to 71<sup>st</sup> St South
- Widening of 21st Street from the Butler County line to K-96 in 2008

The Division of Public Works constantly monitors traffic on arterial streets and at intersections. The priority of various CIP projects is adjusted according to this changing traffic information. The need to cross over the floodway continues to be recognized in the latest update to the 2030 plan, and significant County efforts have been put into identifying possible solutions. The CIP also includes an aggressive replacement program for bridges with posted weight limits. The following table demonstrates the number of bridges with their construction phase in the designated year.

**Planned CIP Bridge Construction**

2006	2007	2008	2009	2010	Watch List	Total
6	8	7	5	6	0	32

The County continues to support efforts on obtaining state funding for projects to address other issues identified in the 2030 plan, such as the freeway system and crossings over the floodway. The following pages provide an individual summary and detailed information for each project approved by the Board of County Commissioners.