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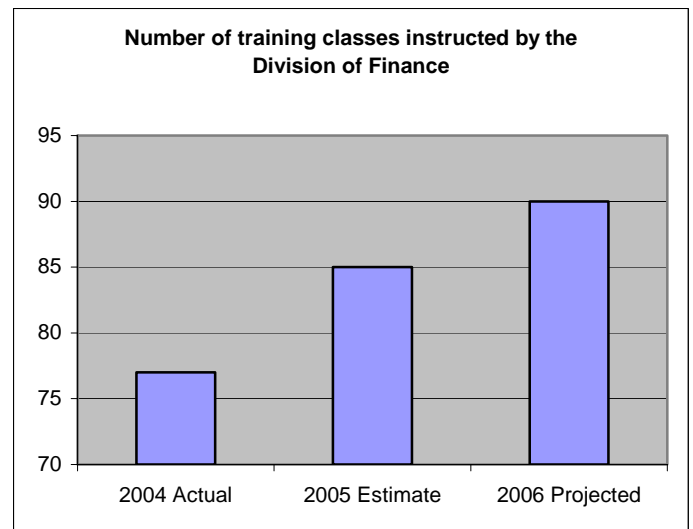
Mission:

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

The Division of Finance is responsible for all aspects of the County's financial management with the exception of tax collection, which is done by the County Treasurer. To assure the County's financial resources are properly utilized in an efficient and effective manner, four departments comprise the Division. They include: Accounting, Budget, Purchasing, and Risk Management. The Division of Finance is also extensively involved in the County's Enterprise Resource Planning (ERP) project. The ERP project has replaced the County's current financial data system and improved the delivery of services to the County's citizenry. A planned enhancement to the system will begin in 2005. This enhancement will include inventory, budget development and management reporting capabilities.

The Division of Finance (DOF) will be responsible for training all County employees involved with conducting financial business using the SAP system. This will be a mandatory refresher course covering funds management, purchasing, and the accounts payable process. The DOF will continue payroll audits on all County departments to ensure compliance with the Fair Labor Standards Act

(FLSA) and County time reporting policies. This involves auditing payroll records and interviewing ten percent of all County employees.



Changes in the Purchasing and Accounting departments in the 2005 budget resulted in an increased number of

Budget Summary by Category

	2004 Actual	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06
Expenditures					
Personnel	2,194,848	2,459,864	2,459,864	2,552,797	3.8%
Contractual Services	3,258,087	2,816,702	2,805,402	3,018,485	7.6%
Debt Service	-	-	-	-	-
Commodities	37,112	35,380	45,044	35,744	-20.6%
Capital Improvements	-	-	-	-	-
Equipment	14,414	9,000	10,636	9,000	-15.4%
Interfund Transfers	-	-	-	-	-
Total Expenditures	5,504,461	5,320,946	5,320,946	5,616,026	5.5%
Revenue					
Taxes	101,991,877	105,255,450	105,255,450	109,612,299	4.1%
Intergovernmental	106,992	112,583	112,583	115,962	3.0%
Charges For Service	1,367,171	1,210,846	1,210,846	1,476,173	21.9%
Other Revenue	11,623,152	8,426,300	8,426,300	11,172,717	32.6%
Total Revenue	115,089,191	115,005,179	115,005,179	122,377,151	6.4%
Full-Time Equivalents (FTEs)	33.00	36.00	36.00	37.00	2.8%

Budget Summary by Fund

	2005 Revised	2006 Budget
Expenditures		
General Fund	2,715,940	2,783,619
Risk Mgmt Res	1,389,935	1,348,807
Work Comp	1,215,071	1,483,600
Total Expenditures	5,320,946	5,616,026

Budget Summary by Program

Program	Expenditures					Full-Time Equivalents (FTEs)			
	2004 Actual	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06
CFO	474,741	463,576	463,576	532,166	14.8%	4.00	4.00	5.00	25.0%
Budget	387,767	446,630	446,630	429,578	-3.8%	6.00	6.00	6.00	0.0%
Accounting	1,033,597	1,224,346	1,224,346	1,220,059	-0.4%	14.00	14.00	14.00	0.0%
Purchasing	489,182	581,388	581,388	601,817	3.5%	8.00	8.00	8.00	0.0%
Risk	3,119,174	2,605,006	2,605,006	2,832,407	8.7%	4.00	4.00	4.00	0.0%
Total	5,504,461	5,320,946	5,320,946	5,616,026	5.5%	36.00	36.00	37.00	2.8%

FTEs in the Division. The Purchasing Department had one Purchasing Agent deleted in the 2004 budget that was later restored in 2005. Also in 2005, Accounting eliminated the Cash Debt Manager allowing the creation of two Principal Accountant positions and an additional Accounting position was created to manage and sell surplus property through internet auctions.

A new Financial Training Coordinator position is included in 2006 in the CFO's budget. The position will be responsible for coordinating training to improve understanding of business processes and how these processes relate to the County's ERP system.

Revenues displayed in the Division of Finance include all tax revenue deposited into the General Fund. These revenues support all General Fund departments in Sedgwick County. Due to the way this revenue is recorded, all other departments in the General Fund will not display tax revenue on their individual department page. However, the funding source of the expenditures

will be indicated on the pages under "Budget Summary by Fund."

Sedgwick County received an unqualified opinion on the audit for the calendar year ending December 31, 2004. An unqualified opinion is the highest opinion an entity can receive. In non-accounting terms, there are three principal questions the auditors look to answer that the County successfully satisfied. They are:

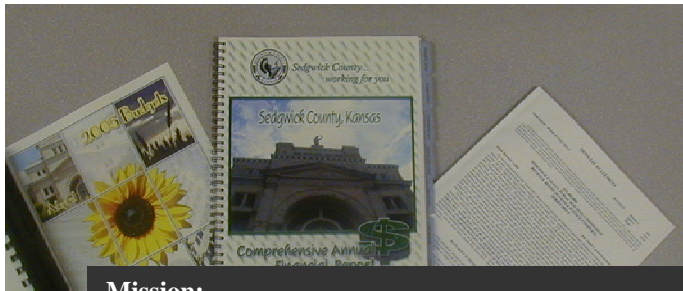
- Are the financial statements fairly stated in accordance with general accepted accounting principles and can the governing body rely on those?
- Are there adequate internal controls in place over the financial affairs of the County and do they function?
- Did Sedgwick County comply with the law as related to materiality in the financial statements?

Department Performance Measures and Goals

Type of Measure	Performance Measure	2004 Actual	2005 Est.	2006 Proj.
Input: Resources needed to produce a unit of output	Number of DOF FTEs	32	37	38
	DOF FTEs involved with training classes	7	7	7
Output: Amount of product or service provided	Number of training classes instructed by the DOF	77	85	90
Efficiency: Inputs consumed to produce a unit of output	Number of classes per instructor	11	12	13
Service Quality: Client satisfaction, and timeliness	Percent of on-line survey results good or excellent	n/a	75%	80%
	Percent of employees earning customer service recognition awards	n/a	80%	90%
Outcome: Qualitative consequence associated with the service	Percent of departments achieving outcomes within the Division	n/a	75%	80%

Goals:

- Provide accurate, timely analysis and data to those who need it to make good decisions
- Deliver financial management services of the highest quality possible within the applicable resource and time constraints
- Ensure all County employees are adequately trained using the SAP financial system
- Continuously improve the timeliness and quality of information and services provided by the Finance Division



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Mission:

- ❑ To allocate resources for basic and essential services while maintaining long-term financial health for Sedgwick County.

The Chief Financial Officer (CFO) supervises the Accounting, Budget, Purchasing, and Risk Management departments; serves as financial advisor to the County Manager and County Commissioners; and conducts various special studies on financial projects. His direct staff monitors activity and budget status of the four departments in the Finance Division, administers the County's credit card policy, prepares financial reports, provides reception for the central Finance Office, and procures most goods and services used throughout the Division. Expenditures for contractual services are primarily used to pay for auditing services.

The CFO is responsible for strategic financial planning and debt issuance, as well as developing and monitoring compliance. Established procedures, policies, and financial controls are the tools used to monitor compliance. Sedgwick County's financial plan is a tool for the County Commission and management. It enables decision makers to evaluate potential capital projects and operating budget initiatives in the context of the County's ability to pay for them. This long-term planning ensures informed financial decisions.

Adopted Program Enhancements

Item:	Amount:
• Financial Training Coordinator	52,485
Total	52,485

Rating agencies evaluate the credit quality of bonds and other financial instruments. The excellent bond rating received by Sedgwick County is very important as it shows how well the County is run. It shows excellent financial management decision-making.

A good bond rating also plays an important part in the County getting a lower interest rate on our bond sale. Three FTEs are responsible for compiling the preliminary official statement (POS) used by companies bidding on the bond sale.

Recently, Sedgwick County's sound financial management was recognized when the three major bond rating services reaffirmed our bond ratings. This action was important because better bond ratings reduce the

Budget Summary by Category

	2004 Actual	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06
Expenditures					
Personnel	302,132	316,626	316,626	385,320	21.7%
Contractual Services	162,816	144,330	144,330	144,330	0.0%
Debt Service	-	-	-	-	-
Commodities	9,200	2,620	2,516	2,516	0.0%
Capital Improvements	-	-	-	-	-
Equipment	593	-	104	-	-100.0%
Interfund Transfers	-	-	-	-	-
Total Expenditures	474,741	463,576	463,576	532,166	14.8%
Revenue					
Taxes	101,991,877	105,255,450	105,255,450	109,612,299	4.1%
Intergovernmental	106,992	112,583	112,583	115,962	3.0%
Charges For Service	6,700	-	-	-	-
Other Revenue	6,976,909	1,943,118	1,943,118	5,946,952	206.1%
Total Revenue	109,082,478	107,311,151	107,311,151	115,675,213	7.8%
Full-Time Equivalents (FTEs)	4.00	4.00	4.00	5.00	25.0%

Budget Summary by Fund

	2005 Revised	2006 Budget
Expenditures		
General Fund	463,576	532,166
Total Expenditures	463,576	532,166

interest rate the County pays on future bond issues, and can save taxpayers a considerable amount of money.

Currently, Fitch Ratings has given Sedgwick County its highest rating, AAA. Standard & Poor's has assigned a rating of AA+. This is the second highest rating possible. Moody's Investor Service has given a rating of Aa1, also the second highest rating given. The table below demonstrates the recent history of Sedgwick County's bond ratings:

Rating Agency	2002 Actual	2003 Actual	2004 Actual	2005 Estimate	2006 Projected
Standard and Poor's	AA+	AA+	AA+	AA+	AA+
Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Fitch	AAA	AAA	AAA	AAA	AAA

The CFO's office will implement a new Visa payment process. Those Sedgwick County employees who are issued a county credit card will have the ability to enter payments online. These payments will go directly to Accounts Payable, after authorization, for faster posting to the accounts. The CFO's office will also provide training for this new process.

the Board of County Commissioners in February 1999 and approved by the State of Kansas Pooled Money Investment Board effective October 1, 1999. The policy delegates to the Chief Financial Officer the power to invest "idle funds" not immediately needed to pay the County's bills, and directs the CFO to pursue the objectives of safety, liquidity, and yield.

Another function of the CFO is the oversight of the Division of Finance's role in the County's special assessment policy. Sedgwick County assists developers by constructing infrastructure such as roads and sewers in new subdivisions, and assessing the cost of these improvements to benefit property owners. These charges, called 'special assessments,' may be paid in full at the conclusion of the project but more typically are paid in equal annual installments over a 15-year period. The County's special assessment policy addresses the procedures for establishing and administering special assessments.

The CFO's budget includes the addition of a Financial Training Coordinator position in 2006. This position will be responsible for coordinating training to improve understanding of business processes and how those processes relate to the County's ERP system.

Sedgwick County's investment policy was adopted by

Department Performance Measures and Goals

Type of Measure	Performance Measure	2004 Actual	2005 Est.	2006 Proj.	Goals:
Input: Resources needed to produce a unit of output	Number of employees	4	4	5	<ul style="list-style-type: none"> To support DOF departments in achieving their individual goals Continue to receive the highest bond rating awarded
Output: Amount of product or service provided	Standard & Poor's bond rating	AA+	AA+	AA+	
	Moody's bond rating	Aa1	Aa1	Aa1	
	Fitch bond rating	AAA	AAA	AAA	
Efficiency: Inputs consumed to produce a unit of output	FTEs responsible for compiling POS	3	3	3	
Service Quality: Client satisfaction, and timeliness	Percent of on-line survey results good or excellent	n/a	75%	80%	
	Percent of employees earning customer service recognition awards	n/a	80%	90%	
Outcome: Qualitative consequence associated with the service	Bond issue interest rate divided by AAA interest rate on date of sale	n/a	0.92	0.95	
	Number of bidders on the County's bond issue	n/a	7	5	

**David Miller**

Budget Director

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- To allocate resources for basic and essential services while maintaining long-term financial health for Sedgwick County.

The Budget Office prepares the five-year financial plan, the annual budget, implements operating and CIP budgets, and assists departments with strategic planning and process improvement initiatives. The Office then monitors the County's budget operations during the fiscal year and provides special analysis of budget and financial issues.

In addition, the Budget Office is responsible for the formulation, production and distribution of the County's official budget document. Monitoring and providing revenue projections to the County Manager is also a function of this department.

Sedgwick County has received the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award Program for 21 consecutive years. The Budget Awards Program is designed to encourage governments to prepare budget documents of the highest quality to meet the needs of decision-makers and citizens. Since the program was first established in 1984, participation has grown from 113 to 1,027.

The 2006 budget process began in November 2004 and will end with the finalization of the adopted budget document in September 2005. The process occurred as follows:

November 2004 through February 2005

Budget staff compared revenues with projections and the financial plan was revised based on 2004 actual data.

December 2004 through March 2005

The Technology Review Committee evaluated and ranked Division technology plans based on criteria that focus on technical merit.

December 2004 through March 2005

The Capital Improvement Program committee reviewed all of the requests for projects with significant multi-year benefits (such as building and roads), and ranked projects in order of importance in two categories: facilities and roads/intersections/bridges.

Budget Summary by Category

	2004 Actual	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06
Expenditures					
Personnel	365,677	421,885	421,885	404,833	-4.0%
Contractual Services	18,816	21,504	19,904	21,504	8.0%
Debt Service	-	-	-	-	-
Commodities	3,275	3,241	4,841	3,241	-33.1%
Capital Improvements	-	-	-	-	-
Equipment	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Total Expenditures	387,767	446,630	446,630	429,578	-3.8%
Revenue					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges For Service	-	-	-	-	-
Other Revenue	-	65	65	-	-100.0%
Total Revenue	-	65	65	-	-100.0%
Full-Time Equivalents (FTEs)	6.00	6.00	6.00	6.00	0.0%

Budget Summary by Fund

	2005 Revised	2006 Budget
Expenditures		
General Fund	446,630	429,578
Total Expenditures	446,630	429,578

December 2004 through February 2005

Departments submitted projections for non-tax revenue to be received in 2006, along with a list of factors external to the department that could impact the funding they need to provide current levels of service throughout 2006, such as increases in rental rates or new state/federal mandates.

April 2005

Budget staff set base budgets within which departments are expected to fund their operating needs.

May 2005

Departments allocated base budget amounts to desired spending lines and submitted revised strategic plans. Requests for service enhancements were made in the form of supplemental requests.

May 2005 through June 2005

Budget staff reviewed departmental requests and prepared materials for budget hearings.

June 2005

Division Directors discussed the level of services they could provide within the base budget in public meetings before the County Manager, budget staff, and the Board of County Commissioners.

July 2005

The County Manager reviewed the budget in light of information gathered in budget hearings and made recommendations within resource limitations. The Manager's recommended budget and Capital Improvement program will be submitted July 20.

July 2005 through August 2005

Members of the public will be invited to comment on the budget at regular meetings of the Board of County Commissioners. Legal notice of the last public hearing will be published 10 days prior to the hearing stating maximum expenditure and levy amounts for each fund. The Board will adopt the budget on August 3.

August 2005

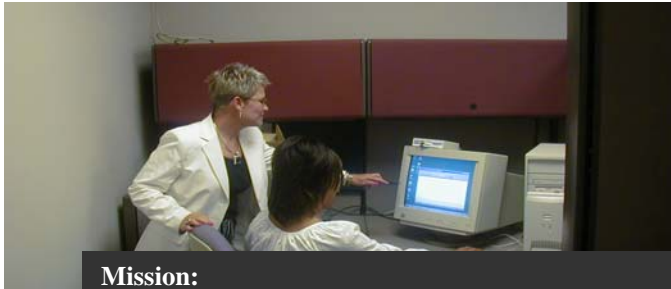
State legal budget document is prepared and budget certified to County Clerk.

September 2005

Information in the adopted budget document is updated.

Department Performance Measures and Goals

Type of Measure	Performance Measure	2004 Actual	2005 Est.	2006 Proj.	Goals:
Input: Resources needed to produce a unit of output	Number of Budget staff	6	6	6	<ul style="list-style-type: none"> Enhance the knowledge of budget staff on county operations Develop performance-based budgeting Increase citizen participation in the budget process
Output: Amount of product or service provided	Departmental training sessions conducted	9	9	9	
Efficiency: Inputs consumed to produce a unit of output	% of appropriate transfers/releases processed within eight business hours of the initial request	90%	90%	90%	
Service Quality: Client satisfaction, and timeliness	Accuracy of annual revenue projections in the financial plan	+/- 5%	+/- 5%	+/- 5%	
Outcome: Qualitative consequence associated with the service	Receive the GFOA Distinguished Budget Award	Yes	Yes	Yes	

**Shawn Henning**

Director of Accounting

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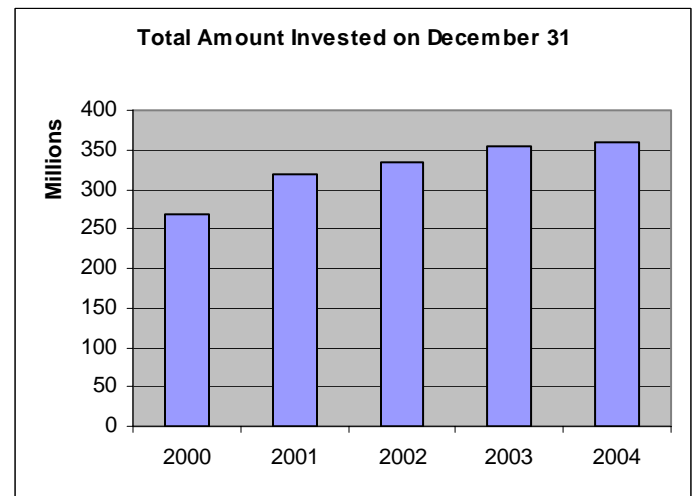
- To prudently manage County Financial resources, assure compliance with applicable laws and policies governing financial transactions, and provide timely and accurate information about Sedgwick County's financial position to those who need or request such information.

The Accounting Department maintains the County's general ledger to ensure financial transactions are recorded appropriately and in accordance with generally accepted accounting principles. The Accounting Department also coordinates external audit activities, produces interim and annual financial reports and serves to provide an adequate internal control structure to safeguard County assets.

Major functions performed by the Accounting Department include cash management and investment activities, debt management, grants management, accounts payable, payroll processing, revenue management and collection, financial reporting, as well as management and disposition of surplus property.

Investing "idle funds" in secure investments until that money is needed to pay for expenses is one of the primary roles of the Department. This is particularly important for Sedgwick County since Accounting issues checks to pay bills on a weekly basis.

The graph below demonstrates the total amount invested between December 31, 2000 and December 31, 2004. Total investments increased 33.7 percent from \$268.7 million on December 31, 2000 to \$359.2 million on December 31, 2004.

**Budget Summary by Category**

	2004 Actual	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06
Expenditures					
Personnel	672,821	825,046	825,046	849,779	3.0%
Contractual Services	341,093	382,400	374,200	353,380	-5.6%
Debt Service	-	-	-	-	-
Commodities	19,288	16,900	25,100	16,900	-32.7%
Capital Improvements	-	-	-	-	-
Equipment	394	-	-	-	-
Interfund Transfers	-	-	-	-	-
Total Expenditures	1,033,597	1,224,346	1,224,346	1,220,059	-0.4%
Revenue					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges For Service	-	-	-	-	-
Other Revenue	2,944,776	5,088,871	5,088,871	3,767,430	-26.0%
Total Revenue	2,944,776	5,088,871	5,088,871	3,767,430	-26.0%
Full-Time Equivalents (FTEs)	12.00	14.00	14.00	14.00	0.0%

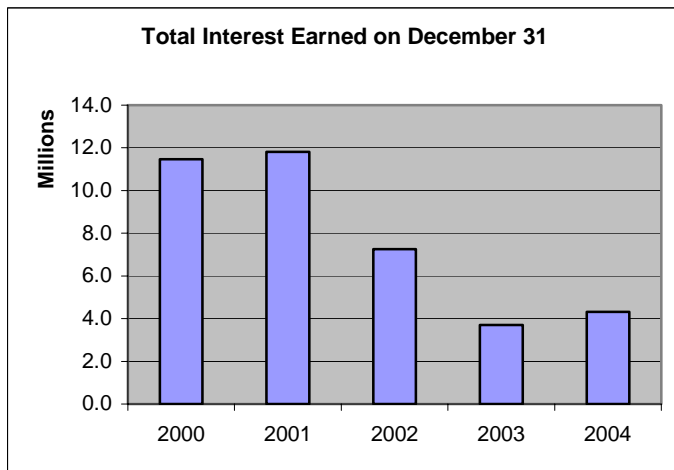
Budget Summary by Fund

	2005 Revised	2006 Budget
Expenditures		
General Fund	1,224,346	1,220,059
Total Expenditures	1,224,346	1,220,059

Budget Summary by Program

Program	Expenditures					Full-Time Equivalents (FTEs)			
	2004 Actual	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06
General Accounting	397,368	651,704	651,704	643,209	-1.3%	9.00	9.00	9.00	0.0%
Payroll	116,409	129,256	129,256	138,231	6.9%	2.00	2.00	2.00	0.0%
Revenue Management	519,820	443,386	443,386	438,619	-1.1%	3.00	3.00	3.00	0.0%
Total	1,033,597	1,224,346	1,224,346	1,220,059	-0.4%	14.00	14.00	14.00	0.0%

Despite the growth in the total invested, interest earned decreased 62.3 percent from \$11.5 million at year-end 2000 to \$4.3 million at year-end 2004. The decrease in interest earned is due to lower interest rates. The graph below demonstrates this change in interest earned:



In 2005, the Cash/Debt Manager position was eliminated, allowing for the creation of two Principal

Accountant positions. An additional Accountant position was also established in 2005 to manage and dispose of surplus property.

The Accounting Department works to prudently manage County financial resources, assure compliance with applicable laws and policies governing financial transactions, and provide timely and accurate information about Sedgwick County's financial position to those who need or request such information.

Sedgwick County has received the Government Finance Officers Association certificate of excellence in financial reporting every year since 1981. The Certificate Program, which was established in 1945, is designed to recognize and encourage excellence in financial reporting by state and local governments. Participation in the program reflects a significant proportion of larger general purpose governments in the United States. Over 69 percent of all cities and 46 percent of all counties with populations in excess of 50,000 participate in the program, as well as 41 state governments.

Department Performance Measures and Goals

Type of Measure	Performance Measure	2004 Actual	2005 Est.	2006 Proj.	Goals:
Input: Resources needed to produce a unit of output	FTE - General Accounting	6.0	9.0	9.0	<ul style="list-style-type: none"> Produce accurate and timely financial information for use by internal and external customers Prudently manage the investment portfolio and monitor cash handling procedures Efficiently coordinate debt management activities to maintain financial flexibility and preserve creditworthiness Produce accurate and timely payments to vendors and employees Monitor accounts receivable and identify grants and other revenue sources to enhance and protect revenue capacity
	FTE - Payroll	2.0	2.0	2.0	
Output: Amount of product or service provided	Number of invoices processed	102,825	105,000	105,000	
	Number of payroll advices processed	74,940	75,000	75,000	
Efficiency: Inputs consumed to produce a unit of output	Vendor payments processed per FTE	25,706	26,250	26,250	
	Payroll advices processed per FTE	37,470	37,500	37,500	
Service Quality: Client satisfaction, and timeliness	Number of days from invoice to payment	4.5	4.0	3.8	
	Number of off-cycle payroll checks	77	60	50	
Outcome: Qualitative consequence associated with the service	Amount of vendor payments issued (millions)	\$149.9	\$153.0	\$156.0	
	Amount of payroll checks issued (millions)	\$72.6	\$74.0	\$77.0	

• Accounting – General Accounting

General Accounting ensures financial transactions are properly recorded in compliance with applicable laws and regulations to provide accurate and timely information regarding the financial position of the County, in accordance with generally accepted accounting principles. Services provided include accounts payable processing, coordination of the County's external audit activities, financial analysis, preparation of financial reports for use by internal and external parties, and evaluation of internal controls ensuring compliance with appropriate regulations, and the adequate safeguarding of assets while maintaining their efficient and economical use. Additionally, debt management activities of the County are coordinated by General Accounting.

Fund: General Fund				72001-110	
	2004 Actual	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06
Expenditures					
Personnel	286,370	502,864	502,864	523,389	4.1%
Contractual Services	96,603	138,040	136,540	109,020	-20.2%
Debt Service	-	-	-	-	-
Commodities	14,395	10,800	12,300	10,800	-12.2%
Capital Improvements	-	-	-	-	-
Equipment	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Total Expenditures	397,368	651,704	651,704	643,209	-1.3%
Revenue					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges For Service	-	-	-	-	-
Other Revenue	312	245,126	245,126	319	-99.9%
Total Revenue	312	245,126	245,126	319	-99.9%
Full-Time Equivalents (FTEs)	6.00	9.00	9.00	9.00	0.0%

Goals:

- Produce accurate and timely financial reports
- Provide prompt payment of properly authorized invoices

• Accounting - Payroll

Payroll coordinates all time entry to ensure accurate and timely payment to Sedgwick County employees on a biweekly basis. Payroll is also responsible for processing payments for certain third party and tax withholding liabilities, as well as filing necessary quarterly and annual tax filing reports, including the distribution of W-2 statements at year-end.

Fund: General Fund				72002-110	
	2004 Actual	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06
Expenditures					
Personnel	108,213	112,956	112,956	121,931	7.9%
Contractual Services	4,208	12,800	12,800	12,800	0.0%
Debt Service	-	-	-	-	-
Commodities	3,989	3,500	3,500	3,500	0.0%
Capital Improvements	-	-	-	-	-
Equipment	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Total Expenditures	116,409	129,256	129,256	138,231	6.9%
Revenue					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges For Service	-	-	-	-	-
Other Revenue	53	-	-	-	-
Total Revenue	53	-	-	-	-
Full-Time Equivalents (FTEs)	2.00	2.00	2.00	2.00	0.0%

Goals:

- Provide convenient and quality payroll services to all Sedgwick County employees
- Ensure accurate and timely payment of payroll-related liabilities and compliance with filing requirements of external agencies

• Accounting – Revenue Management

Revenue Management seeks grant funding, prepares grant reports, coordinates Single Audit activities performed by the external auditors, monitors outside billing for Emergency Medical Services, and ensures compliance throughout County operations with cash handling policies and procedures. Additionally, earnings related to investment activities are recorded under Revenue Management.

Fund: General Fund				72003-110	
	2004 Actual	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06
Expenditures					
Personnel	278,239	209,226	209,226	204,459	-2.3%
Contractual Services	240,283	231,560	224,860	231,560	3.0%
Debt Service	-	-	-	-	
Commodities	904	2,600	9,300	2,600	-72.0%
Capital Improvements	-	-	-	-	
Equipment	394	-	-	-	
Interfund Transfers	-	-	-	-	
Total Expenditures	519,820	443,386	443,386	438,619	-1.1%
Revenue					
Taxes	-	-	-	-	
Intergovernmental	-	-	-	-	
Charges For Service	-	-	-	-	
Other Revenue	2,944,411	4,843,745	4,843,745	3,767,111	-22.2%
Total Revenue	2,944,411	4,843,745	4,843,745	3,767,111	-22.2%
Full-Time Equivalents (FTEs)	4.00	3.00	3.00	3.00	0.0%

Goals:

- Enhance and protect the revenue capacity of Sedgwick County government
- Provide internal control structure to safeguard departmental petty cash and change funds



Iris Baker
Purchasing Director
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Mission:

- ❑ To facilitate the procurement of all necessary quality products and services for Sedgwick County by following all applicable rules and laws governing governmental procurement in order to protect the monetary assets through prudent expenditures of taxpayers' monies.

The Purchasing Department facilitates purchases of goods and services that exceed \$1,500 per transaction. The role of the Purchasing Department is to acquire goods and services through competitive processes in the form of informal quotes for purchase \$1,500 - \$10,000, or formal written quotes and/or proposals for purchases of more than \$10,000. The County Manager approves purchases between \$10,000 and \$25,000 with low bid being accepted. Purchases in excess of \$25,000 require recommendation from the Board of Bids and Contracts and approval from the Board of County Commissioners. Operating departments' personnel are authorized to make purchases of less than \$1,500 using County purchasing cards.

The Purchasing Department is responsible for facilitating other County departments in procuring the goods and services they need in compliance with these rules. To accomplish this, the department negotiates contracts, maintains relations with vendors, publicizes requests for bids/proposals, and manages travel arrangements for employees traveling on County business.

Charter Resolution No. 57, adopted on July 21, 2004, ensures purchases are conducted in a manner that provides efficiency, equality, fairness, and accountability. Competitive bids for the procurement of contracts for professional services are unnecessary. In addition, requirements that bids be offered to multiple vendors may be waived if there is an emergency, only one vendor is capable of delivering/manufacturing the item, is a joint government purchase, or involves bartering.

Charter 57 states, "Whenever a purchase must be offered to responsible vendors the Purchasing Director shall determine the procedure for compliance. Purchases of \$1,500 to \$10,000 shall be offered by informal bid/proposal. Purchases of more than \$10,000 shall be offered by sealed bid/proposal. Any purchase may, in lieu of informal or sealed bids or proposals, be offered to responsible vendors by use of an internet-based auction or reverse auction service. All requests for bids/proposals shall be advertised at the discretion of the Purchasing Director. Competitive sealed bids/proposals shall be opened at a time and place specified pursuant to said public notice. The Purchasing Director shall make

Budget Summary by Category

	2004 Actual	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06
Expenditures					
Personnel	392,908	470,002	470,002	486,463	3.5%
Contractual Services	93,639	104,992	103,492	108,992	5.3%
Debt Service	-	-	-	-	-
Commodities	2,635	6,394	6,362	6,362	0.0%
Capital Improvements	-	-	-	-	-
Equipment	-	-	1,532	-	-100.0%
Interfund Transfers	-	-	-	-	-
Total Expenditures	489,182	581,388	581,388	601,817	3.5%
Revenue					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges For Service	-	-	-	-	-
Other Revenue	-	86	86	515	498.8%
Total Revenue	-	86	86	515	498.8%
Full-Time Equivalents (FTEs)	7.00	8.00	8.00	8.00	0.0%

Budget Summary by Fund

	2005 Revised	2006 Budget
Expenditures		
General Fund	581,388	601,817
Total Expenditures	581,388	601,817

the determination as to whether purchases subject to this Resolution shall be made by requests for bids or requests for proposals. The following requirements shall apply for purposes of Charter 57:

- A. **Competitive Bid.** Bids shall be evaluated based on the requirements set forth in the request for bids/quotations, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs and total or life cycle costs, and be specifically set forth in the request for bids/quotations. Contracts shall be awarded to a qualified vendor submitting the lowest responsible bid. No criteria may be used in bid evaluation that has not been set forth in the request for bids/quotations.
- B. **Competitive Proposal.** Proposals shall be evaluated based upon criteria formulated around the most important features of a product or service, of which quality, availability or capability may be overriding factors and price may not be determinative in the issuance of a contract or award. The proposal evaluation criteria should be viewed as standards that measure how well a vendor's approach meets the desired requirements and needs of the County.

Those criteria that will be used and considered in evaluation for award shall be specifically set forth in the request for proposal. Contracts shall be awarded to a qualified vendor submitting the best proposal.”

Charter 57 also establishes a Sedgwick County Board of Bids and Contracts, which is responsible for recommending the purchase of materials, supplies, equipment and services in excess of \$25,000 and approves purchases between \$10,000 and \$25,000 when required. The Board reviews other purchases as may be requested from time to time at the discretion of the Purchasing Director. The Board of Bids and Contracts is composed of five members. The chairperson is the Director of Accounting and the Director of the Division of Public Works is vice-chairperson. In addition there is a representative from the Sedgwick County elected officials other than a county commissioner appointed by the County Manager, one representative from the Eighteenth Judicial District to be determined by the Chief Judge, and a member at large appointed by the County Manager from a roster listing all division and department directors. Members appointed by the County Manager serve two-year terms and continue serving until a successor is appointed. The County Counselor or an assistant designated by the County Counselor serve in an advisory capacity to the Board.

Department Performance Measures and Goals

Type of Measure	Performance Measure	2004 Actual	2005 Est.	2006 Proj.	Goals:
Input: Resources needed to produce a unit of output	Number of employees in purchasing	7	8	8	<ul style="list-style-type: none"> Create procurement process that exhibits professionalism and enhances learning opportunities and improved working relationships for internal and external customers Ensure the procurement process is open, fair, and provides opportunities for all interested vendors Products and/or services are provided in a timely manner for the best possible price
	Minimum annual number of labor hours in purchasing	16,640	16,640	16,640	
Output: Amount of product or service provided	Percent of transactions below \$500	36.4	41.7	30	
	Number of purchase orders processed	22,773	13,500	12,000	
Efficiency: Inputs consumed to produce a unit of output	Cost of a purchase order	17.26	32.59	38.94	
Service Quality: Client satisfaction, and timeliness	Average days to process purchase order	6.22	7	6	
Outcome: Qualitative consequence associated with the service	Number of vendors bidding on purchases	5.8	5.3	6.5	
	Percent of dollars spent on Minority vendors	2.93	2.5	3.3	
	Number of community service and training events for vendors	10	12	15	

**Mick McBride**

Risk Manager

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mmcbride@sedgwick.gov**Mission:**

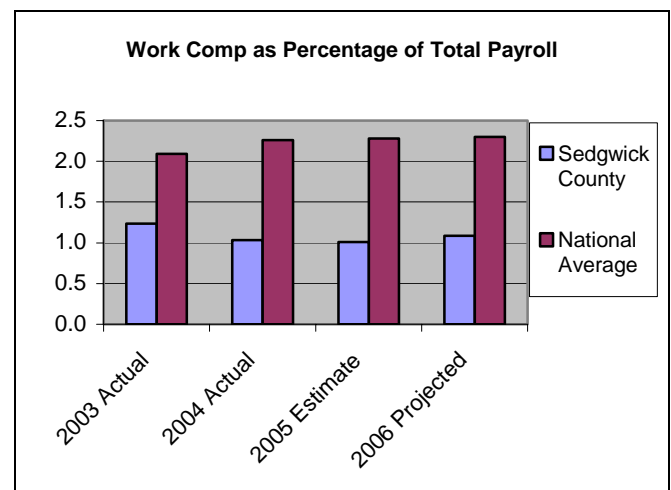
- The mission of the Risk Management Department is to protect Sedgwick County assets and provide a safe work environment for employees, thus ensuring their ability to provide uninterrupted delivery of services to citizens of Sedgwick County.

The Risk Management Department is in charge of risk financing and safety for Sedgwick County. The Department procures property and liability insurance coverage, administers a self-insurance fund for workers' compensation and a self-insurance fund for liability, automobile, and property claims not otherwise insured, processes claims, reviews contracts that require assumption or transfer of risk or the purchase of insurance, conducts employee safety training, and recommends upgrades to promote an ergonomic work environment. Contractual services constitute the majority of the Department's budget.

In 2006 the Risk Manager's position will be split equally between the Risk Management and Workers Compensation fund centers. This change provides a more accurate reflection of the position's responsibilities.

Sedgwick County's workers compensation cost as a percentage of total County payroll is less than half that of the national average. Sedgwick County's percentage has remained at just over 1.0 percent while the national

average is projected to climb to 2.3 percent in 2006.



The Department has a number of key initiatives for the County safety program for 2006 including:

- Revision of Sedgwick County's Blood-Borne Pathogens Program Exposure Control Plan to

Budget Summary by Category

	2004 Actual	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06
Expenditures					
Personnel	461,310	426,305	426,305	426,403	0.0%
Contractual Services	2,641,723	2,163,476	2,163,476	2,390,279	10.5%
Debt Service	-	-	-	-	-
Commodities	2,714	6,225	6,225	6,725	8.0%
Capital Improvements	-	-	-	-	-
Equipment	13,427	9,000	9,000	9,000	0.0%
Interfund Transfers	-	-	-	-	-
Total Expenditures	3,119,174	2,605,006	2,605,006	2,832,407	8.7%
Revenue					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges For Service	1,360,470	1,210,846	1,210,846	1,476,173	21.9%
Other Revenue	1,701,467	1,394,160	1,394,160	1,457,820	4.6%
Total Revenue	3,061,937	2,605,006	2,605,006	2,933,993	12.6%
Full-Time Equivalents (FTEs)	4.00	4.00	4.00	4.00	0.0%

Budget Summary by Fund

	2005 Revised	2006 Budget
Expenditures		
Risk Mgmt Reserve	1,389,935	1,348,807
Workers Comp Res	1,215,071	1,483,600
Total Expenditures	2,605,006	2,832,407

Budget Summary by Program

Program	Expenditures					Full-Time Equivalents (FTEs)			
	2004 Actual	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06
Risk Management	1,540,116	1,389,935	1,389,935	1,348,807	-3.0%	3.00	2.50	2.50	0.0%
Workers Comp.	1,579,058	1,215,071	1,215,071	1,483,600	22.1%	1.00	1.50	1.50	0.0%
Total	3,119,174	2,605,006	2,605,006	2,832,407	8.7%	4.00	4.00	4.00	0.0%

incorporate updates to maintain compliance with State regulations.

- Sedgwick County's Ergonomic Chair Standard will be reviewed and updated. The objective is to reduce or eliminate employee exposure to hazard or risk factors that lead and contribute to musculoskeletal disorders and related injuries and illnesses. The focus continues to be on the science of ergonomics, which is to fit the job, workplace and tasks with the employee's capabilities and limitations.
- A Central Safety Committee will be established to bring workers and managers together to achieve and maintain a safe and healthy work environment. The focus will be on reviewing and addressing any potential risk hazards to ensure employees are performing their jobs safely in a safe work environment. The overall goal will be to reduce the risks of potential safety hazards and ultimately lower workers compensation claims costs and insurance rates.

- A Central Accident Review Board will be established to review all incidents involving on-the-job injuries, vehicle incidents, and general claims. The Board will recommend disciplinary and/or corrective action to be taken by departments and will focus on preventability of reoccurrences.

A copy of bond documents will be filed with the County offices specified by State statutes as follows:

- County Commissioners Bonds will be filed with the Register of Deed's office (K.S.A. 19-233)
- County Clerk Bond will be filed with the Treasurer's office (K.S.A. 19-301)
- All other elected officials' Bonds will be filed with the Clerk's office (K.S.A. 19-501; 19-501; 19-1201; 19-801)

Department Performance Measures and Goals

Type of Measure	Performance Measure	2004 Actual	2005 Est.	2006 Proj.	Goals:
Input: Resources needed to produce a unit of output	Workers Compensation Budget	\$1.6 Mil	\$1.2 Mil	\$1.5Mil	<ul style="list-style-type: none"> ● Maintain cost of workers compensation below national average of 2% of annual payroll ● Inspect at least seven county facilities on an annual basis
Output: Amount of product or service provided	Number of workers compensation claims filed per 100 employees	13.5	14.0	14.5	
Efficiency: Inputs consumed to produce a unit of output	Cost per workers compensation claim filed in current year	\$1,072	\$1,246	\$1,220	
Service Quality: Client satisfaction, and timeliness	Percentage of work comp claimants surveyed indicating "good" or "excellent" overall service from Risk Management	N/A	90%	91%	
Outcome: Qualitative consequence associated with the service	Percentage of work comp claimants retaining legal counsel	1.6%	1.5%	1.4%	

• Risk Management

The Risk Management program encompasses the Risk Management Reserve Fund, which was established by Resolution to allow for large retentions and deductibles in connection with self-funded insurance. This fund pays for insurance premiums, loss deductibles and other claims not covered by an insurance policy.

Fund: Risk Mgmt Reserve				74001-612	
	2004 Actual	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06
Expenditures					
Personnel	248,856	202,304	202,304	161,176	-20.3%
Contractual Services	1,276,288	1,173,156	1,173,156	1,173,156	0.0%
Debt Service	-	-	-	-	-
Commodities	1,546	5,475	5,475	5,475	0.0%
Capital Improvements	-	-	-	-	-
Equipment	13,427	9,000	9,000	9,000	0.0%
Interfund Transfers	-	-	-	-	-
Total Expenditures	1,540,116	1,389,935	1,389,935	1,348,807	-3.0%
Revenue					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges For Service	-	-	-	-	-
Other Revenue	1,569,334	1,389,935	1,389,935	1,348,807	-3.0%
Total Revenue	1,569,334	1,389,935	1,389,935	1,348,807	-3.0%
Full-Time Equivalents (FTEs)	3.00	3.00	2.50	2.50	0.0%

Goals:

- Maintaining vehicle accidents at or below national average of 0.73 per 100,000 miles driven annually
- Inspecting at least seven major County Facilities on an annual basis
- Decreasing cost of net damage to vehicles by 5 percent each year

• Workers Compensation

The Workers Compensation program is responsible for paying workers compensation claims, administration of claims, legal expenses, related operational costs for the Workers Compensation Coordinator, and assessment fees to the State of Kansas associated with administering a self-insured Workers Compensation Program.

Fund: Workers Comp Res				74001-613	
	2004 Actual	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06
Expenditures					
Personnel	212,454	224,001	224,001	265,227	18.4%
Contractual Services	1,365,436	990,320	990,320	1,217,123	22.9%
Debt Service	-	-	-	-	-
Commodities	1,169	750	750	1,250	66.7%
Capital Improvements	-	-	-	-	-
Equipment	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Total Expenditures	1,579,058	1,215,071	1,215,071	1,483,600	22.1%
Revenue					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges For Service	1,360,470	1,210,846	1,210,846	1,476,173	21.9%
Other Revenue	68,835	4,225	4,225	7,427	75.8%
Total Revenue	1,429,305	1,215,071	1,215,071	1,483,600	22.1%
Full-Time Equivalents (FTEs)	1.00	1.00	1.50	1.50	0.0%

Goals:

- Maintaining cost of Workers Compensation at least 10 percent below national average of 2 percent of annual payroll
- Maintaining an average cost per employee for Workers Compensation claims and administration expenditures at least 32 percent lower than the national average of \$755
- Reducing claims filed per 100 employees by .5 percent annually



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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

	2004 Actual	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06
Expenditures					
Personnel	-	-	-	-	-
Contractual Services	63	-	-	-	-
Debt Service	16,682,229	15,317,870	15,317,870	15,427,527	0.7%
Commodities	-	-	-	-	-
Capital Improvements	-	-	-	-	-
Equipment	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Total Expenditures	16,682,292	15,317,870	15,317,870	15,427,527	0.7%
Revenue					
Taxes	11,402,987	12,503,793	12,503,793	13,114,121	4.9%
Intergovernmental	-	-	-	-	-
Charges For Service	77,000	79,772	79,772	81,368	2.0%
Other Revenue	1,677,509	2,463,047	2,463,047	2,225,052	-9.7%
Total Revenue	13,157,496	15,046,612	15,046,612	15,420,541	2.5%
Full-Time Equivalents (FTEs)	-	-	-	-	-

Budget Summary by Fund

	2005 Revised	2006 Budget
Expenditures		
Bond and Interest	15,317,870	15,427,527
Total Expenditures	15,317,870	15,427,527

Budget Year	Bonds			
	Outstanding 12/31/2005	Principal	Interest	Total
2006	\$ 110,904,268	\$ 10,731,725	\$ 4,695,802	\$ 15,427,527
2007	100,172,543	9,511,810	4,219,532	13,731,342
2008	90,660,733	9,227,091	3,836,196	13,063,287
2009	81,433,643	8,787,575	3,462,361	12,249,936
2010	72,646,067	8,093,272	3,121,508	11,214,780
2011	64,552,795	7,419,188	2,801,645	10,220,833
2012	57,133,607	7,325,333	2,498,380	9,823,713
2013	49,808,274	6,996,715	2,189,194	9,185,909
2014	42,811,560	6,503,343	1,887,934	8,391,277
2015	36,308,217	6,215,227	1,605,918	7,821,145
2016	30,092,990	5,632,375	1,336,359	6,968,734
2017	24,460,615	5,724,802	1,090,012	6,814,814
2018	18,735,813	5,962,515	837,009	6,799,524
2019	12,773,298	2,645,525	569,183	3,214,708
2020	10,127,773	2,793,844	450,839	3,244,683
2021	7,333,930	2,797,484	323,558	3,121,042
2022	4,536,445	2,216,458	194,832	2,411,290
2023	2,319,987	825,779	95,274	921,053
2024	1,494,208	864,207	61,875	926,082
2025	630,001	630,000	26,460	656,460
Total		\$ 110,904,268	\$ 35,303,870	\$ 146,208,138

Direct Debt

As of December 31, 2005

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Principal Outstanding</u>
Current Principal Outstanding			
Special Assessments			
Series A 1992	9/1/1992	2007	200,000
Series A 1997	8/1/1997	2012	2,710,000
Series A 1998	4/15/1998	2012	935,000
Series B 1998	8/1/1998	2013	2,160,000
Series A 1999	8/1/1999	2014	4,020,000
Series A 2000	8/1/2000	2015	3,015,000
Series A 2001	8/1/2001	2016	1,650,000
Series A 2002	8/15/2002	2017	220,000
Series A 2003	8/15/2003	2018	165,000
Series A 2005	6/1/2005	2020	1,475,000
			<u>16,550,000</u>
General Obligation			
Series A 1997	8/1/1997	2007	965,000
Series A 1998	4/15/1998	2018	20,190,000
Series B 1998	8/1/1998	2008	2,070,000
Series A 1999	8/1/1999	2009	2,895,000
Series A 2001	8/1/2001	2021	7,840,000
Series A 2002	8/15/2002	2022	29,295,000
Series A 2003	8/15/2003	2018	14,465,000
Series A 2005	6/1/2005	2025	13,040,000
State Revolving Loan	1/5/2005	2024	3,594,268
			<u>94,354,268</u>
Total Principal Outstanding:			<u>110,904,268</u>
Total Direct Debt:			<u><u>\$110,904,268</u></u>

DIVISION OF FINANCE

BUDGETED TRANSFERS AND OPERATING RESERVE

Chris Chronis
Chief Financial Officer
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cchronis@sedgwick.gov

Mission:

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

Finance 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.
- \$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:

- \$1,348,807 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

Budget Summary by Category

	2004 Actual	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06
Expenditures					
Personnel	-	4,705,381	4,712,846	4,298,017	-8.8%
Contractual Services	261,900	10,511,601	9,649,275	10,286,804	6.6%
Debt Service	-	-	-	-	-
Commodities	902	96,720	75,970	96,720	27.3%
Capital Improvements	-	-	-	-	-
Equipment	-	200,000	194,700	180,068	-7.5%
Interfund Transfers	5,133,505	1,389,697	1,350,459	1,477,327	9.4%
Total Expenditures	5,396,308	16,903,399	15,983,250	16,338,936	2.2%
Revenue					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges For Service	-	-	-	-	-
Other Revenue	1,270,983	-	-	-	-
Total Revenue	1,270,983	-	-	-	-
Full-Time Equivalents (FTEs)	-	-	-	-	-

Budget Summary by Fund

	2005 Revised	2006 Budget
Expenditures		
General Fund	15,936,545	16,338,936
Misc Grants	46,705	-
Total Expenditures	15,983,250	16,338,936

Budget Summary by Program

Program	Expenditures					Full-Time Equivalents (FTEs)			
	2004 Actual	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06	2005 Adopted	2005 Revised	2006 Budget	% Chg. 05-06
Budget Transfers	5,133,505	10,353,080	10,097,175	9,832,282	-2.6%	-	-	-	
Operating Reserve	262,802	518,319	405,772	702,720	73.2%	-	-	-	
BOCC Contingency	-	515,000	249,400	515,000	106.5%	-	-	-	
Pub Safety Contingency	-	4,367,000	4,080,903	4,138,934	1.4%	-	-	-	
Economic Dev. Reserv	-	1,150,000	1,150,000	1,150,000	0.0%	-	-	-	
Total	5,396,308	16,903,399	15,983,250	16,338,936	2.2%	-	-	-	

- Economic Development Incentive, and
- Operating Contingency

Both the BOCC and Operating Contingencies represent reserved funding to address unanticipated costs due to public emergency, service expansion or State mandates. Recent years have produced an increasing number of State 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 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. For 2006, the Public Safety Contingency includes \$4.1 million to implement CJCC recommendations and other options to address capacity at the Adult Detention Facility and support Out-of-County Housing and Medical Services in the Adult Detention Facility.

An additional \$200,000 is budgeted in the Operating Reserve in 2006 as a contingency for merchant service fees in the Treasurer's Office. As electronic payments have become more common in the Treasurer's Office, the increase in the fees would not be able to be absorbed in the Treasurer's budget. The rate of increase may slow in 2006 as a new electronic revenue collection agreement went into effect in 2005. This agreement allows customers to use debit cards as opposed to credit cards and the effective rates for debit and credit card transactions will be lower than the current rate.

In 2005, \$1.15 million was budgeted for economic development incentives. The 2006 budget again includes \$1.15 million 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), focused on growing jobs in our community. These efforts will help to provide a diverse, trained workforce and an inviting environment for businesses. All of this will help to change the makeup of our business community.