

# Contingency Reserves

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

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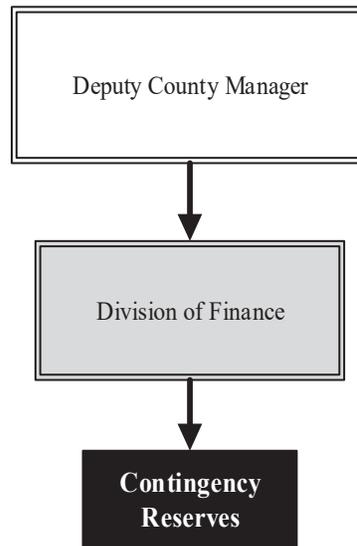
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## Overview

Contingency Reserves are used to set aside funds for unexpected events or events not anticipated at the time of budget adoption. These events include unforeseen increases in expenditures or reductions in revenues, public emergencies, mandates, and disasters.

The Contingency Reserves are comprised of allocated funding assigned to six contingencies based on the organizational unit it is intended to support:

- Operating Contingency
- Board of County Commissioners Contingency
- Public Safety Contingency
- General Fund Reserve
- CIP Contingency
- Compensation Contingency



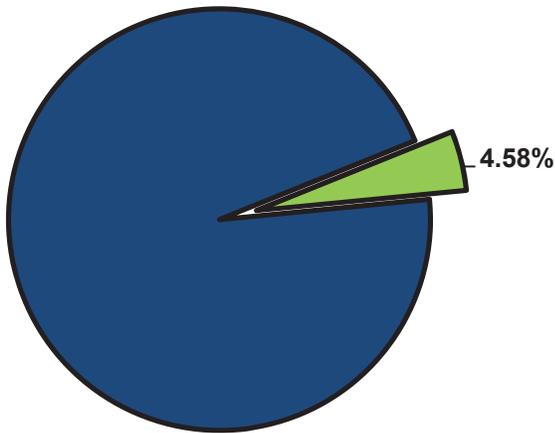
## Significant Budget Adjustments

Changes to the Contingency Reserves' 2018 budget includes an increase of \$2,273,680 in the Operating Reserve to return to the prior level; a decrease of \$537,828 in the Compensation Contingency due to a one-time compression adjustment; the addition of \$100,000 to the Operating Reserve for technology related needs; an increase of \$68,844 in the BOCC Contingency to return to the prior level; an addition of \$37,128 to the Operating Reserve of the General Fund portion of the Community Health Assessment (CHA) position; and an increase of \$1,936 in the Public Safety Contingency to return to the previous level.

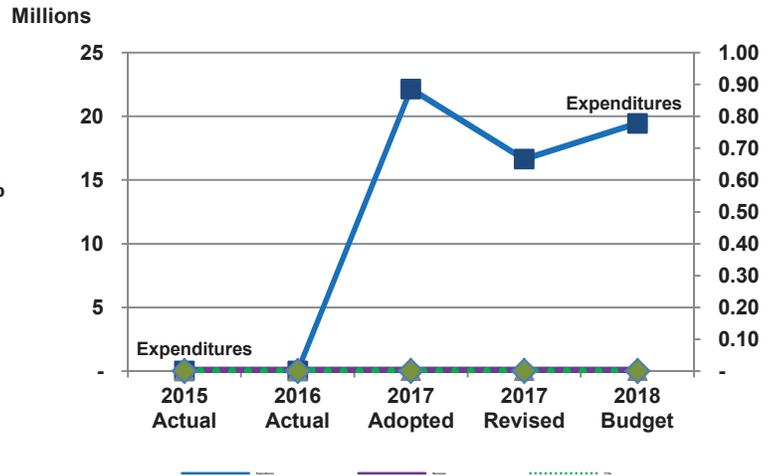


**Divisional Graphical Summary**

**Contingency Reserves**  
Percent of Total County Operating Budget



**Expenditures, Program Revenue & FTEs**  
All Operating Funds



**Budget Summary by Category**

	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	Amount Chg '17 Rev.-'18	% Chg '17 Rev.-'18
<b>Expenditures</b>							
Personnel	-	-	3,750,178	1,455,194	917,366	(537,828)	-36.96%
Contractual Services	-	-	18,404,577	15,185,609	18,541,705	3,356,096	22.10%
Debt Service	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-
Capital Improvements	-	-	-	-	-	-	-
Capital Equipment	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	<b>22,154,755</b>	<b>16,640,803</b>	<b>19,459,071</b>	<b>2,818,268</b>	<b>16.94%</b>
<b>Revenues</b>							
Tax Revenues	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
All Other Revenue	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Full-Time Equivalent (FTEs)</b>							
Property Tax Funded	-	-	-	-	-	-	-
Non-Property Tax Funded	-	-	-	-	-	-	-
<b>Total FTEs</b>	-	-	-	-	-	-	-

**Budget Summary by Fund**

Fund	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	Amount Chg '17 Rev.-'18	% Chg '17 Rev.-'18
General Fund	-	-	20,895,655	16,089,727	19,085,278	2,995,551	18.62%
EMS Fund	-	-	301,260	52,208	22,887	(29,321)	-56.16%
Corrections Grants	-	-	179,366	42,174	37,261	(4,914)	-11.65%
Health Division Grants	-	-	141,376	69,662	62,101	(7,561)	-10.85%
Multi. Funds	-	-	637,097	387,031	251,544	(135,487)	-35.01%
<b>Total Expenditures</b>	-	-	<b>22,154,755</b>	<b>16,640,803</b>	<b>19,459,071</b>	<b>2,818,268</b>	<b>16.94%</b>

**Significant Budget Adjustments from Prior Year Revised Budget**

	Expenditures	Revenues	FTEs
Increase in Operating Reserve to restore to prior level	2,273,680		
Decrease in Compensation Contingency due to one-time compression adjustments in 2017	(537,828)		
Increase in Operating Reserve for technology related needs	100,000		
Increase in BOCC Contingency to restore to prior level	68,844		
Addition to the Operating Reserve of the General Fund portion of the CHA position	37,128		
Increase in Public Safety Contingency to restore to prior level	1,936		
<b>Total</b>	<b>1,943,760</b>	-	-

**Budget Summary by Program**

Program	Fund	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	% Chg '17 Rev.-'18	2018 FTEs
Operating Reserve	110	-	-	8,807,835	5,808,210	8,944,963	54.01%	-
BOCC Contingency	110	-	-	340,000	271,156	340,000	25.39%	-
Public Safety Cont.	110	-	-	1,400,000	1,249,501	1,400,000	12.04%	-
General Fund Reserve	110	-	-	7,500,000	7,500,000	7,500,000	0.00%	-
CIP Contingency	110	-	-	356,742	356,742	356,742	0.00%	-
Compensation	Multi.	-	-	3,750,178	1,455,194	917,366	-36.96%	-
<b>Total</b>		-	-	<b>22,154,755</b>	<b>16,640,803</b>	<b>19,459,071</b>	<b>16.94%</b>	-

**• Operating Reserve**

The Operating Reserve sets aside funding to address potential changes in service delivery, emergency situations, and establishes a funding source for services whose scope or full cost is undefined at the time the budget is adopted. Of the total budgeted operating reserve, \$100,000 is allocated for Housing Assistance in the category of contractual services and the remaining balance is allocated as a general contingency reserve to support County operations.

Traditionally, when budget authority allocated to the Operating Reserve is needed, funding is transferred to the appropriate division, and then expended.

**Fund(s): County General Fund 110**

Expenditures	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	Amnt. Chg. '17 - '18	% Chg. '17 - '18
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	8,807,835	5,808,210	8,944,963	3,136,753	54.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>8,807,835</b>	<b>5,808,210</b>	<b>8,944,963</b>	<b>3,136,753</b>	<b>54.0%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>

**• BOCC Contingency**

The Board of County Commission (BOCC) Contingency represents funding reserved to address unanticipated costs due to public emergency, service expansion, or State mandates.

Traditionally, when budget authority allocated to the BOCC Contingency is needed, funding is transferred to the appropriate division, and then expended.

**Fund(s): County General Fund 110**

Expenditures	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	Amnt. Chg. '17 - '18	% Chg. '17 - '18
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	340,000	271,156	340,000	68,844	25.4%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>340,000</b>	<b>271,156</b>	<b>340,000</b>	<b>68,844</b>	<b>25.4%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>

**• Public Safety Contingency**

The Public Safety Contingency reserves funding for both unanticipated operating costs resulting from a public emergency or State mandates, in addition to funding Public Safety services whose full cost cannot be precisely estimated due to variances in uncontrollable variables or changes in service composition. Traditionally, when budget authority allocated to the Public Safety Contingency is needed, funding is transferred to the appropriate division, and then expended.

**Fund(s): County General Fund 110**

Expenditures	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	Amnt. Chg. '17 - '18	% Chg. '17 - '18
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	1,400,000	1,249,501	1,400,000	150,499	12.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>1,400,000</b>	<b>1,249,501</b>	<b>1,400,000</b>	<b>150,499</b>	<b>12.0%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>

**• General Fund Reserve**

Sedgwick County has a minimum fund balance requirement set by County policy. The minimum unrestricted fund balance in the General Fund is set at 20 percent of budgeted expenditures. Unrestricted fund balance above the minimum requirement is considered the County's General Fund Reserve. County policy allows this excess to be budgeted, but only for the following specific purposes: cash-fund capital projects or equipment replacement originally intended to be funded with debt; expected claims associated with risk management or workers' compensation; one-time expenditures that reduce future operating costs; and start-up expenditures for new programs approved by the Board of County Commissioners. The amount included in this budget is not related to any specific purpose. These funds will only be expended if consensus on a purpose is reached by the Board of County Commissioners.

**Fund(s): County General Fund 110**

Expenditures	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	Amnt. Chg. '17 - '18	% Chg. '17 - '18
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	7,500,000	7,500,000	7,500,000	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>7,500,000</b>	<b>7,500,000</b>	<b>7,500,000</b>	-	<b>0.0%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>

**• CIP Contingency**

New in 2016, the Capital Improvement Program (CIP) Contingency is an allocation of funding to be set aside for future use as a capital project funding source. It represents a designation of fund balance to use for cash-funding of capital projects.

**Fund(s): County General Fund 110**

Expenditures	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	Amnt. Chg. '17 - '18	% Chg. '17 - '18
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	356,742	356,742	356,742	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>356,742</b>	<b>356,742</b>	<b>356,742</b>	-	<b>0.0%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>

**• Compensation Contingency**

New for 2017, the Compensation Contingency (called the Compensation Adjustment and Fair Labor Standards Act (FLSA) Contingency in the 2017 Adopted Budget) was created to reserve funding for targeted compensation adjustments as well as adjustments that would have been the result of changes to the FLSA that had been expected to go into effect on December 1, 2016, but which are no longer anticipated to occur. For 2018, funding is allocated to various County funds based on the budgeted personnel costs (excluding health and life insurance) in each fund in relation to the total of all funds included in the Contingency. The budget authority is in place to cover potential increased salary and wage costs associated with a review of position duties and whether those positions should be exempt or non-exempt from overtime under FLSA rules.

**Fund(s): Multi.**

Expenditures	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	Amnt. Chg. '17 - '18	% Chg. '17 - '18
Personnel	-	-	3,750,178	1,455,194	917,366	(537,828)	-37.0%
Contractual Services	-	-	-	-	-	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>3,750,178</b>	<b>1,455,194</b>	<b>917,366</b>	<b>(537,828)</b>	<b>-37.0%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>