



Commissioners and citizens of Sedgwick County,

Thank you for the privilege of serving as your county manager. My first budget development cycle has been an opportunity to really immerse myself in county business. In doing so, I discovered an organization filled with innovative and dedicated public servants. My conversations with them and with you quickly led me to several key realizations, which I outlined in a letter I delivered to commissioners after my first 90 days of service:

- A new strategic plan is critical to our future success.
- Transforming the organizational structure in order to decrease the county manager’s span of control will improve information flow to the citizens we serve.
- Our employees must be accountable to the citizens they serve.
- Talent management requires that employees be given clear, measurable goals and be rewarded when they exceed them.
- Budget development must be accomplished with adherence to guiding principles – focus on core services; reduce government funding of services that can be provided by non-governmental entities; reduce county debt; and maintain the property tax rate at the 2010 level.
- We must communicate effectively both internally and externally the value of our services, programs and decisions to our citizens.

The Adopted 2017 Budget has been prepared with these realizations in mind, and with recognition of the goals established by the Board of County Commissioners.

- Fund the budget with no more property tax than can be provided with a tax rate of 29.359 mills.
- Reduce the amount of outstanding county debt, and fund future capital projects solely with cash and funding provided by other jurisdictions.
- Incur no deficits other than as needed to fund capital projects or to reduce special revenue fund balances to targeted levels.
- Incur no substantial reduction of services.

In addition to these goals, at the start of this budget development cycle I set three objectives:

- Continue to focus attention and resources on tier 1 services that constitute the core activities of county government.
- Reduce governmental funding of services that can be provided by non-governmental organizations.
- Take care of county workers.

2017

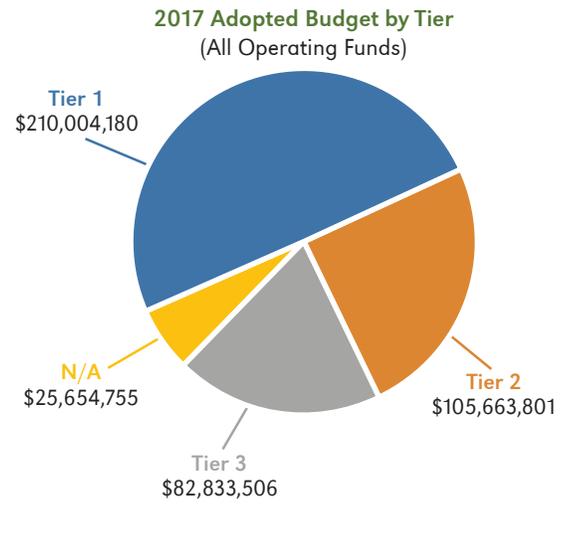
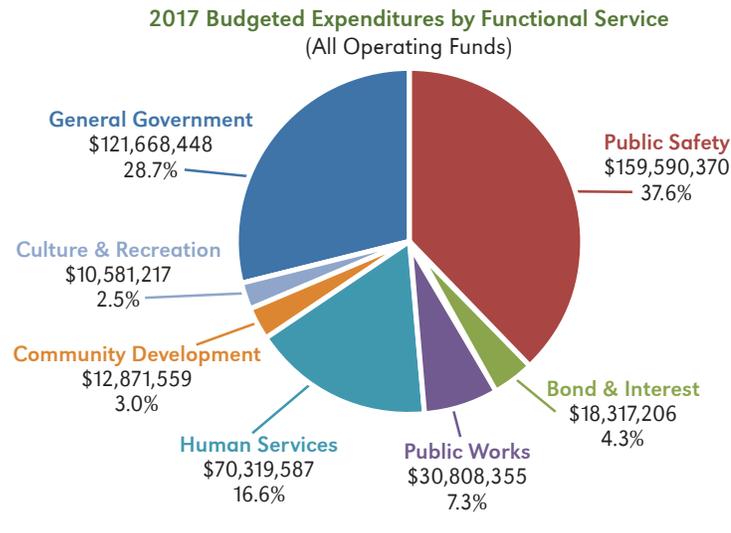
Manager’s MESSAGE



*Sedgwick County...
working for you*

I am pleased to announce the 2017 budget of \$424,156,742

achieves the Commission’s goals and fulfills my stated objectives. The adjacent charts illustrate the distribution of the Adopted Budget by governmental function and by priority tier. This budget is 2.2% more than the revised 2016 budget, but that total rate of increase masks a recommended reallocation of resources to tier 1 services from tier 2 and tier 3 programs. The 2017 Adopted Budget will increase tier 1 services (principally public safety) 4.4%, while decreasing tier 2 services (principally general administrative and internal support agencies) 1.7% and decreasing tier 3 services (those which are discretionary) 3.7%.



Highlights of this Adopted Budget are summarized in the following table. Additional details can be found in the Executive Summary and the individual divisional budget sections.

Tier 1		2017 Budget
EMS	Add six positions and an additional ambulance to EMS to staff a second shift at the new southeast post and respond to increased call demand throughout the county	\$657,918
	Add two positions to provide critical care transport capability	\$177,770
Emergency Communications	Add nine positions to respond to increased call volume	\$495,480
Emergency Communications	Upgrade 911 phone system	\$275,978
Sheriff	Fund two jail positions held unfilled since 2012 to reduce overtime costs; offset with reduction in overtime budget	\$150,140
District Attorney	Add two positions to review increased volume of evidence produced by police body cameras	\$182,245
District Attorney	Add one position to provide counseling services to Child-In-Need-of-Care clients	\$58,773
District Court	Increase from \$50 to \$65 the hourly rate paid to court-appointed lawyers for misdemeanor juvenile offender and criminal misdemeanor cases	\$101,250
Regional Forensic Science Center	Add one position to expedite testing of sexual assault evidence	\$87,810
Regional Forensic Science Center	Add funding for increased number of sexual assault kits and increased cost of DNA kits	\$39,000
MABCD	Add one inspection position	\$97,704
MABCD	Add funding to upgrade field mobile access to data system	\$105,800

Tier 1		2017 Budget
Elections	Add funding to amount already allocated (\$4,500,000) to replace voting equipment	\$1,500,000
Fire District	Add funding to replace mobile and handheld radios	\$789,108
Public Safety	Add funding to amount already allocated (\$2,650,000) to acquire Law Enforcement Training Center	\$2,850,000
Public Works	Add funding for preventive maintenance of county roads	\$9,166,667
Corrections	Implement centralized administration of access to detention facilities; eliminate five positions	(\$270,032)
Tier 2		
Facilities	Add one position and contractual service funding to operate and maintain the 271 Building	\$409,307
COMCARE	Add three positions to expedite EMS bill processing	\$178,359
Appraiser	Add funding for digital oblique imagery of real property to enhance accuracy of tax appraisals	\$233,000
CDDO	Reduce subsidized live-in support program	(\$102,978)
Info Technology	Eliminate Technology Learning Center and one position	(\$103,745)
Info Technology	Eliminate one security analyst position	(\$63,447)
Accounting	Reduce funding for merchant service fees	(\$165,000)
County Counselor	Reduce funding for outside counsel	(\$100,000)
Tier 3		
Health	Eliminate travel immunization services	(\$138,143)
COMCARE	Eliminate crime prevention funding for City Works program	(\$80,000)
All Tiers		
All	Fund targeted pay adjustments to reduce grade compression and turnover	\$2,539,705
All	Fund overtime payments in compliance with new regulation	\$750,000

These actions will be implemented without concern that they will create operating deficits because of several adjustments we've been able to make that will have no impact on operations or service delivery. The assessed value of the tax base as certified by the County Clerk for the 2017 budget is 2.75% higher than that of the previous year. This is more than double the expected rate of growth, and will result in an additional \$1,466,358 of property tax revenue. The mill levy rate will be 29.393 mills due to technical adjustments; it will be 0.034 mills more than the targeted mill levy rate of 29.359 mills. KPERS, the state pension system, provided 2017 contribution rates that were less than had been expected, and less than the 2016 rates. This change of pension contribution rates will result in \$1,427,793 of cost reduction. And finally, premiums for the employee health benefit will increase 3% in 2017, a substantial improvement from the 7% increase that had been expected. This reduction of personnel cost is made possible by lower-than-expected claims and plan utilization, and will result in \$457,514 of cost reduction from the previously projected amount.

The County budget always is adopted with a deficit because we budget substantial contingency appropriations that we don't expect to use. The contingencies are prudent in the event some critical event, such as a tornado, requires the county to incur extraordinary unanticipated expenditures. Because we don't expect that to happen, we do not levy property taxes to fund the contingencies; thus, our budgeted revenue always is less than our budgeted expenditures.

To provide a more accurate picture of the county budget we prepare a financial forecast that identifies the revenue we expect to receive and expenditures we expect to actually incur, and it is this forecasted operating result that is used to drive financial decision-making. We forecast a General Fund deficit of \$1.2 million for 2017, and a cumulative deficit for all property tax funds of \$6 million due to the use of cash on hand to pay for two new EMS posts, a remodel of floors 4 through 6 of the Ronald Reagan Building, and preventive road maintenance, along with a deliberate draw-down of fund balance in other funds to reach targeted, prudent fund balance levels.

This very positive outcome is the result of some difficult decisions made last year by the Board of County Commissioners, but it's also the result of the initiative and diligence of a county workforce that has worked to improve efficiency. Here are just a few of the many ideas, large and small, that have been implemented based on employee suggestions.

- The Appraiser's Office now mails valuation notices only when values change from the previous year, saving an estimated \$50,000 of yearly postage costs
- EMS reorganized the supervisory structure to reduce the need for employees to temporarily act as supervisors, saving an estimated \$20,000 per year of Acting Officer pay
- EMS billing services were brought in-house and consolidated with COMCARE's medical billing service, saving an estimated \$300,000 annually
- The Housing Department was consolidated with the housing program of Aging Services, which enabled administrative cost savings of \$159,000 per year.
- COMCARE implemented televideo assessment services, and saved \$419,000 of staff time and mileage reimbursement costs.
- Public Works began using a preventive road maintenance treatment called 'Super Seal' in place of more traditional resurfacing methods, which eliminated the need for \$2,000,000 of equipment replacement and extended the life of the treated roads
- Building maintenance for Corrections and COMCARE was consolidated with the centralized Facilities department, saving \$200,000 each year

This budget is the culmination of hard work and innovation from the Commissioners and staff. I look forward to building on these actions in the coming year. Thank you for allowing me the privilege to serve. I am proud to work with such dedicated public servants.

Cordially,

Mike Scholes
County Manager

