

## DIVISION OF FINANCE

# BUDGETED TRANSFERS AND OPERATING RESERVE

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**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
<b>Expenditures</b>					
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%
<b>Total Expenditures</b>	<b>5,396,308</b>	<b>16,903,399</b>	<b>15,983,250</b>	<b>16,338,936</b>	<b>2.2%</b>
<b>Revenue</b>					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges For Service	-	-	-	-	-
Other Revenue	1,270,983	-	-	-	-
<b>Total Revenue</b>	<b>1,270,983</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Full-Time Equivalents (FTEs)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Budget Summary by Fund**

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

## 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%	-	-	-	
<b>Total</b>	<b>5,396,308</b>	<b>16,903,399</b>	<b>15,983,250</b>	<b>16,338,936</b>	<b>2.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	

- 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.