

Contingency Reserves

Mission: To assure accurate financial reporting and informed planning and decision making through continuous employment of best practices to ensure effective and proper stewardship of public resources.

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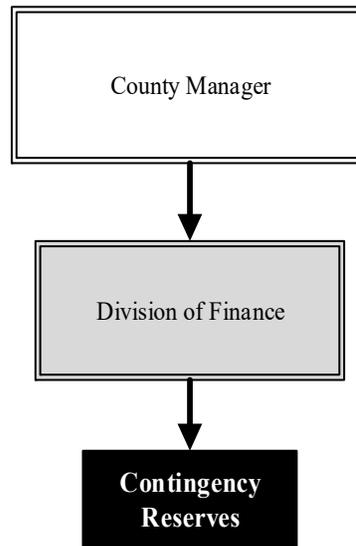
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Overview

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 five contingencies based on the organizational unit it is intended to support:

- Operating Contingency
- Board of County Commissioners Contingency
- Public Safety Contingency
- Rainy Day Reserve
- Compensation & TRB Contingency



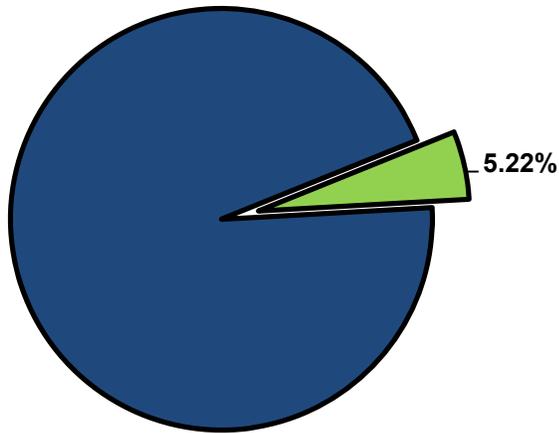
Significant Budget Adjustments

Changes to the Contingency Reserves' 2020 budget includes an increase of \$5,091,803 in the Operating Reserve to restore to historic levels; an increase of \$2,500,000 in the Rainy Day Reserve to restore to historic levels; an increase of \$1,658,527 in the Compensation & Technology Review Board (TRB) Contingency for targeted pay adjustments of 1.25 percent; an increase of \$894,505 in the Public Safety Contingency for potential funding of ICT-1, Integrated Care Team, and Clearwater EMS in 2020; the elimination of the CIP Contingency (\$356,742); and an increase of \$205,499 in the BOCC Contingency to restore to historic levels.

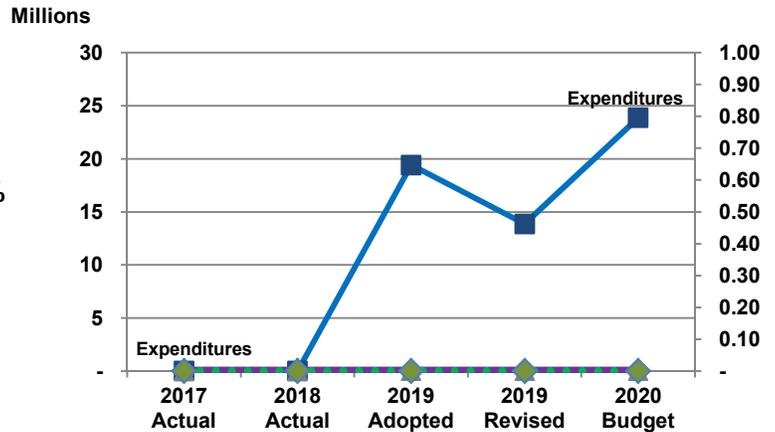


Departmental Graphical Summary

Contingency Reserves
Percent of Total County Operating Budget



Expenditures, Program Revenue & FTEs
All Operating Funds



Budget Summary by Category

	2017 Actual	2018 Actual	2019 Adopted	2019 Revised	2020 Budget	Amount Chg '19 Rev.-'20	% Chg '19 Rev.-'20
Expenditures							
Personnel	-	-	908,950	855,950	2,413,399	1,557,449	181.96%
Contractual Services	-	-	18,504,577	13,014,935	21,350,000	8,335,065	64.04%
Debt Service	-	-	-	-	-	-	-
Commodities	-	-	-	-	101,078	101,078	-
Capital Improvements	-	-	-	-	-	-	-
Capital Equipment	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-
Total Expenditures	-	-	19,413,527	13,870,886	23,864,477	9,993,592	72.05%
Revenues							
Tax Revenues	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
All Other Revenue	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Full-Time Equivalent (FTEs)							
Property Tax Funded	-	-	-	-	-	-	-
Non-Property Tax Funded	-	-	-	-	-	-	-
Total FTEs	-	-	-	-	-	-	-

Budget Summary by Fund

Fund	2017 Actual	2018 Actual	2019 Adopted	2019 Revised	2020 Budget	Amount Chg '19 Rev.-'20	% Chg '19 Rev.-'20
General Fund	-	-	19,039,130	13,496,488	22,615,012	9,118,524	67.56%
EMS Fund	-	-	22,804	22,804	163,134	140,330	615.38%
Corrections Grants	-	-	37,338	37,338	120,969	83,631	223.98%
Health Dept. Grants	-	-	62,230	62,230	112,754	50,524	81.19%
Multi. Funds	-	-	252,026	252,026	852,609	600,583	238.30%
Total Expenditures	-	-	19,413,527	13,870,886	23,864,477	9,993,592	72.05%

Significant Budget Adjustments from Prior Year Revised Budget

	Expenditures	Revenues	FTEs
Increase in Operating Fund Reserve to restore to historic levels	5,091,803		
Increase in Rainy Day Reserve to restore to historic levels	2,500,000		
Increase in Compensation & TRB Contingency for 1.25% targeted pay adjustment	1,658,527		
Increase in Public Safety Contingency to fund potential ICT-1 and Clearwater EMS in 2020	894,505		
Elimination of CIP Contingency	(356,742)		
Increase in BOCC Contingency to restore to historic levels	205,499		
Total	9,993,592	-	-

Budget Summary by Program

Program	Fund	2017 Actual	2018 Actual	2019 Adopted	2019 Revised	2020 Budget	% Chg '19 Rev.-'20	2020 FTEs
Operating Reserve	110	-	-	8,907,835	3,908,197	9,000,000	130.29%	-
BOCC Contingency	110	-	-	340,000	144,501	350,000	142.21%	-
Public Safety Cont.	110	-	-	1,400,000	1,105,495	2,000,000	80.91%	-
Rainy Day Reserve	110	-	-	7,500,000	7,500,000	10,000,000	33.33%	-
CIP Contingency	110	-	-	356,742	356,742	-	-100.00%	-
Comp. & TRB Contingency	Multi.	-	-	908,950	855,950	2,514,477	193.76%	-
Total		-	-	19,413,527	13,870,886	23,864,477	72.05%	-

• 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. It 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 department and then expended.

Fund(s): County General Fund 110

Expenditures	2017 Actual	2018 Actual	2019 Adopted	2019 Revised	2020 Budget	Amnt. Chg. '19 - '20	% Chg. '19 - '20
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	8,907,835	3,908,197	9,000,000	5,091,803	130.3%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	8,907,835	3,908,197	9,000,000	5,091,803	130.3%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
Total Revenues	-	-	-	-	-	-	0.0%
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%

• 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 department and then expended.

Fund(s): County General Fund 110

Expenditures	2017 Actual	2018 Actual	2019 Adopted	2019 Revised	2020 Budget	Amnt. Chg. '19 - '20	% Chg. '19 - '20
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	340,000	144,501	350,000	205,499	142.2%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	340,000	144,501	350,000	205,499	142.2%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
Total Revenues	-	-	-	-	-	-	0.0%
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%

• 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 department and then expended.

Fund(s): County General Fund 110								
Expenditures	2017 Actual	2018 Actual	2019 Adopted	2019 Revised	2020 Budget	Amnt. Chg. '19 - '20	% Chg. '19 - '20	
Personnel	-	-	-	-	-	-	0.0%	
Contractual Services	-	-	1,400,000	1,105,495	2,000,000	894,505	80.9%	
Debt Service	-	-	-	-	-	-	0.0%	
Commodities	-	-	-	-	-	-	0.0%	
Capital Improvements	-	-	-	-	-	-	0.0%	
Capital Equipment	-	-	-	-	-	-	0.0%	
Interfund Transfers	-	-	-	-	-	-	0.0%	
Total Expenditures	-	-	1,400,000	1,105,495	2,000,000	894,505	80.9%	
Revenues								
Taxes	-	-	-	-	-	-	0.0%	
Intergovernmental	-	-	-	-	-	-	0.0%	
Charges For Service	-	-	-	-	-	-	0.0%	
All Other Revenue	-	-	-	-	-	-	0.0%	
Total Revenues	-	-	-	-	-	-	0.0%	
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%	

• Rainy Day 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 20.0 percent of budgeted expenditures. Unrestricted fund balance above the minimum requirement is considered the County’s Rainy Day Reserve. County policy allows this excess to be budgeted, but only for the following specific purposes: cash-funded 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 BOCC. 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 BOCC.

Fund(s): County General Fund 110								
Expenditures	2017 Actual	2018 Actual	2019 Adopted	2019 Revised	2020 Budget	Amnt. Chg. '19 - '20	% Chg. '19 - '20	
Personnel	-	-	-	-	-	-	0.0%	
Contractual Services	-	-	7,500,000	7,500,000	10,000,000	2,500,000	33.3%	
Debt Service	-	-	-	-	-	-	0.0%	
Commodities	-	-	-	-	-	-	0.0%	
Capital Improvements	-	-	-	-	-	-	0.0%	
Capital Equipment	-	-	-	-	-	-	0.0%	
Interfund Transfers	-	-	-	-	-	-	0.0%	
Total Expenditures	-	-	7,500,000	7,500,000	10,000,000	2,500,000	33.3%	
Revenues								
Taxes	-	-	-	-	-	-	0.0%	
Intergovernmental	-	-	-	-	-	-	0.0%	
Charges For Service	-	-	-	-	-	-	0.0%	
All Other Revenue	-	-	-	-	-	-	0.0%	
Total Revenues	-	-	-	-	-	-	0.0%	
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%	

• CIP Contingency

The Capital Improvement Program (CIP) Contingency was an allocation of funding to be set aside for future use as a capital project funding source.

Fund(s): County General Fund 110

Expenditures	2017 Actual	2018 Actual	2019 Adopted	2019 Revised	2020 Budget	Amnt. Chg. '19 - '20	% Chg. '19 - '20
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	356,742	356,742	-	(356,742)	-100.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	356,742	356,742	-	(356,742)	-100.0%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
Total Revenues	-	-	-	-	-	-	0.0%
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%

• Compensation & TRB Contingency

The Compensation Contingency was created to reserve funding for targeted compensation adjustments as well as adjustments as a result of changes to the Fair Labor Standards Act (FLSA). The personnel 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, as well as a 1.25 percent contingency for targeted pay adjustments in 2020. The Technology Review Board (TRB) was established in 2019 to centralize the process of managing Information Technology (IT) projects, positions for technology support, and hardware and software needs to ensure the needs of the County are being met while also supporting the County’s strategic plan. As budget authority is shifted from departments for the TRB it is placed in the contingency for future IT needs.

Fund(s): Multi.

Expenditures	2017 Actual	2018 Actual	2019 Adopted	2019 Revised	2020 Budget	Amnt. Chg. '19 - '20	% Chg. '19 - '20
Personnel	-	-	908,950	855,950	2,413,399	1,557,449	182.0%
Contractual Services	-	-	-	-	-	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	101,078	101,078	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	908,950	855,950	2,514,477	1,658,527	193.8%
Revenues							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
Total Revenues	-	-	-	-	-	-	0.0%
Full-Time Equivalents (FTEs)	-	-	-	-	-	-	0.0%