

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.

Lindsay Poe Rousseau
Chief Financial Officer

525 N. Main St., Suite 823
 Wichita, KS 67203
 316.660.7591

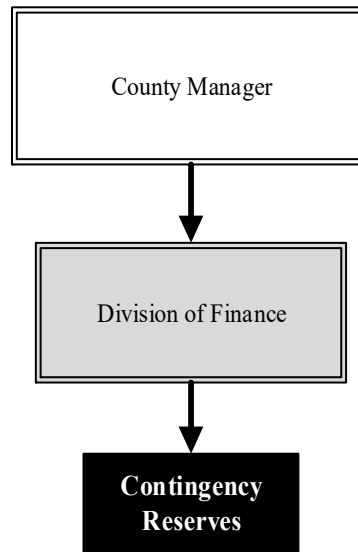
lindsay.poerousseau@sedgwick.gov

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 generally on the organizational unit it is intended to support:

- Operating Reserve
- Board of County Commissioners (BOCC) Contingency
- Public Safety Contingency
- Rainy Day Reserve
- Technology Contingency



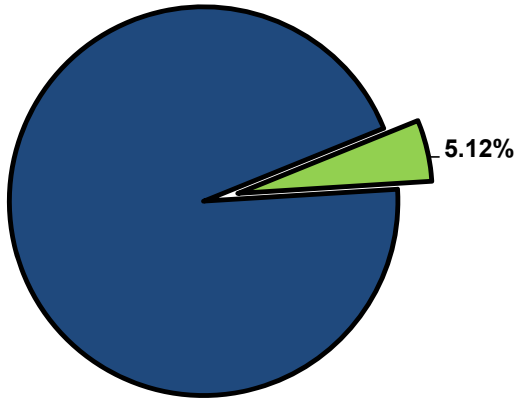
Significant Budget Adjustments

Significant adjustments to the Contingency Reserves' 2021 Recommended Budget include a decrease of \$2,514,477 due to the elimination of the Compensation & Technology Review Board (TRB) Contingency, an increase of \$2,496,666 in the Operating Reserve to restore to historic levels, the addition of the Technology Contingency for unanticipated technology needs (\$1,000,000), an increase in the Rainy Day Reserve of \$650,000 to restore to historic levels, an increase in the Public Safety Contingency of \$376,292 to restore to historic levels, and an increase of \$5,000 in the BOCC Contingency to restore to historic levels.

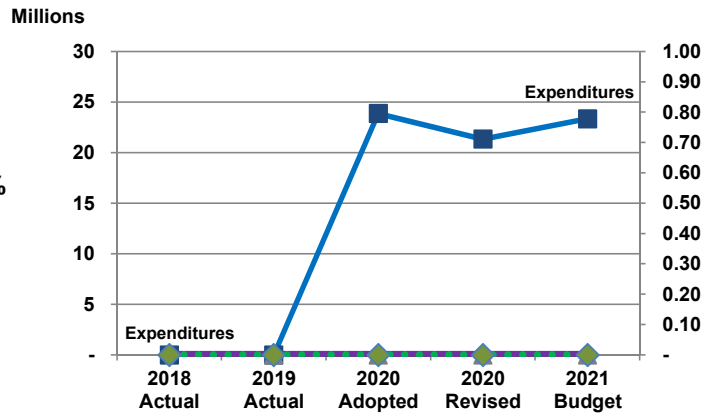


Departmental Graphical Summary

Contingency Reserves
Percent of Total County Operating Budget



Expenditures, Program Revenue & FTEs
All Operating Funds



Budget Summary by Category

	2018 Actual	2019 Actual	2020 Adopted	2020 Revised	2021 Budget	Amount Chg '20 Rev.-'21	% Chg '20 Rev.-'21
Expenditures							
Personnel	-	-	2,413,399	2,413,399	-	(2,413,399)	-100.00%
Contractual Services	-	-	21,350,000	18,822,042	22,350,000	3,527,958	18.74%
Debt Service	-	-	-	-	-	-	-
Commodities	-	-	101,078	101,078	800,000	698,922	691.47%
Capital Improvements	-	-	-	-	-	-	-
Capital Equipment	-	-	-	-	200,000	200,000	-
Interfund Transfers	-	-	-	-	-	-	-
Total Expenditures	-	-	23,864,477	21,336,519	23,350,000	2,013,481	9.44%
Revenues							
Tax Revenues	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
All Other Revenue	(10,000)	-	-	-	-	-	-
Total Revenues	(10,000)	-	-	-	-	-	-
Full-Time Equivalents (FTEs)							
Property Tax Funded	-	-	-	-	-	-	-
Non-Property Tax Funded	-	-	-	-	-	-	-
Total FTEs	-	-	-	-	-	-	-

Budget Summary by Fund

	2018 Actual	2019 Actual	2020 Adopted	2020 Revised	2021 Budget	Amount Chg '20 Rev.-'21	% Chg '20 Rev.-'21
Fund							
General Fund	-	-	22,615,012	20,087,054	23,350,000	3,262,946	16.24%
EMS Fund	-	-	163,134	163,134	-	(163,134)	-100.00%
Corrections Grants	-	-	120,969	120,969	-	(120,969)	-100.00%
Health Dept. Grants	-	-	112,754	112,754	-	(112,754)	-100.00%
Multi. Funds	-	-	852,609	852,609	-	(852,609)	-100.00%
Total Expenditures	-	-	23,864,477	21,336,519	23,350,000	2,013,481	9.44%

Significant Budget Adjustments from Prior Year Revised Budget

	Expenditures	Revenues	FTEs
Elimination of Compensation & TRB Contingency	(2,514,477)		
Increase in Operating Fund Reserve to restore to historic levels	2,496,666		
Addition of Technology Contingency	1,000,000		
Increase in Rainy Day Reserve to restore to historic levels	650,000		
Increase in Public Safety Contingency to restore to historic levels	376,292		
Increase in BOCC Contingency to restore to historic levels	5,000		
Total	2,013,481	-	-

Budget Summary by Program

Program	Fund	2018 Actual	2019 Actual	2020 Adopted	2020 Revised	2021 Budget	% Chg '20 Rev.-'21	2021 FTEs
Operating Reserve	110	-	-	9,000,000	7,503,334	10,000,000	33.27%	-
BOCC Contingency	110	-	-	350,000	345,000	350,000	1.45%	-
Public Safety Contingency	110	-	-	2,000,000	1,623,708	2,000,000	23.17%	-
Rainy Day Reserve	110	-	-	10,000,000	9,350,000	10,000,000	6.95%	-
Technology Contingency	110	-	-	-	-	1,000,000	0.00%	-
Comp. & TRB Cont.	Multi.	-	-	2,514,477	2,514,477	-	-100.00%	-
Total		-	-	23,864,477	21,336,519	23,350,000	9.44%	-

• Operating Reserve

The Operating Reserve sets aside funding to address potential changes in service delivery or 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	2018 Actual	2019 Actual	2020 Adopted	2020 Revised	2021 Budget	Amnt. Chg. '20 - '21	% Chg. '20 - '21
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	9,000,000	7,503,334	10,000,000	2,496,666	33.3%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	9,000,000	7,503,334	10,000,000	2,496,666	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%

• BOCC Contingency

The Board of County Commissioners (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	2018 Actual	2019 Actual	2020 Adopted	2020 Revised	2021 Budget	Amnt. Chg. '20 - '21	% Chg. '20 - '21
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	350,000	345,000	350,000	5,000	1.4%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	350,000	345,000	350,000	5,000	1.4%
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 and funding for Public Safety services whose full cost cannot be precisely estimated due to 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	2018 Actual	2019 Actual	2020 Adopted	2020 Revised	2021 Budget	Amnt. Chg. '20 - '21	% Chg. '20 - '21
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	2,000,000	1,623,708	2,000,000	376,292	23.2%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	2,000,000	1,623,708	2,000,000	376,292	23.2%
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%

• 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	2018 Actual	2019 Actual	2020 Adopted	2020 Revised	2021 Budget	Amnt. Chg. '20 - '21	% Chg. '20 - '21
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	10,000,000	9,350,000	10,000,000	650,000	7.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	10,000,000	9,350,000	10,000,000	650,000	7.0%
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%

• Technology Contingency

New for 2021, the Technology Contingency is intended to provide a funding sources for unanticipated technology costs. This may include costs to purchase replacements of failing hardware, software licensing to replace or upgrade necessary County systems, or to respond to other critical needs that cannot be delayed until a future budget cycle.

As with other contingencies, funding will be transferred from the Technology Contingency to the appropriate department and then expended.

Fund(s): County General Fund 110

Expenditures	2018 Actual	2019 Actual	2020 Adopted	2020 Revised	2021 Budget	Amnt. Chg. '20 - '21	% Chg. '20 - '21
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	-	-	-	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	800,000	800,000	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	200,000	200,000	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	-	-	1,000,000	1,000,000	0.0%
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 was 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. This contingency was eliminated in 2021.

Fund(s): Multi.

Expenditures	2018 Actual	2019 Actual	2020 Adopted	2020 Revised	2021 Budget	Amnt. Chg. '20 - '21	% Chg. '20 - '21
Personnel	-	-	2,413,399	2,413,399	-	(2,413,399)	-100.0%
Contractual Services	-	-	-	-	-	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	101,078	101,078	-	(101,078)	-100.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	2,514,477	2,514,477	-	(2,514,477)	-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%