

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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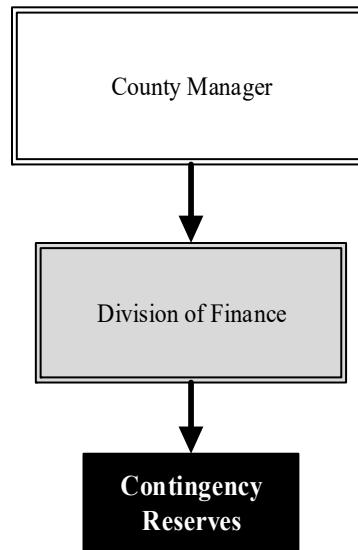
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Overview

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 seven 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
- Compensation Contingency
- Mental Health Contingency



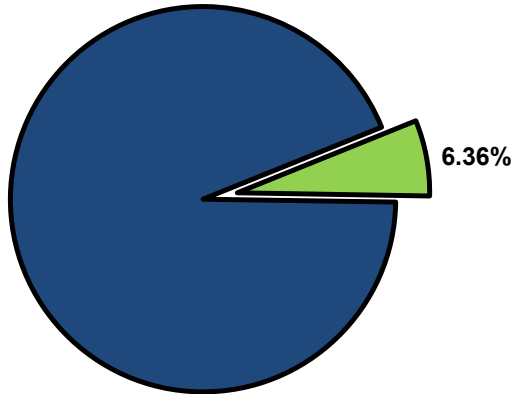
Significant Budget Adjustments

Significant adjustments to the Contingency Reserves' 2024 Recommended Budget include an increase in the Operating Reserve for 2024 (\$4,500,786), an increase in the Public Safety Contingency for 2024 (\$2,600,000), an increase in the Technology Contingency Reserve for 2024 (\$1,025,831), an increase in the Rainy Day Reserve to restore for 2024 (\$930,210), a decrease in the Employee Compensation Contingency (\$426,849) for 2024, and an increase in the BOCC Contingency for 2024 (\$15,000).

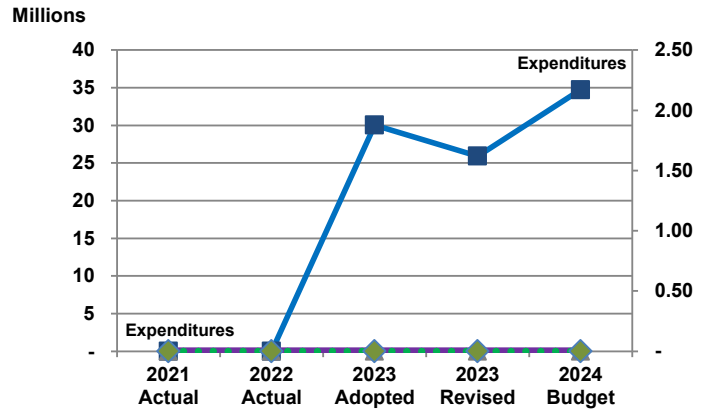


Departmental Graphical Summary

Contingency Reserves
Percent of Total County Operating Budget



Expenditures, Program Revenue & FTEs
All Operating Funds



Budget Summary by Category

	2021 Actual	2022 Actual	2023 Adopted	2023 Revised	2024 Budget	Amount Chg '23 Rev.-'24	% Chg '23 Rev.-'24
Expenditures							
Personnel	-	-	5,354,426	5,354,426	4,927,577	(426,849)	-7.97%
Contractual Services	-	-	23,685,000	20,074,981	28,300,000	8,225,019	40.97%
Debt Service	-	-	-	-	-	-	-
Commodities	-	-	500,000	-	750,000	750,000	-
Capital Improvements	-	-	-	-	-	-	-
Capital Equipment	-	-	500,000	474,169	750,000	275,831	58.17%
Interfund Transfers	-	-	-	-	-	-	-
Total Expenditures	-	-	30,039,426	25,903,575	34,727,577	8,824,002	34.06%
Revenues							
Tax Revenues	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
All Other Revenue	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Full-Time Equivalents (FTEs)							
Property Tax Funded	-	-	-	-	-	-	-
Non-Property Tax Funded	-	-	-	-	-	-	-
Total FTEs	-	-	-	-	-	-	-

Budget Summary by Fund

	2021 Actual	2022 Actual	2023 Adopted	2023 Revised	2024 Budget	Amount Chg '23 Rev.-'24	% Chg '23 Rev.-'24
Fund							
General Fund	-	-	29,025,612	24,889,762	33,779,403	8,889,641	35.72%
Health Dept. Grants	-	-	150,642	150,642	141,250	(9,392)	-6.23%
Multi. Funds	-	-	863,172	863,172	806,924	(56,248)	-6.52%
Total Expenditures	-	-	30,039,426	25,903,575	34,727,577	8,824,002	34.06%

Significant Budget Adjustments from Prior Year Revised Budget

	Expenditures	Revenues	FTEs
Increase in Operating Reserve for 2024	4,500,786		
Increase in Public Safety Contingency for 2024	2,600,000		
Increase in Technology Contingency Reserve for 2024	1,025,831		
Increase in Rainy Day Reserve to restore for 2024	930,210		
Decrease in Employee Compensation Contingency for 2024	(426,849)		
Increase in BOCC Contingency for 2024	15,000		

Total	8,644,978	-	-
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Budget Summary by Program

Program	Fund	2021 Actual	2022 Actual	2023 Adopted	2023 Revised	2024 Budget	% Chg '23 Rev.-'24	23-'24' FTEs
Operating Reserve	110	-		10,000,000	7,320,191	12,000,000	63.93%	-
BOCC Contingency	110	-	-	285,000	285,000	300,000	5.26%	-
Public Safety Contingency	110	-	-	2,400,000	2,400,000	5,000,000	108.33%	-
Rainy Day Reserve	110	-	-	10,000,000	9,069,790	10,000,000	10.26%	-
Technology Contingency	110	-	-	1,000,000	474,169	1,500,000	216.34%	-
Mental Health Contingency	110	-	-	1,000,000	1,000,000	1,000,000	0.00%	-
Employee Compensation	Multi.	-	-	5,354,426	5,354,426	4,927,577	-7.97%	-
Total		-	-	30,039,426	25,903,575	34,727,577	34.06%	-

• 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	2021 Actual	2022 Actual	2023 Adopted	2023 Revised	2024 Budget	Amnt. Chg. '23 - '24	% Chg. '23 - '24
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	10,000,000	7,499,214	12,000,000	4,500,786	60.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	10,000,000	7,499,214	12,000,000	4,500,786	60.0%
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%

• 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	2021 Actual	2022 Actual	2023 Adopted	2023 Revised	2024 Budget	Amnt. Chg. '23 - '24	% Chg. '23 - '24
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	285,000	285,000	300,000	15,000	5.3%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	285,000	285,000	300,000	15,000	5.3%
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%

• 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	2021 Actual	2022 Actual	2023 Adopted	2023 Revised	2024 Budget	Amnt. Chg. '23 - '24	% Chg. '23 - '24
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	2,400,000	2,400,000	5,000,000	2,600,000	108.3%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	2,400,000	2,400,000	5,000,000	2,600,000	108.3%
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%

• 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	2021 Actual	2022 Actual	2023 Adopted	2023 Revised	2024 Budget	Amnt. Chg. '23 - '24	% Chg. '23 - '24
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	10,000,000	9,069,790	10,000,000	930,210	10.3%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	10,000,000	9,069,790	10,000,000	930,210	10.3%
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%

• Technology Contingency

The Technology Contingency is intended to provide a funding source 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	2021 Actual	2022 Actual	2023 Adopted	2023 Revised	2024 Budget	Amnt. Chg. '23 - '24	% Chg. '23 - '24
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	-	-	-	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	500,000	-	750,000	750,000	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	500,000	474,169	750,000	275,831	58.2%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	1,000,000	474,169	1,500,000	1,025,831	216.3%
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%

• Mental Health Contingency

The Mental Health Contingency is new for the 2023 budget. As the Commission seeks solutions for increased demand for mental health services in the community, this will provide a pool of funding to support such initiatives if other funding is not available.

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

Fund(s): County General Fund 110

Expenditures	2021 Actual	2022 Actual	2023 Adopted	2023 Revised	2024 Budget	Amnt. Chg. '23 - '24	% Chg. '23 - '24
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	1,000,000	1,000,000	1,000,000	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	1,000,000	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 Contingency

The Compensation Contingency was created to reserve funding for potential targeted or general compensation adjustments, should economic conditions support the additional cost beyond what was included in departmental operating budgets. Budget authority is allocated to various County funds based on the budgeted earnings in those funds. Use of these funds may only be authorized by action of the BOCC; upon approval, appropriate budget authority would be transferred to the appropriate department budget for actual use.

Fund(s): Multi.

Expenditures	2021 Actual	2022 Actual	2023 Adopted	2023 Revised	2024 Budget	Amnt. Chg. '23 - '24	% Chg. '23 - '24
Personnel	-	-	5,354,426	5,354,426	4,927,577	(426,849)	-8.0%
Contractual Services	-	-	-	-	-	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Expenditures	-	-	5,354,426	5,354,426	4,927,577	(426,849)	-8.0%
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%