



# Maximizing Taxpayer Value: Sedgwick County's Strategic Approach to Managing Public Funds

# Presenters

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**Brent Shelton**  
Deputy Chief Financial Officer  
Sedgwick County, KS  
[brent.shelton@sedgwick.gov](mailto:brent.shelton@sedgwick.gov)



**David Floyd**  
Investment Manager  
Sedgwick County, KS  
[david.floyd@sedgwick.gov](mailto:david.floyd@sedgwick.gov)



**Tyler Frame**  
Relationship Specialist  
(585) 484-0311 ext. 708  
[tdf@threeplusone.us](mailto:tdf@threeplusone.us)

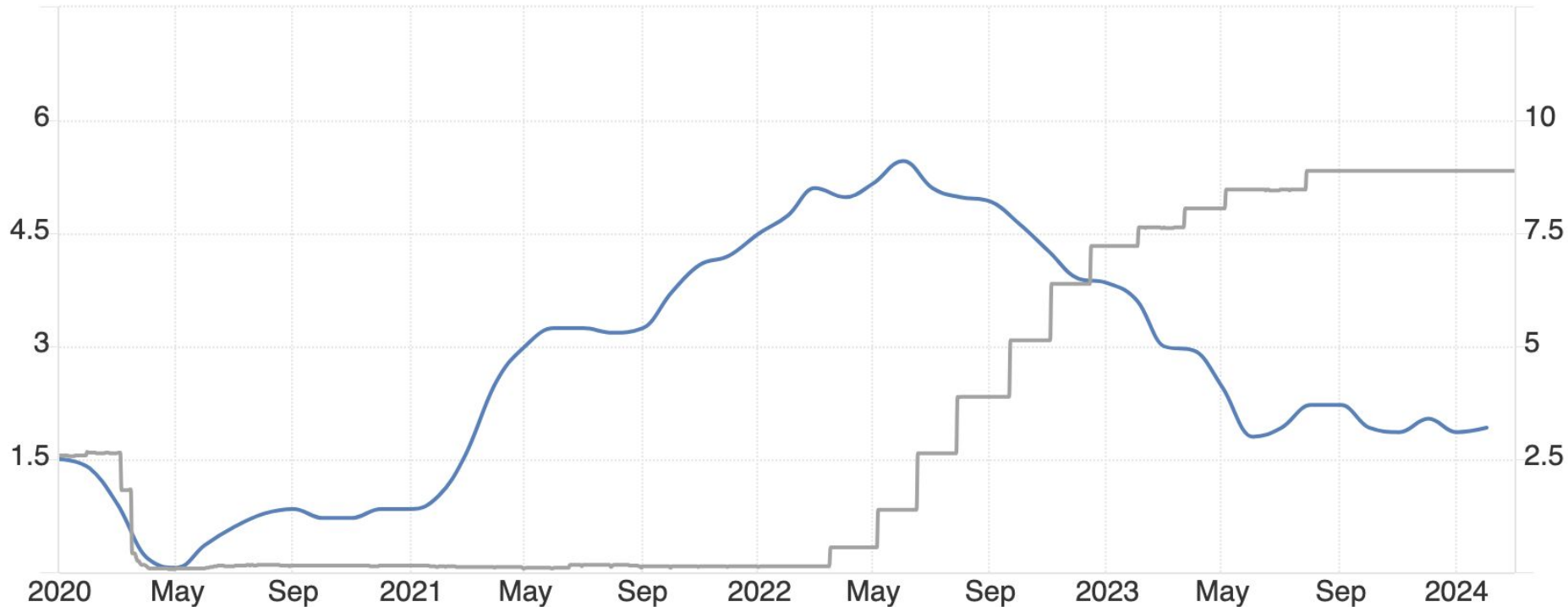


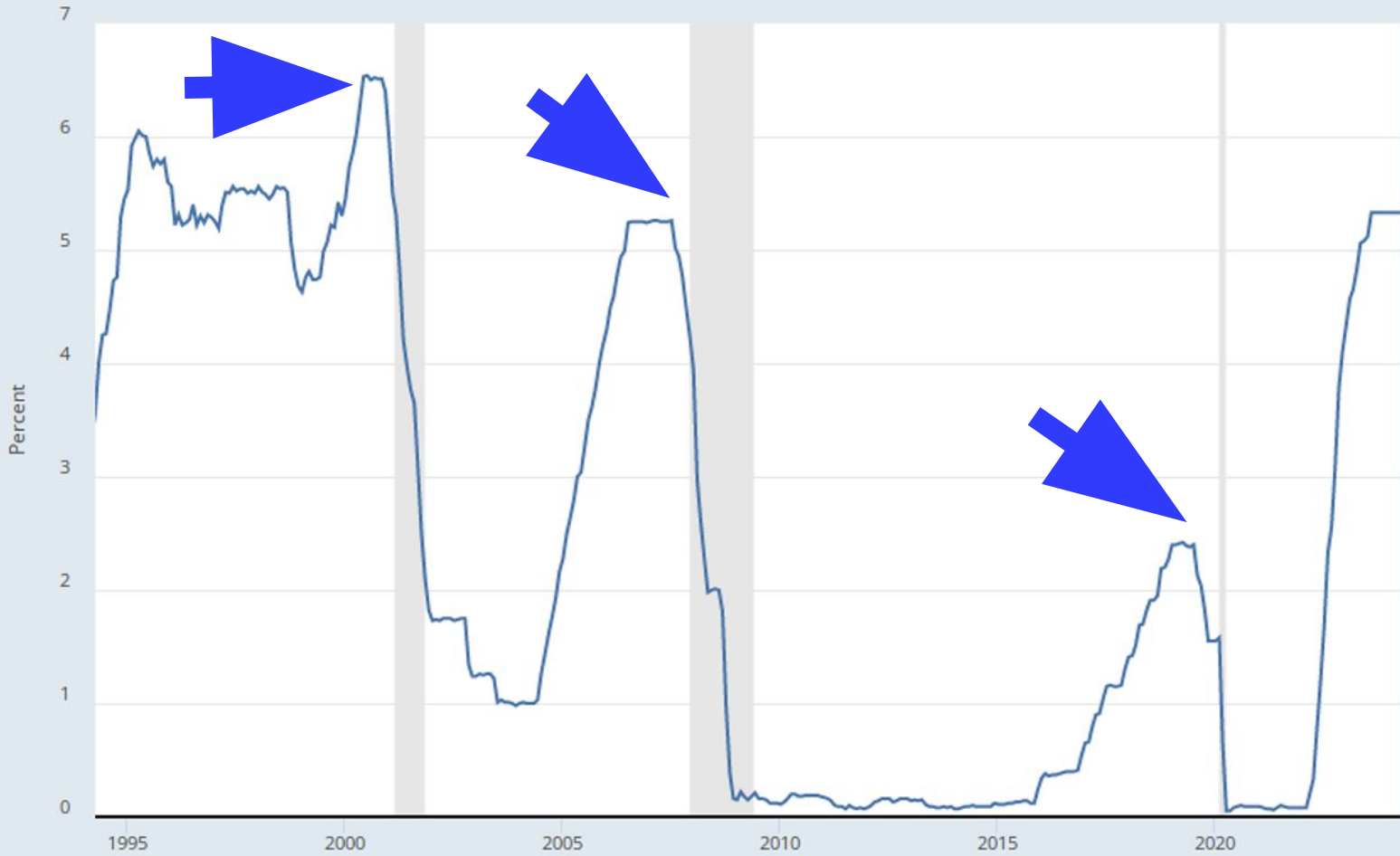
# Relationship Between Inflation and Interest Rates

Jan. 2020 through March 2024

Gray (left y-axis) = Effective Federal Funds Rate

Blue (right y-axis) = Inflation Rate





# What is getting in the way of maximizing revenues?

01



We need a way to forecast and analyze future cash positions.

02



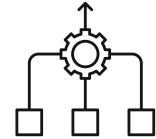
## Staffing

03



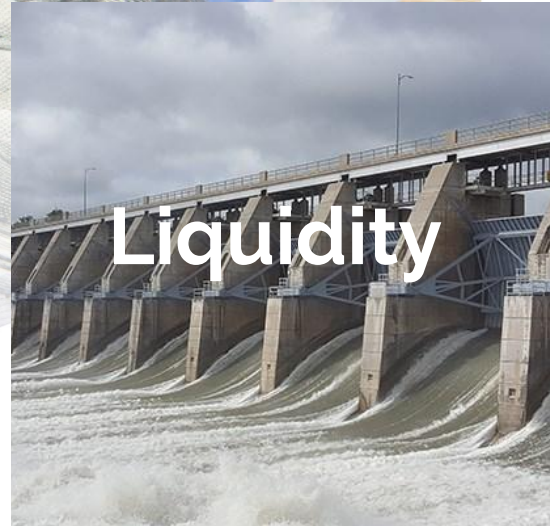
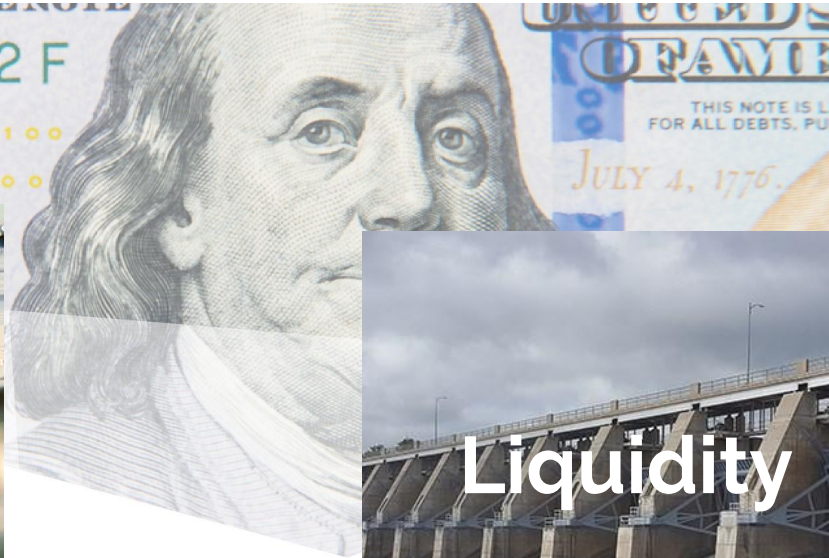
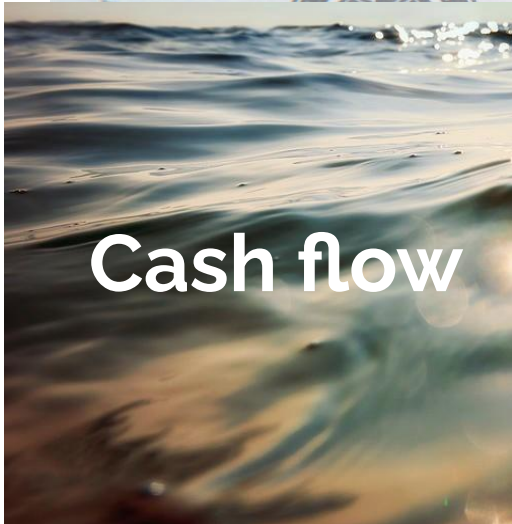
No time to modernize and streamline banking/cash management services.

04



No consolidated view of cash positions to make confident investing decisions.

# Cash Flow vs Liquidity



# cashVest Real Results Sedgwick County, KS



**\$15.9MM\***

In Cumulative Earnings Since 2023

**\$1.56MM**

In annual benefit. This represents a **22.1x ROI**

**0.72%**

Of taxy levy offset by new revenue. Annual taxy levy,  
\$214MM

*\*Not including savings*

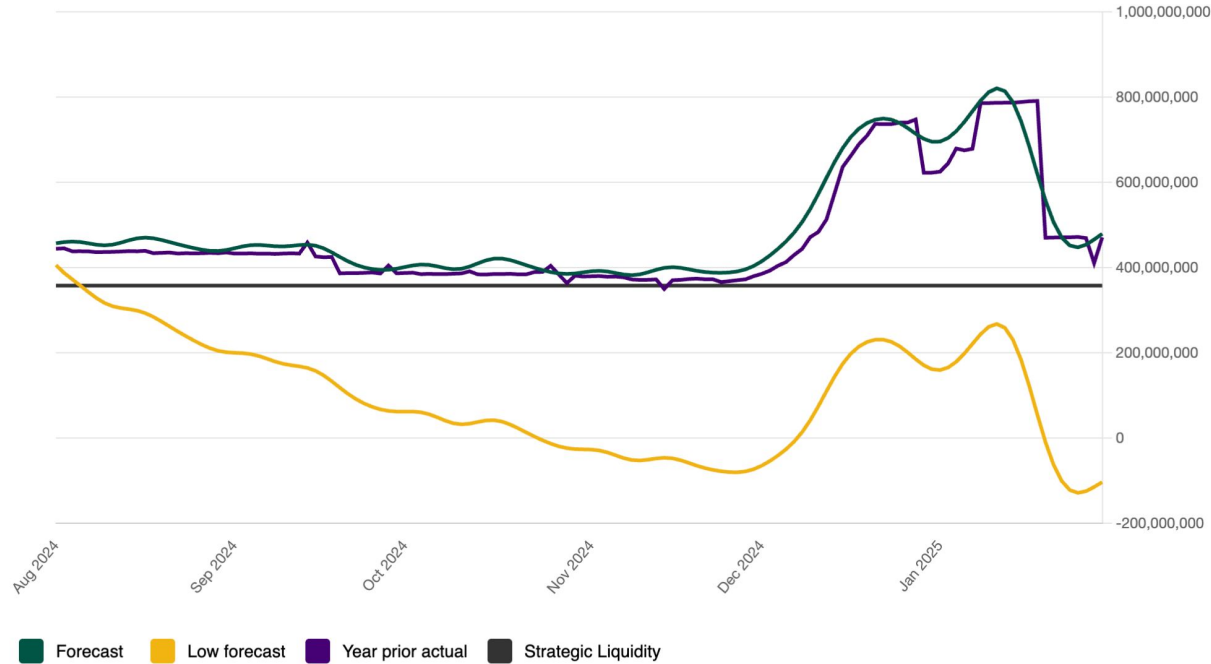
*The cashVest data provided exactly what we were looking for and confirmed our need to bring in an outside firm to validate and elevate our cash management and investment practices.*

**Brent Shelton**  
**Deputy Chief Financial Officer**  
**Sedgwick County, KS**



# + Putting The Data To Work

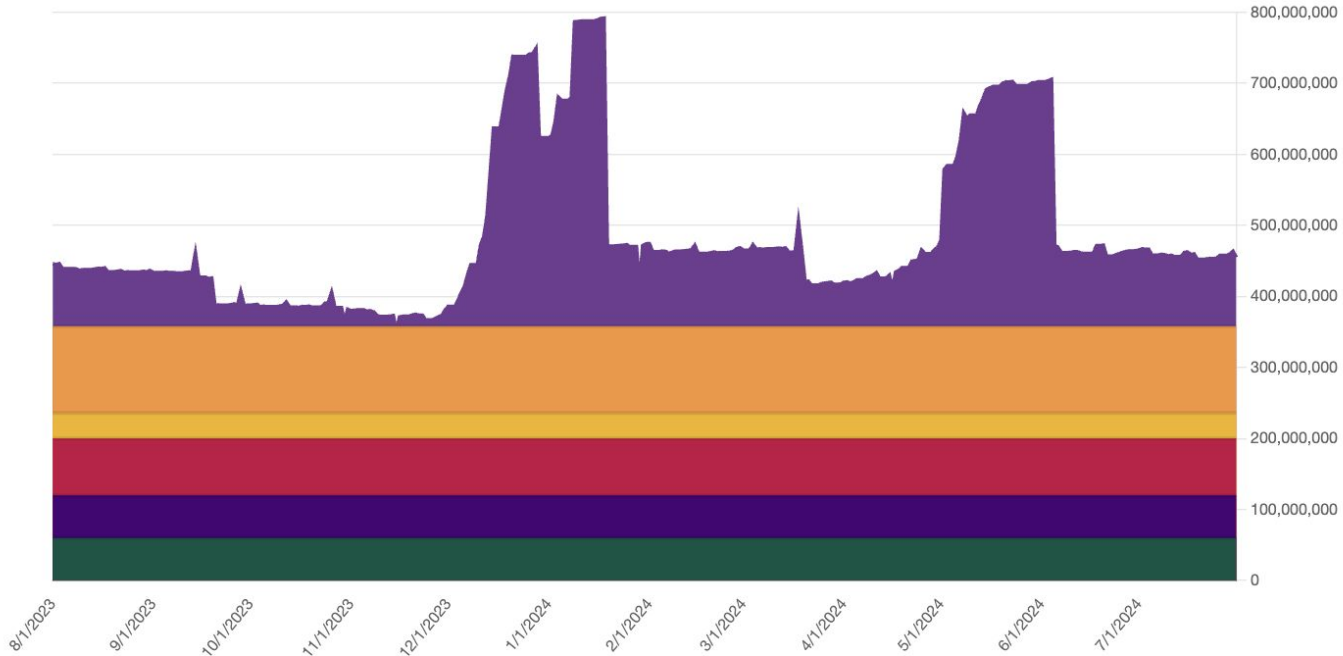
### Short-term Cash Position Forecast



[? Explain this chart](#)

# + Putting The Data To Work

Strategic Liquidity vs Total Balance ▾



[? Explain this chart](#)

# + Putting The Data To Work

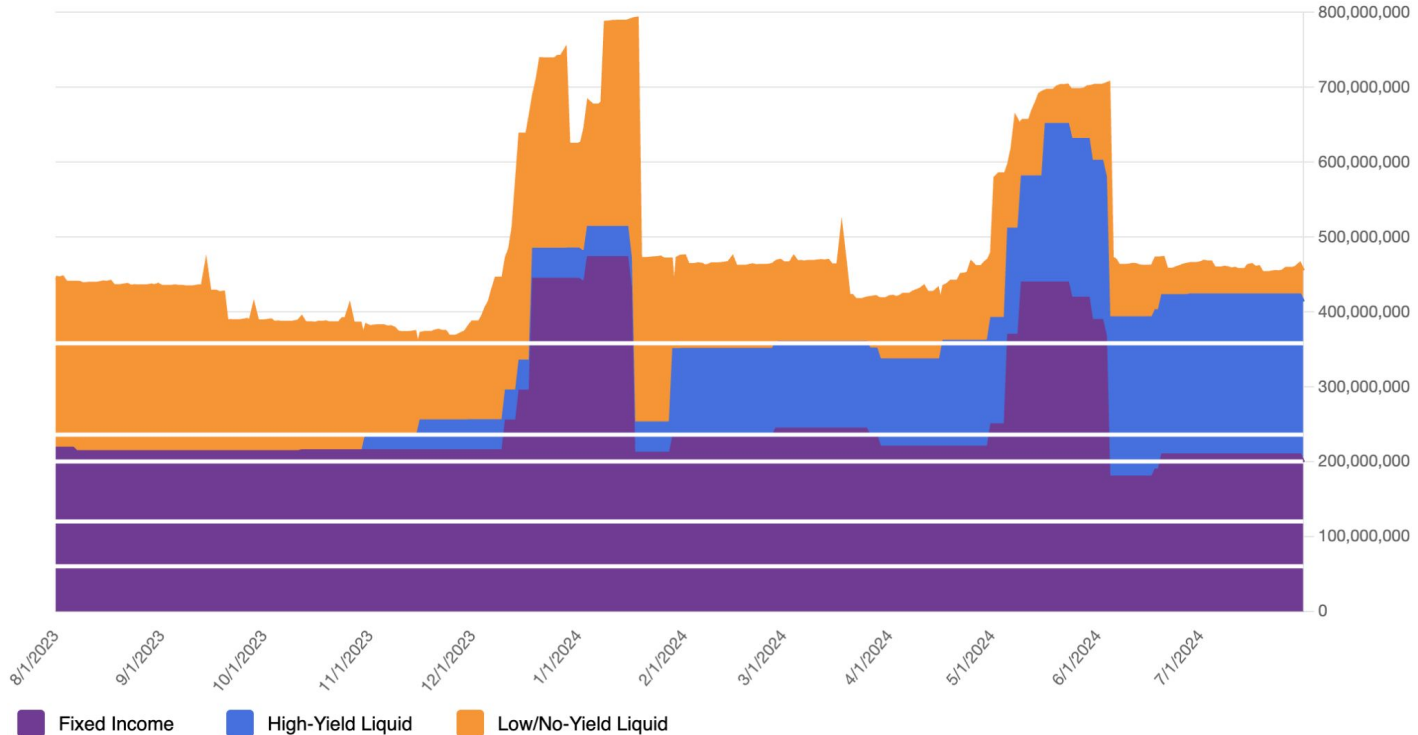


	LEVEL 4 \$60M	LEVEL 3 \$60M	LEVEL 2 \$80M	LEVEL 1 \$35.921M	Cushion \$122.193M	Working Capital <sup>?</sup> \$123,687,203	Total \$481,801,203
Duration	36-48 months	24-36 months	12-24 months	1-12 months	Up to 30 days	Daily	Varies
Benchmark Rates *	4.10%	4.29%	4.73%	5.32%	5.49%	5.49%	5.03%
Benchmark Values	\$2,460,000	\$2,574,000	\$3,784,000	\$1,909,201	\$6,708,396	\$6,790,427	\$24,226,024

\* Treasury Yield Curve Rates as of 7/31/2024

# + Putting The Data To Work

Investment vs Strategic Liquidity Levels ▾



# + So what about peer benchmarks?



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	Term	Rates
Option #1	12-month CD	5.05%
Option #2	12-month T-bill	4.41%
Option #3	6-month T-bill	4.86%
Option #4	6-month CD	5.15%
Option #5	3-month T-bill	5.10%
Option #6	3-month CD	5.30%
Option #7	High-yield Liquid	5.28%

Comparing marketplace benchmarks ensures you are **receiving full marketplace value** on all cash.

**This chart shows actual benchmarks for \$5,000,000 on 9/5/24:**

-\$5.0m @ 5.05% = \$ 252,500 1 year earnings

-\$5.0m @ 4.41% = \$ 220,500 1 year earnings

**+\$ 32,000** = Net addl revenue

# Value comparisons between banks



	Bank 1	Bank 2	Bank 3	Bank 4	Bank 5
<b>Total Annual Line Item Fees (excluding FDIC fees)</b>	\$23,410	\$14,429	\$25,708	\$78,272	\$17,776
<b>DDA Rate</b>	4.62%	4.50%	0.35%	1.00%	0.10%
<b>ECR</b>	4.72%	1.50%	0.30%	3.50%	0.05%
<b>FDIC</b>	0.000%	0.130%	0.000%	0.129%	0.000%
<b>ECR net of FDIC</b>	<b>4.72%</b>	<b>1.37%</b>	<b>0.30%</b>	<b>3.37%</b>	<b>0.05%</b>
<b>Historical Average Balance</b>	\$27,899,703	\$27,899,703	\$27,899,703	\$27,899,703	\$27,899,703
<b>FDIC Fee (\$)</b>	\$0	\$36,270	\$0	\$35,991	\$0
<b>Reserve Requirement (RR)</b>	0%	0%	4.45%	0%	0%
<b>Historical Average Balance Adjusted for RR</b>	\$27,899,703	\$27,899,703	\$26,657,614	\$27,899,703	\$27,899,703
<b>ECR Allowance</b>	\$1,316,866	\$382,226	\$79,973	\$940,499	\$13,950
<b>Estimated Balance to Pay Zero Fees</b>	<b>\$495,968</b>	<b>\$3,700,649</b>	<b>\$8,569,173</b>	<b>\$3,389,572</b>	<b>\$35,552,100</b>
<b>Interest Type</b>	<b>Excess Balances</b>	<b>Excess Balances</b>	<b>Only on Payroll Acct.</b>	<b>All Balances</b>	<b>All Balances</b>
<b>Excess / Deficit Balance</b>	\$27,403,735	\$24,199,054	\$500,000	\$24,510,131	-\$7,652,397
<b>Net Value - Interest Earned after Fees are Offset</b>	<b>\$1,266,053</b>	<b>\$1,088,957</b>	<b>\$615,760</b>	<b>\$278,997</b>	<b>-\$3,826</b>

**Public entity -  
\$152 million budget**

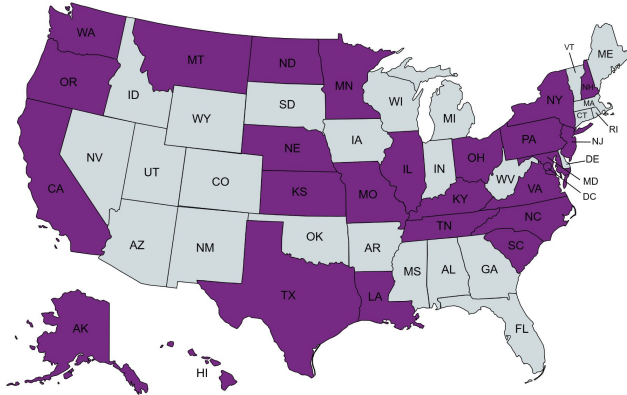
1. Monitor
2. Know the benchmarks
3. Understand your account structure and how it works with your overall treasury operation.



# How does three+one help ?

Our constantly evolving analysis of the cash your county has on deposit helps your Finance Office make the best possible decisions about future cash-flow, investing of funds, banking costs, and borrowings.

**We use data and the latest technology - not opinions.**



On average, cashVest identifies **73% more cash** that can be put to work earning interest. The results? More than **\$2.5 Billion** in **new revenues** for public entities.

# Contact us for more information



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Sedgwick County, KS  
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