

Assumptions Used for future Budget Projections

EXPENDITURES

For FY 2011 and beyond, compensation increases, as well as health and other benefit increases, are included for all service areas. During FY 2010, a \$20,000 retirement incentive was offered to individuals with 30 or more years of services. Some of these positions were deleted while others were filled at 80% of market resulting in personal services savings. Details are in each department.

Personnel Related: For FY 2011, an average of 1.5% performance increases are included in the Recommended budget, however, performance increases awarded during FY 2010 are annualized in FY 2011. Health and dental insurance are budgeted in all departments at a 5% increase for each. The County contribution to the Local Government Retirement System is budgeted at a 1.55% increase. Indications are that this contribution will continue to increase for several years For FY 2011 and beyond, except as noted below, 3% per year is assumed for salaries and wages and 10% increase in benefit related costs (health, dental, retirement).

Non-Personnel Related for County Departments: Except as noted below, 2.5% per year are assumed for all years after FY 2011.

Capital Improvement Plan - per Plan as described beginning on page 255 in this document.

Assumptions which differ from the above are as follows:

Assumptions for Public Safety Service Area:

Sheriff

- FY 2010 Jail medical costs assume a budget to budget increase of \$584,000, more than the estimated actual for FY 10. The contract was bid out and awarded to a new vendor effective September 1, 2009. Although the new contract went to a new vendor, the costs did not decrease as hoped. However, cost containment is being realized with a more incentive-based contract.
- FY 2011 Sheriff's Office Property/Evidence Management merged with the Winston-Salem Police Department Property/Evidence Management division. Located at the City's Al Beaty Public Safety Training and Support Facility. Sheriff will delete 2.5 FTEs (civilian positions) and decrease off-site storage space. County providing \$ to City to provide this consolidated service.
- FY 2018 15 additional positions are assumed to staff the new minimum security space located in the Phillips Building adaptive reuse space.

Emergency Services

- FY 2013 18 additional paramedic positions budgeted throughout the year to migrate to 12 hour shifts (\$800,000)
- FY 2015 17 additional positions budgeted throughout the year to complete the migration to 12 hour shifts are assumed (\$750,000); annualize 18 positions assumed from FY 2013.

Assumptions for Education Service Area:

Forsyth Tech Community College

- FY 2011 **\$118,360** - from 2006 Bond - Operating costs for Woodruff and Swisher Centers - 20,000 sq ft. expansion expected to be in operation in FY 2011.
- \$72,840** - Operating costs of the Fire Training Center located at the Northwest Campus.

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Assumptions for Education Service Area (Contd.):

Forsyth Tech Community College (Contd.)

- FY 2012 **\$720,200** - from 06 bond - Operating costs for 80,000 sq. ft. Transportation Center expected to be operating in FY 2012.
\$498,600 included for Phase 1 of opening the space currently occupied by the WS/FC Schools Administration and Career Center (90,000 sq ft.).
- FY 2013 **\$285,000** for operating expenses for FTCC Downtown Research Park building being built with private donations expected to be operating in FY 2013.
\$1,185,560 is included for Phase 2 of opening the space currently occupied by the WS/FC Schools Administration and Career Center (214,000 sq ft).
\$118,125 is included for operating costs associated with opening the new Law Enforcement Indoor Firing Range.
- FY 2014 **\$121,000** is included for operating costs associated with an addition to the Northwest Forsyth Center.
\$484,000 for operating expenses associated with opening a Western Forsyth Campus.
- FY 2017 **\$321,000** for operating expenses associated with opening additional space at the Downtown Research Park Building.

Winston-Salem/Forsyth County Schools

- FY 2012 Combined assumption of student population growing at 1.5% per year, coupled with 2.5% inflation. The student growth estimate comes from the School System.
and
beyond

Assumptions for Community and Economic Development Service Area:

Economic Development

- FY 2011 <\$ 809,500> decrease for Dell incentives contract.
\$7,000 increase for Bekaert Textiles Phase 2 incentives contract.
\$80,535 increase for Lowes Data Center incentives contract.
- FY 2012 33,600 increase for Grass America incentives contract.
\$127,900 increase for PTRP (WFU Health Sciences) incentive contract
- FY 2013 \$34,515 decrease for Lowes Data Center incentives contract.
- FY 2014 \$19,000 decrease for Exhibit Works incentives contract. Contract ended FY 2013.
- FY 2015 \$55,740 decrease for Clearing House incentives contract. Contract ended FY 2014.
- FY 2015 Various economic incentive contracts will come in and out of the budget. These contract amounts vary by contract stipulations and will be factored into the operating budget for the department.
and
beyond

Assumptions for Special Appropriations Service Area:

Special Appropriations

- FY 2012 <\$875,000> decrease for payback to hospitals for Greene Hall. FY 2011 will be last year of 4 years.

Assumptions Used for Future Budget Projections

REVENUES

Assumptions for Public Safety Service Area:

Emergency Medical Services

All Years EMS fees are adjusted regularly to reflect costs. A fee increase was approved for FY 2009. Also, the impact of using the State's "debt set off" program has been very productive.

Assumptions for Health Service Area:

All Years For the most part, Public Health revenues are state and federal based to offset program expenses. With this in mind, revenues for Public Health for all future years are figured at the same overall % of expenses as was the case in FY 2010 (62%).

Assumptions for Social Services Service Area:

All Years For the most part, Social Services revenues are state and federal based to offset program expenses. With this in mind, revenues for Social Services for all future years are figured at the same overall % of expenses as was the case in FY 2010 (70%).

Assumptions for Culture and Recreation Service Area:

Parks and Recreation

All Years County Management is expecting the enterprise activities of Tanglewood Park to at least cover costs. For future years, revenues are assumed to increase by 2%.

Assumptions for General Government Service Area:

Non-Departmental

All Years **Current Year Property Taxes** – Tax revenue on real and personal property. The amount required each year is determined by taking the difference between projected expenditures, less the total of all other revenues and appropriated fund balance. The tax rate is then determined by taking this amount, and dividing it by the amount per penny the tax base supports.

All Years **Other Ad Valorem Taxes** - Prior year taxes, and interest on delinquent taxes. 2% per year.

Sales Taxes – As did most Municipalities and Counties in North Carolina, Forsyth County's Sales Taxes took a nosedive in FY 2009 and remained sluggish in FY 2010. For Counties, part of the decrease was planned as part of the Medicaid/Sales tax swap. FY 2010 resulted in an estimated 2.5% decrease from budget.

FY 2011 The last year of the Medicaid/Sales Tax swap, with sales taxes reduced further. 2.5% growth is assumed due to economic activity.

FY 2012 - 3% growth is assumed due to economic activity for FY 2012 and after.

FY 2020

Assumptions Used for Future Budget Projections

Assumptions for General Government Service Area (Contd.):

Non-Departmental (Contd.)

- All Years ***Other Taxes*** - Occupancy tax and Vehicle Rental Gross Receipts tax. 2% per year.
- All Years ***Earnings On Investments*** - Interest earned from our investments. Statutes strictly limit what investments are allowed. FY 2012 and beyond, 2% per year is assumed.
- All Years ***Other Financing Sources*** – Transfers from other County funds for use in the General Fund, primarily Capital Project Ordinances (CPO's), and transfers of sales taxes from the Fire Tax Districts.
- All Years ***Fund Balance Appropriated*** - The amount of fund balance we appropriate, which is only a portion of the total fund balance. This is determined each year based on the ratio of the estimated amount of total Unreserved Fund Balance that will remain at the end of a given year, as a % of the subsequent year's budget. Since our goal for this percentage is between 16%, as the budget grows, the unreserved fund balance also needs to grow. Each year, it is assumed we will collect 100% of revenue budgeted, and spend 96% of most expenditure accounts (excluding Schools, FTCC, and Debt). It is the County's policy to allocate any Fund Balance over 16% to Pay As You Go Capital Outlay.

Assumptions for Special Appropriations Service Area:

- All Years The grant activities are estimated to grow at 2% per year.

Assumptions for Debt Service Service Area:

- All Years Debt Service revenues include Lottery Proceeds and Transfers from the Education Debt Levelling Plan (EDLP) reserves set up to level out the education debt from the Fall 2006 referendum for Schools (\$250 million) and Forsyth Technical Community College (\$25 million) and the Fall 2008 referendum for Forsyth Technical Community College (\$62.5 million). Estimates assume these sources will be sufficient to cover all of this debt service through FY 2021.