

## Assumptions Used for Future Budget Projections

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### EXPENDITURES

For FY 2012 and beyond, compensation increases, as well as health and other benefit increases, are included for all service areas.

Personnel Related: For FY 2012, an average of 1.03% for performance increases is included in the Recommended budget, however, performance increases awarded during FY 2011 are annualized in FY 2012. Health insurance is budgeted in all departments at a 5% increase. The County contribution to the Local Government Retirement System is budgeted at a 0.53% increase. Indications are that this contribution will continue to increase for several years. For FY 2012 and beyond, except as noted below, 2.5% per year is assumed for salaries and wages and 5% increase in health benefit costs. Retirement is projected using the proposed percentage increases from the Local Government Retirement System.

Non-Personnel Related for County Departments: Except as noted below, 2.5% per year are assumed for all years after FY 2012.

Capital Improvement Plan - per Plan as described beginning on **page \_\_\_\_** in this document.

Assumptions which differ from the above are as follows:

### ***Assumptions for Public Safety Service Area***

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#### **Sheriff**

- 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.
- FY 2012 Sheriff deletes 4FT Detention Officer positions due to much lower jail population (less than 700 inmates per day). In addition, 11FT School Resource Officers and 22 PT School Crossing Guards eliminated as a result of the WSFC Schools contracting with the City of Winston-Salem Police department for SROs at 14 inner-city schools. Delete 1FT and 1PT Property/Evidence Specialist due to merger mentioned previously. Consolidated service costs approximately \$144,000 per year which is a savings of \$100,000 to the County.
- FY 2020 15 additional positions are assumed to staff the new minimum security space located in the Phillips Building adaptive reuse space.

#### **Emergency Services**

- FY 2013 8 additional positions budgeted throughout the year to complete 12-hour shift migration (\$250,000). Combination Paramedic and EMT-Basic positions (4 each type).

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### Assumptions for Education Service Area

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#### Forsyth Tech Community College

- FY 2012 **\$339,325** - from 06 bond - Operating costs for 80,000 sq. ft. Transportation Center expected to be operating in January 2012. Represents 6 months of operating costs.  
**\$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.  
**\$339,325** - from 06 bond - Annualize operating costs for 80,000 sq. ft. Transportation Center opened in January 2012. Total annual operating costs approximately \$680,000.  
**\$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).
- 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 2013 and beyond Combined assumption of student population growing at 1.5% per year, coupled with 2% inflation. The student growth estimate comes from the School System. Working on implementing a funding formula that takes into account the County's ability to pay and beyond student growth.

### Assumptions for Community and Economic Development Service Area

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#### Economic Development

- 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
- FY 2015 \$55,740 decrease for Clearing House incentives contract. Contract ended FY
- FY 2015 and beyond 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 beyond department.

### Assumptions for Special Appropriations Service Area

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#### Special Appropriations

- FY 2012 <\$875,000> decrease for payback to hospitals for Greene Hall. FY 2011 was last year of the 4 year agreement.

## Assumptions Used for Future Budget Projections

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### REVENUES

#### ***Assumptions for Public Safety Service Area***

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##### **Emergency Medical Services**

All Years EMS fees are adjusted regularly to reflect costs. A fee increase was approved in FY 2011.

#### ***Assumptions for Health Service Area***

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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***

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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***

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##### **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***

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##### **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 remain sluggish in FY 2011. For Counties, part of the decrease was planned as part of the Medicaid/Sales tax swap. Sales Tax revenues projected using Countywide growth and takes into account Municipal Hold Harmless for the Medicaid Swap.

FY 2013 - 2.5% growth is assumed due to economic activity for FY 2013-2015. 3% used for FY 2016 and FY 2015 beyond.

## Assumptions Used for Future Budget Projections

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All Years **Other Taxes** - Occupancy tax and Vehicle Rental Gross Receipts tax. 2% per year.

All Years

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**

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

### **Assumptions for Debt Service**

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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.