

Assumptions Used for Future Budget Projections

EXPENDITURES

For FY 2013 and beyond, compensation increases, as well as health and other benefit increases, are included for all service areas.

Personnel Related: For FY 2013, an average of 1.08% performance increases are included in the Recommended budget, however, performance increases awarded during FY 2012 are annualized in FY 2013. Employee Health insurance is budgeted in all departments at a 3.5% increase. Dental Insurance remains flat. The County contribution to the Local Government Retirement System is budgeted at a 0.14% decrease for FY 2013. For FY 2013 and beyond, except as noted below, 2% per year is assumed for salaries and wages increases and 5% 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 2013 unless otherwise noted.

Capital Improvement Plan - per Plan as described beginning on page 277 in this document.

Assumptions which differ from the above are as follows:

Assumptions for Public Safety Area

Sheriff

FY 2013 Jail medical costs assume a budget to budget decrease of \$500,000 due to the contract being bid out. Costs are projected to decrease due to a lower inmate population. Inmate Food services are projected to decrease as well due to the contract being bid out. Projected savings on the food services is \$398,000.

The Sheriff's Office position count decreases due to: 1) CJPP Day Reporting Program being eliminated - 4 positions deleted ; 2) Victim's Services Grant funding ended - 2 positions eliminated; and 3) changes to the School Resource Officer Program which eliminates 8 positions including 1 Sergeant, 1 Corporal and 8 deputies. SRO services for schools within the municipal limits of the City of Winston-Salem will be provided by the Winston-Salem Police Department.

FY 2013 budget reflects a net County dollar decrease of 3.2% or over \$1.1 million.

To address response time issues, Sheriff transitioned 6 full time Transportation Officers to the Patrol Division.

FY 2014 - beyond Assumes inflationary increases only. No additional positions assumed for the department. The Sheriff will move into a new facility in FY 2013. The building is located directly across the street from the Detention Center. Cost savings in utilities are anticipated from moving into a more energy efficient facility.

In the near future, a decision on the most equitable means of addressing Patrol capacity will have to be made. Options will include municipal service districts or tax districts.

Emergency Services

FY 2013 2 Paramedic and 2 EMT positions are included and budgeted throughout the year to complete the 12 hour shift migration (\$100,000)

Office of Environmental Assistance & Protection

FY 2013 A new department name from the old Environmental Affairs Department. In the current fiscal year, transferred 4 full time employees from the Community Hygiene section of Public Health to this new area. Focus will include solid waste efforts, recycling, as well as environmental issues.

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Assumptions for Environmental Management

Inspections

FY 2013 A city/county department - For the second year a decrease in County contribution is reflected. Decrease due to continued low permits being issued in the County. Allocation based on a formula reflected in the Interlocal Cooperative Financing Agreement with the City of Winston-Salem.

Assumptions for Health Area

Public Health

FY 2013 Recommended budget includes the addition of 6 full time positions for the Nurse Family Partnership Grant and 3 full time nurses for the NW Community Care Network Program. The budget also includes the deletion of 5 positions due to grant funds ending as well as the shifting of the 4 full time positions in Community Hygiene to the Office of Environmental Assistance and Protection.

CenterPoint

FY 2013 CenterPoint transitions to a Waiver entity in January 2013. Funding will be on a per patient per month basis. Funding will not be received until January 2013 but the agency has to hire 86 full time employees to be ready to begin serving as a waiver site. As such, CenterPoint has requested \$1.535 million in one-time funding. This request is a part of the Alternate Service Level document.

Assumptions for Education

Forsyth Tech Community College

FY 2013 **\$339,325** - from 2006 Bond - 2nd half of operating costs for 80,000 sq ft. Transportation Center. The FY 2012 budget contained 1/2 of the operating costs for the Center.

\$256,500 included for Phase 1 operating costs for the opening of 90,000 square feet of space for offices and classrooms at the old Career Center slated to open January 2013.

Included in revenue is \$361,000 of bond premium to help offset some of the capital maintenance costs included in the recommended budget. There is enough bond premium to help offset almost two-years worth of capital repairs/maintenance items for the Community College.

FY 2014 **\$256,500** included to annualize Phase 1 operating costs for the 90,000 square feet of space for offices and classrooms at the old Career Center slated to open January 2013.

\$1,219,800 is included for Phase 2 (214,000 sq ft) operating costs for additional classroom and office space at the former Career Center.

\$323,400 for operating expenses for FTCC Downtown Research Park Technology building. This project is projected to cost \$13,000,000 and a capital campaign for construction is underway.

FY 2015 **\$121,000** is included for operating costs associated with an addition to the Northwest Forsyth Center.

FY 2016 **\$498,400** for operating expenses associated with opening a new Western Forsyth Campus.

FY 2018 **\$330,000** for operating expenses associated with opening additional space at the Downtown Research Park Technology Building and Parking Deck.

Assumptions Used for Future Budget Projections

Assumptions for Education (Contd.)

Winston-Salem/Forsyth County Schools

FY 2013 and beyond Utilization of a School Funding Formula devised by a workgroup will be used to calculate the appropriation for the School System. Formula based on a combination of a Resource Factor and a Student Enrollment factor. The student growth estimate comes from the School System. The Resource Factor includes only projected changes in County ad valorem and sales taxes.

Assumptions for Community and Economic Development

Economic Development

FY 2013 <\$34,515> decrease for Lowes Data Center incentives contract.

\$33,600 increase for TurboCare 4 incentives contract. Payment 1 of 3.

\$88,644 increase for Caterpillar incentives contract. Payment 1 of 21.

FY 2014 <\$19,000> decrease for Exhibit Works incentives contract. Contract ends FY 2013.

\$300,000 increase for Wexford incentives contract. Payment to City of Winston-Salem.

\$308,408 increase for Caterpillar incentives contract.

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 department.

Assumptions for Special Appropriations

Special Appropriations

FY 2014 and beyond Special appropriation agencies will come and go from the budget. It is the intent to minimize the number of Special Appropriation agencies receiving public funds; however, funding is a policy decision made by the Board of Commissioners. FY 2014 and beyond holds all Special Appropriation agencies at the FY 2013 funding levels.

Assumptions Used for Future Budget Projections

REVENUES

Assumptions for Public Safety

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. A review of fees will occur in FY 2014 or FY 2015 to review the current rates.

Assumptions for Health

Public Health

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 2011 (61%).

Assumptions for Social Services

Social Services

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 percentage of expenses as was the case in FY 2011 (71%).

Assumptions for Culture and Recreation

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 1.5% - 2% .

Assumptions for General Government

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 – Assumes a 2.5% growth due to overall economic activity for FY 2013 and beyond. This area will have to be closely monitored due to the volatility of the revenue source to economic shifts.

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 2013 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.

Assumptions Used for Future Budget Projections

Assumptions for General Government (Contd.)

All Years **Fund Balance Appropriated** - The amount of fund balance we appropriate, is only a portion of the total fund balance. This is determined each year based on the ratio of the estimated amount of total Undesignated Fund Balance that will remain at the end of a given year, as a % of the subsequent year's budget. Since the policy of Forsyth County is for this percentage to be 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 98% 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 Debt Service

All Years Debt Service revenues include Federal Tax Credits for Build America and Qualified School Construction Bonds, Lottery Proceeds, and Transfers from the Education Debt Leveling 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 2022. The Capital Improvement Plan contains projects planned for FY 2013 - FY 2022. Because of the 15% debt limit policy, adjustments to the proposed plan will have to be made prior to the Board approving any projects.