

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. Thirty-five employees took advantage of the program which cost \$674,400 (excluding fringe costs and pay out of accrued annual leave). While some of these positions were deleted, others were filled at a lower annual salary or reclassified resulting in personal services savings. Details are in each department.

Personnel Related: For FY 2011, an average of 1.5% for performance adjustments is included in the adopted budget (\$800,270), an increase of \$131,268 from FY 2010 budget. Performance increases awarded during FY 2010 are annualized in FY 11. Both health & dental insurance are budgeted in all departments at a 5% increase. The County's contribution to the Local Government Retirement System is budgeted at a 1.55% increase or \$1.2 million over current year. Indications from the Local Government Retirement System are that County contributions will continue to increase at an average of 0.2% for the next several years. The percentage for employee contributions to the Retirement System did not change and remains at 6%. The actual change in the retirement contribution will depend on a new actuarial study being conducted by the Retirement System.

For FY 2011 and beyond, except as noted below, 2% per year is assumed for salaries and wages.

Non-Personnel Related: Except as noted below, 2% per year are assumed for all years after FY 2011.

Capital Improvement Plan – per Plan as described beginning on page 257 of this document.

Assumptions which differ from the above are as follows:

Assumptions for Public Safety Service Area

Sheriff

FY 2011 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.

The transition of Property & Evidence Management function to the Winston-Salem Police Department will occur. In addition, the County will pay a portion of the cost for the Arrestee Processing function at the Detention Center administered by the City of Winston-Salem.

FY 2012 Continued studies regarding consolidation may have an impact on the FY 2012 budget. Although no projections are included in the calculations, there may be a shift to an Affidavit System for Arrestee Processing at the Detention Center, the Arrestee Processing function may be turned over to the Sheriff's Office, and a possible consolidation with the City of Winston-Salem Police Department for Forensics/Crime Scene processing. The latter 2 may impact the budget with the addition of staff to handle these functions.

Emergency Services

FY 2013 18 additional paramedic positions assumed and budgeted throughout the year to continue migration to 12 hour shifts (\$544,907). Assumes 12 paramedic positions and 6 EMT positions budgeted as follows: 3 FT paramedics & 2 EMTs @ full year, 3 paramedics @ $\frac{3}{4}$ of the year, 3 paramedics @ $\frac{1}{2}$ year and 3 paramedics @ $\frac{1}{4}$ year; 3 paramedics and 2 EMT positions @ $\frac{1}{4}$ of the year.

FY 2014 Annualize 18 positions added in FY 2013 (estimated at \$413,583).

Assumptions Used for Future Budget Projections

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.
- FY 2012 **\$720,200** - from 06 bonds - 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).
- 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 The starting point is the County Manager's recommended FY 2011 budget of \$109,634,388.

Combined assumption of student population growing at 1.5% per year, coupled with 2.5% inflation. The student growth estimate comes from the WS/FC School System.

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 and beyond Various economic incentive contracts will come in and out of the budget. These contract amounts vary by contract stipulations but are factored into the operating budget for the department.

Assumptions for Special Appropriations Service Area

Special Appropriations

- FY 2012 <\$875,000> decrease for reimbursement to Novant & WFUBMC hospitals for Greene Hall renovations. FY 2011 is last year of 4 year agreement.

Assumptions Used for Future Budget Projections

REVENUES

Assumptions for Public Safety Service Area

Emergency Services

All Years EMS fees are adjusted regularly to reflect costs. The last fee increase was approved for FY 2009. Also, the impact of using the State's "debt setoff" program and contracting with an outside billing service 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 (64% for FY 2010).

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 (72% for FY 2010). Stimulus funds attributed to a significant portion of the revenue increase in FY 2010, therefore a 5 year average percentage (60% is used).

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 – Sales Taxes continue to reflect a very slow and almost stagnant rebound. FY 2011 is the final year of the Medicaid/Sales Tax swap with sales tax revenue continuing to reflect a decrease compared to the FY 10 budget. Although revenue to the County reflects a slight reduction, 2.5% growth is assumed due to overall economic activity.

FY 2012
& beyond 2% growth is assumed due to economic activity for FY 2012 and after.

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.

Assumptions Used for Future Budget Projections

Assumptions for General Government Service Area (Contd.)

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 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 2021.