

Assumptions Used for Future Budget Projections

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% performance increases are included in the Adopted budget; however, performance increases awarded during FY 2011 are annualized in FY 2012. Employee Health insurance is budgeted in all departments at a 5% increase. Dental Insurance is budgeted at a 0% 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 2013 and beyond, except as noted below, 3% per year is assumed for salaries and wages increases and 10% increase in benefit related costs (health, dental, retirement).

77 FTEs were requested by various departments: the Sheriff's Office requested 27 FT positions; Emergency Services requested 37 FT positions; DSS requested 7.5 FTEs; Parks & Recreation requested 1.5 FTEs; the Library requested 2PT positions; and Public Health requested 3 FTEs. All position requests are discussed in the Alternate Service Level Document which is a separate document from the annual budget document.

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 277 in this document.

Assumptions which differ from the above are as follows:

Assumptions for Public Safety Service Area

Animal Control

- FY 2012 Capital project to install solar hot water at the Animal Shelter is estimated to create cost savings in electricity and natural gas costs. These estimated cost savings are reflected in the Adopted Animal Control
- FY 2013 Addition of 2 FT Animal Care Officers (non-sworn) to add to the Patrol Division to provide additional coverage on weekends and for assistance for the evening shift. Non-Commissioned Officers can provide support in all areas of the department by providing daily relief in the Shelter with cleaning, feeding, evaluating, and euthanizing animals as well as doing outreach and licensing enforcement. The current ratio of Animal Control Officer to population is 1 Officer for every 34,000 citizens while the National Animal Control Association recommends a ratio of 1 Officer per 17,000 citizens.

Interagency Communications

- FY 2012 Revenue estimates include projections for revenue generated from contracts to co-locate cellular equipment from mobile phone services on County-owned towers. Projected revenue of \$18,000.

Sheriff

- FY 2012 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. The Sheriff deleted 1.5 FTEs (civilian positions) and eliminated the off-site leased storage space. The County provides 20% of the cost for this consolidated service (\$101,480 which is \$17,490 less than FY
- FY 2012 The Sheriff eliminated 4 FT vacant Detention Officer positions due to a decrease in inmate population over the last year. Population decreased from a high of 900+ in 2010 to roughly 700 in 2011 due to District Attorney's Office focus on adjudicating oldest cases and moving cases through the system more rapidly.
- FY 2013 Assumes Sheriff's move to renovated Administrative facility in late 2012/early 2013. Assumes no additional staffing or costs. Simply moving from one facility to another. Should incur some savings with energy efficiency in chillers in renovated facility.

Assumptions Used for Future Budget Projections

Assumptions for Public Safety Service Area (Contd.)

Emergency Services

- FY 2012 2 FT Paramedic positions and 2 FT EMT basic positions budgeted throughout the year to complete phased in migration to 12 hour shifts (\$100,000).
- FY 2013 2 FT Paramedic positions and 2FT EMT Basic positions budgeted throughout the year to complete the migration to 12 hour shifts (\$100,000). Annualize 4 positions added in FY 2012 (approximately \$72,000).

Assumptions for Education Service Area

Forsyth Tech Community College

- FY 2012 **\$339,325** - from 06 bond - 1/2 year Operating costs for 122,500 sq. ft. Transportation Center expected to be open in January 2012.
- FY 2013 **\$339,325** - from 06 bond - Additional costs to annualize operating costs for 122,500 sq. ft. Transportation Center. 1/2 year budgeted in FY 2012.
- \$513,000** of operating costs included for Phase 1 (90,000 sq. ft.) of the former WS/FC Schools Administration and Career Center. Ready for classes July 2012.
- \$313,500** for operating expenses associated with opening space (55,000 sq. ft.) at the Downtown Research Park Building . Ready for classes July 2012.
- FY 2014 **\$1,219,800** included for Phase 2 (214,000 sq. ft.) of the former WS/FC Schools Administration and Career Center. Ready for classes July 2013.
- FY 2015 **\$121,000** is included for operating costs associated with a 20,000 sq. ft. addition to the Northwest Forsyth Center.
- FY 2016 **\$498,400** for operating expenses associated with opening am 80,000 sq. ft. Western Forsyth Campus.
- FY 2018 **\$330,000** for operating expenses associated with Research Park Building and parking deck (50,000 sq. ft. and 500 space deck). Ready for classes July 2017.

Winston-Salem/Forsyth County Schools

- FY 2013 Assumes a school funding formula is approved and used to determine allocation for schools. The formula and beyond would assume taking Base Year Funding, multiplying it by the Projected County Tax Revenue Change and then adding to it a factor for the projected enrollment growth only to the County Responsibility (determined by using only 6000-9000 purpose codes). Example: Base Year Funding \$110,285,566; Base Year County Responsibility = 40% or 44,114,226; Enrollment growth = 1%; Projected County Tax Revenue Change = 1% OR a formula of $(110,285,566 \times 1.01 + 441,142 = 111,829,564$ or an increase of \$1.5 million

Assumptions for Community and Economic Development Service Area

Economic Development

- FY 2012 \$33,600 increase for Grass America incentives contract.
<\$10,443> decrease for Lowes Data Center incentives contract.
- FY 2013 \$389,680 increase for Caterpillar incentive contract (payment #1 of 10)
- FY 2014 <\$19,000> decrease for Exhibit Works incentives contract. Contract ends FY 2013.
\$218,210 increase for Caterpillar incentive contract (payment #2 of 10).
- FY 2015 <\$55,740> decrease for Clearing House incentives contract. Contract ends FY 2014.
\$72,418 increase for Caterpillar incentive contract (payment #3 of 10).

Assumptions Used for Future Budget Projections

Assumptions for Community and Economic Development Service Area (Contd.)

FY 2016	\$20,639 increase for Caterpillar incentive contract (payment #4 of 10).
FY 2017	\$56,459 increase for Caterpillar incentive contract (payment #5 of 10).
FY 2018	\$38,070 increase for Caterpillar incentive contract (payment #6 of 10).
FY 2019	<\$79,092> decrease for Caterpillar incentive contract (payment #7 of 10).
FY 2015 and	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 Service Area

Special Appropriations

FY 2012	<\$875,000> decrease for payback to Wake Forest University/Baptist Medical Center and Novant/Forsyth Medical Center for Greene Hall project. FY 2011 was the last of 4 annual payments. 10% reduction to majority of Special Appropriation agencies.
FY 2013 and beyond	Special Appropriations agencies will come and go from the budget. It is the intent to minimize the number of Special Appropriation agencies receiving public funds; however, ultimate funding decisions are policy decisions made by the Board of Commissioners. FY 2013 and beyond hold the Special Appropriations budget at a 1.5% increase per year.

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 2012.

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

FY 2013 and beyond For the most part, the Department of 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 (74.5%).

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.

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

FY 2012 ***Sales Taxes*** – Sales Taxes from February through April 2011 are showing signs of recovery but at a very slow and minimal rate. The projected FY 2011 estimate shown in the budget document is 2.5% below

FY 2013 - FY 2021 2.5% growth is assumed due to economic activity for FY 2013 and beyond.

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. No projections are included for these sources.

Assumptions Used for Future Budget Projections

Assumptions for General Government Service Area (Contd.)

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.

Revaluation - The quaddrenial revaluation of property is not taken into account in the property tax projections. State law requires that a "revenue neutral" property tax rate be calculated during a revaluation. The revaluation will take place during 2012-2013 but will not have implications until FY 2014.

Assumptions for Special Appropriations Service Area

All Years The grant activities are estimated to grow at 1.5% per year.

Assumptions for Debt Service Service Area

All Years Debt Service revenues include Lottery Proceeds and federal payments for the Qualified School Construction Bonds and the Build America Bonds for Schools. It also includes Transfers from the Education Debt Levelling Plan (EDLP) reserves set up to level out the education debt from the November 2006 referendum for Schools (\$250 million) and Forsyth Technical Community College (\$25 million) and the November 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.