

Assumptions Used for Future Budget Projections

EXPENDITURES

For FY 2009 and beyond, compensation increases, as well as health and other benefit increases, are included for all service areas. For FY 2009, service reductions and general reductions in budgets were approved by the County Commissioners in virtually all departments in order to not have to raise property taxes. Details are in each department.

Personnel Related: Except as noted below, 4% per year for salaries and wages, and 10% for health insurance are assumed for all years after FY 2009.

Non-Personnel Related for County Departments: Except as noted below, 2.5% per year are assumed for all years after FY 2009.

Winston-Salem/Forsyth County Schools: Except as noted below, combined assumption of student population growing at 2.367% per year, coupled with 2.5% inflation. The student growth estimate comes from the School System.

Capital Plan - per Plan as described elsewhere in this document.

Assumptions which differ from the above are as follows:

Assumptions for Public Safety Service Area:

Sheriff

FY 2010 Assumes 15 additional detention officers (\$666,000) for the 10th floor South level of the Detention Center.

All Years Jail medical costs increase \$500,000 per year above inflationary increase of 2.5%

EMS

FY 2009 \$ 518,000 is included for the annualization of 13 positions added in FY 2008; 15 additional positions added for FY 2009 (budgeted to come in at various times).

FY 2010 Additional positions to migrate to 12 hour shifts are assumed (\$1,000,000)

FY 2011 Additional positions to migrate to 12 hour shifts are assumed (\$1,000,000)

Emergency Communications

FY 2009 Additional \$482,000 for full year of maintenance of countywide communications system (offset 50% by revenue from City of Winston-Salem).

Assumptions for Social Services Service Area

Social Services

FY 2009 State assumes 50% of Medicaid expense (estimated at \$9.6 million). The County gives up certain Sales Taxes which is explained in Revenue section below.

FY 2010 State assumes 100% of Medicaid expense. The County gives up certain Sales Taxes which is explained in Revenue section below.

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Assumptions for Education Service Area

Forsyth Tech Community College

- FY 2009 A total of \$200,000 is included for the North Forsyth satellite campus. An additional \$250,000 is included as a one time expense, to partially replace State funds for the new satellite until the State picks it up in FY 2010.
- FY 2010 \$105,000 - Greene Hall operating costs for 20,000 sq ft expansion for nurses expected to be operating in FY 2010.
- FY 2010 \$115,000 - from 06 bond - Operating costs for Woodruff and Swisher centers 20,000 sq. ft. expansion expected to be operating in FY 2010.
- FY 2010 \$30,000 for the Fire Training facility due to open in FY 2010.
- FY 2011 \$700,000 - from 06 bond - Operating costs for 80,000 sq. ft. Transportation Center expected to be operating in FY 2011.
- FY 2011 \$323,000 for operating expenses for FTCC Downtown research park building being built with private donations expected to be operating in FY 2011.

Winston-Salem/Forsyth County Schools

- FY 2009 The Schools budget was reduced as were most departments to achieve the property tax goals of the Commissioners. However, a separate approval of \$7.3 million in 2/3rds bonds for capital projects helped significantly to meet school needs.
- FY 2010 \$3,900,000 as a result of additional operational costs due to new schools opening (3 elementary, 1 middle, and 1 high).

Assumptions for Community and Economic Development Service Area

Economic Development

- FY 2009 \$105,200 as estimated increase for Dell incentives contract
- FY 2010 \$171,500 as estimated increase for Dell incentives contract
- FY 2011 <\$52,500> as estimated decrease for Dell incentives contract
- FY 2012 <\$57,400> as estimated decrease for Dell incentives contract
- FY 2013 <\$62,100> as estimated decrease for Dell incentives contract
- FY 2014 <\$62,200> as estimated decrease for Dell incentives contract
- FY 2015 <\$57,400> as estimated decrease for Dell incentives contract
- FY 2016 <\$4,700> as estimated decrease for Dell incentives contract
- FY 2017 <\$188,000> as estimated decrease for completion Lowes incentives contract

Assumptions for Special Appropriations Service Area

Special Appropriations

- FY 2009 <\$50,000> decrease for Downtown Health Plaza. FY 2008 was to be 1 time funding. Also, most other agencies were reduced by 15%.
- 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 Communications

FY 2009 Additional \$241,000 for 50% of full year of maintenance for countywide communications system from City of Winston-Salem.

Emergency Medical Services

All Years EMS fees are adjusted regularly to reflect costs. A fee increase was approved for FY 2009.

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 2008 (58.9%).

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 2008 (70.2%).

Assumptions for Culture and Recreation Service Area

Tanglewood Park

All Years Beginning in FY 2008, County Management is expecting the enterprise activities of Tanglewood to at least cover costs. With this in mind, revenues for Tanglewood for all future years are figured at the same overall % of expenses as was the case in FY 2008 (71.5%).

Assumptions for General Government Service Area

Non-Departmental

All Years ***Current Year Property Taxes*** – Tax revenue on real & personal property. The amount required each year is determined by taking the difference between projected expenditures, less the total of all other revenues & appropriated fund balance. The tax rate is then determined by taking this amount, & 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 ***Sales Taxes*** – County government's share of tax revenue on retail sales within Forsyth County. 3.5% per year except as noted below.

FY 2009 Two factors reduce sales taxes compared to normal growth. The first is the effect of the City of Winston-Salem's annexation in FY 06 which reduces the County's sales taxes by \$2.2 million. The second is the effect of the Medicaid/Sales Tax swap approved by the NC legislature in 2007. This reduces further by \$7.1 million.

Assumptions Used for Future Budget Projections

FY 2010 The effect of the Medicaid/Sales Tax swap continues, with sales taxes reduced further by an additional \$4.7 million (total of \$15 million compared to what they would have been).

Non-Departmental (Contd.)

FY 2011 The effect of the Medicaid/Sales Tax swap continues, with sales taxes reduced further by an additional \$2.6 million (total of \$19.7 million compared to what they would have been).

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. 2% per year.

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** - This is the amount of fund balance that we budget, 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, Debt, and Medicaid). 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) reserve set up to level out the education debt from the Fall 2006 Bond referendum for Schools (\$250 million) and Forsyth Technical Community College (\$25 million). Estimates assume these sources will be sufficient to cover all of this debt service through FY 2015.