

# Assumptions Used for Future Budget Projections

## EXPENDITURES

For FY 2010 and beyond, compensation increases, as well as health and other benefit increases, are included for all service areas. During FY 2009, reductions were made in almost all County Departments and other agencies, including Schools and FTCC. For FY 2010, many of these reductions were continued into FY 2010 in order to not have to raise property taxes. Details are in each department.

**Personnel Related:** For FY 2010, an average of 1.3% is budgeted in Non-Departmental for performance increases. In departments, performance increases awarded during FY 2009 are annualized in FY 2010.

**Health insurance** is budgeted in all departments at a 3% increase. For FY 2011 and beyond, except as noted below, 4% per year is assumed for salaries and wages and health insurance.

Non-Personnel Related for County Departments: Except as noted below, 2.5% per year are assumed for all years after FY 2010.

**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 Jail medical costs assume a budget to budget decrease of \$400,000, or \$1,000,000 less than estimated actual for FY 09. We are going out for bid as of this writing and are hoping for good results.

FY 2011 15 additional positions are assumed to staff the 10th floor South of the LEDC.

#### EMS

FY 2010 A substantial increase (\$225,000) is included for the annualization of 15 positions added in FY 2009 for the purpose of continuing to migrate towards 12 hour shifts.

FY 2011 Additional positions to migrate to 12 hour shifts are assumed (\$900,000).

FY 2012 Additional positions to complete the migration to 12 hour shifts are assumed (\$900,000).

### Assumptions for Social Services Service Area:

#### Social Services

FY 2010 State assumes 100% of Medicaid expense. This equates to a budget to budget \$9.6 million decrease. The County gives up certain Sales Taxes which is explained in the Revenue section below. For FY 2010, it is a net reduction of \$1.5 million of County dollars.

### Assumptions for Education Service Area:

#### Forsyth Tech Community College

FY 2010 The \$250,000 that was included as a one time expense for the opening for the North Forsyth satellite campus in FY 2009 is not replicated. \$105,000 is included for the Greene Hall expansion which is the operating costs for a 20,000 sq. ft. expansion for additional nurse training.

FY 2011 \$115,000 from the Nov. 06 bond. Operating costs for the 20,000 sq. ft. expansion of the Woodruff and Swisher centers that are expected to be operating in FY 2011.

FY 2011 \$700,000 from 06 bond. Operating costs for the 80,000 sq. ft. Transportation Center expected to be operating in FY 2011.

FY 2011 \$323,000 for operating expenses for the FTCC Downtown research park building being built with private donations that is expected to be operating in FY 2011.

FY 2012 A total of \$498,600 is included for Phase 1 of opening the space currently occupied by the WS/FC Schools Administration and Career Center.

FY 2013 A total of \$1,185,560 is included for Phase 2 of opening the space currently occupied by the WS/FC Schools Administration and Career Center.

## **Assumptions Used for Future Budget Projections**

### **Assumptions for Education Service Area (Contd):**

#### **Winston-Salem/Forsyth County Schools**

- FY 2010 \$2,500,000 as a result of additional operational costs due to 3 new schools opening (2 elementary and 1 middle).
- FY 2011 4% per year is assumed. Student growth seems to be leveling off, and previous forecasts for and growth may be inaccurate.
- beyond

### **Assumptions for Culture and Recreation Service Area:**

#### **Parks & Recreation**

- FY 2010 Tanglewood Park is no longer treated as a separate department but is now included as part of Parks and Recreation.

### **Assumptions for Community and Economic Development Service Area:**

#### **Economic Development**

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

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## 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 2009. Also, the impact of using the State's "debt set off" program 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 as was the case in FY 2010 (62%).

### 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 2010 (71%).

### Assumptions for Culture and Recreation Service Area:

#### Parks and Recreation

All Years Beginning in FY 2008, County Management expected the enterprise activities of Tanglewood Park to at least cover costs. For FY 2010, Tanglewood is being absorbed into the overall Parks and Recreation budget. 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** – As did most Municipalities and Counties in North Carolina, Forsyth County's Sales Taxes took a nosedive in FY 2009. For Counties, part of the decrease was planned as part of the Medicaid/Sales tax swap. However, the economy resulted in an estimated 12.8% drop.

FY 2010 The effect of the Medicaid/Sales Tax swap continues. No growth due to economic activity is assumed.

FY 2011 The last year of the Medicaid/Sales Tax swap, with sales taxes reduced further. Apart from the Medicaid/Sales Tax swap, 3% growth is assumed due to economic activity.

FY 2012 - 3% growth is assumed due to economic activity for FY 2012. Thereafter, 3.5% is assumed.  
FY 2020

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 2011 and beyond, 2% per year is assumed.

## **Assumptions Used for Future Budget Projections**

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### **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** - 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 14% and 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 97% 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) as well as the Fall 2008 referendum (\$62.15 million) for the Schools and Forsyth Tech. Estimates assume these sources will be sufficient to cover all of this debt service through FY 2020.