

FORSYTH
COUNTY

FY2027 Budget Presentation

May 7, 2026

Shontell Robinson
County Manager



FY2027
RECOMMENDED BUDGET

ALIGNMENT WITH BOARD PRIORITY GOALS



Public Safety



Human Services



Education



Economic
Development



Operations




Active &
Vibrant Living

DELIVERING ESSENTIAL SERVICES




BUDGET DEVELOPMENT APPROACH


Budget development began early and was shaped by ongoing Board discussions, including work sessions, budget workshops, retreat, and established board priorities.



Departments prioritized essential operations, identified efficiencies, and realigned existing resources before requesting new funding.



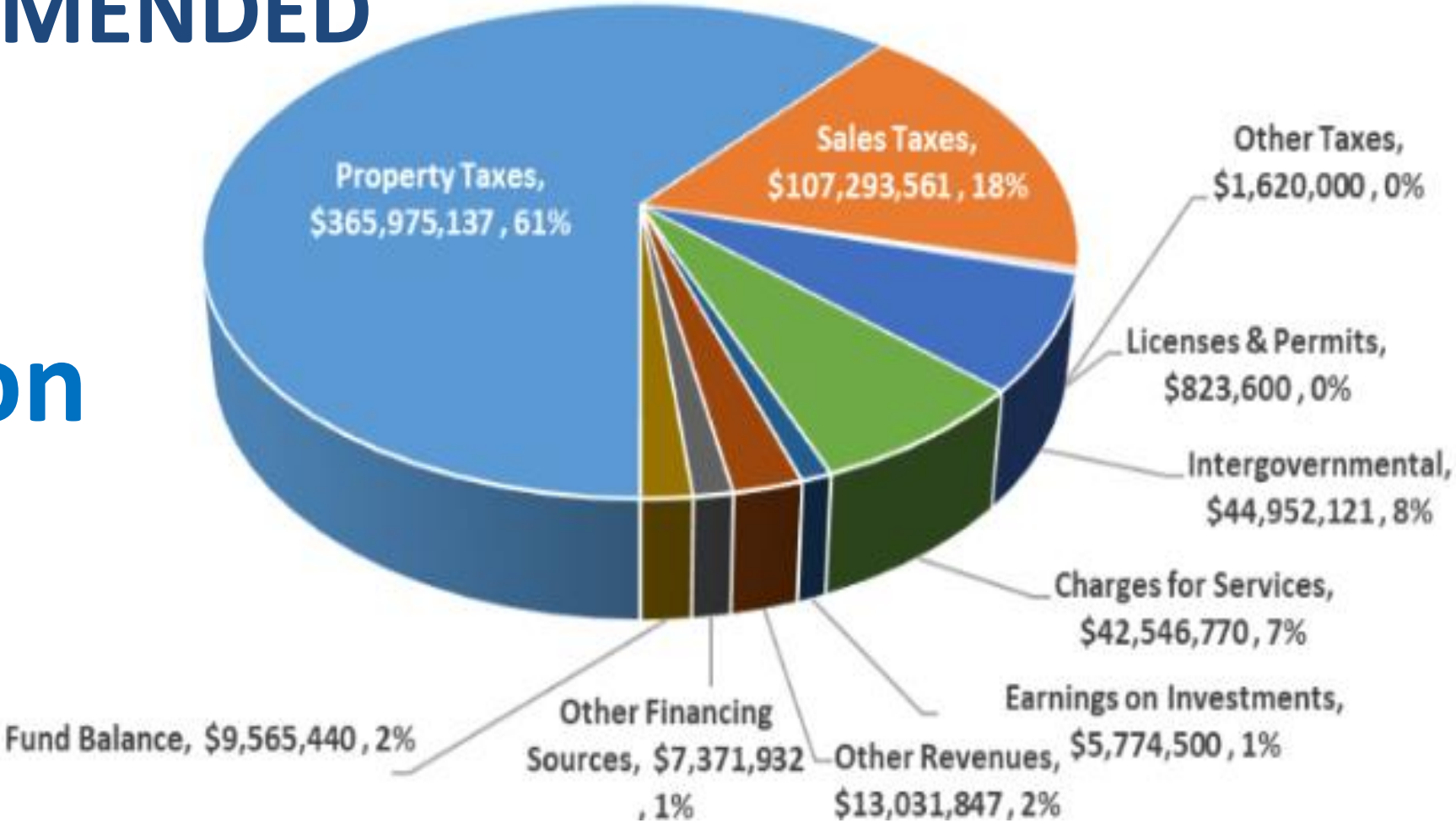
The FY27 budget addresses rising cost pressures, including inflation, utilities, fuel, health insurance, retirement contributions, jail medical and food costs, and state cost shifts.



All recommendations were evaluated based on long-term sustainability, maintaining service levels, and alignment with Board priorities.

FY2027 RECOMMENDED REVENUES

\$598.9 million



REVENUE HIGHLIGHTS

Property tax growth is projected at 1% which will generate an additional \$3.38 million.

Local sales tax revenues remain below projections for the third consecutive year. As a result, the FY27 Recommended Budget reduces projected sales tax revenue from \$110.8M to \$107.3M to better align with current trends.

Intergovernmental revenue is projected to decline by \$5.6M, decreasing from \$50.6M in FY26 to \$45.0M in FY27 due to reduced federal/state funding and more realistic projections based on anticipated grant awards and reimbursements.

FY2027 RECOMMENDED BUDGET

Recommended Budget

\$598.9 million

Proposed New Tax Rate

55.20 cents

1.68-cent increase

1.3% increase over FY26

Historical average of 3.3% increase

- FY26 was below 1% due to departmental right-sizing efforts that preserved service levels

Tax increase necessary due to limited revenue growth

At \$6.58 million per penny, increase generates \$11 million in new dollars

TAXPAYER IMPACT

COUNTYWIDE



Median Home Value
\$269,700

Estimated increase in tax bill

\$45.31 annually
\$3.78 per month

TAXPAYER IMPACT

DISTRICT A



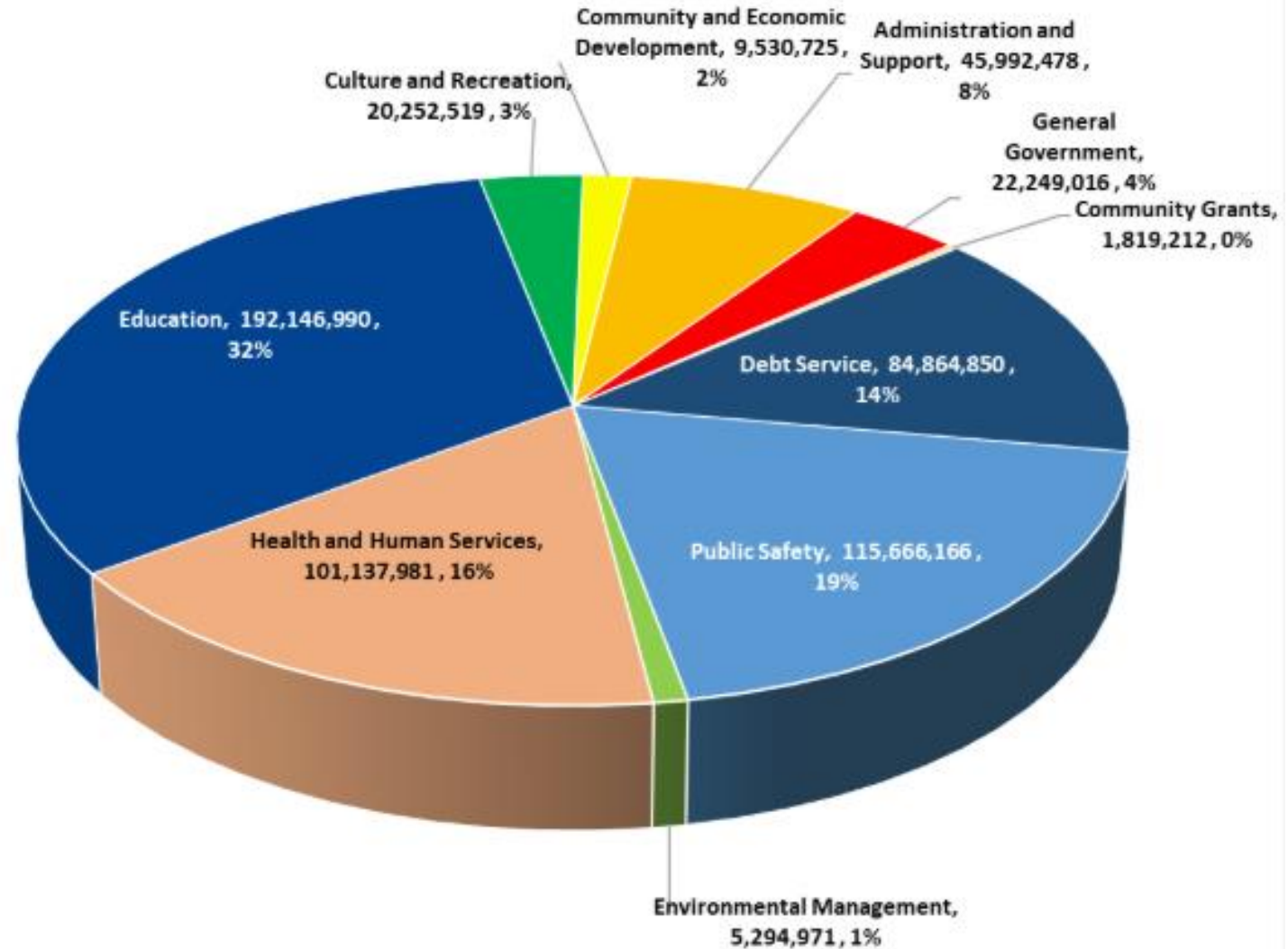
Median Home Value
\$172,300

Estimated increase in tax bill

\$28.95 annually
\$2.41 per month

FY2027 RECOMMENDED EXPENDITURES

\$598.9 million



EXPENDITURES HIGHLIGHTS

\$323 million (approximately 54%) for County Operations

- \$221.6 million (69%) for salary-related expenses
- \$101.4 million (31%) for non-salary operating expenses

\$84.9 million (approximately 14%) for Debt Service

- \$60.16 million (71%) dedicated to Education-related debt

\$191 million (approximately 32%) for direct appropriations to Winston-Salem/Forsyth County Schools and Forsyth Technical Community College

LARGEST DEPARTMENTAL INCREASES

Sheriff's Office (+\$5.8 million): Driven primarily by \$5.2M in personnel costs and increased detention medical expenses; separate CIP funding supports ballistic vest and firearm replacements.

General Services (+\$3.8 million): Includes \$504K in personnel costs and \$3.0M in operating expenses, primarily driven by the consolidation of utility costs. These increases are partially offset by \$2.3M in departmental reductions.

Social Services (+\$2.8 million): Primarily driven by \$2.5M in personnel costs, along with SNAP administrative cost shifts and increased Special Assistance costs. Operating expenses were realigned to help minimize the overall impact.

RECOMMENDED ENHANCEMENTS

- Departments submitted **\$17.2M** in enhancement requests for new positions, equipment, programs, and operational needs.
- Fully funding all requests would have required approximately a **2.6-cent property tax increase**.
- Due to limited revenues, not all requests could be funded.
- FY27 Recommended Budget includes enhancements totaling **\$1.29M**.
- Priority was given to:
 - Critical capital needs
 - Requests with offsetting revenues/cost recovery
 - Urgent operational, regulatory, safety, and service delivery needs

RECOMMENDED ENHANCEMENTS

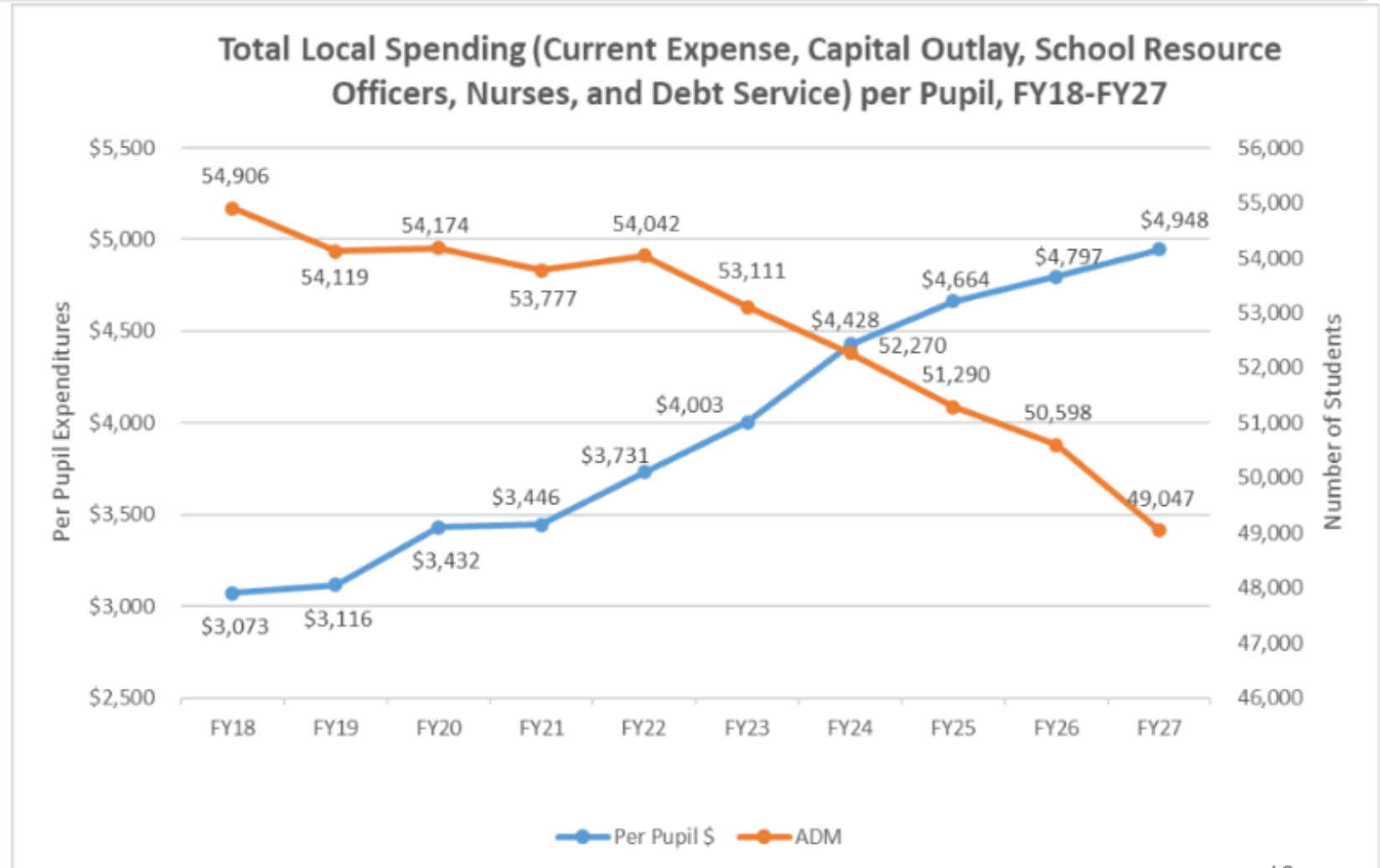
County Manager's Recommended Service Enhancements		
	Expenditure	Revenue
Emergency Services - Fire - 2 Firefighter Positions	216,344	216,344
Sheriff's Office - 1 Deputy I for Clemmons	164,733	164,733
Additional Detention Center Operational Funds due to Increased Population	806,150	-
DSS - Folder/Inserter, Document Software and Printer* <i>(*50% state funding and elimination of one position fully offset costs, resulting in zero county dollar impact)</i>	104,023	55,132
Total	1,291,250	436,209

SUPPORTING PUBLIC EDUCATION

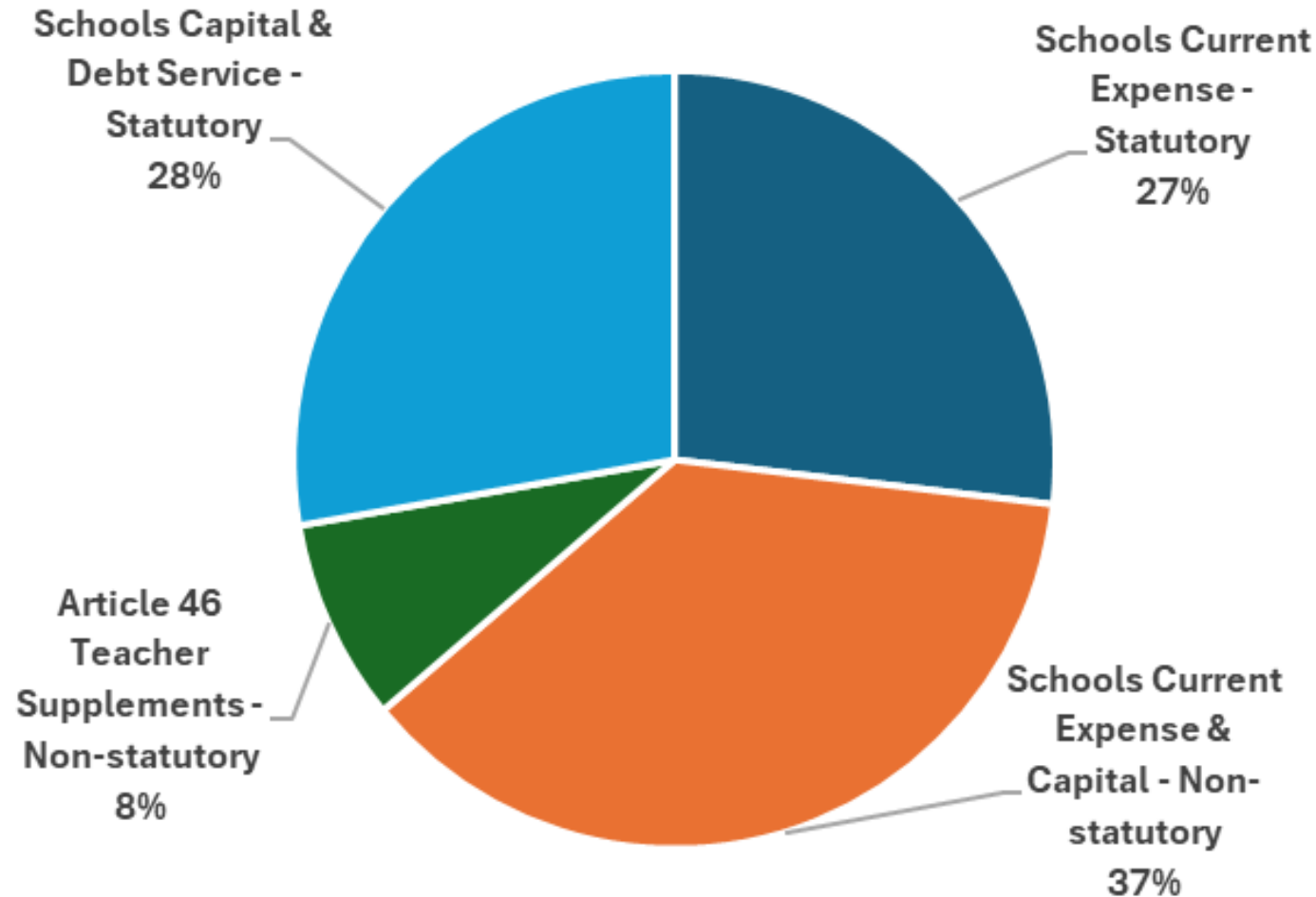
- FY27 recommended funding for Winston-Salem/Forsyth County Schools continues the **funding formula tied to property tax growth**.
- The recommended budget includes a **\$1.78M increase (1%)**.
- The allocation **removes \$4.9M** for School Resource Officers and Exceptional Children nurses, eliminating a pass-through funding process while **maintaining these County-funded services**.
- WS/FCS requested **\$33.5M** in additional funding (*equivalent to a 5.1-cent tax increase*), which is not included in the recommended budget.

DECLINING ENROLLMENT

Despite projected enrollment declines of **1,551 students**, the County has not reduced school funding and remains committed to educational outcomes.



SCHOOL FUNDING EXCEEDS STATUTORY REQUIREMENTS



55% of the total funding provided to WS/FCS is required by statute.

45% represents additional, non-mandated local investment.

INVESTING IN OUR WORKFORCE

Our employees are essential to delivering the services residents rely on every day.



INVESTING IN OUR WORKFORCE

- The FY27 recommended budget proposes **continued investment in employee recruitment, retention, and service delivery.**
- **Retirement costs** are projected to increase by \$2.1M due to higher required Local Government Employees' Retirement System employer contribution rates.
- **Health insurance costs** are projected to increase by \$2.3M.
- The proposed benefits plan includes **two medical and two dental plan options** for greater employee flexibility.
- The proposed elimination of GLP-1s for weight loss only is expected to save approximately \$4M and **helps minimize premium increases that would otherwise be significantly higher for employees.**
- The recommended budget includes **performance-based salary increases up to 5%** (*3.63% average budgeted*).

COMMUNITY INVESTMENTS – RESTRICTED FUNDING

Behavioral Health Funds

Allocated to expand access to mental health, substance use, and intellectual and developmental disability services.

20 projects have been recommended for funding, totaling \$2,000,262.

Opioid Settlement Funds

Designated to support prevention, treatment, and recovery efforts. Forsyth County will receive approximately \$37 million over an 18-year period.

34 projects have been recommended for funding, totaling \$4,672,810.

COMMUNITY INVESTMENTS – RESTRICTED FUNDING

Juvenile Crime Prevention Council (JCPC) Funds

Reserved to support programs and services focused on reducing and preventing juvenile crime.

The Council is in the process of finalizing its project recommendations.

A budget reserve of \$940,842 has been established to support these efforts.

Home and Community Care Block Grant (HCCBG) Funds

Improve service delivery for the growing population of older adults (ages 60 and up).

The full FY2026 HCCBG allocation for Forsyth County was \$2,182,780. Awaiting FY2027 allocation.

HCCBG administered by Piedmont Triad Regional Council (PTRC).

COMMUNITY INVESTMENTS – DISCRETIONARY

Community Grants

Supports nonprofit organizations advancing the Board's priority areas: culture, economic development, education, health, and safety.

117 applications submitted, requesting \$10.1 million.

37 projects recommended for funding totaling \$1.82 million.

CAPITAL IMPROVEMENT PLAN

- Addressing immediate capital needs was identified as a **top Board retreat priority**.
- Fully funding the six-year CIP would require an estimated **1-cent property tax increase** (*excluding future WS/FCS bond needs*).
- FY27 does **not** include an additional tax increase for capital funding.
- Recommendation is to utilize approximately **0.4 cents of available tax rate capacity** from maturing debt service.

Revenue Source	Amount
Cash - Airport	1,260,000
Cash - Project Savings / Interest Earnings	2,500,000
Cash - Unrestricted	3,860,153
Grant/Outside Funding	1,540,000
Proceeds from Borrowing	10,961,534
Revenue Total	20,121,687

CAPITAL IMPROVEMENT PLAN

FY27 Capital Investments Include:

- Detention Center HVAC replacement
- Detention Center plumbing control upgrades
- Public Safety Center chiller replacement
- Ballistic vests for the Sheriff's Office and Emergency Services
- Firearm replacements for the Sheriff's Office
- Fire station generator replacement
- Facility repairs and maintenance across County buildings

*****This approach addresses immediate needs but does **not fully fund long-term capital needs.** Additional funding strategies will be evaluated as part of the **FY28 budget process.** *****

FIRE SERVICES FUNDING - BACKGROUND

- Fire tax district revenues are maintained separately from the general property tax rate.
- The Board identified **strengthening emergency services** and improving **fire service tax equity** as key priorities.
- FY26 included a **1.4-cent increase** in the countywide fire overlay tax to enhance fire suppression coverage.
- The Board also directed staff to **establish a Fire Commission** and evaluate long-term system improvements.
- A consultant was engaged to assess the fire system and provide recommendations.



FIRE SERVICES FUNDING – EQUITY MODEL CHANGE

- FY27 begins implementation of key consultant recommendations
- Moves to a **countywide fire overlay district tax model**
 - Zeroes out individual fire district tax rates
 - Creates a more equitable and consistent funding model across fire system
 - Annual savings remains with County to support systemwide needs
 - Capital items purchased with Overlay will be owned by County and can be utilized systemwide for increased service efficiency
- Recommended countywide fire overlay tax rate: **9.51 cents**
 - **8.73 cents** supports ongoing fire suppression and prevention operations
 - **0.78 cents** funds a multi-year capital improvement plan

FIRE SERVICES FUNDING – OPERATIONS & CAPITAL

- **8.73 cents** supports ongoing fire suppression and prevention operations
- Provides **increased operational funds to all contracted fire departments** to support guaranteed coverage
- **Residents of 10 of 25 fire districts will see an overall tax decrease**
 - *Without this model, only 5 districts would see a decrease*

Tax District	FY26 Combined Rate	FY27 Recommended Rate	Difference
Beeson Crossroads	0.0829	0.0951	0.0122
Beeson Crossroads Service Dist.	0.0829	0.0951	0.0122
Belews Creek	0.0929	0.0951	0.0022
City View	0.0874	0.0951	0.0077
Clemmons	0.0759	0.0951	0.0192
Forest Hill	0.0954	0.0951	(0.0003)
Griffith	0.0929	0.0951	0.0022
Gumtree	0.1034	0.0951	(0.0083)
Horneytown	0.1239	0.0951	(0.0288)
King	0.0974	0.0951	(0.0023)
Lewisville	0.0809	0.0951	0.0142
Mineral Springs	0.0954	0.0951	(0.0003)
Mineral Springs Service Dist.	0.0954	0.0951	(0.0003)
Mt. Tabor	0.0769	0.0951	0.0182
Old Richmond	0.0989	0.0951	(0.0038)
Piney Grove	0.1135	0.0951	(0.0184)
Rural Hall	0.0914	0.0951	0.0037
Salem Chapel	0.1139	0.0951	(0.0188)
South Fork	0.0759	0.0951	0.0192
Talley's Crossing	0.0874	0.0951	0.0077
Triangle	0.0809	0.0951	0.0142
Union Cross	0.1174	0.0951	(0.0223)
Vienna	0.0769	0.0951	0.0182
Walkertown	0.0874	0.0951	0.0077
West Bend	0.0809	0.0951	0.0142

FIRE SERVICES FUNDING – OPERATIONS & CAPITAL

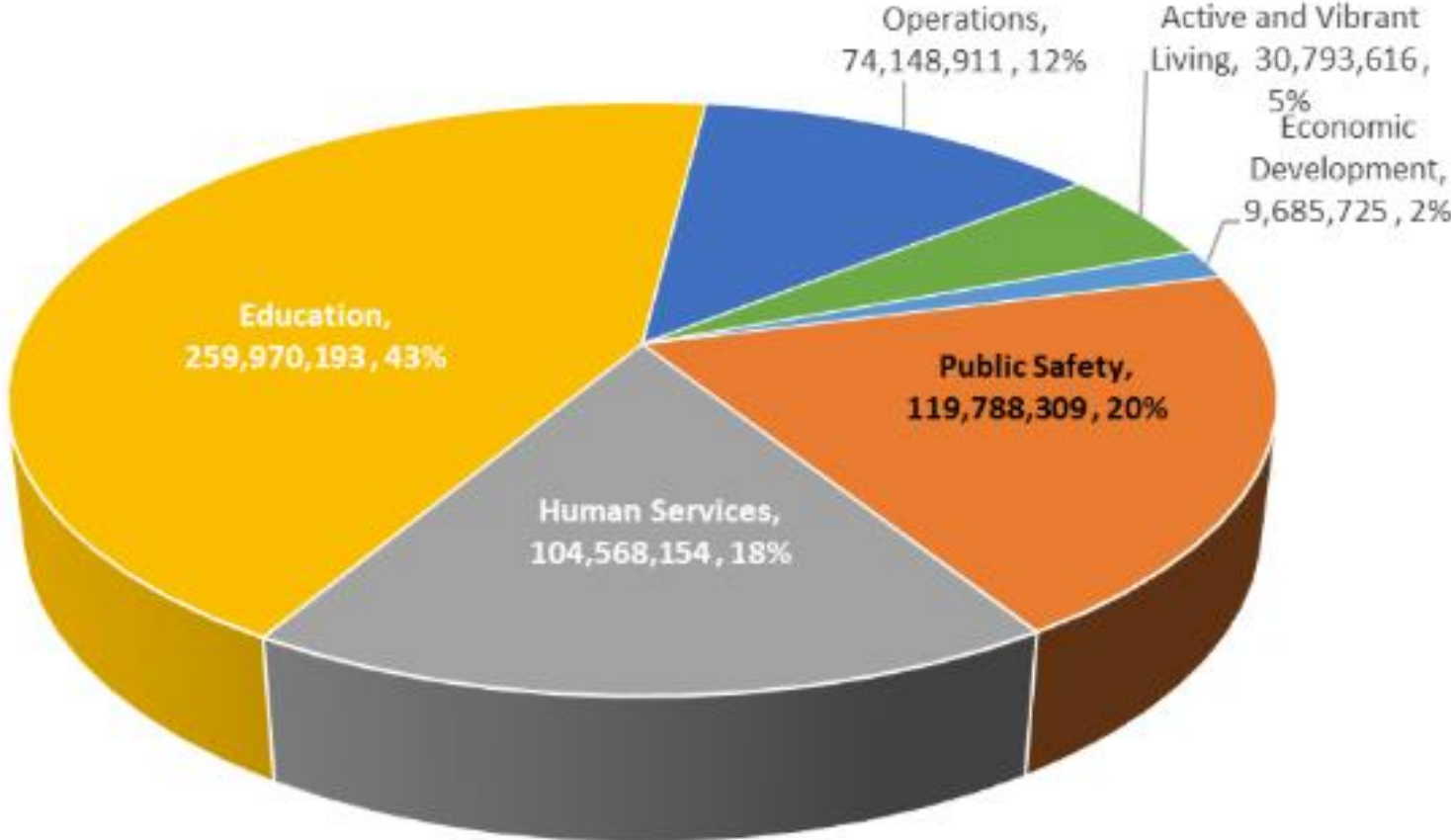
- **0.78 cents** funds a multi-year capital improvement plan
- Supports replacement of aging fire equipment
- Begins implementation of a long-term capital funding strategy
- Fire Commission will continue evaluating additional recommendations to strengthen countywide emergency response services

FUND BALANCE AND FINANCIAL STABILITY

- **Strengthening fund balance** was identified as a **top priority** during the Board's retreat and remains critical to long-term financial stability.
- For the **second consecutive year**, no fund balance is used for *recurring* operating expenses.
- The only planned use of fund balance is **\$9.6 million for one-time debt obligations**, supporting a structurally balanced budget.
- Preserving the County's **AAA bond rating** and rebuilding reserves remain priorities through disciplined financial strategies, **including directing property sale proceeds to fund balance.**

FY27 BUDGET ALIGNMENT WITH BOARD PRIORITIES

FY27 Recommended Budget Allocation Based on Adopted Goals



REVENUE UNCERTAINTY & FUTURE CONSIDERATIONS

State and federal policy decisions could create future funding challenges.

State Cost Shifts

Potential additional SNAP and Medicaid cost shifts could increase local financial responsibility

Sales Tax Risk

Potential grocery tax repeal could reduce revenue by approximately \$23M annually

Property Tax Risk

Potential legislative changes could limit property tax revenue, our largest funding source



Potential Impact on Future Service Delivery

MOVING FORSYTH FORWARD

The FY27 recommended budget takes meaningful steps to address immediate needs while maintaining long-term financial stability.

Reintroduced funding for the County's Capital Improvement Plan and began addressing critical infrastructure needs.

Continued efforts to strengthen fund balance and preserve the County's AAA bond rating.

Future discussions will focus on long-term capital funding strategies and remaining CIP needs.

The County will continue evaluating revenue sustainability, service demands, and emerging financial risks.

BUDGET AVAILABLE TO THE PUBLIC

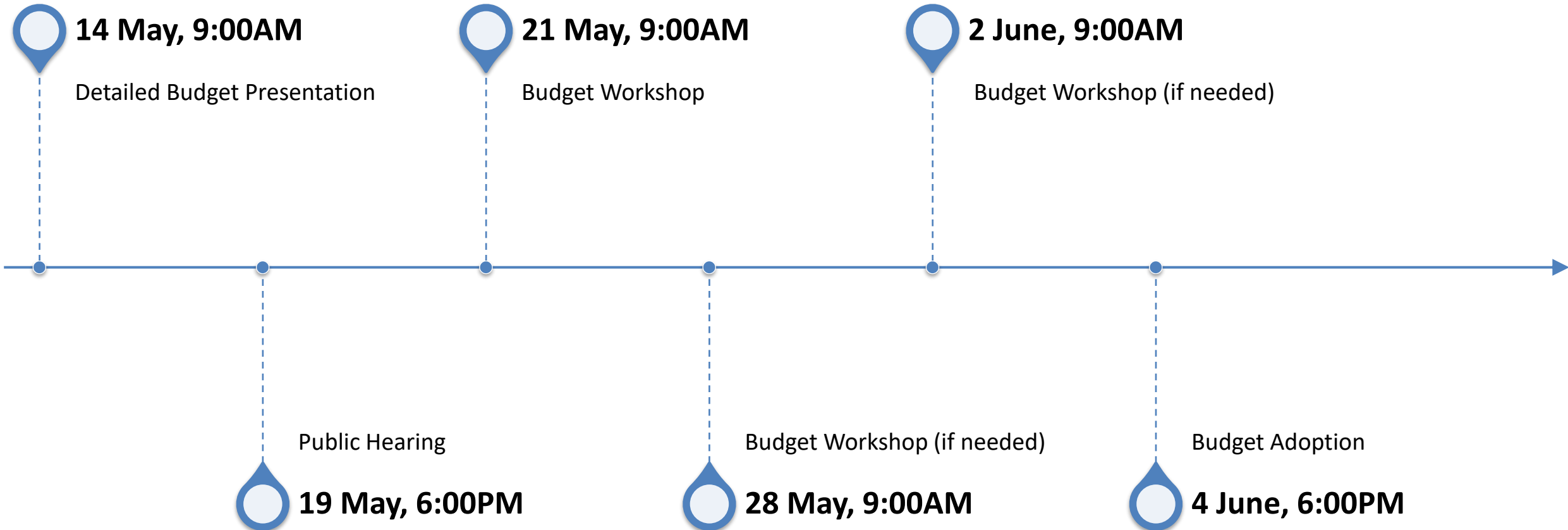
**Recommended budget available:
Online at <https://forsyth.cc/budget/>
Hard Copies at all libraries.**

**FORSYTH
COUNTY**



**FY2027
RECOMMENDED BUDGET**

NEXT STEPS



Forsyth
County
Government

Thank You!

we
care

