



TOWN OF SUMMERFIELD
2006-2007
FISCAL YEAR OPERATING BUDGET
PRESENTED
JUNE 6, 2006

Michael M. Brandt, AICP
Town Administrator

Dana M. Luther, CPA
Finance Officer

May 31, 2006

Honorable Mark Brown, Mayor
Members of the Summerfield Town Council
4117 Oak Ridge Road
Summerfield, NC 27358

Dear Town Council:

It is my pleasure to formally present to you the Town of Summerfield's proposed operating budget for fiscal year 2006-2007. The document serves as a resource allocation plan that meets the General Statutes of North Carolina by being balanced and prepared under the principles and rules of the Local Government Budget & Fiscal Control Act.

The fiscal plan presented is a continuation of previous years' efforts to bring quality services to the citizens of Summerfield while maintaining a strong fiscal position for the future. The operating budget is \$1,973,025.00. The recommended tax rate on property is \$0.04 per \$100 of assessed value, a 20% reduction in the tax rate from last year.

This budget is available for public inspection with the Town Clerk. In addition, an electronic version is posted on the Summerfield web site (www.summerfield-nc.com).

Economic Outlook

Summerfield is located in the northwest area of Guilford County, NC. Growth over the past ten years has significantly increased the population and tax base of the town. Much of the development is considered high-end residential development whose owners commute outside the community. Over 87% of the property tax base is classified residential. In recent years, commercial service development has begun to locate within the town. This is evidenced by the new retail stores along US 220 and the construction of a number of small businesses in the Lake Brandt Road/NC 150 intersection.

Growth in the overall tax base was over 10% between 2004 and 2005. Strong growth is anticipated at a rate of over 7% for 2006.

Revenue

Summerfield collects revenue from a variety of sources including property taxes, sales and use taxes, intergovernmental transfers, interest from investments and fees charged for services.

Revenue growth is expected with the increase in value of real property (7.7%), new income from the Summerfield Alcohol Beverage Control retail outlet, and a 3-4% growth in gross tax receipts for public service companies (Duke Energy, Piedmont Natural Gas).

Summerfield and Guilford County signed a new contract for inspection services in December of 2005. While this new agreement made for easier management of the service and reduced the costs of inspections on developers and the general public, it also removed a revenue source from Summerfield that averaged \$56,000 per year over the past nine years.

The proposed budget includes the recommendation to institute a fee for Development Clearance Certificates. Combined with other fees charged for planning services, it is estimated that these fees will generate \$39,000 in revenue.

A Fund Balance allocation of \$584,925 is necessary to balance the proposed budget as the result of the inclusion of capital expenditures for the purpose of developing active recreation facilities.

Budget Highlights

Governing Body

At the recommendation of the Finance Committee and appropriated herein, it is recommended that the Town of Summerfield institute a monthly stipend for the Mayor and Town Council. Council members give a significant amount of time, energy and personal resources in carrying out their duties as public servants. Rising costs of office supplies, internet access and cellular phones make it reasonable that a stipend be provided to the Mayor and Council. The recommended stipend is \$250 for the Mayor and \$200 for each Council member, per month.

Administration

The Administration budget proposes an increase of 20% over last year's budget. Personnel Expenditures include the recommendation to add a part-time Administrative Assistant to replace the position of Assistant Town Planner that was not filled in 2006. The administrative assistant position will provide administrative support for the planning department and will provide back-up support for the Town Clerk and Town Administrator on an as needed basis. As a part-time position, benefits beyond required state retirement

payments will not be provided. An additional position of intern is recommended to provide support for special projects and GIS support for the planning and administration departments.

Providing a workplace that encourages and supports the staff and insures that the Town is competitive with other local governments is critical to the quality of the town's workforce. The budget recommends that all full-time positions receive the benefit of a 401(k) with a 3% of gross salary match by the Town. In addition, a salary adjustment is proposed for all exempt, non-contract, positions to change the number of hours from a 35-hour workweek to a 40-hour workweek. The reason for this recommended change is to adequately compensate employees who generate a large number of compensatory hours from the many night meetings that they attend. It is estimated that at current levels, staff will generate up to three months of unpaid compensatory time in a year's period. The net effect will be an increase in the salary of the Town Planner from approximately \$40,000 to \$45,000. This is an appropriate increase and will bring the salary in line with other towns of similar size. The Finance Committee reviewed these issues and recommends the benefit of a 401(k) with the match established by council and recommend that the council review the workweek issue.

The administration budget includes significant purchases of audio/visual equipment to provide access to citizens both during town meetings and the development of a new web site. Equipment purchases include new recording devices, speakers, microphones, and a projector.

Public Property/Buildings

The Historic Brittan Building is in critical need of repairs that include re-pointing and replacement of bricks and mortar, repair of interior water damage, and interior painting.

Planning Department

Significant growth in both number of houses, commercial development and population require a comprehensive review of the Summerfield Long Range Plan. The Town Council has indicated their support for a Comprehensive Plan that includes land development, parks, recreation and open space preservation, environmental protection, transportation planning, water resources and sewage disposal, among other issues. The proposed budget provides funds to support this comprehensive plan effort.

Parks and Recreation

Continuing the efforts of past budgets, the town's support for parks and recreation opportunities make up a significant portion (over 65%) of the budget. Within the next two months, phase one of the Summerfield Community Park will be complete. The proposed budget allocates funds for ongoing repair and maintenance of the park, and provides funding to accomplish small work projects. Funds for phase two are for re-review and additional engineering and planning for phase two. The Parks and Recreation Committee

have recommended that the town apply for another NCPARTF grant to complete phase two in the 2007-08 fiscal year.

In April of 2006, the Town Council supported the Town Administrator's recommendation to seek additional park land that could be developed into active recreational fields and supporting facilities. The proposed budget provides over \$1 million to purchase, plan, and construct this facility. The need for active recreation has reached a critical point; therefore, this effort is a high priority of the town.

In an effort to provide support for the Summerfield Recreation Association, the budget allocates funds to support the SRA in their efforts to repair and enhance the recreational facilities located at the Summerfield Elementary School.

Public Safety

The Public Safety Committee has recommended the purchase of a one-ton utility truck for use by the Parks and Recreation and Planning, and to insure the ability to move town equipment during emergency situations. The Finance Committee supported, in concept, this recommendation.

Conclusion

The proposed budget continues the efforts of the Town to provide a high quality of life through the provision of services critical to a small town- planning and development, parks and recreation, fiscal and town management, and citizen involvement opportunities.

I wish to thank all of the hard working volunteers that provide countless hours to make Summerfield a wonderful place to live and work. I would also like to thank the employees and contracted service providers for their dedication to their jobs and the Town.

I stand ready to address any and all items of this budget.

Respectfully Submitted,

Michael M. Brandt, AICP
Town Administrator

REVENUE

Revenue to operate the town is generated through taxes, intergovernmental transfers, fees, interest income, grants, and fund balance transfers. Revenue forecasts are always subject to factors beyond the control of the Town of Summerfield. For this reason, it is incumbent upon the budget officer to be conservative in making revenue estimations.

Property Tax:

The proposed budget includes an ad valorem property tax collection of \$418,500. This revenue estimate is based on very strong growth in the value of real and personal property of 7.70%. The reason for this high rate of growth is due mainly to the continued growth in the residential housing market of which much is in the very high-end portion of the market (+\$400,000). In addition, new commercial development such as Summerfield Village is beginning to have an impact on commercial property value.

Assessed Real and Personal Property 2004, 2005, est. 2006
Estimated increase is 75% of 2004-2005 growth rate
(2004, 2005 Data from Summerfield TR-2 Report provided by Guilford County Tax Department)

	2004	2005	% increase (decrease) From '04 to '05	2006 Estimated	Estimate of increase (decrease)
Assessed value of residential real property (after exclusions)	671,287,830	755,453,734	12.54%	826,492,687	9.40%
Assessed value of commercial real property	16,514,400	17,184,100	4.06%	17,706,744	3.04%
Assessed value of industrial real property	4,112,000	4,375,100	6.40%	4,585,051	4.80%
Assessed value other real property not included above	116,074,700	114,191,900	-1.62%	112,802,705	(1.22%)
Assessed value Personal Property (other than vehicles)	10,707,445	11,267,287	5.23%	11,709,122	3.92%
Assessed Value of public service companies	39,616	741,113	1770.74%	741,113	0%
Total assessed real property	818,735,991	903,213,234	10.32%	974,037,422	7.74%
Motor Vehicles taxed at last yr. rate	63,028,915*	68,951,881	8.59%	73,394,550	6.44%
Motor Vehicles taxed at this year rate	30,428,684	33,042,769	8.59%	35,171,762	6.44%
Total real/personal property value	912,193,590	1,005,207,884	10.19%	1,082,603,733	7.70%

The estimated revenue of \$418,500 is approximately 21.2% of the revenues in this year's budget.

Note: * As a result of no property tax being assessed in 2003, there is no assigned value for "Motor Vehicles taxed at last year's rate". The estimated value is based on the percentage increase in the "Motor Vehicles taxed at this year's rate" from the 2004 to 2005 calendar years which is an 8.59% increase.

Sales Tax:

Currently, Guilford County distributes its portion of the local option sales and use taxes (\$0.025) using the ad valorem method. All local governments and all fire districts that have a local property tax receive a portion of the sales tax. Summerfield receives a very small portion (less than 1%) of all revenue generated through this tax. The revenue produced by this tax is directly affected by the strength of the local, state and national economy. The local economy has had slow, but steady, growth that should insure some increase in revenue proceeds. However, this growth must be offset by two important factors. Summerfield has decreased its tax rate in both of the last two years, while other local governments- including Guilford County, Greensboro, and High Point have increased their property tax rates. The effect of this is that Summerfield's portion of the overall ad valorem taxes is smaller than in previous years.

The estimated revenue of \$164,300 is approximately 8.3% of the revenues in this year's budget. It should be expected that this revenue would be less in next year's budget.

Intergovernmental Transfers:

Revenue from this category includes state franchise fees for telecommunications, electricity, natural gas, and beer and wine sales. Steady growth of between three and four percent (3-4%) is estimated for these categories. The local franchise for cablevision was overestimated by approximately 9% in the '05-06 budget, so a flat growth rate is estimated for the current budget. The Summerfield ABC store is expected to open in June 2006. Revenues are difficult to predict due to the fact that there is no benchmark available. Therefore, revenue was conservatively estimated at \$28,000.

The estimated revenue of \$342,000 is approximately 17.3% of the revenues in this year's budget.

Interest Income:

Revenue from interest is based upon the total amount of invested funds and the interest rates that are available for government fund investing. In recent years, interest rates for CDs have been at historic lows, in some cases below 2.5%. Over the past six months, interest rates have begun to rise. Currently rates are available at over 5% for CDs. The current budget estimates a blended rate of all interest to be 5.2% of an \$8 million portfolio, or \$416,000. Due to the nature of interest rates, and the fact that Summerfield is limited in its ability to affect the rates, this is a conservative revenue projection.

The estimated revenue of \$416,000 is approximately 21.1% of the revenues in this year's budget.

Fees and other Misc. Revenues:

In the fall of 2005, Summerfield and Guilford County established a new contract for inspection fees. The Town no longer charges rates that were nearly double the county rate for inspections, and the county no longer reimburses the town for any overages collected in this manner. For this reason, revenues from fees have dropped significantly in the proposed budget.

The estimated revenue of \$47,300 is approximately 2.4% of the revenues in this year's budget.

Grants:

There are no grants for this years proposed budget.

Undesignated Fund Balance Transfer:

The Town of Summerfield's fund balance consists of funds that are left at the end of one fiscal year that may be appropriated to finance expenditures in the next year's budget. "It is the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget year." (G.S. 159-8 (a)) Undesignated fund balance will be approaching \$8 million for the fiscal year '05-06. This balance is attributed to better than anticipated revenue from property taxes and sales taxes and interest rates that are providing more income from the town investment portfolio.

A fund balance allocation is proposed to be used to fund a significant portion of the parks and recreation request for the purchase of land and development of active recreational fields and facilities.

The estimated revenue of \$584,925 is approximately 29.7% of the revenues in this year's budget.

EXPENDITURES

GOVERNING BODY

The Mayor-Council form of government governs the Town of Summerfield. A voter-approved referendum in 2005 changed the election of the Mayor to a direct election by the citizenry for a two-year term. There are five council members serving four-year staggered terms. The current Mayor and Council are as follows: Mayor Mark Brown (2007), Mayor Pro-Tem Dena Barnes (2007), Ms. Carolyn Collins (2007), Mr. Robert “Bob” Williams (2007), Ms. Becky Strickland (2009) and Mr. Dwayne Crawford (2009).

Budget Highlights:

- Recommend compensation for elected body at the following rates:
 Mayor; \$250 per month
 Town Council; \$200 per month
- Increase Volunteer Appreciation funding
- Re-allocate Legal Advertising and Insurance (property and liability) to Administration Budget

Personnel: Expenditures include recommended compensation plan, workers’ compensation, bonding/insurance and membership dues and subscriptions.

Operating Expenses: Expenditures include fees for governing body retreat.

Services: The Town encourages training for Town Council members by providing education and per diem travel Expenditures to attend seminars, conferences, and other educational opportunities.

Capital Outlay: This does not apply to this budget category.

GOVERNING BODY BUDGET

Budget Division	FY 2004-05	FY 2005-06	2006-2007 Requested	2006-07 Recommended	Percent Change	Percent of Total Budget
Personnel	15,408	15,900	25,600	25,600	61.0%	
Operating Expenses	4,900	5,400	400	400	-92.6%	
Services	2,200	5,500	4,500	4,500	-18.2%	
Capital Outlay	0	0	0	0	NA	
TOTAL	22,508	26,800	30,500	30,500	13.8%	

ADMINISTRATION

Administration includes the position of Town Administrator and Town Clerk. The Town Administrator is responsible for the day-to-day operations, management of the Town's monetary reserves, budgeting, and acting as a liaison with the various volunteer committees, adjoining governing bodies, and other local, state and federal government agencies. Mr. Michael Brandt serves as the Town Administrator.

The Town Clerk is responsible for all statutory responsibilities of official record-keeper of the Town, in addition to providing administrative support for the Town Administrator. Ms. Evon Rumley serves as the Town Clerk

Budget Highlights:

- Staff salaries reflect the addition of a ¾ time (30 hour week) administrative support person. The primary duty of this position is to provide administrative support to the Town Planner as a replacement to the position of Assistant Town Planner that was eliminated in fiscal year 2005-06.
- The proposed budget includes the creation of a 401(k) retirement plan with a Town match of 3% of salary for all regular full-time employees.
- Health Insurance rates are projected to rise by 9% this year.
- The Town is responsible for a 6.06% contribution to Local Government Employees retirement plan.
- Town Planner salary and benefits are allocated to Administration. The recommended budget includes an adjustment to a 40 hour work week and the resulting increased compensation.
- The proposed budget includes the creation of a Planning Intern position for at least one semester.
- Recommended budget includes the development of a new website.
- Recommended budget includes purchases to upgrade audio/visual equipment for town meetings.
- Legal Advertising and Insurance (property and liability) were re-allocated from Governing Body to Administration in the recommended budget.

Personnel: All costs associated with all employees' salary and benefits are allocated to this line item.

Operating Expenses: The administrative budget includes all non-fixed assets needed for a municipal office. This includes office supplies, postage, furniture and storage cabinets, computer system maintenance, software, phone and internet services, etc.

Services: The Town encourages training for staff by providing education and per diem travel Expenditures to staff to attend seminars, conferences, and other educational opportunities.

Capital Outlay: Audio Visual equipment purchases are included in this line item.

ADMINISTRATION BUDGET

Budget Division	FY 2004-05	FY 2005-06	2006-07 Requested	2006-07 Recommended	Percent Change	Percent of Total Budget
Personnel	190,164	222,800	226,500	226,500	1.7%	
Operating Expenses	15,400	22,075	40,600	40,600	83.9%	
Services	3,000	12,600	13,500	13,500	7.1%	
Capital Outlay	4,400	1,625	36,650	31,650	1847.7%	
TOTAL	212,964	259,100	317,250	312,250	20.5%	

PROFESSIONAL SERVICES

Summerfield contracts for a variety of professional services. The Town is contracted with the following individuals or organizations for these services: *Accounting* Dana M. Luther, CPA; *Audit* Rouse, Rouse, Penn & Rouse LLP; *Legal Services* Mr. William Hill; *Elections* Guilford County Elections Department; *Tax Collection* Guilford County Tax Department; *Inspections* Guilford County Community Development.

Budget Highlights:

- Finance services include auditor, accounting services, and tax collection expenses.
- Inspection services are no longer budgeted as a line item due to the approval of a new contract between Summerfield and Guilford County in which Guilford County retains all fees.
- Weekly accounting duties have been contracted to a CPA this past budget year.
- Budget includes funding for a Summerfield Comprehensive Plan initiative.
- There are no expected elections for Summerfield matters within the next coming fiscal year; therefore, funds are not budgeted for election services.

Personnel: Most personnel Expenditures for the Planning Department are allocated within the Administration budget request.

Operating Expenses: Expenditures include the cost of running the Planning Department and vehicle expenses for Planning Staff.

Services: The Town contracts for accounting, legal, and tax collection services. Elections and Inspections are not budgeted this fiscal year.

Capital Outlay: Summerfield Town Council has requested staff to develop a Request for Qualifications for an updated Summerfield Comprehensive Plan.

PROFESSIONAL SERVICES BUDGET

Budget Division	FY 2004-05	FY 2005-06	2006-07 Requested	2006-07 Recommended	Percent Change	Percent of Total Budget
Personnel	1,000	1,000	1,000	1,000	0.0%	
Operating Expenses	6,500	4,500	4,000	4,000	-11.1%	
Services	399,308	657,150	139,300	139,300	-78.8%	
Capital Outlay	2,800	6,000	250	250	-95.8%	
TOTAL	409,608	668,650	144,550	144,550	-78.4%	7.3%

PUBLIC PROPERTY/BUILDINGS

The Town currently owns three properties, Town Hall (Brittian Building), a small municipal parking lot located across from Town Hall, and a 1.3 acre property at 7300 Summerfield Road (purchased April 2004) which was intended for a sheriff's sub-station and municipal office building. Summerfield is leasing approximately 80 acres from the Summerfield Community Center and Guilford County for the development of a public park. These properties are included in the Parks and Recreation budget category.

Budget Highlights

- Repair of Brittian Building is urgently needed in this budget year.

Personnel: This does not apply to this budget category.

Operating Expenses: Operating Expenditures for Public Property/Buildings include maintenance of both the interior and exterior of the building, landscaping, utilities, and the rental of the Summerfield Community Center for Town Council meetings.

Services: This does not apply to this budget category.

Capital Outlay: Repairs include re-pointing brick and interior painting.

PUBLIC PROPERTIES/BUILDINGS BUDGET

Budget Division	FY 2004-05	FY 2005-06	FY 2006-07 Requested	FY 2006-07 Recommended	Percent Change	Percent of Total Budget
Personnel	0	0	0	0	NA	
Operating Expenses	16,220	31,975	30,275	30,275	-5.3%	
Services	0	0	0	0	NA	
Capital Outlay	129,200	0	20,000	20,000	0.0%	
TOTAL	145,420	31,975	50,275	50,275	57.2%	2.5%

SUMMERFIELD TOWN COMMITTEES, BOARDS AND SERVICES

Since its incorporation in 1996, Summerfield has enjoyed a significant amount of civic involvement through the establishment of volunteer citizen committees. These committees have undertaken significant projects such as restoration of the Brittan Building for use as Summerfield Town Hall and efforts to develop a public park. Citizens created many of the committees interested in a particular aspect of the Town. Through these dedicated citizens, Summerfield has managed to build a community that is one of the most sought after addresses in Guilford County and insured the fiscal well being of the Town through strong investment portfolios and budgetary restraint.

In an effort to more clearly define the activities of the various volunteer committees, the budget divides the committees into functional categories. Each committee has a separate division within the larger Budget Category to which they have been assigned.

Community Resources includes *Parks and Recreation* and *Historical Committee*.

Community Services includes *Public Safety* and *Community Relations*.

Community Planning includes *Zoning Board*, *Board of Adjustment*, *Thoroughfare Committee*, and *Economic Development*.

COMMUNITY RESOURCES PARKS AND RECREATION COMMITTEE

Parks and Recreation Committee: The mission of the Summerfield Parks and Recreation Committee is to enlighten and enrich life and to work toward the preservation of the environment by providing quality parks, facilities and services designed for people of all ages and abilities. The current chair is Ms. Sue Beeson. The Conservation Council has re-organized as a sub-committee of the Parks and Recreation Committee.

Budget Highlights:

- Finish construction of Phase 1 of the Summerfield Community Park.
- Purchase and develop property for active recreation and facilities (\$1.1 million).
- Expenditures for maintenance of Summerfield Community Park facilities included in Operating Expenses budget.

Personnel: This does not apply to this budget category.

Operating Expenses: Expenditures include activities at Founders' Day celebration, maintenance of future park facilities that are currently under construction and communications with the community.

Services: Services include grant for the Summerfield Recreation Association to maintain and improve the existing ball fields at Summerfield Elementary School.

Capital Outlay: Capital outlay includes expenditures for both phase 1 and active recreation facilities.

PARKS AND RECREATION BUDGET

Budget Division	FY 2004-05	FY 2005-06	FY 2006-07 Requested	FY 2006-07 Recommended	Percent change	Percent of Total Budget
Personnel	0	0	0	0	NA	
Operating Expenses	9,450	8,000	31,000	42,500	431.3%	
Services	24,500	22,200	38,750	39,650	78.6%	
Capital Outlay	886,500	782,500	707,500	1,134,500	45.0%	
TOTAL	920,450	812,700	777,250	1,216,650	49.7%	61.7%

COMMUNITY RESOURCES HISTORICAL COMMITTEE

The Historical Committee’s mission is to seek, identify, locate, list and record with photographs and written descriptions historical structures in Summerfield. We want to share our information with other interested organizations and provide educational resources for our citizens. The vision is to promote the restoration and preservation of the historical structure of Summerfield. The current chair is Ms. Linda Southard.

Budget Highlights:

- Funding for Town History Project.
- Funding for Historic District Entrance Signs.

Personnel: Membership and dues to organizations involved in Historic Preservation are the only personnel budget items.

Operating Expenses: Expenditures include communication with the citizens.

Services: Services include revolving exhibits for Town Hall, education efforts, and a Town History Project.

Capital Outlay: The Committee is interested in providing signage for the historic district.

HISTORICAL COMMITTEE BUDGET

Budget Division	FY 2004-05	FY 2005-06	FY 2006-07 Requested	FY 2006-07 Recommended	Percent Change	Percent of Total Budget
Personnel	200	200	200	200	0.0%	
Operating Expenses	500	1,000	1,000	1,000	0.0%	
Services	1,950	1,850	1,850	1,850	0.0%	
Capital Outlay	4,000	9,500	10,200	6,000	-36.8%	
TOTAL	6,650	12,550	13,250	9,050	-27.9%	0.5%

COMMUNITY SERVICES PUBLIC SAFETY COMMITTEE

The Public Safety Committee addresses and investigates any issues concerning public safety that may affect the citizens of Summerfield and report their findings to the Town Council. The current chair is Mr. Ron Marshburn. The Committee acts as a liaison between the Town and the Guilford County Sheriff's Department, Guilford County Emergency Services and the Summerfield Fire Department (an independent unit of government). The Public Safety Committee is also the liaison for the Senior Resources Program administered by Senior Resources of Guilford County.

Budget Highlights:

- Increased funds requested by Senior Resources of Guilford County to fund local activities (\$9,400).
- Request a defibrillator machine for public events and town meetings.
- Request the purchase of a one-ton town truck for emergencies, Parks and Recreation, and Town Planning Department.

Personnel: This does not apply to this budget category.

Operating Expenses: Expenditures include \$1,800 for Operation Safe County (Bicycle safety).

Services: Services include the Senior Resources Program, responsibility for the Town emergency generator, and Fire Inspections by the Fire Marshal.

Capital Outlay: Requests for a Town vehicle and a portable defibrillation machine are included.

PUBLIC SAFETY COMMITTEE BUDGET

Budget Division	FY 2004-05	FY 2005-06	FY 2006-07 Requested	FY 2006-07 Recommended	Percent Change	Percent of Total Budget
Personnel	0	0	0	0	NA	
Operating Expenses	1,800	1,800	5,100	4,300	138.9%	
Services	9,000	12,965	21,041	20,600	58.9%	
Capital Outlay	0	0	38,000	28,000	100.0%	
TOTAL	10,800	14,765	64,141	52,900	258.3%	2.7%

COMMUNITY SERVICES COMMUNITY RELATIONS COMMITTEE

The Community Relations Committee is primarily in charge of organizing the Founders' Day Celebration and the Holiday Tree Lighting events. Founders' Day is celebrated in mid-May with a parade of cars and floats, rides, children's activities, craft booths and food vendors. The current chair is Ms. Tammy Welborn. The Holiday Tree Lighting takes place in late November. The Summerfield Youth Council provides the logistical support for the Holiday Tree Lighting.

Budget Highlights:

- Increase in Expenditures for Founders' Day Celebration (\$18,000).
- Develop "Welcome to Summerfield" package for new residents.

Personnel: This does not apply to this budget category.

Operating Expenses: Expenditures include funding for "Welcome to Summerfield" package.

Services: Services include Founders' Day Celebration Expenditures.

Capital Outlay: This does not apply to this budget category.

COMMUNITY RELATIONS BUDGET:

Budget Division	FY 2004-05	FY 2005-06	FY 2006-07 Requested	FY 2006-07 Recommended	Percent Change	Percent of Total Budget
Personnel	0	0	0	0	NA	
Operating Expenses	0	0	500	500	100%	
Services	15,300	16,300	18,500	18,500	13.5%	
Capital Outlay	0	0	0	0	NA	
TOTAL	15,300	16,300	19,000	19,000	16.6%	1.0%

COMMUNITY PLANNING ZONING BOARD

The Zoning Board is responsible for reviewing all development requests for rezoning, subdivision and site plans. Their responsibility is to enforce and interpret the Summerfield Unified Development Ordinance, Summerfield Land Use Plan, Thoroughfare Plan, and the Commercial Needs Assessment during their deliberations. The Zoning Board is a recommending body for all rezoning requests and major Subdivisions and has approval authority for minor subdivisions and site plans. The Board consists of five sitting members and alternates. The Chair is Ms. Nancy Hess.

Budget Highlights:

- Education is emphasized for all Zoning Board Members.

Personnel: Zoning Board members hold memberships with various planning related organizations.

Operating Expenses: This does not apply to this budget category.

Services: Education is a critical element of responsibility for Zoning Board members; therefore, effort is made to continually provide educational opportunities for members.

Capital Outlay: This does not apply to this budget category.

ZONING BOARD BUDGET:

Budget Division	FY 2004-05	FY 2005-06	FY 2006-07 Requested	FY 2006-07 Recommended	Percent Change	Percent of Total Budget
Personnel	1,000	1,000	1,000	1,000	0.0%	
Operating Expenses	0	0	0	0	NA	
Services	3,950	3,950	3,950	4,050	2.5%	
Capital Outlay	0	0	0	0	NA	
TOTAL	4,950	4,950	4,950	5,050	2.0%	

COMMUNITY PLANNING BOARD OF ADJUSTMENT

The Board of Adjustment is responsible to hear and decide appeals from and review any order, requirement, decision, determination, or interpretation made by an administrative official charged with enforcing this Ordinance. The BoA is also tasked with hearing all quasi-judicial Special Use Permits. Dr. Robert Fox is the chair of the BoA.

Budget Highlights:

- Education is emphasized for all BoA Members.

Personnel: BoA members hold memberships with various planning related organizations

Operating Expenses: This does not apply to this budget category.

Services: Education is a critical element of responsibility for BoA members; therefore, effort is made to continually provide educational opportunities for members.

Capital Outlay: This does not apply to this budget category.

BOARD OF ADJUSTMENT BUDGET:

Budget Division	FY 2004-05	FY 2005-06	FY 2006-07 Requested	FY 2006-07 Recommended	Percent Change	Percent of Total Budget
Personnel	600	600	600	600	0.0%	
Operating Expenses	0	0	0	0	NA	
Services	3,000	3,000	1,100	1,100	-63.3%	
Capital Outlay	0	0	0	0	NA	
TOTAL	3,600	3,600	1,700	1,700	-52.8%	

COMMUNITY PLANNING THOROUGHFARE COMMITTEE

The Thoroughfare Committee is responsible for reviewing NCDOT plans for upgrading existing and developing new thoroughfares and highways that impact the Town. In addition, the committee is responsible for reviewing applications for public road paving requests for gravel roads in the Town. The Chair is Mr. Robert Gordon. In 2005-06, the Town approved the paving of Millbrook Road, which should be completed in the fall of 2006.

Budget Highlights:

- Capital Outlay includes the NC 150 Re-alignment study currently being developed as a joint effort between Summerfield and Greensboro MPO.

Personnel: This does not apply to this budget category.

Operating Expenses: This does not apply to this budget category.

Services: Services include the NC 150 Re-alignment Study.

Capital Outlay: This does not apply to this budget category.

THOROUGHFARE COMMITTEE:

Budget Division	FY 2004-05	FY 2005-06	FY 2006-07 Requested	FY 2006-07 Recommended	Percent Change	Percent of Total Budget
Personnel	0	0	0	0	NA	
Operating Expenses	0	0	0	0	NA	
Services	6,050	1,100	6,100	6,100	454.5%	
Capital Outlay	346,000	88,875	0	0	-100.0%	
TOTAL	352,050	89,975	6,100	6,100	-93.2%	0.3%

COMMUNITY PLANNING ECONOMIC DEVELOPMENT

At this time, the Town Council has not initiated an economic development program. However, it is clear that over the next few years the importance of bringing new retail and service businesses along with the potential for limited industrial development will become more critical. Commercial/Industrial development typically pays a higher percentage of taxes vs. services than residential development; therefore, having this type of development can work towards lowering the general property tax rate for all property owners in Summerfield.

Personnel: This does not apply to this budget category.

Operating Budget: This does not apply to this budget category.

Services: This does not apply to this budget category.

Capital Outlay: This does not apply to this budget category.

ECONOMIC DEVELOPMENT BUDGET:

Budget Division	FY 2004-05	FY 2005-06	FY 2006-07 Requested	FY 2006-07 Recommended	Percent Change	Percent of Total Budget
Personnel	0.00	0	0	0	0%	
Operating Expenses	0.00	0	0	0	0%	
Services	0.00	0	0	0	0%	
Capital Outlay	14,481	0	0	0	0%	
TOTAL	14,481	0	0	0	0%	0%

CAPITAL ALLOCATION

PARK & RECREATION ALLOCATION AND TRANSPORTATION ALLOCATION

A capital allocation is used to establish a “savings account” that is for a specific purpose. By designating revenue to a capital allocation it is a clear indication by the council to specify projects or needed facilities that are important to the community. Capital allocations typically are used to fund projects that take more than a year to plan and build, and that the council wants to save for over a period of years. In addition, capital projects are typically projects that create a facility that will last for many years and that are a fiscal asset to the community.

The Park and Recreation Capital Allocation is recommended to have an additional \$100,000 allocated for future recreation projects. A proposed resolution to be voted on by the Town Council in June 2006 is to allocate \$400,000 from the 2005-06 operating budget.

The Transportation Capital Allocation is recommended to have an additional \$25,000 allocated for future transportation projects. A proposed resolution to be voted on by the Town Council in June 2006 is to allocate \$50,000 from the 2005-06 operating budget.

CAPITAL FUND ALLOCATION

Budget Division	FY 2004-05	FY 2005-06	FY 2006-07 Requested	FY 2006-07 Recommended	Percent Change	Percent of Total Budget	Total Designated Allocation
P & R Fund	0.00	200,000	650,000	100,000	-50.0%	5.1%	500,000
Transportation	0.00	50,000	25,000	25,000	-50.0%	1.3%	70,000
TOTAL	0.00	250,000	675,000	125,000	-50.0%	6.3%	570,000

2006-2007 Budget Ordinance

BE IT ORDAINED, by the Town Council for the Town of Summerfield, North Carolina:

The following anticipated fund revenues, departmental expenditures and capital reserve are hereby approved and appropriated for the operation of the Town of Summerfield and its activities for the fiscal year beginning July 1, 2006, and ending June 30, 2007.

SECTION 1 – General Fund

General Fund Revenues:

Property Tax	\$412,400
Sales Tax	\$164,300
Beer & Wine Tax	\$34,000
Utility Franchise Fee	\$215,000
ABC Distribution	\$28,000
Cable Franchise	\$65,000
Investment Earnings	\$416,000
Planning Fees	\$39,000
Civil Penalty	\$0
Misc. Revenue	\$8,300
Grant - NCPARTF	\$0
Guilford County Cost Share	\$0
Fund Balance Allocation	\$579,825
Parks and Recreation Capital Fund	\$0
Transportation Capital Fund	\$5,000
Total Revenue	1,966,825

General Fund Expenditures

Governing Body

Personnel	21,700
Operating Expenses	400
Services	4,500
Capital Outlay	0

Administration	
Personnel	223,500
Operating Expenses	40,600
Services	13,500
Capital Outlay	31,650
Professional Services	
Finance	
Finance-Personnel	\$0
Finance-Operating Expenses	\$0
Finance-Services	\$35,000
Finance- Capital Outlay	\$0
Legal	
Legal-Personnel	\$0
Legal-Operating Expenses	\$0
Legal-Services	\$50,000
Legal- Capital Outlay	\$0
Planning Services	
Planning Services- Personnel	\$1,000
Planning Services- Operating Expenses	\$4,000
Planning Services- Services	\$55,000
Planning Services- Capital Outlay	\$250
Elections	
Elections-Personnel	\$0
Elections-Operating Expenses	\$0
Elections-Services	\$0
Elections- Capital Outlay	\$0
Public Property/ Buildings	
Personnel	\$0
Operating Expenses	\$30,275
Services	\$0
Capital Outlay	\$20,000
Community Resources	
Parks & Recreation Committee	
P&R-Personnel	\$0
P&R-Operating Expenses	\$42,500
P&R-Services	\$39,650
P&R-Capital Outlay	\$1,134,500

Historical Committee

Historical Committee-Personnel	\$200
Historical Committee-Operating Expenses	\$1,000
Historical Committee-Services	\$1,850
Historical Committee- Capital Outlay	\$6,000

Community Services**Public Safety Committee**

Public Safety Committee-Personnel	\$0
Public Safety Committee-Operating Expenses	\$4,300
Public Safety Committee-Services	\$20,600
Public Safety Committee- Capital Outlay	\$28,000

Community Relations Committee

Community Relations Committee-Personnel	\$0
Community Relations Committee-Operating Exp.	\$500
Community Relations Committee-Services	\$18,500
Community Relations Committee-Capital Outlay	\$0

Community Planning**Zoning Board**

Zoning Board- Personnel	\$1,000
Zoning Board- Operating Expenses	\$0
Zoning Board- Services	\$4,050
Zoning Board- Capital Outlay	\$0

Board of Adjustment

Board of Adjustment- Personnel	\$600
Board of Adjustment- Operating Expenses	\$0
Board of Adjustment- Services	\$1,100
Board of Adjustment- Capital Outlay	\$0

Thoroughfare Committee

Thoroughfare Committee- Personnel	\$0
Thoroughfare Committee- Operating Expenses	\$0
Thoroughfare Committee- Services	\$6,100
Thoroughfare Committee- Capital Outlay	\$0

Economic Development

Economic Development- Personnel	\$0
Economic Development- Operating Expenses	\$0
Economic Development- Services	\$0
Economic Development- Capital Outlay	\$0

Capital Fund Allocation

Parks and Recreation	\$100,000
Transportation Improvements	\$25,000

Total General Fund Expenditures **\$1,966,825**

SECTION 2 – Taxes

An Ad Valorem tax rate of \$0.039 (three and nine-tenths cents) per hundred (\$100) valuation of taxable property, as listed for taxes as of January 2006, is hereby levied and established as the official tax rate for the Town of Summerfield for Fiscal Year 2006-2007. The rate is based upon a total projected valuation of \$1,082,603,733 with an estimated tax collection rate of 98.5% for real property and 97% for personal property. The purpose of the ad valorem tax levy is to raise sufficient revenue to assist in financing necessary municipal government operations in Summerfield.

SECTION 3 – Special Authorizations and Restrictions

- A. The Budget/Finance Officer may not transfer any amounts between line items above, except as approved by the Town Council in the Budget Ordinance as amended.

- B. The Budget/Finance Officer may not make any change to salaries without approval by the Town Council.

SECTION 4- Adoption of Fee Schedules

The recommended fee schedule for Planning and Development is attached. The fee schedule is effective July 1, 2006 and remains in effect until modified by council action.

SECTION 5 – Budget Amendments

The North Carolina Local Government Budget and Fiscal Control Act allows the Town Council to amend the Budget Ordinance any time during the fiscal year, so long as it complies with the North Carolina General Statutes (159.8 and 159.13). The Town Council must approve all budget amendments.

SECTION 6 – Utilization of Budget and Budget Ordinance

This ordinance and the budget documents shall be the basis for the financial plan of the Town of Summerfield during the Fiscal-Year 2006-2007. The Budget Officer shall administer the budget. The accounting system shall establish records that are in consonance with this budget and this ordinance and the appropriate statutes of the State of North Carolina (GS 159.26).

SECTION 7 – Documentation

Copies of this ordinance shall be kept on file at the Town Hall and shall be furnished to the Town Clerk and the Town Council to provide direction in the collection of revenues and disbursement of funds for the Town of Summerfield.

Adopted this _____ day of _____, 2006

Mark Brown, Mayor

Attest: _____
Evon Rumley, Town Clerk