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**SUBMITTED TO:
THE MAYOR AND THE CITY COUNCIL**

BY

**Leonard O. Barefoot
City Manager**

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Director of Financial Services**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Sanford
North Carolina**

For the Fiscal Year Beginning

July 1, 2005

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Sanford, North Carolina for its annual budget for the fiscal year beginning July 1, 2005. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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CITY OF SANFORD HISTORY

The Town of Sanford was incorporated in Moore County on February 11, 1874 - 31 years before the creation of Lee County. The stimulus for growth provided by Sanford, along with the towns of Broadway and Jonesboro led to the birth of Lee County in 1907. Lee County was formed with portions of Moore and Chatham Counties, the county seat being a point equal-distance between Sanford and Jonesboro.

Sanford itself sprung up from the crossing of the Western and Chatham Railroads. These rails are now known as the Atlantic and Western and Seaboard Coastline. Colonel C. O. Sanford was chief civil engineer of the now Seaboard Coastline and Sanford is named in his honor. At one point near the turn-of-the-century, citizens debated changing the name of Sanford to Scottsville in honor of Major John W. Scott, but the name Sanford held. In 1947 the name Sanford survived the merger with Jonesboro. The area of Jonesboro became known as Jonesboro Heights. It is ironic that with the decline of the retail hub in Downtown Sanford, two distinct City centers have re-emerged. To this day Jonesboro Heights, as it is now known, retains a special identity and gives Sanford the unique pleasure of having two downtowns.

With the merger of the two incorporated towns of Jonesboro and Sanford a new municipal charter was adopted and the official name became the City of Sanford. The City was governed by seven Aldermen living in separate residence wards until 1991 when the City's wards were redesigned into five wards with two Aldermen being elected at-large.

The City of Sanford is operated under the Council-Manager form of government, which was adopted in 1944. Policymaking and legislative authority is vested in a City Council consisting of seven Council Members and a Mayor who are elected in odd-numbered years. The City Manager is employed by the Council and is responsible to the City Council for the administration of all affairs of the municipality. The City Manager appoints the Department Heads and supervises and coordinates the activities of the departments.

Sanford enjoys steady growth. In 1880 the population was 236; in 1900, 1,044; in 1920, 2,977; in 1940, 4,960, in 1950, after the merger of the Town of Jonesboro, 10,013. In the late 1950's, growth became more suburban in character. Taking advantage of municipal water and sewer lines, development occurred just outside the City Limits, and population growth became a function of annexation. In 1960 the population was 12,252; in 1970, 12,028; and in 1980, 14,773. Rapid development in the 1980's was contained in the City's Extra-Territorial Jurisdiction, but this development did not begin to be annexed into the City until the 1990's. The 1990 population was only 14,755 as a result of this phenomenon. The 1991 population was 18,125; the 1994 population was 20,385; and the 2000 population is in excess of 23,000. In addition to these citizens, there are presently some 8,500 individuals who either reside in the Extra-Territorial Planning Jurisdiction or who are connected to existing municipal water and sewer service.

Community Profile

- o Population
- o Landscape
- o Economic Characteristics
- o Family Income
- o Current Tax Rates
- o Education/Hospital
- o Climate

Lee is one of 100 counties in North Carolina situated in the geographic center of North Carolina. It is on the divide of the Coastal Plains to the east and the Piedmont to the west. The City of Sanford (Lee County Seat) is approximately forty-five (45) miles south of Raleigh and Durham. Approximately one hundred fifty (150) miles to the east is the Atlantic Ocean, and one hundred sixty (160) miles to the west are the Appalachian Mountains. It is an economically diverse community.

Current Population

Figures for 2004

City of Sanford	26,320
Town of Broadway	1,256
Lee County	54,417

Population Projections

Lee County in 2010	58,806
Lee County in 2015	62,459

Landscape

Land Area*	257.2 sq. miles
Population Density*	191.11 people/sq. mi.
Urban Area (Sanford)*	49 percent
Rural Area (Outside City)*	51 percent
Latitude	35° 28'
Longitude	79° 07'

Economic Characteristics

Median Age	37.7 years
Average Household Size	2.6 people
Gross Retail Sales*	\$797.4 million

**Figures from fiscal year 2005*

Bond Rating	for City of Sanford	
	▪ Standard & Poor's	A+
	▪ Moody's	A1
Bond Rating	for Lee County	
	▪ Standard & Poor's	A+
	▪ Moody's	A1

Family Income

Median Household	\$41,570
Per Capita	\$27,669
Average Household	\$52,519

Current Tax Rates

Lee County	\$0.79 per \$100 valuation
Sanford	\$0.61 per \$100 valuation
Broadway	\$0.47 per \$100 valuation

Example: A house valued at \$100,000 would pay \$610 per year in city taxes and \$790 per year in county taxes.

Education

Public High Schools	2
Public Middle Schools	2
Public Elementary Schools	7
Private K-12 Schools	2
Montessori Schools	1
Central Carolina Community College	

Access available to:

University of North Carolina at Chapel Hill, Duke University, North Carolina State University, Campbell University, North Carolina Central University, Fayetteville State University, and Sandhills Community College

Hospital

Central Carolina Hospital	137 beds and 100 physicians
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Climate

Average Temperatures	
January	37° F
June	76° F
Average Annual Rainfall	48 inches
Average Annual Snowfall	less than 5 inches

Water System Daily Capacity

Sanford	12,000,000
Broadway	500,000

Waste Water System Capacity

Sanford	6,800,000
Broadway	145,000

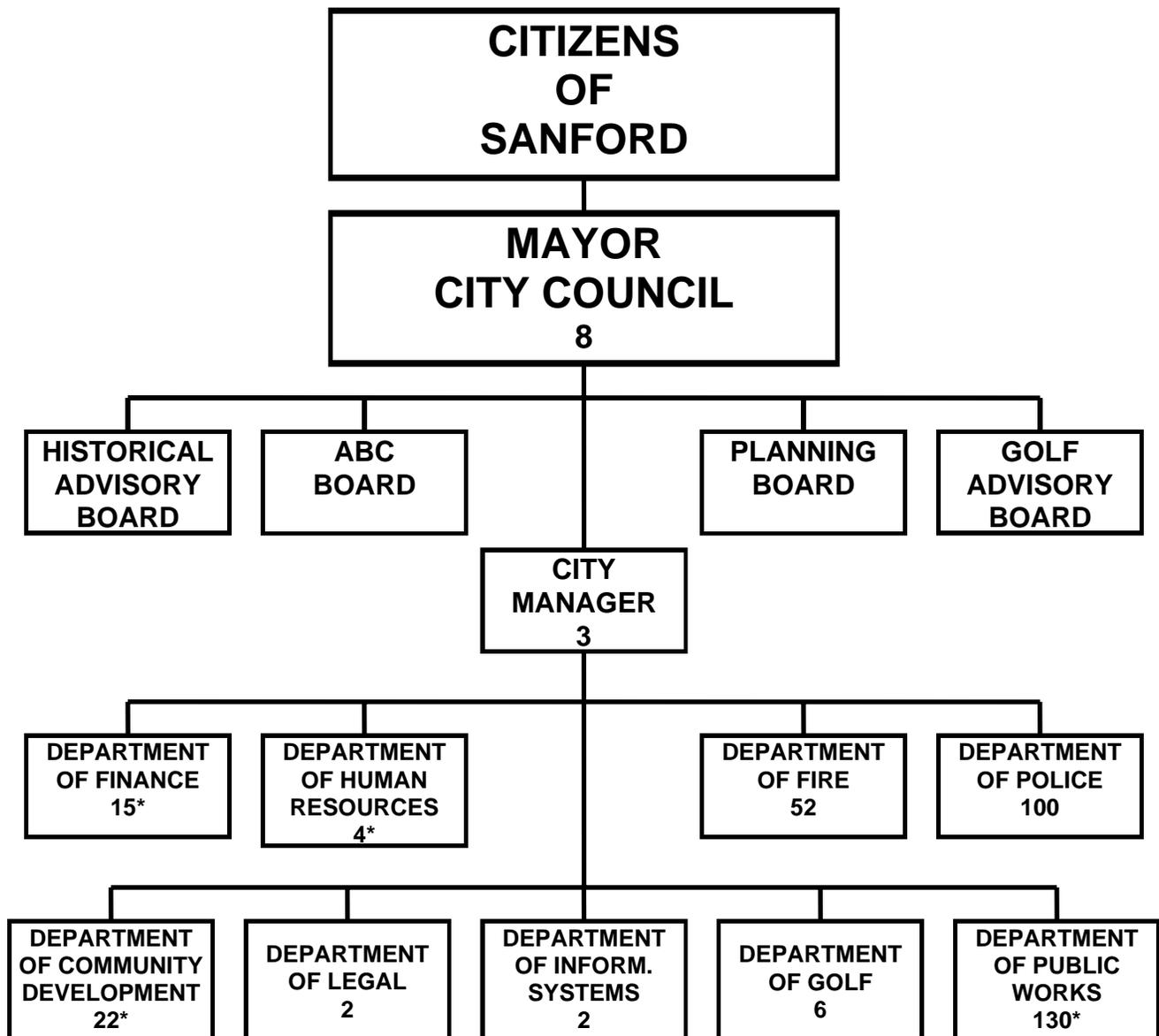
General Information

Power - Progress Energy and Central Electric Membership
 Gas - PSNC Energy

CITY OF SANFORD



ORGANIZATIONAL CHART



*Individual cost centers are shown in the supplemental information section entitled "Departmental Employee Classification".

FY 2006-2007 MAJOR GOALS

The goals of the City of Sanford have been adopted to strengthen the relationship between service priorities and delivery of service. The goals and key budget principles on which the budget was developed do not vary considerably from past budgets. The goals are established with the clear understanding that the citizens of Sanford demand a high quality of service. Within the context of the City's goals we have established specific goals at the departmental level. Departmental goals and objectives are stated within each department's budget. Departmental goals will be monitored by the Administration and Governing Body to ensure that major City goals are being accomplished.

SECURITY – The citizens of the City of Sanford must be provided with a feeling of personal security and property protection. The City Council and the City will continue to improve its citizens feeling of security by improving existing public safety programs and exploring new and more effective ways of delivering public safety services.

MASTER PLANNING AND ZONING - Our neighborhood, whether composed of single or multiple family dwellings and our industrial community must be stabilized, strengthened and controlled. To promote an attractive, harmonious community, preserve natural resources and promote a sound tax base a comprehensive land use development program, economic incentive program, code enforcement, zoning and minimum housing will be maintained.

TRANSPORTATION - The development and implementation of a road improvement program to include maintenance and expansion will assist in meeting increased traffic demands with emphasis on particular land use configuration. To ensure transportation needs are met, the City will continue to update and modify the thoroughfare plan for the City.

UTILITIES - The governing body continues to stress as one of its major goals the providing of adequate, safe water and wastewater collection and treatment to its residential and industrial users. To ensure water and sewer programs meet the needs of both existing and future customers, continuous study and analysis of utility operations will be maintained.

FINANCIAL PLANNING – To ensure a sound financial position, a comprehensive, well-integrated financial plan composed of long and short-term elements will be maintained. Five-year analysis of operations and capital planning will be integrated as an ongoing management tool.

DEVELOPMENT OF STAFF - To ensure the City attains and keeps well-qualified productive workforce, a competitive wage; salary and benefit plan will be monitored and maintained.

FY 02-03 ACCOMPLISHMENTS

The accomplishments of the City of Sanford are highlighted below to give the reader some insight as to how the major goals provide direction to all areas of municipal service.

SECURITY

- The Mobile Precinct and the Community Policing Team continue to be one of our major accomplishments. We continue to initiate community watch programs and are working very closely with the communities across Sanford. This continues to be one of our major changes in the philosophy of law enforcement in Sanford.
- The City/County Drug Unit continues to provide a public awareness of the drug problems in Sanford and Lee County through stringent drug enforcement and educational programs to young people, which utilize narcotic enforcement officers.
- The Code Enforcement Department enforced the City of Sanford City ordinances with regards to issuing zoning violations pertaining to junked or abandoned vehicles, nuisance violations, overgrown lots and minimum housing.
- The Fire Department continues to be the organizational lead for the SAFE KIDS COALITION in Lee County. All department members received training and certification to operate the checking station.
- The Fire Department has five Level III fire inspectors as a result of training and testing during this year. Level I inspector training and one member of the department has completed testing with award anticipated for early 2003-2004. The 2002 Edition of the North Carolina Fire Prevention code is now in effect and being used for new and existing buildings in Sanford/Lee County.
- Training of all fire department members continued during the year with all members maintaining an average of over 240 hours in such diverse topics as hazardous materials, basic life support, firefighting tactics, apparatus operation and vehicular extrications.
- Rescue services have been transferred to the Sanford/Lee County Fire Departments. A study by the fire service of Lee County was completed and each department is schedules to handle specific areas of rescue as a specialty. The Sanford Fire Department will be handling, in addition to extrication, confined space, trench and structural collapse rescue duties.
- The Inspection Department reviewed construction plans and conducted the necessary inspections to ensure compliance with the International Building Code. The inspectors attended schools, and seminars, in an effort to stay abreast of the code changes. The department was merged with Lee County to enhance service and provide the most economical and efficient service.
- Information Systems added the fiber optic backbone for high-speed networking and data transfer capabilities to the Makepeace Building with the Inspections/Permit staff.

MASTER PLANNING AND ZONING

- The Sanford/Lee County/Broadway Unified Ordinance re-write continues which will consolidate land use and development regulations for the three municipalities into one document. This will provide more adequate services and land use regulations for the citizens of Sanford, Broadway and Lee County. The completion date is scheduled for January 2004.
- The Community Development Department initiated long-range planning and education efforts through the development of a small area plan for the Greenwood community. This project is at the beginning stages, and will resume in late fall of 2003 with an expected completion date of January 2004.
- The Geographic Information Systems Section of the Community Development Department continues to create maps and charts for various city departments and other agencies. It also has expanded its extensive database, including assigning new addresses, acquisition of soil data, topography maps and FIRM Maps.
- Four voluntary annexations were completed during the year.
- Two new restaurants and more than thirteen new businesses opened in the Downtown Sanford District. Downtown Sanford was awarded a Building Improvement Grant in the amount of \$10,000 for awning replacements, façade improvements, building improvements and new signage.
- The downtown district west of Horner Boulevard was adorned with Downtown Sanford banners on light posts to give the area a more defined boundary. Several events were held in the recently completed Phase I of Depot Park, including the holiday tree lighting, multiple music concerts, large family gatherings, fundraising events, and even a wedding.
- Downtown Sanford, Incorporated and the City just received North Carolina Department of Transportation Enhancement Funding to begin Phase II of Depot Park. The phase will include a

splash-fountain; information kiosk, landscaping, fencing, picnic tables, public restrooms and improvements to the popular train play area.

- DSI and the City also applied for an Urban Redevelopment Grant from the Department of Commerce in the amount of \$900,000 for the purpose of renovating the Buggy Factory in partnership with Progressive Contracting Company and streetscape along Chatham Street and Charlotte Avenue.
- The current planning division continued to administer the land use regulations of the City of Sanford, Lee County and the Town of Broadway. This division processed six zoning text amendments, reviewed ninety-eight site plans, an average of fifty minor subdivisions, and twenty-three major subdivisions. Planners met with developers and citizens, and processed forty rezoning, special use and variance cases for three jurisdictions.

TRANSPORTATION AND PUBLIC WORKS

- The Engineering and Street Departments began a major street improvement project to resurface streets with the use of \$1,000,000 installment loan proceeds.
- Design, contract administration and inspections were performed on the Hill Avenue bridge improvement project (\$200,000).
- The Solid Waste Division and Public Works Director negotiated the waste management contract for garbage collection (five year contract).
- The Solid Waste Division was granted permit renewal to operate a large type three-compost facility for an additional five years.
- Street improvements totaling \$300,000 was completed including sidewalk catch basin, curb and gutter repair, as well as street patching. Street ditches cleaned totaled 32,676 feet, which was a 122% increase over last year. Drainage pipe installed totaled 389 feet, which was an increase of 42% compared to the prior year.

UTILITIES

- Construction at the water treatment plant to change the city's treatment process has been completed.
- A study was performed on a portion of the Dry Creek drainage basin to identify sources of inflow and infiltration. The basin serves the Rosemount-McIver areas with sewer. Meters were placed in manholes; rain gauges measured rainfall in given storms and a model of the sewer system developed.

FINANCIAL PLANNING

- The Sanford/Lee County Community Development Department administered the FY 2000 Community Development Block Grant Scattered Site Project (\$387,500); a 1999 Single Family Rehabilitation Program; the Little Buffalo Creek Clean Water Management Trust Fund Grant (\$765,000); and a Lee County Scattered Site Housing grant (\$400,000).
- The Department also administered the first phase (\$350,000) of a \$1,750,000 Revitalization Strategies Community grant. This grant will be utilized for the restoration of the W. B. Wicker School. Year one consisted of demolition and clearance activities on the buildings in the rear of the Wicker site. Plans are to construct a dental facility and mental health offices to serve the low wealth community.
- The Sanford/Lee County Community Development Department was responsible for assisting Sanford Fire Department in applying for a FEMA/USFA grant in the amount of \$101,850 for equipment items, such as, thermal imaging cameras, portable radios, rapid intervention kits, vehicle extraction systems, and personal protective equipment.

DEVELOPMENT OF STAFF

- Human Resources held the third annual benefits/health fair with the number of participating vendors increasing from twenty-three to thirty-three. This year's health vendors included a chiropractor, a masseur, masseuse and acupuncturist.
- Human Resources updated the employee benefits summary sheets which provide general information about subjects such as health, life and short term disability insurance, vacation and sick leave accrual, personal leave, 401K retirement plan, paid holidays, etc.
- The Human Resources Department organized and held the second annual City of Sanford service awards luncheon in the public works assembly room. Forty-two employees were recognized for a total of 545 years of service to the City of Sanford.

- The Human Resources Department negotiated renewal of the health, life, short-term disability and dependent life insurance contract with Blue Cross Blue Shield of North Carolina.
- Information systems administered the continuation of the Employee Computer Purchase Program with forty personal computers acquired. The Information Systems Department enhanced the city website (www.sanfordnc.net) for citizens and city employees to use for job postings, applications, schedules, downloadable forms, departmental information and much more.
- Information systems supported and modified an automated timesheet for employees and supervisors. The automated timesheet has significantly reduced the number of manual math calculations and provides precise information for payroll.
- Information systems added fifteen new email city users and maintained, repaired and supported one hundred forty-five computer systems/users. Also began project to upgrade network connectivity with newer low cost high-speed circuit technology at Fire Station No.3, Jonesboro Fire Station, Water Plant and Sanford Municipal Golf Course.

FY 03-04 ACCOMPLISHMENTS

The accomplishments of the City of Sanford are highlighted below to give the reader some insight as to how the major goals provide direction to all areas of municipal service.

SECURITY

- The Inspection Department reviewed construction plans, and conducted the necessary inspections to ensure compliance with the International Building Code.
- The Inspection Department staff continued to attend schools and seminars in an effort to stay abreast of code changes.
- The Code Enhancement Department enforced the City of Sanford City Ordinance, with regards to issuing zoning violations pertaining to junked or abandoned vehicles, nuisance violations, overgrown lots, and minimum housing.
- The changeover by the Lee County and the City of Sanford Fire services to include rescue services in addition to firefighting and other emergency services has taken place. The Sanford Fire Department is now handling extrication, confined space, trench and structural collapse rescue duties.
- The Fire Department's permanent checking station for Child Passenger Safety Seats has been very active at Central Fire Station. Staff at all three fire stations take an active part in instruction and installation for parents and families of young children in need of this service. The Lee County SAFE KIDS Coalition continues to be spearheaded by members of the Sanford Fire Department.
- The Fire Department has completed another year of SCBA physicals and medical testing to ensure our members have base-line monitoring for use in physical fitness programs and incident scene vital statistic record keeping.

MASTER PLANNING AND ZONING

- The Sanford/Lee County/Broadway Unified Ordinance re-write continues which will consolidate land use and development regulations for the three municipalities into one document. This will provide more adequate services and land use regulations for the citizens of Sanford, Broadway and Lee County. This process began in March 2000 and continues with a completion planned in January 2005.
- The Community Development Department initiated long-range planning and education efforts through the development of a small area plan for the Greenwood community. This project is at the beginning stages, and will continue with a completion date of January 2005.
- The Geographic Information Systems Section of the Community Development Department continues to create maps and charts for various city departments and other agencies. It also has expanded its extensive database, including assigning new addresses, acquisition of soil data, topography maps and FIRM Maps.
- Two voluntary annexations were completed during the year with one for the new Lee County High School property.
- Several new businesses opened in downtown Sanford and several events were held in the recently completed Phase I of Depot Park.
- Phase II of Depot Park began this year which will include a splash-fountain, information kiosk, landscaping, fencing, picnic tables, public restrooms and improvement to the popular train play area.
- DSI and the City were awarded an Urban Redevelopment Grant from the Department of Commerce in the amount of \$900,000 for the purpose of renovating the Buggy Factory in partnership with Progressive Contracting Company and streetscape along Chatham Street and Charlotte Avenue.
- Over twenty-seven recorded events were held at Depot Park and a pilot light project on Steele Street was begun which increased lighting to encourage more pedestrian traffic at night.
- DSI granted fourteen businesses \$20,570 in matching building improvement funds, resulting in a total of \$87,240 improvements in private and matching funds.
- The current planning division continued to administer the land use regulations of the City of Sanford, Lee County and the Town of Broadway. This division processed twenty-four zoning text amendments and rezoning cases; reviewed sixty-eight site plans; an average of forty nine minor subdivisions; and ten major subdivisions. Planners met with developers and citizens, and processed four special use and variance cases for three jurisdictions.
- Historic Preservation and Appearance Commission reinstated with three major and seventeen minor cases ruled on. Also the commission reinstated the annual historic preservation and community appearance awards.

TRANSPORTATION AND PUBLIC WORKS

- The Engineering and Street Departments finalized a major street improvement project to resurface streets with the use of \$1,000,000 installment loan proceeds and operating budget revenues totaling approximately \$300,000. This project included twenty-two miles of street resurfacing.
- The Engineering Department performed inspection and administration for the replacement of 2,100 feet of sidewalk, 1,700 feet of curb and gutter and installation of 29 wheelchair ramps.
- Traffic services performed 251 cutbacks for site distance and installed 259 traffic lights. Street name signs installed totaled 158 and the street sweeper recorded 1,303 man-hours.
- Street improvements completed include 15,895 feet of street ditches cleaned. Drainage pipe installed totaling 554 feet and installed and repaired 1,380 feet of sidewalk. Curb and gutter installations and repairs for the year totaled 927 feet.
- Replacement of the heating and air conditioning system in the shop was completed. This included switching from heating oil to natural gas, which has saved substantially in operational cost.
- Replacement of one of the in ground lifts in the shop which included upgrading the lift capacity from 9,000 lbs. to 12,000 lbs.
- All city shop mechanics were certified with the state of North Carolina for emission testing.
- The Solid Waste (Refuse) division collected 1,465 loads of limbs and 673 loads of leaves during this fiscal year. The division submitted application to renew the permit to operate a Large Type III compost Facility for another five years. Also replaced 3-man leaf vac truck with new Freightliner one-man leaf vac.
- The Engineering Department coordinated with contractors and developers to expand three miles of city streets.

UTILITIES

- Construction at the water treatment plant to change the city's treatment process to a chlorination system has been successfully completed.
- The Sewer Construction Department successfully cleaned forty-two percent of the city collection lines.
- All sewer lift stations were installed with remote communications, audible and visual alarms and telemetry, which has greatly, enhance the reliability of the system. Also other major repairs were completed at each lift station. Additional backup parts were inventoried in order to decrease down time of lift stations.
- Sewer right-of-way access points and creek crossings were improved and mowing of 40 miles of right-of-way easements was completed.
- Sewer crews responded to 213 stoppage complaints and jetted 72 miles of sewer main. There were approximately 15 miles of sewer pipe smoked tested.
- The Engineering Department coordinated with contractors and developers to expand two miles of water lines and three miles of sewer lines.
- The Engineering Department coordinated with contractors to install permanent generators at Carr Creek and Gaster's Creek Sewer Lift Stations and electrical connections were provided at all other lift stations for a portable generator.
- The sewer system evaluation was initiated for the Little Buffalo drainage basin. The study divided the area into several sub-basins then prioritized the sub-basins based on volume of storm water inflow and infiltration.
- Approximately 10,000 linear feet of the sewer system was rehabilitated by inserting a cured-in-place liner in the Dry Creek drainage basin.
- Major installation of new gear drive on clarifier number 2 completed and rebuilt influent bar screen with all new parts at the wastewater treatment plant. Also drained and cleaned both sides of the chlorine contact tank. Installed new air dryer system on effluent filters. Replaced control panel at influent grip collector and completely rebuilt gear and reducer for Thicken Waste Activated Sludge pump.
- Land applied six million gallons of bio-solids as part of the land application program at the wastewater treatment plant.

FINANCIAL PLANNING

- The Sanford/Lee County Community Development Department continued administration of the FY 2000 Community Development Block Grant Scattered Site Project (\$387,500); a 1999 Single Family Rehabilitation Program; the Little Buffalo Creek Clean Water Management Trust Fund Grant (\$765,000); and a Lee County Scattered Site Housing grant (\$400,000).
- The Department also administered the second phase (\$350,000) of a \$1,750,000 Revitalization Strategies Community grant. This grant will be utilized for the restoration of the W. B. Wicker School. Plans are to construct a dental facility and mental health offices to serve the low wealth community.
- The City's Debt Set Off program was started this past year and continues to be successful in the collection of delinquent accounts.
- The Governmental Accounting Standards Board (GASB) has changed the framework of financial reporting for state and local governments. The result of this project was the issuance of GASB Statement No. 34 which represents the most important change in the history of accounting and financial reporting for state and local governments. The City has successfully completed its first audit addressing the new GASB 34 accounting rules.
- This year the accounting records have been updated to reflect new account numbers. The new account numbers should assist in grouping and reporting of accounts relative to the new GASB rules. A new fixed asset program was also implemented which should further enhance the City's financial records.
- The City of Sanford has received the Government Finance Officer's Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Financial Report for twenty-two consecutive years. It has also been awarded the GFOA's Distinguished Budget Presentation Award for eighteen consecutive years.

DEVELOPMENT OF STAFF AND TECHNOLOGIES

- Information Systems administered the continuation of the Employee Computer Purchase Program with thirty-eight personal computers acquired. The Information Systems Department continues to enhance the city website (www.sanfordnc.net) for citizens and city employees to use for job postings, applications, meeting minutes, schedules, downloadable forms, departmental information and much more.
- Information Systems created the Downtown Sanford Website for citizens and others to access local information.
- New computers were reinstalled at City Hall, Fire Departments, Service Center and the Water Plant. New software was installed as required.
- Netware connectivity was upgraded with low cost ADSL high-speed circuit technology at Fire Station No. 3, Jonesboro Fire Station, Wastewater Treatment Plant, Water Treatment Plant, and Sanford Municipal Golf Course.
- Twenty new email users were added to the city's network.
- Information Systems continues to maintain, repair, and support 150 computer systems/users on 9 local area networks at 10 remote systems with 40-networked printers.
- The Fire department continued during the year with all members maintaining an average of over 240 hours in such diverse topics as aerial ladder operation, AED operation, hazardous materials, basic life support, firefighting tactics, apparatus operation and vehicular extrication.
- The Human Resources Department held the fourth annual benefits fair. One hundred thirty employees attended, visiting many of the thirty vendors present. The goal was to provide valuable benefit information that could be used during the annual employee benefit open enrollment process.
- Human Resources provided overview sessions to interested employees regarding all of the City's benefit programs. This educational tool served as a reminder of the complete benefit package provided to employees by the City. Employees also received updated information packets including BCBSNC Certification Booklets, Benefits Review and Summary sheets, Summary Plan Descriptions, etc.
- Human Resources negotiated renewal of the health, life, short-term disability and dependent life insurance contract with BCBSNC. Health insurance premiums were increased 2.8%, while other benefit premiums remained unchanged.
- Human Resources organized another successfully Service Awards Banquet in 2003 recognizing fifty-four recipients.

- Human Resources implemented process improvements for a number of tasks to include employee separation, leave of absences, new employee orientation, etc. These changes should improve productivity, efficiency and customer service.
- Human Resources developed and distributed an Employee Development and Training Needs Assessment to all employees of the Fire Department. Results from the assessment will now be used to identify priority training needs, develop materials and conduct training sessions.
- Human Resources audited all City of Sanford facilities to ensure Department of Labor compliance for posting of appropriate labor information.

FY 04-05 ACCOMPLISHMENTS

The accomplishments of the City of Sanford are highlighted below to give the reader some insight as to how the major goals provide direction to all areas of municipal service.

SECURITY

- The Public Building Department completed a system wide change out of the uninterrupted power source (UPS) for the City's 911 call center and emergency backup systems. The new UPS insures that citizens will have continuous access to emergency services.
- The Inspections Department reviewed construction plans, and conducted the necessary inspections to ensure compliance with the International Building Code. Additionally, the Inspections staff continued to attend schools and seminars in an effort to stay abreast of code changes.
- The Code Enhancement Department enforced the City of Sanford City Ordinance, with regards to issuing zoning violations pertaining to junked or abandoned vehicles, nuisance violations, overgrown lots, and minimum housing.
- The Fire Department received a federal grant in the amount of \$184,200. This grant was used to place emergency generators at all three fire stations. These generators allow the Fire Department to continue normal operations during all types of weather events as well as serve an emergency dispatch center during power outages. Also purchased were exhaust removal systems, two thermal imaging cameras, six additional portable radios, and three Rapid Intervention Team kits. These items help to enhance the health and safety of Fire personnel.
- The Fire Department's permanent checking station for Child Passenger Safety Seats at Central Fire Station remains very active. Staff at all three fire stations take an active part in instruction and installation for parents and families of young children in need of this service. The Lee County SAFE KIDS Coalition continues to be spearheaded by members of the Sanford Fire Department.
- The Fire Department has completed another year of SCBA physicals and medical testing to ensure our members have base-line monitoring for use in physical fitness programs and incident scene vital statistics record keeping.

MASTER PLANNING AND ZONING

- The Unified Development Ordinance is intended to consolidate land use and development regulation for the three governmental units of Sanford, Broadway, and Lee County into one document. The result will provide more adequate services and land use regulations for the citizens of Lee County. The process began in March 2000 and continued through the 2004 -2005 fiscal year. The ordinance is projected to be completed in October 2005.
- The Community Development Department administered the third phase (\$350,000) of a \$1,750,000 Revitalization Strategies Community grant. This grant is being utilized for the restoration of the W.B. Wicker School. Plans are to contract a dental facility and mental health offices to serve the low wealth community.
- The Community Development Department initiated long range planning and education efforts through the development of a small area plan for the Greenwood Community. The plan was completed in January 2005.
- The Geographic Information Systems Section of the Community Development Department continued to create maps and charts for various City departments, and other agencies, and expanded its extensive database, including assigning new addresses, acquisition of soil data, topography maps, and FIRM maps.
- Work was completed for the consolidation of the Sanford Strategic Services Division of Community Development and the Lee County Land Records Department.
- The Community Development Department continued to be involved in several voluntary annexations and one involuntary annexation.
- DSI awarded \$13,356 in Building Improvement Grants, which generated \$28,888 in private investments.
- Over twenty events were held in the recently completed Depot Park including a grand opening celebration, Lee County Orchestra performances, jazz concerts and private band performances.
- The newly completed Depot Park includes an interactive fountain, a train play zone, sidewalks, benches, and information kiosks.
- DSI continued to administer a \$900,000 Urban Redevelopment grant for the purpose of renovating the Buggy Factory.

- The City was awarded a \$150,000 Enhancement Grant which DSI used to implement the Pilot Street Light Project to increase lighting throughout downtown.
- The Planning Division continued to administer the land use regulations of the City. The Division processed 11 zoning text amendments, 33 rezoning cases, and reviewed 168 site plans.

TRANSPORTATION AND PUBLIC WORKS

- The Solid Waste (Refuse) Division collected 1,326 loads of limbs, 763 loads of leaves and 630 loads of bulk trash during the fiscal year. They also put a new knuckle boom truck into service.
- The Engineering Department coordinated contractors to accomplish \$500,000 in street improvements, resurface 10 miles of street, replace 680 feet of sidewalk, as well as replacing 1600 feet of curb and gutter.
- The Shop Department replaced three in ground lifts – two 10,000 pound lifts and one 12,000 pound lift. Shop also upgraded the emissions machine to meet the new CANS standard, which allows in house inspection of 2005 year model vehicles.
- The Shop Department began using online computer diagnostics, replacing the compact discs that were only upgraded every three months.
- The Street Department continued to repair catch basins, ditches, and sink holes.
- Additionally, the Street Department worked with utility companies to get more street lights installed.
- Street Department began a program to change all signal lights in the City to LED lights.
- The Street Department continued to post public parking signs as well as street markers.

UTILITIES

- The Finance, Public Works and Legal Departments worked together to accomplish the purchase of the Lee County Water System. This purchase resulted in a 33% increase in the City's water customer base and streamlines the water system for uniform growth throughout the County.
- The Water Construction and Maintenance (C&M) division continued hydrant maintenance as well as the meter exchange program.
- Water C&M also repaired main breaks, installed water taps, replaced broken hydrants, located control valves and repaired booster pumps.
- Testing of meters also continued to insure accuracy in billing of water consumption.
- The Sewer Construction and Maintenance (C&M) division cleaned 42% of the City's collection system lines, handily exceeding the annual requirement of 10%.
- Sewer C&M smoke tested 12 miles of sewer pipe to aid in problem detection, as well as rodded and jetted 88 miles of sewer main to reduce potential stoppages. Additionally, 86 miles of the sewer collection system were inspected.
- Repairs and maintenance were performed on the Northview, Lemon Springs, Globe Street, Carr Creek and West Lake Downs lift stations.
- The Big Buffalo wastewater treatment plant's (WWTP) laboratory received certification.
- The Gaster's Creek lift station received a new air control system, a new surge valve, two new suction valves and a new drive shaft for the pump.
- The WWTP completed and submitted a new process safety management program.
- During the fiscal year, the WWTP reissued permits for the pretreatment program.
- The WWTP drained and cleaned both sides of the chlorine contact tank and land applied six million gallons of bio-solids.
- The City accepted 2 sewage lift stations during the year; Gum Fork lift station which serves approximately 2200 acres and the expanded Lee County Industrial Park, and the Mulatto Creek lift station which serves approximately 1500 acres as well as the new Southern Lee High School.
- Approximately 25,000 linear feet of the sewer system was rehabilitated by inserting a cured-in-place liner in the Little Buffalo drainage basin. Additionally, 100 manholes were cementiously lined.
- The Engineering Department coordinated with contractors and developers to expand the water system by 4 miles and the sewer system by 5 miles.

FINANCIAL PLANNING

- The City's Debt Set Off program continues to be successful in the collection of delinquent accounts.
- The City of Sanford has received the Government Finance Officer's Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Financial Report for twenty-three

consecutive years. It has also been awarded the GFOA's Distinguished Budget Presentation Award for nineteen consecutive years.

- The Revenue Division began the outsource printing of monthly water bills. The outsourcing allowed the billing statements to be upgraded from a post card style bill to a larger 8 ½ x 11 paper size bill.
- The Revenue Division oversaw the implementation of a lockbox service to receive payments from utility customers. This service allows payments made by mail to go directly to the bank for immediate credit to the City. Additionally, customer service staff is relieved of processing mail payments and are able to focus on assisting customers.
- Public Works Administration negotiated and entered into a contract with the Town of Broadway which commits Broadway to purchase all of its water from the City.
- The Store Division of Public Works implemented reporting changes to enable Finance to account for adjust inventory levels accurately.
- The Store Division worked with Finance to insure the accurate accounting of freight and delivery charges. In this year alone, Store was able to account for over \$1,300 in these charges thereby avoiding inaccuracy in it's year end inventory reporting

DEVELOPMENT OF STAFF AND TECHNOLOGIES

- Information Systems enhanced the City website for citizens and employees to use for job postings, applications, City Council meeting minutes, schedules, downloadable forms, and departmental information.
- Information Systems updated the Downtown Sanford website for citizens to access local information.
- Information Systems installed new computer systems at City Hall, the Fire Departments, the Public Works Service Center and the Inspections Building.
- Twenty five computers were reformatted and software reinstalled for both software upgrades and hardware replacements.
- The email system was upgraded with new web enabled features for remote access.
- Information Systems maintained, repaired, and supported 150 computer systems/ users on 9 local area networks at 10 remote sites with 40 networked printers.
- Human Resources organized and sponsored another successful benefits fair for City employees.
- Human Resources created HIPPA documentation to ensure compliance by the City with the privacy act.
- All City job descriptions were reviewed by Human Resources to ensure compliance with recent changes to FLSA regulation. Additionally, the year end vacation report was audited to insure accuracy with leave records.
- Human Resources organized, bid and executed the catered City Service Awards Luncheon that included service award for employees obtaining benchmark years of service. The luncheon included music and local dignitaries.
- The Human Resources Department sponsored financial planning sessions for all employees. Additionally, monthly wellness sessions were held on important topics such as weight loss and high blood pressure.
- Human Resources conducted Personnel Policy review meetings for management team members. These policy review meetings will be an ongoing monthly event in the next fiscal year as well.

FY 05-06 ACCOMPLISHMENTS

The accomplishments of the City of Sanford are highlighted below to give the reader some insight as to how the major goals provide direction to all areas of municipal service.

SECURITY

- The Inspections Department approved \$148,765,470 in new construction. Over 10,000 permits were issued for all trades. Approximately 10,500 inspections were conducted throughout the year to ensure compliance with the International Building Code. Additionally, the Inspections staff continued to attend schools and seminars in an effort to stay abreast of code changes.
- The Code Enhancement Department worked with almost 4,000 complaints during the year including 525 junk cars, 213 trash and debris, 874 over grown lots, 135 minimum housing, 135 sign violations, and numerous others.
- The Fire Department continues with additional training and research for our added response for rescue service. Additional equipment is being researched and evaluated for our use in Trench Rescue.
- Training of all department members continued year round with all members maintaining an average of over 240 hours in such diverse topics as Aerial Ladder Operation, AED Operation, Hazardous Materials, Basic Life Support, Firefighting Tactics, Apparatus Operation, Vehicular Extrication, Etc.
- The Fire Department's reconfigured part-time firefighter program has worked well this past year. The trainee position has allowed us to add two minority members to the department.
- The Fire Department's permanent checking station for Child Passenger Safety Seats at Central Fire Station remains very active. All three fire stations continue to take an active part in instruction and installation monitoring for parents and families of young children in need of this service. The Lee County SAFE KIDS Coalition continues to be spearheaded by members of the Sanford Fire Department.
- The Risk Management Division coordinated and conducted a City wide tornado emergency drill in March 2006.

MASTER PLANNING AND ZONING

- The Unified Development Ordinance is intended to consolidate land use and development regulation for the three governmental units of Sanford, Broadway, and Lee County into one document. The result will provide more adequate services and land use regulations for the citizens of Lee County. The process began in March 2000 and became effective in January 2006.
- The Community Development Department began development of architectural design standards for the primary highway corridors. These new standards were recently adopted. One of the primary purposes in these efforts is dramatically improving the quality of design and development.
- The Community Development Department participated in 29 rezoning petition approvals, 90 new major and minor subdivisions representing 560 lots, 2 multi-family projects representing 58 units, and 51 formal site plan reviews and 19 staff only reviews.
- The Community Development Department completed the third phase and began administering the fourth phase (\$350,000) of a \$1,750,000 Revitalization Strategies Community grant. This grant is being utilized for the restoration of the W.B. Wicker School. This historic restoration and urban revitalization project realized accelerated restoration of the former historic African American high school, rehabilitation of owner-occupied housing, assistance to first time home-buyers, and flood and drainage improvements.
- The Community Development Department benefited from the continued consolidation of city/county services with the merger of Lee County tax mapping into the group. The management of the consolidated database was enhanced by providing for downloads of countywide GIS layers from the internet. Public accesses to frequently requested maps were also enhanced by requested maps in PDF format from the internet.
- With seven voluntary petitions approximately 360 acres were annexed into the city during the year. Almost all of this activity involved properties proposed for development requiring the extension of city services. Work was completed on identifying critical corridors and gateways into the city, along with initiation of a comprehensive transportation plan.
- Development of the City's greenway system was initiated with an \$800,000 appropriation from 2005 Transportation Enhancement Authorization to begin the first phase of the Endor Trail. Considerable work was also completed on the Endor Iron Furnace Project on the Deep River.

- The Community Development Department successfully challenged the population estimates by the US Bureau of Census. The estimate for July 1, 2005 was revised from 23,318 to 26,710 to more accurately reflect the growth of the city.
- The City received approval for the Urgent Repair Program from NC Housing Finance Agency in the amount of \$75,000.
- The Community Development staff worked throughout the year on the grass roots project, Quest for Excellence.
- The City's downtown program continued its active performance throughout the year. Six downtown businesses fulfilled \$11,500 in building improvement grants which generated \$38,500 in public and private investment. The first phase of the streetscape portion of the urban redevelopment project was implemented along Chatham Street and included the raising of granite curb along with street resurfacing.
- New Christmas garland and lights were purchased and a downtown Christmas tree lighting was conducted. Working with Downtown Sanford, Inc. a \$2,000 matching grant from the Lee County Arts Council was granted for restoration of the antique Coca-Cola Sign on Steele Street.
- Activity at Depot Park also increased with the creation of the "Function at the Junction" that includes a summer concert series. Depot Park plays host to a weekly concert every Thursday throughout the summer.
- Historic preservation activity included 31 applications and involved approval of 2 major projects and 28 minor projects.

TRANSPORTATION AND PUBLIC WORKS

- The Solid Waste (Refuse) Division collected 1,967 loads of limbs and leaves and 753 loads of bulk trash during the fiscal year. They also put a new leaf vac truck into service and updated the 10 year Solid Waste Management plan with the County.
- The Engineering Department coordinated with contractors and developers to expand the water, sewer, and street systems by 5.5 miles, 3 miles, and 2 miles respectively. Construction inspections were performed on all construction added to the City's systems.
- The Shop Department replaced the fleet maintenance software to include a bar code reading system. This software will allow for better reports, benchmarking, and inventory control.
- Approximately \$950,000 in street improvements were completed, which included 8 miles of street resurfacing, 500 feet of sidewalk replacement, 2,200 feet of curb and gutter replacement, and installation of 1 wheelchair ramp.
- The Street Department continued to repair catch basins, ditches, and sink holes. Improvements were made to drainage at Glenwood Village and Poplar and Lawrence Streets as well as drain pipe repair on Frazier Drive.

UTILITIES

- The Water Treatment Plant completed the construction of a new raw water station, a new solids handling facility to capture and treat the waste produced through chemical treatment of the water, and a new solid collection system in sedimentation basins one and two.
- Water C&M continued the meter exchange program, repaired main breaks, installed water taps, replaced broken hydrants, located control valves and exercised and repaired booster pumps on county and district system.
- The Water Construction and Maintenance division realigned meter routes and sequence to assume future additions as well as installed check valves and adjusted meter boxes. A private contractor was hired to perform repairs to shorten response time.
- The Sewer Construction and Maintenance (C&M) division cleaned 42% of the City's collection system lines, handily exceeding the annual requirement of 10%.
- Sewer C & M rodded and jetted 81 miles of sewer main to reduce potential stoppages. Staff responded to 184 stoppage complaints; mowed 37 miles of right-of-way easements; inspected 38 miles of priority lines and 74 miles of the collection system; and treated 21,587 linear feet of sewer main with Duke's root control.
- Sewer C & M installed a new pump at Northview lift station. Also updated check valves, installed new pump, and rebuilt old pump for backup at Carr Creek lift station.
- The Big Buffalo wastewater treatment plant's (WWTP) laboratory received certification.
- WWTP certified three new operators and one spray irrigation operator.

- The Gaster's Creek lift station received new air assisted valves, new PLC, two new suction valves, new bypass, new drift shaft for pump, and upgraded the generator and switch gear.
- The WWTP completed and submitted the process safety management program to EPA
- The WWTP drained and cleaned both sides of the chlorine contact tank and land applied six million gallons of bio-solids.
- Public Works Administration received an EDA grant in the amount of \$1,000,000 for Wyeth project. Staff also applied for and received a \$854,000 grant for new instrumentation at the Water Plant and water tanks.

FINANCIAL PLANNING

- Issued a request for proposal for the City's banking services contract. The contract was awarded to RBC Centura Bank for a term of three years. The contract did not increase banking costs for the City.
- Issued a request for proposal for the City's audit services contract. The contract was awarded to McGladrey and Pullen for a term of three years. The contract resulted in annual cost savings for the city.
- Received a Certificate of Achievement for Excellence in Financial Reporting from the GFOA for the City's June 30, 2005 Comprehensive Annual Financial Report. This is the 25th straight year the City has received this honor.
- Received a Distinguished Budget Presentation Award from the GFOA for the City's Annual Operating Budget ending June 30, 2006. This is the 20th straight year the city has received this honor.
- The Revenue Division installed a new phone system in December, 2005. This system allows customers to hold in queue and be given regular updates as to an expected wait time. Reports are able to track number of calls answered, number of calls abandoned, average length of calls, etc. in order to measure the level of service.
- The drive-in window in the collections area was closed rather than repaired to better utilize staff to assist with walk-in and call-in customers. Since closing the window, draft customers have increased by 10%.
- The City's Debt Set Off program continues to be successful in the collection of delinquent accounts. Over \$76,000 has been collected since the program's inception in October 2003.
- The Risk Management Division was able to negotiate workers' comp and property and liability premiums for a savings of over \$22,000 for the City.
- The Risk Management Division developed a spreadsheet to analyze workers' compensation claims. The spreadsheet provides statistical data on the types of injuries/claims we are experiencing. The data is analyzed to determine trends and recommend long term planning needs, reveal if department and or employees need additional training, equipment or change in work practices, etc. The data collected will assist in setting a benchmark for claim/injury reduction.

DEVELOPMENT OF STAFF AND TECHNOLOGIES

- Information Systems created the Sanford TV11 local government access channel on cable TV to advertise City information and events as well as enabled web TV11 screen scrolls on the City's website www.sanfordnc.net for citizens that do not have basic cable TV.
- Information Systems installed new computer systems at city hall, fire departments, service center, water plant, sewer plant, and inspections building and upgraded the email system with new anti-spam features.
- Information Systems maintained, repaired, and supported 150 computer systems / users on 9 local area networks at 10 remote sites with 40 networked printers.
- Human Resources organized and sponsored another successful benefits fair for City employees.
- Human Resources created HIPPA documentation to ensure compliance by the City with the privacy act.
- Human Resources successfully coordinated a change in retiree health insurance coverage, which includes Medicare Supplement Plan J and Medicare Part D coverage for eligible participants. Change resulted in an annual cost savings of approximately \$40,000-\$50,000, depending on the number of participants at any given time.
- Human Resources received approval to implement a new voluntary dental plan for employees beginning with FY 2006-07. Significant reduction in cost to employees with improved benefit levels.

- Human Resources organized, bid and executed the catered City Service Awards Luncheon that included service award for employees obtaining benchmark years of service. The luncheon included music and local dignitaries.
- Human Resources received approval for City employees to participate in the Lee County Relay for Life fundraiser. Coordinated all functions to raise funds and organized a team to participate in the walk. The City employees raised over \$10,000 in first year of participation.
- The Human Resources Department conducted monthly wellness sessions held on important topics such as understanding sleep, nearing retirement, and relaxation techniques.
- Human Resources conducted Personnel Policy review meetings for management team members. These policy review meetings will be an ongoing monthly event in the next fiscal year as well.
- Human Resources implemented a walking program for all employees with incentives awarded at various milestone levels.
- Human Resources coordinated training session for retirees and dependents regarding the new Medicare Part D coverage. Also assisted employees with the new Roth 401K option.



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City of Sanford

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MEMORANDUM

TO: Mayor and Council Members
FROM: Leonard O. Barefoot, City Manager
DATE: May 16, 2006
SUBJECT: Fiscal Year 2006-07 Proposed Annual Operating Budget

Pursuant to North Carolina General Statute Article 159-11, my proposed budget for Fiscal Year 2006-2007 is hereby presented for your consideration. The budget for FY 2006-2007 is the twelfth such budget I have presented to council, and, in many respects, I believe it to be the most difficult with respect to the General Fund. Simply put, our revenues have not kept pace with the demand and increased costs for providing services to our citizens. Sales and utility franchise tax receipts, which represent approximately 26 percent of our General Fund revenues, remain relatively flat at a projected rate of 6 percent. Growth in our ad valorem tax base, which accounts for approximately 47 percent of our General Fund revenues, is projected to have only increased 1.4 percent during the past year. This increase seems exceptionally modest considering the sustained rate of growth we have experienced during each of the past several years. The certainty that this growth rate is real and will likely continue to create the need for additional services poses a significant problem for FY 2006-2007 and beyond. It should be noted that the rising cost of fuel and other fuel-related expenditures alone would likely deplete the gains described above.

The good news is that our Utility Fund is in good shape which will allow us to hold the water and sewer rates for our customers at the current level. Those rates have remained constant for the past two years. It will also allow us to continue our efforts to reduce inflow and infiltration problems related to the age of our wastewater lines in the older areas of our community. During FY 2006-2007, we propose to borrow \$3 million for the purpose of additional sewer rehabilitation projects. This expenditure represents a significant increase over the \$750,000 which has been spent annually for the last several years. The City will also use \$1.9 million in grant funds to improve the Little Buffalo Creek lift station. This grant requires matching funds in the amount of \$1 million which will be paid for with Utility Fund cash.

Our Utility Fund is in good shape for several reasons. The acquisition of the County's water system has allowed us to improve operating efficiencies which provided additional cost savings to the utility. Dry weather conditions for the better part of two years have increased demand for water services for existing customers as well as creating new customers who have switched from wells to a more reliable water supply. Other reasons include an increase in our bulk water sales to entities such as the Town of Broadway and Chatham County and the relative stability of our industrial base. We have not lost a major water or sewer customer in a number of years.

While all these factors are positive, we must continue to remember that the volatility of water customer habits, potential plant closings, weather, and other factors could influence water and sewer revenues at any given point in time. My final point to be made is that the benefits of growth accrue more quickly to the Utility Fund than the General Fund due to the fact that the majority of our infrastructure is in place and the majority of costs for providing services are already factored into the rates. The benefits of growth within the General Fund come from sales or ad valorem tax receipts, which typically do not accrue until a year or more after the services have begun. It is my opinion that this phenomenon, in part, explains some of the difficulties we face in the proposed budget for FY 2006-2007.

The amount of growth we have experienced in the last several years and its effect on our demand for services can be documented in numerous ways. Our transportation infrastructure has grown dramatically during the past several years to a point where we now have multi-lane freeways traversing our county in every direction, and we will soon be able to ride upon the long anticipated U. S. 421 Bypass. Expectedly, commercial development has followed. In addition to numerous smaller developments, we now look forward to The Shoppes at Sanford, our first "big box" project soon to be developed along South Horner Boulevard. Based upon inquiries and activity within our Community Development Department, we expect more to follow.

Our regional airport has delivered on its promise, tripling the number of airplanes based there since its relocation from Tramway Road during FY 1999-2000. Evidence of its contributions to our county's economic viability can be seen on a daily basis as corporate jets land at our new facility to conduct business in our ever-expanding industrial park as well as other locations throughout Lee County. With respect to residential development, data from our Strategic Services Department, which successfully challenged the 2004 U. S. Census count for Lee County, suggests that the City's current population is approximately 28,000 residents, significantly more than the 23,832 used by the state demographer for purposes of distributing state and federal shared revenues. If our estimates are correct and our city has grown by more than one-fifth since 2000, we are not only losing state and federal shared revenues, we are also providing much needed services to these "new" citizens without the full benefit of resources to offset the increased expenditures.

It should be noted that the Strategic Services Department used hard housing data to support their claim. From January 1, 2000, to February 1, 2006, there have been 1,708 housing starts permitted within the city limits of Sanford; 857 of these are multi-family units, and there are even more currently under construction. We fully expect these and other projects to grow our ad valorem tax base; however, it will require a significant increase in our ad valorem tax and sales tax receipts to offset the cost for providing these services long term. In order to balance our General Fund, I propose an increase to the ad valorem tax rate of \$.02 per \$100 assessed value. For a homeowner whose ad valorem tax value is \$100,000, this increase would cost \$20 more annually. For a homeowner whose property is valued at \$150,000, this adjustment would cost \$30 more annually. I feel this adjustment is necessary to allow us to maintain our current level of services and principally offset the cost of rising fuel and fuel-related expenditures. Please note that we last adjusted our ad valorem tax rate by \$.03 during FY 2004-2005 in response to the General Assembly's decision to accelerate the depreciation of personal property for business and industry.

Ten new positions were requested within the General Fund budget. They include three firefighter positions, one planning position, two code enforcement positions, two building inspector positions, and the two positions designated for graffiti removal and other summer duties. The only position I am recommending in the proposed budget is one of the positions designated for graffiti removal which will be located in the Refuse Department.

My proposed budget also includes a recommended increase to our building inspection fee schedule. It has long been our desire to make this program as self-supporting as possible. If the increases are approved, we will monitor the program and possibly consider the employment of an additional building inspector mid-year if growth within that program continues as expected.

A final major initiative in the proposed budget for FY 2006-2007 is the transfer of golf operations to the General Fund. This matter was discussed at length during our annual retreat. Bringing the Golf Fund into the General Fund allows the City to treat the department as a recreation service, which is the view shared by the State Treasurer's office for municipal golf courses. This consolidation also enhances the appearance of total accountability of the course. The consolidation and forgiveness of debt will impact the General Fund balance by approximately \$1.4 million. However, not making these changes does not eliminate this impact; it only delays it.

The proposed budget for FY 2006-2007 of \$43,409,493 reflects an increase of \$7,465,756, or 21 percent, when compared to the current year appropriation. Our General Fund budget represents 52 percent of the total, an amount equal to \$22,724,618, which is an increase of \$1,732,114, or 8 percent, when compared to the current year appropriation. The proposed Utility Fund budget of \$20,627,046 reflects an increase of \$5,780,813, or approximately 39 percent, when compared to the current year appropriation. This increase is due in large part to the proposed sewer rehabilitation improvements to the Little Buffalo lift station and ongoing system-wide capital expenditures. The following information represents a summary of revenues and expenditures contained within the proposed FY 2006-2007 budget.

GENERAL FUND REVENUES

For FY 2006-2007, General Fund revenues are estimated to be \$21,850,748 which reflects an increase of \$1,755,473, or 9 percent, when compared to our current year's budget. A fund balance appropriation in the amount of \$873,870, which is essentially earmarked for increased capital spending, is included. The available fund balance on June 30, 2005, was \$7.3 million or 39 percent of General Fund expenditures. It should be noted that with the projected use of fund balance in the current FY 2005-2006 budget, the anticipated available fund balance on June 30, 2006, would be \$6.9 million or 35 percent. Please note that these estimates do not take into consideration the potential effect of forgiving the golf course debt currently owed to the General Fund. In any event, it is not anticipated that the fund balance level would fall below the city's minimum goal of 25 percent.

Using a proposed rate of \$.61 per \$100 valuation, ad valorem tax revenues are projected at \$10,347,589, which represents an increase of \$455,797, or 5 percent more than our current year budget. As noted earlier, a proposed \$.02 tax rate increase is attributable to a major portion of this increase.

As indicated earlier, other significant General Fund revenues include intergovernmental revenues and sales tax revenues. Intergovernmental revenues within the General Fund amount to \$2,928,678, which represents an increase of \$47,902 or 2 percent compared to the current year budget. Sales tax revenues are projected to be \$4,587,149, which reflects an increase of \$252,799 or approximately 6 percent. Considering growth in the statewide economy and local projects such as The Shoppes at Sanford, we expect this revenue source to continue to increase.

One source of income which has been negatively impacted during the last several years is investment income or interest on idle funds. However, during the past twelve months alone, yields on interest rates have doubled. As a result, we expect to gain an additional \$144,000 or an increase of more than 95 percent over the FY 2005-2006 total. This trend is projected to continue for the next several years.

GENERAL FUND EXPENDITURES

Our annual budget ordinance segregates governmental functions within the General Fund into five categories. They are General Government, Public Safety, Transportation, Waste Management, and Community Development. My comments regarding General Fund expenditures will be segregated accordingly. Significant changes in the General Fund expenditures are as follows:

General Government - This category shows an increase of \$132,496, or a 3 percent reduction, when compared to the current year. The increase is a reflection of bringing the Golf Fund into the General Fund as a department or service of the General Fund. General Fund expenditures also include the first year of the public access television station. Most of the expense associated with this project is for equipment to get the project up and running. We have also increased the contingency appropriation by \$50,000 to a total of \$200,000 to give us a cushion for potential rising fuel prices. A new mail machine is included in this category. The federal government is requiring all postal mail machines to be fully digital no later than December 31, 2006. The purchase of this equipment at a cost of \$15,704 will bring the City into compliance.

The General Government category includes several operating transfers and contributions to various organizations. Recommended contributions for FY 2006-2007 include \$50,000 to the Central Business Tax District fund, \$20,000 to the Temple Theatre, and \$3,000 to the Arts Council. The proposed funding for the Temple Theatre and Arts Council remains at current levels, although both organizations requested increases.

The City will continue in the existing strategic services contract with Lee County as well as the animal control contract. There is no proposed increase in the animal control contract, while the strategic services contract will increase by approximately \$8,000. The budget proposes continued support of the Economic Development Corporation by funding \$76,468 of its administrative costs, as well as the economic incentive packages that have been previously approved to Pentair Pools, Magneti Marelli, and Moen. These incentive packages total \$82,462 for FY 2006-2007.

Public Safety – This category of expenditures is proposed to increase by \$1,257,399, or 12 percent, when compared to the current year budget. This increase is primarily attributable to the purchase of a new pumper for the fire department at a cost not to exceed \$450,000, as well as the fact that we purchase police vehicles during alternating years. Police vehicles will be purchased during our FY 2006-2007 at a cost of \$272,400. In addition, these cars are scheduled to be equipped with mobile data terminals and software at a cost of approximately \$80,000.

Transportation – This category essentially includes all of our General Fund public works expenditures with the exception of solid waste and sanitation. Overall, this category is recommended to decrease by approximately \$65,858, or 2 percent, when compared to the current year budget. The decrease is due to the street assessments that were undertaken in the prior year's budget. Additionally, the FY 2005-2006 budget included additional paving funds of \$360,000. Despite the decrease to the category overall, this function continues to experience significantly higher fuel, asphalt, and concrete prices. Asphalt prices have gone through the roof during the last several months, as have other costs related to this process. Capital expenditures within Transportation include replacement of the street sweeper, a bucket truck, and a flusher truck. These items are scheduled to be purchased with installment purchase financing.

Waste Management – This category of expenditures includes our Solid Waste Department and funds for our sanitation contract with Waste Management Company for curbside garbage collection. Because of rising costs associated with landfill charges and fuel, our contracted consumer-price-index adjustment for this service will be 3.8 percent effective July 1, 2006. This increase will amount to \$58,068. Capital expenditures within our solid waste budget include funds for the installment purchase of a leaf-vac truck, compost turner, and a knuckleboom truck.

Community Development – Included in this expenditure category is community development, code enforcement, and community enhancement downtown. The category is budgeted to increase \$13,275 or 1% from the prior year. The primary reason this category is holding steady is no funds are requested to expand downtown Sanford in the National Registration.

We continue to be proud of the efforts of our code enforcement department. This department has grown to a total of three officers during the past several years and their workload

continues to increase. While I did not approve additional staff within this cost center, we will continue to monitor code enforcement issues and make adjustments as resources come available.

UTILITY FUND REVENUES

Utility Fund revenues are estimated at \$20,005,668 which reflects an increase of \$6,792,668 or 51 percent compared to the current year's budget of \$13,213,000. The majority of these revenues are for water charges in the amount of \$8,048,362 and \$5,852,506 in sewer charges. The majority of the increase in utility fund revenues is accounted for by anticipated installment purchase proceeds of \$3 million for sewer rehabilitation projects and grant funds in the amount of \$1.9 million. The balance includes miscellaneous revenues such as tap and connection fees, monitoring fees, and investment income, etc. As in the General Fund, investment income is expected to show significant improvement at \$375,000 or an increase of 114 percent.

UTILITY FUND EXPENDITURES

Appropriations for the Utility Fund expenditures are recommended at \$20,627,046 which represents an increase of \$5,780,813, or 39 percent, when compared to the current year budget. These increases are attributable to both continued capital expenditures for sewer rehabilitation and improvements to the Little Buffalo lift station. We propose to borrow \$3 million to address aging sewer lines and reduce inflow and infiltration. Typically, we appropriate \$750,000 each year to address sewer rehabilitation. Borrowing extra funds will allow us to address the inflow and infiltration problems on an accelerated schedule.

With respect to the Little Buffalo/Northview lift station project, the City has already been awarded grant funds of \$1.9 million to make these improvements. The City will be required to provide matching funds in the amount of \$1 million. The match for this grant is budgeted as a cash appropriation in the proposed FY 2006-2007 budget. Other capital projects include potential sewer assessments in the amount of \$200,000; U. S. Highway 421 Bypass utility improvements of \$135,000; alum sludge removal at the water treatment plant of \$150,000; continuation of our valve replacement program in the amount of \$25,000; access control and camera monitor at the water treatment plant front gate of \$40,000; and resurfacing at the water treatment plant of \$50,000.

The Utility Fund budget also contains an appropriation of \$400,000 for new utility billing and accounting software upgrades. The need for these upgrades is directly related to the growth the City continues to experience, particularly in the number of utility customers we serve. Over the past ten years, the number of utility customers we serve has increased by 73 percent. We continue to seek ways to serve these customers efficiently. New software will provide the needed flexibility for utility billing as well as accommodate City growth. The City has outgrown its current software which was designed for smaller governmental units.

An appropriation from Fund Balance in the amount of \$621,378 is included to help fund these capital improvements. With this appropriation, the fund balance on June 30, 2006, is expected to remain above 30 percent of total expenditures.

SPECIAL TAX DISTRICT FUND

The proposed Special Tax District budget for FY 2006-2007 totals \$107,829, which reflects a decrease of \$87,671. This decrease is attributable primarily to funds that were appropriated during the current year's budget for the Cole Street parking lot. The proposed budget recommends that the tax rate remain unchanged at \$.15 cents per \$100 assessed valuation in accordance with the recommendation from the Downtown Sanford Incorporated Board of Directors.

GENERAL EXPENDITURES

Personnel – My proposed budget for FY 2006-2007 maintains the merit-based pay plan at the existing level of 1.25 percent of salaries. I have also proposed a cost-of-living adjustment at the beginning of the new fiscal year to help our employees' salaries stay abreast of inflation, which is estimated to be in excess of 3 percent.

I recommend that on July 1, eligible employees receive a cost-of-living adjustment to their base salary in the amount of 3 percent. This pay date will actually compensate employees for the pay period beginning June 23 through July 6. This across-the-board adjustment will approximate the consumer price index for the previous twelve months and is intended to help offset the inflationary cost described above.

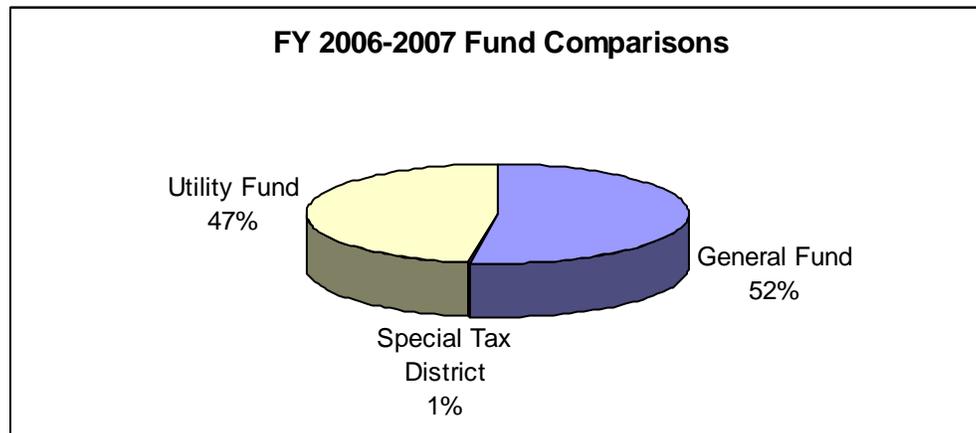
Worker's Compensation, Employee Health Insurance, and Property and Liability Insurance Program - We continue to be pleased with the services provided by Blue Cross/Blue Shield for our employees' group hospital health plan. However, Council is aware that we face a relatively significant increase in our insurance costs for the first time in more than three years. We negotiated the rate as well as the components of the plan to lower the rate to 8 percent for FY 2006-2007. We recognize that this increase is attributable to the high claim experience we had in the current year, and we will continue to work to hold those rates down.

We will continue to contract with the League of Municipalities for our worker's compensation, property, and liability insurance programs. We are pleased to note that our property and liability insurance premiums will decrease approximately \$20,873 in FY 2006-2007, and our premium for worker's compensation coverage will remain the same.

BUDGET SUMMARY

The Fiscal Year 2006-2007 proposed budget is balanced with requests for an overall appropriation of \$43,409,493. The funds are broken down as follows:

	FY 05-06 BUDGET	FY 06-07 PROPOSED BUDGET	VARIANCE	% CHG.
SUMMARY				
General Fund	20,992,504	22,724,618	1,732,114	8%
Utility Fund	14,846,233	20,627,046	5,780,813	39%
Special Tax District	195,500	107,829	(87,671)	(45%)
SUB-TOTAL	36,034,237	43,459,493	7,425,256	21%
Less Interfund Activity	(90,500)	(50,000)	(40,500)	(45%)
TOTAL BUDGET	35,943,737	43,409,493	7,465,756	21%



CONCLUSION

FY 2005-2006 has been an exciting year for the City of Sanford. Within the Utility Fund, we have assimilated the assets of the county's water system to build a county-wide utility which will prove to be an asset to all our citizens for many years to come. We also saw the completion and adoption of our Unified Development Ordinance. This document was completed in time to be used during the approval process for The Shoppes at Sanford and other important development projects. Many more such projects are sure to follow. Late this fiscal year, Council gave approval for the establishment of a public access television station which will significantly improve our ability to provide important information to citizens throughout our city and county.

Perhaps the most significant event for FY 2005-2006 was the mid-year election, which, coupled with the untimely death of Phil Dusenbury, created a city council consisting of a new mayor and three new council members. Expectedly, changes of this magnitude bring new energy and enthusiasm to our city government. Hopefully, it also brings a renewed respect for the councils of the past and their accomplishments. I am proud of each of the councils I have worked with, their accomplishments, and the respect and support they have shown for our employees who make our city government one of the best anywhere. On behalf of our employees, I wish to reassure Council that they too are invigorated, excited about our future, and stand ready to make Sanford the best possible place to live and raise a family.

I thank Financial Services Director Melissa Cardinali and her staff for their efforts in the preparation of this budget. Please feel free to call me if you have questions regarding the proposed FY 2006-2007 budget or any supplemental support materials.

Respectfully submitted,

A handwritten signature in cursive script that reads "Leonard O. Barefoot".

Leonard O. Barefoot, City Manager

**CHANGES FROM THE PROPOSED BUDGET AS SHOWN IN THE
TRANSMITTAL LETTER TO THE
APPROVED BUDGET – FY 06-07**

	PROPOSED	APPROVED	NET CHANGE
TOTAL GENERAL FUND	\$22,724,618	\$22,604,612	(\$120,006)
 REVENUES			
Installment Purchase Proceeds	\$1,258,000	\$1,138,000	(\$120,000)
Appropriated Fund Balance	\$873,870	\$873,864	(\$6)
TOTAL REVENUE			(\$120,006)
 ADJUSTMENTS			
 EXPENDITURES			
Solid Waste	\$1,820,586	\$1,680,580	(\$140,006)
Human Resources	\$254,556	\$274,556	\$20,000
TOTAL EXPENDITURES			(\$120,006)
 ADJUSTMENT			

GENERAL FUND

Revenues

Installment purchase proceeds were reduced to reflect the savings on the purchase price of a compost turner. Appropriated fund balance was reduced to reflect the combined reduction in expenditures and revenue.

Expenditures

The Solid Waste department was reduced by the savings on the purchase price of a compost turner. The increase in the Human Resources department reflects the addition of a pay and classification study.

**ANNUAL BUDGET ORDINANCE
FOR FISCAL YEAR 2006-2007**

BE IT ORDAINED by the City Council of the City of Sanford, North Carolina in regular session assembled:

Section 1: The following amounts are hereby appropriated for the operation of the City's government and its activities for the fiscal year beginning July 1, 2006 and ending June 30, 2007 according to the following summary and schedules.

<u>SUMMARY</u>	<u>REVENUES</u>	<u>APPROPRIATIONS</u>
General Fund	\$22,604,612	\$22,604,612
Enterprise Fund	20,627,046	20,627,046
Special Tax District	<u>107,829</u>	<u>107,829</u>
Subtotal	\$43,339,487	\$43,339,487
Less Interfund Activity	(50,000)	(50,000)
TOTAL BUDGET	\$43,289,487	\$43,289,487

Section 2: That for said fiscal year there is hereby appropriated out of all funds:

SCHEDULE A: GENERAL FUND (Includes Interfund Reimbursements)

GENERAL GOVERNMENT

Governing Body	246,595
Administration	176,229
Human Resources	229,360
Risk Management	71,550
Elections	0
Finance	561,921
Information Systems	301,152
Legal	115,014
Public Building	633,176
Public Works Administration	150,931
Central Office	72,892
GF Contributions	603,763
Golf	651,061
Shop	986,351
Beautification	308,004

PUBLIC SAFETY

Police	6,821,183
Police – 911 Surcharge	339,075
Fire	3,827,545
Inspection	484,414

STREET

Street	2,549,572
Street Capital Imp.	220,810

SANITATION

Solid Waste	1,680,580
Sanitation	1,214,307

COMMUNITY DEVELOPMENT

Community Development	709,309
Code Enforcement	261,771
Comm. Enhance. – Downtown	83,047

SUBTOTAL GENERAL FUND	23,299,612
Less Departmental Charges (Shop)	(695,000)
TOTAL GENERAL FUND	22,604,612

**SCHEDULE B: ENTERPRISE FUND
UTILITY FUND****DEBT SERVICE**

Debt Service	4,380,066
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OTHER

Utility Fund Contributions	300,000
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PUBLIC UTILITIES

UF Administration	1,715,031
Engineering	552,586
Sewer Const. & Maint.	1,078,867
Water Const. & Maint.	2,505,457
Water Plant	1,986,163
Wastewater Plant	1,548,661
Water Capital Imp.	265,000
Sewer Capital Imp.	6,235,000
Store	349,763

SUBTOTAL UTILITY FUND	20,916,594
Less Departmental Charges (Store)	(289,548)
TOTAL UTILITY FUND	20,627,046

	TOTAL ENTERPRISE FUND	20,627,046
SCHEDULE C: SPECIAL TAX DISTRICT FUND		
OTHER		
Special Tax District Fund	107,829	
	TOTAL SPECIAL TAX DISTRICT FUND	107,829
	SUBTOTAL ALL FUNDS	43,339,487
	LESS INTERFUND ACTIVITY	(50,000)
	TOTAL ALL FUNDS	43,289,487

SCHEDULE A: GENERAL FUND

TAXES- AD VALOREM

Current Year Taxes	10,042,589
Prior Year Taxes	250,000
Payment in Lieu of Taxes	15,000
Penalties Less Discounts	40,000

OTHER TAXES

Privilege License	165,000
Local Sales Tax – Article 39	2,158,243
Local Sales Tax – Article 40	809,980
Local Sales Tax – Article 44	816,328
Local Sales Tax – Article 42	802,598

LICENSE AND PERMITS

City Permits	386,872
County Permits	100,000
Broadway Permits	8,000

INTERGOVERNMENTAL REVENUES

UNITED STATES OF AMERICA

Drug Enforcement Proceeds	49,000
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STATE OF NORTH CAROLINA

Utility Franchise Tax	1,169,861
Beer and Wine Tax	56,350

Powell Bill	803,292
Rec. Other Gov't. – State	16,002

OTHER LOCAL GOVERNMENTS

Consolidated Planning Services	353,902
EMS Office Rental	2,400
911 Surcharge Reimbursement	339,075
911 Dispatch	133,996
Financial Services – Broadway	4,800

INVESTMENT INCOME

Interest Income	295,000
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GOLF USER CHARGES

Green Fees Annual	80,000
Green Fees Daily	135,000
Cart Fees	180,000
Driving Range	16,000

SALES AND SERVICE

Sale of Materials	10,000
Sale of Compost Materials	30,000
Sale of Fixed Assets	25,000
Waste Mgmt. User Fees	820,000

GOLF OTHER

Brick Tournament Fees	14,500
Concession	12,000
Miscellaneous	250
Club House Rental	1,200

OTHER

Installment Purchase Proceeds	1,138,000
Court Cost Fees	15,000
ABC Revenue	140,000
Interfund Services Provided	160,000
Rental Income	30,510
Miscellaneous	90,000
Civil Violations	10,000
Relay for Life Donations	5,000

APPROPRIATED FUND BALANCE	873,864
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TOTAL GENERAL FUND	22,604,612
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**SCHEDULE B: ENTERPRISE FUND
UTILITY FUND**

INTERGOVERNMENTAL

State Grants 1,900,000

USER CHARGES

Water Charges 8,048,362

Sewer Charges 5,852,506

INVESTMENT INCOME

Interest Income 375,000

Interest on Assessments 10,000

OTHER

Taps and Connections 225,000

Sewer Surcharge 10,000

Sludge Charge 32,000

Monitoring Fee 87,500

Charges on Past Due Accounts 130,000

Oil and Grease Fees 18,500

Sales Other Funds 34,000

Miscellaneous 5,000

Installment Purchase Proceeds 3,000,000

Rental Income 37,800

Sale of Fixed Property 15,000

Special Assessments 225,000

APPROPRIATED FUND BALANCE 621,378

TOTAL UTILITY FUND 20,627,046

TOTAL ENTERPRISE FUND 20,627,046

**SCHEDULE C: SPECIAL TAX DISTRICT
FUND**

TAXES AD VALOREM

Current Year Taxes 55,379

Prior Year Taxes 350

Penalties Less Discounts 100

INVESTMENT INCOME

Interest Income 500

OTHER

Parking Revenues 1,500

Contribution from General 50,000

APPROPRIATED FUND BALANCE 0

TOTAL SPECIAL TAX DISTRICT FUND 107,829

SUB-TOTAL ALL FUNDS 43,339,487

LESS INTERFUND ACTIVITY (50,000)

TOTAL ALL FUNDS 43,289,487

Section 4: There is hereby levied for the fiscal year ending June 30, 2007, the following rate of taxes on each \$100 assessed valuation of taxable property as listed as of January 1, 2006 for the purpose of raising the revenue from current year's property tax as set forth in the foregoing estimate of revenue, and in order to finance the foregoing appropriation.

TOTAL RATE PER \$100 VALUATION \$.61

Section 5: There is hereby levied for the fiscal year ending June 30, 2007, the following rate of taxes on each \$100 assessed valuation of property in the Special Tax District defined as the Central Business District listed as of January 1, 2006 for the purpose of raising the revenue from current year's property tax as set forth in the foregoing estimate of revenue and in order to finance the foregoing appropriation:

TOTAL RATE PER \$100 VALUATION \$.15

Section 6: Privilege licenses and franchise taxes for the privilege of conducting specified businesses and professions within the City of Sanford are hereby levied at the rate established and authorized and adopted by the City Council of the City of Sanford on May 6, 1975.

Section 7: Building permits, inspection fees, GIS fees, planning fees, compost facility fees, solid waste collection and disposal fees, water and wastewater rates are hereby levied at the rate established and shown on the attached schedules.

Section 8: Fees for Solid Waste Collection and Disposal shall hereby be collected according to the provisions of North Carolina General Statutes 160A-314.1 that allows for the collection of said waste fees by any manner by which real and/or personal property taxes are billed and collected.

Section 9: The Finance Officer is authorized to transfer budgeted amounts within the departments but any revisions that alter total expenditures must be approved by the City Council through legislative action. All

budget amendments must be reported in a public meeting of the City Council and made a matter of record in the minutes.

Section 10: Copies of the Budget Ordinance shall be furnished to the Finance Officer of the City of Sanford to be kept on file by them for their direction in the collection of revenue and expenditure of amounts appropriated.

Adopted this the 6th day of June, 2006.



Cornelia P. Olive, Mayor

ATTEST:



Bonnie D. White, City Clerk



Susan C. Patterson, City Attorney

CITY OF SANFORD

RATE SCHEDULE FOR FISCAL YEARS 2006-2007

Proposed Water Utility Rates		
Monthly User Consumption Bracket	Water Charges (Inside)	Water Charges (Outside)
Ccf	\$/Ccf	\$/Ccf
Minimum Charge for 300 Cu. Ft.	11.88	23.76
300 to 800 Cu. Ft.	3.59	7.18
Over 800 Cu. Ft.	2.02	4.04

Proposed Sewer Utility Rates		
Monthly User Consumption Bracket	Sewer Charges (Inside)	Sewer Charges (Outside)
Ccf	\$/Ccf	\$/Ccf
All Usage	3.71	5.56
Minimum Charge for 3 Ccf	11.13	16.68

Proposed Schedule of Industrial Surcharge Rates	
Strength Parameter	Proposed Rate (\$/1,000 lb)
BOD	\$145/1,000 lb in excess of 250mg/l
SS	\$220/1,000 lb in excess of 200 mg/l
Oil & Grease	\$200/1,000 lb in excess of 40 mg/l

CITY OF SANFORD

RATE SCHEDULE FOR FISCAL YEARS 2006-2007

Industrial Pretreatment Monitoring Fee Development	
Pretreatment Monitoring Fee Development	Fee
Estimated Pretreatment Monitoring Fee	\$1,188.00/Event

Miscellaneous Charges	
Processing Fee For Returned Checks	\$25.00
Late Fee	\$20.00
Additional fee for Reconnection after hours	\$25.00

Waste Management Fee	
Annually	\$100.00

**Building Construction/Planning and Development
Fee Schedules**

2006-2007

CITY OF SANFORD / LEE COUNTY / TOWN OF BROADWAY

North Carolina

COMMUNITY DEVELOPMENT DEPARTMENT

Construction Permit Fee Schedule

City of Sanford Planning and Development Fee Schedule

**BUILDING PERMIT FEES
RESIDENTIAL**

RESIDENTIAL (New)	Includes all Single Family Dwellings, Duplexes, and Townhouses.
Building Permit Fee:	Square Footage up to 1500 sq. ft. : \$190 Basic Fee.
	Square Footage over 1500 sq. ft. : Multiply by \$0.15 + \$190.00 (Basic Fee)
	North Carolina Licensed General Contractors add \$10.00 Homeowner Recovery Fund. (G.S. 87-15.6).

RESIDENTIAL (Modular Homes)	<p>Additional permits shall be obtained for porches, basements, garages and additional structural alterations to the modular home in accordance with the appropriate fee schedule. Please be aware that separate permits are required for electrical, mechanical and plumbing.</p> <p>In accordance with G.S. 87-1 and F.S. 143-139.1: any person, firm or corporation that undertakes to erect a modular building must have either a valid NC General Contractors License or provide a \$5,000 Surety Bond.</p>
Building Permit Fee:	1500 sq. ft. or Less - \$100.00
	1501 – 2000 sq. ft. - \$130.00
	2001 sq. ft. and Up - \$160.00

MANUFACTURED HOMES	Manufactured Home Setup Fee only. Refer to Electrical, Plumbing and Mechanical Fee Schedule for other permits.
Single-Wide	\$30.00 each
Double-Wide	\$45.00 each
Triple-Wide	\$60.00 each

OTHER RESIDENTIAL CONSTRUCTION	Includes all Residential Additions.
Building Permit Fee:	<p>Square Footage shall be used to calculate building permit fees. Estimated Cost of Construction is determined at \$65/sq.ft. for Heated Space, \$30/sq.ft. for Unheated Space and \$15/sq.ft. for Unheated Porches, Shelters or Decks. Building permit fee shall be calculated by: \$2.50 per \$1,000 of Estimated Cost of Construction (<i>from calculation above</i>). Minimum Building Permit Fee is \$40.00.</p>

OTHER RESIDENTIAL CONSTRUCTION	Includes all Residential Renovations, Repairs, and Other Residential Construction not listed elsewhere.
Building Permit Fee:	<p>Permit Fee is Calculated based on Applicants Estimated Cost of Construction. (Bid, quote, or estimate must be provided with permit application). Building permit fee shall be calculated by: \$2.50 per \$1,000 of Applicants Estimated Cost of Construction. Minimum Building Permit Fee is \$40.00.</p>

**BUILDING PERMIT FEES
COMMERCIAL**

COMMERCIAL (New)	50,000 Square Feet and Less.																				
Building Permit Fee:	<p>Estimated Cost of Construction shall be determined by multiplying the total gross building square footage by the cost per square foot for Type of Occupancy listed below;</p> <p>Permit Fee = Estimated Cost of Construction (from above) divided by \$1,000, multiplied by \$2</p>																				
	<table border="1"> <tr><td>Assembly</td><td>\$80</td></tr> <tr><td>Business</td><td>\$70</td></tr> <tr><td>Educational</td><td>\$80</td></tr> <tr><td>Factory/Industrial</td><td>\$80</td></tr> <tr><td>Hazardous</td><td>\$80</td></tr> <tr><td>Institutional</td><td>\$100</td></tr> <tr><td>Mercantile</td><td>\$80</td></tr> <tr><td>Residential</td><td>\$80</td></tr> <tr><td>Storage</td><td>\$40 Heated \$35 Unheated</td></tr> <tr><td>Mixed Occupancy</td><td>Highest Cost per Sq.Ft. of Occupancy Types</td></tr> </table>	Assembly	\$80	Business	\$70	Educational	\$80	Factory/Industrial	\$80	Hazardous	\$80	Institutional	\$100	Mercantile	\$80	Residential	\$80	Storage	\$40 Heated \$35 Unheated	Mixed Occupancy	Highest Cost per Sq.Ft. of Occupancy Types
Assembly	\$80																				
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Mercantile	\$80																				
Residential	\$80																				
Storage	\$40 Heated \$35 Unheated																				
Mixed Occupancy	Highest Cost per Sq.Ft. of Occupancy Types																				

COMMERCIAL (New)	50,000 Square Feet and More.																				
Building Permit Fee:	<p>Estimated Cost of Construction shall be determined by:</p> <ol style="list-style-type: none"> 1. Multiplying the first 50,000 square feet of the total building gross square footage by the cost per square foot for Type of Occupancy listed below. 2. Multiplying the square footage in excess of 50,000 square feet by the cost per square foot for Type of Occupancy listed below and add to figure from above. <p>Permit Fee = Estimated Cost of Construction (from 1 above), divided by \$1,000, multiplied by \$2 <i>Plus</i> Estimated Cost of Construction (from 2 above), divided by \$1,000, multiplied by \$1.</p>																				
	<table border="1"> <tr><td>Assembly</td><td>\$80</td></tr> <tr><td>Business</td><td>\$70</td></tr> <tr><td>Educational</td><td>\$80</td></tr> <tr><td>Factory/Industrial</td><td>\$80</td></tr> <tr><td>Hazardous</td><td>\$80</td></tr> <tr><td>Institutional</td><td>\$100</td></tr> <tr><td>Mercantile</td><td>\$80</td></tr> <tr><td>Residential</td><td>\$80</td></tr> <tr><td>Storage</td><td>\$40 Heated \$35 Unheated</td></tr> <tr><td>Mixed Occupancy</td><td>Highest Cost per Sq.Ft. of Occupancy Types</td></tr> </table>	Assembly	\$80	Business	\$70	Educational	\$80	Factory/Industrial	\$80	Hazardous	\$80	Institutional	\$100	Mercantile	\$80	Residential	\$80	Storage	\$40 Heated \$35 Unheated	Mixed Occupancy	Highest Cost per Sq.Ft. of Occupancy Types
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Mixed Occupancy	Highest Cost per Sq.Ft. of Occupancy Types																				

**BUILDING PERMIT FEES
COMMERCIAL (continued)**

COMMERCIAL (New)	Modular Units.	
Building Permit Fee:	<p>Estimated Cost of Construction shall be determined by multiplying the total gross building square footage by the cost per square foot for Type of Occupancy listed below;</p> <p>Permit Fee = Estimated Cost of Construction (from above) divided by \$1,000, multiplied by \$2.</p>	
	Assembly	\$80
	Business	\$70
	Educational	\$80
	Factory/Industrial	\$80
	Hazardous	\$80
	Institutional	\$100
	Mercantile	\$80
	Residential	\$80
	Storage	\$40 Heated \$35 Unheated
	Mixed Occupancy	Highest Cost per Sq.Ft. of Occupancy Types

OTHER COMMERCIAL CONSTRUCTION	Includes all Commercial Renovations, Repairs, and Other Commercial Construction not listed elsewhere.	
Building Permit Fee:	<p>Permit Fee is Calculated based on Applicants Estimated Cost of Construction. (Bid, quote, or estimate must be provided with permit application).</p> <p>Building permit fee shall be calculated by: \$2 per \$1,000 of Applicants Estimated Cost of Construction.</p> <p>Minimum Building Permit Fee is \$40.00.</p>	

**BUILDING PERMIT FEES
MISCELLANEOUS**

MISCELLANEOUS BUILDING PERMITS	
Items not shown elsewhere in Fee Schedule.	Minimum Fee. Items not shown. \$40.00
Change of Occupancy Permit	\$40.00 each
Daycare Permit	\$50.00 each
Demolition Permit	\$65.00 Permit Fee plus Post \$500 Bond (Cash, Certified Check or Money Order per permit).
Foundation Permit	\$40.00 each
Malt Beverage License Inspection	\$40.00 each
Moving Building Permit	\$65.00 Permit Fee plus Post \$500 Bond (Cash, Certified Check or Money Order per permit).
Swimming Pool (For Setbacks Only)	\$40.00 each
Tent Permit	\$40.00 each
Outdoor Advertising Sign (For Lee County Only)	\$65.00 each
Other Signs	\$40.00 each

ELECTRICAL PERMIT FEES

RESIDENTIAL	
RESIDENTIAL (New): Basic Fee \$100.00 (up to 200 Amps) Basic Fee <i>plus</i> \$15.00 per each 100 Amps over 200 Amps	
RESIDENTIAL (Renovations) (Maximum Fee \$100.00): Basic Fee \$40.00 <i>plus</i> any of the following that apply: \$4.00 per Special Outlet (Dryer/Electric Stove/Etc) \$20.00 per subpanel	
RESIDENTIAL (Room Additions) (Maximum Fee \$100.00): Basic Fee \$40.00 <i>plus</i> Room Additions - \$30.00 per Room Addition. <i>plus</i> \$4.00 per Special Outlet (Dryer/Electric Stove/Etc). <i>plus</i> \$20.00 per subpanel.	
MANUFACTURED HOME	Basic Fee \$35.00 each
MODULAR HOMES	\$50.00 each
COMMERCIAL	
0-200 Amps	\$85.00 plus \$4.00 per Special Outlet, plus \$30.00 per subpanel
201-400 Amps	\$100.00 plus \$4.00 per Special Outlet, plus \$30.00 per subpanel
401-600 Amps	\$110.00 plus \$4.00 per Special Outlet, plus \$30.00 per subpanel
601-800 Amps	\$125.00 plus \$4.00 per Special Outlet, plus \$30.00 per subpanel
801-1000 Amps	\$135.00 plus \$4.00 per Special Outlet, plus \$30.00 per subpanel
1001-2000 Amps	\$200.00 plus \$4.00 per Special Outlet, plus \$30.00 per subpanel
2001 & Up AMPS	\$260.00 plus \$4.00 per Special Outlet, plus \$30.00 per subpanel
Special Outlets – 30 Amp/240 Volt or Greater	
MISCELLANEOUS ELECTRICAL PERMITS	
Items not shown elsewhere in Fee Schedule.	Minimum Fee. Items not shown. \$40.00
Conditional Power Fee	\$40.00
Fire Alarm	\$40.00
Electrical for Mechanical Change Outs	\$20.00
Power Restoration	\$40.00
Accessory Building	\$40.00
Service Change (Up to 100 amps)	\$40.00
Service Change (125-200 Amps)	\$50.00
Signs	\$40.00
Special Outlets	\$40.00 Minimum Fee plus \$4.00 each (Special Outlets – 30 Amp/240 Volt or Greater)
Swimming Pool Grounding	\$40.00
Temporary Power Pole	\$40.00

MECHANICAL PERMIT FEES

RESIDENTIAL	
Items not shown elsewhere in Fee Schedule.	Minimum Fee. Items not shown. \$40.00
Gas Heating Unit w/ A/C Unit (2 Separate Units/1 System)	\$50.00 per system
Gas Pack	\$45.00 each
Heatpump	\$50.00 each
Single Air Conditioning Unit	\$40.00 each
Single Heating Unit (Gas Furnace, Electric Heat, Etc.)	\$40.00 each
Gas Accessories. (Gas Logs, Fireplace, Dryer, Range, Grill, Space Heater, Lights, Woodburning Inserts, Etc.)	\$30.00 each
Gas Piping/Pressure Test	\$20.00 / 1 st Unit \$6.50 per additional unit
Air Handler/Outdoor Condenser - Change Outs	\$40.00 each unit
Ductwork Additions	\$40.00 Basic Fee
COMMERCIAL	
Basic Fee	*\$40.00 plus any of the following that apply:
Boilers	*(Up to 15 tons) \$8.00 per ton (16 tons and up) Total above <i>plus</i> \$2.5 per ton thereafter
Chillers:	*(Up to 15 tons) \$8.00 per ton (16 tons and up) Total above <i>plus</i> \$2.50 per ton thereafter
Gas Pack:	*(Up to 15 tons) \$8.00 per ton (16 tons and up) Total above <i>plus</i> \$2.50 per ton thereafter
Heat Pump:	*(Up to 15 tons) \$8.00 per ton (16 tons and up) Total above <i>plus</i> \$2.50 per ton thereafter
Refrigeration:	*(Up to 15 tons) \$8.00 per ton (16 tons and up) Total above <i>plus</i> \$2.50 per ton thereafter
Gas Appliances	*\$2.50 per 10,000 BTU's
Gas Heating Unit	*\$2.50 per 10,000 BTU's
Gas Heating Unit w/ A/C Unit (2 Separate Units/1 System)	*\$2.50 per 10,000 BTU's
Gas Piping/Pressure Test	*\$20.00 / 1 st Unit \$6.5 Per Additional Unit
Air Handler/Outdoor Condenser – Change Outs	\$40.00 each unit
Ductwork Additions	\$40.00 Basic Fee
Canopy Hood (<i>does not require licensed contractor</i>)	*\$40.00 each

(For calculation purposes:

- Horsepower to BTU: 1 HP = 33.475 BTU
- 12,000BTU = 1 Ton)

PLUMBING PERMIT FEES

RESIDENTIAL (New)
Basic Fee \$40.00 plus \$20.00 for every Full Bath \$15.00 for every Half Bath
RESIDENTIAL (Modular Homes)
Basic Fee \$40.00 plus \$4.50 for water line \$4.50 for sewer line Unfinished Baths require a separate permit at the time of Fit Up.
RESIDENTIAL (Manufactured Homes)
Basic Fee \$30.00
OTHER RESIDENTIAL CONSTRUCTION
Basic Fee \$40.00 plus \$4.5 per fixture (<i>see plumbing permit application</i>).
COMMERCIAL (New)
Basic Fee \$40.00 plus \$4.50 per fixture (<i>see plumbing permit application</i>).
COMMERCIAL (Modular)
Basic Fee \$40.00 plus \$4.50 for water line \$4.50 for sewer line
MISCELLANEOUS PLUMBING PERMITS
Basic Fee \$40.00 plus \$4.50 per fixture (<i>see plumbing permit application</i>).

FIRE PREVENTION PERMIT FEES

Items not shown elsewhere in Fee Schedule.	Minimum Fee. Items not shown. Basic Fee \$40.00
Fire Sprinkler System/Standpipe.	\$40.00 <i>plus any of the following that apply:</i>
	\$0.25 per Sprinkler Head
	\$30.00 per Sprinkler Riser
	\$30.00 per Standpipe Riser
	\$30.00 Alterations to Sprinkler Heads (Twenty or less).
Storage Tanks.	Above/Underground Removal \$65.00 1 st Tank, \$30.00 Each Additional Tank
	Above/Underground Installation \$65.00 1 st Tank, \$30.00 Each Additional Tank
Private School Fire Inspection.	\$50.00

RECORD RESEARCH

Permit Activity Computer Printouts	\$100.00
Archives/History Research (Per Permit)	\$20.00 per hour.
Copies (per page)	\$0.35 per page

SPECIAL NOTES

1. FAILURE TO SECURE PERMIT

Failure to obtain the appropriate permit before construction begins shall result in a 100% penalty (double fees).

2. ISSUANCE OF PERMITS

BUILDING PERMITS

Permits will be issued personally to the license holder of record only. A bona fide employee of the licensee will be allowed to purchase permits upon submittal of the Authorization for Permit Application by Employee of Licensed Contractor Form.

General Contractors licensing limitations: If the estimated cost of construction from the fee schedule exceeds a contractor's license limitations a copy of the original bid, quote or estimate will be required prior to permit issuance.

If a building permit is required for any job, the building permit must be issued prior to issuance of any trade permits.

Individual trades are responsible for purchasing their respective permits (no blanket permits are issued).

HOMEOWNER RECOVERY FUND:

Pursuant to §87-15.6 (b), whenever a general contractor applies for the issuance of a permit for the construction of any single-family residential dwelling unit or for the alteration of an existing single-family residential dwelling unit, a (\$10.00) fee shall be collected from the general contractor for each dwelling unit to be constructed or altered under the permit. The City of Sanford shall forward four dollars (\$9.00) of each fee collected to the Board of General Contractors, on a quarterly basis and the city may retain one dollar (\$1.00) of each fee collected. The Board shall deposit the fees received into the General Fund.

ELECTRICAL PERMITS

Permits will be issued personally to the license holder of record only. A bona fide employee of the licensee will be allowed to purchase permits upon submittal of the Authorization for Permit Application by Employee of Licensed Contractor Form.

Property owners requesting to perform electrical work upon their own property when such property is not intended at the time for rent, lease, or sale will be required to take and pass an electrical exam prepared by this office based on the latest edition of the National Electric Code. (*G.S. 87-43.1 Exceptions*).

Temporary Service

NO TEMPORARY SERVICE WILL BE AUTHORIZED FOR ANY MODULAR CONSTRUCTION.

Temporary Service Poles

Temporary Service Poles Inspections are to be made in conjunction with the footing or foundation inspection (permit fee is waived with new building construction only). In order to erect a temporary pole prior to or after the footing or foundation inspection or for renovations or additions, an electrical permit for the temporary pole must be obtained (see fee schedule).

MECHANICAL PERMITS

Permits will be issued personally to the license holder of record only. A bona fide employee of the licensee will be allowed to purchase permits upon submittal of the Authorization for Permit Application by Employee of Licensed Contractor Form.

Grease Canopy Hoods do not require a licensed contractor.

MANUFACTURED HOME PERMITS

A licensed Dealer or Setup Contractor must purchase Manufactured Home Permits. The owner is allowed to purchase a manufactured home permit only if they are actually setting up the home themselves.

Any manufactured home moved to the site prior to issuance of the necessary permits required will be removed from the site until such time that the proper permits are approved and issued.

MODULAR PERMITS

In accordance with General Statutes G.S. 87-1 and G.S. 143-139.1 any person, firm or corporation that undertakes to erect a modular building must have either a valid North Carolina General Contractors License or provide a \$5,000 surety bond for each modular building to be erected.

PLUMBING PERMITS

Permits will be issued personally to the license holder of record only. A bona fide employee of the licensee will be allowed to purchase permits upon submittal of the Authorization for Permit Application by Employee of Licensed Contractor Form.

RENTAL PROPERTY

Electrical, Mechanical and Plumbing Permits will not be issued to the owners of rental property.

- **Rental Property – Building Permits**

Building Permits will be issued to the owner or an unlicensed General Contractor where the cost of the undertaking is less than \$30,000. Projects valued at \$30,000 or more require that the permit be issued to a North Carolina Licensed General Contractor only. (*Volume I-A, G.S. 87-1, page 53*).

- **Rental Property – Electrical Permits**

Electrical Permits will be issued to North Carolina Licensed Electrical Contractors only. (*Volume I-A, G.S. 87-43.1 (5a) page 59*).

- **Rental Property – Mechanical Permits**

Mechanical Permits will be issued to North Carolina Licensed Mechanical Contractors only. (*Volume I-A, G.S. 87-21 (a)(5)(ii) page 55*).

- **Rental Property – Plumbing Permits**

Plumbing Permits will be issued to North Carolina Licensed Plumbing Contractors only. (*Volume I-A, G.S. 87-21 (a)(5)(ii) page 55*).

3. RE-INSPECTION FEES

The Inspections Department will perform one follow-up inspection to ensure that corrections have been made. Additional inspections shall be termed “re-inspections”. A fee of \$50.00 shall be paid prior to any re-inspection trip. Temporary service poles not inspected in conjunction with footing or foundation inspections will be considered a re-inspection. There will be a \$50.00 re-inspection fee charge if a scheduled inspection is not ready when the inspector arrives on the job site.

Any inspection that requires that the owner provide access (i.e. Building, Electrical, Mechanical and Plumbing) the re-inspection fees will be as follows:

- 1st Inspection Trip – No Charge. Door Hanger will be left instructing owner to schedule an inspection.
- 2nd Inspection Trip, and subsequent trip will result in a \$50 Re-Inspection Fees per Re-Inspection Trip until Inspection is approved. Contractor will be responsible for paying Re-Inspection Fees prior to any Re-Inspections.

4. POSTING OF PERMIT CARDS:

Permit cards must be posted and building plans must be available at all times at the jobsite, or the inspection will not be performed and a \$50 re-inspection fee will be charged.

5. RENEWING EXPIRED PERMITS:

If any permit expires or is revoked or any other permit issued by the inspection department becomes invalid because of no activity, the applicant must apply for a new permit to be issued and pay the appropriate fees.

In order for the requirement that additional fees be paid for re-issuance of an expired permit be waived, the owner/contractor must show proof of work being performed on the job (i.e., valid receipts for labor, materials etc., during the period in which no inspections were performed.)

6. PERMIT REFUNDS

Permit fees are non-refundable, unless no work has been performed and no inspections have been made.

7. POSTING BONDS

Bonds are required to be posted, in the form of a certified check or money order, at the time that a Demolition or Moving Permit is issued. Bonds are non-transferable.

FEE SCHEDULE, PLANNING & DEVELOPMENT

City Planning Board

Petition for Zoning Text Amendment	\$150
Petition for Zoning Map Amendment	\$200
Petition for Conditional Zoning Map Amendment	\$300

City Board of Adjustment

Variance Application	\$200
Special Use Application	\$200
Appeals	\$200

Ordinances

Unified Development Ordinance	\$40
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Site Plan Review

\$50.00 for the first 10,000 sq. ft. or thirty (30) dwelling units, plus \$2.00 for every additional 1,000 sq. ft. or dwelling unit.

Subdivision Plats

Preliminary Plat (Major Subdivision)	\$100 plus \$2.00 per lot/dwelling unit
Final Plat (Major Subdivision)	No Charge
Minor Subdivision Plat	\$50.00

Annexations and Street Closings

For annexation and street closing petitions, property owners are responsible for costs associated with advertising, recording fees, and required mail notifications. The property owners, or their agent, for newly petitioned annexed areas shall be responsible for paying the rezoning fee, as set forth in this schedule, to assign zoning to the annexed area.

Compost Facility Fee Schedule

Material	Price Per Pickup Load	Price per 2 ½ Cu. Yd. Loader Bucket for Larger Truck Loads
Woodchips	\$10.00*	\$20.00*
Leaf Compost	\$10.00	\$20.00
Screened Leaf Compost	\$20.00 when available	\$40.00 when available

Delivery by the City of Sanford will be \$35.00 per truckload within the city limits and \$60.00 per truckload outside the city limits but within the county. These charges are in addition to material cost.

*Special volume pricing periodically to decrease stockpile. \$1.75 per cubic yard on purchases of 500 cubic yards or more.

Septage Hauler Policy

Domestic Waste – waste that is domestic in character and comes from a residence

Commercial Waste – waste that is domestic in character and comes from a location other than a residence

Industrial Waste – waste that contains processed water and may include domestic waste

The City will not accept industrial waste except under special circumstances as approved by the wastewater plant superintendent and after the wastewater has been extensively tested at the industry's cost.

Note: The City of Sanford does not take any septage from outside the County of Lee.

The following are the septage hauler prices for the 2006-07 fiscal year:

Domestic	\$30 / 1,000 gallons
Commercial	\$65 / 1,000 gallons
Industrial	Minimum \$130 / 1,000 gallons (actual cost may vary)

**Municipal Golf Course
Fee Schedule**

Daily Rates

	<u>Ride</u>	<u>Walk</u>
Daily Rates:		
Monday – Friday	\$20	\$12
Saturday and Sunday	\$25	\$14
Afternoon Special:		
Monday – Friday	\$18	\$12
Saturday and Sunday	\$22	\$14
9 Hole Rates:		
Monday – Friday	\$12	\$6
Saturday and Sunday	\$15	\$8
Winter Rates (December 1 – February 28)		
Monday – Friday	\$18	
Saturday and Sunday	\$24	
Senior Rates (Ages 55 and up)		
Thursday	\$15	

Annual Membership Rates

	<u>Fee</u>
1 Person	\$420
2 Persons	\$540
Full Family	\$600
Single LTD	\$360
Double LTD	\$475
Junior	\$150
Payment #1	One-third due in July
Payment #2	One-third due in September
Payment #3	One-third due in November

Annuals must be paid in full by December 31st

Corporate Membership Rates

	<u>Fee</u>
1 Person	\$360
2 Persons	\$460
Full Family	\$560
Optional Guest Fee	\$200

Club Membership Rates

	<u>Fee</u>
1 Person	\$400
2 Persons	\$515
Full Family	\$630

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CITY OF SANFORD FINANCIAL POLICIES

The City of Sanford's budgetary and financial policies set forth basic guidance for the fiscal management of the City. Most of the policies represent long standing principles and traditions with its legal framework outlined in both the General Statutes of N. C. and the City Code of Ordinances. These policies though general in statement are the controlling element in the City's financial stability. Summarized below are major financial policy strategies.

Operating Budget Policies

Pursuant to the North Carolina General Statutes Article 159-11 the City will adopt a balanced budget, which provides a work program and an operational plan for the ensuing year. The City will maintain a program of budgetary controls to ensure adherence to the budget. Monthly financial statements will be prepared for department heads and management with quarterly reports prepared for the City Council to assist in the monitoring of actual revenues, expenditures and budgeted amounts. Comprehensive financial data will be compiled to include user rate studies, capital improvement programs and forecasting or projections of financial status. These reports are imperative for long-term financial planning.

The City will retain an independent accounting firm to perform an annual financial and compliance audit in accordance with general accepted accounting practices as outlined by the Governmental Accounting, Auditing, and Financial Reporting (GAAFR). In conjunction with the independent audit an internal audit will be conducted to determine if the City is managing and utilizing its resources in an economical and efficient manner. The internal audit will also determine if the desired program goals are being achieved and if the objectives established by the City Council are being met.

Revenue Policy

The City will maintain a diversified and stable revenue program to protect it from short-term fluctuations of any one-revenue source. As a part of the normal budget process, the City will review and estimate revenues in an objective and realistic manner. Attempts will be made to secure additional revenue sources to offset any reductions of federal or local funding. The City will re-evaluate annually all user charges at a level related to the cost of providing these services. The Enterprise Fund will adhere to the full utility concept, which allows each user to contribute revenues proportional to the level of service received. This concept requires that income be sufficient to maintain a self-supporting financial status. The General Fund will be compensated by the Utility Fund for general and administrative services provided such as finance, personnel as well as repairs to city streets.

Investment Policy

The City will continue to monitor the cash flow of all funds on a regular basis to insure maximum investment of idle cash. The criteria for selecting an investment will include safety, liquidity and yield. The City will invest only in quality issues that comply with the North Carolina Budget and Fiscal Control Act and the City's Investment Policy adopted by the Governing Body. A copy of the City's Investment Policy can be found in the supplementary section of this document. Each month an investment report will be prepared for review by the finance director and administration.

Reserve Policy

The City will maintain operating reserves categorized as appropriated contingency and revenue reserve. The appropriated contingency will not exceed five percent of all other appropriations within the same fund. General Fund contingency appropriation totals \$200,000 and Utility Fund is \$250,000. The revenue reserve is established to provide for any unforeseen revenue losses and allows flexibility in the balanced budget process. The General Fund balance effective June 30, 2005 was \$10,131,623. General Fund balance available for appropriation was \$7,311,936 or 39.6% of General Fund expenditures. Management has recommended that General fund balance be held to an amount equal to twenty-five percent of General Fund expenditures.

With results of the distribution analysis completed and agreement anticipated to sell water to other governmental units and the capital needs of the systems continuing, consideration for a comprehensive water and sewer rate study will be recommended within the next fiscal year. The Utility Fund shows a net income before capital contributions of \$4,155,534 for the year compared with a net income before capital contributions of \$2,006,967 for the prior year. The Utility Fund continues to operate profitably. Bulk water contracts with surrounding local governments and the purchase of the Lee County water system in 2004-05 have strengthened the financial position of this fund.

Debt Policy

The City takes a planned approach to the management of its long-term outstanding debt and makes an effort toward funding from internally generated capital, when appropriate. The City will consider the use of long-term debt financing only when it meets the following criteria:

- The financing period is no longer than the estimated life of the improvement.
- The cost of the improvement including the interest is positive.
- The improvement will benefit both current and future citizens of the City.

The City will limit the total of all general obligation bonds issued to no more than eight percent of the total assessed valuation. The City will follow a policy of full disclosure on every financial report and bond prospectus.

The City may utilize the authority granted within the General Statutes for lease or installment purchases when deemed appropriate. Specific procedures and policies will be adhered to.

Capital Improvement Policy

The City will maintain a Capital Improvement Program, which will be reviewed and updated annually. Since capital improvements involve large sums of capital and long-term commitments, each capital project will be carefully analyzed before it becomes a component of the program. The City takes a systematic approach to capital improvement programming to ensure that any personnel services or operating costs affected by capital spending decisions are included in the appropriate operating budget. The City will protect and maintain its capital investments in order to reduce replacement cost.

BUDGET PROCESS

The budget is the single most important document presented to the City Council. The budget is primarily intended to establish policy determination but it also serves the citizens by providing an understanding of the City's operating fiscal programs. It reflects the City's commitment to maintain necessary services, improving quality of service and keeping the impact of taxes to the citizens at a minimum.

The City operates under an annual budget ordinance adopted in accordance with the provisions of the Local Government Budget and Fiscal Control Act. The budget ordinance is the legal basis of the budgetary accounting system and the standard by which proposed expenditures are measured. The balanced budget ordinance must be adopted prior to the beginning of the fiscal year. The ordinance is subjected to public inspection and a public hearing prior to adoption. The budget is considered balanced when estimated net revenue equals appropriations.

The budget is prepared using the modified accrual method of accounting for all funds. This accounting approach recognizes revenues when they become measurable and expenditures at the time liabilities are incurred. The general, special tax, and capital project funds are presented in the financial statements on this same basis. The utility and golf funds are presented in the financial statements on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period when earned and expenses are recognized in the period they are incurred. All monies received and expended must be included in the annual operating budget ordinance and/or the appropriate capital or grant ordinances. Any operational appropriations that are not expended shall lapse at year-end.

The City Manager is authorized to transfer budgeted amounts within the departments but any revisions that alter total expenditures must be approved by the City Council through legislative action. All budget amendments must be reported in a public meeting of the City Council and made a matter of record in the minutes.

The preparation of the budget not only requires structured guidelines but also the participation and cooperation of many participants and a carefully scheduled series of events. The City in the formulation of the budget follows the following summarized budget cycle.

FORMULATE HISTORICAL DATA

During the first phase of the budget process the accumulation of past financial information is prepared by the Finance staff. The data concerning expenditures is segregated by operational departments to be used by department heads and management for performance evaluation and projection of resources required to meet departmental objectives.

PREPARATION OF DEPARTMENTAL REQUEST

Estimating departmental expenditures is the primary responsibility of the department head. When budgeting expenditures the basic requirements are to request sufficient funding to adequately operate the department and to request funding at the lowest reasonable level in order to achieve the departmental goals and objectives.

CONSOLIDATE PRELIMINARY BUDGET

The departmental requests are submitted to the Finance Department in order to consolidate the individual departmental requests and the revenue projections into an overall budget. At this point the focus of attention shifts from the departmental basis to the fund basis. Departmental capital outlay requests are analyzed in coordination with the Capital Improvements Program and the formal budget reviews begin.

EVALUATE SERVICE PRIORITIES AND OBJECTIVES

The evaluation of service priorities and objectives is an important step in developing a fiscal plan, which will achieve the City's program of service for the ensuing year. The budget document should reflect the service priorities of the Governing Body and Citizens of Sanford. The service needs of the community are determined by the citizens' opinion surveys, public hearings and feedback through the City Council. A comprehensive review of service needs compared to departmental goals and objectives will be analyzed by the City Manager.

BALANCE PROPOSED BUDGET

After the City's program of service priorities have been established, a balanced plan for funding must be formulated. Through careful assessment of funding requirements and financing elements a proposed budget document is organized into final format and submitted to the City Council for legislative review.

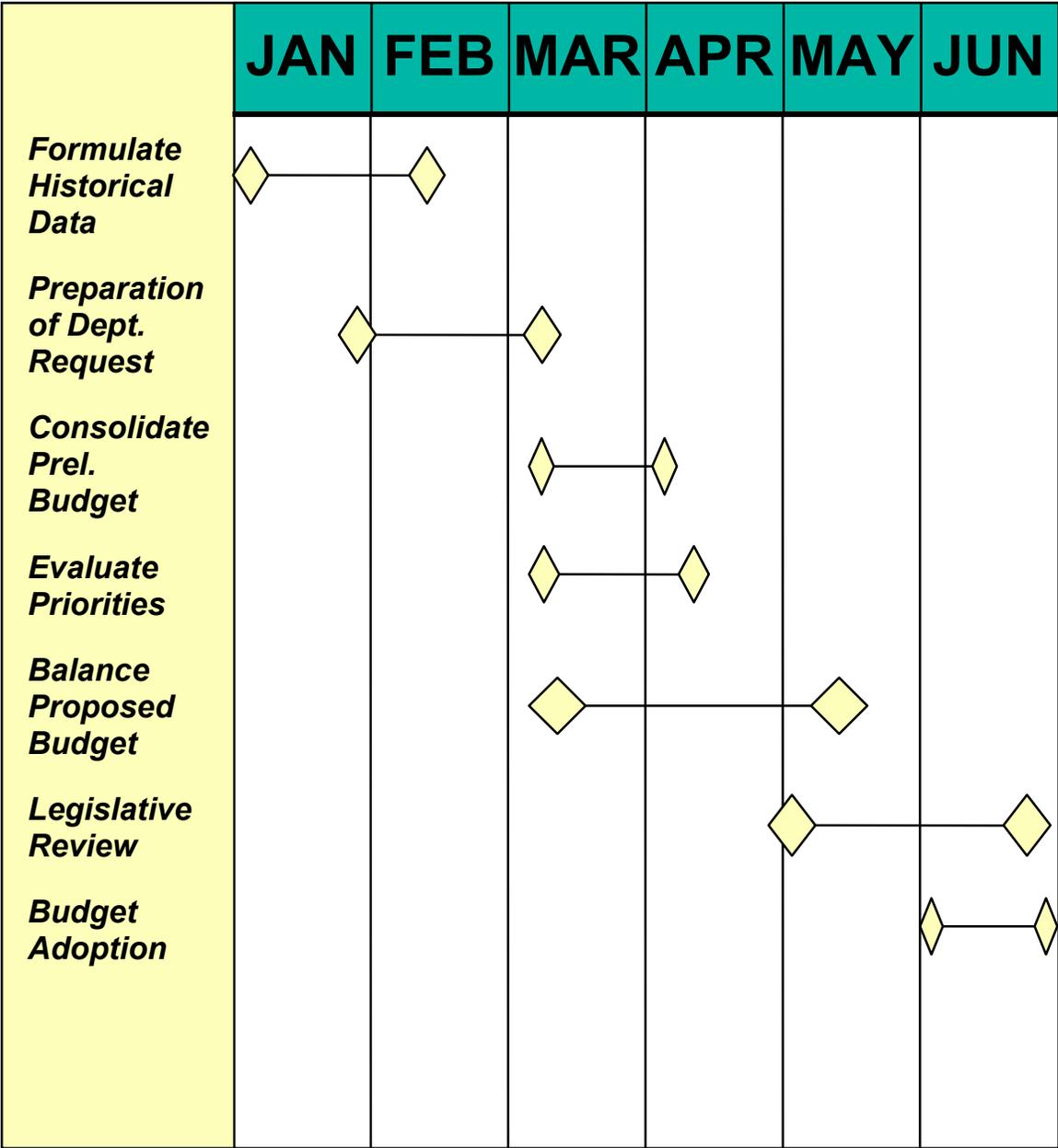
LEGISLATIVE REVIEW

The City Council reviews the budget thoroughly with the City Manager and Finance Director during special work sessions. The legislative board reviews departmental goals and objectives at this time to ensure their adherence to City goals and policies. A copy of the proposed budget with recommended legislative changes will be filed with the City Clerk for public inspection and a public hearing will be scheduled prior to the formal adoption of the budget.

BUDGET ADOPTION

The adoption of the annual operating budget is the culmination of exhaustive reviews of budget proposals by Department Heads, Administration, and the Governing Body. Adoption of the budget by the Governing Body establishes the legal authority to incur expenditures in the ensuing fiscal year.

CITY OF SANFORD BUDGET PREPARATION CALENDAR



Note: Budget Retreat is scheduled in February.

BUDGET FORMAT

The accounts of the City are organized on the basis of funds or account groups of which each is considered a separate accounting entity. Government resources are allocated in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. This segregation of revenues and costs allows close monitoring of attributable accounts to provide insurability that certain funds are self-supporting and that revenues, which are earmarked by law for specific purposes, are identifiable. The City of Sanford's Operating Budget consists of three funds: General Fund, Enterprise Fund and Special Tax District Fund.

The General Fund accounts for the revenues and expenditures of all City departments except those required to be accounted for in other funds.

The Enterprise Fund accounts for the operations of the water treatment and distribution systems, the wastewater treatment systems, and warehouse operations.

The Special Tax District Fund accounts for the activities of the Central Business Tax District set up to assist in revitalization of the Downtown area.

REVENUES

Revenues are shown by sources and by funds. Accurate revenue estimates are dependent upon correct classification because factors, which affect individual revenues, do not affect each source uniformly. Revenue projections can be made more accurately when revenues are segregated by source and controlled accordingly.

The major revenues by source are as follows:

Ad Valorem Taxes - Collections of current year and prior year tax levies; and payment in lieu of taxes.

Penalties Less Discounts – Interest on delinquent taxes; late listing penalties; and other costs of collecting delinquent taxes.

Licenses and Permits – Building permits; inspection penalties; inspection fees; and code enforcement.

Intergovernmental - Federal, State, and local financial assistance; retail inventory taxes; utility franchise tax; beer & wine tax; Powell Bill funds; court cost fees;

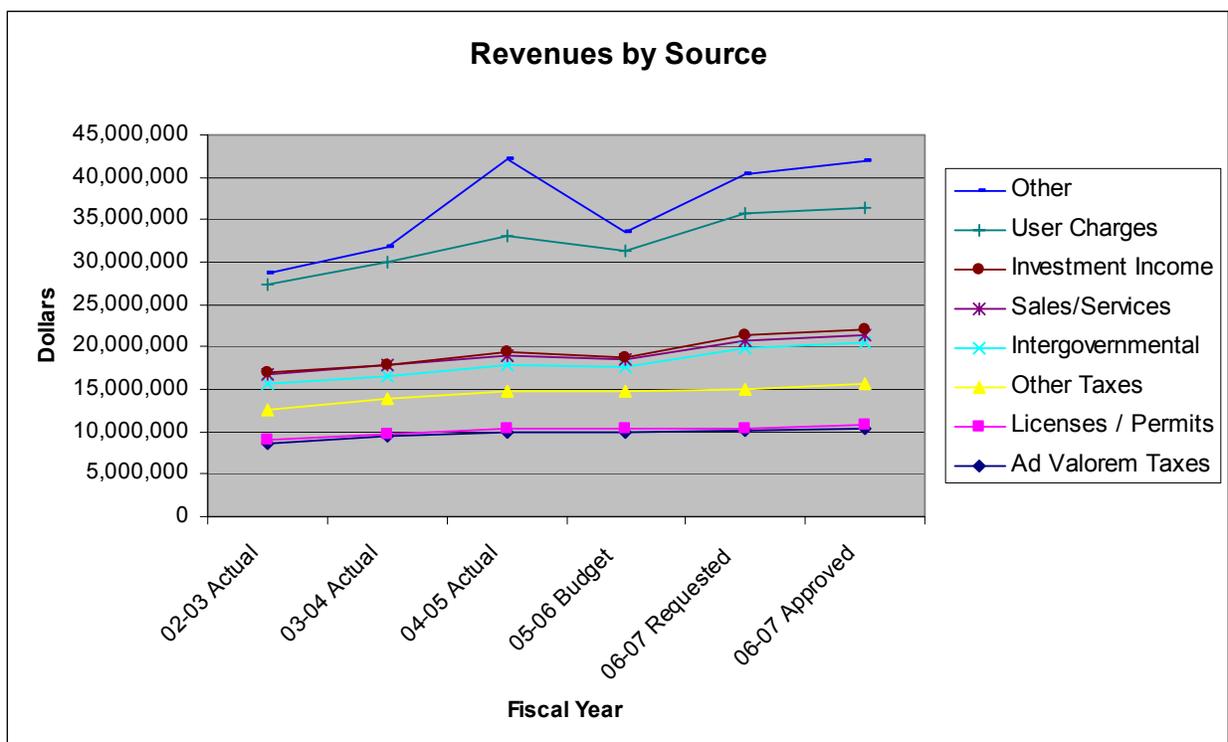
Other Taxes - Collections of the one percent local options sales tax and the one-half of one percent local option sales taxes (Articles 39, 40, 42, and 44); privilege license; and intangible tax.

Investment Income – Interest earned.

Sales and Service – Sale of materials; sale of compost; sale of fixed assets; shop sales- Lee County and Sanford Housing; and waste management fees.

User Charges - Water and sewer charges; annual green fees; daily green fees; and cart fees.

Other Revenue - ABC Board distributions; civil violations; charges to other funds; parking revenue; special assessments; contributions; reimbursements; rental income; Brick Tournament fees, clubhouse rental; operating transfers in/out; lease proceeds; sewer surcharge; sludge charges; monitoring fees; taps and connections; and other miscellaneous revenue.



EXPENDITURES

Expenditures are shown in the budget classified by funds from which they are paid, by departments spending the money, by the functions for which the expenditures are made and by the object of expenditures, which provides greater detail for controlling expenditures. Funds are appropriated at adequate levels in order to maintain or improve the quality and the level of service, which has been provided in the past.

The major expenditures by function are shown as follows:

General Government - Expenditures for the Governing Body, Administration, Human Resources, Risk Management, Elections, Finance, Information Systems, Legal, Public Building, Public Works Administration, Central Office, GF Contributions, Golf, Shop, and Beautification.

Public Safety - Expenditures for Police, Fire, and Inspections.

Streets- Expenditures for Street Maintenance and Street Capital Improvements.

Sanitation - Expenditures for Solid Waste and Sanitation.

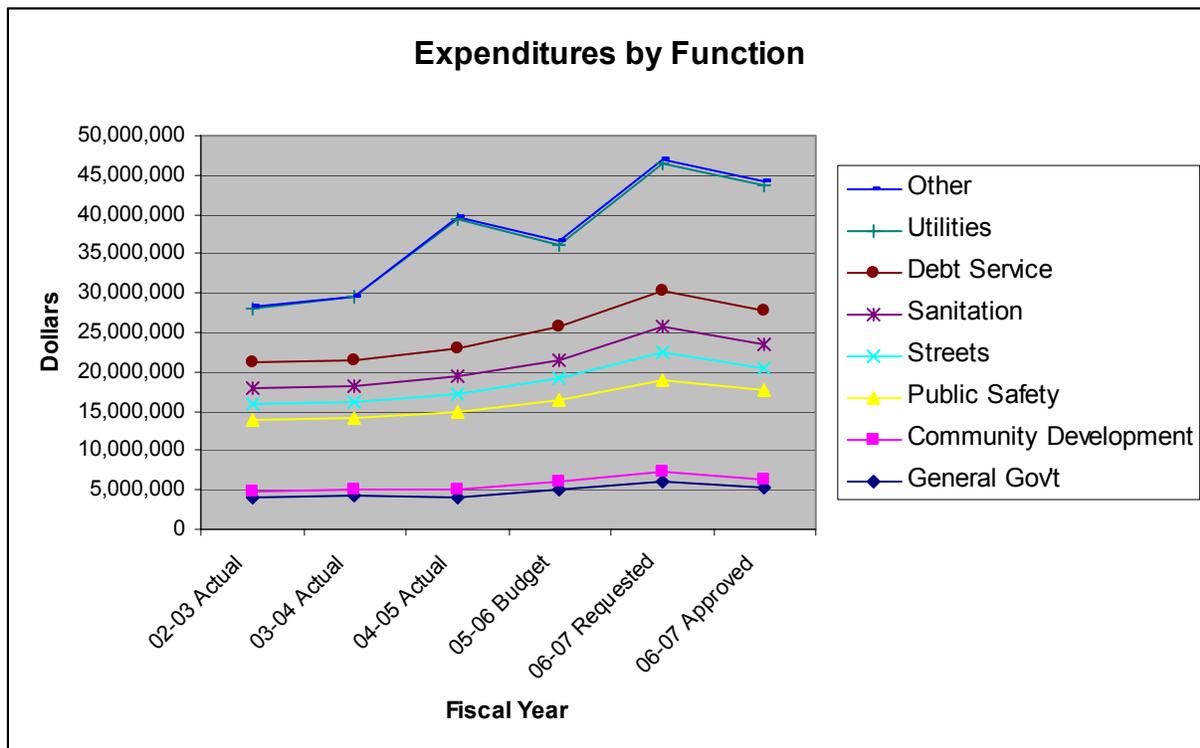
Community Development – Expenditures for Community Development, Community Enhancement – Code Enforcement, and Community Enhancement – Downtown / HPC.

Waste Management - Expenditures for Solid Waste and Sanitation.

Debt Service - Principal; interest; and fees paid or accrued on bonds and notes.

Other - Expenditures for Operating Transfers and Special Tax Fund.

Public Utilities – Expenditures for Store, UF Administration, Engineering, Sewer Construction and Maintenance, Water Construction and Maintenance, Water Plant, Wastewater Treatment Plant, Water Capital Improvements and Sewer Capital Improvements.



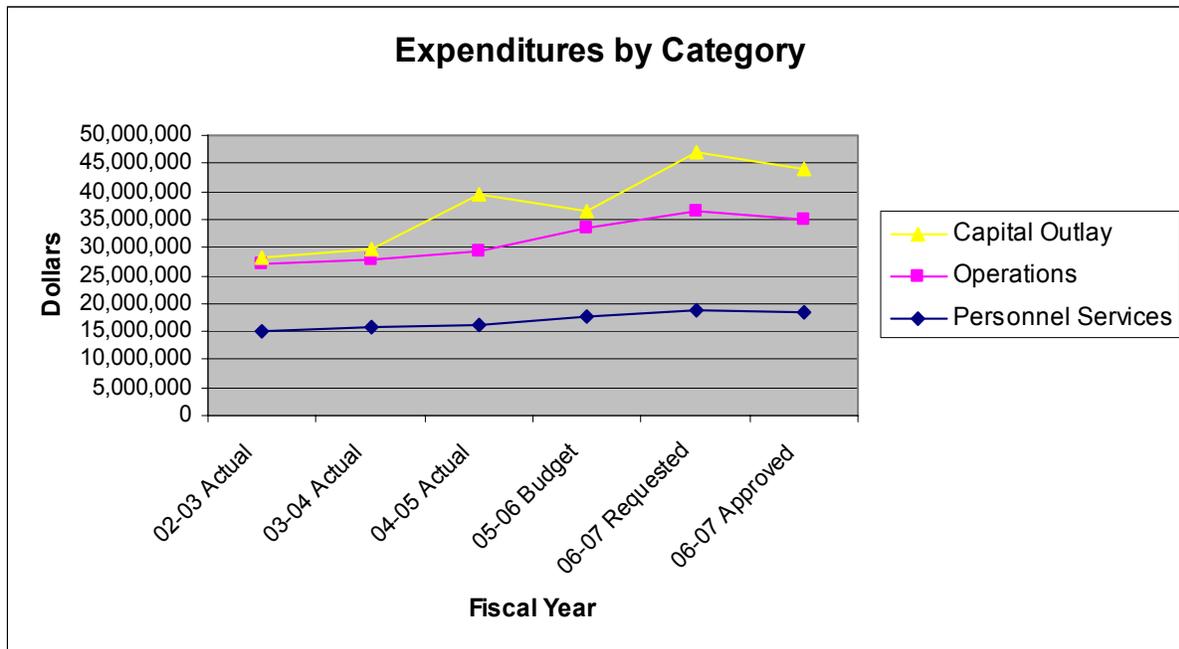
Expenditures by object are divided into three major categories - personnel services, operating expenses and capital outlays.

These categories are summarized below:

Personnel Services - Expenses, which can be directly attributed to the individual employee. These expenses would include salaries, group insurance, retirement, 401K expense and FICA. The cost of group insurance, retirement, 401K expenses and FICA has been budgeted within each operating department, which gives a more accurate cost of departmental operations.

Operating Expenses - Costs other than personnel and capital outlay that are required for the operations of the City. Operational line item expenditures are directly affected by inflationary trends, increased service demands and enforcement of governmental regulations.

Capital Outlay - Expenditures for the purchase of land, machinery, equipment, furniture, and fixtures which are too permanent a nature to be considered expendable at the item of purchase. The capital items should have a value of \$500 or more with an expendable life of one year or more. Budgeting of capital equipment and capital improvements are funded in accordance with the City's Capital Improvement Program and contingent on availability of funds.



CITY OF SANFORD

REVENUE ASSUMPTIONS

Certain methods, techniques and approaches have been used to aid the City in estimating future revenues. By analyzing current trends and the forces that underline them, the City can make realistic projections of revenues.

The following are some assumptions concerning revenues, which were forecast in the City of Sanford 2006-2007 Budget.

REVENUE

FORECAST RATIONALE

Ad Valorem Taxes

Property valuations are established by the Lee County Tax Assessor from which the tax rate is set. The General Fund proposed tax rate is sixty-one cents per one hundred dollars of valuation. Projections of assessed valuations are based on preliminary tax information received from the County of Lee. The Special Tax District rate is set at fifteen cents per one hundred dollars of valuation. Projections of assessed valuations are based on information provided by the County of Lee. Prior year taxes are based on accounts receivable balances as they relate to anticipated collections. **Appropriation--General Fund \$10,347,589 Special Tax \$55,829**

Penalties Less Discounts

The revenues attained from Penalties Less Discounts are estimated based on trend analysis and increases in tax levies. Discounts are not planned during this fiscal year. Penalties are assessed on payments made after January 5. For the period from January 6 to February 1 interest accrues at the rate of 2%. Thereafter, interest accrues at the rate of 3/4% per month or fraction thereof until outstanding balances are paid in full. **Appropriation included within Ad Valorem Taxes.**

Payment in Lieu of Taxes

The Sanford Housing Authority makes an annual payment in lieu of taxes for housing projects located within the corporate limits. Projections are based on historical data, which reflects no significant change in receipts over the last several years. **Appropriation included within Ad Valorem Taxes.**

Utility Franchise Tax

The City shares in the franchise tax levied by the State on various utilities. Revenues are based on estimated receipts from the N.C. Dept. of Revenue and historical models. Each city's share is based on the actual receipts from electric, telephone, and natural gas services within their municipal boundaries, as a proportion of total statewide receipts. Any significant local rate increases or decreases approved during the year will cause receipts to change. The State has lifted a freeze on growth but enacted a law to holdback the amount of growth (net collections from FY 90-91 to FY 94-95) beginning with FY 95-96. The holdback amount for Sanford is \$443,049 annually. **Appropriation--General Fund \$1,169,861. The State withheld 1/2 of payments in FY 2001-02.**

REVENUE

FORECAST RATIONALE

Beer & Wine Tax

The state levies a tax shared by the City on wholesale sales of both beer and wine. Revenue estimates were established based on three percent increase over budget levels. **Appropriation--General Fund \$56,350. The State withheld these payments in FY 2001-02.**

Powell Bill

One cent per gallon of the state gasoline tax is distributed to municipalities to be earmarked for street construction and maintenance. Seventy five percent of the distribution is based on per capita and the remaining twenty five percent is based on number of miles of streets maintained. The state provides the estimated value to place on each: 124 miles of street \$1,775 and population 23,625 times \$24.10. **Appropriation--General Fund \$803,292.**

Recpts Other Local Governments- Lee County and Broadway

The City provides certain services for the County of Lee and Broadway for which it is reimbursed. The total cost for **911 dispatching** is shared on a 16% calls ratio (\$133,996). The support of Emergency Management System amounts to \$2,400. The county's cost of the planning merger is projected to be \$319,189. The contract with the Town of Broadway for planning and inspection services rendered equals \$8,000. The City also provides financial services to the Town of Broadway which is reimbursed in the amount of \$4,800. Telephone surcharge revenues earmarked for expenditures relative to the 911 services total \$339,075. **Appropriation--General Fund \$345,902, \$8,000, \$2,400, \$339,075, \$133,996, \$4,800**

Receipt Local Inspections Contract

The City and the County Inspection Departments have merged their operations. Fees have been increased to cover the cost of this service. **Appropriation—General Fund \$0.**

Local Option Sales Tax

The State collects and distributes the proceeds from the locally levied tax on retail sales. Revenue projections are based on anticipated retail sales and historical trends. G.S.105, Article 39 or 1% rate was established whereby Counties and Municipalities receive the net proceeds of the tax collections within the county less the cost to the state of collecting and administering the tax (point of sale). The net proceeds are distributed based on a per capita basis according to the total population of the taxing county and municipalities. G.S. 105, Article 40 or 1/2 of 1% rate and G.S.105, Article 42 or 1/2 of 1% was established with net proceeds placed in a statewide pool. Net proceeds are distributed on a per capita basis. Utilizing information provided by the State for estimating this revenue source, a 4 percent overall increase is projected over current year budget.

REVENUE

FORECAST RATIONALE

Local Option Sales Tax (Cont'd)

The General Assembly eliminated the reimbursements and replaced them with an additional one-half cent local option sales tax. Lee County adopted the ½-cent additional tax effective January 2003. Also, as part of the swap of reimbursements for new sales tax, the state will honor a hold harmless guarantee. **Appropriation--General Fund \$4,587,149**

Privilege License

Privilege licenses are levied by the City on certain businesses. Projections are based on actual establishments and the appropriate license schedule. New year projections were held at current year budget level. A large portion of this revenue is based on cable franchise. **Appropriation--General Fund \$165,000**

Building Permits and Inspection Fees-City of Sanford

Buildings which undergo structural changes or new construction within the city limits require a building permit and inspection fees. Estimates are based on data supplied by the Inspection Department with emphasis on the condition of the local economy and historical trends. Three percent revenue growth was projected. The fees can be found within the budget ordinance section of the budget. **Appropriation--General Fund \$394,872**

Building Permits and Inspection Fees-Lee County

Buildings which undergo structural changes or new construction outside the city limits require a building permit and inspection fees. Estimates are based on data supplied by the Inspection Department with emphasis on the condition of the local economy and historical trends. Fifteen percent revenue growth was projected. The fees can be found within the budget ordinance section of the budget. **Appropriation--General Fund \$100,000**

Inspection Penalty Fees

Penalty fee assessed for not acquiring appropriate permits and/or requiring more than two inspections. **Appropriation--General Fund \$0**

Code Enforcement Fees

Fines and fees were established to ensure enforcement related to the City Code of Ordinances. Estimates are based on fewer violations anticipated. **Appropriation--General Fund \$0**

ABC Revenue

The City receives a portion of the net operating revenue derived from the operation of the local liquor stores and a contractual agreement with the ABC Board to provide certain regulatory officer support. **Appropriation--General Fund \$140,000**

Interest Income

Interest income revenues are projected on the basis of estimated average available cash balances at an anticipated rate of return. **Appropriation--General Fund \$295,000 Utility Fund \$375,000 Special Tax \$500**

REVENUE

FORECAST RATIONALE

Miscellaneous

This revenue includes revenue sources not otherwise classified. Projections are based on comparisons of past operating data. **Appropriation--General Fund \$90,250 Utility Fund \$5,000**

Court Cost Fees

The City receives a portion of the local court costs based on number of arrests performed by City. Revenues are based on historical trends. **Appropriation--General Fund \$15,000**

Civil Violations

Fines are levied by the City for violations of the City's ordinances. Projections are based on historical trends. **Appropriation--General Fund \$10,000**

Sale of Materials

Funds are generated from the sale of surplus materials. Projection rationales are derived by using historical trend analysis. **Appropriation--General Fund \$10,000**

Sale of Fixed Property

Funds are generated from the sale of surplus properties and/or equipment. **Appropriation--General Fund \$25,000 Utility Fund \$15,000**

Special Assessments

Charges are levied against particular properties to pay for public improvements that specifically benefit those properties. Revenues are derived from accounts receivable data and additions for new projects. **Appropriation--General Fund \$0 Utility Fund \$225,000**

Interest on Assessments

Interest received is based on special assessments past due. Projections are computed from actual accounts receivable data and additions for new projects. **Appropriation-- Utility Fund \$10,000**

Appropriated Fund Balance

The source of this revenue is fund balance. The amount appropriated is dependent on current reserve limitations and requirements of funds to balance projected revenues to expenditures as well as funding needed for capital items. **Appropriation--General Fund \$873,864 Utility Fund \$621,378 Special Tax \$0**

Waste Management Fees

Proceeds are received for landfill disposal. These charges are based on actual needs. Fees are assessed uniformly (\$100 annually) to all residential property owners on the tax bill. **Appropriation--General Fund \$820,000**

REVENUE

FORECAST RATIONALE

Sale of Compost Materials

Proceeds are received for the sale of compost materials. Revenue projections are based on historical patterns, rate fees as shown within the budget ordinance, and anticipation of availability of materials. **Appropriation--General Fund \$30,000**

Water Charges

Proceeds are from the sale of treated water through the distribution system. Revenue estimates are based on historical user trends adjusted to reflect the existing rate structure. **Appropriation--Utility Fund \$8,048,362**

Sewer Charges

Proceeds are received for the collection and treatment of wastewater. Projections are based on historical user trends. **Appropriation--Utility Fund \$5,852,506**

Sewer Surcharges

Charges are placed on all users who discharge wastewater having characteristics in excess of standards set by local sewer use ordinance. Revenues are based on historical trend models. **Appropriation--Utility Fund \$10,000**

Oil and Grease Fees

The City has initiated an oil and grease trap control program per mandate of the State. The program should assist in the prevention of water and sewer system contamination. The fee was established to offset such program costs. **Appropriation--Utility Fund \$18,500**

Sludge Charges

Fees are charged for discharge of wastewater by means other than the City's collection system. Projections are based on past year's actual revenues. **Appropriation--Utility Fund \$32,000**

Pre-Treatment Monitoring Fee

The industrial monitoring fee was established to recover monitoring costs for the City's pre-treatment and enforcement management program. Revenues are based on actual planned occurrences. **Appropriation--Utility Fund \$87,500**

Taps and Connections

Fees are charged to customers for connections to the City's water or wastewater system. Revenues are based on historical trends. **Appropriation--Utility Fund \$225,000**

Green Fees Annual

An annual fee is available for unlimited play at the Municipal Golf Course. Revenues are projected based on historical trends. **Appropriation--General Fund \$80,000**

Green Fees Daily

Fees are collected for daily play at the Municipal Golf Course. Estimates are based on historical data. **Appropriation--General Fund \$135,000**

REVENUE

FORECAST RATIONALE

Cart Fees

Fees are collected for rental of golf carts with projections based on trend analysis. **Appropriation--General Fund \$180,000**

Driving Range

Fees are collected for use of golf course driving range. Revenues are estimates based on anticipated use. **Appropriation—General Fund \$16,000**

Brick Tournament Fees

Fees are collected and segregated for this annual tournament event. **Appropriation--General Fund \$14,500**

Rental Income

To account for rental of office spaces at the Federal Building by county agencies. **Appropriation--General Fund \$30,510 Utility Fund \$37,800**

Sales Other Funds

To record revenue from Other funds due the Utility fund for items received from internal store. **Appropriation--Utility Fund \$34,000**

Parking Revenues

Proceeds projected from parking space rentals. **Appropriation—Special Tax \$1,500**

Club House Rental

The Golf Pro contributes to the club house maintenance through club house rental. **Appropriation—General Fund \$1,200**

Contribution - General Fund

This contribution represents the general fund support of downtown revitalization efforts for the downtown district. **Appropriation—Special Tax \$50,000**

Installment Purchase Proceeds

Installment purchase proceeds, which result from issuing debt, will be used to purchase 1 fire pumper truck (\$450,000); 1 compost turner (\$130,000); 1 knuckleboom truck (\$108,000); 1 leaf vacuum truck (\$107,000); 1 flusher truck (\$115,000); 1 bucket truck (\$78,000); 1 streetsweeper (\$150,000); and sewer rehabilitation (\$3,000,000). **Appropriation--General Fund \$1,138,000 Utility Fund \$3,000,000**

Interfund Services Provided

Interfund services are services provided by the General Fund to other funds. The General Fund then charges these funds for the services. **Appropriation--General Fund \$160,000**

Federal Drug Enforce. Proceeds

Federal funds received for drug forfeiture. **Appropriation--General Fund \$49,000**

REVENUE

FORECAST RATIONALE

Receipt Other Gov. - State

The State is reimbursing the City for mowing State right-of-ways.
Appropriation--General Fund \$16,002

Concessions

Revenue received for sale of concessions at the golf course.
Appropriation--General Fund \$12,000

Relay for Life Donations

Donations received from employees for Relay for Life fundraiser.
Appropriation--General Fund \$5,000

Charges on Past Due Accts.

Charges assessed against utility accounts that are paid after the due date.
Appropriation—Utility Fund \$130,000

State Grants

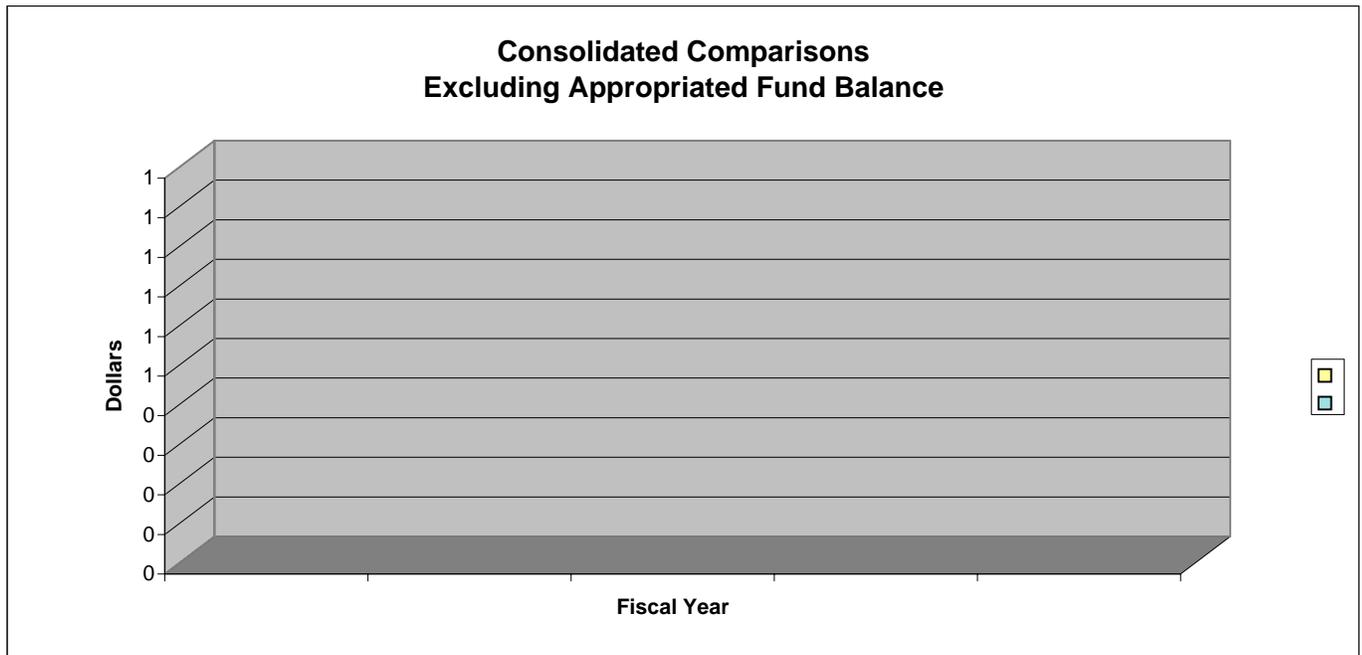
Economic Development Administration Federal Grant, The Rural Center State Grant, and the Commerce Finance Center Grant received for Little Buffalo / Northview Lift Station improvements.
Appropriation—Utility Fund \$1,900,000

**CONSOLIDATED BUDGET
FUND SUMMARIES**

	FY 02-03 ACTUAL	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 BUDGET	FY 06-07 REQUESTED	FY 06-07 APPROVED
REVENUES						
General Fund	17,917,900	18,980,465	20,083,967	20,095,275	20,323,108	21,730,748
Enterprise Fund	11,078,050	12,599,523	22,507,853	13,213,000	20,005,668	20,005,668
Special Tax District	104,492	103,379	102,477	132,128	107,829	107,829
SUB-TOTAL	29,100,442	31,683,366	42,694,297	33,440,403	40,436,605	41,844,245
Appropriated Fund Balance	0	0	58,737	2,593,834	5,849,772	1,495,242
Less Interfund Activity	(75,000)	(50,000)	(65,500)	(90,500)	(50,000)	(50,000)
TOTAL BUDGET	29,025,442	31,633,366	42,687,534	35,943,737	46,236,377	43,289,487
EXPENDITURES						
General Fund	18,042,087	18,204,287	19,107,919	20,992,504	25,278,712	22,604,612
Enterprise Fund	10,050,679	11,353,191	20,091,511	14,846,233	20,899,836	20,627,046
Special Tax District	68,031	84,798	161,214	195,500	107,829	107,829
SUB-TOTAL	28,160,797	29,642,276	39,360,644	36,034,237	46,286,377	43,339,487
Less Interfund Activity	(75,000)	(50,000)	(65,500)	(90,500)	(50,000)	(50,000)
TOTAL BUDGET	28,085,797	29,592,276	39,295,144	35,943,737	46,236,377	43,289,487

GRAPHIC REPRESENTATION

Illustrated below are revenues as they relate to expenditures.

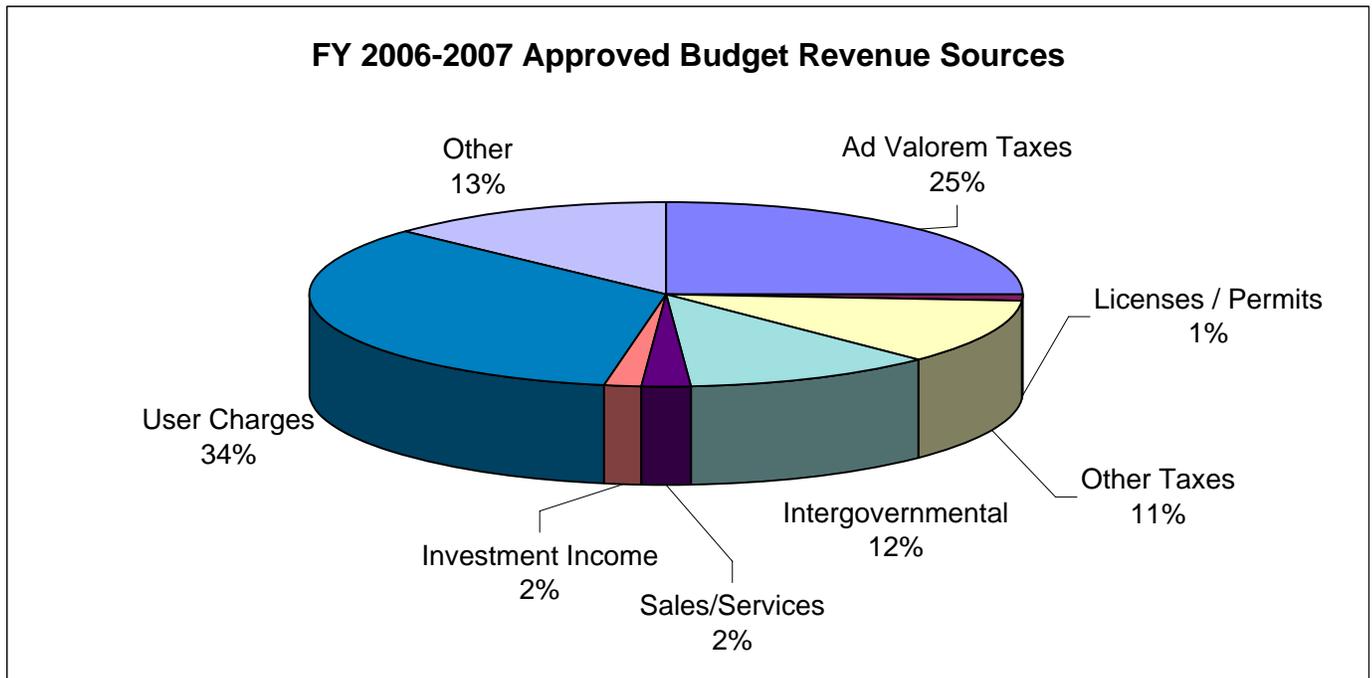


**CONSOLIDATED BUDGET
REVENUE SUMMARIES**

	FY 02-03 ACTUAL	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 BUDGET	FY 06-07 REQUESTED	FY 06-07 APPROVED
REVENUES						
Ad Valorem Taxes	8,636,171	9,433,116	9,992,393	9,946,620	10,074,152	10,403,418
Licenses / Permits	343,918	377,671	369,131	355,000	303,000	494,872
Other Taxes	3,585,690	4,183,807	4,418,700	4,484,350	4,732,049	4,752,149
Intergovernmental	3,159,029	2,650,911	3,118,061	2,880,776	4,798,526	4,828,678
Sales/Services	1,020,988	1,133,629	1,031,454	851,000	885,000	885,000
Investment Income	274,503	181,470	458,618	341,500	680,500	680,500
User Charges	10,410,660	12,076,434	13,625,664	12,541,000	14,281,368	14,311,868
Other	1,669,483	1,646,329	9,680,276	2,040,157	4,682,010	5,487,760
SUB-TOTAL	29,100,442	31,683,366	42,694,297	33,440,403	40,436,605	41,844,245
Appropriated Fund Balance	0	0	58,737	2,593,834	5,849,772	1,495,242
Less Interfund Activity	(75,000)	(50,000)	(65,500)	(90,500)	(50,000)	(50,000)
TOTAL BUDGET	29,025,442	31,633,366	42,687,534	35,943,737	46,236,377	43,289,487

GRAPHIC REPRESENTATION

The relative value of major revenue sources are shown below. Taxes Ad-Valorem and User Charges represent more than 55% of the revenues received by the city.

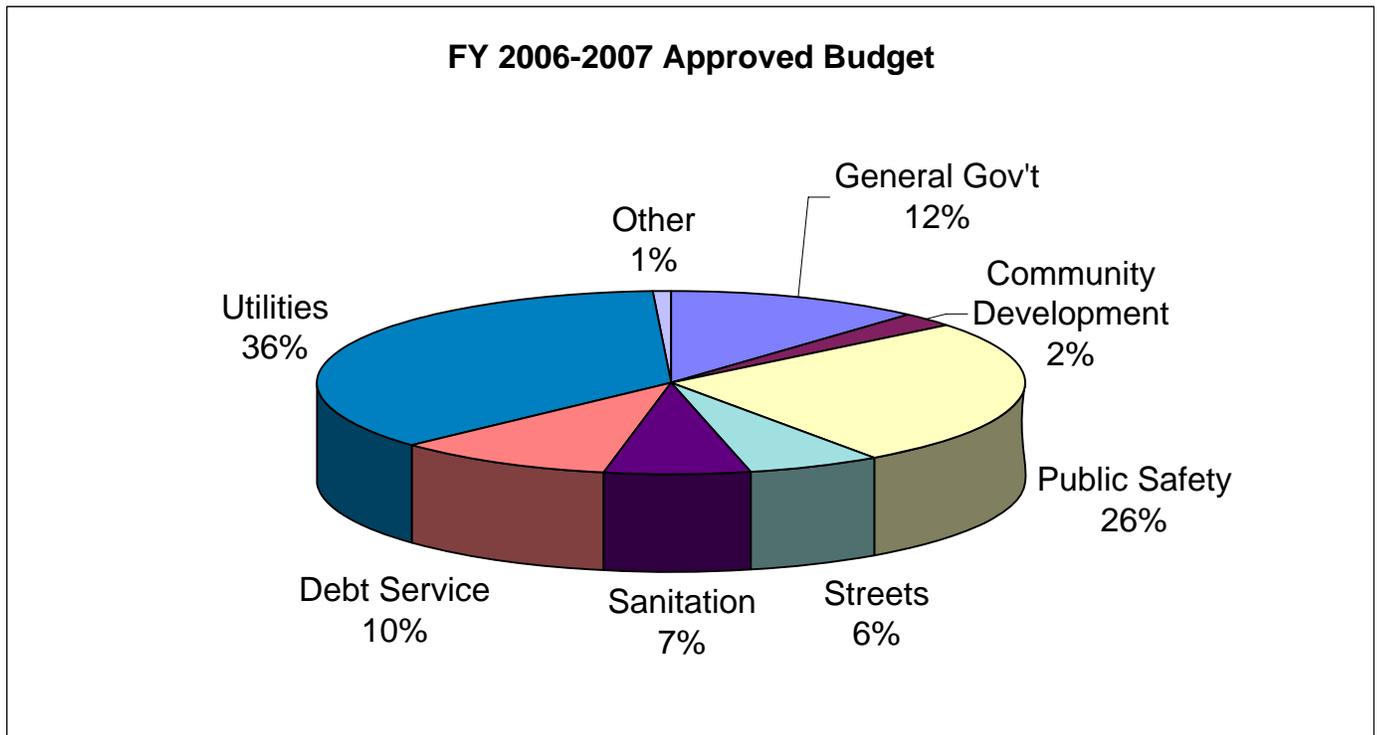


**CONSOLIDATED BUDGET
EXPENDITURE SUMMARIES**

	FY 02-03 ACTUAL	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 BUDGET	FY 06-07 REQUESTED	FY 06-07 APPROVED
FUNCTIONS						
General Gov't	3,989,242	4,236,751	4,096,825	5,034,414	5,993,230	5,186,910
Community Development	820,817	852,341	1,034,071	1,040,852	1,256,108	1,054,127
Public Safety	8,992,373	9,109,778	9,891,816	10,214,818	11,779,278	11,472,217
Streets	2,096,230	1,848,344	2,110,250	2,836,240	3,571,408	2,770,382
Sanitation	2,143,425	2,157,073	2,244,457	2,432,294	3,236,888	2,894,887
Debt Service	3,209,997	3,161,616	3,706,217	4,260,919	4,380,066	4,380,066
Utilities	6,840,682	8,191,519	16,335,294	10,285,314	16,219,770	15,946,980
Other	68,031	84,854	211,214	495,500	407,829	407,829
SUB-TOTAL	28,160,797	29,642,276	39,630,144	36,600,351	46,844,577	44,113,398
Less Interfund Activity	(75,000)	(50,000)	(65,500)	(90,500)	(50,000)	(50,000)
Interfund Reimbursement	0	0	(269,500)	(566,114)	(558,200)	(773,911)
TOTAL BUDGET	28,085,797	29,592,276	39,295,144	35,943,737	46,236,377	43,289,487

GRAPHIC REPRESENTATION

Expenditures classed by function reflect cost as it relates to total spending. Public safety and utilities represent more than 60% of the city's total appropriations.

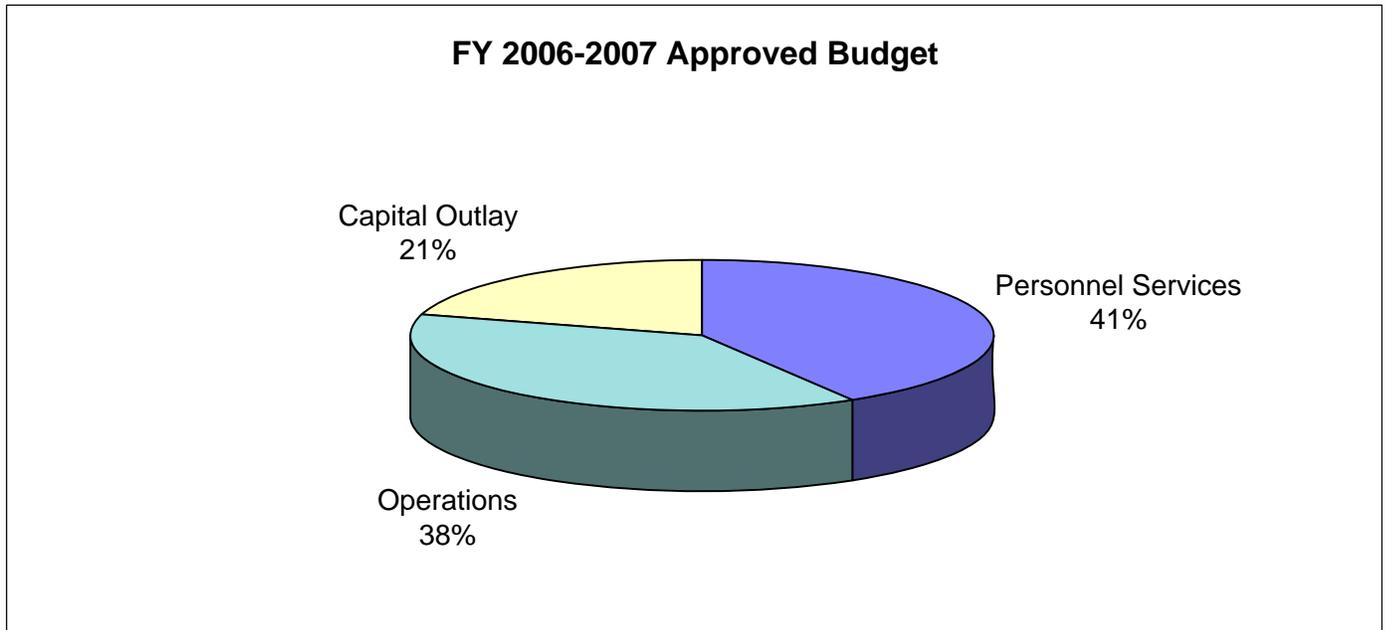


**CONSOLIDATED BUDGET
EXPENDITURE SUMMARIES**

	FY 02-03 ACTUAL	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 BUDGET	FY 06-07 REQUESTED	FY 06-07 APPROVED
EXPENDITURES						
Personnel Services	14,987,999	15,782,548	16,250,035	17,527,328	18,862,608	18,275,202
Operations	11,984,146	12,135,795	13,124,184	15,980,763	17,521,308	16,787,793
Capital Outlay	1,188,652	1,723,933	10,255,925	3,092,260	10,460,661	9,050,403
SUB-TOTAL	28,160,797	29,642,276	39,630,144	36,600,351	46,844,577	44,113,398
Less Interfund Activity	(75,000)	(50,000)	(65,500)	(90,500)	(50,000)	(50,000)
Interfund Reimbursement	0	0	(269,500)	(566,114)	(558,200)	(773,911)
TOTAL BUDGET	28,085,797	29,592,276	39,295,144	35,943,737	46,236,377	43,289,487

GRAPHIC REPRESENTATION

As shown below personnel services represents a major percentage of the city's total expenditures. These expenditures include salary and benefit cost for 344 full time employees. Operating cost include major expenditures for utilities, debt service, chemicals, and contract services. Capital is shown in detail at the departmental level.



GENERAL FUND REVENUE

REVENUE SOURCES	FY 02-03 ACTUAL	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 BUDGET	FY 06-07 REQUESTED	FY 06-07 APPROVED
Prior	298,105	353,698	281,069	275,000	250,000	250,000
Current	8,234,498	8,925,323	9,584,761	9,554,292	9,713,323	10,042,589
Payment in Lieu of Taxes	0	37,364	16,543	17,500	15,000	15,000
Penalties Less Discounts	60,790	65,376	61,666	45,000	40,000	40,000
Total Ad Valorem Taxes	8,593,393	9,381,761	9,944,039	9,891,792	10,018,323	10,347,589
Local Sales Tax - Article 39	3,438,627	1,825,844	1,983,686	2,043,454	2,138,143	2,158,243
Local Sales Tax - Article 40		711,955	750,826	769,455	809,980	809,980
Local Sales Tax - Article 44		716,270	784,086	759,815	816,328	816,328
Local Sales Tax - Article 42		703,289	743,735	761,626	802,598	802,598
Local Sales Tax - Hold Harmless		75,350	0	0	0	0
Privilege License	147,063	151,098	156,367	150,000	165,000	165,000
Total Other Taxes	3,585,690	4,183,807	4,418,700	4,484,350	4,732,049	4,752,149
City Permits	194,461	217,819	201,578	195,000	195,000	386,872
County Permits	149,457	159,851	157,078	150,000	100,000	100,000
Broadway Permits	0	0	10,475	10,000	8,000	8,000
Total Licenses / Permits	343,918	377,671	369,131	355,000	303,000	494,872
Interest Income	107,438	68,981	203,431	151,000	295,000	295,000
Interest Income - Golf	10,452	9,814	0	0	0	0
BB & T Escrow Interest	0	0	0	0	0	0
Total Investment Income	117,890	78,795	203,431	151,000	295,000	295,000
Green Fees Annual	100,867	101,139	94,919	125,000	70,000	80,000
Green Fees Daily	75,146	112,636	113,377	159,000	135,000	135,000
Cart Fees	107,232	159,074	157,906	239,000	159,500	180,000
Driving Range	8,143	11,208	13,535	18,000	16,000	16,000
Total Golf User Charges	291,388	384,056	379,737	541,000	380,500	411,000
Intergovernmental Revenues						
United States of America						
FEMA Proceeds-Federal	201,965	5,439	0	0	0	0
Police Block Grant	31,982	18,340	8,150	22,121	0	0
Firefighters Federal Grant	0	0	165,767	0	0	0
Federal Drug Enf. Proc.	34,125	21,334	32,419	77,300	0	49,000
Federal Grant Depot Park	0	0	77,268	9,727	0	0
State of North Carolina						
Utility Franchise Tax	1,060,826	1,052,984	1,118,870	1,103,500	1,169,861	1,169,861
Beer & Wine Tax	49,549	50,528	52,286	48,719	53,850	56,350
Powell Bill	751,708	687,370	767,741	790,634	775,892	803,292
State Drug Forfeiture	25,919	0	41,841	0	0	0
Rec. Other Gov.-State	7,064	8,092	7,875	0	21,750	16,002
Gov. Crime Grant	1,598	0	0	0	0	0
FEMA Proceeds-State	67,322	1,813	0	0	0	0
Safe Kids Grant	4,105	5,530	2,386	0	0	0
Governors Highway Safety Grant	3,081	0	0	0	0	0

GENERAL FUND REVENUE

REVENUE SOURCES	FY 02-03 ACTUAL	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 BUDGET	FY 06-07 REQUESTED	FY 06-07 APPROVED
Other Local Governments						
Sales Tax Refund	19,771	19,664	0	0	0	0
Gas Tax Refund	0	0	9,519	0	0	0
Lee County Fire Grant	39,614	0	0	0	0	0
Consolidated Planning Services	250,953	295,145	301,018	318,013	353,902	353,902
EMS Office Rental	2,400	2,400	2,400	2,400	2,400	2,400
911 Surcharge Reimbursement	335,178	308,069	248,010	305,775	339,075	339,075
911 Dispatch	98,200	108,065	117,266	125,422	133,996	133,996
911 Coordinator	22,300	27,941	25,521	0	0	0
Rec. Local Inspections Contract	44,648	37,294	43,000	77,165	43,000	0
Financial Services - Broadway	0	0	0	0	4,800	4,800
Total Intergovernmental	3,052,308	2,650,008	3,021,337	2,880,776	2,898,526	2,928,678
Sale of Materials	16,560	16,136	13,362	11,000	10,000	10,000
Sale of Compost Materials	38,536	42,215	38,381	30,000	30,000	30,000
Sale of Fixed Assets	43,380	99,217	99,042	20,000	25,000	25,000
Waste Mgmt. User Fees	767,093	783,643	814,284	790,000	820,000	820,000
Shop Sales - Lee County	146,679	189,547	66,385	0	0	0
Shop Sales - Sanford Housing	8,740	2,871	0	0	0	0
Total Sales and Service	1,020,988	1,133,629	1,031,454	851,000	885,000	885,000
Brick Tourn. Fees	16,930	20,435	10,835	14,500	12,000	14,500
Concession	0	0		0	0	12,000
Miscellaneous	468	538	250	250	250	250
Club House Rental	1,000	1,200	1,200	2,400	2,400	1,200
Lease Proceeds	0	121,000		0	0	0
General Fund Loan Proc.	86,775	0	81,063	78,207	355,550	0
Sale of Capital Assets	(20,022)	0	0	0	0	0
Reimbursement-Loan Proceeds	50,000	0	0	0	0	0
Total Golf Other	135,151	143,173	93,348	95,357	370,200	27,950
Installment Purchase Proceeds	0	92,157	96,250	165,000	0	1,138,000
Court Cost Fees	13,888	12,795	19,642	15,000	15,000	15,000
Code Enforcement	10,283	0	0	10,000	0	0
ABC Revenue	70,000	105,000	157,500	140,000	140,000	140,000
Indirect Charges to Other Funds	334,915	264,433	0	0	0	0
Interfund Services Provided	0	124,979	124,342	160,000	160,000	160,000
Rental Income	10,896	16,250	15,000	30,000	30,510	30,510
Transfer from Special Revenue Fund	15,000	0	0	0	0	0
Transfer from Shop Fund	268,969	0	0	0	0	0
Parking Revenue	600	0	300	0	0	0
Animal Control	1,010	1,175	550	0	0	0
Miscellaneous	46,369	19,707	176,888	90,000	80,000	90,000
Civil Violations	5,724	11,069	16,864	10,000	10,000	10,000
Relay for Life Donations	0	0	0	0	5,000	5,000
Special Assessments	(480)	0	0	225,000	0	0
Contribution-Special Tax Depot Park	0	0	15,454	0	0	0
Total Other	777,174	647,565	622,790	845,000	440,510	1,588,510
SUB-TOTAL GENERAL FUND	17,917,900	18,980,465	20,083,967	20,095,275	20,323,108	21,730,748
Appropriated Fund Balance	0	0	0	897,229	4,955,604	873,864
TOTAL GENERAL FUND	17,917,900	18,980,465	20,083,967	20,992,504	25,278,712	22,604,612

GENERAL FUND EXPENDITURES

DEPARTMENT	FY 02-03 ACTUAL	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 BUDGET	FY 06-07 REQUESTED	FY 06-07 APPROVED
Governing Body	199,655	234,593	241,131	268,418	289,764	298,040
Administration	175,131	181,064	185,638	204,710	215,786	215,835
Human Resources	209,242	172,746	211,841	242,772	261,785	274,556
Risk Management	26,098	10,103	12,803	74,123	90,513	77,241
Elections	0	12,175	0	14,000	0	0
Finance	613,965	645,016	642,224	693,718	828,666	698,557
Information Systems	200,315	196,750	165,642	259,971	349,782	336,492
Legal	141,012	151,379	154,228	175,025	187,328	182,968
Strategic Information Services	67,542	73,045	74,224	0	0	0
Public Building	685,200	718,131	733,155	882,096	964,650	789,595
Public Works Adm.	318,846	332,956	326,001	386,618	405,742	382,773
Central Office	49,168	55,960	42,548	60,150	77,674	76,674
GF Contributions	387,101	297,992	336,940	528,680	909,124	603,763
Golf	542,287	713,489	615,305	637,357	750,700	651,061
Shop	721,678	866,759	889,078	954,821	1,007,840	986,351
Less Shop Charges	(608,021)	(697,241)	(795,144)	(695,000)	(695,000)	(695,000)
Beautification	260,023	271,834	261,211	346,955	348,876	308,004
General Government	3,989,242	4,236,751	4,096,825	5,034,414	5,993,230	5,186,910
Police	5,277,860	5,373,155	5,831,141	6,097,413	6,803,955	6,772,183
Police - 911 Surcharge	326,483	308,197	269,779	305,775	339,075	339,075
Police Grants	92,628	52,283	79,771	106,729	49,000	49,000
Fire	2,867,040	2,922,547	3,267,601	3,224,593	3,940,924	3,827,545
Inspection	428,362	453,596	443,524	480,308	646,324	484,414
Public Safety	8,992,373	9,109,778	9,891,816	10,214,818	11,779,278	11,472,217
Street	1,720,944	1,604,422	1,907,639	2,462,290	3,350,598	2,549,572
Street Capital Imp.	375,286	243,922	202,611	373,950	220,810	220,810
Streets	2,096,230	1,848,344	2,110,250	2,836,240	3,571,408	2,770,382
Solid Waste	1,142,033	1,115,700	1,163,908	1,286,437	2,009,581	1,680,580
Sanitation	1,001,392	1,041,373	1,080,549	1,145,857	1,227,307	1,214,307
Sanitation	2,143,425	2,157,073	2,244,457	2,432,294	3,236,888	2,894,887
Community Development	578,669	583,601	604,635	688,199	768,670	709,309
Comm. Dev.-911 Coordinator	44,541	51,258	46,965	0	0	0
Comm. Enhance.-Code Enforce.	153,918	151,577	224,324	256,100	403,844	261,771
Comm. Enhancement-Downtown	43,689	65,905	158,147	96,553	83,594	83,047
Community Development	820,817	852,341	1,034,071	1,040,852	1,256,108	1,054,127
SUB-TOTAL GENERAL FUND	18,042,087	18,204,287	19,377,419	21,558,618	25,836,912	23,378,523
Interfund Reimbursements	0	0	(269,500)	(566,114)	(558,200)	(773,911)
TOTAL GENERAL FUND	18,042,087	18,204,287	19,107,919	20,992,504	25,278,712	22,604,612

UTILITY FUND REVENUE

REVENUE SOURCES	FY 02-03 ACTUAL	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 BUDGET	FY 06-07 REQUESTED	FY 06-07 APPROVED
Water Charges	5,164,403	5,683,848	6,923,051	6,800,000	8,048,362	8,048,362
Water Charges - Lee Co.	491,304	932,883	608,116	0	0	0
Sewer Charges	4,463,565	5,075,647	5,714,760	5,200,000	5,852,506	5,852,506
Total User Charges	10,119,272	11,692,378	13,245,927	12,000,000	13,900,868	13,900,868
Interest Income	131,949	84,128	237,547	175,000	375,000	375,000
Interest on Assessments	23,200	17,435	15,392	15,000	10,000	10,000
Total Investment Income	155,149	101,562	252,939	190,000	385,000	385,000
Taps and Connections	216,395	263,672	238,369	205,500	225,000	225,000
Sewer Surcharge	14,262	17,955	19,523	15,000	10,000	10,000
Sludge Charge	31,407	31,481	36,417	30,000	32,000	32,000
Bulk Water Sales	250	0	4,336	0	0	0
Maintenance Charges - Lee Co.		188,934	10,882	0	0	0
Non Compliance Fines	5,268	5,292	250	0	0	0
Monitoring Fee	99,396	82,368	88,704	87,500	87,500	87,500
Charges on Past Due Accounts			0	0	130,000	130,000
Oil and Grease Fees	0	16,527	17,685	17,200	18,500	18,500
Sales Other Funds	40,330	36,606	39,581	33,000	34,000	34,000
Sale of Fixed Property	29,168	160	-1,066	15,000	15,000	15,000
Special Assessments	67,425	28,097	37,170	400,000	225,000	225,000
Miscellaneous	173,693	132,553	143,062	0	5,000	5,000
Installment Purchase Proceeds	0	0	7,630,000	182,000	3,000,000	3,000,000
Water System Purchase Proceeds	0	0	634,104	0	0	0
Bad Debt Recovery	1,314	1,035	646	0	0	0
Contribution - Caterpillar	18,000	0	0	0	0	0
Rental Income	0	0	12,600	37,800	37,800	37,800
Total Other Revenue	696,908	804,680	8,912,263	1,023,000	3,819,800	3,819,800
Sales Tax Refund	29,839	903	9,104	0	0	0
FEMA Proceeds-Federal	8,425	0	0	0	0	0
State Grants	0	0	9,300	0	1,900,000	1,900,000
FEMA Proceeds-State	2,809	0	0	0	0	0
Transfer from Capital	7,560	0	0	0	0	0
Rec. from Other Local Gov't	31,638	0	0	0	0	0
Rec. from Other Gov't State	26,450	0	78,320	0	0	0
Total Intergovernmental	106,721	903	96,724	0	1,900,000	1,900,000
SUB-TOTAL UTILITY FUND	11,078,050	12,599,523	22,507,853	13,213,000	20,005,668	20,005,668
Appropriated Fund Balance	0	0	0	1,633,233	894,168	621,378
TOTAL UTILITY FUND	11,078,050	12,599,523	22,507,853	14,846,233	20,899,836	20,627,046

UTILITY FUND EXPENSES

DEPARTMENT	FY 02-03 ACTUAL	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 BUDGET	FY 06-07 REQUESTED	FY 06-07 APPROVED
Debt Service	3,209,997	3,161,616	3,706,217	4,260,919	4,380,066	4,380,066
UF Contributions	0	56	50,000	300,000	300,000	300,000
Other	0	56	50,000	300,000	300,000	300,000
Store	321,197	305,350	338,255	346,327	349,847	349,763
Less Store Charges	(293,630)	(283,968)	(309,322)	(286,112)	(289,847)	(289,548)
UF Administration	666,761	781,397	823,561	1,174,417	1,409,780	1,715,031
Engineering	500,730	508,330	540,007	564,957	557,936	552,586
Sewer Const.	863,261	908,578	931,491	1,115,543	1,181,495	1,078,867
Water Const.	1,683,827	2,129,896	2,145,552	2,354,251	2,528,602	2,505,457
Water Plant	1,421,038	1,533,274	1,493,558	1,850,781	2,112,021	1,986,163
Wastewater Plant	1,306,563	1,331,757	1,436,225	1,528,255	1,584,936	1,548,661
Water Capital Imp.	22,609	178,137	8,119,801	305,000	400,000	265,000
Sewer Capital Imp.	348,326	798,768	816,166	1,331,895	6,385,000	6,235,000
Public Utilities	6,840,682	8,191,519	16,335,294	10,285,314	16,219,770	15,946,980
TOTAL UTILITY FUND	10,050,679	11,353,191	20,091,511	14,846,233	20,899,836	20,627,046

SPECIAL TAX FUND REVENUE

REVENUE SOURCES	FY 02-03 ACTUAL	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 BUDGET	FY 06-07 REQUESTED	FY 06-07 APPROVED
Current Year Taxes	41,204	47,808	47,321	53,928	55,379	55,379
Prior Year Taxes	1,289	3,746	803	750	350	350
Penalties Less Discounts	285	(199)	230	150	100	100
Total Ad Valorem Taxes	42,778	51,355	48,354	54,828	55,829	55,829
Interest Income	1,464	1,112	2,248	500	500	500
Total Investment Income	1,464	1,112	2,248	500	500	500
Miscellaneous	0	12	0	0	0	0
Parking Revenues	250	900	1,875	1,800	1,500	1,500
Contribu. From General	60,000	50,000	50,000	75,000	50,000	50,000
Total Other	60,250	50,912	51,875	76,800	51,500	51,500
SUB-TOTAL SPEC. TAX	104,492	103,379	102,477	132,128	107,829	107,829
Appropriated Fund Balance	0	0	58,737	63,372	0	0
TOTAL SPECIAL TAX	104,492	103,379	161,214	195,500	107,829	107,829

SPECIAL TAX FUND EXPENDITURES

DEPARTMENT	FY 02-03 ACTUAL	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 BUDGET	FY 06-07 REQUESTED	FY 06-07 APPROVED
Special Tax	68,031	84,798	161,214	195,500	107,829	107,829
Total Other	68,031	84,798	161,214	195,500	107,829	107,829
TOTAL SPECIAL TAX	68,031	84,798	161,214	195,500	107,829	107,829

STAFFING COMPARISON

DEPARTMENT	FY 02-03 ACTUAL	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 APPROVED
Governing Body-Elected	9	9	9	9	9
Administration	2	2	2	2	2
Human Resources	3	3	3	3	3
Risk Management	0	0	**1	1	1
Finance	8	8	8	8	8
Information Systems	2	2	2	2	2
Legal	2	2	2	2	2
Strategic Information Services	1	1	1	0	0
Public Building	3	3	3	3	3
Public Works Adm.	5	5	5	5	5
Shop	7	6	6	5	5
Golf	**8	8	8	8	6
Stormwater	*1	*1	*1	0	0
Beautification	6	6	6	6	6
TOTAL GENERAL GOV'T	57	56	57	54	52
Police	94	100	100	100	100
Fire	51	51	52	52	52
Inspection	8	8	8	8	8
TOTAL PUBLIC SFTY.	153	159	160	160	160
Street	18	18	18	18	18
TOTAL STREET	18	18	18	18	18
Solid Waste	15	15	17	17	18
TOTAL SANITATION	15	15	17	17	18
Community Development	9	9	9	9	9
Community Development-911	1	1	1	0	0
Comm. Enhance/Code Enforce.	3	3	5	4	4
Comm. Enhance/Downtown/HPC	1	1	1	1	1
TOTAL COMMUNITY DEV.	14	14	16	14	14
TOTAL GENERAL FUND	257	262	268	263	262

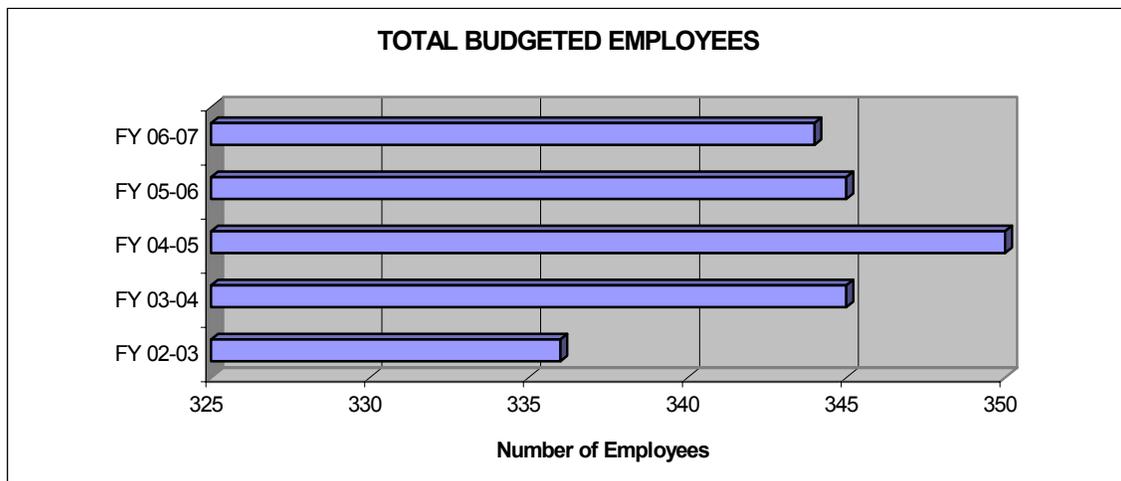
*Position temporarily on hold

** Position funded for partial year

STAFFING COMPARISON

DEPARTMENT	FY 02-03 ACTUAL	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 APPROVED
PUBLIC UTILITIES					
Store	1	1	1	1	1
UF Administration	7	8	7	7	7
Engineering	9	9	9	9	9
Sewer Const. & Maint.	13	13	13	13	13
Water Const. & Maint.	26	28	28	28	28
Water Plant	10	11	11	11	11
Wastewater Treat. Plant	13	13	13	13	13
TOTAL PUBLIC UTILITIES	79	83	82	82	82
TOTAL UTILITY FUND	79	83	82	82	82
TOTAL ENTERPRISE FUND	79	83	82	82	82
GRAND TOTAL	336	345	350	345	344

** Position funded for partial year



CAPITAL OUTLAY - SORT

GENERAL FUND

QTY	ITEM	DEPARTMENT	REQUESTED		APPROVED
			REPLACE	NEW	
1	Computer	Human Resources	1,700		1,700
1	Laptop Computer	Human Resources		1,900	0
1	Projector	Human Resources		1,400	0
1	Computer	Risk Management	1,700		1,700
1	Computer Software	Finance	100,000		0
1	Video DVD System	Information Systems		800	800
1	Video Monitor	Information Systems		750	750
3	Audio Amplifiers	Information Systems		2,700	2,700
3	Main Speaker	Information Systems		2,400	2,400
3	Monitor Speaker	Information Systems		1,950	1,950
2	Microphone Audio Mixer	Information Systems		1,400	1,400
1	Rack for Video Component	Information Systems		2,200	2,200
1	Rack for Audio Component	Information Systems		1,700	1,700
1	Video Server	Information Systems		7,000	0
1	Printer	Legal	800		800
1	Color Laser Printer	Community Development	1,500		1,500
3	Computer	Community Development	5,100		5,100
1	Computer	Community Development		1,700	0
1	Computer	Public Building	1,700		0
1	Computer	Public Building	1,700		1,700
1	Computer Server	Public Building		8,000	0
3	CAD Workstation Computer	Police - 911 Surcharge	7,200		7,200
3	Laser Printer	Police - 911 Surcharge	2,400		2,400
5	Computer	Police	8,500		8,500
4	Laser Printers for OSSI	Police	3,200		3,200
11	Mobile Data Terminal	Police	66,000		66,000
1	Computer	Fire	1,700		1,700
1	Computer	Inspections	1,700		1,700
1	Computer	Inspections		1,700	0
2	Computer	Code Enforcement	3,400		3,400
2	Computer	Code Enforcement		3,400	0
2	Computer	Golf	3,400		3,400
1	Touchscreen Monitor	Golf	800		800
1	Video Surveillance System	Golf		5,000	5,000
	Subtotal Computers and Equipment		212,500	44,000	129,700
	Paint Trim at Federal Building	Public Building		5,200	0
	Curb and Gutter Rehabilitation	Street Capital	20,000		20,000
	Storage Building at Compost Facility	Solid Waste		1,500	1,500
	Green House	Beautification		16,000	0
	Subtotal Construction		20,000	22,700	21,500
	Sidewalk Rehabilitation	Street Capital	50,000		50,000
	Catch Basin Rehabilitation	Street Capital	30,000		30,000
	Bridge for Hole # 11	Golf		51,000	0
	Subtotal Major Capital Construction		80,000	51,000	80,000
2	File Cabinets - Fire Proof	Human Resources	4,000		4,000
3	Defibrillators	Risk Management		6,000	0
1	Lighting System	Information Systems		14,600	14,600
1	Condensing Unit for EOC A/C Unit	Public Building		8,271	0
5	Patrol Vehicle Bar Lights	Police	5,000		5,000

CAPITAL OUTLAY - SORT

GENERAL FUND

QTY	ITEM	DEPARTMENT	REQUESTED		APPROVED
			REPLACE	NEW	
1	Hydraulic Cutter	Fire		5,165	0
1	Portable Light Tower w/ Generator	Fire		8,000	0
1	Air Monitor	Fire	1,500		1,500
1	Light Bar	Fire	2,000		0
2	Truck Bed Covers	Inspections		2,200	0
1	Vibratory Plate Tamp	Street	1,900		1,900
1	Vibratory Foot Temp	Street	1,900		0
1	Pipe Saw	Street	1,600		0
1	Air Compressor	Solid Waste		750	750
2	Chainsaws	Solid Waste	1,060		0
1	Flail Mower	Solid Waste	4,600		4,600
1	Arrow Board Unit	Solid Waste	6,500		0
1	Pressure Washer System	Solid Waste		6,000	6,000
1	Sprayer	Golf	23,000		23,000
1	Neopost Mail Machine	Central Office	15,704		15,704
1	60" Skid Steer Mower	Beautification	8,500		0
1	Fence	Beautification		3,773	0
	Subtotal Other Equipment		77,264	54,759	77,054
12	Police Vehicles	Police	272,400		272,400
2	1/2 Ton Standard Truck	Inspections		29,000	0
2	1/2 Ton Standard Truck	Code Enforcement		29,000	0
1	Trailblazer	Public Works Admn.	21,630		0
1	4 Wheel Drive Truck	Solid Waste	17,000		0
1	3/4 Ton Four Wheel Drive Truck	Solid Waste		19,500	19,500
	Subtotal Vehicles		311,030	77,500	291,900
12	VHF Mobile Radios	Fire	24,000		24,000
10	VHF Radio Pagers	Fire	5,400		5,400
2	Walkie Talkie Radios	Street	1,200		0
	Subtotal Radios		30,600	0	29,400
1	Antenna and Base Station Relocate	Public Building		112,548	0
1	Fire Pumper	Fire	450,000		450,000
1	Street Sweeper	Street	150,000		150,000
1	Bucket Truck	Street	78,000		78,000
1	Flatbed Dump Truck	Street	34,000		0
1	Flusher Truck	Street	115,000		115,000
1	Chassis for Salt Spreader	Street	50,000		0
1	Signal Light Enhancement	Street		89,551	0
1	Knuckleboom Truck	Solid Waste	108,000		108,000
1	Compost Turner	Solid Waste	250,000		130,000
3	Right Hand Leaf Vac Unit	Solid Waste	321,000		107,000
	Subtotal Heavy Equipment		1,556,000	202,099	1,138,000
1	Desk, Chair, and Credenza	Community Development		1,500	0
	Subtotal Furniture		0	1,500	0
	Grand Total - General Fund Capital		2,287,394	453,558	1,767,554

Drug Forfeiture funds of \$18,700 are not listed due to security constraints and not included in the total.

CAPITAL OUTLAY - SORT

ENTERPRISE FUND

QTY	ITEM	DEPARTMENT	REQUESTED		APPROVED
			REPLACE	NEW	
1	Line Matrix Printer	UF Administration	7,000		7,000
1	Software Upgrade	UF Administration	300,000		400,000
1	Server	Water C & M			8,000
2	Computer	Water Plant	3,400		3,400
2	Computer	WWTP	3,400		3,400
	Subtotal Computers and Equipment		313,800	0	421,800
	Adding Office Space	Water Plant		5,000	5,000
	Subtotal Construction		0	5,000	5,000
	Painting the Pipe Gallery	Water Plant		35,000	35,000
	Hwy 421 Utility Adjustments (Water)	Water Capital Improve.	85,000		0
	Alum Sludge Removal	Water Capital Improve.	150,000		150,000
	Valve Replacement	Water Capital Improve.	25,000		25,000
	Water Extensions/Well Abandonment	Water Capital Improve.	25,000		0
	Water Assessment	Water Capital Improve.	25,000		0
	Resurfacing at the WTP	Water Capital Improve.	50,000		50,000
	Plant Access Control and Camera w/ Monitor for Front Gate	Water Capital Improve.	40,000		40,000
	Hwy 421 Utility Adjustments (Sewer)	Sewer Capital Improve.	135,000		135,000
	Sewer Rehabilitation	Sewer Capital Improve.	3,000,000		3,000,000
	Sewer Assessments	Sewer Capital Improve.	200,000		200,000
	Little Buffalo/Northview Lift Station Improvements	Sewer Capital Improve.	2,900,000		2,900,000
	Septic Tank Abandonment	Sewer Capital Improve.	100,000		0
	Increase of Discharge Limit at WWTP	Sewer Capital Improve.	50,000		0
	Subtotal Major Capital Construction		6,785,000	35,000	6,535,000
1	Grease Wheels	Sewer C & M		1,200	1,200
1	Engine-Driven Welder	Sewer C & M		3,500	3,500
1	Bush Hog	Sewer C & M	9,500		0
1	Push Camera Inspection System	Sewer C & M		11,775	11,775
1	Equipment Trailer	Sewer C & M		2,600	0
1	Camera Height Attachment	Sewer C & M		4,625	4,625
1	Turf Mower	Sewer C & M	7,500		0
2	12" Cutting Wheel	Water C & M	2,300		2,300
6	FS-3 Meter Reading Handhelds	Water C & M	27,000		27,000
2	Water Discharge Pumps	Water C & M	3,600		3,600
1	12,000 Gallon Bulk Storage Tank for Sodium Hydroxide	Water Plant		25,000	25,000
1	Coagulant Charge Analyzer	Water Plant		6,000	6,000
1	Desiccator	WWTP		2,000	2,000

FUND BALANCE GOVERNMENTAL FUNDS

	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06 Unaudited	BUDGET 06-07
GENERAL FUND					
BEGINNING BALANCE	\$ 7,813,636	\$ 7,805,195	\$ 9,013,359	\$ 10,131,623	\$ 9,536,345
REVENUES					
AD VALOREM TAXES	8,532,602	9,316,385	9,882,373	10,060,049	10,307,589
INTERGOVERNMENTAL	3,046,424	2,641,609	3,031,458	3,067,235	3,089,618
SALES TAX	3,438,627	4,032,708	4,262,333	4,574,090	4,587,149
OTHER	<u>2,473,706</u>	<u>2,462,532</u>	<u>2,434,716</u>	<u>2,327,199</u>	<u>3,767,332</u>
TOTAL	<u>17,491,359</u>	<u>18,453,234</u>	<u>19,610,880</u>	<u>20,028,573</u>	<u>21,751,688</u>
EXPENDITURES					
GENERAL GOVERNMENT	3,034,227	3,151,728	3,162,020	3,352,180	4,515,805
PUBLIC SAFETY	9,146,291	9,261,355	9,891,816	9,897,573	11,520,584
TRANSPORTATION	2,788,756	2,622,651	2,110,250	2,768,460	2,778,382
WASTE	2,143,425	2,157,073	2,244,457	2,362,022	2,913,542
OTHER	<u>387,101</u>	<u>297,993</u>	<u>1,084,073</u>	<u>937,991</u>	<u>1,054,127</u>
TOTAL	<u>17,499,800</u>	<u>17,490,800</u>	<u>18,492,616</u>	<u>19,318,226</u>	<u>22,782,440</u>
PRIOR PERIOD ADJUSTMENT-CHANGE IN ACCT.		245,730			
ADJ. TO FUND BALANCE FOR GOLF LOAN		<u>0</u>		<u>1,305,625</u>	
ENDING BALANCE	<u>\$ 7,805,195</u>	<u>\$ 9,013,359</u>	<u>\$ 10,131,623</u>	<u>\$ 9,536,345</u>	<u>\$ 8,505,593</u>
 SPECIAL TAX					
BEGINNING BALANCE	\$ 80,179	\$ 116,640	\$ 135,221	\$ 76,484	\$ 159,029
REVENUES					
AD VALOREM TAXES	42,494	51,553	48,124	57,301	55,829
OTHER	<u>61,998</u>	<u>51,826</u>	<u>54,353</u>	<u>113,795</u>	<u>52,000</u>
TOTAL	<u>104,492</u>	<u>103,379</u>	<u>102,477</u>	<u>171,096</u>	<u>107,829</u>
EXPENDITURES					
DOWNTOWN REVITALIZATION	<u>68,031</u>	<u>84,798</u>	<u>161,214</u>	<u>88,551</u>	<u>251,329</u>
TOTAL	<u>68,031</u>	<u>84,798</u>	<u>161,214</u>	<u>88,551</u>	<u>251,329</u>
ENDING BALANCE	<u>\$ 116,640</u>	<u>\$ 135,221</u>	<u>\$ 76,484</u>	<u>\$ 159,029</u>	<u>\$ 15,529</u>

DEBT SERVICE

The City has outstanding general obligation bonds totaling \$6,610,774 which were issued for improvements in water and sanitary sewer system of the City. While these bonds are guaranteed by the general taxing power of the City, they are being paid from water and sewer revenue. Currently there are no bond issues paid out of the General Fund. The City has currently no plans to extend its bonded debt. The City's bond rating as listed below was updated during 95/96 for a February 1996 bond refunding. Standard and Poors upgraded the City's bond rating in November 1989, from an A rating to an A+. The Municipal Council upgraded the City's rating in 2002 from an 82 to an 83. Moody's Investment Service upgraded the City's rating in 1996 from A to A1.

Moody's Investment Service	A1
Standard and Poors	A+
Municipal Council, Inc.	83

The North Carolina General Statutes are very specific about the amount of general long term debt that can be issued by local governments. The statutes state that long-term debt, net of debt issued for specific enterprise activities, cannot exceed eight percent of the assessed valuation of the governmental unit. The legal debt limit of the City as of June 30, 2005 is as shown in the following table.

Assessed Valuations		<u>\$ 1,678,880,548</u>
Debt limit 8% of assessed valuations		\$ 134,310,444
Amount of debt applicable to debt limit:		
Outstanding debt evidenced by bonds	6,610,774	
Unissued bonds authorized by existing orders	-	
Outstanding debt not evidenced by bonds:		
Notes	1,657,500	
Installment purchase contracts	21,931,592	
Capital leases	375,036	
Annexation liability for fire protection	<u>22,522</u>	
Total	30,597,424	
Less deduction allowed by G.S. 159.55(a)(2) and G.S. 159.55(b)-Utility debt		<u>6,610,774</u>
Net Debt		<u>23,986,650</u>
LEGAL DEBT MARGIN		<u>\$ 110,323,794</u>

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SCHEDULE OF DEBT SERVICE

DESCRIPTIONS	FY 06-07	FY 07-08	FY 08-09	FY 09-10
	REQ.	REQ.	REQ.	REQ.
Interfund Loan				
Golf; Golf Course Improvements; 4.76% interest; 2/13/02; due quarterly; outstanding \$345,000	75,351	72,495	69,639	66,783
Golf: Loan from GF; 3% interest; re-issued 2002; due quarterly; outstanding \$989,730	0	0	0	0
	75,351	72,495	69,639	66,783
General Obligation				
Water & Sewer Refunding; 4.4% to 4.9% interest; 1996; due serially to 2011; outstanding \$5,805,000	1,469,120	1,394,380	1,318,805	1,242,455
	1,469,120	1,394,380	1,318,805	1,242,455
State Revolving Loans				
Water Imp.; 2.6% interest; issued 11/1/00; due annually to 2020; outstanding \$1,560,000	138,060	135,525	132,990	130,455
	138,060	135,525	132,990	130,455
Installment Purchases				
Service Center/Parking Lot; 5.26% interest; dated 12/7/99; fifteen years; outstanding \$765,000	128,464	123,730	118,996	114,262
Water Plant; Raw Water Pump Loan; 3.67% interest; dated 5/13/04; 15 years; outstanding \$6,272,055	611,005	611,005	611,005	611,005
Compost Facility; 4.59% interest; dated 11/20/92; fifteen years; outstanding \$69,829	51,005	21,252	0	0
Street repair; 3.14% interest; dated 4/3/03; 15 years; outstanding \$700,000	120,802	117,662	114,522	111,382
Water and Sewer; 3.52% interest; modified 5/13/04; 13 years; quarterly; outstanding \$2,576,417	327,192	318,756	310,319	301,883

SCHEDULE OF DEBT SERVICE

FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
REQ.	REQ.	REQ.	REQ.	REQ.	REQ.	REQ.
63,927	46,071	0	0	0	0	0
0	21,475	36,981	80,500	80,500	80,500	80,500
63,927	67,546	36,981	80,500	80,500	80,500	80,500
1,222,085	0	0	0	0	0	0
1,222,085	0	0	0	0	0	0
127,920	125,385	122,850	120,315	117,780	115,245	112,710
127,920	125,385	122,850	120,315	117,780	115,245	112,710
109,528	104,794	100,060	95,325	45,887	0	0
611,005	611,005	611,005	611,005	611,005	611,005	611,005
0	0	0	0	0	0	0
108,242	105,102	101,963	0	0	0	0
293,447	285,010	276,574	268,138	259,702	251,265	182,913

SCHEDULE OF DEBT SERVICE

DESCRIPTIONS	FY 06-07 REQ.	FY 07-08 REQ.	FY 08-09 REQ.	FY 09-10 REQ.
Water and Sewer Utility Relocates; 4.56% interest; 8/30/01; 7 years; outstanding \$205,089	96,424	96,424	24,105	0
Water and Sewer Imp.; 4.61% interest; 10/13/98; 15 years; outstanding \$926,688	146,850	146,850	146,850	146,850
Waterline Imp.; 4.05% interest; dated 6/28/94; fifteen years; outstanding \$626,881	224,018	224,018	224,018	0
Lee Co. Water System Purchase; 3.47% interest; adjusted 3/10/2006; 15 yrs; quarterly; outstanding \$6,377,186	585,176	585,176	585,176	585,176
Sludge Handling Facility; 4.79% interest; dated 3/31/97; ten years; outstanding \$275,035	281,647	0	0	0
Solid Waste; Leaf Vac Truck; 2.74% int.; dated 12/19/2003; five years; outstanding \$35,744	24,403	12,201	0	0
Fire Dept.; fire truck/aerial pumper; 5.23% interest; dated 2/28/00; seven years; outstanding \$39,144	39,912	0	0	0
Solid Waste: Knuckleboom Truck; 2.78% interest; dated 12/3/04; quarterly; outstanding \$49,125	33,550	16,775	0	0
Water Const. & Maint., Backhoe, 3.77% interest, 12/27/05; outstanding \$52,460	22,087	22,087	11,044	0
Golf, Greens Mower; 4.87% interest; dated 8/9/01; six years; outstanding \$1,405	1,421	0	0	0

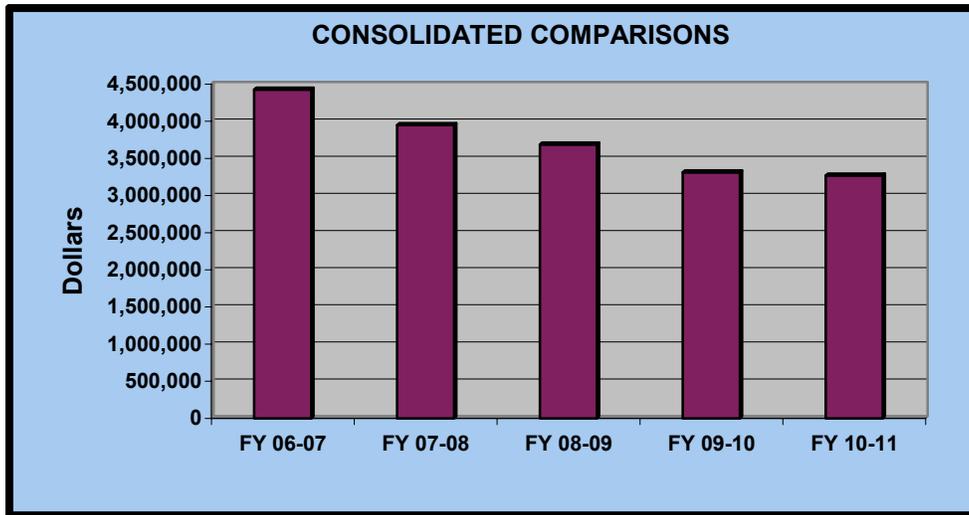
SCHEDULE OF DEBT SERVICE

FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
REQ.						
0	0	0	0	0	0	0
146,850	146,850	146,850	73,425	0	0	0
0	0	0	0	0	0	0
585,176	585,176	585,176	585,176	585,176	585,176	585,176
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

SCHEDULE OF DEBT SERVICE

DESCRIPTIONS	FY 06-07	FY 07-08	FY 08-09	FY 09-10
	REQ.	REQ.	REQ.	REQ.
Golf; Mowers/Spiker; 2.35% interest dated 8/8/03; six years; outstanding \$56,708	25,720	25,720	6,430	0
Street, Backhoe, 3.77% interest dated 12/27/05; three years outstanding \$52,460	22,087	22,087	11,044	0
	2,741,763	2,343,743	2,163,509	1,870,558
TOTAL DEBT SERVICE	4,424,294	3,946,143	3,684,943	3,310,251

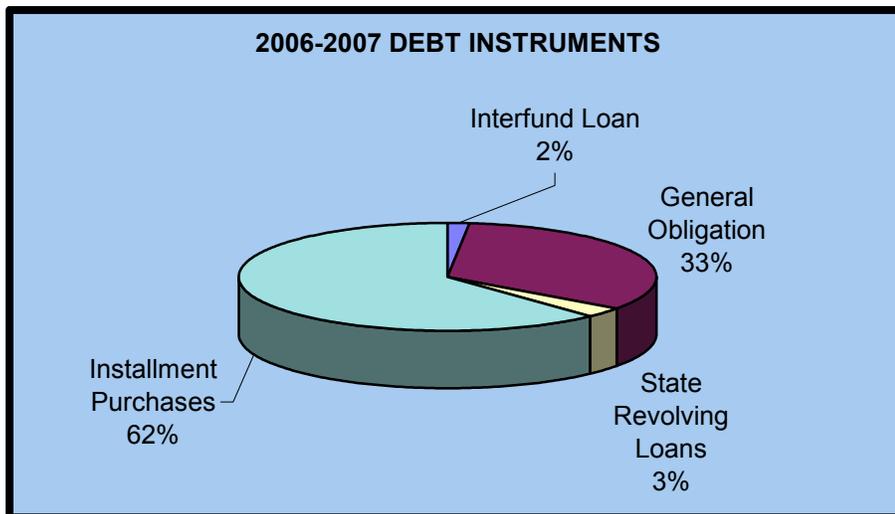
Note: Principle and interest included with annual requirements.



Totals include principal and interest payments due for each fiscal year.

SCHEDULE OF DEBT SERVICE

FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
REQ.						
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,854,248	1,837,937	1,821,628	1,633,069	1,501,770	1,447,446	1,379,094
3,268,180	2,030,868	1,981,459	1,833,884	1,700,050	1,643,191	1,572,304



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GENERAL FUND

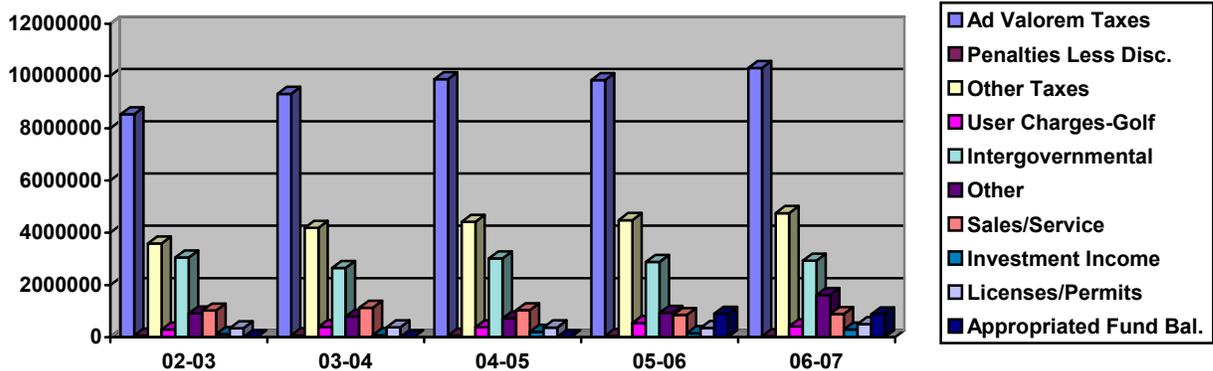
Goal: To account for the revenues of all city departments except those required to be accounted for in other funds.

REVENUE SUMMARIES

Revenue Sources	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Ad Valorem Taxes	8,532,603	9,316,385	9,882,373	9,846,792	9,978,323	10,307,589
Penalties Less Disc.	60,790	65,376	61,666	45,000	40,000	40,000
Other Taxes	3,585,690	4,183,807	4,418,700	4,484,350	4,732,049	4,752,149
User Charges-Golf	291,388	384,056	379,737	541,000	380,500	411,000
Intergovernmental	3,052,308	2,650,008	3,021,337	2,880,776	2,898,526	2,928,678
Other	912,325	790,738	716,138	940,357	810,710	1,616,460
Sales/Service	1,020,988	1,133,629	1,031,454	851,000	885,000	885,000
Investment Income	117,890	78,795	203,431	151,000	295,000	295,000
Licenses/Permits	343,918	377,671	369,131	355,000	303,000	494,872
Appropriated Fund Balance	0	0	0	897,229	4,955,604	873,864
Total	17,917,900	18,980,465	20,083,967	20,992,504	25,278,712	22,604,612

GRAPHIC REPRESENTATION

FY 06-07 revenues increased \$1,612,108 or eight (8%) percent compared to the FY 05-06 budget. The largest increase in revenue is within ad valorem taxes totaling \$460,797. The increase is related to assessed valuation growth. Other taxes increased \$267,799 or six (6%) percent. The increase is primarily in sales taxes which are attributable to continued economic growth. Sales and service revenue increased \$34,000 due to the projected increase in waste management user fees. Intergovernmental revenues show increases totaling \$47,902 with the projected revenue received for the inspections contract eliminated due to the increase in inspection fees to offset expenditures. Investment income increased \$145,000 due to rising interest rates. The fund balance appropriation decreased \$23,365. The **FY 05-06** budget increased mainly with the appropriation of \$897,229 of fund balance. **FY 04-05** shows increases mainly within ad valorem tax. **FY 03-04** shows an increase primarily due to an increase in the ad valorem tax rate. **FY 02-03** shows major increase mainly due to the increase in the waste management fee and the reinstatement of funding withheld by the state in prior year.



GENERAL FUND

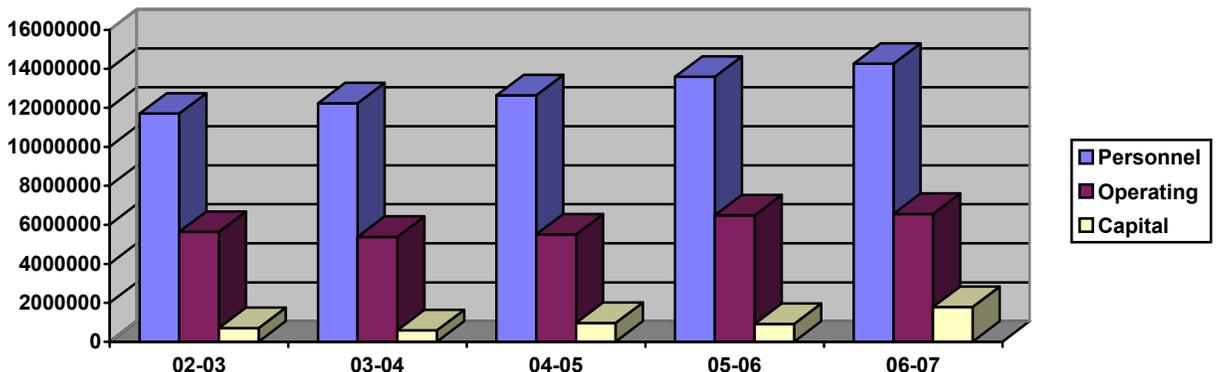
Goal: To account for the expenditures of all city departments except those required to be accounted for in other funds.

EXPENDITURE SUMMARIES

Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	11,701,858	12,226,890	12,634,275	13,591,810	14,801,290	14,264,025
Operating	5,635,343	5,387,012	5,506,898	6,482,012	7,717,770	6,554,333
Capital Outlay	704,886	590,385	966,746	918,682	2,759,652	1,786,254
Total	18,042,087	18,204,287	19,107,919	20,992,504	25,278,712	22,604,612
Budgeted Employees	257	262	268	263	273	262

GRAPHIC REPRESENTATION

FY 06-07 expenditures reflect increases of \$1,612,108 or eight (8%) percent compared to the FY 05-06 budget. Personnel costs represent sixty-three percent of the total general fund budget. Increases in personnel costs total \$672,215, which includes a 3% cost of living adjustment and funding for merit pay. Two positions were eliminated within golf due to the golf fund being transferred into the general fund. One position was added for a new graffiti removal program. Other personnel increases include an 8% health insurance premium adjustment. Operating and capital outlay increases are shown in detail at the departmental level. Interfund reimbursements are shown as reductions to expenses for services provided and charged to other funds. **FY 05-06** shows substantial increases within operating expenses for increased fuel costs. Decreases within personnel include the elimination of a stormwater position that was never filled, the elimination of a position within shop as the contract with Lee County was terminated, the strategic information services position along with the E-911 coordinator position was transferred to Lee County, and one position was eliminated within code enforcement. **FY 04-05** shows increases due to six new positions as well as an increased appropriation to the Golf Fund and operating and capital expenses that are detailed at the departmental level. **FY 03-04** shows as a slight decrease mainly due to reduced capital expenditures. Capital outlay is detailed at the departmental level. **FY 02-03** shows major increases that include one time cost for FEMA storm expenditures, COLA costs and scheduled costs for patrol replacement vehicles.



GOVERNING BODY

Fund: General

Function: General Government

Goal: To maintain a safe, pleasant environment within the community by providing effective government through the efficient delivery of public services.

DEPARTMENTAL SUMMARIES

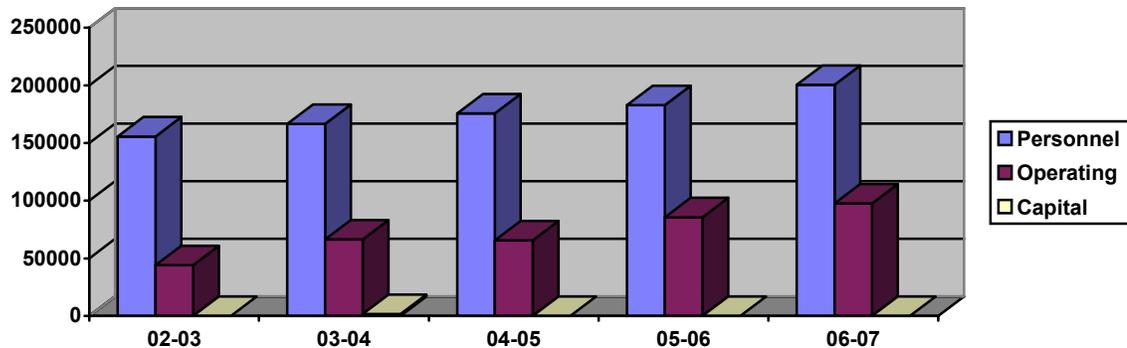
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	155,571	166,432	175,639	182,798	192,144	200,420
Operating	44,084	66,469	65,492	85,620	97,620	97,620
Capital	0	1,692	0	0	0	0
Subtotal	199,655	234,593	241,131	268,418	289,764	298,040
Less Interfund Reimbursement	0	0	(20,461)	(50,225)	(49,329)	(51,445)
Total	199,655	234,593	220,670	218,193	240,435	246,595
Budgeted Employees	9	9	9	9	9	9

2006-2007 CAPITAL OUTLAY DETAIL

No funding for capital outlay was approved.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$29,622 or eleven percent (11%) compared to FY 05-06 budget prior to interfund reimbursements. Cost increases annually are attributable to cost of living and other personnel related expenses. Training increases were included due to the election of new council members.



GOVERNING BODY

The Governing Body is the legislative and policy making body of the City. It is composed of a mayor and seven council members, five of whom are elected from individual wards and two who are elected at-large. The Mayor is elected for a four-year term of office and the council members are elected for staggered terms of four years. The Mayor presides at meetings and serves as the ceremonial head of government. The Mayor Pro Tem serves in the absence of the Mayor and is appointed by fellow council members for a period of four years. The council members are all members of the Law and Finance Committee. Special meetings are held when necessary to include budget work sessions. The City Clerk prepares the agenda and minutes for Board and Committee meetings; attests to and maintains files of certified minutes; indexes minutes for easy reference; maintains resolutions and ordinances and administers Oaths of Office.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To maintain and expand the governing body's knowledge of new programs and initiatives which will assist in the development of sound policy-making decisions on behalf of the citizens of our community

Objective: Council members will attend pertinent national, state, and local meetings which will help them stay abreast of important local issues

Measures:

Congressional Action Committee Meetings Attended	12	12	12
Town Hall Day (Members attending)	6	6	5
National League of Cities Conferences (Members attending)	5	5	6
NC League of Municipalities Conferences (Members attending)	4	4	4
Committee of 100 Meetings	12	12	12
Chamber of Commerce Meetings	13	13	13
Lee County Economic Development Meetings	15	16	18
Quest for Excellence Meetings	N/A	14	24

Goal: To maximize the benefit of the National Night Out program which seeks to bring the city officials, the law enforcement community, and neighborhoods together to be aware of crime and its impact on our community

Objective: Council will continue strengthening the program by visiting as many community events as possible to communicate with the citizens as they listen to their concerns and ideas

Measures:

National Night Out Events	18	18	20
National Night Out Awards Received	9	10	11
Coordinate National Night Out Events	20	20	20

Goal: City Clerk – To provide for and ensure the accurate compilation and maintenance of the legislative history of the official actions and documents of the City of Sanford

Objective: 1) To compile and distribute all agenda documents for City Council and Law and Finance Committee meetings; 2) To attend meetings and transcribe accurate, unbiased minutes of proceedings in accordance with established procedures and time frames; accurate documentation of ordinances, resolutions, and proclamations; 3) Advertise and prepare applications for boards and commissions appointments

Measures:

Law and Finance Committee Meetings	24	24	24
City Council Meetings	26	26	26
Prepare agendas and attend commission meetings	51	51	51
Adopted City Ordinances and Resolutions	119	100	150
Prepare applications for Boards and Commissions appointments	17	18	15

ADMINISTRATION

Fund: General

Function: General Government

Goal: To see that all the laws of the state, and ordinances, resolutions, rules and regulations of the City Council are faithfully executed and enforced within the jurisdiction of the City.

DEPARTMENTAL SUMMARIES

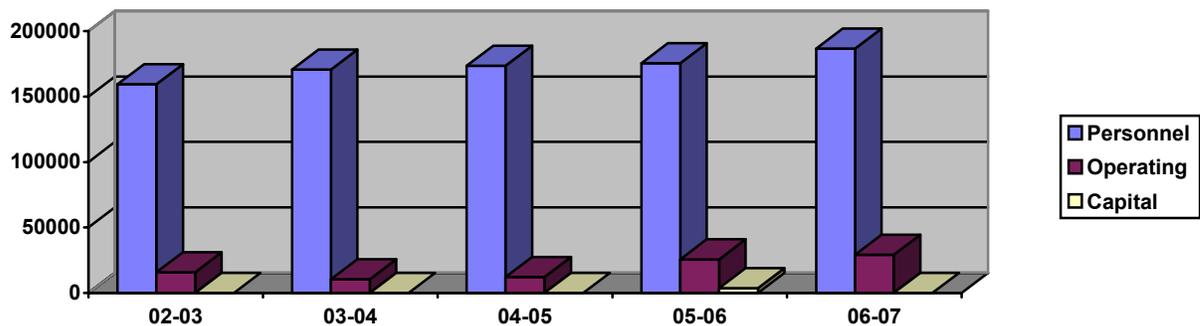
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	159,361	170,604	173,442	175,490	186,686	186,735
Operating	15,770	10,460	12,196	25,620	29,100	29,100
Capital	0	0	0	3,600	0	0
Subtotal	175,131	181,064	185,638	204,710	215,786	215,835
Less Interfund Reimbursement	0	0	(17,950)	(38,765)	(37,976)	(39,606)
Total	175,131	181,064	167,688	165,945	177,810	176,229
Budgeted Employees	2	2	2	2	2	2

2006-2007 CAPITAL OUTLAY DETAIL

No funding for capital outlay was requested.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$11,125 or five percent (5%) compared to FY 05-06 budget prior to interfund reimbursements. Cost increases annually are attributable to cost of living and other personnel related expenses.



ADMINISTRATION

The City Manager, appointed by the City Council, is the Chief Executive Officer of the City. The Manager administers the policies adopted by the Council and supervises the daily operation of the City through department heads. Other responsibilities include the development of the annual budget, preparation of Council meeting agendas, development of staff recommendations, supporting information on all matters to be considered by the Council, responding to citizen complaints and service requests, conducting disciplinary hearings, approving purchases between \$5,000 and \$15,000, and preparing and reviewing special reports.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To provide professional administration of policies and programs established by the City Council as well as provide leadership in the daily administration of City government

Objective: 1) Review all agenda items being presented to the City Council and attend all Council meetings;
2) To represent the City at all meetings and provide policy guidance for the Council

Measures:

Congressional Action Committee meetings attended	12	12	12
Town Hall Day (Members attending)	6	6	5
National League of Cities Conferences (Members attending)	5	5	6
NC League of Municipalities Conferences (Members attending)	4	4	4
Committee of 100 Meetings	12	12	12
Chamber of Commerce Meetings	13	13	13
Lee County Economic Development Meetings	15	16	18
Quest for Excellence meetings	N/A	14	24

HUMAN RESOURCES

Fund: General

Function: General Government

Goal: To organize a comprehensive personnel program that will facilitate the hiring and retention of well-qualified employees.

DEPARTMENTAL SUMMARIES

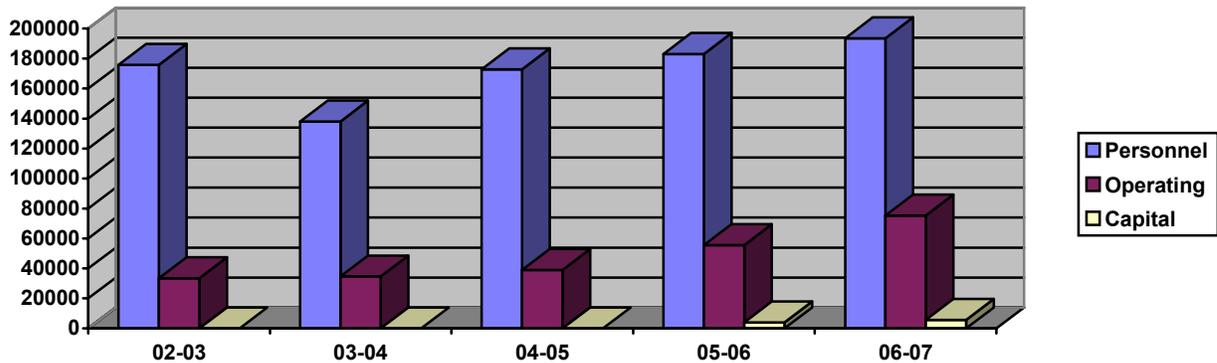
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	175,798	138,054	172,872	183,112	194,020	193,441
Operating	33,444	34,692	38,969	55,660	58,765	75,415
Capital	0	0	0	4,000	9,000	5,700
Subtotal	209,242	172,746	211,841	242,772	261,785	274,556
Less Interfund Reimbursement	0	0	(21,446)	(36,984)	(43,337)	(45,196)
Total	209,242	172,746	190,395	205,788	218,448	229,360
Budgeted Employees	3	3	3	3	3	3

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes two (2) lateral fire proof file cabinets, \$4,000; and one (1) computer, \$1,700.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$31,784 or thirteen percent (13%) compared to FY 05-06 budget prior to interfund reimbursement. Increase is a result of increased personnel costs coupled with the addition of a pay class study within contractual services. **FY 03-04** shows a decrease in personnel costs due to vacancies within the department.



HUMAN RESOURCES

The Department of Human Resources exists as a support department to all other city departments and provides a wide range of services to employees. The most prominent functions that the department performs include recruitment and selection; new employee orientation; benefits review and administration; wage & salary administration; position evaluation; employee development, training and education; performance management; employee relations (reward and disciplinary procedures and programs); human resource policy development, interpretation and administration; leave management (short-term disability, family medical leave, leave without pay, etc.), tracking and trending; personnel database development and administration; reporting; record retention and management; and compliance with Federal laws affecting human resources such as FLSA, Equal Pay Act, Title VII Discrimination, FMLA, ADA, Sexual Harassment, HIPPA, COBRA, USERRA, etc.; NC State laws and court decisions such as employee records privacy and applicant privacy; and local City of Sanford Policies and Procedures. A growing workforce, coupled with increasingly complex state and federal regulations, continues to expand the scope and responsibility of the department.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To continue to provide positive employee relations for all employees of the City of Sanford

Objective: To provide general administration of the Human Resources employee relations activities of the City

Measures:

United Way Campaign participation (calendar year)	80	81	81
Service Award employees honored (calendar year)	52	52	53
Wellness Program / Lunch-n-Learn sessions	3	11	11
Employee Benefits Fair participation	106	125	125

Objective: To provide a communication resource to share general business information, improve employee understanding of programs, etc., and improve employee morale

Measures:

Human Resources focal point meetings / visits	-	10	20
Newsletter publications	6	6	6

Goal: To maintain organizational development and employee effectiveness through Human Resource programs

Objective: To provide monthly cost effective training programs for employees

Measures:

Management Policy Review Meetings	2	9	10
Students / Hours	57	270	300
Employee Training Sessions	-	-	2
Students (count duplicated)	-	-	400
Student hours	-	-	600

Objective: To monitor recruitment and retention efforts for all City positions

Measures:

US DOL / ESC Monthly Employment Statistics Report	12	12	12
Personnel hired – full time regular	48	45	45
Personnel hired – temporary	6	3	3
Personnel separated – all personnel	25	25	25
Personnel separated – excluding retirees	20	21	21
Turnover rate – all personnel	7.7%	7.7%	7.7%
Turnover rate – excluding retirees	6.1%	6.2%	6.2%

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To ensure that the City remains compliant with all applicable Federal, State, and local laws and City policies

Objective: To ensure compliance with COBRA regulations

Measures:

COBRA notices to new employees	48	45	45
COBRA election forms to eligible employees / dependents	-	40	40

Objective: To update City of Sanford personnel policies and procedures in an effort to ensure compliance with Federal, State, and local laws and City practice and assure fair and equitable treatment

Measures:

Review and revise City of Sanford Personnel Policy	7	4	4
Develop and / or review HR task procedures	-	5	8

RISK MANAGEMENT

Fund: General

Function: General Government

Goal: To organize and administer a comprehensive safety program that will insure a safe working environment for all city employees.

DEPARTMENTAL SUMMARIES

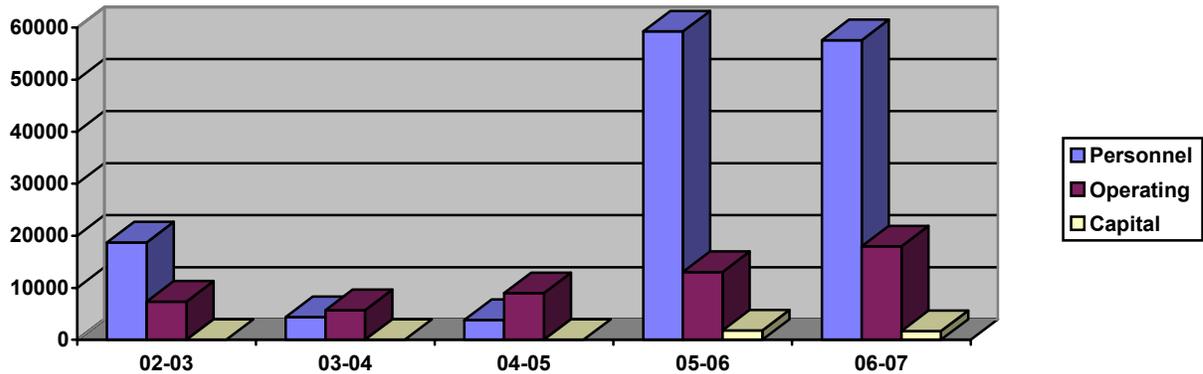
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	18,715	4,373	3,817	59,258	57,288	57,561
Operating	7,383	5,730	8,986	13,065	25,525	17,980
Capital	0	0	0	1,800	7,700	1,700
Subtotal	26,098	10,103	12,803	74,123	90,513	77,241
Less Interfund Reimbursement	0	0	(5,573)	(4,326)	(5,457)	(5,691)
Total	26,098	10,103	7,230	69,797	85,056	71,550
Budgeted Employees	0	0	1	1	1	1

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) computer, \$1,700.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$3,118 or four percent (4%) compared to **FY 05-06** budget prior to interfund reimbursement. This increase is due to personnel related costs. **FY 05-06** reflects the hiring of a new risk management officer for a full year. **FY 02-03** shows payout of funding for retiree and no other personnel costs with all job duties transferred to other departments. Supplies and medical testing for risk management remain in this cost center.



RISK MANAGEMENT

The Risk Management Office is responsible for coordinating and administering the City of Sanford's health & safety, workers' compensation, and property & liability programs. These responsibilities include conducting necessary compliance and general training sessions, developing and updating policies and procedures, investigating accidents/injuries/claims, monitoring and advising on loss control and safety matters, negotiating claim settlements, communicating with all departments on insurance matters to minimize the overall risk of loss to the City, and preparing reports.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To provide a safe employee and public work environment intending to minimize injury, property damage and related claims costs

Objective: To provide general administration of the City's workers' compensation, property and liability, and health and safety programs

Measures:

Formal safety training at the department / division level	-	2	6
Field inspections related to employee and public safety	-	8	36
Workers' comp claims cost analysis report to management	4	4	4
Workers' comp claims administered (to include FYI's)	40	35	35
Recordable cases	28	20	20
Lost Work Days (LWD)	110	100	100
Medical and indemnity annual loss incurred	\$43,306	\$55,000	\$55,000
Auto / general liability claims administered	22	22	22
Auto / general liability annual loss incurred	\$77,809	\$78,000	\$78,000

ELECTIONS

Fund: General

Function: General Government

Goal: To account for expenditures incurred for the municipal elections.

DEPARTMENTAL SUMMARIES

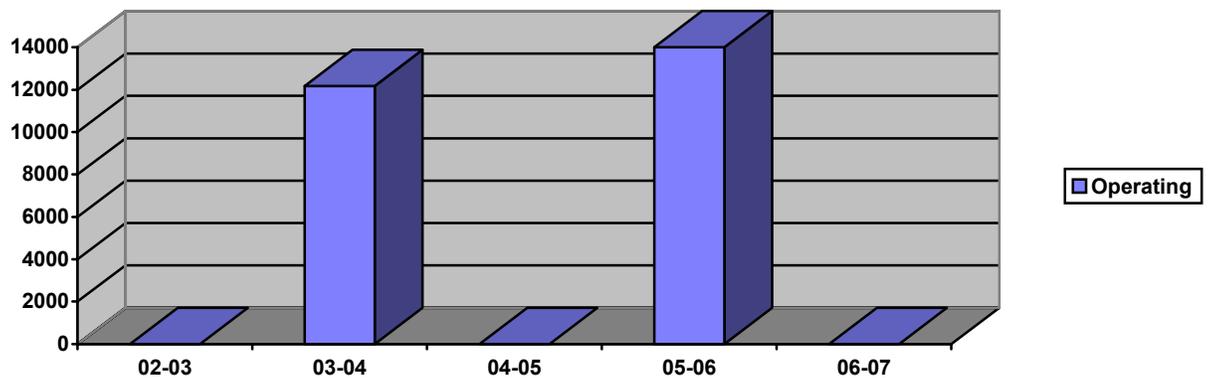
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	0	0	0	0	0	0
Operating	0	12,175	0	14,000	0	0
Capital	0	0	0	0	0	0
Total	0	12,175	0	14,000	0	0
Budgeted Employees	0	0	0	0	0	0

2006-2007 CAPITAL OUTLAY DETAIL

No funding for capital outlay was requested.

GRAPHIC REPRESENTATION

Elections reflect costs associated with the city election held bi-annually.



FINANCIAL SERVICES

Fund: General

Function: General Government

Goal: To plan, organize, and coordinate the administration of all fiscal functions in a fiscally responsible manner, resulting in a financially strong City.

DEPARTMENTAL SUMMARIES

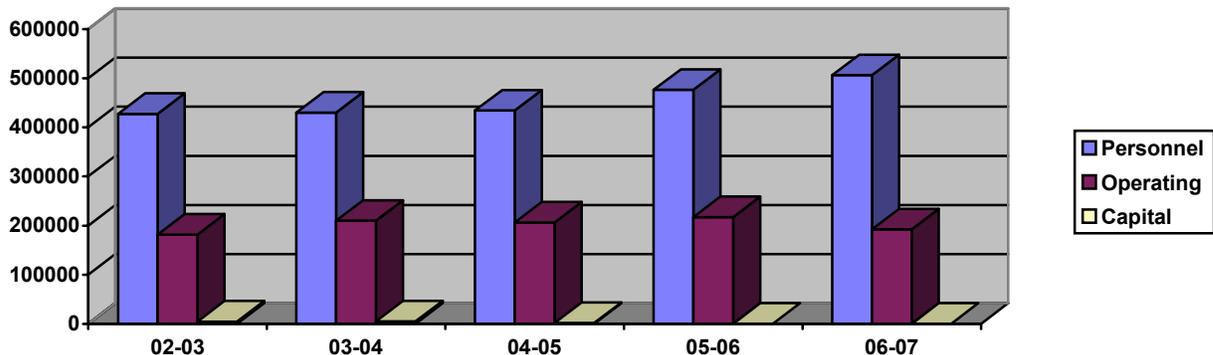
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	427,450	429,968	434,241	476,508	511,166	506,057
Operating	181,667	209,951	206,185	217,210	217,500	192,500
Capital	4,848	5,097	1,798	0	100,000	0
Subtotal	613,965	645,016	642,224	693,718	828,666	698,557
Less Interfund Reimbursement	0	0	(62,928)	(138,094)	(131,013)	(136,636)
Total	613,965	645,016	579,296	555,624	697,653	561,921
Budgeted Employees	8	8	8	8	8	8

2006-2007 CAPITAL OUTLAY DETAIL

No capital outlay funding was approved.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$4,839 or one percent (1%) compared to FY 05-06 budget prior to interfund reimbursement. Increases for **FY 06-07** as well as **FY 05-06** are mainly attributed to personnel related costs. However, the decrease shown within operating for **FY 06-07** is related to a reduction in the tax collection contract fee with Lee County.



FINANCIAL SERVICES

Financial Services is responsible for managing all the financial operations of the City which include: accounts payable, accounts receivable, annual audit process, annual budget preparation and monitoring, capital project accounting, capital asset reporting, cash and investment management, debt administration, financial analysis, financial reporting, and payroll.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To insure accountability of public funds, the department will have an annual independent audit conducted and issue a comprehensive annual financial report (CAFR)

Objective: Prepare the annual financial report according to State requirements and submit to the Government Finance Officer's Association's (GFOA) for consideration in the Certificate of Achievement for Excellence in Financial Reporting Awards Program

Measures:

Submit CAFR to State Treasurer no later than October 31	100%	100%	100%
Number of GFOA Certificate of Achievement for Excellence in Financial Reporting Awards received	25	26	27
Publish financial statements within 10 days of month end	70%	85%	100%

Goal: To insure accountability of public funds, the finance department will prepare and monitor the annual budget

Objective: Provide ongoing monitoring of the budget and submit the budget to GFOA for consideration in the Distinguished Budget Presentation Awards Program

Measures:

Provide quarterly budget reports within 20 days of quarter end	80%	100%	100%
Submit the budget to GFOA no later than 90 days after adoption date	100%	100%	100%
Number of GFOA Distinguished Budget Presentation Awards received	19	20	21

Goal: Monitor compliance with internal control policies and procedures to assist in safeguarding public funds

Objective: Conduct at least four policy and procedure audits each fiscal year and at least two inventory counts

Measures:

Audit of cash drawers	20%	50%	100%
Physical inventory counts	100%	100%	100%

INFORMATION SYSTEMS

Fund: General

Function: General Government

Goal: To develop system strategy plans as well as computer network implementation for city systems operating in compliance with state and federal licensing.

DEPARTMENTAL SUMMARIES

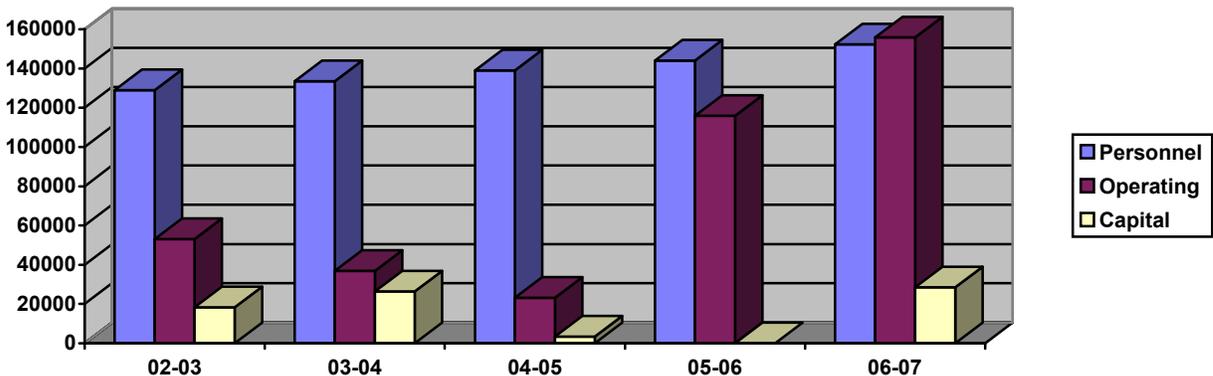
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	128,950	133,507	139,001	144,055	152,456	152,266
Operating	53,056	36,945	23,182	115,916	161,826	155,726
Capital	18,309	26,298	3,459	0	35,500	28,500
Subtotal	200,315	196,750	165,642	259,971	349,782	336,492
Less Interfund Reimbursements	0	0	0	0	0	(35,340)
Total	200,315	196,750	165,642	259,971	349,782	301,152
Budgeted Employees	2	2	2	2	2	2

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) video DVD system, \$800; one (1) video monitor, \$750; three (3) audio amplifiers, \$2,700; three (3) main speakers, \$2,400; three (3) monitor speakers, \$1,950; two (2) microphone audio mixers, \$1,400; one (1) rack for video components, \$2,200; one (1) rack for audio components, \$1,700; and one (1) lighting system, \$14,600.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$76,521 or twenty-nine percent (29%) compared to the **FY 05-06** budget prior to interfund reimbursement. The increase is attributed to a full year of funding for the local access channel as well as capital outlay funding. Increases for **FY 04-05** are mainly attributed to initial funding of a proposed public TV program (\$60,000).



INFORMATION SYSTEMS

The Information Systems Department is responsible for computers, servers, and software at City Hall and eleven satellite locations. Our systems include: fiber optics, transceivers, network switches, routers, networked line printers, networked laser printers, fax devices, programs, tape devices, disk arrays, PCs, servers, and network operating systems. Information Systems will continually provide the city website for citizens and employees to use (www.sanfordnc.net). The department upgrades software and hardware systems to all areas of city government with necessary support to perform and accomplish job functions more efficiently.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To reduce the number of network downtime hours to an absolute minimum that will allow users more time for productivity throughout the entire work year

Objective: To choose reliable computer hardware / software, do all preventive maintenance of systems, fix problems as quickly as possible to provide maximum computer network uptime

Measures:

Hours of network downtime	6	5	4
Respond to help desk problems in a timely manner	100%	100%	100%

Goal: For the city to operate in the most technologically efficient methods possible

Objective: To expand the use of technology throughout all departments to maximize employee efficiency

Measures:

Number of computer users	165	165	168
Number of computer systems in place	150	150	152
Number of network servers in place	15	15	15
Number of databases being utilized	28	29	30

LEGAL

Fund: General

Function: General Government

Goal: To provide legal assistance to the City of Sanford's Administrative staff when needed and to assist and advise the City Council on any legal matters in the performance of their duties.

DEPARTMENTAL SUMMARIES

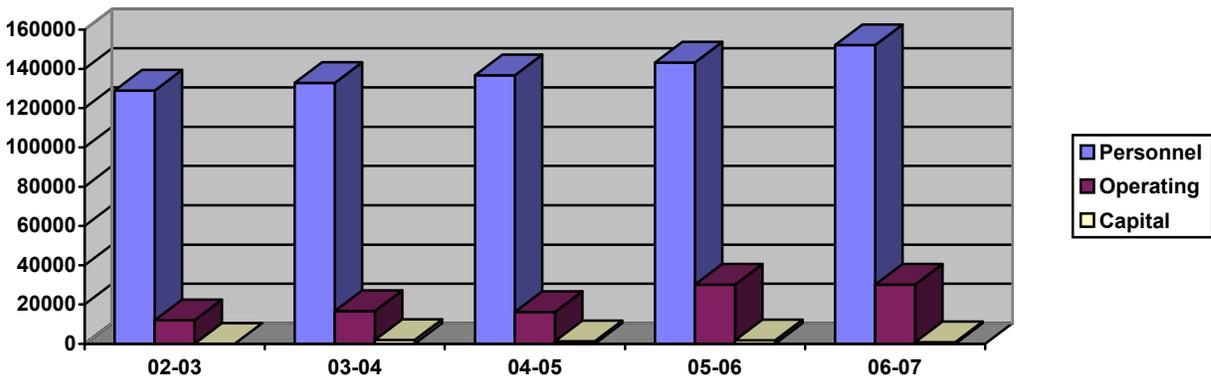
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	129,014	132,749	136,731	143,115	152,498	152,138
Operating	11,998	16,630	16,154	30,110	34,030	30,030
Capital	0	2,000	1,343	1,800	800	800
Subtotal	141,012	151,379	154,228	175,025	187,328	182,968
Less Interfund Reimbursement	0	0	(30,110)	(64,819)	(65,158)	(67,954)
Total	141,012	151,379	124,118	110,206	122,170	115,014
Budgeted Employees	2	2	2	2	2	2

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) printer, \$800.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$7,943 or five percent (5%) compared to FY 05-06 budget prior to interfund reimbursement. This increase is primarily a result of personnel related costs. **FY 05-06** shows increase within operating for additional legal fees. Increase for **FY 04-05** is mainly due to personnel costs and funding of capital outlay. **FY 03-04** shows operating cost increases for cost associated with outside counsel.



LEGAL

A City Attorney and Paralegal manage the legal affairs of the City and give advice and counsel to the City Council, the City Manager, staff, and Advisory Boards.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To insure City Council business is conducted in accordance with requirements of law, the City Attorney will furnish legal support at meetings of the council

Objective: To insure proper procedures are followed at meetings

Measures:

Attend Law and Finance meetings	100%	100%	99%*
City Council meetings	100%	100%	99%*
Board of Adjustment meetings	100%	100%	100%
Housing Board of Appeals meetings	100%	100%	100%

*allowance of illness or scheduling conflicts

Goal: Render advice to staff, management, and City Council and insure legal documents meet requirements of law

Objective: To assist with interpreting the law

Measures:

Review ordinances, minutes, resolutions	99%	99%	99%
Review contracts, documents, easements	100%	100%	100%
Provide guidance on statutes, ordinances and regulations	Daily	Daily	Daily

Goal: To insure the City is properly represented in litigation and prepares the best defense or prosecution of legal claims

Objective: To minimize tax dollars spent on claims

Measures:

Manage Insurance Defense Counsel, provide assistance at trial, prepare staff for court actions	100%	100%	100%
Collect debts owed the City of Sanford, parking tickets, computer purchase program, water bills, etc.	95%	95%	97%

STRATEGIC INFORMATION SERVICES

Fund: General

Function: General Government

Goal: To implement a geographic information system that allows city departments to work as a cohesive, proactive unit with instantaneous access to shared information accessible to citizens.

DEPARTMENTAL SUMMARIES

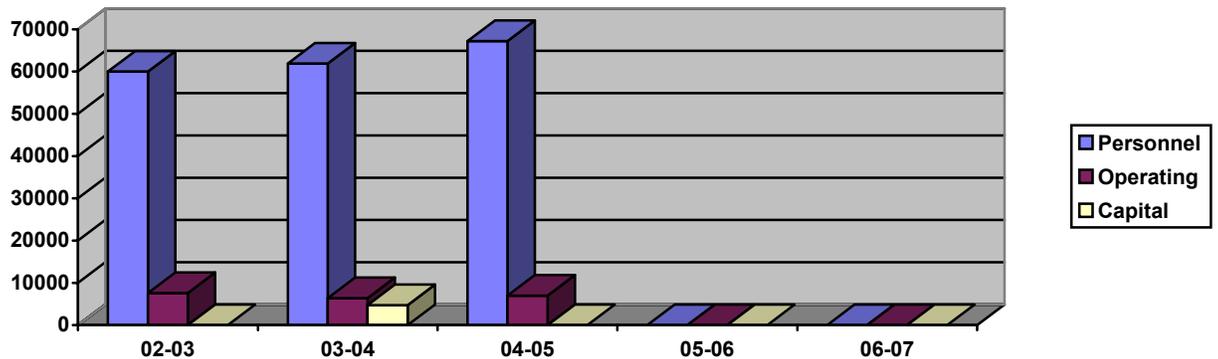
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	59,959	61,906	67,230	0	0	0
Operating	7,583	6,384	6,994	0	0	0
Capital	0	4,755	0	0	0	0
				0	0	0
Total	67,542	73,045	74,224	0	0	0
Budgeted Employees	1	1	1	0	0	0

2006-2007 CAPITAL OUTLAY DETAIL

No funding for capital outlay was requested.

GRAPHIC REPRESENTATION

This department has been consolidated with Lee County. **FY 04-05** increases are due to personnel costs primarily. **FY 03-04** increases are mainly attributed to the funding of capital outlay. **FY 02-03** shows an increase due to a long-term employee transfer into this cost center.



STRATEGIC INFORMATION SERVICES

Strategic Information Services is a function of the Community Development Department. This division is used to manage, analyze, and display data so that it can be spatially referenced. The ability to manipulate and display data is especially important for functions such as Land Use Administration, Long Range Planning, Public Works and Community Policing. The layers of data that are currently in use include tax parcels, county streets, sewer lines, water lines, corporate limits, extraterritorial jurisdiction boundary, land use zoning, water and cell towers, and digital ortho-photography. **This department was consolidated with Lee County in FY 05-06.**

No objectives listed due to consolidation of department with Lee County.

PUBLIC BUILDING

Fund: General

Function: General Government

Goal: To maintain all public buildings and grounds in the most efficient and economical manner.

DEPARTMENTAL SUMMARIES

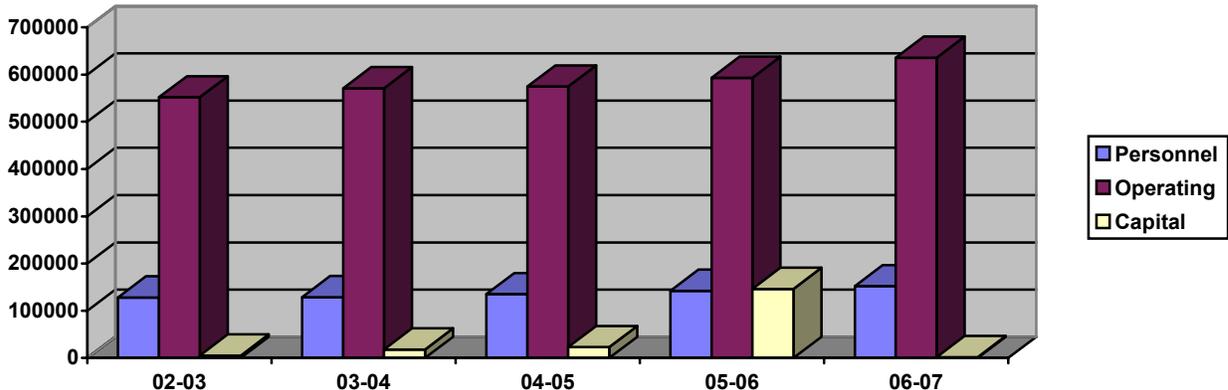
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	128,412	129,053	135,329	142,451	152,884	152,298
Operating	551,665	570,983	574,764	593,051	674,347	635,597
Capital	5,123	18,095	23,062	146,594	137,419	1,700
Subtotal	685,200	718,131	733,155	882,096	964,650	789,595
Less Interfund Reimbursements	0	0	0	0	0	(156,419)
Total	685,200	718,131	733,155	882,096	964,650	633,176
Budgeted Employees	3	3	3	3	3	3

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) computer, \$1,700.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect a decrease of \$92,501 or ten (10%) percent compared to FY 05-06 budget prior to interfund reimbursement. This decrease is primarily due to capital outlay funding. However, the operating costs increased within building, maintenance, and repairs account due to the Sanford Municipal Golf Course being transferred into the General Fund. The increase is also attributed to utilities fuel surcharge fees. **FY 05-06** shows a significant increase due to funding of capital outlay. **FY 04-05** shows an increase mainly due to personnel related costs. **FY 03-04** shows operating cost increases for maintenance building and equipment and utility cost. **FY 02-03** shows a decrease mainly due to significantly less capital funding.



PUBLIC BUILDING

Building maintenance is responsible for the routine and preventive maintenance of City buildings (approximately 150,000 square feet) in order to maintain all City facilities in a safe, structurally sound, and aesthetically pleasing condition for public and employee occupancy in compliance with all City codes. Special jobs are also performed as requested by departments that include: plumbing, carpentry, electrical, painting, relocation of equipment or furniture, and roofing. Other responsibilities include: performing general preventive maintenance, responding to emergency calls pertaining to vandalism, power outages, plumbing leaks or electrical malfunctions. Provide electrical repair work for buildings and downtown lighting, assisting departments in obtaining contract maintenance and construction services and monitoring contract services for air conditioning, plumbing, electrical work, and janitorial services.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To maintain all City buildings in a safe, structurally sound, and aesthetically pleasing condition for public and employee occupancy, in compliance with all City codes, through preventive maintenance and repairs

Objective: To complete a comprehensive inspection of all City buildings at least once every quarter

Measures:

Number of City buildings maintained	7	7	7
Facilities inspected quarterly	7	7	7
Preventive maintenance service on A/C units			
Change filters every 3 months	100%	100%	100%
Clean A/C coils, drain and check belts every 6 months	100%	100%	100%
Respond to emergencies within 4 hours	100%	100%	100%
Work order response time			
Schedule within 2 days of receipt	100%	95%	100%
Complete within 2 weeks	90%	90%	95%

Objective: To ensure all City departments are kept informed on the status of work orders and project recommendations

Measures:

Provide monthly project status reports to departments	12	12	12
Provide project recommendations within 72 hours of receipt	95%	95%	95%

PUBLIC WORKS ADMINISTRATION

Fund: General

Function: General Government

Goal: To increase the effectiveness of all divisions within the Public Works Department.

DEPARTMENTAL SUMMARIES

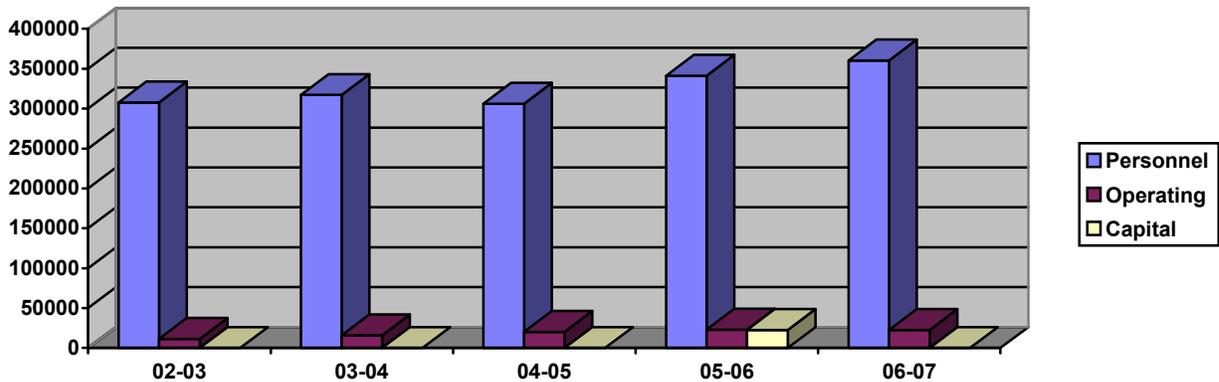
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	307,529	317,036	306,008	341,143	361,012	360,273
Operating	11,317	15,920	19,993	22,775	23,100	22,500
Capital	0	0	0	22,700	21,630	0
Subtotal	318,846	332,956	326,001	386,618	405,742	382,773
Less Interfund Reimbursement	0	0	(108,932)	(228,109)	(222,303)	(231,842)
Total	318,846	332,956	217,069	158,509	183,439	150,931
Budgeted Employees	5	5	5	5	5	5

2006-2007 CAPITAL OUTLAY DETAIL

No funding for capital outlay was approved.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect a decrease of \$3,845 or one percent (1%) compared to FY 05-06 budget prior to interfund reimbursement. Decrease is mainly related to capital funding. Historical changes reflect increases mainly due to salary and benefit adjustments.



PUBLIC WORKS ADMINISTRATION

The Public Works Administration Division is responsible for the effective management of the Public Works Department. Formal departmental staff meetings are held in order to enhance open, productive communication. Discussions are held concerning each division’s activities and any actions or decisions made by administration. The Public Works Director meets informally with division heads on a daily basis to promote communication and problem solving. Safety training is provided on a continuous basis for prevention of accidents and compliance to OSHA standards. The division is also responsible for administrative work including routine record keeping, project funding through grant and loan applications, implementation of written policies, information literature for in-house and public use, special projects and public relations.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: Public Works maintains a productive department through strong leadership and teamwork; services essential to the quality of life in Sanford are provided to citizens in the most cost effective, efficient, and courteous manner possible

Objective: To provide constructive leadership to the Public Works Department by projecting a clear vision for the future, developing effective divisions within the department, and planning, directing and coordinating the efficient use of these divisions while serving the citizens of Sanford

Measures:

Employee satisfaction survey	94%	94%	95%
Reduced sewer spills (gallons)	483,065	85,000*	300,000
Average water unaccounted for	11%	8%	9%
Customer satisfaction survey	98%	100%	98%

*partial

CENTRAL OFFICE

Fund: General

Function: General Government

Goal: To provide office supplies at the most economical prices through bulk purchasing.

DEPARTMENTAL SUMMARIES

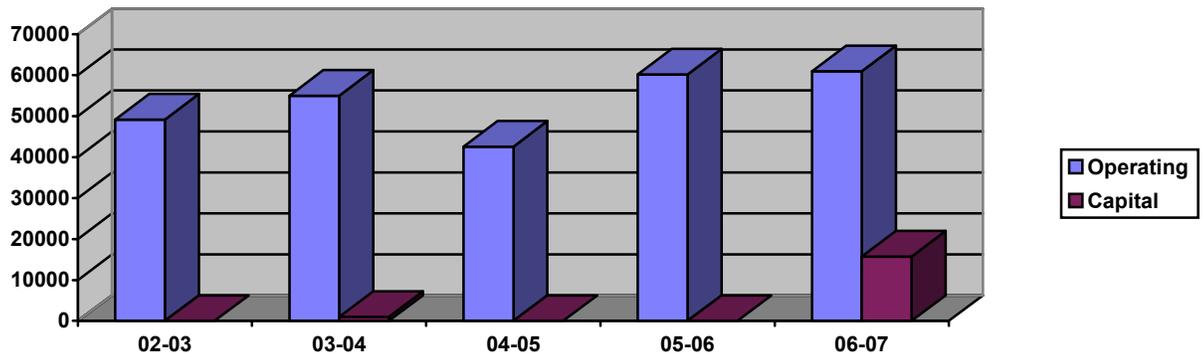
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	0	0	0	0	0	0
Operating	49,168	54,954	42,548	60,150	61,970	60,970
Capital	0	1,006	0	0	15,704	15,704
Subtotal	49,168	55,960	42,548	60,150	77,674	76,674
Less Interfund Reimbursement	0	0	(2,100)	(4,792)	(3,627)	(3,782)
Total	49,168	55,960	40,448	55,358	74,047	72,892
Budgeted Employees	0	0	0	0	0	0

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) mail machine, \$15,704.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$16,524 or twenty-seven (27%) percent compared to FY 05-06 budget prior to interfund reimbursement. The funding of a new mail machine contributes to this increase. **FY 02-03** reflects a decrease mainly due to the non-appropriation of capital outlay.



GENERAL FUND CONTRIBUTIONS

Fund: General

Function: General Government

Goal: To account for transfer appropriation, agency support funding, and contingency appropriation.

DEPARTMENTAL SUMMARIES

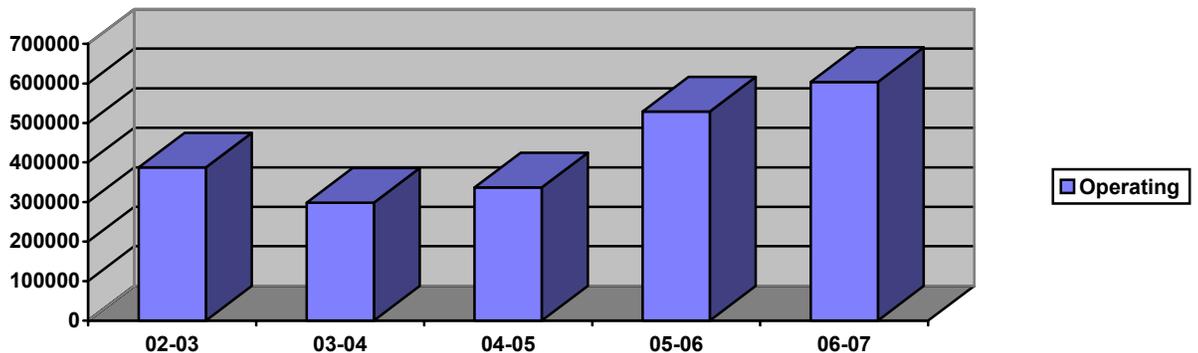
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	0	0	0	0	0	0
Operating	387,101	297,992	336,940	528,680	909,124	603,763
Capital	0	0	0	0	0	0
Total	387,101	297,992	336,940	528,680	909,124	603,763
Budgeted Employees	0	0	0	0	0	0

2006-2007 CAPITAL OUTLAY DETAIL

No funding for capital outlay was requested.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$75,083 or fourteen percent (14%) compared to FY 05-06 budget. Appropriations include funding for the Strategic Information System contract with Lee County. Other annual expenditures include support for the League of Municipalities, Region, J, Institute of Government, Chamber of Commerce, Temple Theatre, the Arts Council, the Special Tax District, Lee County Economic Development Corporation, and Animal Control with Lee County.



GOLF

Fund: General

Function: General Government

Goal: To provide an enjoyable, quality golf course for the general public.

DEPARTMENTAL SUMMARIES

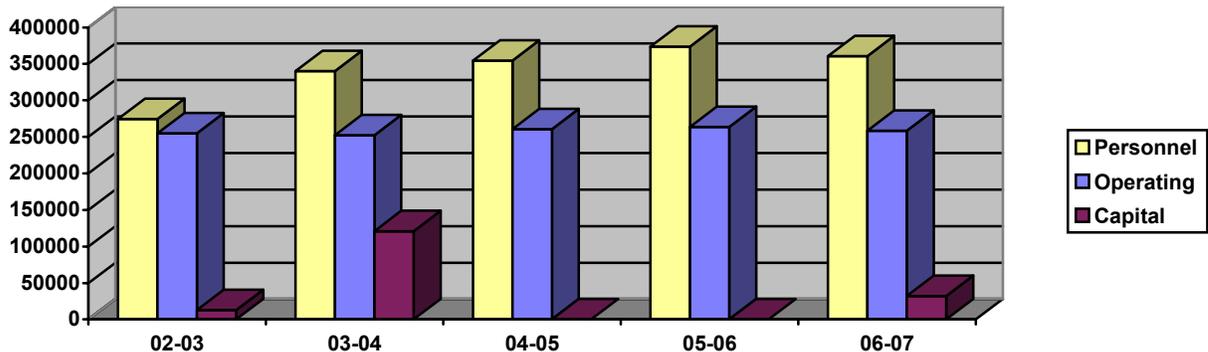
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	274,495	340,049	354,735	373,683	405,960	360,421
Operating	255,007	252,445	260,570	263,674	261,540	258,440
Capital	12,785	120,995	0	0	83,200	32,200
Total	542,287	713,489	615,305	637,357	750,700	651,061
Budgeted Employees	8	8	8	8	8	6

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes two (2) computers, \$3,400; one (1) touchscreen monitor, \$800; one (1) sprayer, \$23,000; and one (1) video surveillance system, \$5,000.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$13,704 or two (2%) percent compared to FY 05-06 budget. This increase is mainly attributed to the funding of capital outlay. The Sanford Municipal Golf Course has been transferred into the General Fund. City Council felt the public building and beautification departments could assist the golf course, therefore staffing was reduced by two employees. **FY 04-05** decrease is attributed to the non-appropriation of capital. **FY 03-04** shows the purchase of major capital course equipment. **FY 02-03** shows increases due to the re-opening of the course. One additional position was added at the end of the fiscal year.



GOLF

The Sanford Municipal Golf Course is an 18 hole public golf course, a pro shop, and a complete practice facility on 155 acres of city property. The golf course serves the general public by offering a facility that caters to men, women, children, churches, industries, and our public schools.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To maintain the golf course at optimum level in order to provide an enjoyable, quality golf experience for all golfers

Objective: Keep a highly trained maintenance crew that will aerate green tees and fairways at least two times per year

Measures:

Aerate greens	2	2	2
Aerate fairways	1	1	1
Aerate tees	2	2	2

Goal: To keep rates at a level that is affordable to all socioeconomic classes in order to increase rounds played

Objective: To keep a clean and well maintained course and provide superior customer service

Measures:

Rounds of golf	23,132	26,000	28,000
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SHOP

Fund: General

Function: General Government

Goal: To provide for general repairs and maintenance of all City/County vehicles and equipment.

DEPARTMENTAL SUMMARIES

Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	247,263	262,350	245,023	254,491	270,730	262,691
Operating	469,819	562,016	614,777	679,830	737,110	723,660
Capital	4,596	42,393	29,278	20,500	0	0
Total	721,678	866,759	889,078	954,821	1,007,840	986,351
Budgeted Employees	7	6	6	5	5	5

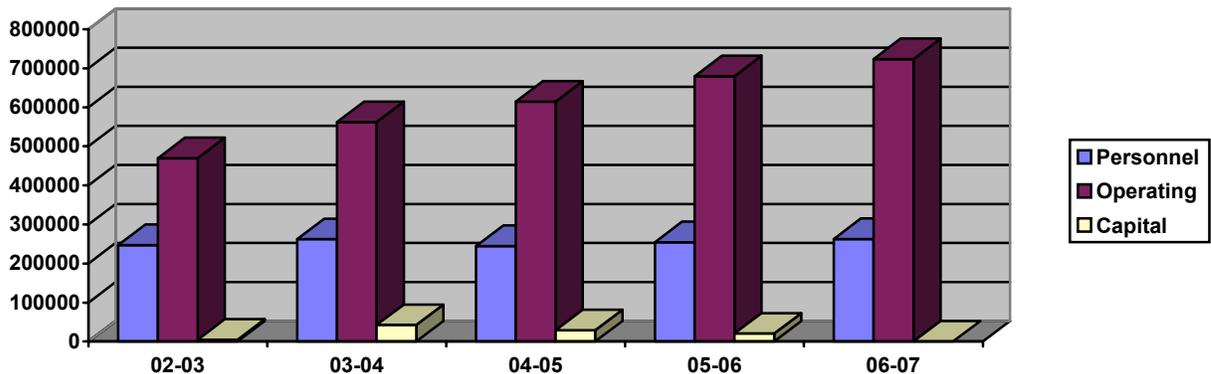
2006-2007 CAPITAL OUTLAY DETAIL

No capital outlay funding was requested.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$31,530 or three percent (3%) compared to **FY 05-06** budget. Fuel costs mainly contribute to this increase. **FY 05-06** and **FY 04-05** show increases mainly due to personnel cost. **FY 03-04** shows increases mainly attributed to additional capital outlay approved. **FY 02-03** shows a major increase in funding due to two employee vacancies in the prior year. This cost center is no longer accounted for as an internal service fund but is now included as a department within the General Fund.

It should be noted that operating costs mainly represent costs for inventory items and gasoline.



SHOP

Shop is responsible for maintaining, in a safe and reliable manner, all assigned fleet assets which includes: 70 trucks, 74 cars, 10 dump trucks, 9 tractors, 6 backhoes, 12 fire trucks, 3 knucklebooms, and 64 pieces of specialty equipment. Services include a comprehensive preventive maintenance inspection program, oil and filter changes, as well as emergency repairs. Contract maintenance will be utilized as required to enhance in-house resources and for warranty requirements. Management will provide for the rehabilitation of equipment when economically feasible and develop specifications and recommendations, based on user operational requirements, for replacement vehicles.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To provide maintenance and repair to the City's vehicle and equipment fleet in a timely manner so as to ensure adequate fleet availability

Objective: Reduce vehicle down time by ensuring that 95% of vehicle repairs are completed within 24 hours
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Measures:

Total number of vehicles and equipment	390	248	248
Average percent of fleet in service	90%	93%	95%
Complete minor repairs in house within 24 hours	80%	90%	95%
Complete major repairs in house within 3 days	75%	90%	95%
Complete major repairs assigned to outside contractor within 7 days of delivery to vendor	90%	95%	95%
Respond to emergency callout within 30 minutes	100%	100%	100%

Goal: To ensure that the fleet is mechanically safe, in good repair, and meets or exceeds forecasted life

Objective: To complete 95% of Preventative Maintenance Inspections (PMI) by scheduled due date

Measures:

Number of PMI's scheduled	780	640	600
PMI's for Fire Rescue Emergency Response 2 times per year	100%	100%	100%
PMI's for Police Patrol every 3,000 miles	95%	95%	95%
PMI's for non-emergency vehicles every 3,000 miles	80%	90%	95%
PMI's for support equipment minimum 1 time per year	80%	90%	95%

BEAUTIFICATION

Fund: General

Function: General Government

Goal: To maintain a citywide beautification program, which will be seen and enjoyed by all citizens.

DEPARTMENTAL SUMMARIES

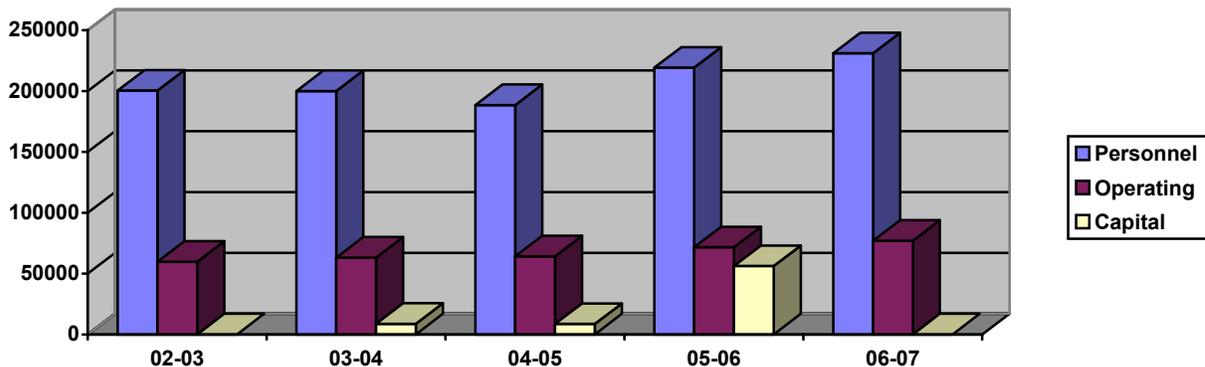
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	200,355	200,055	188,537	219,177	231,688	230,989
Operating	59,668	63,079	64,093	71,628	88,915	77,015
Capital	0	8,700	8,581	56,150	28,273	0
Total	260,023	271,834	261,211	346,955	348,876	308,004
Budgeted Employees	6	6	6	6	6	6

2006-2007 CAPITAL OUTLAY DETAIL

No capital outlay funding was approved.

GRAPHIC REPRESENTATION

FY 06-07 appropriation reflects a decrease of \$38,951 or eleven (11%) percent compared to FY 05-06 budget. The decrease is due to the non-appropriation of capital funding. **FY 05-06** shows increases within capital funding and personnel related costs. Vacancies within **FY 04-05** drives personnel cost down. Historical increases are mainly attributed to cost of living adjustment and capital funding. The use of inmate labor continues to assist in the accomplishments of this department.



BEAUTIFICATION

The major functions of the Beautification Department include landscape and maintenance of traffic islands and other city properties; landscape, installation and maintenance of horticultural areas and fine turf areas around and adjacent to governmental buildings; assist the Downtown Revitalization Committee and various merchants with the landscape and projects of joint interest to both business and local government; maintain an ongoing public speaking program to civic groups, garden clubs, and other governmental organizations concerning horticulture; work with the Chamber of Commerce Beautification Committee to assist in further beautification of the Sanford area; and installation and maintenance of tropical plants within City Hall and Public Works Service Center.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To maintain, beautify and improve appearances of traffic islands as well as interior / exterior scapes at municipal buildings

Objective: 1) Continue to maintain areas through routine maintenance such as mowing, trimming, edging, proper pruning, fertilization applications, and litter removal; 2) Appearance will also improve by adding a splash of color with annual plantings of flowers

Measures:

Sites maintained	50	55	60
Plant beds installed / renovated	3	5	5
Annuals grown and planted	68,000	72,000	75,000
Acres mowed	17	20	22
Litter removal	42,000	50,000	60,000
Interior plants maintained	125	150	200

POLICE

Fund: General

Function: Public Safety

Goal: The goal of the Police Department is a continuous one aimed at reducing crimes, drug traffic, juvenile delinquency, and promoting safety on our streets.

DEPARTMENTAL SUMMARIES

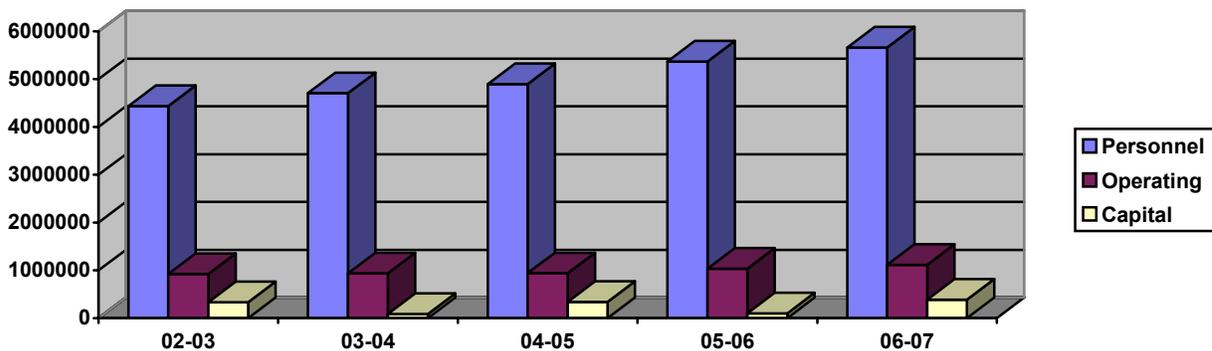
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	4,441,346	4,707,597	4,899,065	5,370,406	5,694,939	5,660,917
Operating	923,346	936,764	940,661	1,036,511	1,113,691	1,115,941
Capital	332,279	89,274	340,965	103,000	383,400	383,400
Total	5,696,971	5,733,635	6,180,691	6,509,917	7,192,030	7,160,258
Budgeted Employees	94	100	100	100	100	100

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay includes five (5) patrol vehicle bar lights, \$5,000; five (5) computers, \$8,500; seven (7) laser printers, \$5,600; twelve (12) patrol vehicles, \$272,400; eleven (11) mobile data terminals, \$66,000; three (3) CAD computers, \$7,200; drug forfeiture capital outlay funds total \$18,700 but are not listed due to security constraints.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$650,341 or ten (10%) compared to **FY 05-06** budget. The increase is mainly due to the funding of patrol vehicles and mobile data terminals. Fuel costs also contributed to this increase. **FY 05-06** shows increases relating to personnel costs. **FY 04-05** increase is mainly attributed to the first full year of emergency dispatch enhancement services and the funding of capital outlay for patrol vehicles. **FY 03-04** reflects an increase attributed to personnel cost for cost of living adjustments and insurance increases. Four new patrol officers were also approved. EMD services were begun during the fall of 2003. **FY 02-03** shows increases mainly due to the appropriation of police vehicles.



POLICE

The Police department provides an array of police services including administration, uniform patrol, criminal investigations, selective enforcement unit, drug enforcement unit, community policing and communications. The administration arm of the department is responsible for managing all divisions. Central to the department is the uniform patrol division which provides traffic control, protection and detection of crimes, apprehension of criminal offenders and all other calls for service. The department also provides investigations on criminal cases, identification and arrests of suspects, targets high crime areas with a specialized enforcement unit, promotes community involvement and problem oriented policing strategies, as well as targeting the illegal use of drugs and drug traffic in the city and county.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
Goal: To protect and detect criminal activity and apprehend criminal offenders			
Objective: To protect life and property in the City of Sanford, strive to provide a feeling of safety and security of all citizens and provide the fastest response time possible to any location within the City			
Measures:			
Average response time (minutes)	4	4	4
Number of calls for service	32,533	36,080	37,434
Number of accident investigations	1,682	1,698	1,675

Goal: To combat the illegal use of drugs and drug traffic in Sanford and Lee County

Objective: 1) The drug enforcement unit will provide drug awareness programs in schools, civic clubs and churches to create public awareness of drug problems; 2) The unit will also expand drug enforcement efforts throughout the City and County

Measures:

Number of drug arrests	389	227	335
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Goal: Through the investigative division, the department will conduct follow up investigation on criminal cases and identify and arrest suspects

Objective: Assign cases for investigative follow up within 24 hours of their receipt in the investigative division

Measures:

Part I offenses	2,471	2,129	1,942
Property damage	\$4,845,804	\$5,597,056	\$4,963,250

FIRE

Fund: General

Function: Public Safety

Goal: To protect life and property by preventing fires from starting and to maintain a construction and fire loading system that will keep potential fire problems within the manageable limits of the fire control system.

DEPARTMENTAL SUMMARIES

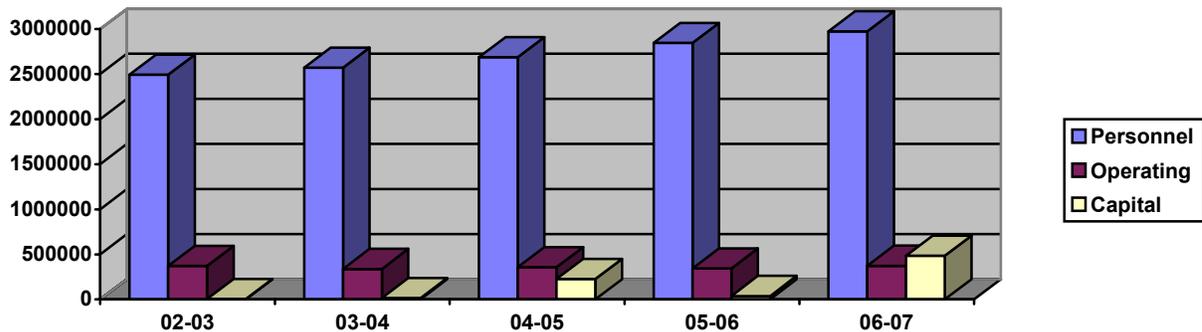
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	2,490,780	2,568,865	2,685,735	2,843,314	3,103,395	2,972,129
Operating	370,475	337,644	356,320	343,179	339,764	372,816
Capital	5,785	16,038	225,546	38,100	497,765	482,600
Total	2,867,040	2,922,547	3,267,601	3,224,593	3,940,924	3,827,545
Budgeted Employees	51	51	52	52	55	52

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes twelve (12) VHF mobile radios, \$24,000; one (1) air monitor, \$1,500; ten (10) VHF radio pagers, \$5,400; one (1) computer, \$1,700; and one (1) fire pumper, \$450,000 (installment purchase).

GRAPHIC REPRESENTATION

FY 06-07 appropriations increased \$602,952 or nineteen percent (19%) compared to the **FY 05-06** budget. The purchase of a new fire pumper contributes to this increase along with personnel cost adjustments. Decreases show during **FY 05-06** are due to the reduction of capital outlay funding. **FY 04-05** increases are mainly due to personnel cost adjustments. Also funded for the full year are part-time firefighters and upgrades for firefighter safety enhancements to the self-contained breathing apparatus. **FY 02-03** shows operating decreases mainly attributed to the payoff of lease purchase for Fire Station No. 3 and the reduced payment for the last year on a fire truck purchased in 1995.



FIRE

To protect life and property by preventing fires from starting through education and inspections, and to reduce human suffering and property loss by responding to every incident as quickly, professionally, and safely as possible with the training, equipment and determination to do our job effectively with optimum results. To maintain a good working relationship with all customers, the citizens of our city.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: Reduce loss of life and property

Objective: To reduce the amount of property loss and injury caused by fire and other forces

Measures:

Total number of fire department responses	810	850	850
Number of structure fires	30	40	50
Number of vehicle fires	34	30	35
Number of motor vehicle accident responses	244	275	275
All other responses	502	505	490

Goal: Gain knowledge of facilities and their characteristics for preparation of incidents

Objective: To accumulate vital information concerning industrial complexes and business occupancies and to keep owners and operators updated on safety aspects of their respective businesses, fire inspections (according to NC Fire Prevention code) and pre-incident planning will continue

Measures:

Number of fire safety inspections performed	505	900	1,200
Number of logged pre-incident plans	150	190	225
Number of State Certified Fire Inspectors (Current: 4-Level III / 1-Level II / 7-Level I)	6	12	12

Goal: Maintain the highest level of knowledge and capabilities of our personnel

Objective: 1) To promote the effectiveness of the individual firefighter, an in-depth training program is continuing for the full-time and part-time personnel; 2) While training is still brought to our personnel from our in-house State Certified Instructors, outside sources are utilized from North Carolina Emergency Management, North Carolina Forestry Service, FEMA, and Central Carolina Community College; 3) As part of our continuing effort to provide diverse services to our citizenry, all full-time suppression personnel continue to average over 250 hours of training in all aspects of fire and emergency response; this, with our training in confined space rescue, hazardous materials training, and pre-planning programs, continues to sharpen our abilities to serve the citizens of Sanford

Measures:

Number of training hours per certified firefighters	260	270	300
Total number of training hours for department	12,520	11,000	12,000
Number of state certified firefighters (including part-time)	51	55	58
Number of state certified fire instructors	17	21	21

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: Identify factors of origin and cause of unintentional and intentional fires

Objective: To investigate origin and cause of fires, and to help with prosecution of those who intentionally set fires to structures and other objects, by maintaining knowledgeable and capable investigators and engine company officers

Measures:

Number of investigations conducted (structural)	30	40	50
Number of fires deemed incendiary or still under investigation	8	12	10
Number of certified fire / arson investigators	4	5	5

Goal: Be responsive to citizens' needs by providing proactive service to prevent injury due to fire and other factors

Objective: Provide presentations to school age children, senior citizens, and others that will explain the need for proactive preventive efforts on everyone's part to prevent fires, and injuries due to fires, motor vehicle accidents, and other incidents; this includes continuation of our smoke detector program, the SAFE KIDS Coalition, operation of child protective seat check points, and maintaining designation as a "Safe Place" for our youth

Measures:

Number of smoke detectors installed – free service	84	100	150
Number of fire and life-safety education programs	60	96	100
Number reached by programs (school age > senior citizen)	2,418	4,780	4,780
Number of state certified fire and life safety educators	4	5	5
Number of child passenger safety seats installed or checked	724	225	350

INSPECTIONS

Fund: General

Function: Public Safety

Goal: To enforce the North Carolina State Building Code and related codes and ordinances.

DEPARTMENTAL SUMMARIES

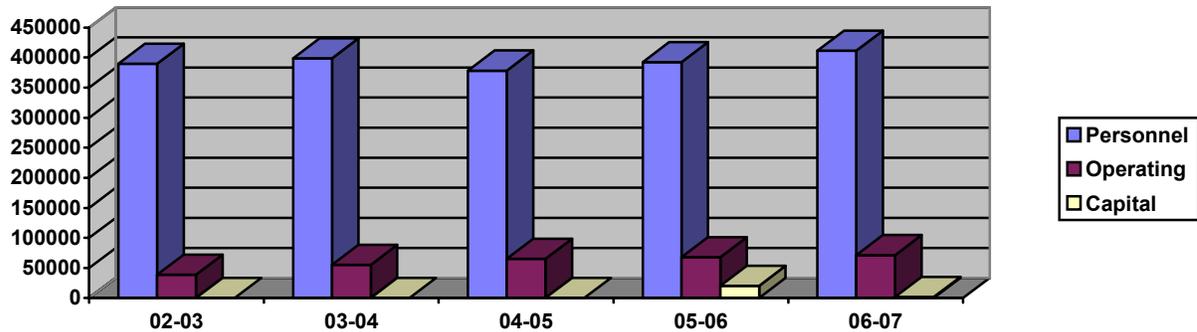
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	389,376	398,611	378,209	392,408	517,338	411,428
Operating	38,986	54,985	65,315	67,800	94,386	71,286
Capital	0	0	0	20,100	34,600	1,700
Total	428,362	453,596	443,524	480,308	646,324	484,414
Budgeted Employees	8	8	8	8	10	8

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) computer, \$1,700.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$4,106 or one percent (1%) compared to the FY 05-06 budget. The increase is mainly the result of personnel cost adjustments. **FY 05-06** shows increases due to capital outlay funding and personnel adjustments. **FY 04-05** increases are mainly due to personnel adjustments. **FY 03-04** shows operational costs for rent to Lee County for offices at the Makepeace Building. Other increases are mainly due to cost of living and insurance adjustments. **FY 02-03** shows the merger of Sanford/Lee County Inspections Departments (four county personnel transferred in and two positions eliminated). The transfer out of costs related to code enforcement (three employees) is also shown.



INSPECTIONS

The purpose of the Inspections Division of the Community Development Department is to provide protection, safety, and general welfare of the citizens of Sanford, Lee County, and the Town of Broadway by enforcing the North Carolina State building, plumbing, and mechanical codes, and the international electrical code, which serves as a comprehensive regulatory document to guide decisions aimed at public protection. Protection is accomplished through the process of performing inspections on all new construction, alterations, repairs, equipment installations, use and occupancy, building location, structures moved to another site, removal or demolition, or any appurtenances connected or attached to every building or structure, for compliance with the North Carolina State Building Codes, and related codes and ordinances. Certificates of Occupancy are issued as required by the technical codes. Establishments are inspected prior to the sale of alcoholic beverages to insure that the fire requirements are met and occupancy loads are evaluated. Daycare facilities are inspected for compliance with code requirements. The Inspections Division also conducts fire inspections and minimum housing inspections for the Town of Broadway.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
Goal: To provide safety, health, and welfare to the citizens of the City of Sanford, Lee County and the Town of Broadway by enforcing the North Carolina State building codes, and related codes and ordinances while maintaining a superior level of customer service			
Objective: To review and approve all building, electrical, plumbing, mechanical, and other permits within established timeframes			
Measures:			
Number of building permits issued	860	1,413	1,425
Number of electrical permits issued	1,180	1,182	1,195
Number of mechanical permits issued	940	943	1,005
Number of plumbing permits issued	914	916	1,000
Other permits issued	30	32	56
Revenue generated from permits	\$369,131	\$315,000	\$494,872

Goal: To provide prompt inspections on all requests within the City of Sanford, Lee County, and the Town of Broadway

Objective: Schedule and facilitate inspections as promptly as possible

Measures:

Number of inspections conducted	9,047	10,509	10,610
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STREET

Fund: General

Function: Streets

Goal: To maintain an effective street system, which will promote the safety and free flow of pedestrian and vehicular traffic.

DEPARTMENTAL SUMMARIES

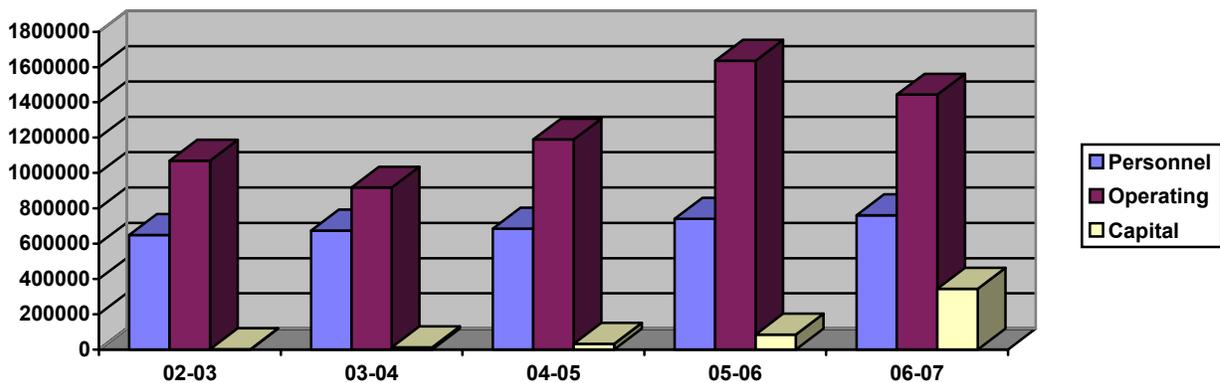
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	649,130	674,294	685,361	741,873	777,977	761,260
Operating	1,069,320	917,399	1,189,347	1,635,567	2,049,470	1,443,412
Capital	2,494	12,729	32,931	84,850	523,151	344,900
Total	1,720,944	1,604,422	1,907,639	2,462,290	3,350,598	2,549,572
Budgeted Employees	18	18	18	18	18	18

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) vibratory plate tamp, \$1,900; one (1) street sweeper, \$150,000 (installment purchase); one (1) bucket truck, \$78,000 (installment purchase); and one (1) flusher truck, \$115,000 (installment purchase).

GRAPHIC REPRESENTATION

FY 06-07 appropriations increased \$87,282 or four (4%) percent compared to FY 05-06 budget. This increase is the result of capital funding for a street sweeper, flusher truck, and a bucket truck. The operating cost center shows a substantial decrease due to the reduction of paving funds. **FY 05-06** shows an increase as a result of additional paving funds appropriated totaling almost \$400,000. **FY 04-05** increases are shown for personnel cost adjustments. Contract service appropriation was increased by \$130,000 as current year budget was not expended. Capital outlay was also increased as shown. **FY 02-03** shows funding for FEMA storm funding in personnel (overtime cost) and operating for contract services.



STREET

The Street Division is primarily responsible for the maintenance of Sanford's streets, associated street right-of-ways, curb and guttering, traffic services, and snow removal. The following are additional responsibilities: grading dirt streets; cutbacks for site distance; repainting street markings and hand rails; upgrading traffic signals; fabrication, repair, and installation of street name signs (both regular and historic); rodent control; graffiti removal; installing Christmas decorations; and providing signage and barricade placement for special events. The Street Division also maintains sidewalks, curb and gutter, and catch basins. The Street Division also coordinates efforts with Progress Energy to operate and maintain the existing system of street lights within the City, including decorative lighting.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To ensure all streets, sidewalks, and curbs within the City are properly maintained

Objective: 1) To ensure we promptly respond to all notifications of deterioration and damage to sidewalks and roadways to guarantee a pleasant, safe, and adequate means of travel; 2) To continue a program of street maintenance that will ensure that all city streets are paved or resurfaced every twelve years; 3) Maintain a comprehensive program of open drainage and appropriate street cleaning that will aid in proper drainage for the street system

Measures:

Tonnage of patching	2,133	2,120	2,159
Feet of curb and gutter installed / repaired	998	969	968
Feet of sidewalk installed / repaired	1,186	1,595	1,417
Cutbacks for site distance	198	362	341
Feet of on-street ditches cleaned	17,929	22,000	26,692
Hours of street cleaning	864	1,738	1,446
Catch basins cleaned	13,335	8,858	10,092

Goal: To maintain adequate signage, replace damaged and faded signs, markings, and striping on all City streets and parking areas so as to maintain an effective and efficient flow of traffic for pedestrians and vehicles and enhance the safety for motorists and pedestrians

Objective: 1) To continue maintaining adequate signage on all City streets through repair and replacement activities and provide specialty signs as needed; 2) To maintain and enhance markings and striping on streets and parking areas throughout the City

Measures:

Feet of lines painted	1,212	2,061	1,503
Traffic sign installation	170	156	148
Street markers installed / replaced / repaired	260	333	300
Traffic lights installed / repaired	91	201	183

STREET CAPITAL IMPROVEMENTS

Fund: General

Function: Streets

Goal: To provide funding for Street Capital Improvements such as paving sidewalks and catch basin improvements as detailed in the Five Year Capital Improvements Program.

DEPARTMENTAL SUMMARIES

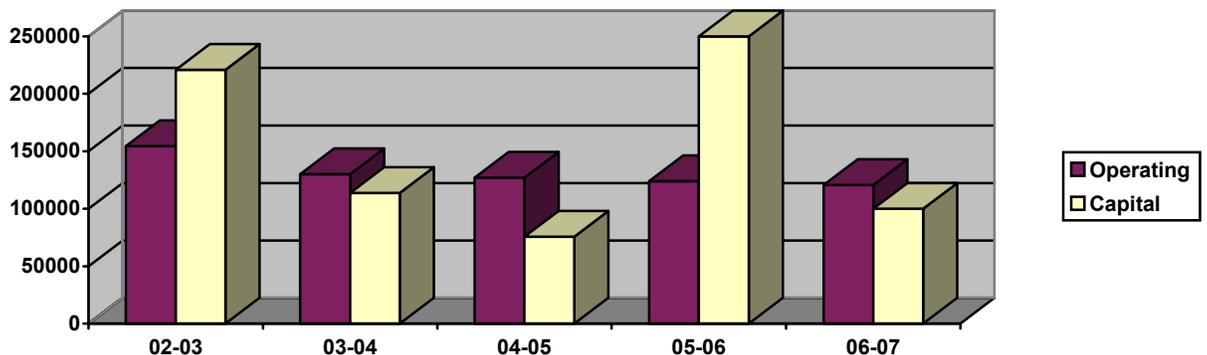
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	0	0	0	0	0	0
Operating	154,377	130,135	127,083	123,950	120,810	120,810
Capital	220,909	113,787	75,528	250,000	100,000	100,000
Total	375,286	243,922	202,611	373,950	220,810	220,810
Budgeted Employees	0	0	0	0	0	0

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay construction funding includes curb and gutter rehabilitation, \$20,000; sidewalk rehabilitation, \$50,000; and catch basin rehabilitation, \$30,000.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect a decrease of \$153,140 or forty-one (41%) percent compared to FY 05-06. This decrease is due to the non-appropriation of street assessments. **FY 05-06** shows increases for new street assessments. **FY 03-04** shows decreases related to the non-appropriation of contract paving. During the prior fiscal year a \$1,000,000 (loan appropriated through capital ordinance) paving project was approved. **FY 02-03** shows major expenditures for improvements to the Hill Avenue Bridge.



SOLID WASTE

Fund: General

Function: Sanitation

Goal: To provide to the city residents a cost effective and comprehensive system of yard waste (leaf and limb) removal, bulk trash as well as right-of-way mowing, sidewalk cleaning, curb cutting, ditch cleaning and correcting sight distance problems.

DEPARTMENTAL SUMMARIES

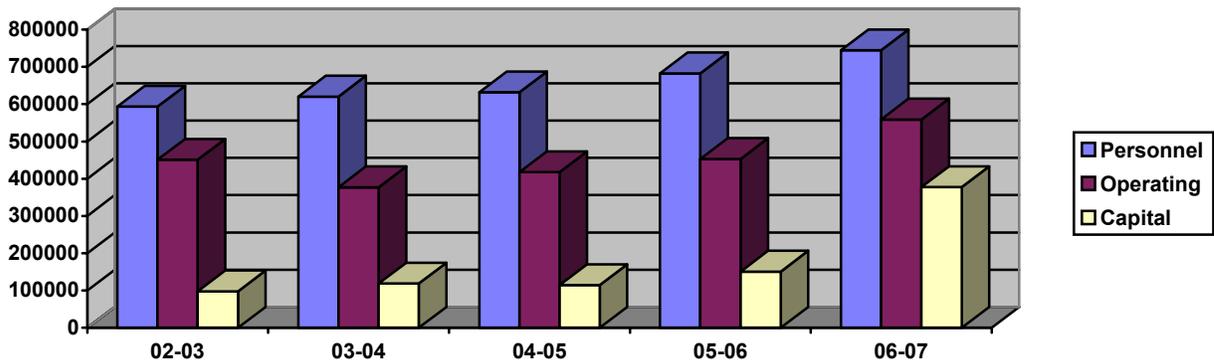
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	593,637	620,397	631,932	682,778	784,167	744,338
Operating	450,636	376,862	417,645	452,961	489,504	558,892
Capital	97,760	118,441	114,331	150,698	735,910	377,350
Total	1,142,033	1,115,700	1,163,908	1,286,437	2,009,581	1,680,580
Budgeted Employees	15	15	17	17	19	18

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) air compressor, \$750; one (1) storage building, \$1,500; one (1) flail mower, \$4,600; one (1) ¾ ton truck, \$19,500; one (1) pressure washer system, \$6,000; one (1) knuckleboom truck, \$108,000 (installment purchase); one (1) compost turner, \$130,000 (installment purchase); and one (1) leaf vac unit, \$107,000 (installment purchase).

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$394,143 or thirty-one percent (31%) compared to FY 05-06 budget. Increases result from installment purchase payments for the knuckle boom, compost turner, and the leaf vac unit as well as capital outlay. The operating cost center shows substantial fuel increases. This budget also reflects the addition of one position hired for graffiti removal. In **FY 04-05** one knuckle boom truck was funded with installment purchase financing. Two positions were also funded and part time positions eliminated. **FY 02-03** shows increases due to the funding of FEMA ice storm expenses. This budget also reflects the elimination of four positions and a planned reduction in service due to a shortfall in overall revenues.



SOLID WASTE

The Solid Waste Department provides weekly collection of yard waste (leaves and limbs) as well as bulk trash from city residents at the curbside. The material from yard waste is either composted or ground into woodchips at the City's compost facility as a recycling process. The material is then sold back to the public. The division also maintains approximately 20 acres of City lots, mows approximately 115 miles of city right-of-ways, as well as sidewalk cleaning, curb cutting, and spraying.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To develop and provide residents of the City of Sanford with the cost-effective debris collection program consisting of yard waste and bulk trash pick-up that will insure a better appearance within our city

Objective: Maintain a comprehensive yard waste collection program as well as scheduled bulk trash collection insuring a better appearance to our city

Measures:

Number of loads of limbs and leaves hauled	2,089	2,000	2,050
Number of loads of bulk trash hauled	699	700	710

Goal: Increase appearance of residential areas through the monitoring of mowing needs as well as cleaning of sidewalks and curb cutting

Objective: Increase time allotted for maintaining the aesthetics of our residential areas

Measures:

Equipment hours cutting curb	675	700	725
Equipment hours mowing	1,143	1,175	1,200
Equipment hours cleaning sidewalk	275	300	325

SANITATION

Fund: General

Function: Sanitation

Goal: To assure the citizens of the City of Sanford the most effective delivery of sanitation services including the addition of year around service for bulk trash collections.

DEPARTMENTAL SUMMARIES

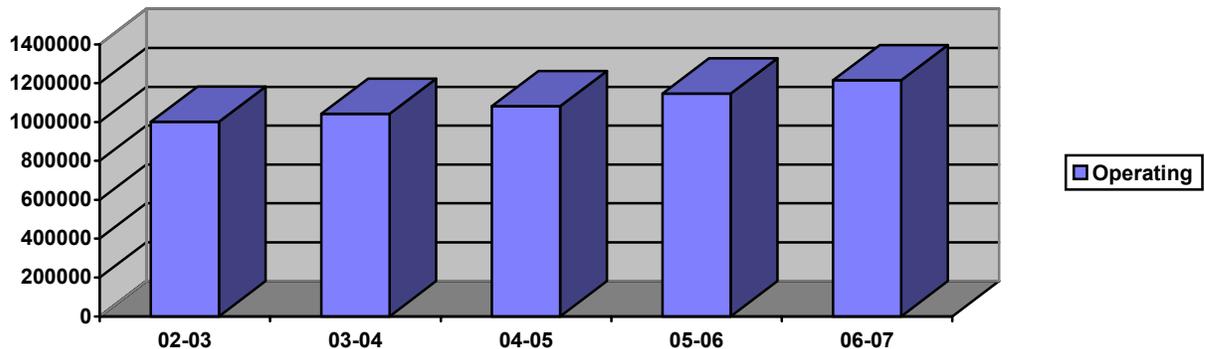
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	0	0	0	0	0	0
Operating	1,001,392	1,041,373	1,080,549	1,145,857	1,227,307	1,214,307
Capital	0	0	0	0	0	0
Total	1,001,392	1,041,373	1,080,549	1,145,857	1,227,307	1,214,307
Budgeted Employees	0	0	0	0	0	0

2006-2007 CAPITAL OUTLAY DETAIL

No funding for capital outlay was requested.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$68,450 or six percent (6%) compared to FY 05-06 budget, reflecting a 3.8% C.P.I. contract adjustment and change in the number of customers. **FY 05-06** reflects a 3.1% C.P.I. contract adjustment. **FY 04-05** increases are included for a 1.5% C.P.I. adjustment. **FY 03-04** shows increases due to the change in number of customers and a 3.2% C.P.I. contract adjustment. **FY 02-03** shows increases due to the change in number of customers and a .5% C.P.I. contract adjustment. **FY 01-02** shows increases attributed to the 3.3% C.P.I. contract adjustment and number of customers served.



SANITATION

The Sanitation program is under the direction of the City's Public Works Department. Services are contracted to Waste Management, Inc. for one pickup weekly of both regular garbage and recyclables. The Public Works Director, City Manager, and Solid Waste Superintendent monitor the waste collector's performance to promote and encourage the prevention of litter throughout the City.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: Provide timely, efficient, and cost effective services to all residential customers being responsive to residents concerns and desired level of performance

Objective: To track the level of services provided by accurately accounting for the billing of solid waste fees associated with the garbage services for all residential customers

Measures:

Number of units	8,221	8,360	8,525
Solid waste fees collected	\$814,285	\$810,000	\$820,000

Goal: To protect the environment and encourage the prevention of litter throughout the City

Objective: Determine the effectiveness of recycling and monitor tonnage of garbage from residential collection

Measures:

Number of tons of recycling collected	490	500	510
Number of tons of residential waste	8,157	8,160	8,165

COMMUNITY DEVELOPMENT

Fund: General

Function: Community Development

Goal: To be responsive to the needs of Sanford and Lee County's citizens and provide an unparalleled level of customer service and assistance; to execute specialized guidance in the facilitation of planning issues, building inspections, historic preservation, and community revitalization projects; to respond to every challenge as quickly and professionally as possible.

DEPARTMENTAL SUMMARIES

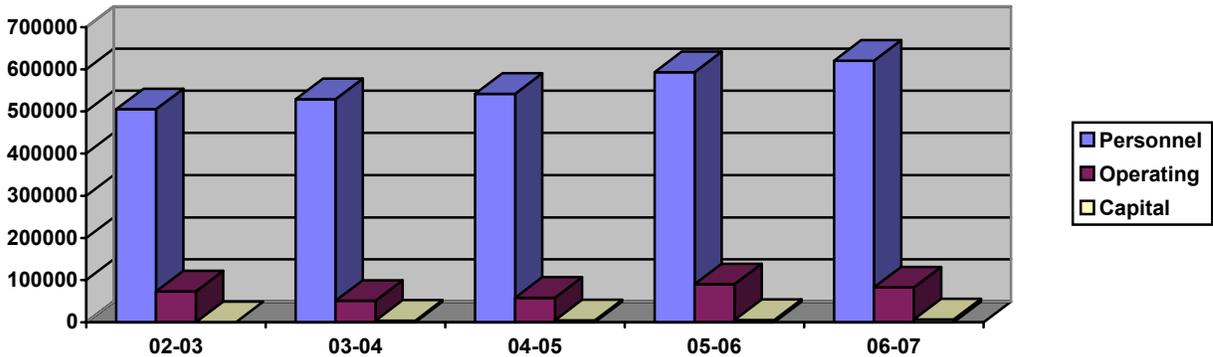
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	505,212	528,703	541,831	593,014	674,432	620,071
Operating	73,457	50,880	58,307	90,122	84,438	82,638
Capital	0	4,018	4,497	5,063	9,800	6,600
Total	578,669	583,601	604,635	688,199	768,670	709,309
*Budgeted Employees	9	9	9	9	10	9

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) color laser printer, \$1,500; and three (3) computers, \$5,100.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$21,110 or three percent (3%) compared to the FY 05-06 budget. **FY 06-07, FY 05-06** and **FY 04-05** increases are mainly attributed to cost of living and insurance adjustments. Other increases are attributed to the Unified Development Ordinance program cost. **FY 02-03** funding includes the transfer of cost related to the downtown position and no capital outlay. Operating costs were reduced to a minimum due to funding constraints.



COMMUNITY DEVELOPMENT

The Community Development Department provides services with respect to land use, zoning and development issues; overseeing the land use review and approval process; providing professional advice and direction with respect to the physical development and redevelopment to the City and Lee County; developing, maintaining and providing compliance review of the City's Comprehensive Plan; preparation and maintenance of the City's base map; providing technical assistance and staff support to the City of Sanford and County of Lee Planning and Zoning Boards, Lee County Environmental Board, and the Planning Commission.

The Community Development Department is responsible for the administration, management, and implementation of various Federal, State, and Local grant-funded programs that benefit the low, very low, and moderate income households within the City. Emphasis has been directed at the preservation of existing housing units, increasing home ownership opportunities, and residential landscape and exterior improvements. Community Development staff encourage and develop public / private partnerships with organizations.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To develop administrative programs and procedures designed to provide efficient customer service in all functions of the department

Objective: Respond to all correspondence items and / or requests for information within established timeframes

Measures:

Respond to all correspondence within five working days	89%	90%	99%
Return all phone calls same day	98%	99%	100%

Goal: To encourage and educate citizens on issues affecting zoning procedures and quality of life issues

Objective: Plan, schedule, and facilitate community wide meetings directed at enhancing citizen input and participation in the decision making process

Measures:

Community wide meetings	5	12	16
Neighborhood advisory meetings	10	17	24

Goal: To provide opportunities for low-to-moderate income households by rehabilitating existing homes

Objective: Complete rehabilitation to owner occupied units in order to provide decent, safe, and standard housing units (funded via CDBG Programs)

Measures:

Historic preservation – Wicker School	60%	80%	100%
Residential rehabilitation	-	1	3
NC Housing Finance Agency Urgent Repair	-	-	10

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To provide comprehensive land development growth management policies for development, redevelopment and preservation of Sanford and Lee County's land resources

Objective: To enforce the Watershed Protection Ordinance and the Unified Development Ordinance, which are compatible for Sanford, Lee County and Broadway, and all other related codes and ordinances

Measures:

Number of zoning changes	60	65	73
Number of final plats approved	47	50	54
Number of planning board agendas	32	33	35
Number of site plans approved	145	146	149

COMMUNITY DEVELOPMENT – 911 COORDINATOR

Fund: General

Function: Community Development

Goal: To provide the most accurate address and location data system for all emergency response personnel through administrative, technical, and research work in the development of the county's enhanced 911 addressing system.

DEPARTMENTAL SUMMARIES

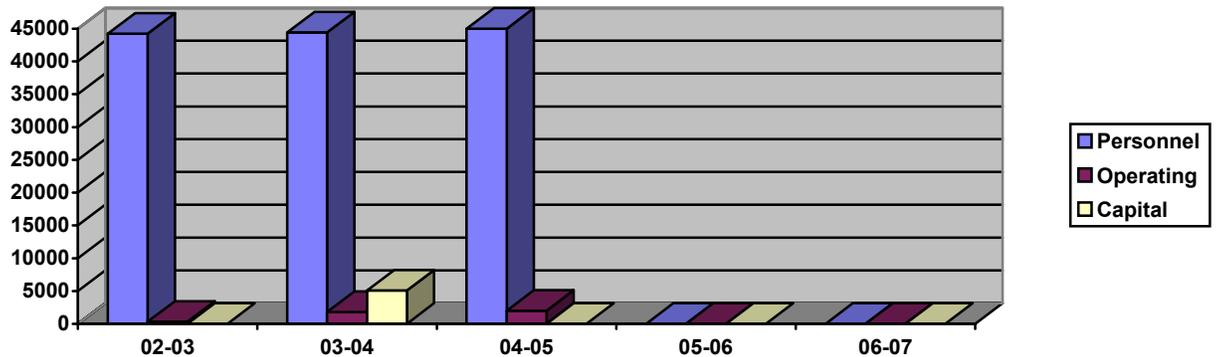
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	44,217	44,404	44,984	0	0	0
Operating	324	1,787	1,981	0	0	0
Capital	0	5,067	0	0	0	0
Total	44,541	51,258	46,965	0	0	0
*Budgeted Employees	1	1	1	0	0	0

2006-2007 CAPITAL OUTLAY DETAIL

No capital outlay funding was requested.

GRAPHIC REPRESENTATION

FY 05-06 appropriations reflect a decrease of \$46,965 or one hundred percent (100%) compared to the FY 04-05 budget. This department was consolidated with Lee County in FY 05-06 and future fiscal years.



COMMUNITY DEVELOPMENT – 911 COORDINATOR

The E-911 coordinator is a function of the Community Development Department. E-911's main function is to maintain the integrity of the emergency 911 computerized databases. This is accomplished through maintenance of all logs, ledgers, and discrepancies of telephone data. E-911 addressing is also responsible for assigning all new addresses and locating landmarks within the community in an effort to update and maintain the integrity of the system. **This department was consolidated with Lee County in FY 05-06.**

No objectives listed due to consolidation of department with Lee County.

COMMUNITY ENHANCEMENT – CODE ENFORCEMENT

Fund: General

Function: Community Development

Goal: To enforce the provisions of the Sanford City Code of Ordinances and to ensure fitness for human habitation, and safeguard the interest of the general public by investigating and bringing into compliance all nuisance violations.

DEPARTMENTAL SUMMARIES

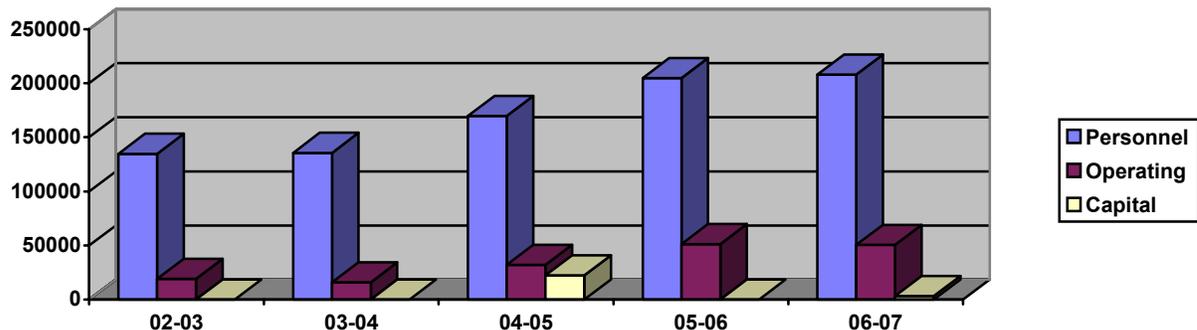
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	134,713	135,546	169,868	204,780	309,696	207,875
Operating	19,205	16,031	32,024	51,320	58,348	50,496
Capital	0	0	22,432	0	35,800	3,400
Total	153,918	151,577	224,324	256,100	403,844	261,771
Budgeted Employees	3	3	5	4	6	4

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes two (2) computers, \$3,400.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$5,671 or two percent (2%) compared to FY 05-06. The increase is mainly attributed to personnel cost adjustments. **FY 05-06** shows increases resulting from full staff and forced demolitions. **FY 04-05** increases are mainly shown for capital outlay funding. The animal control function was added within this cost center, however, the position was not filled and the function still remains with Lee County.



COMMUNITY ENHANCEMENT – CODE ENFORCEMENT

The purpose of the Community Enhancement section of the Community Development Department is to provide protection, safety, and general welfare of the citizens of the City of Sanford by enforcing the Code of Ordinances. Security is accomplished through the process of performing inspections on nuisance violations (i.e. rodent, overgrown lots, trash / junk, health / fire hazard, junked / nuisance vehicles, animals). Inspections are conducted on structures that are substandard to insure that they are fit for human habitation. Community Enhancement is responsible for pre-occupancy inspections and field zoning enforcement.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To provide a comprehensive program of service to the citizens of Sanford by enforcing the provisions of the Code of Ordinances, and related General Statutes, and to ensure fitness for human habitation, and safeguard the interest of the general public by investigating and bringing into compliance all nuisance violations

Objective: Investigate complaints of overgrown lots, trash / junk, junk / nuisance vehicles, rodents, animals, health / safety, and minimum housing within the City of Sanford

Measures:

Overgrown lot complaints	2,287	2,289	2,319
Trash / junk complaints	2,274	2,275	2,283
Abandoned vehicle complaints	419	420	466
Rodents / animal complaints	23	25	27
Sewer / health / safety complaints	54	55	57
Minimum housing complaints	165	166	173

Objective: To investigate zoning violation complaints pertaining to illegal signage within the City of Sanford

Measures:

Illegal banner sign complaints	-	200	236
Illegal pennant, flag and temporary sign complaints	-	450	505

Objective: To conduct pre-occupancy inspections for home buyers within the City of Sanford to insure minimum housing standards are met

Measures:

Pre-occupancy inspections	-	30	32
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COMMUNITY ENHANCEMENT – DOWNTOWN / HPC

Fund: General

Function: Community Development

Goal: To restore, preserve, and protect historic landmarks and historic properties that are deemed to be of special significance in terms of historic, pre-historic, architectural, or cultural importance.

DEPARTMENTAL SUMMARIES

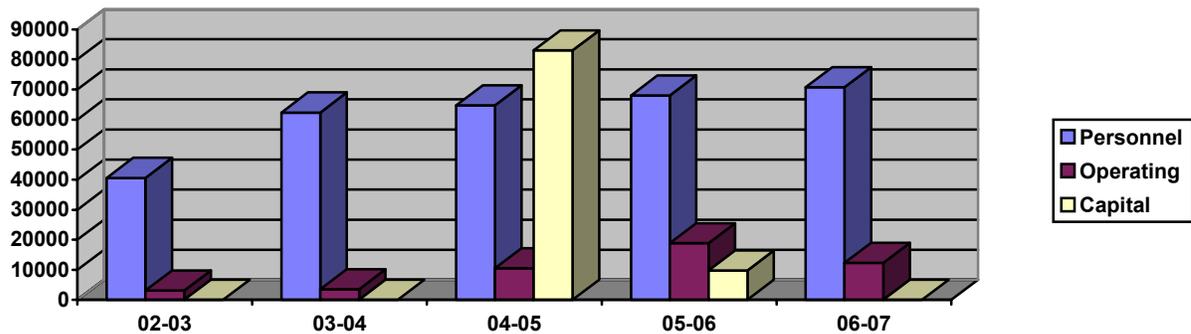
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	40,571	62,338	64,688	67,956	70,814	70,717
Operating	3,118	3,567	10,464	18,870	12,780	12,330
Capital	0	0	82,995	9,727	0	0
Total	43,689	65,905	158,147	96,553	83,594	83,047
Budgeted Employees	1	1	1	1	1	1

2006-2007 CAPITAL OUTLAY DETAIL

No funding for capital outlay was requested.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect a decrease of \$13,506 or fourteen percent (14%) compared to **FY 05-06** budget. The decrease is mainly due to the funding of capital in the prior year. **FY 04-05** reflects the funding of a grant for Depot Park.



COMMUNITY ENHANCEMENT – DOWNTOWN / HPC

Historic Preservation – The purpose of the Historic Preservation / Annexation / Progressive Neighborhoods Section of the Community Development Department is to oversee the inventory of properties of historic, pre-historic, architectural and / or cultural significance, and make recommendations to the City Council to designate by ordinance “historical districts.” Historic Preservation staff offers assistance to property owners of buildings, structures, sites, or areas when considering the restoration, preservation, and operation of historic matters.

Annexation – Studies are conducted to determine the feasibility of all proposed voluntary and involuntary annexations, which include cost analysis for delivery of services and corresponding revenues.

Progressive Neighborhood Program – The City’s Progressive Neighborhood program encourages public / private, community oriented partnerships that are neighborhood driven, and designed to improve the quality of life throughout the City. The program is designed to preserve neighborhoods by dealing with issues that affect long-term livability.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To restore, preserve, and protect historic landmarks and historic properties that are deemed to be of special significance in terms of historic, prehistoric, architectural, or cultural importance

Objective: To take the necessary action to insure construction, re-construction, alteration, restoration, moving, or demolition of buildings, structures, appurtenant features, outdoor advertising signs, or other significant features, that would be incongruous with the special character of historic districts and landmarks

Measures:

Investigate and approve applications for minor works that do not interfere with the integrity of the property	42	50	60
Prepare formal applications for Certificates of Appropriateness to the Historic Preservation Commission	46	50	55
Investigate design guideline violations	16	20	45
Number of National Registered Historic Districts	3	5	0

Goal: Ensure that voluntary and involuntary annexation applications are processed in a timely manner and that they comply with the General Statutes of the State of North Carolina

Objective: Conduct feasibility studies, and cost analysis for delivery of services on all annexations, and process applications within the time frames specified in the general statutes

Measures:

Processed annexation applications	7	9	10
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Goal: To assist neighborhood driven partnerships through the City’s Progressive Neighborhood program that encourages improvement of quality of life throughout the City

Objective: Strive to be an All American City through hard work, commitment of resources, and caring people working together

Measures:

Review plans and make suggestions to the neighborhood committees	-	-	100%
Evaluation of infrastructure within neighborhood	-	-	100%

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UTILITY FUND

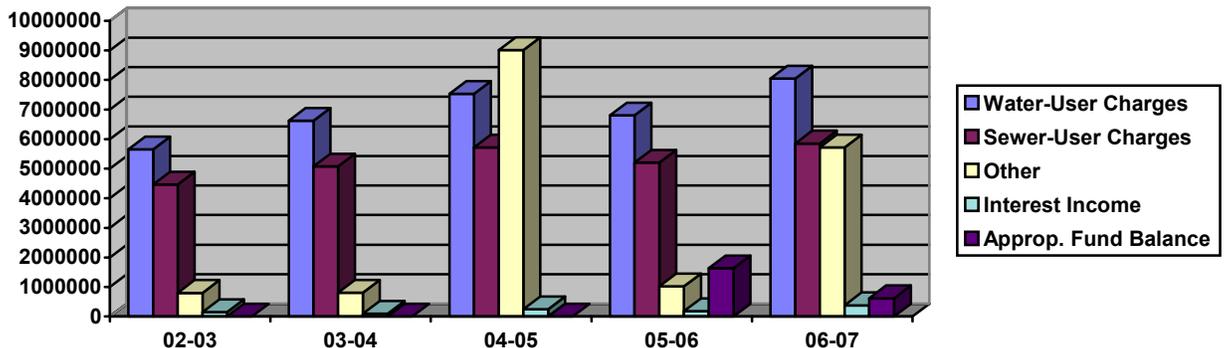
Goal: To account for the operations of the water treatment, wastewater treatment, and distribution systems.

REVENUE SUMMARIES

Revenue Sources	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Water-User Charges	5,655,707	6,616,731	7,531,167	6,800,000	8,048,362	8,048,362
Sewer-User Charges	4,463,565	5,075,647	5,714,760	5,200,000	5,852,506	5,852,506
Other	803,629	805,583	9,008,987	1,023,000	5,719,800	5,719,800
Interest Income	155,149	101,562	252,939	190,000	385,000	385,000
Appropriated Fund Balance	0	0	0	1,633,233	894,168	621,378
Total	11,078,050	12,599,523	22,507,853	14,846,233	20,899,836	20,627,046

GRAPHIC REPRESENTATION

FY 06-07 revenues increased \$5,780,813 or thirty-nine percent (39%) compared to FY 05-06 budget. Increases are the result of a full year of historical water and sewer revenue pertaining to the purchase of the Lee County water system. Other revenue increased substantially due to installment purchase proceeds of \$3,000,000 for sewer rehabilitation and \$1,900,000 of grants received for Little Buffalo / Northview lift station improvements. **FY 05-06** water and sewer revenues were projected conservatively considering the fact that the city acquired the county's water system in March of 2005 and there was no historical data available to project these revenues. Appropriated fund balance is estimated to be less than \$250,000 during FY 05-06. In **FY 04-05** water and sewer rates adjustments were included. The sewer rate was increased by a three percent across the board adjustment. The water rates were adjusted by the elimination of a tier and increases to the remaining two tiers. **FY 03-04** shows water and sewer charges increased mainly due to an across the board rate increase of seven percent. The transfer of \$325,000 from the utility capital reserve fund was budgeted to offset costs for generators. **FY 02-03** shows increases attributed to a ten percent (10%) across the board water and sewer rate increase.



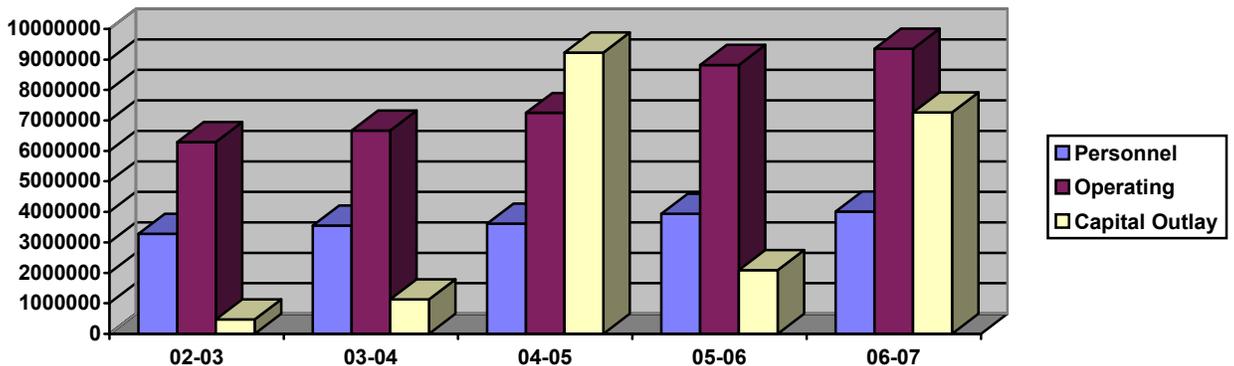
UTILITY FUND

EXPENDITURE SUMMARIES

Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	3,286,141	3,555,659	3,615,757	3,935,518	4,061,318	4,011,177
Operating	6,294,247	6,663,984	7,246,986	8,817,137	9,137,509	9,351,720
Capital Outlay	470,291	1,133,548	9,228,768	2,093,578	7,701,009	7,264,149
Total	10,050,679	11,353,191	20,091,511	14,846,233	20,899,836	20,627,046
Budgeted Employees	79	83	82	82	82	82

GRAPHIC REPRESENTATION

FY 06-07 appropriation reflects an increase of \$5,780,813 or thirty-nine percent (39%) compared to FY 05-06 budget. Increases reflect a 3% cost of living adjustment and funding for a merit pay plan, as well as capital outlay to include sewer rehabilitation (\$3,000,000-installment purchase) and Little Buffalo / Northview lift station improvements (\$1,900,000-grant funds and \$1,000,000-city match). Operating expenses increased due to fuel costs. **FY 05-06** decreased substantially due to the purchase of the Lee County water system in the prior year. **FY 04-05** reflects the outsourcing of billing and collection of water and sewer bills resulting in a reduction of one position. Personnel adjustments for a three percent cost of living adjustment and a 2.8% increase in the group insurance costs are included. Operating costs increased mainly for debt service and contract services. **FY 03-04** shows personnel increases relative to the three percent cost of living, insurance cost adjustments and four new employee positions. Operating costs show increases due to the first full year of cost relative to treatment changes at the water plant and additional debt service cost. **FY 02-03** budget shows increases mainly attributed to cost of living adjustment and two additional positions. Operating costs increases are relative to the new process for treating water. **Historical** increases were mainly attributed to government mandates, debt service, additional personnel costs and usage patterns. It should be noted that within personnel expenses an amount equal to \$60,000 has been included to offset administrative cost deficits within the Store service operations.



UTILITY FUND DEBT SERVICE

Fund: Utility

Function: Debt Service

Goal: To account for the operations of debt service.

DEPARTMENTAL SUMMARIES

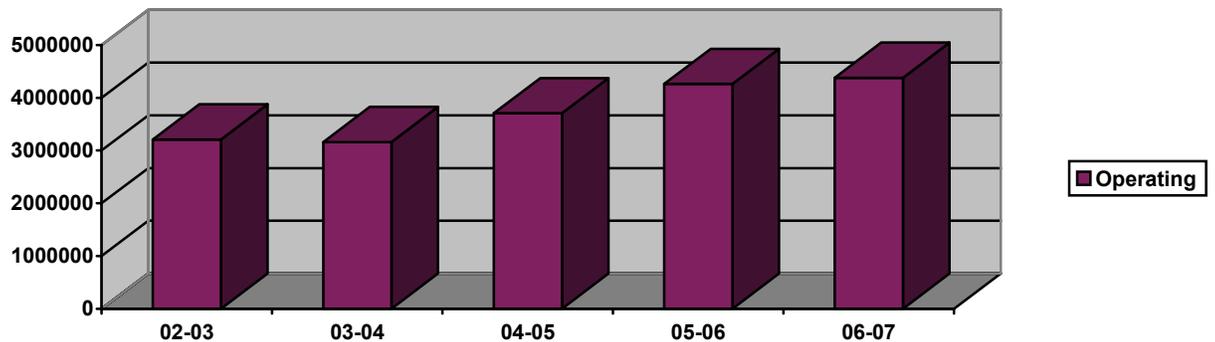
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	0	0	0	0	0	0
Operating	3,209,997	3,161,616	3,706,217	4,260,919	4,380,066	4,380,066
Capital	0	0	0	0	0	0
Total	3,209,997	3,161,616	3,706,217	4,260,919	4,380,066	4,380,066
Budgeted Employees	0	0	0	0	0	0

2006-2007 CAPITAL OUTLAY DETAIL

No funding for capital outlay was requested.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$119,147 or three percent (3%) compared to FY 05-06 budget. **FY 05-06** shows increases attributed to the debt service for the \$7,630,000 loan for the purchase of the Lee County water system. **Historical** shifts in spending are related to the net change in approved new debt and retirement of old debt.



UTILITY FUND CONTRIBUTIONS

Fund: Utility

Function: Other

Goal: To account for contingency appropriations, transfer to general fund, capital projects and capital reserve fund.

DEPARTMENTAL SUMMARIES

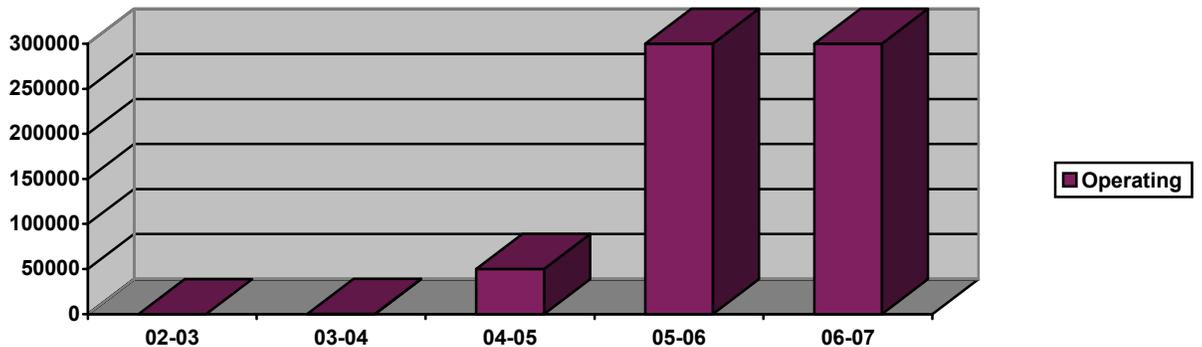
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	0	0	0	0	0	0
Operating	0	56	50,000	300,000	300,000	300,000
Capital	0	0	0	0	0	0
Total	0	56	50,000	300,000	300,000	300,000
Budgeted Employees	0	0	0	0	0	0

2006-2007 CAPITAL OUTLAY DETAIL

No funding for capital outlay was requested.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect no change compared to **FY 05-06** budget. The contingency appropriation has grown due to increased emergency needs within the fund relative to our aging infrastructure. The contingency budget is transferred each year to departments utilizing funds; therefore the actual expenditures are not shown in this cost center.



STORE

Fund: Utility

Function: Public Utilities

Goal: To maintain a sufficient inventory of parts/supplies for all operational departments.

DEPARTMENTAL SUMMARIES

Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	32,214	34,997	35,883	39,171	42,417	42,333
Operating	288,983	270,353	302,372	307,156	307,430	307,430
Capital	0	0	0	0	0	0
Total	321,197	305,350	338,255	346,327	349,847	349,763
Budgeted Employees	1	1	1	1	1	1

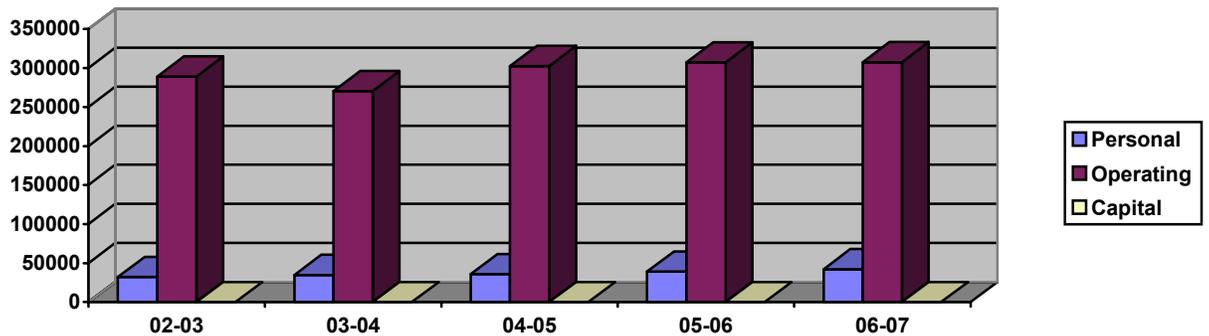
2006-2007 CAPITAL OUTLAY DETAIL

No funding for capital outlay was requested.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$3,436 or one percent (1%) compared to FY 05-06 budget.

Costs within this center are relative to inventory requirements.



STORE

The Store is responsible for maintaining inventory control of materials and supplies which are used by operational departments. The department's inventory control system, which is a completely automated system, provides accurate inventory records but also assists in controlling inventory cost. Monthly reports are prepared charging the user departments for goods used and identifies items falling below established reorder quantities. The department is responsible for securing competitive bids on supplies and materials using guidelines established by NC General Statutes 143-129. To control inventory loss and provide for departmental accountability, inventories are taken periodically.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To provide user departments with materials which are required for departmental operations, a complete inventory program is established

Objective: Working with department personnel in identifying additional items that need to be added to storeroom inventory for departmental operational use

Measures:

Additional materials added to actual storeroom inventory	30	8	9
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Goal: To maintain accurate inventory records, a comprehensive computerized inventory system will be continued

Objective: To ensure accountability and accuracy in the inventory records, a monthly physical inventory will be performed, not to exceed a 2% discrepancy of physical inventory to actual inventory records reported

Measures:

Monthly average accuracy of physical inventory versus inventory reporting records for fiscal year	98%	98%	99%
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Goal: To ensure that all materials are purchased at the most economical cost, a process of acquiring competitive bids on supplies and materials will be maintained

Objective: Secure competitive bids on purchases for water and sewer department's brass and copper parts, which consist of approximately 80% of actual storeroom inventory; these bid quotes should not exceed more than 10% of purchasing the same materials from previous fiscal year

Measures:

Bid quotes obtained for water and sewer store materials by approved vendors on a yearly basis	3	3	3
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UTILITY FUND ADMINISTRATION

Fund: Utility

Function: Public Utilities

Goal: To organize a systematic procedure of billing, collecting and record keeping for water and sewer user charges.

DEPARTMENTAL SUMMARIES

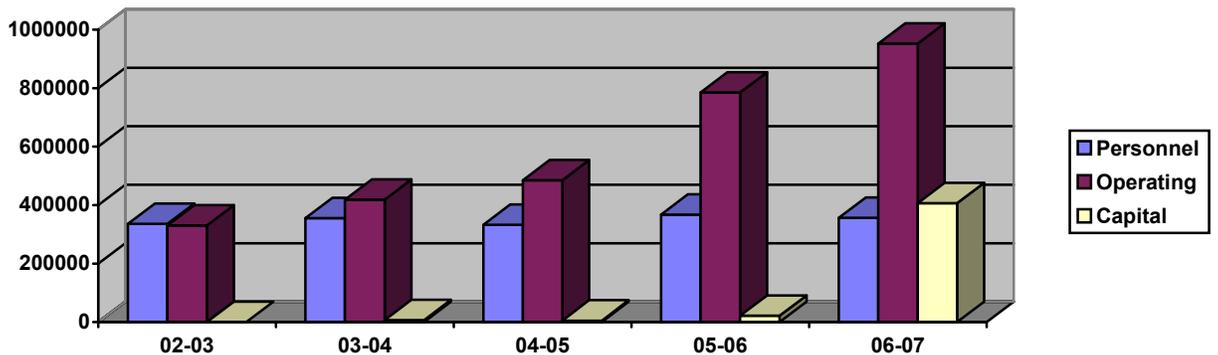
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	336,294	355,959	333,216	367,462	366,750	356,290
Operating	330,467	418,642	484,995	784,765	736,030	951,741
Capital	0	6,796	5,350	22,190	307,000	407,000
Total	666,761	781,397	823,561	1,174,417	1,409,780	1,715,031
Budgeted Employees	7	8	7	7	7	7

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) line matrix printer, \$7,000; and one (1) software upgrade, \$400,000.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$540,614 or forty-six percent (46%) compared to FY 05-06 budget. Increases reflect salary adjustments; general fund indirect cost increases; and increased capital costs due to the purchase of new software upgrade. **FY 05-06** reflects increased operating costs due to the purchase of Lee County water system. **FY 04-05** reflects the retirement of a long-term employee, outsourcing of billing and collection of water and sewer accounts, and elimination of second notices. **FY 03-04** shows personnel pay and benefit adjustments and funding for one new position. Operating cost increases are mainly attributed to adjustments in indirect charges.



UTILITY FUND ADMINISTRATION

Utility Fund Administration is responsible for the accurate monthly billing of water and sewer charges as well as any other fees generated in the utility function. The department is also responsible for the timely collection of all billed charges.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To insure accurate posting of collections to customer accounts and insure correct receivable balances

Objective: To achieve a minimum cash drawer accuracy of at least 95% department wide

Measures:

Accuracy of payments versus receivable reports	60%	70%	90%
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Goal: To insure all billed accounts are collected promptly, reducing the age of receivables

Objective: Reduce the outstanding receivables for utility bills and assessment bills

Measures:

Utility bill accounts receivable – 91+ days overdue	\$527,807	\$530,467	\$500,000
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Goal: To bill customers accurately and promptly each month to insure financial stability of utility fund

Objective: Bill customers no later than the first of each month and insure all accounts are billed

Measures:

Water and sewer bills – monthly	15,600	16,100	16,500
Miscellaneous bills – monthly	43	34	35

ENGINEERING

Fund: Utility

Function: Public Utilities

Goal: To administer engineering and construction contracts and assure that work proceeds in an efficient and timely manner.

DEPARTMENTAL SUMMARIES

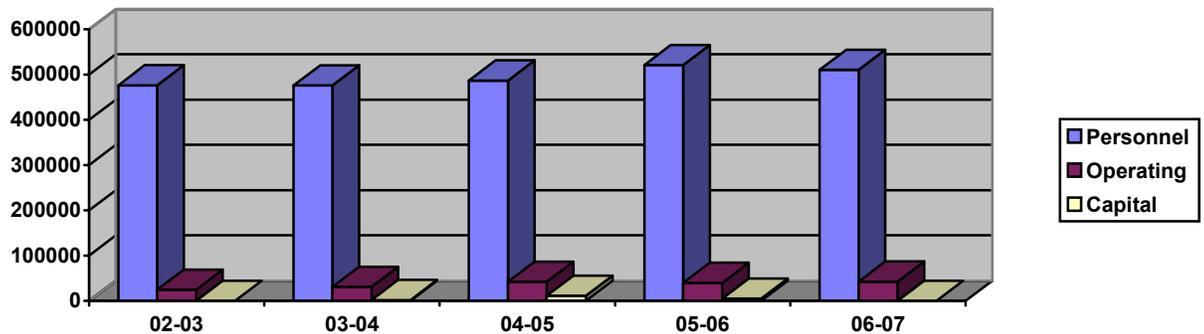
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	476,286	475,698	486,785	520,724	515,486	510,136
Operating	24,444	30,932	42,115	39,433	42,450	42,450
Capital	0	1,700	11,107	4,800	0	0
Total	500,730	508,330	540,007	564,957	557,936	552,586
Budgeted Employees	9	9	9	9	9	9

2006-2007 CAPITAL OUTLAY DETAIL

No funding for capital outlay was requested.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect a decrease of \$12,371 or two percent (2%) compared to FY 05-06 budget. Decreases are mainly attributed to the lack of capital outlay funding and a shift in staff duties resulting in a position not being filled this year. **FY 04-05** increases are mainly due to the funding of capital outlay and personnel pay adjustments. **FY 02-03** shows increases for personnel pay plan adjustments.



ENGINEERING

The department provides technical support to all division of public works and the City. Additionally, we interface with developers and the public to ensure managed growth of the City's infrastructure. We manage capital projects undertaken by the City to provide for timely completion and efficient use of funds.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To provide competent, timely advice for departments within the City

Objective: To provide technical advice to City departments and the public by returning phone calls and performing field and office investigations

Measures:

Return phone calls within 24 hours	95%	95%	100%
Provide technical advice within 5 days	95%	95%	100%
Attend special meetings	100%	100%	100%

Goal: Communicate with developers, engineers, etc. to provide quality developments that are constructed to City standards

Objective: To provide construction and engineering support that results in products of the highest possible quality

Measures:

Provide construction inspection daily and within 24 hours of special requests	95%	95%	100%
Provide technical specifications to consulting engineers within 3 days	90%	90%	100%

Goal: Manage capital projects of the City in such a manner as to produce quality products in a timely manner

Objective: To provide project administration of capital projects such that projects remain in budget and meet milestone dates

Measures:

Review and process pay requests such that payments can be made on time	100%	100%	100%
Attend design and construction progress meetings	95%	95%	100%
Make contact with citizens that have a complaint within 24 hours of first contact	95%	95%	100%

SEWER CONSTRUCTION AND MAINTENANCE

Fund: Utility

Function: Public Utilities

Goal: To expand and maintain a sewer system which will be safe, sanitary, and adequate through an effective construction and maintenance program.

DEPARTMENTAL SUMMARIES

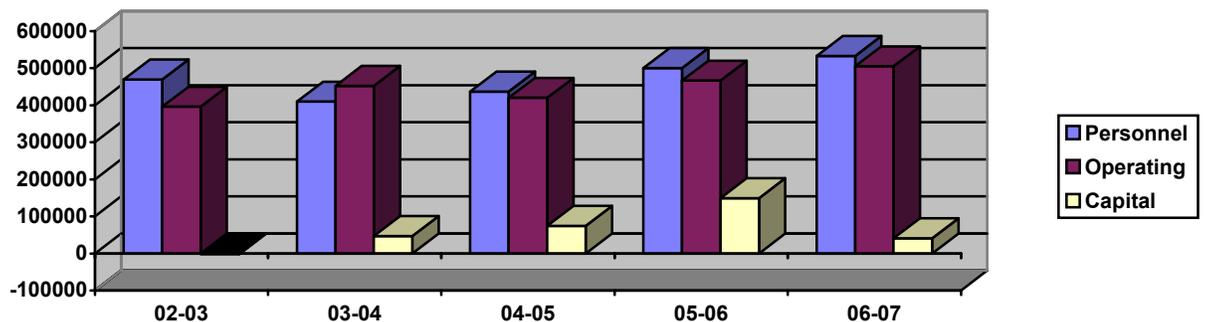
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	469,246	409,666	436,787	500,175	535,156	532,728
Operating	396,015	452,005	420,173	466,309	511,039	505,039
Capital	-2,000	46,907	74,531	149,059	135,300	41,100
Total	863,261	908,578	931,491	1,115,543	1,181,495	1,078,867
Budgeted Employees	13	13	13	13	13	13

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) grease wheel, \$1,200; one (1) ¾ ton utility truck, \$20,000; one (1) engine-driven welder, \$3,500; one (1) push camera inspection system, \$11,775; and one (1) camera height attachment, \$4,625.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect a decrease of \$36,676 or three percent (3%) compared to FY 05-06 budget. Personnel cost adjustments for a 3% cost of living and a merit pay plan are offset by a reduction in capital outlay. In **FY 04-05** personnel cost increases are shown for cost of living adjustment and the transfer out of a long-term employee. **FY 02-03** shows increases mainly due to employee vacancies in the prior year. Operating cost increases are due to enhanced maintenance supply expenses.



SEWER CONSTRUCTION AND MAINTENANCE

The Sewer Construction and Maintenance Department is responsible for the operation and maintenance of the underground gravity piping systems, force main piping systems, wastewater lift stations and a potable water booster station. Facilities include 186.7 miles of gravity wastewater lines, 17 miles of pressurized force mains, 9,500 service laterals, 3,800 manholes, 9 wastewater lift stations, and 1 potable water booster station. Programs include sewer line cleaning, smoke testing, sewer line rehabilitation, manhole rehabilitation and repairs, sewer lift station maintenance, easement clearing, root control, closed circuit televised inspections, and sewer line construction.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To provide a safe and environmentally sound wastewater collection system that will accommodate peak demands without interruption while continuing efforts to improve and upgrade facilities to allow growth and expansion as economic development dictates; and to be environmentally sensitive and in compliance with all state and federal regulations

Objective: 1) To provide proper maintenance of sanitary sewer systems; 2) to continue TV inspection and smoke testing programs; 3) to continue manhole rehabilitation and inflow / infiltration efforts to reduce flow and cost at the treatment plant; 4) repair and replace sanitary sewer lines to reduce inflow and infiltration

Measures:

Stoppage complaints	186	184	180
New taps installed	40	14	40
Manhole adjustments	102	132	162
Rights-of-Way mowed (feet)	168,300	242,950	235,000
Sewer line jetted (feet)	472,729	456,490	450,000
Sewer retaps	32	36	100
Priority outfall line inspection (feet)	146,495	94,740	125,000
Collections system line inspection (feet)	460,625	424,824	450,000

WATER CONSTRUCTION AND MAINTENANCE

Fund: Utility

Function: Public Utilities

Goal: To expand and maintain a water system which will be safe, sanitary, and adequate through an effective construction and maintenance program.

DEPARTMENTAL SUMMARIES

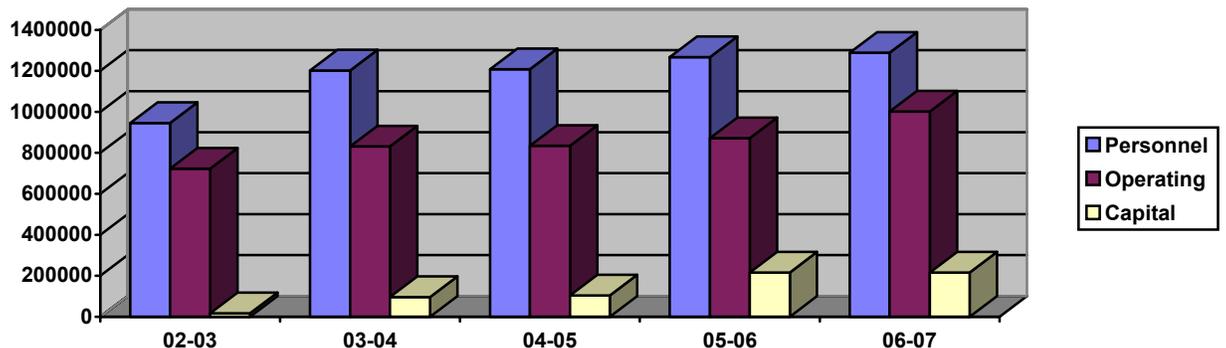
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	945,511	1,202,136	1,207,333	1,267,153	1,309,838	1,288,593
Operating	721,826	830,958	834,738	871,069	957,464	1,001,964
Capital	16,490	96,802	103,481	216,029	261,300	214,900
Total	1,683,827	2,129,896	2,145,552	2,354,251	2,528,602	2,505,457
Budgeted Employees	26	28	28	28	28	28

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes two (2) twelve inch cutting wheels, \$2,300; one (1) valve exerciser, \$40,000, six (6) FS-3 handhelds, \$27,000; six (6) ½ ton trucks, \$87,000; two (2) one ton utility trucks, \$47,000; one (1) server, \$8,000; and two (2) water discharge pumps, \$3,600.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$151,206 or six percent (6%) compared to FY 05-06 budget due to increased fuel cost, new work order system, and personnel cost adjustments. **FY 05-06** increase is due to additional capital outlay funding. **FY 03-04** shows personnel increases mainly due to cost of living adjustment and the funding of two new positions. Other increases are shown within contract services and departmental supplies. **FY 02-03** increases are mainly attributed to the addition of a meter reader position.



WATER CONSTRUCTION AND MAINTENANCE

The basic function of the Water Construction and Maintenance Department is to distribute adequate, clean and safe water to residential, commercial and industrial users. This includes the monthly reading of meters, performing cut-on, cut-offs, taps and replacement of still meters. A comprehensive maintenance program is performed by departmental personnel which includes cutting all right-of-ways, prompt repairing of broken lines with immediate notification to the public on service interruptions, maintenance of water tanks and operation of a meter repair shop. This department inspects all water lines installed by contractors, raises covered valve boxes and checks and maintains all fire hydrants and valves. This department also has a Backflow Prevention Program to ensure water quality and eliminate cross connections as well as a Fats, Oils and Grease Program to help minimize entry of fats, oils and grease into the City's sanitary sewer system.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: Ensure the reliable distribution of drinking water to the residents of the City and Lee County compliant with all current and future Federal, State, and Local requirements of system pressure, integrity, and water quality

Objective: 1) Perform leak investigations and respond to water main failures; 2) Install new taps and retaps and perform utility locates

Measures:

Miles of distribution lines maintained	642	675	725
Leak investigations	485	191	175
Major water line repairs (6" or greater)	60	135	150
Minor water line repairs (4" or smaller)	35	51	65
New water taps made	90	192	250
Water retaps	193	441	500

Objective: To install new meters, read existing meters, test meters, replace old meters and ensure optimum levels of customer service

Measures:

New meters installed	173	498	650
Water meters read	188,400	204,840	221,280
Large water meters tested (3" or greater)	40	40	40
Small meters tested (2" or smaller)	8	9	10
Replace old meters	1,129	1,323	1,517

Objective: Ensure consistent operational reliability of water distribution system through routine operation and maintenance of system components i.e. fire hydrants and isolation valves

Measures:

Hydrants inspected / maintained	2,550	2,650	2,750
Valves inspected / exercised	6,700	6,900	7,100

Objective: Prevent water system contamination through administration of City's Backflow Prevention Program and minimize entry of fats, oils and grease in City's sanitary sewer system through City's Fats, Oils, and Grease Program

Measures:

City owned backflow devices inspected	0	80	80
Privately owned backflow devices inspected	0	0	500
Grease containing fluids removed (gallons)	586,157	756,823	1,000,000

WATER TREATMENT PLANT

Fund: Utility

Function: Public Utilities

Goal: To treat and maintain an adequate and safe supply of water for our citizens.

DEPARTMENTAL SUMMARIES

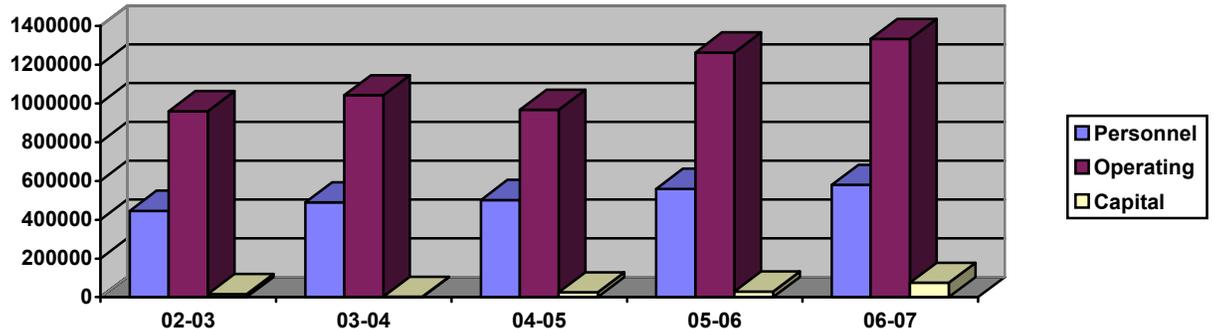
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	445,932	489,083	501,544	559,219	579,656	579,058
Operating	959,096	1,042,491	966,713	1,262,562	1,372,705	1,332,705
Capital	16,010	1,700	25,301	29,000	159,660	74,400
Total	1,421,038	1,533,274	1,493,558	1,850,781	2,112,021	1,986,163
Budgeted Employees	10	11	11	11	11	11

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes two (2) computers, \$3,400; one (1) bulk storage tank, \$25,000; one (1) coagulant charge analyzer, \$6,000; paint the pipe gallery, \$35,000; and addition of office space, \$5,000.

GRAPHIC REPRESENTATION

FY 06-07 appropriations increased \$135,382 or seven percent (7%) compared to FY 05-06 budget. **FY 06-07** and **FY 05-06** show increases resulting from personnel related cost increases and increased fuel costs. **FY 04-05** increases are related to personnel pay adjustments and capital. **FY 03-04** reflects personnel cost for the addition of a plant operator position. Operating cost increases are related to changes in treatment processes. **FY 02-03** shows operating cost increase due to increases in chemical and utility cost relative to the changeover of treatment processes.



WATER TREATMENT PLANT

The Water Treatment Plant provides the citizens of Sanford and Lee County with potable drinking water through chemical treatment and distribution.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
Goal: To provide a safe, reliable, uninterrupted supply of potable water to our customers			
Objective: Maintain elevated tank levels above 50% and maintain system pressure above 100% psi			
Measures:			
SCADA computer records of tank levels	100%	100%	100%
SCADA computer records of system pressure	100%	100%	100%

Goal: To exceed state and federal regulations on bacteriological water quality

Objective: Collecting and analyzing fifty distribution samples monthly for bacteriological quality

Measures:

Maintain a combined chlorine level above 2.0 mg/l	98%	98%	100%
Maintain a heterotrophic plate count below 500	99%	100%	100%

Goal: To thoroughly train, state certify, and retain operators for consistency and efficient operation of the plant

Objective: Maintain state certified operators and laboratory staff

Measures:

Number of state certified operators	100%	82%	100%
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WASTEWATER TREATMENT PLANT

Fund: Utility

Function: Public Utilities

Goal: To provide an effective recycling of domestic and industrial wastewater.

DEPARTMENTAL SUMMARIES

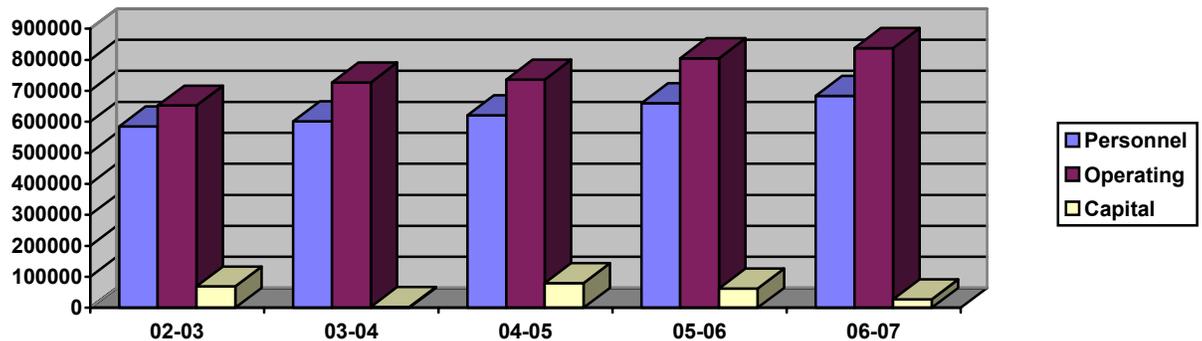
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	585,304	601,734	621,159	660,570	694,432	684,157
Operating	652,403	727,285	735,785	805,185	837,755	837,755
Capital	68,856	2,738	79,281	62,500	52,749	26,749
Total	1,306,563	1,331,757	1,436,225	1,528,255	1,584,936	1,548,661
Budgeted Employees	13	13	13	13	13	13

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) desiccator, \$2,000; one (1) hoist, \$2,499; one (1) hot plate stirrer, \$650; one (1) box blade, \$1,000; two (2) computers, \$3,400; one (1) metals digester, \$4,500; one (1) drying oven, \$2,000; one (1) suction plate, \$3,000; one (1) impeller, \$3,700; and one (1) analytical balance, \$4,000.

GRAPHIC REPRESENTATION

FY 06-07 appropriations increased \$20,406 or one percent (1%) compared to FY 05-06 budget. **FY 06-07** and **FY 05-06** show increases mainly due to personnel pay adjustments and increased utility costs. **FY 04-05** increases are mainly attributed to capital outlay. **FY 03-04** shows personnel increases with the cost of living adjustment. Operating cost increases include mandated testing changes. Decreases in capital outlay are shown. **FY 02-03** shows personnel increases attributed to the funding of one new position and cost of living adjustment. Operating cost increases are due to utility and chemical adjustments.



WASTEWATER TREATMENT PLANT

The Wastewater Treatment Plant is responsible for treating wastewater by residential, commercial, and industrial users to state and EPA requirements. The maintenance personnel are continually practicing preventive maintenance and repairing equipment in order to assure continued operations. The laboratory personnel constantly sample and test industrial discharges for surcharge data, to meet state requirements, and to protect the treatment plant. Current operations of the new bio-solids handling facility has enhanced efficiency and reduced operating cost.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: Comply with state and EPA regulations for Industrial Pretreatment Program and Plant

Objective: Monitor industries with an aggressive sampling program to ensure compliance with their permits and test daily influent and effluent at the plant

Measures:

Number of samples taken from industries and at the plant	7,396	7,496	7,546
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Goal: Comply with state and EPA regulations for Land Application program

Objective: Permit additional acreage for application of bio-solids

Measures:

Number of acres permitted for land application program	540	974	1,050
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Goal: Operate the plant with skilled and certified personnel for efficient operation

Objective: Certify all personnel to NC Biological Operator Certification Grade I

Measures:

Percent of certified operators of plant staff	100%	100%	100%
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WATER CAPITAL IMPROVEMENTS

Fund: Utility

Function: Public Utilities

Goal: To account for the capital improvement costs which relates directly to the water treatment and distribution system.

DEPARTMENTAL SUMMARIES

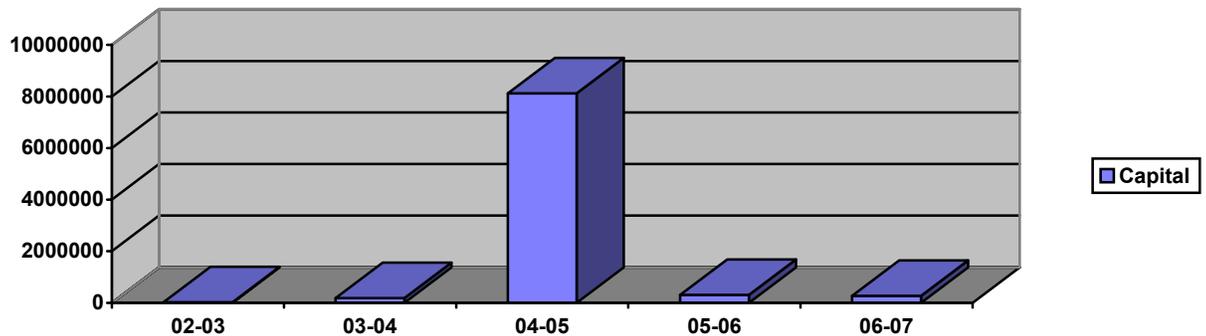
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	0	0	0	0	0	0
Operating	0	0	0	0	0	0
Capital	22,609	178,137	8,119,801	305,000	400,000	265,000
Total	22,609	178,137	8,119,801	305,000	400,000	265,000
Budgeted Employees	0	0	0	0	0	0

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes alum sludge removal, \$150,000; valve replacement, \$25,000; resurface parking lot at WTP, \$50,000; and plant access control camera, \$40,000.

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect a decrease of \$40,000 or thirteen percent (13%) compared to FY 05-06 budget. The decrease is shown within capital costs. The Lee County water system purchase was completed in **FY 04-05**. Capital costs drive expenditures within this cost center. Specific projects are analyzed and recommended for funding within the Capital Improvements Program.



SEWER CAPITAL IMPROVEMENTS

Fund: Utility

Function: Public Utilities

Goal: To account for the capital improvement costs which relates directly to the wastewater system.

DEPARTMENTAL SUMMARIES

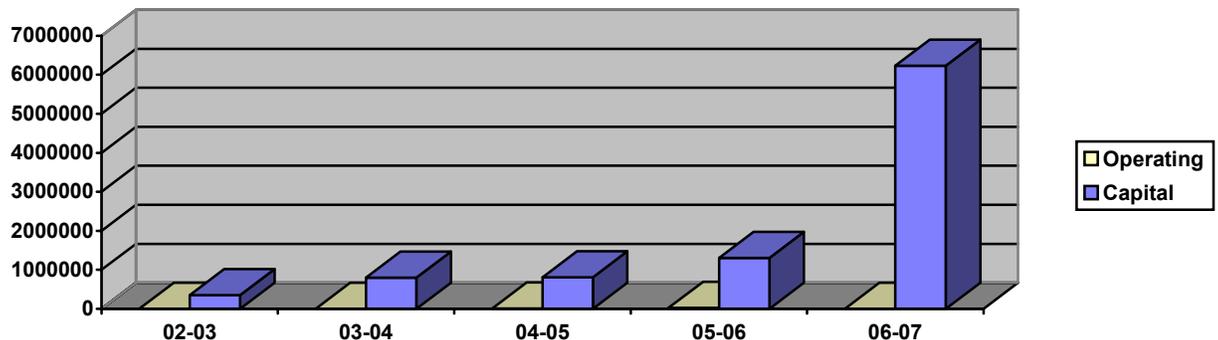
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	0	0	0	0	0	0
Operating	0	0	6,250	26,895	0	0
Capital	348,326	798,768	809,916	1,305,000	6,385,000	6,235,000
Total	348,326	798,768	816,166	1,331,895	6,385,000	6,235,000
Budgeted Employees	0	0	0	0	0	0

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes Highway 421 Bypass utility adjustments, \$135,000; sewer assessments, \$200,000; sewer rehabilitation, \$3,000,000 (installment purchase); and Little Buffalo / Northview lift station improvements, \$2,900,000 (\$1,900,000 funded by grants).

GRAPHIC REPRESENTATION

FY 06-07 appropriations reflect an increase of \$4,903,105 or three hundred and sixty-eight percent (368%) compared to FY 05-06 budget. This increase stems from sewer rehabilitation of \$3,000,000 (installment purchase) and \$1,900,000 grants received for the Little Buffalo / Northview lift station improvements along with a \$1,000,000 city match. Capital costs drive expenditures within this cost center. Specific projects are analyzed and recommended for funding within the Capital Improvements Program.



SPECIAL TAX DISTRICT FUND

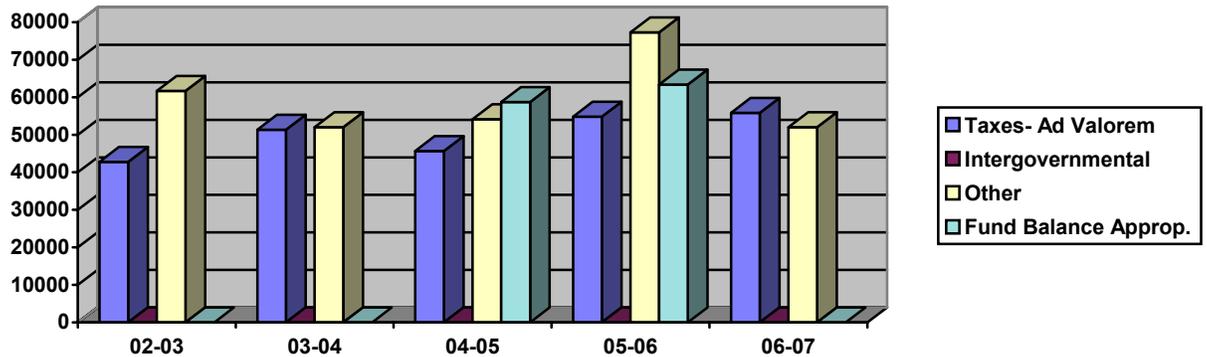
Goal: To account for the activities of the Central Business Tax District established to assist in revitalization of the downtown area.

REVENUE SUMMARIES

Revenue Sources	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Taxes- Ad Valorem	42,778	51,355	48,355	54,828	55,829	55,829
Intergovernmental	0	0	0	0	0	0
Other	61,714	52,024	54,122	77,300	52,000	52,000
Fund Balance Appropriation	0	0	58,737	63,372	0	0
Total	104,492	103,379	161,214	195,500	107,829	107,829

GRAPHIC REPRESENTATION

FY 06-07 Special Tax District revenues decreased \$87,671 or forty-five percent (45%) compared to FY 05-06 budget. The decrease is due to less fund balance appropriation. The tax rate was increased to 15 cents per \$100 valuation during **FY 05-06**. **FY 04-05** increase is related to the appropriation of fund balance. **FY 03-04** shows increases within taxes which are related to revaluation and the tax rate of 13 cent per \$100 valuation. The general fund contribution to downtown is in the amount of \$50,000. **FY 02-03** shows decreases due to loss of retail inventory reimbursement from the state.



SPECIAL TAX DISTRICT FUND

EXPENDITURE SUMMARIES

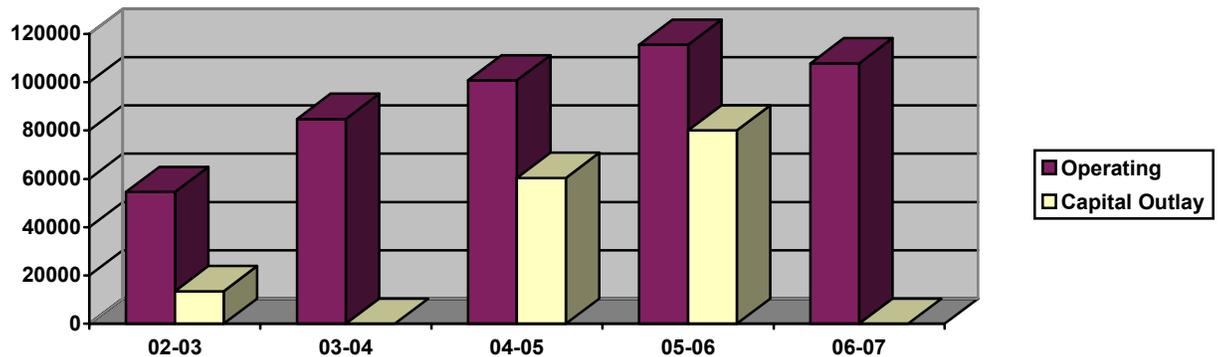
Object of Expenditure	ACTUAL 02-03	ACTUAL 03-04	ACTUAL 04-05	BUDGET 05-06	REQUESTED 06-07	APPROVED 06-07
Personnel	0	0	0	0	0	0
Operating	54,556	84,798	100,803	115,500	107,829	107,829
Capital Outlay	13,475	0	60,411	80,000	0	0
Total	68,031	84,798	161,214	195,500	107,829	107,829

2006-2007 CAPITAL OUTLAY DETAIL

No capital outlay funding was requested.

GRAPHIC REPRESENTATION

FY 06-07 Special Tax District expenditures reflect decreases totaling \$87,671 or forty-five percent (45%) compared to FY 05-06 budget. The decrease is due to reduced capital outlay. **FY 05-06** and **FY 04-05** increases are related to the funding of capital outlay. **FY 03-04** is the first year of loan repayment for capital construction. The transfer to general fund in support of administrative position (\$15,000) was eliminated. This was offset by a reduction in the transfer from general fund support to the special tax district fund.



SPECIAL TAX

To manage the development of Downtown Sanford as the primary economic, cultural, and social center of the community; to educate the community on the unique assets and historical significance of the downtown area; and to promote and stimulate the improvement of these assets.

Performance Measures	04-05 Actual	05-06 Projected	06-07 Projected
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Goal: To retain and develop downtown businesses

Objective: Accurately pursue federal and state grants and other local fundraising opportunities which will improve the downtown infrastructure conducive for economic retention and development

Measures:

Apply for federal and state grants	\$690,000	\$202,000	\$200,000
Private funds attained	\$5,300	\$10,000	\$15,000

Objective: Advocate on behalf of DSI to various civic groups and the general public to create a downtown awareness and solicit funding for various projects

Measures:

Conduct speaking engagements advocating DSI	5	5	6
Represent DSI on various local boards	2	2	3

Goal: To preserve the unique character and historical heritage of downtown

Objective: Restore historic business signs and install historic interpretive signs

Measures:

Restoration of historic signs	2	2	1
Installation of historic interpretive signs	2	0	2

Goal: To improve the district's overall appearance

Objective: To fund projects to improve the district's overall appearance

Measures:

Streetscape implemented on a number of downtown blocks	1	0	3
Building improvement grants awarded	10	7	8
City blocks with increased lighting	7	8	9
Art project	0	0	1

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CITY OF SANFORD CAPITAL IMPROVEMENTS PROGRAM

The City of Sanford's Capital Improvements Plan is prepared as a compendium to the Annual Operating Budget. The plan is designed to provide a five year perspective of future capital needs for the City. The program is intended to coordinate financing, scheduling and planning of capital needs well in advance which will eliminate hasty decisions and provide well designed, orderly growth. Project prioritizing and funding resource availability are paramount in providing a successful program. Safeguarding the city's assets and meeting state and federal mandates are also critical components of the plan.

The City's Capital Improvements Plan contains projected revenue sources and cost estimates to include cost relative to the Annual Operating Budget for each recommended capital project. Project descriptions detailing the specifics of each project along with visual aids are included when necessary. The projects are categorized by fund, department and type of improvement. The following improvement types are recommended.

1. Water Capital Projects
2. Sewer Capital Improvements
3. Street Capital Improvements
4. General Service Capital Improvements

The financial data for the ensuing fiscal year of the plan will be the same as the recommended capital outlays for major improvements within the ensuing operating budget and/or capital project ordinances. The remainder of the five year plan will be subject to annual revisions and authorizations. The acceptance of the plan is not binding on future budgets but will be used as a planning document.

The following pages are excerpts from the Capital Improvement Program. This information will provide the reader with more information concerning current year projects.

CAPITAL IMPROVEMENTS SCHEDULE

** FUNDING SOURCE	PROJECT DESCRIPTION	BUDGET YEAR 2006-2007	PLANNING YEAR 2007-2008	PLANNING YEAR 2008-2009	PLANNING YEAR 2009-2010	PLANNING YEAR 2010-2011
GENERAL FUND						
STREET:						
5	Addition of Street Lighting	-	300,000	300,000	300,000	300,000
5	Sidewalk Rehabilitation	50,000	50,000	50,000	50,000	50,000
5	Curb and Gutter Rehabilitation	20,000	20,000	20,000	20,000	20,000
8	Widening of Dalrymple Street	-	-	700,000	-	-
5	Catch Basin Rehabilitation	30,000	30,000	30,000	30,000	30,000
	TOTAL STREET	100,000	400,000	1,100,000	400,000	400,000
GENERAL SERVICES:						
4	Municipal Center Renovations	-	-	1,500,000	-	-
6	Expansion of Parking Lot at Service Ctr.	-	150,000	-	-	-
6	Vehicle Storage Building	-	-	-	350,000	-
3	Streetscape	-	350,000	350,000	350,000	350,000
3,4	Depot Acquisition and Renovation	-	175,000	185,000	90,000	-
	TOTAL GENERAL SERVICES	-	675,000	2,035,000	790,000	350,000
PUBLIC SAFETY:						
6	Air, Light, and Equipment Unit	-	350,000	-	-	-
6	Equipment Storage Building	-	100,000	-	-	-
6	Emerg. Generator-Harkey Rd Water Tank	-	25,000	-	-	-
4	Combination pumper / aerial	-	-	-	750,000	-
4	No. 4 Fire Station	-	-	650,000	-	-
4	Fire Pumper	450,000	-	-	-	-
4	Police Facility	-	-	-	500,000	4,500,000
4	Pumper Apparatus	-	-	450,000	-	-
	TOTAL PUBLIC SAFETY	450,000	475,000	1,100,000	1,250,000	4,500,000
GOLF:						
4	Purchase of new Golf Cars	-	155,000	-	-	-
5	Replacement of Maintenance Equipment	-	-	25,000	25,000	25,000
5	Refurbish Golf Car Paths	-	-	65,000	-	-
	TOTAL GOLF	-	155,000	90,000	25,000	25,000
	TOTAL GENERAL FUND	550,000	1,705,000	4,325,000	2,465,000	5,275,000
UTILITY FUND						
WATER:						
8	Utility Adjustments-Highway 421 Bypass	85,000	-	-	-	-
6	Alum Sludge Removal	150,000	-	-	-	-
6.4	Water Treatment Plant Improvements	150,000	-	6,000,000	-	-
4	Booster Pump Station	-	-	-	-	1,600,000
3,4	One Million Gallon Water Tank	-	-	-	-	1,200,000
6	Valve Replacement	25,000	25,000	25,000	25,000	25,000
6	Water System Rehabilitation	-	100,000	100,000	-	-
6	Water Extensions / Well Abandonment	-	25,000	25,000	25,000	25,000

** FUNDING SOURCE	PROJECT DESCRIPTION	BUDGET YEAR 2006-2007	PLANNING YEAR 2007-2008	PLANNING YEAR 2008-2009	PLANNING YEAR 2009-2010	PLANNING YEAR 2010-2011
1	Water Assessment	-	25,000	25,000	25,000	25,000
6	Looping of Lines	-	100,000	-	-	-
3	Replace 16" Waterline on Third St.	-	-	-	-	500,000
3	SCADA System Upgrades	750,000	-	-	-	-
4	Water System Quality Model	120,000	-	-	-	-
2	Water Plant Expansion (6 mgd)	-	-	-	6,000,000	18,000,000
3,4	Water Line Improvement to Industrial Park	-	200,000	1,600,000	-	-
	TOTAL WATER	1,280,000	475,000	7,775,000	6,075,000	21,375,000
	SEWER:					
6	Utility Adjustments—Highway 421 Bypass	135,000	-	-	-	-
4	Sewer Rehabilitation	3,000,000	750,000	750,000	750,000	750,000
6	Instrumentation and Control Sys. Improve.	-	-	500,000	500,000	-
4	Replace Aeration System / Upgrades	-	500,000	3,000,000	3,000,000	-
4	WWTP Disinfectant Process Modifications	-	200,000	1,300,000	1,300,000	-
6	Sewer Assessments	200,000	200,000	200,000	200,000	200,000
3,6	Little Buffalo/Northview Lift Station Improv.	2,900,000	-	-	-	-
6	Septic Tank Abandonment	-	100,000	100,000	100,000	100,000
4	Phosphorus Removal / Sludge Facility	-	-	2,500,000	2,500,000	-
4	Wastewater Plant Expansion (2.2 mgd)	-	-	2,500,000	2,500,000	-
6	Increase of Discharge Limit at WWTP	-	50,000	-	-	-
4	Force Main/Colon Rd. Pump Replacement	-	-	200,000	1,300,000	-
	TOTAL SEWER	6,235,000	1,800,000	11,050,000	12,150,000	1,050,000
	GENERAL SERVICES:					
6	Software Upgrade	400,000	-	-	-	-
	TOTAL GENERAL SERVICES	400,000	-	-	-	-
	TOTAL UTILITY FUND	7,915,000	2,275,000	18,825,000	18,225,000	22,425,000
	SPECIAL TAX FUND					
	GENERAL SERVICES:					
7	Cole/Steele Street Parking Lot Renovation	143,500	-	-	-	-
	TOTAL SPECIAL TAX FUND	143,500	-	-	-	-
	TOTAL ALL FUNDS	8,608,500	3,980,000	23,150,000	20,690,000	27,700,000

****FUNDING SOURCE**

- 1 = ASSESSMENTS – Budgeted within Annual Operating Budget
- 2 = BONDS – Budgeted within Capital Projects Ordinances
- 3 = GRANTS – Budgeted within Capital Projects Ordinances
- 4 = LOAN PROCEEDS – Budgeted within Capital Projects Ordinances
- 5 = GENERAL FUND OPERATING REVENUES – Budgeted within Annual Operating Budget
- 6 = ENTERPRISE FUND OPERATING REVENUES – Budgeted within Annual Operating Budget
- 7 = SPECIAL TAX FUND OPERATING REVENUES – Budgeted within Annual Operating Budget
- 8 = STATE FUNDING – Budgeted within Annual Operating Budget

PROJECT DETAIL FORM

Program Category:	Street	Fund:	General
Project Title:	Sidewalk Rehabilitation	Department:	Street Capital

Project Description:

Continue ongoing program of sidewalk rehabilitation. Our municipal sidewalk system has numerous sections which are in poor and unsafe condition. 30,000 LF of sidewalk can be classified as hazardous (having missing sections or cracks and separations greater than 1"). A minimum program would not replace sidewalk which has small cracks or is unsightly, only hazardous sidewalk. A budgeted amount of \$50,000 per year will enable approximately 2,500-3,000 LF of sidewalk per year to be replaced.

Costs	2006-2007
Planning/Design	5,000
Acquisition	
Construction	45,000
Equipment	
Total	\$50,000



Operating Budget Impact

This project will not affect the operating budget.

PROJECT DETAIL FORM

Program Category:	Street	Fund:	General
Project Title:	Curb and Gutter Rehabilitation	Department:	Street Capital

Project Description:

This is an ongoing project which specifies the replacement of standard 2'6" curb and gutter throughout the City of Sanford. The criteria for curb and gutter replacement shall include those sections which are misaligned, cracked or deteriorating with age. By budgeting \$20,000 per year and taking inflation and further deterioration into account, the system will be maintained at the current level.

Costs	2006-2007
Planning/Design	
Acquisition	
Construction	20,000
Equipment	
Total	\$20,000



Operating Budget Impact

This project will not affect the operating budget.

PROJECT DETAIL FORM

Program Category:	Street	Fund:	General
Project Title:	Catch Basin Repairs/Replacement	Department:	Street Capital

Project Description:

This is an ongoing project which specifies the repair or replacement of standard brick catch basins within the City of Sanford. Numerous existing catch basins have been misaligned or broken due to traffic or construction. The repairs will concentrate on positioning the pipe inverts to their proper elevation and/or resetting the frame and cover to allow for unobstructed flow. The repairs may range from simple grouting to complete replacement.



Costs	2006-2007
Planning/Design	
Acquisition	
Construction	30,000
Equipment	
Total	\$30,000

Operating Budget Impact

This project will not affect the operating budget.

PROJECT DETAIL FORM

Program Category:	Public Safety	Fund:	General
Project Title:	Fire Pumper	Department:	Fire

Project Description:

Purchase of an up-to-date and up-to-code recommended USDOT and NFPA complaint pumper. This would allow an up-to-date apparatus as first-in and move the 1987 Grumman to reserve status as it has reached its recommended twenty-year first run life span. As the department and its required actions for the public grow, the need for increased firefighting and other capabilities, as well as equipment carrying and storage increases accordingly. The 1987 Grumman is limited in its capabilities to carry equipment required to respond to our current incident response types (including but not limited to fires, hazardous materials, motor vehicle accidents, etc.). Personnel capabilities of the vehicle is limited in number and it does not provide adequate configuration for protection from the elements nor provide adequate environmental controls for all weather and rehabilitation services. The 1987 Grumman would be moved to reserve status for use when one of our first-run apparati are out of service.

The reserve pumper for the 1987 Grumman has outlived its capabilities under new regulations and recommendations from USDOT and NFPA for fire apparatus. The 1969 LaFrance's design and firefighting capabilities are outdated and limited. It failed this year's required pumper service test (necessary to be considered as part of our firefighting apparatus fleet by NCOSFM and ISO) and currently has repair needs to the pump, water tank and body structure that are not feasible to expend the amounts that would be required for the repairs.

This new apparatus would provide longer term service to the City. The 1969 American LaFrance will be declared surplus.

Costs	2006-2007
Planning/Design	
Acquisition	
Construction	
Equipment	450,000
Total	\$450,000



Operating Budget Impact

No increase in the operating budget is anticipated.

PROJECT DETAIL FORM

Program Category:	Water	Fund:	Utility
Project Title:	Utility Adjustments-Highway 421 Bypass	Department:	Water Capital

Project Description:

The North Carolina Department of Transportation is constructing the US 421 Bypass around Sanford. As part of the construction at the Intersection of the bypass, NC Highway 87 and US 421 South, the city will be required to make utility adjustments.

Costs	2006-2007
Planning/Design	
Acquisition	
Construction	85,000
Equipment	
Total	\$85,000



Operating Budget Impact

No increase in the operating budget is anticipated.

PROJECT DETAIL FORM

Program Category:	Water	Fund:	Utility
Project Title:	Alum Sludge Removal	Department:	Water Plant

Project Description:

This project is the removal and disposal of alum sludge in six sludge retention ponds at the water plant. The water treatment facility is near completion of its solids treatment facility which will place the sludge retention ponds obsolete as a treatment method for disposing alum sludge. The six ponds are all near capacity and will need to be dredged and disposed of as anticipated by the North Carolina Division of Water Quality. Currently the ponds are monitored quarterly, sampled and analyzed by means of four monitor wells placed around the lagoons. These monitor wells are to prevent infiltration of high concentrations of aluminum into the ground water. This project request is the last step in modernizing our solids treatment program by cleaning up the old method of disposal.

Costs	2006-2007
Planning/Design	
Acquisition	
Construction	150,000
Equipment	
Total	\$150,000



Operating Budget Impact

The City is obligated to dispose of the sludge to prevent any potential for the sludge to be accidentally released. As for future operations the six lagoons are to remain if for some reason we need to store sludge and decant if there is equipment failure at the new facility. After dredging and disposal we should be able to abandon the monitor wells and associated costs with maintaining. There is no alternative plan and cost has been calculated on past dredging and disposal.

PROJECT DETAIL FORM

Program Category:	Water	Fund:	Utility
Project Title:	Water Treatment Plant Improvements	Department:	Water Plant

Project Description:

This project includes resurfacing the parking lot, painting the pipe gallery, purchase of a 12,000 gallon bulk storage tank for sodium hydroxide, and plant access control and camera with monitor for front gate at the Water Treatment Plant.



Costs	2006-2007
Planning/Design	
Acquisition	
Construction	150,000
Equipment	
Total	\$150,000

Operating Budget Impact

No increase in the operating budget is anticipated.

PROJECT DETAIL FORM

Program Category:	Water	Fund:	Utility
Project Title:	Valve Replacement	Department:	Water Capital

Project Description:

This project calls for the replacement of non-functioning valves throughout the system. Currently, there are a number of valves throughout the system that are not functioning properly. Replacement of these valves will allow for more control of the water system, ensuring better circulation and minimizing areas to be “out of water” during repair and/or construction. The city’s valve replacement program over the last five to six years has shown tremendous benefit. The reaction time in emergencies, the time required for repair of lines and the cost of operation have all benefited from the valve replacement program.

Costs	2006-2007
Planning/Design	2,500
Acquisition	
Construction	22,500
Equipment	
Total	\$25,000



Operating Budget Impact

No increase in the operating budget is anticipated.

PROJECT DETAIL FORM

Program Category:	Water	Fund:	Utility
Project Title:	SCADA System Upgrades	Department:	Water Plant

Project Description:

The SCADA system at the water plant allows for control of the plant from the control room. Information from various equipment, pumps, etc., is relayed and controlled from a central location. This includes the replacement of the computer system, which is obsolete and replacement parts are becoming more difficult to obtain.



Costs	2006-2007
Planning/Design	75,000
Acquisition	
Construction	675,000
Equipment	
Total	\$750,000

Operating Budget Impact

A reliable system is required to provide the most efficient and effective operation of the plant and pumping systems. The existing system will be 12 years old, is unreliable and becoming unserviceable as due to its age parts are unobtainable. Coaxial cables are old and signals are getting weak.

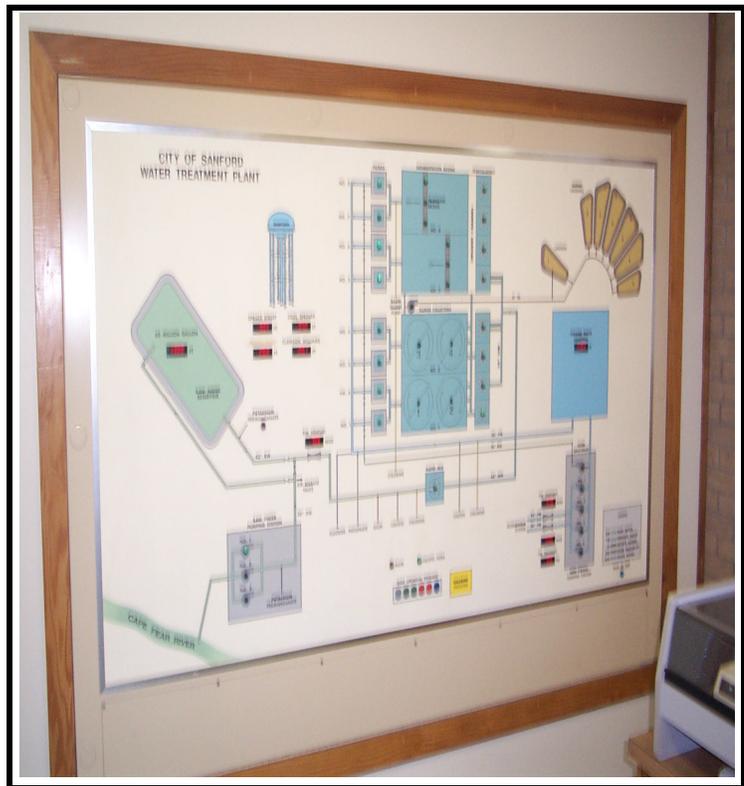
PROJECT DETAIL FORM

Program Category:	Water	Fund:	Utility
Project Title:	Water System Quality Model	Department:	Water Capital

Project Description:

In response to newly published regulations and to run the most efficient water system possible, the City is having a water quality model prepared. The model is capable of running differing scenarios to recommend capital improvements which will improve water quality.

Costs	2006-07
Planning/Design	120,000
Acquisition	
Construction	
Equipment	
Total	\$120,000



Operating Budget Impact

This project will not have an effect on the operating budget.

PROJECT DETAIL FORM

Program Category:	Sewer	Fund:	Utility
Project Title:	Utility Adjustments – Highway 421 Bypass	Department:	Sewer Capital Improvements

Project Description:

The North Carolina Department of Transportation is constructing the US 421 Bypass around Sanford. As part of the construction at the intersection of the bypass, NC Highway 87, and US 421 South, the City will be required to make utility adjustments. We can install sewer incasement pipes for approximately 25% of the future cost.

Costs	2006-2007
Planning/Design	13,500
Acquisition	
Construction	121,500
Equipment	
Total	\$135,000



Operating Budget Impact

No ongoing impact on the operating budget is anticipated.

PROJECT DETAIL FORM

Program Category:	Sewer	Fund:	Utility
Project Title:	Sewer Rehabilitation	Department:	Sewer Capital

Project Description:

This project is to rehabilitate the sewer lines which have serious inflow infiltration problems. Sixty miles of wastewater lines were installed before 1955, 15 miles prior to 1909 and 15 miles between 1909 and 1940. These lines are in the old areas of Sanford and are in very poor condition.

Costs	2006-2007
Planning/Design	300,000
Acquisition	
Construction	2,700,000
Equipment	
Total	\$3,000,000



Operating Budget Impact

Flow rates at the wastewater treatment plant during high rainfall events can quadruple. The major problem is the poor condition of the sewer lines. Infiltration flows and exfiltration overflows make a rehabilitation program for the City of Sanford essential. This program will reduce the loads on the lines and the plant, and delay capital costs for expansion. Also, rehabilitation will reduce the environmental effect of the old lines.

PROJECT DETAIL FORM

Program Category:	Sewer	Fund:	Utility
Project Title:	Sewer Assessments	Department:	Sewer Capital

Project Description:

This project specifies funds for the construction of petition/assessment sewer extensions. Per City policy, the City Council shall consider funding a petition assessment of sewer to an area completing a successful petition.



Costs	2006-2007
Planning/Design	20,000
Acquisition	
Construction	180,000
Equipment	
Total	\$200,000

Operating Budget Impact

Extension of sanitary sewer by petition results in additional lines to maintain as well as additional revenue from new customers.

PROJECT DETAIL FORM

Program Category:	Sewer	Fund:	Utility
Project Title:	Little Buffalo / Northview Lift Station Improvements	Department:	Sewer Capital

Project Description:

Little Buffalo Lift Station was constructed in the 1970's and serves a basin in which 32 miles of the collection system was constructed prior to 1960. During periods of heavy rain the collection system suffers from excess infiltration and inflow resulting in overflows at the station. This project is to minimize overflows at Little Buffalo by providing improvements which address peak flows providing a means to transfer the overflow to the Northview Station, making pump and other station modifications allowing the flow to be pumped to Big Buffalo Wastewater Treatment Facility.

Costs	2006-2007
Planning/Design	100,000
Acquisition	
Construction	2,800,000
Equipment	
Total	\$2,900,000



Operating Budget Impact

The project may involve total removal of Little Buffalo and providing gravity flow to Northview, rebuilding it completely and providing a new forced main to Big Buffalo.

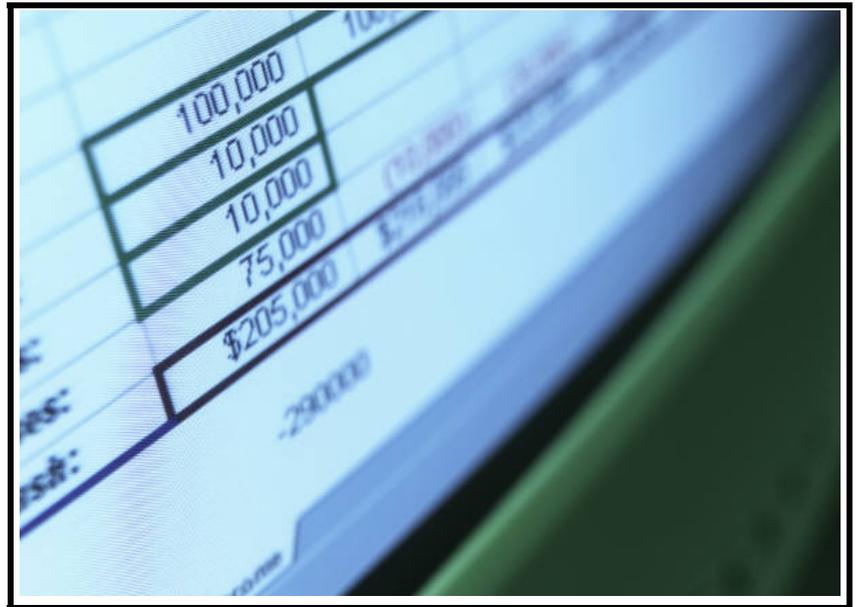
PROJECT DETAIL FORM

Program Category:	General Services	Fund:	Utility
Project Title:	Software Upgrade	Department:	UF Administration

Project Description:

Existing software for utilities, financial services, and human resources / payroll is not adequately accommodating City needs. Current software is primarily used by towns with smaller populations and fewer needs. New software should adequately accommodate Sanford's continued growth and enable the City to properly adjust to that growth. Additionally, new software should provide increased flexibility since its users are primarily larger units of government.

Costs	2006-2007
Planning/Design	
Acquisition	
Construction	
Equipment	400,000
Total	\$400,000



Operating Budget Impact

No increase in the operating budget is anticipated.

PROJECT DETAIL FORM

Program Category:	General Services	Fund:	Special Tax
Project Title:	Cole / Steele Street Parking Lot Renovation	Department:	Special Tax

Project Description:

This project consists of renovation and upgrades to an existing parking lot to make it more functional and esthetically pleasing.

Costs	2006-2007
Planning/Design	3,500
Acquisition	
Construction	140,000
Equipment	
Total	\$143,500



Operating Budget Impact

No increase in the operating budget is anticipated.

CITY OF SANFORD CAPITAL/GRANT BUDGETS

The City of Sanford's Capital/Grant Budgets are authorized for appropriations through General Statutes 159-13.2 and are adopted separate from the annual operating budget. This authorization includes funding of "capital project" and "grant project" appropriations. The capital budget is used for projects financed totally or in part through bond proceeds, notes or other debt instruments which involve a capital asset. The grant budget refers to projects financed with revenues received from state or federal government for operation or capital purposes defined by the specific grant. The project ordinance authorizes the funding for the length of the project, therefore funds are cumulative for the life of the project. The City uses these ordinances to fund projects within the Capital Improvements Program and Community Development Grant Program. Each ordinance clearly identifies its purpose and authorization and identifies the revenues and appropriations (balanced). A project ordinance may be amended with City Council enactment in the same manner as the annual operating ordinance.

Following is a summary of ongoing project activity:

APPROPRIATION	PROJECT/ PROGRAM	FY 04-05 ACTIVITY	PRIOR YRS. ACTIVITY	TOTAL ACTIVITY
GENERAL CAPITAL PROJECTS				
Revenues	765,000	313,599	210,204	523,803
Expenditures	765,000	313,599	210,204	523,803
SPECIAL REVENUES				
Community Development				
Revenues	2,722,670	321,204	1,437,797	1,759,001
Expenditures	2,722,670	425,060	981,780	1,406,840
UTILITY CAPITAL PROJECTS				
Water & Sewer Capital Improvements				
Revenues	18,263,394	904,571	17,916,645	18,821,216
Expenditures	18,263,394	3,413,887	10,739,025	14,152,912

**2006-2007
DEPARTMENTAL EMPLOYEE CLASSIFICATION**

POSITION TITLES	BUDGETED POSITIONS	SALARY RANGE
GOVERNING BODY (9)		
Mayor	1	*
City Council Members	7	*
City Clerk/Asst. to City Manager	1	\$40,263 - \$59,770
DEPARTMENT OF ADMINISTRATION (2)		
City Manager	1	*
Staff Assistant	1	\$27,128 - \$40,272
DEPARTMENT OF HUMAN RESOURCES (4)		
HUMAN RESOURCES		
Human Resources Director	1	\$59,767 - \$88,724
Human Resources Analyst	1	\$36,472 - \$54,143
Human Resources Assistant	1	\$29,932 - \$44,434
RISK MANAGEMENT		
Risk Management Officer	1	\$42,303 - \$62,799
DEPARTMENT OF LEGAL (2)		
City Attorney	1	\$65,989 - \$97,961
Paralegal	1	\$31,457 - \$46,698
DEPARTMENT OF COMMUNITY DEVELOPMENT (22)		
COMMUNITY DEVELOPMENT		
Comm. Development Director	1	\$65,989 - \$97,961
Asst. Comm. Dev. Director	1	\$51,552 - \$76,528
Administrative Services Coord.	1	\$33,057 - \$49,073
Planner II	4	\$42,303 - \$62,799
Planning Technician	1	\$33,057 - \$49,073
Staff Assistant	1	\$27,128 - \$40,272

* Amount is established and set by the City Council on a year to year basis.

**2006-2007
DEPARTMENTAL EMPLOYEE CLASSIFICATION**

POSITION TITLES	BUDGETED POSITIONS	SALARY RANGE
DEPARTMENT OF COMMUNITY DEVELOPMENT CON'T (22)		
INSPECTIONS		
Permitting Administrator	1	\$44,445 - \$65,978
Field Superintendent	1	\$44,445 - \$65,978
Building Inspector	3	\$36,472 - \$54,143
Permit Coordinator	2	\$24,571 - \$36,475
Administrative Technician I	1	\$27,128 - \$40,272
COMMUNITY ENHANCEMENT – CODE ENFORCEMENT		
Code Enforcement Supervisor	1	\$40,263 - \$59,770
Code Enforcement Officer	2	\$34,729 - \$51,555
Code Enforcement Clerk	1	\$24,571 - \$36,475
COMMUNITY ENHANCEMENT – DOWNTOWN/HPC		
Downtown Development Manager I	1	\$42,303 - \$62,799
DEPARTMENT OF INFORMATION SYSTEMS (2)		
Information Systems Director	1	\$59,767 - \$88,724
Program Analyst/Webmaster	1	\$42,303 - \$62,799
SANFORD GOLF COURSE (6)		
Golf Course Manager	1	\$46,706 - \$69,336
Golf Course Superintendent	1	\$42,303 - \$62,799
Asst. Golf Course Manager	1	\$34,729 - \$51,555
Lead Turfgrass Technician	1	\$27,128 - \$40,272
Turfgrass Technician	2	\$24,571 - \$36,475

**2006-2007
DEPARTMENTAL EMPLOYEE CLASSIFICATION**

POSITION TITLES	BUDGETED POSITIONS	SALARY RANGE
DEPARTMENT OF POLICE (100)		
Chief of Police	1	\$65,989 - \$97,961
Assistant Chief	1	\$54,160 - \$80,402
Administrative Support Asst.	1	\$29,932 - \$44,434
Staff Assistant	1	\$27,128 - \$40,272
Police Records Supervisor	1	\$33,057 - \$49,073
Police System Support Spec.	1	\$31,457 - \$46,698
Major	1	\$51,552 - \$76,528
IAT Officer	1	\$46,706 - \$69,336
Patrol Captain	6	\$44,445 - \$65,978
Narcotics Sergeant	1	\$40,263 - \$59,770
Detective Sergeant	1	\$40,263 - \$59,770
Sergeant	6	\$38,319 - \$56,855
Detective Captain	1	\$46,706 - \$69,336
Narcotics Captain	1	\$46,706 - \$69,336
Detective	9	\$36,472 - \$54,143
Narcotics Agent	3	\$36,472 - \$54,143
Police Officer III	31	\$34,729 - \$51,555
Police Officer II	8	\$33,057 - \$49,073
Police Officer I	8	\$31,457 - \$46,698
Telecomm. Supervisor	1	\$34,729 - \$51,555
Telecommunicator	12	\$28,512 - \$42,327
Receptionist	4	\$22,258 - \$33,043
DEPARTMENT OF FIRE (52)		
Chief	1	\$62,792 - \$93,215
Assistant Chief	1	\$49,068 - \$72,842
Battalion Commander	3	\$44,445 - \$65,978
Staff Assistant	1	\$27,128 - \$40,272
Company Captain	9	\$38,319 - \$56,855
Firefighter III	14	\$33,057 - \$49,073
Firefighter III/Inspector	2	\$33,057 - \$49,073
Firefighter III/Driver Operator	9	\$33,057 - \$49,073
Firefighter II	4	\$31,457 - \$46,698
Firefighter I	7	\$29,932 - \$44,434
Firefighter Trainee	1	\$28,512 - \$42,327

**2006-2007
DEPARTMENTAL EMPLOYEE CLASSIFICATION**

POSITION TITLES	BUDGETED POSITIONS	SALARY RANGE
DEPARTMENT OF FINANCIAL SERVICES (15)		
	FINANCE	
Director of Financial Services	1	\$65,989 - \$97,961
Asst. Director of Financial Services	1	\$51,552 - \$76,528
Staff Assistant	1	\$27,128 - \$40,272
Senior Accountant	1	\$38,319 - \$56,855
Accountant II	1	\$34,729 - \$51,555
Accountant I	1	\$31,457 - \$46,698
Budget Analyst	1	\$36,472 - \$54,143
Accounting Technician	1	\$27,128 - \$40,272
	UTILITY FUND ADMINISTRATION	
Collections Manager	1	\$44,445 - \$65,978
Revenue Supervisor	1	\$40,263 - \$59,770
Collections Clerk	3	\$24,571 - \$36,475
Billing Clerk	1	\$27,128 - \$40,272
Senior Collections Clerk	1	\$27,128 - \$40,272

**2006-2007
DEPARTMENTAL EMPLOYEE CLASSIFICATION**

POSITION TITLES	BUDGETED POSITIONS	SALARY RANGE
DEPARTMENT OF PUBLIC WORKS (130)		
PUBLIC WORKS ADMINISTRATION		
Public Works Director	1	\$69,308 - \$102,888
Public Works Administrator	1	\$40,263 - \$59,770
PW Operations Manager	1	\$51,552 - \$76,528
Administrative Support Asst.	1	\$29,932 - \$44,434
Staff Assistant	1	\$27,128 - \$40,272
STREET		
Street Superintendent	1	\$44,445 - \$65,978
Crew Supervisor II	1	\$33,057 - \$49,073
Crew Supervisor I	2	\$29,932 - \$44,434
Equipment Operator III	1	\$27,128 - \$40,272
Equipment Operator II	4	\$24,571 - \$36,475
Equipment Operator I	2	\$23,388 - \$34,720
Maintenance Worker II	3	\$23,388 - \$34,720
Maintenance Worker I	2	\$22,258 - \$33,043
Lead Maintenance Worker	1	\$24,571 - \$36,475
Traffic Services Technician	1	\$28,512 - \$42,327
SOLID WASTE		
Solid Waste Superintendent	1	\$44,445 - \$65,978
Crew Supervisor/Safety Officer	1	\$34,729 - \$51,555
Crew Supervisor I	2	\$29,932 - \$44,434
Equipment Operator II	3	\$24,571 - \$36,475
Equipment Operator I	2	\$23,388 - \$34,720
Lead Maintenance Worker	1	\$24,571 - \$36,475
Maintenance Worker II	4	\$23,388 - \$34,720
Maintenance Worker I	4	\$22,258 - \$33,043
BEAUTIFICATION		
Horticulturist	1	\$38,319 - \$56,855
Groundskeeper	5	\$22,258 - \$33,043

**2006-2007
DEPARTMENTAL EMPLOYEE CLASSIFICATION**

POSITION TITLES	BUDGETED POSITIONS	SALARY RANGE
DEPARTMENT OF PUBLIC WORKS CON'T		
SHOP		
Fleet Maint. Superintendent	1	\$44,445 - \$65,978
Mechanic II	3	\$29,932 - \$44,434
Garage Clerk	1	\$27,128 - \$40,272
ENGINEERING		
City Engineer	1	\$56,888 - \$84,450
Civil Engineer II	1	\$46,706 - \$69,336
Civil Engineer I	1	\$42,303 - \$62,799
Drafting Technician	1	\$28,512 - \$42,327
Engineering Technician	2	\$33,057 - \$49,073
Construction Inspector	2	\$33,057 - \$49,073
Staff Assistant	1	\$27,128 - \$40,272
SEWER CONST. & MAINT.		
Sewer Utilities Superintendent	1	\$44,445 - \$65,978
Crew Supervisor I	1	\$29,932 - \$44,434
Utility Maint. Worker II	3	\$23,388 - \$34,720
Utility Maint. Worker I	3	\$22,258 - \$33,043
Lead Utility Maint. Worker	1	\$24,571 - \$36,475
Equipment Operator III	1	\$27,128 - \$40,272
Equipment Operator II	2	\$24,571 - \$36,475
Utility Technician	1	\$28,512 - \$42,327
WATER CONST. & MAINT.		
Water Utilities Superintendent	1	\$44,445 - \$65,978
Asst. Water Utilities Superintendent	1	\$38,319 - \$56,855
Crew Supervisor I	4	\$29,932 - \$44,434
Lead Utility Maint. Worker	4	\$24,571 - \$36,475
Utility Maintenance Worker II	1	\$23,388 - \$34,720
Utility Maintenance Worker I	6	\$22,258 - \$33,043
Meter Reading Supervisor	1	\$29,932 - \$44,434
Meter Reader	6	\$24,571 - \$36,475
Equipment Operator II	3	\$24,571 - \$36,475
Utility Connection Coordinator	1	\$38,319 - \$56,855

**2006-2007
DEPARTMENTAL EMPLOYEE CLASSIFICATION**

POSITION TITLES	BUDGETED POSITIONS	SALARY RANGE
DEPARTMENT OF PUBLIC WORKS CON'T		
WATER PLANT		
WTP Superintendent	1	\$49,068 - \$72,842
Chief WTP Operator	1	\$34,729 - \$51,555
WTP Operator III	1	\$29,932 - \$44,434
WTP Operator II	2	\$27,128 - \$40,272
WTP Operator I	3	\$24,571 - \$36,475
Utility Mechanic II	1	\$31,457 - \$46,698
Lab Supervisor	1	\$40,263 - \$59,770
Lab Technician II	1	\$33,057 - \$49,073
WASTEWATER TREATMENT PLANT		
WWTP Superintendent	1	\$49,068 - \$72,842
Chief WWTP Operator	1	\$34,729 - \$51,555
Pretreatment Coordinator	1	\$36,472 - \$54,143
Lab Supervisor	1	\$40,263 - \$59,770
Lab Technician II	1	\$33,057 - \$49,073
Utility Mechanic I	2	\$29,932 - \$44,434
WWTP Operator II	5	\$27,128 - \$40,272
WWTP Operator I	1	\$24,571 - \$36,475
STORE		
Maintenance/Inventory Tech.	1	\$27,128 - \$40,272
PUBLIC BUILDING		
Bldg./Grounds Superintendent	1	\$44,445 - \$65,978
Maintenance/Inventory Tech.	1	\$27,128 - \$40,272
Staff Assistant	1	\$27,128 - \$40,272

CITY OF SANFORD, NC
PERSONNEL PROCEDURE

SUBJECT	EFFECTIVE DATE	NUMBER
Employee Wage and Salary Program	March 1, 2006	COS-PP-302

1.0 GENERAL

It is the City of Sanford's policy to fairly compensate each employee for the value of his contribution to the success of the city through his assigned work. The employee Wage and Salary Program will promote the goals of the City of Sanford and individual employees by optimizing employee performance and contributions. It is our intention to use a compensation system that will determine the current market value of a position based on the skills, knowledge and behaviors required of a fully competent incumbent. The system used will be objective and non-discriminatory in theory, application and practice.

2.0 RESPONSIBILITY AND AUTHORITY

The City Manager shall have overall responsibility for preparing position classification and pay plans for submission to the council based on recommendations from Human Resources management. The City Manager shall have overall responsibility for ensuring that the administration of the Wage and Salary Program is consistent with and promotes the attainment of the city's goals and objectives.

The City Manager shall have responsibility for approving the following salary actions for city employees:

1. All transactions outside established guidelines,
2. All equity adjustments,
3. All promotions,
4. All demotions,
5. All position reclassifications.

Salary adjustments for all city employees that are within the established percentage frequency guidelines will require approvals in accordance with COS-PP-303, Employee Performance Appraisal.

3.0 ADMINISTRATION

The City Manager shall ensure that salary ranges are reviewed and updated, that all individual jobs are market priced and that pay adjustments are administered in a fair and equitable manner.

Human Resources Department personnel shall be responsible for the development, implementation, and administration of the program.

Department heads shall be responsible for supporting policy objectives by fairly and objectively administering the program in their respective units.

4.0 POSITION DESCRIPTION AND RE-EVALUATION

Written position descriptions should be kept current and accurately reflect the responsibilities and requirements of the position. The Human Resources Department will maintain all position descriptions. Preparation of the position description is the responsibility of the employee's supervisor. Supervisors may request an analysis of a new position or re-evaluation of a current position description through Human Resources.

CITY OF SANFORD, NC
PERSONNEL PROCEDURE

SUBJECT	EFFECTIVE DATE	NUMBER
Employee Wage and Salary Program	March 1, 2006	COS-PP-302

When re-evaluation of a position results in a grade change, whether upward or downward, the change must be recommended by the department head and Human Resources and approved by the City Manager. The salary of all incumbent(s) affected by this re-evaluation will be reviewed and adjustments may be made as necessary. Adjustments require the approval of the City Manager. When an employee's current position is re-evaluated and results in a lower salary grade, the salary of the incumbent(s) will not be reduced.

5.0 SALARY SCHEDULE

The City of Sanford salary schedule listing all approved positions, salary grades and salary ranges will be prepared and issued annually by the Human Resources Department. Actual salaries will vary within a defined grade based on the level of experience and performance of the individual.

6.0 NEW EMPLOYEES

Under normal circumstances, a qualified but inexperienced new employee starts at the minimum rate of their grade level. Starting salaries for fully qualified and experienced new employees may approach, but not exceed, ten (10) percent above minimum salary. Any exception must be recommended by the Human Resources Director and approved by the City Manager.

New employees will be given performance appraisals as they complete milestone points following date of hire based on the following schedule:

- a. Six (6) months - performance appraisal with salary adjustment if approved;

Salary adjustments may be granted based on approvals, but in no case will an employee's salary advance past Step G of their assigned grade during their first year of employment. The Human Resources Director must recommend and the City Manager must approve any exception.

7.0 PERFORMANCE APPRAISALS

Performance appraisals will be conducted for all employees in accordance with COS-PP-303, Employee Performance Appraisal.

Performance appraisals for merit action must be completed and forwarded to the Human Resources Department at least fourteen (14) days prior to effective date.

8.0 SALARY REVIEW

Salary ranges are reviewed and may result in a revised salary schedule. This revision may result in a Cost of Living (COL) adjustment. COL adjustments for employees will be implemented in accordance with approved guidelines.

Probationary increases may be granted per established guidelines to probationary employees upon successful completion of the probationary period.

CITY OF SANFORD, NC
PERSONNEL PROCEDURE

SUBJECT	EFFECTIVE DATE	NUMBER
Employee Wage and Salary Program	March 1, 2006	COS-PP-302

Merit increases are given at the discretion of City Council. Merit increases are not guaranteed and the amount of the merit increase is based upon employee performance and available funds. When provided, a merit increase shall be given at the employee's anniversary/evaluation date, which is generally 12 months from the employee's probationary date, and shall accompany a written performance appraisal. The salary increase should be in accordance with approved guidelines. The City Manager must approve any exception. If the performance and salary review date for an employee occurs during a leave of absence, the employee should be reviewed within two (2) weeks of their return to work. If a salary adjustment is recommended and approved, the adjustment will be effective at the beginning of the payroll period following the employee's return to work.

Salary increases may be granted to incumbents after obtaining job-related certification or licensure in specialized areas. Salary increases will be granted according to established guidelines.

9.0 SALARY INCREASE GUIDE

A salary increase guide will be established and published prior to the beginning of each fiscal year and updated as conditions warrant. Merit increases will be based on performance and present salary position with the assigned salary grade. Department heads should consider the effect of each increase on the individual's opportunity to continue to receive meaningful annual increases.

Merit increases must follow these guidelines:

1. They shall be administered within the salary range for the established salary grade for the employee's position,
2. They should be effective on the first day of the payroll period containing the employee's review date,
3. They should be in accordance with approved salary guidelines for the fiscal year,
4. They should be within the department head's salary budget.

Normally, increases are not granted when the new salary is above the maximum for the assigned grade. Employees who are at the maximum of their salary range for their position classification are eligible to be considered for a performance bonus. Performance pay bonuses shall be awarded in a lump sum payment and do not become part of the employee's base salary. The performance appraisal rating required for bonus consideration and the amount of the performance pay bonus will be determined by the City Manager with recommendation from the department head and the Human Resources Department.

Employees should not be paid below the minimum of their assigned grade except as noted in COS-PP-301, 4.0. When the salary structure shifts, resulting in a below-minimum rate of pay, the employee shall receive an equity increase in pay to return to minimum of their grade.

The following guidelines apply to all promotions:

1. If the present salary is lower than the new minimum rate, but within the established increase guidelines for promotional increase, the employee's salary should be raised to the new minimum rate or to the salary step obtained in the new grade based on established salary increase guidelines,

CITY OF SANFORD, NC
PERSONNEL PROCEDURE

SUBJECT	EFFECTIVE DATE	NUMBER
Employee Wage and Salary Program	March 1, 2006	COS-PP-302

2. If the present salary is substantially lower than the new minimum rate (more than the increase guideline for a promotional increase), the employee's salary should be raised to the minimum of the new grade,
3. If the present salary is at or above the minimum rate, the employee's salary should be raised at the salary increase percent based on established increase guidelines.

At the discretion of the department head, a promoted employee may serve a six-month (6) probationary period in his/her new position. Upon satisfactory completion of the probationary period, the department head may recommend, within established guidelines, a salary increase for the employee. A written performance appraisal must accompany the request and be submitted to the Human Resources Department. The increase must be recommended by the department head and Human Resources Director and approved by the City Manager.

If an employee is reassigned by management, as a result of marginal or unacceptable performance or disciplinary reasons, to a position for which the maximum salary is below the rate the employee was receiving, a reduction of the employee's salary to the maximum of the new grade will be made. When the re-assignment of the employee by management is due to reasons other than inadequate performance or discipline, the employee's salary will not be reduced.

CITY OF SANFORD, NC
PERSONNEL PROCEDURE

SUBJECT	EFFECTIVE DATE	NUMBER
Employee Performance Appraisal	August 1, 1996	COS-PP-303

1.0 GENERAL

Performance appraisals will be conducted for all full-time employees. The purpose of the performance appraisal program is to:

- a. Provide communication between employees and supervisors;
- b. Provide information upon which management can base personnel decisions;
- c. Assist manager in assessing employee potential;
- d. Provide a sound basis for compensation decisions;
- e. Standardize records for documenting employee performance;
- f. Provide for the setting of specific job expectations and annual appraisal of on-the-job performance.

2.0 REQUIRED ACTIONS

Within thirty (30) days after the beginning of the salary review period, the supervisor must establish job expectations and performance standards. These will be discussed with the employee and recorded on the performance appraisal form.

At the end of a salary review period or prior to a promotion, a performance review is conducted. This performance review will consist of the following:

Review of job expectations by supervisor and employee;
Preparation of appraisal form by supervisor;
Conducting of performance appraisal interview;
Forwarding of forms to Personnel Department.

3.0 PERFORMANCE APPRAISAL CRITERIA

The appraisal of performance should be based upon performance of the specific job expectations. The overall performance rating is measured on a scale of 1 to 10 as shown and described on the appraisal form.

An employee with a rating of one (1) or two (2) will be re-appraised in three (3) months. If at that time performance has not improved enough to warrant a rating of three (3) or above, transfer or termination will be considered.

4.0 APPRAISAL INTERVIEW

The employee performance appraisal interview must be conducted so that all forms will arrive in the Personnel Office at least fourteen (14) days prior to effective date. During the interview, the supervisor and employee will review the completed appraisal form and the employee may enter personal comments and will sign the form. The employee's signature indicates only that they have reviewed the form and does not indicate agreement with the appraisal.

CITY OF SANFORD, NC
PERSONNEL PROCEDURE

SUBJECT	EFFECTIVE DATE	NUMBER
Employee Performance Appraisal	August 1, 1996	COS-PP-303

Performance appraisals are required prior to a transfer or promotion if more than six (6) months have elapsed since the last appraisal was conducted.

The supervisor and the employee should retain copies of the completed appraisal form.

5.0 APPROVALS

Levels of approval for a performance appraisal will be as follows:

Appraisals with a rating of 3 through 8 require two (2) levels of approval;
Appraisals with a rating of 1, 2, 9, or 10 require three (3) levels of approval, one of which must be the department head with budgetary responsibility for the employee's department.

All approval signatures must be obtained prior to the performance appraisal interview. Each department may expand the approval process as desired.

The City Manager's signature will be required on all performance appraisal forms for those actions requiring approval in accordance with COS-PP-302, 2.0 and 9.0.

CITY OF SANFORD, NC

FINANCE PROCEDURE

SUBJECT	EFFECTIVE DATE	NUMBER
Investment Policy	June 1, 2006	COS-FP-901

PURPOSE

Funds of the City will be invested in accordance with North Carolina General Statutes 159-30 and these policies and written administrative procedures. The City's investment portfolio shall be managed in a manner to attain a market rate of return while preserving and protecting capital in the overall portfolio.

RESPONSIBILITY

The Finance Director or his designee shall have the responsibility for the administration of the investment policy of the City of Sanford. The Finance Director will routinely monitor the contents of the portfolio, the available markets, and the relative values of competing instruments, and will adjust the portfolio accordingly.

PORTFOLIO DIVERSIFICATION

The City will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities.

Diversification by Instrument:

Percent of Portfolio

U.S. Treasury obligations (bills, notes, bonds)	100%
U.S. Government Agencies (fully guaranteed)	100%
Bankers Acceptance (BAs)	40%
Commercial Paper	40%
Repurchase Agreements	25%
Certificates of Deposit (CDs) Commercial Banks	100%
North Carolina Cash Management Trust	95%
RBC Centura Public Fund Account	30%

Diversification by Financial Institution:

Bankers' Acceptance (BAs):

No more than 25% of the total BA portfolio with any one institution.

Commercial Paper:

No more than 30% of the total commercial paper portfolio with any one issuer.

Repurchase Agreements:

No more than 15% of the total repurchase agreement portfolio with any one institution.

Certificates of Deposit (CDs)

No more than 60% of the total CD portfolio with one institution.

Maturity Scheduling:

Investment maturities shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures, as well as considering sizable blocks of anticipated revenue (tax receipts, etc.). Maturities shall be timed to comply with the following guidelines:

Under	1 year	80%
Under	2 years	100%

CITY OF SANFORD, NC		
FINANCE PROCEDURE		
SUBJECT	EFFECTIVE DATE	NUMBER
Investment Policy	June 1, 2006	COS-FP-901

A. Strategy

The City invests funds by using a specific, but flexible, investment strategy. The City formulates its investment strategy by monitoring the performance of current economic indicators and current economic projections. The criteria for selecting investments are ranked as to: legality, safety, liquidity, yield, ease and cost of handling. Obvious profit opportunities are taken when market conditions shift (swaps). Long-term investments (over one year) are limited to maturities of two years or less. Maturities are selected to coincide with the periods when funds will be needed to meet expenditures.

B. Market Trading Procedures

The City monitors the investment market daily. It is the city's policy to contact the banks in Sanford for bids and offerings to receive the best pricing/yield possible. Other North Carolina based financial institutions may also be contacted when appropriate. All purchases, sales, swaps, and commitments are verified and documented as to the settlement date, interest rate, maturity date, and price. All transactions are recorded in complete detail. Investments are frequently settled by a bank wire transfer.

C. Collateralization of Deposits

North Carolina General Statute 159-31 (b) requires that sufficient collateral be pledged for all public funds. For demand deposits and time deposits, FDIC and FSLIC protection is available for \$100,000. However, once the City's demand or time deposits exceed \$100,000, specific eligible securities must be pledged as collateral for the City's funds. The Finance Director or his designee will ensure that sufficient and proper collateral exists for all demand and time deposits in excess of \$100,000.

D. Third-Party Safekeeping

The City uses third-party safekeeping for all investments not covered by collateralization requirements. Third-party safekeeping arrangements will be bid as part of the banking services contract. Third-party safekeeping provides the City with the safest category of credit risk for these investments.

REPORTING REQUIREMENTS

The Finance Director shall generate monthly reports for management purposes. In addition, the Law and Finance Committee of the City Council will be provided quarterly reports which include data on investment instruments being held and a statement that the portfolio conforms to these policies.

Extracted from Comprehensive Annual Financial Report

CITY OF SANFORD, NORTH CAROLINA
 DEMOGRAPHIC STATISTICS (UNAUDITED)
 June 30, 2005

<u>Fiscal year June 30,</u>	<u>Population(A)</u>	<u>Per capita income (B)</u>	<u>Average daily school membership (C)</u>	<u>Lee County Unemployment rate (D)</u>
1996	20,750	22,652	8,162	4.7%
1997	21,100	24,039	8,579	4.0%
1998	21,500	23,891	8,721	3.7%
1999	21,518	25,708	8,502	3.5%
2000	22,310	25,740	8,504	3.7%
2001	23,330	26,680	8,604	6.0%
2002	23,409	26,983	8,438	7.7%
2003	23,522	27,669	8,472	6.7%
2004	23,530	N/A	8,924	5.8%
2005	23,832	N/A	8,958	5.2%

Source of information:

(A) Office of State Budget and Management

(B) Bureau of Economic Analysis (State Library)

(C) Lee County Board of Education

(D) Employment Security Commission of North Carolina

N/A Not available

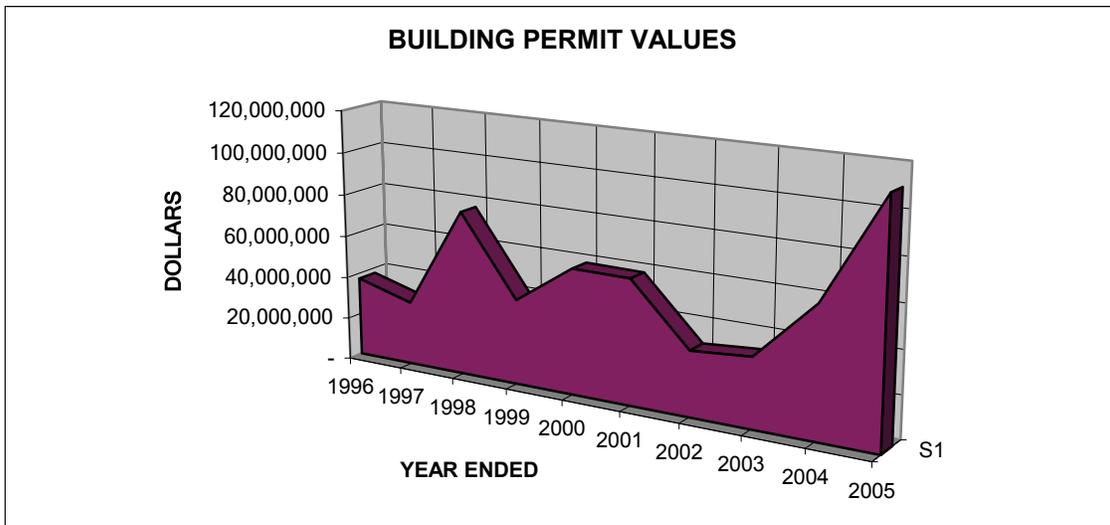
CITY OF SANFORD, NORTH CAROLINA
 PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS (UNAUDITED)
 June 30, 2005

Fiscal year June 30	Building permits		Bank deposits (B)	Assessed property values			
	Number of units (A)	Value (A)		Real property	Personal property	Utilities	Total
1996	469	37,428,292	525,244,000	731,326,671	315,809,943	34,122,908	1,081,259,522
1997	391	29,788,335	528,921,000	748,032,081	334,910,602	35,976,355	1,118,919,038
1998	565	77,371,411	541,977,000	805,168,617	379,727,329	33,536,308	1,218,432,254
1999	372	39,846,695	551,954,000	863,240,884	421,391,979	41,028,251	1,325,661,114
2000	442	58,940,414	581,620,000	894,016,733	484,591,937	34,834,946	1,413,443,616
2001	598	58,558,300	614,250,000	905,557,937	513,946,981	35,743,656	1,455,248,574
2002	369	30,513,704	599,438,000	939,174,794	518,906,756	39,988,251	1,498,069,801
2003	372	32,614,745	612,801,000	956,056,544	526,922,020	37,788,739	1,520,767,303
2004	376	60,634,877	612,829,000	1,148,068,689	461,678,958	45,914,539	1,655,662,186
2005	767	#####	N/A	1,175,515,025	456,056,792	47,308,731	1,678,880,548

Source -

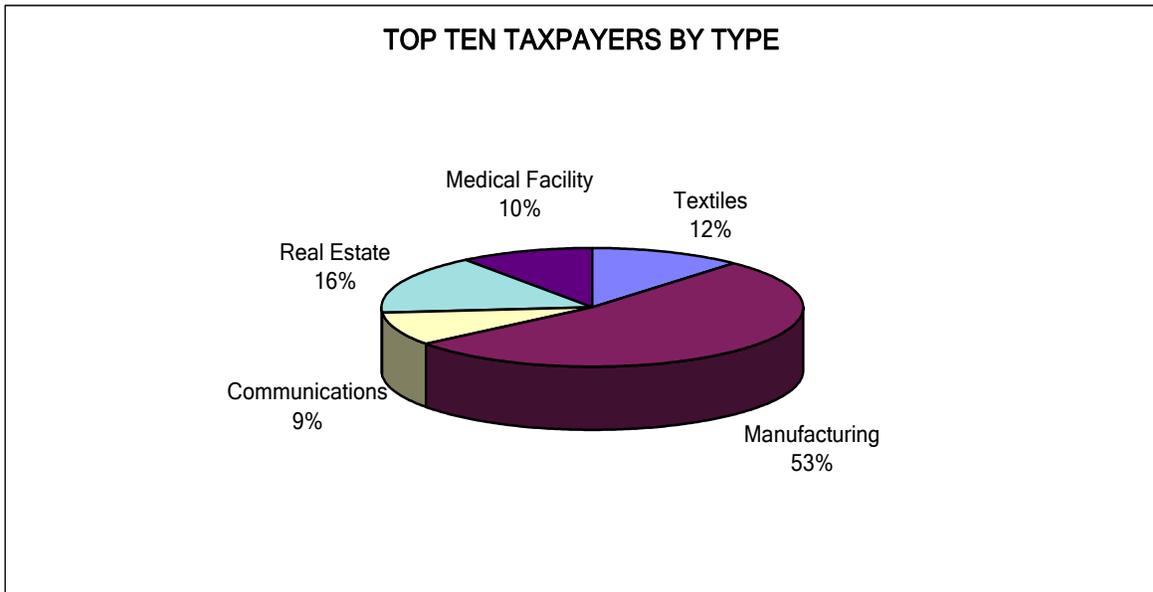
(A) City of Sanford Inspections Department
 (B) F.D.I.C.

N/A Not available



CITY OF SANFORD, NORTH CAROLINA
 PRINCIPAL TAXPAYERS (UNAUDITED)
 June 30, 2005

<u>Taxpayer</u>	<u>Business</u>	<u>Assessed valuation</u>	<u>City wide taxes paid</u>	<u>Percentage of current levy</u>
Coty USA, Inc.	Cosmetics manufacturing	\$ 48,325,709	\$ 285,111	2.87%
Moen, Inc.	Faucet manufacturing	40,676,960	239,993	2.41%
Magneti Marelli USA	Automotive component manufacturing	26,914,082	160,562	1.62%
Central Carolina Hospital	Medical facility	22,073,833	158,047	1.59%
Simpson & Simpson	Real estate	26,357,735	155,492	1.56%
Alltel	Communications	23,890,026	141,052	1.42%
Static Control	Electrical industrial manufacturing	19,511,104	115,115	1.16%
Frontier Spinning Mills	Textiles	16,643,460	98,199	0.99%
The Oaks	Real estate - rental	14,645,000	86,406	0.87%
Wachovia Capital Markets	Textiles (Frontier Spinning)	13,650,900	80,540	0.81%
				<u>15.30%</u>



BUDGET GLOSSARY

ABC Revenues - Contributions from the local Alcoholic Beverage Control Board. The City is appropriated a portion of the net operating revenue derived from the operation of the local liquor stores.

ADA – American Disability Act.

Accrual Accounting - A basis of accounting in which revenues and expenses are recorded at the time they are incurred, instead of when cash is actually received or disbursed. For example, in accrual accounting, revenue earned between June 1 and June 30, but for which payment was not received until July 12, is recorded as earned on June 30, rather than on July 12.

Activity – Departmental efforts which contribute to the achievement of a specific set of program objectives.

Ad Valorem Taxes - Revenue accounts showing taxes paid on real property, personal property to include property of public service companies allocated by the Ad Valorem Tax Division of the State Department of Revenue.

Annualize – Taking activities that occurred mid-year and calculating their cost for a full year.

Appropriation - An authorization made by the City Council which permits the City to incur obligations and to make expenditures of resources.

Assessed Valuation - A value that is established for real or personal property for use as a basis to levy property taxes.

Assessment Roll - An official list of real and personal property containing legal descriptions, ownerships and assessed values.

Attrition – A method to achieve a reduction in employees by not refilling the positions vacated through resignation, reassignment, transfer, retirement or other means excluding layoffs.

Authority (Airport)- A municipal or public agency which performs a specific function and is usually financed from fees or service charges. The agency could be independent from government, but rely on government for financial support.

Basis of Accounting - A term used to refer to when revenues, expenditures, expenses, and transfers--and the related assets and liabilities--are recognized in the accounts and reported in the financial statements; the City of Sanford uses the modified accrual basis of accounting for budget preparation, as required by the North Carolina Local Government Budget and Fiscal Control Act.

Bond - A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets and bridges.

Bond Anticipation Notes (BANs) - Short-term interest-bearing notes issued by the City in anticipation of bonds to be issued at a later date; the notes are retired from proceeds of the bond issue to which they are related.

Budget - A statement in dollar terms of the City's program of service delivery for the ensuing fiscal year.

Budget Amendment - A legal procedure utilized by the City staff and City Council to revise a budget appropriation.

Budget Calendar - The schedule of key dates which the City's departments follow in the preparation, adoption and administration of the budget.

Budget Document - The instrument used by the budget-making authority to present a comprehensive financial program to the City Council.

Budget Message - The opening section of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the City Manager.

Budget Ordinance - The official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

Budgetary Control - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Capital Outlays - Expenditures for the acquisition of capital assets. Includes the cost of land, buildings, permanent improvements, machinery, large tools, rolling and stationary equipment.

Capital Improvement Program (CIP) - A plan for major capital expenditures to provide long-lasting physical improvements to be incurred over a fixed period of several future years.

Cash Accounting - A basis of accounting in which transactions are recorded when cash is either received or expended for goods and services.

Cash Management - The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships.

Classification - Assignment of a position title and an associated pay range based on the job skills required for a particular position.

Consumer Price Index (CPI) - A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of increase in the cost of living (i.e., economic inflation).

Contingency Account - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

Contractual Services - Services rendered to a government by private firms, individuals, or other governmental agencies. (Examples would be maintenance agreements, rent and/or profession consulting services)

Cost of Living Adjustment (COLA) - An increase in salaries to offset the adverse effect of inflation on compensation.

Debt Services - The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Deficit - An excess of expenditures over revenues or expense over income.

Delinquent Taxes - Taxes that remain unpaid on and after the due date on which a penalty for non-payment is attached.

Department - An organizational unit responsible for carrying out a major governmental function.

Depreciation - The process of estimating and recording the lost usefulness, expired useful life or diminution of service from a fixed asset that cannot or will not be restored by repair and will be replaced. The cost of the fixed assets lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

Disbursement - Payment for goods and services in cash or by check.

Distinguished Budget Presentation Awards Program – A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Downtown Sanford, Inc. (DSI) – A group of downtown businesses established to focus on revitalization efforts in Sanford's business tax district.

Employee (or Fringe) Benefits – Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for social security, and the various pension, medical and life insurance plans.

Encumbrance - The commitment of appropriated funds to purchase an item or service. To encumber funds is to set aside or commit funds for future expenditures.

Enterprise Fund - A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to insure that revenues are adequate to meet all necessary expenditures. Enterprise funds in Sanford are established for services such as water and sewer and golf course.

Estimated Revenue - The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by the City Council.

Expenditure - This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds.

Expenses - Charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest and other charges.

Fiscal Policy – A government's policies with respect to revenues, spending, and debt management as they relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year - The time period designating the beginning and ending period for recording financial transactions. The City of Sanford's fiscal year begins July 1st and ends June 30th.

Fixed Assets - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

Full Faith and Credit – A pledge of a government's taxing power to repay debt obligations.

Function - A group of related programs crossing organizational (department) boundaries and aimed at accomplishing a broad goal or accomplishing a major service.

Fund - An accounting entity that has a set of self balancing accounts and that records all financial transactions for specific activities or government functions.

Fund Balance - Amounts shown as fund balance represent monies which remain unspent after all budgeted expenditures have been made. North Carolina statute declares that a portion of fund balance is not available for appropriation.

General Accepted Accounting Principles (GAAP) - Uniform minimum standards of and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules and procedures necessary to define accepted accounting practices.

General Fund - The largest fund within the City, the General Fund accounts for most of the financial resources of the government. General Fund revenue includes property taxes, licenses and permits, local

taxes and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, finance, data processing, public works, and general administration.

General Ledger - A file that contains a listing of the various accounts necessary to reflect the financial position of the government.

General Obligation Bonds - Bonds that finance a variety of public projects such as streets, buildings and improvements; the repayment of these bonds is usually made from the General Fund and these bonds are backed by the full faith and credit of the issuing government.

Geographic Information System (GIS) - A project which will link the City to a county-wide database, including hardware, software, and added personnel. This system is to be utilized as a planning tool by the City departments.

Goal - A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given time period.

Grant - A contribution by a government or other organizations to support a particular function. Grants may be classified as either categorical or block depending upon the amount of discretion allowed by the grantee.

Indirect Cost - A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one department or one cost center.

Infrastructure - The basic facilities, equipment, and installations needed for the functioning of a system.

Interfund Activity - Amounts transferred from one fund to another. Transfer from General Fund to Special Tax District (\$50,000) in support of Streetscape.

Interfund Reimbursements - Funds due from one fund to another as a result of charges for services shared. (Sewer Const. \$65,000; Water Const. \$65,000; Utility Fund Administration \$269,500)

Intergovernmental Revenue - Revenue received from another government for a specified purpose.

Internal Service Fund - Funds used to account for the financing of goods or services provided by one department to another department on a cost reimbursement basis.

Inventory - A detailed listing of property currently held by the government.

Investment Revenue - Revenue earned on investments with a third party. The City uses a pooled cash system. We pool all funds' cash and invest it in total. The interest earned is then allocated back to individual funds by average cash balance in that fund.

Lapsing Appropriation - An appropriation made for a certain period of time generally for the budget year. At the end of the specified period, any unexpected or unencumbered balance lapses or ends, unless otherwise provided by law.

Lease-Purchase Agreement - An agreement that conveys the right to property or equipment for a stated period of item that allows the City to spread the cost of the acquisition over several budget years.

Levy - To impose taxes, special assessments, or service charges for the support of City activities.

Line Item Budget - A budget that lists each expenditure category (salaries, material, telephone, travel, etc.) separately, along with the dollar amount budgeted for each specified category.

Local Government Budget and Fiscal Control Act - This act governs all financial activities of local Governments within the State of North Carolina.

Long Term Debt - Debt with a maturity of more than one year after the date of issuance.

Mill – The property tax rate which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of assessed valuations.

Maturities - The dates on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

Merit Program - An established system to recognize and financially reward employee performance that exceeds the City's standards for a classification.

Modified Accrual Accounting - The accounting approach under which revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period, and expenditures are recognized in the accounting period in which a fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, which is recognized when due.

Objectives - A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. A good statement of objective should imply a specific standard of performance for a given program.

Object Code - An expenditure category, such as salaries, supplies or vehicles.

Operations - The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as supplies, utilities, materials and travel. Generally, all expenses that do not meet the personal services and capital outlay criteria.

Operating Revenue – Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, service fees, interest earnings and/or grant revenues. Operating revenues are used to pay for day to day services.

Operating Expenses – The cost for personnel, materials and equipment required for a department, function or cost center.

Pay-as-you-go Basis – A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

Performance Measures - Descriptions of a programs effectiveness or efficiency (i.e., response time to public requests, frequency of document updates).

Personal Services - General category that includes salaries and wages, pensions, health insurance and other fringe benefits.

Powell Bill Funds - Funding from state-shared gasoline tax which is restricted for use on maintenance of local streets and roads.

Productivity - A measure of the increase of service output of City programs compared to the per unit of resource input invested.

Program - An organized set of related work activities which are directed toward accomplishing a common goal. Each City department is usually responsible for a number of related service programs.

Property Tax - Property taxes are levied on both real and personal property according to the property's valuation and tax rate.

Reappropriation - Appropriations which are not expended at the end of a fiscal year that were earmarked for a specific purpose and are funded in the subsequent year.

Reclassification - Change in a position title and /or the associated pay range based on changes in the job skills required for a given position.

Requisition - A written request from a department to the purchasing office for specific goods or services. This action precedes the authorization of a purchase order.

Restricted Reserve - An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Retained Earnings - An equity account reflecting the accumulated earnings of an Enterprise or Internal Service Fund.

Reserve - A portion of fund balance earmarked to indicate 1) that is not available for expenditure, or 2) is legally segregated for a specific future use.

Resources - Assets that can be used to fund expenditures. These can be such things as Property Taxes, Charges for Service, Beginning Fund Balance or Working Capital.

Revaluation - Assignment of value to properties, buildings, vehicles, and equipment used for business purposes by the Lee County Tax Assessor's Office; under State law, all property must be revalued no less frequently than once every eight years.

Revenue - Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

Revenue Bonds - Bonds whose principal and interest are payable exclusively from earnings of an Enterprise Funds. Such bonds sometimes also contain a mortgage on the fund's property.

Service Level - Services(s) or product(s) which comprise actual or expected output of a given program. Focus is on results, not measures of workload.

Source of Revenue - Revenues are classified according to their source or point of origin.

Special Assessment - A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

Special Revenue Fund - A fund used to account for the revenues from specific sources which are to be used for legally specified expenditures.

TMA – Tax Management Associates – the firm hired by the County to audit business inventories as they relate to their tax assessments.

Tax Base - The assessed valuation of all taxable real and personal property within the City's corporate limits.

Transfers - All interfund transactions except loans or advances, quasi-external transactions and reimbursements.

Unencumbered Balance - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

User Charges – The payment of a fee for direct receipt of a public service by the party who benefits from the service.

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