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

BY

**Leonard O. Barefoot
City Manager**

**Melissa C. Cardinali
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, 2006

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, 2006. 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 2005

City of Sanford	26,710
Town of Broadway	1,200
Lee County	55,704

Population Projections

Lee County in 2010	58,196
Lee County in 2015	62,501
Lee County in 2020	67,180

Landscape

Land Area*	258.3 sq. miles
Population Density (2005)	215.66 persons/sq. mi.
Urban Area (City of Sanford)	49 percent
Rural Area (Outside City)	51 percent
Latitude	35° 28'
Longitude	79° 07'

Economic Characteristics

Median Age	35.9 years
Average Household Size	2.61 people
Gross Retail Sales (FY 2005-2006)	
Lee County (including Sanford and Broadway)	\$679,955,102

Bond Rating for City of Sanford

- Standard & Poor's A+
- Moody's A1
- NC Municipal Council 84

Bond Rating for Lee County

- Standard & Poor's A+
- Moody's A1

Family Income

Median Household	\$41,570
Per Capita	\$26,812
Average Household	\$52,519
Labor Force	26,284
Unemployment Rate	5.5%

Current Tax Rates

Lee County	\$0.75 per \$100 valuation
Sanford	\$0.55 per \$100 valuation
Broadway	\$0.44 per \$100 valuation

Example: A house valued at \$100,000 would pay \$550 per year in city taxes and \$750 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
July	76° F
Average Annual Rainfall	48 inches
Average Annual Snowfall	less than 5 inches

Water System Daily Capacity

Sanford	12,000,000 gallons per day
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Waste Water System Capacity

Sanford	6,800,000 gallons per day
Broadway	145,000 gallons per day

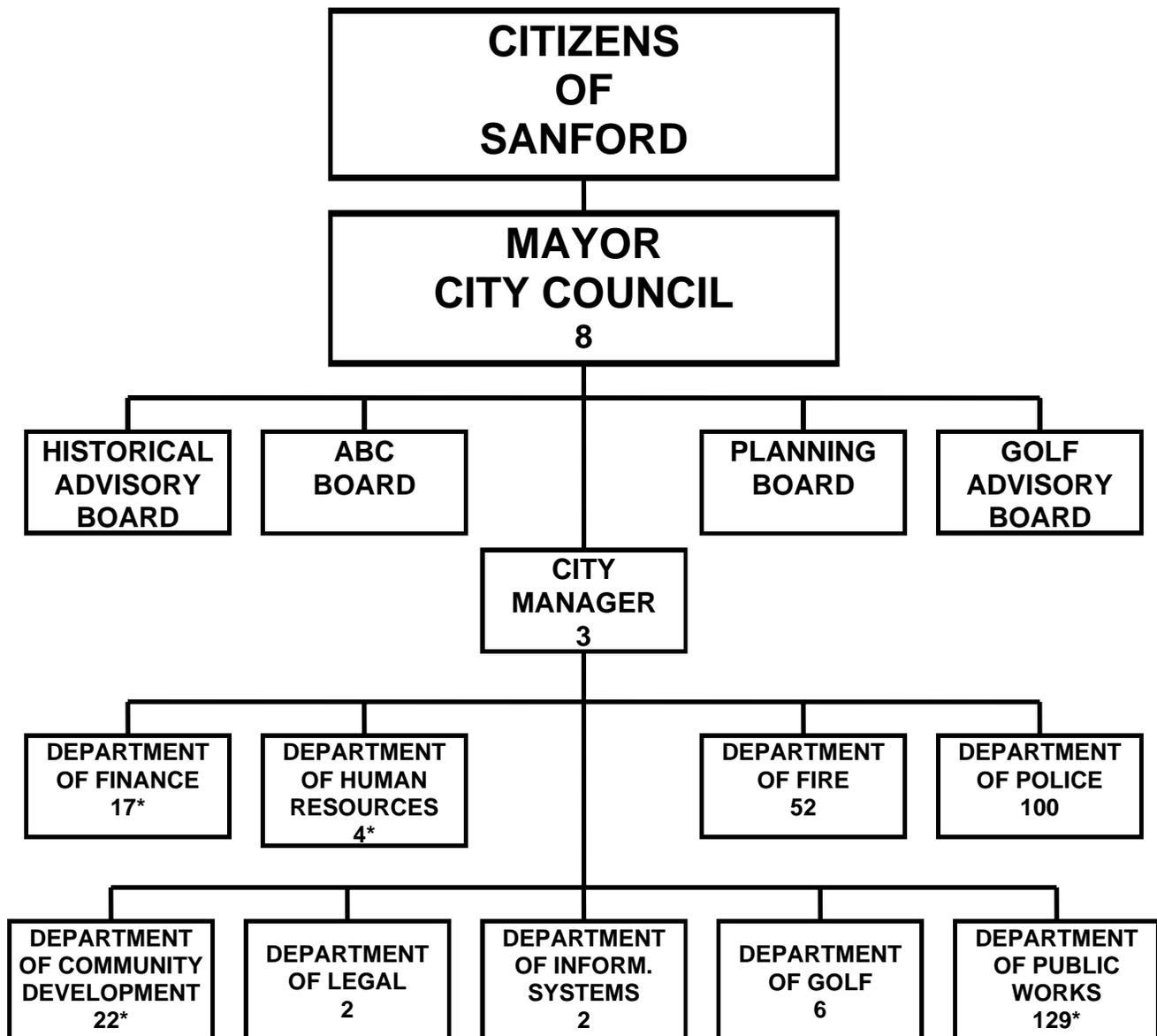
General Information

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".

CITY OF SANFORD PROGRAM POLICIES

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 2007-2008 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.

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.

FY 06-07 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 issued 751 building permits with a construction value of \$171,520,000. Additionally, the Inspections staff continued to attend schools and seminars in an effort to stay abreast of code changes.
- Conditional zoning and design approval of the 250,000 square foot Shoppes at Sanford complex were completed.
- The Code Enforcement Department worked with approximately 3,500 cases during the year including 70 minimum housing complaints and numerous others.
- The Fire Department continues with additional training and research for our added response for rescue service. Training of all department members continued year round with all members maintaining an average of over 200 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 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. Educational programs for Child Passenger Safety Seats are being taken out into the community as well.
- The Fire Department continues to complete self contained breathing apparatus (SCBA) physicals and medical testing to ensure members have base-line monitoring for use in physical fitness programs and incident scene vital statistic record keeping.
- The Risk Management division provided 8 safety classes to employees at the departmental level as well as conducted the first city wide emergency exercise at the WWTP involving Public Works, Fire, Police, WWTP, and Lee County Emergency Management.
- Risk Management coordinated and conducted two OSHA consultative visits held at the wastewater and water treatment plants. The inspection revealed that both plants have an outstanding safety program since only minor adjustments were needed to be in compliance.
- There has been a 54% drop in the amount of lost work days experienced by city employees due to work related injuries and a 38% drop in the total number of work related injuries compared to prior year.

MASTER PLANNING AND ZONING

- Historic Preservation received 56 applications, approved 10 major projects and 44 minor projects, and held 3 historic preservation workshops for residents of the Rosemount McIver Park Historic District.
- The Community Development Department completed functional consolidation of the GIS function with Lee County tax mapping to create an integrated Strategic Division as a county department. Consolidation further expanded capabilities in data base management for city and county government.
- The Community Development Department participated in the 2008 Dress Rehearsal for the US Bureau of Census; continued participation in the Base Realignment and Closing Commission efforts toward the US Army's expansion at Fort Bragg; completed the design work on the Endor Iron Trail (Phase 1) greenway project; completed the draft of the 2007 Comprehensive Transportation Plan.
- The Community Development Department completed 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.
- With five voluntary petitions approximately 144 acres were annexed into the city during the year.

- The City's downtown program continued its active performance throughout the year. DSI, Inc. was awarded a \$500 matching grant from the Lee County Arts Council for a public art bench project. The 6th annual Christmas tree lighting was held with over 200 people in attendance. DSI, Inc. assisted with the Lee County Centennial Celebration which drew over 1,500 people to downtown. \$15,600 in building improvement grants was awarded to downtown property owners and merchants to subsidize renovation costs.
- Activity at Depot Park continues with the "Function at the Junction" that includes a summer concert series. Depot Park plays host to a weekly concert every Thursday throughout the summer.

TRANSPORTATION AND PUBLIC WORKS

- The Solid Waste (Refuse) Division collected 2,009 loads of limbs and leaves and 822 loads of bulk trash during the fiscal year. They also finalized the Department of Transportation mowing contract and began mowing right-of-ways; and cleaned up old city dump/landfill on Valley Road prior to timber cut.
- The Street Department continued to repair catch basins, ditches, and sink holes. Improvements were made to drainage at Cole and Moore Streets as well as concrete improvements at Wicker Street and Charlotte Avenue. Signal lights were eliminated at Gordon and Steele Streets; signal lights were upgraded at Oakwood Avenue and Eleventh Street.
- The Street Department completed an entire sweep of City ordinances to verify signs are properly in place. Street markers, stop signs, and lighting were established for new phases of developments.
- The Street Department also implemented traffic counting.

UTILITIES

- The Water Treatment Plant re-roofed the administration and high service pump buildings and completely resurfaced the parking lot.
- Staff at the Water Treatment Plant is all licensed through the state of North Carolina for water treatment; as a result, the plant had no monitoring or treatment violations.
- Water C&M continued the meter exchange program with 2,141 meters replaced; repaired 158 water main breaks; installed 171 new water taps; replaced 55 broken fire hydrants; and replaced 11 main water line valves.
- The Sewer Construction and Maintenance (C&M) division cleaned 51% or the City's collection system lines, handily exceeding the annual requirement of 10%.
- Sewer C & M rodded and jetted 95 miles of sewer main to reduce potential stoppages. Staff responded to 228 stoppage complaints; mowed 39 miles of right-of-way easements; inspected 34 miles of priority lines and 89 miles of the collection system; and installed a hard pump at Globe Street Lift Station for emergencies.
- WWTP updated Process Safety Management procedures to ensure compliance with OSHA standards.
- WWTP designed and built an air blower system for influent, ras, and grit chamber to meet OSHA standards.
- The WWTP installed new chemical meters, a new radiator for plant generator, a new recirculation valve at the influent station, new dryers and water separators for gear drive, and land applied six million gallons of bio-solids.
- The Gaster's Creek lift station received a new generator, an upgrade to the control system, installation of a new program logic controller (PLC); and installation of sluice gate to assist in the control of flooding during heavy rains.
- Public Works Administration received a NC Rural Center Economic Infrastructure grant in the amount of \$500,000 for sewer improvements in the Jonesboro area including Gaster's Creek Lift station improvements and 15,000 linear feet of cured-in-place pipe lining.
- Public Works Administration received a NC Rural Center Economic Infrastructure grant in the amount of \$500,000 for the Coty water improvement project to construct a new booster pump station and approximately 5,000 linear feet of water main upgrades.
- Public Works Administration negotiated funding and agreement for the Purgatory Creek sewer outfall project.

FINANCIAL PLANNING

- Began implementation of new software for utility billing and collections; began and completed software implementation for the City's financial software.

- A new utility accountant was added to provide a higher level of utility analysis.
- Completed the first year of a contract in which the City of Sanford provides accounting services to a smaller area municipality. This arrangement provides the smaller unit with increased internal controls without hiring additional personnel.
- Contracted for an independent accountant to perform a revenue enhancement and expense reduction audit, resulting in additional money for the City.
- Received a Certificate of Achievement for Excellence in Financial Reporting from the GFOA for the City's June 30, 2006 Comprehensive Annual Financial Report. This is the 26th 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, 2007. This is the 21st straight year the city has received this honor.
- The Revenue Division remodeled the customer service area as well as constructed a new office to allow the clerks better access to the supervisor.
- The drive-in window in the collections area was removed and a larger more secure drop box was installed in October of 2006.
- The City's Debt Set Off program continues to be successful in the collection of delinquent accounts. Over \$100,000 has been collected since the program's inception in October 2003.
- An 8% bank draft increase was seen during this fiscal year for a total of 2,372 customers.
- Utility Fund Administration staff completed field visits with the meter reading supervisor to have a better understanding of the equipment and situations they discuss on a daily basis.
- The Risk Management division worked with the North Carolina League of Municipalities and various private insurance companies to recover \$48,865 from accidental damages to city vehicles and equipment by private parties.
- Risk Management reduced the property and liability premium by \$5,926 compared to prior year. Since the City of Sanford has reportably functioned safer, our experience rate modifier has been reduced down from 1.02 to 1.0 resulting in a 2% savings on our property and liability premium. City of Sanford loss ratio due to the number of accidents has been reduced from .92% to .87%. This reduction has resulted in a 13% credit toward our property and liability premium.
- Public Works Administration negotiated the sale of city timber.

DEVELOPMENT OF STAFF AND TECHNOLOGIES

- Information Systems managed the project to install Munis Financial Software that enables the finance department to do electronic purchase orders with a paperless approval system. Also managed project to install a Munis Forms Server to move the city toward a paperless reporting and archival system.
- Information Systems installed new computer systems at city hall, fire departments, service center, water plant, sewer plant, and inspections building as well as installed new software packages, service packs, and security patches for computers and network servers.
- Information Systems maintained, repaired, and supported 160 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 successfully negotiated a change with Blue Cross Blue Shield regarding our health insurance plan effective FY 07-08. The city will transition from a fully-insured to self-insured plan. Our negotiated rate renewal was immediately reduced from the proposed 6.8% for FY 07-08 to a final rate increase of 3.1%.
- 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 ensured compliance with drug and alcohol testing program; continued to meet requirements of FLSA, COBRA, USERRA, FMLA, child labor laws, etc.
- Human Resources contracted with Springsted to conduct a classification and pay study. Results of the study were shared with the city manager and approval was received from council to include an additional step (R) to each grade beginning in FY 07-08.
- The Human Resources Department conducted monthly wellness sessions held on important topics such as fire prevention, the perfect pantry, self defense, skin care, college planning, etc.

- Human Resources implemented a 10 week weight management program called Noonlighting. Approximately 25 employees (and family members) participated. Program resulted in weight loss and life style changes for all participants.
- 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 recruited, hired, and conducted new employee orientation for 42 new employees during the year.
- Public Works Administration wrote and produced several public works videos for the City television channel.



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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 15, 2007
SUBJECT: Fiscal Year 2007-08 Proposed Annual Operating Budget

Pursuant to North Carolina General Statute Article 159-11, my proposed budget for Fiscal Year 2007-2008 is hereby presented for your consideration. This proposed budget for FY 2007-2008 is my thirteenth such and final budget I will present to council. In many respects it will be the most important in that the key issues relate more to the future of our community than anything that will take place during the fiscal year under consideration. The two key issues which have already been broached publicly are the implementation of a business privilege license program and my continued support for the operation of the Sanford Municipal Golf Course. Although the publisher of our local newspaper and others have tried to link the two, my transmittal letter will make the point that such is not the case.

First, my recommendation to institute a business privilege license program: My proposed budget for FY 2007-2008 includes \$250,000 from anticipated revenues collected as a result of implementing a business privilege license program. This program, which clearly has potential to grow as additional businesses come to our community, will go a long way towards providing for much-needed infrastructure improvements without placing an additional burden upon property taxpayers, many of whom are on fixed incomes. I believe it to be a fair tax in that it exacts a fee from businesses which have the privilege of using our streets, our police and fire departments, and other services we provide to accommodate the customers who shop with them.

For the small businesses or “Mom and Pop” operations, the fee will be minimal and will allow the city to ensure that required state inspections or other safety inspections are performed at a reasonable cost and in a timely manner. It will also allow the city to insure that businesses are located in properly-zoned areas. A final and important point is the fact that our community is poised to grow, which will bring more and more citizens here as well as businesses that target such growth. The business privilege license fee program and the future revenues generated will allow our community to provide the services those businesses and their customers demand without unfairly burdening property taxpayers, many of whom are business owners themselves. In other words, without the revenue generated by a business privilege license program, many business property owners, who also reside in the city limits of Sanford, would be burdened with a property tax increase on both their personal residences and business property to include inventory. For this reason, I believe the business privilege license program is the best alternative for a clear majority of business owners. Because the business privilege license program is structured such that the fee is collected on gross revenues and the fact that there is no cap on retail sales, the “Big Box” retailers, who derive the greatest benefit for the privilege of locating in our city, pay the highest fee.

With respect to the issue of the Sanford Municipal Golf Course, there are those including the John Locke Foundation, our local newspaper, and others who argue that cities should not be in the business of providing recreation, or at least in this case, recreation in the form of golf. They argue that it is unfair for a governmental entity to compete with the private sector. The fact is that the Sanford Municipal Golf Course is not only the oldest golf course in the surrounding area, but is also the only golf course located within the corporate limits of Sanford. The only golf course that may be considered our competition is Quail Ridge, whose clubhouse lies eight miles south of downtown Sanford, a distance that would be prohibitive for most of the youth, as well as seniors who play our course each and every day.

Other arguments to support the Sanford Municipal Golf course include the fact that it has historical significance, having been constructed during the Great Depression as a WPA project. Over the years, it has touched hundreds of lives of young people by teaching them important life skills at a time when they could just as easily have been led in a different, less productive direction. Today, the Sanford Municipal Golf Course is no less important to the youth of our city. Each year, more than sixty-five kids attend a week-long golf camp at the local course, culminating with the parent-child golf tournament sponsored by the Sanford Exchange Club. Ask any of those children or their parents whether support for the Sanford Municipal Golf Course is important. The final point I would add is the fact that the Sanford Municipal Golf Course is just as important to this community as the Enrichment Center, O. T. Sloan Park, San Lee Park, Kiwanis Park, or any other open space or recreation initiative which expectedly operates at a deficit. I personally believe that, given time, the Sanford Municipal Golf Course will again be profitable, and I

encourage Council to support my recommendation to continue funding for the Municipal Golf Course.

With respect to our overall budget, our General Fund revenues continue to lag when compared to our Utility Fund revenues. We expect our General Fund revenues to grow approximately 2 percent during the upcoming fiscal year, while the Utility Fund is expected to grow approximately 11 percent. The difference in these growth rates can be explained, in part, by the fact that the Utility Fund is much larger, operating throughout the entire county, while the General Fund is limited to areas within the corporate limits of Sanford. Likewise, the Utility Fund benefits from our large and diverse industrial base which principally lies outside the city's corporate limits. Within our corporate limits, we continue to see demand placed on our General Fund services as a result of commercial growth, as well as residential growth particularly along our major corridors. As I have stated in defense of my recommendation to impose a business privilege license fee program, such development will require us to build and staff a fourth fire station within the next few years, as well as provide other needed services such as an additional police beat.

We expect to see this rate of growth continue for the foreseeable future. The base realignment and closure (BRAC) program will impact us significantly along the Highway 87 corridor to the south; growth as a result of the Highway 421 bypass completion will affect us to the north and east; and the US 1 corridor will see significant growth as pressure continues from the Research Triangle area. While growth of this magnitude will improve our ad valorem tax base, as well as our sales tax receipts, these revenue streams alone will not be sufficient to pay for the cost of needed infrastructure. Adoption of a business privilege license program will be necessary if we make these improvements without additional property tax increases. For example, debt service for a new fire station would cost approximately one-half cent on the property tax rate annually; staffing the new fire station would equate to approximately three and a half cents on the property tax rate; and a full police shift would equate to more than one cent on the property tax rate annually.

Nine new positions were requested within the General Fund budget, however, none are being recommended. Requests were made for six firefighter positions, one beautification groundskeeper, one program analyst, and one code enforcement position. Any or all of these positions could quite honestly be funded for the upcoming fiscal year; however, it is my desire to hold the ad valorem tax rate as close to revenue neutral as possible during this fiscal year and instead focus on the implementation of a business privilege license program to help pay for these and other needed infrastructure improvements during the next several fiscal years.

As stated previously, the Utility Fund continues to be in great shape and will allow us to hold our customers' water and sewer rates at the current level at least for the next fiscal year. These rates have remained constant for the past three years, and we have included funds in the current fiscal year to begin the rate study which will determine how we should apportion the cost of future improvements.

The FY 2007-2008 Budget includes a proposal to borrow \$1.5 million for the purpose of rehabilitating the clearwell and baffling at the water treatment plant. This rehabilitation will allow us to remain in compliance with state and federal treatment regulations as well as increase redundancy in the treatment process. During the current fiscal year, we borrowed \$3 million to address inflow and infiltration. In order to continue addressing inflow and infiltration, we plan to spend \$400,000 of Utility Fund cash during the upcoming fiscal year. We also plan to transfer \$600,000 to the Northview Lift Station capital project. This project is partially funded by a grant of \$1.9 million. The result of this project, which began during the current fiscal year, will increase our collection capacity at the industrial park which will aid in future industrial expansion efforts. This project will also eliminate the majority of overflows occurring in the Amos Bridges Road area.

Funds are also included to begin design of our wastewater treatment plant upgrade. Large maintenance issues at the current plant need to be addressed including improvements to our electric systems, motor control centers, as well as our pump system. The wastewater treatment plant operates in a harsh environment and, as a result, has begun to show signs of failure. Addressing these items now will enable us to avoid actual failure of treatment systems as well as improve our monitoring and operation systems. If the council approves this project, we would then recommend adoption of a reimbursement resolution to recoup the \$1.5 million from debt proceeds during FY 2008-2009 when the proposed upgrade gets underway.

Other proposed capital projects include the use of \$1.2 million of Utility Fund cash to begin the process necessary to allow the city to increase waste water discharge into the Deep River and to obtain a new discharge point on the Cape Fear River. Prior to the issuance of the discharge permit, the city must undertake a study which evaluates future needs, as well as any impact to both river systems. Further, since it is anticipated that the city will need the additional discharge at the existing wastewater plant by 2015, it is prudent to begin this process in the next fiscal year. While 2015 may seem far off, the time to begin preparing for future needs is the present, particularly in light of the fact that the river study alone will take at least three years. The city cannot afford to wait until our water and waste water systems are in dire straits before we respond.

Our ability to undertake these projects is due to the financial strength of our Utility Fund. The acquisition of the county's water system two years ago allowed us to improve operating efficiencies which provided additional cost savings. Weather conditions for the past few years have increased demand for water services for existing customers as well as created 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. It has been a number of years since we have lost a major water or sewer customer.

While all these factors are favorable, 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. As I have stated in previous years, 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 the cost of providing services are already factored into the rates.

The proposed budget for FY 2007-2008 of \$42,500,640 reflects an increase of \$3,147,431 or 8 percent when compared to the current year budget. Our General Fund budget represents 54 percent of the total, an amount equal to \$22,756,075, which is a decrease of \$117,860 or 1 percent when compared to the current year appropriation. The proposed Utility Fund budget of \$19,690,015 reflects an increase of \$3,412,070 or approximately 21 percent when compared to the current year appropriation. This increase is due to several capital projects which include the clearwell rehabilitation project, the study to increase our wastewater discharge project, and the design of the wastewater treatment plant upgrade project. The following represents a summary of revenues and expenditures contained within the proposed FY 2007-2008 Budget.

GENERAL FUND REVENUES

For FY 2007-2008, General Fund revenues are estimated to be \$22,240,952 which reflects an increase of \$397,769 or 2 percent when compared to our current year's budget. A fund balance appropriation in the amount of \$515,123, which is essentially earmarked for capital spending, is included. Available fund balance at June 30, 2006, was \$7.6 million or 39 percent of General Fund Expenditures. It should be noted that the amount of \$441,585 estimated for FY 06-07 (if all were to be used) would yield an estimated available fund balance of \$7.1 million or 32 percent on June 30, 2007.

Using a revenue neutral tax rate of \$.55 per \$100 valuations, ad valorem tax revenues are projected at \$10,821,967 which represents an increase of \$474,378, or 5 percent more than our current year budget. As noted earlier, the quadrennial property revaluation 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 \$3,039,575 which represents an increase of \$81,162 or 3 percent compared to the current year budget. The primary source of this increase is the utility franchise tax which is expected to be \$141,039 higher than the current year budget. It should be noted that the rent for County Emergency Management offices has been increased from \$2,400 annually to \$5,952. The rent, which includes utilities, training rooms, and parking facilities, has not been increased in over ten years.

Sales tax revenues are projected to be \$4,775,200 which reflects an increase of approximately 4 percent or \$188,051. In addition, revenue from the proposed privilege license fee program in the amount of \$250,000 is included. Considering the much anticipated retail growth forecast by business leaders, we expect this revenue source to grow in the future. My proposed budget also recommends an increase to our building inspection fees in the form of a technology fee. In keeping with our desire to make this program as self-supporting as possible, this \$10 fee would recoup the cost of new permitting software over a three year period.

One source of income which has been negatively impacted during the last several years is investment income or interest on idle funds. However, last year we saw interest rates double, and they have remained steady during the current year. As a result, we expect to gain an additional \$105,000 or an increase of more than 36 percent over FY 2006-2007 projections. We anticipate this revenue source will remain steady 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, Public Works/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 \$224,577 or 4 percent when compared to the current year. A portion of this increase is due to the proposed installment purchase of new golf carts at the Sanford Municipal Golf Course. The carts being replaced are more than six years old and have a residual value of approximately \$800 each. The new carts will cost approximately \$125,000 after the trade-in allowance and would be financed for four years with an anticipated debt service of \$34,000 annually. We expect the full amount of this annual debt service to be offset by an increase in cart rental fees.

The General Government budget includes the second year of the public access television station. The station has been popular with citizens and continues to reach a broad base of the community. The 2007-08 Budget proposes to make council meetings available via video streaming on the internet. The county has agreed to provide this service in exchange for the commissioner board meetings being broadcast on our channel. Other expenditures include \$6,000 to improve signage at City Hall. These signs have been in place for more than twenty-seven years without any improvements.

The General Government category includes several operating transfers and contributions to various organizations. Recommended contributions for the 2007-08 fiscal year 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 \$2,640. The budget proposes continued support of the Economic Development Corporation by funding \$78,380 of its administrative costs as well as the economic incentive packages that have been previously approved to Pentair Pools, Magnetti Marelli, and System Plast. These incentive packages total \$18,549 for FY 2007-08. The EDC requested a 14 percent increase in its administrative funding; however, we have chosen to fund them at a level consistent with Lee County which is the 2006-07 budget level plus 2.5 percent.

Public Safety – This category of expenditures is proposed to decrease by \$306,729 or 3 percent when compared to current year budget. This decrease is primarily attributable to the fact the city budgeted for police vehicles as well as a new pumper for the fire department during the current fiscal year. The 2007-08 Budget includes portable radios for police patrol (\$11,000), two police administrative vehicles at a cost of \$46,600, re-shingling fire station #3 (\$18,000), and the renovation of the kitchen at the central fire station (\$14,500). Also included in the proposed budget is new inspection software at a cost of \$104,066. The benefits of this software include increased technical reliability, instant transmission of inspection results, and improving the current plan-review process from a predominantly manual process to a software-assisted process. As previously mentioned, the cost of the software would be recouped over the next three years via a proposed technology fee of \$10 per permit.

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 increase by \$297,118 or 11 percent when compared to current year budget. The increase is due to the proposed purchase of a pothole patcher at \$155,000 via installment purchase and signal light enhancements for two intersections at a cost of \$30,000. Additionally, the FY 2007-08 Budget includes street light enhancements in Jonesboro, downtown Sanford, and along Carbondon Road. These enhancements total \$58,000. Additionally, this function continues to experience significantly higher fuel, asphalt, and concrete prices.

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. Our contracted consumer-price-index adjustment for this service will be 2.6 percent effective July 1, 2007. This increase will amount to \$59,797. Capital expenditures within our Solid Waste budget include funds for the installment purchase of a leaf-vac truck at a cost of \$116,000.

Community Development – Included in this expenditure category are Community Development, Code Enforcement and Community Enhancement Downtown. The category is budgeted to increase \$120,925 or 11 percent from the prior year. The primary reason this category is increasing, is the appropriation of funds for curb extensions at Wicker and Steele Streets (\$75,000), the purchase of a truck for code enforcement (\$14,700) and code enforcement software (\$5,000) which will work in conjunction with the new inspection's software.

UTILITY FUND REVENUES

Utility Fund revenues are estimated at \$16,852,500 which reflects an increase of \$1,697,332 or 11 percent compared to the current year's budget of \$15,155,168. The bulk of these revenues are for water charges in the amount of \$8,250,000 and \$5,720,000 in sewer charges. The majority of the increase in utility fund revenues is accounted for by anticipated installment purchase proceeds of \$1.5 million for clearwell rehabilitation and baffling at the water treatment plant. 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 remain in a positive trend at an increase of \$102,500 or 27 percent.

UTILITY FUND EXPENDITURES

Appropriations for the Utility Fund expenditures are recommended at \$19,690,015 which represents an increase of \$3,412,070 or 21 percent when compared to the current year budget. These increases are attributable to capital expenditures for water treatment plant (clearwell) rehabilitation, design of the wastewater treatment plant upgrade, and beginning the process for increased wastewater discharge in the Deep and Cape Fear Rivers.

The proposed 2007-08 Budget also recommends continuing rehabilitation of the sewer system by spending \$400,000 of Utility Fund cash for sewer line rehabilitation. One new position was requested in the 2007-08 Budget and has been recommended for funding. This funding would add one additional customer service representative to the Utility Fund Administration Department. While we continue to seek ways of improving efficiency and customer service, the fact remains that our utility customer base has grown more than 73 percent during the past 10 years, while the customer service staff has not increased at all. Other capital projects include potential sewer assessments in the amount of \$200,000; undertaking a water rate study in the amount of \$200,000; and continuation of our valve replacement program in the amount of \$25,000.

An appropriation from Fund Balance in the amount of \$2,837,515 is included to help fund these capital improvements. With this appropriation, the fund balance on June 30, 2007, is expected to remain well above 25 percent of total expenditures.

SPECIAL TAX DISTRICT FUND

The proposed Special Tax District budget for FY 2007-2008 totals \$104,550, which reflects a decrease of \$146,779. This decrease is attributable primarily to funds that were appropriated during the current year budget for the Cole Street Parking Lot. The proposed budget recommends that the tax rate remain revenue neutral at \$.13 per \$100 assessed valuation. The current year rate is \$.15 per \$100 assessed valuation.

GENERAL EXPENDITURES

Personnel – My proposed budget for FY 2007-08 recommends maintenance of the merit-based pay plan at the existing level of 1.25 percent per salaries. A cost-of-living adjustment of 2.5 percent of salary at the beginning of the new fiscal year to help our employees' salaries stay abreast with inflation is also included.

I recommend that on July 12, eligible employees receive a cost-of-living adjustment to their base salary in the amount of 2.5 percent. This pay date will actually compensate employees for the pay period beginning June 22 through July 5. 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.

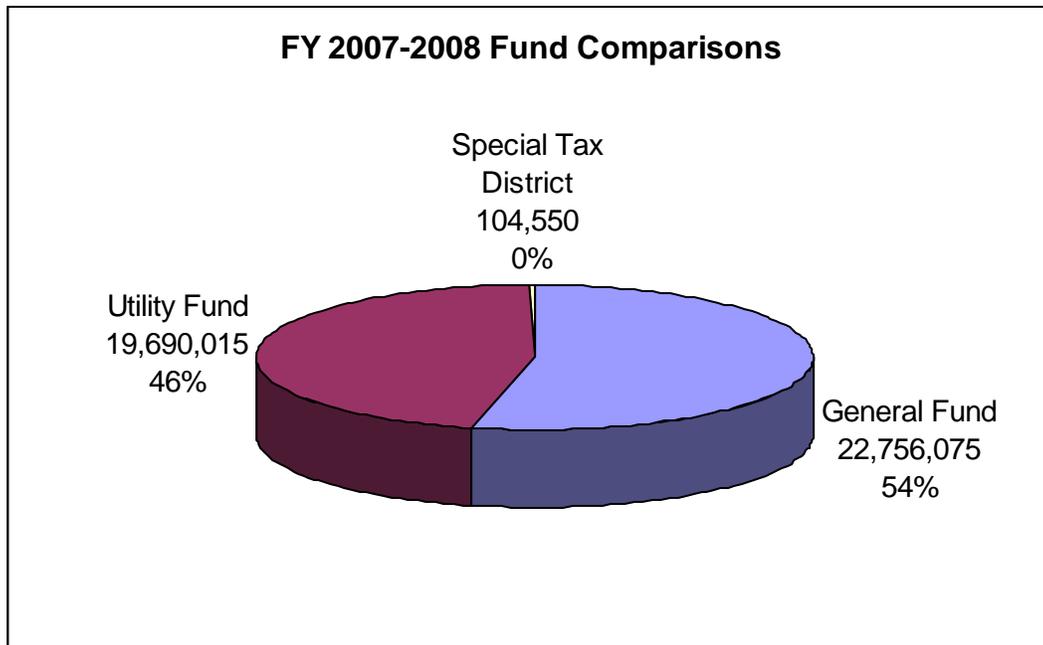
Worker's Compensation, Employee Health Insurance, and Property and Liability Insurance Program - We continue to be pleased with the services provided by Blue Cross/Blue Shield for our employees group hospital health plan. As previously approved by Council, the 2007-08 Budget includes self-funding of these insurance costs instead of fully-funding insurance. We are able to move to self-funding due in large part to our continued emphasis on wellness and the increased size of our organization. This move to self funding will allow us to hold the increase in our rates for FY 07-08 to a modest 3.1 percent. This is significantly lower than the 8 percent increase we experienced in the current year.

We will continue to contract with the League of Municipalities for our worker's compensation, property, and liability insurance programs. Property and liability insurance premiums are expected to hold steady in FY 2007-08 compared to FY 2006-2007, and our premium for worker's compensation coverage will remain the same.

BUDGET SUMMARY

The Fiscal Year 2007-2008 proposed budget is balanced with requests for an overall appropriation of \$42,500,640. The funds are broken down as follows:

	FY 06-07 BUDGET	FY 07-08 PROPOSED BUDGET	VARIANCE	% CHG.
SUMMARY				
General Fund	\$ 22,873,935	\$ 22,756,075	\$ -117,860	-1%
Utility Fund	16,277,945	19,690,015	3,412,070	21%
Special Tax District	251,329	104,550	-146,779	-58%
SUB-TOTAL	39,403,209	42,550,640	3,147,431	8%
Less Interfund Activity	50,000	50,000	0	0%
TOTAL BUDGET	\$ 39,353,209	\$ 42,500,640	\$ 3,147,431	8%



CONCLUSION

I began this, my final transmittal letter to the City Council as manager, with a plea for the Council to adopt a business privilege license program and continue to support the Sanford Municipal Golf Course. I will end with the same plea. Enact the business privilege license fee program as recommended. It will give us the much-needed revenues to fund the infrastructure necessary to support the growth our city faces without unfairly burdening the property taxpayer.

Likewise, I encourage Council to give the Sanford Municipal Golf Course the continued support it needs to succeed. Sanford Municipal Golf Course has been a part of this city's landscape for more than three-quarters of a century. During that time it has touched the lives of many. Now is not the time to abandon its mission.

I thank Financial Services Director Melissa Cardinali and her staff for their efforts in the presentation and preparation of this budget. Most importantly, I thank you for giving me the opportunity to serve as your manager for the past twelve and one-half years. Please feel free to call me if you have questions regarding the proposed FY 2007-2008 Budget or any supplemental support materials.

Respectfully submitted,

A handwritten signature in cursive script that reads "Leonard O. Barefoot". The signature is written in black ink and is positioned below the "Respectfully submitted," text.

Leonard O. Barefoot, City Manager

**CHANGES FROM THE PROPOSED BUDGET AS SHOWN IN THE
TRANSMITTAL LETTER TO THE
APPROVED BUDGET – FY 07-08**

	PROPOSED	APPROVED	NET CHANGE
TOTAL GENERAL FUND	\$22,756,075	\$22,756,075	\$0
REVENUES			
Green Fees Daily	\$142,000	\$167,000	\$25,000
Cart Fees	\$170,000	\$190,000	\$20,000
Appropriated Fund Balance	\$515,123	\$470,123	(\$45,000)
TOTAL REVENUE ADJUSTMENTS			\$0
TOTAL UTILITY FUND	\$19,690,015	\$19,690,015	\$0
EXPENDITURES			
Utility Fund Contributions	\$925,000	\$2,425,000	\$1,500,000
Sewer Capital Improvements	\$3,300,000	\$1,800,000	(\$1,500,000)
TOTAL EXPENDITURES ADJUSTMENT			\$0

GENERAL FUND

Revenues

Daily green fees and cart fees were increased to reflect anticipated additional revenue received through the golf course. Appropriated fund balance was reduced to offset the additional revenue.

UTILITY FUND

Expenditures

The Council approved a \$1,500,000 appropriation for the design of the wastewater treatment plant upgrade in this fiscal year. This \$1,500,000 was originally presented to council within the sewer capital improvements department but was moved to the utility fund contributions department so these funds could be transferred into a capital project. This reflects that change.

**ANNUAL BUDGET ORDINANCE
FOR FISCAL YEAR 2007-2008**

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, 2007 and ending June 30, 2008 according to the following summary and schedules.

<u>SUMMARY</u>	<u>REVENUES</u>	<u>APPROPRIATIONS</u>
General Fund	\$22,756,075	\$22,756,075
Enterprise Fund	19,690,015	19,690,015
Special Tax District	<u>104,550</u>	<u>104,550</u>
Subtotal	\$42,550,640	\$42,550,640
Less Interfund Activity	(50,000)	(50,000)
TOTAL BUDGET	\$42,500,640	\$42,500,640

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	249,799
Administration	170,466
Human Resources	220,935
Risk Management	63,505
Elections	18,000
Finance	685,773
Information Systems	212,539
Legal	119,267
Public Building	650,035
Public Works Administration	169,398
Central Office	62,867
GF Contributions	576,164
Golf	894,920
Shop	955,583
Beautification	348,914

PUBLIC SAFETY

Police	6,681,170
Police – 911 Surcharge	343,424
Fire	3,567,449
Inspections	630,607

STREET

Street	2,712,164
Street Capital Imp.	217,665

SANITATION

Solid Waste	1,451,275
Sanitation	1,274,104

COMMUNITY DEVELOPMENT

Community Development	723,572
Code Enforcement	285,102
Comm. Enhance. – Downtown	166,378

SUBTOTAL GENERAL FUND	23,451,075
Less Departmental Charges (Shop)	(695,000)
TOTAL GENERAL FUND	22,756,075

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

Debt Service	4,001,007
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OTHER

Utility Fund Contributions	2,425,000
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PUBLIC UTILITIES

UF Administration	1,459,800
Engineering	589,635
Sewer Const. & Maint.	1,143,976
Water Const. & Maint.	2,637,028
Water Plant	2,004,610
Wastewater Plant	1,673,282
Water Capital Imp.	1,895,462
Sewer Capital Imp.	1,800,000
Store	375,700

SUBTOTAL UTILITY FUND	20,005,500
Less Departmental Charges (Store)	(315,485)
TOTAL UTILITY FUND	19,690,015

	TOTAL ENTERPRISE FUND	19,690,015
SCHEDULE C: SPECIAL TAX DISTRICT FUND		
OTHER		
Special Tax District Fund	104,550	
	TOTAL SPECIAL TAX DISTRICT FUND	104,550
	SUBTOTAL ALL FUNDS	42,550,640
	LESS INTERFUND ACTIVITY	(50,000)
	TOTAL ALL FUNDS	42,500,640

SCHEDULE A: GENERAL FUND

TAXES- AD VALOREM

Current Year Taxes	10,522,667
Prior Year Taxes	225,000
Payment in Lieu of Taxes	15,000
Penalties Less Discounts	59,300

OTHER TAXES

Privilege License	253,500
Cable Franchise	160,000
Local Sales Tax – Article 39	1,950,000
Local Sales Tax – Article 40	986,700
Local Sales Tax – Article 44	860,000
Local Sales Tax – Article 42	978,500

LICENSE AND PERMITS

City Permits	304,290
County Permits	182,930
Broadway Permits	11,780

INVESTMENT INCOME

Interest Income	400,000
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GOLF USER CHARGES

Green Fees Annual	76,000
Green Fees Daily	167,000
Cart Fees	190,000
Driving Range	15,000

INTERGOVERNMENTAL REVENUES**STATE OF NORTH CAROLINA**

Utility Franchise Tax	1,310,900
Beer and Wine Tax	57,000
Powell Bill	845,075

OTHER LOCAL GOVERNMENTS

Consolidated Planning Services	330,679
EMS Office Rental	5,952
911 Surcharge Reimbursement	343,424
911 Dispatch	141,745
Financial Services – Broadway	4,800

SALES AND SERVICE

Sale of Materials	10,000
Sale of Compost Materials	20,000
Sale of Fixed Assets	40,000
Waste Mgmt. User Fees	810,000

GOLF OTHER

Brick Tournament Fees	11,500
Concession	25,000
Pro Shop Sales	75,000

OTHER

Installment Purchase Proceeds	439,200
Court Cost Fees	10,000
Code Enforcement	10,000
ABC Revenue	140,000
Interfund Services Provided	160,000
Rental Income	30,510
Parking Revenue	15,000
Miscellaneous	80,000
Civil Violations	7,500
Relay for Life Donations	5,000

APPROPRIATED FUND BALANCE

470,123

TOTAL GENERAL FUND

22,756,075

SCHEDULE B: ENTERPRISE FUND**UTILITY FUND****USER CHARGES**

Water Charges	8,250,000
Sewer Charges	5,720,000

INVESTMENT INCOME

Interest Income	475,000
Interest on Assessments	12,500

OTHER

Taps and Connections	225,000
Sewer Surcharge	7,200
Sludge Charge	40,000
Monitoring Fee	87,500
Charges on Past Due Accounts	180,000
Oil and Grease Fees	18,500
Sales Other Funds	34,000
Sale of Fixed Property	15,000
Special Assessments	200,000

Miscellaneous	50,000	
Installment Purchase Proceeds	1,500,000	
Rental Income	37,800	
APPROPRIATED FUND BALANCE	2,837,515	
	TOTAL UTILITY FUND	19,690,015
	TOTAL ENTERPRISE FUND	19,690,015

SCHEDULE C: SPECIAL TAX DISTRICT FUND

TAXES AD VALOREM

Current Year Taxes	51,575
Prior Year Taxes	400
Penalties Less Discounts	150

INVESTMENT INCOME

Interest Income	1,000
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OTHER

Parking Revenues	1,425
Contribution from General	50,000

APPROPRIATED FUND BALANCE	0
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TOTAL SPECIAL TAX DISTRICT FUND	104,550
SUB-TOTAL ALL FUNDS	42,550,640
LESS INTERFUND ACTIVITY	(50,000)
TOTAL ALL FUNDS	42,500,640

Section 4: There is hereby levied for the fiscal year ending June 30, 2008, the following rate of taxes on each \$100 assessed valuation of taxable property as listed as of January 1, 2007 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 \$.55

Section 5: There is hereby levied for the fiscal year ending June 30, 2008, 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, 2007 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 \$.13

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, beer and wine 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 5th day of June, 2007.



Cornelia P. Olive, Mayor

ATTEST:



Bonnie D. White, City Clerk



Susan C. Patterson, City Attorney

CITY OF SANFORD

RATE SCHEDULE FOR FISCAL YEARS 2007-2008

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 2007-2008

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

CITY OF SANFORD

BEER AND WINE FEES FOR FISCAL YEARS 2007-2008

Beer and Wine Fees		
Malt Beverage (Beer)	Wine	Total
For On Premise - \$15.00	For On Premise - \$15.00	\$30.00
Off Premise - \$ 5.00	Off Premise - \$10.00	\$15.00

**Building Construction
Fee Schedule
2007-2008
*www.sanfordnc.net***

***CITY OF SANFORD / LEE COUNTY / TOWN OF BROADWAY
North Carolina
COMMUNITY DEVELOPMENT DEPARTMENT
Inspections Division
Construction Permit Fee Schedule***

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Plumbing Permits	page 8
Fire Prevention Permits.....	page 9
Miscellaneous Permits	page 9
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Planning / Development.....	page 15

**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 Plumbing 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>Utility and Miscellaneous</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	Utility and Miscellaneous	\$40 Heated \$35 Unheated	Mixed Occupancy	Highest Cost per Sq.Ft. of Occupancy Types
Assembly	\$80																						
Business	\$70																						
Educational	\$80																						
Factory/Industrial	\$80																						
Hazardous	\$80																						
Institutional	\$100																						
Mercantile	\$80																						
Residential	\$80																						
Storage	\$40 Heated \$35 Unheated																						
Utility and Miscellaneous	\$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>Utility and Miscellaneous</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	Utility and Miscellaneous	\$40 Heated \$35 Unheated	Mixed Occupancy	Highest Cost per Sq.Ft. of Occupancy Types
Assembly	\$80																						
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Residential	\$80																						
Storage	\$40 Heated \$35 Unheated																						
Utility and Miscellaneous	\$40 Heated \$35 Unheated																						
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
	Utility and Miscellaneous	\$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: \$2.00 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).
Footing/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 or Outdoor Condenser - Change Outs (not heat pumps)	\$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> \$2.50 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 \$6.50 Per Additional Unit
Air Handler or Outdoor Condenser - Change Outs (not heat pumps)	\$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 \$4.50 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

TECHNOLOGY FEE

Fee applied to all permits to assist in recovering cost of permitting software system	\$10.00
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SPECIAL NOTES

1. FAILURE TO SECURE PERMIT

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

Commencement of or proceeding with any work of which a permit is required by the State Building Code or any other state or local laws (shall include digging footings or moving manufactured homes on site).

(G.S. § 153A-357, G.S. § 160A-417; G.S. § 153A-354, G.S. § 160A-414; G.S. § 153A-352, G.S. § 160A-412).

2. ISSUANCE OF PERMITS

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

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

All approvals from other regulatory agencies (local, state, and federal) must be documented (i.e. zoning approval, erosion control, historic district, environmental health, etc.) before building permits will be issued. (G.S. § 153A-357, G.S. § 153A-363, G.S. § 160A417, G.S. § 160A-423).

It is the contractor's responsibility to meet all requirements of license limitations when making application for permits. (G.S. § 87-14, G.S. § 87-21(e), G.S. § 87-43.1, G.S. § 87-58, G.S. § 153A-134, G.S. § 153A-357, G.S. § 160A-194, G.S. § 160A-417).

The Permit Coordinator will notify the applicant at which time the permit is prepared for issuance and the cost of the permit.

BUILDING PERMITS

The North Carolina Building Code requires that a permit be issued for "The construction, reconstruction, alteration, repair, movement to another site, removal, or demolition of any building or structure;" Accessory Buildings with any dimension greater than twelve (12) feet are required to meet the provisions of the North Carolina Residential Code for One- and Two-Family Dwellings.

"No permit ...shall be required for any construction, installation, repair, replacement, or alteration costing Five Thousand Dollars (\$5,000) or less in any single family residence or farm building unless the work involves: the addition, repair, or replacement of load bearing structures;"

- Building permits will be issued to a properly licensed North Carolina General Contractor.

OR

- **To the owner of the property on which the building is to be built and occupied by said owner for at least twelve (12) months following completion (no rental property). Volume I-A, G.S. 87-1.**

OR

- To an individual when a general contractor's license is not required. The cost of the undertaking cannot exceed thirty thousand dollars (\$30,000).

Permits will be issued personally to the license holder of record only. A bonafide employee of the licensee will be allowed to obtain 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.

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

Electrical permits are required for “The installation, extension, alteration, or general repair of any electrical wiring, devices, appliances, or equipment.”

Electrical permits are issued to a North Carolina properly licensed North Carolina Electrical Contractor

OR

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. (G.S. § 87-43.1 Exceptions).

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

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

Mechanical permits are required for “The installation, extension, alteration or general repair of any heating or cooling system;”

- **Mechanical permits are issued to a properly licensed North Carolina Mechanical Contractor**
- OR**
- To the owner of the building that occupies the building provided that the permit holder performs the work themselves (no rental property or commercial projects). Volume I-A, G.S. 87-21(a)(5)(ii).

NOTE: Mechanical change-outs and/or relocation of mechanical units require an electrical permit as described above.

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 obtain Manufactured Home Permits. The owner is allowed to obtain 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.

Manufactured home plumbing permits are required for setup contractors who will complete the plumbing connections underneath the home only. A North Carolina licensed plumbing contractor will be required to obtain a separate permit to make utility connections (water/sewer).

MODULAR PERMITS

A building permit is required for modular homes.

In accordance with 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 five thousand dollar (\$5,000) surety bond for each modular building to be erected.

The permit fee is for the modular setup (footing, foundation, and final). Additional building permits shall be obtained for porches, basements, garages, and additional structural alterations to the modular unit in accordance with the permit fee schedule. A separate permit is required for electrical, mechanical and plumbing permits.

NO TEMPORARY SERVICE WILL BE AUTHORIZED FOR ANY MODULAR CONSTRUCTION.

PLUMBING PERMITS

Plumbing permits are required for “The installation, extension, alteration or general repair of any plumbing system;”

- **Plumbing permits are issued to a properly licensed North Carolina Plumbing Contractor**
- **OR**
- **To the owner of the building that occupies the building provided that the permit holder performs the work themselves (no rental property or commercial projects). G.S. 87-21(a)(5)(ii).**

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”.

Manufactured home plumbing permits are required for setup contractors who will complete the plumbing connections underneath the home only. A North Carolina licensed plumbing contractor will be required to obtain a separate permit to make utility connections (water/sewer).

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. (G.S. § 87-1).

- **Rental Property – Electrical Permits**

Electrical Permits will be issued to North Carolina Licensed Electrical Contractors only. (G.S. § 87-43.1 (5a)).

- **Rental Property – Mechanical Permits**

Mechanical Permits will be issued to North Carolina Licensed Mechanical Contractors only. (G.S. § 87-21 (a)(5)(ii)).

- **Rental Property – Plumbing Permits**

Plumbing Permits will be issued to North Carolina Licensed Plumbing Contractors only. (G.S. § 87-21 (a)(5)(ii)).

RENEWING EXPIRED PERMITS:

If any permit expires or is revoked, or if 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.) (G.S. § 153A-354, G.S. § 160A-414).

PERMIT REFUNDS

Permit fees are non-refundable, unless no work has been performed and no inspections have been made. (G.S. § 153A-354, G.S. § 160A-414).

POSTING BONDS

Bonds are required to be posted for moving permits and demolition permits for the City of Sanford. Bonds may be posted in the form of cash, certified check or money order, at the time that a Demolition or Moving Permit is issued. Bonds are non-transferable.

3. 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.

4. INSPECTIONS

The General Contractor or the person that the Building Permit was issued to must make all inspection requests. (Footings, Foundations, Rough-Ins, Insulation, and Final for C.O.). Electrical, Plumbing & Mechanical Contractors will be responsible to notify the General Contractor when ready for Rough-In, Final, and other inspections.

****NOTE:** When a construction project requires all four disciplines, i.e., Building, Electrical, Plumbing and Mechanical installations, each discipline will be inspected simultaneously, during one inspection trip. Inspection requests should not be made unless each discipline is ready for a rough-in inspection. A minimum of one (1) day notice is required for all inspections.

All inspections must be called in by the correct address and permit number.

Building Permit Cards must be posted and building plans must be available at the jobsite or the inspection will not be performed and a **\$50.00 PENALTY FEE WILL BE CHARGED.**

Inspection results will be provided at all jobsites. Passed inspections will be indicated with the appropriate section of the permit card posted on the jobsite. Failed inspections will be identified with the posting of a orange "NOTICE" card accompanied by a "NOTICE OF ADDITION OR CORRECTIONS" sheet. The Inspector will provide these two documents on the jobsite with the permit card. (G.S.§ 153A-352 and G.S.§ 160A-512).

Calls to the inspection department concerning the status of inspections are discouraged. Check permit card at jobsite for inspection results.

Priorities for daily inspections will be as follows:

1. Concrete pours. (i.e. footing and slabs).
2. Open ditches that are a potential danger to the public. (i.e. water & sewer lines and underground electrical)
3. Foundations.
4. Restoration of Electrical Service to existing buildings.
5. Mechanical Change-Outs / Repairs during extreme weather conditions.

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 jobsite.

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.

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 2007-08 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	\$21	\$13
Saturday and Sunday	\$26	\$15
Afternoon Special:		
Monday – Friday	\$19	\$13
Saturday and Sunday	\$23	\$15
9 Hole Rates:		
Monday – Friday	\$12.50	\$6.50
Saturday and Sunday	\$15.50	\$9.50
Winter Rates (December 1 – February 28)		
Monday – Friday	\$19	
Saturday and Sunday	\$25	
Senior Rates (Ages 55 and up)		
Monday and Thursday	\$16	
Junior Rates		
Monday – Friday		\$5.50
Saturday and Sunday		\$8.50

NOTE: The above ride rates will increase by \$1.50 when new carts are purchased and put in service during fiscal year 2007-2008.

Annual Membership Rates

	<u>Fee</u>
1 Person	\$450
2 Persons	\$570
Full Family	\$640
Single LTD	\$380
Double LTD	\$495
Junior	\$165
Payment #1	One-third due in July
Payment #2	One-third due in September
Payment #3	One-third due in November

Corporate Membership Rates

	<u>Fee</u>
1 Person	\$380
2 Persons	\$480
Full Family	\$600
Optional Guest Fee	\$200

Club Membership Rates

	<u>Fee</u>
1 Person	\$425
2 Persons	\$530
Full Family	\$630

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 \$150,000 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, 2006 was \$9,591,024. General Fund balance available for appropriation was \$7,590,494 or 39.5% 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 \$4,423,794 for the year compared with a net income before capital contributions of \$4,155,534 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 fund is 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.

CAPITAL IMPROVEMENT BUDGET

Departments are required to submit capital improvement project(s) requests in amounts greater than \$25,000. These requests are compiled in one document and reviewed with Finance and the requesting department head. Departments discuss these requests in detail with Council at the annual retreat. Long term city goals and/or projects are formulated by the City Council.

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.

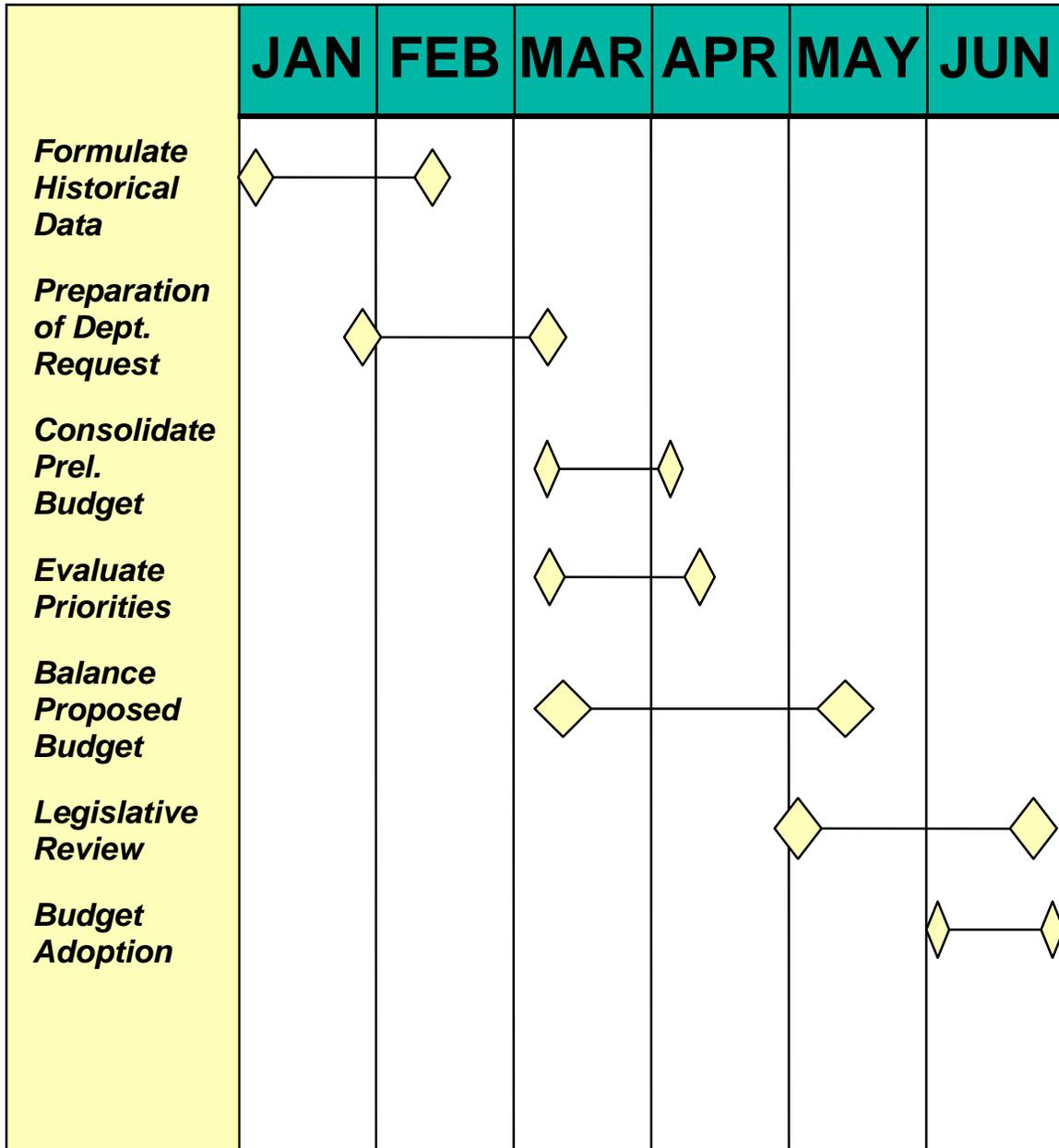
BUDGET ADOPTION

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.

AMENDING ADOPTED BUDGET

Any revisions that alter total expenditures / revenues of the adopted budget 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 City Manager has the authority to transfer budgeted amounts within the department as long as the total departmental budget does not exceed the Council approved budget.

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; and Powell Bill funds.

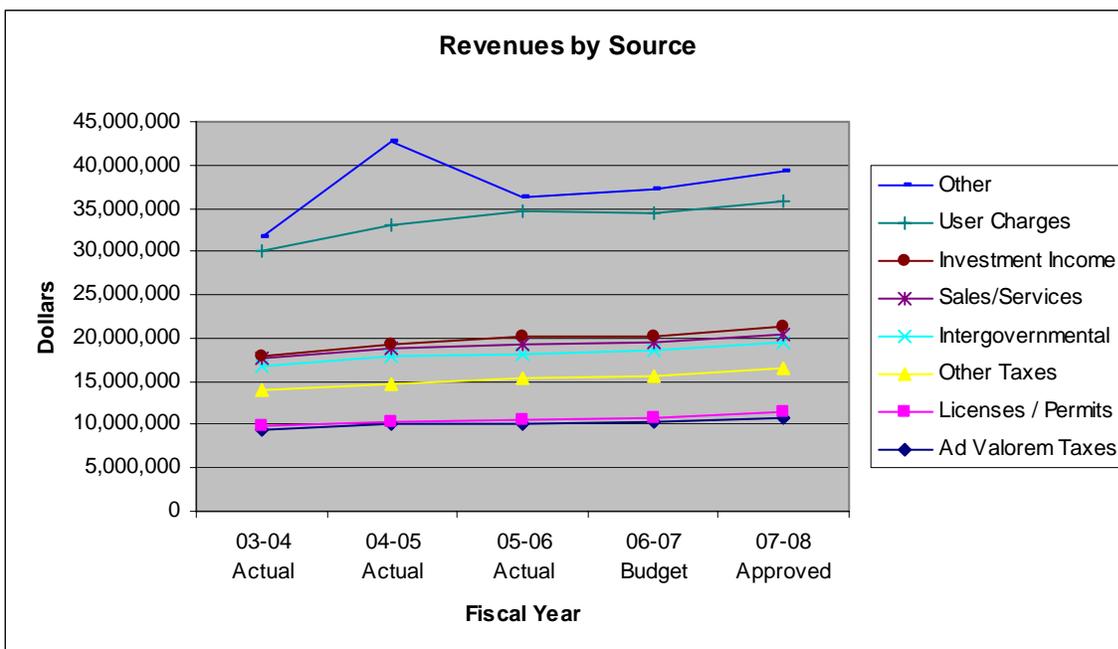
Other Taxes - Collections of the one percent local options sales tax and the one-half of one percent local option sales taxes (Articles 39, 40, 42, and 44); privilege license; and cable franchise tax.

Investment Income – Interest earned.

Sales and Service – Sale of materials; sale of compost; sale of fixed assets; sale of land; and waste management fees.

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

Other Revenue - ABC Board distributions; civil violations; transfer from other funds; parking revenue; special assessments; contributions; reimbursements; rental income; Brick Tournament fees, clubhouse rental; court cost fees; installment purchase proceeds; sewer surcharge; sludge charges; monitoring fees; taps and connections; oil and grease fees; interfund services provided; animal control; relay for life; golf concession; pro shop sales; non-compliance fines; charges on past due accounts; sales other funds; and other miscellaneous revenue.



EXPENDITURES BY FUNCTION

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.

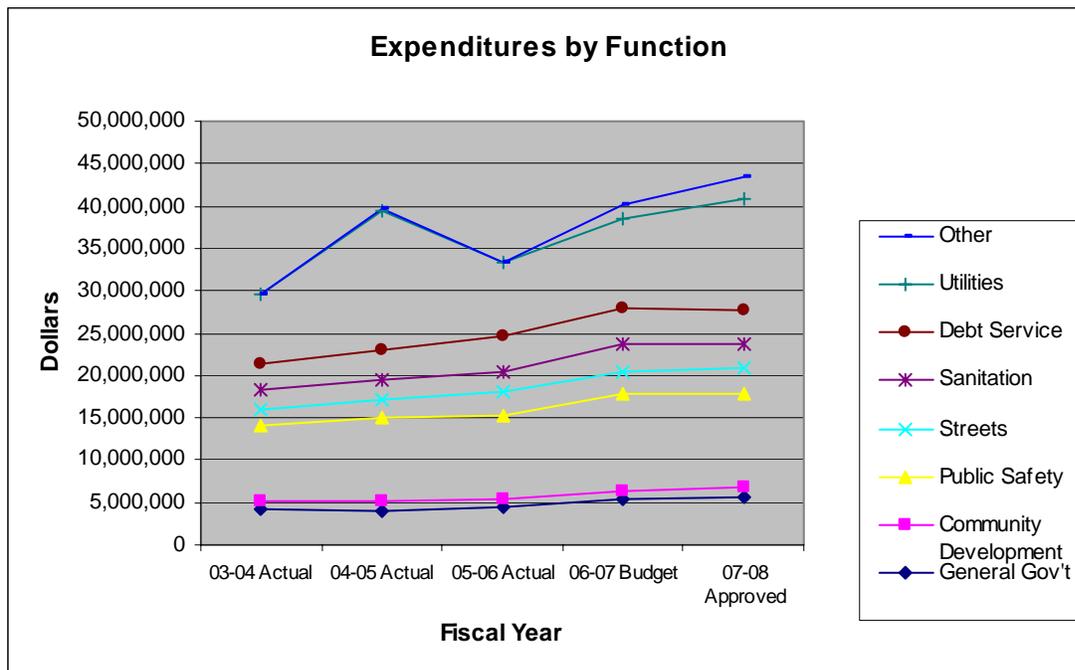
Sanitation - Expenditures for Solid Waste and Sanitation.

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

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 CATEGORY

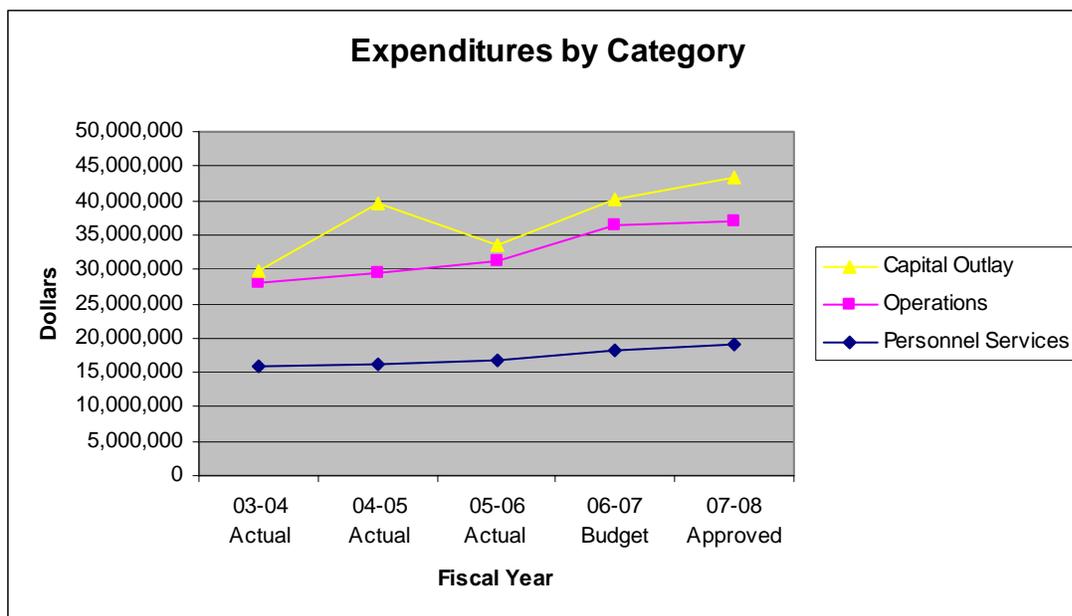
Expenditures by object are divided into three major categories - personnel services, operating expenses and capital outlays.

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 time 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 2007-2008 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 fifty-five 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 thirteen 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 \$10,821,967 Special Tax \$52,125**

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 \$1,310,900**

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 two percent increase over budget levels. **Appropriation--General Fund \$57,000**

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: 128 miles of street \$1,779 and population 25,883 times \$23.85. **Appropriation--General Fund \$845,075**

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 (\$141,745). Lee County Emergency Management pays for office rental in the amount of \$5,952. The county's cost of the merged community development department is projected to be \$322,679. 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 \$343,424. **Appropriation--General Fund \$330,679, \$5,952, \$343,424, \$141,745, \$4,800**

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 3 percent overall increase is projected over current year budget. 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 \$4,775,200**

REVENUE

FORECAST RATIONALE

Privilege License

Privilege licenses are levied by the City on certain businesses. Projections are based on actual establishments and the appropriate license schedule. **Appropriation--General Fund \$253,500**

Cable Franchise

The state distributes part of the state sales tax collected on video programming and telecommunication services on a quarterly basis. **Appropriation--General Fund \$160,000**

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. The fees can be found within the budget ordinance section of the budget. A technology fee was implemented to support technical upgrades, however, this fee is scheduled to expire in three years. **Appropriation--General Fund \$304,290**

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. The fees can be found within the budget ordinance section of the budget. **Appropriation--General Fund \$182,930**

Building Permits and
Inspection Fees-Town of Broadway

Buildings which undergo structural changes or new construction within the city limits of Broadway 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. The fees can be found within the budget ordinance section of the budget. **Appropriation--General Fund \$11,780**

Code Enforcement Fees

Fines and fees were established to ensure enforcement related to the City Code of Ordinances. **Appropriation--General Fund \$10,000**

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**

REVENUE

FORECAST RATIONALE

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 \$400,000 Utility Fund \$475,000 Special Tax \$1,000**

Miscellaneous

This revenue includes revenue sources not otherwise classified. Projections are based on comparisons of past operating data. **Appropriation--General Fund \$80,000 Utility Fund \$50,000**

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 \$10,000**

Civil Violations

Fines are levied by the City for violations of the City's ordinances. Projections are based on historical trends. **Appropriation--General Fund \$7,500**

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 \$40,000 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--Utility Fund \$200,000**

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 \$12,500**

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 \$470,123 Utility Fund \$2,837,515 Special Tax \$0**

REVENUE

FORECAST RATIONALE

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 \$810,000**

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 \$20,000**

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 \$8,250,000**

Sewer Charges

Proceeds are received for the collection and treatment of wastewater. Projections are based on historical user trends. **Appropriation--Utility Fund \$5,720,000**

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 \$7,200**

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 \$40,000**

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**

REVENUE

FORECAST RATIONALE

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 \$76,000**

Green Fees Daily

Fees are collected for daily play at the Municipal Golf Course. Estimates are based on historical data. **Appropriation--General Fund \$167,000**

Cart Fees

Fees are collected for rental of golf carts with projections based on trend analysis. **Appropriation--General Fund \$190,000**

Driving Range

Fees are collected for use of golf course driving range. Revenues are estimates based on anticipated use. **Appropriation—General Fund \$15,000**

Brick Tournament Fees

Fees are collected and segregated for this annual tournament event. **Appropriation--General Fund \$11,500**

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 for parking fines and parking space rentals. **Appropriation—General Fund \$15,000 Special Tax \$1,425**

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 52 golf cars (\$168,200); 1 pot hole patcher (\$155,000); 1 leaf vac unit (\$116,000); and clearwell rehabilitation and baffling (\$1,500,000) **Appropriation--General Fund \$439,200 Utility Fund \$1,500,000**

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**

REVENUE

FORECAST RATIONALE

Concessions

Revenue received for sale of concessions at the golf course.
Appropriation--General Fund \$25,000

Pro Shop Sales

Revenue received thru sales at the golf course pro shop.
Appropriation--General Fund \$75,000

Relay for Life Donations

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

Charges on Past Due Accts.

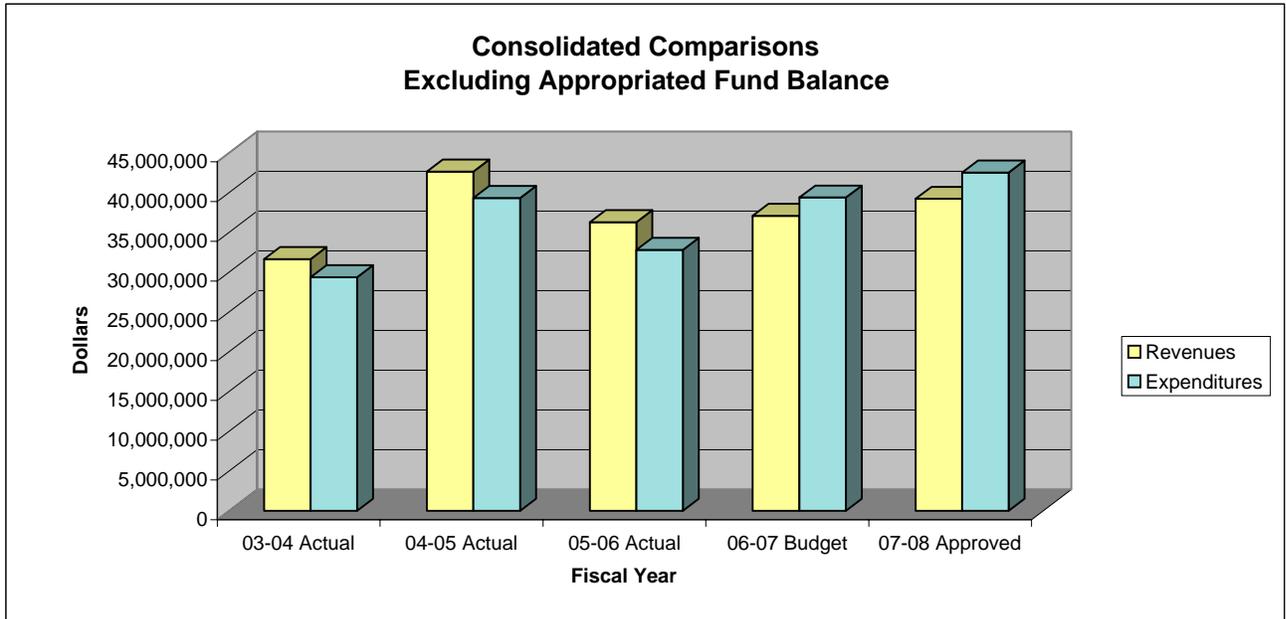
Charges assessed against utility accounts that are paid after the due date. **Appropriation—Utility Fund \$180,000**

**CONSOLIDATED BUDGET
FUND SUMMARIES**

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 BUDGET	FY 07-08 REQUESTED	FY 07-08 APPROVED
REVENUES						
General Fund	18,980,586	20,083,967	20,498,854	21,843,183	21,224,618	22,285,952
Enterprise Fund	12,599,523	22,507,853	15,684,957	15,155,168	15,352,500	16,852,500
Special Tax District	103,379	102,477	172,210	107,829	106,550	104,550
SUB-TOTAL	31,683,487	42,694,297	36,356,021	37,106,180	36,683,668	39,243,002
Appropriated Fund Balance	0	58,737	0	2,297,029	0	3,307,638
Less Interfund Activity	-50,000	-65,500	-110,000	-50,000	-50,000	-50,000
TOTAL BUDGET	31,633,487	42,687,534	36,246,021	39,353,209	36,633,668	42,500,640
EXPENDITURES						
General Fund	17,939,854	19,107,919	19,868,076	22,873,935	24,797,006	22,756,075
Enterprise Fund	11,353,191	20,091,511	12,912,777	16,277,945	19,621,860	19,690,015
Special Tax District	84,798	161,214	88,551	251,329	106,550	104,550
SUB-TOTAL	29,377,843	39,360,644	32,869,404	39,403,209	44,525,416	42,550,640
Less Interfund Activity	-50,000	-65,500	-110,000	-50,000	-50,000	-50,000
TOTAL BUDGET	29,327,843	39,295,144	32,759,404	39,353,209	44,475,416	42,500,640

GRAPHIC REPRESENTATION

Illustrated below are revenues as they relate to expenditures.

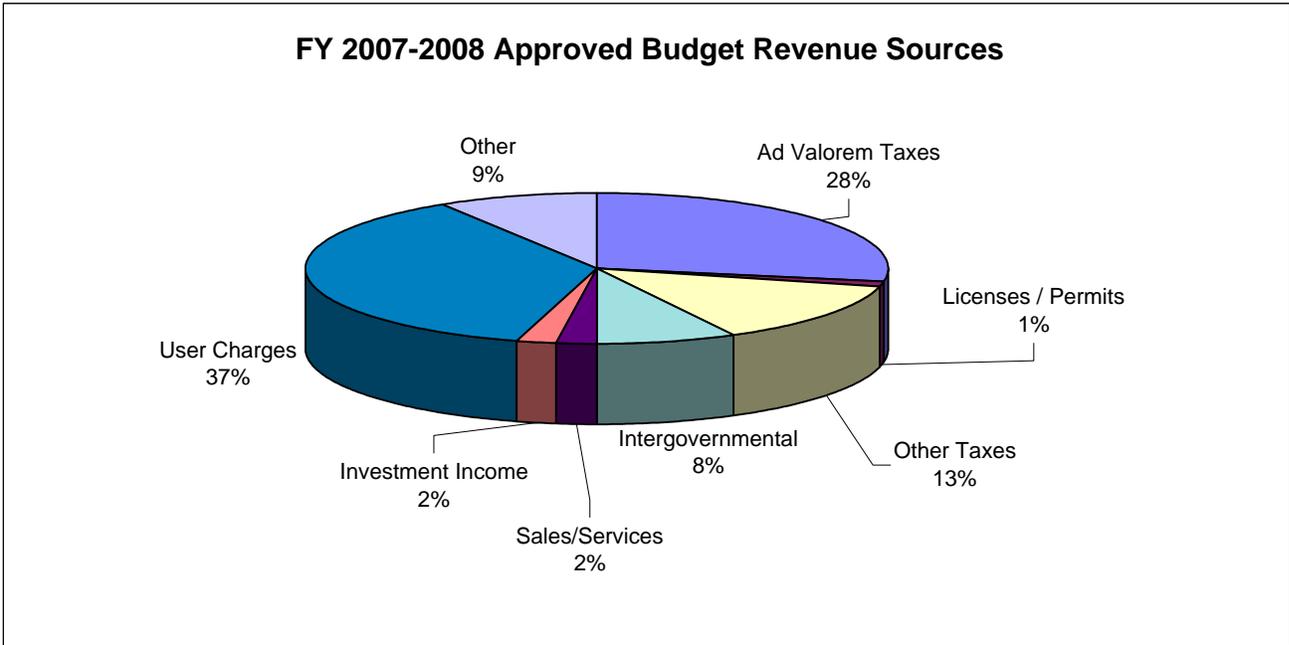


**CONSOLIDATED BUDGET
REVENUE SUMMARIES**

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 BUDGET	FY 07-08 REQUESTED	FY 07-08 APPROVED
REVENUES						
Ad Valorem Taxes	9,433,116	9,992,393	10,174,666	10,403,418	10,693,510	10,874,092
Licenses / Permits	377,671	369,131	375,724	494,872	420,000	509,000
Other Taxes	4,183,807	4,418,700	4,741,989	4,752,149	4,938,700	5,188,700
Intergovernmental	2,650,911	3,118,061	2,949,870	2,958,413	3,036,023	3,039,575
Sales/Services	1,133,629	1,031,454	985,189	902,700	880,000	880,000
Investment Income	181,591	458,618	893,370	680,500	888,500	888,500
User Charges	12,076,434	13,625,664	14,585,125	14,311,868	14,366,000	14,418,000
Other	1,646,329	9,680,276	1,650,088	2,602,260	1,460,935	3,445,135
SUB-TOTAL	31,683,487	42,694,297	36,356,021	37,106,180	36,683,668	39,243,002
Appropriated Fund Balance	0	58,737	0	2,297,029	0	3,307,638
Less Interfund Activity	-50,000	-65,500	-110,000	-50,000	-50,000	-50,000
TOTAL BUDGET	31,633,487	42,687,534	36,246,021	39,353,209	36,633,668	42,500,640

GRAPHIC REPRESENTATION

The relative value of major revenue sources are shown below. Taxes Ad-Valorem and User Charges represent 65% of the revenues received by the city.

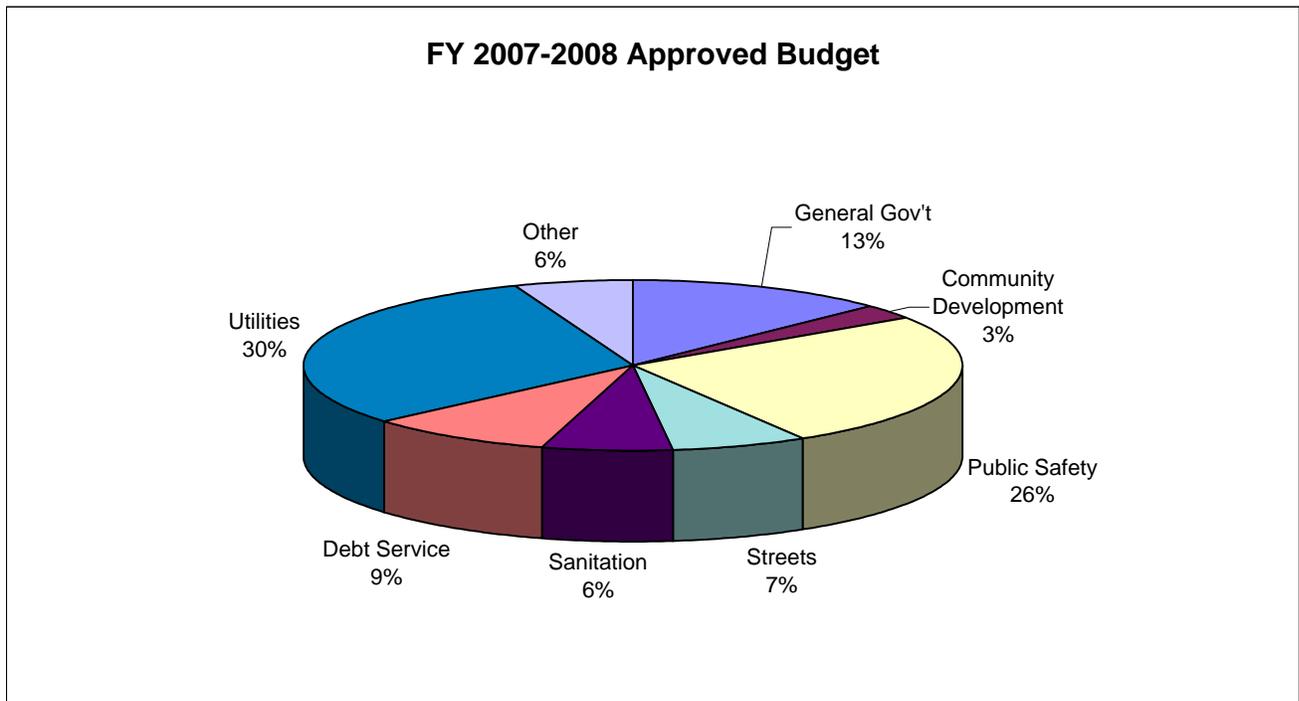


**CONSOLIDATED BUDGET
EXPENDITURE SUMMARIES**

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 BUDGET	FY 07-08 REQUESTED	FY 07-08 APPROVED
FUNCTIONS						
General Gov't	4,236,751	4,096,825	4,468,165	5,316,416	5,844,097	5,540,993
Community Development	852,341	1,034,071	937,970	1,054,127	1,631,766	1,175,052
Public Safety	9,109,778	9,891,816	9,897,574	11,529,379	12,246,858	11,222,650
Streets	1,848,344	2,110,250	2,768,459	2,632,711	2,992,090	2,929,829
Sanitation	2,157,073	2,244,457	2,362,022	3,115,213	2,920,023	2,725,379
Debt Service	3,161,616	3,706,217	4,127,890	4,380,066	4,001,007	4,001,007
Utilities	8,191,519	16,335,294	8,734,887	10,404,617	15,320,853	13,264,008
Other	84,854	211,214	138,551	1,744,591	406,550	2,529,550
SUB-TOTAL	29,642,276	39,630,144	33,435,518	40,177,120	45,363,244	43,388,468
Less Interfund Activity	-50,000	-65,500	-110,000	-50,000	-50,000	-50,000
Interfund Reimbursement	-264,433	-269,500	-566,114	-773,911	-837,828	-837,828
TOTAL BUDGET	29,327,843	39,295,144	32,759,404	39,353,209	44,475,416	42,500,640

GRAPHIC REPRESENTATION

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

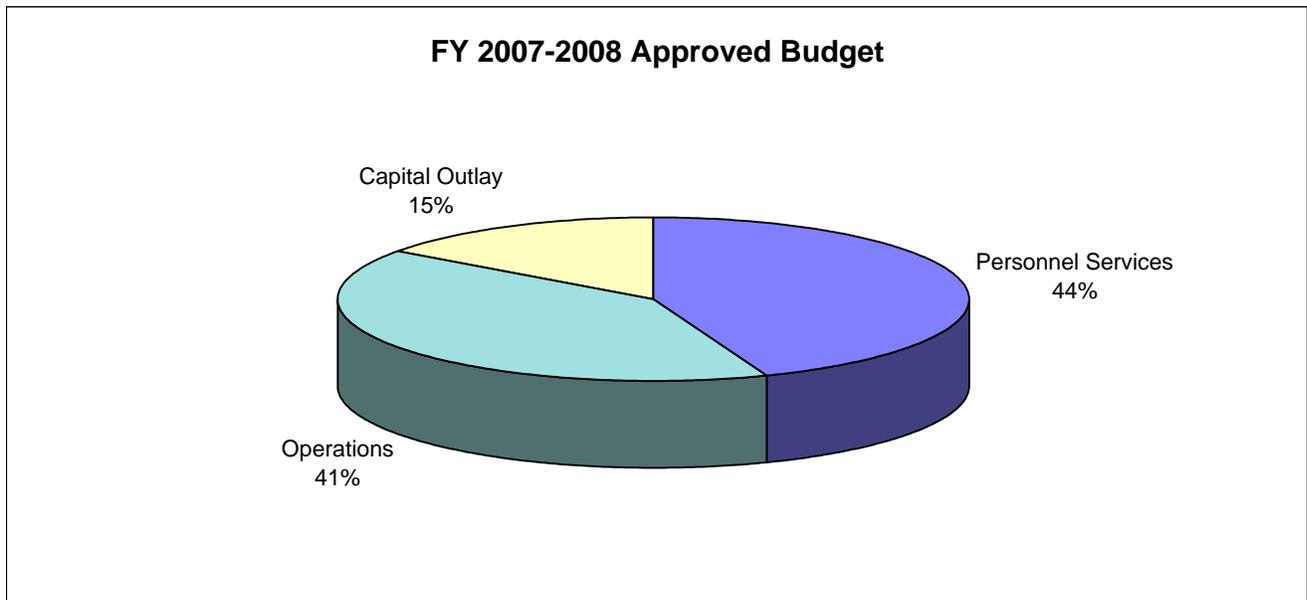


**CONSOLIDATED BUDGET
EXPENDITURE SUMMARIES**

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 BUDGET	FY 07-08 REQUESTED	FY 07-08 APPROVED
EXPENDITURES						
Personnel Services	15,782,548	16,250,035	16,729,292	18,295,202	19,496,070	19,105,144
Operations	12,135,795	13,124,184	14,617,037	18,056,512	16,949,683	17,745,949
Capital Outlay	1,723,933	10,255,925	2,089,189	3,825,406	8,917,491	6,537,375
SUB-TOTAL	29,642,276	39,630,144	33,435,518	40,177,120	45,363,244	43,388,468
Less Interfund Activity	-50,000	-65,500	-110,000	-50,000	-50,000	-50,000
Interfund Reimbursement	-264,433	-269,500	-566,114	-773,911	-837,828	-837,828
TOTAL BUDGET	29,327,843	39,295,144	32,759,404	39,353,209	44,475,416	42,500,640

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 345 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 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 BUDGET	FY 07-08 REQUESTED	FY 07-08 APPROVED
Prior	353,698	281,069	246,160	250,000	225,000	225,000
Current	8,925,323	9,584,761	9,797,708	10,042,589	10,340,085	10,522,667
Payment in Lieu of Taxes	37,364	16,543	16,181	15,000	15,000	15,000
Penalties Less Discounts	65,376	61,666	57,315	40,000	59,300	59,300
Total Ad Valorem Taxes	9,381,761	9,944,039	10,117,364	10,347,589	10,639,385	10,821,967
Local Sales Tax - Article 39	1,825,844	1,983,686	2,023,015	2,158,243	1,950,000	1,950,000
Local Sales Tax - Article 40	711,955	750,826	865,577	809,980	986,700	986,700
Local Sales Tax - Article 44	716,270	784,086	830,498	816,328	860,000	860,000
Local Sales Tax - Article 42	703,289	743,735	855,001	802,598	978,500	978,500
Cable Franchise	0	0	163,918	0	160,000	160,000
Privilege License	151,098	156,367	3,980	165,000	3,500	253,500
Total Other Taxes	4,183,807	4,418,700	4,741,989	4,752,149	4,938,700	5,188,700
City Permits	217,819	201,578	222,568	386,872	250,000	304,290
County Permits	159,851	157,078	134,091	100,000	150,000	182,930
Broadway Permits	0	10,475	19,065	8,000	10,000	11,780
Code Enforcement	0	0	0	0	10,000	10,000
Total Licenses / Permits	377,671	369,131	375,724	494,872	420,000	509,000
Interest Income	68,981	203,431	358,878	295,000	400,000	400,000
Interest Income - Golf	9,935	0	0	0	0	0
Total Investment Income	78,916	203,431	358,878	295,000	400,000	400,000
Green Fees Annual	101,139	94,919	68,046	80,000	76,000	76,000
Green Fees Daily	112,636	113,377	137,725	135,000	142,000	167,000
Cart Fees	159,074	157,906	166,876	180,000	163,000	190,000
Driving Range	11,208	13,535	14,880	16,000	15,000	15,000
Total Golf User Charges	384,056	379,737	387,527	411,000	396,000	448,000
Intergovernmental Revenues						
United States of America						
Police Block Grant	18,340	8,150	22,121	20,940	0	0
Federal Drug Enf. Proc.	21,334	32,419	16,671	49,000	0	0
State of North Carolina						
Utility Franchise Tax	1,052,984	1,118,870	1,179,328	1,169,861	1,310,900	1,310,900
Beer & Wine Tax	50,528	52,286	52,632	56,350	57,000	57,000
Powell Bill	687,370	767,741	768,240	803,292	845,075	845,075
State Drug Forfeiture	0	41,841	19,680	0	0	0
Rec. Other Gov.-State	8,092	7,875	2,337	16,002	0	0
Safe Kids Grant	5,530	2,386	1,853	0	0	0
Other Local Governments						
Sales Tax Refund	19,664	0	33,948	0	0	0
Gas Tax Refund	0	9,519	0	0	0	0
Lee County Fire Grant	0	0	35,000	0	0	0
Consolidated Planning Services	295,145	301,018	318,806	353,902	330,679	330,679
EMS Office Rental	2,400	2,400	2,400	2,400	2,400	5,952
911 Surcharge Reimbursement	308,069	248,010	315,815	347,870	343,424	343,424
911 Dispatch	108,065	117,266	125,422	133,996	141,745	141,745
Rec. Local Inspections Contract	37,294	43,000	43,000	0	0	0
Financial Services - Broadway	0	0	4,431	4,800	4,800	4,800
Total Intergovernmental	2,650,008	3,021,337	2,941,684	2,958,413	3,036,023	3,039,575

GENERAL FUND REVENUE

REVENUE SOURCES	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 BUDGET	FY 07-08 REQUESTED	FY 07-08 APPROVED
Sale of Materials	16,136	13,362	13,060	10,000	10,000	10,000
Sale of Compost Materials	42,215	38,381	42,269	30,000	20,000	20,000
Sale of Fixed Assets	99,217	99,042	77,445	42,700	40,000	40,000
Sale of Land	0	0	35,000	0	0	0
Waste Mgmt. User Fees	783,643	814,284	817,415	820,000	810,000	810,000
Total Sales and Service	1,133,629	1,031,454	985,189	902,700	880,000	880,000
Brick Tourn. Fees	20,435	10,835	11,555	14,500	11,500	11,500
Concession	0	0	720	12,000	15,000	25,000
Miscellaneous	538	250	521	250	0	0
Pro Shop Sales	0	0	0	65,000	40,000	75,000
Club House Rental	1,200	1,200	2,400	1,200	0	0
Sale of Capital Assets	0	0	11,950	0	0	0
Total Golf Other	143,173	93,348	27,146	92,950	66,500	111,500
Installment Purchase Proceeds	92,157	96,250	62,374	1,138,000	0	439,200
Transfer from Other Funds	0	0	2,681	0	0	0
Court Cost Fees	12,795	19,642	17,836	15,000	10,000	10,000
ABC Revenue	105,000	157,500	157,500	140,000	140,000	140,000
Interfund Services Provided	124,979	124,342	130,567	160,000	160,000	160,000
Rental Income	16,250	15,000	30,510	30,510	30,510	30,510
Parking Revenue	0	300	0	0	15,000	15,000
Animal Control	1,175	550	50	0	0	0
Miscellaneous	19,707	176,888	98,849	90,000	80,000	80,000
Civil Violations	11,069	16,864	26,000	10,000	7,500	7,500
Relay for Life Donations	0	0	10,345	5,000	5,000	5,000
Special Assessments	0	0	26,641	0	0	0
Total Other	647,565	622,790	563,353	1,588,510	448,010	887,210
SUB-TOTAL GENERAL FUND	18,980,586	20,083,967	20,498,854	21,843,183	21,224,618	22,285,952
Appropriated Fund Balance	0	0	0	1,030,752	0	470,123
TOTAL GENERAL FUND	18,980,586	20,083,967	20,498,854	22,873,935	21,224,618	22,756,075

GENERAL FUND EXPENDITURES

DEPARTMENT	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 BUDGET	FY 07-08 REQUESTED	FY 07-08 APPROVED
Governing Body	234,593	241,131	257,937	298,040	304,882	305,427
Administration	181,064	185,638	195,345	215,835	218,702	211,822
Human Resources	172,746	211,841	229,971	274,556	272,700	269,680
Risk Management	10,103	12,803	34,350	77,241	88,070	78,130
Elections	12,175	0	11,855	0	18,000	18,000
Finance	645,016	642,224	678,927	698,557	767,120	832,194
Information Systems	196,750	165,642	216,298	336,492	382,457	252,185
Legal	151,379	154,228	165,355	182,968	197,637	192,757
Strategic Information Services	73,045	74,224	21	0	0	0
Public Building	718,131	733,155	809,912	894,945	964,102	806,011
Public Works Adm.	332,956	326,001	374,876	382,773	426,256	426,556
Central Office	55,960	42,548	53,226	76,674	67,650	67,650
GF Contributions	297,992	336,940	395,735	557,313	525,626	576,164
Golf	713,489	615,305	628,057	716,061	949,388	894,920
Shop	866,759	889,078	966,489	986,351	955,438	955,583
Less Shop Charges	-697,241	-795,144	-877,398	-695,000	-695,000	-695,000
Beautification	271,834	261,211	327,209	313,610	401,069	348,914
General Government	4,236,751	4,096,825	4,468,165	5,316,416	5,844,097	5,540,993
Police	5,373,155	5,831,141	5,966,783	6,793,160	6,677,435	6,681,170
Police - 911 Surcharge	308,197	269,779	294,074	347,870	343,424	343,424
Police Grants	52,283	79,771	60,100	69,940	0	0
Fire	2,922,547	3,267,601	3,113,100	3,827,545	4,589,027	3,567,449
Inspection	453,596	443,524	463,517	490,864	636,972	630,607
Public Safety	9,109,778	9,891,816	9,897,574	11,529,379	12,246,858	11,222,650
Street	1,604,422	1,907,639	2,398,019	2,411,901	2,774,425	2,712,164
Street Capital Imp.	243,922	202,611	370,440	220,810	217,665	217,665
Streets	1,848,344	2,110,250	2,768,459	2,632,711	2,992,090	2,929,829
Solid Waste	1,115,700	1,163,908	1,224,329	1,900,906	1,645,919	1,451,275
Sanitation	1,041,373	1,080,549	1,137,693	1,214,307	1,274,104	1,274,104
Sanitation	2,157,073	2,244,457	2,362,022	3,115,213	2,920,023	2,725,379
Community Development	583,601	604,635	652,137	709,309	720,312	723,572
Comm. Dev.-911 Coordinator	51,258	46,965	11	0	0	0
Comm. Enhance.-Code Enforce.	151,577	224,324	200,689	261,771	361,386	285,102
Comm. Enhancement-Downtown	65,905	158,147	85,133	83,047	550,068	166,378
Community Development	852,341	1,034,071	937,970	1,054,127	1,631,766	1,175,052
SUB-TOTAL GENERAL FUND	18,204,287	19,377,419	20,434,190	23,647,846	25,634,834	23,593,903
Interfund Reimbursements	-264,433	-269,500	-566,114	-773,911	-837,828	-837,828
TOTAL GENERAL FUND	17,939,854	19,107,919	19,868,076	22,873,935	24,797,006	22,756,075

UTILITY FUND REVENUE

REVENUE SOURCES	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 BUDGET	FY 07-08 REQUESTED	FY 07-08 APPROVED
Water Charges	5,683,848	6,923,051	8,416,152	8,048,362	8,250,000	8,250,000
Sewer Charges	5,075,647	5,714,760	5,781,446	5,852,506	5,720,000	5,720,000
Total User Charges	11,692,378	13,245,927	14,197,598	13,900,868	13,970,000	13,970,000
Interest Income	84,128	237,547	514,901	375,000	475,000	475,000
Interest on Assessments	17,435	15,392	14,833	10,000	12,500	12,500
Total Investment Income	101,562	252,939	529,734	385,000	487,500	487,500
Taps and Connections	263,672	238,369	234,661	225,000	225,000	225,000
Sewer Surcharge	17,955	19,523	7,293	10,000	7,200	7,200
Sludge Charge	31,481	36,417	48,044	32,000	40,000	40,000
Non Compliance Fines	5,292	250	2,851	0	0	0
Monitoring Fee	82,368	88,704	89,496	87,500	87,500	87,500
Charges on Past Due Accounts	0	0	310,636	130,000	180,000	180,000
Oil and Grease Fees	16,527	17,685	18,947	18,500	18,500	18,500
Sales Other Funds	36,606	39,581	34,994	34,000	34,000	34,000
Sale of Fixed Property	160	-1,066	49,319	15,000	15,000	15,000
Special Assessments	28,097	37,170	0	225,000	200,000	200,000
Miscellaneous	132,553	143,062	51,497	54,500	50,000	50,000
Installment Purchase Proceeds	0	7,630,000	62,374	0	0	1,500,000
Bad Debt Recovery	1,035	646	1,227	0	0	0
Rental Income	0	12,600	38,100	37,800	37,800	37,800
Total Other Revenue	804,680	8,912,263	949,439	869,300	895,000	2,395,000
Sales Tax Refund	903	9,104	2,873	0	0	0
Rec. from Other Gov't State	0	78,320	5,313	0	0	0
Total Intergovernmental	903	96,724	8,186	0	0	0
SUB-TOTAL UTILITY FUND	12,599,523	22,507,853	15,684,957	15,155,168	15,352,500	16,852,500
Appropriated Fund Balance	0	0	0	1,122,777	0	2,837,515
TOTAL UTILITY FUND	12,599,523	22,507,853	15,684,957	16,277,945	15,352,500	19,690,015

UTILITY FUND EXPENSES

DEPARTMENT	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 BUDGET	FY 07-08 REQUESTED	FY 07-08 APPROVED
Debt Service	3,161,616	3,706,217	4,127,890	4,380,066	4,001,007	4,001,007
UF Contributions	56	50,000	50,000	1,493,262	300,000	2,425,000
Other	56	50,000	50,000	1,493,262	300,000	2,425,000
Store	305,350	338,255	339,918	349,763	375,640	375,700
Less Store Charges	-283,968	-309,322	-331,114	-289,548	-315,425	-315,485
UF Administration	781,397	823,561	1,115,343	1,753,031	1,459,412	1,459,800
Engineering	508,330	540,007	468,686	552,586	589,150	589,635
Sewer Const.	908,578	931,491	1,084,383	1,078,867	1,246,491	1,143,976
Water Const.	2,129,896	2,145,552	2,220,972	2,615,457	2,635,488	2,637,028
Water Plant	1,533,274	1,493,558	1,645,055	1,986,163	2,007,445	2,004,610
Wastewater Plant	1,331,757	1,436,225	1,440,355	1,548,661	1,672,652	1,673,282
Water Capital Imp.	178,137	8,119,801	191,293	314,500	1,750,000	1,895,462
Sewer Capital Imp.	798,768	816,166	559,996	495,137	3,900,000	1,800,000
Public Utilities	8,191,519	16,335,294	8,734,887	10,404,617	15,320,853	13,264,008
TOTAL UTILITY FUND	11,353,191	20,091,511	12,912,777	16,277,945	19,621,860	19,690,015

SPECIAL TAX FUND REVENUE

REVENUE SOURCES	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 BUDGET	FY 07-08 REQUESTED	FY 07-08 APPROVED
Current Year Taxes	47,808	47,321	56,600	55,379	53,275	51,575
Prior Year Taxes	3,746	803	474	350	700	400
Penalties Less Discounts	-199	230	228	100	150	150
Total Ad Valorem Taxes	51,355	48,354	57,302	55,829	54,125	52,125
Interest Income	1,112	2,248	4,758	500	1,000	1,000
Total Investment Income	1,112	2,248	4,758	500	1,000	1,000
Parking Revenues	900	1,875	150	1,500	1,425	1,425
Contribu. From General	50,000	50,000	110,000	50,000	50,000	50,000
Total Other	50,912	51,875	110,150	51,500	51,425	51,425
SUB-TOTAL SPEC. TAX	103,379	102,477	172,210	107,829	106,550	104,550
Appropriated Fund Balance	0	58,737	0	143,500	0	0
TOTAL SPECIAL TAX	103,379	161,214	172,210	251,329	106,550	104,550

SPECIAL TAX FUND EXPENDITURES

DEPARTMENT	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 BUDGET	FY 07-08 REQUESTED	FY 07-08 APPROVED
Special Tax	84,798	161,214	88,551	251,329	106,550	104,550
Total Other	84,798	161,214	88,551	251,329	106,550	104,550
TOTAL SPECIAL TAX	84,798	161,214	88,551	251,329	106,550	104,550

STAFFING COMPARISON

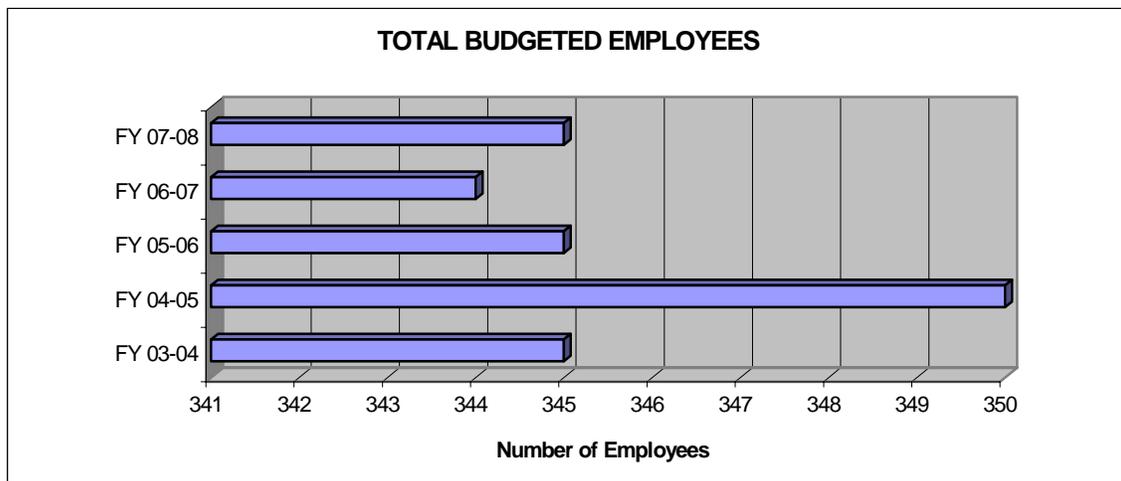
DEPARTMENT	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 ACTUAL	FY 07-08 APPROVED
Governing Body-Elected	9	9	9	9	9
Administration	2	2	2	2	2
Human Resources	3	3	3	3	3
Risk Management	0	**1	1	1	1
Finance	8	8	8	8	8
Information Systems	2	2	2	2	2
Legal	2	2	2	2	2
Strategic Information Services	1	1	0	0	0
Public Building	3	3	3	3	3
Public Works Adm.	5	5	5	5	5
Golf	8	8	8	6	6
Shop	6	6	5	5	5
Stormwater	*1	*1	0	0	0
Beautification	6	6	6	6	6
TOTAL GENERAL GOV'T	56	57	54	52	52
Police	100	100	100	100	100
Fire	51	52	52	52	52
Inspection	8	8	8	8	8
TOTAL PUBLIC SFTY.	159	160	160	160	160
Street	18	18	18	18	18
TOTAL STREET	18	18	18	18	18
Solid Waste	15	17	17	18	18
TOTAL SANITATION	15	17	17	18	18
Community Development	9	9	9	9	9
Community Development-911	1	1	0	0	0
Comm. Enhance/Code Enforce.	3	5	4	4	4
Comm. Enhance/Downtown/HPC	1	1	1	1	1
TOTAL COMMUNITY DEV.	14	16	14	14	14
TOTAL GENERAL FUND	262	268	263	262	262

*Position temporarily on hold

** Position funded for partial year

STAFFING COMPARISON

DEPARTMENT	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 ACTUAL	FY 07-08 APPROVED
PUBLIC UTILITIES					
Store	1	1	1	1	1
UF Administration	8	7	7	8	9
Engineering	9	9	9	8	8
Sewer Const. & Maint.	13	13	13	13	13
Water Const. & Maint.	28	28	28	28	28
Water Plant	11	11	11	11	11
Wastewater Treat. Plant	13	13	13	13	13
TOTAL PUBLIC UTILITIES	83	82	82	82	83
TOTAL UTILITY FUND	83	82	82	82	83
TOTAL ENTERPRISE FUND	83	82	82	82	83
GRAND TOTAL	345	350	345	344	345



CAPITAL OUTLAY - SORT

GENERAL FUND

QTY	ITEM	DEPARTMENT	REQUESTED		APPROVED
			REPLACE	NEW	
1	Laser Fiche Document Imaging	Governing Body		5,000	5,000
1	Laptop Computer	Human Resources		1,800	0
1	Projector	Human Resources		1,400	0
1	Computer Tower and Software	Finance	1,400		1,400
14	Network Switches	Information Systems	9,800		9,800
1	Projector	Information Systems		1,900	1,900
1	Server Tape Drive	Information Systems	1,500		1,500
1	UPS System	Information Systems	600		600
1	Fiber Optic Transceiver	Information Systems	600		600
1	Server	Information Systems		7,500	0
1	Sound System, Movie Projector, and Movie Screen for Depot Park	Public Building		25,000	25,000
1	Computer	Public Works Administration		1,600	1,600
4	Computer Workstations	Police	6,400		6,400
2	VCR-VHS	Police	1,500		1,500
1	Monitor for VCR-VHS	Police	1,000		1,000
1	Printer	Police	700		700
1	Server	Police	13,311		13,311
1	Software Upgrade	Police	3,500		3,500
1	Server	Police-911 Surcharge	13,311		13,311
1	Computer Workstation	Fire	1,600		1,600
1	Laptop Computer	Fire		1,800	0
1	Vehicle Mount for Laptop Computer	Fire		800	0
1	Mobility Software	Fire		2,245	0
1	Projector	Fire	1,400		0
1	Server	Fire	7,500		7,500
1	Server Rack	Inspections		2,000	2,000
1	Permitting Software / Equipment	Inspections		94,066	94,066
1	Server Package and License	Inspections		10,000	10,000
1	Computer and Printer	Code Enforcement		1,800	0
2	Code Book Sets	Code Enforcement		1,200	0
1	Color Copier	Code Enforcement		3,500	0
1	Permitting Software / Equipment	Code Enforcement		5,000	5,000
	Subtotal Computers and Equipment		64,122	166,611	207,288
1	Green House	Beautification		16,000	0
	Reshingle #3 Fire Station	Fire	18,000		18,000
	Kitchen Renovation at Central	Fire	14,500		14,500
4	Signal Light Enhancements	Street		60,000	30,000
	Curb and Gutter Rehabilitation	Street Capital	20,000		20,000
	Subtotal Construction		52,500	76,000	82,500
	Expand Service Ctr. Parking Lot	Public Building		150,000	0
	Cart Paths at Golf Course	Golf	120,000		0
	Storage Building	Fire		120,000	0
	Sidewalk Rehabilitation	Street Capital	50,000		50,000
	Catch Basin Rehabilitation	Street Capital	30,000		30,000
	Curb Extensions	Downtown / HPC		75,000	75,000
	Streetscape	Downtown / HPC		350,000	0
	Subtotal Major Capital Construction		200,000	695,000	155,000
2	File Cabinets - Fire Proof	Human Resources	4,200		4,200
1	Automated External Defibrillator	Risk Management		2,500	0
1	Noise Dosimeter	Risk Management		3,000	0
1	Condensing Unit	Public Building		8,271	0

CAPITAL OUTLAY - SORT

GENERAL FUND

QTY	ITEM	DEPARTMENT	REQUESTED		APPROVED
			REPLACE	NEW	
	Signs at City Hall	Public Building	6,000		6,000
52	Golf Cars (Install. Purchase)	Golf	125,000		168,200
1	Tractor with Front Bucket	Golf	12,000		0
1	Hustler Mower w/ Bagger Attach.	Beautification	5,300		5,300
5	Radars	Police	7,500		7,500
2	4-gas Air Monitor	Fire	1,500		1,500
1	Stove	Fire	1,200		1,200
1	Refrigerator	Fire	1,200		1,200
1	Positive Pressure Ventilation Fan	Fire		2,000	2,000
1	Two Position SCBA Fill Station	Fire	8,400		8,400
1	Hydraulic Cutter	Fire		5,300	5,300
1	Vibratory Plate Tamp	Street	2,200		2,200
1	Vibratory Foot Tamp	Street	2,200		2,200
1	Paint Striping Machine	Street	4,000		4,000
2	Chain Saws	Solid Waste	1,200		1,200
2	Weed Eaters	Solid Waste	1,000		1,000
1	Tractor	Solid Waste	20,000		0
1	Arrow Board Unit	Solid Waste	6,500		0
8	Historic District Entrance Signs	Downtown / HPC		10,000	0
	Subtotal Other Equipment		209,400	31,071	221,400
1	Sport Utility Vehicle	Public Works Administration	23,000		23,000
2	Administrative Vehicles	Police	46,600		46,600
1	Vehicle (4X4)	Inspections	19,248		19,248
1	1/2 Ton Truck	Street	14,700		14,700
1	Truck (4X4)	Solid Waste	18,000		0
2	1/2 Ton Truck	Code Enforcement	14,700	14,700	14,700
	Subtotal Vehicles		136,248	14,700	118,248
1	Radio	Public Works Administration		1,000	1,000
8	Desktop Radios	Police	5,500		5,500
11	Portable Radios	Police	11,000		11,000
10	VHF Radio Pagers	Fire	5,500		5,500
1	VHF PM 1500 Mobile Radio	Fire		2,100	2,100
1	UHF PM 1500 Mobile Radio	Fire		2,100	2,100
1	Pyramid Repeater	Fire		2,400	2,400
1	Intercom System	Fire		4,525	4,525
	Subtotal Radios		22,000	12,125	34,125
1	Mini-Pumper Apparatus	Fire	175,000		0
1	Heavy Duty Equipment Truck	Fire	350,000		0
1	Emergency Backup Generator	Fire		25,000	0
1	Flatbed Dump Truck	Street	59,000		0
1	Pothole Patcher (Installment Purchase)	Street	155,000		155,000
2	One Man Leaf Vac Unit (Installment Purchase)	Solid Waste	232,000		116,000
1	Flatbed Dump Truck	Solid Waste	59,000		0
	Subtotal Heavy Equipment		1,030,000	25,000	271,000
3	Chairs	Police	2,565		2,565
	Office Furniture	Code Enforcement		1,500	0
	Subtotal Furniture		2,565	1,500	2,565
	Grand Total - General Fund Capital		1,716,835	1,022,007	1,092,126

CAPITAL OUTLAY - SORT

ENTERPRISE FUND

QTY	ITEM	DEPARTMENT	REQUESTED		APPROVED
			REPLACE	NEW	
1	Printer	UF Administration	800		800
1	Network Printer	UF Administration	1,200		1,200
1	Crystal Report Software Module	UF Administration	9,000		9,000
1	Network Laser Printer	Water Const. & Maint.		1,200	1,200
2	Computers	Water Const. & Maint.		3,200	3,200
1	Itron FC200 Handheld Unit	Water Const. & Maint.		5,000	5,000
1	Laptop Computer	Water Plant	1,800		1,800
1	Video Camera	WWTP		2,000	2,000
	Subtotal Computers and Equipment		12,800	11,400	24,200
	Paint the Piping in the High Service Pump Building	Water Plant		17,000	17,000
	Subtotal Construction		0	17,000	17,000
	Rebuild Filter Effluent Valves -#'s 1-4	Water Plant	30,000		30,000
	Rate Study	Water Capital		200,000	200,000
	Water Assessment	Water Capital	25,000		0
	Valve Replacement	Water Capital	25,000		25,000
	Clearwater Rehab./Baffling (Install. Purch.)	Water Capital		1,500,000	1,500,000
	Increase in Wastewater Discharge Permit Limit	Sewer Capital		1,200,000	1,200,000
	Sewer Assessments	Sewer Capital	200,000		200,000
	Design of WWTP Upgrade	Sewer Capital		1,500,000	1,500,000
	Sewer Rehabilitation	Sewer Capital	1,000,000		400,000
	Subtotal Major Capital Construction		1,280,000	4,400,000	5,055,000
1	Bush Hog	Sewer Const. & Maint.	8,500		8,500
1	Turf Mower	Sewer Const. & Maint.	7,500		0
1	Sewer Rodder	Sewer Const. & Maint.	20,000		0
1	Non-metallic Pipe Locator	Water Const. & Maint.	2,000		2,000
1	Water Discharge Pump	Water Const. & Maint.	1,800		1,800
1	Fisher M-97 Valve and Box Locator	Water Const. & Maint.	650		650
1	2" Tapping Machine	Water Const. & Maint.	2,800		2,800
1	Portable Hacksaw	Water Const. & Maint.	3,200		3,200
6	Hydrant Meters	Water Const. & Maint.	15,000		15,000
1	Jon Boat and Trolling Motor	Water Plant	2,499		2,499
2	Chemical Metering Pumps	Water Plant	6,000		6,000
2	Flow Meters	Water Plant		7,000	3,500
1	Quanti Tray System	Water Plant		4,000	4,000
1	Composite Sampler	Water Plant		6,000	6,000
1	CL 17 Chlorine Analyzer	Water Plant	3,500		3,500
4	Industrial Heaters	Water Plant	12,000		12,000
1	Biological Oxygen Demand Meter	WWTP	1,500		1,500
1	pH Meter	WWTP	1,500		1,500
1	Conductivity Meter	WWTP	1,500		1,500
1	Gas Meter	WWTP		2,000	2,000
1	Laboratory Refrigerator	WWTP	2,000		2,000

DEBT SERVICE

The City has outstanding general obligation bonds totaling \$5,472,108 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 2007 from an 83 to an 84. 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.	84

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, 2006 is as shown in the following table.

Assessed Valuations	<u>\$ 1,709,762,180</u>
Debt limit 8% of assessed valuations	\$ 136,780,974
Amount of debt applicable to debt limit:	5,472,108
Outstanding debt not evidenced by bonds:	
Notes	1,560,000
Installment purchase contracts	19,252,311
Capital leases	234,084
Annexation liability for fire protection	<u>21,011</u>
	26,539,514
Less deduction allowed by G.S. 159.55(a)(2) and G.S. 159.55(b)-Utility debt	<u>5,472,108</u>
Net Debt	<u>21,067,406</u>
LEGAL DEBT MARGIN	<u>\$ 115,713,568</u>

SCHEDULE OF DEBT SERVICE

DESCRIPTIONS	FY 07-08	FY 08-09	FY 09-10	FY 10-11
	REQ.	REQ.	REQ.	REQ.
Interfund Loan				
Golf; Golf Course Improvements; 4.76% interest; 2/13/02; due quarterly; outstanding \$285,000	72,495	69,639	66,783	63,927
	72,495	69,639	66,783	63,927
General Obligation				
Water & Sewer Refunding; 4.4% to 4.9% interest; 1996; due serially to 2011; outstanding \$4,615,000	1,394,380	1,318,805	1,242,455	1,222,085
	1,394,380	1,318,805	1,242,455	1,222,085
State Revolving Loans				
Water Imp.; 2.6% interest; issued 11/1/00; due annually to 2020; outstanding \$1,462,500	135,525	132,990	130,455	127,920
	135,525	132,990	130,455	127,920
Installment Purchases				
Service Center/Parking Lot; 5.26% interest; dated 12/7/99; fifteen years; outstanding \$675,000	123,730	118,996	114,262	109,528
Water Plant; Raw Water Pump Loan; 3.67% interest; dated 5/13/04; 15 years; outstanding \$5,887,739	611,005	611,005	611,005	611,005
Sewer Rehabilitation; 3.81% interest; 11/15/06; semi-annual; outstanding \$2,875,470	362,180	362,180	362,180	362,180
Compost Facility; 4.59% interest; dated 11/20/92; fifteen years; outstanding \$21,011	21,252	0	0	0
Street repair; 3.14% interest; dated 4/3/03; 15 years; outstanding \$600,000	117,662	114,522	111,382	108,242
Water and Sewer; 3.52% interest; modified 5/13/04; 13 years; quarterly; outstanding \$2,336,750	318,756	310,319	301,883	293,447

SCHEDULE OF DEBT SERVICE

FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	TOTAL
REQ.							
46,071	0	0	0	0	0	0	318,915
46,071	0	0	0	0	0	0	318,915
0	0	0	0	0	0	0	5,177,725
0	5,177,725						
125,385	122,850	120,315	117,780	115,245	112,710	110,175	1,351,350
125,385	122,850	120,315	117,780	115,245	112,710	110,175	1,351,350
104,794	100,060	95,325	45,887	0	0	0	812,582
611,005	611,005	611,005	611,005	611,005	611,005	611,005	6,721,055
362,180	362,180	362,180	362,180	362,180	181,090	0	3,440,710
0	0	0	0	0	0	0	21,252
105,102	101,963	0	0	0	0	0	658,873
285,010	276,574	268,138	259,702	251,265	182,913	0	2,748,007

SCHEDULE OF DEBT SERVICE

DESCRIPTIONS	FY 07-08	FY 08-09	FY 09-10	FY 10-11
	REQ.	REQ.	REQ.	REQ.
Water and Sewer Utility Relocates; 4.56% interest; 8/30/01; 7 years; outstanding \$116,516	96,424	24,105	0	0
Water and Sewer Imp.; 4.61% interest; 10/13/98; 15 years; outstanding \$820,742	146,850	146,850	146,850	146,850
Waterline Imp.; 4.05% interest; dated 6/28/94; fifteen years; outstanding \$426,240	224,018	224,018	0	0
Lee Co. Water System Purchase; 3.47% interest; adjusted 3/10/2006; 15 yrs; quarterly; outstanding \$6,036,666	587,915	587,915	587,915	587,915
Solid Waste; Compost Turner, Leaf Vac and Knuckleboom Trucks; 3.69% interest; 9/22/06; outstanding \$273,802	105,160	105,160	78,870	0
Solid Waste; Knuckleboom Truck; 3.68% interest; 10/30/06; quarterly; outstanding \$96,700	40,665	40,665	20,332	0
Solid Waste; Leaf Vac Truck; 2.74% int.; dated 12/19/2003; five years; outstanding \$12,077	12,201	0	0	0
Fire Dept.; fire pumper; 3.83% interest; dated 9/22/06; seven years; outstanding \$407,325	73,594	73,594	73,594	73,594
Solid Waste: Knuckleboom Truck; 2.78% interest; dated 12/3/04; quarterly; outstanding \$16,602	16,775	0	0	0
Water Const. & Maint., Backhoe, 3.77% interest, 12/27/05; outstanding \$32,064	22,087	11,044	0	0
Street; Streetsweeper and Bucket Truck; 3.69% interest; 9/22/06; outstanding \$182,535	70,107	70,107	52,580	0

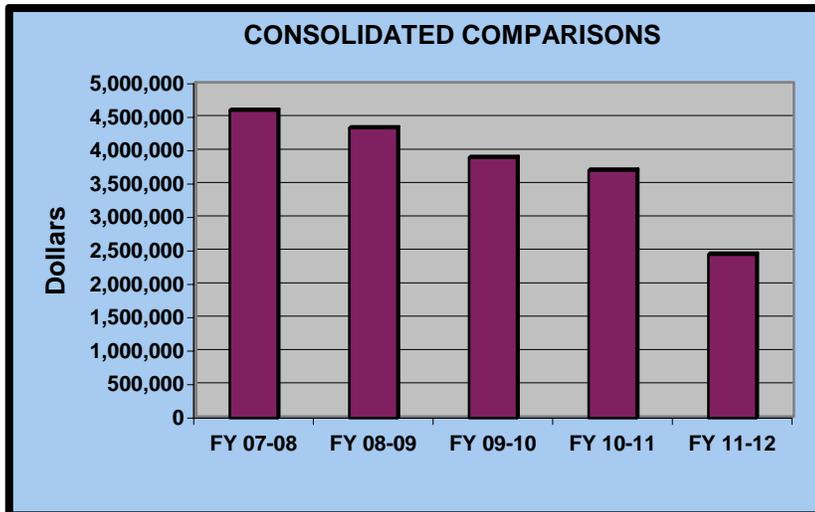
SCHEDULE OF DEBT SERVICE

FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	TOTAL
REQ.							
0	0	0	0	0	0	0	120,529
146,850	146,850	73,425	0	0	0	0	954,525
0	0	0	0	0	0	0	448,036
587,915	587,915	587,915	587,915	587,915	587,915	587,915	6,467,065
0	0	0	0	0	0	0	289,190
0	0	0	0	0	0	0	101,662
0	0	0	0	0	0	0	12,201
73,594	73,594	18,398	0	0	0	0	459,962
0	0	0	0	0	0	0	16,775
0	0	0	0	0	0	0	33,131
0	0	0	0	0	0	0	192,794

SCHEDULE OF DEBT SERVICE

DESCRIPTIONS	FY 07-08	FY 08-09	FY 09-10	FY 10-11
	REQ.	REQ.	REQ.	REQ.
Golf; Mowers/Spiker; 2.35% interest dated 8/8/03; six years; outstanding \$31,592	25,720	6,430	0	0
Street, Backhoe, 3.77% interest dated 12/27/05; three years outstanding \$32,064	22,087	11,044	0	0
	2,998,188	2,817,954	2,460,853	2,292,761
TOTAL DEBT SERVICE	4,600,588	4,339,388	3,900,546	3,706,693

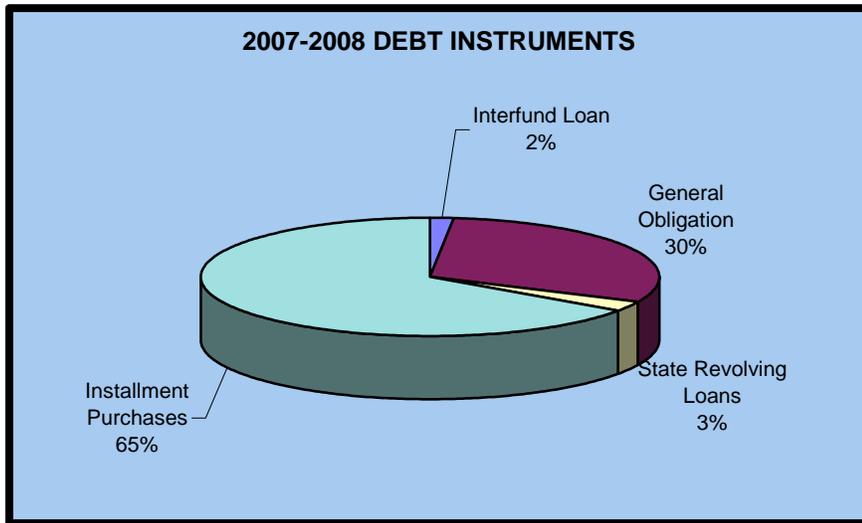
Note: Principle and interest included with annual requirements.



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

SCHEDULE OF DEBT SERVICE

FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	TOTAL
REQ.							
0	0	0	0	0	0	0	32,150
0	0	0	0	0	0	0	33,131
2,276,450	2,260,141	2,016,386	1,866,689	1,812,365	1,562,923	1,198,920	23,563,630
2,447,906	2,382,991	2,136,701	1,984,469	1,927,610	1,675,633	1,309,095	30,411,620



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GENERAL FUND

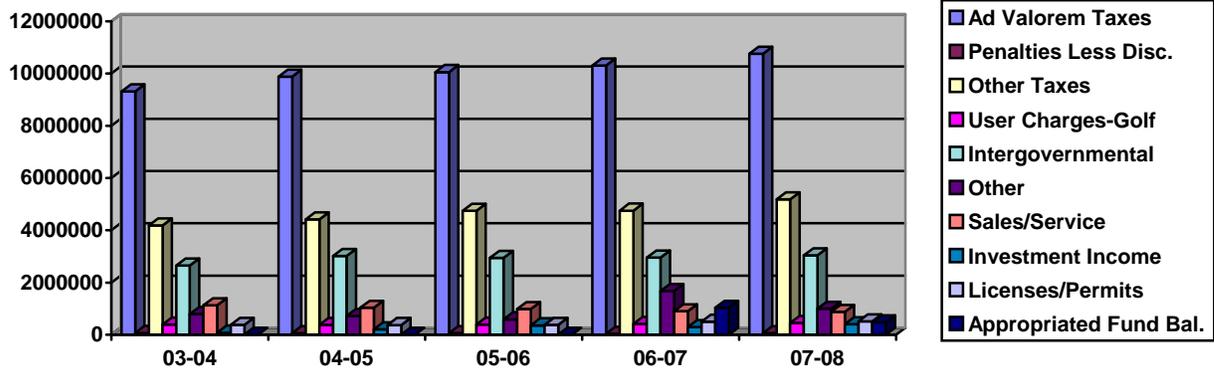
Goal: To account for the revenues of all city departments except those required to be accounted for in other funds.

REVENUE SUMMARIES

Revenue Sources	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Ad Valorem Taxes	9,316,385	9,882,373	10,060,049	10,307,589	10,580,085	10,762,667
Penalties Less Disc.	65,376	61,666	57,315	40,000	59,300	59,300
Other Taxes	4,183,807	4,418,700	4,741,989	4,752,149	4,938,700	5,188,700
User Charges-Golf	384,056	379,737	387,527	411,000	396,000	448,000
Intergovernmental	2,650,008	3,021,337	2,941,684	2,958,413	3,036,023	3,039,575
Other	790,738	716,138	590,499	1,681,460	514,510	998,710
Sales/Service	1,133,629	1,031,454	985,189	902,700	880,000	880,000
Investment Income	78,916	203,431	358,878	295,000	400,000	400,000
Licenses/Permits	377,671	369,131	375,724	494,872	420,000	509,000
Appropriated Fund Balance	0	0	0	1,030,752	0	470,123
Total	18,980,586	20,083,967	20,498,854	22,873,935	21,224,618	22,756,075

GRAPHIC REPRESENTATION

FY 07-08 revenues decreased \$117,860 or one (1%) percent compared to the FY 06-07 budget. This decrease is mainly attributed to a \$560,629 or fifty-four (54%) percent reduction in appropriated fund balance as well as a \$698,800 or sixty-one (61%) percent decrease within installment purchase proceeds. Ad valorem taxes reflect a four (4%) percent increase totaling \$455,078. This increase is related to assessed valuation growth. Other taxes increased \$436,551 or nine (9%) percent. The privilege license shows an increase of \$88,500 of fifty-four (54%) percent mainly due to the expansion of the program within this fiscal year. Sales tax also shows growth and reflects a net increase of \$188,051 or four (4%) percent. Golf user fees reflect a \$37,000 or nine (9%) percent increase due to anticipated increase in play. Other golf revenue shows an \$18,550 or twenty (20%) percent increase mainly attributed to the anticipated increase in concession and pro shop sales. **FY 06-07** reflects a significant increase mainly due to the fund balance appropriation of \$1,030,752 and also an appropriation of \$1,138,000 for installment purchase proceeds. **FY 05-06** shows a moderate increase mainly within ad valorem and sales tax. **FY 04-05** and **FY 03-04** show increases mainly within ad valorem tax.



GENERAL FUND

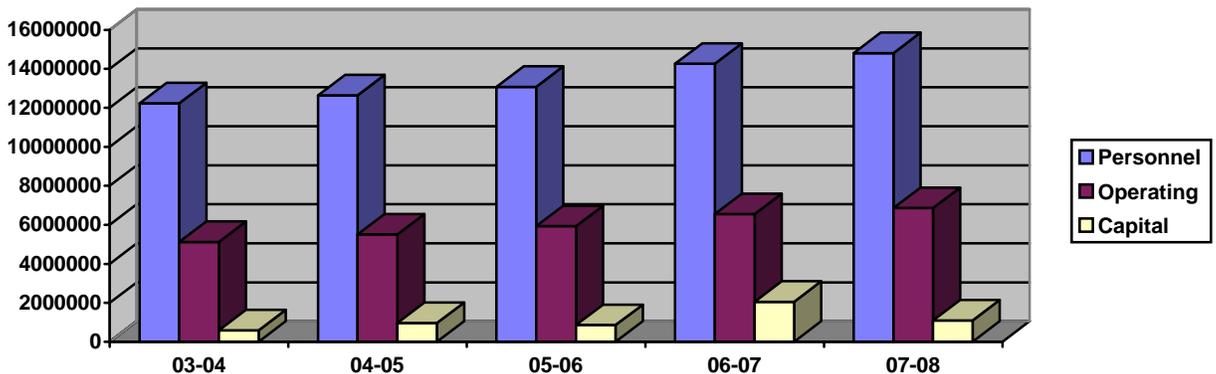
Goal: To account for the expenditures of all city departments except those required to be accounted for in other funds.

EXPENDITURE SUMMARIES

Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	12,226,890	12,634,275	13,080,250	14,264,025	15,199,354	14,803,935
Operating	5,122,579	5,506,898	5,928,183	6,551,222	6,858,810	6,860,014
Capital Outlay	590,385	966,746	859,643	2,058,688	2,738,842	1,092,126
Total	17,939,854	19,107,919	19,868,076	22,873,935	24,797,006	22,756,075
Budgeted Employees	262	268	263	262	271	262

GRAPHIC REPRESENTATION

FY 07-08 expenditures reflect a decrease of \$117,860 or one (1%) percent compared to the FY 06-07 budget. Personnel costs represent sixty-five percent of the total general fund budget. Increases in personnel costs total \$539,910, which includes a 2.5% cost of living adjustment and funding for merit pay. Additional personnel were requested but not funded within this fiscal year. Other personnel increases include a 3.1% 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 06-07** shows a substantial increase for funding of capital outlay as well as increases within personnel for a 3% cost of living adjustment, merit funding, and an 8% health insurance premium adjustment. **FY 05-06** shows substantial increases within operating expenses for increased fuel costs. Personnel reflects 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.



FUND BALANCE GOVERNMENTAL FUNDS

	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	ACTUAL 06-07 Unaudited	BUDGET 07-08
GENERAL FUND					
BEGINNING BALANCE	\$ 7,805,195	\$ 9,013,359	\$ 10,131,623	\$ 9,591,024	\$ 10,853,709
REVENUES					
AD VALOREM TAXES	9,316,385	9,882,373	10,060,049	10,704,209	10,762,667
INTERGOVERNMENTAL	2,641,609	3,031,458	2,925,571	3,048,121	3,039,575
SALES TAX	4,032,708	4,262,333	4,574,090	4,118,728	4,775,200
OTHER	<u>2,462,532</u>	<u>2,434,716</u>	<u>2,524,471</u>	<u>4,174,490</u>	<u>3,708,510</u>
TOTAL	<u>18,453,234</u>	<u>19,610,880</u>	<u>20,084,181</u>	<u>22,045,548</u>	<u>22,285,952</u>
EXPENDITURES					
GENERAL GOVERNMENT	3,151,728	3,162,020	3,163,973	3,079,238	4,703,165
PUBLIC SAFETY	9,261,355	9,891,816	9,897,573	10,663,539	11,222,650
TRANSPORTATION	2,622,651	2,110,250	2,768,459	2,537,988	2,929,829
WASTE	2,157,073	2,244,457	2,362,022	2,882,281	2,725,379
OTHER	<u>297,993</u>	<u>1,084,073</u>	<u>1,047,991</u>	<u>1,619,817</u>	<u>1,175,052</u>
TOTAL	17,490,800	<u>18,492,616</u>	19,240,018	<u>20,782,863</u>	<u>22,756,075</u>
PRIOR PERIOD ADJUSTMENT- CHANGE IN ACCT.	245,730				
ADJ. TO FUND BALANCE FOR GOLF LOAN	<u>0</u>	<u>0</u>	<u>1,384,762</u>	<u>0</u>	<u>0</u>
ENDING BALANCE	<u>\$ 9,013,359</u>	<u>\$ 10,131,623</u>	<u>\$ 9,591,024</u>	<u>\$ 10,853,709</u>	<u>\$ 10,383,586</u>

Note: Golf was transferred into the General Fund in FY 06-07 and is not shown within actual fiscal years 03-04, 04-05, and 05-06. These numbers will therefore not match the General Fund revenue and expenditure summaries shown throughout this document.

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

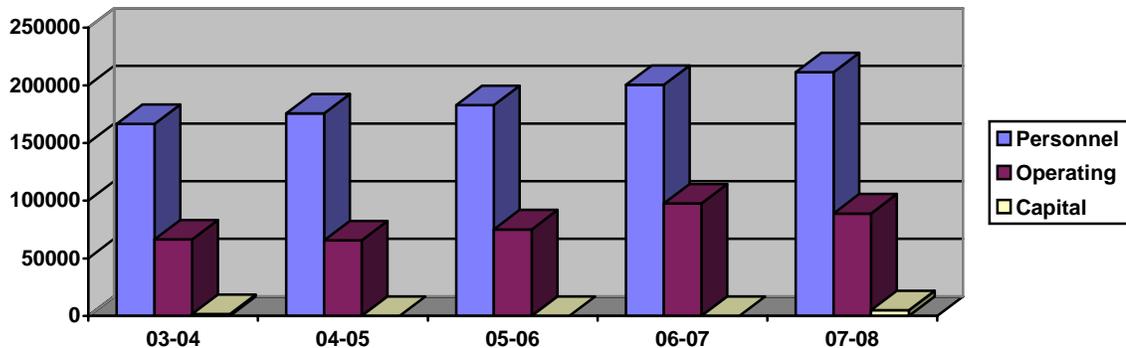
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	166,432	175,639	182,829	200,420	210,972	211,517
Operating	66,469	65,492	75,108	97,620	88,910	88,910
Capital	1,692	0	0	0	5,000	5,000
Subtotal	234,593	241,131	257,937	298,040	304,882	305,427
Less Interfund Reimbursement	(17,344)	(20,461)	(50,225)	(51,445)	(55,628)	(55,628)
Total	217,249	220,670	207,712	246,595	249,254	249,799
Budgeted Employees	9	9	9	9	9	9

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) laser fiche document imaging, \$5,000.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$7,387 or two percent (2%) compared to FY 06-07 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	05-06 Actual	06-07 Projected	07-08 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	16	16	18
Quest for Excellence Meetings	14	14	14

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: 1) 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; 2) to serve as coordinator for special events sponsored by the City held jointly with the public; 3) coordinate Christmas Tree Lighting Ceremony, Installation of Elected Officials, City Employee's Golf Tournament, Participates in City Awards Banquet and gives tours of City Hall to elementary classes.

Measures:

National Night Out Events	18	18	20
National Night Out Awards Received	10	11	12
Coordinate National Night Out Events	18	20	20

Performance Measures	05-06 Actual	06-07 Projected	07-08 Projected
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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	12
Work Sessions	-	-	6
City Council Meetings	26	26	26
Prepare agendas and attend commission meetings	51	51	36
Adopted City Ordinances and Resolutions	119	100	150
Prepare applications for Boards and Commissions appointments	17	18	18

Goal: To serve as a principal contact for citizens inquiries; inform the residents of the actions of the City using the most current means and methods; advise and process Itinerant Merchant License

Objective: To provide effective and courteous customer service to the public; answer telephone inquiries within 24 hours and to urgent requests immediately

Measures:

Telephone inquiries responded to within 24 hours	97%	99%	99%
Advise and Process Itinerant Merchant Licenses	97%	99%	99%

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

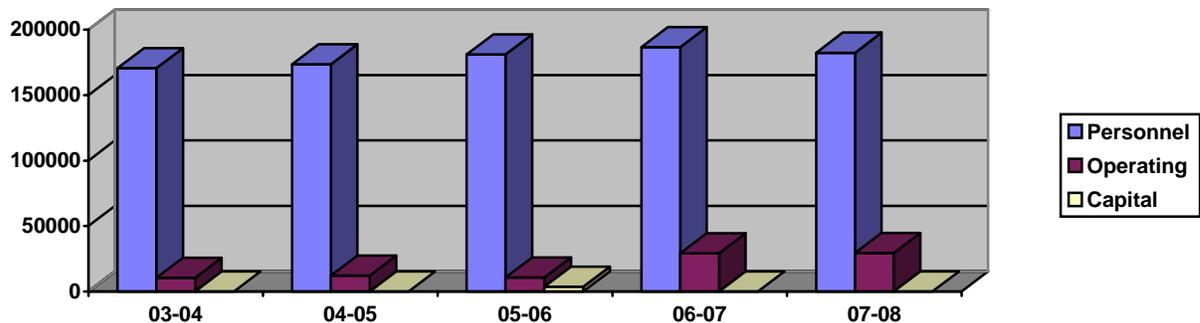
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	170,604	173,442	181,075	186,735	189,285	182,405
Operating	10,460	12,196	10,683	29,100	29,417	29,417
Capital	0	0	3,587	0	0	0
Subtotal	181,064	185,638	195,345	215,835	218,702	211,822
Less Interfund Reimbursement	(16,005)	(17,950)	(38,765)	(39,606)	(41,356)	(41,356)
Total	165,059	167,688	156,580	176,229	177,346	170,466
Budgeted Employees	2	2	2	2	2	2

2007-2008 CAPITAL OUTLAY DETAIL

No funding for capital outlay was requested.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect a decrease of \$4,013 or two percent (2%) compared to FY 06-07 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	05-06 Actual	06-07 Projected	07-08 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	5	7
National League of Cities Conferences (Members attending)	6	6	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	16	18	18
Quest for Excellence meetings	N/A	24	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

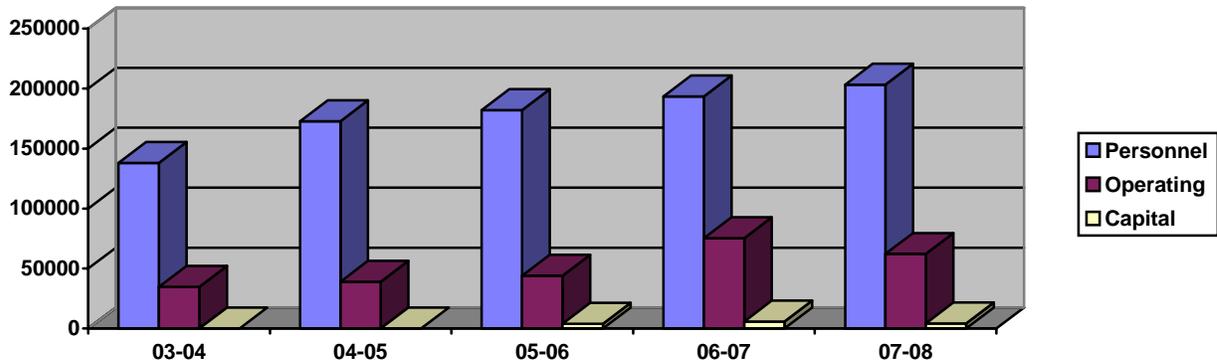
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	138,054	172,872	182,026	193,441	203,105	203,285
Operating	34,692	38,969	43,996	75,415	62,195	62,195
Capital	0	0	3,949	5,700	7,400	4,200
Subtotal	172,746	211,841	229,971	274,556	272,700	269,680
Less Interfund Reimbursement	(18,113)	(21,446)	(36,984)	(45,196)	(48,745)	(48,745)
Total	154,633	190,395	192,987	229,360	223,955	220,935
Budgeted Employees	3	3	3	3	3	3

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes two (2) lateral fire proof file cabinets, \$4,200.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect a decrease of \$4,876 or two percent (2%) compared to FY 06-07 budget prior to interfund reimbursement. Decrease is the result of a pay class study funded within **FY 06-07**. **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	05-06 Actual	06-07 Projected	07-08 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)	81	76	80
Service Award employees honored (calendar year)	52	52	51
Wellness Program / Lunch-n-Learn sessions	11	12	11
Employee Benefits Fair participation	114	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	15	20
Newsletter publications	6	6	6
Update HR City webpage	-	-	1

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	9	11	-
Students (count duplicated)	248	287	-
Student Hours	2,232	2,009	-
Employee Training Sessions	-	2	1
Students (count duplicated)	-	400	200
Student hours	-	600	200

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	31	32	32
Personnel hired – temporary	1	4	4
Personnel separated – all personnel	30	23	23
Personnel separated – excluding retirees	25	20	20
Turnover rate – all personnel	7.66%	9.25%	9.0%
Turnover rate – excluding retirees	6.14%	8.60%	7.50%

Performance Measures	05-06 Actual	06-07 Projected	07-08 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	25	30	35
COBRA election forms to eligible employees / dependents	41	32	35

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	2	7	4
Develop and / or review HR task procedures	-	46	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

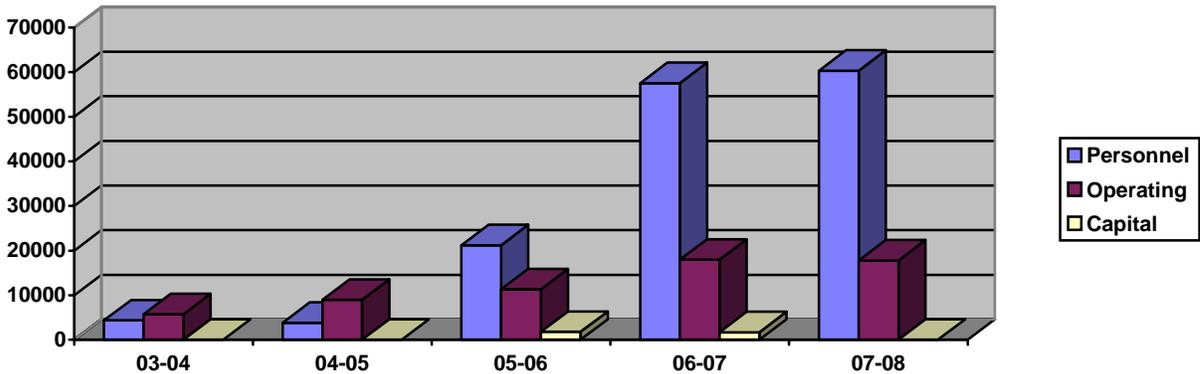
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	4,373	3,817	21,215	57,561	60,267	60,327
Operating	5,730	8,986	11,336	17,980	22,303	17,803
Capital	0	0	1,798	1,700	5,500	0
Subtotal	10,103	12,803	34,349	77,241	88,070	78,130
Less Interfund Reimbursement	(19,653)	(5,573)	(4,326)	(5,691)	(14,625)	(14,625)
Total	(9,550)	7,230	30,023	71,550	73,445	63,505
Budgeted Employees	0	1	1	1	1	1

2007-2008 CAPITAL OUTLAY DETAIL

No funding for capital outlay was approved.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$889 or one percent (1%) compared to **FY 06-07** budget prior to interfund reimbursement. This increase is due to personnel related costs. **FY 06-07** reflects funding of the risk management officer for a full year. **FY 05-06** shows the hiring of a new risk management officer for a partial year. Supplies and medical testing for risk management remain in this cost center. **FY 03-04** reflects a deficit due to interfund reimbursement.



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	05-06 Actual	06-07 Projected	07-08 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	10	12
Field inspections related to employee and public safety	8	36	36
Workers' comp claims cost analysis report to management	4	3	4
Workers' comp claims administered (to include FYI's)	29	13	21
Recordable cases	29	11	20
Lost Work Days (LWD)	298	248	273
Medical and indemnity annual loss incurred	\$130,335	\$12,989	\$71,700
Auto / general liability claims administered	32	25	29
Auto / general liability annual loss incurred	\$81,492	\$99,289	\$90,391

ELECTIONS

Fund: General

Function: General Government

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

DEPARTMENTAL SUMMARIES

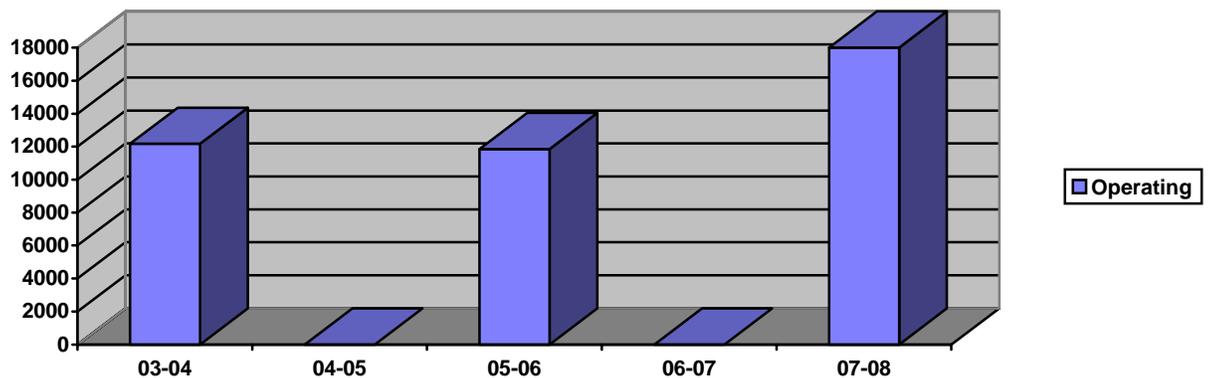
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	0	0	0	0	0	0
Operating	12,175	0	11,855	0	18,000	18,000
Capital	0	0	0	0	0	0
Total	12,175	0	11,855	0	18,000	18,000
Budgeted Employees	0	0	0	0	0	0

2007-2008 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

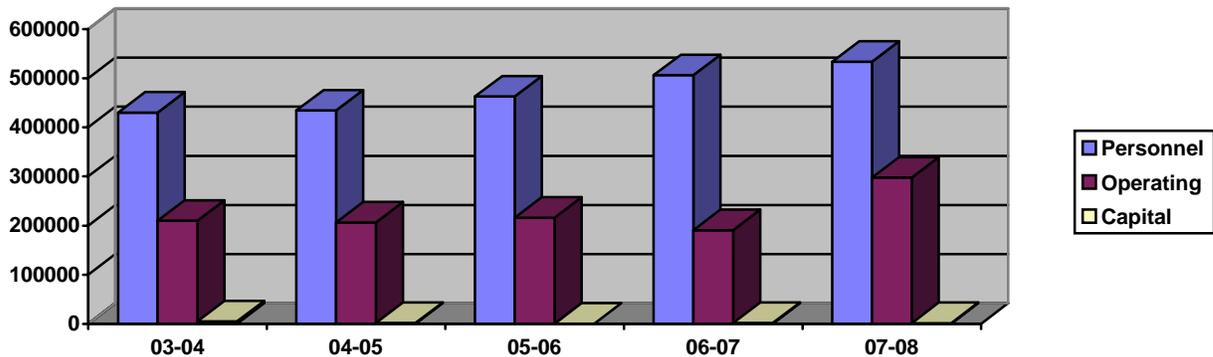
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	429,968	434,241	462,838	506,057	533,093	533,423
Operating	209,951	206,185	216,089	190,672	232,627	297,371
Capital	5,097	1,798	0	1,828	1,400	1,400
Subtotal	645,016	642,224	678,927	698,557	767,120	832,194
Less Interfund Reimbursement	(57,703)	(62,928)	(138,094)	(136,636)	(146,421)	(146,421)
Total	587,313	579,296	540,833	561,921	620,699	685,773
Budgeted Employees	8	8	8	8	8	8

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) computer, \$1,400.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$133,637 or nineteen percent (19%) compared to FY 06-07 budget prior to interfund reimbursement. This increase is mainly within the operating budget. The employee computer purchase program previously budgeted within the Information Systems department has been transferred to this department for tracking purposes (\$65,000); and the Lee County tax collection fee increased by \$30,000. 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	05-06 Actual	06-07 Projected	07-08 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	26	27	28
Publish financial statements within 10 days of month end	85%	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	100%	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	20	21	22

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	0%	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

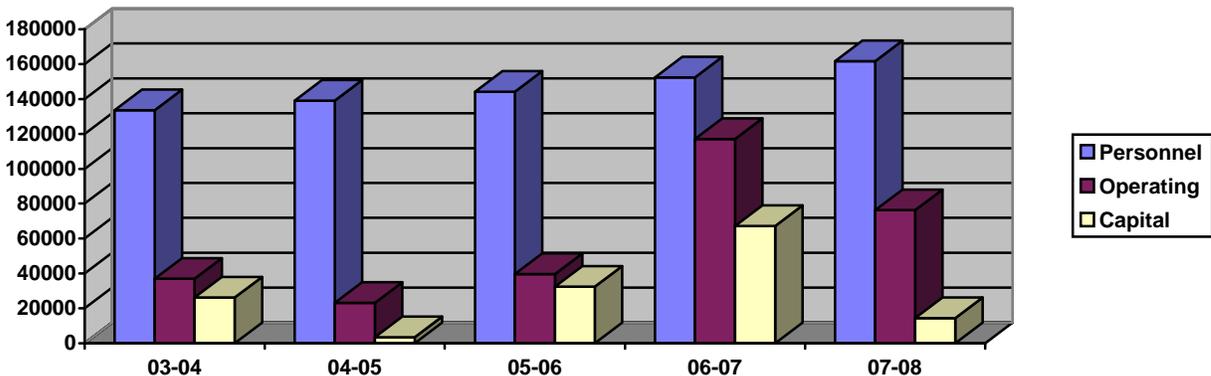
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	133,507	139,001	144,081	152,266	219,383	161,611
Operating	36,945	23,182	39,749	117,095	141,174	76,174
Capital	26,298	3,459	32,468	67,131	21,900	14,400
Subtotal	196,750	165,642	216,298	336,492	382,457	252,185
Less Interfund Reimbursements	0	0	0	(35,340)	(39,646)	(39,646)
Total	196,750	165,642	216,298	301,152	342,811	212,539
Budgeted Employees	2	2	2	2	2	2

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes fourteen (14) network switches, \$9,800; one (1) projector, \$1,900; one (1) server tape drive, \$1,500; one (1) UPS system, \$600; and one (1) fiber optic transceiver, \$600.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect a decrease of \$84,307 or twenty-five percent (25%) compared to the FY 06-07 budget prior to interfund reimbursement. The decrease is attributed to the transfer of the employee computer purchase program (\$65,000) to the Finance Department as well as reduced capital funding. Increases for **FY 05-06** are mainly attributed to the funding of public access television.



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. The department continues to grow by adding the new local access channel services to televise council meetings, public service announcements, visitor information, local events, schedules, and more.

Performance Measures	05-06 Actual	06-07 Projected	07-08 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	5	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	170	175
Number of computer systems in place	150	155	157
Number of network servers in place	15	17	19
Number of databases being utilized	29	32	33

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

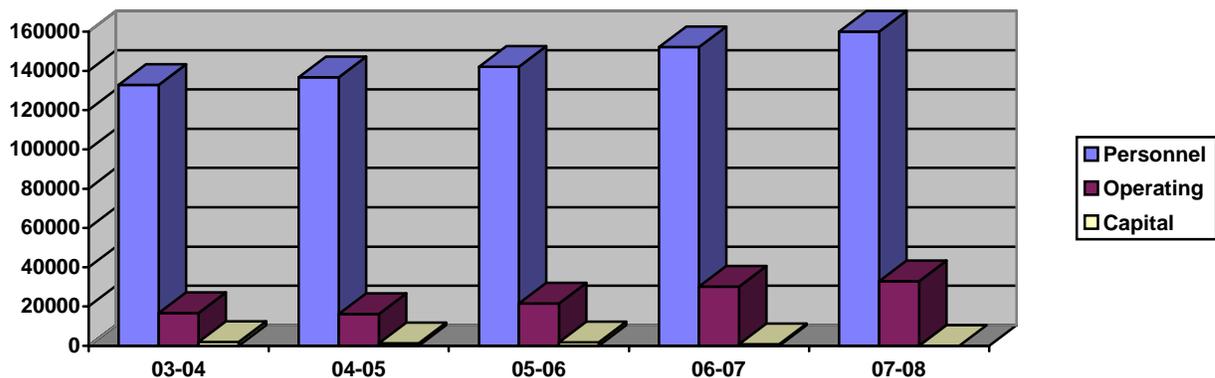
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	132,749	136,731	142,063	152,138	159,841	159,961
Operating	16,630	16,154	21,502	30,030	37,796	32,796
Capital	2,000	1,343	1,791	800	0	0
Subtotal	151,379	154,228	165,355	182,968	197,637	192,757
Less Interfund Reimbursement	(27,877)	(30,110)	(64,819)	(67,954)	(73,490)	(73,490)
Total	123,502	124,118	100,536	115,014	124,147	119,267
Budgeted Employees	2	2	2	2	2	2

2007-2008 CAPITAL OUTLAY DETAIL

No capital outlay funding was requested.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$9,789 or five percent (5%) compared to FY 06-07 budget prior to interfund reimbursement. This increase is primarily a result of personnel related costs. **FY 06-07** and **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	05-06 Actual	06-07 Projected	07-08 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 Council workshops and retreats	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

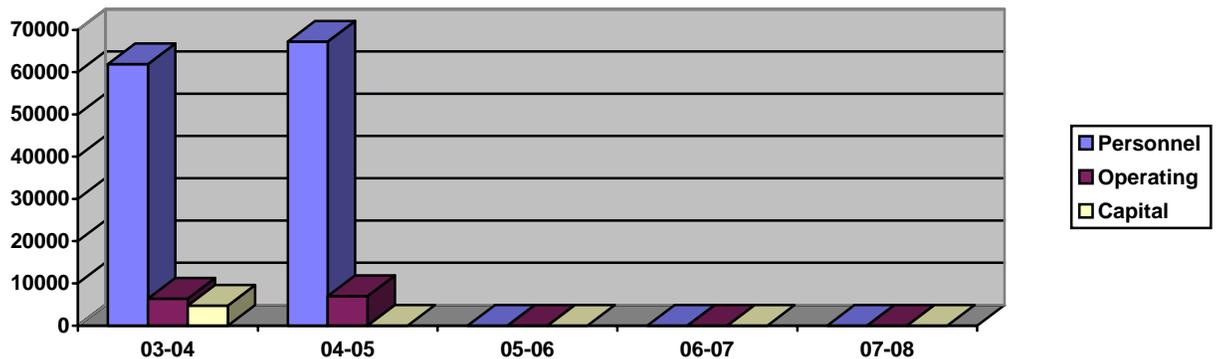
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	61,906	67,230	0	0	0	0
Operating	6,384	6,994	0	0	0	0
Capital	4,755	0	0	0	0	0
Total	73,045	74,224	0	0	0	0
Budgeted Employees	1	1	0	0	0	0

2007-2008 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.



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

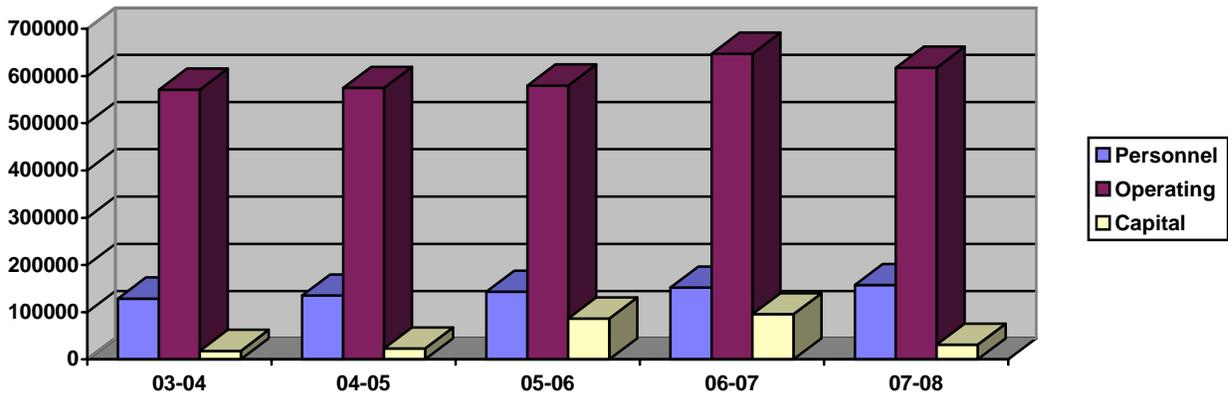
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	129,053	135,329	143,479	152,298	157,515	157,695
Operating	570,983	574,764	579,749	646,947	617,316	617,316
Capital	18,095	23,062	86,684	95,700	189,271	31,000
Subtotal	718,131	733,155	809,912	894,945	964,102	806,011
Less Interfund Reimbursements	0	0	0	(156,419)	(155,976)	(155,976)
Total	718,131	733,155	809,912	738,526	808,126	650,035
Budgeted Employees	3	3	3	3	3	3

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes signs surrounding City Hall, \$6,000; and one (1) movie theatre, \$25,000.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect a decrease of \$88,934 or ten (10%) percent compared to FY 06-07 budget prior to interfund reimbursement. This decrease is primarily due to capital outlay funding. **FY 06-07** reflects 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.



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	05-06 Actual	06-07 Projected	07-08 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; to provide technical support for special events

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%	95%	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

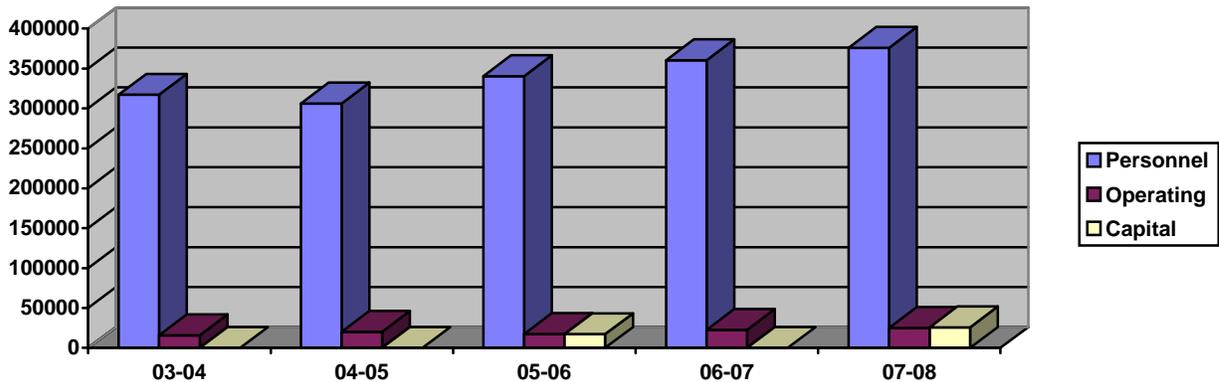
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	317,036	306,008	340,469	360,273	375,613	375,913
Operating	15,920	19,993	17,248	22,500	25,043	25,043
Capital	0	0	17,160	0	25,600	25,600
Subtotal	332,956	326,001	374,877	382,773	426,256	426,556
Less Interfund Reimbursement	(105,308)	(108,932)	(228,109)	(231,842)	(257,158)	(257,158)
Total	227,648	217,069	146,768	150,931	169,098	169,398
Budgeted Employees	5	5	5	5	5	5

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) computer, \$1,600; one (1) radio, \$1,000; and one (1) sport utility vehicle, \$23,000.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$43,783 or eleven percent (11%) compared to FY 06-07 budget prior to interfund reimbursement. Increase is mainly related to capital funding and salary and benefit adjustments. **FY 05-06** reflects an increase due to capital funding as well as full staffing. **FY 04-05** shows a reduction within personnel due to vacancies. 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	05-06 Actual	06-07 Projected	07-08 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)	300,635	*320,835	100,000
Average water unaccounted for	7.79%	6.52%	6.5%
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

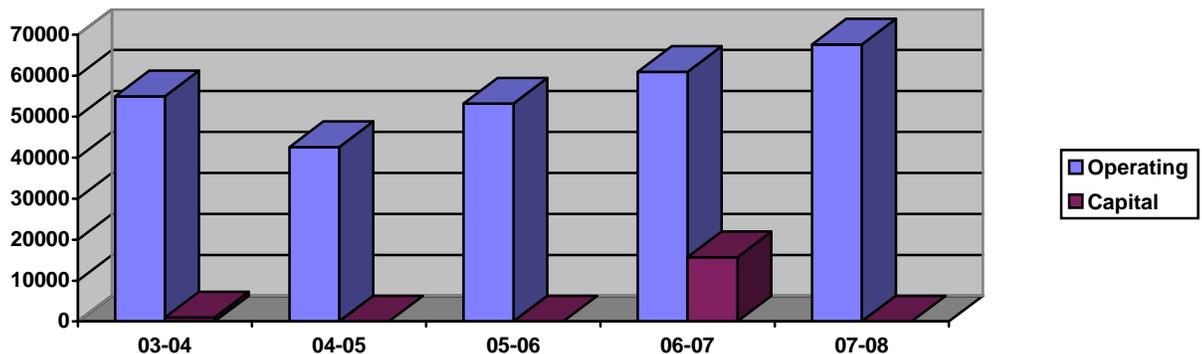
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	0	0	0	0	0	0
Operating	54,954	42,548	53,226	60,970	67,650	67,650
Capital	1,006	0	0	15,704	0	0
Subtotal	55,960	42,548	53,226	76,674	67,650	67,650
Less Interfund Reimbursement	(2,430)	(2,100)	(4,792)	(3,782)	(4,783)	(4,783)
Total	53,530	40,448	48,434	72,892	62,867	62,867
Budgeted Employees	0	0	0	0	0	0

2007-2008 CAPITAL OUTLAY DETAIL

No capital outlay funding was requested.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect a decrease of \$9,024 or twelve (12%) percent compared to FY 06-07 budget prior to interfund reimbursement. This decrease is due to the funding of a new mail machine in **FY 06-07**. Copier contract and purchase of paper for the city are included within this department.



GENERAL FUND CONTRIBUTIONS

Fund: General

Function: General Government

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

DEPARTMENTAL SUMMARIES

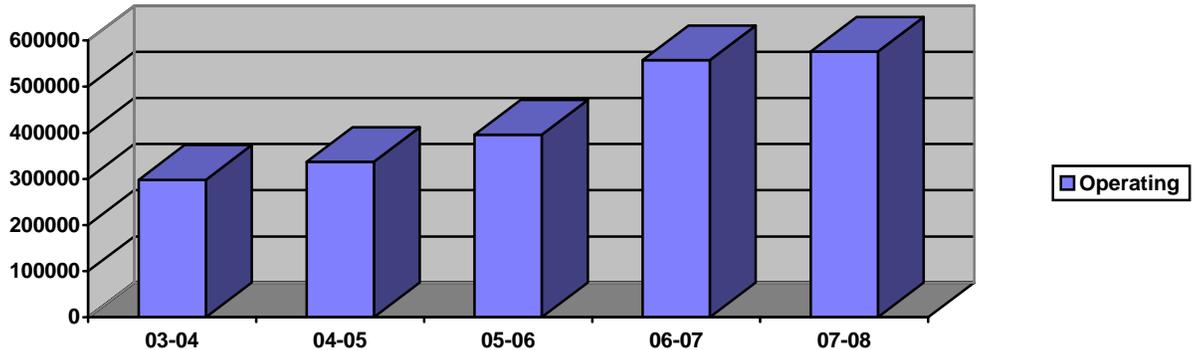
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	0	0	0	0	0	0
Operating	297,992	336,940	395,735	557,313	525,626	576,164
Capital	0	0	0	0	0	0
Total	297,992	336,940	395,735	557,313	525,626	576,164
Budgeted Employees	0	0	0	0	0	0

2007-2008 CAPITAL OUTLAY DETAIL

No funding for capital outlay was requested.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$18,851 or three percent (3%) compared to FY 06-07 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

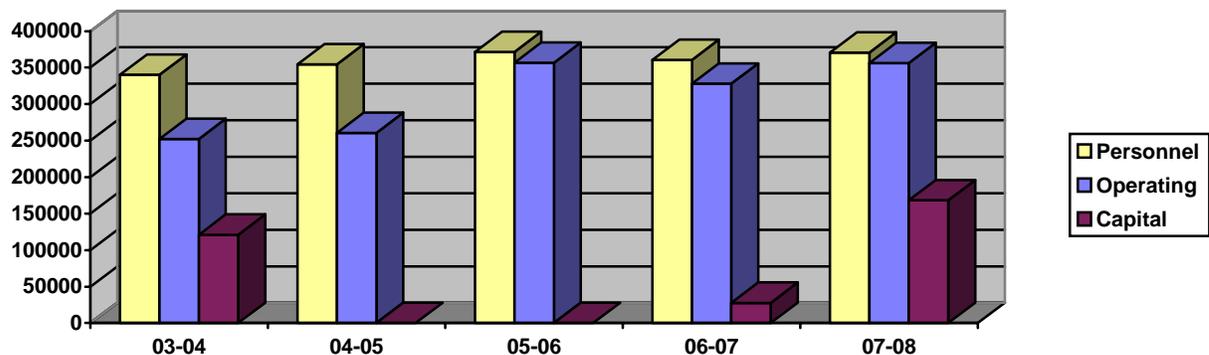
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	340,049	354,735	371,533	360,421	370,095	370,455
Operating	252,445	260,570	356,524	327,790	322,293	356,265
Capital	120,995	0	0	27,850	257,000	168,200
Total	713,489	615,305	628,057	716,061	949,388	894,920
Budgeted Employees	8	8	8	6	6	6

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes fifty-two (52) golf cars, \$168,200 (installment purchase).

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$178,859 or twenty-five (25%) percent compared to FY 06-07 budget. This increase is mainly attributed to the funding of capital outlay. Operating also shows an increase for the installment purchase payment of the golf cars. **FY 06-07** the Sanford Municipal Golf Course was 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.



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	05-06 Actual	06-07 Projected	07-08 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 motivated and well trained maintenance crew that will take on the responsibility of keeping a first class Municipal facility

Measures:

Aerate greens	2	2	2
Aerate fairways	1	1	1
Aerate tees	2	2	2
Fertilize fairways	2	2	2
Fertilize greens	12	15	20
Top dress greens	2	2	15
Spray for foreign grass	1	1	3

Goal: To maintain a rate schedule that is both beneficial to the City and to the patrons who choose to play golf at the course

Objective: To maintain a clean and appealing course and clubhouse while providing superior customer service

Measures:

Rounds of golf	25,023	26,500	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 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	262,350	245,023	246,633	262,691	274,104	274,249
Operating	562,016	614,777	696,296	722,760	681,334	681,334
Capital	42,393	29,278	23,560	900	0	0
Total	866,759	889,078	966,489	986,351	955,438	955,583
Budgeted Employees	6	6	5	5	5	5

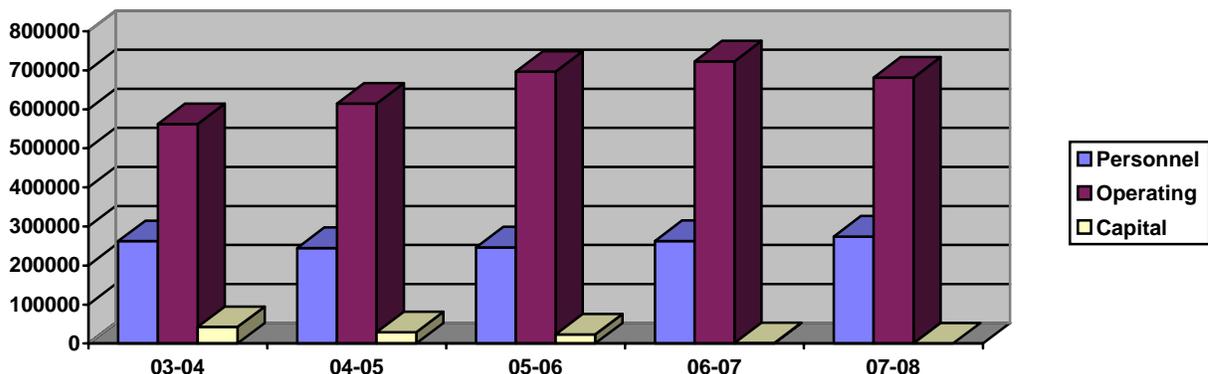
2007-2008 CAPITAL OUTLAY DETAIL

No capital outlay funding was requested.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect a decrease of \$30,768 or three percent (3%) compared to FY 06-07 budget. Fluctuation in fuel costs mainly contribute to this decrease. **FY 06-07** reflects increases due to salary and benefit adjustment as well as increased fuel costs. **FY 05-06** and **FY 04-05** show increases mainly due to personnel cost. **FY 03-04** shows increases mainly attributed to the purchase of additional capital outlay. 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	05-06 Actual	06-07 Projected	07-08 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

Measures:

Total number of vehicles and equipment	248	250	250
Average percent of fleet in service	95%	95%	95%
Complete minor repairs in house within 24 hours	90%	95%	95%
Complete major repairs in house within 3 days	90%	95%	95%
Complete major repairs assigned to outside contractor within 7 days of delivery to vendor	95%	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	640	600	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	90%	95%	95%
PMI's for support equipment minimum 1 time per year	90%	95%	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

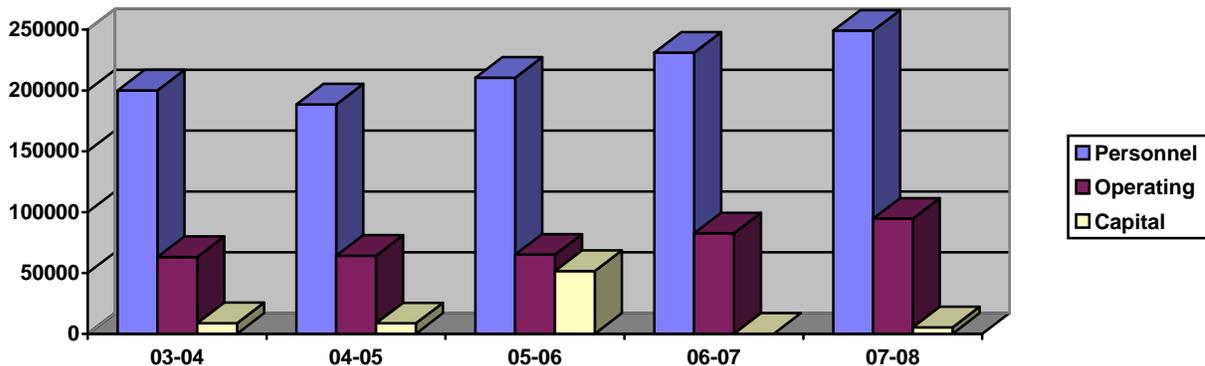
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	200,055	188,537	210,470	230,989	284,901	249,006
Operating	63,079	64,093	65,073	82,621	94,868	94,608
Capital	8,700	8,581	51,666	0	21,300	5,300
Total	271,834	261,211	327,209	313,610	401,069	348,914
Budgeted Employees	6	6	6	6	7	6

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) mower with bagger attachment, \$5,300.

GRAPHIC REPRESENTATION

FY 07-08 appropriation reflects an increase of \$35,304 or eleven (11%) percent compared to FY 06-07 budget. The increase is related to personnel costs and departmental supplies. **FY 06-07** reflects a decrease within 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	05-06 Actual	06-07 Projected	07-08 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	55	60	63
Plant beds installed / renovated	5	5	3
Annuals grown and planted	72,000	75,000	78,000
Acres mowed	20	22	22
Litter removal	50,000	60,000	65,000
Interior plants maintained	150	200	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

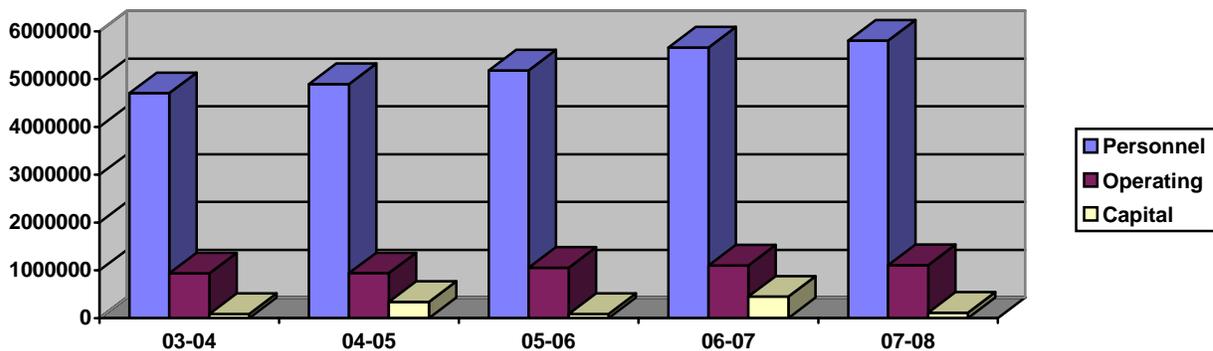
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	4,707,597	4,899,065	5,180,126	5,660,917	5,800,676	5,804,411
Operating	936,764	940,661	1,056,829	1,101,297	1,107,296	1,107,296
Capital	89,274	340,965	84,001	448,756	112,887	112,887
Total	5,733,635	6,180,691	6,320,957	7,210,970	7,020,859	7,024,594
Budgeted Employees	100	100	100	100	100	100

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay includes four (4) computers, \$6,400; eight (8) desktop radios, \$5,500; three (3) office chairs, \$2,565; eleven (11) portable radios, \$11,000; two (2) VCR's, \$1,500; one (1) monitor, \$1,000; one (1) printer, \$700; five (5) radars, \$7,500; one (1) server, \$13,311; one (1) software upgrade, \$3,500; two (2) administrative vehicles, \$46,600; and one (1) CAD server, \$13,311.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect a decrease of \$186,376 or three (3%) compared to FY 06-07 budget. The decrease is due to reduced capital outlay funding. **FY 06-07** increase reflects the funding of patrol vehicles and mobile data terminals as well as increased fuel costs. **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.



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	05-06 Actual	06-07 Projected	07-08 Projected
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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	37,434	34,968	35,000
Number of accident investigations	1,675	1,608	1,650

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

Measures:

Number of drug arrests	335	543	600
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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	1,942	1,861	1,850
Property damage	\$4,963,250	\$5,555,092	\$5,000,000

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

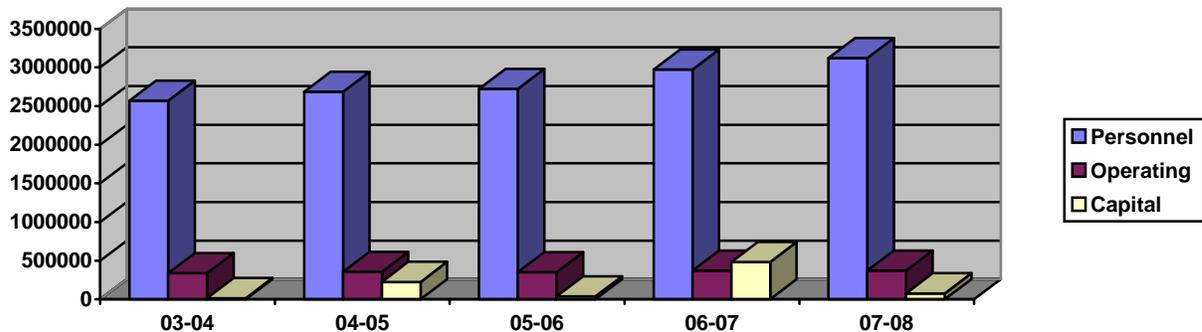
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	2,568,865	2,685,735	2,722,075	2,972,129	3,370,011	3,118,812
Operating	337,644	356,320	351,570	372,816	464,946	370,812
Capital	16,038	225,546	39,455	482,600	754,070	77,825
Total	2,922,547	3,267,601	3,113,100	3,827,545	4,589,027	3,567,449
Budgeted Employees	51	52	52	52	58	52

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes ten (10) VHF radio pagers, \$5,500; two (2) air monitors, \$1,500; one (1) computer, \$1,600; one (1) kitchen stove unit, \$1,200; one (1) kitchen refrigerator unit, \$1,200; one (1) VHF PM 1500 mobile radio, \$2,100; one (1) UHF PM 1500 mobile radio, \$2,100; one (1) pyramid repeater, \$2,400; one (1) positive pressure ventilation fan, \$2,000; re-shingle #3 Fire Station, \$18,000; kitchen renovation, \$14,500; one (1) two position SCBA fill station, \$8,400; one(1) computer server, \$7,500; one (1) intercom system, \$4,525; and one (1) hydraulic cutter, \$5,300.

GRAPHIC REPRESENTATION

FY 07-08 appropriations decreased \$260,096 or seven percent (7%) compared to the **FY 06-07** budget. Reduced capital outlay funding contributes to this decrease. **FY 06-07** includes the purchase of a new fire pumper. Decreases shown during **FY 05-06** are due to the reduction of capital outlay funding. **FY 04-05** increases are mainly due to personnel cost adjustments and the addition of one full time employee. Also funded for the full year are part-time firefighters and upgrades for firefighter safety enhancements to the self-contained breathing apparatus. Historically, salary and benefit adjustments contribute to personnel increases.



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	05-06 Actual	06-07 Projected	07-08 Projected
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	847	894	900
Number of structure fires	36	35	40
Number of vehicle fires	32	33	35
Number of motor vehicle accident responses	282	310	275
All other responses	497	516	550

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	218	225	225
Total number of training hours for department	11,994	12,000	12,000
Number of state certified firefighters (including part-time)	55	55	61
Number of state certified fire instructors	17	21	22

Performance Measures	05-06 Actual	06-07 Projected	07-08 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)	36	35	35
Number of fires deemed incendiary or still under investigation	1	1	1
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	-	125	150
Number of fire and life-safety education programs	74	82	85
Number reached by programs (school age > senior citizen)	4,268	3,675	4,000
Number of state certified fire and life safety educators	3	5	5
Number of child passenger safety seats installed or checked	166	188	175

INSPECTIONS

Fund: General

Function: Public Safety

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

DEPARTMENTAL SUMMARIES

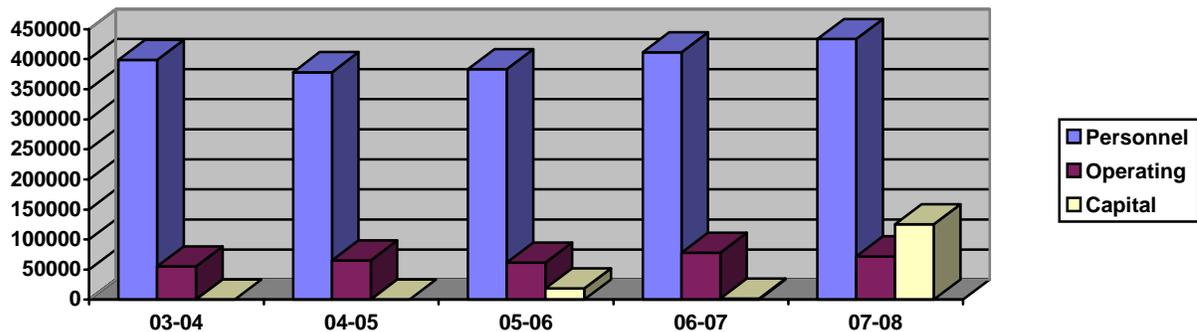
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	398,611	378,209	383,182	411,428	432,987	433,472
Operating	54,985	65,315	61,457	77,736	78,671	71,821
Capital	0	0	18,878	1,700	125,314	125,314
Total	453,596	443,524	463,517	490,864	636,972	630,607
Budgeted Employees	8	8	8	8	8	8

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) server rack, \$2,000; one (1) compact four wheel drive SUV, \$19,248; permitting software / hardware, \$94,066; and server package and licenses, \$10,000.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$139,743 or twenty-eight percent (28%) compared to the FY 06-07 budget. The increase is mainly the result of new permitting software and personnel adjustments. **FY 06-07** shows increases mainly due to salary and benefit adjustments as well as the purchase of new NC code books. **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.



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. Policy direction and administrative support for the department's overall activities and functions are centralized in the Administrative Division of Community Development.

Performance Measures	05-06 Actual	06-07 Projected	07-08 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	1,413	800	820
Number of electrical permits issued	1,182	1,440	1,442
Number of mechanical permits issued	943	955	962
Number of plumbing permits issued	916	155	162
Other permits issued	32	233	240
Revenue generated from permits	\$375,724	\$453,000	\$499,000

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	10,509	10,610	10,700
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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

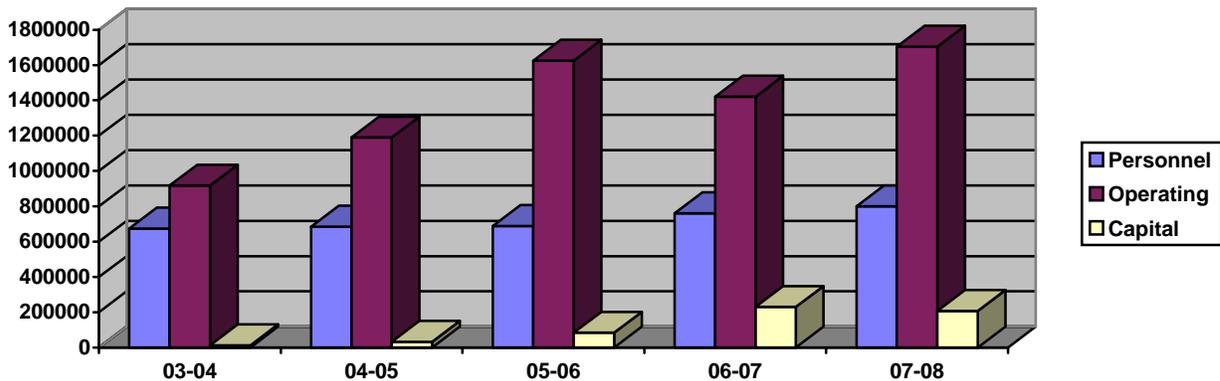
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	674,294	685,361	689,098	761,260	805,050	800,033
Operating	917,399	1,189,347	1,624,889	1,420,741	1,672,275	1,704,031
Capital	12,729	32,931	84,032	229,900	297,100	208,100
Total	1,604,422	1,907,639	2,398,019	2,411,901	2,774,425	2,712,164
Budgeted Employees	18	18	18	18	18	18

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) vibratory plate tamp, \$2,200; one (1) vibratory foot tamp, \$2,200; one (1) paint striping machine, \$4,000; one (1) ½ ton pickup truck, \$14,700; two (2) signal light enhancements, \$30,000; and one (1) pothole patcher, \$155,000 (installment purchase).

GRAPHIC REPRESENTATION

FY 07-08 appropriations increased \$300,263 or twelve (12%) percent compared to FY 06-07 budget. This increase is mainly within the operating budget and is the result of funding a study to rate the pavement condition of city streets; lighting enhancements at Carbonton Road, Jonesboro, and Streetscape; installment purchase payment for new equipment; and for continued price increases for asphalt and concrete. **FY 06-07** 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.



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: grating 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	05-06 Actual	06-07 Projected	07-08 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	2,616	2,750	2,900
Feet of curb and gutter installed / repaired	547	801	842
Feet of sidewalk installed / repaired	1,536	1,640	1,700
Cutbacks for site distance	377	401	445
Feet of on-street ditches cleaned	13,478	15,869	19,169
Hours of street cleaning	939	956	968
Catch basins cleaned	7,735	10,981	11,792

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	1,608	1,670	1,730
Traffic sign installation	153	172	185
Street markers installed / replaced / repaired	120	218	250
Traffic lights installed / repaired	91	201	183

Goal: To maintain adequate street lighting on all City streets and City parking areas and to determine the adequate number of lights required to light new areas of residential development to maintain a safe lighting plan for traffic of pedestrians and vehicles; to maintain the City's 5 signalized intersections

Objective: 1) To ensure we promptly correspond with Progress Energy with all notifications of lighting repairs to guarantee a pleasant, safe, and adequate means of travel; 2) To maintain a comprehensive program of standard and decorative street lighting within the City limits

Measures:

Number of lights within City	2,553	2,635	2,755
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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

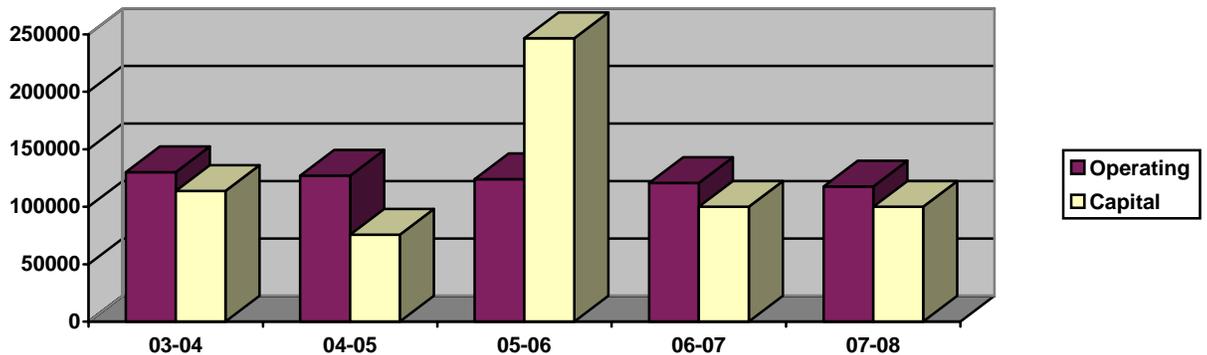
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	0	0	0	0	0	0
Operating	130,135	127,083	123,942	120,810	117,665	117,665
Capital	113,787	75,528	246,498	100,000	100,000	100,000
Total	243,922	202,611	370,440	220,810	217,665	217,665
Budgeted Employees	0	0	0	0	0	0

2007-2008 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 07-08 appropriations reflect a decrease of \$3,145 or one (1%) percent compared to FY 06-07 budget. This decrease is due to the reduction in installment purchase payments. **FY 06-07** shows a decrease 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.



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

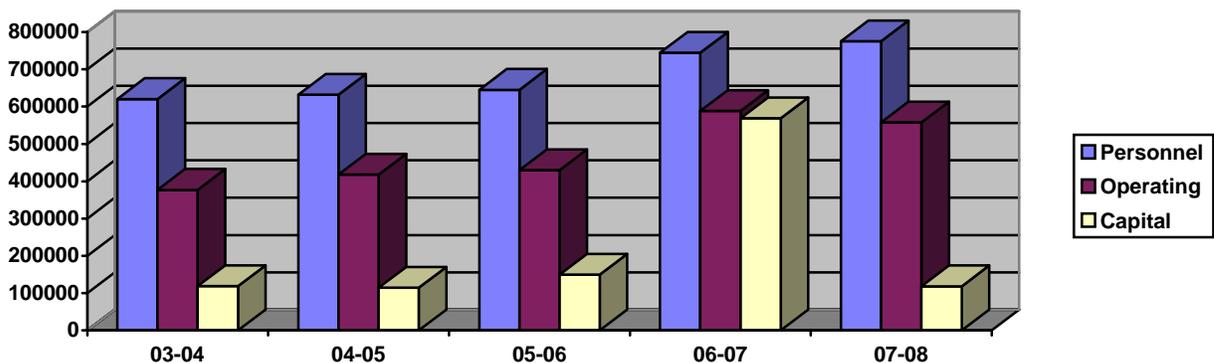
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	620,397	631,932	645,201	744,338	774,503	775,593
Operating	376,862	417,645	429,730	588,149	533,716	557,482
Capital	118,441	114,331	149,398	568,419	337,700	118,200
Total	1,115,700	1,163,908	1,224,329	1,900,906	1,645,919	1,451,275
Budgeted Employees	15	17	17	18	18	18

2006-2007 CAPITAL OUTLAY DETAIL

Capital outlay funding includes two (2) chain saws, \$1,200; two (2) weed eaters, \$1,000; and one (1) right hand leaf vac unit, \$116,000 (installment purchase).

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect a decrease of \$449,631 or twenty-four percent (24%) compared to FY 06-07 budget. Decrease is due to reduced capital outlay funding. **FY 06-07** reflects increases for 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. **FY 06-07** also reflects the addition of one position hired for graffiti removal. **FY 05-06** indicates the purchase of a leaf vac unit and a dump truck. In **FY 04-05** one knuckle boom truck was funded with installment purchase financing. Two positions were also funded and part time positions eliminated.



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 and approximately 75 miles of Department of Transportation right-of-ways, as well as sidewalk cleaning, curb cutting, and spraying.

Performance Measures	05-06 Actual	06-07 Projected	07-08 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	1,968	2,050	2,100
Number of loads of bulk trash hauled	753	710	750

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	442	725	730
Equipment hours mowing	1,291	1,200	1,700
Equipment hours cleaning sidewalk	462	475	500

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

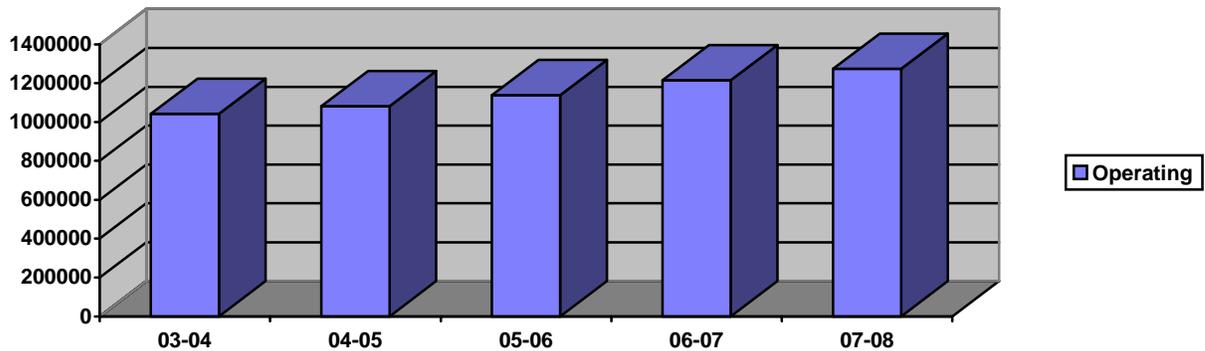
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	0	0	0	0	0	0
Operating	1,041,373	1,080,549	1,137,693	1,214,307	1,274,104	1,274,104
Capital	0	0	0	0	0	0
Total	1,041,373	1,080,549	1,137,693	1,214,307	1,274,104	1,274,104
Budgeted Employees	0	0	0	0	0	0

2007-2008 CAPITAL OUTLAY DETAIL

No funding for capital outlay was requested.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$59,797 or five percent (5%) compared to FY 06-07 budget, reflecting a 2.6% C.P.I. contract adjustment and change in the number of customers. **FY 06-07** reflects a 3.8% C.P.I. contract adjustment. **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.



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	05-06 Actual	06-07 Projected	07-08 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	8,360	8,525	8,700
Solid waste fees collected	\$817,415	\$810,000	\$810,000

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	489	510	515
Number of tons of residential waste	8,169	8,175	8,200

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

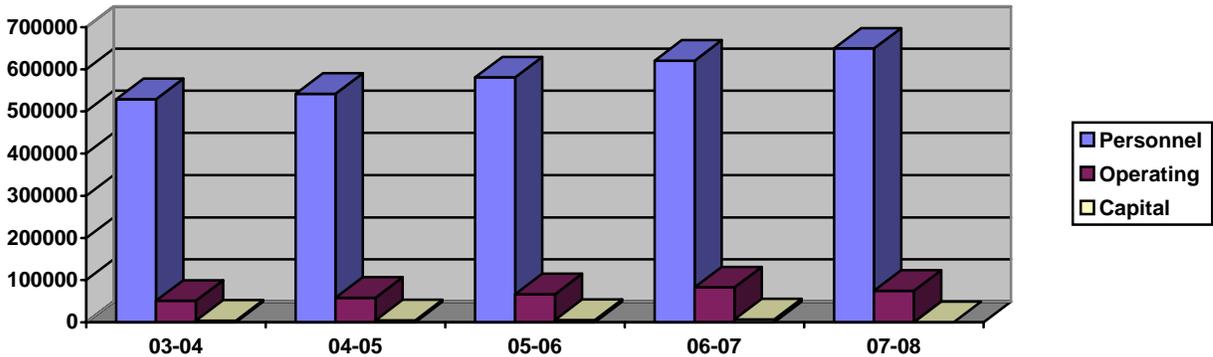
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	528,703	541,831	580,487	620,071	645,808	649,068
Operating	50,880	58,307	66,597	82,638	74,504	74,504
Capital	4,018	4,497	5,053	6,600	0	0
Total	583,601	604,635	652,137	709,309	720,312	723,572
*Budgeted Employees	9	9	9	9	9	9

2007-2008 CAPITAL OUTLAY DETAIL

No funding for capital outlay was requested.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$14,263 or two percent (2%) compared to the FY 06-07 budget. Personnel increases are due to salary and benefit adjustments. Operating costs decreased due to the non-appropriation of the Unified Development Ordinance (UDO). No funding for capital outlay was approved. **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.



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	05-06 Actual	06-07 Projected	07-08 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	90%	95%	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	12	14	16
Neighborhood advisory meetings	17	24	26

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	4
Youth Council Grant	-	-	50%

Performance Measures	05-06 Actual	06-07 Projected	07-08 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	65	73	78
Number of final plats approved	50	54	56
Number of planning board agendas	33	35	33
Number of site plans approved	146	149	153

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

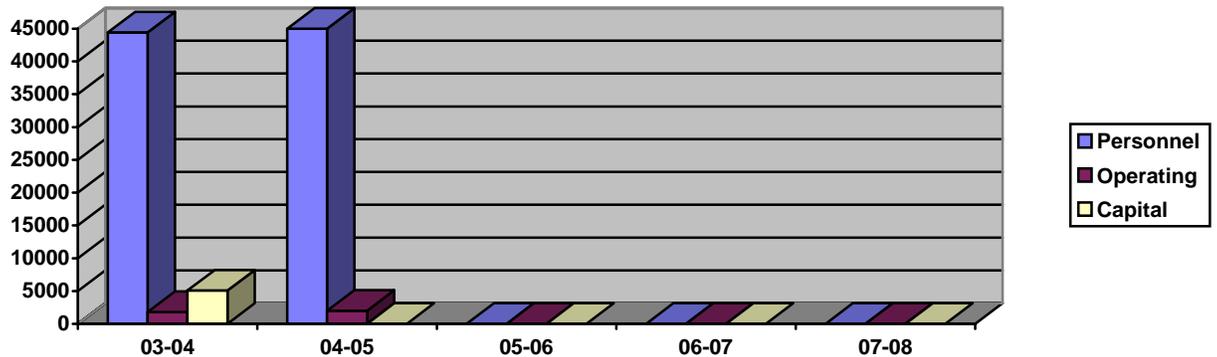
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	44,404	44,984	0	0	0	0
Operating	1,787	1,981	0	0	0	0
Capital	5,067	0	0	0	0	0
Total	51,258	46,965	0	0	0	0
*Budgeted Employees	1	1	0	0	0	0

2007-2008 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

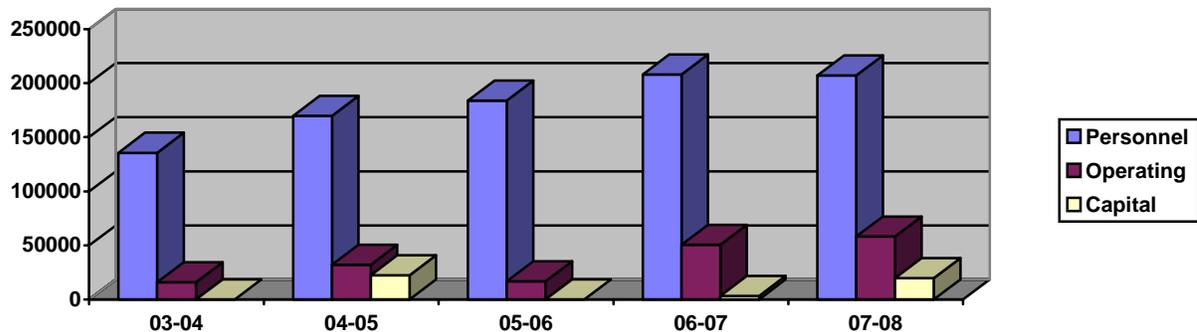
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	135,546	169,868	183,774	207,875	256,610	207,104
Operating	16,031	32,024	16,915	50,496	62,376	58,298
Capital	0	22,432	0	3,400	42,400	19,700
Total	151,577	224,324	200,689	261,771	361,386	285,102
Budgeted Employees	3	5	4	4	5	4

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) ½ ton standard truck, \$14,700; and permitting software and equipment, \$5,000.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$23,331 or nine percent (9%) compared to FY 06-07 budget. This increase is mainly attributed to funding of capital outlay. **FY 06-07** reflects a \$30,000 appropriation within the operating cost center for demolition expenses. Personnel cost adjustments are show. **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	05-06 Actual	06-07 Projected	07-08 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	2,289	2,319	2,400
Trash / junk complaints	2,275	2,283	2,294
Abandoned vehicle complaints	420	466	510
Minimum housing complaints	55	57	60

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

Measures:

Illegal banner sign complaints	200	236	23
Illegal pennant, flag and temporary sign complaints	450	505	211

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	35
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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

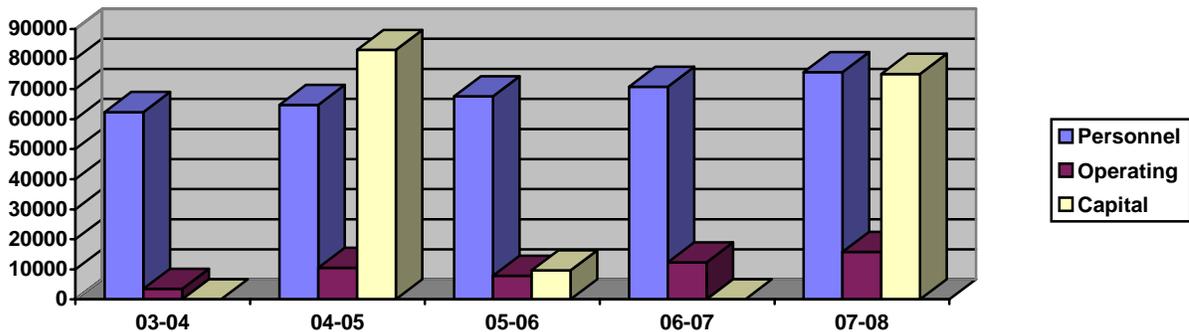
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	62,338	64,688	67,563	70,717	75,535	75,595
Operating	3,567	10,464	7,903	12,330	39,533	15,783
Capital	0	82,995	9,667	0	435,000	75,000
Total	65,905	158,147	85,133	83,047	550,068	166,378
Budgeted Employees	1	1	1	1	1	1

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes eight (8) curb extensions, \$75,000.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$83,331 or one hundred percent (100%) compared to FY 06-07 budget. This increase is mainly due to the funding of curb extensions in the downtown district. **FY 06-07** reflects a decrease from prior year due to the non-appropriation of capital outlay. **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	05-06 Actual	06-07 Projected	07-08 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	50	55	60
Prepare formal applications for Certificates of Appropriateness to the Historic Preservation Commission	50	55	57
Investigate design guideline violations	20	25	30
Number of National Registered Historic Districts	4	4	5

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	9	7	12
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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%	100%
Evaluation of infrastructure within neighborhood	-	100%	100%

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UTILITY FUND

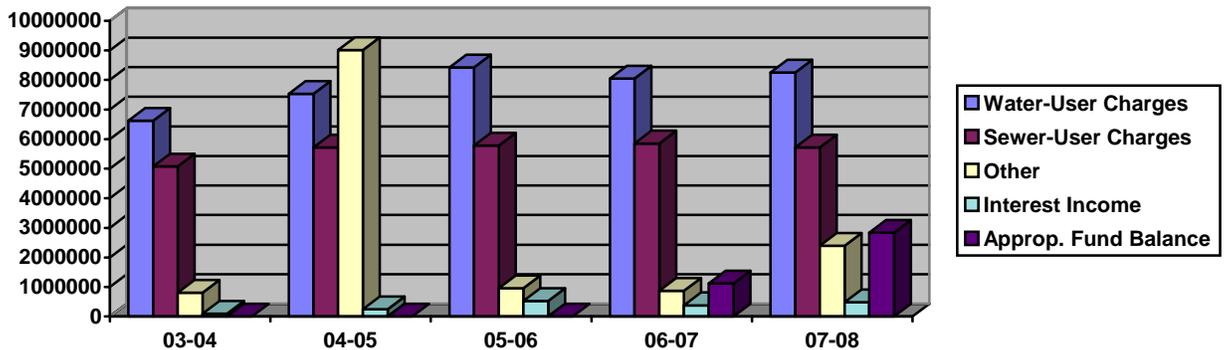
Goal: To account for the operations of the water treatment, wastewater treatment, and distribution systems.

REVENUE SUMMARIES

Revenue Sources	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Water-User Charges	6,616,731	7,531,167	8,416,152	8,048,362	8,250,000	8,250,000
Sewer-User Charges	5,075,647	5,714,760	5,781,446	5,852,506	5,720,000	5,720,000
Other	805,583	9,008,987	957,625	869,300	895,000	2,395,000
Interest Income	101,562	252,939	529,734	385,000	487,500	487,500
Appropriated Fund Balance	0	0	0	1,122,777	0	2,837,515
Total	12,599,523	22,507,853	15,684,957	16,277,945	15,352,500	19,690,015

GRAPHIC REPRESENTATION

FY 07-08 revenues increased \$3,412,070 or twenty-one percent (21%) compared to FY 06-07 budget. Water and sewer revenues show a net increase of \$69,132. These revenues were projected conservatively and based on historical data. Interest income reflects a \$102,500 projected increase based on historical data as well. The increase within other revenue is attributed to the appropriation of installment purchase proceeds (\$1,500,000) for clearwell rehabilitation / baffling. Appropriated fund balance is shown to fund the design of the wastewater treatment plant upgrade (\$1,500,000) and modeling of the Deep and Cape Fear Rivers to increase the wastewater discharge permit limit (\$1,200,000). **FY 06-07** shows a decrease within water charges from prior year, however, the estimated revenue is expected to be slightly higher. The sewer rates are not expected to meet this budgeted amount; therefore offset each other. The appropriated fund balance contributes to the increase within this year. **FY 05-06** shows water user charges substantially higher than prior year due to the fact that the city acquired the county's water system in March of 2005. 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. Other revenue reflects a substantial increase for the installment purchase proceeds of the Lee County water system. **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.



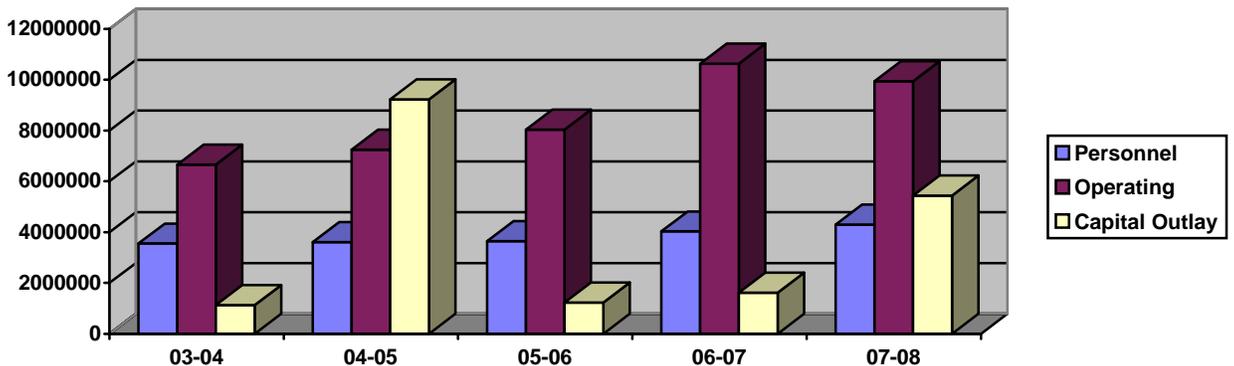
UTILITY FUND

EXPENDITURE SUMMARIES

Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	3,555,659	3,615,757	3,649,042	4,031,177	4,296,716	4,301,210
Operating	6,663,984	7,246,986	8,034,189	10,631,050	9,148,095	9,943,556
Capital Outlay	1,133,548	9,228,768	1,229,546	1,615,718	6,177,049	5,445,249
Total	11,353,191	20,091,511	12,912,777	16,277,945	19,621,860	19,690,015
Budgeted Employees	83	82	82	82	83	83

GRAPHIC REPRESENTATION

FY 07-08 appropriation reflects an increase of \$3,412,070 or twenty-one percent (21%) compared to FY 06-07 budget. Increases reflect a 2.5% cost of living adjustment, funding for a merit pay plan, a 3.1% health insurance premium adjustment increase, as well as capital outlay to include clearwell rehabilitation / baffling (\$1,500,000 IP), modeling of the Deep and Cape Fear Rivers to increase the wastewater discharge permit limit (\$1,200,000), and the design of the wastewater treatment plant upgrade (\$1,500,000). **FY 06-07** reflects a 3% cost of living adjustment, funding for the merit pay plan, and an 8% health insurance premium increase. Operating expenses increased due to fuel, asphalt, concrete, and chemical costs. Funding of capital projects and a new software program are also included. **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 as well as the Lee County water system purchase. 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. **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 \$60,215 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

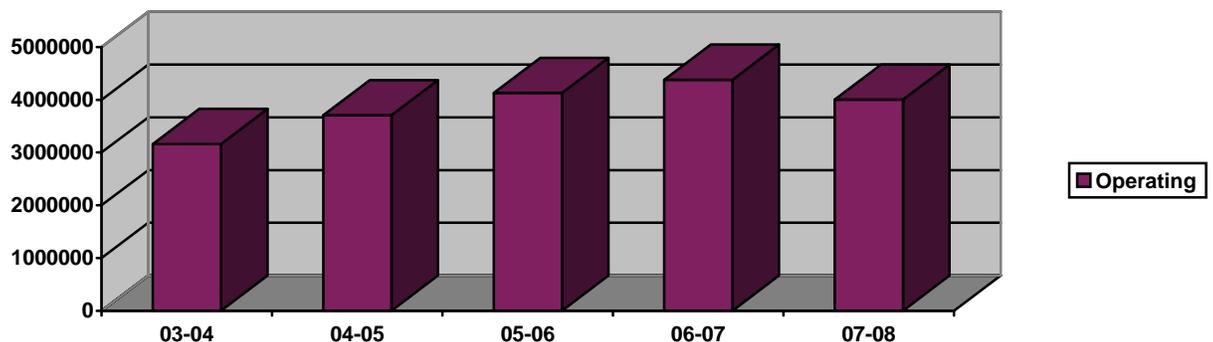
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	0	0	0	0	0	0
Operating	3,161,616	3,706,217	4,127,890	4,380,066	4,001,007	4,001,007
Capital	0	0	0	0	0	0
Total	3,161,616	3,706,217	4,127,890	4,380,066	4,001,007	4,001,007
Budgeted Employees	0	0	0	0	0	0

2007-2008 CAPITAL OUTLAY DETAIL

No funding for capital outlay was requested.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect a decrease of \$379,059 or nine percent (9%) compared to FY 06-07 budget. This decrease is a result of expired debt. **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

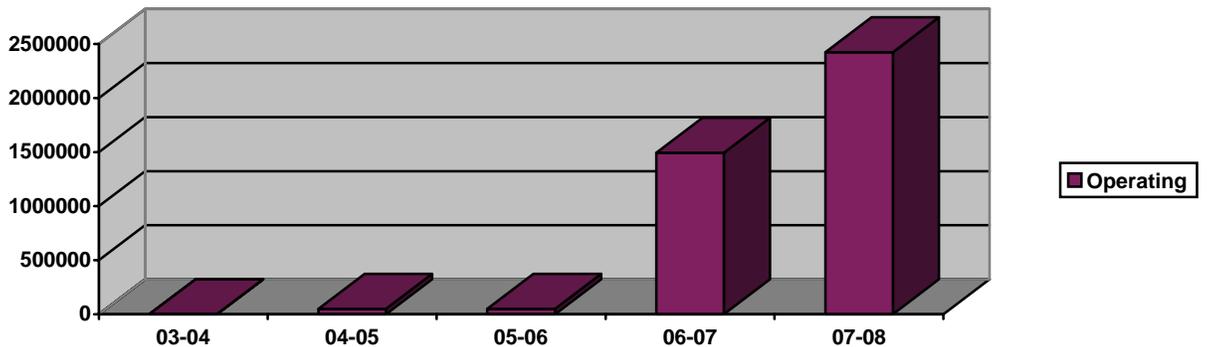
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	0	0	0	0	0	0
Operating	56	50,000	50,000	1,493,262	300,000	2,425,000
Capital	0	0	0	0	0	0
Total	56	50,000	50,000	1,493,262	300,000	2,425,000
Budgeted Employees	0	0	0	0	0	0

2007-2008 CAPITAL OUTLAY DETAIL

No funding for capital outlay was requested.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$931,738 or sixty-two (62%) percent compared to FY 06-07 budget. This increase is mainly due to an appropriation to 'transfer to capital projects' for the design of the wastewater treatment plant upgrade of \$1,500,000. The contingency appropriation has remained level for several years. These funds are used for 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 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	34,997	35,883	38,175	42,333	43,352	43,412
Operating	270,353	302,372	301,743	307,430	332,288	332,288
Capital	0	0	0	0	0	0
Total	305,350	338,255	339,918	349,763	375,640	375,700
Budgeted Employees	1	1	1	1	1	1

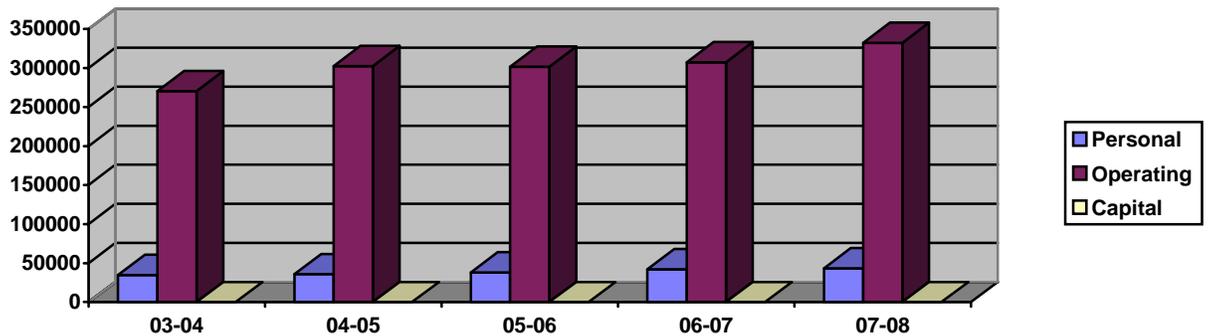
2007-2008 CAPITAL OUTLAY DETAIL

No funding for capital outlay was requested.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$25,937 or seven percent (7%) compared to FY 06-07 budget. Cost increases annually are attributable to cost of living and other personnel related expenses.

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	05-06 Actual	06-07 Projected	07-08 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	8	9	7
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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%	99%	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

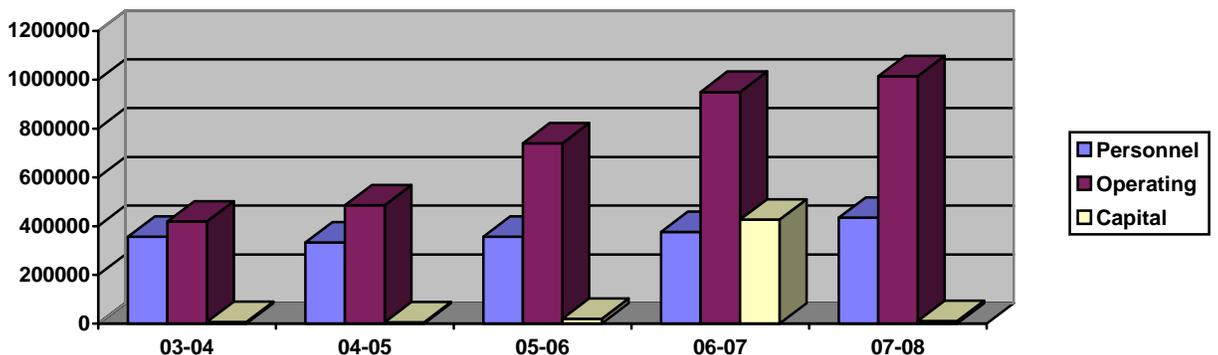
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	355,959	333,216	356,268	376,290	434,299	434,688
Operating	418,642	484,995	739,029	949,913	1,014,113	1,014,112
Capital	6,796	5,350	20,046	426,828	11,000	11,000
Total	781,397	823,561	1,115,343	1,753,031	1,459,412	1,459,800
Budgeted Employees	8	7	7	8	9	9

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) printer, \$800; one (1) network printer, \$1,200; and one (1) crystal report software module, \$9,000.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect a decrease of \$293,231 or seventeen percent (17%) compared to FY 06-07 budget. Reduced capital funding attributes to the majority of this decrease. Operating cost center includes postage for late notices and a \$63,918 or eight (8%) percent increase of the General Fund indirect cost. The addition of a collections clerk attributes to the increase within personnel along with salary and benefit adjustments. **FY 06-07** increases reflect salary adjustments; general fund indirect cost increases; and increased capital costs due to the purchase of new software. **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	05-06 Actual	06-07 Projected	07-08 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%	80%	85%
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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	\$630,244	\$675,706	\$700,000
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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	16,250	16,400	16,800
Miscellaneous bills – monthly	34	35	40

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

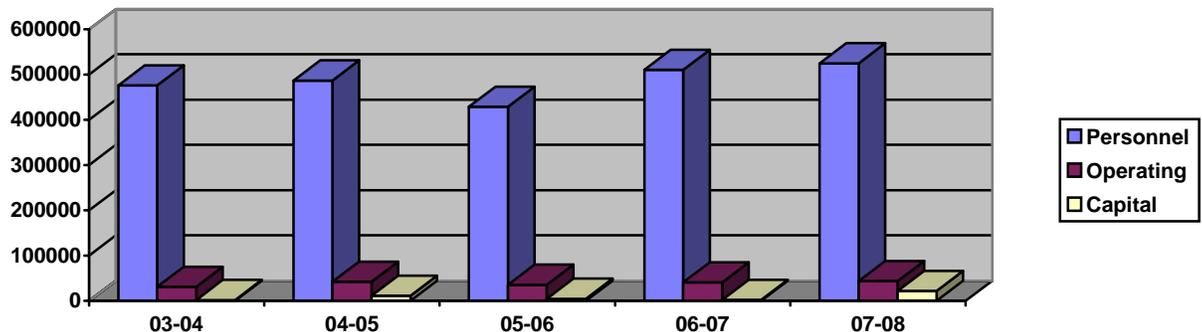
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	475,698	486,785	428,804	510,136	524,141	524,626
Operating	30,932	42,115	35,434	40,696	43,509	43,509
Capital	1,700	11,107	4,448	1,754	21,500	21,500
Total	508,330	540,007	468,686	552,586	589,150	589,635
Budgeted Employees	9	9	9	8	8	8

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) ½ ton supercab truck, \$21,500.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$37,049 or seven percent (7%) compared to FY 06-07 budget. Capital outlay funding and salary and benefit adjustments account for the majority of this increase. **FY 06-07** shows a substantial increase within the personnel cost center, however, the actual amount in **FY 05-06** is much less than originally anticipated due to vacancies. A shift in staff duties resulted in a position not being filled in **FY 06-07**; this and the lack of capital funding accounts for the decrease within **FY 05-06**. **FY 04-05** increases are mainly due to the funding of capital outlay and personnel pay 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	05-06 Actual	06-07 Projected	07-08 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%	100%	100%
Provide technical specifications to consulting engineers within 3 days	90%	95%	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%	100%	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

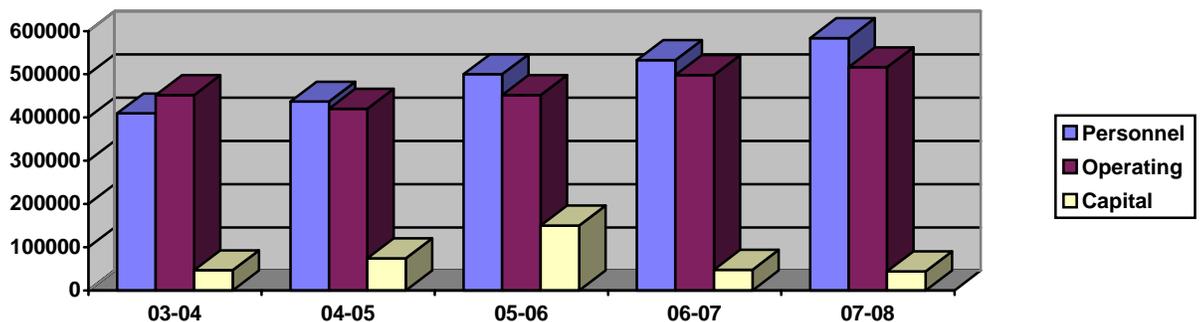
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	409,666	436,787	482,269	532,728	582,678	583,463
Operating	452,005	420,173	451,898	498,171	516,313	516,313
Capital	46,907	74,531	150,216	47,968	147,500	44,200
Total	908,578	931,491	1,084,383	1,078,867	1,246,491	1,143,976
Budgeted Employees	13	13	13	13	13	13

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes two (2) radios, \$1,400; one (1) bush hog, \$8,500; one (1) ½ ton truck, \$14,700; and one (1) ¾ ton 4 X 4 truck, \$19,600.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$65,109 or six percent (6%) compared to FY 06-07 budget. Salary and benefit adjustments attribute to the majority of this increase. **FY 06-07** reflects increases for personnel cost adjustments for a 3% cost of living and a merit pay plan being offset by a reduction in capital outlay. The majority of the increase within **FY 05-06** is attributed to the funding of capital outlay as well as salary and benefit adjustments. In **FY 04-05** personnel cost increases are shown for cost of living adjustment and the transfer out of a long- term employee. Operating cost decreases are the result of a one time penalty paid in prior year.



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. The system serves a residential population of approximately 20,148 residents as well as 1,510 commercial and industrial customers. 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	05-06 Actual	06-07 Projected	07-08 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	175	170
New taps installed	40	35	40
Manhole adjustments	102	100	125
Rights-of-Way mowed (feet)	168,300	210,000	235,000
Sewer line jetted (feet)	472,729	482,000	485,000
Sewer retaps	32	40	100
Priority outfall line inspection (feet)	146,495	230,000	230,000
Collections system line inspection (feet)	460,625	450,000	475,000

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

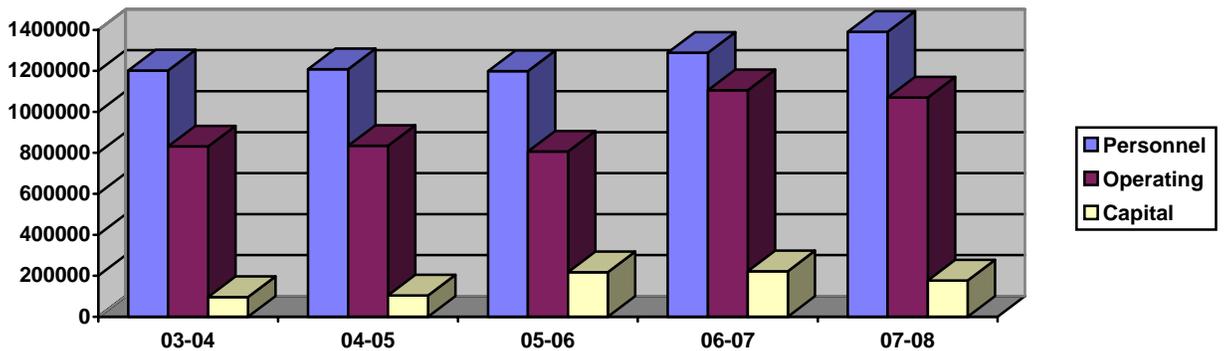
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	1,202,136	1,207,333	1,197,701	1,288,593	1,388,800	1,390,340
Operating	830,958	834,738	806,088	1,104,782	1,070,438	1,070,438
Capital	96,802	103,481	217,184	222,082	176,250	176,250
Total	2,129,896	2,145,552	2,220,972	2,615,457	2,635,488	2,637,028
Budgeted Employees	28	28	28	28	28	28

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) pipe locator, \$2,000; one (1) water discharge pump, \$1,800; six (6) walkie talkie radios, \$4,200; one (1) Fisher M-97 valve and box locator, \$650; one (1) network laser printer, \$1,200; four (4) automobile radios, \$3,200; two (2) computers, \$3,200; one (1) 1 ton utility truck, \$24,800; one (1) 2 ton dump truck, \$59,500; one (1) ½ ton truck, \$14,700; one (1) skid steer loader, \$35,000; one (1) 2" tapping machine, \$2,800; one (1) portable hacksaw, \$3,200; six (6) hydrant meters, \$15,000; and one (1) Itron FC200 handheld unit, \$5,000.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$21,571 or one percent (1%) compared to FY 06-07 budget. This increase is mainly attributed to personnel cost adjustments. **FY 06-07** reflects an increase for two major water main repairs as well as salary and benefit 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.



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	05-06 Actual	06-07 Projected	07-08 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	530	555	580
Leak investigations	191	131	175
Major water line repairs (6" or greater)	135	126	150
Minor water line repairs (4" or smaller)	51	51	65
New water taps made	192	183	250
Water retaps	441	478	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	498	305	450
Water meters read	204,840	212,500	221,280
Large water meters tested (3" or greater)	40	40	40
Small meters tested (2" or smaller)	9	7	8
Replace old meters	1,323	1,735	2,112

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	2,650	2,700	2,750
Valves inspected / exercised	6,900	7,000	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	15	20	25
Privately owned backflow devices inspected	0	238	500
Grease containing fluids removed (gallons)	756,823	915,477	1,700,000

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

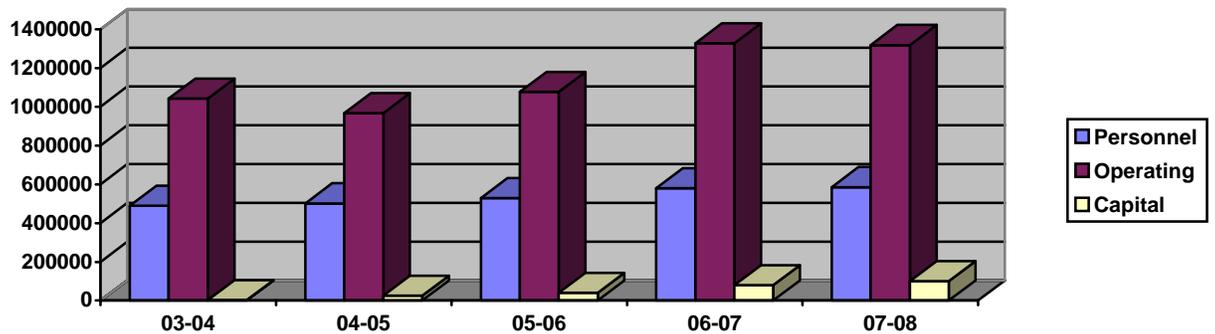
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	489,083	501,544	528,250	579,058	584,376	585,041
Operating	1,042,491	966,713	1,076,833	1,327,705	1,318,570	1,318,570
Capital	1,700	25,301	39,972	79,400	104,499	100,999
Total	1,533,274	1,493,558	1,645,055	1,986,163	2,007,445	2,004,610
Budgeted Employees	11	11	11	11	11	11

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) jon boat and trolling motor, \$2,499; one (1) laptop computer, \$1,800; paint the piping in the high service pump building, \$17,000; rebuild filter effluent valves one through four, \$30,000; two (2) chemical metering pumps, \$6,000; one (1) flow meter, \$3,500; one (1) quanti tray system, \$4,000; one (1) composite sampler, \$6,000; one (1) chlorine analyzer, \$3,500; one (1) ½ ton truck, \$14,700; and four (4) industrial heaters, \$12,000.

GRAPHIC REPRESENTATION

FY 07-08 appropriations increased \$18,447 or one percent (1%) compared to FY 06-07 budget mainly associated with the salary and benefit adjustments. **FY 06-07** and **FY 05-06** show increases resulting from personnel benefit adjustments and increased fuel and chemical costs. **FY 04-05** decreases are related to reduced expenses within utilities, professional services, and sludge. Personnel pay adjustments and capital funding shows an increase. **FY 03-04** reflects personnel cost for the addition of a plant operator position. Operating cost increases are related to changes in treatment processes.



WATER TREATMENT PLANT

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

Performance Measures	05-06 Actual	06-07 Projected	07-08 Projected
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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%	96%	98%
Maintain a heterotrophic plate count below 500	100%	99%	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:

Percent of certified operators of plant staff	85%	100%	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

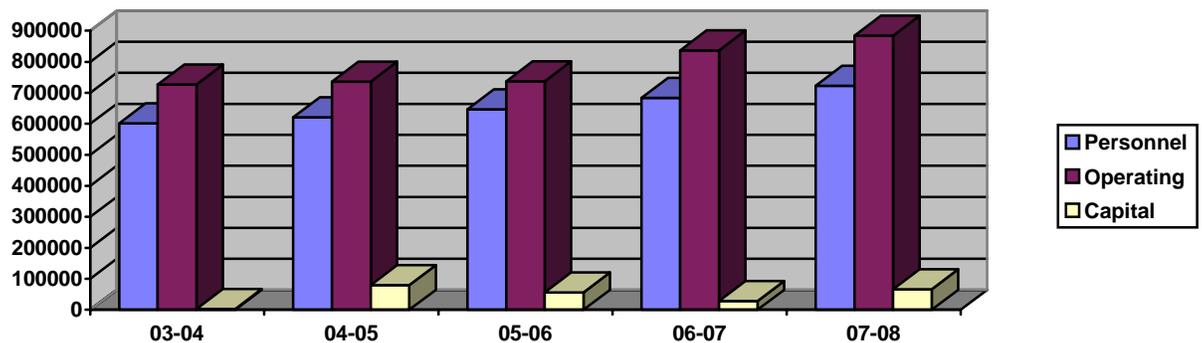
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	601,734	621,159	646,947	684,157	722,207	722,837
Operating	727,285	735,785	737,517	836,455	884,145	884,145
Capital	2,738	79,281	55,891	28,049	66,300	66,300
Total	1,331,757	1,436,225	1,440,355	1,548,661	1,672,652	1,673,282
Budgeted Employees	13	13	13	13	13	13

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes one (1) biological oxygen demand meter, \$1,500; one (1) pH meter, \$1,500; one (1) conductivity meter, \$1,500; one (1) gas meter, \$2,000; one (1) laboratory refrigerator, \$2,000; one (1) portable pH meter, \$1,000; one (1) mud pump, \$2,000; one (1) video camera, \$2,000; one (1) truck wrench, \$1,000; one (1) 1 ton utility truck, \$24,800; one (1) pump for lift station, \$19,000; one (1) fecal incubator, \$4,000; and one (1) steam cleaner, \$4,000.

GRAPHIC REPRESENTATION

FY 07-08 appropriations increased \$124,621 or eight percent (8%) compared to FY 06-07 budget. Capital outlay funding and utilities attribute to the majority of this increase. **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.



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	05-06 Actual	06-07 Projected	07-08 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	7,496	7,596	7,746
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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

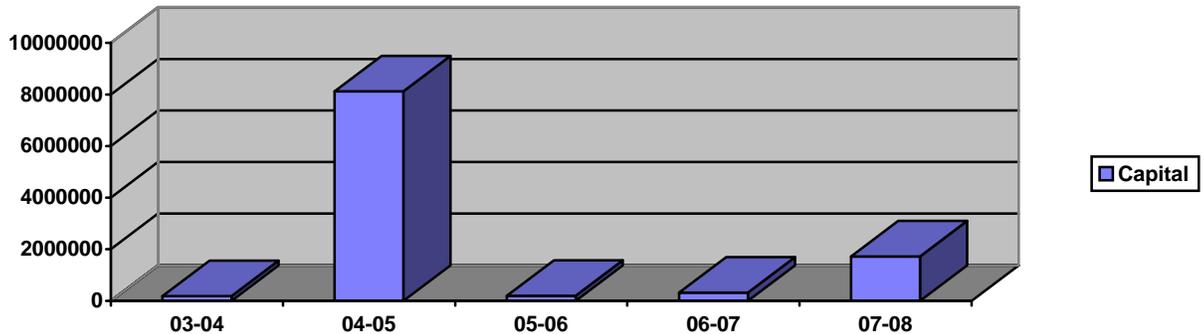
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	0	0	0	0	0	0
Operating	0	0	0	0	0	170,462
Capital	178,137	8,119,801	191,293	314,500	1,750,000	1,725,000
Total	178,137	8,119,801	191,293	314,500	1,750,000	1,895,462
Budgeted Employees	0	0	0	0	0	0

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes a rate study, \$200,000; valve replacement, \$25,000; and clearwell rehabilitation and baffling, \$1,500,000 (installment purchase).

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$1,580,962 or five hundred and three percent (503%) compared to FY 06-07 budget. The increase is shown within operating and 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

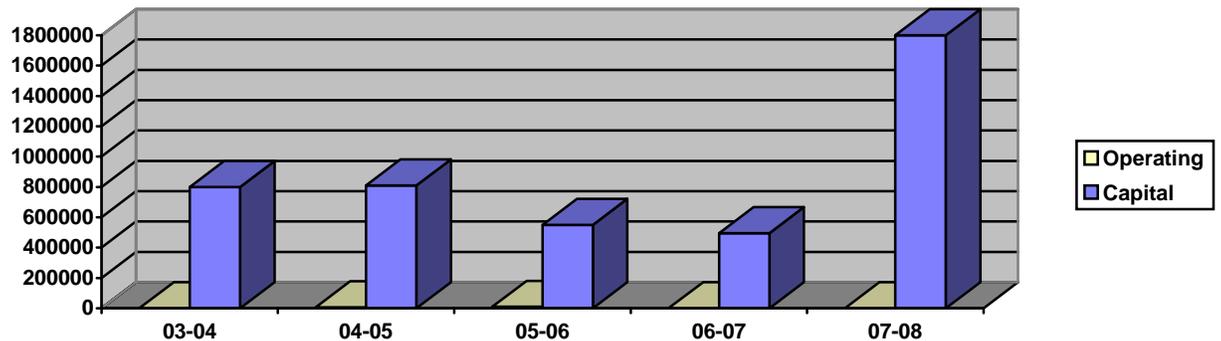
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	0	0				
Operating	0	6,250	9,500	0	0	0
Capital	798,768	809,916	550,496	495,137	3,900,000	1,800,000
Total	798,768	816,166	559,996	495,137	3,900,000	1,800,000
Budgeted Employees	0	0	0	0	0	0

2007-2008 CAPITAL OUTLAY DETAIL

Capital outlay funding includes modeling of Deep and Cape Fear Rivers to increase the wastewater discharge permit limit, \$1,200,000; sewer assessments, \$200,000; and sewer rehabilitation, \$400,000.

GRAPHIC REPRESENTATION

FY 07-08 appropriations reflect an increase of \$1,304,863 or two hundred and sixty-four percent (264%) compared to FY 06-07 budget. This increase is shown within capital costs. 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

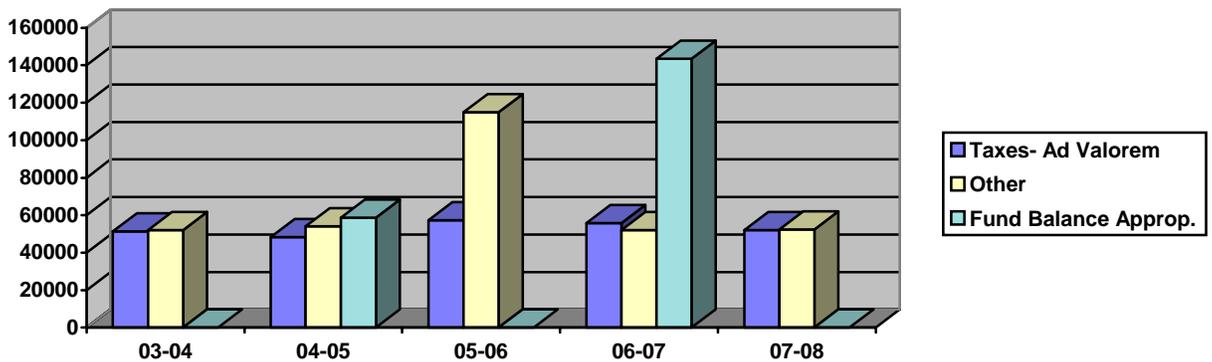
Goal: To account for the activities of the Central Business Tax District established to assist in revitalization of the downtown area.

REVENUE SUMMARIES

Revenue Sources	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Taxes- Ad Valorem	51,355	48,354	57,302	55,829	54,125	52,125
Interest Income	1,112	2,248	4,758	500	1,000	1,000
Other	50,912	51,875	110,150	51,500	51,425	51,425
Fund Balance Appropriation	0	58,737	0	143,500	0	0
Total	103,379	161,214	172,210	251,329	106,550	104,550

GRAPHIC REPRESENTATION

FY 07-08 Special Tax District revenues decreased \$146,779 or fifty-eight percent (58%) compared to FY 06-07 budget. The decrease is due to the non-appropriation of fund balance. The tax rate decreased to 13 cents per \$100 valuation but is considered revenue neutral since this is a re-valuation year. **FY 05-06** other revenue increased substantially due to a one time general fund contribution increase of \$60,000. The tax rate was also 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.



SPECIAL TAX DISTRICT FUND

EXPENDITURE SUMMARIES

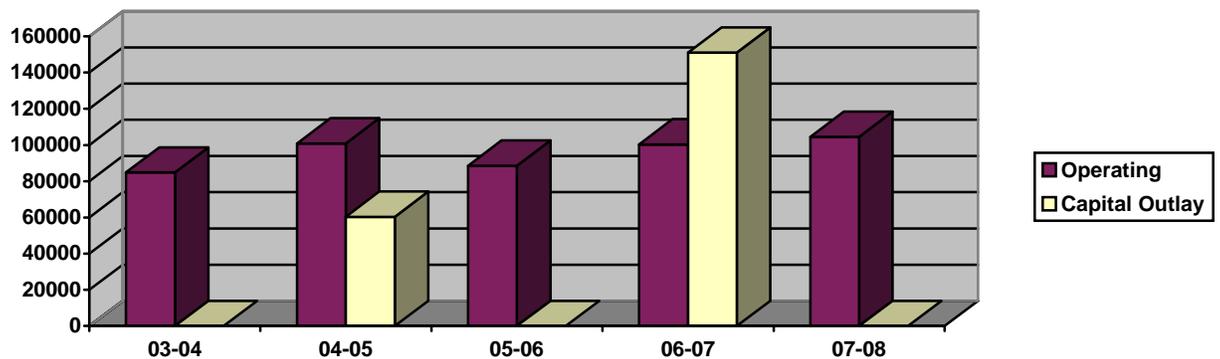
Object of Expenditure	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	BUDGET 06-07	REQUESTED 07-08	APPROVED 07-08
Personnel	0	0	0	0	0	0
Operating	84,798	100,803	88,551	100,329	104,950	104,550
Capital Outlay	0	60,411	0	151,000	1,600	0
Total	84,798	161,214	88,551	251,329	106,550	104,550

2007-2008 CAPITAL OUTLAY DETAIL

No capital outlay funding was requested.

GRAPHIC REPRESENTATION

FY 07-08 Special Tax District expenditures reflect decreases totaling \$146,779 or fifty-eight percent (58%) compared to FY 06-07 budget. The decrease is due to reduced capital outlay funding. **FY 06-07** reflects a substantial increase for the paving of the Cole / Steele Street parking lot. **FY 04-05** increase is related to the funding of capital outlay. **FY 03-04** is the first year of loan re-payment 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.



FUND BALANCE GOVERNMENTAL FUNDS

	ACTUAL 03-04	ACTUAL 04-05	ACTUAL 05-06	ACTUAL 06-07 Unaudited	BUDGET 07-08
SPECIAL TAX					
BEGINNING BALANCE	\$ 116,640	\$ 135,221	\$ 76,484	\$ 160,142	\$ 28,979
REVENUES					
AD VALOREM TAXES	51,553	48,124	57,073	58,018	52,125
OTHER	<u>51,826</u>	<u>54,353</u>	<u>115,136</u>	<u>55,210</u>	<u>52,425</u>
TOTAL	<u>103,379</u>	<u>102,477</u>	<u>172,209</u>	<u>113,228</u>	<u>104,550</u>
EXPENDITURES					
DOWNTOWN REVITALIZATION	<u>84,798</u>	<u>161,214</u>	<u>88,551</u>	<u>244,391</u>	<u>104,550</u>
TOTAL	<u>84,798</u>	<u>161,214</u>	<u>88,551</u>	<u>244,391</u>	<u>104,550</u>
ENDING BALANCE	<u><u>\$ 135,221</u></u>	<u><u>\$ 76,484</u></u>	<u><u>\$ 160,142</u></u>	<u><u>\$ 28,979</u></u>	<u><u>\$ 28,979</u></u>

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	05-06 Actual	06-07 Projected	07-08 Projected
Goal: To retain and develop downtown businesses			
Objective: Actively 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	\$202,000	\$233,500	\$200,000
Private funds attained	\$10,000	\$4,000	\$30,000
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	3	6
Represent DSI on various local boards	2	3	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	0	1
Installation of historic interpretive signs	0	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	7	7	8
City blocks with increased lighting	8	9	0
Art project	0	1	1
Goal: To add to the quality of life of local residents			
Objective: Sponsor events that add to the quality of life to local residents while at the same time exposing them to other opportunities that downtown has to offer			
Measures:			
Summer concert series	1	1	1
Holiday tree lighting	0	1	1
Fall movie series	0	0	1
Downtown festival	0	0	1

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 for each recommended capital project with a cost of \$25,000 or greater. 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

Capital assets with an estimated useful life of more than one year and an initial cost between \$2,500 and \$20,000 are included in the annual operating budget. Generally, the purchase of vehicles or heavy equipment is included in the annual operating budget, not the CIP, regardless of initial cost.

Useful Life Table

Utility plants, tanks, and system lines	40 years
Buildings	30 years
Equipment	4-20 years
Golf course improvements	30 years

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 2007-2008	PLANNING YEAR 2008-2009	PLANNING YEAR 2009-2010	PLANNING YEAR 2010-2011	PLANNING YEAR 2011-2012
GENERAL FUND						
STREET:						
5	Curb Extensions	75,000	-	-	-	-
5	Sidewalk Rehabilitation	50,000	50,000	50,000	50,000	50,000
8	Widening of Dalrymple Street	-	-	-	-	700,000
5	Catch Basin Rehabilitation	30,000	30,000	30,000	30,000	30,000
	TOTAL STREET	155,000	80,000	80,000	80,000	780,000
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	885,000	1,940,000	350,000
PUBLIC SAFETY:						
5	Equipment Storage Building	-	120,000	-	-	-
4	No. 4 Fire Station	-	675,000	-	-	-
4	No. 5 Fire Station	-	-	-	-	700,000
4	Police Facility	-	-	-	500,000	4,500,000
	TOTAL PUBLIC SAFETY	-	795,000	-	500,000	5,200,000
GOLF:						
5	Refurbish Golf Car Paths	-	80,000	-	-	-
	TOTAL GOLF	-	80,000	-	-	-
	TOTAL GENERAL FUND	155,000	1,630,000	965,000	2,520,000	6,330,000

**		BUDGET	PLANNING	PLANNING	PLANNING	PLANNING
FUNDING	PROJECT DESCRIPTION	YEAR	YEAR	YEAR	YEAR	YEAR
SOURCE		2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
UTILITY FUND						
WATER:						
4,6	Water Plant Expansion	-	-	-	6,000,000	18,000,000
4,6	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
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	-
6	Water Rate Study	200,000	-	-	-	-
3,4	Water Line Improvement to Industrial Park	-	1,000,000	-	1,000,000	-
6	Rehabilitation of Chemical Bulk Storage	-	45,000	-	-	-
4	Clearwell Rehabilitation / Baffling	1,500,000	-	-	-	-
6	Filter Media Replacement	-	-	-	150,000	-
TOTAL WATER		1,725,000	1,220,000	275,000	8,925,000	18,075,000
SEWER:						
6	Sewer Rehabilitation	400,000	750,000	750,000	750,000	750,000
6	Plant Upgrades at the WWTP.	1,500,000	-	-	-	-
6	Sewer Assessments	200,000	200,000	200,000	200,000	200,000
1	Wastewater Plant Assessment	-	80,000	-	-	-
4,6	Wastewater Treatment Plant Expansion	-	1,300,000	40,000,000	-	-
6	Increase of Discharge Limit at WWTP	1,200,000	-	-	-	-
4	Big Buffalo Plant Upgrade	-	500,000	-	-	-
TOTAL SEWER		3,300,000	2,830,000	40,950,000	950,000	950,000
TOTAL UTILITY FUND		5,025,000	4,050,000	41,225,000	9,875,000	19,025,000
TOTAL ALL FUNDS		5,180,000	5,680,000	42,190,000	12,395,000	25,355,000

****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:	Curb Extensions	Department:	Downtown/HPC

Project Description:

As part of an ongoing effort to stimulate downtown Sanford, as many as ten curb extensions are proposed. These extensions are to be placed in unused areas of the street and include tree plantings where feasible.

Costs	2007-2008
Planning/Design	
Acquisition	
Construction	75,000
Study	
Total	\$75,000



Operating Budget Impact

No substantial increase in the operating budget is anticipated. A minimal amount of curb and gutter and a maximum of ten trees may be added to the system.

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	2007-2008
Planning/Design	5,000
Acquisition	
Construction	45,000
Study	
Total	\$50,000



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	2007-2008
Planning/Design	
Acquisition	
Construction	30,000
Study	
Total	\$30,000

Operating Budget Impact

This project will not affect the operating budget.

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	2007-2008
Planning/Design	2,500
Acquisition	
Construction	22,500
Study	
Total	\$25,000



Operating Budget Impact

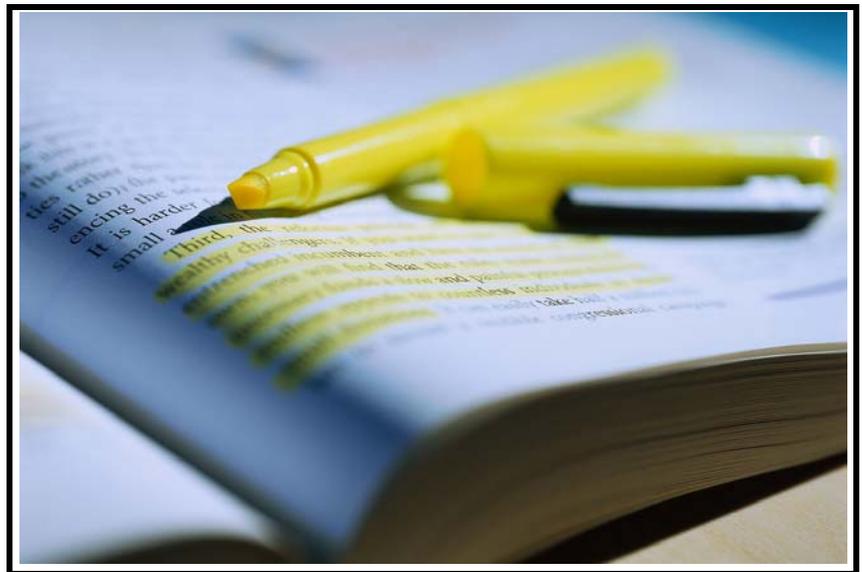
No increase in the operating budget is anticipated.

PROJECT DETAIL FORM

Program Category:	Water	Fund:	Utility
Project Title:	Water Rate Study	Department:	Water Capital

Project Description:

Funding of water and sewer improvements come mainly from the rates charged for the service provided. A rate study is required to ensure the rates being charged are fair, equitable, and sufficient to fund future needs.



Costs	2007-2008
Planning/Design	
Acquisition	
Construction	
Study	200,000
Total	\$200,000

Operating Budget Impact

This rate study could potentially affect the water and sewer revenue.

PROJECT DETAIL FORM

Program Category:	Water	Fund:	Utility
Project Title:	Clearwell Rehabilitation / Baffling	Department:	Water Capital

Project Description:

The underside of the existing clearwell roof is in need of replacement. Due to the environment corrosion of the steel portions of some of the members has occurred and continues to deteriorate. Replacement of the roof is imminent to avoid a collapse. Additionally, baffling of the clearwell is required to provide more efficient use. Baffling will provide redundancy by providing two independent clearwells capable of treating 18 mgd.

Basis of Cost Estimate:

The estimate is based on input from consultants experienced in this field. Actual costs may vary, the construction industry is seeing sharp increases at this time.

Costs	2007-1008
Planning/Design	150,000
Acquisition	
Construction	1,350,000
Study	
Total	\$1,500,000



Operating Budget Impact

No additional water will be processed, therefore, no immediate impact 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	2007-2008
Planning/Design	
Acquisition	
Construction	400,000
Study	
Total	\$400,000



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:	Plant Upgrades at the WWTP	Department:	Sewer Capital

Project Description:

Equipment at the WWTP is approaching the end of its useful life. This equipment includes pumps, motors, electrical devices, motor control centers, etc. This equipment needs to be replaced prior to failing to avoid permit violations. Pumps, motors, etc. were installed in the upgrade in the early 1990's and are approaching the end of their useful lives. Equipment is running inefficiently and failures can be expected.

Basis of Cost Estimate:

This cost estimate is based on meetings with consultants who have vast experience in the field of wastewater plant construction.

Costs	2007-2008
Planning/Design	\$1,500,000
Acquisition	
Construction	
Study	
Total	\$1,500,000



Operating Budget Impact

Replacement of worn equipment with new more efficient equipment may result in some energy savings.

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	2007-2008
Planning/Design	20,000
Acquisition	
Construction	180,000
Study	
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:	Increase of Discharge Limit at WWTP	Department:	Sewer Capital

Project Description:

Big Buffalo Wastewater Treatment facility is permitted to discharge 6.8 mgd. According to state regulations, when actual flow is 80% of design flow, engineering plans must be prepared to expand the plant. Due to the condition of the receiving stream (Deep River) it is questionable if the plant could be expanded on the existing location or if a new site must be selected. This is a large process that must be started because existing flows are 60% of design and increasing. The first step is to evaluate Deep River and determine if on-site expansion is feasible. The results of this evaluation will determine the next step.

Basis of Cost Estimate:

After consulting with engineers familiar with the city's circumstances who perform these modeling efforts, an estimate was prepared.

Costs	2007-2008
Planning/Design	
Acquisition	
Construction	
Study	1,200,000
Total	\$1,200,000



Operating Budget Impact

This project will not have an immediate affect on the operating budget.

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 05-06 ACTIVITY	PRIOR YRS. ACTIVITY	TOTAL ACTIVITY
SPECIAL REVENUES				
Community Development				
Revenues	3,149,670	766,106	1,759,001	2,525,107
Expenditures	3,149,670	751,537	1,406,840	<u>2,158,377</u>
Project Fund Balance				<u>\$ 366,730</u>
UTILITY CAPITAL PROJECTS				
Water & Sewer Capital Improvements				
Revenues	7,067,394	187,032	6,825,216	7,012,248
Other financing sources	11,178,733	(749,018)	11,996,000	11,246,982
Expenditures	18,246,127	3,503,150	14,152,912	<u>17,656,062</u>
Project Fund Balance				<u>\$ 603,168</u>

**2007-2008
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	\$41,270 - \$62,797
DEPARTMENT OF ADMINISTRATION (2)		
City Manager	1	*
Staff Assistant	1	\$27,806 - \$42,310
DEPARTMENT OF HUMAN RESOURCES (4)		
HUMAN RESOURCES		
Human Resources Director	1	\$61,261 - \$93,216
Human Resources Analyst	1	\$37,384 - \$56,884
Human Resources Assistant	1	\$30,680 - \$46,684
RISK MANAGEMENT		
Risk Management Officer	1	\$43,361 - \$65,978
DEPARTMENT OF LEGAL (2)		
City Attorney	1	\$67,639 - \$102,920
Paralegal	1	\$32,243 - \$49,062
DEPARTMENT OF COMMUNITY DEVELOPMENT (22)		
COMMUNITY DEVELOPMENT		
Comm. Development Director	1	\$67,639 - \$102,920
Asst. Comm. Dev. Director	1	\$52,841 - \$80,404
Administrative Services Coord.	1	\$33,883 - \$51,558
Planner II	4	\$43,361 - \$65,978
Planning Technician	1	\$33,883 - \$51,558
Staff Assistant	1	\$27,806 - \$42,310

* Amount is established and set by the City Council on a year to year basis.

**2007-2008
DEPARTMENTAL EMPLOYEE CLASSIFICATION**

POSITION TITLES	BUDGETED POSITIONS	SALARY RANGE
DEPARTMENT OF COMMUNITY DEVELOPMENT CON'T (22)		
INSPECTIONS		
Inspections Administrator	1	\$50,295 - \$76,529
Field Superintendent	1	\$45,556 - \$69,319
Building Inspector	3	\$37,384 - \$56,884
Permit Coordinator	2	\$25,185 - \$38,322
Administrative Technician I	1	\$27,806 - \$42,310
COMMUNITY ENHANCEMENT – CODE ENFORCEMENT		
Code Enforcement Supervisor	1	\$41,270 - \$62,797
Code Enforcement Officer	2	\$35,597 - \$54,165
Code Enforcement Clerk	1	\$25,185 - \$38,322
COMMUNITY ENHANCEMENT – DOWNTOWN/HPC		
Downtown Development Manager I	1	\$43,361 - \$65,978
DEPARTMENT OF INFORMATION SYSTEMS (2)		
Information Systems Director	1	\$61,261 - \$93,216
Program Analyst/Webmaster	1	\$43,361 - \$65,978
SANFORD GOLF COURSE (6)		
Golf Course Manager	1	\$52,841 - \$80,404
Golf Course Superintendent	1	\$43,361 - \$65,978
Asst. Golf Course Manager	1	\$35,597 - \$54,165
Lead Turfgrass Technician	1	\$27,806 - \$42,310
Turfgrass Technician	1	\$25,185 - \$38,322
Maintenance Worker I	1	\$22,814 - \$34,715

**2007-2008
DEPARTMENTAL EMPLOYEE CLASSIFICATION**

POSITION TITLES	BUDGETED POSITIONS	SALARY RANGE
DEPARTMENT OF POLICE (100)		
Chief of Police	1	\$67,639 - \$102,920
Assistant Chief	1	\$55,514 - \$84,471
Administrative Support Asst.	1	\$30,680 - \$46,684
Staff Assistant	1	\$27,806 - \$42,310
Police Records Supervisor	1	\$33,883 - \$51,558
Police System Support Spec.	1	\$32,243 - \$49,062
Major	1	\$52,841 - \$80,404
Patrol Captain	6	\$45,556 - \$69,319
Narcotics Sergeant	1	\$41,270 - \$62,797
Detective Sergeant	1	\$41,270 - \$62,797
Sergeant	6	\$39,277 - \$59,765
Detective Captain	1	\$47,874 - \$72,845
Narcotics Captain	1	\$47,874 - \$72,845
Detective	9	\$37,384 - \$56,884
Narcotics Agent	3	\$37,384 - \$56,884
Police Officer III	31	\$35,597 - \$54,165
Police Officer II	7	\$33,883 - \$51,558
Police Officer I	10	\$32,243 - \$49,062
Telecomm. Supervisor	1	\$35,597 - \$54,165
Telecommunicator	12	\$29,225 - \$44,469
Receptionist	4	\$22,814 - \$34,715
DEPARTMENT OF FIRE (52)		
Chief	1	\$64,362 - \$97,934
Assistant Chief	1	\$50,295 - \$76,529
Battalion Commander	3	\$45,556 - \$69,319
Staff Assistant	1	\$27,806 - \$42,310
Company Captain	9	\$39,277 - \$59,765
Firefighter III	15	\$33,883 - \$51,558
Firefighter III/Inspector	2	\$33,883 - \$51,558
Firefighter III/Driver Operator	9	\$33,883 - \$51,558
Firefighter II	4	\$32,243 - \$49,062
Firefighter I	6	\$30,680 - \$46,684
Firefighter Trainee	1	\$29,225 - \$44,469

**2007-2008
DEPARTMENTAL EMPLOYEE CLASSIFICATION**

POSITION TITLES	BUDGETED POSITIONS	SALARY RANGE
DEPARTMENT OF FINANCIAL SERVICES (17)		
	FINANCE	
Director of Financial Services	1	\$67,639 - \$102,920
Asst. Director of Financial Services	1	\$52,841 - \$80,404
Staff Assistant	1	\$27,806 - \$42,310
Senior Accountant	1	\$39,277 - \$59,765
Accountant II	1	\$35,597 - \$54,165
Accountant I	1	\$32,243 - \$49,062
Budget Analyst	1	\$37,384 - \$56,884
Accounting Technician	1	\$27,806 - \$42,310
	UTILITY FUND ADMINISTRATION	
Collections Manager	1	\$45,556 - \$69,319
Revenue Supervisor	1	\$41,270 - \$62,797
Collections Clerk	4	\$25,185 - \$38,322
Billing Clerk	1	\$27,806 - \$42,310
Senior Collections Clerk	1	\$27,806 - \$42,310
Utility Accountant	1	\$32,243 - \$49,062

**2007-2008
DEPARTMENTAL EMPLOYEE CLASSIFICATION**

POSITION TITLES	BUDGETED POSITIONS	SALARY RANGE
DEPARTMENT OF PUBLIC WORKS (129)		
PUBLIC WORKS ADMINISTRATION		
Public Works Director	1	\$71,041 - \$108,097
Public Works Administrator	1	\$41,270 - \$62,797
PW Operations Manager	1	\$52,841 - \$80,404
Administrative Support Asst.	1	\$30,680 - \$46,684
Staff Assistant	1	\$27,806 - \$42,310
STREET		
Street Superintendent	1	\$45,556 - \$69,319
Crew Supervisor II	1	\$33,883 - \$51,558
Crew Supervisor I	2	\$30,680 - \$46,684
Equipment Operator III	1	\$27,806 - \$42,310
Equipment Operator II	4	\$25,185 - \$38,322
Equipment Operator I	2	\$23,973 - \$36,477
Maintenance Worker II	3	\$23,973 - \$36,477
Maintenance Worker I	2	\$22,814 - \$34,715
Lead Maintenance Worker	1	\$25,185 - \$38,322
Traffic Services Technician	1	\$29,225 - \$44,469
SOLID WASTE		
Solid Waste Superintendent	1	\$45,556 - \$69,319
Crew Supervisor/Safety Officer	1	\$35,597 - \$54,165
Crew Supervisor I	2	\$30,680 - \$46,684
Equipment Operator II	6	\$25,185 - \$38,322
Equipment Operator I	1	\$23,973 - \$36,477
Lead Maintenance Worker	1	\$25,185 - \$38,322
Maintenance Worker II	4	\$23,973 - \$36,477
Maintenance Worker I	2	\$22,814 - \$34,715
BEAUTIFICATION		
Horticulturist	1	\$39,277 - \$59,765
Lead Groundskeeper	3	\$25,185 - \$38,322
Groundskeeper	2	\$22,814 - \$34,715

**2007-2008
DEPARTMENTAL EMPLOYEE CLASSIFICATION**

POSITION TITLES	BUDGETED POSITIONS	SALARY RANGE
DEPARTMENT OF PUBLIC WORKS CON'T (129)		
SHOP		
Fleet Maint. Superintendent	1	\$45,556 - \$69,319
Mechanic II	3	\$30,680 - \$46,684
Garage Clerk	1	\$27,806 - \$42,310
ENGINEERING		
City Engineer	1	\$58,310 - \$88,726
Civil Engineer II	1	\$47,874 - \$72,845
Civil Engineer I	1	\$43,361 - \$65,978
Drafting Technician	1	\$29,225 - \$44,469
Engineering Technician	2	\$33,883 - \$51,558
Construction Inspector	2	\$33,883 - \$51,558
SEWER CONST. & MAINT.		
Sewer Utilities Superintendent	1	\$45,556 - \$69,319
Crew Supervisor I	1	\$30,680 - \$46,684
Utility Maint. Worker II	4	\$23,973 - \$36,477
Utility Maint. Worker I	3	\$22,814 - \$34,715
Lead Utility Maint. Worker	1	\$25,185 - \$38,322
Equipment Operator III	1	\$27,806 - \$42,310
Equipment Operator II	1	\$25,185 - \$38,322
Utility Technician	1	\$29,225 - \$44,469
WATER CONST. & MAINT.		
Water Utilities Superintendent	1	\$45,556 - \$69,319
Asst. Water Utilities Superintendent	1	\$39,277 - \$59,765
Crew Supervisor I	4	\$30,680 - \$46,684
Lead Utility Maint. Worker	4	\$25,185 - \$38,322
Utility Maintenance Worker II	1	\$23,973 - \$36,477
Utility Maintenance Worker I	6	\$22,814 - \$34,715
Meter Reading Supervisor	1	\$30,680 - \$46,684
Meter Reader	6	\$25,185 - \$38,322
Equipment Operator II	3	\$25,185 - \$38,322
Utility Connection Coordinator	1	\$39,277 - \$59,765

**2007-2008
DEPARTMENTAL EMPLOYEE CLASSIFICATION**

POSITION TITLES	BUDGETED POSITIONS	SALARY RANGE
DEPARTMENT OF PUBLIC WORKS CON'T (129)		
WATER PLANT		
WTP Superintendent	1	\$50,295 - \$76,529
Chief WTP Operator	1	\$35,597 - \$54,165
WTP Operator III	2	\$30,680 - \$46,684
WTP Operator II	2	\$27,806 - \$42,310
WTP Operator I	2	\$25,185 - \$38,322
Utility Mechanic I	1	\$32,243 - \$49,062
Lab Supervisor	1	\$41,270 - \$62,797
Lab Technician I	1	\$33,883 - \$51,558
WASTEWATER TREATMENT PLANT		
WWTP Superintendent	1	\$50,295 - \$76,529
Chief WWTP Operator	1	\$35,597 - \$54,165
Pretreatment Coordinator	1	\$37,384 - \$56,884
Lab Supervisor	1	\$41,270 - \$62,797
Lab Technician II	1	\$33,883 - \$51,558
Utility Mechanic I	2	\$30,680 - \$46,684
WWTP Operator II	5	\$27,806 - \$42,310
WWTP Operator I	1	\$25,185 - \$38,322
STORE		
Maintenance/Inventory Tech.	1	\$27,806 - \$42,310
PUBLIC BUILDING		
Bldg./Grounds Superintendent	1	\$45,556 - \$69,319
Maintenance/Inventory Tech.	1	\$27,806 - \$42,310
Staff Assistant	1	\$27,806 - \$42,310

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	March 1, 2007	COS-PP-303

1.0 GENERAL

Performance management is an ongoing process that helps managers and employees plan performance expectations for the upcoming year, communicate about those expectations during the year and review the results at the end of the year. Our employees benefit from a greater understanding of what is expected of them and the ongoing feedback and support that they need to be successful. The City benefits by having a skilled and knowledgeable workforce focused on achieving results.

The purpose of the performance management program is to:

1. Provide for a formal method of communicating performance feedback to employees;
2. Provide information upon which management can base personnel decisions;
3. Provide a sound basis for compensation decisions;
4. Standardize records for documenting employee performance;
5. Provide for the establishment of specific job expectations and measurable and obtainable goals;
6. Provide annual appraisal of on-the-job performance;
7. Provide supervisors with a formal means of assessing what the employee accomplishes and how they accomplished it (i.e. customer focused, accountability, flexibility, collaboration, effective communication, etc.);
8. Assist managers in assessing employee potential;
9. Provide means for "raising the bar" on overall performance goals and expectations.

2.0 PERFORMANCE MANAGEMENT PROCESS

The Performance Management Process consists of the following steps:

- Performance Planning – establish specific goals and standards required to meet job responsibilities (SMART).
- Performance Monitoring – ongoing process of observing performance and behaviors.
- Providing Feedback – both positive and constructive.
- Performance Review and Appraisal – formal documented system that includes discussion with employee.

The following actions are required:

1. Within the first thirty (30) days of the new appraisal period, the supervisor must establish job expectations and performance standards, which should include measurable and obtainable goals. These will be discussed with the employee and recorded on the performance appraisal form.
2. Monitor performance progress throughout the year, observing both performance and behaviors.
3. Provide consistent feedback to employee (both positive and constructive).
4. At the end of the appraisal period or prior to a promotion, a performance review is conducted. This performance review will consist of the following:
 - a. Review of job expectations and measurable and obtainable goals by supervisor and employee;

CITY OF SANFORD, NC
PERSONNEL PROCEDURE

SUBJECT	EFFECTIVE DATE	NUMBER
Employee Performance Appraisal	March 1, 2007	COS-PP-303

- b. Preparation of appraisal form by supervisor
- c. Conducting of performance appraisal decision with employee;
- d. Forwarding of forms to Human Resources Department.

3.0 PERFORMANCE APPRAISAL GUIDELINES AND DISCUSSION

Performance appraisals must be completed on all:

- Full-time employees at the end of the probationary period and then every 12 months thereafter;
- Transferring or promoted employees if more than six months have elapsed since the last appraisal was conducted.

The appraisal of performance should be based upon performance of the specific job expectations and measurement of completion of goals. The overall performance rating is measured on a scale of one (1) to ten (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 APPROVALS

Levels of approval for a performance rating will be as follows:

- Appraisals with a rating of three (3) through eight (8) require two (2) levels of approval;
- Appraisals with a rating of one (1), two (2), nine (9), or ten (10) require three levels of approval, one of which must be the department head with budgetary responsibility for the employee's department and one of which must be the City Manager.

All approval signatures must be obtained prior to the performance appraisal discussion. 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.

The employee performance appraisal discussion must be conducted so that all forms will arrive in the Human Resources Office at least fourteen (14) days prior to the effective date. During the discussion, the supervisor and employee will review the completed appraisal form and discuss goals for the new appraisal period. The employee may enter personal comments and then should sign the form. The employee's signature indicates only that they have reviewed the form and does not indicate agreement with the appraisal.

The supervisor and the employee should retain copies of the completed appraisal form and the original will be placed in the employee's personnel folder.

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 AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

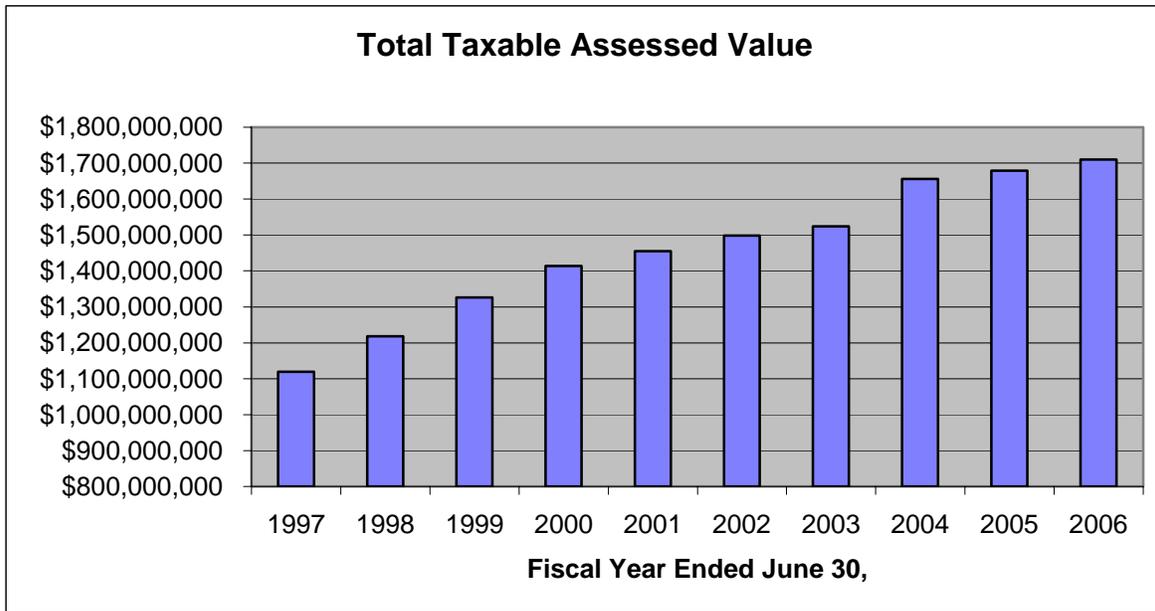
Calendar Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
1997	21,100	\$ 507,222,900	\$ 24,039	35.44	8,579	4.0%
1998	21,500	513,656,500	23,891	35.64	8,721	3.7%
1999	21,518	553,184,744	25,708	35.79	8,502	3.5%
2000	22,310	574,259,400	25,740	35.94	8,504	3.7%
2001	23,330	622,444,400	26,680	36.01	8,604	6.0%
2002	23,409	631,645,047	26,983	36.07	8,438	7.7%
2003	23,522	650,830,218	27,669	36.13	8,472	6.7%
2004	23,530	N/A	N/A	36.18	8,924	5.8%
2005	23,832	N/A	N/A	36.22	8,958	5.2%
2006	N/A	N/A	N/A	N/A	9,021	5.4%

Sources of Information:

- Population information provided by Office of State Budget and Management
- Personal income provided by Bureau of Economic Analysis (State Library)
- School enrollment provided by Lee County Board of Education
- Unemployment rate provided by Employment Security Commission of North Carolina

CITY OF SANFORD, NORTH CAROLINA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Real Property	Personal Property	Utilities	Total Taxable Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
1997	\$ 748,032,081	\$ 334,910,602	\$ 35,976,355	\$ 1,118,919,038	\$ 0.55	N/A
1998	805,168,617	379,727,329	33,536,308	1,218,432,254	0.55	N/A
1999	863,240,884	421,391,979	41,028,251	1,325,661,114	0.55	N/A
2000	894,016,733	484,591,937	34,834,946	1,413,443,616	0.55	N/A
2001	905,557,937	513,946,981	35,743,656	1,455,248,574	0.57	N/A
2002	939,174,794	518,906,756	39,988,251	1,498,069,801	0.57	N/A
2003	959,056,544	526,922,020	37,788,739	1,523,767,303	0.57	75.25%
2004	1,148,068,689	461,678,958	45,914,539	1,655,662,186	0.56	100.00%
2005	1,175,515,025	456,056,792	47,308,731	1,678,880,548	0.59	95.58%
2006	1,219,464,773	444,276,889	46,020,518	1,709,762,180	0.59	88.75%



CITY OF SANFORD, NORTH CAROLINA
 PRINCIPAL PROPERTY TAX PAYERS
 JUNE 30, 2006 COMPARED TO JUNE 30, 1997

Taxpayer	2006			1997		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Coty, Inc.	\$ 53,628,429	1	3.14%	\$ 28,135,091	3	2.58%
Moen, Inc.	37,566,724	2	2.20%	29,282,545	2	2.69%
Frontier Spinning Mills	35,293,556	3	2.06%	-	-	-
Simpson & Simpson	27,070,040	4	1.58%	-	-	-
Magneti Marelli USA, INC.	26,988,272	5	1.58%	14,068,182	9	1.29%
Alltel Carolina, Inc.	24,029,423	6	1.41%	17,353,818	5	1.59%
AMI/Central Carolina Hospital	20,879,670	7	1.22%	15,262,364	8	1.40%
The Oaks	20,254,000	8	1.18%	-	-	-
Static Control	20,184,330	9	1.18%	-	-	-
Tyson Foods	14,710,291	10	0.86%	-	-	-
Unifi of Sanford	-	-	-	65,070,364	1	5.97%
Sara Lee Knits	-	-	-	19,770,545	4	1.82%
Avondale Mills, Inc.	-	-	-	15,494,364	6	1.42%
American Cyanamid Co./ Lederle	-	-	-	15,320,727	7	1.41%
Carolina Power & Light Co.	-	-	-	8,305,455	10	0.76%
Total	<u>\$ 280,604,735</u>		<u>16.41%</u>	<u>\$ 123,961,455</u>		<u>20.94%</u>

Source: Lee County Tax Office

CITY OF SANFORD, NORTH CAROLINA
 PRINCIPAL EMPLOYERS
 CURRENT YEAR

<u>Employer</u>	2006		Percentage of Total Lee County Employment
	<u>Employees</u>	<u>Rank</u>	
Static Control	1,400	1	5.54%
Coty	750	2	2.97%
Moen	725	3	2.87%
Magnetti Marelli	585	4	2.31%
Tyson	460	5	1.82%
Pentair Water, Pool & Spa	420	6	1.66%
Arden Companies	384	7	1.52%
Frontier Spinning	345	8	1.37%
Parkdale Mills	220	9	0.87%
National Textiles	165	10	0.65%
Total	<u>5,454</u>		<u>21.58%</u>

Source: Lee County Economic Development

Note: Information is only available for current year. Table will be expanded to include 10 years of data information becomes available.

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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.

Balanced Budget – North Carolina General Statute 159-8(a) states a budget is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations.

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 / HPC (Historic Preservation Commission) – A department established 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.

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.

401K – Reference to Internal Revenue Code – Section 401, paragraph K which allows establishment of tax-deferred retirement savings plans for employees. Contributions can be made by an employee as well as their employer.

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.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year.

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 indicated 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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