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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.

TABLE OF CONTENTS

INTRODUCTORY OVERVIEW		PUBLIC SAFETY	
Table of Contents	i	Police	115
History	ii	Fire	117
Community Profile	iii	Inspections	120
Organizational Chart	v	STREETS	
Program Policies	vi	Street	122
City Goals and Accomplishments	vi	Street Capital Improvements	124
TRANSMITTAL LETTER	1	SANITATION	
Changes Prop. to Approv. Budget	12	Solid Waste	125
		Sanitation	127
BUDGET ORDINANCE	13	COMMUNITY DEVELOPMENT	
BUDGET GUIDE		Community Development	129
Financial Policies	41	Comm. Dev. – 911 Coordinator	132
Budget Process	43	Code Enforcement	134
Budget Calendar	45	Downtown / HPC	136
Budget Format	46	UTILITY FUND	139
Revenue Assumptions	50	DEBT SERVICE	
EXECUTIVE SUMMARY		Debt Service	141
Consolidated Budget	57	OTHER	
Revenue Summaries	58	Utility Fund Contributions	142
Expenditure Summaries	59	PUBLIC UTILITIES	
General Fund Revenue	61	Store	143
General Fund Expenditures	63	Utility Fund Administration	145
Utility Fund Revenue	64	Engineering	147
Utility Fund Expenses	65	Sewer Construction and Maintenance	149
Special Tax Revenue / Expenditures	66	Water Construction and Maintenance	151
Staffing Comparison	67	Water Treatment Plant	153
Capital Outlay Sort – General Fund	69	Wastewater Treatment Plant	155
Capital Outlay Sort – Enterprise Fund	71	Water Capital Improvements	157
Debt Service	73	Sewer Capital Improvements	158
GENERAL FUND	81	SPECIAL TAX FUND	159
Fund Balance – General Fund	83	Fund Balance – Special Tax	161
GENERAL GOVERNMENT		CAPITAL IMPROVEMENT PROGRAMS	
Governing Body	84	Program Summary	163
Administration	87	Capital Improvements Schedule	164
Human Resources	89	Project Descriptions	166
Risk Management	92	Capital / Grant Budgets	176
Elections	94	SUPPLEMENTARY INFORMATION	
Financial Services	95	Departmental Employee Classification	177
Information Systems	97	Employee Wage and Salary Program	184
Legal	99	Employee Performance Appraisal	188
Strategic Information Services	101	Investment Policy	190
Public Building	103	Demographic Statistics	192
Public Works Administration	105	Assessed Value / Est. Actual Value of Tax. Prop.	193
Central Office	107	Principal Taxpayers	194
General Fund Contributions	108	Principal Employers	195
Golf	109	GLOSSARY	197
Shop	111	INDEX	205
Beautification	113		

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

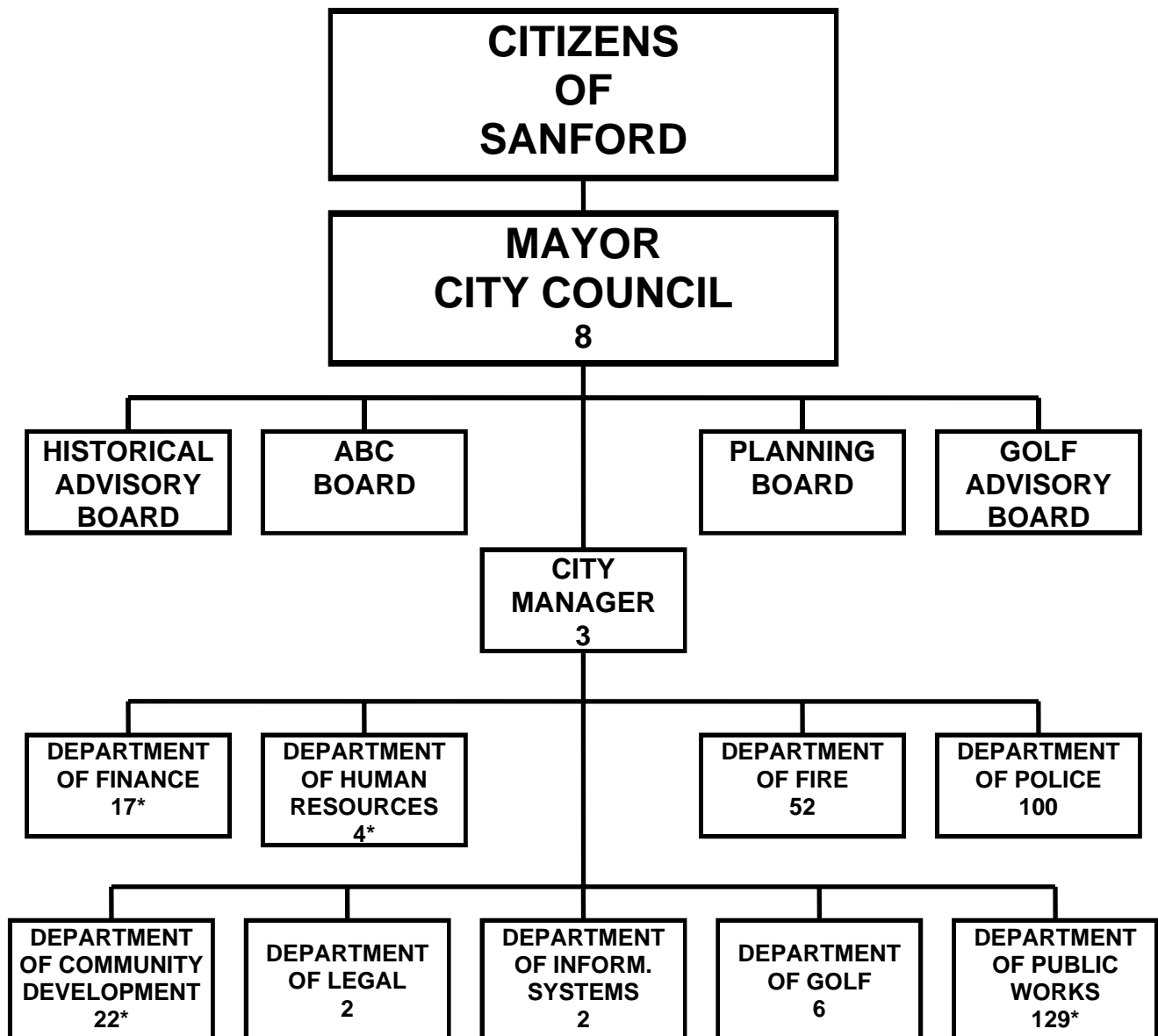
General Information

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.

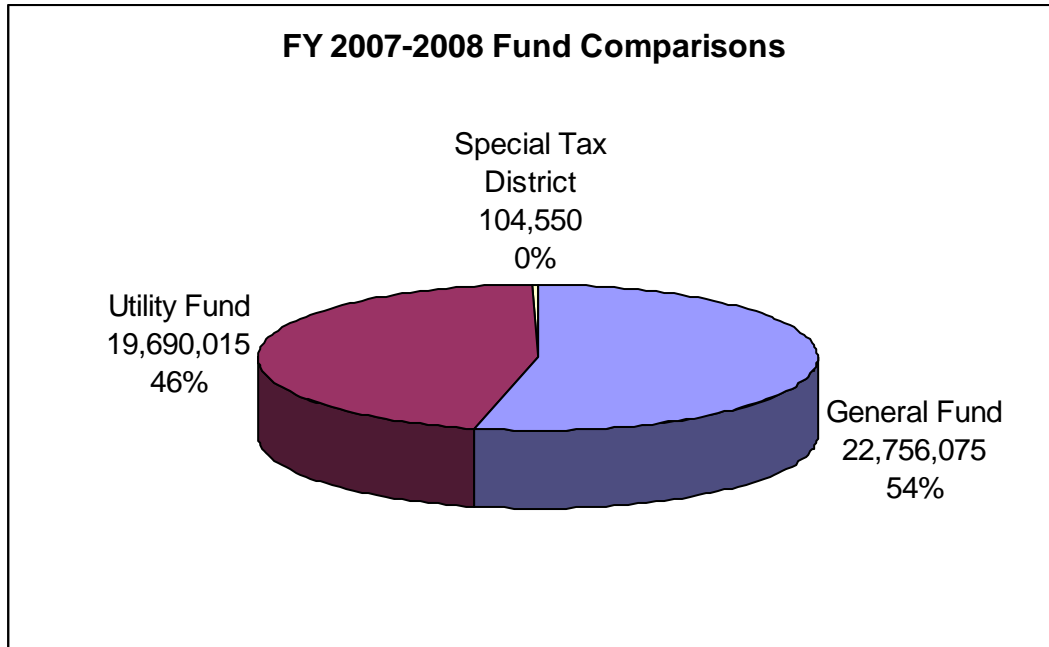
Worker's Compensation, Employee Health Insurance, and Property and Liability Insurance Program - We continue to be pleased with the services provided by Blue Cross/Blue Shield for our employees group hospital health plan. As previously approved by Council, the 2007-08 Budget includes self-funding of 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%



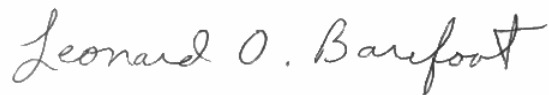
CONCLUSION

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***

Table of Contents:

Building Permits – Residential.....	page 2
Building Permits – Commercial	page 3 & 4
Building Permits – Miscellaneous	page 5
Electrical Permits.....	page 6
Mechanical Permits	page 7
Plumbing Permits	page 8
Fire Prevention Permits.....	page 9
Miscellaneous Permits	page 9
Special Notes	page 10 - 14
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.

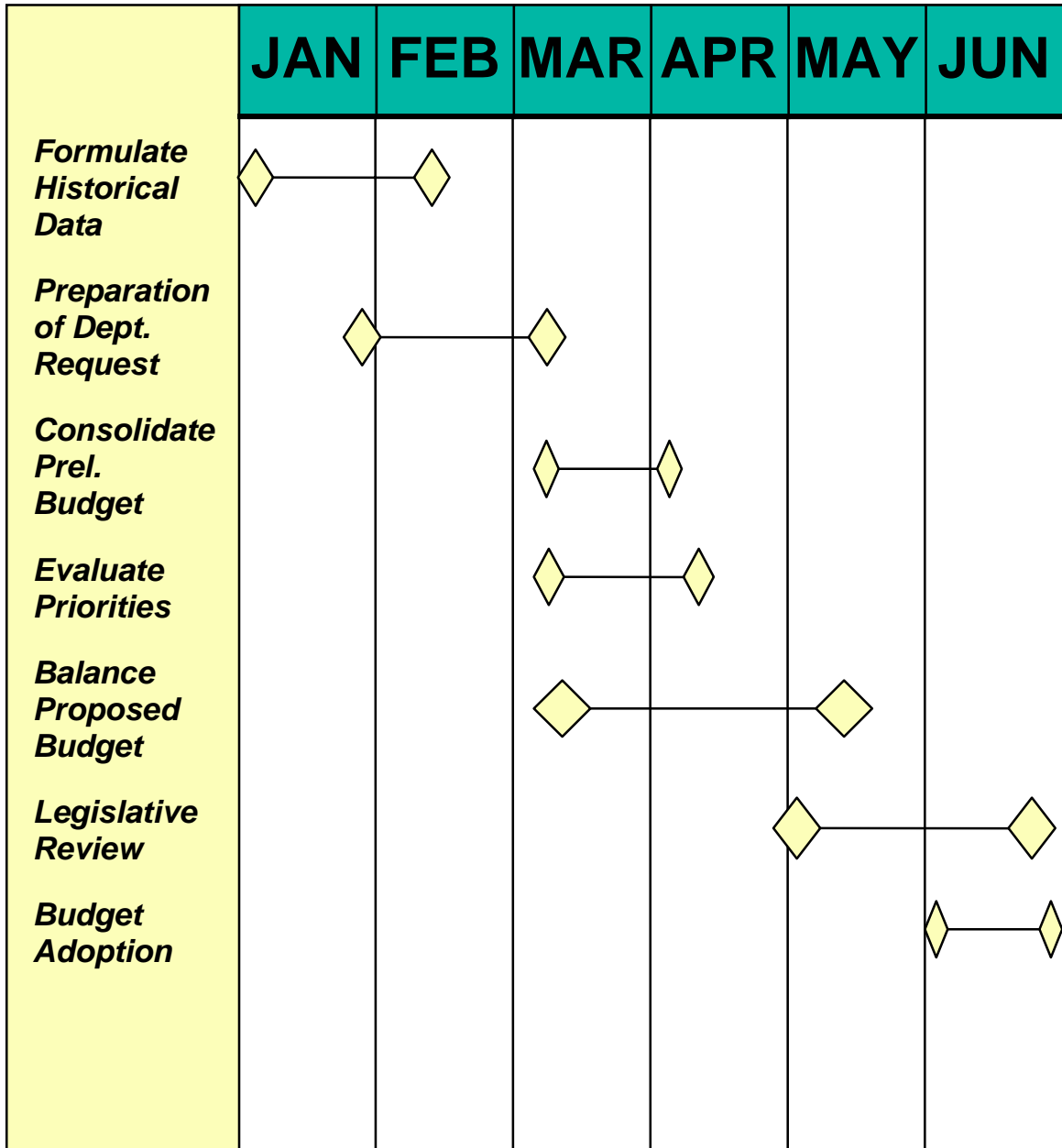
BUDGET ADOPTION

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.

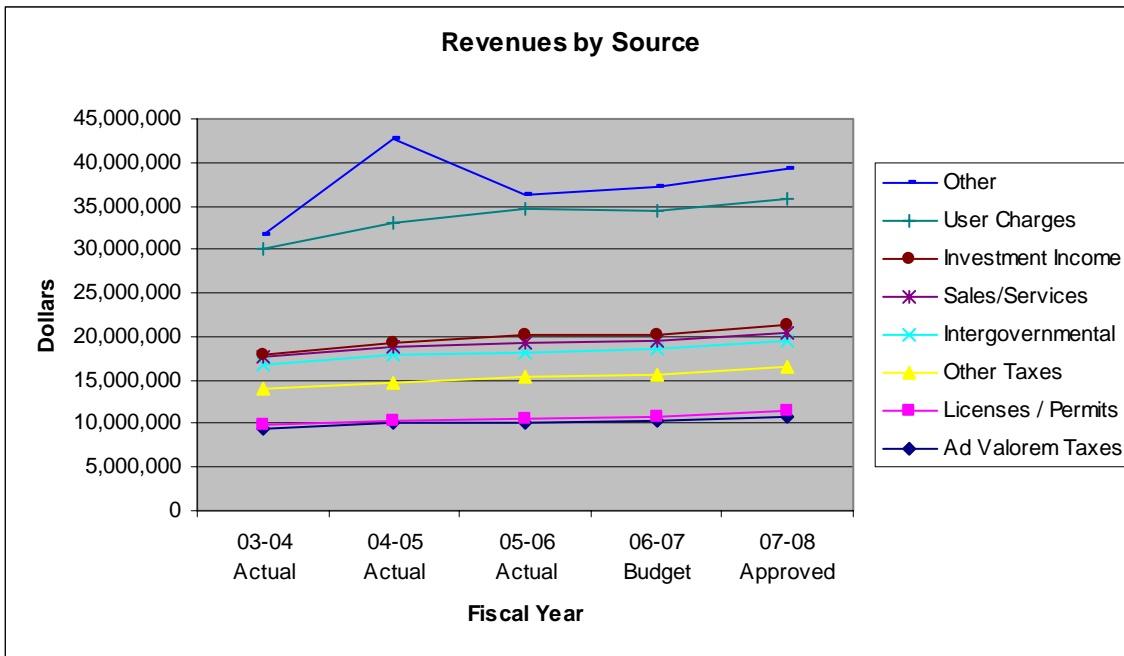
Other Taxes - Collections of the one percent local options sales tax and the one-half of one percent local option sales taxes (Articles 39, 40, 42, and 44); privilege license; and cable franchise tax.

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.

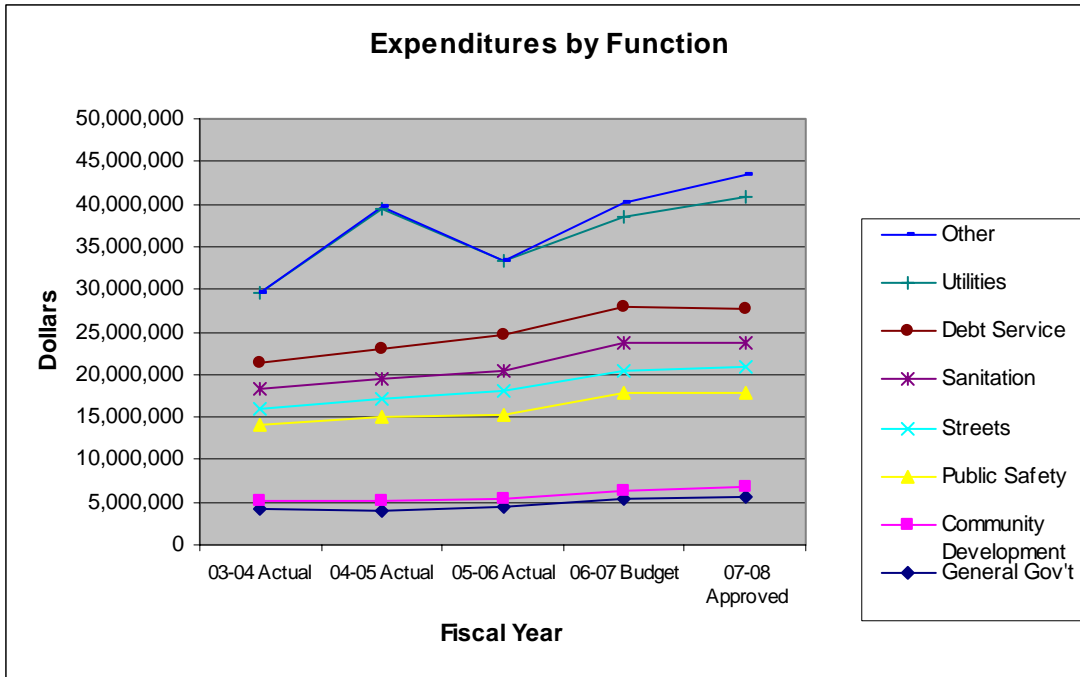
Sanitation - Expenditures for Solid Waste and Sanitation.

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.

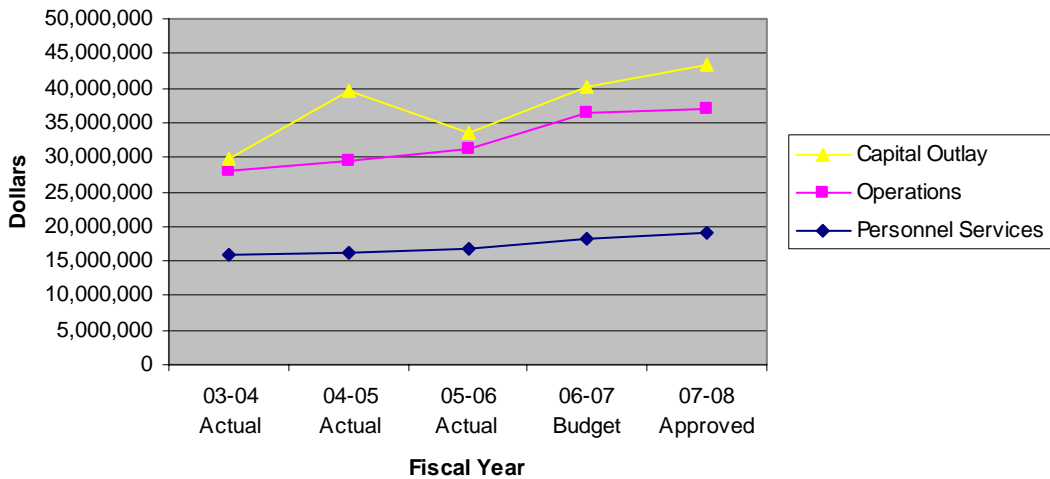
These categories are summarized below:

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.

Expenditures by Category



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**