

CITY OF SANFORD

# Popular Annual Financial Report

FOR FISCAL YEAR  
ENDING JUNE 30,

# 2021

**SANFORD**  
NORTH CAROLINA



*Well Centered.  
Worldwide Access.*

**Providing transparency about the City of Sanford’s financial operations.**

The Popular Annual Financial Report provides residents and other interested parties with an overview of the City of Sanford’s financial results. This report is prepared to increase awareness and provide transparency about the City’s financial operations.

The financial information provided here is obtained from the audited financial statements in the City’s Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2020-21. The ACFR is audited by Joyce and Company, CPA and has received an unmodified or “clean” opinion.

The Popular Annual Financial Report is not an audited document and it does not include details by fund or component unit, nor does it include the other disclosures required by generally accepted accounting principles (GAAP).

This report is designed to provide a summary of the City’s overall financial condition in a user-friendly format and to serve as a supplement to the ACFR – not as a replacement.

To view the ACFR, visit our website at [www.sanfordnc.net/acfr](http://www.sanfordnc.net/acfr). To access all City of Sanford financial reports, visit [www.sanfordnc.net](http://www.sanfordnc.net) and search “finance.”

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See how the Sanford Police Department has responded to its community’s needs.

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# MANAGER'S MESSAGE



**Hal Hegwer**  
*City Manager*

**OUR CITY** continues to be in a period of growth, thanks in large part to our Sanford City Council's unified vision for a modern, progressive city.

Each year, the City of Sanford's budget reflects the four

objectives Council has identified: create jobs, develop a sense of place, install community pride, and establish Sanford as a destination.

Fiscal Year 2020-2021 was marked by the continued challenges brought by the coronavirus pandemic and its impact on our community, state, and country.

However, the City as a whole has still improved financially from the previous year, including:

- Property tax revenues increased due to growth in valuations and stable tax collection rates.

- Commercial and residential development continues to grow.
- Sales tax revenue continues to grow despite government restrictions within our state related to the coronavirus pandemic.

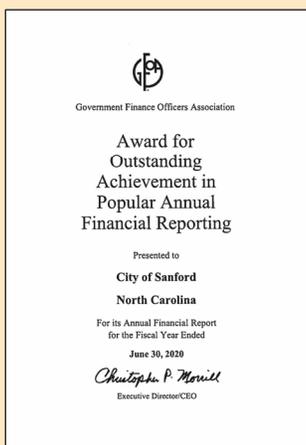
These are unprecedented times in our City but we continue to keep Council's goals moving forward while maintaining fiscal and financial stability.

In this report, you will see many of the ways that Council's vision has taken shape, from investments in our community to engaging citizens in local government to welcoming new industry.

The City of Sanford takes great pride in what we've accomplished even through a global public health crisis and the uncertainties it has brought.

We hope this report gives you a better understanding of how each decision aligned with one overarching goal: to improve the lives of all residents.

## BUDGET & FINANCE AWARDS



**THE CITY OF SANFORD'S** Annual Comprehensive Financial Report (ACFR) has won the Government Finance Officers Association of the United States and Canada (GFOA) award for 40 consecutive years. For the last 35 consecutive years, the City has received the GFOA award for Distinguished Budget Presentation.

To earn these awards, the City must produce an easily readable and efficiently organized budget and ACFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and accepted legal requirements.

The Popular Annual Financial Report has received the award for Outstanding Achievement for 6 consecutive years.



Bob Joyce, Economic Development Executive Director, was named the North Carolina Economic Developer of the Year by the North Carolina Economic Developers Association.

- ◆ **RECOGNIZED AS A 2020 TOP MICROPOLITAN AREA**, placing fifth in the United States, according to Site Selection Magazine. A micropolitan community is defined as having a population between 10,000 and 49,999. Sanford was the highest ranked community in North Carolina.
- ◆ Awarded a \$5,000 grant from Duke Energy for the City of Sanford's newly formed Equity Taskforce Initiative, which was created to examine and work to dismantle disparities in the lives of Sanford residents.
- ◆ Awarded \$1,000 grant from the Honoring Emergency/First Responders Opportunity (HERO) Project by the Rotary Clubs of Sanford and Jonesboro for the Sanford Fire Department to purchase a radio battery conditioner/analyzer.
- ◆ Named a Tree City USA by the Arbor Day Foundation for the ninth consecutive year.

## *Principal Employers*

*(in order of ranking)*

Lee County Schools  
Caterpillar, Inc.  
Pilgrims Pride Corporation  
Bear Creek Arsenal  
Pentair Water Pool & Spa, Inc.  
Central Carolina Community College  
County of Lee  
Tyson Mexican Original, Inc.  
Coty  
Kelly Services, Inc.

## *Principal Property Taxpayers*

*(in order of ranking)*

Coty  
Frontier Spinning Mills, Inc.  
Simpson & Simpson  
Magneti Marelli USA, Inc.  
Moen  
Central Carolina Hospital/AMISUB  
Southpark Village, LLC  
Tyson  
Static Control Components, Inc.  
Pentair Water Pool & Spa, Inc.

## MUNICIPAL TAX

**THE CITY OF SANFORD'S** tax rate for FY 2020-21 remains \$0.60 per \$100 assessed valuation.

Sanford City Council approved an increase in the annual sanitation fee by \$40 per residence, resulting from an increase in the cost of recycling services. This change increased the sanitation fee from \$270 to \$310 per household annually.

A motor vehicle fee remains in place at \$30 per vehicle and trailer.

# OUR CITY



## GREEN SPACES

The City of Sanford owns and maintains nine green spaces within the city limits. Of those, there are:

- 8 parks
- 1 greenway

More greenways were scheduled for construction in FY 2020-21, but they were put on hold.

**INCORPORATED IN 1874**, Sanford has seen steady growth. In the late 1950s, the city's population was approximately 10,000. The city's current population is approximately 30,000 residents and growing.

Centered in the heart of North Carolina, Sanford offers residents and visitors a unique blend of small town charm and big city amenities. Our city boasts an active, energized downtown complemented by lush natural resources and a thriving community.

Whether relaxing, playing, or working, Sanford offers a high quality, well centered way of life.



**CITY LIMITS**  
**28.6 sq mi**



**HOME VALUE**  
**\$144,200**



**MEDIAN AGE**  
**34**



**POPULATION**  
**30,593**



**AVG INCOME**  
**\$49,994**



**UNEMPLOYMENT**  
**6.4%**

## CIVIC ENGAGEMENT

**THE CITY OF SANFORD** approved the formation of an "Equity Taskforce Initiative" to collaboratively examine and work to dismantle disparities in the lives of Sanford residents by bringing an equity lens to improve outcomes for all populations.

The Taskforce's goal is to identify community needs through research, open forums, community meetings, surveys, and collaboration with various municipal departments, groups, and individuals working

in service areas critical to the health and well-being of Sanford residents.

The Taskforce shall be comprised of nine members representing different sectors of the community and three at-large members. Members will serve a term of 6 to 12 months.

Nine members will be selected from the following sectors and must live or work in the Sanford city limits: education, workforce development, criminal justice, health care,

# SIGNIFICANT EVENTS

**SANFORD CITY COUNCIL** approved a 131-home high-density subdivision off of Cool Springs Road, consistent with the city's long-range plan. This development joins the Galvin's Ridge community approved last year and is part of increasing residential development in Sanford's city limits. This activity is a sign that Sanford is appealing to a more diverse population while also meeting its density goals.



Sanford City Council approved a two-cent tax increase for the upcoming fiscal year to fund construction and operation of the City's fourth fire station. The station will be located at the intersection of Colon Road and U.S. Highway 1, close to Central Carolina Enterprise Park and Galvin's Ridge. The goal of the fourth station is to maintain response times across the City despite an increase in mileage and density.



Pfizer invested an additional \$500 million into its gene therapy manufacturing facility. The company's presence in North Carolina currently exceeds 3,600 people, with 650 in Sanford. The expanded facility is expected to add over 100 new jobs.

employment/wages and income, social service, faith-based community, non-profit organization, economic development, housing, real estate, and banking. Three members shall be appointed at-large and also must live in the Sanford city limits.

Duke Energy awarded the City of Sanford a \$5,000 grant for the initiative, which aligns with the company's commitment to social justice and racial equity in North Carolina. The



Abzena, a life-sciences group, purchased Shell Building #2 in Central Carolina Enterprise Park. The 117,000 square foot building was funded in part by the City of Sanford. Abzena will create 325 jobs at an average annual salary of more than \$60,000. The company will be investing \$213 million in Sanford.



The City of Sanford allocated \$162,500 over two years to help fund a third shell building at Central Carolina Enterprise Park to continue attracting new industry to the area. Public funds will only be used if the building hasn't sold before a certificate of occupancy is issued. The previous two buildings were sold by the time they were ready for occupants.

grant is part of Duke Energy's annual social justice and racial equity grant cycle and can be renewed for up to three years.

The first phase of the Taskforce's work will be to examine City of Sanford policies and operations and make recommendations to address concerns.

This phase will center around hiring, law enforcement, leadership, communication, and community responsibility.

# COMMUNITY SUPPORT

**THE CITY OF SANFORD** created the “Sanford Cares” Community Assistance & Relief Emergency Support program in FY 2016-17 to allow utility customers to contribute toward an emergency relief fund to help struggling residents pay their water and sewer bills.



From July 1, 2020 through June 30, 2021, Sanford Cares collected \$631 in one-time contributions from customers. Additionally, the program collected \$7,302 from the customers who have opted to either round up their monthly bill or donate a fixed amount each month. Since inception, the program has raised \$29,770 for emergent utility needs.

Sanford Cares is administered by Johnston-Lee-Harnett Community Action, a private, nonprofit agency. For FY 2020-21, the agency helped residents with \$4,477 in water and sewer bills. The total amount paid out since inception is \$14,554.

To learn how to contribute or to request help, visit [www.sanfordnc.net/sanfordcares](http://www.sanfordnc.net/sanfordcares).

## COMMUNITY DEVELOPMENT

**PILGRIM'S PRIDE CORP** committed \$505,000 to establish a permanent home for the Sanford Agricultural Marketplace.

In partnership with the NC Cooperative Extension, the City of Sanford, and Downtown Sanford Inc., the Pilgrim's of Sanford Ag Marketplace will serve as a farmer's market where Pilgrim's team members and the community can access affordable, fresh, and local foods. Mayor Chet Mann has declared the Marketplace a community staple to address food insecurity and improve community infrastructure.

The Marketplace will also serve as a multi-functional space for civic events and gatherings, including 4-H meetings, farmer education courses, a food donation hub, and bilingual classes on food safety, budget planning, and cooking.

“We’re grateful to have the opportunity to give back to the community and look forward to sustainable agricultural growth right here in the heart of North Carolina,” said Jamal Mohammed, Pilgrim’s Sanford complex manager.

“This investment will allow us to preserve our agricultural heritage and enhance our agri-business community while creating a fantastic venue downtown for civic events and community usage and kickoff more revitalization in the East Sanford area,” says Mayor Chet Mann.



**THE CITY OF SANFORD** Appearance Commission expanded its focus in FY 2020-21 to include safety improvements as well as beautification through the public arts program.

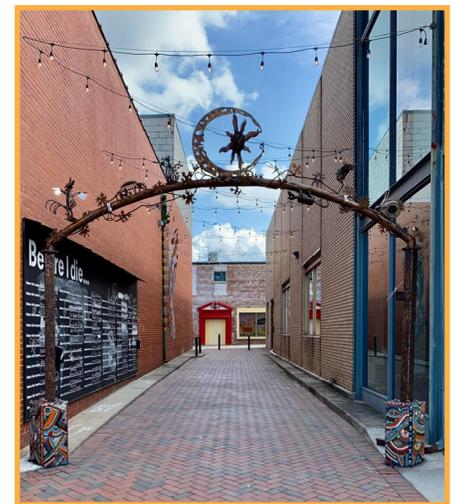


The long-awaited mural of beloved pediatrician Dr. Mary Margaret McLeod was painted by Muralist Chris Dalton on the Department of Social Services building, located at 503 Carthage Street.

The budget for the mural was \$10,000 funded by Ruby and Ernest McSwain Worthy Lands Trust and private donations.

The Commission accomplished two large projects in Charlie Watson Lane for FY 2020-21. The first was installing lighting, funded by Downtown Sanford, Inc., to provide accessibility and safety to the alley, which connects Steele Street to public parking.

For the second project, the Commission contracted sculptor Jason Morris and muralist Chris Dalton to provide an entryway installation to the alley. Jason Morris used found objects to create a decorative metal arch. Chris Dalton tiled the base of the arch in mosaic patterns. The cost for the new installation was \$16,000, which included the cost of the footings for each pillar of the arch.



To fund these improvements, the Visit Sanford Tourism Development Agency granted \$7,000 and Downtown Sanford, Inc. granted \$5,000 to the Commission. The City of Sanford and private donations were also used.

## INNOVATION

**THE CITY OF SANFORD**, Lee County Government, and Downtown Sanford, Inc. partnered to provide free Wi-Fi access to a section of the downtown area.

Called “Open Sanford,” the Wi-Fi network is powered by Open Broadband, a hybrid fiber and fixed wireless ISP solution. The project allows for Wi-Fi through line-of-sight infrastructure, which can be expanded without the need for underground installation.

The network began operation in 2018 and is nearly 100 percent complete. Moving forward, the partnership may extend free Wi-Fi to other areas of downtown and additional areas in Sanford/Lee County where feasible.

“This connectivity and ease of access will enable even more and better experiences in Sanford,” says Mayor Chet Mann. “We want people to visit, stay, and enjoy themselves while shopping, dining, and taking in our downtown.”

# PUBLIC SAFETY

**THE SANFORD POLICE DEPARTMENT** was awarded accreditation by the Commission on Accreditation for Law Enforcement Agencies Incorporated (CALEA). This process requires an extensive commitment by all department personnel to the pursuit of excellence.



CALEA is an independent, nonprofit organization established in 1979 to develop a set of law enforcement standards that would improve the delivery of law enforcement services across the country.

Four major law enforcement associations – the International Association of Chiefs of Police, the National Sheriff’s Association, the National Organization of Black Law Enforcement Executives, and the Police Executive Research Forum – combined efforts to develop and review these standards.

Police Chief Ronnie Yarborough and Captain Eric Pate worked together throughout the accreditation process. While first-year accreditation typically takes about 3 years, the department accomplished it in just 18 months.

## *Why become accredited?*

CALEA accreditation provides objective evidence that departments are in compliance with national and international standards covering all aspects of law enforcement policies, procedures, practices, and operations.



*Police Chief Ronnie Yarborough and Captain Eric Pate of the Sanford Police Department.*

CALEA standards are designed to:

- ◆ Increase the law enforcement agency’s ability to prevent and control crime.
- ◆ Increase agency effectiveness and efficiency in delivering law enforcement services.
- ◆ Increase cooperation and coordination with other law enforcement agencies and with other agencies of the criminal justice system.
- ◆ Increase resident and employee confidence in the goals, objectives, policies, and practices of the agency.



*Mayor Chet Mann presented the Sanford Police Department with the certificate of accreditation at a meeting of the Sanford City Council.*

## ***Strong community-police connection***

Most important for the Sanford Police Department is accreditation's focus on community-oriented policing. "CALEA provides a foundation for us to strengthen our relationship with the community by working together to face challenges and find solutions," says Captain Eric Pate.

The Sanford community has a long history of support for and from the Sanford Police Department. Each officer was already required to take ongoing Crisis Intervention Training, making de-escalation a priority for all interactions. The department has also participated in community

outreach initiatives like National Night Out and Citizens Academy for more than 30 years.

"In Sanford, law enforcement is not all about putting people in jail; it's about helping people," says Mayor Chet Mann. "We want to be as transparent as possible with the community and let them know that we are trying to help them as much as we can. We are in this together."

This accreditation provides a framework to increase that sense of community and teamwork across all demographics and generations, he says.

To learn more about the accreditation process, visit [www.CALEA.org](http://www.CALEA.org).

## **DOWNTOWN POLICING**

**THE CITY OF SANFORD** partnered with Downtown Sanford, Inc. (DSI) in 2019 to launch a downtown policing initiative to help with traffic control, general safety, and community engagement.

For FY 2020-21, Sanford City Council allocated \$97,600 for downtown policing. The initiative contracts off-duty police officers to patrol downtown for approximately 55 hours per week. Officers work in single shifts and walk the downtown core.

Downtown officers provide information about homelessness initiatives, help merchants and visitors with any needs, and offer traffic control as needed, such as on high-shopping days when pedestrians may need help crossing the street or backing out of parking spaces.

"This program has exceeded all expectations from our downtown board and merchants," says DSI Executive Director Kelli Laudate. "All

feedback from officers, merchants, and patrons has been extremely positive."

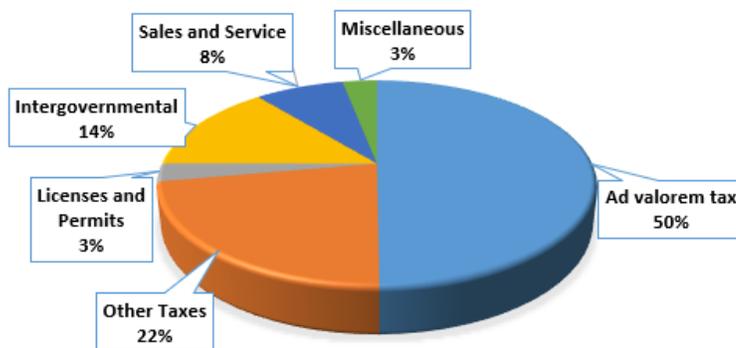


# GENERAL FUND

**THE GENERAL FUND** is the largest fund of the City of Sanford. All revenues, expenditures, and capital additions, except those required to be accounted for in other funds, are accounted for in the General Fund. Most of the governmental services and functions are provided through the General Fund, including general government, public safety, streets, and sanitation. These services and functions are financed primarily by property taxes, other taxes, and intergovernmental revenues.

Revenues	2021	2020	2019	2018	2017
Ad valorem tax	\$17,635,742	\$17,089,953	\$16,253,181	\$15,485,911	\$15,216,230
Other Taxes	7,906,193	6,800,515	6,254,472	5,431,167	5,211,914
Licenses and Permits	1,005,314	1,256,186	598,721	682,409	737,715
Intergovernmental	4,950,866	4,972,577	4,943,754	4,616,542	4,688,737
Sales and Service	2,793,856	2,390,734	1,994,985	1,986,415	1,852,633
Miscellaneous	1,082,797	1,144,717	1,343,618	1,177,452	1,110,443
<b>Total Revenues</b>	<b>\$35,374,768</b>	<b>\$33,654,682</b>	<b>\$31,388,731</b>	<b>\$29,379,896</b>	<b>\$28,817,672</b>

## Where The Money Comes From



Taxes comprise the vast majority of the General Fund revenues at 72% of the total.

Property taxes are the largest funding source at 50% of total City revenues. Other taxes are second at 22% of total City revenues.

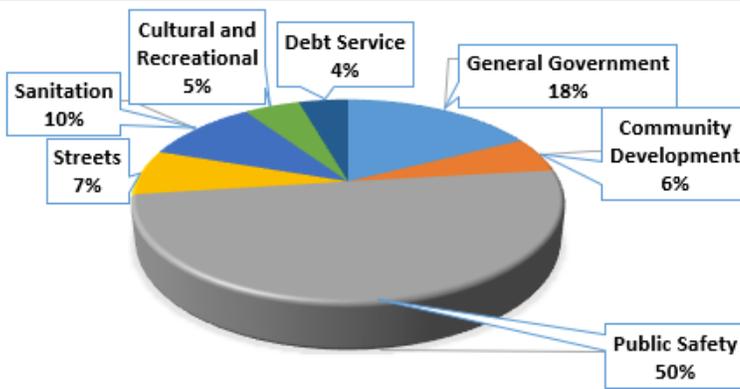
Intergovernmental funding source consists of items such as utility franchise tax, Powell Bill, 911 surcharge reimbursement, and revenue from other local governments and reflects 14% of total City revenues.

## Revenue Trend Variances

- ◆ **Licenses and permits** revenue decreased by 20% compared to prior year. The City and County had an increase in large commercial projects and single family residential construction in the prior year.
- ◆ **Other taxes** revenue reflects a 16.3% increase compared to prior year. The state collects and distributes proceeds from the locally levied tax on retail sales, which varies from year to year.
- ◆ **Ad valorem tax** revenue reflects a 3.2% increase compared to prior year due to growth.
- ◆ **Miscellaneous** revenue decreased by 5.4% compared to prior year mainly due to a decline in investment income.
- ◆ **Sales and service** revenue increased by 16.9% compared to prior year due to an increase in the annual sanitation fee of \$40 per residence.

Expenditures	2021	2020	2019	2018	2017
General Government	\$5,404,318	\$5,234,528	\$4,950,487	\$4,934,643	\$5,058,446
Community Development	1,751,777	1,655,620	1,642,834	1,445,911	1,395,507
Public Safety	15,416,684	14,821,699	15,025,201	14,583,556	14,390,240
Streets	2,247,317	3,223,065	2,112,906	3,556,406	3,181,574
Sanitation	3,196,592	2,784,800	2,770,664	2,545,634	2,571,849
Cultural and Recreational	1,554,949	1,091,394	751,910	883,559	690,827
Debt Service	1,377,951	1,446,491	1,383,178	1,043,238	1,061,238
<b>Total Expenditures</b>	<b>\$30,949,588</b>	<b>\$30,257,597</b>	<b>\$28,637,180</b>	<b>\$28,992,947</b>	<b>\$28,349,681</b>

### Where The Money Goes



Public Safety accounts for 50% of General Fund expenditures and consists of police, fire, and building inspections.

At 18%, the General Government function includes Governing Body, Administration, Human Resources, Finance, Information Technology, Legal, Public Buildings, Fleet Maintenance, and Horticulture.

Street category includes street maintenance and street capital improvements. Community Development includes Code Enforcement and Downtown/Historic Preservation.



The City spent \$376,216 in FY 2020-21 to purchase patrol vehicles for the Sanford Police Department.

### Expenditure Trend Variances

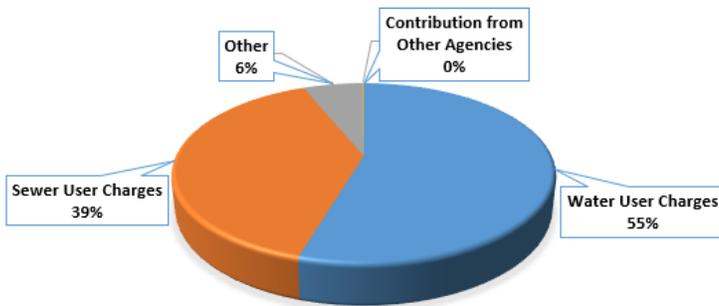
- ◆ **Street** category decreased by 30.3% compared to prior year. This significant decrease is due to timing of projects such as street resurfacing.
- ◆ **General Government** category increased by 3.2% compared to prior year. The increase is mainly due to COVID related expenditures, outside legal counsel, and contractual services.
- ◆ **Cultural and Recreational** category reflects an increase of 42.5% mainly due to the purchase of new golf carts.
- ◆ **Sanitation** category reflects an increase of 14.8%, mainly due to purchase of capital and recycling cost.

# UTILITY FUND

**THE CITY OF SANFORD** uses the Utility Fund to account for the City’s water and sewer system operations. This fund operates in a manner similar to private business enterprises. The costs (including depreciation) of providing water and sewer services to its customers on a continuing basis are financed primarily through user charges.

Revenues	2021	2020	2019	2018	2017
Water User Charges	\$12,053,113	\$11,379,475	\$11,037,854	\$11,187,764	\$10,590,494
Sewer User Charges	8,648,769	8,375,887	9,251,851	9,644,991	9,763,436
Other	1,341,526	778,745	722,649	667,840	622,932
Contribution from Other Agencies	20,268	316,022	338,932	6,888	442,230
<b>Total Revenues</b>	<b>\$22,063,676</b>	<b>\$20,850,129</b>	<b>\$21,351,286</b>	<b>\$21,507,483</b>	<b>\$21,419,092</b>

## Where The Money Comes From



User charges comprise the vast majority of Utility Fund revenues at 94%. Other funding sources are items such as monitoring fees, connection and tap fees, investment income, and charges to other funds.

Contribution from other agencies includes Federal Emergency Management Agency (FEMA) and Coronavirus Aid, Relief, and Economic Security (CARES) Act funds.

## Revenue Trend Variances

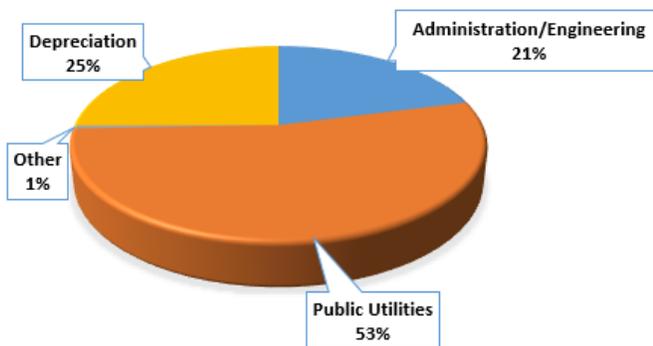
- ◆ **Water and sewer user charges** increased by a combined 5% compared to the prior year. This increase is due to a 5% rate increase for both water and sewer charges.
- ◆ **Contributions from other agencies** reflects a 93.6% decrease compared to prior year. This decrease is mainly the result of revenue for the Sanford Community Assistance & Relief Emergency Support (CARES) program received in the prior year.
- ◆ **Other** revenue reflects a 72.3% increase compared to prior year and is the result of assessments and sale of capital assets.



*The City allocated \$184,463 in FY 2020-21 to paint the Colon Road water tank.*

Expenses	2021	2020	2019	2018	2017
Administration/Engineering	4,961,528	\$4,288,998	\$ 3,779,901	\$ 3,972,601	\$ 3,389,058
Public Utilities	12,670,235	12,461,284	11,623,356	9,662,569	9,172,099
Other	118,595	120,418	137,864	100,609	277,145
Depreciation	5,942,707	5,497,921	5,582,302	5,624,842	5,563,619
<b>Total Expenses</b>	<b>\$23,693,065</b>	<b>\$22,368,621</b>	<b>\$21,123,423</b>	<b>\$19,360,621</b>	<b>\$18,401,921</b>

## Where The Money Goes



Public utilities represent 53% of the total Utility Fund expenses.

This money is used to maintain the water and sewer lines, as well as operate the water filtration and water reclamation facilities.

Depreciation accounts for 25% of Utility Fund expenses.



*The City spent \$313,094 in FY 2020-21 to purchase three backhoes for the Distribution & Collection Department.*

## Expense Trend Variances

- ◆ **Administration/Engineering** increased by 15.7% mainly due to an increase in General Fund reimbursement and online bill pay.
- ◆ **Public Utilities** reflect a 1.7% increase from prior year. This increase is mainly due to major infrastructure repairs throughout our water and sewer system, rental of equipment, and the meter exchange program.
- ◆ **Other** expenses show a 1.5% decrease due to purchases for inventory.



# FUND BALANCE

**FUND BALANCE** is similar to a savings plan in that it represents monies which remain unspent after all budgeted expenditures have been made.

The City of Sanford strives to only use fund balance to cover capital items and other one-time use items. The City works to keep at least 30% of the closing fiscal year’s General Fund operating budget as reserves.

The General Fund is the City’s chief operating fund. At the end of the current fiscal year, the fund balance available in the General Fund was \$14,992,210.

The City currently has an available fund balance

of 48.5% of General Fund expenditures, while total fund balance represents 78.2% of the same amount.

The City maintains an AA bond rating from Fitch and was upgraded to an AA bond rating from Moody’s for its general obligation bonds, which include Streetscape, Sidewalk, and Parks & Recreation bonds.

The City maintains an Aa3 bond rating from Moody’s and an AA– from Fitch for its revenue bonds for water and sewer infrastructure improvements.

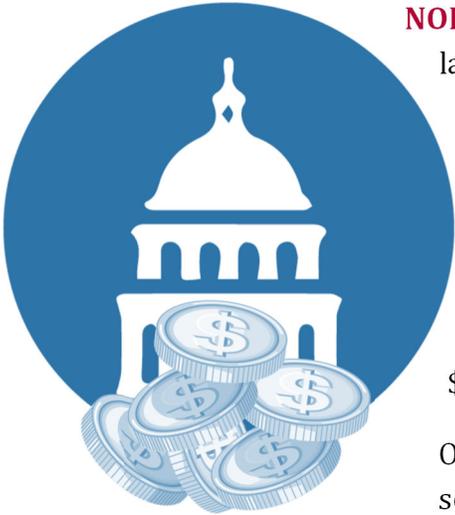
Maintaining a good bond rating typically yields a lower interest rate.

General Fund	2021	2020	2019	2018	2017
Beginning General Fund Balance	\$18,414,444	\$17,290,537	\$14,406,606	\$10,425,457	\$11,810,474
Adjustment to Beginning Fund Balance	0	0	0	0	147,764
Revenues	35,374,768	33,654,682	31,388,731	29,379,896	28,817,672
Expenditures	(30,949,588)	(30,257,597)	(28,637,180)	(28,992,947)	(28,349,681)
Issuance of Debt	1,165,909	0	0	1,000,000	0
Insurance Recovery	47,117	52,651	89,637	12,822	29,817
Sale of Property	218,891	32,761	165,017	361,833	0
Transfers In	171,821	0	2,096,000	2,581,236	54,809
Transfers out	(264,190)	(2,358,590)	(2,218,274)	(361,691)	(2,085,398)
Net Change in Fund Balance	5,764,728	1,123,907	2,883,931	3,981,149	(1,532,781)
<b>Ending General Fund Balance</b>	<b>\$24,179,172</b>	<b>\$18,414,444</b>	<b>\$17,290,537</b>	<b>\$14,406,606</b>	<b>\$10,425,457</b>



*The City’s FY 2020-21 budget funded the first full year of operation of the new Kiwanis Family Park playground and splash pad.*

*In addition to general maintenance, expenses included extra cleaning to adhere to COVID-19 safety protocols.*



**NORTH CAROLINA GENERAL STATUTES** allow cities to go into debt for large capital projects, such as streetscape improvements, infrastructure updates, and heavy equipment purchases.

However, the statutes limit how much debt a city can incur. The limit is 8% of the total assessed value of taxable property located within that government’s boundaries. This is called a legal debt margin.

As of June 30, 2021, the City of Sanford had total bonded debt of \$44,670,000 which is only 21% of our legal debt margin.

Of our total debt, \$37,070,000 is backed by revenue from water and sewer user charges. Another \$7,600,000 is in general obligation bonds that were approved through voter referendum and are supported by annual property taxes. Remaining debt includes revolving state fund loans and installment purchase agreements.

The legal debt margin for the City of Sanford is \$209,026,558.

## BUDGET PROCESS

**THE CITY OF SANFORD** 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 subject to public inspection and a public hearing prior to adoption. The budget is considered balanced when estimated net revenue equals appropriations.

Sanford City Council has the authority to amend the annual operating budget through legislative action. All budget amendments must be reported in a public Council meeting and made a matter of record.

The proposed budget ordinance is posted on our website at [www.sanfordnc.net/budget](http://www.sanfordnc.net/budget). The document is updated with the final ordinance upon its adoption.

377  
EMPLOYEES

11  
DEPARTMENTS

\$54.6M  
EXPENDITURES

1  
BUDGET

# GOVERNING BODY

**THE CITY OF SANFORD'S** policy-making and legislative authority are vested in a council-manager form of government. The Governing Body consists of the mayor and Sanford City Council.

There are seven council members. Five are elected from individual wards and two are elected at-large. The mayor is elected for a four-year term of office and the council members are elected for staggered terms of four years. There are no term limits for council members or the mayor.

The council is responsible for establishing general policies for the City; appointing the

City Manager, City Clerk, and members of various boards and commissions; enacting ordinances, resolutions and orders; reviewing the annual budget; and authorizing contracts on the City's behalf.

Working hand in hand with the city manager, the council plays a key role in the budget process and the financial well being of the City of Sanford.

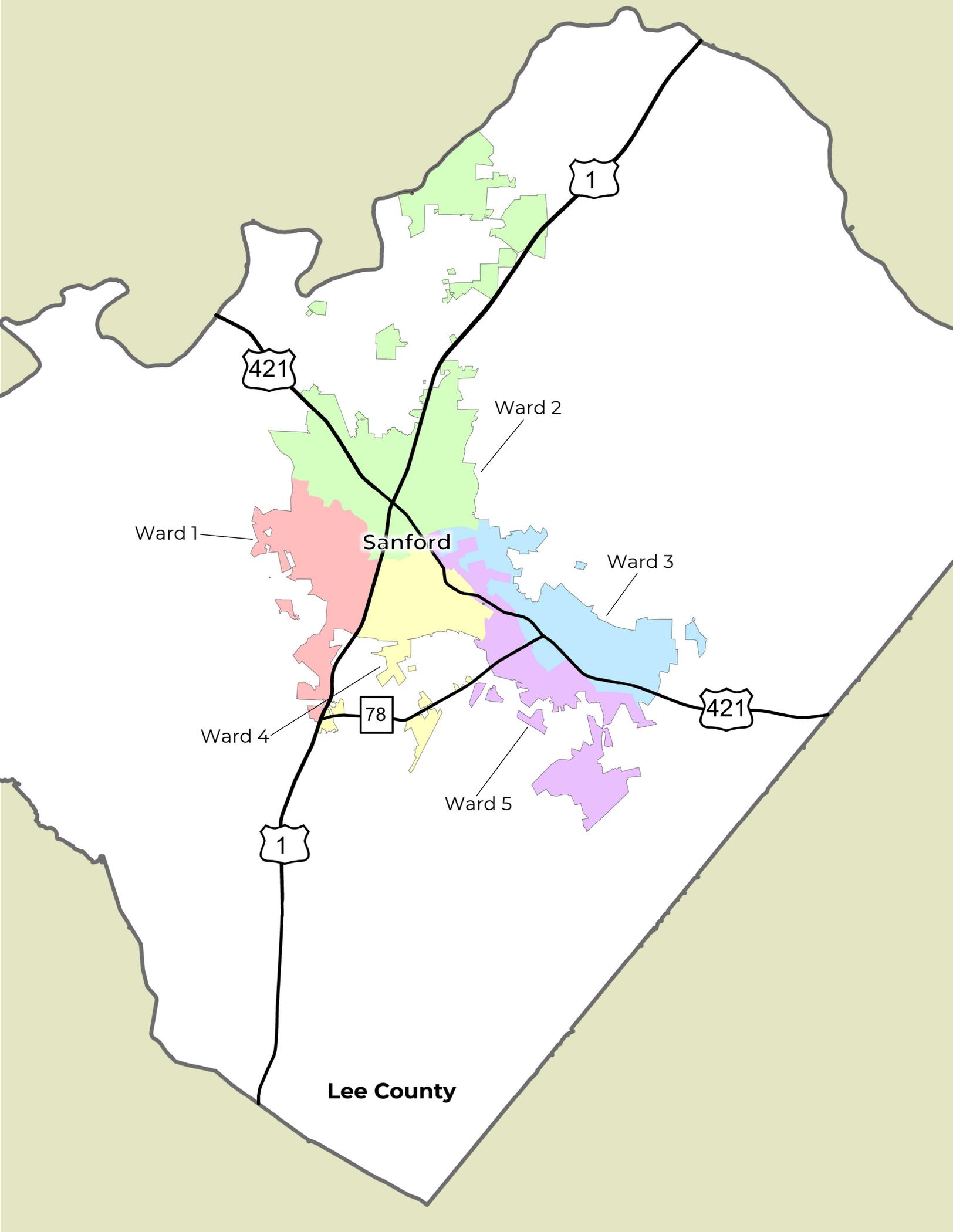
The City Council holds regular meetings on the first and third Tuesday of each month. They hold workshops on the second Tuesday or as needed. Meetings are open to the public.



Back row left to right: Byron Buckels, Council Member and Mayor Pro Tem; Sam Gaskins, Council Member; Norman Chas Post III, Council Member; and Jimmy Haire, Council Member. Front row left to right: Rebecca Wyhof Salmon, Council Member; T. Chet Mann, Mayor; James Williams, Council Member; and Charles Taylor, Council Member.

*If you have any questions about this report, or need additional financial information, please contact the Finance Department of the City of Sanford by email at [cindy.oquinn@sanfordnc.net](mailto:cindy.oquinn@sanfordnc.net), by phone at 919-777-1141, or by mail at City of Sanford, Finance Department, PO Box 3729, Sanford, NC 27331-3729.*





1

421

Ward 2

Ward 1

Sanford

Ward 3

78

Ward 4

421

Ward 5

1

Lee County



**SANFORD FIRE DEPARTMENT P. 7**

The City of Sanford will build its fourth fire station to ensure adequate protection as the city continues to grow.