AGENDA

Meeting Type:	W
Date	09-04-1990
SUBJECT	

City of Charlotte, City Clerk's Office

CHARLOTTE.

MAYOR AND CITY COUNCIL WORKSHOP AGENDA

SEPTEMBER 4, 1990

MAYOR AND CITY COUNCIL
WORKSHOP AGENDA

September 4, 1990

5 15 - 6 45	Retreat Planning - Discussion of Criminal Justice Priority Issue
6 45 - 7 00	Dinner
7 00 - 9 00	Retreat Planning - Discussion of Public Resources Priority Issue

THE CHARLOTTE-MECKLENBURG CRIMINAL JUSTICE SYSTEM

AND

CRIME AND DRUG PREVENTION EFFORTS

City Council Workshop
September 4, 1990

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INTRODUCTION

At the February 1990 City Council Retreat, Council identified five major issues that they wished to focus on during 1990 One of those issues is drugs and the criminal justice system Within this issue Council identified two issues that it wanted to explore

- o the development of a unified criminal justice system
- o the development of a region-wide anti-drug effort

This Workshop will be used to explore the issues that are associated with the City's involvement in the criminal justice system and in community-wide drug prevention efforts The result of the Workshop will be the development of a number of action steps for the City Council to consider at their October retreat

In order to focus these options, we must determine

- o Who are the key actors?
- o What does the City want to accomplish?
- o What is the City's role in relation to the other participants?
- o What are the constraints on City actions?
- o How can the City address these constraints?

Background information is included on the structure of the criminal justice system, taken from the information compiled by the study completed by UNCC's Urban Institute and action steps already taken by the City towards the improvement of the Charlotte-Mecklenburg criminal justice system and the area drug problems

POLICE PERSPECTIVE ON THE CRIME AND DRUG PROBLEM

The Charlotte Police Department feels that the drug problem in Charlotte touches all segments of the community While police and the criminal justice system are a critical part of the solution to the drug problem, their efforts must be accompanied by a strong program of drug education, prevention, and treatment aimed at reducing the demand for drugs

While it is true that intensive police efforts impact the other components of the criminal justice system, it is imperative that police and the Council continue to meet their obligation to keep the streets safe If police reduce their efforts, the criminal will get the message that the streets are his and public confidence in police and city government will be eroded Police believe that the city s primary obligation remains public safety, but those efforts could be supplemented by a combination of improvements to the criminal justice system, the development of a coordinated community drug education and prevention framework, and clearly defined criteria for the continuation of the Drug and Alcohol Commission

EXPECTATIONS

At the February Council Retreat, the Council defined their expectation concerning the criminal justice system and the crime problem. This expectation was embodied in Council's statement:

"We would like a Charlotte where people feel safe to live, work , and play in all areas of the community, and where decisions are not driven by fear and crime. In particular, we would like a Charlotte where people have no need for drugs, will not tolerate drugs, and get no benefit from drugs."

o Who are the other participants in this process and what are their roles?

1 CRIME/COMMUNITY DRUG PREVENTION AND EDUCATION	
Drug and Alcohol Commission	
Citizens Criminal Justice Commission	CITY AND COUNTY GOVERNMENTS
Community Relations Committee	
Neighborhood Centers	
Housing Authority	
Detox Center	
Charlotte-Mecklenburg Schools	
Drug Education Center	
Open House, Amethyst, Charter Pines	COMMUNITY ORGANIZATIONS
Churches civic groups neighborhood groups, local colleges and universities, health professionals	
2 LAW ENFORCEMENT (APPREHENSION)	
Charlotte Police Department	CITY
Mecklenburg County Police Department	COUNTY
Small Town Police Departments	SMALL TOWNS
N C Highway Patrol	STATE
3 CONTROL	COUNTY
Mecklenburg County Sheriff's Department	
Pretrial Services	
Central Intake Center	
4 CASE PROCESSING	STATE
A Intake Center Bond Setting	
Magistrates	
B Determination of prosecution	
District Attorney's Office	
C Case Adjudication	
District Attorney's Office	
Public Defender's Office	
District Court Judges	
Superior Court Judges	
D Adminstration and Post-Release Monitoring	
Probation and Parole	
Clerk of Superior Court	

- What should the City's role be in relation to other participants?

At the February Council Retreat, Council suggested several possible action steps to consider when addressing the issue of the criminal justice system and the community s drug problem These are listed below as a starting point for your discussion and for the development of further specific goals and objectives

o What are we specifically trying to accomplish?

1 The development of a unified criminal justice system

2 The development of a plan and the coordination of funding for a region-wide anti-drug effort

3 Work with the Board of County Commissioners to support the reappointment of the Citizen s Criminal Justice Committee

o What are the constraints on City actions?

1 HOW CAN WE DEFINE COMMUNITY CONSENSUS ON CRIME AND DRUGS?

2 HOW MUCH OF A CONSTRAINT ARE FINANCIAL ISSUES IN DEVELOPING THE CITY'S ACTION PLAN?

3 ARE THERE LEGAL ISSUES WHICH MAY CONSTRAIN CITY ACTION?

4 DO WE HAVE ALL THE INFORMATION WE NEED TO DEVELOP THE CITY'S ACTION PLAN?

5 ARE THERE TIME CONSTRAINTS IN DEVELOPING THE CITY'S ACTION PLAN?

ACTION STEPS

In preparing proposals for actions steps to be considered by the City Council, the Office of Budget and Evaluation contacted the heads of each of the organizations that comprise the Charlotte-Mecklenburg criminal justice system Each organization was surveyed to obtain suggestions for ways in which the City can take action to improve the effectiveness of the criminal justice system

Included in the list below is a compilation of those suggestions for your consideration These suggestions are not intended to be a complete list of all the actions which may be taken by the City, but are just some suggestions which you may discuss, discard or use as a starting point for additional action steps

STAGE COMMUNITY DRUG PREVENTION AND EDUCATION

PROPOSED ACTION STEP	RESPONSIBLE AGENCY	CITY'S ROLE (Can City accomplish through decision/$)
o Enforce the police-citizen relationship by creating a SCHOOL SAFETY VOLUNTEER program with volunteer adults who walk the campuses of public schools to deter violence, assist resource officers at the schools, and put a citizen presence in the school system	CITY, COUNTY	
o Take a leadership role in community efforts promoting drug and alcohol rehabilitation	CITY	
o Review all existing reports made on community drug prevention efforts and take some action towards the implementation of the recommendations of these reports	CITY	

STAGE LAW ENFORCEMENT (APPREHENSION)

PROPOSED ACTION STEP	RESPONSIBLE AGENCY	CITY'S ROLE (Can City accomplish through decision/$)
o Charlotte Police Department should track actual disposition of cases after they enter the prosecution stage of the process to assess why rejected by D A , why dismissed or charges reduced, and if successfully prosecuted	CITY	
o Provide investigative assistance to D A to prepare better cases and to contribute to a greater rate of successful prosecution	CITY	
o Provide greater training to law enforcement personnel who are promoted to felony investigations to reinforce police academy training	CITY	
o Provide greater training to law enforcement personnel using the Central Intake Facility to improve the information obtained on detainees at the Intake Center	CITY	
o Institute a more concentrated citation program in the Charlotte Police Department to decrease the number of minor misdemeanors that enter the criminal justice system	CITY	
o Study the police intake process to identify the viabilty of alternatives to arrest, for example transport of intoxicated persons or domestic dispute arrests to community mental health facilities for treatment instead of arrest	CITY	

STAGE LAW ENFORCEMENT (APPREHENSION)

PROPOSED ACTION STEP	RESPONSIBLE AGENCY	CITY'S ROLE (Can City accomplish through decision/$)
o Consolidate City and County Police Departments for greater efficiency	CITY, COUNTY	
o Conduct training or retraining of police officers responsible for felony investigations to ensure proper and complete investigation for prosecution and to decrease the number of cases rejected for prosecution	CITY	
o Develop a standardized format and checklist for felony and misdemeanor case files for all cases in which an arrest is made or charges are requested by the police department to promote a decrease in the chances of the omission of necessary information	CITY, STATE (D A)	
o Arrest all persons who violate the law in order to send a message of intolerance to the drug using community, notwithstanding the constraints of the prosecution and incarceration components of the criminal justice system	CITY	
o Oversee the review of all actions taken by the City in its law enforcment efforts to determine any disruption to other components of the criminal justice system, inform the heads of all organizations in the criminal justice system who are impacted by City actions and policy decisions	CITY	
o Study the issue of "overcharging" persons at the time of arrest, which increases the bond amount for a prisoner and results in keeping people in jail longer.	CITY	

STAGE CASE PROCESSING

PROPOSED ACTION STEP	RESPONSIBLE AGENCY	CITY'S ROLE (Can City accomplish through decision/$)
o Take a leadership role in advocating changes on the State level to improve the criminal justice system, for example allowing local government to supplement funding state-supported components of the system	CITY	
o Convene a meeting with the heads of all of the components of the criminal justice system for a roundtable discussion for future actions which may be taken to improve the effectiveness of the criminal justice system	CITY	

STAGE CONTROL

PROPOSED ACTION STEP	RESPONSIBLE AGENCY	CITY'S ROLE (Can City accomplish through decision/$)
o Improve the management at the Central Intake Facility by the staff, which consists of County Police, Sheriff and Pretrial Services, and State-authorized Magistrates, by hiring a facility manager or conducting a study to determine the best management solution	COUNTY	
o Take a leadership role in the community on developing sites for a new jail and developing alternative sentencing initiatives	CITY	

ACTION STEPS PROPOSED AT THE CITY COUNCIL RETREAT

PROPOSED ACTION STEP	RESPONSIBLE AGENCY	CITY'S ROLE (Can City accomplish through decision/$)
o Support a coordinated public program and total community effort for prevention and treatment of drug abuse Give higher visibility and public support to drug education		
o Empower the Drug Commission to evaulate all aspects of law enforcement and government, and to recommend improvements in programs		
o Increase the number of policemen Increase their visibility through foot, bicycle, or horseback patrols Consolidate City and County police forces Cooperate with private security forces		
o Seek legislative authority for local property forfeitures for drug convictions (which now go to the federal government) Seek more innovative means for punishment		
o Encourage private and public sector drug testing Arrange drug rehabilitation assistance for anyone who seeks help		

BACKGROUND

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1 Actions Steps Already Taken by the City

2 Anti-Drug Initiatives in Other Communities

3 Executive Summary UNCC Criminal Justice System Report

4 Attachment A Detail on UNCC Report

5 Table 1 The Charlotte-Mecklenburg Criminal Justice System

ACTION STEPS ALREADY TAKEN

May Council Workshop

On May 7, 1990, City Council held a workshop on the criminal justice system At that workshop, the structure of the criminal justice system was highlighted, along with the problems that result when the level of government authorizing and funding the components differs Although the components are interdependent, this difference in authority and funding levels causes problems in the system Representatives from components of the criminal justice system spoke of delays, problems in information sharing, the overwhelming workload related to the drug problem, and jail overcrowding

The FY91 Budget

The City's FY91 budget contained a number of items that were associated with criminal justice and anti-drug initiatives Items that were included in the budget to enhance drug prevention and enforcement activities were

o **Citizens' Criminal Justice Commission** The Commission will receive staff support to assist in monitoring criminal justice system activities and developing short- and long-term objectives and plans	$ 49,000
o **Drug Abuse Resistance Education (DARE)** Two officers have been added to the existing DARE program to provide drug abuse resistance education to students and to develop a positive relationship between the police and young people	66,693
o **School Resource Officers** Three officers were added to strengthen police presence on school campuses, interact with students, act as first responder for incidents at schools and work closely with the faculty and PTA to combat crime and drugs in the schools.	100,038
o **Street Interdiction Units** Two street interdiction units were added to saturate specific patrol areas where there is heavy drug use to enforce and deter the incidence of street drug sales	1,008,093
o **Semi-automatic weapons**	750,000
TOTAL	$ 1,973,824

ANTI-DRUG INITIATIVES IN OTHER COMMUNITIES

Many other communities across the United States are faced with similar crime and drug problems Some of these communities have instituted innovative anti-drug programs Listed below are examples of these programs which may be used as a starting point for discussion of anti-drug program ideas for Charlotte-Mecklenburg

o "DO DRUGS DO TIME" MARICOPA COUNTY, ARIZONA (Phoenix)

The Phoenix program "Do Drugs Do Time" uses the media to inform the community that casual drug users from all segments of the community The goal of the program is to change attitudes about drug use and to offer first-time offenders a second chance, through a deferred prosecution program This program also focuses on education and prevention efforts in the schools

o THE REGIONAL DRUG INITIATIVE PORTLAND, OREGON

The Regional Drug Initiative is a task force comprised of policy makers from goverment, education, law enforcement, corrections, citizen's groups, treatment providers and private businesses The strategy of the Initiative is to reduce the supply and availability of illegal drugs by supporting enforcement efforts as well as to reduce the demand for illegal drugs by fostering changes in social attitudes and increasing opportunities for recovery

o PREVENTION NETWORK DADE COUNTY, FLORIDA (Miami)

The Prevention Network and its Prevention Advisory Council is comprised of representatives of area drug prevention organizations, the school system, police departments, business leaders and community leaders The purpose of the Council is to provide an opportunity to share expertise and ideas and to eliminate barriers that stifle communication among the members of the Network

o "I CARE" BATON ROUGE, LOUSIANA

This is a school-system based prevention effort to establish a referral system for those using alcohol and drugs and to provide a forum for drug education efforts The Advisory Board consists of parents, school groups, treatment centers, hospitals, media, business and legal representatives The nineteen full-time staff members are funded by a dedicated portion of the property tax voted in by the taxpayers

o METROPOLITAN KANSAS CITY TASK FORCE ON ALCOHOL AND DRUG ABUSE

In order to promote comprehensive drug prevention planning among the greater Kansas City area, the mayor of Kansas City assembled a Task Force to study drug and alcohol prevention The local university, law enforcement agencies, public and private service agencies, the media and the schools were all assembled into the Task Force The Task Force has been successful in developing an understanding of the interrelatedness of planning and action, as well as the successful implementation of drug prevention programs

o IMPACT FOR LIFE SOUTH CHARLESTON, WEST VIRGINIA

This organization is a grassroots network which coordinates drug prevention efforts for youth and adults Many of the programs for students are aimed at providing them with life skills

The UNCC Report

The City contracted with the Urban Institute of the University of North Carolina at Charlotte to provide an overview of the Charlotte-Mecklenburg criminal justice system, including the sources of authority and funding and the nature of their interactions with the other agencies in the system The information contained in this report was intended to be used as a common starting point for developing a better understanding of the current operations of the criminal justice system and to help in the development of solutions to some of the concerns of the agencies A more detailed account of this report is found in Attachment A

The findings of the report include

- o Eight of the thirteen components of the system are authorized and funded by the State of North Carolina, four by Mecklenburg County and one by the City of Charlotte

- o Eight of the agencies expressed a need for additional personnel, either in their own organization or in one or more agencies with which they interact

- o Six of the agencies expressed a concern about inadequate funding of their organization

- o Workload problems were expressed by most of the agencies

- o Several agencies expressed concerns about the operation and management of the Central Intake Facility, including inadequate training of police officers who use the facility, delays in processing arrested persons, and lack of adequate staff

- o Inadequate jail space is a problem in the system

- o Several agencies noted the poor public image of the criminal justice system

A copy of the report is available in the Council library

ATTACHMENT A UNCC REPORT

1 LAW ENFORCEMENT

o Charlotte Police Department

Funding Source City of Charlotte
FY91 Budget $36 0 million, 1,036 full-time employees
Responsibilities make approximately 80% of all arrests in Char-Meck

Concerns
1 too many arrested persons do not come to trial
2 too many convicted people are released before serving all time
3 need more attention to the drug problem, treatment, education
4 *prison and jail space*

o Mecklenburg County Police Department

Funding Source Mecklenburg County
FY91 Budget $10 6 million
Responsibilities make approximately 20% of all arrests in Char-Meck
conduct positive identification at Intake Center
manage and staff MCCJIS

Concerns
1 funding
additional needs of small towns cannot be anticipated, affects budget
2 *jail space*
3 more judges
4 more prosecutors

o Mecklenburg County Sheriff's Department

Funding Source Mecklenburg County
FY91 Budget $10 7 million
Responsibilities: *manage the Mecklenburg County Jail and* Satellite Jail; deliver summons and Orders for Arrest, fingerprint, photograph and Breathalyzer tests at Intake Facility, escort arrested persons through intake process

Concerns
1 additional jail space
2 new facilities spread out too much
3 *additional personnel at Pretrial Services and Magistrates* at the Intake Facility
4 more bailiffs for security for judges
5 heavy demand for serving papers

2 CENTRAL INTAKE FACILITY

Funding Sources/Budget Shared among the Pretrial Services, Mecklenburg County Sheriff and Magistrate budgets

Responsibilities process persons suspected of a criminal violation

Interactions With Other Agencies

a Mecklenburg County Sheriff's Department MCCJIS, positive ID
b Mecklenburg County Sheriff's Department photographs, fingerprints, Breathalyzer tests
c Pretrial Services interviews, background checks
d Magistrates determine the conditions for release

Concerns

1 Sheriff more Magistrates, more Pretrial Services staff

2 Magistrate delays in processing after arrest arresting officer cannot be located to correct incorrect or incomplete entry on processing forms, also delays resulting in not enough Sheriff's Deputies for escorting persons through the system

3 Pretrial Services lack of adequate staff (salaries too low) incomplete information obtained on arrestees

3 PRETRIAL SERVICES

Funding Source Mecklenburg County, $1 1 million, 26 full time

Responsibilities conduct interviews to screen criminal defendants to determine pretrial release as alternative to the bond system, monitor all released persons until their scheduled court appearance

Concerns

1 staffing difficulties (see Central Intake Facility)
2 multiple repeat offenders

4 MAGISTRATE'S OFFICE

Funding Source State of North Carolina AOC
Budget figures included in District Court budget,
There are 24 magistrates, supervised by the Chief District Court Judge in judicial matters the Clerk of Superior Court in clerical matters

Responsibilities accept guilty pleas to minor misdemeanors, accept waivers of trial and guilty pleas in certain traffic cases, handles worthless check cases of $500 or less, set bond for arrested persons under their jurisidiction

Concerns

1 case flow volume, arresting officer leaves work unfinished
2 police officers need better training in intake procedures

5 DISTRICT ATTORNEY

Funding Source State of North Carolina
Budget $1 4 million, 20 assistant DA's 22 support staff
Responsibilities prosecute all criminal cases in the District and Superior Courts of Mecklenburg County, determines which cases will be brought to trial

Concerns

1 funding problems versus pressures to prosecute cases
2 needs for investigative assistance
3 MCCJIS needs to be improved
4 additional quality control over the arrest reports and forms used by officers to support cases against criminal suspects

6 PUBLIC DEFENDER

Funding Source State of North Carolina
Budget $1 3 million, 21 attorneys, 13 support staff
Responsibilities represent criminal defendants who cannot afford an attorney

Concerns

1 Money appropriated to pay private attorneys to handle excess workload runs out before the end of the year
2 jail overcrowding limits access to clients by Public Defenders
3 image problem of representation by a public defender

7 TRIAL COURT ADMINISTRATOR

Funding Source State of North Carolina
Budget part of Superior Court budget
Responsibilities provides adminstrative support to the District and Superior Court judges, serves as a liason among the various elements in the criminal justice process, worked toward the establishment of MCCJIS

Concerns

1 Misunderstanding of this position
2 Need to better coordinate the distribution of funds among the various agencies according to critical needs
3 funding
4 more coherent managment of the Intake Facility

8 CLERK OF SUPERIOR COURT

Funding Source State of North Carolina
Budget $3 4 million, 116 staff
Responsibilities record-keeping in the criminal justice process, collects and distributes fines, fees, forfeitures

Concerns

1 State funding does not keep up with increases in local programs that impact the Clerk's workload, the Clerk cannot keep up with the system
2 Need additional staff to keep up with large data processing systems
3 The Clerk is collection agency for most other law enforcement and judicial agencies, but does not get reimbursed

9 COURTS

o District Court

Funding State of North Carolina
Budget $1 9 million for 12 District Court judges, 24 magistrates, and one clerical staff
Responsibilities civil jurisdiction in cases less than $10,000, all misdemeanors, probable cause hearings for felonies, juvenile

Concerns

1 backlog of cases
2 need expansion of the child custody mediation program
3 need additional clerical staff

o Superior Court

Funding State of North Carolina
Budget $1 3 million for six Superior Court judges, three clerical staff, the Trial Court Administrator and TCA staff
Responsibilities hear all felonies and misdemeanor appeals

Concerns

1 Funding does not match case load generated in Mecklenburg Co
2 need more support staff, more clerks, more baliffs, more court reporters
3 lack of credibility of the criminal justice system
4 need for early education and discipline expand School Resource Officer Program

10 ADULT PROBATION AND PAROLE

Funding State of North Carolina
Budget $3 25 million for three county area plus an additional $360,000 for an intensive program in the three county area
Responsibilities investigates and manages sentencing alternatives for convicted persons to reduce overcrowding at the jails

Concerns

1 no concerns

TABLE 1

MECKLENBURG COUNTY CRIMINAL JUSTICE SYSTEM

COMPONENTS	AUTHORITY	CURRENT BUDGET
1 APPREHENSION		
Charlotte Police Dept	CITY	$36 0 million
Meck Co Police Dept	COUNTY	$10 6 million
Meck Co Sheriff's Dept	COUNTY	$10 7 million
2 CONTROL		
Central Intake Facility	COUNTY	1
Pretrial Services	COUNTY	$ 1 1 million
3 CASE PROCESSING LEGAL		
Magistrate	STATE	2
District Attorney	STATE	$ 1 4 million
Public Defender	STATE	$ 1 3 million
4 CASE PROCESSING ADMINISTRATIVE		
Trial Court Adminstrator	STATE	3
Clerk of Court	STATE	$ 3 4 million
5 CASE PROCESSING COURTS		
District Court	STATE	$1 9 million
Superior Court	STATE	
6 CASE PROCESSING· POST TRIAL		
Jail	STATE	
Probation, Parole	STATE	$ 3 25 million

1 Included in Pretrial Services, Meck Co Sheriff and Magistrate budgets
2 Included in District Court budget
3 Included in Superior Court budget

PUBLIC RESOURCES

City Council Workshop
September 4, 1990

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Public Resources

At the February, 1990 City Council Retreat, Council identified "Public Resources" as one of five major issues to focus on the coming year The expectation developed at that time was

> "We would like a Charlotte that is a community with home rule and where services are fairly provided and the cost is shared in an understandable and fair manner "

A copy of the Public Resources Issue Paper is on the following page to familiarize you with problems, opportunities and possible action steps identified at that time

The following questions are asked to focus on this discussion

- What does City Council want to accomplish?
- Who are the key actors?
- What is the City's role in relationship to the other participants?
- What are the constraints on City actions?

Background information in this package includes

- FY90-91 Operating Budget Policies
- FY90-91 Capital Improvement Program Policies
- Current Dedicated Revenues
- Civic Index Draft Report on Fqual Distribution of Resource Committee
- A 5-Year Projection of Major Expenditures

ISSUE: PUBLIC RESOURCES

Summary

Citizens expect Charlotte to maintain a high quality of life through reasonable use of public funds and equitable delivery of services. As a growing urban area, there is also an expectation of increased services and improved infrastructure. However, with less federal and state aid there is more reliance on limited local resources to meet the demand; at the same time, there is an aversion to increasing taxes and fees.

Problems

- limited public services
- reduced service standards
- higher taxes
- lower quality of life
- regional/sectional conflict over resources erodes regionalism
- transfer of responsibilities from public to private increases an "us-them" attitude

Opportunities.

- more opportunities for combined resources (public/private and City/County)
- more opportunities for community involvement, volunteerism
- increased service demand justifies higher taxes
- increased efficiency through (more/less) private contracting
- transfer responsibilities from public to private sector

Expectation

We would like a Charlotte that is a community with home rule and where services are fairly provided and the cost is shared in an understandable and fair manner.

Possible Action Steps

1. Pursue opportunities for functional consolidation of City and County services; in particular -- police services in 1990.

2. Review priorities of local government. Evaluate possibility of transfering some public services to the private sector.

3. Develop resources dedicated to specific services; e.g. transit, airport, convention center, housing.

4. Review service delivery in different geographic areas to assure fairness.

5. Set a target to reduce percent of budget funded by property tax. Develop joint City/County strategy for General Assembly action to shift reliance on the property tax.

6. Seek legislative authority for financing and operation of regional facilities.

o WHAT DOES CITY COUNCIL WISH TO ACCOMPLISH?

Council may wish to concentrate on the accomplishment of some or all of the following issues impacting Public Resources

1 Should Council's Operating Budget Policies be condensed or prioritized?

2 Should costs be transferred to private sector or to the user?

3 Should reliance on property tax be decreased?

4 Further privitization?

5 Should resources/costs be shifted between City and County?

6 Pursue special legislative authority for regional facilities, taxation fees, etc?

7 Change service delivery levels or strategies/rationale

8

9

10

o WHO ARE THE KEY ACTORS?

1 Citizens

2 Mecklenburg County - Traditionally provides social and education services, other major component of local citizens' tax bill

3 The North Carolina General Assembly - must approve all new sources of revenue

4 Other Mecklenburg towns

5 Regional governments

6 Coliseum Authority

7 Housing Authority

8 Chamber of Commerce

9

10

- WHAT IS THE CITY'S ROLE?

  1. What is the impact of the City's needs for additional public resources on Mecklenburg County, surrounding towns and counties and the General Assembly?

  2.

  3.

o WHAT ARE THE CONSTRAINTS ON CITY ACTIONS?

1 Legal mandates?

2 Citizen expectations?

3 Interlocal agreements?

4 Ability to pay?

5 Limited resources?

6

7

8

OPERATING BUDGET POLICIES

1 POLICY **Maintain a Stable Tax Rate**

Maintain a stable tax rate to avoid wide fluctuations from year to year

2 POLICY· **Spending Benchmark**

Growth of the City's general government operating budget is a function of the expansion of the City's population and inflation

3 POLICY **Productivity**

Productivity Improvements will be implemented when proven to avoid increased costs, to provide service delivery with the same resources, or to improve cost efficiency

4 POLICY· **Commitment to Public Safety**

City government will provide basic services to protect the safety of Charlotte residents

5 POLICY· **Reaction to Community Growth**

Continued growth in the community has increased the demand for new infrastructure and the maintenance and repair of existing infrastructure

6 POLICY· **Maintenance of Service Delivery**

City government will continue to provide existing services at levels specified in the City's Management by Objectives Program

7 POLICY· **Federally Funded Programs**

The City will make a contribution from the General Fund to supplement federal funding to operate Community Development, Employment and Training and the Transit Program

8 POLICY **Charlotte's Quality of Life**

The City will provide municipal services that promote leisure opportunities, cultural enrichment and beautification

9 POLICY **Citizen Involvement**

The involvement of citizens in public decision-making is a high priority

10 POLICY **Implementing New Programs**

The City will provide adequate resources to begin new programs as mandated by regulation, laws and Council Policy

11 POLICY **Employee Compensation**

The City's policy is to ensure that compensation for City employees is competitive for the region and for the job

12 POLICY **Excellence in City Government**

The City Manager provides leadership in promoting excellence as a goal for all City employees The City's Mission Statement defines core values for the organization

CAPITAL IMPROVEMENT PROGRAM POLICIES

I POLICY ASSUMPTIONS

1 To evaluate capital project requests according to the following priority ranking system

1st Priority	Rehabilitation or Maintenance of Existing Facilities
2nd Priority	Replacement of Existing Facilities
3rd Priority	Expansion of Existing Facilities
4th Priority	New Facilities

2 To continue a capital program which meets the highest priority needs as identified in the ten-year Capital Needs Assessment

3 To ensure that existing infrastructure is maintained and replaced as needed

4 To provide for some new capital projects to help meet the highest priority growth needs in the community

5 To provide a balanced capital program which will not fund all identified needs, but will fund projects in a variety of program areas

6 To pursue and dedicate new sources of revenue to address unfunded capital needs

II FINANCING ASSUMPTIONS

1 Current debt policies will remain in place The current debt policies are

- o Diversify revenue sources dedicated to capital formation and debt service
- o Maintain a balanced mix of financing strategies for funding capital projects including Pay-As-You-Go grants and debt, without an excessive reliance on any one source
- o Provide for issuance of additional debt at reasonable time intervals without increasing taxes, and timed in such a way as to avoid erratic impacts on tax rate changes
- o Maintain highest credit ratings by rescheduling and issuance of debt that sustains reasonable ratios (e g , percent of outstanding debt to assessed value)

2 The dedication of specific revenue to the capital program will be maintained in Municipal Debt Service Fund The specific revenues dedicated to the Municipal Debt Service Fund include

- o 6 50¢ of the property tax rate
- o All of the City's proceeds from Occupancy Tax
- o Investment (interest) income
- o 1/2 Cent Sales Tax authorized in January, 1987

- Other/miscellaneous revenue including a portion of the intangibles tax, ABC profits, beer and wine license revenues, a contribution from Mecklenburg County for its share of debt cost for the new Charlotte-Mecklenburg Government Center, and a contribution from the General Fund for the municipal facilities lease-purchase transaction

3 Municipal Debt Service Fund Balance will be maintained at an adequate level to cover debt costs

- Ratio of debt service fund balance to actual debt service costs will not be less than 50/

4 Pay-As-You-Go Tax Fund will be used in conjunction with a long-term debt financing to finance capital projects The revenues generated by a levy of 4 5¢ and the investment (interest) income earned will be dedicated to this fund

5 Enterprise funds' capital programs will be established on a self-sustaining basis (Water and Sewer and Airport)

- Water and Sewer and Airport capital projects are financed from revenues generated from user fees and charges

- In order to finance the proposed debt, the Water/Sewer rate study assumes a draw-down of Water/Sewer fund balance to 10/ of operating costs over the next eight years

DEDICATED REVENUES

Description	Use
3% Occupancy Tax	49% to CCVB 51% to Municipal Debt Service
1/2% Sales Tax	Mass Transit
1/2% Sales Tax	CIP
Motor Vehicle License Tax ($20)	$5 00 to General Fund $7 50 to CIP $7 50 to Transit
Property Tax (62 75¢)	51 75¢ to General Fund 6 50¢ to Debt Service 4 50¢ to Pay-As-You-Go
Interest Earnings	CIP
Enterprise Funds	Respective Enterprise Funds

DRAFT REPORT AND RECOMMENDATIONS
EQUAL DISTRIBUTION OF RESOURCES COMMITTEE

INTRODUCTION

Beginning January, 1990 and continuing through July, 1990, a group of citizens from Charlotte and Mecklenburg County met to study the equal distribution of resources in reference to the westside of Charlotte-Mecklenburg

The group took up a charge assigned to them by members of the Civic Index Stakeholders group who recommended that a "broadly-based citizens committee" conduct an indepth study of how public and private resources and services are delivered to every section of the community, determine if there is fairness and equity in their distribution, and make recommendations for changes that, if adopted, would increase citizens satisfaction with the distribution of public and private resources

GROUP PROCESS

The committee, chaired by Dr Paula Newsome, identified five areas where there were perceived inequities in the allocation of public and private resources The five areas included housing, services, schools, buildings and facilities, and economic opportunities The committee was then divided into five sub-groups whose task was to address their assigned area of study in terms of where we are, where do we want to be, and how do we get there In the course of its work, the group came to the realization that the key issue was not the equal distribution of resources Different sections of the community have differing needs. Therefore, the key issue becomes the equitable, not equal, distribution of resources in light of the varying level of needs

REPORT OF SUB-GROUPS

A. Schools

The Schools sub-group examined the issue of perceived inequities in the distribution of public school resources To address this issue, the sub-group convened Charlotte-Mecklenburg School Administrators to serve on a panel. Panelists included Deputy Superintendent Calvin Wallace and Planning Director, Harold Deal

The Schools sub-group reported to the full committee that school administrators have taken steps to address the perceived inequities, and the reality is that resources are being distributed equally. However, there is a need to focus on the allocation of resources based on need The following is a summary of the sub-group's findings

To address the perceived inequities, the Board of Education appointed a Westside Task Force in response to westside concerns Parents, school personnel and central administrators served on the Task Force After several months of study, the group made numerous recommendations Major areas where perceived inequities existed were personnel, curriculum and course offerings

Immediately, the school system initiated efforts, which have been continued, to address the perceived inequities Some of these efforts include the following

- Additional teaching positions are allocated on a regular basis

- The quality of leadership and instruction is evaluated regularly Inservice is provided for staff to address deficiencies and enhance services on an ongoing basis

- Special programs such as "Write To Read", "Higher Order Thinking Skills", and numerous others have been implemented

- *New technological equipment such as network computer labs and laser disk* players as well as reading materials and various other supplemental materials have been added to up-grade resources

- Additional courses such as Latin and advanced placement are now offered

- Special programs for the ninth grade are being piloted during 1990-91.

The quality and perception of westside schools continues to be a high priority for the School Board and administration. Ninth grade pilot programs are an example of the continuous response to westside concerns. Additional programs and resources are added and changes implemented as a result of on-going monitoring.

B <u>Housing</u>

The Housing sub-group presentation included a panel of local housing experts such as Peter Hubicki of the Charlotte Mecklenburg Housing Partnerships (CMHP), and Charles (Chuck) Uhlir of the City's Community Development Department

The sub-group's findings, desires and strategies to address the westside issue included

1 Findings

- Higher percent of deteriorated and dilapidated structures on the westside.
- Higher concentration of low income housing projects.
- 1980 census data shows "owner occupied" housing on par with rest of City.
- Except for a few areas, there is little new housing construction on the westside compared to other areas of Charlotte-Mecklenburg.

2 Desires

- Improve existing housing stock
- Reinforce home ownership
- Increase new construction of owner occupied homes

3 Strategies

- Increase housing code enforcement activities (note City began this in 1988).
- Develop Neighborhood Development Corporations along the lines of the Housing Partnership and ~~Wilmore Association~~ Neighborhood Housing Service
- Coordinate City services, (i e Police) to improve social aspects of the neighborhood.
- Continued support of City "scattered site" program
- Seek ways to use infrastruculture to lead growth on the westside similar to what was done in the University area

In addition to the housing sub-group's recommendations, committee members suggested the need for the following·

(1) Need to create job opportunities.
(2) Need to provide westsiders access to opportunities.
(3) Need to improve "sense of place" on the westside
(4) Need to promote infill housing in neighborhoods
(5) Need to provide creative tax incentives for developers/builders
(6) Need to take advantage of public/private housing resources in the local community, such as CMHP, Habitat, Rehabitat, and the City of Charlotte Community Development Program

C. Buildings and Facilities

The Buildings and Facilities sub-group made a presentation of their findings concerning the condition and types of buildings and facilities on the westside The group had three areas of focus. (1) business, (2) industrial and (3) residential

The sub-group reported that the westside has a disproportionate amount of "unclean" business uses and environmentally unhealthy industrial sites which are close to residential areas The westside also has a disproportionate amount of low income housing and substandard housing, as well as most NIMBY items, incinerators, landfills, transfer stations, and the satellite jail.

The sub-group also toured areas of the Westside and North Charlotte and reported that there was a higher percentage of abandoned and boarded up buildings, unsightly businesses like junk yards, and blighted retail centers than on other sides of town. The group attributed blighted retail centers to the growth of suburban strip malls and the movement of the residential base to the suburbs The group also noticed that on the

westside that poor buffers exist between neighborhoods and other types of zoning uses (zoning incompatibility).

The Buildings and Facilities sub-group recommended the following

1) Review zoning violations on the westside and bring violations to the attention of the appropriate governing body

2) Review the report the City of Charlotte made to the Civic Index in reference to westside concerns to see if anything has been done to address any of these concerns

3) Formulate a policy recommendation to address inequities and placement of NIMBY items, as the city is doing with the Housing Assistance Plan (HAP).

4) Evaluate the zoning within a particular area and report findings of incompatible uses.

5) Educate the public about imbalances It is believed that many people are really unaware of the inequities that exist and the level of blight in some areas, and that by raising their level of consciousness that they will be more sensitive to the issues plaguing the westside

6) Develop an incentive program which would attract businesses to locate in blighted areas on the westside.

7) Implement available public sanctions on westside businesses that contribute to the blight on the westside by not keeping up their store fronts and generally being "bad" neighbors.

8) Highlight the positive things happening on the westside, recognize developers developing on the westside, etc.

D <u>Economic Opportunities</u>

The Economic Opportunities sub-group's presentation included a panel of local economic development experts The panelists were Donald Johnson, President of the Beatties Ford Road Merchants Association and Vice President of Mechanics and Farmers Bank, Laura McClettie, Executive Director of the West Charlotte Business Incubator (WCBI), Chris Moise, Associate Director of the Ben Craig Small Business and Technology Development Center, and Dennis Rash, Vice President of NCNB National Bank.

The following are the findings of this group's efforts

(1) Need immediate initiatives while working toward major impact investments.

(2) A strong housing base engenders economic opportunity

(3) Minority and Small Business participation is important to economic vitality Initiatives similar to Project Catalyst and Summit View should be encouraged

(4) A broad-based neighborhood revitalization effort is needed as part of economic development

(5) Definitive programs should be initiated to dispell negative perceptions and create a positive image for the Westside Targets for these campaigns should be service, manufacture and retail employment providers

(6) Investing in areas like the Westside is "good business"

Each program should include the following

(1) The area needs a "champion"

(2) Determine population-market core, identify skills, and labor pool

(3) Inventory all land and businesses.

(4) Assess the transportation network (bus, rail, road system, etc)

(5) Develop programs which provide incentives for economic growth

(6) Gain county commitment to the area.

(7) See that the Biddle Village Plan is implemented

(8) JCSU should play a leadership role in whatever initiatives that take place on the Westside

Any Westside strategy needs. 1) Education component, 2) Housing plan, and 3) a means of creating an environment where economic opportunities exist long term

E. Services

The Services sub-group used two main approaches to address the distribution of services issues. First, the group used as a data base information from the County's 1989 Needs Assessment Survey and a survey conducted by Leadership Charlotte Class XII and Knight Publishing Company Research (KPC) Second, the sub-group developed their own survey which was administered to identified westside leaders

As a result of the sub-group's survey of westside leaders, five westside inadequacies were identified They included 1) environmental protection, 2) neighborhood infrastructure, 3) substance abuse, 4) sanitation and 5) public safety

The group s recommendation to address these five inadequacies are as follows

1 Sanitation

The group recommended that if the program being piloted by the City in the Belmont neighborhood is successful, then it should be implemented in other key areas on the westside. The program in Belmont is a special 2-year pilot program to address illegal dumping in that area

The group also recommended that extra services be given to those areas where sanitation problems are more prevalent.

The final recommendation the group offered was that a more complete system of record-keeping be developed within the city's department of Solid waste Services which would better identify and track complaints by area, type and frequency NOTE· this is in the process of being done by the department

2 Infrastructure

The group reported that it appeared that many of the infrastructure problems are due to people not knowing how to access services and lack of financial resources. The public needs to be educated about the various services and how to access them

3 Environmental Protection

The group reported that a large percentage of zoning for industry is on the westside, therefore the westside is exposed to a higher percentage of environmentally related health hazards.

4 Public Safety

The group reported that public safety is improving on the westside and that more cross-cultural training is being done so that police officers have a better understanding and appreciation for the diverse cultures they interact with. However, historically people still have negative perceptions about police service and police/community relations

5 Substance Abuse

The group reported that there is a greater need for treatment and prevention of substance abuse on the westside. Since the westside has several "pockets of poverty" and because many citizens cannot afford

private insurance or medical treatment, the problems of substance abuse are more prevalent

The group recommended supporting projects such as the one being funded by the Robert Wood Johnson Foundation to address treatment and prevention needs in West Charlotte The project is being developed and administered by the Area Mental Health, Mental Retardation and Substance Abuse Authority

FINDINGS

Throughout the process of sub-group presentations and discussions some evidence of perceptions of inequities were discovered. Since many of the inequities are perceived by a group of citizens in one geographic area, the basis of the perceptions need to be addressed and resolved Again, the issue the committee felt was most crucial was the necessity to provide services and resources based on need

The other issues the committee encountered were the recurrence of three common themes. The themes encountered were

(1) The need to educate citizens about the availability of certain services and resources and procedures for accessing them
(2) The need to promote economic empowerment
(3) The need to develop and maintain strong neighborhood organizations

The following recommendations reflect the three common themes, as well as the outcomes the Equal Distribution of Resources Committee desires to achieve through the recommendations.

DESIRED OUTCOMES

(1) A community that is vital in all aspects in all areas, where the quality of life is not only maintained, but is improving for all of its residents

(2) A mechanism that draws on the institutions and the current activities and past achievements of the underserved areas, a mechanism that relies on the talents, interests, and support of the residents of those areas.

(3) A mechanism that draws on the support, experience and expertise of committed persons who reside within and without the underserved areas

RECOMMENDATIONS

I Create a Target Business/Employment Development Effort.

A. Why?

To retain or expand business as well as recruit new business and thereby create increased employment

B Who?

City Economic Development and Community Development Departments, and Chamber of Commerce working together to identify a champion who could initiate efforts similar to the University City Development, ~~NFL Stadium, and the NBA Franchise deals~~. The Charlotte Chamber should take the leadership role in this effort.

C. What?

Low interest loans for business development and/or other economic perks based upon models from other cities.

D. When?

October 1, 1990 Chamber Task Force accept charge. The effort should be fully operational by January 1992.

E. How?

Gain support from governmental bodies and community.
Identify responsible agency.
Study other pilot programs.

F Where?

West Boulevard and Remount Road, Five-Points and Statesville Road areas.

II Create a Community Service Office

A. Why?

To provide a mechanism to give persons in our community improved access to public and private services and knowledge of said services. To enhance the capacity of neighborhood organizations in the underserved areas and provide them with access to leadership training and other skills-building tools.

B Who?

1 Neighborhood Grants Program
2 Mecklenburg Ministeries
3 United Way
4 Churches
5 Community Centers

C What?

1 Provide training in community organizing
2 Provide Mentoring Program
3 Provide information and referral to address the needs of the community

D When?

Identify and recruit the sponsoring agency by November 1990

E How?

1 Sponsoring agency adopts the idea
2 Develop budget
3 Secure funding
4 Hire director
5 Locate site

F Where?

The following sites are recommended

1. Statesville Avenue Area
2 Beatties Ford Road/5-Points Area
3 West Boulevard

The Equal Distribution of Resources Committee is aware that both of these recommendations will take considerable time and effort to initiate. However, there are some things which can be done in the short-term to address some of the concerns raised during the committee's discussions The committee recommends that an Information Services Fair be held in targeted areas of the city

III. Information Services Fair

A Why?

One of the origins of the perceived dissatisfaction in the allocation of resources is the lack of understanding of services and ways to access them. The Information Services Fair would be a way of bringing information about the various city and county services, and the people who provide them, to the people who use them

Consequently, the committee focused its investigation on the westside of Charlotte-Mecklenburg

The challenge is not complete The committee desires for the original charge to be fulfilled Consequently, it recommends that successor Equal Distribution of Resources committees be appointed at later dates by the Civic Index Stakeholders. Each successor committee would investigate a geographical area of the Charlotte-Mecklenburg community to determine if there is fairness and equity in the distribution of public and private resources and services Such successor committees could use the procedures and work of this committee as a model in its task.

During this committee's deliberation, it appeared that following the westside, the northeast section of Charlotte may perceive that public and private resources and services are not equitably distributed to it. Consequently, this committee recommends that the northern section of Charlotte-Mecklenburg be the next geographical area studied by a successor Equal Distribution of Resources Committee.

The recommendations made in this report only serve as a step in the work that must be done. The challenge will be to implement the recommendations made in this report and to insure that all of Charlotte enjoys and partakes of the fruits of this thriving community

Appendix A

Equal Distribution of Resources Committee Roster

Dr Paula Newsome, chair
Bob Allen
J G (Jerry) Blackmon
Anthony Butler
John Crawford
Rev Stanley Crawford
Martin Cramton
Dick Davis
Tom Flynn
Nancy Garber
Evelyn Gerdes
Rickey Hall
Sam Haywood
Ike Heard, Sr
Ronald Jandebeur
Deacon Jones
Faye Jones
Gerald Lieberman
Nasif Majeed
Sally Martin
John Maxwell
Father Gene McCreesh
Pat Phillips
Jan Richards
Elizabeth Randolph
Marvin B Smith
William H Sturges
Mildred Taylor
Minette Trosch
William H (Bill) Trotter
Kent Walker
George Wightman
Bill K Van Allen
Lynn Wheeler
Bob White
Rosa Winfree

Staff LaRita Barber
Urban Institute

Appendix B
Acknowledgements

"Everybody can be great, because anybody can serve You don't have to have a college degree to serve You don't have to make your subject and your verb agree to serve you only need a heart full of grace A soul generated by love"

M L King, Jr

One of the most profound commandments in the bible is "love your neighbor as yourself" (Mark 12:31) This was truly demonstrated by the members of the Equal Distribution of Resources Committee.

Almost one year's work went into the process which culminated in this final report The individuals who served are some of Charlotte-Mecklenburg's busiest citizens, yet they took time out of their schedules to participate in this process

To each of you who were involved in the committee selection process, thank you for putting together such a talented team of individuals

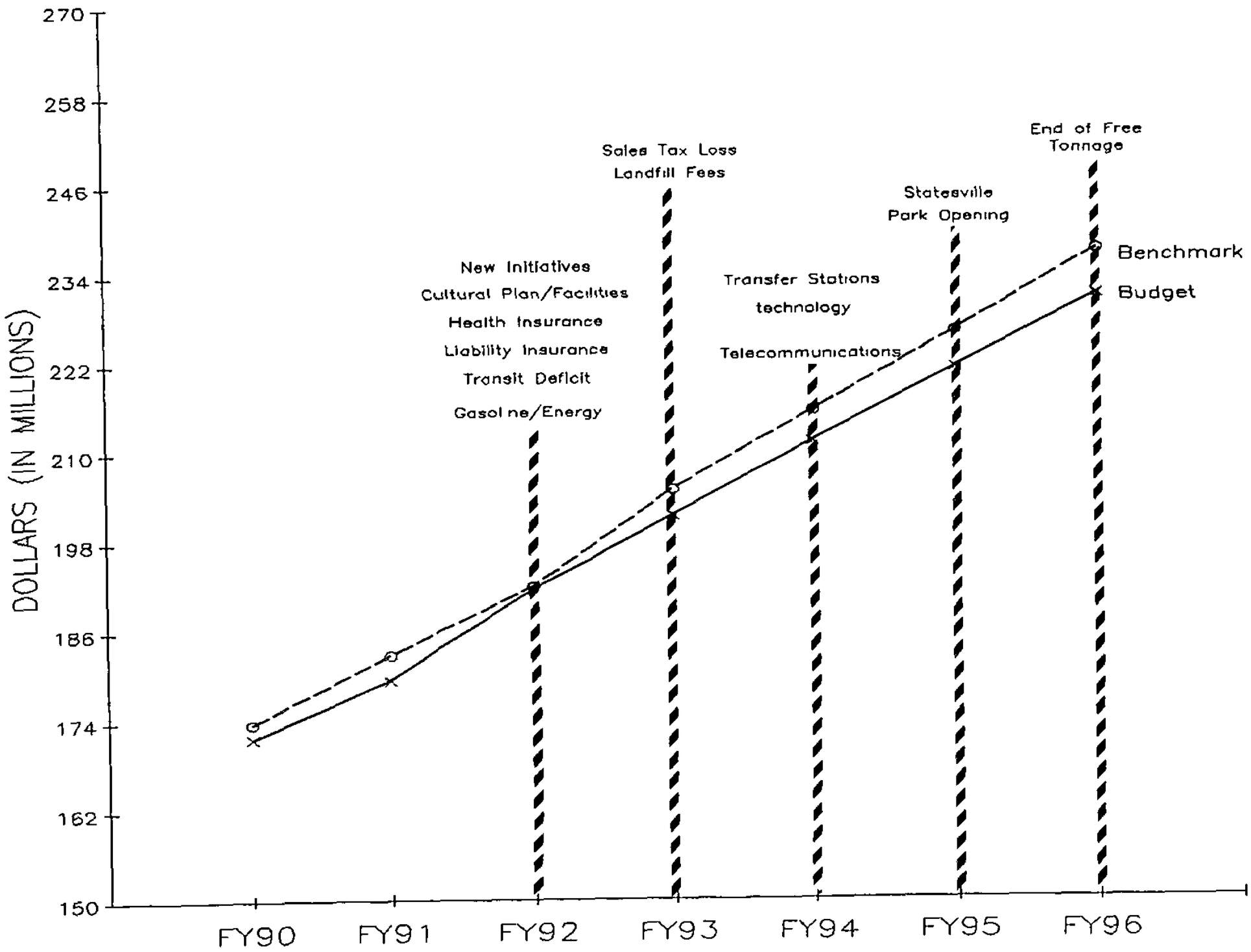
To those of you who tirelessly served, thank you so much for your time, talents and commitment. This document is a testament to your character and the love you have for our city and county

To Mrs LaRita Barber and staff at the Urban Institute, who worked so diligently in so many capacities, thank you seems so inadequate for all your support Your works were noted and most appreciated.

Finally, to my staff, thank you for your support, patience and understanding

Paula R Newsome,
Chair

GENERAL FUND



GENERAL FUND BUDGET ISSUES
FY92-96

NEW INITIATIVES

New or enhanced programs or services which Council would like to undertake as a result of identified community needs

CULTURAL PLAN/FACILITIES

Subsidy of operating costs for new cultural facilities such as the Performing Arts Center or Omnimax Theater, additional funding of cultural organizations if recommended by the Cultural Action Plan

HEALTH INSURANCE

Continuing cost increase in employee health benefits which are increasing faster than normal inflation rates

LIABILITY INSURANCE

Increased need for liability reserves due to increasing number of pending lawsuits against the City

TRANSIT DEFICIT

Transit System requires additional operating subsidy (new revenue source) in FY92 $4 5 million annually would carry fund through FY95 at which time additional revenues will be necessary

GASOLINE/ENERGY

Unrest in Middle East may cause long term fuel cost increases fuel prices are up 47% since August 1, 1990, with a potential FY91 unbudgeted impact of $883,000

SALES TAX LOSS

Because the distribution of sales tax revenue in Mecklenburg County is pro-rated based on property tax rates between the City and the County as County raises their property tax and the City holds tax rate steady, the sales tax revenue decreases

LANDFILL FEES

New regulations and escalating environmental costs will continue to push landfill disposal costs higher FY91 rates are $24 50 per ton and are projected to increase to $27 per ton in FY92 could go as high as $100 per ton or more by the end of the decade

TRANSFER STATIONS

As distance to landfill and incinerators increase, it may be necessary to locate transfer stations in order to maximize productivity of staff and equipment

TECHNOLOGY AND TELECOMMUNICATIONS

Changes in technology can be anticipated which will improve productivity, enhance communications, replace obsolete equipment or otherwise increase efficiency if investments are made

STATESVILLE PARK OPENING

Anticipated opening of new facilities will require programming and maintenance staff as well as equipment, materials and supplies

END OF FREE TONNAGE

City-County Agreement which transferred landfill to County and allows City to have 170,000 free tons of disposal per year expires in 1996 At current rates, it would cost additional $4 2 million per year· as costs escalate, this expense could increase to $17 million or more by the end of the decade

CITY OF CHARLOTTE

Overview of
GENERAL FUND REVENUES

August, 1990

Introduction

This brief report is intended to provide both an update to the report issued in May, 1989, and an overview of historical trends in revenue growth in the General Fund and the impact that current economic conditions and state legislation are having on overall future revenue growth.

Exhibit A provides a ten year analysis of General Fund revenues and as one can discern from the analysis, the trend in revenue growth has declined significantly since 1988. We have selected, for a more detailed analysis, four of the major revenues in the General Fund that make up approximately 81% of total General Fund revenues for FY91. Preceding the four graphs we have provided a narrative overview to explain the significance of these trends in revenues. The graphs have been set up to present the percent change in each revenue from year to year. The four revenues are as follows:

- Property Tax Revenue:

  The trend in property tax revenue (tax levy) is depicted graphically in exhibit B. The compound rate of growth in this revenue has been 9.3% between the period 1980 and 1988, that includes annexations, revaluations and tax increases. However, as a direct result of previous actions of the State, i.e., repeal of household personal property values with no reimbursement by the State, repeal of wholesalers/retailers and manufacturers inventory values with reimbursement by the State based on FY88 values unadjusted for inflation and a general decline in growth, the City experienced only a 3.7% increase in 1989. The 1990 increase of 9.1% was impacted by annexation values and prior year settlements and when factoring this into the increase, the estimated real growth percent increase would be about 5.25 percent. Based on estimates of assessed valuation from the tax administrator, that were used as a basis for the current budget, we are forecasting only a 3.9% increase in this revenue for FY91.

- Sales Tax (1%) Revenue:

  The trend in the receipts of the one percent (1%) sales tax dedicated to the General Fund has also declined over the last several years as depicted on exhibit C. With the exception of FY89, between 1980 and 1988, the City experienced a 11.1% compound rate of growth compared to 19.2% in 89, 3.7% in 90 and only 4.0% forecast for 91. The large increase experienced in FY89 was the result of two tax law changes in 1987, i.e., repeal of retail merchants discount and change in

the collection of taxes on out-of-county sales. Several factors including economic ones and the method of distributions between the City, County and small towns have directly impacted the decline in growth. Within the last two years, the biggest negative impact on sales tax distribution to the City is due to the tax increases by Mecklenburg County. Based on our analysis, if the County follows through with its projected tax increases over the next two year period, this could mean the shifting of $13.7 million in 1% sales tax dollars from the City to the County.

- Utility Franchise Tax:

  As depicted on exhibit D, over the last several years, especially in the early 80's, the City's share of the Utility Franchise Tax (3.1%) responded well to economic growth and was affected to a large degree by the sizable Duke Power rate increases to fund nuclear plant construction. Double digit percent increases were experienced during this Capital program expansion; however, fiscal years 88, 89 and 90 were 4.0%, -1.9% and 7.7% respectively. The 1990 fiscal year was impacted by a one time $400,000 error in favor of the City, otherwise, the increase would have only been 4.8%. It is significant to point out that we experienced a 1.9% decline in FY89 and are forecasting a minus .4% decline in FY91. This declining trend is partly a result of rate decreases for fuel adjustments by Duke Power. This trend could change due to possible development of fuel shortages in the future.

- Intangible Tax

  As depicted in exhibit E, intangible taxes have historically increased in the double digits with distribution in FY88 a banner year (24%) reflecting substantial increase in the value of stocks and bonds through 1987. However, in 1989, since stocks and bonds that represent a majority of the securities taxes, and are valued at December 31 of each year were affected by the so called "Stock Market Crash" in October, 1987, the City only experienced a 9.7 percent increase in FY89, 2.7 percent in FY90 and 8.3 percent is forecast for FY91. As you can quickly discern, this revenue is very volatile and based on current downward market trends, FY92 could be less of an increase than forecast for FY91.

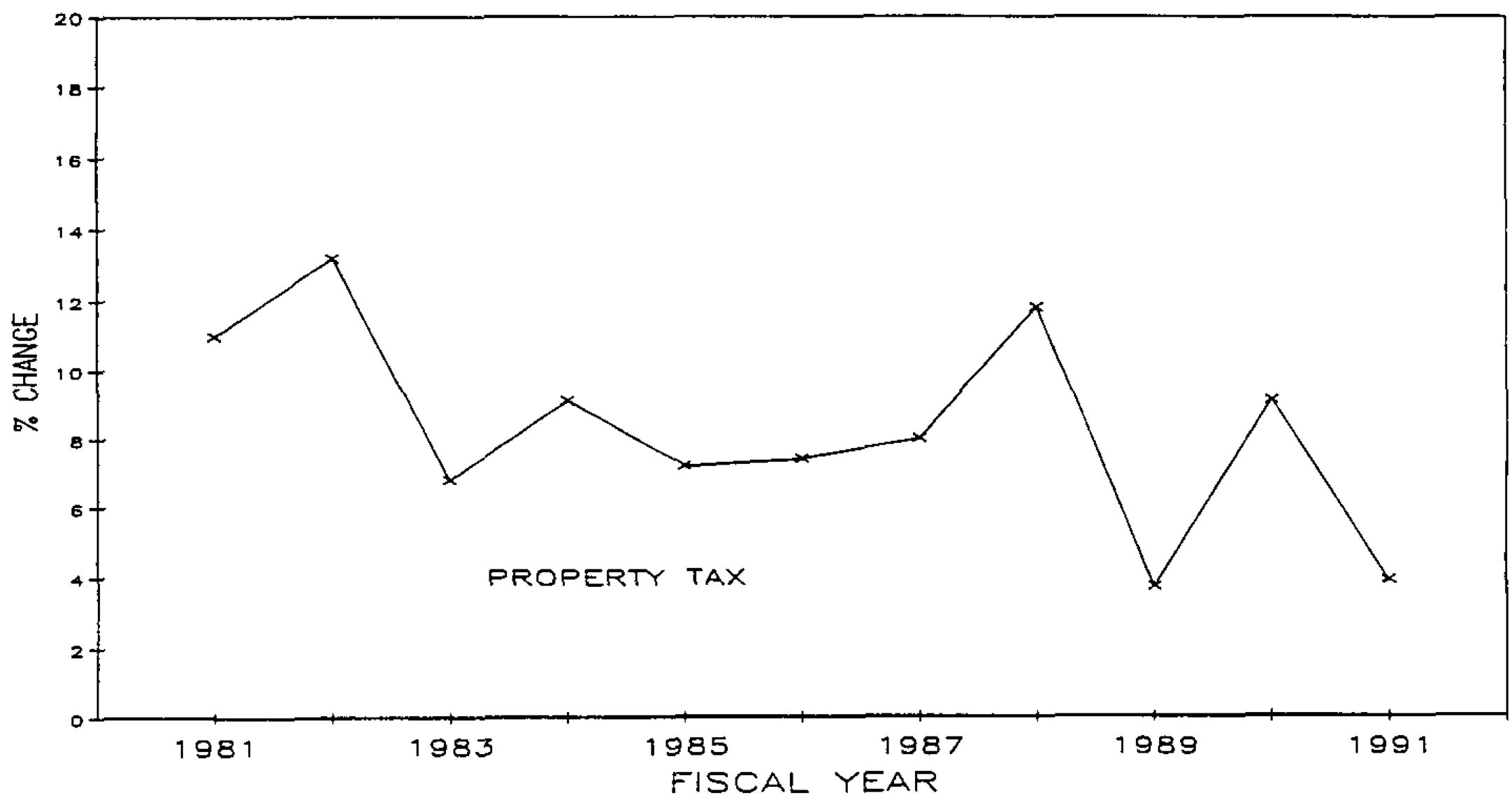
In summary (Exhibit F), the City has experienced a compound rate of growth in total General Fund Revenues of 9.6% between 1980 and 1988 fiscal years. However, the City experienced only a 6.5% increase in FY89, a 8.1% increase in FY90 and an estimated 2.1% increase in fiscal year 91 or a compound rate of growth of 5.3% for the 89-91 period. As you can see, the larger revenues in the General Fund previously discussed have reacted quickly to economic and other changes and indicates that the City may experience even lower annual increases in revenues for the next several years unless economic and other factors change.

EXHIBIT A

10-Year Analysis
of
General Fund Revenues
($000)

Revenue	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Property Tax	$57,210	$61,076	$66,612	$71,392	$76,663	$82,761	$92,555	$95,939	$104,628	$108,698
1% Sales Tax	9,504	10,486	12,403	14,368	16,190	17,286	18,896	22,528	23,370	24,300
Utility Franchise	8,066	9,494	10,366	10,901	11,791	13,236	13,766	13,505	14,553	14,500
Intangible Tax	2,229	2,381	2,570	3,022	3,506	4,023	4,992	5,477	5,623	6,090
Occupancy Tax	N/A	N/A	634	925	896	1,083	1,113	1,234	1,354	1,467
Motor Vehicle License Tax	939	1,003	1,054	1,070	1,130	1,124	1,260	1,253	1,326	1,327
Business Privilege License Tax	1,681	1,839	2,182	2,270	1,885	2,345	2,461	3,665	4,519	3,800
Beer and Wine	1,211	1,293	1,293	1,310	1,401	1,530	1,573	1,634	1,632	1,664
ABC	1,247	1,434	1,425	1,268	1,449	1,449	1,449	1,268	1,268	1,449
Cable TV Franchise	158	229	315	432	508	588	773	1,400	1,519	1,729
Other	16,242	14,169	15,615	15,001	13,165	16,173	15,274	16,159	17,547	15,991
Total Revenue	$98,487	$103,404	$114,469	$121,959	$128,584	$141,598	$154,112	$164,062	$177,339	$181,015
Increase in Total Revenue	$13,421	$ 4,917	$ 11,065	$ 7,490	$ 6,625	$ 13,014	$ 12,514	$ 9,950	$ 13,277	$ 3,676
% Increase	15.78%	4.99%	10.70%	6.54%	5.43%	10.12%	8.84%	6.46%	8.09%	2.07%

Exhibit B

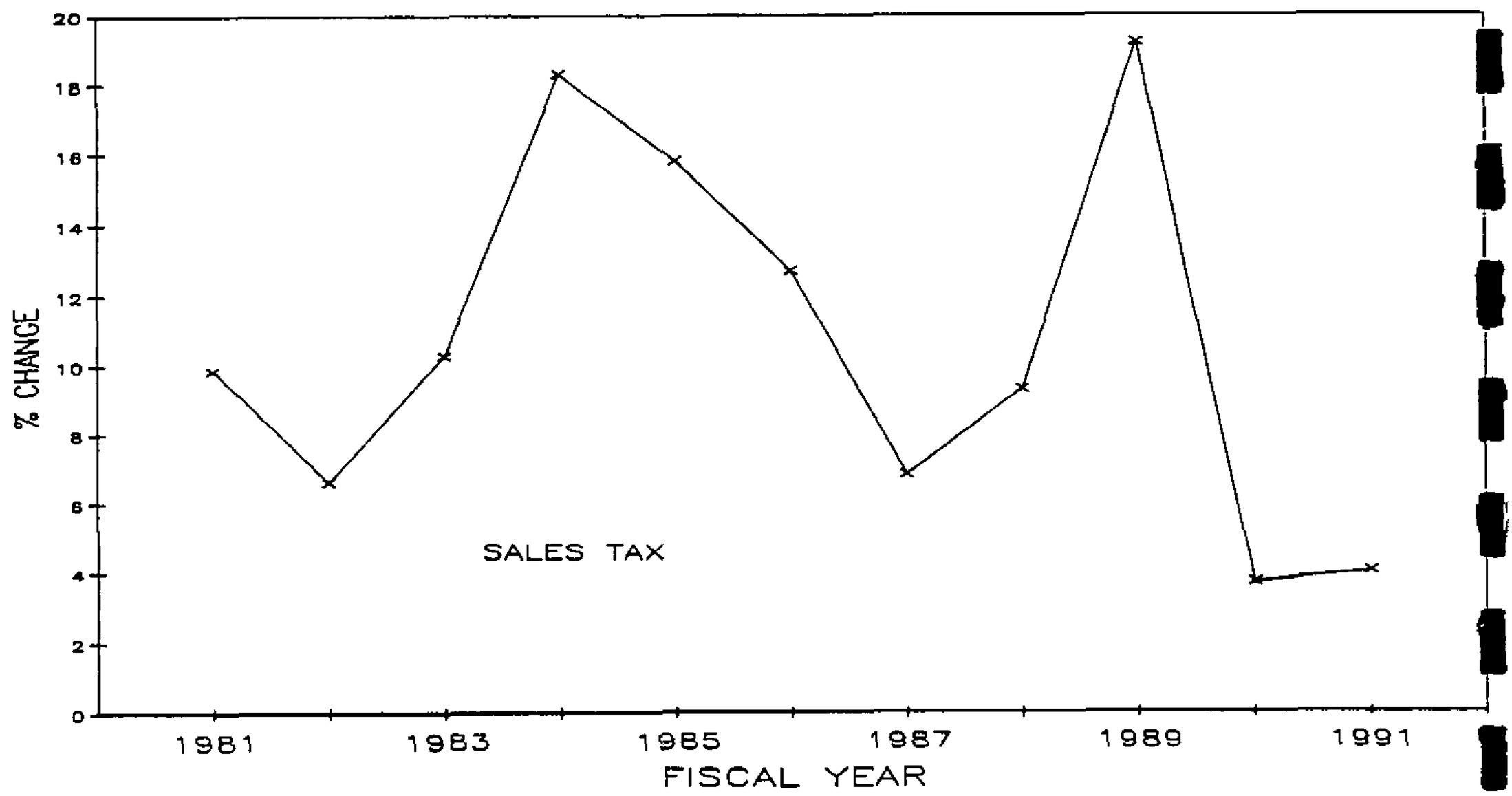


PROPERTY TAX (1981-1991)

Fiscal Year	Amount ($000)	% Change
1981	$ 50,551	11.0%
1982	57,210	13.2
1983	61,076	6.8
1984 (Revaluation)	66,612	9.1
1985	71,392	7.2
1986	76,663	7.4
1987	82,761	8.0
1988 (Revaluation)	92,555	11.8
*1989	95,939	3.7
*1990	104,628	9.1
*1991 est.	108,698	3.9

*Includes reimbursement by the State for repeal of wholesalers/retailers and manufacturers inventory.

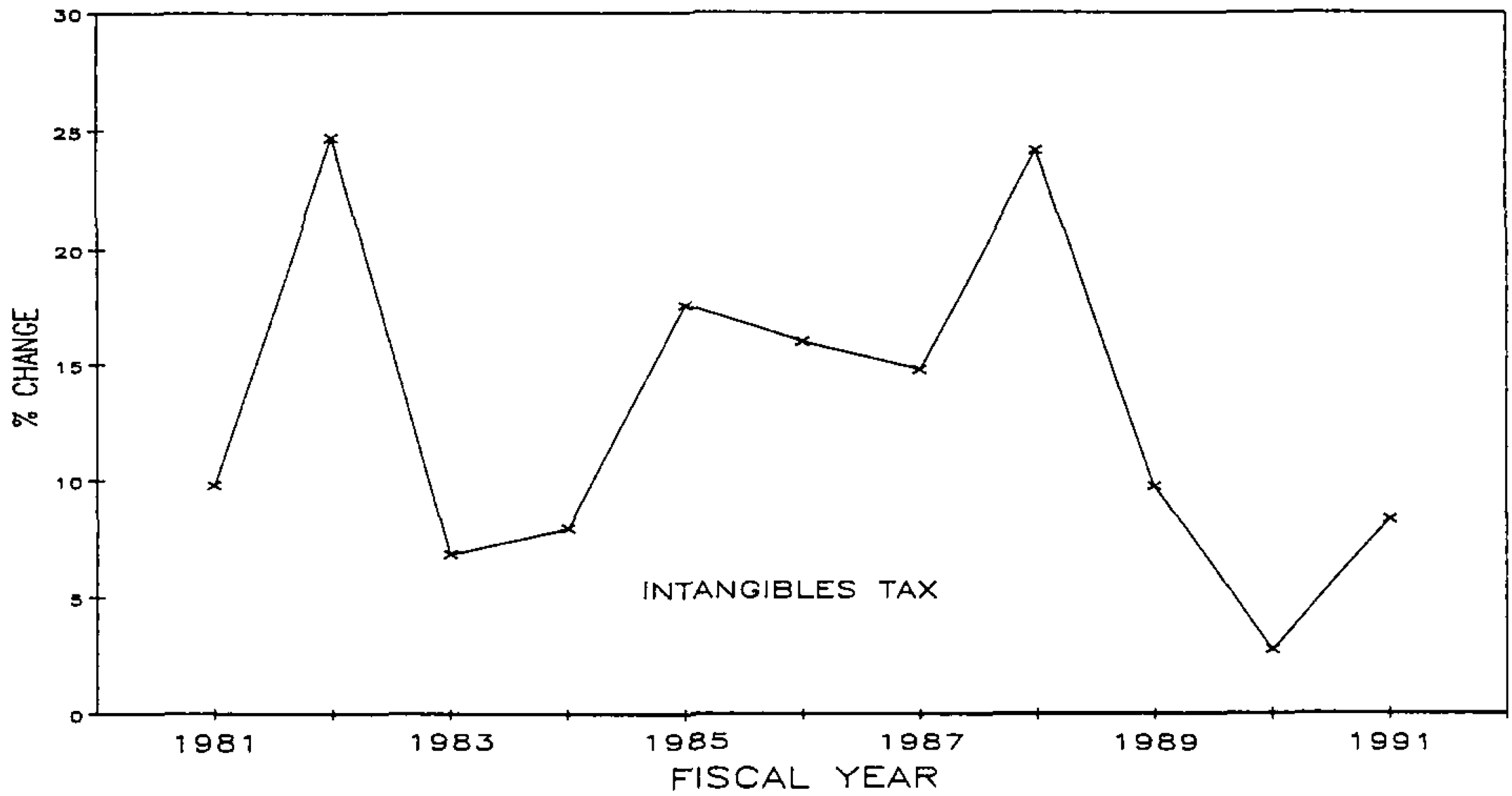
Exhibit C



SALES TAX (1981-1991)

Fiscal Year	Amount ($000)	% Increase Over Previous Year
1981	$ 8,913	9.9%
1982	9,504	6.6
1983	10,486	10.3
1984	12,403	18.3
1985	14,368	15.8
1986	16,189	12.7
1987	17,286	6.8
1988	18,895	9.3
1989	22,528	19.2
1990	23,370	3.7
1991 est.	24,300	4.0

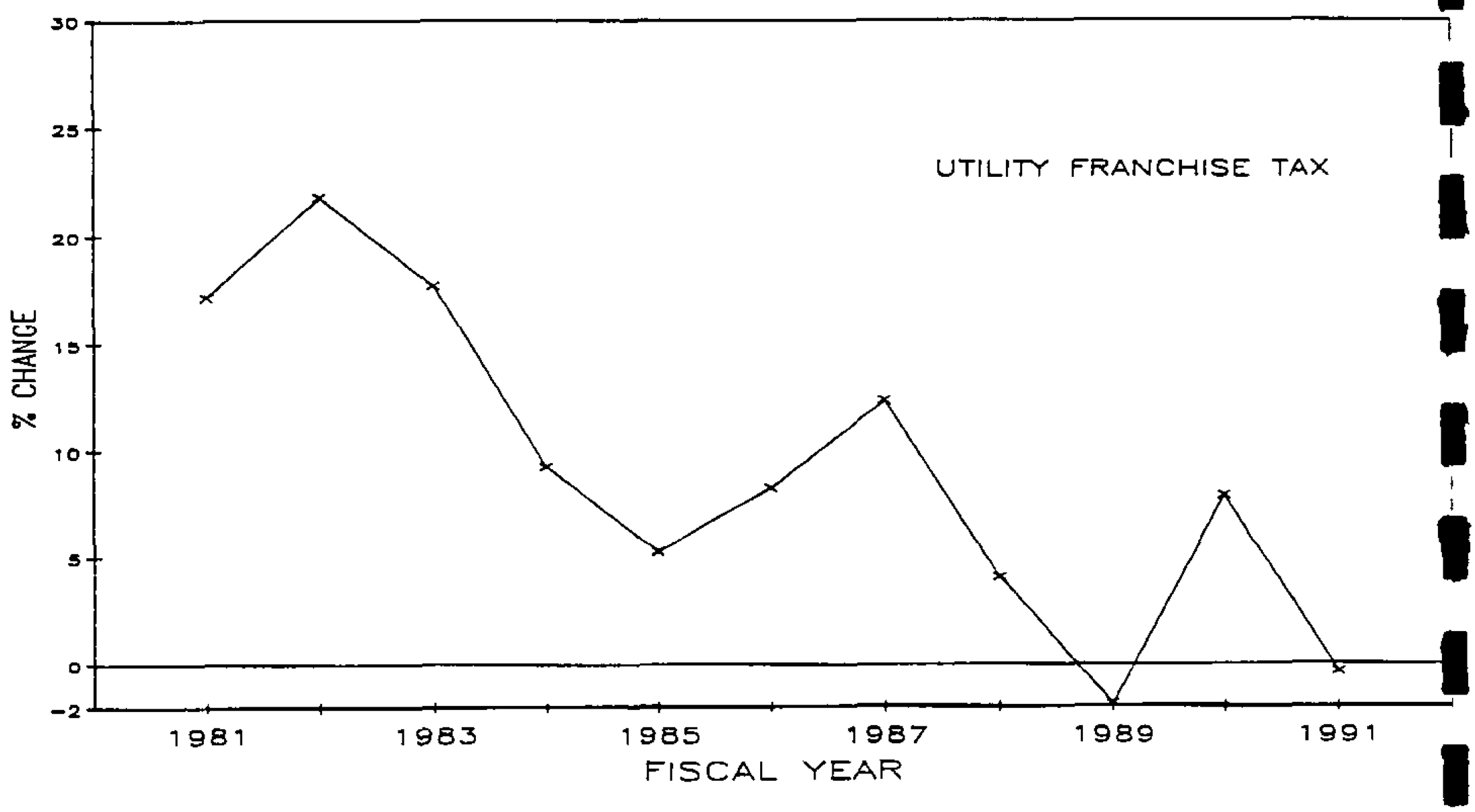
Exhibit E



INTANGIBLE TAX (1981-1991)

Fiscal Year	Amount	% Increase Over Previous Year
1981	$1,787,969	9.8%
1982	2,228,994	24.7
1983	2,380,705	6.8
1984	2,569,559	7.9
1985	3,021,721	17.6
1986	3,505,600	16.0
1987	4,023,159	14.8
1988	4,992,475	24.1
1989	5,477,445	9.7
1990	5,623,239	2.7
1991 est.	6,090,159	8.3

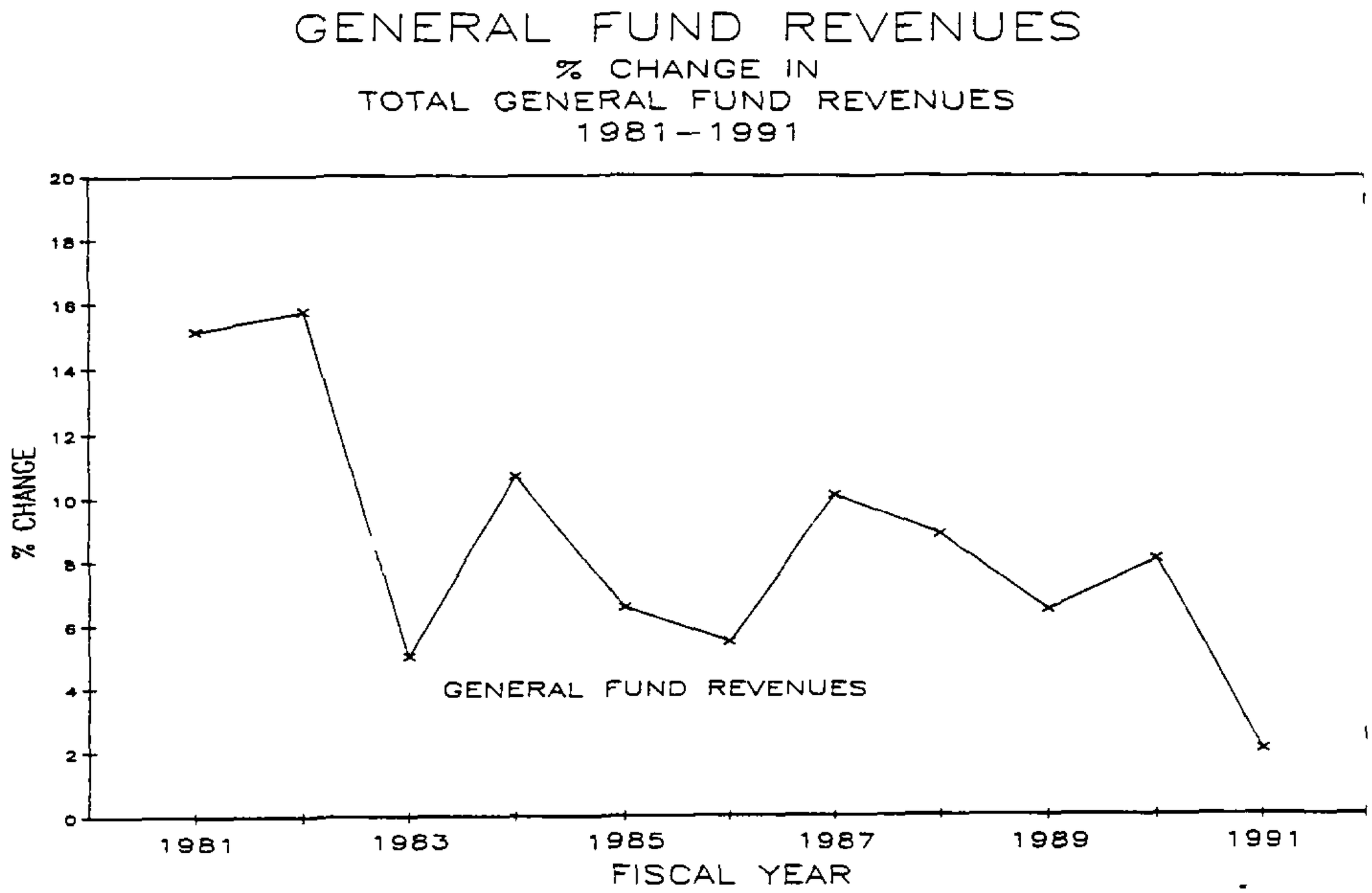
Exhibit D



UTILITY FRANCHISE TAX (1981-1991)

Fiscal Year	Amount ($000)	% Increase Over Previous Year
1981	$ 6,624	17.2%
1982	8,065	21.8
1983	9,494	17.7
1984	10,366	9.2
1985	10,901	5.2
1986	11,791	8.2
1987	13,236	12.3
1988	13,766	4.0
1989	13,504	(1.9)
1990	14,553	7.8
1991 est.	14,500	-.4

Exhibit F



GENERAL FUND REVENUES (1981-1991)

Fiscal Year	Amount ($000)	% Change
1981	$ 85,066	15.2%
1982	98,487	15.8
1983	103,404	5.0
1984	114,469	10.7
1985	121,959	6.5
1986	128,584	5.4
1987	141,598	10.1
1988	154,112	8.8
1989	164,062	6.5
1990	177,339	8.1
1991 est.	181,015	2.1