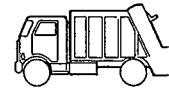
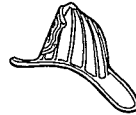
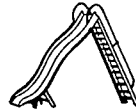
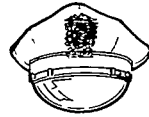


What Do Municipal Officials Need?



by Beverly A. Cigler

Of the 513 municipalities in North Carolina, only 8 have a population over 50,000. The Charlottes and Greensboros and Ashevilles have large tax bases and staffs on which to help with fiscal pressures, water/sewer demands, reduced federal funding, and other current problems. And when these towns lack resources, they can make their needs known to state legislators, executive branch heads, university officials, and the private sector.

But what about the other 505 municipalities—Gastonia (population 47,362) and Glen Alpine (644), Burlington (37,557) and Bear Grass (80)? Where do their town managers or clerks turn for help? And what kind of help do they need? What are the major problems facing these municipal officials?

From June to September 1983, the N.C. Local Policy Project at N.C. State University conducted a "needs assessment" survey of North Carolina towns under 50,000 in population. (For information on various surveys of North Carolina counties, see article on page 26). Questionnaires were sent to 250 town managers or clerks (if the town had no manager). Of these, 207 (83 percent) responded. For various methodological reasons, nine returned surveys

were not usable and hence not included in the final study. The workable sample of 198 responses generated the tables and discussion below.¹

The survey first asked the town managers/clerks to identify their communities' major problems. Given a list of seven types of concerns 65 percent picked "difficulty in attracting/supporting commercial facilities," 47 percent mentioned "retaining existing jobs," 35 percent included "housing rehabilitation," and 31 percent listed "insufficient new housing." The other three problem areas—deterioration of the natural environment, blight, and crime/drug addiction—all drew a response rate below 16 percent. These figures indicate, as one might expect, that economic-related issues (i.e., commercial facilities and jobs) most concern town officials.

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Effects of New Federalism

The Reagan administration has heightened these economic-related worries. In the wake of federal budget cuts, town officials have had to make adjustments. The survey asked the managers/clerks which of three reactions their communities have most frequently made to the Reagan administration's funding priorities. More than half (51 percent) said their communities used "expenditure reductions" most frequently. Almost one of every four (23 percent) turned most often to "new revenue generation," and only 14 percent depended most on "program/administrative process changes." Specific survey questions focused on each of these three responses, as summarized below.

Expenditure Reductions. Asked to identify the major activities pursued since 1980 to adjust expenditures, two of every three managers/clerks (67 percent) pointed to an "increased efficiency of existing programs." In a distant second place (31 percent) was "increased efforts at energy conservation."

Significantly, more than one of every four (28 percent) has "cut back existing programs or services" and one of five (20 percent) "terminated employees but kept programs." Only six percent of the sample said they dropped programs entirely. Table 1 below shows the full results, including the 12 possible answers to the survey question.

Table 1 indicates that in cutting expenses, North Carolina towns relied more on traditional strategies such as efficiency, energy conservation, and cutbacks than on new types of efforts that are receiving increased attention nationally. Volunteerism, for example, did rank fourth, but only one in four towns used this as a way to

Table 1. Activities Pursued to Adjust Expenditures

Activity	No. of Responses	Percent of Sample
1. Increased efficiency of existing programs	132	67
2. Increased efforts at energy conservation	62	31
3. Cut back existing programs or services	55	28
4. Attempted to increase volunteerism	48	24
5. (tie) Contracted out services to private sector	39	20
(tie) Terminated employees but kept program	39	20
7. Joint provision of services with another government	33	17
8. Shifted some programs/ services to other governments	29	15
9. Purchased services from another government	22	11
10. Private-public cooperation in formal programs	18	9
11. Dropped programs entirely	12	6
12. Other	6	3

reduce expenses.

Several of the options required cooperation with other governmental units. Each of these options ranked low: seventh place, joint provision of services with another government (17 percent); eighth place, shifting a program/ service to another government (15 percent); and ninth place, purchasing services from another government (11 percent). Similarly, strategies involving the private sector did not rank well. Contracting services out to the private sector tied for fifth place (20 percent), and private-public cooperation in formal programs ranked tenth (9 percent).

Although a variety of expenditure reduction strategies have been attempted by small municipalities in North Carolina, relatively few communities are experimenting with some newer strategies. The data do not reveal the reasons for limited use of some options, but several reasons appear possible.

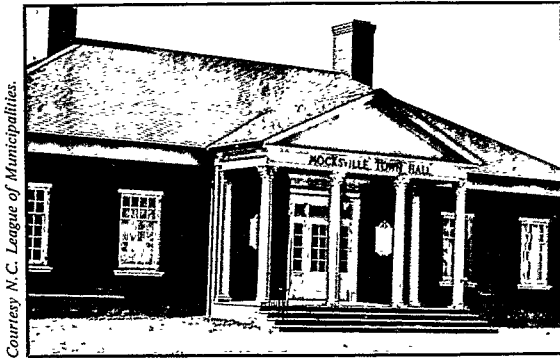
First, in a state that has careful monitoring of local fiscal stability by the N.C. Local Government Commission (see page 6 for background on this group), most communities may not perceive the need for intergovernmental cooperation and formal public-private cooperation. Secondly, information about various expenditure reduction strategies may not be widely available to many small governments. Finally, most of the communities in the sample may be satisfied with "increased efficiency of existing programs" and other activities that ranked high in Table 1.

New Revenue Generation. Table 2 below shows the types of activities pursued by North Carolina towns when seeking new sources of revenues—in the survey, the second most frequent method of adjusting to the New Federalism. Asked what new revenue sources their communities pursued, the town managers/clerks most often mentioned user fees (55 percent).

In second place, more than half of the managers/clerks (51 percent) turned to "increased searching for new grants." This high interest, even for a declining pot of federal money, no doubt reflects the keen competition for those federal funds still available, such as Community Development Block Grants.

Table 2. Activities Pursued for New Revenues

Activity	No. of Responses	Percent of Sample
1. User fees	108	55
2. Increased searching for new grants	101	51
3. Searched for new industrial or commercial businesses	88	44
4. Raised existing taxes	63	32
5. Annexation	53	27
6. New taxes	14	7
7. Other	13	7
8. Borrowed money	7	4



Ranking third, 44 percent said they were searching for new industrial/commercial businesses.

Widespread pursuit of intergovernmental grants and new industrial or commercial businesses suggests that officials in small municipalities would be interested in the innovative revenue strategies being developed in many North Carolina communities. Availability of information about new approaches is thus very important, such as the new team approach being employed in Sanford, North Carolina.²

"New taxes" (7 percent) and borrowing money (4 percent) ranked near the bottom, probably for two reasons. North Carolina has strong state-level oversight of local governments' finances. Secondly, in recent years, the political and economic climate worked against new taxes or more borrowing.

Program/Administrative Changes. Table 3 summarizes responses to this survey question: "which of the following have been enacted by your community?" The responses indicate generally low levels of measures considered to be innovative management initiatives. No procedure has been enacted by more than 48 percent of the sample towns. Many concerns currently receiving widespread media and academic

attention in the field of public administration—word processing, computerization of information, new budget approaches, etc.—are receiving little attention by these North Carolina towns.

As might be expected, the larger communities in the sample are more likely to adopt many of the program/administrative changes studied. For example, 32 percent of the sample communities greater than 10,000 in population (9 of 28) claim to be using word processing in government operations. Only 5 percent (9 of 191) under 10,000 indicate word processing capability.³

Information Sources and Perceived Utility

In addition to learning what municipal officials are doing, the survey asked officials about the sources of information they use in their job. Asked the three most useful *sources of new ideas*, the managers/clerks most often identified the N.C. League of Municipalities (63 percent). Next came the Institute of Government (54 percent), other local officials in their own community such as the mayor (47 percent), other local governments (27 percent), and regional governments (21 percent). Surprisingly, perhaps, state agency officials (19 percent) and federal agency employees (1 percent) ranked last.

When asked, "which types of external assistance are used *frequently* by your community?" (local governments and the Institute of Government were not listed as choices), the respondents ranked councils of government and other regional agencies first (57 percent), followed by private consultants (45 percent), the N.C. Division of Community Assistance (38 percent), other state agencies (23 percent), and federal agencies (12 percent). University extension programs, an important source of information for agricultural programs in the state, have few programs designed specifically for municipalities; only 17 percent of the sample utilized university extension programs, ranking them last among the choices.

The respondents to the survey seemed generally aware of state programs and satisfied with them for the most part. While 70 percent said they had face-to-face contact with state government personnel in the past year, 79 percent cited contact through correspondence and 85 percent had telephone contact. In addition, 87 percent said they were "somewhat" or "very" familiar with sources of state government assistance to local governments.

Asked to "rate assistance available from state agencies," 60 percent of the sample judged state programs to be adequate to meet local government needs. The town managers/clerks, in an "open-ended" question, had a number of suggestions for improvements. In the order most

Table 3. Program/Administrative Innovation by N.C. Towns

Activity	No. of Responses	Percent of Sample
1. Personnel code/merit hiring procedures	95	48
2. Fiscal management or accounting system change	91	46
3. Personnel manual for employees	85	43
4. Long range capital improvement program	66	33
5. Performance, zero-based, or PBS budget from a line item budget	33	17
6. Computerized management information system	31	16
7. Word processing	18	9
8. Human relations training for employees	13	7
9. Management by objectives system	12	6
10. Sunset law	6	3

often mentioned, they included: more outreach through additional regional offices, fewer mandates, more technical assistance, greater effort at providing local governments printed matter regarding the availability of state programs, and always having a state agency list its telephone number on all correspondence.

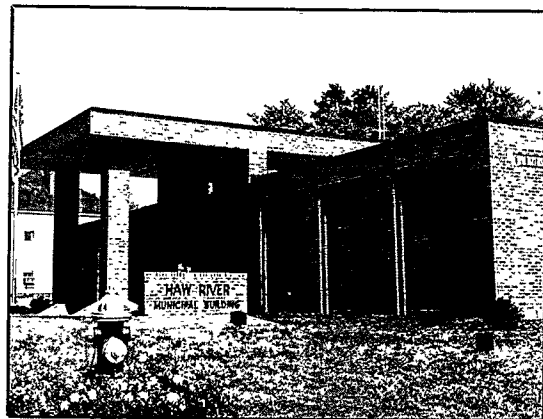
Policy Direction Emerging from Needs Assessment

The information from municipal officials summarized above—like data from other types of surveys (see article regarding county officials on page 26)—can be a valuable tool in shaping policies of state agencies and of other organizations working with local governments. The N.C. League of Municipalities, the N.C. Division of Community Assistance, the Institute of Government, and the councils of government—the major information sources for North Carolina town managers or clerks, according to the survey—might especially benefit from such needs assessments in shaping their own programs. In this survey, viewing the responses from the “fiscal” questions together with the data from the “sources of information” section can prove particularly helpful.

The “expenditure reduction” results in Table 1, for example, suggest that North Carolina towns under 50,000 in population, on the whole, lack substantial information and/or backup support on ways to stretch the municipal dollar. Citizen volunteers and/or neighborhood groups have not been utilized extensively to reduce expenses. Neither have joint public-private ventures, shifting of programs to other levels of government, purchasing services from other governments, and contracting out to the private sector generally been used throughout this sampling of towns.

Nationally, local governments are investing small amounts of public funds to attract large amounts of private money. In many cases, such public-private partnerships have created jobs, reduced unemployment, increased the tax base, and revitalized downtowns. Despite evidence of growing efforts at such partnerships in the larger North Carolina cities, this survey indicates that such partnerships have generally not come to North Carolina towns in large numbers. Moreover, the survey revealed that financial issues—jobs and attracting commercial facilities—most concern North Carolina town officials. The major information sources for these towns’ managers need to stimulate more discussion on new ways to cope with spending constraints.

The survey also indicates a glaring need in the management improvement area. Progress toward professional management systems,



Courtesy N. C. League of Municipalities

capital improvement programs, innovative budgeting, and the use of new technologies appears tentative at best. Dissemination of information in these areas, developing more “how-to” guides, and offering more technical assistance appear necessary.

In Middlesex and Middleburg, Eden and Edenton, Warsaw and Turkey—just 6 of the 505 North Carolina municipalities under 50,000 in population—town managers, clerks, mayors, and others have to meet a growing demand for services. Needs assessments surveys add a valuable source of information for regional, state, and federal officials charged with assisting municipal managers. And thriving towns remain vitally important to North Carolina. Without them, the growing Tar Heel populace would have to rely too heavily on urban centers, turning the state’s medium-sized cities into an urban sprawl. □

FOOTNOTES

¹The study sample reflects the number of North Carolina municipalities in various population ranges, as shown below.

Municipal Population	No. of N.C. Municipalities ^a	No. in Study Sample
over 50,000	8	0
25,000 to 49,999	10	7
10,000 to 24,999	26	21
2,500 to 9,999	96	61
under 2,500	373	109
Totals:	513	198

^a Source: N.C. Office of State Budget and Management

²See “New Techniques in Commercial Recruitment for Small Cities,” *Carolina Planning*, winter 1983, or contact Mary Ellen Brown, Sanford Downtown Revitalization Project, Box 1523, Sanford, N.C. 27330.

³Only total frequencies have been reported in this article for all of the information gathered on expenditure, revenue, and program/administrative change options. The data can be analyzed in many ways, including comparisons by community population size, rate of growth, median family income, etc. For the three tables summarized here, the general finding is that the larger the community, the more likely it is to be engaged in a wider variety of activities of all types. Interested readers may request more detailed reports from the author.