

ALBERT COATES LOCAL GOVERNMENT CENTER  
POST OFFICE BOX 3069  
RALEIGH, NORTH CAROLINA 27602-3069  
215 NORTH DAWSON STREET (27603)

PHONE: (919) 715-4000  
FAX: (919) 733-9519  
[WWW.NCLM.ORG](http://WWW.NCLM.ORG)

PROMOTING EXCELLENCE IN MUNICIPAL GOVERNMENT

## Don't let North Carolina crumble

### Invest in North Carolina's water infrastructure for clean water and a healthy economy.

- **N.C. MUNICIPALITIES ARE DOING THEIR PART.** Over the past five fiscal years, average capital outlay for water and sewer equaled at least 35 percent of municipal water and sewer revenues with the remainder for operations and maintenance. (In FY 2005, cities and towns realized \$1.4 billion in water and sewer revenues.)
- **CAPITAL INVESTMENT IS CRITICALLY NEEDED.** The N.C. Rural Economic Development Center Water 2030 study identified \$16.3 billion in water and sewer capital needs over the next 25 years.
- **CITIZENS SERVED BY THESE SYSTEMS CANNOT BEAR ALL THE COST TO MAKE NECESSARY IMPROVEMENTS.** Water and sewer fees for the majority of systems already exceed 1.5 percent of the median household income. For systems serving up to 400 customers (115 systems) fees would have to increase by an average of \$41.25 per month to cover the cost of the necessary improvements.
- **WATER INFRASTRUCTURE IS ESSENTIAL TO CLEAN WATER, PUBLIC HEALTH AND A HEALTHY ECONOMY.** Without adequate infrastructure new businesses cannot locate or expand in North Carolina.
- **FEDERAL FUNDING HAS DECLINED.** For example, 30 years ago, federal funds paid for 75 percent of new wastewater construction. Today federal funding is only about 5 percent.
- **THE STATE HAS A ROLE.** Adequate infrastructure must be supported through a partnership between state and local government. Local governments need additional revenues to address critical infrastructure problems.

### Invest in North Carolina's transportation infrastructure for a healthy economy.

- **NORTH CAROLINA'S TRANSPORTATION IS A PARTNERSHIP OF STATE AND MUNICIPAL GOVERNMENT.** Municipalities spend nearly \$1 billion on transportation each year.
- **STATE-SHARED REVENUE IS NOT KEEPING PACE WITH INCREASED COSTS.** State-shared revenues, known as Powell Bill funds, have grown by only 3 percent over the last three years, while municipal spending has grown by 23 percent. Meanwhile, road construction costs have increased by 45 percent since 2003.
- **MUNICIPAL RESPONSIBILITY HAS GROWN RAPIDLY.** Road miles managed by municipalities have grown from 15,000 miles in 1991 to 20,464 miles in 2005 - eleven times faster than the state road miles. State miles have grown at a much slower rate, from 77,000 to 79,000 during this same period.
- **OUR CITIES AND STATE ARE FALLING BEHIND.** N.C. DOT has identified a \$65 billion gap between available funding and actual needs for the state transportation system over the next 25 years. Charlotte recently estimated \$3 billion in MUNICIPAL SYSTEM needs for the same period and the Capital Area MPO has identified a \$6 billion shortfall for the Triangle region. The combined needs at the state, municipal and regional levels paint a sad picture for a state that is expected to grow in population by 50 percent over the next 25 years.
- **NORTH CAROLINA'S ECONOMY IS THREATENED.** No N.C. cities are ranked in the top 50 for logistics friendly cities in the United States, and only one city is ranked in the top 20 in the South (Greensboro ranked 20th).