

Grads, go write your own book

Following are excerpts from commencement remarks at N.C. State May 14 by Duke Energy Corp. Chairman Jim Rogers:

I believe most of you already have gadgets like iPods, iPads and smart phones. So how's this for excitement? How about a book?

It's called *No Limits*, and the good news is you get to write it yourself.

The first few chapters have already been written. It may have been written by others based on real-life observation — of how you work, how you talk, how well you play with others.



POINT OF VIEW

Jim Rogers

With your degree in hand, I challenge you to not be limited by the current book on you. Become the strong, central protagonist in your own story.

The most successful people I know have done just that. And by successful I don't necessarily mean financial net worth.

I mean people who know how to pursue life without limits. Who aren't satisfied with just being satisfied. Who put the needs of others ahead of their own, and in the end, get so much more than they put in.

One of those people is Carol Hardison. Carol built a successful career in information technology at Duke Energy over 18 years. She had a bright future and could have stayed on the management track for another decade or so and left with a nice retirement.

But instead in 2000 she left a job she loved to fulfill her lifelong passion for helping people in poverty as chief executive of the nonprofit Crisis Assistance Ministry in Charlotte.

Every year, that organization helps thousands of people. When she changed careers, Carol didn't redefine herself, but she did redefine her limits.

Since college and as a Duke employee, she was a regular volunteer to help the homeless and those in need of a helping hand.

Meanwhile, she was developing a solid set of business skills in management, strategic planning and customer service. What she didn't know was that she was preparing for an opportunity to help people in financial crisis move toward self-sufficiency.

Busting out beyond the limits involves a certain amount of risk. At the time, you never know for sure which were the right choices, or the wrong ones — which were the good breaks, or the bad ones.

You may only know when you look back on them years later.

Teddy Roosevelt referred to it as being in the arena. He said: "The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood. Who if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat."

My wish for each of you is that you have the courage to get in the arena.

The best graduation gift that I — or any of us — can give you, is the copyright to your own story.

Begin writing it today. Write it with passion and purpose. And write it without limits.

How much more can we pay?

Size of your property-tax increase will depend on how well county commissioners can restrain spending. And that's all about politics.

Mecklenburg County is the original "good time Charlie" that never found a program it didn't like or a tax it wouldn't hike on its citizens. During the next few weeks, a new property-tax rate will be set and it will be brutal. Count on it. My guess is that most homeowners will see tax increases of 20% or more.



POINT OF VIEW

Bill James

As a country we are in deep trouble. Like an alcoholic, we just can't say no to spending. We want to stop, but all levels of government are addicted. To make matters worse, in local government, frank talk is a mortal sin. Better to use soothing language about reinvesting than address fiscal reality.

Because of revaluation, real estate is going to be adjusted to reflect the market. Many people think if the county sets the rate as "revenue neutral" that tax increases will be avoided. This is untrue.

The current county rate is 83.87 cents per \$100 of valuation. What's known as the revenue-neutral rate is 78.83 cents per \$100. That's the rate designed to maintain collections after adjusting for growth. Even using this definition of revenue neutral, 158,272 households (48.9% of the total) will face a tax increase.

County Manager Harry Jones' suggested budget has a rate of 82.49 cents (1.38 cents less than the current rate) and would increase the number of households receiving a tax increase by 26,855. All in all, his budget forces a tax increase on 185,127 households, or about 350,000 residents.

A neutral rate without the adjustment would be around 76.7 cents.

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To reduce the impact of revaluation on homeowners would require a revenue-negative rate. The Republicans on the county commission are willing to do this by cutting the budget, but the Democrats refuse.

Most Democrats have expressed interest in a rate-neutral budget, meaning the tax rate stays at 83.87 cents. Of course that won't seem neutral to most taxpayers. If the tax rate is unchanged, 194,094 households (60.1% of the total) would face a tax increase, and the county would raise an additional \$76 million. The rate-neutral approach increases by 36,000 the number of households facing a tax hike than those under a revenue-neutral rate.

Here's how the various scenarios play out for a homeowner. Assume a house had a value of \$100,000 in 2003 and has doubled since the latest revaluation.

Using the rate-neutral approach favored by the Democrats, the 83.87 cents/\$100 rate means the Mecklenburg tax bill doubles from \$838.70 to \$1,677.40.

Using the revenue-neutral rate of 78.83 cents, the tax bill dips to \$1,576.60. That's a significant increase even at revenue neutral.

So what would it take to avoid a tax increase for this particular home?

The rate would have to drop to 41.95 cents per \$100.

I don't think taxpayers will see that sort of cut in the rate, but I want to set it so no homeowner has a large double-digit increase.

Clearly, the manager's recommended budget or the rate-neutral approach will cause significant pain while we are struggling to emerge from the Great Recession.

What sort of rate emerges in coming weeks will depend on politics. There are five Democrat and four Republican commissioners, and the Board of Education sees the county as an ATM to rescue it from federal and state cuts. The board wants an extra \$50 million from the county for next year, but the manager recommends about half that amount.

Democrats face pressure to fund education by keeping the current tax rate. They and their backers say doing so would really mean no tax increase, although it is completely dishonest to say so. But the truth is rarely the central issue for our budget discussions.

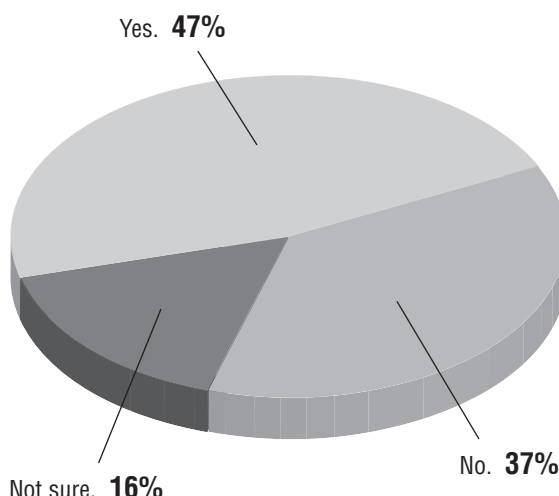
Adding tens of millions of dollars for schools won't help every child. It won't even help most children. It is designed to maintain school jobs mostly in the inner-city that groups in those locations are upset about losing.

People who live off government are mad they might not get to stay on the gravy train. They are counting on an inattentive public and the five Democratic commissioners to deliver the dollars to keep those inner-city jobs safe.

Bill James is in his eighth term on the Mecklenburg Board of County Commissioners. He is a nonpracticing CPA and spent about 15 years in "Big 8" accounting. He can be contacted at wjames@carolina.rr.com.

BUSINESS PULSE

Should the Charlotte Regional Visitors Authority board renew Tim Newman's contract as chief executive?



What you said:

•Tim has done a great job in leading this group and elevating Charlotte with meeting planners and officials. Entertainment and great salesmanship are essential in this line of work.

•If enough people are bent out of shape about those perfectly legitimate and productive (to the tune of \$4 billion in annual tourism/convention business) practices, then let's get government out of the business. We can leave that work to people who know how to do it.

•The convention/tourism business has little economic impact beyond minimum-wage jobs, fat bonuses to government-subsidized toadies like the ones at CRVA, and big piles of money sent out-of-town to the head-

quarters of hotel chains.

•The hospitality community bears the largest burden of taxes to support the CRVA, but it's the most supportive group of the CRVA and Newman.

•Enough with "that's the way it's done" excuses. If it takes bribery to sell Charlotte (especially as thank yous to Charlotteans), then there's something wrong with the way it's done.

•In Tim we have a sharp business mind, a savvy negotiator, a dedicated community leader and someone who has a proven record of success in winning conventions and conferences to Charlotte. Just ask those other major cities that were in contention for the business that ultimately ended up here.

This week's question: Should Mecklenburg County commissioners approve the \$50 million in additional funds sought by the school board?

The *Charlotte Business Journal's* online poll appears every day on our website and at the top of our daily email of breaking news stories. To sign up, go to charlottebusinessjournal.com and click on "email alerts."