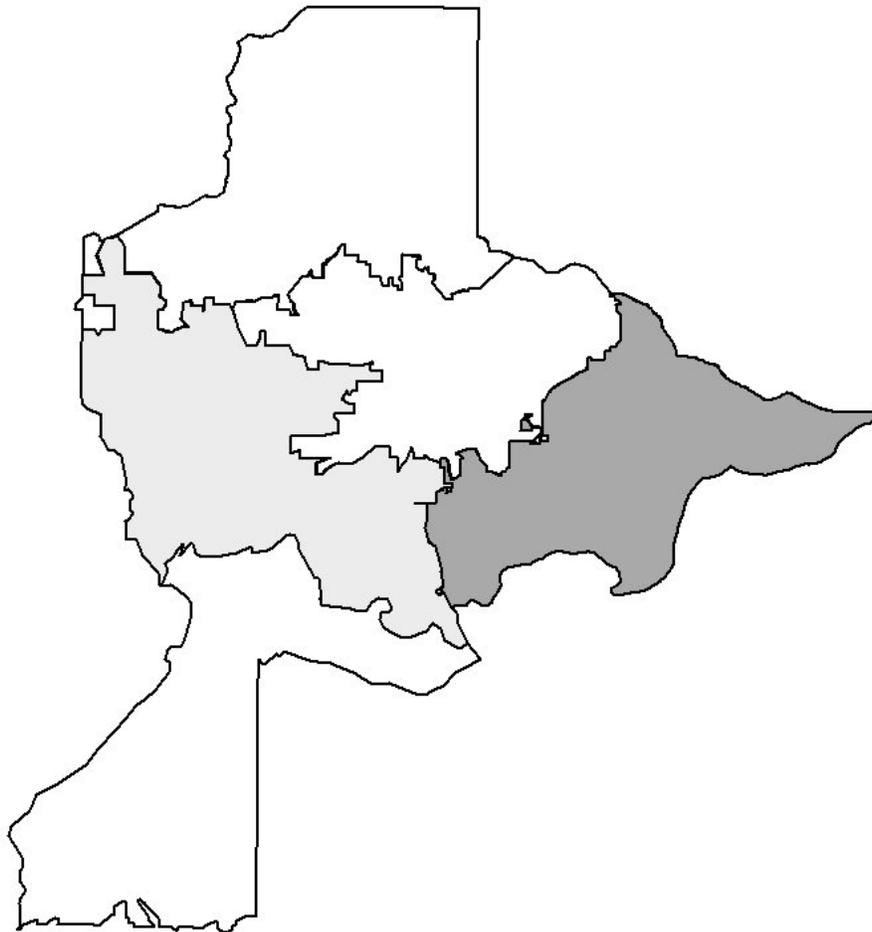


CREATING A NEW MILTON COUNTY

Report 1. Estimated Costs and Revenues for the Proposed Milton County



Carl Vinson **Institute of Government**
The University of Georgia



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FISCAL RESEARCH CENTER

**STUDY REPORTS PREPARED FOR THE
CREATING A NEW MILTON COUNTY
PROJECT**

Number	Title	Author
	<i>Executive Summaries</i>	Governmental Services and Research Division, Carl Vinson Institute of Government, University of Georgia and Fiscal Research Center, Andrew Young School of Policy Studies, Georgia State University
1.	<i>Estimated Costs and Revenues for the Proposed Milton County</i>	Fiscal Research Center, Andrew Young School of Policy Studies, Georgia State University
2.	<i>The Fiscal Viability of a Milton County School System</i>	Governmental Services and Research Division, Carl Vinson Institute of Government, University of Georgia
3.	<i>The Impact of Creating Milton County on State Agencies</i>	Governmental Services and Research Division, Carl Vinson Institute of Government, University of Georgia
4.	<i>The Legal Impacts of Creating Milton County</i>	Governmental Services and Research Division, Carl Vinson Institute of Government, University of Georgia
5.	<i>New Governance Options for Milton County</i>	Governmental Services and Research Division, Carl Vinson Institute of Government, University of Georgia
6.	<i>A Comparison of County Services Provided by the Counties of Cobb, DeKalb, Fulton, and Gwinnett</i>	Fiscal Research Center, Andrew Young School of Policy Studies, Georgia State University

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**Estimated Costs and Revenues for the Proposed
Milton County**

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Estimated Costs and Revenues for the Proposed Milton County

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Estimated Costs and Revenues for the Proposed Milton County

Executive Summary

This analysis presents the estimated costs of providing services to the proposed area of Milton County. Milton County would consist of the municipalities of Roswell, Alpharetta, Sandy Springs, Mountain Park, John's Creek, and Milton. 100 percent of the county would lie within one of these municipalities. Because of this unique characteristic, the role of a county government would be greatly reduced. Additional services, not considered mandatory county services, would be provided, if desired, by the municipal governments.

This analysis assumes that the county will provide the following list of services: judicial services including superior, state, magistrate, probate, and juvenile courts; limited health and human services such as public health, emergency shelter, and senior services; libraries; emergency management services; animal control services; election and voter registration services; and general government administrative and tax administrative services. This analysis assumes that the county will not provide fire and general police services, public works or transportation services, or water. If desired by the residents, these services would be provided by the respective municipal government.

The expenditure estimates provided in this report are based on per unit costs of the surrounding metro counties of Cobb, DeKalb, Fulton, and Gwinnett. These per unit costs are presented in the companion report, "A Comparison of County Services Provided by the Counties of Cobb, DeKalb, Fulton, and Gwinnett", referred to hereafter as Milton 6. The Milton 6 report presents a description of each of the county-wide or mandatory services, a summary of the level of activity associated with the service, as well as the employment and costs. We use two alternative measures of cost per unit, one based on average costs experienced by Cobb and Gwinnett and one based on average costs experienced by DeKalb and Fulton. Per unit or per capita costs computed in Milton 6 are applied to the estimated units of activity or population of the proposed Milton County. For instance, based on data provided in Milton 6 we are able to compute per precinct costs for election and voter registration services. These per precinct costs are then

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applied to the estimated number of precincts in Milton County to yield an estimate of costs associated with elections and voter registration services.

The report also presents revenue estimates from property, sales, and other taxes and fees. One notable assumption employed in estimating the sales tax revenues to the county is that the Milton municipalities will receive the same amount of LOST revenues as they currently receive from Fulton County.

The combined estimated cost of expenditures is shown in Table A. The expenditure estimate based on the average costs incurred by the Cobb and Gwinnett governments is \$133.1 million, while the expenditure estimate based on the average government expenses of Fulton and DeKalb counties is \$148.0 million. These figures are based on the cost figures experience in 2006 and are assuming an estimated population for Milton County of 311,112. As a percentage of total county wide provided services, the percent of estimated expenditures for Milton County is distributed in the same pattern as are the expenditures for the comparison counties of Cobb, Gwinnett, Fulton, and DeKalb. Revenues are estimated to be \$209.6 million for 2006 with \$160.2 million in property tax revenues, \$6.4 million in sales tax revenue, and \$43.1 million in other taxes and fees. These are shown in Table B. The revenue estimate assumes that the existing dollar distribution of LOST revenue to the municipalities of Milton County remain at the current level. It is also assumed that a 1 percent MARTA sales tax will be imposed in Milton County; however, this would not affect the operating costs or revenues of Milton County. Lastly, it is assumed that Milton County would continue to support the operations of Grady Hospital on a pro-rata basis.

While anticipated revenues exceed expenses, these expenses include only the minimum level of required county services and do not incorporate capital expenditures which are expected to be significant. Nor do the estimates incorporate growth in population or prices which are expected to cause costs to increase at a faster rate than revenues. Finally, county governments experience significant economies of scale in their operations. This allows larger counties to operate at lower unit costs than smaller ones. Each of our four comparison counties enjoy these returns to scale to varying degrees. Because we have based our estimates on various per unit costs of county

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services, such as per precinct costs and billing units, we have captured these economies of scale in our estimates. The government of Milton County will be smaller than any of our comparison counties due to a smaller population and a lack of unincorporated area. It is not clear the Milton County government will experience the same level of economies of scale because of its reduced level of activity. If this is in fact the case, the estimates included in this report will understate the true per unit costs and absolute costs experienced by Milton County.

There are other financial obligations that the proposed Milton County would confront that are not reflected in Table A. These include inherited share of long-term debt and unfunded pension obligations and acquisition of space and equipment. Table D lists these items.

Table A. Summary of Total Estimated Expenditures for Milton County

Government Activity	Cobb-Gwinnett Average	DeKalb-Fulton Average
Administrative Services	\$29,493,254	\$34,418,398
Judicial Services	\$52,327,906	\$55,582,908
Health and Human Services	\$1,897,204	\$6,482,735
Libraries	\$5,085,843	\$3,495,189
Tax Administration	\$4,684,411	\$7,377,637
Election and Voter Registration	\$1,327,889	\$2,240,932
Emergency Management Services	\$4,202,284	\$4,263,078
Animal Control	\$956,785	\$919,648
Grady Hospital	\$33,171,773	\$33,171,773
Expenditure Total	\$133,147,350	\$147,952,299

Table B. Total Estimated Revenues for Milton County

Source of Revenue	Estimated Revenue
Sales Tax	\$6,362,572
Property Tax	\$160,180,415
Other Taxes and Fees	\$43,078,403
Revenue Total	\$209,621,390

Estimated Costs and Revenues for the Proposed Milton County

Table C. Total Estimated Revenues and Expenditures Per Capita for Milton County

	Cobb-Gwinnett Average	DeKalb-Fulton Average
Expenditures Per Capita	\$427.96	\$475.55
Revenues Per Capita	\$673.76	\$673.76
Revenues - Expenditures	\$76,474,040	\$61,669,091

Table D. Other County Government Obligations

OBLIGATION	COST TO MILTON COUNTY
Long-term debt	\$303 million in outstanding debt
Unfunded Pension Obligations	\$75 million in outstanding pension obligations
Retiree Health and Life Insurance	Annual servicing cost = \$6,383,000
Existing Fulton County Long-term leases	\$1.6 million (cumulative total cost through 2011)
Administrative Capital Investments (ie. Office furniture, computers, faxes, copiers, printers, software)	\$4.3 million in one-time investment
Annual lease payment for administrative space	\$4 million annually
Capital Expenses for GIS and Communication Equipment	unknown
Reimbursement for Fulton County facilities	unknown
County Courthouse and Jail Facility	unknown

These costs are not included in the summary of expenses presented in Table A.

Estimated Costs and Revenues for the Proposed Milton County

Section 1. Introduction

This report presents the estimated costs of providing services to the proposed area of Milton County and the corresponding revenue. Milton County would comprise the area of Fulton County that lies above the northern border of Atlanta and is made up of the municipalities of Roswell, Alpharetta, Sandy Springs, Mountain Park, John's Creek, and Milton. 100 percent of the county would lie within one of these municipalities. Because of this unique characteristic, the role of a county government would be greatly reduced compared to counties with unincorporated areas. Additional services, not considered mandatory county services, would be provided, if desired, by the municipal governments.

This analysis assumes that the county will provide the following list of services: judicial services including superior, state, magistrate, probate, and juvenile courts; limited health and human services such as public health, emergency shelter, and senior services; libraries; emergency management services; animal control services; election and voter registration services; and general government administrative and tax administrative services. This analysis assumes that the county will not provide fire and general police services, public works or transportation services, or water; if desired by the residents, these services would be provided by their respective municipal governments.

The expenditure estimates provided in this report are based on the service costs experienced by the surrounding the metro counties of Cobb, DeKalb, Fulton, and Gwinnett. These estimates are presented in the companion report, "A Comparison of County Services Provided by the Counties of Cobb, DeKalb, Fulton, and Gwinnett" prepared and published by the Fiscal Research Center, referred to hereafter as Milton 6. The Milton 6 report presents a description of each of the county-wide or mandatory services, a summary of the level of activity associated with the service, as well as the employment and expenditures for these services. The costs presented in the Milton 6 report and in this report involve only the operating costs associated with the government services and do not address the initial capital requirements or the on-going capital maintenance and improvements. The per-unit or per capita operating costs computed in Milton 6 are applied to the estimated units of activity or population of the proposed Milton County. For

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instance, based on data provided in Milton 6 we are able to compute per precinct costs for election and voter registration services. These costs are applied to the estimated number of precincts in Milton County to produce an estimate of the anticipated costs associated with this service.

In this analysis, we combine the per unit costs experienced by Cobb and Gwinnett counties and those experienced by Fulton and DeKalb counties to create an average per unit cost for each of these two county combinations. The Cobb and Gwinnett county combination is representative of a suburban population with relatively little diversity in the population and a proclivity towards small governments. Fulton and DeKalb counties are, of the four comparison counties, larger in population, more diverse, and more urban in their setting. Therefore, we use the per unit averages based on these two combinations to frame the expenditure estimates for county services. Based on our findings in the Milton 6 report, DeKalb and Fulton counties tended to experience higher per unit costs for county services and Cobb and Gwinnett the lower for fiscal year 2006.

The report also presents revenue estimates for property, sales, and other taxes and fees. One notable assumption employed in estimating the sales tax revenues to the Milton County government is that the Milton municipalities will receive the same dollar value of LOST revenues as they currently receive from Fulton County.

The report continues with a discussion of the demographic makeup of the proposed Milton County in section 2. This is followed by sections 3-10, which outline cost estimates for each county service and section 11 which provides a discussion of the anticipated Milton County revenues. Section 12 provides a list of issues which require consideration by a legislative body but have not been addressed in this report. These include such issues as the transfer of existing Fulton County physical capital, treatment of unfunded retirement benefits, initial capital requirements for Milton County, and the future of funding for Grady Hospital and MARTA. The report concludes with a summary of costs and revenues presented in section 13. Calculations and underlying data used to construct the estimates are provided in the Appendix to this work, which follows section 13.

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Section 2. Demographics

Tables 2.1, 2.2, and 2.3 provide some descriptive statistics on the population and economic characteristics of the proposed Milton County, the resulting smaller Fulton County, and the current Fulton County. As shown in Table 2.1 there are alternative estimates of the population for the two new county areas. Throughout this report, we have used the Milton County population estimated by the Atlanta Regional Commission of 311,121 people in 2006. Using the alternative population estimate from Geolytics would allocate a slightly higher percentage of the population to Milton County. This would result in somewhat higher estimates of revenues and expenditures than those presented in this report. In the absence of an overwhelming reason to choose one estimate over the other, we opt to use the publicly available data from the Atlanta Regional Commission.

Based on the information provided below in Tables 2.1 and 2.2, we see that about 35 percent of the current Fulton County population and about 37 percent of the households will reside within the boundaries of the proposed Milton County. Households in Milton County are estimated to have significantly higher incomes than those in the new Fulton County with fewer caseloads for Medicaid, TANF, and Food Stamps.

Table 2.3 provides some demographic characteristics that will be used to produce cost estimates for county services. For instance, the breakdown of the voting population is used to estimate the number of precincts required by Milton County. The age distribution figures are used to estimate the need for senior services and juvenile court services.

Table 2.1 Population Characteristics

	Proposed Milton County	Proposed Fulton County	Current Fulton County
Population, 2006 ⁽¹⁾	311,121	589,079	900,200
Population, 2006 ⁽²⁾	360,952	603,267	964,219
Households, 2006 ⁽³⁾	142,662	243,134	385,796
Population % Change, 2000-2006 ⁽⁴⁾	24%	15%	18%

(1) Atlanta Regional Commission (ARC) 2006 Population and Housing Report

(2) Total Estimated Population, GeoLytics, Inc.

(3) Total Estimated Households, GeoLytics, Inc.

(4) Based on Total Census 2000 Population and Total Estimated Population for 2006 from GeoLytics, Inc.

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Table 2.2 Economic Characteristics, 2006⁽¹⁾

	Proposed Milton County	Proposed Fulton County	Current Fulton County
Median Household Income ⁽²⁾	\$86,743	\$36,930	\$47,072
Per Capita Income ⁽³⁾	\$43,367	\$21,093	\$25,628
Total Housing Units ⁽⁴⁾	135,605	271,289	406,894
# Home Owners	85,614	107,982	193,596
Households w/ income under \$10,000	4,407	34,696	39,103
Families receiving food stamps ⁽⁵⁾	2,678	41,183	43,861
Families receiving Medicaid assistance ⁽⁵⁾	2,688	15,465	18,153
Families receiving TANF benefits ⁽⁵⁾	119	2,481	2,600

(1) Source: GeoLytics, Inc. unless indicated otherwise.

(2) Median Household Income, calculated by averaging medium income for census tracts, GeoLytics, Inc.

(3) Per capita Income, calculated by averaging per capita income for census tracts, GeoLytics, Inc.

(4) Atlanta Regional Commission (ARC) 2006 Population and Housing Report.

(5) Data provided to the Fiscal Research Center by the Georgia Department of Human Resources.

Table 2.3 Other Characteristics, 2006

	Proposed Milton County	Proposed Fulton County	Current Fulton County
% Population African American ⁽¹⁾	8.0%	62.8%	42.3%
Active Voters ⁽²⁾	172,919	279,384	452,303
% of Population 65 and over ⁽¹⁾	8.6%	9.9%	9.4%
% of Population under 18 ⁽¹⁾	22.5%	23%	22.8%

(1) Source: Geolytics, Inc.

(2) Source: Georgia Secretary of State, Voter Registration System, August 1, 2006.

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Section 3. County Governance and Administration

The services considered in this section of the report refer to county governance and the general administration of the county. The cost of these services are estimated based on the costs associated with the governing and administrative expenses of the four surrounding counties of Cobb, DeKalb, Fulton (inclusive of the Milton area), and Gwinnett in FY2006.

3.1 County Governance

For this report county governance refers to the combined services provided by the county Board of Commissioners, the County Clerk, and the County Manager/Administrator/CEO. These services include the following:

- The Board of Commissioners (BOC) is responsible for the policy making decisions for the county.
- The County Clerk maintains records for the BOC and official minutes of BOC meetings and handles the general record keeping for the county.
- The County Manager oversees daily operations of the county and implements policies and decisions of the BOC. The County Manager also coordinates county-wide communications, both internal and external. These include such services as the operation of the county public access channel, publication and distribution of public relations materials, mail service between departments, and the operation of citizen help centers.

Board of Commissioners

The specifics of the structure of a proposed new county are determined by the voters of the state and the affected residents, but to construct an estimate of the costs associated with county administration and governance, a basic organizational structure must be assumed. It is conceivable that the structure of Milton County would be similar to that found in other metro area counties. Therefore, our analysis proceeds with certain assumptions concerning the governance structure. For example, we assume that there will be 5 county commissioners. This produces a lower population per commissioner (62,224:1) than is seen in the neighboring counties of Cobb, Gwinnett, and DeKalb. If instead we use the population per commissioner found in these counties, we would assume that there would be 3 commissioners based on an

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estimated population of 311,121. Given that there are six municipalities in the county, it is believed that 3 commissioners are not enough to adequately represent the distinct populations of the new county. Thus, we assume there will be 5 commissioners on the board. Furthermore, we assume that the 5 commissioners are part-time commissioners as they are in Fulton and DeKalb. An alternative model used in Cobb and Gwinnett has four part-time commissioners and one chairperson who serves full-time. We assume part-time commissioners over full-time because the duties of the county government are reduced relative to other metro counties due to the absence of unincorporated areas within the county. In 2007, total salaries for BOC members ranged from \$279,527 in Cobb County to \$114,703 in Gwinnett County.

In addition to the elected members of the Board, members may have staff to support them in the areas of research and administration. In Fulton County, the BOC had a staff of 36 full-time employees and 4 part-time employees in 2006 to fulfill this function. Each BOC member in DeKalb had 3 aides and the Commission as a whole was served by 4 full-time employees in 2006. In Cobb County, the commission was served by 10 full-time employees, while in Gwinnett the commission did not have dedicated staff but was served by the general county administration staff in 2006. We do not make an explicit assumption concerning the size of the BOC staff but use the total expenditures from these other counties to produce an estimate of the cost of BOC staff. In 2006, expenses for the BOC including salaries for staff and commissioners ranged from \$2,625,216 in Fulton County to \$217,550 in Gwinnett County.

The estimates for the BOC expenses presented in Table 3.1 are based on expenditures per commissioner as computed from the data provided in the Milton 6 report. The average per commissioner cost for Cobb and Gwinnett and for DeKalb and Fulton are computed. The average per commissioner value is applied to our assumption of 5 county commissioners for Milton County to create our estimate of BOC expenditures for Milton County.

County Clerk

While the duties of the county clerk vary somewhat between counties, in general the clerk provides administrative support to the BOC, such as record keeping and recording and distributing agendas and minutes of official meetings, and obtaining signatures for government

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documents. Based on 2006 figures, Fulton County had 11 full-time employees and 3 part-time employees in this position who, in addition to the standard responsibilities of a county clerk, oversee the county indigent burial program, and provide research and administrative support for the members of the BOC. On the other hand, Gwinnett employed 1 full-time person in this position. Cobb and DeKalb each employed 4 and 3 people, respectively. The DeKalb finance director serves as the clerk to the county CEO and to the BOC and is responsible for recording and maintaining records of BOC meetings. Based on the data reported in the Milton 6 report, expenses for the county clerk's office ranged from \$1,060,949 in Fulton County to \$94,237 in Gwinnett County for fiscal year 2006.

The expense for the Milton county clerk's office is estimated based on the number of BOC members. The average county clerk expense per commissioner is computed for Cobb and Gwinnett and for DeKalb and Fulton. These averages are applied to our assumption of 5 commissioners for Milton County to produce our estimated expenses for the county clerk's office in Milton County presented in Table 3.1.

County Manager/County Administrator/Chief Executive Officer

The county manager is responsible for implementing the policies of the BOC and for the daily operations of the county government. While this is an elected office in DeKalb County, in Fulton, Cobb, and Gwinnett, it is a position employed by the BOC. In addition to these administrative services, we include internal and external communications as a duty of the county manager since the dissemination of information is often a responsibility of a county manager. The choice of an elected chief executive officer over an employed county manager is not relevant to our estimate since the services provided by either position are the same. Employment in 2006 for this administrative department ranged from 85 full-time employees in Fulton County to 29 in Gwinnett County while expenditures ranged from a high of \$6,570,620 in Fulton County to a low of \$3,546,761 in Gwinnett County.

The most prominent cost factor associated with the county manager's office is the size of the county government. Therefore, to estimate the expenditures associated with the office of county manager, we first compute total county expenses excluding the county manager's office for our

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four comparison counties. We then compute the average for Cobb and Gwinnett and for DeKalb and Fulton. These two averages are applied to our estimate of total county expenses less the county manager's office to produce our estimate of expenses associated with the county manager's office in Milton County.

Table 3.1 Estimated Cost of County Governance for Milton County

	Cobb-Gwinnett Average	DeKalb-Fulton Average
County Commissioners	\$525,269	\$1,510,295
County Clerk (with staff)	\$206,145	\$461,768
County Manager (with staff)	\$1,807,939	\$1,782,163
Total County Governance	\$2,539,352	\$3,754,226

3.2 County Administrative Support

In this section the estimates for the general county administrative functions are presented. These services include:

- Purchasing and Contract Compliance
- Personnel
- Information Technology & GIS
- Law Department
- Finance
- Fleet and Facilities Management (including utilities)

Purchasing and Contract Compliance

The general responsibilities of the purchasing and contract compliance cost centers are procurement and monitoring of county contracts. Based on our survey of the four surrounding metro counties, employment associated with this function ranged in 2006 from 50 employees in DeKalb County to 13 full-time employees in Cobb County. Total expenditures for these cost

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centers ranged from a high of \$3,335,058 in Fulton County to a low of \$885,047 in Cobb County.

Personnel

The personnel department is responsible for the recruiting, orienting and training new employees and managing employee classification. Employment in this cost center ranged in 2006 from 50 full-time employees in Fulton County to 25 in Cobb County. Total expenses ranged from a high of \$4,159,073 in Fulton County to a low of \$2,201,586 in Cobb County.

County Attorney & Law Department

The main responsibility of the county law department is to review county contracts and to provide legal counsel and representation of the county in all legal matters. In 2006 Fulton County employed 37 individuals full-time in this cost center while Gwinnett and Cobb employed 14. Expenditures this cost center for Fulton County in 2006 were \$3,753,896 and \$1,421,759 in Gwinnett County.

Information Technology and GIS

The responsibilities of this cost center include the general maintenance of county technology and computer equipment, support for county website and information technology support for specific departments. In addition, GIS services are estimated and included in this cost center.

Employment in this service area varied from 146 full-time employees in Fulton County to 70 in Gwinnett County in 2006. FY2006 Expenditures varied from a high of \$24,908,172 in Fulton County to a low of \$12,013,939 in Cobb County.

Finance Department

Finance departments are assumed to include the functions of budget analysis and development, payroll and employee benefit management, cash management, investment, accounting, internal audit and business licensing. While business licensing is a municipal function that Milton County government would not be expected to engage in, our data prevents the cost of this service from being excluded. Therefore, our costs presented in Table 3.2 are slightly overstated due to the inclusion of expenses for the business licensing service. FY2006 expenditures for county

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finance departments varied from \$8,643,307 in Gwinnett County to \$5,072,113 in Cobb County. Employment varied from 103 full-time employees in DeKalb to 56 full-time employees in Cobb.

Facilities and Fleet Management (including utilities)

The fleet management operations of a county involve the purchase and maintenance of the county's vehicles. The facilities management operations include the maintenance, security, design and construction of the county's physical property. Included in the expenses provided in Table 3.2 are expenses for utilities. FY2006 employment associated with the fleet and facilities management of comparison counties ranged from 104 full-time employees in Cobb County to 329 full-time employees in Fulton County. Expenditures ranged from \$62,808,629 in DeKalb County to \$29,473,080 in Cobb County.¹

The primary cost factor associated with county administration services is the size of the county government. The estimates presented in Table 3.2 of county administrative services are based on expenditures for these services as experienced by our comparison counties relative to their expenditures for total non-administrative expenditures. Again these expenditures are averaged over Cobb and Gwinnett and over DeKalb and Fulton and applied to Milton County.

Table 3.2 Estimated Cost of County Administrative Support for Milton County

	Cobb-Gwinnett Average	DeKalb-Fulton Average
Purchasing and Contract Compliance	\$502,803	\$1,047,474
Personnel	\$1,208,840	\$1,164,563
County Attorney	\$880,375	\$1,217,102
IT/GIS	\$7,154,110	\$7,354,691
Fleet & Facilities Management (including utilities)	\$14,047,998	\$17,614,117
Finance	\$3,159,776	\$2,266,225

¹ The value of utilities in Gwinnett County was not available. The value of utilities in DeKalb County does not include expenses for water.

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Total Administrative Support	\$26,953,902	\$30,664,172

The administrative costs used in estimating the cost of governance and administration correspond to larger governments than that envisioned for Milton County. Because these counties have large populations in unincorporated areas, the counties tend to provide more municipal-type services as discussed earlier. Based on our research presented in Milton 6, expenditures on county-wide and mandated services account for approximately 37 to 50 percent of total county expenditures. County administrative costs are a direct function of the size of county government, in addition to increasing with the size of the county population. Therefore the estimates presented in Tables 3.1-3.3 may overstate the actual expenditures of a small county such as the proposed Milton County. On the other hand, larger counties are able to take advantage of economies of scale in their operations, indicating that per unit expenses for small counties may be greater than those experienced by larger ones. If this is so, the estimates provided in Tables 3.1-3.3 would not be overstated.

Table 3.3.Total Cost of County Governance and Administrative Support for Milton County

	Cobb-Gwinnett Average	DeKalb-Fulton Average
Total Governance and Administration	\$29,493,254	\$34,418,398
Per Capita Expenses	\$94.80	\$110.63

Estimated Costs and Revenues for the Proposed Milton County

Section 4. Judicial Services

As in the Milton 6 companion report, the justice system considered in this report refers to the following components²:

Courts -

- Superior Court
- State Court
- Magistrate Court
- Juvenile Court
- Probate Court

Judicial Support –

- Clerk of Superior Court
- District Attorney
- Solicitor General
- Medical examiner
- Sheriff & Jails

All of the components of the county justice systems are mandated by the state law, which means that the proposed county is required to provide these services. Some of the service costs are state-funded: superior and juvenile court judges, the clerk of superior court, and the district attorney are paid by the state, in addition to some staff. Furthermore, Fulton County's public defenders are part of the state funded system, as are DeKalb's. On the other hand, the county funds the full cost of services provided by the state, magistrate, and probate courts. While the state does not fund these state-mandated services, the Georgia Code sets specific salary and reimbursement rules. A description of the county service and estimates of the associated costs for Milton County are presented in the following section.

² The indigent defense services are mandated by the state law. However, Georgia has a state-wide public defender system funded in part by the state. Counties are allowed to opt out of the system. Currently, Fulton and DeKalb counties participate in the state funded public defender system. We assume that the proposed county would join the Georgia Public Defender Standards Council, through which the services are funded in part by the state.

Estimated Costs and Revenues for the Proposed Milton County

4.1. Courts

Superior Court

As the highest ranking county court, the state-mandated superior court has exclusive authority over all felony and major civil cases such as divorce, child custody, and criminal. The number of superior court judges is set by the Georgia Code (OCGA) §15-6-2. As of 2006, Fulton County had 19 superior court judges. By contrast, Cobb and Gwinnett had 9 superior court judges in 2006, while DeKalb had 10. For our comparison counties, per judge population ranged between 47,379 (Fulton) and 79,956 (Gwinnett). Based on a crime rate of 3.8 crimes per 100 persons for Milton County, we estimate that Milton County will require 4 superior court judges.³

Salaries of superior court judges are paid by the state and section §45-7-4 of Georgia Code stipulates the amount of state-funded salary for each of the superior court judges. The state-funded salary was \$113,470 in 2006. Each county may supplement these salaries. The county supplement for our four comparison counties ranged between \$30,600 (Fulton) and \$44,711 (Cobb). Additionally, each of the superior court judges is authorized to employ a secretary (§15-6-25). The compensation for this position is paid by the state (§15-6-27) but may be supplemented by the county.

Expenditures for 2006 for our four comparison counties ranged from \$4,808,517 in Cobb County to \$19,445,181 in Fulton County. Employment ranged from 45 in Gwinnett to 248 full-time employees in Fulton. The most important cost factor for this service is believed to be the number of superior court judges given that much of the staffing is on a per judge basis. Therefore, we compute the average ratio of superior court expenses per judge for Cobb and Gwinnett and for DeKalb and Fulton counties and apply this to our estimate of 4 superior court judges for Milton County. The estimates are presented in Table 4.1.

³ Part 1 crime statistics for Fulton County, Alpharetta, Sandy Springs, and Roswell were available from various sources. Based on this data, we estimated the number of Part 1 crimes in the city of Milton, John's Creek, and Mountain Park and for Milton County.

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State, Magistrate and Probate Courts

The state court deals with misdemeanor cases, civil actions without regard to the amount in controversy, the hearing of applications for and the issuance of arrest and search warrants, and the punishment of contempt by fine not exceeding \$500 or by imprisonment not exceeding 20 days, or both. The magistrate court's jurisdiction includes civil claims of \$15,000 or less, minor criminal offenses, distress warrants and dispossessory writs, county ordinance violations, deposit account fraud (bad checks), preliminary hearings, and summons, arrest and search warrants. In the surrounding counties, the magistrate court is either an arm of the state court, as it is in Fulton County, or an independent court with a close collaboration with the state court, as it is in DeKalb County and Cobb County. The county probate court processes wills and properties of the deceased and manages the process of appointing guardians for minors and the mentally disabled. The probate courts also handle marriage and firearm licenses.

The state court is established by local law on behalf of the General Assembly. The number of full-time and part-time judges is also determined by local law (OCGA §15-7-20). The judges at the state court are elected by the county residents for a four-year term. Since the judges are county officials, they are compensated through county funds as provided by local law (§15-7-22).

Each county is required to have a magistrate court (§15-10-1). Each magistrate court is required to have a chief magistrate. It may have one or more magistrates, who are the judges of the magistrate court. The number of magistrates are determined by the majority vote of the superior court judges (§15-10-20). OCGA §15-10-23 sets minimum salaries for full-time magistrates according to the size of population of the county. Accordingly, the Milton County chief magistrate would be paid an annual minimum salary in 2006 of \$101,208, which is indexed to cost-of-living adjustments. All other chief magistrates would receive a minimum monthly salary equal to the hourly rate that a full-time chief magistrate receives. Non-chief magistrates are paid a monthly minimum salary of \$3,851 or 90 percent of the salary of a full-time chief magistrate. All part-time magistrates other than chief magistrates receive a minimum monthly salary of the lesser of \$22 per hour or 90 percent of the monthly salary of a full-time chief magistrate. Notwithstanding, no part-time magistrate may receive less than \$593 per month. The county may

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supplement these salaries. Magistrates are compensated from county general funds but not from service fees. Lastly, the county is authorized to provide a minimum contingency expense of \$400 per month for the magistrate court.

The probate court judges are elected to a four-year term. Being a county official, the probate court judge is paid according to the schedule indexed to size of county population. With an estimated population over 300,000, Milton's probate court judge would receive an annual salary of \$101,208 in 2006, subject to cost-of-living adjustments. The county may supplement the fixed amount of salary (§15-9-63). If Milton County decides to have its probate judge serve as magistrate, he or she would to be compensated for the service by the additional minimum amount of \$11,643, which is also indexed for inflation (§15-9-63.1). If the probate judge is responsible for conducting elections for members of the General Assembly, the minimum salary aforementioned would be increased by \$324 per month. If he or she is responsible for traffic cases, the minimum salary would increase by \$404 per month (§15-9-64). In addition to salaries, fees, and other expenses, Milton County would be required to provide a contingent expense of a monthly minimum of \$400 (§15-9-64.1) for the probate court.

Expenditures for the state, magistrate, and probate courts in our comparison counties ranged from \$11,027,701 in Gwinnett County to \$18,186,567 in Fulton County. Employment ranged from 78 in Gwinnett to 241 full-time employees in DeKalb. Estimated expenses for these courts in Milton County are presented in Table 4.1. Because these courts handle civil cases, the estimates are based on per capita expenditures experienced by our comparison counties.

Juvenile Court

The county juvenile court processes cases involving children under age 17 charged with violating criminal law and those under age 18 who are allegedly deprived or status offenders. In addition, the juvenile court deals with cases of juvenile marriage, employment or military enlistment. The judges at the juvenile court have authority to issue arrest warrants.

Each county is required to create a juvenile court (OCGA §15-11-18), the judges of which are appointed to a four-year term by the majority of the judges at the county's superior court. The

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compensation of the juvenile court judges, full-time or part-time, is set by the superior court with the approval of the board of commissioners. The state provides each judicial circuit with grants to be used only for salaries of juvenile court judges. State contribution to the juvenile court judge salaries is somewhat complex:

- Each circuit with one or more juvenile court judges who are not superior court judges receives a state grant of \$85,000.
- Each circuit with four or more superior court judges is eligible for an additional state grant such that an additional judge in excess of four makes the circuit eligible for one-fourth of the base amount of \$85,000.
- If the grants are to be used for part-time judges, the amount shall be as follows:
 - For each part-time judge working one day weekly - \$17,000;
 - For each part-time judge working two days weekly - \$34,000;
 - For each part-time judge working three days weekly - \$51,000; and
 - For each part-time judge working four days weekly - \$68,000.

The juvenile court judge may appoint one or more associate judges on a full-time or part-time basis whose salaries are fixed by the judge with the approval of the board of commissioners. The salaries for associate judges are paid through the county funds (§15-11-21). The judge has the authority to appoint clerks and other supporting personnel whose compensation is fixed by the judge and paid by the county (§15-11-24). In addition, the juvenile court judge may appoint probation officer(s) whose salaries are set by the judge with the approval of the board of commissioners.

The estimated expenses shown in Table 4.1 for the juvenile court are based on the average court expenses per juvenile court judge as experienced by our comparison counties. We estimate the number of juvenile court judges based on the ratio of the juvenile population to juvenile judge of the comparison counties. The average ratio for Cobb and Gwinnett was 403 juvenile offenders per judge and 416 juvenile offenders per judge in DeKalb and Fulton counties. Based on either average, we estimate that Milton would require 2 juvenile court judges.

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Table 4.1 Estimated Cost of Judicial Courts for Milton County

	Cobb-Gwinnett Average	DeKalb-Fulton Average
Superior Court	\$2,671,353	\$3,497,490
State, Magistrate, and Probate Court	\$5,602,078	\$6,576,297
Juvenile Court	\$3,168,438	\$3,618,965
Total Courts	\$11,441,869	\$13,692,752

4.2 Judicial Support

Clerk of the Superior Court

The superior court clerk maintains a comprehensive record of the proceedings of the superior court. The clerk is also “responsible for recording deeds relating to the sale of real and personal property, maintaining the chain of title to all property in the county, and collecting real estate transfer taxes” (Fulton Budget Book FY2007, p. 82). The clerk is elected to a four-year term.

The minimum salary of the clerk of the superior court is fixed according to the population of the county (OCGA §15-6-88) as determined by the United States Decennial Census of 2000 or any future such census. The amounts are subject to recalculations depending on updated estimates of population. According to OCGA §15-6-88, the clerk of the superior court in a county the size of Milton was paid the amount of \$101,208 in 2006. This amount is subject to periodic cost-of-living adjustments. If the clerk of the proposed county serves the other courts as well as its superior court, the county is required to pay him/her an additional amount of no less than \$324 per month, which is indexed to inflation (§15-6-89). The other operating costs of the clerk’s office are to be funded by the county. The county is also authorized to provide a minimum of \$400 in contingent expenses for the operation of the clerk’s office. All funds for this service are provided by the county.

The 2006 expenditures for this service in the four comparison counties varied from \$4,476,166 in DeKalb County to \$13,766,008 in Fulton County. Because this service is linked so closely to the size of the county superior court, we estimate the expenditures associated with the Milton superior court clerk’s office based on the ratio of superior court clerk expenditures to superior

Estimated Costs and Revenues for the Proposed Milton County

court expenditures in the four comparison counties. The estimated costs are provided in Table 4.2.

District Attorney

Being associated with the superior court of the county, the District Attorney (DA) prosecutes all felony crimes committed in the county. This office also represents the state in all cases appealed to higher courts, enforces child support awards and conducts civil forfeiture proceedings to condemn illegal contraband.

Being a state official, the base salary of the District Attorney is set by state law to be at least \$107,905 in 2006 and is paid by the state. The base salary is subject to cost-of-living adjustments. Counties may supplement the base salary from their General Fund (OCGA §15-18-10 &11). All fees, fines, forfeitures, and commissions for DA's services are the property of the county. Travel expenses are reimbursed by the state (§15-18-12).

County DAs are authorized to appoint one attorney for each superior court judge and one additional attorney to assist him- or herself to perform duties of the office. The county DA may also hire at least one assistant attorney to implement "Child Support Recovery Act," "Uniform Reciprocal Enforcement of Support Act" and "Uniform Interstate Family Support Act," depending upon the availability of funding and the options of the Department of Human Resources. The county DA is required to appoint one additional assistant attorney as a "special drug prosecutor" to implement "Georgia Controlled Substances Act." Presented below are the assistant DAs' annual salary ranges (§15-18-14(c)):

- Assistant DA I: not less than \$38,124 nor more than 65% of the compensation of the DA;
- Assistant DA II: not less than \$40,884 nor more than 70% of the compensation of the DA;
- Assistant DA III: not less than \$45,108 nor more than 80% of the compensation of the DA; and
- Assistant DA IV: not less than \$52,176.

Estimated Costs and Revenues for the Proposed Milton County

The DA in each judicial circuit is authorized to appoint at least one investigator. Depending on caseloads, present staff and resources available, the Prosecuting Attorney's Council of the State of Georgia (PACGA) may authorize the circuit DA to hire additional investigators. Such investigators are compensated not less than \$30,828 per year by the state. The DA investigators are reimbursed for actual expenses incurred (§15-18-14.1). Subject to the fund availability, the DAs are authorized to hire a victim assistance coordinator and other such assistant personnel to protect the rights of victims of crime. They are compensated by the state and their salaries are not to exceed 70 percent of the compensation of the DA. Each DA is also authorized to employ administrative, clerical, and paraprofessional personnel depending on the authorization of PACGA. In addition to the state-authorized positions, each DA may employ additional assistants and deputy DAs, investigators and paraprofessionals with the approval of the board of commissioners. Such personnel are compensated through county funds.

The expenditures for 2006 for the DAs of the four comparison counties ranged from \$6,016,028 in Cobb to \$19,597,892 in Fulton County. Because this judicial service is linked directly to the activities of the county superior court, we estimate the costs associated with the Milton County DA based on the ratio of county DA costs to superior court costs experienced by the comparison counties. These estimates are presented in Table 4.2.

Solicitor General

The Solicitor General (SG) is the state court counterpart of the district attorney, investigating and prosecuting misdemeanors for county ordinance violations. The SG is elected to a four-year term and commissioned by the governor (§15-18-60). The salary for the county SG is paid by the county (§45-7-4 (a)). The SG and support staff are entitled to reimbursement for actual costs incurred in fulfilling the official duties. The SG may employ additional personnel including assistant SG, investigators and paraprofessional upon the approval of the county's governing authority. Such personnel are also compensated through county funds.

The expenditures in 2006 for this service ranged from \$3,909,590 in Gwinnett County to Fulton County with expenditures of \$5,323,476. This service is linked to the activities of the state court, the activities of which are determined by the size of the county population. Because of this, we

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estimate the expenditures associated with the Milton County Solicitor General based on the per capita costs experienced by the comparison counties. The estimated costs are reported in Table 4.2.

Public Defender

The public defender's office is responsible for providing judicial defense services for those individuals who are unable to afford their own attorney. The estimates provided below are based on the 2006 expenditures of the four comparison counties. These expenditures were incurred under a different service delivery system than currently exists. Under the current system, O.C.G.A. §17-12-20 states that each county or judicial circuit have a public defender supervisory panel consisting of seven members.⁴ Public defenders are state employees who receive an annual salary of \$87,593.58 plus cost of living adjustments. The counties or judicial circuit may supplement this amount from county funds. In addition, the county is obligated to provide funds for additional personnel for this office and general office expenses, including utilities and office supplies. The costs for this judicial service are estimated based on the per capita costs experienced by our four comparison counties. These are shown in Table 4.2.

Law Enforcement (Sheriff, Jail & Marshal) Services

As the chief law enforcement office of the county, the sheriff is responsible for a variety of services including serving criminal warrants, writs and processes from the courts, managing county jails, providing court security, and promoting community support for crime prevention. The office also handles the selling of confiscated properties and the resulting proceeds. In addition to the county sheriff, Fulton has a county marshal, a separate office that is responsible for processing civil papers and criminal warrants from the state court whereas the sheriff's department is responsible for serving criminal warrants and civil papers issued by the superior court. While all counties are required to elect a sheriff, the office of county marshal is not mandatory. In the four comparison counties considered in the Milton 6 report, only Fulton and DeKalb had a county marshal's office.

⁴ It is possible for counties to opt out of the new system under some circumstances.

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The OCGA §15-16-1 stipulates that county sheriffs are elected to four-year terms. The salary of the sheriff is payable from the county fund and is fixed according to the population of the county as provided in OCGA §15-16-20. With an estimated population of 311,121, the Milton County sheriff would be paid a minimum salary of \$105,822 in 2006, which is subject to cost-of-living adjustments and general performance-based increases. The county's board of commissioners may supplement the salary. If a sheriff serves more than one court, he or she will receive additionally not less than \$325 per month (§15-16-20.1). Apart from the sheriff salary, the county governing authority is expected to provide funds to operate the office including deputies, equipment, supplies, copying equipment, and a monthly vehicle allowance. In addition the county is required to set aside a minimum of \$400 for contingent expense allowance (§15-16-20.2). The sheriff is authorized to appoint one or more deputies in their discretion (§15-16-23) who are also paid through county funds.

The cost of this service was lowest for Cobb County at \$52,100,849 and highest for Fulton County at \$92,160,182 of our four comparison counties in 2006. Since the activities and expenditures of a sheriff's department are directly related to the level of judicial court activity in the a county, we estimate the cost associated with a Milton County sheriff's office based on the ratio of sheriff office expenditures to total court related judicial expenditures (i.e. superior, juvenile, state, probate, and magistrate) of the four comparison counties. The cost estimates, computed based on the average ratios for Cobb and Gwinnett and for DeKalb and Fulton, are reported in Table 4.2.

Medical Examiner/Coroner

The county coroner is involved in the process of justice by examining the causes of death and by providing evidence during criminal and civil cases. Such service is mandated. Coroners are elected (OCGA §45-16-1). The coroner of each county should appoint at least one deputy coroner to assist him/her in the performance of the duties (§45-16-7). Counties do have the ability to abolish the elected office of coroner and establish an office of medical examiner (§45-16-80). The county medical examiner serves as a county employee and the associated salary is determined by the board of commissioners. The choice of an elected official vs. county

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employee does not, we believe, have any bearing on our estimated cost for this county service. Each of our comparison counties in the Milton 6 report has a medical examiner's office. The operating expenses of the office including salaries are paid through the county funds. Of the comparison counties, Gwinnett contracts out the medical examiner services.

In 2006 the cost of these services varied from \$769,382 in Gwinnett County to \$3,179,902 in Fulton County. While the cost of this judicial service is a direct function of homicides and suspicious deaths in the county, a reliable estimate of the number of such instances for Milton County is not available. In the absence of such an estimate, we use the per capita costs for the comparison counties reported in the Milton 6 report. These are reported in Table 4.2.

Summary of Judicial Support

Table 4.2 presents the estimates of expenditures of the judicial support services of the proposed Milton County averaged over the expenses experienced by Cobb and Gwinnett counties and DeKalb and Fulton counties. The estimates do not include police services. As this is typically a municipal service, it is assumed that the policing duties will be provided by the municipal governments.

Table 4.2 Estimated Cost of Expenditures of Judicial Support for Milton County

	Cobb-Gwinnett Average	DeKalb-Fulton Average
Clerk of Superior Court	\$2,740,854	\$2,317,216
District Attorney	\$2,945,262	\$4,158,569
Solicitor General	\$1,953,624	\$1,821,621
Public Defender	\$2,833,584	\$3,137,112
Law Enforcement	\$30,026,616	\$29,396,849
Medical Examiner	\$386,097	\$1,058,789
Total Judicial Support	\$40,886,037	\$41,890,157

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Table 4.3 provides the combined estimated total expenses for the judicial services of Milton County.

Table 4.3 Summary Cost of Judicial Expenses for Milton County

	Cobb-Gwinnett Average	DeKalb-Fulton Average
Total Judicial Expenses	\$52,327,906	\$55,582,908
Per Capita Expenses	\$168.19	\$178.65

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Section 5. Health and Human Services

The services considered in this section focus on the health and human services of the county. The following sections discuss public health, mental health, family and children services, and other social services provided by the county government.

5.1 Public and Mental Health

Public Health

This section discusses the set of health and human services provided by the county. Georgia Code OCGA §31-3-9 requires every county to establish a county board of health (CBOH). According to State Legislature, the CBOHs work to prevent and suppress disease and conditions deleterious to health and to determine compliance with health laws and rules. Public health services include both clinical services such as immunizations and screenings, and environmental health services including county mandated inspections of food service establishments, inspections of solid waste, sewage disposal, public swimming pools, and sanitation services.

§31-3-2 specifies the composition of the CBOH. According to the code, each county board of health is composed of 7 members:

- 1- The county's chief executive officer (or "some member designated by said officer");
- 2- A licensed physician, actively practicing in the county (or in a county with less than four physicians, a licensed nurse or dentist or another person may be selected);
- 3- A consumer or an advocate for consumers of health services;
- 4- A consumer who will represent the needy, underprivileged or elderly;
- 5- The superintendent of schools or such person's designee;
- 6- The CEO of largest municipality (mayor) or designee; and
- 7- A person interested in promoting public health who is a consumer or a licensed nurse.

Georgia has 18 public health districts, each led by a district health director. Health districts may be comprised of one or more counties. Georgia Code also allows county boards of health to

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contract with each other for the provision of multicounty services and use of employees in other counties (§31-3-15).

Based on these provisions in the Georgia code, Milton County will need to establish a board of health with seven members. The county may enter into a contract with another board of health for service provision.

OCGA §31-3-2.1 allows counties with a population of more than 800,000 to establish their own health department. Fulton County Department of Health & Wellness is the only public health agency in the State of Georgia that is a county government entity. Because of this, board of health has an advisory role in Fulton County. It should be noted that if the county is divided into Milton and “New Fulton”, both counties will have a population of less than 800,000 and neither will be eligible to establish their own department of health.

Of the current 12 health centers operated by Fulton County, 2 are located in the North Fulton.⁵ Population per health center is 75,017 in Fulton County. If the two health centers currently located in the proposed Milton County remain, each health center in Milton County would serve 155,561 persons, assuming no new centers are established.

Mental Health

Fulton County Department of Mental Health, Developmental Disabilities & Addictive Diseases provide the mental health services in the county. They offer specialized care for children, adolescents, young adults, and senior citizens. The division also provides training programs for adults with developmental disabilities and outpatient services to adults with chemical dependence.

Much of the funds available for public and mental health services are provided by the state or

⁵ Sandy Springs Health Center and North Fulton Health Center are located in North Fulton. Adamsville Health Center, South Fulton Health Center, College Park Health Center, Aldredge Health Center, Center Hill Health Center Center for Health & Rehabilitation, Hapeville Health Center, Lakewood Health Center, Neighborhood Union Health Center, and Palmetto Health Center are located in South Fulton.

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through federal grants. For example, in 2006 Fulton County spent \$54.3 million on this service. Of this total, \$29.3 million (54 percent) was from county funds. On the other hand, \$1.7 million (8 percent) of total county expenditures for public and mental health in Cobb County came from county own-source revenues and \$7.4 million (23 percent) in DeKalb County. The state provides funds for each CBOH but these funds must be matched by the county associated with the BOH. The matching rates for existing counties are established by the Division of Health of the Georgia Department of Human Resources. A matching rate for Milton County would have to be established and presumably the current matching rate for the remaining Fulton County would be adjusted. It is not clear from the available data whether our four comparison counties are providing funds in excess of their required match. If that is so, our estimates of Milton county expenditures for this service will be overstated. The current matching rate is based population and tax digests and has been in place since 1976.⁶

Based on data provided to the Fiscal Research Center of Georgia State University by the Georgia Department of Human Resources, we are able to estimate the population of Medicaid recipients that would reside in the new Milton County. Based on data presented in the Milton 6 report, we compute county contributions per Medicaid recipient for each of our four comparison counties for FY2006. For our estimate of public and mental health expenditures for Milton County, we compute the Cobb-Gwinnett and DeKalb-Fulton averages for the county contributions per recipient and apply these averages to our estimated Milton population of Medicaid recipients.

Table 5.1 Estimated Cost of Health Services for Milton County

	Cobb-Gwinnett Average	DeKalb-Fulton Average
Public and Mental Health Services	\$472,691	\$2,857,417

⁶ Board of Health Handbook for Members of County Boards of Health in Georgia, p.12.

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5.2 Division of Family and Children Services (DFCS)

The county Department of Family and Children Services (DFCS) is a division within the State Department of Human Resources. In addition to state funds, counties may provide a matching allocation to support several programs for welfare and employment support, protecting children, foster care, and other services to strengthen families.

OCGA § 49-3-1 requires that each county establish a county department of family and children services and a county board of family and children services. The county board is required by statute (OCGA § 49-3-2) to appoint at least 5 members to the board who serve without compensation but are paid a per diem of not less than \$15 per month. The county contributions for DFCS services ranged from \$13,333,790 in Fulton County to \$422,047 in Cobb County for FY2006.

Based on data provided to the Fiscal Research Center of Georgia State University by the Georgia Department of Human Resources, we estimate the Fulton County population of children involved in child protection investigations that would reside in Milton County. Based on data presented in the Milton 6 report, we compute county contributions per child in protective investigation for each of our four comparison counties for FY2006. For our estimate of DFCS expenditures for Milton County, we compute the Cobb-Gwinnett and DeKalb-Fulton averages for the county contributions and apply these averages to our estimated Milton population of DFCS cases. These estimates are provided in Table 5.2.

Table 5.2 Estimated Cost of County Contribution for DFCS for Milton County

	Cobb-Gwinnett Average	DeKalb-Fulton Average
County Contribution to Division of Family and Children Services	\$133,716	\$1,253,735

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5.3 Social Services

County human services departments provide various social services such programs to assist the elderly, children and families, persons with disabilities, homeless, and underemployed and unemployed. The department also supports non-profit community-based services by providing grants. The range of services provided by Fulton County exceeds the range of services provided in some other metropolitan counties. For example, while Gwinnett County has 4 service locations, Fulton has 22 centers. These services are not mandatory functions as required by the state but are some of the most prominent and highly demanded services that the county provides.⁷ Because these services are not mandatory, but are provided in accordance with citizen demand, we estimate the cost of Milton County social service expense based on the per capita average of the county contributions of Cobb and Gwinnett counties and DeKalb and Fulton counties.

Table 5.3 Estimated Cost of Other Social Services for Milton

	Cobb-Gwinnett Average	DeKalb-Fulton Average
County Contribution for Social Services	\$1,290,797	\$2,371,583

Table 5.4 Summary Cost of Health and Human Services Expenses for Milton County

	Cobb-Gwinnett Average	DeKalb-Fulton Average
Estimated Expenditures for HHS	\$1,897,204	\$6,482,735
Per Capita Expenses	\$6.10	\$20.84

⁷ Another such service is libraries which are discussed in the following section of this report. Recreation and other quality of life services are the purview of municipalities and are not discussed in this report.

Estimated Costs and Revenues for the Proposed Milton County

Section 6. Libraries

While not a mandatory county function, libraries are another high profile and often provided county service. OCGA § 20-5-40 clarifies the power of local governments to establish public libraries and procedures for establishment. According to this code, a public library may be established either by resolution or act by any county or municipality, or by approval of the voters of any county or municipality in a referendum election. Following a petition by at least 35 percent of the registered and qualified voters of a county, if majority vote is in favor of the public library, the county shall establish a public library. Libraries are funded primarily with county funds but also receive an annual grant from the state, the formula of which is at least partially dependant on county population. (OCGA § 20-2-305).

The Atlanta-Fulton County library system currently operates 34 libraries, compared to 14 libraries in Gwinnett County, 17 libraries in Cobb County and 23 libraries in DeKalb County. The library system in Fulton includes a central library located in downtown Atlanta, 32 branch libraries and the Auburn Avenue research library on African-American culture and history. The Atlanta-Fulton libraries serve residents in both incorporated and unincorporated areas of the county, as well as residents of city of Atlanta in DeKalb County.

Five of the library buildings are located within the proposed Milton County boundaries. It is assumed that these 5 facilities would be operated by the proposed Milton County government and that no more would be established. Fulton has one library per every 26,000 persons, while Gwinnett has 1 library for every 51,000 persons. With 5 library facilities, Milton would have 1 library facility for each 62,000 persons. Based on information from the Milton 6 report of our four comparison counties, we compute an average cost per library. Since significant fixed costs are involved in libraries and these are tied largely to the physical units in the system, we estimate the cost of operating a Milton County library with 5 branches in 2006 based on these per library costs. The costs based on the Cobb-Gwinnett average are higher because the average per library expense incurred by Cobb and Gwinnett are higher than the average incurred by Fulton and DeKalb.

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Table 6. Estimated Cost of Library Services for Milton County

	Cobb-Gwinnett Average	DeKalb-Fulton Average
Estimated Expenditures	\$5,085,843	\$3,495,189
Per Capita	\$16.35	\$11.23

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Section 7. Elections and Voter Registration

As an administrative arm of state government, all counties are required to offer voter registration and election services to all county residents. These functions include registering voters, maintaining and updating voter registration roles, and conducting all relevant federal, state, county, and municipal primary and general elections. All expenses for this county function are funded by the county with the exception of voting machines which are provided to each county by the state.⁸

To fulfill this obligation, each county must have an office with regular hours and location in which to register voters and maintain records. In addition, a county must establish a county Board of Elections (BOE) of at least 3 but no more than 5 county residents to oversee the operations of this function.⁹ Members of the BOE must meet once a month and are compensated for these meetings out of county funds. The minimum compensation for each monthly meeting is \$242 for each registrar except the chairperson whose minimum compensation is set at \$272 per month.¹⁰ The daily operations of the office are, in many counties, handled by a director who is hired by the county Board of Elections.¹¹

In 2006 Fulton County spent \$6,813,152 through its department of Elections and Registration, while Cobb County spent \$2,248,346. Fulton County had 452,303 registered voters in 2006 and 332 voting precincts. Gwinnett had 315,655 registered voters and 158 voting precincts as of August 1, 2006. Of the four metro counties used for comparison purposes, Fulton had the lowest voter per precinct ratio at 1,362 while Gwinnett had the highest at 1,998 voters per precinct.¹²

⁸ See O.C.G.A § 21-2-300.

⁹ Cobb, DeKalb, Fulton, and Gwinnett each have 5 members who serve on their county Board of Elections.

¹⁰ Alternatively, the law allows a minimum daily compensation of \$48 for each member except the chairperson whose minimum daily compensation is set at \$61.

¹¹ Fulton County employs a deputy registrar.

¹² These are based on registration and precinct figures available from the Georgia Secretary of State as of November 7, 2006. The number of precincts in a county is subject to change each year.

Estimated Costs and Revenues for the Proposed Milton County

The sources of expenses for this county function are estimated as a function of the number of voters and precincts in the county and are shown in Table 7.¹³ We use costs per precinct to reflect the fact that there are fixed costs associated with the number of precincts in a district in terms of the number of poll workers and the number of supplies required for an election. Based on voting records for 2006, 172,919 voters were registered in the precincts located in Milton County.¹⁴ To estimate the expected cost of voter registration services in Milton County, we first estimate the number of precincts based on the county population. The average population per precinct in Cobb and Gwinnett is 1,907. This average is 1,594 persons per precinct over Fulton and DeKalb. Based on these averages, we estimate that Milton County would require between 91 and 108 voting precincts. Given these two estimates of the number of precincts, we then estimate the cost of voter registration and election services for Milton County by applying the average costs of this service per precinct over the Cobb and Gwinnett counties and over the Fulton and DeKalb counties to our precinct estimates. The estimated costs are reported in Table 7. These costs depend on the number of elections held each year, which varies from year to year and across the four counties we use for the estimates.

Table 7. Estimated Cost of Elections and Voter Registration Services for Milton County

	Cobb-Gwinnett Average	DeKalb-Fulton Average
Estimated Expenditures	\$1,327,889	\$2,240,932
Per Capita	\$4.27	\$7.20

¹³ Another cost factor is the number of elections held annually. This is determined in large part by the number of municipalities in a county. The county is responsible for running all municipal elections but has the authority to require reimbursement from the municipalities for the costs of these elections. Because the number and size of municipalities significantly varies by county, we did not use this indicator as basis for our estimates.

¹⁴ Based on data from the Georgia Secretary of State as of August 1, 2006.

Estimated Costs and Revenues for the Proposed Milton County

Section 8. County Tax Administration

Tax Commissioner

The county services provided by the tax commissioner are mandated by state law. The Official Code of Georgia Annotated specifies that the county tax commissioner provide services including the preparation and maintenance of the county property tax digest, collection and distribution of county, municipal, and state taxes, adjudication of tax liens and delinquent collection, and sales of motor vehicle license tags and motor vehicle registrations.¹⁵

The minimum salary of a county tax commissioner is legislated by the state and is dependent on the county population. Based on an estimated population of 311,121 in 2006, the tax commissioner of Milton County would have a minimum salary of \$101,207.60 subject to annual increases equal to those in the state merit system due to cost of living increases. Furthermore, the county may choose to augment this salary. All expenses for the operation of this service are funded by the county. In addition to the minimum salary requirements, the county is obligated to supply a minimum of \$400 per month for the operation of this office.¹⁶

County Tax Assessor

The county is required by state law to provide tax assessing services. It is the responsibility of the county Board of Assessors to oversee the appraisal and assessment of all business and personal property in the county. The Board of Assessors (BOA) is comprised of 3 to 5 county residents appointed to serve 3 to 6 year terms.¹⁷ The BOA members are compensated for their time from county funds of an amount not less than \$20 per day for each day devoted to the duties of this position. In addition, the BOA hires the county tax assessor who makes recommendations to the BOA on the value of the county property tax base and is responsible for the daily operations of the county tax assessor's office.

¹⁵ See O.C.G.A. §

¹⁶ See O.C.G.A §48-5-183.1.

¹⁷ See O.C.G.A §48-5-295.

Estimated Costs and Revenues for the Proposed Milton County

Board of Equalization

In addition, the county Board of Equalization (BOE) adjudicates property tax disputes. The BOE consists of three qualified individuals and these individuals are compensated at least \$25 a day from county funds for each day devoted to the duties of this service.

Cost factors associated with this county service are the number of billing units within the county. This figure can be estimated from the sum of taxable property parcels and motor vehicles for a county. Table 8 reports our estimates for the Milton County tax administration service based on per billing unit expenditures of the four comparison counties for 2006. According to data from the Georgia Department of Revenue for 2006, there were 307,519 billing units of property in the municipalities that lie within the proposed boundaries of Milton County.¹⁸ This figure represents 37 percent of the total of all billing units within the existing Fulton County boundaries.

Table 8. Estimated Cost of Tax Administration for Milton County

	Cobb-Gwinnett Average	DeKalb-Fulton Average
Estimated Expenses	\$4,684,411	\$7,377,637
Per Capita	\$15.06	\$23.71

¹⁸ See DOR Property Tax consolidation sheets for 2007 for each municipality in Milton. For purposes of this report, taxable units are defined to be the sum of total motor vehicle registrations and parcels.

Estimated Costs and Revenues for the Proposed Milton County

Section 9. Emergency Management Services

County emergency services involve the provision of two distinctive services, 911 emergency calls and emergency management services. The operation of 911 emergency services includes radio dispatch services for sheriff, police, and emergency medical services. EMS includes preparation for, responses to, and recovery from major disasters. While counties have organizations for 911 emergency services, these services are typically municipal, and are not mandated by the state law (O.C.G.A. §46-5-124, 133, and 136). On the other hand, county governments are mandated to provide emergency/disaster management services with or without cooperation from municipal governments in their jurisdiction (O.C.G.A. §38-3-27).

Although these services are provided in cooperation with police and/or fire departments in the municipal governments as well as in the county government, the organizational arrangements for the delivery of these services vary across our comparison counties. In Fulton, 911 and its accompanying dispatch services are provided by the Emergency Services Department, providing emergency communications through the 800 MHz radio system to sheriff, police, and marshal's departments, and emergency medical services. Fulton County and the City of Atlanta cooperate through the independent Atlanta-Fulton County Emergency Management Agency to provide EMS services. This agency reports to the Emergency Services Department of Fulton County.

The expenditures per capita for Emergency 911 and Emergency Management Services range from \$14,041,539 in DeKalb County to \$6,876,584 in Fulton County. The cost estimates for this service estimated based on per capita costs incurred by our comparison counties in 2006. These are reported in Table 9.

Table 9. Estimated Cost of Emergency Management Services for Milton County

	Cobb-Gwinnett Average	DeKalb-Fulton Average
Emergency Management Services	\$4,202,284	\$4,263,078
Per Capita Expenditures	\$13.51	\$13.70

Estimated Costs and Revenues for the Proposed Milton County

Section 10. Animal Control

Counties are required to provide animal control services to protect their residents from diseases transmitted by animals, from damage caused by animals, and to protect animals from abuse or neglect. Common services include rabies control, investigation of animal bites, animal abuse, and neglect, issuance of dog and cat licenses, enforcement of animal related regulations and pet adoptions. Georgia code assigns this task to counties for the unincorporated areas of the county and to municipalities in other areas.

The expenditures for animal control services ranged from \$2,392,715 in DeKalb County to \$2,011,475 in Gwinnett County in 2006. Table 10 reports the estimated expenditures for Milton County animal control services based on the per capita expenditures incurred by our comparison counties in 2006.

Table 10. Estimate Cost of Animal Control for Milton County

	Cobb-Gwinnett Average	DeKalb-Fulton Average
Estimated Expenditures	\$956,785	\$919,648
Per Capita	\$3.08	\$2.96

Estimated Costs and Revenues for the Proposed Milton County

Section 11. Milton County Revenue

This section presents the estimates of general revenues for the proposed county of Milton. The estimates are for the year 2006. In addition to estimates of property tax and Local Option Sales Tax (LOST) revenue, we include estimates for intangible taxes (i.e., real estate recording taxes), grants, charges for services, court fines and fees, interest earnings, rents and royalties, licenses and permits, real estate transfer tax, and other general revenues.

Property Taxes

For this estimate, we have chosen to use a millage rate of 9.885 mills and basic property tax revenue of \$160.2 million. A millage rate of 9.885 generates the current per capita property tax burden for Fulton County. Had the current (2006) Fulton County M&O millage rate of 11.407 mills been used, the estimate would be \$184.8 million, \$21.9 million more.

In addition to the basic property tax estimate, we have also included an estimate for sale of tax delinquencies – Fi. Fa. – and income from providing property tax collection services to Milton County cities through a Milton County tax commissioner. In Fulton County, Fi. Fa. revenue is about 1.2 percent of property tax revenue; we have used that ratio here. We have assumed a Milton county tax commissioner would charge one percent of collections as a fee for municipal collection services.

Local Option Sales Tax.

The major assumption in this estimate is that the same dollar allocation of revenue to Milton County cities now in place from the Fulton County government will be used by the Milton County government.

Intangible Tax.

Most taxes on intangible assets have been rescinded in Georgia over the past two decades. The one remaining tax on intangibles is a tax on mortgage instruments. An appropriate method of estimating Milton county revenue, therefore, is to allocate current Fulton County revenue on the ratio of property values (assessments). This method assumes the level of sales activity is roughly equal throughout Fulton County.

Estimated Costs and Revenues for the Proposed Milton County

Grants.

The Fulton County General Fund took in about \$16.7 million in grant revenue in 2006. The ratio of property values (assessments) is used to allocate grants from Fulton County to the proposed Milton County.

In addition to the General Fund, Fulton County receives a large state grant annually for health services, accounted for in Fulton's Health Fund. In 2006, this grant was \$16.4 million. While not a part of the General Fund, it is important for a potential Milton County to estimate grant revenue for this important public service. The portion of the population that might be dependent on county health services is estimated to be highly correlated with those households with income less than \$35,000 per year. The portion of Fulton County north of the city of Atlanta houses 18.68 percent of all the Fulton County households with incomes less than \$35,000 per year. If this ratio predicts how the state will allocate health grant funds, Milton County could expect a little over \$3 million (2006) and Fulton County would retain about \$13.4 million.

Charges for Services.

The bulk of Fulton County's 2006 actual General Fund revenue from charges for services was generated through the tax commissioner's charges for delinquencies (about 86 percent). The other major source was in non-agency, which receives fees charged other funds for services provided by General Fund agencies, e.g. finance, purchasing, and personnel services provided to the Health Fund. An appropriate way to estimate the allocation of this revenue to a potential Milton County is with the ratio of assessed property values.

Court Fines and Fees.

In 2006, Fulton County had fine and fee revenues of \$20.4 million. Of this amount, about 40 percent was collected by the clerk of superior court. Over 52 percent of total court revenue was received in state court. Historically, most of the state court revenue is from traffic fines in the magistrate's court. In Milton County, the county itself will have no traffic court, as the entire county will be in incorporated places with their own traffic courts. The estimate will concentrate on fines and fees associated with the county superior court. As criminal activity is correlated

Estimated Costs and Revenues for the Proposed Milton County

with income inequality (Fajnzylber, et. al., 2002; Levitt, 1999) the estimate apportions Fulton County's superior court revenue based on the ratio of lower income households.

Interest and Investment Income.

With the exception of property taxes, Fulton County's revenue is received in a relatively steady flow and is available for short term investments. Property tax is received in a "lump" during the last two months of the calendar year and is used to pay-off tax anticipation notes used to finance operations during the bulk of the year. Our estimate assumes property tax revenue is not available for investment, but all other revenues are. Fulton County in 2006 had interest and investment income in the General Fund equal to 4.85 percent of all revenue except property taxes. After estimating all other revenues for the potential Milton County, we apply that same rate to estimate interest and investment income.

Rents and Royalties.

Any revenue a potential Milton County may generate through rents and royalties is dependent on operating decisions that lie in an unclear future. To be conservative we estimate no revenue from this source.

Licenses and Permits.

Counties, generally, undertake licensing (e.g. business licenses) and permitting (e.g. building permits and inspections) duties only when there is no municipality to undertake them. As Milton County will be totally occupied by cities, we estimate no revenue from this source.

Real Estate Transfer Tax.

The real estate transfer tax is based on the value of real estate transactions. An appropriate method of estimating Milton County revenue, therefore, is to allocate current Fulton County revenue by the ratio of property values used for the intangible tax revenue estimate. This method assumes the level of sales activity is roughly equal throughout the county.

Estimated Costs and Revenues for the Proposed Milton County

Table 11. Estimated Revenue for Milton County

Revenue Source	Revenue Estimate
Property Tax	\$160,180,415
FIFA	\$1,996,168
Collection Fees	\$766,667
LOST	\$6,362,572
Intangible taxes	\$5,494,170
Grants	\$6,285,494
Charges for Services	\$9,653,628
Court Fines and Fees	\$2,329,295
Interest Earnings	\$2,284,962
Rents and Royalties	\$0
Other General Revenue	\$11,807,371
License and Permits	\$0
Real Estate Transfer Fees	\$2,460,646
TOTAL REVENUE	\$209,621,390
Per Capita Revenue	\$674

Estimated Costs and Revenues for the Proposed Milton County

Section 12. Other Issues for Consideration

The preceding sections present estimates for the operating costs and revenues associated with the proposed Milton County. These estimates are based on operating costs incurred by the counties of Cobb, DeKalb, Fulton, and Gwinnett in 2006 and expected revenues for the same period. In addition to the basic costs and revenue estimates, other issues require attention when determining the future of the existing Fulton County and the creation of Milton County. These issues are outlined here.

- Based on data from 2006, the primary government debt of Fulton County was \$866 million or \$962 per capita.¹⁹ As of December 31, 2006 Fulton County had an unfunded pension liability of \$215 million.²⁰ If allocated on a pro rata basis, Milton County's share of primary debt would be \$303 million or 35 percent. Milton County's share of Fulton County's unfunded pension liability would be approximately \$75 million.
- In addition to pension liabilities, the county has other post retirement benefit obligations to the current population of retirees. The significant costs of these obligations include the county's share of health and life insurance premiums. The accrued value of these obligations is not reported in the 2006 Comprehensive Annual Financial Report (CAFR) but due to changes in reporting standards will be available in the 2007 CAFR. The annual cost for these obligations in 2006 was approximately \$18,237,000.²¹ Assuming a 35 percent allocation, Milton's annual cost would be \$6,383,000.
- Fulton County has unalterable long-term leases cumulatively worth \$4.6 million as of the December 31, 2006.²² These contracts run through 2011. Some allocation of these costs should be made between Milton County and the remaining Fulton County. If the costs of these leases were allocated at 35 percent, the Milton County share would be \$1.6 million.
- It is assumed that Milton County will levy a one percent sales tax dedicated to funding MARTA operations.

¹⁹ Milton 6 report, Table 12.2.

²⁰ Fulton County Comprehensive Annual Report for 2006, p.60.

²¹ Fulton County Comprehensive Annual Report for 2006, p.61.

²² Fulton County Comprehensive Annual Report for 2006, p.62.

Estimated Costs and Revenues for the Proposed Milton County

- It is also assumed that Milton County will fund part of Grady Hospital; the amount will probably equal the revenue that would be generated in Milton County from property taxes using the current property tax rate imposed by Fulton County to fund Grady Hospital. We estimate this obligation by applying the ratio of the Milton property tax base (\$19.7 billion) to the Fulton County property tax base (\$48.6 billion) to the 2006 Fulton County expenditure for Grady Hospital (\$81 million). Based on this calculation we estimate Milton County would in 2006 have contributed \$33 million to the operations of Grady Hospital.
- Several Fulton County facilities lie within the boundaries of Milton County. These include 5 libraries, 5 senior community centers, a district attorney's office, general administrative facility, an art facility, 3 county homes, 9 facilities consisting of group homes, health clinics, and supportive living facilities, and the correctional facility located in Alpharetta. It is assumed that these facilities will be turned over to the Milton County government but the estimated expenditures presented in this report do not include a reimbursement to the remaining Fulton County government for this transfer.
- The expenditures presented in this report have focused only on the operating costs associated with county services. While some county facilities may currently exist within the boundaries of the new Milton County, there will be significant capital outlays associated with establishing a new county government. Areas where this will be particularly costly will be in technology dependant services such as GIS, IT and communication systems. If we assume an initial startup cost per employee of \$1,500 for such items as a computer and other office equipment, we estimate that the initial cost of general administrative capital expenses will be in the neighborhood of \$3.8 million plus an additional \$500,000 for more extensive administrative equipment such as computer servers and an annual license for tax administration software.
- In addition to this expense though, there will still be significant outlays for county communication equipment. During some initial startup phase, Milton County may be able to contract with the Milton County municipalities or the new Fulton County which is likely to have excess capacity in their communications system. As an example of

Estimated Costs and Revenues for the Proposed Milton County

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- It is assumed that general office space for administrative services may be leased, at least initially. The current rate for office space is approximately \$20 per square foot. Cobb County uses at least 400,000 square feet in general administrative office space.²⁴ If Milton County used ½ this amount, the expenditure would be in the neighborhood of \$4 million in annual lease payments for the general administrative facilities.
- In addition to administrative facilities, a county courthouse will need to be provided. Due to recent events involving courthouse security in other counties, the need for safe, up-to-date courthouse facilities cannot be understated although these safeguard features add significantly to the cost of such a facility. Gwinnett County has two facilities to house its judicial operations, while Cobb County has 5. The size of the court house is dependent on the level of court activity. While Milton County is expected to have less judicial activity than Fulton or other surrounding counties, it will still need to provide space for its superior, juvenile, state, magistrate, and probate courts. Although some space may be rented from existing office-space market, this will not prove a palatable long-run solution owing to the need to congregate facilities in a central location and due to the special security needs of a courthouse. Many factors are involved in determining the cost, including: the number and size of courtrooms; the anticipated number of jury trials; the number of judicial chambers; the extent to which there are separate elevators and hallways for judges, jurors, defendants, and the public; the size of juror waiting facilities; and the presence of a temporary holding cell for defendants awaiting their time with the judge. The normal procedure for estimating the cost of such a facility involves several discussions with architectural and engineering firms to determine the appropriate facility based on the client's needs. As an example of the costs associated with courthouse construction, Cobb County recently allocated \$55 million for the construction of their new courthouse facility and Paulding County spent

²³ Cobb County Government SPLOST Update, February 2008.

²⁴ This data is from the Cobb property tax assessor's property assessment online file. This figure does not include all county buildings which may be associated with administrative services.

Estimated Costs and Revenues for the Proposed Milton County

\$65 million on their courthouse and administrative facility.²⁵ Estimating the cost of construction of a new courthouse facility for Milton County is more complex than can be done with the information at hand, particularly given the specialized nature of such facilities. Because of this we do not provide an estimate for the capital costs associated with the construction of a new county courthouse for Milton County.

- In addition to a courthouse, Milton County will need to provide space to house county inmates. We are assuming that the county could lease space from the existing Fulton County correctional facility that lies within the boundaries of the proposed Milton County.
- A county SPLOST is estimated to bring in \$31.8 million over a 5 year period.²⁶ But under our current assumptions of a LOST and a MARTA charge, Milton County would be unable to implement a county SPLOST for purposes of funding county capital improvements. The county could instead implement an ESPLOST dedicated to k-12 capital improvements.

Table 12. Other County Government Obligations⁽¹⁾

OBLIGATION	COST TO MILTON COUNTY
Long-term debt	\$303 million in outstanding debt
Unfunded Pension Obligations	\$75 million in outstanding pension obligations
Retiree Health and Life Insurance	Annual servicing cost = \$6,383,000
Existing Fulton County Long-term leases	\$1.6 million (cumulative total cost through 2011)
Administrative Capital Investments (ie. Office furniture, computers, faxes, copiers, printers, software)	\$4.3 million in one-time investment
Annual lease payment for administrative space	\$4 million annually
Capital Expenses for GIS and Communication Equipment	unknown
Reimbursement for Fulton County facilities	unknown
County Courthouse and Jail Facility	unknown

(1) These costs are not included in the summary of expenses presented in Table 13.1-13.3.

²⁵ Cobb County Government SPLOST Update, February 2008. Information for Paulding County comes from the webpage of the Facilities Group available online at http://www.facilitygroup.com/port_just.html

²⁶ This is computed by multiplying the LOST revenue by 5 years.

Estimated Costs and Revenues for the Proposed Milton County

Section 13. Summary of Expenditures and Revenues

The combined estimated cost of expenditures is shown in Table 13.1. The expenditure estimate based on the average costs incurred by the Cobb and Gwinnett governments is \$133.1 million, while the expenditure estimate based on the average government expenses of Fulton and DeKalb counties is \$148.0 million. These figures are based on the cost figures experience in 2006 and are assuming an estimated population for Milton County of 311,112. As a percentage of total county wide provided services, the percent of estimated expenditures for Milton County is distributed in the same pattern as are the expenditures for the comparison counties of Cobb, Gwinnett, Fulton, and DeKalb. Revenues are estimated to be \$209.6 million for 2006 with \$160.2 million in property tax revenues, \$6.4 million in sales tax revenue, and \$43.1 million in other taxes and fees. These are shown in Table 13.2. The revenue estimate assumes that the existing dollar distribution of LOST revenue to the municipalities of Milton County remain at the current level. It is also assumed that a 1 percent MARTA sales tax will be imposed in Milton County; however, this would not affect the operating costs or revenues of Milton County. Lastly, it is assumed that Milton County would continue to support the operations of Grady Hospital on a pro-rata basis. It is important to note that the expenditures and revenues presented in Table 13 do not include revenues associated with the MARTA 1 percent sales tax or the anticipated capital expenditures described in section 12, with the exception of Milton County's share of the annual Fulton County contribution to Grady Hospital.

While anticipated revenues exceed expenses, these expenses include only the minimum level of required county services and does not incorporate capital expenditures which are expected to be significant. Nor do the estimates incorporate growth in population or prices which are expected to cause costs to increase at a faster rate than revenues. Finally, county governments experience significant economies of scale in their operations. This allows larger counties to operate at lower unit costs than smaller ones. Each of our four comparison counties enjoy these returns to scale to varying degrees. Because we have based our estimates on various per unit costs of county services, such as per precinct costs and billing units, we have captured these economies of scale in our estimates. The government of Milton County will be smaller than any of our comparison counties due to a smaller population and a lack of unincorporated area. It is not clear the Milton County government will experience the same level of economies of scale because of its reduced

Estimated Costs and Revenues for the Proposed Milton County

level of activity. If this is in fact the case, the estimates included in this report will understate the true per unit costs and absolute costs experienced by Milton County.

Table 13.1. Summary of Total Estimated Expenditures for Milton County

Government Activity	Cobb-Gwinnett Average	DeKalb-Fulton Average
Administrative Services	\$29,493,254	\$34,418,398
Judicial Services	\$52,327,906	\$55,582,908
Health and Human Services	\$1,897,204	\$6,482,735
Libraries	\$5,085,843	\$3,495,189
Tax Administration	\$4,684,411	\$7,377,637
Election and Voter Registration	\$1,327,889	\$2,240,932
Emergency Management Services	\$4,202,284	\$4,263,078
Animal Control	\$956,785	\$919,648
Grady Hospital	\$33,171,773	\$33,171,773
Expenditure Total	\$133,147,350	\$147,952,299

Table 13.2. Total Estimated Revenues for Milton County

Source of Revenue	Estimated Revenue
Sales Tax	\$6,362,572
Property Tax	\$160,180,415
Other Taxes and Fees	\$43,078,403
Revenue Total	\$209,621,390

Table 13.3. Total Estimated Revenues and Expenditures Per Capita for Milton County

	Cobb-Gwinnett Average	DeKalb-Fulton Average
Expenditures Per Capita	\$427.96	\$475.55
Revenues Per Capita	\$673.76	\$673.76
Revenues - Expenditures	\$76,474,040	\$61,669,091

Estimated Costs and Revenues for the Proposed Milton County

Appendix A. Calculation of Cost Estimates

<u>ADMINISTRATION -</u>						
<u>Board of Commissioners</u>						
	Cobb	DeKalb	Fulton	Gwinnett	C-G average	F-D average
Number of Commissioners(1)	5	7	7	5		
Total Costs BOC(1)	832,987	1,603,609	2,625,216	217,550		
Cost per Commissioner	166,597	229,087	375,031	43,510	105,053.71	302,058.93
Estimated # of Milton Commissioners	5	<--- authors' assumption based on number of municipalities				
	C-G average	F-D average				
Estimated Cost of Board of Commissioners	525,269	1,510,295	<-- number of commissioners multiplied by the average cost per commissioner, ie. 5*105,053.71			
Source: (1) Milton 6, Table 5.2.2; Totals are subject to rounding.						

Estimated Costs and Revenues for the Proposed Milton County

<u>County Clerk</u>		Cobb	DeKalb	Fulton	Gwinnett	C-G average	F-D average
Number of Commissioners(1)		5	7	7	5		
Total Costs County Clerk(2)		318,053	232,000	1,060,949	94,237		
Costs per Commissioner		63,611	33,143	151,564	18,847	41,228.96	92,353.50
Estimate of # of Milton Commissioners	5	<--- authors' assumption based on number of municipalities					
		C-G average	F-D average				
Milton Cost of County Clerk		206,145	461,768	<-- number of commissioners multiplied by the average cost per commissioner, ie. 5*41,228.96			
Source: (1) Milton 6, Table 5.2.2; (2) Milton 6, Table 5.3; Totals are subject to rounding.							

Estimated Costs and Revenues for the Proposed Milton County

<u>County Manager</u>						
	Cobb	DeKalb	Fulton	Gwinnett	C-G average	F-D average
Total Gov't Expenditures(1)	197,754,803	293,021,091	421,385,075	215,881,059	206,817,931	357,203,083
County Manager Office(2)	3,902,259	4,530,250	6,570,620	3,546,761	3,724,510	5,550,435
Total Gov't exp. less County Manager Office	193,852,544	288,490,841	414,814,455	212,334,298	203,093,421	351,652,648
CM Office as % of Total County Gov't Exp less CM	0.0201	0.0157	0.0158	0.0167	0.0184	0.0158
			C-G average	F-D average		
Estimate of County Manager for Milton -						
	Total Non-Administrative Expense(3)		70,482,322	80,362,127		
	Add Estimated costs for BOC(4)		525,269	1,510,295		
	Add Estimated costs for County Clerk(4)		206,145	461,768		
	Add Estimated costs for County Admin(5)		26,953,902	30,664,172		<--this number does not include expenditures for the CM Office
	Total County Expenses, excluding CM Office		98,167,638	112,998,362		
	Estimate of County Manager for Milton		1,807,939	1,782,163		
Source: (1) Milton 6, Table 13.1; (2) Milton 6, Table 5.4; (3) Milton 1, Table 13.1, sum of all non-administrative expenses; (4) Milton 1, Table 3.1; (5) Milton 1, Table 3.2; Totals are subject to rounding.					<--Total county exp. excluding CM office*value for CM Office as % of total county gov't exp. less CM 0.0184*98,167,638;0.0158*112,998,362	

Estimated Costs and Revenues for the Proposed Milton County

							As a % of Total Non-Admin. Exp	
	Cobb	DeKalb	Fulton	Gwinnett	C-G average	F-D average	C-G average	F-D average
<u>Other Administrative Services</u>								
Purchasing(1)	885,047	3,248,157	3,335,058	1,297,436	1,091,241	3,291,608	0.0071	0.0130
Personnel(1)	2,201,586	3,160,032	4,159,073	3,045,543	2,623,565	3,659,553	0.0172	0.0145
County Attorney(1)	2,399,623	3,895,407	3,753,896	1,421,759	1,910,691	3,824,652	0.0125	0.0151
IT/GIS(1)	12,013,939	21,314,947	24,908,172	19,039,409	15,526,674	23,111,560	0.1015	0.0915
Fleet & Facilities Management(1)	11,262,433	43,641,881	27,614,061	13,293,446	12,277,939	35,627,971	0.0803	0.1411
Finance (1)	5,072,113	6,744,308	7,498,575	8,643,307	6,857,710	7,121,442	0.0448	0.0282
Utilities(1,2)	18,210,647	19,166,748	20,279,377	-	18,210,647	19,723,062	0.1190	0.0781
TOTAL	52,045,388	101,171,480	91,548,212	46,740,900	58,498,468	96,359,846	0.3824	0.3816
Total Non Admin expenses(3)	140,656,116	185,483,752	319,580,078	165,281,611	152,968,864	252,531,915		
			Cobb-Gwinn	Fulton-DeKalb				
Total Non-Admin expenses for Milton(4)			70,482,322	80,362,127				
Purchasing			502,803	1,047,474	<--The expenditure for each administrative function is estimated as a % of total Non-Administrative expenses, where the % is equal			
Personnel			1,208,840	1,164,563				

Estimated Costs and Revenues for the Proposed Milton County

County Attorney	880,375	1,217,102	to the average % experienced by the comparison counties. ie. Purchasing =0.0071*70,482,322; 0.0130*80,362,127
IT/GIS	7,154,110	7,354,691	
Fleet & Facilities Management	5,657,215	11,337,733	
Finance	3,159,776	2,266,225	
Utilities	8,390,784	6,276,384	
<p>Source: (1) Milton 6, Table 5.11; (2)Only used Cobb's utility expenses for the C-G Average since Gwinnett data on utilities is not available; (3) Milton 6, Table 13.1, sum of all non-administrative expenses; (4) Milton 1, Table 13.1. , sum of all non-administrative expenses; Totals are subject to rounding.</p>			

Estimated Costs and Revenues for the Proposed Milton County

<u>JUDICIAL EXPENSES -</u>									
<u>State, Magistrate, and Probate Court; SG; Public Defender; & ME</u>									
Milton Estimated Population in 2006	311,121				Per Capita Averages		Milton Estimates		
	Cobb	DeKalb	Fulton	Gwinnett	C-G	F-D	C-G	F-D	
State, Magistrate, & Probate(1)	20.69	22.07	20.20	15.32	18.006	21.137	5,602,078	6,576,297	<--These estimates are based on average per capita expenditures from the comparison counties. i.e. State, Magistrate, & Probate = 311,121*18.006; 311,121*21.137
Solicitor General(2)	7.13	5.80	5.91	5.43	6.279	5.855	1,953,624	1,821,621	
Public Defender(3)	9.11	8.32	11.84	N/A	9.108	10.083	2,833,584	3,137,112	
Medical Examiner(4)	1.41	3.27	3.53	1.07	1.241	3.403	386,097	1,058,789	

Source: (1) Milton 6, Table 4.4.3; (2) Milton 6, Table 4.6.3; (3) Milton 6, Table 4.7; C-G Estimate is based only on per-capita expenses of Cobb County; (4) Milton 6, Table 4.9.3; Totals are subject to rounding.

Estimated Costs and Revenues for the Proposed Milton County

<u>Superior Court</u>						
	Cobb	DeKalb	Fulton	Gwinnett	Cobb-Gwinn	Fulton-DeKalb
Part 1 Crimes(1)	20,909	25,487	66,961	37,223	29,066	46,224
Number of Superior Ct. Judges(2)	9	10	19	9	9.0	14.5
Cost of Superior Court(2)	4,808,517	7,253,142	19,445,181	7,212,573	6,010,545	13,349,161
Part 1 Crimes per Sup. Judge	2,323.22	2,548.70	3,524.26	4,135.89	3,229.56	3,036.48
Superior Court exp/Judge	534,279.67	725,314.20	1,023,430.58	801,397.01	667,838.34	874,372.39
Estimated Part 1 Crimes in Milton County(3)		11,822.60				
		Cobb-Gwinn	Fult - DeKlb	Assume -		
estimated number of Superior Ct Judges in Milton		3.66	3.89	4	<--We estimate the number of judges based on the ratio of Part 1 Crimes per superior ct. judge in other counties relative to estimated Part 1 Crimes in Milton Co. i.e. 11,822.60/3,229.56; 11,822.60/3,036.48. We assume 4 judges for both the C-G and F-D case.	
		Cobb-Gwinn	Fult - DeKlb			
Estimate of Superior Ct. costs- Milton County		2,671,353	3,497,490		<--Estimate is computed as the average cost of superior ct. per judge multiplied by the estimated number of superior ct. judges., i.e. 4*667,838.34; 4*874,372.39	
Source:(1) Milton 6, Appendix Table 4.1; (2) Milton 6, Table 4.2.3; (2) Milton 6, Table 4.2.3; (3) Part 1 Crime Statistics for all of Fulton Co. Alpharetta, Sandy Springs, and Roswell were provided to us by the municipalities or were available online. Based on						

Estimated Costs and Revenues for the Proposed Milton County

this data, we estimated the number of Part 1 crimes for the city of Milton, Johns' Creek, and Mountain Park and for Milton Co.; Totals are subject to rounding.

<u>Superior Clerk and District Attorney</u>						
	Cobb	DeKalb	Fulton	Gwinnett	Cobb-Gwinn	Fult-DeKalb
Cost of Superior Court(1)	4,808,517	7,253,142	19,445,181	7,212,573	6,010,545	13,349,161
Cost of Superior Clerk(2)	4,562,873	4,476,166	13,766,008	7,956,328	6,259,601	9,121,087
District Attorney(3)	6,016,028	9,938,091	19,597,892	6,880,448	6,448,238	14,767,992
Estimate of Sup. Ct. for Milton Co.(4)	2,671,353	3,497,490				
Superior Clerk/Superior Court	0.949	0.617	0.708	1.103	1.026	0.663
DA/Superior Court	1.251	1.370	1.008	0.954	1.103	1.189
	Cobb-Gwinn	Fult-DeKalb				
Estimate of Clerk of Superior Ct.-Milton County	2,740,854	2,317,216	These estimates are computed as a % of the estimated expenses for the Milton Co. superior ct., ie. Sup. Clerk=1.026*2,671,353; 0.663*3,497,490			
Estimate of DA-Milton County	2,945,262	4,158,569				

Source:(1) Milton 6, Table 4.2.3; (2) Milton 6, Table 4.3.2; (3) Milton 6, Table 4.6.2; (4) Milton 1, Table 4.1; Totals are subject to rounding.

Estimated Costs and Revenues for the Proposed Milton County

<u>Juvenile Court</u>						
	Cobb	DeKalb	Fulton	Gwinnett	Cobb-Gwinn	Fult-DeKalb
% of Population under 18(2)	0.264	0.253	0.253	0.284	0.274	0.253
Population Under 18 (computed)	172,894	179,731	227,751	204,366	188,630	203,741
Juvenile Youth served(3)	1,584	2,025	2,281	1,230	1,407	2,153
Milton Population Under 18(1)	81,243					
% of Population under 18 involved in Juvenile Court	0.0092	0.0113	0.0100	0.0060	0.0076	0.0106
Estimated Milton Juvenile Ct. population					616.65	864.51
Juvenile Youth/Juvenile Judge	396	506	326	410	403	416
Estimate of Number of Juvenile Judges	2	2	<--computed as the estimated juvenile youth pop. Of Milton divided by the average number of juvenile youth per judge, ie 616.65/403; 864.51/416; rounded to nearest whole number			
Juvenile Court Expenses(4)	4,771,258	6,502,643	13,953,129	5,926,870	5,349,064	10,227,886
Juvenile Court Judges(4)	4	4	7	3	3.5	5.5

<--computed as the ratio of juveniles served to total juvenile pop., ie. 1,407/188,630; 2,153/203,741

<--computed based on average % of juvenile pop. Involved in juv. Court, ie. 0.0076*81,243; 0.0106*81,243

Estimated Costs and Revenues for the Proposed Milton County

Juvenile Court Exp/Juvenile Judge	1,192,815	1,625,661	1,993,304	1,975,623	1,584,219	1,809,482
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Cobb-Gwinn Fult-DeKalb

Estimate of Juvenile Court	3,168,438	3,618,965
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<--computed as the estimated number of judges multiplied by the per judge exp., ie. 2*1,584,219; 2*1,809,482

Source: (1) Geolytics data for Fulton County; (2) US Census QuickFacts, persons under 18, 2006; (3) Department of Juvenile Justice, www.djj.state.ga.us; (4) Milton 6, Table 4.5.2; Totals are subject to rounding.

Totals are subject to rounding.

Sheriff

	Cobb	DeKalb	Fulton	Gwinnett	Cobb-Gwinn	Fult-DeKalb
Cost of State, Magistrate, and Probate(1)	13,548,209	15,679,981	18,186,567	11,027,701	12,287,955	16,933,274
Cost of Superior Court(2)	4,808,517	7,253,142	19,445,181	7,212,573	6,010,545	13,349,161
Cost of Juvenile Court(3)	4,771,258	6,502,643	13,953,129	5,926,870	5,349,064	10,227,886
Total Cost of Courts	23,127,984	29,435,766	51,584,877	24,167,144	23,647,564	40,510,321
Cost of Sheriff(4)	52,100,849	73,801,616	92,160,182	72,400,704	62,250,777	82,980,899
Sheriff/Cost of All Courts	2.253	2.507	1.787	2.996	2.624	2.147

Cobb-Gwinn Fult-DeKalb

Estimated Costs and Revenues for the Proposed Milton County

Milton Court exp. For Sup, Juv, State, Mag. Probate(5)	11,441,869	13,692,752
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Estimate of Milton Sheriff	30,026,616	29,396,849
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<p><--computed as the product of total court expenses for Milton and the average ratio of Sheriff to court exp. , ie. 2.624*11,441,869;2.147*13,692,752</p>

Source: (1) Milton 6, Table 4.4.2; (2) Milton 6, Table 4.2.3; (3) Milton 6, Table 4.5.2; (4) Milton 6, Table 4.8.2; (5) Milton 1, Table 4.1; Totals are subject to rounding.

Estimated Costs and Revenues for the Proposed Milton County

<u>Health and Human Services -</u>						
<u>Social Services</u>						
Milton Population, 2006 Estimate	311,121					
	Cobb	DeKalb	Fulton	Gwinnett	Cobb-Gwinn	Fult-DeKalb
Social Services per capita costs(1)	\$5.99	\$3.52	\$11.73	\$2.31	\$4.15	\$7.62
Estimated Cost of Social Services - Milton	1,290,797	2,371,583	<--estimates are computed based on average per capita costs, ie. 311,112*4.15; 311,121*7.62			
Source: Milton 6, Table 6.4; Totals are subject to rounding.						

<u>Public and Mental Health</u>						
	Cobb	DeKalb	Fulton	Gwinnett	Cobb-Gwinn	Fult-DeKalb
County Contributions for PH & MH(1)	1,734,667	7,430,145	29,275,098	2,403,101	2,068,884	18,352,622
County Population	654,900	710,400	900,200	719,600	687,250	805,300
# of Medicaid Recipients(2)	27,222	42,543	46,667	34,856	31,039	44,605
County contribution per Medicaid Recipient	63.72	174.65	627.32	68.94	66.33	400.98
# of Medicaid Cases in Milton County(2)	7,126					

Estimated Costs and Revenues for the Proposed Milton County

	Cobb-Gwinn	Fult-DeKalb	
Estimated Milton County Public/Mental Health Exp.	472,691	2,857,417	<--computed based on average county contribution per Medicaid recipient, ie. 7,126*66.33; 7,126*400.98
Source: (1) Milton 6, Table 6.1.3, sum of county funds for Public and Mental Health; (2) Data provided to FRC by DHR; Totals are subject to rounding.			

<u>DFCS</u>						
	Cobb	DeKalb	Fulton	Gwinnett	Cobb-Gwinn	Fult-DeKalb
County Contributions for DFCS(1)	422,047	1,905,000	13,333,790	826,150	624,099	7,619,395
# of Children in CPS investigations(2)	4,223	3,397	6,032	4,223	4,223	4,715
County Contribution per # of CPS Invest.	99.94	560.79	2,210.51	195.63	147.79	1,385.65
% of Fulton Co. DFCS Cases in Milton Co.(3)	0.15					
# of DFCS Cases in Milton County	904.8					
	Cobb-Gwinn	Fult-DeKb				
Estimated Milton County DFCS Exp.	133,716	1,253,735				<--computed based on average county contribution per DFCS service recipient, ie. 904.8*147.79; 904.8*1,385.65
Source: (1) Milton 6, Table 6.2.2; (2) Milton 6, Table 6.2.1; (3) assumption based on DHR data provided to FRC; Totals are subject to rounding.						

Estimated Costs and Revenues for the Proposed Milton County

<u>Libraries</u>							
# in Milton	5	<--this is the assumed number since 5 Atlanta-Fulton branches already exist in Milton County					
						Average	
		Cobb	DeKalb	Fulton	Gwinnett	Cobb-Gwinn	Fult-DeKb
Cost per library		656,123	522,116	875,960	1,378,214	1,017,169	699,038
			C-G Average	D-F Average	<div style="border: 1px solid black; padding: 5px;"> <--estimated based on the average per library cost of the comparison counties, ie. 5*1,017,169; 5*699,038 </div>		
Milton Estimated Exp. For Libraries			5,085,843	3,495,189			
Source: (1) Milton 6, Table 8.3; Totals are subject to rounding.							

Estimated Costs and Revenues for the Proposed Milton County

<u>Elections</u>							
	Cobb	DeKalb	Fulton	Gwinnett	Average	C-G Average	F-D Average
Per precinct Costs(1)	11,771	20,977	20,522	17,413	17,671	14,592.19	20,749.37
No. of precincts(2)	191	190	332	158	218	175	261
Voters per precinct(2)	1,817	1,825	1,362	1,998	1,751	1,907.44	1,593.88
Estimate of # of precincts in Milton							
# of Milton Voters in 2006(3)	172,919						
	Cobb-Gwinnett	Fulton-DeKalb					
Milton precincts	91	108					
Estimated Expenditures	1,327,889	2,240,932	<p><--estimated number of precincts by applying average county precinct population to Milton voter population, ie. 172,919/1907, 172,919/1593.88; estimated election expenditures by applying average county per precinct costs to estimated number of precincts, ie. 91*14,592.19; 108*20,749.37</p>				
<p>Source: (1) Milton 6, Table 9.3; (2) Milton 6, Table 9.1; (3) Georgia Secretary of State - Registered Voters by Precinct, available online at http://sos.georgia.gov/elections/voter_registration/vrgraphs.htm; Totals are subject to rounding.</p>							

Estimated Costs and Revenues for the Proposed Milton County

<u>Tax Administration - Tax Assessor/Tax Commissioner</u>						
	Cobb	DeKalb	Fulton	Gwinnett	Average of	
					Cobb-Gwin	Fulton-DeKalb
Number of Billing Units(1)	749,578	649,042	793,933	789,866	769,722	721,488
Cost Per Billing Unit(2)	14.66	17.28	30.70	15.80	15.23	23.99
Number of Billing Units - Milton(3)		307,519				
		Cobb-Gwinnett	Fulton-DeKalb			
Estimate of Tax Admin for Milton		4,684,411	7,377,637	<--estimated by applying the average county per billing unit cost to the number of Milton County billing units, ie. 15.23*307,519; 23.99*307,519		
Source: (1) Milton 6, Table 7.1; (2) Milton 6, Table 7.3; (3) DOR Consolidation Sheets, available online at http://www.dor.ga.gov/DigestConsolidation/Default.aspx . And is sum of billing units of the Milton Co. municipalities; Totals are subject to rounding.						

Estimated Costs and Revenues for the Proposed Milton County

<u>Emergency Management and Animal Control</u>						
	Cobb	DeKalb	Fulton	Gwinnett	Average of	
					Cobb-Gwin	Fulton-DeKalb
Emergency Management Per Capita Costs	16.22	19.77	7.64	10.79	13.5069	13.7023
Animal Control Per Capita Costs	3.36	3.37	2.54	2.80	3.0753	2.9559
		Cobb-Gwin	Fulton-DeKalb			
Estimated Exp. for Emergency Management - Milton		4,202,284	4,263,078			
Estimated Exp. for Animal Control - Milton		956,785	919,648			
Source: Milton 6, Table 10.2, Milton 6, Table 11.2; Totals are subject to rounding.						
					<--estimated based on average per capita costs for these services, ie. 13.5069*311,121; 3.0753*311,121	

Estimated Costs and Revenues for the Proposed Milton County

Appendix B. Calculation of Revenue Estimates

This appendix discusses in more detail the procedures for the estimation of the sales and property tax revenue for Milton County.

Sales Taxes.

Presently, the Georgia Department of Revenue does not keep records of sales tax collections at geographic levels smaller than counties; with the sole exception of the City of Atlanta Sewer Sales Tax. Thus, estimating sales tax revenue for places other than counties is generally difficult. The following discussion presents the steps involved in calculating the sales tax revenue and base for the proposed Milton County.

Step 1. Estimate non-city of Atlanta Fulton Sales Tax revenue.

Estimating total sales tax revenue in the City of Atlanta yields a remainder of sales taxes arising from collections in North Fulton (Milton) and South Fulton. Atlanta's sewer sales tax is not comparable to the Fulton County LOST. The sewer sales tax does not include automobile sales or use taxes. Based on earlier estimates of the sewer sales tax base, approximately 7.58 percent of MARTA's sales tax comes from automobile sales and use taxes. Atlanta's sewer sales tax, expanded by 7.58 percent and reduced by 2.97 percent (the proportion of retail sales employment in Atlanta-in-DeKalb) yields a tax comparable to Fulton County's LOST. Subtracting Atlanta's estimated sales tax from Fulton County's LOST produces estimated sales taxes generated in total from North and South Fulton County. This estimation is "Step 1" in the accompanying table.

Step 2. Estimate split of non-Atlanta Sales Tax Revenue to North Fulton.

We assume that the sales tax revenue generated in northern and southern part of the proposed Fulton County is split between these two areas in the same proportion as retail sales employment. Use of actual retail sales would be better, but this data is not available. The Atlanta Regional Commission has developed estimates of retail sales employment for 2005 for each census tract in the region, including those in the proposed Milton County and proposed Fulton County. Between the two areas, north Fulton has 76.84 percent of the retail employment. Applying this proportion to the estimation of sales tax revenue for the non-Atlanta portion of Fulton County produces an estimate of sales tax revenue that is generated with a 1 percent sales tax in the proposed Milton County in 2006.

Because Milton County will be adopting a LOST after 1996, it will not be able to include groceries in its sales tax base as Fulton County does. There are many ways to estimate the size of groceries in a sales tax base. The Bureau of Labor Statistics Consumer Expenditure Survey indicates that groceries make up about 7 percent of a typical household's expenditures.

The result of dividing revenue between the proposed Milton and new Fulton counties and reducing revenue by 7 percent is shown as "Step 2" in the accompanying table.

Step 3. Estimate the distribution of Sales Tax Revenue among Milton County and its cities.

When a LOST is adopted, a county and its cities must negotiate revenue distribution among themselves (§48-8-89(b) O.C.G.A.) and provide the distribution formula to the state Department

Estimated Costs and Revenues for the Proposed Milton County

of Revenue. Historically, the negotiated distribution in Fulton County was 35 percent to the county and the remaining 65 percent distributed among the cities using a per capita ratio based on population in the latest census. The creation of Sandy Springs and then Milton and John's Creek has changed the distribution. For the purpose of this estimation, the latest distribution formula (provided by the Georgia Department of Revenue) was applied to the total 2006 Fulton County LOST revenue so that estimates could be developed for Milton and John's Creek as well as the previously existing cities. This present Milton County estimate assumes the cities will be "held harmless" in the distribution of LOST revenue; that is to say, under a new negotiated agreement they will receive a percentage of the total Milton County LOST revenue in the first year of a Milton County Sales Tax that would produce the same dollar amount as they would have received had Fulton County remained in place. Estimated distribution of LOST revenues to the cities is shown as "Step 3" in the accompanying table.

Step 4. Estimate Sales Tax Revenue to the Milton County General Fund.

The final step is to estimate sales tax revenue to the county government of Milton. Based on the assumptions made regarding cities, the county government distribution is the residual after distribution to the cities. This estimation is "Step 4" in the accompanying table.

Appendix Table B.1: Estimation of Milton County Sales Tax Revenues

	Atlanta Sewer Sales Tax	118,191,730
	Atlanta Sales Tax = Sewer Sales X 1.0758	127,150,663
	less Atlanta-in-DeKalb (2.97%)	123,374,288
	Fulton LOST	236,673,564
<u>Step 1</u>	Fulton LOST less Atlanta Sales Tax = LOST to North & South Fulton	113,299,276
	% Retail Employment North Fulton	76.84%
	% Retail X LOST to North & South Fulton = LOST to North Fulton	87,063,711
<u>Step 2</u>	Adjust for exemption on groceries @ 7% of taxable sales**	80,899,600
	2006 Distributions to North Fulton Cities*	
	Alpharetta	10,535,523
	Roswell	20,829,877

Estimated Costs and Revenues for the Proposed Milton County

	Sandy Springs	22,514,519
	Mountain Park	130,175
	City of Milton*	4,037,177
	John's Creek*	16,489,757
<u>Step 3</u>	Total Distributions to cities	74,537,028
<u>Step 4</u>	LOST to N Fulton less Total distributions = Estimate for Milton County	6,362,572
* Based on negotiated Fulton County LOST percentages. From DOR on 9/13/2007		
** 7 percent is the low estimate in the range of possible impacts of the grocery exemption; the high end is over 16 percent		

Totals are subject to rounding.

We have made several assumptions regarding sales tax revenue for a potential Milton County and its cities.

1. The sales tax estimated is a LOST. It is a 1 percent sales tax with no sunset. Proceeds are applied to general operations. A property tax roll back is required.
2. We have assumed Milton County will have a LOST. A LOST is not automatic, the county governing body will need to put the question to referendum and it must pass.
3. As discussed, our calculations assume the cities will be “held harmless” in the matter of sales tax revenue. However, the jurisdictions will have to agree on an allocation formula. The typical allocation formula in other counties allocates a share to the county government equal to the county’s share of the population in the unincorporated area. For Milton County this type of allocation formula implies no LOST revenue for the county government.
4. As also discussed, we have used the Fulton County LOST and Atlanta sewer sales tax as the basis of the estimation. Both of these taxes are able to include sales taxes on groceries – food consumed at home. As matters stand now, Milton County and its cities probably will not be able to tax groceries – counties electing to impose a LOST after 1996 must exempt groceries. We use 7 percent as an estimate of the grocery component of sales tax revenue; other sources of consumption data indicate that groceries may be a much larger part of the sales tax base, perhaps greater than 16 percent.

Procedures for estimating property taxes

The procedure first estimates the gross property tax base, then estimates property tax exemptions with the assumption that the same type and level of existing Fulton County General Fund

Estimated Costs and Revenues for the Proposed Milton County

property tax exemptions will continue.²⁷ Subtracting exemptions from the gross base produces an estimate of the net property tax base. The next step estimates a property tax levy by using the 2006 Fulton County General Fund millage rate. Finally, we estimate an adjustment to the millage rate and levy to show the effect of maintaining the current per capita property tax burden.

In lieu of getting property tax data from Fulton County, estimation of property tax base and levies for a proposed Milton County proceeds as follows:

Step 1. Compute Gross Property Tax Base.

The gross property tax base is taken from consolidated property tax summaries for 2006 posted by the Georgia Department of Revenue.²⁸ Gross property tax bases for Sandy Springs, Roswell, Alpharetta, Mountain Park, and the North Fulton SSD are added. This sum equals the gross 2006 tax base for proposed Milton County as it includes all taxable property (both real and personal) that would be in Milton County and includes no other property.

Step 2. Net Property Tax Base.

The net tax base is the gross tax base less property tax exemptions. There are two problems with estimating exemptions for the proposed Milton County.

- a. Although the consolidation sheets published by Georgia DOR contain places for the number, type, and value of exemptions to be listed, and although exemptions are posted for counties, the DOR does not post this data for cities. Therefore, we are unable to obtain a reliable figure for the number and value of homesteaded and other exempt properties for the cities that comprise the proposed Milton County.
- b. The type and level of local exemptions vary from jurisdiction to jurisdiction depending on local circumstances. Even if information regarding exemptions for the cities was available, there is no guarantee they would reflect the exemptions that a Milton County Board of Commissioners would deem appropriate.

Step 3. Estimate value of exemptions.

To estimate potential total exemptions in Milton County (homestead, Freeport, historic, etc.) we use the Fulton GIS tax parcel map combined with the Computer Assisted Mass Appraisal (CAMA) tax files and counted the number of exempt parcels in proposed Milton and existing Fulton. The ratio of exempt properties was applied to the total value of exemptions in Fulton to derive an estimate of the value of exemptions for Milton. There will be error in this estimate, but it is difficult to say in which direction. For example, there may be fewer homeowners qualified for the larger exemptions available to low income elderly in Milton than in the remainder of Fulton and there may be more Freeport exemptions in the remainder of Fulton as well. But it is not likely that the magnitude of the error will be as great as other errors and changes normally encountered in any tax base.

²⁷ Basic Homestead, \$15,000; age 65+ and income <\$10,000, \$4,000; age 65+ and income <= social security, \$10,000; age 70+ or disabled and income <= social security, full exemption; full exemption for disabled veterans and, up \$43,000 for surviving spouses.

²⁸ Source: <http://www.state.ga.us/dor/ptd/cds/csheets/digest/digest.cgi?year=06>.

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Step 4. Adjust tax base for noncompliance.

Our estimation of final property tax revenue is based on an assumed 96 percent collection rate. This is a reasonable expectation rate in the first year of a levy. There is additional revenue in subsequent years from late payments and penalties.

Appendix Table B.2 Estimation of Milton County Property Tax Base and Revenues

<u>Step 1.</u> 2006 Gross Digest	19,675,639,733
Number of Exemptions ¹	132,903
Estimated Value of Exemptions ²	2,795,237,478
<u>Step 2.</u> Estimated 2006 Net Digest	16,880,402,255
2006 Estimated Population ³	311,121
Estimated 2006 M&O Levy Per Capita	618.91
Adjusted Tax Rate for Even Per Capita Levy	9.885
Adjusted Levy	166,854,599
<u>Step 3.</u> Estimated Revenue at 96% Collection	160,180,415
Adjusted Levy Per Capita	536.30
<hr/>	
<u>Alternative Property Tax Calculation -</u>	11.407
2006 M&O Millage Rate	
Estimated 2006 Levy at 2006 Rate	192,554,749
Estimated Revenue at 96% Collection	184,852,559

Estimated Costs and Revenues for the Proposed Milton County

1. The number of exemptions for Fulton is taken from the consolidation sheets. The number of exemptions for Milton and New Fulton is the ratio of exempt properties.
2. The value of exemptions for Milton and New Fulton is the average value of an exemption in Fulton times the number of exemptions
3. From ARC estimates <http://www.atlantaregional.com/cps/rde/xbcr/arc/datatables.XLS>

Totals are subject to rounding.

Procedures for Estimating Other Revenues

Appendix Table B.3 outlines the estimation of the other county revenues such as FIFA and Intangibles.

Appendix Table B.3, Estimation of Other Revenues

Revenue Source	Total for Fulton County, 2006	Adjustment Factor	Milton County Estimated Revenue	Notes
FIFA	\$160,180,415	1.246%	\$1,996,168	1.246% of Property Tax
Collection Fees	\$76,666,700	1%	\$766,667	1% of local property tax collected
Intangible Taxes	\$13,566,859	40.50%	\$5,494,170	Ratio of assessed values
Grants	\$16,766,661	40.50%	\$6,285,494	Ratio of assessed values
Charges for Service	\$27,846,768	34.67%	\$9,653,628	Ratio of assessed parcels
Court Fines and Fees	\$12,466,523	18.68%	\$2,329,295	ratio of households < \$35,000 annual income
Interest Earnings	\$47,156,012	4.85%	\$2,284,962	% of everything but property tax
Rents and Royalties	\$5,761,809	0%	\$0	To be conservative
Other General Revenue	\$34,163,543	34.56%	\$11,807,371	Population ratio: ARC estimates
License and Permits	\$36,833	0%	\$0	Municipal activity
Real Estate Transfer Fees	\$6,075,668	40.50%	\$2,460,646	Ratio of assessed values

Totals are subject to rounding.

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