



**UNIVERSITY OF
GEORGIA**

**Carl Vinson
Institute of Government**

COMMITTED TO EXCELLENCE IN GOVERNMENT



**Carl Vinson
Institute of Government**
UNIVERSITY OF GEORGIA

Public Works Study

January 8, 2024

Stonecrest City Council Presentation

Agenda

- Introduction
- Purpose & scope of the study
- Methodology
- Results
- Considerations
- Questions



The Study's Objectives

Explore the feasibility of Stonecrest taking responsibility for certain public works services

- Estimate cost of 2 service delivery models: contract and in-house
- Case study approach using other Georgia cities' costs
- Estimate property tax implications of 2 models
- The Institute does not take a position for or against the city taking control of public works services, nor does it express an opinion about whether Stonecrest should provide services directly or primarily through a contractor.



Scope

- Services
 - Limited to the maintenance and repair of streets, sidewalks, rights-of-way, traffic signals, and storm drainage funded through the General Fund
- Participating cities
 - Contract Model: Brookhaven and Dunwoody
 - In-house Model: Dalton, Gainesville, and Newnan
- Time period
 - FY21 and FY22 General Fund expenditures
 - 2021 Municipal Public Works Wages from DCA study for metro cities



Contract Model





Contract Cost Methodology

Average participating cities' FY21 and FY22 expenditures for like-services

Calculate an average cost per lane mile

Multiply average cost per lane mile by Stonecrest's lane miles

Estimate Maintenance Yard or Infrastructure Cost

Stonecrest

Estimated Annual Cost to Contract Public Works*

	<u>Participating Cities' Unit Cost</u>	<u>Stonecrest's Lane Miles</u>	<u>Est. Cost</u>
Estimated Annual Contract Cost - Average	\$5,366	457	\$2.45 million
Estimated Annual Contract Cost - High	\$7,340	457	\$3.35 million
Plus Annualized Infrastructure Cost			<u>\$4,258</u>
Total Estimated Annual Cost*			\$2.46 - \$3.36 million

*Estimated average cost for general fund expenditures for maintenance and repairs only; does not include any SPLOST-funded projects.
Sources: Cities of Brookhaven and Dunwoody General Fund expenditures only; GDOT 449 Report

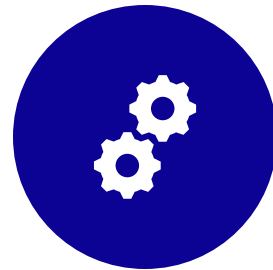
In-House Model



In-House Cost Methodology



PERSONNEL
SERVICES



OPERATING



HEAVY EQUIPMENT



INFRASTRUCTURE

In-House Cost Estimate

Cost Categories	Annual Estimated Cost
Personnel Services	\$2,671,912
Operating	\$765,894
Equipment	\$103,813
Infrastructure	\$4,258
Total Estimated Annual Cost	\$3.55 million

Model Comparison



Comparison of Two Models' Estimated Annual Costs

	In-House Model	Contract Model Average*	Contract Model High**
Personnel Services	\$2,671,912		
Operating	\$765,894	\$2,452,262	\$3,354,380
Equipment	\$103,813		
Infrastructure	\$4,258	\$4,258	\$4,258
Total Estimated Annual Cost	\$3.55 million	\$2.46 million	\$3.36 million

*Average Contract = Dunwoody and Brookhaven average expenditures FY2021 & 2022 for like services

**Contract Model High = Brookhaven average expenditures FY2021 & 2022 for like services

Calculations impacted by rounding

Property Tax Analysis



City Property Tax Profile

2023 Stonecrest Tax Digest

Real Property Assessed Value	\$2.9 billion
------------------------------	---------------

Less City Exemptions	<u>\$1.1 billion</u>
----------------------	----------------------

Net Assessed Value	\$1.8 billion
--------------------	---------------

x Mill Rate	<u>0.001257</u>
-------------	-----------------

City Property Tax Revenue	<u>\$2.26 million</u>
---------------------------	-----------------------

City property taxes paid by the average homeowner*	\$123.55
--	-----------------

Source: 2023 DeKalb County Property Tax Digest, City of Stonecrest parcels

* Average assessed value of residential property = \$98,289

Annual City Property Tax Implications of Two Public Works Models

	In-House Model	Contract Model Average**	Contract Model High***
Estimated Cost	\$3.55 million	\$2.46 million	\$3.36 million
÷ Net Assessed Value	\$1.80 billion	\$1.80 billion	\$1.80 billion
Mill Rate	.001976	.001369	.001871
Cost Per \$1,000 in Assessed Value (Mills)	\$1.98	\$1.37	\$1.87
City Property Tax Impact on Average Homeowner* (1)	\$194.19	\$134.53	\$183.93

*Average assessed value of residential property = \$98,289

** Based on the average of Dunwoody and Brookhaven's FY2021 and 2022 contract expenditures

***Based on the average of Brookhaven's FY2021 and 2022 contract expenditures

Calculations may be impacted by rounding

(1) May be mitigated by some property taxes being shifted from county to city

Wrap Up

- Considerations and Limitations
 - Inflation
 - Assumes similarities between participating cities and Stonecrest
 - Age and condition of infrastructure impacts maintenance and repair costs
 - Funding sources other than property taxes
- Questions



Connect With Us!



**facebook.com
/VinsonInstitute**



**Carl Vinson
Institute of Government**



@CVIOG_UGA



www.cviog.uga.edu



**UNIVERSITY OF
GEORGIA**

**Carl Vinson
Institute of Government**

Since 1927, the Carl Vinson Institute of Government has been an integral part of the University of Georgia. A public service and outreach unit of the university, the Institute of Government is the largest and most comprehensive university based organization serving governments in the United States through research services, customized assistance, training and development, and the application of technology.