



Carl Vinson
Institute of Government
UNIVERSITY OF GEORGIA

Public Works Study for the City of Stonecrest

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Prepared by the
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Executive Summary

In April 2023, the City of Stonecrest requested that the Carl Vinson Institute of Government at the University of Georgia study the fiscal impact of the city taking on certain public works services. The services under review include the repair and maintenance of streets, sidewalks, rights-of-way, and traffic signals paid for by the General Fund.

Based on a case study approach and unit-cost analysis, the study estimates the cost of two possible service delivery models—one in which the city directly provides services with its own employees (referred to as an in-house model) and the other in which it contracts with a private contractor to both manage and provide services. Researchers based the cost estimates on FY 2021 and 2022 General Fund expenditures of five Georgia cities that agreed to participate in the study. However, the study uses metropolitan Atlanta wages and salaries for the personnel services portion of the in-house cost estimate. The study also estimates the impact of these costs on city property taxes.

Estimated Costs

The Institute estimates that it will cost the City of Stonecrest an estimated \$2.4 to \$3.3 million annually to implement a contract model or approximately \$3.5 million annually to implement an in-house model for providing public works services.

Property Tax Impact

The study also evaluates the impact both models would have on city property taxes. The Institute estimates that the city would need to levy an estimated total of 1.369 to 1.871 mills annually to fund a contract model or 1.976 mills annually to fund an in-house model. For the average homeowner, the estimated annual cost of these services ranges from \$134.53 to \$183.93 in city property taxes if the city implements the contract model or approximately \$194.19 for the in-house model.¹

Although contingent on discussions between Stonecrest and DeKalb County, a shift in taxes would effectively mitigate a portion of the needed revenues. To ensure that city residents do not pay both Stonecrest and DeKalb for the same services, Stonecrest would need to negotiate a reduction in county taxes before levying city taxes for the services it intends to provide. For the Stonecrest taxpayer, this portion of the total estimated cost is essentially a shift in who they pay for the services.

¹ Assumes average assessed value of residential property = \$98,289 and no exemptions

According to the DeKalb County Board of Commissioners Resolution to Levy Taxes for the Year 2023, DeKalb County currently charges City of Stonecrest property taxpayers .611 mills for “street and road maintenance of curbs, sidewalks, streetlights, and devices to control the flow of traffic on streets and roads.” Once the City of Stonecrest confirms the amount of revenue generated by the .611 mills (i.e., taxable value of the property less the value of statutory county homestead exemptions and credits), it can estimate the remaining or additional amount required.²

How to Use This Report

Case studies are useful tools for studying an issue in depth and exploring how theory meets practice. For these reasons, studies like this one provide useful, detailed information to facilitate and inform policy discussions and decision-making.

There are also limitations to studies of this nature that should be kept in mind. Each city participating in the study is unique and may share some, but not all, characteristics with the City of Stonecrest. Also, as with any case study, it cannot predict every possible variable that may impact the cost to provide the desired public works services in the City of Stonecrest given the limited number of cities included in the study. As a result, the cost estimates reflected in the report are reasonable but not exact.

Ultimately, the elected city council will need to weigh the estimated costs and the advantages and disadvantages of each model against the current level of service provided by DeKalb County. (See page 28 for a discussion of advantages and disadvantages of the two models.) The council will also want to consider the information provided in this report in the context of its constituents and overall strategic priorities. The Institute does not take a position for or against the City of Stonecrest taking control of public works services from the county, nor does it express an opinion about whether Stonecrest should provide services directly or primarily through a contractor.

² The .611 mill rate levied by the county may not directly equate to the municipal millage rate needed to fund the services.

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Chapter 1: Introduction

Many residents are not aware of what goes into keeping their local infrastructure safe and functional, yet public works is a critical local government function. Public works departments are responsible for constructing, maintaining, repairing, and improving roads, sidewalks, bridges, drainage and stormwater systems and other critical government assets. They also play an important role in responding to emergencies and weather events, with employees on call to repair traffic lights or to clear debris from roads during a storm.

In Georgia, city or county employees provide most local public works services through public works departments (i.e., in-house, or direct service model). However, a growing number of metropolitan Atlanta cities – cities that have been incorporated within the last 15 years – provide a variety of public works services primarily through a private contractor or contractors.

In April 2023, the City of Stonecrest requested that the Carl Vinson Institute of Government study the cost of the city taking on certain public works services—services that DeKalb County currently provides to city residents.

Based on a case study approach and unit-cost analysis, the study estimates the cost of two possible service delivery models - one in which the city directly provides services with its own employees and the other in which it contracts with a private contractor to manage and provide public works services. The cost of each model is based on the General Fund public works expenditures of two contract cities and three in-house cities that agreed to participate in the study. The study also estimates the fiscal impact that each model would have on city property taxes.

While the types of services provided by local public works departments vary and can be expansive, the City of Stonecrest selected the following subset of services for the study, all of which are assumed to be supported by the General Fund for purposes of this review.

Table 1: Major Public Works Services Included in the Study	
Administration	Overseeing and managing public works staff and services, addressing, and tracking citizen complaints, processing invoices, and other administrative functions as assigned.
Streets and Sidewalks	Repairing and maintaining roads, rights-of-way, sidewalks, and drainage systems, including filling potholes, mowing, edging, clearing debris from roads, storm drains, and catch basins.
Traffic Signal	Repairing and maintaining traffic signals and other electronic traffic flow devices on city streets and intersections.

Other common functions performed by local public works departments, such as building maintenance, fleet maintenance, sanitation, recycling, residential leaf and limb collection, stormwater management (beyond maintenance of catch basins and pipes in the rights-of-way) and capital improvement projects, are not within this study’s scope.

However, it is important to keep in mind that local governments fund a wide range of public works services from a variety of funding sources, including property taxes, special sales tax (e.g., SPLOST),

stormwater utility fees, and grants. While this study focuses on estimating the cost of a discrete list of General Fund public works services, it is important to mention that some of the costs included in the study can be funded through the city's other funding sources.³ Given this alternative funding source, Stonecrest could consider using SPLOST funding for the major equipment expenditures outlined in this study, which could reduce the estimated amount in property taxes needed.

³ For example, Stonecrest received \$8.5 million in SPLOST funding in 2023. While SPLOST proceeds can generally only be used to fund capital outlay projects (not maintenance and repair), major equipment can be purchased using SPLOST funds.

Chapter 2: Contract Service Model

A small but growing number of cities in metropolitan Atlanta have taken on responsibility for providing a variety of public works services and do so primarily through a contractor or contractors. Like Stonecrest, these cities are newer metropolitan Atlanta cities—cities that have been incorporated within the last 15 years.

With only a few cities to choose from, Institute researchers analyzed key metrics that are indicators of a local government’s public works effort or workload. Specifically, lane miles are an important driver of public works costs. Additionally, population density provides insight on the likely “wear and tear” on public works assets. As lane miles and population density of an area increase, so does the demand for public works services. A community’s poverty rate and median household income are also important metrics for understanding a community’s ability to pay for services.

Lane miles represent the length of the roadway multiplied by the number of lanes in a certain jurisdiction.

Comparison Cities

The cities of Brookhaven and Dunwoody agreed to participate in the study as contract cities.⁴ Table 2 captures several key metrics for these cities and compares them to Stonecrest. As shown in Table 2, the populations of and the number of people per city lane mile in Brookhaven and Dunwoody, when averaged, are similar to Stonecrest. However, Stonecrest differs from Brookhaven and Dunwoody in terms of poverty rate and median household income.

Table 2: Comparative Demographics of Contract Cities and Stonecrest							
Name	2022 Population (Est.)	Lane Miles	People/ Lane Mile	Center Lane Miles	Poverty Rate	Median Household Income	
Brookhaven	57,934	259	224	126	11.60%	\$105,464	
Dunwoody	52,201	412	127	146	6.20%	\$97,868	
Average	55,068	336	175	136	8.9%	\$101,666	
Stonecrest	61,087	457	134	213	14.90%	\$57,226	

Sources: census.gov; Georgia Department of Transportation 449 report (2021)

Brookhaven and Dunwoody have organized their contract models differently. For the years studied, Brookhaven contracted its entire public works department, including its public works director, through a single private engineering firm. The main contractor provides senior professional and administrative staff who oversee and support the city’s public works operations and sub-contracts with other companies for crews, equipment, and/or specific projects or studies as needed.

Center lane miles, another commonly used metric, refers to the length of the road only.

⁴ Researchers contacted a third city, but it was not responsive to our request to participate in the study.

Dunwoody directly employs its public works director. The city public works director oversees a contract with an engineering firm that is responsible for the day-to-day management of public works services. Dunwoody separately contracts with different private firms that provide staff and crews based on needed areas of specialization. Senior level staff from the main contractor oversee the contractors supplying the crews. This structure was in place for the years included in this study; however, it should be noted that the City of Dunwoody is transitioning to a structure in which it will directly employ both department directors and assistant directors to oversee contractors across all areas of government, including public works.

Estimated Cost

Based on FY 2021 and 2022 General Fund expenditures from Brookhaven and Dunwoody, the study estimates that Stonecrest’s cost to contract public works services will range from \$2.46 to \$3.36 million per year, as shown in Table 3. The estimate includes personnel, operating, vehicle, and equipment costs, which are all built into the total amount the contractor charges each city. Stonecrest would also incur an estimated \$4,258 annually for a maintenance yard for storing and securing public works vehicles and equipment. This cost is separate from the contract expense.

The higher end of the contract estimate is based only on the average annual expenditure of the participating city with the higher cost per lane mile. This study provides this perspective to ensure a more conservative estimate for consideration and discussion.

A discussion of the methodology associated with the estimated contract cost can be found on the following page. A discussion of the estimated infrastructure expense can be found on page 21. Offsets to the estimated cost to contract are discussed on page 23.

Table 3: Estimated Annual Cost to Contract Public Works					
Contract Cities	FY21 General Fund Expenditures	FY22 General Fund Expenditures	Average Annual Cost	City Lane Miles	Average Annual Cost per City Lane Mile
Brookhaven	\$1,768,193	\$2,034,025	\$1,901,109	259	\$7,340
Dunwoody	\$1,428,320	\$1,366,346	\$1,397,333	412	\$3,392
Average					\$5,366
Stonecrest Estimated Average Annual Contract Cost ⁵				457	\$2,452,262
Stonecrest Estimated Annual Contract Cost—High ⁶				457	\$3,354,380
+ Infrastructure Cost					\$4,258
Estimated Total Cost Range					\$2,456,520 – \$3,358,638

Sources: Cities of Brookhaven and Dunwoody General Fund Expenditures FY2021 and 2022; Georgia Department of Transportation 449 Report (2021)

⁵ Average Contract = Dunwoody and Brookhaven average expenditures FY2021 & 2022 for like services.

⁶ Contract Model High = Brookhaven average expenditures FY2021 & 2022 for like services.

It is important to also understand the underlying assumptions in this analysis. While a cost per unit methodology is a reasonable method for estimating expenditures, this estimate is based on a small sample of cities and assumes that Stonecrest and the comparison cities are alike. The extent to which lane miles and demographics of Brookhaven and Dunwoody reflect Stonecrest should be considered when evaluating contracting as a possible service model. In addition, this study does not account for the condition and age of roads, sidewalks, and traffic signals in each participating city or in Stonecrest. It is reasonable to assume that jurisdictions that have public works assets that have undergone more recent improvements have lower maintenance and repair costs than those that are older and have more deferred maintenance needs.

Methodology

Officials from Brookhaven and Dunwoody provided Institute researchers with their FY 2021 and FY 2022 General Fund public works expenditures.⁷ To determine how best to interpret the financial documents provided, Institute researchers interviewed the public works directors and assistant city managers in both cities. General Fund line-item expenditures were discussed to determine their applicability to the services that Stonecrest requested for review. Accordingly, the researchers adjusted each city's expenditures to exclude any large one-time expenditures and any unrelated expenditures for services that Stonecrest does not intend to provide or pay for from the General Fund. Finally, the team totaled and averaged the remaining costs across the two fiscal years. Dunwoody's total expenditures include those associated with its public works director.

To account for differences in the cities' lane miles and the related service demands, the researchers divided average expenditures by the number of lane miles, or the length of city roads (in miles), in each city to get a per-unit cost. The study then averaged and multiplied the two cities' unit costs by the number of lane miles in the City of Stonecrest to arrive at an annual estimated cost to contract for Stonecrest. To provide a more conservative cost estimate, the researchers calculated a second higher cost estimate using only the two-year average unit cost for Brookhaven, which had the higher per unit cost of the two cities. The researchers then multiplied Brookhaven's average per unit cost by the number of lane miles in Stonecrest to get the upper range of the cost estimate.

⁷ FY 2021 and 2022 represent the most recent and complete expenditure data available at the time of analysis.

Chapter 3: In-house Service Model

Comparison Cities

The cities of Dalton, Gainesville, and Newnan agreed to participate in the study as cities that employ an in-house service model. The in-house service model relies on both management and staff who are directly employed by the city to manage and provide services. In contrast to the contract cities, the three in-house cities have provided a wide variety of public work services for well over 50 years and their public works departments have five to eight divisions within them.

To select cities for inclusion in the in-house model cost estimate, the researchers compiled and analyzed key metrics for cities that deliver public works services utilizing city employees. Lane miles and population density are important drivers of public works costs. As noted previously, as lane miles and population density of an area increase, so does the demand for public works services. A community’s poverty rate and median household income are also important metrics for understanding a community’s relative ability to pay for services. To the extent possible, the researchers chose cities with comparable metrics to Stonecrest.

As shown in Table 4 below, Dalton, Gainesville, and Newnan are comparable to Stonecrest across several metrics, including their ratios of people per lane miles, lane miles, poverty rate, and median household incomes. Of the three direct service cities, Newnan is the only city located in the metropolitan Atlanta area.

Table 4: Comparative Demographics of In-House Cities and Stonecrest						
2022 Population (Est.)	Lane Miles	People/ Lane Mile	Center Lane Miles	Poverty Rate	Median Household Income	
Dalton	34,366	403	85	191	19.8%	\$49,656
Newnan	44,485	359	124	173	9.3%	\$71,630
Gainesville	44,282	330	134	149	19.3%	\$57,258
Average	41,044	364	114	171	16.1%	\$59,515
Stonecrest	61,087	457	134	213	14.9%	\$57,226

Sources: census.gov; GDOT 449 report (2021)

Estimated Costs

In reviewing each participating city’s public works expenditures, expenditures fell into three major General Fund functional areas or budget units – administration, streets and sidewalks, and traffic signals. Researchers estimated Stonecrest’s annual personnel services, operating, equipment and infrastructure costs for each of the three functional areas. The study will outline the results of this analysis first by cost category and then broken out for each functional area to provide detailed insight into the components of the in-house model.

Personnel Services

For most governmental organizations, personnel services make up the most significant portion of budgeted expenditures. The same is true for the estimated cost of the in-house public works model. If implementing an in-house service model, the city will employ the staff required to provide services. These employees will be eligible for the same benefits and subject to the same personnel policies as other Stonecrest employees.

As shown in Table 5, the researchers estimate the City of Stonecrest will need approximately 36 full-time equivalent positions (FTEs) at an estimated annual cost of approximately \$2.7 million⁸ based on one possible staffing model configuration. Together, these FTEs will provide street, sidewalk, right-of-way, drainage, traffic signal repair and maintenance services. The methodology used to calculate the number of FTEs and these costs is discussed in more detail on page 17.

Table 5: Estimated Personnel Services Costs for the City of Stonecrest		
	FTEs	Total Wages & Benefits
Administration	4	\$ 459,031
Streets & Sidewalks	28	\$ 1,807,295
Traffic Signals	4	\$ 405,586
Total Annual Estimated Personnel Costs	36	\$ 2,671,912

Source: 2022 DCA Municipal Public Works Salary and Wage Study

Tables 6–8 on the pages that follow provide a breakdown of the positions and the average salaries that make up the annual estimated personnel services cost for each functional area. While this staffing configuration is one way to represent the distribution of staff across functional areas, it is important to note that there are many ways that these public works services could be staffed and organized based on the city’s preferences, including adjustments to position titles and the number of full-time equivalent positions.

Administration

All three in-house cities operate a central public works administrative division or function that supports numerous other divisions. The positions typically include the public works director, an administrative secretary, and one or two other management and/or administrative positions. The duties of administrative function include receiving citizen complaints, creating work orders, human resources functions (onboarding, processing payroll), planning, budgeting, invoicing, and providing technical and managerial oversight of people and projects in the other public works divisions.

The Institute estimates Stonecrest’s personnel services for its administrative function would cost approximately \$459,031 annually. This estimate accounts for wages, salaries, and benefits for four staff as shown in Table 6.

⁸ Cost estimate is based on the 2022 Georgia Department of Community Affairs Municipal Public Works Salary and Wage Study.

Table 6: Stonecrest Estimated Personnel Services Costs - Administration

Position Title	FTEs	Metro ATL Average Min	Metro ATL Average Max	Metro ATL Average Salary	Average Wages & Benefits x # FTEs
Civil Engineer	1	\$72,437	\$122,803	\$97,620	\$138,864
Civil Engineer	1	\$72,437	\$122,803	\$97,620	\$138,864
Roads and Bridges Superintendent	1	\$57,922	\$85,332	\$71,627	\$101,889
Administrative Secretary	1	\$42,583	\$69,069	\$55,826	\$79,413
Division Total	4				\$459,030

Sources: Stonecrest Benefits Rate of 42.25%; 2022 Municipal Wage Survey, Public Works Positions, Georgia Department of Community Affairs; 2021 Municipal Wage Survey, General and Administrative Positions, Georgia Department of Community Affairs

Streets and Sidewalks

Dalton, Gainesville, and Newnan all operate a streets and sidewalks unit (though their official names may be slightly different). This division or functional area is the largest unit—both in terms of budget and staffing—in this study. Its responsibilities include repair and maintenance of roads, sidewalks, rights-of-way, and storm drainage catch basins and pipes in the right of way. More specifically, the streets and sidewalks unit performs duties such clearing, mowing, and edging the rights-of-way, repairing potholes and sidewalks, clearing debris, and repairing damaged storm drainage assets in the rights-of-way.

Researchers estimate that Stonecrest’s personnel services cost for a streets and sidewalks function would be approximately \$1.8 million annually based on the staffing configuration outlined in Table 7.

This estimate represents an example configuration which includes four crews, comprised of four to six crew members each, who specialize in right-of-way, asphalt (roads), cement (sidewalks) and drainage repair maintenance. The estimate also includes a six-person crew who would float among the other specialty areas as needed. Staffing numbers and types of positions can be adjusted to fit the specific needs of Stonecrest; however, any adjustment would require the estimated cost to be recalculated. A more detailed discussion of the methodology used to estimate personnel services can be found on page 17.

Table 7: Stonecrest Estimated Personnel Services Costs—Streets and Sidewalks

Crew	Position Title	FTEs	Metro ATL Average Min	Metro ATL Average Max	Metro ATL Average Salary	Total Wages & Benefits x # FTEs
	Public Works Superintendent	1	\$ 79,405	\$ 114,035	\$ 96,720	\$ 137,584
ROW Crew	Crew Leader	1	\$ 42,002	\$ 63,600	\$ 52,801	\$ 75,109
	Heavy Equipment Operator	1	\$ 36,571	\$ 57,649	\$ 47,110	\$ 67,014
	Truck Driver	1	\$ 35,807	\$ 54,205	\$ 45,006	\$ 64,021
	Laborer	3	\$ 31,325	\$ 46,120	\$ 38,722	\$ 165,247
Asphalt Crew	Crew Leader	1	\$ 42,002	\$ 63,600	\$ 52,801	\$ 75,109
	Heavy Equipment Operator	1	\$ 36,571	\$ 57,649	\$ 47,110	\$ 67,014
	Truck Driver	1	\$ 35,807	\$ 54,205	\$ 45,006	\$ 64,021
	Laborer	3	\$ 31,325	\$ 46,120	\$ 38,722	\$ 165,247
Concrete Crew	Crew Leader	1	\$ 42,002	\$ 63,600	\$ 52,801	\$ 75,109
	Heavy Equipment Operator	1	\$ 36,571	\$ 57,649	\$ 47,110	\$ 67,014
	Truck Driver	1	\$ 35,807	\$ 54,205	\$ 45,006	\$ 64,021
	Laborer	3	\$ 31,325	\$ 46,120	\$ 38,722	\$ 165,247
Floating Crew	Heavy Equipment Operator	1	\$ 36,571	\$ 57,649	\$ 47,110	\$ 67,014
	Truck Driver	1	\$ 35,807	\$ 54,205	\$ 45,006	\$ 64,021
	Laborer	3	\$ 31,325	\$ 46,120	\$ 38,722	\$ 165,247
Drainage Crew	Crew Leader	1	\$ 42,002	\$ 63,600	\$ 52,801	\$ 75,109
	Heavy Equipment Operator	1	\$ 36,571	\$ 57,649	\$ 47,110	\$ 67,014
	Maintenance Worker	1	\$ 32,746	\$ 54,489	\$ 43,618	\$ 62,046
	Laborer	1	\$ 31,325	\$ 46,120	\$ 38,722	\$ 55,082
	Division Total	28				\$1,807,290

Sources: 2022 Municipal Wage Survey, Public Works Positions, Georgia Department of Community Affairs; Stonecrest Benefits Rate of 42.25%

Traffic Signals

The three in-house cities participating in the study fund the maintenance and repair of signalized intersections, signs, and markings for pedestrian and vehicular activities through their General Funds. Based on the average number of FTEs per traffic signal in each of the cities, researchers estimate that Stonecrest would need a staff of four full-time employees, led by a traffic engineer, at an estimated personnel services cost of approximately \$405,585 per year, as shown in Table 8.

Table 8: Stonecrest Estimated Personnel Services Costs – Traffic Signals						
Crew	Position Title	FTEs	Metro ATL Average Min	Metro ATL Average Max	Metro ATL Average Salary	Total Wages & Benefits x # FTEs
	Civil Engineer	1	\$ 72,437	\$122,803	\$ 97,620	\$ 138,864
	Electric Superintendent	1	\$ 73,884	\$116,487	\$ 95,186	\$ 135,402
	Electric Technician	1	\$ 42,946	\$ 64,242	\$ 53,594	\$ 76,237
	Laborer	1	\$ 31,325	\$ 46,120	\$ 38,722	\$ 55,082
	Division Total	4				\$ 405,585

Sources: 2022 Municipal Wage Survey, Public Works Positions, Georgia Department of Community Affairs; Stonecrest Benefits Rate of 42.25%

Methodology

Institute researchers averaged the number of FTEs per lane mile or per traffic signal, depending on functional area, for each of the three cities in FY 2021 and 2022 to estimate the number of positions needed in Stonecrest. For example, researchers averaged the number of FTEs/lane mile in each city for both the streets and sidewalks and administration divisions and multiplied that average to the number of lane miles in Stonecrest. Likewise, researchers averaged the number of FTEs/traffic signal for the three cities' traffic signal function and multiplied the average by the number of traffic signals in Stonecrest obtained from DeKalb County. It should be noted that an interview with the public works director in Dalton indicated that the number of public works staff would be slightly lower in FY2023.

Based on the estimated number of FTEs needed in Stonecrest (36), researchers reviewed the three cities' staffing configurations to preliminarily allocate the number of positions and position titles across the functional areas. A public works director participating in this study then assisted researchers with an approach to configuring crews and identifying appropriate positions using the 2022 municipal salary and wage study for public works positions completed by the Georgia Department of Community Affairs.

Because none of the in-house cities included in the study are located in metropolitan Atlanta, researchers did not rely on the participating cities' personnel services expenditures. Instead, researchers averaged salaries for metropolitan Atlanta cities included in the Department of Community Affairs study and included the lowest and the highest salary for each position for reference in Tables 6-8. Finally, researchers calculated Stonecrest's fringe benefit rate of 42.25% of wages and salaries by calculating total annual benefits expenditures, using rates and data provided by Stonecrest's finance director and human resources director, and dividing that amount by its total annual personnel services expenditures. The

fringe benefit costs include federally mandated benefits (FICA, Medicare, unemployment, and worker’s compensation) and Stonecrest's employer costs for retirement and group insurance (life, health, dental, and vision insurance).

Operating Costs

Operating cost estimates included in this study center largely around public works repair and maintenance activities, rather than larger capital projects and improvements such as repaving roads and installing new sidewalks and traffic signaling devices that SPLOST or other enterprise funds typically pay for.

Table 9: Major Public Works Services Included in the Study	
Administration	Oversight and management of public works staff and services, addressing and tracking citizen complaints, processing invoices, etc.
Streets and Sidewalks	Repair and maintenance of roads, the right-of-way, sidewalks, and drainage systems, including filling potholes, mowing, clearing debris from roads, storm drains, and catch basins in the right-of-way.
Traffic Signal	Repair and maintenance of traffic signals and other electronic traffic devices on city streets and intersections

A review of operating expenditures of the three in-house cities participating in the study revealed typical overhead costs such as internet and telecommunications, office utilities, general supplies, postage, printing and binding, training, insurance, and office equipment. Additionally, the cities incurred public works-specific operating and overhead expenses related to uniforms, vehicles, small and large equipment used for delivering public works services, and repair and maintenance costs. Public works departments also purchase supplies related to personal protection equipment - such as gloves, hats, and reflective vests, along with asphalt, gravel, shovels, saws, and gasoline.

Table 10 summarizes the cities’ average expenditures on a per-unit basis for each of the three functional areas: administration, streets and sidewalks and traffic signals. Given the number of variables impacting a given city’s annual operating expenditures, the per unit averages by functional area are most useful for policymaking. Detailed line-item expenditures, however, are provided in Appendix B as insight into what the aggregated figures and averages include. However, given the variability in each city’s public works funding approach, infrastructure characteristics, and how items are accounted for, the line- item unit costs should not be considered exact for line-item budgeting purposes.

Using an average cost per lane mile or traffic signal for the three participating cities, researchers estimated that Stonecrest’s annual operating costs will total approximately \$765,894 for all three functional areas.

Table 10: Estimated Annual In-House Operating Costs

	Lane Miles	Admin Cost/ Lane Mile	Streets & Sidewalks Cost/Lane Mile	Traffic Signals	Traffic Signals Cost/Signal
Dalton	403	\$603	\$657	88	\$1,037
Gainesville	330	\$333	\$1,563	89	\$4,689
Newnan	359	\$41	\$901	30	\$913
Average	364	\$326	\$1,040	69	\$2,213
Stonecrest	457			64	
Estimated Annual Operating Cost by Function		\$148,982	\$475,280		\$141,632
Estimated Total Annual Operating Cost					\$765,894

Sources: FY2021 and 2022 General Fund expenditures for the cities of Dalton, Gainesville, & Newnan; Stonecrest Benefits Rate of 42.25%; GDOT 449 Report (2021); traffic signal data from DeKalb County (for Stonecrest), Dalton, Gainesville, & Newnan

It should be noted that each city's General Fund operating costs⁹ and Stonecrest's estimated operating costs include the cost to purchase some equipment and the cost to repair, maintain, and insure vehicles and equipment. In addition, a list of heavy equipment that Stonecrest would need to start a public works department is separately outlined on page 19.

While a unit cost methodology is a reasonable method for estimating expenditures, this estimate is based on a small sample of cities and assumes that Stonecrest and the comparison cities are alike. The extent to which lane miles and demographics of Dalton, Gainesville, and Newnan are comparable to Stonecrest should be considered when evaluating the in-house service model. In addition, this study does not account for the condition and age of roads, sidewalks, and traffic signals in each participating city or in Stonecrest. It is reasonable to assume that jurisdictions that have public works assets that have undergone more recent improvements have lower maintenance and repair costs than those that are older and have more deferred maintenance needs.

Methodology

Researchers obtained FY 2021 and 2022 General Fund public works operating expenditures from Dalton, Gainesville, and Newnan because they constituted the most recent and complete data available at the time of analysis. To determine how best to interpret the budget and other financial documents of each city, Institute researchers interviewed the public works directors of the three participating cities to get an understanding of their staffing and operations but also discussed line-item expenditures to assess their applicability to the scope of services included in this study. The most consistently used budget units

⁹ Participating cities indicated that while some vehicle equipment costs are included in the General Fund expenditures, they primarily use SPLOST funding to purchase major equipment, so equipment costs included here do not represent their total equipment expenditures.

across the three cities were administration, streets and sidewalks and traffic signals. Even so, researchers combined some budget units to ensure that like expenditures were consistently grouped across the three functional areas. In addition, researchers adjusted each city's expenditures to exclude any large one-time expenditures and any costs associated with services that Stonecrest does not intend to take on or pay for from the General Fund. In some instances, it was not possible to allocate costs to one or more functional areas because of the way a city had aggregated its costs.

Researchers averaged each city's FY 2021 and 2022 expenditures by line item. To account for differences in the cities' lane miles and the related service demands, the study divided average expenditures for each city and each functional area by the number of city lane miles or traffic signals, as applicable. The unit costs of the three cities were averaged for each functional area and then multiplied by the number of city lane miles or traffic signals in the City of Stonecrest, as applicable, to arrive at an annual estimated operating cost for Stonecrest to provide services in-house.

Large Equipment Costs

In addition to personnel services and operating expenses, public works services require both light and heavy equipment. For cities that contract services, the contract price includes the cost of using that equipment. For cities that directly provide the services, the cities must purchase (or rent) the equipment, maintain it, and depreciate the equipment over its useful life.

For this study, researchers have estimated the cost to purchase large or heavy equipment only. Table 11 contains a list of large/heavy equipment and an average estimated cost and useful life for each item.

Based on this list, researchers estimate that Stonecrest would incur a one-time cost of \$947,608 or an estimated annual cost of \$106,379 to finance¹⁰ the purchase of large equipment needed to provide the services included in the scope of this study.¹¹

If the City of Stonecrest decides to move forward with an in-house model, it should consider the most advantageous way to pay for equipment that also takes into consideration the specific requirements and limitations of each funding source. The in-house cities participating in this study use several different funds in addition to the General Fund to pay for public works equipment, including Capital Projects Funds supported by Special Purpose Local Options Sales Tax (SPLOST) and grant funds.

¹⁰ Estimate assumes a 5% interest rate based on average rates provided by the Georgia Municipal Association.

¹¹ As a reminder, the estimated operating costs discussed in the previous section also include equipment costs.

Table 11: Large Equipment Estimated Costs

	Quantity	Average Unit Cost	Useful Life	Annual Cost + Interest ¹²
Administration				
Pickup Truck	1	\$32,664	7	\$4,900
Subtotal		\$32,664		\$4,900
Streets and Sidewalks				
Asphalt Roller ¹³	1	\$20,300	15	\$1,421
Backhoe/Loader	1	\$109,581	15	\$7,671
Chain Saws	4	\$523	4	\$548
Compact Track Loader	1	\$65,914	15	\$4,614
Cement Truck ¹³	1	\$29,450	15	\$2,062
Dump Truck (Medium Duty)	2	\$134,700	15	\$18,858
Mini Excavator	1	\$65,019	15	\$4,551
Mower	3	\$9,312	15	\$1,956
Mower (Tractor Mounted) ¹⁴	2	\$13,141	10	\$2,760
Pickup Truck	2	\$32,664	7	\$9,800
Pickup Long bed	1	\$39,249	7	\$5,887
Pickup Service Truck	2	\$50,094	10	\$10,520
Quick Attach Milling Machine	1	\$18,500	8	\$2,428
Road Cutting Saw ¹⁴	1	\$1,665	7	\$250
Street Sweeper ¹³	1	\$104,767	15	\$7,334
Trailer ¹⁴	1	\$7,116	15	\$498
Subtotal		\$701,995		\$81,158
Traffic Signals				
Bucket Truck ¹³	1	\$179,500	20	\$9,424
Pickup Truck	1	\$24,076	7	\$3,611
Pickup Service Truck	1	\$44,954	10	\$4,720
Subtotal		\$248,530		\$17,755
Total		\$983,188		\$103,813

Sources: Georgia Department of Administrative Services' statewide contracts; online vehicle and equipment pricing

¹² Cost plus average interest rate of 5% provided by Georgia Municipal Association.

¹³ Used price items from internet research.

¹⁴ New items from internet research; no government discount included.

Public works vehicles and heavy equipment will need on-going maintenance and repair in addition to replacement at the end of each item's useful life. For planning purposes, the city will need to consider both operating and replacement costs if it decides to implement an in-house model.

Operating Costs

The costs to purchase, repair, maintain, and insure vehicles and large equipment are important aspects of estimating ongoing costs. One public works director participating in this study indicated that the industry standard for estimating the annual maintenance cost of equipment is to budget for 5% of the purchase price year-over-year. Additionally, it should be noted that new vehicles and equipment often come with warranties. If the equipment fails or malfunctions, the manufacturer or seller will often repair or replace it at no cost during the warranty period. Insurance costs should also be factored into operating costs. As a point of reference, the City of Stonecrest currently spends approximately \$723 per city-owned pickup or SUV annually for insurance to cover liability and collision. The operating costs estimate in the previous section includes costs for repair, maintenance, and insurance but are not specific to the list of equipment outlined in Table 11.

Replacement Cost

This study expects that public works equipment will need continual replacement. For planning purposes, the city can approximate the replacement cost of vehicles and equipment by dividing the purchase price of each piece of equipment by its useful life to get an annual average cost and multiplying it by an annual inflation rate factor for heavy equipment. The average annual inflation rate over the last five years for construction machinery, for example, was 6.2%.¹⁵ Given supply chain issues in the last several years, the average rate of inflation may change with time and should be adjusted periodically to anticipate future costs.

Methodology

The equipment estimate includes only large equipment that has a multiple year life span. The researchers assume the items will be purchased and have annualized the cost according to their estimated useful life. A 5% interest rate was added to the average annual cost to estimate the cost to finance the purchase of vehicles and equipment. The estimate assumes a 5% interest rate based on average rates provided by the Georgia Municipal Association in August 2023.

The researchers based the study's useful life estimates on a review of several participating cities' capital asset depreciation schedules included in their Annual Comprehensive Financial Reports. Stonecrest may wish to adjust the useful life of the equipment presented here using its own depreciation schedule. Any change in useful life will impact the annual cost calculation.

The researchers developed the list of large equipment using public works equipment inventories from two participating in-house cities and in consultation with a public works director to better align the list with the services Stonecrest plans to provide. Table 11 lists costs from an average of two or three listings for similar items available on statewide contract from State of Georgia Department of Administrative Services. When a state contract could not be identified or if multiple contracts were not available, the

¹⁵ Federal Reserve Economic Data. Based on the Producer Price Index by Industry, Construction Machinery Manufacturing. Average change in prices over five years 8/1/2018-8/1/2023.

researchers used online resources for additional pricing information on new and used equipment. The prices from online sources do not include any government discounts that may be available. As a result, the estimated cost for large equipment should not be considered exact but reasonable. Appendix C includes more detailed pricing information for each item.

Infrastructure

Regardless of the service delivery model chosen, the city will need office space for senior level professionals and administrative staff, breakroom facilities for crews, and storage space for public works equipment in or near the City of Stonecrest.

The City of Stonecrest provided Institute researchers with specifications deemed desirable for providing senior or administrative level public works staff with office or cubicle space as well as storing both heavy and small equipment, such as trucks, mowers, and saws.

An interview with the Stonecrest city manager confirmed that Stonecrest City Hall has sufficient excess space to provide the five offices and five cubicles needed for senior public works management and administrative staff as well as a breakroom and restroom facilities needed for work crews. As a result, the study does not include estimated additional cost associated with housing public works personnel.

In terms of the infrastructure needed to store public works equipment, the Stonecrest engineer provided the following specifications based largely on the maintenance yard used by the City of Brookhaven, one of the contract cities included in this study.

- **A 200 x 100 foot paved-surface yard surrounded by eight-foot-high temporary fencing**
- **Four storage bins for gravel, mulch, etc. with a total dimension of 60 feet long by 15 feet deep by 10 feet high and foundation**
- **A 16 x 10-foot storage shed for small equipment**
- **Two 20-foot poles with 200-watt LED lights**

Using these specifications, the total estimated cost of the maintenance yard is approximately \$93,682. If annualized, the cost is \$4,258. Table 12 includes the estimated cost to purchase each item. Some items, such as temporary fencing and storage containers, could be rented rather than purchased, if desired.

Please note that the estimated infrastructure cost does not include the cost of purchasing property and running electricity, if needed. Also, there will be additional site preparation costs if Stonecrest decides to build a first-time parking lot on property that has not been cleared of trees, leveled, and graded.¹⁶

¹⁶ For example, the City of Brookhaven used a parking lot that it already owned as a temporary maintenance yard for its public works equipment and rented storage units and temporary fencing. No lighting cost was incurred as surrounding properties had ample lighting.

Table 12: Public Works Maintenance Yard Estimated Cost

Item	Estimated Average Cost	Useful Life	Average Annual Cost
Concrete foundation for storage containers	\$5,400	25	\$216
Lighting	\$2,391	10	\$239
Paved yard	\$63,199	25	\$2,528
Small shed	\$2,812	10	\$281
Storage containers	\$6,858	20	\$343
Chain link fencing	\$13,022	20	\$651
Total	\$93,682		\$4,258

Sources: Two municipal contracts for paved yard; internet research for all other items

The prices do not reflect any governmental discounts that may be available. Likewise, competitive bidding may be necessary for some or all the items. As a result, the costs provided serve as a reasonable estimate but should not be treated as exact costs.

Methodology

The researchers estimated the costs for these items using paving contracts for two Georgia cities¹⁷ and internet pricing.¹⁸

The annual cost is based on the useful life of each item. Each city has its own schedule in place for depreciating capital assets. The researchers based this study's useful life estimates on a review of several participating cities' capital asset depreciation schedules included in their Annual Comprehensive Financial Reports. Stonecrest may wish to adjust the useful life of the equipment presented here using its own depreciation schedule. Any change in useful life will impact the annual cost calculation.

¹⁷ Researchers multiplied the per unit cost from each contract by the desired square footage of the maintenance yard and then averaged the two costs.

¹⁸ Researchers averaged the price of two or three items with similar specifications found online. These prices do not take into consideration any government discounts that may be available.

Chapter 4: Model Comparison

Institute researchers estimate a net annual cost range of \$2.4 to \$3.3 million to implement a contract model and a cost of \$3.5 million to implement an in-house model for delivering city public works services. Table 13 compares the costs of the two models and accounts for funds that Stonecrest receives annually for maintenance and repair services like those included in this study.

Table 13: Estimated Cost Comparison of Two Models			
	In-House Model	Contract Model Average¹⁹	Contract Model High²⁰
Personnel Services	\$2,671,912	\$2,452,262	\$3,354,380
Operating	\$765,894		
Equipment	\$103,813		
Infrastructure	\$4,258	\$4,258	\$4,258
Total Estimated Annual Cost	\$3,545,877	\$2,456,520	\$3,358,638

Source: 2023 Stonecrest City Budget; Georgia Department of Transportation

The cost estimates do not take into consideration the Local Maintenance and Improvement Grant (LMIG) (plus the required 30% match) that Stonecrest receives each year from the Georgia Department of Transportation.²¹

As discussed previously, regardless of the model chosen, both models would require a maintenance yard for heavy equipment in or near the City of Stonecrest, which would not be included in a contract with a private vendor. Table 13 also includes a higher end cost estimate for the contract model that is based on the average expenditures of the city with the higher cost per lane mile only. This study provides this perspective to ensure a more conservative estimate for discussion purposes. Also, it should be noted that the estimated cost of the in-house model includes equipment costs in both the operating cost line item and the equipment line item.

¹⁹ Average Contract = Dunwoody and Brookhaven average expenditures FY2021 & 2022 for like services.

²⁰ Contract Model High = Brookhaven average expenditures FY2021 & 2022 for like services.

²¹ The Georgia Department of Transportation provides these grant funds to local governments to perform improvements to their roadway network each year. The Local Maintenance and Improvement Grant (LMIG) program provides funds to local governments for improvements to their roadway networks including road and maintenance and repair each year. The funding source for LMIG is a percentage of the state motor fuel tax. Use of LMIG funds requires adherence to adequate roadway standards, accounting practices, and applicable transportation funds. Centerline mileage is factored into the formula used to determine funding. The annual LMIG allocation is based on the total centerline road miles for each local road system and the total population of each county or city as compared with the total statewide centerline road miles and total statewide population.

Chapter 5: Funding Public Works Services

Local governments fund a wide range of public works services from a variety of funding sources, including property taxes, special sales tax (e.g., SPLOST), stormwater utility fees, and grants.

While this study focuses on estimating the cost of a discrete list of General Fund public works services, it is important to mention that some of the costs included in the study can be financed through the city’s other funding sources. For example, the city received \$8.5 million in SPLOST funding in 2023. While SPLOST proceeds can generally only be used to fund capital outlay projects (not maintenance and repair), SPLOST money can fund major equipment purchases. Given this alternative funding source, Stonecrest may wish to use SPLOST funding for the major equipment expenditures outlined. If used, this may reduce the estimated General Fund costs funded through property taxes.

However, for the purposes of this study, it is assumed that the net estimated cost of public works services will be funded through property taxes. Table 14 provides a snapshot of the city’s current property tax profile. Currently, Stonecrest collects approximately \$2.26 million in real property tax revenues to fund its current operations. A list of city property tax exemptions is provided in Appendix E.

Table 14: City of Stonecrest 2023 City Property Tax Profile	
2023 Real Property Assessed Value	\$2,907,910,213
Less Exemptions	\$1,113,140,479
Net Assessed Value	\$1,794,769,734
x Mill Rate	0.001257
City Property Tax Revenue	\$2,256,026
City property taxes paid by the average homeowner ²²	\$123.55
Average assessed value of residential property = \$98,289 with no exemptions	

Sources: 2023 DeKalb County Tax Digest; City of Stonecrest Current 2023 Property Tax Digest and 5 Year Mill History of Levy

To estimate the impact of providing public works services on the city’s property taxes, researchers applied the following formulas:

$$\text{Estimated Cost—Offsets} = \text{Estimated Cost}$$

$$\text{Estimated Net Cost} \div (\text{Total Assessed Value of Real Property—Exemptions}) = \text{Public Works Mill Rate}$$

$$\text{Mill Rate} \times 1000 = \text{Public Works Mills}$$

As shown in Table 15, Stonecrest would need to levy approximately 1.369 to 1.871 mills to fund the

²² Average assessed value of residential property = \$98,289 with no exemptions.

estimated cost of providing public works services, depending on the model chosen. For the average homeowner, this translates to a total estimated annual property tax impact of \$194.19 for the in-house model or from \$134.53 to \$183.93 for the contract model.

Although contingent on discussions between Stonecrest and DeKalb County, it is expected that a shift in taxes will effectively mitigate a portion of the revenues needed. To ensure that city residents do not pay both Stonecrest and DeKalb for the same services, Stonecrest would need to negotiate a reduction in county taxes before levying city taxes for the services it intends to provide. For the Stonecrest taxpayer, this portion of the total estimated cost is essentially a shift of payment from the county to the city for the services.

According to the DeKalb County Board of Commissioners Resolution to Levy Taxes for the Year 2023, DeKalb County currently charges City of Stonecrest property taxpayers .611 mills for “street and road maintenance of curbs, sidewalks, streetlights, and devices to control the flow of traffic on streets and roads.” (See Appendix F for full text of the resolution pertaining to Stonecrest and the board vote.) Once the City of Stonecrest confirms the amount of revenue generated by the .611 mills (i.e., taxable value of the property less the value of statutory county homestead exemptions and credits), it can estimate the remaining or additional amount required.

Table 15: Annual City Property Tax Implications of Two Public Works Models			
	In-House Model	Contract Model Average Cost²³	Contract Model Higher Cost²⁴
Estimated Cost	\$3,545,877	\$2,456,520	\$3,358,638
÷ Net Assessed Value	\$1,794,769,734	\$1,794,769,734	\$1,794,769,734
Estimated Total City Public Works Mills	1.976	1.369	1.871
Annual Total City Property Tax Impact on Average Homeowner²⁵	\$194.19	\$134.53	\$183.93

Sources: 2023 DeKalb County Tax Digest; City of Stonecrest Current 2023 Property Tax Digest and 5 Year Mill History of Levy; DeKalb County Board of Commissioners Resolution to Levy Taxes for the Year 2023

Additionally, researchers spoke with the City of Tucker which began providing public works services utilizing a contract model on July 1, 2023. While its demographics, tax base, and menu of services may not align exactly with those envisioned by Stonecrest, Tucker’s funding decisions provide useful context to the cost estimates provided here.²⁶

²³ Average contract price = Dunwoody and Brookhaven average expenditures for FY21 & FY22 like services.

²⁴ Higher contract price = Brookhaven average expenditures for FY21 & FY22 like services.

²⁵ Assumes average assessed value of residential property = \$98,289 with no exemptions.

²⁶ The *Atlanta Journal and Constitution* reported the City of Tucker added 1.5 mills to pay for its new public works department for a total city millage rate of 2.284 mills. This change resulted in a reported 191.33% increase in city property taxes. This new city service was approved by a city referendum.

Chapter 6: Advantages and Disadvantages of Each Model

As requested, Institute researchers interviewed public works directors and/or assistant city managers from six cities to obtain their insights regarding the advantages and disadvantages of the two service delivery models included in this study. These officials discussed common themes of oversight, control, flexibility, and responsiveness. In addition to cost, the city council may wish to consider these factors when deciding how and whether to move ahead with the city assuming responsibility for public works services.

Interestingly, several officials pointed out that even if an in-house service model is the eventual goal, it is difficult to create a city public works department all at once. Several noted that any city assuming responsibility for public works services for the first time will likely begin by bringing in several experienced professionals (as city employees or contractors) at the outset. These professionals are essential to implementing the city's public works plan and contracting for services. This allows the city time to hire staff, implement systems, and purchase equipment.

Please note that the discussion that follows is based on interviews with officials from the participating cities and the City of Tucker. The Institute does not take a position for or against the City of Stonecrest taking on public works functions nor does it express an opinion about whether Stonecrest should provide services directly or through a contractor.

Contract Model

Officials from the cities participating in the study indicated that the primary advantages of contracting for public works services are cost, administrative flexibility, and continuity of operations. Under a contracted services model, a city can fund a lean base operation with the ability to scale staffing up and down within the contract as needed. Several scenarios provided by the officials help illustrate the administrative flexibility and continuity that contracting with a private civil engineering firm provides:

Part-time and non-permanent positions: Utilizing an existing contractor with a pool of professionals avoided the challenges of recruiting an engineering professional for a short-term position.

Specialized professionals: Contractors can provide part-time specialized senior level public works professionals. For example, if the city does not need a full-time traffic engineer, the contractor has other work that can occupy the engineering professional full time.

Public works maintenance staff and crews: Transitory workforces may lead to service interruptions or delays, and a lack of continuity of services. It takes significant time and resources to continually recruit, hire and onboard maintenance and repair staff. When using a contractor, it is no longer the city's responsibility to perform this function.

Officials also cited several disadvantages associated with public works contracting that should be considered. The city's ability to exercise oversight and control and protect the city's interests were among the disadvantages highlighted. For example, without a city employee who is a public works professional, the city may lack the necessary expertise to critically analyze bids and oversee the contractor's work to ensure desired service and manpower levels are met. Another related issue arises if the contractor does not perform adequately. It is challenging to rectify performance issues without in-house public works expertise. Additionally, five-year contracts can result in prolonged service delivery issues if performance issues persist.

In addition, one official noted that relying on a contractor during a weather emergency can be a challenge. The contractor has limited resources to deploy across several jurisdictions with which it contracts, resulting in the city having limited ability to prioritize the contractor's response to tree and storm debris removal, traffic signal outages, and any other needed repairs during periods of high demand.

Lastly, one official indicated that competition in the bidding process has decreased, with the number of bids decreasing from four or five to one or two over time. This decrease raises concerns about competitive pricing and the ability to find vendors to do the work. As a work-around, one city official indicated that the issue of decreased competition may result in contracting for specific lists of repairs or using several smaller, one-off contracts for certain projects or functions rather than a single contract with one engineering firm that provides all the services.

Given these potential issues, officials discussed the cities' decision to make certain positions in-house versus contract positions (i.e., the public works director). The decision to hire one or more senior public works staff as city employees, for example, is a function of cost as well as the degree to which the city believes its interests will be best safeguarded. One city noted that it is moving toward employing senior level staff, including its public works director and assistant director, to reduce the inherent conflict of contract employees reporting to both the city and a private vendor.

In-House Model

City officials indicated that the lack of a profit motive and the ability to be highly responsive to citizens, maintain desired service levels and quality, and control deployment of resources as advantages of providing in-house public works services. All three in-house cities participating in the study (Dalton, Gainesville, and Newnan) provide to their residents. For example, one city indicated that a pothole reported by a citizen by noon is inspected and, possibly, also repaired by the end of the day. Another indicated that when needs arise anywhere in the city, there is the flexibility and expectation that staff from different units can help each other meet the city's needs.

Conversely, the inability to say no to non-critical requests for assistance from people and departments across the city can be challenging. A public works department staffed by city employees is not contractually limited by certain public works services. Other disadvantages are the time, paperwork, and bureaucratic steps required to hire and fire staff, solicit bids, and enter into contracts for specialized public works services or projects.

To mitigate possible issues with resource deployment, one official indicated that clearly defining, publicly communicating, and reinforcing expectations for the public works department is important to ensure that the department meets its service goals and does not frequently divert from its core responsibilities.

Additionally, officials from the participating in-house cities indicated that the key to a successful in-house model is having a consistently well-supported public works function. Meaning, it is important to keep wages for employees competitive and invest in and update the fleet of vehicles and equipment at regular intervals. Both are key to providing a high level of service to residents and keeping maintenance costs low. One official indicated that avoiding the need to constantly repair and maintain old, high-use equipment and vehicles is important not only because it is costly, but it can interrupt services when key equipment is sidelined for constant repair.

Chapter 7: Conclusion

This study cannot predict every possible cost or variable that may impact the City of Stonecrest if it assumes the responsibility of public works services from the county. Nevertheless, the study provides useful, detailed information to facilitate and inform policy discussions and decision-making. Although not exact, the cost estimates provided are considered reasonable.

The City of Stonecrest's city council will need to weigh the estimated costs and the advantages and disadvantages of each model against the current level of service provided by DeKalb County. Additionally, the council will also want to consider how it might leverage other funding sources, in conjunction with the General Fund, to provide public works services to its residents.

The Institute does not take a position for or against the City of Stonecrest assuming the responsibility of public works services from the county, nor does it express an opinion about whether Stonecrest should provide services directly or primarily through a contractor. Ultimately, it is understood that the council will want to consider the information provided in this report in the context of its constituents and overall strategic priorities.

Appendix A: Participating Cities and City Officials

City of Stonecrest

Gia Scruggs, City Manager

Hari Karikaran, City Engineer

Contract Cities

City of Brookhaven

Patrice Ruffin, Assistant City Manager

Don Sherrill, Public Works Director

City of Dunwoody

Jay Vinicki, Assistant City Manager

Michael Smith, Public Works Director

City of Tucker

John McHenry, Assistant City Manager

In-House Cities

City of Dalton

Chad Townsend, Public Works Director

City of Gainesville

Chris Rotalsky, Public Works Director

City of Newnan

Ray Norton, Public Works Director



Appendix B: Operating Costs by Function

Administration: Annual In-House Operating Costs			
	Dalton	Gainesville	Newnan
Line Item	Average Cost Per Lane Mile	Average Cost Per Lane Mile	Average Cost Per Lane Mile
Professional Contracted Services	\$12.21		
Professional - Legal	\$10.58		
Dedicated Technical Contracted Services	\$5.93		
Custodial	\$44.29		
Building Repairs & Maintenance	\$79.79		
Vehicle Repairs & Maintenance	\$2.07	\$24.93	
Rent - Land and Buildings		\$0.34	
Rental - Equipment	\$7.33	\$7.58	
Other Purchased Services Unspecified		\$6.98	
Insurance Commercial	\$61.58	\$23.93	\$0.61
Communications	\$50.94	\$40.35	\$3.57
Postage	\$0.66	\$1.04	
Advertising		\$0.12	
Printing and Binding		\$0.74	\$3.65
Dues and Fees		\$7.99	\$0.45
Radio Subscriber Fee	\$35.61		
Vehicle Impact Fee	\$10.49		
Training & Education	\$11.43	\$24.72	\$2.81
Software Licenses	\$5.73		
Supplies - General	\$10.83	\$0.30	\$1.65
Supplies - Office	\$6.93	\$11.08	\$0.25
Uniforms	\$6.20		
Supplies - Building	\$2.46		
Utilities	\$208.79	\$31.74	
Meals - Food	\$6.59		
Gasoline / Diesel Gasoline / Diesel		\$15.41	\$15.85

Subscriptions and Publications Subscriptions		\$0.78	
Small Equipment	\$1.04	\$79.48	
Other Supplies	\$11.00	\$7.54	
Vehicle Maintenance			\$5.37
Repairs and Maintenance		\$47.77	\$3.11
Supplies - General	\$10.06		
Vehicle Insurance			\$0.25
Travel Expenses			\$3.41
Total²⁷	\$603	\$333	\$41
Average cost per mile			\$326
x Stonecrest Lane Miles			457
Estimated Cost for Stonecrest			\$148,982

²⁷ Totals rounded to the nearest dollar.

Streets & Sidewalks: Annual In-House Operating Costs

	Dalton	Gainesville	Newnan
Line Item	Average Cost Per Lane Mile	Average Cost Per Lane Mile	Average Cost Per Lane Mile
Other Supplies	\$3.32		
Repairs and Maintenance Vehicles		\$529.84	
Rental - Equipment	\$9.44	\$21.35	
Other Purchased Services Landfill Charges		\$35.22	
Other Purchased Services Unspecified		\$2.28	
Insurance Commercial	\$26.63	\$59.54	
Telephone / Internet Telephone/Internet		\$24.98	\$9.40
Printing and Binding		\$2.73	
Dues and Fees Association Dues		\$1.84	
Training & Education	\$1.13	\$18.52	\$0.49
Licenses		\$0.36	
Software Licenses	\$4.26		
Supplies - General	\$25.93	\$5.85	\$80.97
Pavement Markings			\$4.55
Supplies - Office	\$0.62	\$6.00	\$0.89
Supplies - Infrastructure Materials	\$475.52		
Meals - Food	\$2.71		
Professional - legal	\$15.48		
Repairs and Maintenance		\$45.44	\$21.02
Vehicle Insurance			\$24.29
Building & Personal Liability Insurance			\$11.61
Minor Street Repairs/Maintenance asphalt, hot mix & gravel			\$80.08
Protective equipment			\$1.65
Concrete Repairs: S/W Curb & Gutter			\$87.38
Water Utilities		\$6.37	
Gas Utilities		\$7.72	
Electricity - Facilities		\$22.39	
Gasoline / Diesel Gasoline		\$192.02	\$250.85
Subscriptions and Publications Subscriptions		\$0.43	

Computer hardware & Software			\$2.55
Other Purchased Items Miscellaneous		\$19.22	
Vehicle Maintenance			\$224.63
Site Improvements	\$25.27		
Machinery and Equipment		\$56.43	\$50.97
Uniforms	\$31.41	\$53.42	\$20.69
Small Equipment	\$22.02	\$451.55	\$10.43
Other Equipment	\$12.88		\$18.38
Total²⁷	\$657	\$1,563	\$901
Average cost per mile	\$1,040		
x Stonecrest Lane Miles	457		
Estimated Cost for Stonecrest	\$475,280		

Traffic Signals: Annual In-House Operating Costs			
	Dalton	Gainesville	Newnan
Line Item	Average Cost Per Signal	Average Cost Per Signal	Average Cost Per Signal
Technical Contracted Services	\$4.38		
Repairs and Maintenance		\$144.88	
Traffic Signal Maintenance & Repair			\$102.83
Vehicle Repairs & Maintenance		\$264.66	
Rental - Equipment		\$34.28	
Other Purchased Services		\$38.20	
Insurance Commercial	\$49.86	\$59.19	
Communications		\$538.33	
Printing and Binding		\$0.14	
Dues and Fees		\$15.01	
Training & Education		\$48.05	
Supplies - General	\$389.06	\$20.68	
Traffic Signals and Devices			\$810.50
Supplies - Office	\$1.02	\$7.11	
Uniforms	\$28.41	\$64.67	
Supplies - Parts	\$503.65		
Utilities		\$40.02	
Electricity - Facilities		\$116.00	
Electricity - Traffic Lights		\$383.20	
Gasoline / Diesel		\$179.12	
Subscriptions and Publications		\$6.61	
Small Equipment	\$2.46	\$2,554.82	
Other Supplies	\$58.10		
Other Purchased Items Miscellaneous		\$4.60	
Machinery and Equipment		\$169.66	
Total²⁷	\$1,037	\$4,689	\$913
Average cost per signal			\$2,213
x Stonecrest Traffic Signals			64
Estimated Cost for Stonecrest			\$141,632

Appendix C: Public Works Heavy Equipment List

Prices for needed public works equipment were derived from State of Georgia contracts to the extent possible. Two to three options for each piece of equipment were found, summed, and then averaged to determine the average estimated price. The estimated useful life has also been included; however, it may be adjusted in accordance with city depreciation policies.

Equipment	Option 1	Option 2	Option 3	Average Price	Estimated Useful Life
Asphalt Roller	\$26,900	\$13,700		\$20,300	15
www.machinerytrader.com	Used	Used, 2019			
Backhoe/Loader	\$133,864	\$119,449	\$75,429	\$109,581	15
statewide contract	New	New	New		
Bucket Truck2	\$173,500	\$185,500		\$179,500	20
www.customtruck.com	Used, 2018	Used, 2015			
www.commercialtruckertra					
Cement Truck	\$23,900	\$35,000.00		\$29,450	15
www.commercialtruckertrad	2003	Used, 2005			
Chain Saws	\$560	\$436	\$573	\$523	4
statewide contract	New	New	New		
Compact Track Loader	\$71,864	\$77,831	\$48,047	\$65,914	15
statewide contract					
Dump Truck	\$69,500	\$199,900		\$134,700	15
www.rockandddirt.com	Used, 2013	Used, 2019			
Mini Excavator	\$88,049	\$55,082	\$51,926	\$65,019	15
statewide contract	New	New	New		
Mower	\$10,086	\$8,036	\$9,813	\$9,312	15
statewide contract	New	New	New		
Mower (Tractor Mounted)	\$4,399	\$30,523	\$4,500	\$13,141	10
www.palletforks.com	New	New	New		
www.skidsteers.com					

Pickup Long Bed	\$23,750	\$44,998	\$48,998	\$39,249	7
www.carmax.com	statewide contract	Used, 2019	Used, 2021		
www.autotrader.com					
Pickup Service Truck	\$42,587	\$47,320	\$60,375	\$50,094	10
	statewide contract	statewide contract	www.commercialtrucktrader.com		
Pickup Truck	\$24,540.00	\$33,461.00	\$39,990.00	\$32,664	5
statewide contract	New	New	New		
Quick Attach Milling Machine	18,500	18,500		\$18,500	8
www.machinerytrader.com	Used, 2022	Used, 2021			
Road Cutting Saw	\$1,269	\$1,199	\$2,526	\$1,677	7
www.acehardware.com	New	New	New		
www.tmgindustrial.com					
www.northerntool.com					
Street Sweeper	\$129,900	\$84,900	\$99,500	\$104,767	15
www.bigtruckequipment.com	Used, 2014	Used, 2013	Used, 2015		
www.machinerytrader.com					
Trailer	\$2,859	\$10,995	\$7,495	\$7,116	15
www.trailersplus.com	New	New	New		
www.texaspridetrailers.com					



Appendix D: 2023 Property Values

2023 City of Stonecrest Real Property Assessed Values			
	Assessed Value	% of Total	# of Parcels
Residential	\$1,852,157,139	63.7%	18,844
Commercial	\$714,491,969	24.6%	559
Industrial	\$340,994,735	11.7%	454
Agriculture	\$0	0.0%	0
Total	\$2,907,643,843	100.0%	19,857

Source: 2023 DeKalb County Tax Digest

Appendix E: City of Stonecrest Tax Exemptions Synopsis

Exemption Name	Description	
Homestead exemption; freeze	<p>Exemption equal to the amount by which the current year assessed value exceeds the base year assessed value of that homestead. If any real property is added to or removed from the homestead, the base year assessed value is adjusted to reflect additions or removals, and the exemption is recalculated accordingly.</p> <p>The value of that property in excess of exempted amount remains subject to taxation.</p>	<p>Does not apply to taxes assessed on improvements to the homestead or additional land that is added to the homestead after January 1 of the base year.</p> <p>Does not apply or affect state ad valorem taxes, county ad valorem taxes for county purposes, or county or independent school district ad valorem taxes for educational purposes.</p> <p>Exemption is in addition to and not in lieu of other homestead exemptions</p>
Homestead exemption; senior citizens; disabled	<p>Each resident who is disabled or is a senior citizen is granted an exemption on that person's homestead in the amount of \$14,000.00 of the assessed value of that homestead. The exemption is granted if that person's income, together with the income of the spouse who also occupies and resides at such homestead, does not exceed \$15,000.00 for the immediately preceding year. The value in excess of exempted amount remains subject to taxation.</p>	<p>Does not apply or affect state ad valorem taxes, county ad valorem taxes for county purposes, or county or independent school district ad valorem taxes for educational purposes.</p> <p>Exemption is in addition to and not in lieu of other homestead exemptions.</p>
Homestead exemption; general	<p>Exemption in the amount of \$10,000.00 of the assessed value of that homestead. The value in excess of exempted amount remains subject to taxation.</p>	<p>Does not apply or affect state ad valorem taxes, county ad valorem taxes for county purposes, or county or independent school district ad valorem taxes for educational purposes.</p> <p>Exemption is in addition to and not in lieu of other homestead exemptions.</p>

<p>Homestead exemption; surviving spouses</p>	<p>Exemption in the amount of \$32,500.00 or under Section 2102 of Title 38 of the United States Code, as amended (whichever is greater) is provided to residents who are unremarried surviving spouse of a member of the armed forces of the United States, which member has been killed in or has died as a result of any war or armed conflict in which the armed forces of the United States engaged, whether under United States command or otherwise. The exemption is on the homestead which the unremarried surviving spouse owns and actually occupies as a residence and homestead. In the event such surviving spouse remarries, such person shall cease to be qualified to continue the exemption under this Act effective December 31 of the taxable year in which such person remarries. The value of all property in excess of such exemption granted to such unremarried surviving spouse shall remain subject to taxation.</p>	<p>The exemption is in lieu of and not in addition to any other exemption from ad valorem taxation for municipal purposes which is equal to or lower in amount than such exemption.</p> <p>If the amount of any other exemption from ad valorem taxation for municipal purposes applicable to any resident qualifying under this section is greater than or is increased to an amount greater than the amount of the applicable exemption granted by this section, such other exemption shall apply and shall be in lieu of and not in addition to the exemption.</p>
<p>Homestead exemption; one mill equivalent</p>	<p>Each resident is granted an exemption on that person's homestead from City of Stonecrest ad valorem taxes for municipal purposes in an amount that provides the dollar equivalent of a one mill reduction of the millage rate applicable to the homestead property with respect to ad valorem taxes for municipal purposes for the taxable year. The value of that property in excess of such exempted amount shall remain subject to taxation.</p>	<p>The exemption granted by subsection (b) of this section shall not apply to or affect state ad valorem taxes, county ad valorem taxes for county purposes, or county or independent school district ad valorem taxes for educational purposes. The homestead exemption granted by subsection (b) of this section shall be in addition to and not in lieu of any other homestead exemption applicable to municipal ad valorem taxes for municipal purposes.</p>

Source: Mia Wilson, Deputy Finance Director, Finance Department, City of Stonecrest

Appendix F: 2023 County Levy

DeKalb County Board of Commissioners Resolution to Levy Taxes for the Year 2023

Resolution to Levy Taxes
Page 4 of 5

13. A Tax of \$19.495 per every \$1,000.00 of assessed valuation is levied on all taxable property within the corporate limits of **Stonecrest** in said County, for General County Purposes to pay expenses of administration of County Government, build and repair public buildings and bridges, and pay expenses of Courts, Sheriffs, litigation and support of prisoners, pursuant to Article IX, Section IV, Paragraph I of the Constitution of the State of Georgia (9.209); to provide for the expenditures designated in the contract with the Fulton-DeKalb Hospital Authority and the DeKalb Hospital Authority (0.379); to pay expenses of County basic and nonbasic police protection (6.459), and street and road maintenance of curbs, sidewalks, streetlights, and devices to control the flow of traffic on streets and roads, or any combination thereof (0.611), pursuant to the DeKalb County Special Services Tax Districts Act, Ga. L. 1982, p. 4396, as amended; and to provide fire protection to properties located within the DeKalb Fire Prevention District (2.837).

Source: DeKalb County Board of Commissioners Resolution, July 11, 2023, Substitute 2023 07 11 Item 2023-0783;
<https://dekalbcountyga.legistar.com/>

2023-0881 Reconvene meeting

MOTION was made by Mereda Davis Johnson, seconded by Larry Johnson, that this agenda item be approved. The motion carried by the following vote:

Yes: 7 - Commissioner Patrick, Commissioner Long Spears, Commissioner Johnson, Commissioner Bradshaw, Commissioner Davis Johnson, Commissioner Terry, and Commissioner Cochran-Johnson

Chief Executive Office

[2023-0783](#)

Commission District(s): All

2023 Ad Valorem Tax Millage Rates; Budget Revisions

MOTION was made by Steve Bradshaw, seconded by Larry Johnson, that this agenda item be to approve the substitute. The motion carried by the following vote:

Yes: 6 - Commissioner Patrick, Commissioner Long Spears, Commissioner Johnson, Commissioner Bradshaw, Commissioner Davis Johnson, and Commissioner Cochran-Johnson

No: 1 - Commissioner Terry

“DECISION ONLY” ITEMS – NO PUBLIC HEARING

Planning & Sustainability

Source: DeKalb County Board of Commissioners Meeting Minutes, July 11, 2023, Substitute 2023 07 11 Item 2023-0783; <https://dekalbcountyga.legistar.com/>