

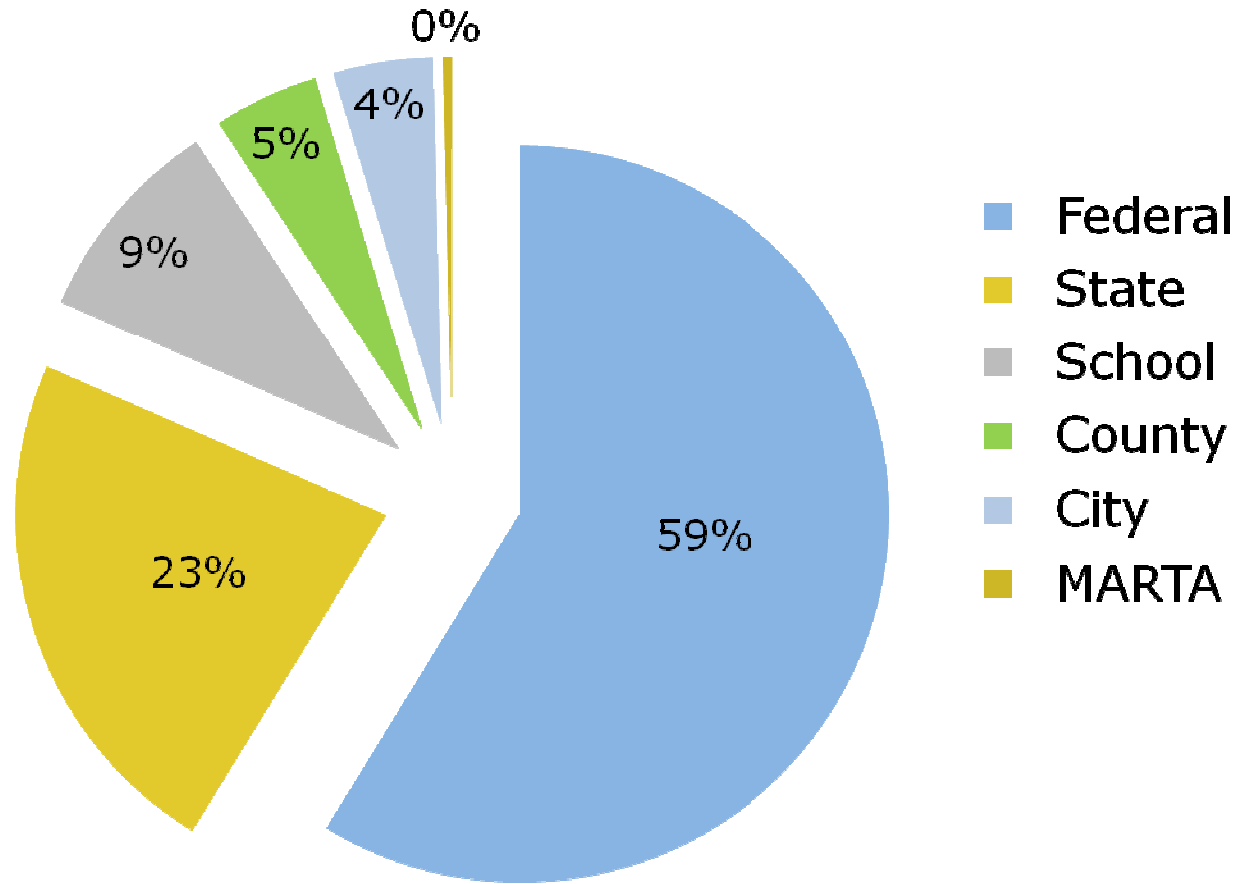


Atlanta
Local Government 101

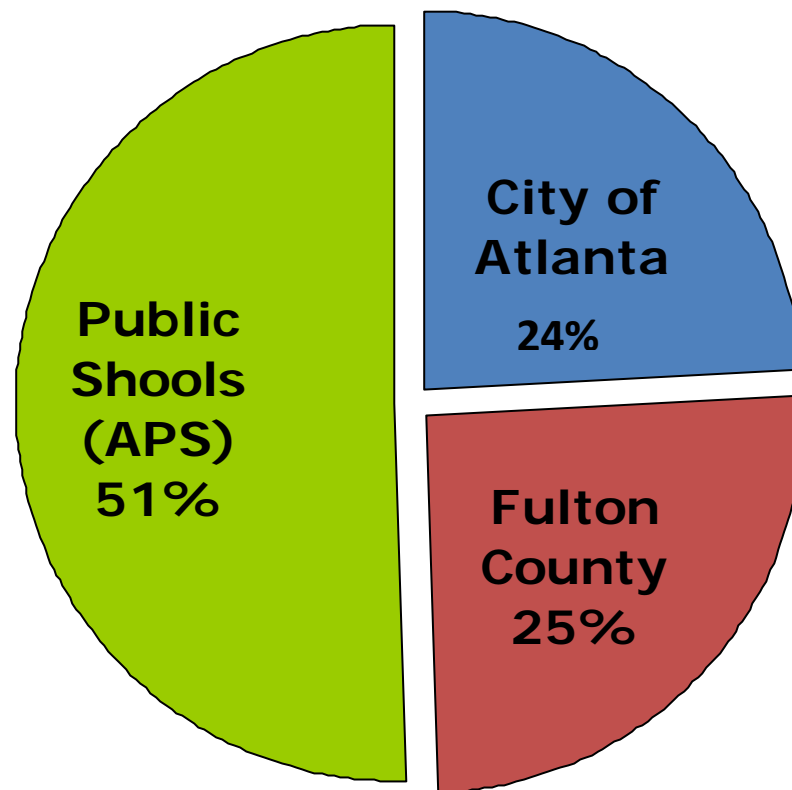
Spring 2009

The City receives 4% of all taxes paid on average

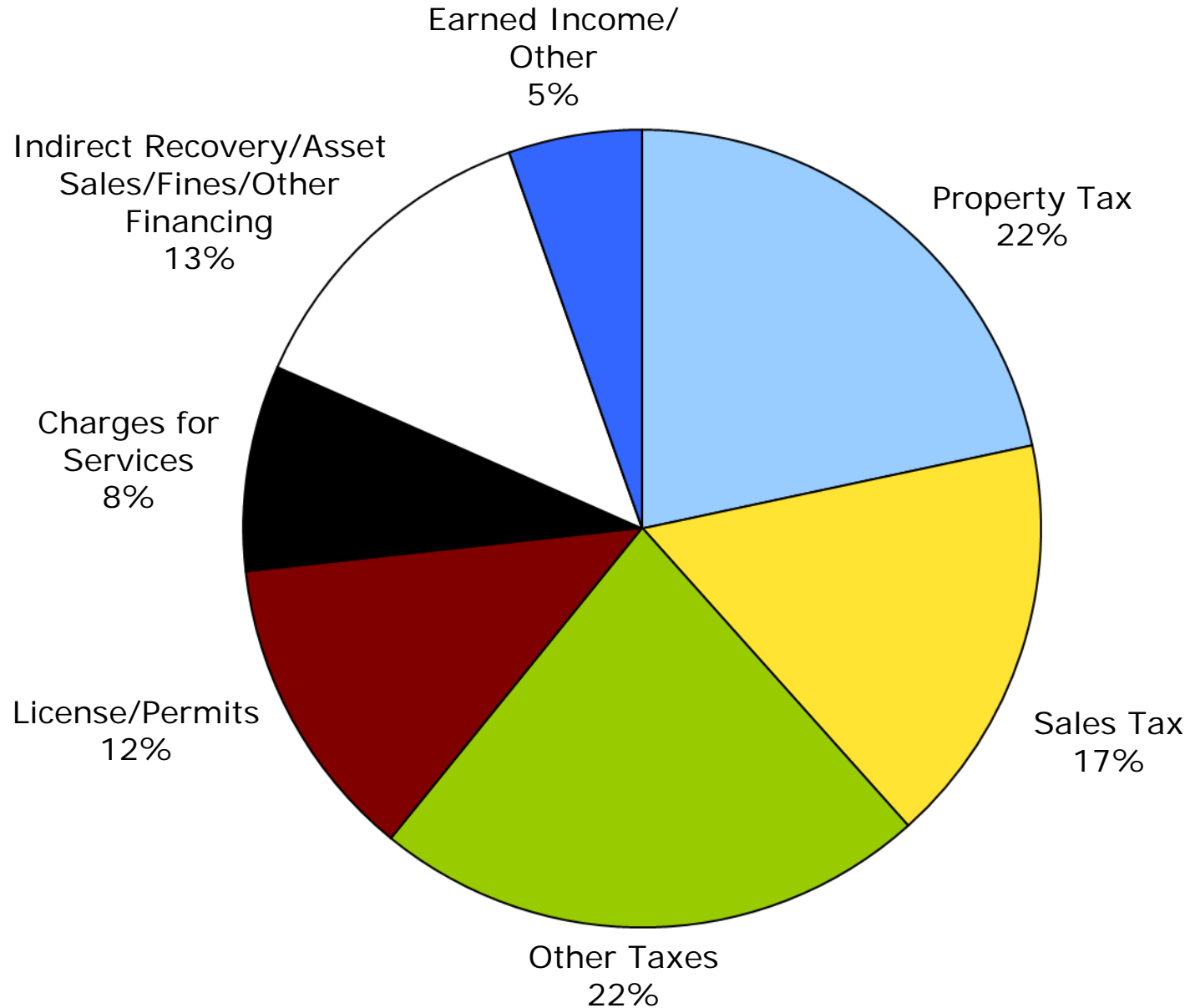
**Percent of Total Taxes Received
(Income, Property and Sales)**



The City receives the smallest share of local government revenues

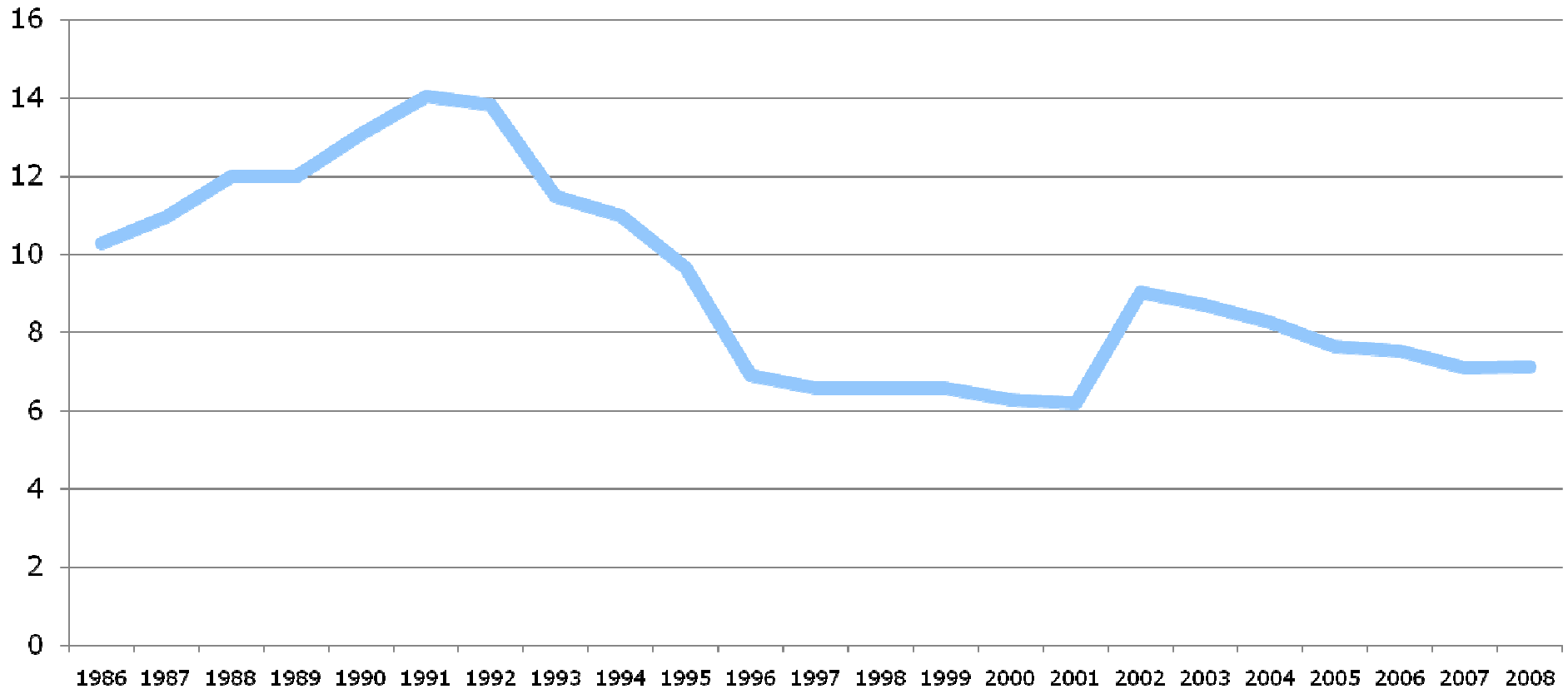


Property tax represents only 22% of our revenue



By historical standards, millage rates are low

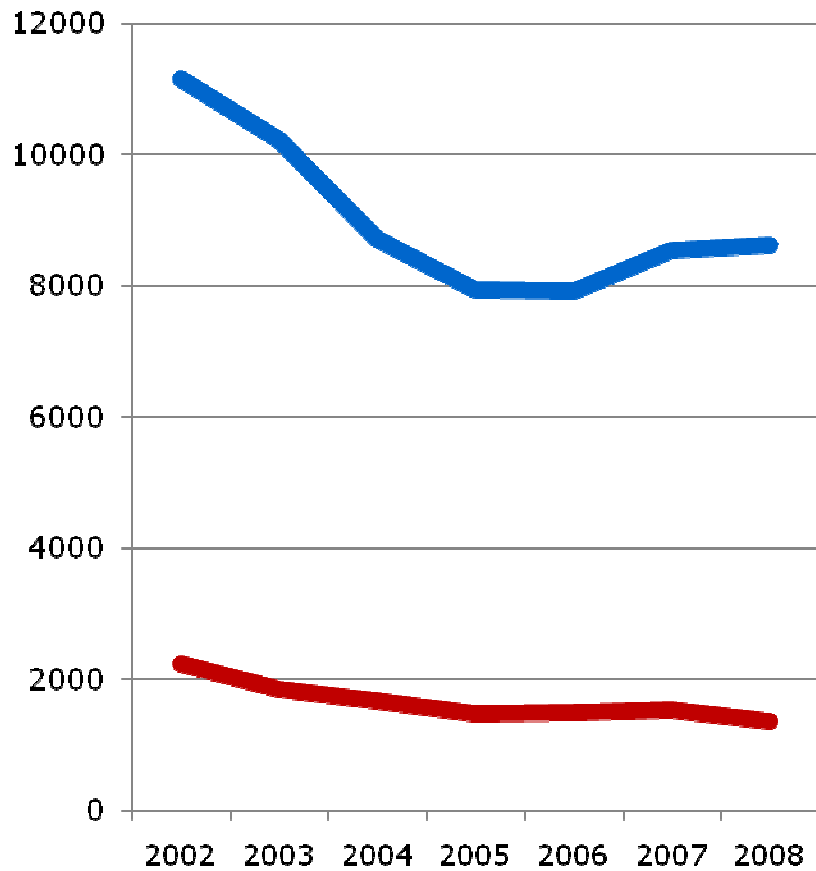
Historical Operating Millage Rate



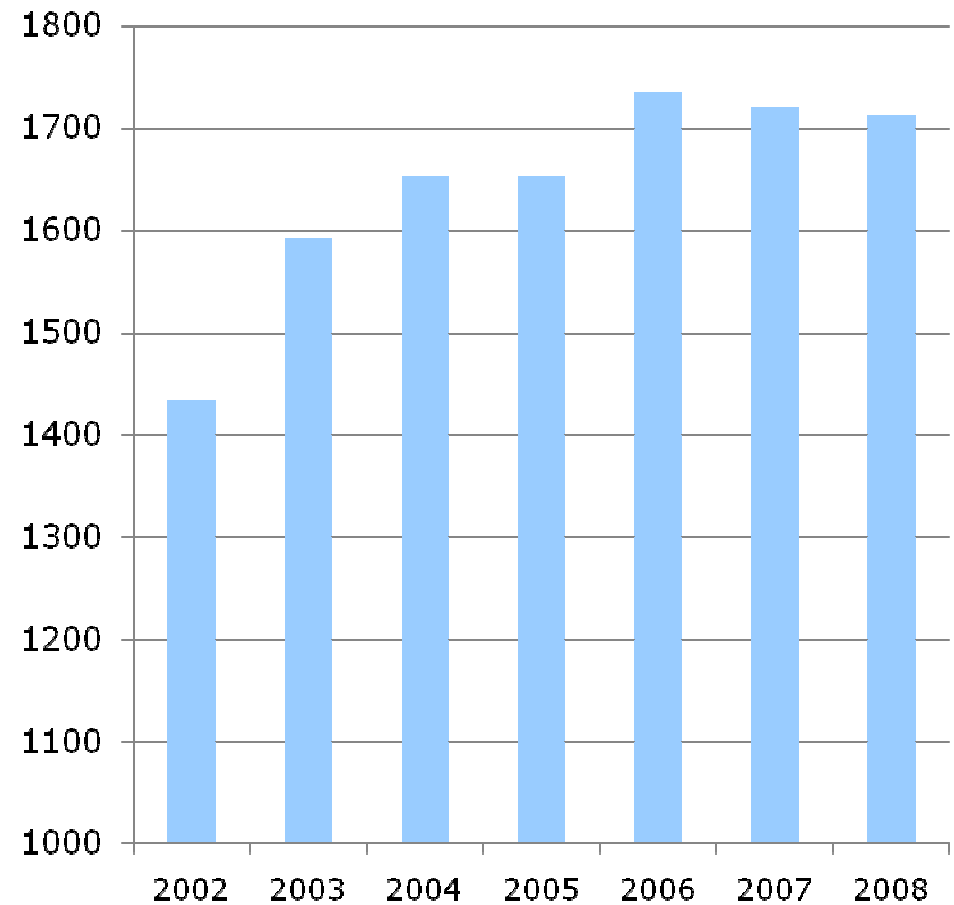
- The value of 1 mill is \$20m

Total crime is down 23% since 2002; violent crime is down 39%; 280 police officers added

Crime Rate (2002-2008)
(Part 1 Crimes per 100,000 population)



Filled Police Officer Positions (2002-2008)



We track crime every week on COBRA

ATLANTA POLICE DEPARTMENT WEEKLY COBRA REPORT
 Week #52: Sunday 12/21/08 00:01 to Saturday 12/27/08 24:00
 LOCATION / COMMAND: CITYWIDE

Printed 12/30/08 09:41

Commander: Chief R. J. Pennington

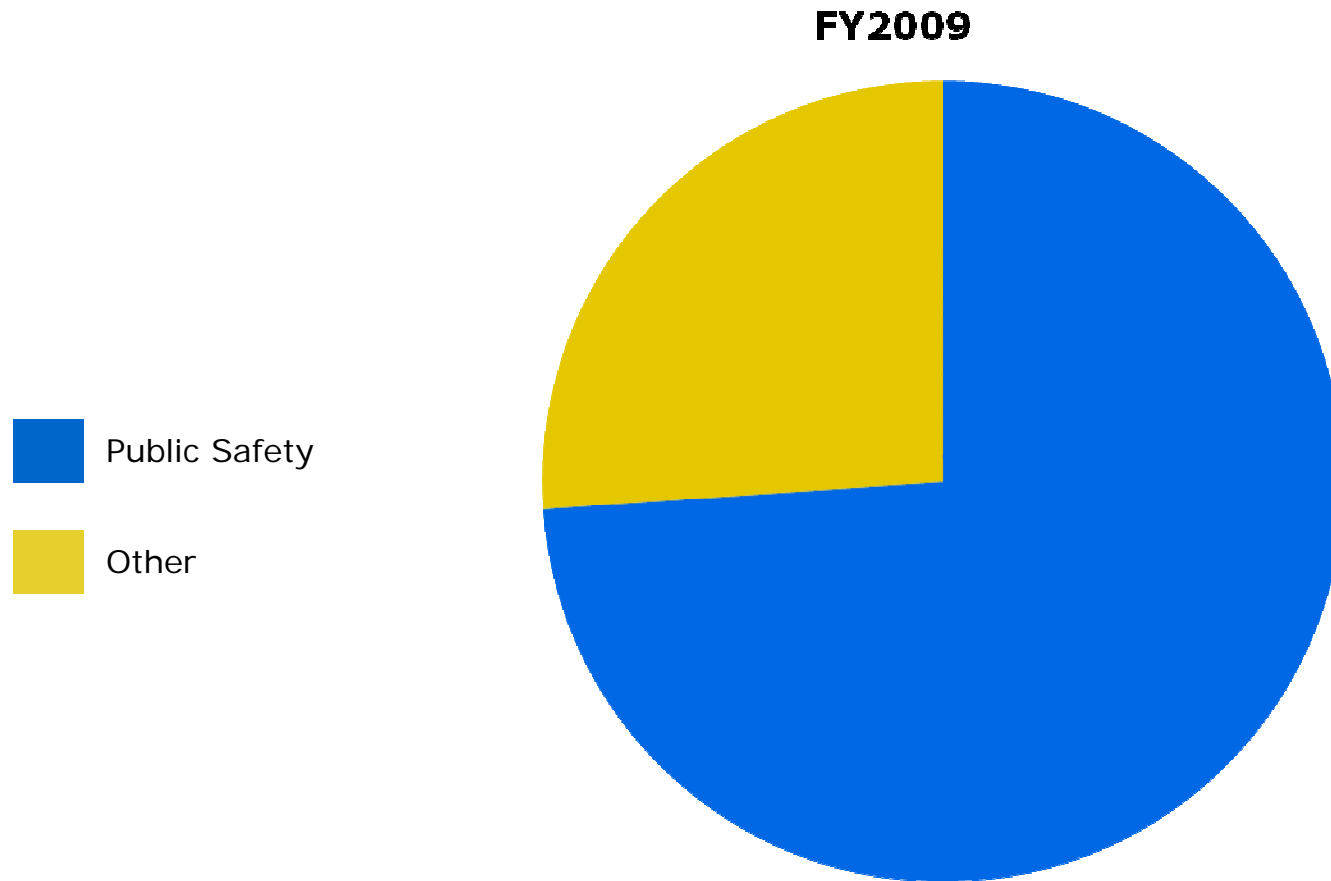
Asst. Commander: Asst. Chief A. J. Dreher

	7 day 2008	7 day 2007	7 day % Chg.	28 day 2008	28 day 2007	28 day % Chg.	YTD 2008	YTD 2007	1 Year % Chg.	YTD 2006	2 Year % Chg.
OFFENSES											
Murder	3	2	50%	8	7	14%	103	126	-18%	109	-6%
Rape	3	5	-40%	5	12	-58%	116	140	-17%	154	-25%
Robbery	50	67	-25%	252	247	2%	3249	3528	-8%	2894	12%
Agg. Assault	65	55	18%	226	251	-10%	3800	4216	-10%	4207	-10%
Burglary	163	182	-10%	776	785	-1%	9834	8657	14%	7132	38%
Larceny / from auto	162	224	-28%	829	913	-9%	11943	10244	17%	10231	17%
Larceny / Other	150	163	-8%	645	747	-14%	10193	9804	4%	8499	20%
Auto Theft	121	107	13%	496	528	-6%	6387	6955	-8%	5679	12%
TOTAL PART I OFFENSES	717	805	-11%	3237	3490	-7%	45625	43670	4%	38905	17%
# of Shooting Incidents	22	8	175%	53	23	130%	556	460	21%	364	53%
# of Shooting Victims	11	6	83%	32	20	60%	408	396	3%	363	12%
Firearms Seized*	0	0	0%	0	0	0%	0	0	0%	0	0%
Part I Firearm Crime*	58	62	-6%	264	248	6%	3529	3805	-7%	3086	14%
Part I Domestic Crime	24	16	50%	81	83	-2%	1118	1200	-7%	1145	-2%
ARRESTS											
Murder	0	0	0%	1	1	0%	4	9	-56%	7	-43%
Rape	1	0	100%	1	0	100%	7	2	250%	10	-30%
Robbery	2	19	-89%	19	46	-59%	447	502	-11%	586	-24%
Agg. Assault	14	18	-22%	51	70	-27%	929	1102	-16%	1464	-37%
Burglary	2	16	-88%	32	78	-59%	781	808	-3%	840	-7%
Larceny / from auto	2	6	-67%	16	30	-47%	327	401	-18%	404	-19%
Larceny / Other	74	52	42%	282	256	10%	3703	3219	15%	3006	23%
Auto Theft	12	11	9%	65	86	-24%	742	961	-23%	783	-5%
TOTAL PART I ARRESTS	107	122	-12%	467	567	-18%	6940	7004	-1%	7100	-2%
Narcotics Arrests	36	74	-51%	317	404	-22%	5128	5676	-10%	7661	-33%
Quality of Life Arrests	213	210	1%	1250	1003	25%	15308	15247	0%	24002	-36%
Other Part II Arrests	186	251	-26%	898	944	-5%	14333	15644	-8%	17801	-19%
TOTAL ALL ARRESTS	542	657	-18%	2932	2918	0%	41709	43571	-4%	56564	-26%
ACTIVITY SECTION											
Recovered Stolen Autos	29	85	-66%	189	358	-47%	2653	4449	-40%	3543	-25%
Curfew Violations	24	15	60%	92	111	-17%	1737	2200	-21%	3181	-45%
Truancy Violations	9	12	-25%	327	411	-20%	4307	4945	-13%	5734	-25%
Traffic Violations	1684	2284	-26%	6596	5875	12%	105296	115955	-9%	113748	-7%
Parking / Winniepegs	571	618	-8%	2270	873	160%	34701	39285	-12%	40286	-14%
Complaints Against Police	4	5	-20%	25	36	-31%	536	558	-4%	714	-25%
Traffic Light Camera (TLC)	1010	2066	-51%	3582	3618	-1%	54018	31507	71%	29434	84%

* Firearms data is unavailable due to transition of new database.

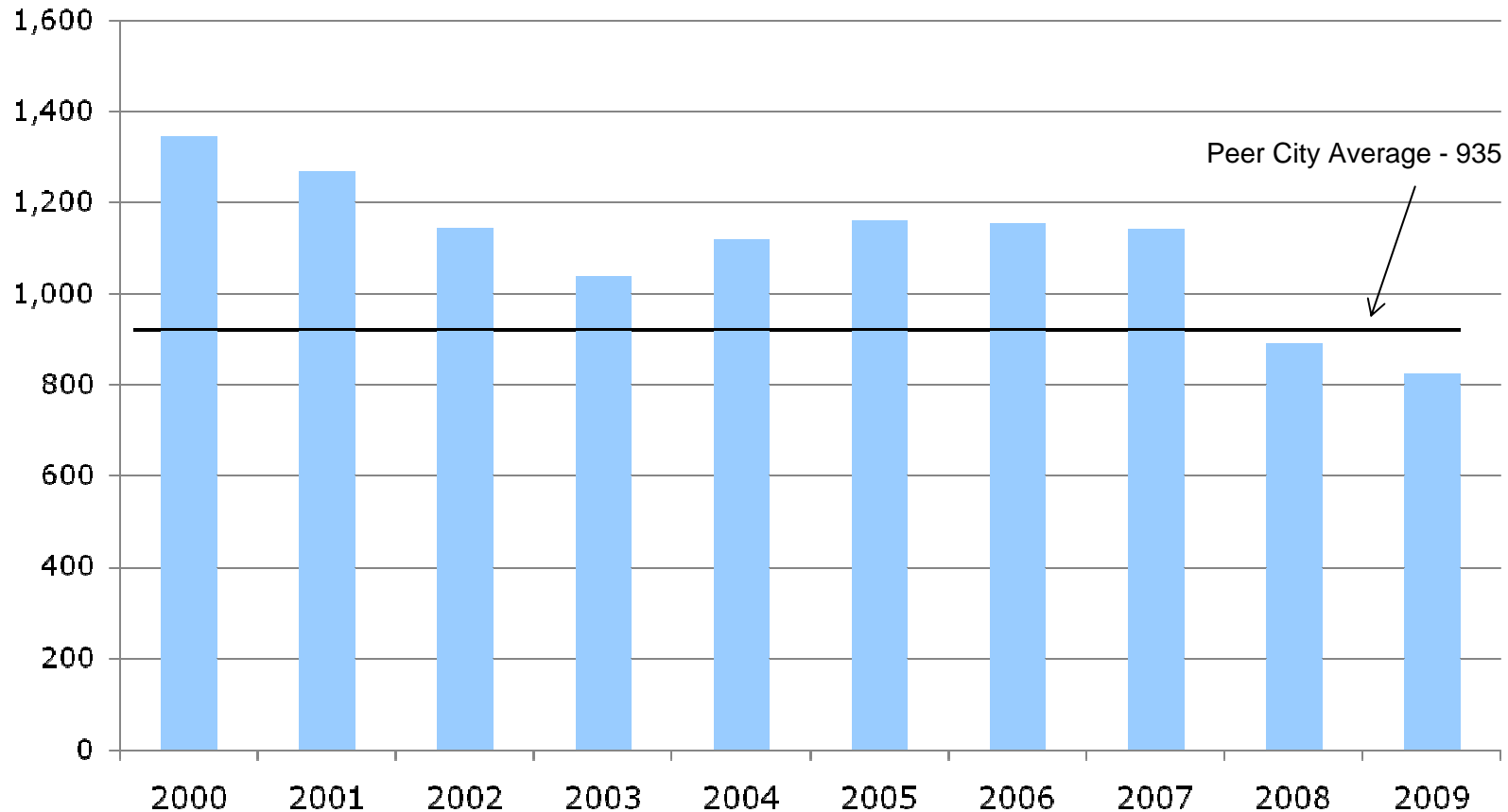
**Final YTD numbers will be totaled after 12/31/2008 for accuracy.

Public Safety now accounts for 74% of all City personnel



On a per capita basis, our workforce is at lowest level this decade and below our peer city average

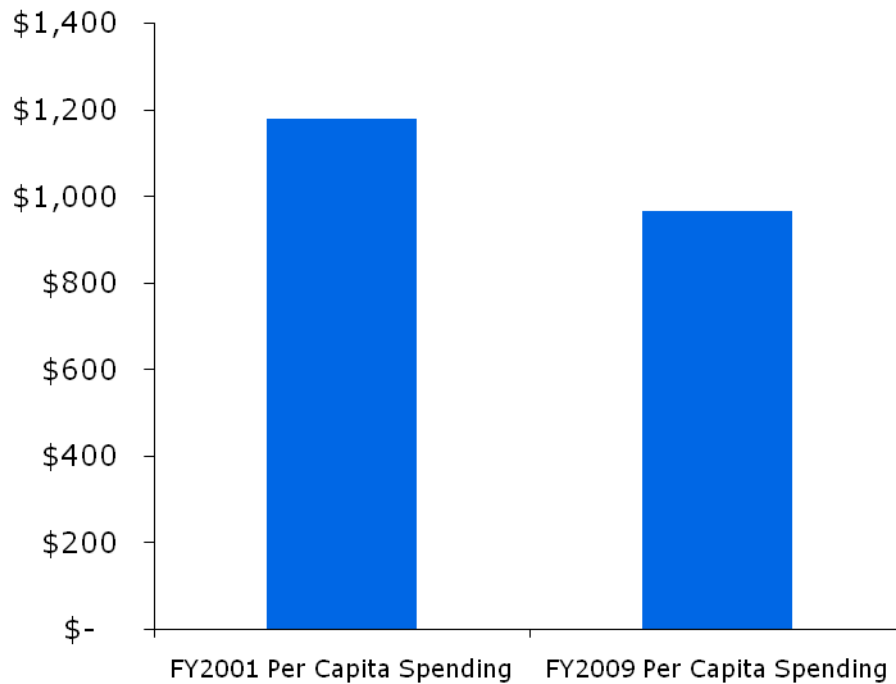
Employees per 100,000 Residents



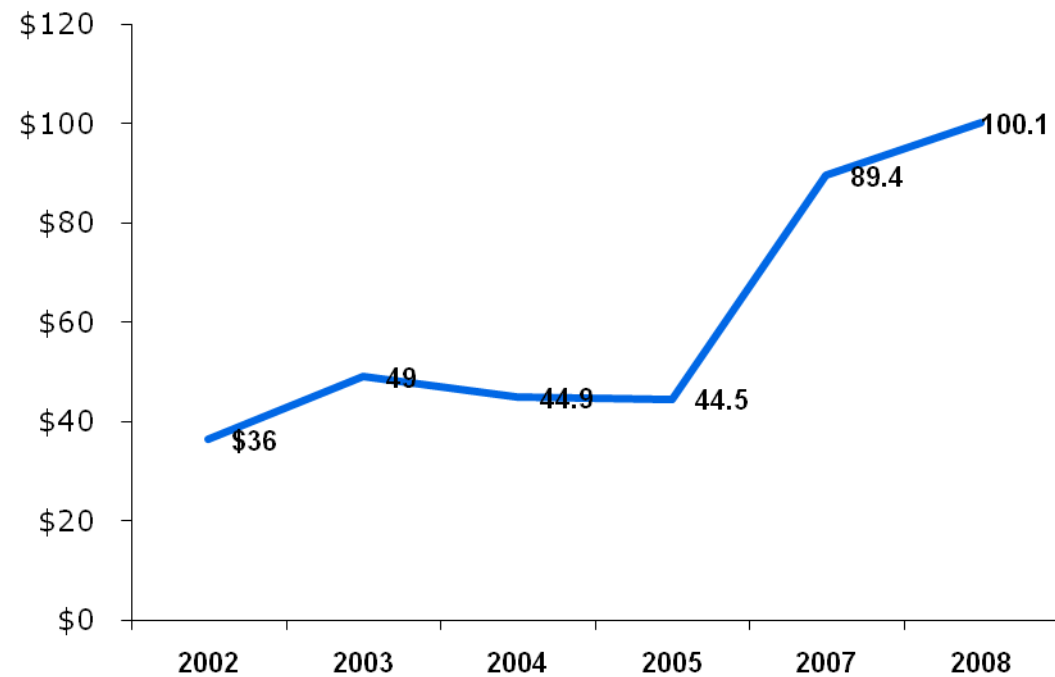
The absolute number of employees in the General Fund has declined from 5,375 in 2001 to 4,566 in 2009 (a 15% decline) despite the fact that the City has grown by nearly 25% over that period.

We have reduced per capita General Fund Spending by 20% over eight years while at the same time absorbing a \$65m increase in pension costs

General Fund Per Capita Spending
(Adjusted 2008 dollars)



Total Pension Spending
(actual \$ in million)



The notion that outsourcing will significantly impact our fiscal condition is seriously misguided



"Preventing The Bankruptcy Of Atlanta!"

On February 11th, the Fulton County Taxpayers Foundation will sponsor a luncheon at 103 West. The Guest Speaker will be Leonard Gilroy, Director of Government Reform of the Reason Foundation, a highly-regarded, non-profit think tank advancing free markets. Mr. Gilroy, a Certified Urban Planner (AICP), researches privatization, government reform, transportation, infrastructure and urban policy issues. He is also Editor of the world's most respected newsletter on privatization, *Privatization Watch*, and is the Editor of the widely-read *Annual Privatization Report*, which examines trends and chronicles the experiences of local, state and federal governments in bringing competition to public services. The coming speech before the Fulton County Taxpayers Foundation is titled "Preventing The Bankruptcy of Atlanta."

The Problem

Recently, the City of Atlanta confirmed that the unfunded Pension Funds total \$1.2 billion! A few months ago, the City of Atlanta verified the fact that the Water & Sewer Infrastructure has increased in cost from \$3.2 billion to \$4 billion. Last month, Mayor Franklin announced a deficit in the 2009 Budget of \$50-\$60 million. A few weeks ago, before The United States Conference of Mayors, Mayor Shirley Franklin submitted a list of "Capital Projects for 2009" for the City of Atlanta. The list comprises 58 projects totaling \$1,629,281,498. Included in the list are a new Maynard Jackson International Terminal at \$500 million, South River Capacity Relief Tunnel & Pumping Station at \$111 million, the Renovation of 25 Neighborhood Recreation Centers, \$39.5 million, 5 miles of Beltline Trail & Spur Trails, \$18 million, etc., etc. The total of these current and potential obligations is a whopping \$6,889,281,498!!!

Avoiding Possible Bankruptcy

The Taxpayers Foundation has advocated over the years that Atlanta is facing a financial crisis. In the best interests of the Atlanta taxpayers, here is what the Taxpayers Foundation has consistently proposed:

1. Professional Oversight: During the past eight years, the Fulton County Taxpayers Foundation has urged an Oversight Committee of Professional Engineers specializing in value engineering to reduce the costs of the Water & Sewer Project, the Streets & Roads, the construction at the Maynard Jackson International Terminal, etc. For eight years, the Mayor and City Council has refused to adopt this proposal

in spite of the fact that value engineering could reduce the costs by 20%-30%! **An independent Oversight Committee of Professional Engineers, saving the taxpayers 20% to 30% of \$6,889,281,498, should be one of the highest priorities of the Mayor and City Council.**

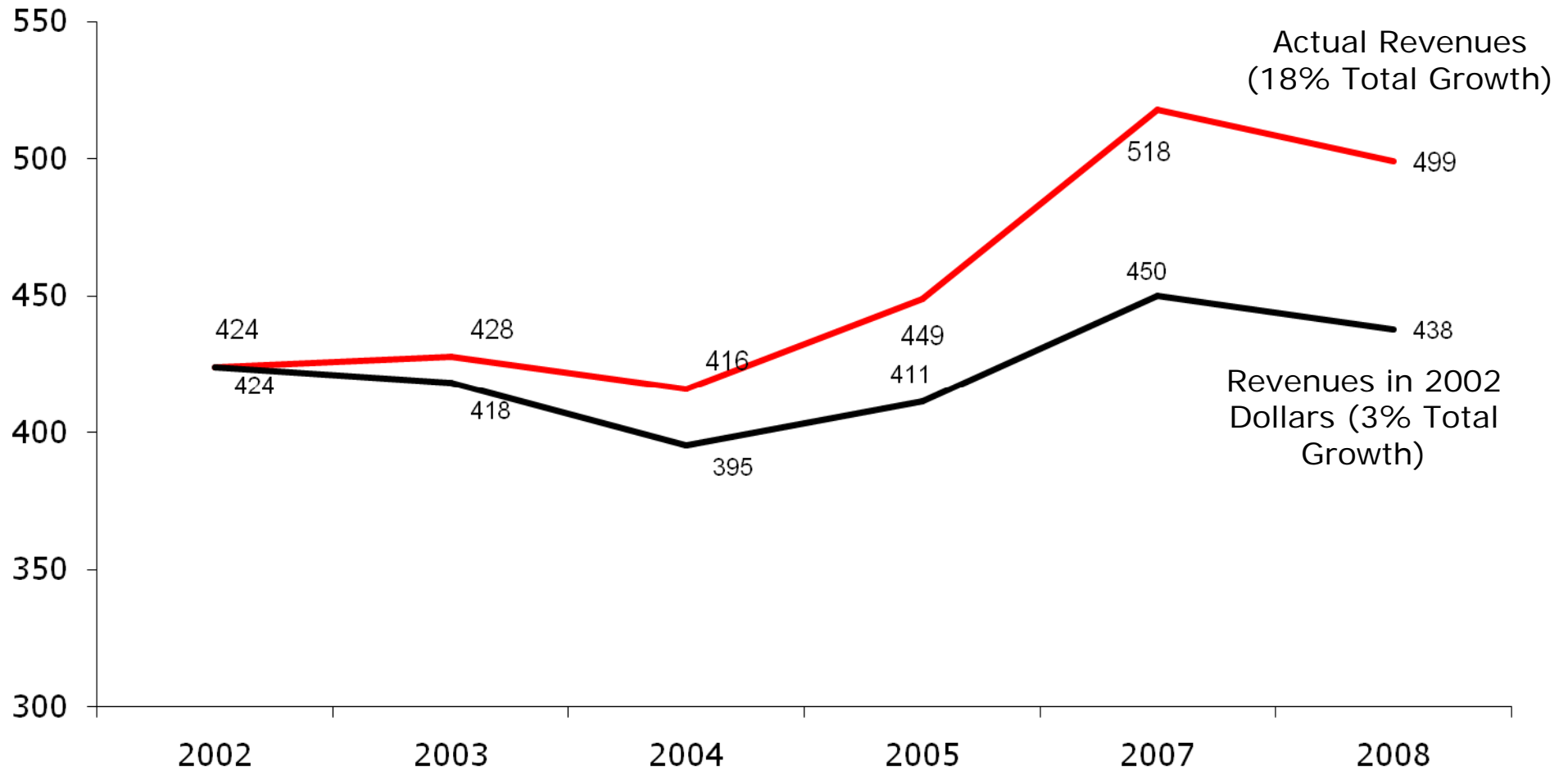
2. Outsourcing City Services: During the past seven years, the Fulton County Taxpayers Foundation has urged the adoption of the City's Turnaround Plan which includes a "critical priority" to outsource City services with employees competing. The Turnaround Plan indicates that "savings can be significant." Here are the City services listed in the Turnaround Plan and the potential savings: Residential Waste Collection, 60%; Fleet Management & Maintenance, 38%; Airport Management & Operations, 40%; Fire Services, 50%; Recreational Facilities Management & Operations, 52%; Road Maintenance, 50%; Wastewater Treatment, 30%; Water, 25%. Applying only six City Services (Solid Waste, Fleet Management, Fire Services, Parks & Recreation, Airport Management & Operations, Water & Wastewater), to the proposed 2009 Budget, the potential savings to the taxpayers is calculated at well over \$300 million annually. **Outsourcing City services should be one of the highest priorities of the Mayor and City Council.**

There are services - recommended for outsourcing in the Atlanta Turnaround Plan of 2002 - services which the Mayor states she has not outsourced based on professional advice, i.e., "CH2MHill has advised against privatizing Garbage Pick-Up, while UPS has advised against privatizing Fleet Management & Maintenance." The facts indicate this statement to be spurious. According to the City's own Turnaround Plan of 2002, 52% of all American cities have outsourced Garbage

"... the potential savings to the tax payers is calculated at over \$300 million"

While in nominal terms our revenues have increased by 18%, in real terms they have increased only 3%

Nominal versus Real Revenue Growth (2002-2007)



We project that revenues will continue to slide

