



Fulton County Taxpayers Foundation

Non-Profit Advocate Of Lower Property Taxes In Atlanta/Fulton County

501(c)3 Non-Profit Advocate of Lower Property Taxes in Atlanta/Fulton

January 2010

How Atlanta Taxpayers Could Help Mayor-Elect Kasim Reed

The Fulton County Taxpayers Foundation congratulates Mayor-Elect Kasim Reed, and extends its hand of friendship, assuring Mayor Reed that we are prepared to work closely with him and his staff in helping to transform Atlanta to “A shining city on the hill.”

Mayor Reed, all of us know that you are facing the massive challenge of turning-around a City that is on the verge of bankruptcy: unfunded Atlanta Pension Funds total \$1.2 billion; the unfunded Atlanta Actuarial Accrued Liability (unfunded liability for health-care premium) is \$1.1 billion; the Atlanta Water & Sewer Infrastructure has escalated to \$4.1 billion; the Atlanta Bond Rating downgraded to a level next to “Junk Bonds”; Atlanta Property Tax Millage is one of the highest in the country, 10.12; Atlanta’s water fees are so costly that a growing number of residents and businesses can no longer afford water; Atlanta’s Airport is riddled with cronyism in contracting and purchasing; Forbes Magazine, 11/4/09 edition, ranks Atlanta as “the most toxic city in U.S.”; a series of audits confirm the gross mismanagement of our City.

How Could Taxpayers Help Mayor Reed?

1. A Professional Audit of the Entire City’s Finance:

Mayor Reed, to help you and the taxpayers grasp the entire problem, there must be professional audits of the entire City’s finances and operations, including the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, Enterprise Funds, Internal Service Fund, and Trust & Agency Funds. With the differing financial variations and internal transfer of massive funds from one department to another, a professional audit will highlight the extent of the problems.

Many of our Atlanta members are CPAs and retired CPAs who are eager to volunteer their services.

2. The Appointment of The Best & The Brightest:

To turn-around a billion dollar operation will require the appointment of the best and the brightest professional team: Chief of Staff, Chief Operating Officer, Chief Financial Officer, Airport Director, Department Heads including the City Attorney, Police Chief, Human Resources, Intergovernmental Affairs, Procurement, Watershed Management, etc., all must be replaced with far more professional managers. This in itself is a massive undertaking. Mayor Reed, you might want to consider the appointment of a Blue-Ribbon Business Council including such business leaders as Juanita Baranco (Baranco Automotive Group); Harold Dawson, (CEO, The Dawson Company, Inc.); Ronald Frieson (Investor); Michael Tompkins (Managing Partner, Julian LeCraw & Company, Inc.); Isaac Blythers (President Emeritus, Atlanta Gas Light Company); Bernie Marcus (retired CEO of Home Depot), Neville Isdell (retired CEO of the Board of Coca-Cola), Michael Eskew (retired CEO, UPS), etc. These business leaders would be pleased to serve the City pro-bono.

3. Outsourcing City Services:

Mayor Reed, at a time of sharply declining revenues, the Turnaround Plan of 2002, proposed outsourcing the 12 major City services with City employees competing with the private firms to achieve “significant savings.” Not one of these 12 major services has been outsourced, yet the Turnaround Plan mentions “significant savings”; Residential Waste Collection at a potential savings of 60%; Fleet Management & Maintenance, 38%; Recreational Facilities, 52%; Airport Management & Operations, 40%; Recreational Facilities Management & Operations, 52%;

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Road Maintenance, 50%; Wastewater Treatment, 30%; Water, 25%. The National Productivity Review and the International City/County Management Association verify these potential savings. One of our members, Oliver Porter, was the consultant on outsourcing to Sandy Springs, Johns Creek, Milton and Dunwoody. He would be pleased to help the City.

4. Adopting Performance-Based Metrics For Every City Job:

Mayor Reed, the City of Atlanta employs 8,300. Too many are under-performing. By adopting Performance-Based Metrics, you will be able to cull out the under-performing employees and award the over-performing. You have said, since your election, that changing the service standards of the city is a top priority for your administration. Several of our members specialize in performance-based metrics and six sigma processes review who would be happy to participate up the upgrade of city programming.

5. Rescinding the Retro-Active Pension Benefits:

When, in 2005, the City Council increased the Pension Benefits, it included retro-active benefits with the multiplier of three. Many attorneys feel that the retro-active portion of this legislation is illegal. With the shortfall of \$1.2 billion in the City's Pension Funds, the cost to the City is \$100 million annually, 20% of the entire General Fund Budget. Several City taxpayers are planning a Class Action with regard to the retro-active benefits.

6. A Review Of The Airport Contracting & Purchasing:

Mayor Reed, when newly-elected Mayor Shirley Franklin in 2002 admitted to reporters that "contract review standards have plummeted since I left my job as the City's Chief Administrator in 1991." Mayor Franklin promised major change, but years later, the AJC editorialized that "Atlanta Is Still Cozy With Cronyism." The AJC cited the contract for operating the Airport's duty-free shop. Strangely, there were only two parties willing to bid for the highly lucrative contract, one team which included Mayor Franklin's ex-husband and children, while the other team included the daughter of former Mayor Maynard Jackson. Moreover, the contract for the airport signs was underbid by \$875,000, yet the underbidding firm did not receive the contract. The AJC concluded that "still too many contracts attract one or two bidders because the less well-connected companies have long since given up the effort." Mayor Reed, in the best interests of the taxpayers, please commission a forensic audit of the Airport's Contracting and Purchasing.

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It's time to prepare NOW for your 2010 property tax appeal! Call the FCTF today to schedule your property assessment or for help with your TPA form!

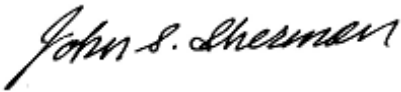
Property Tax Workshops start in January! Register today!

Conclusion

Mayor Reed, the Taxpayers Foundation extends to you its fullest cooperation. Many of our members - Atlanta taxpayers – are professional or retired professionals who would be pleased to help our City pro-bono. For example, several years ago, six Professional Engineers – members of the Fulton County Taxpayers Foundation – volunteered to do a value-engineering study of the Water & Sewer Infrastructure contracts. Although their offer was refused, the need for professional oversight is more important today than ever before. In addition to volunteer Professional Engineers, the professional oversight should also include volunteer Certified Professional Accountants for oversight of the City's finances, including the contracting and purchasing at Hartsfield-Jackson Airport; volunteer Personnel Executives for oversight of the City's Human Resources; volunteer Pension Lawyers to review the pension increases of 2005, etc.

Mayor Reed, the turn-around of the City of Atlanta is a daunting challenge. The Taxpayers Foundation wants to help you meet this challenge.

Respectfully,



John S. Sherman
President, Fulton County Taxpayers Foundation

***Unite the Fight To Bring Better Government
to Atlanta and Fulton County!***

I enclose my annual membership of:

\$25 Senior___ \$50 Family___ \$100 Patron___ \$200 Corporate___ \$1000 Champion___

In addition, I enclose a **tax-deductible** contribution of: \$100___ \$500___ Other___

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