

# **The Cost of Community Services**

## **Oldham County, Kentucky**

Commissioned by  
Oldham Ahead, Inc.

December 2003



*American Farmland Trust*

**ACKNOWLEDGMENTS**

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*American Farmland Trust* (AFT) is a private, nonprofit conservation organization founded in 1980 to protect our nation’s strategic agricultural resources. AFT works to stop the loss of productive farmland and to promote farming practices that lead to a healthy environment. AFT provides a variety of services to landowners, land trusts, public officials, planners, agricultural agencies and others. Services include Cost of Community Services studies, workshops on farmland protection and estate planning, farmland protection program development and agricultural economic analysis.

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## **EXECUTIVE SUMMARY**

At the request of Oldham Ahead, Inc., American Farmland Trust completed a Cost of Community Services (COCS) study to develop a current understanding of the net fiscal impact of existing land uses in Oldham County, Kentucky. The study analyzes revenues and expenditures on a land use basis for fiscal year 2003 (July 2002 to June 2003). It examines revenues by land use and the financial demands of public services (e.g., public safety, government administration, schools, courts, etc.) and shows the cost of providing these services to residential, commercial and farmland properties. The study reviewed the Oldham County budget including general and special funds, the Oldham County Education District, as well as other services including library, fire, ambulance and health. Town services were not included in the study. The revenues and expenditures represent the majority of the government services provided to residents living in Oldham County.

### **The COCS study found that in Oldham County:**

- 92 percent of revenue in fiscal year 2003 was generated by residential land uses, 7 percent was generated by commercial land uses and 1 percent by farmland;
- 97 percent of county expenditures went to provide services for residential land use compared with 2 percent for commercial uses and .5 percent for farmland.

In other words, for each \$1 of revenue received from residential properties in Oldham County in fiscal year 2003, \$1.05 was spent providing services to those lands. For each \$1 from commercial land uses, 29 cents was spent providing services, and for each \$1 received from farmland, 44 cents was spent providing services.

Residential land uses created a deficit of \$3,944,170 that was offset by the other two land use categories: \$4,158,177 from commercial and a \$492,606 surplus paid by farmland. The Oldham County COCS findings demonstrate that a balance of land uses is necessary to ensure fiscal stability. While residential development contributes the largest amount of

Oldham County, Kentucky  
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revenue, its net fiscal impact is negative because the total expenditures for that land use exceed the revenues. Commercial development’s net revenues offset the shortfall while farmland’s net revenues contribute the balance.

<b>Study Findings</b>				
<b>Combined County, School and Other Services</b>	<b>FY 2003 Actual</b>	<b>Residential</b>	<b>Commercial/ Industrial</b>	<b>Farmland</b>
a) Total Revenues	\$ 80,089,536	\$ 73,324,228	\$ 5,887,191	\$ 878,116
b) Total Expenditures	\$ 79,382,923	\$ 77,268,398	\$ 1,729,014	\$ 385,510
Net contribution (a-b)	\$ 706,613	(\$ 3,944,170)	\$ 4,158,177	\$ 492,606
Land use ratio*		\$1: \$1.05	\$1: \$ 0.29	\$1: \$ 0.44

\*Cost for each \$1 of revenue generated

## **INTRODUCTION**

In communities that rely heavily on property taxes to generate revenues, COCS studies are fairly straightforward. Revenues and expenditures from a recent fiscal period are distributed according to land use, and results are compared to provide a ratio that shows how much a community spent on public services for every \$1 raised from a specific land use. COCS studies are based on real time and real dollars.

COCS researchers rely on public financial data, departmental records and budgets, assessor's data, and interviews with budget managers and financial officers to allocate revenues and figure out how public services were delivered in a specific year. In effect, the exercise is like balancing a checkbook of community land uses.

The purpose of these studies is to provide insight into the contribution agriculture makes to the local economy, tax base and quality of life, and to provide some context for decisions about how to encourage the retention of agricultural lands and stimulate investment in the agricultural industry.

### **Oldham County**

Oldham County is located in northern central Kentucky, just northeast of Louisville's suburbs. Interstate 71, the major connecting road between Cincinnati, Ohio, and Louisville, bisects it. This county with pastoral beauty, high-quality schools, and scenic roads and horse farms has grown rapidly. In the last three decades, Oldham has been among the fastest growing counties in the state with its population jumping from 14,687 in 1970 to 46,178 in 2000. Between 1990 and 2000 the population increased 39 percent.<sup>1</sup> The population is projected to grow to over 87,000 by 2025.<sup>2</sup>

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<sup>1</sup> U.S. Bureau of the Census, Census 2000.

<sup>2</sup> Oldham County Board of Education

Geographically, the county encompasses 189.19 square miles, or 121,082 acres. According to records from the Department of Property Valuation Office, the assessed value of real property in the county was approximately \$3.3 billion, with residential accounting for 87 percent or \$2.8 billion of total value. Out of a total of 27,014 properties in the county, 25,221 are classified residential, 1,006 are farm parcels and 787 are commercial properties.

The 1997 U.S. Census of Agriculture reported 392 farms in Oldham County operating on 70,535 acres of farmland. Small farms (with annual sales of less than \$100,000) constitute 91 percent of all farms in the county. The market value of agricultural products sold in 1997 was a little over \$16 million. Horses, livestock, poultry and their products generated the largest cash receipts. A 1999 study of 54 commercial horse farms in the county showed that they generated over \$10.3 million in revenue from horse sales, training, breeding fees, boarding, and riding lessons.<sup>3</sup>

### **Cost of Community Service Studies**

A COCS study is a case study analysis of the net fiscal impacts of existing land uses on county budgets. It provides a snapshot in time of costs versus revenues based on current land use. Unlike traditional fiscal impact analysis, COCS studies are descriptive—not predictive—and are based on real budgets for a specific community. These analyses show what services residents and property owners receive in return for the taxes they pay to their local and county government and how these costs and revenues relate to land use.

The process of conducting a COCS study is relatively straightforward and easy to understand. Local budgetary information is allocated to major land use categories. The studies rely on budget and financial records and in-depth interviews with local government officials and budget managers to understand how revenues were generated and how appropriations were spent during a recent year. The goal of this COCS study is not to prescribe a course of action but to provide reliable financial data to help Oldham County

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<sup>3</sup> Oldham County Commercial Horse Survey, Ken Heppermann Agri-business Consulting, November 1999.

officials make informed planning decisions and to evaluate strategies to maintain a balance in the distribution of land uses in the future.

AFT developed this low-cost fiscal study to contribute local knowledge to decisions about land use. It is hoped that by using a community's own statistics and financial, land use and economic data, these tools will move public dialogue from speculation to projection—from emotion to analysis. The results of this COCS study show the average fiscal impacts of current land uses in Oldham County.

AFT developed the COCS approach to investigate three common claims often heard at community meetings:

1. Open lands—including working agricultural and forest lands—are an interim land use that should be developed to their “highest and best use”;
2. Agricultural land gets an “unfair” tax break when it is assessed at its actual use value for agriculture instead of at its potential use value for development;
3. Residential development will lower property taxes by increasing the tax base.

While it is true that an acre of land with a new house generates more total revenue than an acre of farmland, this tells us little about a community's fiscal stability. In areas where farming and forestry are major industries, it is especially important to consider the real property tax contribution of privately owned natural resource lands. Farm, forests and open lands generate less revenue than residential, commercial or industrial properties, but they require little public expenditure due to the modest demand for infrastructure and public services. COCS studies determine the *net* fiscal impact of land uses in the present by comparing total revenues to total expenditures to ascertain the overall contribution of different land uses.

There are three basic steps in the process of conducting a Cost of Community Services study:

1. Collect data: Obtain relevant reports and other financial records, interview officials,

boards and departments.

2. Allocate revenues and expenditures by land use.
3. Analyze data and calculate ratios.

## **COCS METHOD IN OLDHAM COUNTY**

### **Community Services in the Study**

COCS studies examine the relationship between public or “community services” provided by local government and revenues (property taxes, fees for services, fines, etc.) generated by individuals and private entities representing local land uses. Additional revenues provided from state or other government bodies also are included in the analysis.

Direct community service expenditures—public safety, public schools, highways maintenance, etc.—are comprised primarily of personnel and operating expenses. They cover salaries, health insurance, electricity, fuel for county vehicles and similar costs.

Capital expenses, which are long-term investments in local amenities and infrastructure, are also “community services.” The construction and repair of county buildings, roads and public schools, and parks development are some examples. In the case of capital expenditures, COCS studies attempt to capture the portion of costs incurred in the year studied only, not for the entire life of the investment. In this study revenues and expenditures for County Government services represented in both the general fund and special funds, the Oldham County Board of Education, Public Library, Rural Fire Districts, Oldham County Health Department, and Ambulance services were included in the analysis.

Before the study began, researchers contacted public officials to set up interviews, to understand local issues related to budgets and to define land use categories for the study. After a review of the county property tax classification system, three land use categories were defined for this study:

- ***Residential Development*** – property used for dwellings, *including farmhouses*,

mobile homes and rental units.

- ***Commercial and Industrial Development*** – property used for business purposes other than agricultural or forestry, including retail and wholesale production and utilities and vacant parcels classified as commercial or industrial.
- ***Farmland*** – all agricultural parcels, including those qualifying for agricultural exemptions.

COCS studies typically use the convention of the state’s use assessment program to separate out the farm residence from the productive land. Generally, the language in these laws is quite precise. In Kentucky, the statute states that “Agricultural land means any tract of land (including all income-producing improvements but excluding all residences) of at least 10 contiguous acres used for producing livestock, poultry, livestock and poultry products, tobacco growing, or other crops, including timber. . . . ‘Horticultural land’ means any tract of land (including income-producing improvements but excluding all residences) of at least five contiguous acres in an area commercially used for cultivating a garden or orchard or raising fruits, nuts, vegetables, flowers, or ornamental plants.” Just as the public service demands of factory workers are not charged to the industrial sector, nor demands of doctors, lawyers, waitresses or shopkeepers charged to commercial, neither are the public service demands of farm families charged to the farmland they may or may not occupy.

### **Collect data and conduct interviews**

Appointments were scheduled with county officials. The purpose of these interviews was to obtain relevant information and to collect necessary documents. Some of the important documents and sources of information used for this study include:

- Oldham County Financial Statement Report, Appropriation Condition, for General and Special Funds July 1, 2002, to June 30, 2003;
- Sheriff’s Property Tax Settlement – 2002, Summary of All Taxing Districts including Oldham County Board of Education, Public Library, Health Department, Ambulance, and Rural Fire Protection Districts;
- Oldham County Board of Education, Summary of 6/30/2003 Financial Statement;
- Commonwealth of Kentucky Revenue Cabinet, Department of Property

Valuation, Certification of Equalized Value for Oldham County;

- Property Valuation Administrator's Summary of Real Property Tax Roll Changes, 2003 Taxable Assessment;
- Oldham County Dispatch, Incident Reports.

### **Allocate revenues and expenditures by land use**

Interviews were conducted to allocate all fiscal year 2003 revenues and expenditures into the three land use categories. In the interviews, officials were asked to provide records showing how revenue was generated by land use and whether residential, commercial, or farmland was served by each expenditure. The next step involved allocating revenues and expenditures to the land use categories based on the information gathered from reports and interviews.

### **Revenues**

Revenues for county government and community services come from many sources. Some of the revenues in Oldham County's general and special funds included real estate and tangible property taxes, motor vehicle licensing and registration, insurance license fees, payments from the state and federal government, fees and charges for services, grants, interest earned, and rental of government property.

The breakdown of property tax revenues into land use classes was available from the Department of Property Valuation. The property categories used by the county were grouped into the three land use categories used for this study: residential, commercial, and farmland. Land in Oldham County within the farmland category falls under the Current Agricultural Use Value program and therefore is assessed at the value of its current use, rather than at the value of its potential use for development.

In some cases, revenues are related to only one land use. There are many revenue line items that are strictly residential in nature. Fees from parks and recreation, the aquatics facility, marriage licenses and animal control fees are some examples of residential

revenue. Rental income from county properties, franchise taxes, a business park technology grant and mineral severance taxes are commercial land use revenues. Farmland revenues come primarily from a portion of the total real estate and motor vehicle taxes as well as some portion of items such as deed transfers and recording fees. For the most part, revenue line items are attributed to more than one land use and were allocated based on research or department records.

<b>Table 1. Assessed Values and Land Use Categories</b>					
<b>Oldham County Property Assessment</b>		<b>COCS Study Adjustments</b>			
Land Use	Assessed Value		Residential	Commercial	Farmland
Residential	\$ 2, 881,122,502		\$2,881,122,502		
Farm	\$ 178,023,188		\$ 112,829,000		\$65,194,188
Commercial	\$ 253,562,979			\$ 253,562,979	
Mobile Home	\$ 3,599,670		\$ 3,599,670		
Total Assessed Value*	\$3,316,308,339		\$ 2,997,551,172	\$ 253,562,979	\$ 65,194,188
Percentage of Total Assessed Value			90%	8%	2%

\* Taxable properties only; does not include exempt properties such as government land or churches

**Expenditures**

County officials and department heads were interviewed to determine how county

expenditures should be allocated to the three land use categories. Department heads gave an overview of their services and identified any relevant reports (dispatch records, permit summaries, organizational charts) and other secondary sources of information. In the interviews, officials were asked which land use benefited from each expense: residential, commercial, or agricultural land. Expenditures in Oldham's quarterly reports are divided into a general fund and special funds. The Police Department (public safety) expenditures were allocated according to a review of service calls provided by the county dispatch department. Several service expenditures were only related to residential land use such as parks, aquatics, a senior citizens program, services to youth, and county museum program support. County economic development expenditures were allocated to commercial because they were spent for promotion and development of the county industrial park site. Other county government expenditures were divided based on information provided by departments.

Districts established separately from the county government provide education, library, health, ambulance and fire protection services. The County Sheriff's Department collects real and personal property taxes for these services and distributes them to the districts. The land use allocation of expenditures for each of these funds was determined individually. Education and library are both residential services, except for a very small amount for vocational education that was allocated to commercial. Health District services were primarily residential, but about 8 percent of services were determined to be commercially related. Funds for the ambulance and fire protection districts were allocated based on a review of county dispatch records.

#### **Use of "Fallback" Percentages**

Even after extensive record searches, in a few cases, it was not possible to attribute some line items to specific land use categories. For example, administrative salaries and public buildings serve the entire county in a general capacity. In this situation, a fallback breakdown was applied. It was calculated based on the percentage of taxes contributed from real and personal property for fiscal year 2003 taxes (see Table 1). The land use

distribution of these revenues resulted in the following:

- 90 percent were from residential development,
- 8 percent from commercial and industrial development, and
- 2 percent from agricultural land.

These fallback percentages were used for both revenues and expenditures, but only in cases where line items lacked a clear relationship to land use.

### **Analyze data and calculate ratios**

Once the necessary data was collected and interviews completed, the information was entered into a spreadsheet. The dollar amount for each line item of the budget was allocated among the three land use categories according to the associated percentage breakdown. The percentages were entered for each line item, and total revenues and total expenditures were summed for each of the three land use categories. By comparing total revenues to total expenditures in each category, the total net surplus or deficit was calculated.

Revenues and expenditures for services provided in Oldham County are included in this report as Appendix A. This information is also presented as ratios to show the actual expenditure for every dollar raised (See Table 2 on page 15). The findings were checked for accuracy. Finally, draft findings were sent to the study sponsors for their review and comments. These comments were discussed with the sponsors and incorporated into the final report.

### **FINDINGS**

In fiscal year 2003, Oldham County residential land use generated \$73,324,228 in revenues to cover residential land use expenditures of \$77,268,398. Comparing revenues to expenditures shows that residential land use had a deficit of \$3,944,170, which was covered by a surplus of \$492,606 from farmland and \$4,158,177 from commercial land use.

Findings for Oldham County are presented in the table below. The first two rows of the table show the total dollar amounts allocated to each land use for revenues and expenditures. The third row shows the net dollar impact on the budget for each land use. This was determined by comparing the revenues generated with the expenditures provided. The next row of the table presents this same information in ratio form. This is a clear way to see how much each land use costs for each dollar of revenue that it generates for county services. The final land use ratios show the costs required per \$1 of revenue generated in fiscal year 2003. For each \$1 of revenue received from residential properties in Oldham County in fiscal year 2003, the county spent \$1.05 providing services to those lands. For each \$1 from commercial land uses, 29 cents was spent providing services to those lands and for each \$1 received from farmland, 44 cents was spent providing services.

<b>Table 2. Study Findings</b>				
<b>Combined County, School and Other Services</b>	<b>FY 2003 Actual</b>	<b>Residential</b>	<b>Commercial/ Industrial</b>	<b>Farmland</b>
a) Total Revenues	\$ 80,089,536	\$ 73,324,228	\$ 5,887,191	\$ 878,116
b) Total Expenditures	\$ 79,382,923	\$ 77,268,398	\$ 1,729,014	\$ 385,510
Net contribution (a-b)	\$ 706,613	\$ (3,944,170)	\$ 4,158,177	\$ 492,606
Land use ratio*		\$1: \$1.05	\$1: \$ 0.29	\$1: \$0.44
Percent of Revenue by Land Use		91.55%	7.35%	1.10%
Percent of Expenditure by Land Use		97.34%	2.18%	0.49%

\* Cost for each \$1 of revenue generated

**DISCUSSION**

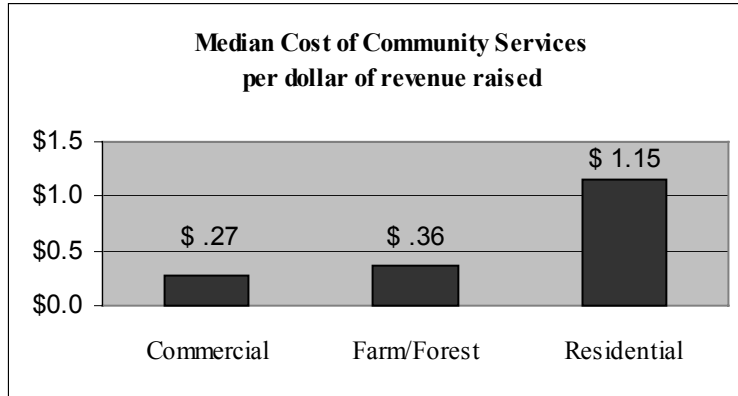
COCS studies provide a baseline of information to help local officials and citizens make informed land use decisions. They offer the benefit of hindsight to see the effect of development patterns to date. They also demonstrate the fiscal importance of privately

owned land in agricultural uses.

The purpose of a COCS study is to determine the net fiscal contribution of working and open lands so these lands may be duly considered in the planning process, not to recommend one type of land use over another. Because the studies are descriptive, they should not be used to predict the impact of a single development or to project future costs of services created by new development. COCS studies are not designed to judge the value of one land use over another or to compare one type of new development to another.

The ratios determined in this study are not unusual for COCS studies. The residential ratio of \$1.05 is low compared to the national median of \$1.15. Oldham County is dominated by residential land use, with a fairly small commercial base of revenue, resulting in 92 percent of revenue coming from residential land uses. In addition, state and federal revenue for residential services were included in the analysis and provide large revenues to offset expenditures. The farmland ratio of \$1: \$.44 is slightly higher than the national median of \$1: \$.35. The net fiscal impact of farmland is positive at almost half a million dollars, but the relative percentage of revenues is small because farmland has a very low assessed value. In comparison, a 1999 study in Lexington-Fayette County had a much higher residential ratio of \$1: \$1.64 because they depended primarily upon an employee withholding tax as a source of revenue. In addition, Lexington-Fayette is a more urban county with much greater revenue from commercial and industrial development.

In more than 100 studies done by AFT and others across the nation, the combined uses of farm, forest and open land always more than paid for themselves. Aggregated residential land uses never broke even with a median cost of \$1.15 for every \$1 of revenue. Appendix B shows some of the findings to date and the source of all studies either conducted or reviewed by AFT that conform to the COCS methodology.



COCS studies are case studies, and while their findings follow an overall pattern, each community is unique. Individual findings vary depending on numerous factors, including: geography, size of the budget, tax structure, amount of state aid and grants, value and density of residential development, amount of second home or retirement housing, and extent of public services provided to different land use sectors. Because data protocols and institutional arrangements for funding and providing public services are so different from state to state, COCS findings can be compared to discern an overall trend or pattern but should not be averaged to suggest a national cost of development or used as a proxy to predict future costs of new development in a specific community.

The results of this study provide reliable financial information that demonstrates the importance of agricultural lands to the fiscal stability of Oldham County. It suggests that the development of strategies to retain this land base for future agriculture would be a good long-term investment and that:

- Taxes and other revenues from residential land use do not cover all the public services residents receive from the county. A balance of land uses, including farmland, is needed to provide adequate revenue to pay for these services. As more residential development occurs, an imbalance may grow creating the need for tax increases.
- Farmland pays more in local tax revenues than it receives in services. Differential property tax programs are justified as a way to provide an incentive

to keep land open and in active agricultural use. Even with a reduced assessed value, agricultural properties contribute a surplus of revenue to pay for public services for residents of Oldham County.

The findings of this study show the fiscal benefits that result from farmland and provide factual information to help residents understand the delicate fiscal balance between the costs of public services and the revenues generated for them. This information should be useful for county leaders and residents when faced with land use decisions now and in the future. In addition to helping maintain fiscal balance, agricultural lands help sustain Oldham County's economy and rural character, and help shape the overall quality of life in the region.

**APPENDICES**

**A. Revenue and Expenditure Allocation**

**B. Results of Other Cost of Community Services Studies**

**APPENDIX A. OLDHAM COUNTY BUDGET ALLOCATION**

REVENUES - FY 2003	Actual	Residential	Commercial/ Industrial	Farmland
<b>General Fund</b>				
Real Estate Tax	\$ 2,254,714	\$ 2,037,811	\$ 172,486	\$ 44,418
Tangible Property	\$ 90,279	\$ 40,734	\$ 49,545	\$ -
Motor Vehicle	\$ 335,968	\$ 307,108	\$ 12,666	\$ 16,194
Delinquent Tax	\$ 45,725	\$ 41,327	\$ 3,498	\$ 901
Bank Shares	\$ 76,975	\$ -	\$ 76,975	\$ -
Franchise Tax	\$ 84,190	\$ -	\$ 84,190	\$ -
Deed Transfer	\$ 361,893	\$ 327,079	\$ 27,685	\$ 7,129
Insurance License Fee	\$ 1,270,507	\$ 1,215,939	\$ 23,949	\$ 30,619
Tourism Tax	\$ 90,746	\$ -	\$ 90,746	\$ -
Dynegy Payment	\$ 1,130,000	\$ -	\$ 1,130,000	\$ -
Excess Fees Clerk	\$ 244,002	\$ 223,665	\$ 10,169	\$ 10,167
Excess Fees Sheriff	\$ 2,179	\$ 1,876	\$ 262	\$ 40
Planning & Zoning Fees	\$ 512,055	\$ 427,619	\$ 73,286	\$ 11,151
Cable T.V. Franchise	\$ 98,902	\$ -	\$ 98,902	\$ -
Federal Grant-Police	\$ 24,230	\$ 22,001	\$ 1,815	\$ 414
Motax From Other Counties	\$ 52,376	\$ 47,877	\$ 1,975	\$ 2,525
State Reimb/Litter Abatement	\$ 52,292	\$ 47,262	\$ 4,000	\$ 1,030
State Grant/SAFE (police)	\$ 17,080	\$ 15,508	\$ 1,279	\$ 292
State Grant (Animal Removal)	\$ 7,768	\$ 6,991	\$ -	\$ 777
State Grant (Sheriff Body Armor)	\$ 3,880	\$ 3,523	\$ 291	\$ 66
State Grant (OC Police Body Armor)	\$ 9,312	\$ 8,455	\$ 697	\$ 159
Election Exp. Reimburse	\$ 20,400	\$ 20,400	\$ -	\$ -
Bd of Assessment & Appeals	\$ 200	\$ 181	\$ 15	\$ 4
Legal Process Tax	\$ 260	\$ 235	\$ 20	\$ 5
Dog License Refunds	\$ 881	\$ 881	\$ -	\$ -
Net Court Revenue	\$ 7,940	\$ 7,376	\$ 449	\$ 116
State Reimb/AOC	\$ 157,587	\$ 146,383	\$ 8,904	\$ 2,301
Police Incentive Pay	\$ 93,763	\$ 85,136	\$ 7,023	\$ 1,603
Parks & Recreation	\$ 1,981	\$ 1,981	\$ -	\$ -
Parks Programs	\$ 51,360	\$ 51,360	\$ -	\$ -
Aquatic Facility	\$ 217,474	\$ 217,474	\$ -	\$ -
Animal Control Fees	\$ 15,849	\$ 15,849	\$ -	\$ -
Chg for Services/Police	\$ 261,819	\$ 261,819	\$ -	\$ -
Surplus Mach/Equip Sales	\$ 1,820	\$ 1,645	\$ 139	\$ 36
Surplus/Real Property	\$ 3,100	\$ 2,802	\$ 237	\$ 61
Rental Income	\$ 5,400	\$ -	\$ 5,400	\$ -
Recycling Receipts	\$ 28,001	\$ 23,801	\$ 4,200	\$ -
Reimbursement	\$ 1,267	\$ -	\$ 1,267	\$ -
Miscellaneous Revenue	\$ 482	\$ -	\$ 482	\$ -
Insurance Reimbursement	\$ 1,088	\$ 983	\$ 83	\$ 21
DEA Reimbursement	\$ 5,927	\$ 5,927	\$ -	\$ -
Police Service Charges	\$ 6,217	\$ 5,645	\$ 466	\$ 106
Convention Center	\$ 40,671	\$ 33,619	\$ 6,638	\$ 415
Interest	\$ 83,653	\$ 61,560	\$ 20,671	\$ 1,422
<b>Total General Fund</b>	<b>\$ 7,772,213</b>	<b>\$ 5,719,832</b>	<b>\$ 1,920,408</b>	<b>\$ 131,973</b>

REVENUES - FY 2003	Actual	Residential	Commercial/ Industrial	Farmland
<b>Special Funds</b>				
<b>Roads</b>				
Real Estate Tax	\$ 300,000	\$ 271,140	\$ 22,950	\$ 5,910
Tangible Property	\$ 11,343	\$ 5,118	\$ 6,225	\$ -
Motor Vehicle	\$ 54,698	\$ 49,999	\$ 2,062	\$ 2,636
Franchise Tax	\$ 12,959	\$ -	\$ 12,959	\$ -
Encroachment Permits	\$ 24,250	\$ 21,917	\$ 1,855	\$ 478
FEMA Reimb	\$ 16,401	\$ 14,823	\$ 1,255	\$ 323
State Reimbursement	\$ 256,913	\$ 232,198	\$ 19,654	\$ 5,061
Truck Lic. Distribution	\$ 193,955	\$ -	\$ 154,252	\$ 39,703
Drivers Lic. Refund	\$ 4,818	\$ 4,404	\$ 182	\$ 232
County Road Aid	\$ 552,681	\$ 499,513	\$ 42,280	\$ 10,888
Municipal County Road Aid	\$ 181,124	\$ 163,700	\$ 13,856	\$ 3,568
Miscellaneous	\$ 819	\$ 740	\$ 63	\$ 16
County Road Work	\$ 114,161	\$ 103,178	\$ 8,733	\$ 2,249
Development Fees	\$ 50,000	\$ 41,755	\$ 7,155	\$ 1,090
Surplus Property	\$ 151	\$ 137	\$ 12	\$ 3
Lease (Nugent Sand)	\$ 3,000	\$ -	\$ 3,000	\$ -
Reimbursements	\$ 1,434	\$ 1,137	\$ 239	\$ 58
Interest	\$ 16,523	\$ 13,096	\$ 2,756	\$ 671
<b>Total Road Fund</b>	<b>\$ 1,777,273</b>	<b>\$ 1,408,623</b>	<b>\$ 296,492</b>	<b>\$ 72,157</b>
<b>Jails</b>				
Federal Prisoners	\$ 123,100	\$ 123,100	\$ -	\$ -
Space Rental	\$ 793	\$ 755	\$ 30	\$ 8
State Fees	\$ 93,774	\$ 89,263	\$ 3,587	\$ 924
Jail Medical Payment	\$ 6,647	\$ 6,647	\$ -	\$ -
Court Costs	\$ 21,677	\$ 20,136	\$ 1,225	\$ 316
Contracts with Other Counties	\$ 419,223	\$ 399,058	\$ 16,035	\$ 4,129
State Prisoners	\$ 135,309	\$ 135,309	\$ -	\$ -
DUI Fees	\$ 12,355	\$ 11,294	\$ 466	\$ 596
Work Release	\$ 25,918	\$ 25,918	\$ -	\$ -
Home Incarceration	\$ 15,260	\$ 15,260	\$ -	\$ -
Booking Fees	\$ 21,432	\$ 21,432	\$ -	\$ -
Inmates Per Diem	\$ 15,193	\$ 15,193	\$ -	\$ -
Inmate Medical Reimb	\$ 9,354	\$ 9,354	\$ -	\$ -
Telephone Commission	\$ 25,856	\$ 25,856	\$ -	\$ -
Reimbursement	\$ 628	\$ 628	\$ -	\$ -
Bond Repayment	\$ 7,356	\$ 7,002	\$ 281	\$ 72
<b>Total Jail Fund</b>	<b>\$ 933,876</b>	<b>\$ 906,206</b>	<b>\$ 21,624</b>	<b>\$ 6,045</b>
<b>LGEA</b>				
Conservation Pk & Equest. Ctr	\$ 40,750	\$ 40,750	\$ -	\$ -
State Grant/Greenways	\$ 14,016	\$ 14,016	\$ -	\$ -
Business Park Technology Grant	\$ 32,605	\$ -	\$ 32,605	\$ -
EMS State Grant	\$ 21,583	\$ 19,876	\$ 1,707	\$ -
Greenways Grant/Consultants	\$ 62,713	\$ 62,713	\$ -	\$ -
Mineral Severance Tax	\$ 138,637	\$ -	\$ 138,637	\$ -
<b>Total LGEA Fund</b>	<b>\$ 310,304</b>	<b>\$ 137,354</b>	<b>\$ 172,949</b>	<b>\$ -</b>

REVENUES - FY 2003	Actual	Residential	Commercial/ Industrial	Farmland
<b>Central Dispatch</b>				
Telephone Tax	\$ 434,745	\$ 400,835	\$ 33,910	\$ -
FEMA Reimb	\$ 1,500	\$ 1,356	\$ 115	\$ 30
Wireless Phone Surcharge	\$ 84,596	\$ 77,998	\$ 6,599	\$ -
<b>Total Dispatch</b>	<b>\$ 520,841</b>	<b>\$ 480,188</b>	<b>\$ 40,623</b>	<b>\$ 30</b>
LEPC Fund	\$ 131	\$ 118	\$ 10	\$ 3
Road Maintenance Escrow	\$ 47,902	\$ 43,294	\$ 3,665	\$ 944
<b>COUNTY GOVERNMENT REVENUE</b>	<b>\$ 11,362,539</b>	<b>\$ 8,695,616</b>	<b>\$ 2,455,772</b>	<b>\$ 211,152</b>
<b>OTHER COUNTY SERVICES</b>				
Schools	\$ 64,588,692	\$ 61,038,183	\$ 2,960,787	\$ 589,722
Library	\$ 684,859	\$ 582,610	\$ 89,854	\$ 12,396
Health	\$ 574,252	\$ 501,517	\$ 61,933	\$ 10,802
Ambulance	\$ 831,030	\$ 720,918	\$ 94,571	\$ 15,540
Fire Protection Districts	\$ 2,048,163	\$ 1,785,384	\$ 224,274	\$ 38,505
<b>Total Other Services</b>	<b>\$ 68,726,996</b>	<b>\$ 64,628,612</b>	<b>\$ 3,431,419</b>	<b>\$ 666,965</b>
<b>TOTAL REVENUES</b>	<b>\$ 80,089,536</b>	<b>\$ 73,324,228</b>	<b>\$ 5,887,191</b>	<b>\$ 878,116</b>

<b>Expenditures FY 2003</b>	<b>Actual</b>	<b>Residential</b>	<b>Commercial/ Industrial</b>	<b>Farmland</b>
<b>General Government</b>				
Judge/Executive Office	\$ 178,908	\$ 161,697	\$ 13,686	\$ 3,524
County Attorney	\$ 30,167	\$ 27,265	\$ 2,308	\$ 594
County Clerk	\$ 13,977	\$ 12,633	\$ 1,069	\$ 275
Sheriff's Office	\$ 4,698	\$ 4,046	\$ 565	\$ 87
Coroner	\$ 50,704	\$ 50,704	\$ -	\$ -
Magistrate	\$ 141,909	\$ 128,257	\$ 10,856	\$ 2,796
PVA Contribution	\$ 107,400	\$ 92,497	\$ 12,914	\$ 1,989
County Treasurer	\$ 71,951	\$ 61,967	\$ 8,651	\$ 1,333
Human Resources	\$ 36,098	\$ 32,626	\$ 2,762	\$ 711
Law Librarian Salary	\$ 600	\$ 557	\$ 34	\$ 9
Elections	\$ 93,313	\$ 93,313	\$ -	\$ -
Planning & Zoning	\$ 330,143	\$ 303,731	\$ 9,904	\$ 16,507
Board of Education	\$ 400,000	\$ 400,000	\$ -	\$ -
Comprehensive Study/Long Range	\$ 3,651	\$ 3,300	\$ 279	\$ 72
Court House Maintenance	\$ 273,909	\$ 247,559	\$ 20,954	\$ 5,396
County Building Maintenance	\$ 24,503	\$ 22,146	\$ 1,874	\$ 483
District Court Maintenance	\$ 102,271	\$ 95,000	\$ 5,778	\$ 1,493
Information Technology	\$ 150,313	\$ 135,853	\$ 11,499	\$ 2,961
<b>Total General Government</b>	<b>\$ 2,014,517</b>	<b>\$ 1,873,152</b>	<b>\$ 103,134</b>	<b>\$ 38,230</b>
<b>Protection to Persons and Property</b>				
Detention Care	\$ 6,229	\$ 5,929	\$ 238	\$ 61
Police Department	\$ 1,732,272	\$ 1,572,895	\$ 129,817	\$ 29,560
Building Code Enforcement	\$ 135,820	\$ 99,588	\$ 36,232	\$ -
Electrical Inspector Salary	\$ 61,498	\$ 47,354	\$ 14,145	\$ -
Civil Defense Office Supplies	\$ 280	\$ 253	\$ 21	\$ 6
Forestry Contribution	\$ 668	\$ -	\$ -	\$ 668
<b>Total PPP</b>	<b>\$ 1,936,767</b>	<b>\$ 1,726,019</b>	<b>\$ 180,453</b>	<b>\$ 30,295</b>
<b>General Health and Sanitation</b>				
Animal Control	\$ 148,027	\$ 133,224	\$ -	\$ 14,803
Solid Waste	\$ 163,292	\$ 141,774	\$ 13,373	\$ 8,145
Mental Illness Inquest	\$ 2,504	\$ 2,504	\$ -	\$ -
Soil Conservation	\$ 56,706	\$ 40,573	\$ 936	\$ 15,197
<b>Total Health &amp; Sanitation</b>	<b>\$ 370,528</b>	<b>\$ 318,075</b>	<b>\$ 14,309</b>	<b>\$ 38,145</b>
<b>Social Services</b>				
Senior Citizens Prog.	\$ 5,000	\$ 5,000	\$ -	\$ -
Ser. Youth/Children	\$ 6,000	\$ 6,000	\$ -	\$ -
General Welfare	\$ 50	\$ 50	\$ -	\$ -
Community Employment	\$ 5,000	\$ 2,500	\$ 2,500	\$ -
Victims Assistance Program/Sheriff	\$ 5,000	\$ 5,000	\$ -	\$ -
<b>Total Social Services</b>	<b>\$ 21,050</b>	<b>\$ 18,550</b>	<b>\$ 2,500</b>	<b>\$ -</b>

<b>Expenditures FY 2003</b>	<b>Actual</b>	<b>Residential</b>	<b>Commercial/ Industrial</b>	<b>Farmland</b>
<b>Recreation and Culture</b>				
Parks	\$ 274,042	\$ 274,042	\$ -	\$ -
County Museum Program Support	\$ 10,000	\$ 10,000	\$ -	\$ -
Aquatics Center	\$ 182,674	\$ 182,674	\$ -	\$ -
Cooperative Extension Board	\$ 114,980	\$ 102,508	\$ 4,387	\$ 8,085
Tourist and Convention	\$ 156,366	\$ 129,252	\$ 25,519	\$ 1,595
Festivals Program Support	\$ 1,000	\$ 1,000	\$ -	\$ -
Fourth of July Celebration	\$ 7,159	\$ 7,159	\$ -	\$ -
<b>Total Recreation and Culture</b>	<b>\$ 746,221</b>	<b>\$ 706,634</b>	<b>\$ 29,906</b>	<b>\$ 9,680</b>
Allen Lane Settlement	\$ 25,000	\$ -	\$ 25,000	\$ -
<b>Debt Service</b>				
Prin on Bond-Convention Ctr	\$ 230,000	\$ 190,118	\$ 37,536	\$ 2,346
Interest on Bond-Convention Ctr	\$ 258,484	\$ 213,663	\$ 42,185	\$ 2,637
Prin on Bond-Fiscal Ct Bldg	\$ 94,356	\$ 85,279	\$ 7,218	\$ 1,859
Interest on Note/Fiscal Ct Bldg	\$ 16,609	\$ 15,011	\$ 1,271	\$ 327
<b>Total Debt Service</b>	<b>\$ 599,449</b>	<b>\$ 504,071</b>	<b>\$ 88,209</b>	<b>\$ 7,169</b>
<b>Capital Projects</b>				
Business Park Road /County Exp	\$ 5,985	\$ -	\$ 5,985	\$ -
South Oldham Gov. Property Imprv.	\$ 176,375	\$ 159,408	\$ 13,493	\$ 3,475
South Oldham Gov. Property Purchase	\$ 327,399	\$ 295,904	\$ 25,046	\$ 6,450
Major Thoroughfare Plan	\$ 82,169	\$ 74,265	\$ 6,286	\$ 1,619
<b>Total Capital Projects</b>	<b>\$ 591,929</b>	<b>\$ 529,576</b>	<b>\$ 50,810</b>	<b>\$ 11,543</b>
<b>Administration</b>	\$ 1,041,395	\$ 937,463	\$ 81,645	\$ 22,286
<b>Total General Fund</b>	<b>\$ 7,346,856</b>	<b>\$ 6,613,542</b>	<b>\$ 575,966</b>	<b>\$ 157,348</b>
<b>SPECIAL FUNDS</b>				
Roads	\$ 1,742,711	\$ 1,579,955	\$ 129,425	\$ 33,331
Jails	\$ 1,336,896	\$ 1,272,592	\$ 51,136	\$ 13,168
Dispatch	\$ 761,817	\$ 691,726	\$ 57,091	\$ 13,000
LEPC	\$ 1,213	\$ 1,096	\$ 93	\$ 24
LGEA	\$ 341,324	\$ 150,850	\$ 190,474	\$ -
<b>Total Special Funds</b>	<b>\$ 4,183,961</b>	<b>\$ 3,696,220</b>	<b>\$ 428,219</b>	<b>\$ 59,523</b>
<b>Total County Government Expenditures</b>	\$ 11,530,818	\$ 10,309,761	\$ 1,004,185	\$ 216,871
<b>Other County Services</b>				
Education	\$ 63,713,801	\$ 63,683,651	\$ 30,150	\$ -
Library	\$ 684,859	\$ 684,859	\$ -	\$ -
Health	\$ 574,252	\$ 529,460	\$ 44,792	\$ -
Ambulance	\$ 831,030	\$ 765,295	\$ 65,735	\$ -
Fire Protection Districts	\$ 2,048,163	\$ 1,295,371	\$ 584,153	\$ 168,639
<b>Total Other County Services</b>	<b>67,852,105</b>	<b>66,958,637</b>	<b>724,829</b>	<b>168,639</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 79,382,923</b>	<b>\$ 77,268,398</b>	<b>\$ 1,729,014</b>	<b>\$ 385,510</b>

**APPENDIX B: SAMPLE OF COST OF COMMUNITY SERVICES STUDIES**

**REVENUE-TO-EXPENDITURE RATIOS IN DOLLARS**

	<b>Residential including farm houses</b>	<b>Commercial &amp; Industrial</b>	<b>Working &amp; Open Lands</b>	<b>Source</b>
<b>Colorado</b>				
Custer County	1 : 1.16	1 : 0.71	1 : 0.54	Haggerty, 2000
Sagauche County	1 : 1.17	1 : 0.53	1 : 0.35	Dirt, Inc., 2001
<b>Connecticut</b>				
Bolton	1 : 1.05	1 : 0.23	1 : 0.50	Geisler, 1998
Durham	1 : 1.07	1 : 0.27	1 : 0.23	Southern New England Forest Consortium, 1995
Farmington	1 : 1.33	1 : 0.32	1 : 0.31	Southern New England Forest Consortium, 1995
<b>Georgia</b>				
Carroll County	1 : 1.29	1 : 0.37	1 : 0.55	Dorfman and Black, 2002
<b>Idaho</b>				
Canyon County	1 : 1.08	1 : 0.79	1 : 0.54	Hartmans and Meyer, 1997
Cassia County	1 : 1.19	1 : 0.87	1 : 0.41	Hartmans and Meyer, 1997
<b>Kentucky</b>				
Lexington-Fayette County	1 : 1.64	1 : 0.22	1 : 0.93	American Farmland Trust, 1999
<b>Maine</b>				
Bethel	1 : 1.29	1 : 0.59	1 : 0.06	Good, 1994
<b>Maryland</b>				
Carroll County	1 : 1.15	1 : 0.48	1 : 0.45	Carroll County Dept. of Management & Budget, 1994
Cecil County	1 : 1.17	1 : 0.34	1 : 0.66	American Farmland Trust, 2001
Cecil County	1 : 1.12	1 : 0.28	1 : 0.37	Cecil County Office of Economic Development, 1994
Wicomico County	1 : 1.21	1 : 0.33	1 : 0.96	American Farmland Trust, 2001
<b>Massachusetts</b>				
Agawam	1 : 1.05	1 : 0.44	1 : 0.31	American Farmland Trust, 1992
Becket	1 : 1.02	1 : 0.83	1 : 0.72	Southern New England Forest Consortium, 1995
Deerfield	1 : 1.16	1 : 0.38	1 : 0.29	American Farmland Trust, 1992
Franklin	1 : 1.02	1 : 0.58	1 : 0.40	Southern New England Forest Consortium, 1995
Gill	1 : 1.15	1 : 0.43	1 : 0.38	American Farmland Trust, 1992
<b>Michigan</b>				
Marshall Twp., Calhoun County	1 : 1.47	1 : 0.20	1 : 0.27	American Farmland Trust, 2001
Newton Twp., Calhoun County	1 : 1.20	1 : 0.25	1 : 0.24	American Farmland Trust, 2001
<b>Minnesota</b>				
Farmington	1 : 1.02	1 : 0.79	1 : 0.77	American Farmland Trust, 1994
Lake Elmo	1 : 1.07	1 : 0.20	1 : 0.27	American Farmland Trust, 1994

	<b>Residential including farm houses</b>	<b>Commercial &amp; Industrial</b>	<b>Working &amp; Open Lands</b>	<b>Source</b>
<b>Montana</b>				
Carbon County	1 : 1.60	1 : 0.21	1 : 0.34	Prinzing, 1997
Gallatin County	1 : 1.45	1 : 0.16	1 : 0.25	Haggerty, 1996
Flathead County	1 : 1.23	1 : 0.26	1 : 0.34	Citizens for a Better Flathead, 1999
<b>New Hampshire</b>				
Deerfield	1 : 1.15	1 : 0.22	1 : 0.35	Auger, 1994
Dover	1 : 1.15	1 : 0.63	1 : 0.94	Kingsley, et al., 1993
Exeter	1 : 1.07	1 : 0.40	1 : 0.82	Niebling, 1997
<b>New Jersey</b>				
Freehold Township	1 : 1.51	1 : 0.17	1 : 0.33	American Farmland Trust, 1998
Holmdel Township	1 : 1.38	1 : 0.21	1 : 0.66	American Farmland Trust, 1998
Middletown Township	1 : 1.14	1 : 0.34	1 : 0.36	American Farmland Trust, 1998
<b>New York</b>				
Amenia	1 : 1.23	1 : 0.25	1 : 0.17	Bucknall, 1989
Beekman	1 : 1.12	1 : 0.18	1 : 0.48	American Farmland Trust, 1989
Dix	1 : 1.51	1 : 0.27	1 : 0.31	Schuyler County League of Women Voters, 1993
Farmington	1 : 1.22	1 : 0.27	1 : 0.72	Kinsman et al., 1991
<b>Ohio</b>				
Madison Village	1 : 1.67	1 : 0.20	1 : 0.38	American Farmland Trust, 1993
Madison Township	1 : 1.40	1 : 0.25	1 : 0.30	American Farmland Trust, 1993
Shalersville Township	1 : 1.58	1 : 0.17	1 : 0.31	Portage County Regional Planning Commission, 1997
<b>Pennsylvania</b>				
Allegheny Township	1 : 1.06	1 : 0.14	1 : 0.13	Kelsey, 1997
Bedminster Township	1 : 1.12	1 : 0.05	1 : 0.04	Kelsey, 1997
Bethel Township	1 : 1.08	1 : 0.17	1 : 0.06	Kelsey, 1992
Bingham Township	1 : 1.56	1 : 0.16	1 : 0.15	Kelsey, 1994
<b>Rhode Island</b>				
Hopkinton	1 : 1.08	1 : 0.31	1 : 0.31	Southern New England Forest Consortium, 1995
Little Compton	1 : 1.05	1 : 0.56	1 : 0.37	Southern New England Forest Consortium, 1995
<b>Texas</b>				
Bandera County	1 : 1.10	1 : 0.26	1 : 0.26	American Farmland Trust, 2002
Hays County	1 : 1.26	1 : 0.30	1 : 0.33	American Farmland Trust, 2000
<b>Utah</b>				
Cache County	1 : 1.27	1 : 0.25	1 : 0.57	Snyder and Ferguson, 1994
Sevier County	1 : 1.11	1 : 0.31	1 : 0.99	Snyder and Ferguson, 1994
Utah County	1 : 1.23	1 : 0.26	1 : 0.82	Snyder and Ferguson, 1994

	<b>Residential including farm houses</b>	<b>Commercial &amp; Industrial</b>	<b>Working &amp; Open Lands</b>	<b>Source</b>
<b>Virginia</b>				
Augusta County	1 : 1.22	1 : 0.20	1 : 0.80	Valley Conservation Council, 1997
Clarke County	1 : 1.26	1 : 0.21	1 : 0.15	Piedmont Environmental Council, 1994
Northampton County	1 : 1.13	1 : 0.97	1 : 0.23	American Farmland Trust, 1999
<b>Washington</b>				
Skagit County	1 : 1.25	1 : 0.30	1 : 0.51	American Farmland Trust, 1999
<b>Wisconsin</b>				
Dunn	1 : 1.06	1 : 0.29	1 : 0.18	Town of Dunn, 1994
Dunn	1 : 1.02	1 : 0.55	1 : 0.89	Wisconsin Land Use Research Program, 1999
Perry	1 : 1.20	1 : 1.04	1 : 0.96	Wisconsin Land Use Research Program, 1999
Inclusion in this table does not necessarily signify review or endorsement by American Farmland Trust.				