

Turner to
Klepper

Fulton County, Georgia
Inter-Office Memorandum

To: Mr. A. Turner McDonald, Director of Public Works

From: Alan F. Klepper, County Manager

Date June 27, 1967

Subject: Depreciation charges on sewage
treatment plants and pumping stations

This will confirm our recent conversation regarding your memorandum dated May 10, 1967, in which you proposed that we charge the City of Atlanta for depreciation on sewage treatment plants and pumping stations which are handling City sewage. I discussed this subject with Assistant to the Mayor Earl Landers on June 8, 1967. He said that this entire matter had been fully aired and discussed in early 1963 with former County Manager A. E. Fuller. Mr. Landers said that the City's position was that no depreciation is charged to the County for City facilities involved in contractual services. Specifically, the City does not charge depreciation on its incinerators as part of our garbage collection and disposal contract, it does not charge depreciation on the police station in the police contract, and it does not charge depreciation on City fire stations which supply protection to the County on call. Mr. Landers further stated that, since Fulton County's general obligation bonds are retired primarily from tax funds levied in the City of Atlanta, the City did not feel it was equitable for it to be charged depreciation on County facilities constructed with such bonds. He made it very clear that the City would stoutly resist any depreciation in County charges for sewage treatment plants and pumping stations.

Since the matter has apparently been fully aired before at which time it was agreed that depreciation would not be a factor in contracts for services between the City and the County and since there is considerable logic in the City's position as stated by Mr. Landers, I question the advisability of re-opening this issue at this time. Frankly, in view of the information stated above, I would be forced to agree with the City's position. Since the County Commission may wish to pursue the matter and re-open the issue of depreciation charges, I am forwarding to them copies of this memorandum and your memorandum of May 10, 1967.

In the interim I suggest that you continue your prior practice of billing the City only for actual expenses with no provision for depreciation.

cc: Board of County Commissioners

✓ Mr. R. Earl Landers, Assistant to the Mayor of Atlanta