

Fulton County v. City of Sandy Springs

This case was filed in Fulton County State Court on July 11, 2008 concerning the failure of the City of Sandy Springs (“Sandy Springs”) to pay all costs associated with Fulton County’s provision of transitional fire and emergency medical services pursuant to a December 21, 2005 Intergovernmental Agreement and an amended May 17, 2006 Intergovernmental Agreement (“IGAs”). The IGAs provided that Sandy Springs would pay for the actual, direct, and indirect costs of providing the services, including overtime, based on estimated and reconciled costs and staffing data. The IGAs also required Fulton County to maintain staffing levels that were greater than those used for Fulton County stations (i.e., 4 men per vehicle for the Sandy Springs fire stations vs. 3 men per vehicle for Fulton County stations.) Compliance with the staffing levels of the IGA was often achieved through the use of overtime.

In addition to agreeing that Fulton County could use overtime to provide fire services and to fill temporary vacancies in positions assigned to Sandy Springs, the IGAs also provided that the estimated costs would be reconciled with the actual costs incurred by Fulton on a quarterly basis. If additional payments were due by either party, the payments would be made within ninety (90) days of the reconciliation. Sandy Springs made monthly payments during the majority of the contract, but never provided payment for the overtime costs in question.

Reconciliations provided to Sandy Springs in June 2007 and 2008 show that Sandy Springs owes Fulton County \$1,145,910. To date, Sandy Springs has failed to make payment. Consequently, Fulton County claims that Sandy Springs breached the IGAs by failing to remit the total cost of services within (90) days of receipt.

This case is before State Court Judge Patsy Porter. Once all preliminary matters have been concluded, this case will either go to trial or the court will make a legal ruling on which party should prevail.

Fulton County v. City of Johns Creek

Fulton County filed suit against the City of Johns Creek on June 30, 2009 alleging breach of contract and seeking payment of \$581,116.42 owed for the provision of police and fire services to Johns Creek during its transaction in accordance with House Bill 1321, which created the City of Johns Creek and IGAs entered between the new municipality and Fulton. Fulton and Johns Creek entered an IGA for the provision of Police services on November 14, 2006 which was in effect through April 26, 2008. Fulton and Johns Creek entered an IGA for the provision of Fire services on November 14, 2006 which was in effect through October 7, 2008. The amount Fulton is seeking represents the difference between the payments made to Fulton during the life of the IGAs and actual costs of providing such services to Johns Creek. Of the amount Fulton is seeking, \$363,761.95 is attributable to Police services while \$271,354.47 is attributable to Fire services.

Pursuant to Section 4.4 of the Police IGA, Johns Creek and Fulton were to reconcile the amounts paid to Fulton with the cost of the actual services provided to Johns Creek at the conclusion of the IGA. In the event that the actual costs of the services provided exceeded the payments made to Fulton by Johns Creek, Johns Creek was required to pay such additional amount to Fulton within ninety (90) days of reconciliation. Section 4.4 of the Fire IGA contains identical terms. After multiple attempts to collect these amounts from Johns Creek were unsuccessful, the present lawsuit was initiated at the direction of the Board of Commissioners.

Johns Creek has denied that Fulton is owed the amounts sought and has filed a counter claim asserting that Fulton breached its obligations to Johns Creek on multiple fronts. As to the Police IGA, Johns Creek asserts (1) that Fulton failed to meet the minimum staffing requirements contained in Sections 6.2 and 6.8 of the Police IGA, (2) that Fulton failed to properly report crimes occurring within the corporate limit of Johns Creek as required in Section 12.2 of the Police IGA, and (3) that Fulton County failed to provide monthly reports to the City Manager as required in Section 12.4 of the Police IGA. As to the Fire IGA, Johns Creek asserts that Fulton failed to meet the minimum staffing requirements contained in Sections 6.2, 6.5, and 6.7 of the Fire IGA.

This case is in the discovery stage and after that has concluded the case will either proceed to trial or the court will rule in favor of one of the parties as a matter of law.

Fulton County v. The City of Milton, Georgia

Fulton County filed suit against the City of Milton on June 30, 2009 alleging breach of contract and seeking payment of \$324,615.02 owed for the provision of police and fire services to Milton during its transition in accordance with House Bill 1470, which created the City of Milton, and IGAs entered between the new municipality and Fulton. Fulton and Milton entered an IGA for the provision of Police services on January 17, 2007 which was in effect through April 30, 2007 which was in effect through May 18, 2007. The amount Fulton is seeking represents the difference between the payments made to Fulton during the life of the IGAs and actual costs of providing such services to Milton. Of the amount Fulton is seeking, \$198,186.44 is attributed to Police services while \$126,428.58 is attributed to Fire services.

Pursuant to Section 4.4 of the Police IGA, Milton and Fulton were to reconcile the amounts paid to Fulton with the cost of the actual services provided to Milton at the conclusion of the IGA. In the event that the actual cost of the services provided exceeded the payments made to Fulton by Milton, Milton was required to pay such additional amount to Fulton within sixty (60) days of reconciliation. Section 4.4 of the Fire IGA contains identical terms. Both the County Manager's office and this office communicated with Milton about payment of these amounts. While it appears Milton was willing to concede that the amount claimed on the Fire IGA was indeed owed to Fulton, Milton was insistent that they had made excess payments as to the Police IGA and suggested that funds be transferred from the Police IGA account to the Fire IGA account to make up any underpayment on the Fire IGA. As we believe that Milton

underpaid on both the Police and Fire IGAs, we could not agree to this proposal. Accordingly, litigation was initiated at the direction of the Board of Commissioners.

Milton has denied that Fulton is owed the amounts sought under both the Police IGA and the Fire IGA and has filed a counter claim asserting that Fulton breached its obligations to Milton by failing to meet the minimum staffing requirements contained in Section 6.9 of the Police IGA. Milton does not assert that Fulton breached the terms of the Fire IGA, but has now denied that Fulton is owed the funds asserted as to either IGA.

As with the *Johns Creek* litigation, this case is in the discovery stage and will be resolved either by motion or trial after the preliminary stage has concluded.