

Preamble

In the 2008 session of the Georgia General Assembly, North Fulton lawmakers introduced House Resolution 21, a measure that seeks to restore self-governance and identity to the unique community of North Fulton by facilitating the recreation of Milton County. A similar resolution was introduced in 2006 as well. Both resolutions were sponsored by Representative Jan Jones and co-sponsored by Representatives Mark Burkhalter, Harry Geisinger, Chuck Martin, Joe Wilkinson and Wendell Willard. Under-served by county government for decades, Milton County residents would fund and manage services now available in 159 Georgia counties. At the same time, Fulton County's existing government would restructure service delivery to more closely align with the desires and needs of its remaining citizens. Milton and a new Fulton County would each be sustainable under this model. Future revenues and appropriations for service delivery would be driven by the will of the constituency and elected representatives. Adequate resources are currently available to provide quality service delivery in the two future county governments.

Representatives Mark Burkhalter and Jan Jones appointed the Milton County Legislators' Advisory Committee earlier this year to examine the issues surrounding the recreation of the county dissolved in 1932, after 75 years in existence. The following sections provide an overview of the most important topics to be considered in recreating Milton County. Readers will gain a better understanding of the legislative initiative and satisfactorily conclude that HR 21 merits approval in the 2010 session of the Georgia General Assembly.

Old Milton County Courthouse – Alpharetta



History of Milton County

Milton County, along with Campbell County which is now South Fulton today, is one of two counties ever be abolished in the State of Georgia without being subsequently unmerged. Milton County was established in 1857 with parts of Cherokee, Forsyth and Cobb counties to create a more accessible county seat to this agricultural area along the Chattahoochee River.

The county seat was Alpharetta. The county was named after John Milton, Georgia's first secretary of state and a lieutenant colonel in the Revolutionary War who is said to have preserved state records during British occupation.

That county never evolved from its agricultural economy. When the Great Depression hit, the county suffered greatly. In 1932, the Georgia Legislature voted to merge Milton and Fulton counties to give residents access to Fulton schools at a time when there was little money for education. As a result, Milton and Campbell counties were abolished.



Milton County Circa 1915

Section 1 – FAQ’s – The Recreation of Milton County

Why is an amendment to the Georgia Constitution necessary to recreate Milton County?

Georgia’s Constitution currently limits the number of counties to 159. Peach County was the most recent county created in Georgia in 1924, bringing the total number of Georgia counties to 161. In 1932, Milton and Campbell counties merged with Fulton County, reducing the number of counties to 159. The Legislature later capped the number of counties at 159.

HR 21 seeks legislative, then voter approval on the 2010 ballot to recreate *only* counties that previously existed, effectively restoring the threshold to 161.

Would new Milton and Fulton county governments be fiscally viable?

The Milton County legislative study report presented in March of 2009 presented financial projections for Milton County that demonstrate its fiscal viability. Section 2 of this report looks at more recent financial data, and reaffirms that study’s conclusions. Evidence is also presented to illustrate the ongoing financial sustainability of a new Fulton County.

What services would Milton County government provide that the cities of Sandy Springs, Alpharetta, Roswell, Johns Creek, Mountain Park and Milton could not offer?

As specified by the Georgia Constitution, city governments and county governments each provide specific services. Milton County would be charged with providing services such as a court system, county sheriff, property and tax assessment and a health department, for example. Residents want a government closer to home that is more responsive to their needs when it comes to these services.

How would funds be provided for the Grady Health System?

Milton County would contract for indigent care health services of qualified Milton County residents under similar terms and conditions currently in place for Fulton County. Milton County would provide a proportional share of bond debt repayment for the Grady Health System in a manner consistent with other Fulton County long-term liabilities.

How would funds be provided for MARTA?

MARTA is primarily funded by a local option sales tax of 1 percent collected solely in Fulton and DeKalb counties. Milton County would continue to participate in the current MARTA dedicated sales tax collection.

How would the public schools be impacted?

The Fulton County School System is the only school district among 180 in Georgia to be geographically divided, in this case by the Atlanta Public Schools. As a result, HR 21 would create a separate Milton County Board of Education that would be independent of the Fulton school board. That school board would continue to operate schools south of the city of Atlanta, which has its own school system.

How would water and wastewater services be provided in Milton County?

Water and wastewater services are currently provided to customers in the six cities by Fulton County, Cobb County, City of Roswell and the City of Atlanta. The water and wastewater services provided by these governments are operated as enterprise funds, separate from taxpayer-funded county and municipal services. These utilities would continue to operate in their current service areas, consistent with the Metropolitan North Georgia Water Planning District.

How would the Atlanta/Fulton Public Library System be affected?

The newly-elected officials of Milton and Fulton counties would have the opportunity to consider alternatives: continued bi-county services with a shared cost structure; or create a Milton County library system with transfer of fully paid, real property to Milton County and assumption of certificate of participation leases outstanding on Milton area facilities.

How would Milton County impact state and regional services?

The State of Georgia would provide agency services in Milton County as it does in other Georgia counties. Milton County would participate in regional commissions, agencies and

programs which would provide for better direct representation of its constituents. Legislation would be required to address existing state laws and services based on population. Additional discussion is provided in Section 6 of this report.

How would Milton County affect state House or state Senate districts?

The recreation of Milton County would not impact legislative districts.

How would the Atlanta Superior Court Judicial Circuit and other areas of the Fulton County Justice System be affected?

Milton County superior courts and the district attorney's office would be part of the Atlanta Judicial Circuit. It would have its own state, probate, juvenile and magistrate court as well as its own solicitor general and clerk's office financed by county taxpayers.

What is the timeline for enacting legislation and the transition to independent service delivery in Milton County?

If the Legislature adopts HR 21 in the 2010 session of the General Assembly, it would be placed on the statewide ballot in November 2010. Upon approval of the constitutional amendment, legislation would be introduced calling for a 2011 local referendum on whether to recreate Milton County.

Upon approval of the local referendum, legislation would be introduced in 2012 creating a Milton County charter. Legislation modifying the Fulton County charter would also need to be introduced. Following approval, there would be an election of county constitutional officers. Upon election, the new Milton County officials would be empowered to develop the structure and function of government in accordance with the charter. It is expected that the transition of service delivery from Fulton County to Milton County would be conducted in steps with completion targeted for 2014 or 2015.

Section 2 – Fiscal Sustainability of Milton and Fulton Counties

An academic team from the Carl Vinson Institute of Government at the University of Georgia and the Andrew Young School – Fiscal Research Center at Georgia State University performed an extensive study of the financial aspects of the recreation of Milton County. As a result, the Milton County legislative study report concluded earlier this year that Milton County government would be fiscally sustainable and have more than sufficient resources to provide effective services.

Working from 2006 financial data, the study projected that Milton County would generate \$209 million in revenues annually, a per capita rate of \$673. Expenditures were calculated at a service level and cost consistent with the peer counties of Cobb, Gwinnett, DeKalb and Fulton. Expenditure projections of \$148 million annually (\$476) per capita would provide for operations of Milton County government. The study did not include expenses that would be unique to Milton County, such as the allocation of liabilities of Fulton County at the time of the passage of HR 21.

A review of more recent financial data affirms the fiscal sustainability of Milton County. Further, elected officials of Milton County would have the discretion to enhance service levels beyond those contemplated by the Milton County legislative study report. Revenue projections based on 2009 Fulton County Budget and Tax Digest data are seen below. Expenditures shown below include liability allocation and unique start up costs for Milton County.

Milton County – Annual Financial Projections

Revenues (Based on a 2009 Fulton County millage rate of 10.281) \$221,000,000

Expenditures:

Operations (2006 data taken from UGA/GA State Study):

Administrative Services	\$34,000,000
Judicial Services	56,000,000
Health and Human Services	6,000,000
Libraries	4,000,000
Tax Administration	7,000,000

Registrations and Elections	2,000,000	
Emergency Management Services	4,000,000	
Animal Control	1,000,000	
Grady Health System	33,000,000	
Operations - Inflation Projections to 2009 (6%)	9,000,000	
Fulton County Liabilities: Debt Service	2,000,000	
Pension Liabilities	17,000,000	
Post Employment Benefits	3,000,000	
Long Term Leases	1,000,000	
Milton County Costs: Occupancy	4,000,000	
Capital Leases & Equipment	<u>2,000,000</u>	<u>185,000,000</u>
Fund Balance		<u>\$36,000,000</u>

A 10% reduction in the millage rate would yield a fund balance of \$22,000,000.

A 20% reduction in the millage rate would yield a fund balance of \$3,000,000. This financial data clearly confirms the financial viability of Milton County.

Data from the 2006 financial analysis painted a picture for fiscal sustainability for both counties, proving the long-term prospects for two, separate counties is good. Released earlier this year, the Milton County legislative study report indicated that services could effectively be provided at a spending rate of \$476 per capita. In the 2009 budget approved by the Fulton County Board of Commissioners, recurring revenues of Fulton County equated to \$598 per capita. Allocation of 2009 revenues between a new Fulton and Milton County would result in \$373 million in revenues to new Fulton County, a per capita rate of \$580. At a per capita spending rate of \$476, new Fulton County could appropriate \$306 million of the \$373 million in revenues for annual operating expenditures, with \$67 million left available for discretionary services.

Section 3 – One Disconnected School District Becomes Two

The Fulton County School System is the most unique school system in the nation. The City of Atlanta is a separate and unique school system in the middle of Fulton County. The Fulton County School System (FCSS) serves all of Fulton County except the City of Atlanta.

This has created the only non-contiguous school system in the country, with the northern portion and the southern portion sharing no geographic connection. As a result, this committee recommends the creation of two separate districts in concurrence with the recreation of Milton County.

At approximately 75 miles long, the FCSS's 99 schools are home to 89,792 students by the 10-day enrollment count for the 2009-10 school year. Enrollment figures show that 63 percent of the students attend schools north of the City of Atlanta, with 37 percent attending schools south of the City of Atlanta. A new Milton district with 56,850 pupils would be slightly larger than Clayton County, and the Fulton district with 32,942 students would be similar to Richmond County's student enrollment.

Cost per Pupil - The 2009 actual cost to educate each pupil was \$9,257. Of that cost, the local contribution from local property taxes is 62 percent.

There are various programs in FCSS that are designed to focus on certain populations (English Language Learners, At-Risk students who are identified by their Title I status, etc.) These programs impact the actual cost per pupil at each school. Schools with higher concentrations of special populations of students "earn" more dollars and, as a result, spend more to educate each child.

Federal grants follow the students, based upon need. Of the Title I and Title II grants, approximately 25 percent is allocated to North Fulton schools and 75 percent is allocated to South Fulton schools. The creation of Milton County and the division of the Fulton school district into a Milton school board and the Fulton school board would have no effect on the allocation of these dollars, as they follow the student.

Asset Allocation - Approximately 40 percent of Fulton schools are located south of the City of Atlanta. There are 13 additional buildings that are owned by the FCSS:

South Fulton

25 Elementary (41 percent)
10 Middle (40 percent)
8 High (40 percent)

North Fulton

35 Elementary (59 percent)
15 Middle (60 percent)
12 High (60 percent)

Administration Center
The Meadows Operating Center
Teaching Museum South
Transportation South
Jo Wells Center
Warehouse
Professional Learning South
Instructional Technology Center
Flat Shoals Center

Kimball Bridge Road Center
Milton Center
Teaching Museum North
Transportation North

SPLOST - Fulton County voters have consistently approved the Special Purpose Local Option Sales Tax, or local 1 percent sales tax for school construction, for several years. The FCSS's building program is currently funded by SPLOST III. The School Board has long had a process in place for identifying those areas requiring new schools. That program is based upon a sophisticated enrollment projection process that takes into consideration many objective variables. SPLOST has allowed the Fulton County School Board to address the growing student population without incurring additional debt. The current SPLOST program runs from 2007-2012. When the Board discussed this referendum with the community, it committed to completing the program regardless of the outcome of the effort to recreate Milton County. Future enrollment projections show that growth will continue on in both North Fulton and South Fulton. Future SPLOST considerations should take any potential legislation into consideration in planning the program.

Projected Capital Need by 2013

North Fulton

114 Elementary Classrooms
61 Middle Classrooms
1,725 High School Seats

South Fulton

117 Elementary Classrooms
69 Middle Classrooms
736 High School Seats

The study examined the recreation of Milton County and its data indicated that real property improvements by the Fulton School Board were worth more in South Fulton than North Fulton.

Not only were there more buildings, but the total construction improvements per acre and per student has been more in South Fulton than in North Fulton as of 2006, according to the Carl Vinson Institute at the University of Georgia.

Attendance Zones - Because the City of Atlanta bisects the school district, there are no attendance zones which straddle both North and South – making the division into two districts easy for students. In addition, each change in attendance zones for the past decade has included multiple opportunities for the community to participate and be heard. Consideration should be given to including this process in a new Milton County school district.

Section 4 – New Opportunities for Taxpayer Savings

Milton County would be completely municipalized with the cities of Alpharetta, Johns Creek, Milton, Mountain Park, Sandy Springs and Roswell. These local governments offer exciting, new opportunities to create and deliver services in a highly flexible way to meet the specific needs of specific communities. The existence of these municipalities, in essence, create “service delivery” units that act as service Lego™ blocks that can be attached and detached as needed via intergovernmental agreements to create new governmental structures that meet changing service demands and fill service gaps.

For instance, several cities have mutual-aid agreements for fire service and some are contemplating automatic aid to strengthen coverage in areas where one municipality may have a station closer a neighboring city.

Sandy Springs and Johns Creek have a joint 911 center to provide state-of-the-art emergency response and dispatch services. Roswell and Alpharetta operate individual 911 services. Each service delivery strategy can be revisited and adjusted based on future need.

Recreation of Milton County provides additional flexibility since the county can provide those services traditionally reserved for county governments – courts magistrates, coroners,

district attorney/solicitors, public defenders, jails, records management, elections/voter registration, tax assessments/collections, public health/social services, schools, libraries, and similar services. Cities can continue delivering traditional municipal services but work with the county to develop flexible, regional, area or targeted service delivery strategies based on consumer demands.

Another innovation that has taken root in the area designated as Milton County is privatization. The newly-created municipalities have primarily relied on private-sector contractors for service delivery. Milton County also can be structured to capitalize on privatization's advantages, including:

- **Longer-Term Cost Predictability:** With a five-year contract – the typical length for most Georgia service delivery contracts – the county can achieve multi-year, fixed costs for many, if not all, services. This approach shifts service cost risks from taxpayers to the private sector, while ensuring the government of a fixed, pre-determined cost of services during the contract term. It helps keep taxes low.
- **Overall Reduced Cost:** A study by the Reason Foundation to be published later this year compared 10 communities – five with contracted services and five “traditional” cities. In each of the five cases, the contract cites had a lower cost of service per capita. On average, the traditional cities were 128 percent more costly. When examined on a purely economic basis and with minimum political interference, the competitive incentives inherent in bidding and contracting services provide a significantly more efficient, cost-effective service delivery model.
- **Flexibility:** By contracting for services, the government can benefit from much greater flexibility in adapting to changing circumstances. When a government hires planning and permitting staff, for example, it typically hires for peak demand. When the economy declines and construction diminishes, it carries that overhead into those lean years. Private contractors can more easily raise and lower head count. When emergencies stretch public safety and public works personnel, private contractors can quickly adjust headcount to accommodate the market. This flexibility extends to almost every service the county would provide.

- **Innovation:** By capitalizing on the innovation that competition stimulates, the county can benefit from emerging services or new service delivery models developed by the private sector. The use of value engineering in service contracts and built-in incentives, privatization offers opportunities to find better, faster, cheaper ways to accomplish tasks.
- **Accountability:** Obviously, accountability starts with the elected officials. But by ensuring accountability throughout the service delivery system, the county can provide a higher level of customer (taxpayer) satisfaction. The knowledge that contracts can be canceled and ultimately rebid helps ensure that contractors providing the service work every day to maximize customer responsiveness and satisfaction. Lapses in service and responsiveness can be dealt with much easier by removing and rehiring a contractor or subcontractor than firing an entire city department.

Under no circumstances should partitioning Fulton County to create Milton County make Fulton County or the city of Atlanta financially unsustainable. Atlanta is the State Capital. It is the South's premier city. It is the heart of Georgia's economic engine and the core of a four million person metropolitan area.

In creating Milton County, equal attention must be paid to ensuring a fiscally healthy, vibrant, successful community centered on the City of Atlanta and its southern suburbs, especially Fulton County. To ensure this outcome, we recommend that the General Assembly consider innovative opportunities for a new Fulton County.

Section 5 – New Judicial System Doesn't Impact Existing One

The 159 counties in Georgia operate five court systems:

- Superior courts, which have general civil jurisdiction, hear felony criminal cases and have limited appellate jurisdiction from inferior courts;
- State courts, which have concurrent jurisdiction with superior courts for money damage cases and hear state misdemeanor cases;

- Probate courts, which administer wills and estates, as well as guardianships and some other specialized matters;
- Magistrate courts, which hear some specialized proceedings such as dispossessory, garnishments and small claim cases, as well as hearing non-jury misdemeanor cases and certain criminal pre-trial proceedings;
- Juvenile courts, which hear cases involving delinquent, deprived or unruly children and, concurrently with superior courts, hear capital felony cases against juveniles and custody, support and parental rights termination cases.

In addition to the courts, counties have both district attorneys, who prosecute felony cases, and a solicitor general, who prosecutes misdemeanors, as well as a clerk of the superior court and the public defender's office.

As proposed, Milton County superior courts and the district attorney's office would be part of the Atlanta Judicial Circuit. Both Fulton and Milton counties would be in the Atlanta Judicial Circuit. Elections for those posts would be conducted in the circuit as a whole, and local salary supplements would be jointly funded by both counties into a supplement pool. The creation of Milton County would not require additional superior court judges or a separate district attorney's office, although trials and hearings concerning cases pending in Milton County would be heard in Milton County and filings would be made with Milton's clerk of court. The enabling constitutional amendment does provide, however, the flexibility to split the circuit into single county circuits if the General Assembly determines it is advisable to do so. This Committee sees no difficulties in the operation of these offices.

While Milton County would have its own state, probate, juvenile and magistrate court, as well as its own solicitor general and clerk's office, the costs of operating these would be borne at the county level, and there should be a concomitant reduction in the costs of operating Fulton's system with the diversion of case load to Milton. And, while there would ultimately be a capital cost to Milton County in establishing physical facilities, Fulton County would be relieved of imminent capital costs for expansion of its own facilities, particularly with regard to the jail and pre-trial detention facilities, and of the costs of operating satellite facilities presently located within the boundaries of Milton County, such as the North Fulton Service Center.

Considering traffic congestion and the great distance to courthouses inside the Perimeter, having courts in Milton County would be a great benefit to the citizens of the new county.

Section 6 – The Impact of Milton County on Local Laws

There are a number of local laws that affect Fulton County. Most of these local laws are either archaic or are related to historical relationships between the City of Atlanta and Fulton County. The creation of Milton County would result in most of these local laws being no longer applicable to Milton County, and in such case the general state laws would apply. In addition, the creation of Milton County would result in a few local laws (those defined by population) no longer being applicable to Fulton County.

The enabling constitutional amendment (HR 21) contains express provisions authorizing the General Assembly to make any necessary adjustment to local laws to account for the creation of Milton County. This would provide the necessary flexibility to adjust these local laws and preserve those which need to continue to apply to either or both of Milton and a new Fulton County. At the same time, it will present a valuable opportunity to review all the existing local laws and repeal and amend those which would no longer be suited to Milton and a new Fulton County. This Committee foresees no adverse effects in this area.

Conclusion

For more than two decades, residents of North Fulton have longed for government closer to them. They have lamented the loss of their former county and its dissolution back in the days before electricity came to Georgia. They have also expressed a desire for more responsive services in everything from traffic management to property assessment, court services and libraries. In a county as expansive as Fulton – almost 75 miles long – and the largest in Georgia, it's understandable they would want their county seat and elected officials near home. Fulton and Milton Counties would continue to achieve economies of scale as home to 10 percent of the state's population combined. Fulton would drop from the most populous county to fourth and Milton would rank fifth.

The Milton County Legislators' Advisory Committee has found that the recreation of Milton County leaves nothing to fear. It has not only has the potential to provide better services at a lower cost to the residents of the new county, but it could create dynamic opportunities for a new Fulton County. No regional service that currently depends on support from taxpayers of North Fulton, such as MARTA or Grady, would be abandoned. And Milton County would be a full partner in many state and regional agencies.

Thomas Jefferson, one of our nation's Founding Fathers, argued that government closest to the people is best. This committee recognizes that recreating Milton County would do just that – it would bring county government many miles closer to the citizens.

Milton County Legislators' Advisory Committee

Lynne Riley, Chairperson

Lynne Riley has been active in North Fulton for more than 20 years, serving as a school and civic volunteer. Lynne was first elected to represent District 3 on the Fulton County Board of Commissioners in 2004. She owns and operates a small accounting business, something she has done for more than 28 years. Lynne and her family reside in Johns Creek.

Jeff Hamling

Jeff Hamling is a North Fulton attorney who has practiced law for 36 years. He is involved in numerous charitable and civic organizations in the community. He and his family reside in Roswell.

Randall Johnson

Randall Johnson was elected to the Johns Creek City Council in 2006 following his work as a volunteer with two groups which spearheaded the incorporation of that city. He is currently Chief Operating Officer of EfreightSolutions, a software company that provides services for the shipping and logistics industry.

Jim Paine

Jim Paine, an Atlanta native, has been a member of the Alpharetta City Council for 14 years. He is currently the Mayor Pro Tempore. Jim is the owner of a successful independent Manufacturer's Representative firm in the radio communications industry, serving public and private clients in six states.

Rusty Paul

Rusty Paul, who is serving his final weeks as a member of the Sandy Springs City Council, is the founder and CEO of Isquared Communications, a marketing, public relations, advertising and government relations firm. He is a former state senator and past chairman of the Georgia Republican Party. He worked in communications/government relations for the Reagan Administration for Housing Secretary Jack Kemp.

Robert Proctor

Robert J. Proctor is the managing partner of Proctor Hutchins Porterfield. He specializes in property tax and local government law. The Georgia native founded the Fulton County Taxpayers Association and the Georgia Taxpayers Association. He is the former chairman of the board of the Southeastern Legal Foundation. Bob and his wife Teresa live in Sandy Springs.

Katie Reeves

Katie Reeves of Alpharetta has served on the Fulton County Board of Education since 1999, representing the Milton and Alpharetta communities. She was president of the school board from 2003 to 2005 and has been a PTA legislative chairman and a member of the Local School Advisory Committee. The Pennsylvania native and former advertising executive previously served on the Alpharetta Planning Commission.

Ashley Widener

Ashley Widener, a long-time political activist, is a member of the Fulton County Board of Education. She was elected to represent Johns Creek and Alpharetta in 2006.

The former independent political consultant is now vice president of Widener & Associates, Inc., an association management and governmental relations firm.

Ashley has a strong background in community volunteerism, having worked with addicted teens, providing family counseling and served as executive director of a Savannah homeless shelter. She and her family reside in Johns Creek.

Mark Burkhalter, Ex-Officio

First elected to the Georgia State Legislature at age 31, Mark is serving his ninth term in the State House of Representatives from the metro Atlanta suburb of North Fulton County. In 2005, he was elected with bipartisan support of his colleagues to serve as the first Republican in 134 years to Speaker Pro Tempore, the second ranking position in the Georgia House of Representatives. By virtue of his position, Mark serves as ex-officio member on all standing committees in the House of Representatives and as one of three House conferees on all state budgets.

Jan Jones, Ex-Officio

First elected to office in 2003, Representative Jan Jones has distinguished herself as a passionate advocate for changing lives and increasing economic opportunities through improved public education and government closer to the people. Jan was elected Majority Whip in November 2008 to serve in the fourth-highest ranking leadership position. She is the first female Republican Majority Whip in the history of the Georgia House of Representatives.