



EXECUTIVE SUMMARY

This section provides an overview of the budget and County government financing. Included is the transmittal letter; a statement of the County's mission, vision, and values; financial highlights; the history of millage rates and property tax digest; key priorities and challenges; the employee environment; policies and practices; an explanation of the budget process; the budget resolution summary; the consolidated budget for all funds; fund structure and financial status; and debt management information.

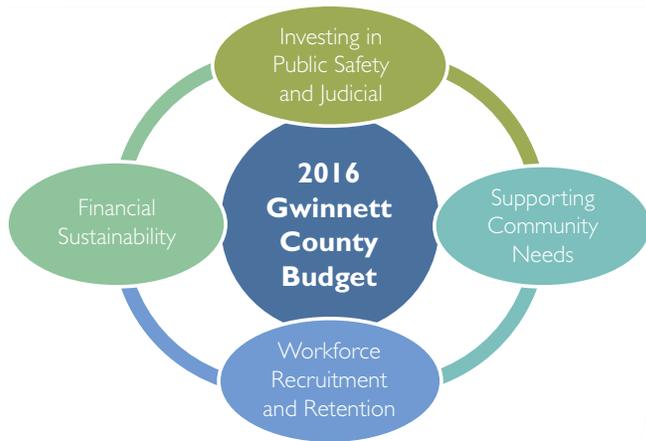




January 5, 2016

Dear Stakeholders of Gwinnett County:

It is our privilege to present the Budget Document for fiscal year 2016. This document is a summary of our overall plan for allocating available resources to provide services and sustain Gwinnett County's vision. The \$1.5 billion balanced budget invests in the big picture and continues Gwinnett's history of conservative budgeting practices. The budget is based on the same property tax rates as 2015 and anticipates slight digest growth in 2016 due to new construction.



The budget looks at least three to five years ahead at future implications of today's decisions, and it demonstrates the County's long-standing commitment to prudent financial planning. A history of fiscal responsibility and the ability to anticipate change has enabled Gwinnett County to maintain high levels of service despite economic uncertainty. Gwinnett County maintains the highest standards of excellence in its financial practices, which has contributed to AAA credit ratings from all three of the credit rating agencies since 1997. Only 42 other counties in the nation share this triple-AAA designation.

The 2016 operating budget totals \$1.1 billion compared to \$1.05 billion in 2015. The increases include: adding public safety and judicial positions and unfreezing 25 police positions; restoring staff at the animal shelter and parks; restoring library funding to 88 percent of 2008 levels; adding three new express routes to Gwinnett Transit; and expanding home care and delivered meals for seniors on waiting lists.

Additionally, the budget covers increased election expenses and expands hours and locations for advance voting. To help departments recruit and retain talented employees, which the Board of Commissioners view as essential in accomplishing the County's strategic goals, the 2016 operating budget also includes a pay-for-performance increase for eligible employees and the restoration of longevity pay that was eliminated in 2009. However, cost-saving measures such as continuing the 90-day job vacancy policy and requiring justification for specific commitment items remain in effect for 2016.

The capital budget is \$363 million, down from \$371 million in 2015. Projects include the design for a new state patrol building, a courthouse expansion, design and construction of a new medical examiner/morgue building, and senior center renovations.

Gwinnett County operates on a January 1 – December 31 fiscal year. The 2016 budget process began in May 2015 when the Board of Commissioners held a strategic planning session to set top priorities for the County. The strategic goals identified at the planning session include: public safety, economic development/redevelopment, water supply and infrastructure, transportation, and community engagement. In late August and early September 2015, the budget review team, together with the County's financial staff, studied departmental business plans, budget needs, and revenue projections and made recommendations for the 2016 budget that align with the priorities identified at the strategic planning session.

The Chairman's Budget Review Team is made up of five county residents as well as participating departmental and agency representatives. The resident members of the budget review team are Mark Brock, Lisa Burlison, Burt Manning, Santiago Marquez, and Latabia Woodward. Burlison and Marquez are new members of the team this year, while Brock, Manning, and Woodward are review team veterans returning for another year of service. Burlison is a retired district level administrator from Gwinnett County Public Schools and Marquez is CFO/VP of the Georgia Hispanic Chamber of Commerce and has spent nearly 20 years serving the Latino community both locally and nationally. Brock is the building maintenance director for Gwinnett County Public Schools, Manning is a retired real estate appraiser and

2016 Strategic Goals

- Public safety
- Economic development/redevelopment
- Water supply and infrastructure
- Transportation
- Community engagement



assessment administrator who has worked in six Georgia counties, and Woodward works as a strategic planning principal for Georgia Power and is the immediate past president of the Gwinnett County Alumnae Chapter of Delta Sigma Theta Sorority Inc. Woodward and Burleson are alumni of the first Gwinnett 101 Citizens Academy class held in the spring of 2015. We would like to thank these individuals for their time spent considering the many budget proposals. We are very appreciative of their input into our budget process.

With the improving economy and growth in the property tax digest, County officials are cautiously optimistic about the future. Our reputation as a leading community in global business helps us to attract and support growing companies. Our outstanding schools, nationally accredited public safety agencies, national award-winning parks and libraries, and state-of-the-art water system offer a wealth of opportunity for current and future residents and businesses. Gwinnett County is committed to continuing core services and the quality of life our residents and businesses have come to enjoy through the delivery of efficient, effective services. We invite Gwinnett County's stakeholders to participate in setting our government's priorities and shaping our bright future.

Respectfully submitted,

Maria B. Woods,
CFO/Director of Financial Services

Mission

The Gwinnett County Government will deliver superior services in partnership with our community.

Vision

Gwinnett County sets the standard as a dynamic, vibrant community where all people can enjoy essential economic opportunities, safe neighborhoods, plentiful greenspace, and recreational facilities. We are committed to partnering with others in our community who share a dedication to making life better for our citizens.

Values

- We believe in honesty, fairness, and respect for all.
- We believe in stewardship of public resources, protection of the environment, and that all citizens should expect to live and work in a clean and secure community.
- We value excellence, creativity, innovation, and new technologies and ideas.
- We believe that our government must be customer-focused and fiscally responsible and deliver services that are among the best in the nation.

Mission / Vision / Values

Gwinnett County's mission, vision, and values are at the forefront of all budgeting activities. The 2016 budget was developed in accordance with the principles outlined in the County's mission, vision, and values statements.

Mission:

The Gwinnett County Government will deliver superior services in partnership with our community.

Gwinnett County's delivery of superior services is evident through the numerous awards and recognitions received on an annual basis. Accomplishments by department for fiscal year 2015 are available in Section IV of this document. A listing of awards received in 2015 is available at www.gwinnettcountry.com.

Gwinnett County has established numerous partnerships in the community, a few of which are described below:

- In 2015, Parks and Recreation Operations established and engaged community partnerships and sponsorships for sustainability of programs by establishing 26 new partners, including the 29th youth athletic association.
- [Live Healthy Gwinnett](#) is an example of a partnership between Eastside Medical Center and Gwinnett County Parks and Recreation. Through this partnership, Parks and Recreation Operations implemented Healthy Eating and Physical Activity (HEPA) standards for summer camps in 2015.
- In 2015, Health and Human Services hosted three public events reaching 2,634 clients in partnership with Amerigroup and Four Corners Primary Care Centers at the Norcross Human Services Center.
- In 2015, the Cooperative Extension Service collaborated with Gwinnett County Public Schools and 189 local community organizations to use their staff and resources for educational programming.

Vision:

Gwinnett County sets the standard as a dynamic, vibrant community where all people can enjoy essential economic opportunities, safe neighborhoods, plentiful greenspace, and recreational facilities. We are committed to partnering with others in our community who share a dedication to making life better for our citizens.

Gwinnett County achieves its vision in multiple ways, offering an economy that boasts strong job growth and plentiful business opportunities, a nationally-accredited police department, and an award-winning parks and recreation system with 47 parks and facilities that include 175 sports fields, 51 tennis courts, and 128 miles of trails. Gwinnett County Parks and Recreation offers facility rentals and partners with volunteer youth athletic associations and healthcare providers.

Values:

We believe in honesty, fairness, and respect for all. We believe in stewardship of public resources, protection of the environment, and that all citizens should expect to live and work in a clean and secure community. We value excellence, creativity, innovation, and new technologies and ideas. We believe that our government must be customer-focused and fiscally responsible and deliver services that are among the best in the nation.

Gwinnett County achieves the values described in its value statement through the following:

- [Code of Ethics](#)
- [Environmental Sustainability Program](#) and related policies
- Leadership in Energy & Environmental Design (LEED) certification at various buildings including the Environmental and Heritage Center, the Hamilton Mill Public Library, and the Police Training Facility
- Annual events, such as America Recycles Day hosted by the Solid Waste Division
- [Financial Policies and Practices](#) that ensure fiscal responsibility, as discussed on pages 17 – 28 in this section of the document
- Innovative technology solutions, as described in "2015 Capital Achievements – Information Technology" on pages 5 – 6 in section VI of this document

The 2016 budget achieves the County's mission, vision, and values through investments in public safety and judicial, transportation, a high-quality workforce, community needs, and economic development/redevelopment. These initiatives are described in "[Key Operating Impacts and Decision Packages](#)" on pages 8 – 11 in this section of the document.



2016 Budget Approach

- Continuation of the 90-day job vacancy policy
- Mandated/priority core services
- Justification of specified commitment items
- Continuation of decision packages for service reductions and enhancements

Budget at a Glance

The \$1.5 billion budget for fiscal year 2016 funds services cut during the recession, addresses concerns about workforce recruitment and retention, and invests in essential infrastructure and critical community needs. Separate budgets are developed for operating expenses and capital improvements. The operating budget of approximately \$1.1 billion includes daily operating costs like salaries and maintenance. The capital budget of approximately \$363 million funds infrastructure and facilities.

The 2016 balanced budget keeps property tax rates the same as 2015. The property tax digest has grown in the last two years and is expected to return to its 2008 level by 2018. Concerns over recruiting and retaining employees resulted in a 4 percent pay-for-performance increase and longevity pay for eligible employees.

Decision packages for service reductions and service enhancements were considered during the development of the 2016 budget. The Chairman's Budget Review Team looked critically at all requests for funding and made hard decisions to prioritize the requests. Decision packages in alignment with the strategic goals were given priority. Decision packages with the largest impact on the operating budget are summarized in the following three paragraphs. Additional information and justifications for the decision packages are discussed on pages 8 – 11 ("[Key Decision Packages and Operating Impacts](#)") in this section of the document.

The following new positions in public safety and judicial were approved during the 2016 budget process: 30 additional police officers, nine emergency medical service (EMS) employees, a six-person special victims unit, and 12 part-time sheriff's deputies. Additionally, 25 previously frozen police positions were unfrozen. Two vocational training positions in Corrections that were previously funded by a federal grant are included in the budget due to a discontinuation of the grant. Other new public safety and judicial positions included in the budget include a magistrate judge to handle a variety of civil and criminal matters in Magistrate Court, three Juvenile Court positions (two attorneys and a case coordinator) to represent children who are alleged to be deprived, and an investigative analyst position in the District Attorney's office to be shared between the Drug Task Force and Technical Investigations.

Certain services cut in previous years' budgets will be partially restored to support community needs. Library funding was restored to 88 percent of 2008 levels, and Gwinnett Transit will be adding three new express routes. Home care and delivered meals will be expanded for seniors. Staff at the animal shelter and parks will be partially restored. The operating budget also includes an additional \$7.2 million to cover election expenses and expand hours and locations for advance voting.

The 2016 budget also provides funding for economic development/redevelopment initiatives. The budget includes two new positions that will focus on economic development within the county. Additionally, six new pipe inspector positions in the Department of Water Resources are funded to meet increased need for onsite inspections for new developments resulting from the recent increase in construction throughout the county.

The fiscal year 2016 capital budget totals \$363 million. The capital budget includes funding for facilities, technology, roads, maintenance and equipment, public safety, parks, libraries, and senior facilities. Approximately 57 percent of the fiscal year 2016 capital budget resides in Special Purpose Local Option Sales Tax (SPLOST) funds. Major public safety projects include a new state patrol building, a courthouse expansion, construction of a new medical examiner/morgue building, and body cameras for police officers and sheriff's deputies. Projects highlighting community needs include the new Centerville Senior Center and renovations to the Buford, Lawrenceville, and Norcross Senior Centers. Capital projects will also focus on major infrastructure needs such as water and sewer system maintenance and transportation improvements.

Gwinnett County – Fiscally Sustainable, Economically Viable

- Budget is balanced
- Based on same millage rate as 2015
- Maintains the reserve policy
- Commitment to multi-year planning
- Pay-as-you-go capital program
- Continues triple-AAA rating
- Sustains progress toward pension obligations
- Continues focus on enhancing the quality of life and safety of residents

Financial Highlights

The table below provides a summary of the adopted budget by fund type.

	Operating Budget	Capital Budget	Total	% of Total
Tax-Related Funds	\$ 529,327,745	\$ 23,164,846	\$ 552,492,591	37.3%
Special Revenue Funds	\$ 45,458,518	\$ 207,906,992	\$ 253,365,510	17.1%
Enterprise Funds	\$ 417,710,467	\$ 132,104,348	\$ 549,814,815	37.1%
Internal Service Funds	\$ 125,174,445	\$ —	\$ 125,174,445	8.5%
Total Budget	\$ 1,117,671,175	\$ 363,176,186	\$ 1,480,847,361	

Tax-Related Funds include the General, General Obligation (G.O.) Debt Service, Fire and EMS District, Police Services District, Development and Enforcement Services District, Loganville EMS, Recreation, Capital Project, and Vehicle Replacement Funds. The adopted General Fund operating budget totals \$273.2 million. The Tax-Related Funds have an operating budget of \$529.3 million and a capital budget of \$23.2 million.

Special Revenue Funds account for restricted and committed revenues and have an operating budget of \$45.5 million and a capital budget of \$207.9 million. These funds include capital projects funded by SPLOST proceeds.

Enterprise Funds account for \$417.7 million of the total operating budget and \$132.1 million of the total capital budget. These funds consist of operations funded primarily from user fees and charges. The County operates five Enterprise Funds related to water and sewer service, stormwater management, solid waste management, transit, and the Briscoe Field airport. Enterprise operations are managed and operated much like private sector businesses. They require significant investment in buildings, equipment, and infrastructure to deliver services.

Internal Service Funds provide services exclusively for County operations, including auto liability, fleet management, group self-insurance, risk management, workers' compensation, and administrative support. The adopted Internal Service Funds budget totals \$125.2 million.

The following table shows the history of the budget each year for the last four years:

Year	Operating Budget	% chg.	Capital Budget	% chg.	Total Budget	% chg.
2016	\$ 1,117,671,175	6.2%	\$ 363,176,186	-2.1%	\$ 1,480,847,361	4.0%
2015	\$ 1,052,671,304	2.5%	\$ 371,040,343	-23.6%	\$ 1,423,711,647	-5.9%
2014	\$ 1,027,135,769	-7.1%	\$ 485,589,601	18.8%	\$ 1,512,725,370	-0.1%
2013	\$ 1,105,379,813	16.2%	\$ 408,642,284	-5.6%	\$ 1,514,022,097	9.4%

The operating budget for fiscal year 2016 for all funds totals \$1.1 billion. The preceding table indicates a \$65.0 million increase from the fiscal year 2015 adopted budget.

The capital budget for fiscal year 2016 for all funds totals \$363.2 million. Capital project budgets are adopted as multi-year project budgets, and unspent funds from 2015 will be carried forward to 2016 after the fiscal year 2015 audit is complete.



Property Taxes and the Condition of the Digest

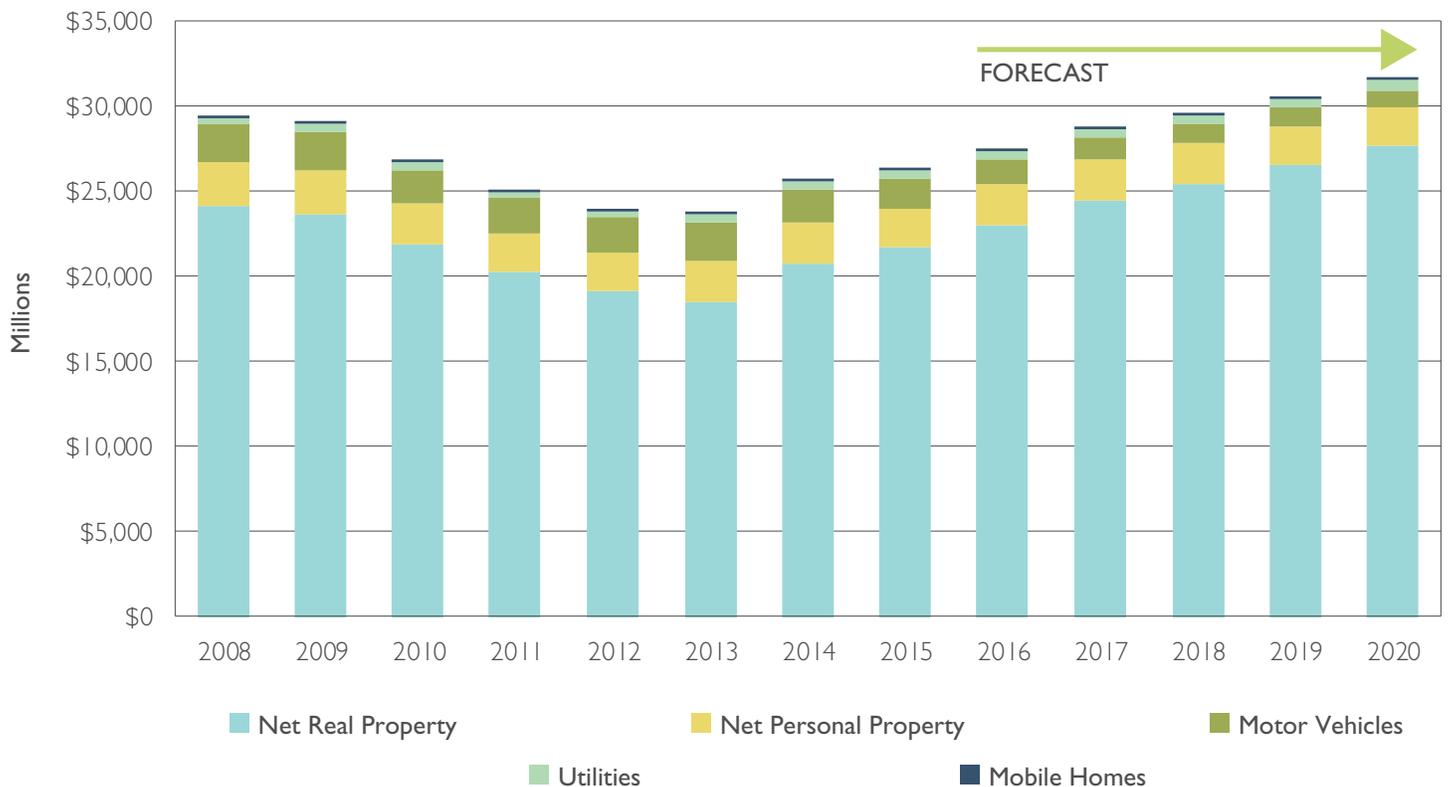
Property taxes are an extremely important revenue source for the County. Nearly three-quarters (72 percent) of the revenue in tax-related funds are funded by property taxes. Property taxes provide most of the funding for the General Fund for County operations, the Recreation Fund for park operations and maintenance, to pay down voter-approved debt for the Detention Center, and for service districts such as police, fire, and emergency medical services. Tax-related funds make up 47 percent of the entire operating budget.

Prior to 2008, Gwinnett County experienced the benefits of a growing property tax digest, which is the total value of all taxable property as determined by the Tax Assessor. The digest and its condition looked strong, continuing to show increases year after year. But, by 2008, the digest growth began to decline, and it continued to lose value for the next five years. At its lowest point in 2013, the digest was down 21 percent from 2008. During this time, the County was challenged by the need to balance core services with declining tax revenue. The decline was the result of housing and economic conditions—namely, increased foreclosures, decreased construction, and a freeze in assessments. Due to the freeze in assessments from 2009 – 2011, counties could not increase the value of any property, even when that property is sold, subject to a few exceptions. Property values and the overall value of the digest were headed in one direction—down.

Signs of economic recovery became apparent in 2014 when Gwinnett County turned the page to a new chapter. With property values stabilizing, construction activity increasing, and foreclosures subsiding, the County saw 8.1 percent growth in the tax digest in 2014, and additional growth of 1.4 percent in 2015. The 2014 and 2015 growth rates were impacted by the inception of the motor vehicle ad valorem tax (TAVT) implemented in 2013, which has caused motor vehicle taxes to decline as citizens transition from the old method of paying the annual “birthday tax” for their vehicles to TAVT (paying a one-time fee at the time a title is transferred). While TAVT has had a negative impact on the tax digest (the impact was greater in 2015 than 2014), the increases resulting from improvements in the housing and construction markets have outweighed the effects of TAVT. Growth in the overall countywide tax digest is expected to continue in the coming years, and the County is forecasting a return to 2008 levels by 2018.

Historical Digest Growth and Forecast

(FY2008 to FY2020)



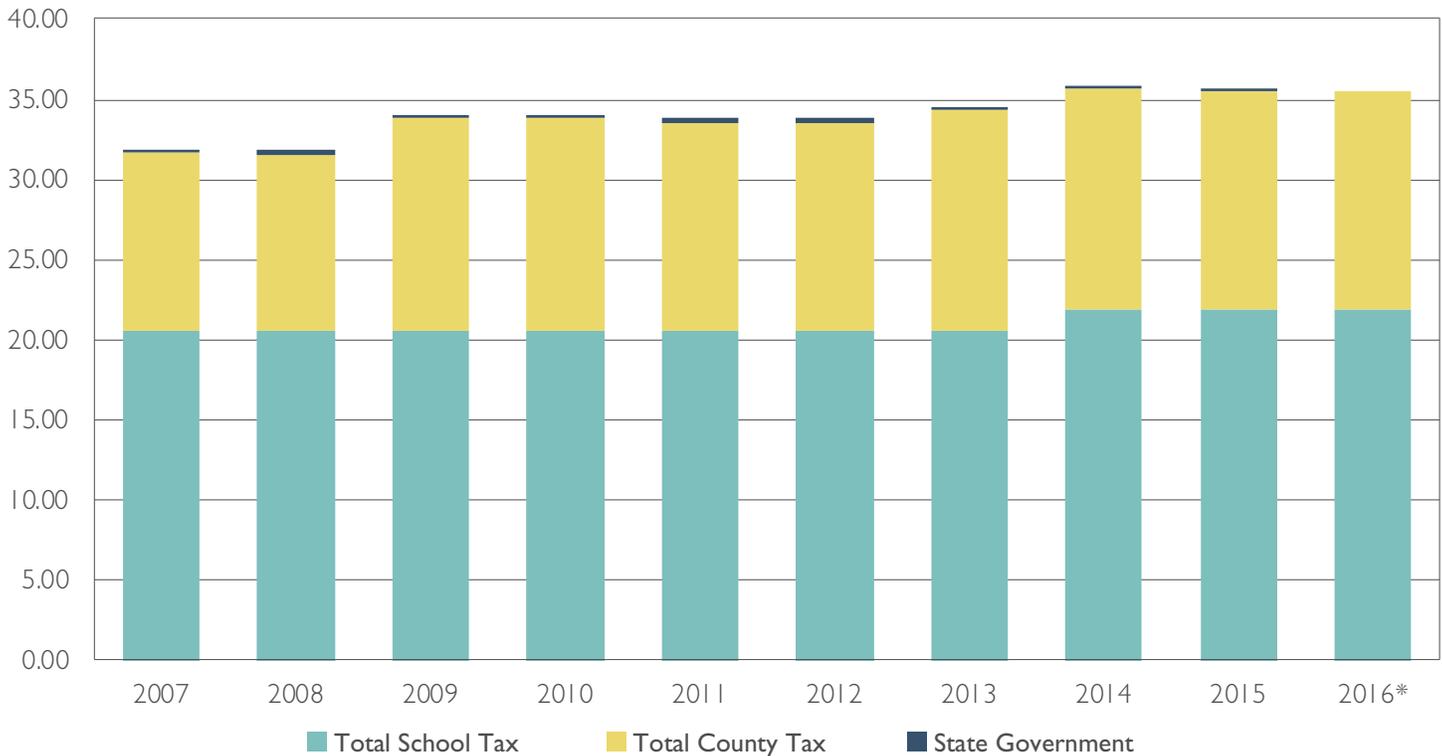
Commissioners will set millage rates for 2016 property taxes in the summer. Properties will be taxed based on where they are located and what services they receive.

Tax-Related Funds: Real and Personal Property Tax Rates FY 2007 – 2016 (mills)

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
General Fund	9.81	9.72	11.78	11.78	11.78	11.78	7.40	7.40	7.229	7.229
Fire and EMS District	–	–	–	–	–	–	3.20	3.20	3.20	3.20
Police Services District	–	–	–	–	–	–	1.60	1.60	1.60	1.60
Development and Enforcement District	–	–	–	–	–	–	0.36	0.36	0.36	0.36
Recreation Fund	0.80	0.79	1.00	1.00	1.00	1.00	0.95	0.95	0.95	0.95
G.O. Bond Fund	0.23	0.22	0.23	0.23	–	–	–	–	–	–
G.O. Bond Fund II	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
Total County Tax	11.08	10.97	13.25	13.25	13.02	13.02	13.75	13.75	13.579	13.579
School M & O	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.80	19.80	19.80
School Bonds	1.30	1.30	1.30	1.30	1.30	1.30	1.30	2.05	2.05	2.05
Total School Tax	20.55	21.85	21.85	21.85						
State Government	0.25	0.25	0.25	0.25	0.25	0.20	0.15	0.10	0.05	0.00
Total Property Tax	31.88	31.77	34.05	34.05	33.82	33.77	34.45	35.70	35.479	35.429

*The 2016 millage rate is an estimate.

Total Property Tax Rates FY 2007 – 2016 (mills)



*The 2016 millage rate is an estimate.

Key Priorities and Challenges



Decision Packages and Operating Impacts

Decision packages, or requests to either increase or decrease the level of service that the submitting department provides, were an important consideration in the development of the fiscal year 2016 budget. A service enhancement usually has a cost increase, while a service reduction usually has cost savings. Despite \$13.2 million in justified requests, the budget includes funding for only \$9.7 million.

In keeping with the County's priorities, the table below displays key service enhancements and decision packages that were included in the 2016 budget. Justifications for each of the key decision packages are provided on pages 9 – 11.



Key Decision Packages and Operating Impacts (approximate amounts)

Priority	Description	Appropriation Amount
Invest in Public Safety and Judicial	Thirty police officers	3,502,000
	Safety equipment for police officers	775,000
	Nine ambulance unit positions	602,000
	New special victims unit in the District Attorney's Office	422,000
	Non-profit clinic funding*	400,000
	Three additional Juvenile Court positions	230,000
	Full-time magistrate judge	190,000
	Twelve part-time sheriff's deputies	159,000
	Two vocational training positions for Corrections (formerly grant funded)	145,000
	Investigative analyst for the District Attorney's Office	91,000
Invest in Transportation	Maintenance and care of rights-of-way	214,000
	Transit service enhancements that add three new express routes	200,000
	Transit analyst position	75,000
Recruit and Retain High Quality Workforce	Pay-for-performance increases*	9,162,000
	Longevity pay for eligible employees*	3,158,000
Support Community Needs	Increase funding for 2016 elections**	7,209,000
	Six animal welfare positions	656,000
	Restore library support funding to 88 percent of 2008 levels*	633,000
	Nine positions for operations and maintenance of parks	429,000
	Department of Family and Children Services (DFCS) contribution*	289,000
	Two positions to expand home care and delivered meals for seniors on waiting lists (previously grant funded)	215,000
	Two positions to support Senior Services volunteer program (previously grant funded)	78,000
	Two Senior Services information and assistance program positions	44,000
Support Economic Development/Redevelopment	Six inspectors to increase code enforcement activities	641,000
	Two positions to focus on economic development	250,000

Note: Appropriation amounts associated with new positions include salaries and wages, employee benefits, supplies, equipment, etc.

* This is not an official "decision package" submitted by a department. However, it is included in this table due to its large budgetary impact.

**Approximately \$380,000 of the increase in election expenses is associated with decision packages. The remaining \$6.8 million was approved because of the increased costs of an election year.

Invest in Public Safety and Judicial:

Thirty police officers

From 2008 to 2015, Gwinnett County's service population increased by approximately 13 percent. At the same time, authorized positions in the police department have increased less than 2 percent. By adding 30 positions and unfreezing 25 positions, the ratio of authorized police positions to service population will increase from 0.99 per 1,000 population in 2015 to 1.001 per 1,000 population in 2016.

Safety equipment for police officers

The budget includes funding to equip every police officer with a taser and taser supplies. Tasers are very effective compared to other non-lethal uses of force, and the use of tasers results in fewer injuries to both officers and suspects.

The budget also includes funding for weapon lights with holsters. Between 2003 and 2013, 61 percent of Gwinnett County police officer-involved shootings occurred between 7:00pm and 7:00am. This data indicates that most officer involved shootings or assaults occur during a period of reduced light. With regards to tactics and shooting accuracy, having a weapon mounted light offers a more ideal situation in a reduced light shooting encounter.

Nine ambulance unit positions

EMS calls have risen 19 percent in the last five years, and patient transports rose 7 percent through the first five months of 2015. To help meet the increased demand, nine firefighter III/paramedic positions will be added.

New special victims unit in the District Attorney's Office

With the increasing complexity of the prosecution of sex crimes and of crimes against children, a dedicated unit of specially trained attorneys and investigators is included in the budget to provide optimum outcomes in such cases. A six-person special victims unit will be established to coordinate the investigation and prosecution of these types of crimes. The unit will work closely with other county and city law enforcement agencies to ensure proper training with new officers in order to obtain vital information in the early stages of investigation and prosecute these cases in a more timely fashion.

Nonprofit clinic funding

In order to relieve demands on emergency medical services and hospital systems, funding will be made available to support nonprofit organizations (clinics) throughout the county to help provide clinical support.

Three additional Juvenile Court positions

To meet the demands of rising caseloads, two attorneys and a case coordinator for Juvenile Court are included in the budget. The attorneys are for the Guardian ad Litem Unit, and they represent the best interests of the children who come before the court in dependency (abuse and neglect), termination, guardianship, legitimation, and special proceeding (custody transfers from Superior Court) cases. Since 2013 when the *Juvenile Justice Reform Act* was passed, both the time limits associated with these cases and the required judicial reviews have resulted in more filings and hearings.

Full-time magistrate judge

Magistrate Court handles a wide variety of civil and criminal matters and operates 24 hours a day, 365 days a year. In 2014, there were 23,491 criminal and 67,053 civil matters filed in the Magistrate Court. The last time a full-time magistrate position was added was in 2009. An additional full-time magistrate position is included in the budget to assist with Superior Court's caseload and to help the Judiciary continue providing efficient and effective services.

Twelve part-time sheriff's deputies

Twelve part-time sheriff's deputy positions are budgeted to help reduce overtime expenses in the Sheriff's Department. Positions include one for the inmate law library, seven for the jail court rooms, and four for building and court room security.

Two vocational training positions for Corrections

Federal funding for Corrections to provide vocational training to inmates to reduce the rate of recidivism was previously funded by a federal grant under the *Workforce Investment Act*. This federal funding is being discontinued. Upon recommendation, the vocational training program has been included in the County's 2016 budget.



Investigative analyst for the District Attorney's office

An investigative analyst position to be shared between the Drug Task Force (DTF) and Technical Investigations will help relieve demanding workloads. The DTF is responsible for Pen-Link examinations, cell tower mapping, cell phone extractions, obtaining toll information, and other similar tasks. DTF investigators are currently completing these tasks while also managing pre-indictment files, wiretaps, and trial demands. An increase in demand for technical assistance has stretched resources thin in DTF. An analyst will improve the overall organization and quality of the cases for the Assistant District Attorneys. Additionally, the analyst will provide backup when the current technical investigator is not available (currently, there is only one technical investigator).

Invest in Transportation:

Maintenance and care of roadways

In order to maintain roadways, the budget includes funding for the following:

- \$110,000 to purchase three new milling machines for more efficient roadway patching.
- \$54,000 to re-establish a Shoulder Crew that was cut during the economic downturn. The Shoulder Crew will maintain roadway shoulders on a daily basis. The work of this crew will improve road safety by reducing the likelihood of over-correcting on low shoulders and hydroplaning due to water ponding on the roadways next to high shoulders.
- \$50,000 to contract mowing services along a limited number of state roadways in order to improve livability and appearance of the community.

Transit service enhancements that add three new express routes

Based on transit requests from the public and trends in ridership, the Department of Transportation will create three new express routes. Two routes will run intra-county and one will run inter-county. All three new express routes will have a limited number of stops and will run during the work week.

Transit analyst position

A transit analyst will assist upper level management in aligning Gwinnett County Transit's short- and long-range plans with a focus on compiling, analyzing, and interpreting data. The position will have extensive knowledge in planning and will analyze trends to allow the most effective route improvements and technologies to be implemented. The position will help align transit planning efforts with the County's overall planning for future transportation needs.

Retain and Recruit High Quality Workforce:

Pay-for-performance increases

Gwinnett County values its employees and recognizes the importance of recruiting and retaining talented staff. Concerns over recruiting and retaining employees resulted in a 4 percent pay-for-performance increase.

Longevity pay for eligible employees

Approximately \$3 million is included in the budget for one-time longevity payments. To be eligible for longevity pay, an employee must have at least three years of service. The payout is \$75 for each year of service, up to a maximum of \$1,500.

Support Community Needs:

Increase funding for 2016 elections

Election turnout has increased and is anticipated to further increase with the upcoming presidential election. An elections outreach position has been budgeted to conduct training sessions, schedule and oversee voter outreach, and represent the Gwinnett County Board of Registrations and Elections at events.

State law requires a period of advance in-person (AIP) voting 21 days prior to the General Election. Hours and locations for AIP voting will be expanded for the November 2016 General Election. Currently, AIP voting is available five work days from 9:00am – 7:00pm and one Saturday from 9:00am – 4:00pm, and the Elections Office is open during normal work hours three weeks before Election Day and one Saturday from 9:00am – 4:00pm. One additional AIP satellite location is being added, increasing the number of AIP satellite locations from six to seven. Including the Elections Office, the 2016 budget provides for eight AIP locations for three major elections: the Presidential Primary on March 1, the General Primary on May 1, and the General Election on November 8. Hours for all eight AIP voting locations will be expanded from 7:00am – 7:00pm for the November General Election only.

The budget also includes funding to increase poll officials' pay. Maintaining a competitive compensation structure is important to the Gwinnett County Board of Registrations and Elections. Election day continues to be more and more complex, requiring additional duties. The increase in pay was requested due to additional duties and brings the pay in line with other metro jurisdictions.



Six animal welfare positions

Previous budget cuts resulted in staffing reductions at the Animal Welfare and Enforcement Center. When the center moved from its old location on Hi Hope Road to its new location on Highway 29 in 2007, the initial plan was to add several employees to the staff. Instead, 10 percent of the staff was reduced due to budgetary needs. Several changes made to the County ordinance involving animal holding times have resulted in increased workloads. To provide some relief, the 2016 budget includes six new animal welfare positions.

Restore library support funding to 88 percent of 2008 levels

The number of libraries in Gwinnett County has increased significantly over the years. In 1990, Gwinnett had eight libraries; today, Gwinnett has 15 libraries. From 2008 to 2013, County funding to the libraries decreased by 19 percent. In 2015, library funding was at 85 percent of the 2008 level. An additional \$633,000 in library funding has been added in 2016, restoring funding to 88 percent of the 2008 funding level.

Nine positions for operations and maintenance of parks

Since 2000, Gwinnett County has added 16 parks. From 2008 to 2015, Parks Operations experienced a 20 percent decrease in full-time grounds maintenance personnel. To partially restore park maintenance personnel, the 2016 budget adds funding for nine parks operations and maintenance positions. Positions include six ground maintenance positions to be assigned to the highest need areas of the countywide park system; two positions to cover operations at the new Simpsonwood Park, Jones Bridge Park, and Holcombe Bridge Park; and an electrical trades technician position to develop a preventative maintenance plan and address electrical issues within Gwinnett County Parks and Recreation.

Department of Family and Children Services contribution

The County is increasing its contribution to the DFCS subsidy in order to increase awareness of the need for foster/adoptive families.

Two positions to expand home care and delivered meals for seniors on waiting lists

Growth in the senior population has affected case management workloads. Now at capacity, an additional case manager and certified nurse assistant will help serve 100 residents on a waiting list.

Two positions to support Senior Services volunteer program

Two Senior Services volunteer positions that were previously funded by a grant will soon lose grant funding. To continue to support the well-established volunteer program, a full-time volunteer specialist and a volunteer/transportation manager, as well as other associated costs for the program, are needed.

Two Senior Services information and assistance program positions

Two information and assistance program positions that were previously funded by a grant lost their grant funding on July 1, 2015. The information and assistance program staff is responsible for screening individuals who receive services and support provided by Gwinnett Senior Services. The information and assistance program handled approximately 1,200 walk-ins and an additional 3,992 calls in 2014. The calls and/or walk-ins can each last up to two hours if staff is doing a complete assessment or reassessment.

Support Economic Development/Redevelopment:

Six inspectors to increase code enforcement activities

Funding needed to increase the number of pre-emptive and new development pipe inspections by the Department of Water Resources is included in the budget. With the recent increase in construction throughout the county, an increased need for onsite inspections for new developments will require additional staff to meet the demand.

Two positions to focus on economic development

The split between the commercial and residential components of the tax digest has grown over time. Over the last 15 years, the residential component of the digest increased from 46.5 percent to 56.7 percent, while the commercial component decreased from 43.7 percent to 38.2 percent in 2015. In an effort to reverse this trend and promote commercial growth, Gwinnett County is adding two employees in the Department of Planning and Development to focus on economic development.

Economy

Housing market improvements, increasing construction activity, and an improving labor market are signs that Gwinnett County is on its way to recovering from the economic recession.

The strength of the housing market is a key indicator of the county's economic vitality. The county's housing market experienced a significant amount of distress during the economic recession—foreclosures rose dramatically while property values declined, causing property tax revenues to decline. As the economy began to improve in 2014, the number of foreclosures decreased, construction of new homes returned, and the majority of Gwinnett County homeowners saw their property values improve. As a result, the digest has grown, and the County expects this positive trend to continue with slight digest growth projected in 2016. The average home value in Gwinnett County rose approximately 21 percent from 2013 to 2015, increasing from \$148,720 in 2013 to \$180,000 in 2015.

The job market in Gwinnett County continues to fare better than many counties across the Atlanta region and the state of Georgia. According to the Georgia Department of Labor, Gwinnett County had a preliminary October 2015 unemployment rate of 5.0 percent, which was lower than both the Atlanta Metropolitan area (5.4 percent) and the state (5.7 percent). Economic development programs like Partnership Gwinnett, a public-private initiative spearheaded by the Gwinnett Chamber that is committed to job creation and retention, professional development, and education, have helped support job growth by bringing new businesses to Gwinnett County. According to the U.S. Bureau of Labor Statistics, Gwinnett County achieved a job growth rate of 3.7 percent from March 2014 to March 2015, ranking it 45th among the largest 343 counties in the United States.

Per capita personal income, a measure of standard of living, is another useful indicator of the county's economic well-being. Prior to 2008, per capita personal income rose for many years. From 2008 to 2010, with the economic recession underway, residents saw their incomes decline. In 2011, per capita personal income began to improve and has continued to improve since then, exceeding 2006 and 2007 (pre-recession) levels by 2014.

2005 – 2014 Per Capita Personal Income Gwinnett County, Georgia

Source: U.S. Bureau of Economic Analysis



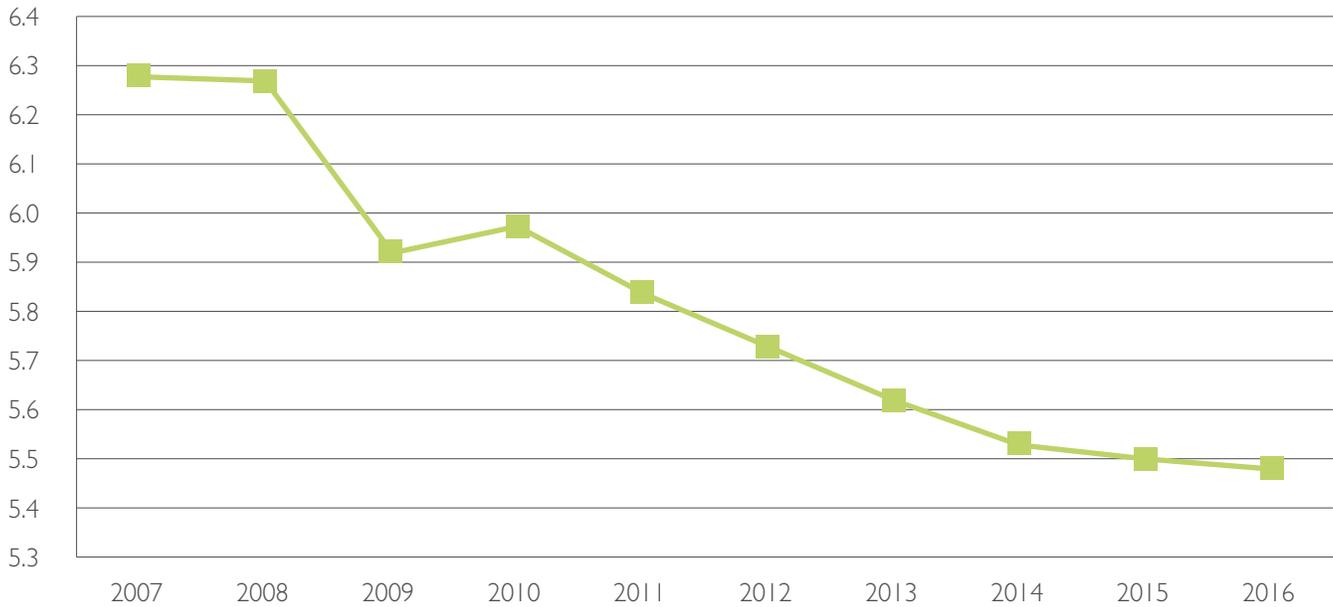
Employee Environment



Staffing Levels and Population Growth

Gwinnett County faces an ever present challenge of maintaining service levels with fewer employees. Even as the economy slowed, the county's population continued to grow. Each year the county has added thousands of new residents, resulting in greater demand for services with fewer available resources. From 2008 – 2016, the county's population increased by 18 percent, while authorized positions increased by 3 percent.

Ratio of Authorized Positions Per 1,000 Population



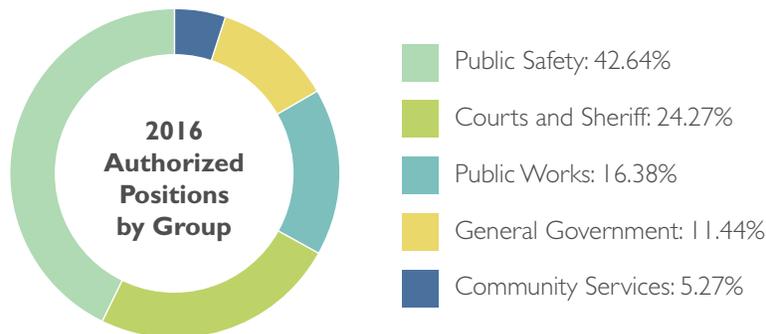
Sources: U.S. Census Bureau. 2015 – 2016 population estimates from Woods & Poole.



Gwinnett County Authorized Position History

Agency	Group	2013	2014	2015	2016 Adopted
Clerk of Court	Courts and Sheriff	105	106	106	106
Clerk of Recorder's Court	Courts and Sheriff	17	17	17	17
Community Services	Community Services	240	245	250	264
Corrections	Public Safety	134	134	136	136
County Administration	General Government	35	36	36	36
District Attorney	Courts and Sheriff	105	110	110	117
Financial Services	General Government	116	116	118	118
Fire Services	Public Safety	844	851	889	898
Human Resources	General Government	36	36	40	40
Information Technology	General Government	116	118	122	122
Judiciary/Court Administration	Courts and Sheriff	98	99	108	109
Juvenile Court	Courts and Sheriff	61	61	62	65
Law	General Government	16	16	16	16
Planning and Development	Public Works	76	80	76	78
Police Services	Public Safety	1,065	1,066	1,067	1,103
Probate Court	Courts and Sheriff	21	21	24	24
Water Resources	Public Works	579	580	592	598
Recorder's Court Judges	Courts and Sheriff	9	9	9	9
Sheriff	Courts and Sheriff	706	706	713	714
Solicitor	Courts and Sheriff	55	55	55	55
Support Services	General Government	116	120	121	122
Tax Commissioner	General Government	118	119	119	119
Transportation	Public Works	143	143	143	145
Total		4,811	4,844	4,929	5,011
Unallocated	General Government	14	10	11	25

Positions are full-time regular employees and permanent part-time employees. Grants and capital positions are included in this table.





Accrued Liabilities

A challenging area for the County, like other governments, has been funding its Defined Benefit (DB) Pension and Other Post-Employment Benefits (OPEB) plans. Beginning in 2007, the County closed the DB pension plan to new employees and committed to amortize the unfunded liability over 20 years, the projected service time of remaining participants. With the County's commitment to reduce the unfunded pension and OPEB liabilities and increase the funding ratio of these plans, budget savings in recent years have been contributed to pay down accrued liabilities. Investment returns have averaged nearly 8 percent over the last five years.

Workforce Health

During 2015, the integration of health and wellness made substantial progress. The Gwinnett County Employee Wellness Center opened on May 19, 2015. Since its opening, more than 2,500 employees, retirees, and dependents have visited the Wellness Center.

The Wellness Program continues to enjoy a high percentage of employee participation and has influenced at least one of our benefits renewals positively, resulting in lower rates. As we receive the second year of data about our population from biometric screenings and wellness assessments, we will be able to further direct and focus our wellness activities. We have developed strong partnerships with our wellness vendors to better leverage their capabilities for our employees. Beginning in 2016, a Wellness Advocate who is closely aligned with the Wellness Center and an Employee Assistance Program Counselor will be onsite to offer personal and group wellness coaching and advocacy activities. We also have begun integrating the concept of financial wellness into the program.

The Wellness Incentive Program continues to benefit employees and provides a way for the County to encourage healthy habits. The most favorable medical insurance premium rates continue to be dependent on participation in the Wellness Program. Funding for Health Savings Accounts and Health Reimbursement Arrangements are based on Wellness Program activity participation and continue to be effective for encouraging healthy behavior.

Health Benefit Costs

As a result of the change to our strategy for 2015 and our efforts at encouraging healthy behavior, we sustained a lower increase in health benefit costs than the national trend for both the self-insured and fully insured plans. The County's costs continue to increase, as do health care costs for most employers nationwide. However, our wellness program, wellness center, and efficient management of vendors has resulted in less than a 4 percent increase in insurance premiums for active employees in 2016, which is below the national trend.

The Balanced Scorecard

The Balanced Scorecard is a balanced approach to performance measurement that monitors the strategic success of an organization through the tracking of key performance indicators within the perspectives of organizational learning and growth, internal process efficiency and effectiveness, financial stewardship, and citizen/customer engagement. In early 2007, Gwinnett County selected the Balanced Scorecard framework as its strategic planning and management system. The Balanced Scorecard development and refinement is performed in conjunction with the County's annual Strategic Business Planning Process. Scorecards are in place for all departments and agencies under the County Administrator's purview, as well as the Law Department. These scorecards are used to align activities and resources with organizational goals and to improve internal communication and decision-making by providing performance feedback on critical priorities. Goals and performance measurements derived from departments' and agencies' balanced scorecards are presented in Section IV of this document.

Continuous Improvement Program

Gwinnett County is committed to delivering value to our customers in the most efficient and effective manner possible. This commitment is embodied by our continuous improvement program, which uses principles from various disciplines such as Lean and Six Sigma to improve business practices through the reduction of waste, elimination of error, and standardization and documentation of processes. Recognizing the need to sustain operations within the limitations of current resources, we seek to continuously improve our business activities to consistently deliver greater value to our residents for their investment.



Continuity of Operations/Continuity of Government

Gwinnett County recognizes and acknowledges that the protection of County assets and business operations is a major responsibility. Therefore, it is a policy of the County that a viable Continuity of Operations Plan be established and maintained to ensure high levels of service quality and availability. COOP is a strategic plan that establishes policies and guidance to ensure the execution of the mission-essential functions for Gwinnett County in the event that an emergency threatens or incapacitates operations. The County's COOP plan includes a relocation strategy for selected personnel and functions of all essential facilities of Gwinnett County.

Specifically, COOP is designed to:

- Ensure that Gwinnett County is prepared to respond to emergencies, recover from them, and mitigate against their impacts.
- Ensure that Gwinnett County is prepared to provide critical services in an environment that is threatened, diminished, or incapacitated.
- Provide timely direction, control, and coordination to County leadership and other critical customers before, during, and after an event or upon notification of a credible threat.
- Establish and enact time-phased implementation procedures to activate various components of the plan.
- Facilitate the return-to-normal operating conditions as soon as practical based on circumstances and the threat environment.
- Ensure that the COOP plan is viable, operational, and is compliant with all guidance documents and best practices.
- Ensure that the COOP plan is fully capable of addressing all types of emergencies or all hazards and that the mission-essential functions are able to continue with minimal or no disruption during all types of emergencies.





Policies and Practices

Gwinnett County has established policies and practices for the following financial areas:

- Accounting Practices
- Long-Term Financial Planning Policy
- Operating and Capital Budget Policy
- Business Expenditure Policy
- Grant Administration Practices
- Investment Policy
- Capital Asset Investment and Management Policy
- Debt Management Policy
- Risk Management Practices
- Purchasing Practices
- Reserve Policies – General Fund, Special Revenue Funds, and Enterprise Funds

Accounting Practices

County management is responsible for establishing and maintaining an internal accounting control system. This system is designed to ensure that the assets of the County are protected from loss, theft, or misuse, and to ensure adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of an accounting control should not exceed the benefits likely to be derived, and 2) the evaluation of costs and benefits require estimates and judgments by management.

Gwinnett County prepares financial statements in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. In addition to the fund financial statements, governmentwide statements (including all governmental and proprietary funds) are presented on the full accrual basis of accounting along with reconciliation to the fund financial statements. The individual funds, however, continue to be maintained on the traditional basis of accounting depending on the fund type.

Governmental funds are maintained on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they become measurable and available to pay liabilities of the current period. Expenditures are recorded at the time goods or services are received.

Proprietary funds and agency funds are maintained using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time goods or services are received. The focus of accounting for proprietary funds is on determination of net income.

Long-Term Financial Planning Policy

The purpose of the Long-Term Financial Planning Policy is to ensure the County's ongoing financial sustainability beyond a single fiscal year budget cycle in light of our long-term service vision and objectives. Financial sustainability is defined as the County's long-term financial performance and positioning where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services. This policy is intended to describe particular elements or aspects of such long-term planning programs within the County and to incorporate this financial practice into a formal policy.

The policy is based on a commitment to long-term financial planning. The Long-Term Financial Plan (LTFP) process evaluates known internal and external issues impacting the County's financial condition. Such issues are identified, presented, and mitigated when and where possible. The process begins by identifying critical areas that have, or are expected to have, an impact on the financial condition of the County over the next five years. Once the issues are identified, specific goals and objectives are developed for each structural deficiency. The LTFP is a constantly changing and evolving document that is routinely updated and presented on an ongoing five-year rolling basis. The LTFP is incorporated into the County's Business Planning Process and presented to the Chairman, the Board of Commissioners, and staff throughout the formulation of the annual financial plan. The LTFP is intended to help the County achieve the following:

1. Ensure the County can attain and maintain financial sustainability
2. Ensure the County has sufficient long-term information to guide financial decisions
3. Ensure the County has sufficient resources to provide programs and services for the stakeholders
4. Ensure potential risks to ongoing operations are identified in the long-term financial planning process and communicated on a regular basis
5. Establish mechanisms to identify early warning indicators
6. Identify changes in expenditure or revenue structures needed to deliver services or to meet the goals adopted by the Board of Commissioners

The LTFP forecasts revenues, expenditures, and financial position at least five years into the future or longer where specific issues call for a longer time horizon.

The LTFP provides meaningful analysis of key trends and conditions, including but not limited to:

- a. An analysis of the affordability of current services, projects, and obligations
- b. An analysis of the affordability of anticipated service expansions or investments in new assets
- c. An analysis of the County's financial position

County staff regularly looks for and implements opportunities to improve the quality of the forecasting, analysis, and strategy development that is part of the planning process. These improvements are primarily identified through the comparison of projected performance with actual results.

Long-term structural balance is the goal of long-term financial planning at the County. Should the long-term forecasting and analysis show that the County is not structurally balanced over the five-year projection period, staff would then make recommendations for the Board of Commissioners' consideration on how the plan can be brought into balance.

The LTFP addresses strategies for ensuring that the County's long-term liabilities remain affordable. The Board of Commissioners supports efforts to ensure that critical long-term liabilities like debt service, asset maintenance, pensions, and other post-employment benefits remain affordable.

Operating and Capital Budget Policy

The formulation of the Operating and Capital Budget, including publication of this comprehensive budget document, is one of the most important financial activities that Gwinnett County undertakes each year. The budget policy is intended to provide guidelines to assist in the formulation of the budget and consideration of broader implications of financial decisions.

The operating and capital budgets are developed annually using supplemental programs, such as departmental business plans and performance measures. The policy establishes a comprehensive plan to deliver efficient services to residents and stakeholders of the County in a manner that aligns resources with the policy, goals, mission, and vision of the County. The policy applies to all funds under the budgetary and fiscal control of the Chairman and the Board of Commissioners.

The budget is constructed around the Board of Commissioners' vision for the long-term direction of County services and associated desired culture and environment. When appropriate, a needs assessment of stakeholders' priorities, challenges, and opportunities are integrated into the visioning process to assist with the establishment of both short-term and long-term goals. The County provides meaningful opportunities for stakeholder input, and seeks to maximize the value each stakeholder receives through its spending. Accordingly, staff develops budget tools and methods to measure and maximize value, particularly by critically examining existing spending patterns.

Operating Revenues and Other Financing Sources must fully cover Operating Expenditures/Expenses, including debt service and Other Financing Uses. The budget is prepared in a manner that reflects the full cost of providing services. Internal Service Funds are maintained to account for services provided primarily to departments within the County.

The County takes an objective and analytical approach to forecasting revenues, expenditures, and expenses as accurately as possible. Though the County will use the best information available to estimate revenues accurately, absolute certainty is impossible. Should revenues be overestimated, the spending plans and priorities established during the budget process are used to propose amendments to appropriations and spending as required to balance the budget.

The Department of Financial Services monitors revenue inflows and expenditure/expense outflows to assess the implications of the annual budget in order to provide timely updates on actual financial performance. [Monthly Financial Status Reports](#) and archives are available on the County's website. The Department of Financial Services also develops financial forecasts for at least the next five years.

The County fully funds current portions of long-term liabilities in order to maintain the trust of creditors and avoid accumulating excessive long-term liabilities.

The County has many funding requirements established by the United States federal government and the state of Georgia. The County is directed by a large body of laws, program mandates, rules, and policies which can dictate its operations. It is the County's policy to effectively and efficiently manage its operation in conformity with these legal directives.

State law requires the County to adopt an annual balanced budget by formal resolution for the General Fund, each Special Revenue Fund, and each Debt Service Fund in use. In addition to what is required by law, the Board of Commissioners will also adopt an annual balanced budget for all proprietary funds in use. State law also requires the Board of Commissioners to adopt and operate under a project-length balanced budget for each capital project fund. The project-length balanced budget is adopted by ordinance or formal resolution in the year that the project begins. Further, at a minimum, the legal level of control is at the department for each fund for which a budget is adopted.

The chairman submits a proposed budget governing expenditures/expenses of all County funds on an annual basis to the Board of Commissioners no later than December 1. The budget should include capital outlay and public works projects for the following year. The procedures for budget preparation, submission to the Board of Commissioners, review by the Board of Commissioners, public review, notice, and hearings are provided in state law as well as in the County ordinance. County ordinance requires the budget be adopted by the Board of Commissioners at the first regular meeting in January of the year to which it applies.

Gwinnett County adopts governmental fund type budgets on the Modified Accrual Basis of Accounting, with the following exception: changes in the fair value of investments are not treated as adjustments to revenue in the annual operating budget. Proprietary fund types are budgeted on the Full Accrual Basis of Accounting, with the following exceptions: a) changes in the fair value of investments are not treated as adjustments to revenue in the annual operating budget, b) debt service and capital lease principal payments are treated as expenses in the annual operating budget, c) depreciation expense is not recognized in the annual operating budget, and d) capital purchases are recognized as expenses in the annual operating budget.

Budget amendments are considered and adopted by the Board of Commissioners at formal business meetings except for specific adjustments when limited authority is delegated to the Department Director, the Director of Financial Services, and the County Administrator as prescribed within the adopted budget resolution. See page 34 in this section of the document for the "[2016 Budget Resolution Summary](#)."

Business Expenditure Policy

Through the course of normal operations and in emergency situations it is both necessary and prudent to allow for reasonable expenditures of County funds by its employees and officials. The County will incur or reimburse reasonable and necessary expenditures made in the best interest of the County for a specific business purpose with appropriate documentation and approval. The purpose of this policy is to provide general guidelines for Procurement Card, Business and Travel Reimbursement, and Petty Cash expenditures. It is intended to ensure clear and consistent understanding of expenditure policies; ensure compliance with federal, state, and local regulations; ensure equitable consideration to both the employee and the County; and provide guidelines covering travel and other business expenses, as well as the documentation required for substantiation.

This policy shall apply to all Elected Officials, Agencies, Departments and Employees of Gwinnett County Government. All expenditures authorized under this policy shall be subject to the availability of funds. All purchases must comply with the applicable laws of the State of Georgia and Gwinnett County Ordinances, including but not limited to the Gwinnett County Purchasing Ordinance. This policy establishes minimum standards which can be supplemented by more stringent policies, laws, or regulations when applicable.



A. **Permitted business expenses** – The County will incur or reimburse business expenses that are a) reasonable and necessary, b) for a County business purpose, and c) documented, approved and submitted properly. Elected Officials, Agency Heads, Department Directors and Employees are responsible for reporting purchasing, travel and other business expenses accurately. All staff will ensure travel and business expenses are conducted in the most efficient and cost effective manner.

Examples of common allowable business expenses include, but are not limited to, office expenses (copy services, postage, supplies) and business related phone calls, faxes, and internet fees; conference/registration fees; fees to maintain any license or certification that is required as a condition of employment; and professionally relevant periodical subscriptions for County departments and offices.

Examples of common unallowable business expenses include, but are not limited to, travel membership dues, club fees, travel upgrade fees, alcoholic beverages of any kind, childcare costs; county club dues, haircuts and personal grooming, lost baggage, personal pet care, personal entertainment, recreational expenses, and personal vehicle charges.

Elected Officials, Agency Heads, and Department Directors may impose additional or more restrictive requirements for authorizing or approving business expenses. Unallowable or excess business expenses and/or travel advances are the responsibility of the individual, and must be repaid promptly if initially paid from County funds.

B. **Procurement Card (P-Card)** – The use of a P-Card is the preferred method of payment for business expenses unless otherwise prohibited.

The Procurement Card Administrator issues the P-Cards to the authorized cardholder who has signed the Procurement Card Agreement which covers the terms and conditions of the program. The issuance of a P-Card is strictly prohibited until the cardholder has signed the Procurement Card Agreement.

The cardholder is solely responsible for all transactions. Delegating the use of the P-Card is permissible only to authorized users. It is required that each authorized user read and sign a Procurement Card Acknowledgement form, prior to usage of the P-Card.

All P-Cards must be immediately cancelled when a cardholder terminates employment with the County or assumes another position that does not require the use of the P-Card in that department.

The P-Card may have up to a maximum initial limit of \$50,000 and up to a single transaction limit of \$5,000. Any request to raise the limit must be submitted in writing from the cardholder's Elected Official, Agency Head, or Department Director to the Procurement Card Administrator, and follow the delegated authority procedures in compliance with the Purchasing Ordinance.

Each Agency and Department's Procurement Card Liaison should receive the cardholder's supporting documentation within two weeks of each business expense. In the event supporting documentation is missing or incomplete the cardholder will be notified by the Department/Agency Procurement Card Liaison. It is the responsibility of the cardholder to provide missing or incomplete information to the Department/Agency Procurement Card Liaison in a timely fashion.

Undocumented charges must be immediately refunded to the County by the cardholder. Further transactions may be restricted and are subject to review for disciplinary action. Violations of the policy may result in the deactivation of cardholder accounts and penalties up to and including termination of employment.

C. **Travel and Business Expense Reimbursement** – The approved most cost effective method of transportation that will accomplish the purpose of the travel shall be selected. When traveling on official County business, transportation and registrations should be charged to a County Procurement Card, where accepted. Petty Cash must not be used to reimburse and/or advance travel related business expenses. When meals are offered as part of a conference fee or when the traveler hosts or is hosted by another party while on travel status, the traveler must acknowledge these meals while completing the travel allowance portion of the expense report.

A traveler must complete an outstanding expense statement within fifteen (15) days of completion of the trip.

In order for travel advances and reimbursements of travel expenses to be excluded from a traveler's taxable income, the County's travel policies must meet the Internal Revenue Service (IRS) requirements for an "accountable plan". The County Travel Policy has been developed with the IRS Regulations as its primary framework. Accordingly:

- a. Advances and reimbursements must be reasonable in amount, must be made for official County business only and must be in line with actual costs incurred. Expenses that do not comply with policy guidelines will be the obligation of the individual who incurred the expense.
- b. Travelers must submit expenses via the Travel system or via the manual expense reimbursement form. Itemized receipts must be attached when submitting a Travel Statement/Travel and Expense Reimbursement Form upon return from travel.
- c. Employees must return any advance amount in excess of allowable substantiated expenses.
- d. Employees separating from the County must resolve all outstanding travel advances prior to receiving a final paycheck.

Employees traveling overnight will be paid a per diem amount designed to cover the cost of meals (including taxes and tips), based on the number of meals per day for which the traveler is eligible. Employees who are provided meals during the course of their travel must deduct a corresponding meal from their per diem reimbursement claim for each meal provided. Travelers are eligible for a maximum of seventy-five percent (75%) of the total per diem rate on the first and last day of travel.

When traveling by air, the County will reimburse the cost of coach airfare. Travelers on official County business should always select the lowest priced airfare that meets their approved most logical itinerary and County policy. Travelers are expected to use their best judgment to save on the airfare cost consistent with seeking the best overall value for business-related activities to the County.

When traveling within Georgia, use of County vehicles is encouraged. Use of County Vehicles is governed by the County Fleet Policy. When traveling outside of Georgia, additional restrictions may apply. An employee using a privately-owned vehicle required to report to a work location other than his or her assigned location, may request reimbursement for travel mileage. Mileage reimbursement will not be granted to employees receiving a car allowance. Employees are expected to use any courtesy transportation available at the travel destination. If renting a vehicle, it is required that insurance offered by the rental company be purchased for full coverage for physical damage and the \$1,000,000 automobile liability.

Lodging costs are advanced, County paid, or reimbursable under the following conditions: a) an employee is pre-approved for travel by the appropriate Elected Official, Agency Head or Department Director; b) government rates are requested, c) original lodging receipts are submitted with the Travel Expense Statement, d) original lodging receipts indicate cost incurred for single occupancy, unless there is more than one (1) County employee traveling and voluntarily sharing a room, e) comparable room rates of alternate local lodging, within a reasonable distance of the event site (lodging rates at the event facility are acceptable), and f) lodging rates exceeding the General Service Administration (GSA) rate must be justified and documented.

Each transaction must be consistent with departmental/agency budgetary and project/grant guidelines. The approver must be sure the correct funding sources are charged, in keeping with proper fiscal stewardship. Under no circumstances should an individual be the sole approver of his/her own expense submission. Denied expenses will be considered a personal expense to the traveler. Upon granting approval of expense submissions, approvers are certifying the appropriateness of the expenditure and reasonableness of the amount; availability of funds; compliance with all federal, state, and local regulations as appropriate; and the completeness and accuracy of supporting documentation.

In the event that the responsibility for systematic trip approval is delegated by an Elected Official/County Administrator, the ultimate responsibility for travel authorizations and approvals remain with the Elected Official/County Administrator. The Elected Officials/County Administrator Expense Acknowledgement Form serves as confirmation that the Elected Official/County Administrator maintains this responsibility.



- D. **Petty Cash** – The petty cash account is for reimbursement of small out of pocket expenses and should only be used when issuing a check would be too expensive and time consuming. Money cannot be disbursed in advance of a purchase. Petty cash accounts should be used only in the event that other forms of payment such as Procurement Card or Business Expense Reimbursement are unavailable or impractical.

Petty cash accounts shall be reconciled each month as part of the month-end closing of the County's financial records.

Requests for reimbursement cannot exceed \$40.00. Reimbursement will be made only when itemized receipts are attached to the Petty Cash Reimbursement Request Form. The County is tax exempt; therefore, Georgia Sales and Use Tax cannot be reimbursed in connection with any out of pocket purchase. Receipts must not be artificially divided in order to circumvent the maximum dollar limit. Any one person must not hold multiple receipts for different days or accumulate receipts over an extended period of time. Requests exceeding forty-five (45) calendar days will not be reimbursed.

Grants Administration Practices

A grant is a multi-defined funding instrument used by recipients to subsidize programs and projects that fit within the funding criteria of each respective grantor. Grants are an exceptional way to fund County projects; however, they come with the expectation that all work, including the management of the grant award, will follow the highest standards of the regulatory and budgetary requirements set forth by the grantor and the County. Failure to comply with such requirements can lead to a loss of goodwill and the return of funds. Inadequate review of grant proposals or grant awards may lead to spending county funds to support a grant project inconsistent with overall strategic direction, or may commit the County to spending beyond the grant period.

To ensure grant compliance, the County's Grants Business Unit manages Grants Administration Practices that set forth guidance for the application of grant proposals and the administration of grants awarded to: (1) ensure the efficiency and impact of grant funded programs, services, and capital improvements; (2) increase grant revenues; (3) limit the County's exposure to grant related legal liability; and (4) assure grantors and the public that the County achieves its grant responsibilities with the highest of standards.

Grant Identification, Application, and Tracking: Grants pursued by the County must be consistent with the County's mission, strategic priorities, or adopted business plans. The Director of Financial Services has the authority to authorize preparation and submission of applications for grant funding; however, acceptance of all grant awards is subject to the approval of the Board of Commissioners. This ensures that the effects on the County can be reviewed and understood beforehand and grant applications provide reasonable and realistic outcomes that are based on information that will help to best assess the impact and efficacy of grant activities. All grants received are recorded and tracked in a manner that assures transparency and accountability to the Board, grantors, and the public.

Funding Analysis: Grants that align with the strategic priorities of the County shall be analyzed to examine the total effects and costs to the County due to matching requirements or new operating costs; allowance of indirect costs; whether county general revenues are necessary to cover the gap between cash expended and revenues received; and whether county general revenues are necessary to support the project after the expiration of the grant.

Provision of Administrative and Operational Support: Tasked to research grant opportunities, submit successful applications, provide grant related technical assistance to department liaisons, and administratively manage all federal grants awarded to the County, the Grants Business Unit works to effectuate grant compliance. The GBU navigates regulatory and financial requirements of grant awards that specify how grants shall be implemented and monitored – working directly with County departments to meet grant objectives. The GBU continues to analyze its grant processes, working to develop best practices for continued compliance and to secure future funding awards.

Investment Policy

Investments are safeguarded in accordance with sound business principles and applicable laws to provide that prudent investment decisions are made in an effort to protect public funds, minimize market and security risks, and maximize the use of funds with respect to liquidity and yield. All investments are made in accordance with the laws of the state of Georgia and the County Investment Policy, which was last re-adopted by the Board of Commissioners in April 2012 to achieve the investment objectives of safety, liquidity, compliance, and return. The protection of principal against default and investment risk is paramount.

The County's Investment Policy governs the overall administration and investment management of those funds held in the County's Liquidity, Investment, and Bond Portfolios, excluding pension and other post-employee benefit trusts.

The Director of Financial Services, who is subject to the supervision of the Deputy County Administrator, is given the authority to buy, sell, or hold individual securities. The director establishes and implements the necessary structure and financial reporting and controls in order to achieve the objectives of the investment policy. An Investment Committee serves in an advisory capacity that is responsible for adequately communicating appropriate objectives and goals to the Chairman, Board of Commissioners, Deputy County Administrator, and Director of Financial Services. The Department of Financial Services provides administrative support to the Investment Committee and maintains written records of the committee's activities. The Investment Committee may directly select, contract for services, and otherwise engage investment managers, investment consultants, and other professionals to assist in managing County funds.

External contracted investment professionals and committee members, managers, and staff involved in the investment process must refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

Authorized investments the County is permitted to invest in include the following securities: U.S. Treasury Obligations, U.S. Federal Agency Obligation Bonds, Repurchase Agreements, Prime Bankers' acceptances, Municipal Obligations Bonds, Certificates of Deposit insured by the Federal Deposit Insurance Corporation, Local Government Investment Pool, and bank deposits secured in accordance with Georgia law. Investments not specifically addressed by the County's Investment Policy are forbidden without the Investment Committee's written consent.

Maximum maturities of the County's securities are required in order to maintain adequate cash flow to meet the liquidity needs of the County. Selection of investment maturities must be consistent with the cash requirements of the County in order to avoid the forced sale of maturities prior to maturity. Investments are segregated into three categories based on expected liquidity needs and purposes:

1. **Liquidity Portfolio:** Short-term assets invested in permitted investments with an average maturity of 12 months or less. The Director of Financial Services will at times endeavor to maintain a liquidity reserve set at a minimum of 1/12 of the total expenditures of the preceding fiscal year. The reserve should be held intact, to be used exclusively for emergencies or unforeseen circumstances. This policy applies to the County's operating funds and not to capital projects funds.
2. **Investment Portfolio:** The Investment Portfolio is composed of investments with a stated maturity of no more than five years from the date of purchase. To control the volatility of the core portfolio, the Investment Committee determines a duration target not to exceed three years.
3. **Bond Proceeds:** Bond proceeds are invested in compliance with the specific requirements of the bond covenants without further restriction as to the maximum term to maturity of securities purchased. However, the duration of the bond proceeds portfolio should not exceed two years without the approval of the Investment Committee.

The County is prohibited from the following investments and investment practices: short sales, borrowing funds for the sole purpose of reinvesting the proceeds of such borrowing, commodities and futures contracts, private placements, options, letter stock, speculative securities, domestic or international equity securities, fixed income mutual funds, any derivative that does not pass the Federal Financial Institutions Examination Council (FFIEC) High Risk Security Test 1 and 2 at any time using Bloomberg pre-payment speeds, and any investment instrument prohibited by Georgia state law.

It is the County's policy to make all securities purchases and sales only with Qualified Institutions or Approved Broker Dealers through a formal and competitive process requiring the solicitation and evaluation of at least three bids/offers. The County accepts the offer that has the highest rate of return within the maturity required that optimizes the investment objective of the overall portfolio. When selling a security, the County selects the bid that generates the highest sales price.

The Director of Financial Services or Investment Manager prepares an investment report not less than quarterly for the Investment Committee and the Board of Commissioners. The report must include a summary of recent economic developments, investment strategies employed, descriptions of all securities held in investment portfolios, performance and benchmark data, and any potential areas of concern that may warrant revisions to investment strategies.



Capital Asset Investment and Management Policy

Capital assets have a major impact on the ability of the County to deliver services contributing to the economic vitality and overall quality of life for Gwinnett stakeholders. The purpose of Gwinnett County's Capital Asset Investment and Management Policy is to provide guidelines for allocating limited resources to capital investments.

Each year, County staff develops a six-year, long-range Capital Improvement Plan (CIP) that describes and prioritizes the capital projects the County intends to undertake. A CIP describes the capital projects and associated funding sources the County intends to undertake in the current year plus five additional future years, including the acquisition or construction of capital facilities and assets and the maintenance thereof. In Gwinnett County, a capital project is defined as a project with a useful life of 10 years or more and a cost of at least \$250,000 within six consecutive years or more than \$100,000 in one year.

The Department of Financial Services is responsible for coordinating the CIP process and compiling the CIP document within the annual budget calendar. All projects submitted for consideration of inclusion within the CIP, with minor and occasional exceptions, should be based on investments called for by master plans that have been formally reviewed and adopted by the Board of Commissioners. Operating and maintenance cost estimates are reflected in departmental operating plans.

The County has provided financial resources for the CIP through three primary methods: Special Purpose Local Option Sales Tax, pay-as-you-go, and debt financing. These methods are expected to be used for future CIPs. The policy provides guidelines for choosing between pay-as-you-go and debt financing.

An objective set of criteria is used to assess and evaluate project proposals. Although specific criteria may be updated from time to time, the following concepts are core principles to be considered in the development of such criteria:

1. **Long-Term Forecasts:** Long-term forecasts should be prepared to better understand resources available for capital spending and to assess operational impacts and eventual maintenance replacement costs.
2. **Impact on Other Projects:** Projects should not be considered in isolation. One project's impact on others should be recognized and costs shared between projects where appropriate.
3. **Allow for Funding of Preliminary Activities:** For some projects it may be wise to fund only preliminary engineering/planning before committing to funding the whole project. However, even these expenditures can be considerable; therefore they should be evaluated, analyzed, and prioritized appropriately.
4. **Full Lifecycle Costing:** Cost analysis of a proposed project should encompass the entire life of the asset, from planning and acquisition to disposal.
5. **Predictable Project Timing and Scope:** Schedule and scope estimates should be practical and achievable within the requested resources, including financial and human.

Debt Management Policy

The purpose of the Debt Management Policy is to set forth the parameters for issuing debt and managing outstanding debt. The intent is to provide structure for decisions regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt, method of sale that may be used, and structural features that may be incorporated. Should the County pursue variable rate debt and enter into agreements related to the management of the interest rate, the County will follow the parameters of the agreements (security and payment provisions, risk assessment and methods for monitoring these risks) outlined in an Interest Rate Management Plan.

When the County issues debt, there are on-going responsibilities related to federal tax law (with respect to tax-exempt securities) and securities laws (with respect to ongoing disclosure) or as a result of contractual commitments made by the County. A Post Issuance Compliance Plan is intended to guide Gwinnett County in meeting its obligations under applicable statutes, regulations and documentation associated with publicly offered and privately placed securities.

- A. **General Obligation Bonds** – General Obligation bonds can be considered as a financing source by the County when the service provided is essential to Gwinnett County government, there is no clear underlying revenue stream, or the project cannot be completed from current revenue sources or it is more equitable to finance the project over its useful life.
- B. **General Obligation Debt** – General Obligation Debt, as defined by Georgia Law, is backed by the full-faith and credit and unlimited taxing power of the County and requires Gwinnett voter approval unless the purpose is to refund outstanding general obligation bonds to achieve debt service savings.

The County may incur debt on behalf of any special district created pursuant to the Georgia Constitution. Such debt may be incurred only after the County has provided for the assessment and collection of an annual tax within the special district sufficient in amount to pay the principal and interest on such debt and has received the assent of a majority of the voters of the special district voting on the issue. The proceeds of this tax shall be placed in a sinking fund to be held on behalf of such special district and to be used exclusively to pay off the principal and interest on such debt.

General Obligation bonds are considered Sales Tax General Obligation Bonds when a question concerning general obligation debt is placed on the ballot for a sales tax program. This policy allows Gwinnett to place a general obligation debt question on the ballot for sales tax for capital projects. If the sales tax is approved by the voters, general obligation debt is also approved. This type of general obligation debt is payable first from sales tax and then from general funds of the issuer, if sales tax is not sufficient.

- C. **Revenue Bonds** – Revenue bonds can be considered as a financing source by the County when: 1) the service provided is essential to Gwinnett County government and has a strong underlying revenue stream; 2) the service provided is non-essential to Gwinnett County government but has a moderate underlying revenue stream; or 3) the project cannot be completed from current revenue sources or it is more equitable to finance the project over its useful life.
- D. **Pension Obligation Bonds** – Should the County contemplate the issuance of pension obligation bonds, an independent financial advisor should provide analysis addressing risk to the Director of Financial Services. Experiences of other jurisdictions as well as the matching of pension obligation bonds against the maturities of assets should be included in the analysis.
- E. **Redevelopment and Debt** – Self-taxing arrangements are the preferred funding method for infrastructure within a Community Improvement District or a Tax Allocation District. Tax Increment Financing (TIF) in conjunction with such an entity and self-tax arrangements may be utilized as a funding mechanism if it is authorized and demonstrated that a sufficient rate of return to encourage private investment is not otherwise available to the developer.
- F. **Authority Debt and Conduit Financing** – Authorities which are registered with the Georgia Department of Community Affairs can incur debt or credit obligations. Similarly, the County has established several authorities which have the authority to issue debt. From time to time, the Board of Commissioners may consider the approval of bond documents from authorities (such as the Metropolitan Atlanta Rapid Transit Authority or the Gwinnett County Development Authority) or other County entities (such as Georgia Gwinnett College or the Gwinnett County Board of Education). The consideration of such bonds does not represent a financial commitment of the County. As such, the debt capacity/limitations ratios are not included in the County's measures of debt affordability. According to Georgia law, bonds, obligations, and other indebtedness incurred by development authorities do not constitute an indebtedness or obligation of the state or County. Unless otherwise specified within a lease or intergovernmental agreement, authority debt is not considered a financial commitment of the County.
- G. **Short-Term and Other Borrowing** – Interim debt may be utilized for temporary funding of operational cash flow deficits pending receipt of anticipated revenues, or construction financing needs. Such borrowing must be in compliance with state law and in the form of line-of credit, anticipation notes, internal borrowings, commercial paper, or construction loan notes. Repayment will occur over a period not to exceed the useful life of the underlying asset.
- H. **Debt Capacity/Limitations** – Management will consider the following when making the decision to issue debt: legal debt margin, direct net debt per capita, debt service in Governmental funds as a percentage of Operating Expenditures in Governmental funds, debt burden (overall net debt as a percentage of full valuation, and the ten-year payout ratio).
- I. **Refinancing of Outstanding Debt** – The County will contract with a Financial Advisor to monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debts. In adherence with federal tax law constraints, refunding will be considered if and when there is a net economic benefit of the refunding, the refunding is essential in order to modernize covenants or other commitments essential to operations and management, or to restructure payment schedules to optimize payments with anticipated revenue streams.
- J. **Debt Structure** – County debt will be amortized for the shortest period consistent with a fair allocation of costs to current and future beneficiaries or users, or to match the useful life of the project, and in keeping with other related provisions of this policy. The County will show a preference for the use of level debt service payments, unless specific compelling reasons exist to structure the debt otherwise.

Credit enhancement (letters of credit, liquidity provider, bond insurance, etc.) may be used if the present value reduction of debt service costs achieved by their use outweighs the initial cost of the enhancement or when they provide other significant financial benefits or appropriate risk reduction to the County.

In cases where the County desires to capitalize interest, interest shall only be capitalized for the construction period of a revenue-producing project. Only under extraordinary circumstances will interest be capitalized for a period exceeding the construction period.

Call provisions for bond issues shall serve the primary interests of providing financial flexibility. Call provisions shall be set in a manner that is as short as possible while achieving the lowest interest cost to the County.

To the extent permitted by law, the County may form or enter into associations/agreements for joint issuance of debt. The purpose of such arrangements must be to share issuance costs, obtain better terms or rates, or to advance other fiscal goals. Only per contractual agreement or as permitted by law shall the County assume liability through any joint program for the debt obligations or tax consequences related to another government or organization's debt program.

The County has historically relied upon the budget certainty accruing from fixed rate debt to fund its borrowing needs and will continue to show a preference for this type of issuance.

Based on the situational or project specific reasons, the use of variable rate debt will be utilized in a limited way to the extent that it presents a significant interest savings to the County and does not subject the County to: a) excessive risk of unfavorable changes in interest rates, b) pressure on the County's credit rating, c) unexpected budgetary pressures, d) excessive debt service acceleration risk or the potential for balloon indebtedness in the event market access is restricted to the County, e) the inability to repay variable rate obligations as they come due, or f) escalating payments.

No derivative products will be utilized unless permitted by law or without prior authorization of the Board of Commissioners. No derivative products shall be utilized without an analysis by an independent financial advisor and the implementation of an independent monitoring program. As a method of annually assessing the level of risk with any variable rate bonds, the Interest Rate Management Plan will be used to identify the risks associated with such variable rate debt.

- K. **Financing Team Selection Process** – The County employs outside financial specialists to assist in developing a bond issuance strategy, preparing bond documents and marketing bonds to investors. The key participants in the County's financing transactions include its Financial Advisor, Bond Counsel, Disclosure Counsel, the Underwriter (in a negotiated sale), and County representatives. Other outside firms, such as those providing paying agent/registrars, trustee, credit enhancement, auditing, or printing services, are retained as required. The objectives of the selection process are participation from qualified providers, ensuring service excellence, and competitive cost structure. Unless exemptions apply, the County's Purchasing Ordinance governs the selection of professional service providers.

The County will solicit competitive proposals for financial advisory services. The County may not retain an advisor for longer than five years without a competitive selection process. A panel appointed by the Director of Financial Services shall review financial advisory services proposals.

The Financial Advisor will solicit proposals for underwriting services for debt issued in private placement or negotiated sale. A committee appointed by the Director of Financial Services shall review underwriting proposals and shall appoint an underwriting firm. With either a private placement or a negotiated sale, the underwriter must disclose any potential conflicts of interest.

The County shall procure professional services for record keeping, banking services, or other debt administration specialists in compliance with the Purchasing Ordinance.

- L. **Method of Sale** – The County will select a method of sale that is the most appropriate in light of financial, market, transaction-specific and issuer-related conditions. Based on information provided by the Financial Advisor, the Director of Financial Services is authorized to determine the most advantageous process for the marketing and placement of the County's debt. Methods of sale include, but are not limited to, competitive sales, negotiated sales, private placement, and lease/purchase agreements.
- M. **Management/Disclosure Practices** – The County is committed to full and complete primary and secondary financial disclosure to rating agencies, national information repositories, state and national regulatory agencies, as well as those of the underwriting market, institutional buyers, and other market participants as a means to enhance the marketability of County bond issuances. Official statements accompanying debt issues, Comprehensive Annual Financial Reports, and continuous disclosure statements will meet (at a minimum) the standards articulated by the Government Accounting Standards Board (GASB), the National Federation of Municipal Analysts, the Securities and Exchange Commission (SEC), the Municipal Securities Rulemaking Board (MSRB) and Generally Accepted Accounting Principles (GAAP).

Risk Management Practices

The Board of Commissioners is authorized to provide for the programs of risk management, insurance, and workplace safety for Gwinnett County. The County defines Risk Management as a process whereby Gwinnett County uses the techniques of avoidance, control, non-insurance transfers, insurance, and retention to reduce and eliminate property and casualty exposures.

The County manages its risks by purchasing limited liability coverage and internally setting aside monies for claim settlement in the Risk Management, Auto Liability, and Workers' Compensation Funds. The Risk Management Fund services claims for the County's exposure resulting from liability and County-owned property damage. Auto Liability does the same specifically for damages to non-County-owned vehicles. The Workers' Compensation Fund services claims for employee exposure to injuries. All departments, agencies, and authorities of the County participate in these funds. These Internal Service Funds allocate the cost of providing claims service and payment by charging a premium to each department. These charges are based upon recent trends in actual claims experience of the County as a whole and at the department level.

The Department of Financial Services and the Department of Human Resources jointly administer a risk management program. The Department of Financial Services manages the safety program and provides technical support to the Department of Human Resources for the management and monitoring of the workers' compensation program.

It is the objective of the Board of Commissioners that Gwinnett County should maintain efficient, productive, and well-managed risk management, insurance, and safety programs. The Board of Commissioners believes that the involvement, participation, and support of this policy statement and all other efforts of the Department of Finance and the Department of Human Resources related to these programs greatly benefits all Gwinnett County employees and elected officials, as well as the residents of the County. All County officials and employees are strongly encouraged to follow the lead of the Board of Commissioners in endorsing, cooperating with, participating in, and supporting the activities of these programs.

It is the responsibility of all managers and employees to see that facilities and equipment are properly maintained and that operations are carried out in a safe manner. No loss of life or injury to employees or members of the public is acceptable. When accidents occur, they cause untold suffering and financial loss to County employees, their families, Gwinnett County, and the public. The time lost from jobs, medical expenses, compensation payments, property damage, liability claims, and rising insurance costs drain tax dollars away from much-needed services and programs and reduce efficiency. These losses must be minimized by countywide participation in programs to reduce injuries, illness, property damage, fires, liability claims, and security losses.

Purchasing Practices

The Board of Commissioners adopted the *Gwinnett County Purchasing Ordinance* in April 1995, and amended it with the seventh revision on March 15, 2016. Through it, the Purchasing Division establishes dollar limits and buying parameters, describes the accepted methods for source selection including professional services, construction acquisitions, disposal of property, and explains contracting procedures including bonding, insurance, and vendor performance.



Additional purchasing process procedures and guidelines are documented in support of the Purchasing Ordinance. These include the Purchasing Procedures Manual, revised September 2, 2014, the Purchasing Associate II Manual, updated July 1, 2011, the Purchasing Associate I Manual, updated December 1, 2014, and the Purchasing ASA Manual, updated December 21, 2010.

All purchases shall be based on an approved budget for which funds have been allocated (*see Purchasing Guidelines below*).

Gwinnett County Purchasing Guidelines	
Up to \$4,999.99	Each user department is granted the authority, at the discretion of the Department Director, to handle purchases where the cost is less than \$5,000.
\$5,000 – \$9,999.99	Purchasing staff shall obtain commodities and services competitively through telephone solicitations by obtaining a minimum of three quotations.
\$10,000 – \$100,000	Purchasing staff shall obtain commodities and services competitively through written quotations by obtaining a minimum of three quotations.
Above \$100,000	Requires solicitation of formal, sealed bids/proposals by the Purchasing Division staff. Award of bids/proposals are made at a formal meeting by the Board of Commissioners.

Emergency purchases may be authorized by any department head; however, a letter of justification must be submitted to the Purchasing Director as soon as practical. Any purchase made under these conditions at a cost greater than \$100,000 shall be presented to the Board of Commissioners for ratification at its next meeting.

Reserve Policies

Through adherence to its reserve policies, the County maintains a prudent level of financial resources to guard its stakeholders against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures. Reserve policies are also intended to document the appropriate reserve level to protect the County's creditworthiness. Operating reserves are accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities.

Funding of reserve targets generally comes from excess revenues over expenditures or one-time revenues.

It is the intent of the County to limit use of fund reserves to address unanticipated, non-recurring needs. Reserves shall not normally be applied to recurring annual operating expenditures. Reserves may, however, be used to allow time for the County to restructure its operations in a deliberate manner (as might be required in an economic downturn), but such use will only take place in the context of an adopted long-term plan.

Gwinnett County currently operates under the following reserve policies:

General Fund Reserve Policy – The County maintains a minimum level of unassigned fund balance in the General Fund equivalent to three months of regular, ongoing operating expenditures (including transfers out). The County Administrator, Deputy County Administrator, and Director of Financial Services, collectively, are authorized to assign Fund Balance for specific purposes in accordance with the intent and actions of the Board of Commissioners.

Special Revenue Funds Reserve Policy – The County maintains a minimum level of restricted or committed fund balance equivalent to three months of regular, ongoing operating expenditures (including transfers out) for all special revenue operating funds that receive property tax revenue, assess a fee directly to residents, or include operational expenditures for more than 25 employees. Amounts used in this calculation should not include any amounts allocated for another purpose by the Board of Commissioners.

Enterprise Funds Reserve Policy – The County maintains a minimum level of working capital in Enterprise Funds equivalent to three months of regular, ongoing operating expenses (including transfers out), except for the Local Transit Operating Fund. The Local Transit Operating Fund, or any fund that is subsidized by the General Fund on an ongoing basis, maintains reserves equal to one month of regular, ongoing operating expenses (including transfers out), with any excess reverting back to the General Fund. For purposes of this calculation, working capital includes long-term investments that can be liquidated within five business days.

The County measures its compliance with its reserve policies as of December 31 each year, as soon as practical after final year-end account information becomes available. During the course of the year, the Department of Financial Services closely monitors the County's revenues and expenditures to ensure reserves are not used beyond any planned usage. For the purposes of the reserve policies, current year actual expenditures exclude significant non-recurring items. Forecasts and fund balance levels are presented to the Chairman and Board of Commissioners during the annual budget process. Should the projected year-end fund balance be below the minimum reserve amount established by the reserve policies, a plan to replenish the reserves would be established based on the requirements outlined in the policies.

In the event that reserves exceed the minimum balance requirements at the end of each fiscal year, any excess reserves may be used in the following ways:

1. Fund accrued liabilities, including but not limited to debt service, pension, and other post-employment benefits as directed and approved within the long-term financial plan and the annual budget resolution. Priority is given to those items that relieve budget or financial operating pressure in future periods.
2. Appropriated to lower the amount of bonds or contributions needed to fund capital projects in the County's CIP.
3. One-time expenditures that do not increase recurring operating costs that cannot be funded through current revenues. Emphasis is placed on one-time uses that reduce future operating costs.
4. Start-up expenditures for new programs, provided that such action is approved by the Board of Commissioners and is considered in the context of multi-year projections of revenue and expenditures as prepared by the Department of Financial Services.

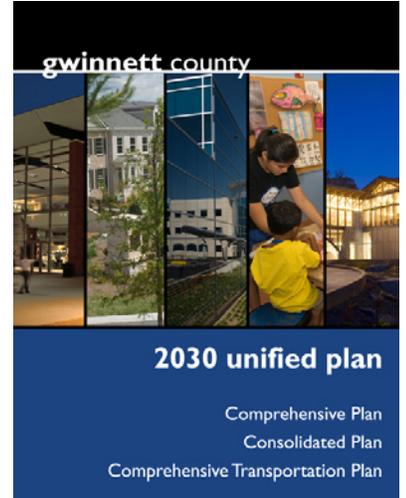


Planning Tools



The County has many planning tools in place to help map out its future. Some of these tools include:

- Leadership and Succession Planning
- 2030 Unified Plan
- Long-Term Financial Planning Policy
- Solid Waste Management Plan
- Comprehensive Transportation Plan
- Transit Development Plan
- Comprehensive Parks and Recreation Master Plan
- Open Space and Greenway Master Plan
- Water and Wastewater Master Plan
- Capital Improvement Plan
- Five-Year Forecast of Revenues and Expenditures
- Property Tax Digest Forecast



Gwinnett County is committed to **leadership and succession planning**. Succession planning is an ongoing process of identifying, assessing, and developing talent to ensure leadership and management continuity throughout an organization. Succession planning is a subset of workforce planning in which critical positions are targeted and staff is prepared to qualify for the targeted positions. The Department of Human Resources continues to monitor the departmental succession plans and works with departments to increase the management bench strength. This strategic planning tool assists County leaders in a changing workforce.

To further develop leadership skills in our organization, the Department of Human Resources offers a professional development program to newly promoted or newly hired supervisors and managers called LEADacademy. This innovative program includes an overview of what is generally expected of the County's supervisory and management staff and provides detailed outlines of the County's policies and procedures. LEADacademy is a results-oriented program that provides new County leaders with practical skills and knowledge that are needed to perform efficiently, effectively, and ethically. In addition to LEADacademy, employees have an opportunity to refine and develop management and leadership skills through the EXCEL program offered by the University of Georgia's Carl Vinson Institute of Government. The ultimate goal of the program is embodied in its name: To develop Executive Competence, Excellence, and Leadership.

The County completed its [2030 Unified Plan](#), and it was adopted by the Board of Commissioners in February 2009. This plan will guide the County's land use policies, growth, and infrastructure development through the 2030 plan horizon. It is an innovative roadmap for smart growth in Gwinnett. The 2030 Unified Plan established updates for the Comprehensive Plan, the Consolidated Plan, and the Comprehensive Transportation Plan. In 2013, the County initiated the first components of a limited update of the 2030 Unified Plan. The update does not involve rewriting the whole plan, but there are some areas that need adjustment based on the new economic reality and input from the current commissioners. Recalibrating the plan to reflect changing circumstances and the latest data will keep the 2030 Unified Plan fresh and useful.

The components of the plan update completed in 2013 include the 2009 – 2014 Short-Term Work Program Report of Accomplishments and a 2014 – 2019 Short-Term Work Program, which was submitted to and reviewed by the Atlanta Regional Commission in December 2013. Additionally, complex fiscal modeling using current economic data was completed in 2013. These modeling results will be the basis for the remainder of the plan update.

The Unified Plan update, which began in mid-2014 and is anticipated to be complete by early 2016, has relied heavily on stakeholder input to review community goals, needs, and opportunities to assist staff in identifying new policies and implementation steps to be incorporated into the 2030 Unified Plan, all of which will be organized around the same central themes from the original plan. Included in the plan update are revised demographic forecasts, a new character area, revised policies for existing character areas, and changes to the future development map.



Adopted by the Board of Commissioners in 2013, the **Long-Term Financial Planning Policy** is based on a process that identifies internal and external issues that could impact the County's financial condition over the next five years. The policy is described in detail in the "[Policies and Practices](#)" section on pages 17 – 18 in this section of the document.

The **Solid Waste Management Plan** was last amended in 2008 after an intensive 16-month study undertaken by national solid waste experts and an extensive stakeholder participation process in which more than 5,000 local residents participated. The plan update addresses provisions that were required by state law and regulations by examining the five core planning elements: waste reduction, waste collection, waste disposal, land limitation, and education and public involvement. The solid waste plan continues to represent an important planning document for Gwinnett County and the participating municipalities.

The **Comprehensive Transportation Plan** informs Gwinnett County officials and its residents on the subject of future transportation needs, projects that address those needs, and the advantages, costs, and potential funding sources for those projects. The CTP is paired with the Unified Plan's Comprehensive Land Use Planning element. Together, these two documents define the long-term comprehensive vision for growth of the County, and a plan for investment in the County's transportation system and other supporting infrastructure. The current CTP was developed in 2007 – 2008. The County initiated an update to the CTP in 2015. The Comprehensive Transportation Plan update is a 20-month process. Draft recommendations will be presented to the public and the final plan will be presented to the County for adoption in early 2017.

The Department of Transportation is continuing work on the implementation of the **Transit Development Plan**. The TDP is a multiyear plan to support the programming of related projects in the Atlanta Regional Commission's Transportation Improvement Program. Thus, it is used to support the justification of projects where the County would be seeking 80 percent federal aid and 10 percent state aid. In turn, it provides the County with estimates for the 10 percent local funds needed to be programmed in the annual County capital budget. In addition, the TDP provides guidance on the short-term amount of operating budget required to operate the bus system and how much funding the County can expect from federal and state sources.

While Gwinnett County Transit has not been in a growth mode primarily due to budget considerations, information in the TDP has been used to make previous modifications to some transit routes to maximize the efficiency of those routes. As budget considerations have improved, restoration of some previously cut services such as Saturday service was restored in 2015. In 2016, three new express routes will be added. GCT continues the commitment to pursue increased ridership, maintain the current level of both service delivery and operating costs, and provide safe and reliable transit service.

Gwinnett County has a history of being proactive in addressing its parks and recreation needs. Planning is key, but plans cannot remain static—not in a county whose population has grown from about 72,000 in 1970 to more than 898,000 today. Gwinnett County is consistently re-evaluating the long-term recreation plan in a fiscally responsible manner, relying heavily on community involvement in the process. Gwinnett County's **Comprehensive Parks and Recreation Master Plan** provides a roadmap for addressing these issues. Gaps in service levels are identified, solutions are suggested, and costs for construction and operations are estimated. The plan incorporates numerous factors including population growth, cultural diversity, leisure trends, service delivery, budgetary constraints, and resident input.

Keeping Gwinnett a preferred place to live includes making it easier for people to walk, run, and bike through their neighborhoods and to and from attractions such as local parks, schools, churches, and neighborhood shopping. Walking consistently ranks as the most popular recreational activity for Gwinnett's residents and is one of the healthiest activities. The **Open Space and Greenways Master Plan** comprehensively explores open space acquisition, the development of a County greenway system, as well as administrative, management, and funding analysis. It is used as a guide to increase recreational opportunities, protect greenspace, and link neighborhoods.

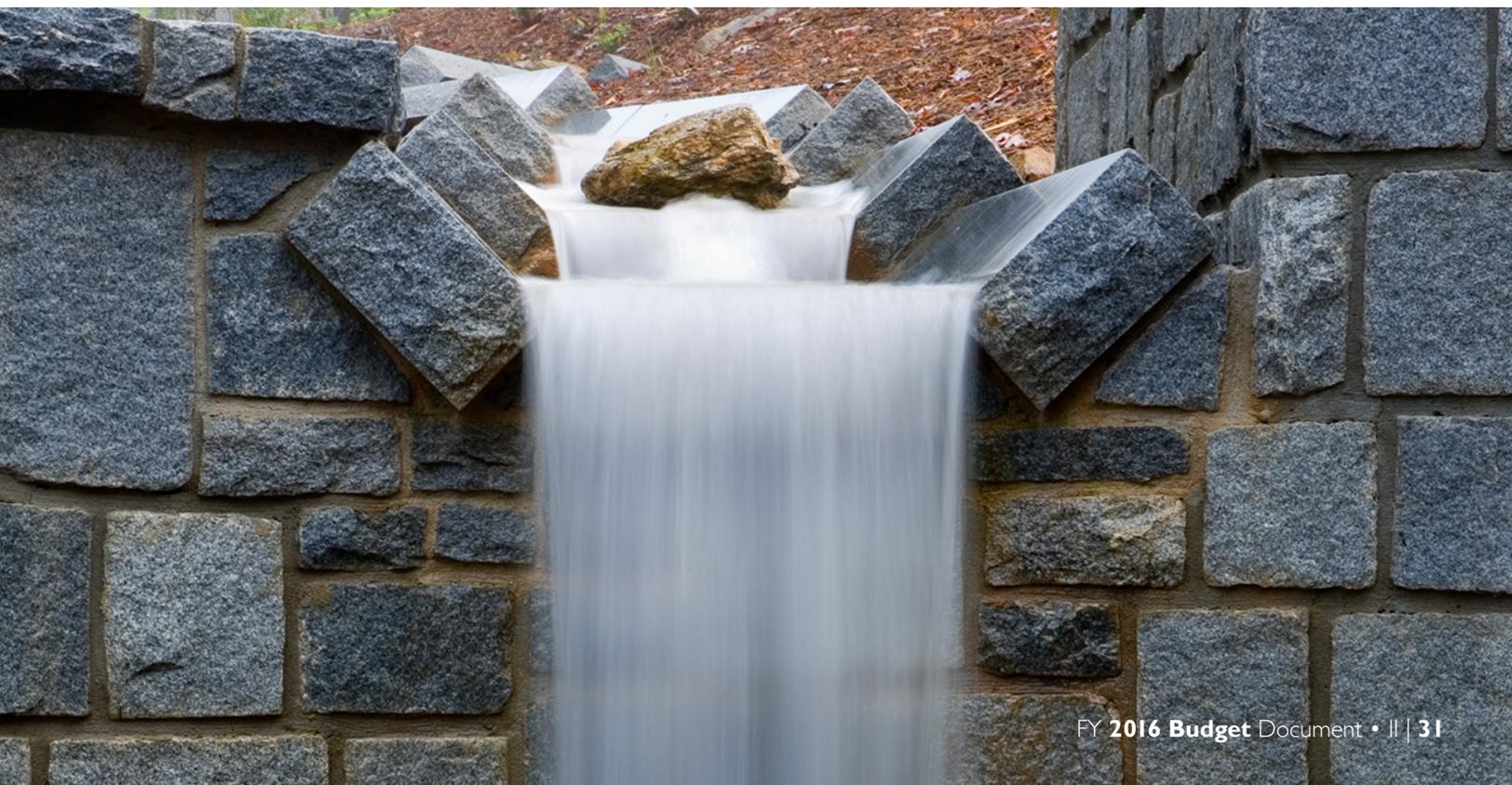
The Gwinnett County [Water and Wastewater Master Plan](#), adopted in 2012, was the first major County plan to be completed that is fully aligned with the 2030 Unified Plan. This plan was jointly developed by the Department of Planning and Development and the Department of Water Resources, along with a large team of consultants, County staff, and residents. The plan outlines the water and wastewater infrastructure needs in the County through 2030, establishing “triggers” that will be measured and monitored by staff on an annual basis in order to establish a realistic project design and construction timeline to ensure that these infrastructure needs continue to be met for the residents of Gwinnett in a “just in time” fashion.

Each year County staff develops a six-year, long-range **Capital Improvement Plan** that describes and prioritizes the capital projects the County intends to undertake. The CIP is described in more detail in the “[Capital Asset Investment and Management Policy](#)” on page 24 in this section of the document. Gwinnett County’s major capital achievements in fiscal year 2015 and the programs that make up the 2016 – 2021 CIP are described in Section VI.

The County uses forecasting tools as part of the County’s annual budget process. Two of these tools are the **five-year forecast of revenues and expenditures** and the property tax digest forecast. While the operating budget only considers a 12-month period, spending and decisions made today can have lasting financial impacts to the County. The multi-year forecast considers the condition of a fund in the current year as well over the next several years. Scenarios are created which allow Budget Review Team members to see the lasting financial impacts of decisions under consideration such as the timing of capital construction and the related operating impacts.

One of the most important forecasts for the County’s financial well-being is the **property tax digest forecast**. The County budgets property tax revenues more than one year in advance of the digest being submitted to the state. As a result, the County has historically budgeted property taxes conservatively to incorporate both estimated fluctuations in the digest and collection rate assumptions. The digest forecast considers trends in the economy, housing market including foreclosures, population, construction, and other factors which influence the value of properties within the county.

These planning tools guide County officials in making decisions about land use, public service delivery needs, timing and placement of community facilities, and future revenue streams to fund these needs. They attempt to identify key long-range issues that are most likely to affect the County’s growth and propose strategies to use the County’s resources in the most effective manner. These planning tools are integrated into the development of the budget, which is described next.



The Budget Process

Budget Process – Flow Chart

The following chart summarizes the budget process and the various steps leading to the adoption of the Fiscal Year 2016 Budget.

	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Strategic Planning:												
Board of Commissioners Strategic Planning Meeting				→								
Departmental Strategic Planning Meetings					→							
Millage rate adoption for current year						→						
Budget Development:												
Departments prepare draft Capital Budgets	→											
Budget staff prepares and sends budget material to departments				→								
Capital Review Team Meetings					→							
Departments prepare draft Operating Budgets					→							
Budget staff compiles draft budget						→						
Chairman convenes Chairman's Budget Review Team								→				
Departments present business plans to the Chairman and Review Team								→				
Finalize and Adopt:												
Chairman finalizes recommendations									→			
Chairman's proposed budget presented to the Board of Commissioners										→		
Chairman's proposed budget published										→		
Budget availability advertised										→		
Board of Commissioners' review and input										→		
Public Hearing											→	
Budget adoption												→



Georgia law requires each unit of local government to adopt and operate under a balanced budget. A budget ordinance or resolution is balanced when the sum of the estimated revenues and appropriated fund balances/net position is equal to appropriations. Arriving at a balanced budget that will allow Gwinnett County to provide necessary services for all of its residents is an enormous task that involves a significant time commitment by dedicated County elected officials and staff members.

The budget process is the basis for deciding the allocation of scarce resources among various competing priorities. Typically, the annual budget process begins early in the year, many months before the first recommendation is made to the Board of Commissioners.

The County has relied upon its budget process as an integrated planning tool alongside the County's 2030 Unified Plan, as well as the Business Planning Process. The quality of the County's Unified Plan has received both state and national recognition, with awards from both the Georgia Planning Association as well as the American Planning Association.

The County's 2030 Unified Plan encompasses the following themes:

- Maintaining economic development and fiscal health
- Fostering redevelopment
- Maintaining mobility and accessibility
- Providing more housing choices
- Keeping Gwinnett a preferred place

In developing the 2016 budget, County Administration continued the Business Planning Process that directs departments to develop cohesive business plans that produce resident-driven outcomes. The Business Planning Process connects strategy and core services to the budget and decision making process. The budget represents the financial plan resulting from the Business Planning Process. This process provides the basis for all stakeholders to understand the expected results and for policymakers to make decisions in a more informed manner.

The 2016 budget was developed with input from five county residents and business people who were selected by Chairman Charlotte Nash to serve on the budget review team. They worked with elected officials and County staff to review departmental business plans and projected revenues to set priorities.

Development of the 2016 budget began in May 2015 when the Board of Commissioners held a strategic planning meeting. In the summer of 2015, departments submitted budget proposals to the Department of Financial Services. The Department of Financial Services then compiled recommendations into a draft budget for review by Chairman Nash and the budget review team.

All departments and elected officials submitted their fiscal year 2016 annual operating and capital budgets, as well as decision package proposals, on or before July 17, 2015. From August 31 through September 4, departments and elected officials presented their business plans to the Chairman and the review team for consideration. Departmental business plans and budget presentations made to the budget review team may be viewed at www.tvgwinnett.com under [Video on Demand](#).

With input from the review team, the Chairman presented a proposed budget to the Board of Commissioners on November 17, 2015. The Board of Commissioners reviewed the proposed budget, and in accordance with state law, a public hearing was held on December 7, 2015. County ordinance requires that a budget must be adopted at the first meeting of the new fiscal year. The final adopted budget was approved January 5, 2016, and is presented in the summary on the next page.

The budget may be amended throughout the fiscal year to adapt to changing governmental needs through approval of the Board of Commissioners. Specific authority has been given to other individuals through the budget resolution for adjustments in certain cases. Primary authority, however, rests with the Board. Any increase in appropriations in any fund for a department, whether through a change in anticipated revenues or through a transfer of appropriations among departments, requires the approval of the Board of Commissioners. The budget resolution on the following pages identifies conditions under which budget adjustments can be made and by whose authority.

Budget Resolution Summary

The final outcome of the budget process is the following balanced budget.

FY 2016 Resolution Amounts

Operating Budget	FY 2016
Tax-Related Funds	
General	\$ 273,205,416
G.O. Bond Debt Service (Detention Center)	6,598,597
Development & Enforcement Services District	10,554,317
Fire and EMS	102,880,664
Loganville EMS	42,777
Police Services District	103,452,220
Recreation	32,593,754
Total Tax-Related	\$ 529,327,745
Special Revenue Funds	
Speed Hump	\$ 121,600
Street Lighting	7,667,591
Authority Imaging	960,000
Corrections Inmate	83,000
Crime Victims Assistance	1,128,981
District Attorney Federal Asset Sharing	145,514
E-911	20,681,055
Juvenile Court Supervision	51,678
Police Special Justice	1,563,552
Police Special State	708,060
Sheriff Inmate	733,466
Sheriff Special Justice	75,000
Sheriff Special Treasury	150,000
Sheriff Special State	60,000
Stadium Operating	2,697,411
Tree Bank	10,000
Tourism	8,621,610
Total Special Revenue	\$ 45,458,518
Enterprise Funds	
Airport Operating	\$ 987,487
Local Transit Operating	9,912,171
Solid Waste Operating	44,162,483
Stormwater Operating	31,354,537
Water and Sewer Operating	331,293,789
Total Enterprise	\$ 417,710,467
Internal Service Funds	
Administrative Support	\$ 56,077,919
Auto Liability	1,011,000
Fleet Management	6,597,556
Group Self-Insurance	50,029,740
Risk Management	7,115,444
Workers' Compensation	4,342,786
Total Internal Service	\$ 125,174,445
Total Operating Funds	\$ 1,117,671,175

Capital Budget	FY 2016	FY 2017 – 2021
Tax-Related Funds		
Capital Project	\$ 17,920,314	\$ 103,246,266
Vehicle Replacement	5,244,532	68,434,303
Total Tax-Related	\$ 23,164,846	\$ 171,680,569
Special Revenue Funds		
SPLOST (2009)	\$ 80,478,386	\$ 17,388,485
SPLOST (2014)	127,428,606	116,984,461
Total Special Revenue	\$ 207,906,992	\$ 134,372,946
Enterprise Funds		
Airport R & E	\$ 17,000	\$ 547,045
Stormwater R & E	20,280,803	101,385,452
Transit R & E	–	55,377
Water and Sewer R & E/Bond	111,806,545	613,191,500
Total Enterprise	\$ 132,104,348	\$ 715,179,374
Total Capital Funds	\$ 363,176,186	\$ 1,021,232,889

R & E = Renewal & Extension
 SPLOST = Special Purpose Local Option Sales Tax



RESOLUTION ENTITLED: **A RESOLUTION ADOPTING A BUDGET FOR THE FISCAL YEAR 2016 FOR EACH FUND OF GWINNETT COUNTY, APPROPRIATING THE AMOUNTS SHOWN IN THE FOLLOWING SCHEDULES FOR SELECTED FUNDS AND AGENCIES; ADOPTING THE ITEMS OF ANTICIPATED FUNDING SOURCES BASED ON THE ESTIMATED 2016 TAX DIGEST; AFFIRMING THAT EXPENDITURES IN EACH AGENCY MAY NOT EXCEED APPROPRIATIONS; AND PROHIBITING EXPENDITURES FROM EXCEEDING ANTICIPATED FUNDING SOURCES.**

READING AND ADOPTION: **January 5, 2016**

At the regular meeting of the Gwinnett County Board of Commissioners held in the Gwinnett Justice and Administration Center, Auditorium, 75 Langley Drive, Lawrenceville, Georgia.

Name	Present	Vote
Charlotte J. Nash, Chairman	Yes	Yes
Jace Brooks, District 1	Yes	Yes
Lynette Howard, District 2	Yes	Yes
Tommy Hunter, District 3	Yes	Yes
John Heard, District 4	Yes	Yes

On motion of Commissioner Howard, which carried 5-0, the Resolution of the Gwinnett County Commissioners set forth below is hereby adopted:

WHEREAS, the Gwinnett County Board of Commissioners ("Board") is the governing authority of said County; and

WHEREAS, the Board has presented a Proposed Budget which outlines the County's financial plan for said fiscal year which includes all projected revenues and allowable expenditures; and

WHEREAS, an advertised public hearing has been held on the 2016 Proposed Budget, as required by State and Local Laws and regulations; and

WHEREAS, the Board decrees that the Proposed 2016 Budget shall in all cases apply to and control the financial affairs of County departments and all other agencies subject to the budgetary and fiscal control of the governing authority; and

WHEREAS, the Board may authorize and enact adjustments and amendments to appropriations as to balance revenues and expenditures; and

WHEREAS, each of the funds has a balanced budget, such that Anticipated Funding Sources equal Proposed Expenditures; and

NOW, THEREFORE, BE IT RESOLVED that this Budget is hereby adopted specifying the Anticipated Funding Sources for each Fund and making Appropriations for Proposed Expenditures to the Departments or Agencies named in each Fund; and

BE IT FURTHER RESOLVED that Expenditures of any Operating Budget Fund or Capital Budget Fund shall not exceed the Appropriations authorized by this Budget Resolution and any Amendments thereto or Actual Funding Sources, whichever is less; and

BE IT FURTHER RESOLVED that all Expenditures of any Operating Budget Fund or Capital Budget Fund are subject to the policies as established by the Board of Commissioners and the County Administrator; and

BE IT FURTHER RESOLVED, consistent with the Official Code of Georgia Annotated Section 33-8-8.3, the proceeds from the tax on insurance premiums in the amount of \$28,286,825 are recorded within the Police Services Special District Fund for the primary purpose of funding police protection to inhabitants of unincorporated Gwinnett in its entirety, budgeted at \$101,090,919 and remaining funding of \$72,804,094 anticipated from direct revenues and taxes; and

BE IT FURTHER RESOLVED that certain Capital Project Budgets are adopted, as specified herein, as multiple-year project budgets as provided for in Official Code of Georgia Annotated Section § 36-81-3(b)(2); and

BE IT FURTHER RESOLVED that Indirect Cost Allocations and Contributions as appropriated in any Fund within the various accounts of a Department or Agency are restricted for the express purpose as designated; and

BE IT FURTHER RESOLVED that a vacancy period for a minimum of ninety days shall ensue immediately upon the separation of employment by an employee from a County department or Agency; and

BE IT FURTHER RESOLVED that transfers of appropriations in any Fund among the various categories within a Department or Agency shall require only the approval of the Director of Financial Services so long as the total budget for each Department or Agency is not increased; and

BE IT FURTHER RESOLVED that the 2016 Budget shall be amended so as to adapt to changing governmental needs during the fiscal year as follows: Any increase in Appropriations in any Fund for a Department or Agency, whether through a change in Anticipated Revenues in any Fund or through a transfer of Appropriations among Departments or Agencies, shall require the approval of the Board of Commissioners, except in the following cases where authority is granted to:

- I. The Department Director to:
 - (a) set fee structures provided that they are not restricted by rate setting policies and agreements; and
 - (b) allocate funds previously approved between existing capital projects within the SPLOST Programs or Enterprise Funds within the same category of projects within Department or Agency.
2. The Director of Financial Services to:
 - (a) allocate funds to appropriate Department or Agency from insurance proceeds and/or from the Casualty and Liability Insurance Reserve for the replacement or repair of damaged equipment items;
 - (b) allocate funds from the established Judicial Reserve to appropriate Department or Agency for required expenses;
 - (c) allocate funds from the established Prisoner Medical Reserve to various Funds, Department or Agency when required to cover expenses;
 - (d) allocate funds from the established Indigent Defense Reserve to appropriate Department or Agency for required expenses;
 - (e) allocate funds from the established Court Reporters Reserve to appropriate Department or Agency for required expenses;
 - (f) allocate funds from the established Court Interpreters Reserve to appropriate Department or Agency for required expenses;
 - (g) allocate funds from the established Inmate Housing Reserve to appropriate Department or Agency for required expenses;
 - (h) allocate funds from the established Fuel/Parts Reserve as required;
 - (i) allocate funds from Non-Departmental contingencies and reserves to cover existing obligations/expense in accordance with the intent and actions of the Board of Commissioners; however, in no case shall appropriations exceed actual available funding sources; allocate funds from established reserves for leave balances at retirement, salary adjustments and reclassification to Department and Agency as necessary to provide funding for compensation actions, reductions in force and retirement incentives; transfer funds resulting from salary savings or transfer balances resulting from under expenditures in operating accounts into Non-Departmental reserves to fund accrued liabilities and expend funds within Non-Departmental reserve to reduce said accrued liabilities;
 - (j) authorize preparation and submission of applications for grant funding; however, acceptance of all grant awards is subject to the approval of the Board of Commissioners;

- (k) adjust revenue and appropriation budgets between capital projects as necessary to incorporate grant awards previously approved by the Board of Commissioners;
 - (l) approve adjustment of revenues and appropriations within Department or Agency for capital categories/projects and revise allocated funding previously approved, or, as appropriate, transfer appropriations among fiscal years for projects as necessary to allow completion of each project and cover existing obligations/expenses in accordance with the intent and actions of the Board of Commissioners; however, in no case shall appropriations exceed actual available funding sources;
 - (m) calculate savings associated with the future vacancy of any position and shall further have the authority to amend the budget of such Department or Agency at the time a vacancy arises unless an exception has been granted; and
 - (n) adjust revenue and appropriation budgets to incorporate collected revenue for confiscated assets in Special Use Funds, all revenue in Authority Imaging Fund, bond forfeitures, and capital fund contingency project and project specific levels.
3. The County Administrator to:
- (a) transfer funds from Department or Agency budgets to Contribution to Capital Projects for amounts up to \$50,000;
 - (b) transfer funds within a capital fund from fund or program contingencies and/or savings in existing projects to establish new projects for amounts up to \$100,000;
 - (c) grant exceptions to the ninety day vacancy period upon petition by a County department or Agency so as to permit the vacant position to be filled through hire and appointment without a corresponding budgetary impact;
 - (d) reallocate funding among projects approved by the Board of Commissioners; and
 - (e) allocate funds from the established Compensation Reserve to Department or Agency budgets to provide funding for approved compensation actions.

BE IT FURTHER RESOLVED that such amendments shall be recognized as approved changes to this resolution in accordance with O.C.G.A. 36-81-3. These authorities for transfers of appropriations shall not be used as an alternative to the normal budget process and are intended to be used only when necessary to facilitate the orderly management of projects and/or programs; transfers approved under these authorities may not be used to change the approved scope or the objective of any capital project; and

BE IT FURTHER RESOLVED that the compensation for county appointments by the Board of Commissioners to the various Boards and Authorities have been set (see-attached schedule). This does not preclude any department from reimbursing those members for actual expenses incurred in the performance of duty; and

BE IT FURTHER RESOLVED that the Board of Commissioners shall approve increases in authorized positions. Vacant positions may be reallocated within the same Department or Agency or reassigned to another Department or Agency and filled authorized positions may be reassigned at the same grade level between a Department or Agency with the authorization of the County Administrator; and

BE IT FURTHER RESOLVED that eligible County employees may receive a pay increase as specified in the 2016 Compensation Plan. Pay increases shall be administered in accordance with current procedures as established by the County Administrator. Employee pay increases for any and all years beyond 2016 will depend upon availability of funds and appropriations by the Board of Commissioners; and

BE IT FURTHER RESOLVED that the County Administrator is granted authority to authorize benefits pursuant to O.C.G.A. §47-23-106 for retired Superior Court Judges.

Resolution Number: BDG-2016
GCID Number: 2016-0025

Charlotte J. Nash
Charlotte J. Nash, Chairman

1/12/16
Date
Attest:



Joe Kemp
County Clerk/Deputy County Clerk

Approved as to form:

Van Stephens
Gwinnett County Staff Attorney

Consolidated Budget – All Funds

FY 2016 Revenues and Appropriations

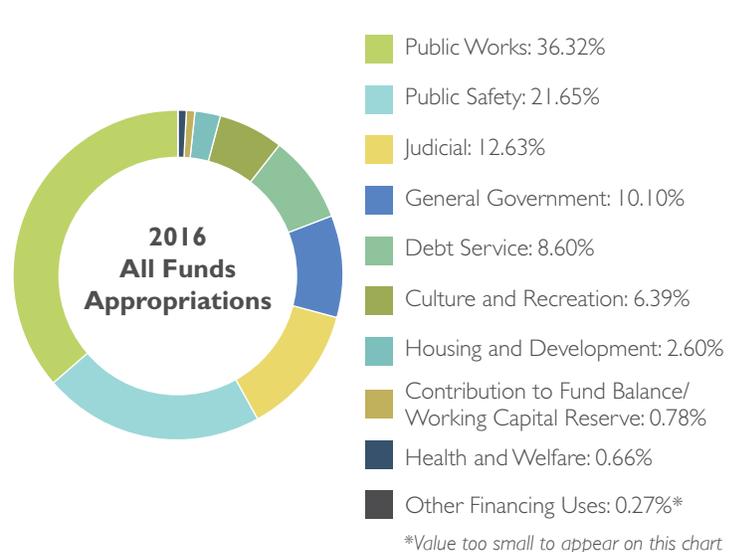
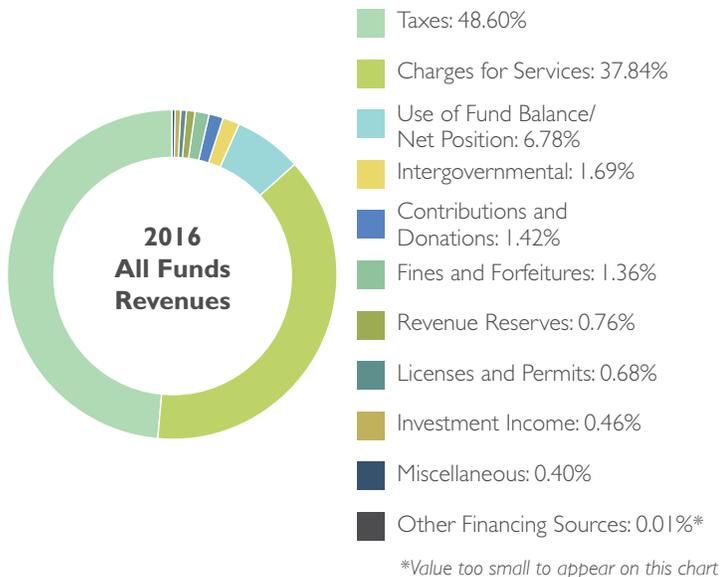
The purpose of a consolidated budget is to eliminate duplicating transfers and Internal Service Fund Activity in order to determine the true cost of providing services. This data excludes inter-fund transfers in the amount of \$164,752,609 and Internal Service Activity in the amount of \$125,174,445.

FY 2016 Revenues

Taxes	\$ 578,796,939
Licenses and Permits	8,129,101
Intergovernmental	20,130,234
Charges for Services	450,631,762
Fines and Forfeitures	16,223,644
Investment Income	5,477,725
Contributions and Donations	16,940,664
Miscellaneous	4,721,778
Other Financing Sources	122,597
Total 2016 Revenues	1,101,174,444
Revenue Reserves	9,000,000
Use of Fund Balance/Net Position	80,745,863
Total Budgeted Revenues	\$ 1,190,920,307

FY 2016 Appropriations

General Government	\$ 120,251,049
Judicial	150,393,972
Public Safety	257,786,602
Public Works	432,711,908
Health and Welfare	7,868,698
Culture and Recreation	76,084,576
Housing and Development	30,906,153
Debt Service	102,462,709
Other Financing Uses	3,165,814
Total 2016 Appropriations	1,181,631,481
Contribution to Fund Balance/ Working Capital Reserve	9,288,826
Total Budgeted Appropriations	\$ 1,190,920,307



Fund Structure and Financial Status

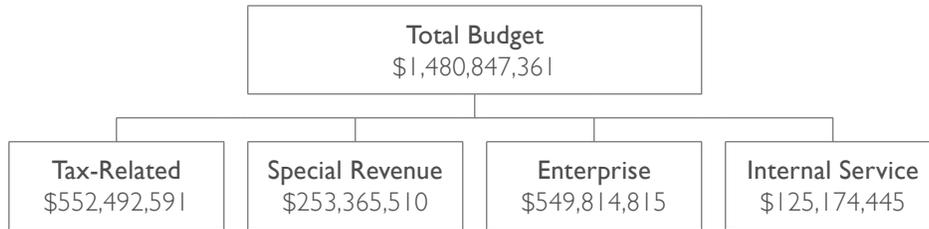


Gwinnett County Government is financially and operationally sound. The County has set a policy of not obligating its residents to pay more in the future when it can invest now in efforts to keep taxes low for years to come. Emphasizing long-range planning in the budgeting process, a five-year forecast is used to analyze the implications of annual service investments, ensuring adequate revenue sources will be available and secure balances can be maintained prior to making long-term commitments. As of December 31, 2015, fund balance/working capital reserves remain above the required levels in all funds that have a fund balance/working capital reserve policy.

This section describes the County's financial structure and the condition of the major funds.

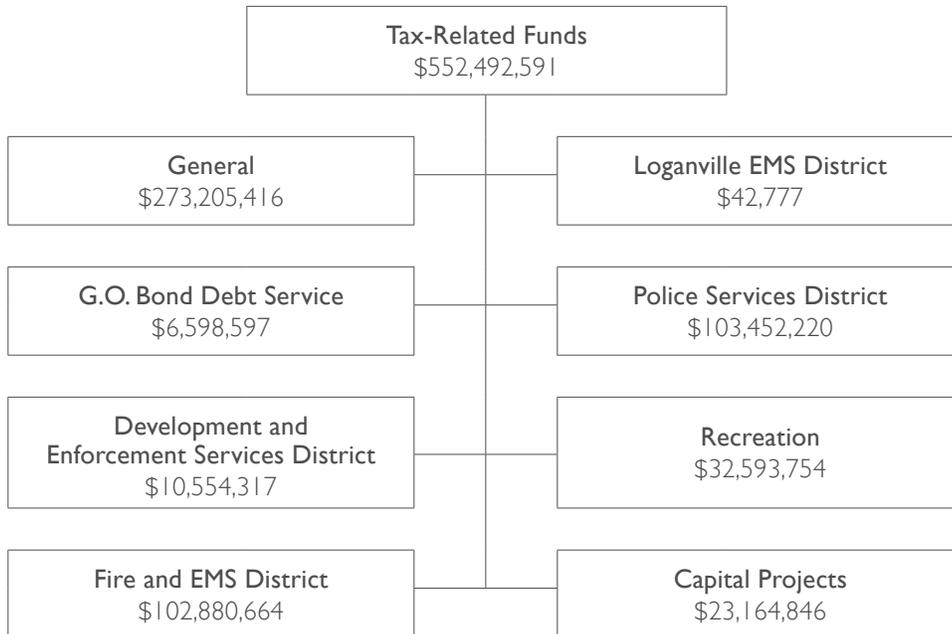
Fund Groups

The 2016 adopted budget contains 44 separate funds that are categorized into four fund groups: Tax-Related Funds, Special Revenue Funds, Enterprise Funds, and Internal Service Funds. These groups and the major funds within them are highlighted in the following sections.



Tax-Related Funds

Tax-Related Funds are funds whose primary revenues are derived from taxes. These include the General, General Obligation (G.O.) Bond Debt Service, Development and Enforcement Services District, Fire and EMS District, Loganville EMS District, Police Services District, Recreation, and Capital Projects Funds.



General Fund

The General Fund is the second largest operating fund in the 2016 operating budget, encompassing operational funding for County services including courts and sheriff, public works, and community services.

In 2016, expenditures of the General Fund are expected to total \$273.2 million—an increase of \$10.3 million, or 3.9 percent, from 2015 actual expenditures. This increase is primarily attributable to an increase in personal services of \$15.1 million, which includes pay-for-performance salary adjustments, longevity pay for eligible employees, and an increase in other wages for elections. Additionally, in 2015 there were significant salary savings due to vacancies. Other increases include an increase in operations of \$11.4 million, which includes \$7.2 million to cover election expenses and expand hours and locations for advance voting during the 2016 presidential election; an increase in contributions to other funds of \$4.9 million, primarily due to indirect costs; a \$4.2 million increase in reserves and contingencies; and an increase in payments to subsidies of \$1.0 million. These increases are offset by a decrease in contributions to capital of \$26.6 million.

G.O. Bond Debt Service Fund

This fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest related to the 2003 detention center and 2012 refunding bonds.

In 2016, expenditures in the Debt Service Fund are expected to total \$4.2 million—a slight increase from the 2015 actual expenditures of \$4.1 million.

Budgeted revenues totaling \$6.6 million cover debt service requirements in 2016.

Development and Enforcement Services District Fund

This fund accounts for the revenues and expenditures attributable to the Development and Enforcement Services District. The Development and Enforcement Services District includes all properties in unincorporated Gwinnett County. A property tax is levied to support this service district. In 2016, expenditures are expected to total \$10.5 million—a decrease of \$0.6 million, or 5.1 percent, from 2015 actual expenditures. The decrease is primarily due to a decrease in budgeted contributions to capital of \$2.7 million for 2016. This decrease is offset by increases to personal services of \$1.0 million, which includes pay-for-performance salary adjustments and longevity pay for eligible employees. Additionally, in 2015 there were significant salary savings due to vacancies. Other increases offsetting the fund's overall decrease in expenditures include an increase in operations of \$0.7 million and an increase in contributions to other funds of \$0.4 million, primarily due to indirect costs. The increases also reflect increased code enforcement and economic development activities for 2016.

Fire and Emergency Medical Services District Fund

This fund accounts for the revenues and expenditures attributable to the Fire and Emergency Medical Services District. The Fire and Emergency Medical Services District includes all properties in unincorporated Gwinnett County and all cities except Loganville. A property tax is levied to support this service district. In 2016, expenditures are expected to total \$102.2 million—a decrease of \$2.6 million, or 2.5 percent, from 2015 actual expenditures. This decrease is due to a decrease of \$16.8 million in contributions to capital, offset by an increase of \$8.0 million in personal services, which includes nine new firefighter/paramedics, pay-for-performance salary adjustments, and longevity pay for eligible employees. Additionally, in 2015 there were significant salary savings due to vacancies. Other increases offsetting the fund's overall decrease in expenditures include a \$3.2 million increase in operations; a \$1.9 million increase in contributions to other funds, primarily due to indirect costs; and a \$1.1 million increase in reserves and contingencies.

Loganville Emergency Medical Services District Fund

This fund accounts for the costs associated with providing Emergency Medical Services to the City of Loganville. The Loganville Emergency Medical Services District includes all properties within the portion of incorporated Loganville that lie within Gwinnett County. The County is responsible for providing emergency medical services within this district. At this time, no millage rate is associated with this district.

Police Services District Fund

This fund accounts for the revenues and expenditures attributable to the Police Services District. The Police Services District includes all properties within unincorporated Gwinnett County and cities that do not operate their own police departments. A property tax is levied to support this service district. In 2016, expenditures are expected to total \$101.1 million—a decrease of \$7.1 million, or 6.5 percent, from 2015 actual expenditures. This decrease is primarily attributable to a decrease of \$25.2 million in contributions to capital. This decrease is offset by an increase of \$9.6 million in personal services, which includes 30 new police officers, pay-for-performance salary adjustments, and longevity pay for eligible employees. Additionally, in 2015 there were significant salary savings due to vacancies. Other increases offsetting the fund's overall decrease in expenditures include a \$4.5 million increase in operations, a \$2.6 million increase in contributions to other funds, and a \$1.4 million increase in reserves and contingencies.



Recreation Fund

This fund accounts for the operations and maintenance of County parks and recreational facilities. Financing is provided by a specific property tax levy and miscellaneous revenues including admissions, concessions, and sport activity fees.

In 2016, expenditures in the Recreation Fund are expected to total \$32.4 million—a decrease of \$0.6 million, or 1.9 percent, from 2015 actual expenditures.

In 2016, revenues in the Recreation Fund are expected to total \$32.6 million—a decrease of \$0.4 million, or 1.4 percent, from 2015.

Capital Projects Fund

The Capital Projects Fund, which is primarily supported by contributions from the operating tax funds, is budgeted at \$17.9 million in 2016. Contributions to this fund are budgeted as follows:

General Fund	\$ 6,045,261
Fire and Emergency Medical Services District Fund	\$ 932,128
Development and Enforcement Services District Fund	\$ 834,833
Police Services District Fund	\$ 2,096,028
Recreation Fund	\$ 1,232,000
E-911 Fund	\$ 182,465
Police Special Justice Fund	\$ 177,875
Police Special State Fund	\$ 34,080
Fleet Management Fund	\$ 52,000

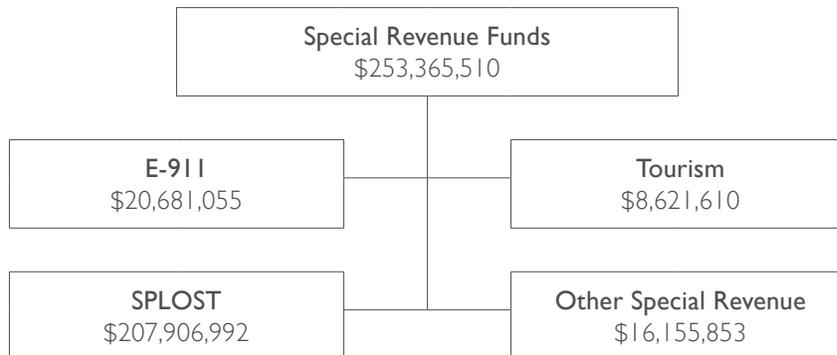
Projects supported in this fund include park improvements, social services facilities, and other County projects. For more information on capital projects, please refer to Section V and Section VI of this document.

Vehicle Replacement Fund

This capital project fund, which is primarily supported by contributions from the operating funds, is budgeted at \$5.2 million in 2016. Departments contribute to fund the replacement of vehicles that have surpassed their useful life.

Special Revenue Funds

Special Revenue Funds account for funds that are restricted to a specific purpose by state law or local ordinance.



E-911 Fund

This fund accounts for operations of the E-911 Communications Center. Revenues are primarily received from monthly subscriber fees remitted by wired and wireless telecommunication providers.

In 2016, expenditures of the E-911 Fund are expected to total \$20.7 million—an increase of \$3.0 million, or 16.9 percent, from 2015 actual expenditures. Included in the 2016 budget is a \$4.1 million estimated appropriation to reimburse cities for emergency 911 costs incurred, in accordance with an intergovernmental agreement that resulted from the SDS negotiated settlement in early 2012. The cities are paid an estimated amount on or before May 1st and submit documentation of actual costs incurred on a quarterly basis, with an annual reconciliation.

In 2016, revenues of the E-911 Fund are expected to total \$16.0 million, and there is a planned use of fund balance of \$4.7 million.

The E-911 rates increased in 2015, as follows: Landline from \$1.40 to \$1.50, Wireless from \$1.25 to \$1.50, Voice over Internet Protocol from \$1.40 to \$1.50. Prepaid rates did not change from \$0.75.

Special Purpose Local Option Sales Tax (SPLOST) Programs

Gwinnett County has used SPLOST as a primary source of revenue for capital projects since it became an option for counties in 1985. SPLOST law has changed over the years impacting allowable purposes, allowable length of SPLOST programs, distribution of proceeds, and ballot language, among other things. Throughout all of these changes, the County has been able to adapt, and residents have supported the use of SPLOST funding to move the County forward. This one-percent sales tax has paid for County and city facilities, acres of greenspace, parks and recreation facilities, new roads and improvements, police and fire stations, and libraries around the county. The passage of SPLOST programs has had a profound impact on County operations by shifting the burden of funding these projects from property taxes.



2005 SPLOST Fund

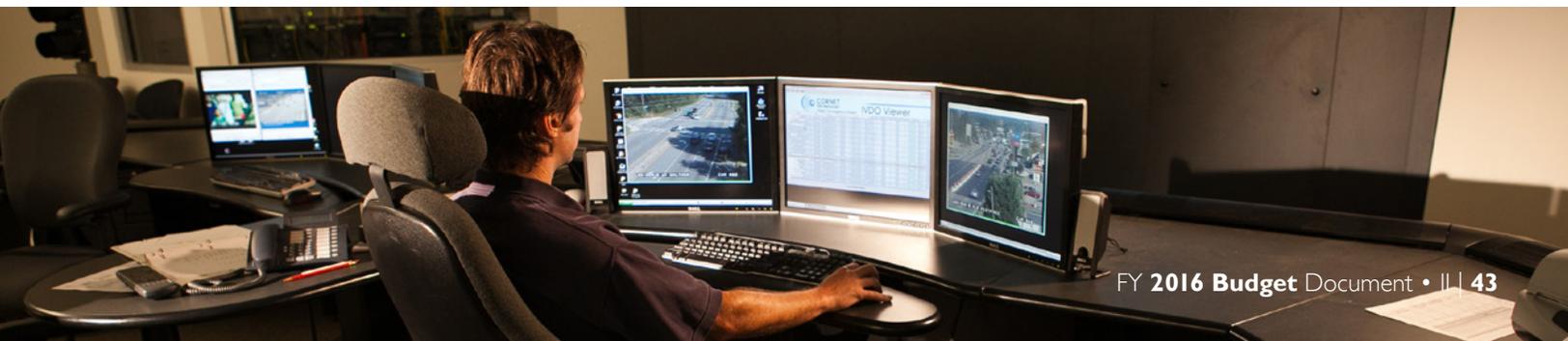
On November 2, 2004, Gwinnett County voters approved a four-year extension of the SPLOST to be designated for capital improvements in the county and its municipalities. Sales tax collections for the 2005 program were \$581.5 million. The cities' share allocation was \$93.7 million. This was the first SPLOST program since the enactment of new state legislation that brought dramatic changes to the SPLOST law. The most significant change was the provision of required funding to municipalities. Previously, SPLOST had been exclusively a county tax. In addition to funding for the cities, funds from the 2005 SPLOST were used for library, parks and recreation, public safety, and transportation projects. There is no adopted fiscal year 2016 budget for this program; however, after the fiscal year 2015 audit is finalized, any unused appropriations from prior years will be rolled forward to be used in subsequent years until the fund is closed.

2009 SPLOST Fund

In November 2008, Gwinnett County residents approved a referendum authorizing the County to extend the one-percent SPLOST for five years beginning in April 2009 and ending in April 2014. Sales tax collections for the 2009 program totaled \$678.5 million. Collections from the sales tax designated for the County are used solely for capital projects in the areas of parks and recreation, transportation, public safety, court facilities, and libraries. Approximately 17 percent of the 2009 SPLOST Program collections, or \$104.9 million, were allocated to Gwinnett's cities. The 2016 budget includes \$80.5 million in appropriations for projects funded by the 2009 SPLOST Fund.

2014 SPLOST Fund

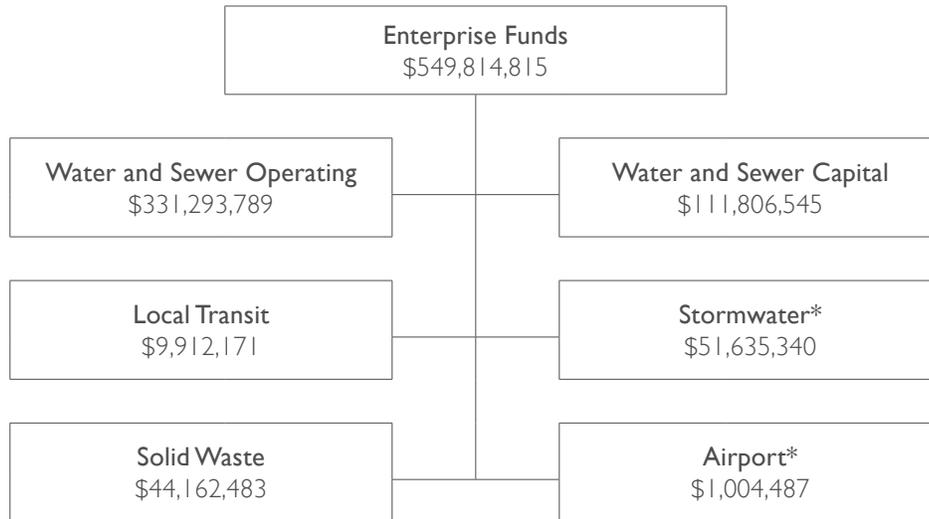
In November 2013, the residents of Gwinnett County approved a referendum authorizing the County to extend the one-percent SPLOST for three years beginning in April 2014. The three-year program is expected to raise \$453 million before ending in 2017. Collections from the 2014 SPLOST program are allocated 70 percent (approximately \$275 million) for transportation projects, which includes \$25 million for joint city/county transportation projects, and 30 percent for public safety, recreational facilities/equipment, library relocation/renovation, and senior service facilities. According to the intergovernmental agreement between Gwinnett County and its cities, the County will receive 78.9 percent of the proceeds and the cities will receive 21.1 percent. Sales tax collections for the 2014 program total \$256.3 million through 2015. The 2016 budget includes \$127.4 million in appropriations for projects funded by the 2014 SPLOST Fund.





Enterprise Funds

Enterprise Funds are operated on a “business-like” basis using the full accrual basis of accounting. These services are supported through user fees and charges with revenues earned in excess of operations and debt service reinvested in infrastructure through a contribution to a related capital fund.



*Capital included

The County operates five Enterprise Funds including the Water and Sewer Fund, Local Transit Operating Fund, Stormwater Operating Fund, Solid Waste Operating Fund, and Airport Operating Fund.

Water and Sewer Operating Fund

This fund supports the operation, maintenance, and capital improvement of the water and sewer system. Revenues are received from monthly usage bills, connections fees, and development charges. The Water and Sewer Operating Fund is the County’s largest operating fund in the 2016 operating budget.

In 2016, Water and Sewer Operating Fund expenditures are expected to total \$331.3 million—an increase of \$52.6 million, or 18.9 percent, from the 2015 actual level of \$278.6 million. The majority of the increase is related to an increase in contributions to the Renewal and Extension Fund for capital expenditures of \$26.5 million; an increase in operations of \$16.6 million, primarily due to increases in utilities and professional services; and an increase in personal services of \$5.9 million, which includes pay-for-performance salary adjustments and longevity pay for eligible employees. Additionally, in 2015 there were significant salary savings due to vacancies. Other increases include a \$4.2 million increase in contributions to other funds, primarily due to indirect costs. These increases are offset by a \$1.0 million decrease in debt service.

In 2016, Water and Sewer Operating Fund revenues are expected to total \$318.8 million—a decrease of \$8.3 million, or 2.5 percent, from 2015 actual revenues. Water and sewer revenues are monitored very closely to ensure that rate structures are in place to adequately fund the public utility system operations and debt service requirements. In December 2014, the Board of Commissioners adopted a water and sewer rate resolution that eliminated the rate increase scheduled to take effect on January 1, 2015. The newly adopted rate resolution covers the period of 2016 – 2021, with modest rate changes of approximately 1.5 percent for water and about 2 percent for sewer in 2017, 2019, and 2021. County finance staff uses these rates to create models to help determine annual revenue projections to fund operations, capital needs, and existing and projected debt service requirements. These models then help drive the decision making process in setting the water and sewer system’s operating budget.

Water and Sewer Capital Funds

The 2016 budget for the Water and Sewer Renewal and Extension (R&E) Capital Fund is \$111.8 million. The County's Water and Sewer Capital Improvement Program is a dynamic, forward-looking plan that balances the need to construct new infrastructure to meet the anticipated demands of a growing community with the need to maintain and upgrade the extensive infrastructure already in place. This year's budget places emphasis on both.

The County also has several important ongoing water and sewer maintenance projects. The County has issued more than \$1.6 billion in water and sewer bonds since 1998. Bond proceeds were used to help fund the F. Wayne Hill Water Resources Center, the Shoal Creek Filter Plant, the expansion of the Hill Center, the Yellow River Water Reclamation Facility, the Crooked Creek Water Reclamation Facility, and upgrades to the Patterson-Marathon Pump Station and Force Main. The Water and Sewer R&E Fund continues to provide the pay-as-you-go mechanism for many of the water and sewer capital improvements. Transfers from the net operational revenues of the system, which are budgeted at \$110.9 million in 2016, continue to support the R&E fund. More information on water and sewer capital projects can be found in Section VI.

Stormwater Operating Fund

This fund supports the operation, maintenance, and capital improvement of the County's stormwater system. Charges for services are calculated based on the impervious surface of a parcel of land and are collected in the fourth quarter with property tax collections.

In 2016, Stormwater Operating Fund expenses are expected to total \$29.9 million—an increase of \$1.8 million, or 6.5 percent, from the 2015 actual level of \$28.1 million, primarily due to an increase in operations and personal services.

A total of \$20.2 million, or 67.6 percent of the 2016 adopted budget, is appropriated for a transfer to the Stormwater Renewal and Extension Fund to fund stormwater facility improvements.

In 2016, Stormwater Fund revenues are expected to total \$31.4 million—a slight decrease of \$0.2 million from the 2015 actual level. Beginning in fiscal year 2006, property owners in unincorporated Gwinnett County are charged per 100 square feet of impervious surface to help defray the cost to maintain, repair, and replace stormwater infrastructure in the unincorporated areas of the county. The rate has remained at \$2.46 since fiscal year 2009.



Local Transit Operating Fund

This fund accounts for the operation and maintenance of the transit system. Revenues are received from fares and a contribution from the General Fund. The transit system began express bus service operations to employment centers in downtown Atlanta in November 2001 and added local bus route service a year later. In response to the economic recession and the need to balance the County's operating budget with reduced revenue projections, the County reduced transit service levels and raised fares in mid-2008. Additional service reductions were made effective January 2010. On January 1, 2012, a new rate resolution became effective that adjusted rates to meet the objective that one-third of the expenses for transit be funded by users of the system. In 2016, the County will add three new express routes.

In 2016, expenses of the Local Transit Operating Fund are expected to total \$9.6 million—an increase of \$1.6 million, or 19.6 percent, from the 2015 actual level of \$8.0 million.

In 2016, revenues of the Local Transit Operating Fund are expected to total \$9.9 million—a decrease of \$1.9 million, or 15.8 percent, from the 2015 actual level of \$11.8 million. The General Fund operating subsidy is expected to total nearly \$6.4 million.

Solid Waste Operating Fund

This fund accounts for the operations as provided in the *Solid Waste Collection and Disposal Services Ordinance*. Tax revenues are received from non-exclusive franchise fees paid by commercial waste haulers. Residential service fees are paid by homeowners in unincorporated Gwinnett County and reported as Charges for Services.

In 2016, expenses of the Solid Waste Operating Fund are expected to total \$42.6 million—an increase of \$2.4 million, or 5.8 percent, from the 2015 actual level of \$40.3 million.

In 2016, revenues of the Solid Waste Operating Fund are expected to total \$44.2 million—an increase of \$0.6 million, or 1.4 percent, from the 2015 actual level of \$43.5 million.

Airport Operating Fund

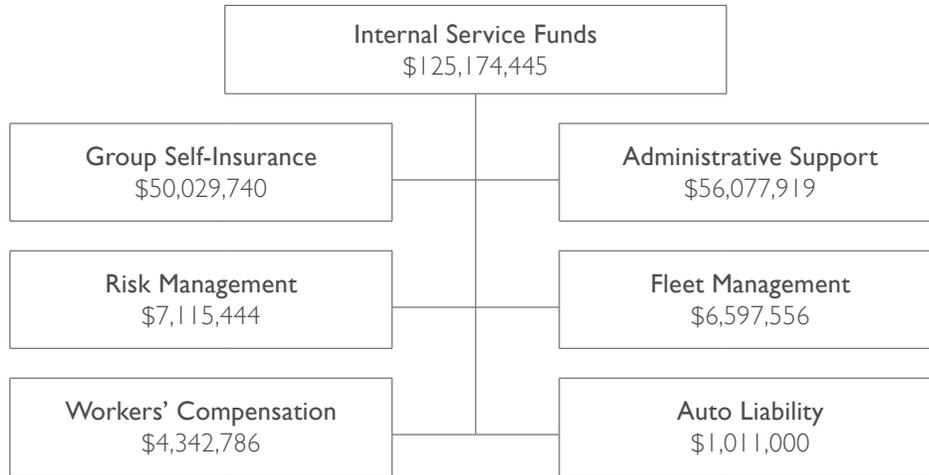
This fund accounts for the operation and maintenance of the County's airport, Briscoe Field.

In 2016, expenses of the Airport Operating Fund are expected to total \$0.9 million—an increase of \$0.1 million, or 15.9 percent, from the 2015 actual level of \$0.9 million.

In 2016, revenues of the Airport Operating Fund are expected to total \$1.0 million. There is a planned use of net position of \$63,987.

Internal Service Funds

Internal Service Funds account for goods or services provided by one department or agency in the County to another. Other funds or departments pay the Internal Service Funds on a pay-as-you-go basis or an actuarial assessment of future costs. The County operates six services on an internal service basis, including administrative support, health, life and disability insurance, risk management, automobile liability, workers' compensation, and fleet management.



The **Administrative Support Fund** accounts for the activities of all central support departments: Information Technology Services; Support Services; Human Resources; Law; Financial Services, with the exception of the Tax Assessor; and County Administration, with the exception of the County Clerk and Board of Commissioners.

In 2016, expenses of the Administrative Support Fund are expected to total \$55.1 million—an increase of \$9.9 million, or 21.8 percent, from the 2015 actual level of \$45.3 million. This increase is primarily attributable to a \$5.0 million increase in personal services and a \$4.2 million increase in operations. The increase in personal services is due to pay-for-performance salary adjustments and longevity pay for eligible employees. Additionally, in 2015 there were significant salary savings due to vacancies. The increase in operations is primarily due increases in outsourced technology services, professional services, and license support agreements.

In 2016, revenues of the Administrative Support Fund are expected to total \$56.1 million—an increase of \$22.3 million, or 65.9 percent, from 2015 actual revenues. The majority of the increase is due to an increase in charges for services based on the budgeted expenditures for 2016.

The **Group Self-Insurance Fund** accounts for all financial transactions related to the payment of premiums and benefits for active employees' health, disability, and life insurance. Revenues are received from employee and employer contributions.

In 2016, expenses of the Group Self-Insurance Fund are expected to total \$50.0 million—an increase of \$3.1 million, or 6.7 percent, from the 2015 actual level of \$46.9 million. The majority of this increase is a result of expected increases in health insurance costs.

In 2016, revenues of the Group Self-Insurance Fund are expected to total \$48.7 million—an increase of \$3.8 million, or 8.5 percent, from 2015 actual revenues. There is a planned use of net position of nearly \$1.3 million in 2016.



The **Risk Management Fund** accounts for all financial transactions related to the County's property liability and casualty insurance. Revenues are received from charges to the user departments based on the number of employees, prior claims, and property liability coverage needs.

In 2016, expenses of the Risk Management Fund are expected to total \$7.1 million—an increase of \$2.1 million, or 40.6 percent, from 2015 actual expenses.

In 2016, revenues of the Risk Management Fund are expected to total \$5.1 million—an increase of \$2.3 million, or 84.6 percent, from 2015 actual revenues, primarily due to an increase in charges to other funds based on claims experience. There is a planned use of net position of \$2.0 million in 2016.

The **Workers' Compensation Fund** accounts for financial transactions related to the payment of workers' compensation claims. Revenue is received from the user departments based upon the number of employees and prior claims.

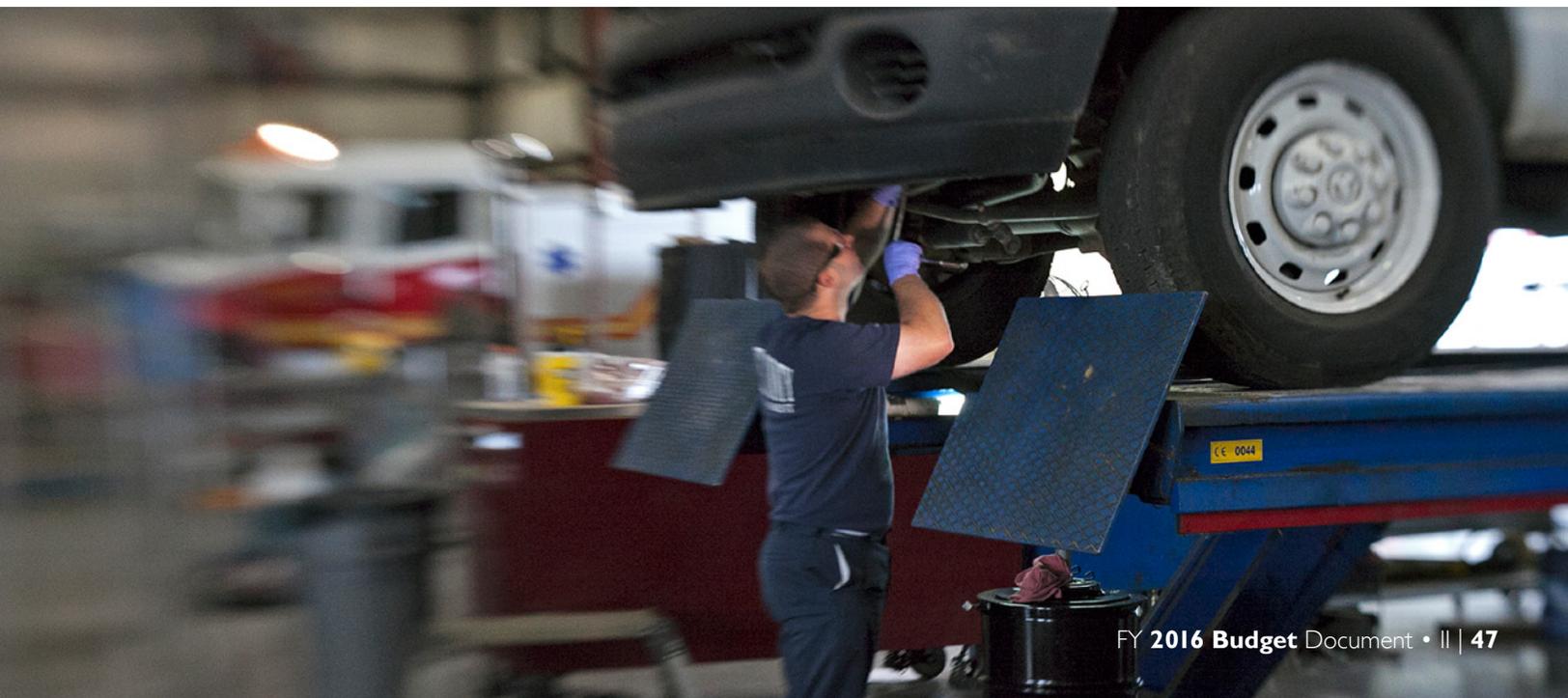
In 2016, expenses of the Workers' Compensation Fund are expected to total \$4.3 million—an increase of nearly \$1.7 million from 2015 actual expenses. This increase is mainly due to an increase in anticipated claims expense in 2016.

Revenues in the Workers' Compensation Fund consist primarily of charges to other funds. In 2016, revenues of the Workers' Compensation Fund are expected to total \$3.5 million—an increase of \$1.2 million from 2015 actual revenues. There is a planned use of net position of \$0.8 million in 2016.

The **Fleet Management Fund** accounts for all financial transactions related to the maintenance of the County fleet.

In 2016, expenses of the Fleet Management Fund are expected to total \$6.6 million—an increase of \$1.2 million from 2015 actual expenses.

In 2016, revenues of the Fleet Management Fund are expected to total \$6.6 million—an increase of \$1.1 million from 2015 actual revenues.



All Funds – 2016 Appropriations by Department (in thousands of dollars)

Department	Tax-Related Funds				Special Revenue Funds		Enterprise Funds		Internal Service Funds	Total
	General Fund	Fire and EMS District	Police Services District	Other Tax-Related Funds	Sales Tax Capital Projects Funds	Other Special Revenue Funds	Water and Sewer	Other Enterprise Funds	Internal Service Funds	
Clerk of Court	9,944	–	–	–	–	960	–	–	–	10,904
Clerk of Recorder's Court	–	–	1,655	–	–	–	–	–	–	1,655
Community Services Subsidies	21,539	–	–	–	–	–	–	–	–	21,539
Community Services – Elections	9,112	–	–	–	–	–	–	–	–	9,112
Community Services	6,258	–	–	35,324	13,576	–	–	–	–	55,158
Contingencies	–	–	–	481	–	–	–	–	–	481
Corrections	14,689	–	–	411	–	83	–	–	–	15,183
County Administration – BOC	630	–	–	–	–	–	–	–	–	630
County Administration	–	–	–	70	–	–	–	–	4,733	4,803
Debt Service – Governmental	–	–	–	6,599	–	–	–	–	–	6,599
District Attorney	12,891	–	–	238	–	591	–	–	–	13,720
Financial Services	8,072	–	–	–	(2,600)	–	–	70	16,380	21,922
Fire and EMS	–	99,482	–	122	9,606	–	–	–	–	109,210
Human Resources	–	–	–	–	–	–	–	–	57,808	57,808
Information Technology	–	–	–	5,738	–	–	101	32	25,491	31,362
Judiciary	19,134	–	–	–	–	–	–	–	–	19,134
Juvenile Court	7,478	–	–	95	–	52	–	–	–	7,625
Law	–	–	–	–	–	–	–	–	2,220	2,220
Loganville EMS	–	–	–	43	–	–	–	–	–	43
Non-Departmental	40,229	2,745	7,593	3,092	–	4,124	100	90	1,714	59,687
Planning and Development	863	654	722	6,558	–	10	930	483	–	10,220
Police Services	6,476	–	91,265	5,093	8,501	18,829	–	–	–	130,164
Probate Court	2,235	–	–	–	–	–	–	–	–	2,235
Recorder's Court	–	–	1,567	–	–	–	–	–	–	1,567
Sheriff	79,171	–	–	1,000	1,806	1,019	–	–	–	82,996
Solicitor General	4,149	–	650	231	–	683	–	–	–	5,713
SPLOST Cities' Share	–	–	–	–	30,440	–	–	–	–	30,440
Stadium	–	–	–	–	–	2,697	–	–	–	2,697
Support Services	–	–	–	150	–	–	–	–	16,828	16,978
Support Services – Capital Projects	–	–	–	5,463	37,720	–	9	6	–	43,198
Support Services – Solid Waste	–	–	–	–	–	–	–	44,152	–	44,152
Support Services – Libraries	–	–	–	–	6,965	–	–	–	–	6,965
Tax Commissioner	13,192	–	–	–	–	–	–	–	–	13,192
Tourism	–	–	–	–	–	8,622	–	–	–	8,622
Transportation	17,143	–	–	2,247	101,893	7,789	–	10,846	–	139,918
Water Resources	–	–	–	–	–	–	441,960	51,035	–	492,995
Total Appropriations	273,205	102,881	103,452	72,955	207,907	45,459	443,100	106,714	125,174	1,480,847

Debt Summary



Due to its rapid growth, the County has used long-term General Obligation and Revenue Bonds to fund the expansion of major capital facilities and infrastructure. In issuing debt, the County meets all state laws and requirements and follows a number of budgetary and fiscal policies to ensure the preservation of a sound financial position and favorable credit rating.

The County protects its financial position and provides the best services to its residents for the least cost through effective internal controls and prudent accounting, budgeting, and planning procedures. An independent audit firm performs annual audits and reviews the standardized financial statements prepared by the County that are distributed for public and bond rating use. An excellent credit rating from Moody's, Standard & Poor's, and Fitch Ratings aids in the successful marketing of the bonds to the investment community. Taxpayer money is saved by obtaining the lowest possible interest rates at the time of sale and eliminating the need to purchase municipal bond insurance for credit enhancement.

The County achieved an upgrade in its bond rating from Aa1/AA+/AA+ to the highest quality Aaa/AAA/AAA in June 1997 by the three primary rating agencies. Gwinnett is one of approximately 43 counties in the United States with this prestigious rating. For approximately 19 years, each of the three rating agencies have consistently reported Gwinnett County's debt position as manageable, citing the County's emphasis on pay-as-you-go funding and low levels of tax-supported debt.

Major capital projects are traditionally funded through the issuance of long-term debt and pay-as-you-go methods. Capital needs are identified and addressed in the capital budgeting process. This process assesses the purpose, size, and timing of borrowing needs. There are also other factors considered, such as the budget impact of ongoing support of capital improvements, legal constraints on capacity, other financing alternatives, the urgency of needs, the cost of delay, the willingness of the community to pay, current interest rates, market conditions, and availability of other monies to fund the projects. None of the \$1.4 billion 2016 – 2021 *Capital Improvement Program* is funded by debt.

The voter-approved SPLOST is a pay-as-you-go method that works well for Gwinnett due to the large volume of retail sales generated in the county. Since 1985, the County has used SPLOST revenues to fund capital needs, including a new justice and administration center, libraries, and major expansions of the road system. SPLOST revenues have also funded the construction of public safety and parks and recreation facilities. Nearly \$2.9 billion has been collected since 1985 for capital improvements across the county.

Types of Debt

The issuance of General Obligation (G.O.) Bonds is a method of raising revenues for long-term capital financing that distributes the cost over the life of the improvement so that future users help repay the cost. By state law, G.O. Bonds require the approval of the voters. Before G.O. debt is proposed, a public survey is usually performed to determine what residents want and are willing to finance. Once approved, G.O. bonds are direct obligations that are backed by the full faith and credit of the County.

The 2003 G.O. Bonds provided funding of an expansion of the County's Pre-Trial Detention Center. In 2012, the County refunded the portion of those bonds maturing in 2014 through 2019. The result of that refunding was a net present value savings of \$2.2 million. The 2012 refunding G.O. Bonds have a final maturity date of 2019. These bonds were rated AAA by all three rating agencies and are currently the only G.O. Bonds outstanding.

The constitutional debt limit for G.O. Bonds for Georgia counties is 10 percent of the assessed value of taxable property within the county. The statutory debt limit as of December 31, 2015, for Gwinnett County was \$2,590,355,000, providing a debt margin of \$2,590,557,000 (unaudited). At December 31, 2015, there was a total par amount outstanding of \$15,665,000 in G.O. Bonds.

The County has established a Debt Service Fund to account for revenues generated by the G.O. Bond tax rate levied against real and personal property. The funds raised through this tax levy are used exclusively for the retirement of the County's G.O. debt. The County currently has more than sufficient funds to cover its G.O. debt; therefore, the County currently uses none of the debt limit.

The following table reflects the County's total outstanding amounts of G.O. debt as of December 31, 2015 (in thousands):

Year	Principal	Interest	Total
2016	3,690	498	4,188
2017	3,865	395	4,260
2018	3,960	287	4,247
2019	4,150	104	4,254
Total	\$ 15,665	\$ 1,284	\$ 16,949

In addition to G.O. Bonds, the County issues revenue debt to fund some of its capital needs through a lease agreement between the County and the applicable authority. The County pledges income derived from the acquired or constructed assets to pay debt services.

The information in the following table reveals the outstanding debt service amounts for the Water and Sewerage Authority as of December 31, 2015 (unaudited):

**Outstanding Principal by Issue
Combined Water and Sewerage Authority Revenue Bonds**

\$111,435,000	Series 2006	Issued 3/9/06
\$164,100,000	Series 2008	Issued 8/21/08
\$200,560,000	Series 2009	Issued 10/22/09
\$142,175,000	Series 2011	Issued 7/1/11
\$127,215,000	Series 2015	Issued 8/3/15

(Dollars in thousands)

Year	Principal	Interest	Total
2016	65,430	29,947	95,377
2017	67,355	27,939	95,294
2018	69,345	25,843	95,188
2019	53,155	23,564	76,719
2020	55,350	21,364	76,714
2021 – 2025	317,070	70,744	387,814
2026 – 2029	117,780	13,214	130,994
Total	\$ 745,485	\$ 212,615	\$ 958,100

Bond covenants require that certain debt coverage be maintained to ensure the repayment of the bonds and the continued financial stability of the enterprise. Such is the case with the County's Water and Sewerage bonds. The County has historically maintained coverage ratios in excess of covenants agreed upon in the bond documents.

The County reviews and maintains Water and Sewerage System rates to maintain positive revenue balances while meeting future debt service requirements and for ongoing water and wastewater capital needs. A Water and Sewer Rate Resolution approved in December 2014 increased water and sewer rates over a period of five years beginning January 2017. Over the five-year time period, the average monthly water and sewer residential bill (based on 6,000 gallons used per month for a typical residential household) will increase by 4.7 percent from \$88.52 in 2015 to \$92.66 in 2021.

Other outstanding debt amounts as of December 31, 2015, are as follows (unaudited):

Georgia Environmental Facilities Authority (GEFA) Loan Series 2008, 2010, 2011, and 2012

(Dollars in thousands)

Year	Principal	Interest	Total
2016	2,629	1,324	3,953
2017	2,709	1,243	3,952
2018	2,791	1,161	3,952
2019	2,876	1,076	3,952
2020	2,963	989	3,952
2021 – 2025	16,226	3,536	19,762
2026 – 2030	14,476	1,022	15,498
2031 – 2032	650	10	660
Total	\$ 45,320	\$ 10,361	\$ 55,681

The total annual requirements on all outstanding debt as of December 31, 2015, including interest, are as follows (unaudited):

(Dollars in thousands)

Year	G.O.	Water & Sewer	GEFA	Total
2016	4,188	95,377	3,953	103,518
2017	4,260	95,294	3,952	103,506
2018	4,247	95,188	3,952	103,387
2019	4,254	76,719	3,952	84,925
2020	–	76,714	3,952	80,666
2021 – 2025	–	387,814	19,762	407,576
2026 – 2030	–	130,994	15,498	146,492
2031 – 2032	–	–	660	660
Total	\$ 16,949	\$ 958,100	\$ 55,681	\$ 1,030,730

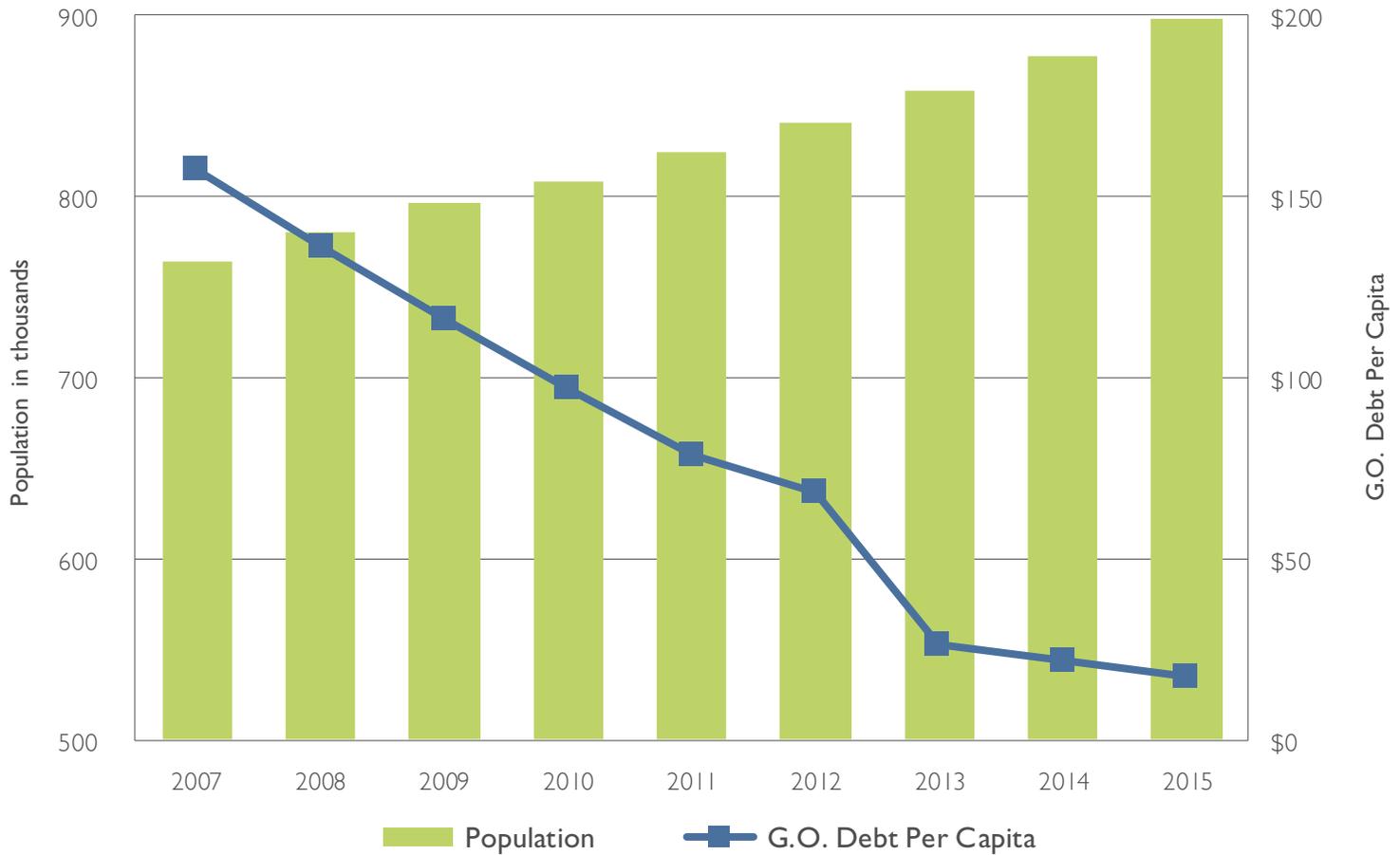
The total annual debt requirement for 2016 is 9.3 percent of the total operating budget of \$1.1 billion, resulting in total operating appropriations less annual debt of \$1.0 billion.

Debt per capita is based on total annual G.O. Bond debt service payments as compared to estimated county population. Total annual debt requirement for fiscal year 2016 (all debt categories) is approximately \$104 million. Currently, estimated G.O. debt service per capita averages approximately \$17 per person. This number has steadily declined over the last few years as the County did not issue new debt in 2010, 2011, or 2012 and has focused on paying off its debt. Specifically, in 2010, the County paid off its Recreation Authority Refunding Bonds and its 1994 Water and Sewer Refunding Bonds. In 2010, the County also restructured its 2001 Development Authority Bonds for debt service savings. In 2011, the 2002 General Obligation Refunding Bonds were also paid in full. In 2012, the County paid off its 2002 Water and Sewer Bonds and refunded a portion of the 2003 G.O. Bonds. In 2013, the County redeemed all outstanding 2003 G.O. Bonds.

In September and October 2014, the Gwinnett Water and Sewerage Authority and the Gwinnett Board of Commissioners approved resolutions allowing the authority to move forward with refunding the callable maturities of the 2005 Water and Sewerage Revenue bonds on a forward/delayed delivery basis. The board action awarded the transaction to Citigroup (as the placement agent)/JP Morgan Chase (as the purchaser of these bonds). The date of issuance for these bonds was August 3, 2015. The interest rate was set at 1.74 percent, and the present value savings is \$9.2 million. The debt service savings will begin in 2016.

In November and December 2014, the Gwinnett Water and Sewerage Authority and the Board of Commissioners, respectively, approved resolutions allowing the authority to move forward with refunding the callable maturities of the 2006 Water and Sewerage Revenue bonds on a forward/delayed delivery basis. The board action was awarded to Wells Fargo as they offered the lowest true interest rate of 2.36 percent, and the greatest present value savings (\$13.2 million). The date of issuance for these bonds will be August 1, 2016. The debt service savings will begin in 2017.

General Obligation (G.O.) Debt Service Per Capita



As the graph above illustrates, annual G.O. debt obligations have declined over the years as the population has grown and the County continues to pay off its debt. The reduction in G.O. debt obligations is due in part to voter willingness to fund capital projects through the use of SPLOST program dollars. In addition, the County actively seeks refunding opportunities of existing debt obligations to reduce debt service costs. The County has refunded or redeemed bonds each year since 2010, which has resulted in shortened maturity dates and significant debt service savings.

DID YOU KNOW...

in 2015, **volunteers across**
all **Gwinnett County government sectors**
contributed 1,040,378 hours
valued at \$24 million in labor?

