



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 consolidated budget for all funds; the budget resolution summary; fund structure; and debt management information.





January 3, 2017

Dear Stakeholders of Gwinnett County:

It is our privilege to present the Budget Document for fiscal year 2017. This document is a summary of our overall plan for allocating resources while sustaining the County's vision. The \$1.56 billion balanced budget focuses on expanding public safety and the judicial system, supporting community needs, retaining employees, and investing in water resources.

The 2017 budget continues Gwinnett's history of sustainable, conservative budgeting practices and demonstrates our commitment to prudent financial planning. Gwinnett County has maintained the highest standards of excellence in financial practices, which has enabled us to achieve AAA credit ratings from all three credit rating agencies since 1997. This triple-AAA designation is shared by only four dozen other counties in the nation.

The 2017 operating budget totals \$1.18 billion compared to \$1.12 billion in 2016. The increases include new positions in the public safety and judicial areas, along with additional staff to improve traffic management, expand senior homemaking services, and enhance community outreach efforts. Workforce retention measures including a 4 percent pay-for-performance raise for eligible employees, the continuation of longevity pay, and revamped pay for public safety officers are also included in the budget. Cost saving measures such as continuing the 90-day vacancy policy and requiring justification for specific commitment items remain in effect for 2017.

The 2017 capital budget totals \$384 million, up from \$363 million in 2016. With the approval of a new six-year Special Purpose Local Option Sales Tax (SPLOST) program, an estimated \$950 million is slated for County and city capital improvements in transportation, recreation, tourism, public safety, libraries, and senior services. Significant capital improvements projects funded by SPLOST programs in 2017 include a courthouse expansion at the Gwinnett Justice and Administration Center, a new gym at George Pierce Park plus expansions and improvements at other parks, and renovations at the senior center housed in the Norcross Human Services Center.

Public involvement continues to play a significant role in the development of the budget. For the 2017 budget, six residents and business people volunteered to serve on the Chairman's Budget Review Team. They heard presentations and studied department and agency business plans, budget needs, and revenue projections before making recommendations for the budget. Commissioners also sought public input into the budget process by holding a public hearing and accepting comments through the County's website.

We would like to thank the members of the budget review team for their time spent considering the many budget proposals. The citizen members of the budget review team are Lisa Burleson, David Cuffie, Norwood Davis, Kevin Do, Burt Manning, and Santiago Marquez. David Cuffie and Kevin Do are new members of the team this year while Lisa Burleson, Burt Manning, and Santiago Marquez are veterans of last year's team returning for another year of service. Davis is also a veteran who last served on the team three years ago. Cuffie is CEO of Total Vision Consulting LLC. Do, a volunteer with the Vietnamese American Community of Georgia, is a realtor with ReMax Grand South. Davis is CFO of I2Stone Church, Burleson is a retired district level administrator from Gwinnett County Public Schools, Manning is a retired real estate appraiser and assessment administrator, and Marquez is CFO/VP of the Georgia Hispanic Chamber of Commerce. Burleson and Cuffie are alumni of Gwinnett 101 Citizens Academy, a County program that gives residents a behind-the-scenes look at county government.

Long-range planning, advisory panels, and citizen participation have helped Gwinnett meet the economic challenges of the past and made our county a premier place to live, work, and play. A history of fiscal responsibility and the ability to look ahead at future implications of today's decisions have enabled Gwinnett County to maintain high levels of service despite economic uncertainty. While the last several years have been spent reacting to the Great Recession and meeting the challenge of maintaining service levels with fewer available resources, we are now prepared to focus on creating the future. As the financial outlook improves, we can look forward to a prosperous future shaped, directed, and guided by our mission, vision, and values.

Respectfully submitted,

Maria B. Woods,
CFO/Director of Financial Services

2017 Budget Highlights

When developing the 2017 budget, Gwinnett County leaders and the budget review team set priorities based on the following key focus areas:

- Public Safety and Judicial System
- Water Resources
- Community needs
- Workforce retention

Mission / Vision / Values

Gwinnett County's mission, vision, and values are at the forefront of all budgeting activities. The 2017 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 2016 are available in Section IV of this document. A listing of awards received in 2016 is available at www.gwinnettcountry.com.

Gwinnett County established and maintained numerous community partnerships in 2016; a few of which are described below:

- The Department of Community Services partnered with 1,608 public/private organizations and businesses that allow divisions the opportunity to enhance or provide funding for programs/services.
- Gwinnett County Parks and Recreation partnered with 30 volunteer youth athletic associations to offer sports such as baseball/softball, basketball, cheerleading, football, soccer, roller hockey, and lacrosse.
- Gwinnett County Parks and Recreation established and engaged community partnerships and sponsorships for sustainability of programs with 42 new partners and 41 new healthcare collaborative relationships.
- The Gwinnett Environmental and Heritage Center (GEHC), which is a unique partnership between the Gwinnett County Board of Commissioners, Gwinnett County Board of Education, and the University of Georgia, hosted six special exhibits and conducted 210,880 educational contact hours.
- Health and Human Services' Centerville Community Center served approximately 45,806 residents, collaborating with staff and community partners for over 4,500 programming hours, which included 37 new programs.

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 numerous ways. The County offers an economy that boasts strong job growth and plentiful business opportunities, a nationally-accredited police department, and an award-winning parks and recreation system. In November 2016, Gwinnett County Parks and Recreation was recognized by the Georgia Recreation and Park Association as the number one park agency in the state serving populations of 150,001 or greater.

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
- The Community Outreach Program, which engages and empowers the County's diverse constituencies to be more informed and involved in Gwinnett County Government
- [Financial Policies and Practices](#) that ensure fiscal responsibility, as discussed on pages 20 – 31 in this section of the document
- Innovative technology solutions, as described in "2016 Capital Achievements – Information Technology" on pages 5 – 6 in section VI of this document

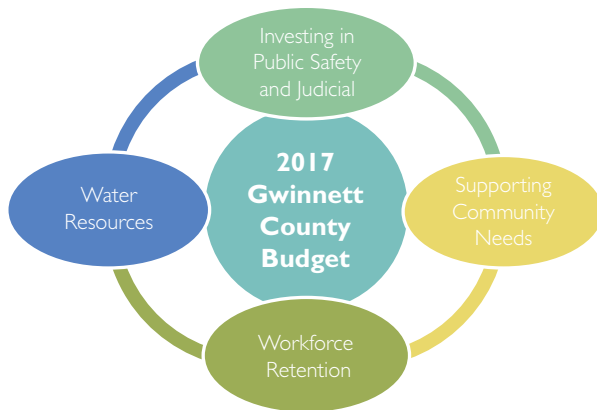
The 2017 budget achieves the County's mission, vision, and values by investing in public safety and the judicial system, supporting community needs, and investing in major infrastructure such as water resources. These initiatives are described in "[Key Decision Packages and Operating Impacts](#)" on pages 9 – 15 in this section of the document.



2017 Budget Approach

- Continuation of the 90-day vacancy policy
- Maintaining mandated/priority core services
- Justification of specific commitment items
- Evaluating service enhancements and reductions

Budget at a Glance



The \$1.56-billion budget for fiscal year 2017 expands public safety and the judicial system, supports community needs, and addresses concerns about employee retention. Separate budgets were developed for operating expenses and capital improvements. The operating budget of approximately \$1.18 billion includes daily operating costs like salaries and maintenance. The capital budget of approximately \$384 million funds infrastructure, facilities, and the vehicles and equipment needed to operate them.

The 2017 budget priorities are primarily the same as 2016. The means to achieve the budget priorities are similar in some ways and different in others. The table below shows the priorities and the effect they had on the budgets for 2017 and 2016.

2017 Budget Priorities Compared to Prior Year

Priority	2017	2016
Public Safety and Judicial System	<ul style="list-style-type: none"> • Staffing increases for Police, Fire, and the courts • Courthouse addition • Body cameras and field communication equipment • Two new ambulances 	<ul style="list-style-type: none"> • Staffing increases for Police, Fire, and the courts • Courthouse addition • Body cameras and safety equipment • Construction of Medical Examiner/Morgue Building
Community Needs	<ul style="list-style-type: none"> • Staffing increases for parks and senior services • Expansion of community outreach program • Park expansions and improvements 	<ul style="list-style-type: none"> • Staffing increases for parks and senior services • Staffing increases for animal welfare • Elections funding increases
Transportation	<ul style="list-style-type: none"> • Addition of Wi-Fi to a portion of transit buses • Addition of transit flex service 	<ul style="list-style-type: none"> • Maintenance and care of rights-of-ways • Addition of new transit express routes
Water Resources	<ul style="list-style-type: none"> • Staffing increases for the Department of Water Resources • Maintenance of water and sewer system 	<ul style="list-style-type: none"> • Staffing increases for the Department of Water Resources • Maintenance of water and sewer system
Workforce Retention	<ul style="list-style-type: none"> • Pay-for-performance increases for eligible employees • Longevity pay • New Master Officer rank for public safety officers • Pay differential for specialized police units 	<ul style="list-style-type: none"> • Pay-for-performance increases for eligible employees • Reinstatement of longevity pay

2017 Adopted Budget Compared to Prior Year

2017 Adopted Budget: Comparison to Prior Year			
	2016 Adopted	2017 Adopted	% Change
Operating	\$ 1,117,671,175	\$ 1,180,557,235	5.6%
Capital	363,176,186	383,703,573	5.7%
Total	\$ 1,480,847,361	\$ 1,564,260,808	5.6%

The total 2017 adopted budget is up \$83.4 million, or 5.6 percent, over the 2016 adopted budget. Major factors contributing to the increase are discussed from both an operating and capital standpoint below.

2017 Adopted Operating Budget Compared to Prior Year

The fiscal year 2017 operating budget is up \$62.9 million, or 5.6 percent, over the adopted 2016 operating budget. Many factors have contributed to the increase including decision packages, compensation increases, increases in transfers to renewal and extension funds, and increases in the employer's contribution to pension.

The 2017 operating budget includes funding for \$6.8 million in decision packages. Decision packages are requests from departments to either increase or decrease the level of service that they provide. 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 County's strategic goals were given priority. Decision packages with the greatest impacts on the operating budget are summarized in the following paragraphs. Additional information and justifications for the decision packages are discussed on pages 9 – 15 (["Key Decision Packages and Operating Impacts"](#)) in this section of the document.

The following new positions supporting public safety and the judicial system were approved through decision packages: 18 ambulance unit positions, one emergency management specialist position, 10 part-time Police Officer Senior positions, one Magistrate Court Law Clerk, one District Attorney Victim Advocate for Juvenile Court, seven Solicitor General staffing positions, and seven deputy sheriff positions.

To facilitate community needs, the following positions were approved through decision packages: four positions to support park expansions and improvements and one position to provide additional homemaking services to seniors. Additionally, one traffic analyst position previously eliminated in 2009 has been restored to coordinate traffic calming program options. Transit flex services will be added to provide public transportation access in areas where fixed route service is too costly or inefficient. To improve the ridership experience, Wi-Fi will be installed on some transit vehicles.



Gwinnett County – Remaining Strong

- Award-winning government with triple-AAA credit rating
- Real property tax digest expected to return to pre-recession level by 2017
- Thriving economy attracting new businesses and job growth
- Growing population expected to exceed 1 million by 2020
- Strong funded ratios for Pension and Other Post-Employment Benefit obligations
- Commitment to reducing long-term obligations



New staff for the Department of Water Resources (DWR) was also approved through decision packages. The budget includes staffing for a two-person hydro-jet crew and a two-person acoustic sewer evaluation crew, one resources and marketing specialist position, five contract management positions, and four customer service positions.

The decision packages described above represent only \$6.8 million of the total \$62.9 million increase in the 2017 operating budget over the 2016 operating budget. The previously mentioned new Master Officer rank, pay differential for specialized police units, 4 percent pay-for-performance increases, and longevity pay represent \$14.3 million of the increase over last year. Some other major factors contributing to the year-over-year operating budget increase include:

- A \$20.5-million increase in transfers to renewal and extension for future capital needs, primarily in DWR
- An \$11.8-million increase in the employer's contribution to pension. The actuarially assumed rate of return on pension investments was decreased from 8 percent to 7 percent, resulting in increased annual pension contributions.
- A \$5.9-million increase in indirect cost expenses due to cost increases in the central service departments
- A \$4.9-million increase in insurance and claims expenses due to increases in medical insurance premiums and projected increases in claims
- A \$4.3-million increase in contracted industrial repair and maintenance, primarily to address motor and pump replacements and increases in annual contracts in DWR
- A \$3.4-million increase in professional services, primarily due to DWR studies and initiatives which will require external recruitment and expertise
- A \$1.9-million increase in Solid Waste payments to haulers due to an expected increase in service units for 2017

These increases in the operating budget are primarily offset by decreases in community services elections expenses since there are no major elections in 2017 (\$6.4 million), and fuel cost savings (\$3.8 million).

2017 Adopted Capital Budget Compared to Prior Year

The fiscal year 2017 capital budget totals \$384 million, up from \$363 million in 2016. Approximately 52 percent of the fiscal year 2017 capital budget resides in Special Purpose Local Option Sales Tax (SPLOST) funds. Voters approved the renewal of the one-cent SPLOST on November 8, 2016. The six-year program will start when the current program expires in March 2017. It is expected to raise an estimated \$950 million for capital projects. To learn about the planned uses, please read the [2017 SPLOST fact sheet](#).

Capital improvements included in the 2017 budget highlighting community needs include the Alexander Park, McDaniel Farm Park, and Graves Park expansions; the E.E. Robinson Park opening; and the George Pierce Park gym addition. Major public safety capital projects include the courthouse addition at the Gwinnett Justice and Administration Center; body cameras for police officers and sheriff deputies, two ambulances for Fire Stations 21 and 22, and field communication equipment for Fire, Police, and Sheriff. Due to the demand for transit service and an interest in walkability and bikeways, projects to calm traffic, offer flex schedules, and advocate alternative transportation options are also included in the 2017 budget. Additionally, the 2017 capital budget addresses major infrastructure needs such as water production and reclamation facilities rehabilitation, wastewater treatment plant improvements, and stormwater drainage improvements.

Financial Highlights



The table below provides a summary of the fiscal year 2017 adopted budget by fund type.

	Operating Budget	Capital Budget	Total	% of Total
Tax-Related Funds	\$ 554,528,327	\$ 29,520,144	\$ 584,048,471	37.4%
Special Revenue Funds	\$ 46,626,026	\$ 200,711,692	\$ 247,337,718	15.8%
Enterprise Funds	\$ 446,118,535	\$ 153,471,737	\$ 599,590,272	38.3%
Internal Service Funds	\$ 133,284,347	\$ —	\$ 133,284,347	8.5%
Total Budget	\$ 1,180,557,235	\$ 383,703,573	\$ 1,564,260,808	

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, and Capital Project and Capital Vehicle Replacement Funds. The adopted General Fund operating budget totals \$284.7 million. The Tax-Related Funds have an operating budget of \$554.5 million and a capital budget of \$29.5 million.

Special Revenue Funds account for restricted and committed revenues and have an operating budget of \$46.6 million and a capital budget of \$200.7 million. These funds include capital projects funded by SPLOST proceeds.

Enterprise Funds account for \$446.1 million of the total operating budget and \$153.5 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 \$133.3 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.
2017	\$ 1,180,557,235	5.6%	\$ 383,703,573	5.7%	\$ 1,564,260,808	5.6%
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%

The operating budget for fiscal year 2017 for all funds totals \$1.18 billion. The preceding table indicates a \$62.9 million increase from the fiscal year 2016 adopted budget.

The capital budget for fiscal year 2017 for all funds totals \$384 million. Capital project budgets are adopted as multi-year project budgets, and unspent funds from 2016 will be carried forward to 2017.

Property Taxes and the Condition of the Digest

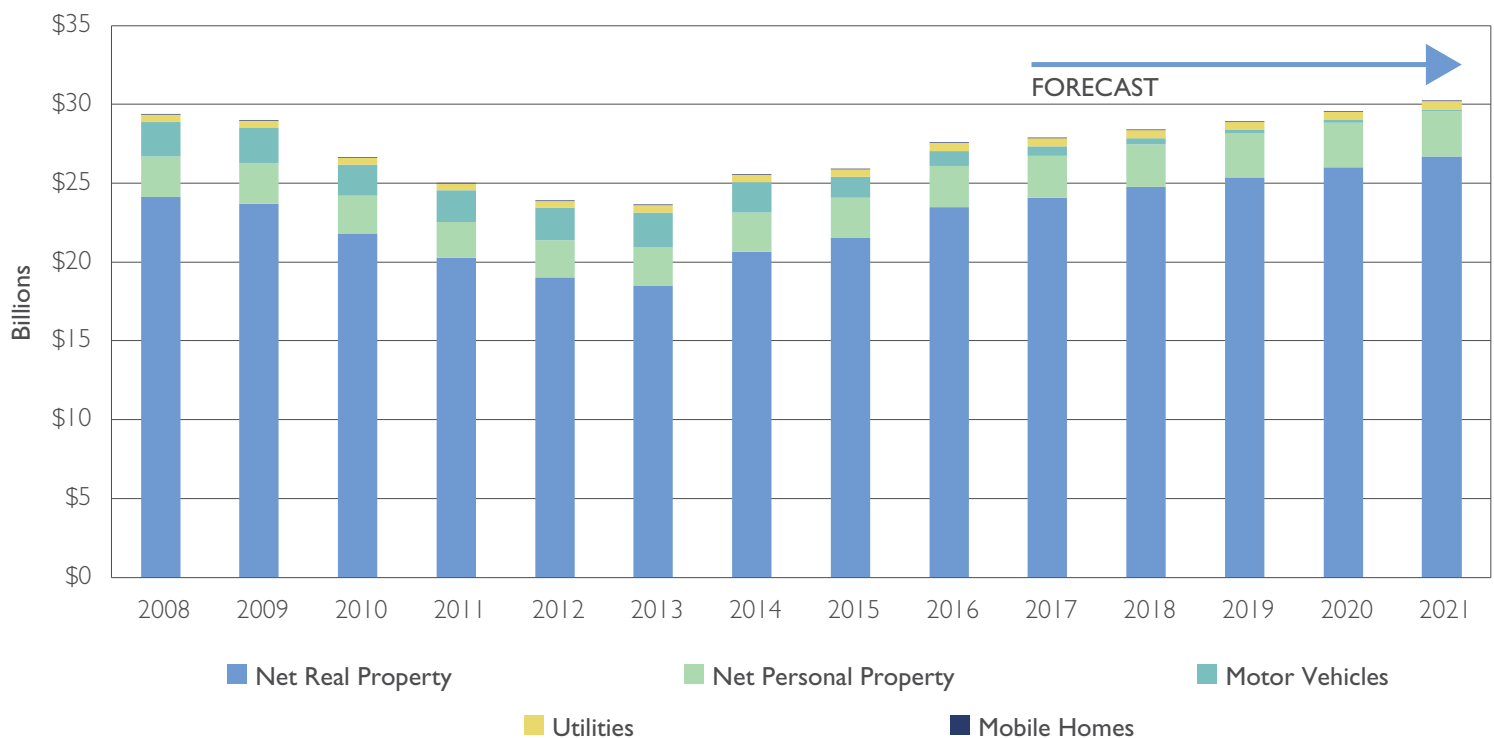
Property taxes are an extremely important revenue source for the County. Nearly 71 percent of the revenue in tax-related funds is funded by property taxes. Property taxes provide most of the funding for the General Fund for County operations, the Recreation Fund for park operations and maintenance, to 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 fiscal year 2017 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 property tax digest and its condition continued to show increases year after year. But, in 2008, the growth began to decline and between 2008 and 2013, the County saw over a 20 percent drop in the property tax digest. The County was challenged by the need to balance core services with declining tax revenues. Cost saving measures, such as linking planning activities and business plans to the budget process, were implemented and still continue.

After five years of decline, the year over year change from 2013 to 2014 was positive. This trend continued, and in 2016 the Board of Commissioners made the decision to roll back the millage rate in the General Fund and reduce the rate by 4.2 percent. The 2017 real property digest value is anticipated to increase between 2.8 and 3.4 percent as a result of both new growth and value update. Real property tax revenues for 2017 are budgeted conservatively, including only increases associated with new growth—which is estimated at less than a 1 percent increase from the 2016 countywide digest.

Between 2016 and 2017, it is projected the County's total digest, which includes real property taxes as well as personal property, motor vehicle, utility, and mobile home taxes, will grow 1.3 to 1.9 percent. Since the inception of title *ad valorem* taxes (TAVT) in the spring of 2013, motor vehicle *ad valorem* taxes are being phased out and currently have a negative effect on the total digest growth as citizens transition from the old method of paying sales and use taxes and the annual *ad valorem* tax ("the birthday tax") on newly purchased vehicles to paying a one-time title fee/tax based on the fair market value of the vehicle at the time a title is transferred. From 2015 to 2016, there was a decrease of \$3.9 million, or 27 percent, in this revenue. Another 22 percent decline in the motor vehicle digest is anticipated between 2016 and 2017 as automobiles are transitioned to the TAVT system. Despite the decline in motor vehicle *ad valorem* taxes, growth in the overall countywide digest is expected to continue in the coming years. The net real and personal property portions of the digest are expected to return to 2008 levels by 2018.

Condition of the Digest FY 2008 – 2021



Tax-Related Funds: Real and Personal Property Tax Rates FY 2008 – 2017 (mills)

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017*
General Fund	9.72	11.78	11.78	11.78	11.78	7.40	7.40	7.229	6.826	6.826
Fire and EMS District	—	—	—	—	—	3.20	3.20	3.20	3.20	3.20
Police Services District	—	—	—	—	—	1.60	1.60	1.60	1.60	1.60
Development and Enforcement District	—	—	—	—	—	0.36	0.36	0.36	0.36	0.36
Recreation Fund	0.79	1.00	1.00	1.00	1.00	0.95	0.95	0.95	0.95	0.95
G.O. Bond Fund	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	10.97	13.25	13.25	13.02	13.02	13.75	13.75	13.579	13.176	13.176
School M & O	19.25	19.25	19.25	19.25	19.25	19.25	19.80	19.80	19.80	19.80
School Bonds	1.30	1.30	1.30	1.30	1.30	1.30	2.05	2.05	2.05	2.05
Total School Tax	20.55	20.55	20.55	20.55	20.55	20.55	21.85	21.85	21.85	21.85
State Government	0.25	0.25	0.25	0.25	0.20	0.15	0.10	0.05	0.00	0.00
Total Property Tax	31.77	34.05	34.05	33.82	33.77	34.45	35.70	35.479	35.026	35.026

*The 2017 millage rate is an estimate.

Total Property Tax Rates FY 2008 – 2017 (mills)



*The 2017 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 2017 budget. A service enhancement usually has a cost increase, while a service reduction usually has cost savings. Despite \$13.1 million in justified requests, the budget includes funding for only \$6.8 million.

In keeping with the County's priorities, the table below displays key service enhancements and decision packages that were approved in the 2017 budget. Justifications for each of the key decision packages are provided on the next six pages.

Key Decision Packages and Operating Impacts (approximate amounts)

Priority	Description	Appropriation Amount
Invest in Public Safety and Judicial System	New Master Officer rank for Police Officers, Sheriff Deputies, and Corrections Officers*	3,162,000
	Eighteen ambulance unit positions	1,335,000
	Seven staffing positions to support the Solicitor General's increasing workload	456,000
	Seven Deputy Sheriff Senior positions	440,000
	Ten part-time Police Officer Senior positions	353,000
	Pay differential for specialized police units*	324,000
	Law Clerk to provide support to Magistrate Court	114,000
	One Emergency Management Specialist position	41,000
	District Attorney Victim Advocate for Juvenile Court	19,000
	Red Light Camera Program reduction	-372,000
Support Community Needs	Four positions to support park expansions and improvements	256,000
	Utility Permitting Manager in the Department of Transportation	286,000
	Provide Wi-Fi on a portion of transit buses	270,000
	Add transit flex service to improve public transportation access	250,000
	Provide continuing operating support to the Gwinnett Coalition for Health and Human Services	180,000
	Four positions in the Department of Support Services in the Facilities and Fleet Management Divisions	223,000
	Restore one Traffic Analyst position (eliminated in 2009) to coordinate traffic calming program options	126,000
	Expand community outreach services	85,000
	One position to provide homemaking services to seniors	44,000
Invest in Water Resources	Five contract management positions	556,000
	Four customer service positions	230,000
	Staffing for a two-person hydrojet crew and a two-person acoustic sewer evaluation crew	230,000
	One resources and marketing specialist position to educate residents on reducing sanitary sewer overflows	97,000

Note: The table does not reflect all decision packages. 61 out of a total of 78 new full-time positions approved through decision packages are reflected in the table. Appropriation amounts for new positions include salaries and wages, employee benefits, supplies, equipment, etc.

*This is not an official "decision package" submitted by a department. It is included in the table due to its budgetary impact.

Invest in Public Safety and Judicial System:

New Master Officer rank for Police Officers, Sheriff Deputies, and Corrections Officers

A new master rank was created to attract and retain law enforcement personnel in critical areas of public safety. This new rank will help address attrition problems and make Gwinnett County more competitive with comparable local governments in the metro-Atlanta area. Public safety employees who achieve the master officer rank will receive a 4 percent increase in pay. In order to become a master officer, an employee must have two years of experience as a senior level officer and be certified as a field training officer.

Eighteen ambulance unit positions

As a result of the County's continuing population growth, the number of emergency medical responses and transports continues to increase. The elderly are one of the fastest growing segments of Gwinnett County's population, and they tend to require significantly more emergency responses and transports related to trauma (falls and fractures), strokes, and cardiac related emergencies. To improve coverage, two new ambulances for Stations 21 and 22 were included in the fiscal year 2017 capital budget and will be funded by SPLOST. Eighteen ambulance unit positions will staff the new ambulances.

Seven staffing positions to support the Solicitor General's increasing workload

The following positions were approved in the 2017 budget:

State Court Attorney: Due to a significant increase in pre-trial motions, appellate practice, and post-conviction remedies, an additional attorney dedicated to appeals and post-conviction practice is included in the budget.

IT Associate III: Due to an increase in automated office functions, an IT professional is necessary. The case management system requires constant maintenance and improvement. In the coming year, the office expects to transition from CRIMES to a new case management system called TRACKER that is used by prosecutor offices throughout the state and will result in significant cost savings.

Legal Manager: A Legal Manager to oversee the Intake Division is needed to address an issue with short-staffing in the Solicitor General's Office. The employee currently assuming the responsibilities of a Legal Manager is under-filling an investigator position. By acquiring a Legal Manager position, this employee will be moved to the Legal Manager position, thereby freeing up an investigator position.

Legal Associate II: A Legal Associate II is needed to address an issue with short-staffing in the Solicitor General's Office. The employee currently assuming the responsibilities of a Legal Associate II is under-filling a supervisor position. By acquiring a Legal Associate II position, this employee will be moved to the Legal Associate II position, thereby freeing up a legal supervisor position which is needed to help oversee six divisions.

Engaging Our Community, One Citizen At A Time



Gwinnett 101 Citizens Academy gives residents an up-close look at county government. The Gwinnett 101 Citizens Academy is a 10-week program offered twice each year that aims to develop and nurture informed and engaged residents, students, and business owners in our great county. Participants get a behind-the-scenes look at how Gwinnett County Government provides high-quality services to the community. Those who take part in this program will interact with leaders in their county government, visit county facilities to get a first-hand glimpse of how the county works, and build a network with others who live, work, and learn in Gwinnett County.

For more information about Gwinnett 101, visit www.gwinnett101.com.

Attorney II: An attorney is needed in the Recorder's Court to handle an increasing workload resulting from added court calendars and caseloads. In 2013, the Georgia State Patrol opened a post (Post 51) in Gwinnett County to patrol the I-85 corridor and ancillary state highways to include I-985 and GA-316, which resulted in an additional 33 law enforcement officers being added to the existing traffic enforcement team. Post 51 alone issues 15,000 citations per year. In 2014 and 2015, 300 Gwinnett County school buses were outfitted with cameras to capture drivers passing stopped school buses, resulting in over 22,000 additional citations in 2015 alone; this has resulted in three additional calendars per week added to an already full week of court.

Victim Advocate: A Victim Witness Coordinator (VWC) for the Jail Unit will handle victim cases that are opened and calendared at the jail. These cases are fast tracked because the defendants are in custody. Fast tracked means that within 10 to 14 days of arrest, the cases are received, opened, accused, and scheduled for court, either for a plea or a bond modification. In this short time frame, all victims must be contacted, interviewed, notified, and often subpoenaed to attend. The Solicitor General's Office has been accomplishing this by a rotating schedule of the six VWCs who are each assigned to one of the six trial divisions. There is no continuity of contact with the victim since there is a different VWC each day. It is also burdensome on the VWCs who each have an assigned caseload in their respective trial divisions by removing them from GJAC and placing them for the day at the Jail. The addition of a new VWC will help relieve some of this burden.

Criminal Investigator: A Criminal Investigator is needed to help keep investigators safe when hand serving victim cases. The Solicitor General's Office has been experiencing a high number of dismissals for failure of victims/witnesses to appear when cases are called for trial. Upon investigation, it was determined that many of the victims failed to appear at the direction or insistence of the defendant. Without these victim/witnesses being personally served with a subpoena, the Solicitor General's Office is unable to secure a continuance or otherwise compel their presence for trial. As a result, the office has been personally hand serving selected high risk domestic violence cases. This has effectively reduced dismissals by half in the past year. However, this is a dangerous and time consuming task that requires the training and experience of a Georgia Peace Officers Standards and Training Council (POST) certified investigator.

Seven Deputy Sheriff Senior positions

Five Court Security Deputy Sheriff Senior positions are needed to improve court and building security, especially with the forthcoming GJAC courthouse expansion, which will include a new security screening station and four to six new criminal courtrooms. The Gwinnett County Sheriff's Office is the sole provider for security for GJAC, the Courts Annex, the jail courts, and the future GJAC expansion.

A Deputy Sheriff Senior position for the Sex Offender unit is also included in the budget due to an increase in the number of sex offenders. The County has a legal requirement under OCGA 42-1-12 to monitor and maintain records of convicted sex offenders within our jurisdiction.

The 2017 budget also funds a Deputy Sheriff Senior position for the Warrant/Uniform Division. The service of warrants is a priority. The warrant division receives over 20,000 new warrants each year. The number of warrants served between June 2015 and June 2016 was 13,420, which includes warrants served by Sheriff's Office personnel and other agencies on our behalf. The current field work volume is being handled by a staff of seven deputies. A major goal of the Field Operations Division is to be able to attempt warrant service in less than 72 hours after issuance from the court. To obtain this result, the division must expand the personnel workforce.

Ten part-time Police Officer Senior positions

To augment the staffing needs for sworn officers, 10 Police Officer Senior part-time positions were approved in the 2017 budget. Retired Gwinnett County Police Officers will be eligible for the part-time positions as they will bring areas of expertise from their previous law enforcement training and experience. Duties of the part-time Police Officer Senior positions will include, but are not limited to, specialized instructors for firearms and drivers training, general training instructors, recruiting and hiring assistance, patrol road officers, lobby officers, and various other duties as needed.

Pay differential for specialized police units

To address attrition issues and improve competitiveness with other jurisdictions, a 6 percent pay differential for specialized police units, such as the criminal and accident investigations divisions, is included in the budget.

Law Clerk to provide support to Magistrate Court

A Magistrate Law Clerk is needed to provide assistance to Magistrates, which is necessary for the effective processing of cases. Magistrate Court handles a wide variety of civil and criminal matters; it operates 24 hours a day, 365 days a year. There is one Chief Judge, six full-time judges, and 16 part-time judges to carry out the functions in Magistrate Court. In 2015, there were 21,852 criminal and 58,336 civil matters filed in the Magistrate Court.



Full-time Magistrates also provide judicial assistance to the Superior Court. In 2014, the Superior Court received a grant through the State Justice Institute to conduct a judicial workload study. The study was administered by the National Center for State Courts. The results of the study indicate a need for a total of 16.49 Superior Court Judges to handle the existing caseload in the Superior Court. Currently, the Superior Court has 10 judges.

In the Superior Court and State Court, each judge has a law clerk assigned to their division. The Magistrate Court currently does not have any law clerks. Due to the caseload in Magistrate Court and the large amount of assistance the Magistrates provide to the Superior Court, the Judiciary is in need of a full-time law clerk to provide support to the 23 Magistrates.

One Emergency Management Specialist position

An Emergency Management Specialist position was approved for the Gwinnett County Police Department to bring the Office of Emergency Management Unit's staffing level to 0.85 employees per 100,000 people served, thereby improving efficiency and reducing dependence on consultants.

District Attorney Victim Advocate for Juvenile Court

As a result of legislative changes to the *Crime Victim Bill of Rights* in 2015, there is a need for increased victim advocate presence in Juvenile Court. In previous years, the District Attorney's Office has successfully fulfilled the requirements of the law with a part-time position and more recently a contract position. To ensure consistency in the delivery of timely Juvenile Court services to crime victims and meet the new code deadlines, it is imperative that Juvenile Court be staffed with a knowledgeable professional. This decision package includes a professional services reduction of \$41,000 for the elimination of the contractor.

Red Light Camera Program reduction

The Red Light Camera Program was dissolved at the end of 2015. The Gwinnett County Police Department was about to face an increased cost with maintaining the program. In order to move the cameras to alternate locations, there would have been additional fees.

Support Community Needs:

Four positions to support park expansions and improvements

With the new acquisition of E.E. Robinson Park from the city of Sugar Hill, funding is needed for grounds maintenance needs, as well as recreation needs at an open and operating park. E.E. Robinson Park is a 50-acre park that includes seven baseball/softball fields, two playgrounds, an amphitheater, sand volleyball courts, tennis courts, pavilions, a maintenance compound, and storage areas. A Grounds Maintenance Foreman is needed to supervise the grounds crew and additional funding is needed for general operating, repairs, and maintenance supplies.

Expansions of Alexander Park and McDaniel Farm Park are expected in 2017. The Alexander Park expansion will include two new pavilions, a playground, a comfort station, a dog park, and trail expansions. The McDaniel Farm Park expansion will include a new pavilion, playground, comfort station, dog park, and trail expansions. Both sites will have revenue generating rental pavilions and a Recreation Park Attendant for rental coverage and facility maintenance during nights and weekends.



Graves Park will be expanded in 2017 to include an interactive play water fountain, bare earth soccer field, natural surface trails, and other site improvements. It is anticipated that these new and additional amenities will create a significant increase in park users, so additional supplies and staffing is required. The 2017 budget includes a Grounds Maintenance Associate II for day-to-day maintenance and upkeep of the facility, as well as janitorial and maintenance supplies.

Utility Permitting Manager position in the Department of Transportation

The Georgia Department of Transportation updated its Utility Accommodations Policy and Standards in 2016 and recommended adoption by all local jurisdictions. In conjunction with this policy, a proposed Gwinnett ordinance would require all utilities desiring to locate their facilities in county rights of way to obtain a permit from the County Department of Transportation. The purpose of the permitting process is to ensure that the free flow and safety of traffic is not unduly impaired and that the utility installation, maintenance, and operation does not prevent the County from reasonably maintaining the roadways, structures, and traffic control devices. The Utility Permitting Manager will help safeguard the policy and standards for this permitting process by ensuring utility companies are in compliance with County and states' rules and regulations. The staffer will also provide project-level knowledge of work within the right of way and be a ready source of information for citizen calls related to utility work in the right of way.

Provide Wi-Fi on a portion of transit buses

To increase ridership and improve the transit experience, the 2017 budget includes funding to provide Wi-Fi on half of the County's transit vehicles.

Add transit flex service to increase public transportation access

The County will begin flex transit service in 2017 for riders in a defined area without fixed bus route service. The flex service will provide access to public transportation in areas that would be too costly and inefficient to run fixed-route service and will serve both able-bodied and disabled passengers with the same vehicle.

The challenge for a hybrid on-demand transit model is how to provide dynamic scheduling efficiently when the schedule is constantly changing as rides are booked and drivers have to pick up additional fares. Utilizing a flex service technology application is a solution that will serve more riders rapidly and with fewer resources. From the customer's perspective, a ride can be booked on a smartphone, online, or by phone. The flex service technology ensures safe operations, as the vehicle operator will only see the next trip once it has been defined; there is no re-routing once underway. This technology will allow the dispatching of the service to be more efficient and provide flexibility to riders.

Provide continuing operating support to the Gwinnett Coalition for Health and Human Services

The Gwinnett Coalition for Health and Human Services has been providing strategic planning and other services to Gwinnett County residents for the past 25 years. For the past 10 years, the Gwinnett Coalition has been the recipient of federal match dollars exceeding \$200,000. This federal funding has been used to benefit substance abuse prevention, early learning, veterans, people in extreme poverty, and planning collaborations with the Gwinnett Health Department, Gwinnett Medical, and many more. In 2017, the federal grants will age out, and the Gwinnett Coalition for Health and Human Services will no longer be able to access these funds. In order to continue to provide the level of services that the County has come to rely on, and to improve efficiency and effectiveness, an increase in funding was requested and approved in the 2017 budget.

Four positions in the Department of Support Services in the Facilities and Fleet Management Divisions

The following positions are included in the 2017 budget:

Grounds Maintenance Associate II: A Grounds Maintenance Associate II position in the Facilities Management Division was approved in the budget because additional capacity is needed to meet the increased demand with three new facilities coming online in 2017: the Lilburn City Hall and Library Branch, the Centerville Senior Center, and the Medical Examiner's Office and Morgue. An increase in manpower will also provide more capacity to directly address grounds maintenance needs daily on the Gwinnett Justice and Administration Center (GJAC) campus and in the Lawrenceville area. It will also enable the Facilities Management Division to better inspect and provide quality control on the work of inmate crews and contractors at remote locations.



Auto/Heavy Technician III: An additional Auto/Heavy Technician III is needed in the Fleet Management Division to meet the service needs and expectations of Police, Fire and Emergency Services, Sheriff, Water Resources, Transportation, Corrections, Community Services, District Attorney, and others. The number of technicians has decreased since 2007, while the number of vehicles has continued to increase. The number of vehicle recalls has sharply increased in the past two years, requiring additional time for the technicians. Additionally, technicians have been performing tasks that were previously performed by other positions due to personnel shortages. This position is needed to meet the demands of the Fleet Management Division's customers and to meet established performance metrics.

Trades Technician II: A Trades Technician II position and cargo van is needed for the Carpentry work group in the Facilities Management Division. This new position will enable the division to have two field teams with a lead position and two supporting positions on each team, as well as two dedicated positions for library branches. The Trades Technician II position will assist the division in improving its response on maintenance, repair, and enhancement service requests in the Carpentry field. The Carpentry work unit completes an average of 130 work orders each month, and almost all of these work orders are handled only with in-house personnel. The work group's on-time performance lags due to the high number of work orders and the fact that many Carpentry requests require longer timeframes to complete. Three new facilities with more than additional 50,000 square feet of space will add to this workload in 2017.

Business Officer: A Business Officer position is needed in the Fleet Management Division to work with the Purchasing Associate III to coordinate with County departments regarding vehicle replacements, to prepare vehicle specifications, to work with the Purchasing Division to prepare procurement documents, and to manage the process for obtaining and preparing new vehicles. These duties are currently being performed by an Auto/Heavy Technician III, and this position is needed to allow the technician to return to the Fleet shop.

Restore one Traffic Analyst position (eliminated in 2009) to coordinate traffic calming program options

The 2017 budget restores a Traffic Analyst position in the Department of Transportation's Traffic Studies Division, a position that was eliminated in 2009 during the economic downturn. Currently, one traffic analyst handles both the residential speed control (speed hump) program and the street lighting program. With this new traffic analyst, there will be one analyst for the street lighting program and one analyst for the residential speed control program. There is a need to split the responsibilities due to the increased workload associated with the improving economy and efforts related to street lighting in older residential communities and along arterial roadways within Community Improvement Districts (CID).

Expand community outreach services

The Community Outreach Program continues to gain momentum with the Gwinnett 101 Citizens Academy and Dinner & Dialogue as the flagship programs offered to residents. The 2017 year will expand these programs to offer more opportunities to engage our citizens. Additionally, a youth engagement initiative will be created. This will require additional resources and manpower to effectively implement the expansion and creation of outreach programs.

One position to provide homemaking services to seniors

An additional homemaker position is included in the budget to provide homemaking services to seniors in an effort to reduce the wait list. This is currently a contracted position. The new position will allow a person to go into eligible seniors' homes two to four days a week to provide homemaking services.

Invest in Water Resources:

Five contract management positions

Five contract management positions are needed to establish a Facility Contracts Management Group in the Department of Water Resources (DWR). Many contracts have been put into place recently to enable DWR to adequately maintain its facilities. Consultants have been used in the last year at a cost of \$2.58 million to manage many of these contracts and address a large backlog of corrective maintenance. The cost to continue using consultants for contract management would be approximately \$1.4 million annually. Bringing contract management in-house will provide a more cost-effective way to manage the contracts and save approximately \$1 million per year. The Facility Contracts Management Group will be responsible for developing specifications, submitting and tracking contracts through the purchasing process, managing contractors, maintaining inventories, and inspecting work to ensure it meets requirements.

Four customer service positions

Four positions to promote excellence in customer service are included in the budget for DWR. Currently, DWR has a replacement program for 3/4 inch meters every 15 years or for one million gallons passed. The department also tests and replaces three-inch and larger meters regularly. But there is no program in place to test one- to two-inch meters. Two Trades Associate IIIs are included in the budget to form a meter testing crew for one- to two-inch meters.

A Trades Associate III position is also needed to improve customer satisfaction by reducing the time needed for landscaping pipe repair jobs. Currently, between the contractor, who does the landscaping associated with asphalt and concrete work, and the crew, it takes an average of 20 days for the landscaping to be completed. With the addition of a Trades Associate III, DWR can form two 2-person crews. One crew can get the site ready, and the second can follow with the sod. The expected outcome is a reduction in the amount of time to complete landscaping from 20 days to less than 14 days while improving the level of service to customers.

An additional Trades Associate III position is needed to re-read meters that have abnormal readings within three days of the original read. This will result in more accurate bills for customers.

Staffing for a two-person hydro-jet crew and a two-person acoustic sewer evaluation crew

DWR is in the process of revamping its sewer cleaning and assessment programs to address the recent increase in reportable sewer spills. Using the latest in acoustic technology, the Sewer Line Rapid Assessment Tool (SL-RAT®), which was purchased in June 2016, a two-person crew will be able to rapidly assess sewers to determine if there are blockages. This crew will be followed by a two-person hydro-jet crew which will clean blocked sewers. DWR already has the equipment and vehicles to perform this work, but additional staff is needed. With the four hydro-jet crews currently in place, the sewer system can be cleaned every 12.5 years. It is expected that the entire 2,700-mile sewer system will be able to be assessed and cleaned over a five-year cycle using the SL-RAT® and having a fifth hydro-jet crew. The expected outcome is a reduction in sewer backups, overflows, and spills.

Resources and marketing specialist position to educate residents on reducing sanitary sewer overflows

The number of sanitary sewer overflows (SSOs) in the county has increased in recent years due to residential disposal of fats, oils and grease (FOG) and flushables into the sewer system. This is a national problem, and Gwinnett County SSOs have increased from 0.87/100 miles of pipe to 1.3/100 miles of pipe. Public education is needed to inform the public about the need to keep these items out of the sewer. This is especially true in areas with apartments of dense housing. A resources and marketing specialist position is included in the budget to educate residents about this issue.



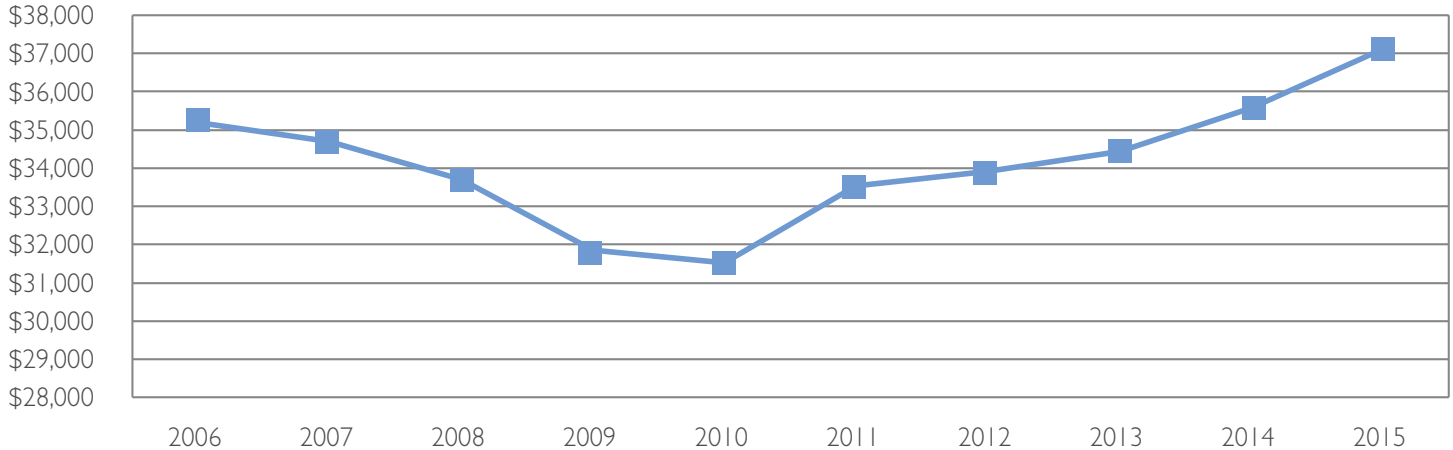
Gwinnett County continues to benefit from an improving local economy. This is evident by the County's improving real estate market, as indicated by increases in the real property tax digest. The growth is primarily due to increasing home values as well as new construction. From 2013 to 2016, the average value of a home in Gwinnett rose approximately 34 percent from \$148,720 to \$199,000. From November 2015 to November 2016, Gwinnett County was the most active county in the metro Atlanta area with 884 home sales, followed by Fulton, Cobb, and DeKalb County (Source: Atlanta Realtors Association). According to the Georgia Department of Revenue, property tax values in Gwinnett County ranked third in the state of Georgia in 2015.

The job market in Gwinnett County continues to fare better than many counties across the Atlanta region and the state of Georgia. In November 2016, according to the Georgia Department of Labor, Gwinnett County ranked among the top 15 percent of counties with the lowest unemployment rates in the state of Georgia. The County had a preliminary November 2016 unemployment rate of 4.5 percent, which was lower than both the Atlanta Metropolitan area (4.8 percent) and the state (5.0 percent). Economic development programs like Partnership Gwinnett have helped support job growth by bringing new businesses to Gwinnett County. Partnership Gwinnett is a public-private initiative spearheaded by the Gwinnett Chamber that is committed to job creation and retention, professional development, and education. According to the U.S. Bureau of Labor Statistics, Gwinnett County achieved a job growth rate of 3.2 percent from June 2015 to June 2016, ranking it 48th among the largest 345 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. From 2006 to 2010, 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. According to the Bureau of Labor Statistics, Gwinnett County had a per capital personal income of \$37,106 in 2015, an increase of 4.3 percent from 2014.

2006 – 2015 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 – 2017, the county's population increased by 20 percent from 780,721 in 2008 to 939,205 in 2017, while authorized positions increased by less than 5 percent.

Ratio of Authorized Positions Per 1,000 Population

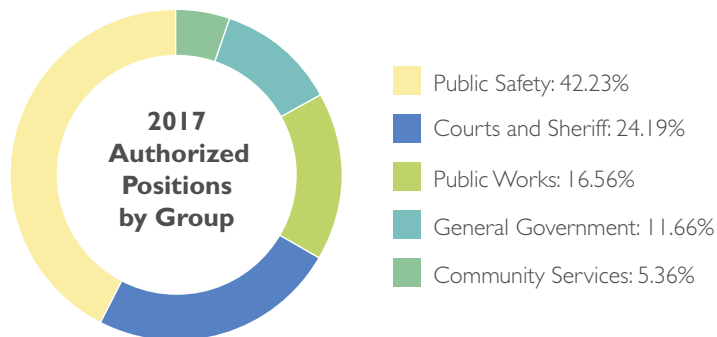
Sources: 2008 - 2015 population estimates from U.S. Census Bureau.
2016 and 2017 population estimates from Woods & Poole.



Gwinnett County Authorized Position History

Agency	Group	2014	2015	2016	2017 Adopted
Clerk of Court	Courts and Sheriff	106	106	106	106
Clerk of Recorder's Court	Courts and Sheriff	17	17	17	17
Community Services	Community Services	245	250	270	274
Corrections	Public Safety	134	136	136	136
County Administration	General Government	36	36	41	46
District Attorney	Courts and Sheriff	110	110	117	118
Financial Services	General Government	116	118	125	126
Fire Services	Public Safety	851	889	898	916
Human Resources	General Government	36	40	41	40
Information Technology	General Government	118	122	122	122
Judiciary/Court Administration	Courts and Sheriff	99	108	109	110
Juvenile Court	Courts and Sheriff	61	62	65	65
Law	General Government	16	16	16	16
Planning and Development	Public Works	80	76	78	82
Police Services	Public Safety	1,066	1,067	1,104	1,106
Probate Court	Courts and Sheriff	21	24	26	26
Water Resources	Public Works	580	592	598	614
Recorder's Court Judges	Courts and Sheriff	9	9	9	9
Sheriff	Courts and Sheriff	706	713	714	723
Solicitor	Courts and Sheriff	55	55	55	62
Support Services	General Government	120	121	122	126
Tax Commissioner	General Government	119	119	119	119
Transportation	Public Works	143	143	147	150
Total		4,844	4,929	5,035	5,109
Unallocated	General Government	10	11	7	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. In 2016, the Retirement Plan Management Committee decreased the DB plan's assumed rate of return and extended the amortization period by five additional years. These changes increased the plan's unfunded liability, but decreased the plan's dependence on market returns.

Workforce Health

During 2016, there was significant progress made in the health and wellness field. More than 4,900 employees, retirees, and dependents have visited the Wellness Center.

The Wellness Program continues to influence Gwinnett County's workforce in a positive manner. More than 86 percent of eligible employees participated in the program during 2016. The County saw an improvement in several key metrics: 19 percent fewer employees are at risk for high blood pressure; 8 percent fewer employees are at risk of poor nutrition; and 3 percent fewer employees are at risk for low levels of exercise. A new disease management endeavor is being launched by the Wellness Center and the Wellness Advocate in 2017, focusing on those employees at risk for or diagnosed with diabetes and hypertension. Continuing our efforts to assist employees with their financial wellness, more than 1,100 employees met with our Empower Retirement Representative during 2016 to discuss their retirement plans. The Wellness Incentive Program is a vital component of the wellness program. It provides a way to encourage healthy behavior and will include spouses in the 2017 Wellness Year which runs from November 21, 2016 to November 18, 2017.

Health Benefit Costs

In order to keep health plans at the same actuarial basis, the County increased the employee and employer costs by a little more than 9 percent, an increase that is still below the national average. The County has strategies in place that have allowed us to keep a tight rein on the increasing costs of health care. As a result of several competitive procurement processes in 2016, the County was able to reduce the cost of life insurance for the County and employees and offer a shorter waiting period for employee-paid Short-Term Disability coverage. The County was also able to reduce the cost of Stop Loss Insurance for the self-funded health insurance plans.

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, the County seeks to continuously improve business activities to consistently deliver greater value to our residents.

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 (COOP) 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 essential functions 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 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 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 funds, proprietary funds, and discretely presented component units) 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, agency funds, and discretely presented component units 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. There are two types of Proprietary funds: enterprise funds and internal service funds. The focus of accounting for enterprise funds is on the extent to which fees and charges are sufficient to cover the cost of providing goods and services. The focus of accounting for internal service funds is on the allocation of shared costs to other funds on a reimbursement basis.

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.

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. A budget is balanced when the sum of estimated revenues and appropriated fund balances/net position is equal to appropriations.

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 37 in this section of the document for the [“2017 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. 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/registrar, 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.

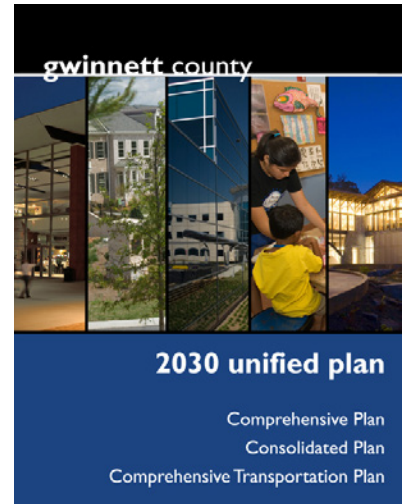


Planning Tools



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 did not involve rewriting the whole plan, but there were some areas that needed 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 were the basis for the remainder of the plan update.

Preparation of the Unified Plan update, which began in mid-2014 and was completed in early 2016, 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 are 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 20 – 31 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](#) (CTP) 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 CTP 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 2017.

Recent budget decisions have allowed the restoration of previously cut transit services. In 2015, Saturday service was reinstated for all routes. In 2016, three additional trips were added from the Indian Trail Park and Ride lot. Using a combination of state, federal and local funds, the entire local bus fleet was replaced with new buses. Also, in 2016, a new express route to Emory /CDC area was put into service. Work continues on upgrades to the Sugarloaf Park and Ride lot with construction expected to be completed in early 2017. Also, in 2017, Gwinnett County Transit will begin replacing the paratransit fleet and undertake a comprehensive transit development study. This study will rely upon extensive public outreach and data analysis to identify potential new markets and underserved areas as well as forecast growth corridors.

Future transit service enhancements include additional local and complementary paratransit service. The County will also initiate a new flex service which offers public transportation in specific service zones where fixed route service would be too costly and inefficient. Traditional flex service is scheduled manually with advanced time notification restrictions. New technology provides for dynamic, real-time scheduling, allowing more riders to be served more rapidly with fewer resources.

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 918,000 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. Currently, planning is underway to ensure the connectivity of city and county trails to each other for a countywide map of existing and future trails. These plans will be used as guides to increase recreational opportunities 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 27 in this section of the document. Gwinnett County’s major capital achievements in fiscal year 2016 and the programs that make up the 2017 – 2022 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 decision makers 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.



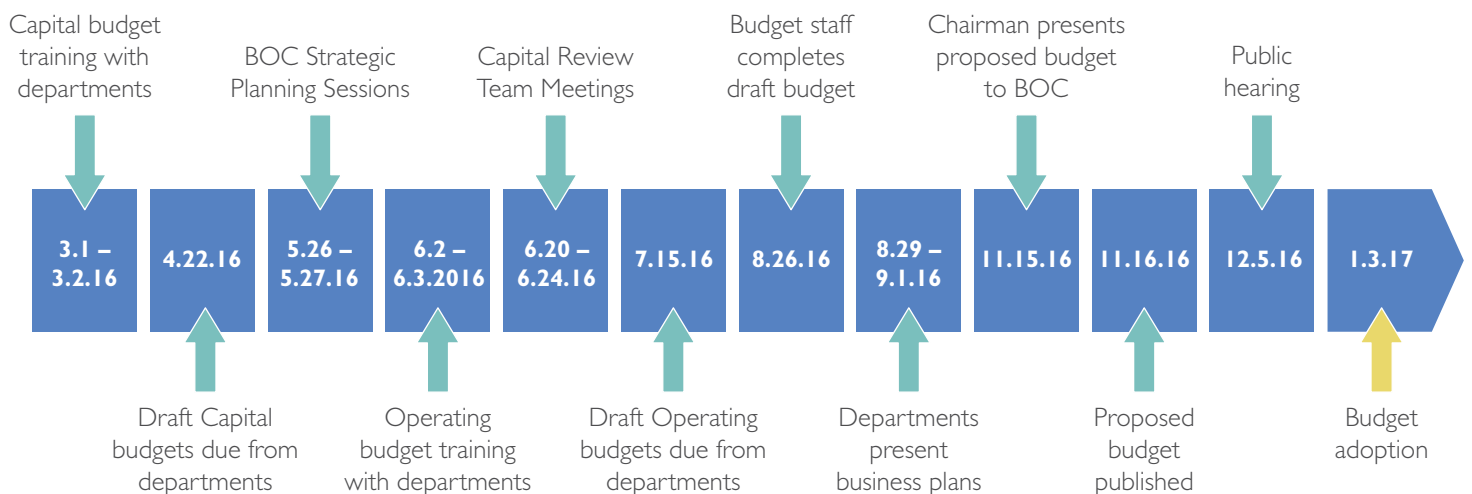
The Budget Process

Budget Process – Flow Chart

The following chart summarizes the budget process and the various steps leading to the adoption of the Fiscal Year 2017 Budget.

	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Strategic Planning:												
Board of Commissioners hold Strategic Planning Sessions				→								
Millage rate adopted for current year							→					
Budget Development:												
Departments prepare draft Capital budgets	→	→	→									
Budget Review Team members confirmed					→							
Capital Review Team Meetings held					→							
Departments prepare draft Operating budgets					→	→						
Budget staff compiles draft budget						→	→					
Departments present business plans to the Chairman and Review Team								→				
Finalize and Adopt:												
Chairman finalizes recommendations									→	→		
Chairman presents proposed budget to the Board of Commissioners										→		
Chairman's proposed budget published										→		
Budget availability advertised										→		
Board of Commissioners' review and input										→	→	→
Public hearing held											→	
Budget adopted												→

Budget Process – Timeline





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 2017 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 2017 budget was developed with input from six county residents and business people who volunteered 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 2017 budget began in May 2016 when the Board of Commissioners held a strategic planning meeting. In the summer of 2016, 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.

Departments submitted their fiscal year 2017 annual operating and capital budgets, as well as decision package proposals, on or before July 15, 2016. From August 29 through September 1, 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 15, 2016. The Board of Commissioners reviewed the proposed budget, and in accordance with state law, a public hearing was held on December 5, 2016. County ordinance requires that a budget must be adopted at the first meeting of the new fiscal year. The final adopted budget was approved on January 3, 2017 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 pages 38 – 41 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.

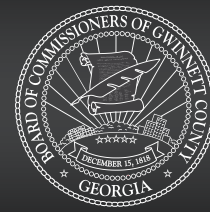
FY 2017 Resolution Amounts

Operating Budget	FY 2017
Tax-Related Funds	
General Fund	\$ 284,661,878
2003 G.O. Bond Debt Service Fund	4,261,788
Development & Enforcement District Fund	11,622,098
Fire and EMS District Fund	111,006,056
Loganville EMS District Fund	45,178
Police Services District Fund	106,936,498
Recreation Fund	35,994,831
Total Tax-Related	\$ 554,528,327
Special Revenue Funds	
Speed Hump Fund	\$ 160,215
Street Lighting Fund	7,455,115
Authority Imaging Fund	960,000
Corrections Inmate Welfare Fund	95,000
Crime Victims Assistance Fund	1,292,004
DA Federal Asset Sharing Fund	140,785
E-911 Fund	22,291,477
Juvenile Court Supervision Fund	52,363
Police Special Justice Fund	713,259
Police Special State Fund	609,180
Sheriff Inmate Fund	769,600
Sheriff Special Justice Fund	100,000
Sheriff Special Treasury Fund	150,000
Sheriff Special State Fund	73,670
Stadium Fund	2,715,201
Tree Bank Fund	8,000
Tourism Fund	9,040,157
Total Special Revenue	\$ 46,626,026
Enterprise Funds	
Airport Operating Fund	\$ 1,310,810
Local Transit Operating Fund	12,389,376
Solid Waste Operating Fund	46,196,816
Stormwater Operating Fund	32,135,841
Water and Sewer Operating Fund	354,085,692
Total Enterprise	\$ 446,118,535
Internal Service Funds	
Administrative Support Fund	\$ 60,056,567
Auto Liability Fund	1,033,215
Fleet Management Fund	6,478,456
Group Self-Insurance Fund	55,077,454
Risk Management Fund	7,252,948
Workers' Compensation Fund	3,385,707
Total Internal Service	\$ 133,284,347
Total Operating Funds	\$ 1,180,557,235

Capital Budget	FY 2017	FY 2018 – 2022
Tax-Related Funds		
Capital Projects	\$ 26,611,035	\$ 80,596,768
Capital Vehicle Replacements	2,909,109	58,899,558
Total Tax-Related	\$ 29,520,144	\$ 139,496,326
Special Revenue Funds		
2009 SPLOST	\$ 19,402,983	\$ 3,300,000
2014 SPLOST	73,969,119	44,265,317
2017 SPLOST	107,339,590	730,765,817
Total Special Revenue	\$ 200,711,692	\$ 778,331,134
Enterprise Funds		
Airport R & E	\$ 267,525	\$ 528,170
Solid Waste R & E	95,107	–
Stormwater R & E	23,431,847	112,458,000
Transit R & E	1,308,771	577,798
Water and Sewer R & E/Bond	128,368,487	704,170,593
Total Enterprise	\$ 153,471,737	\$ 817,734,561
Total Capital Funds	\$ 383,703,573	\$ 1,735,562,021

R & E = Renewal & Extension

SPLOST = Special Purpose Local Option Sales Tax



RESOLUTION ENTITLED: **A RESOLUTION ADOPTING A BUDGET FOR THE FISCAL YEAR 2017 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 2017 TAX DIGEST; AFFIRMING THAT EXPENDITURES IN EACH AGENCY MAY NOT EXCEED APPROPRIATIONS; AND PROHIBITING EXPENDITURES FROM EXCEEDING ANTICIPATED FUNDING SOURCES.**

READING AND ADOPTION: **January 3, 2017**

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 Chairman Nash, 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 2017 Proposed Budget, as required by State and Local Laws and regulations; and

WHEREAS, the Board decrees that the Proposed 2017 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 \$30,291,123 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 \$106,936,498 and remaining funding of \$76,645,375 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 2017 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;
 - (e) allocate funds from the established Compensation Reserve to Department or Agency budgets to provide funding for approved compensation actions; and
 - (f) transfer funds to establish new projects related to economic development within a capital fund from fund or program contingencies and/or savings in existing projects.

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 and associated budget may be reallocated within the same Department or Agency or reassigned to another Department or Agency and filled authorized positions and associated budget may be reassigned at the same grade level between a Department or Agency with the authorization of the County Administrator. 25 unallocated positions shall be available to allocate to Department or Agency with the authorization of the County Administrator as necessary; and

BE IT FURTHER RESOLVED that eligible County employees may receive a pay increase as specified in the 2017 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 2017 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-2017
GCID Number: 2017-0044

Charlotte J. Nash
Charlotte J. Nash, Chairman

1/19/17
Date

Diane Kemp
County Clerk/Deputy County Clerk



Approved as to form:

Van Stephan
Gwinnett County Staff Attorney

Fund Structure



Major Fund Descriptions

General Fund:

The **General Fund** is the primary tax and operating fund for all County revenues and expenditures that are not accounted for in other funds. The County's General Fund supports services that benefit everyone countywide including courts and sheriff, public works, elections, and community services. This fund also supports various capital projects with an annual contribution to the Capital Project Fund. The General Fund is supported by revenues derived from property taxes, other taxes, intergovernmental revenues, fines and forfeitures, charges for services, and other miscellaneous revenues.

Fire and EMS District Fund:

The **Fire and Emergency Medical Services (EMS) District Fund** accounts for the revenues and expenditures attributable to the Fire and Emergency Medical Services District. This district includes all properties within unincorporated Gwinnett County and all cities except Loganville. The city of Loganville operates its own fire department, but residents and businesses continue to receive County-provided emergency medical services. A property tax is levied to support this service district.

Police Services District Fund:

The **Police Services District Fund** accounts for the revenues and expenditures attributable to the Police Services District. This district includes all properties within unincorporated Gwinnett County and cities that do not operate their own police departments. Gwinnett County is responsible for providing police protection within this district. A property tax is levied to support this service district.

Water and Sewer Operating Fund:

The **Water and Sewer Operating 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. This fund supports the water and sewer operations of the Department of Water Resources, including debt service payments for outstanding bonds. A portion of the fund's revenues are transferred monthly to the Renewal and Extension Capital Fund for the Water and Sewer Capital Improvement Program.

Stormwater Operating Fund:

The **Stormwater Operating 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.

2009 SPLOST Fund:

The **2009 SPLOST Fund** accounts for the proceeds from a four-year, one percent sales tax approved by voters in 2008 for the purpose of resurfacing, paving, widening, and extending certain roads and bridges; acquisition of greenspace and park land; expansions, renovations, and development of parks and recreation facilities; courthouse addition; construction of libraries; and construction and renovations of fire and police facilities and equipment. Sales tax collections for the 2009 SPLOST program totaled \$678.5 million. Approximately 17 percent, or \$104.9 million, were allocated to Gwinnett's cities for capital purposes.

2014 SPLOST Fund:

The **2014 SPLOST Fund** accounts for the proceeds from a three-year, one percent sales tax approved by voters in 2013 for the purpose of road and bridges, intersection improvements, sidewalks, public safety facilities and equipment, recreational facilities and equipment, library relocations and renovations, and senior service facilities. The 2014 SPLOST is projected to raise \$453 million before ending in 2017 and is shared between the County (78.9 percent) and 16 cities (21.1 percent). The County is using 70 percent of its share for transportation (roads, bridges, intersections, and sidewalks), and the remaining 30 percent is being used for public safety facilities and equipment, library relocations and renovations, parks and recreation facilities, and senior services facilities.

2017 SPLOST Fund:

The **2017 SPLOST Fund** accounts for the proceeds from a six-year, one percent sales tax approved by the voters in 2016 for the purpose of transportation projects; recreational facilities/equipment; Civic Center expansion; public safety facilities/equipment; library relocation/renovation; and senior service facilities. The 2017 SPLOST is projected to raise \$950 million before ending in 2023 and is shared between the County (78.76 percent) and 16 cities (21.24 percent). The County is using 65 percent for transportation (roads, bridges, intersection improvements, and sidewalks) and the remaining 35 percent is being used for recreational facilities/equipment, public safety facilities/equipment, library relocation/renovation, senior service facilities, and the expansion of the Civic Center.

GWINNETT COUNTY FUND STRUCTURE 2017 TOTAL BUDGET

\$1,564,260,808

GOVERNMENTAL FUNDS

GENERAL & TAX-RELATED SPECIAL REVENUE \$584,048,471

General
\$284,661,878

G.O. Bond Debt Service
\$4,261,788

Development and
Enforcement Services District
\$11,622,098

Fire and EMS District
\$111,006,056

Loganville EMS District
\$45,178

Police Services District
\$106,936,498

Recreation
\$35,994,831

Capital Projects*
\$26,611,035

Vehicle Replacement*
\$2,909,109

OTHER SPECIAL REVENUE \$247,337,718

Authority Imaging
\$960,000

Corrections Inmate Welfare
\$95,000

Crime Victims Assistance
\$1,292,004

District Attorney
Federal Asset Sharing
\$140,785

E-911
\$22,291,477

Juvenile Court Supervision
\$52,363

Police Special Justice
\$713,259

Police Special State
\$609,180

Sheriff Inmate
\$769,600

Sheriff Special Justice
\$100,000

Sheriff Special Treasury
\$150,000

Sheriff Special State
\$73,670

Speed Hump
\$160,215

Stadium
\$2,715,201

Street Lighting
\$7,455,115

Tree Bank
\$8,000

Tourism
\$9,040,157

SPLOST*
\$200,711,692

PROPRIETARY FUNDS

ENTERPRISE \$599,590,272

Airport**
\$1,578,335

Local Transit**
\$13,698,147

Solid Waste**
\$46,291,923

Stormwater**
\$55,567,688

Water and Sewer**
\$482,454,179

INTERNAL SERVICE \$133,284,347

Administrative Support
\$60,056,567

Auto Liability
\$1,033,215

Fleet Management
\$6,478,456

Group Self-Insurance
\$55,077,454

Risk Management
\$7,252,948

Workers' Compensation
\$3,385,707

■ Major fund

*Capital fund

**Includes operating and capital

Fund Groups

The County's budget is organized by funds. Each fund is a self-balancing set of accounts which is separated for the purpose of carrying on specific activities. To better represent funds from a budgetary standpoint, funds are grouped differently in this document from the standard GASB classifications. By grouping them this way, we are able to show what services are funded by property tax dollars. Gwinnett County reports funds using Governmental Accounting Standards Board (GASB) classifications in the Comprehensive Annual Financial Report (CAFR).

All Funds – 2017 Appropriations by Department (in thousands of dollars)

Department	General and Tax-Related Special Revenue Funds					Other Special Revenue Funds		Enterprise Funds		Internal Service Funds	Total
	General Fund	Fire and EMS District	Police Services District	Other Tax-Related Funds	Tax-Related Capital Funds	Sales Tax Capital Projects Funds	Other	Water and Sewer	Other Enterprise Funds	Internal Service Funds	
Clerk of Court	10,379	–	–	–	–	–	960	–	–	–	11,339
Clerk of Recorder's Court	–	–	1,533	–	–	–	–	–	–	–	1,533
Community Services	6,789	–	–	34,202	3,156	14,696	–	–	–	–	58,843
Community Services – Elections	2,692	–	–	–	–	–	–	–	–	–	2,692
Community Services – Subsidies	22,187	–	–	–	–	–	–	–	–	–	22,187
Corrections	15,977	–	–	–	483	–	95	–	–	–	16,555
County Administration	1,836	–	–	–	220	–	–	–	–	4,105	6,161
County Administration – BOC	1,229	–	–	–	–	–	–	–	–	–	1,229
Debt Service – Governmental	–	–	–	4,262	–	–	–	–	–	–	4,262
District Attorney	13,526	–	–	–	43	–	611	–	–	–	14,180
Financial Services	9,153	–	–	–	342	17	–	–	77	17,761	27,350
Fire and EMS	–	105,145	–	–	212	7,546	–	–	–	–	112,903
Human Resources	–	–	–	–	–	–	–	–	–	62,075	62,075
Information Technology	–	–	–	–	18,841	–	–	112	114	28,223	47,290
Judiciary	19,839	–	–	–	–	–	–	–	–	–	19,839
Juvenile Court	7,624	–	–	–	–	–	52	–	–	–	7,676
Law	–	–	–	–	–	–	–	–	–	2,317	2,317
Loganville EMS	–	–	–	45	–	–	–	–	–	–	45
Non-Departmental	41,608	5,098	7,934	2,747	334	–	3,848	165	101	1,269	63,104
Planning and Development	649	763	792	7,250	453	–	8	918	734	–	11,567
Police Services	6,795	–	94,012	3,243	1,290	4,499	19,766	–	–	–	129,605
Probate Court	2,440	–	–	–	–	–	–	–	–	–	2,440
Recorder's Court	–	–	1,903	–	–	–	–	–	–	–	1,903
Sheriff	85,817	–	–	–	10	507	1,093	–	–	–	87,427
Solicitor General	4,805	–	762	–	–	–	823	–	–	–	6,390
SPLOST – Cities' Share	–	–	–	–	–	33,042	–	–	–	–	33,042
Stadium	–	–	–	–	–	–	2,715	–	–	–	2,715
Support Services	–	–	–	175	2,156	437	–	–	–	17,534	20,302
Support Services – Capital Projects	–	–	–	–	591	20,651	–	–	–	–	21,242
Support Services – Libraries	–	–	–	–	–	7,569	–	–	–	–	7,569
Support Services – Solid Waste	–	–	–	–	–	–	–	–	46,188	–	46,188
Tax Commissioner	12,515	–	–	–	–	–	–	–	–	–	12,515
Tourism	–	–	–	–	–	–	9,040	–	–	–	9,040
Transportation	18,802	–	–	–	1,389	111,748	7,615	–	15,198	–	154,752
Water Resources	–	–	–	–	–	–	–	481,259	54,725	–	535,984
Total Appropriations	284,662	111,006	106,936	51,924	29,520	200,712	46,626	482,454	117,137	133,284	1,564,261

Consolidated Budget – All Funds

FY 2017 Revenues and Appropriations

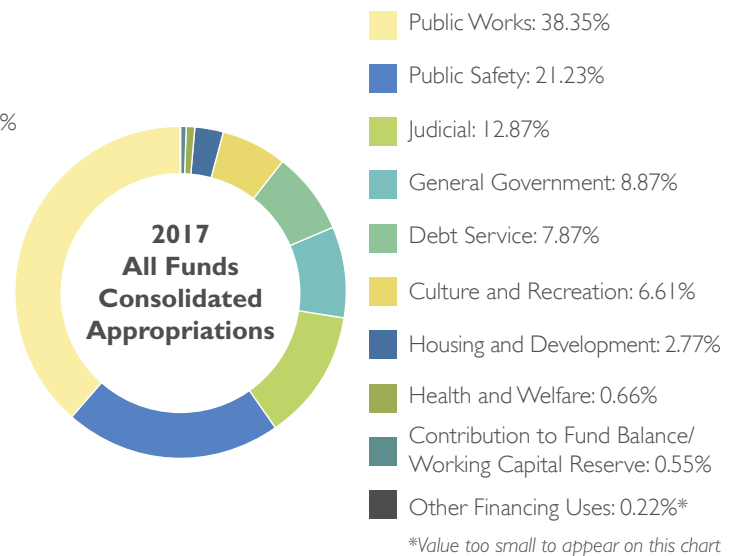
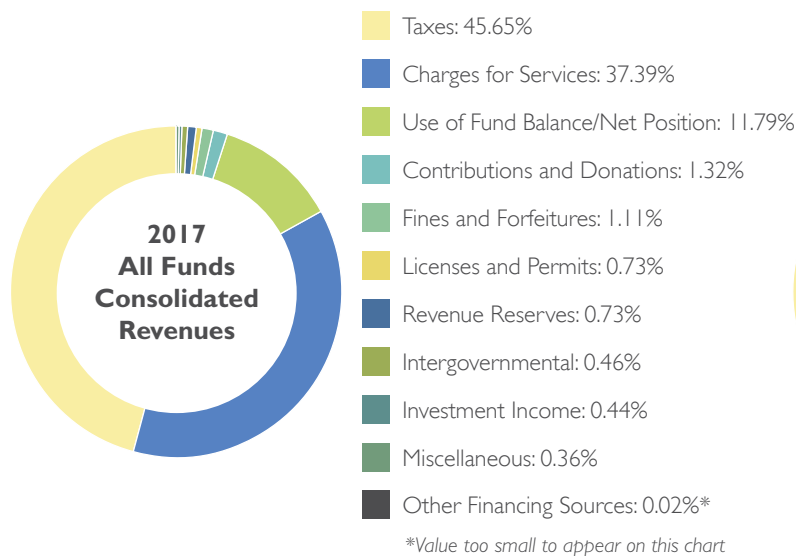
The purpose of a consolidated budget is to eliminate duplicating transfers and Internal Service Fund Activity in order to determine the true cost of providing services. This data excludes inter-fund transfers in the amount of \$189,884,173 and Internal Service Activity in the amount of \$133,284,347.

FY 2017 Consolidated Revenues

Taxes	\$ 566,497,237
Licenses and Permits	9,109,084
Intergovernmental	5,680,706
Charges for Services	464,025,369
Fines and Forfeitures	13,837,531
Investment Income	5,481,481
Contributions and Donations	16,725,628
Miscellaneous	4,415,032
Other Financing Sources	26,927
Total 2017 Revenues	1,085,798,995
Revenue Reserves	9,000,000
Use of Fund Balance/Net Position	146,293,293
Total Budgeted Revenues	\$ 1,241,092,288

FY 2017 Consolidated Appropriations

General Government	\$ 110,136,520
Judicial	159,733,388
Public Safety	263,445,458
Public Works	476,011,929
Health and Welfare	8,202,930
Culture and Recreation	81,978,537
Housing and Development	34,328,245
Debt Service	97,735,534
Other Financing Uses	2,697,273
Total 2017 Appropriations	1,234,269,814
Contribution to Fund Balance/ Working Capital Reserve	6,822,474
Total Budgeted Appropriations	\$ 1,241,092,288



Debt Summary



The County has maintained the highest quality bond rating of Aaa/AAA/AAA since 1997 by the three primary rating agencies. Gwinnett is one of 49 counties in the United States with this prestigious rating. For approximately 20 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.

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. The 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. From 2011 until early 2017, Gwinnett County has been able to realize a total debt service savings of \$80.4 million by refunding debt and by cash defeasance of debt. 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.

Since 2009, all major capital projects are being funded by 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 \$2.1 billion 2017 – 2022 *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 the 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. Since 1985, just over \$3 billion has been collected 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, 2016, for Gwinnett County was \$2,754,463,000. The County has cash available to pay the outstanding principal and interest, providing a debt margin of \$2,754,463,000 (unaudited). The G.O Bond principal balance outstanding as of December 31, 2016, was \$11,975,000.

The County 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 following table reflects the County's total outstanding amounts of G.O. debt as of December 31, 2016 (in thousands):

Year	Principal	Interest	Total
2017	\$ 3,865	\$ 395	\$ 4,260
2018	3,960	287	4,247
2019	4,150	104	4,254
Total	\$ 11,975	\$ 786	\$ 12,761

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. As mentioned earlier, since 2011 the only revenue bonds issued have been to refund older bonds at lower interest rates in order to realize debt service savings. For the Water and Sewerage Authority Revenue Bonds, that savings amounted to \$57.0 million.

The information in the following table reveals the outstanding debt service amounts for the Water and Sewerage Authority as of December 31, 2016 (unaudited):

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

\$20,275,000	Series 2008	Issued 8/21/08
\$189,735,000	Series 2009	Issued 10/22/09
\$130,765,000	Series 2011	Issued 7/1/11
\$96,325,000	Series 2015	Issued 8/3/15
\$145,990,000	Series 2016A	Issued 5/19/16
\$108,860,000	Series 2016	Issued 8/1/16

(Dollars in thousands)

Year	Principal	Interest	Total
2017	\$ 67,940	\$ 21,960	\$ 89,900
2018	69,900	19,896	89,796
2019	56,300	17,650	73,950
2020	58,015	15,923	73,938
2021	59,820	14,126	73,946
2022 – 2026	293,790	41,285	335,075
2027 – 2029	86,185	6,305	92,490
Total	\$ 691,950	\$ 137,145	\$ 829,095

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 4.61 percent from \$88.58 in 2017 to \$92.66 in 2021.

Other outstanding debt amounts as of December 31, 2016, are as follows (unaudited):

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

(Dollars in thousands)

Year	Principal	Interest	Total
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	3,054	899	3,953
2022 – 2026	16,721	3,043	19,764
2027 – 2031	11,510	625	12,135
2032	68	1	69
Total	\$ 42,692	\$ 9,037	\$ 51,729

The total annual requirements on all outstanding debt as of December 31, 2016, including interest, are as follows (unaudited):

(Dollars in thousands)

Year	G.O.	Water & Sewer	GEFA	Total
2017	\$ 4,260	\$ 89,900	\$ 3,952	\$ 98,112
2018	4,247	89,796	3,952	97,995
2019	4,254	73,950	3,952	82,156
2020	–	73,938	3,952	77,890
2021	–	73,946	3,953	77,899
2022 – 2026	–	335,075	19,764	354,839
2027 – 2031	–	92,490	12,135	104,625
2032	–	–	69	69
Total	\$ 12,761	\$ 829,095	\$ 51,729	\$ 893,585

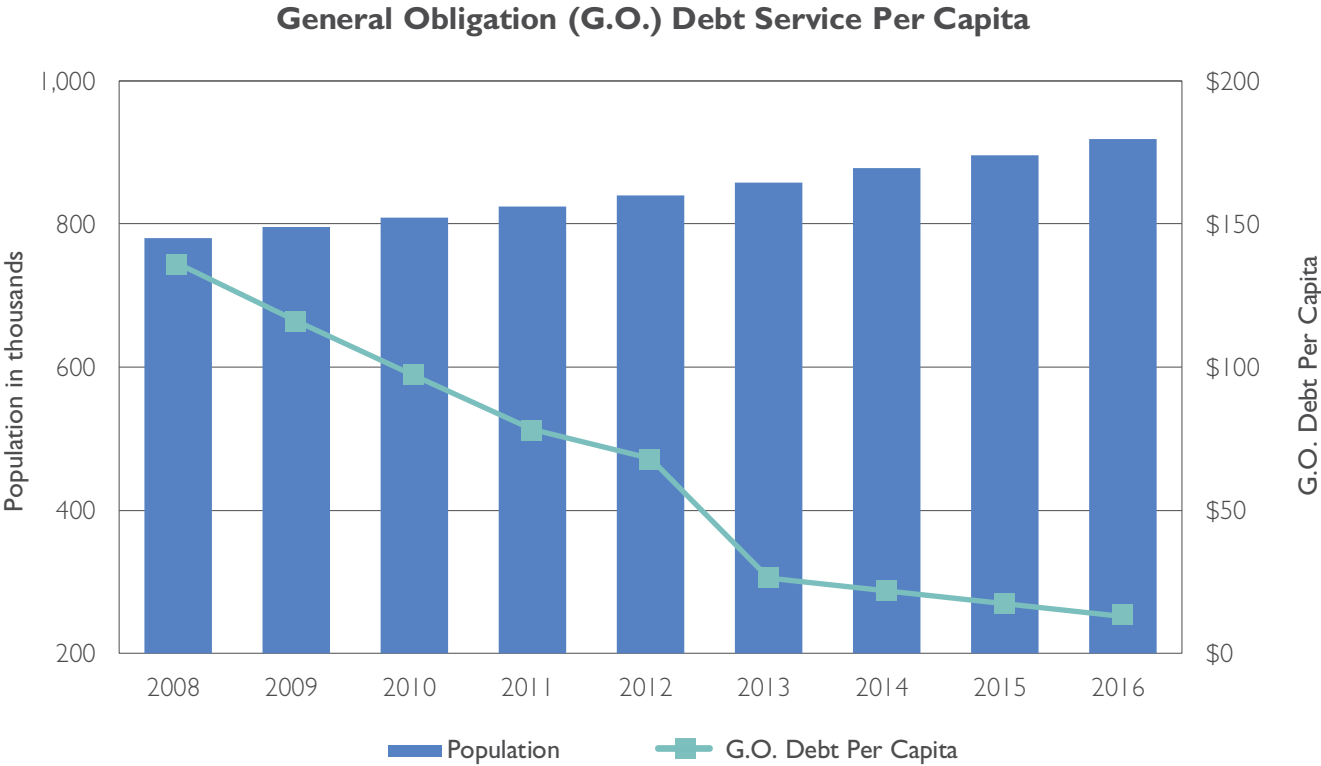
The total annual debt requirement for 2017 is 8.3 percent of the total operating budget of \$1.2 billion, resulting in total operating appropriations less annual debt of \$1.1 billion.

Debt per capita is based on total annual G.O. Bond debt service payments as compared to the estimated county population. Total annual debt requirement for fiscal year 2017 (all debt categories) is approximately \$98 million. Currently, the estimated G.O. debt service per capita averages approximately \$13 per person. This number has steadily declined over the last few years as the County has not issued new debt since 2009 and focused on paying off its debt. Specifically, in 2010, the County paid off its 1994 Water and Sewer Refunding Bonds. In 2011, the 2002 General Obligation Refunding Bonds were also paid in full and the 2003B Water and Sewer Bonds were refunded for a debt service savings of \$10.9 million. In 2012, the County paid off its 2002 Water and Sewer Bonds and refunded a portion of the 2003 G.O. Bonds resulting in a debt service savings of \$2.3 million. In 2013, the County redeemed all outstanding 2003 G.O. Bonds resulting in a debt service savings of \$7.0 million.

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 Sewer 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 bonds were issued on August 3, 2015 with the interest rate set at 1.74 percent. The refunding resulted in debt service savings of \$9.8 million, which began being realized 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 debt service savings (\$14.7 million). The bonds were issued on August 1, 2016, and the debt service savings will begin in 2017.

In March 2016, the Gwinnett County Water and Sewerage Authority and the Gwinnett County Board of Commissioners approved resolutions authorizing staff to move forward with a direct purchase advance refunding of the callable maturities (2019 – 2028) of the 2008 Water and Sewerage Authority Revenue Bonds. The bonds were awarded to Wells Fargo as they offered the lowest true interest rate of 1.69 percent and a debt service savings of \$21.5 million. The date of issuance for these bonds was May 19, 2016. The debt service savings began being realized in 2016.



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 2011, which has resulted in shortened maturity dates and significant debt service savings.