

# 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; property taxes and the condition of the digest; key priorities and challenges; an explanation of the budget process; the budget resolution; fund structure; debt management information; the employee environment; financial policies and practices; and long-term planning tools.*





January 2, 2018

Dear Stakeholders of Gwinnett County:

It is our privilege to present the Budget Document for fiscal year 2018. This document is a summary of our overall plan for allocating resources in alignment with the County's priorities. The \$1.67-billion balanced budget for 2018 is up approximately 6.9 percent over last year, primarily due to transfers for capital improvements and increased costs for salaries and benefits. With a focus on safety and quality of life, the 2018 budget includes funding to maintain core County services such as the jail, courts, police and fire protection, roads, transit, and water, as well as funding additions for new and ongoing initiatives reflective of the County's priorities set by the Board of Commissioners. The priorities include mobility and access, livability and comfort, strong and vibrant local economy, communication and engagement, smart and sustainable government, and safe and healthy community.

The fiscal year 2018 budget supports the County's priorities in the following ways:

- The **mobility and access** priority is supported by enhancements to transit facilities and buses, an additional engineer to improve traffic flow, design for two new Park and Ride Lots, and various SPLOST-funded transportation improvements.
- The budget supports the **livability and comfort** priority by funding libraries, senior services, and additional staff to manage cultural and natural resources and the new Lilburn Activity Building. Funds will also be set aside to apply toward addressing homelessness.
- In support of a **strong and vibrant local economy**, the budget includes funding for an expansion of the civic center, building and maintaining reliable infrastructure like water and sewer lines, a small business resource center, and additional Planning and Development positions to support development and construction activities.
- The **communication and engagement** priority is supported by new resources and marketing positions to improve public relations, an animal welfare program focused on community education, and funds for the Gwinnett Bicentennial celebration.
- The budget supports the **smart and sustainable government** priority by funding the construction of a Global Water Innovation Center and a pay-for-performance increase to maintain a quality workforce. Funds for additional days of advanced in-person voting are included in the budget, dependent upon the availability of trained poll workers.
- A **safe and healthy community** priority is supported by adding 65 more police officers in the community, two new 24/7 ambulance crews, a new ladder truck crew, construction of a new Bay Creek Police Precinct and alternate E-911 center, two new positions in the District Attorney's Office, and a dozen part-time Sheriff's deputies.



MOBILITY AND  
ACCESS



LIVABILITY AND  
COMFORT



STRONG AND VIBRANT  
LOCAL ECONOMY



COMMUNICATION AND  
ENGAGEMENT



SMART AND SUSTAINABLE  
GOVERNMENT



SAFE AND HEALTHY  
COMMUNITY



2018 Budget Review Team

The 2018 budget continues Gwinnett's history of sustainable, conservative budgeting practices and demonstrates our commitment to prudent financial planning. The budget keeps adequate reserve funds, includes multi-year planning, and uses pay-as-you-go financing for capital improvements. By maintaining the highest standards of excellence in financial practices, Gwinnett County has achieved AAA credit ratings from all three major rating agencies since 1997. Out of approximately 3,100 counties and county equivalents in the United States, less than 50, or 1.5 percent, share this triple-AAA designation.



Public involvement in the budget process continues to play a significant role in the development of the budget. We would like to thank the members of the Budget Review Team for their time spent considering the many budget proposals. Chairman Charlotte Nash, County staff, and seven citizen reviewers studied departments' and agencies' business plans, budget requests, and revenue projections to make recommendations for the budget. The seven review team members included: Lisa Burluson (Retired District Level Administrator, Gwinnett County Public Schools), David Cuffie (CEO, Total Vision Consulting LLC), Norwood Davis (CFO, 12Stone Church), Kevin Do (Realtor, Remax Grand South), Burt Manning (Retired Real Estate Appraiser/Assessment Administrator), Santiago Marquez (President and CEO, Georgia Hispanic Chamber of Commerce), and Alida Sims (Social Worker, Regional Kinship Navigator, Georgia Department of Community Services Division of Family and Children Services).

The year 2018 is a milestone year for Gwinnett County, marking 200 years since the County was established. Our pioneering spirit and the decisions made by County leaders and residents over the last 200 years have led to the Gwinnett of today. From our humble beginnings as a small, agrarian community in 1818, Gwinnett has grown to be the second largest county in the state of Georgia. In the 200 years since our founding, we remain a community of pioneers with many of our residents having come from across the U.S. and from around the globe, seeking opportunity and prosperity.

We are entering into our bicentennial year with a new brand that captures modern Gwinnett. The official seal drafted in the 1980s has been replaced with a new logo that resembles a colorful kaleidoscope to symbolize that Gwinnett County is a great place to live, to have a business, to experience diversity, to have fun, to raise a family, and to retire.



Respectfully submitted,

Maria B. Woods,  
CFO/Director of Financial Services

# MISSION/VISION/VALUES

Gwinnett County's mission, vision, and values, taken in combination with the County's priorities set by the Board of Commissioners, are at the forefront of all budgeting activities. The text below describes how the County is achieving the principles outlined by its 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 2017 are available in Section IV of this document. Complete listings of awards received in 2012 through 2017 are available on the County's website by clicking [here](#).

Gwinnett County established and maintained numerous community partnerships in 2017, a few of which are described below:

- The Department of Community Services partnered with 1,603 public/private organizations and businesses that allow divisions the opportunity to enhance or provide funding for programs/services.
- Community Services Outreach's program, Volunteer Gwinnett, partnered with organizations such as the Junior Achievement Discovery Center-Gwinnett and the Gwinnett Coalition for Health and Human Services to offer employees community engagement opportunities such as monthly Gwinnett County Volunteer Days and Employee Volunteer Projects during the annual Gwinnett Great Days of Service.
- Health and Human Services partnered on a Boy Scout Eagle Scout project to put flag collection boxes at each OneStop Center.
- The County partnered with community organizations to promote Gwinnett Clean and Beautiful initiatives and provide volunteer opportunities.
- Gwinnett County engaged with residents through its community outreach program, Gwinnett 101 Citizens Academy. By offering a behind-the-scenes look at how Gwinnett County provides high-quality services to the community, the program develops informed and engaged residents, students, and business owners. More than 50 residents graduated from Gwinnett 101 in 2017 (including both the fall and spring sessions).

## 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](http://www.gwinnett101.com).

## 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. Below are some examples of how the County pursued its vision in 2017:

- Parks and Recreation Operations worked directly with Explore Gwinnett and the Gwinnett Sports Commission to bring adult athletics/tennis/youth athletics tournaments and other athletic events, which recorded \$1,020,250 in economic impact. Additionally, filming based within the park system recorded \$47,158 in economic impact to Gwinnett County.
- In 2017, 96 percent of citizens reported feeling safe in their neighborhoods, up from 92 percent in 2016.
- Parks and Recreation partnered with volunteer youth athletic associations to offer sports such as baseball/softball, basketball, cheerleading, football, soccer, roller hockey, and lacrosse to more than 43,000 kids.
- Gwinnett County continues to place a high priority on greenspace and historic sites. As of 2017, Gwinnett parkland totaled 9,875 acres for both passive and active parks, and the county is home to 11 cultural/historical sites.



## 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, 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:

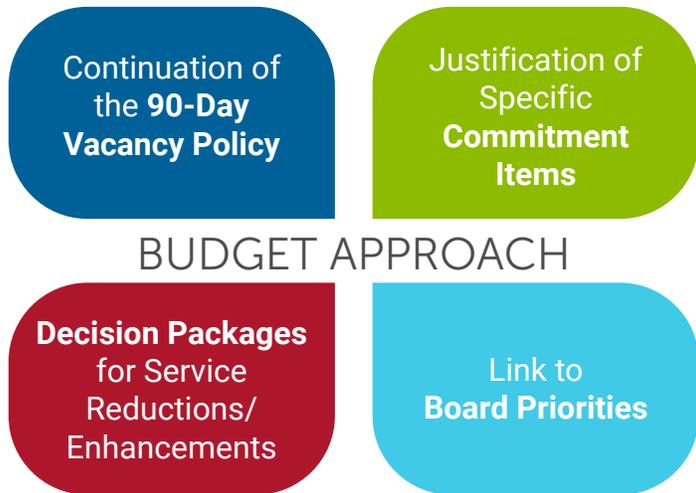
- [Code of Ethics](#)
- [Environmental Sustainability Program](#) and related policies
- Leadership in Energy & Environmental Design (LEED) certification at various buildings including the Environmental and Heritage Center, the Hamilton Mill Public Library, and the Police Training Facility
- The Community 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 II:34 – II:61
- Innovative technology solutions, as described in "2017 Capital Achievements – Information Technology" on pages VI:6 – VI:7

# BUDGET AT A GLANCE

The \$1.67-billion balanced budget for fiscal year 2018 consists of separate budgets for operating expenses and capital improvements. The operating budget of approximately \$1.28 billion includes daily operating costs like salaries and maintenance. The capital budget of approximately \$390 million funds infrastructure and facilities, and the vehicles and equipment needed to operate them.

The 2018 budget is based on maintaining the 2017 millage rate of 13.51 mills. The tax digest, the value of all assessed property, is back up to its 2008 level at \$29.4 billion after hitting a low in 2013 and beginning to recover in 2014. Less than half, or 32.2 percent, of the total operating budget is funded with property tax revenue.

## Fiscal Year 2018 Budget Approach Compared to Prior Year



The budget approach used to develop the fiscal year 2018 budget is very similar to the approach used to develop the 2017 budget. Both budgets maintained mandated and priority core services, continued the 90-day vacancy policy, required justification of specific line items, and continued decision packages for service reductions and service enhancements. In 2018, however, an additional approach was added—linking decision packages to the County’s priorities. The priorities were set by the Board of Commissioners early in the 2018 budget planning process and include mobility and access, livability and comfort, strong and vibrant local economy, communication and engagement, smart and sustainable government, and safe and healthy community. [“Key Decision Packages and Operating Initiatives”](#) approved in the 2018 budget and in alignment with the County’s priorities are discussed in detail on pages II:11 – II:14.

## Fiscal Year 2018 Adopted Budget Compared to Prior Year

2018 Adopted Budget: Comparison to Prior Year			
	2017 Adopted	2018 Adopted	% Change
Operating	\$ 1,180,557,235	\$ 1,281,609,103	8.6%
Capital	383,703,573	390,405,400	1.7%
<b>Total</b>	<b>\$ 1,564,260,808</b>	<b>\$ 1,672,014,503</b>	<b>6.9%</b>

The 2018 operating budget totals \$1.28 billion compared to \$1.18 billion in 2017. The year-over-year increase is primarily due to transfers for capital improvements and increased costs for salaries and benefits. Both the 2017 and 2018 operating budgets provided funding for new positions to help keep up with the demands of a growing population and to restore positions cut during the recession. The 2017 budget added 78 new full-time positions while the 2018 budget added 152 new full-time positions. Many of the new positions added in both 2017 and 2018 were in the public safety or judicial area; however, the 2017 budget focused more on adding judicial positions for the courts, whereas the 2018 budget focused more on adding police officers. New ambulance unit positions were included in both the 2017 and 2018 budgets.

The 2018 operating budget adds 65 new police officer positions, two new ambulance crews, a new ladder truck crew, two new positions in the District Attorney’s Office, and a dozen part-time Sheriff’s deputies. The budget also adds a traffic engineer, public relations positions, staff to manage cultural and natural resources and the new Lilburn Activity Building, Elections positions, and additional Planning and Development staff. Additionally, the budget provides funding for an animal welfare program, the Bicentennial celebration, seed money to apply toward addressing homelessness, and more advanced voting days and Sunday voting, depending on the availability of trained poll workers.



Recruiting and retaining a quality workforce has been a key budget consideration since 2014. To support recruitment and retention efforts, both the 2017 and 2018 budgets included 4 percent pay-for-performance increases and longevity pay for eligible employees.

Maintaining residents' quality of life by supporting community needs also continues to play a critical role in the development of the budget. In support of this objective, funding for community outreach initiatives was included in both the 2017 and 2018 operating budgets. To improve transit riders' experiences, both budgets also funded the addition of Wi-Fi to transit buses.

The 2018 capital budget totals \$390 million, up from \$384 million in 2017. Both the 2017 and 2018 capital budgets made capital investments in new ambulances, parks, and major infrastructure such as roads and the water and sewer system. Major capital projects in the 2018 budget include funding for two Park and Ride lots on State Route 316, as well as matching funds for an anticipated grant for reconstruction and improvements to the Indian Trail Park and Ride lot; the relocation of the Snellville and Lawrenceville libraries; improvements to senior service facilities including the expansion of the Norcross Senior Center; mid-life overhauls on a portion of express buses; expansion of the civic center; and construction of a Global Water Innovation Center, a new Bay Creek Police Precinct and alternate E-911 Center, and a small business resource center. The voter-approved 2017 SPLOST program includes \$51.9 million in the 2018 budget for transportation projects throughout the county. Additional information about the 2018 capital budget and 2019 – 2023 Capital Improvement Plan is available in Section VI.



# FINANCIAL HIGHLIGHTS

The table below provides a summary of the fiscal year 2018 adopted budget by fund type.

	Operating Budget	Capital Budget	Total	% of Total
Tax-Related Funds	\$ 611,227,811	\$ 49,852,565	\$ 661,080,376	39.6%
Special Revenue Funds	\$ 47,332,530	\$ 164,168,105	\$ 211,500,635	12.6%
Enterprise Funds	\$ 474,460,734	\$ 176,384,730	\$ 650,845,464	38.9%
Internal Service Funds	\$ 148,588,028	\$ -	\$ 148,588,028	8.9%
<b>Total Budget</b>	<b>\$ 1,281,609,103</b>	<b>\$ 390,405,400</b>	<b>\$ 1,672,014,503</b>	

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 \$320.2 million. The tax-related funds have an operating budget of \$611.2 million and a capital budget of \$49.9 million.

Special revenue funds account for restricted and committed revenues and have an operating budget of \$47.3 million and a capital budget of \$164.2 million. These funds include capital projects funded by SPLOST proceeds.

Enterprise funds account for \$474.5 million of the total operating budget and \$176.4 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 \$148.6 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.
2018	\$ 1,281,609,103	8.6%	\$ 390,405,400	1.7%	\$ 1,672,014,503	6.9%
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%

The operating budget for fiscal year 2018 for all funds totals \$1.28 billion. The preceding table indicates a \$101.1 million increase from the fiscal year 2017 adopted budget.

The capital budget for fiscal year 2018 for all funds totals \$390 million. Capital project budgets are adopted as multi-year project budgets, and unspent funds from 2017 are carried forward to 2018.

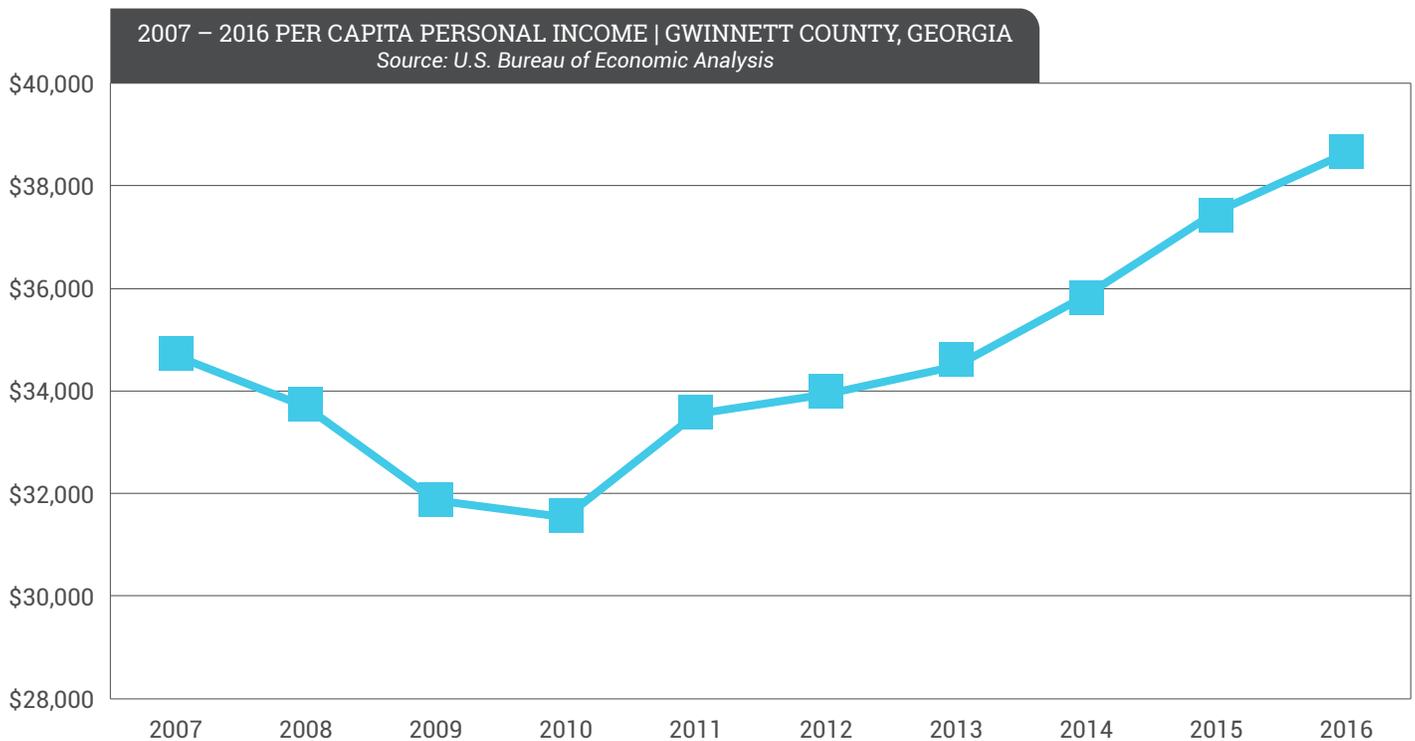
# Economy

The local economy has made great strides over recent years as a result of an improving real estate market, increasing construction activity, and growing job market. The current economic landscape offers promising opportunities for economic development as well as a competitive labor environment characterized by job growth, low unemployment rates, and increasing wages. According to the Georgia Department of Labor, Gwinnett County had a preliminary unemployment rate of 3.8 percent in December 2017, which was lower than both the Atlanta Metropolitan area (4.1 percent) and the state (4.3 percent).

The talented workforce and quality of life Gwinnett County offers continues to attract businesses to the area, and this has resulted in a strong and competitive labor market. According to the U.S. Bureau of Labor Statistics, Gwinnett County achieved a job growth rate of 1.7 percent from June 2016 to June 2017. Businesses are relocating or expanding their operations in Gwinnett through programs like Partnership Gwinnett, a public-private initiative spearheaded by the Gwinnett Chamber that is committed to job creation and retention, professional development, and education. In 2017, Partnership Gwinnett won 16 projects resulting in 2,312 new jobs. The county's growing tourism industry has also had a significant impact, creating more than 12,000 jobs and providing more than \$1.2 billion in economic impact in 2016, according to the Georgia Department of Economic Development.

The condition of the property tax digest is another key economic indicator. After hitting a low in 2013, the property tax digest began to recover in 2014. The growth continued and from 2013 to 2017, the property tax digest grew 23.5 percent, primarily due to rising home property values and new construction. From 2013 to 2017, the average value of a home in Gwinnett County rose approximately 45 percent from \$148,720 to \$215,604.

Per capita personal income is also a measure of economic well-being. Per capita personal income is the average income earned per person in a given area in a specified year. It is calculated by dividing the area's total income by its total population. From 2006 to 2010, Gwinnett County residents saw their incomes decline. In 2011, per capita personal income began to improve and has continued to improve since then, exceeding 2007 (pre-recession) levels by 2014. According to the Bureau of Labor Statistics, Gwinnett County had a per capita personal income of \$38,638 in 2016, an increase of 3.1 percent from 2015.

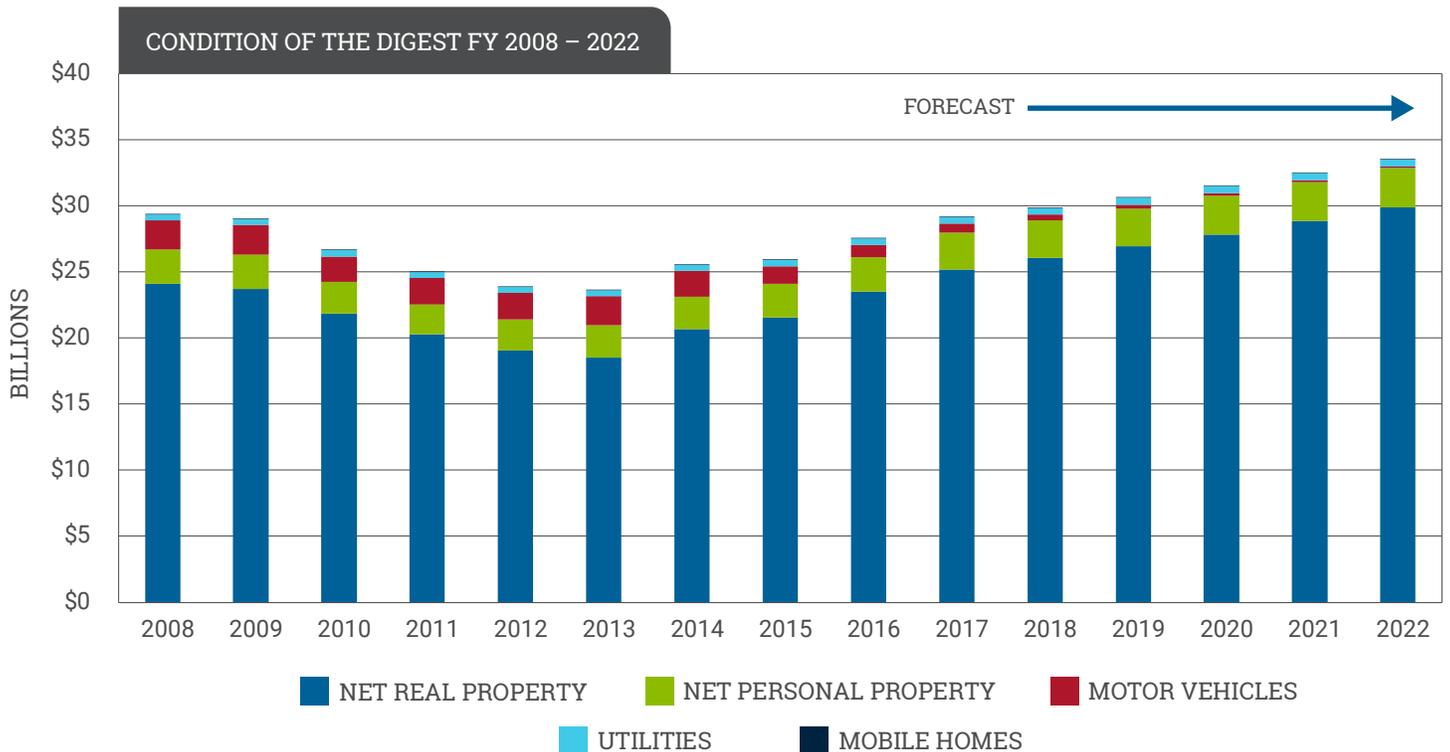


# Property Taxes and the Condition of the Digest

Property taxes are an extremely important revenue source for the County. More than one-third (34.8 percent) of the total revenue for all operating funds and nearly three-quarters (72.1 percent) of the revenues for the tax-related funds are derived from property taxes. Property taxes provide most of the funding in the General Fund for County operations and in the Recreation Fund for park operations and maintenance. Property tax revenues are also used 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 48 percent of the fiscal year 2018 operating budget.

The amount of property tax revenue is based on the size of the tax digest and the millage rate. 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 more than a 20 percent drop in the property tax digest. After five years of decline, the year-over-year change from 2013 to 2014 was positive. This positive trend has continued, and in 2017 the net real property tax digest returned to its 2008 level. In 2017, the millage rate was set at 13.51 mills, which reflected a modest increase of 0.334 mills from the 2016 total millage rate of 13.176 mills. The 2018 budget was based on maintaining the current 13.51 millage rate.

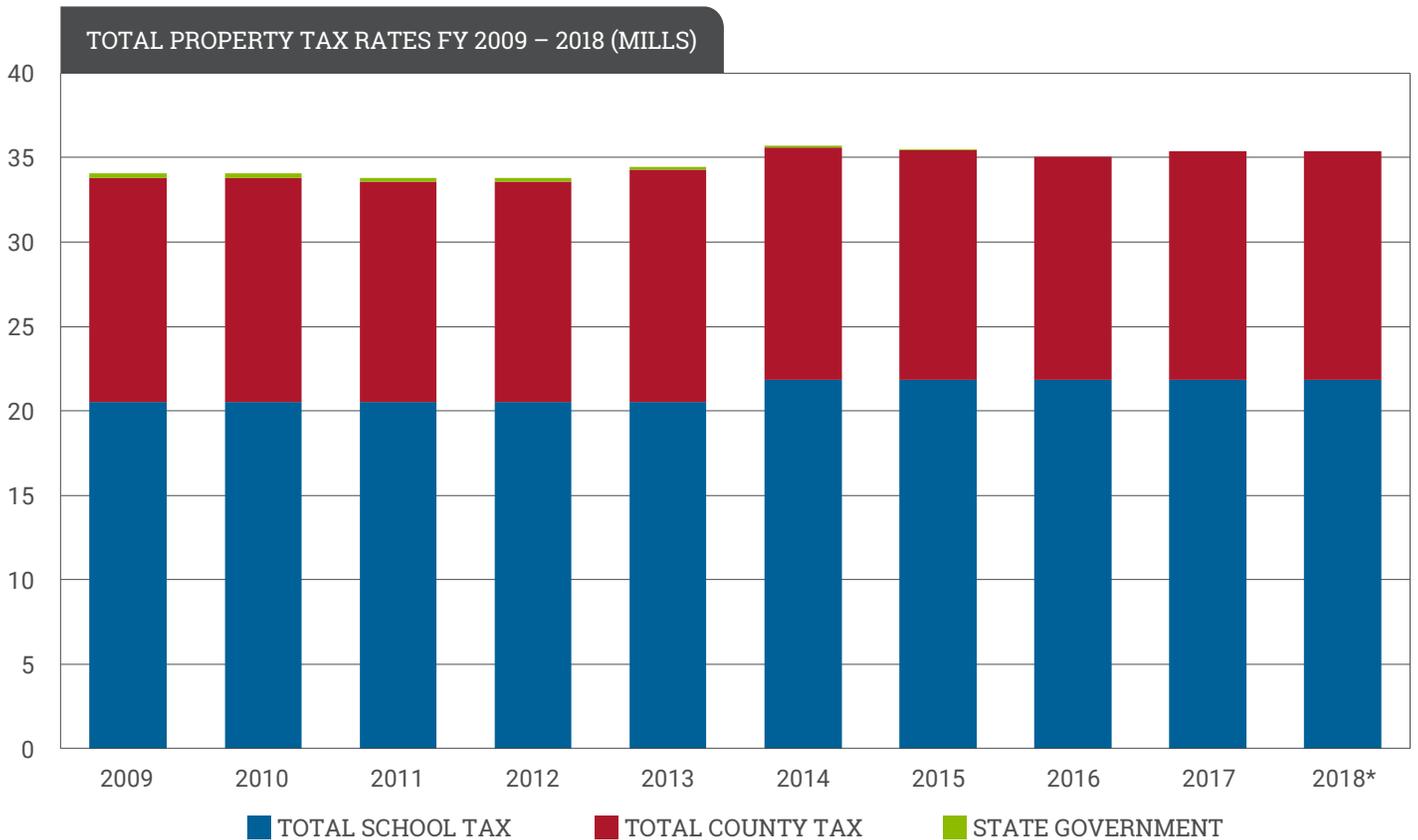
Since the inception of title *ad valorem* taxes (TAVT) in the spring 2013, motor vehicle *ad valorem* taxes are being phased out and currently have a negative effect on the total digest growth as citizens transition from the old method of paying sales and use taxes and the annual *ad valorem* tax (“the 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 2016 to 2017, there was a decrease of \$2.9 million, or 27.5 percent, in this revenue. Despite the decline in motor vehicle *ad valorem* taxes, growth in the overall countywide digest is expected to continue in the coming years.



# Tax-Related Funds: Real and Personal Property Tax Rates FY 2009 – 2018 (mills)

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
General Fund	11.78	11.78	11.78	11.78	7.40	7.40	7.229	6.826	7.40	7.40
Fire and EMS District	–	–	–	–	3.20	3.20	3.20	3.20	3.20	3.20
Police Services District	–	–	–	–	1.60	1.60	1.60	1.60	1.60	1.60
Development and Enforcement District	–	–	–	–	0.36	0.36	0.36	0.36	0.36	0.36
Recreation Fund	1.00	1.00	1.00	1.00	0.95	0.95	0.95	0.95	0.95	0.95
G.O. Bond Fund	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	0.00	0.00
<b>Total County Tax</b>	<b>13.25</b>	<b>13.25</b>	<b>13.02</b>	<b>13.02</b>	<b>13.75</b>	<b>13.75</b>	<b>13.579</b>	<b>13.176</b>	<b>13.51</b>	<b>13.51</b>
School M & O	19.25	19.25	19.25	19.25	19.25	19.80	19.80	19.80	19.80	19.80
School Bonds	1.30	1.30	1.30	1.30	1.30	2.05	2.05	2.05	2.05	2.05
<b>Total School Tax</b>	<b>20.55</b>	<b>20.55</b>	<b>20.55</b>	<b>20.55</b>	<b>20.55</b>	<b>21.85</b>	<b>21.85</b>	<b>21.85</b>	<b>21.85</b>	<b>21.85</b>
<b>State Government</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.20</b>	<b>0.15</b>	<b>0.10</b>	<b>0.05</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Property Tax</b>	<b>34.05</b>	<b>34.05</b>	<b>33.82</b>	<b>33.77</b>	<b>34.45</b>	<b>35.70</b>	<b>35.479</b>	<b>35.026</b>	<b>35.36</b>	<b>35.36</b>

\*The 2018 millage rate is an estimate.



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# KEY PRIORITIES AND CHALLENGES

## Key Decision Packages and Operating Initiatives

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 2018 budget. A service enhancement usually has a cost increase, while a service reduction usually has cost savings.

Departments and agencies presented their business plans and decision package proposals to the Budget Review Team for consideration, and those that aligned with the County's priorities were given preference. The 2018 budget includes funding for decision packages and other initiatives supporting the County's priorities in the amount of \$25.8 million, or 2.0 percent of the \$1.28 billion operating budget.

Listed below are key initiatives approved in the fiscal year 2018 budget. Justifications for each of these are provided on the pages that follow.

### KEY DECISION PACKAGES AND OPERATING INITIATIVES

Priority	Description	Appropriation amount (approximate)
<b>Mobility and Access</b>	Provide Wi-Fi on remaining transit buses	237,000
	Additional engineer in the Traffic Control Center to improve traffic flow	82,000
<b>Livability and Comfort</b>	Continue to support the library system's outreach and educational efforts	750,000
	Funding to address homelessness	500,000
	Three Parks and Recreation positions to expand programming and partnerships for the newly renovated Lilburn Activity Building and other nearby parks	288,000
	Four positions to manage the new Natural and Cultural Resource Section of Community Services	240,000
<b>Strong and Vibrant Local Economy</b>	Five additional positions in Planning and Development to support county development and construction activity	322,000
<b>Communication and Engagement</b>	Bicentennial events to celebrate the County's 200 <sup>th</sup> anniversary	500,000
	Two Public Relations positions to help support the County's public outreach and social media strategy	132,000
	An Animal Welfare outreach program to educate communities regarding pet ownership	25,000
<b>Smart and Sustainable Government</b>	Pay-for-performance increases and longevity pay to continue efforts to recruit and retain a strong workforce	10,605,000
	Funds to support advanced in-person and Sunday voting, dependent upon the availability of trained poll workers	391,000
	Four bilingual positions in Elections to improve communication and engagement with the Hispanic community	200,000
<b>Safe and Healthy Community</b>	Thirty police officer positions to serve a growing service population and continue community-focused policing programs	3,301,000
	Thirty-five sworn police positions and one civilian administrative position to staff the new Bay Creek precinct	2,741,000
	Two ambulance crews (18 positions) to staff two new ambulances at Stations 27 (Dacula) and 30 (Rosebud area)	1,427,000
	Twelve part-time Deputy Sheriff positions to provide court and building security, warrant and temporary protection order services, and support jail operations	505,000
	Eighteen firefighter positions to staff a new ladder truck at Fire Station 10 (Mall of Georgia area)	453,000

Note: The list above includes **key** decision packages and does not reflect all decision packages approved for 2018. Appropriation amounts for new positions include salaries and wages, employee benefits, supplies, equipment, etc.

## County Priority – Mobility and Access:



### **Provide Wi-Fi on remaining transit buses**

In 2017, Wi-Fi was added to half of Gwinnett County's transit vehicles to increase ridership and provide an enhanced customer experience. In 2018, budget was approved to add Wi-Fi to the remaining transit fleet.

### **Additional engineer in the Traffic Control Center to improve traffic flow**

Recent upgrades to transportation software and the planned expansion of the Intelligent Transportation System network have increased staffing needs at the Traffic Control Center. An engineer is needed to enhance the ability to identify traffic issues and implement real-time adjustments to traffic signal operations to benefit county residents.

## County Priority – Livability and Comfort:



### **Continue to support the library system's outreach and educational efforts**

The 2018 budget includes an increase in library subsidies to provide merit increases for library staff, to increase materials purchases, and to fund genealogy services. The merit increases are intended to help the library reduce employment turnover and maintain efficient staffing. Increasing the annual materials purchase will help the library meet consumer demand for materials. And, in the spirit of the bicentennial celebration, funding for genealogy services will give residents access to the county's history.

### **Funding to address homelessness**

The budget includes some seed money to apply toward addressing homelessness.

### **Three Parks and Recreation positions to expand programming and partnerships for the newly renovated Lilburn Activity Building and other nearby parks**

The budget includes funds to staff and maintain the newly renovated Lilburn Activity Building, which was formerly the Lilburn Library. The Lilburn Activity Building offers a place for the community to congregate for classes, camps, and special events. Staff members will be responsible for handling three youth athletic associations, multiple rental fields, two pavilions, room rentals, and all programming at the Lilburn Activity Building.

### **Four positions to manage the new Natural and Cultural Resource Section of Community Services**

Four positions to expand natural and cultural resource operations are included in the 2018 budget. A Grounds Maintenance Associate will assist park staff, consultants, and the general public with accomplishing the objectives described in the approved business plan related to natural resource management including invasive species management, sustainable trails management, erosion control implementation, and re-forestation and waterfowl management. The other three positions will be tasked with the operations of McDaniel Farm Park, the Isaac Adair/Female Seminary site, the Yellow River Post Office site, and the Freemans Mill site. They will oversee the programming, rentals, and day-to-day operations of the sites and support demands for cultural and environmental programming with K-12 (public, private, and home schools), summer camps, special events, exhibits, cultural and heritage activities, and scout programs (boys and girls).

## County Priority – Strong and Vibrant Local Economy:



### **Five additional positions in Planning and Development to support county development and construction activity**

The budget includes funding for five positions to assist in several areas, including construction inspections to keep construction activities moving; ensuring compliance with state, federal, and county regulations; and assisting in administrative and customer service functions. The five positions include:

- **Building Inspector III:** An additional building inspector in the Trades Inspection Group will increase the overall production of the Trades Inspection Group and help it meet or exceed the established department standard for customer service of 90 percent of inspections completed on schedule.

- **Planner III:** This position will be responsible for reviewing, approving, and permitting proposed commercial, multi-family, and residential projects located in the county to ensure compliance with applicable state, federal, and county regulations, standards, ordinances, and codes. This position will serve as a lead plan reviewer and back-up for the manager.
- **Administrative Support Associate III:** This position will provide administrative support to the Department of Planning and Development with the primary role of supporting open records requests. The department has fulfilled a large volume of requests over the past four years.
- **Customer Service Associate I:** A Customer Service Associate I will be responsible for quickly assessing the walk-in, phone, or email customer's needs, researching location aspects such as address, (incorporated or unincorporated) zoning, conditions of zoning, and overlay district, thereby directing the customer to the appropriate section or by providing on point, targeted service. The Associate will be responsible for targeted services such as review of plan submittal applications; issuing of permits; processing cash, credit, and check transactions; and identifying new processes to help expedite customer transactions.
- **Financial Support Associate II:** In order to provide superior customer service and improve the efficiency of processing permits, an entry level Financial Support Associate I will be added to the Building Permit Section of Planning and Development. This position will assist customers with sign-in, accept payments for miscellaneous types of activities which do not require a permit card or any type of research, process mail, and respond to the group's email account.

## County Priority: Communication and Engagement:



### **Bicentennial events to celebrate the County's 200th anniversary**

From December 2017 to December 2018, the Gwinnett Bicentennial will be a one-year celebration of 200 years of the County's history. Throughout the year, signature events and activities will be coordinated by County government and the Bicentennial Advisory Committee. Members of the community are encouraged to plan and host events in celebration of the county's Bicentennial as well. Visit [www.gwinnett200.com](http://www.gwinnett200.com) to learn about the County's history, watch videos, view the photo gallery, and see upcoming events in the event calendar.

### **Two Public Relations positions to help support the County's public outreach and social media strategy**

A Senior Public Relations Specialist and Public Relations Coordinator in the Public Relations Section of the Communications Division are needed to increase the volume, efficiency, and effectiveness of the County's communications. The positions will help to manage the communications tools the County currently uses, to leverage additional tools that may be beneficial, to increase efforts to communicate economic development initiatives, and to help meet the increasing service demands from administrative departments.

### **An Animal Welfare outreach program to educate communities regarding pet ownership**

The "On the Road Again with Animal Welfare" program will partner with animal rescue organizations, Gwinnett Technical Institute, the University of Georgia, and Health and Human Services to enhance the safety of citizens by assisting with smart and sustainable pet ownership and disease prevention. The program will enhance the mobility requirements for citizens living in and around underserved areas where bringing animals on public transit is not allowable or public transit is not available.

## County Priority – Smart and Sustainable Government:



### **Pay-for-performance increases and longevity pay to continue efforts to recruit and retain a strong workforce**

Gwinnett County values its employees and recognizes the importance of recruiting and retaining talented staff. Concerns over recruiting and retaining employees resulted in a 4 percent pay-for-performance increase and longevity pay for eligible employees. To be eligible for longevity pay, an employee must have at least three years of service. The payout is \$75 for each year of service, up to a maximum of \$1,500.

### **Funds to support advanced in-person and Sunday voting, dependent upon the availability of trained poll workers**

The budget includes funds held in reserve to support advanced in-person and Sunday voting, subject to the availability of trained poll workers. Providing additional voting opportunities reduces stress on polling locations on Election Day and can potentially increase voter participation.

## Four bilingual positions in Elections to improve communication and engagement with the Hispanic community

The budget includes funding for four bilingual staff for day-to-day operations and outreach efforts to inform and educate the Hispanic population.

## County Priority – Safe and Healthy Community:



### Thirty police officer positions to serve a growing service population and continue community-focused policing programs

To better serve the population, the Gwinnett County 2030 Comprehensive Plan calls for a ratio of police officers to 1,000 citizens of 1.300. However, due to increasing service population figures and attrition issues, the ratio of both authorized and actual officers has been declining. With the addition of 30 police officer positions, the ratio of officers to citizens will increase towards the goal of 1.300.

### Thirty-five sworn police positions and one civilian administrative position to staff the new Bay Creek precinct

In order to staff the new Bay Creek Precinct, management, supervisory, and administrative personnel are needed. To complete the staffing package for the precinct, 36 positions are being added in 2018, including 35 sworn positions and 1 civilian position.

### Two ambulance crews (18 positions) to staff two new ambulances at Stations 27 (Dacula) and 30 (Rosebud area)

Two ambulance crews are needed to staff two new ambulances approved in the 2018 capital budget. The ambulances, which will be paid for with SPLOST funding, are needed to provide adequate coverage for the County as the population continues to grow. The two new ambulances and ambulance crews will ensure that additional resources are available to assist Gwinnett County Fire and Emergency Services in providing rapid transport of patients to area hospitals.

### Twelve part-time Deputy Sheriff positions to provide court and building security, warrant and temporary protection order services, and support jail operations

The inclusion of 12 part-time Deputy Sheriff positions in the budget will enable the department to meet mandated legal duties with adequate sworn personnel in a manner that aims to reduce personnel costs. These part-time positions will enable the department to provide staff in critical areas of operations at a cost that is significantly less than full-time staff.

### Eighteen firefighter positions to staff a new ladder truck at Fire Station 10 (Mall of Georgia area)

A new ladder truck is included in the 2018 capital budget to assist in fulfilling ladder coverage in the Mall of Georgia area. It is anticipated that both residential and commercial growth will continue in this area of Gwinnett County, with commercial growth consisting largely of mid to high rise structures. The new ladder truck will also fill the gap in ladder coverage that currently exists between Lawrenceville's Station 15 and Buford's Station 14. To staff the new ladder truck, 18 Firefighter III positions are included in the budget.



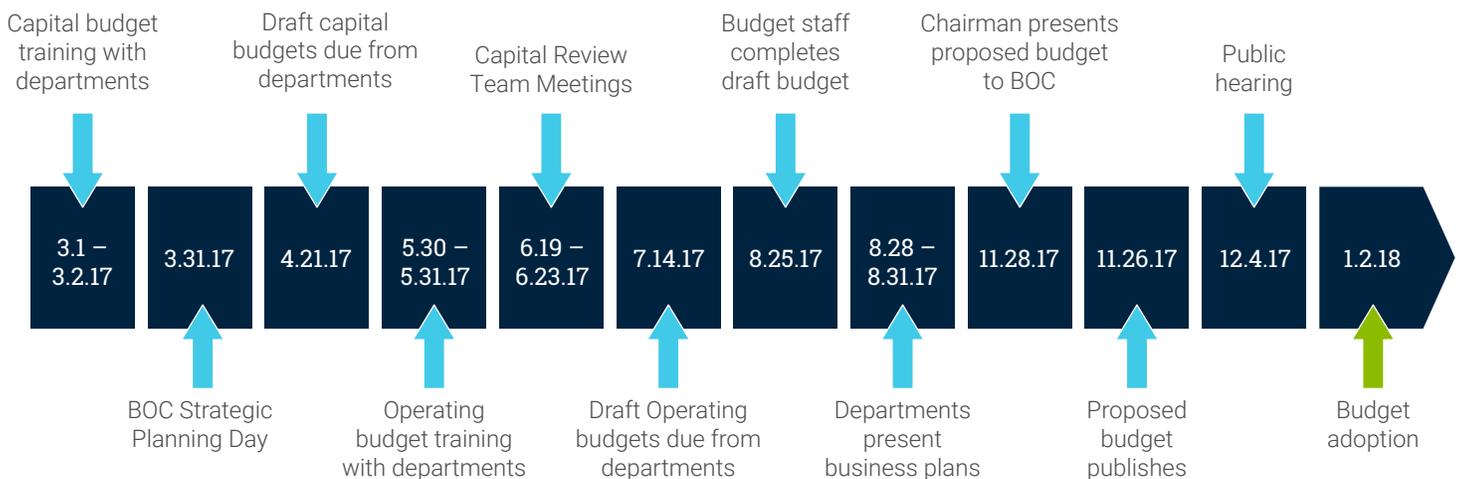
# THE BUDGET PROCESS

## Budget Process – Flow Chart

The following chart summarizes the budget process and the various steps leading to the adoption of the Fiscal Year 2018 Budget.

	FEB.	MAR.	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.
<b>Strategic Planning:</b>												
Board of Commissioners hold Strategic Planning Session		→										
Millage rate adopted for current year						→						
<b>Budget Development:</b>												
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							→					
<b>Finalize and Adopt:</b>												
Chairman finalizes recommendations									→			
Chairman presents proposed budget to the Board of Commissioners										→		
Chairman's proposed budget publishes										→		
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 2018 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 2018 budget was developed with input from seven county residents and businesspeople who volunteered to serve on the Chairman's Budget Review Team. They worked with elected officials and County staff to review departmental business plans and projected revenues. Chairman Charlotte Nash, County staff, and the seven citizen reviewers studied business plans, budget requests, and projected revenues.

Gwinnett's 2018 budget process kicked off in March 2017 when Commissioners held a strategic planning session to set priorities for the County. The County's priorities include: mobility and access, livability and comfort, strong and vibrant local economy, communication and engagement, smart and sustainable government, and safe and healthy community. With these priorities in mind, departments and agency directors presented their business plans and operating budget requests to the Chairman and review team in August 2017. Departmental business plans and budget presentations made to the budget review team may be viewed at [www.tvgwinnett.com](http://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 28, 2017. The Board of Commissioners reviewed the proposed budget, and in accordance with state law, a public hearing was held December 4, 2017. Public comments were accepted online until December 31.

County ordinance requires that a budget must be adopted at the first meeting of the new fiscal year. The final adopted budget was approved January 2, 2018, and is presented in 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 [Fiscal Year 2018 Budget Resolution](#) on pages II:18 – II:21 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 2018 Resolution Amounts

<b>Operating Budget</b>	<b>FY 2018</b>
<b>Tax-Related Funds</b>	
General Fund	\$ 320,231,655
2003 G.O. Bond Debt Service Fund	4,250,750
Development & Enforcement District Fund	12,846,661
Fire and EMS District Fund	116,771,197
Loganville EMS District Fund	45,312
Police Services District Fund	117,197,169
Recreation Fund	39,885,067
<b>Total Tax-Related</b>	<b>\$ 611,227,811</b>
<b>Special Revenue Funds</b>	
Speed Hump Fund	\$ 161,783
Street Lighting Fund	7,543,825
Authority Imaging Fund	1,191,421
Corrections Inmate Welfare Fund	107,000
Crime Victims Assistance Fund	884,107
DA Federal Justice Asset Sharing Fund	140,000
DA Federal Treasury Asset Sharing Fund	23,328
E-911 Fund	22,777,371
Juvenile Court Supervision Fund	61,551
Police Special Justice Fund	500,893
Police Special State Fund	582,495
Sheriff Inmate Fund	757,606
Sheriff Special Justice Fund	100,000
Sheriff Special Treasury Fund	150,000
Sheriff Special State Fund	75,000
Stadium Fund	2,334,050
Tree Bank Fund	65,000
Tourism Fund	9,877,100
<b>Total Special Revenue</b>	<b>\$ 47,332,530</b>
<b>Enterprise Funds</b>	
Airport Operating Fund	\$ 1,148,188
Local Transit Operating Fund	14,382,290
Solid Waste Operating Fund	46,831,891
Stormwater Operating Fund	37,972,297
Water and Sewer Operating Fund	374,126,068
<b>Total Enterprise</b>	<b>\$ 474,460,734</b>
<b>Internal Service Funds</b>	
Administrative Support Fund	\$ 67,522,993
Auto Liability Fund	1,034,705
Fleet Management Fund	7,617,971
Group Self-Insurance Fund	61,001,449
Risk Management Fund	7,500,106
Workers' Compensation Fund	3,910,804
<b>Total Internal Service</b>	<b>\$ 148,588,028</b>
<b>Total Operating Funds</b>	<b>\$ 1,281,609,103</b>

<b>Capital Budget</b>	<b>FY 2018</b>	<b>FY 2019 – 2023</b>
<b>Tax-Related Funds</b>		
Capital Projects	\$ 41,232,607	\$ 61,654,881
Capital Vehicle Replacements	8,619,958	116,328,949
<b>Total Tax-Related</b>	<b>\$ 49,852,565</b>	<b>\$ 177,983,830</b>
<b>Special Revenue Funds</b>		
2009 SPLOST	\$ 1,450,000	\$ 2,500,000
2014 SPLOST	19,860,567	25,354,750
2017 SPLOST	142,857,538	626,128,712
<b>Total Special Revenue</b>	<b>\$ 164,168,105</b>	<b>\$ 653,983,462</b>
<b>Enterprise Funds</b>		
Airport R & E	\$ 101,565	\$ 927,327
Stormwater R & E	27,227,975	130,226,339
Transit R & E	1,126,142	7,501,024
Water and Sewer R & E/Bond	147,929,048	719,710,437
<b>Total Enterprise</b>	<b>\$ 176,384,730</b>	<b>\$ 858,365,127</b>
<b>Total Capital Funds</b>	<b>\$ 390,405,400</b>	<b>\$ 1,690,332,419</b>

R & E = Renewal & Extension

SPLOST = Special Purpose Local Option Sales Tax

**GWINNETT COUNTY  
BOARD OF COMMISSIONERS  
LAWRENCEVILLE, GEORGIA**



**RESOLUTION ENTITLED: A RESOLUTION ADOPTING A BUDGET FOR THE FISCAL YEAR 2018 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 2018 TAX DIGEST; AFFIRMING THAT EXPENDITURES IN EACH AGENCY MAY NOT EXCEED APPROPRIATIONS; AND PROHIBITING EXPENDITURES FROM EXCEEDING ANTICIPATED FUNDING SOURCES.**

READING AND ADOPTION: **January 2, 2018**

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.

<b>Name</b>	<b>Present</b>	<b>Vote</b>
Charlotte J. Nash, Chairman	Yes	Yes
Jace Brooks, District 1	Yes	Yes
Lynette Howard, District 2	Yes	Yes
Tommy Hunter, District 3	Yes	No
John Heard, District 4	Yes	Yes

On motion of Commissioner Howard, which carried 4-1 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 2018 Proposed Budget, as required by State and Local Laws and regulations; and

**WHEREAS**, the Board decrees that the Proposed 2018 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 \$117,197,169 and remaining funding of \$86,906,046 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 2018 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:

1. 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 Department or Agency, within the same category of projects.
  
2. The Director of Financial Services to:
  - (a) allocate funds to appropriate Department or Agency from insurance proceeds 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 Operating or Capital 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, Special Purpose Local Option Sales Tax Programs or Enterprise Funds 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 2018 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 2018 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-2018  
GCID Number: 2018-0017**

*Charlotte J. Nash*

Charlotte J. Nash, Chairman

1/24/18

Date

*Deanne Kemp*

County Clerk/Deputy County Clerk

(Seal)



Approved as to form:

*Van Stephen*

Gwinnett County Staff Attorney

# CONSOLIDATED BUDGET – ALL FUNDS

## FY 2018 Revenues and Appropriations

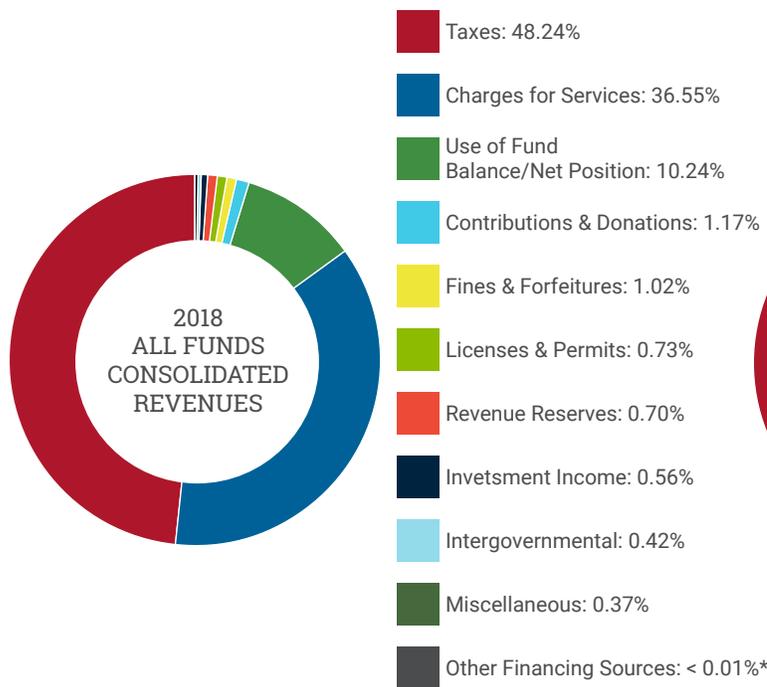
The purpose of a consolidated budget is to eliminate duplicating transfers and Internal Service Fund activity in order to determine the true cost of providing services. This data excludes inter-fund transfers in the amount of \$231,336,571 and Internal Service Fund activity in the amount of \$148,588,028.

### FY 2018 CONSOLIDATED REVENUES

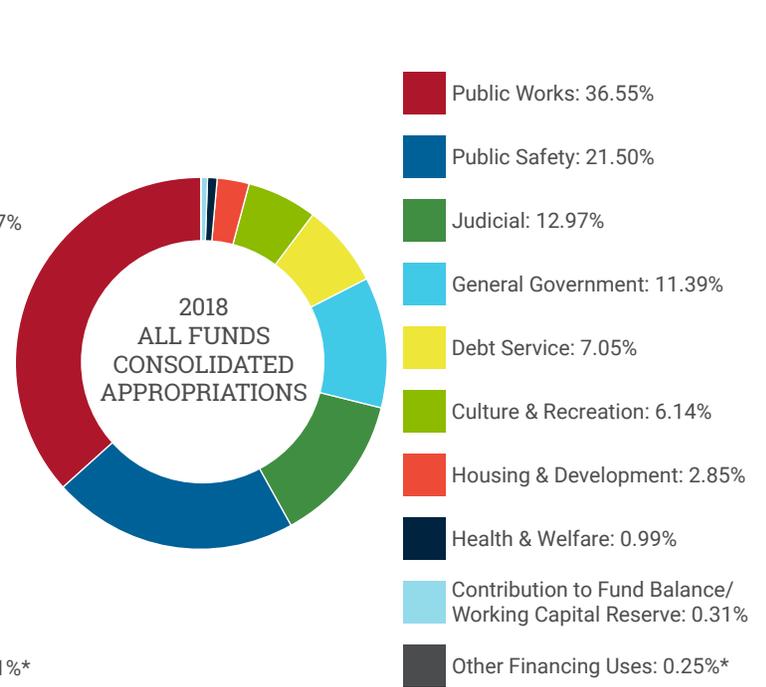
Taxes	\$ 623,236,531
Licenses and Permits	9,414,450
Intergovernmental	5,383,981
Charges for Services	472,273,270
Fines and Forfeitures	13,179,030
Investment Income	7,197,440
Contributions and Donations	15,168,493
Miscellaneous	4,798,086
Other Financing Sources	51,930
<b>Total</b>	<b>1,150,703,211</b>
Revenue Reserves	9,000,000
Use of Fund Balance/Net Position	132,386,693
<b>Total Revenues</b>	<b>\$ 1,292,089,904</b>

### FY 2018 CONSOLIDATED APPROPRIATIONS

General Government	\$ 147,225,198
Judicial	167,534,732
Public Safety	277,848,782
Public Works	472,368,162
Health and Welfare	12,756,236
Culture and Recreation	79,286,707
Housing and Development	36,821,872
Debt Service	91,062,125
Other Financing Uses	3,190,192
<b>Total</b>	<b>1,288,094,006</b>
Contribution to Fund Balance/ Working Capital Reserve	3,995,898
<b>Total Appropriations</b>	<b>\$ 1,292,089,904</b>



\*Value too small to appear on this chart



\*Value too small to appear on this chart

# FUND STRUCTURE

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## 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 program raised \$440.3 million, which was shared between the County (78.9 percent) and 16 cities (21.1 percent), before ending on March 31, 2014. Although the collection period for the 2014 SPLOST has ended, funds raised by the program continue to pay for current capital projects. 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; Infinite Energy 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 Infinite Energy Center.

**GWINNETT COUNTY FUND STRUCTURE**  
**2018 TOTAL BUDGET**  
**\$1,672,014,503**

**GOVERNMENTAL FUNDS**

**PROPRIETARY FUNDS**



 **Major Fund**

\* Capital fund  
 \*\*Includes capital & operating

**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 Governmental Accounting Standards Board (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 GASB classifications in the Comprehensive Annual Financial Report (CAFR).

# All Funds – 2018 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	Capital Tax-Related Funds	Sales Tax Capital Projects Funds	Other	Water and Sewer	Other Enterprise Funds	Internal Service Funds	
Clerk of Court	10,631	-	-	-	-	-	1,191	-	-	-	11,822
Clerk of Recorder's Court	-	-	1,753	-	-	-	-	-	-	-	1,753
Community Services	12,258	-	-	38,075	2,970	15,197	-	-	-	-	68,500
Community Services – Elections	7,892	-	-	-	-	-	-	-	-	-	7,892
Community Services – Subsidies	4,633	-	-	-	-	-	-	-	-	-	4,633
Corrections	17,581	-	-	-	271	-	107	-	-	-	17,959
County Administration	2,303	-	-	-	70	-	-	-	-	4,169	6,542
County Administration – BOC	1,291	-	-	-	-	-	-	-	-	-	1,291
Debt Service – Governmental	-	-	-	4,251	-	-	-	-	-	-	4,251
District Attorney	15,281	-	-	-	222	-	488	-	-	-	15,991
Financial Services	10,410	-	-	-	847	-	-	-	-	18,556	29,813
Fire and EMS	-	111,143	-	-	409	6,494	-	-	-	-	118,046
Human Resources	-	-	-	-	-	-	-	-	-	68,994	68,994
Information Technology	-	-	-	-	22,997	-	-	695	75	33,286	57,053
Judiciary	20,945	-	-	-	-	-	-	-	-	-	20,945
Juvenile Court	8,027	-	-	-	28	-	61	-	-	-	8,116
Law	-	-	-	-	-	-	-	-	-	2,474	2,474
Libraries	18,461	-	-	-	-	-	-	-	-	-	18,461
Loganville EMS	-	-	-	45	-	-	-	-	-	-	45
Non-Departmental	54,048	4,833	5,297	3,260	906	-	4,382	165	101	957	73,949
Planning and Development	699	795	1,061	7,993	839	-	65	1,020	-	-	12,472
Police Services	2,220	-	106,493	3,212	4,876	4,696	19,478	-	785	-	141,760
Probate Court	2,797	-	-	-	-	-	-	-	-	-	2,797
Recorder's Court	-	-	1,855	-	-	-	-	-	-	-	1,855
Sheriff	90,766	-	-	-	-	13	1,083	-	-	-	91,862
Solicitor General	5,451	-	738	-	-	-	560	-	-	-	6,749
SPLOST – Cities' Share	-	-	-	-	-	32,701	-	-	-	-	32,701
SPLOST – Civic Center Expansion	-	-	-	-	-	30,164	-	-	-	-	30,164
Stadium	-	-	-	-	-	-	2,334	-	-	-	2,334
Support Services – Operations	-	-	-	192	-	-	-	-	-	20,152	20,344
Support Services – Capital Projects	-	-	-	-	13,873	1,477	-	-	7	-	15,357
Support Services – Libraries	-	-	-	-	-	540	-	-	-	-	540
Support Services – Solid Waste	-	-	-	-	-	-	-	-	46,821	-	46,821
Tax Commissioner	13,227	-	-	-	-	-	-	-	-	-	13,227
Tourism	-	-	-	-	-	-	9,877	-	-	-	9,877
Transportation	21,311	-	-	-	1,545	72,886	7,706	-	16,751	-	120,199
Water Resources	-	-	-	-	-	-	-	520,175	64,250	-	584,425
<b>Total Appropriations</b>	<b>320,232</b>	<b>116,771</b>	<b>117,197</b>	<b>57,028</b>	<b>49,853</b>	<b>164,168</b>	<b>47,332</b>	<b>522,055</b>	<b>128,790</b>	<b>148,588</b>	<b>1,672,014</b>

# DEBT SUMMARY

The County has maintained the highest quality bond rating of Aaa/AAA/AAA since 1997 by the three primary rating agencies. For approximately 21 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. Out of approximately 3,100 counties and county equivalents in the United States, less than 50, or 1.5 percent, share this triple-AAA designation.

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 realized 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 2018 – 2023 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. By investing more than \$3.2 billion in sales tax funds for these improvements, Gwinnett County Government has minimized long-term debt and saved more than \$1.3 billion in financing costs compared to issuing bonds.

## 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, 2017, for Gwinnett County was \$2,916,626,000. The County has cash available to pay the outstanding principal and interest, providing a debt margin of \$2,916,626,000 (unaudited). The G.O. Bond principal balance outstanding as of December 31, 2017, was \$8,110,000.

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, 2017:

*(Dollars in thousands)*

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	3,960	287	4,247
2019	4,150	104	4,254
<b>Total</b>	<b>\$ 8,110</b>	<b>\$ 391</b>	<b>\$ 8,501</b>

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, 2017 (unaudited):

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

\$10,385,000	Series 2008	Issued 8/21/08
\$178,475,000	Series 2009	Issued 10/22/09
\$118,800,000	Series 2011	Issued 7/1/11
\$64,880,000	Series 2015	Issued 8/3/15
\$145,990,000	Series 2016A	Issued 5/19/16
\$105,480,000	Series 2016	Issued 8/1/16

*(Dollars in thousands)*

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	61,655	12,285	73,940
2023 – 2027	264,140	32,070	296,210
2028 – 2029	54,180	3,235	57,415
<b>Total</b>	<b>\$ 624,010</b>	<b>\$ 115,185</b>	<b>\$ 739,195</b>

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, 2017, are as follows (unaudited):

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

*(Dollars in thousands)*

Year	Principal	Interest	Total
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	3,147	806	3,953
2023 – 2027	17,228	2,534	19,762
2028 – 2032	7,923	328	8,251
<b>Total</b>	<b>\$ 39,982</b>	<b>\$ 7,793</b>	<b>\$ 47,775</b>

The total annual requirements on all outstanding debt as of December 31, 2017, including interest, are as follows (unaudited):

*(Dollars in thousands)*

Year	G.O.	Water & Sewer	GEFA	Total
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	–	73,940	3,953	77,893
2023 – 2027	–	296,210	19,762	315,972
2028 – 2032	–	57,415	8,251	65,666
<b>Total</b>	<b>\$ 8,501</b>	<b>\$ 739,195</b>	<b>\$ 47,775</b>	<b>\$ 795,471</b>

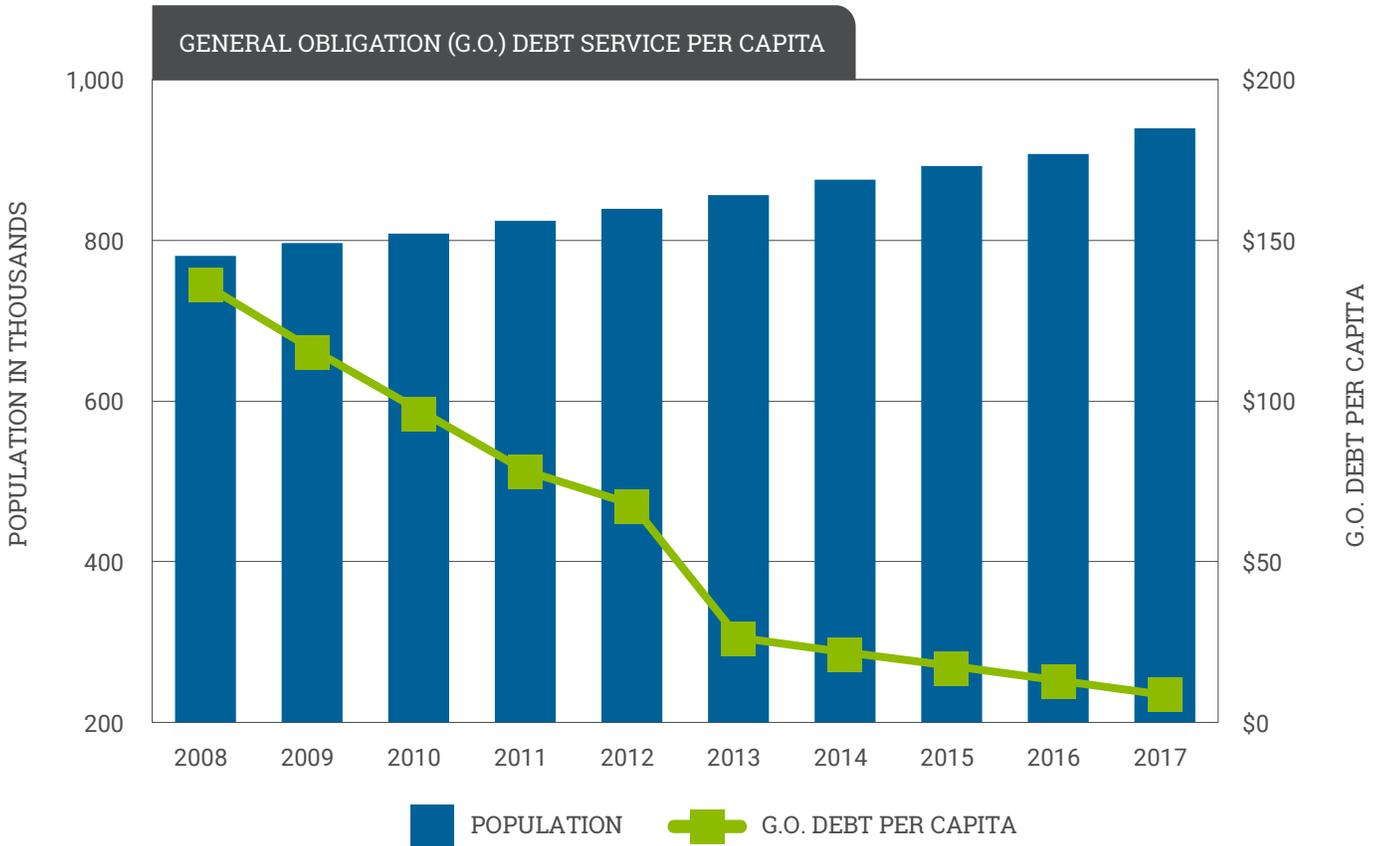
The total annual debt requirement for 2018 is 7.6 percent of the total operating budget of \$1.3 billion, resulting in total operating appropriations less annual debt of \$1.2 billion.

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 \$9 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 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 began 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.

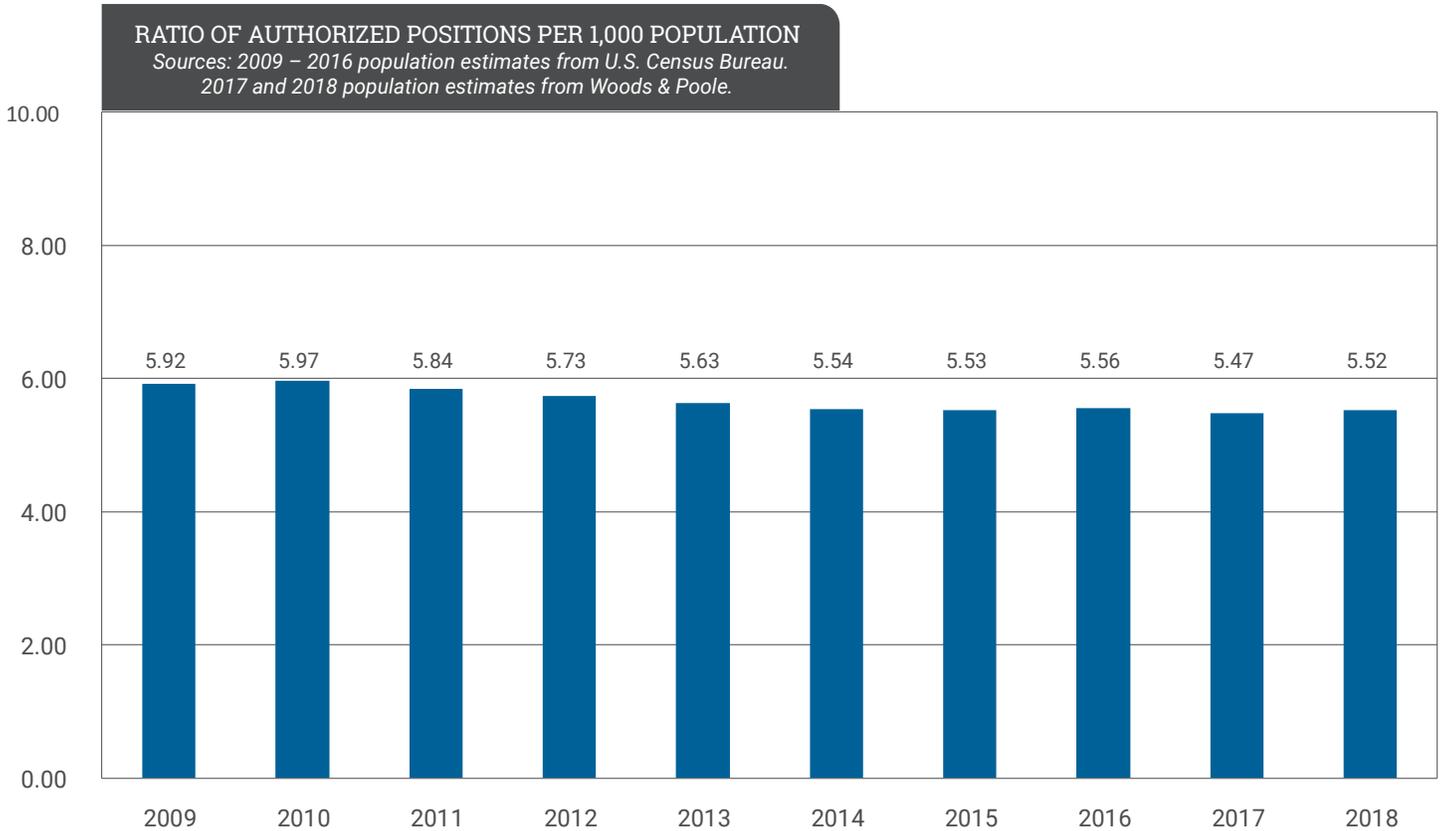


As the graph above illustrates, annual G.O. debt obligations have declined over the years as the population has grown and the County continues to pay off its debt. The reduction in G.O. debt obligations is due in part to voter willingness to fund capital projects through the use of SPLOST program dollars. In addition, the County actively seeks refunding opportunities of existing debt obligations to reduce debt service costs. The County refunded or redeemed bonds each year from 2011 to 2017; this has resulted in shortened maturity dates and significant debt service savings.

# 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. For many years, the county added thousands of new residents, resulting in greater demand for services with fewer available resources. From 2009 – 2017, the county's population increased by 18 percent while authorized positions grew just 9 percent. As the economy continues to improve, the county has budgeted for an additional 152 positions in 2018, which has resulted in a slight increase in the ratio of authorized positions per 1,000 population compared to last year.

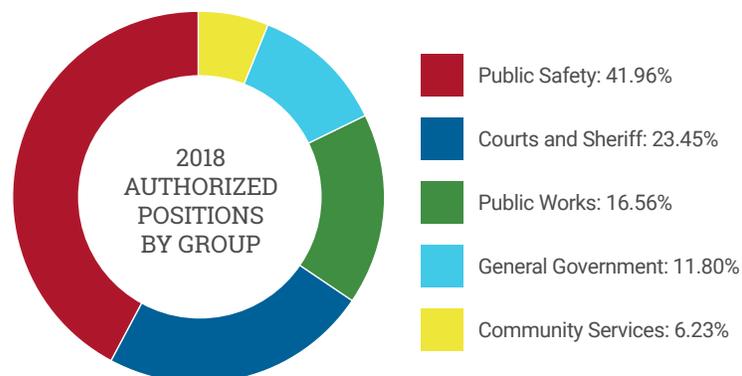


# GWINNETT COUNTY AUTHORIZED POSITION HISTORY

Agency	Group	2015	2016	2017	2018 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	250	270	318	329
Corrections	Public Safety	136	136	136	136
County Administration	General Government	36	41	46	48
District Attorney	Courts and Sheriff	110	117	118	120
Financial Services	General Government	118	125	128	129
Fire Services	Public Safety	889	898	916	952
Human Resources	General Government	40	41	42	42
Information Technology	General Government	122	122	122	128
Judiciary/Court Administration	Courts and Sheriff	108	109	111	111
Juvenile Court	Courts and Sheriff	62	65	66	66
Law	General Government	16	16	16	16
Planning and Development	Public Works	76	78	83	90
Police Services	Public Safety	1,067	1,104	1,063	1,129
Probate Court	Courts and Sheriff	24	26	26	26
Recorder's Court Judges	Courts and Sheriff	9	9	9	9
Sheriff	Courts and Sheriff	713	714	722	722
Solicitor	Courts and Sheriff	55	55	62	62
Support Services	General Government	121	122	132	141
Tax Commissioner	General Government	119	119	119	119
Transportation	Public Works	143	147	153	155
Water Resources	Public Works	592	598	620	630
<b>Total</b>		<b>4,929</b>	<b>5,035</b>	<b>5,131</b>	<b>5,283</b>

Unallocated	General Government	11	7	6	25
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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 2017, there was significant progress made in the health and wellness field. More than 6,050 employees, retirees, and dependents visited the Wellness Center.

The Wellness Program continues to influence Gwinnett County's workforce in a positive manner. More than 87 percent of eligible employees participated in the program during 2017. The County saw an 11 percent decline in the percentage of employees with elevated A1C levels. In 2017, the efforts continued in our disease management programs, 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 1,200 employees met with our Empower Retirement Representative during 2017 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 enhance the participation of spouses in the 2018 Wellness Year, which runs from November 20, 2017, to November 16, 2018.

Beginning in 2018, Occupational Health Services are available at the Wellness Center. Some of the services provided include pre-employment physicals, drug screenings, lifting assessments, and return to duty assessments.

## Health Benefit Costs

The County has strategies in place that have allowed us to keep a tight rein on the increasing costs of health care. The County was able to implement many structural changes to the High-Deductible Plan in 2018 to help reduce costs including step therapy, and modifying the drug list. The Allstate Hospital Indemnity Plan will move from 100 percent employer paid to 100 percent employee paid for both employees and dependents.

## The Gwinnett County Management Framework

The Management Framework is the overarching structure of strategic and performance management within the County. There are six parts, which include Engagement, Priorities, Strategies, Tactics, Operations, and Results. The Management Framework will aid in achieving the County's priorities by defining how we will approach them, the decisions we'll make within that approach to enable action, and the specific actions we will take to get results and ultimately produce value. It also ties each of those steps together through performance management so that we can measure our success, make more informed decisions, and target resources to areas that need the most improvement.

**Engagement – Commitment** – The continuous interaction between the organization and stakeholders resulting in the development of desirable and measurable improvement solutions.

**Priority – Intent** – Broad statements of intent that cascade down and guide decisions at all levels of the organization.

**Strategy – Approach** – The approach needed to narrow the scope of priorities into actionable decisions that propel the organization forward.

**Tactic – Decision** – Means by which a strategy is carried out; planned and ad hoc decisions meant to deal with the demands of the moment, and to move from one milestone to another in pursuit of the overall strategy.

**Project/Initiative** – A planned work or activity that is finished over a period of time and intended to achieve a particular tactic.

**Operation – Action** – The functions, processes, or tasks affected by the tactic (decision).

**Result – Value** – The measurable outcomes of operations taken in order to produce value.





## 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.

# FINANCIAL POLICIES AND PRACTICES

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

- Accounting and Financial Reporting Policy
- 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

Excerpts from the policies and summaries of the practices are provided on the following pages.

## ACCOUNTING AND FINANCIAL REPORTING POLICY

### **Purpose:**

The purpose of this policy is to support timely and accurate accounting and financial reporting. More specifically, the purpose of this policy is to promote stability and continuity and to create an understanding of how the County will develop its financial policies and manage its resources to provide the best value to the community.

### **Policy:**

- A. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles applicable to state and local governments. The County's accounting and reporting policies conform to these generally accepted accounting principles (GAAP). The following represent the more significant accounting and reporting policies and practices used by the County. Each County department shall be responsible for developing and maintaining written policies and procedures specific to their operation to ensure they are meeting the requirements of this policy and maintaining adequate internal controls.
  1. Accounting
    - a. Measurement focus and basis of accounting
      - i. The economic resources measurement focus and the accrual basis of accounting are followed by the proprietary and fiduciary funds (agency funds do not have a measurement focus but use the accrual basis of accounting). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.
      - ii. The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County generally considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Similar to accrual accounting, expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

- b. Chart of Accounts – The Department of Financial Services maintains a standard chart of accounts. The County’s chart of accounts utilizes the groupings and naming conventions in the Georgia Department of Community Affairs’ Uniform Chart of Accounts (UCOA) as required by the Local Government Uniform Chart of Accounts and Reporting Act (HB491). The chart of accounts is used to provide the basic framework for accurately accounting for, and reporting on transactions.
  - c. The Department of Financial Services will establish and maintain those funds required by law and sound financial administration.
  - d. Manual Journal Voucher Approval – All manual journal vouchers should be reviewed for accuracy and approved by management in a timely manner.
  - e. Periodic Reconciliation and Verification – Accounting records and data should be compared periodically to what the data purports to represent (e.g., a physical inventory of Assets).
  - f. Bank account reconciliation will be prepared monthly and will be reviewed and approved by a manager.
  - g. Bank Account Transparency – It is the practice of the Board of Commissioners that all bank accounts operated by any entity of the Gwinnett County Government that reports to the Board, be opened, managed, and controlled by the Department of Financial Services. While the Board of Commissioners recognizes that, in some cases, Elected Officials have the legal authority to maintain separate bank accounts, the Board would request that the Department of Financial Services be made aware of all bank accounts that are opened by any elected official.
2. External Audits
- a. The County is committed to having an independent audit of its financial statements each year in accordance with State law.
  - b. The County shall contract with an external auditor for a term that will provide continuity in audits and may use the same audit firm to perform Single Audit services.
  - c. The auditor may review the results of the annual audit, including audit findings and recommendations for improvement, with the Chief Financial Officer/Director of Financial Services, the County Administrator, and the Board of Commissioners.
3. Capital Assets – “Capital outlay” or “capital asset” is used to refer to land, buildings, equipment, infrastructure, and improvements other than buildings acquired or constructed by the County for use in the provision of goods or services to citizens.
- a. All Capital Asset Expenditures should be made in accordance with the Capital Asset Investment and Management Policy, and in conjunction with the Purchasing Procedures Manual, and the Purchasing Ordinance.
  - b. It is incumbent upon department directors to maintain adequate control over all of a department’s assets, including capital assets, to minimize the risk of loss or misuse.
  - c. Capitalization is primarily a financial reporting issue. While it is essential to maintain control over all of a government’s capital assets, there exist much more efficient means than capitalization for accomplishing this objective in the case of smaller dollar-value capital assets. Practice has demonstrated that capital asset systems that attempt to incorporate data on numerous smaller capital assets are often costly and difficult to maintain and operate. It is the intent of this policy that each department maintain a tracking system for their small capital assets that do not meet the capitalization threshold (i.e., weapons, laptops, etc.).
  - d. The capitalization threshold should be applied to individual capital assets rather than to groups of fixed assets (e.g., desks, tables, software, etc.).
  - e. The County’s capitalization thresholds are as follows:
    - i. Software – \$25,000
    - ii. All other assets – \$5,000
    - iii. Some assets under the threshold may be capitalized for control purposes, however, it is the intent of this policy that departments maintain their own tracking system for these small assets (see c above).
  - f. In the case of proprietary funds, net revenue bond interest cost incurred during construction periods is capitalized when material.

#### 4. Indirect Cost Plan

- a. The County shall prepare an indirect cost plan annually in accordance with the Service Delivery Strategy between Gwinnett County and the cities that are located within the county.
- b. Administrative costs associated with County Administration, Finance, Human Resources, Information Technology, Law and Support Services will be budgeted for and accounted for in the Administrative Support Internal Service Fund.
- c. The amount budgeted for indirect costs in the benefitting departments will be based on the amount of budgeted appropriations in the Administrative Support Fund. In the following year, a new plan will be prepared utilizing the audited actual results of the previous year and a true up entry will be posted such that the total costs charged in the end are based upon actual results. At no time will such true-up cause the Administrative Support Fund's net position to go below 2 months-worth of budgeted expenditures.

#### 5. Donations

- a. It is the intent of this policy to establish a formal process for acceptance and documentation of donations made to the County. This policy provides guidance when individuals, community groups, and businesses wish to make donations to the County. This policy also establishes uniform criteria and procedures to guide the review and acceptance of such donations and to ensure that such county has relevant and adequate resources to administer such donations.
- b. The objectives of this policy are:
  - i. Facilitate the acceptance of donations in the form of cash, services and/or equipment to Gwinnett County by establishing clear guidelines for giving.
  - ii. Ensure that donations are consistent with the aesthetic and functional integrity of the County's existing and proposed facilities and priorities.
  - iii. Ensure that donations do not cause unbudgeted expenditures or significant ongoing maintenance responsibility for the County.
  - iv. Ensure that donations do not create liability for the County with regard to the health and safety of facility users.
- c. Types of Donations covered – This policy applies to donations given to the County or one of its administrative departments in the form of cash, services, equipment and/or personal property. Donations of real property and volunteer hours donated through Volunteer Gwinnett are specifically excluded from coverage under this policy. This policy also specifically excludes gifts and donations to individual county employees and elected officials governed by the Gwinnett County Ethics Ordinance.



d. General Policies

- i. The County has no obligation to accept any donation and reserves the right to deny any donation without comment or cause.
- ii. Donations do not become the property of the County until accepted consistent with this policy.
- iii. Only county officials authorized by this policy may accept donations.
- iv. All donations will be evaluated by the County prior to acceptance to determine whether the donation is in the County's best interest and is consistent with applicable County laws, policies, ordinances, and resolutions. Donations inconsistent with applicable County laws, policies, ordinances, and resolutions will not be accepted.
- v. The County does not provide legal, accounting, tax or other such advice to donors. Each donor is ultimately responsible for ensuring the donor's proposed donation meets and furthers the donor's charitable, tax, and financial goals.
- vi. A donor may designate a donation for a particular county department or purpose.
- vii. Donations should not bring hidden costs or add to the County's workload, unless such costs or workload requirements are contemplated in the County's priorities and plans.

e. Acceptance of Donations of Cash, Services, or Equipment/Personal Property – All donations to the County shall immediately be submitted for consideration for acceptance. Based on the value of the donation offered as outlined below, appropriate county staff shall review every donation and determine if the benefits to be derived from the donation warrant acceptance of the donation in accordance with this policy. The following list contains the threshold amounts for donation acceptance:

- i. Offers of donations of cash, services, or items wherein one donation is valued at \$1,000 or below and which it is not necessary to be appropriated in the current fiscal budget year, may be accepted by a Department Director.
- ii. Offers of donations of cash, services, or items wherein one donation is valued at more than \$1,000, or any cash donation which is necessary to be appropriated in the current fiscal budget year, shall be placed on an agenda for consideration of acceptance by the Board of Commissioners.

f. Distribution of Donations

- i. Tangible items will be distributed to the appropriate county departments for use or, at the discretion of the Department Director, disposed of in an appropriate manner consistent with county ordinances and policies.
- ii. Designated and undesignated donations of cash will be deposited into the appropriate county accounts.

g. Donation Acknowledgement and Reporting

- i. If requested, the donor shall be provided written acknowledgement of that donor's accepted donation.
- ii. For all donations accepted by a Department Director, on behalf of the County, the department shall provide the Department of Financial Services a monthly report itemizing all such donations.
- iii. Donations of tangible items will also be subject to the donation procedures in the County's Capital Asset Manual.

6. Abandoned property

Abandoned property is any property where the true owner is unknown or the owner is known, however a diligent search and attempt to notify the owner has failed. Abandoned property (with an estimated value of less than \$1,000) may be converted to county use upon approval of the Chief of Police or his/her designee. Employees requesting abandoned property for county use will follow established procedures. Once the request has been approved by the Chief of Police or his/her designee, the Police Department's Property and Evidence Unit will be notified so that an Order of Disposal can be prepared and submitted to the Superior Court of Gwinnett County requesting that the property be retained for county use.



## B. Financial Reporting

### 1. Comprehensive Annual Financial Report (CAFR)

- a. The Department of Financial Services will produce the CAFR in accordance with GAAP. The CAFR will be published on the County's website, submitted to the State of Georgia, the Government Financial Officers Association, the Carl Vinson Institute of Government, and any other applicable agency/entity within 180 days of the County's fiscal year-end.
- b. As an additional independent confirmation of the quality of the County's financial reporting, the County will annually seek to obtain the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting.

### 2. Budget Document

- a. The Department of Financial Services will produce the County's Budget Document and publish it on the County website within 90 days of budget adoption by the Board of Commissioners.
- b. As an additional independent confirmation of the quality of the County's financial reporting, the County will annually seek to obtain the Government Finance Officers Association's Distinguished Budget Presentation Award.
- c. The Department of Financial Services may periodically review the targets and report on the actual reserves versus the targets for each applicable Fund.

### 3. Monthly Financial Status Report

- a. The purpose of monthly reporting is to keep the Board of Commissioners, management, and the citizens apprised of the financial condition of the County's various operating funds.
- b. The report will contain narrative describing the current events affecting the financial condition of the funds, explaining any major anomalies that occur, and explaining significant variances between the current year performance compared to the previous year.
- c. The report will also contain budget versus actual financial statements for all of the County's operating funds including prior year data for comparison purposes.
- d. The report will include data on all budget amendments processed in the current year up to that point in time.
- e. The Monthly Financial Status Report will be formally presented in a public meeting to the Board of Commissioners (BOC) by the Chief Financial Officer/Director of Financial Services. After adoption by the BOC, the report will be published on the County's website.

# LONG-TERM FINANCIAL PLANNING POLICY

## Purpose:

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 the County's long-term service vision, priorities, and strategies. 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 actions within the County.

## Policy:

- A. **Commitment to Long-Term Financial Planning** – Long-term financial planning includes various actions intended to evaluate and address known and potential internal and external issues and opportunities impacting the County's current and future financial condition. Such issues and opportunities are identified, presented, and addressed when and where possible. The collective actions that encompass long-term financial planning are 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 and communicated on a regular basis;
  5. Establish mechanisms to identify early warning indicators; and
  6. Identify changes in expenditure or revenue structures needed to deliver services or to meet the goals defined by the Board of Commissioners.
- B. **Scope of Long-Term Financial Planning**
1. **Time Horizon** – Revenues, expenditures, and financial position will be forecasted at least five years into the future or longer, where specific issues call for a longer time horizon.
  2. **Comprehensive Analysis** – Meaningful analysis of key trends and conditions will take place as part of the normal operating and budgeting cycle, including but not limited to:
    - a. Analysis of the affordability of current services, projects, and obligations;
    - b. Analysis of the affordability of anticipated service expansions or investments in new assets; and
    - c. Synthesis of the above to present the County's financial position.
  3. **Solution-Oriented** – Through long-term financial planning, the County may identify issues that may challenge the continued financial health of the County, and will identify possible solutions to those issues. Planning decisions shall be made primarily from a long-term perspective with structural balance as the goal of the planning process. For the purpose of this policy, structural balance means that ending fund balance (or working capital in enterprise funds) must meet the minimum levels prescribed by the County reserves policies.
- C. **Continuous Improvement** – County staff will regularly look for and implement 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.
- D. **Structural Balance** – 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 balance could be achieved.
- E. **Non-Current Liabilities** – Long-term financial planning will also address 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

## Purpose:

The Operating and Capital Budgets are developed on an annual basis through supplemental programs, such as departmental business plans and performance measures/key performance indicators. Together, these documents and activities provide 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 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. This budget policy is intended to provide guidelines to assist in the formulation and consideration of broader implications of financial discussions and decisions, which ultimately assist in completing financial planning cycles that deliver the best value for Gwinnett County stakeholders.

## Policy:

### A. Basis of Budgeting

1. Governmental and Special Revenue Fund Types – Budgets for governmental fund types are adopted on the Modified 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 budget.
2. Proprietary Fund Types – Proprietary Funds 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 budget;
  - b. Debt service and capital lease principal payments are treated as expenses in the annual budget;
  - c. Depreciation expense is not recognized as expense in the annual budget; and
  - d. Capital purchases are recognized as expense in the annual budget.

### B. Budgetary Control

1. 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 or agency for each fund for which a budget is adopted.
2. Department management is responsible for administering their respective programs within the financial constraints described by the budget as adopted.
3. The CFO/Director of Financial Services will provide updates on the County's financial position by regularly reporting to the Board of Commissioners the status of actual expenditures, expenses, and revenues compared to the adopted budget. Further, the CFO/Director of Financial Services will ensure that department management has access to timely and accurate financial data.

### C. Balanced Budget

1. The County shall adopt a balanced budget for each fund in which this policy covers. A budget resolution is balanced when the sum of estimated revenues and appropriated fund balance/net position is equal to appropriations.
2. Operating revenues, other financing sources, and the use of fund balance/net position must fully cover operating expenditures/expenses, including debt service and other financing uses.
3. Minimum reserves policy levels must be maintained unless reserves are being used in accordance with the purposes permitted by the County's policy (see County [reserve policies](#) for further guidance).

4. The balancing of Operating Revenues with Operating Expenditures (as defined above) is a goal that should be applied over a period of time which extends beyond current appropriations. Temporary shortages, or operating deficits, can and do occur, but they shall not be tolerated as extended trends. The County cannot develop a legacy of shortages or a legacy of mixing one-time revenue sources to fund operational costs and expect to continue the delivery of services.

#### D. Form of the Budget

1. **County Vision** – The budget shall be constructed around the Board of Commissioners vision for the long-term direction of County services and the associated desired culture and environment. When appropriate, a needs assessment of stakeholders' priorities, challenges and opportunities shall be integrated into the visioning process to assist with the establishment of both short-term and long-term goals.
2. **Financial Plans** – The County's departments and agencies shall create plans that describe their operational needs. These plans shall address the appropriate level of funding required to meet stakeholders needs based upon the County vision previously established. Such funding requests will be prepared in a financially sustainable manner. Operational plans should contain the identification of opportunities and challenges associated with implementing the stakeholders' priorities and vision of the Board of Commissioners.
3. **Programmatic Budgeting** – The budget shall be based on programs in order to provide insight into the costs of the lines of service that the County provides. Deliverables and specific actions shall be detailed at the programmatic level, which support the goals and vision outlined within the plan and County vision.
4. **Cost Allocation** – The budget shall be prepared in a manner that reflects the full cost of providing services. Internal service funds shall be maintained to account for services provided primarily to departments and agencies within the County.
5. **Financial Information** – The budget shall display estimated beginning fund balance/net position; estimated revenue and receipts; appropriations; and the estimated year-end fund balance/net position.

#### E. Estimates of Revenues, Expenditures, and Expenses

1. **Objective Estimates** – The County shall take an objective and analytical approach to forecasting revenues, expenditures and expenses as accurately as possible. Though the County may use the best information available to estimate revenues, including millage rates and tax revenues, accurately, absolute certainty is impossible. Should revenues be overestimated, the spending plans and priorities established during the budget process shall be used to propose appropriations and spending as required to bring the budget into balance.
2. **Regular Monitoring of Projections** – The Department of Financial Services shall monitor revenue incomes and expenditure/expenditure outflows to assess the implications of the annual budget in order to provide timely updates on actual financial performance.
3. **Long-Term Forecasts** – The Department of Financial Services shall develop and maintain long-term financial forecasts, at least five years into the future, in order to help the County assess its long-term financial sustainability.





- F. **Stakeholder Participation** – The County shall provide meaningful opportunities for the stakeholders to provide input into the financial planning and budget process, before a budget is adopted.
- G. **Create Value for the Stakeholders** – The County seeks to maximize the value each stakeholder receives through its spending. Accordingly, staff should develop budget tools and methods to measure and maximize value, particularly by critically examining existing spending patterns.
- H. **Address Long-Term Liabilities** – The County shall fully fund current portions of long-term liabilities in order to maintain the trust of creditors and avoid accumulating excessive liabilities over the long-term.
- I. **Responsibilities and Calendar** – The County’s fiscal year runs from January 1 through December 31. The Chairman shall submit or cause to be submitted annually to the Board of Commissioners, by no later than December 1, a proposed budget governing expenditures/expenses of all County funds, including 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, which budget, when so adopted shall constitute the Board of Commissioners’ appropriation of all budget relevant funds for such year.
- J. **Budget Amendments** – Amendments shall be considered and adopted by the Board of Commissioners at formal business meetings except for specific adjustments when limited authority is delegated to the County Administrator and CFO/Director of Financial Services as prescribed within the Adopted Budget Resolution. See page II:17 for the [“2018 Budget Resolution Summary.”](#)
- K. **Priorities for Funding** – 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 operations in conformity with these legal directives.

# BUSINESS EXPENDITURE POLICY

## Purpose:

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:

- A. Ensure clear and consistent understanding of expenditure policies.
- B. Ensure compliance with federal, state, and local regulations.
- C. Ensure equitable consideration to both the employee and the County.
- D. Provide guidelines covering travel and other business expenses, as well as the documentation required for substantiation.

## Policy:

### A. Permitted Business Expenses Generally

1. The County may incur or reimburse business expenses that are:
  - a. Reasonable and necessary;
  - b. For a County business purpose; and
  - c. Documented, approved and submitted properly.
2. Accountability – 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.
3. This policy applies to all business expenses incurred for a County purpose regardless of the account to which the expenses are budgeted or recorded, the type of funding supporting such business expenses, or whether incurred locally or during official business travel.
4. It is impossible to list every type of business expenses that is allowable or unallowable. However, below are examples of some common allowable and unallowable business expenses.

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 (except for approved public safety purposes), childcare costs; country club dues, haircuts and personal grooming, lost baggage, personal pet care, personal entertainment, recreational expenses, and personal vehicle charges.



5. Elected Officials, Agency Heads, and Department Directors may impose additional or more restrictive requirements for authorizing or approving business expenses.
6. Unauthorized 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.
7. Receipts
  - a. All transaction forms and supporting documentation must adhere to the Georgia Records Retention Policy. This documentation must be available for audit and review for five (5) years after date of purchase.
  - b. Itemized receipts are required for all expenditures, except when per diem travel allowances are claimed.

8. Georgia State Sales Tax – In addition to the in-state hotel/motel tax exemption, as a government entity, the County may not be subject to Georgia sales tax. Elected Officials, Agency Heads, Department Directors and Employees should make every effort to avoid payment of Georgia sales tax when payment method is other than a personal payment method. This applies to Georgia state sales taxes only. The County may be subject to sales taxes on purchases made in other states.

Cardholders should ask out of state vendors about the applicability of sales taxes.

9. The use of a Procurement Card is the preferred method of payment for business expenses of \$5,000 or less unless otherwise prohibited.

## B. Procurement Card

1. Department Directors, Agency Heads, and Elected Officials authorize P-Card issuance requests and spending limits. P-Cards may be given to Gwinnett County employees only and should be limited to no more than one card per employee. Temporary employees and contractors should not receive County issued P-Cards.
2. Procurement Card Control – 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.
3. Safekeeping – Access to the systems data base is restricted to authorized personnel. Misuse of the Procurement Card or procurement system is strictly prohibited and may result in disciplinary action up to and including termination. The P-Card is County property and as such should be retained in a secure location.
4. Authorization – The cardholder is solely responsible for all transactions. Delegating the use of the P-Card is permissible only to users approved by Department Directors, Agency Heads, or Elected Officials. It is required that each authorized user read and sign a Procurement Card Acknowledgement form, prior to usage of the P-Card.
5. Card Cancellation – 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. Department Directors shall be responsible for notifying the Program Administrator about all terminations and transfers in a timely manner.
6. Dollar Limits of the Procurement Card – 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. Department Directors, Agency Heads, and Elected Officials shall review at least annually all cardholders and their related spending limits for validity and appropriateness.

7. When to use the Procurement Card – The Procurement Card is an alternative method of payment to be used when obtaining goods and services for \$5,000 or less according to limits and restrictions as defined by the Purchasing Ordinance. Where possible, the Procurement Card is the preferred method of payment for the County.

8. Dates and Deadlines

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.

Unauthorized or 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**

1. General Provisions

- a. The approved most cost effective method of transportation that will accomplish the purpose of the travel shall be selected.
- b. When traveling on official County business, transportation and registrations should be charged to a County Procurement Card, where accepted.
- c. Petty Cash must not be used to reimburse and/or advance travel related business expenses.
- d. 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. When meals provided are reported in the travel allowance section, the per diem rate should be adjusted to comply with the published GSA policy.
- e. A traveler must complete the outstanding expense statement within fifteen (15) days of completion of the trip.

2. Internal Revenue Service Requirements – 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.
- c. Advances in excess of allowable substantiated expenses will be reimbursed to the County as an after tax payroll deduction.
- d. Employees separating from the County must resolve all outstanding travel advances prior to receiving a final paycheck.

3. Reimbursement Amounts when Traveling

- a. 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 traveling overnight are generally eligible for per diem amounts designed to cover the cost of three (3) meals per day for all days on travel status *other than* the day of departure and the day of return.
- b. 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.
- c. 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.

4. Meals

- a. Employees on official business attending luncheon or dinner meetings, not sponsored by the County, are entitled to receive reimbursement for actual meal costs incurred, provided that:
  - i. The meal is an integral part of the meeting.
  - ii. The purpose of the meeting is to discuss business and the nature of the business is stated on the travel expense report.

- b. Meals may be provided to non-County employees serving in an advisory capacity or providing pro bono service to a County organization.
5. Air Travel – 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 the policy of the County. 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.
6. County Vehicle
  - a. Use of County Vehicles is governed by the County Fleet Policy.
  - b. When traveling within Georgia use of a County vehicle is encouraged.
  - c. When traveling outside of Georgia additional restrictions may apply.
7. Personal Vehicle
  - a. 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.
  - b. Reimbursable travel mileage is calculated as the mileage difference between the miles traveled to the alternate work location (round-trip) less the daily commuting mileage traveled by the employee between residence and work location.
  - c. Mileage reimbursement will not be granted to employees receiving a car allowance.
  - d. Mileage is not paid prior to the completion of the trip.
  - e. Mileage reimbursement is limited to the equivalent cost of airfare.
8. Other Transportation
  - a. Employees are expected to use any courtesy transportation available at the travel destination.
  - b. 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.
9. Lodging – 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.
  - f. Lodging rates exceeding the GSA rate must be justified and documented.
10. Approval and Authorization
  - a. By approving travel expenses, the approver is attesting that he/she has thoroughly reviewed each transaction, supporting documentation, and has verified that all transactions are allowable expenses.
  - b. 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.
  - c. 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

1. 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.
2. 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.
3. Petty cash accounts shall be reconciled each month as part of the month-end closing of the County's financial records.
4. Requests for reimbursement cannot exceed \$50.00.
5. Reimbursement will be made only when itemized receipts are attached to the Petty Cash Reimbursement Request Form.
6. Receipts must not be artificially divided in order to circumvent the maximum dollar limit.
7. Any one person must not hold multiple receipts for different days or accumulate receipts over an extended period of time.
8. Requests exceeding forty-five (45) calendar days will not be reimbursed.
9. Travel reimbursement should not be done through Petty Cash.

## 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

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## Purpose:

The purpose of this policy is to set forth the investment and operational policies for the management of the public funds of Gwinnett County, Georgia (hereinafter the "County"). These policies have been adopted by and can be changed only by a Resolution of the Board of Commissioners.

These guidelines shall govern the investment and reinvestment of funds and the sale and liquidation of investment securities, as well as the monitoring, maintenance, accounting, reporting and internal controls by and of the County with respect to these investment securities.

These policies are designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices. Gwinnett County has a fiduciary responsibility to protect public funds and to prudently manage cash and investments to achieve the investment objectives of safety, liquidity, compliance and return. The protection of principal against default and investment risk is paramount.

## Policy:

### A. Roles and Responsibilities

1. **County Administrator** – The County Administrator or designee shall oversee the investment activities of the CFO/Director, Department of Financial Services and is hereby delegated the authority as necessary to carry out the various components of this Policy. The County Administrator or designee may execute agreements or documents necessary to effectively administer the investment program.
  2. **CFO/Director of Financial Services** – Georgia law provides for assigning the CFO/Director of Financial Services, who is subject to the supervision of the County Administrator, with the direct responsibility for the management of the County's investment assets, including discretionary investment management decisions to buy, sell or hold individual investment securities within this Policy. The CFO/Director shall have the authority to establish and implement the necessary organization structure and financial reporting and controls in order to achieve the objectives of this Policy. Procedures should include references to safekeeping, delivery vs. payment, investment accounting, repurchase agreements and banking services. The CFO/Director shall discharge his or her duties solely in the interest of the County.
  3. **Investment Committee** – The County shall have an Investment Committee that serves in an advisory capacity. The Committee is responsible for adequately communicating appropriate objectives and goals to the Chairman, Board of Commissioners, County Administrator, and CFO/Director of the Department of Financial Services.
  4. **Investment Manager** – Each third-party Investment Manager engaged to provide professional investment management services must acknowledge in writing its acceptance of responsibility as fiduciary under applicable regulations. Each Investment Manager will have discretion to make investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement.
  5. **Investment Consultant** – A third-party Investment Consultant's role shall be two-fold. The first and primary function is that of an Investment Advisor to the Investment Committee. The second duty is that of a Consultant assisting the CFO/Director in the management, operations, and administration of the investment program. An Investment Consultant may represent only the interests of the County and any other relationship that might provide basis for a conflict is expressly prohibited.
- B. **General Information** – This investment policy is comprehensive and is intended to govern the overall administration and investment management of those funds held in the County's Liquidity, Investment, and Bond Portfolios (the "County Portfolio"), excluding pension and other post employee benefit trusts. This policy shall apply to such funds from the time of receipt until the time the funds ultimately leave the County's accounts.

Excess cash balances of individual operating funds and capital funds may be commingled and placed in individual depository or investment accounts, unless otherwise restricted by law, policy or debt covenants. Bond funds should be deposited or invested according to applicable laws and bond covenants.

Interest income earned on depository balances will be allocated and credited to participating funds monthly based on the average daily cash balances held during the month. Investment income earned on investment securities and paid on interest payment dates will be credited to the funds at the time of payment. Market value adjustments and interest accruals between interest payment dates will be made at the end of each month.

C. **Investment Objectives** – The investment objectives of the County are set forth below in order of priority and are applicable to both the Liquidity Portfolio and Investment Portfolio:

1. **Safety of Principal** – The single most important objective of the County’s investment program is the preservation of principal of those funds within the portfolio. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
2. **Adequate Liquidity** – The portfolio shall be managed in such a manner that assures that funds are available as needed to meet those immediate and/or future operating requirements of the County, including but not limited to payroll, accounts payable, capital projects, debt service and any other payments.
3. **Legality** – County funds will at all times be invested in conformity with the laws of the State of Georgia, specifically *O.C.G.A. §36-80-3*, *O.C.G.A. §36-80-4*, and *O.C.G.A. §36-83-4*; and in conformity with bond ordinances or covenants, referenced in *O.C.G.A. §36-82-7*, this Investment Policy and the Department’s written administrative procedures. Where there are policies contained in Debt Covenants and Official Statements, those provisions shall apply only to those funds, and are incorporated by reference within this policy.
4. **Return on Investment** – The portfolio shall be managed in such a fashion as to maximize the return on investments within the context and parameters set forth by objectives 1, 2, and 3 above.

D. **Standard of Prudence** – The standard of prudence to be applied to the investment of the County’s Portfolio shall be the “Prudent Expert” rule that states: *“Investments shall be made with the care, skill, prudence and diligence, under circumstances then prevailing, which prudent persons acting in like capacities and familiar with such matters would use in the conduct of an enterprise of like character and with like aims – not for speculation, but for investment, considering the probable safety of their capital as well as the possible income to be derived.”*

The CFO/Director of Financial Services and other County employees and officials involved in the investment process acting in accordance with the Code of Georgia, this policy and any other written procedures pertaining to the administration and management of the County’s Portfolio and who exercise the proper due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided that any negative deviations are reported in a timely fashion to the County’s Investment Committee and that reasonable and prudent action is taken to control and prevent any further adverse developments.

E. **Ethics and Conflicts of Interest** – External contracted investment professionals in addition to Committee Members, management and staff involved in the investment process shall 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. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of Gwinnett County.

F. **Authorized Investments** – In accordance with the laws of the State of Georgia *O.C.G.A. §36-80-3*, *O.C.G.A. §36-80-4*, and *O.C.G.A. §36-83-4*, the County shall be permitted to invest in any of the following securities when certain conditions, as described in the full policy document, are met:

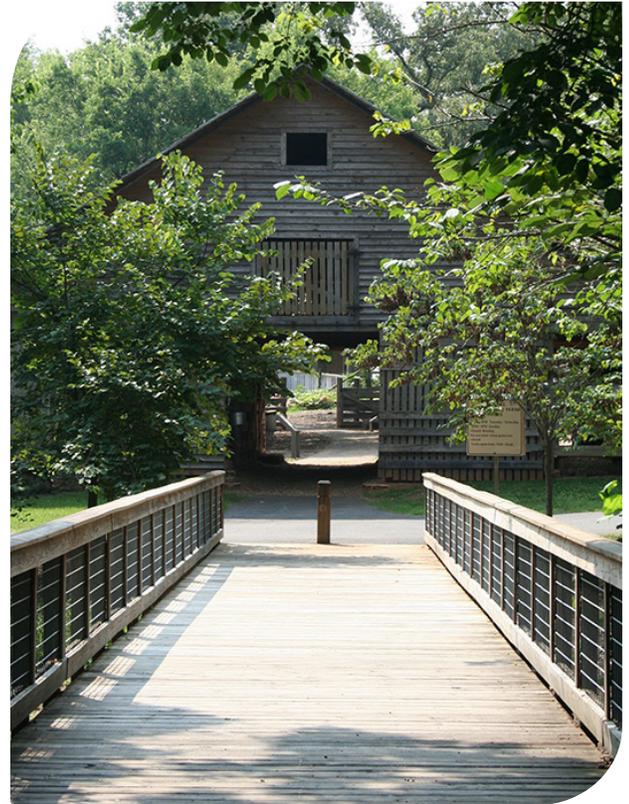
1. US Treasury Obligations
2. US Federal Agency Obligations
3. Repurchase Agreements
4. Prime Bankers’ Acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System
5. Municipal obligations
6. Certificates of Deposit

7. Local Government Investment Pool established by *O.C.G.A. §36-83-8* managed by the Office of Treasury and Fiscal Services including Georgia Fund 1 and Georgia Extended Asset Pool
  8. Bank Deposits in a national banking association, federal savings and loan association, trust company, savings institution or federal savings bank located in Georgia or organized under Georgia law
- G. **Portfolio Diversification** – The County’s Portfolio shall be diversified by security type and institution. The County’s Portfolio will be further diversified to limit the exposure to any one issuer.
- H. **Maximum Maturity** – Maintenance of adequate liquidity to meet the cash flow needs of the County is essential. Accordingly, the portfolio will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Selection of investment maturities must be consistent with the cash requirements of the County in order to avoid the forced sale of securities prior to maturity.

For purposes of this Investment Policy, assets of the County shall be segregated into three categories based on expected liquidity needs and purposes – Liquidity Portfolio, Investment Portfolio, and Bond Proceeds.

I. **Prohibited Investments and Investment Practices**

1. Short Sales;
2. Borrowing funds for the sole purpose of reinvesting the proceeds of such borrowing;
3. Commodities and Futures Contracts;
4. Private Placements;
5. Options;
6. Letter Stock;
7. Speculative Securities;
8. Investments not specifically addressed by this statement are forbidden without the Investment Committee’s written consent;
9. Domestic or international Equity Securities;
10. Fixed Income Mutual Funds;
11. Any derivative of any instrument that does not pass the FFIEC High Risk Security Tests 1 and 2 at any time using Bloomberg median pre-payment speeds; and
12. Any investment instrument prohibited by state law.



- J. **Investment of Bond Proceeds** – The County intends to comply with all applicable sections of the Internal Revenue Code of 1986, Arbitrage Rebate Regulations and bond covenants with regard to the investment of bond proceeds. Accounting records will be maintained in a form and for a period of time sufficient to document compliance with these regulations.
- K. **Selection, Approval of Brokers, Qualified Financial Institutions** – The CFO/Director of Financial Services and/or the County’s Investment Manager shall maintain a list of financial institutions and broker dealers that are approved for investment purposes (“Qualified Institutions”).
- L. **Competitive Selection of Investment Instruments** – It will be the policy of the County to transact all securities purchases/sales only with Qualified Institutions through a formal and competitive process requiring the solicitation and evaluation of at least three bids/offers. The County will accept the offer which (a) has the highest rate of return within the maturity required; and (b) optimizes the investment objective of the overall portfolio. When selling a security, the County will select the bid that generates the highest sale price.
- M. **Safekeeping and Custody** – All investment securities purchased by the County or held as collateral on deposits or investments shall be held by the County or by a third-party custodial agent who may not otherwise be counterparty to the investment transaction.

- N. **Performance Standards** – The Investment Portfolio shall be designed and managed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs of the County. Short-term funds and other funds that must maintain a high degree of liquidity will be compared to the return of the Georgia Fund One (GA1) plus 10 basis points and to the S&P Rated Government Investment Pool (GIP) Index. The investment portfolio will be compared to an index of U.S. Treasury securities having a similar duration or other appropriate benchmark.
- O. **Reporting** – The CFO/Director of Financial Services or Investment Manager shall prepare an investment report not less than quarterly for the Investment Committee.

# CAPITAL ASSET INVESTMENT AND MANAGEMENT POLICY

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## Purpose:

Capital assets have a major impact on the ability of the County to deliver services. They support the economic vitality and overall quality of life for Gwinnett stakeholders. The purpose of this policy is to provide guidelines for capital planning, budgeting, project management and maintenance.

## Policy:

- A. **Roles and Process of the CIP** – The Department of Financial Services is responsible for coordinating the CIP process and compiling the CIP document. Other key roles include:
  - 1. **CIP** – Each year County staff shall develop a six-year long-range CIP that describes and prioritizes the capital projects the County intends to undertake.
  - 2. **Review of Capital Project Proposals** – The Department of Financial Services will coordinate a financial Capital Project review process within the annual budget calendar.
    - a. **Full Consideration of Operating and Maintenance Costs** – Adequate resources should be identified to operate and maintain existing assets as well as proposed expanded assets before funding ins allocated to any new Capital Project.
    - b. **Project Evaluation System** – During the review cycle, departments provide answers to pertinent questions relating to the projects for which they are requesting funding. The evaluation team will review these answers using a set matrix of criteria. The projects will receive a score for each criteria identified. After the evaluation concludes, the final score is calculated and projects are ranked by priority and the evaluation team makes a recommendation on which projects should be funded. The ranking process enhances objectivity, reliability and transparency.
  - 3. **Stakeholder Participation** – The County shall provide meaningful opportunities for stakeholders to provide input into the CIP development before the plan is adopted.
  - 4. **Chairman Responsibilities** – 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 should be reflected in departmental operating plans.
  - 5. **Approval of the CIP** – The Board of Commissioners shall review and approve the CIP. Amendments to the CIP shall be considered and adopted by the Board of Commissioners at formal business meetings except for specific adjustments when limited authority is delegated to the County Administrator and the CFO/Director of Financial Services as prescribed within the Adopted Budget Resolution.
- B. **CIP Project Selection** – An objective set of criteria will be 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.
  6. **Strategic Alignment** – Projects should be considered within the context of the County’s stated priorities and related strategies to ensure resources are allocated first to the efforts with the greatest potential impact on intended outcomes.
- C. **Balanced CIP** – The adopted CIP is a balanced six-year plan. This means that for the entire six-year period, revenues will be equal to project expenditures in the CIP. It is possible that the plan may have more expenditures than revenues in any single year, but this imbalance will be corrected through the use of interim financing as needed. However, over the life of the six-year plan all expenditures will be provided for with identified revenues.
- D. **CIP Funding Strategy** – The County has provided financial resources for the CIP through two primary methods: Pay-As-You-Go (including SPLOST) and Debt financing. These methods are expected to be used for future CIPs. Guidelines are provided below to assist the County in making the choice between Pay-As-YOU-GO and debt financing.
1. Factors which favor Pay-As-You-Go financing include circumstances where:
    - a. The project can be adequately funded from available current revenues and fund balances;
    - b. The project can be completed in an acceptable timeframe given the available revenues;
    - c. Additional debt levels could adversely affect the County’s credit rating or repayment sources;
    - d. Costs considered for debt financing pertain to the maintenance of existing assets; or
    - e. Market conditions are unstable or suggest difficulties in marketing a debt issuance.
  2. Factors which favor long-term Debt financing include circumstances where:
    - a. Revenues available for debt issues are considered sufficient and reliable so that long-term financing can be marketed with an appropriate credit rating, which can be maintained;
    - b. Market conditions present favorable interest rates and demand for County debt financing;
    - c. A project is mandated by state or federal government and current revenues or fund balances are insufficient to pay project costs;
    - d. A project is immediately required to meet or relieve capacity needs and existing un-programmed cash reserves are insufficient to pay project costs;
    - e. Costs considered for debt financing pertain to the new assets or capital projects;
    - f. The life of the project or asset financed is five years or longer; or
    - g. Those expected to benefit from the project include generations in years to come.
- E. **Capital Budget** – Each year the Department of Financial Services will develop a Capital Budget which will contain the spending plan for capital projects. The first year of the adopted CIP will be the Capital Budget for the fiscal year.
- F. **Capital Project Management** – Management of capital projects is essential to create the best value for County taxpayers through capital spending. The following policies shall be observed in order to help ensure the best project management possible.



1. **Project Management** – Each department is responsible for the efficient and effective management of their CIP projects from initiation to completion including:
    - a. The development of project proposals, business cases, and/or charters as applicable.
    - b. The development of a project budget including a cash flow forecast, prior to project commencement.
    - c. The coordination and oversight of a detailed project plan including:
      - i. Actions items
      - ii. Procurements
      - iii. Risk management
      - iv. Quality control
      - v. Communication
    - d. Oversight and management of the execution of the plan ensuring that phases are completed on schedule, in scope, within budget, and to specifications; authorizing all project expenditures; monitoring project cash flows; ensuring all regulations and laws are observed; and regularly reporting project status.
    - e. Effectively completing the project including delivery of the final product and a formal review of project activities.
  2. **Limits on Amendments** – Capital Project amendments during a year may not exceed the annually adopted budget and funding levels. Each department must manage its capital program within certain time and cost constraints.
- G. **Asset Condition Assessment** – County staff shall conduct a comprehensive asset inventory that projects replacement and maintenance needs for the next six years and will update this projection each year. The asset inventory will describe the current condition of the County’s assets, establish standards for asset condition, account for the complete cost to maintain assets up to standard over their lifecycle, and account for risks associated with assets that are below condition standards. County departments shall have responsibility for inventorying and assessing the assets within their purview, and ensuring that it reconciles with Department of Financial Services’ capital asset records.
- H. **Prioritization of Asset Maintenance and Replacement** – It is the County’s intent to maintain its existing assets at a level that protects the initial capital investment and minimizes future maintenance and replacement costs. Based on an asset inventory and risk assessment, staff shall include recommendation for asset maintenance in the CIP.
- I. **Funding of Asset Maintenance** – This policy addresses the need to protect the County’s historical investment in capital assets. It is the County’s intent to ensure that adequate resources are allocated to preserve the County’s existing infrastructure to the best of its ability before allocating resources to other capital projects.

# DEBT MANAGEMENT POLICY

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## Purpose:

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.

## Policy:

A. **General Obligation Bonds** – General Obligation bonds can be considered as a financing source by the County when:

1. The service provided is essential to Gwinnett County government;
2. There is no clear underlying revenue stream;
3. 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.

1. 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 may 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.
2. 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;
3. The project cannot be completed from current revenue sources or it is more equitable to finance the project over its useful life.

When revenue bonds are issued, the County will maintain debt coverage ratios which are consistent with any agreements or covenants associated with those bonds.

Both the principal and interest of revenue bonds must be paid only with the revenue pledged to the payment of such bonds. However, the County may, at its sole discretion, secure revenue bonds with a full faith and credit guarantee through the execution of intergovernmental agreements.

D. **Pension Obligation Bonds** – Should the County contemplate the issuance of pension obligation bonds, an independent financial advisor should provide analysis addressing risk including insights on the business cycle, asset allocation, sizing of issue, repayment challenges, the market, and rating agency perception to the CFO/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.

Any proposal for Tax Increment Financing shall include an independent financial feasibility study, demonstrate that the development contributes to the County's goals set forth in the Comprehensive Plan, and shall be structured in such a way that the County assumes no risk if there are insufficient revenues to pay debt service. Specifically, prior to moving forward with a TIF transaction, the developer would be required to provide proof of a letter of credit, bond insurance, or other credit enhancement for the bonds which guarantee the full payment of principal and interest on the bonds.

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:

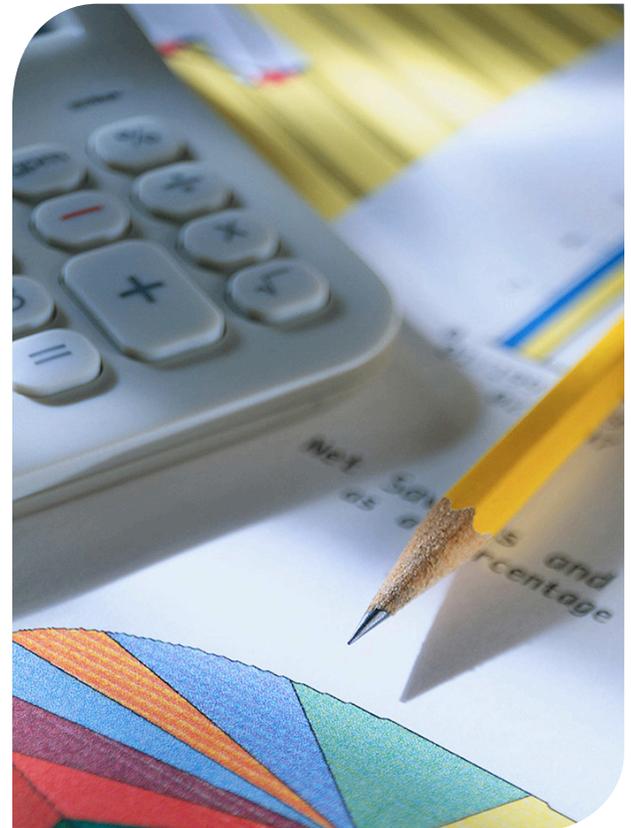
1. line-of credit;
2. anticipation notes;
3. internal borrowings;
4. commercial paper; or
5. construction loan notes.

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:

1. Legal Debt Margin
2. Direct Net Debt Per Capita
3. Debt Service in Governmental funds as a percentage of Operating Expenditures in Governmental funds
4. Debt Burden (Overall Net Debt as a Percentage of Full Valuation)
5. 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. As a general rule, current and advance refunding will be undertaken only if the present value savings of a particular refunding will exceed 3% of the refunded principal. Refunding issues that produce a net present value savings of less than targeted amounts may be considered on a case-by-case basis. Refunding issues with negative savings will not be considered unless a compelling public policy objective is served by the refunding.

J. **Debt Structure**

1. **Length** – 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.
2. **Credit Enhancements** – 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.
3. **Capitalized Interest** – 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.
4. **Call Provisions** – Call provisions for bond issues shall serve the primary interests of providing financial flexibility.
5. **Debt Pools/Intergovernmental Arrangements** – 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.
6. **Fixed Rate Debt** – 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.
7. **Variable Rate** – 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.

These risks can be mitigated through the direct matching of variable rate debt with variable interest assets to create a natural hedge, by conservatively budgeting interest rate payments, or with an interest rate swap which has the effect of synthetically fixing the rate of debt service on the associated bonds. No derivative products may be utilized unless permitted by law or without prior authorization of the Board of Commissioners. No derivative products may 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.

8. **Lease/Purchase Agreements** – The use of lease/purchase agreements in the acquisition of vehicles, equipment and other capital assets may be considered relative to any other financing option or a “pay-as-you-go” basis. While the lifetime cost of a lease typically may likely be higher than other financing options or cash purchases, lease/purchase agreements may be used by the County as funding options for capital acquisitions if operational or cash-flow considerations preclude the use of other financing techniques. Lease/purchase agreements may not extend beyond ten years except in the case where a revolving program has been established. Additionally, the repayment period of any lease purchase may not exceed the projected economic life of the asset(s) being financed.

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 Municipal 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.

Due to the complexity of debt management and the importance of the financial well-being of the County, the County’s Purchasing Ordinance allows the procurement of debt administration specialists (such as trustee, paying agent, arbitrage rebate services, escrow agent) without seeking proposals. It is at the sole discretion of the CFO/Director of Financial Services whether to seek competitive proposals for exempt professional services. When a selection committee is used, the CFO/Director of Financial Services has the discretion of identifying the number and make-up of staff necessary to choose advisory services which best serve the needs of the County.

Per this policy, the order of selection of professional service providers shall be:

1. **Financial Advisory Services (Municipal Advisor)** – The County’s Purchasing Ordinance governs the selection of professional service providers. Financial Advisory Services is exempt from the Purchasing Ordinance. Nothing in this policy, however, shall prevent the County from choosing to solicit competitive proposals for financial advisory services. The County may not retain an advisor for longer than five years without a new agreement.

The County’s Financial Advisor will adhere to the concepts of independence and fiduciary responsibility as contemplated by the Dodd-Frank Act or any successor legislation governing municipal advisory services. While the County has typically employed a single Financial Advisor, it is permissible to contract with multiple professionals when there is a demonstrated need.

2. **Bond Counsel/Disclosure Counsel** – The County’s Purchasing Ordinance governs the selection of professional service providers. Legal services, such as bond counsel and disclosure counsel, are exempt from the Purchasing Ordinance. Nothing in this policy, however, shall prevent the County from choosing to solicit competitive proposals for legal services.

3. **Underwriter Selection** – The Financial Advisor may solicit proposals for underwriting services for debt issued in direct placement or negotiated sales. The Financial Advisor may be the primary point of contact during the proposal process and may not serve as a placing agent. A committee appointed by the CFO/Director of Financial Services may review underwriting proposals and may appoint an underwriting firm. Underwriters may be appointed for a single financing or a series of transactions.



- L. **Method of Sale** – The County may 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 CFO/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:
1. **Competitive Sales** – The County has a preference for issuing its debt obligations through competitive sales when it is determined that this form of sale may yield the lowest True Interest Cost to the County. The County and Financial Advisor may structure the sale parameters to meet the needs of the County while appealing to the broadest range of potential bidders. The County will reserve the right to reject any or all competitive bids they deem unsatisfactory, or to delay or rescind any scheduled competitive sale.
  2. **Negotiated Sales** – When certain conditions favorable for a competitive sale do not exist and when a negotiated sale may provide significant benefits not available through a competitive sale, the County may elect to sell its debt obligations through a private placement/direct loans or negotiated sale. Such determination may be made on an issue-by-issue basis, for a series of issues, or for part or all of a specific financing program.
  3. **Private Placement/Direct Loans** – Under certain circumstances, the County may negotiate financing terms with banks and financial institutions for specific borrowings on a private offering basis. Typically, private placements/direct loans are carried out by the County: when external circumstances preclude public offerings; as interim financing; or to avoid the costs of a public offering.
- M. **Management/Disclosure Practices** – The County is committed to transparent 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).

1. **Material Events Disclosure** – Due to the nature of some material events, the CFO/Director of Financial Services, in conjunction with the County Administrator's office has responsibility for material event disclosure defined specifically in the County's Continuing Disclosure Agreements and under *SEC Rule 15c2-12*.
2. **Ongoing Disclosure** – The County will provide for routine, ongoing disclosure in accordance with SEC guidelines. The County's Comprehensive Annual Financial Report will serve as the primary disclosure vehicle.
3. **Arbitrage Liability Management** – It is the County's policy to minimize the cost of arbitrage rebate and yield restrictions while strictly complying with applicable arbitrage regulations on the investment of bond proceeds. Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the advice of Bond Counsel and other qualified experts may be sought whenever questions about arbitrage rebate regulations arise.
4. **Rating Agency Relationship** – The County is committed to providing periodic updates on the County's general financial condition to the rating agencies. In addition, the County will coordinate discussions and/or presentations in conjunction with any debt-related transaction.



# 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 15, 2017, the Purchasing Associate II Manual, updated July 1, 2011, and the Purchasing Associate I Manual, updated December 1, 2014.

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

### Purpose:

The County desires to maintain 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 expenses/expenditures. In addition, the policies are intended to document the appropriate Reserve level to protect the County's credit worthiness. Reserves are accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities.

These policies establish the amounts the County will strive to maintain in its Reserves, how the Reserves will be funded, and the conditions under which Reserves may be used.

### Policy:

Gwinnett County currently operates under the following reserve policies:

**General Fund Reserve Policy** – The County will maintain a minimum level of Unassigned Fund Balance in the General Fund equivalent to three months of regular, on-going operating expenditures (including transfers out). The County Administrator and the CFO/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 will maintain a minimum level of restricted or committed Fund Balance equivalent to three months of regular, on-going operating expenditures (including transfers out). Amounts used in this calculation shall not include any amounts allocated for another purpose by the Board of Commissioners.

**Enterprise Funds Reserve Policy** – The County will maintain a minimum level of working capital in Enterprise Funds equivalent to three months of regular, on-going 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 on-going basis, will maintain 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 will include long-term investments that can be liquidated within five business days.

The County will measure its compliance with its reserve policies as of December 31<sup>st</sup> each year, as soon as practical after final year-end account information becomes available. For the purposes of the Reserve policies, current year actual expenditures exclude significant Non-Recurring Items.

If, based on staff's analysis and forecasting, the target level of Reserves are not being met or are likely to not be met at some point within a five-year time horizon, then during the annual budget process, Fund Balance/Working Capital levels will be provided to the Chairman and Board of Commissioners. Should the projected year-end Fund Balance/Working Capital position be below the minimum Reserve amount established by the policies, a plan to replenish the Reserves would be established based on the requirements outlined in the policies.

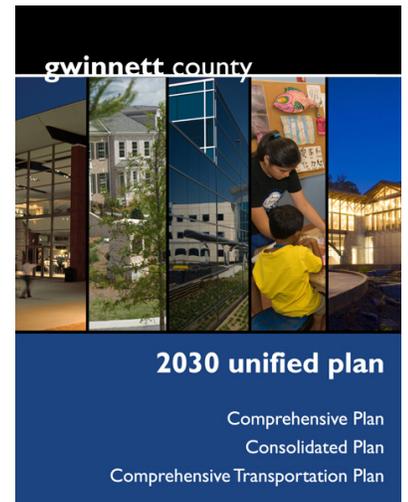
- A. **Funding the Reserves** – Funding of Reserve targets generally comes from excess revenues over expenses/expenditures or one-time revenues.
- B. **Conditions for Use of Reserves** – It is the intent of the County to limit use of Reserves to address unanticipated, Non-Recurring needs. Reserves shall not normally be applied to recurring annual operating expenses/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.
- C. **Authority over Reserves** – The Board of Commissioners may authorize the use of Reserves. The Department of Financial Services will regularly report both current and projected Reserve levels to the Board of Commissioners.
- D. **Replenishment of Reserves** – In the event that Reserves are used resulting in a balance below the three months minimum, a plan will be developed and included in the formulation of the five-year forecast presented during the annual budget process.
- E. **Excess of Reserves** – In the event the 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 will be 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 expenses/expenditures that do not increase recurring operating costs that cannot be funded through current revenues. Emphasis will be placed on one-time uses that reduce future operating costs; or
  - 4. Start-up expenses/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.
- F. **Periodic Review of the Targets** – At a minimum, during the budget process staff shall review the current and five-year projected Reserves to ensure they are appropriate given the economic and financial risk factors the County is subject to.



# LONG-TERM PLANNING TOOLS

The County has many long-term 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.

Gwinnett County is currently working under the **2030 Unified Plan**. The state of Georgia mandates that a Unified Plan be re-written every 10 years. The Department of Planning and Development officially began work on the 2040 Unified Plan, known as the Unified Plan document, on December 19, 2017. The purpose of the Unified Plan is to provide an all-encompassing blueprint of how the county will develop. Residents and other stakeholders will have a chance to provide input how they want to see the county grow and develop over the next 20-plus years. This document with its maps will attempt to address people's needs, opportunities, goals, and vision; transportation, housing, and economic development; natural and cultural resources; and community facilities and capital improvements for Gwinnett County.

The Board of Commissioners held the first of two required public hearings on Tuesday, December 19, 2017. This was the public's first opportunity to learn more about the Unified Plan's content and voice any concerns or issues. In order to ensure that all residents have ample opportunities to provide input to the 2040 Plan, the department will conduct a series of public information hearings in January, February, May, and August 2018. A meeting will be held in each of the county's four commission districts. In addition, more meetings will be held at County offices in Lawrenceville.

The Board of Commissioners has selected the consultant firm, Pond and Company, to oversee the development of the 2040 Unified Plan. This firm will also conduct interviews at public spaces such as the Gwinnett Justice and Administration Center, County parks, and community centers; setting up booths at County festivals and other events to provide information on the plan's progress; and distribute "living room chat" kits so that residents will have open conversations about Gwinnett's future at their convenience.

The Unified Plan document is scheduled for adoption in the first quarter of 2019.

Adopted by the Board of Commissioners in 2013 and amended in 2017, 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 "Financial Policies and Practices" section on [page II:39](#).

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 prior CTP was developed in 2007 – 2008. The County completed the update to the CTP in 2017.

In 2017, Gwinnett County Transit completed upgrades to the Sugarloaf Park and Ride lot, and replaced the paratransit fleet. A new Travel Outreach Coordinator was hired in 2017 to help promote Transit and all available uses of alternate modes. The County has also been awarded additional discretionary grant funding that will allow the local transit system the funds to operate more frequently and with extended hours. The County is also working on a Flex Transit service 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.

Also in 2017, the County began preparing a **Comprehensive Transit Development Plan**. This plan 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 will be based on the recommendations of the plan. It is expected that the recommendations will consider a multi-modal approach building off the current local, commuter, and paratransit system.

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 960,000 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. In conjunction with the greenway master plan, a countywide trails master plan is being developed 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 biking and walking options as well as recreational opportunities.

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 pages II:51 – II:53. Gwinnett County’s major capital achievements in fiscal year 2017 and the programs that make up the 2018 – 2023 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 that 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 that 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.

# DID YOU KNOW

*Lawrenceville was chosen as the county seat of Gwinnett in 1821 and is the oldest city in the five-county metro Atlanta area.*