

EXECUTIVE SUMMARY

This section provides an overview of the budget and County government finances. 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 3, 2019

Dear Stakeholders of Gwinnett County:

It is our privilege to present the Budget Document for fiscal year 2019. This document is a summary of our overall plan for allocating resources in alignment with the County's priorities. The \$1.82 billion balanced budget for 2019 includes a \$1.39 billion operating budget and \$438 million for capital improvements, including SPLOST-funded projects. The 2019 operating budget, excluding transfers between funds, is up about 4.8 percent over last year. The increase in the operating budget is largely related to increased personnel costs as the County adds necessary personnel and addresses compensation issues. The 2019 capital budget is up approximately 12.3 percent over last year, primarily due to major road construction and the construction of a Water Innovation Center.

With a focus on public safety and maintaining assets, the 2019 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 safe and healthy community, mobility and access, livability and comfort, strong and vibrant local economy, communication and engagement, and smart and sustainable government.

The fiscal year 2019 budget supports the County's priorities in the following ways:

- In support of the **safe and healthy community** priority, the budget includes more police officers, sheriff deputies, and Fire and Emergency Services positions. The budget also provides funding for the construction of the Georgia State Patrol Post 51.
- The budget supports the **mobility and access** priority by expanding transit services and improving and maintaining roads and the airport.
- To support the **livability and comfort** priority, the budget funds libraries, parks and park programs, senior services, and trails and greenways. The budget also addresses homelessness and affordable housing needs.
- In support of a **strong and vibrant local economy**, the budget includes funding for economic development and redevelopment, a Water Innovation Center, the 2040 Unified Plan, and a Small Business Resource Center.
- The budget supports the **communication and engagement** priority by funding education and outreach positions and supporting community outreach programs including the Gwinnett 101 Citizens Academy and the Gwinnett Youth Commission.
- The budget supports the **smart and sustainable government** priority through a long-term focus on asset management, operational efficiencies, and quality of service. The budget includes funding for asset management positions, customer service positions, and positions focused on improving efficiency levels.



SAFE AND HEALTHY
COMMUNITY



MOBILITY AND
ACCESS



LIVABILITY AND
COMFORT



STRONG AND VIBRANT
LOCAL ECONOMY



COMMUNICATION AND
ENGAGEMENT



SMART AND SUSTAINABLE
GOVERNMENT



2019 Budget Review Team

The 2019 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 most capital improvements. By maintaining the highest standards of excellence in financial practices, Gwinnett County has achieved AAA credit ratings, the highest possible, from all three major rating agencies since 1997. Out of approximately 3,000 counties in the United States, fewer than 50 counties have achieved such a strong credit rating.

More than
20 years of **triple AAA**
achievement

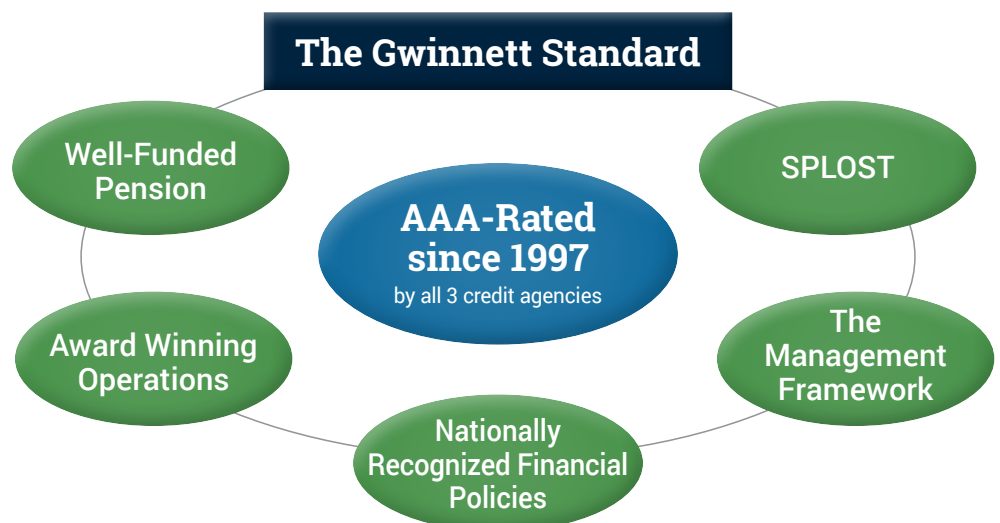
Public involvement in the budget process continues to play a significant role in the development of the budget. We would like to thank the members of the Budget Review Team for their time spent considering the many budget proposals. Chairman Charlotte Nash, County staff, and five citizen reviewers studied departments' and agencies' business plans, budget requests, and revenue projections to make recommendations for the budget. The five review team members included: David Cuffie (CEO, Total Vision Consulting LLC), Norwood Davis (CFO, 12Stone Church), Santiago Martinez (President and CEO, Georgia Hispanic Chamber of Commerce), Keith Roche (Lawrenceville City Councilman and retired business executive), and Alida Sims (Social Worker, Regional Kinship Navigator, Georgia Department of Community Services Division of Family and Children Services).

As Gwinnett County enters 2019 and makes important decisions affecting the future of our community, continued emphasis is placed on maintaining the Gwinnett County Standard, a standard accomplished through smart management, fiscal responsibility, and sustainable decision making. Through the budget process, Gwinnett County remains committed to employing smart and sustainable models of fiscal responsibility that have proven critical in the good times and the bad.

Respectfully submitted,

Maria B. Woods

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 2018 are available in Section IV of this document. Complete listings of awards received in 2012 through 2018 are available on the County's website by clicking [here](#).

In pursuit of its mission, Gwinnett County established and maintained numerous community partnerships in 2018, a few of which are described below:

- Through a unique partnership with the Gwinnett County Board of Commissioners, the Gwinnett County Board of Education, the University of Georgia, and with the support of the Gwinnett Environmental and Heritage Center Foundation, the Gwinnett Environmental and Heritage Center hosted five special exhibits and conducted 161,274 educational contact hours in 2018.
- Gwinnett County continued to engage 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. In 2018, 59 volunteers graduated from Gwinnett 101 Citizens Academy.
- Parks and Recreation partnered with 32 volunteer youth athletic associations to offer sports such as baseball/softball, basketball, cheerleading, football, soccer, roller hockey, and lacrosse to more than 41,887 young athletes.
- Parks and Recreation partnered with healthcare providers, Live Healthy Gwinnett, and other Community Services divisions to promote community health and wellness programs.
- The HomeFirst Gwinnett Initiative was developed through a collective partnership between Gwinnett County, the Primerica Foundation, and the United Way of Greater Atlanta to lead efforts to develop an organized and coordinated strategic approach to addressing homelessness and affordable housing needs.

In 2019, Gwinnett County will continue to achieve its mission by establishing and maintaining numerous community partnerships. Some examples are provided below:

- Community Services will add a position dedicated to expanding Live Healthy Gwinnett's *Be Active Gwinnett* mobile recreation program. One of the responsibilities of the job will be to maintain open communications with community partners including networking with National AfterSchool Association, Georgia Recreation and Park Association, and National Park and Recreation Association members.

Engaging Our Community, One Citizen At A Time



Gwinnett 101
CITIZENS ACADEMY

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.

- Gwinnett County will continue to engage with residents through Gwinnett 101 Citizens Academy and Gwinnett Youth Commission, community engagement programs that give citizens an inside view of County operations and allow participants to engage directly with their local government.
- Planning and Development will add a community outreach position with responsibilities to include evaluation, establishment, and facilitation of beneficial partnerships.
- County staff will continue its efforts to address homelessness and affordable housing needs through partnerships like the Home-First Gwinnett Initiative. The 2019 budget includes funding to address contributing issues affecting homelessness (such as mental health and drug addiction), assess its impact on the community, and facilitate advocacy and strategic approaches to address it.

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 2018:

- To improve community safety and advance community risk reduction, the County increased public safety staff by adding 65 police officers (and one police administrative position), 36 Fire and Emergency Services personnel, and 12 part-time Sheriff Deputies.
- Health and Human Services introduced therapeutic meals, including renal, diabetic, and mechanical soft food, for senior clients with special dietary needs.
- Community Services Outreach's Live Healthy Gwinnett launched the County's first mobile recreation program, *Be Active Gwinnett*, a recreation center on wheels that provides underserved youth with limited access to structured activities the opportunity to be physically active outside in a play-safe environment.
- Gwinnett County continues to place a high priority on greenspace and historic sites. In 2018, Gwinnett parkland totaled 9,908 acres for both passive and active parks, and the county was home to 12 cultural/historical sites.
- Parks and Recreation Operations facilitated the participation of 41,887 youth sports participants in various sports, supported by 720,988 volunteer hours.
- Partnership Gwinnett, a public-private initiative spearheaded by the Gwinnett Chamber that is committed to job creation, professional development, and education, won 15 projects which resulted in 1,595 new jobs in 2018.

In 2019, Gwinnett County will continue to pursue its vision in the following ways:

- To improve community safety and advance community risk reduction, the 2019 budget is adding 30 police officers, nine Fire and Emergency Services personnel, and 55 new positions (sworn and non-sworn) in the Sheriff's Office.
- To make life better for our citizens, Community Services will expand Family and Consumer Science programming in 2019 by adding Community Services Program Assistant position to increase educational programs which will be offered in English and Spanish.
- The 2019 capital budget includes funding for a Water Innovation Center, which will foster economic growth through partnerships with private businesses and universities.

The Management Framework

The Management Framework is the overarching structure of the sequential steps of strategic thinking within the County. The Management Framework will aid in achieving the County's priorities by defining how we will approach them, the decisions we will make within that approach to enable action, and the specific actions we will take to get results and ultimately produce value. The Management Framework was an essential part of the fiscal year 2019 budget process – departments aligned their operating budget requests to Countywide priorities using the Management Framework.

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 values statement through the following:

- [Code of Ethics](#)
- [Environmental Sustainability Program](#) and related policies
- [Financial Policies and Practices](#) that ensure fiscal responsibility, as discussed on pages II:38 – II:65
- Leadership in Energy & Environmental Design (LEED) certification at various buildings including the Environmental and Heritage Center, the Hamilton Mill branch of the Gwinnett County Public Library, the Gwinnett Senior Services Center, and the Police Training Facility
- Management Framework Application (MFA) – The MFA is an innovative, web-based performance management tool used to display transparency throughout the County, granting each department the ability to work collaboratively with other departments in the effort to decrease duplicated efforts, work toward the same decisions, and ultimately provide value to the public.

Some examples of how Gwinnett County accomplished its values in 2018 are provided below.

- The County earned the Atlanta Regional Commission's Green Communities Platinum Certification.
- LEED certification was achieved by the Medical Examiner's Office and Morgue, and the City of Lilburn Branch Library and City Hall.
- The Department of Information Technology Services continued to achieve innovative technology solutions, as described in "2018 Capital Achievements – Information Technology" on pages VI:6 – VI:7.
- Fiscal responsibility was achieved by maintaining a triple-AAA credit rating and adhering to financial policies and practices, such as maintaining the reserve levels outlined in the [reserve policies](#).
- The Department of Water Resources demonstrated its dedication to customer service by receiving the highest customer service rating in the south region from JD Power Water Utility Study.
- The County implemented a new responsive website design for Gwinnett County that included an overall user-friendly website which allows citizens to use all web functionality on desktop, laptops, and mobile devices.
- Planning and Development replaced an Interactive Voice Response (IVR) phone system with online inspection scheduling, which is considerably more expedient and user-friendly than the IVR system.

In 2019, Gwinnett County will continue to achieve the values outlined in its values statement in the following ways:

- The County will continue to seek innovative technology solutions through a Cyber Security Solutions project that will allow the County to acquire several cyber-security tools and services to improve the security posture of Gwinnett County.
- The County plans to continue to meet the highest levels of fiscal responsibility by maintaining a triple-AAA credit rating and continuing to adhere to its financial policies and practices.
- Planning and Development will enhance online services by redesigning the Licensing and Revenue website to provide easier navigation for business owners and implementing an online fee calculator that will assist customers with determining yearly taxes.
- To improve security in the event of a local or state disaster, Community Services will increase training at shelters to prepare public health teams for critical healthcare assignments.
- Community Services will add security personnel to address the increase in the acuity level of the individuals served through View Point Health's Adult Mental Health and Adult Substance Abuse services. View Point Health is a state agency that provides care for individuals with behavioral and developmental disabilities. The presence of security personnel will provide a feeling of safety and security to both the staff and individuals served.

BUDGET AT A GLANCE

The \$1.82 billion balanced budget for fiscal year 2019 consists of separate budgets for operating expenses and capital improvements. The operating budget of approximately \$1.39 billion includes daily operating costs like salaries and maintenance. The capital budget of approximately \$438 million funds infrastructure, facilities, vehicles, and equipment.

Fiscal Year 2019 Budget Approach Compared to Prior Year

The budget approach used to develop the fiscal year 2019 budget is very similar to the approach used to develop the 2018 budget. Both budgets maintained mandated and priority core services, continued the 90-day vacancy policy, continued decision packages for service reductions and service enhancements, and linked decision packages to the County's priorities. While the approach to the budget has not changed much over recent years, linking decision packages requests to County priorities was a new budget approach added in 2018 that incorporates the Management Framework, which is described on [page II:36](#). The Management Framework and associated County priorities are expected to remain an essential part of the budget process for many years to come. The six County priorities include safe and healthy community, mobility and access, livability and comfort, strong and vibrant local economy, communication and engagement, and smart and sustainable government. "[Key Decision Packages and Operating Initiatives](#)" approved in the 2019 budget and in alignment with the County's priorities are discussed in detail on pages II:13 – II:16.

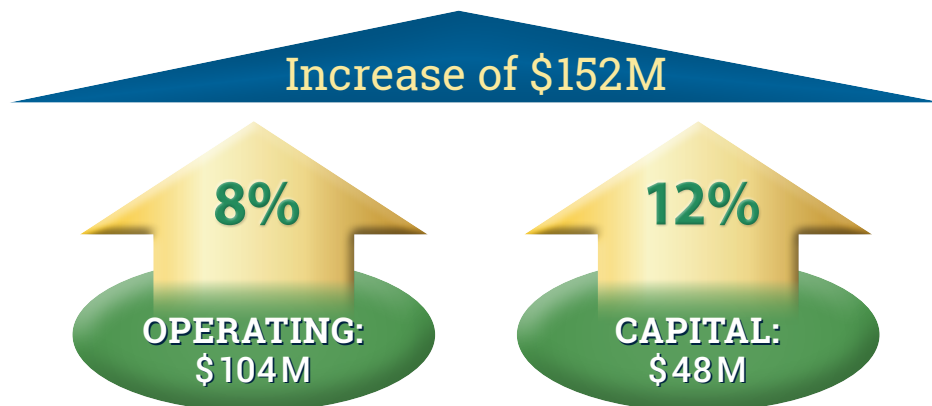
Fiscal Year 2019 Adopted Budget Compared to Prior Year

2019 Adopted Budget: Comparison to Prior Year			
	2018 Adopted	2019 Adopted	% Change
Operating	\$ 1,281,609,103	\$ 1,385,257,488	8.1%
Capital	390,405,400	438,480,506	12.3%
Total	\$ 1,672,014,503	\$ 1,823,737,994	9.1%

The 2019 operating budget totals \$1.39 billion compared to \$1.28 billion in 2018. The year-over-year increase is primarily due to increased personnel costs as the County adds necessary personnel and addresses compensation issues. Both the 2018 and 2019 operating budgets provided funding for new positions to help meet the demands of a growing population.

The 2019 capital budget totals \$438 million compared to \$390 million in 2018. The increase in the capital budget is primarily due to increases in public works (i.e., water resources and transportation).

2019 Adopted Budget Compared to 2018 Adopted Budget



Excluding transfers between funds, the operating budget increased 4.8 percent from 2018 to 2019.

OPERATING BUDGET COMPARISON

While the budget approach used to develop the budget has not changed from 2018 to 2019, the means in which to achieve the County's six priorities are similar in some ways and different in others. New positions were included in both budgets to meet the priorities and to serve the County's growing population. The 2018 budget added 152 new full-time positions, and the 2019 budget added 168 new full-time positions.

Many of the new positions added in both 2018 and 2019 were in support of the safe and healthy community priority. Both budgets funded new positions for Police, Fire and Emergency Services, and Sheriff. When compared to the 2018 budget, the 2019 budget added fewer Police and Fire and Emergency positions and more Sheriff positions. In 2018, more Police positions were needed to staff the new Bay Creek precinct, and more Fire and Emergency Services positions were needed to staff a new ladder truck and two new ambulances. In 2019, more Sheriff positions were needed to staff the detention center and new courtrooms resulting from the expansion of the Gwinnett Justice and Administration Center. The 2018 budget added 12 part-time Deputy Sheriff positions, and the 2019 budget added 42 full-time Deputy Sheriff positions and supervisory staff, as well as an additional 13 civilian positions to provide administrative and technical support.

2018 and 2019 New "Safe and Healthy Community" Authorized Positions Budgeted		
	2018	2019
Fire and Emergency Services	36	9
Police Services	66	42
Sheriff	—	55
Total New "Safe and Healthy Community" Authorized Positions	102	106

Note: The 12 part-time Deputy Sheriff positions added in 2018 are not reflected in the above table because authorized positions reflect full-time positions only.

Both the 2018 and 2019 budgets also funded new positions in support of the mobility and access priority. The 2019 budget added eight new positions in the Department of Transportation (DOT), while the 2018 budget added two new DOT positions. The 2018 budget added an engineer at the Traffic Control Center to improve traffic flow and a traffic analyst. The 2019 budget included positions to manage transit service expansion and airport operations, and to support the County's roadways.

In support of the livability and comfort priority, both the 2018 and 2019 budgets included funding to support the library system's outreach and educational efforts as well as funding to address homelessness and affordable housing needs. Both budgets also include funding for positions needed to expand Parks and Recreation programming. In 2019, three positions were included in the budget to expand programming for Parks and Recreation and the "Be Active" program. In 2018, three positions were included in the budget to expand programming and partnerships for the newly renovated Lilburn Activity Building and other nearby parks. Four additional positions were included in the 2018 budget to manage the new Natural and Cultural Resources Section of Community Services.

Both the 2018 and 2019 budgets supported the communication and engagement priority by funding new positions in support of this priority. The 2019 budget funded a Planning and Development position to support community engagement opportunities and a Community Services position to increase educational programs which will be offered in English and Spanish. The 2018 budget added two Public Relations positions to help support the County's public outreach and social media strategies. Both budgets continued to fund community outreach initiatives such as Gwinnett 101 Citizens Academy and Gwinnett Youth Commission. One key difference between the two budget years is 2018 included funding for bicentennial events to celebrate the County's 200th anniversary.

In support of the strong and vibrant local economy, five positions were included in the 2018 budget to support development and construction activity. There were no new positions or operating initiatives in the 2019 budget in support of the strong and vibrant local economy priority; however, there were many capital projects approved in the budget for this priority. Refer to the ["Capital Budget Comparison"](#) on the next page for more information.

Recruiting and retaining a quality workforce has been a key budget consideration since 2014. To support recruitment and retention efforts and in support of the smart and sustainable government priority, both the 2018 and 2019 budgets included 4 percent pay-for-performance increases and longevity pay for eligible employees. The 2019 budget also includes a market adjustment that was not part of last year's budget. Funding to add positions necessary to maintain assets, increase customer service and satisfaction, and improve efficiency levels was also included in the 2019 budget as part of the smart and sustainable government priority.

CAPITAL BUDGET COMPARISON

Capital project budgets are adopted as multi-year project budgets. As a result, many of the same capital projects funded in 2018 will continue to be funded in 2019. Key capital initiatives from the 2018 and 2019 capital budgets in alignment with the County's priorities are described below.

In support of the safe and healthy government priority, the 2019 budget includes funding to complete the construction of the headquarters and barracks for Georgia State Patrol Post 51. Located on I-85 near I-985, this facility will provide a permanent location for state patrol offices and Georgia DOT Highway Emergency Response Operators (HERO) units to monitor traffic and respond to traffic incidents on I-85 and I-985. Design was completed in 2018 with construction beginning in 2019. A cyber-security solutions project in support of the safe and healthy community priority is also included in the 2019 capital budget. The purpose of this project is to acquire several cyber-security tools and services to dramatically improve the security posture of Gwinnett County. In comparison to 2018, a key capital project included in the 2018 budget in support of the safe and healthy community priority was construction of the Bay Creek Police precinct and alternate E-911 center to accommodate growth in the southeastern portion of the county. Construction began in 2018 and will continue in 2019.

In support of the mobility and access priority, construction of new Park and Ride Lots and improvements to existing Park and Ride Lots were included in both the 2018 and 2019 capital budgets. Mid-life overhauls of the County's express transit bus fleet, various SPLOST-funded transportation improvements, and roadway maintenance and enhancements were included in both budgets as well. The expansion of transit service, airport improvements, and development of Harris Trail are key capital projects budgeted for 2019 that support the mobility and access priority. The 2019 budget includes preliminary engineering funding on a Bus Rapid Transit system to provide a transit alternative to the I-85 corridor between Sugarloaf Parkway and the Doraville MARTA station. Airport improvements budgeted in 2019 include preparing the airport to accommodate up to six privately-built hangars for basing corporate aircraft; this project may attract businesses to relocate here by providing a site where the development costs to construct corporate hangars is minimized. Also included in the 2019 capital budget in support of the mobility and access priority is the development of Harris Trail, which is part of the Countywide Trails Master Plan.

Capital projects benefiting the community by providing a sense of comfort and livability such as parks, libraries, and senior facilities support the livability and comfort priority. Both the 2018 and 2019 capital budgets supported the livability and comfort priority by funding the relocation of libraries and the expansion of the Gwinnett Justice and Administration Center (GJAC) and new parking deck. Construction for the relocation of the Duluth, Norcross, and Snellville branch libraries is expected to begin in 2019. Phase I of GJAC's new parking deck will be completed in early 2019, and construction of phase II of the parking deck and the courthouse building will start in 2019. In addition, an extensive renovation and expansion of the Norcross Senior Center which began in 2018 is expected to be completed in 2019.

In support of the strong and vibrant local economy priority, both the 2018 and 2019 capital budgets include funding for the expansion of the Infinite Energy Center, the construction of a Water Innovation Center, and a Small Business Resource Center. The expansion of the Infinite Energy Center, which is currently underway in partnership with the Gwinnett Convention and Visitors Bureau, will increase the economic impact of that property with a new conference center, hotel, and parking decks as well as a new mixed-use development by North American Properties. The Water Innovation Center will foster economic growth through partnerships with private businesses and universities. The Small Business Resource Center will strengthen outreach efforts with small businesses and create an environment where those businesses can succeed. Both budgets also include funding to maintain reliable infrastructure, which is necessary to accommodate growth and attract new businesses.

Additional information about the 2019 capital budget and 2020 – 2024 Capital Improvement Plan is available in Section VI.

Current Environment

- Strong economy and healthy tax digest
- Adequate reserves
- Well-funded Pension and OPEB plans
- Triple-AAA credit rating

More than
20 years of **triple AAA**
achievement

FINANCIAL HIGHLIGHTS

The table below provides a summary of the fiscal year 2019 adopted budget by fund type.

Fund Types	Operating Budget	Capital Budget	Total	% of Total
Tax-Related Funds	\$ 654,349,185	\$ 50,300,304	\$ 704,649,489	38.6%
Special Revenue Funds	\$ 53,597,716	\$ 165,579,265	\$ 219,176,981	12.0%
Enterprise Funds	\$ 510,043,531	\$ 222,600,937	\$ 732,644,468	40.2%
Internal Service Funds	\$ 167,267,056	\$ —	\$ 167,267,056	9.2%
Total Budget	\$ 1,385,257,488	\$ 438,480,506	\$ 1,823,737,994	

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 \$336.0 million. The tax-related funds have an operating budget of \$654.3 million and a capital budget of \$50.3 million.

Special revenue funds account for restricted and committed revenues and have an operating budget of \$53.6 million and a capital budget of \$165.6 million. These funds include capital projects funded by SPLOST proceeds.

Enterprise funds account for \$510.0 million of the total operating budget and \$222.6 million of the total capital budget. These funds consist of operations funded primarily from user fees and charges. The County operates six enterprise funds related to water and sewer service, stormwater management, solid waste management, transit, economic development, 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 \$167.3 million.

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

Year	Operating Budget	% chg.	Capital Budget	% chg.	Total Budget	% chg.
2019	\$ 1,385,257,488	8.1%	\$ 438,480,506	12.3%	\$ 1,823,737,994	9.1%
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%

The operating budget for fiscal year 2019 for all funds totals \$1.39 billion. The preceding table indicates a \$103.6 million increase from the fiscal year 2018 adopted budget.

The capital budget for fiscal year 2019 for all funds totals \$438 million. Capital project budgets are adopted as multi-year project budgets, and unspent funds from 2018 are carried forward to 2019.

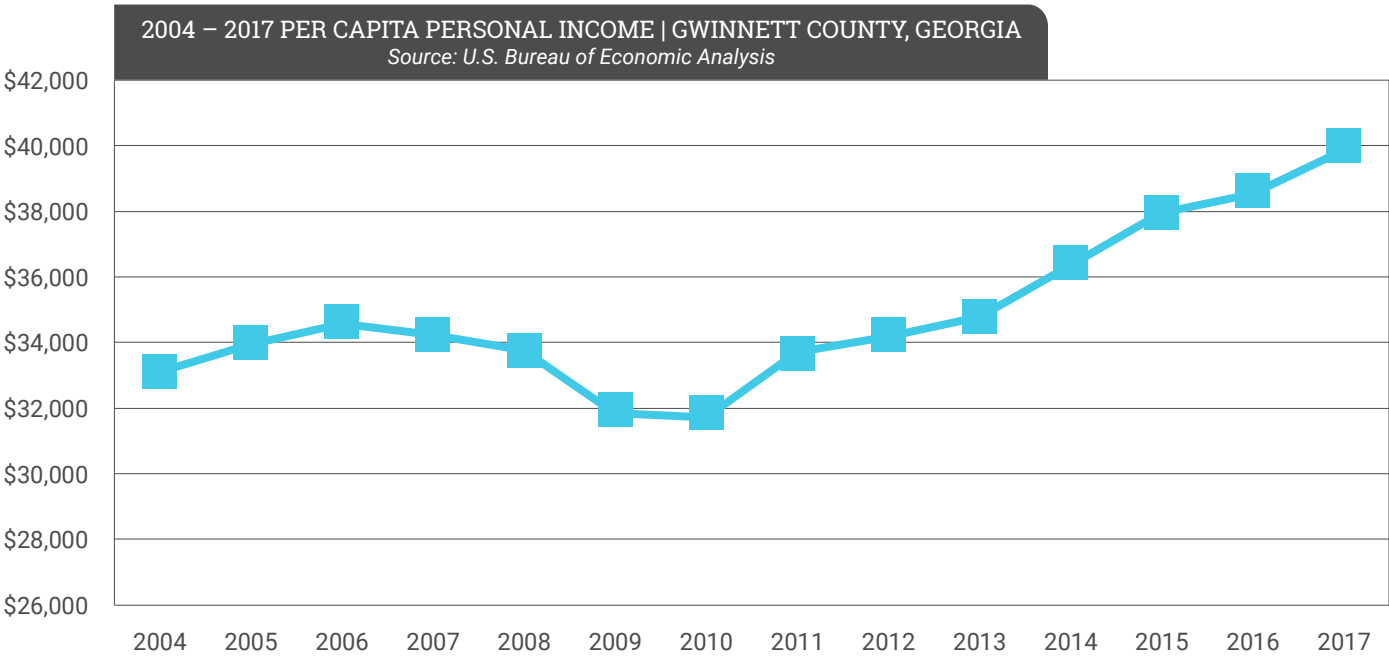
Economy

Gwinnett County is operating in a period of expansion where the broader economy is helping drive growth. Gwinnett’s population has increased nearly 9 percent in the last five years and is projected to reach 1 million by the year 2021. This growth is one of the greatest catalysts for economic development. Improving home values, increasing construction activity, and ample job opportunities are helping contribute to both population growth and economic growth.

The current economic landscape offers 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 3.3 percent in December 2018, which was lower than the Atlanta Metropolitan area (3.6 percent), the state (3.8 percent), and the United States (3.7 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 Georgia Department of Labor, Gwinnett County’s labor force grew 10 percent from 2013 and 2017. According to the U.S. Bureau of Labor Statistics, Gwinnett County achieved employment growth of 1.8 percent from June 2017 to June 2018. 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 2018, Partnership Gwinnett won 15 projects resulting in 1,595 new jobs. The county’s growing tourism industry has also had a significant impact, creating more than 13,000 jobs and providing more than \$1.3 billion in economic impact in 2017, according to the U.S. Travel Association. Gwinnett residents would have to be taxed an additional \$335 per year to replace taxes generated by economic activity.

The condition of the property tax digest is another key economic indicator, as discussed in detail on the next page. Gwinnett County has a healthy tax digest which has grown an average of nearly 5.8 percent per year over the last three years, and has increased by more than \$7 billion since 2013. From 2013 to 2018, the average value of a home in Gwinnett County rose 56 percent from \$150,000 to \$234,000.

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 2013. According to the Bureau of Labor Statistics, Gwinnett County had a per capita personal income of \$39,856 in 2017, an increase of 3.4 percent over 2016.

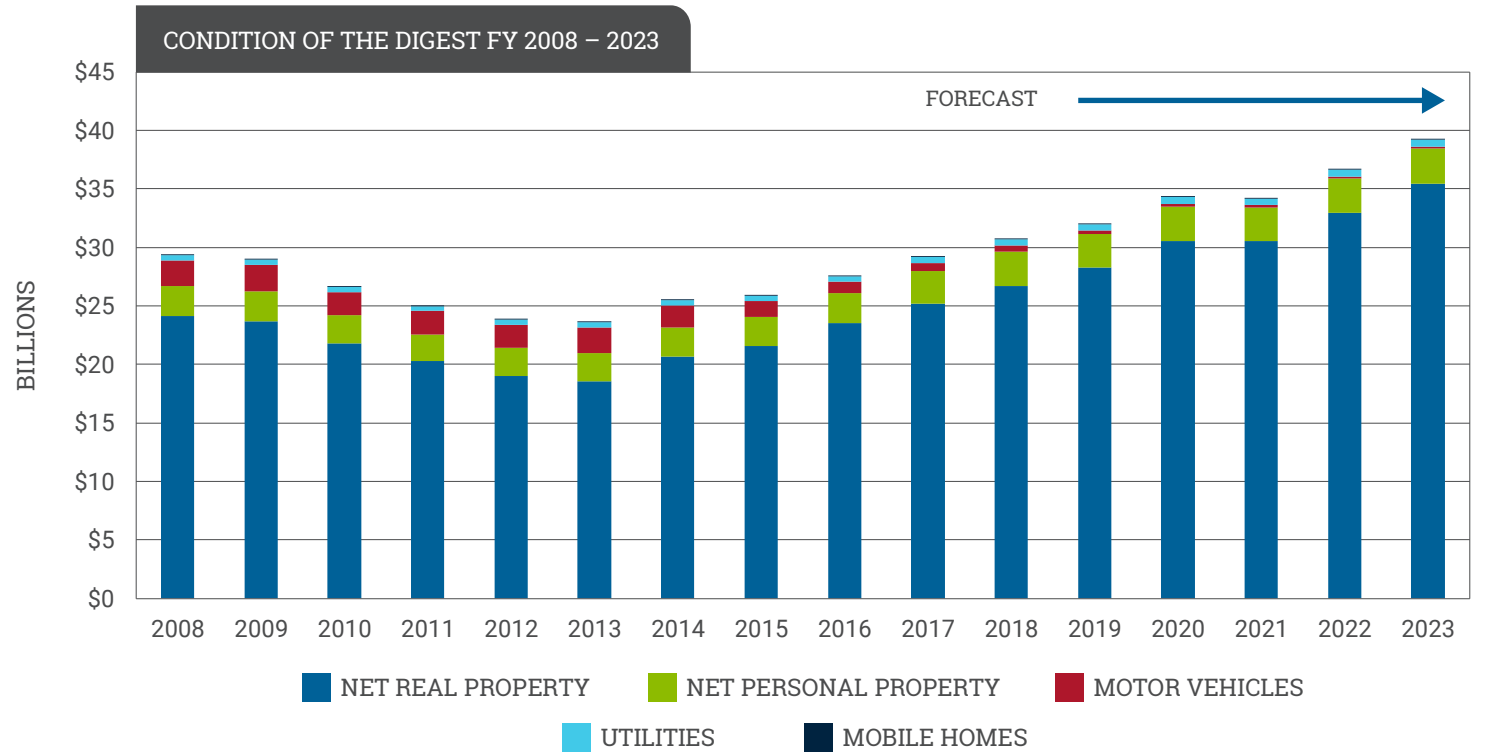


Property Taxes and the Condition of the Digest

Property taxes are an extremely important revenue source for the County. More than one-third (34.5 percent) of the total revenue for all operating funds and nearly three-quarters (73.0 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 for voter-approved debt for the Detention Center and for service districts such as police, fire, and emergency medical services. Tax-related funds make up 47 percent of the fiscal year 2019 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 tax digest, which is the total value of all taxable property as determined by the Tax Assessor. County government was able to roll back the millage rate several times between 2003 and 2008, providing property tax relief while still having increasing revenues to meet community needs. But in 2008, the growth began to decline and between 2008 and 2013, the County experienced more than a 20 percent drop in the digest. This loss in value was the result of housing and economic conditions (namely, increased foreclosures, decreased construction, and the freeze in assessments). After five years of decline, the year-over-year change from 2013 to 2014 was positive, and this positive trend has continued. Due to improving home values and increasing construction activity, the tax digest has grown at an average of nearly 5.8 percent per year over the last three years and is now above its pre-recession level. As a result of the digest growth, the millage rate was rolled back from a rate of 13.51 mills in 2017 to 13.319 mills in 2018.

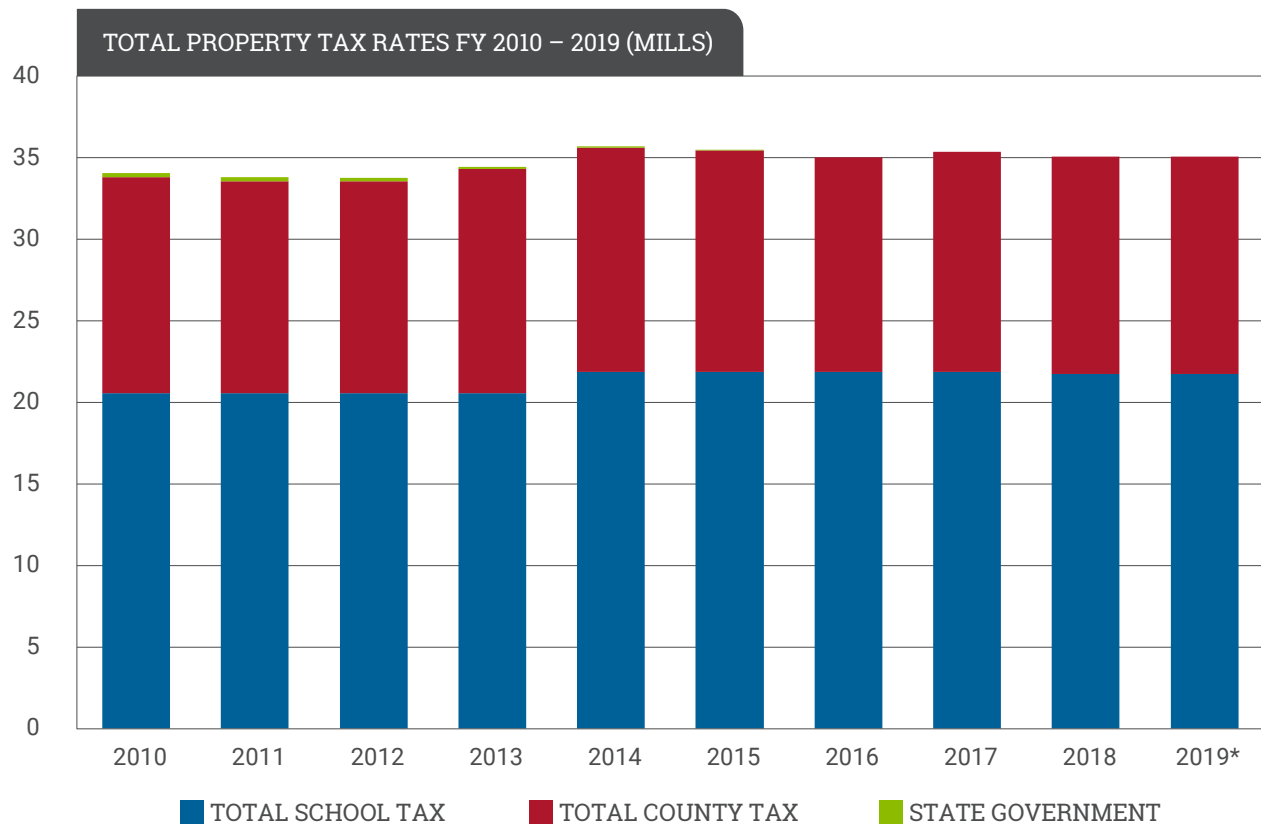
Since the inception of title *ad valorem* taxes (TAVT) in the spring of 2013, motor vehicle *ad valorem* taxes are being phased out and currently have a negative effect on the total digest growth as citizens transition from the old method of paying sales and use taxes and the annual *ad valorem* tax (“the birthday tax”) on newly purchased vehicles to paying a one-time title fee/tax based on the fair market value of the vehicle at the time a title is transferred. From 2017 to 2018, there was a decrease of \$1.4 million, or 18.1 percent, in motor vehicle *ad valorem* tax revenue. The County has received revenue from TAVT to make up for this loss. 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 2010 – 2019 (mills)

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019*
General Fund	11.78	11.78	11.78	7.40	7.40	7.229	6.826	7.40	7.209	7.209
Fire and EMS District	–	–	–	3.20	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	1.60
Development and Enforcement District	–	–	–	0.36	0.36	0.36	0.36	0.36	0.36	0.36
Recreation Fund	1.00	1.00	1.00	0.95	0.95	0.95	0.95	0.95	0.95	0.95
G.O. Bond Fund	0.23	–	–	–	–	–	–	–	–	–
G.O. Bond Fund II	0.24	0.24	0.24	0.24	0.24	0.24	0.24	–	–	–
Total County Tax	13.25	13.02	13.02	13.75	13.75	13.579	13.176	13.51	13.319	13.319
School M & O	19.25	19.25	19.25	19.25	19.80	19.80	19.80	19.80	19.80	19.80
School Bonds	1.30	1.30	1.30	1.30	2.05	2.05	2.05	2.05	1.95	1.95
Total School Tax	20.55	20.55	20.55	20.55	21.85	21.85	21.85	21.85	21.75	21.75
State Government	0.25	0.25	0.20	0.15	0.10	0.05	–	–	–	–
Total Property Tax	34.05	33.82	33.77	34.45	35.70	35.479	35.026	35.36	35.069	35.069

*The 2019 millage rate is an estimate.



*The 2019 millage rate is an estimate.

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 2019 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 2019 budget includes funding for decision packages and other initiatives supporting the County's priorities in the amount of \$29.0 million, or 2.1 percent of the \$1.4 billion operating budget.

Listed below are key initiatives approved in the fiscal year 2019 budget. Justifications for each of these are provided on the pages that follow.

KEY DECISION PACKAGES AND OPERATING INITIATIVES

Priority	Description	Appropriation amount (approximate)
Safe and Healthy Community	Thirty police officer positions to serve a growing service population and continue to provide excellent police services	\$ 3,000,000
	Forty-two Deputy Sheriff positions to provide court and building security for the courthouse expansion, warrant and temporary protection order services, and support jail operations	2,775,000
	Two fire inspectors to advance community risk reduction	204,000
	Three instructor positions at the Fire Academy	190,000
Mobility and Access	Transit contracts manager to manage expanding transit services	100,000
	Airport operations manager to manage airport expansion projects and focus on tenant and lease administration	77,000
	Three positions for the Department of Transportation to enhance support of the County's roadways	223,000
Livability and Comfort	Continue to support the library system's outreach and educational efforts	250,000
	Funding to address homelessness and affordable housing needs	1,000,000
Communication and Engagement	A Planning and Development position to support community engagement opportunities	85,000
	A Community Services position to increase educational programs which will be offered in English and Spanish	43,000
	Continue supporting community outreach initiatives including Gwinnett 101 Citizens Academy and Gwinnett Youth Commission	145,000
Smart and Sustainable Government	Seven Animal Welfare positions to assist with handling increased requests for services and to help educate residents about Animal Welfare ordinances	261,000
	Six Water Resources positions to increase customer service and satisfaction	89,000
	Four asset management positions to help plan, track, and maintain more than \$5.3 billion in County assets	324,000
	Two additional positions in Planning and Development to improve efficiency levels	203,000
	Pay-for-performance increases, longevity pay, and a mid-year market adjustment to remain competitive in attracting and retaining a strong workforce	14,900,000

Note: The list above includes key decision packages and does not reflect all decision packages approved for 2019. Appropriation amounts for new positions include salaries and wages, employee benefits, supplies, equipment, etc.

County Priority – Safe and Healthy Community:



Thirty police officer positions to serve a growing service population and continue to provide excellent police services

In order to effectively provide excellent police services, the Gwinnett County 2030 Comprehensive Plan established a target of 1.3 police officers per 1,000 citizens. Authorized staffing levels prior to new positions added in the 2019 budget placed this ratio at 1.0. The addition of 30 police officers in 2019 will help move the County closer to this target.

Forty-two Deputy Sheriff positions to provide court and building security for the courthouse expansion, warrant and temporary protection order services, and support jail operations

The positions included in the budget are split between Court Services, Field Operations, and Jail Operations/Detention:

- **Court Services:** Nineteen deputies and supervisory staff are included in the budget to ensure adequate security will be in place once the courthouse expansion is complete in 2020. A deputy sheriff position is also budgeted for the Courts Annex building to provide additional coverage for six courtrooms serving Juvenile Court and Recorder's Court.
- **Field Operations:** Eight deputies are included in the budget to keep up with the growth in the number of warrants and temporary protection orders, as well as the number of registered sex offenders.
- **Jail Operations/Detention:** Ten deputies and three sergeants are included in the budget to ensure sufficient staffing levels to transport and properly monitor the increasing number of inmates, especially those with mental health issues and those undergoing drug detoxification.

Two fire inspectors to advance community risk reduction

Building inspections routinely lead to the discovery of fire code violations and fire safety hazards. With the growth in permits for new building construction, the budget adds two fire inspector positions in order to reduce the probability of a serious fire which could result in large property loss, injury, or death.

Three instructor positions at the Fire Academy

The budget adds three Fire Academy instructors to reduce student to instructor ratio, reduce attrition, reduce overtime, and develop curriculum.

County Priority – Mobility and Access



Transit contracts manager to manage expanding transit services

With the County expected to grow by up to 500,000 people to about 1.5 million over the next two decades, sufficient transportation options are essential. The Transit Division currently only has one individual responsible for the oversight of its main operations and maintenance contract. The budget includes funding for an additional position. The transit contracts manager will assume oversight responsibilities, which are required by Federal Transit Authority (FTA) regulations, and ensure a basic level of service is provided by the contractor.

Airport operations manager to manage airport expansion projects and focus on tenant and lease administration

The budget includes an airport operations manager who will be responsible for managing airport capital projects and for working with existing and prospective tenants to enforce leases and resolve lease issues. The airport operations manager will coordinate with tenants on any runway or taxiway closures for capital projects or maintenance. The position will act as manager in the airport manager's absence, resulting in uninterrupted service at the airport in the event of an emergency situation.

Three positions for the Department of Transportation to enhance support of the County's roadways

- **Two Trades Technicians:** The Trades Technicians are needed to ensure that the County's Advanced Traffic Management System (ATMS) stays operational to respond to traffic incidents and to improve responsiveness to traffic signal outages and other signal system related issues. The Trades Technicians will also ensure that traffic signals are in a good state of repair.
- **Engineer III:** This position is needed to manage the significant right-of-way acquisition effort associated with SPLOST road programs. The position will also manage grant-related responsibilities required by various state and federal agencies.

County Priority – Livability and Comfort



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

In support of the libraries and the important services they provide, the budget includes funding for a 3 percent pay-for-performance increase for eligible library employees. The performance based salary increase will improve the library's ability to retain valuable, high-performing employees, strengthen the library's performance-based culture, and increase employee engagement and satisfaction.

Funding to address homelessness and affordable housing needs

The budget includes funding for County staff to continue efforts to address contributing issues affecting homelessness, such as mental health and drug addiction, and to facilitate advocacy and strategic approaches to address the problem. Some major accomplishments in 2018 related to homelessness included obtaining consulting services for homeless and affordable housing needs and developing the HomeFirst Gwinnett Initiative. The HomeFirst Gwinnett Initiative is a collective partnership between Gwinnett County, the Primerica Foundation, and the United Way of Greater Atlanta to develop a strategic approach to addressing homelessness and affordable housing needs. In early 2019, the HomeFirst Gwinnett Initiative conducted a Homeless Point In Time Count to include a street count and follow-up survey to help identify needs and provide critical data to assist with securing funds to address the needs.

County Priority – Communication and Engagement



A Planning and Development position to support community engagement opportunities

The budget includes an education and outreach position in the Department of Planning and Development with responsibilities to include evaluation, establishment, and facilitation of beneficial partnerships; development of informative documents for internal and external customers; and assistance with community engagement opportunities.

A Community Services position to increase educational programs which will be offered in English and Spanish

To accommodate Gwinnett's growing population, a Program Assistant position to expand UGA Extension's family and consumer science (FACS) programming is included in the budget. The programming will be offered in English and Spanish. Educational focus areas include nutrition, chronic disease prevention and awareness, home safety awareness, meal preparation on a budget, and financial literacy for communities with limited resources.

Continue supporting Gwinnett 101 Citizens Academy and Gwinnett Youth Commission

The budget includes funding to continue supporting the community outreach programs, Gwinnett 101 Citizens Academy and Gwinnett Youth Commission. These programs engage and empower the County's diverse constituencies to be more informed and involved in Gwinnett County Government by giving residents a behind-the-scenes look at how Gwinnett County operates.

County Priority – Smart and Sustainable Government



Seven Animal Welfare positions to assist with handling increased requests for services and to help educate residents about Animal Welfare ordinances

Seven Animal Welfare positions are included in the budget to meet increased demand for services in the form of road calls, visitors to its facilities, and animals housed. The positions will also help educate and inform residents about Animal Welfare ordinances.

Six Water Resources positions to increase customer service and satisfaction

The budget includes funding to replace temporary customer care positions with full-time positions. Six temporary customer care positions will be replaced with five full-time customer service agents, and another temporary position will be replaced with a lead customer care associate. Full-time agents tend to remain with the County longer than temporary workers, thereby reducing training costs, increasing staff experience, and reducing call time.

Four asset management positions to help plan, track, and maintain more than \$5.3 billion in County assets

The budget includes the following positions to help plan, track, and maintain the County's assets so that they can be used for many years to come:

- **Program Analyst II/Asset Manager in the Department of Transportation:** This position will be responsible for tracking assets, which include underground utilities, above ground items such as guardrail and signal equipment, and vehicles including transit buses.
- **Reliability Engineer in the Department of Water Resources:** The Reliability Engineer will perform failure and reliability analyses and optimize maintenance strategies to improve the reliability and maintainability of critical assets. Currently, Facility Operations has only two Reliability Engineers that provide support and analyses for five plants and 218 pump stations. Due to the volume and complexity of requests, the majority of their time is spent analyzing asset defects or failures, and less time is spent refining the design, installation, and commissioning process for new assets. Approximately 40 percent of requests come from the F. Wayne Hill Water Reclamation Center (WRC), which houses 62 percent of the critical assets. The addition of a new Reliability Engineer for the F. Wayne Hill WRC will allow for more timely analyses and a greater focus on developing and implementing the best reliability strategy for new and replacement assets installed for F. Wayne Hill WRC.
- **Maintenance Planner/Scheduler in the Department of Water Resources:** The Maintenance Planner/Scheduler will coordinate necessary resources, provide adequate job plans, create weekly schedules, and prepare four week forecasts for maintenance activities. The position will reduce the planning backlog, increasing maintenance efficiency and effectiveness.
- **Trades Technician in the Department of Fire and Emergency Services:** This position is needed to help perform preventative maintenance for the department's 42 facilities. Since 1996, when Gwinnett County Fire and Emergency Services maintained 21 fire stations, there have been no additions to the Fire Facilities staff; however, the department has added 10 new fire stations and relocated eight fire stations with several upgrading from single house stations to double house stations. Other new buildings have been added as well, such as the SCBA (Self-Contained Breathing Apparatus) Hose Testing Facility, Fire Headquarters, and the Fire Academy. The additional fire stations and facilities have significantly increased the amount of square footage to be maintained and limited the amount of time Fire Facilities personnel have to perform preventative maintenance. The addition of a Trades Technician will allow for preventative maintenance to be performed, thereby minimizing the need to replace equipment.

Two additional positions in Planning and Development to improve efficiency levels

- **Building Inspector III:** This position is needed because the Department of Planning and Development has experienced both an increase in the number of building certifications required annually as well as a decrease in the pool of available certified inspectors. The Building Inspector III will be hired with the intent of hiring an entry-level applicant as a Building Inspector I and providing the prospective hire with training and hands-on experience. The Building Inspector III position will provide more opportunity for Chief Inspectors to concentrate on training and quality control of their employees' work, as well as grooming and mentoring the next generation of inspectors.
- **Section Manager:** This position will be responsible for improving efficiency levels in the Department of Planning and Development. The Section Manager will collaborate with all County departments and sections within the departments to introduce innovative processes to successfully impact results. Key responsibilities of this position will include overseeing and monitoring the department's data collection processes by working closely with the Department Director and Deputy Director to identify and prioritize useful and practical department information, developing a uniform platform for reporting purposes, developing real time wait times for customers, and working with the Business Plan Presentation team for data conveyance within presentation.

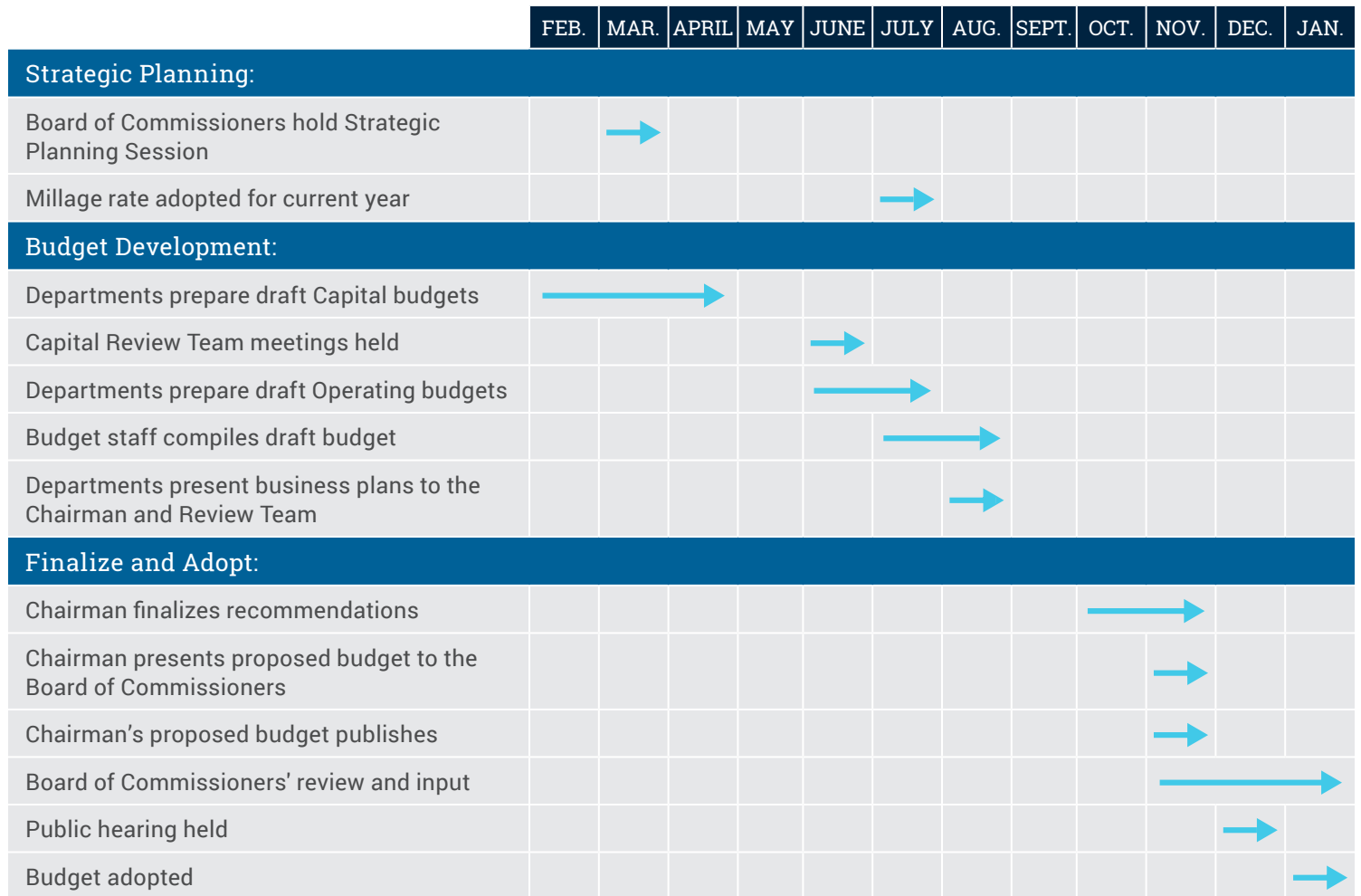
Pay-for-performance increases, longevity pay, and a mid-year market adjustment to remain competitive in attracting and retaining a strong workforce

Gwinnett County values its employees and recognizes the importance of recruiting and retaining talented staff. Efforts to recruit and retain employees resulted in a 4 percent pay-for-performance increase and longevity pay for eligible employees, as well as a 3 percent mid-year market adjustment. 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.

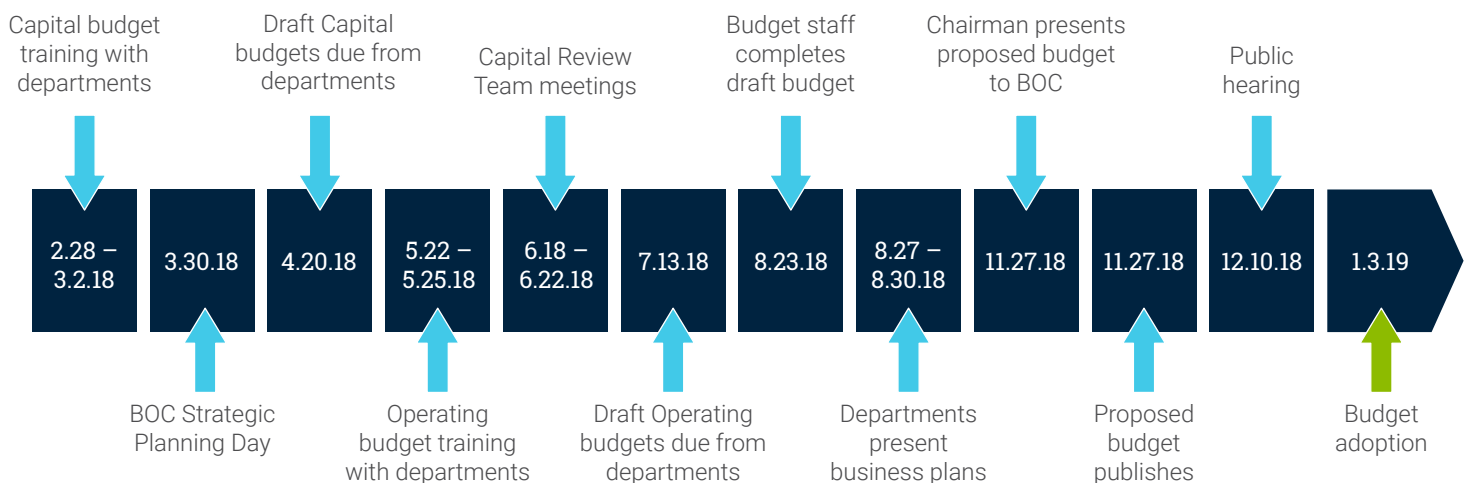
THE BUDGET PROCESS

Budget Process – Flow Chart

The following chart summarizes the budget process and the various steps leading to the adoption of the Fiscal Year 2019 Budget.



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 February 2019, the Board of Commissioners adopted the 2040 Unified Plan, which is discussed on [page II:67](#).

In developing the 2019 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 2019 budget was developed with input from five county residents who served on the Chairman's Budget Review Team. Chairman Charlotte Nash, County staff, and the five citizen reviewers studied departments' and agencies' business plans, budget requests, and revenue projections to make recommendations for the budget.

Gwinnett's 2019 budget process kicked off in March 2018 when Commissioners held a strategic planning session to set priorities for the County. The County's priorities include: safe and healthy community, mobility and access, livability and comfort, strong and vibrant local economy, communication and engagement, and smart and sustainable government. 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 2018. Departmental business plans and budget presentations made to the budget review team may be viewed at www.tvgwinnett.com under [Video on Demand](#).

With input from the review team, the Chairman presented a proposed budget to the Board of Commissioners on November 27, 2018. The Board of Commissioners reviewed the proposed budget, and in accordance with state law, a public hearing was held December 10, 2018. 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 3, 2019, 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 2019 Budget Resolution"](#) on pages II:20 – II:23 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 2019 Resolution Amounts

Operating Budget	FY 2019
Tax-Related Funds	
General Fund	\$ 336,028,460
2003 G.O. Bond Debt Service Fund	4,255,250
Development & Enforcement District Fund	13,881,372
Fire and EMS District Fund	126,067,174
Loganville EMS District Fund	43,875
Police Services District Fund	129,352,548
Recreation Fund	44,720,506
Total Tax-Related	\$ 654,349,185
Special Revenue Funds	
Speed Hump Fund	\$ 160,222
Street Lighting Fund	7,703,702
Authority Imaging Fund	882,651
Corrections Inmate Welfare Fund	127,520
Crime Victims Assistance Fund	944,277
DA Federal Justice Asset Sharing Fund	137,000
DA Federal Treasury Asset Sharing Fund	13,338
E-911 Fund	25,362,883
Juvenile Court Supervision Fund	69,744
Police Special Justice Fund	110,000
Police Special State Fund	1,068,395
Sheriff Inmate Fund	868,607
Sheriff Special Justice Fund	100,000
Sheriff Special Treasury Fund	150,000
Sheriff Special State Fund	100,000
Stadium Fund	2,353,465
Tree Bank Fund	20,000
Tourism Fund	13,425,912
Total Special Revenue	\$ 53,597,716
Enterprise Funds	
Airport Operating Fund	\$ 2,401,059
Economic Development Operating Fund	5,257,000
Local Transit Operating Fund	17,386,029
Solid Waste Operating Fund	42,242,156
Stormwater Operating Fund	42,620,129
Water and Sewer Operating Fund	400,137,158
Total Enterprise	\$ 510,043,531
Internal Service Funds	
Administrative Support Fund	\$ 77,932,740
Auto Liability Fund	1,797,000
Fleet Management Fund	8,716,084
Group Self-Insurance Fund	64,441,806
Risk Management Fund	8,617,887
Workers' Compensation Fund	5,761,539
Total Internal Service	\$ 167,267,056
Total Operating Funds	\$ 1,385,257,488

Capital Budget	FY 2019	FY 2020 – 2024
Tax-Related Funds		
Capital Projects	\$ 44,211,474	\$ 108,470,432
Capital Vehicle Replacements	6,088,830	120,363,439
Total Tax-Related	\$ 50,300,304	\$ 228,833,871
Special Revenue Funds		
2009 SPLOST	\$ 3,832,000	\$ –
2014 SPLOST	10,434,915	17,200,835
2017 SPLOST	151,312,350	482,168,927
Total Special Revenue	\$ 165,579,265	\$ 499,369,762
Enterprise Funds		
Airport R & E	\$ 1,426,225	\$ 966,584
Stormwater R & E	32,969,768	120,066,654
Transit R & E	8,299,109	7,143,728
Water and Sewer R & E/Bond	179,905,835	810,754,821
Total Enterprise	\$ 222,600,937	\$ 938,931,787
Total Capital Funds	\$ 438,480,506	\$ 1,667,135,420

R & E = Renewal & Extension

SPLOST = Special Purpose Local Option Sales Tax



RESOLUTION ENTITLED: **A RESOLUTION ADOPTING A BUDGET FOR THE FISCAL YEAR 2019 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 2019 TAX DIGEST; AFFIRMING THAT EXPENDITURES IN EACH AGENCY MAY NOT EXCEED APPROPRIATIONS; AND PROHIBITING EXPENDITURES FROM EXCEEDING ANTICIPATED FUNDING SOURCES.**

READING AND ADOPTION: **January 3, 2019**

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

Name	Present	Vote
Charlotte J. Nash, Chairman	Yes	Yes
Jace Brooks, District 1	Yes	Yes
Ben Ku, District 2	Yes	Yes
Tommy Hunter, District 3	Yes	Yes
Marlene Fosque, District 4	Yes	Yes

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

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

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

WHEREAS, an advertised public hearing has been held on the 2019 Proposed Budget, as required by State and Local Laws and regulations; and

WHEREAS, the Board decrees that the Proposed 2019 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 \$129,352,548 and remaining funding of \$99,061,425 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 2019 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 Operating or Capital Non-Departmental contingencies and reserves to 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; 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;
 - (c) 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;
 - (d) adjust revenue and appropriation budgets between capital projects as necessary to incorporate grant awards previously approved by the Board of Commissioners;
 - (e) 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;

- (f) 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;
- (g) 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 projects to be allocated in contingencies or project specific levels; and
- (h) allocate \$250,000 from the Other Miscellaneous budget in General Fund towards efforts to address the opioid crisis in Gwinnett County.

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 2019 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 2019 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-2019

GCID Number: 2019-0026

Charlotte J. Nash

Charlotte J. Nash, Chairman

1/15/2019

Date

Attest:

Jina M. King

County Clerk/Deputy County Clerk
(Seal)



Approved as to form:

[Signature]

Gwinnett County Staff Attorney

CONSOLIDATED BUDGET – ALL FUNDS

FY 2019 Revenues and Appropriations

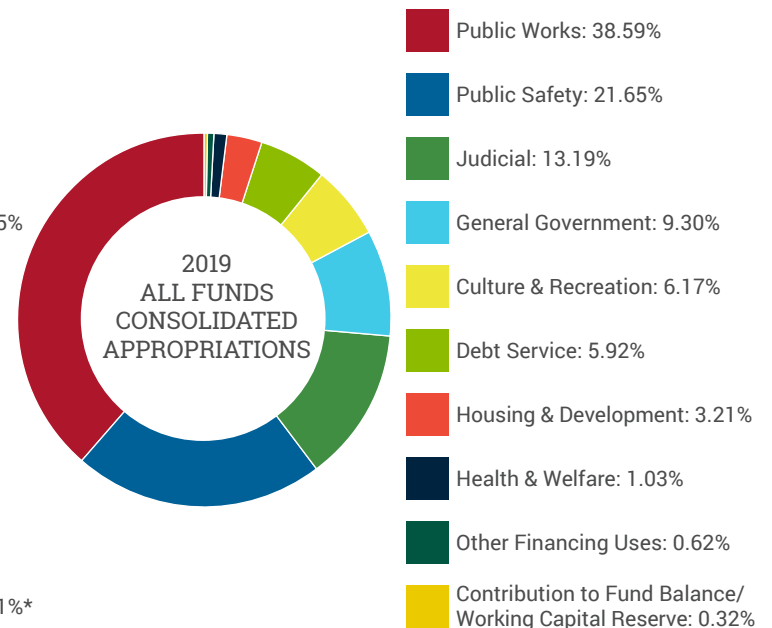
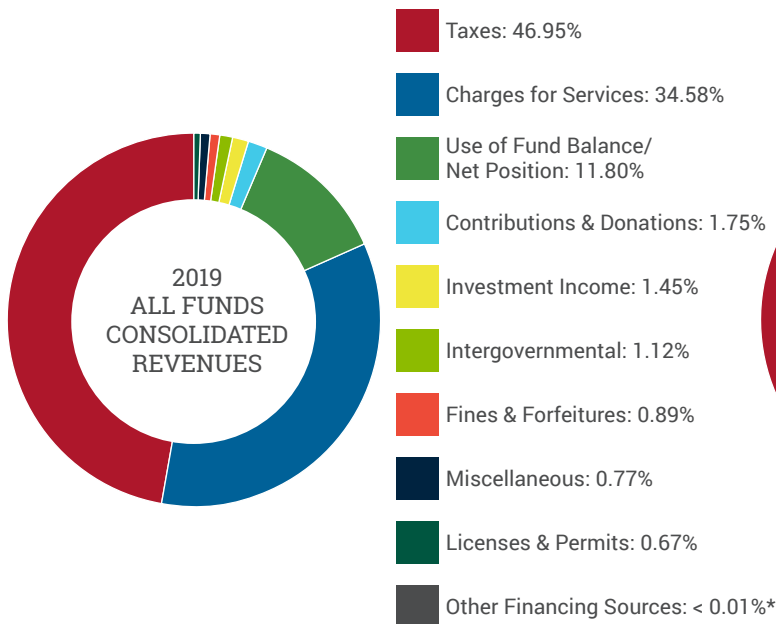
The purpose of a consolidated budget is to eliminate duplicating transfers and Internal Service Fund activity in order to determine the true cost of providing services. This data excludes inter-fund transfers in the amount of \$274,974,161 and Internal Service Fund activity in the amount of \$167,267,056.

FY 2019 CONSOLIDATED REVENUES

Taxes	\$ 648,616,898
Licenses and Permits	9,304,900
Intergovernmental	15,509,744
Charges for Services	477,775,991
Fines and Forfeitures	12,325,059
Investment Income	20,068,786
Contributions and Donations	24,238,904
Miscellaneous	10,612,210
Other Financing Sources	26,930
Total	1,218,479,422
Use of Fund Balance/Net Position	163,017,355
Total 2019 Revenues	\$ 1,381,496,777

FY 2019 CONSOLIDATED APPROPRIATIONS

General Government	\$ 128,521,255
Judicial	182,194,348
Public Safety	299,098,478
Public Works	533,063,245
Health and Welfare	14,262,222
Culture and Recreation	85,196,477
Housing and Development	44,334,209
Debt Service	81,818,246
Other Financing Uses	8,622,700
Total	1,377,111,180
Contribution to Fund Balance/ Working Capital Reserve	4,385,597
Total 2019 Appropriations	\$ 1,381,496,777



*Value too small to appear on this chart

FUND STRUCTURE

Major Fund Descriptions

General Fund:

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

Fire and EMS District Fund:

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

Police Services District Fund:

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

Water and Sewer Operating Fund:

The **Water and Sewer Operating Fund** supports the operation, maintenance, and capital improvement of the water and sewer system. Revenues are received from monthly usage bills, connections fees, and development charges. This fund supports the water and sewer operations of the Department of Water Resources, including debt service payments for outstanding bonds. A portion of the fund's revenues are transferred monthly to the Renewal and Extension Capital Fund for the Water and Sewer Capital Improvement Program.

Stormwater Operating Fund:

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

2009 SPLOST Fund:

The **2009 SPLOST Fund** accounts for the proceeds from a four-year, one percent sales tax approved by voters in 2008 for the purpose of resurfacing, paving, widening, and extending certain roads and bridges; acquisition of greenspace and park land; expansions, renovations, and development of parks and recreation facilities; courthouse addition; construction of libraries; and construction and renovations of fire and police facilities and equipment. Sales tax collections for the 2009 SPLOST program totaled \$671.5 million. Approximately 17 percent, or \$104.9 million, was 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 \$440.4 million, which was shared between the County (78.9 percent) and 16 cities (21.1 percent), before ending on March 31, 2017. 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
2019 TOTAL BUDGET
\$1,823,737,994

GOVERNMENTAL FUNDS

PROPRIETARY FUNDS

**GENERAL & TAX-RELATED
SPECIAL REVENUE**
\$704,649,489

**OTHER SPECIAL
REVENUE**
\$219,176,981

ENTERPRISE
\$732,644,468

**INTERNAL
SERVICE**
\$167,267,056

General
\$336,028,460

Authority Imaging
\$882,651

Airport**
\$3,827,284

Administrative Support
\$77,932,740

G.O. Bond Debt Service
\$4,255,250

Corrections Inmate Welfare
\$127,520

**Economic Development
Operating**
\$5,257,000

Auto Liability
\$1,797,000

**Development and
Enforcement Services District**
\$13,881,372

Crime Victims Assistance
\$944,277

Local Transit**
\$25,685,138

Fleet Management
\$8,716,084

Fire and EMS District
\$126,067,174

**District Attorney
Federal Justice Asset Sharing**
\$137,000

Solid Waste
\$42,242,156

Group Self-Insurance
\$64,441,806

Loganville EMS District
\$43,875

**District Attorney
Federal Treasury Asset Sharing**
\$13,338

Stormwater**
\$75,589,897

Risk Management
\$8,617,887

Police Services District
\$129,352,548

E-911
\$25,362,883

Water and Sewer**
\$580,042,993

Workers' Compensation
\$5,761,539

Recreation
\$44,720,506

Juvenile Court Supervision
\$69,744

Capital Projects*
\$44,211,474

Police Special Justice
\$110,000

Vehicle Replacement*
\$6,088,830

Police Special State
\$1,068,395

Sheriff Inmate
\$868,607

Sheriff Special Justice
\$100,000

Sheriff Special Treasury
\$150,000

Sheriff Special State
\$100,000

Speed Hump
\$160,222

Stadium
\$2,353,465

Street Lighting
\$7,703,702

Tree Bank
\$20,000

Tourism
\$13,425,912

SPLOST*
\$165,579,265

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 – 2019 Appropriations by Department *(in thousands of dollars)*

	General and Tax-Related Special Revenue Funds					Other Special Revenue Funds		Enterprise Funds		Internal Service Funds	
Department	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	Total
Atlanta Regional Commission	1,095	–	–	–	–	–	–	–	–	–	1,095
Board of Health	1,575	–	–	–	–	–	–	–	–	–	1,575
Clerk of Court	11,855	–	–	–	–	–	883	–	–	–	12,738
Clerk of Recorder's Court	–	–	1,702	–	–	–	–	–	–	–	1,702
Coalition for Health & Human Services	235	–	–	–	–	–	–	–	–	–	235
Community Services	13,236	–	–	42,498	3,058	15,802	–	–	–	–	74,594
Community Services – Elections	4,687	–	–	–	–	–	–	–	–	–	4,687
Corrections	18,337	–	–	–	223	–	127	–	–	–	18,687
County Administration	1,402	–	–	–	70	–	–	–	–	5,028	6,500
County Administration – BOC	1,325	–	–	–	–	–	–	–	–	–	1,325
Debt Service – Governmental	–	–	–	4,255	–	–	–	–	–	–	4,255
DFACS	661	–	–	–	–	–	–	–	–	–	661
District Attorney	16,386	–	–	–	225	–	493	–	–	–	17,104
Financial Services	9,758	–	–	–	3,562	–	–	–	–	21,281	34,601
Fire and EMS	–	117,960	–	–	1,047	6,872	–	–	–	–	125,879
Forestry	9	–	–	–	–	–	–	–	–	–	9
Gwinnett Sexual Assault	200	–	–	–	–	–	–	–	–	–	200
Human Resources	–	–	–	–	–	–	–	–	–	74,665	74,665
Indigent Medical	225	–	–	–	–	–	–	–	–	–	225
Information Technology	–	–	–	–	19,244	–	–	465	42	39,640	59,391
Judiciary	25,078	–	–	–	–	–	–	–	–	–	25,078
Juvenile Court	8,416	–	–	–	84	–	70	–	–	–	8,570
Law	–	–	–	–	–	–	–	–	–	2,520	2,520
Libraries	19,403	–	–	–	–	6,812	–	–	–	–	26,215
Loganville EMS	–	–	–	44	–	–	–	–	–	–	44
Mental Health	793	–	–	–	–	–	–	–	–	–	793
Non-Departmental	50,219	7,315	3,552	3,690	1,904	6,421	4,473	165	5,358	1,316	84,413
Planning and Development	735	792	1,440	8,877	550	–	20	961	969	–	14,344
Police Services	2,487	–	119,905	3,352	1,386	3,650	22,068	–	–	–	152,848
Probate Court	2,941	–	–	–	–	–	–	–	–	–	2,941
Recorder's Court	–	–	2,057	–	–	–	–	–	–	–	2,057
Sheriff	101,188	–	–	–	1,719	31	1,219	–	–	–	104,157
Solicitor General	5,716	–	697	–	–	–	602	–	–	–	7,015
SPLOST – Cities' Share	–	–	–	–	–	31,692	–	–	–	–	31,692
SPLOST – Civic Center Expansion	–	–	–	–	150	–	–	–	–	–	150
Stadium	–	–	–	–	–	–	2,353	–	–	–	2,353
Support Services – Operations	113	–	–	185	–	–	–	–	–	22,817	23,115
Support Services – Capital Projects	–	–	–	–	15,038	5,546	–	–	–	–	20,584
Support Services – Solid Waste	–	–	–	–	–	–	–	–	42,232	–	42,232
Tax Commissioner	14,332	–	–	–	–	–	–	–	–	–	14,332
Tourism	–	–	–	–	–	–	13,426	–	–	–	13,426
Transportation	23,621	–	–	–	2,040	88,753	7,864	–	29,512	–	151,790
Water Resources	–	–	–	–	–	–	–	578,452	74,489	–	652,941
Total Appropriations	336,028	126,067	129,353	62,901	50,300	165,579	53,598	580,043	152,602	167,267	1,823,738

DEBT SUMMARY

The County has maintained the highest quality bond rating of Aaa/AAA/AAA since 1997 by the three primary rating agencies, placing it in the top 2 percent of counties in the nation. 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.

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.

Major capital projects are funded through the issuance of long-term debt and pay-as-you-go methods. Capital needs are identified and addressed in the capital budgeting process. This process assesses the purpose, size, and timing of borrowing needs. There are also other factors considered, such as the budget impact of ongoing support of capital improvements, legal constraints on capacity, other financing alternatives, the urgency of needs, the cost of delay, the willingness of the community to pay, current interest rates, market conditions, and availability of other monies to fund the projects.

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 \$1.5 billion in financing costs compared to issuing bonds.

While none of the \$2.1 billion 2019 – 2024 Capital Improvement Plan is funded by debt, the County does have relationships with the Gwinnett County Development Authority and the Urban Redevelopment Agency through which it issues revenue bonds for redevelopment and economic development purposes. In 2018, the County issued \$95.7 million in revenue bonds through the Development Authority to fund the construction of a conference center, parking deck, and other improvements on the Infinite Energy Center campus. The County also issued \$35.4 million in revenue bonds through the Urban Redevelopment Agency to purchase 103 acres within the Gwinnett Village Opportunity Zone for a redevelopment project. These are the first new money bond issues Gwinnett County has approved in nearly 10 years.

Types of Debt

GENERAL OBLIGATION BONDS

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. These refunding bonds were rated AAA by all three rating agencies. The result of that refunding was a net present value savings of \$2.2 million. The 2012 refunding G.O. Bonds were paid in full in January 2019.



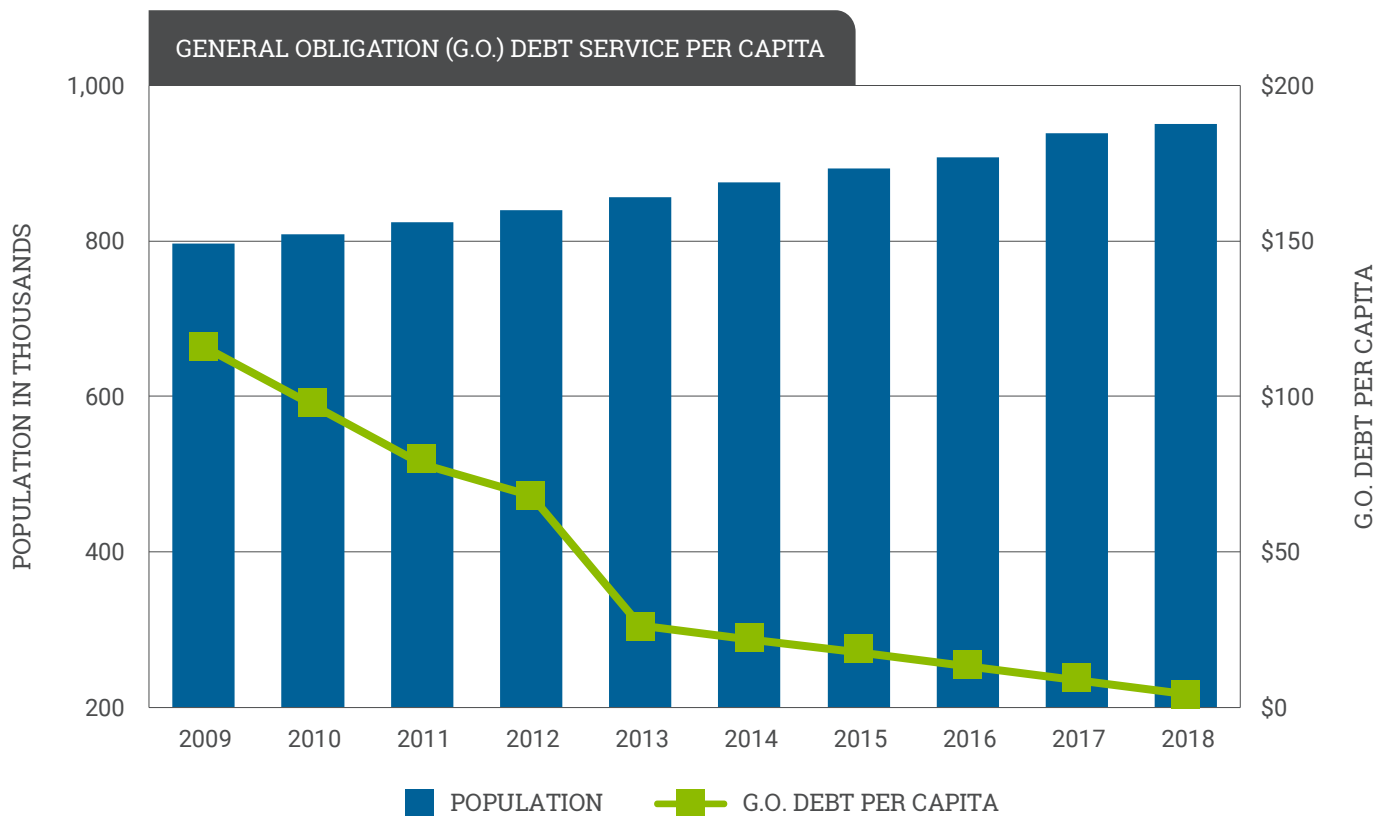
The constitutional debt limit for G.O. Bonds for Georgia counties is 10 percent of the assessed value of taxable property within the county. The statutory debt limit as of December 31, 2018, for Gwinnett County was \$3,066,910,000. The County had cash available to pay the outstanding principal and interest, providing a debt margin of \$3,066,910,000 (unaudited). The G.O. Bond principal balance outstanding as of December 31, 2018, was \$4,150,000.

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, 2018:

(Dollars in thousands)

Year	Principal	Interest	Total
2019	4,150	104	4,254
Total	\$ 4,150	\$ 104	\$ 4,254



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. As of January 2019, debt per capita is \$0.

Revenue Bonds

WATER AND SEWERAGE AUTHORITY

The information in the following table reveals the outstanding debt service amounts for the Water and Sewerage Authority as of December 31, 2018 (unaudited):

Outstanding Principal by Issue Combined Water and Sewerage Authority Revenue Bonds

\$166,765,000	Series 2009	Issued 10/22/09
\$106,345,000	Series 2011	Issued 7/1/11
\$32,875,000	Series 2015	Issued 8/3/15
\$145,990,000	Series 2016A	Issued 5/19/16
\$102,135,000	Series 2016	Issued 8/1/16

(Dollars in thousands)

Year	Principal	Interest	Total
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	64,900	10,457	75,357
2024 – 2028	233,465	23,760	257,225
2029	19,955	1,088	21,043
Total	\$ 554,110	\$ 95,289	\$ 649,399

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 2018 increased water and sewer rates over a seven year period beginning January 1, 2019. Over the seven year time period, the average monthly water and sewer residential bill (based on 5,280 gallons per month for a typical residential household) will increase by 8.08 percent from \$80.61 in 2018 to \$87.12 in 2025. This is a \$6.51 per month total increase implemented over seven years.

URBAN REDEVELOPMENT AGENCY

In addition to G.O. bonds and Water and Sewerage Revenue bonds, the County issues revenue debt to fund some of its capital needs through intergovernmental contracts or lease agreements between the County and the applicable authority/agency. The County pledges income derived from the acquired or constructed assets to pay debt services.

The information in the following table reveals the outstanding debt service amounts for the Urban Redevelopment Agency as of December 31, 2018 (unaudited):

Urban Redevelopment Agency Revenue Bonds
\$35,435,000 Series 2018 Revenue Bonds Issued 12/4/18

The estimated annual requirements to amortize the bonds payable as of December 31, 2018, were as follows:

(Dollars in thousands)

Year	Principal	Interest	Total
2019	1,630	917	2,547
2020	1,290	1,257	2,547
2021	1,330	1,219	2,549
2022	1,370	1,179	2,549
2023	1,410	1,137	2,547
2024 – 2028	7,780	4,962	12,742
2029 – 2033	9,315	3,424	12,739
2034 – 2038	11,310	1,432	12,742
Total	\$ 35,435	\$ 15,527	\$ 50,962

The County is absolutely and unconditionally obligated under the terms of an intergovernmental contract for the debt service payments on the Urban Redevelopment Agency bonds.

DEVELOPMENT AUTHORITY

The information in the following table reveals the outstanding debt service amounts for the Development Authority as of December 31, 2018 (unaudited):

Outstanding Principle by Issue Development Authority Revenue Bonds		
\$6,655,000	Series 2007 Parking Garage	Issued 8/30/07
\$38,305,000	Series 2010 Arena Refunding	Issued 11/9/10
\$29,785,000	Series 2017 Stadium Refunding	Issued 1/26/17
\$95,710,000	Series 2018 Infinite Energy Center Expansion	Issued 7/24/18

The total annual requirements on all outstanding debt as of December 31, 2018, including interest, are as follows (unaudited):

(Dollars in thousands)

Year	Principal	Interest	Total
2019	3,955	7,039	10,994
2020	4,110	6,622	10,732
2021	4,280	6,450	10,730
2022	4,440	6,296	10,736
2023	4,630	6,103	10,733
2024 – 2028	37,950	26,747	64,697
2029 – 2033	33,860	19,152	53,012
2034 – 2038	27,560	13,424	40,984
2039 – 2043	22,325	8,541	30,866
2044 – 2048	27,345	3,520	30,865
Total	170,455	103,894	274,349

The County is absolutely and unconditionally obligated under the terms of capital leases for the debt service payments on the Development Authority bonds. Lease payment terms mirror the required debt service on the bonds.

Other outstanding debt amounts as of December 31, 2018, are as follows (unaudited):

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

(Dollars in thousands)

Year	Principal	Interest	Total
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	3,242	710	3,952
2024 – 2028	17,626	2,010	19,636
2029 – 2032	4,283	142	4,425
Total	\$ 37,191	\$ 6,632	\$ 43,823

The total annual requirements on all outstanding debt as of December 31, 2018, including interest, are as follows (unaudited):

(Dollars in thousands)

Year	G.O.	Water & Sewer	GEFA	Development Authority	Urban Redevelopment Authority	Total
2019	4,254	73,950	3,952	10,994	2,547	95,697
2020	—	73,938	3,952	10,732	2,547	91,169
2021	—	73,946	3,953	10,730	2,549	91,178
2022	—	73,940	3,953	10,736	2,549	91,178
2023	—	75,357	3,952	10,733	2,547	92,589
2024 – 2028	—	257,225	19,636	64,697	12,742	354,300
2029 – 2033	—	21,043	4,425	53,012	12,739	91,219
2034 – 2038	—	—	—	40,984	12,742	53,726
2039 – 2043	—	—	—	30,866	—	30,866
2044 – 2048	—	—	—	30,865	—	30,865
Total	\$ 4,254	\$ 649,399	\$ 43,823	\$ 274,349	\$ 50,962	\$ 1,022,787

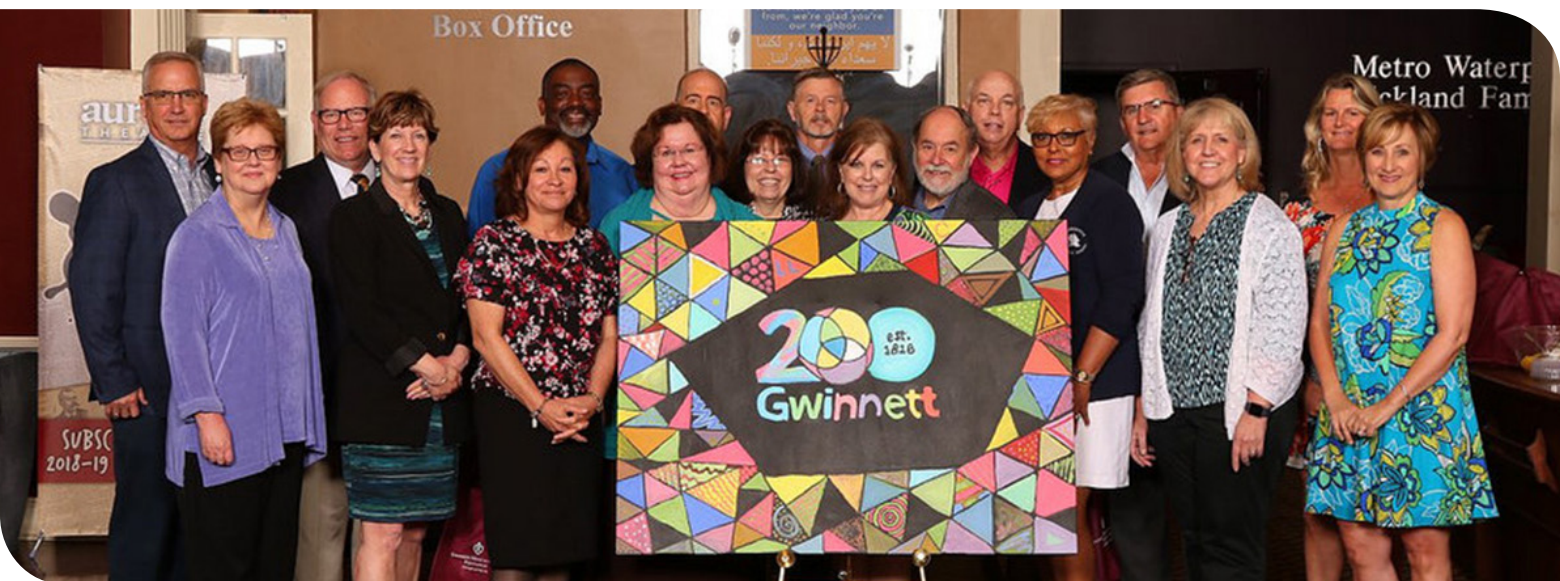
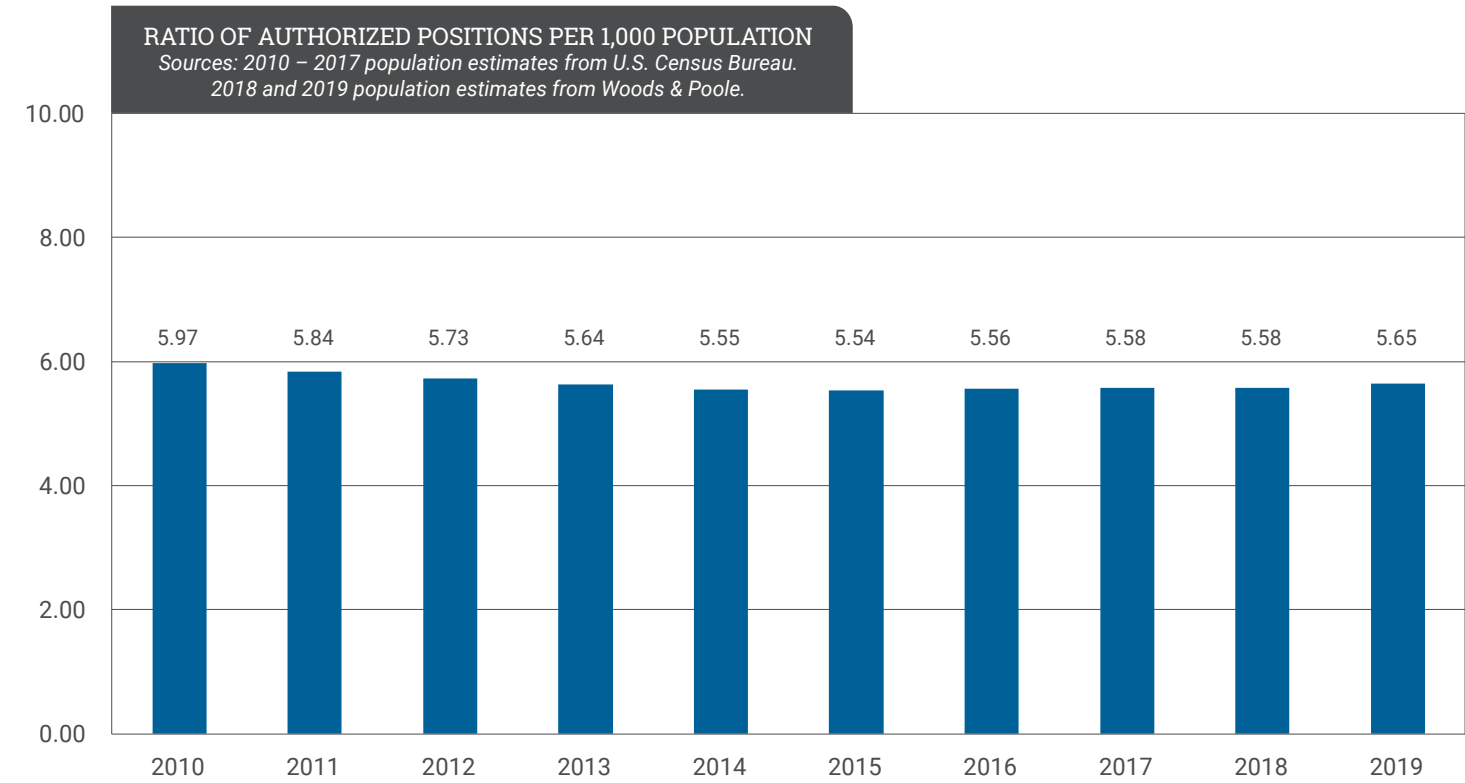
The total annual debt requirement for 2019 is \$95.7 million which is 6.8 percent of the total operating budget of \$1.4 billion, resulting in total operating appropriations less annual debt of \$1.3 billion.



EMPLOYEE ENVIRONMENT

Staffing Levels and Population Growth

Gwinnett County faces an ever present challenge of maintaining service levels with a growing population. 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 2010 – 2018, the county's population increased by 18 percent while County staff only increased by 10 percent.



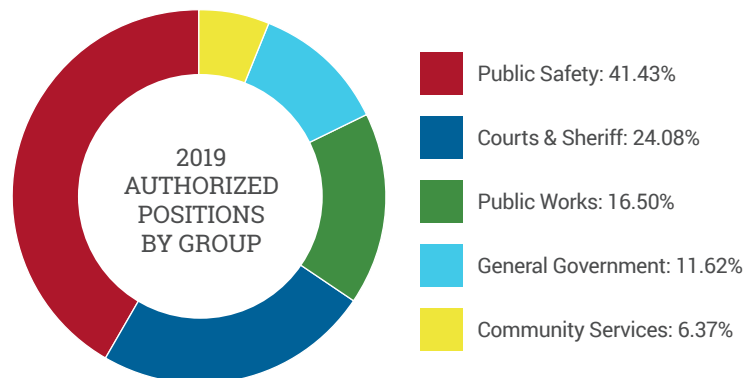
GWINNETT COUNTY AUTHORIZED POSITION HISTORY

Agency	Group	2016	2017	2018	2019 Adopted
Clerk of Court	Courts and Sheriff	106	106	106	109
Clerk of Recorder's Court	Courts and Sheriff	17	17	17	17
Community Services	Community Services	270	318	338	349
Corrections	Public Safety	136	136	136	136
County Administration	General Government	41	46	53	53
District Attorney	Courts and Sheriff	117	118	120	122
Financial Services	General Government	125	128	132	132
Fire Services	Public Safety	898	916	952	961
Human Resources	General Government	41	42	45	45
Information Technology	General Government	122	122	129	130
Judiciary/Court Administration	Courts and Sheriff	109	111	111	129
Juvenile Court	Courts and Sheriff	65	66	66	67
Law	General Government	16	16	16	16
Planning and Development	Public Works	78	83	90	95
Police Services	Public Safety	1,104	1,063	1,129	1,171
Probate Court	Courts and Sheriff	26	26	26	26
Recorder's Court Judges	Courts and Sheriff	9	9	9	9
Sheriff	Courts and Sheriff	714	722	722	777
Solicitor	Courts and Sheriff	55	62	62	62
Support Services	General Government	122	132	141	141
Tax Commissioner	General Government	119	119	119	119
Transportation	Public Works	147	153	156	164
Water Resources	Public Works	598	620	631	644

Total		5,035	5,131	5,306	5,474
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Unallocated	General Government	7	6	2	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.



Pension and OPEB 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. As of December 31, 2017, the funded ratios for the DB pension and OPEB plans were 80.8 percent and 66.5 percent, respectively.

Workforce Health

During 2018, significant progress was made in health and wellness. Nearly 7,000 employees, retirees, and dependents visited the Wellness Center. Visits consisted of personal health appointments, preventive screenings, and acute care. Occupational health services, which included pre-employment physicals, drug screenings, lifting assessments, and return to duty assessments, were added in 2018.

The Wellness Program continues to influence Gwinnett County's workforce in a positive manner. More than 88 percent of eligible employees participated in the program during 2018. The focus on disease management continued for employees and spouses. Programs such as diabetes prevention, disease management coaching, and diabetes and hypertension educational toolkits have proven popular with those who are part of the program.

In 2018, the Wellness Incentive Program was enhanced by adding a goal tracking component. This allows participants to set nutritional and physical activity goals, track their progress, and earn wellness points for successful goal completion. Spousal participation was also heightened by requiring spouses to earn the same number of wellness points as an employee, further encouraging spouses to engage in healthy behavior and activities. During the last year, 79 percent of eligible spouses participated in the Wellness Program.

Gwinnett County employs a holistic approach to wellness, which includes financial health. Approximately 1,200 employees met with our retirement specialist during 2018 to discuss their retirement preparedness.

Health Benefit Costs

Gwinnett County continuously evaluates strategies that allow us to monitor our healthcare trends in an effort to manage the increasing costs of health care. In 2018, Gwinnett County enhanced the High-Deductible Plan by including a cost-effective solution for high quality MRI, CT, and PET scans, which has a projected cost savings of 30 percent on these services in 2019.

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 will 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. The Management Framework is an essential part of the budget process. As part of the 2019 budget planning process, County Administrator departments and the Sheriff's Office aligned their budget requests to countywide priorities using the Management Framework, as shown in Section IV.

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

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

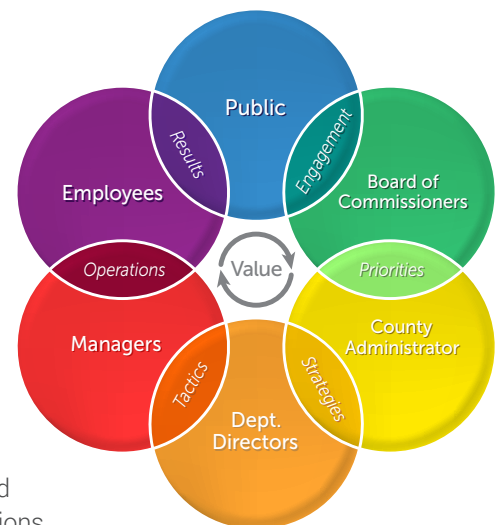
Strategy – *Approach* – The approach needed to narrow the scope of priorities into actionable decisions that propel the organization forward.

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

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.

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.

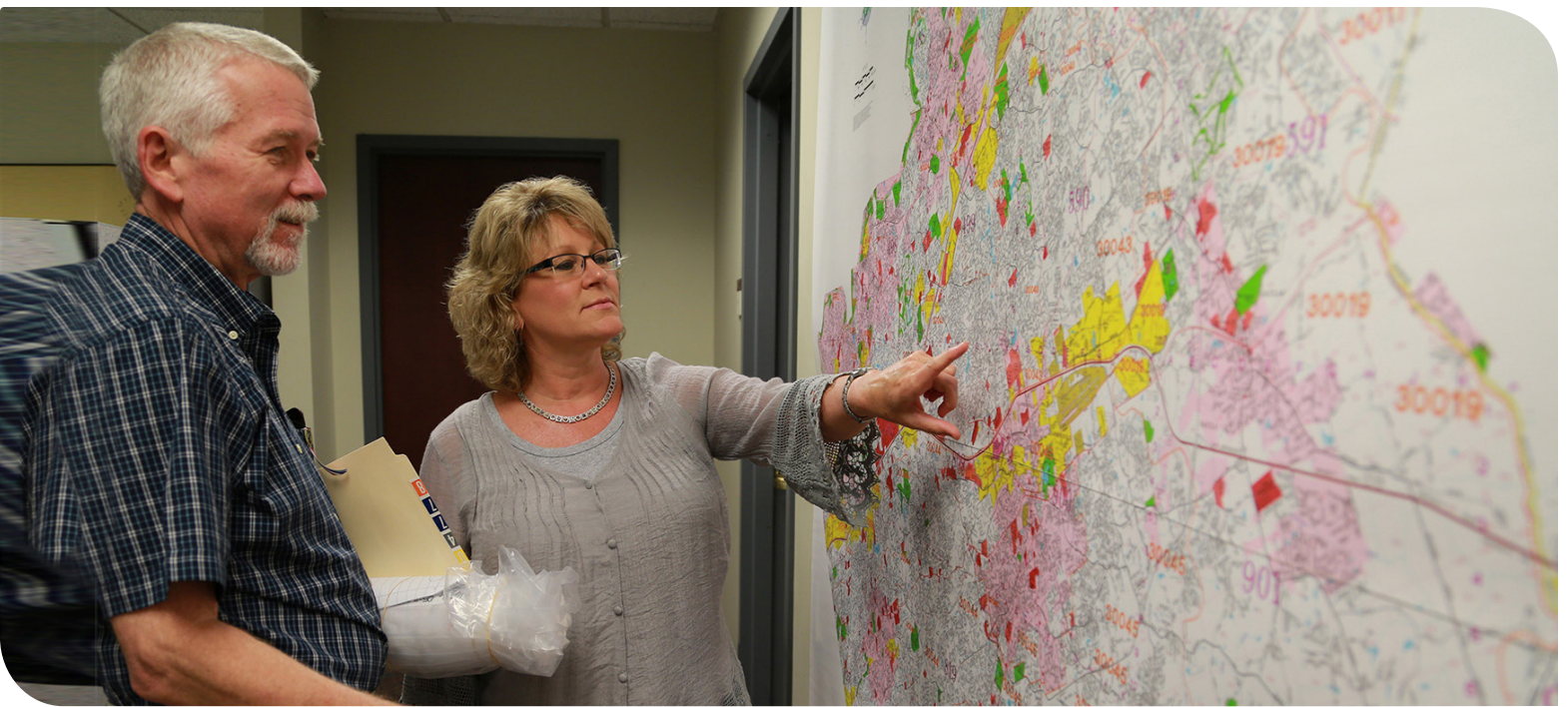
2. Internal Revenue Service Requirements – In order for travel advances and reimbursements of travel expenses to be excluded from a traveler's taxable income, the County's travel policies must meet the Internal Revenue Service (IRS) requirements for an "accountable plan." The County Travel Policy has 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.

CAPITAL ASSET INVESTMENT AND MANAGEMENT POLICY

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.



The Gwinnett County Standard

Some examples of how Gwinnett County meets an expectation of excellence, smart management, and sustainable decision-making are as follows:

- Fiscally responsible – triple-AAA rated for over 20 years
- Global leader in water and wastewater services
- Highly accredited public safety departments (Fire and Emergency Services, Corrections, and Police)
- Emphasis on maintaining and replacing assets
- Long-term planning focus
- Pay-as-you-go financing used for infrastructure projects funded by SPLOST, saving more than \$1 billion in financing costs since 1985

- 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

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.

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 Section 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 CFO/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 Section works to effectuate grant compliance. The Grants Section 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 Grants Section continues to analyze its grant processes, working to develop best practices for continued compliance and to secure future funding awards.

INVESTMENT POLICY

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.

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](#) on pages II:64 – II:65 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/expense 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:19 for the "[2019 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.

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 December 29, 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 31st 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.

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.

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
- Long-Term Financial Planning Policy
- Five-Year Forecast of Revenues and Expenditures
- Property Tax Digest Forecast
- Capital Improvement Plan
- 2040 Unified Plan
- Comprehensive Transportation Plan
- Comprehensive Transit Development Plan
- Countywide Trails Master Plan
- Water and Wastewater Master Plan
- Comprehensive Parks and Recreation Master Plan
- Open Space and Greenway Master Plan
- Solid Waste Management Plan



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 depth. 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 LEAD Academy. 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. LEAD Academy 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 LEAD Academy, 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, EXCEL is a management development program designed especially for Gwinnett County current and future management employees to provide structure and support for ongoing professional development. The ultimate goal of the program is embodied in its name: To develop Executive Competence, Excellence, and Leadership.

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 on [pages II:59 – II:60](#).

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.

Each year County staff develops a six-year, long-range **Capital Improvement Plan** (CIP) that describes and prioritizes the capital projects the County intends to undertake. The CIP is described in more detail in the [“Capital Asset Investment and Management Policy”](#) on pages II:48 – II:50. Gwinnett County’s major capital achievements in fiscal year 2018 and the programs that make up the 2019 – 2024 CIP are described in Section VI.

The state of Georgia mandates that a Unified Plan be re-written every 10 years. The [2040 Unified Plan](#), also known as a comprehensive plan, was adopted by the Board of Commissioners on February 5, 2019. The Plan was crafted after months of public input from stakeholder meetings, open house information sessions across the county, intercept interviews at parks, and surveys.

The 2040 Unified Plan contains analysis, policies, maps, and proposals to help guide progress and development countywide on multiple fronts through 2040. The Unified Plan provides a blueprint of how the County’s residents and other stakeholders would like to see Gwinnett grow and develop over the next 22 years. It affords the County an opportunity to review conditions in the community, anticipate future needs and establish short-term and long-term goals.

The plan, developed by consulting firm Pond & Co., traces Gwinnett’s history, covers the results from public input sessions, incorporates demographic trends, and inventories the county’s infrastructure, community amenities, land use, and built environment. It establishes a vision taking into account the County’s needs and opportunities and incorporates five themes: Maintain Economic Development and Fiscal Health, Foster Redevelopment, Maintain Mobility and Accessibility, Provide More Housing Choices, and Keep Gwinnett a Preferred Place. Plans incorporated into the 2040 Unified Plan include the County’s recently approved Comprehensive Transportation Plan, Connect Gwinnett: Transit Plan, Countywide Trails Master Plan, and water and sewer plans.

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 named Destination2040 in 2017.

In 2018, the County completed a [Comprehensive Transit Development Plan](#) called Connect Gwinnett: Transit Plan. This plan relied upon extensive public outreach and data analysis to identify potential new markets and underserved areas as well as forecast growth corridors. The Connect Gwinnett: Transit Plan developed short, mid, and long-term phases with future transit service enhancements being based on the recommendations of the plan. Recommendations include expanded local service and new flex service areas in the short-term phase to a multimodal hub and heavy rail extension to Norcross in the long-term phase.






The Gwinnett County **Water and Wastewater Master Plan**, adopted in 2018, is fully aligned with the 2040 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 2040, 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.

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 950,000 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**, supported by the 2017 Update of the Gwinnett County Parks and Recreation Capital Improvement 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 Greenway Master Plan**, amended by the Open Space & Greenway Master Plan Update, 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** was adopted in 2018 to ensure the connectivity of city and county trails to each other for a countywide map of existing and future trails. The Countywide Trails Master Plan was a collaborative effort between the Gwinnett County Department of Transportation (DOT) and the Gwinnett County Department of Community Services as well as the cities and Community Improvement Districts (CIDs) across the county. The plan provides a high-quality network of trails to give the community an innovative way to travel across the county and a place to exercise and socialize with family, friends, and neighbors. It will be used as a guide to increase biking and walking options for transportation as well as recreational opportunities. Additional information about [Parks and Recreation Master Planning](#) is available on Gwinnett County’s website.

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.

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.



DID YOU KNOW

*In 2018, Water Resources received the highest
customer service rating in the south region
from JD Power Utility Study.*