

Section 2

EXECUTIVE SUMMARY

This section provides an overview of the budget and County government finances. Included are the transmittal letter; a statement of the County's mission, vision, and values; budget at a glance; key priorities and challenges; other factors affecting the budget; an explanation of the budget process; the budget resolution; the consolidated budget; fund structure; appropriations by department; debt management information; the employee environment; financial policies and practices; and long-term planning tools.

January 7, 2020

Dear Stakeholders of Gwinnett County:



It is our privilege to present the Budget Document for fiscal year 2020. This document is a summary of our overall plan for allocating resources in alignment with the County's priorities. The \$1.84 billion balanced budget for 2020 is comprised of a \$1.44 billion operating budget and a \$401 million capital improvement budget, which includes funds from the County's Special Purpose Local Option Sales Tax program. The total 2020 budget, including operating and capital, represents a 1.1 percent increase over 2019.

The 2020 operating budget of \$1.44 billion is \$57.4 million, or 4.1 percent, higher than the 2019 operating budget. The increase is largely attributable to increased personnel costs as the County adds necessary personnel to meet increased service demands. The 2020 capital budget of \$401 million represents a decrease of approximately \$37 million compared to the 2019 capital budget. The decrease is primarily due to a higher than typical 2019 capital budget for facilities, infrastructure, and needed improvements to the County's stormwater drainage systems.

The 2020 budget addresses a broad spectrum of areas covering diverse needs such as public safety, parks, and economic development. It 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: Safe and Healthy Community, Mobility and Access, Livability and Comfort, Strong and Vibrant Local Economy, Communication and Engagement, and Smart and Sustainable Government.



Safe and Healthy
Community



Mobility
and Access



Livability
and Comfort



Strong and Vibrant
Local Economy



Communication
and Engagement



Smart and Sustainable
Government

The fiscal year 2020 budget supports the County's priorities in the following ways:

- In support of the **Safe and Healthy Community** priority, the budget includes funding for 30 more master police officer positions, a Situational Awareness and Crime Response Center, security and support for the recently constructed alternate E-911 center, and two more ambulances and three heavy-duty pickups equipped with Advanced Life Support capabilities. The budget also provides funding for an 11th Superior Court judge and support positions in the areas of Clerk of Court, District Attorney, and the Administrative Office of the Courts, as well as additional sheriff's deputies for courtroom security.
- The budget supports the **Mobility and Access** priority with a five-lane grade-separated interchange on Harbins Road over State Route 316 and a park-and-ride lot at that intersection. Funds will also be used to explore development of Bus Rapid Transit services in the I-85 corridor and to expand and improve the Gwinnett Place Transit Center. For alternate transportation, the budget includes funds to extend the Ivy Creek Greenway to connect the Suwanee Creek Trail to the Mall of Georgia.
- To support the **Livability and Comfort** priority, the budget will fund the relocation of the Duluth, Norcross, and Snellville libraries and the development of Beaver Ruin Park off Satellite Boulevard with wetland trails and boardwalks. To help address homelessness, funds are budgeted to continue providing hotel/motel vouchers for emergency shelter providers and to complete the build-out of the Norcross Assessment Center to provide homeless shelter beds there.
- In support of a **Strong and Vibrant Local Economy**, the budget includes funding to create the Gwinnett Entrepreneur Center to aid small business startups by providing resources and services including physical space, education, and networking connections. Funding will also be allocated to continue the Infinite Energy Center expansion and to develop The Water Tower: Global Innovation Hub @ Gwinnett for water-related research and training.

- The budget supports the **Communication and Engagement** priority by funding the 2020 elections with several options for early and advance voting and by funding an increase in poll official pay to staff County precincts. Also in support of the Community and Engagement priority, the budget will continue supporting community outreach programs like the Gwinnett 101 Citizens Academy and the Gwinnett Youth Commission.
- The budget supports the **Smart and Sustainable Government** priority by continuing efforts to recruit and retain a quality workforce through pay-for-performance increases and longevity pay. Funds are also allocated to enhance the County's cybersecurity efforts.

The 2020 budget continues Gwinnett's history of sustainable, conservative budgeting practices and demonstrates our commitment to prudent financial planning. The budget keeps adequate reserve funds and uses pay-as-you-go financing for infrastructure projects funded by SPLOST. 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 six citizen reviewers studied departments' and agencies' business plans, budget requests, and revenue projections to make recommendations for the budget. The six review team members included: David Cuffie (CEO, Total Vision Consulting LLC), Norwood Davis (CFO, 12Stone Church), Thuy Hotle (retired planner, Department of Planning and Development), Asif Jessani (Principal Marketing and Technology Consultant, CCS: Marketing and Technology), Santiago Marquez (President and CEO, Georgia Hispanic Chamber of Commerce), and Keith Roche (Lawrenceville City Councilman and retired business executive).

As Gwinnett County enters into its third century, demographic changes and a growing population have some of the greatest impacts on the budget through an increased demand for services. Other factors that influenced the 2020 budget were maintaining County assets, ensuring adequate reserves, funding pension and other post-employment benefits, and meeting the challenge of rising medical costs. Through multi-year planning, the budget considers not only today's projects, but also long-term projects that will benefit the County years from now. By employing smart and sustainable models of fiscal responsibility and strategic planning of our resources, we will continue to deliver superior services to our residents while meeting the challenges faced today and maximizing the opportunities of the future.

Respectfully submitted,

Maria B. Woods

Maria B. Woods,
CFO/Director of Financial Services



GOVERNMENT FINANCE OFFICERS ASSOCIATION STATEMENT:

The Government Finance Officers Association of the United States and Canada presented a Distinguished Budget Presentation Award to Gwinnett County, Georgia, for its Annual Budget for the fiscal year beginning January 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**Gwinnett County
Georgia**

For the Fiscal Year Beginning

January 1, 2019

Christopher P. Morill

Executive Director

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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 examples below describe how the County is upholding the principles outlined by its mission, vision, and values statements.

Mission:

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

Gwinnett County's delivery of superior services is evidenced by the numerous awards and recognitions received on an annual basis. Accomplishments by department for fiscal year 2019 are available in Section IV of this document. A complete listing of awards received in 2019 is available at www.GwinnettStandard.com.

In pursuit of its mission, Gwinnett County established and maintained numerous community partnerships in 2019, a few of which are described below:

- Through a partnership with the United Way, Gwinnett County provided financial assistance to Gwinnett-based emergency shelter providers allowing them to provide additional hotel/motel vouchers to assist homeless individuals and families.
- 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 2019, 65 volunteers graduated from Gwinnett 101 Citizens Academy.
- Community Outreach coordinated multicultural outreach events including participation in the Gwinnett Multicultural Festival, Black History Month, Asian American Pacific Islander Celebration, Hispanic Heritage Month, Juneteenth Celebration, and numerous other festivals, conferences, expos, and events.
- The UGA Cooperative Extension 4-H section began a Healthy Living Program at Radloff Middle School for the 6th, 7th and 8th grade special needs classes. Class topics included healthy living, stress reduction, and 4-H yoga.
- Animal Welfare increased its public outreach program with Summer Camp, Pet Fest, Clear the Shelter, and Shelter Pets Rock events.

In 2020, Gwinnett County will continue to achieve its mission by establishing and maintaining numerous community partnerships. Some examples are provided below:

- The County will add a program coordinator position to increase the efficiency of the community outreach program and support its increasing popularity.
- 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.



Gwinnett 101
CITIZENS ACADEMY

Engaging Our Community, One Citizen At A Time

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

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

- County staff will continue its efforts to address homelessness and affordable housing needs through partnerships like the HomeFirst Gwinnett Initiative. In 2020, the County plans to complete the build-out of the Norcross Assessment Center, which will more than double the number of existing shelter beds in the County.

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 2019:

- To improve community safety and advance community risk reduction, the County increased public safety personnel by adding 30 master police officers, nine Fire and Emergency Services personnel, and 55 new Sheriff positions.
- To make life better for our citizens, Community Services expanded Family and Consumer Science programming by adding a Community Services Program Assistant position to increase educational programs offered in English and Spanish.
- In support of entrepreneurship and economic growth, the County completed the concept phase of the Gwinnett Entrepreneur Center.
- Partnership Gwinnett, a public-private initiative spearheaded by the Gwinnett Chamber that is committed to job creation, professional development, and education, won 20 projects (seven relocations and 13 expansions) resulting in 3,125 high-paying jobs.

In 2020, Gwinnett County will continue to pursue its vision in the following ways:

- The County will increase public safety staffing with the following new positions: 30 master police officers, 45 firefighters and two fire inspectors, and 43 Sheriff positions.
- The County will promote economic growth by continuing to fund capital projects such as the Gwinnett Entrepreneur Center, The Water Tower: Global Innovation Hub @ Gwinnett, and the Infinite Energy Center expansion.
- To effectively respond to emergencies, Fire and Emergency Medical Services will receive and staff three new Alternate Response Vehicles and two new med units in 2020.
- To limit the community's exposure to risk, the County will develop and implement advocacy campaigns to address homelessness, mental health, and drug addiction and their impacts on our community.

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)
- Nationally recognized parks and recreational services
- Long-term planning focus
- Pay-as-you-go financing used for infrastructure projects funded by SPLOST, saving more than \$1.8 billion in financing costs since 1985

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 upholds 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:41 – II:69
- Leadership in Energy & Environmental Design 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, the Police Training Facility, the Medical Examiner's Office and Morgue, and the Lilburn Library Branch and City Hall
- Management Framework Application – 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 2019 are provided below.

- To keep up with technology, the County launched the Gwinnett County Government Facebook, Twitter, and Instagram pages.
- Planning and Development enhanced online services by redesigning the Licensing and Revenue website to simplify site navigation and enhance the customer experience by creating an online tax calculator for estimating occupation tax certificate fees for new businesses, a single login for user access to multiple accounts, and an option to print a copy of the occupation tax certificate.
- Fiscal responsibility is demonstrated 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 Communications Division made significant progress on highly-visible branding assets, including the development of branding collateral sets and design standards for police vehicles, park entrance signs, and building/monument signs. They also updated the Brand and Usage Guide and instituted the Communications Academy to train and educate employees.
- To improve the customer experience, Planning and Development remodeled two lobbies, providing multi-disciplined assistance to residents and business owners. The remodel decreased customer wait times and the need for multiple offices visits.

In 2020, Gwinnett County will continue to uphold its values in the following ways:

- The County will add a senior IT systems administrator position and two contractors to enhance cybersecurity and assist in the mitigation of security risks.
 - A program analyst in the Police Department's Technology Research Unit will be added to help keep the County up-to-date on technological advancements.
 - 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.
 - The County will meet the needs of a multi-generational and multi-cultural population by providing public education for code changes, completing a comprehensive housing study, developing a community outreach plan, creating training videos for the public, and converting critical documents into prevalent foreign languages.

BUDGET AT A GLANCE

The \$1.84 billion balanced budget for fiscal year 2020 consists of separate budgets for operating expenses and capital improvements. The operating budget of approximately \$1.44 billion includes daily operating costs like salaries and maintenance. The capital budget of approximately \$401 million funds infrastructure, facilities, vehicles, and equipment.

Fiscal Year 2020 Budget Approach Compared to Prior Year

The budget approach used to develop the fiscal year 2020 budget is very similar to the approach used to develop the 2019 budget. Both budgets maintained mandated and priority core services, continued the 90-day vacancy policy, and continued decision packages for service reductions and service enhancements. Additionally, for the past three years, departments have linked decision package requests to the County's strategic priorities using the Management Framework, which is described on [page II:39](#). 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 2020 budget and in alignment with the County's priorities are discussed in detail on pages II:12 – II:15.

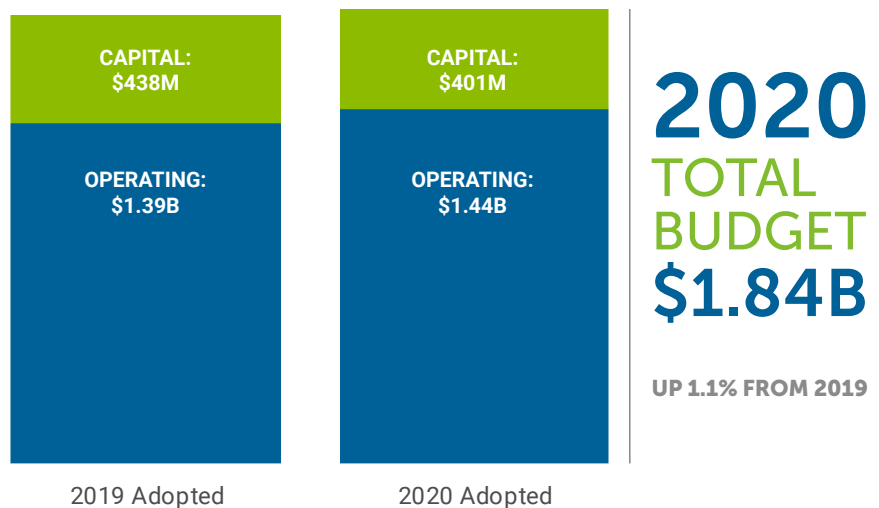
Fiscal Year 2020 Adopted Budget Compared to Prior Year

2020 Adopted Budget: Comparison to Prior Year			
	2019 Adopted	2020 Adopted	% Change
Operating	\$ 1,385,257,488	\$ 1,442,692,435	4.1%
Capital	438,480,506	401,434,046	(8.4)%
Total	\$ 1,823,737,994	\$ 1,844,126,481	1.1%

The 2020 operating budget is \$57.4 million higher than the 2019 operating budget. The year-over-year increase is primarily due to:

- A \$36.5 million increase in Personal Services as the County adds necessary personnel and offers pay-for-performance increases and longevity pay to eligible employees
- A nearly \$38 million increase in General Operating Expenses, including professional services, insurance and claims, license support agreements, uniform purchases, utilities, and computer supplies
- An \$8.8 million increase in reserves and contingencies
- The increases are partially offset by a \$21.2 million decrease in contributions to capital and a \$4.4 million decrease in debt service.

The 2020 capital budget is \$37.0 million lower than the 2019 adopted capital budget. The decrease is primarily due to a higher than typical 2019 capital budget for facilities, infrastructure, and needed improvements to the County's stormwater drainage systems.





2020 Adopted Budget by Fund Type

The table below provides a summary of the fiscal year 2020 adopted budget by fund type.

Fund Types	Operating Budget	Capital Budget	Total	% of Total
Tax-Related Funds	\$ 722,809,588	\$ 70,464,046	\$ 793,273,634	43.1%
Special Revenue Funds	\$ 54,853,710	\$ 154,261,396	\$ 209,115,106	11.3%
Enterprise Funds	\$ 483,789,158	\$ 176,708,604	\$ 660,497,762	35.8%
Internal Service Funds	\$ 181,239,979	–	\$ 181,239,979	9.8%
Total Budget	\$ 1,442,692,435	\$ 401,434,046	\$ 1,844,126,481	

Tax-related funds include the General, Fire and EMS District, Police Services District, Development and Enforcement Services District, Loganville EMS, Recreation, and Capital Project and Capital Vehicle Replacement Funds. The tax-related funds have an operating budget of \$722.8 million and a capital budget of \$70.5 million.

Special revenue funds account for restricted and committed revenues and have an operating budget of \$54.9 million and a capital budget of \$154.3 million. These funds include capital projects funded by SPLOST proceeds.

Enterprise funds account for \$483.8 million of the total operating budget and \$176.7 million of the total capital budget. The County operates six enterprise funds related to water and sewer service, stormwater management, solid waste management, transit, economic development, and the County airport, Briscoe Field. Enterprise operations are managed and operated much like private sector businesses and are funded primarily from user fees and charges. 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 \$181.2 million.

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

Year	Operating Budget	% chg.	Capital Budget	% chg.	Total Budget	% chg.
2020	\$ 1,442,692,435	4.1%	\$ 401,434,046	(8.4)%	\$ 1,844,126,481	1.1%
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%



The operating budget for fiscal year 2020 for all funds totals \$1.44 billion. The preceding table indicates a \$57.4 million increase from the fiscal year 2019 adopted budget.

The capital budget for fiscal year 2020 for all funds totals \$401 million. Capital project budgets are adopted as multi-year project budgets, and unspent funds from 2019 are carried forward to 2020.

Operating Budget Comparison Detail

New positions were included in both the 2019 and 2020 budgets to meet the County's strategic priorities and to meet the demands of a growing population. The 2019 budget added 168 new full-time positions, and the 2020 budget added 179 new full-time positions.

Many of the new positions added in both 2019 and 2020 were in support of the Safe and Healthy Community strategic priority. Both budgets funded new positions for Fire and Emergency Services, Police, Sheriff, and the Courts. When compared to the 2019 budget, the 2020 budget added more Fire and Emergency positions to staff two new medic units and three new alternative response vehicles. In both 2019 and 2020, 30 police officer positions with two support positions were included in the budget to serve a growing population. The 2019 budget included an additional 10 records personnel positions in Police to address increasing workloads, and the 2020 budget included two crime and intelligence analyst positions for the Police Situational Awareness and Crime Response Center and six police communications officers to increase personnel for the new alternate E-911 center. Like 2019, the 2020 budget included additional sheriff's deputies for building and courtroom security in support of the courthouse expansion. Both budgets also included positions in the areas of Clerk of Court, District Attorney, and the Administrative Office of the Courts. In 2020, an 11th Superior Court Judge and support positions were added in these areas. In 2019, many of the positions added were for full-time court reporters to replace contracted court reporter positions which had become difficult to fill. Full-time positions with benefits were necessary to attract job applicants in the increasing competitive metro Atlanta market.

2019 and 2020 New "Safe and Healthy Community" Authorized Positions Budgeted		
	2019	2020
Fire and Emergency Services	9	47
Police Services	42	40
Sheriff	55	43
Courts	24	19
Total New "Safe and Healthy Community" Authorized Positions	130	149

Note: One additional police position was included in the 2020 budget under the "Smart and Sustainable Government" strategic priority.

Both the 2019 and 2020 budgets also funded new positions in support of the Mobility and Access priority. The 2020 budget added three new positions in the Department of Transportation, while the 2019 budget added eight new DOT positions. The positions added in 2020 were to enhance the County's traffic signal and communications system and help reduce traffic congestion. The positions added in 2019 were 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 2019 and 2020 budgets included funding to address homelessness and affordable housing needs. The 2019 budget also included funding for positions needed to expand Parks and Recreation programming.

Both the 2019 and 2020 budgets supported the Communication and Engagement priority by funding new positions dedicated to enhancing community engagement. The 2019 budget funded a Planning and Development position to support community engagement opportunities and a Community Services position to increase educational programs offered in English and Spanish. The 2020 budget added one position in the County Administrator's Office to support community engagement opportunities and improve the efficiency of the community outreach program. Both budgets continued to fund community outreach initiatives such as Gwinnett 101 Citizens Academy and Gwinnett Youth Commission. To support Communication and Engagement, the 2020 budget also included funds for the 2020 elections with several options for early and advance voting and an increase in poll official pay.

There were no operating initiatives included in the 2019 or 2020 budgets related to the Strong and Vibrant Local Economy priority; however, there were many capital projects approved in both budget years in support of this priority. Refer to the ["Capital Budget Comparison Detail"](#) 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 2019 and 2020 budgets included 4 percent pay-for-performance increases and longevity pay for eligible employees. Funding to add positions necessary to maintain assets, increase customer service and satisfaction, and improve efficiency levels was also included in both the 2019 and 2020 budgets as part of the Smart and Sustainable Government priority.

Significant factors impacting the current budget environment

- Strong economy and healthy tax digest
- Adequate reserves
- Well-funded pension and OPEB plans
- Triple-AAA credit rating
- Growing population
- Rising medical costs
- Maintaining County assets

Capital Budget Comparison Detail

Capital project budgets are adopted as multi-year project budgets. As a result, many of the same capital projects funded in 2019 will continue to be funded in 2020. Key capital initiatives from the 2019 and 2020 capital budgets in alignment with the County's strategic priorities are described below.

A major capital project included in both the 2019 and 2020 capital budgets in support of the Safe and Healthy Community priority was the construction of the Bay Creek Police Precinct and Alternate E-911 Center to accommodate growth in the southeastern portion of the county. However, the budgeted capital amounts varied significantly in 2019 and 2020. The 2019 capital budget for this project was much larger because the facility was still under construction. Construction was completed in December 2019, but some capital budget in 2020 is allocated for the purchase of an additional 911 logging recorder system at the alternate E-911 center. A key difference between the 2019 and 2020 capital budgets is the 2019 capital budget included funding for the construction of the headquarters and barracks for Georgia State Patrol Post 51, which opened in August 2019.

Also supporting the Safe and Healthy Community strategic priority in the 2020 capital budget is a Situational Awareness and Crime Response Center. The SACRC will integrate and analyze voice, video, and data and translate them into critical intelligence. One of the goals of the SACRC is to allow Gwinnett to remain a technological leader in investigating and solving crimes. Two medic units and three alternative response vehicles for Fire and Emergency Services are also budgeted for 2020. The additional vehicles will free up fire engines and ambulances for other emergency calls.

In support of the Mobility and Access priority, the 2020 capital budget includes projects for road, intersection, and bridge improvements along with projects supporting the transit, airport, and trails systems. Both the 2019 and 2020 budgets included various SPLOST-funded transportation improvements and roadway maintenance and enhancements; the expansion of the Gwinnett Place Transit Center; and construction of or improvements to park-and-ride lots. The 2020 budget includes funding for a five-lane interchange on Harbins Road over State Route 316 and a park-and-ride lot at that intersection. The 2020 budget again includes funding to explore the development of a Bus Rapid Transit Corridor along Interstate 85 that in last year's budget included preliminary engineering funding. Additionally, both budgets included funds to support the County's trails system. The 2019 budget included funds for the development of the Harris Trail, while the 2020 budget includes funds for the expansion of the Ivy Creek Greenway to connect the Suwanee Creek Trail and the Mall of Georgia.

The capital budget addresses the Comfort and Livability strategic priority by investing in projects benefiting the community such as parks and libraries. Both the 2019 and 2020 capital budgets included funding for the relocation of the Duluth, Norcross, and Snellville libraries, which were in various design stages at the beginning of 2020. Of particular note in 2020 is the planned development of the Beaver Ruin Park off Satellite Boulevard in Norcross. The project is a joint initiative between the Department of Community Services and the Department of Water Resources and will feature wetland trails and boardwalks along the Bromolow Creek floodplain corridor. Strides were made in 2019 to address homelessness and will continue in 2020 with the build-out of the Norcross Assessment Center.

A major capital project supporting the Comfort and Livability priority with budget allocated in both years is the courthouse expansion and new parking deck. The project includes a new courthouse building of approximately 180,000 square feet and a new parking deck for approximately 1,500 vehicles. The building will house a jury assembly space, courtrooms, holding areas, and shell space for future growth. The first phase of the parking deck opened in March 2019, and the second phase opened in December 2019.

In support of the Strong and Vibrant Local Economy priority, both the 2019 and 2020 capital budgets included funding for a small business resource center, called the Gwinnett Entrepreneur Center, to aid small business startups by providing resources and services including physical space, education, and networking opportunities. The Gwinnett Entrepreneur Center will strengthen outreach efforts with small businesses and create an environment where those businesses can succeed. The project includes the renovation of an existing space on Perry Street in Lawrenceville. Both the 2019 and 2020 capital budgets also included funding for the Infinite Energy Center expansion and development of The Water Tower: Global Innovation Hub @ Gwinnett for water-related research and training. Currently, the County is in the process of reviewing submittals for the redevelopment of the Stone Mountain Tennis Center Site. The 26-acre site offers an opportunity for innovative redevelopment and economic growth.

Additional information about the 2020 capital budget and 2021 – 2025 Capital Improvement Plan is available in Sections V and VI.

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 2020 budget. A service enhancement usually increases costs, while a service reduction usually results in cost savings.

As part of the budget process, departments and agencies presented their business plans and decision package proposals to the Budget Review Team for consideration. The 2020 budget includes funding for decision packages and other operating initiatives supporting the County's strategic priorities in the amount of \$29.2 million, or 2 percent of the \$1.44 billion operating budget.

Listed below are key initiatives approved in the fiscal year 2020 budget. Justifications for each of these are provided on the pages that follow.

County Priority – Safe and Healthy Community:



Thirty police officer positions to meet increased demand for services

The Gwinnett County Police Department provides police services to the largest service population in Georgia, and the population continues to grow. To enable GCPD to effectively provide police services and move closer to its goal of 1.3 police officers per 1,000 citizens, an additional 30 master police officer positions were included in the 2020 budget.

Two crime and intelligence analyst positions to receive required training prior to the opening of the Police Situational Awareness and Crime Response Center

To prepare for the opening of the new Police Situational Awareness and Crime Response Center, the 2020 budget includes two crime and intelligence analyst positions to be tasked with operational responsibilities for the center. The analysts will undergo specific subject matter training concerning the SACRC throughout 2020, which will be vital for the successful deployment of the center in the year 2021.

Six police communications officers to increase personnel for the new alternate E-911 center and ensure coverage is available 24 hours a day, 7 days a week

To support the opening of an alternate E-911 communications center, six communications officers (two Communications Officer IIs and four Communications Officer IVs) are included in the 2020 budget. The alternate E-911 center will serve as a backup center in the event that the primary center is not functioning or is inaccessible. In this situation, the alternate E-911 center would be responsible for the primary handling of all 911 calls, non-emergency calls, and all police and fire/EMS dispatch. Based on the importance of the center's function, staff will be required 24 hours a day, 7 days a week to ensure the center's operability and to ensure that staff is present in the event that primary center functions are interrupted.

Eighteen firefighter positions to staff two new medic units

To meet future growth and demand, two new medic units with 18 new firefighter positions will be deployed in high demand areas. All 31 fire stations now have a fire engine and a medic unit, but the department anticipates increases in call volume. Based on historical data, of the 75 percent of emergency calls expected to be medical, approximately 60 percent will require transport.

Twenty-seven firefighter positions in the Department of Fire and Emergency Services to staff three new alternative response vehicles

The 2020 budget adds three heavy-duty pickup trucks equipped with Advanced Life Support capabilities that can respond to an emergency in lieu of a fire engine or medic unit to improve efficiency on emergency calls and improve response times as call volume increases. The three new alternative response vehicles will allow fire engines and medic units to stay closer to their designated areas and available for emergency calls. To staff the vehicles, 27 firefighter positions are included in the 2020 budget.

An 11th Superior Court Judge and support positions in the areas of Clerk of Court, District Attorney, and Administrative Office of the Courts, as well as additional sheriff's deputies for courtroom security

The passage of House Bill 21 during the 2019 legislative session increased the Gwinnett Superior Court bench from 10 to 11 divisions. As a result, the 2020 budget includes the addition of an 11th Superior Court Judge, support positions in various areas within the judicial system, and sheriff's deputies for courtroom security.

County Priority – Mobility and Access



Three Department of Transportation positions to enhance the County's traffic signal and communications system

Planning efforts have identified the need for additional staff in the Department of Transportation to maintain an acceptable performance level for traffic signal operations and maintenance. The 2020 budget includes three DOT positions to support this effort and to help the County meet increased demand as traffic volume grows.

County Priority – Livability and Comfort



Funding to address homelessness and affordable housing needs

The 2020 budget includes funding for County staff to continue efforts to address homelessness and affordable housing needs. In partnership with HomeFirst Gwinnett, a major accomplishment in 2019 included the completion of the most robust homeless point-in-time count, which provided insight into the size and location of the County's homeless population. Additionally, community stakeholders began developing a comprehensive strategic plan to address homelessness in Gwinnett County. Through a partnership with the United Way, the County also provided financial assistance to Gwinnett-based emergency shelter providers allowing them to provide additional hotel/motel vouchers to assist homeless individuals and families.

County Priority – Communication and Engagement



Extended voting hours, advance voting options, voting materials in several languages, and a pay increase for poll officials

To ensure the community has access to voting, the 2020 budget includes funding for early voting options and extended voting hours. Additionally, voting materials will be offered in multiple languages. Also included in the budget are rate increases for Gwinnett County poll workers to ensure that the County is able to attract sufficient manpower to handle the anticipated volume of voters.

A position to increase community engagement opportunities

In order to increase the efficiency of the community outreach program and support its increasing popularity, a new program coordinator position is included in the 2020 budget. Since 2015, the Office of Community Outreach has participated in over 660 community events, which directly impacted 38,000 Gwinnett County residents. Over 1,900 volunteers contributed 6,600 volunteer hours for outreach efforts. Additionally, the office coordinated proclamations commemorating the heritage of many of our cultural communities.

Funding to continue supporting Gwinnett 101 Citizens Academy and Gwinnett Youth Commission

The 2020 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.



Funding to continue efforts to recruit and retain a quality workforce through pay-for-performance increases and longevity pay

Gwinnett County values its employees and recognizes the importance of recruiting and retaining talented staff. Efforts to recruit and retain employees resulted in funding for a 4 percent pay-for-performance increase and longevity pay for eligible employees to be included in the budget. 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.

A program analyst in the Police Department's Technology Research Unit to meet increased workloads and stay up-to-date on technological advancements

To help relieve the heavy workload assigned to the Technology Research Unit, a new program analyst is included in the 2020 budget. The addition of this position will give the unit stability and continuity, which is difficult to manage with sworn personnel due to transfers, promotions, and lack of man-power. With the ever changing field of technology, this additional employee will allow the unit a greater opportunity to stay abreast of technology advancements.

Five positions for the Department of Planning and Development to assist in the areas of fire plan review, electronic document processing, and supporting applicants through the zoning and development process

- **Project Coordinator (Administration Division):** The 2020 budget includes a project coordinator in the Administration Division to serve as a project closer and focus on getting permits and certificates of occupancy issued. The position will provide an elite level of customer service by streamlining processes, coordinating project timelines, training internal staff, and assisting in problem solving for developers, residents, and businesses.
- **Two Administrative Support Associate positions (Administration Division):** The 2020 budget includes two administrative support associate positions in the Administration Division to ensure timely processing of any type of electronic documentation the department uses to conduct business operations including written applications, project plans, diagrams, and associated agreements. Implementation of these positions will encourage use of the County's online application and plan submittal processes, thereby reducing the need for customers to visit the department and saving the customer time and money.
- **Administrative Support Associate position (Permits and Inspections Section):** The 2020 budget includes an administrative support associate position in the Permits and Inspections Section to support the work activities of the Building and Development Inspections teams in order to improve efficiency and ensure that one key employee is dedicated to meeting the needs of this section. This will free the other administrative staff of work associated with Permits and Inspections and allow them to increase their responsibility to the groups to which they are assigned.
- **Planner III position (Fire Plan Review area):** The 2020 budget includes a planner III position in Planning and Development's Fire Plan review area to help close a skill gap and oversee select managerial tasks, enabling the team to put a succession plan into place. The group needs one high level planner position under the Fire Plan Review Manager position that has specialized training, extensive knowledge of adopted ICC building and life safety codes, and experience in the review of large and complex construction projects. In addition, this position will cross train in the responsibilities of the manager in order to serve in an acting capacity in the absence of the manager.



APPARATUS
TRAINING

A senior IT systems administrator position and two contractors to enhance cybersecurity and assist in the mitigation of security risks

- **Senior IT Systems Administrator:** In order to meet the increasing demand for new project deliveries and increased workloads related to database administration activities, the 2020 budget includes a senior IT systems administrator position to assist with project and administration efforts. With a heightened awareness of security vulnerabilities, the existing staff has inherited greater workloads to assist in the mitigation of security issues. An additional position should help relieve some of this heightened workload.
- **Two IT contractor positions:** Two patch management contractors are included in the 2020 budget to ensure regular system updates are performed by the Server Team. Due to the increased importance of cybersecurity, the Server team must modify their update procedures so that updates are applied monthly instead of quarterly. This higher frequency brings the infrastructure in line with best practices and significantly reduces risk to the County. However, this patching process creates an additional workload that was not accounted for in the current staffing model. Therefore, the budget includes two additional contractor positions to specifically focus on system updates to keep the County infrastructure secure and meet best practices.



OTHER FACTORS AFFECTING THE BUDGET

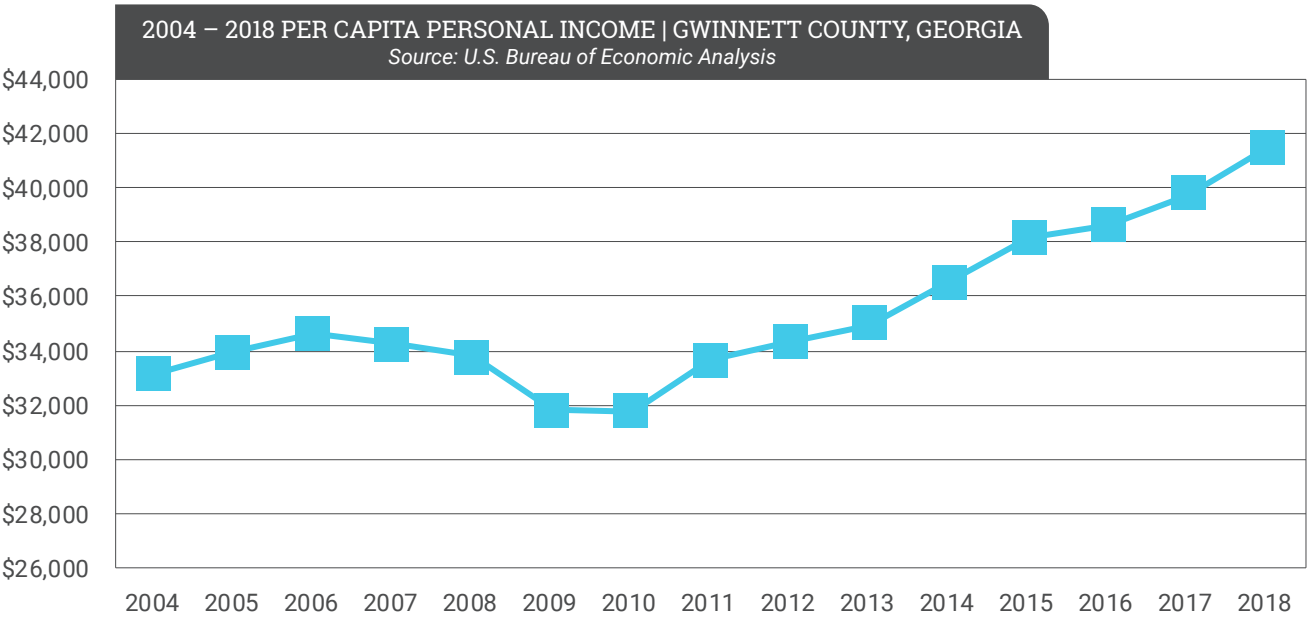
Economy

With a focus on redevelopment and revitalization, as outlined in the 2040 Unified Plan, the economic outlook in Gwinnett County remains positive. Population growth continues to be one of the greatest trends impacting development. The County’s population has grown nearly 8 percent from 2015 to 2019 and is projected to reach 1 million by the year 2022 (U.S. Census Bureau and Woods & Poole). Improving home values, increasing construction activity, and a strong labor market are helping contribute to both population growth and economic expansion.

Gwinnett’s talented workforce and quality of life continues to attract businesses to the area. Gwinnett County offers a competitive labor environment characterized by job growth, low unemployment rates, and increasing wages. Gwinnett County had an unemployment rate of 2.4 percent in December 2019, which was lower than the Atlanta Metropolitan area (2.7 percent), the state (2.9 percent), and the United States (3.4 percent). Gwinnett County’s labor force grew more than 10 percent from 2013 to 2018 (Georgia Department of Labor). From June 2018 to June 2019, the County achieved 1 percent employment growth and average weekly wages increased 4.6 percent (U.S. Bureau of Labor Statistics). 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 2019, Partnership Gwinnett won 20 projects (seven relocations and 13 expansions) resulting in 3,125 high-paying jobs in five target industries – Information & Technology Solutions, Health Sciences & Services, Professional & Corporate Services, Supply Chain Management, and Advanced Manufacturing. The county’s growing tourism industry has also had a significant impact, creating more than 13,400 jobs and \$39.7 million in local tax revenues in 2018, according to the U.S. Travel Association.

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 nearly 20 percent from 2016 to 2019, and has increased approximately \$9.4 billion since 2013. From 2013 to 2019, the average value of all types of residences, including single family homes, condos, and townhomes, rose 67 percent from \$150,000 to \$250,000.

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 2012. According to the Bureau of Labor Statistics, Gwinnett County had a per capita personal income of \$41,458 in 2018, an increase of 4.3 percent over 2017.

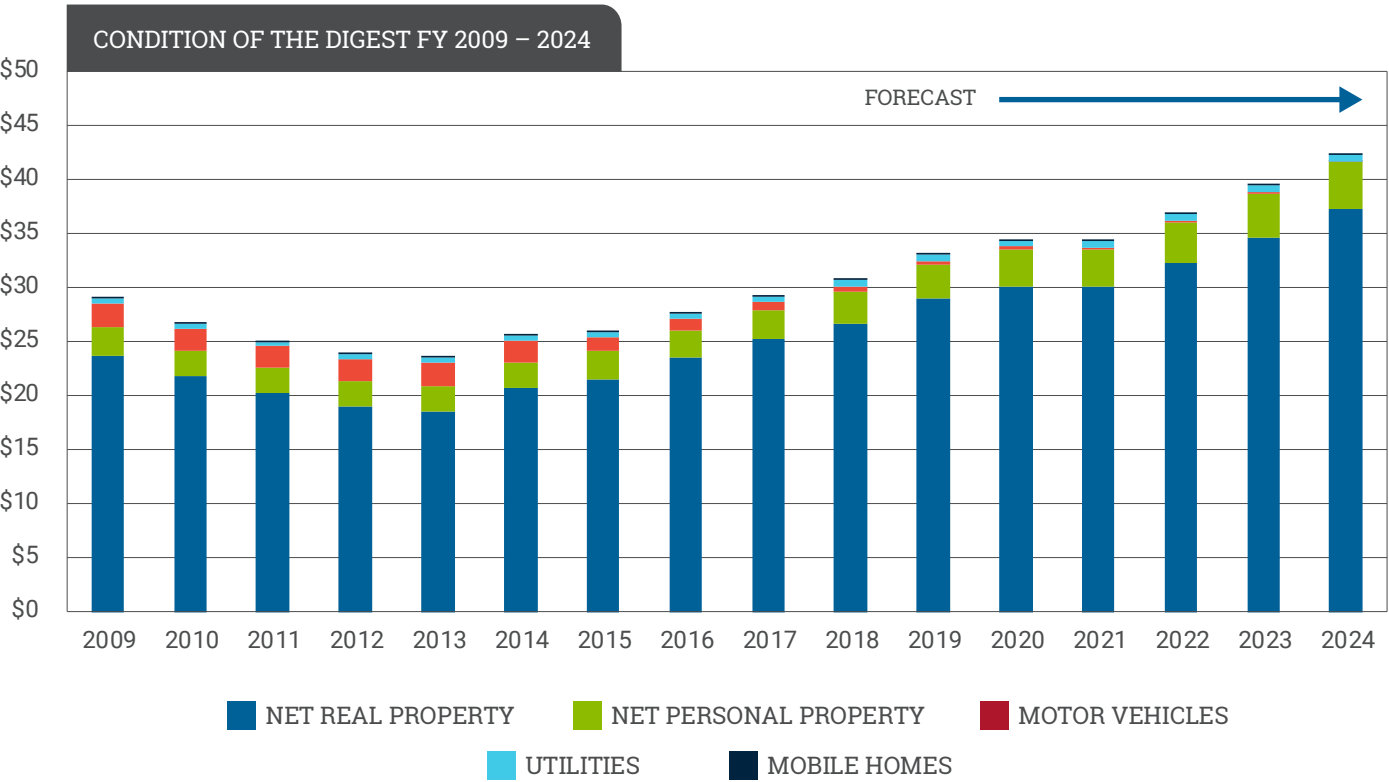


Property Taxes and the Condition of the Digest

Property taxes are an extremely important revenue source for the County. More than one-third (35.7 percent) of the total revenue for all operating funds and nearly three-quarters (74.8 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 services such as police, fire, and emergency medical services. Tax-related funds make up 47.7 percent of the fiscal year 2020 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 nearly 20 percent from 2016 to 2019.

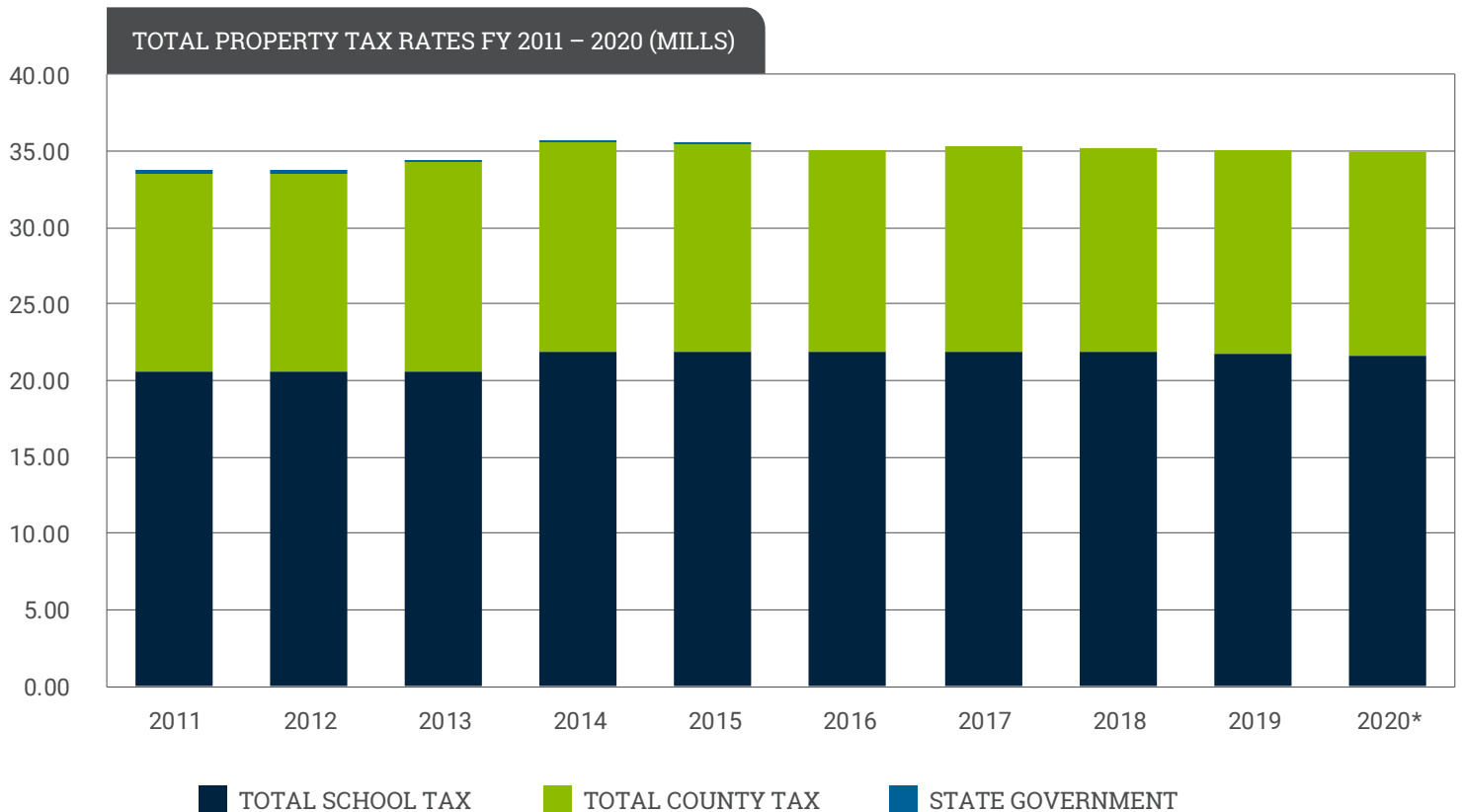
Since the inception of title *ad valorem* taxes in the spring of 2013, motor vehicle *ad valorem* taxes are being phased out and currently have a negative effect on the total digest growth as citizens transition from the old method of paying sales and use taxes and the annual *ad valorem* tax ("the birthday 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 2018 to 2019, there was a decrease of \$1.4 million, or 21.7 percent, in motor vehicle *ad valorem* tax revenue. The County has received revenue from title *ad valorem* taxes 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 2011 – 2020 (mills)

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020*
General Fund	11.78	11.78	7.40	7.40	7.229	6.826	7.40	7.209	7.209	7.209
Fire and EMS District	–	–	3.20	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	1.60
Development and Enforcement District	–	–	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36
Recreation Fund	1.00	1.00	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
G.O. Bond Fund II	0.24	0.24	0.24	0.24	0.24	0.24	–	–	–	–
Total County Tax	13.02	13.02	13.75	13.75	13.579	13.176	13.51	13.319	13.319	13.319
School M & O	19.25	19.25	19.25	19.80	19.80	19.80	19.80	19.80	19.80	19.70
School Bonds	1.30	1.30	1.30	2.05	2.05	2.05	2.05	2.05	1.95	1.90
Total School Tax	20.55	20.55	20.55	21.85	21.85	21.85	21.85	21.85	21.75	21.60
State Government	0.25	0.20	0.15	0.10	0.05	–	–	–	–	–
Total Property Tax	33.82	33.77	34.45	35.70	35.479	35.026	35.36	35.169	35.069	34.919

*The 2020 millage rate is an estimate.



*The 2020 millage rate is an estimate.

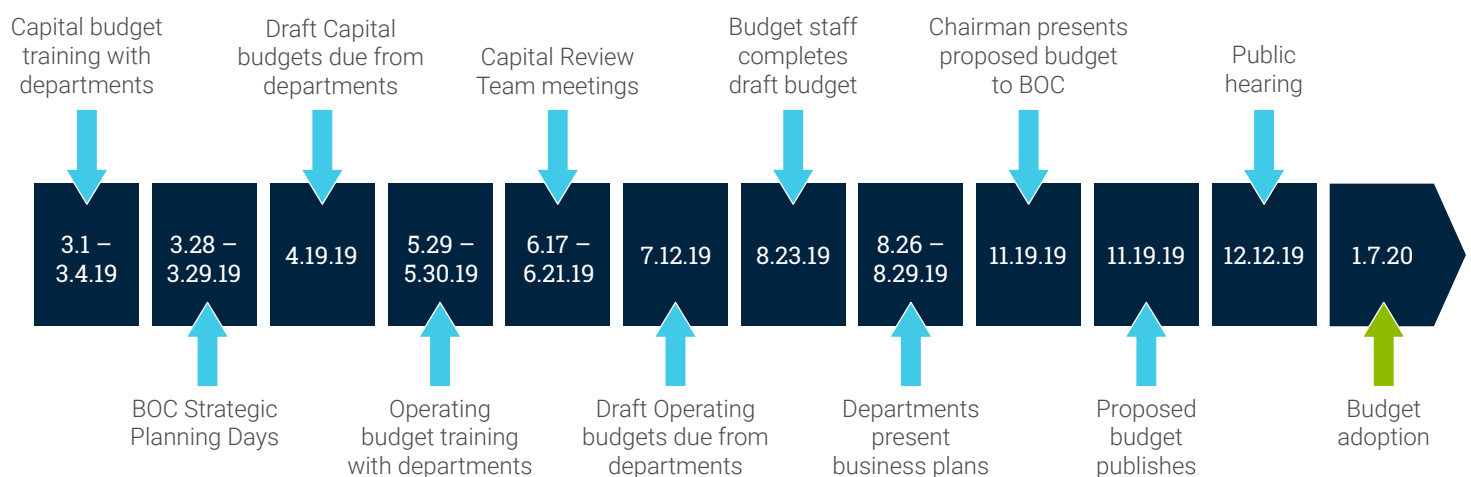
THE BUDGET PROCESS

Budget Process – Flow Chart

The following chart summarizes the budget process and the various steps leading to the adoption of the Fiscal Year 2020 Budget.

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

Budget Process – Timeline



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

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 2040 Unified Plan, as well as the Business Planning Process. The 2040 Unified Plan was adopted by the Board of Commissioners in February 2019 and is discussed in more detail on [page II:71](#). The Plan received state recognition as the best planning document in Georgia for 2019 with an award from the Georgia Planning Association.

The County’s 2040 Unified Plan encompasses the following themes:

- Maintain economic development and fiscal health
- Foster redevelopment
- Maintain mobility and accessibility
- Provide more housing choices
- Keep Gwinnett a preferred place

In developing the 2020 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 2020 budget was developed with input from six county residents who served on the Chairman’s Budget Review Team. Chairman Charlotte Nash, County staff, and the six citizen reviewers studied departments’ and agencies’ business plans, budget requests, and revenue projections to make recommendations for the budget.

Gwinnett’s 2020 budget process kicked off in March 2019 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 2019. 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 19, 2019. The Board of Commissioners reviewed the proposed budget, and in accordance with state law, a public hearing was held December 12, 2019. 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 7, 2020, 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 2020 Budget Resolution”](#) on pages II:22 – II:25 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 2020 Resolution Amounts

Operating Budget	FY 2020
Tax-Related Funds	
General Fund	\$ 368,860,924
Development & Enforcement District Fund	16,409,358
Fire and EMS District Fund	146,865,493
Loganville EMS District Fund	54,169
Police Services District Fund	144,220,153
Recreation Fund	46,399,491
Total Tax-Related	\$ 722,809,588
Special Revenue Funds	
Speed Hump Fund	\$ 435,697
Street Lighting Fund	7,581,042
Authority Imaging Fund	639,872
Corrections Inmate Welfare Fund	130,200
Crime Victims Assistance Fund	937,887
DA Federal Justice Asset Sharing Fund	175,000
E-911 Fund	27,298,718
Juvenile Court Supervision Fund	55,883
Police Special Justice Fund	111,000
Police Special State Fund	951,334
Sheriff Inmate Fund	715,330
Sheriff Special Justice Fund	200,000
Sheriff Special Treasury Fund	200,000
Sheriff Special State Fund	200,000
Stadium Fund	2,397,613
Tree Bank Fund	20,000
Tourism Fund	12,804,134
Total Special Revenue	\$ 54,853,710
Enterprise Funds	
Airport Operating Fund	\$ 1,504,424
Economic Development Operating Fund	5,426,622
Local Transit Operating Fund	16,708,874
Solid Waste Operating Fund	42,976,552
Stormwater Operating Fund	30,612,025
Water and Sewer Operating Fund	386,560,661
Total Enterprise	\$ 483,789,158
Internal Service Funds	
Administrative Support Fund	\$ 87,191,689
Auto Liability Fund	2,348,934
Fleet Management Fund	9,118,558
Group Self-Insurance Fund	67,497,563
Risk Management Fund	9,497,755
Workers' Compensation Fund	5,585,480
Total Internal Service	\$ 181,239,979
Total Operating Funds	\$ 1,442,692,435

Capital Budget	FY 2020	FY 2021 – 2025
Tax-Related Funds		
Capital Projects	\$ 59,371,046	\$ 126,190,869
Capital Vehicle Replacements	11,093,000	136,050,822
Total Tax-Related	\$ 70,464,046	\$ 262,241,691
Special Revenue Funds		
2009 SPLOST	\$ 792,000	\$ –
2014 SPLOST	9,941,000	9,259,835
2017 SPLOST	143,528,396	342,640,531
Total Special Revenue	\$ 154,261,396	\$ 351,900,366
Enterprise Funds		
Airport R & E	\$ 226,000	\$ 975,857
Stormwater R & E	19,644,887	104,039,736
Transit R & E	1,462,500	7,591,145
Water and Sewer R & E/Bond	155,375,217	746,418,910
Total Enterprise	\$ 176,708,604	\$ 859,025,648
Total Capital Funds	\$ 401,434,046	\$ 1,473,167,705

R & E = Renewal & Extension

SPLOST = Special Purpose Local Option Sales Tax



RESOLUTION ENTITLED: **A RESOLUTION ADOPTING A BUDGET FOR THE FISCAL YEAR 2020 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 2020 TAX DIGEST; AFFIRMING THAT EXPENDITURES IN EACH AGENCY MAY NOT EXCEED APPROPRIATIONS; AND PROHIBITING EXPENDITURES FROM EXCEEDING ANTICIPATED FUNDING SOURCES.**

READING AND ADOPTION: **January 7, 2020**

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 Ku, 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 2020 Proposed Budget, as required by State and Local Laws and regulations; and

WHEREAS, the Board decrees that the Proposed 2020 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 \$35,494,448 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 \$144,220,153 and remaining funding of \$108,725,705 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 2020 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/expense in accordance with the intent and actions of the Board of Commissioners; however, in no case shall appropriations exceed actual available funding sources; allocate funds from established reserves for leave balances at retirement, salary adjustments and reclassification to Department and Agency as necessary to provide funding for compensation actions, reductions in force and retirement incentives; transfer funds resulting from salary savings or transfer balances resulting from under expenditures in operating accounts into Non-Departmental reserves to fund accrued liabilities and expend funds within Non-Departmental reserve to reduce said accrued liabilities;
 - (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; close grant awards upon receipt of final payment and completion of the grant; adjust revenue and appropriations budgets at the time of grant closure to match collections and expenses, respectively;
 - (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 2020 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 2020 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-2020
GCID Number: 2020-0038

Charlotte J. Nash
Charlotte J. Nash, Chairman

1-15-2020
Date

Attest:



Douglas Kemp
County Clerk/Deputy County Clerk
(Seal)

Approved as to form:

M. Milson
Gwinnett County Staff Attorney

CONSOLIDATED BUDGET – ALL FUNDS

FY 2020 Revenues and Appropriations

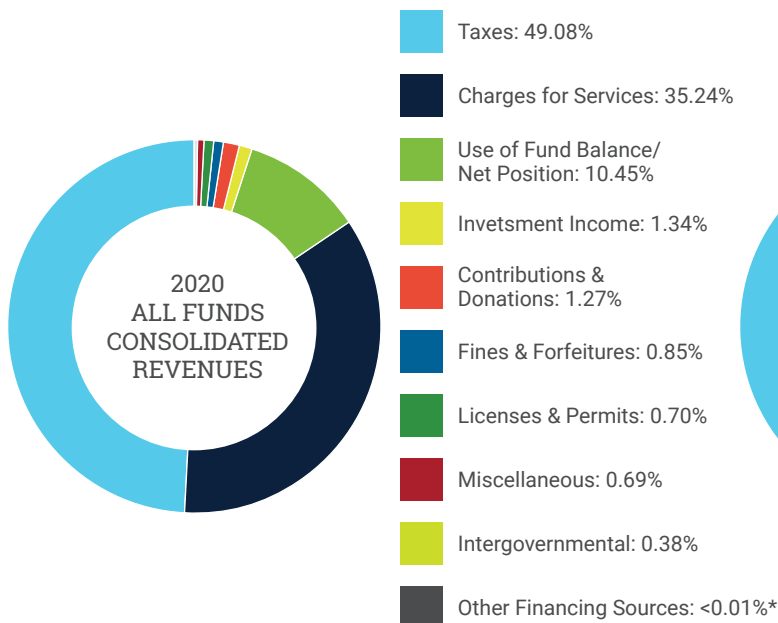
The purpose of a consolidated budget is to eliminate duplicating transfers and Internal Service Fund activity in order to determine the true cost of providing services. This data excludes inter-fund transfers in the amount of \$243,669,498 and Internal Service Fund activity in the amount of \$181,239,979.

FY 2020 CONSOLIDATED REVENUES

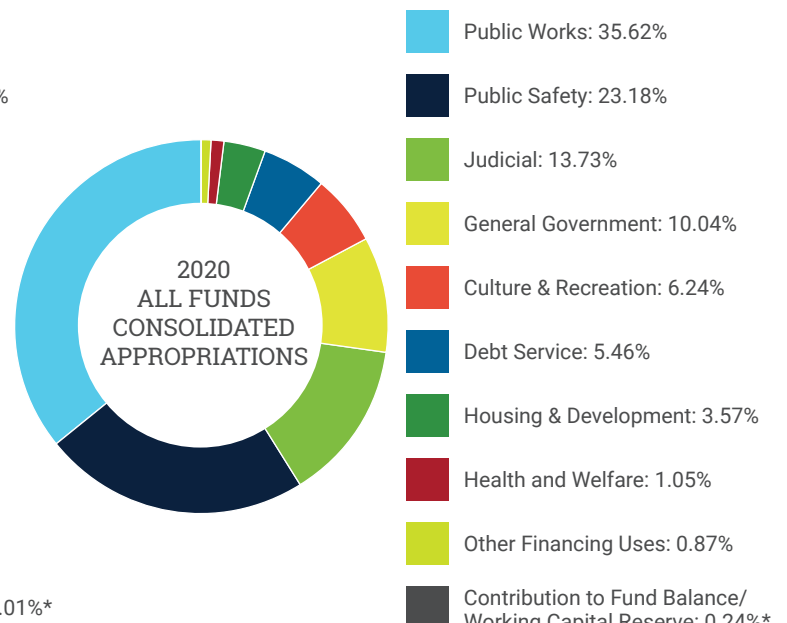
Taxes	\$ 696,504,381
Licenses and Permits	9,893,375
Intergovernmental	5,417,561
Charges for Services	500,109,456
Fines and Forfeitures	12,056,150
Investment Income	18,976,196
Contributions and Donations	18,098,536
Miscellaneous	9,866,456
Other Financing Sources	21,930
Total	1,270,944,041
Use of Fund Balance/Net Position	148,272,963
Total 2020 Revenues	\$ 1,419,217,004

FY 2020 CONSOLIDATED APPROPRIATIONS

General Government	\$ 142,481,387
Judicial	194,920,894
Public Safety	328,896,913
Public Works	505,476,149
Health and Welfare	14,871,469
Culture and Recreation	88,595,112
Housing and Development	50,625,344
Debt Service	77,554,583
Other Financing Uses	12,339,201
Total	1,415,761,052
Contribution to Fund Balance/ Working Capital Reserve	3,455,952
Total 2020 Appropriations	\$ 1,419,217,004



*Value too small to appear on this chart



*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 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
2020 TOTAL BUDGET
\$1,844,126,481

GOVERNMENTAL FUNDS

PROPRIETARY FUNDS

**GENERAL & TAX-RELATED
SPECIAL REVENUE**
\$793,273,634

General
\$368,860,924

**Development and
Enforcement Services District**
\$16,409,358

Fire and EMS District
\$146,865,493

Loganville EMS District
\$54,169

Police Services District
\$144,220,153

Recreation
\$46,399,491

Capital Projects*
\$59,371,046

Vehicle Replacement*
\$11,093,000

**OTHER SPECIAL
REVENUE**
\$209,115,106

Authority Imaging
\$639,872

Corrections Inmate Welfare
\$130,200

Crime Victims Assistance
\$937,887

**District Attorney
Federal Justice Asset Sharing**
\$175,000

E-911
\$27,298,718

Juvenile Court Supervision
\$55,883

Police Special Justice
\$111,000

Police Special State
\$951,334

Sheriff Inmate
\$715,330

Sheriff Special Justice
\$200,000

Sheriff Special Treasury
\$200,000

Sheriff Special State
\$200,000

Speed Hump
\$435,697

Stadium
\$2,397,613

Street Lighting
\$7,581,042

Tree Bank
\$20,000

Tourism
\$12,804,134

SPLOST*
\$154,261,396

ENTERPRISE
\$660,497,762

Airport**
\$1,730,424

**Economic Development
Operating**
\$5,426,622

Local Transit**
\$18,171,374

Solid Waste
\$42,976,552

Stormwater**
\$50,256,912

Water and Sewer**
\$541,935,878

**INTERNAL
SERVICE**
\$181,239,979

Administrative Support
\$87,191,689

Auto Liability
\$2,348,934

Fleet Management
\$9,118,558

Group Self-Insurance
\$67,497,563

Risk Management
\$9,497,755

Workers' Compensation
\$5,585,480

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 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.

ALL FUNDS – 2020 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	1,205	–	–	–	–	–	–	–	–	–	1,205
Board of Health	1,575	–	–	–	–	–	–	–	–	–	1,575
Clerk of Court	12,123	–	–	–	–	–	640	–	–	–	12,763
Clerk of Recorder's Court	–	–	1,872	–	–	–	–	–	–	–	1,872
Coalition for Health & Human Services	235	–	–	–	–	–	–	–	–	–	235
Community Services	14,705	–	–	44,399	1,558	15,991	–	–	–	–	76,653
Community Services – Elections	11,014	–	–	–	–	–	–	–	–	–	11,014
Corrections	19,536	–	–	–	223	–	130	–	–	–	19,889
County Administration	1,559	–	–	–	70	–	–	–	–	5,746	7,375
County Administration – BOC	1,530	–	–	–	–	–	–	–	–	–	1,530
Department of Family & Children's Services	661	–	–	–	–	–	–	–	–	–	661
District Attorney	18,647	–	–	–	350	–	543	–	–	–	19,540
Financial Services	10,007	–	–	–	3,699	–	–	–	–	23,362	37,068
Fire and EMS Services	–	133,939	–	–	2,839	7,014	–	–	–	–	143,792
Forestry	9	–	–	–	–	–	–	–	–	–	9
Human Resources	–	–	–	–	–	–	–	–	–	77,619	77,619
Indigent Medical	225	–	–	–	–	–	–	–	–	–	225
Information Technology	–	–	–	–	17,360	–	–	447	41	44,317	62,165
Judiciary	27,447	–	–	–	–	–	–	–	–	–	27,447
Juvenile Court	8,703	–	–	–	50	–	56	–	–	–	8,809
Law	–	–	–	–	–	–	–	–	–	2,766	2,766
Libraries	20,549	–	–	–	–	9,403	–	–	–	–	29,952
Loganville EMS	–	–	–	54	–	–	–	–	–	–	54
Mental Health	793	–	–	–	–	–	–	–	–	–	793
Non-Departmental	57,140	11,920	6,598	4,599	2,172	360	4,602	792	5,616	2,403	96,202
Planning and Development	760	1,007	1,553	13,528	745	–	20	1,021	979	–	19,613
Police Services	2,966	–	131,307	–	3,718	201	23,769	–	–	–	161,961
Probate Court	3,177	–	–	–	–	–	–	–	–	–	3,177
Recorder's Court	–	–	2,140	–	–	–	–	–	–	–	2,140
Sheriff	106,922	–	–	–	2,284	28	1,315	–	–	–	110,549
Solicitor General	6,429	–	750	–	135	–	560	–	–	–	7,874
SPLOST – Cities' Share	–	–	–	–	–	33,689	–	–	–	–	33,689
Stadium	–	–	–	–	–	–	2,398	–	–	–	2,398
Support Services	166	–	–	283	29,036	195	–	–	42,958	25,026	97,664
Tax Commissioner	15,162	–	–	–	–	–	–	–	–	–	15,162
Tourism	–	–	–	–	–	–	12,804	–	–	–	12,804
Transportation	25,616	–	–	–	6,225	87,380	8,017	–	19,885	–	147,123
Water Resources	–	–	–	–	–	–	–	539,676	49,083	–	588,759
Total Appropriations	368,861	146,866	144,220	62,863	70,464	154,261	54,854	541,936	118,562	181,239	1,844,126

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 22 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 2019, Gwinnett County realized a total debt service savings of \$103.4 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.

Gwinnett County Bond Refinancing Activities and Interest Saved 2011 – 2019

(Dollars in millions)

Bond Refinancing Activities	Amount of Refunding	Average Refunded Coupon Rate	New Issue True Interest Cost	Estimated Debt Service Savings
2011 Refunding of 2003B Water and Sewer Bonds	\$ 163.6	4.75%	2.89%	\$ 10.8
2012 GO Bond Refunding of 2003 GO Bond (including cash redemption in 2013)	22.6	3.71%	0.81%	9.3
2015 Refunding of 2005 Water and Sewer Bonds	127.2	4.32%	1.74%	9.8
2016 Refunding of 2006 Water and Sewer Bonds	108.9	4.45%	2.36%	14.7
2016A Advance Refunding of 2008 Water and Sewer Bonds	146.0	4.68%	1.69%	21.5
2017 Advance Refunding of 2008 Development Authority Revenue Bonds (Stadium Project)	33.0	6.26%	3.27%	14.2
2019 Refunding of 2009A&B Water and Sewer Bonds	128.5	4.34%	1.51%	23.1
Total Estimated Debt Service Savings				\$ 103.4

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 \$3.5 billion in sales tax funds for these improvements, Gwinnett County Government has minimized long-term debt and saved more than \$1.8 billion in financing costs compared to issuing bonds.

While none of the \$1.9 billion 2020 – 2025 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 expansion of the civic center, construction of a 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.

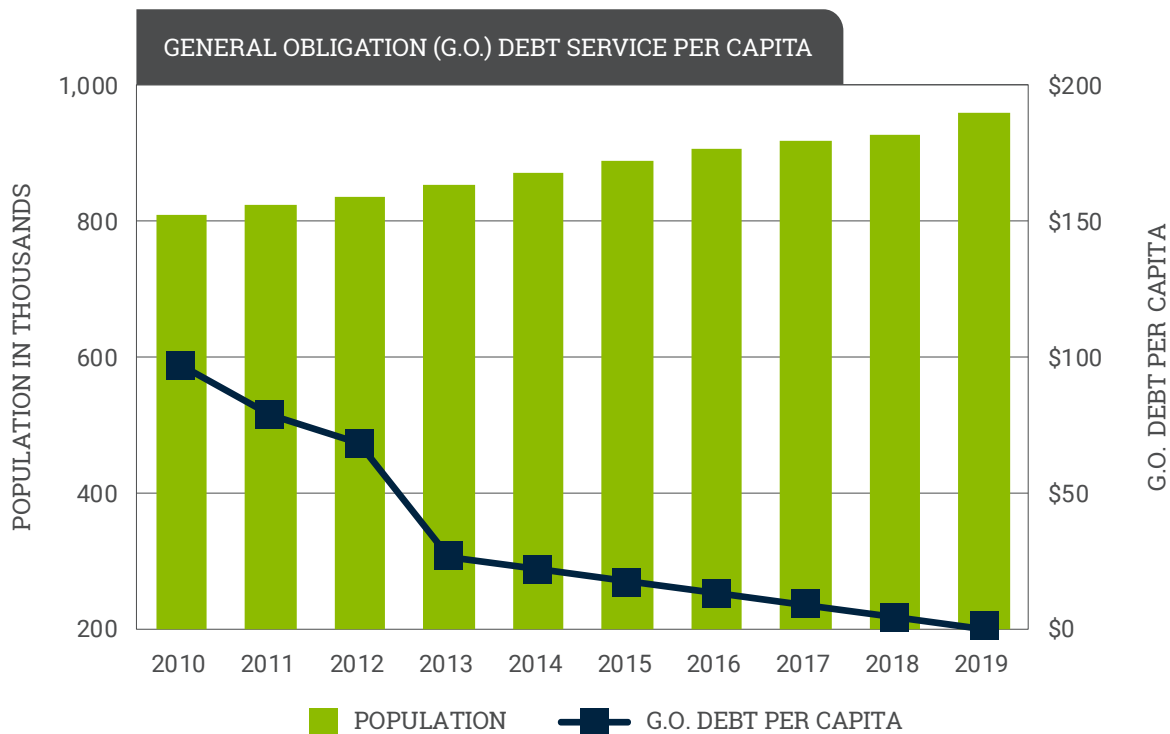
Types of Debt

General Obligation Bonds

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

The 2003 G.O. Bonds provided funding of an expansion of the County's Pre-Trial Detention Center. In 2012, the County refunded the portion of those bonds maturing in 2014 through 2019. The 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, 2019, for Gwinnett County was \$3,301,140,000. The County had no G.O. Bond principal outstanding as of December 31, 2019, providing a debt margin of \$3,301,140,000 (unaudited).



As the graph above illustrates, annual G.O. debt obligations have declined over the years as the population has grown. As of January 2020, G.O. 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, 2019 (unaudited):

Outstanding Principal by Issue Combined Water and Sewerage Authority Revenue Bonds

\$93,265,000	Series 2011	Issued 7/1/11
\$24,815,000	Series 2015	Issued 8/3/15
\$132,465,000	Series 2016A	Issued 5/19/16
\$92,675,000	Series 2016	Issued 8/1/16
\$128,540,000	Series 2019	Issued 9/26/19

(Dollars in thousands)

Year	Principal	Interest	Total
2020	55,330	14,944	70,274
2021	57,410	14,137	71,547
2022	59,255	12,284	71,539
2023	62,620	10,336	72,956
2024	64,730	8,223	72,953
2025 – 2029	172,415	15,233	187,648
Total	\$ 471,760	\$ 75,157	\$ 546,917

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 various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of moneys through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages (net revenue must be 1.2 times annual debt service). 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, 2019 (unaudited):

Urban Redevelopment Agency Revenue Bonds

\$33,805,000

Series 2018 Revenue Bonds

Issued 12/18/18

The estimated annual requirements to amortize the bonds payable as of December 31, 2019, were as follows:

(Dollars in thousands)

Year	Principal	Interest	Total
2020	1,290	1,257	2,547
2021	1,330	1,219	2,549
2022	1,370	1,179	2,549
2023	1,410	1,138	2,548
2024	1,455	1,093	2,548
2025 – 2029	8,055	4,689	12,744
2030 – 2034	9,670	3,065	12,735
2035 – 2038	9,225	970	10,195
Total	\$ 33,805	\$ 14,610	\$ 48,415

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, 2019 (unaudited):

Outstanding Principle by Issue Development Authority Revenue Bonds

\$6,040,000	Series 2007 Parking Garage	Issued 8/30/07
\$36,090,000	Series 2010 Arena Refunding	Issued 11/9/10
\$28,660,000	Series 2017 Stadium Refunding	Issued 1/26/17
\$95,710,000	Series 2018 Infinite Energy Center Expansion	Issued 8/7/18

The total annual requirements on all outstanding debt as of December 31, 2019, including interest, were as follows (unaudited):

(Dollars in thousands)

Year	Principal	Interest	Total
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	7,215	5,901	13,116
2025 – 2029	38,475	25,312	63,787
2030 – 2034	31,225	17,780	49,005
2035 – 2039	26,570	12,391	38,961
2040 – 2044	23,245	7,621	30,866
2045 – 2048	22,310	2,379	24,689
Total	\$ 166,500	\$ 96,855	\$ 263,355

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, 2019, were as follows (unaudited):

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

(Dollars in thousands)

Year	Principal	Interest	Total
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	3,341	612	3,953
2025 – 2029	16,659	1,494	18,153
2030 – 2032	1,909	46	1,955
Total	\$ 34,315	\$ 5,556	\$ 39,871

The total annual requirements on all outstanding debt as of December 31, 2019, including interest, were as follows (unaudited):

(Dollars in thousands)

Year	Water & Sewer	GEFA	Development Authority	Urban Redevelopment Authority	Total
2020	70,274	3,952	10,732	2,547	87,505
2021	71,547	3,953	10,730	2,549	88,779
2022	71,539	3,953	10,736	2,549	88,777
2023	72,956	3,952	10,733	2,548	90,189
2024	72,953	3,953	13,116	2,548	92,570
2025 – 2029	187,648	18,153	63,787	12,744	282,332
2030 – 2034	–	1,955	49,573	12,735	64,263
2035 – 2039	–	–	38,961	10,195	49,156
2040 – 2044	–	–	30,866	–	30,866
2045 – 2048	–	–	24,689	–	24,689
Total	\$ 546,917	\$ 39,871	\$ 263,923	\$ 48,415	\$ 899,126

The total annual debt requirement for 2020 is \$87.5 million, which is 6.1 percent of the total operating budget of \$1.44 billion, resulting in total operating appropriations less annual debt of \$1.36 billion.

EMPLOYEE ENVIRONMENT

Staffing Levels and Population Growth

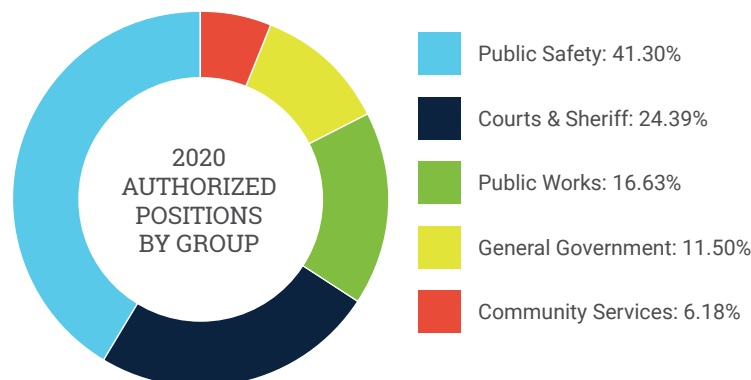
Gwinnett County faces an ever present challenge of maintaining service levels with a growing population. Even as the economy slowed, the county's population continued to grow. For several years, the county added thousands of new residents, resulting in greater demand for services with fewer available resources. From 2010 to 2015, the county's population increased by 10 percent while County staff only increased by 2.3 percent, causing the ratio of authorized positions per 1,000 population to decline. This downward trend reversed in 2016, and the ratio of authorized positions per 1,000 population has continually grown since then. Slight staff reductions occurred in 2011 and 2012, but by 2013 the County began adding new positions. The County has continued adding new positions each year, gradually increasing the ratio of authorized positions per 1,000 population over the last five years.



GWINNETT COUNTY AUTHORIZED POSITION HISTORY

Agency	Group	2017	2018	2019	2020 Adopted
Clerk of Court	Courts and Sheriff	106	106	109	111
Clerk of Recorder's Court	Courts and Sheriff	17	17	17	17
Community Services	Community Services	318	338	350	350
Corrections	Public Safety	136	136	136	136
County Administration	General Government	46	53	56	57
District Attorney	Courts and Sheriff	118	120	122	133
Financial Services	General Government	128	132	130	131
Fire Services	Public Safety	916	952	961	1,008
Human Resources	General Government	42	45	46	46
Information Technology	General Government	122	129	130	132
Judiciary/Court Administration	Courts and Sheriff	111	111	129	134
Juvenile Court	Courts and Sheriff	66	66	67	67
Law	General Government	16	16	18	18
Planning and Development	Public Works	83	90	115	126
Police Services	Public Safety	1,063	1,129	1,152	1,193
Probate Court	Courts and Sheriff	26	26	26	26
Recorder's Court Judges	Courts and Sheriff	9	9	9	9
Sheriff	Courts and Sheriff	722	722	777	820
Solicitor	Courts and Sheriff	62	62	62	63
Support Services	General Government	132	141	141	148
Tax Commissioner	General Government	119	119	119	119
Transportation	Public Works	153	156	164	167
Water Resources	Public Works	620	631	644	648
Total		5,131	5,306	5,480	5,659
Unallocated	General Government	6	2	20	25

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 Pension and Other Post-Employment Benefits 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, 2018, the funded ratios for the DB pension and OPEB plans were 72.3 percent and 59.4 percent, respectively.

Workforce Health

During 2019, significant progress was made in health and wellness. In an effort to enhance the employee experience and focus on cost saving measures, Gwinnett County entered into a partnership with a new Wellness Center provider, CareHere. Nearly 7,000 employees, retirees, and dependents visited the Wellness Center. Visits consisted of personal health appointments, preventive screenings, acute care, and occupational health services. Gwinnett County continues to promote the Wellness Center as a cost-effective and convenient site of care resource for health plan members.

Gwinnett County employs a holistic approach to wellness, which includes financial and mental health. The County offers on-site counseling resources as an extension of its Employee Assistance Program. These services are offered to employees and retirees as well as their family members. Gwinnett County's Retirement Plan Specialist met with approximately 1,300 employees to discuss their retirement preparedness. Both the EAP On-Site Counselor and the Retirement Plan Specialist supported employee engagement by extending their services to accommodate off-site work locations, ensuring all employees have access to all areas of focus in the Wellness Program.

The Wellness Program continues to influence Gwinnett County's workforce in a positive manner. More than 86 percent of eligible employees and 76 percent of eligible spouses participated in the program during 2019 by completing a Wellness Assessment and Biometric Screening. In addition, employees and spouses participated in County-sponsored wellness programs focused on disease management and health improvement. Some examples of these programs include diabetes prevention, disease management coaching, and weight management. As a result of these programs, Gwinnett County members collectively lost over 3,000 pounds. In 2019, the Wellness Program introduced team challenges, which encouraged participants to set nutritional and physical activity goals, track their progress, and earn wellness points for successful goal completion. The structure of these challenges increased accountability, introduced camaraderie, and motivated employees to get up and get moving.

New for 2019, Gwinnett County participated in the Health Enhancement Research Organization Scorecard. This is a national non-profit benchmarking study that focuses on workforce health and health care costs. Gwinnett County surpassed the national average in all areas of the Wellness Program, illustrating the understanding that a healthy workforce is crucial to the success of the organization.

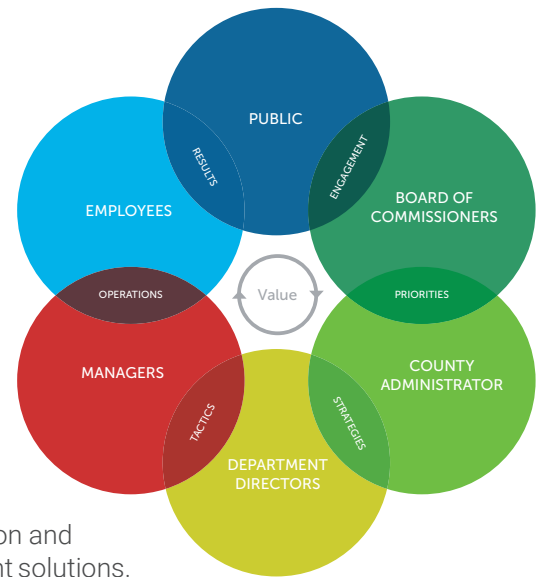
Health Benefit Costs

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 2019, Gwinnett County extended a high-tech radiology service for High Deductible Health Plan participants in an effort to drive high deductible plan members to lower cost, high quality facilities for high-tech imaging such as MRI, CT, and PET scans. Additionally, reporting showed increased employee engagement at the Wellness Center.

Beginning in 2020, Gwinnett County will continue to develop initiatives to improve the services and tools provided to employees and retirees. The High Deductible Health Plan will introduce a concierge service tailored to providing resources to members in order to aid in making informed health care decisions. With the implementation of the new Wellness Center provider, improvements will be made to include an expanded formulary. This allows providers to enhance the care of disease management patients.

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 2020 budget planning process, County Administrator departments and the Sheriff's Office aligned their budget requests to county-wide 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 measurable improvement solutions.

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

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

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

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

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

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

Continuous Improvement Program

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



Emergency Operations Plan

The Emergency Operations Plan establishes a framework for emergency planning and response in Gwinnett County. As the core operational plan for incident management, the EOP establishes county-level coordinating structures, processes, and protocols that, along with hazard-specific plans, are designed to implement specific statutory authorities and responsibilities of various departments and agencies. The purpose of the EOP is to establish a comprehensive, countywide, all-hazards approach to incident management across a spectrum of activities including prevention, preparedness, response, and recovery. It describes capabilities and resources and establishes responsibilities, operational processes, and protocols to help protect from natural and manmade hazards. Specific goals include the following:

- Identify the various jurisdictional and functional authorities of local stakeholders
- Improve coordination and integration of local governments, NGOs, and the private sector
- Detail specific roles and responsibilities of participating agencies and departments
- Maximize efficient utilization of resources
- Enhance incident management communications
- Increase situational awareness across jurisdictions and between public and private sectors
- Provide proactive and integrated response to catastrophic events

The EOP serves as the foundation for the development of detailed supplemental plans and procedures to effectively and efficiently implement incident management activities and assistance in the context of specific types of incidents.

Continuity of Operations/Continuity of Government

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

With
Financial Services

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. U.S. Treasury Obligations
 2. U.S. 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:68 – II:69 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:21 for the [“2020 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 February 26, 2019, the Purchasing Associate II Manual, updated January 1, 2013, and the Purchasing Associate I Manual, updated January 1, 2018.

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 [page II:64](#).

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 must budget property

taxes accurately to encompass both estimated fluctuations in the digest as well as collection rate assumptions. The digest forecast considers trends in the economy, housing market, 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** that describes and prioritizes the capital projects the County intends to undertake. The CIP is described in more detail in the [“Capital Asset Investment and Management Policy”](#) on pages II:51 – II:53. Gwinnett County’s major capital achievements in fiscal year 2019 and the programs that make up the 2020 – 2025 CIP are described in Section VI.

Gwinnett County is currently working under the [2040 Unified Plan](#). 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.

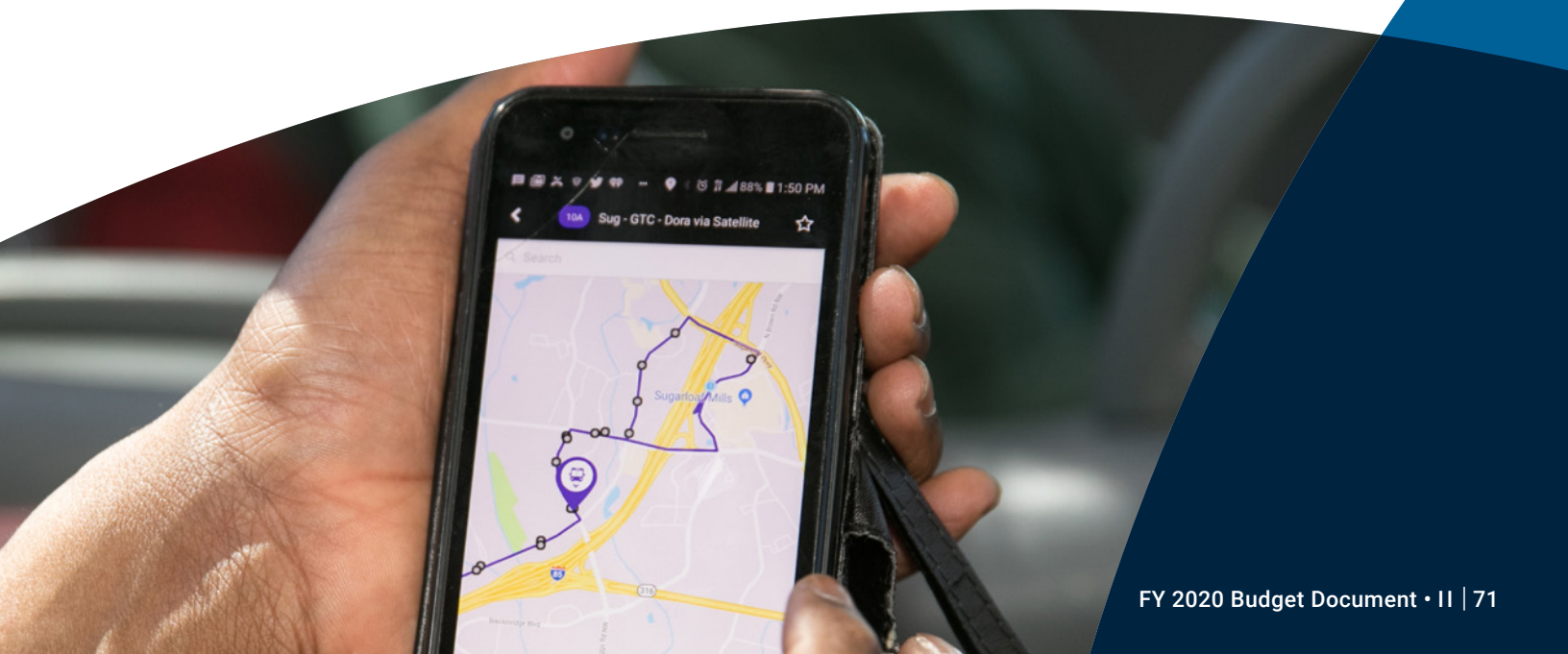
The 2040 Unified Plan contains analysis, policies, maps, and proposals to help guide progress and development countywide on multiple fronts through 2040. The Unified Plan provides a blueprint of how the County’s residents and other stakeholders would like to see Gwinnett grow and develop over the next 20 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 2040 Unified Plan also ties several other plans into a single, coordinated vision so that everyone is on the same page and moving in the same direction. 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.

In 2019, the 2040 Unified Plan was honored to receive the award for the Best Planning Document in the state at the Georgia Planning Association Fall conference. The Plan also includes four videos created by Gwinnett County’s Communications Department which highlight the “History,” “Trends,” “Where We Are,” and “Where We Are Going” themes.

The 2040 Unified Plan has also been nominated for a National Award from the American Planning Association.

The [Comprehensive Transportation Plan](#) informs Gwinnett County officials and its residents on the subject of future transportation needs, projects that address those needs, and the advantages, costs, and potential funding sources for those projects. The 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 provide the basis for today’s needs. Tomorrow’s needs are being re-evaluated in the 2020 Comprehensive Master Plan that will be completed in 2020. Resident input will be gathered through surveys, interviews and public meetings. The plan will incorporate numerous factors including population growth, cultural diversity, leisure trends, service delivery, etc. Gaps in service levels, including facilities, services, partnerships and finances, will be identified, solutions suggested, and a plan for the future will emerge. This will provide a completely new look at our facilities, programs, services, structure and finances that will set the stage for future growth.

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 and the Gwinnett County Department of Community Services as well as the cities and Community Improvement Districts 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 and 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.

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

Parks and Recreation addressed food insecurity in 2019, providing 16,686 meals (lunch and snacks) through its summer meals program and 8,418 snacks to students during its afterschool program at Walnut Grove Elementary.