



Gwinnett County Government Communications Division NEWS RELEASE

Heather Sawyer
Public Relations Manager
Office: 770.822.7035
Fax: 770.822.7189
www.gwinnettcounty.com

Story contact: Aaron Bovos
Deputy County Administrator/CFO
770.822.7134
aaron.bovos@gwinnettcounty.com

COMMISSION CLOSES \$18 MILLION BUDGET GAP

(Lawrenceville, Ga., March 15, 2011) – The Gwinnett County Commission approved two recommendations on Tuesday that finished closing the County’s \$18 million 2011 budget deficit.

Actions taken since the 2011 budget was adopted on Jan. 4 had filled all but about \$2.6 million of the original \$18 million shortfall. The items approved by commissioners during their March 15 meeting will raise the County’s 2011 revenue estimate by an additional \$1.66 million and establish a new Budget Stabilization Reserve within the general fund that will allow the County to draw up to \$3 million from this fund to pay for operations.

The increase in the County’s 2011 revenue estimate is based primarily on new judicial fees being generated through the County’s court system as a result of legislation passed by the Georgia General Assembly in 2010. The legislation (HB 1055) will result in \$1,158,382 in increased fee income through the Clerk of Court and another \$250,000 from the County’s Probate Court. The remaining \$249,339 in new revenue is coming from stronger than expected returns on County investments.

The Budget Stabilization Reserve will be a special, temporary fund established to soften the economic impact and preserve the County’s organizational capacity to provide services. The reserve will be funded from County revenues, which exceeded expenditures and planned use of fund balance by an estimated \$9 million in 2010. The County’s actual receipts exceeded projections – 100.6 percent of target – while departmental expenditures were significantly lower at 94.8 percent of budget. The Budget Stabilization Reserve will exist for only the next three years, and the County will be able to draw up to \$3 million each year to help fund operations.

Local governments throughout the country are turning to the establishment of Budget Stabilization Reserves to cope with their budget crises, according to Aaron Bovos, the County’s deputy administrator and chief financial officer. He also noted that the Engage Gwinnett citizens review process had recommended using surplus funds to “smooth” forecasted revenue reductions against expenses.

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“I’d like to thank County staff for the job they’ve done of helping us close our \$18 million budget deficit for 2011,” said Commission Vice Chair Shirley Lasseter. “A lot of hard work and difficult decisions went into this process. And while we have good reason to celebrate today, 2012 and the years beyond may be even more difficult. I’m proud that Gwinnett County has worked to increase productivity, reduce expenses and enhance revenues since the economic downturn began nearly three years ago. However, I also recognize that we must continue this process to meet our financial challenges that lie ahead.”

“Commissioners have had to make some very difficult choices to fill the 2011 shortfall, and I don’t envy their position,” said Mike Levengood, Engage Gwinnett co-chair. “But I am gratified that the County has acted on many Engage Gwinnett recommendations to balance the 2011 budget. I trust that the elected officials and professional staff will continue to look at our recommendations and seek citizen input on how to meet the County’s budgetary challenges.”

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