

## Development and Infrastructure Work Group

Focused on three departments: (1) Planning & Development, (2) Transportation, and (3) Water and Sewer. Our work group considered each of these departments' roles and any recommendations we made from an economic development perspective.

As an overarching observation, our work group recognizes that additional cuts to existing service levels in every County department will be required for the near and foreseeable future, if County revenues continue to decline. No County department can be spared entirely, even those departments that have already implemented significant cuts. However, it is the belief of the members of our work group that, with the exception of the Gwinnett County Transit system (which we discuss below), the functions currently performed by these three departments are basic core functions of county government and we were unable to propose completely eliminating any of the services or programs within these departments. Rather, we believe that any future cuts to these departments should be made in terms of an across the board percentage reduction to each department or program's overall budget, and that the directors of each of these departments are in the best position to recommend to the Board of Commissioners how best to achieve any mandated percentage reductions within their own departments.

And while we believe that these core functions of county government should be maintained, we also believe that it may be possible to provide some of these services at something close to current service levels even after significant future budget reductions are made. To determine the accuracy of this belief would require a level of analysis far deeper than our work group had either the time or expertise to perform. However, we do believe that when asked to make additional cuts in the future, that it is incumbent upon these departments to do more than just cut the number of staff positions required to meet the new budget target they are given and just assume that service levels will have to be reduced accordingly (what we term just "shrinking the box"). We encourage these departments to really "think outside of the box" and consider fundamentally restructuring how they do business in a way that would allow services to be delivered more effectively and efficiently at a lower cost.

<b>DEPARTMENT OF PLANNING AND DEVELOPMENT</b>
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### Observations

- The Department of Planning & Development is responsible for overseeing everything related to building structures and developing property. It handles plan review, building and development permits and inspections as well as current and long range land use planning. Business and alcohol license and revenue and the County's economic forecasting and economic development initiatives were recently folded into this department.
- The department has already instituted significant cuts and is well into a reorganization to increase efficiency and streamline operations.
- To date, the department has already cut its budget by 47% (that's a \$6.1M reduction since 2008) and has cut total staffing from 177 to 71 employees.
- The Department also recently increased permit and application fees for things like building permits and zoning applications. This was the first time most of these fees had been increased in nearly 15 years, even though the cost of providing the services associated with those fees had increased significantly. The increased fees were approved by the BOC this past December.

- County is perceived to be more favorable to residential development and residential concerns and to look less favorably on business development and business concerns.
- There seem to be some policies in planning and development that conflict with each other (policies at cross purposes).
- Clearly state somewhere (County website) the differing roles and responsibilities of the Department of Planning and Development, Board of Commissioners and Planning Commission.
- Planning and Development Department is and should be about generating revenue through economic development.
- Planning and development is tasked with the planning for and the future of Gwinnett County.
- There does not appear to be any short or near-term demand for outsourcing any Planning & Development functions.

#### Considerations

- Can permitting and inspections be combined with license and review?
- Consider opportunities to combine functions within the department (cross-train employees on multiple functions, where practical) to facilitate further staff reductions.
- Policies and procedures should be business friendly because businesses generate revenue.
- Our tax base is too heavily weighted to residential property (which consumes more in County services than it generates in taxes) and should be more weighted to commercial (which generates more tax revenue than it consumes in County services).
- Review services being provided that have nothing to do with the core functions of permitting, planning & development, licensing & revenue, economic development or economic forecasting, if any.

#### Recommendations

- Board of Commissioners should maintain the current permitting, processing and plan review service levels in order to keep Gwinnett competitive with surrounding counties from an economic development perspective.
- Department should evaluate policies and procedures to ensure that they align with the goals of the Partnership Gwinnett initiative and create a pro-business culture that encourages economic development.
- Fast track renaming the Planning and Development department to “Department of Planning and Economic Development.”
- Do not outsource any essential Planning and Development functions.
- Update Matthew’s efficiency report on the Department as well as the Matrix study to reflect the new reality and the addition of additional departments. Determine what action items are still called that haven’t been implemented and learn what new efficiencies could also be realized.
- Implement the interventions called for in the recently adopted 2030 Unified Plan.
- Evaluate fees for services (such as building permits, rezoning applications or plan review) on an annual basis.
- Accept all forms of payment for county services and when a credit card is used, include an additional fee to cover the costs associated with processing credit card payments.
- Licensing staff should engage an outside firm for a “Revenue Discovery Contract” to find businesses and/or individuals that are not reporting the correct amounts (or reporting at all) for business occupation taxes, alcohol excise taxes, E-911 fees or cable franchise fees, or are found to be in non-compliance with state and local laws and regulations

concerning County revenues (such as obtaining business licenses). Cross reference information from the Georgia Department of Revenue and Secretary of State's Office to determine businesses located within Gwinnett not currently paying applicable county taxes. Contract should be based on paying the company only a percentage of new fees found (if no new revenue is found, no fee would be due) so there is no cost paid from the General Fund.

## DEPARTMENT OF TRANSPORTATION

### Observations

- Department oversees road & bridge maintenance and construction, traffic signals and signs as well as Gwinnett County Transit.
- SPLOST funds can only be used for capital costs, not for operating expenses (such as maintenance and operations).
- The Department has already made great strides in finding efficiencies and implementing cost-cutting (maintenance). Gwinnett DOT has undertaken numerous cost-cutting measures, including a departmental reorganization that has reduced personnel by 17% (from 181 to 152 employees) and reductions to eliminate non-essential practices.
- Gwinnett County Transit has instituted several recent changes in routes and stop locations to reduce expenses and make the system more efficient.
- Gwinnett Transit's budget is approximately \$12.5 million but less than \$2 million of the \$12.5 million total comes from the County General Fund. The lion's share of Gwinnett Transit's budget comes from Federal and State allocations, as well from the fares paid by riders.
- Gwinnett Transit system serves less than 0.5% of population in Gwinnett.
- The new centralized maintenance and operations facility is very functional and efficient (no frills).
- Everything Gwinnett DOT does stops at the county line – there appears to be little if any regional coordination with the surrounding counties.
- We have a 21<sup>st</sup> Century traffic control infrastructure that is capable of doing much more than it is currently be utilized for.

### Considerations

- Will stimulus or other federal funds be available to subsidize some of the costs of the traffic light replacements (from incandescent to LED bulbs)? How much and will that continue until they are all cycled out?
- Traffic control infrastructure is capable of better managing traffic emergencies (such as synchronizing signals to reroute traffic to detour around an accident) or scenarios such as the mass exodus of patrons from the Gwinnett Arena or Gwinnett Braves Stadium.
- Gwinnett Transit buses were purchased using Federal funding totaling approximately \$40 million. If the Gwinnett Transit system were eliminated, the County could be required to repay those Federal funds back to the Federal government. Based on this understanding, in the current budget situation, it would be difficult to recommend eliminating a program that takes less than \$2 million dollars a year from the General Fund (and less than \$1 million in FY 2010, due to stimulus funding) if doing so would result in a \$40 million hit to the General Fund to pay back the Federal grant funds.

- Could the County do a better job of marketing transit service to increase ridership?
- Would it make sense to eliminate local bus service (which has relatively low ridership level) and keep only the express bus service which takes commuters into Atlanta (and which has a relatively high ridership level)?
- The Department of Transportation has done a good job of managing “within the box” – but perhaps it’s time to consider a new “box.”
- If you were starting the Department of Transportation now, would it look like what we have and if not, how would it be different?
- What role would technology or outsourcing play if starting a department from scratch?

### Recommendations

- We have a 21<sup>st</sup> Century traffic control infrastructure that is capable of doing much more than it is currently be utilized for – additional training should be provided (possibly by a well qualified outside consultant) so that this technology can be fully utilized. Staff should be trained and knowledgeable in its use.
- Develop plans and strategies for dealing with specific accident/detour scenarios so that those plans can be implemented when needed. Use the “Smart” technology.
- Department should consider hiring a well-qualified, third party consultant to review the operations of the Department and recommend efficiencies, organizational improvements, reductions, restructuring and/or outsourcing (similar to the Matrix study that was done for Planning & Development).
- Consultant study should also review the County’s use of technology and facilitate greater integration/inter-departmental coordination across departments (ex. – allowing the Police Department to better manage accidents, events and detours)
- Recommend doing a market study to determine the best business model for the transit system. We recommend developing strategies to increase ridership and revenues to get to transit system at or closer to the point of “breaking even” (closing the gap between federal/state/fare funding and the actual operating cost of the system from the County’s General Fund).
- Eliminate print costs of transit brochures & schedules by having them distributed electronically or by outsourcing the printing to the libraries.
- Pursue the sale of advertising space on the exterior and interior of Gwinnett Transit busses. In order to preserve Gwinnett County Transit’s current maroon/gold/white livery, consider using advertising “wraps” over the windows.
- Consider the feasibility and cost savings of eliminating local routes while retaining express routes for Gwinnett County Transit.

<p><b>DEPARTMENT OF WATER SERVICES (WATER, SEWER &amp; STORMWATER)</b></p>
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### Observations

- Department of Water Services manages water and sewer services and the storm water utility.
- The Department operates some of the most state of the art facilities of their kind anywhere.
- Water Services is an enterprise fund. That means that the entire department and all of its operations are fully funded by the water and sewer fees we all pay on our water bills every month.

- The Department receives no funding from property taxes or the County's general fund and any cost savings would not benefit the County's general fund budget.
- The Department has instituted a plan to incur no additional/new debt going forward and to fund all future infrastructure on "pay as you go" basis and to pay down existing debt - no more bonds.
- Water and sewer enterprise fund comes from water and sewer bills.
- Storm water enterprise fund is included along with the property tax bill and is based on the calculated percentage of impervious surface on each property.
- The current storm water enterprise funding level is approximately 50% of what would be required to repair or replace all of the storm water infrastructure that is estimated to fail within the next 10 years.
- The Department has an obligation to be a responsible steward of water, putting it in the unique position of encouraging its customers (Gwinnett residents and businesses) to use less of its product (water).
- The Department is currently near completion of a water reuse line that has been permitted to return up to 40 million gallons per day of treated water back into Lake Lanier.
- It costs much more to treat sewage than to treat drinking water (60% more).

#### Considerations

- How do we address (from a funding standpoint) the amount of failing or near failing storm water infrastructure over the next 10 years?

#### Recommendations

- We fully support the Department's plan to avoid any future bond funding and to fund all capital projects going forward on a "pay as you go" basis.
- Department should investigate engaging a collection agency to improve its water & sewer fee collections.
- The Department needs to develop a plan to deal with the cost of repairing and replacing the storm water infrastructure that is estimated to fail within the next 10 years, as the projected cost far exceeds the projected revenues available to the storm water enterprise fund. The committee recognizes that this means incurring significant additional costs.