



Gwinnett County Government Communications Division NEWS RELEASE

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GWINNETT BONDS GET AAA RATINGS

(Lawrenceville, Ga., June 22, 2011) – Gwinnett County will soon refinance debt from 2003 to take advantage of today’s lower interest rates. All three bond-rating agencies gave the \$166 million bond refunding their top-tier, AAA credit ratings. The move could save the County, and the respective water and sewer customers, as much as \$7.5 million when it refinances the bonds in late June in a negotiated sale.

Commission Chairman Charlotte Nash said, “Gwinnett County has maintained the highest bond ratings since 1997, and that is directly attributable to the organization’s long history of sound financial management. I am pleased that the efforts of County staff have given us a chance to reduce debt payments.”

The three agencies also reaffirmed their AAA ratings on other Gwinnett County debt, including \$63.4 million in general obligation bonds for the Pre-Trial Detention Center, \$1.02 billion in water and sewer bonds and \$96.4 million in Development Authority bonds for the Gwinnett Center. They also warned that the uncertain legal status of Gwinnett’s water supply could have a future adverse impact on the ratings.

According to Fitch Ratings, “Despite multiple years of decline in the property tax digest, Gwinnett County’s financial position remains healthy, characterized by high reserve levels, ample balance sheet liquidity and strong fiscal management and budgetary controls.” In reference to the County’s handling of budgetary challenges, the report had this to say, “First quarter results for fiscal 2011 now show that the county has eliminated much of the structural gap in the budget, mostly through spending reductions submitted by departments, (and) net service reductions...” In March 2011, Gwinnett County established a budget stabilization reserve designating \$9 million of the 2010 fund balance, which Fitch believes “enhances the county’s already strong level of reserves and provides additional flexibility going forward.”

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Moody's Investors Service cited Gwinnett's "sound financial management of the county as evidenced by ample reserves and demonstrated commitment towards maintaining its financial position... Gwinnett County's sound financial position is supported by conservative fiscal policies and management, multi-year financial planning, and health general fund balance levels."

Standard & Poor's noted, "In our opinion, the county has continued to maintain very strong reserve levels while contending with a weakening local economy and decreasing tax base... We expect reserve levels to continue to remain strong due to management's track record of adjusting its revenue stream and expenditures to account for budget gaps."

"I'm just so proud of our County staff," said District 1 Commissioner Shirley Lasseter. "They have worked very hard over many years to maintain our excellent credit ratings."

"The fact that only about three dozen other U.S. counties (out of 3,068) hold the triple-AAA designation says a lot about Gwinnett County's financial stability," said District 2 Commissioner Lynette Howard.

District 3 Commissioner Mike Beaudreau said, "Our excellent credit ratings are solid evidence of our financial strength and stability as we continue to navigate these challenging economic times."

District 4 Commissioner John Heard said, "This is great news and is paramount in keeping taxes low."

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