



# FISCAL YEAR 2009 ANNUAL REPORT



**GEORGIA STATE FINANCING  
AND INVESTMENT COMMISSION**



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*Henderson Library at Georgia Southern University in Statesboro*

## COMMISSION MEMBERS

**GOVERNOR SONNY PERDUE**

Chairman

**CASEY CAGLE**

Lt. Governor  
Vice-Chairman

**RUSSELL W. HINTON**

State Auditor  
Secretary and Treasurer

**GLENN RICHARDSON**

Speaker of the House of Representatives

**THURBERT E. BAKER**

Attorney General

**TOMMY T. IRVIN**

Commissioner, Department of Agriculture

**W. DANIEL EBERSOLE**

Director, Office of Treasury and Fiscal Services

**STEVE STANCIL**

Director, Construction Division  
Executive Secretary

**SUSAN H. RIDLEY**

Director, Financing and Investment Division

## INTRODUCTION

The Georgia State Financing and Investment Commission, created by Constitutional Amendment in 1972, is responsible for the proper application of proceeds from general obligation debt and the issuance of all public debt by the State. No agency or authority can incur debt or employ other financial or investment advisory counsel without Commission approval. The Commission consists of the Financing and Investment Division and the Construction Division.

The Financing and Investment Division is responsible for the issuance of general obligation bonds, the review of state authority debt financing, and the investment and accounting of all general obligation bond proceeds. Investment earnings support the operations of the Commission and enable the Division to retire state debt prior to maturity. The Division also prepares the State's Debt Management Plan and monitors agencies' expenditures of bond proceeds for compliance with federal tax regulations. In 2006, the legislature created the Georgia Higher Education Facilities Authority (GHEFA). GHEFA is administratively attached to

GSFIC and staffed by the Financing and Investment Division.

The Construction Division provides all the support services for the Commission and is responsible for disbursing bond proceeds and for managing capital outlay projects funded, all or in part, with bond proceeds.

The Construction Division also provides the following services for State Agencies:

- ADA Compliance Assistance
- Procurement Services
- Construction Services

## MISSION & CORE VALUES

The Georgia State Financing and Investment Commission core value is dedicated to continuous quality improvement in all of its activities. To that end, the Georgia State Financing and Investment Commission staff has adopted the following:

### MISSION

Building Georgia's future through excellence in financial and construction management services.

### CORE VALUES

- Stewardship
- Excellence
- Leadership
- Fairness

## YEAR-IN-REVIEW

Core functions of the Georgia State Financing and Investment Commission include the issuance and management of state general obligation and state authority debt and providing construction management services for state capital improvement projects.

### FINANCING AND INVESTMENT DIVISION

The Commission approved one competitive and two negotiated general obligation bond sales totaling \$1.6 billion during Fiscal Year 2009. Nearly \$725 million in revenue bonds were approved by GSFIC and issued by state authorities.

For the sixteenth straight year, Georgia earned AAA credit ratings on its general obligation debt from Moody's, Standard & Poor's, and Fitch. As one of only seven "natural triple-triples", the state commands very competitive prices and low overall borrowing costs. The State's debt management plan, developed and executed by GSFIC, is a critical component of demonstrating Georgia's conservative fiscal management to the investment community.

A major accomplishment for GSFIC this year was assisting the Georgia Higher Education Facilities Authority ("GHEFA") with its first-ever bond issue. GHEFA, created in 2006 by Senate Bill 562, is administratively attached to GSFIC and is authorized to issue up to \$300,000,000 in revenue bonds to finance capital projects of any unit of the University System of Georgia or the Technical College System of Georgia. In Fiscal Year 2009, GHEFA issued \$99.855 million in revenue bonds to finance eight different projects for seven institutions, all at units of the University System of Georgia. The projects are outlined in the following chart:

| GHEFA SERIES 2008A PROJECTS                               | BUDGETED AMOUNTS       | CONTRACT COMPLETION DATE |
|---|------------------------|--------------------------|
| Dalton State College - Parking Deck                       | \$7,240,000.00         | August 26, 2009          |
| Darton College - Student Activity Center                  | \$21,845,000.00        | March 25, 2010           |
| Fort Valley State University - Stadium and Student Center | \$20,030,000.00        | October 28, 2009         |
| Gainesville State College - Parking Deck                  | \$5,435,000.00         | July 19, 2009            |
| Georgia College & State University - Bookstore & Theatre  | \$8,385,000.00         | February 28, 2010        |
| Georgia State University - Student Housing                | \$18,315,000.00        | July 31, 2009            |
| Southern Polytechnic State University - Parking Deck      | \$18,605,000.00        | October 28, 2009         |
| <b>Total</b>  | <b>\$99,855,000.00</b> |                          |



*Georgia College and State University's renovation of the old town theater in Milledgeville*

## CONSTRUCTION DIVISION

The Commission's Construction Division focused on employee retention and information technology advances during FY 2009.

A career banding system was introduced in the construction services project management department. The program created a four-tier job family – assistant project manager, project manager, senior project manager and project executive - that provides opportunity for advancement within GS-FIC and encourages employees to develop skills and knowledge in anticipation of internal job promotions. The program was created to reduce employee turnover in project management. The high turnover rate experienced in previous years lead to a reduction in management continuity for projects and diminished customer satisfaction.

The ability for GSFIC project managers to effectively manage more than 125 projects was greatly enhanced in FY 2009 with the development of real-time project tracking and reporting. The reporting application, coined the GSFIC Dashboard, provides accurate information on project details, completion status, legal claims, procurement and warranty activity and pay applications. As a team, the staff reviews the computer statistics (Compstat) monthly. By tracking, measuring and reviewing this information, the department is able to identify trends, challenges and successes.

To ensure full and accurate records of all activities and decisions of the Commission are maintained and retained in accordance with adopted guidelines and rules, the con-

struction division launched a document imaging process in FY 2009. The process, which will be fully implemented in FY 2010, requires all documents associated with the Commission's operations to be stored and filed in digital format. The digital imaging process allows for the elimination of duplicate files, reproduction costs and postage costs. While the storage system will be centralized, the indexing, input and retrieval system will be accessible via individual desktop computers. The system is in compliance with both the Secretary of State's public records retention policies and the state's Open Records laws.

Other operational accomplishments in FY 2009 include an upgrade to Construction PeopleSoft software for the accounting department; publication of an updated design process guide for design professionals and customers; and development of a comprehensive marketing communications plan to increase external awareness of GSFIC. Procurement introduced a contractor evaluation program that will provide contractor performance data which can be used for qualifications based selection on future projects.

*The digital imaging process allows for the elimination of duplicate files, reproduction costs and postage costs.*



*Georgia State University Science Park in downtown Atlanta*

## CUSTOMER SERVICE

Exceeding customer expectations and providing stellar customer service continue to be top priorities for the Georgia State Financing and Investment Commission. Two established goals for Fiscal Year 2009 were to launch a workplace satisfaction employee survey and provide community outreach and volunteer opportunities for staff.

In the fall of 2009, the Public Performance and Management Group at Georgia State University conducted a workplace satisfaction survey to determine employee perceptions of the quality of their workplace and overall employee satisfaction.

Understanding the perceptions of workplace quality and employee satisfaction have a direct impact on customer satisfaction; the results are good news for the organization.

Seventy-four percent of the GSFIC's 130 employees completed the anonymous online survey. The agency had a mean score of 93 percent overall satisfaction, compared to a mean score of all state agencies surveyed by GSU of 80 percent.

Three of four respondents rated the quality of the workplace either a 4 or 5, with 5 being the highest possible score. Additionally, 73 percent of GSFIC employees stated their perceptions of customer service as a priority at GSFIC was very important, as compared to 49.6 percent of all state agencies surveyed.

The agency continued to engage all employees in the philosophy of customer service and continued the "Art of Exceptional Customer Service" program, designed by the state's Office of Customer Service. Additionally, all prospective employees are pre-screened for customer service skills and all new hires receive training on the goals of the Office of Customer Service: Georgia will be recognized as the best managed state; Georgia will have the best customer service of any state in the nation; and, Georgia state government will be known as a great place to work.

The State Property Officer recognized all GSFIC employees during Employee Appreciation Week and one employee was recognized with a special commendation for customer service from Governor Sonny Perdue.

During FY 2009, GSFIC provided employees an opportunity to support the local community. Organized work days with Habitat for Humanity were sponsored by the agency, as well as a successful summer clothing drive benefiting the Atlanta Day Shelter for Women and Children and the fall charitable contributions drive.

Customer service and employee engagement goals for FY2010 include 100 percent participation in the Art of Exceptional Customer Service, publication of the revised Team GSFIC Customer Service Principles manual and rollout of a new Rewards and Recognition Program. Additionally, employees will have volunteer opportunities, including partnerships with Habitat for Humanity, the Breast Cancer Walk and the Atlanta Day Shelter.

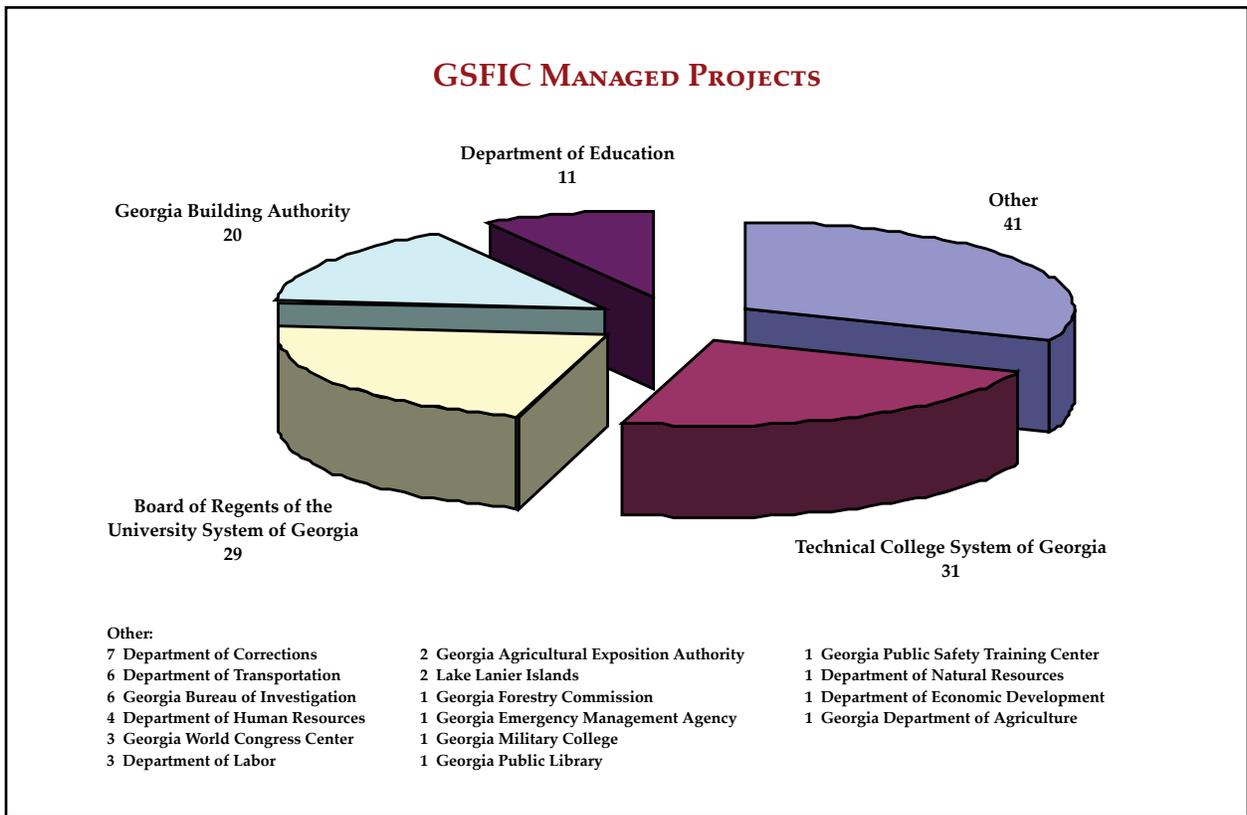


*GSFIC employees at Habitat for Humanity project site*

# CONSTRUCTION DIVISION FY 2009 PROJECT OVERVIEW

| DELIVERY METHOD     | No. PROJECTS | DESIGN CONTRACT        | CONSTRUCTION CONTRACT     | TOTAL BUDGET              |
|---------------------|--------------|------------------------|---------------------------|---------------------------|
| Design-Bid-Build    | 77           | \$20,713,964.32        | \$ 246,784,175.59         | \$ 403,801,930.00         |
| CM/GC               | 42           | 68,753,829.59          | 649,547,247.68            | 1,324,977,038.00          |
| Design-Build        | 9            | 7,621,237.00           | 121,135,529.37            | 139,699,336.00            |
| Task Order Contract | 4            | 74,000.00              | 2,079,673.36              | 2,074,549.00              |
| <b>All</b>          | <b>132</b>   | <b>\$97,163,030.91</b> | <b>\$1,019,546,626.00</b> | <b>\$1,870,552,853.00</b> |

| PROJECT PHASE                     | No. PROJECTS |
|-----------------------------------|--------------|
| Planning, Programming, Pre-Design | 11           |
| Design                            | 39           |
| Construction                      | 45           |
| Close-out                         | 37           |
| <b>Total</b>                      | <b>132</b>   |



## GSFIC MANAGED CONSTRUCTION PROJECTS COMPLETED IN FY 2009

The construction division of Georgia State Financing and Investment Commission completed 33 projects in Fiscal Year 2009, including a library and technical center at North Georgia College and University, five state prison dormitories, three Department of Transportation buildings and several college classroom buildings. Construction contracts for these projects totaled more than \$175 million.

| PROJECT  | DESCRIPTION   | SIZE          | COST            |
|--|---|---------------|-----------------|
| J-30<br>Georgia Southern University<br>Library<br>Board of Regents                                     | Renovation and expansion of the Henderson Library on the campus of GSU in Statesboro.   | 234,000 sq ft | \$23,330,739.24 |
| GDC-082A<br>Headquarters Relocation to Tift<br>College Campus<br>Department of Corrections             | Renovation to the Rutland Student Center, construction of a new central energy plant and rebuilding infrastructure which will serve as part of the new Department of Corrections Training Facility.   | 9,268 sq ft   | \$11,454,677.04 |
| SBE-019A<br>FFA Covington Camp<br>Department of Education  | Construction of a new cabin and shelled-out dry-in of a second cabin.   | 4,500 sq ft   | \$841,817.06    |
| GDC-084<br>Ware State Prison Dorm<br>Department of Corrections   | Construction of a housing facility at Ware State Prison in Waycross. The facility includes locking controls, closed circuit television, intercom and paging systems.  | 23,500 sq ft  | \$4,968,354.19  |
| DOT-014<br>Routine Maintenance Facility<br>Department of Transportation                                | Construction of a maintenance facility including four vehicle bays, administrative areas and storage in Sterling.   | 10,000 sq ft  | \$1,752,642.79  |
| GDC-081<br>Valdosta State Prison Dorm<br>Department of Corrections                                     | Construction of a housing facility at Valdosta State Prison in Lowndes County. The facility includes locking controls, closed circuit television, intercom and paging systems.  | 23,500 sq ft  | \$5,474,728.84  |
| GBA-0167A<br>Executive Center<br>Georgia Building Authority  | An extensive waterproofing project at the Governor's Mansion to prevent damage to the foundation and ballroom.  | n/a           | \$1,795,982.59  |
| DTAE-104<br>Valdosta Technical College<br>Classroom Building<br>Technical College System of<br>Georgia | A new two-story classroom building and student center for Valdosta Technical College. The project includes classrooms, computer labs, media center, administrative space and a food service center. The building serves as the new front door for the college campus. | 100,546 sq ft | \$14,082,656.96 |
| GBA-150SC<br>Agriculture Building<br>Georgia Building Authority  | Repairs to the parking courtyard area to prevent leaks to the garage deck below.  | n/a           | \$295,578.10    |
| J-039<br>Parks Nursing/Health Science<br>Renovation<br>Board of Regents                                | Remodeling of the existing health sciences and Parks nursing buildings on the campus of Georgia College and State University in Milledgeville.  | 63,190 sq ft  | \$9,001,748.88  |

| <b>PROJECT</b>   | <b>DESCRIPTION</b>  | <b>SIZE</b>   | <b>COST</b>     |
|--|---|---------------|-----------------|
| J-042<br>Savannah State University<br>Classroom<br>Board of Regents                            | Construction of a two-story building that will house an applied research lab, observation lab and Africana studies exhibit area. Lecture space includes a single 100-seat room and two 40-seat rooms. There are four seminar rooms and 16 classrooms. | 53,000 sq ft  | \$12,184,977.00 |
| GBA-141B<br>Cafeteria Renovation Phase II<br>Georgia Building Authority                        | General renovation and upgrades of the Twin Towers Cafeteria, Capitol Commons, including build out of two new eateries, new carpeting and additional fixtures.  | n/a           | \$1,211,418.12  |
| J-040<br>Health, Wellness and Lifelong<br>Learning Center<br>Board of Regents                  | Construction of a multi-level health, wellness and life long learning center on the campus of University of West Georgia in Carrollton.   | 8,150 sq ft   | \$25,261,018.64 |
| DTAE-210ASC<br>Welding Technology Building<br>Fit-Up<br>Technical College System of<br>Georgia | Interior construction including an air condition lab with storage areas, construction lab with storage areas, three classrooms, office space, work room and break area at Flint River Technical College.  | 10,710 sq ft  | \$836,722.47    |
| DOT-048<br>Large Area District Office<br>Department of Transportation                          | Construction of a district office in Athens/<br>Clarke County.  | 8,000 sq ft   | \$976,993.17    |
| GBA-0167B<br>Kitchen Renovations<br>Georgia Building Authority                                 | Renovation of the 40-year-old kitchen at the Governor's mansion, including bringing the kitchen up to the current fire codes and upgrading equipment to meet efficiency standards.  | n/a           | \$868,255.17    |
| GDC-080<br>Smith State Prison Dorm<br>Department of Corrections                                | Construction of a housing facility at Smith State Prison in Glennville. The facility includes locking controls, closed circuit television, intercom and paging systems.   | 23,500 sq ft  | \$4,961,209.06  |
| DHR-062A<br>Remediation at Central State<br>Hospital<br>Department of Human Resources          | Remediation of a 192-bed forensic psychiatric hospital for Central State Hospital in Milledgeville. Special systems include security intercom, closed circuit television, fire and duress alarms.   | 108,983 sq ft | \$12,178,345.94 |
| SBE-010<br>Cafeteria Renovation<br>Department of Education                                     | Update the cafeteria and kitchen equipment at the Atlanta Area School for the Deaf in Clarkston.  | 600 sq ft     | \$508,362.95    |
| DOT-049<br>Large Area Office<br>Department of Transportation                                   | A single story building in Dublin containing open and private offices, a conference/classroom and support spaces.   | 8,000 sq ft   | \$1,097,132.78  |
| J-015A<br>Bainbridge College Modifications<br>Board of Regents                                 | Additions and renovations to the existing Charles H. Kirbo Center including a 500-seat auditorium, a 300-seat dining area, an associated kitchen expansion and new restrooms in Decatur County.   | 33,865 sq ft  | \$8,412,012.69  |
| LLI-009<br>Roadway Improvements<br>Lake Lanier Islands Authority                               | Road way improvement, including paving reclamation, curb and gutter, grading and excavation, utility relocation, paving and line striping on Lake Lanier.   | n/a           | \$5,141,130.61  |

| <b>PROJECT</b>   | <b>DESCRIPTION</b>   | <b>SIZE</b>  | <b>COST</b>     |
|--|--|--------------|-----------------|
| GDC-078<br>Macon State Prison Dorm<br>Department of Corrections      | Construction of a housing facility at Macon State Prison in Oglethorpe. The facility includes locking controls, closed circuit television, intercom and paging systems.  | 23,500 sq ft | \$4,705,757.21  |
| DOT-053SC<br>Rest Area Repairs<br>Department of Transportation       | Repairs to the restroom facilities at the Monroe County Rest Area. The damage was the result of an automobile accident. Repairs focused on the women's restroom facility.  | n/a          | \$53,675        |
| SPE-008SC<br>Covered Walkway<br>State Board of Education             | Construction of a walkway cover at the Georgia Academy for the Blind in Macon.   | n/a          | \$164,067.70    |
| GBI-027A<br>Paving Project<br>Georgia Bureau of Investigation        | Paving at the Georgia Bureau of Investigation office in Conyers.   | n/a          | \$33,579.52     |
| SBE-012A<br>Entry Gate<br>State Board of Education                   | Entrance and exit gates, including card reader, for the Georgia School for the Deaf in Cave Spring.  | n/a          | \$52,675.82     |
| SBE-012E<br>Finishes Package<br>State Board of Education             | Renovation work to the cafeteria and administrative buildings at Georgia School for the Deaf, including removal and replacement of select VCT, ceiling tile and light fixtures and supply and exhaust fans.                                    | n/a          | \$177,457.53    |
| GBA-0146SC<br>Facade Restorations<br>Georgia Building Authority      | Repairs to the brick veneer of the Coverdell Legislative Office Building on Capitol Hill in Atlanta.   | n/a          | \$423,237.32    |
| J-041<br>Library/Technology Center<br>Board of Regents               | Multi-level library and information technology building for North Georgia College and State University in Dahlonega.   | 88,530 sq ft | \$18,304,112.04 |
| GBA-0155SC<br>Ventilation Improvements<br>Georgia Building Authority | Improvements to the underground parking facility at 244 Washington Street on Capitol Hill in Atlanta.  | n/a          | \$69,324        |
| GDC-079<br>Dooly State Prison Dorm<br>Department of Corrections      | Construction of a housing facility at Dooly State Prison in Unadilla. The facility includes locking controls, closed circuit television, intercom and paging systems.  | 23,500       | \$4,975,198.95  |
| GBA-141<br>Water Main Replacement<br>Georgia Building Authority      | Demolition of abandoned domestic hot and cold water piping in both the east and west towers of the James H. Sloppy Floyd Veterans Memorial Building on Capitol Hill in Atlanta. Installation of new domestic water lines and new booster pump. | n/a          | \$1,000,001.67  |
| DTAE-103A<br>Technical College System of Georgia                     | Construction of an administration/classroom building and an industrial arts building at the Grady Center in Cairo.   | 10,446 sq ft | \$1,462,485.75  |

## GO FISH GEORGIA CENTER

Located on approximately 120 acres at the Georgia National Fairgrounds in Perry, the Go Fish Georgia Center is the cornerstone of a statewide effort to promote and enhance boating and fishing tourism, and to boost economic development in communities across the state. Slated for an FY 2010 completion, construction on the Go Fish Georgia Center began in September, 2008.



*Go Fish Georgia Center in Perry*

The 40,000-square-foot center will feature a 15,000-square-foot visitor's center that promotes fishing opportunities throughout the state, an on-site public fishing pond and a full functioning freshwater hatchery to enhance fish populations in the state's lakes, ponds and reservoirs. Additionally, the center will provide extensive educational experiences for visitors, fish and wildlife exhibits, state-of-the-art theaters and a nature trail.

The fish and wildlife exhibits will feature both interactive and live elements that depict natural habitats found in and around Georgia waterways. It will feature exhibits on rivers, reservoirs, trout streams, coastal waters and, of course, Montgomery Lake, where the world record largemouth bass was caught. There will be live habitat exhibits as well as a trophy fish display depicting Georgia's biggest and best catches.

Located just outside the center, a half-mile-long nature trail will mimic the natural habitats found throughout Georgia. Rich with plants and wildlife, the educational trail will house an open-air pavilion and seating areas perfect for large gatherings.

Bordered by the nature trail, the fishing pond will serve as the ultimate outdoor fishing experience for all visitors. While at the pond, visitors will have the opportunity to cast away and see what's biting. It's a great place for a child to enjoy a first fishing experience with the family.

The new state-of-the-art fish hatchery is an essential element of the center and will be open to the public. Existing state hatchery facilities are operating at maximum capacity and the new facility will allow for the production of additional forage fish to stock Georgia's waterways and increase sport fish growth rate. Research at this facility, which also will be open to the public, will ensure that fish stocked in Georgia waters are genetically superior.

Designed by Lyman Davidson Dooley, Inc., the \$11 million project supports the Department of Natural Resources' aggressive green building program and will be LEED-certified. The general contractor for the project is Juneau Construction Company.

## ZACH S. HENDERSON LIBRARY

Georgia Southern University celebrated the New Year with an expanded and renovated Zach S. Henderson Library. The \$22.75 million project began in the summer of 2004 and opened its doors in time for the fall 2008 semester. A formal ribbon cutting was held at the Statesboro university in January, 2009.

The school's first library building opened in 1938 when Georgia Southern was known as Georgia Normal School. Before that opening, the library was housed in a small room in the administration building and in 1921 contained 1,000 books and 50 magazines and periodicals. The existing Henderson Library opened in 1976 and was originally built, according to the renovation architects, as a pre-cast concrete box.

The renovation and expansion – which took place in two phases to ensure students didn't lose access to the library's holdings - dramatically changed the size, character and appearance of the original library, includ-

ing a dramatic three story atrium, a learning commons area, floor to ceiling windows throughout, and a coffee shop overlooking the original campus lakes. The library has doubled its seating capacity to nearly 2,000 seats and now features 29 group study rooms. It is also the largest building on the university's prominent east-west pedestrian corridor and connects the historic buildings to the north with the new buildings along the walkway.

The library at Georgia Southern now houses more than 600,000 books and bound periodicals, more than 890,000 microform units, almost 750,000 government documents and offers access to more than 46,000 electronic journals. The library has more than 300 hard-wired computers, 18 laptops available for loan and wireless access to the Internet throughout the building.

One unique feature of the building is the Automated Retrieval Collection (ARC), which contains space to store up to 800,000 items – books, periodicals, documents - in 4,848 separate bins that are stacked 45 feet high. While most of the library collection is shelved in publicly-accessible stacks, the ARC guarantees more than seven decades worth of collection growth space without having to reduce public seating or storing materials outside of the library.

Designed by Cogdell & Mendrala Architects and built by McKnight Construction Company, the same contractors that completed the original building, the project was built on behalf of the Board of Regents of the University System of Georgia.

*The library has doubled its seating capacity to nearly 2,000 seats and now features 29 group study rooms.*



*Atrium in the Zach S. Henderson Library*



*State of the art library in Statesboro*

# STATE ADA COORDINATOR'S OFFICE

The State ADA Coordinator's Office provides comprehensive educational and technical support for state agencies so that those programs, services and activities operated by the State of Georgia are usable and accessible to everyone, to the greatest extent feasible. The office serves as a technical resource to state agencies for the Americans with Disabilities Act (ADA); operates the Statewide ADA Facility Improvements Program; conducts general and customized training on ADA topics for state agencies; and increases the visibility of the ADA to help more citizens understand the letter and spirit of the law.

## STATE FACILITIES IMPROVEMENT PROGRAM

This program was established to ensure that state owned facilities meet the ADA's "program access" mandate to provide equal access to these facilities for persons with disabilities. The Office follows the procedures outlined in the General Obligation Bond Proceeds Expenditure Policy and monitors the bond spend down to track the effectiveness of GSFIC's ADA bond spend down policy and procedure, with particular emphasis on the monitoring and reimbursement phase.

The Office works with state agencies to develop budget requests and to undertake ADA-related construction projects. These projects concern accessible entrances, primary function areas, restroom alterations, site modifications, automatic doors, curb cuts, ramps, pathway renovation, door modification, and other accessibility elements and features to meet the letter and spirit of the Americans with Disabilities Act. Separate and independent from this "program access" justification, the recommended structural modifications generally increase the overall usability and access to these facilities for everyone.

During Fiscal Year 2009, the Office and its agency partners completed 13 ADA projects at state colleges and universities, Veterans Service facilities, technical colleges, state parks and other state facilities. The construction cost for these projects was \$597,526 and fully closes out ADA Bond 2006F, which totaled \$1.6 million.

## TRAINING AND OUTREACH

The Office works to proactively address ADA-related issues with state agencies through collaboration, training and technical support, utilizing the framework outlined in Title II of the ADA and its implementing regulations.

Highlights from FY 2009 include:

- **Mental Health Sign Language Interpreter Institute Collaboration**

Managed a 40-hour course designed to provide a sound basis for interpreters to work effectively in mental health settings as part of a professional team. The program included lectures, demonstrations, exercises, evaluation and discussion to develop knowledge, skills and resources to ensure that services are linguistically and culturally appropriate to educate stakeholders on accessibility-related code requirements and best practices when designing or constructing facilities for State of Georgia government agencies.

- **Best Practices in the Employment of Individuals with Disabilities**

Conducted a comprehensive survey — with participation from the U.S. Equal Employment Opportunity Commission, ADA Policy Division — to identify significant ADA law changes and to support state agency partners in identifying and implementing strategies that encourage the recruitment, hiring, retention and promotion of individuals with disabilities in state government; assist state agency partners in assessing their current ability to provide effective and reasonable workplace accommodations to individuals with disabilities; and, identify resources for different types of accommodations in the workplace.

- **New Website**

The ADA office launched a stand-alone website, [www.ada.georgia.gov](http://www.ada.georgia.gov), designed to provide information about the ADA Coordinator's Office, including programs, services and resources.



# FINANCING AND INVESTMENT DIVISION

## DEBT ISSUANCE

### GENERAL OBLIGATION BOND ISSUANCES - \$1,600,600,000

| DATE SOLD   | SERIES | FINAL MATURITY | TRUE INTEREST COST | ISSUE AMOUNT  | LEAD UNDERWRITER     |
|-------------|--------|----------------|--------------------|---------------|----------------------|
| 6/12/2008 * | 2008A  | 7/1/2018       | 3.0212%            | \$ 56,605,000 | Lehman Brothers      |
| 6/12/2008 * | 2008B  | 7/1/2028       | 4.2698%            | 465,885,000   | Merrill Lynch & Co.  |
| 2/4/2009 ^  | 2009A  | 1/1/2014       | 1.6124%            | 61,795,000    | Merrill Lynch & Co.  |
| 2/4/2009 ^  | 2009B  | 1/1/2029       | 3.8856%            | 552,055,000   | Merrill Lynch & Co.  |
| 5/28/2009 ^ | 2009C  | 5/1/2014       | 1.5440%            | 9,500,000     | Merrill Lynch & Co.  |
| 5/28/2009 ^ | 2009D  | 5/1/2029       | 3.8054%            | 305,030,00    | Merrill Lynch & Co.  |
| 5/28/2009 ^ | 2009E  | 7/1/2020       | 2.5585%            | 149,730,000   | Merrill Lynch & Co., |

\* Sold June 12, 2008 via competitive bid, but closed July 17, 2008.

^ Sold via negotiation to an underwriting syndicate managed by Merrill Lynch & Co.



*Savannah State University classroom building*

### AUTHORITY FINANCINGS - \$724,855,000

| AUTHORITY                                     | AMOUNT         | DESCRIPTION   |
|---|----------------|---|
| State Road and Tollway Authority              | \$ 600,000,000 | GARVEE revenue bonds                                      |
| Georgia Housing and Finance Authority         | 25,000,000     | Single family mortgage revenue bonds                      |
| Georgia Higher Education Facilities Authority | 99,855,000     | Revenue bonds (USG Real Estate Foundation I, LLC Project) |

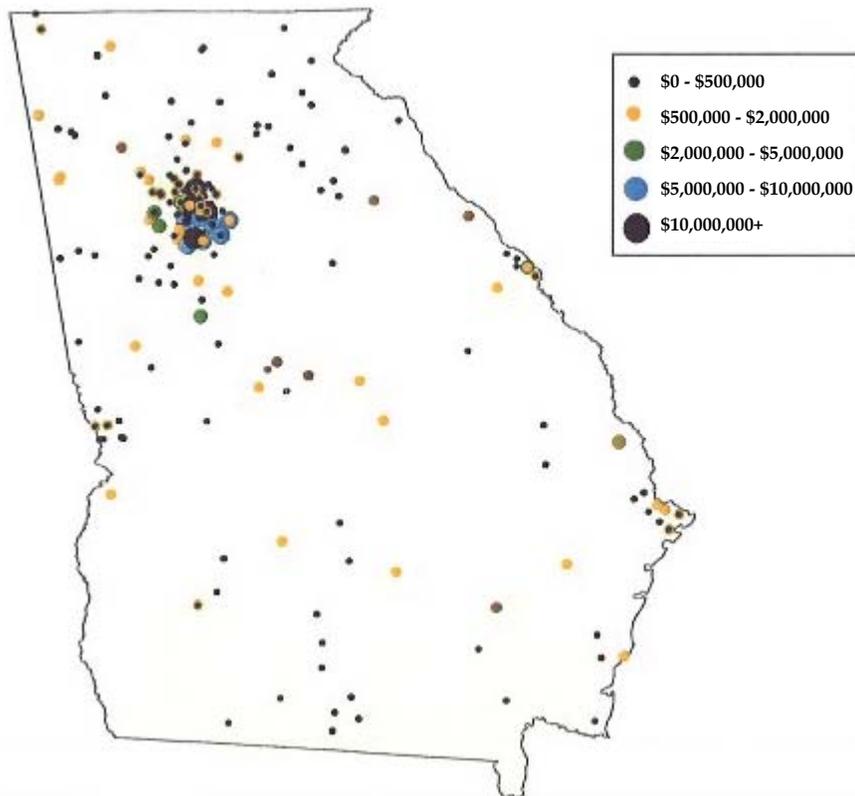
## BUY GEORGIA BONDS

On February 2, 2009, the citizens of Georgia had the opportunity to invest in this great state by purchasing up to \$613,850,000 State of Georgia General Obligation Bonds, Series 2009A and 2009B. The state's first ever negotiated "new money" bond sale gave retail investors the ability to buy Georgia bonds by placing orders on the day of the sale with their brokerage firms during a retail-only order period. Georgians were able to strengthen their individual investment portfolios with triple-A rated tax-exempt Georgia bonds while at the same time helping the State fund the construction of schools, roads, and other capital projects.

By expanding the investor base and increasing demand with the retail order period, the state was able to lock in an interest rate of 1.61% for the 2009A 5-year bonds, the lowest rate Georgia had secured in decades, and a competitive 3.89% for the 2009B 20-year bonds. This sale, completed in a single day, was primarily sold

to retail investors, reflecting solid demand for Georgia's gilt-edged bonds. As outlined below, \$452 million in retail orders were received (73.6% of the total bond issue) with retail customers in Georgia accounting for 90% of these orders.

### STATE OF GEORGIA GENERAL OBLIGATION BONDS - SERIES 2009A AND 2009B GEORGIA RETAIL DISTRIBUTION



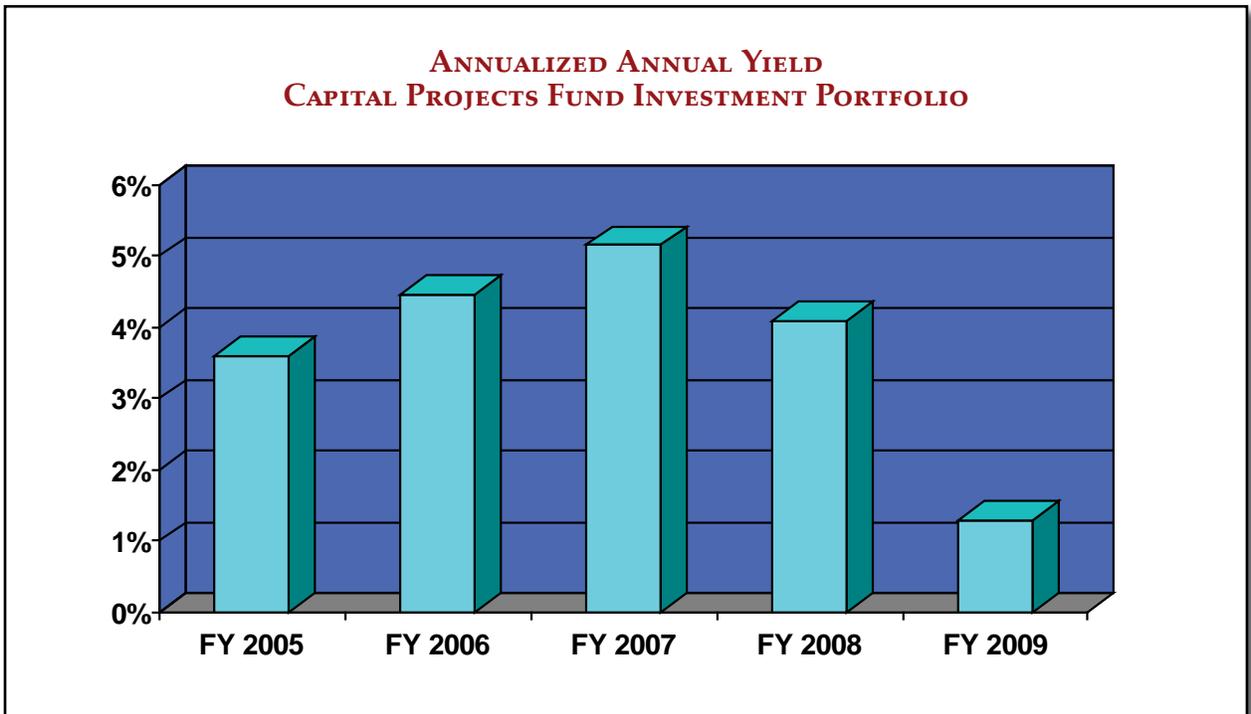
- 1,157 retail ticket orders were entered nationwide, totaling \$452 million in par
- Approximately 90% (1,032 tickets) of the retail orders entered originated from Georgia zip codes, totaling approximately \$420 million in par
- The average retail order entered was for approximately \$400,000

## EARNINGS

Interest earnings from the deposits and investment of bond proceeds during Fiscal Year 2009 were \$72,643,507.17 per book. This was a decrease of \$4,540,915.77 over FY 2008 mainly due to decreased interest rates during the year. At June 30, 2009, the Commission had the following deposits and investments:

| DEPOSITS AND INVESTMENTS   | MATURITIES        | FAIR VALUE       |
|--|-------------------|------------------|
| Pooled portfolio managed by the Office of Treasury and Fiscal Services |                   |                  |
| Cash held for investment settlements                                   |                   | \$ 440,776,317   |
| U.S. Government Agency Obligations                                     | 1.9 year duration | 1,207,269.673    |
| Repurchase Agreements  | July 1, 2009      | 74,526,000       |
| Total  |                   | \$ 1,722,571,990 |

The portfolio, with an average yield of 1.29%, consists of Fixed Income Securities comprised of Agencies of the United States Government and Repurchase Agreements.



## EARLY RETIREMENT OF DEBT

From interest earnings available for the advance retirement of debt, the Financing and Investment Division made 48 purchases of State of Georgia General Obligation Bonds in the secondary market with a par value of \$87,855,000. These early retirements of Bonds:

- reduced the state's outstanding general obligation bond debt by 1.0%,
- will save the state \$128,803,678 in future principal and interest appropriations and,
- reduced debt service in FY 2009, FY 2010, and FY 2011 by \$2.6 million, \$25.2 million, and \$2.9 million, respectively.

GSFIC's early retirement program to-date has saved the State over \$1.5 billion in future principal and interest appropriations.



*Department of Corrections project at Tift College in Forsyth*

## FY 2009 DEFEASANCE & REFUNDING

On May 28, 2009, the Commission legally defeased and retired early \$26,125,000 of outstanding general obligation bonds due on July 1, 2009 by utilizing the premium received from the sale of the series 2009C and series 2009D bonds. On that same date, the Commission used the proceeds of the series 2009E bond issue to refund \$153,335,000 of outstanding general obligation bonds at lower interest rates. The combination of these actions and the low overall interest costs on the state's new money general obligation bonds provided over \$34 million in budgetary relief in FY 2009. The refunding will provide multi-year budget relief through FY 2021 by lowering the debt service payments from the original debt service schedule of the refunded bonds.

This refunding of bonds also will:

- save the State a total of \$7,302,116.67 in future debt service appropriations and,
- reduce the debt service coming due in FY 2010 by \$5,954,472.92.

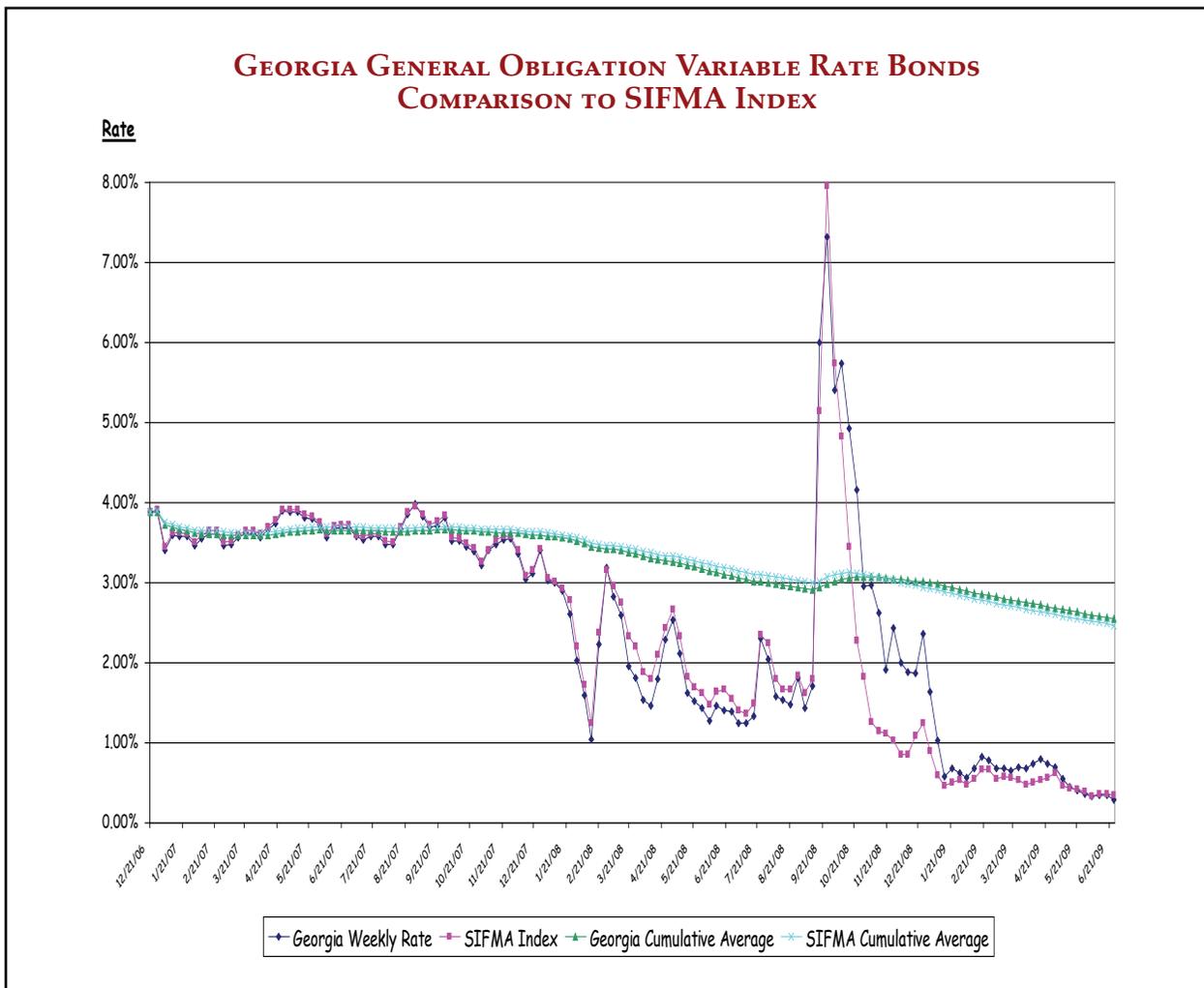
# VARIABLE RATE BOND PERFORMANCE

During FY 2009, the average interest rate for the 2006H variable rate bond issue was approximately 1.71%. Together with the ongoing fees of approximately 0.12%, this equates to an effective rate of approximately 1.83%. When compared to the estimated fixed rate of 4.14% at which the bonds would have been issued in December 2006, the total interest payments savings for FY 2009 exceeded \$7.6 million.

These results were achieved despite the severe market disruptions following the bankruptcy of Lehman Brothers, which caused interest rates to spike in September and October 2008, and also a rating downgrade of Dexia Credit Locale, the bank which provides the Stand-by Bond Purchase Agreement for the bonds. By mid-January 2009, with general improvements in the credit markets and decreasing concern about Dexia Credit Locale, the weekly interest rate resets on the 2006H vari-

able rate bond issue had improved to within 20 basis points of the SIFMA index rate; by late May 2009, the 2006H bonds again were resetting at interest rates lower than the SIFMA index.

The following chart illustrates the comparison of both Georgia's weekly and cumulative rates to the Securities Industry and Financial Markets Association (SIFMA) index from issuance through FY 2009.



## EXPENDITURE OF BOND PROCEEDS

Federal arbitrage regulations require that the state “reasonably expects” to spend down proceeds of each bond series as follows:

- Five percent within six months of issuance,
- Eighty-five percent within three years of issuance; and
- Completion of projects and spending of funds with “due diligence.”

These regulations are in place to: 1) minimize the benefits of investing tax-exempt bond proceeds at higher taxable rates, and 2) remove the incentive to issue more bonds than required for the projects, issue bonds earlier, or to leave bonds outstanding longer than necessary to carry out the governmental purpose of the bond issue.

While in fiscal year 2009 all outstanding bond series were in compliance with the federal expenditure mile-

stones, many individual projects failed to comply. In order to ensure overall compliance for each bond series, GSFIC’s General Obligation Bond Proceeds Expenditure Policy applies these expenditure requirements to individual projects. In addition, GSFIC requires that bond proceeds be exhausted within five years.

The Financing and Investment Division, in coordination with the Construction Division and state agencies and authorities, has procedures in place to monitor that these benchmarks are met at both the series and the project level. Both divisions are working with the respective agencies to spend down these remaining balances or return the proceeds for the purpose of retiring debt.

### SUMMARY OF AGENCY SPEND DOWN COMPLIANCE

|   | NUMBER OF AGENCIES | NUMBER OF PROJECTS | AMOUNT OF BOND PROCEEDS REMAINING |
|---|--------------------|--------------------|-----------------------------------|
| Agency bond proceeds remaining after 5 years          | 6                  | 19                 | \$ 5,135,757                      |
| 15% or more of bond proceeds remaining after 3 years  | 7                  | 35                 | 41,815,211                        |
| 95% or more of bond proceeds remaining after 6 months | 10                 | 38                 | 83,765,519                        |
| Total not in compliance with expenditure milestones   | 14                 | 92                 | 130,716,487                       |
| <b>Total number in compliance with all milestones</b> | <b>10</b>          | <b>1,412</b>       | <b>\$ 8,319,736,692</b>           |



*South Georgia Technical College in Americus*



*Future Farmers of America campsite in Covington*

## STRATEGIC INITIATIVES

The Georgia State Financing and Investment Commission is dedicated to hiring and retaining the most qualified employees. Work began last year on the development of a Career Management Institute for all Commission employees. The competencies for every position at GSFIC were identified along with career maps identifying job growth opportunities. In FY 2010, career development opportunities and learning strategies for all positions will be identified and the following year a learning management system allowing for easy access to continuing education will be implemented. The ultimate goal of the Career Management Institute is to provide employees with the tools and incentives to proactively manage their careers to the benefit of themselves and the agency.

To ensure the agency is prepared in the event of an emergency, the Information Technology Division is spearheading a Business Continuity and Disaster Recovery Plan that will guide departmental planning and programming in the event of a disaster. The plan will be based on the modeling tool provided by Georgia Technology Authority and will provide a method and operating procedure in the event of an interruption to building access or IT infrastructure.

Utilizing external software, IT will launch a web-based time and leave tracking system for all employees. The system replaces the outdated model of handwritten time sheets and leave request forms.

The legal division, in coordination with the Board of Regents and the Department of Law, will develop a single contract for each delivery method for use by GSFIC and the college system. The single contract should ameliorate the process for contractors working with both agencies on construction projects. Legal Services also will work with procurement in the development of a standardized small construction contract.

Procurement services will develop a Best Value Selection process, which will take both qualifications and price into consideration. Currently, there are processes that take into account qualifications or price, but not a combination of the two. This should result in competitive bidding among contractors while preserving the important element of proven qualifications.

Construction Services will implement a measuring tool for the GSFIC dashboard to track on-time and on-budget project completion. Improving on-time and on-budget to a rate of 100 percent is one of the long-term

strategic goals for the agency. The construction division will also conduct post occupancy surveys to measure customer satisfaction after construction is complete and develop a program to more accurately estimate design and construction duration.

The Quality Assurance division, in coordination with the project managers, will provide expanded on-site oversight and reporting at all construction sites.

An electronic payment application will be developed, allowing contractors and subcontractors to file monthly payment requests electronically rather than on paper. This method will reduce the paperwork generated and expedite the process. Additionally, there is no need to do math – the software application will manage that. The electronic payment initiative is a great example of the Commission's dedication to providing "faster, friendlier and easier" customer service.

The Financing and Investment Division is developing a web-based bond and debt management system ("eBonds"). This application will have the capability to track and report data on all bond issues including the appropriation bill/or bills authorizing the debt, all projects included in the bond issue and outstanding debt and debt service information. Any capital project can be tracked through eBonds from the time it is appropriated by the Legislature and approved by the Governor through completion of the project. The system will allow agencies to request a preference for scheduling their capital projects for future bond sales and to access bond and project status and spend-down milestones. Agencies will be able to provide comments on eBonds for projects that have not met spend-down milestones.

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