

# FISCAL YEAR 2017 ANNUAL REPORT

Georgia State Financing and Investment Commission



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**Cover Photograph**  
**University of Georgia - Terry College of Business**

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## COMMISSION MEMBERS

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## COMMISSION MEMBERS

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**Governor Nathan Deal** | Chief Executive Officer, Chairman

**Casey Cagle** | Lt. Governor, Vice-Chairman

**Greg S. Griffin** | State Auditor, Secretary and Treasurer

**David Ralston** | Speaker of the House of Representative

**Chris Carr** | Attorney General

**Gary W. Black** | Commissioner, Department of Agriculture

**Steve McCoy** | State Treasurer

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**Steve Stancil** | Director, Construction Division,  
Executive Secretary

**Diana Pope** | Director, Financing and Investment Division

# INTRODUCTION, MISSION, VISION AND CORE VALUES

# INTRODUCTION

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**The Georgia State Financing and Investment Commission (GSFIC)**, 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. GSFIC consists of the Financing and Investment Division and the Construction Division.

**The Financing and Investment Division (F&I 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 GSFIC and also enable the F&I Division to retire state debt prior to maturity. The F&I Division prepares the State's Debt Management Plan and monitors agency expenditures of bond proceeds for compliance with federal tax regulations. In 2006, the legislature created the Georgia Higher Education Facilities Authority (GHEFA). GHEFA is attached to GSFIC for administration purposes and staffed by the F&I Division.

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

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

- ADA Compliance Assistance
- Procurement Services
- Construction Services
- Design Review Services

## MISSION, VISION AND CORE VALUES

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The Georgia State Financing and Investment Commission's core values are dedicated to continuous quality improvement in all of its activities.

### **Mission**

Building Georgia's future by providing financial and construction management with the highest level of customer service, integrity, fairness and efficiency.

### **Vision**

To be the State's premier resource for financial and construction management services.

### **Core Values**

Excellence • Leadership • Fairness • Stewardship

YEAR-IN-REVIEW  
FINANCING AND INVESTMENT DIVISION

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# YEAR-IN-REVIEW

## FINANCING AND INVESTMENT DIVISION

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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 capital improvement projects.

### **General Obligation Bond Issuance Highlights**

During Fiscal Year 2017, the Commission issued general obligation bonds funding approximately \$1.027 billion for capital projects. The Commission also issued \$1.34 billion of refunding general obligation bonds which will provide over \$240.7 million in debt service savings to the State.

Georgia maintained triple-A credit ratings on its general obligation debt from the three major credit rating agencies - Moody's, Standard & Poor's, and Fitch - as it has every year since 1997. Georgia is one of twelve states with the coveted triple-A rating from all three rating agencies - the other states with triple triple-A ratings are Delaware, Indiana, Iowa, Maryland, Missouri, North Carolina, South Dakota, Tennessee, Texas, Utah, and Virginia. Of these twelve states, three (Indiana, Iowa, and South Dakota) have no general obligation debt outstanding and Indiana is prohibited by its state constitution from issuing general obligation bonds (these ratings are known as Issuer Credit Rating which serves as a proxy for a general obligation bond rating for these states). The triple triple-A rating allows the State to sell its bonds at the lowest possible interest rates which results in the lowest possible debt service payments and thus savings for Georgia's citizens. The highest bond ratings enable the State to invest in vital infrastructure in a fiscally responsible manner as well as providing more employment opportunities for Georgia's construction industry. The State's debt management plan, which is developed by GSFIC in collaboration with the Governor's Office of Planning and Budget, is a critical component of demonstrating Georgia's conservative fiscal management to both the rating agencies and the purchasers of Georgia's bonds and helps guide State leaders in determining manageable levels for new debt authorizations.



*Chatham County Welcome Center, Photo courtesy of The Architecture Group, Inc. © David Robinson Photography*



## TIA Program

The Transportation Investment Act of 2010 ("TIA") became effective in January 2013 after voters in three districts – Central Savannah River Area (CSRA), River Valley (RV), and the Heart of Georgia Altamaha (HOGA) – approved a one percent sales tax for ten years to fund regional and local transportation improvements; over \$1 billion in new revenue is expected to be generated for the TIA program which is dedicated to transportation improvements in these districts.

Prior to the vote and after significant input from the public, regional commission roundtables of local elected officials selected the TIA program projects for each district. 75% of collected revenue in each district is used for construction of the projects. The remaining 25% is disbursed monthly to the municipal and county governments within the district for their discretionary use on local transportation-related efforts.

GSFIC is responsible for receiving the monthly TIA tax collections from the Department of Revenue and distributing 25% of those amounts to each municipal and county government within these three districts. GSFIC received a total of \$140 million in tax collections in FY2017. Of that amount, GSFIC distributed \$35 million to the local governments and \$105 million for the TIA program projects. Since the inception of the TIA program, a total of \$623 million has been received and distributed through June 30, 2017 as shown in the table below:

Special District	Total TIA Collections through June 30, 2017	Distributions to Local Jurisdictions (25%)	Distributions to TIA Program Projects (75%)
Central Savannah River Area	\$290,075,720	\$72,518,930	\$217,556,790
River Valley	\$204,032,153	\$51,008,038	\$153,024,114
Heart of Georgia	\$129,008,231	\$32,252,058	\$96,756,173
<b>Total</b>	<b>\$623,116,103</b>	<b>\$155,779,026</b>	<b>\$ 467,337,077</b>



Baldwin Hall Expansion and Renovation - University of Georgia, Photo courtesy of House Walker Architecture

YEAR-IN-REVIEW  
CONSTRUCTION DIVISION

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# YEAR-IN-REVIEW

## CONSTRUCTION DIVISION

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GSFIC's team of construction professionals and information technology specialists are dedicated to leveraging today's technology to improve the State's construction program. In addition to continuing long term strategic initiatives, there is an ongoing goal of improving GSFIC's procedures and processes and enhancing the Agency's performance.

Additionally, GSFIC continued to conduct frequent or as needed, meetings with many of its using agencies including Board or Regents, Technical College System of Georgia, State Board of Education, Department of Juvenile Justice, Department of Transportation, and Safe Dams / Soil and Water Conservation Commission.

### **Enterprise Project Management Solution**

The continued desire to improve operational efficiencies has driven the efforts in e-Builder since its launch in 2013. In FY2017, GSFIC automated fields on the details page up to 90%. Since the same information was being recorded in the different processes, time is no longer being spent adding the same information manually. GSFIC also launched the Project Manager Report in e-Builder which allows weekly project updates to be captured as historical information. Previously, weekly reports were being emailed back and forth.

Another addition to e-Builder has been a Design Professional Contract Transfer process which only affects Board of Regents projects. Previously, the approval path for transference of a contract from Board of Regents contained approvers that were unnecessary. In the new process, only the critical approvers are present and it now takes less time to create the contract in e-Builder. Lastly, changes were made to the process pages for the Pay Application. The Design Professional shares project progress updates during construction and this was across the board no matter what phase the project was in. The changes made to the Pay Application layouts included separating Pre-Construction, Construction, and Closeout. This way, the Design Professional did not have to fill out unnecessary construction information in the Pre-Construction or Closeout phases of the project.

### **Professional Partnership Workshop**

In an ongoing commitment to fulfill GSFIC's mission of providing construction management with the highest level of customer service, integrity, fairness and efficiency, insight surveys were conducted with over 50 vendors and 25 state agencies. This honest and candid feedback created a portal for unprecedented suggestions, insights and ideas for improving our processes and it was this feedback that drove the initiative to host an information session at the Fall GASFA Conference in Jekyll Island geared to fellow State Agencies and the End-User community. This event provided our client/agency/end-user community with insight on how to successfully engage with GSFIC. The event had three goals:

1. Act as an information portal for State Agency customers
2. Strengthen the collaborative relationship with our fellow State Agencies
3. Provide an opportunity to solicit suggestions to increase efficiency

## Building Information Modeling

GSFIC's Construction Division continues to expand the applications of Building Information Modeling (BIM) as a technology to improve the design and construction processes at each phase and after construction for Facility Management operations. Several initiatives were accomplished during FY2017. Early design phase animations and virtual reality which were created by GSFIC to support meetings with representatives of the end-users and the design professionals on multiple projects including the Judicial Complex, University of North Georgia's Convocation Center, and the new Lanier Technical College Campus. The animations and virtual reality panoramic images for early design phase reviews are hosted at the GSFIC BIM Website ([gsficbimlab.org](http://gsficbimlab.org)) where they can be used for future meetings by the end-users and design professionals directly from the internet. Research on BIM model data integration into Facility Management continues with the Judicial Complex and GBA's Maximo facility management system and requirements were added to the BIM Execution Plan for the project.



*Virtual reality view of the Court of Appeals*



*Physical Mock Up of the Supreme Court*



*Virtual reality view of the Supreme Court*

## Procurement

The Procurement Department is charged with the overall process of acquiring services in support of GSFIC's Construction Division and the projects it manages. This includes the development of solicitation documents; solicitation and acquisition of services or sources; and preparation and award of contracts. In FY2017, the Procurement staff facilitated selections, bids or purchases involving approximately 216 opportunities in support of GSFIC managed projects that resulted in contracts for construction related services such as building commissioning, architectural and engineering services, construction management agreements, general contractor services, and furniture, fixture & equipment (FF&E) purchases, as well as various consulting contracts. In addition to the selections facilitated in support of the GSFIC managed projects, Procurement facilitated the bidding process for approximately 69 projects being managed by various other State Agencies.

In addition to facilitating the competitive hard bid process for GSFIC managed projects, the Procurement department also facilitated construction bidding on behalf of State Agencies electing to utilize these services being offered by GSFIC. The Procurement Department began facilitating competitive hard bids in the GSFIC Project Management System's (e-Builder) electronic bidding module beginning in January 2015 for all GSFIC managed projects. In an effort to create a standardized bidding process for both the GSFIC managed projects and those projects being managed by individual State Agencies, Procurement Services has committed to duplicating the electronic bidding process currently in e-Builder for use on the non-GSFIC managed projects. A pilot project was identified and GSFIC successfully facilitated an electronic bid using the bidding module during the 3rd Quarter of FY2017.

## Human Resources

Career Management Institute (CMI) is a long-term strategy training program designed to provide GSFIC employees with the tools necessary to operate at the optimal level in their current positions and be a resourceful career road map. After three years in development, CMI was launched for employees in FY2012 and included the configuration and implementation of 300 e-learning modules into the Learning Management System (LMS). Since its initial launch and inception, there have been several advancements in the development of CMI.

During FY2017, an additional 81 Custom-off-the-Shelf (COTS) courses were loaded in the Career Management Institute system. We also developed and released four custom solutions and two elective curricula in the CMI:

### *Custom Solutions*

1. "Confirming and Resolving Warranty Complaints" - The primary goal of the course is to help GSFIC's Regional Quality Assurance Managers strengthen skills for confirming and resolving Warranty Complaints with the greatest success possible. It's also designed to help Contract Compliance Specialists understand how Warranty Complaints are confirmed and resolved so they'll be better prepared to recognize ways of preventing such problems during construction.
2. "Ensuring Accurate Change Order Proposals" - The course will help every CCS play a successful role in the change order process from beginning to end: from the activities of initiating a change order proposal, to making accurate recommendations to approve or deny a change order proposal and through monitoring the change after it's approved to ensure it is executed accurately.

3. "Successfully Integrating Instruction and Motivation" - The goal of this course is to help GSFIC trainers and presenters increase learning outcomes by integrating learner motivation strategies into systematically designed instruction. The course teaches the learner how to use the Motivational Design Process, which is the second part of the ARCS model. Learners are taught how to conduct an audience analysis to help them identify and prioritize motivational challenges—and use that information to create better instruction. This course is the third in the Maximizing Learning Outcomes Series, and builds on the skills taught in the two other courses.
4. "The CCS's Responsibilities in Meeting Contract Requirements" - Given the relatively long timeline for most construction projects, most CCS's have not had chances to experience the full range of contract requirement situations that a CCS is likely to encounter. Moreover, CCS's do not have frequent opportunities to confer with other CCS's about how to handle specific contract requirements. This course was designed to help overcome these challenges and increase accuracy and consistency in the way CCS's handle contract requirements.

#### *Elective Curricula*

1. "How to Succeed in Listening" - This CMI curriculum has 8 courses, videos and resources that will help you improve your skills for listening effectively and having more productive conversations.
2. "Enhancing Leadership Skills" - This CMI curriculum has 12 courses, videos and resources that will help you enhance leadership fundamental skills and improve your leadership skills and techniques.

The following seven employee Career Paths were completed and loaded in the CMI during FY2017: Accountant Paraprofessional; Pay Paraprofessional 2; Director of Information Technology; Systems Administrator; Quality Assurance Manager; Assistant Quality Assurance Manager; and Regional Quality Assurance Manager.

In addition, in FY2017, two employees successfully completed their Career Paths: Quality Assurance Manager and Systems Administrator, which both Career Paths were loaded in the system during this fiscal year. GSFIC had four employees complete the 60 course "Core Curriculum" program. In total, 447 courses and/or solutions were successfully completed by GSFIC employees in CMI during FY2017.

#### **State Americans with Disability Act (ADA) Coordinator's Office**

The State ADA Coordinator's Office provides comprehensive technical services for state agencies so that those programs, services and activities operated by the State of Georgia are accessible and usable by everyone. During the past year, the office promoted and strengthened State agency ADA compliance by obtaining bond funding in the amount of \$667,000 for specific accessibility projects for State Agencies. The office also continued its networking and outreach activities, including co-sponsoring its annual Statewide ADA Conference for State and Local Government, and delivering forty-eight additional training sessions for State Agencies, Code Officials and Design Professionals.

The office also partnered with the Judicial Council of Georgia and the Administrative Office of the Courts to publish the 2017 Accessibility Handbook for Georgia Court Officials and continued its collaboration with Georgia Technology Authority (GTA) and AMAC Accessibility Solutions and Research Center at Georgia Tech on AccessGA, the office's information and communication technology accessibility initiative.

## PROJECT ACHIEVEMENTS & AWARDS

# PROJECT ACHIEVEMENTS & AWARDS

## Barrow County Campus Classroom Building

Lanier Technical College  
Atlanta, Georgia  
Design: Pond & Company  
Construction: JE Dunn Construction

### Peach Award

Presented by: Peach Program 

## Bobcat Villas West

East Georgia State College  
Swainsboro, Georgia  
Design: Lott + Barber, Inc.  
Construction: Fortune-Johnson, Inc.

### Peach Award

Presented by: Peach Program 




Bobcat Villas West

## Central Warehouse

Georgia Southern University  
Swainsboro, Georgia  
Design: WM2A Architects  
Construction: Sheridan Construction Company

### Peach Award

Presented by: Peach Program 

## Clearview Hall

Columbus State University  
Columbus, Georgia  
Design: Lott + Barber, Inc.  
Construction: Winter Construction Company

### Peach Award

Presented by: Peach Program 



Clearview Hall

## The Commons

University of North Georgia  
Dahlonega, Georgia  
Design: Cooper Carry, Inc.  
Construction: Choate Construction Company

### Peach Award

Presented by: Peach Program 

## Georgia Bioscience Training Center

Social Circle, Georgia  
Design: Cooper Carry, Inc.  
Construction: Whiting-Turner Contracting Company

### Peach Award

Presented by: Peach Program 



# PROJECT ACHIEVEMENTS & AWARDS

## Golden Isles Classroom Building

Coastal Pines Technical College  
(fka Altamaha Technical College)  
Brunswick, Georgia  
Design: IPG, Incorporated  
Construction: Elkins Construction, Inc.

### Peach Award

Presented by: Peach Program 

## Mariner Village

College of Coastal Georgia  
Brunswick, Georgia  
Design: Lott + Barber, Inc.  
Construction: Choate Construction

### Peach Award

Presented by: Peach Program 



Mariner Village

## Mashburn Hall

Dalton State College  
Dalton, Georgia  
Design: Collins, Cooper, Carusi Architects  
Construction: The Winter Construction Company

### Peach Award

Presented by: Peach Program 

## Oak & Elm Residence Halls

Augusta University  
Augusta, Georgia  
Design: Collins, Cooper, Carusi Architects  
Construction: Choate Construction Company

### Peach Award

Presented by: Peach Program 

## Piedmont Central

Georgia State University  
Atlanta, Georgia  
Design: Cooper Carry, Inc.  
Construction: Choate Construction Company

### Peach Award

Presented by: Peach Program 



Piedmont Central

## Piedmont Central Dining Hall

Georgia State University  
Atlanta, Georgia  
Design: Cooper Carry, Inc.  
Construction: Choate Construction Company

### Peach Award

Presented by: Peach Program 

## Science Park Phase II

Georgia State University  
Design: HOK (Hellmuth, Obata, & Kassabaum, Inc.),  
Construction: Holder Construction

### Peach Award

Presented by: Peach Program 



The Georgia Peach Program rates and recognizes buildings owned or managed by the state that optimize energy performance, increase the demand for materials and furnishings produced in Georgia, improve the environmental quality in this State, conserve energy, protect the State's natural resources, and reduce the burden on the State's water supply.

# CONSTRUCTION DIVISION REPORT

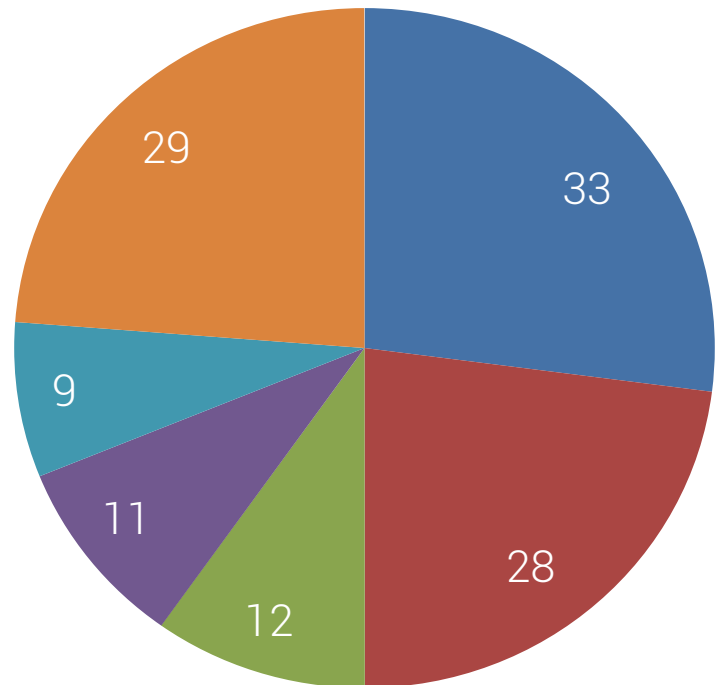
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# FY2017 PROJECT OVERVIEW

Delivery Method	# of Projects	Project Contracts			Total Contract Budget
		210 - Design Fees	420 - Construction	Other - CxA, Special Inspections, FFE, Using Agency Reserves, Allotments, Testing, Land Acquisition, Hazardous Materials	Total
CM/GC	52	\$72,217,903.36	\$806,103,801.80	\$239,010,418.30	\$1,117,332,123.49
DB	10	\$407,438.00	\$62,427,218.91	\$4,402,827.25	\$67,237,484.16
DBB	58	\$17,020,712.83	\$155,332,920.70	\$52,038,344.69	\$224,391,978.19
Other	1	\$111,735.00	\$0.00	\$842,267.53	\$954,002.53
Task Order	1	\$87,068.00	\$596,719.98	\$0.00	\$683,787.98
<b>Grand Totals</b>	<b>122</b>	<b>\$89,844,857.19</b>	<b>\$1,024,460,661.00</b>	<b>\$296,293,857.79</b>	<b>\$1,410,599,376.35</b>

# FY2017 PROJECTS BY USING AGENCY

Current Phase	# of Projects
Project Development	12
SD	4
DD	9
CD	8
Construction	38
Closeout	51
<b>Grand Totals</b>	<b>122</b>



- Board of Regents
- Technical College System of Georgia
- Other: Department of Juvenile Justice, Georgia Department of Agriculture, State Board of Education, Department of Human Services, Georgia Bureau of Investigation, Georgia Department of Behavioral Health & Developmental Disabilities, Georgia Military College, Georgia World Congress Center, Department of Corrections, Department of Defense, Department of Driver Services, Georgia Building Authority, Georgia Regional Transportation Authority, Stone Mountain Memorial Association, Georgia Emergency Management Agency, Georgia Department of Public Safety, Georgia Agricultural Exposition Authority
- Department of Transportation
- Department of Education
- Soil and Water Conservation Commission

# FISCAL YEAR 2017 STATISTICS

Did you know **ADA** handled over 2100 technical inquiries during the fiscal year?

Did you know **IT** supports over **350 electronic devices** to aid in Agency connectivity?

Did you know Accounting paid

**\$953,103,166.02**

for state-wide projects in the fiscal year?

Did you know **DRG** conducted 223 **fire marshal reviews?**

Did you know **DRG** conducted **577 reviews** during the fiscal year?

Did you know **PROCUREMENT** issued 139 purchase orders associated with the purchase of over \$7.2 million in furniture, fixtures and Equipment (FF&E) in support of 13 GSFIC managed projects across the state during FY2017?

Did you know **IT** provides annual information security awareness training to all Agency employees?

Did you know **DRG** conducted 354 constructability reviews?

Did you know Warranty received **480 warranty complaints** during the fiscal year?

Did you know 53 GSFIC **Project Managers** hold a total of 97 technical certifications?

Certification	# of Project Managers
Project Management Professional	9
GSWCC Level 1B	46
GSWCC Level 2B	1
LEED	12
Fire Marshal	7
Registered Architect	2
Professional Engineer	3
Engineer in Training	2
Associated General Contractors Certification	13
International Code Council Certification	2
<b>Total Certifications</b>	<b>97</b>

# CONSTRUCTION PROJECTS COMPLETED IN FY2017

Project Information	Project Scope	Size (sf)	Cost (\$)
<b>DCY-102</b> Terrell PDC Conversion Dawson, Georgia Department of Juvenile Justice	Renovation of existing 26,195 sf building, outbuildings and housing units along with vocational building. Existing building is being converted from a Georgia Department of Corrections probation facility to a Regional Youth Detention Center (RYDC).	58,266	\$18,531,573
<b>DOD-026</b> Renovate & Equip Georgia National Guard Youth ChalleNGe Academy Milledgeville, Georgia Department of Defense	Renovation and energy efficient improvements to an existing building to house GA's new Youth ChalleNGe Program in Milledgeville. This facility will incorporate barracks style accommodations for live in cadets/students. Finished spaces will consist of computer labs, teaching classrooms, a library, medial/exam center, dining, full cooking kitchen, administration wings and interior/exterior recreational spaces.	79,000	\$6,240,000
<b>DOT-051</b> Chatham County Welcome Center Port Wentworth, Georgia Department of Transportation	Replacement Welcome Center building. The main interior spaces are an exhibit area, large banks of toilet rooms, administrative areas and a vending area. Interior finishes are primarily brick masonry or CMU with ceramic tile walls, porcelain tile or epoxy floors and carpeting. Parking for approximate 180 cars with an additional 22 ADA spaces.	22,216	\$12,000,000
<b>DOT-074A</b> South Welcome Centers Lake Park and Kingsland, Georgia Department of Transportation	Renovation of two welcome centers in South Georgia; specifically Lake Park and Kingsland.	15,000	\$2,362,073
<b>DOT-074B</b> Southwest Welcome Centers Columbus and West Point, Georgia Department of Transportation	Renovation of two Welcome Centers in Southwest Georgia; specifically Columbus and West Point.	11,000	\$1,993,441
<b>DOT-081B1</b> Rest Stops Renovation 9, 10, 13 & 14 Department of Transportation	Renovation and modernization of four rest stops along the I-75 corridor between Perry and Tifton. They will receive updated lift stations, new lights, new lavatory fixtures, paint, updated flooring and HVAC systems.	12,000	\$4,694,550
<b>DOT-098</b> Lakewood Routine Maintenance Headquarters Building, Hwy 166, Fulton County Atlanta, Georgia Department of Transportation	Construction of a new 2-bay Pre-Engineered maintenance building located off of Lakewood Freeway and Hwy-166.	4,750	\$1,713,997
<b>GDA-035A</b> Atlanta Farmers Market Roofing Renovations Forest Park, Georgia Georgia Department of Agriculture	Replacement roofs for refrigeration warehouse buildings A, E, & J at Atlanta State Farmers Market. Roofs consist of new polyurethane foam with granular coating with new edge flashing, gutters, and downspouts.	184,000	\$1,859,878
<b>GRTA-002</b> Xpress Operations and Maintenance Facility (Bus Garage) Forrest Park, Georgia Georgia Regional Transportation Authority	Construction for a Bus Operations and Maintenance Facility operated by Georgia Regional Transportation Authority (GRTA). The design included demolition of an existing building and design of a new 25,000 square foot, 12 bay bus maintenance facility and a new 10,000 square foot administrative building.	35,000	\$13,470,250

# CONSTRUCTION PROJECTS COMPLETED IN FY2017

Project Information	Project Scope	Size(sf)	Cost (\$)
<b>J-233</b> Camden Center, College of Coastal Georgia Kingsland, Georgia Board of Regents	The project will be a 2600 sq.ft. addition to the Camden Center at the College of Coastal Georgia. The program includes associated classroom and lab areas to support a Welding/Joining Program. Additional rooms may include Faculty Office(s) Restrooms, and support spaces. Some renovation of the existing interior space is also planned.	2,656	\$1,117,537
<b>J-234</b> Science Learning Center, University of Georgia Athens, Georgia Board of Regents	Construction of a new 122,500 GSF undergraduate Science Learning Center in Athens, Georgia. The new facility will consist of twenty undergraduate Chemistry teaching labs, twelve undergraduate Biology labs and one Physics labs, two SCALE-UP classrooms and two 280 seat lecture halls.	145,769	\$48,330,000
<b>J-236</b> Military Science Building, Georgia Southern University Statesboro, Georgia Board of Regents	The new Military Science Building at Ga Southern University will be for on campus military training and recruitment (program formerly ROTC). This new construction building is a 33,280 SF, two story, mixed classroom, administrative, and technology lab building.	33,280	\$9,500,000
<b>J-238</b> Academic Building, Georgia Gwinnett College Campus Lawrenceville, Georgia Board of Regents	Construction of an Academic Classroom Facility on the Georgia Gwinnett College campus. The new facility will be a three-story building serving the GGC Student Center, Library and Housing. The building is designed to allow for a fourth phase of the 'C' Building as a future addition.	53,861	\$14,000,000
<b>J-242</b> Baldwin Hall Expansion and Renovation, University of Georgia Athens, Georgia Board of Regents	A new addition to Baldwin Hall (1938) to provide classrooms, offices and ADA accessibility for the faculty and staff of the School of Public and International Affairs (SPIA) and other departments. The expansion will provide an additional 10,800 gsf to allow for three (3) new classrooms accommodating 15 to 20 students each and 21 new shared offices to accommodate 42 teaching assistants.	15,775	\$8,750,000
<b>J-263</b> Business Learning Community Phase 2, University of Georgia Athens, Georgia Board of Regents	Phase II is a new multi-story structure containing approximately 140,000 gross square feet of space. The projects includes space for faculty offices, administrative offices, staff offices and workspaces, and academic spaces such as classrooms and common areas.	144,042	\$63,035,000
<b>SBE-026B</b> New Activity Center FFA/FCCLA Camp Covington, Georgia State Board of Education	The Georgia FFA/FCCLA Activity Center is comprised of a one story metal building wrapped with composite rock formed panels. The building will contain a large multipurpose area which will double as assembly and recreational space and one small meeting/conference room.	19,204	\$2,956,322
<b>SBE-028A</b> Macon Georgia Academy for the Blind Macon, Georgia Department of Education	Gas Line Replacement and Upgrade Fire Loop & Install of Fire Suppression System in Cottages 5,6,7, and 8. Cottages 5, 6, 7 and 8.	27,347	\$628,742
<b>SBE-031</b> Georgia Academy of the Blind Macon Campus Improvements Macon, Georgia Department of Education	Selective repair and/or replacement of existing roof systems including but not limited to shingle roof, modified bitumen, built up type systems at the Georgia Academy for the Blind in Macon, GA	146,450	\$585,894

# CONSTRUCTION PROJECTS COMPLETED IN FY2017

Project Information	Project Scope	Size(sf)	Cost (\$)
<b>SWCC-005I</b> Etowah River #26 Dam Maintenance Dahlonega, Georgia Soil and Water Conservation Commission	The maintenance work to the dam of the flood control reservoir will include clearing, grubbing, grassing and installation and maintenance of erosion control BMP's.	N/A	\$76,784
<b>SWCC-008C</b> Soque River 29 Rehabilitation of Existing Watershed Flood Control Structures Clarksville, Georgia Soil and Water Conservation Commission	Rehabilitation of Category I USDA flood Control Watershed structure to bring it into compliance with Georgia's Safe Dams Act. Proposed design consists of construction of new auxiliary spillway, the modification of the existing spillway, and the placement of earthfill to raise the crest of the dam.	N/A	\$2,665,394
<b>SWCC-008D</b> Soque River 34 Rehabilitation of Existing Watershed Flood Control Structures Clarksville, Georgia Soil and Water Conservation Commission	Rehabilitation of Category I USDA flood Control Watershed structure to bring it into compliance with Georgia's Safe Dams Act. Proposed design consists of construction of new auxiliary spillway, the modification of the existing spillway, and the placement of earthfill to raise the crest of the dam.	N/A	\$3,717,076
<b>SWCC-008E</b> Soque River 36 Rehabilitation of Existing Watershed Flood Control Structures Clarksville, Georgia Soil and Water Conservation Commission	Rehabilitation of Category I USDA flood Control Watershed structure to bring it into compliance with Georgia's Safe Dams Act. Proposed design consists of construction of new auxiliary spillway, the modification of the existing spillway, and the placement of earthfill to raise the crest of the dam.	N/A	\$3,200,424
<b>TCSG-295</b> Classroom/Lab Building Renovation, Southeastern Technical College Swainsboro, Georgia Technical College System of Georgia	Complete interior renovation of the existing #2 building at Southeastern Technical College in Swainsboro, GA. The newly renovated spaces will capture programs such as cosmetology, early childhood development, diesel technology, accounting and criminal justice. Program space will consist of teaching classrooms, computer labs, bookstore, library, cosmetology demonstration lab and salon, diesel tech lab/workshop, and centralized IT department.	39,413	\$5,051,662
<b>TCSG-308</b> Transportation and Energy Building Renovation, South Georgia Technical College Americus, Georgia Technical College System of Georgia	The project scope consists of the renovation to all/parts of two buildings, and a new addition bridging the two existing structures, to include administrative offices, Automotive/ Diesel laboratories and classrooms.	46,371	\$4,087,435
<b>TCSG-315</b> Welding and CIS Expansion Okefenokee Technical College Waycross Waycross, Georgia Technical College System of Georgia	This new construction project at Coastal Pines Technical College Campus, contains instructional classrooms and instructional labs for the Computer Information System Program and the Welding and Joining Technology Program.	14,795	\$3,990,000
<b>TCSG-323</b> Pedestrian Bridge over Slappey Blvd, Albany Technical College Albany, Georgia Technical College System of Georgia	Design and construct a pedestrian bridge over Slappey Blvd that provides a safe means for pedestrians with a need to conduct business on either side of the road.	2,014	\$1,962,898
<b>Grand Total (26 records)</b>		<b>1,112,209</b>	<b>\$236,520,929</b>

# CONSTRUCTION FEATURE STORIES

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# GEORGIA GWINNETT COLLEGE CLASSROOM BUILDING C3



To meet the needs of their growing student population, Georgia Gwinnett College needed to expand their existing Academic Building with consideration for another future expansion. The goal was to create a facility that is flooded with natural light, fits contextually within the existing campus, connects to the existing Academic Building, and provides abundant office and classroom space with flexibility for future technology. The 56,000 square foot expansion houses the Academic Enhancement Center with a Tutoring Center, Helpdesk Support, Deans' Suites for the School of Business and School of Education, 101 offices and 16 classrooms. The plan is efficiently organized with all offices along the window-lined perimeter of the building and classrooms with state-of-the-art technology in the center of the building. A "Classroom of Tomorrow" was also designed with additional technology infrastructure for the School of Education to accommodate future pedagogical methods. Open stairwells are inviting with views of the campus while also providing student safety. The main corridors have been designed to accommodate a west end extension of the building in the future. The expansion bookends the west end of the main campus quadrangle and complements the curvilinear theme of the buildings surrounding the quad.



#### **Location**

Lawrenceville, Georgia

#### **Completion**

July 2016

*Photos courtesy of Wakefield Beasley & Associates*

# UNIVERSITY OF GEORGIA TERRY COLLEGE OF BUSINESS PHASE 2



The new home for the Terry College of Business at the University of Georgia, a three-phase development, is placed on a prominent site adjacent to the University's historic core. The 144,000-SF Phase II project houses the College's undergraduate programs. The building forms a quadrangle with Correll Hall Phase I and features a south-facing double-height commons, bringing together study spaces, social amenities and food service, which opens onto a raised terrace and portico. One floor below, auditoriums and classrooms open onto a lower terrace. The building features the latest audio-visual technology tools to support a collaborative learning environment. The building encompasses a total of five 55-seat case study rooms, two 150-seat lecture rooms, a music business lab and two flex computer classrooms. Additionally, there is a multi-purpose event space and catering kitchen on the second floor to be used to host Terry College events.

Phase III will house the College's faculty offices and research centers. When all phases are complete, the 304,000-SF Terry College of Business will be organized around two quadrangles and negotiate a 40-foot grade change, as it steps down from north to south. Primarily neo-Georgian in expression, the new Terry School will incorporate Greek Revival motifs that are reflective of the University of Georgia's architectural vernacular, forward the campus's historic palette of red brick, limestone trim and slate roofs.



**Location**  
Athens, Georgia

**Completion**  
June 2017

*Photo provided by Turner Construction  
© Robb Helfrick Photography*

# SOUTHEASTERN TECHNICAL COLLEGE BUILDING 2 ACADEMIC BUILDING RENOVATION



The \$3.56 million design-build project featured the renovation of approximately 38,375 square feet. The newly renovated 39,593 square foot building houses new classrooms and labs for Accounting, Business Technology, Computer Information Systems, Criminal Justice, Early Childhood Education, General Education, the Library, Diesel Technology, Cosmetology, which includes a new 20-station salon, the Bookstore, and a new area for the Information Technology department.

Originally constructed in 1963, the building's renovation project goals included simplification of circulation, maximization of space utilization, and creation of centralized student services to turn it into a modernized teaching facility. The original low ceilings, the lack of natural light and a disjointed layout – a holdover from the era when it was constructed – created a space that felt claustrophobic and looked dismal. The interior space was not functional and circulation was confusing. The interior renovation included a complete overhaul of the existing space to simplify circulation, maximize space utilization and create centralized student services. The scope included: demolition of interior walls to expose the space and improve circulation; removal of some ceilings, allowing for higher interior volume; exposing the core of the building by constructing a central circulation; creating a new lobby off the main entrance; removing outdated flooring throughout the common corridors; adding interior window walls open to common areas for borrowed lighting; adding a new entrance from the existing parking lot and relocating spaces to fashion a main area of student services. Vocational labs include computer, cosmetology, diesel truck repair and early childhood education.



## Location

Swainsboro, Georgia

## Completion

July 2016

*Photos courtesy of Sheridan Construction  
© Walter Elliott*

# FINANCING AND INVESTMENT DIVISION REPORT

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# GENERAL OBLIGATION BOND ISSUANCE SUMMARY

The following table summarizes the status of authorized general obligation debt in FY2017. At the close of FY2016, the amount of authorized but unissued debt totaled \$441.07 million, with \$3 million repealed as of July 1, 2016. Leadership is committed to providing funding for capital projects necessary to meet the State's future needs while maintaining debt ratios that do not exceed planning limits. As shown below, the FY2017 budget authorized a net increase of \$949.4 million of general obligation debt for a total amount of approximately \$1.39 billion available. On July 7, 2016 the State issued general obligation bonds which provided funding of approximately \$1.027 billion for capital projects. No additional new general obligation debt was incurred subsequently, and at the close of FY2017 the authorized but unissued general obligation debt totaled \$363.675 million.

Fiscal Year 2017 Activity					
Budget Year	June 30, 2016 Remaining Authorizations	Debt Authorized (De-authorized) HB751 - FY 2017	July 1, 2016 Available Authorizations	Authorized Projects Funded During FY 2017	June 30, 2017 Remaining Authorizations
FY 2012	\$1,485,000		\$1,485,000	\$1,325,000	\$160,000
FY 2013	\$1,540,000		\$1,540,000	\$1,540,000	
FY 2014	\$44,515,000		\$14,515,000	\$30,020,000	\$14,495,000
FY 2015	\$97,265,000	\$(3,000,000)	\$94,265,000	\$73,870,000	\$20,395,000
FY 2016	\$296,265,000		\$296,265,000	\$189,430,000	\$106,835,000
FY 2017		\$952,400,000	\$952,400,000	\$730,610,000	\$221,790,000
<b>Total</b>	<b>\$441,070,000</b>	<b>\$949,400,000</b>	<b>\$1,390,470,000</b>	<b>\$1,026,795,000</b>	<b>\$363,675,000</b>

A summary of general obligation bonds issued during FY2017 is shown below; all bonds were sold via a competitive bid process and are federally tax-exempt unless noted as taxable bonds. To fund a total of approximately \$1.027 billion for capital projects, the Commission issued \$920.035 million of general obligation bonds (the amount of bonds that needed to be issued was reduced by utilizing \$106.76 million of premium received from the sale of the bonds). During FY2017, four series of refunding bonds - 2016C, 2016D, 2016E, and 2016F - were issued to provide a total of more than \$240.7 million of debt service savings as compared to the original debt service schedule on the bonds that were refunded.

Bid Date	Series	Final Maturity	True Interest Cost	Issue Amount	Winning Bidder
6/7/2016	2016A Tranche 1	2/1/2026	1.24%	\$361,840,000	J.P. Morgan Securities
6/7/2016	2016A Tranche 2	2/1/2036	2.69%	\$358,325,000	J.P. Morgan Securities
6/7/2016	2016B Taxable	2/1/2036	2.57%	\$199,870,000	J.P. Morgan Securities
<b>Total Bonds Issued (for New Capital Projects)</b>				<b>\$920,035,000</b>	
6/7/2016	2016C Refunding	1/1/2027	1.49%	\$383,025,000	Citigroup Global Markets Inc.
6/7/2016	2016D Taxable Refunding	7/1/2026	1.78%	\$67,645,000	Morgan Stanley & Co.
10/19/2016	2016E Refunding	12/1/2028	1.65%	\$380,520,000	Citigroup Global Markets Inc.
10/19/2016	2016F Refunding	1/1/2029	1.74%	\$509,075,000	Bank of America Merrill Lynch
<b>Total Bonds Issued (for Refunding)</b>				<b>\$1,340,265,000</b>	
<b>Grand Total Bonds Issued During Fiscal Year 2017</b>				<b>\$2,260,300,000</b>	

# STATE OF GEORGIA CAPITAL PROJECTS FUNDED BY GENERAL OBLIGATION BONDS ISSUED DURING FISCAL YEAR 2017

Agency	Amount
Board of Regents, University System of Georgia	\$288,950,000
State Board of Education/Department of Education	\$253,955,000
Technical College System of Georgia	\$125,895,000
Department of Transportation	\$114,830,000
Department of Corrections	\$46,655,000
Department of Natural Resources	\$43,610,000
Department of Juvenile Justice	\$23,000,000
Public Libraries (Authorized through the Board of Regents)	\$16,080,000
Georgia Environmental Finance Authority	\$15,000,000
Department of Revenue	\$11,000,000
Georgia Building Authority	\$8,500,000
Department of Driver Services	\$8,485,000
Department of Public Safety	\$8,030,000
Department of Behavioral Health and Development Disabilities	\$7,820,000
Department of Economic Development	\$7,000,000
Soil and Water Conservation Commission	\$6,700,000
Georgia Bureau of Investigations	\$5,260,000
Department of Human Services	\$5,230,000
Jekyll Island-State Park Authority	\$4,000,000
Department of Public Safety – Public Safety Training Center	\$3,650,000
Department of Community Health	\$3,000,000
Governor's Office of Planning and Budget	\$2,750,000
Department of Banking and Finance	\$2,500,000
State Accounting Office	\$2,500,000
Department of Community Supervision	\$2,100,000
Criminal Justice Coordinating Council	\$2,000,000
Georgia House of Representatives	\$1,815,000
Public Service Commission	\$1,800,000
Department of Agriculture	\$1,500,000
Department of Defense	\$930,000
Georgia Public Defenders Council	\$750,000
Department of Labor	\$600,000
Georgia Vocational Rehabilitation Agency	\$500,000
Department of Public Health	\$400,000
<b>Total Projects Funded by General Obligation Bonds</b>	<b>\$1,026,795,000</b>

## OUTSTANDING GENERAL OBLIGATION DEBT

The table below shows that the total amount of outstanding general obligation debt at the end of FY2017 decreased by \$88.555 million from the total amount outstanding at the end of FY2016.

Total Bonds Outstanding as of June 30, 2016	\$8,952,260,000
Add: Bonds Issued to Fund Projects*	\$920,035,000
Less: Scheduled Principal Maturities	\$(824,290,000)
Less: Net Effect of 2016C/D Refunding Bonds	\$(50,455,000)
Less: Net Effect of 2016E/F Refunding Bonds	\$(133,845,000)
<b>Total Bonds Outstanding as of June 30, 2017</b>	<b>\$8,863,705,000</b>

\*The Commission utilized \$106.76 million of premium received from the sale of the series 2016A and 2016B bonds to reduce the amount of bonds that needed to be issued to fund approximately \$1.027 billion in projects.

## OUTSTANDING GENERAL OBLIGATION DEBT SERVICE

The table below shows the annual debt service requirements for general obligation debt outstanding as of June 30, 2017. The maturity schedule for the debt will retire 41.4% of the total outstanding principal within five years and 72.4% of the outstanding principal within ten years.

Fiscal Year	Principal	Interest	Total Debt Service
2018	\$821,925,000	\$373,121,504	\$1,195,046,504
2019	\$783,090,000	\$337,218,663	\$1,120,308,663
2020	\$737,430,000	\$302,546,432	\$1,039,976,432
2021	\$702,715,000	\$269,355,825	\$972,070,825
2022	\$626,475,000	\$238,181,160	\$864,656,160
Thereafter	\$5,192,070,000	\$1,148,674,832	\$6,340,744,832
<b>Total</b>	<b>\$8,863,705,000</b>	<b>\$2,669,098,416</b>	<b>\$11,532,803,416</b>

# GENERAL OBLIGATION BONDS OUTSTANDING AND AUTHORIZED INDEBTEDNESS

Agency Name	As of June 30, 2017		FY 2018 Budget Bill
	Outstanding Bonds	FY 2017 and Prior Years - Debt Authorized But Not Incurred	
Board of Regents of The University System of Georgia	\$2,361,392,507	\$3,300,000	\$241,495,000
Department of Education	\$2,310,336,699	\$298,210,000	\$252,325,000
Department of Transportation	\$1,146,821,973		\$110,020,000
Technical College System of Georgia	\$774,355,963	\$13,000,000	\$153,530,000
Georgia Environmental Finance Authority	\$395,936,334		\$8,000,000
Georgia Ports Authority	\$309,933,763		
Department of Natural Resources	\$258,142,760		\$27,570,000
Department of Corrections	\$225,916,344		\$43,725,000
Georgia World Congress Center	\$138,735,537		\$55,000,000
Department of Juvenile Justice	\$121,099,431		\$44,940,000
Georgia Building Authority	\$98,087,897		\$106,500,000
Department of Economic Development	\$85,232,916		
Public Libraries	\$72,122,485		\$13,875,000
Department of Human Services	\$69,668,647		\$1,325,000
Department of Community Affairs	\$64,098,576		
State Road and Tollway Authority	\$61,205,000		
Jekyll Island-State Park Authority	\$55,009,840		\$1,600,000
Department of Agriculture	\$53,961,754		\$3,400,000
Department of Behavioral Health and Developmental Disabilities	\$28,584,056	\$4,705,000	\$12,085,000
Georgia Bureau of Investigations	\$25,195,010	\$1,860,000	\$38,285,000
Department of Defense	\$24,876,724		\$1,120,000
Department of Public Safety	\$24,025,865		\$1,925,000
Soil and Water Conservation Commission	\$23,524,109		\$6,500,000
State Forestry Commission	\$22,192,003		
Georgia Public Safety Training Center	\$18,866,493		\$895,000
Georgia Research Alliance	\$16,238,226		
Department of Revenue	\$8,363,253	\$24,000,000	\$25,000,000
Department of Drivers Services	\$9,951,740		
Department of Community Health	\$9,133,692		
Department of Labor	\$9,096,421		
Georgia Agricultural Exposition Authority	\$5,167,139		\$8,780,000
Department of Veterans Services	\$4,270,116	\$3,000,000	\$3,000,000
Department of Public Health	\$3,381,262	\$11,100,000	
Other	\$28,780,465	\$4,500,000	\$5,320,000
<b>Total General Obligation Bonds</b>	<b>\$8,863,705,000</b>	<b>\$363,675,000</b>	<b>\$1,166,215,000</b>



# OTHER COMMISSION DEBT APPROVALS

The Commission is responsible for approving all debt obligations of state authorities and agencies. During FY2017 the Commission approved the following:

Agency/Authority	Principal Amount	Description
Georgia Housing and Finance Authority	Up to \$250 million	Single Family Mortgage Revenue Bonds for Calendar Year 2017
State Properties Commission	Up to \$140 million	FY2018 Contract Value Authority for Multi-Year Rental Leases
Board of Regents	Up to \$20 million	FY2018 Contract Value Authority for Multi-Year Rental Leases
State Road and Tollway Authority	Up to \$675 million	Issuance and Sale of GARVEE Revenue Bonds
	Up to \$325 million	Issuance and Sale of GARVEE Revenue Refunding Bonds
Georgia Higher Education Facilities Authority	Up to \$100 million	Issuance and Sale of Revenue Refunding Bonds



Baldwin Hall Expansion and Renovation - University of Georgia, Photos courtesy of Houser Walker Architecture

# REFUNDING OF THE 2011G GENERAL OBLIGATION BONDS (FLOATING RATE)

In November 2016, as part of the 2016E Refunding Bonds, the Commission refunded the state's only variable interest rate bonds - \$127.3 million outstanding series 2011G - with fixed rate bonds primarily for the purpose of totally eliminating the risks of a rising interest rate environment. The 2011G bonds weekly interest rate reset had been at the Securities Industry Financial Markets Association ("SIFMA") index for weekly reset bonds plus a spread of 40 one-hundredths of one percent ("40 basis points"). At the beginning of FY2017, the SIFMA index was 0.41% before rising to 0.87% in mid-October (when the refunding bonds were sold) and then finished FY2017 at 0.91%, for an annual average of 0.67% to which the 40 basis point spread would be added, resulting in a prospective average interest rate of 1.07% for all of FY2017.

By issuing refunding bonds at a fixed interest rate, the state was able to totally eliminate the risks of a rising interest rate environment, reduce the outstanding principal amount of bonds by \$25.51 million, and also reduce the average life of the outstanding bonds.



Chatham County Welcome Center, Photos courtesy of The Architecture Group, Inc. © David Robinson Photography

# FISCAL YEAR 2017 EARNINGS

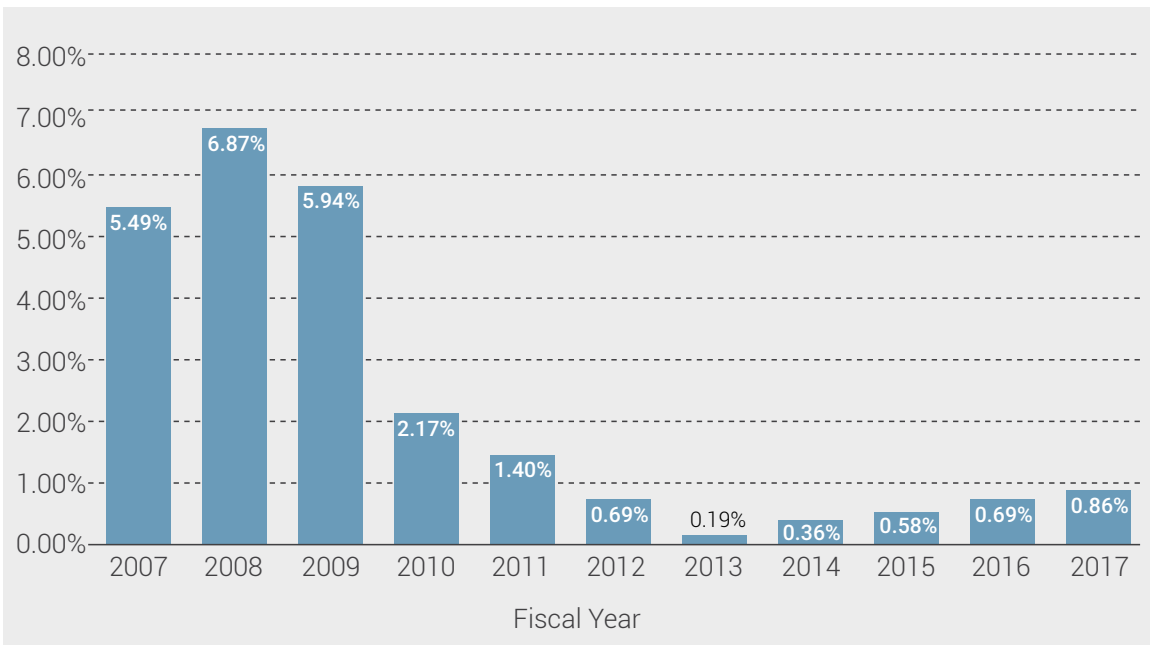
Fiscal Year 2017, as had been the case for the preceding several fiscal years, proved to be challenging for investors seeking yield while maintaining a low risk investment strategy. The Office of the State Treasurer continues to focus on managing the GSFIC portfolios with a very conservative investment strategy that emphasizes preservation of principal while meeting GSFIC's income and liquidity needs. With short-term interest rates still generally less than one percent (1%), portfolio investments were structured to provide yield while protecting principal from loss due to any near increase in market interest rates. Gross interest earnings from the investment of bond proceeds of the Capital Projects Fund during FY2017 were \$14.1 million.

As of June 30, 2017, the Commission had the following deposits and investments:

Deposits and Investments	Fair Market Value
Pooled portfolio managed by the Office of State Treasurer:	
Cash held for investment settlements	\$698,093,143
U.S. Government Agency Obligations	\$542,352,227
<b>Total</b>	<b>\$1,240,445,370</b>

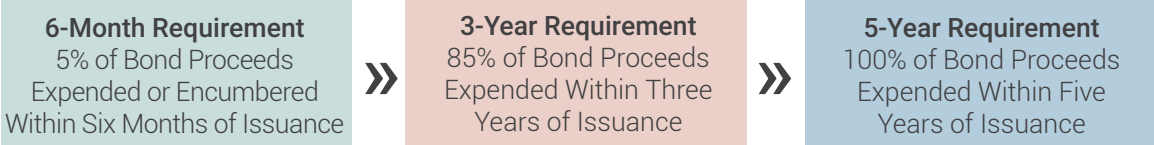
The portfolios, which had an average total investment rate of return of 0.86 percent, consisted of fixed income securities comprised of Agencies of the United States Government and repurchase agreements.

## TOTAL RETURNS - CAPITAL PROJECTS FUND INVESTMENT PORTFOLIO



# EXPENDITURE OF BOND PROCEEDS

Federal arbitrage regulations apply to tax-exempt bond issues on an aggregate basis by arbitrage group (versus individual projects) and require that the State “reasonably expect” to spend down proceeds of each tax-exempt bond issue group as follows:



To ensure compliance with the “spend down” regulations, GSFIC has procedures and policies in place to help agencies meet the targets at the individual project level.

During FY2017, there were five bond issue groups that reached one of the above milestone dates; all five were in compliance with the federal spend-down requirements. Details for items that did not meet the applicable spend-down requirement are provided in a separate report of FY2017 Spend-Down Results.

**6-Month: 5% Expended/Encumbered**

Bond Group	Spend-Down Result	Authorization/Project Details
2016A	At 12/31/2016: 28.87% expended/encumbered	123 items were funded, of which 40 did not meet the 5% spend-down requirement.

**3-Year: 85% Expended**

Bond Group	Spend-Down Result	Authorization/Project Details
2013H	At 11/30/2016: 98.14% expended	36 items were funded, of which 4 did not meet the 85% spend down requirement.
2014A	At 6/30/2017: 91.28% expended	117 items were funded, of which 21 did not meet the 85% spend-down requirement.

**5-Year: 100% Expended**

Bond Group	Spend-Down Result	Authorization/Project Details
2011H/I	At 10/31/2016: 100% expended	All \$247,000,000 (which funded 57 projects) was spent by the 5-year date
2012A	At 6/30/2017: 100% expended	All \$520,055,000 (which funded 94 projects) was spent by the 5-year date



*Pedestrian Bridge over Slappey Blvd - Albany Technical College, Photos courtesy of Chad White*

# GEORGIA HIGHER EDUCATION FACILITIES AUTHORITY

The Georgia Higher Education Facilities Authority ("GHEFA"), which is administratively attached to GSFIC with the GSFIC staff serving as GHEFA staff, was created in 2006 by Senate Bill 562. GHEFA is authorized to issue and have outstanding at any one point in time \$500 million in revenue bonds to finance capital projects for units of the University System of Georgia ("USG") and the Technical College System of Georgia ("TCSG"). Prior to FY2015, GHEFA had issued a total of \$294.9 million in revenue bonds in three series (2008A, 2009A, and 2010) which financed a total of nineteen projects at fifteen USG institutions; all projects have been completed and are in operation. As shown in the table below, an aggregate amount of \$238.77 million bonds were outstanding at the beginning of FY2017; after all scheduled principal payments were made in June 2017, GHEFA bonds were outstanding in an aggregate amount of \$234.125 million as of June 30, 2017.

GHEFA Bonds	Bonds Outstanding June 30, 2016	FY 2017 Principal Payments	Bonds Outstanding June 30, 2017
Series 2009A	\$90,830,000	\$(1,965,000)	\$88,865,000
Series 2010A	\$63,420,000	\$(1,445,000)	\$61,975,000
Series 2015 Refunding	\$84,520,000	\$(1,235,000)	\$83,285,000
<b>Total</b>	<b>\$238,770,000</b>	<b>\$(4,645,000)</b>	<b>\$234,125,000</b>

GHEFA does not expect to issue additional bonds for new projects during FY2018; however, it will continue to monitor interest rates to evaluate potential refunding of the remaining outstanding 2009A and 2010A bond issues.



*Soque River 36 Rehabilitation of Existing Watershed Flood Control Structures, Photo courtesy of Phillips & Jordan, Inc.*

# STRATEGIC INITIATIVES

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# STRATEGIC INITIATIVES

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## **Financing and Investment Division**

One of GSFIC's strategic goals is to help maintain Georgia's triple-A bond rating, which positions the state to fund capital projects at the lowest possible interest rates at any given point in time. GSFIC released the State's annual Debt Management Plan in January 2017 to provide leadership with information to support the state capital planning and budget process and show the impact of the state's debt over multiple years. In June 2017, the PEW Charitable Trusts published "Strategies for Managing State Debt" and noted that Georgia was one of nine states that "lead the way by producing studies that give policymakers a clear understanding of their states' debt levels through, among other things, careful projections, smart benchmarking comparisons, multiple descriptive metrics, and analysis." Preparing the State's annual debt management plan continues to be a strategic initiative for FY2018.

Related to the goal of maintaining Georgia's triple-A bond rating, the F&I Division will continue to enhance its presentation process for providing the rating agencies with a comprehensive review of the financial results of the prior fiscal year, a status update of the current fiscal year, and the projections for the upcoming fiscal year, including significant matters which could have a material impact on the State's future financial results. This would be done as soon as possible in the calendar year in order that any developing issues that the rating agencies might have can be dealt with before the rating process for a new bond issue begins.

To further support GSFIC's mission to provide the highest level of customer service and efficiency, the F&I Division continues to enhance its eBonds system. One of the major accomplishments during FY2017 was simplifying the bond sale request procedures for agencies. The F&I Division's initiatives for FY2018 is to continue to work closely with the Construction Division to provide excellent customer service to the "user agencies" which have projects that have been, or are to be, funded from the proceeds of the State's general obligation bonds.

Since the F&I Division is responsible for documenting compliance with federal tax regulations relating to tax-exempt bonds as well as GSFIC policy requirements, such as compliance with federal arbitrage rules and rebate requirements for tax-exempt bonds, the timely expenditure of bond proceeds (federal spend-down requirements), and post-issuance compliance related to the use of general obligation bond financed facilities especially as relates to any private business use monitoring, during FY2018 it will continue to expand and enhance its post-issuance compliance activities. Monitoring private business use of these facilities is necessary to ensure that private business use does not exceed the allowable limits, and that if necessary, appropriate remediation action is taken to ensure the tax-exempt status of the bonds is not placed in jeopardy.

Improving communications with both the current bondholders and potential purchasers of the State's general obligation bonds will receive increased attention and action during FY2018. As the financial markets continue to evolve and other alternatives to Georgia's bonds come into the market, making sure that the "buy side" receives the information it requires in a timely manner is necessary for Georgia's bonds to continue to attract buyers in both the primary and secondary markets at the best (e.g. lowest) possible interest rates.

## Construction Services

To further furnish GSFIC's Project Managers with the necessary tools to effectively manage and analysis the Project's Design and Construction Schedule, each Project Manager will attend a two or three day Microsoft Project training course that will provide them with the necessary skills to develop their own schedule and to understand the schedules provided by the Design and Construction Professionals.

Furthermore, the merging of the current Contract Compliance Specialist (CCS) Handbook and the Project Management Handbook into a single cohesive document continues. The current separate handbooks define the roles and responsibilities of our CCS and Project Management staff. The goal is to consolidate these separate documents into a single handbook to remove any conflicting information while also incorporating e-Builder processes into the handbook. Additionally, construction services will be revising the current Design Review Process Guide in an effort to make it appealing to a broader audience.

## Enterprise Project Management Solution

GSFIC will continue the long term strategy to improve operational efficiencies, while driving productivity and delivering best in class customer service through e-Builder. In FY2018, GSFIC will launch a new Design Management process to capture estimates and reconciliation from the Design Professional and Construction Professional in the Design phase of all projects. No current process captures this information. A new Fire Marshal Review process will also be added to e-Builder. The process will allow for Non-GSFIC managed and GSFIC managed Life Safety, Fire Alarm, and Fire Sprinkler drawings to be reviewed digitally by GSFIC's Design Review Group. Another addition to e-Builder will be use of the Schedule module. There is capability to import schedules from Microsoft Project and Primavera 6 into e-Builder. We plan to use that capability to import a specified milestone list which is currently being developed to capture project timelines in a more effective manner. Lastly, a feature of e-Builder that GSFIC is planning to implement is the Cash Flow module which can be used to capture project schedule on a monetary basis. Together, the Schedule and Cash Flow modules could provide a well-rounded picture of a project's progress.



*Macon Georgia Academy for the Blind  
Photo courtesy of Chris Bell*



*Georgia Academy for the Blind  
Macon Campus Improvements  
Photo courtesy of Chris Bell*



### **Building Information Modeling**

The goal for FY2018 remains to improve the outcomes of construction projects by enhancing communication of design intentions to the end-users through traditional animations and renderings as well as virtual reality on current and upcoming projects. Animations of the Capitol Campus 2040 Master Plan was created in collaboration with GBA and the design professionals. The animations were shown at the Fall GASFA conference and will continue into FY2018 as we expand developing 3D models of the existing Capitol Campus buildings. An initiative to research data mining of all past GSFIC projects will be conducted to help with Business Intelligence tools and aid in future cost estimates by building type and square footage.

### **Procurement**

Procurement will begin the phased rollout of use of the electronic bidding module across various State Agencies during the 2108 fiscal year. In addition to standardizing the bidding process for both the GSFIC managed projects and those projects being managed by individual State Agencies, this initiative will allow GSFIC to capture all bid related data in a single location.

In effort to enhance efficiencies, Procurement Service intends to evaluate and make revisions as deemed beneficial to a procurement process GSFIC refers to as Select Bid. The goal is to create a more user friendly process by reducing the degree of initial effort required up front for potential bidders interested in participating in the Select Bid process. This would also reduce the volume of information being reviewed by selection committee members.

Procurement Services also intends to create a GSFIC Procurement Process Guide documenting established practices being used by GSFIC for the procurement of architectural and engineering services, construction professionals, furniture, fixtures and equipment (FF&E), and other related services as need to support GSFIC managed construction projects.

### **Human Resources**

For FY2018 through FY2019, Human Resources intends to create, train, and implement a new online Performance Management System. The online Performance Management System will be used by all employees to complete the Performance Plan, Mid-Term Review, and Annual Review processes.

During FY2018, Human Resources intends to input all current employee FY2017 performance plans into an Microsoft Excel Spreadsheet to prepare for migration over to the permanent software database system that will be used to host the Performance Management System.

During FY2019, Human Resources intends to work with the IT Department to design and train all employees on the use of the new Performance Management System as well as release for implementation.

### **State Americans with Disability Act (ADA) Coordinator's Office**

During the past year, the State ADA Coordinator's Office has promoted inter-agency and intra-agency cooperation and strengthened the coordinating link for ADA compliance between State agencies focusing on participation in seven GSFIC Kick-Off meetings and conducting ten on-site detailed reviews of multiple existing facilities or newly completed facilities.

During FY2018, the office will continue to implement these strategies to ensure internal and cross-system ADA coordination.

**Georgia State Financing & Investment Commission**

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