Mayor & Council Work Session

October 20, 2026 at 4:00 P.M

Agenda

1. School Board Presentation
2. Occupancy Tax
3. Budget Reduction

Bulloch County Board of Education Presentation

THE CASE FOR 8%

Visit Statesboro

More investment. More tourism. More for our community.

VISIT STATESBORO · LODGING TAX POLICY

The Case for 8%

Aligning Statesboro's lodging excise tax with Georgia's prevailing standard.

85%

of communities under the same statute (48-13-51(b)) already levy the full 8%

+$531K

in new visitor-funded revenue each year at 8% (FY2025 audited basis)

1 of 25

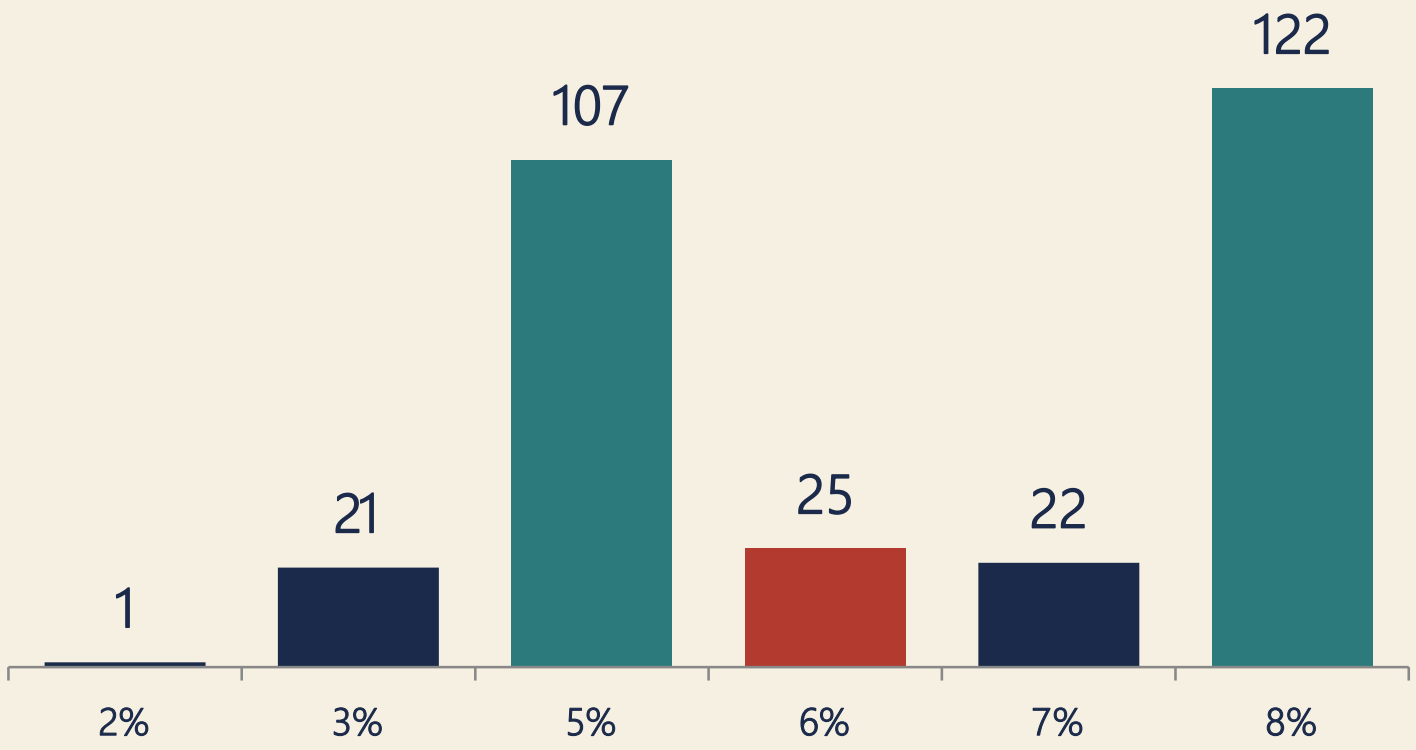
Statesboro is one of just 25 of 298 Georgia communities still at 6%

Statewide comparisons: Georgia DCA Hotel/Motel Excise Tax Report (FY2024, the latest year all communities reported). Dollar figures: City of Statesboro FY2025 ACFR, Note 4-D.

THE STATEWIDE PICTURE

8% is the Georgia standard

Of 298 Georgia communities levying a lodging tax, 8% is the single most common rate. Statesboro remains at 6%.



122
communities at 8% (41% of Georgia)

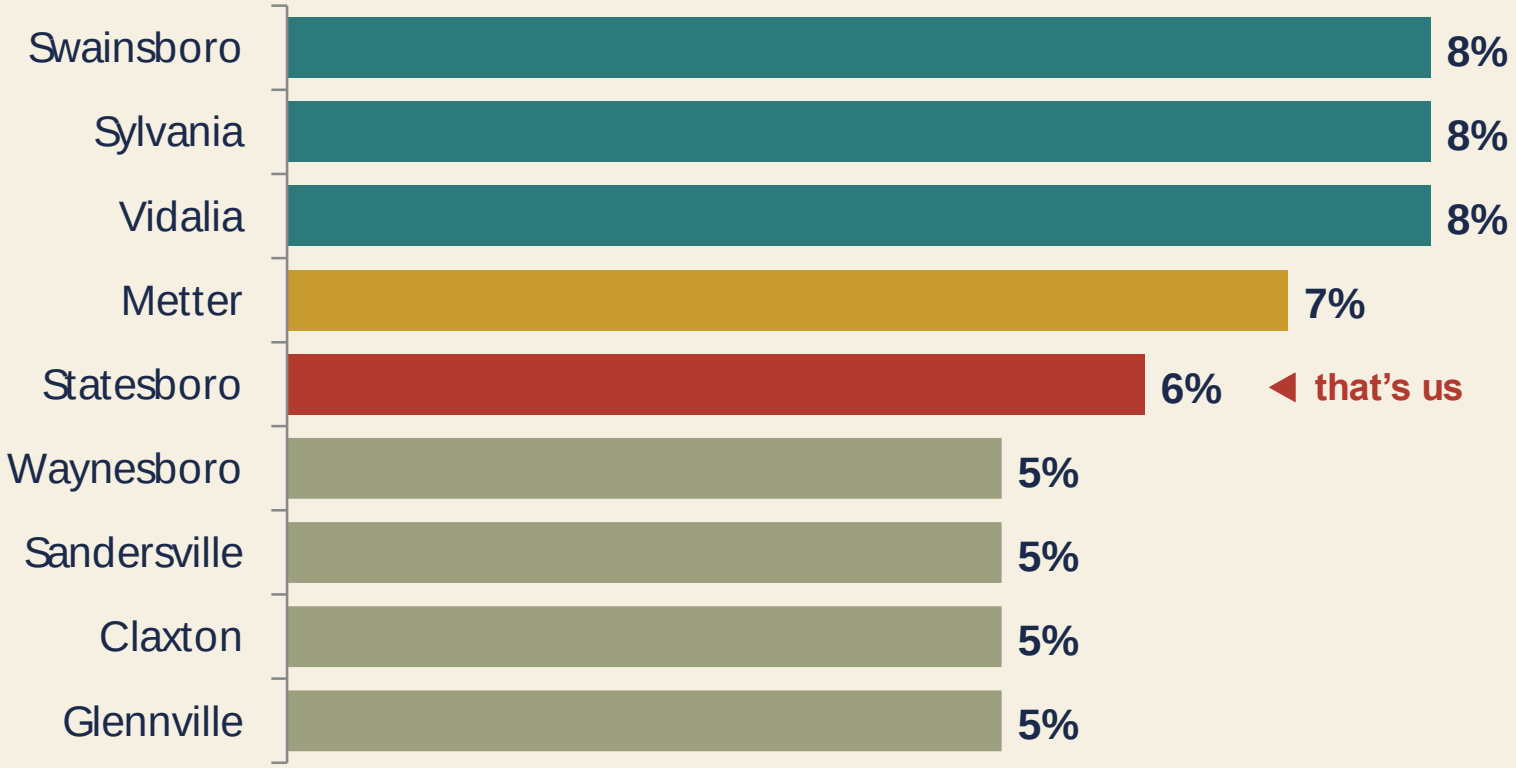
Same statute, different rate.
Among the 133 communities authorized under 48-13-51(b), **85% levy the full 8%.**

The 5% group is mostly small towns capped under a different paragraph, 48-13-51(a)(3). The fair peer set is the (b) group. Source: Georgia DCA, FY2024.

CLOSER TO HOME

Where we sit with smaller markets

Statesboro competes for events and overnight visitors across the region and it sits below towns it dwarfs in size.



Smaller than us, already at 8%

Sylvania collects about $27,000 a year. Vidalia, about $42,000.

Statesboro collects $14 million, and taxes at a lower rate than both.

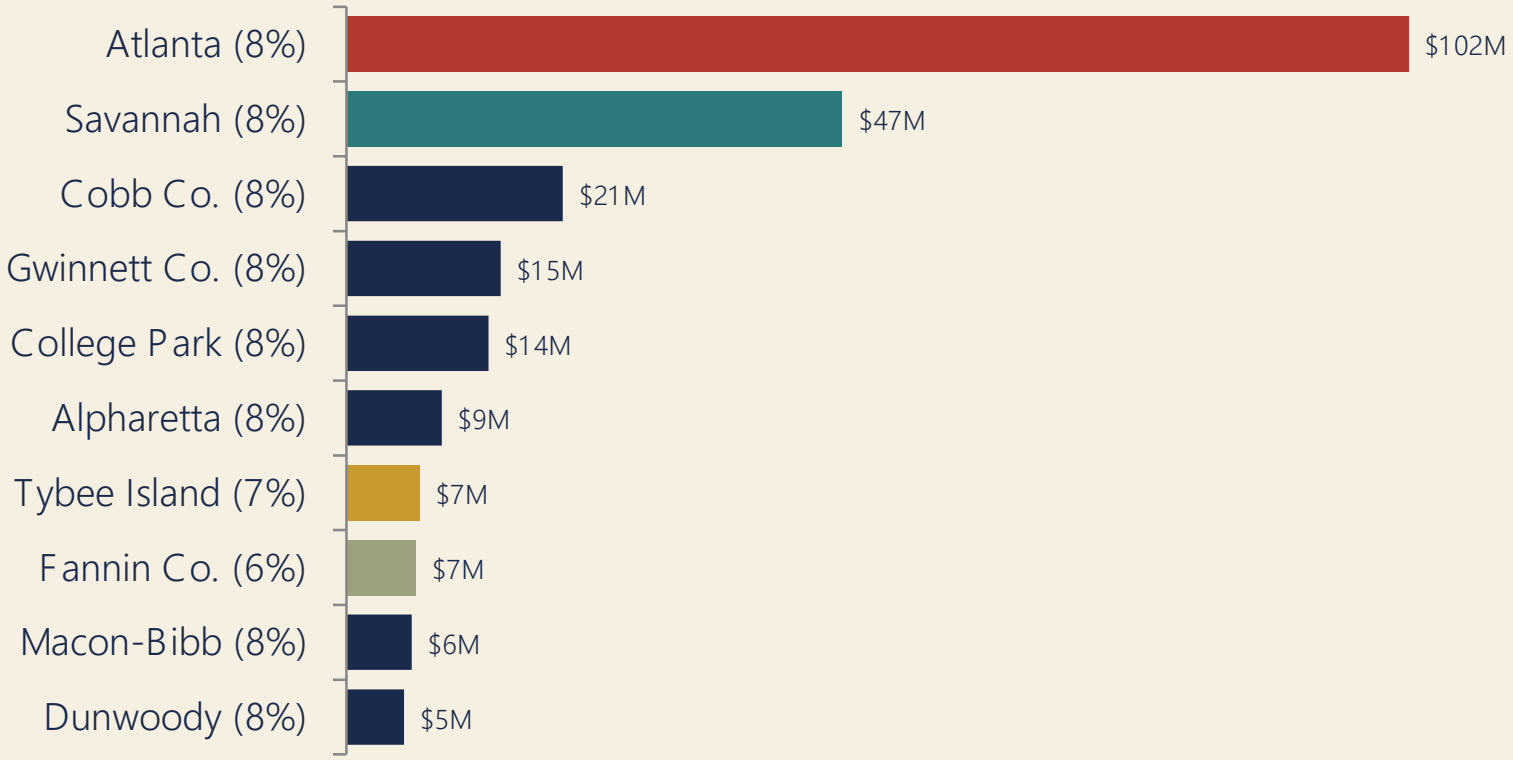
Next door at 8%:
Screven County, Jenkins County, Swainsboro, and Sylvania, all bordering or minutes from Bulloch.

Rates and FY2024 collections: Georgia DCA Hotel/Motel Excise Tax Report. Rates reflect the current ordinance on file with DCA; some FY2024 collection figures were not filed.

WHO WE COMPETE WITH

Georgia's top markets are at 8%

Eight of Georgia's ten highest-grossing lodging markets levy 8%: the destinations Statesboro competes with for events, sports, and overnight visitors.



8 of 10

of Georgia's highest-grossing lodging markets levy 8%

46th

Statesboro's revenue rank of 226 reporting markets, the top quarter of the state

These markets earn more on volume, not rate — the point is that 8% is the operating standard among established Georgia destinations. Source: Georgia DCA, FY2024.

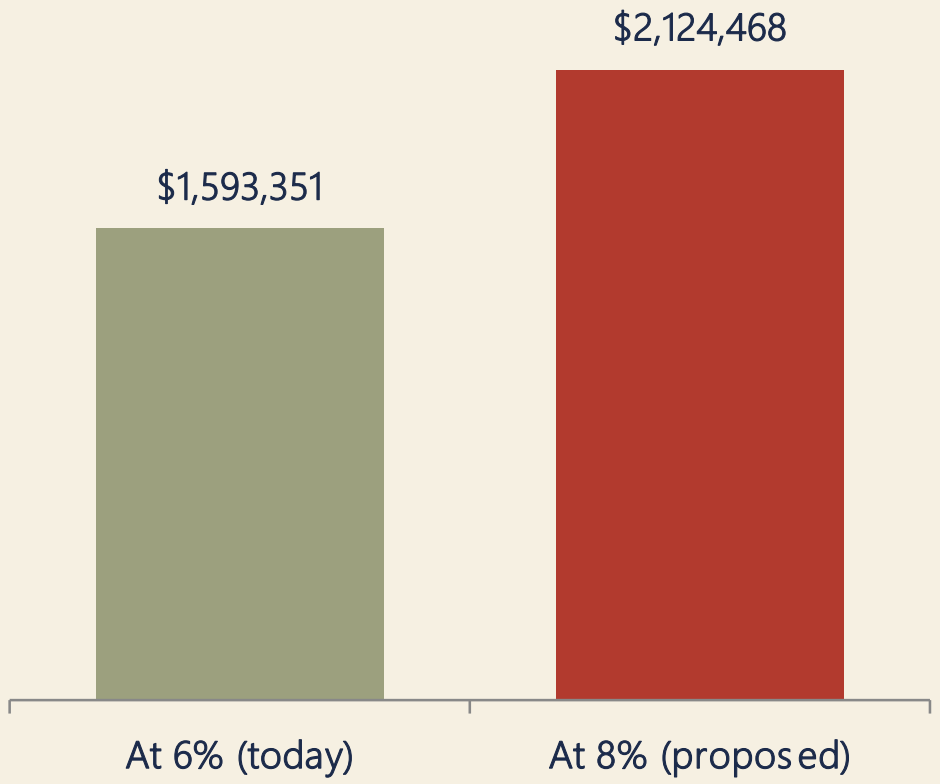
THE RECOMMENDATION

Move to 8%

- Raising the tax from 6% to 8% adds an estimated $531,117
- Destination marketing and tourism product development
- **Borne by visitors, not residents.**
- The standard in Georgia
- Statesboro operates under 48-13-51(b), which authorizes 8%.

+$531,117

added each year at 8%, on FY2025 audited collections

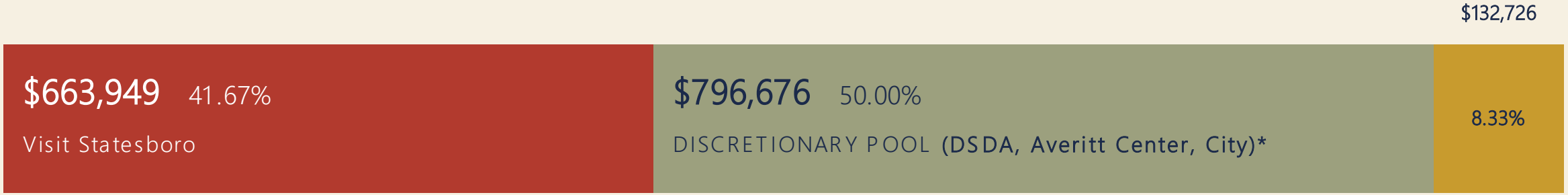


Applies the 8% rate to FY2025 taxable receipts, holding demand constant; actual results vary with occupancy and room rates. Source: City of Statesboro FY2025 ACFR, Note 4-D.

THE STRUCTURE TODAY

Three pots, one bill

Today's 6% splits into three legally distinct pots. Only one of them, the tourism-promotion bucket, grows when the rate rises. The rest is a fixed pool the City allocates, plus the development fund.



The tourism bucket

Statutory DMO promotion money. This is the pot that scales with the upper pennies, the one that grows at 8%.

Discretionary pool

Fixed-dollar grants the City allocates: the Averitt Center, the DSDA, and the City's own share. Set locally, not by the rate.

Development fund

For tourism capital projects, or with no active project, it flows to the DMO as promotion.

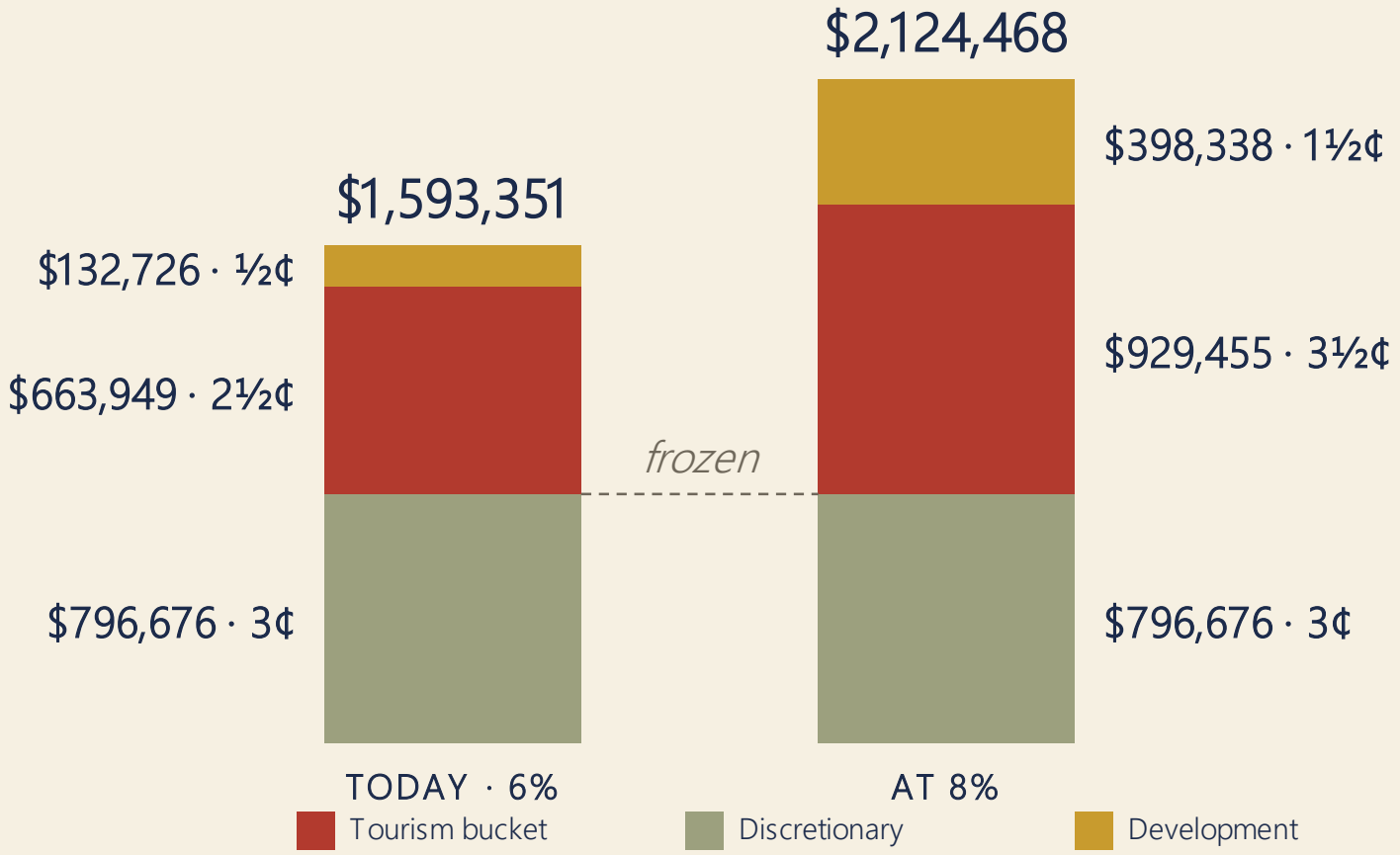
* *Inside the discretionary pool:* Averitt $399,931 · DSDA $317,077 · City $79,668

Allocations per City of Statesboro FY2025 ACFR, Note 4-D. The Averitt is funded as a performing-arts venue; the DSDA and Bureau for tourism promotion.

WHAT 8% ACTUALLY CHANGES

The two new pennies are locked to tourism

Going to 8% adds two cents. By statute, neither can reach the discretionary pool — one grows the promotion bucket, one funds development.



+2¢, both restricted

- 1¢ → the promotion bucket
- 1¢ → the development fund
- 0¢ → the discretionary pool

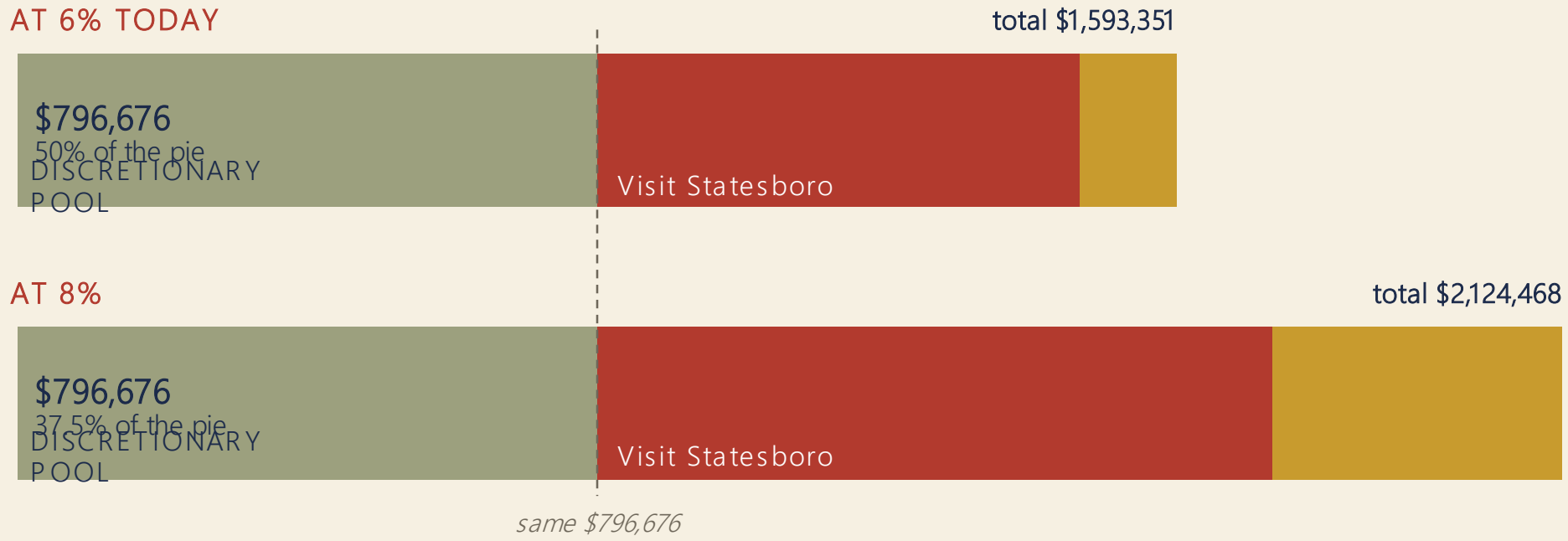
The discretionary pool holds at $796,676. It was 50% of the pie at 6%, and 37.5% at 8%. Same dollars, bigger pie.

Penny values on FY2025 collections (1¢ ≈ $265,559). Split of the upper pennies per 48-13-51(b); confirm Statesboro's exact structure with the City attorney.

WHY THEIR SHARE MOVES, AND WHY IT ISN'T A CUT

Same dollars, a bigger pie

The discretionary pool is a fixed grant. When collections grow, those dollars don't, so the pool is the same slice of a larger pie. Every current dollar is preserved.



Every dollar held: Averitt $399,931 (25.1% → 18.8%) DSDA $317,077 (19.9% → 14.9%) City $79,668 (5.0% → 3.8%)

Percentages are each allocation measured against total collections at each rate. Dollar amounts are held constant per your direction. Source: FY2025 ACFR, Note 4-D.

THE STATUTORY ANSWER

Why 8% can't grow the discretionary fund

Georgia law answers it directly. Statesboro levies under subsection (b).

> *...an amount equal to not less than 50 percent of the total amount of taxes collected that exceed the amount of taxes that would be collected at the rate of 5 percent shall be expended for promoting tourism, conventions, and trade shows by the destination marketing organization... [and] the remaining amount... shall be expended for tourism product development.*

O.C.G.A. § 48-13-51(b)(5)

IN PLAIN TERMS

Every dollar collected above 3% is locked to tourism by law. The unrestricted base is only the first 3%, and it stays fixed no matter the rate.

Going 6% to 8% adds two pennies, both above 5%. So 100% of the increase is locked, split between the Bureau's promotion and product development. None of it can reach the discretionary grants or the general fund.

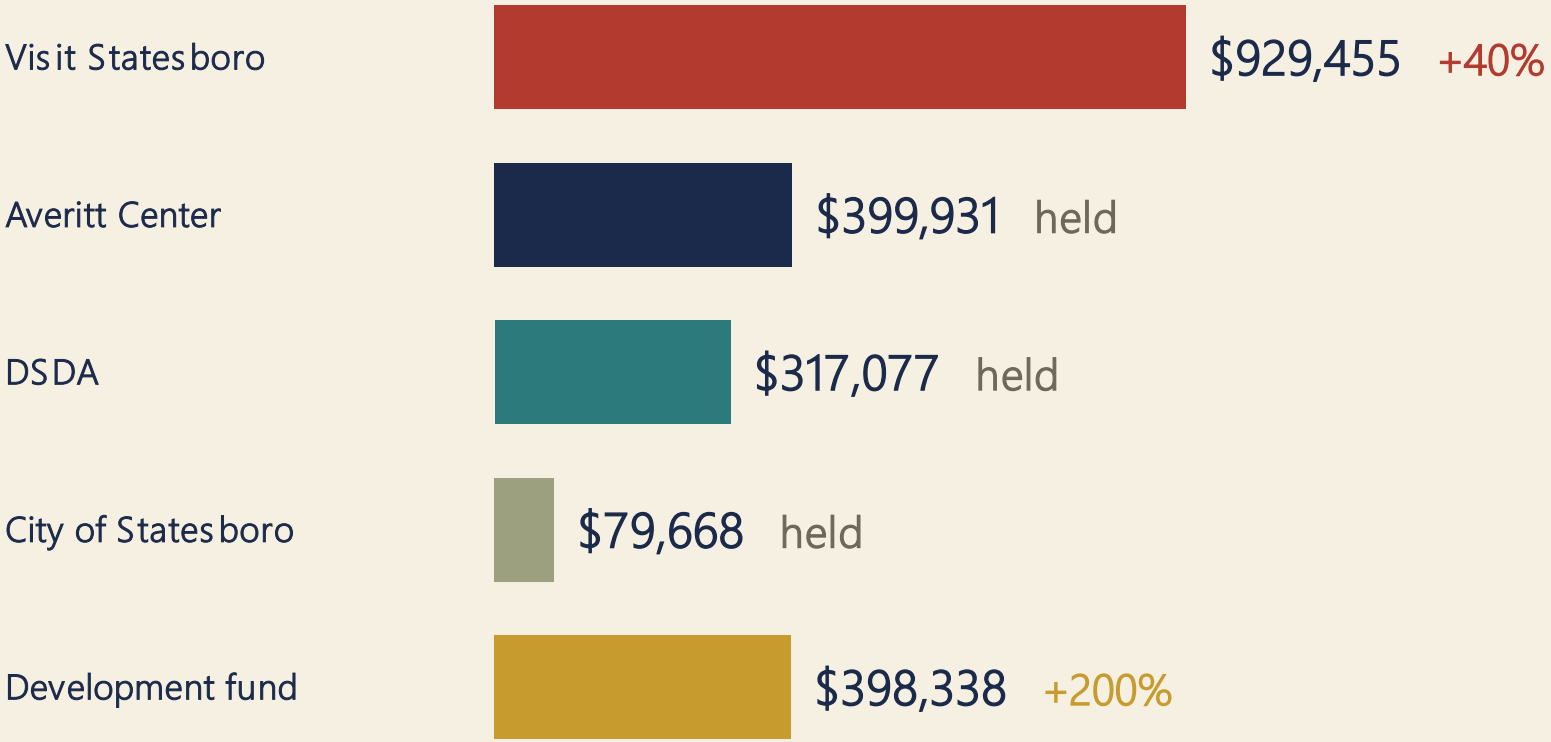


Statesboro levies under O.C.G.A. § 48-13-51(b). The 3% to 5% band is tourism-restricted by (a)(3); everything above 5% by (b)(5). Neither can enter the discretionary pool or general fund.

THE DISTRIBUTION AT 8%

Only two pots grow, and both are tourism

Holding the discretionary grants at today's dollars, the two new cents land where the statute sends them: the **promotion bucket** and the **development fund**.



$929,455
to Visit Statesboro, +40% vs today's $663,949

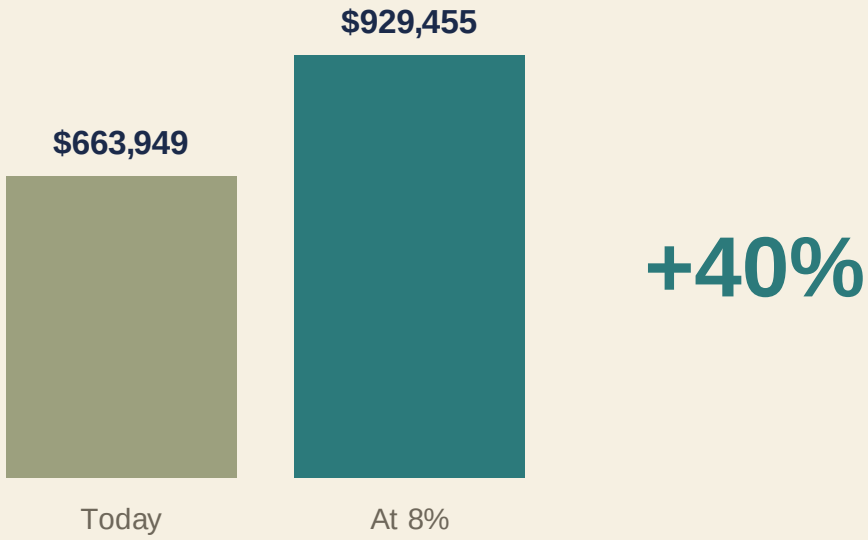
The grants don't move.
The statute won't let the new money reach them — and can't let the City pull it into the general fund.

8% floor: the full development cent funds projects. Averitt, DSDA, City held at current dollars per your direction. Source: FY2025 ACFR, Note 4-D.

WHAT 8% DELIVERS

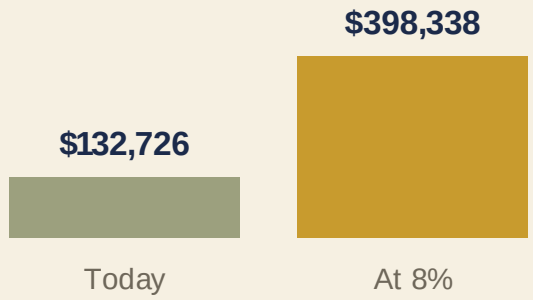
More for promotion, more for projects

The two new pennies split almost evenly. One grows promotion. The other expands the city's fund for tourism projects.



+40%

DMO PROMOTION



+200%
triples

DEVELOPMENT FUND

One increase, two wins. The Bureau's promotion grows 40%, and the city's development fund triples for the projects already on their list.

Bureau promotion and development fund on FY2025 collections, at the 8% floor with the full development cent funded.

WHAT THE FUNDING UNLOCKS

There's no shortage of ways to grow

These are the opportunities in front of us. The list is our runway, not a single-year budget. The increase funds a prioritized slice each year.

MARKETING

Paid media — $206,000

Digital display & pre-roll, CTV, paid social, print, out-of-home

Content & creative — $160,000

Asset refresh, influencer, PR & earned media, UGC

Search & owned — $115,000

SEO, email, website

Markets & partnerships — $145,000

Georgia Southern, sports & group travel, film recruitment, brand activations

ENABLING

Intelligence & tools — $80,000

Data & analytics partner, visitor experience

Technology — $6,000

IT hardware & production software

New roles — $300,000

Finance, PR, sales, data analyst

Each new role is built to earn back more than it costs, in reach and capacity. The team it joins is on slide 4.

Full opportunity **$1,012,000** | Current program spend **$283,200** | New investment identified **$728,800**

Figures from the Visit Statesboro funding-opportunity worksheet. Multi-year items (creative, website) are amortized over three years.

HOW WE'LL STEWARD IT

Even at 8%, we stay lean

The increase won't fund everything, and it isn't meant to. It gives us the means to pursue the highest-impact work first, and to keep choosing well every year.

New revenue at 8%



$265,506

Opportunities identified (new investment)



$728,800

We will always have more good options than dollars.

Each year we prioritize for the highest return and the most impact, the same disciplined way we operate today.

New revenue reflects the two additional cents at 8% on FY2025 collections. Opportunity total is new investment above current program spend.

LET'S MOVE TO 8%.

Keep Statesboro a place of **Southern Possibility.**

EVERY DOLLAR PROTECTED

No one's current allocation is cut.

40% BIGGER

Visit Statesboro's promotion engine.

LOCKED TO TOURISM

Every new penny, by state law.

The path: a Council resolution, then a local Act.

Your support carries it forward, and it's the only way to make this last.

Budget Reduction FY2027

OCTOBER 2026

How Did We Get Here

- The City now pays the full cost of the Bulloch County decision to dissolve the Fire District
- Last year, we covered the revenue loss with loans from the enterprise funds, which is unsustainable and must be repaid
- Increase transfer from General Fund to Fire Fund (from $3,200,000 to $7,485,550)
- Budget was Balanced with Pay Adjustments included
- No New Employees

Budget Amendment Recommendation

- Replace $1.34 million. The difference between 8.625mills and 9.6mills (.975mills)
- Positions not funded or frozen for FY2027
  - Public Works KSBB Coordinator
  - Engineering Capital Projects Manager
  - Customer Service Representative
  - Streets Maintenance Worker
  - Parks Ground Keeper
  - Police Professional Standards Sergeant

Budget Amendment Recommendation

- Police Administrative Corporal
- Police Dispatcher
- Planning and Housing Administrator
- Employee Bonus (Increased to current amount in FY2023)
- ARPA increase for Public Safety in FY2023
- Downtown Live Concert Series (Started in FY2023)
- Youth Connect (Started in FY2021)

Budget Amendment Recommendation

- Christmas Tree Lighting Ceremony (Started in FY2026)
- Special Events Require Overtime from Public Works, Police and Possibly Other Departments
- Streets and Parks Contract Services for maintenance of Cemetery and some City Streets
- Leadership Retreat
- Council Retreat

Budget Amendment Recommendation

- Village Builders Reduction (Started in FY2023)
- Annual Report (Started in FY2026)
- Department Reductions:
  - Finance $16,145
  - Municipal Court $1,550
  - Customer Service $17,510
  - Police $200,800
  - Planning/Code/Protective Inspections $103,420
  - City Clerk $11,997

Budget Amendment Recommendation

- Public Works/Engineering $340,138
- Human Resources $58,552
- Village Builders $13,996
- City Manager $27,591
- Public Affairs $15,400
- Fire $77,500
- Governing Body $179,455
- Holiday Bonus $180,000

In Summary – 2027 Budget

- The General Fund has grown from $16,000,000 in 2019 to $32,000,000 in 2026
- Less dependent on Fund Balance to balance the budget; used $205,210 to balance FY2027
- Increased General Fund also increases the required amount of Fund Balance in order to comply with Council's policy
- Current Fund Balance is estimated at $6.5 million
- By Council's policy, the General Fund Balance should be $8 million

In Summary – 2027 Budget

- Recommendation for FY2028:
  - Suspend Pay Plan Adjustment – July 1, 2027
  - Suspend Pay for Performance – July 1, 2027
- The rollback next year as a result of FLOST should be 2.5 mills; however, if the millage rate is rolled back, you will again result in a revenue shortfall. The Council will again need to increase the millage rate in order to have enough revenue to cover the budget, which in effect results in a tax increase.

In Summary – 2027 Budget

Current Millage Rate	8.625	$ 11,566,125
FLOST Rollback	-2.5	$ (3,352,500)
	6.125	$ 8,213,625
Proposed Millage Ra	9.6	$ 12,873,600
Flost Rollback	-2.5	$ (3,352,500)
	7.1	$ 9,521,100

In Summary – 2027 Budget

- Discussion from Council:
  - Fund Youth Connect $52,000
  - Fund Village Builders $13,996
  - Fund Four Downtown Live Concerts $50,000
  - Fund Holiday Bonus $180,000
  - Total = $295,996

- Budget Amendment Presented to Council at the November 3, 2026 Meeting

Questions?