



**CITY OF STATESBORO
CITY COUNCIL WORK SESSION MINUTES
May 10, 2022**

A work session of the Statesboro City Council was held on May 10, 2022 at 3:00 p.m. in the Council Chambers at City Hall. Present were Mayor Jonathan McCollar, Council Members: Phil Boyum, Paulette Chavers, Venus Mack, via zoom, and Shari Barr. Also present was City Clerk Leah Harden, City Attorney Cain Smith, City Manager Charles Penny, Assistant City Manager Jason Boyles, Finance Director Cindy West and Public Information Officer Layne Phillips. Councilmember John Riggs was absent.

Mayor Jonathan McCollar called the meeting to order.

Review of the Proposed City of Statesboro Fiscal Year 2023 Operating Budget.

City Manager Charles Penny presented the “City Manager’s Proposed FY 2023 Annual Operating Budget.” The FY 2023 budget objectives include, retaining and recruiting talented employees, emphasis on redevelopment, tax base and revenue growth, and enhancement of public safety. The FY 2023 budget has a 16.1% increase from FY2022 amended with a 12.91% increase in the General Fund. Compensation and benefits review includes a 4% pay plan adjustment due to inflation, continuation of pay for performance, no increase in employee premiums, an annual employee bonus of \$500, and to add Good Friday as a holiday. Our current & future opportunities are to promote regional identity, growing our City Center, keeping the pay plan up to day, and to advance a creative, inclusive, and professional culture.

Mr. Penny continued with concerns and unknowns stating that a significant amount of fund balance will be necessary to balance this year’s budget and that nearly 25% of the total value for real and personal property is non-taxable. Revenue trends include an 8.6% increase in General Fund revenues and a 7% increase in the property tax digest. The current property tax rates between the Board of Education, Bulloch County and the City of Statesboro and of the three, the City has the lowest rate.

Mr. Penny stated that in order to balance the budget we will need to use \$2,062,653 in fund balance to balance the General Fund and \$339,246 in fund balance to balance the Fire Service Fund. The General fund highlights review include the addition of a business recruiter, and events manager, 2 new police officers and equipment, an administrative assistant for HR, additional dispatchers, ordinance updates, salary and benefits cost increase, and transfers from the General Fund to the Fire Fund.

Mr. Penny reviewed the Statesboro Fire Service Fund, General Capital fund, Water & Sewer Fund, Stormwater Fund, Natural Gas Fund, Solid Waste Collection Fund, and Solid Waste Disposal Fund. Capital Project priorities include zoning & development ordinance amendments, City Hall & Joe Brannen Hall renovations, and the Employee Health Clinic.

Mayor Jonathan McCollar presented a new initiative of the Children’s Zones Project. He stated that the idea of the Children’s Zone was brought to Council’s attention at the retreat. Mayor McCollar continued that we have come to a space now where it’s a great opportunity for us to be able to move the project forward. Some of the things that are being looked at to be addressed by

the Children Zone project are early literary and academics success. Now is an opportunity to work with existing organizations to better prepare our youth through modeling opportunities. And providing support services in the zones we have identified that range from access to medical care, food services, and clothing. Entities such as churches, have the opportunity to adopt a zone and be responsible for helping with volunteers, and things of that nature to deliver those services. The goals we are looking to tackle are to have a better workforce, hang on to our good people, and reduce the footprint as it relates to crime, we want to see improved academic success with our young people because that does relate directly to be a community of choice. We are asking for the funding be provided for a program manager, we are looking at a budget of \$120,000 to pay for establishing the program manager and the interns and provide some services for the youth.

Councilmember Phil Boyum stated he does not feel this is appropriate for the city to be tackling. It is tradition for us to contract these types of things out, and even our City Manager said that educational and children's are not peripheral for city government. We have a Board of Education and we have non-profit organizations, this is an untested project that we are just going to throw a program manager and two interns at and something that hasn't been vetted, I struggle with why we would put money towards this.

At 4:26 Councilmember Phil Boyum left meeting.

Mr. Penny stated we needed to look at a Millage rate increase, if there is not one this year we would be faced with one next year. In the Budget 1 Mil will generate just shy of \$700 thousand dollars, this year. The past two years we were using our fund balance to balance the budget because we were impacted by the pandemic. Mr. Penny asked the council to consider a millage rate increase.

Councilmember Shari Barr asked what you would propose as an increase, how much would that change the income, and how much would be taken out of the fund balance.

Mr. Penny stated if we raise it by 1 mil we would still have to use about \$1.4 million dollars in fund balance and if we raise it by 2 mills we would spend about \$600 thousand of fund balance. And there is a chance with \$600 thousand we may not spend it. We could also look at an increase of 1.5 mil increase that would get us were we are only spending 1 million out of the fund balance. Because of the increase in personnel cost and the proposed increase for next year's budget, if we raise it by 1 – 1.5 mills we may still be faced with the need for more next year. We would like to get the millage rate where hopefully we see growth.

Councilmember Shari Barr asked if it goes up 1 mil how much more would you pay?

Finance Director Cindy West said they done a calculation based on a \$150,000 house and it was \$60.00 dollars a year, 2 mills would be \$120.00 dollars a year.

Mr. Penny stated that a decision will need to be made regarding the millage rate because when we present the budget at the public hearing on June 7th we will need share if there is going to be any type of increase.

Councilmember Shari Barr asked Councilmembers Venus Mack and Paulette Chavers their thoughts on increasing the rate.

Councilmember Venus Mack stated if the City is going to continue to do great things this is inevitable and that she is comfortable with a rate increase of 1.5 or 2.

Councilmember Paulette Chavers stated she is comfortable raising the rate but that we should take it slowly.

Mr. Penny stated there will be another budget review at the June 17th at the Work Session.

No action taken.

The meeting was adjourned at 4:48 pm

Jonathan McCollar, Mayor

Leah Harden, City Clerk