



**CITY OF STATESBORO
COUNCIL BUDGET WORK SESSION MINUTES
May 13, 2025**

A work session of the Statesboro City Council was held on May 13, 2025 at 2:00 p.m. in the Council Chambers at City Hall. Present were Mayor Jonathan McCollar, Council Members: Tangie Johnson, Ginny Hendley, John Riggs 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. Absent was Councilmember Paulette Chaves.

Mayor Jonathan McCollar called the meeting to order.

Review of the Proposed City of Statesboro Fiscal Year 2026 Operating Budget.

City Manager Charles Penny presented the “City Manager’s Proposed FY 2026 Annual Operating Budget.” The FY 2026 budget objectives include, retaining and recruiting exceptional employees, emphasis on utility infrastructure growth, tax base and revenue growth, and an emphasis on public safety. The FY 2026 budget highlights include a 6% total decrease from FY2025, an 8% General Fund increase, a balanced budget, and an increase in water & sewer rates, aid to construction fees, stormwater, gas, solid waste collection, solid waste disposal rates, and Police & Fire extra duty fees.

Compensation and benefits review includes a pay plan adjustment per Condrey and Associates of 4%, continuation of pay for performance, and no increase in employee health premiums. The current & future opportunities are to position Statesboro for growth in the region, grow the downtown city center, keep the pay plan up to date, and advance a creative, inclusive, and professional culture.

Mr. Penny reviewed the FY 2026 Budget in brief which includes the general fund, enterprise funds, special purpose sales tax funds, hotel/motel tax, and grant funds. The General Funder operating expenses, Fire Service, Water/Sewer, Stormwater, Natural Gas, Solid waste Collection, and Solid Waste Disposal funds. The total for FY 2025 was 108,973,791 and in FY 2026, it is \$103,984,585. The operating budget of the General fund was \$53,253,616 in FY 2025 and is \$58,859,335 for FY 2026. Excluding internal funds and fund transfers total expenditures for FY 2025 comes in at \$93.5 million down from current fiscal years’ \$103.9 million. The General Fund expenditures will increase about \$1.2 million, which is about 8% due to personnel, benefits, as well as increases in operating costs.

Revenue trends reflect a 7.5% overall increase in General Fund revenues and a 12% increase in the property tax digest while franchise fees remain flat. Mr. Penny presented a bar chart showing the City’s current property tax rate compared to other cities comparable to Statesboro. Statesboro is in the middle of the pack with a tax rate of 8.625 and is what the FY 2026 budget is based on. We are not proposing a property tax increase in this budget however; we are not recommending a rollback either. The City has a lower rate than that of Bulloch County Board of Commissioners. A one-mill increase for Statesboro would generate about \$1.1 million. The city is at a good place when it comes to debt service there is just a small amount of debt in the general fund.

When we look at balancing the budget, \$928,755 of fund balance will be used to balance the General Fund. By doing this, we should still be able to maintain per city policy the 25% fund balance. If for some reason, we drop below that we will notify you. In the General Fun 64.8% of the fund is salary and benefit costs. Projected increased expenditures include salaries and benefits, credit card fees, police cloud storage, police Taser contract, and electricity for street lights.

City Manager Charles Penny reviewed the fund appropriation levels. The Statesboro Fire Service Fund includes a third fire station and a feasibility study for a fire fee. It also reflects the loss of the Fire District tax of \$2.3 million. In order to absorb that loss in the FY2026 budget we could take out a one time loan from some of our enterprise funds such as the Water/Sewer fund, Gas fund, and Solid Waste Collection fund, to be paid back over ten years. The water/sewer fund reflects a 10% fee increase for all Water & Sewer user fees and aide to construction fee increase to assist with a future 4 million gallon per day (mgd) waste water treatment plant. Which would allow for continued growth in the city. Some of the water sewer rates have not been increased since 2012 and it is now 2025. The cost of operations have increased over that time period and we need to be keeping pace with expenses. We also need to increase the transfer to the General Fund from the water/sewer fund. The stormwater fund includes a 10% fee increase for single and non-single family residential to help maintain the funding reserve and to implement essential capital projects. The natural gas fund also has a 10% fee increase for gas distribution and continue pursuing opportunities for expansion and system growth as well as to study the expansion of infrastructure trunk line. The gas fund show an increase transfer to the general fund. Solid waste reflects a 10% increase on all solid waste collection fees, continuing to meet the increasing service demand, and increase transfer to the General Fund. The Solid Waste Disposal fund will have a 10% increase on all solid waste disposal fees and the expansion the inert landfill.

The capital project priorities include housing rehabilitation continues to be an important part of our operation as well as sewer installation in unserved areas, and enhanced roadways, sidewalks, and intersection improvements to accommodate growth.

In summary the FY 2026 budget is financially sound we have strong reserves. The General Fund is health and the enterprise fund balances are strong. We continue to see growth in our property values. As mentioned before, this budget does not reflect the tax base increase from any of the approved new developments. Balancing the budget using Fund Balance will take \$928,755. We are currently able to use \$1 million in interest earnings to balance the budget. Prior to FY2023 we were averaging less than \$25,000 in interest earnings. As good as it is to use the interest earning to balance the budget we need to use caution when doing so because it might not be available next year.

The city must continue to expand the tax base and a way to do that is by accepting voluntary annexations and through development. The city has approved zoning for over 4505 residential units with potential for additional rezoning requests. We are seeing new commercial retail development, which also helps to grow the tax base and revenue.

The next steps for the FY 2026 budget are holding a Public Hearing on June 3rd during the regular council meeting followed by budget adoption set for the June 17th council meeting.

No action taken.

The meeting was adjourned at 3:21 pm

Jonathan McCollar, Mayor

Leah Harden, City Clerk