

City Manager's Proposed FY2025 Annual Operating Budget

CITY OF STATESBORO

MAY 2024

City Council 2024-2025 Budget Review 5/14/2024 2:00PM

2

1. Call to Order by Mayor McCollar
2. Budget Overview
3. Revenue Review
 - a.) General Fund
 - b.) Enterprise Funds
4. Expenditure Review
 - a.) General Fund
 - b.) Enterprise Funds
5. General Discussion
6. Adjournment

FY2025 Budget Objectives

3

- ▶ Retain and Recruit Exceptional Employees
- ▶ Emphasis on Utility Infrastructure Growth
- ▶ Tax Base and Revenue Growth
- ▶ Emphasis on Public Safety

FY2025 Budget Highlights

4

- ▶ 10% Total Decrease from FY 2024
- ▶ 13.5% General Fund Increase
- ▶ Presenting a Balanced Budget
- ▶ Increase in Sewer Rates, Tap Fees and Aid to Construction Fee

Compensation & Benefits Highlights

5

- ▶ Full year of new Pay Plan Implementation performed by Condrey and Associates
- ▶ Federal Inflation Rates
 - ▶ 2022 – 6.5%
 - ▶ 2023 – 6%
 - ▶ 2024 – 3.5%
- ▶ Continue Pay for Performance for Employees

Current & Future Opportunities 6

- ▶ Position Statesboro for growth in the Region
- ▶ Grow Downtown City Center
- ▶ Keep Pay Plan Up to Date
- ▶ Continue to advance a Creative, Inclusive, and Professional Culture

Concerns & Unknowns

7

- ▶ Nearly 20% of the total assessed value for real and personal property is non-taxable
- ▶ Labor Market Challenge

FY2025 Budget in Brief

FY 2025 Budget in Brief

8

Fund	FY2024	FY2025
General Fund	\$ 22,312,422	\$ 25,340,025
Confiscated Asset	\$ 1,050	\$ 1,500
Opioid National Settlement	\$ 52,700	\$ 10,000
CDBG	\$ 30,000	\$ 25,000
US DOJ	\$ 30,000	\$ 10,000
ARPA	\$ 5,678,015	\$ 4,462,000
Multiple Grant	\$ 221,090	\$ -
Fire	\$ 6,879,918	\$ 7,681,481
Capital from Loans/Grants	\$ -	\$ -
South Main	\$ 295,380	\$ -
Old Register	\$ 321,102	\$ 242,630
Hotel Motel	\$ 1,300,000	\$ 1,400,000
Tech Fee	\$ 34,325	\$ 40,000
2013 SPLOST	\$ 2,426,822	\$ -
2018 TSPLOST	\$ 7,708,135	\$ 7,741,000
2019 SPLOST	\$ 9,884,175	\$ 6,961,460
2023 TSPLOST	\$ 1,315,000	\$ 2,795,000
2019 CDBG	\$ -	\$ -
LMIG- Akins Blvd	\$ 766,500	\$ -
CDBG-EIP	\$ 750,000	\$ -
CIP	\$ 195,000	\$ 110,000
WS	\$ 10,479,303	\$ 10,978,690
Capital from Revenues	\$ 4,587,000	\$ 3,710,000
Capital from Loans/Grants	\$ 5,160,000	\$ 1,900,000

FY2025 Budget in Brief

FY 2025 Budget in Brief

9

Fund	FY2024	FY2025
Stormwater	\$ 800,845	\$ 838,345
Capital from Revenues	\$ 600,000	\$ 250,000
Capital from Loans/Grants	\$ 10,870,000	\$ 9,580,000
Natural Gas	\$ 6,152,511	\$ 4,969,115
Capital from Revenues	\$ 1,585,000	\$ 1,020,000
Solid Waste Coll	\$ 4,584,635	\$ 5,077,600
Capital from Revenues	\$ 725,000	\$ 285,000
Solid Waste Disp	\$ 4,398,860	\$ 4,285,535
Capital from Revenues	\$ 90,000	\$ 809,500
Health Insurance	\$ 5,137,500	\$ 5,177,500
Fleet	\$ 827,615	\$ 936,340
Well Fund	\$ 72,060	\$ 71,150
Central Services	\$ 1,471,560	\$ 1,627,065
Capital from Revenues	\$ 18,000	\$ 638,000
Total Expenses All Funds	\$ 117,761,523	\$ 108,973,936
Less Internal Funds Expenses	\$ 7,508,735	\$ 7,812,055
Less Transfers Between Funds	\$ 6,265,151	\$ 7,646,160
Total Expenditures	\$ 103,987,637	\$ 93,515,721
Total Capital	\$ 52,358,647	\$ 40,261,960
Total Operating	\$ 51,628,990	\$ 53,253,761

FY2025 Budget in Brief

10

Operating Budget of General Fund, Fire Service Fund and Enterprise Funds

Fund	FY2024	FY2025
General Fund		
Operating Expenses	\$ 20,184,167	\$ 22,015,190
Statesboro Fire Service Fund		
Operating Expenses	\$ 6,817,828	\$ 7,610,761
Water Sewer Fund		
Operating Expenses	\$ 8,955,922	\$ 9,458,405
Stormwater Fund		
Operating Expenses	\$ 741,635	\$ 779,795
Natural Gas Fund		
Operating Expenses	\$ 5,244,851	\$ 4,031,905
Solid Waste Collection Fund		
Operating Expenses	\$ 3,446,970	\$ 3,790,900
Solid Waste Disposal Fund		
Operating Expenses	\$ 3,989,425	\$ 3,876,965
	<u>\$ 49,380,798</u>	<u>\$ 51,563,921</u>

Revenue Trends

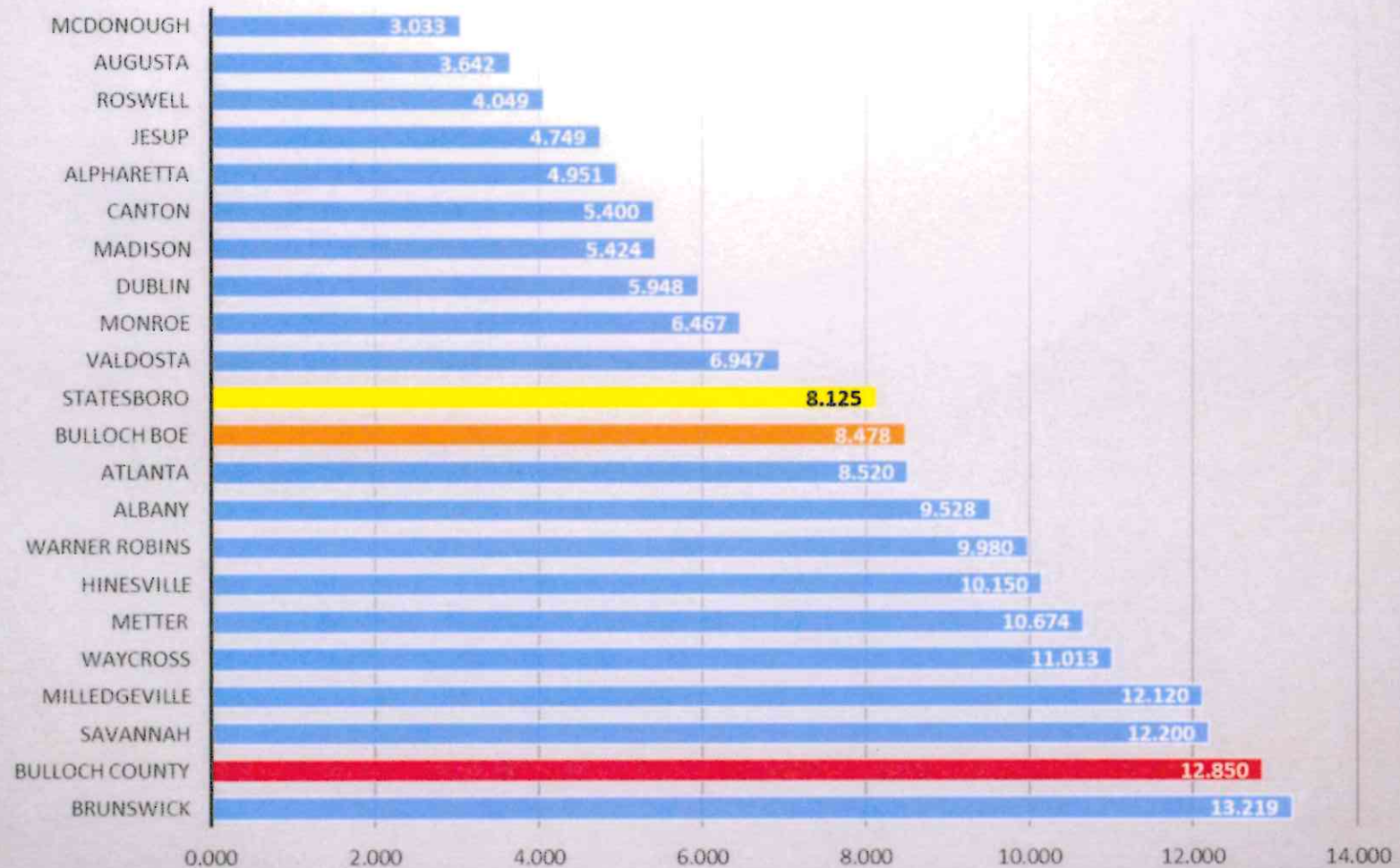
11

- ▶ 8% Overall Increase in General Fund Revenues
- ▶ 12% Property Tax Digest Growth
- ▶ Franchise Fees Remain Flat

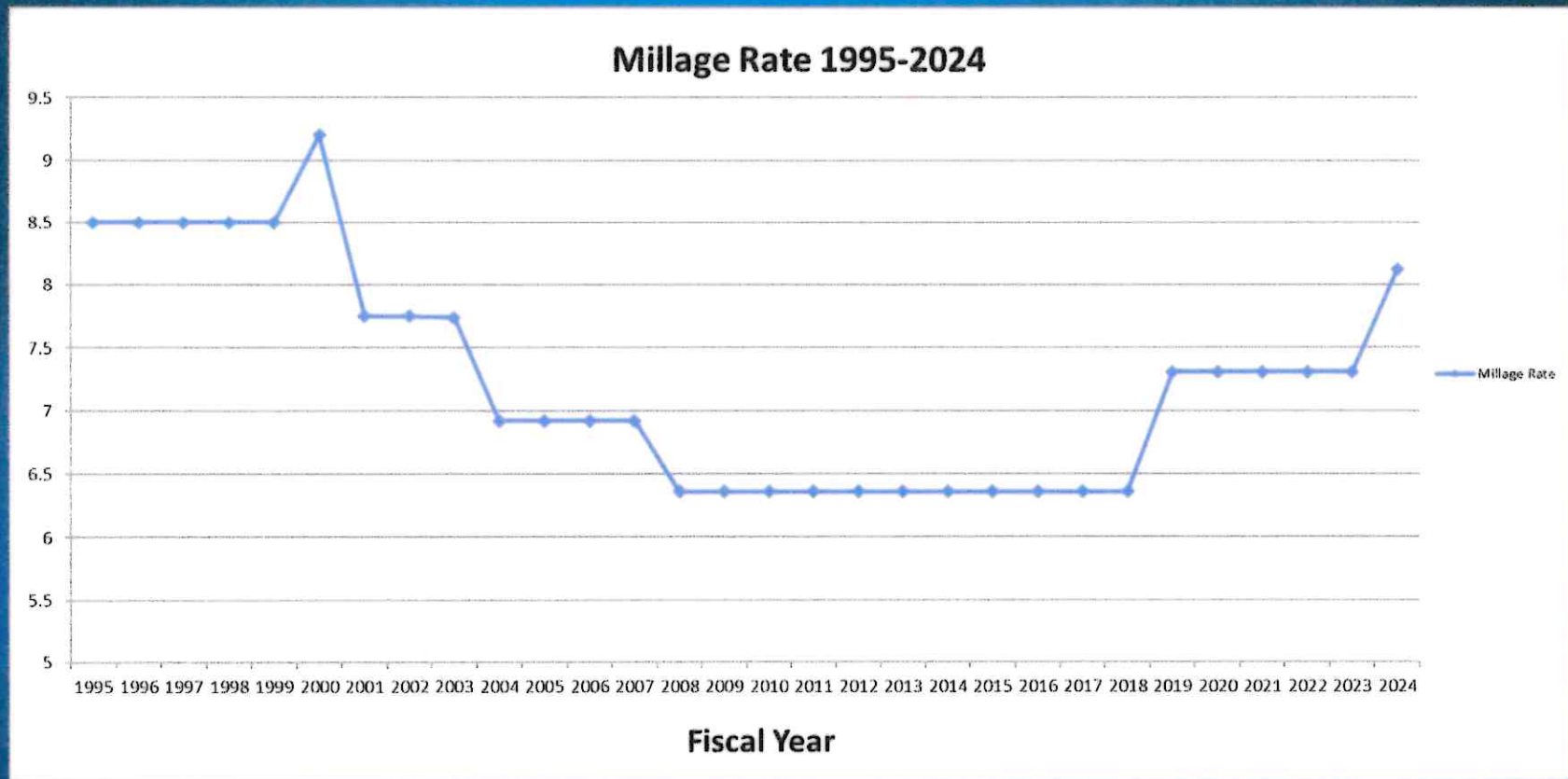
Property Tax Millage Rates

12

FY2024 Millage Rates In Georgia



Statesboro Millage Rate History 13



Highest Rate: 9.2 mills in 2000

Lowest Rate: 6.358 mills from 2008-2018

Current Local Property Millage Rates

Bulloch County

- 12.85

Board of Education

- 8.478

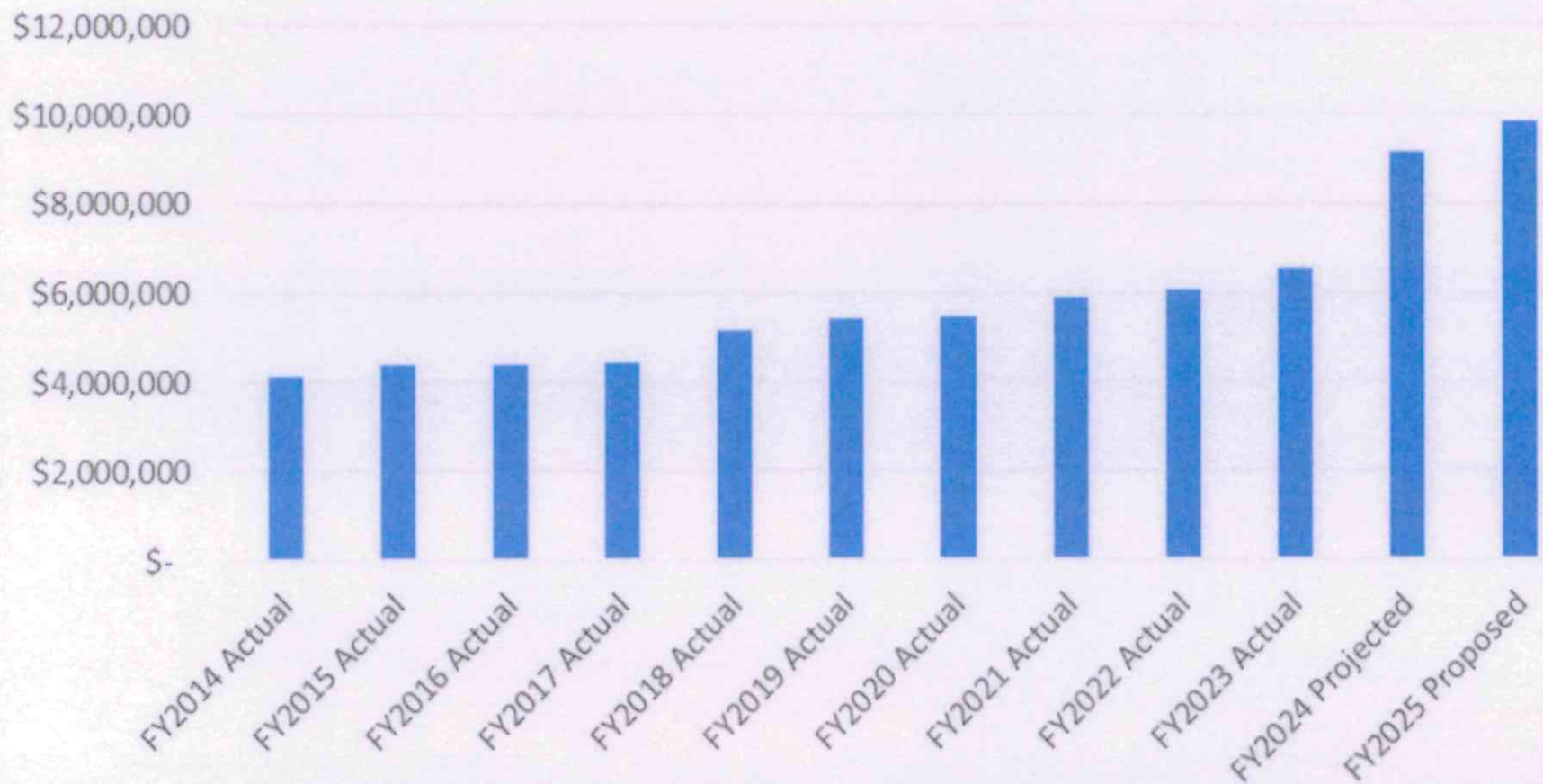
City of Statesboro

- 8.125

Property Tax Revenue

15

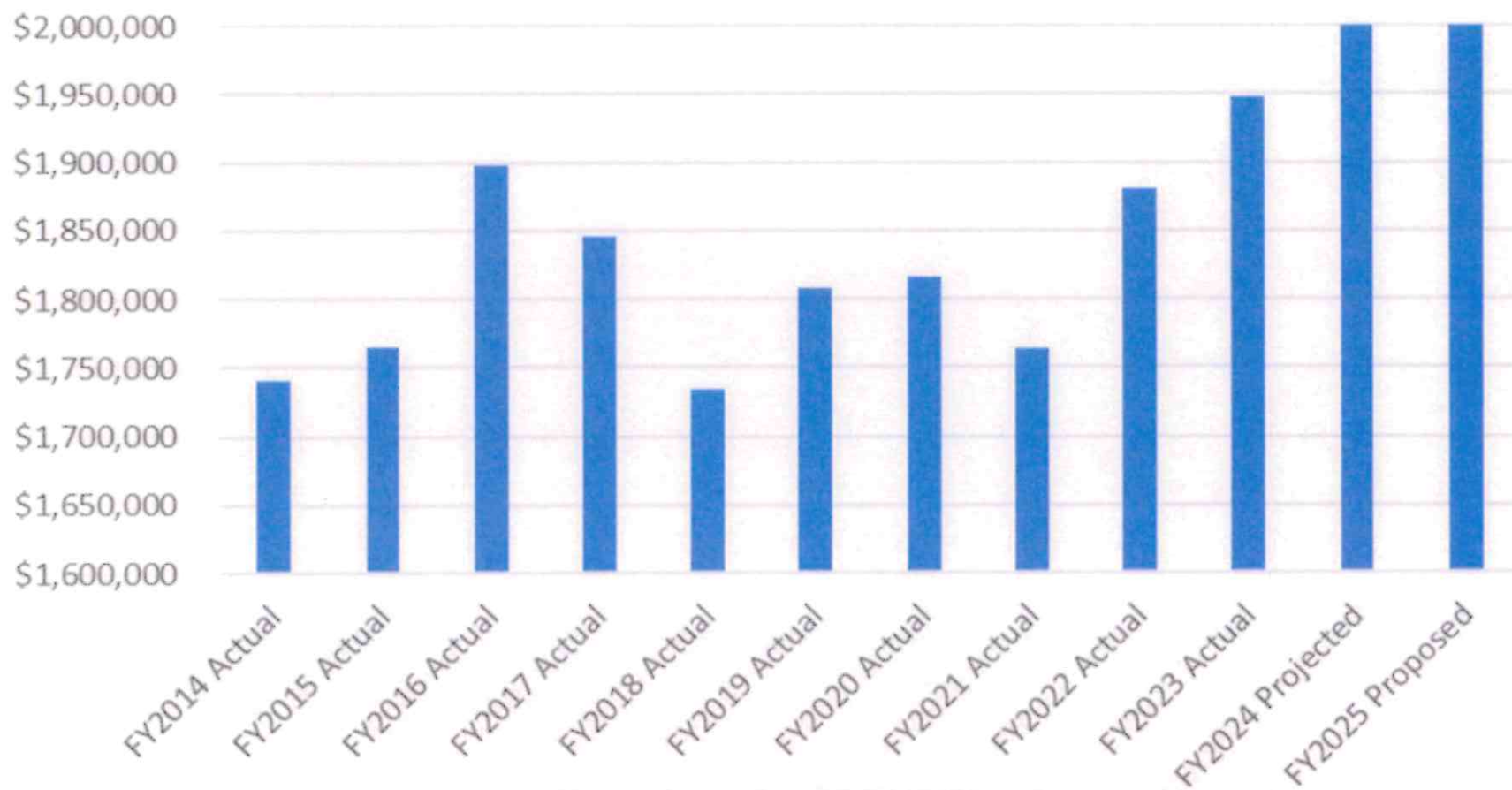
Real & Vehicle Property Tax Revenue, General Fund



Franchise Fee Revenue

16

Franchise Fee Revenue



General Fund Debt Service

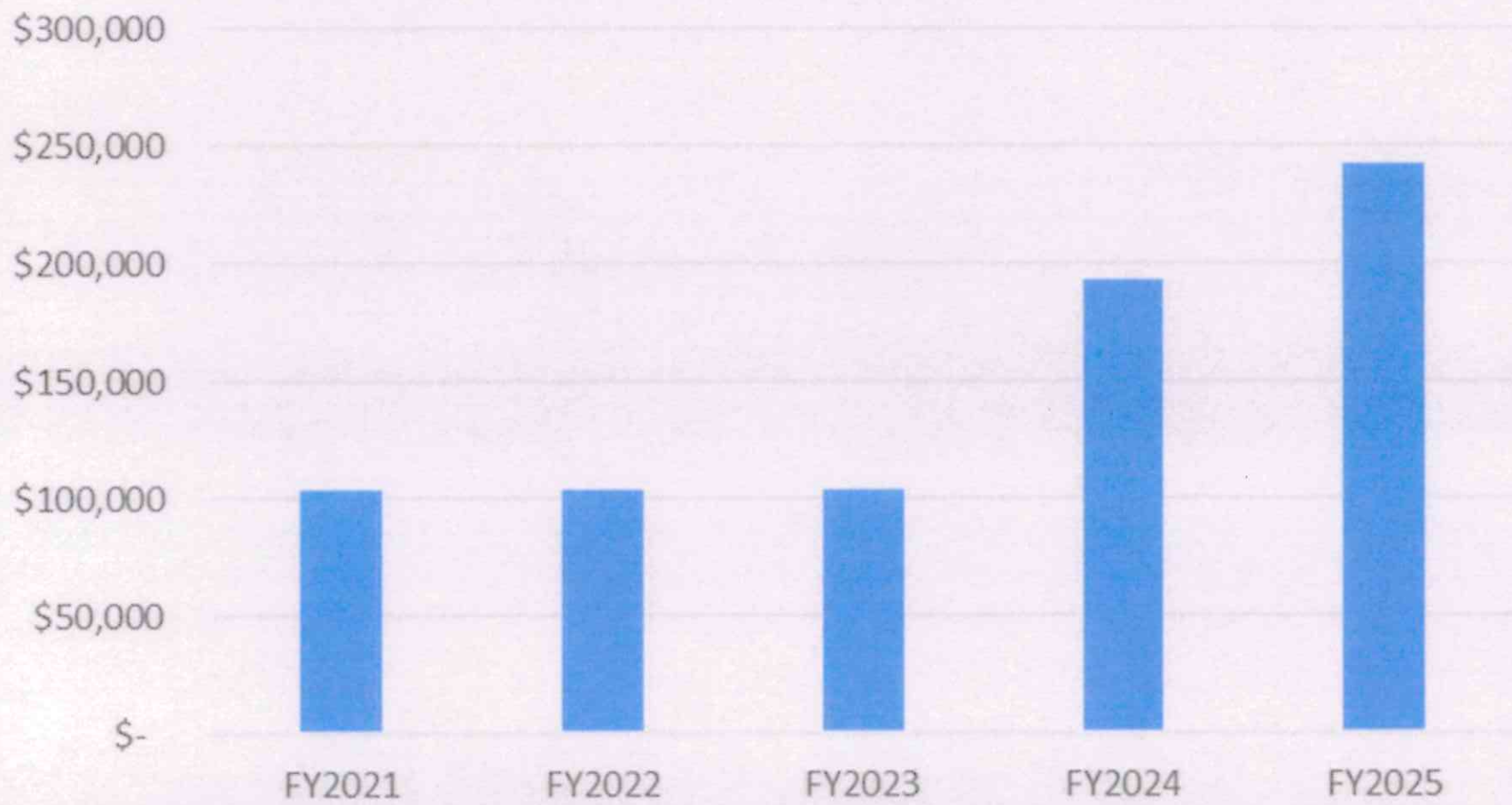
17

General Fund Debt Service



Old Register TAD Debt Service 18

Old Register TAD Debt Service - Interest Expense



Balancing the Budget

19

- ▶ \$730,755 in Fund Balance Used to Balance the General Fund
- ▶ \$34,476 in Fund Balance Used To Balance the Fire Service Fund

Fund Balance Comparison

20

Fund	FY2022 Ending <u>Fund Balance</u>	FY2023 Ending <u>Fund Balance</u>
General Fund	\$ 7,942,895	\$ 6,932,845
Fire Fund	\$ 964,443	\$ 497,708
Water and Sewer Fund	\$ 11,948,266	\$ 14,903,934
Stormwater Fund	\$ 4,770,049	\$ 6,442,298
Gas Fund	\$ 9,827,617	\$ 9,908,816
Solid Waste Collection Fund	\$ 4,451,546	\$ 4,868,850
Solid Waste Disposal Fund	\$ 864,322	\$ 892,128
Total	<u>\$ 40,769,138</u>	<u>\$ 44,446,579</u>

General Fund Highlights

21

- ▶ Police Chief is authorized to over hire by 4
- ▶ 62.7% of the General Fund Budget is Salary and Benefit Costs
- ▶ Increased Expenditures:
 - ▶ Salaries and Benefits \$1,159,000
 - ▶ Transfer to Fire Fund 1,200,000
 - ▶ Debt Service 97,000
 - ▶ Liability Insurance 172,000
 - ▶ Transfer to CIP Fund 60,000
 - ▶ New Position 93,000

Public Safety Highlights

22

- ▶ Year five of the Five Mile Fire District Agreement with Bulloch County
- ▶ Fire Station 3

Proposed Fund Appropriation Levels – Includes Transfers

23

	FY2024 Adopted Budget	FY2025 Proposed Budget	Difference from FY 2024 Adopted
General Fund	\$ 22,312,422	\$ 25,340,025	13.6%
Fire Fund	\$ 6,879,918	\$ 7,681,481	11.7%
General Capital Fund	\$ 195,000	\$ 110,000	-43.6%
Water and Sewer Fund	\$ 10,479,303	\$ 10,978,690	4.8%
Stormwater Fund	\$ 800,845	\$ 838,345	4.7%
Gas Fund	\$ 6,152,511	\$ 4,969,115	-19.2%
Solid Waste Collection Fund	\$ 4,584,635	\$ 5,077,600	10.8%
Solid Waste Disposal Fund	\$ 4,398,860	\$ 4,285,535	-2.6%
	<u>\$ 55,803,494</u>	<u>\$ 59,280,791</u>	<u>6.2%</u>

Statesboro Fire Service Fund

24

\$7,681,481

- Fire Station 3
- Study the feasibility of a Fire Fee

General Capital Fund

25

\$50,000 - GMA Lease Pool

- Public Works Administration- replacement truck (\$50,000)
- Parks Division – replacement truck (\$60,000)

Water & Sewer Fund

26

\$10,978,690

- 10% fee increase for Residential and Commercial (inside) Sewer user fee – per Raftelis rate study performed in FY2023
- Water and Sewer Tap Fee Increase
- Aid to Construction (Waste Water Treatment Plant) Fee Increase
- Utility Infrastructure Expansion

Water & Sewer Fund

27

Water and Sewer Fund

	Current Rate	Proposed Rate	Last Known Increase
--	--------------	---------------	---------------------

Residential Customers

Sewer for Inside City Limits:

0-9000 gallons per 1,000 gal	\$2.97	\$3.27	July 1, 2023
10-49000 gallons per 1,000 gal	\$3.08	\$3.39	July 1, 2023
All over 49000 gallons per 1,000 gal	\$3.19	\$3.51	July 1, 2023

Sewer for Outside City Limits:

0-9000 gallons per 1,000 gal	\$5.94	\$6.53	Sep 24, 2013
10-49000 gallons per 1,000 gal	\$6.16	\$6.78	Sep 24, 2013
All over 49000 gallons per 1,000 gal	\$6.38	\$7.02	Sep 24, 2013

Industrial Customers

Sewer Inside City Limits:

0-9000 gallons per 1,000 gal	\$5.20	\$5.20	July 1, 2012
10-19000 gallons per 1,000 gal	\$5.40	\$5.40	July 1, 2012
All over 19000 gallons per 1,000 gal	\$5.60	\$5.67	July 1, 2012

Sewer for Outside City Limits:

0-9000 gallons per 1,000 gal	\$5.20	\$5.20	Sep 24, 2013
10-19000 gallons per 1,000 gal	\$5.40	\$5.40	Sep 24, 2013
All over 19000 gallons per 1,000 gal	\$5.60	\$5.67	Sep 24, 2013

Water & Sewer Fund

28

Water and Sewer Fund

	Current Rate	Proposed Rate	Last Known Increase
Commercial Customers			
Sewer Inside City Limits:			
0-9000 gallons per 1,000 gal	\$3.29	\$3.62	July 1, 2023
10-19000 gallons per 1,000 gal	\$3.40	\$3.74	July 1, 2023
All over 19000 gallons per 1,000 gal	\$3.51	\$3.86	July 1, 2023
Sewer for Outside City Limits:			
0-9000 gallons per 1,000 gal	\$4.96	\$5.20	July 1, 2023
10-19000 gallons per 1,000 gal	\$5.07	\$5.40	July 1, 2023
All over 19000 gallons per 1,000 gal	\$5.23	\$5.67	July 1, 2023
Governmental Customers			
Sewer Inside City Limits:			
0-9000 gallons per 1,000 gal	\$5.19	\$5.20	July 1, 2023
10-19000 gallons per 1,000 gal	\$5.41	\$5.40	July 1, 2023
All over 19000 gallons per 1,000 gal	\$5.67	\$5.67	July 1, 2023
Sewer for Outside City Limits:			
0-9000 gallons per 1,000 gal	\$6.50	\$6.89	Sep 24, 2013
10-19000 gallons per 1,000 gal	\$6.80	\$7.20	Sep 24, 2013
All over 19000 gallons per 1,000 gal	\$7.10	\$7.52	Sep 24, 2013

Water & Sewer Fund

29

Water and Sewer Fund

	Current Rate	Proposed Rate	Last Known Increase
<u>Sewer Tap Fees Inside City Limits:</u>			
4" Sewer	\$600.00	\$1,200.00	Sep 24, 2013
6" Sewer	\$1,190.00	\$2,380.00	Sep 24, 2013
8" Sewer	\$2,975.00	\$5,950.00	Sep 24, 2013
<u>Sewer Tap Fees Outside City Limits:</u>			
4" Sewer	\$900.00	\$1,800.00	Sep 24, 2013
6" Sewer	\$1,785.00	\$3,570.00	Sep 24, 2013
8" Sewer	\$4,463.00	\$8,926.00	Sep 24, 2013
<u>Aid To Construction Fees (ATC Fees) ***</u>			
Note ***Per gallon of sewer per day as calculated based upon ordinance.	\$3.20	\$4.80	July 1, 2023
<u>Water Tap Fees Inside City Limits</u>			
3/4" Water	\$1,220.00	\$1,465.00	Sep 24, 2013
1" Water	\$1,520.00	\$1,825.00	Sep 24, 2013
1 1/2" Water	\$2,740.00	\$3,290.00	Sep 24, 2013
2" Water	\$3,800.00	\$4,560.00	Sep 24, 2013
3" Water	\$5,320.00	\$6,385.00	Sep 24, 2013
4" Water	\$8,365.00	\$10,040.00	Sep 24, 2013
6" Water	\$12,930.00	\$15,520.00	Sep 24, 2013
8" Water	\$19,010.00	\$22,815.00	Sep 24, 2013
10" Water	\$23,575.00	\$28,290.00	Sep 24, 2013
2" Fire Service	\$3,800.00	\$4,560.00	Sep 24, 2013
3" Fire Service	\$5,320.00	\$6,385.00	Sep 24, 2013
4" Fire Service	\$8,365.00	\$10,040.00	Sep 24, 2013
6" Fire Service	\$12,930.00	\$15,520.00	Sep 24, 2013
8" Fire Service	\$19,010.00	\$22,815.00	Sep 24, 2013
10" Fire Service	\$23,575.00	\$28,290.00	Sep 24, 2013

Water & Sewer Fund

30

Water and Sewer Fund

	Current Rate	Proposed Rate	Last Known Increase
<u>Water Tap Fees Outside City Limits</u>			
3/4" Water	\$1,825.00	\$2,190.00	Sep 24, 2013
1" Water	\$2,280.00	\$2,740.00	Sep 24, 2013
1 1/2" Water	\$4,110.00	\$4,935.00	Sep 24, 2013
2" Water	\$5,700.00	\$6,840.00	Sep 24, 2013
3" Water	\$7,895.00	\$9,475.00	Sep 24, 2013
4" Water	\$12,550.00	\$15,060.00	Sep 24, 2013
6" Water	\$19,390.00	\$23,270.00	Sep 24, 2013
8" Water	\$28,515.00	\$34,220.00	Sep 24, 2013
10" Water	\$35,360.00	\$42,435.00	Sep 24, 2013
2" Fire Service	\$5,700.00	\$6,840.00	Sep 24, 2013
3" Fire Service	\$7,895.00	\$9,475.00	Sep 24, 2013
4" Fire Service	\$12,550.00	\$15,060.00	Sep 24, 2013
6" Fire Service	\$19,390.00	\$23,270.00	Sep 24, 2013
8" Fire Service	\$28,515.00	\$34,220.00	Sep 24, 2013
10" Fire Service	\$35,360.00	\$42,435.00	Sep 24, 2013

Stormwater Fund

31

\$838,200

- No fee increases
- Maintain fund reserve
- Implement essential capital projects
 - Creek on the Blue Mile

Natural Gas Fund

32

\$4,969,115

- Continue pursuing opportunities for expansion and system growth
- Continue to study expansion of infrastructure trunk line

Solid Waste Collection Fund

33

\$5,077,600

- Continue to meet increasing service demand
- Increase transfer to General Fund
- Two new positions – Refuse Collection Equipment Operator and Refuse Collector to add an additional route
- Currently we operate 2 routes per day, 1 truck per route, 4 days a week

Solid Waste Disposal Fund

34

\$4,285,535

- Expand Inert Landfill

Capital Project Priorities

35

- ▶ Housing Rehabilitation
- ▶ Sewer Installation in Unserved Areas
- ▶ Enhance roadways, sidewalks and intersection improvements to accommodate growth

Property Tax Calculation

Example: \$200,000 House

Millage Rate	8.125	9.125
40% Assessed Value	\$ 80,000.00	\$ 80,000.00
Homestead Exemption	<u>\$ (2,000.00)</u>	<u>\$ (2,000.00)</u>
Taxable Value	<u><u>\$ 78,000.00</u></u>	<u><u>\$ 78,000.00</u></u>
Taxes	\$ 633.75	711.75

Increase of \$78 a year

In Summary – 2025 Budget

37

- ▶ The City's budget is financially sound
 - ▶ Strong reserves
 - ▶ Continued growth in property values
 - ▶ You have taken care of the City's most valuable resources – our employees
- ▶ This budget does not reflect tax base increase from any of the approved new developments

In Summary – 2025 Budget

38

▶ General Fund

- ▶ Balancing the Budget using Fund Balance would take \$1.7 million dollars, we would be at 23% Fund Balance.
- ▶ In order to balance the budget, we would need up to 1 mill depending on the tax digest , and would still use about \$700,000 in Fund Balance, we would be at 27% Fund Balance.

In Summary – 2025 Budget

39

- ▶ We are currently able to use about \$1 million in interest earning to balance the budget. Prior to FY2023, we were averaging less than \$25,000.
- ▶ We want to issue a caution on balancing the budget with interest.

In Summary – 2025 Budget

40

- ▶ City must continue to expand the tax base.
- ▶ Voluntary annexations add to tax base.
- ▶ City has currently approved zoning for over 3100 residential units with potential for additional rezoning requests
- ▶ New commercial and retail developments help to grow tax base and revenue.

Questions?

41

Public Hearing: June 4

Budget Adoption: June 18