



CITY OF STATESBORO
WORK SESSION MINUTES
MAY 17, 2022

Mayor & Council Work Session

50 E. Main St. Statesboro, Ga

3:00 PM

A Work Session of the Statesboro City Council was held on May 17, 2022 at 3:00 p.m. in the Council Chambers at City Hall, 50 East Main Street. Present was Mayor Jonathan McCollar, Council Members: Phil Boyum, Paulette Chavers, Venus Mack, and Shari Barr. Also present was City Clerk Leah Harden, City Manager Charles Penny, Assistant City Manager Jason Boyles and Public Information Officer Layne Phillips. Absent was City Attorney Cain Smith and Councilmember John Riggs.

1. Senior Housing at the old JPB Building

Bill Gross presented to Mayor and Council an overview of the Senior Housing project at the old Julia P Bryant location. Mr. Gross showed a slide of an aerial view of the property which includes three existing buildings that will be reused for the build out. The next slide showed the proposed site plan with three additional buildings. The proposal is for 26 new units and 25 in the adaptive reuse of the existing buildings. The next two slides showed a rendition of the proposed cottage elevation and floor plans. The site includes on-site laundry, exterior gathering area, community buildings, computer center, and exercise center. Mr. Gross presented the 2022 Georgia DCA Conceptual Site Development plan stating it is more like a questionnaire of what they go through. He stated they are very excited and appreciate the City's willingness to work with them, to help them with their scoring. We are confident that this year we will be awarded the grant from DCA.

Mayor Pro Tem Shari Barr asked what the cost will be for the residents.

Mr. Gross said the leases will start at \$400 - \$500. The thing with building affordable housing is the financing and the state and federal tax credits that are allocated for this. These homes are income qualified based housing not subsidized. The tax credits are offered by the federal government and since we have a state income tax they match it and they are used for the debt service. We are committed with a land use restrictive covenant to provide affordable housing.

2. Zoning Ordinance

Caleb Racicot project manager with TSW presented to Mayor and Council the code diagnostic report. The diagnostic report helps to identify the major issues within the ordinance. TSW works with communities to update zoning and development regulation to meet local needs. Based on feedback from the city TSW will be creating a Unified Development Code (UDC) which includes the City's zoning and subdivision ordinances, development regulations, and environmental laws. We expect this process to take about a year to analyze the regulations to determine the approach to updating the code and then finally writing it. The coding process is broken into three phases. Phase 1 is analysis of the regulations of the city and creating a diagnostic which is a road map that tells us and the community the kind of changes to be considered. This process begins with reading through the city's comp plan, downtown master plan, zoning code, and subdivision ordinance masterplan and ordinances and then speaking with stakeholders within the community. Stakeholders include members of council, city staff, and focus group with DDA, building community, homeowners, and various

institutions. All of the information is reviewed for effectiveness, best practices, and making sure it is legally sound. The Code Diagnostic Report contains five chapters, Introduction, Policy Analysis, Technical Analysis, Legal Analysis and Recommendations. The policy analysis is the tool we use to make sure that your regulations and codes meet what is in the city's plans and what folks have told us during stakeholder interviews. There are five objectives we have come up with, promoting transportation, economic development, housing diversity, environmental sustainability, and protecting historic and cultural resources. Another thing we looked at were variances and in Statesboro big variances are sign variances, so the sign ordinance will be a major part of this process. After reading through the zoning ordinance we noted whether the codes actually supports the objectives. For example the objective of promoting transportation only 7% of the code supports that outcome and 20% of the code interferes with it. The objective of promoting economic development, 5% of the code supports and 20% interferes. The objective of promoting housing diversity 6% of the code supports and 23% interferes. The objective of protecting historic and cultural resources 10% of the code supports and 2% interferes and the objective of promoting environmental sustainability 17% of the code supports this outcome and 15% interferes with it. The goal is to eliminate as much as we can the interferences. We will begin with cleaning up the code, write clearly, use tables and graphics, update and consolidate definitions, and update legal provisions. We will then drill down on updating the sign ordinance, creating a mixed-use district, allow for mid-rise residential, explore ways to protect local character, updating parking and loading standards, establishing ground floor commercial standards, limited ground floor residential uses, update lot standards and explore design standards. We will also update use regulations, develop custom standards for the Blue Mile, the Creek District and the McTell Trail, consolidate single family districts, allow residential in more districts, and allow accessory dwellings and cottage courts. Finally we will clarify the review standards and update administrative variances. We will schedule a series of public meetings and workshops to talk about these ideas in more detail and then come back with some preliminary ideas before writing the code.

3. Budget Discussion

City Manager Charles Penny stated that last Tuesday we had a budget work session where we presented a balanced budget. He went on to review with Mayor and Council the proposed fund appropriations in the General Fund, Fire Fund, General Capital Fund, Water and Sewer fund, Stormwater fund, Gas fund, Solid Waste Collection and Solid Waste Disposal fund. Mr. Penny continued with an overview of the concerns and unknowns from last week's meeting that includes a significant amount of fund balance will need to be used from the General Fund in order to balance the budget and within City limits nearly 25% of the total assessed value for real and personal property is non-taxable. In addition we will have to refinance the Old Register TAD. We had an 8.6% overall increase in General Fund revenues and based on information from Bulloch County Tax Assessor the property tax digest growth will increase by about 7%. Mr. Penny presented the Statesboro millage rate in comparison to other cities and we fall in the middle however compared to Bulloch County and the Board of Education we have the lowest rate. The FY 2023 proposed rate would yield roughly \$6 million for the General Fund. In order to balance the budget we will need to use \$2.1 million in fund balance to balance the General Fund and \$339,209 to balance the Fire Service Fund. We have been budgeting fund balance in order to balance the budget and when we do that I tell department heads we are using that to balance the budget but you cannot spend it. Of the \$2.1 million I cannot tell them they can't spend that money because the budget increases are based on personnel. The challenge with spending fund balance is that it is not a recurring fund. Now this budget is balanced without a millage rate increase and we can do this one year but after this year you will be faced with a millage rate increase in order to balance the next budget. If we don't keep paying people, making adjustments, and pay for performance they will be looking for other opportunities and so the budget includes a 4% pay adjustment for our employees, it is recommend to continue with pay for performance and to increase the Christmas bonus from \$100 to \$500.

Mr. Penny presented the budget assumptions for FY2023 which assumes a 7% property tax digest growth, a nominal increase in Franchise Fees and Insurance Premium taxes, no rate increases, business license renewals remain close to present levels, \$175,000 in package stores alcohol tax and funding \$120,000 for the Children's Zone, equity transfers to the General Fund, increase from the county for the Statesboro Fire Department, transfers to the Health Insurance Fund, implementation of a 4% adjustment to the employee pay plan, continuation of Pay for Performance, increase of communication officer positions, addition of two police officers, addition of an Administrative Assistant in the HR Department, funding for small Business Recruitment, funding for an Events Management, an increase in the Employee Annual Bonus, and assumes adding Good Friday as a Holiday.

Mr. Penny reiterated to Mayor and Council they need to strongly consider a millage rate increase, because if it is not done this year you will be faced with it next year. Even if it is raised by a mil or a mil and three quarters we would still need to use some fund balance in order to balance the budget.

Mayor Pro Tem Shari Barr asked what percentage of the budget needs to be in the reserve of General Fund. Mr. Penny stated the policy of the City to have twenty-five percent in reserve which is a little more than \$5 million in fund balance.

Councilmember Phil Boyum stated his concern of the increased spending without a thought as to how to increase our revenues.

Mr. Penny stated that cities have limited ways to raise revenue. In order to raise revenue requires a millage rate increase or rates and fees increase a way to do it. Staff recommends a millage rate increase of 1.75.

Councilmember Phil Boyum stated at this time he thinks the Children's Zone needs to be removed from the budget assumptions and tabled for further discussion after budget adoption.

There was further Council discussion regarding the fund balance, the millage rate and budget assumptions for FY2023.

The meeting was adjourned at 5:19 pm.

Jonathan McCollar, Mayor

Leah Harden, City Clerk