



# Mayor & Council Work Session

May 20, 2025 at 3:30 P.M



# Agenda

1. Financial Audit Presentation
2. Quarterly Financial Report
3. Raftelis Report on Water and Sewer Rates
4. Unified Development Code
5. Massage Therapy Business Recommendation
6. Attorney Occupation Tax

# City of Statesboro



2024 Financial Audit

# Government Wide Financial Statements

- Total assets      \$223,436,000
- Total liabilities    \$56,299,000

- \$19,399,000 or 10% increase
- \$1,488,000 or 3% decrease

# Government Wide Financial Statements

- |                           |   |
|---------------------------|---|
| • Unearned revenue - ARPA | • \$9,482,000   |
| • OPEB liability          | • \$6,889,000 <ul style="list-style-type: none"><li>• \$20,000 or &lt;1% decrease</li></ul> |
| • Net pension obligation  | • \$15,151,000 <ul style="list-style-type: none"><li>• \$191,000 or 12% decrease</li></ul>  |
| • Revenue bonds payable   | • \$15,608,000 <ul style="list-style-type: none"><li>• \$1,287,000 or 8% decrease</li></ul> |

# Government Wide Financial Statements

- Total net position  
\$167,942,000
  - \$104,512,000 (62%) invested  
in capital assets, net of  
related debt
  - \$16,927,000 (10%)  
unrestricted net position
- 
- \$19,174,000 or 13%  
increase

# Government Wide Financial Statements

- Total expenses for governmental activities
- \$35,295,000

- \$6,034,000 or 21% increase

# Government Wide Financial Statements

- Total revenues for governmental activities \$49,813,000
- 
- \$11,181,000 or 29% increase
  - ARPA revenue - \$1,425,000
  - TSPLOST revenue - \$8,282,000
  - SPLOST revenue - \$10,399,000
  - CDBG – EIP Grant - \$737,000
  - Investment earnings - \$2,414,000
  - \$2,055,000 investment earnings on SPLOST and TSPLOST funds included in Capital Grants



# Governmental Funds Financial Statements

## General Fund

- |                      |              |                               |
|----------------------|--------------|-------------------------------|
| • Total assets       | \$8,447,000  | • \$464,000 or 6% increase    |
| • Total fund balance | \$7,496,000  | • \$563,000 or 8% increase    |
| • Total revenues     | \$18,531,000 | • \$2,933,000 or 19% increase |
| • Total expenditures | \$18,562,000 | • \$1,680,000 or 10% increase |



# Governmental Funds Financial Statements

General Fund balance represents  
35% of annual expenditures and  
transfers out

# SPLOST Funds

- |                              |                |
|------------------------------|----------------|
| • 2013 SPLOST Fund balance   | • \$2,091,000  |
| • 2019 SPLOST Fund Balance   | • \$19,289,000 |
| • 2019 SPLOST Total revenues | • \$11,291,000 |

# TSPLOST

• 2018 Fund balance	• \$16,248,000
• 2018 Total revenues	• \$3,632,000
• 2023 Fund balance	• \$5,656,000
• 2023 Total revenues	• \$5,686,000

# Proprietary Funds Financial Statements – Enterprise Funds

• Total Net Position	\$79,298,000
• Total revenues	\$27,211,000
• Total expenses	\$23,707,000
• Total operating income	\$3,504,000
• Total transfers to governmental activities	\$4,572,000

- \$3,120,000 or 4% increase
- \$975,000 or 4% increase
- \$1,060,000 or 5% increase
- \$86,000 or 2% decrease

# Proprietary Funds Financial Statement – Internal Service Funds

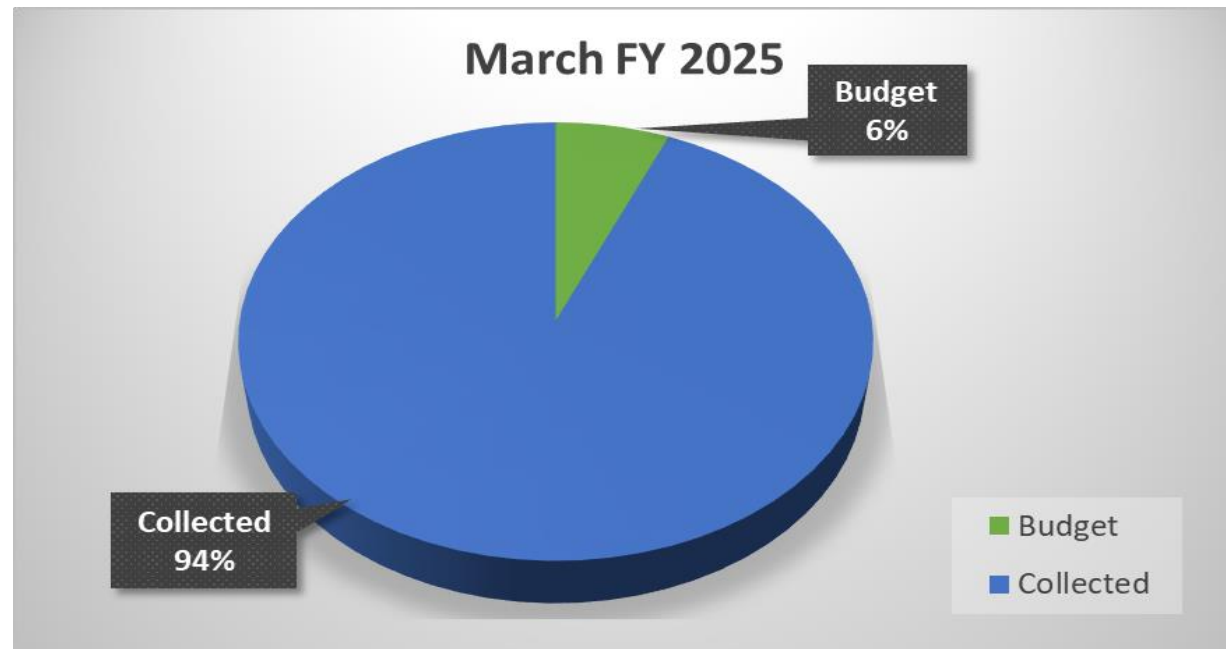
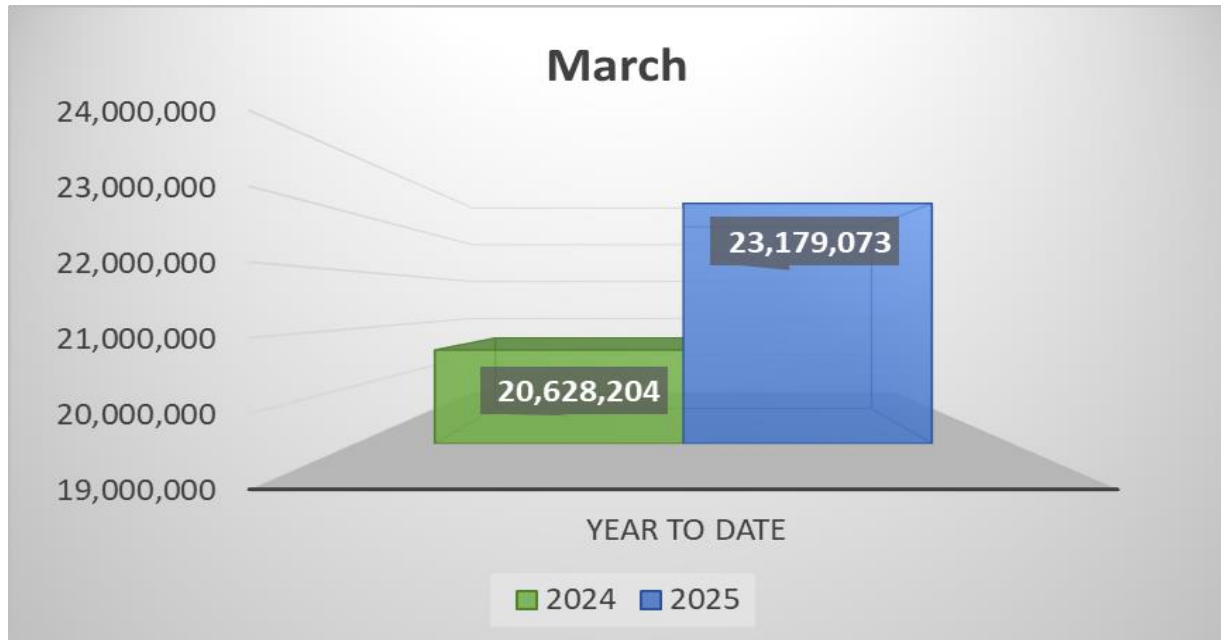
- Total net position     \$375,000
- Health Insurance Fund net  
position                     \$350,000

- \$404,000 or 52% decrease
- \$404,000 or 52% decrease

# FY2025 Third Quarter Financial Update

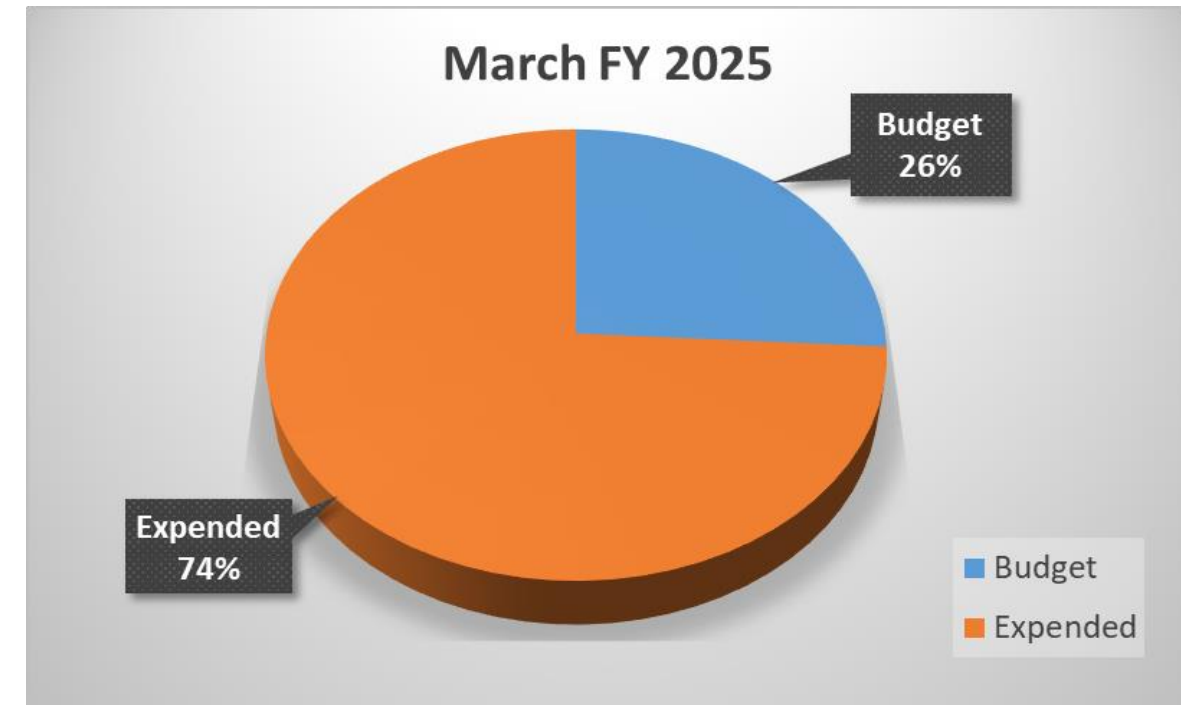
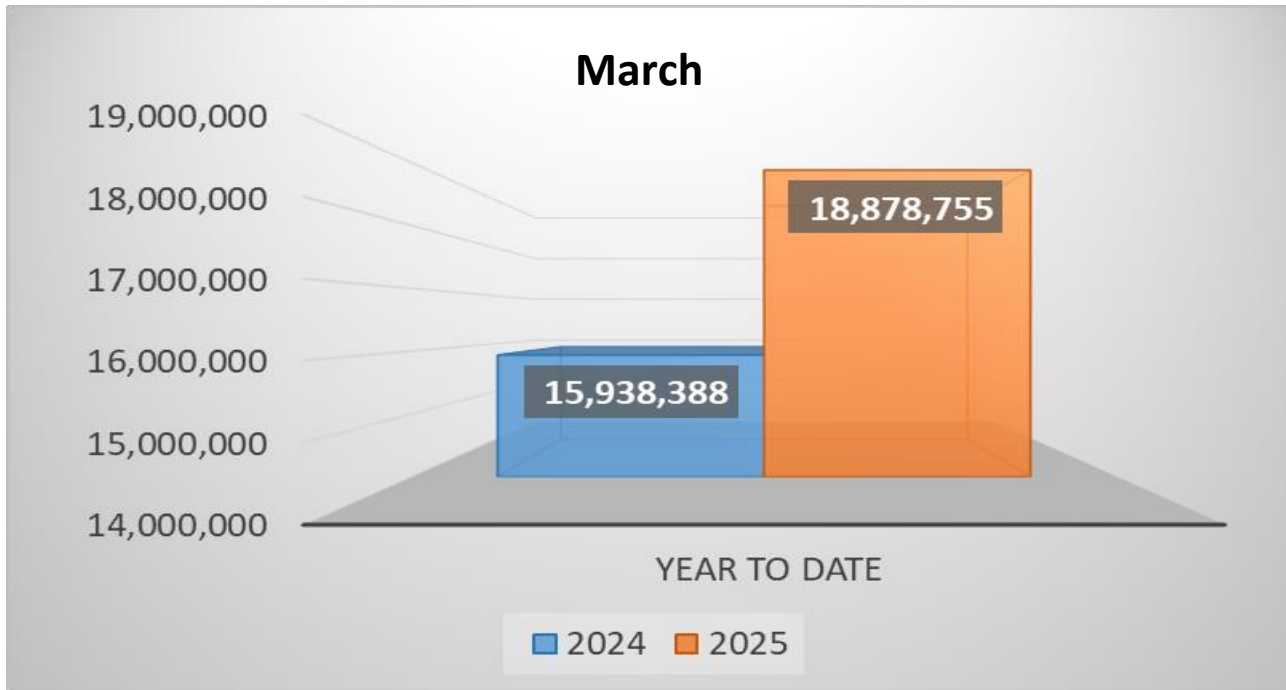


# General Fund - Revenues

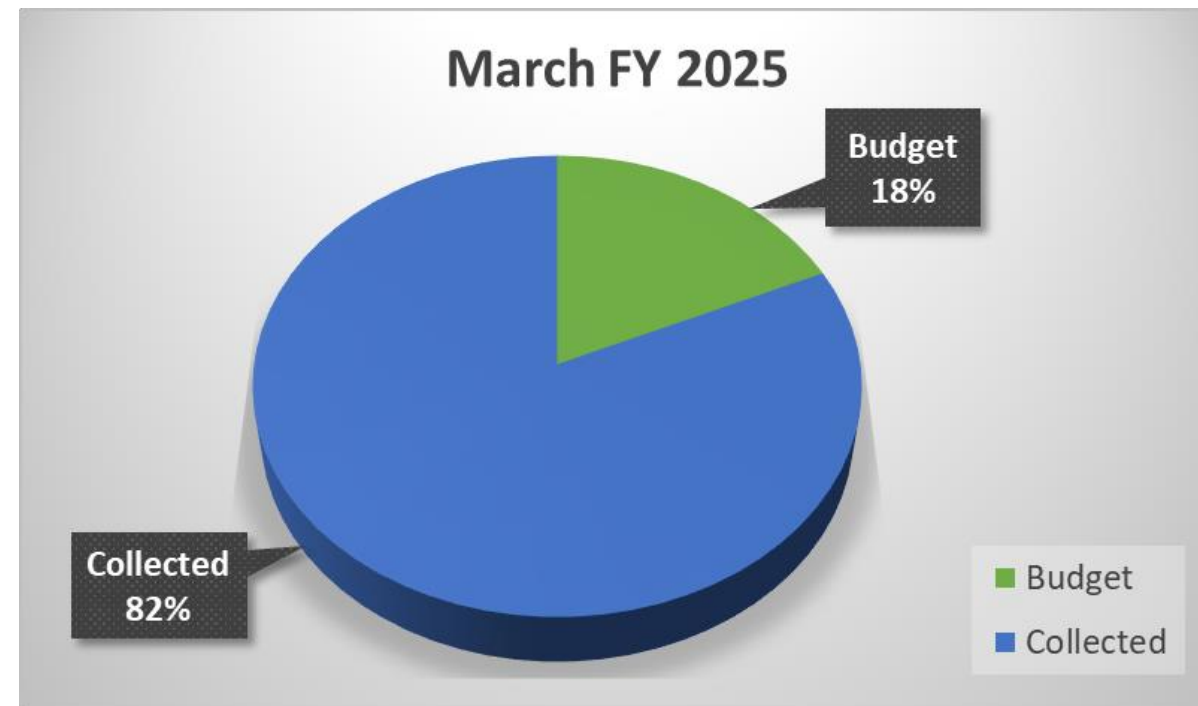




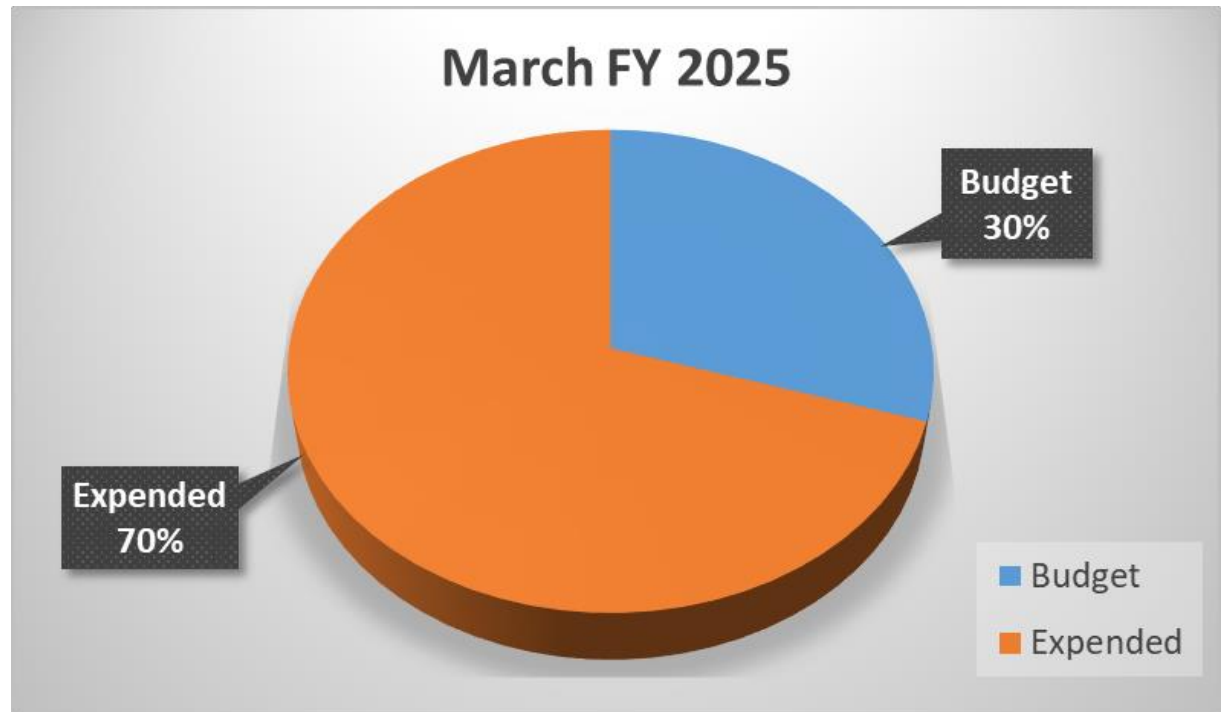
# General Fund - Expenditures



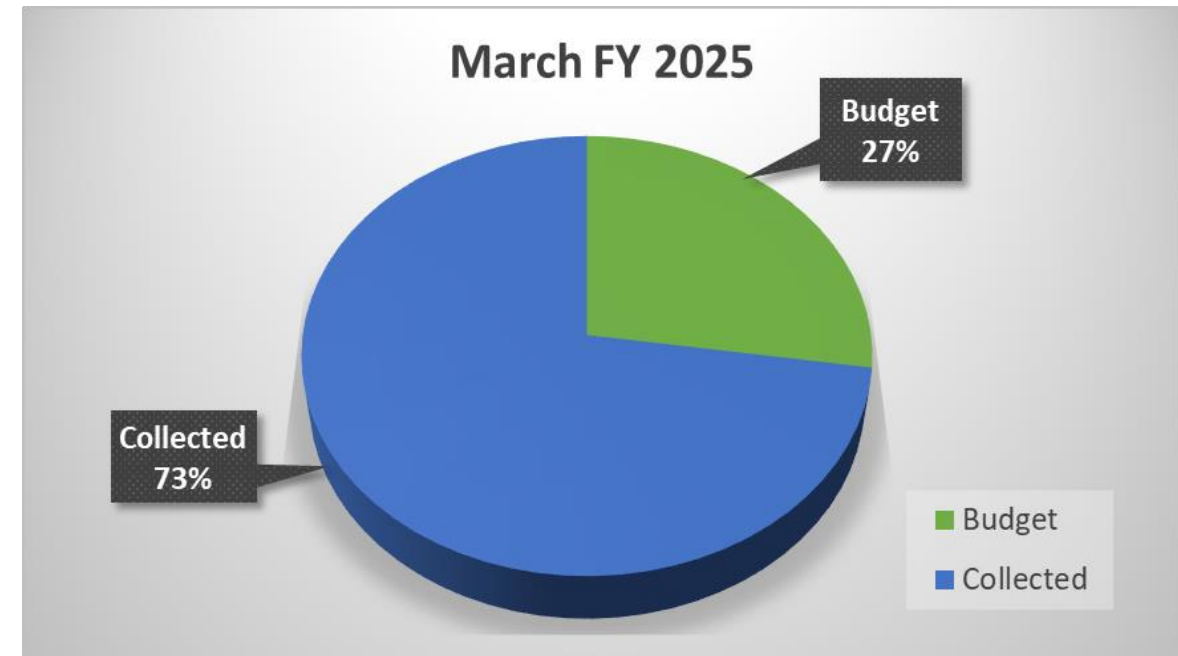
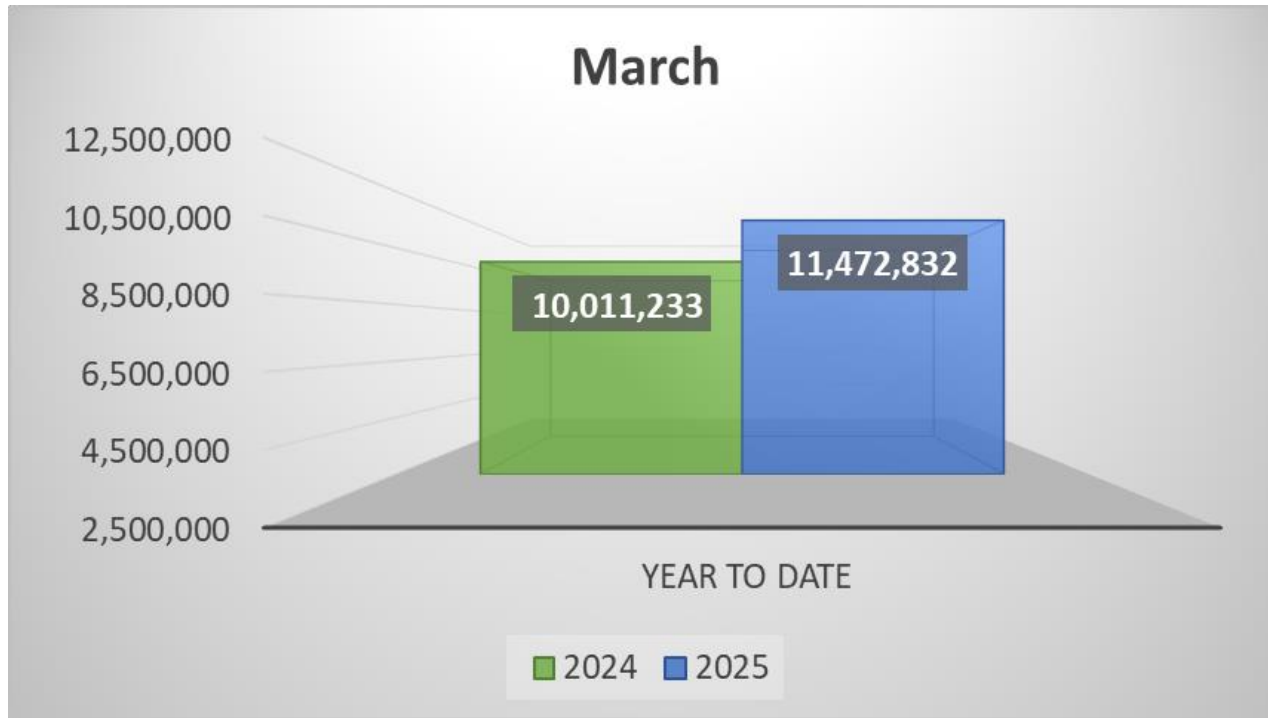
# Statesboro Fire Service Fund - Revenues



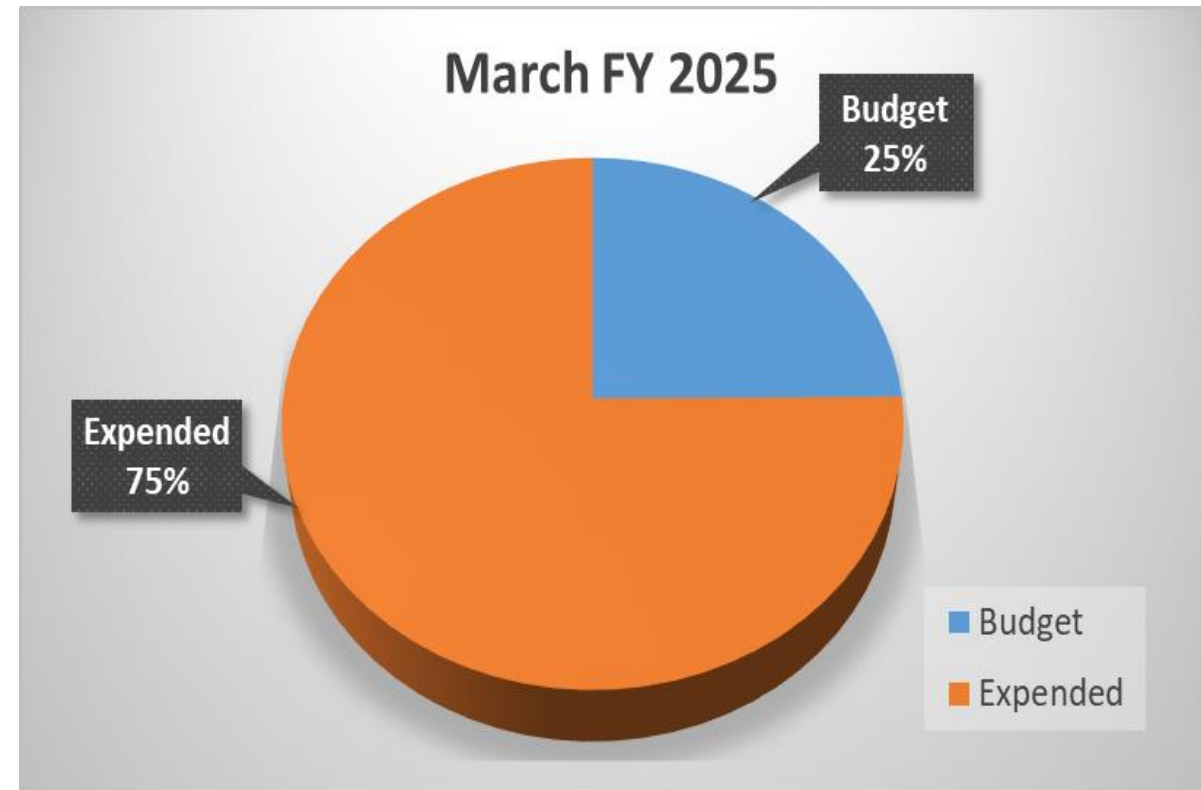
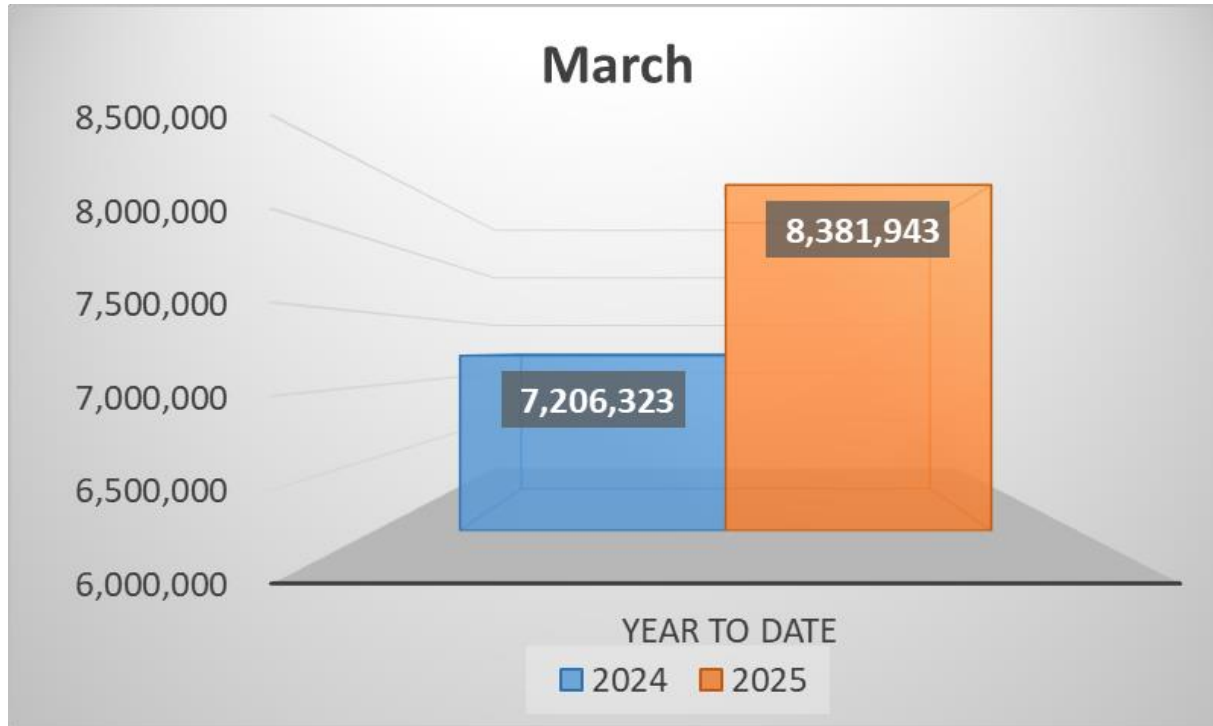
# Statesboro Fire Service Fund – Expenditures



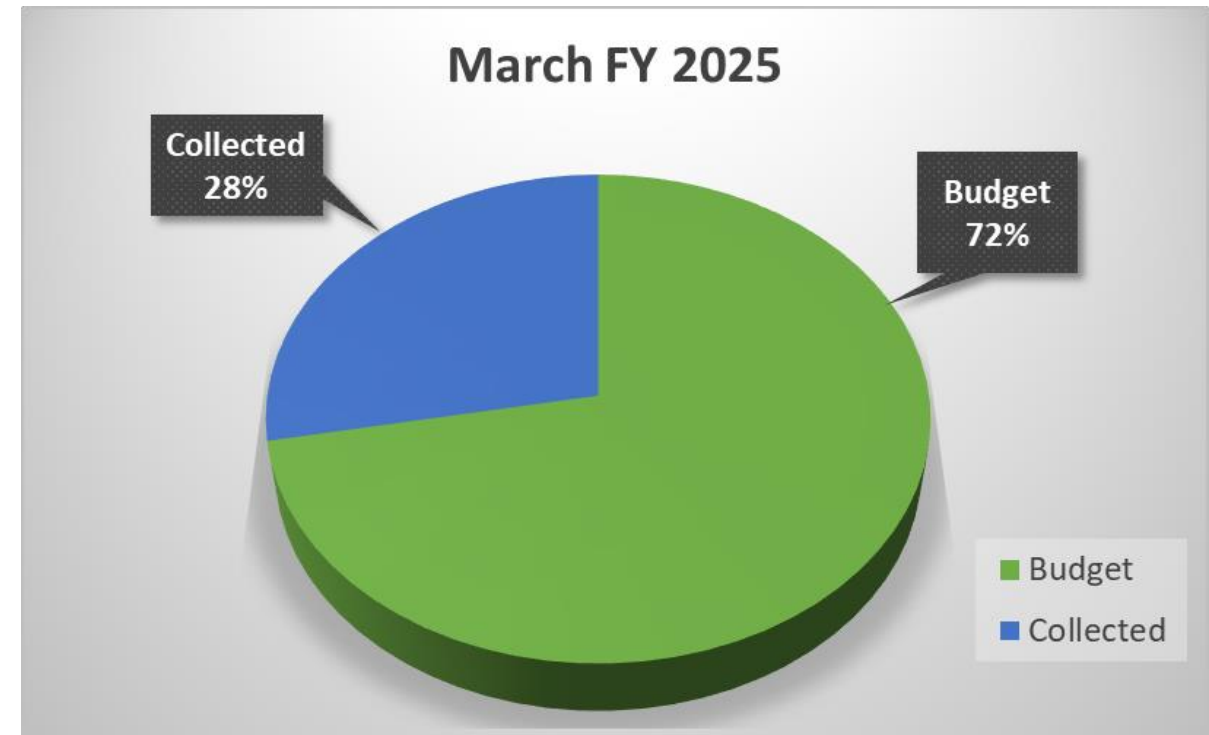
# Water and Sewer Fund – Revenues



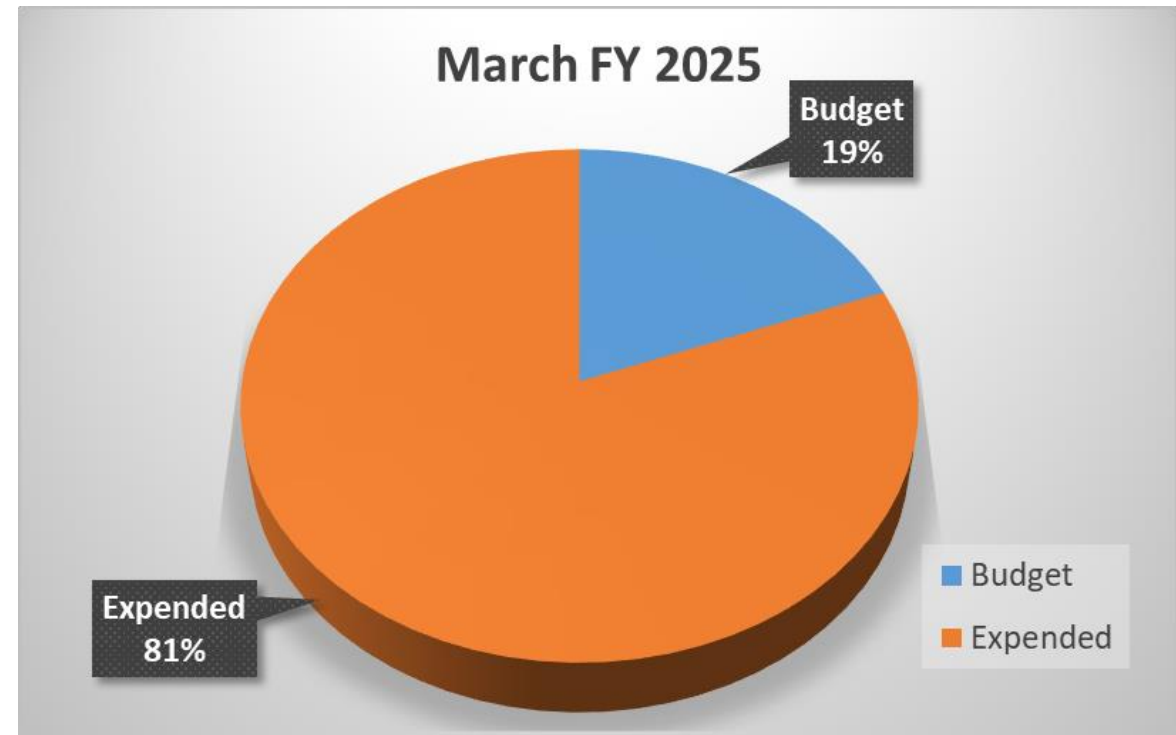
# Water and Sewer Fund – Expenditures



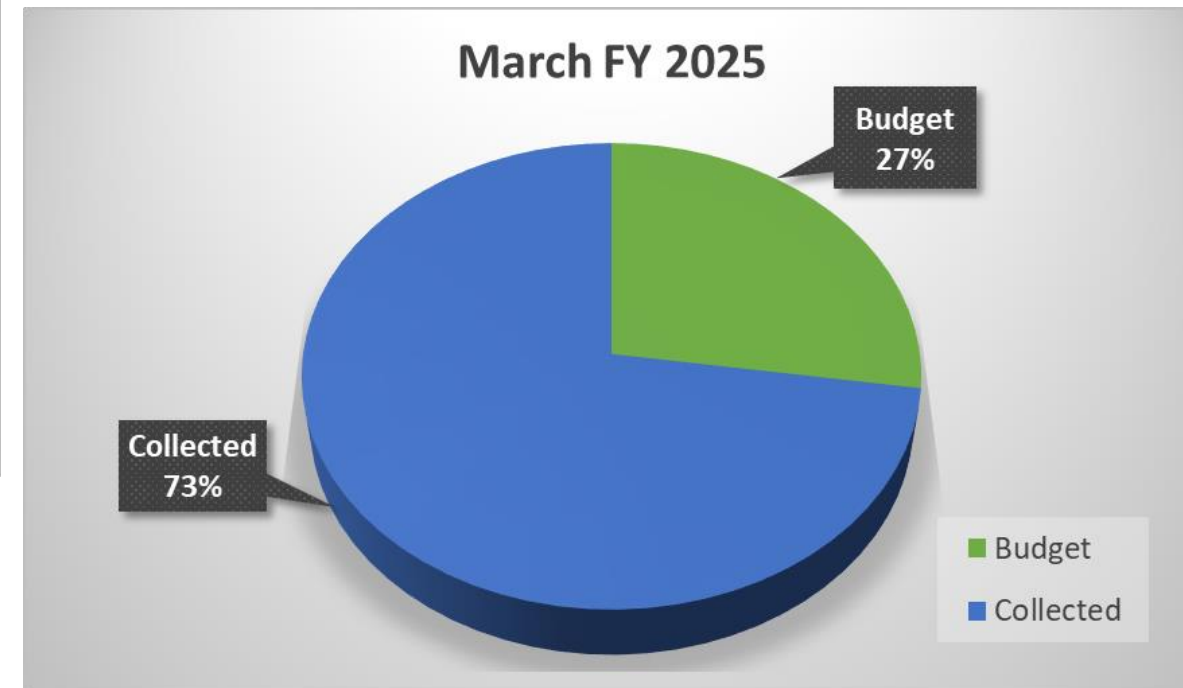
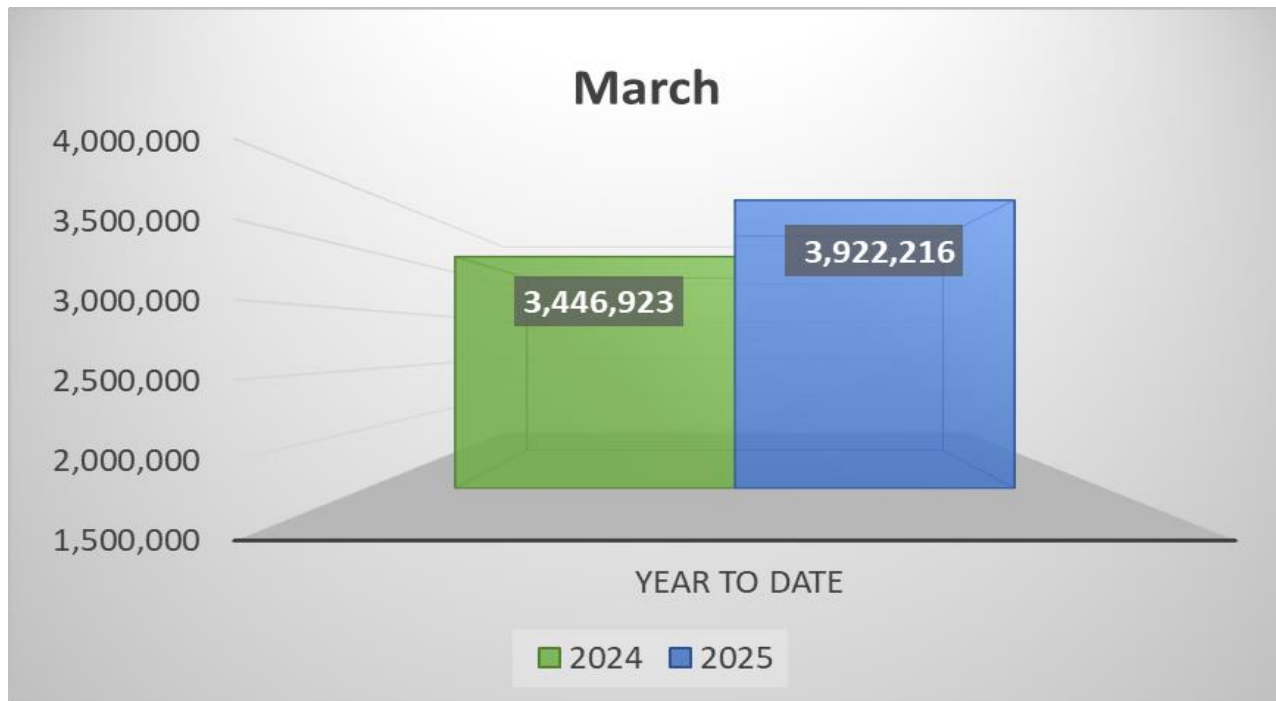
# Stormwater Fund – Revenues



# Stormwater Fund – Expenditures

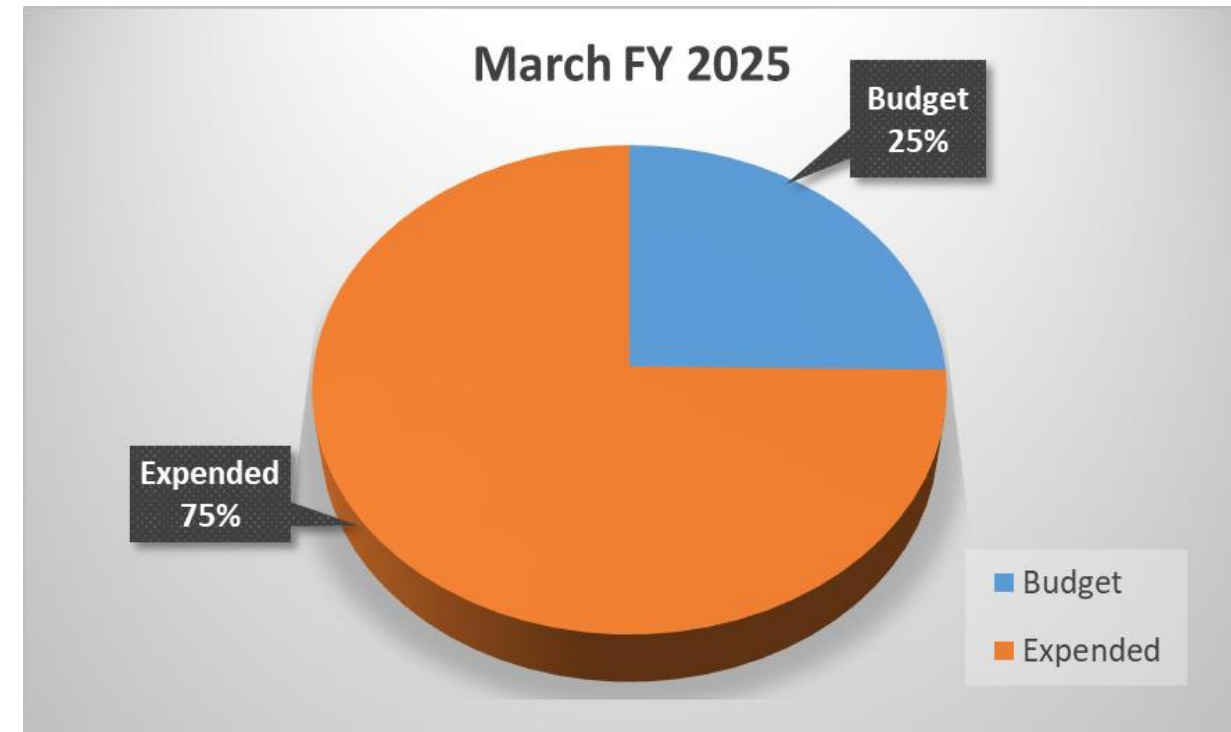
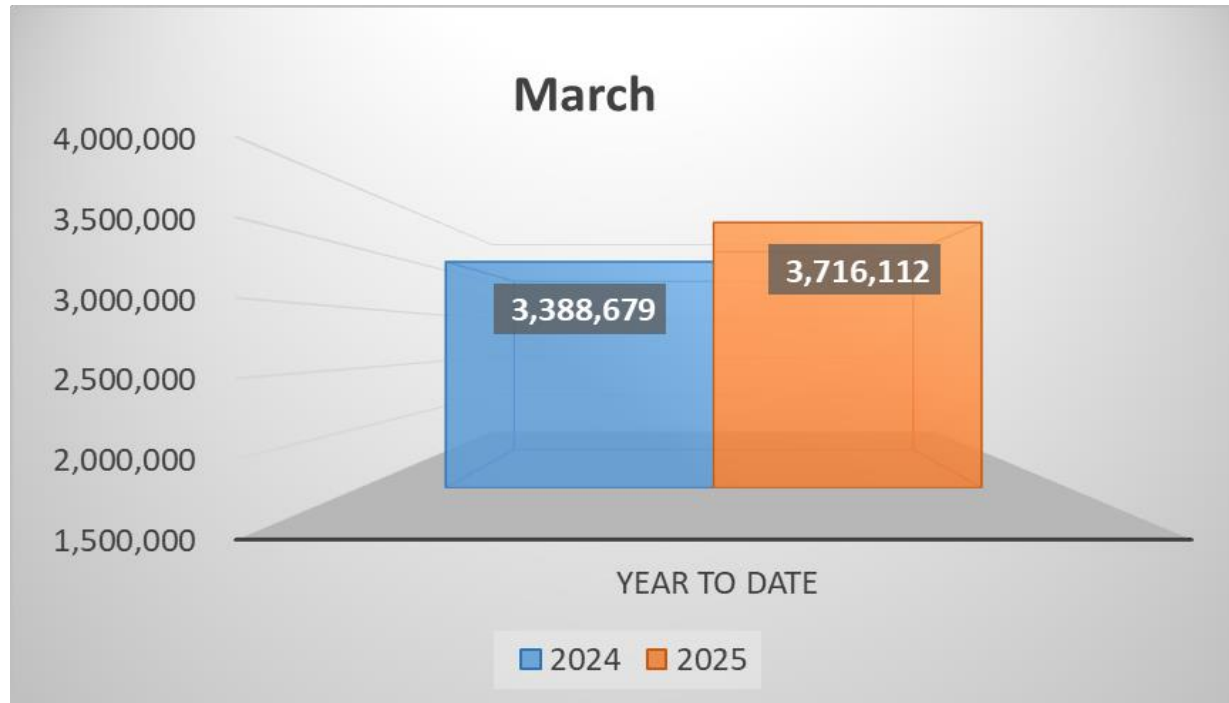


# Natural Gas Fund – Revenues

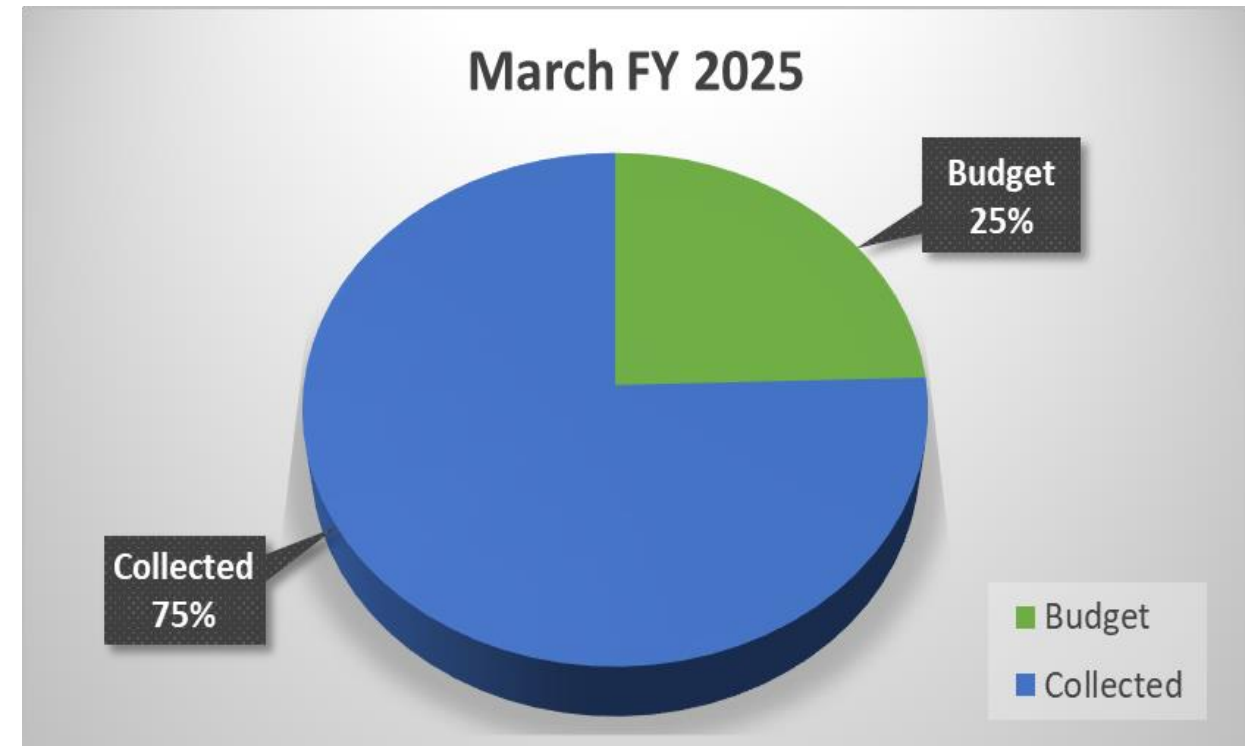
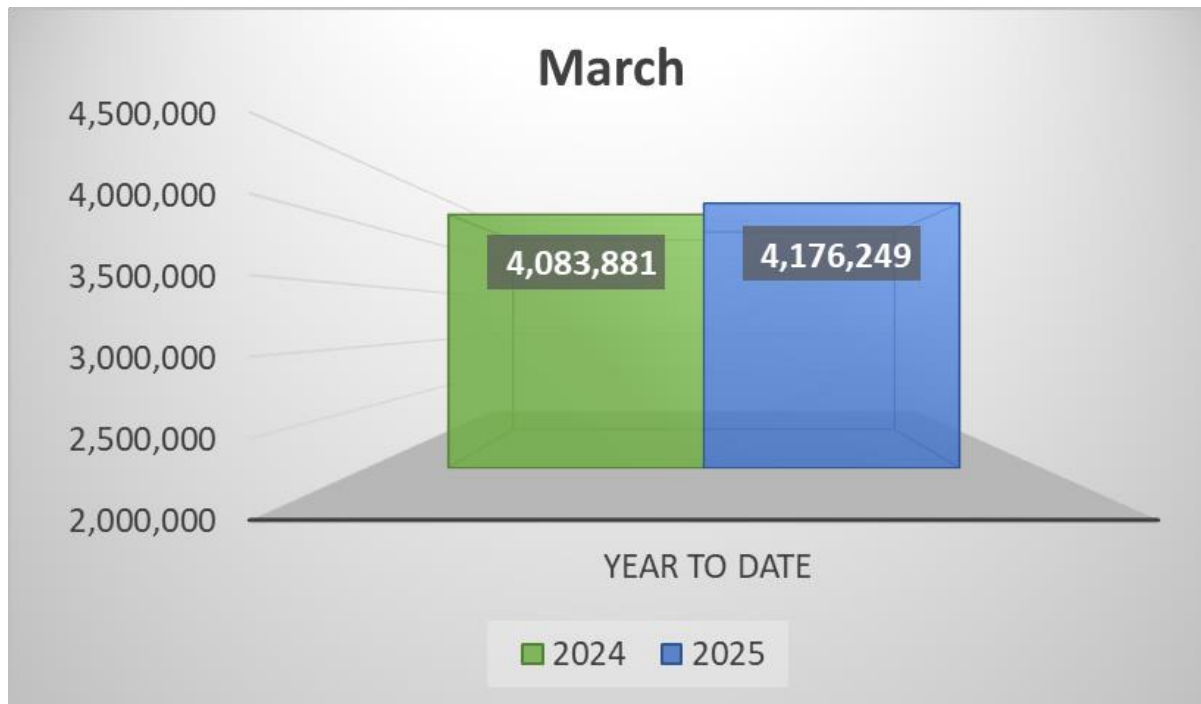




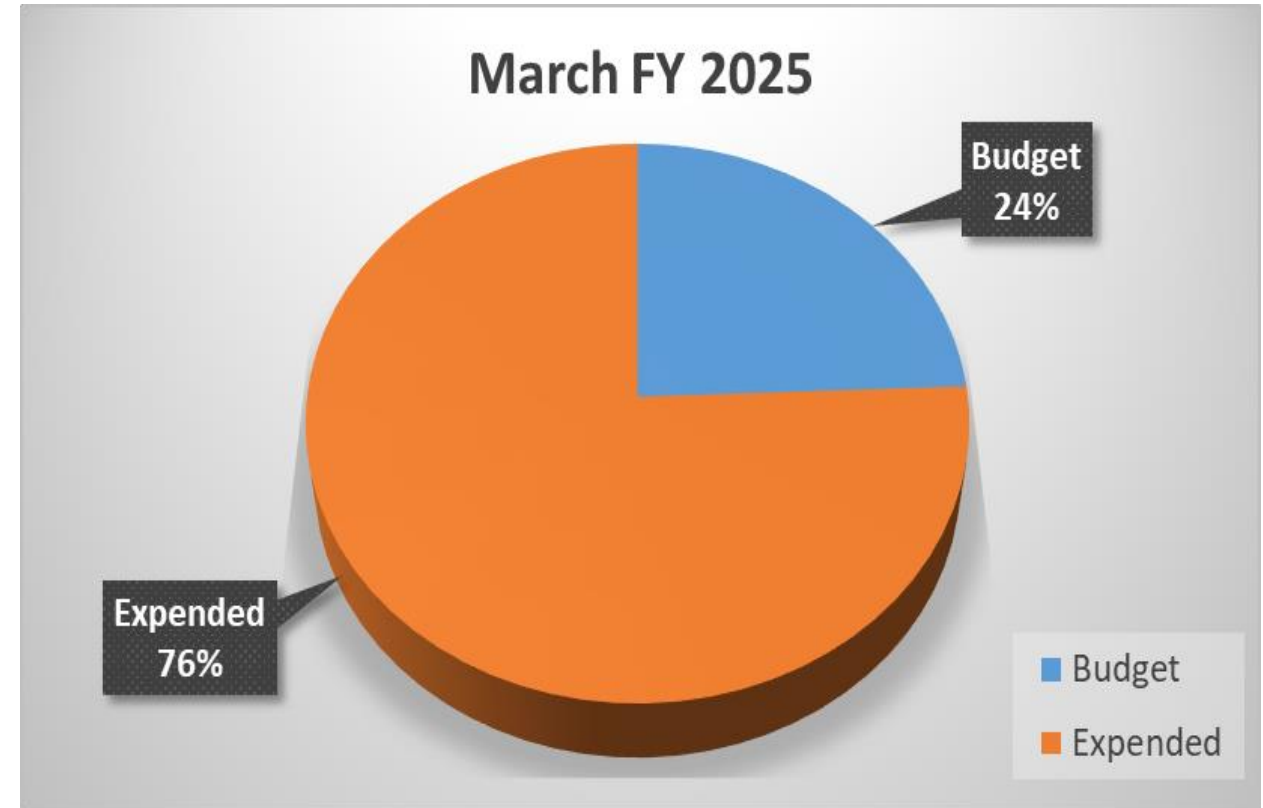
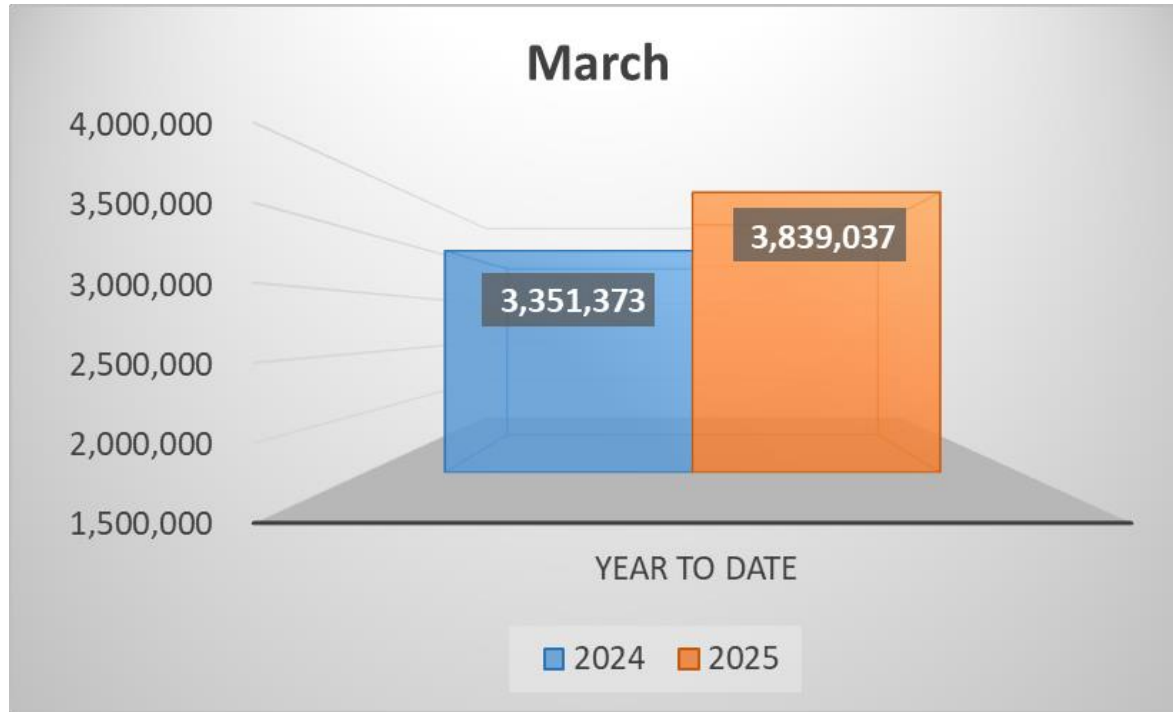
# Natural Gas Fund – Expenditures



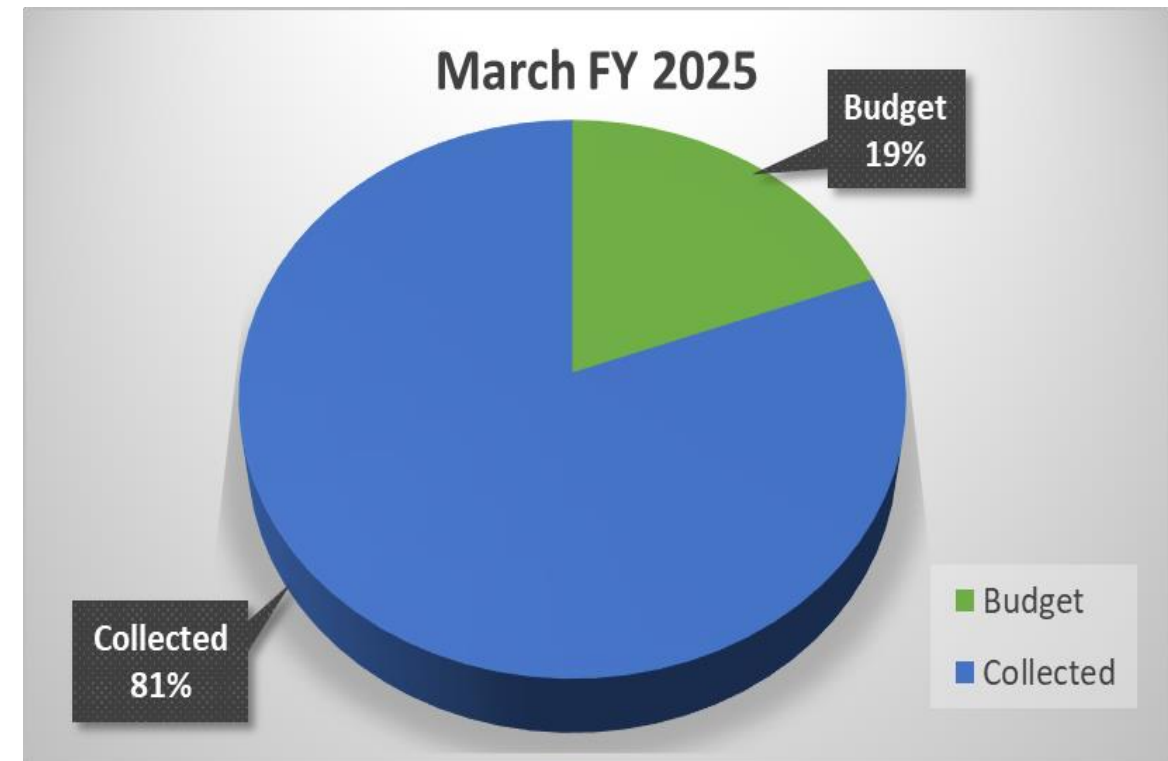
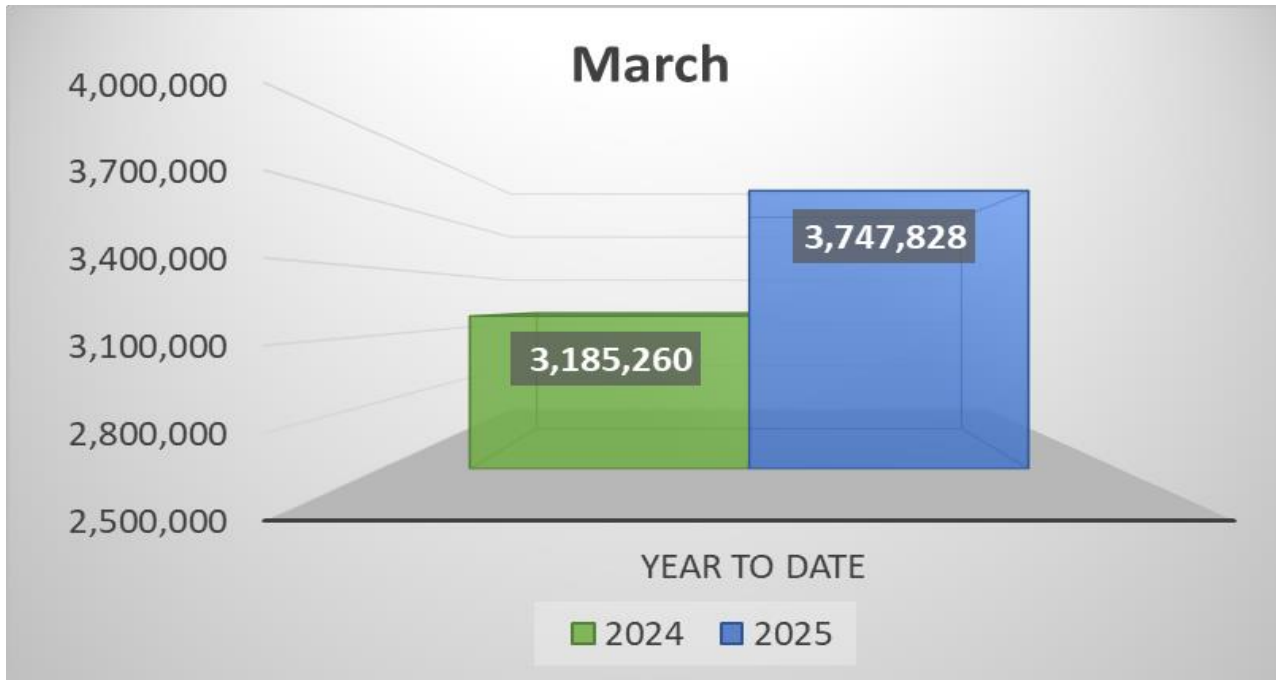
# Solid Waste Collection Fund – Revenues



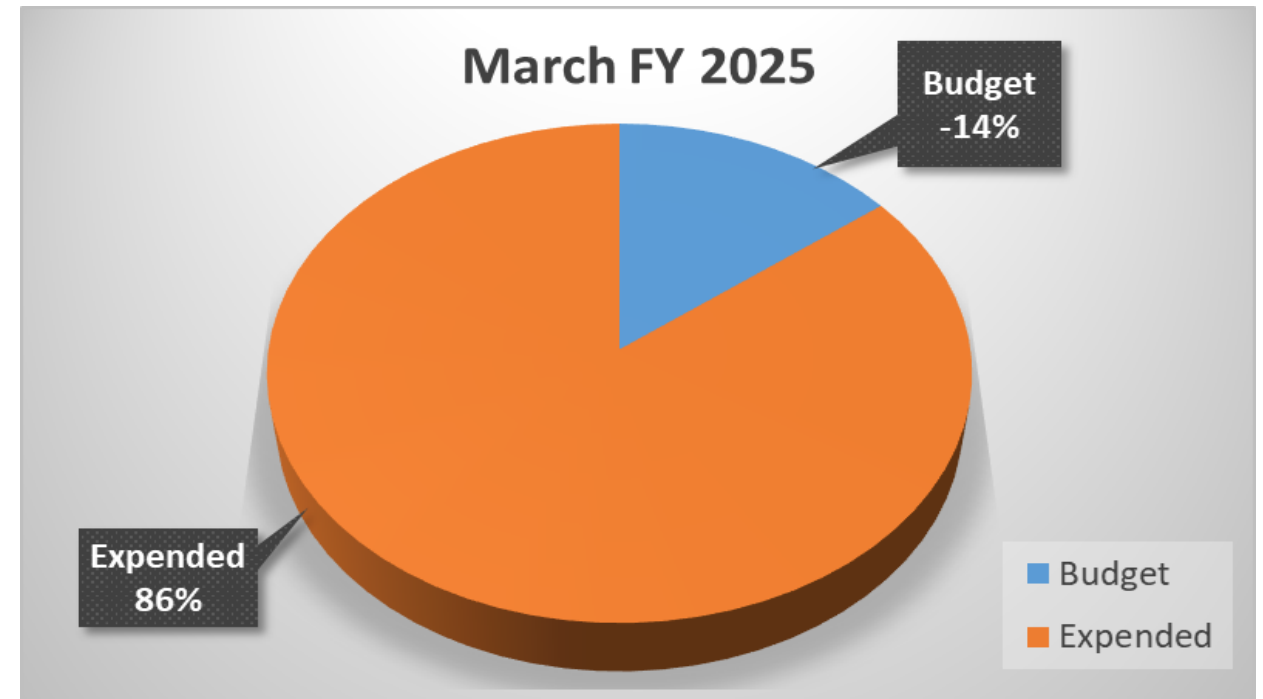
# Solid Waste Collection Fund – Expenditures



# Solid Waste Disposal Fund – Revenues

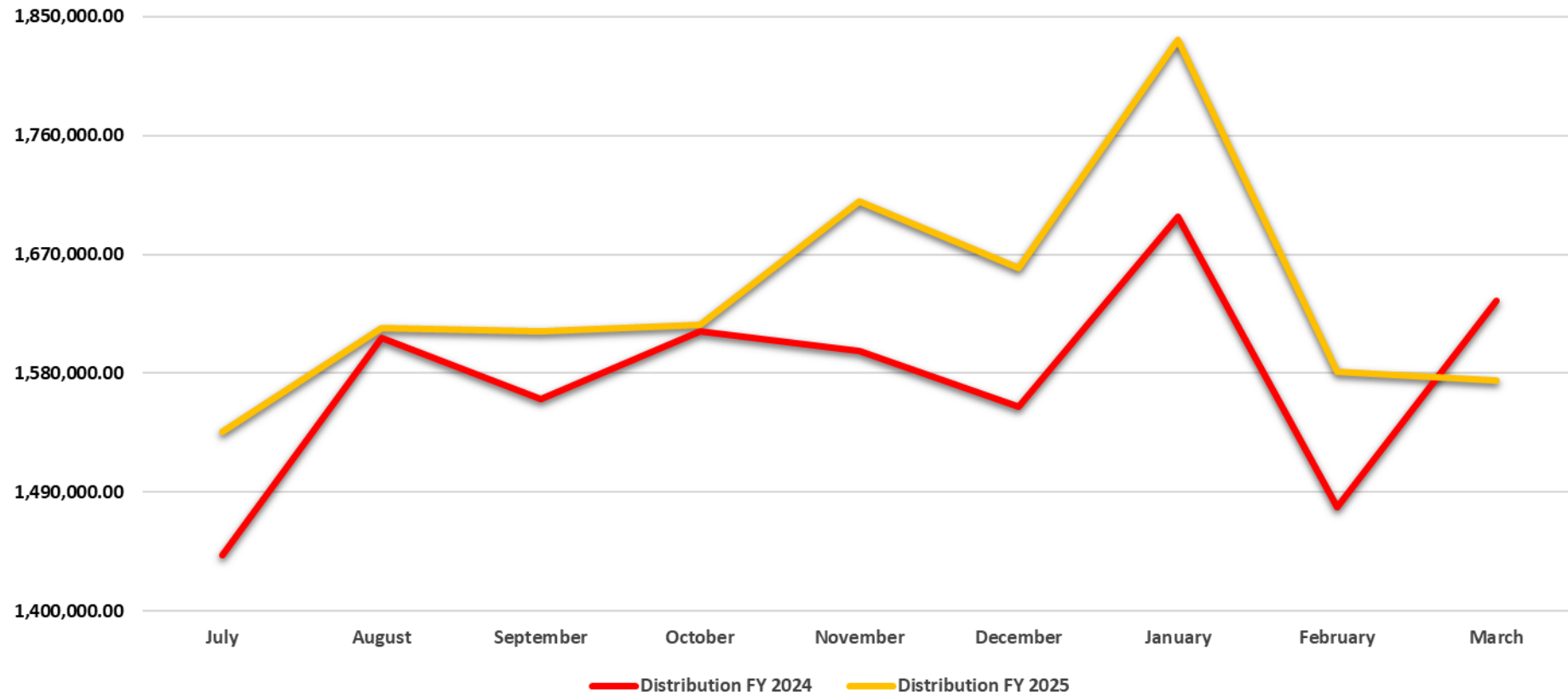


# Solid Waste Disposal Fund – Expenditures



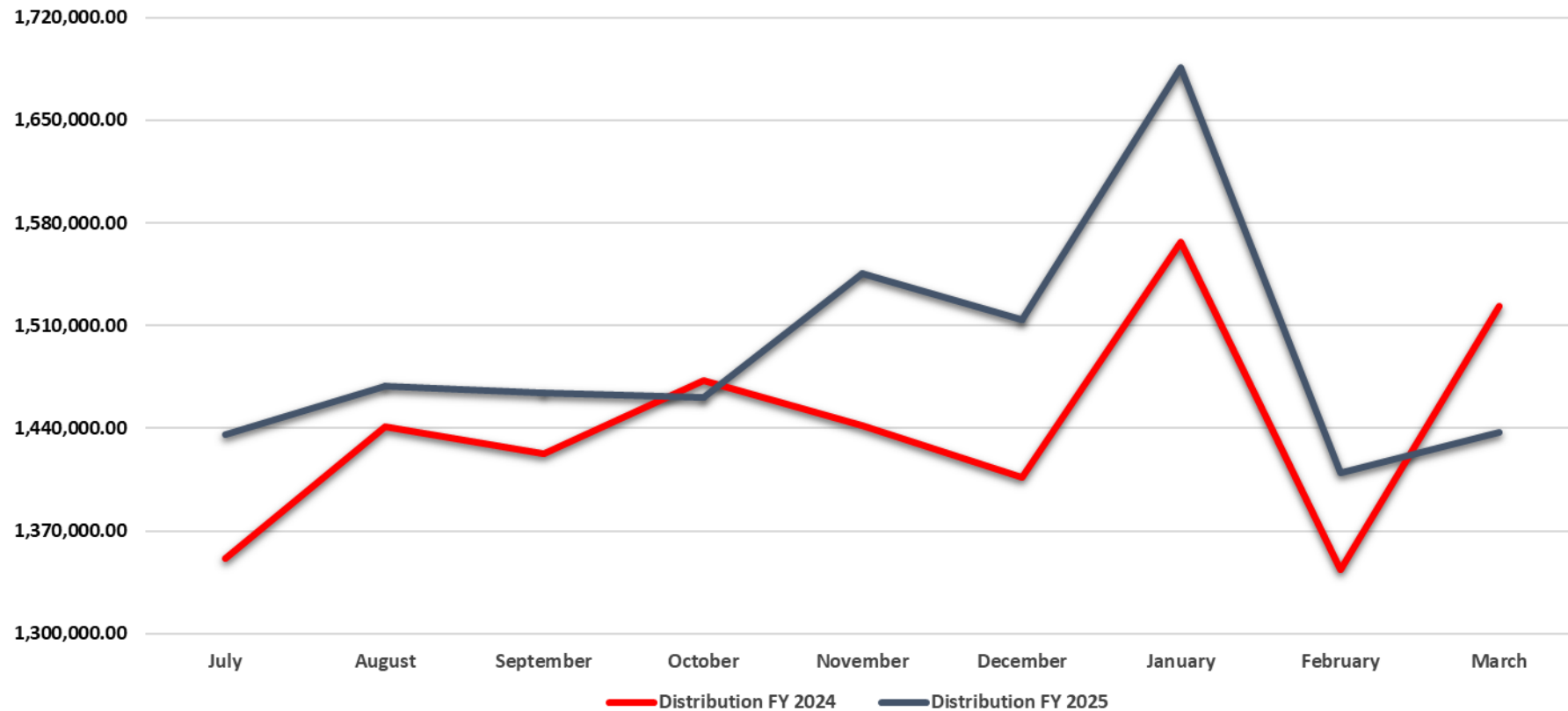
# SPLOST

SPLOST



# TSPLOST

TSPLOST



# Hotel and Motel Revenue

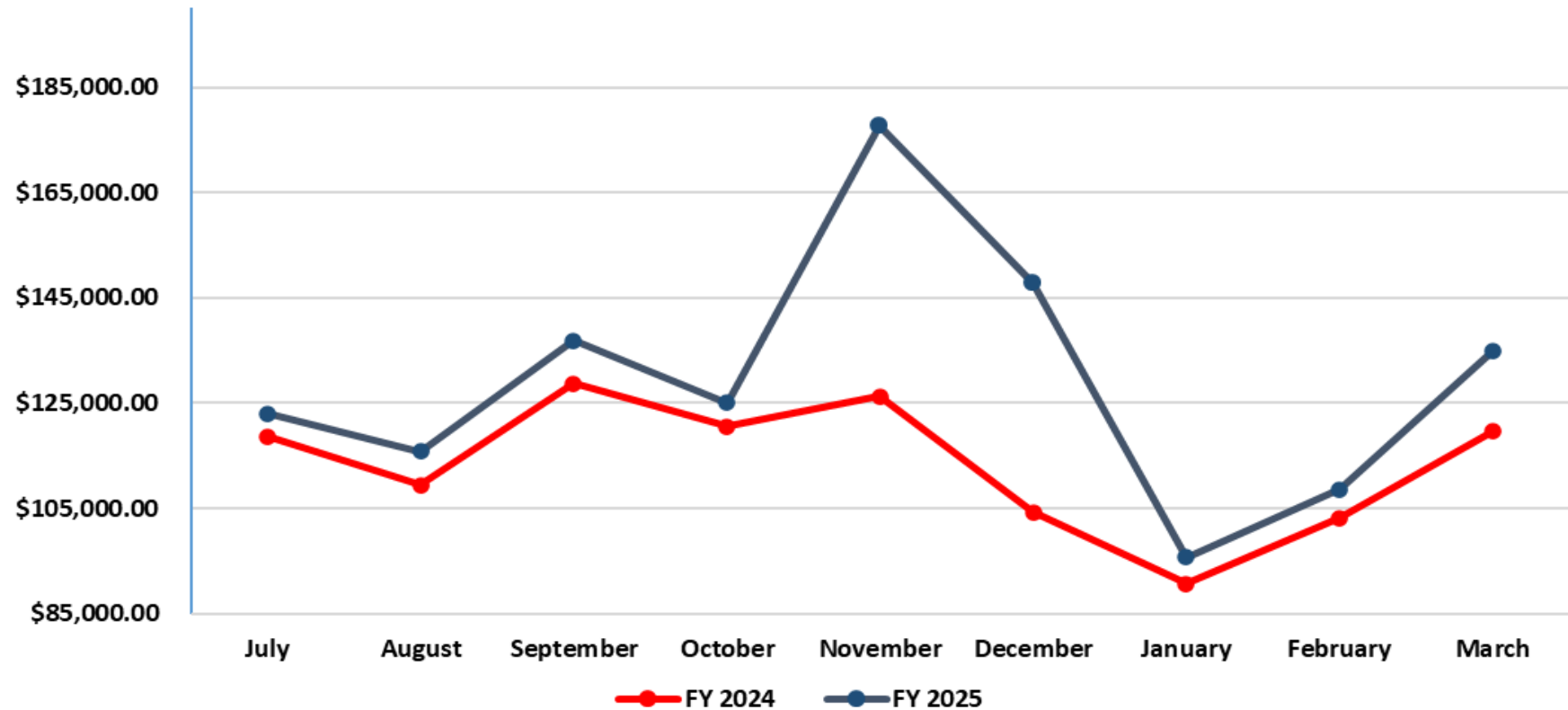
Revenue Collected:

July 2023 – Mar. 2024 =  
\$1,021,260.44

July 2024 – Mar. 2025 =  
\$1,165,603.51



Hotel and Motel Revenue





# Questions?



# City of Statesboro

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## Water and Sewer Rate Study Update

May 20th, 2025



# Agenda

- Study Background
- Financial Plan
- Study Findings
- Considerations
- Regional Bill Comparisons

# Study Background

- Update the water and sewer financial plan developed 3 years ago
  - › Forecast of revenues and revenue requirements
  - › Assess level of future increases
- Provide rate recommendations
  - › Evaluate effectiveness of existing rates
  - › Recommend defensible rates to support the utilities

# Financial Plan



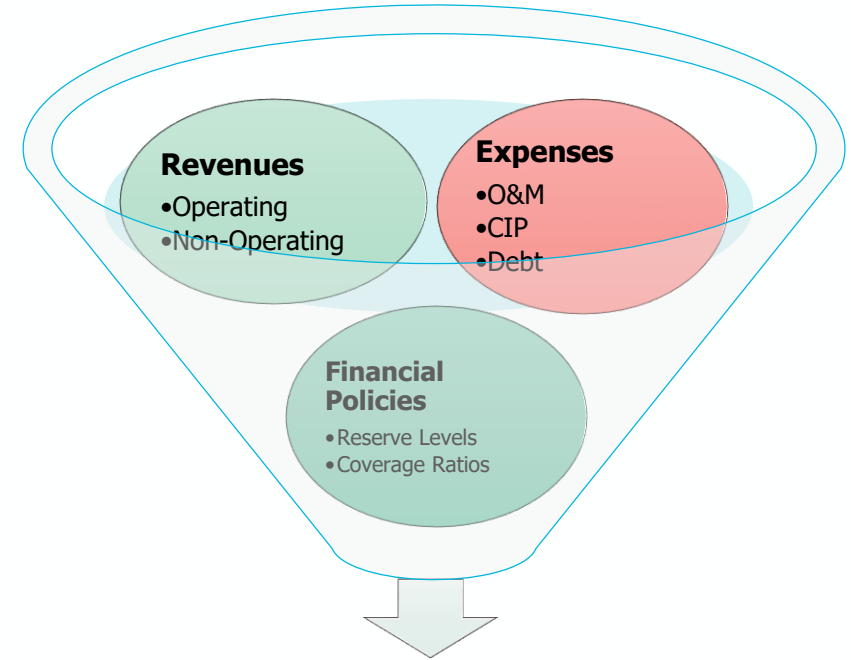
# Utility Financial Planning

- As an enterprise fund, the utility must run like a self-supporting business
- Scale of operations, infrastructure, and investment requires thoughtful planning for future needs

*Objective: Balance system reliability, sustainability and financial integrity with customer costs & impacts*

# Developing A Financial Plan

- Cost increases primarily driven by infrastructure reinvestment, regulatory, and expansion-related capital needs
- Revenues based on user charge, customer accounts, and growth projections
- Financial policies help guide the balancing process

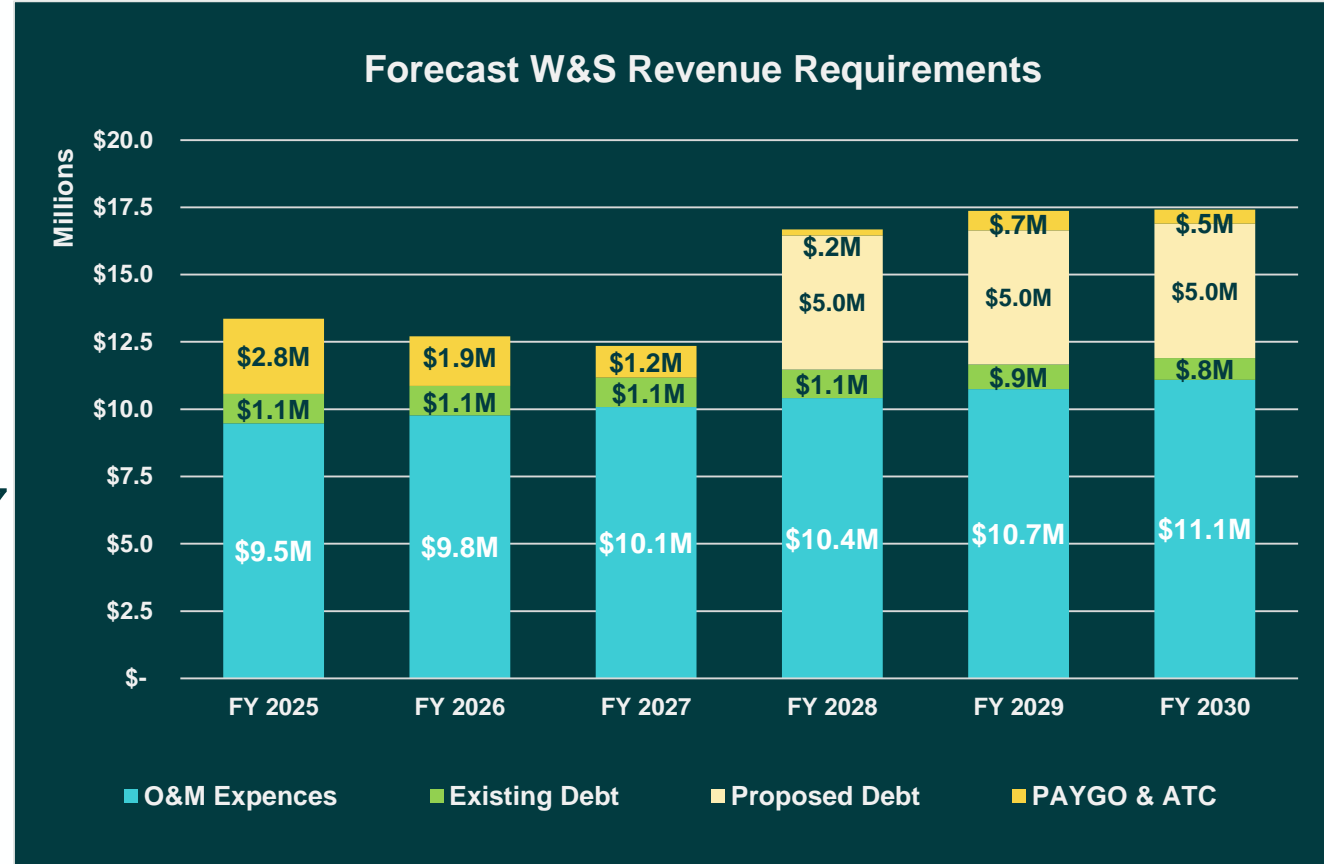


**Multi-year  
Financial Plan**

*Rate/Revenue  
Adjustment Forecast*

# Revenue Requirements

- Operating Expenses
  - › FY 2025 budget expenses as baseline
  - › Annual increases for inflation
- Debt Service
  - › Existing: Series 2020 Water Revenue Bonds (annual \$1.1M debt service payment)
  - › Proposed: to fund the WTTP in FY 2027
- Capital spending
  - › SPLOST and ARPA funding
  - › PAYGO (Cash Funded)





# Revenues

- User Charge Revenues projected by customer class
  - › Accounts and Usage projected to increase parallel to planned city development
  - › 941 Units added on average FY26-FY30
- Other Revenues (Admin Service fees, Rental Income, Penalties)
  - › Projected to remain Flat
- Tap & ATC Fees
  - › Projected to increase parallel to planned city development

# Study Findings

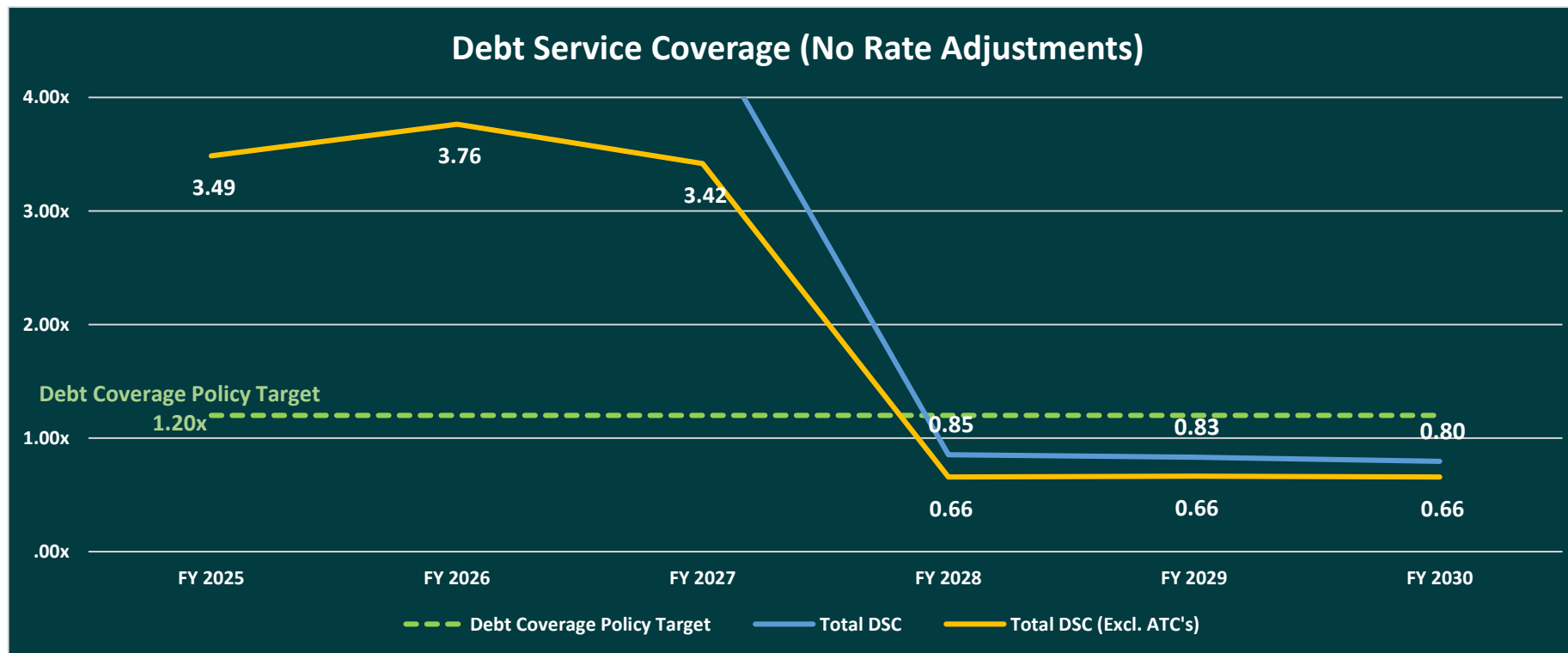


# Study Findings

- Water subsidizes sewer
  - › Water - 50% of the total revenues & 32% of the total expenses
- Wastewater treatment plant planned for FY2027 for a total of \$80 million
  - › Revenue Bond Financing will require the Utility to meet Debt Service Coverage Requirements
- Complex rate structure with multiple customer classes and tiers
- This study focused on revenue increases needed to meet financial policy targets
  - › Utility should continue focus to streamline rate structure

# Initial Recommendations

- Increase Revenues by FY28 to meet a minimum Debt Service Coverage Target of 1.20X



\* Debt Service Coverage is the ability to “cover” your debt after Operating expenses have been paid. A DSC of less than 1.0x means the Utility did not make enough money in that year to pay their Debt Service

# Future Rate Considerations

- Continue working toward sewer self-sufficiency
- Focus on small incremental changes to minimize rate impact
- Start moving sewer volumetric toward one uniform rate equal to the industrial rate
- Once sewer changes are done, focus on small changes to the water structure, phased in to minimize bill impacts

# Rates



# Rate Options for Consideration

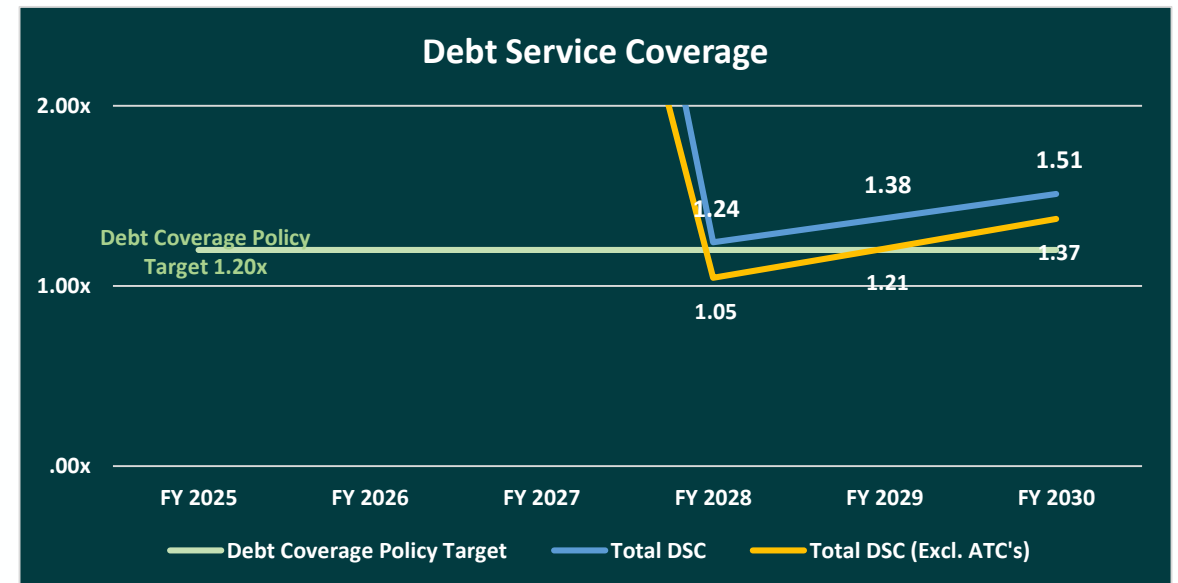
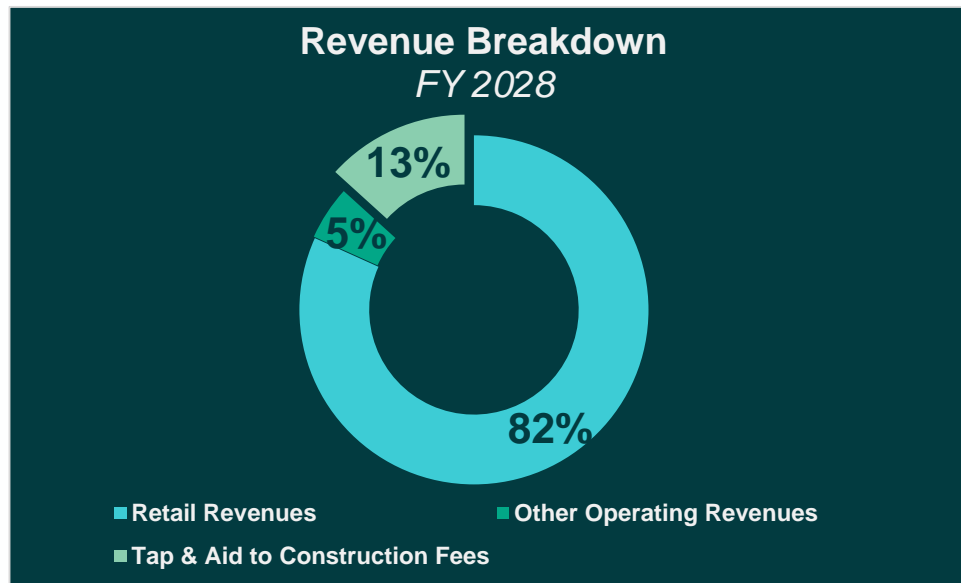
- **Scenario 1 – 100% Execution of City Development Units**
  - › Assumptions
    - Average of 941 Units added annually from FY26-FY30
    - Average Annual Tap Fee and ATC Revenues of \$2.48 M
- **Scenario 2 – 75% Execution of City Development Units**
  - › Assumptions
    - Average of 706 Units added annually from FY26-FY30
    - Average Annual Tap Fee and ATC Revenues of \$1.86 M
- **Scenario 3 – 50% Execution of City Development Units**
  - › Assumptions
    - Average of 470 Units added annually from FY26-FY30
    - Average Annual Tap Fee and ATC Revenues of \$1.24 M

# Scenario 1 – 100% Execution of City Developments

## › Assumptions

- Average of 941 Units added annually from FY26-FY30
- Average Annual Tap Fee and ATC Revenues of \$2.48 M

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Planned Rate Increase</b> <i>(Applied to all Rates)</i>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>5.0%</b>	<b>5.0%</b>



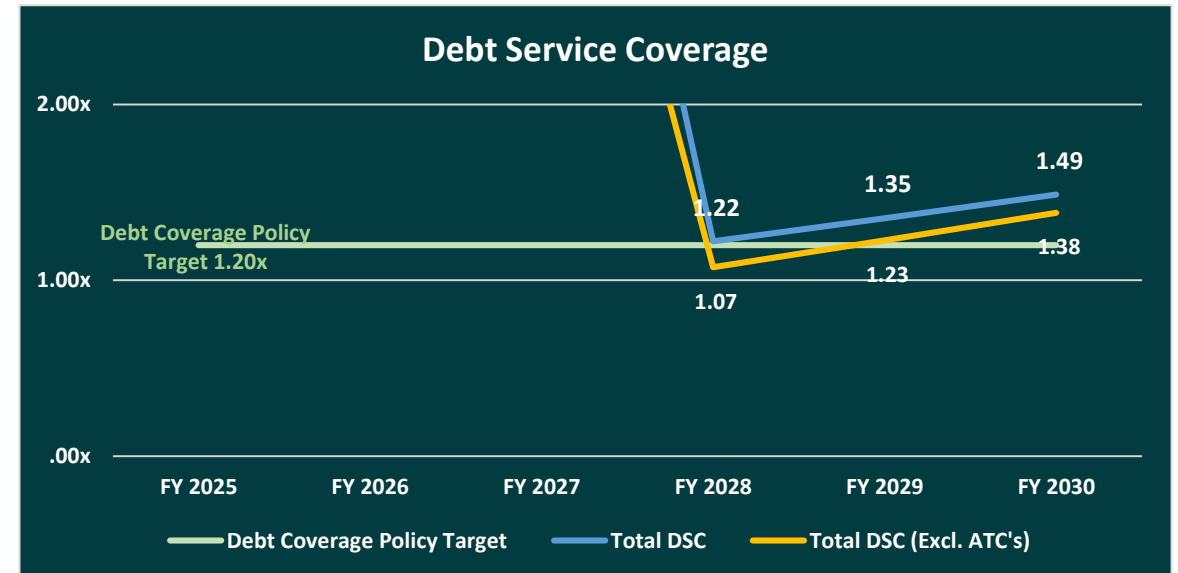
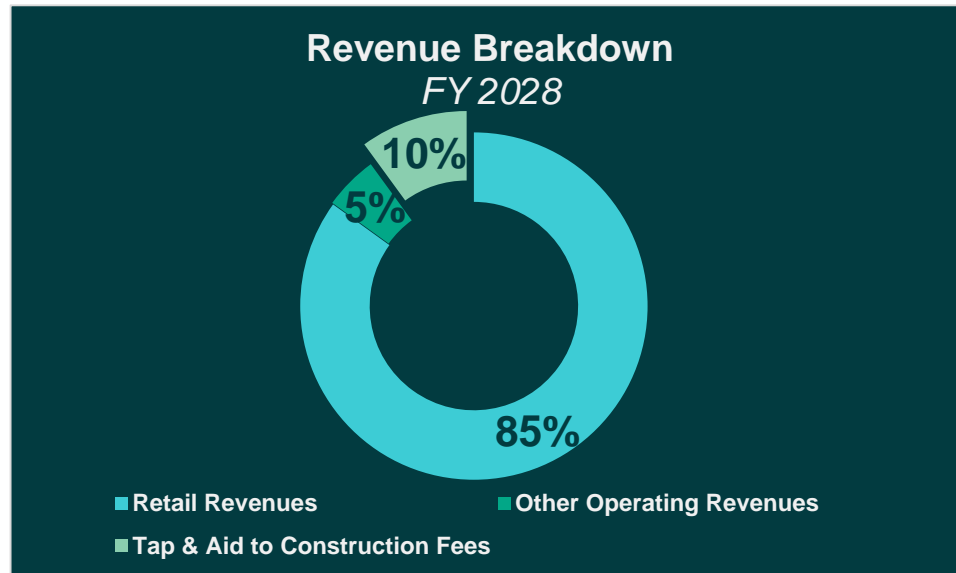


# Scenario 2 – 75% Execution of City Developments

## › Assumptions

- Average of 706 Units added annually from FY26-FY30
- Average Annual Tap Fee and ATC Revenues of \$1.86M

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Planned Rate Increase</b> <i>(Applied to all Rates)</i>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>5.0%</b>	<b>5.0%</b>

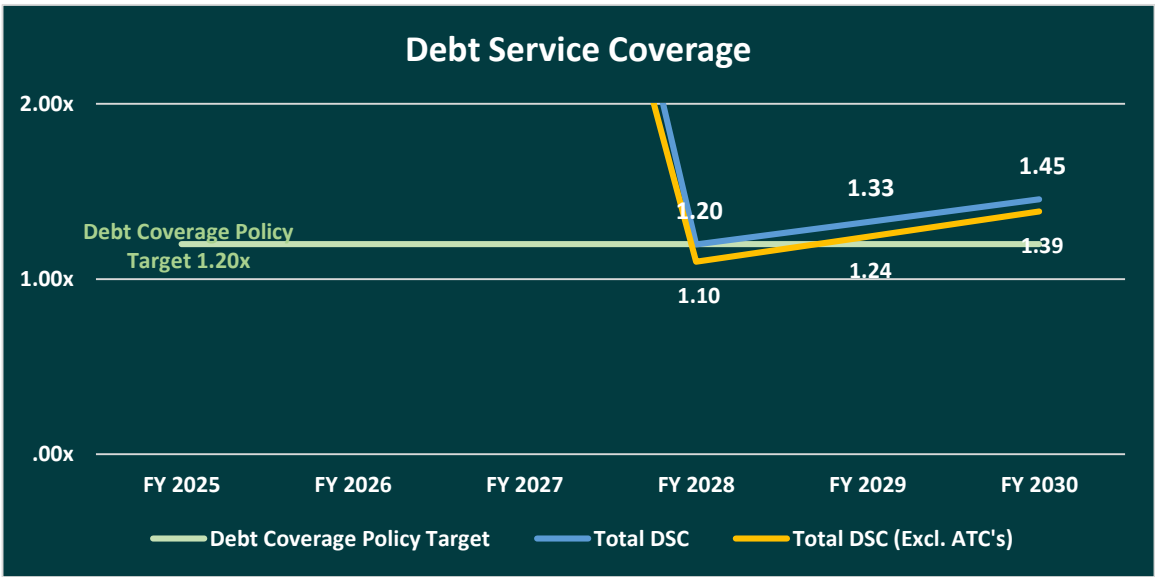
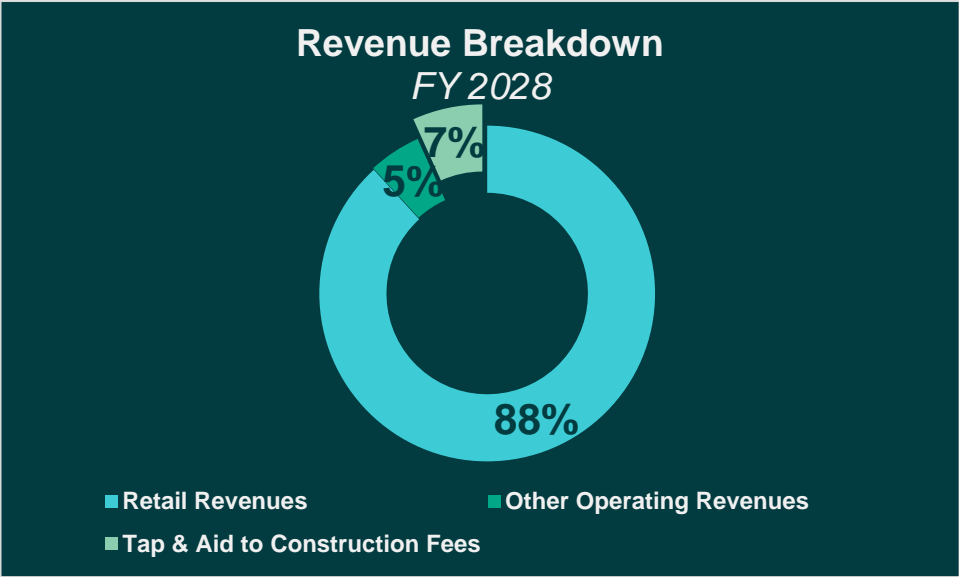


# Scenario 3 – 50% Execution of City Developments

› Assumptions

- Average of 470 Units added annually from FY26-FY30
- Average Annual Tap Fee and ATC Revenues of \$1.24 M

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Planned Rate Increase</b> <i>(Applied to all Rates)</i>	10.0%	10.0%	10.0%	5.0%	5.0%



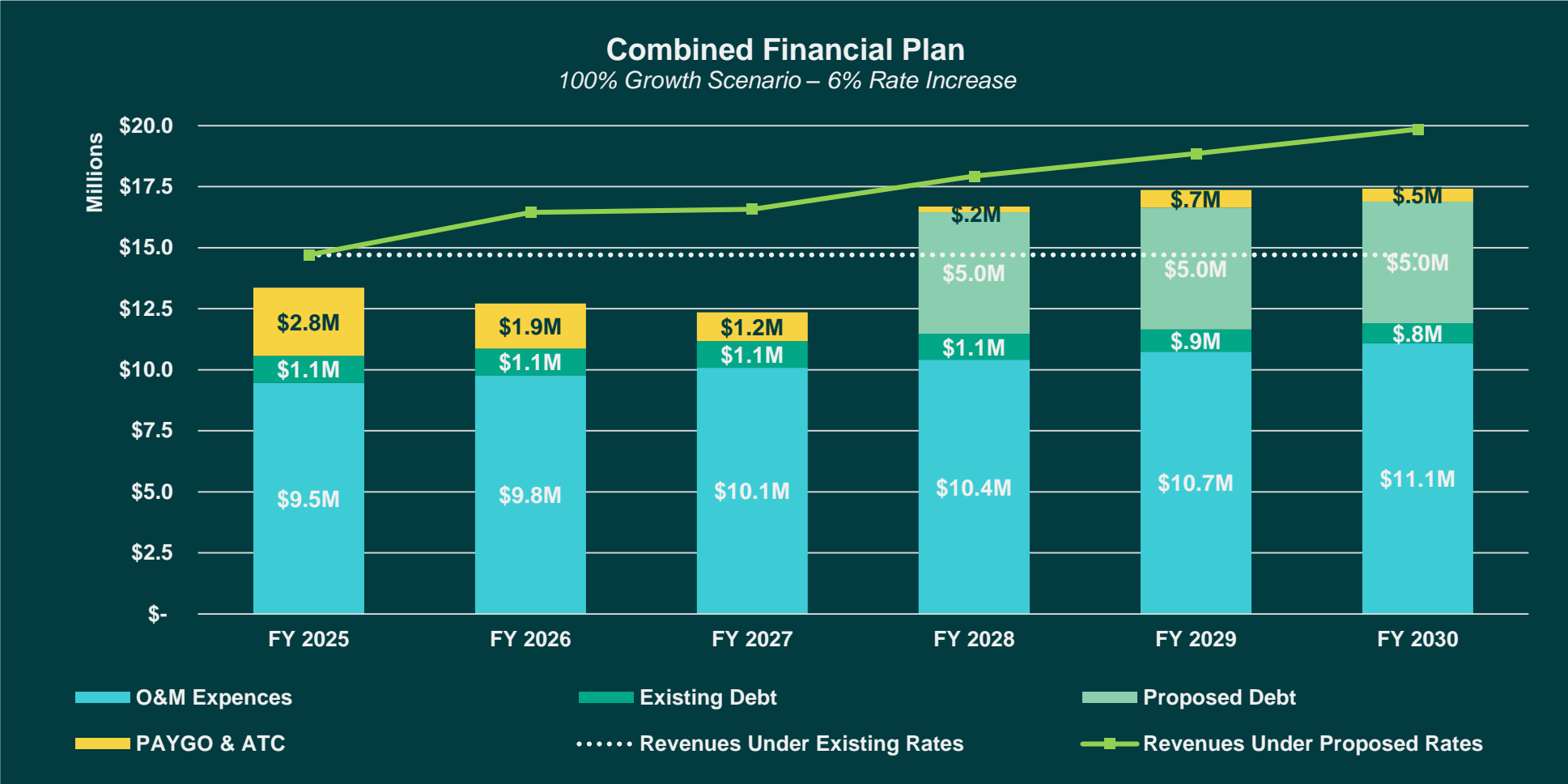
# Residential Typical Bill Comparison (5 KGAL)

	Current Bill	Scenario 1 <i>FY26</i>	Scenario 2 <i>FY26</i>	Scenario 3 <i>FY26</i>
		<i>100% Development Execution</i>	<i>75% Development Execution</i>	<i>50% Development Execution</i>
Water Bill	\$ 20.25	\$ 21.47	\$ 21.87	\$ 22.28
Sewer Bill	25.35	26.87	27.38	27.89
<b>Combined Bill</b>	<b>\$ 45.60</b>	<b>\$ 48.34</b>	<b>\$ 49.25</b>	<b>\$ 50.16</b>
\$ Increase		\$ 2.74	\$ 3.65	\$ 4.56
% Increase		6.0%	8.0%	10.0%

# Results



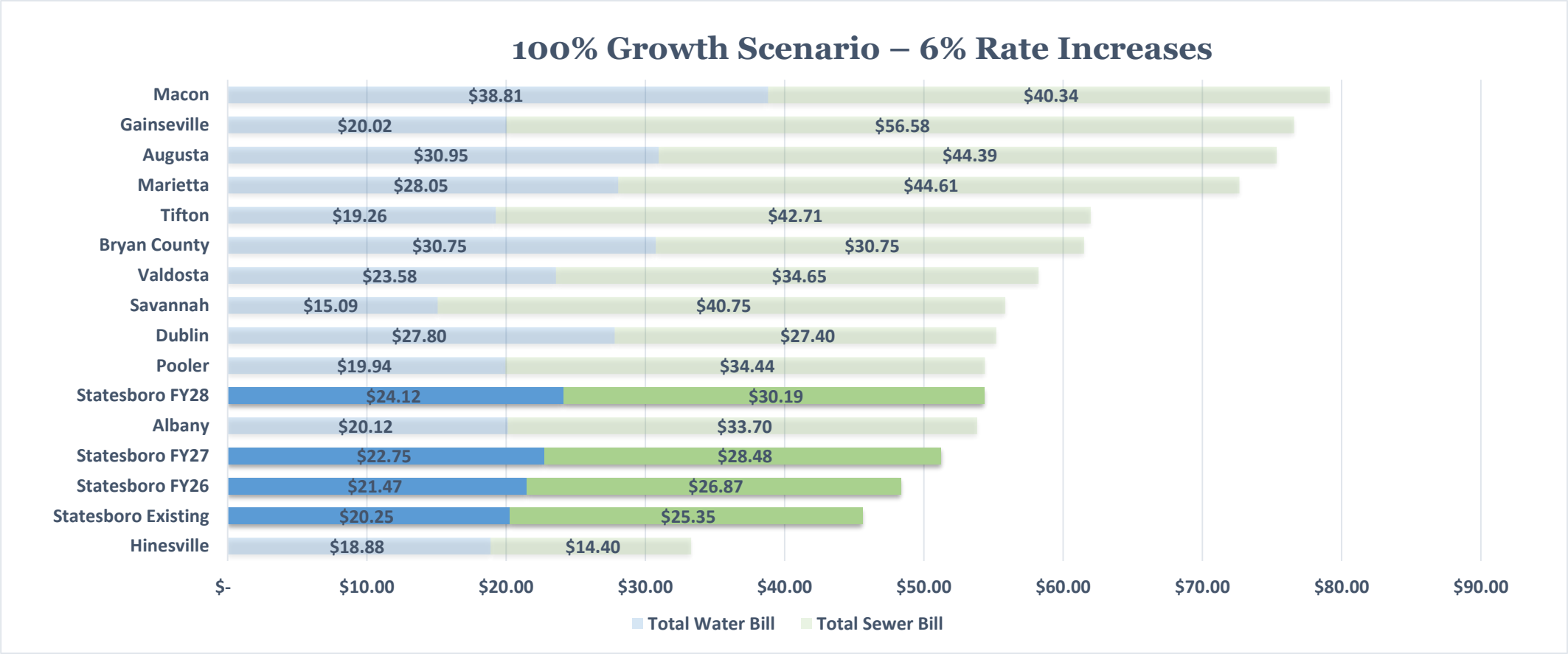
# Draft Financial Plan – *Water & Sewer*



# Regional Bill Comparisons

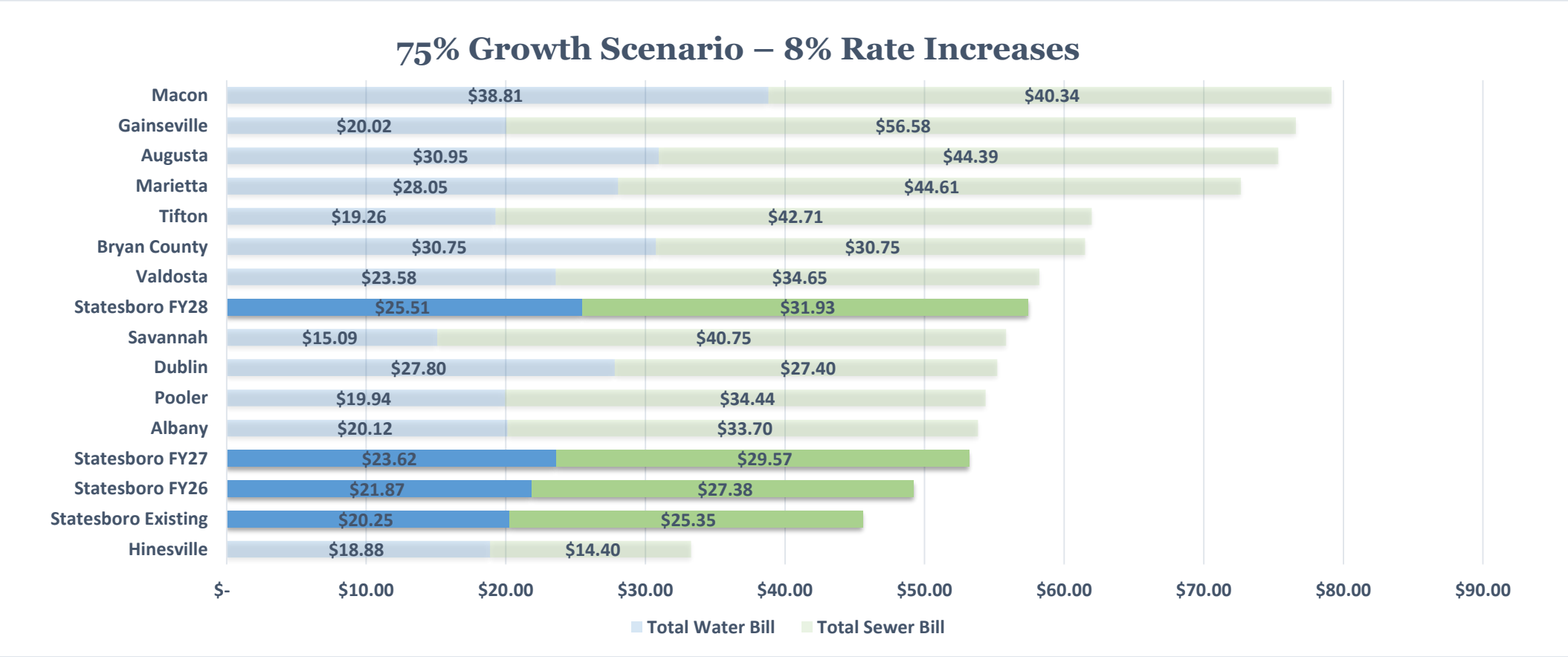


# Residential Inside Monthly Bill Comparison (5K Gallons)



\*Comparison does not include likely rate increases for other utilities in coming years

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\*Comparison does not include likely rate increases for other utilities in coming years



# Residential Inside Monthly Bill Comparison (5K Gallons)



\*Comparison does not include likely rate increases for other utilities in coming years



# Thank you!

**Contact:**

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Mihaela Coopersmith / [mcoopersmith@raftelis.com](mailto:mcoopersmith@raftelis.com)

# **Unified Development Code Major Amendments**

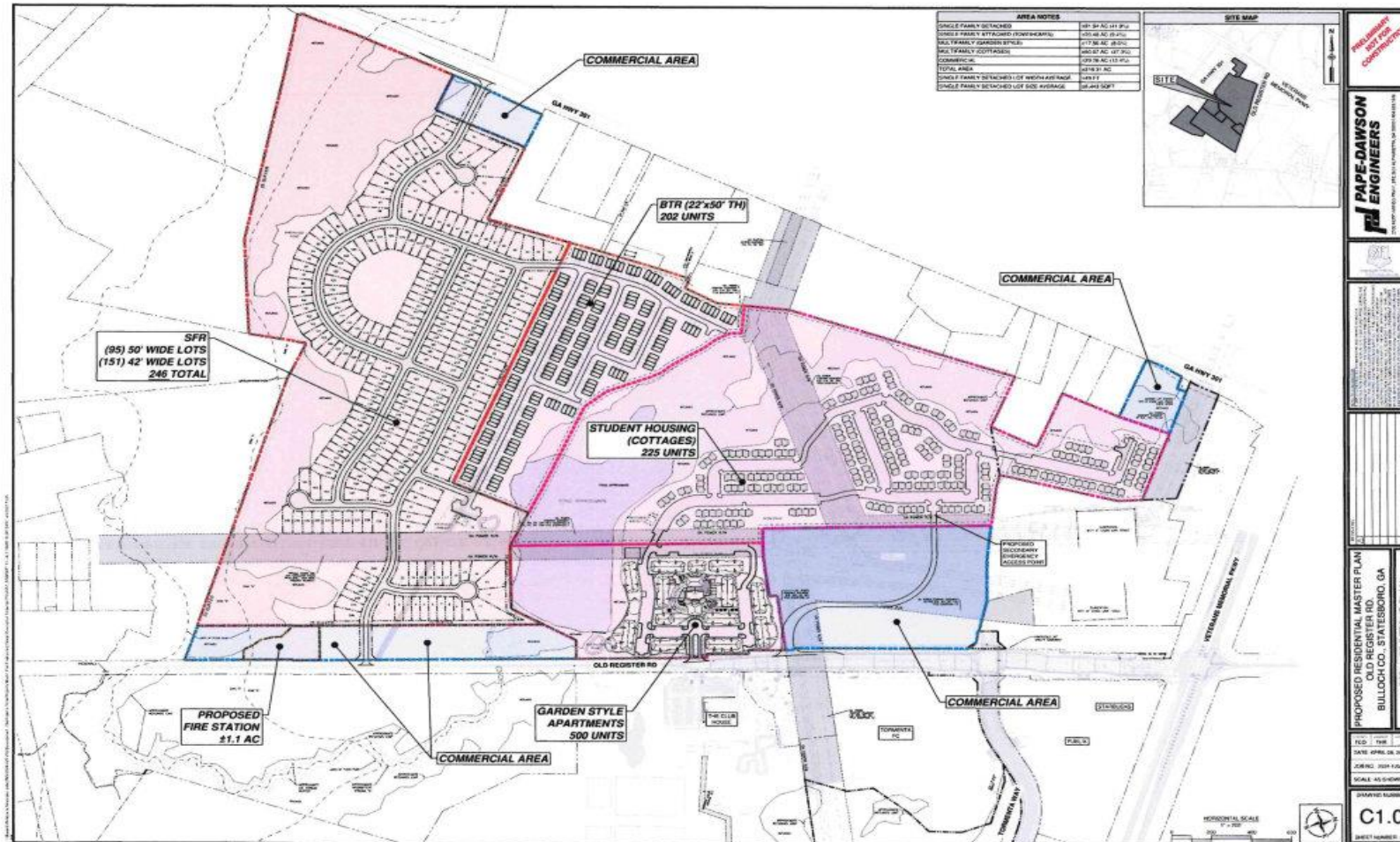


## Section 2.2.12(F1): Mixed Use Concurrency

- This amendment will amend the requirement for mixed use developments exceeding 100 acres in size for Planned Unit Developments.
- This will reduce that requirement from 20% to 10% with developments exceeding 100 acres.



## Old Register Road



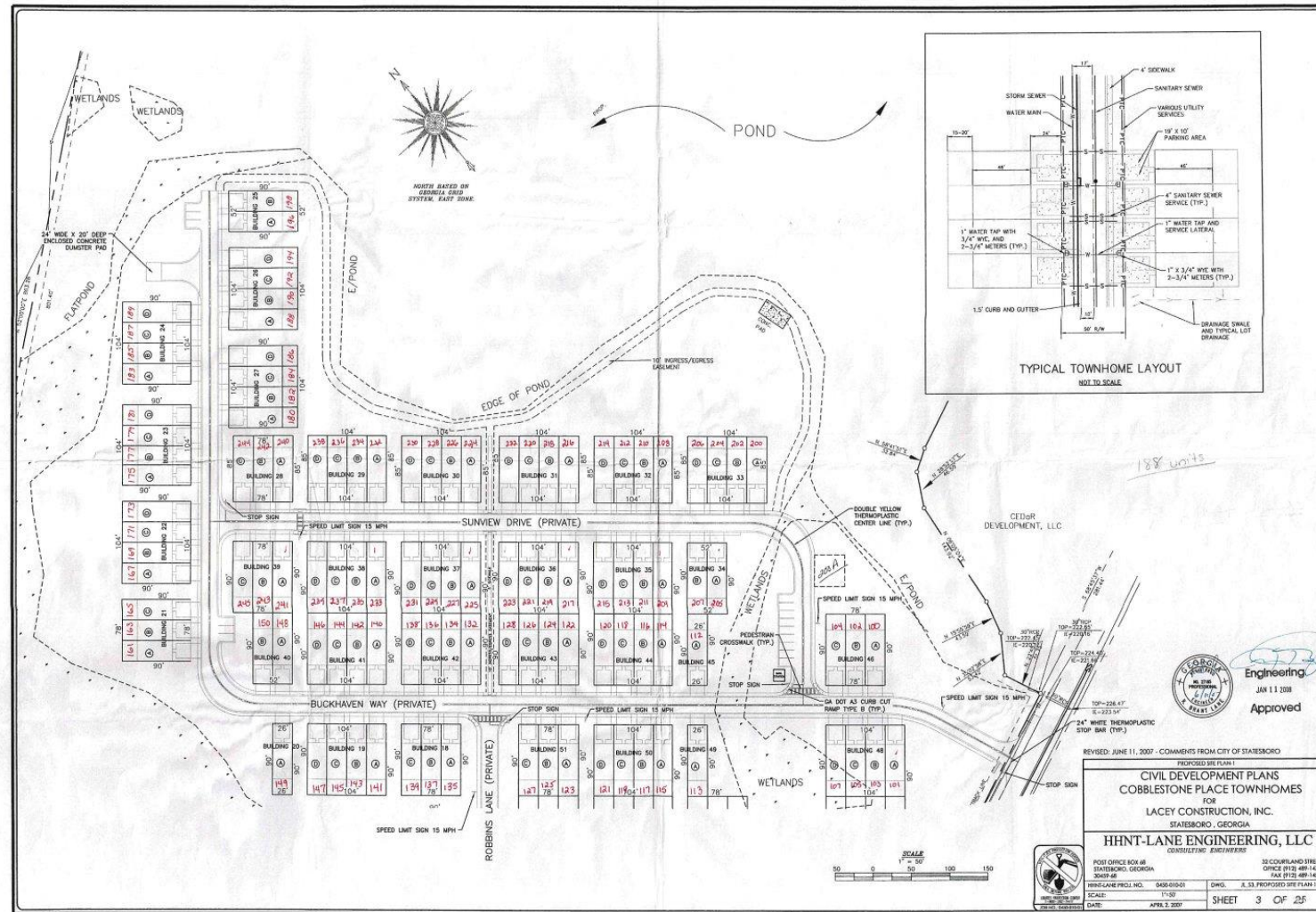
# Creation of Section 2.2.12(G): PUD Infrastructure Requirements

- This amendment will require PUD road networks to adhere to the minimum local road standards of the UDC unless serving as a parking lot.
  - All roads built within a PUD, whether being considered for public or private ownership, must be built to the minimum standards of a local road as outlined in Articles 3.2.2. & 3.2.3. of the UDC unless serving as a multifamily parking lot.

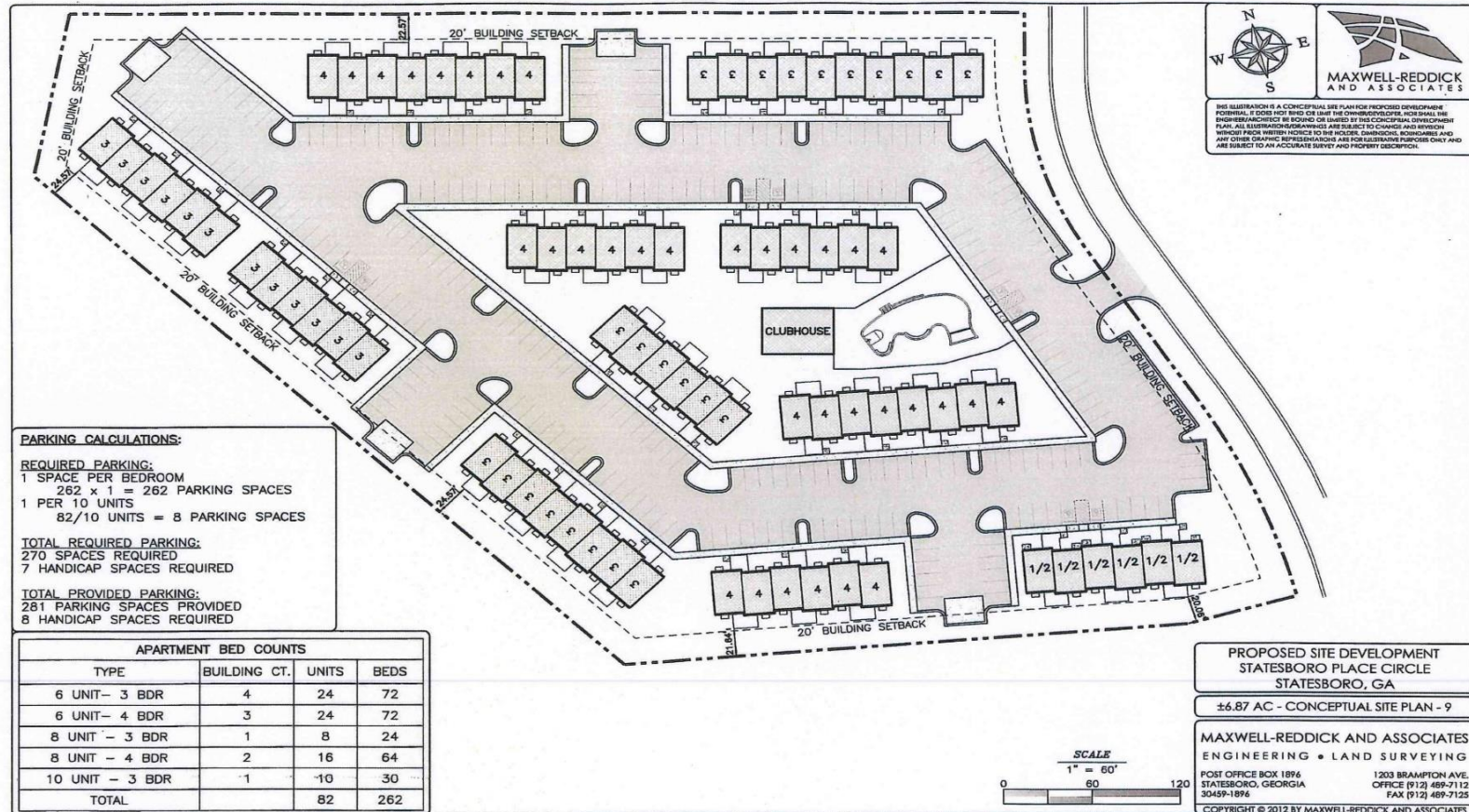




# Cobblestone Subdivision



# Copper Beach Subdivision





## 2.4.12-H(4): Townhouse Building Standards

- This amendment will change **right-of-way** to **external roadway**, which will require all buildings to share architectural features in the front and rear façade of each building if they are facing any roadways, whether it be a public or private road.



## Woodford Station



## Sec 4.2.5(A): Adoption of GSMM

- Amending language to alter the Implementation of the Georgia Stormwater Management Manual (GSMM).
- Changing the language from “The City Shall” to “The City may.”



## Section 5.2.4: Townhome Definition

- This amendment updates the language related to townhomes with the following:
  - Townhomes are distinguished from multifamily units by adherence to all sections of Article 2.4.12 and require individual permitting per unit and not for the building.

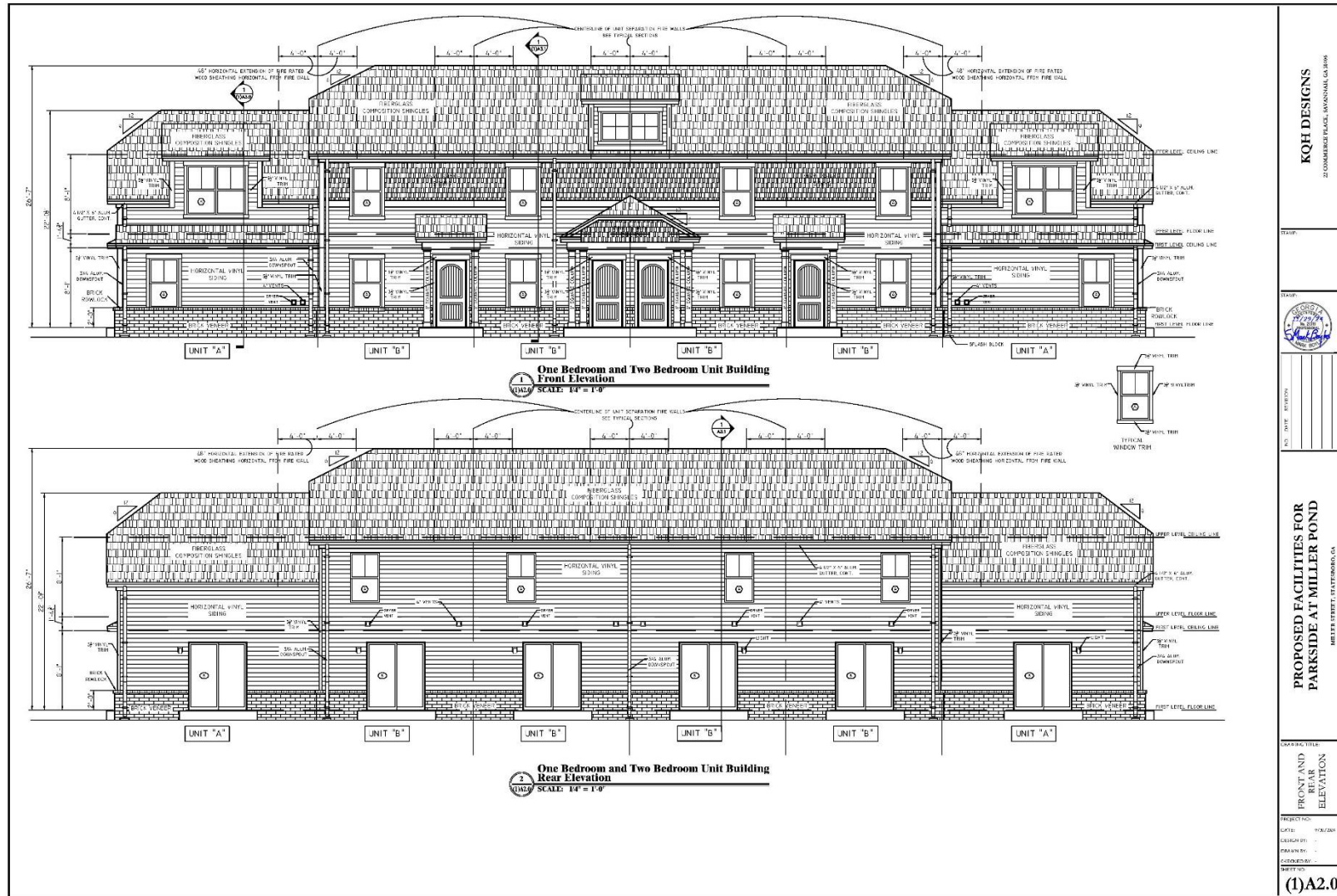




## Townhome



# Not A Townhome



# Section 5.21.A: Amenity Definition

- This amendment updates the language related to amenity space allowances for developments.
  - Amenity space may include, but is not limited to, the following spaces: playgrounds, pool areas, tennis courts, basketball courts, other sports courts, **community lawns located outside of existing utility easements**, community gardens, hardscape areas improved for pedestrian enjoyment, splash pads, walking trails, dog parks. and wooded areas.









# Creation of New Section 2.5.9(E3)

- Creating new language to provide for enhanced fire protection in all multifamily and townhome units.
- This amendment will require the use of residential fire sprinklers on all new construction multifamily buildings and townhomes greater than three units, unless already underway. This will take effect after 1 year following after adoption.



# Creation of New Section 3.4.1 (B3)-XV

- Creating new language to add a requirement for the submission of Subdivision PLATS.
- The approximate location and square footage of any proposed signage, to include the base of the signage and appropriate setbacks as determined by the sign district of the property.





# Creation of Landfill Definition: Section 5.2.12

- This amendment will create a definition to create a distinction between the types of landfills in the Ordinance.
- Landfill: Any facility used solely for the disposal of solid waste and classified as either Sanitary or Inert.
  1. Landfill: Inert. A disposal facility that accepts waste that is unlikely to produce leachate that is a concern to the environment as defined by EPD.
  2. Landfill: Sanitary. A designed disposal site for general household waste, where waste is layered with soil to prevent contamination.



## Section 5.2.4 (6): Tiny Home Definition

- This amendment creates language related to tiny homes and provides some regulatory guidance.
  - Dwelling: Tiny Home. A building between 400 and 749 square feet designed exclusively for dwelling purposes, and generally as a part of a larger development containing common areas managed by an appropriate association or management company within the medium-density and high-density multi-family residential districts upon approval of a special use permit. Tiny homes may not fall under American National Standards Institute A.119.2 which regulates recreational vehicles, and must meet all applicable building codes as adopted by the City. Tiny home developments must additionally meet the site requirements as set forth in Section 2.4.2.



# Deletion of Sections 54.1 & 54.2

- This amendment will remove **the entirety of Chapter 54 in the Code of Ordinances, which previously regulated Manufactured Homes & Trailers.**
- This language was updated and implemented as Section 2.4.7 of the Unified Development Code, and is now in conflict with that code.



# Questions?





# Massage Therapy Business Recommendation





Current massage parlor ordinance predates major State law change in 2007 and is not compatible with current state regulation.

Staff is recommending that there be an updated local ordinance for Massage Establishments.

Further research is needed for the ordinance to be presented to City Council.

Prior to the first reading of the proposed ordinance, staff will hold a stakeholders meeting.



# Attorney Occupation Tax



Our ordinance for occupational taxes does not pass muster under Moss v Dunwoody in regards to taxing attorneys. In Moss Dunwoody's ordinance was ultimately upheld because the tax was to be paid in arrears, our ordinance does not do so. Moss was decided in 2012; our ordinance was last revised in 2007. In order to charge lawyers occupation taxes we will need to put an ordinance revision on the May work session.



Dunwoody's ordinance reads as follows and is recommended:

Occupational taxes on businesses continuing from the preceding year shall be due and payable on January 1 of each subsequent year.

Occupational tax due from businesses continuing operation in the current year from the preceding year shall be considered delinquent if not paid by April 15 of each year. Any business failing to pay the occupational taxes within 120 days after January 1 shall be subject to and shall pay a ten percent penalty of the amount of tax or fees due and interest as provided by state law. Such penalty shall be assessed in full on the 121st day of the tax year in addition to interest on delinquent occupation taxes and regulatory fees.



Questions?