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CITY OF STATESBORO  
WORK SESSION MINUTES  
SEPTEMBER 16, 2025

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Mayor & Council Work Session

50 East Main Street

3:30 PM

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A Work Session of the Statesboro City Council was held on September 16, 2025 at 3:30 p.m. in the Council Chambers at City Hall, 50 East Main Street. Present was Mayor Jonathan McCollar; Council Members: Tangie Johnson, 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 and Public Affairs Manager Layne Phillips. Absent was Councilmember Ginny Hendley and Paulette Chavers.

### **1. Quarterly Financial Presentation**

Director of Finance Cindy West presented the fourth quarter financial report of Fiscal Year 2025, reviewing revenues and expenditures in the General Fund, Fire Service Fund, Water/Sewer Fund, Stormwater Fund, Natural Gas Fund, Solid Waste Collection Fund and the Solid Waste Disposal Fund. Revenues in the General fund is showing an increase over the prior year. Our expenditures are up and we did spend 100% of our budget. The fire service fund is up over last year. Water and Sewer we saw an increase of 2.6 million. Natural gas was relatively flat with a slight increase and solid waste collection fund is relatively flat. Ms. West also reviewed the SPLOST and TSPLOST collections stating our overall SPLOST collections were higher than 2024, TSPLOST follows the same trend. The Hotel/Motel tax revenue is trending higher than in FY 2024.

### **2. Banking Services**

Doug Gebhardt with Davenport & Company spoke to Mayor and Council on the Banking Services Process. The following services help a municipal organization like the City of Statesboro to meet the goal of being good stewards of the funds entrusted to them and provide excellent services to its' customers/citizenry; Treasury services, merchant services, and online banking. Customer Service and innovative Technology were important requirements for the City of Statesboro as it analyzed its banking service needs in 2025 to select a main banking institution for its' banking needs. The services comprised several of the financial institutions' request for proposal responses: ACH positive pay with payee name- The City will mitigate fraud, reduce paperwork and staff hours, transaction search with imaging, electronic receivables-digital process for the City to collect moneys owed, electronic accounts payable- digital process for the city to pay vendors and suppliers, virtual payment solutions-digital methods for making payments that avoid physical cards and cash, remote vault deposit (smart safes)- the city will keep employees safe, productive and onsite, integrated payables- the city will save time by eliminating delays caused by customer check production and mail delivery and electronic lock box- the city will receive payments faster and improve cash flow. The city received 5 proposals from local financial institutions; Colony Bank, Morris Bank, Synovus/Pinnacle Bank, Truist and Wells Fargo. The financial institutions were evaluated but not limited to: compliance with the Bank RFP Scope of Work, ability of the institutions and its' staff to meet the banking needs of the city and capacity to provide the highest quality and breadth of services at the most cost-effective fees. We are continuing to evaluate these proposals. The formal recommendation will be made at the first meeting in October.

### **3. Massage Establishment and Salon Ordinance**

City Attorney, Cain Smith, spoke with Mayor and Council on the Massage Establishments and Salon Ordinances. Statesboro needs a massage establishment ordinance help prevent illegal activities like prostitution and human trafficking from operating under the guise of legitimate massage therapy businesses. The proposed ordinance provides the City with a legal framework to regulate these establishments, ensuring they operate within the law and don't pose a threat to public health and safety. This ordinance will allow the City to bring violations in front of the administrative judge. This ordinance will also allow the City to report to the proper State of Georgia authorities about these violations. Massage establishment Ordinances were reviewed from Cobb County, Augusta, Kennesaw, and Savannah. Our ordinance will mirror the Cobb County Ordinance which was placed into effect in 2024, due to issues stemming from issues with Massage Establishments.

Salon ordinance will include nail and hair salons. Statesboro needs a salon ordinance for a number of reasons related to public health, safety, and proper business regulation. While the State of Georgia has its own regulations for the cosmetology and barbering professions, a city-level ordinance allows Statesboro to enforce additional rules that are specific to its local community and business environment. The ordinance provides the City with a legal framework to regulate these establishments, ensuring they operate within the law and don't pose a threat to public health and safety. This ordinance will allow the City to bring violations in front of the administrative judge. This ordinance will also allow the City to report to the proper State of Georgia authorities about these violations. While state law sets the baseline for the salon industry, a local ordinance gives the City of Statesboro the necessary tools to regulate the businesses within its city limits, ensuring they operate safely and legally.

Stakeholder meetings were held on Monday, September 8, 2025 at 10:00am and 4:00pm. Suggestions were taken and some changes were made to the draft ordinance which will help to not hinder our legitimate business owners. We received good feedback and support from business owners who understand that this is to help their businesses thrive and to protect citizens in our community. Changes were made to the ordinance in response to community input; added recorded appointments in addition to normal business hours for both ordinances, added profession-related attire in addition to scrubs for massage establishments, removed camera systems from 18-139 due to HIPAA concerns for massage establishments, removed foot massage language from 18-139 for massage establishments and removed record of treatments due to HIPAA concerns for massage establishments. City Manager Charles Penny stated that the first reading will take place at the October 7<sup>th</sup> meeting.

### **4. GMA Land Transfer**

Jon Pannell, the city's bond counsel, provided an overview of the financing structure for the new fire station project and the different ways cities in Georgia can borrow money. The Fire Station Project Financing began with a resolution to authorize an installment sale agreement between the city and the Georgia Municipal Association (GMA) for the new fire station project. This financing structure is necessary because the fire station is an approved SPLOST project, but the city wishes to begin construction before all the funds are collected. The collected SPLOST funds will then be used to pay back the financing. The city is using GMA's "Bricks and Mortar" program for this purpose. The process involves the city transferring the property to GMA, which then bid \$4 million for the project under the terms of an installment sale agreement. This structure legally meets the requirements of the state's multi-year lease statute. If the resolution is approved, the closing is scheduled for October 2nd, after which a construction fund will be made available for the project. There was discussion regarding the methods of which municipalities can borrow money under state law. Jon outlined three primary ways for a city to borrow money under state law: one is through General Obligation (GO) Bonds that must be approved by voters in a referendum; next are Revenue Bonds, which are backed by a specific revenue stream from a system, like water and sewer services. A subset of this is Intergovernmental Contract Debt, where a local building authority issues debt on the city's behalf. The city then enters into a contract with the authority, using those contract payments as the revenue stream to pay back the bonds. The third way is a Multi-Year Lease Statute, which is often used for equipment like police cars and fire trucks but can also be

applied to real property. Under state law, this is structured as a year-to-year lease where the city must have the ability to not appropriate funds and walk away annually. This "annual appropriation risk" can result in slightly higher interest rates from lenders. Jon noted that the city does not currently have a local building authority, which limited financing options for this project.

There was council discussion about the city considering asking the state legislative delegation to create a building authority through local legislation for future capital needs. It was mentioned that Bulloch County has an authority but has denied its use to other municipalities in the past, so having a city-specific authority would provide more control.

## **5. Fire Station 3 Financing Proposals**

Doug Gebhardt from Davenport presented the results of the financing proposal for the new fire station, which has a final project cost of \$4.8 million. After using \$1 million from the 2019 SPLOST, the city sought financing for the remaining \$3.8 million. The city received seven proposals for a 20-year term, and the recommendation is to accept the proposal from Queensborough Bank. Their offer is for \$3.875 million over 20 years at a fixed interest rate of 4.5%. This rate matches the exact planning rate presented to the council in June and comes with no bank closing fees. The debt service payments will initially be covered by the 2025 SPLOST allocation, resulting in no impact on the city's general fund through fiscal year 2031. The council will be asked to approve the resolution authorizing this agreement, with a closing date set for October 2nd.

## **6. Fire Service Fee**

Ed D'Tomasco, a consultant with GMC, provided an update on the fire fee study, which began in January. The project was broken into two phases; the first phase involved data gathering to determine service levels, funding needs, and potential revenue from a user fee. The analysis found that about 70% of fire calls over a five-year period were to non-single-family residential properties, including commercial, educational, and government buildings that may not currently contribute to funding the fire department through property taxes. The second phase of the project, if approved by the council, would involve developing the specific fee methodology, creating a credit policy (e.g., for sprinkler systems), engaging in public outreach, and drafting the necessary ordinances. The goal, should the city proceed, would be to implement the new fire fee by July of 2026. City Manager Charles Penny stated Ed was still analyzing the data and we will come back in the next couple of months with an amended contract when we need to. He also reminded council that they have not yet made a decision and there will be opportunities to opt out of the process if they so choose.

The meeting was adjourned at 4:51 pm.

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Jonathan McCollar, Mayor

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Leah Harden, City Clerk