

# City of Statesboro FY2024 Annual Operating Budget

**SEPTEMBER 2023**

# FY2024 Budget Objectives

2

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

# FY2024 Budget Highlights

- ▶ 24.8% Total Expense Increase (Less Transfers)
  - ▶ FY 2023 Budget \$73,247,776
  - ▶ FY 2024 Budget \$91,396,010
  
- ▶ 8.2% General Fund Expense Increase
  - ▶ FY 2023 Budget \$20,604,853
  - ▶ FY 2024 Budget \$22,288,545

# Compensation & Benefits Highlights

- ▶ 5% Pay Plan Adjustment due to Inflation per Condrey and Associates
- ▶ Federal Inflation Rates
  - ▶ 2021 – 7%
  - ▶ 2022 – 6.5%
  - ▶ 2023 – 3%
- ▶ Continue Pay for Performance for Employees

# Current & Future Opportunities

5

- ▶ Position Statesboro for growth in the Region
- ▶ Keep Pay Plan Up to Date

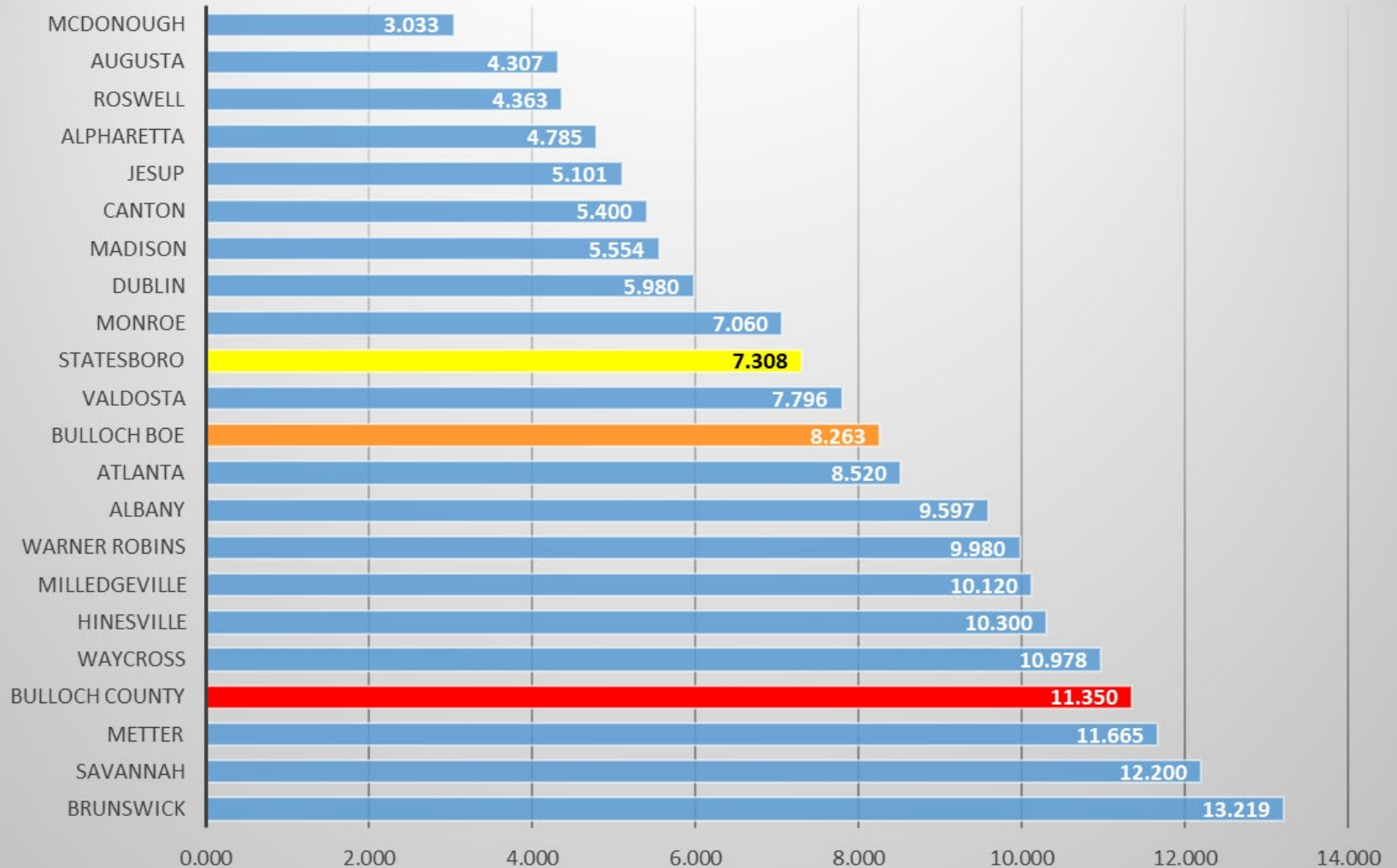
# Concerns & Unknowns

- ▶ Nearly 25% of the total assessed value for real and personal property is non-taxable
- ▶ Labor Market Challenge

# Property Tax Millage Rates

7

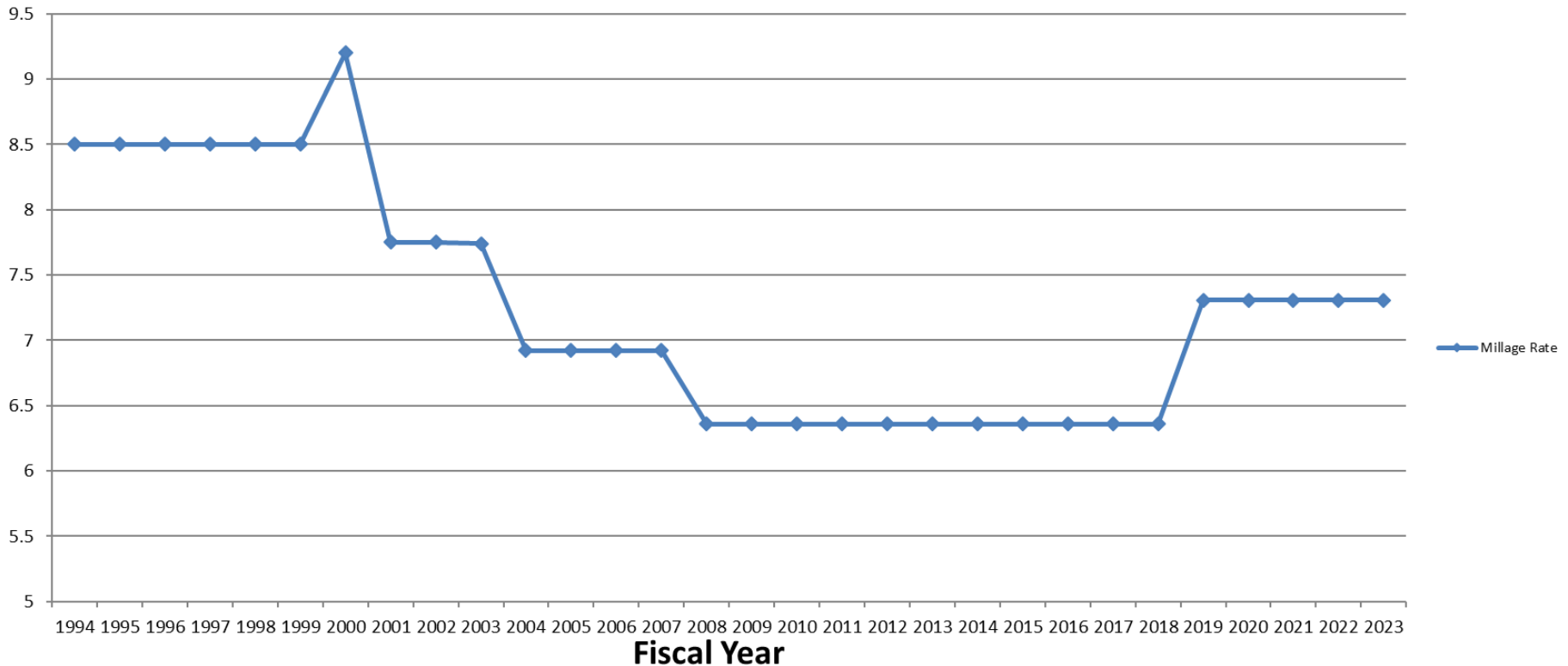
## FY2023 Millage Rates In Georgia



# Statesboro Millage Rate History

8

### Millage Rate 1994-2023



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**

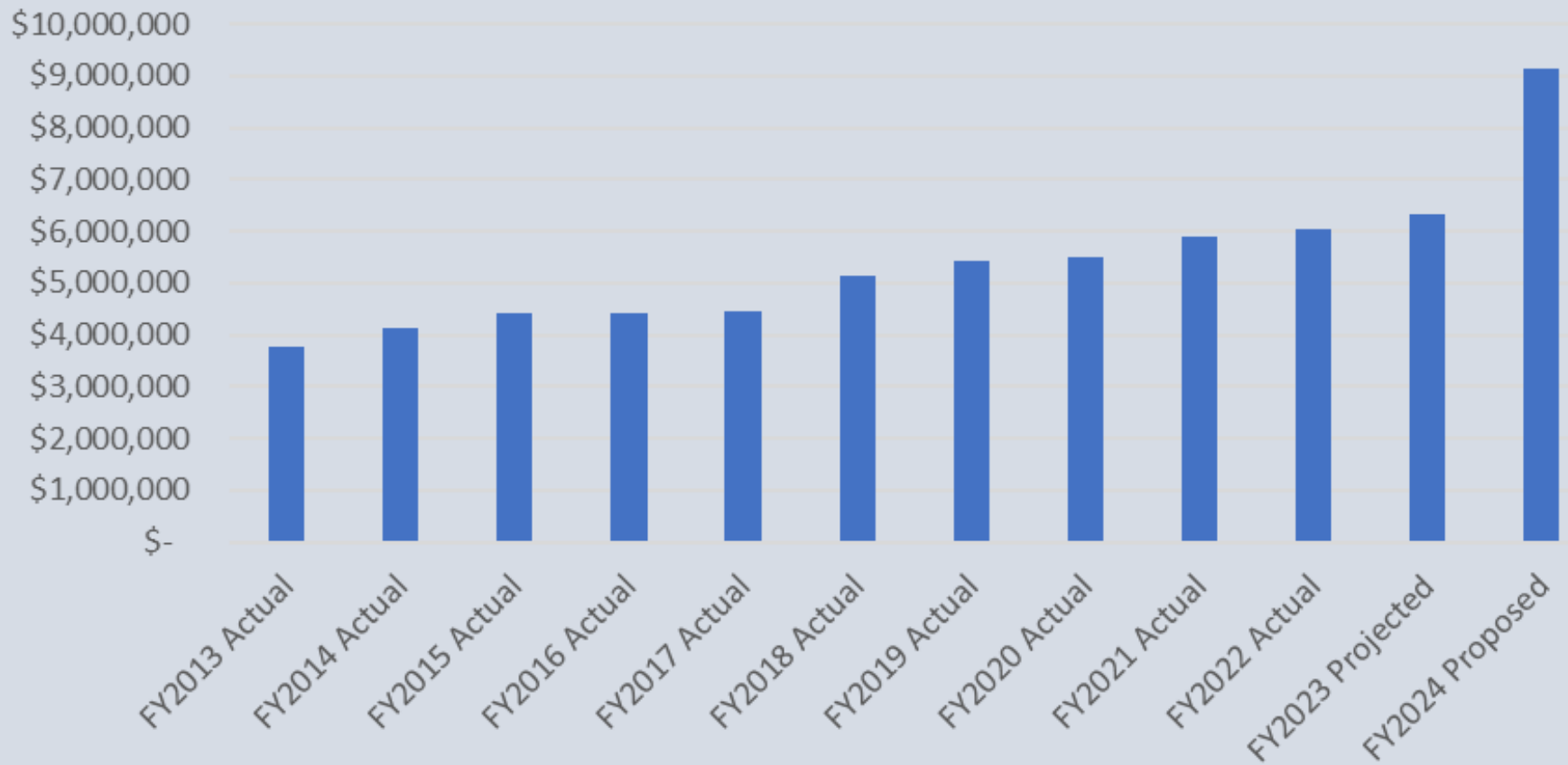
- 8.478

## **City of Statesboro**

- 9.212 Proposed

# Property Tax Revenue

## Real & Vehicle Property Tax Revenue, General Fund



# General Fund Highlights

- ▶ 64.6% of the General Fund Budget is Salary and Benefit Costs
- ▶ Increased Expenditures:
  - ▶ Salaries and Benefits \$1,200,000
  - ▶ Small Business Recruiter 50,000
  - ▶ Debt Service 50,000
  - ▶ Streets Contract Labor 77,000
  - ▶ Parks Contract Labor 60,000
  - ▶ Compensation Study 55,000
  - ▶ Police Small Tools 30,000

# General Fund and Fire Fund Highlights

12

- ▶ Police Department Budget = \$10,707,000
- ▶ Transfer to Fire Department = \$2,000,000
  - ▶ Added dispatchers for Fire Department
  - ▶ Added 9 Firefighter positions

# Five Year Staffing: General Fund and Fire Fund

13

- ▶ The General Fund Personnel has increased by 8 positions from FY2020 to FY2024
  - ▶ 1 Position in Human Resources
  - ▶ 1 Position in Village Builders
  - ▶ 6 Positions in the Police Department
- ▶ The Fire Fund Personnel has increased by 25 positions
  - ▶ 4 Dispatch Positions
  - ▶ 21 Firefighters

# Property Tax Calculation

## Example: \$200,000 House

|                     |                            |                            |
|---------------------|----------------------------|----------------------------|
| House Value         | \$ 200,000.00              | \$ 200,000.00              |
| Millage Rate        | 6.362                      | 9.212                      |
| 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               | \$ 496.24                  | 718.54                     |

Increase of \$222 a year

# Property Tax Increase

15

The current millage rate is 7.308. State law requires adjustment to be revenue neutral, which is a millage rate of 6.362. The rollback rate is not sufficient to balance the FY 2024 budget as adopted. Millage rate of 9.212 will provide the revenue needed to operate during fiscal year 2024.

|                       |       |             | Net Digest  | Tax Revenue  |
|-----------------------|-------|-------------|-------------|--------------|
| Current Millage Rate  | 7.308 | 2022 Digest | 827,100,731 | 6,044,452.14 |
| Rollback Rate         | 6.362 | 2023 Digest | 973,219,665 | 6,191,623.51 |
| Proposed Millage Rate | 9.212 | 2023 Digest | 973,219,665 | 8,965,299.55 |

## Percentage Increase Calculation

|                       |                                     |
|-----------------------|-------------------------------------|
| Rollback Millage Rate | 6.362                               |
| Proposed Millage Rate | 9.212                               |
| Percentage Increase   | $(9.212 - 6.362) / 6.362 = 44.80\%$ |

# In Summary – 2024 Budget

16

- ▶ The City's budget is financially sound
  - ▶ Strong reserves
  - ▶ Good growth in property values
  - ▶ New Investment
  - ▶ You have taken care of the City's most valuable resources – our employees



# In Summary – 2024 Budget

17

- ▶ Could we balance the City's budget without increasing the millage?
  - ▶ Yes, it would require the City to use \$2.14 million of fund balance
  - ▶ Last year the City used \$600,000 of fund balance.
  - ▶ Balancing with \$2.14 million would further erode the fund balance/emergency fund

# In Summary – 2024 Budget

18

- ▶ Millage rate increase would allow the City to cover the increased personnel cost.
  - ▶ Replace the fund balance used last year.
  - ▶ Prepares the City for pay plan increase in 2025 budget.
  - ▶ Fund balance may be needed to absorb the implementation of the new pay plan.

# In Summary – 2024 Budget

19

- ▶ City must continue to expand the tax base.
- ▶ Voluntary annexations add to tax base.
- ▶ City has approved over 600 townhomes.
- ▶ New commercial and retail developments help to grow tax base and revenue.
- ▶ Two single family subdivisions currently under construction could positively impact growth in the tax base.
- ▶ The Planning Board approved 370 new housing units – townhomes and single family on September 5.