

Statesboro Property Tax Hearing FY2025

SEPTEMBER 2024

FY2025 Budget Objectives

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

FY2025 Budget Highlights

- ▶ 10% Total Expense Decrease (Less Transfers)
 - ▶ FY 2024 Budget \$103,987,637
 - ▶ FY 2025 Budget \$93,515,721

- ▶ 13.5% General Fund Expense Increase
 - ▶ FY 2024 Budget \$22,312,422
 - ▶ FY 2025 Budget \$25,340,025

Compensation & Benefits Highlights

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- ▶ Implemented new Pay Plan conducted by Condrey and Associates
- ▶ Continue Pay for Performance for Employees
- ▶ No Increase in Employee Health Premiums

Current & Future Opportunities

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

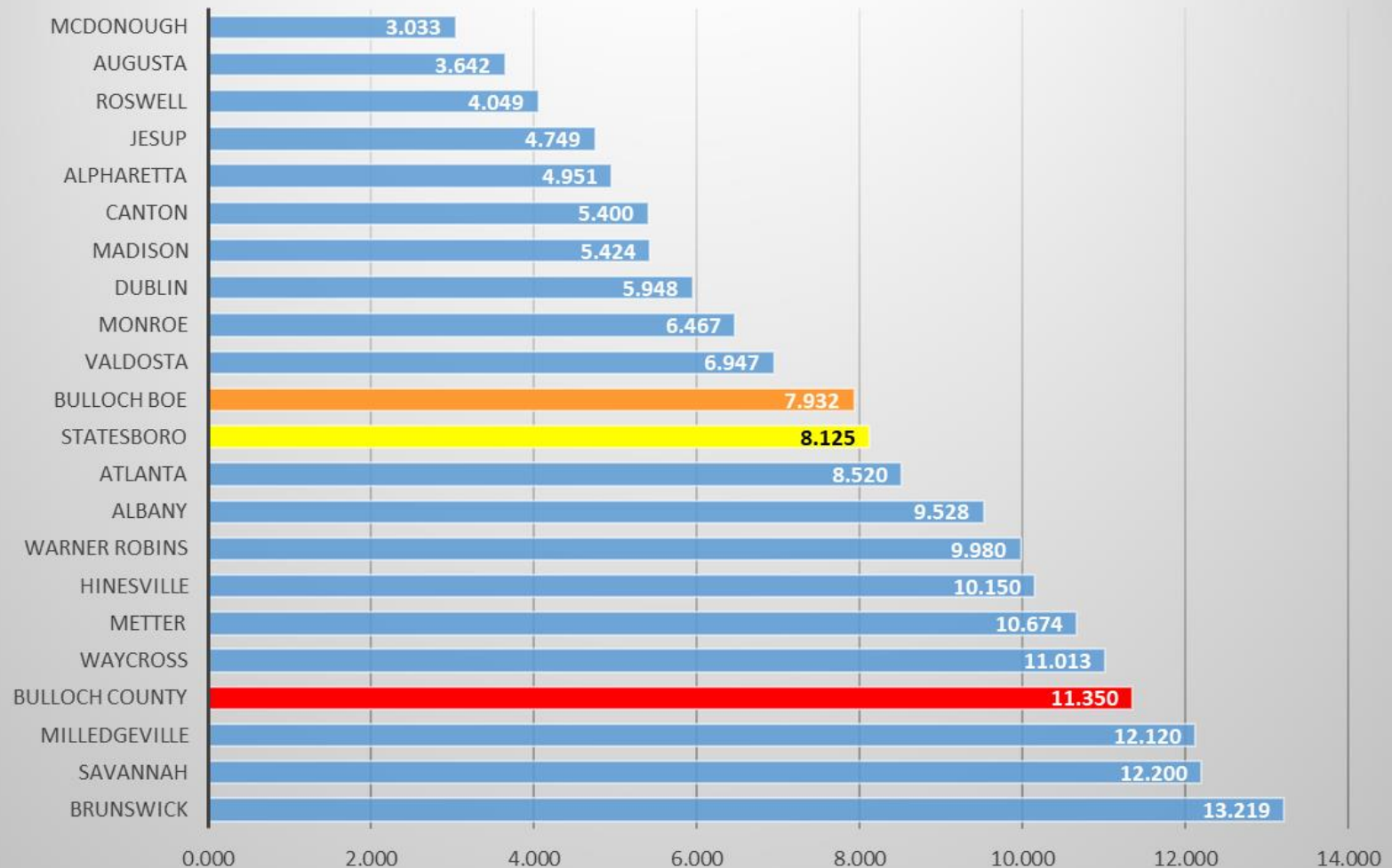
Concerns & Unknowns

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

Property Tax Millage Rates

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FY2024 Millage Rates In Georgia



Current Local Property Millage Rates

Bulloch County

- 11.35, approximately \$3,450,000/mill

Board of Education

- 7.932, approximately \$3,438,000/mill

City of Statesboro

- 9.125 Proposed, approximately \$1,100,000/mill

General Fund Highlights

- ▶ 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

General Fund and Fire Fund Highlights

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- ▶ Police Department Budget = \$11,268,470
- ▶ Transfer to Fire Department = \$3,200,000
 - ▶ The Fire Fund Personnel has increased by 25 positions
 - ▶ 4 Dispatch Positions
 - ▶ 21 Firefighters
- ▶ Property Tax Revenue: \$10,045,560

Property Tax Calculation

Example: \$200,000 House

| | | |
|---------------------|----------------------------|----------------------------|
| House Value | \$ 200,000.00 | \$ 200,000.00 |
| Millage Rate | 7.326 | 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 | \$ 571.43 | 711.75 |

Increase of \$140 a year

Property Tax Increase

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The current millage rate is 8.125. State law requires adjustment to be revenue neutral, which is a millage rate of 7.326. The roll back rate is not sufficient to balance the FY2025 budget as adopted. Millage rate of 9.125 will provide the revenue needed to operate during fiscal year 2025.

| | | | Net Digest | Tax Revenue |
|-----------------------|-------|-------------|---------------|---------------|
| Current Millage Rate | 8.125 | 2023 Digest | 975,389,665 | 7,925,041.03 |
| Rollback Rate | 7.326 | 2024 Digest | 1,100,883,252 | 8,065,070.70 |
| Proposed Millage Rate | 9.125 | 2024 Digest | 1,100,883,252 | 10,045,559.67 |

Percentage Increase Calculation

| | |
|-----------------------|-----------------------------------|
| Rollback Millage Rate | 7.326 |
| Proposed Millage Rate | 9.125 |
| Percentage Increase | $(9.125 - 7.326) / 7.326 = 24.56$ |

In Summary – 2025 Budget

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- ▶ Could we balance the City's budget without increasing the millage?
 - ▶ Yes, it would require the City to use \$1.4 million of fund balance
 - ▶ Balancing with \$1.4 million would erode the fund balance/emergency fund
 - ▶ Recommend adding the 1.799 mill increase to have a balanced budget

Questions?