

**TOWN COUNCIL
STAFF REPORT
Department of Finance & Administration**



MEETING DATE:	September 12, 2023
PROJECT:	Consideration of an Ordinance Amending the Town of Bluffton Fiscal Year 2024 Budget to Provide for the Expenditures of Certain Funds; and to Allocate Sources of Revenue for the Said Funds to Carryover Unspent Expenditures and Encumbrances from the FY2023 Budget to the FY2024 Budget – First Reading
PROJECT MANAGER:	Natalie Majorkiewicz, CGFO, Director of Finance

RECOMMENDATION: Town Council approves the proposed ordinance amending the FY 2024 budget by \$13,853,771 by increasing the General Fund budget by \$2,032,224, increasing the Local Hospitality Fund budget by \$1,025,896, increasing the Local Accommodations Tax Fund budget by \$1,406,308, increasing the CIP budget by \$8,794,117, increasing the Stormwater Fund budget by \$184,907, and increasing the Debt Service Fund budget by \$410,319 to reappropriate prior year unspent transfers to Capital Improvements Program Fund (CIP) and use of additional prior year fund balance, to reappropriate prior year unspent encumbrances and expenditures as well as uses of additional prior year fund balance, provide for new programs, use of previously earmarked spending of prior year fund balance, increase in projected property tax revenue with the setting of the FY2024 Millage Rate, increase in intergovernmental revenue for the one-time appropriation of \$2M for the New River Linear Trail, and committing an additional \$700,000 to the Capital Asset Reserve Fund.

BACKGROUND:

In FY2023, revenues are projected to be higher than expenditures by approximately \$3,500,000. Proposed uses of this additional fund balance included in this budget amendment are described in each fund below.

Reserve Funds – Committing an additional \$700,000 to the Capital Reserve Fund.

Additionally, the Town Manager would like to assign available fund balance to the following:

- Public Art: \$100,000
- Neighborhood Assistance Program: \$400,000
- Historic Preservation Grant Program: \$62,075 to replenish the up to \$250,000 amount.

Assigned fund balances are reported when amounts are constrained by the Town’s intent to be used for a specific purpose but are neither restricted nor committed. Through resolution, the Town has authorized the Town Manager and Finance Director to assign fund balances.

General Fund - This Budget Amendment includes an increase to the General Fund budget by \$2,032,224 to reflect \$563,103 increase to the projected Property Tax revenue due to the setting of the FY2024 millage rate, \$2,169,121 of prior year fund balance, \$311,550 for employee retention and attraction, unspent FY 2023 earmarked funds, \$287,172 for recycling increases, \$931 contribution to fund balance, \$960,000 transfer out to Capital Improvement Program (CIP) fund for land acquisition, public art, and a pedestrian safety study, and other priority expenditures described below. These funds will be used for:

- General Fund revenue increases to cover:
 - Property Taxes \$563,103
 - Police retention and attraction \$275,000
 - Recycling increase \$287,172
 - Contribution to Fund Balance \$931
- Prior Year Fund Balance
 - Transfer to CIP \$960,000
 - Land Acquisition \$1,000,000
 - Pedestrian Safety Study \$150,000
 - Public Art Program \$100,000
 - Move document management project from CIP to General Fund (\$290,000).
 - Contracts and encumbrances \$17,571
 - Classification and Compensation Study \$75,000
 - Employee Retention Enhancement \$36,550
 - Historic Preservation Grant \$90,000
 - Recycling increase \$287,172
- Change in Municipal Court personnel – no impact to budget
 - Two (2) parttime Court Assistant positions moved to one (1) fulltime Court Assistant position.
 - Total fulltime headcount will now be 158 and parttime positions will now be 12

Local Hospitality Tax Fund – This budget amendment includes an increase to the budget by \$1,025,896 to reflect FY 2023 project carryforwards in the CIP Fund.

- Transfer to CIP Projects \$1,025,896
 - Sewer: \$485,033
 - Roads: \$134,752
 - Facilities: \$39,242
 - Parks \$366,869

Local Accommodations Tax Fund – This budget amendment includes an increase to the budget by \$1,406,308 to reflect FY 2023 project carryforwards in the CIP Fund.

- Transfer to CIP Projects \$1406,318
 - Sewer: \$382,847
 - Roads: \$174,975
 - Facilities: \$585,858
 - Parks: \$262,628

Capital Improvements Program Fund (CIP) – This budget amendment includes an increase to the CIP budget by \$8,794,147 to reflect FY 2023 project carryforwards, increase for New River Linear Trail \$2,000,000, Public Art Project of \$100,000, and Pedestrian Safety Study of \$150,000, funding source reclassifications, and transferring the Document Management System Project to General Fund of \$290,000.

Stormwater Fund – This budget includes an increase to the Stormwater fund budget to reflect \$187,907 of prior year fund balance. These funds will be used for:

- Contracts and commitments from FY 2023 \$50,366
- Transfer to CIP \$134,541
 - Buck Island-Simmons ville Sewer Phase 5 \$6,226
 - Sewer Connections Policy \$68,898
 - Comprehensive Drainage Plan Improvements \$59,417

Debt Service Fund – This budget includes an increase to Debt Service fund budget to reflect \$410,319 of prior year TIF fund balance. These funds will be used for:

- Transfer to CIP Projects \$410,319
 - Roads: \$387,859
 - Facilities: \$10,409
 - Parks \$12,051

ATTACHMENTS:

1. Ordinance
 - Attachment A: General Fund Budget
 - Attachment B: Local Hospitality Tax Fund Budget
 - Attachment C: Local Accommodations Tax Fund Budget
 - Attachment D: Capital Improvements Program Fund Budget
 - Attachment E: Debt Service Fund Budget
 - Attachment F: Stormwater Fund Budget
2. FY 2023 Projected Yearend Financial Reports
 - Attachment A: General Fund
 - Attachment B: Capital Improvements Program Fund Budget
 - Attachment C: Stormwater Fund Budget
 - Attachment D: Debt Service Fund Budget
 - Attachment E: Special Revenue Funds
3. Personnel FY2024 Update
4. Council Motion Recommendation