TOWN COUNCIL
STAFF REPORT
Department of Finance & Administration

MEETING DATE:	September 08, 2026
PROJECT:	Consideration of an Ordinance Amending the Town of Bluffton Fiscal Year 2027 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 FY2026 Budget to the FY2027 Budget – First Reading
PROJECT MANAGER:	Natalie Majorkiewicz, CGFO, CGFM Director of Finance & Administration

RECOMMENDATION: Town Council approves the proposed ordinance amending the FY 2027 budget by $7,182,916 by increasing the General Fund budget by $2,304,358, decreasing the Local Hospitality Fund budget by $1,022,161, decreasing the Local Accommodations Tax Fund budget by $1,358,858, increasing the Stormwater Fund budget by $714,368, increasing the CIP budget by $3,013,340, and increasing the Debt Service Fund budget by $3,531,869 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, and recognize grant and entitlements revenues.

BACKGROUND:
In FY2026, revenues are projected to be higher than expenditures by approximately $7,035,714. Proposed uses of this additional fund balance included in this budget amendment are described in each fund below.

General Fund - This Budget Amendment proposes a $2,304,358 increase to the General Fund to incorporate several approved and anticipated funding sources. In includes $200,000 in State funding for AED replacements of $100,000 for the Police Department and $100,000 to support the Parks & Recreation study in the Executive Department.

The Town plans to submit a State Accommodations Tax Grant application for $39,000 and increase the transfers in from the Hospitality Tax Fund by $26,000 to support shuttle services through FY2027. Additionally, $118,197 remains in the Police federal technology grant, which is expected to be completed in FY2027.

An increase of $33,032 in transfers in from the Local Accommodations Tax Fund is proposed to support personnel expenses associated with additional Town events and the installation of new doors at the Welcome Center/Squire Pope Carriage House.

The gate at the New Riverside Barn Park was damaged and needs replaced. We are anticipating it to cost $20,500 with insurance covering nearly all, less the $1,000 deductible.

Lastly, this amendment includes the use of $1,868,629 in prior year fund balance for the following:

- Building Safety: Commercial Plan Review Services $40,000
- Parks & Rec Study funding source move to State ($100,000)
- Barn Park Gate deductible $1,000

- Contracts and encumbrances $212,116
- Transfer to CIP $1,715,513
    - Land Acquisition $1,745,263
    - Townwide Wayfinding $22,250
    - FY2026 Project Commitments and Carryforwards:
        - Historic District Overhead Powerline Conversion ($1,200)
        - Hilly Hill Lane ($50,800)

Local Hospitality Tax Fund – This budget amendment includes a decrease to the budget by $1,022,161 to reflect FY 2026 project carryforwards in the CIP Fund and support in the General Fund for shuttle services.

- Transfer to CIP Projects ($1,048,161)
    - Facilities: ($402,428)
    - Parks: ($403)
    - Roads: ($622,540)
    - Sewer: ($22,790)
- Transfer to General Fund: $26,000

Local Accommodations Tax Fund – This budget amendment includes a decrease to the budget by $1,358,858 to reflect FY 2026 project carryforwards in the CIP Fund and support in the General Fund for personnel costs for Town events.

- Transfer to CIP Projects ($1,391,890)
    - Facilities: ($287,520)
    - Parks: ($804,370)
    - Roads: ($300,000)
- Transfer to General Fund: $33,032

Stormwater Fund – This budget includes an increase to the Stormwater Fund budget to reflect project carryforwards and commitments of $719,576 to be completed in FY2027, adding $100,000 for lease, upfit, and utilities for staff, and a reduction of $105,208 in transfers out to Capital Improvements Program Fund.

- Transfer to CIP Projects ($105,208)
    - Public Service Building Expansion & Watershed Facility ($100,000)
    - Comprehensive Drainage Plan Improvements ($5,208)

Capital Improvements Program Fund (CIP) – This budget amendment includes an increase to the CIP budget by $3,013,340 to reflect FY 2026 project carryforwards ($3,034,773), Land Acquisition increase by $5,372,560, potential State Accommodations Tax Fund grant of $300,000, adjustments to projects for completion in FY2027 that total $375,553, and funding source adjustments with additional State support of $1,250,000.

Debt Service Fund – This budget includes an increase to Debt Service fund budget to reflect $3,531,869 of prior year TIF fund balance. These funds will be used for:

- Transfer to CIP Projects
    - Facilities ($108,251)
    - Land $3,860,000
    - Parks ($396,480)
    - Roads: ($275,200)
    - Sewer: $451,800

ATTACHMENTS:

1. Ordinance
   - Attachment A: General Fund Budget
   - Attachment B: Local Hospitality Tax Fund Budget
   - Attachment C: Local Accommodations Tax Fund Budget
   - Attachment D: Stormwater Fund Budget
   - Attachment E: Capital Improvements Program Fund Budget
   - Attachment F: Debt Service Fund Budget
2. FY 2026 Projected Yearend Financial Reports
   - Attachment A: General Fund
   - Attachment B: Stormwater Fund Budget
   - Attachment C: Capital Improvements Program Fund Budget
   - Attachment D: Debt Service Fund Budget
   - Attachment E: Special Revenue Funds
3. Council Motion Recommendation