

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



MEETING DATE:	October 08, 2024
PROJECT:	Consideration of an Ordinance Amending the Town of Bluffton Fiscal Year 2025 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 FY2024 Budget to the FY2025 Budget – Second & Final Reading
PROJECT MANAGER:	Natalie Majorkiewicz, CGFO, Director of Finance

RECOMMENDATION: Town Council approves the proposed ordinance amending the FY 2025 budget by \$12,345,875 by increasing the General Fund budget by \$2,717,425, increasing the Local Hospitality Fund budget by \$488,690, increasing the Local Accommodations Tax Fund budget by \$658,452, increasing the Stormwater Fund budget by \$112,523, increasing the CIP budget by \$7,821,10, and increasing the Debt Service Fund budget by \$547,375 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, recognize grant and insurance revenues, and committing an additional \$750,000 to the Capital Asset Reserve Fund.

BACKGROUND:

In FY2024, revenues are projected to be higher than expenditures by approximately \$4,300,000. Proposed uses of this additional fund balance included in this budget amendment are described in each fund below.

Reserve Funds – Committing an additional \$750,000 to the Capital Reserve Fund.

General Fund - This Budget Amendment includes an increase to the General Fund budget by \$2,717,425 to reflect a potential grant of \$79,500 in Information Technology for cyber security, \$144,963 for insurance claims for a police vehicle and the DuBois Park Pavilion, \$2,492,962 of prior year fund balance, which include \$22,300 from the Capital Asset Reserve Fund to replace a totaled police vehicle and \$13,000 from the Tree Remediation Fund for a tree survey. These prior year funds will be used for:

- General Fund revenue increases to cover:
 - Grants and Entitlements \$79,500 (pending award)
 - Cyber Security in IT
 - Miscellaneous Revenues \$144,963
 - Insurance claim for totaled police vehicle \$26,635
 - Insurance claim for DuBois Park pavilion \$118,328 (funds will be transferred to CIP)
- Prior Year Fund Balance
 - Capital Asset Reserve to purchase remaining amount on police vehicle \$22,300
 - Tree Remediation for tree survey \$13,000
 - Lexipol software for Police \$75,000
 - Contracts and encumbrances \$143,600

- Transfer to CIP \$2,357,390
 - FY2025 Increases:
 - Land Acquisition \$2,000,000
 - Buckwalter Place Multi-County Commerce Park \$55,000
 - Park Improvements for DuBois Park pavilion \$119,328
 - FY2024 Project Commitments and Carryforwards:
 - Buckwalter Place Multi-County Commerce Park \$22,666
 - Town Hall Improvements for AV upgrades in Council Chambers \$14,887
 - Affordable Housing \$81,316
 - Network Improvements \$10,593
 - Public Art Program reduction for FY2024 expenditures \$269
 - Pathway Pedestrian Safety Improvements \$23,869
 - Townwide Wayfinding Signage System \$30,000
- Contribution to Fund Balance – Capital Asset Reserve Fund from insurance proceeds from totaled police vehicle.

Local Hospitality Tax Fund – This budget amendment includes an increase to the budget by \$488,690 to reflect FY 2024 project carryforwards in the CIP Fund.

- Transfer to CIP Projects
 - Facilities: \$954
 - Information Technology Infrastructure: \$37,210
 - Parks: \$118,636
 - Roads: \$270,070
 - Sewer: \$61,820

Local Accommodations Tax Fund – This budget amendment includes an increase to the budget by \$634,361 to reflect FY 2024 project carryforwards in the CIP Fund.

- Transfer to CIP Projects
 - Facilities: \$358,830
 - Parks: \$205,383
 - Roads: \$26,676
 - Sewer: \$43,472

Stormwater Fund – This budget includes an increase to the Stormwater fund budget to reflect \$136,614 of prior year fund balance. These funds will be used for:

- Contracts and commitments from FY 2024 \$166,355
- Transfer to CIP reduction of \$28,741 due to higher expenditures than estimated in FY2024 for the May River Action Plan Impervious Restoration/Water Quality Projects

Capital Improvements Program Fund (CIP) – This budget amendment includes an increase to the CIP budget by \$7,821,410 to reflect FY 2024 project carryforwards, increase for Land Acquisition by \$2,000,000, Park Improvement for DuBois Park pavilion repairs of \$119,328, and Buckwalter Place Multi-County Commerce Park of \$810,000, which includes the \$130,000 grant from Beaufort County Economic Development Corporation, and funding source reclassifications.

Debt Service Fund – This budget includes an increase to Debt Service fund budget to reflect \$547,375 of prior year TIF fund balance. These funds will be used for:

- Transfer to CIP Projects
 - Parks \$366,357
 - Roads: \$181,018

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 2023 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