

TOWN COUNCIL

STAFF REPORT

Finance & Administration Department



MEETING DATE:	August 8, 2023
PROJECT:	Consideration of a Resolution Amending the FY2024 Millage Rate
PROJECT MANAGER:	Chris Forster, Assistant Town Manager

REQUEST:

Town Council approve the attached resolution amending the millage rate from 38.5 to 36.0 for FY2024.

BACKGROUND:

The State of South Carolina requires all counties to go through reassessment for all real properties every five years with the purpose of ensuring properties are valued consistently which allows property tax to be redistributed more equitably. Beaufort County's reassessment is for tax year 2023 and uses December 31, 2022 as the date for property appraisals.

The assessment notices are scheduled to be mailed to property owners this fall. Property owners have ninety days from the date on the assessment notice to appeal or object to the reassessed value. A second important deadline is January 15, 2024 which is the final date to apply for the 4% Legal Residence Exemption.

The last reassessment for Beaufort County occurred in fiscal year 2018 where the millage rate was rolled back to 40.35 from 42.35. In fiscal year 2019, the millage rate was reduced to 38.5 and has remained since.

During a reassessment year, a "rollback millage" calculation is in order to reset the millage rate per S.C. Code of Laws Sec. 12-37-251(E). The Town of Bluffton's rollback millage calculates to 34.3 with the ability to increase to 40.6 after adding in CPI and growth factors published by the Revenue and Fiscal Affairs Office.

Since the FY2024 budget was adopted on June 13, 2023, staff has received updated information from Beaufort County. In concert with the updated information provided by the County, there have been two unbudgeted items for Council's consideration that addressed within the millage rate reduction and certification rather than utilizing prior year fund balance.

1. Waste Management has notified staff of a significant increase in recycling with an increase of up to \$466,200 annually based on recent estimates.
2. In order to attract and retain officers, the Police Chief is recommending an amended step plan with a projected increase of \$275,000. The updated plan includes the following:
 - a. Incorporates incentive-based increases rather than merit.
 - b. Increases based on education and experience.
 - c. Increases base salary of a non-certified officer (recruit) to \$51,795 from \$47,851, which is an increase of \$3,944 or approximately 8.2%.
 - d. The average increase for each officer is \$4,330.

	FY2024 Adopted Budget	FY2024 Millage Rate 36.0	FY2024 Millage Rate 35.5
Assessed Value	\$328,590,000	\$383,582,658	\$383,582,658
Mill Value	\$328,590	\$383,583	\$383,583
Estimated Taxes with Median Home Value \$336,100 (Resident 4%)	\$2,361.96	\$2,328.35 (\$33.61)	\$2,321.63 (\$40.33)
Estimated Taxes with Median Home Value \$336,100 (Nonresident 6%)	\$5,925.30	\$5,874.88 (\$50.42)	\$5,864.80 (\$60.50)
Town of Bluffton Operations	36.8*	34.3	33.8
Town of Bluffton Debt	1.7*	1.7	1.7
Estimated Revenue:	\$12,310,383	\$13,542,322	\$13,354,234
General Fund	8,729,543	9,292,646	9,157,185
TIF	3,196,680	3,610,177	3,557,550
Debt Service	384,160	639,499	639,499

* Pending 2023 Reassessment Rollback Calculation

NEXT STEPS:

Should Town Council approve the proposed amended millage rate, the following are next steps;

1. Approve the attached resolution amending the millage rate for FY2024
2. Sign the Millage Certification form to be submitted to the Beaufort County Auditor (Attachment 2).

SUMMARY:

The millage rate will drop from 38.5 to 36.0, or 2.5 mills for FY2024 due to the reassessment process, and addressing two large unbudgeted items to maintain support and services to the Town of Bluffton.

The calculations performed by staff do not include a factor for any appeals permitted within ninety days of the assessment notices to be mailed this fall nor do they include any consideration of properties changing from nonresident to resident by January 14, 2024.

ATTACHMENTS:

1. Presentation
2. Proposed Resolution
3. Millage Certification Letter
4. Recommended Motions