

TOWN COUNCIL STAFF REPORT



MEETING DATE:	May 14, 2024
PROJECT:	Formal Item: Consideration of an Ordinance Approving the Town of Bluffton Fiscal Year 2025 Proposed Consolidated Budget – First Reading
PROJECT MANAGER:	Stephen Steese, Town Manager

REQUEST:

Town Council approves the first reading of the Ordinance for the Town of Bluffton FY 2025 Consolidated Budget of \$90,476,863, guided by the Town Mission statement and the Town of Bluffton Strategic Plan Action Agenda for FY 2025.

BACKGROUND AND DISCUSSION:

This financial plan supports our Bluffton Town Vision that states, “Bluffton, the Heart of the Lowcountry, a Town that appreciates the past, focuses on today and is planning together for a greater future.” This financial plan provides the resources and staff for all our commitments to making Bluffton a better place.

The consolidated budget concentrates on the Town of Bluffton Strategic Plan Priority Focus Areas that include May River & Surrounding Rivers and Watersheds, Town Organization, Economic Growth, Fiscal Sustainability, Community Quality of Life, Housing, and Infrastructure.

The consolidated budget for FY2025 consists of six major funds, which includes two Special Revenue Funds, Hospitality Tax Fund and Local Accommodations Tax Fund, as well as the General Fund, the Stormwater Fund, the Capital Improvements Program (CIP) Fund, and the Debt Service Fund.

The proposed consolidated budget is a decrease of 2.1% or \$1,949,551 from the revised FY2024 budget. The budget keeps the tax millage rate the same at 36.0, which reflects General Fund mills of 34.3 and Debt Service Fund mills of 1.7 mills.

There are changes proposed to the Master Fee Schedule in Section VII – Stormwater Management Fees due to inconsistencies for the following:

- Update Item/Description Title from “Erosion Control Inspection & Re-Inspection Fees” to “Erosion Control Inspection Fees” as there is a separation Re-Inspection section just below.
- Re-Inspection Resulting for Notice of Violation Fee
 - Residential <1 acre (not part of subdivision) from \$150 to \$200
 - Remove “\$200.00 to remove Stop Work Order”
 - From Residential <1 acre (not part of subdivision)
 - From Residential (single family or subdivision), Multi-family, or Non-Residential per disturbed acre (round up to the next whole acre)

CURRENT STATUS:

The General Fund accounts for and reports the financial resources for the Town's primary operating fund. Principal sources of revenue are property taxes and licenses and permit fees. The General Fund budget is 35.7% or \$32,324,440 of the consolidated budget. Budget details are available in the attached Executive Consolidated Budget Summary.

Hospitality Tax Fund is used to account for the local hospitality tax fees of two percent (2%) by the Town for use in tourism related expenditures and related Capital Improvements Projects. The Hospitality Tax Fund proposed budget is \$8,248,866 or 9.1% of the consolidated budget and supports transfers to the General Fund and Capital Improvement Program Fund for allowable projects and expenditures. Budget details are available in the attached Executive Consolidated Budget Summary.

Local Accommodations Tax Fund is used to account for the local accommodations tax fees of three percent (3%) by the Town for use in tourism related expenditures and related Capital Improvements Projects. The Local Accommodations Tax Fund proposed budget is \$2,165,606 or 2.4% of the consolidated budget and supports transfers to the General Fund and Capital Improvement Program Fund for allowable projects and expenditures. Budget details are available in the attached Executive Consolidated Budget Summary.

The Stormwater Fund accounts for and reports the financial resources of all stormwater-related expenditures including Watershed Management staffing and operations, routine watershed maintenance and capital projects. The primary source of revenue is stormwater utility fees. The Stormwater Fund budget is 4.4% or \$4,017,671 of the consolidated budget and includes a transfer to the Debt Service Fund to pay the principal and interest on General Obligations bonds issued for stormwater and sewer projects. Budget details are available in the attached Executive Consolidated Budget Summary.

Capital Improvement Program (CIP) Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditures for capital outlays including the land acquisition and/or construction of capital facilities and other capital assets. Capital projects are primarily non-recurring in nature. All capital categories require a unit cost threshold of greater than \$5,000, except roads, buildings, and computer software (recorded in the general fund) whose threshold is \$50,000. The CIP budget is 36.8% or \$33,268,114 of the consolidated budget and supports diversified projects throughout our Bluffton neighborhoods. Budget details are available in the attached Executive Consolidated Budget Summary.

Debt Service Fund accounts for the accumulation of resources for the payment of interest and principal on general long-term debt obligations. The primary source of revenue is property tax and bond proceeds. The Debt Service Fund budget is \$10,452,166 or 11.6% of the consolidated budget and supports the debt service for the 2014 and 2022 Tax Increment Revenue Bonds, 2020 General Obligation Bond for the Law Enforcement Center at Buckwalter Place, 2020A General Obligation Bond for Stormwater Capital Projects, a transfer to the Capital Improvement Program Fund for allowable projects, and future debt payments and allowable expenditures. Budget details are available in the attached Executive Consolidated Budget Summary.

NEXT STEPS:

- May 16, 2024 Town Council Budget Workshop at 5:00 pm
- May 30, 2024 Town Council Budget Workshop at 5:00 pm
- June 11, 2024 Town Council Meeting at 5:00 pm – Public Hearing and Second and Final Reading

ATTACHMENTS:

1. FY2025 Proposed Consolidated Budget Executive Summary
2. Ordinance for Fiscal Year 2025 Budget
 - Attachment A: General Fund Proposed Budget
 - Attachment B: Hospitality Tax Fund Proposed Budget
 - Attachment C: Local Accommodations Tax Fund Proposed Budget
 - Attachment D: Stormwater Fund Proposed Budget
 - Attachment E: Capital Improvement Program Fund Proposed Budget
 - Attachment F: Debt Service Fund Proposed Budget
 - Attachment G: Consolidated Proposed Budget
 - Attachment H: Master Fee Schedule