

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



MEETING DATE:	September 09, 2025
PROJECT:	Consideration of an Ordinance Amending the Town of Bluffton Fiscal Year 2026 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 FY2025 Budget to the FY2026 Budget – First Reading
PROJECT MANAGER:	Natalie Majorkiewicz, CGFO, CGFM Director of Finance & Administration

RECOMMENDATION: Town Council approves the proposed ordinance amending the FY 2025 budget by \$10,357,731 by increasing the General Fund budget by \$270,373, increasing the Local Hospitality Fund budget by \$927,843, increasing the Local Accommodations Tax Fund budget by \$606,768, increasing the Stormwater Fund budget by \$235,000, increasing the CIP budget by \$8,261,122, and increasing the Debt Service Fund budget by \$56,625 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 intergovernmental revenues, and committing \$500,000 to the Capital Asset Reserve Fund.

BACKGROUND:

In FY2025, revenues are projected to be higher than expenditures by approximately \$6,800,000. Proposed uses of this additional fund balance included in this budget amendment are described in each fund below.

Reserve Funds – Committing an additional \$500,000 to the Capital Reserve Fund.

General Fund - This Budget Amendment includes an increase to the General Fund budget by \$270,373 to reflect an approved grant of \$79,500 in Information Technology for cyber security, \$31,662 and \$93,297 for completion of Police K-9 and technology grants, respectively, and \$65,913 of prior year fund balance. These prior year funds will be used for:

- Communications: Town Logo Project \$10,000
- Contracts and encumbrances \$32,858
- Transfer to CIP \$23,055
 - FY2026 Funding Source Adjustment:
 - Land Acquisition for pending Green Penny Project Funds (\$147,768)
 - FY2025 Project Commitments and Carryforwards:
 - Town Hall Improvements \$14,380
 - Network Improvements \$26,712
 - Public Art Program \$99,731
 - Townwide Wayfinding Signage System \$30,000

Local Hospitality Tax Fund – This budget amendment includes an increase to the budget by \$927,843 to reflect FY 2025 project carryforwards in the CIP Fund.

- Transfer to CIP Projects
 - Facilities: \$435,177
 - Roads: \$262,760
 - Sewer: \$229,906

Local Accommodations Tax Fund – This budget amendment includes an increase to the budget by \$606,768 to reflect FY 2025 project carryforwards in the CIP Fund.

- Transfer to CIP Projects
 - Facilities: \$247,029
 - Parks: \$115,000
 - Roads: \$169,395
 - Sewer: \$75,344

Stormwater Fund – This budget includes an increase to the Stormwater fund budget to reflect a potential Hazard Mitigation Grant Program (HMGP) of \$287,625 and reduction of \$52,625 in prior year fund balance. The prior year funds reduction is due to the budgeted matching funds for the potential HMGP being reduced after preapplication submittal.

- Contracts and commitments from FY 2025 \$98,500
- Transfer to CIP increase of \$136,500 stormwater and sewer projects.

Capital Improvements Program Fund (CIP) – This budget amendment includes an increase to the CIP budget by \$8,261,122 to reflect FY 2025 project carryforwards, increase for Land Acquisition by \$3,960,000 that includes potential Green Penny funding of \$4,190,000, and Pritchard Street Drainage Improvements intergovernmental agreement of \$232,990 with Beaufort County School District.

Debt Service Fund – This budget includes an increase to Debt Service fund budget to reflect \$56,625 of prior year TIF fund balance. These funds will be used for:

- Transfer to CIP Projects
 - Economic Development (\$48,606)
 - Facilities \$900,000
 - Parks (\$1,013,874)
 - Roads: \$219,105

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 2025 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