

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



MEETING DATE:	January 12, 2021
PROJECT:	Mid-Year Budget Update
PROJECT MANAGER:	Chris Forster, MPA, CPFO, CGFM, Director of Finance & Administration

OVERVIEW:

On June 9, 2020 Town Council approved the FY 2021 Town of Bluffton Budget of \$34,223,867. This reflected a budget reduction of -8.3%. The General Fund, which is the Town's main operating fund was approved at \$19,363,015 or a reduction of -4.1%. Budget reductions were carefully estimated in response to the impacts of the COVID-19 pandemic.

Through the month of November, General Fund revenues total almost \$2.9 million. This reflects a 9% increase over the same period of FY 2020. This increase is primarily due to better than expected permit revenue as a result of an approximate 36% increase in new residential building permits compared to the same timeframe last year.

Sixty percent of General Fund revenue is made up of property taxes, business licenses and building permits. According to the most recent County billing estimates, property taxes for fiscal year 2021 should come in approximately 3% higher than expected. As a result of the COVID-19 pandemic business licenses are expected to meet but not exceed initial projections which reflect a -12.6% reduction compared to fiscal year 2020 actuals. Based on current trends, building permit revenue is expected to exceed expectations by approximately 24%.

In total, the General fund revenue is estimated to be \$403,917 (2%) higher than initially budgeted. In December 2020 the Town issued \$5,080,000 in a general obligation bond. With these proceeds, the consolidated results of all budget funds are estimated to add \$0.5 million to fund balance. The bond proceeds excluded; the Town is estimated to spend down fund balance by \$4,464,684. This is primarily in the CIP fund as previously started projects are completed.

ATTACHMENTS:

1. Mid-Year Budget Update Presentation



bluffton

HEART OF THE LOWCOUNTRY

MIDYEAR BUDGET STATUS UPDATE

7/21/2020

Presentation Overview

- General Fund Budget Year-to-Date
- Revenue Analysis
 - Property Taxes
 - Business Licenses
 - Permits
 - Special Revenues
 - Year End Revenue Estimates
- Consolidated Year End Estimate



General Fund Budget Year-to-Date



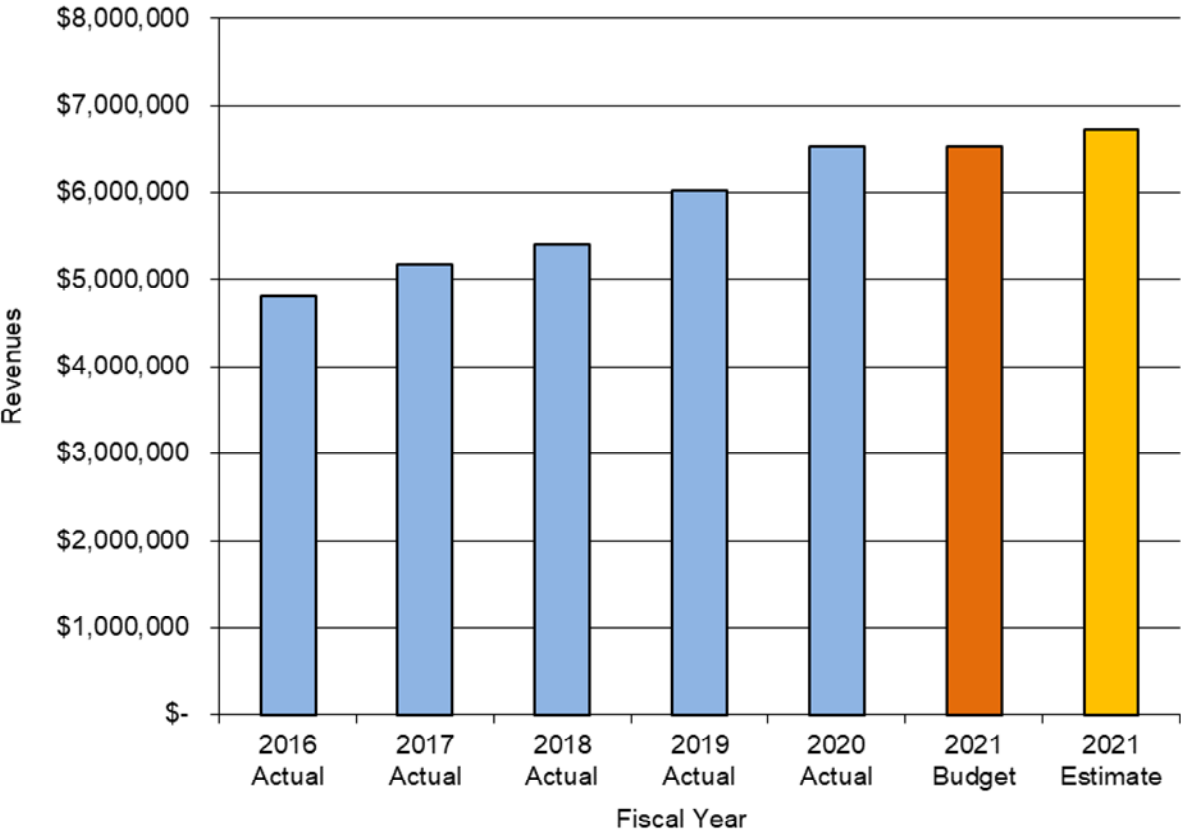
	Year-to-Date thru November				
	FY 2020	FY 2021	More/(Less)	Budget	Over / (Under)
Revenues					
Property Taxes	\$ 311,794	\$ 282,481	\$ (29,313)	\$ 315,092	\$ (32,611)
Licenses & Permits					
Business Licenses	246,691	301,753	55,062	215,514	86,239
MASC Telecommunications	-	-	-	-	-
MASC Insurance Tax Collection	-	-	-	-	-
Franchise Fees	501,258	515,924	14,666	499,968	15,956
Building Safety Permits	1,022,178	1,278,793	256,615	792,115	486,678
Application Fees	30,120	30,895	775	23,516	7,379
Administrative Fees	-	-	-	-	-
Total Licenses & Permits	1,800,247	2,127,365	327,118	1,531,112	596,253
Grants and Entitlements	76,421	76,421	-	70,000	6,421
Intergovernmental	-	-	-	-	-
Service Revenues	347,462	350,527	3,065	245,786	104,741
Fines & Fees	56,256	39,390	(16,866)	68,805	(29,415)
Interest Income	23,877	7,736	(16,141)	12,856	(5,120)
Miscellaneous Revenues	103,286	76,904	(26,382)	96,217	(19,312)
Total Revenues	<u>2,642,922</u>	<u>2,884,404</u>	<u>241,481</u>	<u>2,269,868</u>	<u>614,536</u>
Total Revenues and Other Financing Sources	<u>\$ 2,642,922</u>	<u>\$ 2,884,404</u>	<u>\$ 241,481</u>	<u>\$ 2,269,868</u>	<u>\$ 614,536</u>

	Year-to-Date thru November				
	FY 2020	FY 2021	More/(Less)	Budget	Over / (Under)
Expenditures					
Town Council	\$ 53,450	\$ 42,968	\$ (10,482)	\$ 43,017	\$ (49)
Executive	360,227	321,523	(38,704)	367,619	(46,096)
Economic Development	151,468	152,767	1,299	161,280	(8,513)
Human Resources	135,685	131,216	(4,469)	145,556	(14,340)
Police	2,991,669	2,543,769	(447,900)	3,029,674	(485,905)
Municipal Judges	20,455	20,450	(5)	23,636	(3,186)
Municipal Court	125,334	160,323	34,989	126,443	33,880
Finance	345,907	366,904	20,997	376,550	(9,646)
Information Technology	552,024	512,361	(39,663)	586,786	(74,425)
Customer Service	95,490	84,964	(10,526)	123,212	(38,248)
Planning & Community Development	389,294	380,861	(8,433)	517,601	(136,740)
Building Safety	294,520	225,458	(69,062)	307,866	(82,408)
Project Management	318,659	314,553	(4,106)	352,374	(37,821)
Public Works	618,336	655,512	37,176	829,697	(174,185)
Town Wide	741,402	953,303	211,901	951,095	2,208
Total Expenditures	<u>7,193,918</u>	<u>6,866,932</u>	<u>(326,986)</u>	<u>7,942,406</u>	<u>(1,075,474)</u>
Other Financing Uses					
Transfers Out to Capital Improvements Program	1,650	-	(1,650)	-	-
Total Transfers	<u>1,650</u>	<u>-</u>	<u>(1,650)</u>	<u>-</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 7,195,568</u>	<u>\$ 6,866,932</u>	<u>\$ (328,636)</u>	<u>\$ 7,942,406</u>	<u>\$ (1,075,474)</u>

Revenue Analysis



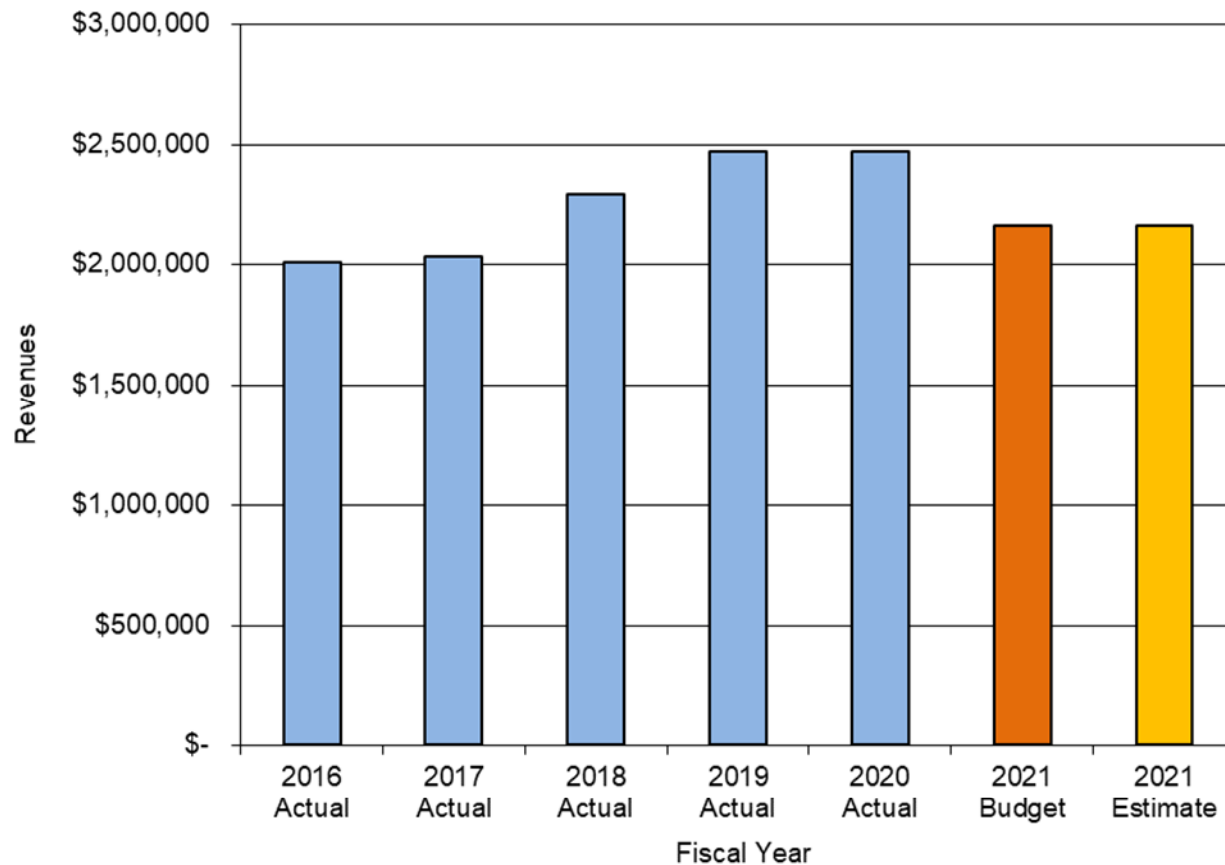
Property Taxes



Fiscal Year	Revenues	Percent Change
2015	4,471,223	9.0%
2016	4,802,102	7.4%
2017	5,170,871	7.7%
2018	5,405,760	4.5%
2019	6,025,904	11.5%
2020	6,530,272	8.4%
2021 Budget	6,533,000	0.0%
2021 Estimate	6,725,152	3.0%

Revenue Analysis

Business Licenses



Fiscal Year	Revenues	Percent Change
2015	1,786,429	26.1%
2016	2,009,271	12.5%
2017	2,030,598	1.1%
2018	2,295,476	13.0%
2019	2,470,803	7.6%
2020	2,473,713	0.1%
2021 Budget	2,161,080	-12.6%
2021 Estimate	2,161,080	-12.6%

Revenue Analysis



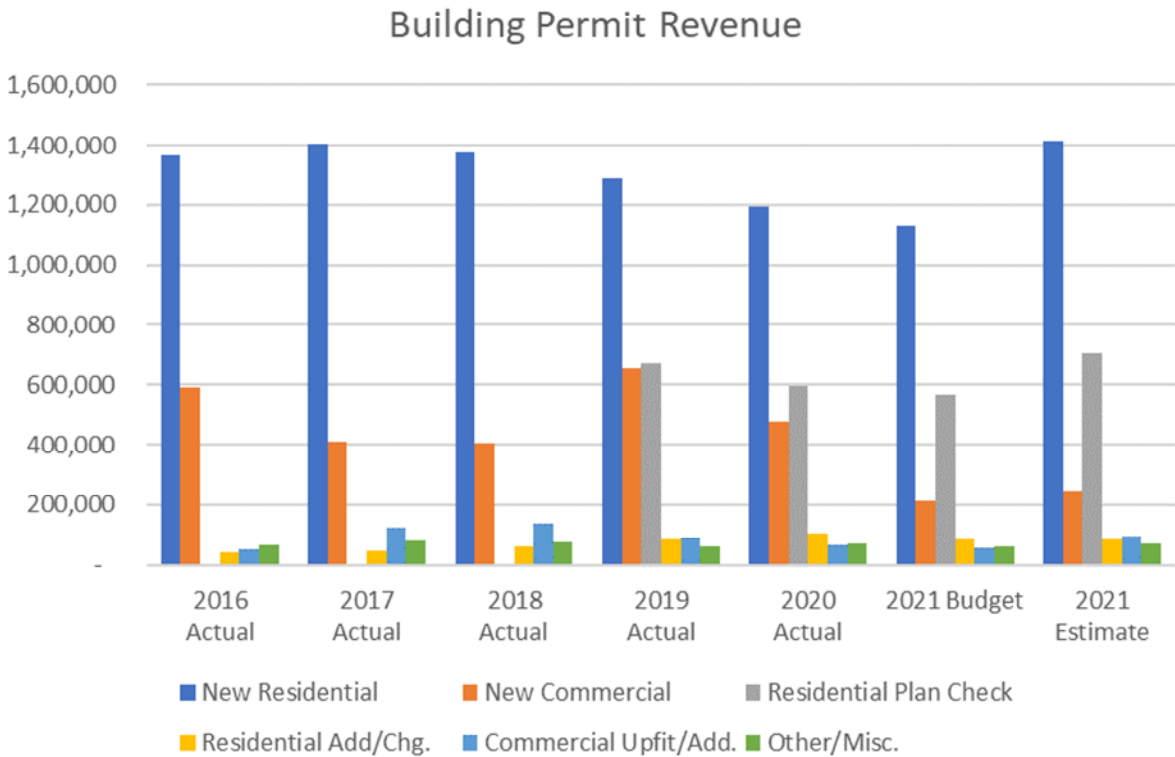
Business Licenses

	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020
Total Business Licenses at January 1	2,311	2,208	2,356	2,442	2,534	2,731	2,798	3,354	3,311	3,567
# of Renewals by December 31 (CYE)	1,787	1,904	1,977	2,115	2,206	2,273	2,521	2,720	2,979	2,756
Drop-off	(524)	(304)	(379)	(327)	(328)	(458)	(277)	(634)	(332)	(811)
New Business Licenses Issued	421	452	465	419	525	525	833	591	588	509
<i>Net Change in Active Business Licenses</i>	<i>(103)</i>	<i>148</i>	<i>86</i>	<i>92</i>	<i>197</i>	<i>67</i>	<i>556</i>	<i>(43)</i>	<i>256</i>	<i>(302)</i>
Total Active Business Licenses at December 31	2,208	2,356	2,442	2,534	2,731	2,798	3,354	3,311	3,567	3,265

Revenue Analysis



Permits

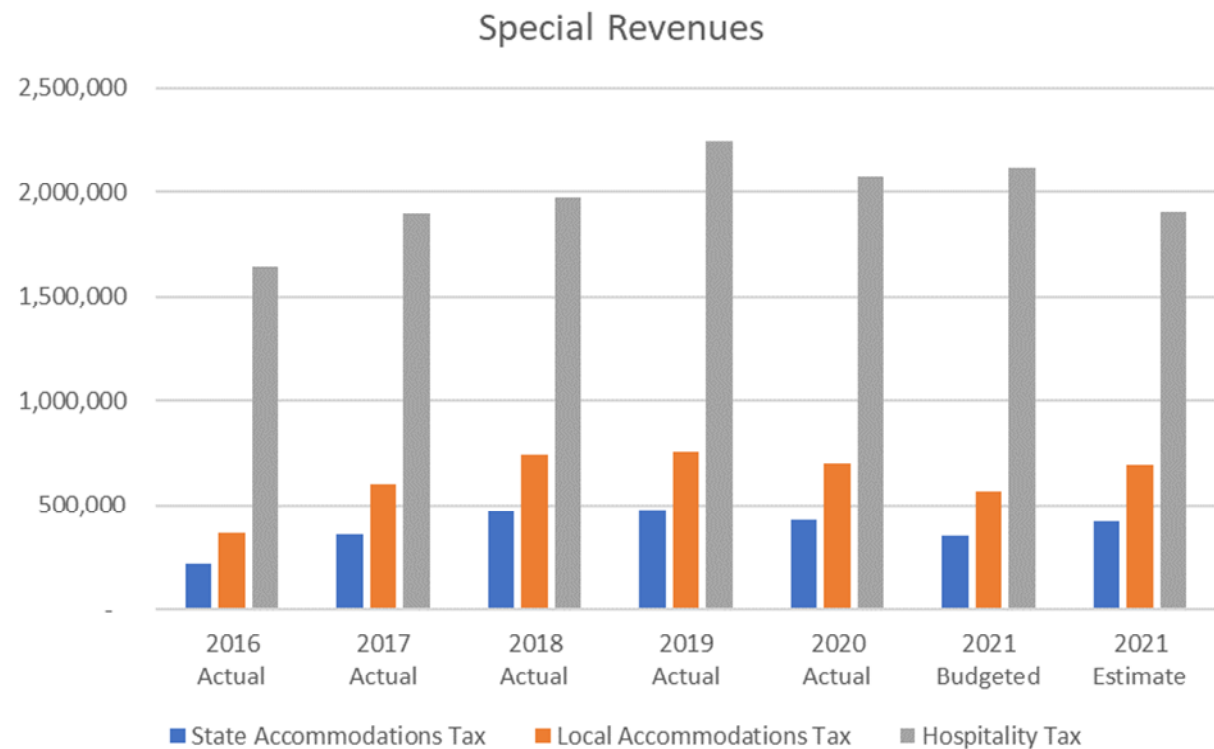


	New Residential	New Commercial	Residential Plan Check	Residential Add/Chg.	Commercial Upfit/Add.	Other/Misc.	Total
2016	1,366,226	593,730	-	41,210	52,669	64,386	2,118,221
2017	1,402,700	411,555	-	45,368	122,151	81,698	2,063,472
2018	1,378,309	405,485	-	60,750	137,686	76,882	2,059,112
2019	1,289,411	654,556	672,300	83,805	89,368	59,659	2,849,099
2020	1,194,251	477,836	598,158	102,171	64,278	70,592	2,507,286
2021 Budget	1,130,414	211,359	565,207	85,736	53,990	59,294	2,106,000
2021 Estimate	1,413,740	246,661	706,870	85,436	93,230	70,643	2,616,580

Revenue Analysis



Special Revenues



	State Accommodations Tax	Local Accommodations Tax	Hospitality Tax	Total
2016	219,154	367,524	1,638,762	2,225,439
2017	360,440	603,390	1,898,293	2,862,122
2018	471,071	743,927	1,975,209	3,190,207
2019	475,418	759,862	2,249,284	3,484,564
2020	430,128	704,353	2,075,693	3,210,174
2021 Budgeted	357,000	570,000	2,116,000	3,043,000
2021 Estimate	426,000	697,000	1,904,000	3,027,000

Year End General Fund Revenue Estimates

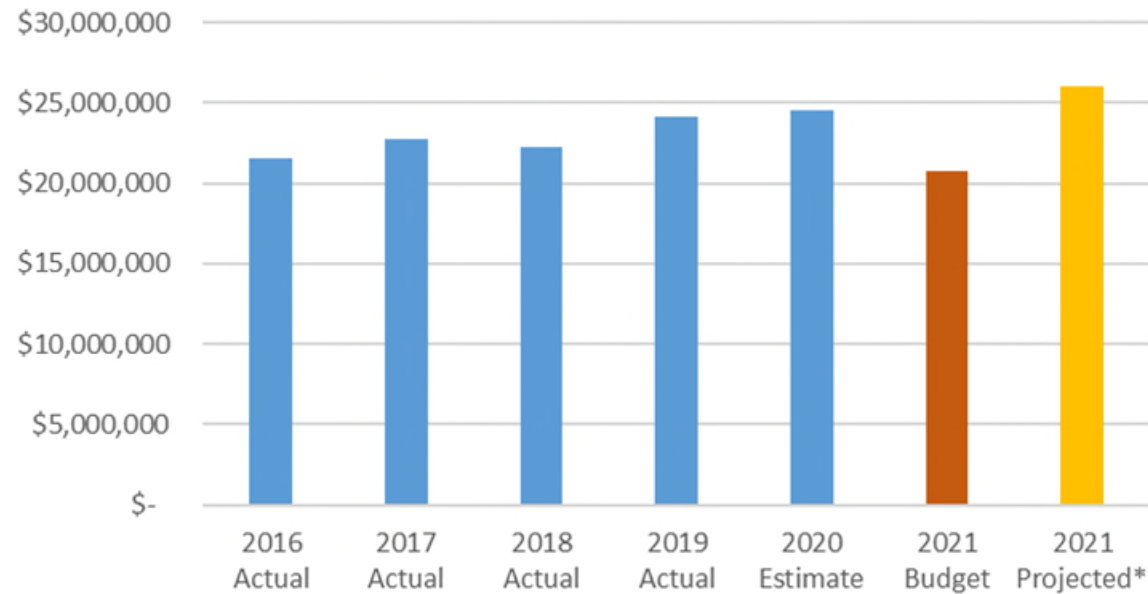
	FY 20201 Budget	FY 2021 Estimate	Over / (Under)
Revenues			
Property Taxes	6,533,000	6,725,152	192,152
Licenses & Permits			-
Business Licenses	2,161,080	2,161,080	-
MASC Telecommunications	68,000	65,000	(3,000)
MASC Insurance Tax Collection	2,341,000	2,442,764	101,764
Franchise Fees	2,758,000	2,765,115	7,115
Building Safety Permits	2,106,000	2,616,580	510,580
Application Fees	50,000	50,000	-
Administrative Fees	44,000	44,000	-
Total Licenses & Permits	9,528,080	10,144,539	616,459
Grants and Entitlements	538,000	408,000	(130,000)
Intergovernmental	280,000	280,000	-
Service Revenues	618,035	767,541	149,506
Fines & Fees	220,000	180,000	(40,000)
Interest Income	25,000	25,000	-
Miscellaneous Revenues	138,000	120,000	(18,000)
Total Revenues	17,880,115	18,650,232	770,117
			-
Transfers In - Other Funds	1,274,700	1,116,700	(158,000)
Transfers In - Prior Year Fund Balance	208,200	-	(208,200)
Total Other Financing Sources & Tranfers In	1,482,900	1,116,700	(366,200)
			-
Total Revenues and Other Financing Sources	\$ 19,363,015	\$ 19,766,932	403,917

Consolidated Year End Estimate

(Budgeted Funds)



Year End Fund Balance



*FY 2021 estimated fund balance includes \$5M in bond proceeds

General Fund, Stormwater Fund, Capital Improvements Program Fund, and Debt Service Fund

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Revised Budget	FY 2021 Estimate
REVENUES				
Property Taxes	\$ 8,734,446	\$ 9,203,000	\$ 9,342,507	\$ 9,534,659
Licenses & Permits	11,129,637	10,487,000	10,619,770	11,107,429
Stormwater Utility Fees	1,484,111	1,400,000	1,678,667	1,678,667
Grants and Entitlements	1,031,216	1,415,506	1,210,000	1,080,000
Intergovernmental	672,939	1,271,802	708,000	708,000
Service Revenues	1,187,988	825,000	618,035	767,541
Fees and Fines	190,877	202,000	220,000	180,000
Interest Income	44,487	35,200	29,400	29,400
Miscellaneous	469,858	138,000	138,150	5,123,150
Total Revenues	24,945,559	24,977,508	24,564,529	30,208,847
EXPENDITURES				
Personnel and Operating	16,557,990	18,845,320	20,117,532	20,117,532
Debt Service				
Principal	1,337,086	1,367,903	1,324,604	1,524,380
Interest & Other Charges	476,432	448,138	307,864	401,272
Capital Outlay	7,174,186	7,848,555	11,701,061	11,701,061
Total Expenditures	25,545,694	28,509,916	33,451,061	33,744,245
Excess (Deficiency) of Revenues				
Over Expenditures	(600,135)	(3,532,408)	(8,886,532)	(3,535,398)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources and Uses	2,509,244	3,893,891	3,337,799	4,073,714
Net Change in Fund Balance	1,909,109	361,483	(5,548,733)	538,316
Fund Balance - Beginning	22,224,759	24,133,868	24,495,351	24,495,351
Fund Balance - Ending	\$ 24,133,868	\$ 24,495,351	\$ 18,946,618	\$ 25,033,667

Midyear Budget Status Update

Questions?

