



## STAFF REPORT

### Finance and Administration Department

<b>MEETING DATE:</b>	February 9, 2021
<b>PROJECT:</b>	Consideration of an Ordinance Amending the Town of Bluffton Fiscal Year 2021 Budget to reflect the issuance and sale of General Obligation Bonds, 2020A for the purpose of funding the Town of Bluffton Stormwater Utility Fund Capital Improvements Program Project Fund and associated fees and Donation – First Reading
<b>PROJECT MANAGER:</b>	Chris Forster, MPA, CPFO, CGFM, Director of Finance and Administration

#### **RECOMMENDATION:**

Town Council consider the approval of the proposed ordinance amending the FY 2021 budget increasing the Debt Service Fund \$1,103,408, the Stormwater Utility Fund \$93,051, and the new Capital Improvements Program Project Fund \$5,080,000 to reflect the issuance and sale of General Obligation Bonds, 2020A for the purpose of funding the Town of Bluffton Stormwater Utility Fund Capital Improvements Program Project Fund and the associated fees. As well as an increase to the General Fund of \$9,000 to reflect a private donation to provide AED equipment for the Police department.

#### **BACKGROUND/DISCUSSION:**

Town Council authorized the issuance and sale of not to exceed \$5,250,000 General Obligation Bonds, 2020 or such other appropriate series designation (the “Bonds”), for the purpose of funding the Town of Bluffton Stormwater Utility Fund Capital Improvements Program projects on second and final reading at the November 10, 2020 Town Council meeting.

Our Bond Counsel, Francenia Heizer, Esquire with Burr Forman McNair and our Financial Advisor, Brian Nurick, Senior Managing Director with Compass Municipal Advisors, LLC, recommended that the Bond be issued before the end of 2020 to take advantage of favorable interest rates.

On December 3, 2020, the Town of Bluffton sold twenty-year General Obligation Bonds, Series 2020A with a Par Value of \$5,080,000 and a net interest rate of 1.698% taking advantage of favorable interest rates and the Town’s strong financial position.

The increase to the Debt Service Fund of \$1,103,408 is to record the transfer in from the Stormwater Utility Fund for the first interest payment of \$93,408 and principal payment of \$1,010,000 which is offset by the \$810,224 Deposit Net Bid Premium, resulting in the net payment of \$1,103,408.

The increase to the Stormwater Utility Fund of \$93,051 is to record the transfer to Debt Service for the first interest payment. Funds to cover the interest were budgeted in the FY 2021 revenue and therefore reflected as a reduction to fund balance.

The increase to the new Capital Improvements Program Project Fund of \$5,003,000 is to record the par value of the bonds of \$5,080,000 less the cost of issuance of \$77,000.

On January 27, 2021, the Town of Bluffton received a \$9,000 private donation to provide AED equipment for the Police department.

**ATTACHMENTS:**

1. Ordinance
  - Attachment A: General Fund Budget
  - Attachment B: Debt Service Fund Budget
  - Attachment C: Stormwater Utility Fund Budget
  - Attachment D: Capital Improvements Program Project Fund Budget
  - Attachment E: Consolidated Budget
2. Council Motion Recommendation

**AN ORDINANCE OF THE TOWN OF BLUFFTON  
ORDINANCE NO. 2021-  
FISCAL YEAR 2021 BUDGET**

**TO AMEND THE BUDGET FOR THE TOWN OF BLUFFTON, SOUTH CAROLINA, FOR THE FISCAL  
YEAR ENDING JUNE 30, 2021;  
TO PROVIDE FOR THE EXPENDITURES OF CERTAIN FUNDS;  
AND TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS.**

**WHEREAS**, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

**WHEREAS**, the Town Council did adopt Budget Ordinance 2020-07 on June 9, 2020; and did adopt Budget Amendment Ordinance 2020-23 on October 13, 2020; and did adopt Budget Amendment Ordinance 2020-26 on November 20, 2020;

**WHEREAS**, pursuant to Sections 6 and 7 of said budget ordinance, the Town Council is desirous of amending the budget so as to revised the General Fund to reflect revenue and expenditures associated with the private donation to provide AED equipment for the Police department; and

**WHEREAS**, pursuant to Sections 6 and 7 of said budget ordinance, the Town Council is desirous of amending the budget so as to revise the Debt Service Fund and Stormwater Utility Fund to reflect revenue and expenditures associated with the issuance and sale of General Obligation Bonds, 2020A for the purpose of funding the Town of Bluffton Stormwater Utility Fund Capital Improvements Program Project Fund; and

**WHEREAS**, pursuant to Section 3 of said ordinance, the Town Council is desirous of establishing a Capital Improvements Program Project Fund for the purpose of recording the General Obligation Bonds for the Stormwater Utility Projects; and

**NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BLUFFTON, SOUTH CAROLINA; AND IT IS ORDAINED BY THE AUTHORITY OF THE SAID TOWN COUNCIL:**

**SECTION 1. AMENDMENT**

The adopted fiscal year 2021 budget is amended to make the following changes and additions to the funds from prior years and to the projected revenue and expenditure accounts as follows:

**GENERAL FUND**

Revenues and Other Sources

Revenues

Donation	\$	9,000
----------	----	-------

Other Sources

Prior Year Fund Balance

Total Revenues and Other Sources	\$	9,000
----------------------------------	----	-------

**DEBT SERVICE FUND**

## Revenues and Other Sources

## Other Sources

Premium on Sale of Bonds	\$ 810,224
Transfer In - Stormwater Utility Fund	293,184
Total Revenues and Other Sources	<u>\$ 1,103,408</u>

## Expenditures and Other Uses

## Series 2020A GO Bond Debt Service

Principal	\$ 1,010,000
Interest	93,408
Total Expenditures and Other Uses	<u>\$ 1,103,408</u>

**STORMWATER UTILITY FUND**

## Revenues and Other Sources

## Other Sources

Prior Year Fund Balance	\$ 93,051
Total Revenues and Other Sources	<u>\$ 93,051</u>

## Expenditures and Other Uses

## Other Uses

Contribution to Fund Balance	\$ (357)
Transfer to Capital Improvements Program Fund	93,408
Total Expenditures and Other Uses	<u>\$ 93,051</u>

**STORMWATER UTILITY CAPITAL IMPROVEMENTS PROGRAM PROJECT FUND**

## Revenues and Other Sources

## Other Sources

Series 2020A GO Bond	\$ 5,080,000
Total Revenues and Other Sources	<u>\$ 5,080,000</u>

## Expenditures and Other Uses

Cost of Issuance	\$ 77,000
Other Uses	
Transfer to Capital Improvements Program Fund	708,565
Contribution to Fund Balance	4,294,435
Total Expenditures and Other Uses	<u>\$ 5,080,000</u>

The effect of this amendment will be to increase the General Fund to \$19,501,476 (Attachment A); the Debt Service Fund to \$5,125,119 (Attachment B); the Stormwater Utility Fund to \$2,538,882 (Attachment C); the Stormwater Utility Capital Improvements Program Project Fund to \$5,080,000 (Attachment D). The Capital Improvements Program Fund remains at \$11,619,161 for a total Consolidated Budget of \$43,864,638 (Attachment E).

## **SECTION 2. SEVERABILITY**

If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

## **SECTION 3. EFFECTIVE DATE**

This Ordinance shall be effective upon its enactment by the Town Council for the Town of Bluffton.

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF BLUFFTON ON  
THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2021.**

---

Lisa Sulka, Mayor  
Town of Bluffton, South Carolina

ATTEST:

---

Kim Chapman, Town Clerk  
Town of Bluffton, South Carolina

First Reading: February 9, 2021  
Second Reading:

Attachments:

- A. General Fund Budget
- B. Debt Service Fund Budget
- C. Stormwater Utility Fund Budget
- D. Capital Improvements Program Project Fund Budget
- E. Consolidated Budget



**Town of Bluffton  
General Fund Budget**

	<b>Adopted FY 2021 Budget</b>	<b>Carry Forward Budget Amendment</b>	<b>Budget Amendment #2</b>	<b>Budget Amendment #3</b>	<b>Proposed FY 2021 Budget</b>
<b>Revenues</b>					
Property Taxes	\$ 6,533,000	\$ -	\$ -	\$ -	\$ 6,533,000
Licenses & Permits					
Business Licenses	2,161,080	-	55,250	-	2,216,330
MASC Telecommunications	68,000	-	-	-	68,000
MASC Insurance Tax Collection	2,341,000	-	-	-	2,341,000
Franchise Fees	2,758,000	-	-	-	2,758,000
Building Safety Permits	2,106,000	-	-	-	2,106,000
Application Fees	50,000	-	-	-	50,000
Administrative Fees	44,000	-	-	-	44,000
Total Licenses & Permits	9,528,080	-	55,250	-	9,583,330
Grants and Entitlements	410,000	-	-	-	410,000
Intergovernmental	408,000	-	-	-	408,000
Service Revenues	618,035	-	-	-	618,035
Fines & Fees	220,000	-	-	-	220,000
Interest Income	25,000	-	-	-	25,000
Miscellaneous Revenues	138,000	-	-	9,000	147,000
<b>Total Revenues</b>	<b>17,880,115</b>	<b>-</b>	<b>55,250</b>	<b>9,000</b>	<b>17,944,365</b>
<b>Other Financing Sources</b>					
Transfers In	1,482,900	101,461	(27,250)	-	1,557,111
<b>Total Other Financing Sources &amp; Transfers In</b>	<b>1,482,900</b>	<b>101,461</b>	<b>(27,250)</b>	<b>-</b>	<b>1,557,111</b>
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 19,363,015</b>	<b>\$ 101,461</b>	<b>\$ 28,000</b>	<b>\$ 9,000</b>	<b>\$ 19,501,476</b>
<b>Expenditures</b>					
Town Council	\$ 117,185	\$ -	\$ -	\$ -	\$ 117,185
Executive	923,516	-	-	-	923,516
Economic Development	405,120	-	-	-	405,120
Human Resources	413,660	-	-	-	413,660
Police	7,102,892	-	-	9,000	7,111,892
Municipal Judges	59,910	-	-	-	59,910
Municipal Court	361,836	-	-	-	361,836
Finance	964,265	-	28,000	-	992,265
Information Technology	1,245,776	-	-	-	1,245,776
Customer Service	239,700	-	-	-	239,700
Planning & Community Development	1,368,670	-	-	-	1,368,670
Building Safety	680,505	-	-	-	680,505
Project Management	918,172	-	-	-	918,172
Public Works	2,064,708	-	-	-	2,064,708
Town Wide	2,439,100	-	-	-	2,439,100
<b>Total Expenditures</b>	<b>19,305,015</b>	<b>-</b>	<b>28,000</b>	<b>9,000</b>	<b>19,342,015</b>
<b>Other Financing Uses</b>					
Transfers Out to Capital Improvements Program Fund	58,000	101,461	-	-	159,461
<b>Total Transfers</b>	<b>58,000</b>	<b>101,461</b>	<b>-</b>	<b>-</b>	<b>159,461</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 19,363,015</b>	<b>\$ 101,461</b>	<b>\$ 28,000</b>	<b>\$ 9,000</b>	<b>\$ 19,501,476</b>



**Town of Bluffton  
Debt Service Fund Budget**

	<b>Adopted FY 2021 Budget</b>	<b>Carry Forward Budget Amendment</b>	<b>Budget Amendment #2</b>	<b>Budget Amendment #3</b>	<b>Proposed FY 2021 Budget</b>
<b>Revenues</b>					
<b>Property Taxes</b>					
Real & Personal Property Tax (TIF)	\$ 2,429,000	\$ -	\$ -	\$ -	\$ 2,429,000
GO Bond Debt Service Property Tax	380,507	-	-	-	380,507
Total Property Tax	2,809,507	-	-	-	2,809,507
<b>Licenses &amp; Permits</b>					
Municipal Improvement District Fee	262,440	-	-	-	262,440
<b>Grants and Entitlements</b>	-	-	-	-	-
<b>Intergovernmental</b>	-	-	-	-	-
<b>Service Revenues</b>	-	-	-	-	-
<b>Fines &amp; Fees</b>	-	-	-	-	-
<b>Interest Income</b>	4,400	-	-	-	4,400
<b>Miscellaneous Revenues</b>	-	-	-	-	-
Total Revenues	3,076,347	-	-	-	3,076,347
<b>Other Financing Sources</b>	-	-	-	-	-
Premium on Sale of Bonds	-	-	-	810,224	810,224
<b>Transfers In</b>	555,281	390,083	-	293,184	1,238,548
Total Other Financing Sources & Transfers In	555,281	390,083	-	1,103,408	2,048,772
<b>Total Revenues and Other Financing Sources</b>	\$ 3,631,628	\$ 390,083	\$ -	\$ 1,103,408	\$ 5,125,119
<b>Expenditures</b>					
<b>Series 2014 TIF Bonds Debt Service</b>					
Principal	\$ 808,488	\$ -	\$ -	\$ -	\$ 808,488
Interest	123,193	-	-	-	123,193
<b>Series 2020 GO Bonds Debt Service</b>					
Principal	210,000	-	-	-	210,000
Interest	166,371	-	-	-	166,371
<b>Series 2020A GO Bonds Debt Service (Projects)</b>					
Principal	-	-	-	1,010,000	1,010,000
Interest	-	-	-	93,408	93,408
<b>Miscellaneous</b>	50	-	-	-	50
Total Expenditures	1,308,102	-	-	1,103,408	2,411,510
<b>Other Financing Uses</b>					
Transfers Out to Capital Improvements Program Fund	2,323,526	390,083	-	-	2,713,609
Total Transfers	2,323,526	390,083	-	-	2,713,609
<b>Total Expenditures and Other Financing Uses</b>	\$ 3,631,628	\$ 390,083	\$ -	\$ 1,103,408	\$ 5,125,119



**Town of Bluffton**  
**Stormwater Utility Fund Budget**

	Adopted FY 2021 Budget	Carry Forward Budget Amendment	Budget Amendment #2	Budget Amendment #3	Proposed FY 2021 Budget
<b>Revenues</b>					
Stormwater Utility Fee	\$ 1,678,667	\$ -	\$ -	\$ -	\$ 1,678,667
Licenses & Permits					
NPDES Plan Review Fee	365,000	-	-	-	365,000
NPDES Inspection Fee	-	-	-	-	-
Total Licenses & Permits	365,000	-	-	-	365,000
Grants and Entitlements	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Service Revenues	-	-	-	-	-
Fines & Fees	-	-	-	-	-
Interest Income	150	-	-	-	150
Miscellaneous Revenues	-	-	-	-	-
Total Revenues	2,043,817	-	-	-	2,043,817
Other Financing Sources	-	-	-	-	-
Transfers In	-	402,014	-	93,051	495,065
Total Other Financing Sources & Transfers In	-	402,014	-	93,051	495,065
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 2,043,817</b>	<b>\$ 402,014</b>	<b>\$ -</b>	<b>\$ 93,051</b>	<b>\$ 2,538,882</b>
<b>Expenditures</b>					
Watershed Management	\$ 1,190,783	\$ -	\$ -	\$ -	\$ 1,190,783
Total Expenditures	1,190,783	-	-	-	1,190,783
<b>Other Financing Uses</b>					
Transfers Out to Capital Improvements Program Fund	722,677	402,014	-	-	1,124,691
Transfers Out to General Fund	130,000	-	-	-	130,000
Transfer to Debt Service	-	-	-	93,408	93,408
Contribution to Fund Balance	357	-	-	(357)	-
Total Transfers	853,034	402,014	-	93,051	1,348,099
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 2,043,817</b>	<b>\$ 402,014</b>	<b>\$ -</b>	<b>\$ 93,051</b>	<b>\$ 2,538,882</b>





**Town of Bluffton  
Capital Project Fund**

	<b>Adopted FY 2021 Budget</b>	<b>Carry Forward Budget Amendment</b>	<b>Budget Amendment #2</b>	<b>Budget Amendment #3</b>	<b>Proposed FY 2021 Budget</b>
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permits					
Grants and Entitlements	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Service Revenues	-	-	-	-	-
Fines & Fees	-	-	-	-	-
Interest Income	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-
<b>Other Financing Sources</b>	-	-	-	5,080,000	5,080,000
Transfers In	-	-	-	-	-
<b>Total Other Financing Sources &amp; Transfers In</b>	-	-	-	5,080,000	5,080,000
<b>Total Revenues and Other Financing Sources</b>	\$ -	\$ -	\$ -	\$ 5,080,000	\$ 5,080,000
<b>Expenditures</b>					
Cost of Issuance	\$ -	\$ -	\$ -	\$ 77,000	\$ 77,000
<b>Total Expenditures</b>	-	-	-	77,000	77,000
<b>Other Financing Uses</b>					
Transfers Out to Capital Improvements Program Fund	-	-	-	708,565	708,565
Contribution to Fund Balance	-	-	-	4,294,435	4,294,435
<b>Total Transfers</b>	-	-	-	5,003,000	5,003,000
<b>Total Expenditures and Other Financing Uses</b>	\$ -	\$ -	\$ -	\$ 5,080,000	\$ 5,080,000



**Town of Bluffton  
Consolidated Budget**

	<b>Adopted FY 2021 Budget</b>	<b>Carry Forward Budget Amendment</b>	<b>Budget Amendment #2</b>	<b>Budget Amendment #3</b>	<b>Proposed FY 2021 Budget</b>
<b>Revenues</b>					
General Fund	\$ 19,363,015	\$ 101,461	\$ 28,000	\$ 9,000	\$ 19,501,476
Stormwater Fund	2,043,817	402,014	-	93,051	2,538,882
CIP Fund	9,185,407	2,433,754	-	-	11,619,161
Debt Service Fund	3,631,628	390,083	-	1,103,408	5,125,119
Capital Project Fund	-	-	-	5,080,000	5,080,000
<b>Total Revenues</b>	<b>\$ 34,223,867</b>	<b>\$ 3,327,312</b>	<b>\$ 28,000</b>	<b>\$ 6,285,459</b>	<b>\$ 43,864,638</b>
<b>Expenditures</b>					
General Fund	\$ 19,363,015	\$ 101,461	\$ 28,000	\$ 9,000	\$ 19,501,476
Stormwater Fund	2,043,817	402,014	-	93,051	2,538,882
CIP Fund	9,185,407	2,433,754	-	-	11,619,161
Debt Service Fund	3,631,628	390,083	-	1,103,408	5,125,119
Capital Project Fund	-	-	-	5,080,000	5,080,000
<b>Total Expenditures</b>	<b>\$ 34,223,867</b>	<b>\$ 3,327,312</b>	<b>\$ 28,000</b>	<b>\$ 6,285,459</b>	<b>\$ 43,864,638</b>