



February 7, 2025

Town of Bluffton
c/o Finance Department
PO Box 386
20 Bridge Street
Bluffton, SC 29910

The Lowcountry Regional Transportation Authority DBA Palmetto Breeze appreciates the opportunity to submit this Fiscal Year 2026 budget request to the Town of Bluffton. Palmetto Breeze respectfully requests \$328,911 to support the provision of public transportation throughout the Hilton Head Island/Bluffton Urbanized Area, including the greater Bluffton area.

We realize that our request this year is more than last year due to increasing costs in nearly every aspect of our operations. Specific increases include inflation, insurance increases up to 30% for certain categories, a significant increase in costs for vehicle repairs due to fleet age and condition, and our inability to recruit experienced vehicle technicians which leads to costly outsourcing for repairs.

This amount represents our best estimate of the amount that will be needed to match the Federal grant that funds the urban service and is based on a comparative analysis of past grant funding.

HISTORY

Lowcountry RTA has been a rural (Section 5311) transportation provider since its inception in the late 1970s. The South Carolina Department of Transportation administers the rural grant programs that combined with fares and both state and local matching funds, account for the revenue necessary to operate the system. Historically, the local match has been provided by Allendale, Beaufort, Colleton, Hampton, and Jasper Counties, as well as the Town of Hilton Head Island. In February 2017, Lowcountry RTA was approved by the FTA as a direct recipient of urban (Section 5307) funds, designated to serve the Hilton Head Island/Bluffton Urbanized Area.

CURRENT LOCAL MATCH NEEDS

The most recent urban (Section 5307) grant project (for Federal Fiscal Year 2025) includes the operation of the Bluffton Breeze service, expansion of the trolley service, and facility improvements at our Benton Field Road campus, and has a total project cost of \$2,874,069. The grant funding for this project consists of \$1,206,375 in Federal funds and \$74,522 in State Mass Transit Funds. This leaves a total of \$1,593,142 in unmet need of which we estimate \$165,000 from fares received and \$249,248 from agreements/advertising and miscellaneous revenue. The



remaining amount of \$1,178,894 is needed in local matching funds that must be raised for the project.

Traditionally, these funds have been provided from the general funds of the Town of Bluffton, the Town of Hilton Head Island, and Beaufort County based on each jurisdiction's respective share of the total population of the urbanized area (as indicated in Table 1 below).

Table 1

	Population	Percentage	Local Match Share	
Town of Bluffton	31,323	27.90%	\$	\$328,911
Town of Hilton Head Island	37,805	33.68%	\$	\$397,051
Unincorporated Beaufort County, South	43,131	38.42%	\$	\$452,932
TOTAL	112,259	100%	\$	\$1,178,894

LOCAL COMMITMENT

Like most transit systems, Lowcountry RTA relies on local, state, and federal funding to subsidize expenses and we appreciate the commitment that the Town of Bluffton has made by investing in the regional transportation system. The funding provided by the Town plays a vital role in the continuation of existing services in Bluffton, as well as the future development of the urban services into what will likely result in a robust regional transit network. The funding provided this fiscal year will go toward covering our operating costs, including operator's wages, fuel, preventive maintenance of capital assets, and the materials and supplies necessary to provide public transportation in the Hilton Head Island/Bluffton Urbanized Area.

Please contact me directly at (843) 757-5784 or by email at khepburn@palmettobreezetransit.com should you have any questions or concerns regarding this request and once a final decision has been made on the funding request.

Sincerely,

A handwritten signature in blue ink that reads "Kristine Hepburn". The signature is fluid and cursive.

Kristine Hepburn
Finance Director

Lowcountry Regional Transportation Authority
 FY 2025-2026 Budget

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	FY 2025 Budget	FY 2026 Budget	Revenues FY2026
Capital			
Bus			
Hardware		\$ 1,257,384	\$ 1,257,384
Training		20,000	\$ 20,000
Security/surv		10,000	\$ 10,000
shop equipment		26,000	\$ 26,000
Planning/Marketing		20,000	\$ 20,000
Total Capital	\$ 441,708	\$ 1,368,384	\$ 1,368,384
Operating			
Miscellaneous Expenses	\$ 600		
Bad Debt Expense	2060		
Returned Check	-		
Bank Charges	0		
Late Charges	-		
Gain/Loss on Disposal	-		
Service & Finance Charges	10300		
Misc Goodwill	7000		
Interest Expense	0		
Depreciation Expense	824,000		
BJEOC Vehicle Maintenance Expenses	-		
Local Match Expenses	-		
Net Pension Liability Expense	-		
Other Post Employment Benefits (OPEB) Expense	-		
Emergency Operations Expenses	-		
Agency Expense Subtotal	\$ 815,650	\$ 843,960	\$ 843,960
Administration Wages	443,300		
Administration Overtime	0		
Administrative Fringe	322,288		
Utilities	16,800		
Postage & Freight	1,200		
Office Supplies/Computer/Security	16,815		
Legal & Professional Services	60,000		
Advertising & Marketing	40,000		
Dues & Subscriptions	7,500		
Travel & Training	11,600		
Insurance	321,090		
HR/Payroll Expenses	27,200		
Miscellaneous Expenses	9,025		
Administration Departmental Expense Subtotal	1,128,529	1,276,818	1,276,818
Maintenance Wages	307,761		
Maintenance Overtime	13,453		
Maintenance Fringe	128,604		
Utilities	40,922		
Office Supplies/Computer/Security	12,301		
Travel & Training	4,590		
Personnel Expenses	8,568		
Facility Maintenance	36,340		
Vehicle Maintenance	457,379		
Uniforms	5,263		
Maintenance Departmental Expense	763,623	1,015,181	1,015,181
Operations Wages	1,930,161		
Operations Overtime	95,835		
Operations Fringe	793,009		
Utilities	21,100		
Office Supplies/Computer/Security	127,300		
Travel & Training	6,000		
Personnel Expenses	10,564		
Uniforms	13,500		
Vehicle Maintenance/contract services	25,064		
Fuel	565,818		
Misc	5,900		
Operations Departmental Expense	3,542,511	3,594,252	3,594,252
Total Operating	\$ 6,250,313	\$ 6,730,211	\$ 8,098,595
Less Depreciation (paper number)	-\$ 800,000	\$ 824,000	\$ 824,000
TOTAL (Operating less depreciation expense)	-\$ 800,000	\$ 5,906,211	
Total Operating and Capital less depreciation			\$ 7,274,595

Lowcountry Regional Transportation Authority
 FY 2025-2026 Budget Revenue Summary

	FY 2024-2025 Budget	FY 2026 Proposed Budget
Revenues		
Fares	363,301	330,000
Local Match and	1,565,736	2,731,281
Federal Grants	4,347,160	3,700,800
State Grants	489,983	492,515
Miscellaneous Revenue	100,000	20,000
TOTAL REVENUES	6,866,180	7,274,596



FINANCE AND ADMINISTRATION DEPARTMENT

Vision, Mission, and Values

Vision

A collaborative, people-first team focused on accomplishing our work with reliability, accuracy, and timeliness.

Mission

To support the overall mission of our organization by providing customer-focused, professional administrative services including finance, accounting, human resources, information technology, and general administrative services.

Values

<i>Collaboration</i>	Actively working together as a team to accomplish our individual and shared goals.
<i>Accuracy</i>	Performing our duties in a manner that ensures our work product is free of error.
<i>People-Centered</i>	Prioritizing the comprehensive needs of individuals to maximize effectiveness and success.
<i>Integrity</i>	Knowing and doing the right thing for the right reasons.
<i>Accountability</i>	Holding one another responsible for our words and actions.
<i>Timeliness</i>	Completing our work product in a time that ensures smooth operations.
<i>Service</i>	Approaching our work from the perspective that we are serving others.
<i>Stewardship</i>	Recognizing that we have been entrusted with the resources available for our use and that they don't belong to us.