



FY 2018  
PROPOSED CONSOLIDATED  
MUNICIPAL BUDGET  
WORKSHOP #1

Town of Bluffton, SC, Est. 1825

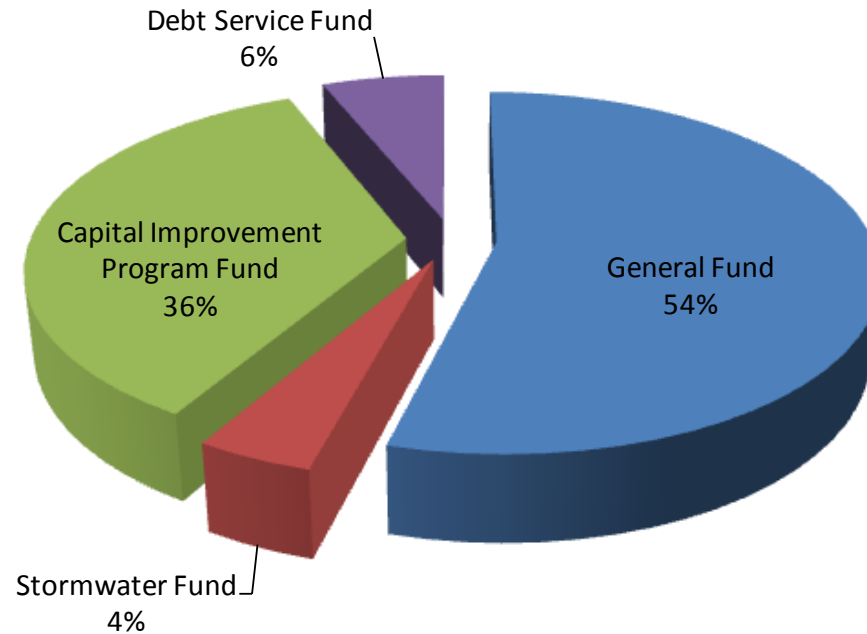
# Budget Workshop #1 Overview

- **General Fund**
  - Fund Balance Policy
- **Debt Service Fund**
- **Stormwater Fund**

# FY18 Budget Goals

- Deliver Town Council Strategic Plan Priorities
- Improve Core Services and Existing Programs
- Invest in Civic Space, Town Facilities, and Environmental Initiatives
- Train and Support Town Employees
- Improve Staff Efficiencies
- Build a Resilient Bluffton Community

# FY18 Proposed Consolidated Budget



	<b><i>FY 2017 Adopted Budget</i></b>	<b><i>FY 2017 Revised Budget</i></b>	<b><i>FY 2018 Proposed Budget</i></b>	<b><i>% Change</i></b>
General Fund	\$ 18,698,885	\$ 19,879,418	\$ 19,937,075	0.3%
Stormwater Fund	2,901,495	3,172,958	1,554,931	-51.0%
Capital Improvement Program Fund	12,492,115	16,649,408	12,991,240	-22.0%
Debt Service Fund	2,436,797	3,111,261	2,276,022	-26.8%
	<u>\$ 36,529,292</u>	<u>\$ 42,813,045</u>	<u>\$ 36,759,268</u>	<u>-14.1%</u>

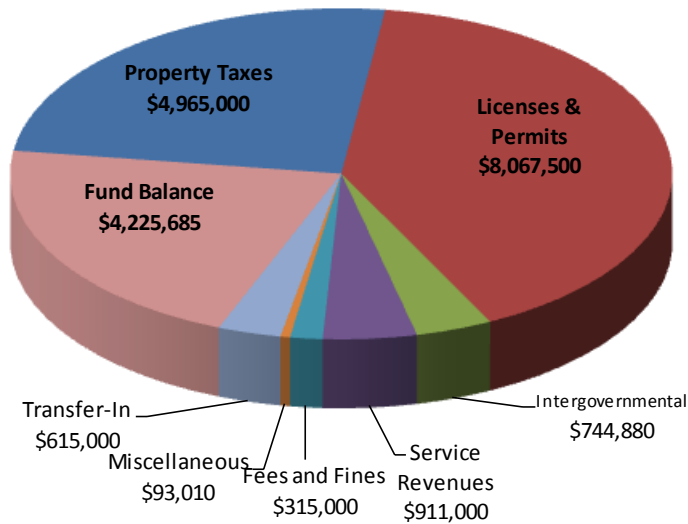
# General Fund



- Accounts for and reports the financial resources for the Town's primary operating fund
- The primary sources of revenue are property taxes and licenses and permit fees

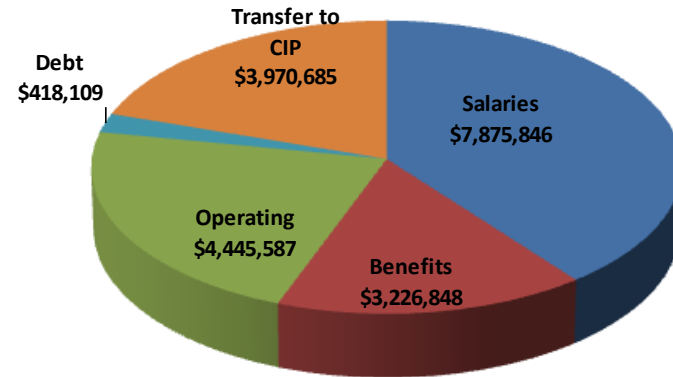
# FY18 Proposed General Fund Budget

## Where the Money Comes From



	Proposed Budget	% of Budget
Property Taxes	\$ 4,965,000	25%
Licenses & Permits	8,067,500	40%
Intergovernmental	744,880	4%
Service Revenues	911,000	5%
Fees and Fines	315,000	2%
Miscellaneous	93,010	0%
Transfer-In	615,000	3%
Fund Balance	4,225,685	21%
<b>Total Revenues</b>	<b>\$ 19,937,075</b>	

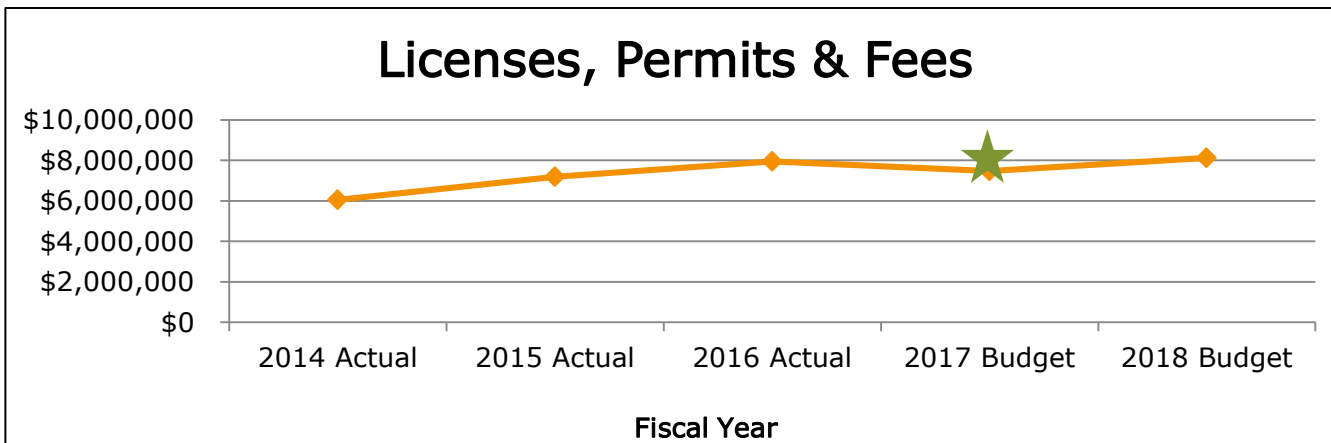
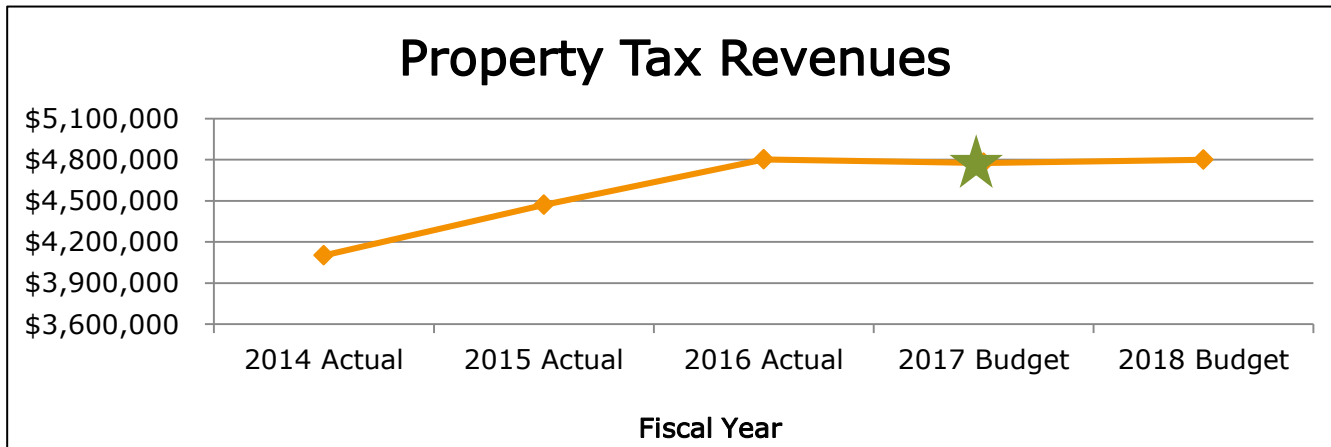
## Where the Money Goes



	Proposed Budget	% of Budget
Salaries	\$ 7,875,846	40%
Benefits	3,226,848	16%
Operating	4,445,587	22%
Capital Outlay	-	0%
Debt	418,109	2%
Transfer to CIP	3,970,685	20%
<b>Total Expenditures</b>	<b>\$ 19,937,075</b>	

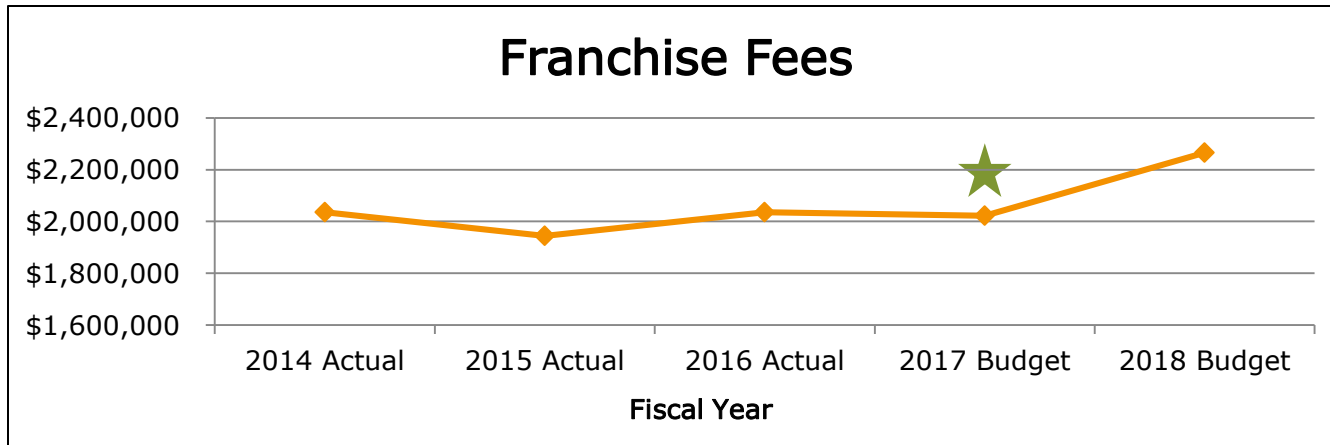
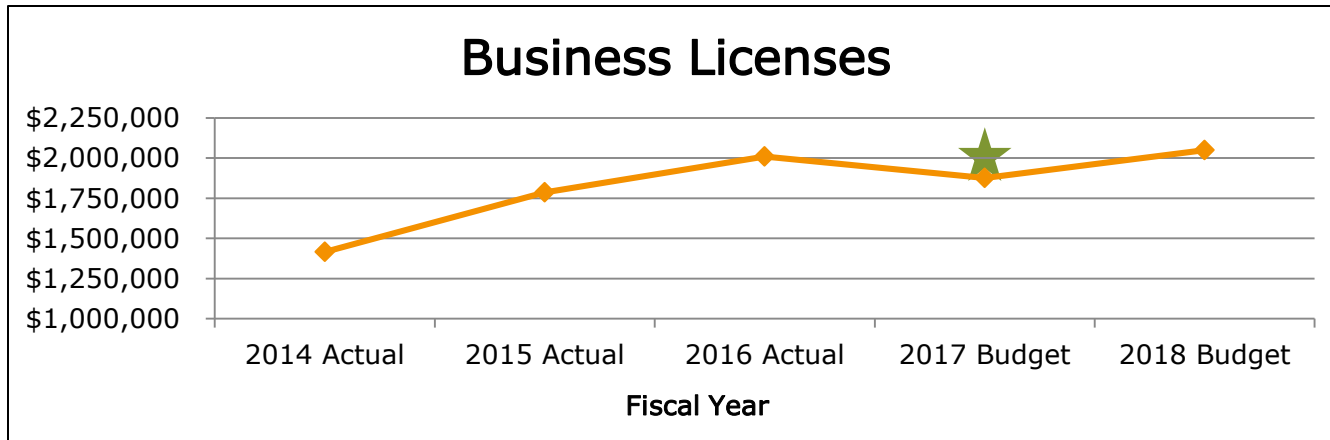
# General Fund Revenue Trends

Funds Support General Fund Operations and CIP Projects



★ 2017 Estimate

# Licenses, Permits & Fees Trends

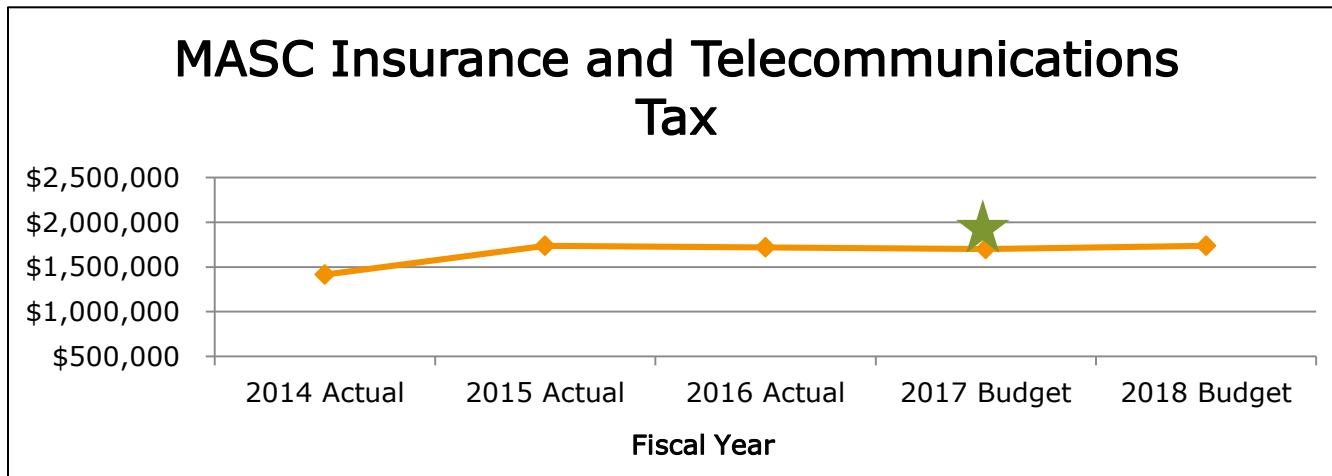
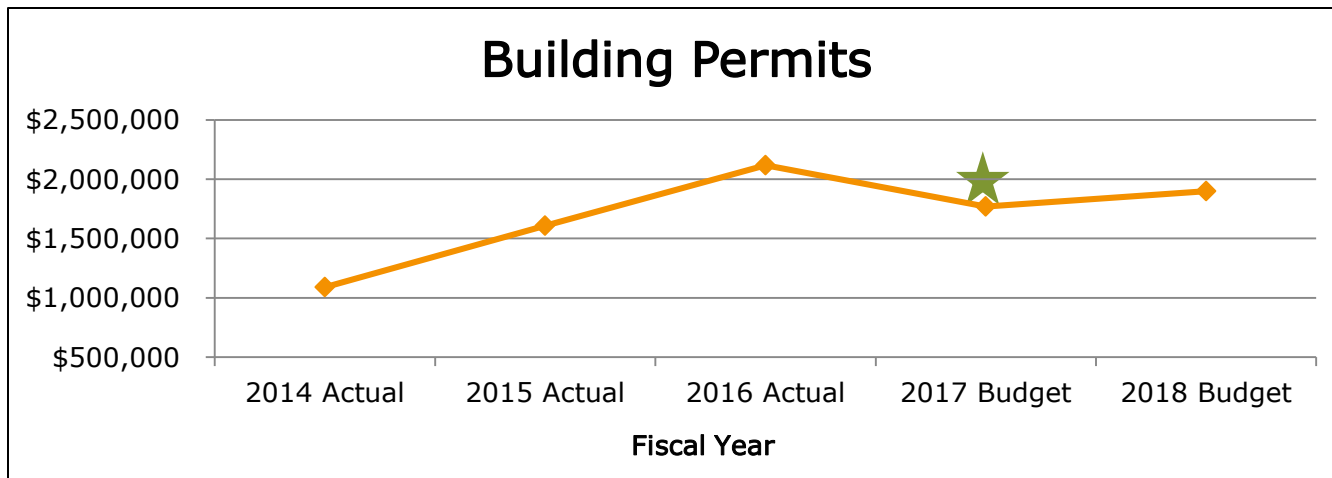


★ 2017 Estimate

Highlights



# Licenses, Permits & Fees Trends



★ 2017 Estimate

Highlights

# FY18 Revenue Highlights

- ✓ Business License Revenues of \$2,050,000  
DIRECTLY Support Business Initiatives
  - ✓ Don Ryan Center for Innovation Operations \$378,736
  - ✓ Bluffton Police Department Operations \$558,905
  - ✓ Business License Operations \$115,000
  - ✓ Parks Maintenance \$3,750
  - ✓ General Fund Transfer to CIP \$993,609

# FY18 Revenue Highlights

- ✓ Budgeted Property Tax Revenues:
  - ✓ \$4,965,000 General Fund
  - ✓ \$2,005,597 Debt Service
- ✓ Proposed reduction of property tax millage from ***42.35*** to ***40.35***
- ✓ Approximately \$353k direct reduction in General Fund and Debt Service Fund

# Estimated Value of a Mill

Estimated Assessed Value - FY 2018      \$176,585,190

Mill Value      \$176,585

Town of Bluffton FY18 Total Millage Rate      40.35

FY18 General Fund Millage Rate      37.00

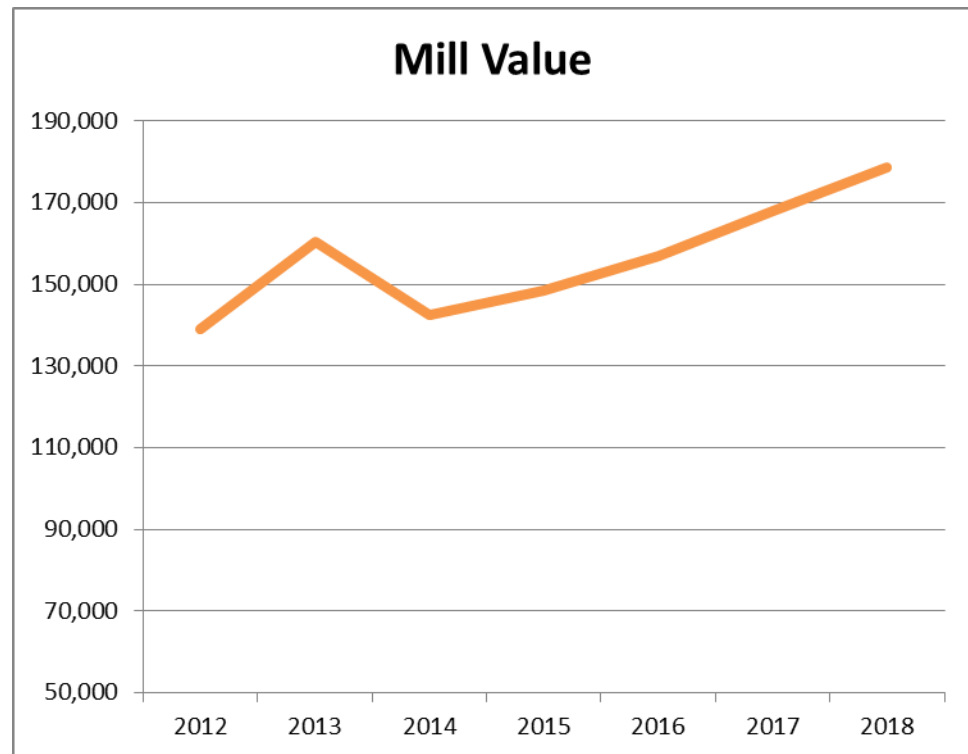
FY18 General Obligation Debt Service Millage Rate      3.35



# Millage Value

The Town estimates 6% growth in mill value from prior year.

Bluffton's robust economy has driven the Town's mill value beyond pre-reassessment values



# Residential Home – Appraised and Assessed Value Example - Proposed



My primary residence is appraised at \$250,000 and taxed at 4% resulting in an assessed value of \$10,000. If I multiply the \$10,000 by the proposed Town millage of 40.35 mills, my total town taxes are \$403.50 as high-lighted. The Town's portion represents approximately 25% of my total taxes.

Beaufort County is proposing a millage increase for FY2018 of 2.12 or impact of \$21.20 to this example.

610 Town of Bluffton	Millage	Millage * .001	Property Tax
County Operations	50.89	0.05089	\$ 508.90
County Debt	5.48	0.00548	54.80
County Purchase Prop	4.90	0.00490	49.00
*School Operations	111.50	0.11150	-
School Debt	31.71	0.03171	317.10
Bluffton Fire Operations	24.64	0.02464	246.40
Bluffton Fire Debt	1.10	0.00110	11.00
<b>Town of Bluffton Operations</b>	<b>37.00</b>	<b>0.03700</b>	<b>370.00</b>
<b>Town of Bluffton Debt</b>	<b>3.35</b>	<b>0.00335</b>	<b>33.50</b>
Total	270.57		\$ 1,590.70
*School Operations applicable to non residents and commercial taxpayers.			

# Commercial Property– Appraised and Assessed Value Example - Proposed



My business is valued at \$1,000,000 and taxed at 6% resulting in an assessed value of \$60,000. If I multiply the \$60,000 by the proposed Town millage of 40.35 mills, my total town taxes are \$2,421 as high-lighted. The Town's portion represents approximately 15% of my total taxes.

Beaufort County is proposing a millage increase for FY2018 of 2.12 or impact of \$127.20 to this example.

610 Town of Bluffton	Millage	Millage * .001	Property Tax
County Operations	50.89	0.05089	\$ 3,053.40
County Debt	5.48	0.00548	328.80
County Purchase Prop	4.90	0.00490	294.00
*School Operations	111.50	0.11150	6,690.00
School Debt	31.71	0.03171	1,902.60
Bluffton Fire Operations	24.64	0.02464	1,478.40
Bluffton Fire Debt	1.10	0.00110	66.00
<b>Town of Bluffton Operations</b>	<b>37.00</b>	<b>0.03700</b>	<b>2,220.00</b>
<b>Town of Bluffton Debt</b>	<b>3.35</b>	<b>0.00335</b>	<b>201.00</b>
Total	270.57		\$ 16,234.20
*School Operations applicable to non residents and commercial taxpayers.			

# FY18 Expenditure Highlights

- ✓ 2 NEW FTE's in the Department of Engineering
- ✓ Supports existing Community Policing, Planning and Community Development, Economic Development, Beautification, and other programs
- ✓ Employee Merit Increase – up to 3%
- ✓ State Insurance Health Premiums and Retirement Benefit Cost Increases
- ✓ \$3.97M Transfer to CIP Fund
- ✓ Meets 15% Emergency Reserve Fund Balance – Town Council Budget Policy



# FY18 Expenditure Highlights

- ✓ Supports Affordable Housing Committee Work Plan Implementation of \$425,000
  - ✓ FY17 spent to date \$68,593 to help 14 families including 1 road repair and 1 street sign
  - ✓ Work orders written to date 17 for roof repairs, floor repairs and electrical repairs
  - ✓ Additional work to be complete by end of May \$9,950

# Affordable Housing Committee Work Plan

Task	Proposed FY18				
	Town General Fund	Anticipated Carry Forward	SWU Funds	Grants	Total
<b>Home Repair / Rehabilitation</b>					
a. Home Repair - Minor	\$ 150,000	\$ 39,200			\$ 189,200
<b>Workforce Housing</b>					
a. Incentives - Developer		\$ 85,000			\$ 85,000
b. Incentives - Homeowner		\$ 55,000			\$ 55,000
<b>Property Maintenance</b>					
a. Abatement / Demolition of Unsafe Structures	\$ 15,000	\$ 15,000			\$ 30,000
b. Property Clean Up	\$ 5,000	\$ 5,000			\$ 10,000
c. Private Road Repair for Emergency Access	\$ 9,000	\$ 6,000			\$ 15,000
d. Septic System Repair / Sewer Connection		\$ 19,800	\$ 20,000		\$ 39,800
e. E-911 Addressing	\$ 1,000				\$ 1,000
<b>TOTAL BUDGET</b>	<b>\$ 180,000</b>	<b>\$ 225,000</b>	<b>\$ 20,000</b>		<b>\$ 425,000</b>

\*Proposed Program enhancements include land acquisition, construction of workforce housing, down payment assistance

\*Proposed funding increased \$15k with \$10k roof and \$5k repair with an additional \$5k repair upon approval by AHC

\*Affordable Housing Committee's program policy has the flexibility to be amended and budget reallocation upon amended policy approval

\*Affordable Housing Committee passed a motion on Tuesday, April 4, 2017 to recommend the FY 2018 work plan and associated budget

# FY18 Expenditure Highlights

- ✓ Supports Beautification Committee Work Plan Implementation of \$55,000
  - ✓ FY17 spent to date \$19,892 including
    - ✓ Annuals for May River Road
    - ✓ Plantings and irrigation for Oyster Factory Park
    - ✓ Twenty tabby planters for the Adopt-A-Planter program
    - ✓ Annuals for Town welcome signs

# FY18 Expenditure Highlights

## Don Ryan Center for Innovation

Where the Money Comes From	Proposed Budget	Where the Money Goes	Proposed Budget
Town	\$ 378,736	Personnel	\$ 332,046
DRCI North - City of Beaufort	23,900	Operating Expenses	
Rental Income	16,200	Meals/Travel/Lodging	5,000
Grant Income	7,500	Conferences/Training	2,000
DRCI Corporate and Facility Sponsors	35,000	Recruitment	5,000
Tournament Income (Fall)	46,000	Books/Subscriptions/Dues	945
Spring Fundraising Event	6,000	County Alliance	10,000
DRCI Member Program	4,800	Office Supplies	4,200
Miscellaneous Income	120	Marketing/Advertising	31,600
Foundation (Spendable Income)	2,400	Marketing/Advertising - North	7,500
	<u>\$ 520,656</u>	Banking Fees	600
		Office Equipment/Furniture/Fixtures	500
		Cloud Services	1,200
		Utilities - Condo	11,430
		Cable/Phone	4,272
		CAM	5,400
		Insurance	5,000
		Copier Lease	3,600
		Contract Services	15,000
		Legal Fees	1,200
		Golf Tournament Expenses	21,000
		Spring Fundraising Event Expense	3,000
		Grant Expenditures	7,500
		Capital Outlay	16,290
		Contingency	5,000
		Foundation Contribution (nonspendable)	21,373
			<u>\$ 520,656</u>

**Key:**

Town of Bluffton Support
City of Beaufort Support
DRCI Inc. Contribution

Highlights

# FY18 Expenditure Highlights

- ✓ Supports Program Enhancements
  - ✓ Community and Economic Development
  - ✓ Employees Training and Equipment
  - ✓ Public Works
  - ✓ Emergency Management
  - ✓ Growth Management
  - ✓ Technology
- ✓ Executive Summary Workforce and Departmental Budget Overview for details

Details

# Budget Workshop #1 Overview

- General Fund
  - Fund Balance Policy
- Debt Service Fund
- Stormwater Fund

# Fund Balance Policy Amendments

## General Fund:

- ✓ Unassigned Fund Balance Policy - from 10% to 25%
- ✓ Maintain the unspent affordable housing committee budget from the prior year as committed fund balance
- ✓ Vehicle and Equipment Replacement Reserve – from 105% to 115% of prior year depreciation, capped at \$1 million
- ✓ Shortfalls in fund balance will be remedied within 3 years

# Fund Balance Policy Amendments

## Capital Improvement Program Fund:

- ✓ Add \$500,000 minimum annual budget for a land acquisition/density reduction project. Unspent funds will be maintained as committed fund balance in an amount not to exceed the available assigned positive fund balance.

## Local Accommodations Tax Fund:

- ✓ Annual revenue collections designation - from 38% to 51% to be used for funding of Public Projects for tourism benefit transferred to the Capital Improvement Program fund quarterly.

Policy

Memo



# Budget Workshop #1 Overview

- General Fund
  - Fund Balance Policy
- **Debt Service Fund**
- Stormwater Fund

# 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
- AA+ Bond Rating – Standard and Poor's

# FY18 Debt Service Highlights

Description of Debt	Funding Source	Debt Outstanding	Fiscal Year 2018		
			Principal (P)	Interest (I)	Total P&I
Series 2010 BABs (GO)	Property Tax	\$5,650,000	\$235,000	\$307,625	\$542,625
Series 2014 Tax Increment Financing	TIF District Property Taxes	\$7,453,156	\$748,268	\$183,413	\$931,681

## General Obligation Bonds

- On July 8, 2010 the Town issued General Obligation Bonds, Series 2010 Taxable Build America Bonds backed by the full faith and credit of the Town for the Law Enforcement Center
- The repayment term on the bonds is 25 years and the debt service millage is set at 3.35 mills for FY 2018 (no increase from prior year.)
- The Town maintains a bond rating of Aa2 from Moody's and received a AA+ from Standard and Poor's rating agencies.
- Term ending 2035**

## TIF Special Revenue Bonds

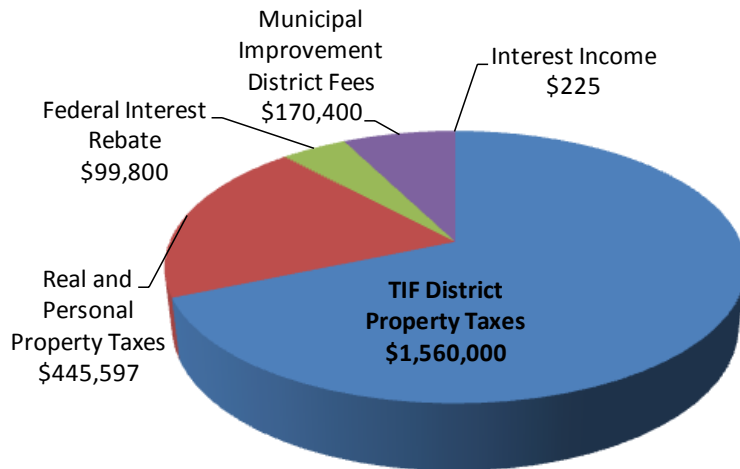
- In December of 2005 and January of 2006 the Town issued \$10 million and \$4 million tax increment financing bonds respectively for the purpose of financing redevelopment project costs including but not limited to Bluffton Parkway, Hampton Parkway, May River Streetscape Phase 1, Buck Island and Old Town Sewer Projects.
- These bonds have been refinanced twice consolidating them into one issuance with the most recent occurring in December of 2014
- Revenues for these payments are derived from property taxes collected within the tax increment district (R614) at 50% of the increased assessed value (increment) over the life of the bonds.
- Term ending 2026**

# Legal Debt Margin Calculation

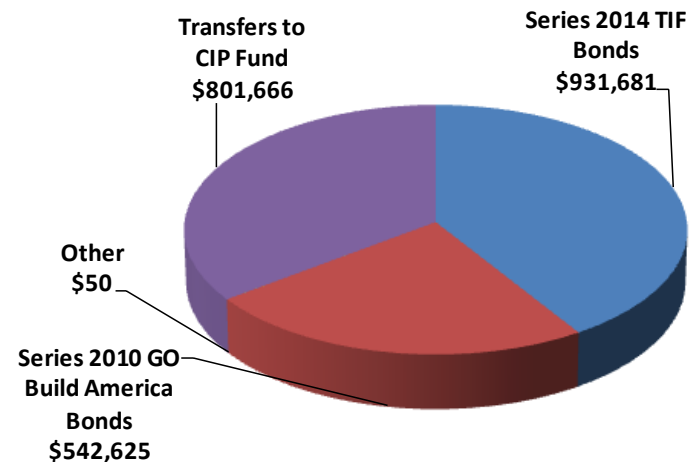
Estimated Assessed Value – FY 2018	\$176,585,190
Debt Limit (8% of assessed value)	14,126,800
Debt applicable to limit	( 5,650,000)
Legal Debt Margin (without a referendum)	<u>\$ 8,476,800</u>
As a percentage of debt limit	60%

# FY18 Proposed Debt Service Fund Budget

## Where the Money Comes From



## Where the Money Goes



	Proposed Budget	% of Budget
TIF District Property Taxes	\$ 1,560,000	69%
Real and Personal Property Taxes	445,597	20%
Federal Interest Rebate	99,800	4%
Municipal Improvement District Fees	170,400	7%
Interest Income	225	0%
<b>Total Revenues</b>	<b>\$ 2,276,022</b>	

	Proposed Budget	% of Budget
Series 2014 TIF Bonds	\$ 931,681	41%
Series 2010 GO Build America Bonds	542,625	24%
Other	50	0%
Transfers to CIP Fund	801,666	35%
<b>Total Expenditures</b>	<b>\$ 2,276,022</b>	

# Budget Workshop #1 Overview

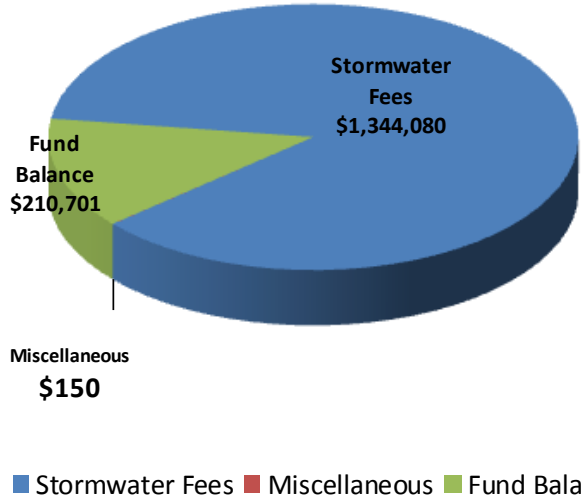
- General Fund
  - Fund Balance Policy
- Debt Service Fund
- **Stormwater Fund**

# Stormwater Fund

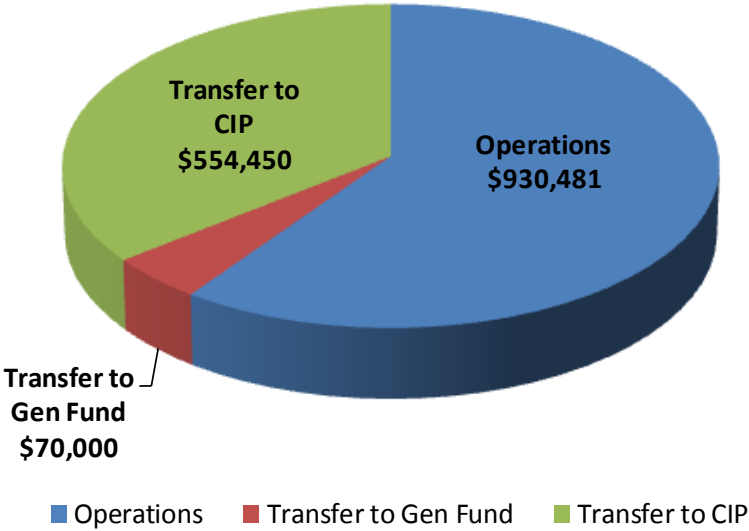
- Accounts for and reports the financial resources for stormwater-related expenditures including Watershed Management staffing and operations, routine watershed maintenance and capital projects
- The primary sources of revenue are stormwater utility fees and state and federal grants

# FY18 Proposed Stormwater Fund Budget

**Where the Money Comes From**



**Where the Money Goes**



	<b>Proposed Budget</b>	<b>% of Budget</b>
Stormwater Fees	\$ 1,344,080	86%
Miscellaneous	150	0%
Fund Balance	210,701	14%
<b>Total Revenues</b>	<b>\$ 1,554,931</b>	

	<b>Proposed Budget</b>	<b>% of Budget</b>
Operations	\$ 930,481	60%
Transfer to Gen Fund	70,000	4%
Transfer to CIP	554,450	36%
<b>Total Expenditures</b>	<b>\$ 1,554,931</b>	



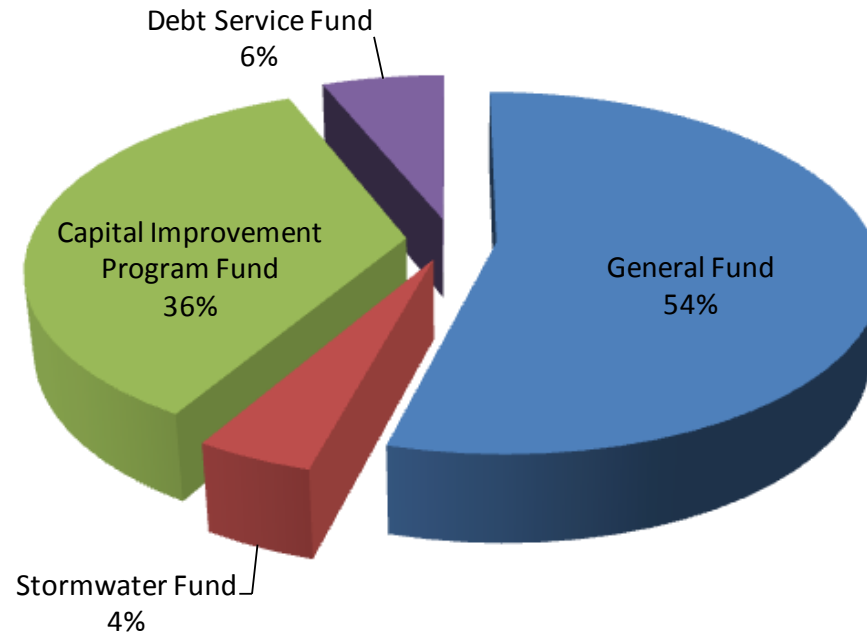
# FY18 Stormwater Fund Highlights

- ✓ Supports Watershed Management Division operations of \$930,481
  - ✓ Supports MS4 Program
  - ✓ Supports May River Watershed Action Plan assessment, update and implementation
  - ✓ Microbial Source Tracking efforts for identification of the source of bacterial pollution in the May River
  - ✓ Supports Asset Management software to assist in MS4 tracking, documentation, Town-wide maintenance and overall management of Town-owned assets.

# FY18 Stormwater Fund Highlights

- ✓ General Fund Support of \$70,000
  - ✓ Supports Drainage & Ditch Maintenance for Town performed, routine drainage maintenance work
  - ✓ Increased support for the Neighborhood Assistance Program – Septic System Assistance
- ✓ Capital Improvement Program Support of \$554,450
  - ✓ May River Preserve Storm Water Pond Development
  - ✓ Buck Island-Simmons ville Sewer Phase 5
  - ✓ Town Facility Improvements
  - ✓ Dr. Mellichamp Drive Storm Water Improvements

# FY18 Proposed Consolidated Budget



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	<u>\$ 36,529,292</u>	<u>\$ 42,813,045</u>	<u>\$ 36,759,268</u>	<u>-14.1%</u>

1. **May 9<sup>th</sup>, 2017** Town Council Meeting @ 6pm - First Reading, FY2018 Proposed Consolidated Municipal Budget
2. **May 17<sup>th</sup>, 2017** Town Council Budget Workshop @ 6pm
  - General Fund
  - Debt Service Fund
  - Stormwater Utility Fee Fund
3. **May 30<sup>th</sup>, 2017** Town Council Budget Workshop @ 6pm
  - Capital Improvements Program Fund
4. **June 13<sup>th</sup>, 2017** Town Council Meeting @ 6pm - Public Hearing and Second and Final Reading, FY2018 Proposed Consolidated Municipal Budget

## Budget Schedule

FY18 Proposed Consolidated Municipal Budget

