

# Memo

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**To:** Mayor and Council  
**From:** Shirley A. Freeman, Director of Finance/Administration  
**Date:** May 12, 2015  
**Subject:** FY 2015 Budget Amendment – First Reading

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Town of Bluffton  
20 Bridge Street  
PO Box 386  
Bluffton, SC 29910  
843.706.4500  
843.757.6720 (fax)

**Recommendation:** Approve the attached proposed ordinance increasing the Town of Bluffton's Debt Service Fund \$9,305,575 for the 2010 TIF Revenue Bond refinancing.

**Background:** To be in compliance with legal and GASB financial presentation requirements this budget amendment is a housekeeping item pursuant to the previously passed Ordinance #2014-18 on the 18<sup>th</sup> of November, 2014 authorizing the issuance of \$8,923,000 of tax increment financing bonds for a current refunding of the outstanding principal of the tax increment financing bonds refunded by the Town in 2010 and issued by the Town in 2005 and 2006. In order to be eligible for a Bank Qualified bond (debt issuing of less than \$10 million in a calendar year) and to receive a better rate, the remaining principal on the bond had to be reduced with an additional pay down of \$307,000. The refunding was undertaken to take advantage of the lower interest rates available in the tax exempt bond market. BB&T agreed to a negotiated interest rate of 2.58% and to decrease the refunding penalty to .25% (\$23,075).

**AN ORDINANCE OF THE TOWN OF BLUFFTON  
ORDINANCE NO. 2015-  
FISCAL YEAR 2015 BUDGET**

**TO AMEND THE BUDGET FOR THE TOWN OF BLUFFTON, SOUTH CAROLINA,  
FOR THE FISCAL YEAR ENDING JUNE 30, 2015;  
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 the budget on June 10, 2014; and

**WHEREAS**, pursuant to Sections 4 and 5 of said budget, the Town Council is desirous of amending the budget to revise the Debt Service appropriations for Fiscal Year 2015.

**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 2015 budget is amended to make the following changes and additions to the funds and to the projected revenue and expenditure accounts as follows:

**Debt Service Fund**

Account Description

Revenues & Other Sources:

Proceeds from Bond Issuance	\$ 8,923,000
Prior Year Fund Balance Transfer	382,575
Total Revenues & Other Sources	<u>\$ 9,305,575</u>

Expenditures and Other Uses:

Underwriter's Premium	\$ 23,075
Cost of Issuance	52,500
Principal Paydown	307,000
Current Refund of Existing Debt	8,923,000
Total Expenditures	<u>\$ 9,305,575</u>

The effect of this amendment will be to increase the Debt Service Fund to \$11,039,515. The General Fund remains at \$12,684,810, the Stormwater Fund remains at \$3,208,017 and the Capital Improvements Program Fund remains at \$7,978,058 for a total Consolidated Budget of \$34,910,400.

**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 \_\_\_\_\_, 2015.**

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Lisa Sulka, Mayor  
Town of Bluffton, South Carolina

ATTEST:

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Sandra Lunceford, Town Clerk  
Town of Bluffton, South Carolina

First Reading:

Second and Final Reading: