



Town of
BLUFFTON
South Carolina



Photo courtesy of Brett Lance Photography

POPULAR ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019

bluffton
HEART OF THE LOWCOUNTRY™

www.TownofBluffton.sc.gov



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Demographic and Economic Statistics

Population Statistics

Population.....	23,097 ⁽¹⁾
% Male	49.6% ⁽¹⁾
% Female.....	50.4% ⁽¹⁾
% with Bachelor's degree or higher	44.6% ⁽¹⁾
Median age	35.6 Years ⁽¹⁾
Per capita income	\$37,204 ⁽¹⁾
Median family income	\$74,695 ⁽¹⁾
Average travel time to work in minutes	27.5 ⁽¹⁾
Median value of owner-occupied housing	
Units.....	\$266,200 ⁽¹⁾
Average household size.....	2.77 ⁽¹⁾

References

- (1) U.S. Census Bureau, QuickFacts, July 2018 estimates
- (2) S.C. Department of Employment & Workforce (06/2019)
- (3) S.C. Department of Revenue

Sales tax rate.....7%⁽³⁾

Unemployment Rate

County.....	3.3% ⁽²⁾
State	3.5% ⁽²⁾

Town of Bluffton Vision and Mission

Bluffton, the Heart of the Lowcountry, a Town that Appreciates the Past, Focuses on Today and is Planning Together for a Greater Future.
We Take Care of our Citizens, the Town and Each Other by Continuously Making our Community and Organization Better.

A Message from the Director

To the Citizens of the Town of Bluffton:

I am pleased to present to you the Town of Bluffton's Popular Annual Financial Report for the fiscal year ended June 30, 2019. This report is intended to increase awareness throughout the community of the financial operations of the Town. As such, this report is written in a manner that will summarize and communicate, in a user-friendly manner, the Town's financial condition. I am pleased to announce that for the eighth consecutive year the Town of Bluffton received the Award of Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association (GFOA) for our Popular Annual Financial Report prepared for Fiscal Year ended June 30, 2018.

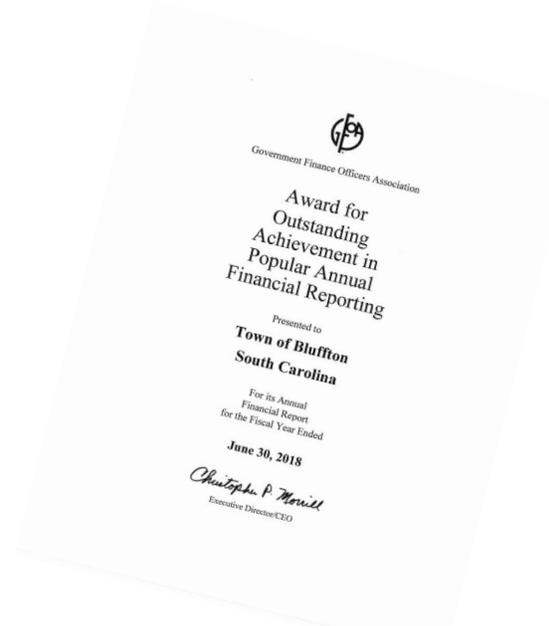
In addition to providing financial information, it is important to demonstrate what makes Bluffton a great place to live and work. Bluffton's "Heart of the Lowcountry" uniqueness contributes to a variety of community events and destinations. It is important for us to demonstrate the role that Town government is playing in supporting these activities.

Financial information within this report is derived in large part from the Town's 2019 independently audited set of financial statements that are prepared in accordance with generally accepted accounting principles. These audited statements are part of the Town's 2019 Comprehensive Annual Financial Report (CAFR). We are proud to say the Town's CAFR has been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for each of the last eleven years.

I welcome any feedback, comments, or concerns regarding the information included in this report.

Sincerely,

Vickie L. Isaacs,
Interim Director of Finance & Administration





Town of Bluffton, South Carolina

Established 1825

Bluffton at a Glance

Established in 1825 as a popular summer location for wealthy Savannah merchants and plantation owners, Bluffton is now considered one of the fastest-growing municipalities in the state. The town situated on a bluff along the May River just twelve miles from Hilton Head Island, has grown over 1000% since 2000. Now designated a National Historic District, Bluffton is part of the Hilton Head Urbanized Area, the Sun City-Hilton Head Urban Cluster and the Hilton Head Island—Bluffton—Beaufort Metropolitan Statistical Area.



USCB Beaufort—South Campus

Colleges and Universities

The following post-secondary schools provide educational advancement opportunities to the citizens of Bluffton:

- ▶ The University of South Carolina at Beaufort (USCB)
- ▶ The Technical College of the Lowcountry (TCL)
- ▶ Savannah College of Art and Design (SCAD)

Transportation

Bluffton is located:

- ▶ 15 miles from Interstate Highway 95
- ▶ 26 miles from the Savannah/Hilton Head International Airport
- ▶ 93 miles from the Charleston International airport
- ▶ 12 miles from the Hilton Head Island Airport

The Palmetto Breeze offers public transit service via ten routes through Bluffton daily.

The Town joined the Lowcountry Area Transportation Study (LATS), a Metropolitan Planning Organization for regional organization, which is federally mandated to plan for transportation improvements.



About this Report

Although this report is largely derived from the Town’s 2019 Comprehensive Annual Financial Report (CAFR), this report is not prepared in accordance with generally accepted accounting principles (GAAP). Information on governmental funds is presented using the current financial resources measurement focus and the modified accrual basis of accounting. The report is presented in a summarized manner and certain financial statements, discretely presented component units and note disclosures required by GAAP are omitted. A copy of the Town’s audited 2019 CAFR, which is prepared in accordance with GAAP and contains more detailed information, is located at <https://www.townofbluffton.sc.gov/finance-administration-department/financial-reports>, then under the CAFR title, 2019 CAFR.

Bluffton “Heart of the Lowcountry”

Bluffton as the “Heart of the Lowcountry,” embodies a unique variety of community events and destinations. The Town hosts festivals throughout the year that celebrate the May River, Gullah Heritage, seafood harvests and other local art and cultural interests. Bluffton supports its active community by providing for areas to engage in river sports, nature pathways and parks. Local art, festivals and activities foster community spirit among neighbors and provide a means for town expression and entertainment. Bluffton is the heart of the Lowcountry.

Parks & Leisure Trails

- ▶ DuBois Park
- ▶ Oyster Factory Park
- ▶ Oscar Frazier Park
- ▶ Buckwalter Regional Park
- ▶ Tom Herbkersman Commons
- ▶ Pritchard Pocket Park
- ▶ Buckwalter Place Greenway Trail
- ▶ MC Riley Sports Complex
- ▶ Bluffton Dog Park
- ▶ Martin Family Park



Lowcountry Artists

- ▶ Four Corners Art Gallery
- ▶ Jacob Preston Studio
- ▶ Society of Bluffton Artists
- ▶ Pluff Mud Art
- ▶ Palmetto Bluff Gallery
- ▶ Maye River Gallery
- ▶ The Filling Station Art Gallery
- ▶ Cedarstacker
- ▶ The Red Piano Art Gallery
- ▶ La Petite Gallery

Annual Festivals and Events

The Town helped to coordinate more than 357 special events during the year, below is a list of just a few:

- ▶ Bluffton Farmers Market
- ▶ Bluffton Village Festival
- ▶ Historic Bluffton Arts and Seafood Festival
- ▶ May River Clean-up
- ▶ Burning of Bluffton
- ▶ BBQ & Blues Festival
- ▶ Bluffton Boiled Peanut Festival
- ▶ Bluffton International Craft Beer Festival
- ▶ Historic Bluffton Turkey Chase 5k
- ▶ National Night Out
- ▶ Annual Bluffton Christmas Tree Lighting and Light Up the Night Events
- ▶ Bluffton Christmas Parade





Town of Bluffton, South Carolina

Established 1825

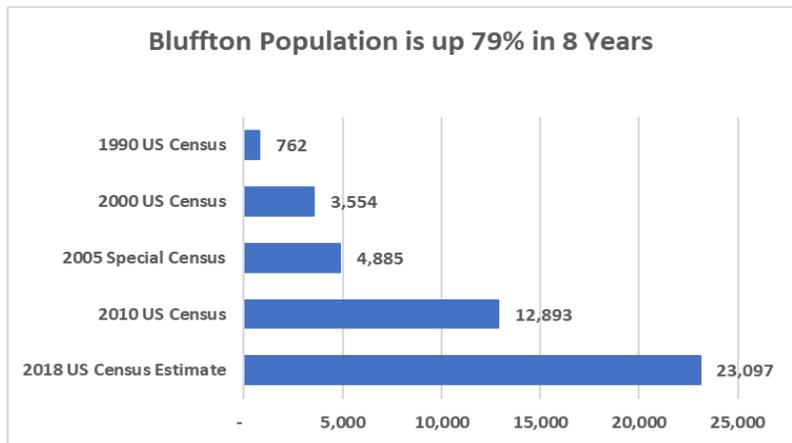
Elected Officials

The Town of Bluffton was incorporated in 1852. The Town operates under a Council–Manager form of government. Town Council is composed of a Mayor and four council members. Mayor and council members serve staggered four-year terms. The at-large elections are non-partisan and as of November 2018 there were 22,300 registered voters on the rolls.



FY 2019 Fact	Figure
Town Property Tax Rate:	\$35.3/\$1,000 TAV
Town Bonded Debt Tax Rate:	\$3.2/\$1,000 TAV
Total County–Wide Property Tax Rate:	\$275.2/\$1,000 TAV
Town Share of Total:	14%
Total Annual Budget:	\$38,801,210
Employees:	129.5 FTEs
Outstanding Debt:	\$11,891,649

Town Council is responsible for setting millage rates during the annual budget process prior to the start of each fiscal year. The property tax rate was 49 mills in the year 2000 but has decreased to 38.5 mills in 2019 due in large part to the Town’s increased population and property development. One mill is equal to 1/1000 of a dollar per \$1 of assessed property value.

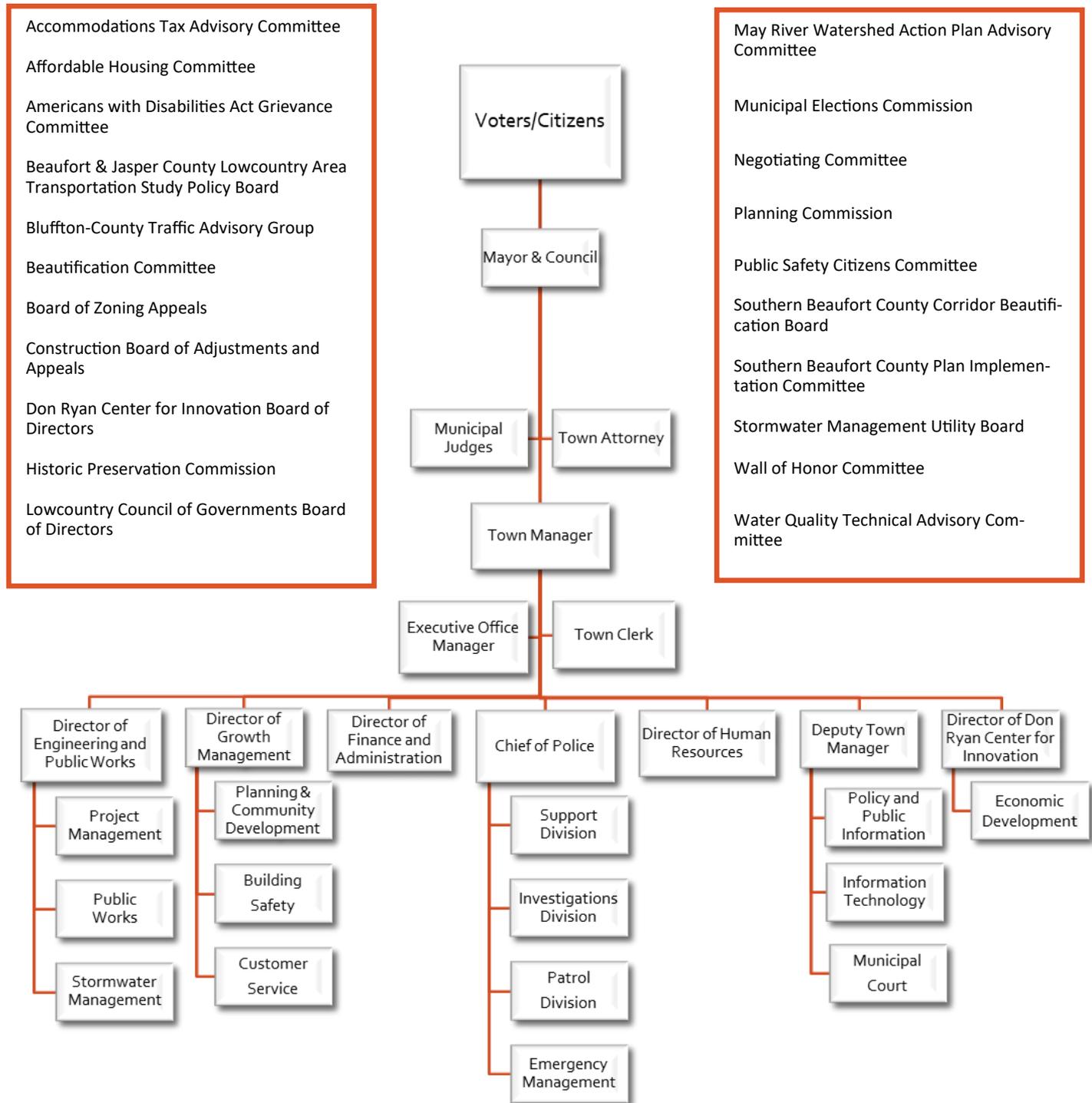


TAV—Taxable Assessed Value
FTEs—Full-time Equivalents

Where Your Property Tax Dollar Goes



Organizational Chart





Town of Bluffton, South Carolina

Established 1825

Education News



Fifteen years ago, the town of Bluffton had one elementary school. Today we are proud to claim two early childhood centers, four elementary, one PreK-Grade 8, two middle and two high schools.

Beaufort County's on-time high school graduation rate has improved for seven consecutive years, with May River High School's rate exceeding 90%.

All of Beaufort County's public schools are now schools of choice, giving students and parents the flexibility to apply for academic programs offered in schools outside their zoned attendance areas.

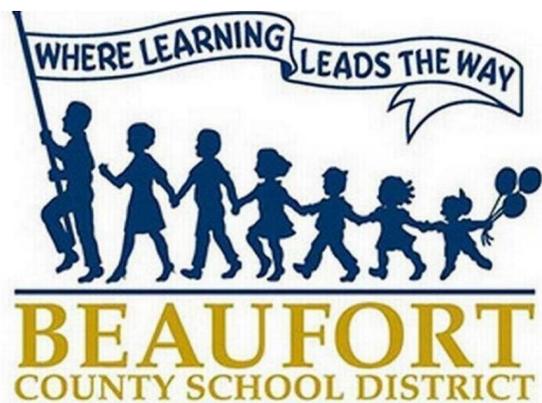
All district students now have personal mobile computing devices through the Connect2Learn Program that they can use to enhance their learning, not only at school but also at home.

May River High School opened in Bluffton in August 2016. Nearly 1,000 students attend college-prep and advanced technical classes at May River High. Its Advanced Technical Center offers four areas of study – automotive, engineering, health sciences, mechatronics and welding – which has attracted students from other attendance zones who applied for admission through the district's expanded school choice program. The high school has the capacity to house as many as 1,400 students and offers room for additional expansion.

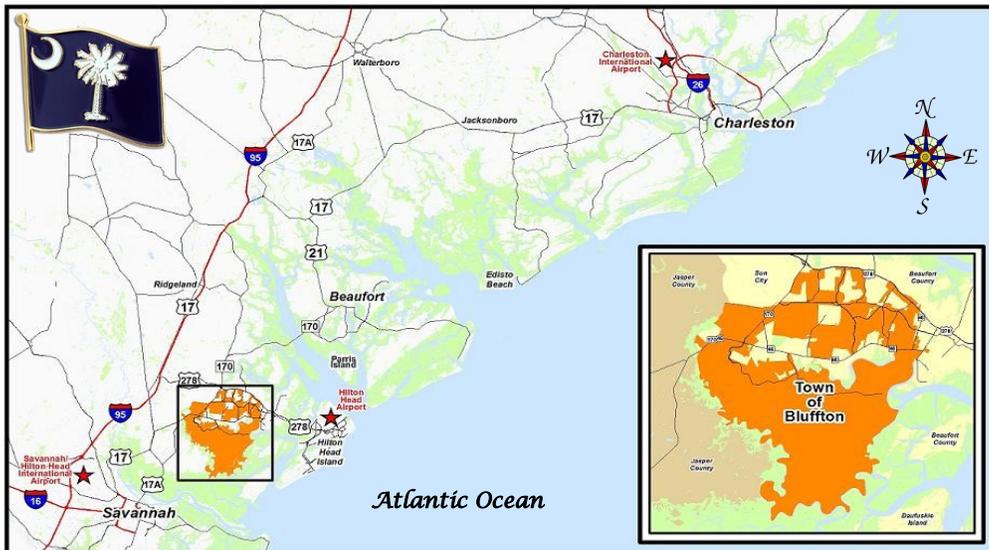
Students at Bluffton High can earn college credits at the University of South Carolina Beaufort through a new partnership between the two schools. Both of the Town's high schools, Bluffton High and May River High have been selected by the College Board to participate in the AP Capstone program, which lets students earn a special diploma signifying their mastery of skills valued by colleges and employers.

2019 Highlights for the Beaufort County School Districts reported in their Community Report Card:

- ◆ College scholarship totals of \$42.8 million for the 2017-18 academic year.
- ◆ 57% of high school students taking Advanced Placement courses scored high enough to qualify for college credit.
- ◆ Won the Champion for Children Award from the Institute of Child Success for its efforts to improve early childhood education.
- ◆ Even with expanded intensification of its security screening process for school volunteers, the overall number of volunteers increase by 500% in the last five years — from 1,300 to more than 7,800.
- ◆ 97% of high school and middle school student athletes maintained their academic eligibility to participate in interscholastic sports. The average GPA for middle school athletes was 3.59 and high school athletes maintained a 3.86 average.



Bluffton Tourism



As depicted in the map to the left, the Town of Bluffton is located in Beaufort County, a southern coastal county in South Carolina. Bluffton is located just 12 miles west of Hilton Head Island, SC approximately 20 miles northeast of Savannah, GA, 25 miles southwest of Parris Island and 90 miles southwest of Charleston, SC.

Hilton Head Island is home to one of golf's greatest traditions, South Carolina's only PGA Tour event, the RBC Heritage is sponsored by the Royal Bank of Canada and presented by Boeing typically the week following the Masters in April.



The St. Patrick's Day celebration in Savannah, Georgia is the city's largest annual celebration and the second largest St. Patrick's Day gathering in the United States. Attracting roughly 400,000 Irish, honorary Irish visitors and local celebrators each



year, Savannah's St. Patrick's Day traditions are steeped in the area's rich Irish heritage.

Parris Island, where all Marine recruits are trained east of the Mississippi River, is one of the most visited military facilities in the world. This translates into a significant economic impact for surrounding communities. Most visitors come to attend the recruit Graduation Ceremony.



Visitors to these and other area events can find lodging, dining, tours and attractions in nearby Bluffton.

The Town of Bluffton is home to the award winning Inn at Palmetto Bluff. The Inn was developed by Charlotte-based Crescent Communities and is managed by Montage Hotels & Resorts. It is in the planned community of Palmetto Bluff in Bluffton and features a combination of 200 Inn and cottage-style guest suites, a Jack Nicklaus Signature golf course, day spa and amenities such as horseback riding, kayaking and nature preserves. Current awards include:

- ◆ *Conde Nast Traveler* Gold List "The Best Hotels and Resorts in the U.S. and Canada (2020)
- ◆ *U.S. News and World Report* "Best Hotels in the USA" (2018)
- ◆ AAA Five Diamond Award "Most Luxurious Accommodations North America" (2015, 2016, 2017).
- ◆ *Travel + Leisure* World's Best Awards "The Best New Hotels in the World" (2017, 2019)
- ◆ *Travel + Leisure* World's Best Awards "Best Resort Hotels in the South" (2017)





Town of Bluffton, South Carolina

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Bluffton Business News

Bluffton serves as a critical hub in the Beaufort County region, and with steady population growth throughout the last 20 years, the future development of the region has come into focus. Through several public sessions, the Growth Framework Map was created to define where growth should occur. It is a planning tool that organizes the future growth patterns of the Town and identifies centers for development and surrounding edges with varying degrees of residential and non-residential intensity.

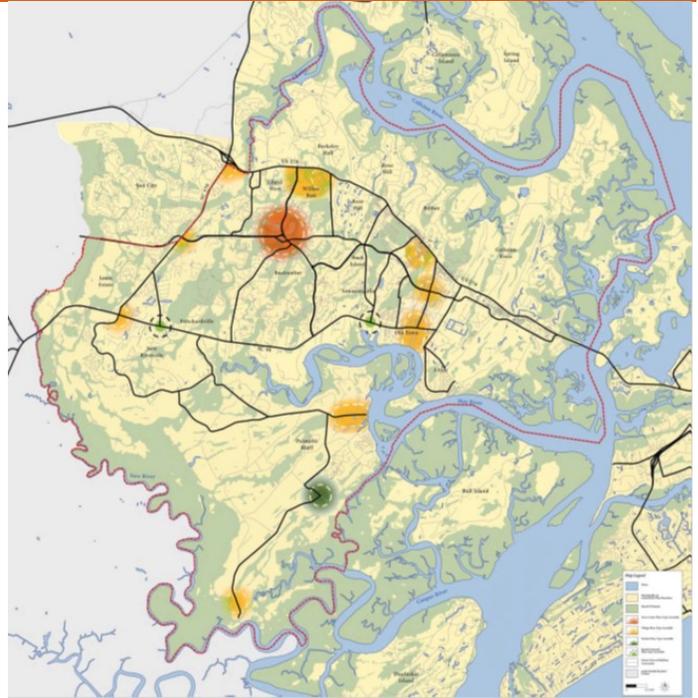
The vision of the plan prepares for a more compact and sustainable future, where new development is at higher density and focused away from key natural resources. It envisions the next century of Bluffton as a period during which Bluffton matures into a connected, complete southern town that effectively and efficiently provides services and attracts development.

Where you do business says as much as how you do business. It's why more and more companies are moving to the heart of the Lowcountry—Bluffton, SC. Dedicated to entrepreneurship, innovation and attracting high-tech industries, Bluffton provides an atmosphere that inspires new ideas and encourages business growth.

Please visit the Town's website or the Don Ryan Center for Innovation's website at www.donryancenter.com for more information.

Major Employers Located in the Town

- ▶ Beaufort County School District (Bluffton sites)
- ▶ The Inn at Palmetto Bluff & Palmetto Bluff Clubs
- ▶ EviCore National, LLC
- ▶ Publix Supermarkets
- ▶ NHC Healthcare/The Palmettos
- ▶ Right at Home
- ▶ Kroger
- ▶ Hargray
- ▶ Resort Services, Inc.
- ▶ Bluffton Township Fire Department
- ▶ Town of Bluffton



Burnt Church Distillery To Invest \$10.25 Million in New Facility in Bluffton

Watterson Brands, parent company of the Burnt Church Distillery plans a 20,000 square foot facility with a cost estimate of \$10.25 million and the potential to bring 35 new jobs as Bluffton's first distillery. In addition, Watterson Brands brought 20 new jobs in its corporate headquarters move from Chicago to Bluffton. The efforts of the Don Ryan Center for Innovation were a part of bringing this industry to our Town. The distillery is set to open in early 2020.



Don Ryan Center for Innovation

The *Don Ryan Center for Innovation* (DRCI) was established in 2012 as a 501 (C)(3). The DRCI’s vision is to create a vibrant entrepreneurial business climate within the region through economic development emphasizing organic, sustainable growth, and enhance the economic vitality, diversity, and dynamism of the region.



About the Don Ryan Center for Innovation

The Don Ryan Center for Innovation focuses on creating a vibrant business climate within the Bluffton area through economic development emphasizing entrepreneurship and sustainable growth.

DRCI fosters and promotes economic development in five core areas:

- ◆ Entrepreneurism: Business Incubation, Co-working offerings (The HUB), and Business Startup/Concierge Services
- ◆ Business Attraction, Expansion and Retention
- ◆ Real Estate and Infrastructure
- ◆ Workforce Development & Talent Retention and Attraction

THE HUB

Construction is underway for The HUB located in Buckwalter Place Commerce Park and scheduled to open in 2020.

This location will house the DRCI’s headquarters and will be the region’s premier co-working office. The space will allow for collaboration and sharing in a high-tech, open environment.



At The HUB, small business owners, entrepreneurs, and freelancers will work in proximity to each other where they can collaborate, create, and be a part of the entrepreneurial community.



Town of Bluffton, South Carolina

Established 1825

What's Happening Around Town



The Home Security Advisor ranked the Town of Bluffton the Safest City in South Carolina in their 2019 Guide to South Carolina's Safest Cities. The Guide is based on FBI Uniform Crime Report results.

Bluffton attributes this high ranking to Town Council's investment in the department's training and tools. The Bluffton Police Department has established its own K-9 team, implemented more traffic safety check points, and held community events such as National Night Out and free child car seat inspections.

The Farmers Market of Bluffton is an open air, community non-profit farmers market that features local produce, honey, various types of handcrafted dairy, grass-fed meats, baked goods, fresh pastas, live music, kids activities, and delicious much more. The market is held Thursday afternoons in historic downtown Bluffton, along Calhoun and Lawrence Streets. It is a favorite of both locals and tourists. The Farmer's Market of Bluffton is ranked 1st in South Carolina, 9th in the Southeast, and 28th Nationwide by the American Farmland Trust.



The Town acquired an additional 44 acres of land in the fastest growing areas collectively known as New Riverside. A 2,700 square foot iconic barn structure was also a part of this purchase. These properties are expected to be master planned for use as civic space. The Town held an open house on the property and solicited feedback from the public as to desired public uses for this property. Town Manager, Marc Orlando, expressed that it is important to create community open space in this section of Bluffton.

2019 Financial Highlights

The previous sections of this document provided information on what is happening in our Town. The remainder of this document will provide readers with the Town’s financial information for the fiscal year ended June 30, 2019.

The Promenade At Night



A Successful Year

- ▶ The General Fund (the chief operating fund of the Town) had revenues in excess of expenditures of \$2,241,813 for the fiscal year. The Town transferred a portion of the general fund balance for its various capital improvement projects, including the renovations of Theodore D. Washington Municipal Building. The net result was an increase of \$613,961 in the general fund balance.
- ▶ At the end of the fiscal year the General Fund had an unassigned* or unrestricted fund balance of \$10,894,662 or 66% of the year’s total General Fund expenditures (\$16,586,865). This indicates a strong financial position for the Town.
- ▶ The Town expended \$421,421 in Federal Grant Awards for the fiscal year ended 2019. These grants supported a number of capital improvements and public safety initiatives including public water and sewer projects, park and dock improvements, stormwater management, and traffic safety.

The Challenges Ahead

- ▶ Fund Balance Reserves—The Town strives to maintain service levels and adequate fund balance reserves through the adoption of financial policies. Financial policy standards were all met in FY 2019.
- ▶ Infrastructure Maintenance—Appropriately funding public assets and infrastructure as to not accumulate deferred maintenance costs. The Town continues to fund an Equipment Replacement Reserve to help alleviate the costs of future vehicle replacements.
- ▶ Economic Development—Attracting and retaining businesses and adopting additional economic development strategies will continue to be a top priority in FY 2019, while maintaining our pristine lowcountry Town.

* Unassigned fund balance represents fund balance that is not designated as nonspendable, restricted, committed or assigned for other intended purposes by external parties from the government, government elected officials or assigned staff.



Town of Bluffton, South Carolina

Established 1825

Where Our Money Comes From

The Town pays for the services it provides to its citizens and businesses from various sources, referred to as revenue, such as various taxes, grants and charges for services.

The General Fund

When assessing the financial results of the Town, the Town’s General Fund is the primary focus. The General Fund is the general operating fund of the Town and supports the regular day-to-day operations. It is used to account for all revenues and expenditures of the Town, except for those required to be accounted for in another fund such as Capital Improvement Projects or Stormwater activity. The Town’s General Fund Revenues totaled \$18,828,678 for FYE 2019. Below are the details of where the Town’s General Fund revenues come from:

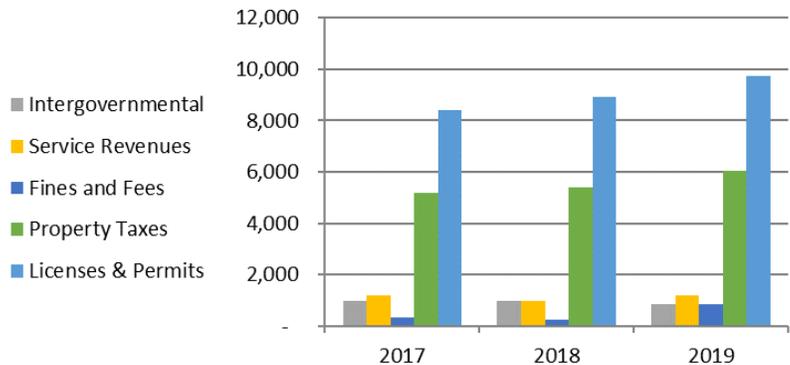
Licenses and Permits

License and permit collections remain the leading source of revenue at 52%, and increased over \$815,000 from fiscal year 2018. These revenue increases indicate a strengthening local economy. Major sources of revenues from licensing and permitting are as follows:

- ▶ Franchise Fees—Revenues resulting from any utility franchise fees paid to the Town including gas, electric and cable.
- ▶ Business Licenses—Revenues collected for all businesses licensed in the Town.
- ▶ Municipal Association of South Carolina (MASC) Telecommunications and Insurance Tax—Revenues collected by MASC for the Town pursuant to the Telecommunications Act of 1999 and insurance and broker’s tax.
- ▶ Building Safety Permits—Revenues from building permitting and inspection fees collected for residential and commercial development.

General Fund Revenue by Source

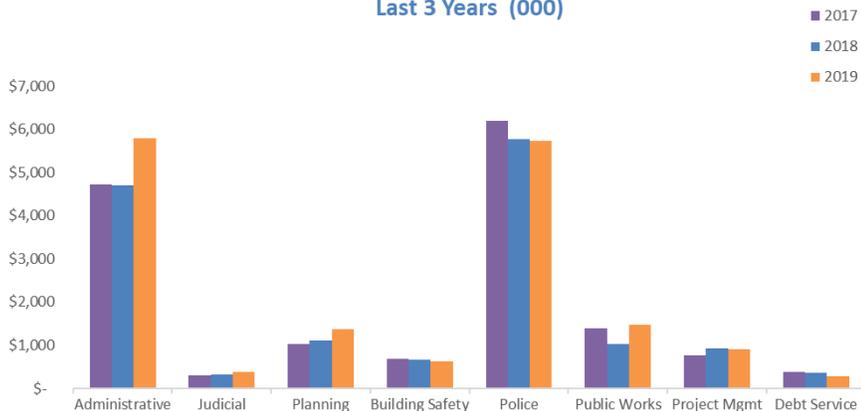
Last 3 Years - In Thousands



Licenses & Permits		
	2019	2018
Franchise Fees	\$ 2,592,411	\$ 2,369,929
Business Licenses	2,470,803	2,295,475
MASC Insurance Tax Collections	2,300,662	1,992,194
MASC Telecommunications	72,531	72,026
Building Permits	2,158,592	2,059,110
Administrative Fees	44,000	44,000
Application Fees	84,710	75,755
Total	\$ 9,723,709	\$ 8,908,489

Where Our Money Goes

Expenditures by Function
Last 3 Years (000)



Once the Town receives taxes and other revenues, the monies must be efficiently spent to provide services to the citizens and businesses of the Town. As detailed in this section, the Town provides a variety of services to its residents and businesses.

Most service expenditures are recorded within the Town’s General Fund since this fund finances the Town’s daily operations.

During the year ended 2019, the Town expended its funds as shown below. The per capita amounts represent the amount that the Town expended on each type of service per resident while the aggregate represents the total amount spent. The per capita amounts are based on the estimated population of 23,097 at July 2018. The total expense per capita for is \$718 and \$644 for 2019 and 2018, respectively.

The Town experienced increases in the Administrative, Judicial, Planning, and Public Works functions over the prior year. The majority of increased costs were attributable to staffing expenditures, with additional full time employees in Human Resources, Information Technology, and Executive which all flow into Administrative.

The expenditures are classified by the type of service provided.

Expenditures Per Capita				
	2019 \$'s	Per Capita	2018 \$'s	Per Capita
Administrative	\$ 5,786,239	\$ 251	\$ 4,706,612	\$ 204
Judicial	384,219	17	325,505	17
Planning	1,378,998	60	1,104,325	48
Building Safety	633,186	27	656,963	28
Police	5,732,617	248	5,770,047	250
Public Works	1,482,283	64	1,026,545	44
Project Mgmt.	900,996	39	929,344	40
Debt Service	288,327	12	363,290	16
Total	\$16,586,865	\$718	\$14,882,631	\$644

Administrative includes the costs of all elected officials and the departments of Executive, Human Resources, Finance, Information Technology Departments and other Town-wide costs.

Judicial includes the costs of Municipal Court and Judges.

Planning includes the costs of Growth Management and the Planning & Community Development Departments.

Public Works includes the costs of the Facilities and Asset Management Department.

The remaining functions represent actual individual departments within the Town.



Town of Bluffton, South Carolina

Established 1825

Assets and Liabilities

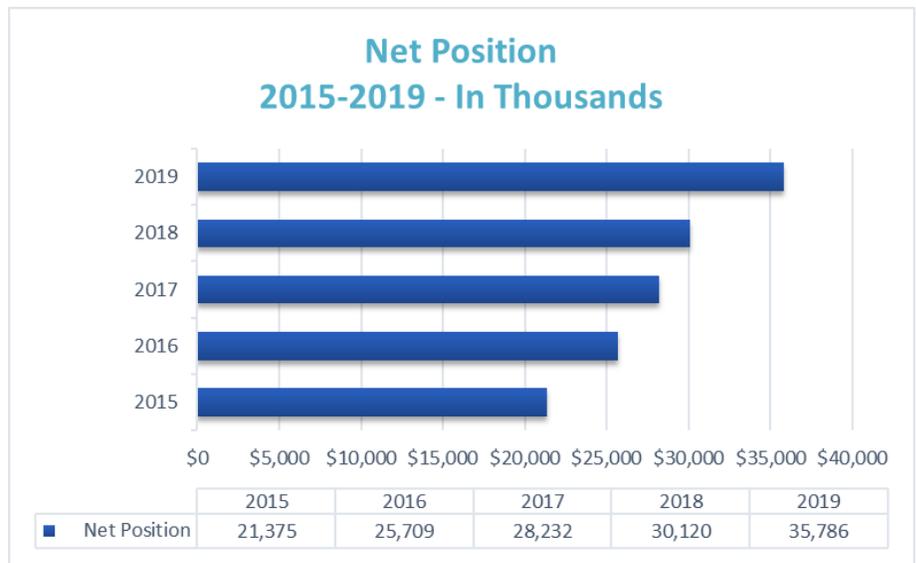
Statement of Net Position			
Our Assets-What We Have	2019	2018	Change
Unrestricted current assets	\$ 23,969,378	\$ 26,469,625	\$(2,500,247)
Restricted	8,498,440	4,690,160	3,808,280
Capital assets	34,284,472	31,146,111	3,138,361
Total Assets	\$ 66,752,290	\$ 62,305,896	\$4,446,394
Deferred Outflows	\$ 3,448,040	\$ 4,424,043	\$(976,003)
Our Liabilities-What We Owe			
Current liabilities	\$ 6,994,677	\$ 8,170,361	\$(1,175,684)
Long-term liabilities	582,898	683,566	(100,668)
Bonds payable	10,109,165	11,142,060	(1,032,895)
Net Pension Liability	16,288,012	16,608,444	(320,432)
Total Liabilities	\$ 33,974,752	\$ 36,604,431	\$(2,629,679)
Deferred Inflows	\$ 439,829	\$ 5,423	\$434,406
Net Position	\$35,785,749	\$ 30,120,085	\$5,665,664

In addition to where the Town's money comes from and where it goes, it is also important to understand the flow of the Town's financial position. When we look at the overall financial condition of the Town, it is better to use the full accrual basis of accounting, which is similar to the basis of accounting used in the private sector. This allows us to consider all assets, liabilities, revenues and expenses of the Town. The schedule left is intended to show the difference (defined as net position)

between the Town's total assets and the Town's total liabilities as of June 30, 2019 as compared to June 30, 2018. The Statement of Net Position reflects a \$5.7 million increase in the Town's financial position over last year.

The assets of the Town exceeded its liabilities at the close of the fiscal year by \$35,785,749 (net position). Of this amount, \$2,902,157 (unrestricted net position) may be used to meet the Town's ongoing obligations to its citizens and creditors. Portions of the restricted net position amount are designated for future capital improvements, tourism projects and related support, debt service and other designated purposes. Capital assets currently compose approximately 51% of the Town's assets. While these assets are used to provide services to our citizens, they are not available for future spending.

The chart (right) displays the Town's net position over the last five years and reflects a healthy and improving financial position.



Outstanding Bonds

Garvin-Garvey House

The Garvin-Garvey House sits on a bluff overlooking the May River, within the “Old Town” district of Bluffton. Cyrus Garvin, a Freedman, purchased the property in 1878 and it remained in the Garvin family until 1961. The original house has been completely restored and is a beautiful reminder of Bluffton’s rich history.



Bonds				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	
General Obligation Bonds				
Beginning balance	\$ 5,875,000	\$ 5,650,000	\$ 5,415,000	
Debt issued during the year	-	-	-	
Principal repaid during the year	(225,000)	(235,000)	(240,000)	
Ending Balance	\$ 5,650,000	\$ 5,415,000	\$ 5,175,000	
TIF Revenue Bonds				
Beginning balance	\$ 8,212,365	\$ 7,483,156	\$ 6,734,888	
Debt issued during the year	-	-	-	
Principal repaid during the year	(729,209)	(748,268)	(767,826)	
Ending Balance	\$ 7,483,156	\$ 6,734,888	\$ 5,967,076	
Total Outstanding Bonds	\$ 13,133,156	\$ 12,149,888	\$ 11,142,062	
Outstanding Bonds per Capita	\$ 1,018.63	\$ 942.36	\$ 864.19	

A major liability of the Town is the amount of outstanding general obligation and revenue bonds. General obligation bonds are debt instruments issued by the Town to raise funds for public projects (i.e. Law Enforcement Center). What makes general obligation bonds (or GO bonds for short) unique is that they are backed by the full faith and credit of the issuing municipality. The Town’s total bond issuances outstanding as of June 30, 2019 equal approximately \$11 million. The Town of Bluffton’s bond rating at June 30, 2019 was Aa1 from Moody’s and an AA+ from Standard & Poor’s. Rating agencies assess the credit quality of municipal bond issues and assign a credit rating based on their analysis. Both agencies stated the high ratings reflect the growth in the Town’s tax base in recent years and a healthy financial position supported by fiscal policies, professional management and modest debt as shown in the bonds per capita results above. The estimated population as of July 2018 of 23,097 was used for the 2018 and 2019 Outstanding Bonds per Capita calculation. If this same population were used in 2017, the Outstanding Bonds per Capita would be \$0.57. In September 2019, Town Council approved an ordinance authorizing the issuance and sale of a not to exceed \$5.2 million General Obligation Refunding Bonds, Series 2020, for the purpose of reducing the interest on the Town’s outstanding General Obligation Bonds, Taxable Series 2010A (Build America Bonds).



Town of Bluffton, South Carolina

Established 1825

Revenues vs. Expenditures

The table below summarizes the revenue and expenditure activity of the Town’s General Fund. Capital expenditures were 19% of total revenues in fiscal year 2019.

The General Fund	
Revenues of the Town including other financing sources*	\$ 19,678,867
Expenditures of the Town to provide services	(16,298,538)
Excess Revenues	\$ 3,380,329
Debt Service Expenditures	(288,327)
Capital Outlay Expenditures including other financing uses*	(2,478,041)
Excess Revenues	\$ 613,961

The Town maintains a separate Capital Improvements Program (CIP) Fund to account for the financial transactions and resources used by the Town for the acquisition or construction of major capital projects. The table below lists the CIP projects and related expenditures that the Town incurred during fiscal year 2019.

The Capital Improvements Program Fund	
Beginning Fund Balance	\$ 4,539,033
Grants and Other Revenues	1,560,994
Capital Expenditures by Project:	
May River Streetscape	(296,138)
Multi-County Commerce Park	(1,129,039)
Town Hall Redevelopment	(2,338,421)
May River Watershed Action Plan	(343,456)
Land Acquisition	(509,802)
184 Bluffton Road Renovations	(222,771)
Old Town Lighting & Street Signs	(212,831)
68 Boundary Street Renovations	(243,290)
Oscar Frazier Park	(261,994)
Other Projects	(1,030,119)
Funding transfers from other Funds	4,598,821
Ending Fund Balance	\$ 4,110,987



The Church of the Cross On the May River

The Stormwater Fund is used to account for stormwater utility fees collected on property tax bills and restricted for use in the Town’s Stormwater Management Program. Related grants are also recorded in this fund. The table below lists the routine operating and capital expenditures that the Town incurred during fiscal year 2019.

The Stormwater Fund	
Beginning Fund Balance	\$ 1,336,417
Stormwater Fund Revenue	1,499,111
Personnel & Operating Expenditures	(881,255)
Funding transfers to other Funds	(314,619)
Ending Fund Balance	\$ 1,639,543

* Other Financing Sources (uses) are increases (decreases) to Fund Balance from Transfers In and (Transfers Out) from and (to) other funds, and capital leases.

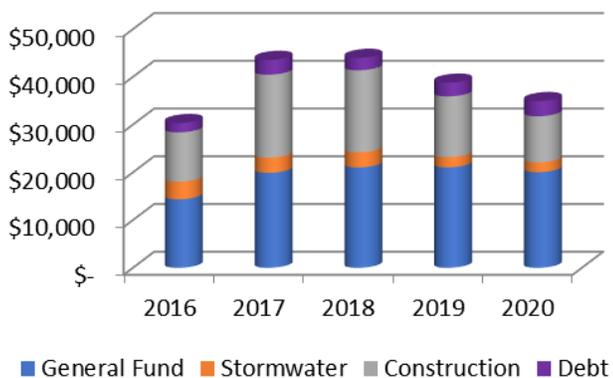
2020 Budget Highlights

Our Fiscal Year 2020 budget sets forth our financial policies, long term financial projections, the priorities of Town Council, and maintains a healthy financial position. The budget process is one of the most important duties we have to ensure and demonstrate to our citizens our ability to manage the operations and finances of the Town.

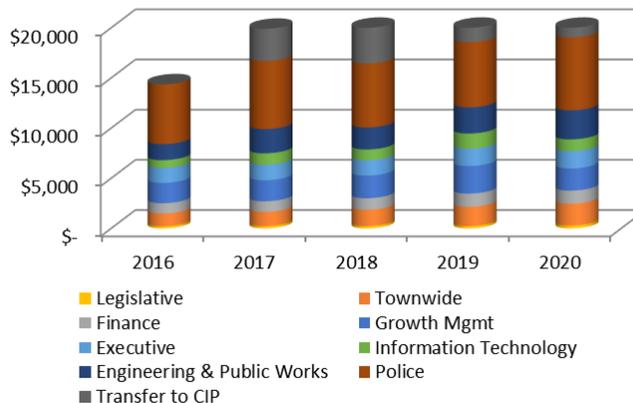
The Town adopted a consolidated budget of \$34,941,440 keeping the tax millage rate steady from prior year of 38.5 mills; 35.3 mills for General (operating) Fund and 3.2 mills for the Debt Service Fund.

Community development and beautification programs are prominent features of the 2020 budget. The FY 2020 Affordable Housing Committee Work Plan is funded in the amount of \$930,000 and will assist income-qualified residents with minor home repairs as well as property maintenance, to include abatement of unsafe structures, property clean-up and septic repair, and will address Affordable and/or Workforce Affordable Housing. The Beautification Committee Work Plan includes funds for tree plantings, an annual Arbor Day event and seasonal plantings in the Adopt a Planter Program.

Consolidated Budget (000)



General Fund Budget by Department (000)



FY2020 Focus Areas

- May River and Surrounding Rivers and Watersheds
- Town Organization
- Economic Growth
- Fiscal Sustainability
- Community Quality of Life
- Infrastructure
- Affordable and/or Workforce Housing

The budget invests in civic space, Town facilities and environmental initiatives. Approximately \$10 million of capital projects are in the FY2020 budget. These projects include improved safety and walkability of high-traffic pedestrian areas; stormwater initiatives to support the May River Watershed Action Plan; development of Historic District property to add more passive park space and increased parking; and improving the Calhoun Street Dock to support regional tourism.



Additional copies of this report may be obtained by contacting:

The Town of Bluffton
Attn: Finance Department
20 Bridge Street
Bluffton, SC 29910
(843)706-4545

In addition, this report is available at:

www.townofbluffton.sc.gov/finance-administration-department/financial-reports

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View of the May River from above
