

Media Release



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HEART OF THE LOWCOUNTRY

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**Town's Proposed FY2018 Budget Implements Town Council's Strategic Plan,
Enhances Core Services and Existing Programs**

Bluffton's Town Council approved the first reading of the Town's proposed Fiscal Year (FY) 2018 consolidated budget during the May 9 Town Council meeting. The budget will be adopted after the second and final reading, scheduled to take place at the June, 13, 2017 Town Council Meeting.

The proposed budget, totaling \$36,759,268, moves the Town forward through program enhancements and a robust capital projects schedule.

The proposed budget reduces the tax liability to property owners by two mills, from 42.35 to 40.35, yields a revenue reduction of \$353,170 to for FY 2018 before applying the effect of the Town's growth to the projected property tax revenue. However, some Town Council members asked Town Manager Marc Orlando during last night's Council meeting to consider eliminating the reduction and capture this additional revenue for future land acquisition or projects/programs which reduce density.

Community development and beautification programs are prominent features of the proposed budget. The FY 2018 Affordable Housing Committee Work Plan is funded in the amount of \$425,000 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. The Beautification Committee Work Plan includes funds for tree plantings, an annual Arbor Day event and seasonal plantings in the Adopt a Planter Program.

The proposed budget invests in civic space, Town facilities and environmental initiatives. Approximately \$13 million of capital projects are in the FY 2018 proposed 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 recently purchased Historic District property to add more passive park space and increased parking; improving the Calhoun Street Dock to support regional tourism; further improvements to Oyster Factory Park; and renovation of Town Hall.

The capital improvement program fund budget invests in developing Historic District properties recently acquired by the Town. The properties of 68 Boundary Street and 111 Calhoun Street, and the pending acquisition of 184 Bluffton Road will result in development of passive park space and additional parking spaces within close proximity to popular retail establishments and restaurants.

Media Release



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“I am proud of the overall proposed budget as it represents a year’s worth of projects and programs such as the Calhoun Street dock enhancements, increased public parking and park space,” Mayor Lisa Sulka said. “It also represents countless hours of staff work in which staff scrubbed line items, reduced expenses and presented a lean government budget. This is a testament to the Town’s robust growth and prudent financial practices.”

Town Council will have two budget workshops, held May 17 and May 30 at 6 p.m. at Town Hall to further discuss specific line items in the budget. In addition, a public hearing regarding the budget will be held June 13 during Town Council’s meeting. Town Council will also have a second and final reading of the budget June 13 in accordance with state law which requires all municipalities to adopt a balanced budget ordinance before July 1.

Town Manager Marc Orlando said the FY2018 budget reflects Town Council’s commitment to being good stewards of public dollars while continuing to guide healthy growth and enhance services for Bluffton’s citizens.

“The proposed consolidated budget represents a 14% decrease from FY17’s revised budget of \$42.8 million dollars,” Town Manager Marc Orlando said. “This decrease represents our commitment to closely examine each project and expenditure and ensure each one is aligned with the priorities of Town Council’s Strategic Plan. We are in the business of giving the town’s residents and business owners a high level of services and programs. A finely-tuned budget is our means to this objective.”

The budget builds on the Town’s record of disciplined financial management. The Town of Bluffton has maintained Standard & Poor’s AA+ bond rating since June 2014. Orlando said the Town’s rating is a testament to Bluffton’s sound financial policies set by Town Council and financial practices carried out by Town staff.

The consolidated municipal budget includes four (4) major funds: General Fund, Stormwater Fund, Capital Improvement Program (CIP) Fund and Debt Service Fund. The Stormwater Fund and Capital Improvement Program Fund reflect a 51% and 22% reduction, respectively, from FY 2017 revised budget numbers. It is important to note that these reductions are reflective of existing funds that have been budgeted in previous years, but have not yet been spent. This often occurs when projects are begun in one fiscal year and not completed until a subsequent fiscal year. The unspent funds are expected to be carried forward through a budget amendment in September 2017. An explanation of each of the four major funds which comprise the consolidated budget are found below.

- **General Fund:** This is the Town’s primary operating fund and is responsible for the day-to-day activities of Bluffton. This fund pays for salaries, benefits, most recurring costs, small equipment, public works and police services among others. The primary sources of revenue are property taxes and licenses/permit fees.
- **Stormwater Fund:** This fund tracks the revenue (i.e. stormwater utility fees and related state/federal grants) and expenditures for stormwater projects, most of which directly contribute to watershed management and the Municipal Separate Storm Sewer Program (MS4) implementation. The primary sources of revenue are stormwater utility fee and state/federal grants.

Media Release



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- **Capital Improvements Program (CIP):** This fund is restricted for capital improvement projects which include infrastructure, sewer and water projects, roadway maintenance and upgrades, parks improvements, etc. Revenue for this fund is derived from state/federal grants, hospitality taxes, stormwater fees and other restricted revenues for capital improvement program/projects.

Debt Service Fund: This fund is the accumulation of resources for the payment of interest and principal on general long-term debt obligations. The primary source of revenue is property taxes.