

# FY 2022 Proposed Consolidated Budget

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Town of Hilton Head Island, SC Municipal Government

# Town of Hilton Head Island

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## FY 2022 PROPOSED CONSOLIDATED BUDGET

### **MAYOR**

John J. McCann

### **MAYOR PRO TEMPORE**

William D. Harkins, Ward 2

### **TOWN COUNCIL MEMBERS**

Alex Brown, Ward 1

David Ames, Ward 3

Tamara Becker, Ward 4

Thomas W. Lennox, Ward 5

Glenn Stanford, Ward 6

### **TOWN MANAGER**

Marc Orlando, ICMA-CM

# Town of Hilton Head Island

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## FY 2022 CONSOLIDATED BUDGET GOALS

- Deliver Town Council Strategic Plan Priorities – Vision and Mission based
  - ❑ Pursuit of Excellence
  - ❑ Environmental Sustainability
  - ❑ Revitalize Economy
  - ❑ Inclusive Community
  - ❑ Connected Community
  - ❑ Regional Focus
  - ❑ Right Sized Infrastructure
  - ❑ Parks and Recreation
- Enhanced customer service, innovation and employee engagement
- Investing in impactful Capital Projects and community infrastructure
- Building a resilient Hilton Head Island community
  - ❑ Using the consolidated budget as a CATALYST to implement change and improvement

# Town of Hilton Head Island

## FY 2022 PROPOSED CONSOLIDATED BUDGET OVERVIEW

### FOUR MAJOR FUNDS



**General Fund**

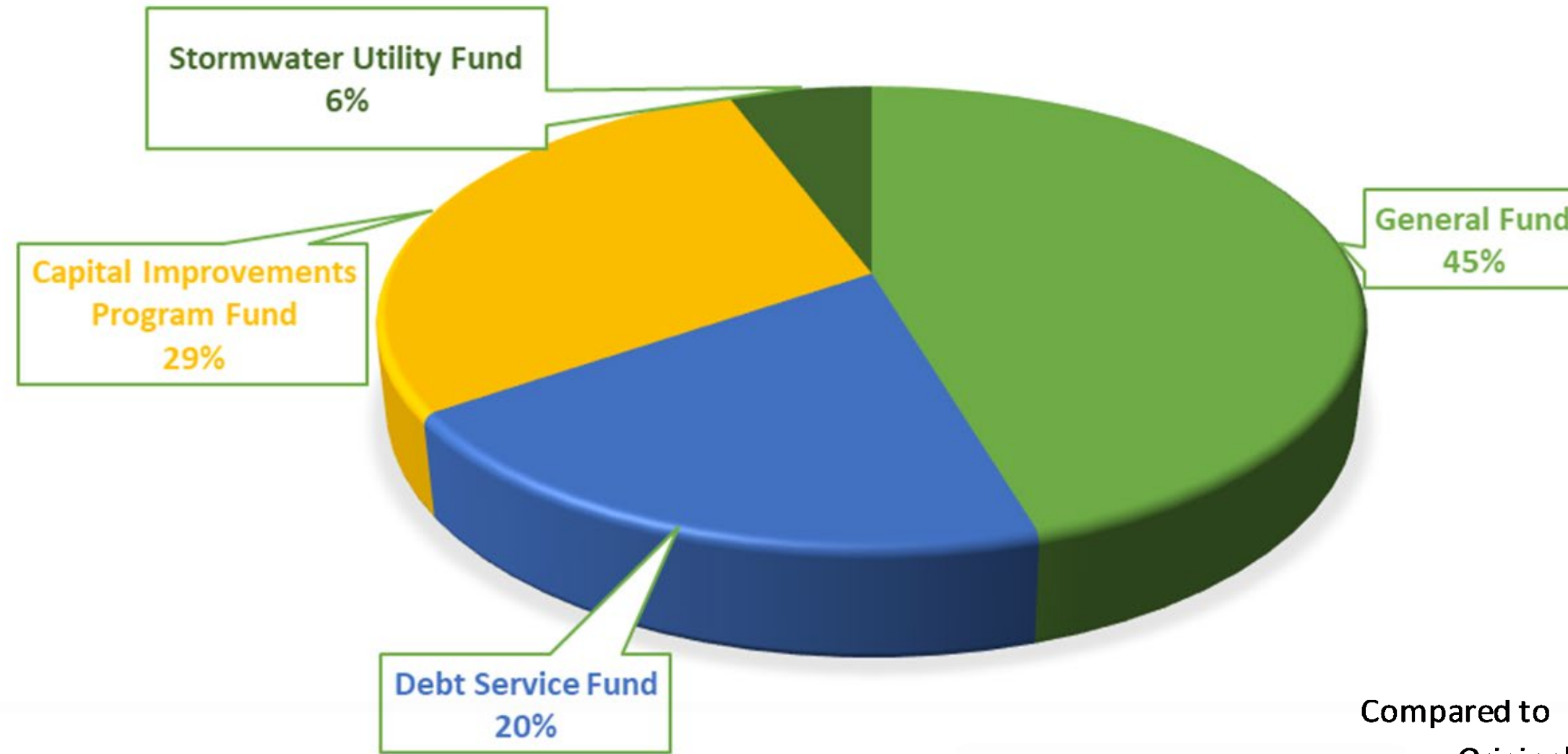
**Stormwater Utility Fund**

**Capital Improvements Program  
(CIP) Fund**

**Debt Service Fund**

# Town of Hilton Head Island

## FY 2022 PROPOSED CONSOLIDATED BUDGET



Expenditures	FY 2020 Original Budget	FY 2021 Original Budget	FY 2021 Revised Budget	FY 2022 Proposed Budget	Compared to Original Budget		Compared to Revised Budget	
					\$	%	\$	%
General Fund	\$ 41,108,317	\$ 42,558,448	\$ 44,012,322	\$ 43,984,657	\$ 1,426,209	3.4%	\$ (27,665)	-0.1%
Debt Service Fund	21,500,000	21,500,000	21,500,000	19,344,566	(2,155,434)	-10.0%	(2,155,434)	-10.0%
Capital Improvements Program Fund	11,139,500	6,471,000	37,478,363	28,009,099	21,538,099	332.8%	(9,469,264)	-25.3%
Stormwater Utility Fund	5,400,000	5,450,000	7,776,066	5,500,000	50,000	0.9%	(2,276,066)	-29.3%
<b>Consolidated Budget</b>	<b>\$ 79,147,817</b>	<b>\$ 75,979,448</b>	<b>\$ 110,766,751</b>	<b>\$ 96,838,322</b>	<b>\$ 20,858,874</b>	<b>27.5%</b>	<b>\$ (13,928,429)</b>	<b>-12.6%</b>

# Town of Hilton Head Island

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## FY 2022 CONSOLIDATED BUDGET HIGHLIGHTS

- ✓ Balanced with conservative revenue projections and careful expenditure choices and reductions
- ✓ Property tax millage remains the same at 28.10
  - This is the last year of the 5 mills for 5 years disaster recovery
- ✓ Lean operating budget with a focus on Town Council priority programs
- ✓ Expands public safety staff and updates public safety equipment
- ✓ Cares for America's Best Island with an expansion & enhancement of year-round service of parks, landscaping and maintenance
- ✓ Invests in our employees with competitive fringe benefit program

# Town of Hilton Head Island

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## FY 2022 CONSOLIDATED BUDGET HIGHLIGHTS

- ✓ Looks toward the future with funding for long-range planning initiatives
- ✓ Invests in public infrastructure:
  - Beach management, pathway management, roadway management, park management, facilities and fleet management and land acquisition
  - Design for the future shovel ready projects
  - Capital projects diversified throughout Hilton Head Island
- ✓ Exceeds essential levels of fund balance reserves for a healthy financial position
  - 35% Emergency Reserve GF Fund Balance – Town Council budget policy
  - Within the voluntary Debt cap established by Town Council
  - \$1 million restricted for advertising related to declared disasters



# Town of Hilton Head Island

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## FY 2022 CONSOLIDATED BUDGET HIGHLIGHTS

### ✓ Maintains Strategic Interagency Partnerships

- ❑ Island Recreation Association, including increased funding to offset loss of County funding
- ❑ Coastal Discovery Museum
  - Management Fee, Honey Horn Capital Projects, Mitchelville Preservation Project Director
- ❑ USCB / HHI Ambassador Program and Event Management / Hospitality Training
- ❑ Palmetto Breeze Urban & Rural Area local match request, including expanded Trolley service
- ❑ 14th Judicial Circuit Solicitor's Office Career Criminal Program & Multidisciplinary Court
- ❑ Heritage Classic Foundation



# Town of Hilton Head Island

## FY 2022 PROPOSED CIP USE OF FUNDS

Use of Funds	FY 2022 Proposed Budget	% of Budget
Beach Management	\$ 2,373,523	8.5%
Pathway Management	900,000	3.2%
Roadway Management	5,167,964	18.5%
Park Management	8,716,476	31.1%
Facility & Equipment Management	3,884,200	13.9%
Fleet Management	6,642,868	23.7%
Land Acquisition	324,068	1.2%
<b>Total Use of Funds</b>	<b>28,009,099</b>	<b>100.0%</b>

# Town of Hilton Head Island

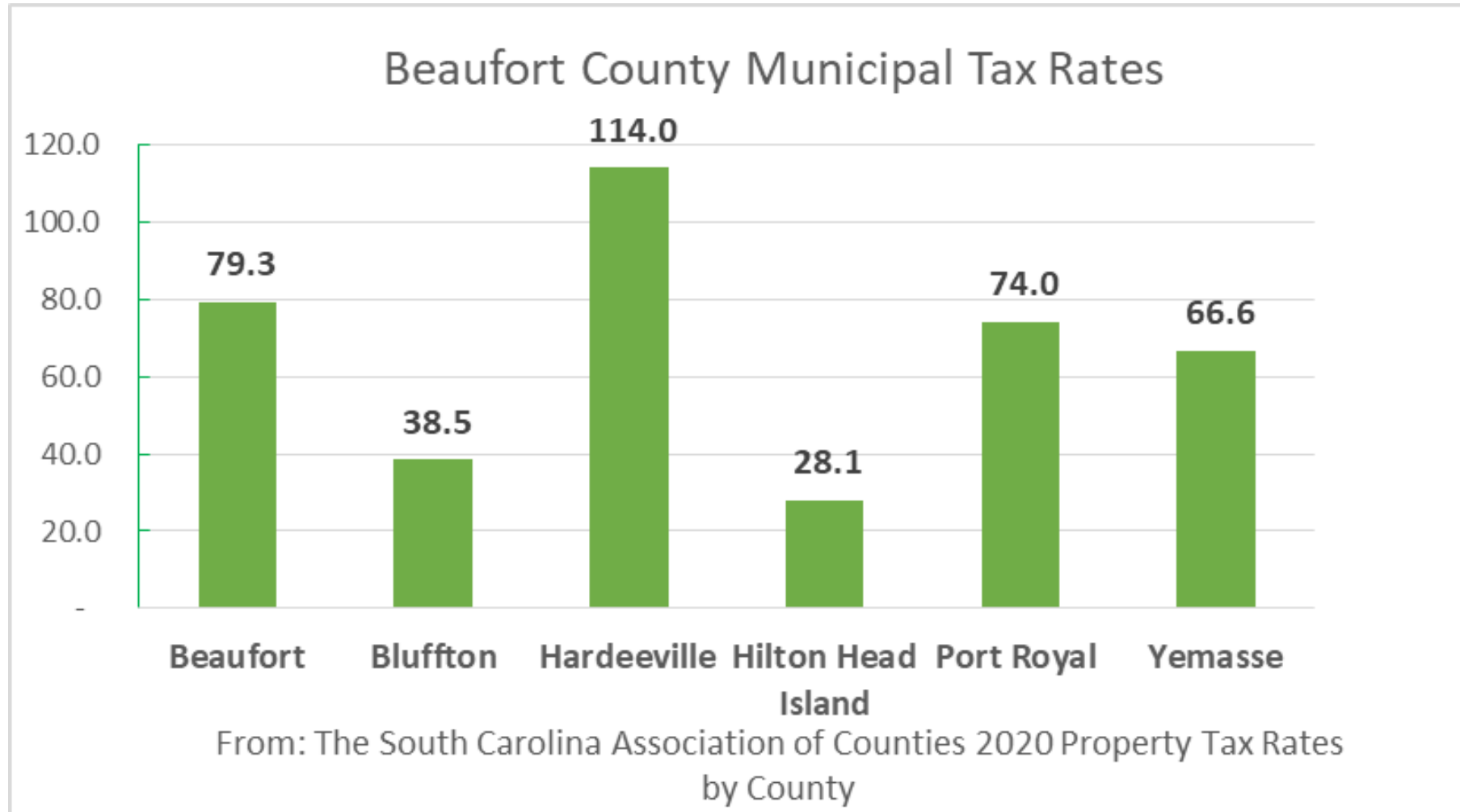
## FY 2022 PROPOSED CIP USE OF FUNDS – ALL PROJECTS

Projects	FY 2021 Carry Forward	FY 2022 New Funding	FY 2022 Total Funding
Beach Management & Monitoring	802,609	-	802,609
Beach Renourishment	270,914	1,300,000	1,570,914
Pathways Accessibility and Safety Enhancement Projects	-	350,000	350,000
New Pathway Segments	-	550,000	550,000
Dirt Road Acquisition and Paving Program	2,279,491	-	2,279,491
William Hilton Parkway Enhancements	129,918	1,825,000	1,954,918
Pope Avenue Enhancements	-	500,000	500,000
Main Street Enhancements	-	100,000	100,000
Other Roadway Enhancements	333,555	-	333,555
Parks and Recreation	1,000,000	6,492,476	7,492,476
Island Recreation Association - Capital Requests	-	399,000	399,000
Public Art Program	-	25,000	25,000
General Park Enhancements	550,000	250,000	800,000
Town Hall Security, Facility & Parking Enhancements	-	280,000	280,000
Coastal Discovery Museum - Capital Requests	-	49,300	49,300
IT Equipment and Software	695,900	-	695,900
Fire/Medical Systems & Equipment Replacement	-	70,000	70,000
Security Cameras - Shelter Cove Community Park	-	150,000	150,000
Automobile Place / Modern Classic Motors Site Enhancements	300,000	-	300,000
Fire Hydrant Expansion	50,000	-	50,000
Arts Campus Feasibility Study	-	200,000	200,000
Stormwater Projects	-	2,089,000	2,089,000
Town Vehicle Replacement	122,228	32,772	155,000
F&R Apparatus & Vehicle Replacement	4,001,868	2,486,000	6,487,868
Land Acquisition	324,068	-	324,068
*Workforce & Affordable Housing			
<b>Total Projects</b>	<b>\$ 10,860,551</b>	<b>\$ 17,148,548</b>	<b>\$ 28,009,099</b>

\*The source of funds will be other funds and/or credits to offset local impact fees for developments meeting the Town's criteria while funds are available – cost estimate is \$75,000

# Town of Hilton Head Island

## BEAUFORT COUNTY MUNICIPAL TAX RATES



### Beaufort County Municipalities Property Tax Rates

Beaufort County Municipality Tax Rates	Operations	Debt	Other	Total
Beaufort	56.3	20.0	3.0	79.3
Bluffton	36.8	1.7		38.5
Hardeeville	114.0			114.0
Hilton Head Island	17.2	5.9	5.0	28.1
Port Royal	74.0			74.0
Yemassee	66.6			66.6

From: The South Carolina Association of Counties 2020 South Carolina Property Tax Rates by County

# Town of Hilton Head Island

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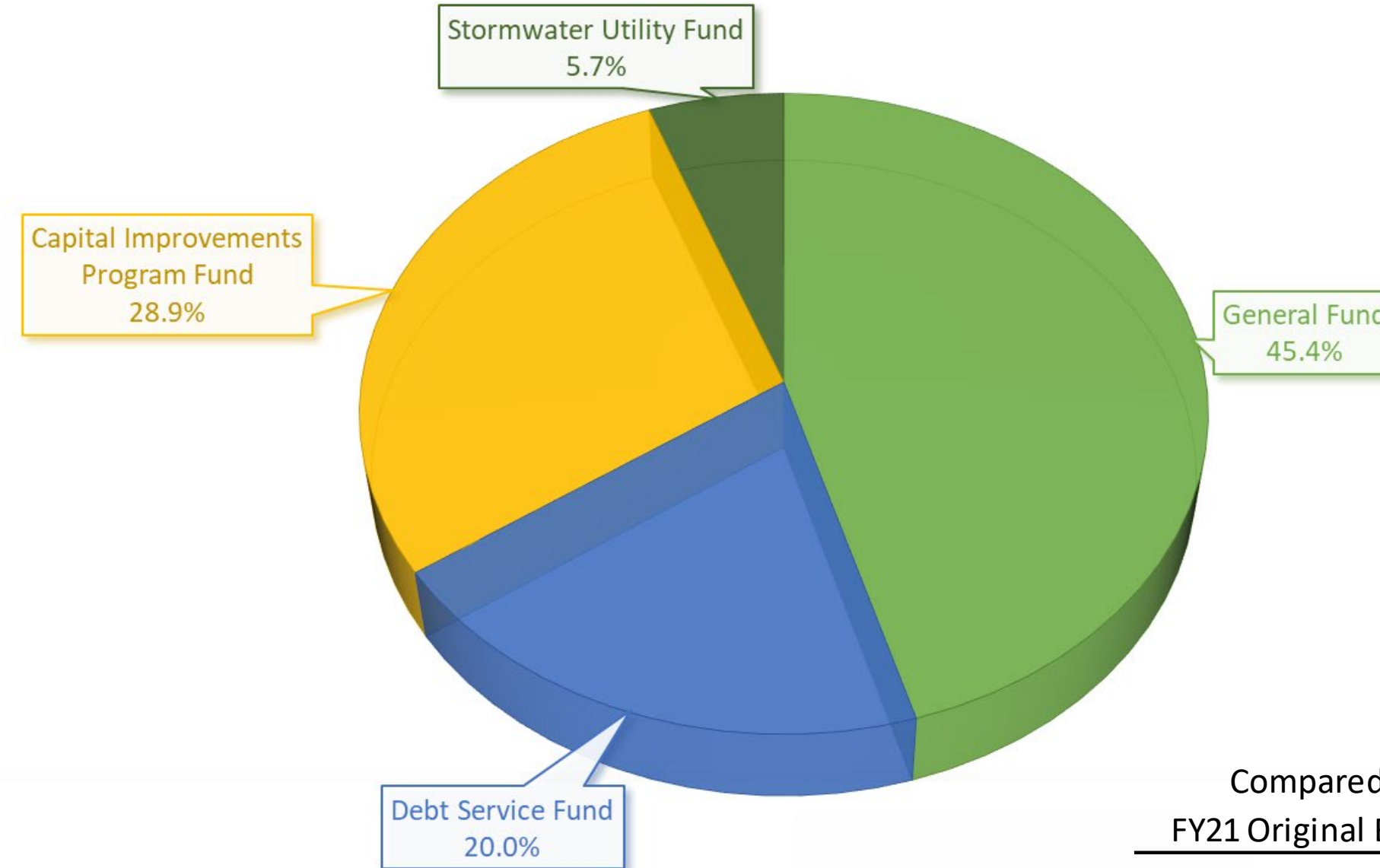
## CHANGES TO THE PROPOSED BUDGET

As a result of feedback from the Budget Workshop, the following changes were made:

- ✓ Removed Section 5 of the Budget Ordinance referencing Pine Island and dredging funds:
  - Added Pine Island to the Beach Renourishment program with Town Council agreement/contract. Annual costs will be incurred leading to 2025 beach renourishment.
  - Will consider/address dredging funds in FY23.
- ✓ Confirmed/specified that the Beach Area Parking Enhancements are included as an element of Facility Enhancements in CIP Program.
- ✓ Added \$250,000 as appropriated for possible land purchase opportunities.
- ✓ Fire fleet lease payments will be carried in Fire and Rescue annual departmental budget.

# Town of Hilton Head Island

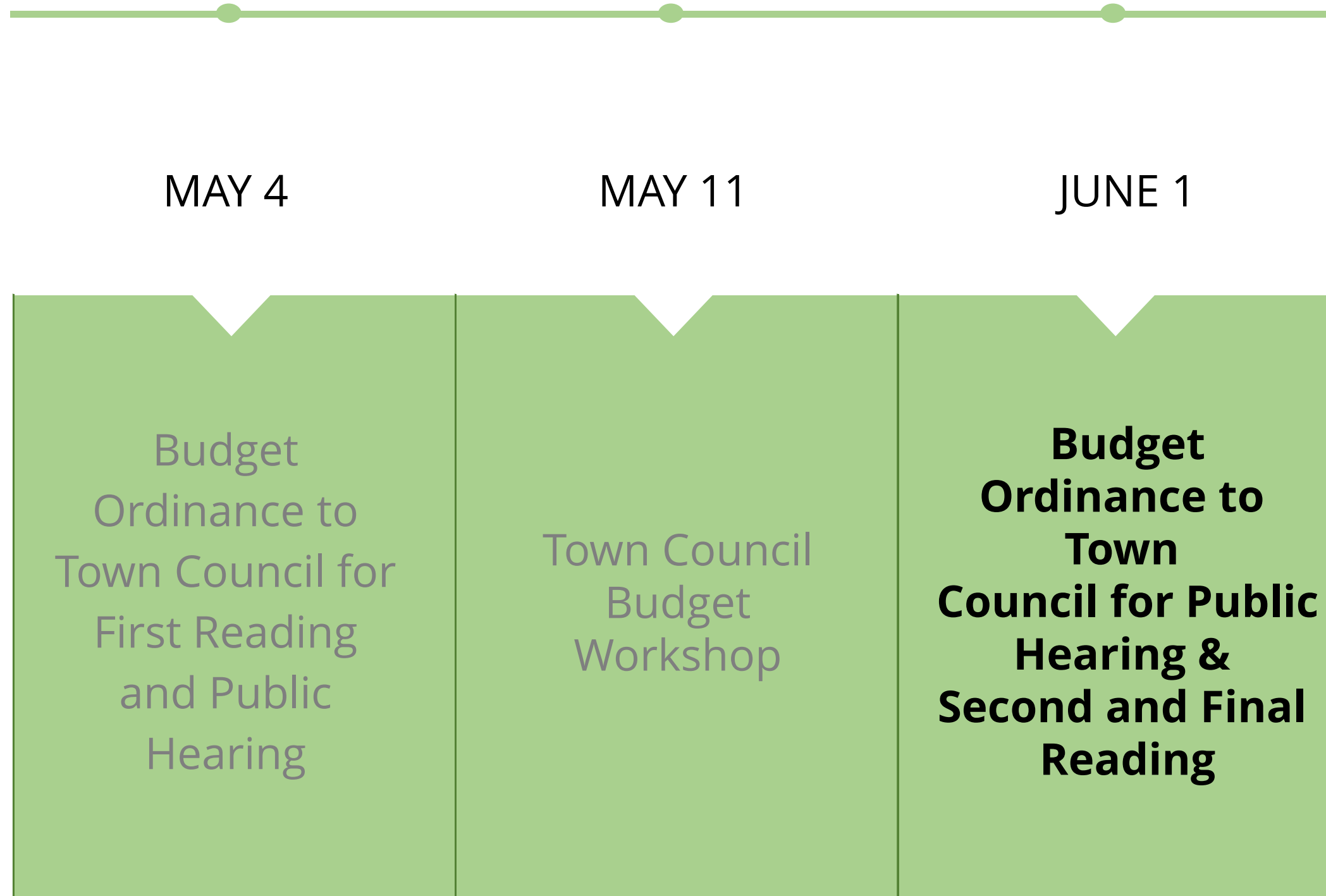
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# Town of Hilton Head Island

## FY 2022 CONSOLIDATED BUDGET REVIEW & APPROVAL PROCESS



# Town of Hilton Head Island

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RECOMMENDED MOTION

Move to approve FY 2022 Proposed Consolidated Budget on Second & Final Reading



# Town of Hilton Head Island

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FY 2022 PROPOSED CONSOLIDATED BUDGET

Thank you

