



# Town of Hilton Head Island, South Carolina

Fiscal Year 2023  
Consolidated Budget

TOWN OF HILTON HEAD ISLAND, SC  
FY 2023  
ADOPTED CONSOLIDATED BUDGET  
**TOWN COUNCIL**



**John J. McCann, Mayor, At-Large**



**Bill Harkins**  
Mayor Pro-Tem / Ward 2



**Alex Brown**  
Ward 1



**David Ames**  
Ward 3



**Tamara Becker**  
Ward 4



**Tom Lennox**  
Ward 5



**Glenn Stanford**  
Ward 6



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Town of Hilton Head Island  
South Carolina**

For the Fiscal Year Beginning

**July 01, 2021**

*Christopher P. Morill*

Executive Director

**Contents**

NEW BUDGET FORMAT -----8

THE FIVE PILLARS OF THE GFOA FINANCIAL FOUNDATIONS FRAMEWORK-----9

SUMMARY OF GFOA BUDGET AWARD REVISIONS – CHANGES TO THE BUDGET DOCUMENT ----- 11

TOWN MANAGER’S LETTER----- 13

BUDGET OVERVIEW----- 14

MISSION STATEMENT, VISION, AND GOALS ----- 16

FY 2023 CONSOLIDATED BUDGET EXECUTIVE SUMMARY ----- 18

STRATEGIC ACTION PLAN----- 124

FINANCIAL STRUCTURE MULTIYEAR – ALL GOVERNMENTAL FUNDS ----- 174

ABOUT HILTON HEAD ISLAND----- 177

GENERAL INFORMATION ----- 185

BUDGET CALENDAR----- 188

FINANCIAL POLICIES ----- 191

CONSOLIDATED BUDGET SUMMARY – GENERAL, DEBT, CIP AND STORMWATER FUNDS----- 227

TOWN STAFFING (F.T.E.S) ----- 241

GENERAL FUND ----- 243

DEPARTMENT BUDGETS----- 250

GENERAL FUND – FOUR-YEAR FINANCIAL MODEL ----- 302

DEBT SERVICE FUND – GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES (STORMWATER FUND) ----- 306

CAPITAL IMPROVEMENT PLAN (CIP)----- 319

STORMWATER FUND (ENTERPRISE FUND)----- 341

APPENDIX ----- 350

A Great Blue Heron stands in a lush garden. The bird is the central focus, facing left with its long neck elegantly curved. It has a long, sharp beak with a yellowish tip and a dark base. Its feathers are a mix of grey and blue, with a prominent white stripe running from its forehead down its neck. The background is filled with various green plants, including large-leafed foliage on the left and a palm frond on the right. The ground is covered in green grass and some fallen brown leaves.

**Reader's Guide**

# Reader's Guide

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The reader's guide is intended to assist those readers not familiar with the Town's budget document in gaining an understanding of how the budget document is organized and what information is presented. The budget document is divided into the following sections:

## [New Budget Format](#)

This section explains the Financial Foundations Framework (Framework), as established by the Government Finance Officer Association (GFOA), designed to facilitate collaboration and support for public policies and programs.

## [Town Manager's Letter](#)

This section provides a high-level preview of the Town's budget, economic overview, and vision for the future.

## [Budget Overview](#)

This section provides a summary of the Town's budget.

## [Executive Summary](#)

This section provides a broad overview of the Fiscal Year 2023 Consolidated Budget.

## [Strategic Plan](#)

This section outlines provides the framework used to develop the annual budget as well as the steps taken to create the annual plan for the Town, and the steps to be taken to monitor the Town's progress toward achieving its annual goals and objectives.

## [Financial Structure Multiyear – All Governmental Funds](#)

The section provides a summary of all funds used by the Town to manage its financial resources for Fiscal Years 2020 through 2023. Budgets are formally adopted by Town Council for the General Fund, Debt Service Fund, and Capital Projects Fund.

## [About Hilton Head Island](#)

This section provides an overview of the rich history of the Island.

## [General Information](#)

This section includes the location of Hilton Head Island map, Hilton Head Island at a Glance, town-wide organizational chart, and budget calendar.

## [Budget Process Overview](#)

This section includes information pertaining to the business plan, budget methodology, approach to the budget review process, budget approval process, monitoring the budget, budget transfers and amending the budget.

# Reader's Guide

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## Consolidated Budget Summary – Governmental Funds

This section includes an introduction, the Fiscal Year 2023 consolidated budget, where the money comes from (table), where the money goes by program (chart), where the money goes by category (chart), trend analysis of expenditures by fund (chart), historical overview of revenues and expenditures (schedule), budget highlights, property tax analysis, millage rate historical analysis (chart), and staffing changes. The Town has three budgeted governmental funds.

## **General Fund**

This section includes the department expenditure summary (schedule), historical overview and five-year comparison of revenue and expenditures (schedule), review of the General Fund major revenue sources, general fund expenditures (chart), expenditure trend analysis by program (charts), department budgets, and the four-year General Fund Financial Model.

## **Debt Service Fund**

This section includes a historical overview and five-year comparison of revenue and expenditures (schedule), calculation of legal debt limit, and a list of outstanding debt issues.

## **Capital Improvement Plan (multiple funds)**

This section includes a summary of capital projects by funding source for the current fiscal year and the next two years.

## Proprietary Fund

The Town has one budgeted proprietary fund which is the Stormwater Fund. It operates as an enterprise fund.

## **Stormwater Fund**

This section includes an overview and summary of major revenue sources, expenditures by category, historical overview and five-year comparison of revenue and expenditures (schedule), the Town's stormwater capital improvement plan for the upcoming year as well as the three-year plan.

## Appendix

1. Financial balance changes greater than 10%
2. Adopted budget ordinance
3. Glossary of terms

## New Budget Format

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The Government Finance Officer Association (GFOA) has established the Financial Foundations Framework (Framework), designed to facilitate collaboration and support for public policies and programs. The Framework shows how to improve the Town's financial position now and create a strong foundation for a thriving community over the long-term.

The Framework is organized into **five pillars**. Each pillar includes different leadership strategies and/or institutional design principles. Understanding that local governments cannot order people to collaborate, leadership strategies help inspire pride and public support for a strong financial foundation. Institutional design principles, meanwhile, are the "rules of the road." They provide the context for leadership strategies and ensure continuity of good financial practices through changes in leadership.

In keeping with the Town's desire to conform to best financial practices Town staff have revised the structure to incorporate elements of the five pillars into the structure of the Fiscal Year 2022 budget document. In addition, the philosophy surrounding the development of the budget and the on-going administration of the budget are grounded in the five pillars, as well.

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# The Five Pillars of the GFOA Financial Foundations Framework

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The information below can be found on the following website: <https://www.gfoa.org/financial-foundations>.

## **Pillar 1: Establish a Long-Term Vision**

**Give people a reason to collaborate.** All finance officers need to promote collaboration. The only thing better than an inspiring vision is an inspiring shared vision. In addition, work to balance long-term goals with short-term needs.

### **Leadership Strategy #1: Promote Collaboration**

The only thing better than an inspiring vision is an inspiring shared vision. Turn stakeholders into co-creators as you define the long-term vision.

### **Leadership Strategy #2: Balance Long-Term Goals with Short-Term Needs**

In all things, seek balance. Advocate for both the big picture and day-to-day needs. Break long-term goals into shorter-term milestones to maintain momentum.

## **Pillar 2: Build Trust and Open Communication**

**Create conditions for cooperation.** Communication is key. Create and promote two-way channels to connect peers within the organization, elected officials, and members of the public. Communication creates transparency, which leads to trust.

### **Leadership Strategy #3: Create Open Lines of Communication**

Communication is key. Create and promote two-way channels to connect elected officials and staff with the public.

# The Five Pillars of the GFOA Financial Foundations Framework

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## **Leadership Strategy #4: Cultivate Trustworthy Reputations**

Trust is everything. Build trust through transparency—say what you mean, mean what you say and follow through.

## **Pillar 3: Use Collective Decision Making**

**Develop forums for participation.** Finance officers need to engage key stakeholders from throughout the organization in decision making. We are stronger together - think how you can pool resources and collaborate to solve problems within your organization or in the community.

## **Leadership Strategy #5: Engage Key Stakeholders**

Building a sturdy financial foundation is a team effort. We must be proactive and responsive. Let people voice their concerns. Ask for their feedback. Adjust as needed.

## **Institutional Design Principle #1: Collective Choice Arrangements**

Give citizens a seat at the table. They're more likely to support decisions when they have a say in how public resources are used. Prioritize public feedback.

## **Institutional Design Principle #2: Networked Enterprises**

We're stronger together. Share services across local governments to save costs. Build collaborative, cross-sector networks to pool resources for addressing community challenges.

## **Pillar 4: Create Clear Rules**

**Reinforce constructive behavior.** Create and share expectations about how decisions get made. Financial sustainability relies on everyone following the rules. People need to be held accountable and play fair.

## **Leadership Strategy #6: Maintain Oversight**

Cooperation is key to thriving communities. Reinforce the importance of cooperation through the power of the purse strings. Encourage a culture of shared values.

## **Institutional Design Principle #3: Well-Defined Boundaries**

When the game has clear rules, everyone's set up to win. Create and share expectations about how decisions get made, who has the final say, and timelines.

## **Institutional Design Principle #4: Monitoring**

Financial sustainability relies on everyone following the rules. Hold people accountable. When they understand their reputations are at stake, they're more likely to play fair.

## **Institutional Design Principle #5: Sanctions and Rewards**

Incentives can encourage both good and bad behaviors. Know the difference and design institutions accordingly.

## **Pillar 5: Treat Everyone Fairly**

**Promote and protect mutual trust and respect.** It's impossible to please everyone all the time and disputes will happen. People must get what they pay for and pay for what they get.

# The Five Pillars of the GFOA Financial Foundations Framework

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## **Institutional Design Principle #6: Proportional Equivalence between Benefits & Cost**

People must get what they pay for and pay for what they get. Be proactive—make sure citizens know what they stand to gain for their tax dollars.

## **Institutional Design Principle #7: Conflict-Resolution Mechanisms**

We can't please everyone all the time. Disputes around financial decisions will happen. Anticipate that. Prevent destructive conflict. Promote constructive debate.

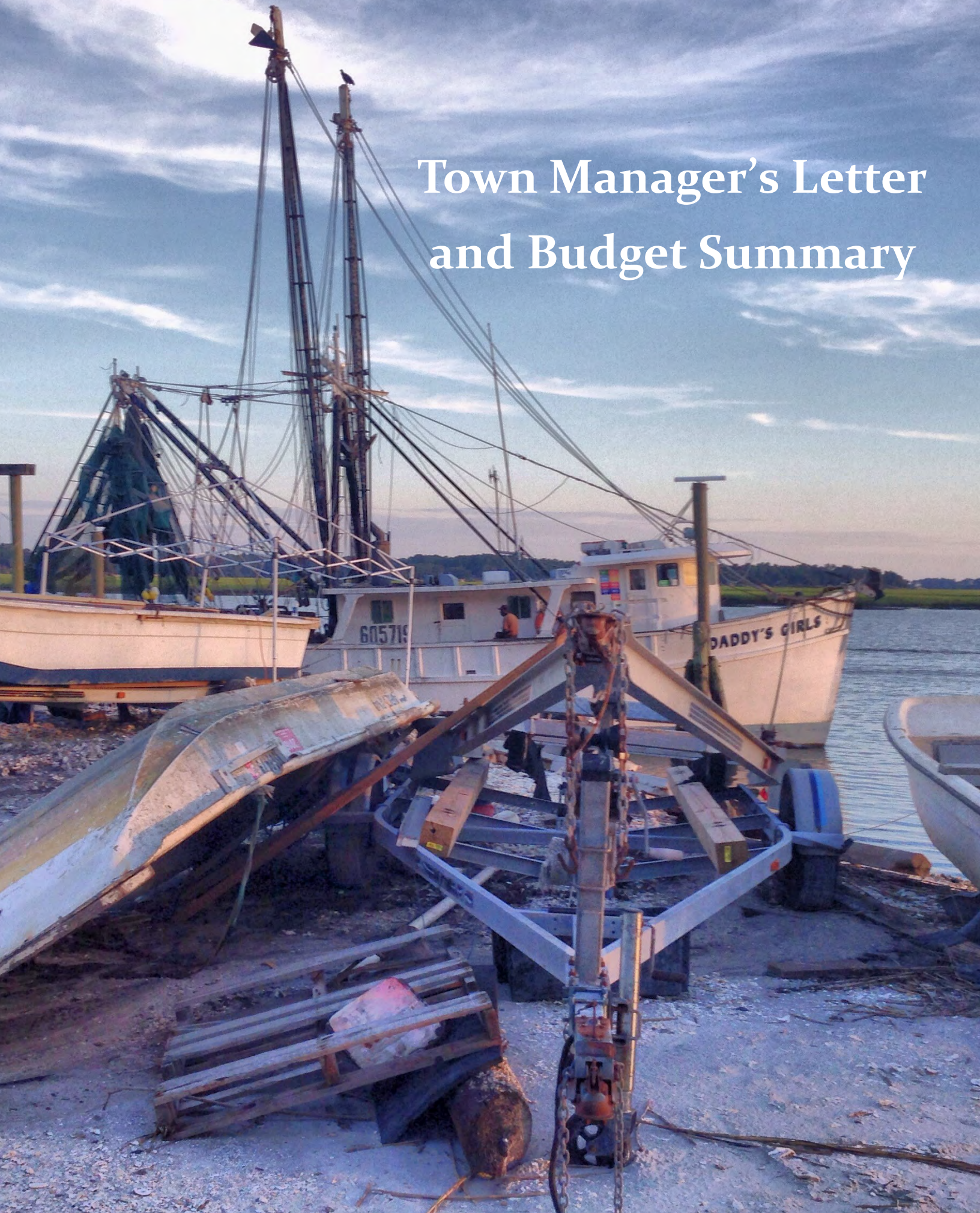
## **Institutional Design Principle #8: Minimum Recognition of Rights**

Local governments must have autonomy. Use collective decision-making to develop policies and procedures for protecting local choices and addressing unfunded mandates and grants.

## **Summary of GFOA Budget Award Revisions – changes to the budget document**

- The table of contents can now refer and even link to items outside of the budget document.
- Strategic planning is now mandatory and process should be identified.
- Short-term factors and priorities and issues are combined.
- The budget overview should also summarize changes between proposed and adopted budget.
- Organization chart may consider how structure helps achieve mission.
- Financial policies should note whether the budget complies with relevant financial policies.
- The budget process should also include a discussion on legal level of budget control.
- The three-year financial schedule is no longer mandatory.
- Long-range operating financial plans should consider unfunded liabilities and go beyond just the general fund.
- The capital program and operating impact of capital are combined.
- The capital program needs to identify the process of choosing funded projects.
- Debt should include bond ratings, debt to maturity schedules, and purpose of obligations.
- Performance measures are now mandatory.
- Understandability and usability encourages governments to use other forms of communication for budgets including videos, social media, etc.
- Understandability and usability criterion also notes that governments need to be aware of ADA requirements.
- The goal is to make sure that the criteria remains relevant and that the budget information presented is meaningful.

# Town Manager's Letter and Budget Summary





## Town Manager's Letter

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July 1, 2022

Dear Members of Town Council and Citizens of Hilton Head Island:

I am pleased to present to you the Fiscal Year 2023 Consolidated Budget. This year's budget is balanced with responsible revenue projections and careful expenditure choices and reductions. The budget is aligned with the Town Council's adopted Strategic Plan, and as such, is a priority-based budget that focuses our resources on community priorities. In the coming fiscal year, residents will also benefit from a reduced tax rate, resulting from the expiration of 5 mills that had been directed towards disaster recovery for the past five years.

The Town continues to benefit from ongoing economic strength and growth that underpins its healthy tax base trends and strong, reliable financial performance. We remain in an excellent credit position with a recently reaffirmed Aaa Bond Rating from Moody's and AA+ Bond Rating from Standard and Poor's and Fitch. These ratings reinforce confidence in the Town's efforts to maintain a fiscally sound operation throughout uncertain economic times. Notable credit financial factors include a growing tax base, prudent fiscal management, robust financial position, and modest debt and pension burden.

One of the primary goals associated with this year's budget is the delivery of vision and mission-based Town Council Strategic Plan Priorities. The Town's strategic plan has been developed utilizing the adopted Our Plan, the 2020 to 2040 Comprehensive Plan for the Town of Hilton Head Island. Another notable, and equally important goal is the Town's investment in impactful Capital Projects and community infrastructure. Both of these large Town-wide goals will allow us to focus on building a resilient Hilton Head Island community!

Sincerely,

A handwritten signature in blue ink that reads "Marc Orlando". The signature is written in a cursive, slightly stylized font.

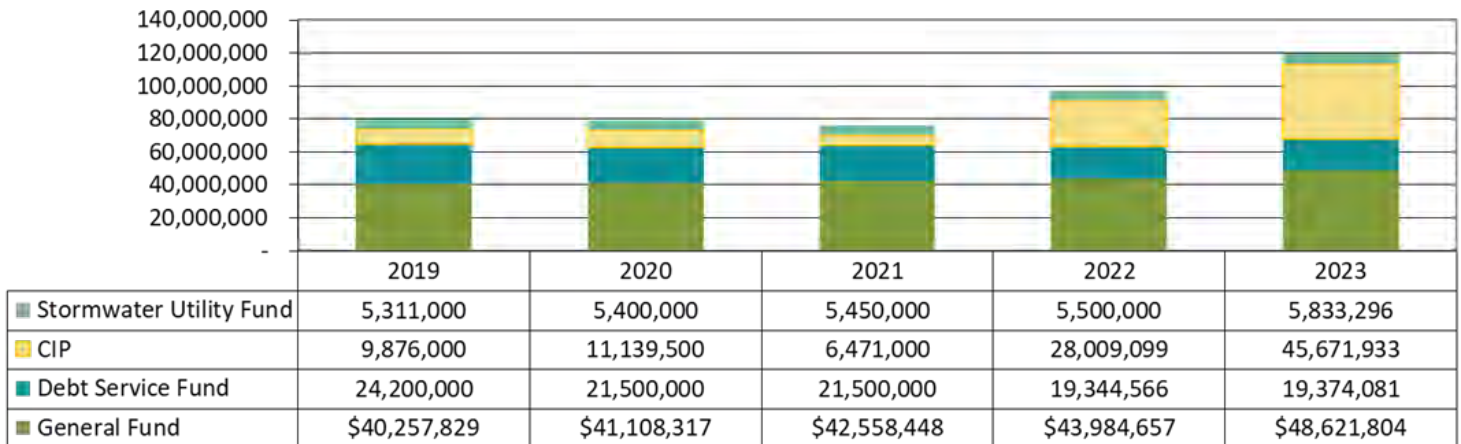
Marc Orlando, ICMA-CM  
Town Manager

## Budget Overview

Since the beginning of the Covid-19 pandemic, the Town has continuously analyzed its impacts on revenues, while purposely reducing expenditures until the effects were known. The Town temporarily experienced a sharp drop in revenues at the end of Fiscal Year 2020, however, revenues quickly returned to normal in early Fiscal Year 2021 and continued to rise to the point of record high revenue collections in Fiscal Year 2022. The Town remains well-positioned to enter Fiscal Year 2023 and to begin spending in a strategic manner to be a catalyst for continued growth, while simultaneously continuing to build reserve balances for any future events that may require emergency funds.

The table and chart below provide a historical comparison of budgeted expenditures by fund.

	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	% Change
General Fund	\$ 41,108,317	\$ 42,558,448	\$ 43,984,657	\$ 48,621,804	10.5%
Debt Service Fund	21,500,000	21,500,000	19,344,566	19,374,081	0.2%
CIP	11,139,500	6,471,000	28,009,099	45,671,933	63.1%
Stormwater Utility Fund	5,400,000	5,450,000	5,500,000	5,833,296	6.1%
<b>Total</b>	<b>\$ 79,147,817</b>	<b>\$ 75,979,448</b>	<b>\$ 96,838,322</b>	<b>\$ 119,501,114</b>	<b>23.4%</b>



Fiscal Year 2017 was Hurricane Matthew. In Fiscal Years 2018-2020, the Town focused on disaster response, disaster reimbursement, and completing projects temporarily delayed because of the storm. In Fiscal Year 2021, the Town focused on adjusting operations due to the uncertainty of the Covid-19 pandemic. The revenues were closely monitored throughout the year, some capital projects were delayed, and the emergency spending was managed well. As we started to come out of the pandemic, the Town began to pivot in Fiscal Year 2022 to look toward the future. In Fiscal Year 2023 the Town will switch focus from responding to the pandemic environment to becoming a catalyst for community growth as we seek to move from recovery to thriving. Based on the foundations of the Comprehensive Plan, the Town has put in place an impactful 3-to-5-year capital plan that is ready to be implemented.

Overall, the Town has done surprisingly well throughout the Covid-19 pandemic. In fact, Moody's Investors Service recently reaffirmed the Town's Aaa rating with a stable outlook assigned, stating factors that contributed to the Town's strong rating such as a robust financial position, extensive tax base, and strong wealth and income profile; an exceptionally strong economy and tax base; and an overall small burden of debt and pension.

### **Some highlights of the Town's Fiscal Year 2023 Adopted Budget include:**

- A reduction in the property tax millage rate from 28.10 mills to 23.10 mills – an 18% decrease. This reduced tax rate resulted from the expiration of five mills that were added to the tax rate five years ago to build up a disaster relief fund in response to Hurricane Matthew.
- A targeted investment of \$45 million for the Town's comprehensive Capital Improvement Program (CIP) including expansion and management of beaches, pathways, parks, roadways, facilities and fleet, land acquisition and housing.
- An impactful investment in the Town's stormwater and water quality programs
- Community planning initiatives including an Island-wide illustrative master plan and growth framework policy
- Maintenance of the Town's strategic partnerships with external/affiliated agencies in areas such as cultural heritage, recreation, economic development, criminal prosecution, transportation, and public outreach.
- The implementation of a new short-term rental program including permit software, staffing, and operational costs
- The addition of new full-time employees including a Director of Public Safety, four Code Enforcement Officers, a Short-Term Rental and Business License Customer Service Manager, a Stormwater Project Manager, a Capital Projects program Administrator, and Open Space Program Coordinator, a Facility Technician, and Fire Rescue Support personnel.
- Funding for compensation and benefit enhancements, professional development, and other programs to attract and retain qualified, capable employees.
- Funding for the hiring of interns and seasonal staff supportive of beach operations.
- Increased Fund Balances due to prior year unspent funds, as well as Fund Balance Policy Improvements to continue Fund Balance growth percentage.

# Mission Statement, Vision, and Goals

## Our Mission

The Town of Hilton Head Island’s mission is to promote the health and vitality of the community we serve through ethical and inclusive programs, policies, and actions.

## Vision

To focus on revitalization and modernization, and to build an inclusive and diverse community.

## Goals

- Require and sustain excellence of Place, People, Planning, and Process.
- Create a resilient and sustainable environment through planning and policy.
- Create an Island-appropriate economy that has sufficient depth and breadth to attract and support a diverse resident, visitor, and business population.
- Foster a multi-dimensional, equitable, and diverse community.
- Facilitate true connectivity in island physical, social, and cultural environments.
- Evaluate how regional expansion will impact immediate and future social, economic, and political planning and policy.
- Align the community’s physical, environmental, and social values with the Capital Improvements Program (CIP) and infrastructure planning.
- Implement the Parks + Recreation Master Plan.







# Executive Summary



Town of  
HILTON HEAD ISLAND  
South Carolina



FISCAL YEAR 2023  
CONSOLIDATED BUDGET  
EXECUTIVE SUMMARY

TOWN OF HILTON HEAD ISLAND, SC  
FY 2023  
PROPOSED CONSOLIDATED BUDGET  
**TOWN COUNCIL**



**John J. McCann, Mayor, At-Large**



**Bill Harkins**  
Mayor Pro-Tem / Ward 2



**Alex Brown**  
Ward 1



**David Ames**  
Ward 3



**Tamara Becker**  
Ward 4



**Tom Lennox**  
Ward 5



**Glenn Stanford**  
Ward 6

# TABLE OF CONTENTS

## **Consolidated Section:**

- FY 2023 Proposed Consolidated Budget Highlights
- Town of Hilton Head Island Overview & Strategic Plan Summary
- Town of Hilton Head Island Vision & Mission Statement
- Town of Hilton Head Island Major Fund Types
- FY 2023 Consolidated Budget Snapshot
- Sources of Funds
- Uses of Funds
- Transfers In per Fund
- Distribution of State ATAX Dollars
- Uses of Local ATAX and State ATAX
- Short Term Rental Permit Program Budget
- Property Tax Overview
- Grant Administration Activity Report

## **General Fund Section:**

- Town Council Salary Comparison
- Town Staff Living on Hilton Head Island
- General Fund Reserve Policy Limits
- General Fund Revenue Overview
- General Fund Revenue Trends
- General Fund Revenue Detail
- General Fund Expenditure Overview
- Affiliated Agency Overview
- General Fund Expenditure Detail
- Emergency Preparedness

# TABLE OF CONTENTS

## **Debt Service Fund Section:**

- Debt Service Revenue Overview
- Debt Service Expenditure Overview
- Debt Service Fund Payments

## **Capital Projects Fund Section:**

- Capital Projects Fund Revenue Overview
- Capital Projects Fund Expenditure Overview
- Planning Commission Proposed Priority Projects
- Capital Improvement Map of Projects
- Capital Improvement Program Projects – List, Timeline, and Project Detail

## **Stormwater Fund Section:**

- Stormwater Fund Revenue Overview
- Stormwater Fund Expenditure Overview
- Stormwater Projects Balance of Service Delivery
- Stormwater Corrective Maintenance Project Lists – Public Systems and POA Agreement Systems
- Stormwater Fund Budget Detail



Consolidated Budget Summary

# TOWN OF HILTON HEAD ISLAND: FY 2023 BUDGET HIGHLIGHTS

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## Overall Highlights

- Reduction of disaster recovery millage reduces the Town's total millage from 28.1 mills to 23.1 mills – an 18% decrease!
- Priority-based budget that is funding the Town's Strategic Plan. New Strategic Plan Initiatives include:
  - Beach Master Plan
  - Island Brand Development
  - HR Strategic Plan
  - Technology & Innovation Strategic Plan
  - SWOT Analysis of Hilton Head Island Resiliency
  - Community Engagement Survey
- Enhanced island-wide resiliency planning, programming and maintenance of public realm including facilities, roads, parks, open space, stormwater corrective and routine maintenance, and capital projects
- Investment in long-range and community planning inclusive of island capacity / baseline assessment, growth framework and island wide master plan
- Increased Fund Balances due to prior year unspent funds, as well as Fund Balance Policy improvements to continue Fund Balance growth percentage
- Enhanced revenues while being responsible with our growth
  - Addition of Short-Term Rental Permit Fee
  - Extension of the Real Estate Transfer Fee
  - EMS rate increase
  - Improved collections of our economic based revenues
- State ATAX Funding to increase support of both the General Fund and Capital Projects Fund
- Funding provided for Town Staff class & compensation assessment/calibration

# TOWN OF HILTON HEAD ISLAND: FY 2023 BUDGET HIGHLIGHTS, CONT.

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## General Fund Highlights

### Revenues

- Record high level of revenue collections - our projections, however, are moderate
  - Beach Preservation Fee, Hospitality Tax, State ATAX, and Local ATAX have all recorded revenue records this past year
  
- New Short-Term Rental Program and Fee implementation in FY 2023 provides funding for:
  - Short Term Rental Permit Software
  - Staffing
  - Operational Costs
  
- Includes State ATAX Funding all-inclusive of the state funding formula portions and Town grant amount, replacing the need to apply for an ATAX grant & providing the Town confidence in its funding.
  
- Business License revenue budget increase of \$1.2 million (13% increase). Business License revenues are used for:
  - Business License Operating Costs
  - Website Enhancements and Support
  - Online portal payment program
  - Office of Cultural Affairs programming
  - General maintenance of Island pathways, open space, and roadways
  
- Hospitality Tax revenues to fund the lease of new Fire Trucks
  
- Proposed rate increase for EMS Services
  
- No use of Fund Balance for the proposed General Fund budget



# TOWN OF HILTON HEAD ISLAND: FY 2023 BUDGET HIGHLIGHTS, CONT.

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## Personnel

- Commitment to recruiting and retaining employees with benefit package enhancements including:
  - Up to 3% performance-based salary increases effective July 2022 (\$800k)
  - 401k retirement plan contribution increased from 11% max to 12% max (\$112k)
  - Medflex reimbursement increased from \$800 to \$1,000 per employee per year (\$54k)
  - New option to buy back earned vacation time – up to 25 hours per year (\$102k)
  - Coverage of SC unfunded mandates for health insurance (approximately \$195k) and Fire Rescue retirement premium increases (approximately \$90k)
  - BCSO - Christmas bonuses (\$20k) and island resident stipend increased from \$350 to \$550 per person per month (currently applies to 17 officers - \$41k increase)
  - Funding for Town Staff class & compensation assessment/calibration (\$350k)
  - Funding allocated for Fire Rescue personnel compensation adjustments (FY22 - \$128.5k and FY23 - \$385.5k).
  
- Addition of new full-time positions:
  - Director of Public Safety – effective July 1, 2022
  - 4 Additional Code Enforcement Officers – two effective July 1, 2022 and two effective January 1, 2023
  - Short Term Rental & Business License Customer Service Manager – effective September 1, 2022
  - Capital Projects Program Administrator – effective September 1, 2022
  - Facilities Technician – effective January 1, 2023
  - Open Space Program Coordinator – effective January 1, 2023
  - Fire Rescue Support – effective January 1, 2023
  - Stormwater Project Manager – effective January 1, 2023 (budgeted in the Stormwater Fund)
  
- Includes several interns and seasonal employees:
  - 6 Interns to assist the following departments with special projects and initiatives
    - Fire Rescue
    - Office of Cultural Affairs
    - Engineering
    - Community Development
    - Finance
    - Local government
  - 5 seasonal beach parking staff, 4 seasonal beach ambassadors, and 2 seasonal facilities technicians to provide an enhanced island experience for residents and visitors

# TOWN OF HILTON HEAD ISLAND: FY 2023 BUDGET HIGHLIGHTS, CONT.

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## Personnel, cont.

- Town Council salary adjustment study & deployment - effective following the Municipal Election
  - Current Town Council member salary is \$12,800 plus a stipend of \$50 per meeting, not to exceed a total of \$20,300
  - Current Mayor salary is \$25,000 plus a stipend of \$50 per meeting, not to exceed a total of \$32,500
  - Proposed is a set salary of \$20,300 for Town Council members, and \$32,500 for the Mayor

## Operations

- Lean Operating Budget provides for Employee Professional Development:
  - Leadership development program
  - Conferences and travel
  - Staff training and certifications

## Departmental Highlights

- Town Council / Executive Office:
  - The Town is turning 40! Funding is provided for a town-wide birthday celebration.
  - Town Branding
- Legal
  - Additional focus on Public Safety with creation of the Director of Public Safety, and addition of four Code Enforcement officers
  - Dedicated office space for Public Safety in the renovated office space at Shelter Cove
- Office of Cultural Affairs:
  - Increased funds to grow participation in the HHI Lantern Parade, grow attendance for Crescendo, develop signature events, develop festive Town holiday programming, manage temporary Public Art Installations, additional support for public events in the parks, and curate new permanent Public Art pieces.
- Technology & Innovation:
  - Addition of several technological platforms such as a service desk ticketing system, a platform for the Town's Boards and Commissions, and a special events application, all while reducing the overall Technology & Innovations operating budget

# TOWN OF HILTON HEAD ISLAND: FY 2023 BUDGET HIGHLIGHTS, CONT.

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## Operations, cont.

- Communications:
  - Development of a strategic and effective communications budget with new avenues to disseminate important Town messages to support the Town’s commitment to providing excellent communication
  - Roll out of translation services which will provide us with the ability to:
    - Utilize telephonic translation services on demand to translate to and from most languages – this will mean employees including customer service and field personnel (Inspectors, Code Enforcement, Fire Rescue, Revenue Collectors) will be able to effectively communicate with customers regardless of whether they speak English by utilizing immediately available, certified translation experts via phone
    - Utilize Zoom based translation services on demand to translate to and from most languages, including American Sign Language visual translation
    - Schedule in-person translation
    - Translate written documents within a few days
- Human Resources:
  - Streamlined operating budget to contain funding for the HR department itself – moved Townwide funds for tuition reimbursement, Townwide training, Health and Safety programs, etc. to the Townwide budget
- Finance:
  - Includes 1 new FTE, a Short-Term Rental & Business License Customer Service Manager to assist with the implementation and management of the third-party contract for the Short-Term Rental program
- Community Development:
  - Department realignment now includes Community Development and Infrastructure Services for a more effective and coordinated structure to support the Town’s initiatives of providing outstanding customer service, strategic planning, capital project development and management, and efficient permitting processes
  - Creation of an Island-wide Illustrative Master Plan and Growth Framework Assessment
  - Increased maintenance and landscaping funds support parks formerly maintained by the County, the shrinking off-season, and the completion of new parks and pathways
  - Addition of 2 FTEs to further enhance open space programming & maintenance of our facilities

# TOWN OF HILTON HEAD ISLAND: FY 2023 BUDGET HIGHLIGHTS, CONT.

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## Operations, cont.

- Fire Rescue:
  - Programmed to receive accreditation through the Emergency Management Accreditation Program and strive to become the first municipality in South Carolina to earn this recognition.
  - Includes oversight of the Emergency Management Accreditation process for the technical rescue team
- Contracted Public Safety:
  - Increased funding for Shore Beach Services to account for increased fuel prices, and increased labor costs due to additional beach matting / expanded trash pickup
  - BCSO island resident stipend increased from \$350 to \$550 per person per month

## Affiliated Agencies:

- Implemented Town Council priority-based application process as directed by the Strategic Plan. The proposed budget invests in our Community Partners:
  - Island Recreation Association - \$1,099,304
  - Mitchelville Preservation Project - \$105,000
  - Coastal Discovery Museum - \$92,775
  - USCB Event Management and Hospitality Program - \$190,094
  - LRTA / Palmetto Breeze - \$282,404
  - Solicitor's Office Career Criminal Program and Multidisciplinary Court - \$168,500
  - Heritage Classic Foundation - \$298,513
  - Grant Matching - \$30,000
  - Beaufort County EDC - \$25,000
  - **Total Affiliated Agency Support: \$2,291,590**

# TOWN OF HILTON HEAD ISLAND: FY 2023 BUDGET HIGHLIGHTS, CONT.

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## Debt Service Fund Highlights

- \$15 million debt reduction in FY21 and FY22, plus \$16 million debt reduction in FY23
- No new bonds are planned for this year
- 5<sup>th</sup> year in a row the Town's net debt declined – FY19, 20, 21, 22, and now FY23
- Budget includes both General Obligation (GO) and Special Revenue bonds
- FY23 budget is very similar to the prior year
- No change in the millage for Debt Service
- The Town will continue to seek out refunding opportunities
- The Town continues to improve its financial position and capacity by steadily decreasing debt
- The Town will issue a lease for the Fire Trucks – the lease payments are built into the General Fund Fire Rescue budget as a signal that regular replacement is a priority and is expected
- Stormwater bonds are paid through the Stormwater fund

# TOWN OF HILTON HEAD ISLAND: FY 2023 BUDGET HIGHLIGHTS, CONT.

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## Capital Projects Fund Highlights

- The FY23 CIP contains several existing projects currently under way, as well as funding for new projects, for a full and impactful CIP program
- Projections are included for FY22, FY23 and FY24 as many of the planned projects will continue into FY24 and beyond
- Projects timelines are being scheduled to balance stages and create coordination between projects – planning / design / permitting / construction
- Vehicles in the Fleet Management budget have been separated into categories for replacement vehicles and vehicles for new staff
- State ATAX funding has been included this year, and is planned to fund our pathway projects
- Includes 1 new FTE, a Capital Projects Program Administrator, to assist with streamlining processes and delivering amazing projects in an efficient manner
- The current CIP includes projects for:
  - Beaches \$ 2,850,000
  - Pathways \$ 4,724,000
  - Parks \$ 13,795,235
  - Facilities \$ 3,462,750
  - Fleet \$ 8,166,945
  - Equipment \$ 2,839,900
  - Roadways \$ 8,153,842
  - Land Acquisition \$ 300,000
  - Housing \$ 1,379,261
  - **Total CIP \$ 45,671,933**

# TOWN OF HILTON HEAD ISLAND: FY 2023 BUDGET HIGHLIGHTS, CONT.

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## Stormwater Fund Highlights

- Majority of funds programmed for strategic plan priorities including SWOT analysis of island resiliency, routine maintenance, corrective maintenance, and capital projects
- 1 new FTE, a Stormwater Project Manager, to assist with corrective maintenance and capital projects
- Lean operating budget within the current rate structure
- No new vehicles or equipment > \$5k planned for FY23
- More transparency in project development
- Emphasis on Corrective Maintenance of systems:
  - Public systems - \$400,000
  - POA Agreement systems - \$660,000
- Funding included for Routine Maintenance:
  - Channel Maintenance - \$265,000
  - Street Sweeping - \$95,000
  - Pond Maintenance - \$10,000
- Planned funding for other expected maintenance:
  - Pump Stations - \$330,000
  - Maintenance Contingency - \$340,000
- Funding included for Monitoring, Modeling and Analysis:
  - Water Quality Monitoring - \$105,000
  - Inventory & Modeling, Sea Pines - \$350,000
  - Resiliency SWOT / Sea Level Rise Analysis - \$250,000
- Transfer of \$830,000 to the CIP for the following Stormwater Capital Projects:
  - Cordillo Courts Improvements - \$50,000
  - Moonshell - construct - \$80,000
  - Gum Tree Road project – design and construct - \$125,000
  - Jarvis Flap Gates – design and construct - \$500,000
  - Wexford Debris System – design - \$75,000

# TOWN OF HILTON HEAD ISLAND: OVERVIEW & STRATEGIC PLAN SUMMARY

## Overview

Hilton Head Island, also referred to as simply Hilton Head, is a lowcountry resort town located on an island of the same name in Beaufort County, South Carolina, United States. It is 20 miles northeast of Savannah, Georgia, and 95 miles southwest of Charleston. According to the United States Census Bureau, the Island has a total area of 69.2 square miles, of which 41.4 square miles is land, and 27.8 square miles, or 40.17%, is water.

Hilton Head Island offers an unusual number of cultural opportunities for a community its size, including Broadway-quality plays at the Arts Center of Coastal Carolina, the 120-member full chorus of the Hilton Head Choral Society, the highly rated Hilton Head Symphony Orchestra, the largest annual outdoor, tented wine tasting event on the east coast, the Concours d' Elegance Motoring Festival, and several other annual community festivals. It also hosts the RBC Heritage presented by Boeing, a stop on the PGA Tour which is played on the Harbour Town Golf Links in The Sea Pines Resort.

## Strategic Plan Summary

The goal of the Strategic Plan is to build an alignment of strategies, projects, and performance measures to address Town of Hilton Head Island focus areas and guiding principles. The Strategic Plan is a compass to continuously make proactive decisions on maintaining and improving the Town's core functions in the following Strategic Focus Areas:

- Pursuit of Excellence
- Environmental Sustainability
- Revitalize Economy
- Inclusive Community
- Connected Community
- Regional Focus
- Right Sized Infrastructure
- Parks and Recreation

The Strategic Plan Action Agenda establishes a road map for activities and initiatives that will achieve the vision for the Town and ensure that Hilton Head Island is poised to capitalize on opportunities to advance key initiatives. The Action Plan links to the Town's budget process, staff work plans and performance evaluations, Town-wide performance measures and Town Council agenda to ensure the day-to-day relevancy and effectiveness of the Plan.





# TOWN OF HILTON HEAD ISLAND: VISION & MISSION STATEMENT

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## Town of Hilton Head Island Vision Statement

*“To focus on revitalization and modernization, and to build an inclusive and diverse community.”*

## Town of Hilton Head Island Mission Statement

*“The Town of Hilton Head’s mission is to promote the health and vitality of the community we serve through ethical and inclusive programs, policies and actions.”*

The Town organization is committed to:

- Providing world-class service, facilities, leisure and recreational opportunities for residents and guests;
- Providing financial stability and economic development by promoting services in the most cost-effective manner while protecting the high level of service quality the Town has become known for;
- Providing an open town government to make participation in local government activities possible for all residents;
- Providing enhanced customer service, innovation, and employee engagement;
- Investing in impactful capital projects and community infrastructure;
- Providing community and environmental vitality to preserve the Town’s character while promoting a sense of pride for its citizens;
- Promoting unity while supporting diversity to honor the strength of diversity in our community; and
- Using the consolidated budget as a catalyst to implement change and improvement

## Why Does the Town Prepare a Budget?

1. Establishes priorities to determine how resources will be allocated among the Town’s programs and services.
2. Identifies the costs of providing programs and services.
3. Establishes the amount of revenue projected to be available, and subsequently sets limitations on the amount of expenditures that can be supported.
4. Aligns allocated funding with Strategic Plan Action Agenda priorities established by Town Council.
5. Provides budgetary targets to compare with actual revenues and expenditures throughout the year.

**T**he State of South Carolina requires Town Council to adopt an annual balanced budget ordinance prior to July 1. The Town’s annual budget is developed in conjunction with feedback from citizens, various boards and commissions including the Town’s Planning Commission, the Mayor and Council, the Town Manager, and each department within the Town. Town Council adopts the budget via two readings of the Consolidated Budget Ordinance as well as a public hearing. The first reading is held in May, and the second reading and associated public hearing is held in June. Town Council also holds one or two budget workshops to review projected revenues, expenditure requests, programs, services, and capital projects.

# TOWN OF HILTON HEAD ISLAND: FOUR MAJOR FUND TYPES

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## General Fund

This fund is used to account for all financial resources except those required to be accounted for in another fund. Its primary operating expenditures are general government, administrative services, sheriff/other public safety, fire, community services, and public projects and facilities. Principal sources of revenue are property taxes and licenses and permit fees.

## Debt Service Fund

This fund is used for accumulating resources for the payment of interest and principal on general long-term obligation debt of the governmental funds. The primary sources of revenue are property tax and beach preservation, hospitality tax, TIF tax, and real estate transfer fees.



## Capital Projects Fund (CIP)

This fund is used to account for and report financial resources that are restricted, committed or assigned for the acquisition, construction, or renovation of major capital facilities; ongoing major improvement projects; and major equipment or other capital asset acquisitions which are not financed by another fund. Primary sources of revenue include bond proceeds, hospitality tax fees, beach preservation fees, TIF taxes, road usage fees, electric franchise fees, and road/park impact fees. Capital Projects are primarily non-recurring in nature. All capital categories require a cost threshold of greater than \$5,000 except for roads, buildings and computer software with a threshold of greater than \$50,000.

## Stormwater Fund

This fund is used to account for and report the costs associated with the management, construction, maintenance, protections, control, regulation, use and enhancement of stormwater systems and programs within the Town limits. The primary source of revenue is stormwater utility fees.



# 2023



## BUDGET SNAPSHOT

### 5 MIL TAX REDUCTION!

\*TAX MILLAGE RATE WAS REDUCED FROM 28.1 TO 23.1 THE DISASTER 5 MILS HAS EXPIRED

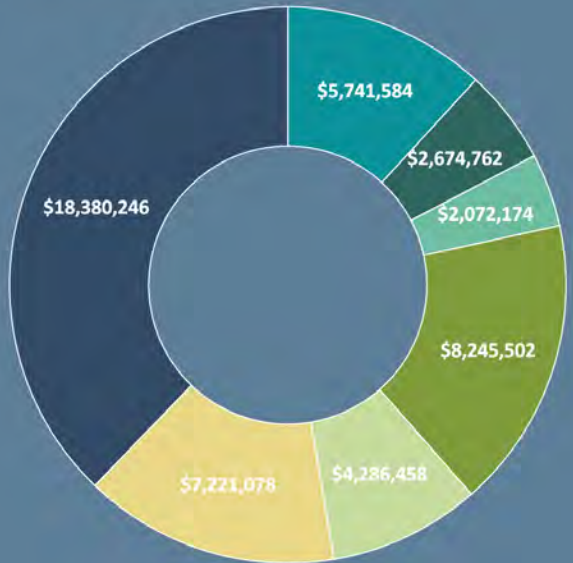


**CONSOLIDATED BUDGET**  
**\$119,501,114**

<b>GENERAL FUND</b>	<b>\$ 48,621,804</b>
<b>CAPITAL IMPROVEMENTS PROGRAM</b>	<b>45,671,933</b>
<b>STORMWATER UTILITY FUND</b>	<b>5,833,296</b>
<b>DEBT SERVICE FUND</b>	<b>19,374,081</b>

### GENERAL FUND EXPENDITURES

- TOWNWIDE
- PUBLIC SAFETY
- GENERAL GOVERNMENT
- MANAGEMENT SERVICES
- COMMUNITY DEVELOPMENT
- PUBLIC PROJECTS AND INFRASTRUCTURE
- FIRE RESCUE



### CAPITAL IMPROVEMENTS PROGRAM



**\$940,512**

ESTIMATED VALUE  
OF A MILL



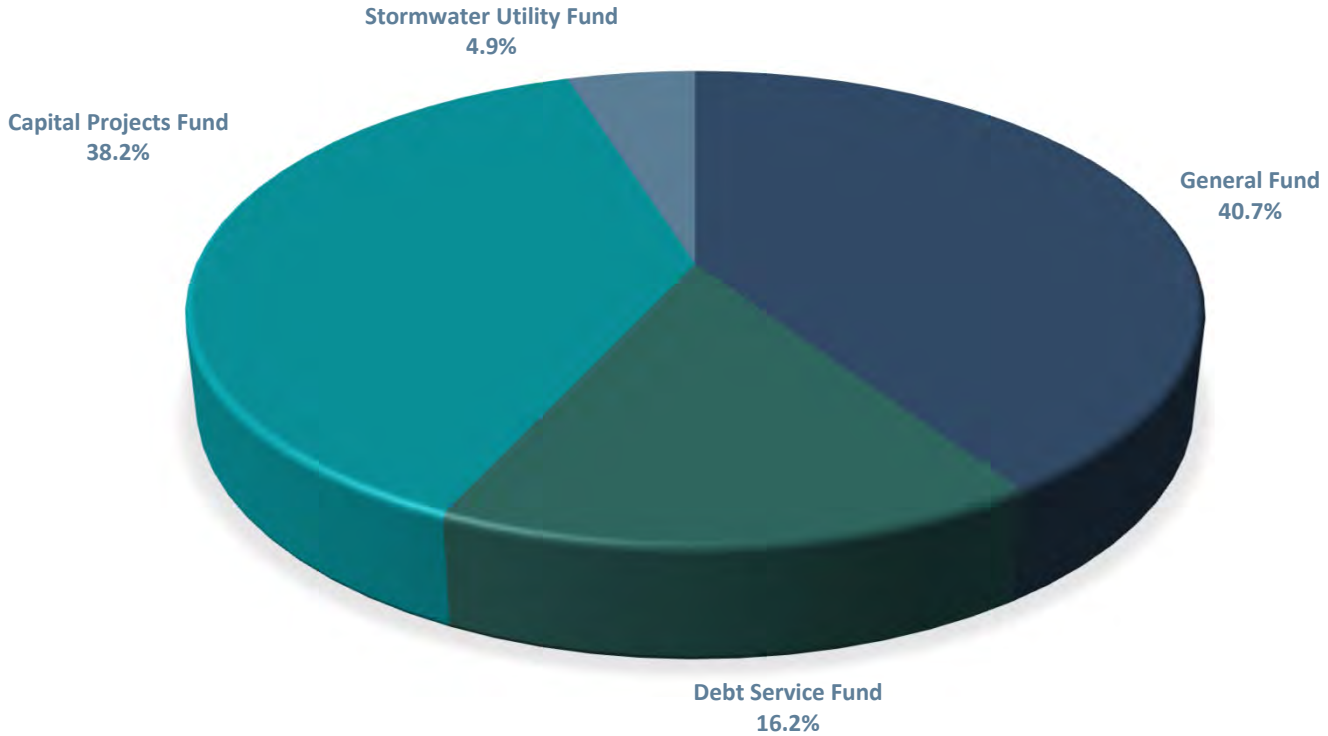
GENERAL FUND  
REVENUES



10.5 %

# TOWN OF HILTON HEAD ISLAND: FY2023 CONSOLIDATED BUDGET

## Fund Percentages

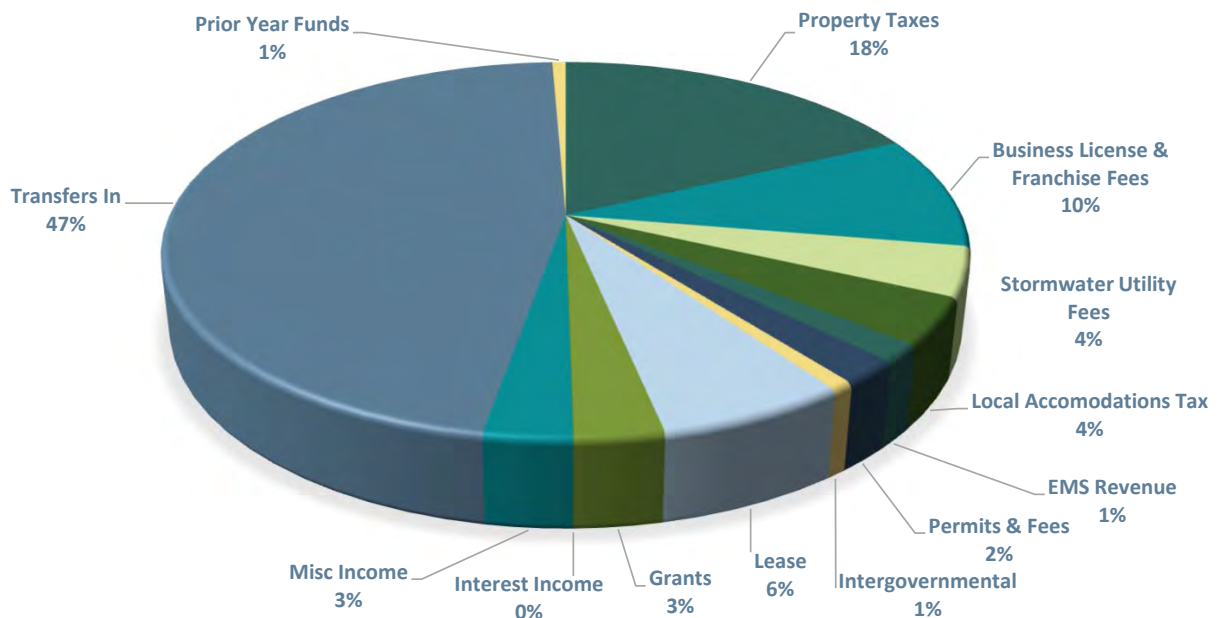


Expenditures	FY 2020 Actual	FY 2021 Actual*	FY 2022 Original Budget	FY 2023 Proposed Budget	Compared to FY22 Original Budget	
					\$ Change	% Change
General Fund	\$ 39,000,970	\$ 40,959,948	\$ 43,984,657	\$ <b>48,621,804</b>	\$ 4,637,147	10.5%
Debt Service Fund	37,932,307	19,815,012	19,344,566	<b>19,374,081</b>	\$ 29,515	0.2%
Capital Projects Fund	23,358,099	14,061,999	28,009,099	<b>45,671,933</b>	\$ 17,662,834	63.1%
Stormwater Utility Fund	4,535,846	4,893,127	5,500,000	<b>5,833,296</b>	\$ 333,296	6.1%
Consolidated Budget	<u>\$ 104,827,222</u>	<u>\$ 79,730,086</u>	<u>\$ 96,838,322</u>	<u>\$ <b>119,501,114</b></u>	<u>\$ 22,662,792</u>	<u>23.4%</u>

\* FY 2021 expenditures were intentionally reduced during the Covid-19 pandemic while the impacts on revenues were unknown

# TOWN OF HILTON HEAD ISLAND: FY2023 CONSOLIDATED BUDGET

## Sources of Funds



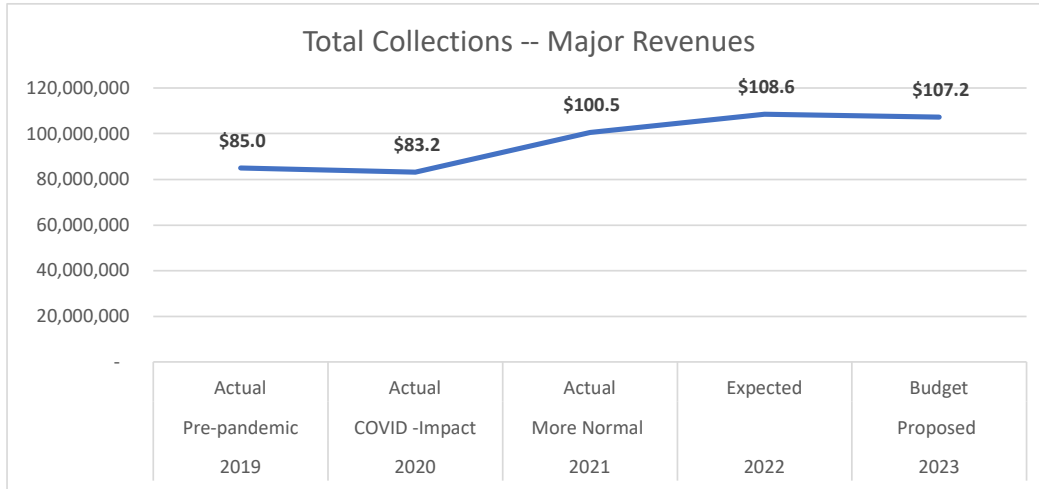
	FY 2021 Actual	FY 2022 Original Budget	FY 2023 Proposed Budget	\$ Change FY 2022 Original	% Change FY 2022 Original
<b>Revenues</b>					
Property Taxes	\$ 21,373,792	\$ 21,237,055	\$ 21,425,825	\$ 188,770	0.9%
Business License & Franchise Fees	11,265,459	10,477,403	11,597,145	\$ 1,119,742	10.7%
Bond Revenue (Prior Year)	-	1,855,000	-	\$ (1,855,000)	-100.0%
Stormwater Utility Fees	5,043,167	4,934,000	5,044,000	\$ 110,000	2.2%
Local Accommodations Tax	5,561,900	3,988,163	4,779,690	\$ 791,527	19.8%
EMS Revenue	1,776,344	1,707,823	1,838,000	\$ 130,177	7.6%
Permits & Fees	2,125,382	1,659,323	2,468,323	\$ 809,000	48.8%
Intergovernmental	896,909	888,392	915,878	\$ 27,486	3.1%
Lease	-	6,201,868	7,742,473	\$ 1,540,605	24.8%
Grants	151,926	476,199	3,606,111	\$ 3,129,912	657.3%
Interest Income	62,219	48,000	67,750	\$ 19,750	41.1%
Misc Income*	1,747,767	1,306,229	3,563,433	\$ 2,257,204	172.8%
<b>Total Revenues</b>	<b>\$ 50,004,865</b>	<b>\$ 54,779,455</b>	<b>\$ 63,048,628</b>	<b>\$ 8,269,173</b>	<b>15.1%</b>
<b>Other Financing Sources</b>					
Transfers In	28,896,003	30,638,316	55,683,190	\$ 25,044,874	81.7%
Prior Year Funds	-	11,420,551	769,296	\$ (10,651,255)	-93.3%
<b>Total Other Financing Sources</b>	<b>28,896,003</b>	<b>42,058,867</b>	<b>56,452,486</b>	<b>\$ 14,393,619</b>	<b>34.2%</b>
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 78,900,868</b>	<b>\$ 96,838,322</b>	<b>\$ 119,501,114</b>	<b>\$ 22,662,792</b>	<b>23.4%</b>

\*Misc Income in the General Fund includes Beach Services and Other Revenue

\*Misc Income in the CIP Fund includes Sunday Liquor Permit Fees, Impact Fees, Capital, and Sale of Land / Equipment

# TOWN OF HILTON HEAD ISLAND: FY2023 CONSOLIDATED BUDGET

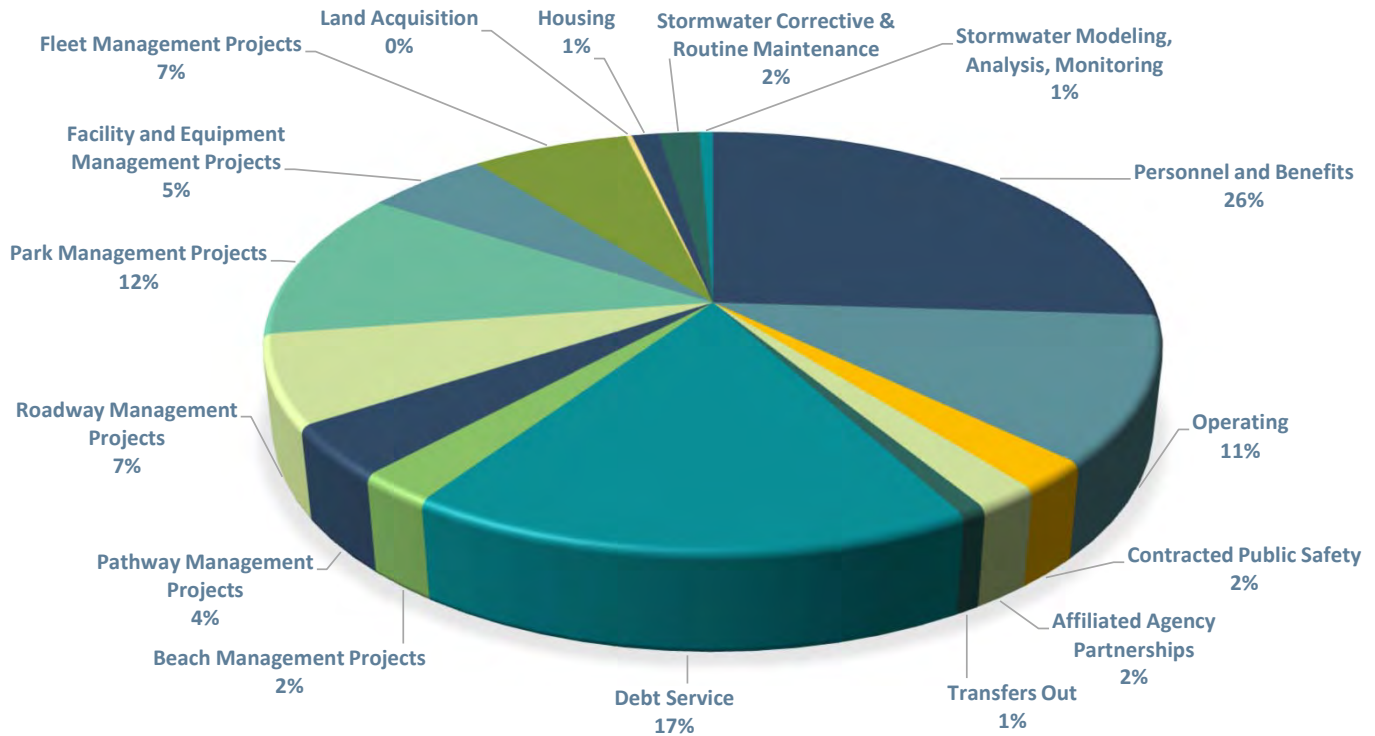
## Schedule of Major Revenues Pre-COVID, During COVID and Post-COVID



Revenue Item:	2019	2020	2021	2022	2023	% Change to FY22 Expected
	Pre-pandemic Actual	COVID -Impact Actual	More Normal Actual	Expected	Proposed Budget	
General Fund Property Taxes	14,390,696	15,423,223	15,925,355	15,975,355	16,023,489	0.3%
Local ATAX	3,740,071	3,541,615	5,561,900	4,961,900	4,779,690	-3.7%
Business License	9,661,632	8,688,469	10,455,636	10,282,051	10,600,393	3.1%
Franchise Fees	1,030,513	1,007,149	809,823	995,352	996,752	0.1%
Permit Revenue	1,513,153	1,619,639	2,125,382	2,059,323	2,468,323	19.9%
Intergovernmental	848,742	879,859	896,909	888,392	915,878	3.1%
EMS ambulance fees	1,714,021	1,487,823	1,776,344	1,796,344	1,838,000	2.3%
General Fund Grants	180,658	330,734	78,831	128,219	76,111	-40.6%
Beach Services	270,839	266,392	298,401	278,658	298,401	7.1%
Other General Fund	457,306	438,997	358,325	279,271	279,271	0.0%
Investments General Fund	361,108	271,185	22,815	30,000	35,570	18.6%
<b>General Fund Subtotal</b>	<b>34,168,739</b>	<b>33,955,085</b>	<b>38,309,721</b>	<b>37,674,865</b>	<b>38,311,878</b>	<b>1.7%</b>
Debt Service Fund Property Taxes	5,372,835	5,378,472	5,448,437	5,509,000	5,402,336	-1.9%
Investments DS	137,205	302,536	18,964	12,000	12,000	0.0%
Natural Disaster Fund Property Taxes (A)	4,635,043	4,654,612	4,777,234	4,897,000	-	-100.0%
HTAX Lease	-	-	-	6,201,868	7,742,473	24.8%
All other CIP revenues	1,976,466	1,797,684	1,175,347	2,951,280	6,091,500	106.4%
Stormwater fees	4,895,801	4,928,623	5,043,167	5,054,000	5,044,000	-0.2%
Tax Increment Financing -- Property Taxes	4,687,575	5,031,311	5,361,090	5,535,000	5,590,350	1.0%
State ATAX	6,880,027	6,490,407	10,183,479	10,830,000	10,938,300	1.0%
Real Estate Transfer Fees	3,380,107	3,552,965	7,127,885	6,895,000	5,171,250	-25.0%
Hospitality Taxes	7,545,777	6,284,461	8,051,256	8,647,000	8,733,470	1.0%
Beach Preservation Fees	7,480,142	7,083,230	11,123,801	11,328,000	11,441,280	1.0%
Electric Franchise Fees	2,812,503	2,706,003	2,811,144	2,710,000	2,690,000	-0.7%
Road Usage Fee (now paused)	1,045,628	1,015,865	1,055,675	344,452	-	-100.0%
<b>Total Collections -- Major Revenues</b>	<b>85,017,848</b>	<b>83,181,254</b>	<b>100,487,200</b>	<b>108,589,465</b>	<b>107,168,837</b>	<b>-1.3%</b>

# TOWN OF HILTON HEAD ISLAND: FY2023 CONSOLIDATED BUDGET

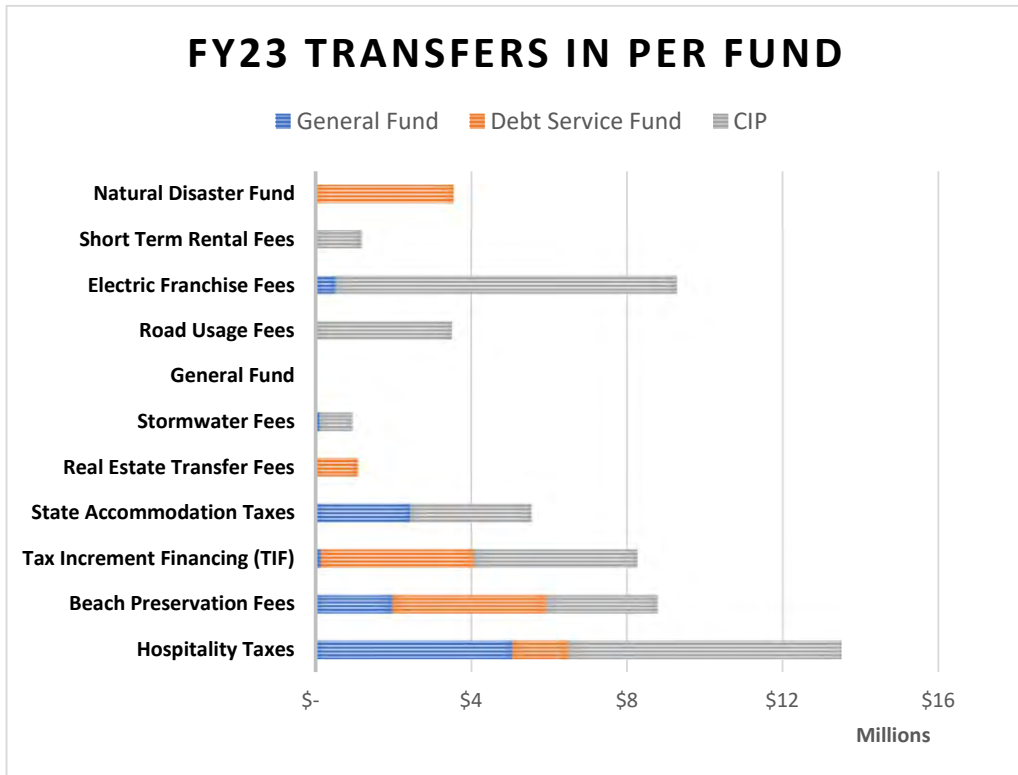
## Uses of Funds



	FY 2021 Actual	FY 2022 Original Budget	FY 2023 Proposed Budget	\$ Change FY2022 Original	% Change FY2022 Original	% of Budget
Personnel and Benefits	\$ 26,661,190	\$ 27,908,655	\$ 31,025,827	\$ 3,117,172	11%	26.0%
Operating	9,769,866	12,081,083	13,378,121	\$ 1,297,038	11%	11.2%
Contracted Public Safety	3,135,099	2,498,430	2,674,762	\$ 176,332	7%	2.2%
Affiliated Agency Partnerships	2,099,115	2,224,427	2,291,590	\$ 67,163	3%	1.9%
Transfers Out	125,000	2,494,000	955,000	\$ (1,539,000)	-62%	0.8%
Debt Service	21,559,191	20,599,628	20,698,881	\$ 99,253	0%	17.3%
Beach Management Projects	265,561	2,373,523	2,850,000	\$ 476,477	20%	2.4%
Pathway Management Projects	159,374	900,000	4,724,000	\$ 3,824,000	425%	4.0%
Roadway Management Projects	1,125,766	5,167,964	8,153,842	\$ 2,985,878	58%	6.8%
Park Management Projects	824,214	8,716,476	13,795,235	\$ 5,078,759	58%	11.5%
Facility and Equipment Management Projects	9,129,233	3,884,200	6,302,650	\$ 2,418,450	62%	5.3%
Fleet Management Projects	195,668	6,677,868	8,166,945	\$ 1,489,077	22%	6.8%
Land Acquisition	2,362,183	324,068	300,000	\$ (24,068)	-7%	0.3%
Housing	-	-	1,379,261	\$ 1,379,261	100%	1.2%
Stormwater Corrective & Routine Maintenance	2,176,496	988,000	2,100,000	\$ 1,112,000	113%	1.8%
Stormwater Modeling, Analysis, Monitoring	-	-	705,000	\$ 705,000	100%	0.6%
Other Capital Outlay	142,130	-	-	\$ -	n/a	0.0%
<b>Total Expenditures</b>	<b>79,730,086</b>	<b>96,838,322</b>	<b>119,501,114</b>	<b>\$ 22,662,792</b>	<b>23%</b>	<b>100.0%</b>

# TOWN OF HILTON HEAD ISLAND: FY2023 CONSOLIDATED BUDGET

## Sources of Funds - Transfers In

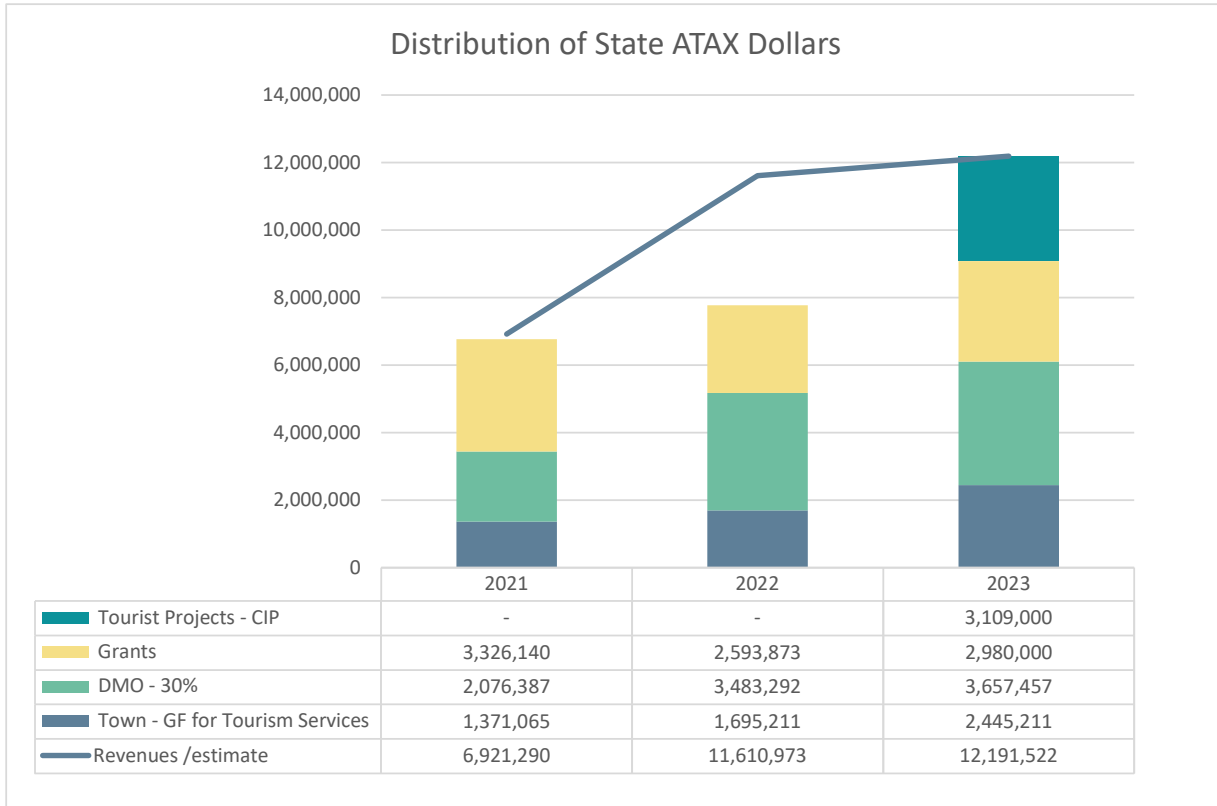


Transfers In	General Fund	Debt Service Fund	CIP	Total
Hospitality Taxes	\$ 5,062,424	\$ 1,444,691	\$ 6,985,472	\$ 13,492,587
Beach Preservation Fees	1,983,508	3,952,375	2,850,000	8,785,883
Tax Increment Financing (TIF)	153,000	3,927,564	4,187,235	8,267,799
State Accommodation Taxes	2,445,211	-	3,109,000	5,554,211
Real Estate Transfer Fees	-	1,097,350	-	1,097,350
Stormwater Fees	125,000	-	830,000	955,000
General Fund	-	-	-	-
Road Usage Fees	-	-	3,508,555	3,508,555
Electric Franchise Fees	540,603	-	8,743,319	9,283,922
Short Term Rental Fees	-	-	1,200,118	1,200,118
Natural Disaster Fund	-	3,537,765	-	3,537,765
<b>Total</b>	<b>\$ 10,309,746</b>	<b>\$ 13,959,745</b>	<b>\$ 31,413,699</b>	<b>\$ 55,683,190</b>



# TOWN OF HILTON HEAD ISLAND: FY2023 CONSOLIDATED BUDGET

## State Accommodations Tax



The increases in revenue collections provides an opportunity to fund CIP from State ATAX. The proposed CIP includes new pathway projects funded from State ATAX without encroaching on the traditional recipients.

### State Accommodation Taxes (sample calculations -- Fiscal Year basis)

	2021 Spend	2022 Spend	Increase	2023 Spend	Increase
	Actual	Actual	in %	Estimate	in %
<b>Revenues /estimate</b>	<b>6,921,290</b>	<b>11,610,973</b>	<b>67.8%</b>	<b>12,191,522</b>	<b>5.0%</b>
<b>Required Expenditures:</b>					
First 25,000 to General Fund	25,000	25,000	0.0%	25,000	0.0%
5% to General Fund	346,065	580,549	67.8%	609,576	5.0%
Required DMO 30%	2,076,387	3,483,292	67.8%	3,657,457	5.0%
<b>Required Expenditures</b>	<b>2,447,452</b>	<b>4,088,841</b>	<b>67.1%</b>	<b>4,292,033</b>	<b>5.0%</b>
<b>Available for other purposes</b>	<b>4,473,839</b>	<b>7,522,133</b>	<b>68.1%</b>	<b>7,899,489</b>	<b>5.0%</b>
<b>Optional Expenditures:</b>					
Supplemental Grant DMO	350,000	480,000	37.1%	-	-100.0%
All other Grants	2,640,910	2,113,873	-20.0%	2,980,000	41.0%
Out of Cycle Grants	335,230	-	-100.0%	-	n/a
Town Grant/Appropriation	1,000,000	1,089,662	9.0%	1,810,635	66.2%
Tourist Related CIP Projects	-	-	n/a	3,109,000	n/a
<b>Other Uses</b>	<b>4,326,140</b>	<b>3,683,535</b>	<b>-14.9%</b>	<b>7,899,635</b>	<b>114.5%</b>

# TOWN OF HILTON HEAD ISLAND: FY2023 CONSOLIDATED BUDGET

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## Accommodations Tax Overview

### Local Accommodation Taxes

Local ATAX is used in the General Fund, which helps avoid putting a burden on the property taxpayers from the activities of visitors and tourists. The proposed Local ATAX revenue budget for FY23 is **\$4,779,690** and will be used for:

- Collection of the Local ATAX
- Codes Enforcement
- Facilities maintenance of public spaces
- Fire Rescue emergency response capability
- Road maintenance
- Cultural Arts – for visitors, residents, and tourists

### State Accommodation Taxes

State ATAX is proposed to be used in the General Fund as well as the Capital Projects Fund for FY 2023. State ATAX funds must be used to support tourism-related expenditures. The proposed State ATAX revenue budget is **\$2,445,211** in the General Fund, and **\$3,109,000** in the Capital Projects Fund, and will be used for:

#### General Fund

- Public Safety
  - Fire Rescue services
  - Code enforcement services
  - Police services
  - Beach services
- Facilities Management
  - Roadside maintenance
  - Pathway maintenance
  - Public Park maintenance
- Cultural Arts

#### Capital Projects Fund

- Pathway Management
  - New pathway segments
  - Pathway maintenance and improvements

# TOWN OF HILTON HEAD ISLAND: FY2023 CONSOLIDATED BUDGET

## Short Term Rental Fee Overview

Fiscal Year 2022-2023

<b>Budgeted Receipts</b>		
Short Term Rental Permit Fee	\$	250
Estimate of number of units requesting a permit		<u>8,000</u>
Estimated First Year Revenues *		<u><u>2,000,000</u></u>

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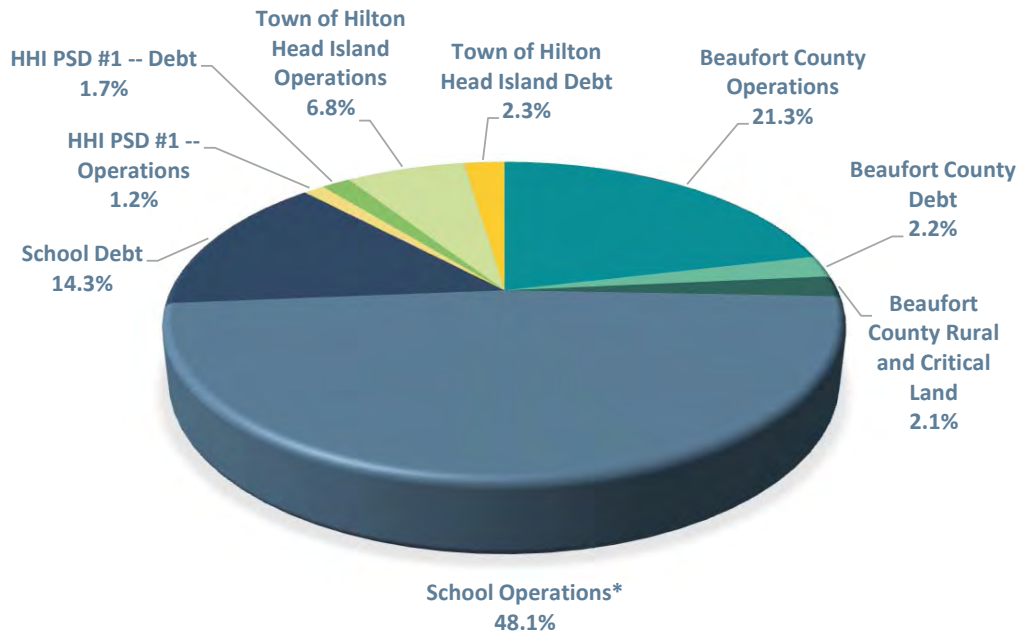
<b>Spending Category</b>		<b>Budgeted Spending</b>
<b>CIP</b>		
Outsource to third party for administration (A)	800,000	
Vehicles / Equipment for enforcement	325,118	
<b>Total CIP</b>	<u>1,125,118</u>	
<b>General Fund</b>		
Administrative and Legal support for Short Term Rental Ordinance administration and enforcement	874,882	
<b>Total General Fund</b>	<u>874,882</u>	
Total First Year Estimated Costs		<u><u>2,000,000</u></u>

(A) The Town has issued a Request for Proposals (RFP) submissions are due 4/28/2022.

\* First Year Adoption is only six months of fiscal year 2023

# TOWN OF HILTON HEAD ISLAND: FY2023 CONSOLIDATED BUDGET

## Property Tax Overview



	Tax Rate		Sample Tax Bill	
	2021	2022	\$	Home Value
			\$	20,000.00
				4% Assessment
Beaufort County Operations	53.90	53.90	\$	1,078.00
Beaufort County Debt	5.50	5.60	\$	112.00
Beaufort County Rural and Critical Land	4.80	5.30	\$	106.00
School Operations*	114.00 *	121.60 *	\$	- *
School Debt	36.30	36.30	\$	726.00
HHI PSD #1 -- Operations	3.00	3.00	\$	60.00
HHI PSD #1 -- Debt	4.20	4.20	\$	84.00
<b>Town of Hilton Head Island Operations</b>	<b>17.20 **</b>	<b>17.20 **</b>	<b>\$</b>	<b>344.00 **</b>
<b>Town of Hilton Head Island Debt</b>	<b>5.90 **</b>	<b>5.90 **</b>	<b>\$</b>	<b>118.00 **</b>
<b>Town of Hilton Head Island Disaster Recovery</b>	<b>5.00 **</b>	<b>0.00 **</b>	<b>\$</b>	<b>- **</b>
<b>Total</b>	<b>249.8</b>	<b>253.0</b>	<b>\$</b>	<b>2,628.00</b>

*This is a sample tax rate for a property in the PSD #1 district. There are other districts.*

*There are additional fees, such as the Police Fee and Stormwater Fees*

*\*School operations applicable to non-resident and commercial taxpayers.*

*\*\*The Town total millage rate is only 23.1 of this sample rate, or \$462.00, for FY23.*

**The Town of Hilton Head Island tax rate will be reduced by 5.00 mills in Fiscal Year 2023 as the millage dedicated to the Natural Disaster Fund has expired.**

**For this Sample Tax Bill, that equates to a \$100.00 reduction in Property Taxes.**

Grant Administration Activity Report

ACTIVITY	DESCRIPTION	GO/NO GO	STATUS	NEXT STEPS	PROJECT/PROGRAM COST	GRANT AMOUNT REQUESTED	MATCH % REQUIRED	PRE-APPLICATION REQUIRED	APPLICATION DEADLINE	DATE SUBMITTED	FUNDED	AMOUNT AWARDED	AMOUNT RECEIVED	GRANT AGREEMENT EXECUTED
<b>ADMINISTRATION</b>														
Grant Administration Policy & Procedures Manual	Draft Town grant admin policy & procedures manual with exhibits.		Town manager approved - 1/03/2022. Staff announcement on 02/10/2022	Completed										
RFP for On-Call Grant Services	On-call grant research and application development.		Contract signed 12/21/21 with MRB Group	Completed										
On-Call Grant Services with MRB Group	On-call grant research and application development.		Received grant strategy and approach from MRB on 3/24/22	On-going										
Monthly CIP Grants Meetings	First Thursday of each month meeting with CIP Manager.		On-going											
Bi-Weekly Work Effort Meeting	Bi-weekly work effort update meetings with manager.		On-going											
Meetings w/Legislative Delegation & State Agencies	Initiate contact with staff and representatives.		11/16/21 met with Duane Parrish at SCPRT	Completed										
			01/07/22 met with Cindy Maxey RE: Beaufort County Legislative Delegation and Grant fundign opportunities	Completed										
<b>GRANTS</b>														
CDBG Entitlement Program - Annual	Administer Town CDBG program.		Preparing 2021 Patterson Project Environmental Review. Phase 1 Cultural Resources Study due from Brockington in mid-April	Finalize ER and post FONSI & RROF public notices postings before submitting to HUD.		\$351,357.11	0%	NO	05/15/2021	05/07/2021	YES	\$351,357.11		08/30/2021
			In 30 day comment period for 2022 AAP	Taylor Family Park project recommended for 2022 AAP scheduled for June TC meeting.		PENDING	0%	NO	05/16/2022					
Pre-Disaster Mitigation Grant (PDM) - 2019	SCEMD funding opportunity via disaster declaration. 911 Communications Tower Generator.		Reimbursement received. Project costs less than original estimate, reimbursement 75% of actual costs. Close-out letter sent to SCEMD.	Waiting SCEMD grant close-out.	\$48,850.43	\$36,637.83	25%	NO	01/10/2020	01/10/2020	YES	\$36,637.83	\$20,238.94	01/19/2021
NEA Grants for Arts Program Grant - 2020	2021 Lantern Parade.		Reimbursement Received Grant Closed-Out	Completed	\$127,708.00	\$20,000.00	50%	YES	07/21/2020	07/20/2020	YES	\$10,000.00	\$10,000.00	07/23/2021
Flood Mitigation Assistance (FMA) Grants - 2020	Residential structure elevation /reconstruction projects for 17 Bay Pines Dr. and 22 Audubon Pond Rd.		Audubon Pond Rd. application not selected	Completed	\$201,000.00	\$180,900.00	10%	NO	01/15/2021	01/04/2021	NO			
			Bay Pines Dr. application selection pending. FEMA/SCDNR requested additional information on EHP requirements from homeowner	Waiting for EHP information from homeowner due to Town staff on 4/22	\$173,999.00	\$130,499.25	10%	NO	01/15/2021	01/04/2021	PENDING			
Flood Mitigation Assistance (FMA) Grant - 2021	Residential structure elevation project for 14 Sea Olive Road.	GO	Application submitted to SCDNR on 01/07/22. Additional info requested by SCDNR; resubmitted application 1/18/22	Pending review by SCDNR and FEMA	\$174,500.00	\$157,050.00	10%	NO	01/10/2022	01/07/2022	PENDING			
	Federal funding to entitlement		First tranche received. MOA executed with CFL to administer funds. 2nd grant	Submit report to US Treasury by 04/30/22.	\$5,227,178.00		0%	NO		05/14/2021	YES	\$5,227,178.00	\$2,613,589.00	05/14/2021

Grant Administration Activity Report

ACTIVITY	DESCRIPTION	GO/NO GO	STATUS	NEXT STEPS	PROJECT/PROGRAM COST	GRANT AMOUNT REQUESTED	MATCH % REQUIRED	PRE-APPLICATION REQUIRED	APPLICATION DEADLINE	DATE SUBMITTED	FUNDED	AMOUNT AWARDED	AMOUNT RECEIVED	GRANT AGREEMENT EXECUTED
American Rescue Plan - 2021	communities to respond to COVID-19.		cycle complete. Check request sent to finance. Preparation of annual report underway.	CFL completed 2nd cycle of grant application reviews.										
SCDOT - Transportation Alternative Program (TAP) -2021 Out of cycle funds	Informal request for out of cycle TAP funds to SCDOT via Beaufort County, for <i>Woodhaven Dr. pathway.</i>	GO	Completed application, 08/31/21 sent to Jared Fralix at Beaufort County for submittal package.	Waiting award announcement.	\$133,936.00	\$107,149.00	20%	NO	08/31/2021	08/31/2021	PENDING			
NEA/American Rescue Plan Grant - 2021	Mural Wrap Artist in Residence program.	GO	Application submitted 08/31/21	Not selected for funding	\$100,000.00	\$100,000.00	0%	YES	09/02/2021	08/31/2021	NO			
PARD grants	SC-PRT Park and Recreation Development Fund.		Pending identification of CIP project for grant application.	Complete application										
Palmetto Electric Utility Tax Credit	Rural Development Act Utility Tax Credit funding for former Modern Classic Motors site.	GO	Pending execution of contract and check presentation.			\$172,500.00	0%	NO			YES	\$172,500.00		
Building Resilient Infrastructure & Communities (BRIC) - 2021	Federal funding to support hazard mitigation projects. <i>Wexfor Pump Station; Jarvis Creek System Outfall; Climate Adaptation Plan.</i>	GO	Wexford Pump Station project submitted to SCEMD 11/16/21. Revisions sent to SCEMD 01/13/22	Waiting award announcement.	\$2,566,889.00	\$1,925,166.75	25%	NO	11/19/2021	11/16/2021	PENDING			
		GO	Jarvis Creek System Outfall project submitted to SCEMD 11/16/21. Revisions sent to SCEMD 01/13/22	Waiting award announcement.	\$454,000.00	\$340,500.00	25%	NO	11/19/2021	11/16/2021	PENDING			
		GO	Climate Adaptation Plan submitted to SCEMD 11/16/21. Revisions sent to SCEMD 01/13/22	Waiting award announcement.	\$75,000.00	\$56,250.00	25%	NO	11/19/2021	11/16/2021	PENDING			
SC-PRT Recreational Trails Program (RTP) - 2022	SCPRT funding to support development of trails. <i>Woodhaven Dr. Pathway; Shelter Cove Lane Pathway.</i>	GO	Woodhaven Drive Pathway application revisions submitted to SCPRT 03/01/22.	Waiting award announcement.	\$207,555.00	\$100,000.00	20%	YES/LOI	02/11/2022	02/04/2022	PENDING			
		GO	Shelter Cove Lane Pathway submitted to SCPRT 02/04/22.	Waiting award announcement.	\$331,683.00	\$100,000.00	20%	YES/LOI	02/11/2022	02/04/2022	PENDING			
Community Foundation of the Lowcountry Opportunity Grant - 2021	Funding opportunity for local projects. <i>E-911 Public Safety Address Posting Project.</i>	GO	Awarded	Completed	\$6,270.00	\$6,000.00	0%	YES/LOI	12/01/2021	10/29/2021	YES	\$6,000.00	\$6,000.00	01/26/2022
Hazard Mitigation Grant Program (HMGP) - 4492 (COVID-19) - 2022	SCEMD funding opportunity via COVID-19 disaster declaration. <i>Climate Adaptation Plan.</i>	GO	Additional revisions requested by SCEMD staff on 02/28/22. Responses sent on 3/4 and 3/8/22	Waiting award announcement.	\$75,000.00	\$56,250.00	25%	YES	02/02/2022	01/31/2022				
Assistance to Firefighters Grant (AFG) FY21	Federal funding opportunity to provide critical resources to equip and train emergency response personnel.	GO	Application submitted: 12/16/21	Waiting award announcement.	\$505,308.60	\$459,372.45	10%	NO	12/17/2021	12/16/2021	PENDING			

Grant Administration Activity Report

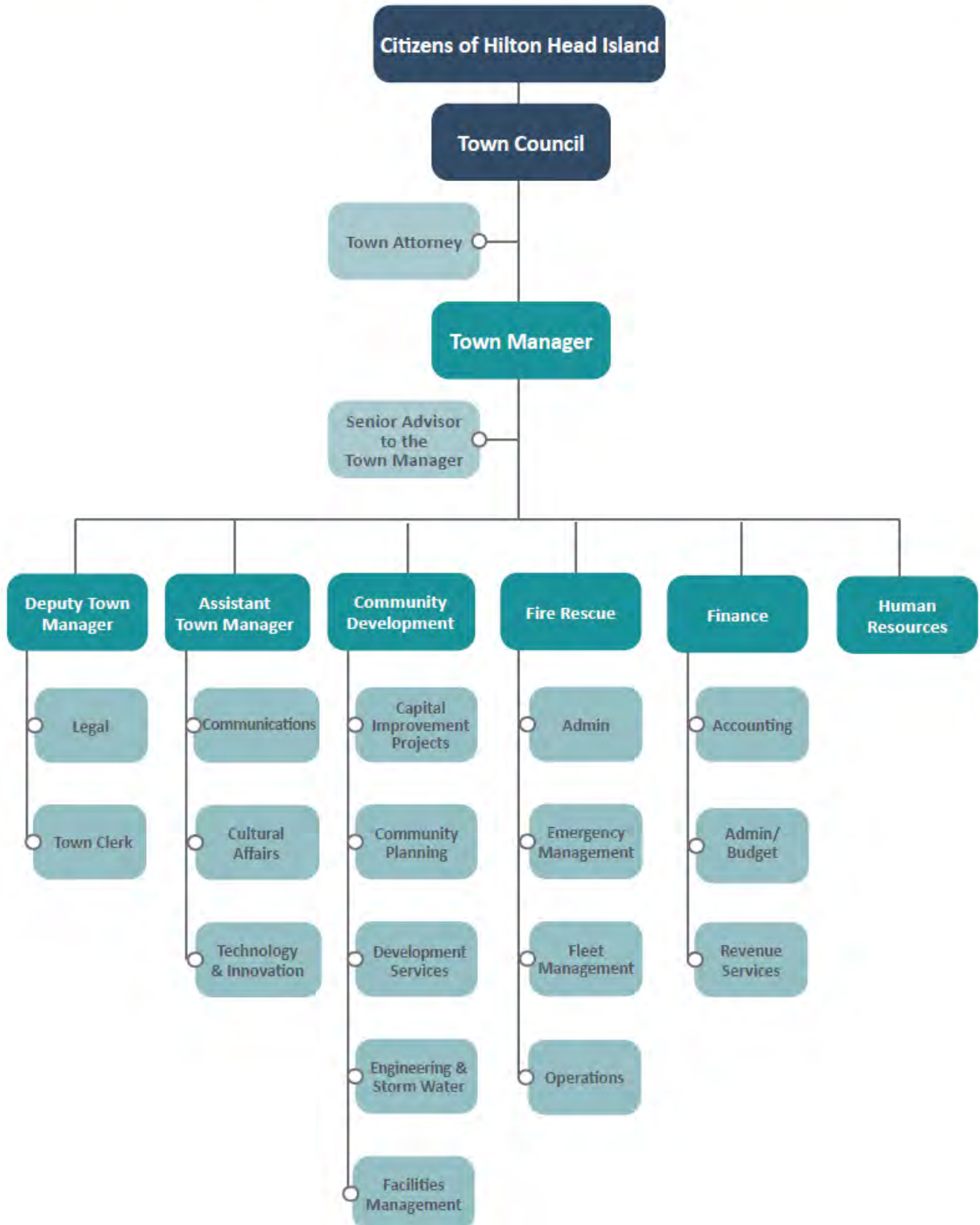
ACTIVITY	DESCRIPTION	GO/NO GO	STATUS	NEXT STEPS	PROJECT/PROGRAM COST	GRANT AMOUNT REQUESTED	MATCH % REQUIRED	PRE-APPLICATION REQUIRED	APPLICATION DEADLINE	DATE SUBMITTED	FUNDED	AMOUNT AWARDED	AMOUNT RECEIVED	GRANT AGREEMENT EXECUTED
SCPRT Beach Renourishment Funding Assistance - 2022	SCPRT Beach Renourishment Funding Assistance Grant Program		Pending official announcement by SCPRT for next funding cycle - 4/7/22 Sent SCPRT staff ballpark project cost estimate (provided by J. Buckalew)	Monitoring SCPRT announcement. Need estimate from Engineering staff (Buckalew)										
SC Forestry Commission Urban and Community Forestry Program - 2021	Tree canopy mapping technical assistance provided by the Green Infrastructure Center	GO	Community participation letter submitted 1/20/22	Brian Eber to coordinate with Green Infrastructure staff on information needed to begin mapping	\$0.00	Technical Assistance \$0.00	0	YES	11/19/2021	11/19/2021	AWARDED	Technical Assistance \$0.00		01/20/2022
Land Water Conservation Fund (LWCF) - 2022	SCPRT funding opportunity for acquisition or development of outdoor recreation areas. <i>Jarvis Park Upgrades.</i>	GO	Application submitted 03/03/22. Pending information on Jarvis Creek Park purchase restrictions to determine application withdrawal or continue SCPRT	Waiting award announcement.	\$955,368.00	\$300,000.00	50%	YES/LOI						
Rebuilding American Infrastructure with Sustainability and Equity grant (RAISE) - 2022	Surface transportation infrastructure projects that will have a significant local or regional impact.	NO GO	Per Town Manager not submitting application	Completed										
USDOT - Rural Surface Transportation Grant	Surface transportation in rural areas to increase connectivity, improve safety and reliability of movement of people, freight and generate regional economic growth and improve quality of life. <i>Hwy 278 paving (non-SCDOT projects) and Adaptive Traffic Signal Management projects</i>	PENDING	04/08/22: Sent email to J. Buckalew requesting 2 Grant Application Request Forms be completed and returned by 04/12/22.	Waiting Grant Application Request forms										
<b>Awards</b>														
Tree City USA Recertification	Annual application process for recertification.		Received award notification 12/22/21											



General Fund



# TOWN ORGANIZATION CHART



# TOWN OF HILTON HEAD ISLAND: TOWN COUNCIL SALARY COMPARISON

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Comparison of Councilmember Salaries (as of 4-13-22)

Municipality	Population	Total FTE's	FY21 Annual Budget	Council Member	Mayor
North Augusta	21,348	245	\$ 44,674,199.00	\$ 6,396.41	\$ 12,792.56
Anderson	26,686	494	\$ 74,585,699.00	\$ 10,000.12	\$ 15,000.12
Greer	25,515	239	\$ 30,109,154.00	\$ 10,500.00	\$ 16,800.00
Bluffton	27,716	143	\$ 40,132,070.00	\$ 11,000.00	\$ 16,500.00
Beaufort	12,361	182	\$ 22,921,263.00	\$ 12,000.00	\$ 15,000.00
Aiken	29,524	387	\$ 61,726,610.00	\$ 12,121.62	\$ 15,017.60
Hilton Head Island	39,000	251	\$ 75,979,448.00	\$ 12,800.00	\$ 25,000.00
Mount Pleasant	91,700	600	\$ 213,479,616.00	\$ 15,000.00	\$ 42,000.00
Greenville	58,409	910	\$ 215,786,214.00	\$ 15,000.00	\$ 24,000.00
Florence	37,056	470	\$ 92,848,000.00	\$ 15,810.00	\$ 18,266.00
Rock Hill	66,154	953	\$ 255,870,494.00	\$ 17,844.32	\$ 28,023.84
North Charleston	97,471	985	\$ 127,380,280.00	\$ 20,657.00	
Savannah	145,862	2414	\$ 412,978,965.00	\$ 25,000.00	\$ 57,000.00

\*eff 1/1/23

# TOWN OF HILTON HEAD ISLAND: TOWN COUNCIL SALARY & MEETING STIPEND SUMMARY

Fiscal Year 2021

<b>Council person</b>	<b>Salary</b>	<b>Meeting Stipends</b>	<b>Total FY2021 Compensation</b>	<b>Maximum Cap per Sec. 2-3-60</b>
Ames, David	12,800	5,700	18,500	20,300
Brown, Alexander (1)	7,467	1,700	9,167	20,300
Davis Becker, Tamara	12,800	7,500	20,300	20,300
Grant, Marc (2)	5,333	0	5,333	
Harkins, William	12,800	4,750	17,550	20,300
Lennox, Thomas	12,800	7,500	20,300	20,300
McCann, John	25,000	7,500	32,500	32,500
Stanford, Glenn	12,800	5,050	17,850	20,300
<b>Total</b>	<b>101,800</b>	<b>39,700</b>	<b>141,500</b>	<b>154,300</b>

- **Sec. 2-3-60. - Compensation and expenses.**

[SHARE LINK TO SECTION](#)[PRINT SECTION](#)[DOWNLOAD \(DOCX\) OF SECTION](#)[EMAIL SECTION](#)[COMPARE VERSIONS](#)

(a) The mayor and council members shall receive salaries as determined by the council; provided, no increase in such salaries shall become effective until the commencement date of the terms of two (2) or more members of council elected at the next general election following the adoption of the ordinance setting the salaries, at which time it will become effective for all members of council whether or not they were elected in such election.

(b) The salary to be received by the mayor shall be twenty-five thousand dollars (\$25,000.00) per year and by the mayor pro tem and by each council member shall be twelve thousand eight hundred dollars (\$12,800.00) per year. These salaries shall be paid in monthly installments in arrears to each appropriate individual during his or her service to the town.

(c) In addition to the base annual pay received for service on council, members and the mayor may be paid an attendance fee of fifty dollars (\$50.00) per meeting for their attendance at any council committee meeting (except regularly scheduled town council meetings) and other council-related business meetings; mileage reimbursement shall be paid for all meetings except those held on Hilton Head Island.

(d) Maximum amount of payment. Payment for the council attendance fee shall be allowed up to the maximum amount authorized per fiscal year, as follows:

(1) Council members. Payment of base annual pay plus attendance fee shall not exceed twenty thousand three hundred dollars (\$20,300.00) per fiscal year.

(2) Mayor. Payment of base annual pay plus attendance fee shall not exceed thirty-two thousand five hundred dollars (\$32,500.00) per fiscal year.

(3) Mayor pro tem. Payment of base annual pay plus attendance fee shall not exceed twenty thousand three hundred dollars (\$20,300.00) per fiscal year.

(e) Other meetings. The council attendance fee shall be paid for the following types of meetings:

(1) A specially called meeting of the town council;

(2) A specially called work session of the town council; and

(3) Any other business at which the council member (at the discretion of the mayor or town council) is in attendance in their official capacity as a member of

council, e.g., an official meeting with another governmental entity, a meeting with a town public body, a meeting of a town council subcommittee, town task force, or standing committee.

(f) Duplicate payments shall not be permitted. If a member accepts payment from another body for attendance, then that member shall not be entitled to compensation from the town.

(g) Method of payment. Payment of the attendance fee shall be made within ten (10) working days from submission.

(h) Required documentation. An affidavit of attendance form must be completed and signed by the council member, and submitted to the finance department by the last day of each month in order for payment of the attendance fee to be made. The affidavit provides for the recording of the date, time spent, location and the purpose of the meeting.

(i) Expenses. Members may also be reimbursed for actual expenses incurred in the conduct of their official duties.

(Ord. No. 83-5, 9-26-83; Ord. No. 85-18, § 1, 10-7-85; Ord. No. 89-13, § 1, 6-19-89; Ord. No. 96-37, § 1, 10-1-96; Ord. No. 2008-20, § 1, 8-5-08; Ord. No. 2012-30, § 1, 10-31-12; Ord. No. 2016-05, § 1, 4-19-16; Ord. No. 2016-27, § 1, 11-1-16)

**State Law reference—** Authority to establish compensation, S.C. Code 1976, § 5-7-170.

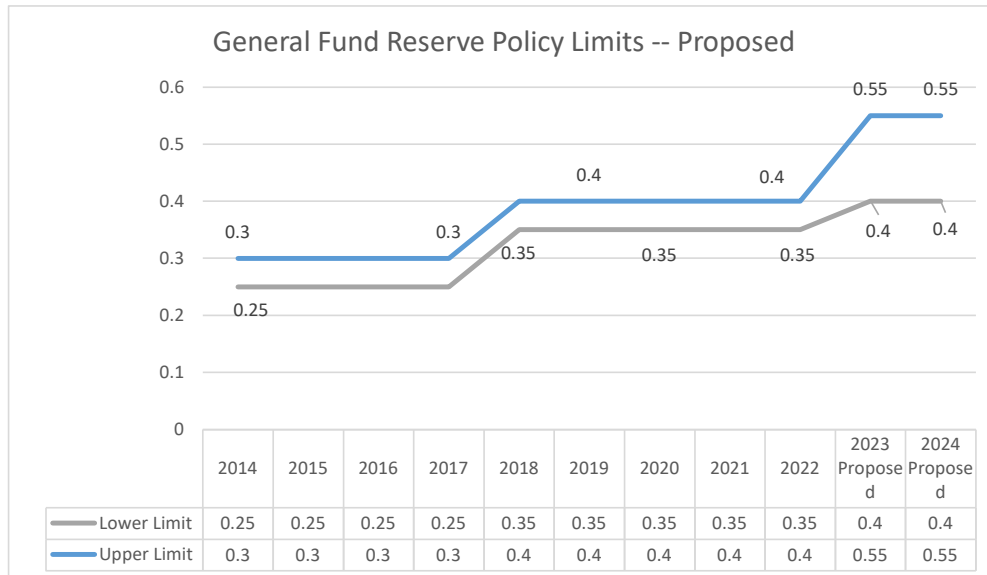
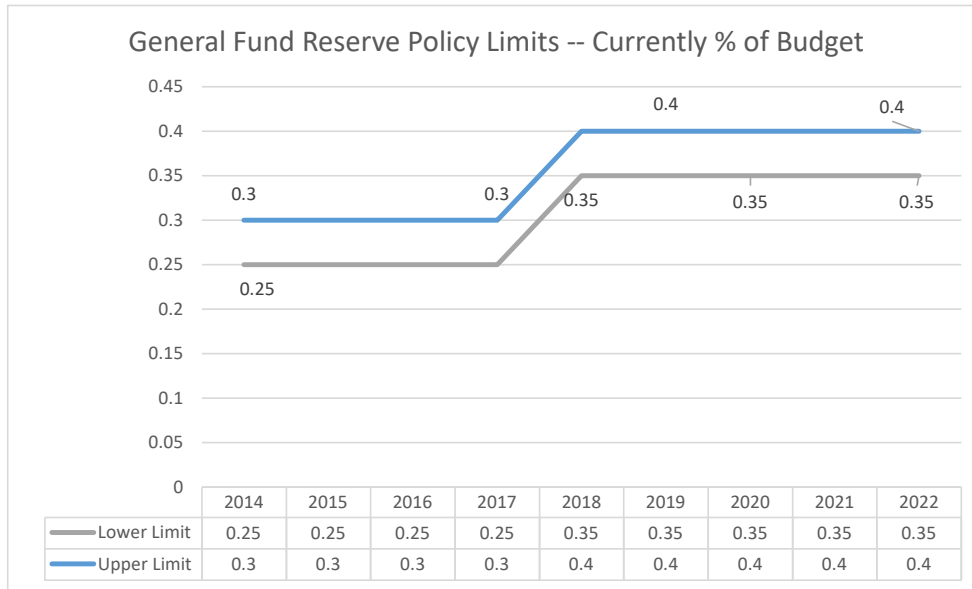
# TOWN OF HILTON HEAD ISLAND: FY2023 GENERAL FUND BUDGET

## Employees Living on Hilton Head Island (as of 4-13-2022)

	# of Employees	
Town Employees	247	
Living on Hilton Head Island	98	40%
Fire Rescue Department Employees	141	
Living on Hilton Head Island	47	33%
Uniformed Personnel	118	
Living on Hilton Head Island	37	31%
Fire Rescue Line Employees	102	
Living on Hilton Head Island	28	27%
E911 Dispatchers	11	
Living on Hilton Head Island	2	18%

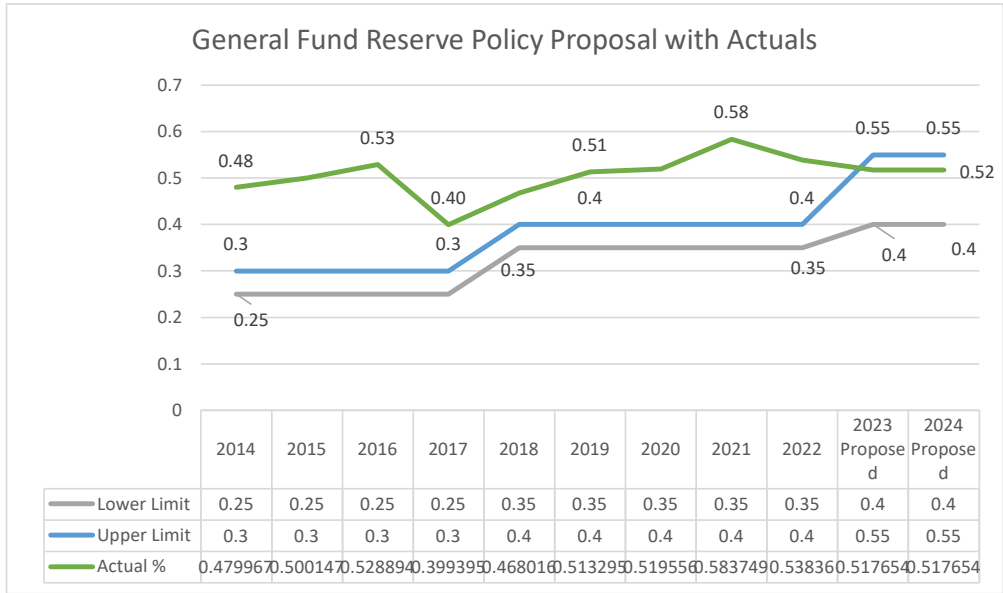
# TOWN OF HILTON HEAD ISLAND: FY2023 GENERAL FUND BUDGET

## General Fund Reserve Policy



# TOWN OF HILTON HEAD ISLAND: FY2023 GENERAL FUND BUDGET

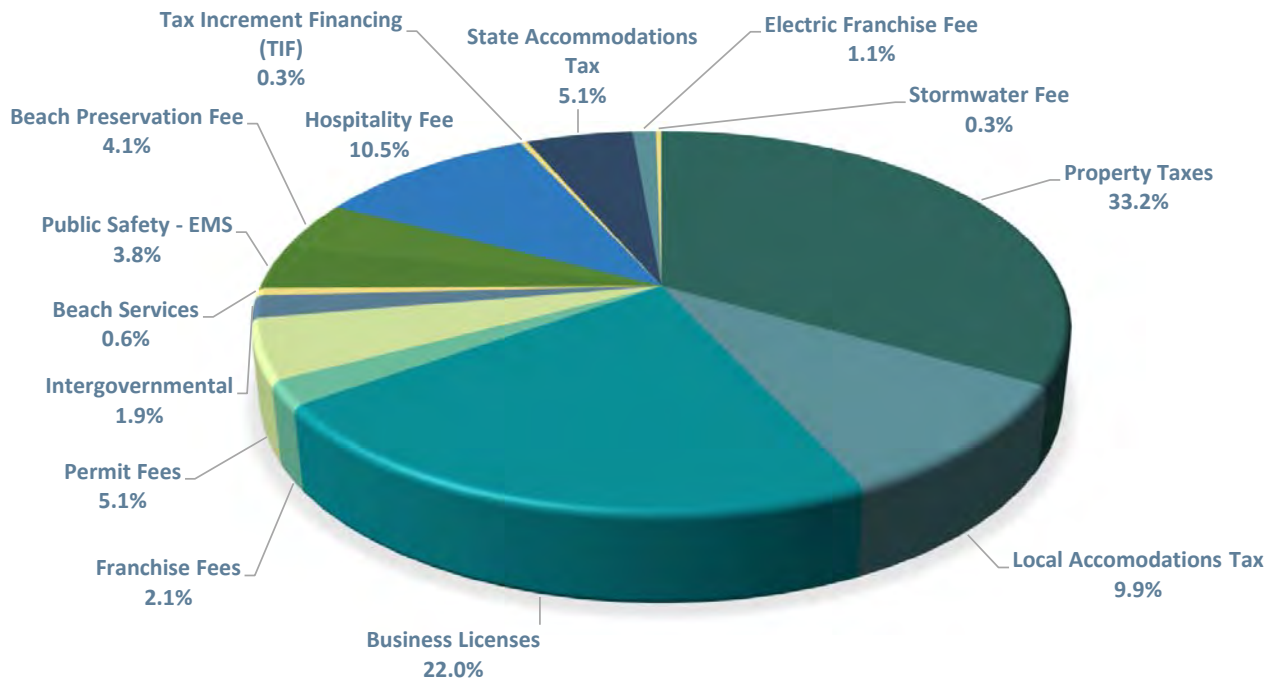
## General Fund Reserve Policy





# TOWN OF HILTON HEAD ISLAND: FY2023 GENERAL FUND BUDGET

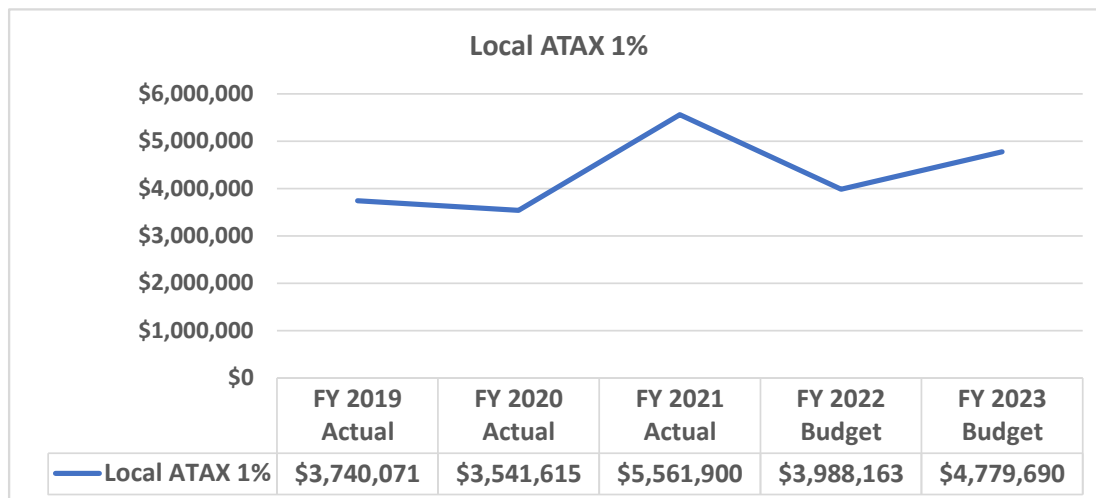
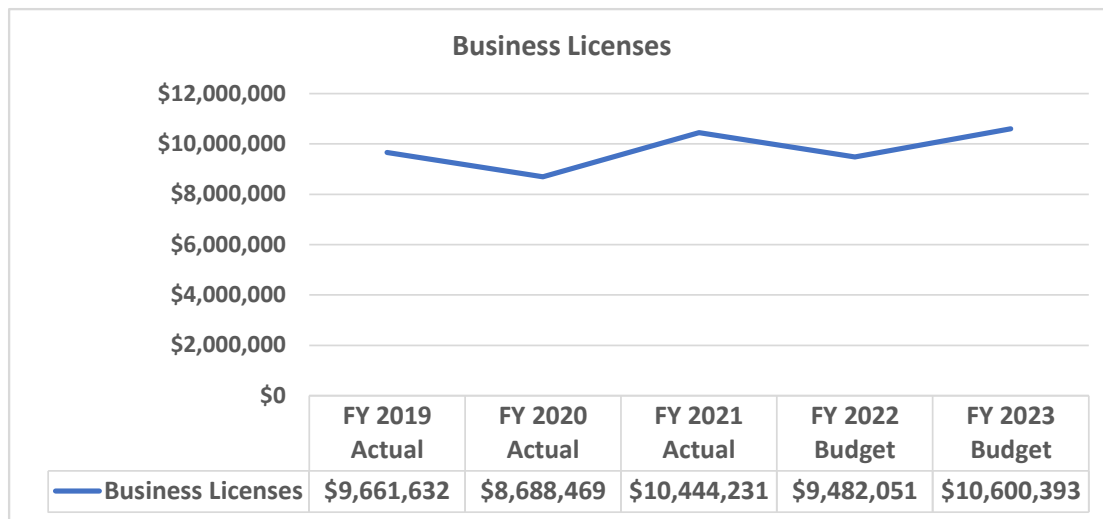
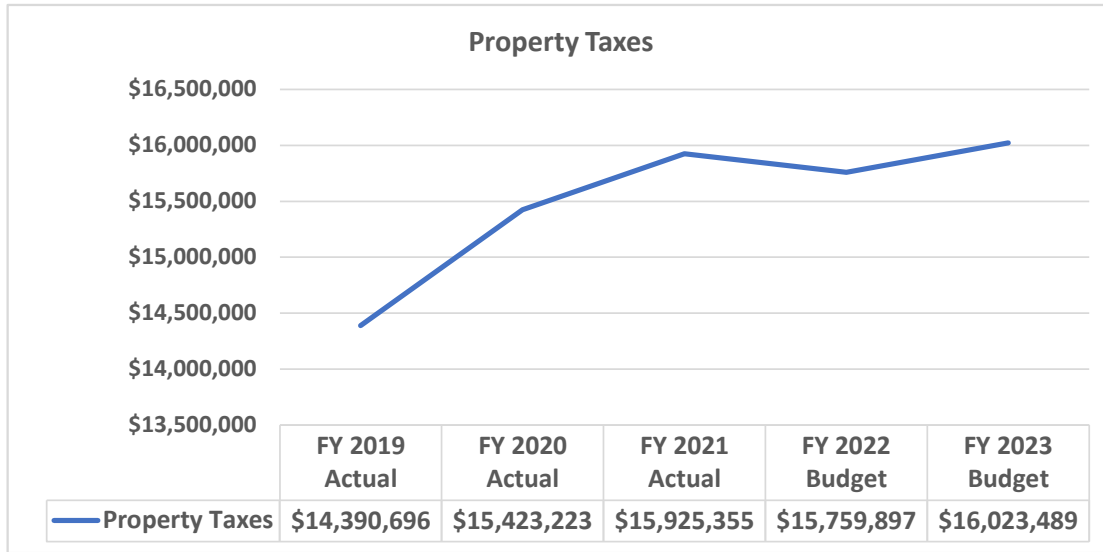
## Sources of Funds - General Fund



	FY 2021 Actual	FY 2022 Original Budget	FY 2023 Proposed Budget	\$ Change FY2022 Budget	% Change FY2022 Budget	% of Budget
Property Taxes	\$ 15,925,355	\$ 15,759,897	\$ 16,023,489	\$ 263,592	1.7%	33.0%
Local Accommodations Tax	5,561,900	3,988,163	4,779,690	791,527	19.8%	9.8%
Business Licenses	10,455,636	9,482,051	10,600,393	1,118,342	11.8%	21.8%
Franchise Fees	809,823	995,352	996,752	1,400	0.1%	2.1%
Permit Fees	2,125,382	1,659,323	2,468,323	809,000	48.8%	5.1%
Intergovernmental	896,909	888,392	915,878	27,486	3.1%	1.9%
Grants - 911 Dispatch	78,831	128,219	76,111	(52,108)	-40.6%	0.2%
Beach Services	298,401	278,658	298,401	19,743	7.1%	0.6%
Other	356,495	279,271	279,271	-	0.0%	0.6%
Public Safety - EMS	1,776,344	1,707,823	1,838,000	130,177	7.6%	3.8%
Public Safety - County	1,830	-	-	-	n/a	0.0%
Victims Assistance	-	-	-	-	n/a	0.0%
Investments	22,815	30,000	35,750	5,750	19.2%	0.1%
Transfers In:						
Beach Preservation Fee	1,248,544	1,983,508	1,983,508	-	0.0%	4.1%
CIP Sale of Vehicle/Equipment	19,160	-	-	-	0.0%	0.0%
Hospitality Fee	2,546,311	4,220,406	5,062,424	842,018	20.0%	10.4%
Tax Increment Financing (TIF)	153,000	192,780	153,000	(39,780)	-20.6%	0.3%
State Accommodations Tax	1,706,394	1,695,211	2,445,211	750,000	44.2%	5.0%
Electric Franchise Fee	416,352	540,603	540,603	-	0.0%	1.1%
Stormwater Fee	125,000	155,000	125,000	(30,000)	-19.4%	0.3%
Prior Year Funds	-	-	-	-	n/a	0.0%
<b>Total Revenues</b>	<b>44,524,482</b>	<b>43,984,657</b>	<b>48,621,804</b>	<b>4,637,147</b>	<b>10.5%</b>	<b>100.0%</b>

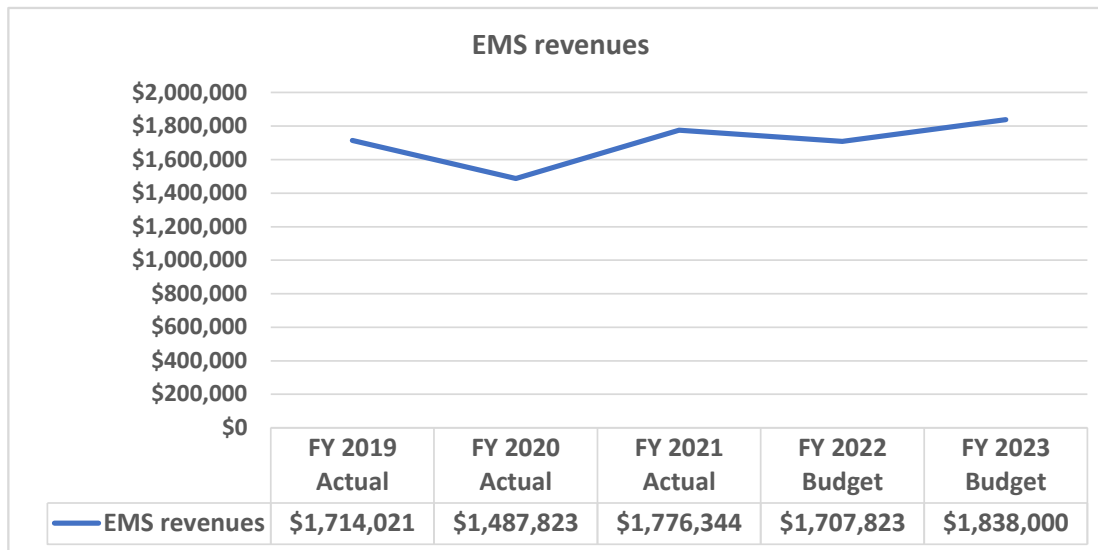
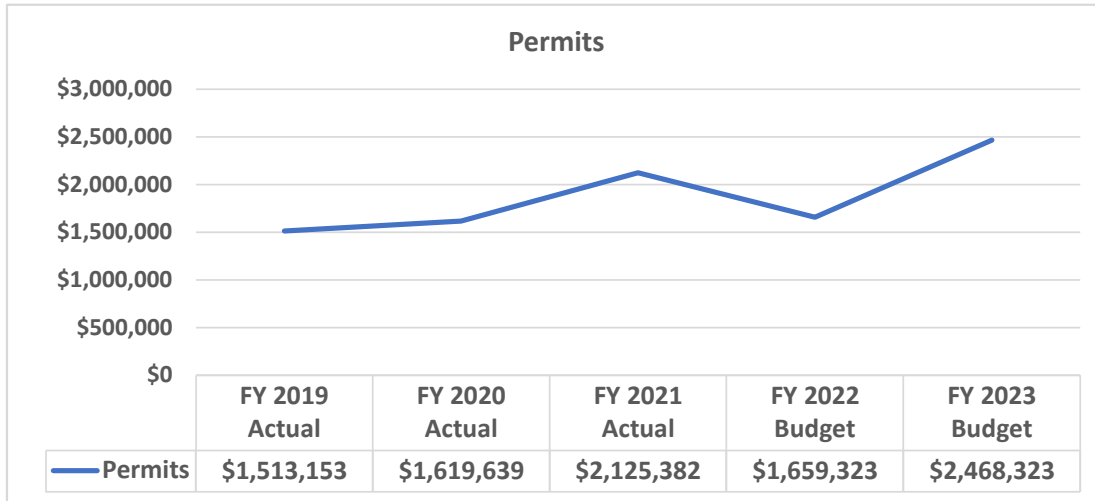
# TOWN OF HILTON HEAD ISLAND: FY2023 GENERAL FUND BUDGET

## General Fund Revenue Trends



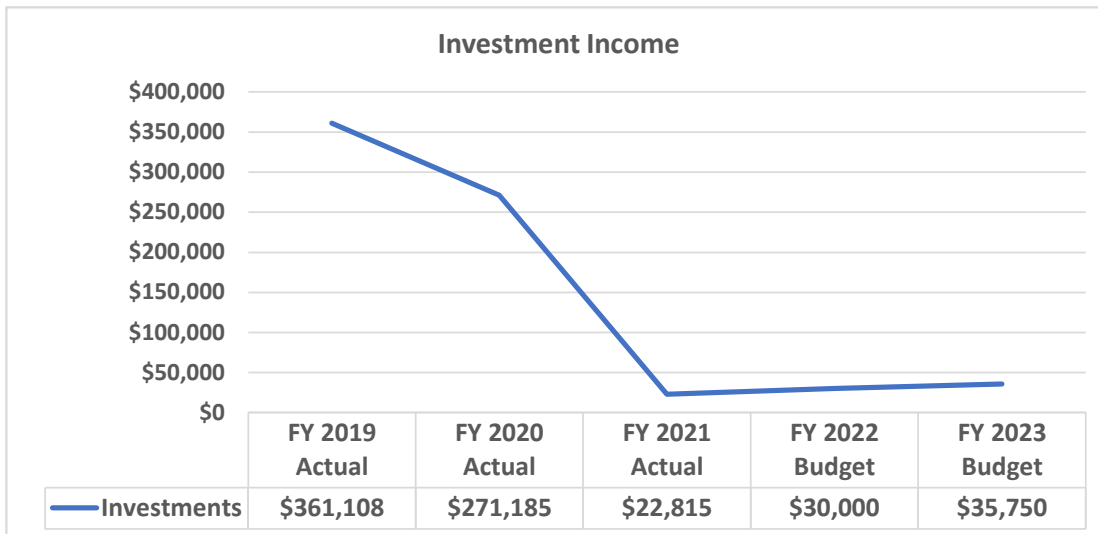
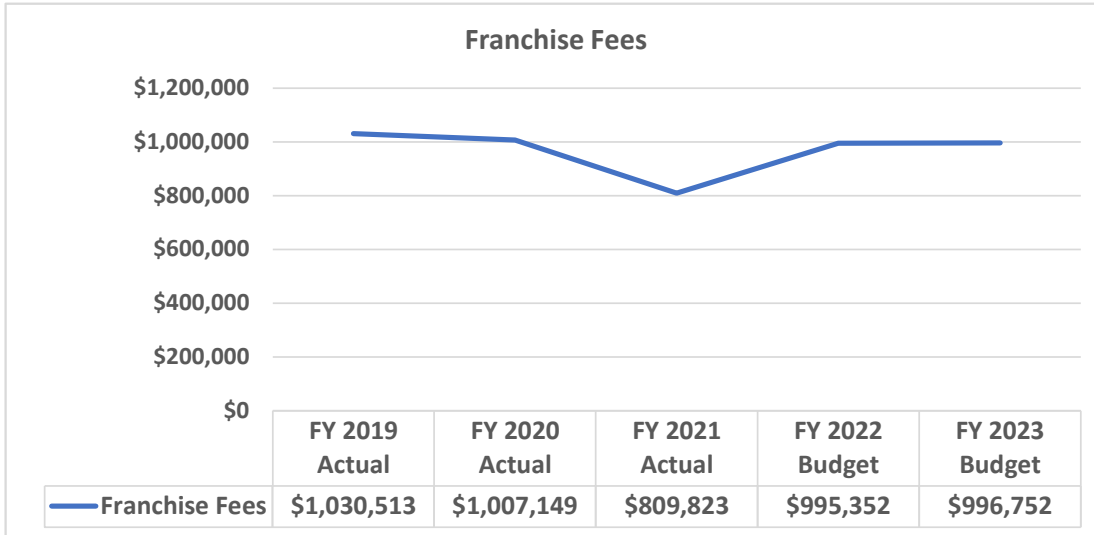
# TOWN OF HILTON HEAD ISLAND: FY2023 GENERAL FUND BUDGET

## General Fund Revenue Trends



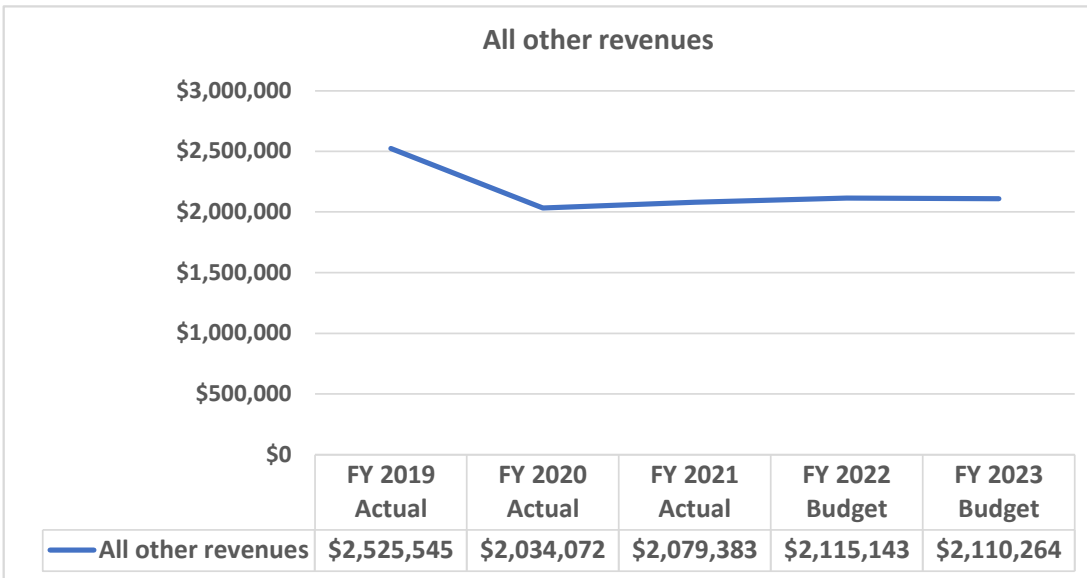
# TOWN OF HILTON HEAD ISLAND: FY2023 GENERAL FUND BUDGET

## General Fund Revenue Trends



# TOWN OF HILTON HEAD ISLAND: FY2023 GENERAL FUND BUDGET

## General Fund Revenue Trends



All Other Revenue includes Intergovernmental, Grants-911 Dispatch, Beach Services, Electric Franchise Fees, and miscellaneous revenue

Town of Hilton Head Island - FY23 General Fund Revenues

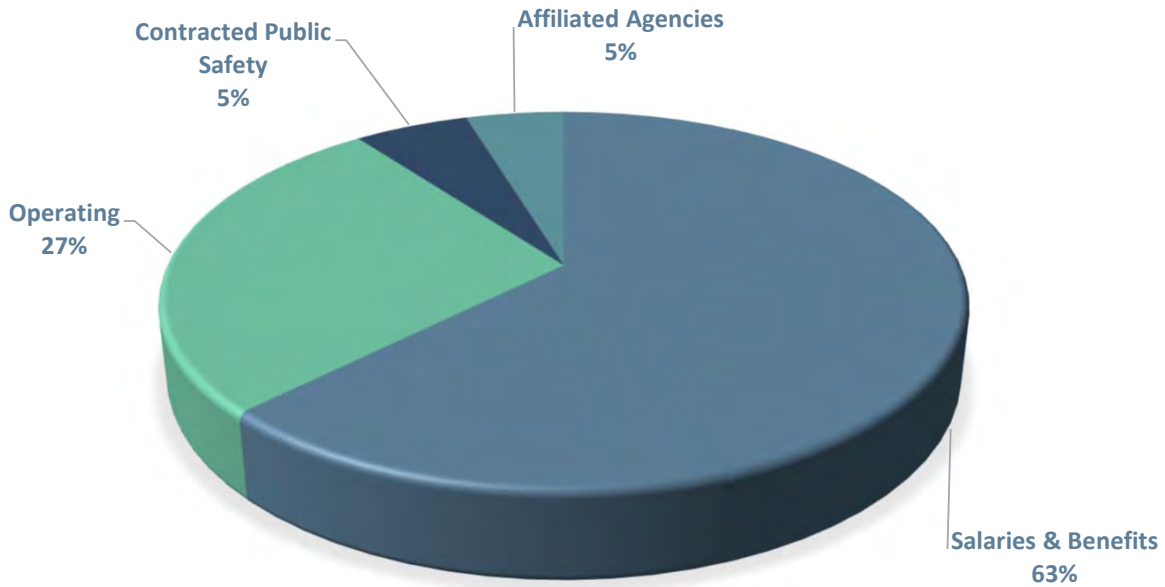
G		2020 Actual	2021 Actual	2022 Adopted Budget	2022 Actual	FY2023 (In Progress)	% Change	Comments
	<b>Revenue Source</b>							
	<b>Property Taxes</b>							
	CURRENT TAXES	\$14,256,734.06	\$14,892,946.02	\$15,759,897.00	\$14,556,133.17	\$16,023,489.00	1.67%	Increase in the millage value -- same millage rate.
	DELINQUENT TAXES	\$335,921.42	\$157,822.50	\$0.00	\$133,415.81	\$0.00		
	PENALTIES/TAXES	\$64,564.80	\$37,336.49	\$0.00	\$22,406.63	\$0.00		
	AUTO TAXES	\$528,656.90	\$602,087.95	\$0.00	\$377,965.05	\$0.00		
	TAXES-OTHER	\$237,346.26	\$235,162.17	\$0.00	\$21,161.10	\$0.00		
	<b>Total Property Taxes:</b>	<b>\$15,423,223.44</b>	<b>\$15,925,355.13</b>	<b>\$15,759,897.00</b>	<b>\$15,111,081.76</b>	<b>\$16,023,489.00</b>	<b>1.67%</b>	
	<b>General Revenue</b>							
	STATE SHARED FUNDS	\$879,858.60	\$896,909.18	\$888,392.00	\$418,159.11	\$915,878.00	3.09%	Increase is State funding.
	<b>Total General Revenue:</b>	<b>\$879,858.60</b>	<b>\$896,909.18</b>	<b>\$888,392.00</b>	<b>\$418,159.11</b>	<b>\$915,878.00</b>	<b>3.09%</b>	
	<b>Business Licenses &amp; Franchise Fees</b>							
	<b>Business Licenses</b>							
	BUSINESS LICENSES	\$5,099,829.62	\$5,255,705.12	\$4,963,085.00	\$1,681,360.28	\$5,525,705.00	11.34%	Local Business licenses now include single units
	BUSINESS LIC-MASC	\$3,561,167.38	\$5,188,526.34	\$4,518,966.00	\$1,678,428.54	\$5,074,688.00	14.82%	State / MASC administered Bus. Licenses
	BUSINESS LICENSE-Transportation	\$27,471.57	\$11,404.72	\$0.00	\$22,138.93	\$0.00		
	<b>Total Business Licenses:</b>	<b>\$8,688,468.57</b>	<b>\$10,455,636.18</b>	<b>\$9,482,051.00</b>	<b>\$3,381,927.75</b>	<b>\$10,600,393.00</b>	<b>13.00%</b>	
	<b>Franchise Fees</b>							
	PALMETTO ELEC/FRANCHISE FEES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
	CABLE TELEVISION	\$965,395.00	\$772,714.99	\$952,932.00	\$681,886.06	\$952,932.00	0.00%	Cable TV franchise fees
	BEACH FRANCHISE	\$41,754.26	\$37,108.02	\$42,420.00	\$61,616.39	\$43,820.00	3.30%	Beach Franchise fees
	RECYCLING FRANCHISE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
	<b>Total Franchise Fees:</b>	<b>\$1,007,149.26</b>	<b>\$809,823.01</b>	<b>\$995,352.00</b>	<b>\$743,502.45</b>	<b>\$996,752.00</b>	<b>2.15%</b>	
	<b>Total Business Licenses &amp; Franchise Fees:</b>	<b>\$9,695,617.83</b>	<b>\$11,265,459.19</b>	<b>\$10,477,403.00</b>	<b>\$4,125,430.20</b>	<b>\$11,711,133.76</b>	<b>11.78%</b>	
	<b>ATAX</b>							
	LOCAL ATAX 1%	\$3,541,615.12	\$5,561,900.39	\$3,988,163.00	\$3,692,345.60	\$4,779,690.00	19.85%	Increase in collections, but not up to actual.
	<b>Total ATAX:</b>	<b>\$3,541,615.12</b>	<b>\$5,561,900.39</b>	<b>\$3,988,163.00</b>	<b>\$3,692,345.60</b>	<b>\$4,779,690.00</b>	<b>19.85%</b>	
	<b>Investments</b>							
	INVESTMENTS	\$271,185.35	\$22,815.00	\$30,000.00	\$17,467.70	\$35,750.00	19.17%	Investment strategy and rates increase collections
	<b>Total Investments:</b>	<b>\$271,185.35</b>	<b>\$22,815.00</b>	<b>\$30,000.00</b>	<b>\$17,467.70</b>	<b>\$35,750.00</b>	<b>19.17%</b>	
	<b>Miscellaneous</b>							
	OTHER REVENUE	\$434,219.00	\$356,194.19	\$279,271.00	\$133,677.33	\$279,271.00	-40.82%	Normal amounts, but not counting on a great deal.
	COUNTY IMPACT FEES-PARKS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
	DONATIONS	\$1,070.00	\$300.00	\$0.00	\$0.00	\$0.00		
	E-911 BFT CTY REIMBURSEMENT	\$130,667.41	\$76,130.88	\$128,219.00	\$65,858.89	\$76,111.00	-40.64%	County grant expected.
	CONTRIBUTION/DONATIONS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
	CITY CODES & ORDINANCES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
	FINES & FEES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
	BEACH SERVICES	\$266,391.56	\$298,400.55	\$278,658.00	\$128,448.80	\$298,401.00	7.09%	Based on 2021 actuals.
	PUBLIC SAFETY REVENUE	\$3,709.06	\$1,830.00	\$0.00	\$1,230.00	\$0.00		
	VICTIMS RIGHTS REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
	<b>Total Miscellaneous:</b>	<b>\$836,057.03</b>	<b>\$732,855.62</b>	<b>\$686,148.00</b>	<b>\$329,215.02</b>	<b>\$653,783.00</b>	<b>21.33%</b>	
	<b>Grants</b>							
	MISC FIRE RESCUE GRANT	\$4,000.00	\$2,000.00	\$0.00	\$0.00	\$0.00		
	FEDERAL FUNDING	\$193,867.38	\$0.00	\$0.00	\$0.00	\$0.00		
	CDBG GRANT-ADMIN EXPS-GF	\$2,200.00	\$700.00	\$0.00	\$830.00	\$0.00		
	<b>Total Grants:</b>	<b>\$200,067.38</b>	<b>\$2,700.00</b>	<b>\$0.00</b>	<b>\$830.00</b>	<b>\$0.00</b>		
	<b>Public Safety EMS</b>							
	REVENUE-EMS	\$2,140,526.44	\$2,467,233.23	\$1,707,823.00	\$1,665,365.58	\$1,838,000.00	7.62%	Rate adjustment per 3rd party recommendation.

Town of Hilton Head Island - FY23 General Fund Revenues

G		2020 Actual	2021 Actual	2022 Adopted Budget	2022 Actual	FY2023 (In Progress)	% Change	Comments
	OFFSET FEE-EMS REVENUE	-\$54,562.88	-\$66,649.30	\$0.00	-\$50,594.78	\$0.00		Various write downs per insurance / collections.
	REFUNDS-EMS	-\$55.97	-\$476.49	\$0.00	-\$1,054.80	\$0.00		
	WRITE OFF-EMS	-\$226,233.39	-\$273,755.69	\$0.00	-\$257,693.78	\$0.00		
	WRITE DOWN-EMS	-\$371,851.40	-\$350,007.88	\$0.00	-\$253,097.60	\$0.00		
	<b>Total Public Safety EMS:</b>	<b>\$1,487,822.80</b>	<b>\$1,776,343.87</b>	<b>\$1,707,823.00</b>	<b>\$1,102,924.62</b>	<b>\$1,838,000.00</b>	<b>7.62%</b>	
	<b>Permits</b>							
	CONSTRUCTION PERMITS	\$698,284.38	\$1,084,626.83	\$654,764.00	\$561,971.46	\$663,764.00	1.37%	Not counting on current flurry of activity.
	DEVELOPMENT PERMITS	\$15,533.48	\$14,172.14	\$15,670.00	\$11,464.86	\$15,670.00	0.00%	Same as 2022 budget.
	OTHER PERMITS	\$905,821.25	\$1,026,583.05	\$988,889.00	\$763,630.00	\$988,889.00	0.00%	Same as 2022 budget.
	SHORT TERM RENTAL PERMIT FEE					\$800,000.00		
	<b>Total Permits:</b>	<b>\$1,619,639.11</b>	<b>\$2,125,382.02</b>	<b>\$1,659,323.00</b>	<b>\$1,337,066.32</b>	<b>\$2,468,323.00</b>	<b>48.75%</b>	
	<b>Transfers In</b>							
	TRANSFER FROM EDC INCENTIVE FD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
	TRANSFER FROM BEACH PRES FEE	\$1,361,140.00	\$1,248,544.20	\$1,983,508.00	\$1,322,338.64	\$1,983,508.00	0.00%	Same as 2022 budget.
	TRANSFER FROM HTAX	\$2,577,240.00	\$2,546,310.64	\$4,220,406.00	\$2,110,203.00	\$5,062,424.00	19.95%	Same as 2022 budget plus Fire Truck lease pmts.
	TRANSFER FROM TIF	\$180,000.00	\$153,000.00	\$192,780.00	\$128,520.00	\$153,000.00	-20.63%	Same as 2021 actual.
	TRANSFER FROM ATAX	\$1,695,211.33	\$1,706,394.41	\$1,695,211.00	\$1,155,162.74	\$2,445,211.00	44.24%	Increasing based on Fire Rescue operating costs up.
	TRANSFER FROM ELECTRIC FRANCHI	\$90,000.00	\$416,351.70	\$540,603.00	\$360,402.00	\$540,603.00	0.00%	Same as 2022 budget.
	TRANSFER FROM SWU	\$125,000.00	\$125,000.00	\$155,000.00	\$103,333.36	\$125,000.00	-19.35%	Same as 2021 actual.
	SALE OF EQUIPMENT/VEHICLES	\$28,089.00	\$19,160.25	\$0.00	\$3,600.00	\$0.00		
	<b>Total Transfers In:</b>	<b>\$6,056,680.33</b>	<b>\$6,214,761.20</b>	<b>\$8,787,508.00</b>	<b>\$5,183,559.74</b>	<b>\$10,309,746.00</b>	<b>17.32%</b>	<b>15.320%</b>
	<b>Transfers Out</b>							
	TRANSFER TO CAP PROJECTS				\$0.00	\$0.00		
	<b>Total Transfers Out:</b>				<b>\$0.00</b>	<b>\$0.00</b>		
	<b>Total Revenue Source:</b>	<b>\$40,011,766.99</b>	<b>\$44,524,481.60</b>	<b>\$43,984,657.00</b>	<b>\$31,318,080.07</b>	<b>\$48,621,803.76</b>	<b>10.54%</b>	<b>Fully supports General Fund Budget.</b>

# TOWN OF HILTON HEAD ISLAND: FY2023 GENERAL FUND BUDGET

## Uses of Funds - General Fund

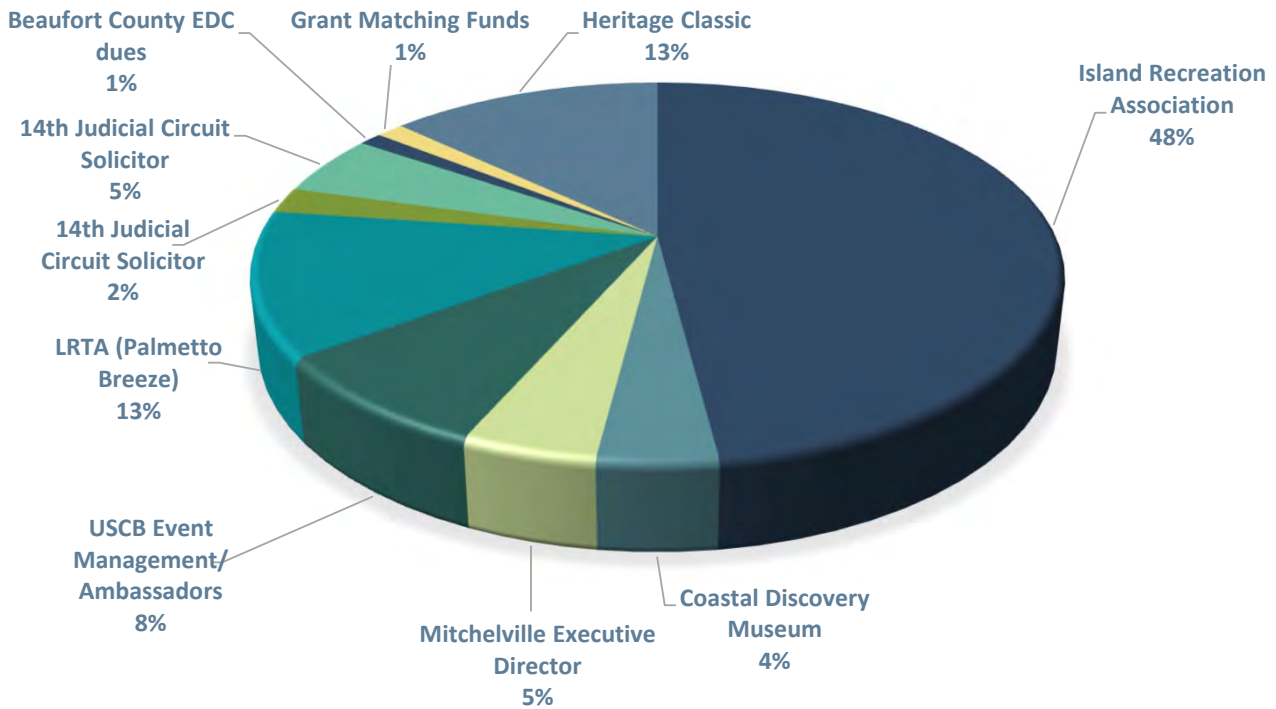


Expenditures by Category	FY 2021 Actual	FY 2022 Original Budget	FY 2023 Proposed Budget	\$ Change FY 2022 Original	% Change FY 2022 Revised	% of Budget
Salaries & Benefits	\$ 26,079,515	\$ 27,307,517	\$ 30,416,831	\$ 3,109,314	11.4%	62.6%
Operating	9,504,089	11,704,283	13,238,621	1,534,338	13.1%	27.2%
Contracted Public Safety	3,135,099	2,498,430	2,674,762	176,332	7.1%	5.5%
Affiliated Agencies	2,099,115	2,224,427	2,291,590	67,163	3.0%	4.7%
Capital	142,130	-	-	-	n/a	0.0%
<b>Total</b>	<b>40,959,948</b>	<b>43,734,657</b>	<b>48,621,804</b>	<b>4,887,147</b>	<b>11.2%</b>	<b>100.0%</b>
Transfer to Fund Balance	-	125,000	-	(125,000)	-100.0%	0.0%
Transfer to CIP	-	125,000	-	(125,000)	-100.0%	0.0%
<b>Total Expenditures &amp; Transfers Out</b>	<b>40,959,948</b>	<b>43,984,657</b>	<b>48,621,804</b>	<b>4,637,147</b>	<b>10.5%</b>	<b>100.0%</b>



# TOWN OF HILTON HEAD ISLAND: FY2023 GENERAL FUND BUDGET

## General Fund - Affiliated Agencies



	FY 2020 Actual	FY 2021 Actual	FY 2022 Request	FY 2022 Budget	FY 2023 Request	FY 2023 F&A Proposed
Island Recreation Association	893,889	1,060,706	1,087,578	1,087,578	1,099,304	1,099,304
Coastal Discovery Museum	75,000	75,000	75,000	75,000	92,775	92,775
Coastal Discovery Museum /Mitchelville	111,151	105,000	105,000	105,000	105,000	105,000
Coastal Discovery Museum - Capital	-	-	49,300	-	-	-
USCB Event Management/Ambassadors	158,695	110,663	186,367	186,367	190,094	190,094
LRTA (Palmetto Breeze)	250,000	200,000	225,165	225,165	282,404	282,404
14th Judicial Circuit Solicitor	50,000	50,000	50,000	50,000	50,000	50,000
14th Judicial Circuit Solicitor	118,500	118,500	118,500	118,500	118,500	118,500
Beaufort County EDC dues	25,000	25,000	25,000	25,000	25,000	25,000
Grant Matching Funds	-	-	17,000	62,000	30,000	30,000
Heritage Classic	-	-	-	289,817	298,513	298,513
PSD #1	-	-	1,250,000	-	-	-
First Tee	-	-	50,000	-	-	-
Sandbox	-	-	150,000	-	-	-
Public Art	-	-	-	-	-	-
LEPC/Beaufort County	11,995	4,246	-	-	-	-
Concours D'Elegance	-	150,000	-	-	-	-
Arts Center	-	200,000	-	-	-	-
<b>Total</b>	<b>1,694,230</b>	<b>2,099,115</b>	<b>3,388,910</b>	<b>2,224,427</b>	<b>2,291,590</b>	<b>2,291,590</b>

Town of Hilton Head Island - FY23 General Fund Expenditures

GF			2020 Actual	2021 Actual	2022 Adopted Budget	FY2023 Requested Budget	2022 Adopted Budget vs. FY2023 Request (% Change)
<b>Expenditures</b>							
	<b>Executive</b>						
	<b>Town Management</b>						
		Town Council Initiatives	\$149,714.40	\$74,945.61	\$0.00	\$0.00	
		Town Council	\$283,420.47	\$487,805.12	\$471,242.00	\$548,112.00	16.312%
		Town Manager	\$837,140.07	\$762,108.23	\$1,286,306.00	\$1,524,062.00	18.484%
		<b>Total Town Management:</b>	<b>\$1,909,225.87</b>	<b>\$1,923,342.83</b>	<b>\$1,757,548.00</b>	<b>\$2,072,174.00</b>	<b>17.901%</b>
		<b>Total Executive:</b>	<b>\$1,909,225.87</b>	<b>\$1,923,342.83</b>	<b>\$1,757,548.00</b>	<b>\$2,072,174.00</b>	<b>17.901%</b>
	<b>Finance and Administration</b>						
	<b>Finance</b>						
		Administration	\$361,130.83	\$2,026,335.01	\$1,916,176.00	\$2,199,100.00	14.765%
		Accounting	\$591,976.58	\$0.00	\$0.00	\$0.00	
		Revenue & Collections	\$794,299.54	\$0.00	\$0.00	\$0.00	
		Procurement	\$203,798.20	\$0.00	\$0.00	\$0.00	
		<b>Total Finance:</b>	<b>\$1,951,205.15</b>	<b>\$2,026,335.01</b>	<b>\$1,916,176.00</b>	<b>\$2,199,100.00</b>	<b>14.765%</b>
	<b>Administration</b>						
		Administration	\$457,443.50	\$529,103.78	\$615,290.00	\$1,101,078.00	78.953%
		Office Of Cultural Affairs	\$204,510.18	\$233,271.70	\$280,149.00	\$300,095.00	22.781%
		Information Technology	\$2,333,441.55	\$2,505,294.55	\$3,471,114.00	\$3,485,683.00	0.420%
		Administrative Support	\$271,652.64	\$271,394.35	\$234,259.00	\$223,681.00	-4.516%
		Human Resources	\$638,950.93	\$598,483.87	\$665,941.00	\$587,750.00	-11.741%
		Communications	\$316,315.56	\$354,160.99	\$386,009.00	\$348,115.00	-9.817%
		<b>Total Administration:</b>	<b>\$3,583,363.43</b>	<b>\$3,893,225.37</b>	<b>\$5,652,762.00</b>	<b>\$6,046,402.00</b>	<b>7.740%</b>
		<b>Total Finance and Administration:</b>	<b>\$5,534,568.58</b>	<b>\$5,919,560.38</b>	<b>\$7,568,938.00</b>	<b>\$8,245,502.00</b>	<b>9.518%</b>
	<b>Community Development</b>						
	<b>Infrastructure Services</b>						
		Administration	\$296,244.33	\$244,379.38	\$277,675.00	\$0.00	-100%
		Engineering	\$789,191.09	\$834,792.59	\$955,192.00	\$699,660.00	-26.752%
		Facilities Management	\$3,986,698.14	\$4,388,533.65	\$5,874,607.00	\$5,925,951.00	0.127%
		Capital Projects	\$0.00	\$0.00	\$0.00	\$595,467.00	
		<b>Total Infrastructure Services:</b>	<b>\$5,072,133.56</b>	<b>\$5,467,705.62</b>	<b>\$7,107,474.00</b>	<b>\$7,221,078.00</b>	<b>0.981%</b>
	<b>Community Planning / Services</b>						
		Administration	\$675,752.71	\$668,140.56	\$587,319.00	\$679,106.00	15.628%
		Building	\$1,002,065.76	\$1,109,874.86	\$1,095,418.00	\$1,176,712.00	7.421%
		Development Review And Zoning	\$631,355.32	\$666,786.93	\$783,019.00	\$713,162.00	-8.921%
		Cd Services	\$423,297.63	\$462,984.11	\$464,034.00	\$635,775.00	37.010%
		Comprehensive Planning	\$650,246.01	\$688,788.34	\$672,875.00	\$1,081,703.00	60.758%
		<b>Total Community Planning/Services:</b>	<b>\$3,382,717.43</b>	<b>\$3,596,574.80</b>	<b>\$3,602,665.00</b>	<b>\$4,286,458.00</b>	<b>18.980%</b>
		<b>Total Community Development:</b>	<b>\$8,454,850.99</b>	<b>\$9,064,280.42</b>	<b>\$10,710,139.00</b>	<b>\$11,507,536.00</b>	<b>7.036%</b>

Town of Hilton Head Island - FY23 General Fund Expenditures

GF			2020 Actual	2021 Actual	2022 Adopted Budget	FY2023 Requested Budget	2022 Adopted Budget vs. FY2023 Request (% Change)
	<b>Public Safety</b>						
		<b>Fire &amp; Rescue</b>					
		Operations	\$10,447,258.13	\$12,050,675.16	\$12,813,726.00	\$13,558,528.00	5.813%
		F&R Planning	\$313,382.51	\$0.00	\$0.00	\$0.00	
		Bureau Of Fire Prevention	\$471,863.12	\$0.00	\$0.00	\$0.00	
		Fleet Maintenance	\$296,452.33	\$0.00	\$0.00	\$0.00	
		Fire Rescue E911 Communicatns	\$1,024,003.11	\$0.00	\$0.00	\$0.00	
		Training	\$565,398.82	\$0.00	\$0.00	\$0.00	
		Emergency Management	\$115,491.03	\$0.00	\$0.00	\$0.00	
		E911 Communications	\$225,057.78	\$0.00	\$0.00	\$0.00	
		Executive & Administration	\$1,574,127.43	\$3,971,035.99	\$3,710,990.00	\$4,821,718.00	29.931%
		<b>Total Fire &amp; Rescue:</b>	<b>\$15,033,034.26</b>	<b>\$16,021,711.15</b>	<b>\$16,524,716.00</b>	<b>\$18,380,246.00</b>	<b>11.229%</b>
		<b>Police</b>					
		BCSO & Shore Beach	\$3,777,750.46	\$3,135,099.20	\$2,498,430.00	\$2,674,762.00	7.058%
		<b>Total Police:</b>	<b>\$3,777,750.46</b>	<b>\$3,135,099.20</b>	<b>\$2,498,430.00</b>	<b>\$2,674,762.00</b>	<b>7.058%</b>
		<b>Total Public Safety:</b>	<b>\$18,810,784.72</b>	<b>\$19,156,810.35</b>	<b>\$19,023,146.00</b>	<b>\$21,055,008.00</b>	<b>10.681%</b>
		<b>Townwide</b>					
		<b>Non Department</b>					
		Transfers Out	\$0.00	\$0.00	\$250,000.00	\$0.00	-100%
		Townwide	\$4,291,539.88	\$4,895,954.26	\$4,674,886.00	\$5,741,584.00	22.818%
		<b>Total Non Department:</b>	<b>\$4,291,539.88</b>	<b>\$4,895,954.26</b>	<b>\$4,924,886.00</b>	<b>\$5,741,584.00</b>	<b>16.583%</b>
		<b>Total Townwide:</b>	<b>\$4,291,539.88</b>	<b>\$4,895,954.26</b>	<b>\$4,924,886.00</b>	<b>\$5,741,584.00</b>	<b>16.583%</b>
		<b>Total Expenditures:</b>	<b>\$39,000,970.04</b>	<b>\$40,959,948.24</b>	<b>\$43,984,657.00</b>	<b>\$48,621,804.00</b>	<b>10.543%</b>

# TOWN OF HILTON HEAD ISLAND: FY2023 GENERAL FUND BUDGET

## Emergency Preparedness

### Emergency Preparedness

#### Possible Costs of an Emergency:

	<u>Amounts</u>
Cost of Hurricane Matthew	<u>57,000,000</u>
Adjusted for inflation – Crowder Gulf 11.4%, Tetra Tech 3.1% and Personnel costs at 18%	<u>63,406,800</u>

#### Funds Available:

	<u>Amounts</u>
Natural Disaster Fund at June 30, 2021	33,977,293
Beach Fee Fund Balance at June 30, 2021	18,617,748
Bond Capacity Reserved for Emergencies	<u>20,000,000</u>
Funds Available for a Natural Disaster	<u>72,595,041</u>

#### Funds available as a percent of possible costs:

Compared to the cost of Hurricane Matthew	127%
Compared to the Cost of Hurricane Matthew adjusted for inflation.	114%

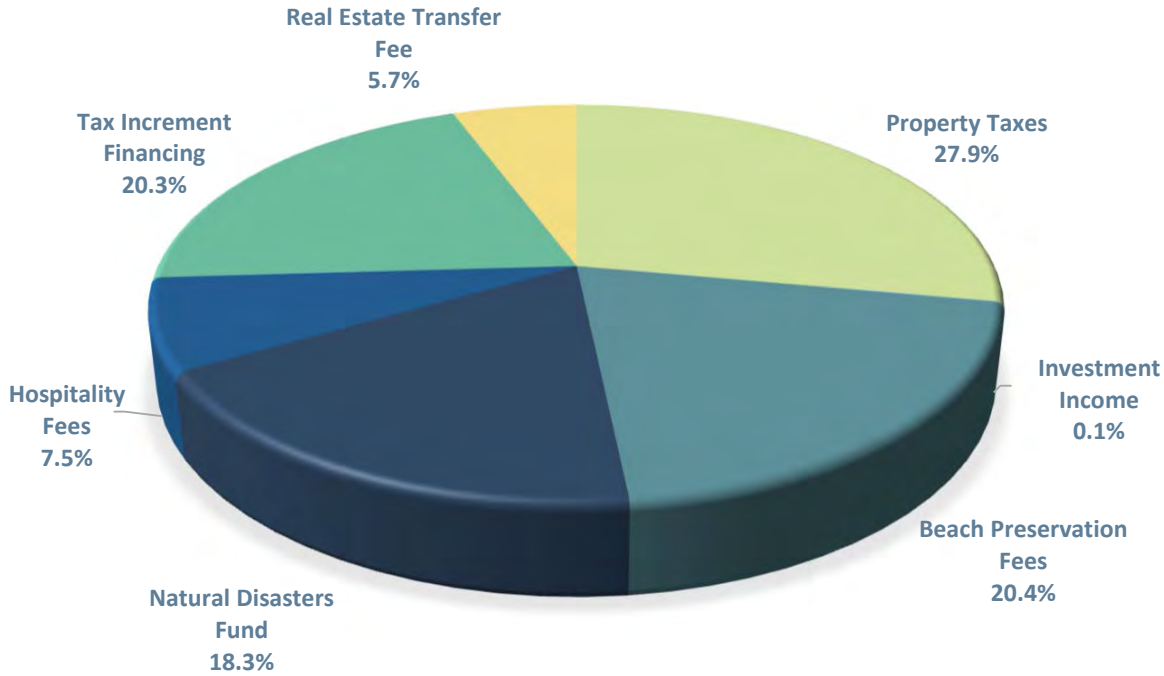
Additional considerations: the next storm could be worse.



Debt Service Fund

# TOWN OF HILTON HEAD ISLAND: FY2023 DEBT SERVICE BUDGET

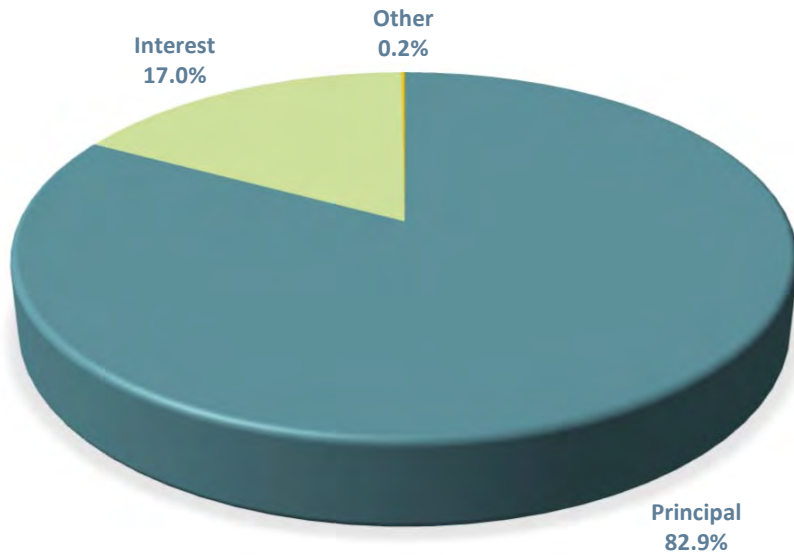
## Sources of Funds - Debt Service Fund



	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Requested Budget	% Change FY 2022 Budget	% of Budget
Property Taxes	\$ 5,448,438	\$ 5,477,158	\$ 5,402,336	-1.4%	27.9%
Investment Income	18,964	12,000	12,000	0.0%	0.1%
Transfers In:					
Beach Preservation Fees	3,975,850	3,959,125	3,952,375	-0.2%	20.4%
Natural Disasters Fund	3,537,265	3,535,665	3,537,765	0.1%	18.3%
Hospitality Fees	1,441,776	1,446,406	1,444,691	-0.1%	7.5%
Tax Increment Financing	3,926,703	3,927,712	3,927,564	0.0%	20.3%
Real Estate Transfer Fee	1,481,756	986,500	1,097,350	11.2%	5.7%
<b>Total Revenues</b>	<b>19,830,752</b>	<b>19,344,566</b>	<b>19,374,081</b>	<b>0.2%</b>	<b>100.0%</b>

# TOWN OF HILTON HEAD ISLAND: FY2023 DEBT SERVICE BUDGET

## Uses of Funds- Debt Service Fund



	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Requested Budget	% Change FY 2022 Budget	% of Budget
Principal	\$ 15,655,000	\$ 15,545,000	\$ 16,055,000	3.3%	82.9%
Interest	4,138,637	3,769,566	3,289,081	-12.7%	19.5%
Other	21,375	30,000	30,000	0.0%	0.2%
<b>Total Expenditures</b>	<b>19,815,012</b>	<b>19,344,566</b>	<b>19,374,081</b>	<b>0.2%</b>	<b>100.0%</b>

### Debt Service Fund Highlights

- No new bonds are planned for this year
- This is the 5th year in a row the Town’s net debt declined FY 2019, 2020, 2021, 2022, and now FY 2023
- The budget includes both General Obligation (GO) and Special Revenue bonds
- The FY 2023 budget is very similar to the prior year
- The Town will continue to seek out refunding opportunities
- Stormwater bonds are paid through the Stormwater fund
- No change in the millage
- The Town continues to improve its financial position and capacity by steadily decreasing debt
- The Town will issue a lease for the Fire Trucks – the lease payments are built into the General Fund under Fire Rescue budget as a signal that regular replacement is a priority and expected.

# TOWN OF HILTON HEAD ISLAND: FY2023 DEBT SERVICE BUDGET

## Debt Service Payments

	FY 2023 Payments			Balance After FY23 Pmts	Final Payment FY
	Interest	Principal	Total		
<b>Debt Service Payments - (without Stormwater Bonds)</b>					
<b>General Obligation Bonds (Original Issue Amount)</b>					
Series 2016 GO Referendum Refunding Bonds (\$13,080,000)	\$ 52,425	\$ 765,000	\$ 817,425	\$ 1,665,000	2025
Series 2016 GO Referendum Refunding Bonds (\$9,035,000)	215,838	585,000	800,838	6,240,000	2035
Series 2009 GO Non-Referendum Refunding Bonds (\$5,005,000)	54,906	430,000	484,906	940,000	2025
Series 2016 GO Referendum Bonds (\$5,770,000)	61,500	925,000	986,500	1,085,000	2024
Series 2020A GO Referendum Refunding Bonds (\$5,830,000)- to 2020A	273,600	605,000	878,600	4,560,000	2028
Series 2013A GO Referendum Bonds (\$5,000,000) - non-refunded	19,167	186,111	205,278	-	2023
Series 2013B GO Non-Referendum Bonds (\$4,000,000) - non-refunded	15,333	148,889	164,222	-	2023
Series 2017A GO Non-Referendum Bonds (\$27,310,000)	926,069	640,000	1,566,069	26,100,000	2047
Series 2017B GO Disaster Recovery Bonds (\$18,000,000)	140,665	3,395,000	3,535,665	-	2023
Series 2020B GO Referendum Bonds (\$6,285,000)	101,920	85,000	186,920	6,080,000	2035
Series 2019 GO Obligation Bonds (\$5,000,000)	174,900	180,000	354,900	4,335,000	2039
<b>Total General Obligation Bonds</b>	<b>\$ 2,036,323</b>	<b>\$ 7,945,000</b>	<b>\$ 9,981,323</b>	<b>51,005,000</b>	
<b>Revenue / Special Obligation Bonds (Original Issue Amount)</b>					
Series 2019 Special Bonds (Hospitality Tax) (\$16,520,000)	\$ 371,406	\$ 1,075,000	\$ 1,446,406	\$ 12,035,000	2036
Series 2017C Special USCB Tax Increment Bonds (\$28,530,000)	267,712	3,660,000	3,927,712	7,665,000	2025
Series 2017B Special Bonds (Beach Preservation Fee) (\$30,075,000)	1,094,125	2,865,000	3,959,125	17,445,000	2028
<b>Total Revenue / Special Obligation Bonds</b>	<b>\$ 1,733,243</b>	<b>\$ 7,600,000</b>	<b>\$ 9,333,243</b>	<b>37,145,000</b>	
<b>Grand Total - Existing Debt</b>	<b>\$ 3,769,566</b>	<b>\$ 15,545,000</b>	<b>\$ 19,314,566</b>	<b>88,150,000</b>	

Stormwater debt is accounted for in the Stormwater Fund. Outstanding Stormwater debt are these two special revenue bonds:

<b>Stormwater Bonds (Original Issue Amount)</b>					
Series 2021 Special Bonds (Stormwater) (\$5,630,000)	\$ 38,263	\$ 905,000	\$ 943,263	\$ 2,790,000	2026
Series 2018 Special Bonds (Stormwater) (\$3,200,000)	62,195	300,000	362,195	1,685,000	2028
<b>Total Stormwater Special Obligation Bonds</b>	<b>\$ 100,458</b>	<b>\$ 1,205,000</b>	<b>\$ 1,305,458</b>	<b>\$ 4,475,000</b>	

Note: No new bonds are proposed for FY23 – unless we see a refunding opportunity – which will be brought for consideration separately. A lease purchase option will be executed for the purchase of the new fire trucks from HTAX revenues. Payments on the fire trucks will be budgeted in the Fire Rescue budget so that the expectation is replacement when the lease is fulfilled. This keeps the fleet renewed to maximize efficiency and effectiveness.

FY 2023 is the last year of payments for the Series 2018B Disaster Recovery bonds. These bonds were issued after Hurricane Matthew to reinstate the Disaster Funds in preparation for a possible next disaster. These bonds were funded by a 5-mill special assessment for 5 years. The last year of collection of the 5 mills was FY 2022, and proceeds from those collections will be used to make the final payment on the bonds in FY 2023.

(a)Comparable amounts for FY 2022 are \$3,769,566 interest and \$15,545,000 principal payments – indicating the Town’s relatively fast payout schedule and significant progress toward reducing outstanding balances.

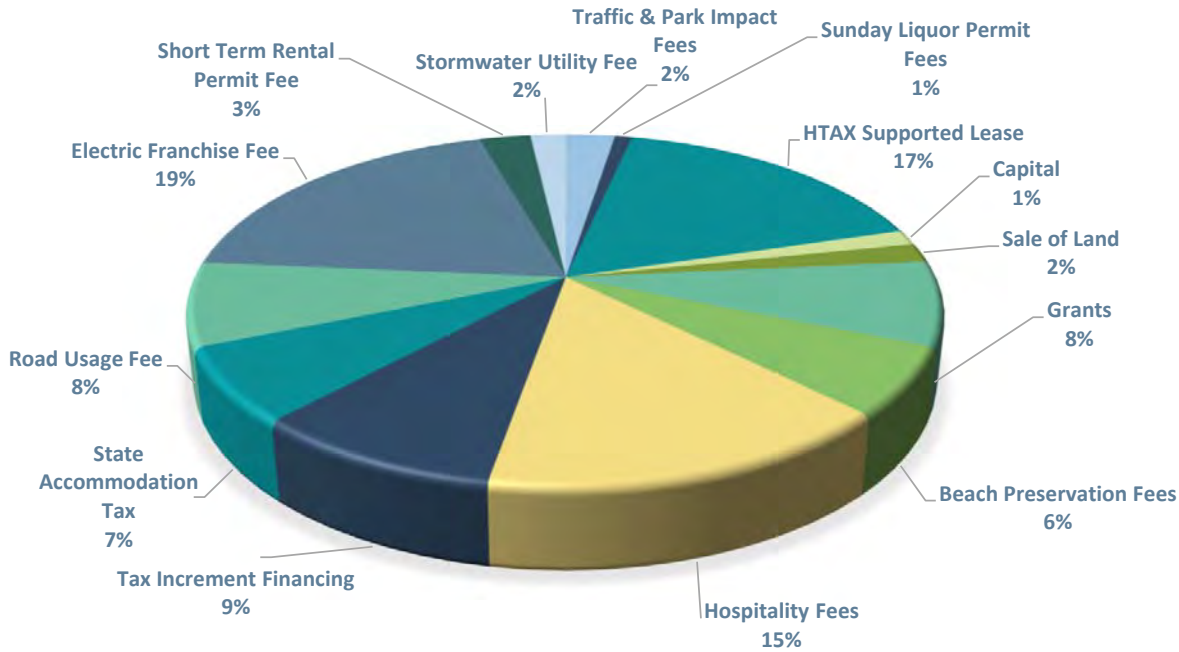




Capital Projects Fund

# TOWN OF HILTON HEAD ISLAND: FY2023 CAPITAL PROJECTS BUDGET

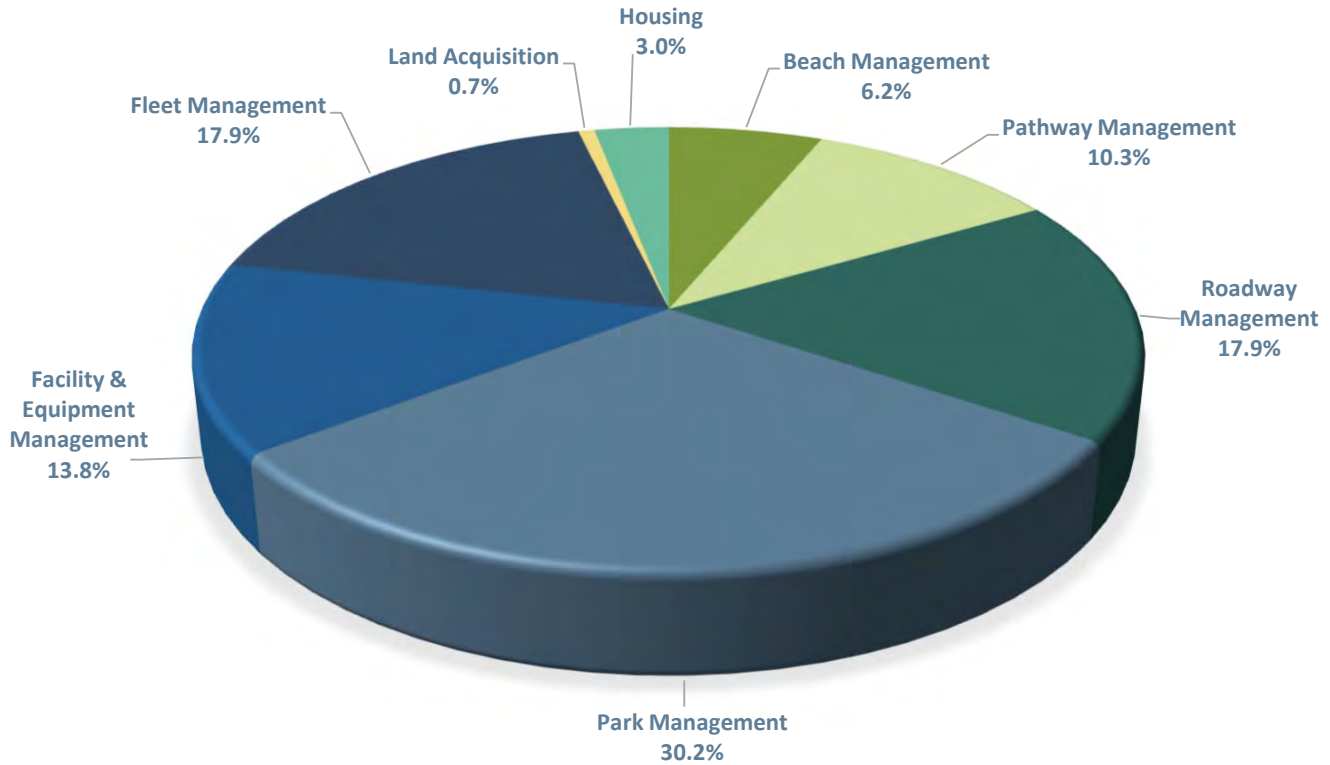
## Sources of Funds - Capital Projects Fund



Funding Sources	FY 2021 Actual	FY 2022 Original Budget	FY 2023 Proposed Budget	\$ Change FY 2022	% Change FY 2022	% of Budget
Traffic & Park Impact Fees	680,385	748,300	1,150,000	401,700	53.7%	2.5%
Sunday Liquor Permit Fees	288,590	-	400,000	400,000	100.0%	0.9%
HTAX Supported Lease	43,235	6,201,868	7,742,473	1,540,605	24.8%	17.0%
Bond Proceeds	-	1,855,000	-	(1,855,000)	-100.0%	0.0%
Capital	-	-	635,761	635,761	100.0%	1.4%
Sale of Land	-	-	800,000	800,000	100.0%	1.8%
Grants	151,926	347,980	3,530,000	3,182,020	914.4%	7.7%
Investments	11,211	-	-	-	n/a	0.0%
Prior Year Funds	-	10,860,551	-	(10,860,551)	-100.0%	0.0%
Transfers In:						0.0%
Beach Preservation Fees	711,064	1,400,000	2,850,000	1,450,000	103.6%	6.2%
Hospitality Fees	1,546,648	1,373,628	6,985,472	5,611,844	408.5%	15.3%
Tax Increment Financing	3,448,570	1,300,000	4,187,235	2,887,235	222.1%	9.2%
General Fund	-	125,000	-	(125,000)	-100.0%	0.0%
State Accommodation Tax	-	-	3,109,000	3,109,000	100.0%	6.8%
Road Usage Fee	251,019	100,000	3,508,555	3,408,555	3408.6%	7.7%
Electric Franchise Fee	-	1,607,772	8,743,319	7,135,547	443.8%	19.1%
Real Estate Transfer Fee	2,360,590	-	-	-	n/a	0.0%
Short Term Rental Permit Fee	-	-	1,200,118	1,200,118	100.0%	2.6%
Stormwater Utility Fee	-	2,089,000	830,000	(1,259,000)	-60.3%	1.8%
<b>Total Funding Sources</b>	<b>9,493,238</b>	<b>28,009,099</b>	<b>45,671,933</b>	<b>17,662,834</b>	<b>63.1%</b>	<b>100.0%</b>

# TOWN OF HILTON HEAD ISLAND: FY2023 CAPITAL PROJECTS BUDGET

## Uses of Funds- Capital Projects Fund



Use of Funds	FY 2021 Actual	FY 2022 Original Budget	FY 2023 Proposed Budget	\$ Change FY 2022	% Change FY 2022	% of Budget
Beach Management	\$ 265,561	\$ 2,373,523	\$ 2,850,000	\$ 476,477	20.1%	6.2%
Pathway Management	159,374	900,000	4,724,000	3,824,000	424.9%	10.3%
Roadway Management	1,125,766	5,167,964	8,153,842	2,985,878	57.8%	17.9%
Park Management	824,214	8,716,476	13,795,235	5,078,759	58.3%	30.2%
Facility & Equipment Management	9,129,233	3,884,200	6,302,650	2,418,450	62.3%	13.8%
Fleet Management	195,668	6,642,868	8,166,945	1,524,077	22.9%	17.9%
Land Acquisition	2,362,183	324,068	300,000	(24,068)	-7.4%	0.7%
Housing	-	-	1,379,261	1,379,261	100.0%	3.0%
<b>Total Use of Funds</b>	<b>14,061,999</b>	<b>28,009,099</b>	<b>45,671,933</b>	<b>17,662,834</b>	<b>63.1%</b>	<b>100.0%</b>

# TOWN OF HILTON HEAD ISLAND: FY 2023 CAPITAL IMPROVEMENTS PROGRAM (CIP)

## Planning Commission Proposed Priority Projects



### Fiscal Year 23 Proposed Priority Projects

#### Beach

**B**

- Beach Park Improvements
  - Driessen Beach Park: Boardwalk Replacement (design, permitting, construction)
  - Folly Field Beach Park: Boardwalk Replacement (design, permitting, construction)

#### Pathways

**Pa**

- Pathway Accessibility and Safety Enhancement Projects
  - South Forest Beach pathway improvements
- New Pathway Segments
  - William Hilton Parkway-Eastbound: Mathews Drive at Folly Field Road to Dillon Road (McDonalds) (preliminary planning, design)
  - Jonesville Road (preliminary planning, design)
  - William Hilton Parkway-Eastbound: Gardner Drive to Jarvis Park Road (preliminary planning, design)
  - Lagoon Road Pathway: Pope Avenue to North Forest Beach Drive (preliminary planning, design)
  - William Hilton Parkway-Eastbound: Arrow Road to Village at Wexford (design, construction)
  - Squire Pope Road: Greens Shell Park to Fords Shell Ring Park with a connection to the Rowing and Sailing Center at Squire Pope Community Park
  - Main Street: Whooping Crane Way to Wilborn Road (preliminary planning, design)

## TOWN OF HILTON HEAD ISLAND: FY 2023 CAPITAL IMPROVEMENTS PROGRAM (CIP), CONT.

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### Road

### R

- Dillon Road at William Hilton Parkway: Right Turn Lane (preliminary planning, design)
- Dirt Road Acquisitions and Paving Program
  - New R/W Acquisitions
    - Alice Perry Drive
    - Horse Sugar Lane
    - Amelia Drive
  - Re-Engage Past Acquisition Efforts
    - Aiken Place
    - Alfred Lane
    - Cobia Court
    - Murray Avenue
    - Outlaw Road
- Gateway Circle at Dillon Road: Left Turn Lane (preliminary planning, design)
- Gateway Corridor Improvements (design)
- Adaptive Traffic Signal Management (ATSM) System at signalized intersections along major corridors (preliminary planning, design, construction)
  - William Hilton Parkway Intersections
    - Arrow Road
    - Beach City Road / Gardner Drive
    - Beachwood Drive
    - Coggins Point Road
    - Dillon Road
    - Gum Tree Road
    - Mathews Drive (north)
    - Mathews Drive / Folly Field Road
    - New Orleans Road
    - Pembroke Drive / Museum Street
    - Queens Folly Road / King Neptune Drive
    - Queens Way
    - Shelter Cove Lane (off-island int.)
    - Shelter Cove Lane (central int.)
    - Singleton Beach Road
    - Shipyard Drive / Wexford Drive
    - Whooping Crane Way / Indigo Run Drive
    - Wilborn Road / Jarvis Park Road

# TOWN OF HILTON HEAD ISLAND: FY 2023 CAPITAL IMPROVEMENTS PROGRAM (CIP), CONT.

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- Palmetto Bay Road Intersections
  - Arrow Road / Point Comfort Road
  - Target Road
- Pope Avenue Intersections
  - Cordillo Parkway
  - Lagoon Road
  - New Orleans Road / College Center Drive

## Parks

PR

- Parks & Recreation
  - Taylor Family Park (preliminary planning, design, permitting, construction)
  - Barker Field (preliminary planning, design, permitting)
- Island Recreation Center; Capital Facility Improvements
- Ford Shell Ring
- Northridge Tract

## Facilities & Equipment

FE

- Town Hall Improvements
- Town Facility Assessment including Town Hall and Fire Rescue Headquarters / EOC / Dispatch
- Parking Master Plan Implementation
- Fire Hydrant Expansion Projects (recurring project, coordinated by HHIFR with HHPSD)
- Coastal Discovery Museum; Capital Projects
- IT Equipment & Software (Town Hall Equipment & Software, Public Safety Systems Equipment & Software)
- Fire Medical Systems, Equipment Replacement
- Security Cameras / Wi-Fi
  - Shelter Cove Connectivity
  - Shelter Cove Community Park
- Stormwater Projects
  - PUD: Lawton Canal Watershed Study & Enhancements
  - Non-PUD: North End Drainage Study & Enhancements

## TOWN OF HILTON HEAD ISLAND: FY 2023 CAPITAL IMPROVEMENTS PROGRAM (CIP), CONT.

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### Fleet

FI








- Town Vehicle Replacement
- FR Apparatus & Vehicle Replacement

### Land Acquisition





LA

- Land Acquisition (soft costs including ROW acquisition, survey, appraisals, legal fees, etc.): On-Going

**Project Categories**

-  Beach
-  Pathways
-  Roadways
-  Parks
-  Facilities & Equipment
-  Fleet
-  Housing

**Map Legend**

-  Town-Owned Land
-  Upland
-  Marsh
-  Water

**Notes**

1. Project FE18, Fire Hydrant Expansion, locations are TBD.

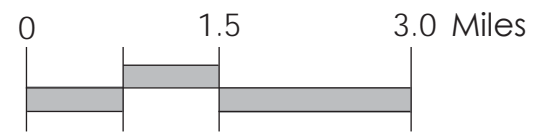


# FY23 BUDGET CAPITAL IMPROVEMENT PROGRAM

## PROJECT LOCATIONS

SCALE: 1" = 1.5 Miles

April 8, 2022 **DRAFT**



The information on this plan has been compiled from a variety of sources and is intended to be used only as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island assumes no liability for its accuracy or state of completion or for any losses arising from the use of the plan.





## TOWN OF HILTON HEAD ISLAND: FY2023 CAPITAL PROJECTS BUDGET

Carry Forward Projects	FY 2022 Carry Forward	FY 2023 New Funding	FY 2023 Total Funding	Funding Source
Beach Management & Monitoring	200,000	100,000	300,000	Beach Fee
Beach Renourishment	600,000	-	600,000	Beach Fee
New Pathway Segments (Shelter Cove, Woodhaven, WHP EB)	364,852	1,569,148	1,934,000	State ATAX / TIF
Dirt Road Paving (Mitchelville, Pine Field)	1,063,583	165,000	1,228,583	Road Usage Fee
William Hilton Parkway Enhancements	1,783,000	2,515,224	4,298,224	Elec. Franchise Fee / Road Usage Fee / Traffic Impact Fee
Pope Ave, Palmetto Bay, Arrow Rd Enhancements	443,000	543,480	986,480	Elec. Franchise Fee / TIF
Main Street Enhancements	75,000	150,000	225,000	Elec. Franchise Fee
Other Roadway Maintenance & Improvements	333,555	232,000	565,555	Elec. Franchise Fee
Mid-Island Tract Park	1,200,830	4,000,000	5,200,830	HTAX / TIF
Chaplin Community Park Renovation	1,910,925	-	1,910,925	TIF
Crossings Park Renovation	1,829,586	-	1,829,586	Elec. Franchise Fee / HTAX
Shelter Cove Community Park Expansion	440,000	500,000	940,000	TIF / Sale of Land
Chaplin Linear Park with Treehouse	378,238	100,000	478,238	TIF
Patterson Family Property Park	685,656	700,000	1,385,656	CDBG Grant
General Park Enhancements	775,000	225,000	1,000,000	HTAX / Grant
Town Hall Security & Facility Enhancements	602,000	480,000	1,082,000	Elec. Franchise Fee / HTAX / Capital
Shelter Cove/BCSO Office Renovations	150,000	300,000	450,000	Short Term Rental Permit Fee / Capital
Automobile Place / Modern Classic Motors Site Enhancements	472,500	-	472,500	Elec. Franchise Fee / Utility Tax Credit
Arts Campus Feasibility Study	25,000	-	25,000	HTAX
Stormwater Project (Wexford Debris System)	75,000	-	75,000	Stormwater Fee
Engine/Pumper Replacement/Quint Company Replacement (2)	7,742,473	16,000	7,758,473	Lease
Land Acquisition	290,000	10,000	300,000	Sale of Land
North Pointe Housing Partnership	455,000	500,000	955,000	ARPA
Other Housing	424,261	-	424,261	Capital

## TOWN OF HILTON HEAD ISLAND: FY2023 CAPITAL PROJECTS BUDGET

New Projects	FY 2022 Carry Forward	FY 2023 New Funding	FY 2023 Total Funding	Funding Source
Beach Park Improvements		1,350,000	1,350,000	Beach Fee
Harbour Town Dredge		600,000	600,000	Beach Fee
Pathway Maintenance & Improvements		665,000	665,000	State ATAX / Elec. Franchise Fee
New Pathway Segment (Jonesville)		2,125,000	2,125,000	Elec. Franchise Fee
Dirt Road Paving (Horse Sugar, Freddie's, Alfred)		700,000	700,000	Road Usage Fee
Squire Pope Road Crosswalks		150,000	150,000	Elec. Franchise Fee
Taylor Family Property Park		125,000	125,000	CDBG Grant
Barker Field		500,000	500,000	Grant
Island Recreation Assoc. Capital Projects		400,000	400,000	Park Impact Fee
Public Art Program		25,000	25,000	HTAX
Electric Vehicle Charging Stations at Town Facilities		30,000	30,000	Elec. Franchise Fee
Parking Master Plan Implementation		200,000	200,000	HTAX
Coastal Discovery Museum - Capital Projects		198,250	198,250	Sunday Liq. Permit Fee
Historic Mitchelville Freedom Park - Capital Projects		125,000	125,000	Sunday Liq. Permit Fee
IT Equipment and Software		1,843,900	1,843,900	Elec. Franchise Fee / Short Term Rental Fee
Security Cameras		536,000	536,000	Elec. Franchise Fee / HTAX / Sunday Liq. Permit Fee
Fire/Medical Systems, Equipment Replacement		460,000	460,000	HTAX
Fire Hydrant Expansion		50,000	50,000	HTAX
Stormwater Projects (Gum Tree, Jarvis, Moonshell, Cordillo)		755,000	755,000	Stormwater Fee
Town Vehicle - Replacements		117,000	117,000	Elec. Franchise Fee
Town Vehicle - New Staff Vehicles		181,472	181,472	Elec. Franchise Fee
F/R Staff & Support Vehicles		110,000	110,000	Elec. Franchise Fee
<b>Total FY23 CIP Program</b>	<b>\$ 22,319,459</b>	<b>\$ 23,352,474</b>	<b>\$ 45,671,933</b>	

**TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23  
DRAFT PROJECT TIMELINE**

MAP KEY	PROJECTS	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25
<b>BEACH MANAGEMENT</b>										
B1	Beach Management & Monitoring									
B2	Beach Renourishment	D	D	D	D	P	P	P	P	C
B3	Driessen Beach Park Boardwalk Replacement	P	C							
B4	Folly Field Beach Park Boardwalk Replacement		P	C						
B5	Islanders Beach Park Improvements	D	D	P	P	C	C			
B6	Coligny Beach Park/Parking Area									
	Beach Park Maintenance & Improvements									
B7	Harbour Town Dredge									
<b>PATHWAY MANAGEMENT</b>										
	Pathway Maintenance & Improvements		S	D	P	C				
Pa1	Shelter Cove Lane		C							
Pa2	Woodhaven Lane/Road			C						

**TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23  
DRAFT PROJECT TIMELINE**

MAP KEY	PROJECTS	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25
Pa3	William Hilton Parkway EB	P	P	C	C					
Pa4	Jonesville Road	S	D	P	C					

**TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23  
DRAFT PROJECT TIMELINE**

MAP KEY	PROJECTS	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25
<b>ROADWAY MANAGEMENT</b>										
R1	Mitchelville Lane	C								
R2	Pine Field Road	D	P	C						
R3	Horse Sugar Lane & Alice Perry Drive		S	D	P	C				
R4	Freddie's Way	S	D	P	C					
R5	Alfred Lane			S	D	P	C			
	William Hilton Parkway Enhancements									
R6	Crosswalk Uniformity	D	D							
R7	Crosswalk Lighting	D	D	D		P	C			
R8	Turn Lane Extensions / Curb and Gutter			D	P	C				
R9	Pedestrian and Vehicular Enhancements	D	D	D	P	P	C	C		
R10	William Hilton Parkway Gateway Corridor									
R11	Adaptive Traffic Signal Management - all signalized intersections on William Hilton Parkway									

**TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23  
DRAFT PROJECT TIMELINE**

MAP KEY	PROJECTS	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25
R12	Dillon Road at William Hilton Parkway - Right Turn Lane			S	D	P	C			
	Pope Avenue, Palmetto Bay Road, & Arrow Road Streetscape Enhancements									
R13	Streetscape Enhancements	D	D	D	P	P	C	C		
R14	Adaptive Traffic Signal Management - all signalized intersections on Palmetto Bay Road & Pope Avenue									
	<i>Total Pope Avenue, Palmetto Bay Road, &amp; Arrow Road Streetscape Enhancements</i>									
R15	Main Street Enhancements	D	D	P	P			C	C	
R16	Squire Pope Road Crosswalks	S	D	P	C					
	Roadway Maintenance & Improvements									

**TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23  
DRAFT PROJECT TIMELINE**

MAP KEY	PROJECTS	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25
<b>PARK MANAGEMENT</b>										
	Parks and Recreation									
PR1	Mid-Island Tract Park	D	D	P	C	C	C	C		
PR2	Chaplin Community Park Renovation		D	D	P	P		C	C	
PR3	Crossings Park Renovation			D	D				P	C
PR4	Shelter Cove Community Park Expansion	D	D	P	P	C	C			
PR5	Chaplin Linear Park with Treehouse	D	D	P	P		C	C		
PR6	Patterson Family Property Park	D	P	P	C					
PR7	Taylor Family Property Park			S	D			P	C	
PR8	Barker Field		S	D	D					
PR9	Island Recreation Association - Capital Projects									
PR10	Public Art Program									
PR11	General Park Enhancements									

**TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23  
DRAFT PROJECT TIMELINE**

MAP KEY	PROJECTS	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25
PR12	Jarvis Creek Park Enhancements		C							
PR13	Cordillo Tennis Courts Restroom Building	C								



**TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23  
DRAFT PROJECT TIMELINE**

MAP KEY	PROJECTS	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25
<b>FACILITIES AND EQUIPMENT MANAGEMENT</b>										
FE1	Town Hall Security & Facility Enhancements									
FE2	Town Facilities Assessment		D	D						
FE3	Sprinkler Head replacement									
FE4	Shelter Cove/BCSO Office		P	C						
FE5	Electric Vehicle Charging Stations at Town Facilities	P	C							
FE6	Parking Master Plan Implementation									
FE7	Coastal Discovery Museum - Capital Projects									
FE8	Historic Mitchelville Freedom Park - Capital Projects			S	D	P	C			
	IT Equipment and Software									
FE9	Town Hall Equipment and Software									
FE10	Public Safety Systems Equipment and Software									
FE11	Fire Rescue Conference Upgrades (HQ, Dispatch, 7 Stations)									

**TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23  
DRAFT PROJECT TIMELINE**

MAP KEY	PROJECTS	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25
	Radio Maintenance & Replacement -Portable/Mobile									
FE12	Station Alerting									
	Security Cameras									
FE13	Shelter Cove Community Park	D	P	C						
FE14	Shelter Cove Connectivity & Chaplin Linear Park Trailhead	D	P	C						
FE15	Fire Stations		D	P	C					
	Ambulance									
FE16	Fire/Medical Systems, Equipment Replacement									
FE17	Automobile Place / Modern Classic Motors Site Enhancements									
FE18	Fire Hydrant Expansion									
FE19	Arts Campus Feasibility Study									
	Stormwater Projects									
FE21	Wexford Debris System Design			D						

**TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23  
DRAFT PROJECT TIMELINE**

MAP KEY	PROJECTS	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25
FE22	Gum Tree Road Improvements	S	D	P	C					
FE23	Jarvis Creek Outfall	S	D	P	C					
FE24	25 Moonshell Road	S	D	C						
FE25	Cordillo Court Improvements	D	C							

**TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23  
DRAFT PROJECT TIMELINE**

MAP KEY	PROJECTS	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25
<b>FLEET</b>										
F11	Town Vehicle Replacement									
	Staff Vehicle Replacement									
	New Staff Vehicles									
F12	FR Apparatus & Vehicle Replacement									
	Engine/Pumper Replacement/Quint Company Replacement (2)									
	Fire Rescue Specialty Vehicles - Rescue Trailer									
	Fire Rescue Specialty Vehicles - CDL Training Vehicles									
	Staff Vehicle Replacement									
	Support Vehicle Replacement - Forklift									
	Firefighting Foam for Trucks									
<b>LAND ACQUISITION</b>										
	Land Acquisition									

**TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23  
DRAFT PROJECT TIMELINE**

MAP KEY	PROJECTS	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25
<b>HOUSING</b>										
H1	North Pointe Housing Partnership									
<b>KEY</b>		On-Going	S Survey		D Design		P Permitting		C Construction	

TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	FY23 PROJECT SCOPE	FY22 PROJECT STATUS
<b>BEACH MANAGEMENT</b>							
B1	Beach Management & Monitoring	\$ 802,609	\$ 200,000	\$ 100,000	\$ 300,000	Ongoing activities as to manage the beach including SLR/Resiliency, endangered species monitoring, Beach Program Economic Sustainability Analysis, etc.	FY22 project on-going; Current efforts include Island-wide monitoring, Beach Management Plan update, and Pine Island Feasibility Study.
B2	Beach Renourishment	\$ 1,570,914	\$ 600,000	\$ -	\$ 600,000	Activities related to the next Renourishment Project, including Pine Island beach including data acquisition, survey, geotechnical / sand -borrow site, wildlife / biological, modeling, design, permitting, bidding, etc. Construction of Renourishment Project anticipated in FY25	Beginning Design phase; Main beach planning, engineering, & permitting task order is ready to execute; Pine Island planning/engineering/permitting task order is being developed; Required offshore borrow area cultural and seismic surveys task order pending
	Beach Park Improvements						
B3	Driessen Beach Park Boardwalk Replacement	\$ -	\$ -	\$ 300,000	\$ 300,000	Replacement of +/- 1100 LF of existing boardwalk at Driessen Beach Park	
B4	Folly Field Beach Park Boardwalk Replacement	\$ -	\$ -	\$ 100,000	\$ 100,000	Replacement of +/- 400 LF of existing boardwalk at Folly Field Beach Park	
B5	Islanders Beach Park Improvements	\$ -	\$ -	\$ 500,000	\$ 500,000	Improvements at existing Beach Park including parking for beach passholders, pathways, and playground amenity area improvements. Design (Final) & Permitting planned for FY23; Construction anticipated in FY24	Preliminary Planning & Design (Conceptual) to be completed in FY22 under "General Park Enhancements"
B6	Coligny Beach Park/Parking Area	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	Improvements to signage, landscape, walkways, and pavement	FY22 project completed as planned including new plantings, irrigation, landscape lighting, and parking lot paving repair
	Beach Park Maintenance & Improvements	\$ -	\$ -	\$ 350,000	\$ 350,000	Maintenance and general improvements to 6 beach parks such as paving, landscaping, lighting, and site furnishings, etc.; Moved capital projects from Facilities Management Operating Budget	FY22 projects completed include paving at Alder Lane, new ATV, floor painting at Fish Haul & Mitchelville, floor replacement at Folly Field, wood trash bins for beach, replacement of decking boards at Islander's and Driessen, painting & power washing at multiple beach parks, landscape lighting at Coligny, and post & rope fencing at multiple beach parks
	<i>Total Beach Park Improvements</i>	\$ 100,000	\$ -	\$ 1,350,000	\$ 1,350,000		
B7	Harbour Town Dredge	\$ -	\$ -	\$ 600,000	\$ 600,000	Agreement with South Island Dredging Association to assist with funding for dredging of Harbour Town Yacht Basin and Braddock Cove Creek; Funding approved in FY19, 20, and 21 budgets	
	<b>TOTAL BEACH MANAGEMENT</b>	\$ 2,473,523	\$ 800,000	\$ 2,050,000	\$ 2,850,000		

TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	FY23 PROJECT SCOPE	FY22 PROJECT STATUS
<b>PATHWAY MANAGEMENT</b>							
	Pathway Maintenance & Improvements	\$ 350,000	\$ -	\$ 665,000	\$ 665,000	Maintenance and Improvements to existing pathways including Repair, Rejuvenation, and Striping plus Safety and Enhancements aimed at improving consistency and uniformity of all pathway signs, landings, crosswalks, pavement markings, ADA compliance, etc. May include Preliminary Planning, Design (Conceptual & Final), Permitting, and/or Construction depending on specific project; \$315,000 transferred from Facilities Management Operating Budget	Surveys received and Design underway for 4 FY22 projects: Shelter Cove Lane pathway "hump", Beach City Road at Fort Howell, ocean side of North Forest Beach Drive at Beach Market Shoppes, and South Forest Beach Drive at Seascape Villas; Construction anticipated in FY22
	New Pathway Segments						
Pa1	Shelter Cove Lane	\$ 225,000	\$ 168,000	\$ 132,000	\$ 300,000	Construction of +/- 900 LF pathway from William Hilton Parkway to Shelter Cove Park	Preliminary Planning, Design (Conceptual & Final), & Permitting complete in FY22; Construction planned for FY23 to avoid busy summer season, additional funds needed due to increased construction costs
Pa2	Woodhaven Lane/Road	\$ 225,000	\$ 182,952	\$ 167,048	\$ 350,000	Construction of +/- 1300 LF of pathway	Preliminary Planning, Design (Conceptual & Final), & Permitting complete in FY22; Construction planned for FY23 to avoid busy summer season, additional funds needed due to increased construction costs.
Pa3	William Hilton Parkway EB	\$ 100,000	\$ 13,900	\$ 1,270,100	\$ 1,284,000	Easement Acquisition & Construction of +/- 6,000 LF of pathway from Shelter Cove Lane (at BCSO) to Mathews Drive at Folly Field Road	Preliminary Planning, Design (Conceptual & Final), & Permitting complete in FY22; Easement Acquisition & Construction planned for FY23
Pa4	Jonesville Road	\$ -	\$ -	\$ 2,125,000	\$ 2,125,000	Preliminary Planning including feasibility assessment planned for early FY23 for +/- 1.2 miles of pathway along Jonesville Road; Design (Conceptual & Final), Permitting, & Construction anticipated in FY23 pending results of feasibility assessment	Request from community and priority recommendation of Planning Commission
	<i>Total New Pathway Segments</i>	\$ 550,000	\$ 364,852	\$ 3,694,148	\$ 4,059,000		
	Shelter Cove Connectivity	\$ 2,337,459	\$ -	\$ -	\$ -		Construction of marsh side pathway connections between Shelter Cove Community Park, Veterans Park, and Shelter Cove Lane at William Hilton Parkway including public art installations and trail head parking lot completed in FY22.
	<b>TOTAL PATHWAY MANAGEMENT</b>	\$ 3,237,459	\$ 364,852	\$ 4,359,148	\$ 4,724,000		

TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	FY23 PROJECT SCOPE	FY22 PROJECT STATUS
<b>ROADWAY MANAGEMENT</b>							
	Dirt Road Acquisition and Paving Program					Program to accept dedications of private, unpaved roads to become public rights of way and then pave the roads and install storm drainage infrastructure.	
R1	Mitchelville Lane	\$ 750,000	\$ 678,583	\$ -	\$ 678,583	Construction of +/- 1300 LF paved road planned for FY23 pending 100% ROW Acquisition.	Preliminary Planning, Design-Conceptual, Design-Final, & Permitting to be complete in FY22.
R2	Pine Field Road	\$ 400,000	\$ 385,000	\$ 165,000	\$ 550,000	Design (Conceptual & Final), Permitting, & Construction of +/- 750 LF paved road planned for FY23, pending 100% ROW Acquisition.	ROW Acquisition & Preliminary Planning underway in FY22.
R3	Horse Sugar Lane & Alice Perry Drive	\$ -	\$ -	\$ 150,000	\$ 150,000	Preliminary Planning & Design (Conceptual & Final) of +/- 925 LF paved road planned for FY23; Permitting & Construction anticipated in FY24, pending 100% ROW Acquisition.	Next roads on Dirt Road Paving priority list; ROW Acquisition & Community Outreach with impacted property owners underway in FY22.
R4	Freddie's Way	\$ -	\$ -	\$ 400,000	\$ 400,000	Preliminary Planning, Design (Conceptual & Final), Permitting, & Construction of +/-500 LF paved road planned for FY23, pending 100% ROW Acquisition.	One of next roads on Dirt Road Paving priority list. ROW Acquisition & Community Outreach with impacted property owners underway in FY22.
R5	Alfred Lane	\$ -	\$ -	\$ 150,000	\$ 150,000	Preliminary Planning & Design (Conceptual & Final) of +/- 900 LF paved road planned for FY23; Permitting & Construction anticipated in FY24, pending 100% ROW Acquisition.	One of next roads on Dirt Road Paving priority list. ROW Acquisition & Community Outreach with impacted property owners underway in FY22.
	Other Roads To Be Determined	\$ 1,129,491	\$ -	\$ -	\$ -		
	<i>Total Dirt Road Acquisition and Paving Program</i>	<i>\$ 2,279,491</i>	<i>\$ 1,063,583</i>	<i>\$ 865,000</i>	<i>\$ 1,928,583</i>		
	William Hilton Parkway Enhancements					Improvements to William Hilton Parkway from Sea Pines Circle to Spanish Wells Road (SCDOT Gateway project) targeting safety, beautification and consistency to include landscaping, signage, pavement markings, curbing etc. Design (Conceptual & Final), Permitting, & Construction for identified projects is anticipated to begin in FY23 and continue in FY24.	Preliminary Planning started in FY22 and anticipated to be completed in FY23; Current project will identify potential FY23 projects; Carry Forward includes funds encumbered toward urban design/land planning job order
R6	Crosswalk Uniformity	\$ 200,000	\$ 200,000	\$ -	\$ 200,000	Improve consistency and uniformity of pathway signs, pavement markings, lighting, landscaping, and related traffic signs, etc.	Incorporated into William Hilton Parkway Pedestrian & Vehicular Enhancements project in FY22
R7	Crosswalk Lighting	\$ 304,918	\$ 295,000	\$ -	\$ 295,000	Provide lighting of crosswalks to enhance pedestrian safety	Preliminary Planning completed in FY22; Incorporated into William Hilton Parkway Pedestrian & Vehicular Enhancements project
R8	Turn Lane Extensions / Curb and Gutter	\$ 150,000	\$ 135,000	\$ -	\$ 135,000	Add curb and gutter and extend turn lanes as necessary to prevent rutting and driving into the medians at William Hilton Parkway intersections with Wilborn Rd, Pembroke Dr, and Mathews Drive	Preliminary Planning completed in FY22; Incorporated into William Hilton Parkway Pedestrian & Vehicular Enhancements project



TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	FY23 PROJECT SCOPE	FY22 PROJECT STATUS
R9	Pedestrian and Vehicular Enhancements	\$ 1,300,000	\$ 1,153,000	\$ -	\$ 1,153,000	Improvements to William Hilton Parkway from Sea Pines Circle to Spanish Wells Road (SCDOT Gateway project) targeting safety, beautification and consistency to include landscaping, signage, pavement markings, curbing etc.	Preliminary Planning started in FY22 and anticipated to be completed in FY23; Current project will identify potential FY23 projects; Carry Forward includes funds encumbered toward urban design/land planning job order
R10	William Hilton Parkway Gateway Corridor	\$ 167,980	\$ -	\$ 300,000	\$ 300,000	Additional planning on recommendations not included in SCDOT project	Initial project completed in FY22
R11	Adaptive Traffic Signal Management - all signalized intersections on William Hilton Parkway	\$ -	\$ -	\$ 2,065,224	\$ 2,065,224	Design & Installation for 26 signals including Spanish Wells and Squire Pope	
R12	Dillon Road at William Hilton Parkway - Right Turn Lane	\$ -	\$ -	\$ 150,000	\$ 150,000	Right Turn lane from Dillon Road onto William Hilton Parkway; Preliminary Planning & Design (Conceptual & Final) planned for FY23 with Construction anticipated in FY24	
	<i>Total William Hilton Parkway Enhancements</i>	<i>\$ 2,122,898</i>	<i>\$ 1,783,000</i>	<i>\$ 2,515,224</i>	<i>\$ 4,298,224</i>		
	Pope Avenue, Palmetto Bay Road, & Arrow Road Streetscape Enhancements						
R13	Streetscape Enhancements	\$ 500,000	\$ 443,000	\$ -	\$ 443,000	Improvements targeting safety, beautification and consistency to include landscaping, signage, pavement markings, curbing, multi-modal facilities, etc.; Design (Conceptual & Final), Permitting, & Construction for identified projects is anticipated to begin in FY23 and carry forward to FY24.	Preliminary Planning started in FY22 and anticipated to be completed in FY23; Current project will identify potential FY23 projects; Carry Forward includes funds encumbered toward urban design/land planning job order
R14	Adaptive Traffic Signal Management - all signalized intersections on Palmetto Bay Road & Pope Avenue	\$ -	\$ -	\$ 543,480	\$ 543,480	Design & Installation for 5 signals	
	<i>Total Pope Avenue, Palmetto Bay Road, &amp; Arrow Road Streetscape Enhancements</i>	<i>\$ 500,000</i>	<i>\$ 443,000</i>	<i>\$ 543,480</i>	<i>\$ 986,480</i>		
R15	Main Street Enhancements	\$ 100,000	\$ 75,000	\$ 150,000	\$ 225,000	Improvements to Main Street from Whooping Crane to Wilborn Road including side streets (Museum Street, Central Avenue, and Merchant Street), a new roundabout at Wilborn Road, and North Main Street from Whooping Crane to Hospital Center Boulevard including roadway, pathways, streetscape, and drainage improvements; Design (Conceptual & Final) & Permitting planned for FY23 with Construction anticipated in FY24.	Preliminary Planning and Acquisition to be completed in FY22.
R16	Squire Pope Road Crosswalks	\$ -	\$ -	\$ 150,000	\$ 150,000	Preliminary Planning, Design-Conceptual, Design-Final, Permitting, & Construction of 3 crosswalks to access Town parks (Greens Shell Park, Rowing & Sailing Center at Squire Pope Community Park, Fords Shell Ring)	Recommendation of Bike Walk HHI and Planning Commission
	Roadway Maintenance & Improvements	\$ 333,555	\$ 333,555	\$ 232,000	\$ 565,555	Maintenance of and Improvements to existing roadways including general maintenance such as repair of potholes, curbing, and shoulders; pavement markings; permanent traffic signs; surveying, testing, and analysis; etc.	Proposed to be moved from Engineering Operating Budget and combined with FY22 project Other Roadway Enhancements
	<b>TOTAL ROADWAY MANAGEMENT</b>	<b>\$ 5,503,924</b>	<b>\$ 3,698,138</b>	<b>\$ 4,455,704</b>	<b>\$ 8,153,842</b>		

TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	FY23 PROJECT SCOPE	FY22 PROJECT STATUS
<b>PARK MANAGEMENT</b>							
	Parks and Recreation						
PR1	Mid-Island Tract Park	\$ 1,700,000	\$ 1,200,830	\$ 4,000,000	\$ 5,200,830	Design-Final, Permitting, & Phase 1 Construction for new Community Park planned to start in FY23 and continue in FY24 and beyond	Preliminary Planning & Design-Conceptual to be completed in FY22
PR2	Chaplin Community Park Renovation	\$ 1,996,238	\$ 1,910,925	\$ -	\$ 1,910,925	Design-Final & Permitting for existing Community Park renovation planned for FY23; Phase 1 Construction anticipated in FY24	Preliminary Planning & Design-Conceptual to be completed in FY22
PR3	Crossings Park Renovation	\$ 1,996,238	\$ 1,829,586	\$ -	\$ 1,829,586	Design-Final for existing Community Park renovation planned for FY23; Permitting & Phase 1 Construction anticipated in FY25	Preliminary Planning & Design-Conceptual to be completed in FY22
PR4	Shelter Cove Community Park Expansion	\$ 500,000	\$ 440,000	\$ 500,000	\$ 940,000	Expansion of existing Community Park; Design-Final & Permitting planned for FY23; Construction anticipated to start immediately following receipt of permits, likely FY24	Preliminary Planning & Design-Conceptual to be completed in FY22
PR5	Chaplin Linear Park with Treehouse	\$ 500,000	\$ 378,238	\$ 100,000	\$ 478,238	Design-Final & Permitting for phase 1 of Linear Park including trail head up-fit, pedestrian bridge at Broad Creek inlet, tree house, and marsh-side trail connection to Singleton Beach Road; Phase 1 Construction anticipated in FY24	Preliminary Planning completed in FY22
PR6	Patterson Family Property Park	\$ 700,000	\$ 685,656	\$ 700,000	\$ 1,385,656	Design-Final, Permitting & Construction for new Mini Park; FY22 CDBG Project included in Parks & Recreation Master Plan	Preliminary Planning underway; Design-Conceptual anticipated to be completed in FY22 pending outcome of archaeological investigation
PR7	Taylor Family Property Park	\$ -	\$ -	\$ 125,000	\$ 125,000	Preliminary Planning, Design-Conceptual, & Design-Final for new Mini Park on 4+/- 4.9 acre Town-owned parcel at 252 Wild Horse Road; FY23 CDBG Project included in Parks & Recreation Master Plan; Permitting & Construction anticipated in FY24	
PR8	Barker Field	\$ -	\$ -	\$ 500,000	\$ 500,000	Preliminary Planning & Design (Conceptual & Final) for existing County Sports Park	
	<i>Total Parks and Recreation</i>	<i>\$7,392,476</i>	<i>\$ 6,445,235</i>	<i>\$ 5,925,000</i>	<i>\$ 12,370,235</i>		
PR9	Island Recreation Association - Capital Projects					Island Recreation Center seeks funds to improve the buildings, pool and grounds, as well as manage events	
	Rec Center Building Enhancements					Building enhancements including educational equipment, floor replacement, HVAC equipment, basketball court lines, etc.	FY22 projects completed as planned
	Replace Education Equipment	\$ -	\$ -	\$ 15,000	\$ 15,000	Annual recurring cost for child care programs including tables, educational materials, etc.	
	Program Utility Vehicles	\$ -	\$ -	\$ 28,500	\$ 28,500	Chevy truck replacement	
	Rec Center Building	\$ -	\$ -	\$ 45,000	\$ 45,000	On-going improvements and upgrades at Rec Center including painting, walkways, etc.	
	COVID HVAC Improvements	\$ -	\$ -	\$ 21,500	\$ 21,500	Phase 2 of project to improve overall ventilation system	
	Floor Replacement	\$ -	\$ -	\$ 21,500	\$ 21,500	Replacement of existing laminate floor in office	

TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	FY23 PROJECT SCOPE	FY22 PROJECT STATUS
	Athletic Office HVAC Unit	\$ -	\$ -	\$ 30,000	\$ 30,000	Addition of mini-split system to provide heating and cooling to Athletic Offices	
	Open Space Improvements	\$ -	\$ -	\$ 85,000	\$ 85,000	Enclosed area with artificial turf adjacent to building	
	New Gym court lines	\$ -	\$ -	\$ 10,000	\$ 10,000	Add missing lines on Basketball Court	
	<i>Total Rec Center Building Enhancements</i>	\$ 190,000	\$ -	\$ 256,500	\$ 256,500		
	Rec Center Pool Enhancements					Pool enhancements including dome equipment and pool equipment updates, windscreens, pool covers, etc.	FY22 projects completed as planned
	Dome Equipment Update	\$ -	\$ -	\$ 45,000	\$ 45,000	Installation of dome	
	Pool Equipment Improvements	\$ -	\$ -	\$ 35,000	\$ 35,000	Equipment needed to keep pool operational including lifeguard chairs, improvements to locker rooms, etc.	
	Windscreens	\$ -	\$ -	\$ 7,500	\$ 7,500	Replacement of wind screens around pool every 2 years	
	Pool Covers	\$ -	\$ -	\$ 13,500	\$ 13,500	Replacement of pool cover every 3-5 years	
	<i>Total Rec Center Pool Enhancements</i>	\$ 84,000	\$ -	\$ 101,000	\$ 101,000		
	Parks / Event Enhancements						FY22 projects completed as planned
	Event Improvements	\$ -	\$ -	\$ 35,000	\$ 35,000	Items needed to support community events including tents, signage, ice machines, as well as equipment for outdoor programs	
	Site Furnishings	\$ -	\$ -	\$ 7,500	\$ 7,500	Replacement of picnic tables and trash cans at Island Rec Center every 2 years	
	<i>Total Parks / Event Enhancements</i>	\$ 125,000	\$ -	\$ 42,500	\$ 42,500		FY22 projects completed as planned
	<i>Total Island Recreation Association - Capital Projects</i>	\$ 399,000	\$ -	\$ 400,000	\$ 400,000		Island Recreation Association will complete all FY22 projects as planned and return +/- \$50,000 to the Town
PR10	Public Art Program	\$ -	\$ -	\$ 25,000	\$ 25,000	Funding to accommodate installation of public art pieces donated to or curated by the Town.	FY22 project completed as planned in conjunction with Shelter Cove Connectivity Project
PR11	General Park Enhancements	\$ 1,046,130	\$ 775,000	\$ 225,000	\$ 1,000,000	Includes various identified facility and service improvements at existing parks such as additional bike racks, picnic tables, sun shades, fencing, etc.; includes Jarvis Creek Park improvements, re-roof Greens Shell	FY22 Projects completed include installation of additional beach matting, new pavilion at Barker Field Extension, new overlook pavilion at Islander's Beach Park, site clean-up at Jarvis Creek Park, and Preliminary Planning for playground improvements at Jarvis Creek Park
	Barker Field Extension - Picnic Shelter Addition	\$ -	\$ -	\$ -	\$ -		FY22 project anticipated to be completed as planned
	Islanders Beach Park Pavilion	\$ -	\$ -	\$ -	\$ -		FY22 project completed as planned
PR12	Jarvis Creek Park Enhancements	\$ -	\$ -	\$ -	\$ -	Replacement of two playgrounds and addition of poured-in-place rubber safety surface	FY22 project schedule pending outcome of grant application
PR13	Cordillo Tennis Courts Restroom Building	\$ 102,000	\$ 102,000	\$ -	\$ -	Completion of Construction of Restroom Building and limited parking to support existing Tennis Courts	Project re-bid and Construction anticipated to start in FY22
	<b>TOTAL PARK MANAGEMENT</b>	<b>\$ 8,939,606</b>	<b>\$ 7,220,235</b>	<b>\$ 6,575,000</b>	<b>\$ 13,795,235</b>		

TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	FY23 PROJECT SCOPE	FY22 PROJECT STATUS
<b>FACILITIES AND EQUIPMENT MANAGEMENT</b>							
FE1	Town Hall Security & Facility Enhancements	\$ 782,000	\$ 602,000	\$ 200,000	\$ 802,000	Installation of upgrades to security, landscaping, and lighting as well needed structural repairs	Preliminary Planning and Design completed in FY22
FE2	Town Facilities Assessment	\$ -	\$ -	\$ 100,000	\$ 100,000	Assessment of site, parking, structures, and systems at Town Hall, Fire Rescue Headquarters/EOC/Dispatch	
FE3	Sprinkler Head replacement	\$ -	\$ -	\$ 180,000	\$ 180,000	Town Hall, Fire Rescue HQ, & Shelter Cove	
	<i>Total Town Hall Security &amp; Facility Enhancements</i>	<i>\$ 782,000</i>	<i>\$ 602,000</i>	<i>\$ 480,000</i>	<i>\$ 1,082,000</i>		
FE4	Shelter Cove/BCSO Office	\$ 150,000	\$ 150,000	\$ 300,000	\$ 450,000	Permitting & Construction of interior renovations	Design of interior renovations started in FY22; Re-roof started in FY22
FE5	Electric Vehicle Charging Stations at Town Facilities	\$ -	\$ -	\$ 30,000	\$ 30,000	Installation of Electric Vehicle Charging Stations at (2) Town Hall, (1) Facilities Maintenance, and (1) Fire Rescue HQ	
FE6	Parking Master Plan Implementation	\$ -	\$ -	\$ 200,000	\$ 200,000	Physical improvements at existing beach parks including Coligny Beach Park and Islanders Beach Park; may include the addition of gates, video cameras, signage, etc.	9 responses were received for RFQ; staff is currently evaluating 4 firms
FE7	Coastal Discovery Museum - Capital Projects					Coastal Discovery Museum seeks funds to improve and maintain the buildings and grounds - including boardwalk repairs, HVAC replacement, flooring, windows, parking areas, fencing, etc.	FY22 Projects completed
	Discovery House	\$15,000	\$ -	\$ 21,500	\$ 21,500	Paint, Doors & Hardware	
	Armstrong/Hack House	\$2,500	\$ -	\$ 3,000	\$ 3,000	Floor repair	
	Pavilion	\$4,500	\$ -	\$ 4,000	\$ 4,000	Floor repair	
	Discovery Lab	\$1,000	\$ -	\$ 1,500	\$ 1,500	Interior repairs	
	Pavilion/Restroom Building	\$800	\$ -	\$ 6,000	\$ 6,000	Porch Repairs, Collections Shelving	
	Horse Barn	\$2,000	\$ -	\$ -	\$ -		
	Misc. Improvements	\$23,500	\$ -	\$ 18,500	\$ 18,500	Boardwalk repair, Arborist work, well/field irrigation, fencing repair, and hvac replacement	
	Hay Barn	\$ -	\$ -	\$ 43,750	\$ 43,750	Add 3-Phase Power to Hay Barn	
	Event Space Improvements	\$ -	\$ -	\$ 100,000	\$ 100,000	Town initiated enhancements including ADA compliance and lighting upgrades	
	<i>Total Coastal Discovery Museum - Capital Projects</i>	<i>\$ 49,300</i>	<i>\$ -</i>	<i>\$ 198,250</i>	<i>\$ 198,250</i>		
FE8	Historic Mitchelville Freedom Park - Capital Projects					At the request of Ahmad Ward, Executive Director, Historic Mitchelville Freedom Park seeks funds to improve property in accordance with approved master plan	
	Primary Parking Lot	\$ -	\$ -	\$ 100,000	\$ 100,000	Preliminary Planning, Design (Conceptual & Final), & Permitting in anticipation of FY24 construction	

TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	FY23 PROJECT SCOPE	FY22 PROJECT STATUS
	Loop Road to Visitor's Center	\$ -	\$ -	\$ 25,000	\$ 25,000	Preliminary Planning, Design (Conceptual & Final), & Permitting in anticipation of FY24 construction	
	<i>Total Historic Mitchelville Freedom Park - Capital Projects</i>	\$ -	\$ -	\$ 125,000	\$ 125,000		
	IT Equipment and Software						
FE9	Town Hall Equipment and Software	\$ 479,900					
	Tyler Cloud/Emergency Readiness Initiative/Technology Initiative	\$ 265,000	\$ -	\$ -	\$ -		FY22 project completed as planned
	IT Dell PowerEdge RX730D Servers (4)	\$ 140,000	\$ -	\$ -	\$ -		FY22 project completed as planned
	IT Cisco Data Center switches (2) & Web Update	\$ 74,900	\$ -	\$ -	\$ -		FY22 project completed as planned
	CISCO 9404 Data Center Switches	\$ -	\$ -	\$ 24,900	\$ 24,900	Two (2) Cisco 9404 DC switches @ \$11,000 each to replace existing end-of-lifecycle E911 data center switches	
	Enterprise Storage Solution 345TB	\$ -	\$ -	\$ 360,000	\$ 360,000	New town-wide data storage system to replace existing end-of-lifecycle storage and scale to meet future data storage requirements	
	Tyler Cloud ERP Hosting	\$ -	\$ -	\$ 246,000	\$ 246,000	Tyler cloud hosting Enterprise Resource Planning (ERP)	
	Short Term Rental Software	\$ -	\$ -	\$ 800,000	\$ 800,000	Short Term Rental Software to be selected following receipt of responses to current RFP	
FE10	Public Safety Systems Equipment and Software	\$ 216,000	\$ -				
	New SAN and Host for PSS	\$ 80,000	\$ -	\$ -		Storage Area Network	
	UPS Replacement for E911 Data Center	\$ 35,000		\$ -			
	MDT replacement for all apparatus	\$ 101,000	\$ -	\$ -			FY22 project completed as planned
	E911 Data Center Virtualization	\$ -	\$ -	\$ 180,000	\$ 180,000	Four (4) Dell servers @ \$53,000 each to replace existing end-of-lifecycle servers that comprise the secondary data center for mission critical redundancy	
	911 Simulator	\$ -	\$ -	\$ 20,000	\$ 20,000	Training simulator to support current personnel, new hires, recruitment, and public education.	
FE11	Fire Rescue Conference Upgrades (HQ, Dispatch, 7 Stations)	\$ -	\$ -	\$ 93,000	\$ 93,000	Upgrade existing video conferencing and audio visual equipment for Fire Rescue	
	Radio Maintenance & Replacement -Portable/Mobile	\$ -	\$ -	\$ 20,000	\$ 20,000	Replace 6 radios that are reaching end of service. These radios are currently utilized by Beach Patrol to coordinate emergency response to the beach areas.	
FE12	Station Alerting	\$ -	\$ -	\$ 100,000	\$ 100,000	Current Station Alerting system is reaching end of service and is not compatible with modern IT infrastructure. Costs to maintain are increasing and parts are difficult to obtain.	
	<i>Total IT Equipment and Software</i>	\$ 695,900	\$ -	\$ 1,843,900	\$ 1,843,900		
	Security Cameras						
	Crossings Park	\$ 150,000	\$ -	\$ -	\$ -		FY22 project scheduled to be completed as planned

TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	FY23 PROJECT SCOPE	FY22 PROJECT STATUS
FE13	Shelter Cove Community Park	\$ -	\$ -	\$ 150,000	\$ 150,000	Upgrade (26) existing security cameras at Shelter Cove Community Park	
FE14	Shelter Cove Connectivity & Chaplin Linear Park Trailhead	\$ -	\$ -	\$ 300,000	\$ 300,000	(43) New security cameras and Wi-Fi at Shelter Cove Connectivity including parking lot at trailhead	
FE15	Fire Stations	\$ -	\$ -	\$ 56,000	\$ 56,000	Security camera installation at seven (7) fire stations; (3) cameras per station	
	Ambulance	\$ -	\$ -	\$ 30,000	\$ 30,000	Add cameras to the cab of the current medic fleet; Risk Management / Safety Initiative	
	<i>Total Security Cameras</i>	<i>\$ 150,000</i>	<i>\$ -</i>	<i>\$ 536,000</i>	<i>\$ 536,000</i>		
FE16	Fire/Medical Systems, Equipment Replacement						
	SCBA Compressor Replacement	\$ 50,000	\$ -	\$ -	\$ -		FY22 project completed as planned
	Fleet Maintenance Equipment	\$ 20,000	\$ -	\$ -	\$ -		FY22 project completed as planned
	Vehicle Lift Replacement & Trade of Old Unit	\$ -	\$ -	\$ 150,000	\$ 150,000	Safety Initiative - The current lift weight capacity does not provide a safety margin based on the weight of the current ambulance fleet.	
	Stair Chair Replacement	\$ -	\$ -	\$ 60,000	\$ 60,000	Patient Safety Initiative Current inventory is no longer supported by warranty and repairs are more frequent and costly. Device is used to move patients up and down stairs and upgrading to a new model is in the interest of patient safety.	
	Rescue Tool Replacement	\$ -	\$ -	\$ 150,000	\$ 150,000	Current tools are 15+ years old and slated for replacement in the CIP plan. Upgrade to modern electric tools.	
	Fire Hose Replacement	\$ -	\$ -	\$ 100,000	\$ 100,000		
	<i>Total Fire/Medical Systems, Equipment Replacement</i>	<i>\$78,000</i>	<i>\$ -</i>	<i>\$ 460,000</i>	<i>\$ 460,000</i>		
FE17	Automobile Place / Modern Classic Motors Site Enhancements	\$ 472,500	\$ 472,500	\$ -	\$ 472,500	Demolish and remove dilapidated pavements and appurtenances from prior development in preparation for redevelopment	FY22 project not started
FE18	Fire Hydrant Expansion	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	Installation of (2) Fire Hydrants through matching program with HHPSD.	FY22 projects (Orange Lane and Evelina Road) completed as planned
FE19	Arts Campus Feasibility Study	\$ 200,000	\$ 25,000	\$ -	\$ 25,000	Feasibility study of existing site including expansion options; Residual funds transferred to Island-wide Master Plan	FY22 project not started
	Stormwater Projects						
	Projects non-PUD	\$ 682,000	\$ -	\$ -	\$ -	Variety of maintenance and repair projects including structure, pipe, and ditch cleaning; rehabilitation and/or replacement of pipes and culverts; and repair or replacement of structures.	

TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	FY23 PROJECT SCOPE	FY22 PROJECT STATUS
	XN102 83 Old Wild Horse Road Drainage Improvements						FY22 project completed
	XN104 89 Squire Pope Road Survey						FY22 project completed
	XN106 Folly Field Beach Parking Lot Drain						FY22 project completed
	XN107 137 Cordillo Parkway Sinkhole Repair						FY22 project completed
	XN109 92 Folly Field Road Pipe Cleaning (Islanders)						FY22 project completed
	XN109 92 Folly Field Road Repairs (Islanders)						FY22 project completed
	XN110 64 Bradley Beach Road (Driessen)						FY22 project completed
	XN111 400 WHP-The Oaks Pathway Drainage Improvements						FY22 project will be completed by end of FY
	XN112 37 Castnet Drive/Burkes Beach Road - Chaplin Park Drainage Improvements						FY22 project will be completed by end of FY
	XN113 Sonesta Outfall System Drainage Improvements - Phase III						FY22 project will be completed by end of FY
	XN114 C. Heinrichs Circle Inlet Repair						FY22 project will be completed by end of FY
	Projects PUD	\$ 807,000	\$ -	\$ -	\$ -	Variety of maintenance and repair projects including structure, pipe, and ditch cleaning; rehabilitation and/or replacement of pipes and culverts; and repair or replacement of structures per drainage agreement terms and conditions. Project locations include Hilton Head Plantation, Indigo Run, Leamington, Palmetto Hall, Port Royal, Sea Pines, and Wexford.	
	HH054 5 Black Gum Pipe Replacement						
	HH055 26 Edgewood Drive Video Inspection						FY22 project completed
	HH056 25 Cypress Marsh Drive Pipe Repair						FY22 project completed
	IR021 46 Sussex Lane Pipe Cleaning						FY22 project completed
	IR021 46 Sussex Lane Pipe Replacement						FY22 project completed
	IR022 20 Wiler's Creek Way Control Structure Repair						FY22 project completed
	IR022 20 Wiler's Creek Way Control CIPP						
	IR023 15 Chantilly Lane Video Inspection						FY22 project completed
	IR023 15 Chantilly Lane Repair						FY22 project will be completed by end of FY
	IR024 15 Indigo Run Drive Inlet Repair						FY22 project completed
	IR025 30 Branford Lane Pipe Replacement						FY22 project will be completed by end of FY
	LM008 5 Niblick Court Pipe Cleaning						FY22 project completed
	LM009 70 Queens Way Video Inspection						FY22 project will be completed by end of FY
	LM009 70 Queens Way Pipe Repair						FY22 project will be completed by end of FY

TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	FY23 PROJECT SCOPE	FY22 PROJECT STATUS
	SH028 90 Gloucester Road Channel Maintenance						
	SP001 Ruddy Turnstone Pipe Cleaning & Pipe Repair						
	SP025 135 Lighthouse Road Flap Gate Repair						FY22 project completed
	SP043 Mizzenmast/Lighthouse Pipe Replacement						
	SP049 13 & 14 Ruddy Turnstone Sinkhole Repair						FY22 project completed
	SP056 226 Portside Drive Ditch						FY22 project completed
	SP059 30 Governors Road Weir/Outlet						FY22 project completed
	SP060 12 Lawton Drive-HH Prep Weir						FY22 project completed
FE21	Wexford Debris System Design	\$ 600,000	\$ 75,000	\$ -	\$ 75,000	Design of pump station to consider multiple factors including function and aesthetics in preparation for FY24 construction	FY22 project not started
FE22	Gum Tree Road Improvements	\$ -	\$ -	\$ 125,000	\$ 125,000	Survey, Design, & Construction of improvements to address various deficiencies along Gum Tree Road between Katie Miller Drive and Georgianna Drive, including regrading of ditches, installation of new inlets, new pipe and repairs along the outfall system	
FE23	Jarvis Creek Outfall	\$ -	\$ -	\$ 500,000	\$ 500,000	Survey, design, permitting, and installation of flap gates on the outfall end of two 84-inch diameter concrete pipes that discharge stormwater from the Jarvis Creek Pump Station outfall system; necessary to improve operation and effectiveness of the pump station during extreme events by mitigating the impacts of tidal storm surge on the system.	
FE24	25 Moonshell Road	\$ -	\$ -	\$ 80,000	\$ 80,000	Survey, Design, & Installation of 500 linear feet of 24-inch pipe and two inlet structures to improve efficiency and reduce long-term maintenance costs along the existing Folly Field ditch between Moonshell Road and the Island Club	
FE25	Cordillo Court Improvements	\$ -	\$ -	\$ 50,000	\$ 50,000	Design and installation of improvements to address drainage issues on and adjacent to Town-owned property including inlets, pipe and minor grading	
	<i>Total Stormwater Projects</i>	\$ 2,089,000	\$ 75,000	\$ 755,000	\$ 830,000		
	Demolition of Kingfisher and Fairfield Square	\$ 155,180	\$ -	\$ -	\$ -		FY22 project completed
	<b>TOTAL FACILITIES AND EQUIPMENT MANAGEMENT</b>	\$ 4,871,880	\$ 1,324,500	\$ 4,978,150	\$ 6,302,650		



TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	FY23 PROJECT SCOPE	FY22 PROJECT STATUS
<b>FLEET</b>							
F11	Town Vehicle Replacement						
	Staff Vehicle Replacement	\$ 155,000	\$ -	\$ 117,000	\$ 117,000	Replacement of 3 staff vehicles over 10 years old including vehicle outfitting	FY22 project, replacement of 5 staff vehicles, on schedule to be completed as planned
	New Staff Vehicles	\$ -	\$ -	\$ 181,472	\$ 181,472	5 new staff vehicles including vehicle outfitting	
	<i>Total Town Vehicle Replacement</i>	\$ 155,000	\$ -	\$ 298,472	\$ 298,472		
F12	FR Apparatus & Vehicle Replacement						
	Engine/Pumper Replacement/Quint Company Replacement (2)	\$ 6,479,868	\$ 7,742,473	\$ -	\$ 7,742,473		
	Fire Rescue Specialty Vehicles - Rescue Trailer	\$ 70,000	\$ -	\$ -	\$ -		
	Fire Rescue Specialty Vehicles - CDL Training Vehicles	\$ 60,000	\$ -	\$ -	\$ -		
	Staff Vehicle Replacement	\$ 140,000	\$ -	\$ 75,000	\$ 75,000	Replace two staff vehicles that have reached their 120,000 mile / 12 year mark.	FY22 project (Replacement of 4 Staff Vehicles) on schedule to be completed
	Support Vehicle Replacement - Forklift	\$ -	\$ -	\$ 35,000	\$ 35,000	Replace forklift. Equipment is past its useful lifecycle, maintenance issues are more frequent, and parts are difficult to acquire as the original manufacturer is out of business.	
	Firefighting Foam for Trucks	\$ 16,000	\$ -	\$ 16,000	\$ 16,000	Firefighting foam for trucks	FY22 project completed as planned
	<i>Total FR Apparatus &amp; Vehicle Replacement</i>	\$ 6,765,868	\$ 7,742,473	\$ 126,000	\$ 7,868,473		
	<b>TOTAL FLEET</b>	<b>\$ 6,920,868</b>	<b>\$ 7,742,473</b>	<b>\$ 424,472</b>	<b>\$ 8,166,945</b>		
<b>LAND ACQUISITION</b>							
	Land Acquisition	\$ 324,068	\$ 290,000	\$ 10,000	\$ 300,000	Land acquisition and soft costs including ROW, Survey, Appraisals, Legal Fees, etc.	
	<b>TOTAL LAND ACQUISITION</b>	<b>\$ 324,068</b>	<b>\$ 290,000</b>	<b>\$ 10,000</b>	<b>\$ 300,000</b>		
<b>HOUSING</b>							
H1	North Pointe Housing Partnership	\$ 500,000	\$ 455,000	\$ 500,000	\$ 955,000	Support for road, water, sewer, and/or utility infrastructure necessary to facilitate the creation of workforce housing through a public-private partnership.	Preliminary Planning including site clean up, survey, and phase 1 environmental underway and expected to be complete in FY22
	Other Housing	\$ 424,261	\$ 424,261	\$ -	\$ 424,261	Setting aside funds from the legal settlement which were in the General Fund toward housing. Funds to be used for impact fees and down payment assistance to help the Town further participate in addressing the workforce housing issue	
	<b>TOTAL HOUSING</b>	<b>\$ 924,261</b>	<b>\$ 879,261</b>	<b>\$ 500,000</b>	<b>\$ 1,379,261</b>		
	<b>TOTAL FY23 CIP</b>	<b>\$ 33,195,589</b>	<b>\$ 22,319,459</b>	<b>\$ 23,352,474</b>	<b>\$ 45,671,933</b>		

TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	ELECTRIC FRANCHISE FEE	BEACH FEE	STATE ATAX	HOSPITALITY TAX	SHORT TERM RENTAL PERMIT FEE	STORMWATER UTILITY FEE	LEASE REV HTAX SUPPORTED	ROAD USAGE FEE	TIF REV	Capital	HHI TRAFFIC IMPACT FEE	BEAUFORT CO PARK IMPACT FEE	SUNDAY LIQUOR PERMIT FEE	SALE OF LAND	GRANTS	TOTAL REVENUE SOURCES	FY23 PROJECT SCOPE	FY22 PROJECT STATUS
<b>BEACH MANAGEMENT</b>																							
B1	Beach Management & Monitoring	\$ 802,609	\$ 200,000	\$ 100,000	\$ 300,000		\$ 300,000														\$ 300,000	Ongoing activities as to manage the beach including SLR/Resiliency, endangered species monitoring, Beach Program Economic Sustainability Analysis, etc.	FY22 project on-going: Current efforts include island-wide monitoring, Beach Management Plan update, and Pine Island Feasibility Study.
B2	Beach Renourishment	\$ 1,570,914	\$ 600,000	\$ -	\$ 600,000		\$ 600,000														\$ 600,000	Activities related to the next Renourishment Project, including Pine Island beach including data acquisition, survey, geotechnical / sand -borrow site, wildlife / biological, modeling, design, permitting, bidding, etc. Construction of Renourishment Project anticipated in FY25	Beginning Design phase: Main beach planning, engineering, & permitting task order is ready to execute: Pine Island planning/engineering/permitting task order is being developed: Required offshore borrow area cultural and seismic surveys task order pending
Beach Park Improvements																							
B3	Driessen Beach Park Boardwalk Replacement	\$ -	\$ -	\$ 300,000	\$ 300,000		\$ 300,000														\$ 300,000	Replacement of +/- 1100 LF of existing boardwalk at Driessen Beach Park	
B4	Folly Field Beach Park Boardwalk Replacement	\$ -	\$ -	\$ 100,000	\$ 100,000		\$ 100,000														\$ 100,000	Replacement of +/- 400 LF of existing boardwalk at Folly Field Beach Park	
B5	Islanders Beach Park Improvements	\$ -	\$ -	\$ 500,000	\$ 500,000		\$ 500,000														\$ 500,000	Improvements at existing Beach Park including parking for beach passholders, pathways, and playground amenity area improvements. Design (Final) & Permitting planned for FY23: Construction anticipated in FY24	Preliminary Planning & Design (Conceptual) to be completed in FY22 under "General Park Enhancements"
B6	Coligny Beach Park/Parking Area	\$ 100,000	\$ -	\$ 100,000	\$ 100,000		\$ 100,000														\$ 100,000	Improvements to signage, landscape, walkways, and pavement	FY22 project completed as planned including new plantings, irrigation, landscape lighting, and parking lot paving repair
	Beach Park Maintenance & Improvements	\$ -	\$ -	\$ 350,000	\$ 350,000		\$ 350,000														\$ 350,000	Maintenance and general improvements to 6 beach parks such as paving, landscaping, lighting, and site furnishings, etc. Moved capital projects from Facilities Management Operating Budget	FY22 projects completed include paving at Alder Lane, new ATV, floor painting at Fish Haul & Mitchelville, floor replacement at Folly Field, wood trash bins for beach, replacement of decking boards at Islander's and Driessen, painting & power washing at multiple beach parks, landscape lighting at Coligny, and post & rope fencing at multiple beach parks
	<i>Total Beach Park Improvements</i>	\$ 100,000	\$ -	\$ 1,350,000	\$ 1,350,000																		
B7	Harbour Town Dredge	\$ -	\$ -	\$ 600,000	\$ 600,000		\$ 600,000														\$ 600,000	Agreement with South Island Dredging Association to assist with funding for dredging of Harbour Town Yacht Basin and Braddock Cove Creek: Funding approved in FY19, 20, and 21 budgets	
	<b>TOTAL BEACH MANAGEMENT</b>	\$ 2,473,523	\$ 800,000	\$ 2,050,000	\$ 2,850,000	\$ -	\$ 2,850,000		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,850,000		
<b>PATHWAY MANAGEMENT</b>																							
	Pathway Maintenance & Improvements	\$ 350,000	\$ -	\$ 665,000	\$ 665,000			\$ 665,000													\$ 665,000	Maintenance and Improvements to existing pathways including Repair, Rejuvenation, and Striping plus Safety and Enhancements aimed at improving consistency and uniformity of all pathway signs, landings, crosswalks, pavement markings, ADA compliance, etc. May include Preliminary Planning, Design (Conceptual & Final), Permitting, and/or Construction depending on specific project: \$315,000 transferred from Facilities Management Operating Budget	Surveys received and Design underway for 4 FY22 projects: Shelter Cove Lane pathway "hump", Beach City Road at Fort Howell, ocean side of North Forest Beach Drive at Beach Market Shoppes, and South Forest Beach Drive at Seascape Villas. Construction anticipated in FY22
New Pathway Segments																							
Pa1	Shelter Cove Lane	\$ 225,000	\$ 168,000	\$ 132,000	\$ 300,000			\$ 300,000													\$ 300,000	Construction of +/- 900 LF pathway from William Hilton Parkway to Shelter Cove Park	Preliminary Planning, Design (Conceptual & Final), & Permitting complete in FY22: Construction planned for FY23 to avoid busy summer season, additional funds needed due to increased construction costs
Pa2	Woodhaven Lane/Road	\$ 225,000	\$ 182,952	\$ 167,048	\$ 350,000			\$ 350,000													\$ 350,000	Construction of +/- 1300 LF of pathway	Preliminary Planning, Design (Conceptual & Final), & Permitting complete in FY22: Construction planned for FY23 to avoid busy summer season, additional funds needed due to increased construction costs.
Pa3	William Hilton Parkway EB	\$ 100,000	\$ 13,900	\$ 1,270,100	\$ 1,284,000			\$ 619,000					\$ 665,000								\$ 1,284,000	Easement Acquisition & Construction of +/- 6,000 LF of pathway from Shelter Cove Lane (at BCSO) to Mathews Drive at Folly Field Road	Preliminary Planning, Design (Conceptual & Final), & Permitting complete in FY22: Easement Acquisition & Construction planned for FY23
Pa4	Jonesville Road	\$ -	\$ -	\$ 2,125,000	\$ 2,125,000	\$ 950,000		\$ 1,175,000													\$ 2,125,000	Preliminary Planning including feasibility assessment planned for early FY23 for +/- 1.2 miles of pathway along Jonesville Road. Design (Conceptual & Final), Permitting, & Construction anticipated in FY23 pending results of feasibility assessment	Request from community and priority recommendation of Planning Commission
	<i>Total New Pathway Segments</i>	\$ 550,000	\$ 364,852	\$ 3,694,148	\$ 4,059,000																		
	Shelter Cove Connectivity	\$ 2,337,459	\$ -	\$ -	\$ -																\$ -		Construction of marsh side pathway connections between Shelter Cove Community Park, Veterans Park, and Shelter Cove Lane at William Hilton Parkway including public art installations and trail head parking lot completed in FY22.
	<b>TOTAL PATHWAY MANAGEMENT</b>	\$ 3,237,459	\$ 364,852	\$ 4,359,148	\$ 4,724,000	\$ 950,000	\$ -	\$ 3,109,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 665,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,724,000		
<b>ROADWAY MANAGEMENT</b>																							
	Dirt Road Acquisition and Paving Program																						Program to accept dedications of private, unpaved roads to become public rights of way and then pave the roads and install storm drainage infrastructure.
R1	Mitchelville Lane	\$ 750,000	\$ 678,583	\$ -	\$ 678,583								\$ 678,583								\$ 678,583	Construction of +/- 1300 LF paved road planned for FY23 pending 100% ROW Acquisition.	Preliminary Planning, Design-Conceptual, Design-Final, & Permitting to be complete in FY22.
R2	Pine Field Road	\$ 400,000	\$ 385,000	\$ 165,000	\$ 550,000								\$ 550,000								\$ 550,000	Design (Conceptual & Final), Permitting, & Construction of +/- 750 LF paved road planned for FY23, pending 100% ROW Acquisition.	ROW Acquisition & Preliminary Planning underway in FY22.
R3	Horse Sugar Lane & Alice Perry Drive	\$ -	\$ -	\$ 150,000	\$ 150,000								\$ 150,000								\$ 150,000	Preliminary Planning & Design (Conceptual & Final) of +/- 925 LF paved road planned for FY23: Permitting & Construction anticipated in FY24, pending 100% ROW Acquisition.	Next roads on Dirt Road Paving priority list: ROW Acquisition & Community Outreach with impacted property owners underway in FY22.
R4	Freddie's Way	\$ -	\$ -	\$ 400,000	\$ 400,000								\$ 400,000								\$ 400,000	Preliminary Planning, Design (Conceptual & Final), Permitting, & Construction of +/- 500 LF paved road planned for FY23, pending 100% ROW Acquisition.	One of next roads on Dirt Road Paving priority list. ROW Acquisition & Community Outreach with impacted property owners underway in FY22.
R5	Alfred Lane	\$ -	\$ -	\$ 150,000	\$ 150,000								\$ 150,000								\$ 150,000	Preliminary Planning & Design (Conceptual & Final) of +/- 900 LF paved road planned for FY23: Permitting & Construction anticipated in FY24, pending 100% ROW Acquisition.	One of next roads on Dirt Road Paving priority list. ROW Acquisition & Community Outreach with impacted property owners underway in FY22.
	Other Roads To Be Determined	\$ 1,129,491	\$ -	\$ -	\$ -								\$ -								\$ -		
	<i>Total Dirt Road Acquisition and Paving Program</i>	\$ 2,279,491	\$ 1,063,583	\$ 865,000	\$ 1,928,583																		

TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	ELECTRIC FRANCHISE FEE	BEACH FEE	STATE ATAX	HOSPITALITY TAX	SHORT TERM RENTAL PERMIT FEE	STORMWATER UTILITY FEE	LEASE REV HTAX SUPPORTED	ROAD USAGE FEE	TIF REV	Capital	HHI TRAFFIC IMPACT FEE	BEAUFORT CO PARK IMPACT FEE	SUNDAY LIQUOR PERMIT FEE	SALE OF LAND	GRANTS	TOTAL REVENUE SOURCES	FY23 PROJECT SCOPE	FY22 PROJECT STATUS	
	William Hilton Parkway Enhancements																						Improvements to William Hilton Parkway from Sea Pines Circle to Spanish Wells Road (SCDOT Gateway project) targeting safety, beautification and consistency to include landscaping, signage, pavement markings, curbing etc. Design (Conceptual & Final), Permitting, & Construction for identified projects is anticipated to begin in FY23 and continue in FY24.	Preliminary Planning started in FY22 and anticipated to be completed in FY23. Current project will identify potential FY23 projects. Carry Forward includes funds encumbered toward urban design/land planning job order
R6	Crosswalk Uniformity	\$ 200,000	\$ 200,000	\$ -	\$ 200,000	\$ 200,000															\$ 200,000	Improve consistency and uniformity of pathway signs, pavement markings, lighting, landscaping, and related traffic signs, etc.	Incorporated into William Hilton Parkway Pedestrian & Vehicular Enhancements project in FY22	
R7	Crosswalk Lighting	\$ 304,918	\$ 295,000	\$ -	\$ 295,000	\$ 295,000															\$ 295,000	Provide lighting of crosswalks to enhance pedestrian safety	Preliminary Planning completed in FY22. Incorporated into William Hilton Parkway Pedestrian & Vehicular Enhancements project	
R8	Turn Lane Extensions / Curb and Gutter	\$ 150,000	\$ 135,000	\$ -	\$ 135,000	\$ 135,000															\$ 135,000	Add curb and gutter and extend turn lanes as necessary to prevent rutting and driving into the medians at William Hilton Parkway Intersections with Wilborn Rd, Pembroke Dr, and Mathews Drive	Preliminary Planning completed in FY22. Incorporated into William Hilton Parkway Pedestrian & Vehicular Enhancements project	
R9	Pedestrian and Vehicular Enhancements	\$ 1,300,000	\$ 1,153,000	\$ -	\$ 1,153,000								\$ 403,000			\$ 750,000					\$ 1,153,000	Improvements to William Hilton Parkway from Sea Pines Circle to Spanish Wells Road (SCDOT Gateway project) targeting safety, beautification and consistency to include landscaping, signage, pavement markings, curbing etc.	Preliminary Planning started in FY22 and anticipated to be completed in FY23. Current project will identify potential FY23 projects. Carry Forward includes funds encumbered toward urban design/land planning job order	
R10	William Hilton Parkway Gateway Corridor	\$ 167,980	\$ -	\$ 300,000	\$ 300,000	\$ 300,000															\$ 300,000	Additional planning on recommendations not included in SCDOT project	Initial project completed in FY22	
R11	Adaptive Traffic Signal Management - all signalized intersections on William Hilton Parkway	\$ -	\$ -	\$ 2,065,224	\$ 2,065,224	\$ 888,252							\$ 1,176,972								\$ 2,065,224	Design & Installation for 26 signals including Spanish Wells and Squire Pope		
R12	Dillon Road at William Hilton Parkway - Right Turn Lane	\$ -	\$ -	\$ 150,000	\$ 150,000	\$ 150,000															\$ 150,000	Right Turn lane from Dillon Road onto William Hilton Parkway. Preliminary Planning & Design (Conceptual & Final) planned for FY23 with Construction anticipated in FY24		
	<i>Total William Hilton Parkway Enhancements</i>	<i>\$ 2,122,898</i>	<i>\$ 1,783,000</i>	<i>\$ 2,515,224</i>	<i>\$ 4,298,224</i>																			
	Pope Avenue, Palmetto Bay Road, & Arrow Road Streetscape Enhancements																							
R13	Streetscape Enhancements	\$ 500,000	\$ 443,000	\$ -	\$ 443,000	\$ 443,000															\$ 443,000	Improvements targeting safety, beautification and consistency to include landscaping, signage, pavement markings, curbing, multi-modal facilities, etc.: Design (Conceptual & Final), Permitting, & Construction for identified projects is anticipated to begin in FY23 and carry forward to FY24.	Preliminary Planning started in FY22 and anticipated to be completed in FY23. Current project will identify potential FY23 projects. Carry Forward includes funds encumbered toward urban design/land planning job order	
R14	Adaptive Traffic Signal Management - all signalized intersections on Palmetto Bay Road & Pope Avenue	\$ -	\$ -	\$ 543,480	\$ 543,480	\$ 393,480								\$ 150,000							\$ 543,480	Design & Installation for 5 signals		
	<i>Total Pope Avenue, Palmetto Bay Road, &amp; Arrow Road Streetscape Enhancements</i>	<i>\$ 500,000</i>	<i>\$ 443,000</i>	<i>\$ 543,480</i>	<i>\$ 986,480</i>																			
R15	Main Street Enhancements	\$ 100,000	\$ 75,000	\$ 150,000	\$ 225,000	\$ 225,000															\$ 225,000	Improvements to Main Street from Whooping Crane to Wilborn Road including side streets (Museum Street, Central Avenue, and Merchant Street), a new roundabout at Wilborn Road, and North Main Street from Whooping Crane to Hospital Center Boulevard including roadway, pathways, streetscape, and drainage improvements. Design (Conceptual & Final) & Permitting planned for FY23 with Construction anticipated in FY24.	Preliminary Planning and Acquisition to be completed in FY22.	
R16	Squire Pope Road Crosswalks	\$ -	\$ -	\$ 150,000	\$ 150,000	\$ 150,000															\$ 150,000	Preliminary Planning, Design-Conceptual, Design-Final, Permitting, & Construction of 3 crosswalks to access Town parks (Greens Shell Park, Rowing & Sailing Center at Squire Pope Community Park, Fords Shell Ring)	Recommendation of Bike Walk HHI and Planning Commission	
	Roadway Maintenance & Improvements	\$ 333,555	\$ 333,555	\$ 232,000	\$ 565,555	\$ 565,555															\$ 565,555	Maintenance of and improvements to existing roadways including general maintenance such as repair of potholes, curbing, and shoulders; pavement markings; permanent traffic signs; surveying, testing, and analysis; etc.	Proposed to be moved from Engineering Operating Budget and combined with FY22 project Other Roadway Enhancements	
	<b>TOTAL ROADWAY MANAGEMENT</b>	<b>\$ 5,503,924</b>	<b>\$ 3,698,138</b>	<b>\$ 4,455,704</b>	<b>\$ 8,153,842</b>	<b>\$ 3,745,287</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,508,555</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ 750,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,153,842</b>			
<b>PARK MANAGEMENT</b>																								
	Parks and Recreation																							
PR1	Mid-Island Tract Park	\$ 1,700,000	\$ 1,200,830	\$ 4,000,000	\$ 5,200,830				\$ 4,657,758					\$ 543,072							\$ 5,200,830	Design-Final, Permitting, & Phase 1 Construction for new Community Park planned to start in FY23 and continue in FY24 and beyond	Preliminary Planning & Design-Conceptual to be completed in FY22	
PR2	Chaplin Community Park Renovation	\$ 1,996,238	\$ 1,910,925	\$ -	\$ 1,910,925									\$ 1,910,925							\$ 1,910,925	Design-Final & Permitting for existing Community Park renovation planned for FY23. Phase 1 Construction anticipated in FY24	Preliminary Planning & Design-Conceptual to be completed in FY22	
PR3	Crossings Park Renovation	\$ 1,996,238	\$ 1,829,586	\$ -	\$ 1,829,586	\$ 1,512,528			\$ 317,058												\$ 1,829,586	Design-Final for existing Community Park renovation planned for FY23. Permitting & Phase 1 Construction anticipated in FY25	Preliminary Planning & Design-Conceptual to be completed in FY22	
PR4	Shelter Cove Community Park Expansion	\$ 500,000	\$ 440,000	\$ 500,000	\$ 940,000									\$ 440,000					\$ 500,000		\$ 940,000	Expansion of existing Community Park. Design-Final & Permitting planned for FY23. Construction anticipated to start immediately following receipt of permits, likely FY24	Preliminary Planning & Design-Conceptual to be completed in FY22	
PR5	Chaplin Linear Park with Treehouse	\$ 500,000	\$ 378,238	\$ 100,000	\$ 478,238									\$ 478,238							\$ 478,238	Design-Final & Permitting for phase 1 of Linear Park including trail head up-fit, pedestrian bridge at Broad Creek inlet, tree house, and marsh-side trail connection to Singleton Beach Road. Phase 1 Construction anticipated in FY24	Preliminary Planning completed in FY22	
PR6	Patterson Family Property Park	\$ 700,000	\$ 685,656	\$ 700,000	\$ 1,385,656															\$ 1,385,656	\$ 1,385,656	Design-Final, Permitting & Construction for new Mini Park. FY22 CDBG Project included in Parks & Recreation Master Plan	Preliminary Planning underway. Design-Conceptual anticipated to be completed in FY22 pending outcome of archaeological investigation	
PR7	Taylor Family Property Park	\$ -	\$ -	\$ 125,000	\$ 125,000															\$ 125,000	\$ 125,000	Preliminary Planning, Design-Conceptual, & Design-Final for new Mini Park on 4 +/- 4.9 acre Town-owned parcel at 252 Wild Horse Road. FY23 CDBG Project included in Parks & Recreation Master Plan. Permitting & Construction anticipated in FY24		
PR8	Barker Field	\$ -	\$ -	\$ 500,000	\$ 500,000															\$ 500,000	\$ 500,000	Preliminary Planning & Design (Conceptual & Final) for existing County Sports Park		
	<i>Total Parks and Recreation</i>	<i>\$7,392,476</i>	<i>\$ 6,445,235</i>	<i>\$ 5,925,000</i>	<i>\$ 12,370,235</i>																			
PR9	Island Recreation Association - Capital Projects																						Island Recreation Center seeks funds to improve the buildings, pool and grounds, as well as manage events	
	Rec Center Building Enhancements																						Building enhancements including educational equipment, floor replacement, HVAC equipment, basketball court lines, etc.	FY22 projects completed as planned

TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	ELECTRIC FRANCHISE FEE	BEACH FEE	STATE ATAX	HOSPITALITY TAX	SHORT TERM RENTAL PERMIT FEE	STORMWATER UTILITY FEE	LEASE REV HTAX SUPPORTED	ROAD USAGE FEE	TIF REV	Capital	HHI TRAFFIC IMPACT FEE	BEAUFORT CO PARK IMPACT FEE	SUNDAY LIQUOR PERMIT FEE	SALE OF LAND	GRANTS	TOTAL REVENUE SOURCES	FY23 PROJECT SCOPE	FY22 PROJECT STATUS	
	Replace Education Equipment	\$ -	\$ -	\$ 15,000	\$ 15,000																\$ -	Annual recurring cost for child care programs including tables, educational materials, etc.		
	Program Utility Vehicles	\$ -	\$ -	\$ 28,500	\$ 28,500																	\$ -	Chevy truck replacement	
	Rec Center Building	\$ -	\$ -	\$ 45,000	\$ 45,000																	\$ -	On-going improvements and upgrades at Rec. Center including painting, walkways, etc.	
	COVID HVAC Improvements	\$ -	\$ -	\$ 21,500	\$ 21,500																	\$ -	Phase 2 of project to improve overall ventilation system	
	Floor Replacement	\$ -	\$ -	\$ 21,500	\$ 21,500																	\$ -	Replacement of existing laminate floor in office	
	Athletic Office HVAC Unit	\$ -	\$ -	\$ 30,000	\$ 30,000																	\$ -	Addition of mini-split system to provide heating and cooling to Athletic Offices	
	Open Space Improvements	\$ -	\$ -	\$ 85,000	\$ 85,000																	\$ -	Enclosed area with artificial turf adjacent to building	
	New Gym court lines	\$ -	\$ -	\$ 10,000	\$ 10,000																	\$ -	Add missing lines on Basketball Court	
	<b>Total Rec Center Building Enhancements</b>	\$ 190,000	\$ -	\$ 256,500	\$ 256,500																			
	Rec Center Pool Enhancements																					\$ -	Pool enhancements including dome equipment and pool equipment updates, windscreens, pool covers, etc.	FY22 projects completed as planned
	Dome Equipment Update	\$ -	\$ -	\$ 45,000	\$ 45,000																	\$ -	Installation of dome	
	Pool Equipment Improvements	\$ -	\$ -	\$ 35,000	\$ 35,000																	\$ -	Equipment needed to keep pool operational including lifeguard chairs, improvements to locker rooms, etc.	
	Windscreens	\$ -	\$ -	\$ 7,500	\$ 7,500																	\$ -	Replacement of wind screens around pool every 2 years	
	Pool Covers	\$ -	\$ -	\$ 13,500	\$ 13,500																	\$ -	Replacement of pool cover every 3-5 years	
	<b>Total Rec Center Pool Enhancements</b>	\$ 84,000	\$ -	\$ 101,000	\$ 101,000																			
	Parks / Event Enhancements																					\$ -		FY22 projects completed as planned
	Event Improvements	\$ -	\$ -	\$ 35,000	\$ 35,000																	\$ -	Items needed to support community events including tents, signage, ice machines, as well as equipment for outdoor programs	
	Site Furnishings	\$ -	\$ -	\$ 7,500	\$ 7,500																	\$ -	Replacement of picnic tables and trash cans at Island Rec Center every 2 years	
	<b>Total Parks / Event Enhancements</b>	\$ 125,000	\$ -	\$ 42,500	\$ 42,500																	\$ -		FY22 projects completed as planned
	<b>Total Island Recreation Association - Capital Projects</b>	\$ 399,000	\$ -	\$ 400,000	\$ 400,000												\$ 400,000				\$ 400,000		Island Recreation Association will complete all FY22 projects as planned and return +/- \$50,000 to the Town	
PR10	Public Art Program	\$ -	\$ -	\$ 25,000	\$ 25,000				\$ 25,000													\$ 25,000	Funding to accommodate installation of public art pieces donated to or curated by the Town.	FY22 project completed as planned in conjunction with Shelter Cove Connectivity Project
PR11	General Park Enhancements	\$ 1,046,130	\$ 775,000	\$ 225,000	\$ 1,000,000				\$ 735,656												\$ 264,344	\$ 1,000,000	Includes various identified facility and service improvements at existing parks such as additional bike racks, picnic tables, sun shades, fencing, etc.; includes Jarvis Creek Park improvements, re-roof Greens Shell	FY22 Projects completed include installation of additional beach matting, new pavilion at Barker Field Extension, new overlook pavilion at Islander's Beach Park, site clean-up at Jarvis Creek Park, and Preliminary Planning for playground improvements at Jarvis Creek Park
	Barker Field Extension - Picnic Shelter Addition	\$ -	\$ -	\$ -	\$ -																	\$ -		FY22 project anticipated to be completed as planned
	Islanders Beach Park Pavilion	\$ -	\$ -	\$ -	\$ -																	\$ -		FY22 project completed as planned
PR12	Jarvis Creek Park Enhancements	\$ -	\$ -	\$ -	\$ -																	\$ -	Replacement of two playgrounds and addition of poured-in-place rubber safety surface	FY22 project schedule pending outcome of grant application
PR13	Cordillo Tennis Courts Restroom Building	\$ 102,000	\$ 102,000	\$ -	\$ -																	\$ -	Completion of Construction of Restroom Building and limited parking to support existing Tennis Courts	Project re-bid and Construction anticipated to start in FY22
	<b>TOTAL PARK MANAGEMENT</b>	\$ 8,939,606	\$ 7,220,235	\$ 6,575,000	\$ 13,795,235	\$ 1,512,528	\$ -	\$ -	\$ 5,735,472	\$ -	\$ -	\$ -	\$ -	\$ 3,372,235	\$ -	\$ -	\$ 400,000	\$ -	\$ 500,000	\$ 2,275,000	\$ 13,795,235			
<b>FACILITIES AND EQUIPMENT MANAGEMENT</b>																								
FE1	Town Hall Security & Facility Enhancements	\$ 782,000	\$ 602,000	\$ 200,000	\$ 802,000																	\$ -	Installation of upgrades to security, landscaping, and lighting as well needed structural repairs	Preliminary Planning and Design completed in FY22
FE2	Town Facilities Assessment	\$ -	\$ -	\$ 100,000	\$ 100,000																	\$ -	Assessment of site, parking, structures, and systems at Town Hall, Fire Rescue Headquarters/EOC/Dispatch	
FE3	Sprinkler Head replacement	\$ -	\$ -	\$ 180,000	\$ 180,000																	\$ -	Town Hall, Fire Rescue HQ, & Shelter Cove	
	<b>Total Town Hall Security &amp; Facility Enhancements</b>	\$ 782,000	\$ 602,000	\$ 480,000	\$ 1,082,000	\$ 555,382			\$ 365,000						\$ 161,618						\$ 1,082,000			
FE4	Shelter Cove/BCSO Office	\$ 150,000	\$ 150,000	\$ 300,000	\$ 450,000					\$ 400,118					\$ 49,882							\$ 450,000	Permitting & Construction of interior renovations	Design of interior renovations started in FY22; Re-roof started in FY22
FE5	Electric Vehicle Charging Stations at Town Facilities	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ 30,000																\$ 30,000	Installation of Electric Vehicle Charging Stations at (2) Town Hall, (1) Facilities Maintenance, and (1) Fire Rescue HQ	
FE6	Parking Master Plan Implementation	\$ -	\$ -	\$ 200,000	\$ 200,000				\$ 200,000													\$ 200,000	Physical improvements at existing beach parks including Coligny Beach Park and Islanders Beach Park; may include the addition of gates, video cameras, signage, etc.	9 responses were received for RFO; staff is currently evaluating 4 firms
FE7	Coastal Discovery Museum - Capital Projects																					\$ -	Coastal Discovery Museum seeks funds to improve and maintain the buildings and grounds - including boardwalk repairs, HVAC replacement, flooring, windows, parking areas, fencing, etc.	FY22 Projects completed
	Discovery House	\$ 15,000	\$ -	\$ 21,500	\$ 21,500																	\$ -	Paint, Doors & Hardware	
	Armstrong/Hack House	\$ 2,500	\$ -	\$ 3,000	\$ 3,000																	\$ -	Floor repair	
	Pavilion	\$ 4,500	\$ -	\$ 4,000	\$ 4,000																	\$ -	Floor repair	
	Discovery Lab	\$ 1,000	\$ -	\$ 1,500	\$ 1,500																	\$ -	Interior repairs	
	Pavilion/Restroom Building	\$ 800	\$ -	\$ 6,000	\$ 6,000																	\$ -	Porch Repairs, Collections Shelving	
	Horse Barn	\$ 2,000	\$ -	\$ -	\$ -																	\$ -		
	Misc. Improvements	\$ 23,500	\$ -	\$ 18,500	\$ 18,500																	\$ -	Boardwalk repair, Arborist work, well/field irrigation, fencing repair, and hvac replacement	
	Hay Barn	\$ -	\$ -	\$ 43,750	\$ 43,750																	\$ -	Add 3-Phase Power to Hay Barn	
	Event Space Improvements	\$ -	\$ -	\$ 100,000	\$ 100,000																	\$ -	Town initiated enhancements including ADA compliance and lighting upgrades	
	<b>Total Coastal Discovery Museum - Capital Projects</b>	\$ 49,300	\$ -	\$ 198,250	\$ 198,250													\$ 198,250			\$ 198,250			
FE8	Historic Mitchellville Freedom Park - Capital Projects																					\$ -	At the request of Ahmad Ward, Executive Director, Historic Mitchellville Freedom Park seeks funds to improve property in accordance with approved master plan	

TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	ELECTRIC FRANCHISE FEE	BEACH FEE	STATE ATAX	HOSPITALITY TAX	SHORT TERM RENTAL PERMIT FEE	STORMWATER UTILITY FEE	LEASE REV HTAX SUPPORTED	ROAD USAGE FEE	TIF REV	Capital	HHI TRAFFIC IMPACT FEE	BEAUFORT CO PARK IMPACT FEE	SUNDAY LIQUOR PERMIT FEE	SALE OF LAND	GRANTS	TOTAL REVENUE SOURCES	FY23 PROJECT SCOPE	FY22 PROJECT STATUS	
	Primary Parking Lot	\$ -	\$ -	\$ 100,000	\$ 100,000																\$ -	Preliminary Planning, Design (Conceptual & Final), & Permitting in anticipation of FY24 construction		
	Loop Road to Visitor's Center	\$ -	\$ -	\$ 25,000	\$ 25,000																\$ -	Preliminary Planning, Design (Conceptual & Final), & Permitting in anticipation of FY24 construction		
	<i>Total Historic Mitchelville Freedom Park - Capital Projects</i>	\$ -	\$ -	\$ 125,000	\$ 125,000													\$ 125,000			\$ 125,000			
	IT Equipment and Software																					\$ -		
FE9	Town Hall Equipment and Software	\$ 479,900																				\$ -		
	Tyler Cloud/Emergency Readiness Initiative/Technology Initiative	\$ 265,000	\$ -	\$ -	\$ -																	\$ -		FY22 project completed as planned
	IT Dell PowerEdge R730D Servers (4)	\$ 140,000	\$ -	\$ -	\$ -																	\$ -		FY22 project completed as planned
	IT Cisco Data Center switches (2) & Web Update	\$ 74,900	\$ -	\$ -	\$ -																	\$ -		FY22 project completed as planned
	CISCO 9404 Data Center Switches	\$ -	\$ -	\$ 24,900	\$ 24,900																	\$ -	Two (2) Cisco 9404 DC switches @ \$11,000 each to replace existing end-of-lifecycle E911 data center switches	
	Enterprise Storage Solution 345TB	\$ -	\$ -	\$ 360,000	\$ 360,000																	\$ -	New town-wide data storage system to replace existing end-of-lifecycle storage and scale to meet future data storage requirements	
	Tyler Cloud ERP Hosting	\$ -	\$ -	\$ 246,000	\$ 246,000																	\$ -	Tyler cloud hosting Enterprise Resource Planning (ERP)	
	Short Term Rental Software	\$ -	\$ -	\$ 800,000	\$ 800,000																	\$ -	Short Term Rental Software to be selected following receipt of responses to current RFP	
FE10	Public Safety Systems Equipment and Software	\$ 216,000	\$ -																			\$ -		
	New SAN and Host for PSS	\$ 80,000	\$ -	\$ -	\$ -																	\$ -	Storage Area Network	
	UPS Replacement for E911 Data Center	\$ 35,000		\$ -	\$ -																	\$ -		
	MDT replacement for all apparatus	\$ 101,000	\$ -	\$ -	\$ -																	\$ -		FY22 project completed as planned
	E911 Data Center Virtualization	\$ -	\$ -	\$ 180,000	\$ 180,000																	\$ -	Four (4) Dell servers @ \$53,000 each to replace existing end-of-lifecycle servers that comprise the secondary data center for mission critical redundancy	
	911 Simulator	\$ -	\$ -	\$ 20,000	\$ 20,000																	\$ -	Training simulator to support current personnel, new hires, recruitment, and public education.	
FE11	Fire Rescue Conference Upgrades (HQ, Dispatch, 7 Stations)	\$ -	\$ -	\$ 93,000	\$ 93,000																	\$ -	Upgrade existing video conferencing and audio visual equipment for Fire Rescue	
	Radio Maintenance & Replacement -Portable/Mobile	\$ -	\$ -	\$ 20,000	\$ 20,000																	\$ -	Replace 6 radios that are reaching end of service. These radios are currently utilized by Beach Patrol to coordinate emergency response to the beach areas.	
FE12	Station Alerting	\$ -	\$ -	\$ 100,000	\$ 100,000																	\$ -	Current Station Alerting system is reaching end of service and is not compatible with modern IT infrastructure. Costs to maintain are increasing and parts are difficult to obtain.	
	<i>Total IT Equipment and Software</i>	\$ 695,900	\$ -	\$ 1,843,900	\$ 1,843,900	\$ 1,043,900				\$ 800,000												\$ 1,843,900		
	Security Cameras																					\$ -		
	Crossings Park	\$ 150,000	\$ -	\$ -	\$ -																	\$ -		FY22 project scheduled to be completed as planned
FE13	Shelter Cove Community Park	\$ -	\$ -	\$ 150,000	\$ 150,000																	\$ -	Upgrade (26) existing security cameras at Shelter Cove Community Park	
FE14	Shelter Cove Connectivity & Chaplin Linear Park Trailhead	\$ -	\$ -	\$ 300,000	\$ 300,000																	\$ -	(43) New security cameras and Wi-Fi at Shelter Cove Connectivity including parking lot at trailhead	
FE15	Fire Stations	\$ -	\$ -	\$ 56,000	\$ 56,000																	\$ -	Security camera installation at seven (7) fire stations; (3) cameras per station	
	Ambulance	\$ -	\$ -	\$ 30,000	\$ 30,000																	\$ -	Add cameras to the cab of the current medic fleet; Risk Management / Safety Initiative	
	<i>Total Security Cameras</i>	\$ 150,000	\$ -	\$ 536,000	\$ 536,000	\$ 309,250			\$ 150,000									\$ 76,750				\$ 536,000		
FE16	Fire/Medical Systems, Equipment Replacement																					\$ -		
	SCBA Compressor Replacement	\$ 50,000	\$ -	\$ -	\$ -																	\$ -		FY22 project completed as planned
	Fleet Maintenance Equipment	\$ 20,000	\$ -	\$ -	\$ -																	\$ -		FY22 project completed as planned
	Vehicle Lift Replacement & Trade of Old Unit	\$ -	\$ -	\$ 150,000	\$ 150,000																	\$ -	Safety Initiative - The current lift weight capacity does not provide a safety margin based on the weight of the current ambulance fleet.	
	Stair Chair Replacement	\$ -	\$ -	\$ 60,000	\$ 60,000																	\$ -	Patient Safety Initiative Current inventory is no longer supported by warranty and repairs are more frequent and costly. Device is used to move patients up and down stairs and upgrading to a new model is in the interest of patient safety.	
	Rescue Tool Replacement	\$ -	\$ -	\$ 150,000	\$ 150,000																	\$ -	Current tools are 15+ years old and slated for replacement in the CIP plan. Upgrade to modern electric tools.	
	Fire Hose Replacement	\$ -	\$ -	\$ 100,000	\$ 100,000																	\$ -		
	<i>Total Fire/Medical Systems, Equipment Replacement</i>	\$ 78,000	\$ -	\$ 460,000	\$ 460,000				\$ 460,000													\$ 460,000		
FE17	Automobile Place / Modern Classic Motors Site Enhancements	\$ 472,500	\$ 472,500	\$ -	\$ 472,500	\$ 172,500														\$ 300,000	\$ 472,500	Demolish and remove dilapidated pavements and appurtenances from prior development in preparation for redevelopment	FY22 project not started	
FE18	Fire Hydrant Expansion	\$ 50,000	\$ -	\$ 50,000	\$ 50,000				\$ 50,000													\$ 50,000	Installation of (2) Fire Hydrants through matching program with HHPD.	FY22 projects (Orange Lane and Evelna Road) completed as planned
FE19	Arts Campus Feasibility Study	\$ 200,000	\$ 25,000	\$ -	\$ 25,000				\$ 25,000													\$ 25,000	Feasibility study of existing site including expansion options; Residual funds transferred to Island-wide Master Plan	FY22 project not started
	Stormwater Projects																					\$ -		
	Projects non-PIUD	\$ 682,000	\$ -	\$ -	\$ -																	\$ -	Variety of maintenance and repair projects including structure, pipe, and ditch cleaning; rehabilitation and/or replacement of pipes and culverts; and repair or replacement of structures.	
	XN102 83 Old Wild Horse Road Drainage Improvements																					\$ -		FY22 project completed
	XN104 89 Squire Pope Road Survey																					\$ -		FY22 project completed
	XN106 Folly Field Beach Parking Lot Drain																					\$ -		FY22 project completed

TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY23

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	ELECTRIC FRANCHISE FEE	BEACH FEE	STATE ATAX	HOSPITALITY TAX	SHORT TERM RENTAL PERMIT FEE	STORMWATER UTILITY FEE	LEASE REV HTAX SUPPORTED	ROAD USAGE FEE	TIF REV	Capital	HHI TRAFFIC IMPACT FEE	BEAUFORT CO PARK IMPACT FEE	SUNDAY LIQUOR PERMIT FEE	SALE OF LAND	GRANTS	TOTAL REVENUE SOURCES	FY23 PROJECT SCOPE	FY22 PROJECT STATUS	
	XN107 137 Cordillo Parkway Sinkhole Repair																					\$ -	FY22 project completed	
	XN109 92 Folly Field Road Pipe Cleaning (Islanders)																					\$ -	FY22 project completed	
	XN109 92 Folly Field Road Repairs (Islanders)																					\$ -	FY22 project completed	
	XN110 64 Bradley Beach Road (Driessen)																					\$ -	FY22 project completed	
	XN111 400 WHP-The Oaks Pathway Drainage Improvements																					\$ -	FY22 project will be completed by end of FY	
	XN112 37 Castnet Drive/Burkes Beach Road - Chaplin Park Drainage Improvements																					\$ -	FY22 project will be completed by end of FY	
	XN113 Sonesta Outfall System Drainage Improvements - Phase III																					\$ -	FY22 project will be completed by end of FY	
	XN114 C. Heinrichs Circle Inlet Repair																					\$ -	FY22 project will be completed by end of FY	
	Projects PUD	\$ 807,000	\$ -	\$ -	\$ -																	\$ -	Variety of maintenance and repair projects including structure, pipe, and ditch cleaning; rehabilitation and/or replacement of pipes and culverts; and repair or replacement of structures per drainage agreement terms and conditions. Project locations include Hilton Head Plantation, Indigo Run, Learnington, Palmetto Hall, Port Royal, Sea Pines, and Wexford.	
	HH054 5 Black Gum Pipe Replacement																					\$ -		
	HH055 26 Edgewood Drive Video Inspection																					\$ -	FY22 project completed	
	HH056 25 Cypress Marsh Drive Pipe Repair																					\$ -	FY22 project completed	
	IR021 46 Sussex Lane Pipe Cleaning																					\$ -	FY22 project completed	
	IR021 46 Sussex Lane Pipe Replacement																					\$ -	FY22 project completed	
	IR022 20 Wler's Creek Way Control Structure Repair																					\$ -	FY22 project completed	
	IR022 20 Wler's Creek Way Control CIPP																					\$ -		
	IR023 15 Chantilly Lane Video Inspection																					\$ -	FY22 project completed	
	IR023 15 Chantilly Lane Repair																					\$ -	FY22 project will be completed by end of FY	
	IR024 15 Indigo Run Drive Inlet Repair																					\$ -	FY22 project completed	
	IR025 30 Branford Lane Pipe Replacement																					\$ -	FY22 project will be completed by end of FY	
	LM008 5 Niblick Court Pipe Cleaning																					\$ -	FY22 project completed	
	LM009 70 Queens Way Video Inspection																					\$ -	FY22 project will be completed by end of FY	
	LM009 70 Queens Way Pipe Repair																					\$ -	FY22 project will be completed by end of FY	
	SH028 90 Gloucester Road Channel Maintenance																					\$ -		
	SP001 Ruddy Turnstone Pipe Cleaning & Pipe Repair																					\$ -		
	SP025 135 Lighthouse Road Flap Gate Repair																					\$ -	FY22 project completed	
	SP043 Mizzenmast/Lighthouse Pipe Replacement																					\$ -		
	SP049 13 & 14 Ruddy Turnstone Sinkhole Repair																					\$ -	FY22 project completed	
	SP056 226 Portside Drive Ditch																					\$ -	FY22 project completed	
	SP059 30 Governors Road Weir/Outlet																					\$ -	FY22 project completed	
	SP060 12 Lawton Drive-HH Prep Weir																					\$ -	FY22 project completed	
FE21	Wexford Debris System Design	\$ 600,000	\$ 75,000	\$ -	\$ 75,000																	\$ -	Design of pump station to consider multiple factors including function and aesthetics in preparation for FY24 construction	FY22 project not started
FE22	Gum Tree Road Improvements	\$ -	\$ -	\$ 125,000	\$ 125,000																	\$ -	Survey, Design, & Construction of improvements to address various deficiencies along Gum Tree Road between Katie Miller Drive and Georgianna Drive, including regrading of ditches, installation of new inlets, new pipe and repairs along the outfall system	
FE23	Jarvis Creek Outfall	\$ -	\$ -	\$ 500,000	\$ 500,000																	\$ -	Survey, design, permitting, and installation of flap gates on the outfall end of two 84-inch diameter concrete pipes that discharge stormwater from the Jarvis Creek Pump Station outfall system; necessary to improve operation and effectiveness of the pump station during extreme events by mitigating the impacts of tidal storm surge on the system.	
FE24	25 Moonshell Road	\$ -	\$ -	\$ 80,000	\$ 80,000																	\$ -	Survey, Design, & Installation of 500 linear feet of 24-inch pipe and two inlet structures to improve efficiency and reduce long-term maintenance costs along the existing Folly Field ditch between Moonshell Road and the Island Club	
FE25	Cordillo Court Improvements	\$ -	\$ -	\$ 50,000	\$ 50,000																	\$ -	Design and installation of improvements to address drainage issues on and adjacent to Town-owned property including inlets, pipe and minor grading	
	<i>Total Stormwater Projects</i>	\$ 2,089,000	\$ 75,000	\$ 755,000	\$ 830,000						\$ 830,000											\$ 830,000		
	Demolition of Kingfisher and Fairfield Square	\$ 155,180	\$ -	\$ -	\$ -																	\$ -	FY22 project completed	
	<b>TOTAL FACILITIES AND EQUIPMENT MANAGEMENT</b>	\$ 4,871,880	\$ 1,324,500	\$ 4,978,150	\$ 6,302,650	\$ 2,111,032	\$ -	\$ -	\$ 1,250,000	\$ 1,200,118	\$ 830,000	\$ -	\$ -	\$ -	\$ 211,500	\$ -	\$ -	\$ 400,000	\$ -	\$ 300,000	\$ 6,302,650			
<b>FLEET</b>																								
F11	Town Vehicle Replacement					\$ -																\$ -		
	Staff Vehicle Replacement	\$ 155,000	\$ -	\$ 117,000	\$ 117,000																	\$ -	Replacement of 3 staff vehicles over 10 years old including vehicle outfitting	FY22 project, replacement of 5 staff vehicles, on schedule to be completed as planned
	New Staff Vehicles	\$ -	\$ -	\$ 181,472	\$ 181,472																	\$ -	5 new staff vehicles including vehicle outfitting	
	<i>Total Town Vehicle Replacement</i>	\$ 155,000	\$ -	\$ 298,472	\$ 298,472	\$ 298,472																\$ 298,472		
F12	FR Apparatus & Vehicle Replacement																					\$ -		
	Engine/Pumper Replacement/Quint Company Replacement (2)	\$ 6,479,868	\$ 7,742,473	\$ -	\$ 7,742,473							\$ 7,742,473										\$ 7,742,473		
	Fire Rescue Specialty Vehicles - Rescue Trailer	\$ 70,000	\$ -	\$ -	\$ -																	\$ -		
	Fire Rescue Specialty Vehicles - CDL Training Vehicles	\$ 60,000	\$ -	\$ -	\$ -																	\$ -		
	Staff Vehicle Replacement	\$ 140,000	\$ -	\$ 75,000	\$ 75,000	\$ 75,000																\$ 75,000	Replace two staff vehicles that have reached their 120,000 mile / 12 year mark.	FY22 project (Replacement of 4 Staff Vehicles) on schedule to be completed

MAP KEY	PROJECTS	FY22 ADOPTED/ AMENDED BUDGET	FY22 CARRY FORWARD	FY23 BUDGET (NEW MONEY)	FY23 TOTAL	ELECTRIC FRANCHISE FEE	BEACH FEE	STATE ATAX	HOSPITALITY TAX	SHORT TERM RENTAL PERMIT FEE	STORMWATER UTILITY FEE	LEASE REV HTAX SUPPORTED	ROAD USAGE FEE	TIF REV	Capital	HHI TRAFFIC IMPACT FEE	BEAUFORT CO PARK IMPACT FEE	SUNDAY LIQUOR PERMIT FEE	SALE OF LAND	GRANTS	TOTAL REVENUE SOURCES	FY23 PROJECT SCOPE	FY22 PROJECT STATUS	
	Support Vehicle Replacement - Forklift	\$ -	\$ -	\$ 35,000	\$ 35,000	\$ 35,000															\$ 35,000	Replace forklift. Equipment is past its useful lifecycle, maintenance issues are more frequent, and parts are difficult to acquire as the original manufacturer is out of business.		
	Firefighting Foam for Trucks	\$ 16,000	\$ -	\$ 16,000	\$ 16,000	\$ 16,000															\$ 16,000	Firefighting foam for trucks	FY22 project completed as planned	
	<i>Total FR Apparatus &amp; Vehicle Replacement</i>	<i>\$ 6,765,868</i>	<i>\$ 7,742,473</i>	<i>\$ 126,000</i>	<i>\$ 7,868,473</i>																\$ -			
	<b>TOTAL FLEET</b>	<b>\$ 6,920,868</b>	<b>\$ 7,742,473</b>	<b>\$ 424,472</b>	<b>\$ 8,166,945</b>	<b>\$ 424,472</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,742,473</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,166,945</b>		
<b>LAND ACQUISITION</b>																								
	Land Acquisition	\$ 324,068	\$ 290,000	\$ 10,000	\$ 300,000														\$ 300,000		\$ 300,000	Land acquisition and soft costs including ROW, Survey, Appraisals, Legal Fees, etc.		
	<b>TOTAL LAND ACQUISITION</b>	<b>\$ 324,068</b>	<b>\$ 290,000</b>	<b>\$ 10,000</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ 300,000</b>		
<b>HOUSING</b>																								
H1	North Pointe Housing Partnership	\$ 500,000	\$ 455,000	\$ 500,000	\$ 955,000															\$ 955,000	\$ 955,000	Support for road, water, sewer, and/or utility infrastructure necessary to facilitate the creation of workforce housing through a public-private partnership.	Preliminary Planning including site clean up, survey, and phase 1 environmental underway and expected to be complete in FY22	
	Other Housing	\$ 424,261	\$ 424,261	\$ -	\$ 424,261										\$ 424,261						\$ 424,261	Setting aside funds from the legal settlement which were in the General Fund toward housing. Funds to be used for impact fees and down payment assistance to help the Town further participate in addressing the workforce housing issue		
	<b>TOTAL HOUSING</b>	<b>\$ 924,261</b>	<b>\$ 879,261</b>	<b>\$ 500,000</b>	<b>\$ 1,379,261</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 424,261</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 955,000</b>	<b>\$ 1,379,261</b>			
	<b>TOTAL FY23 CIP</b>	<b>\$ 33,195,589</b>	<b>\$ 22,319,459</b>	<b>\$ 23,352,474</b>	<b>\$ 45,671,933</b>	<b>\$ 8,743,319</b>	<b>\$ 2,850,000</b>	<b>\$ 3,109,000</b>	<b>\$ 6,985,472</b>	<b>\$ 1,200,118</b>	<b>\$ 830,000</b>	<b>\$ 7,742,473</b>	<b>\$ 3,508,555</b>	<b>\$ 4,187,235</b>	<b>\$ 635,761</b>	<b>\$ 750,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 800,000</b>	<b>\$ 3,530,000</b>	<b>\$ 45,671,933</b>			

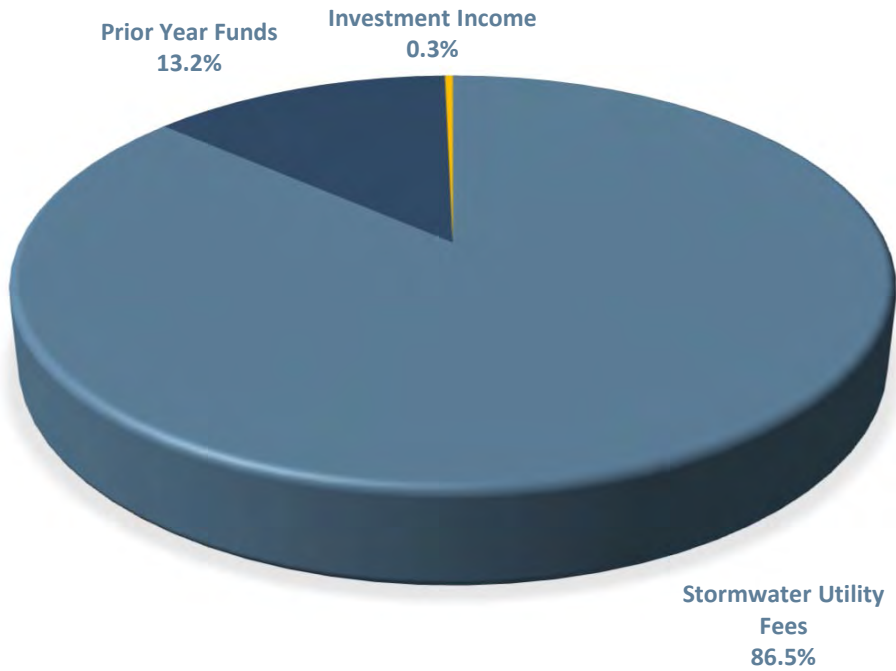


Stormwater Fund



# TOWN OF HILTON HEAD ISLAND: FY2023 STORMWATER BUDGET

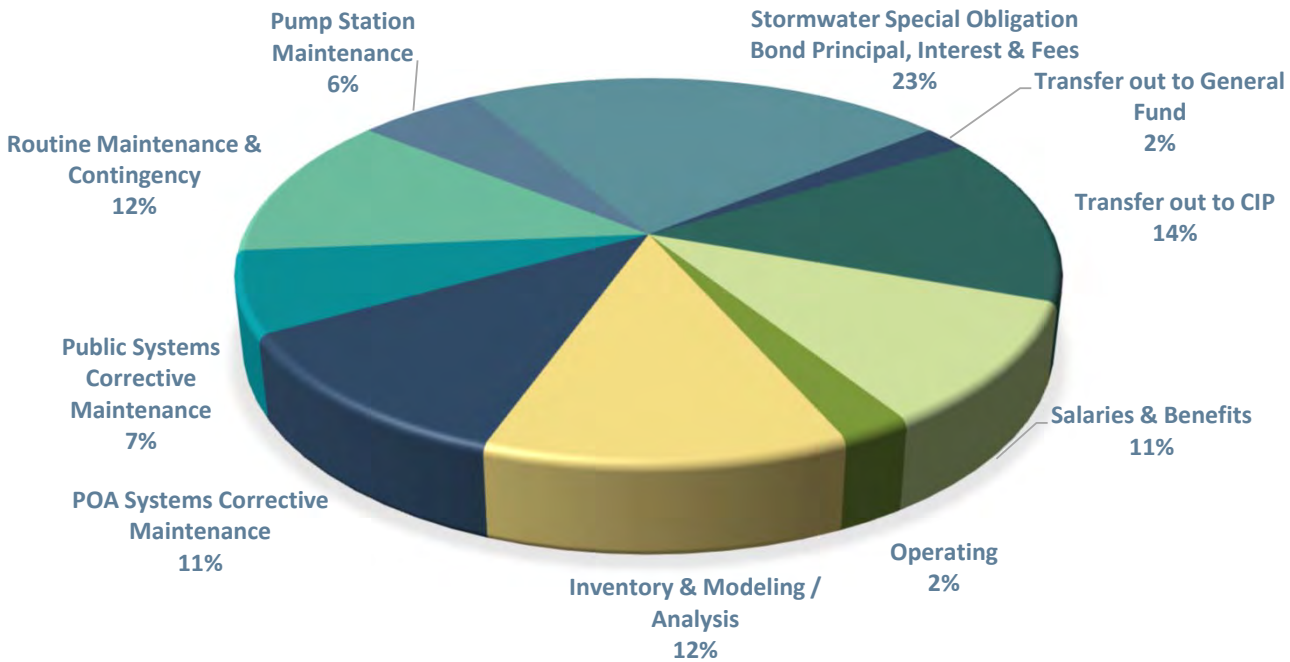
## Sources of Funds - Stormwater Utility Fund



	FY 2021 Actual	FY 2022 Budget	FY2023 Proposed Budget	\$ Change FY2022	% Change FY2022	% of Budget
Stormwater Utility Fees	\$ 5,043,167	\$ 4,934,000	\$ 5,044,000	\$ 110,000.00	2.2%	86.5%
Prior Year Funds	-	560,000	769,296	209,296.00	37.4%	13.2%
Investment Income	9,229	6,000	20,000	14,000.00	233.3%	0.3%
<b>Total Revenues</b>	<b>5,052,396</b>	<b>5,500,000</b>	<b>5,833,296</b>	<b>333,296.00</b>	<b>6.1%</b>	<b>100.0%</b>

# TOWN OF HILTON HEAD ISLAND: FY2023 STORMWATER BUDGET

## Uses of Funds - Stormwater Utility Fund



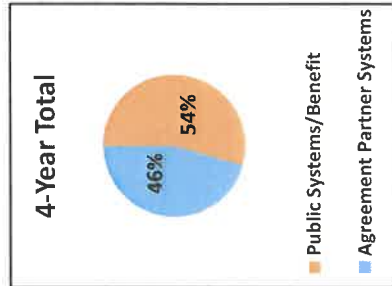
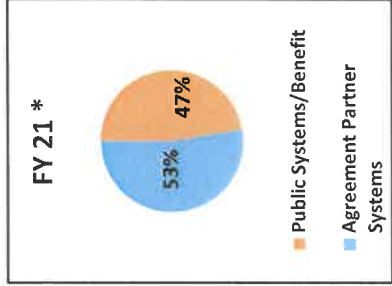
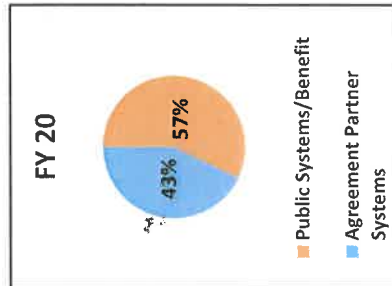
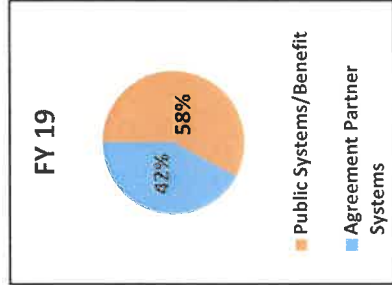
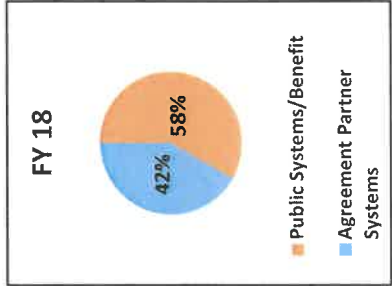
Expenditures by Category	FY 2021 Actual	FY 2022 Proposed Budget	FY2023 Proposed Budget	\$ Change FY2022	% Change FY2022	% of Budget
Salaries & Benefits	\$ 571,510	\$ 601,138	\$ 608,996	\$7,858	1.3%	10.4%
Operating	362,000	376,800	139,500	-\$237,300	-63.0%	2.4%
Capital (Vehicle)	30,000	35,000	-	-\$35,000	-100.0%	0.0%
Inventory & Modeling / Analysis	350,000	350,000	705,000	\$355,000	101.4%	12.1%
POA Systems Corrective Maintenance	1,424,617	-	660,000	\$660,000	100.0%	11.3%
Public Systems Corrective Maintenance	751,879	-	400,000	\$400,000	100.0%	6.9%
Routine Maintenance & Contingency	-	408,000	710,000	\$302,000	74.0%	12.2%
Pump Station Maintenance	640,000	230,000	330,000	\$100,000	43.5%	5.7%
Stormwater Special Obligation Bond Principal, Interest & Fees	1,534,490	1,255,062	1,324,800	\$69,738	5.6%	22.7%
Transfer out to General Fund	150,000	155,000	125,000	-\$30,000	-19.4%	2.1%
Transfer out to CIP	-	2,089,000	830,000	-\$1,259,000	-60.3%	14.2%
<b>Total Expenditures &amp; Transfers Out</b>	<b>5,814,496</b>	<b>5,500,000</b>	<b>5,833,296</b>	<b>\$333,296</b>	<b>6.1%</b>	<b>100.0%</b>

**SWU Capital & Maintenance Project Expenditures, FY18-FY21**

**Balance of Service Delivery**

	FY 18		FY 19		FY 20		FY 21		4-Year Total	
	Projects	Total Cost	Projects	Total Cost	Projects	Total Cost	Projects	Total Cost	Projects	Total Cost
Public Systems	16	\$ 1,393,415.56	24	\$ 989,996.81	41	\$ 2,102,914.05	63	\$ 1,690,302.57	144	\$ 6,176,628.99
Hilton Head Plantation	9	\$ 312,239.37	18	\$ 244,698.69	12	\$ 323,966.83	3	\$ 43,140.28	42	\$ 924,045.17
Indigo Run	1	\$ 2,060.00	1	\$ 1,860.00	4	\$ 59,297.75	4	\$ 162,874.09	10	\$ 226,091.84
Leamington	1	\$ 379.50	0	\$ -	4	\$ 13,532.92	1	\$ 4,603.60	6	\$ 18,516.02
Long Cove	0	\$ -	3	\$ 16,780.51	0	\$ -	2	\$ 4,705.12	5	\$ 21,485.63
Palmetto Dunes	1	\$ 23,373.86	8	\$ 38,635.98	0	\$ -	1	\$ 9,300.31	10	\$ 71,310.15
Palmetto Hall	1	\$ 1,734.00	3	\$ 54,685.76	2	\$ 74,846.88	1	\$ 1,389.00	7	\$ 132,655.64
Port Royal	4	\$ 275,851.56	3	\$ 260,472.75	2	\$ 29,311.15	4	\$ 43,930.46	13	\$ 609,565.92
Sea Pines	8	\$ 98,560.51	10	\$ 62,365.44	14	\$ 766,518.70	13	\$ 1,467,208.91	45	\$ 2,394,653.56
Shelter Cove	2	\$ 65,059.30	3	\$ 13,374.23	3	\$ 45,833.29	0	\$ -	8	\$ 124,266.82
Shipyard	3	\$ 36,706.16	2	\$ 8,064.85	5	\$ 147,614.63	8	\$ 94,802.15	18	\$ 287,187.79
Wexford	5	\$ 180,928.05	3	\$ 18,337.54	2	\$ 118,908.38	1	\$ 46,169.43	11	\$ 364,343.40
<b>Totals</b>	<b>51</b>	<b>\$ 2,390,307.87</b>	<b>78</b>	<b>\$ 1,709,272.56</b>	<b>89</b>	<b>\$ 3,682,744.58</b>	<b>101</b>	<b>\$ 3,568,425.92</b>	<b>319</b>	<b>\$ 11,350,750.93</b>

	Projects	Total Cost
Public Systems/Benefit	144	\$ 6,176,628.99
Agreement Partner Systems	175	\$ 5,174,121.94
<b>Total</b>	<b>319</b>	<b>\$ 11,350,750.93</b>



**FUNDS EXPENDED**

\* includes Lawton Pump Station overhaul & new control building

**FY23 CORRECTIVE MAINTENANCE PROJECT LIST  
PUBLIC SYSTEMS**

SRID	EVAL	Ward	Project Location	Budget	Project Description	Condition
1535	16	3	62 New Orleans Road	\$ 15,000	Correct chronic ponding issue at the northeast corner of the New Orleans Road/Pope Avenue intersection	
1533	13	5	24 Deallyon Avenue	\$ 15,000	Correct chronic ponding issue at the southeast corner of the Deallyon Avenue/Nassua Street intersection	
1338	11	6	10 Bow Circle (Arrow Road Ditches)	\$ 35,000	Regrade ditches and clean pipes along portions of Arrow Road to alleviate flooding issues near the post office driveway	
1324	11	4	271 William Hilton Parkway (Island Tire)	\$ 70,000	Remove sediment from the primary channel between Main Street and William Hilton Parkway to restore lost conveyance capacity	Easement Needed
819	11	3	71 Widewater Road	\$ 10,000	Remove sediment from Town-maintained ditch to restore lost conveyance capacity	Legal Issue
194	11	3	435 William Hilton Parkway (Nothridge Theater)	\$ 80,000	Replace/rehabilitate Mathews Drive pathway drainage system adjacent to the Northridge Theater	Easement Needed
1261	10	2	3901 Main Street	\$ 88,000	Replace 200 linear feet of failing (primary system) large diameter pipe	Easement Needed
1119	10	3	119 Dune Lane	\$ 15,000	Clean pipes and structures along Pelican Street to restore lost capacity	
1640	9	1	30 Cobia Court	\$ 6,000	Regrade ditches and clean pipes along first eight along Cobia Court to restore lost conveyance capacity; add to routine maintenance schedule	Easements Needed
1259	9	4	5 Tanglewood Drive	\$ 5,000	Clean and repair failed inlet structure on Tanglewood Drive	
3006	8	4	21 Castnet Drive (Roadway Pipe)	\$ 5,000	Pipe failed pipe connection at curb inlet in Chaplin Park near the pavillion	
1498	8	5	32 Office Park Road	\$ 2,000	inlet structure repair; grate and frame	
3008	7	4	21 Castnet Drive (Roadway Pipe)	\$ 5,000	Repair of failed pipe underneath Castnet Drive adjacent to Chaplin Park	
1355	7	6	1 Town Center Court (Town Hall)	\$ 6,000	Pond outlet control structure rehabilitation	
1322	7	3	30 Shamrock Circle (Wild Horse Court Subdivision)	\$ 15,000	Remove sediment and create a sump at discharge pipe outfall in Town-maintained pond	
3093	6	1	26 Summit Drive	\$ 3,000	Remove sediment from culvert under Summit Drive; remove sediment from adjacent ditches; add to routine maintenance schedule	
1511	5	1	3 Creek Landing Trace (Salt Creek Landings)	\$ 20,000	Remove sediment, organics and vegetation to restore conveyance capacity; add to routine maintenance schedule	
1454	5	1	1 Murray Avenue	\$ 5,000	Regrade ditches and clean pipes along first eight along Cobia Court to restore lost conveyance capacity; add to routine maintenance schedule	Easements Needed

**FY23 CORRECTIVE MAINTENANCE PROJECT LIST  
POA AGREEMENT SYSTEMS**

SRID	EVAL	POA	Project Location	Budget	Project Description	Conditional
1594	14	PH	10 Tucker Ridge Court (Arthur Hills GC 11th Fairway to 11th Green)	\$ 25,000	Pipe cleaning and video inspection needed to restore capacity to drainage system	
432	14	SP	12 Pine Island Road (Club Course GC #16 Fairway)	\$ 15,000	Pipe cleaning and sump excavation needed to restore positive flow	
1396	14	WEX	25 Wicklow Drive	\$ 15,000	Pipe cleaning and sump excavation needed to restore positive flow	Access Provided
1068	12	HHP	245 Seabrook Drive	\$ 15,000	Control structure weir gate replacement needed to allow emergency draw down of system	
2221	12	SP	43 Woodbine Place	\$ 15,000	Pipe replacement needed to alleviate roadway flooding	Access Provided
1696	12	SP	100 N. Sea Pines Drive (Sea Pines Plantation Club House)	\$ 5,000	Pipe cleaning to restore positive flow (Reimbursement)	
1575	12	SP	63 Baynard Cove Road	\$ 25,000	Control structure weir gate replacement needed to allow emergency draw down of system	
1541	12	SP	1 Baynard Cove Road	\$ 97,000	Control structure weir gate replacement needed to prevent tidal back flow into the system	
2384	12	SY	90 Gloucester Road (Harbourmaster Entrance)	\$ 50,000	Pipe replacement needed to replace failed pipe	
1654	10	HHP	421 Squire Pope Road (Bayshore Retirement)	\$ 30,000	Outfall stabilization to stabilize erosion	Access Provided
1399	10	SP	1 Baynard Cove Road	\$ 25,000	Control structure internal weir gate replacement needed to allow emergency draw down of system	
1167	9	HHP	132 High Bluff Road	\$ 7,000	Control structure grate replacement to secure structure	
1120	9	HHP	32 Towhee Road (China Cockle Ditch)	\$ 30,000	Design and construction of replacement culvert to restore positive flow	
2856	9	SP	16 Red Maple Road	\$ 15,000	Pipe replacement needed to replace failed pipe	
1398	9	SP	20 Audubon Pond Drive	\$ 12,000	Flap gate replacement to prevent tidal water from flooding roadway	
1187	9	SP	405 Greenwood Drive	\$ 10,000	Sump excavation needed to restore positive flow	DHEC Permit
1450	8	HHP	4 Foxbriar Lane	\$ 5,000	Pipe cleaning to alleviate road flooding	
1045	8	HHP	Whooping Crane Way (Main entrance lanes)	\$ 15,000	Pipe replacement needed to replace failed pipe	
1585	8	SP	25 Marshview Drive	\$ 15,000	Outfall ditch excavation to restore positive flow	
2832	7	HHP	13 Birdsong Way	\$ 15,000	Repair failed pipe to alleviate sinkhole	

**FY23 CORRECTIVE MAINTENANCE PROJECT LIST  
POA AGREEMENT SYSTEMS**

SRID	EVAL	POA	Project Location	Budget	Project Description	Conditional
2220	7	LEA	7 Merion Court	\$ 15,000	Inlet structure and pipe replacement to repair sinkhole	
1233	7	PH	Fish Haul Road (System Outfall)	\$ 4,000	Vegetation clearing to access outfall system	Easement Needed
1205	7	SP	40 Sand Fiddler Road	\$ 15,000	Control structure replacement	
2865	6	HHP	6 Woodland Sky Court	\$ 35,000	Clean, video inspect and rehabilitate pipe to alleviate sinkhole	
923	6	HHP	5 Sanderling Lane & 5 Hummingbird Court	\$ 10,000	Pipe cleaning to restore positive flow	
1495	6	LEA	9 Niblick Court (George Fazio Golf Course 4th Fairway)	\$ 15,000	Clean and video inspect the system to determine condition	Easement Needed
1122	6	LEA	5 Niblick Court	\$ 10,000	Structure replacement to alleviate sinkhole	Easement Needed
1863	6	PD	11 High Rigger	\$ 5,000	Pipe repair to alleviate sinkhole	
1244	6	PD	1 Long Boat	\$ 11,000	Pipe repairs to alleviate sinkholes	
1243	6	PD	2 High Rigger	\$ 10,000	Pipe repairs to alleviate sinkholes	
1242	6	PD	Flotilla	\$ 12,000	Pipe repairs to alleviate sinkholes	
1241	6	PD	Dinghy Lane	\$ 11,000	Pipe repairs to alleviate sinkholes	
1754	6	PH	Fish Haul Road (System Outfall)	\$ 10,000	Pipe repairs to alleviate sinkholes	
1593	6	PH	50 Sedge Fern Drive	\$ 8,000	Pipe repair to alleviate sinkhole	Access Provided
1371	6	PH	27 Clyde Lane	\$ 1,000	Grate replacement to replace broken grate	
1212	6	PR	16 Donax Road	\$ 3,000	Sump excavation needed to restore positive flow	Access Provided
1211	6	PR	16 Coquina Road	\$ 3,000	Sump excavation needed to restore positive flow	Access Provided
1210	6	PR	16 Barnacle Road	\$ 3,000	Sump excavation needed to restore positive flow	Access Provided
1588	6	SP	221 South Sea Pines Drive	\$ 8,000	Pipe repair to alleviate sinkhole	
1583	6	SP	54 Wagon Road (Old Military Road intersection)	\$ 12,000	Pipe replacement to alleviate sinkhole	
443	6	SP	Lawton Canal Road	\$ 18,000	Sump excavation needed to restore positive flow	DHEC Permit

STORMWATER

TOWN OF HILTON HEAD ISLAND  
FY2023 BUDGET PROJECTION  
FY22 ACTUALS AS OF 12/31/2021

supplied by Finance

	Request	Revised
revenue	5,500,000.00	5,833,296.00
expenses	5,569,081.00	5,833,296.00
difference	(69,081.00)	-

Org:	STORMWATER	FY2020			FY2021			FY2022			FY2023			
61001	REVENUES	ORIG BUDGET	ACTUALS	VARIANCE	ORIG BUDGET	ACTUALS	VARIANCE	ORIG BUDGET	YTD ACT/ENC	VARIANCE	REQUEST	ROUND 2	REVISED REQ.	VAR TO FY22
<b>Object:</b>														
40100	STORMWATER FEES	4,800,000.00	4,928,622.86	(128,622.86)	4,824,000.00	5,043,167.11	(219,167.11)	4,934,000.00	695,975.23	4,238,024.77	5,044,000.00	-	5,044,000.00	110,000.00
40120	PRIOR YEAR FUNDS	599,000.00	-	599,000.00	624,000.00	-	624,000.00	560,000.00	-	560,000.00	436,000.00	333,296.00	769,296.00	209,296.00
44100	INVESTMENT INCOME	1,000.00	86,566.34	(85,566.34)	2,000.00	9,229.06	(7,229.06)	6,000.00	559.48	5,440.52	20,000.00	-	20,000.00	14,000.00
	<b>TOTAL STORMWATER REVENUES:</b>	<b>5,400,000.00</b>	<b>5,015,189.20</b>	<b>384,810.80</b>	<b>5,450,000.00</b>	<b>5,052,396.17</b>	<b>397,603.83</b>	<b>5,500,000.00</b>	<b>696,534.71</b>	<b>4,803,465.29</b>	<b>5,500,000.00</b>	<b>333,296.00</b>	<b>5,833,296.00</b>	<b>333,296.00</b>

Org:	STORMWATER	FY2020			FY2021			FY2022			FY2023			
61000010	PERSONNEL	ORIG BUDGET	ACTUALS	VARIANCE	ORIG BUDGET	ACTUALS	VARIANCE	ORIG BUDGET	YTD ACT/ENC	VARIANCE	REQUEST	ROUND 2	REVISED REQ.	VAR TO FY22
<b>Object:</b>														
51100	SALARIES	412,961.00	407,403.93	5,557.07	425,350.00	450,110.65	(24,760.65)	471,704.00	190,270.24	281,433.76	415,667.00	-	415,667.00	(56,037.00)
51350	OVERTIME	-	1,862.61	(1,862.61)	-	438.43	(438.43)	-	-	-	-	-	-	-
51400	FICA	31,592.00	30,495.80	1,096.20	32,540.00	33,296.70	(756.70)	36,084.00	14,183.35	21,900.65	31,799.00	-	31,799.00	(4,285.00)
51450	401K-RETIREMENT CONTRI	33,586.00	30,580.47	3,005.53	34,594.00	36,325.88	(1,731.88)	38,714.00	16,260.14	22,453.86	40,199.00	-	40,199.00	1,485.00
51456	RHSP-ANNUAL CONTRIBUTION										5,953.00	-	5,953.00	5,953.00
51460	MEDICAL SPENDING ACCT FEE	56.00	-	56.00	58.00	-	58.00	40.00	-	40.00	28.00	-	28.00	(12.00)
51461	ADMINISTRATIVE FEE (STATE)	216.00	207.00	9.00	222.00	216.00	6.00	216.00	87.00	129.00	180.00	-	180.00	(36.00)
51500	MEDFLEX	5,400.00	4,597.41	802.59	5,562.00	3,874.57	1,687.43	4,800.00	1,405.06	3,394.94	5,000.00	-	5,000.00	200.00
51501	PREVENTIVE HEALTH CARE	900.00	-	900.00	927.00	-	927.00	-	-	-	-	-	-	-
51502	PREVENTIVE DENTAL CARE	-	1,007.70	(1,007.70)	-	559.60	(559.60)	900.00	439.40	460.60	750.00	-	750.00	(150.00)
51551	MEDICAL (STATE)	63,656.00	46,944.62	16,711.38	65,566.00	50,568.24	14,997.76	51,439.00	24,643.36	26,795.64	53,584.00	-	53,584.00	2,145.00
51552	DENTAL (STATE)	971.00	930.12	40.88	1,000.00	970.56	29.44	971.00	390.92	580.08	809.00	-	809.00	(162.00)
51560	BASIC LTD (STATE)	232.00	202.86	29.14	239.00	231.84	7.16	232.00	93.38	138.62	193.00	-	193.00	(39.00)
51561	STD (TOWN)	674.00	601.98	72.02	694.00	531.66	162.34	617.00	293.22	323.78	544.00	-	544.00	(73.00)
51563	SUPPLEMENTAL LTD (STATE)	860.00	899.98	(39.98)	886.00	911.28	(25.28)	1,015.00	430.62	584.38	935.00	-	935.00	(80.00)
51602	LIFE AD&D (STATE)	20.00	20.16	(0.16)	21.00	23.04	(2.04)	19.00	9.28	9.72	15.00	-	15.00	(4.00)
51603	LIFE AD&D (TOWN)	977.00	911.89	65.11	1,006.00	871.01	134.99	1,021.00	481.77	539.23	901.00	-	901.00	(120.00)
51700	WORKERS COMP	2,762.00	2,610.02	151.98	2,845.00	2,746.02	98.98	2,524.00	1,687.04	836.96	2,224.00	-	2,224.00	(300.00)
51761	PERSONNEL ADJUSTMENT	-	-	-	-	-	-	(9,158.00)	-	(9,158.00)	216,000.00	(165,785.00)	50,215.00	59,373.00
	<b>TOTAL STORMWATER PERSONNEL</b>	<b>554,863.00</b>	<b>529,276.55</b>	<b>25,586.45</b>	<b>571,510.00</b>	<b>581,675.48</b>	<b>-10,165.48</b>	<b>601,138.00</b>	<b>250,674.78</b>	<b>350,463.22</b>	<b>774,781.00</b>	<b>-165,785.00</b>	<b>608,996.00</b>	<b>7,858.00</b>

to be supplied by Finance by 2/11  
need to add 1 FTE (Job Class 112)

NET CHANGE WITH 2 NEW POSTION REQUESTS, +1)		
Position Title	FY 22	FY 23
Stormwater Manager	100%	100%
Assistant SW Manager		100%
Engineering Project Manager	100%	100%
Stormwater Engineer *	100%	100%
NPDES Administrator	100%	100%
SW O&M Administrator	100%	
SW Maintenance Administrator		100%
Stormwater Inspector	100%	100%
Town Engineer	25%	25%
Community Developmnet Director		10%
Infrastructure Services Director	10%	
GIS Analyst	50%	0%
Sustainable Practices Coordinator	20%	0%

\* Position re-title/reclass proposed: Infrastructure Asset Manager

STORMWATER

Org:	STORMWATER	FY2020			FY2021			FY2022			FY2023			
		ORIG BUDGET	ACTUALS	VARIANCE	ORIG BUDGET	ACTUALS	VARIANCE	ORIG BUDGET	YTD ACT/ENC	VARIANCE	REQUEST	ROUND 2	REVISED REQ.	VAR TO FY22
61000020	OPERATING													
<b>Object:</b>														
53010	TRAVEL	6,000.00	1,214.09	4,785.91	6,000.00	-	6,000.00	6,000.00	-	6,000.00	6,500.00	-	6,500.00	500.00
53020	MEETINGS & CONFERENCES	5,000.00	3,967.75	1,032.25	5,000.00	3,344.47	1,655.53	5,000.00	2,153.04	2,846.96	4,500.00	-	4,500.00	(500.00)
53041	PUBLIC EDUCATION	30,000.00	-	30,000.00	30,000.00	-	30,000.00	30,000.00	-	30,000.00	-	-	-	(30,000.00)
53045	MAPPING UPDATE	-	8,100.00	(8,100.00)	-	-	-	-	-	-	-	-	-	-
53047	SWU HOTLINE	1,500.00	-	1,500.00	1,500.00	-	1,500.00	1,500.00	-	1,500.00	-	-	-	(1,500.00)
53065	EMPLOYEE TRAINING	4,000.00	794.00	3,206.00	4,000.00	2,100.00	1,900.00	5,000.00	1,512.14	3,487.86	3,000.00	-	3,000.00	(2,000.00)
53320	PROFESSIONAL SERVICES	-	822.50	(822.50)	-	774.00	(774.00)	-	-	-	500.00	-	500.00	500.00
53415	ADVERTISING	-	83.78	(83.78)	-	63.47	(63.47)	10,000.00	-	10,000.00	500.00	-	500.00	(9,500.00)
54010	BOOKS SUBSCRIPTIONS DUES	2,000.00	1,715.00	285.00	2,000.00	1,745.00	255.00	3,000.00	-	3,000.00	2,000.00	-	2,000.00	(1,000.00)
54100	TOOLS & EQUIPMENT	8,000.00	4,129.98	3,870.02	8,000.00	6,570.20	1,429.80	8,000.00	983.92	7,016.08	5,500.00	-	5,500.00	(2,500.00)
54230	UNIFORMS & PROTECTIVE GEAR	3,000.00	227.79	2,772.21	3,000.00	1,316.67	1,683.33	3,000.00	404.46	2,595.54	1,500.00	-	1,500.00	(1,500.00)
54310	CELL PHONE	7,500.00	-	7,500.00	7,500.00	-	7,500.00	7,500.00	-	7,500.00	-	-	-	(7,500.00)
54400	COMPUTER SOFTWARE<\$50K	35,000.00	11,400.00	23,600.00	35,000.00	-	35,000.00	35,000.00	-	35,000.00	-	-	-	(35,000.00)
54710	OFFICE SUPPLIES	-	-	-	-	1,349.76	(1,349.76)	-	29.79	(29.79)	500.00	-	500.00	500.00
54800	VEHICLE FUEL	3,000.00	100.00	2,900.00	3,000.00	50.00	2,950.00	3,000.00	36.00	2,964.00	500.00	-	500.00	(2,500.00)
54953	FURNITURE/FIXTURES<\$5K	-	-	-	-	48.14	(48.14)	-	-	-	-	-	-	-
55316	PLANS/COPIES	-	-	-	-	2,588.70	(2,588.70)	-	-	-	500.00	-	500.00	500.00
55320	LEGAL	8,000.00	3,220.50	4,779.50	8,000.00	841.50	7,158.50	7,800.00	1,065.00	6,735.00	2,000.00	-	2,000.00	(5,800.00)
55601	BEAUFORT CNTY SWU ADMIN FEE	139,000.00	159,981.76	(20,981.76)	142,000.00	151,320.09	(9,320.09)	145,000.00	26,872.01	118,127.99	110,000.00	-	110,000.00	(35,000.00)
55603	PERMITTING	2,000.00	2,000.00	-	2,000.00	2,000.00	-	2,000.00	-	2,000.00	2,000.00	-	2,000.00	-
55605	WATER QUALITY MONITORING	105,000.00	83,416.50	21,583.50	105,000.00	91,665.00	13,335.00	105,000.00	-	105,000.00	105,000.00	(105,000.00)	-	(105,000.00)
	<b>TOTAL STORMWATER OPERATING</b>	<b>359,000.00</b>	<b>281,173.65</b>	<b>77,826.35</b>	<b>362,000.00</b>	<b>265,777.00</b>	<b>96,223.00</b>	<b>376,800.00</b>	<b>33,056.36</b>	<b>343,743.64</b>	<b>244,500.00</b>	<b>-105,000.00</b>	<b>139,500.00</b>	<b>-237,300.00</b>

moving WQ monitoring to Stormwater Programs

Org:	STORMWATER	FY2020			FY2021			FY2022			FY2023			
		ORIG BUDGET	ACTUALS	VARIANCE	ORIG BUDGET	ACTUALS	VARIANCE	ORIG BUDGET	YTD ACT/ENC	VARIANCE	REQUEST	ROUND 2	REVISED REQ.	VAR TO FY22
61000040	CAPITAL													
<b>Object:</b>														
55135	EQUIPMENT>\$5K	-	-	-	30,000.00	-	30,000.00	-	-	-	-	-	-	-
55160	VEHICLES	-	-	-	-	-	-	35,000.00	-	35,000.00	-	-	-	(35,000.00)
	<b>TOTAL STORMWATER CAPITAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>30,000.00</b>	<b>0.00</b>	<b>30,000.00</b>	<b>35,000.00</b>	<b>0.00</b>	<b>35,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-35,000.00</b>

need to see if ford ranger is a SW vehicle



STORMWATER

Org:	STORMWATER	FY2020			FY2021			FY2022			FY2023			
		ORIG BUDGET	ACTUALS	VARIANCE	ORIG BUDGET	ACTUALS	VARIANCE	ORIG BUDGET	YTD ACT/ENC	VARIANCE	REQUEST	ROUND 2	REVISED REQ.	VAR TO FY22
61000041	DEBT SERVICES / OTHER													
Object:														
57122	INTEREST	279,000.00	269,954.89	9,045.11	264,000.00	216,558.96	47,441.04	100,358.00	50,228.75	50,129.25	84,817.00	-	84,817.00	(15,541.00)
57123	OTHER CHARGES	99,137.00	6,500.00	92,637.00	20,490.00	150,500.00	(130,010.00)	54,704.00	-	54,704.00	30,000.00	-	30,000.00	(24,704.00)
58000	DEPRECIATION	1,235,000.00	1,213,576.37	21,423.63	1,250,000.00	1,285,588.32	(35,588.32)	1,100,000.00	550,000.02	549,999.98	1,118,451.00	-	1,118,451.00	18,451.00
	AMORTIZATION LOSS ON REFUNDING/COI	-	89,556.00	(89,556.00)	-	91,532.04	(91,532.04)	-	-	-	91,532.00	-	91,532.00	91,532.00
	<b>TOTAL STORMWATER DEBT SVC.</b>	<b>1,613,137.00</b>	<b>1,579,587.26</b>	<b>33,549.74</b>	<b>1,534,490.00</b>	<b>1,744,179.32</b>	<b>-209,689.32</b>	<b>1,255,062.00</b>	<b>600,228.77</b>	<b>654,833.23</b>	<b>1,324,800.00</b>	<b>0.00</b>	<b>1,324,800.00</b>	<b>69,738.00</b>

Org:	STORMWATER	FY2020			FY2021			FY2022			FY2023			
		ORIG BUDGET	ACTUALS	VARIANCE	ORIG BUDGET	ACTUALS	VARIANCE	ORIG BUDGET	YTD ACT/ENC	VARIANCE	REQUEST	ROUND 2	REVISED REQ.	VAR TO FY22
Various	<b>PROGRAMS</b>													
Object:														
Various	HILTON HEAD PLANTATION	127,000.00	265,208.11	(138,208.11)	95,000.00	157,338.70	(62,338.70)	-	-	-	-	-	-	-
	INDIGO RUN	84,000.00	59,297.75	24,702.25	82,000.00	162,874.09	(80,874.09)	-	-	-	-	-	-	-
	LONG COVE	5,000.00	-	5,000.00	-	4,705.12	(4,705.12)	-	11,764.58	(11,764.58)	-	-	-	-
	LEAMINGTON	10,000.00	13,532.92	(3,532.92)	25,000.00	4,603.60	20,396.40	-	2,889.98	(2,889.98)	-	-	-	-
	PALMETTO DUNES	44,000.00	-	44,000.00	4,000.00	9,300.31	(5,300.31)	-	-	-	-	-	-	-
	PALMETTO HALL	146,000.00	74,846.88	71,153.12	15,000.00	1,389.00	13,611.00	-	-	-	-	-	-	-
	PORT ROYAL	9,000.00	29,311.15	(20,311.15)	40,000.00	43,930.46	(3,930.46)	-	-	-	-	-	-	-
	SHELTER COVE	-	45,833.29	(45,833.29)	-	-	-	-	-	-	-	-	-	-
	SHIPYARD	20,000.00	147,614.63	(127,614.63)	20,000.00	94,802.15	(74,802.15)	20,000.00	97,797.03	(77,797.03)	-	-	-	(20,000.00)
	SEA PINES	575,000.00	569,717.54	5,282.46	456,000.00	677,965.10	(221,965.10)	250,000.00	215,693.55	34,306.45	-	-	-	(250,000.00)
	SPANISH WELLS	-	-	-	-	-	-	-	-	-	-	-	-	-
	WEXFORD	25,000.00	118,908.38	(93,908.38)	35,000.00	46,169.43	(11,169.43)	25,000.00	75,804.42	(50,804.42)	-	-	-	(25,000.00)
	NON-PUD	1,248,000.00	696,537.60	551,462.40	1,130,000.00	669,481.82	460,518.18	558,000.00	191,220.84	366,779.16	-	-	-	(558,000.00)
	CONTINGENCY-PUD	190,000.00	-	190,000.00	500,000.00	221,540.24	278,459.76	-	-	-	800,000.00	(800,000.00)	-	-
	CONTINGENCY-NON-PUD	215,000.00	-	215,000.00	350,000.00	1,889.00	348,111.00	-	-	-	600,000.00	(600,000.00)	-	-
	CONTINGENCY-PUMP STATION	50,000.00	-	50,000.00	50,000.00	-	50,000.00	135,000.00	-	135,000.00	330,000.00	(330,000.00)	-	(135,000.00)
	WATER QUALITY MONITORING MODELING AND ANALYSIS													
	• INVENTORY & MODELING, SEA PINES													
	• RESILIENCY SWOT/ SEA LEVEL RISE STUDY													
	ROUTINE MAINTENANCE	-	-	-	-	77,358.02	(77,358.02)	-	26,747.93	(26,747.93)	370,000.00	(370,000.00)	-	-
	• POND MAINTENANCE													
	• STREET SWEEPING													
	• CHANNEL MAINTENANCE													
	CORRECTIVE MAINTENANCE													
	• PUBLIC SYSTEM													
	• POA AGREEMENT SYSTEMS													
	PUMP STATION MAINTENANCE													
	MAINTENANCE PROGRAMS CONTINGENCY													
	<b>TOTAL STORMWATER PROJECTS</b>	<b>2,748,000.00</b>	<b>2,020,808.25</b>	<b>727,191.75</b>	<b>2,802,000.00</b>	<b>2,173,347.04</b>	<b>628,652.96</b>	<b>988,000.00</b>	<b>621,918.33</b>	<b>366,081.67</b>	<b>2,100,000.00</b>	<b>705,000.00</b>	<b>2,805,000.00</b>	<b>1,817,000.00</b>

changed "Projects" to "Programs"

all maintenance agreement projects (17 agreements)

all public system projects

retitled as "Pump Station Maintenance"

moving WQ monitoring from Operating Expenses

allocate \$250K from reserve funds to cover this expanded to show funding for 3 programs below

18 previously titled "NON-PUD"

41 previously titled "PUD" (17 agreements now)

routine maintenance, inspection, and operation

Org:	STORMWATER	FY2020			FY2021			FY2022			FY2023			
		ORIG BUDGET	ACTUALS	VARIANCE	ORIG BUDGET	ACTUALS	VARIANCE	ORIG BUDGET	YTD ACT/ENC	VARIANCE	REQUEST	ROUND 2	REVISED REQ.	VAR TO FY22
61006	TRANSFERS													
Object:														
62110	TRANSFER TO GENERAL FUND	125,000.00	125,000.00	-	150,000.00	125,000.00	25,000.00	155,000.00	77,500.02	77,499.98	125,000.00	-	125,000.00	(30,000.00)
62300	TRANSFER TO CIP	-	-	-	-	-	-	2,089,000.00	2,089,000.00	-	1,000,000.00	(170,000.00)	830,000.00	(1,089,000.00)
	<b>TOTAL STORMWATER TRANSFERS</b>	<b>125,000.00</b>	<b>125,000.00</b>	<b>0.00</b>	<b>150,000.00</b>	<b>125,000.00</b>	<b>25,000.00</b>	<b>2,244,000.00</b>	<b>2,166,500.02</b>	<b>77,499.98</b>	<b>1,125,000.00</b>	<b>-170,000.00</b>	<b>955,000.00</b>	<b>-1,119,000.00</b>
	<b>TOTAL STORMWATER EXPENSES</b>	<b>5,400,000.00</b>	<b>4,535,845.71</b>	<b>864,154.29</b>	<b>5,450,000.00</b>	<b>4,889,978.84</b>	<b>560,021.16</b>	<b>5,500,000.00</b>	<b>3,672,378.26</b>	<b>1,750,121.76</b>	<b>5,569,081.00</b>	<b>264,215.00</b>	<b>5,833,296.00</b>	<b>503,296.00</b>

5 Projects

Cordillo Courts Improvements	50,000.00
MoonShell (Folly Field), construct	80,000.00
Gum Tree Road, design & construct	125,000.00
Jarvis Flap Gates, design & construct	500,000.00
Wexford Debris System, design	75,000.00
	830,000.00



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# Strategic Action Plan



# Strategic Action Plan

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## Introduction

The strategic plan is a result of input from both the citizens and the Town leadership team into the future development and growth of the Town.

The goal of the Strategic Plan is to build an alignment of strategies, projects, and performance measures to address Town of Hilton Head Island focus areas and guiding principles. The Strategic Plan is a compass to continuously make proactive decisions on maintaining and improving the Town's core functions in the following **Strategic Focus Areas**:

- Pursuit of Excellence
- Environmental Sustainability
- Revitalize Economy
- Inclusive Community
- Connected Community
- Regional Focus
- Right Sized Infrastructure
- Parks and Recreation

The Strategic Plan Action Agenda establishes a road map for activities and initiatives that will achieve the vision for the Town and ensure that Hilton Head Island is poised to capitalize on opportunities to advance key initiatives. The Action Plan links to the Town's budget process, staff work plans and performance evaluations, Town-wide performance measures and Town Council agenda to ensure the day-to-day relevancy and effectiveness of the Plan.

The Town organization is committed to:

- Providing world-class service, facilities, leisure and recreational opportunities for residents and guests;
- Providing financial stability and economic development by promoting services in the most cost-effective manner while protecting the high level of service quality the Town has become known for;
- Providing an open town government to make participation in local government activities possible for all residents;
- Providing enhanced customer service, innovation, and employee engagement;
- Investing in **impactful** capital projects and community infrastructure;
- Providing community and environmental vitality to preserve the Town's character while promoting a sense of pride for its citizens;
- Promoting unity while supporting diversity to honor the strength of diversity in our community; and
- Using the consolidated budget as a catalyst to implement change and improvement

The Town's [Strategic Action Plan](#) was adopted by Town Council on December 7, 2021, and is presented on the following pages.



Town of Hilton Head Island

# STRATEGIC ACTION PLAN

**FY**

**2021-2022**









# Stephen G. Riley Municipal Complex

MAIN ENTRANCE

  
Business Licenses  
Planning & Building  
Information  
Tax Payments  
Town Receptionist

TOWN HALL NEWS





# CONTENTS

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- 4** Greetings from the Mayor
- 4** A Word from the Town Manager
- 5** Town Council
- 5** Town of Hilton Head Island
- 5** Our Mission
- 6** Town Organization Chart
- 7** Acknowledgments
- 8** Introduction
- 12** Goals, Strategies & Tactics
- 18** Strategic Initiatives



## Greetings from the Mayor

**John J. McCann**



The roadmap to success begins with a plan. We recently adopted Our Plan, a comprehensive, informational guide that sets the foundation for Hilton Head Island's growth and development, and that reflects integral components of our community fabric. This framework set the stage for the creation and adoption of our companion Strategic Plan that lays out what we hope to accomplish over the next three years.

The beauty of this strategic plan is the community input which drove the ideas and projects that Town staff thoroughly explored, discussed and prioritized. Our overall aim is to be a strong, vibrant community that celebrates our history and culture, preserves our beautiful environment, builds upon our economy in new ways, and embraces the regionality that will benefit us and our neighboring municipalities. There are both challenging and exciting projects ahead of us that we have to intentionally address if we aspire to be a connected and inclusive community – the development of our mid-Island tract of land on the north end of the Island, census redistricting, and the William Hilton Parkway (278) Corridor Improvement Project to name a few.

Our Town Council and our Town Staff are committed to addressing our challenges and delivering best-in-class public service to our residents, but we always need your support. We are proud of this strategic plan and the breadth of projects that will enhance the quality of life for our residents, now and into the future.

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## A Word from the Town Manager

**Marc Orlando, ICMA-CM**



It is my pleasure to present the Town of Hilton Head Island's Strategic Plan for fiscal years 2022 and 2023. This plan represents the first organization-wide and policy driven strategic plan the Town has written in recent years. It follows the adoption of our comprehensive plan, Our Plan, and incorporates the mission, vision, and core values of Our Plan: pursuit of excellence, environmental sustainability, revitalize economy, inclusive community, connected community, regional focus, right-sized infrastructure, parks and recreation, and town organization.

The Strategic Plan clearly articulates Town priorities and gives Town leaders, staff members and residents a blueprint of the Town's work plan while providing a framework for budgetary and policy decisions. Our comprehensive plan, our budget and our strong commitment to provide world-class municipal services for our community underlies every strategic objective. As we navigate our future, this document will provide us guidance on where, when and how to use our Town's resources.

I am privileged to work with and lead our staff as we execute our Strategic Plan. Thank you to our Mayor and Town Council for their vision and support, the Novak Group and its facilitators who assisted in our strategic planning workshop, and our many partners and stakeholders whose input resulted in Our Plan, the 10-year comprehensive plan upon which we have built our strategic direction. I also express my gratitude to Town staff who are truly committed to carrying out our mission of promoting the health and vitality of the community we serve through ethical and inclusive programs, policies and actions.

## Town Council



**Bill Harkins**  
Mayor Pro-Tem / Ward 2



**Alex Brown**  
Ward 1



**David Ames**  
Ward 3



**Tamara Becker**  
Ward 4



**Tom Lennox**  
Ward 5



**Glenn Stanford**  
Ward 6

## Town of Hilton Head Island

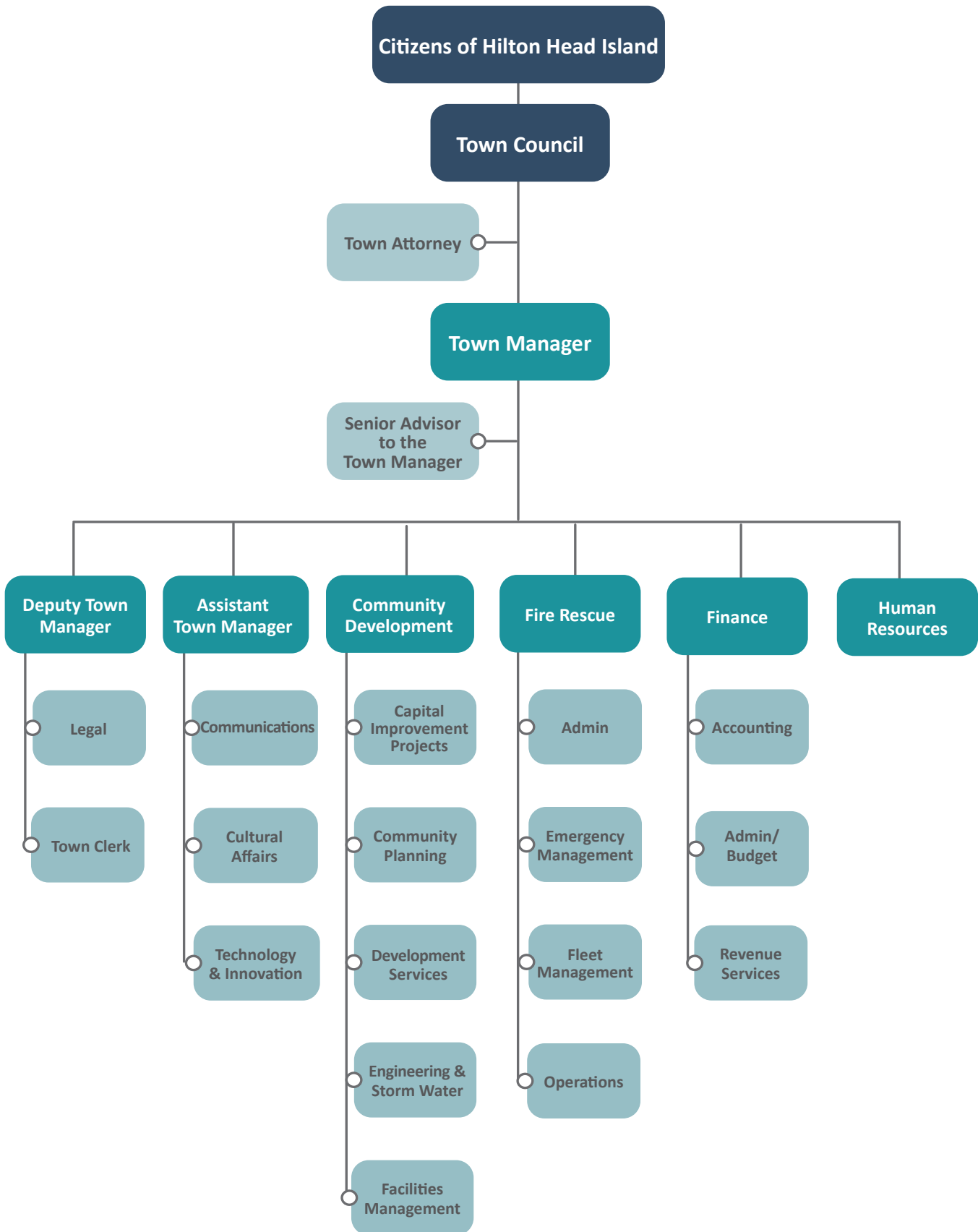
Incorporated in 1983 as a limited services government, the Town of Hilton Head Island proudly serves a diverse community of more than 40,000 residents and over 2.5 million annual visitors in all facets of life, work, and recreation. Each day, a devoted workforce of 119 Town Hall staff and 142 Fire Rescue staff come together to ensure the needs of the community are met through municipal service.

To guide this effort, the Town of Hilton Head Island operates under a clear mission statement and vision towards revitalization and modernization of its economy and infrastructure while building an inclusive and diverse community.

### Our Mission

The Town of Hilton Head Island's mission is to promote the health and vitality of the community we serve through ethical and inclusive programs, policies and actions.

# TOWN ORGANIZATION CHART



# ACKNOWLEDGMENTS

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## Town Council

John J. McCann, *Mayor*

William D. Harkins, *Mayor Pro-Tem, Ward 2*

Alex Brown, *Ward 1*

David Ames, *Ward 3*

Tamara Becker, *Ward 4*

Thomas W. Lennox, *Ward 5*

Glenn Stanford, *Ward 6*

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## Town Staff

### Executive

Marc Orlando, ICMA-CM, *Town Manager*

Joshua A. Gruber, JD, MPA, *Deputy Town Manager*

Angie Stone, IPMA-SCP, *Assistant Town Manager*

Shawn A. Colin, AICP, *Senior Policy Advisor to Town Manager*

Krista Wiedmeyer, *Town Clerk*

### Departments

Jeff Buckalew, PE, *Interim Infrastructure Services Director*

Carolyn Grant, *Communications Director*

Jenn McEwen, *Director of Cultural Affairs*

Jennifer B. Ray, *Capital Program Manager*

Lisa Stauffer, *Director of Human Resources*

Brad Tadlock, *Fire Chief*

John Troyer, *Finance Director*

John Tuttle, *Technology & Innovation Director*

Chris Yates, *Interim Community Development Director*

### Contributors

Taylor Ladd, *Senior Planner & Our Plan Project Lead*

Kelly Spinella, *Communications & Marketing Administrator*





# INTRODUCTION



# STRATEGIC ACTION PLAN

## Purpose

A strategic action plan presents in sufficient detail the intended activities of staff and associated agencies necessary to successfully implement the policy directions of Town Council in furthering the Town’s Mission. By clearly identifying agreed upon Focus Areas in this Plan and the corresponding Strategic Initiatives (initiatives) within these Focus Areas, the Town will be able to:

- Develop appropriate operating budgets;
- Identify and prioritize capital improvement projects;
  - Assist in potential revisions to existing capital improvement projects;
- Define new projects and strategic initiatives and ensure that they are matched to appropriate staff and Town resources;
- Create realistic project schedules that are in-line with established Town Council priorities; and
- Develop accountability within the project implementation process by communicating the status of active strategic initiatives and by creating measurable analytics that are clear indicators of successful performance.

## How the Plan Will be Used

The Strategic Action Plan (Plan) will be updated annually as a road-map for staff to follow while implementing the identified Strategic Initiatives. All initiatives that are not capital improvement projects and require a significant investment of staff support or other similar administrative resources are also included in the Plan.

Adherence to the prioritized initiatives contained within this document will help to ensure that staff have the sufficient time and resources necessary to successfully meet expectations. The use of this Plan will also allow for budgetary decisions to be clearly identified and correlated to each initiative. The Plan should be regularly updated as part of the overall annual budget adoption process.

Any new Strategic Initiatives identified by Town Council following the adoption of the Plan will require coordination with the Town Manager to determine how such projects are ultimately implemented in light of any ongoing project(s) within the approved Plan. This will result in either a reprioritization of ongoing projects or the inclusion of new initiatives as part of future annual strategic action plans and operational budgets.



## What is Not Part of the Plan

Strategic planning is an organizational management tool that is used to determine priorities, focus time and resources, strengthen organizational operations, and ensure that employees and external stakeholders are working toward common goals. Strategic planning helps to define where an organization is going for its future and what it will take to get there. Because of this it does not include routine operations, budgeted expenditures, or day-to-day core functions, and it removes focus from short-term projects.

## How the Plan Is Updated

Ensuring that a strategic plan is up-to-date and sustainable relies on adherence to the following development cycle:



**Strategic Planning Process:** This process involves the annual strategic planning retreat of Town Council where the elected officials review the Town’s Vision and Mission statements and set forth the general goals and strategies that they would like to see accomplished within the upcoming performance cycle to support that Vision and Mission.

**Annual Strategic Action Plan and Budget Adoption:** This is Town staff’s development of a strategic action plan and corresponding fiscal budget to support the identified goals and strategies that Town Council desires to be prioritized. This plan identifies the projects to be completed in detail and sets forth the performance measures for each project.

**Achievement and Progress Reporting:** An annual report will be presented to and reviewed with Town Council identifying the level of progress achieved for each initiative included in the adopted plan.







# GOALS, STRATEGIES & TACTICS



# GOALS, STRATEGIES & TACTICS

Strategic planning in the governmental sector entails the purposeful allocation of limited resources through clearly identified actions that are intended to exceed customer expectations in delivering public services. Developing a dynamic yet achievable strategic action plan can be a very challenging undertaking. In order to create such a plan there must be a clear understanding of the following: what are the agency's goals; what are the strategies necessary to achieve those goals; and, what are the tactics that will be undertaken to accomplish those strategies?

At the root of many strategic planning challenges is a lack of clarity between these key planning concepts. Without a clear definition, the terms for goals, strategies and tactics can all be used interchangeably and ultimately ineffectively.

Within Our Plan, the Town has defined a "goal" as the direct application of the Our Plan vision or aspirations to the key ideas and opportunities identified for each Core Value. We define "strategy" as the primary implementation approach under Our Plan as a plan of action. And, we define "tactic" as a secondary implementation approach under Our Plan as a specific tool or action item.

- **Goal:** an aspiration; a desired outcome
- **Strategy:** a plan of action
- **Tactic:** a tool or action item



# OUR PLAN: SETTING OUR GOALS

The Town of Hilton Head Island adopted Our Plan, the 2020 to 2040 Comprehensive Plan, as a dynamic policy development tool that reflects many integral components of the Island's community fabric. It is intended to be used as a guide book for the Town and community leaders as they seek to strengthen and preserve the Island's character while effectively overseeing the Island's growth and development. In developing Our Plan's goals, emphasis was placed on revitalizing and modernizing the Island's economy and infrastructure while at the same time building an inclusive and diverse community.

## OUR 2020-2040 VISION

Reinventing Sustainability... Again!

To focus on revitalization and modernization, and to build an inclusive and diverse community.

Achieving these goals will result in a community that is balanced in the areas of viable economic development, a resilient built environment, and equitable social conditions. In order to achieve many of the goals identified within Our Plan, it is necessary to develop an effective Strategic Action Plan that will clearly engage and communicate to both internal and external stakeholders.

### Key Community Themes

The development of Our Plan utilized extensive community input as part of the plan creation process. During these discussions, many of the same recurring ideas became clearly defined and were subsequently organized into 10 Key Community Themes:

- 1 Adopt and pursue **Our Ideals of Excellence**.
- 2 Protect and preserve the natural environment.
- 3 Manage evolving growth while maintaining the Island's unique aesthetic.
- 4 Provide exceptional quality of life offerings in arts, culture, and recreation with best-in-class facilities and programming.
- 5 Develop creative revenue sources to fund the delivery of capital services, maintenance, operations, and projects meeting the needs of the Town, residents, and visitors.
- 6 Recognize, respect, and promote multi-dimensional diversity on the Island.
- 7 Promote efficient and secure public services to meet current and future needs.
- 8 Plan for and mitigate the effects of climate change, environmental or health concerns, and natural disasters.
- 9 View the region as a partner, not a competitor.
- 10 Foster a healthy, self-sustaining community that encourages economic, cultural, and demographic diversity.

# OUR IDEALS OF EXCELLENCE

## TO BE A COMMUNITY THAT

- 1 Is welcoming, inclusive, values diversity, safe, and people focused.
- 2 Is recognized as an excellent place to live, work, and visit.
- 3 Preserves, values, and recognizes its history.
- 4 Attracts businesses and residents who identify with and appreciate the Hilton Head Island community *Ideals of Excellence* and Core Values.
- 5 Is recognized as a best-in-class destination where visitors are welcomed and the economic impact of tourism is valued.
- 6 Protects the natural environment as a unique quality of our identity.

**FOR  
OUR  
PLACE**

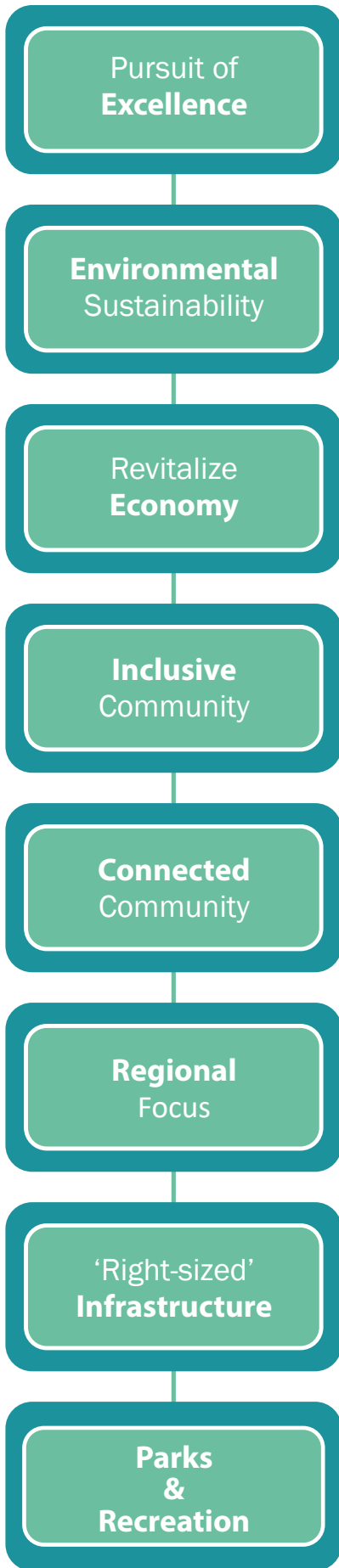
- 7 Prioritizes the greater good.
- 8 Attracts and maintains a diverse and multi-dimensional residential population, providing a competitive live-work option.
- 9 Recognizes the benefit and value of arts, culture, recreation, healthy living, and education for the community.

**FOR  
OUR  
PEOPLE**

- 10 Fosters a collaborative, transparent, and inclusive environment when resolving concerns or planning for the future.
- 11 Considers sustainability as foundational to the Island's development and redevelopment of environmental and economic projects and policies.
- 12 Fosters a spirit of inspiration and leads by example.
- 13 Uses innovation and learning to continually develop and apply best practices and standards for processes and projects.
- 14 Continually adapts the Core Values and Comprehensive Plan to meet the needs of the present and future.

**FOR  
OUR  
PLANNING  
&  
PROCESS**

# CORE VALUES & FOCUS AREAS



Focus Areas

The broad goals developed following the Key Community Themes were the foundation for the strategies outlined by Core Value within the Our Plan document. Further, this Strategic Action Plan has identified Focus Areas that correspond with and are anchored in the Core Values and Parks and Recreation. The Our Plan Core Values are shown below. The corresponding Focus Areas for this Plan are shown in the column to the left.

While Parks and Recreation is an Element and not a Core Value in Our Plan, it is included in this Plan as a Focus Area. Parks and Recreation is representative of significant investment by the Town in numerous capital projects and initiatives, and it is a key factor of an Inclusive Community.



Our Plan Core Values with Goals by Keyword

# CORE VALUES & FOCUS AREAS

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## Summary

This Plan is the guiding document the Town will use to determine how to best utilize the Town’s resources over the next one to two years. Our Plan, this Strategic Action Plan and the Town’s annual budget are all complementary puzzle pieces which fit together and guide the Town’s work during this time.

Implementing these prioritized policies of the Town will require discipline and collaboration between the Town Council, Town Manager, staff and various external stakeholders. However, in accomplishing these objectives we will be known as an Island that is recognized for its world-class environments, that embodies the tenets of sustainability, and is recognized as a leader in delivering quality public services.





# STRATEGIC INITIATIVES





# STRATEGIC INITIATIVES

This section presents the **65** Strategic Initiatives which summarize the Town’s annual Strategic Action Plan. These projects prioritize the allocation of resources over the course of Fiscal Years 2021 and 2022 and define staff’s primary workload. This section is broken down into a summary of Strategic Initiatives by Focus Area followed by a more in-depth description of each initiative:

## Strategic Initiatives Summary

In the Summary, the Strategic Initiatives are presented by the Focus Area they support. Each listing includes the initiative name and the nature of the initiative as either Policy, Project, or Operational. It also indicates the fiscal year in which the initiative was started or is anticipated to start.

- **Policy** – Strategic Initiatives which are strategic by virtue of their legal origin and require formal action on the part of Town Council in order to accomplish. For example, amendments to Town of Hilton Head Island Ordinances, formal Resolutions, creation of new policies or revisions to existing ones, etc.
- **Project** – Strategic Initiatives which are well defined and are strategic because of the substantial commitment to resources required to accomplish them. For example, priority investment construction projects.
- **Operational** – Strategic Initiatives that consist of tasks or other activities executed by Town staff in order to provide enhanced service to Town residents, strategic partners or other customers.

## Strategic Initiatives Descriptions

This section provides more detailed one to two-page descriptions about each of the Plan’s Strategic Initiatives. The initiatives are sorted by their respective Focus Areas, then by initiative type: Policy, Project, or Operational. The descriptions include the following information:

- Strategic Initiative Name
- Starting Fiscal Year
- Strategic Initiative Type
- Focus Area
- Staff Project Manager
- Department of Primary Responsibility
- Initiative Description





Strategic Initiatives Summary

# PURSUIT OF EXCELLENCE

# PURSUIT OF EXCELLENCE

Require and sustain excellence of Place, People, Planning, and Process.

## POLICY

- Implement American Rescue Plan Funding Appropriation**  
FY Start: 2021
- Assess Alternative Revenue Sources**  
FY Start: 2021
- Implement Parking Master Plan**  
FY Start: 2022
- Adopt & Implement Short Term Rental Regulations**  
FY Start: 2022
- Implement Affiliated Agency Town Funding Process**  
FY Start: 2022
- Adopt & Implement 2020 Census Redistricting**  
FY Start: 2022
- Implement Cultural Affairs Strategic Plan**  
FY Start: 2022
- Strengths, Weaknesses, Opportunities & Threats (SWOT) Assessment of Financial Policies**  
FY Start: 2022

# PURSUIT OF EXCELLENCE

Require and sustain excellence of Place, People, Planning, and Process.

## POLICY

**Adopt Real Estate Transfer Fee Extension & Expansion**

FY Start: **2022**

**Adopt & Implement Beach Master Plan**

FY Start: **2023**

**Enhance Beach Shuttle Services**

FY Start: **2023**

**Establish Island Brand Development Strategy**

FY Start: **2023**

**Adopt & Implement a Human Resources Strategic Plan**

FY Start: **2023**

**Adopt & Implement a Technology & Innovation Strategic Plan**

FY Start: **2023**

# PURSUIT OF EXCELLENCE

Require and sustain excellence of Place, People, Planning, and Process.

## OPERATIONAL

### **Respond to COVID-19 Pandemic**

FY Start: 2020

### **Improve Permitting & Plan Review Process**

FY Start: 2021

### **Conduct & Respond to Employee Satisfaction Survey**

FY Start: 2021

### **Improve Administrative Support Process for Boards, Commissions & Committees**

FY Start: 2021

### **Research Trends & Implement Best-in-Class Municipal Services Delivery**

FY Start: 2021

### **Acquire Fire Rescue Center for Public Service Excellence Re-accreditation**

FY Start: 2021

### **Implement Fire Rescue Strategic Plan**

FY Start: 2021

### **Enhance Communications Plan with Strong Social Media Emphasis**

FY Start: 2021

# PURSUIT OF EXCELLENCE

Require and sustain excellence of Place, People, Planning, and Process.

## OPERATIONAL

**Create a Culture of High Organizational Performance**

FY Start: 2022

**Implement SeeClickFix Mobile & Website Application**

FY Start: 2022





Hector Esquivel  
1938-2019



Strategic Initiatives Summary

# ENVIRONMENTAL SUSTAINABILITY



# ENVIRONMENTAL SUSTAINABILITY

Create a resilient and sustainable environment through planning and policy.

## POLICY

**Implement Beach Renourishment Program & Update Beach Management Plan**

FY Start: 2022

**Identify Strengths, Weaknesses, Opportunities & Threats (SWOT) of Hilton Head Island Solid Waste & Recycling**

FY Start: 2023

**Work with Public Service Districts (PSDs) on Long-Term Capital Projects**

FY Start: 2023

**Identify Strengths, Weaknesses, Opportunities & Threats (SWOT) of Hilton Head Island Resiliency**

FY Start: 2023

## OPERATIONAL

**Establish National Leadership Credibility in Environmental Sustainability & Resource Protection**

FY Start: 2021

**Acquire Audubon International “Sustainable Community” Recertification**

FY Start: 2021



Strategic Initiatives Summary

# REVITALIZE ECONOMY

# REVITALIZE ECONOMY

Create an Island-appropriate economy that has sufficient depth and breadth to attract and support a diverse resident, visitor, and business population.

## POLICY

- Adopt Municipal Association of South Carolina (MASC) Model Business License Ordinance**  
FY Start: 2021
- Develop Town-Owned Property Management, Asset Management & Utilization Plan**  
FY Start: 2021
- Implement Destination Marketing Organization (DMO) Marketing Plan & Measure Performance**  
FY Start:2021
- Establish Economic Development Strategy**  
FY Start:2022
- Establish a Historic & Cultural District Development Corporation**  
FY Start: 2023



Strategic Initiatives Summary

# INCLUSIVE COMMUNITY

# INCLUSIVE COMMUNITY

Foster a multi-dimensional, equitable, and diverse community.

## POLICY

**Implement Gullah Geechee Task Force Work Plan**

FY Start: 2021

**Establish Public Institutional Partnership with USCB to Support Arts & Cultural Organizations**

FY Start: 2021

**Adopt Annual HUD/CDBG Entitlement Program**

FY Start: 2021

**Develop Landmark Protection Program**

FY Start: 2022

**Conduct Community Engagement Survey**

FY Start: 2023

# INCLUSIVE COMMUNITY

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Foster a multi-dimensional, equitable, and diverse community.

## OPERATIONAL

**Assist with Implementing Mitchelville Master Plan**

FY Start: 2021

**Incorporate Public Art & Culture Projects  
into New & Existing Parks**

FY Start: 2021





Strategic Initiatives Summary

# CONNECTED COMMUNITY



# CONNECTED COMMUNITY

Facilitate true connectivity in Island physical, social, and cultural environments.

## POLICY

### **Assist with St. James Baptist Church Relocation**

FY Start: 2020

### **Adopt e-Bike & e-Scooter Usage/Regulations**

FY Start: 2021

### **Adopt Mid Island Redevelopment Strategy & Park Master Plan**

FY Start: 2022

### **Develop Hilton Head Island Growth Framework & Illustrative Master Plan**

FY Start: 2022

### **Conduct Strengths, Weaknesses, Opportunities & Threats (SWOT) Analysis of Land Management Ordinance (LMO)**

FY Start: 2023

# CONNECTED COMMUNITY

Facilitate true connectivity in Island physical, social, and cultural environments.

## OPERATIONAL

### Update Town Website

FY Start: 2021

### Conduct Strengths, Weaknesses, Opportunities & Threats (SWOT) Analysis of High Speed Fiber/Cellular Capabilities

FY Start: 2023

### Establish Sustainable Environmental Practices Social Media Campaign

FY Start: 2023







Strategic Initiatives Summary

# REGIONAL FOCUS

# REGIONAL FOCUS

Evaluate how regional expansion will impact immediate and future social, economic, and political planning and policy.

## POLICY

### **Assess Revisions of Beaufort County Impact Fee**

FY Start: 2021

### **Assess Creation of Regional Housing Trust Fund**

FY Start: 2021

### **Update Lowcountry Area Transportation Study (LATS) Long-Range Transportation Plan**

FY Start: 2021

### **Establish Reoccurring Regional Joint Meetings between Hilton Head Island & Beaufort County Council**

FY Start: 2022

### **Evaluate Access between Hilton Head Island & the Greater Region through Viable Multi-Modal Transportation**

FY Start: 2023



Strategic Initiatives Summary

# 'RIGHT-SIZED' INFRASTRUCTURE

# 'RIGHT-SIZED' INFRASTRUCTURE

Align the community's physical, environmental, and social values with the Capital Improvements Program (CIP) and infrastructure planning.

## POLICY

**Implement Workforce & Affordable Housing Strategy**

FY Start: 2020

**Develop William Hilton Parkway Gateway Corridor Plan**

FY Start: 2021

**Assess Main Street Right-of-Way Acquisition**

FY Start: 2021

**Adopt Community Addressing Ordinance**

FY Start: 2023

**Adopt Traffic Calming Policy**

FY Start: 2023

## PROJECT

**Assist with Cross Island Parkway Toll Booth Removal & Reconfiguration**

FY Start: 2021

**Implement Capital Improvement Program (CIP)**

FY Start: 2022



Strategic Initiatives Summary

# PARKS & RECREATION



# PARKS & RECREATION

Implement the Parks + Recreation Master Plan.

## OPERATIONAL

### Establish Parks & Recreation Marketing Plan

FY Start: 2021

### Assist with Ford Shell Ring Park Development

FY Start: 2021

### Establish Beaufort County & Hilton Head Land Trust Northridge Conservation Tract Partnership

FY Start: 2023





Strategic Action Plan  
**Fiscal Years 2021 to 2022**  
for the  
**Town of Hilton Head Island, South Carolina**  
Adopted by Town Council Resolution 2021-19  
December 7, 2021



Prepared by the  
**Town of Hilton Head Island**

One Town Center Court  
Hilton Head Island, South Carolina 29928  
[hiltonheadislandsc.gov](http://hiltonheadislandsc.gov)



**Financial Structure Multiyear  
All Governmental Funds**

# Financial Structure Multiyear – All Governmental Funds

The chart below reflects all funds used by the Town to manage its financial resources for Fiscal Years 2020 through 2023. Budgets are formally adopted by Town Council for the General Fund, Debt Service Fund, and Capital Projects Fund.

Fiscal Year 2023 (ESTIMATED)	Tax Increment			Beach			Capital Projects	Natural Disasters	Non-major Funds	Total Governmental	
	General	Financing District	State Accom-odations Tax	Real Estate Transfer Fees	Preservation Fees	Hospitality Fees					Debt Service
<b>REVENUES</b>	38,312,058	5,590,350	12,191,522	5,171,250	11,441,280	8,733,470	5,414,336	14,258,234	-	2,690,000	103,802,500
<b>EXPENDITURES</b>	48,621,804	-	6,637,457	51,713	39,000	-	19,374,081	45,671,933	-	228,000	120,623,988
Excess(Deficit)of Revenues and Exp.	(10,309,746)	5,590,350	5,554,065	5,119,538	11,402,280	8,733,470	(13,959,745)	(31,413,699)	-	2,462,000	(16,821,488)
Other Sources and Uses (net)	10,309,746	(8,267,799)	(5,554,211)	(1,097,350)	(8,785,883)	(13,492,587)	13,959,745	31,413,699	(3,537,765)	(12,792,477)	2,155,118
Net change in fund balance	-	(2,677,449)	(146)	4,022,188	2,616,397	(4,759,117)	-	-	(3,537,765)	(10,330,477)	(14,666,370)
Fund balances - beginning	25,676,017	3,589,487	9,861,590	16,348,937	23,439,678	16,553,850	11,218,373	9,484,987	36,268,328	15,140,907	167,582,154
<b>Fund balances - ending</b>	<b>\$ 25,676,017</b>	<b>\$ 912,038</b>	<b>\$ 9,861,444</b>	<b>\$ 20,371,125</b>	<b>\$ 26,056,075</b>	<b>\$ 11,794,733</b>	<b>\$ 11,218,373</b>	<b>\$ 9,484,987</b>	<b>\$ 32,730,563</b>	<b>\$ 4,810,430</b>	<b>\$ 152,915,785</b>

Fiscal Year 2022 (ESTIMATED)	Tax Increment			Beach			Capital Projects	Natural Disasters	Non-major Funds	Total Governmental	
	General	Financing District	State Accom-odations Tax	Real Estate Transfer Fees	Preservation Fees	Hospitality Fees					Debt Service
<b>REVENUES</b>	35,197,149	5,780,000	12,377,755	6,600,000	11,328,000	8,784,800	5,598,000	919,741	5,826,700	4,039,407	96,451,552
<b>EXPENDITURES</b>	43,984,657	-	7,836,793	66,000	31,030	-	19,330,665	6,900,000	-	1,131,564	79,280,709
Excess(Deficit)of Revenues and Exp.	(8,787,508)	5,780,000	4,540,962	6,534,000	11,296,970	8,784,800	(13,732,665)	(5,980,259)	5,826,700	2,907,843	17,170,843
Other Sources and Uses (net)	8,787,508	(6,158,094)	(1,695,211)	(1,161,000)	(6,475,040)	(4,219,586)	13,855,407	7,690,762	(3,535,665)	(2,341,228)	4,747,853
Net change in fund balance	-	(378,094)	2,845,751	5,373,000	4,821,930	4,565,214	122,742	1,710,503	2,291,035	566,615	21,918,696
Fund balances - beginning	25,676,017	3,967,581	7,015,839	10,975,937	18,617,748	11,988,636	11,095,631	7,774,484	33,977,293	14,574,292	145,663,458
<b>Fund balances - ending</b>	<b>\$ 25,676,017</b>	<b>\$ 3,589,487</b>	<b>\$ 9,861,590</b>	<b>\$ 16,348,937</b>	<b>\$ 23,439,678</b>	<b>\$ 16,553,850</b>	<b>\$ 11,218,373</b>	<b>\$ 9,484,987</b>	<b>\$ 36,268,328</b>	<b>\$ 15,140,907</b>	<b>\$ 167,582,154</b>

Fiscal Year 2021	Tax Increment			Beach			Capital Projects	Natural Disasters	Non-major Funds*	Total Governmental	
	General	Financing District	State Accom-odations Tax	Real Estate Transfer Fees	Preservation Fees	Hospitality Fees					Debt Service
<b>REVENUES</b>	38,309,720	5,370,949	10,189,664	7,143,103	11,146,212	8,067,753	5,467,400	1,175,347	5,759,554	5,875,770	98,505,472
<b>EXPENDITURES</b>	40,959,948	-	4,910,852	71,279	31,715	281,375	20,201,843	14,061,999	652,871	2,430,472	83,602,354
Excess(Deficit)of Revenues and Exp.	(2,650,228)	5,370,949	5,278,812	7,071,824	11,114,497	7,786,378	(14,734,443)	(12,886,652)	5,106,683	3,445,298	14,903,118
Other Sources and Uses (net)	6,214,761	(7,528,273)	(1,706,394)	(3,842,347)	(5,935,458)	(5,534,735)	14,771,952	8,317,891	(3,537,265)	(667,371)	552,761
Net change in fund balance	3,564,533	(2,157,324)	3,572,418	3,229,477	5,179,039	2,251,643	37,509	(4,568,761)	1,569,418	2,777,927	15,455,879
Fund balances - beginning	22,111,484	6,124,905	3,443,421	7,746,460	13,438,709	9,736,993	11,058,122	12,343,245	32,407,875	11,796,365	130,207,579
<b>Fund balances - ending</b>	<b>\$ 25,676,017</b>	<b>\$ 3,967,581</b>	<b>\$ 7,015,839</b>	<b>\$ 10,975,937</b>	<b>\$ 18,617,748</b>	<b>\$ 11,988,636</b>	<b>\$ 11,095,631</b>	<b>\$ 7,774,484</b>	<b>\$ 33,977,293</b>	<b>\$ 14,574,292</b>	<b>\$ 145,663,458</b>

Fiscal Year 2020	Tax Increment			Beach			Capital Projects	Natural Disasters	Non-major Funds	Total Governmental	
	General	Financing District	State Accom-odations Tax	Real Estate Transfer Fees	Preservation Fees	Hospitality Fees					Debt Service
<b>REVENUES</b>	33,955,085	5,143,708	6,512,992	3,639,165	7,251,587	6,424,440	5,681,009	1,797,684	5,398,702	4,349,607	80,153,979
<b>EXPENDITURES</b>	39,000,968	-	5,011,180	35,540	11,485	273,180	20,290,529	23,358,099	1,029,288	2,613,061	91,623,330
Excess(Deficit)of Revenues and Exp.	(5,045,883)	5,143,708	1,501,812	3,603,625	7,240,102	6,151,260	(14,609,520)	(21,560,415)	4,369,414	1,736,546	(11,469,351)
Other Sources and Uses (net)	6,056,680	(6,657,136)	(1,695,211)	(1,885,356)	(6,105,685)	(5,992,907)	13,713,255	5,521,641	(3,537,565)	(88,313)	(670,597)
Net change in fund balance	1,010,797	(1,513,428)	(193,399)	1,718,269	1,134,417	158,353	(896,265)	(16,038,774)	831,849	1,648,233	(12,139,948)
Fund balances - beginning	21,100,687	7,638,333	3,636,820	6,028,191	12,304,292	9,578,640	11,954,387	28,382,019	31,576,026	10,095,539	142,294,934
<b>Fund balances - ending</b>	<b>\$ 22,111,484</b>	<b>\$ 6,124,905</b>	<b>\$ 3,443,421</b>	<b>\$ 7,746,460</b>	<b>\$ 13,438,709</b>	<b>\$ 9,736,993</b>	<b>\$ 11,058,122</b>	<b>\$ 12,343,245</b>	<b>\$ 32,407,875</b>	<b>\$ 11,743,772</b>	<b>\$ 130,154,986</b>

\*Beginning in Fiscal Year 2021, the Fireman's Fund is included in the Non-major Funds category and was previously recorded separately.

## Financial Structure Multiyear – All Governmental Funds

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### Notes on Funds:

1. The **General Fund** is used to account for the daily operations of the Town. Funds are reserved according to policy and used to maintain Town operations to offset the seasonality of revenues.
2. **Tax Increment Financing (TIF) District** – Funds were approved for a specific list of capital projects intended with those revenues.
3. **State Accommodations Tax (State A-tax)** – the State provides funding and an approved allocation process for specific uses of these funds by local governments.
4. **Real Estate Transfer Fees** – were specifically approved for land purchases and other special uses.
5. **Beach Preservation Fees** – were approved primarily for Beach Renourishment, and Beach related services and facilities.
6. **Hospitality Fees** – were approved primarily for specific capital projects and to offset some tourist-related expenditures.
7. **Debt Service** – are funds that are set aside to be used for the retirement of the Town's debt.
8. **Capital Projects Funds** – are used to provide resources for the approved capital plan. As of 5/15/22, there were just under \$31 million in approved capital appropriations.
9. The **Natural Disasters Fund** was created in the response to Hurricane Matthew – to account for the response activities and the related reimbursements. The fund is one indicator of the Town's demonstration of readiness for the next storm and storm response.
10. **Non-Major Governmental Funds** – are primarily the electric franchise fee – which is being collected and used to bury power lines on the island. The purpose of this is aesthetic and functional – protecting power sources in a storm and storm aftermath.

There was a temporary build-up of fund balances in FY21 and FY22. The purpose was to accumulate funds for an aggressive investment in the Island through the Capital Improvement Plan (CIP). As the investments were developed and planned in FY21 and FY22, funds set aside for these purposes temporarily increased. As the CIP moves forward, this temporary build-up will reverse.

The FY22 CIP had \$22 million in approved projects to carry the appropriation forward to FY23 as part of the \$45 million CIP. These projects are expected to make significant progress in FY23, and the temporary fund balances will reduce accordingly.

Currently the Town has a number of capital projects in process: Pathway & parking enhancements, development of new parks as well as the expansion of several parks, a number of road improvements, stormwater projects and other capital projects. These projects are moving forward towards completion.



**About Hilton Head**



# About Hilton Head Island<sup>1</sup>

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## History

Hilton Head Island, also referred to as simply Hilton Head, is a Lowcountry resort town located on an island of the same name in Beaufort County, South Carolina, United States. It is 20 miles (32 km) northeast of Savannah, Georgia, and 95 miles (153 km) southwest of Charleston. According to the United States Census Bureau, the town has a total area of 69.2 square miles (179.1 km), of which 41.4 square miles (107.1 km) is land, and 27.8 square miles (71.9 km), or 40.17%, is water. Although the town occupies most of the land area of Hilton Head Island there is a small part near the main access road from the mainland, William Hilton Parkway, which is not incorporated into the town. The island is named after Captain William Hilton, who in 1663 identified a headland near the entrance to Port Royal Sound, which he named "Hilton's Head" after himself. The island features 12 miles (19 km) of beachfront on the Atlantic Ocean and is a popular vacation destination. In 2019, an estimated 2.61 million visitors pumped more than \$1.5 billion into the local economy. The year-round population is approximately 39,861 according to the Hilton Head Island-Bluffton Chamber of Commerce. During the peak of summer vacation season the population can swell to 150,000.

The island has a rich history that started with seasonal occupation by Native Americans thousands of years ago, and continued with European exploration and the Sea Island Cotton Trade. It became an important base of operations for the Union blockade of the Southern ports during the Civil War. Once the island fell to Union troops, hundreds of ex-slaves flocked to Hilton Head, which is still home to many "native islanders", many of whom are descendants of freed slaves known as the Gullah (or Geechee) who have managed to hold on to much of their ethnic and cultural identity.

The Town of Hilton Head Island incorporated as a municipality in 1983 and is well known for its eco-friendly development. The Town's Land Management Ordinance minimizes the impact of development and governs the style of buildings and how they are situated among existing trees. As a result, Hilton Head Island enjoys an unusual amount of tree cover relative to the amount of development. Approximately 70% of the island, including most of the tourist areas, is located inside gated communities. However, the town maintains several public beach access points.

Hilton Head Island offers an unusual number of cultural opportunities for a community its size, including Broadway-quality plays at the Arts Center of Coastal Carolina, the 120-member full chorus of the Hilton Head Choral Society, the highly-rated Hilton Head Symphony Orchestra, the largest annual outdoor, tented wine tasting event on the east coast, the Concours d' Elegance Motoring Festival, and several other annual community festivals. It also hosts the RBC Heritage a stop on the PGA Tour which is played on the Harbour Town Golf Links in The Sea Pines Resort.

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<sup>1</sup> Wikipedia with updates

# About Hilton Head Island

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## History

The beginning of Hilton Head as a resort started in 1956 with Charles E. Fraser developing Sea Pines Resort. Soon, other developments followed, such as Hilton Head Plantation, Palmetto Dunes Plantation, Shipyard Plantation, and Port Royal Plantation, imitating Sea Pines' architecture and landscape. Sea Pines however continued to stand out by creating a unique locality within the plantation called Harbour Town, anchored by a recognizable lighthouse. Fraser was a committed environmentalist who changed the whole configuration of the marina at Harbour Town to save an ancient live oak. It came to be known as the Liberty Oak, known to generations.

## Geography

### **Barrier Island**

Hilton Head Island is sometimes referred to as the second largest barrier island on the Eastern Seaboard after Long Island (which is not actually a barrier island but two glacial moraines). Technically, however, Hilton Head Island is only a half barrier island. The north end of the island is a sea island dating to the Pleistocene epoch, and the south end is a barrier island that appeared as recently as the Holocene epoch. Broad Creek, which is actually a land-locked tidal marsh, separates the two halves of the island.

The terrain of a barrier island is determined by a dynamic beach system with offshore bars, pounding surf, and shifting beaches; as well as grassy dunes behind the beach, maritime forests with wetlands in the interiors, and salt or tidal marshes on the lee side, facing the mainland. A typical barrier island has a headland, a beach and surf zone, and a sand spit.

### **Wildlife**

The Hilton Head Island area is home to a vast array of wildlife, including alligators, deer, loggerhead sea turtles, manatees, hundreds of species of birds, and dolphins. Small stingrays inhabit the quieter, shallow region of ocean floor just beyond the break of the surf, typically buried beneath a thin layer of sand. Stingrays are a type of demersal, cartilaginous fish common to the South Carolina coast as well as other areas on the Atlantic shoreline. The waters around Hilton Head Island are one of the few places on earth where dolphins routinely use a technique called "strand feeding", whereby schools of fish are herded up onto mud banks, and the dolphins lie on their side while they feed before sliding back down into the water. Plankton support marine life including oysters, shrimp and other invertebrates, and bait-fish species including menhaden and mullet, which in turn support larger fish and mammal species that populate the local waterways. Popular sport fish in the Hilton Head Island area include the red drum (or spot tail bass), spotted sea trout, sheepshead, cobia, tarpon, and various shark species. The saltmarsh estuaries of Hilton Head Island are the feeding grounds, breeding grounds, and nurseries for many saltwater species of game fish, sport fish, and marine mammals. The dense plankton population gives the coastal water its murky brown-green coloration.

# About Hilton Head Island

## Climate

Average annual temperature	65.7 (F)
Average annual high temperature	75.7 (F)
Average annual low temperature	55.9 (F)
Average annual precipitation	52.1 inches

information obtained from: <https://www.weatherbase.com>

## Demographics

	Town	South Carolina
<b>Population, Census, April 1, 2020</b>	37,661	5,118,425
<b>Age</b>		
Persons under the age of 65	63.2%	81.8%
Persons 65 years and over	36.8%	18.2%
<b>Racial Composition</b>		
White alone (a)	84.5%	68.6%
Black or African American alone (a)	6.2%	27.0%
Hispanic (b)	13.0%	6.0%
<b>Housing</b>		
Median value of owner-occupied housing units, 2016-2020	\$488,000	\$170,100
Median gross rent, 2016-2020	\$1,330	\$918
<b>Computer and Internet Use</b>		
Households with a computer, 2016-2020	96.3%	90.2%
Households with a broadband internet subscription, 2016-2020	90.6%	81.2%
<b>Education</b>		
High school graduate or higher % of persons age 25 years+, 2016-2020	93.4%	88.3%
Bachelor's degree or higher % of persons age 25 years+, 2016-2020	53.9%	29.0%
<b>Income</b>		
Median household income (in 2020 dollars), 2016-2020	\$86,171	\$54,864
Per capita income in past twelve months (in 2020 dollars), 2016-2020	\$60,988	\$30,727
<b>Geography</b>		
Population per square mile, 2010	896.9	153.9
information obtained from: <a href="https://www.census.gov/quickfacts/fact/table/hiltonheadislandtownsouthcarolina,SC/PST045219">https://www.census.gov/quickfacts/fact/table/hiltonheadislandtownsouthcarolina,SC/PST045219</a>		

Fact Note:

- (a) Includes persons reporting only one race
- (b) Hispanics may be of any race, so also are included in applicable race categories

# About Hilton Head Island

## Principal Property Taxpayers

Taxpayer	Tax Year 2020 (FY 2021)			Tax Year 2011 (FY 2012)		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Marriott Ownership Resorts, Inc.	\$ 16,817,020	1	1.68%	\$ 23,162,220	1	2.50%
Palmetto Electric Co-op, Inc.	5,904,300	2	0.59%			
Sea Pines Resort, LLC	5,079,800	3	0.51%	2,923,060	6	0.32%
Columbia Properties Hilton Head, LLC	4,880,580	4	0.49%	4,540,040	2	0.49%
Hargray Telephone Company, Inc.	4,460,670	5	0.45%			
SCG HiltonHead Property, LLC	4,335,720	6	0.43%	4,260,000	3	0.46%
Shelter Cove II, LLC	3,045,420	7	0.30%			
Shelter Cove III, LLC	2,697,310	8	0.27%			
Barnwell Family Associates, LLC	2,095,470	9	0.21%			
HPT IHG-2 Properties Trust	1,656,000	10	0.17%			
Summit Title Agency Trustee - Southwind				3,802,320	4	0.41%
Greenwood Development				2,837,190	5	0.31%
Heritage Golf				2,694,030	7	0.29%
Hilton Head Health System LP				2,137,980	8	0.23%
Disney Vacation Dev Inc.				1,715,650	9	0.19%
Andrick Deve Corp et al				1,713,740	10	0.18%
<b>Total</b>	<b>\$ 50,972,290</b>		<b>5.09%</b>	<b>\$ 49,786,230</b>		<b>5.37%</b>

Source: Beaufort County

## Principal Employers

Employer	2021		2012	
	Employees	Rank	Employees	Rank
SERG Group Restaurants	1244	1	N/A	N/A
Marriott Vacation Club Intl	580	2	553	2
Sea Pines Resort	536	3	585	1
Hilton Head Medical Ctr and Clinics	506	4	520	3
Coastal Restaurants and Bars	500	5	N/A	N/A
Beaufort County School District	438	6	392	4
Greenwood Communities & Resorts	287	7	N/A	N/A
Publix Super Markets	286	8	263	8
Cypress of Hilton Head	274	9	372	6
Omni Hilton Head Oceanfront Resort	230	10	N/A	N/A
<b>Total</b>	<b>4881</b>		<b>2685</b>	

Source: Employment head counts were verified via telephone calls to the above companies.

# About Hilton Head Island

## Property Sold Through Real Estate Agents<sup>1</sup>

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Homes Sold</b>	768	830	882	932	830	916	1142	1095	1575	1474
% change	14%	8%	6%	6%	-11%	10%	25%	-4%	44%	-6%
Average Price	\$ 634,342	\$ 633,206	\$ 615,742	\$ 617,000	\$ 676,240	\$ 725,825	\$ 687,178	\$ 710,671	\$ 872,322	\$ 799,950
% change	-3%	0%	-3%	0%	10%	7%	-5%	3%	23%	-8%
<b>Villas Sold</b>	896	885	881	938	937	1094	1120	1179	1400	1518
% change	20%	-1%	0%	6%	0%	17%	2%	5%	19%	8%
Average Price	\$ 226,232	\$ 264,546	\$ 247,238	\$ 242,000	\$ 268,539	\$ 272,437	\$ 291,850	\$ 303,338	\$ 347,141	\$ 359,100
% change	3%	17%	-7%	-2%	11%	1%	7%	4%	14%	3%
<b>Lots Sold</b>	122	185	168	146	111	127	146	145	203	280
% change	18%	52%	-9%	-13%	-24%	14%	15%	-1%	40%	38%
Average Price	\$ 219,352	\$ 255,472	\$ 236,836	\$ 268,000	\$ 289,750	\$ 305,766	\$ 271,515	\$ 265,710	\$ 307,923	\$ 293,713
% change	1%	16%	-7%	13%	8%	6%	-11%	-2%	16%	-5%



<sup>1</sup> Data obtained from MLS of Hilton Head Island, Inc.

# About Hilton Head Island

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## Arts and Culture

### Organizations

- The **Arts Center of Coastal Carolina** is a showcase for professional performing and visual arts, as well as cultural festivals and educational outreach. The Arts Center also offers community education, including Visual and Performing Arts Camps, Theater Camp, and other workshops and classes.
- The **Coastal Discovery Museum** offers a variety of programs, activities, and indoor and outdoor exhibits year-round to over 125,000 visitors. The Discovery House has permanent exhibitions about the natural history and cultural heritage of the Lowcountry. The museum offers many tours of its 68-acre property that includes salt marsh boardwalks, trails, a native butterfly habitat and various gardens.
- The **Hilton Head Choral Society** is a non-profit organization founded in 1975. The choirs of the Hilton Head Choral Society are known for their diverse musical repertoire including classical masterworks, pops concerts and lighter fare, patriotic and Americana, and gospel and musical theatre. There is also a 20-voice chamber choir and a youth choir. The 120-member full chorus presents four major programs per season: *A Fall Pops Concert*, *The Christmas Concert*, *The Musical Masterworks Concert* and a pair of Memorial Day concerts celebrating the art of American choral singing and a patriotic tribute.
- The **Hilton Head Symphony Orchestra** was started 40 years ago by a handful of musicians and classical music aficionados who dreamed of bringing "big city" culture to Hilton Head. Since then, they have transformed from a small group of classical music lovers to a highly rated symphony orchestra. A branch formed from the Hilton Head Symphony Orchestra is the Hilton Head Youth Orchestra, helping young musicians across the county with their love for music.
- The **Arts Council of Beaufort County**'s mission is to promote and foster the arts of Beaufort County, including Hilton Head Island. Its vision is to position and maintain Beaufort County as a vibrant arts community and destination through active marketing, service to current arts organizations and artists and advocacy for the arts. Programs include Quarterly Community Arts Grants, the Ever Expanding Arts Calendar, Get Your Art Out emerging artist initiative, the print publication ArtNews, and Arts of the Roundtables, which are free quarterly seminars exploring the business of art.
- The **Main Street Youth Theatre** is a non-profit community theatre dedicated to enriching the lives of the island's youth by providing a true theatrical experience. Each year, the theater performs four or five Broadway-quality shows that run about two months at a time. During the tourist season, the theater is a major tourist attraction and is also a local hot spot year round. The organization also provides acting, dance, and vocal instruction after school and during the summer.
- **Lifelong Learning of Hilton Head Island** offers the adult community of Hilton Head Island a collection of educational and fun classes covering subjects from history, arts, yoga, and current events to outer space exploration and beyond.
- **The Heritage Library of Hilton Head Island** is the repository for Hilton Head Island history and a premier ancestry research center. The Heritage Library is a non-profit member library that is open to the public for a small daily fee, and offers history programs, genealogy classes, and special programs throughout the year.

# About Hilton Head Island

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## Arts and Culture

### Annual Events

- **Gullah Celebration** – Gullah culture can be seen at the annual Hilton Head Island Gullah Celebration which is held at Shelter Cove Community Park in February. In the summer, the acclaimed Hallelujah Singers present a Gullah concert series at Hilton Head's Arts Center of Coastal Carolina.
- **WineFest** – The Annual WineFest is the largest outdoor, tented wine tasting on the East Coast, featuring over 1,500 domestic and international wines.
- **St. Patrick's Day Parade** – The annual St. Patrick's Day Parade draws over 20,000 people.
- **WingFest** – The annual event is held at Shelter Cove Community Park. The event is operated by the Island Recreation Association, and all proceeds benefit the Island Recreation Scholarship Fund.
- **HarbourFest** – Is held every Tuesday night from June to August at Shelter Cove Marina. It features arts and crafts, live entertainment, and fireworks at sunset. There is a special HarbourFest celebration on July 4.
- **RBC Heritage** – The PGA golf tournament is held every April at Harbour Town Golf Links in Sea Pines Resort.
- **Rib Burnoff and Barbecue Fest** – The annual festival is held at Honey Horn Plantation.
- **Celebrity Golf Tournament** – This event is held at the Golf Club at Indigo Run, the Robert Trent Jones course in Palmetto Dunes and Harbour Town Golf Links. The tournament has contributed over \$3 million to 18 children's charities.
- **FoodFest** – This event celebrates the talent of the local hospitality industry and provides attendees with several spectator events including: The Best Bartender Drink Making Contest, The Hospitable Waiter's Race, and The Tailgate Gourmet Challenge.
- **Chili Cookoff** – The annual Chili Cookoff is held at Honey Horn Plantation.
- **Community Festival** – The annual Community Festival at Honey Horn Plantation features a "haunted trail" in the "haunted forest" presented by the Hilton Head Rotary Club and the Interact Clubs from Hilton Head Island High School and Hilton Head Preparatory School.
- **Motoring Festival and Concours d'Elegance** – World-class automobiles take center stage each November at the annual Hilton Head Island Motoring Festival & Concours d'Elegance at the Honey Horn Plantation. The festival features some of the country's finest collector automobiles, including classic cars, two-wheeled machines, wooden boats, and beach mobiles.

# General Information & Budget Calendar





# General Information

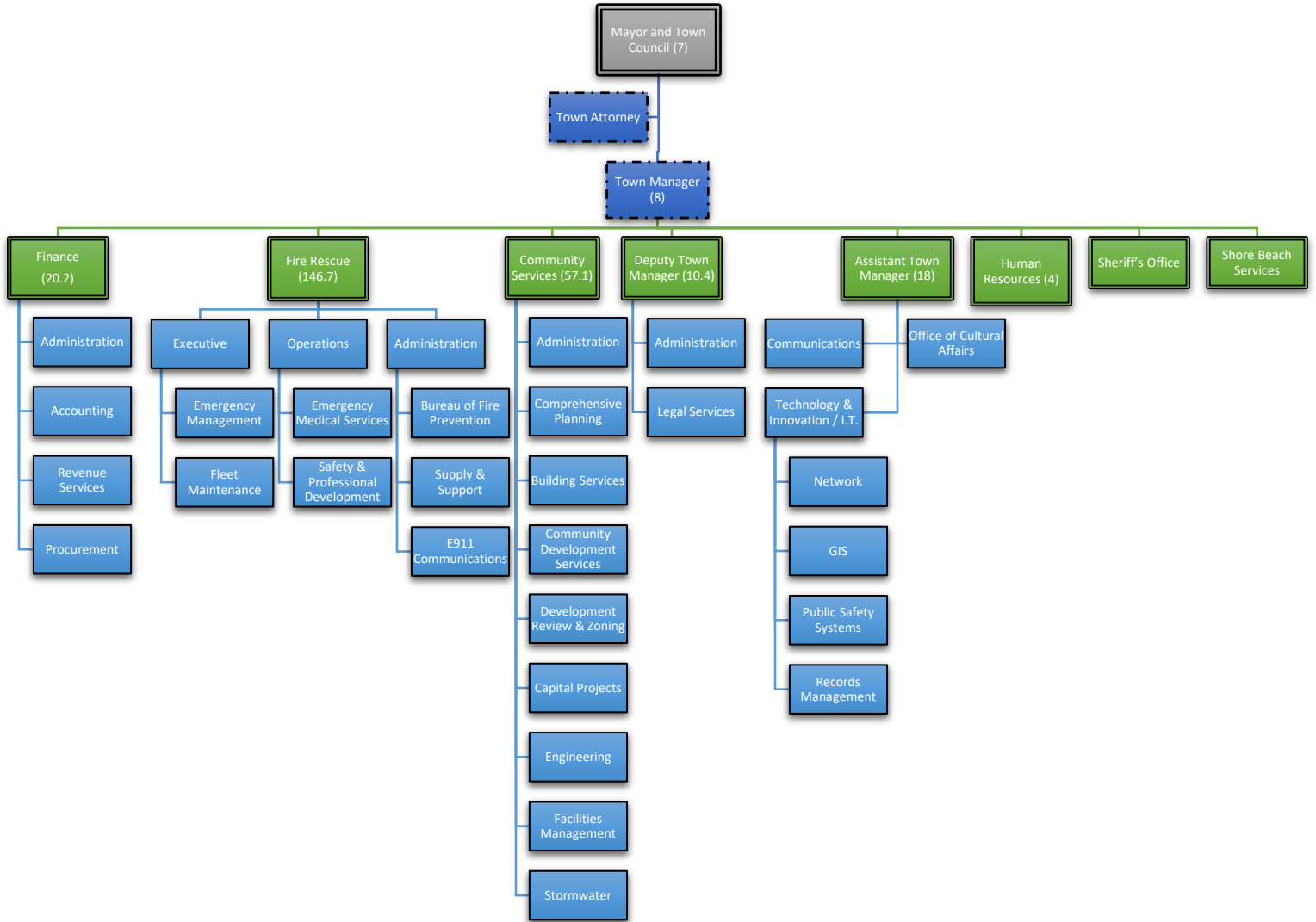
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## Location of Hilton Head Island



# General Information

## Town Organizational Structure



All the departments identified above are budgeted in the General Fund with the exception of Stormwater which is a separate fund.

**Notes:**

1. FTEs are noted in parenthesis above. Position detail can be found in the department budgets
2. The Town Manager and Town Attorney are under contract with Town Council
3. Sheriff's Office and Shore Beach Services are contract services

# General Information

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## Government Structure

The Town of Hilton Head Island incorporated as a municipality in 1983 and has jurisdiction over the entire island except Mariner's Cove, Blue Heron Point, and Windmill Harbor. The Town of Hilton Head Island has a Council-Manager form of government. The Town Manager is the chief executive officer and head of the administrative branch and is responsible to the municipal council for the proper administration of all the affairs of the town. The Town Council exercises all powers not specifically delegated to the Town Manager. The Mayor has the same powers, duties, and responsibilities as a member of Town Council. In addition, the Mayor establishes the agenda for Town Council meetings, calls special meetings, executes contracts, deeds, resolutions, and proclamations not designated to the Town Manager, and represents the town at ceremonial functions.

Town functions include: General Government, Finance, Administrative Services, Community Development, Infrastructure Services (includes Stormwater), and Fire Rescue.

## Budget Quick Facts

### Property Tax Millage Rate

<b>General Fund</b>	<b>17.2</b>
<b>Debt Service</b>	<b>5.9</b>
<b>Total Millage Rate</b>	<b>23.1</b>

### Bond Ratings

<b>Moody's Investor Service</b>	<b>Aaa</b>
<b>Standard and Poor's</b>	<b>AA+</b>
<b>Fitch</b>	<b>AA+</b>

### Total Town Operating Budget

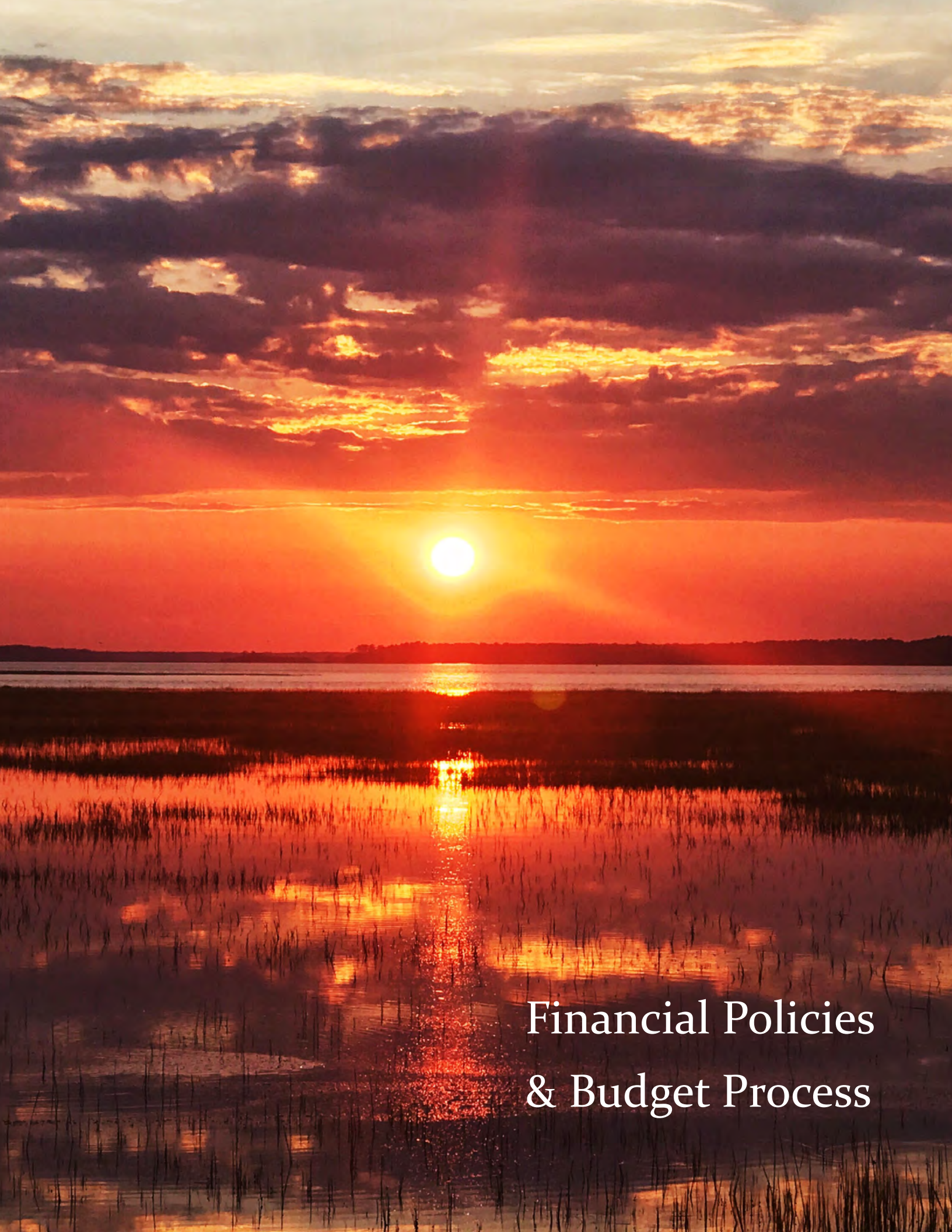
	<b>FY 2023</b>
<b>Operating Budget</b>	<b>\$ 48,621,804</b>
<b>Town Staff (FTEs)</b>	<b>276.1</b>

## Budget Calendar

October 21, 2021	Town Council Strategic Planning Workshop
December 7, 2021	Town Council adopts the Town of Hilton Head Island Strategic Action Plan
January 3, 2022	Finance personnel meet with the Town Manager to develop broad, overall goals and strategies for the budget and the budget process including potential options for Town Council
January 5, 2022	Finance personnel meet with Human Resources to discuss personnel and benefit package options
January 11, 2022	Finance personnel meet with Capital Projects Manager for capital project updates and budget planning
January 18, 2022	Finance personnel, Capital Projects Manager and Town Manager meet to discuss capital project priorities and outline project phases for a 3-year plan
January 19, 2022	Budget kick-off departmental budget packages distributed; Affiliated Agencies are notified of the funding application process and deadline
February 2, 2022	Planning Commission Capital Improvement Program Committee Meeting to discuss Priority CIP projects
February 16, 2022	Planning Commission recommendation of proposed CIP FY23 priority projects to Town Council
February 18, 2022	Department budgets, New Staffing requests and Equipment requests are due to Finance
February 21 – March 4, 2022	Finance Department collects budget requests, prepares revenue projections, and compiles reports
March 4, 2022	Affiliated Agency funding request deadline
March 7 – April 6, 2022	Administrative review of budget requests with Finance, Town Manager and individual department heads / Capital Projects Manager / Stormwater Manager
April 8, 2022	Finance personnel meet with the Town Manager to balance FY 2023 Budget proposal, and prepare for individual Town Council meetings
April 11 – April 19, 2022	Finance Prepares Budget Executive Summary for Town Council members and Town Management

April 20 – April 25, 2022	Individual meetings with Town Council members for a preliminary overview of the proposed budget
May 3, 2022	Town Manager delivers the proposed budget at the Town Council meeting for the first reading of the budget ordinance
May 10, 2022	Town Council holds a public budget workshop to discuss the budget proposal and hear public comments
May 15, 2022	A public notice is published in the Island Packet newspaper FY 2023 Projected Revenues, Expenditures, and Millage Rate, along with a notice of the Public Hearing to be held on June 7, 2022
June 7, 2022	Town Council holds a Public Hearing for the proposed FY 2023 Consolidated Budget
June 7, 2022	Town Council hears and approves the second and final reading of the budget ordinance
July 1, 2022	Beginning of Fiscal Year 2023

\*The Planning Commission and Town Council put a high priority on using the Town’s Strategic Plan as a basis for building the Capital Plan.



# Financial Policies & Budget Process

## Financial Policies

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The financial policies of the Town are adopted/reaffirmed as part of the budget adoption process.

### TOWN OF HILTON HEAD ISLAND FINANCIAL POLICIES

**Measurement Focus and Basis of Accounting.** Policy describing what is being measured and how it is being reported in the financial statements.

**Fund Balance and Reserves.** Policies governing the amount of resources to be held in reserve and conditions under which reserves can be used.

**Grants.** Policies that deal with the administration and grants process.

**Debt.** Policies that govern the use of government debt, including permissible debt instruments, conditions under which debt may be used, allowable levels of debt, and compliance with continuing disclosure requirements.

**Investment.** Policies that provide guidance on the investment of public funds, including permissible investment instruments, standards of care for invested funds, and the role of staff and professional advisors in the investment program.

**Accounting and Financial Reporting.** Policies that endorse key accounting principles, and that ensure external audits are properly performed.

**Risk Management and Internal Controls.** Policies that address risk management and internal control.

**Procurement.** Policies that are essential in order to encourage efficient, effective and fair public procurement.

**Long-term Financial Planning.** A policy that commits the organization to taking a long-term approach to financial health.

**Structurally Balanced Budget.** Policies that offer a distinction between satisfying the statutory definition and achieving a true structurally balanced budget.

**Capital Asset.** Policies that cover the lifecycle of capital assets.

**Capital Improvement Plan (CIP).** Policies that include capital improvement planning, capital budgeting, project management, and asset maintenance

**Revenues.** Policy guidance through the designing of efficient and effective revenue systems that guarantee the generation of adequate public resources to meet expenditure obligations.

**Expenditures.** Policies addressing a range of issues around how the money is expended, including personnel, outsourcing, and funding long-term liabilities.

## Financial Policies

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**Operating Budget.** Policies that describe essential features of the budget development process and form, as well as principles that guide budgetary decision making.

**Municipal Check Signing.** Policy addressing signature authority for all Town issued accounts payable and payroll checks.

### TOWN OF HILTON HEAD ISLAND MEASUREMENT FOCUS AND BASIS OF ACCOUNTING POLICY

The Town maintains all budgeted funds during the year using the modified accrual basis of accounting. The proprietary fund uses this same basis for budgetary purposes but is converted to accrual basis at year-end for the Annual Comprehensive Financial Report.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Taxpayer-assessed income and gross receipts are recognized as revenue when in the hands of intermediary collecting governments (state shared revenues, sales and accommodation tax revenue). Business license revenues are recognized when measurable and available. Property tax revenues are recognized when received or available for payment of liabilities of the current period. The Town considers property taxes and other revenues as available if collected within 30 days after year-end.

Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting as described above for the government-wide financial statements. The operating statement does not report the issuance of debt, debt service principal payments and capital outlay.



# Financial Policies

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## TOWN OF HILTON HEAD ISLAND FUND BALANCE AND RESERVES POLICY

The Town of Hilton Head Island hereby establishes and will maintain reservations of Fund Balance as defined herein in accordance with the Governmental Accounting and Financial Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund Balance represents the difference between assets and fund liabilities in the governmental funds balance sheet and is commonly referred to as fund equity. This Policy shall apply to the Town's General Fund and all governmental funds. This policy does not apply to the Proprietary Fund.

The fund balance policy addresses the following components: (1) clearly defined classifications that make the nature and extent of the constraints placed on the various fund balances more transparent; (2) providing a better understanding of fund balances by clarifying the definitions of governmental fund types; (3) reservations of the Town's General Fund and all governmental funds; (4) the Town's order of spending regarding restricted and unrestricted fund balance and the order of spending for committed, assigned and unassigned fund balance.

### Classifications of Fund Balances

Under GASB Statement No. 54, fund balances are classified as non-spendable, restricted, committed, assigned or unassigned amounts.

- 1. Non-Spendable** – Amounts that cannot be spent because they are either in a (a) non-spendable form, including items not expected to be converted to cash (i.e. inventories, prepaid amounts, long-term portion of loans and notes receivable and property acquired for resale), or (b) legally or contractually required to be maintained intact (i.e. the principal of an endowment, etc.).
- 2. Restricted** – Amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.
- 3. Committed** – Amounts that are constrained to be used for a specific purpose as per action by the Town Council. Amounts classified as committed are not subject to legal enforceability like restricted resources; however, they cannot be used for any other purpose unless the Council removes or changes the commitment by taking the same action it employed to impose the commitment. Committed amounts for the Town consist of amounts passed and approved by Town Council.
- 4. Assigned** – Amounts that are intended to be used for a specific purpose but are neither restricted nor committed. The intent shall be expressed by the Town Council, or a designee authorized by the Town Council for a specific purpose in accordance with policy established by the Town Council. The Town reserves the right to assign fund balance by simple majority vote of Town Council.
- 5. Unassigned** – Amounts available for any purpose (amounts that are not Non-Spendable, Restricted, Committed or Assigned) for all governmental funds. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to these purposes, it may be necessary to report a negative unassigned fund balance.

# Financial Policies

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## Governmental Fund Type Definitions

The Town's governmental fund types as defined by GASB No. 54 are as follows:

1. The **General Fund** is the general operating fund of the Town and accounts for all revenues and expenditures of the Town except those required to be accounted for in other funds. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.
2. The **Special Revenue Funds** account for the proceeds from dedicated revenue sources that are required by law to be segregated from the General Fund and used for specific allowable expenditures. Special Revenue funds include but are not limited to the Tax Increment Financing ("TIF") District Fund, the Beach Preservation Fee Fund, the Real Estate Transfer Fee Fund, Accommodations Tax Fund, the Hospitality Fees Fund, the Palmetto Electric Franchise Fee Fund, Operating Grants Fund, the Road Usage Fee Fund, the Firemen's Fund, and the Home Grant Fund.
3. The **Capital Projects Fund** is used to account for and report financial resources that are restricted, committed, or assigned for expenditures of capital outlay related to equipment, site acquisitions, construction renovation of capital facilities, and other capital assets for the Town expect for those financed in the Enterprise Fund.
4. The **Debt Service Fund** is used to account for and report the accumulation of financial resources that are restricted for the payment of all long-term principal, interest, and related costs of the Town.
5. The **Natural Disasters Fund** is used to account for and report financial resources that are restricted, committed, or assigned for expenditures related to the Town's response to a natural disaster or declared emergency.

## Disaster Planning Reserves

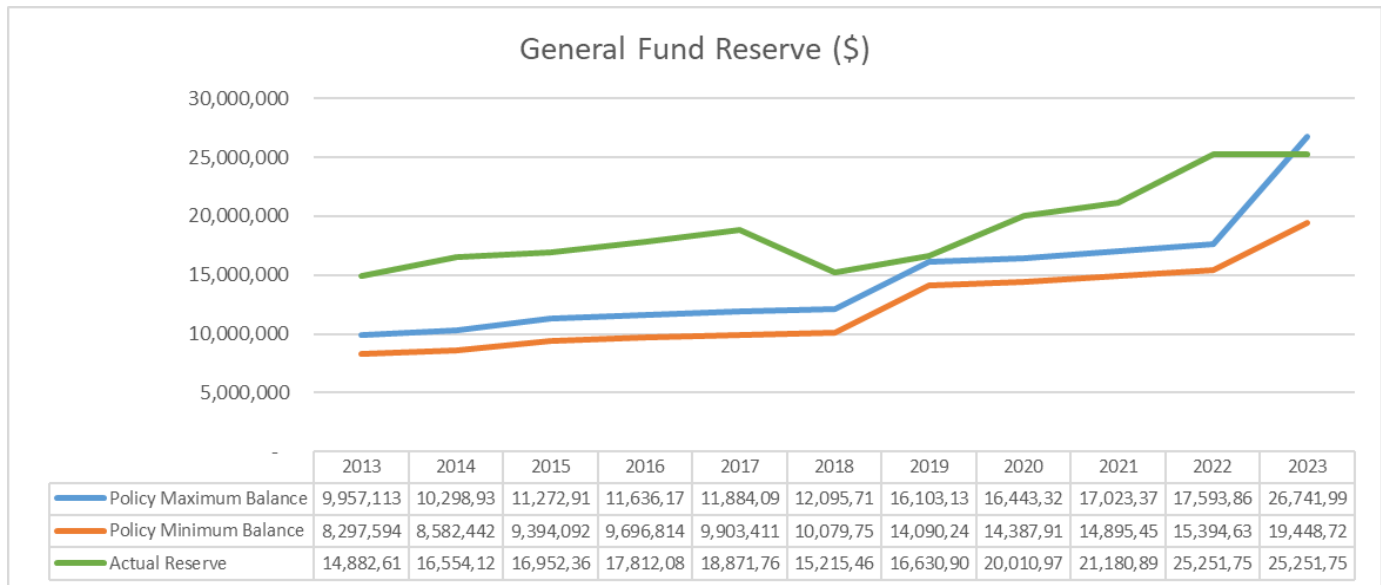
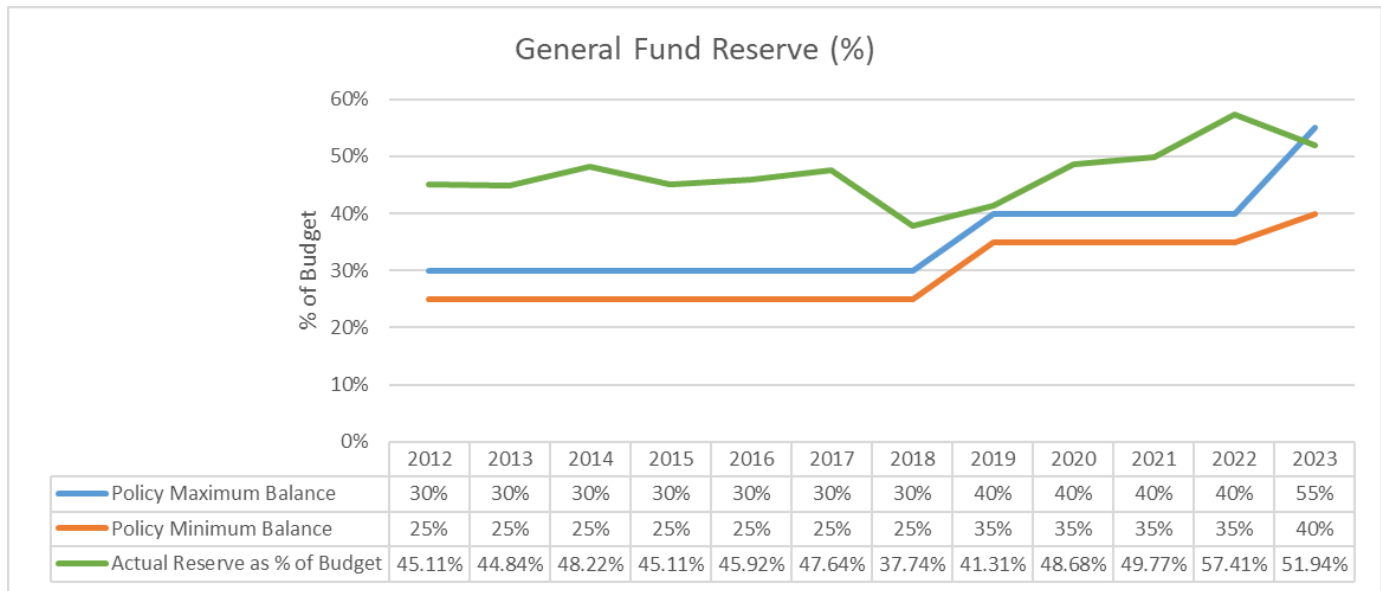
To protect its assets during catastrophic events, the Town established the following reserves:

**Operating Reserves** – The Town will establish and maintain an operating balance based on a range of with a minimum of 40% and a maximum of 55% of the Town's adopted fiscal year budget. The operating balance may be utilized for emergency purposes in pre-disaster and post-disaster occurrences; to offset an early fiscal year tax revenue income stream deficiency; and to avoid emergency Town borrowing or use of tax anticipation notes, to cushion the effects of an economic downturn, to provide for emergency expenditures or to offset a revenue shortfall from unforeseen circumstances.

The Director of Finance is authorized to transfer the amount of unassigned fund balance above the 55% maximum balance into the following funds:

1. The Debt Service Fund to maintain an account reserved for the reduction of the Town's general obligation debt. These funds may be used for early debt retirement or other debt payments; or
2. The Natural Disasters Fund to maintain an account for disaster preparation, disaster response, or disaster recovery; or
3. The Capital Improvements Fund – subject to Town Council appropriations for usage from the CIP Fund.

# Financial Policies



The Director of Finance is authorized to transfer the amount of unassigned fund balance above the 55% maximum balance into the following funds:

1. The Debt Service Fund to maintain an account reserved for the reduction of the Town’s general obligation debt. These funds may be used for early debt retirement or other debt payments; or
2. The Natural Disasters Fund to maintain an account for disaster preparation, disaster response, or disaster recovery; or
3. The Capital Improvements Fund – subject to Town Council appropriations for usage from the CIP Fund.

## Financial Policies

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The Town Manager may recommend use of these funds for:

1. Emergency purposes
2. Disaster preparation and response purposes
3. To set aside for debt payments or to pay down debt
4. One-time capital expenditures

These recommendations are subject to Town Council appropriation approvals.

A report shall be given each year to Town Council, at the close of the fiscal year, identifying the status of the fund balance in relation to the operating reserve policy, and any potential excess funds that could be transferred or used.

Unassigned General Fund balances are balances above the maximum level of the operating reserve policy, and not set aside for other purposes.

### Restricted for Advertising

The Town shall maintain a Restricted Advertising Account for the purpose of having ready access to funds for special advertising needs in cases of, a) a near miss of a hurricane, b) for advertising in response to a declared disaster, c) for other such targeted advertising needs as determined by Council on a case-by-case basis, and d) for supplemental annual tourism advertising. The Town shall maintain a balance of \$1.0 million in this account. If the balance falls below \$1.0 million, the Town shall deposit two percent (2%) of the local hospitality tax revenues and five percent (5%) of the local accommodations tax, (ATAX), revenues collected annually into the Restricted for Advertising account.

The Town may distribute the funds in the following manner.

- A. The Town Manager may authorize advertising expenditures associated with responding to a near miss or declared disaster and are the only expenditures authorized to take the account below one million dollars.
- B. Following a vote of Town Council, funds may be distributed for other such targeted advertising needs as approved. In no case shall such a release of funds for such purposes take the account below one million dollars.

The local ATAX reserve is a component of the General fund. Beginning in Fiscal Year 2018 Restricted for Advertising monies will be held in the Natural Disasters Fund.

### Debt Service Levels

General statutes limit the amount of general obligation debt that a unit of government can issue up to eight percent (8%) of the total assessed value of taxable property located within that government's boundaries. The Town may incur General Obligation Debt over the eight percent (8%) limit when approved by a majority vote in a referendum as authorized by law. In addition, Town Council has imposed an 80% cap on this amount. The remaining 20% is reserved for additional bonding associated with disaster recovery.

The Town Council has further stated the disaster recovery reserve capacity should be at least \$20.0 million.

# Financial Policies

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## Real Estate Transfer Fee Debt Service Reserve

The Town will set aside \$1 million of real estate transfer fees into a disaster debt service reserve account in the Real Estate Transfer Fee Fund. The funds will be used to fund debt service payments during a disaster or financial crisis.

## Beach Preservation Reserve

The Town will hold in an interest-bearing account a portion of the amounts on deposit in the Town of Hilton Head Island Beach Preservation Fee Account. The amount to be held in this reserve account shall be \$12 million in addition to the restricted reserve.

Funds held in the reserve account may be used for the following items.

- A. Direct expenditures to pay costs of any project or purposes identified in Section 4-9-70 as such may be amended of the Municipal Code and in Section 6-1-50 of the Code of Laws of South Carolina 1976 as amended.
- B. To pledge as security for or to use as debt service for any debt or financial obligation of the Town incurred for a purpose as identified in subsection (A) above.
- C. To advance monies needed by the Town to meet extenuating circumstances created by a storm or natural disaster, provided that the Town Council shall have a reasonable expectation that such amounts would be reimbursed, at least in part, from a local, state, or federal source.

Authorization to utilize monies from the reserves shall be by resolution duly adopted by the Town Council if circumstances allow for the convening of a meeting of Town Council. In the event circumstances do not allow for the convening of a meeting of Town Council, the Town Manager may authorize the utilization of monies from the reserves, provided that such utilization is presented to Town Council at the first practicable opportunity for ratification.

## Natural Disasters Fund

Following Hurricane Matthew, the Town will endeavor to hold emergency reserves and unused debt bonding capacity in order to be able to respond to an emergency with at least as many resources as Hurricane Matthew required adjusted for inflation. This amount may be increased for higher possible damage levels and higher possible costs. This calculation will incorporate the Town's various disaster reserves with its debt capacity as its measure for financial preparedness for the next disaster. Amounts needed to accommodate for the seasonality of General Fund operations will not be counted toward these amounts – as Hurricane season corresponds with the low point of the Town's cash flow levels. The General Fund reserves are to maintain Town services and Town facilities in the event of a disaster.

## Financial Policies

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### Disaster Response Reserve

The table below reflects the Town’s current reserve funds available for disasters compared to the Hurricane Matthew benchmark.

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimate
Disaster Reserve Fund fund balance	31,576,026	32,407,875	33,977,293	35,690,210
Beach Preservation Fee Reserves	12,304,292	13,438,709	18,617,748	14,471,703
Debt Capacity reserved for Disasters	20,000,000	20,000,000	20,000,000	20,000,000
Funding Available for a Disaster	<b>63,880,318</b>	<b>65,846,584</b>	<b>72,595,041</b>	<b>70,161,913</b>
<b>Funding Needed for a Disaster</b>				
Hurricane Matthew Cost (goal)	52,000,000	52,000,000	52,000,000	52,000,000
<b>Funds Available as a % of Goal</b>	<b>122.8%</b>	<b>126.6%</b>	<b>139.6%</b>	<b>134.9%</b>

### Prioritization of Fund Balance Use (Spending Policy)

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the Town to use the restricted amounts first as permitted under the law. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Town to use the committed amounts first, followed by the assigned amounts and then unassigned amounts.

### Annual Review and Determination of Fund Balance Reserve Amounts

Compliance with the provisions of this policy shall be reviewed as part of the closing of the financial books at year-end (June 30) and the amounts of non-spendable, restricted, committed, and assigned fund balance will be determined. Any residual general fund balance amounts will be classified as unassigned.

# Financial Policies

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## TOWN OF HILTON HEAD ISLAND GRANT ADMINISTRATION POLICY AND PROCEDURES

### Scope

This Grants Administration Policies and Procedures Manual will apply to all federal, state, private business, and foundation grants awarded to the Town of Hilton Head Island. Federal and state grants will be managed in compliance with the Code of Federal Regulations (CFR): Title 2, Subtitle A, Chapter II, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Private business and foundation grants will be managed in compliance with the granting organization's rules and regulations.

Procedures are developed for the following six main operational categories:

- Grant Opportunities and Budgeting
- Grant Application/Offer
- Grant Award
- Grant Monitoring and Reporting
- Grant Accounting and Auditing
- Noncompliance Procedures
- Closeout

### Purpose

The purpose of these policies and procedures is to assist in providing accurate, current, and complete disclosure of funded programs and financial results of federal, state, private business, and foundation grants within the existing budgetary accounting and reporting framework of the Town of Hilton Head Island.

These policies provide guidelines to ensure the following:

- 2.1 Federal, state, private business, and foundation grants are properly authorized by the Town Manager or designee.
- 2.2 Grants have been properly budgeted by the Finance Department.
- 2.3 Transactions involving federal and state grants are in accordance with the provisions of the Federal Office of Management and Budget Circulars and other federal and state laws.
- 2.4 Transactions involving private business and foundation grants are in accordance with granting organization's rules and regulations.
- 2.5 Grant transactions are properly identified by recording grant revenues and expenditures in the Town's accounting system, including program income and match, and properly reported on financial reports to maintain accounting and reporting controls.

## Financial Policies

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- 2.6 Grant expenditures are tracked by approved budget categories.
- 2.7 Preparation and timely submitting of financial and progress reports.
- 2.8 Financial and programmatic requirements are monitored for compliance.
- 2.9 Official accounting records required by grant agreements are maintained to the extent possible in a centralized location.
- 2.10 All documents pertaining to a grant are kept and stored for the established time periods in which records retention is required.
- 2.11 Compliancy with Federal cash management regulations.
- 2.12 Program income and indirect costs are properly administrated.
- 2.13 Grant closeout.
- 2.14 Any other pertinent grant-related financial activities.

### Governing Laws and Regulations

#### Federal

- Single Audit Act of 1984 as Amended in 1996
- CFR – Chapter II, Subtitle 2, Chapter II, Section 200 (*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*)
- *Government Auditing Standards* issued by the Comptroller General of the United States

#### State

- State of South Carolina Code of Laws

### Delegation Of Authority

#### Signatory Authority

The delegation of and signatory authority is exclusively given to the Town Manager or their designee. Under no circumstances shall a grant application be submitted or signed for by an unauthorized staff member or agent of the Town without designation being given by the Town Manager.

#### Administrative Authority

The official recipient of a grant is the Town of Hilton Head Island with all activity and coordination to be maintained and administrated by the Town staff. All grants awarded to the Town of Hilton Head Island must be included in combined Town reports under federal and state reporting guidelines.



# Financial Policies

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## Roles And Responsibilities

### All Monitoring, Financial, Reporting and Accounting Responsibilities

The Senior Grants Administrator is responsible for the day-to-day activities of the grant. The Senior Grants Administrator functions as the liaison between the Grantor and the Town, submitting all required reporting and reimbursable procurements, as required by the Grantor, ensuring the activities conducted under the grant adhere and comply with the grant agreement and its requirements. The Senior Grants Administrator will coordinate with the grant Project or Program Manager to ensure all project or program documents are received for submittal to the Grantor.

The Town's Senior Grants Administrator and Project or Program Manager both share the responsibility of the programmatic monitoring of all grant activities and assuring compliance with federal, state, and granting organization regulations. The interaction of each and their responsibilities are determined prior to the execution of any grant agreement.

The Senior Grants Administrator oversees, monitors, tracks the implementation of activities, maintains a monitoring schedule and the statuses involved, and performs internal controls of all grants.

The Town's Finance Department is responsible for all official financial records of the Town; and in that capacity, the Finance Department is responsible for maintaining adequate records to ensure compliance with federal and state accounting and reporting requirements.

## **TOWN OF HILTON HEAD ISLAND DEBT MANAGEMENT POLICY**

### Purpose

The purpose of this policy is to establish parameters by which debt obligations will be undertaken by the Town of Hilton Head Island, SC [the "Town"]. This policy reinforces the commitment of the Town and its officials to manage the issuance of bonds in a way that achieves the long-term capital improvement objectives while minimizing risks, avoiding conflicts of interest, and insuring transparency. This debt management policy provides a formal commitment to the public, credit rating agencies, investors, and the capital markets that the Town will use a disciplined and defined approach to financing its capital needs.

### General Policies

- A.** General Obligation bonds are subject to the State Constitutional debt limit of eight percent (8%) of assessed taxable value of the locality. At no time shall the Town's indebtedness backed by the full faith and credit of the Town exceed this limit without a referendum approving the additional general obligation bonds above this limit.
- B.** The Town issues long-term debt to provide funds for the acquisition and construction of major capital facilities as well as the purchase of land.
- C.** The Town may confine long-term borrowing to capital improvements and projects that have lives of 4-50 years (in accordance with the estimated useful life definition of a capital asset).
- D.** The Town will not use long-term debt to finance current operations.

## Financial Policies

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- E. When the Town finances capital projects by issuing bonds, it will pay back the interest and principal on the bonds within a period not exceeding the expected life of the improvements.
- F. The Town will seek level or declining debt repayment schedules and will avoid issuing debt that provides for balloon principal payments reserved at the end of the term of the issue.
- G. The Town will not issue variable-rate debt due to the potential volatility and financial risks associated with such instruments.
- H. The Town will not use derivatives or other exotic financial structures in the management of the Town's debt portfolio.
- I. The Town will strive to maintain a minimum fund balance in the Debt Service Fund at an amount equivalent to one (1) year's debt obligation. The Debt Service Fund will receive annual funding through operating transfers from other funds, primarily the General Fund, and by interest earned on cash held in the Debt Service Fund itself.
- J. The Town will strive to maintain the highest possible credit rating from at least three nationally recognized rating agencies.

### Procedure For Issuance of Debt

#### **K. Authority**

- 1.) The Town will adhere to any lawfully promulgated rules and regulations of the State of South Carolina and those promulgated under the Internal Revenue Code ("The Code").
- 2.) All debt shall be formally authorized by resolution of the Town Council.

#### **L. Method of Issuance**

It shall be the policy of the Town to sell all General Obligation and Revenue bonds through a competitive bid process. The Town's bonds will be offered in a public sale to all eligible bidders. Unless all bids are rejected, the debt will be awarded to the bidder providing the lowest true interest cost if the bid adheres to the requirements set forth in the official notice of sale.

#### **M. Transparency**

- 1.) The Town and/or its Financial Advisor will ensure compliance with the Code, and all applicable Federal and State rules and regulations. Such State compliance will include, but not be limited to, compliance with all legal requirements regarding adequate public notice of all meetings of the Town related to consideration and approval of debt.
- 2.) All costs (including interest, issuance, continuing, and one-time), the terms and conditions of each debt issue along with a debt service schedule outlining the rate of retirement for the principal amount will be disclosed to the Town Council, citizens and other interested parties in a timely manner and will be available for public review on request during normal working hours.

## Financial Policies

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- 3.) The Town will make this information available through the Town website, newspapers, and other customary locations for Town notices to its Town Council, citizens, and other interested parties.
- 4.) The Town will file its Annual Comprehensive Financial Report which includes debt schedules and any Continuing Disclosure documents, prepared by the Town or its Dissemination Agent with the MSRB through the Electronic Municipal Market Access system (“EMMA”). These documents will be made available to its citizens and other interested parties by posting on the Town’s web page.

### Debt Types

When the Town determines that the issuance on long term debt is appropriate, the following criteria will be used to evaluate the type of debt to be issued.

#### **N. Security Structure**

##### **1.) General Obligation Bonds**

General obligation bonds are direct obligations and pledge the full faith and credit of the Town and shall be used to support governmental-purpose facilities and improvements. General obligation bonds are subject to the State Constitutional debt limit of eight percent (8%) of assessed taxable value of the locality. At no time shall the Town’s bonded indebtedness backed by the full faith and credit of the Town exceed this limit without a referendum approving the additional general obligation bonds above such limit.

##### **2.) Special Obligation (Revenue) Bonds**

Special Obligation Bonds are considered a special obligation of the Town payable from a specified revenue source such as hospitality tax, beach preservation fees, stormwater fees, etc. The full faith, credit, and taxing powers of the Town are not pledged for the payment of the Special Obligation Bonds nor the interest thereon. The Town shall utilize special obligation bonds when practicable for all user-fee supported activities. The Town shall utilize special obligation bonds for restricted revenues including, but not limited to hospitality taxes and accommodations taxes, as permitted under state law.

##### **3.) Tax Increment Financing Bonds**

Tax Increment Financing bonds are considered a special obligation of the Town payable solely from ad valorem taxes generated by improvements to real property within the redevelopment property area. The full faith, credit, and taxing powers of the Town are not pledged for the payment of the Tax Increment Financing Bonds nor the interest thereon. The amount of debt allowed is defined in the redevelopment plan for each tax increment district as approved by the affected taxing districts. The Town shall not exceed the debt allowed in the redevelopment plan.

##### **4.) Capital Leases**

The Town may use capital leases to finance projects such as equipment, if the Finance Director, Town Manager, and Financial Advisor determine that such an instrument is economically feasible.

## Financial Policies

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### **O. Duration**

#### Long-Term Debt

The Town may issue long-term debt when it is deemed that capital improvements cannot or should not be financed from current revenues or short-term borrowings. Long-term debt will not be used to finance current operations or normal maintenance expenses. Long-term debt will be structured such that the financial obligations do not exceed the expected useful economic life of the project(s) financed.

### **Refinancing Outstanding Debt**

The Finance Director and Town Manager, with assistance from the Town's Financial Advisor, will have the responsibility to analyze outstanding debt for refunding opportunities. The following parameters will be considered when analyzing possible refunding opportunities:

### **P. Debt Service Savings**

Absent other compelling considerations such as the opportunity to eliminate onerous or unduly restrictive covenants contained in existing debt documents, the Town as a general rule will require in any refunding bond issue a minimum net present value savings threshold of at least three (3) percent of the refunded debt principal amount. However, The Town may accept a lower threshold.

### **Q. Restructuring for Economic Purposes**

The Town may also consider refunding debt when it is in its best financial interest to do so. Such a refunding will be limited to restructuring to meet unanticipated revenue shortfalls, achieve annual cost savings, mitigate irregular debt service payments, release reserve funds, etc.

### **R. Term of Refunding Issues**

Normally, the Town will refinance debt equal to or within its existing term. However, the Town may consider maturity extension for economic purposes, when necessary to achieve desired outcomes, provided that such extension is legally permissible. The Town may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful economic life of the financed facility and the concept of inter-generational equity will guide these decisions.

### **S. Escrow Structuring**

The Town will utilize the least costly securities available in structuring refunding escrows. In the case of open market securities, a certificate will be provided by a third-party agent, who is not the financial advisor or broker-dealer stating that the securities were procured through an arms-length, competitive bid process.

### **T. Arbitrage**

The Town will take all necessary steps to optimize escrows and to avoid negative arbitrage in its refunding. Any positive arbitrage will be rebated as necessary according to Federal guidelines.

# Financial Policies

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## Professional Services

The Town shall require all professionals engaged in the process of issuing debt to clearly disclose all compensation and consideration received related to services provided in the debt issuance process by both the Town and the lender or conduit issuer, if any. This includes “soft” costs or compensations in lieu of direct payments.

### **U. Bond Counsel**

The Town shall select a Bond Counsel. The Bond Counsel’s role is to prepare or review and advise the issuer regarding the tax status authorizing resolutions or ordinances, trust indentures, office statements, and other customary matters.

### **V. Financial Advisor**

The Town may select a Financial Advisor with relevant experience in South Carolina municipal government to assist in its issuance of debt.

### **W. Underwriter**

The Town shall solicit proposals for underwriting services for all debt issued in a negotiated or private placement sale. The solicitation process used for these services shall fully comply with Town purchasing requirements, to the extent applicable.

## Conflicts

- X.** Professionals involved in a debt transaction hired or compensated by the Town shall be required to disclose to the Town existing client and business relationships between and among the professionals to the transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, liquidity or credit enhancement provider, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include sufficient information to allow the Town to understand fully the significance of the relationships.
- Y.** Professionals who become involved in the debt transaction because of a bid submitted in a publicly advertised competitive sale conducted using an industry standard, electronic bidding platform shall not be subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

## Compliance

### **Z. Continuing Annual Disclosure**

When the debt is delivered, the Town will execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the publicly traded debt to provide certain financial information relating to the Town by not later than twelve months after each of the Town’s fiscal years, (the “Annual Report”) and provide notice of the occurrence of certain enumerated events. The Annual Report will be filed with the MSRB through the Electronic Municipal Market Access system (“EMMA”).

## Financial Policies

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### **AA. Arbitrage Rebate**

It is the Town's policy to minimize the cost of arbitrage rebate and yield restriction while strictly complying with the applicable laws. Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, arbitrage calculations will be performed by qualified arbitrage professionals in strict adherence to applicable laws and regulations. These calculations will be done in accordance with required Internal Revenue Service reporting dates.

### **BB. Records**

The Town will also maintain records required by the Code including, but not limited to, all records related to the issuance of the debt including detailed receipts and expenditures for a period up to six (6) years following the final maturity date of the Debt.

## Debt Policy Review

### **CC. General Guidance**

The guidelines outlined herein are intended to provide general direction regarding the future issuance of Debt. The Town Council maintains the right to modify this Debt Policy and make reasonable exceptions to any of its guidelines at any time to the extent that the execution of such Debt achieves the overall debt management goals of the Town, and such exceptions or changes are consistent with any rules and regulations promulgated by the State of South Carolina.

### **DD. Designated Official**

The Finance Director and Town Manager shall be responsible for ensuring substantial compliance with this Debt Policy.

## **TOWN OF HILTON HEAD ISLAND ACCOUNTING AND FINANCIAL REPORTING POLICY**

### Scope

This investment policy applies to all financial assets and funds placed for investment by the Town of Hilton Head Island. Except for special funds that are otherwise specifically provided for, the Town will consolidate the balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles. These funds are accounted for in the Town's Annual Comprehensive Financial Report and include:

- A. General Fund
- B. Special Revenue Funds
- C. Capital Project Funds
- D. Debt Service Funds
- E. Stormwater Funds
- F. Natural Disaster Funds
- G. Trust and Agency Funds

# Financial Policies

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## Objectives

The primary objectives, in order of priority, of all investment activities involving the financial assets of the Town of Hilton Head Island shall be the following:

**A. Safety:** Safety and preservation of principal in the overall portfolio is the foremost investment objective. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

1.) Credit Risk

The Town will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in the Investment Types section of this Investment Policy.

2.) Interest Rate Risk

The Town will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

**B. Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets or the South Carolina Investment Pool which offers next day liquidity for short-term funds.

**C. Yield:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

# Financial Policies

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## Delegation of Authority

Authority to manage the Town's investment program is derived from State of South Carolina Statutes and Town ordinances and is granted to the Director of Finance, through the adoption of this policy. No persons may engage in an investment transaction except as provided under the terms of this policy and procedures established by the Director of Finance. The Director of Finance shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

## Internal Controls

The Director of Finance is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met.

## Prudence

The standard of prudence to be used by all participants in the investment process shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

## Investment Providers

### A. Broker/Dealers

The Town shall select broker/dealers by their ability to provide effective market access and may include "Primary Government Securities Dealers" or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). Broker/dealers selected must be members in good standing of the Financial Industry Regulatory Authority ("FINRA") and be licensed in the State. Each broker/dealer will be reviewed and approved by the Director of Finance.

The Town shall maintain an "approved broker/dealer list" and the list will be periodically approved by the Director of Finance. The Town shall not enter into transactions with a broker/dealer until approved.

Periodic review of the financial condition and registration of all selected broker/dealers will be conducted by the Town.

### B. Financial Institutions

The Town shall select a primary depository bank in compliance with the Town's banking services procurement process and State law, and which offers the most favorable terms and conditions for the handling of Town funds.



## Financial Policies

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The Town may also establish agreements with other financial institutions under separate contract for additional services that are necessary in the administration, collection, investment, and transfer of Town funds. No deposit shall be made except in a qualified public depository as established by State law.

### Investment Types

- A. In accordance with South Carolina Statute SC Code Ann. SECTION 6-5-10, Authorized investments by political subdivisions include:
- 1.) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
  - 2.) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
  - 3.) i. General obligations of the State of South Carolina or any of its political units; or ii. Revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
  - 4.) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
  - 5.) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
  - 6.) Repurchase agreements when collateralized by securities as set forth in this section.
  - 7.) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (1), (2), (3), and (6) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

## Financial Policies

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- B. The provisions of this chapter shall not impair the power of a municipality, county, school district or other local governmental unit or political subdivision or county treasurer to hold funds in deposit accounts with banking institutions as otherwise authorized bylaw.
- C. Local government investment pools either state-administered or developed through joint powers statutes and other intergovernmental agreement legislation.
- D. Unrated investments (overnight funds) are invested in a money market “account” vs. a true “fund.” That is, the funds are held by Bank in an interest-bearing depository account. As such, they are collateralized per Section 6-5-15 of the SC Code which outlines securing bank deposits.

### Collateralization and Insurance

All deposits and investments at a bank, trust company, or savings and loan association (hereinafter, collectively referred to as “depository”), including all demand deposits, certificates of deposit and special time deposits (hereinafter, collectively referred to as “deposits”) that are in excess of the amount of insured under the provisions of the Federal Deposit Insurance Corporation (FDIC), including pursuant to a Deposit Placement Program in accordance with South Carolina State Statute 6-5-15, which dictates the securing and collateralization of public funds.

### Diversification

It is the policy of the Town of Hilton Head Island to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss and balance the effect of interest rate changes affecting different types of securities. Investments will be diversified by:

- Limiting investments to avoid over-concentration in securities from a specific issuer or business sector;
- Limiting investments in securities with higher credit risks;
- Investing in securities with varying maturities; and
- Continuously investing a portion of the portfolio in readily available funds such as the Local Government Investment Pool, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

### Maximum Maturities

To the extent possible, the Town of Hilton Head Island will attempt to match its investments with anticipated cash flow requirements. The Town will not directly invest in securities maturing more than five (5) years from the date of purchase.

### Performance Standards

The Town’s investment portfolio will be designed to obtain a market average rate of return during a market/economic environment of stable interest rates and consider the Town’s investment risk constraints and cash flow needs. Given the passive nature of the Town’s investment strategy, the basis used to determine whether market yields are being achieved shall be the average Federal Funds rate.

### Reporting

The Director of Finance or designee shall submit a quarterly investment report to the Finance Committee. The report shall include for each individual investment:

- Description of investment instrument
- Issuer name

## Financial Policies

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- Maturity date
- Purchase price
- Current market value
- Maturity amount

### Investment Policy Considerations

The investment policy will be reviewed annually by the Finance & Administrative Committee. Changes in the investment policy must be approved by the Finance & Administration Committee and Town Council.

### **TOWN OF HILTON HEAD ISLAND ACCOUNTING AND FINANCIAL REPORTING POLICY**

The Town will establish and maintain a high standard of accounting practices.

The accounting system will maintain records on a basis consistent with accepted standards for local government accounting. Governmental fund revenues and expenditures are recognized on the modified accrual basis. Revenues are recognized in the period when they become measurable and available. Expenditures are recognized when the liability is incurred, except principal and interest on general long-term debt which is recognized when due or when funds have been made available for payment.

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate.

The Town will comply with prevailing federal, state, and local statutes and regulations. The Town will also conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB), American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).

In accordance with South Carolina Code Ann., Section 5-7-40, an annual independent external audit by a certified public accountant, is required of the books of account and financial records of the Town.

In general, it will be the policy of the Town to:

- A. Prepare and present monthly financial reports outlining the status of revenues and expenditures. The financial reports will be distributed to the Town Council, Town Manager and posted to the Town's website for public inspection.
- B. Issue annual financial reports in accordance with generally accepted accounting principles (GAAP) as outlined in the Governmental Accounting, Auditing and Financial Reports (GAAFR) publication.
- C. Annually seek to obtain the Government Finance Officers Association (GFOA) Certificate of Achievement in Excellence for Financial Reporting for the Town's Annual Comprehensive Financial Report (ACFR).

## Financial Policies

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### **TOWN OF HILTON HEAD ISLAND RISK MANAGEMENT AND INTERNAL CONTROLS POLICY**

In developing and maintaining the Town's accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

### **TOWN OF HILTON HEAD ISLAND PROCUREMENT POLICY**

#### **Purpose**

To establish detailed Standard Operating Procedures ("SOP") for the procurement of goods and services by all Town Departments ("Departments"). These SOPs are intended to serve as the guide for proper methods, procedures and processes for acquiring goods or services for the Town. No such document can ever be all encompassing, therefore any questions or concerns that may arise during the procurement process should be directed to the Procurement Officer for resolution.

#### **Background**

Contracting/Procurement requirements are established in Title 11 of the Town's Municipal Code. The procurement process starts with the Town's Procurement Officer to whom the Town Manager has delegated procurement authority, as allowed per Title 11, Chapter 1, Article 2 of the Town's Municipal Code. This delegation includes all duties with the exception of the contracts for Town Manager and Town Attorney. All other contracts and agreements must be reviewed and approved by the Procurement Officer who will then forward to the appropriate senior staff members for additional review and approval. The Deputy Town Manager will sign most contracts with the exception of contracts for capital improvement projects, which will be signed by the Assistant Town Manager - Community Development. Signature authority has been delegated to these positions by the Town Manager for contracts having a total value of up to \$100,000. Contracts over that amount must be signed by the Town Manager.

The Town utilizes a virtual centralized procurement model in which there is a centralized procurement/contracting process overseen and administered by the Procurement Officer, with decentralized initiation and participation by user Departments. Each Department is responsible for the acquisition of goods or services for which a line item has been established in their budget. The Director of Public Projects and Facilities is responsible for all Capital Improvement Projects and the acquisition of goods or services that support these projects.

The procurement process requirements are determined primarily by the dollar amount of the procurement, regardless of the instrument (purchase card, purchase order or written contract) used for the procurement.

## Financial Policies

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The Town has three definitive methods/tools for procuring goods or services with a value of \$25,000 or less (“Small Purchases”). These methods are the standard purchase order, the purchase card (P-Card), or when appropriate, the standard town contract (typically when contracting for services). A Purchase Order is also a simple contract. Most Small Purchases can be acquired using a P-Card. However, if a vendor will not accept a P-Card, then a purchase order should be used. Almost all services that fall within the Small Purchases threshold will utilize the Town’s standard contract to acquire the services. Such services shall include any services that will be foreseeably utilized on a recurring basis over a period of time, regardless of total dollar value. If a Department is unclear on which option to choose, it should consult with the Procurement Officer. The detailed procedures and guidelines for Small Purchases are outlined in Exhibit 1.

For acquisition of goods and services with a value in excess of \$25,000, the Town Code requires a formal solicitation. These SOPs establish the procedures and the processes to be used for all formal solicitations. There are several formal solicitation methods that may be used. In all cases the formal solicitation process begins with and is overseen by the Procurement Officer.

### EXHIBIT 1 SMALL PURCHASE PROCEDURES

#### RULES AND REGULATIONS FOR MAKING PURCHASES UP TO \$25,000

Under Section 11-1-315 of the Procurement Code of the Town of Hilton Head Island, the Town Manager may establish procedures for handling purchases of goods and services up to \$25,000. Therefore, the following rules shall apply to all purchases up to \$25,000, unless otherwise exempted by Title 11 of the Municipal Code.

1. Purchases of goods and services up to \$7,500, require either: (i) the completion and approval of a purchase order, (ii) a purchase card transaction (if within P-Card dollar limitations), or (iii) an executed contract, prior to purchase. Employees are encouraged to check competitive prices to obtain the lowest price, but may proceed with the purchase if confident the pricing quoted from one vendor is fair and reasonable. No purchase may be artificially subdivided to constitute a small purchase.
2. Purchases of goods and services from \$7,500.01 to \$25,000.00, require either: (i) the completion and approval of a purchase order, (ii) a purchase card transaction (if within P-Card dollar limitations), or (iii) an executed contract, prior to purchase. Employees are required to obtain a minimum of three written bids/quotes. The designated Department representative must also document in writing either of the following occurrences: (a) any deviation from selecting the lowest price, or (b) purchases where there are less than three sources available for price comparison purposes. **Documentation of the competitive quotes solicited, along with any other written documentation required shall be filed as part of the official procurement record, which means either: (a) uploaded to the P-Card transaction in Works, (b) uploaded the purchase order record in Munis, or (c) filed with the contract package.** The designated Department representative must approve purchase orders prior to the actual purchase of goods and services. All purchases made with a P-Card must be in compliance with the Town’s Purchasing Card Policy.

## Financial Policies

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### **TOWN OF HILTON HEAD ISLAND LONG TERM FINANCIAL PLANNING POLICY**

The purpose of a long-term financial plan is to express in financial terms the activities that the Town Council proposes to undertake over the medium to longer term to achieve its stated objectives. It is similar to, but less detailed than the Annual Budget and helps guide Town Council's future actions depending on the longer-term revenue and expenditure proposals.

Long-term financial plans are particularly important for entities with a high level of long-lived assets and significant asset management responsibilities relative to their income base. Such entities may have long periods with modest levels of asset renewal requirements and then other periods when very significant outlays are necessary. They need to be generating revenue in an equitable manner over time and ensure that they have capacity to finance peaks in asset management and other outlays when, and including by way of borrowings where, necessary.

The preparation of a long-term financial plan generates improved information to guide Town Council's decisions about the mix and timings of outlays on operating activities and additional assets and the funding implications of these. Without a soundly based long-term financial plan, the Council with its significant asset management responsibilities is unlikely to have sufficient data to determine sustainable service levels with affordable asset strategies, appropriate revenue targets and treasury management.

The long-term financial plan forecast shall be at a minimum of four years and potentially more if needed.

### **TOWN OF HILTON HEAD ISLAND STRUCTURALLY BALANCED BUDGET POLICY**

#### **Policy**

It is the policy of the Town to maintain a structurally balanced budget to assure the Town's ability to sustain agreed upon service levels. The Town's structurally balanced budget policy is the Town's official source for developing sustainable service delivery on an annual basis.

#### **Authority**

Under the authority granted by the Town Charter, the Town Council is authorized to direct the financial affairs of the Town. It is the Town council's intent to use this authority responsibly in order to fulfill the service objectives of the Town. Management's responsibility for the structurally balanced budget policy is delegated to the Director of Finance.

#### **Scope**

The structurally balanced budget policy is inclusive of all governmental activity of the Town and incorporates recommended best practices of the Government Finance Officers Association (GFOA).

## Financial Policies

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### Definitions

**Non-recurring expense** - A charge or expense that is unlikely to occur again in the normal course of business.

**Non-recurring revenue** - A revenue gain or increase of an infrequent or unique nature that is unlikely to occur again in the normal course of business.

**Recurring expense** - A cost that is highly likely to occur annually such as salaries, benefits, materials, services, and asset maintenance costs.

**Recurring revenue** - The portion of a government's revenues that can reasonably be expected to continue year-to-year, with some degree of predictability.

**Reserves** - The portion of fund balance set aside as a hedge against the risks of underperforming revenue streams.

**Structurally balanced budget** - A budget that supports financial sustainability for multiple years into the future.

**Year-end surplus** - Funds not expended within the fiscal year to fund services that are recurring or non-recurring.

### Guidelines for structurally balanced budget

The Town shall annually adopt a balanced budget, which requires recurring revenue to be equal to or exceed recurring operating expenses.

Increases in expenses, decreases in revenue, or a combination of the two shall be used to balance the budget.

Non-recurring revenues shall be used to fund non-recurring expenses under normal circumstances

Any year-end operating surpluses shall revert to the unappropriated fund balance to assist in reaching the required reserve levels as set by the fund balance and reserve policy. Any surplus above the required levels may be used to support one-time expenses only.

The Town shall assure decision makers and stakeholders have information during all phases of the budget process, including but not limited to, the current financial condition of the Town, the impact of the proposed or actual budget, and the outlook and trends.

The Town shall adjust its policies, plans, programs, and management strategies during a current budget period, as appropriate, to stay within funds available. In addition, the Town shall use its long-term financial planning and budget processes to develop a strategy that provides details for using and replenishing fund balance to levels outlined in the fund balance and reserve policy.

The Town shall identify major revenue sources it considers unpredictable and define how those revenues may be used.

The Town shall develop a policy to guide the financial actions it shall take in the event of emergencies, natural disasters, downturns in the economy, or other unexpected events. The policy shall include methods of regaining a structural balance if draws on reserves are required.

# Financial Policies

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## TOWN OF HILTON HEAD ISLAND CAPITAL ASSET POLICY

### Purpose

The purpose of this policy is: (1) to describe the policies and procedures utilized in the Town's capital asset management system; (2) put in place guidelines for accounting for and depreciating the Town's capital assets.

The primary goals of this policy are:

- To ensure that the Town's capital assets are accounted for in conformance with generally accepted accounting principles; and
- To establish a consistent and cost-effective method for accounting of the Town's capital assets.

This capital asset policy is in accordance with generally accepted accounting principles and closely conforms to capital asset accounting practices as recommended by the Government Finance Officers Association. The Government Finance Officers Association (GFOA) recommends that every state and local government consider the following applicable guidelines in establishing capitalization thresholds for capital assets:

- Capital assets should be capitalized only if they have an estimated useful life of at least two years following the date of acquisition.
- Capitalization thresholds should be applied to individual assets rather than to groups of similar items (e.g., desks, tables), unless the effect of doing so would be to eliminate a significant portion of total capital assets.
- As a general rule, capitalization thresholds should be designed to encompass approximately 80% of a government's total non-infrastructure assets.
- In no case should a government establish a capitalization threshold of less than \$5,000 for any individual item.
- Governments should exercise control over their non-capitalized capital assets by establishing and maintaining adequate internal control procedures at the department level.

### Authority

The Town of Hilton Head Island Town Council.

### Application

This policy applies to all Town Department heads.

### Responsibility

The Town Manager and Director of Finance shall be responsible for implementation of this policy.

### Definitions

See attachment entitled "Glossary of Terms".

### Policy

#### 1. Threshold

Effective July 1, 2022, the Town will capitalize individual assets other than infrastructure and software acquisition that cost \$5,000 or more and have an estimated useful life of at least two (2) years. The capitalization threshold for infrastructure shall be \$100,000 and for software acquisition the threshold shall be \$50,000.



# Financial Policies

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2. Valuation

In accordance with generally accepted accounting principles, the Town will value its capital assets at historical cost. Historical cost includes the cost or estimated cost at the time of acquisition, freight charges, installation and site preparation charges, and the cost of any subsequent additions or improvements, excluding repairs. If a capital asset is donated to the Town, the asset will be valued based on the fair market value at the time the asset is donated.

3. Capital Assets Inventory Report

As part of the financial audit, the Finance Department shall submit a capital asset report to the Town’s external auditor on an annual basis. This report will include the following information:

- i. Type of asset (i.e. land, building, infrastructure)
- ii. Date of acquisition
- iii. Acquisition cost
- iv. Estimated useful life
- v. Annual depreciation
- vi. Accumulated depreciation

4. Depreciation

The Town will use the Straight-Line Method to depreciate capital assets.

a. Estimated Useful Lives

The following ranges are guidelines in setting estimated useful lives for depreciating assets.

Building	25-30 Years
Infrastructure	25 Years
Vehicles	8-15 Years
Furniture, fixtures, and equipment	5-20 Years
Roads	25-30 Years
Waterway	30 Years
Dams	30-50 Years
Software	10 Years

b. Inventory

For internal control purposes, the Town may maintain an inventory listing of certain assets (controlled equipment) that do not meet the above reference capitalization amounts. Controlled equipment includes items that should be specifically accounted for and inventoried periodically due to the high re-sale value of the equipment and potential risk of theft. Controlled equipment may include items such as computers, construction equipment, and other office equipment.

Each Department Head is responsible for all controlled equipment within their areas of responsibility.

c. Disposal and Transfer of Town’s Assets

Disposition of Town assets will be performed in accordance with applicable Town policies and procedures.

## Financial Policies

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### TOWN OF HILTON HEAD ISLAND CAPITAL ASSET POLICY GLOSSARY OF TERMS

**Capital Assets:** Capital assets include land, land improvements, buildings, building improvements, construction in progress, machinery and equipment, vehicles, infrastructure, easements, intangible assets (such as computer software), and works of art and historical treasures.

**Capitalization:** Capitalization of an asset occurs when the cost of the asset meets the “threshold” and the “estimated useful life” set in the organizational guidelines. Under capitalization, the cost of an item is initially recorded as an asset rather than an expense.

**Depreciation:** Depreciation is the process of allocating the cost of property over a period of time, rather than recognizing the cost as an expense in the year of acquisition. Generally, at the end of an asset’s life, the sum of the amounts charged for depreciation in each accounting period (accumulated depreciation) will equal the original cost less salvage value.

**Donated Capital Asset:** Donated assets are those assets contributed to the Town. The donated assets are treated like a capital asset (using the fair market value).

**Estimated Useful Life:** Estimated useful life means the estimated number of months or years that an asset will be able to be used for the purpose for which it was purchased. In determining useful life, consideration is given to the asset’s present condition, use of the asset, construction type, maintenance policy, and how long it is expected to meet service demands.

**Fair Market Value:** The amount that would be paid if the item were sold currently in a transaction between a willing buyer and a willing seller.

**Historical Cost:** The historical cost of a capital asset includes the cost or estimated cost at the time of acquisition, freight charges, installation and site preparation charges, and the cost of any subsequent additions or improvements, excluding repairs.

**Infrastructure Assets:** Infrastructure assets are long-lived capital assets that normally can be preserved for a significant greater number of years than most capital assets (non- infrastructure assets). Infrastructure assets are normally stationary in nature and are of value only to the government entity. Examples include the Town drain system.

**Straight-Line Method:** The straight-line method is the simplest and most commonly used for calculating depreciation. It can be used for any depreciable property. Under the straight- line method, the basis of the asset is written off evenly over the useful life of the asset. The same amount of depreciation is taken each year. In general, the amount of annual depreciation is determined by dividing an asset’s depreciable cost by its estimated life.

**Threshold:** The threshold is the dollar amount that an asset must equal or exceed if that asset is to be capitalized. Otherwise, the item would be considered as an expense at the time of acquisition.

## Financial Policies

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### **TOWN OF HILTON HEAD ISLAND CAPITAL IMPROVEMENT PLAN (CIP) POLICY**

The Town is required by State law to develop a ten-year Capital Improvements Plan (CIP) and update it annually. The CIP is the initial source for developing the capital improvement funding for the upcoming year. There are multiple funding sources (each a separate fund within the accounting system) for the CIP. This document reflects the projects to be undertaken by funding source.

State law recognizes millage as either operating or debt. The Town chooses to establish a separate millage for the General Fund and CIP; however for State millage purposes, both are combined into the operating millage.

Once a project is approved and funds appropriated, the project will need Town Council approval to roll-over funds from year to year. During the annual budget process Town Council will be asked to approve any new projects or adjustments to the already approved projects and appropriate into the CIP. Town staff will recommend funding sources for any new projects. Excess appropriated funds shall be used to fund future capital projects, over budget projects, or to refund financial instruments.

The Town coordinates the development of the CIP budget with development of the General Fund budget. Future operating costs associated with capital improvements will be projected and reported in the General Fund budget.

Projects that will exceed budget must have a revised budget and request for additional funding submitted to Finance at the earliest possible time. Additional funding identified through savings on other capital projects or other means is adopted in accordance with the budget transfer policy.

### **TOWN OF HILTON HEAD ISLAND REVENUES POLICY**

The Town estimates its annual revenues by objective and analytical processes to include trend analysis and economic factors. General Fund revenue forecasts for the next three years shall be conservative and will be reviewed and updated annually.

The Town shall maintain a diversified and stable revenue system to the extent provided by law to insulate it from short run fluctuations in any one revenue source.

The Town will avoid dependence on temporary revenues to fund day-to-day municipal services. One-time revenues will generally be used for one-time expenditures/expenses.

All potential grants will be carefully examined for matching requirements (both dollar and level-of-effort matches).

Current revenues will be sufficient to support current expenditures/expenses (balanced budget) unless Council approves limited uses of unused or excess prior year funds.

## Financial Policies

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### **TOWN OF HILTON HEAD ISLAND EXPENDITURES POLICY**

All current operating expenditures/expenses will be paid for with current operating revenues. Budgetary procedures that fund current expenditures/expenses at the expense of future needs, such as postponing expenditures/expenses, accruing future revenues or rolling over short-term debt, will be avoided.

All assets will be maintained at a level that protects capital investment and minimizes future maintenance and replacement costs.

The budget will provide sufficient funding for adequate maintenance and orderly replacement of capital infrastructure and equipment.

All equipment needs and replacements for the next five years will be projected, and the projection will be reviewed and updated each year.

Future operating costs and maintenance will be determined to the extent estimable prior to construction of all new capital facilities.

Before any actions are taken or agreements are entered into that create fixed costs, the current and future years cost implications (both operating and capital) will be fully determined.

Where practical, performance measures and productivity indicators will be integrated into the budget.

### **TOWN OF HILTON HEAD ISLAND OPERATING BUDGET POLICY**

#### **Budget Process Overview**

The budget is a tool with which the Town can allocate its financial, human and capital resources in an effective and efficient manner to meet residents' needs. The process incorporates the development, implementation and evaluation of a plan for the provision of services and capital assets. Through the budget process, the Town makes decisions on the allocation of human and financial resources to achieve long and short-term goals and objectives as set forth by the Town Council. These resource decisions address desired quality of service, staffing levels, technology needs, equipment and capital improvements, and programs considered to be priorities by the Town Council. The Town of Hilton Head Island's fiscal year starts on July 1 and runs through June 30. To make these decisions, the Town uses the budget model described below.

#### **Policy and Strategy Phase**

The Council's goals and directives set the tone for the development of the budget. At an annual workshop, the Council identifies priorities, issues and projects that will provide the direction and framework of the budget. These key policy issues are presented at the "budget kickoff" meeting as are budgeting guidelines for the operating and capital budgets, timelines and an overview of fiscal constraints and resources available for allocation. Within this general framework, departments identify and formulate the more specific budgetary issues.

# Financial Policies

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## Assessment Phase

As part of the budget process, departments evaluate performance towards meeting current and past goals and objectives and assess current conditions, programs and needs. Various financial analyses, as well as productivity and staffing analyses, are performed. Programs and services are also reviewed thoroughly to assess their value and priority to the residents of the Town. These internal analyses are necessary to determine service needs and delivery improvements, cost savings opportunities and required staffing levels. Additionally, departments identify possible trade-offs in an attempt to provide the “best fit” for resources between service and workload estimates. Departments also establish departmental goals, objectives and performance measures corresponding to the goals, objectives and specific actions established by Town Council.

## Format of Department/Division Budgets

1. The department/division budget is separated into the following components:

### Mission Statement

The statement must identify the particular purpose for the department and how it relates to the Town’s overall mission.

### Core Services

A listing of the fundamental services that the department is designed to provide.

### Current Fiscal Year Accomplishments

A broad statement of what was accomplished in the **current** fiscal year.

### Goals

A broad statement of intended accomplishments or a description of a general condition deemed desirable.

### Objectives

An objective is a task to be undertaken to attain a goal. The objectives focus on particular program accomplishments that will be attained within the current year.

### Performance Measures (not all departments report this information)

Specific quantitative and qualitative measures of work performed as an objective of the department.

### Department Expenditures by Division and Category

The budget for a department is summarized by division, if applicable, and by category of expenditure. Categories of expenditures are as follows:

**Personnel** – salaries, overtime, other pay including holiday pay and temporary wages, FICA, retirement contributions, and health and other benefits;

**Operating** – contract and professional services, consulting; printing and publishing; uniforms and protective gear; travel, meetings and conferences; office and operating supplies; repairs and maintenance; capital outlay for equipment and furniture costing less than \$5,000 and software purchases costing less than \$50,000;

## Financial Policies

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**Capital outlay** – equipment and furniture costing \$5,000 or more, and software purchases costing \$50,000 or more.

2. The **Townwide – Non-departmental** budget is used for centralized expenditures and purchases not assigned to a department or division. The Town distinguishes the expenditures in the budget in the following categories.

The **personnel** reports retiree expenditures; short-term temporary salary and benefits including most summer interns; and workers' compensation deductibles (not premiums).

In the **operating**, the Town reports most utilities, insurance, maintenance contracts, copier leases and supplies, and vehicle fuel.

The **grants** includes Town funding for its affiliated organizations such as the Island Recreation Center; Coastal Discovery Museum management fee and turtle watch program; Solicitor's Office for career criminals program and drug court; Lowcountry Regional Transportation Authority, (LRTA); and the Beaufort County EDC.

The **capital outlay** includes equipment and furniture costing \$5,000 or more, and software purchases costing \$50,000 or more which is not directly associated with a specific department. An example is for security cameras throughout the Town.

The **debt service** is used for short-term debt such as capital leases or bank notes for equipment, vehicles, or software. Currently, the Town does not have any debt service in the General Fund.

### Approach to the Budget Review Process

The budget process begins by reviewing all current services in comparison to the Strategic Plan. Are current services sufficient or necessary? What new initiatives should be undertaken to meet basic requirements? Based on this analysis, a list of recommended changes is developed, creating the basis for the operating budget (business plan).

The mission statement for the department is the basis of the department's budget and lays down the direction of the department. A department's proposed budget is developed based on the previous year's budget, adding new initiatives and removing discontinued services.

From there, a department identifies specific goals, objectives and performance measures (not all departments report this information) to be accomplished within the upcoming year.

Based on the aforementioned analysis, departments submit staffing requests to the Human Resources Department. The Human Resources Department along with the Finance Department develops the personnel budget for each department including anticipated benefit costs. The proposed staffing models will then be reviewed and approved for each department.

## Financial Policies

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It should be noted that departments not only develop a budget for the upcoming fiscal year, they develop a three year expenditure forecast beyond the upcoming fiscal year as well. This includes any anticipated staffing adjustments that may be necessary. This information is incorporated with the three-year financial model developed by the Finance Department, with assistance from the departments, to create the Town's three-year financial forecast that is incorporated in the budget document.

At the same time the operating budgets are being created, the Public Projects and Facilities Director and staff are developing the Capital Improvement Program (CIP) for Planning Commission approval. This budget is submitted to the Finance Department and incorporated as part of the budget document.

The Director of Finance, in conjunction with Finance staff, develop the revenue budget based on historical records, trends, and economic conditions – local, regional, and national.

The Debt Service Budget is developed in accordance with legal bond requirements.

The Stormwater (Proprietary) Fund budget is developed in conjunction with two of the Town's major governmental funds (General Fund, Capital Projects Fund). Revenue projections are developed along with any proposed rate increase necessary to support the funding of capital improvements, debt service costs, and project management costs charged by the General Fund.

The Finance Department staff consolidates the operating budgets for the Town's three major governmental funds: General Fund, Debt Service Fund, and Capital Improvement Plan (capital projects funds); as well as the Stormwater (Proprietary) Fund budget into the Town's upcoming fiscal year business plan. In addition, a three- year financial forecast is created for the General Fund and incorporated into its upcoming fiscal year business plan.

### Budget Approval Process

During the months of March and April, the Town Manager reviews the proposed budget for the upcoming fiscal year with department directors and makes final adjustments to the budget proposal. The Finance Department staff prepares the final Town Manager's Consolidated Municipal Budget to be submitted to Town Council at its first meeting in May.

During the months of May and June, Town Council reviews the proposed budget and holds public budget workshops and meetings, along with a public hearing. The proposed budget is also published on the Town's website. After Town Council considers the budget Town Council adopts a budget to operate the Town for the next fiscal year.

Public hearings and final adoption of the budget occurs by June 30 in accordance with state law.

### Monitoring the Budget

The Finance Department prepares a monthly financial report for Town Council comparing actual expenditure activity to the budget.

# Financial Policies

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## Budget Transfers, Amending the Budget and Encumbrances

**Budget Transfers** – The Town Manager is authorized to transfer funds as follows:

- a. Make any budget line item transfer within a department in the General Fund.
- b. Transfer up to One Hundred Thousand Dollars (\$100,000) between departments in the General Fund.
- c. Transfer up to One Hundred Thousand Dollars (\$100,000) between Town Council approved capital projects as long as the project is completed and closed. If reserve funds (amending the cost of the Capital Improvement Plan (CIP)) need to be used or a project slid (amending the CIP spending plan) the transfer must be approved by Town Council.
- d. Transfer up to One Hundred Thousand Dollars (\$100,000) between Town Council approved capital projects in the Tax Increment Financing Fund (TIF) per (c) above.
- e. Transfer up to One Hundred Thousand Dollars (\$100,000) between Town Council approved line items in the Debt Service Fund.
- f. Any other transfers between a department's line items or capital projects exceeding the thresholds outlined above will be submitted to Town Council for approval.
- g. No budget transfers shall (a) be made between the General Fund, Capital Projects Fund, Debt Service Fund, or Tax Increment Financing Fund (TIF) with the exception of transfers identified in (c) above related to the Capital Projects Funds, or (b) conflict with any existing Bond Ordinances.

**Contract Authority** – The Town Manager is authorized to enter into Town contracts if the total contract amount does not exceed the budgeted line item by ten percent (10%) or One Hundred Thousand Dollars (\$100,000), whichever is less. If the total contract amount exceeds said thresholds, the funding proposal must be submitted to Town Council for approval.

**Budget Amendments** – Any change in the adopted budget which would increase or decrease the total of the combined authorized revenues or expenditures must be approved by Town Council.

**Encumbrances** – Appropriations are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. While appropriations lapse at the end of each fiscal year, re-appropriation of legal encumbrances at year-end of the fund balance are provided through the passage of the new fiscal year budget to increase the revenues (funds from previous fiscal year(s)) and roll-forward the appropriated budget expenditures from the prior year. The threshold for encumbrance roll-over is \$1,500. Any encumbrances less than this threshold will be liquidated and must be expended using funds from the new fiscal year.

**Capital Budgets often span fiscal years** - Capital budgets are approved on a project-based basis. Unlike operating budgets that expire at year-end, capital budgets carry-forward until the project is complete. **This includes projects budgeted in the CIP as well as the Stormwater Fund.**

## Specific Carryforwards and Designations

1. Town Council has designated the proceeds of a legal settlement toward work force housing and transportation initiatives. The funds are set aside, and further direction from Town Council for specific criteria to utilize these funds is forthcoming. In fiscal year 2022, Town Council approved a transfer of these funds to the Capital Projects Fund, and appropriated the funds to be used for housing initiatives in fiscal year 2023.
2. This year's CIP anticipates carry forward appropriations so that what has been a carry forward will now be incorporated into the beginning budget. This change will help provide a more complete, fuller picture of the CIP and projects in process. Although there is expected to be a "true up" of carry forward anticipated to actual, the dollar amounts will be significantly less than prior years.



## Financial Policies

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### **TOWN OF HILTON HEAD ISLAND MUNICIPAL CHECK SIGNING POLICY**

For all municipal checks relating to the purchase of goods, supplies, and services which are less than Ten Thousand Dollars (\$10,000.00), the check must be signed by the Director of Finance.

For all municipal checks relating to the purchase of goods, supplies, and services which exceed Ten Thousand Dollars (\$10,000.00) and are less than One Hundred Thousand Dollars (\$100,000.00) two signatures are required. The check must be signed by the Director of Finance and must be countersigned by the Deputy Town Manager, Assistant Town Manager-Community Development, or Assistant Town Manager.

For all municipal checks relating to the purchase of goods, supplies, and services which exceed One Hundred Thousand Dollars (\$100,000.00), the check must be signed by the Director of Finance, and must be countersigned by the Town Manager, Mayor, or Mayor Pro-Tem.

For all municipal checks relating to payroll, the check must be signed by the Director of Finance.

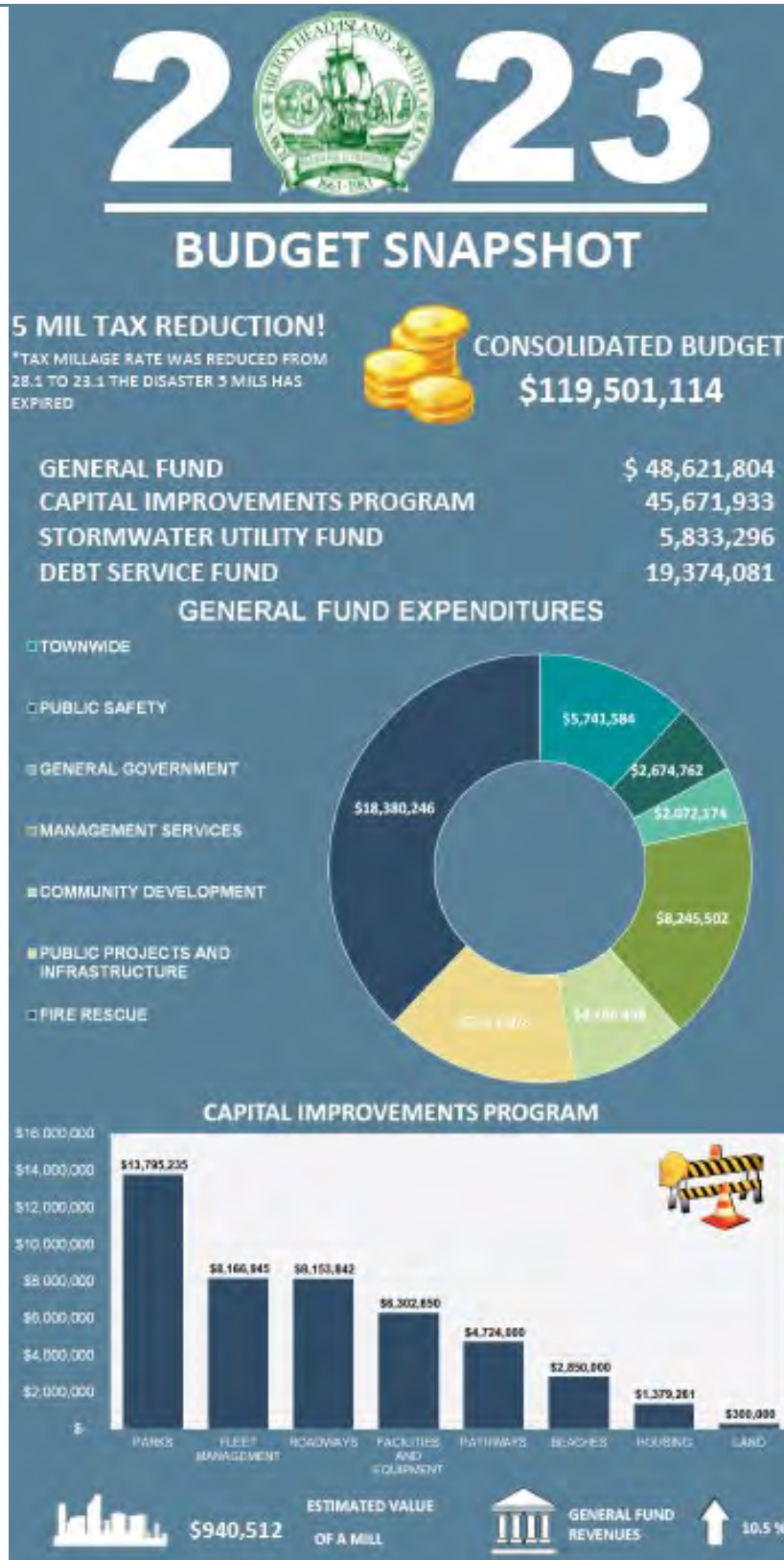
All Town employees must be paid by direct deposit. Only exceptions are the first payroll check after date of hire or when changing bank accounts.

These procedures are in addition to the procurement regulations in the Municipal Code of the Town of Hilton Head Island and are subject to an appropriate fidelity bond being in place.



**Consolidated Budget Summary  
Governmental Funds**

# Consolidated Budget Summary – General, Debt, CIP and Stormwater Funds



## Consolidated Budget Summary – General, Debt, CIP and Stormwater Funds

The budget process this year was priority-based and focused on funding the Town’s Strategic Plan, enhancing customer service, innovation, employee benefits program and professional development opportunities, investing in impactful capital projects and community infrastructure, building a resilient community, and using the consolidated budget as a catalyst to implement change and improvement. The balanced budget for Fiscal Year 2023 has been allocated in a manner that will successfully meet the challenges and opportunities before the Town and set the stage for the Town’s continued success in the future.

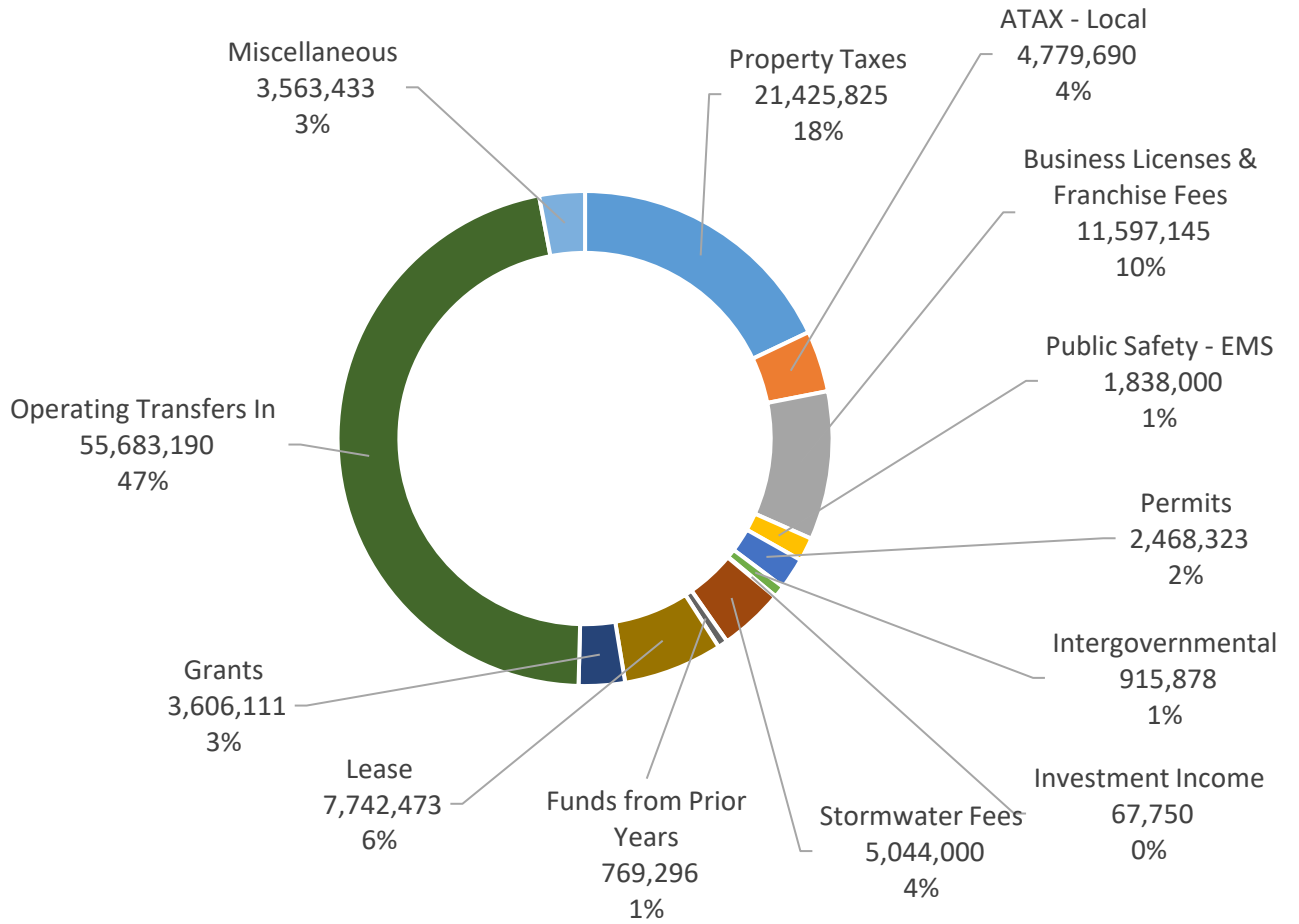
The combined budgets expenditures for the four major funds for Fiscal Year 2023 is \$119,501,114. The budget is balanced, prudent and responsive to community needs.

### Consolidated Financial Statement

	2020 Actual	2021 Actual	2022 Adopted Budget	2023 Adopted Budget	% Change
<b>Revenues</b>					
Property Taxes	20,822,813	21,373,792	21,237,055	21,425,825	0.9%
ATAx - Local	3,541,615	5,561,900	3,988,163	4,779,690	19.8%
Business Licenses & Franchise Fees	9,695,618	11,265,459	10,477,403	11,597,145	10.7%
Public Safety - EMS	1,487,823	1,776,344	1,707,823	1,838,000	7.6%
Permits	1,619,638	2,125,382	1,659,323	2,468,323	48.8%
Intergovernmental	879,859	896,909	888,392	915,878	3.1%
Investment Income	900,242	62,219	48,000	67,750	41.1%
Stormwater Fees	4,928,623	5,043,167	4,934,000	5,044,000	2.2%
Funds from Prior Years	-	-	11,420,551	769,296	-93.3%
Prior Bond Issue	16,520,000	-	1,855,000	-	-100.0%
Lease	-	-	6,201,868	7,742,473	24.8%
Grants	-	151,926	-	3,606,111	100.0%
Operating Transfers In	26,149,059	28,896,003	30,638,316	55,683,190	81.7%
Miscellaneous	2,837,033	1,747,767	1,782,428	3,563,433	99.9%
<b>Total</b>	<b>89,382,323</b>	<b>78,900,868</b>	<b>96,838,322</b>	<b>119,501,114</b>	<b>23.4%</b>
<b>Expenditures</b>					
General Government	1,909,226	1,923,342	2,423,489	2,072,174	-14.5%
Management Services	5,534,568	5,919,561	6,902,997	8,245,502	19.4%
Community Services	8,454,851	9,064,281	10,710,139	11,507,536	7.4%
Public Safety	18,810,785	19,156,810	19,023,146	21,055,008	10.7%
Townwide	4,052,137	4,895,954	4,674,886	5,741,584	22.8%
Transfers Out	-	125,000	2,494,000	955,000	-61.7%
Capital	23,597,502	14,061,999	28,044,099	44,841,933	59.9%
Stormwater	2,956,259	3,023,948	1,965,938	4,383,496	123.0%
Bond Anticipation Note Repayment	-	-	-	-	n/a
Debt Issue Costs	508,457	-	-	-	n/a
Debt Service	39,003,437	21,559,191	20,599,628	20,698,881	0.5%
<b>Total</b>	<b>104,827,222</b>	<b>79,730,086</b>	<b>96,838,322</b>	<b>119,501,114</b>	<b>23.4%</b>
<b>Excess/(Deficiency) of Revenues over Expenditures</b>	<b>(15,444,899)</b>	<b>(829,218)</b>	<b>-</b>	<b>0</b>	

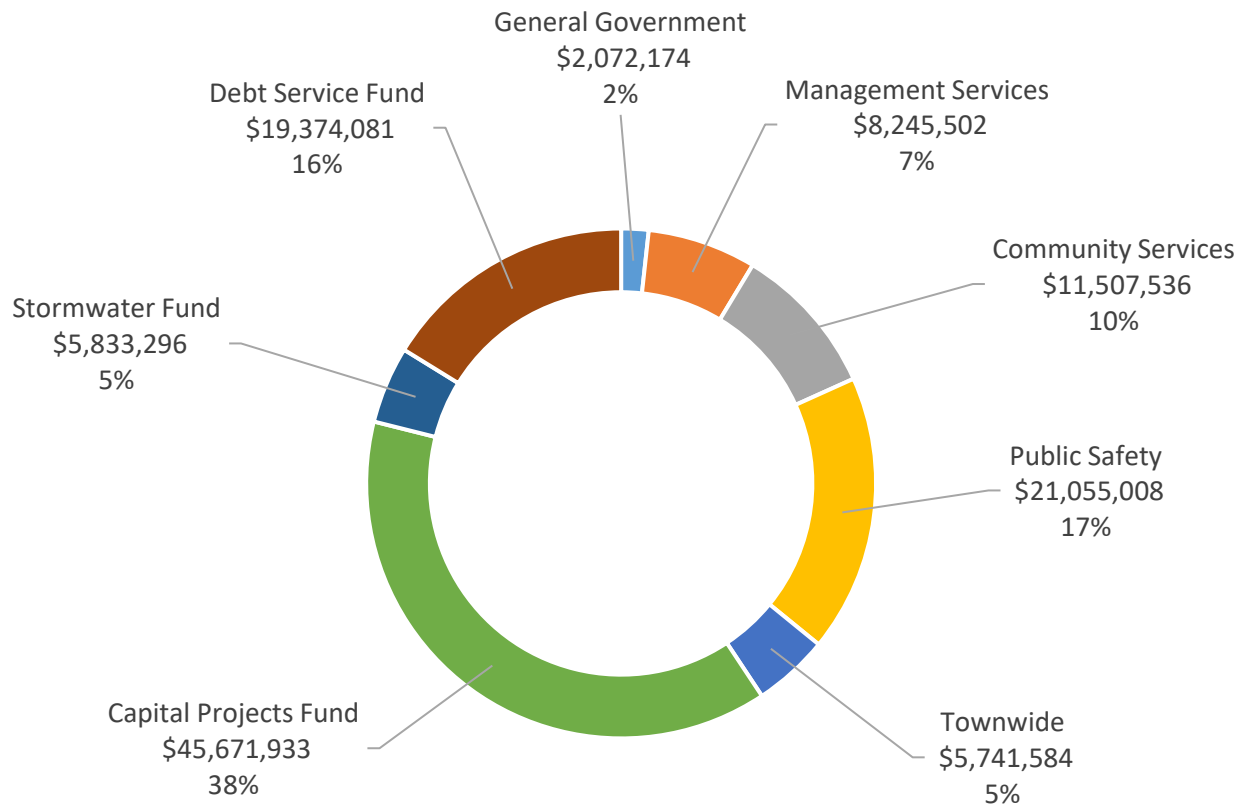
## Where the Money Comes From

Fiscal Year 2023



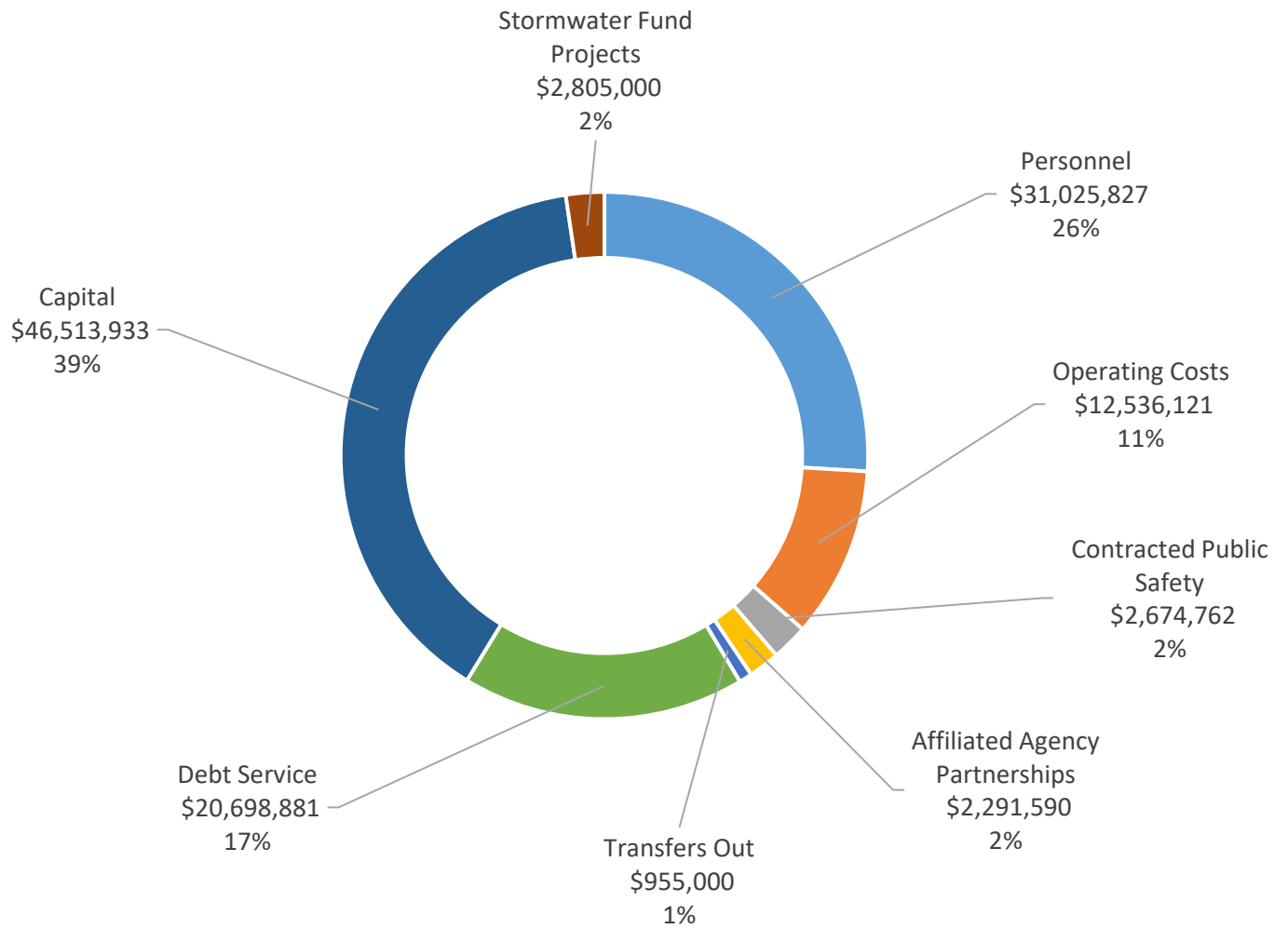
## Where the Money Goes – By Program

Fiscal Year 2023



## Where the Money Goes – By Category

Fiscal Year 2023



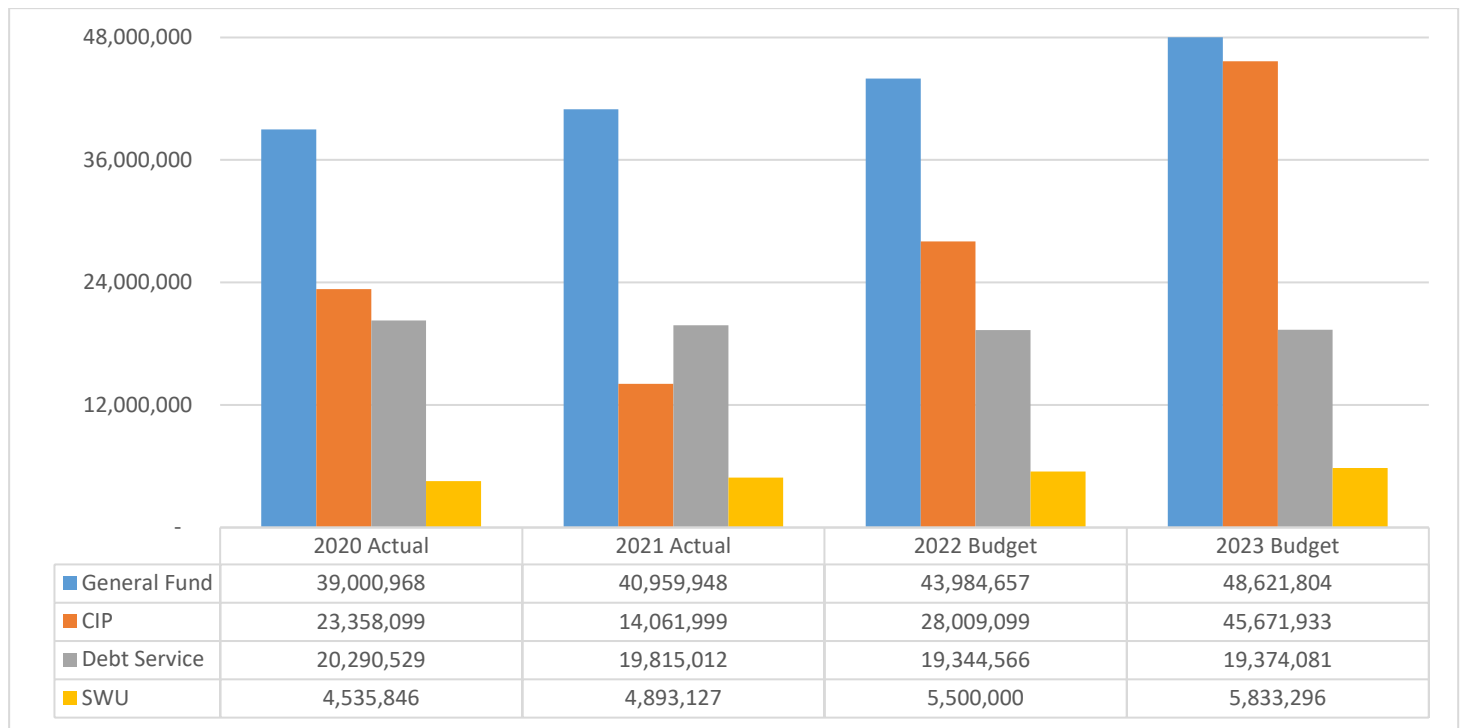
## Revenue and Expenditures by Fund

### Fiscal Year 2023

Fiscal Year 2023	General Fund	Debt Service Fund	CIP	SWU	Total
<b>Budgeted Revenues</b>					
Property Taxes	16,023,489	5,402,336	-	-	21,425,825
ATAx - Local	4,779,690	-	-	-	4,779,690
Business Licenses and Franchise Fees	11,597,145	-	-	-	11,597,145
EMS Revenue	1,838,000	-	-	-	1,838,000
Permits & Fees	2,468,323	-	-	-	2,468,323
Intergovernmental	915,878	-	-	-	915,878
Investment Income	35,750	12,000	-	20,000	67,750
Stormwater Fees	-	-	-	5,044,000	5,044,000
Funds from Prior Years	-	-	-	769,296	769,296
Bond Revenue	-	-	-	-	-
Operating Transfers In	10,309,746	13,959,745	31,413,699	-	55,683,190
Lease	-	-	7,742,473	-	7,742,473
Grants	76,111	-	3,530,000	-	3,606,111
Miscellaneous	577,672	-	2,985,761	-	3,563,433
<b>Total Revenues</b>	<b>48,621,804</b>	<b>19,374,081</b>	<b>45,671,933</b>	<b>5,833,296</b>	<b>119,501,114</b>
<b>Budgeted Expenditures</b>					
General Government	2,072,174	-	-	-	2,072,174
Management Services	8,245,502	-	-	-	8,245,502
Community Services	11,507,536	-	-	-	11,507,536
Public Safety	21,055,008	-	-	-	21,055,008
Townwide	5,741,584	-	-	-	5,741,584
Transfers Out	-	-	-	955,000	955,000
Capital	-	-	44,841,933	-	44,841,933
Stormwater	-	-	830,000	3,553,496	4,383,496
Debt Issue Costs	-	-	-	-	-
Debt Service	-	19,374,081	-	1,324,800	20,698,881
<b>Total Expenditures</b>	<b>48,621,804</b>	<b>19,374,081</b>	<b>45,671,933</b>	<b>5,833,296</b>	<b>119,501,114</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Trend Analysis of Expenditures by Fund



## Revenue Analysis

1. **Property Taxes; General Fund and Debt Service Fund** – an ad valorem property tax, a tax per unit of property value, is levied upon all real property and certain classes of tangible property as that property is assessed and equalized for State and County purposes for any tax year. The property tax is authorized by the South Carolina Code of Laws (SC Code), Sec. 5-7-30 and 12-43-220, and also by the Town of Hilton Head Island Code of Ordinances, Title 4, Chapter 3.

### Collection and Distribution

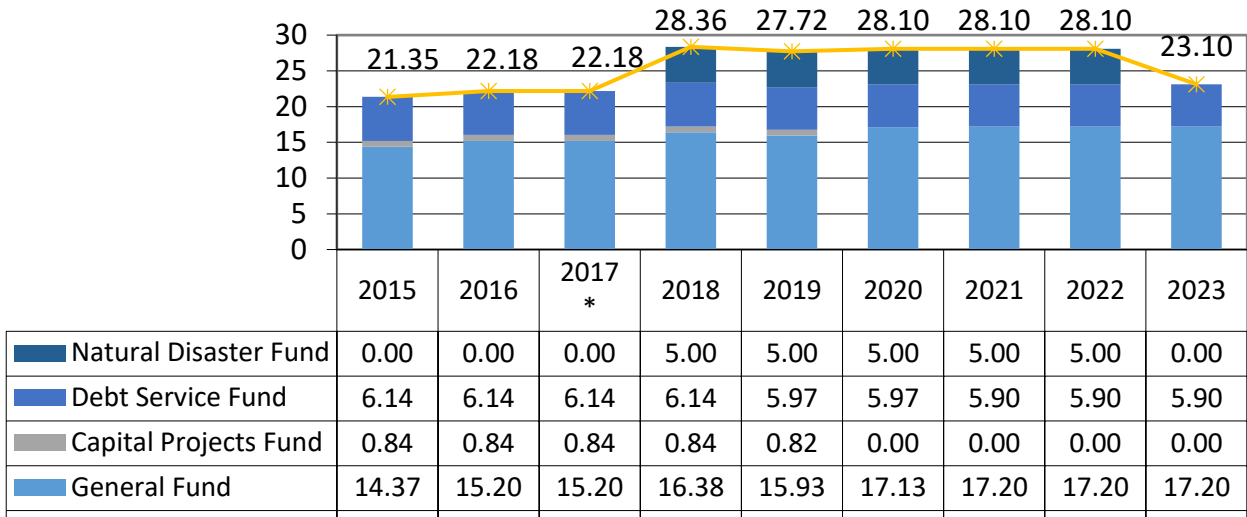
The tax levy is released in September and current taxes are payable from October 1<sup>st</sup> through December 31<sup>st</sup> of each year. On January 15, unpaid taxes are considered delinquent and penalties begin to accrue.

### Tax Levy for Fiscal Year 2023

The millage rate for Fiscal Years 2023 will be reduced from Fiscal Year 2022, as the 5 mills that was dedicated to the Natural Disaster Fund has expired. The new millage rate will be 23.10 mils, down from a rate of 28.10 .

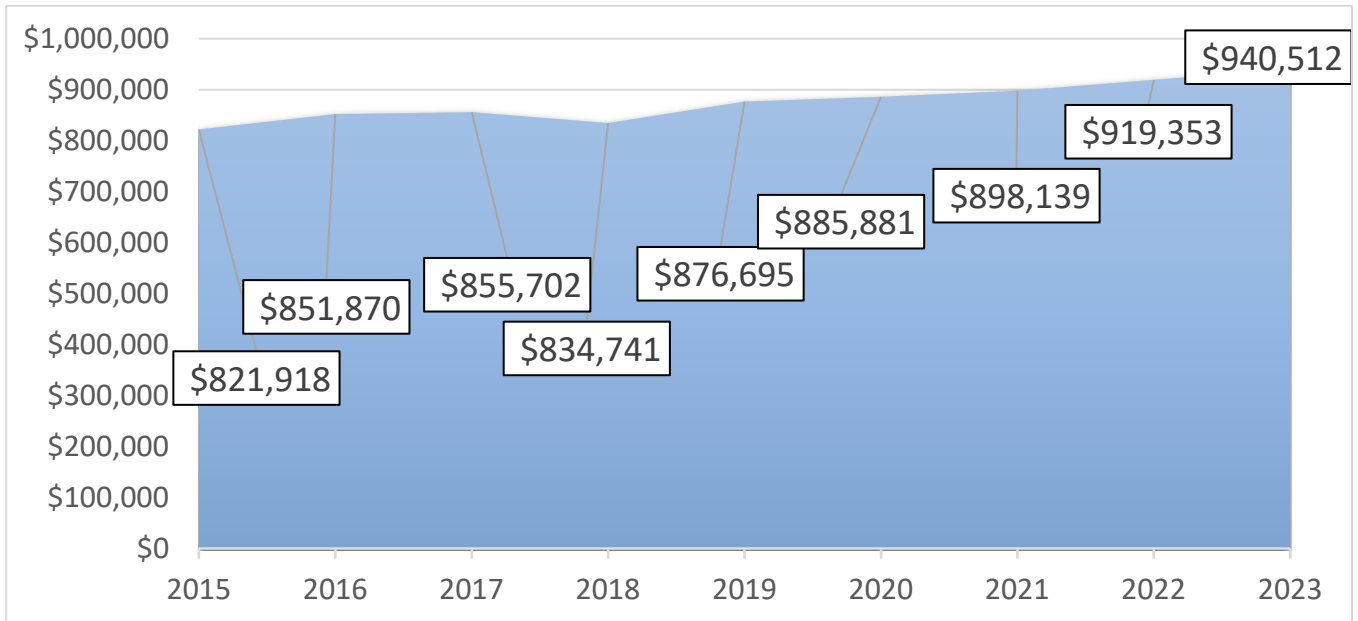
## Revenue Analysis

Historical Millage Rate by Fund

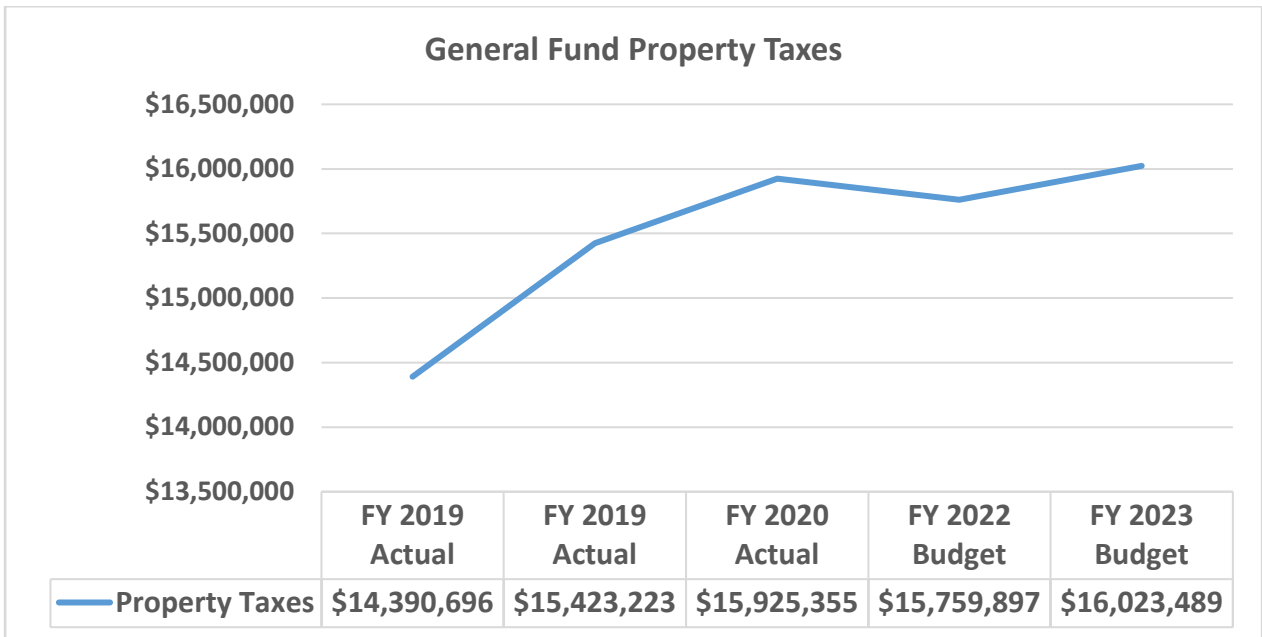


\*Hurricane Matthew was in Fiscal Year 2017

Value of a Mil



## Revenue Analysis



### Anticipated Tax Collections

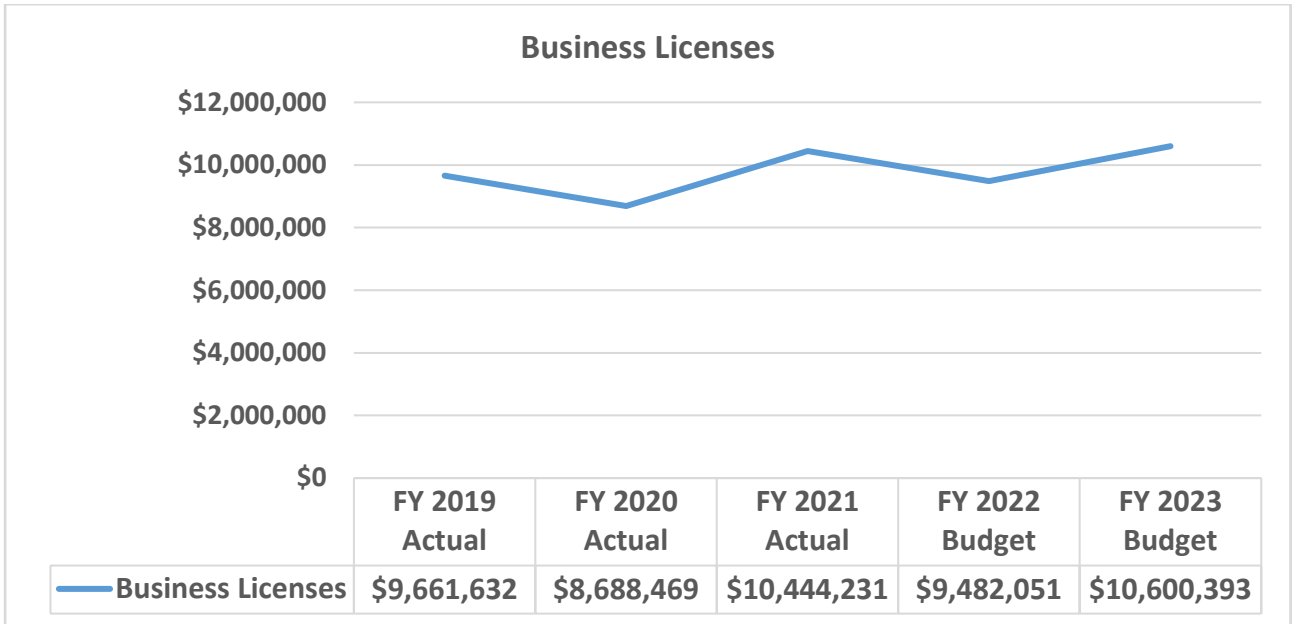
For Fiscal Year 2023 property taxes represent approximately 18% of the total revenue received by the General, Debt, CIP and Stormwater funds. Revenue anticipated from this source is approximately \$21.4 million for Fiscal Year 2023, of which approximately \$16 million is in the General Fund.

2. **Business License Taxes and Franchise Fees; General Fund** – these funds will be used to fund various operating expenditures.

The combined revenue from business license taxes and franchise fees represents the second largest single revenue source for the General Fund.

The most significant source is the business license tax levied upon each \$1,000 of gross receipts, sales, or premiums of business conducted within the corporate limits of the Town. Revenue from business licenses is anticipated to be \$10.6 million in Fiscal Year 2023. Franchise fee revenue is anticipated to be just under \$1.0 million.

## Revenue Analysis



Note: In Fiscal Year 2020 one business license payment (\$1,087,367) from the state was delayed due to processing issues associated with the COVID-19 pandemic. The payment was posted in Fiscal Year 2021.

### 3. Intergovernmental (State Shared); General Fund

The Town will receive approximately \$915,000 in state shared revenue in Fiscal Year 2023. The amount received from this source has remained about the same over the past several years.

### 4. Permit Fees; General Fund

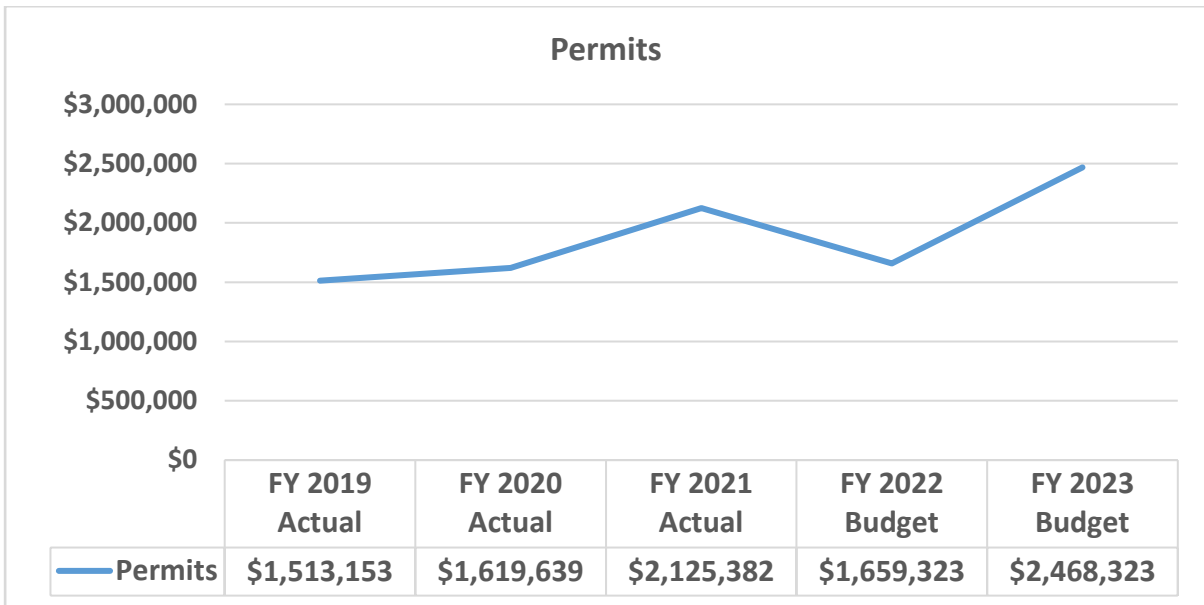
**New construction** – Permit fee revenue from new construction: \$663,764

**Development** – Revenue from permit fees associated with development: \$15,670

**Other** – Revenue from other miscellaneous permit fees: \$988,889

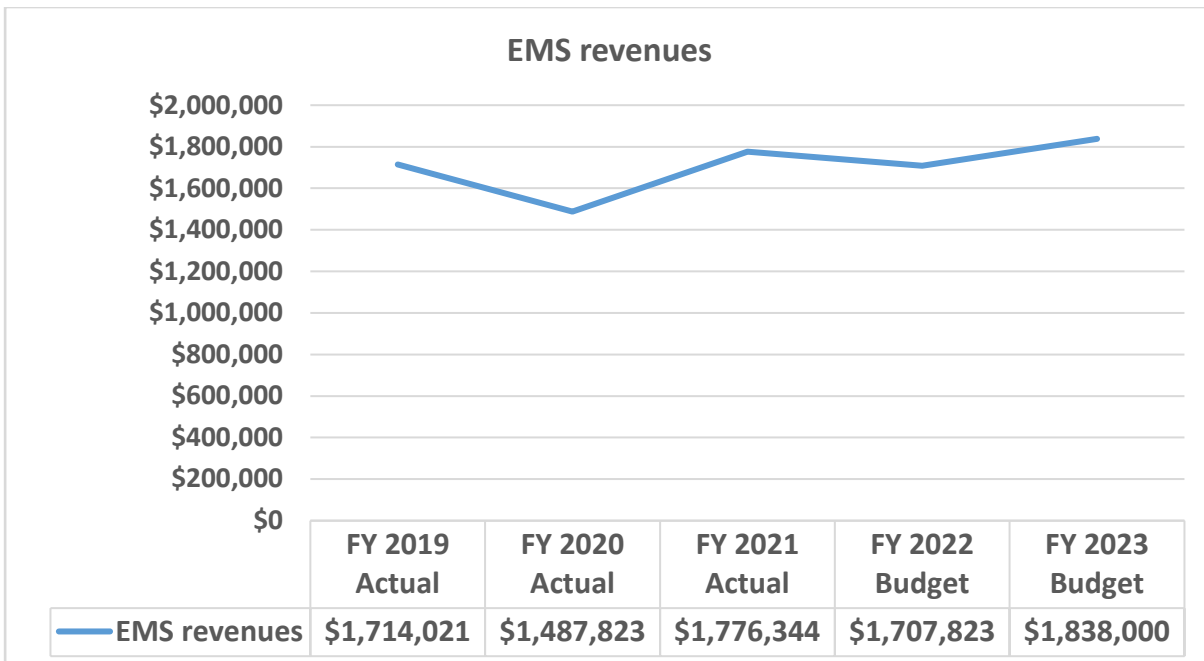
**Short-Term Rental Permit Fee** – A new fee in FY 2023, the Short-Term Rental Permit Fee is expected to generate approximately \$800,000

Revenue Analysis



5. **Emergency Medical Services; General Fund**

An EMS rate increase will go into effect in Fiscal Year 2023. Funds received through Fire Rescue for medical services rendered are projected be approximately \$1.8 million in Fiscal Year 2023.



## Revenue Analysis

### 6. **Local 1% Accommodations Tax; General Fund**

This revenue source tax will generate approximately \$4.7 million in revenue in Fiscal Year 2023. This tax is imposed on the gross proceeds derived from the rental of any rooms (excluding meeting rooms), campground spaces, recreational vehicle spaces, lodging or sleeping accommodations furnished to transients by any hotel, inn, condominium, motel, "bed and breakfast," residence or any other place in which rooms, lodging or sleeping accommodations are furnished to transients for consideration within the town. The gross proceeds derived from the lease or rental of sleeping accommodations supplied to the same person or persons for a period of ninety (90) days or more are not considered "proceeds from transients."

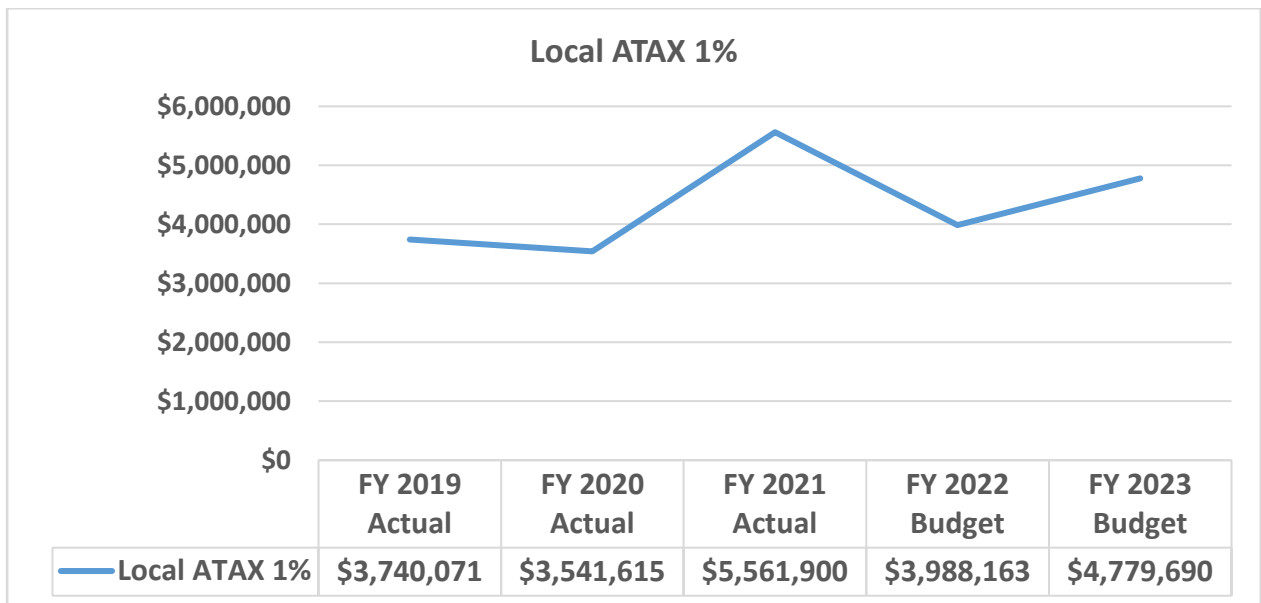
These funds may be used for tourism-related buildings, including, but not limited to, civic centers, coliseums, and aquariums; cultural, recreational, or historic facilities; beach access and re-nourishment; highways, roads, streets, and bridges providing access to tourist destinations; advertisements and promotions related to tourism development; water and sewer infrastructure to serve tourism-related demand and the operation and maintenance of those items previously enumerated and police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.

***Event Management and hospitality training program fund*** – The Town sets aside five (5) percent of this local accommodations tax for special events production, volunteerism and hospitality training and shall select one (1) organization to manage and direct such fund expenditures. To be eligible for selection the organization must be local, organized as a nonprofit (501c), and be mission driven to promote tourism development. The organization must employ a full-time executive director and provide an annual audited financial report in accordance with Generally Accepted Accounting Principles. The organization must not otherwise be designated as the official tourism agency by the town or any other governmental agency. The agency is required to submit an annual budget to the Town of Hilton Head Island prior to April 1 of each calendar year for inclusion in the Town's budget. Town Council will consider the budget and award the organization a reimbursable grant on a June 30 fiscal year basis.

***Reserve Fund*** – The Town sets aside, in a separate account, five (5) percent of the one (1) percent local accommodations tax, as a reserve fund for disaster management communications-oriented programs.

These funds are used to provide for post disaster advertising, a communications link to emergency agencies, and media programs to provide public notice. Funds are distributed upon authorization of the Town Manager.

## Revenue Analysis



**Minor Grants** are not included in the budget. The matching funds associated with the minor grants are included in the operating budget.

### 7. Transfers in from Special Revenue Funds; General Fund, Debt Service Fund and CIP Fund

- (a) **Hospitality Taxes** – these funds will be used to fund various operating expenditures, debt service payments, and various capital projects.
- (b) **Beach Preservation Fees** – these funds will be used to fund various operating expenditures, debt service payments, and various beach related capital projects.
- (c) **Tax Increment Financing (TIF)** – these funds will be used to fund project management expenditures in the operating budget, debt service payments, and various capital projects.
- (d) **Road Usage Fees** – these funds will be used for road improvement projects.
- (e) **State Accommodation Tax** – these funds will be used to fund various operating expenditures and tourism related CIP projects.
- (f) **Real Estate Transfer Fees (RETF)** – these funds will be used for debt service payments.
- (g) The **General Fund** – Short-Term Rental Permit Fees to the CIP Fund for Short-Term Rental Program related vehicle, software, and equipment purchases.
- (h) The **Stormwater Enterprise Fund** – to the General Fund and CIP Fund for project management.
- (i) The **Electric Franchise Fund** – to the General Fund for project management and to fund various operating expenditures, and to the CIP Fund for various projects.
- (j) The **Natural Disasters Fund** – to the Debt Service Fund for debt service payments associated with the \$18.0 million borrowed to augment the current reserves in the fund to prepare for the next hurricane.

## Analysis of Transfers-In

The table below reflects transfers between the special revenue funds and the General Fund, Debt Service Fund, and CIP.

Transfers In	General Fund	Debt Service Fund	CIP	Total
Hospitality Taxes	\$ 5,062,424	\$ 1,444,691	\$ 6,985,472	\$ 13,492,587
Beach Preservation Fees	1,983,508	3,952,375	2,850,000	8,785,883
Tax Increment Financing (TIF)	153,000	3,927,564	4,187,235	8,267,799
State Accommodation Taxes	2,445,211	-	3,109,000	5,554,211
Real Estate Transfer Fees	-	1,097,350	-	1,097,350
Stormwater Fees	125,000	-	830,000	955,000
General Fund	-	-	-	-
Road Usage Fees	-	-	3,508,555	3,508,555
Electric Franchise Fees	540,603	-	8,743,319	9,283,922
Short Term Rental Fees	-	-	1,200,118	1,200,118
Natural Disaster Fund	-	3,537,765	-	3,537,765
<b>Total</b>	<b>\$ 10,309,746</b>	<b>\$ 13,959,745</b>	<b>\$ 31,413,699</b>	<b>\$ 55,683,190</b>

## Expenditure Analysis

### Summary of Changes – Proposed to Adopted Budget

1. General Fund –
  - An additional holiday, Juneteenth, was added to the 2023 Holiday Schedule for Town employees
  - **The total proposed to adopted budgeted amounts remained the same in the General Fund**
2. Debt Service Fund – None
3. CIP Fund –
  - The William Hilton Parkway Adaptive Traffic Signal Management project description was expanded to specify design and installation at 26 signalized intersections including Squire Pope and Spanish Wells
  - **The total proposed to adopted budgeted amounts remained the same in the CIP Fund**
4. Stormwater Fund – None

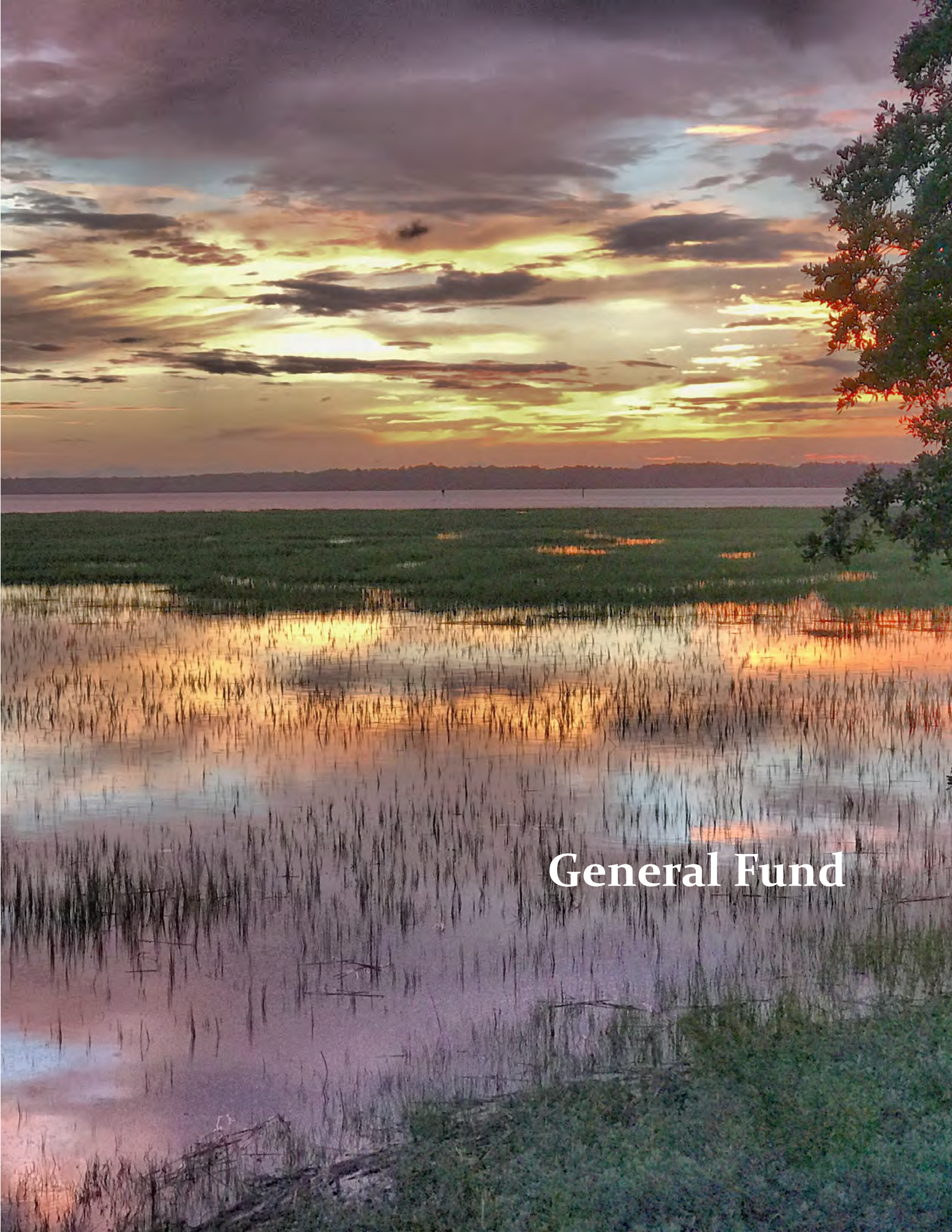


## Town Staffing (F.T.E.s)

	FY 2020	FY 2021	FY 2022	FY 2023
<b><u>General Government</u></b>				
Town Council	7.0	7.0	7.0	7.0
Town Manager	5.0	4.0	7.0	8.0
<b><u>People and Connections</u></b>				
Human Resources	4.0	4.0	4.0	4.0
Cultural Affairs			1.0	1.0
Communications			2.5	2.0
Information Technology and Innovation			14.5	15.0
<b><u>Management Services</u></b>				
Administration/Legal	19.7	24.2	6.2	10.4
Finance	20.7	19.7	19.2	20.2
<b><u>Community Services</u></b>				
Community Development	33.1	33.1	30.1	31.2
Infrastructure Services	19.0	21.0	22.0	26.0
<b><u>Public Safety</u></b>				
Fire and Rescue	145.3	142.5	145.5	145.5
<b>Total General Fund</b>	<b>253.8</b>	<b>255.5</b>	<b>259.0</b>	<b>270.3</b>
<b>PPF Stormwater Fund</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>
<b>Total Town Staff</b>	<b>259.8</b>	<b>261.5</b>	<b>265.0</b>	<b>276.3</b>

### **Added positions in FY 2023:**

- Director of Public Safety – effective July 1, 2022
- 4 additional Code Enforcement Officers – two effective July 1, 2022 and two effective January 1, 2023
- Open Space Program Coordinator – effective January 1, 2023
- Short Term Rental & Business License Customer Service Manager – effective September 1, 2022
- Capital Project Program Administrator – effective September 1, 2022
- Facilities Technician – effective January 1, 2023
- Fire Rescue Support – effective January 1, 2023
- Stormwater Project Manager – effective January 1, 2023 (budgeted in the Stormwater Fund)



# General Fund

# General Fund

The General Fund accounts for the revenues and expenditures necessary to carry out basic governmental activities of the Town such as police and fire protection, recreation, and legal and administrative services. All financial transactions not accounted for in other funds are recorded in the General Fund.

## Financial Statement

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Adopted Budget	% Change
<b>Revenues</b>					
Property Taxes	15,423,224	15,925,355	15,759,897	16,023,489	1.7%
ATAX Local 1%	3,541,615	5,561,900	3,988,163	4,779,690	19.8%
<b>Business Licenses:</b>					
Business Licenses - Town	5,099,830	5,255,705	4,963,085	5,525,705	11.3%
Business Licenses - MASC	3,588,639	5,199,931	4,518,966	5,074,688	12.3%
<b>Franchise Fees:</b>					
Cable	965,395	772,715	952,932	952,932	0.0%
Beach Fee	41,754	37,108	42,420	43,820	3.3%
<b>Permit Fees:</b>					
Construction	698,284	1,084,627	654,764	663,764	1.4%
Development	15,533	14,172	15,670	15,670	0.0%
Short Term Rental	-	-	-	800,000	n/a
Other	905,821	1,026,583	988,889	988,889	0.0%
Intergovernmental/Local Gov't Fee	879,859	896,909	888,392	915,878	3.1%
<b>Grants:</b>					
Beaufort County - Hazmat	-	-	-	-	n/a
Beaufort County - E911	130,667	76,131	128,219	76,111	-40.6%
Other	200,067	2,700	-	-	n/a
<b>Miscellaneous Revenue:</b>					
Beach Services	266,392	298,401	278,658	298,401	7.1%
Donations	1,070	300	-	-	n/a
Municipal Court	-	-	-	-	n/a
Other	434,218	356,195	279,271	279,271	0.0%
Public Safety - EMS	1,487,823	1,776,344	1,707,823	1,838,000	7.6%
Public Safety - County D/T	3,709	1,830	-	-	n/a
Town Code	-	-	-	-	n/a
Fund Balance	-	-	-	-	n/a
Victim's Assistance	-	-	-	-	n/a
Investments	271,185	22,815	30,000	35,750	19.2%
<b>Sub-Total Operating Rev.</b>	<b>33,955,085</b>	<b>38,309,721</b>	<b>35,197,149</b>	<b>38,312,058</b>	<b>0.0%</b>
<b>Transfers In:</b>					
Beach Fees	1,361,140	1,248,544	1,983,508	1,983,508	0.0%
CIP - Ad Valorem	28,089	19,160	-	-	n/a
CIP - Sunday Liquor	-	-	-	-	n/a
Hospitality Fee	2,577,240	2,546,311	4,220,406	5,062,424	20.0%
TIF	180,000	153,000	192,780	153,000	-20.6%
ATAX -- State	1,695,211	1,706,394	1,695,211	2,445,211	44.2%
Electric Franchise Fee	90,000	416,352	540,603	540,603	0.0%
Stormwater	125,000	125,000	155,000	125,000	-19.4%
<b>Sub-Total Transfers In</b>	<b>6,056,680</b>	<b>6,214,761</b>	<b>8,787,508</b>	<b>10,309,746</b>	<b>17.3%</b>
<b>Total Revenues</b>	<b>40,011,765</b>	<b>44,524,482</b>	<b>43,984,657</b>	<b>48,621,804</b>	<b>9.2%</b>

## Financial Statement

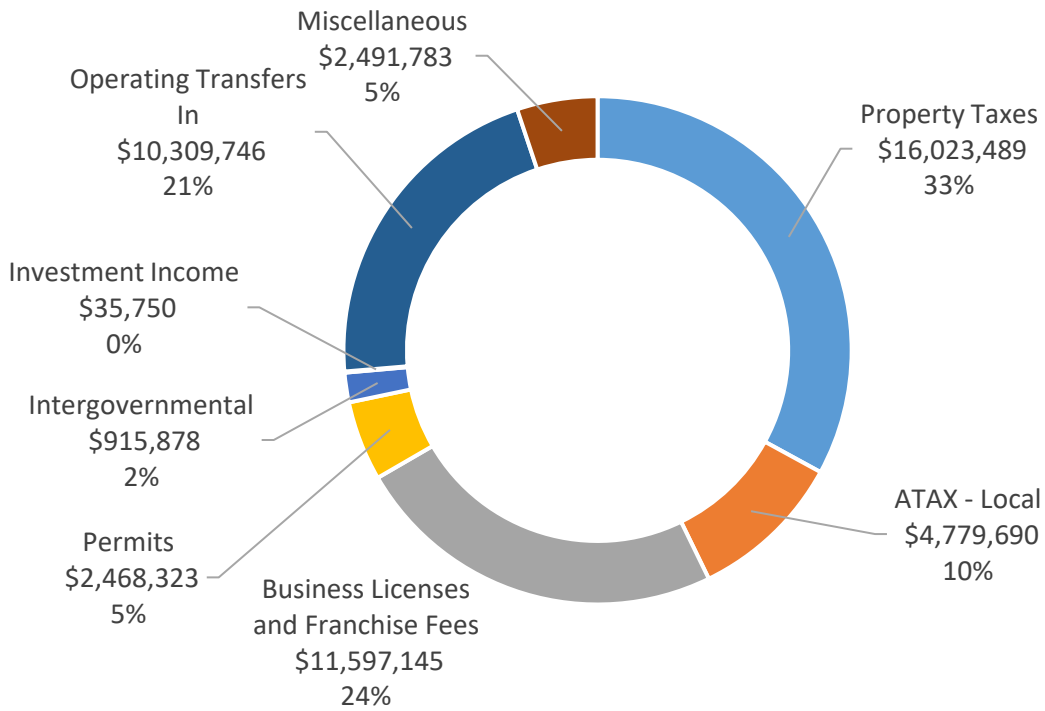
	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Adopted Budget	% Change
<b>Expenditures</b>					
<b>General Government:</b>					
Town Council	283,420	487,805	471,242	548,112	16.3%
Town Council - Initiative	149,714	74,945	-	-	n/a
Town Manager	837,140	762,108	1,286,306	1,524,062	18.5%
Human Resources	638,951	598,484	-	-	0.0%
<b>Total General Government</b>	<b>1,909,225</b>	<b>1,923,342</b>	<b>1,757,548</b>	<b>2,072,174</b>	<b>17.9%</b>
<b>Management Services:</b>					
<b>Finance</b>					
Administration	1,951,206	2,026,335	1,916,176	2,199,100	14.8%
	1,951,206	2,026,335	1,916,176	2,199,100	14.8%
<b>Administrative Services</b>					
Administration/Legal	457,443	529,104	615,290	1,101,078	79.0%
Office of Cultural Affairs	204,510	233,272	280,149	300,095	7.1%
Communications	316,315	354,161	386,009	348,115	-9.8%
Technology & Innovation/Record	2,605,096	2,776,689	3,705,373	3,709,364	0.1%
Human Resources	-	-	665,941	587,750	100.0%
	3,583,364	3,893,226	5,652,762	6,046,402	7.0%
<b>Total Management Services</b>	<b>5,534,570</b>	<b>5,919,561</b>	<b>7,568,938</b>	<b>8,245,502</b>	<b>8.9%</b>
<b>Community Services:</b>					
<b>Community Development</b>					
Administration	675,753	668,141	587,319	679,106	15.6%
Comprehensive Planning	650,246	688,788	672,875	1,081,703	60.8%
Development, Review and Zoning	631,355	666,787	783,019	713,162	-8.9%
Building Inspection/Compliance	1,002,065	1,109,875	1,095,418	1,176,712	7.4%
CD Services	423,297	462,984	464,034	635,775	37.0%
	3,382,716	3,596,575	3,602,665	4,286,458	19.0%
<b>Public Projects and Facilities</b>					
Administration	296,244	244,379	277,675	-	-100.0%
Engineering	789,191	834,793	955,192	699,660	-26.8%
Facilities Management	3,986,698	4,388,534	5,874,607	5,925,951	0.9%
Capital Projects	-	-	-	595,467	100.0%
	5,072,133	5,467,706	7,107,474	7,221,078	1.6%
<b>Total Community Services</b>	<b>8,454,849</b>	<b>9,064,281</b>	<b>10,710,139</b>	<b>11,507,536</b>	<b>7.4%</b>

## Financial Statement

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Adopted Budget	
<b>Public Safety:</b>					
<b>Fire Rescue</b>					
Executive	1,079,423	1,085,626	1,205,212	2,120,344	75.9%
Administration	2,627,572	2,885,410	2,505,778	2,701,374	7.8%
Operations	11,326,040	12,050,675	12,813,726	13,558,528	5.8%
<b>Total Fire Rescue</b>	<b>15,033,035</b>	<b>16,021,711</b>	<b>16,524,716</b>	<b>18,380,246</b>	<b>11.2%</b>
<b>Public Safety - Police Services</b>					
Police Services	3,223,555	2,022,221	2,000,000	2,000,000	0.0%
Security Services	4,900	-	50,000	50,000	0.0%
Shore Beach Services	319,603	344,861	305,430	406,462	33.1%
Shore Beach Reimbursable	-	-	43,000	52,500	22.1%
Stipend	91,150	91,925	100,000	165,800	65.8%
Other	138,542	676,092	-	-	n/a
<b>Total Public Safety - Police Services</b>	<b>3,777,750</b>	<b>3,135,099</b>	<b>2,498,430</b>	<b>2,674,762</b>	<b>7.1%</b>
<b>Townwide (non-departmental):</b>					
Personnel	481,954	872,401	408,587	999,329	144.6%
Operating	1,875,952	1,922,502	2,041,872	2,450,665	20.0%
Capital	239,403	1,936	-	-	n/a
Grants	1,694,230	2,099,115	2,224,427	2,291,590	3.0%
<b>Total Townwide</b>	<b>4,291,539</b>	<b>4,895,954</b>	<b>4,674,886</b>	<b>5,741,584</b>	<b>22.8%</b>
<b>Total Expenditures</b>	<b>39,000,968</b>	<b>40,959,948</b>	<b>43,734,657</b>	<b>48,621,804</b>	<b>11.2%</b>
<b>Transfers</b>					
To CIP	-	-	125,000	-	-100.0%
To Fund Balance	-	-	125,000	-	-100.0%
<b>Total Transfers To</b>	<b>-</b>	<b>-</b>	<b>250,000</b>	<b>-</b>	<b>-100.0%</b>
<b>Total Exp. &amp; Transfers To</b>	<b>39,000,968</b>	<b>40,959,948</b>	<b>43,984,657</b>	<b>48,621,804</b>	<b>10.5%</b>
<b>Net change fund balance</b>	<b>1,010,797</b>	<b>3,564,534</b>	<b>-</b>	<b>0</b>	
<b>Beginning Fund Balance</b>	<b>21,100,687</b>	<b>21,100,687</b>	<b>24,665,221</b>	<b>24,665,221</b>	
<b>Ending Fund Balance</b>	<b>22,111,484</b>	<b>24,665,221</b>	<b>24,665,221</b>	<b>24,665,221</b>	

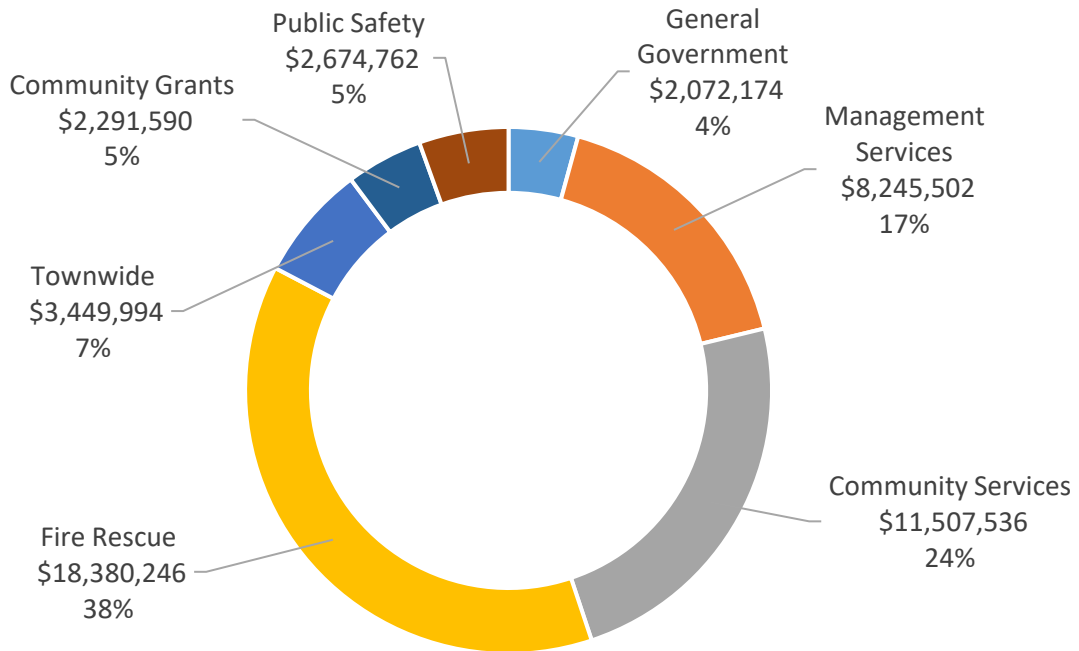
**Where Money Comes From**

**Fiscal Year 2023**

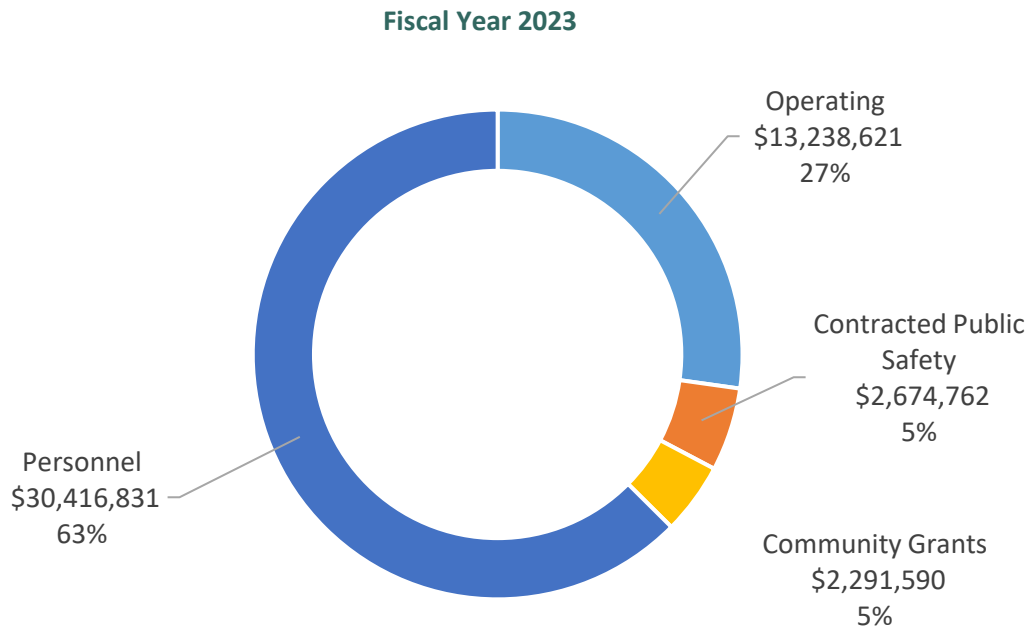


**Where Money the Goes – By Program**

**Fiscal Year 2023**



**Where Money the Goes – By Category**

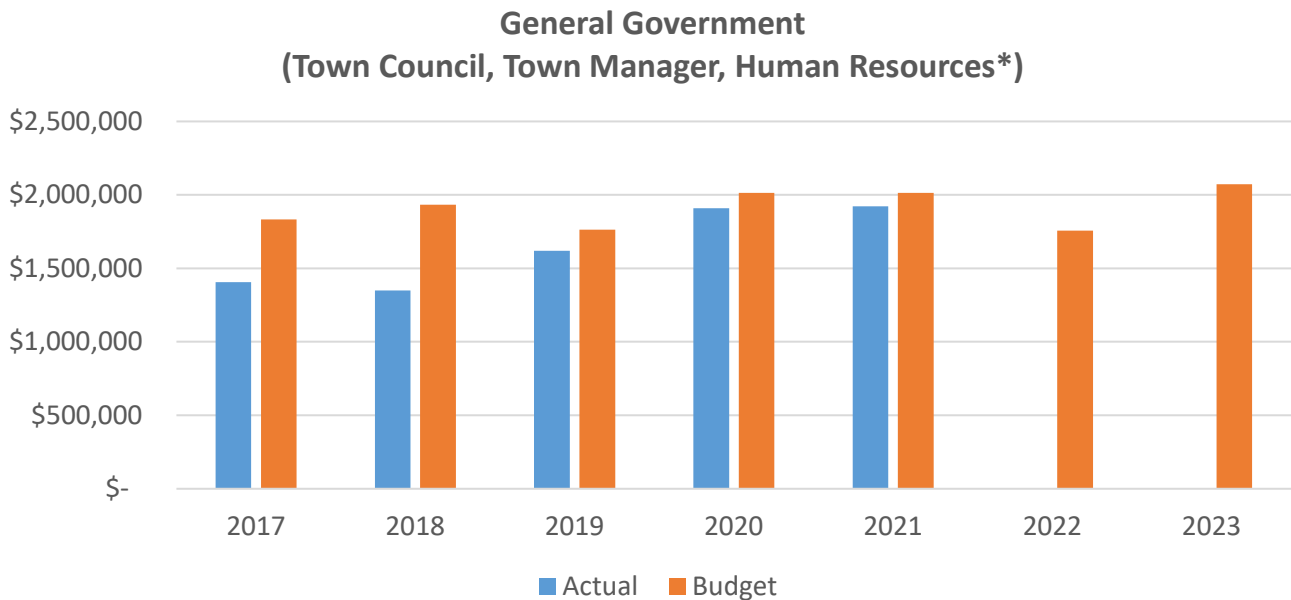


**Revenue Analysis**

A description and analysis of revenues associated with the General Fund can be found in the Consolidated Budget Summary section of this document.

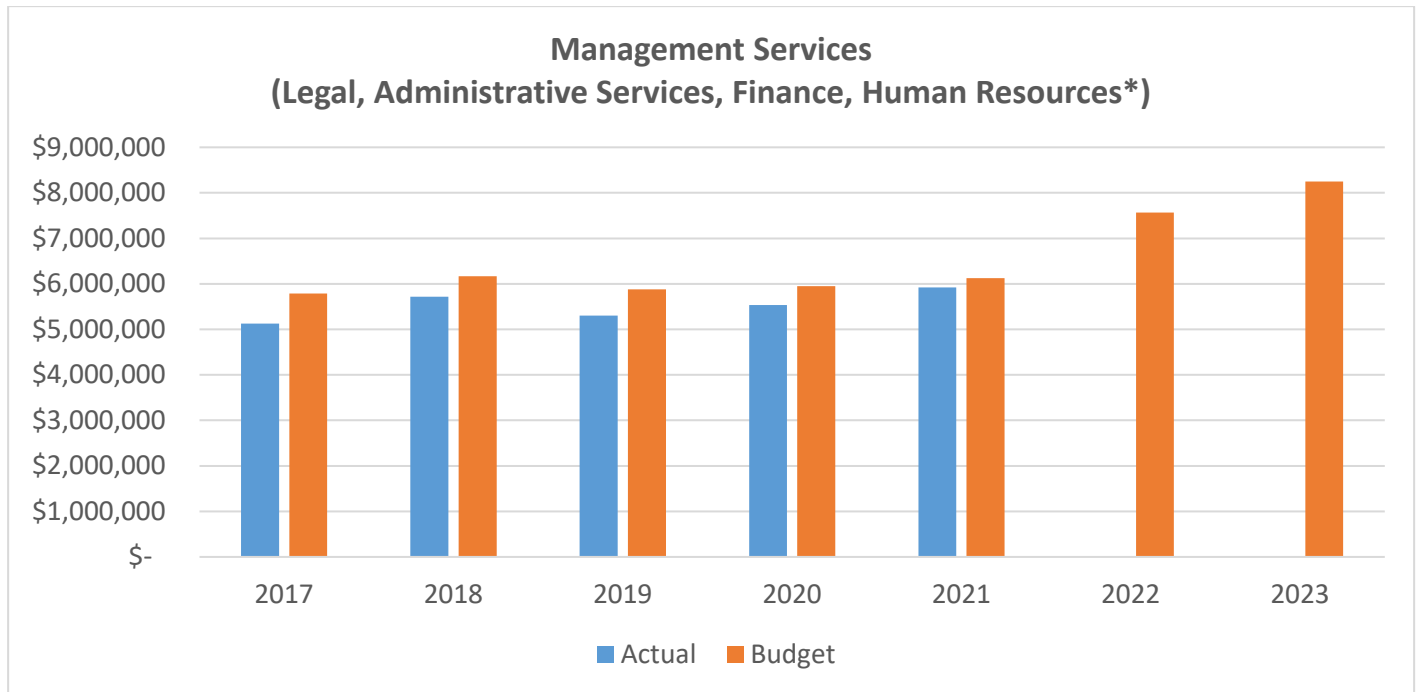
**Expenditure Analysis**

The following charts depict the trends in expenditures by program. For explanations of significant changes, refer to the Consolidated Summary section of this document.

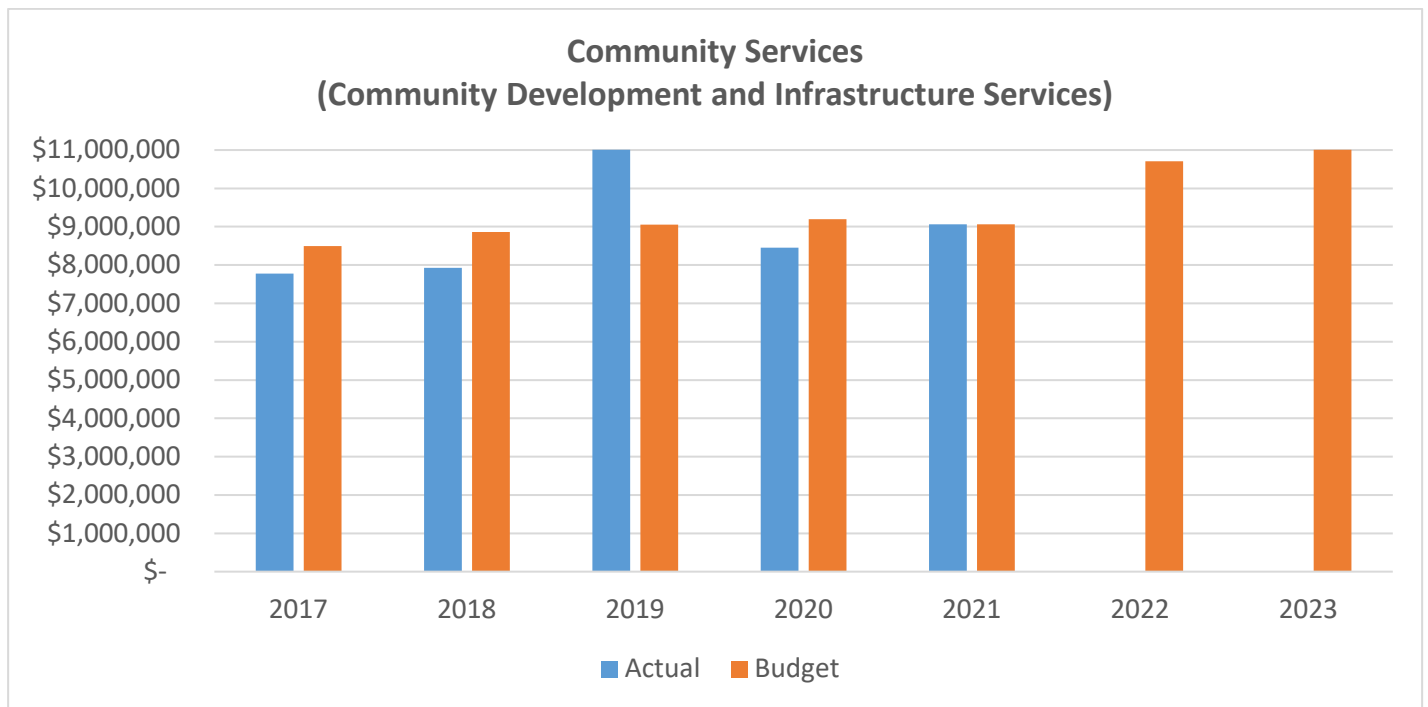


\*Note: in Fiscal Year 2019 through 2021 Human Resources moved from Management Services to this category.

**Expenditure Analysis**

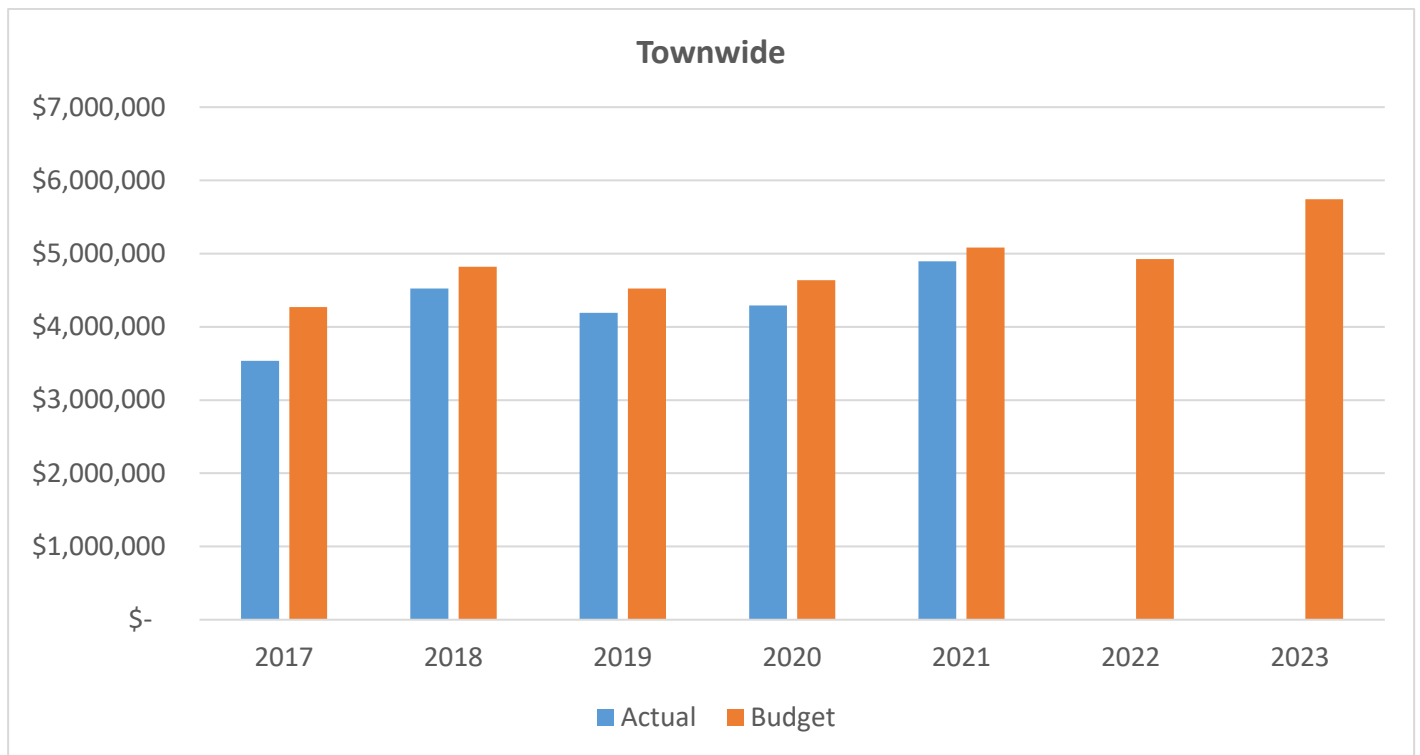
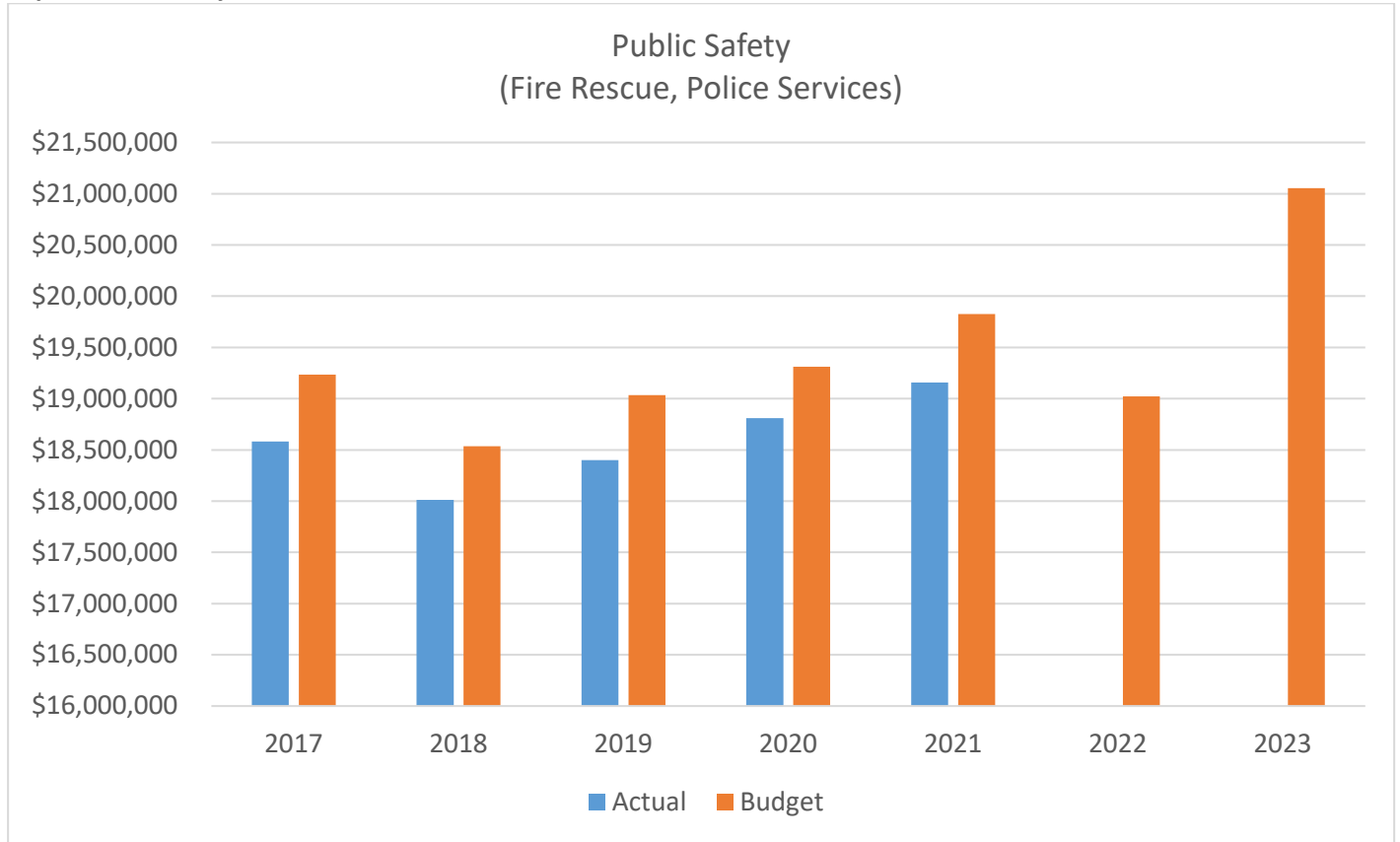


\*Note: Human Resources was included in this category from FY16 through FY18, and FY22 through FY23





**Expenditure Analysis**



## Department Budgets

Program: General Government

Department: **Town Council**

### **Council Mission**

To provide professional leadership for the implementation of all policies and objectives set by Town Council and coordinate all municipal operations to provide effective and efficient delivery of services to Hilton Head Island's residents and visitors.

### **Core Services**

#### ***Open Town Government***

Develop innovative ways to make participation in local government activities possible for all residents and foster a sense of engagement among the citizenry by effectively communicating a common identity, actively seeking insight into the needs of the community, aligning Town services with citizen expectations, and continuing to strive for excellence as a highly-effective municipal corporation.

#### ***Financial Stability and Economic Development***

Promote services in the most cost-effective manner. Protect the high level of service quality and financial stability that the Town has become known for by encouraging redevelopment, diversifying tax and revenue sources, ensuring the long-term viability of financial strategies, and implementing "new urbanism" techniques.

#### ***Community and Environmental Vitality***

Preserve the Town's character while promoting a sense of pride for its citizens. Continue to provide support to neighborhood communities and individual homeowners and business owners in maintaining and improving aesthetics, safety, accessibility, and mobility throughout the Town. Lead by example in the stewardship of natural resources by preserving existing environmentally sensitive land sites. Minimize impacts on natural resources and protect trees, waterways, wetlands, and water quality while planning for the conservation of resources.

#### ***World-Class Leisure and Recreational Opportunities for Residents and Guests***

Support renourishment and maintenance of quality beaches, including access and parking. Support maintenance and development of quality parks and recreational facilities. Support events that attract people to the Town while influencing accommodations and facilities of high standard and quality.

#### ***Promoting Unity while Supporting Diversity in the Community***

Honor the strength of diversity in our community through open dialogue and gathering together to communicate, understand, and celebrate our differences and similarities.

## Department Budgets

Program: General Government

Department: **Town Council**

Town Council held a Strategic Planning work session on October 21, 2021 and adopted the Town of Hilton Head Island Fiscal Years 2021-2022 Strategic Action Plan on December 7, 2021 to guide the Town's operations for calendar year 2022-2023. A number of important factors were identified.

### Town Council Core Values and Focus Areas

- **Pursuit of Excellence**
  - Adopt and pursue *Our Ideals of Excellence* for Hilton Head Island:
    - Our Place
    - Our People
    - Our Planning & Process
- **Environmental Sustainability**
  - To become a recognized leader in environmental protection and sustainability
  - To monitor our water resources so that it is clean, abundant, and available
  - To protect and preserve the natural environment of Hilton Head Island
- **Revitalize Economy**
  - To attract more diverse businesses
  - To manage evolving economic growth while maintaining Hilton Head Island's unique aesthetic
  - To explore, understand, prepare for, and adapt to the future of tourism
  - To attract a diverse and dynamic local population
  - To have a high-quality, sustainable workforce
- **Inclusive Community**
  - To create an environment that fosters equitable, high-quality education options, where Hilton Head Island is recognized as an epicenter of life-long learning
  - To identify and re-imagine historic places and venues so that they are inviting and accessible
  - To create awareness and respect for our core community and environmental values, promoting inclusiveness and equality for all residents and guests
  - To recognize, respect, and promote multi-dimensional diversity on the Island, now and into the future
  - To build diversity and provide exceptional quality of life offerings in the arts, culture, and recreation
- **Connected Community**
  - To foster a planning process that is inclusive, collaborative, on-going, and responsive to changing circumstances and stakeholder priorities
  - To promote designs for the built environment that capitalize on our natural beauty and community strengths, reinforcing our unique sense of place
  - To foster an exceptional quality of life for residents, outstanding experiences for visitors, and economic opportunity for our workforce

## Department Budgets

Program: General Government

Department: **Town Council**

### Town Council Core Values and Focus Areas

- **Regional Focus**
  - To enable innovation and excellence in regional planning and coordination for the Town of Hilton Head Island as a built-in part of the everyday process
- **Right Sized Infrastructure**
  - To promote efficient and secure public services to meet current and future needs
  - To promote housing options to meet the needs of all current and future populations on the Island
- **Parks and Recreation**
  - To continue to promote and prioritize the value parks and recreation add to the Island community
  - To provide best-in-class recreation facilities and programs in the Island’s public parks
  - To celebrate the unique natural amenities and cultural assets of the Island through education facilities and programs in public parks

### Town Council FY 2023 Budget Highlights

- The Town of Hilton Head Island is turning 40 years old! Funding is provided for a town-wide birthday celebration
- Funding is provided for the upcoming Municipal Elections

### Expenditure and Staffing Summary

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Adopted Budget	% change
<b><u>Town Council</u></b>					
Personnel	157,134	154,096	167,742	167,742	0.0%
Operating	126,286	333,709	303,500	380,370	25.3%
Initiatives	149,714	74,945	-	-	0.0%
Capital	-	-	-	-	0.0%
<b>Total</b>	<b>433,134</b>	<b>562,750</b>	<b>471,242</b>	<b>548,112</b>	16.3%
Personnel	7.0	7.0	7.0	7.0	

## Department Budgets

Program: General Government

Department: **Town Manager**

### Town of Hilton Head Island Mission

To provide excellent customer service to all that come in contact with the Town. To wisely manage and utilize the financial and physical resources of Town government. To promote policies and programs which will assure the long term health and vitality of the community. To encourage and instill job satisfaction for all Town staff. To develop and enhance the professional growth of all staff members.

### Core Services

The Town of Hilton Head Island is a Council-Manager form of government, wherein that the Town Manager is the chief executive officer and head of the administrative branch of the municipal government.

The Town Manager provides overall management of Town departments in a way that empowers employees to exceed citizen/ customer expectations.

The Town Manager provides support and recommendations to Mayor and Town Council; provides effective communication between Town Council, staff, residents, and other customers; and meets with Department Heads to ensure implementation of Town Council's goals and objectives.

### Fiscal Year 2023 Goal and Objectives

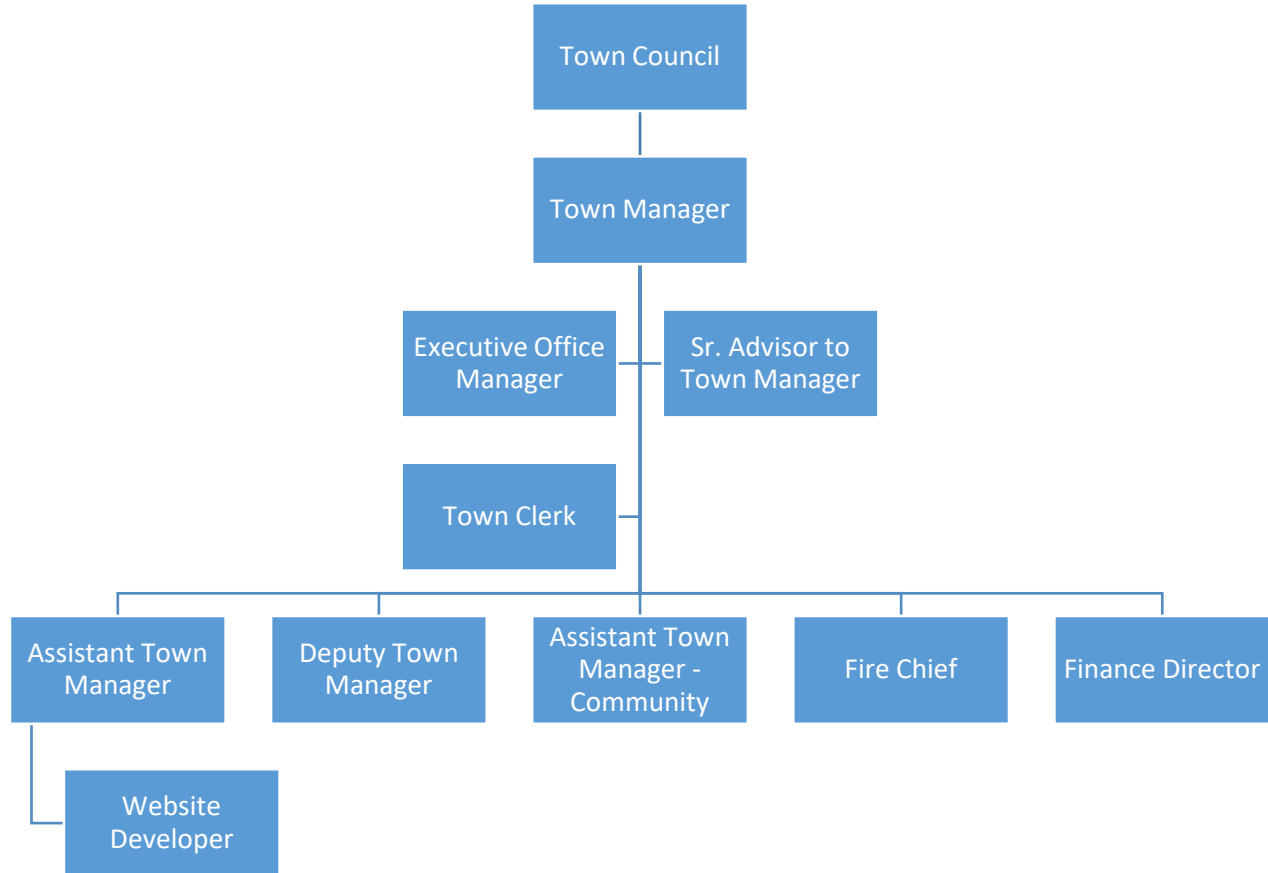
- Implement the Strategic Plan and fund Strategic Plan Initiatives
- Execute the policies and initiatives of Town Council
- Lead Town operations to meaningfully provide best in class service and award-winning projects and initiatives
- Enhance customer service, public safety, innovation, employee engagement, and training
- Plan and invest in impactful capital projects and community infrastructure
- Use the consolidated budget as a catalyst to implement change and improvement
- Create a Town Brand

## Department Budgets

Program: General Government

Department: **Town Manager**

### Organizational Chart



\*Note: Town Council is elected by and represents the citizens of the Town and is budgeted separately. The Town Manager is under contract with Town Council. The Senior Grants Administrator is budgeted within the Town Manager’s department for FY2023. The Assistant Town Manager – Community is budgeted in Community Development’s budget and the Fire Chief and Finance Director are budgeted within their respective budgets.

### Expenditure and Staffing Summary

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Adopted Budget	% change
<b>Town Manager</b>					
Personnel	817,900	746,393	1,239,806	1,372,212	10.7%
Operating	19,240	15,715	46,500	151,850	226.6%
Capital	-	-	-	-	0.0%
<b>Total</b>	<b>837,140</b>	<b>762,108</b>	<b>1,286,306</b>	<b>1,524,062</b>	18.5%
Personnel	5.0	5.0	7.0	8.0	

## Department Budgets

**Program: Management Services**

**Department: Administrative Services**

### Mission

To provide administrative leadership, supervision, support and direction to the Information Technology Division, Communications Division, Legal and Administration Division, Culture Affairs Division, Records Management Division, and Human Resources Division. To provide sound legal advice and services to the Town Manager, Town Staff, Town Council, and Boards and Commissions of the Town of Hilton Head Island. Prosecute municipal code violations and misdemeanor offenses in Magistrates Court. Provide support and assist with the Town's Public Information Program and Initiatives. Provide support and assist with the Town's Special Event Process. Provide support and assist with the Town's State Legislative Agenda. Process Town-wide Freedom of Information requests. Inform and engage residents, guests, stakeholders and employees; strengthen and expand the Town's brand and foster community pride and cooperation through telling the Hilton Head Island story.

### Core Services

#### **Administration**

Assist Town Manager with Town-wide oversight. Manage Public Information Program to include Mayor/Town Manager correspondence; media relations; promotion of Town news; newsletter publication; magazine articles; Facebook posts; speech writing; liaison with Beaufort County Sheriff's Office. Provide assistance with the Town's State Legislative Agenda. Provide assistance with the Town's Special Event Process. Manage the Mayor's Youth Volunteer Service Award Program. Manage Finance Department, Information Technology Department, Communications Division, Culture & Arts Network Division, and Legal Division.

#### **Communications**

Develop and administer a public information program to communicate with the public and the media about Town priorities and activities. Design and administer the Town's Websites to include all associated electronic online government services and social media accounts.

#### **Office of Cultural Affairs**

Promote and support Hilton Head Island as a vibrant and diverse island that is celebrated locally, regionally and nationally for the ways in which arts and culture enrich and enhance the community.

#### **Legal Services**

Provide effective legal representation for the Town, providing continuing legal updates to Town Staff, draft and review contracts, draft and review ordinances and resolutions, review and process Freedom of Information Act requests, update Town Codes, and manage overall Code Enforcement Program. Prosecute violations of the municipal code in the Magistrates Court. Prosecute misdemeanor offense including, but not limited to, criminal domestic violence, simple possession of illegal drugs, and driving under the influence which occur in the Town in the Magistrates Court when defendants request a jury trial. Represent the Town in all appeals of Municipal Court cases. Advise BCSO deputies and Code Enforcement Officers as needed regarding criminal offenses committed on Hilton Head Island.

#### **Human Resources**

Develop, implement, and administer recruitment and selection activities including advertising, screening, interviewing, assessment/testing, background checking, new hire selection, and offer determination designed to attract qualified employees. Develop, implement, and administer compensation, benefit, and work life programs to encourage employee retention and support the organization's strategic objectives and values.

## Department Budgets

Program: Management Services

Department: Administrative Services

### Core Services

#### **Technology & Innovation**

Our enterprise IT services include infrastructure operations, information systems, desktop and collaboration services, IT planning, IT project management, and IT support.

**Network & Infrastructure Services** is responsible for the data, video, voice and network infrastructure. We provide secure Internet and network connectivity, the wireless network, remote access systems, telephone and messaging services and all physical network infrastructure for network connectivity.

Further, we provide the computing infrastructure and service management that powers Town applications including Microsoft 365 and calendaring systems. Manage and maintain the 24 x 7 Data center operations, including security, virtualization, mass storage, backup, disaster recovery, Help Desk, and IT Departmental support.

**Enterprise Applications & GIS Services** Provide technical support for all enterprise level software applications to include the design and maintenance of the Town's Geographic Information System. This division is dedicated to the acquisition, development, implementation, maintenance, and support of the Town's core enterprise applications that are used for the delivery of services to all Town departments and the citizens of Hilton Head Island, SC. Our goal is to maintain and support enterprise applications, enhance business processes through the use of enterprise applications, and improve the user experience in all enterprise software applications. The Geographic Information Systems (GIS) team creates and maintains GIS databases and applications internally and externally to support all Town departments and the citizens of Hilton Head Island, SC.

**Public Safety Systems** provide direct, and indirect Information Technology (IT) support for Fire Rescue's core services. Work closely with Fire Rescue's leadership in defining their IT needs for current and future operations. Coordinate with other IT divisions to ensure Fire Rescue's core services are supported to the highest level of interoperability, reliability and security. When appropriate, utilize Town enterprise data/networking services to reduce costs.

#### **Records Management**

Provide support for internal departments to include scanning, storing and destroying records as appropriate. Respond quickly and efficiently to customer requests for Town records. Identify and capture historical archival records. Provide reception and information services at the Town's main reception desk.



## Department Budgets

Program: Management Services

Department: Administrative Services

### Fiscal Year 2022 Accomplishments and Fiscal Year 2023 Goals, Objectives, and Performance Measures

#### *Administration and Legal Services:*

##### Fiscal Year 2022 Accomplishments

- Oversaw the State's Legislative Agenda and its strategies and provided assistance to support the Town's positions on 2020-2021 State Legislation.
- Assisted with the development and implementation of the Town Council Strategic Action Plan and organization of Strategic Action Plan Workshop.
- Processed 74 special events and 10 non-special events.
- Processed over 450 Freedom of Information Requests, 40 subpoenas, and 200 contracts and addendums.
- Assisted with providing resources, materials, information on Town policies, procedures, and State laws to incoming Town Committee, Commission, and Board members.
- Assisted with the recruitment and appointments of Board and Commission Members.
- Assisted with the Public Information Enhancement promotion for the Town.
- Assisted with the planning and organization of the Mayor's Youth Community Service Award Program.
- Assisted with the drafting and dissemination of Town ordinances, resolutions, indemnification agreements, right-of-entries, easements, etc.
- Oversaw all risk management functions and management of fixed asset records; conducted annual review and assessment of insurance requirements for town property, vehicles, and other required insurance.
- Acted as Town liaison to Beaufort County Sheriff's Office to ensure effective service delivery, coordination of communications, special event management, and negotiations through meetings with the Sheriff or other high-level law enforcement staff as needed;
- Provided direction concerning Town safety program.
- Provided leadership and supervision for subordinate professional and administrative staff to optimize organization effectiveness, performance development and talent management.

## Department Budgets

Program: Management Services

Department: Administrative Services

### Administration and Legal Services:

#### Fiscal Year 2022 Accomplishments

- Proactively patrolled the Island and responded to complaints of violations from citizens, staff, and those identified during patrol, including illegal dumping sites, building without permits, trash and abandoned vehicle issues, LMO violation, and beach violations.
- Communicated and coordinated with Town departments in an effort to educate and enforce violations specific to each department.
- Provided continued education for residents, guests, rental companies, and hotels regarding beach ordinances and the Light Ordinance in an effort for an enhanced and successful sea turtle nesting season and overall positive beach and safe beach experience.

#### Fiscal Year 2023 Goals, Objectives, and Performance Measures

**Goal 1:** To provide competent legal advice and counsel in a timely manner to Town officials and administration.

**Objective:** To review, draft, and negotiate contracts and agreements between the Town and other entities or persons in a timely manner.

	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Budget
Average review of contracts within 3 days	80	90	105	105
Workers compensation compliance	98.0%	98.0%	98.0%	98.0%

**Objective:** To respond to Freedom of Information requests within 10 days.

	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Budget
Average response to FOIA Requests within 10 days	300	300	350	375
FOIA requests processed	400	420	450	475

**Goal 2:** To oversee the State Legislative Agenda and strategies and provide assistance to support the Town's positions on 2020-2021 legislative issues.

**Objective:** To monitor Town's priority legislation; to support Town Council Intergovernmental Committee; and draft letters of support or opposition to legislators.

## Department Budgets

Program: Management Services

Department: Administrative Services

### Administration and Legal Services:

#### Fiscal Year 2023 Goals, Objectives, and Performance Measures

	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Budget
Review and Distribute MASC Legislative Alerts	30	30	30	33
Draft Committee Agendas and attend meetings	2	5	5	2
Letters of support or opposition	5	5	5	3

**Goal 3:** To provide administrative support for the Town’s Special Event application process.

**Objective:** To review applications, advise applicants of ordinance requirements and required documentation distribute application to key staff and BCSO liaison, coordinate meetings, draft correspondence/permits, obtain necessary signatures, and notify parties of approved events.

	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Budget
Number of special event applications processed	57	34	99	110
Number of non-special events reviewed and processed	28	21	25	25

**Goal 4:** To provide competent legal presentation on behalf of the Town. Assist Town of Hilton Head Island Code Enforcement Officers in determining which violations should be cited, under the correct Code sections. Prepare cases for trial, including review of evidence, interview of witnesses, and applicable case law. Answer calendar calls on behalf of the Town, attempt to negotiate pleas, primarily focused on compliance with defendants and/or their attorneys in the Bluffton Magistrate Court.

**Objective:** To obtain voluntary compliance with regard to code violations. In the event of ongoing or more serious code violations, to prosecute from the onset of the citation issuance through plea, trial, and/or appeal. Educate violators on particulars of Code requirements.

	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Budget
Attorney prosecutions	20	18	20	15

## Department Budgets

Program: Management Services

Department: **Administrative Services**

### **Administration and Legal Services:**

#### Fiscal Year 2023 Budget Highlights

- Additional focus on Public Safety with the creation of the Director of Public Safety position, and the addition of four Code Enforcement Officers
- Dedicated and renovated office space for Public Safety
- Reduced recurring FY 2023 operating budget as the Westlaw Pro online research services and SC Code of Supplements will not be renewed

### **Communications:**

#### Fiscal Year 2022 Accomplishments

- Increased social media following across all social media channels (Facebook, Twitter, YouTube, Nextdoor and LinkedIn) through more engaging content and posts.
  1. Improved use of LinkedIn Platform for distribution of Professional News led to a 92% increase in LinkedIn page followers.
  2. Digital News e-subscriptions increased by 12 percent.
  3. Next Door followers increased by 25%.
  4. Youtube subscribers increased by 8.7%.
  5. Facebook followers increased by 8 %.
  6. Twitter followers increased by 3.7%
- Supported development and dissemination of messages about COVID-19 testing and vaccine clinics.
- Supported development of beach ambassador program with graphic design services, content creation, earned media interviews and giveaways.
- Provided graphic design graphic design services, content creation (including videos), social media and earned media interviews for town projects including unveiling of fire station 2, Shelter Cove project connectivity, facilities/engineering, Gullah Geechee initiatives and CIP projects.
- Supported development and dissemination of messages for leadership changes and hiring of new Town Manager.
- Provided graphic design services for Fire Rescue Annual Report.
- Supported development and launch of redesigned Town website.

#### Fiscal Year 2023 Goals, Objectives, and Performance Measures

To develop and implement communication strategies to further the Town's Public Information Program initiatives and goals. To increase public access to information, services and interaction through the Town's multiple communication channels.

## Department Budgets

Program: Management Services

Department: Administrative Services

### Communications:

#### Fiscal Year 2023 Goals, Objectives, and Performance Measures

	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Budget
Town Facebook Followers	29,600	31,885	31,900	32,000
Town E-Subscription Services Subscribers	27,100	30,391	30,500	30,500
Town Twitter Followers	7,190	7,453	7,475	7,475
Town YouTube Subscribers	730	796	800	825
Town Nextdoor Members	14,260	16,610	16,610	16,625
Town LinkedIn Followers	620	1,188	1,200	1,300
Town Instagram Followers	NA	477	500	800

#### Fiscal Year 2023 Budget Highlights

- Media Monitoring. We have partnered with Meltwater to provide media monitoring. The Meltwater platform captures news stories and social media. Additionally, it captures public sentiment allowing us to gauge public interest in topics and improve what needs to be communicated to the public.
- Gas Station Television (GSTV). Gas Station TV serves up commercials at gas pumps. Incorporating GSTV into our strategy gives another avenue to disseminate important Town messages to the public.

### Office of Cultural Affairs:

#### Fiscal Year 2022 Accomplishments

- 2021 Crescendo: Fantastic return to live events including kick-off celebration on Tues, 10/12 with 700 attendees and two pre-event student jazz concerts for Creative Arts and IB, the free HHSO concert in Lowcountry Celebration Park for approximately 1500 people, and the Lantern Parade. Over 100 events occurred from 10/10-11/13.
- Lantern Parade: Approximately 6000 participants and spectators. Zip codes collected from 1632 individuals representing 28 states and 3 countries outside the US.
- Artist in Residence @ High School featuring Amiri Farris resulting in an indoor mural and 25 student art creations being exhibited in parks as mini-murals for the community from March 2022 – Sept 2023.
- Augmented Reality pilot program a success with 8 QR code installations offering video experiences to patrons. Over 4000 scans in first 6 months representing 42 states and 7 other countries.
- 6 new sculptures added to the public art collection growing the permanent collection by over 50%.

## Department Budgets

Program: Management Services

Department: **Administrative Services**

### Office of Cultural Affairs:

#### Fiscal Year 2023 Goals, Objectives, and Performance Measures

**Goals and Objectives:** To develop and implement communication strategies to support and promote the island's culture and arts assets.

	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2022 Actual	FY 2023 Budget
Office of Cultural Affairs Website Visitors	14,000	15,500	17,000	24,639*	27100
Culture HHI Facebook Followers	5,588	6,100	6,710	7706	8500
Culture HHI E-Subscription Services Subscribers	3,675	4,040	4,400	4160	4576

\* website traffic from 7/1/21 – 1/7/22

#### Fiscal Year 2023 Budget Highlights

- Grow Participation in the HHI Lantern Parade
- Development of Town Holiday Programming
- Grow Attendance for Crescendo including development of signature events
- Manage Temporary Public Art Installations
- Curate New Permanent Public Art Pieces

### Technology & Innovation:

#### Fiscal Year 2022 Accomplishments

- Microsoft 365 town-wide rollout
- Enterprise email migration to Microsoft cloud
- Microsoft Teams town-wide rollout
- My HHI citizens relationship management (CRM) mobile app
- Cartegraph implementation Facilities Management
- CIP dashboard and Hub pages implementation
- Streamlined addressing and road network improvements
- Redistricting application and support
- Replaced 45 mobile data terminals for first responders
- Designed and implemented broadcast studio for Council Chambers
- Cloud migration of Tyler Enterprise Resource Planning (ERP) system
- Implemented KnowBe4 Cybersecurity training program
- Implemented max fire responses in E911 CAD system
- Addition of security cameras and Wi-Fi to Crossings Park
- Departmental reorganization and establishment of a formal service desk
- Conference room audio visual upgrades

## Department Budgets

Program: Management Services

Department: Administrative Services

### Technology & Innovation:

#### Fiscal Year 2023 Goals, Objectives, and Performance Measures

**Goal 1:** To provide for cost-effective state of the art management information systems and support services to enhance employee productivity throughout the Town.

**Objective 1:** Maintain 99.9% uptime of all critical system services.

	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Projected
Critical system uptime	99.99%	99.99%	99.99%	99.999%
Number of critical system failures	1	1	1	0

**Goal 2:** To ensure confidentiality, integrity, and availability of Town data by preventing unauthorized access to systems.

**Objective 1:** Utilizing a layered security methodology, prevent malicious attacks from reaching critical systems and users.

	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Projected
Number of security breaches	0	1	0	0
Email rejections (includes viruses and SPAM)	317,455	280,997	317,075	320,000
Total threats blocked (malware)	917	1,128	1,122	1,200
Malicious websites blocked and warned	104,631	106,428	105,348	107,000

#### Fiscal Year 2023 Budget Highlights

### Technology & Innovation:

- Establishment of a formal service desk ticketing system via ServiceNow
- Addition of Granicus Peak Agenda Boards & Commission platform
- Addition of a special events application
- Major upgrade of E911 Data Center Virtualization platform
- Camera installation on all Fire Apparatus
- Major overhaul of data storage platform
- AV upgrade to Fire Training room and seven (7) Fire Stations
- Security cameras & Wi-Fi installation at Shelter Cove Park expansion
- Complete security camera overhaul and addition of Wi-Fi at Jarvis Park
- Addition of security cameras at seven (7) fire stations
- 3.64% reduction in overall operational expenditures compared to FY22

## Department Budgets

Program: Management Services

Department: Administrative Services

### Records Management:

#### Fiscal Year 2022 Accomplishments

- All historical building permits were digitized and made available to public for research.
- Records Center was relocated from Town Hall to offsite facility.
- Hundreds of boxes of Town records and paper building plans were scanned and made available to staff for research.
- Responded to 600 research requests

#### Fiscal Year 2023 Goals, Objectives, and Performance Measures

**Goal 1:** To administer the Town Records Management Program.

**Objective:** To receive and process official town records from all departments. To ensure that records are processed according to their designated life cycle, creation, digital or physical storage and destruction as appropriate for each record type. To make records readily available to staff and the public.

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Budget
Microfiche records converted to digital	11,000	100	10,000	5,000	1,000
Paper building plans converted to digital	4,000	10,000	10,000	10,000	10,000
Records requests filled	700	600	600	600	600

### Records Management:

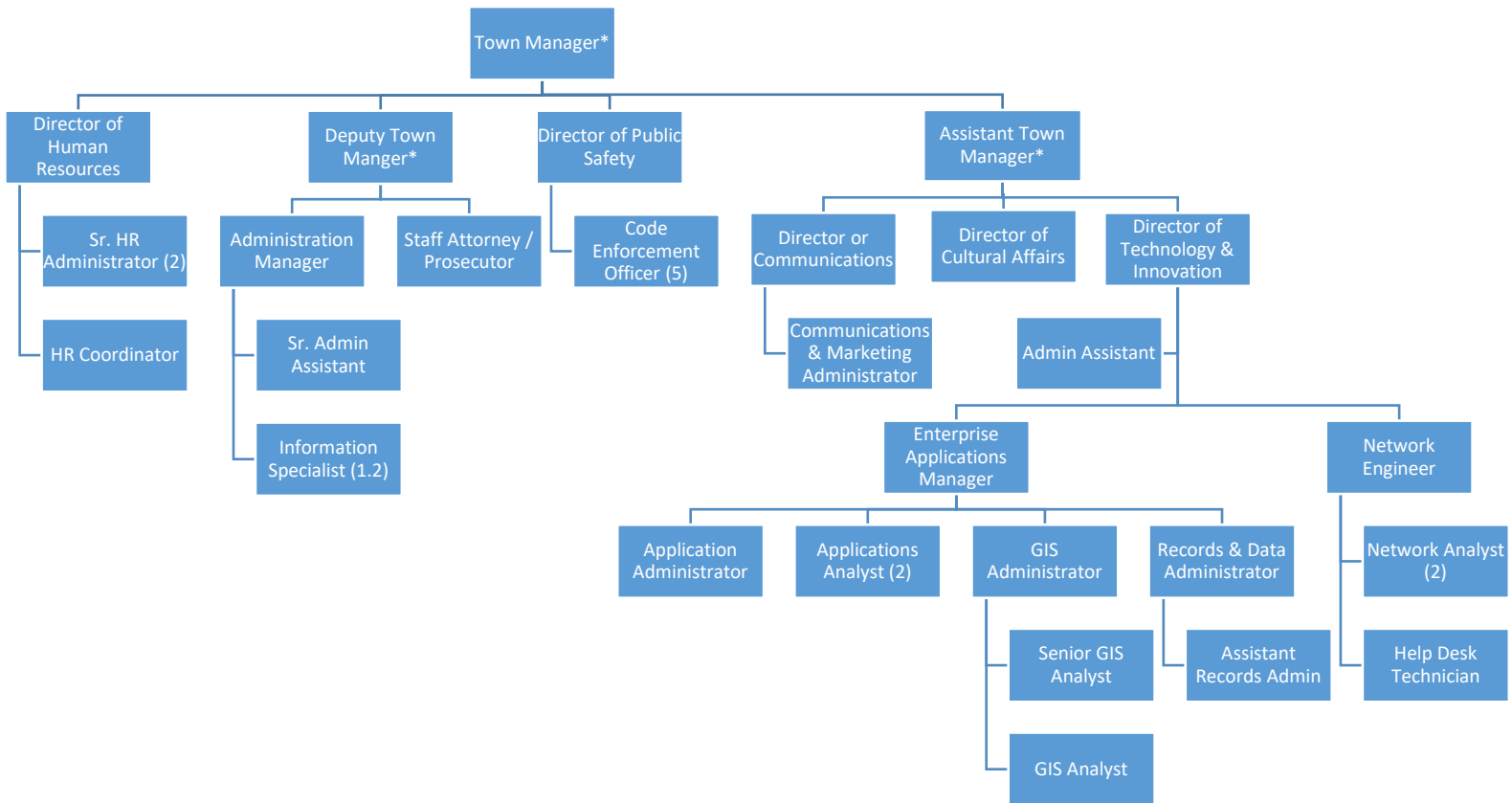
#### Fiscal Year 2023 Budget Highlights

- Continued digitization of hard copy building records
- Continued digitization of historical Town records
- Consolidations of Town forms to centralized platform



**Department Budgets**  
**Program: Management Services**  
**Department: Administrative Services**

**Organizational Chart**



\*Note: The Town Manager is under contract with Town Council. The Town Manager, Deputy Town Manager, and Assistant Town Manager's salary and benefits are budgeted in the Town Manager's Department.

## Department Budgets

Program: Management Services

Department: Administrative Services

### Expenditure and Staffing Summary

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Adopted Budget	% change
<b>Administrative Services - Program Summary</b>					
Administration and Legal	457,443	529,104	615,290	1,101,078	79.0%
Cultural Affairs	204,510	233,272	280,149	300,095	7.1%
Communications	316,315	354,161	386,009	348,115	-9.8%
Human Resources	638,951	598,484	665,941	587,750	-11.7%
Technology & Innovation/Records Mgmt	2,605,095	2,776,689	3,705,373	3,709,364	0.1%
<b>Total</b>	<b>4,222,314</b>	<b>4,491,710</b>	<b>5,652,762</b>	<b>6,046,402</b>	<b>7.0%</b>
<b>Administrative Services - By Category</b>					
Personnel	2,421,754	2,558,488	3,146,481	3,698,154	17.5%
Operating	1,677,715	1,793,028	2,506,281	2,348,248	-6.3%
Capital	122,845	140,194	-	-	0.0%
<b>Total</b>	<b>4,222,314</b>	<b>4,491,710</b>	<b>5,652,762</b>	<b>6,046,402</b>	<b>7.0%</b>
Personnel	19.7	19.7	24.2	29.7	

## Department Budgets

Program: Management Services

Department: Finance

### Mission

To provide sound financial management resulting in effective preservation of the Town and its fiscal assets; to comply with all governmental policies and procedures relative to accounting, auditing, financial reporting, asset management, debt administration, business licensing and associated revenue collections; and to provide accurate financial information and courteous and professional support to Town staff and its citizens to ensure a high level of customer satisfaction is maintained.

The Finance Department's mission incorporates the following principles:

**Leadership** – Strong financial leadership in all areas of activity undertaken by the Town.

**Innovation** – Progressive use of technology to promote the efficient use of resources.

**Professionalism** – Sound professional advice on all aspects of financial management.

**Quality** – Achievement and maintenance of a high quality service.

GFOA standards for Finance Departments as identified in "An Elected Official's Guide to Government Finance" include:

1. **Promote competent financial management**.....Governments should seek to retain trained experience professional managers. To ensure that vital financial policies are implemented, a continuing investment should be made in proper organization, staffing, training, compensation, certification, technology, and support facilities for financial professionals.
2. **Use the budget to communicate effectively**.....The budget document should be prepared so that it facilitates public understanding and analysis while effectively communicating key economic issues and fiscal policies. Revenue sources and assumptions should be explained as clearly as the spending plan.
3. **Pay careful attention to revenues**.....Revenue estimates should be based on reasonable expectations. Unless fund balances or budget stabilization reserves are available to absorb shortfalls, realistic and reasonably conservative revenue estimates are preferable.
4. **Monitor the budget**.....The budget process should include periodic reports to the governing body demonstrating budgetary compliance. Budget policymaking and oversight should be forward looking.

### Core Services

#### **Financial Administration**

Provide strong financial leadership in all areas of activity undertaken by the Town. Promote the use of technology to ensure the efficient use of the Town's resources. Develop and manage the Town's financial policies and exercise budgetary controls over all expenditures. Provide effective cash and debt management for the Town ensuring strong bond ratings are maintained. Oversee the compilation of accurate comprehensive annual financial reports and budgets in compliance with governmental standards, practices and recommendations. Provide oversight of technological and systems improvements within the department. Ensure the department is committed to providing the highest quality customer services.

## Department Budgets

Program: Management Services

Department: Finance

### Core Services

#### **Accounting Services**

Provide administration of the Town's general ledger, payroll, accounts payable, financial audits, State reporting and grants. Provide accounting functions for the Island Recreation Association and Coastal Discovery Museum. Responsible for maintaining the following funds: General, Tax Increment Financing District (TIF), Debt Service, Capital Projects, Accommodations Tax - State, Accommodations Tax – Local, Beach Preservation Fee, Hospitality Tax, Stormwater Fee, Real Estate Transfer Fee, Home Grant, Road Usage Fee, and Electric Franchise Fee. Provide effective accounting support to staff and committees. Compile accurate monthly and comprehensive annual financial reports in compliance with governmental standards, practices and recommendations to be published on the Town's website and submitted to the Government Finance Officers Association.

#### **Revenue Services**

Collection of Town-wide funds including business license fees, hospitality taxes, accommodations taxes, beach preservation fees, franchise fees, and beach passes. Perform Emergency Medical Services billing and collections. Oversee the processes associated with the Town's setoff debt collection program. Maintain the Town's business license database, and ensure compliance with the business license ordinance through on-site inspections. Compile accurate annual financial budgets in compliance with governmental standards, practices and recommendations to be published on the Town's website and submitted to the Government Finance Officers Association.

#### **Procurement**

Oversight of solicitations and contracts for goods and services. Oversee all Town risk management programs and insurance coverage.

### Fiscal Year 2022 Accomplishments

1. Implementation of the model MASC business license ordinance
2. Bond rating agencies reviewed and re-affirmed our strong bond ratings
3. Achieved record high collections of several revenues during FY22 including Business Licenses, Beach Preservation Fees, Hospitality Taxes, State Accommodation Taxes, and Local Accommodation Taxes
4. Extended the expiration date of the Real Estate Transfer Fee from December 31, 2024 until December 31, 2044, which will allow the Town to continue its strategic land acquisition program
5. Completed the Fiscal Year 2021 audit and preparation of the Comprehensive Annual Financial Report
6. Completed preparation of the Fiscal Year 2022 budget and the preparation of the budget books

### Fiscal Year 2023 Goals, Objectives, and Performance Measures

1. Maintain strong credit rating of the Town
2. Obtain GFOA Certificate of Achievement for Excellence in Financial Reporting
3. Obtain GFOA Distinguished Budget Presentation Award
4. Prepare for, and implement, the Short-Term Rental Program, including the addition of a new FTE to assist with the implementation and management of the program

## Department Budgets

Program: Management Services

Department: Finance

### Fiscal Year 2023 Goals, Objectives, and Performance Measures

**Goal:** Maintain the Town's strong credit rating.

**Objective:** To effectively manage and implement the fiscal planning process for the bond issuance and ultimate funding of the ten-year Capital Improvement Program.

	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Budget
Standard & Poor's Bond Rating	AA+	AA+	AA+	AA+
Moody's Investors Bond Rating	Aaa	Aaa	Aaa	Aaa
Fitch Bond Rating	AA+	AA+	AA+	AA+

**Goal:** Provide a high level of customer service to both our internal and external customers in the Revenue Services Division and ensure diligent collection efforts in accordance with state and local laws.

**Objective:** To issue licenses and accounts and process cash receipts in a timely and accurate manner.

	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY2023 Projected
# of business license renewals processed	6,812	6,876	9,425	13,500
# of new business licenses processed	1,049	1,196	4,870	2,000
Business License collections	\$8,688,469	\$10,455,636	\$12,773,970	\$10,600,393
# of local ATAX/Beach Preservation Fees permits	1,519	1,262	1,126	1,250
# of local ATAX/Beach Preservation Fees receipts processed	6,573	6,253	5,412	5,500
Local ATAX/Beach Preservation Fees collections	\$10,624,845	\$16,685,701	\$14,995,936	\$13,565,573
# of Hospitality Tax Permits	377	368	396	400
# of Hospitality Tax receipts processed	2,434	2,478	2,621	2,700
Hospitality Tax collections	\$6,284,461	\$8,051,256	\$7,657,360	\$7,500,000
# of beach passes issued	991	3,829*	3,458*	7,200*

\*Please note Finance is no longer issuing beach passes. The numbers above are the passes issued at Facilities Management.

## Department Budgets

Program: Management Services

Department: Finance

### Fiscal Year 2023 Goals, Objectives, and Performance Measures

**Goal:** Support paperless records retention to allow the Finance Department to be environmentally responsible and allows faster and more efficient access to financial information.

**Objective:** Archive Revenue Services primary and support documentation with 30 days of processing.

	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Budget
Revenue Services documents	11,223	12,276	13,500	14,000
EMS documents	4,220	569	65	65

Note: EMS billing was successfully outsourced in Fiscal Year 2020. The Finance team is still heavily involved in monitoring billing activity, monitoring collection results, and collecting outstanding billings from proprietary billing systems.

**Goal:** Ensure business license compliance and enforcement of Town Code.

**Objective:** Conduct business license site visits/contacts.

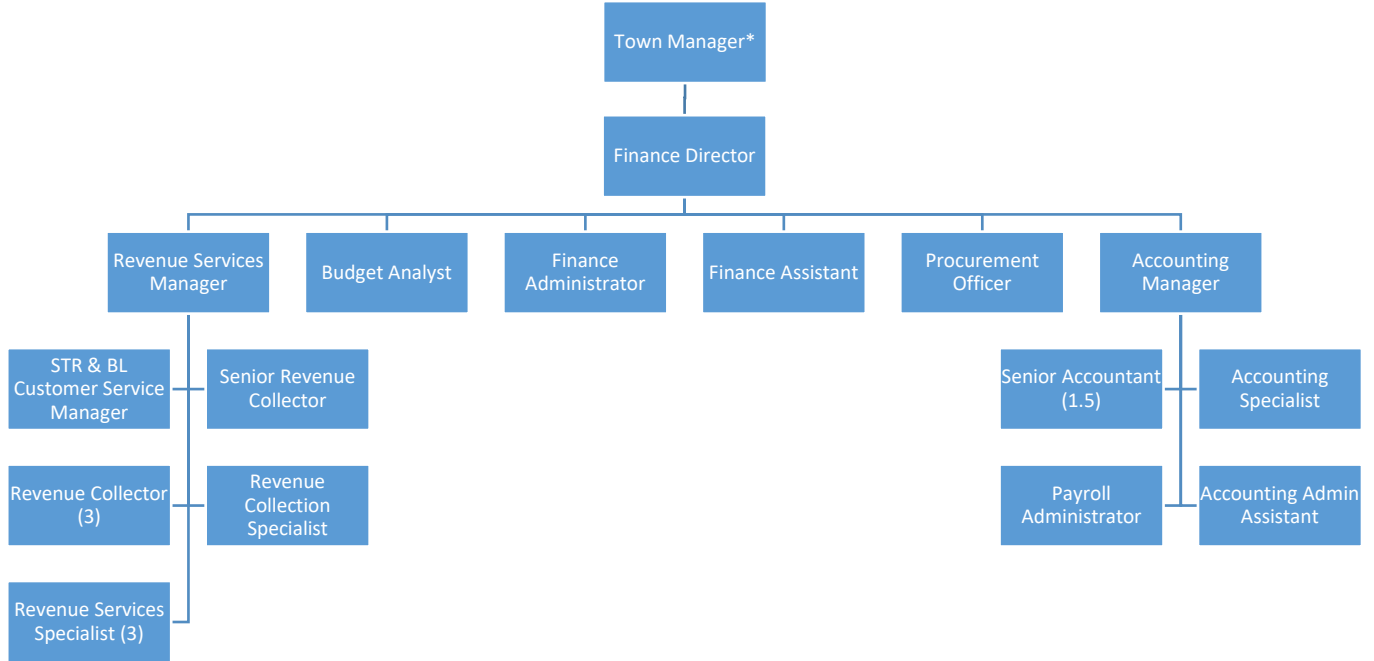
	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Budget
Business license site visits/contacts	199	561	575	600

## Department Budgets

Program: Management Services

Department: Finance

### Organizational Chart



\*Note: The Town Manager is under contract with Town Council.

### Expenditure and Staffing Summary

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Adopted Budget	% change
<b>Finance - Program Summary</b>					
Personnel	1,791,918	1,779,884	1,759,046	1,996,630	13.5%
Operating	159,287	246,451	157,130	202,470	28.9%
Capital	-	-	-	-	0.0%
<b>Total</b>	<b>1,951,205</b>	<b>2,026,335</b>	<b>1,916,176</b>	<b>2,199,100</b>	<b>14.8%</b>
Personnel	20.7	19.7	19.2	20.2	

## Department Budgets

Program: Community Services

Department: Community Development

### Mission

To provide the highest quality planning services for both internal and external customers by; a) insuring the Comprehensive Plan is in accordance with state law and is being implemented; b) providing creative, flexible, fair and consistent administration of development and construction codes, permitting and inspection of structures, while maintaining records and assuring compliance with the provision of the National Flood Insurance Program for our customers; c) insuring a comprehensive and professional direction for the Island's environmental protection and preservation; and d) preserving and enhancing the Island's long-term sustainability.

### Core Services

#### **Administration**

1. Oversees the implementation of the Land Management Ordinance to ensure development and redevelopment activities are in compliance.
2. Oversees revision to the Comprehensive Plan to improve its effectiveness in guiding the future of the community.
3. Oversees implementation of building codes and effective code enforcement.
4. Selectively participates in regional issues with Beaufort County, the Town of Bluffton, and other agencies regarding growth management, development regulations, transportation planning, recreation planning, natural resource protection, and other issues that impact our community.
5. Assists in developing and addressing Town Council's Key Priorities.
6. Coordinates land acquisition efforts of Town Council.
7. Oversees process improvements within the department and with other departments.
8. Coordinates review board activities, meetings, agendas, and packets.
9. Promotes public education of department's projects and functions.
10. Updates and implements the Town's Disaster Recovery Plan.

#### **Development, Review and Rezoning**

1. Manages and coordinates efforts to implement the Land Management Ordinance by the review of all applications for Development Plans, Subdivisions, Variances, Special Exceptions, Appeals, Zoning Map Amendments, Public Project Reviews, and Master Plan Amendments ensuring all applications are in compliance with the Comprehensive Plan.
2. Oversees natural resource protection of the Island including beach, tree and wetland regulations, and water quality preservation.
3. Continues environmental monitoring for water quality and created wetlands, and Land Management Ordinance effectiveness for tree protection.
4. Oversees Urban Design Program and Guidelines.
5. Provides for periodic review and update of the Land Management Ordinance.
6. Manages the Community Rating System, assuring that construction within the Town is in compliance with FEMA regulations thereby providing savings on flood insurance premiums for the residents and businesses on the Island.



## Department Budgets

Program: Community Services

Department: Community Development

### Core Services

#### **Comprehensive Planning**

1. Guides the revision and implementation of the Comprehensive Plan focusing on Redevelopment strategies, Sustainable strategies, Capital Improvement Program projects, and Land Management Ordinance amendments.
2. Provides support services and programs for economic development initiatives in the Town.
3. Provides for grant research and writing to secure funding for various Town projects and programs.
4. Implements all aspects of CDBG Entitlement Grant Activities.
5. Undertakes and guides Special Projects as identified by Town Council or Town Management.
6. Oversees Sustainable Practices Program and Implementation.
7. Provides staff support to Capital Improvement Plan (CIP) and storm water initiatives as needed.

#### **Building**

1. Delivers prompt, efficient, and courteous service in the management, coordination and inspection of the building permitting process to be in compliance with current building code and flood control regulations for both single family and commercial structures.
2. Enforces State and locally adopted building codes and ordinances.
3. Collects permit fees and impact fees for both the Town and the County.
4. Provides flood hazard determination to homeowners, insurance, legal and banking representatives.
5. Conducts seminars and outreach activities for the public pertaining to building code and flood control regulations.

#### **Community Development Services**

1. Serves as front line for general information and permitting process. Approves minor permits for site development.
2. Maintains accurate records and statistics of construction on Hilton Head Island.
3. Communicates with the construction/development community to address code issues, inspection issues, procedures for permitting and inspection, and planning/development issues.
4. Initializes building permit applications within 2 days of receipt.
5. Performs site plan reviews on applications for single family structures within 2 days of initializing the application.

### Fiscal Year 2022 Accomplishments

- Realigned Community Development and Infrastructure Services Departments into one Department.
- Gateway Corridor Project Coordination, including Recommendations for Project Improvements.
- Researched and assessed Town-owned properties, including funding source review, and development of an interactive application.
- Outlined Housing Initiatives, including creation of a Housing public-private partnership.
- Workforce Housing: Completed a communications plan and prepared for a Town Council workshop to address workforce housing opportunities and a Regional Housing Trust Fund.

## Department Budgets

Program: Community Services

Department: Community Development

### Fiscal Year 2022 Accomplishments

- Creation and implementation of the Historic Neighborhoods Permitting and Design Studio.
- Achieved FEMA, Community Rating System Class 5 Community status.
- Short-Term Rental Initiative: Working jointly with Development Review & Zoning, completed the first phase of the project and drafted an Ordinance based on the initial policy framework.
- Mid-Island Redevelopment Area: Coordinated with MKSK to complete the initial public engagement and research.
- Island-Wide Conditions and Trends Assessment: Coordinated with MKSK to create a draft project scope and timeline, identify stakeholders, and survey existing data.
- Ford's Shell Ring: Working with Beaufort County, developed a Joint Operating Agreement (JOA) for the park. Assisted with legal and site development issues.
- Mitchelville Lease: Crafted a draft revision to the Mitchelville lease to add three Town/County-owned properties to the site.
- Gullah Geechee Top Priority Recommendations: Completed 9 of the 16 Top Priority Projects. Maintaining these as ongoing programs. Developing a plan to complete the remaining projects.
- Grand Opening of the Shelter Cove Parking and Pathway Improvements project.
- Initialized 2,016 building permit applications between July 1, 2021 and February 5, 2022.
- Oversaw 1,112 online applications (pay and print) between July 1, 2021 and February 5, 2022.
- Assisted customers with scheduling inspections.
- Assisted customers with scope of work changes.
- Coordinated updates to Energov Workflows.
- Worked with IT for customer reports, such PSD and CSS changes, and assisted with reports for active permits.
- Coordinated with the Homebuilders Association and trained contractors on how to use the new online permitting site.

### Fiscal Year 2023 Goals, Objectives, and Performance Measures

**Goal 1:** Environmental Sustainability

**Objective:** Establish National Leadership Credibility in Environmental Sustainability & Resource Protection

**Objective:** Acquire Audubon International "Sustainable Community" Recertification

**Goal 2:** Inclusive Community

**Objective:** Implement Gullah Geechee Land & Cultural Preservation Task Force Work Plan

**Objective:** Develop Landmark Protection Program

**Goal 3:** Operational

**Objective:** Assist with implementing Mitchelville Master Plan

**Objective:** Improve Permitting & Review Process

## Department Budgets

**Program:** Community Services

**Department:** Community Development

### Fiscal Year 2023 Goals, Objectives, and Performance Measures

**Goal 4:** Connected Community

**Objective:** Adopt Mid-Island Redevelopment Strategy

**Objective:** Develop Hilton Head Island Growth Framework & Illustrative Master Plan

**Objective:** Conduct Strengths, Weaknesses, Opportunities & Threats (SWOT) Analysis of Land Management Ordinance (LMO)

**Goal 5:** Right-sized Infrastructure

**Objective:** Implement Workforce & Affordable Housing Strategy

### Fiscal Year 2023 Budget Highlights

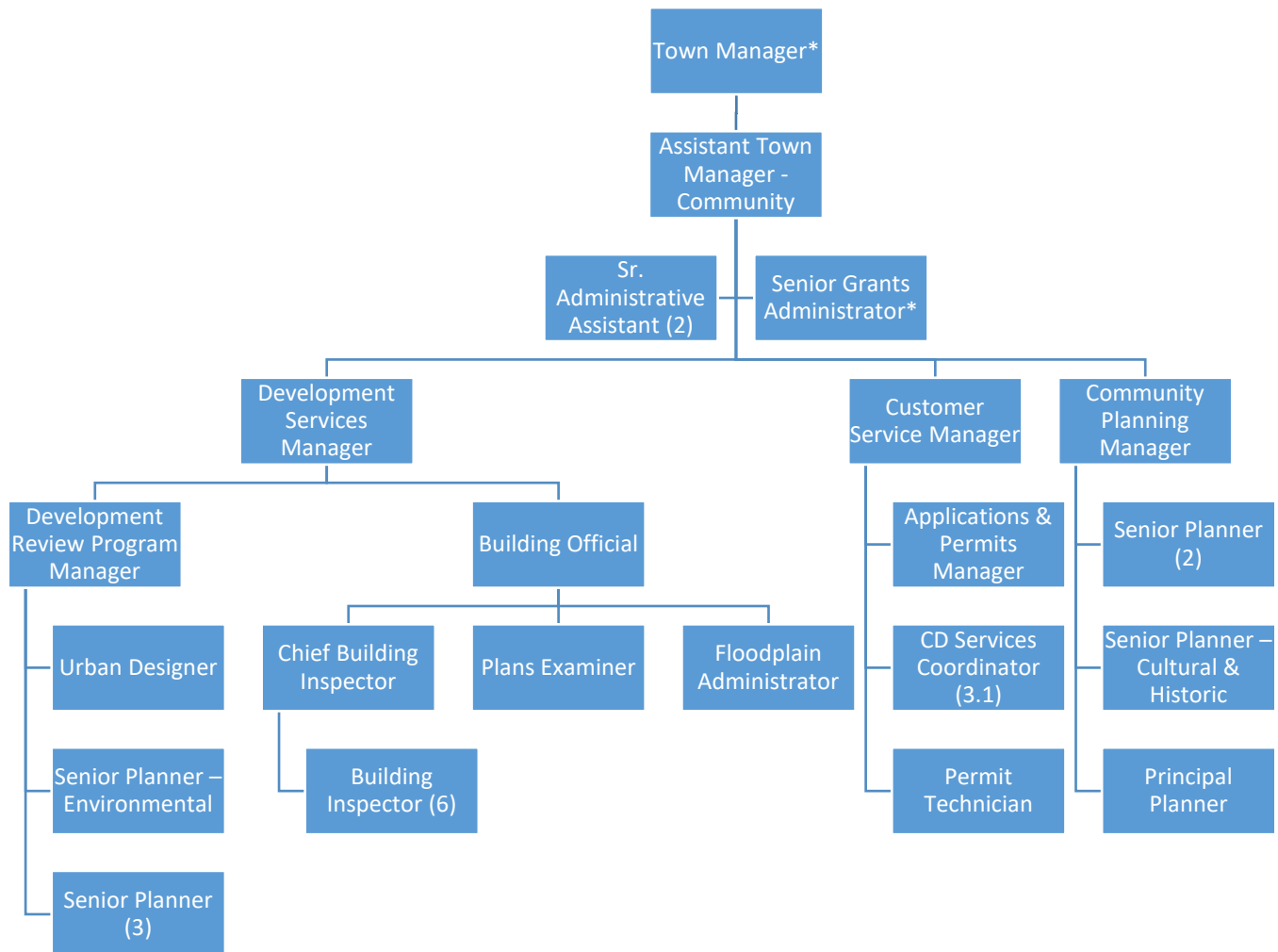
- Realigned department represents FY22 Infrastructure Services Department with the addition of Capital Projects Division, as well as the FY22 Community Development Department.
- The Community Development Department was restructured, and the following positions were affected because of the restructuring:
  - Replaced the Building Plans Examiner position with the Customer Service Manager position to better align Staff around the workload and the need. Third-party plan review is a better option in the long-term for plans examining. The Customer Service Manager is an immediate and current need to meet the permitting and plan review expectations.
  - The current Applications/Records Manager is being re-classified as the Applications and Permit Manager to better align with customer service, quality assurance, quality control, and life of permit and service expectations.
  - The Deputy Community Development Director position was retitled to Development Services Manager. The retitle was made to better align with the structure and organizational relationships within the new Community Development Department.
  - The Infrastructure Services Manager was realigned to the Community Planning Manager.
- Supplemental services funding for administrative support.
- Supplemental services funding for on-call code writing.
- Supplemental services funding for building plan reviews.
- Supplemental services funding for development plan reviews.

## Department Budgets

Program: Community Services

Department: Community Development

### Organizational Chart



Note: The Town Manager's and Senior Grants Administrator's salary and benefits are budgeted in the Town Manager's Department.

## Department Budgets

Program: Community Services

Department: Community Development

### Expenditure and Staffing Summary

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Adopted Budget	% change
<b>Community Development - Program Summary</b>					
Administration	675,753	668,141	587,319	679,106	15.6%
Comprehensive Planning	650,246	688,788	672,875	1,081,703	60.8%
Development Review & Zoning	631,355	666,787	783,019	713,162	-8.9%
Building	1,002,065	1,109,875	1,095,418	1,176,712	7.4%
CD Services	423,297	462,984	464,034	635,775	37.0%
<b>Total</b>	<b>3,382,716</b>	<b>3,596,575</b>	<b>3,602,665</b>	<b>4,286,458</b>	<b>19.0%</b>
<b>Community Development - By Category</b>					
Personnel	3,293,568	3,440,537	3,293,074	3,612,563	9.7%
Operating	89,148	156,038	309,591	673,895	117.7%
Capital	-	-	-	-	0.0%
<b>Total</b>	<b>3,382,716</b>	<b>3,596,575</b>	<b>3,602,665</b>	<b>4,286,458</b>	<b>19.0%</b>
Personnel	33.1	33.1	30.1	31.1	

## Department Budgets

**Program: Community Services**

**Department: Infrastructure Services**

### Mission

Lead, manage and supervise the operations of the Engineering and Facilities Management Divisions. Provide oversight of the Capital Improvements Program (CIP). Provide departmental support and assistance to the Town Manager, Staff and other Boards and Commissions as required. Provide services to the general public in a courteous and professional manner. Exceed their expectations.

### Core Services

#### **Administration**

Provide overall administration of the Facilities Management and Engineering Division. Manage the Town's Capital Improvement Program for roads, parks, pathways, beach facilities, beach renourishment, and drainage.

#### **Engineering**

Provide general oversight and project management for design and construction of road, drainage, pathway, and other infrastructure projects. Review and approve plans for land development to ensure compliance with the road and stormwater management standards of the Land Management Ordinance. Conduct field inspections of development projects and issue certificates of compliance for same. Maintain the Town's roadways, traffic signals, street signs, mile markers and stormwater infrastructure. Coordinate with other government agencies and utility providers regarding infrastructure maintenance and improvements.

#### **Capital Projects**

Provide general oversight and administration of the Capital Improvements Program (CIP). The CIP is the Town's program for planning capital improvement needs identified in the Comprehensive Plan, and other adopted Town Plans, and tying those needs to forecasted revenues for the current and upcoming fiscal years. The program follows a yearly planning and budgeting process including recommendations by the Planning Commission and Parks and Recreation Commission with a budget adopted by Town Council.

#### **Facilities**

Operate and maintain Town beach parks. Manage parking permits and boat permits. Maintain beach accesses, pathways, highway medians, transfer stations, buildings and grounds, and cleaning service bids. Provide parking enforcement and act as liaison for Town Beautification and Recycling initiatives. Maintain Fire and Rescue buildings and grounds to include distribution of cleaning supplies.

#### **Stormwater**

The Stormwater Utility is responsible for the following:

- Maintenance of the Town's drainage infrastructure, including both routine maintenance and corrective maintenance programs;
- Maintenance and operation of four stormwater pump stations;
- Implementing capital improvements projects for stormwater infrastructure via close coordination with the CIP Division;

## Department Budgets

Program: Community Services

Department: Infrastructure Services

### *Stormwater*

- Maintaining and improving water quality on the Island, including managing the Town's NPDES Permit, conducting an ongoing Water Quality Monitoring Program, and managing the health of the Town's lagoons;
- Conducting frequent and thorough regulatory inspections in support of the NPDES Permit, LMO compliance, and drainage system conditions;
- Managing service requests received from residents, business owners, and visitors including documenting, vetting, identification of responsibility, programming for correction, and providing timely feedback to the requestors;
- Managing and improving the Town's inventory of drainage infrastructure via the Asset Management and Watershed Inventory and Modeling Programs; and
- Ensuring LMO compliance through plan review and providing constructive feedback on improving site design for new development and redevelopment.

### Fiscal Year 2022 Accomplishments

- Established Capital Projects Division.
- Provided quarterly updates to Town Council on the status of capital projects budget, scope, and schedule.
- Worked with GIS staff to create CIP Dashboard to inform the public.
- Acquisition of the Main Street road rights of way. Private road rights of way (Main Street, Central Avenue, Museum Street, Merchant Street, and Meeting Street) were acquired through negotiations with road owners (POA) and through Committee and Town Council approval. (Strategic Plan Initiative)
- Coordination with SCDOT on the Cross Island Parkway Toll Booth Removal project, dissemination of public information, acquisition of administrative building is ongoing. (Strategic Plan Initiative)
- Creation of a Beach Operations Team devoted to the management of beach parks and beach operations.
- Coordinated with Hilton Head Plantation POA to have a new agreement executed for the interim financial support of beach nourishment on Pine Island and to include this into the Town's next major renourishment project.
- Coordinated the successful revision of the Town Code to expand the limits of the defined beach and added the segment from Fish Haul Creek to Park Creek (north of Pine Island).
- Burkes Beach Road reconfiguration and turn around, including removal of metered spaces.
- Replaced the decorative mast arms at US 278 and Beechwood Drive. This aged infrastructure was found to be corroded and susceptible to failure and was replaced.
- Completed the annual traffic counts and traffic capacity monitoring and analysis report and presented to the Planning Commission.
- Successfully meeting or exceeding all NPDES permit requirements, and including submittal of mandatory annual reporting documents to SCDHEC ahead of schedule.
- Installed traffic and pathway safety signs in many locations.
- Implemented Beach Operations team to focus on operations and maintenance and set new improved standards for beach parks.

## Department Budgets

Program: Community Services

Department: Infrastructure Services

### Fiscal Year 2022 Accomplishments

- Hired Facilities Manager, restructured Assistant Facilities Manager position to have both Field Operations and Contracts & Admin. Personnel.
- Oversaw implementation of new Security protocols at Town Hall that includes armed security, installation of enterprise security system, security renovations in lobby area, purchase of a state-of-the-art metal detector, and new exterior lighting and landscaping.
- Implemented increased maintenance standards internally to provide a better product to the public as well as holding contractors accountable to these higher expectations.
- Implemented and revitalized community beach programs i.e., Adopt-A-Beach, Finnegan Share Shack, Adopt-A-Basket, Beach Ambassadors, and continued support for Turtle Trackers.
- Improved our current ADA standards for beach access by installing Mobi Mats and offering a beach wheelchair program.
- Completed \$2M overhaul of the Lawton Pump Station, including replacement of the control building (MASC Award for Best Public Works Project)
- Successfully completed more than 40 capital improvement and corrective maintenance drainage projects, including:
  - Old Wild Horse drainage improvements
  - Lawton Canal control structure gate repair
  - Drainage system repairs at three beach parks (Driessen, Folly Field and Islanders)
  - Ruddy Turnstone drainage system rehabilitation
  - Portside drainage ditch excavation
  - Channel cleaning at the Beachwalk regime in Shipyard
  - Pathway drainage improvements at The Oaks condominiums
- Completed proactive maintenance projects at 18 locations, including:
  - Mid-Island Tract
  - Ashmore Channel
  - Jarvis Creek system
  - Gumtree Channel
  - Sam Frasier Outfall
- Reviewed more than 300 development permit applications and plans
- Successfully managing the NPDES Permit including:
  - Conducting more than 500 active construction site erosion control inspections
  - Managing the ongoing street sweeping program, including weekly operations on more than 54 miles of road and 1300 parking stalls
  - Responding to and eliminating several significant illicit discharges
- Adding 6 new drainage agreement partners, increasing the total from 11 to 17
- Engaging in public outreach and education with the public via in-person meetings and committee presentations related to improving water quality on the Island.



## Department Budgets

Program: Community Services

Department: Infrastructure Services

### Fiscal Year 2023 Goals, Objectives, and Performance Measures

**Goal 1:** Pursuit of Excellence

**Objective:** Enhance Beach Shuttle Services

**Objective:** Adopt & Implement Beach Master Plan

**Objective:** Create and implement a new Town “brand” of signage throughout the Island

**Objective:** Improve the “beach experience” for residents and guests. This would include a parking master plan, increased use of public transportation, code enforcement, improving the Beach Ambassadors program, and upgrading the facilities.

**Objective:** Improve efficiency in service delivery to correct deficiencies via the Corrective Maintenance Program; increase volume by 25%.

**Objective:** Continue refinement and expansion of the Proactive Maintenance Program; Increase the number of identified proactive maintenance sites by 10% and move toward bi-annual frequency at all locations.

**Objective:** Improve efficiency in service delivery to correct deficiencies via the Corrective Maintenance Program; increase volume by 25%.

**Goal 2:** Environmental Sustainability

**Objective:** Implement Beach Renourishment Program & Update Beach Management Plan

**Objective:** Work with Public Service Districts (PSDs) on Long-Term Capital Projects

**Objective:** Identify Strengths, Weaknesses, Opportunities & Threats (SWOT) of Hilton Head Island Solid Waste & Recycling

**Objective:** Identify Strengths, Weaknesses, Opportunities & Threats (SWOT) of Hilton Head Island Resiliency

**Goal 3:** Connected Community

**Objective:** Adopt Mid-Island Park Master Plan

**Goal 4:** Regional Focus

**Objective:** Evaluate Access Between Hilton Head Island & the Greater Region Through Viable Multi-Modal Transportation

**Goal 5:** Right Sized Infrastructure

**Objective:** Adopt Traffic Calming Policy

## Department Budgets

Program: Community Services

Department: Infrastructure Services

### Fiscal Year 2023 Goals, Objectives, and Performance Measures

**Goal 6:** Implement Capital Improvement Program (CIP)

**Objective:** Manage Capital Improvement Projects to ensure schedule and budget targets are met and quality specifications are met.

**Objective:** Provide quarterly updates on the status of Capital Projects.

**Objective:** Maintain the Capital Projects Dashboard to keep elected officials and the public informed.

**Goal 7:** Stormwater Management

**Objective:** Ensure compliance with Town's NPDES Permit, mitigation of flooding, monitor and enhance water quality.

**Objective:** Successfully manage service request intake, vetting documentation, and ensuring excellent customer service by providing timely and personal feedback.

**Objective:** Maintain storm drainage infrastructure integrity through implementing corrective and proactive maintenance activities to protect and ensure public health and safety.

**Objective:** Improve NPDES Permit Compliance performance measures in the areas of public outreach, public participation; Supplement efforts of Carolina Clear with 2 or more activities per quarter

**Objective:** Increase scope of sediment and erosion control inspection and enforcement; implement required spot-inspection of single-family home construction at a level to be determined.

**Objective:** Maintain the Town's stormwater pump stations, including performing all scheduled quarterly and annual inspections and proactive maintenance according to current LOS policy

**Objective:** Continue to improve the integrity of stormwater inventory data, including adding BMPs to the database and attaching plans and inspection documents.

**Objective:** Successfully complete review of all plans and permit applications assigned per LMO requirements, providing constructive feedback on improved site design for new development and redevelopment, supported by making site visits and participating in better site design review meetings.

### Fiscal Year 2023 Budget Highlights

- First budget of new Division; includes Capital Program Manager, three Project Managers, and proposed Program Administrator.
- Budget includes professional development, continuing education, and licensure for professional staff. Request for additional staff: Property Manager, Assistant Storm Water Manager, and Storm Water Operations Administrator. Road Maintenance limited due to funding source elimination and roadway work associated with CIP.
- Assist with Islanders Beach Park CIP.
- Driessen Boardwalk replacement
- Folly Field Boardwalk replacement.
- Continued pathway/parking lot improvements.
- Improve consistency throughout our parks i.e., signage, trash cans, etc.
- Improved Holiday lighting throughout the Island.
- HVAC replacements at Fire Stations 1 & 5.

## Department Budgets

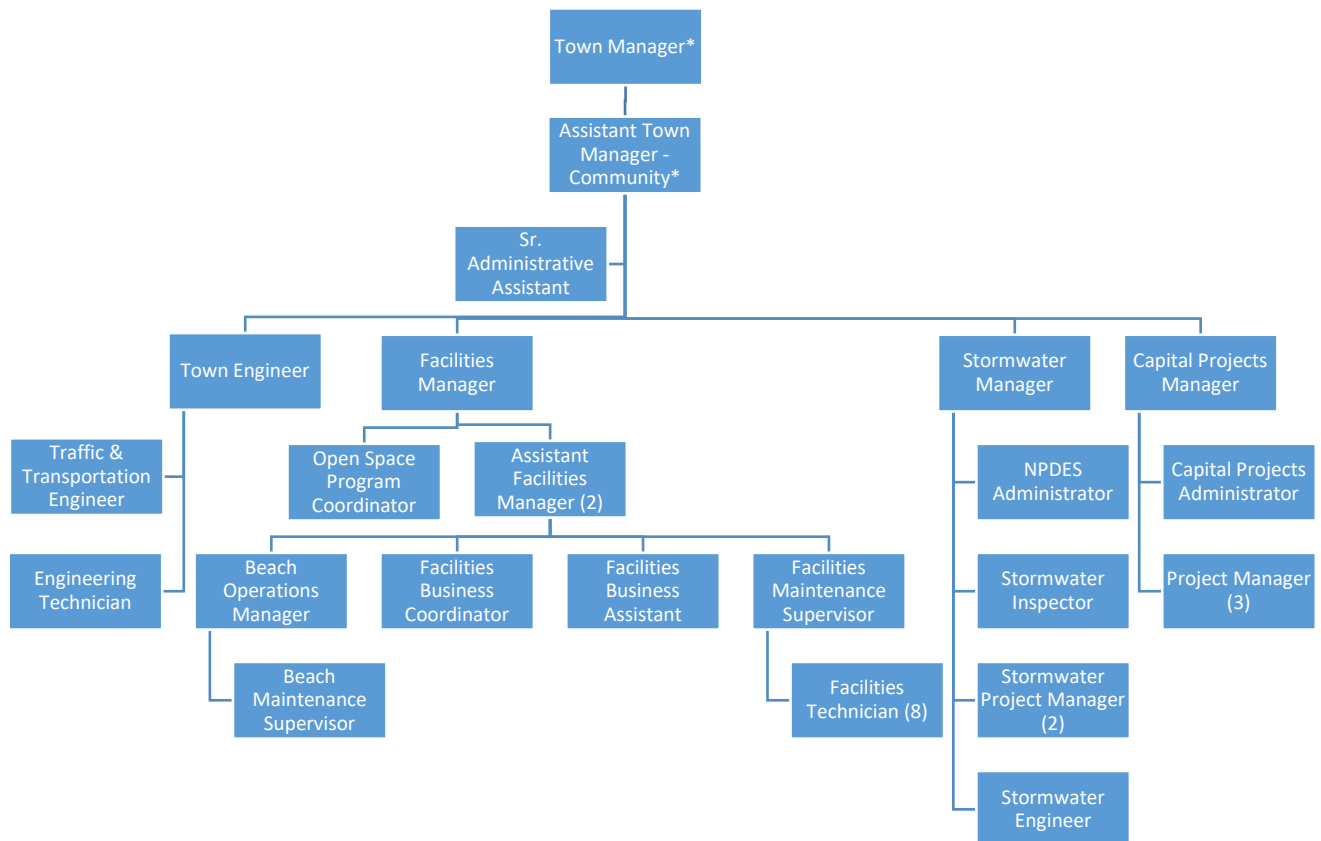
Program: Community Services

Department: Infrastructure Services

### Fiscal Year 2023 Budget Highlights

- 70 Shelter Cove Lane roof replacement.
- Jarvis pump station roof replacement.
- Adding staff to support an increase in service delivery for corrective and routine maintenance programs and to provide adequate time for qualified staff to review LMO plans received at higher volumes.
- Five CIP Projects, including:
  - Installing new drainage infrastructure at Cordillo Courts
  - Implementing drainage improvements in the Folly Field neighborhood
  - Jarvis Creek system outfall resilience improvements (backflow prevention device installation)
  - Design and implementation of drainage system improvements along Gum Tree Road
  - Design of resilience improvements at the Wexford Pump Station (debris screens)
  - Modeling and inventory of the Lawton Creek watershed (South Forest Beach and Sea Pines)

### Organizational Chart



Note: The Town Manager's salary and benefits are budgeted in the Town Manager's Department. The Assistant Town Manager – Community salary and benefits are budgeted in the Community Development department. Six positions above are budgeted in the Town's Stormwater Fund. The remaining positions are in the General Fund.

## Department Budgets

Program: Community Services

Department: Infrastructure Services

### Expenditure and Staffing Summary

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Adopted Budget	% change
<b>Infrastructure Services - Program Summary</b>					
Administration	296,244	244,379	277,675	-	-100.0%
Engineering	789,191	834,793	955,192	699,660	-26.8%
Facilities	3,986,698	4,388,534	5,874,607	5,925,951	0.9%
Capital Projects	-	-	-	595,467	0.0%
<b>Total</b>	<b>5,072,133</b>	<b>5,467,706</b>	<b>7,107,474</b>	<b>7,221,078</b>	1.6%
<b>Infrastructure Services - By Category</b>					
Personnel	1,922,679	1,843,507	2,032,425	2,346,924	15.5%
Operating	3,149,454	3,624,199	5,075,049	4,874,154	-4.0%
Capital	-	-	-	-	0.0%
<b>Total</b>	<b>5,072,133</b>	<b>5,467,706</b>	<b>7,107,474</b>	<b>7,221,078</b>	1.6%
Personnel	19.0	21.0	22.0	26.0	

## Department Budgets

**Program: Public Safety**

**Department: Fire Rescue**

### Mission

To protect the people, property and environment of Hilton Head Island with courage, commitment and compassion.

### Town Council Guiding Principle

Providing a Serene, Safe and Healthy Living Environment for Residents, Guests and Visitors.

### Town Council Goal

Financially Sound, Excellent Services

### Core Services

1. Provide fire services to the town to include structural firefighting, wildland firefighting, motor vehicle fires, and all other fires typically assigned to a fire department to include the training and development of its staff to perform these duties.
2. Fire Rescue provides advanced life support (ALS) emergency medical services (EMS) to include public education, early detection, response, treatment, patient care and necessary transport including the training of its staff to perform these duties.
3. Operate seven fire stations, a dispatch center and a headquarters facility. Manage and operate a Primary Public Safety Answering Point to receive and process 911 calls from the public for Hilton Head Island, Hilton Head Island Airport and Daufuskie Island in addition to serving as backup communication center for Beaufort and Jasper Counties.
4. Provide fire prevention services to the Town to include public education, prevention, code enforcement, and fire origin cause and determination.
5. Deliver other specialty emergency response services to include hazardous materials response, technical rescue services, vehicle and machinery extrication services, confined space, and other services as requested.
6. Emergency Management develops town-wide plans for the preparedness, response, and recovery from man-made and natural disasters to include but not limited to evacuations, hurricane and tropical storms, earthquakes, floods, tornadoes, fire, hazardous materials, etc. and to coordinate all such plans with local, county, state, and federal authorities.
7. Manage a fleet maintenance program for all Town vehicles to include preventative maintenance and repairs and assist in other activities as required.
8. Fire Rescue shall conduct research and planning activities as necessary to properly perform its assigned services.

### Fiscal Year 2022 Accomplishments

- Hired 17 new firefighters/EMTs to fill vacant positions.
- Established a new candidate pool of 41 potential employees for the position of firefighter/EMT.
- The department's regional technical rescue team and Hazmat Team received approximately \$100,000 in Department of Homeland Security Grant Funds to support the operations of the teams.
- The division established a team made up of various departments to promote the organization to potential employees in the community.

## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Fiscal Year 2022 Accomplishments

- The fire apparatus committee finalize the specification and bid process for the new pumper fleet.
- The Emergency Management Division, in partnership with the Town, supported numerous COVID testing events organized by non-profit organizations within the community. Between June 1, 2021 – Jan. 31, 2022, 3,383 COVID tests were provided on Hilton Head Island, in partnership with DHEC and Bright Star Care.
- The Town’s Pandemic Annex to the Emergency Operation Plan was updated based on lessons learned during the COVID-19 Pandemic.
- Emergency Management researched and developed a comprehensive Emergency Management Training and Exercise Plan to support the Town’s ability to prepare for and respond to emergencies and disasters.
- With the support of the Fire Rescue Strategic Planning process, the first ever Emergency Management Strategic Plan was developed.
- Annually the Emergency Management Division provides support to special events on the island. Three of the major events supported are the RBC Heritage, Concours d’Elegance, and St. Patrick’s Day Parade.
- In coordination with Information Technology and Community Development, established a Town wide Unmanned Aircraft System (Drone) program which includes an oversight committee.
- Hilton Head Island Fire Rescue was recognized as a Fire Safe SC Community by the SC Fire Marshal’s Office for our commitment to an all-hazards Community Risk Reduction program.
- Piloted an “After the Fire” Program to bring awareness to the community about fire safety specific to neighborhoods based on recent events.
- Purchased, trained and implemented use of OSC360 Camera to enable Fire Investigation to capture 360-degree photos of fire scenes for further analysis and training.
- The Bureau of Fire Prevention implemented a mobile inspections documentation program with picture capability as part of the new records management software upgrade.
- Continued to improve the addressing process. This process included the assignments of new addresses, corrections to existing structures, assignments of new streets and the application process to name or rename streets. Received a community grant to implement a new program to install green reflective address signs in areas where addresses are changes.
- Updated the business names, common place names and the beach markers response points.
- The State of South Carolina implement the Esinet on January 12 as the first step in 911 emergency response improvement.
- Updated all 911 Communications policies into the new format.
- 911 Communications Training manual was updated to improve the documentation of training hours.
- 911 Communications personnel completed over 561 hours of continuing education training.
- Implemented a learning management platform as a Town wide initiative to provide, assign, and track annual safety training for the entire Town.
- Conducted and managed the onboarding and orientation of 17 new firefighters in five two-week sessions.

## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Fiscal Year 2022 Accomplishments

- S&PD contracted with outside vendor to conduct six days of hands-on forcible entry training for all line firefighters.
- Completed the inaugural Driver Operator Academy consisting of 178 hours of driver training for firefighters aspiring to become Fire Apparatus Operators. The program yielded 11 new relief driver operators.
- An FAO Promotional Assessment was conducted for nine candidates.
- S&PD coordinated the CIP project of replacing a 25-year-old breathing air compressor.
- Replaced Fleet Maintenance Tire/wheel Balancer – Replaced wheel balancer with a new model that provides the capability to balance all tire/wheel sizes on the ambulances and fire apparatus fleet.
- Conducted Annual Pumper and Aerial Ladder Testing – Fleet Maintenance coordinated the annual pumper and aerial testing. This testing is conducted by a third-party agency to ensure the fleet is maintained in accordance with national standards.
- Supported the Replacement of Various Staff and Town Vehicles – Supported the Procurement Director and other Town Divisions in replacing aging staff vehicles.
- Acquired used Tractor/Trailer Vehicle – Acquired a used tractor/trailer from Beaufort County and once refurbished, will be used as a CDL Class A training tractor/trailer.
- 47 personnel completed a 30-hour National Registry of EMT (NREMT) Refresher online to renew their certification.
- Completed BLS recertifications for High-Performance CPR for all line personnel.
- The EMS Division provided onboarding EMS training to 9 new hires.
- 12 personnel successfully completed an Emergency Medical Technician - Basic course, involving 240 hours of classroom instruction and 60 hours of clinicals.
- A new EMS Battalion Chief and Captain were appointed to lead the Division.
- Facilitated the RFP and implementation process for a new Records Management, Learning Management and scheduling software.
- Facilitated the process of writing a new Standard of Cover and Community Risk Assessment and development of the self-assessment manual to support reaccreditation.
- Assisted with the consolidation of the Public Safety Systems Personnel to the Town's Information Technology department.
- Facilitated the process of determining replacement needs for Mobile Data Terminals in Fire Rescue response vehicles.

## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Fiscal Year 2023 Goals, Objectives, and Performance Measures

#### Operations

**Division Goal:** Protect the lives and property of the community through timely emergency response and the efficient delivery of services.

**Division Objectives:** Provide an emergency response system that improves the quality of life by maintaining and enhancing the response capability and performance level of our members to reduce fire losses and civilian casualties.

To provide for a safe and timely response to all emergent incidents with the goal of being on scene from the time a call is received in the E911 Communications Center to when an ambulance arrives curb side on EMS incidents in 8 minutes and 5 **seconds** 90% of the time; and, for a fire apparatus to arrive on scene at 8 minutes and 50 seconds 90% of the time.

Provide a timely and professional response to hazardous materials, technical rescue, and other emergency situations to assist the public and protect the community.

Proactively identify and reduce the impact of hazards on emergency incidents that have the potential to do harm to the environment through the utilization of knowledge, equipment, and resources.

Support department programs that engage the public in education and during community events.

	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Budget
<b>Total Emergency Incidents</b>	7,752	8,209	9000	9200
<b>Emergency Medical Service (EMS) responses</b>	5,720	5683	6300	6440
<b>EMS patients transported</b>	3,854	4356	4500	4650
<b>EMS patients treated but not transported</b>	241	330	400	400
<b>Fire Suppression and other responses</b>	1,832	2526	2700	2760
<b>Actual number of fires</b>	79	93	78	80
<b>EMS First Arriving – Total Response Time Baseline (90<sup>th</sup> percentile)</b>	9:00	8:34	8:30	8:20
<b>Fire First Arriving – Total Response Time Baseline (90<sup>th</sup> percentile)</b>	9:13	8:40	8:35	8:30
<b>Pre-incident plans processed (Planning)</b>	102	19	100	100



## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Fiscal Year 2023 Goals, Objectives, and Performance Measures

#### **Emergency Medical Services**

**Division Goal:** Facilitate the provision of high-quality emergency medical care to our citizens and visitors with a commitment to clinical excellence, compassion, customer service, and the preservation of human dignity.

**Division Objectives:** Administrate an effective and compliant Electronic Health Record (EHR) platform that appropriately documents patient care encounters, enables the collection of relevant performance metrics, and allows the Town to obtain appropriate reimbursement for medical care.

Develop and curate education and training that is timely and relevant for a variety of injuries and time-sensitive diagnoses. Enable staff to provide evidence-based therapies to improve clinical outcomes.

Support EMS certification and recertification using the best regionally available schools, training methods, and evaluation techniques according to state and national standards and best practices.

Promote a culture of clinical excellence and continuous quality improvement using the Just Culture model that enhances the safety and quality of life for each individual patient we encounter.

	FY2020 Actual	FY2021 Actual	FY2022 Projected	FY2023 Budget
EMS Training Hours Completed	5201	4210	5500	5500
NREMT Recertification Completed	43	48	42	61
EMT-B Certification	23	25	23	38
EMT-P Certification	20	23	19	23
EMS FOIA Requests	240	107	148	150

#### **Emergency Management**

**Division Goal:** To continue positioning the Town of Hilton Head Island to respond efficiently to the full range of threats facing the community, seek to minimize the impacts of emergencies and disasters on the people, property, environment, and economy of the Town, and to prepare staff and residents to better protect themselves and others through an effective program of all-hazards planning, partnerships, resource acquisition, training and public education/outreach.

**Division Objectives:**

Continue to develop, maintain, update, and expand the plans, procedures, and agreements necessary to support the goals of the Emergency Management Division.

Identify necessary equipment and any resource shortfalls, and either purchase items in a cost-effective manner or arrange for their availability through the development of agreements with outside entities.

Develop a more effective hurricane evacuation point for critical staff and public safety assets through enhancing the current location or identifying an alternate location.

## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Fiscal Year 2023 Goals, Objectives, and Performance Measures

Develop annexes to the emergency operations plan for every hazard identified in the Beaufort County Hazard Mitigation Plan.

Partner with other Town Departments and Divisions to administer a program of effective public education and outreach which promotes Town initiatives and resources and provides pre-event information that will allow our citizens to prepare for all potential hazards facing the Town.

	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Budget
Plans and Procedures updated/developed	15	13*	40**	15
Exercises Participated in	8	2	1***	
Exercises/Training program staff attendees	45	50	120	6
Disaster Preparedness presentations conducted	22	10	20	25
Disaster presentations/training public attendees	700	659	800	900
<i>Citizen's Guide to Emergency Preparedness distributed</i>	2095	1000	1800	2200

\*Includes complete re-write of Emergency Management Guides

\*\*Includes complete re-write of Emergency Management Guides

\*\*\* Exercises limited due to COVID

### **Administration**

**Division Goal:** To provide administrative support and services to support the mission of Fire Rescue through efficient administrative processes and functions.

#### **Division Objectives:**

Provide oversight of the Community Risk Reduction Program & the 911 Communications Center.

Maintain critical public safety computer systems 24/7 - 365 days a year to assure timely and accurate emergency response.

Efficiently provide and maintain effective firefighting and emergency medical response equipment and supplies that support the department operations and personnel.

Provide the oversight of the departments Accreditation Process and manage response data to evaluate response benchmarks and established levels of service to identify areas of improvement.

## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Fiscal Year 2023 Goals, Objectives, and Performance Measures

Liaison to Public Safety Systems and Information Technology to ensure support for Fire Rescue's Data Systems, Computer Aided Dispatch System, Records Management System, Electronic Patient Care Reporting and Medical Billing programs.

### Bureau of Fire Prevention

**Division Goal:** To increase sponsorship and participation in various community education programs; increase technical fire/life safety inspections for both existing & new structures; and intensify investigations of fires with suspicious or undetermined origins.

#### **Division Objectives:**

Reduction of preventable deaths, injuries and property loss through public education programs, increased fire inspections enforcing compliance with adopted fire codes for all commercial buildings and the reduction of preventable and/or intentional fires.

	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Budget
Public Education Presentations (includes Company Pub Ed taught, Company public events, Risk Watch, Station Tours and Public Ed Officer Pub Ed taught)	478	62	450	300
CPR/AED/First Aid Students	346	134	600	450
Fire Extinguisher Training Students	91	140	200	200
Car Seat Installations	74	35	140	120
File of Life Recipients	1,075	733	1,000	1000
Smoke Detectors Installed	151	117	200	200
Plan Reviews	257	283	300	300
Total Fire Safety Inspections (Total includes Initial Inspections, Re-Inspections, Business License Inspections, New Construction/Renovation Inspections)	2,992	3,874	2,900	3500
Business License Inspections	402	403	400	400
Existing Building Inspections (Initial Inspections & Re-inspections)	989	2,965	1,500	2000
New Renovated Construction Inspections	472	482	1,000	1000
Violations found during inspections	2,767	3,422	2500	3000
Violations Corrected	2,941	2,863	2500	3000
Single Family Residential Site Plan Reviews	-	341	450	450
Planning project reviews & inspections	178	129	200	200
Fire cause/origin investigations	28	36	30	35
Special Event reviews & Inspections	66	49	100	100

## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Fiscal Year 2023 Goals, Objectives, and Performance Measures

#### **911 Communications**

**Division Goal:** To manage and operate a primary emergency answering point for the Town of Hilton Head Island; thereby, ensuring all emergency and non-emergency requests for assistance requiring police, fire, EMS, or other agencies, are received and the appropriate resources are notified.

**Division Objectives:**

To receive, process and dispatch requests for services in a timely and efficient manner in order to protect the lives and property of the community.

To answer calls for service in less than ten seconds, ninety five percent of the time.

	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Budget
Calls answered 0-10 seconds	55,842	73,691	77,375	81,243
Total telephone requests received	56,406	73,691	77,375	81,243
Pool & elevator lines	11,362	6,234	6,545	6,872
911 calls for service line	31,702	35,896	37,690	39,574
New addresses created (911 Addressing)	70	107	120	130
Existing addresses corrected (911 Addressing)	30	72	90	100

#### **Safety and Professional Development**

**Division Goal:** Provide a comprehensive training and development program that will enhance the abilities of personnel in order to improve department operations and service delivery.

**Division Objectives:** Support employee training and professional development at all levels of the organization and in all subject areas to enhance knowledge, skills, and abilities.

Develop and deliver training as required by OSHA Regulations.

Provide administration and management of the Fire Rescue Training Center.

Maintain training records consistent with department and NFPA standards.

Administer the new firefighter orientation program.

Support Fire and EMS certification/recertification process as required.

## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Fiscal Year 2023 Goals, Objectives, and Performance Measures

Training Hours/Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Budget
Company training – firefighting	20,639	20,000	20,000	20,639
Company drills – fire, rescue	2,282	1,000	2,800	2,282
Rescue/extraction	1,188	1,200	1,200	1,188
Hazardous materials	1,825	1,200	1,200	1,825
<b>Total Hours</b>	<b>25,934</b>	<b>23,400</b>	<b>25,200</b>	<b>25,934</b>

Drills/Classes Sessions	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Budget
Company drills	77	97	100	100
Live burn training	1	1	24	24
Urban search and rescue training	36	18	12	12
S.C. fire academy classes	16	23	25	25
Fire rescue classes	5	5	12	12
Driver/operator training/testing	24	21	24	24
New firefighter orientation	6	9	6	12
Officer training	5	9	12	12
<b>Total</b>	<b>170</b>	<b>183</b>	<b>215</b>	<b>221</b>

### **Fleet Maintenance**

**Division Goal:** To provide a comprehensive and cost-effective maintenance and repair program to support the needs of the Town of Hilton Head Island.

**Division Objectives:** Operate and maintain a Fleet Management system to track routine maintenance, repairs, and inventory of all Town owned vehicles and equipment.

Inspect, maintain, and repair all Town owned vehicles and equipment in a timely and cost-effective manner.

Complete fire pump and ladder testing and other certification tests as required.

Support Fleet Maintenance employee training and professional development, including EVT and ASE certification/recertification process.

Support the process of design and replacement of vehicles and emergency apparatus.

## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Fiscal Year 2023 Goals, Objectives, and Performance Measures

Drills/Classes Sessions	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Budget
Total Maintenance Requests – All Types	1269	1302	1330	1305
Scheduled Maintenance (Preventative and Safety)	213	221	225	225
Unscheduled Maintenance (Vehicle Repairs)	857	803	825	800
Other Repairs (Mowers, powered equipment)	188	278	280	280
Town Fleet Vehicles (Emergency, Passenger, Utility)	130	130	130	130

### Fiscal Year 2023 Budget Highlights

- Oversee the Emergency Management Accreditation Process for the technical rescue team.
- Utilize the candidate hiring pool to fill remaining vacancies and prepare for future openings in order to maintain minimum staffing levels.
- Manage the replacement of extrication rescue tools CIP Project
- Manage the purchase and implementation of the new stair chair CIP project.
- Manage the EMS staffing at special events.
- Develop annexes to the Emergency Operations Plan for every hazard identified in the Beaufort County Hazard Mitigation Plan and the Town’s Hazard Identification and Risk Assessment.
- Receive accreditation through the Emergency Management Accreditation Program and strive to become the first municipality in South Carolina to earn this recognition.
- The Bureau of Fire Prevention is adding non-inspectable residential properties to the new Fireworks Records Management Software to assist with Risk Assessment/Preplanning for those structures that are not part of the fire inspection program.
- Replace used CPR Manikins with newer model that provides instant feedback to CPR/AED students about compression rate, depth, and recoil.
- The Bureau of Fire Prevention will audit the AED Database on the PulsePoint application to ensure the information for AEDs located in businesses and parks throughout Hilton Head Island is accurate.
- The Bureau of Fire Prevention will oversee the implementation of a Life Safety Message Board at the Recycling Center exit in support of a Strategic Planning Goal.
- Seeking APCO Project 33-Training Program Accreditation.
- Initiate the CALEA PSAP Accreditation process.
- Purchase a training simulator for use in public education and recruiting.

## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Fiscal Year 2023 Budget Highlights

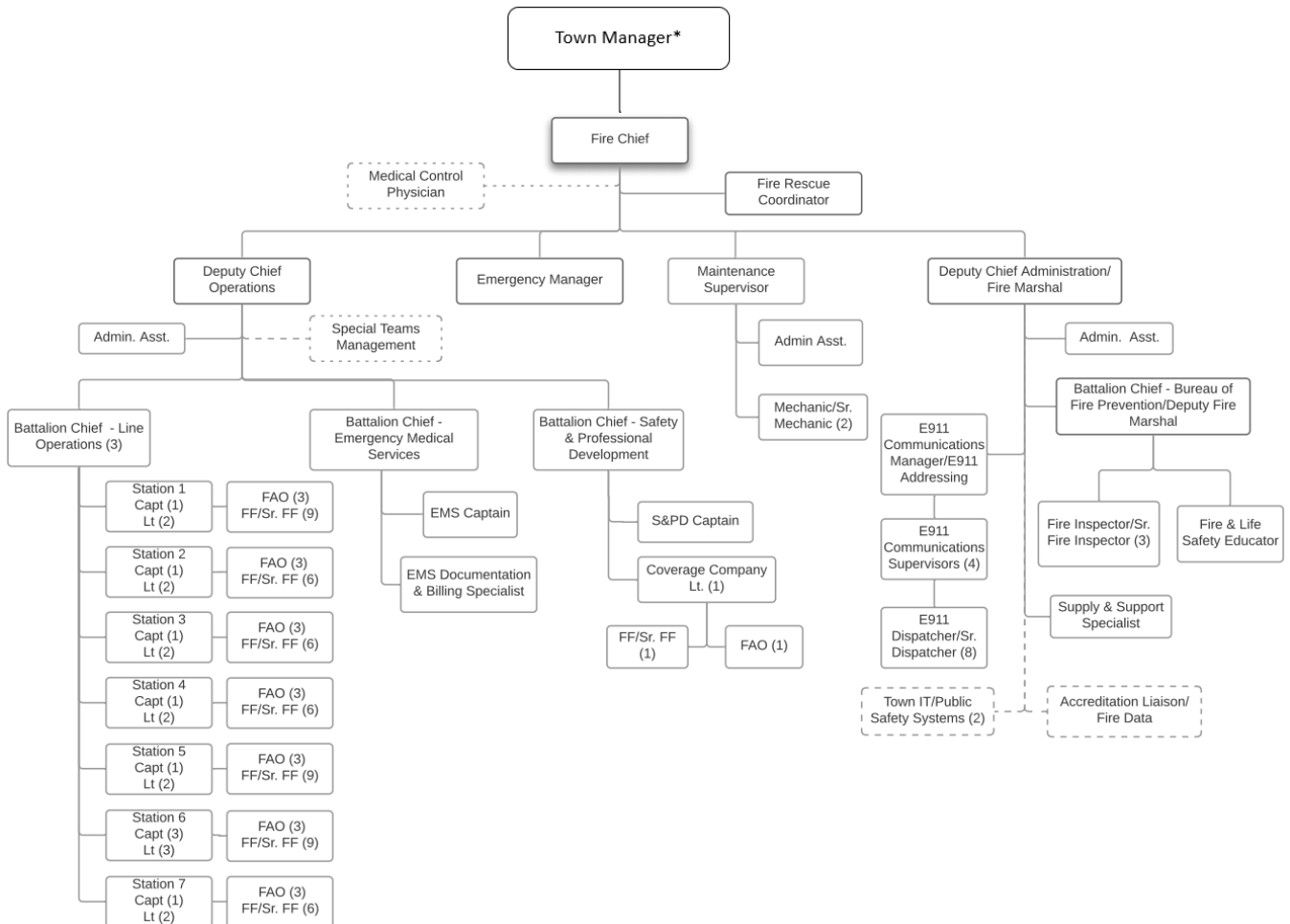
- 911 call routing through the ESinet will only be accomplished in the future with the MSAG being compliant with NG911 standards.
- Implement Text to 911.
- Coordinate and support the implementation of a new station alerting system to replace the existing system that is 25 years old.
- Anticipate onboarding 12 new firefighter candidates from the hiring pool.
- Provide live fire instructor training and certification to a team of fire training instructors to meet NFPA consensus standards recommendations.
- Complete a Company Officer promotional assessment process to establish a new promotional list.
- Complete a training tower inspection based on NFPA consensus standard recommendations.
- Update training curriculum to the newest editions.
- Conduct the required three-year hydrostatic testing of all breathing air cylinders.
- Support the installation of the ambulance safety camera program.
- Support the implementation of the new pumpers and quints.
- Support the decommission of old apparatus fleet as the new apparatus arrive.
- Replace the shop lift with a new lift with an increased lift capacity to maintain the ambulance fleet.
- Support the replacement of staff vehicles due for replacement.
- Install safety cameras in the ambulance fleet.
- Replace a 30-year-old forklift that supports shop operations.
- Support the fire hose replacement project.
- Complete the on-boarding of 10 current Paramedic students and enroll six additional EMTs in the paramedic course.
- Continue the implementation of the new Learning Management System to increase the quality of EMS training to the department members.
- Increase the current inventory of training aids for Advanced Airway and CPR to provide mannequins to all seven stations.
- Provide specialized EMS training from an outside vendor to enhance the quality of care provided to the public.
- Facilitate the implementation of the Supply and Maintenance modules of the new records management software.
- Determine the processes and community benefits of adding verified responder to PulsePoint.
- Supervise the replacement of the station alerting system.
- Oversee the implementation of the Fire Rescue Social Media Plan.
- Oversee the update to the Town's addressing ordinance.

# Department Budgets

Program: Public Safety

Department: Fire Rescue

## Organizational Chart





## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Expenditure and Staffing Summary

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Adopted Budget	% change
<b>Fire Rescue - Program Summary</b>					
Executive	1,079,423	1,085,626	1,205,212	2,120,344	75.9%
Administration	2,627,572	2,885,410	2,505,778	2,701,374	7.8%
Operations	11,326,040	12,050,675	12,813,726	13,558,528	5.8%
<b>Total</b>	<b>15,033,035</b>	<b>16,021,711</b>	<b>16,524,716</b>	<b>18,380,246</b>	11.2%
<b>Fire Rescue - By Category</b>					
Personnel	13,756,983	14,684,209	15,260,356	16,223,277	6.3%
Operating	1,276,052	1,337,502	1,264,360	2,156,969	70.6%
Capital	-	-	-	-	n/a
<b>Total</b>	<b>15,033,035</b>	<b>16,021,711</b>	<b>16,524,716</b>	<b>18,380,246</b>	11.2%
Personnel	144.5	144.5	142.5	146.7	

## Department Budgets

Program: Public Safety

Department: Sheriff/Other Public Safety

### Mission

To provide professional, effective and high-quality police protection and law enforcement services for the Town of Hilton Head Island.

### Core Services

#### **Police Services**

Town-wide police services are provided to the citizens of the community through a contract with Beaufort County and the Sheriff's Office. These services are provided in conjunction with the Town's fiscal policies of sound, economical management.

#### **Shore Beach Services**

Shore Beach Service provides year-round beach patrol for the entire 13.5 miles of beach on Hilton Head Island. During the peak summer season, the patrol consists of more than sixty lifeguards, seven red trucks marked "Beach Patrol," and two red ATVs. In addition, they have three wave runners for use in water rescue. They can assist in first aid, ocean rescue, missing persons, beach specific questions, or any other questions you may have about the island.

### Expenditure Summary

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Adopted Budget	% change
<b>Sheriff - Program Summary</b>					
Police Services	3,298,555	2,022,221	1,950,000	2,000,000	2.6%
Community Event Support	-	-	100,000	50,000	-50.0%
Stipend	91,150	91,925	100,000	165,800	65.8%
Victim Services	63,542	-	-	-	0.0%
Detention Center	-	-	-	-	0.0%
Park Services	-	676,092	-	-	0.0%
<b>Total Sheriff</b>	<b>3,453,247</b>	<b>2,790,238</b>	<b>2,150,000</b>	<b>2,215,800</b>	<b>3.1%</b>
<b>Shore Beach Services</b>					
Expenses	-	-	43,000	52,500	22.1%
Contract	324,503	344,861	305,430	406,462	33.1%
<b>Total Sheriff and Shore Beach Services</b>	<b>3,777,750</b>	<b>3,135,099</b>	<b>2,498,430</b>	<b>2,674,762</b>	<b>7.1%</b>

## Department Budgets

**Program: Townwide**

**Department: Non-Departmental**

The Townwide budget is a compilation of miscellaneous expenditures not directly associated with a specific department. The budget for the personnel, operating, and capital portions of this budget are developed jointly developed by Finance and Human Resources. Also included in this budget are the grants provided by the Town to various community organizations.

### *Personnel*

Expenditures that are included in this category are short-term temporary salaries, retirement health savings plan contributions, workers compensation deductibles, Palmetto Pass employee reimbursement, employee recognition, and COBRA benefits.

### *Operating*

This category includes expenditures for certain professional dues, consultant costs for town-wide studies, photocopying, courier services, Palmetto Pass costs for Town vehicles, taxes and assessments, various supplies, fuel costs, lease costs, utilities, property insurance and the general contingency.

### *Capital*

All capital expenditures are now included in the Capital Improvement Program (CIP).

### *Grants*

Grants provided by the Town are as follows:

1. **Coastal Discovery Museum** – The Coastal Discovery Museum is a not-for-profit organization operated on the Town owned 68-acre Honey Horn Plantation. Funding for this organization is provided by memberships, donations, corporate sponsors, and community partners. The Town provides the organization with an annual property management fee as well as funding for capital needs as requested and approved by Town Council.
2. **Mitchelville Preservation Project** – Situated on Hilton Head Island Mitchelville represents the Gullah/Geechee Cultural Heritage Corridor that forms the roots of the African American’s contribution to the heritage of freedom in America. The Town Council approved a management contract with Mitchelville Preservation Project which provides funding for the Director of this project.
3. **Recreation Center** – The Town owns a recreation center situated on the Beaufort County School District’s campus. The center is operated by the Hilton Head Island Recreation Association. Funding for operating the facility and funding for programs provided at the facility comes from donations from the Town, program fees, donations, fund raising activities, and Beaufort County.

## Department Budgets

Program: Townwide

Department: Non-Departmental

### Grants

4. **Event Management and Hospitality Training** – In accordance with Town Code section 4-10-100 the Town sets aside 5% of the 1% local accommodations tax for special events production, volunteerism, and hospitality training. The Town has designated the University of South Carolina Beaufort to manage and direct such expenditures.
5. **LRTA** – The Lowcountry Regional Transportation Authority (dba Palmetto Breeze) provides public transportation throughout the lowcountry region including service from rural counties to destinations on Hilton Head Island and the urban services areas in the Bluffton/Hilton Head area. The Town provides an annual grant to support this regional transportation program.
6. **14<sup>th</sup> Circuit Solicitor's Office** – The Town provides annual grants to support the following programs:
  - **Adult Multi-Disciplinary Court** – The goal of this program is to address the underlying problems that are causing an individual to commit crimes so they become productive members of society. Each person is carefully screened to undergo professional substance abuse and mental health treatment. Those who are unsuccessful in abiding by the court's rigid requirements are transferred to prison.
  - **Career Criminal Unit** – The Criminal Prosecution Unit, is a team of experienced prosecutors, investigators and an intelligence analyst who focus solely on sending the worst of the worst to prison. The team targets defendants based on their criminal history and their danger to the community as opposed to the particular crime they are charged with.
7. **Heritage Classic Foundation** – The Heritage Classic Foundation contracts with the PGA Tour, Inc. to annually conduct the RBC Heritage golf tournament on the Harbour Town Golf Links in Sea Pines Resort. This tournament provides significant economic impact and publicity to the Town. In accordance with an agreement between the Heritage Classic Foundation and the Town, the Town is designated as an official sponsor of the tournament and agrees to provide a sponsorship fee each year.

## Department Budgets

Program: Townwide

Department: Non-Departmental

### Expenditure Summary

Townwide - Non-Departmental	FY 2020		FY 2022	FY 2023	% change
	Actual	FY 2021 Actual	Adopted Budget	Adopted Budget	
Personnel	481,954	872,401	408,587	999,329	144.6%
Operating	404,569	475,261	352,163	490,645	39.3%
Insurance	584,439	643,639	702,575	777,884	10.7%
Utilities	679,768	629,062	681,873	849,386	24.6%
Taxes/Assessments	103,197	117,432	105,261	124,750	18.5%
Capital	239,403	1,936	-	-	0.0%
Contingency	58,979	57,108	100,000	108,000	8.0%
Other Charges	45,000	-	100,000	100,000	0.0%
<b>Affiliated Agency &amp; Community Funding:</b>					
Grant Matching Funds	-	-	62,000	30,000	-51.6%
Recreation Center - General	893,889	1,060,706	1,087,578	1,099,304	1.1%
Coastal Discovery Museum - General	75,000	75,000	75,000	92,775	23.7%
LEPC/Other	11,995	4,246	-	-	0.0%
Executive Director	111,151	105,000	105,000	105,000	0.0%
Event Management & Hospitality Training	158,695	110,663	186,367	190,094	2.0%
LRTA (Palmetto Breeze)	250,000	200,000	225,165	282,404	25.4%
Multidisciplinary Court	50,000	50,000	50,000	50,000	0.0%
Solicitor Career Criminal Program	118,500	118,500	118,500	118,500	0.0%
Beaufort County EDC	25,000	25,000	25,000	25,000	0.0%
Concours D'Elegance	-	150,000	-	-	0.0%
Arts Center	-	200,000	-	-	0.0%
Heritage Classic Foundation	-	-	289,817	298,513	3.0%
<b>Sub-Total Community Grants</b>	<b>1,694,230</b>	<b>2,099,115</b>	<b>2,224,427</b>	<b>2,291,590</b>	<b>3.0%</b>
<b>Total</b>	<b>4,291,539</b>	<b>4,895,954</b>	<b>4,674,886</b>	<b>5,741,584</b>	<b>22.8%</b>

## General Fund – Four-Year Financial Model

One of the most significant tools employed by the Town for strategic planning is the long-range financial plan (forecast). The financial model provides a picture of the financial impact the Town would experience if no action were taken, including tax increases or changes in service.

The forecasts are based on a combination of general assumptions and specific program changes of which the Town has knowledge. These general assumptions include economic considerations, commercial and residential development, service loads, and incremental growth in the compensation system. The four-year forecast provides the baseline for next year’s budget.

By using the four-year forecast, the Town can more proactively plan for upcoming changes in service level demands as well as identifying potential downturns in revenues and identifying appropriate responses and solutions.

### Revenue Assumptions

% increase/(decrease) by year	FY 2024	FY 2025	FY 2026	FY 2027
Property Taxes	1.5%	1.5%	1.5%	1.5%
1% Local Accommodations Taxes	4.0%	3.0%	2.0%	1.0%
Business License Taxes (local & state)	5.0%	4.0%	3.0%	2.0%
Franchise Fees	0.0%	0.0%	0.0%	0.0%
Permit Fees; Construction	1.0%	1.0%	1.0%	1.0%
Permit Fees; Development	0.5%	0.5%	0.5%	0.5%
Permit Fees; Other	0.5%	0.5%	0.5%	0.5%
Intergovernmental	1.0%	1.0%	1.0%	1.0%
Grants; E-911 and Other	1.5%	1.5%	1.5%	1.5%
Beach Services	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%
EMS	6.0%	4.0%	3.0%	2.0%
Investments	10.0%	2.0%	2.0%	2.0%
Transfers in; Beach Preservation Fees	5.0%	5.0%	5.0%	5.0%
Transfers in; Hospitality Taxes	0.0%	0.0%	0.0%	0.0%
Transfers in; TIF	0.0%	0.0%	0.0%	0.0%
Transfers in; State Accommodations Taxes	5.0%	5.0%	5.0%	5.0%
Transfers in; Palmetto Electric Franchise Fees	5.0%	5.0%	5.0%	5.0%
Transfer in; Stormwater Fees	5.0%	5.0%	5.0%	5.0%

## General Fund – Four-Year Financial Model

### Expenditure Assumptions

% increase/(decrease) by year	FY 2024	FY 2025	FY 2026	FY 2027
<b>Currently established positions will retain the same salary grade in future year</b>				
<b>Personal and benefit costs</b>	3.0%	3.0%	3.0%	3.0%
<b>Operating costs</b>	3.0%	2.0%	2.0%	2.0%
<b>Grants; Recreation Center</b>	2.0%	2.0%	2.0%	2.0%
<b>Grants; Coastal Discovery Museum</b>	0.0%	0.0%	0.0%	0.0%
<b>Grants; Gullah Executive Director</b>	0.0%	0.0%	0.0%	0.0%
<b>Grants; Lowcountry Regional Transportation Authority</b>	0.0%	0.0%	0.0%	0.0%
<b>Grants; Event Management &amp; Hospitality Training</b>	1.0%	1.0%	1.0%	1.0%
<b>Grants; Multidisciplinary Court</b>	0.0%	0.0%	0.0%	0.0%
<b>Grants; Solicitor Career Criminal Program</b>	0.0%	0.0%	0.0%	0.0%
<b>Grants; Operating Grants</b>	0.0%	0.0%	0.0%	0.0%
<b>Grants; Beaufort EDC</b>	0.0%	0.0%	0.0%	0.0%

Note: These are budgetary assumptions only. Town Council has final authority for future spending. As the Town monitors collections, Town management and Town Council are well positioned to make the difficult but necessary adjustments in spending.

# General Fund – Four-Year Financial Model

## Revenue & Expenditure Summary

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Adopted Budget	Years 2, 3, 4 and 5			
					2024	2025	2026	2027
<b>Revenues</b>								
Property Taxes	15,423,224	15,925,355	15,759,897	16,023,489	16,263,841	16,507,799	16,755,416	17,006,747
ATAx Local 1%	3,541,615	5,561,900	3,988,163	4,779,690	4,970,878	5,120,004	5,222,404	5,274,628
Business Licenses	8,688,469	10,455,636	9,482,051	10,600,393	11,130,413	11,575,629	11,922,898	12,161,356
Franchise Fees	1,007,149	809,823	995,352	996,752	996,752	996,752	996,752	996,752
Permit Fees	1,619,638	2,125,382	1,659,323	2,468,323	2,505,348	2,542,928	2,581,072	2,619,788
Intergovernmental	879,859	896,909	888,392	915,878	925,037	934,287	943,630	953,066
Grants	330,734	78,831	128,219	76,111	77,253	78,411	79,588	80,781
Miscellaneous Revenue	2,193,212	2,433,070	2,265,752	2,415,672	2,525,882	2,603,813	2,664,599	2,706,339
Transfers In	6,056,680	6,214,761	8,787,508	10,309,746	10,845,853	11,409,837	12,003,149	12,627,312
Investments	271,185	22,815	30,000	35,750	39,325	40,112	40,914	41,732
<b>Total Revenues</b>	<b>40,011,765</b>	<b>44,524,482</b>	<b>43,984,657</b>	<b>48,621,804</b>	<b>50,280,581</b>	<b>51,809,572</b>	<b>53,210,421</b>	<b>54,468,502</b>
<b>Expenditures</b>								
General Government	1,909,225	1,923,342	2,423,489	2,072,174	2,134,339	2,192,888	2,253,083	2,314,972
Management Services	5,534,570	5,919,561	6,902,997	8,289,377	8,492,867	8,721,381	8,956,224	9,197,577
Community Services	8,454,849	9,064,281	10,710,139	11,463,661	11,852,762	12,151,200	12,457,448	12,771,718
Fire Rescue	15,033,035	16,021,711	16,524,716	18,380,246	18,931,653	19,477,386	20,039,047	20,617,104
Other Public Safety	3,777,750	3,135,099	2,498,430	2,674,762	2,755,005	2,810,105	2,866,307	2,923,633
Townwide	4,291,539	4,895,954	4,674,886	5,741,584	5,868,971	5,974,680	6,082,792	6,193,365
<b>Total Expenditures</b>	<b>39,000,968</b>	<b>40,959,948</b>	<b>43,734,657</b>	<b>48,621,804</b>	<b>50,035,597</b>	<b>51,327,639</b>	<b>52,654,901</b>	<b>54,018,369</b>
Transfers Out	-	-	250,000	-	244,984	481,933	555,520	450,133
<b>Net change in fund balance</b>	<b>1,010,797</b>	<b>3,564,534</b>	<b>-</b>	<b>-</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

## Commentary

The Town normally projects operating revenues and expenditures for three years beyond the adopted budget. The summary schedule above demonstrates the Town’s anticipated outcomes. The plan is founded on modest revenue growth while not repeating some one-time expenditures and keeping operating costs contained. Each year, the Town updates its four-year plan to ensure its continued timeliness and sustainability.

Among the updates are: after monitoring revenue each year, the forecasts are updated for the most recent data available. Expenditures are continuously monitored to ensure coincidence with revenue collections. Activities may be scheduled-back or delayed to coincide with collections and financial resources.

Over the course of the next several years our initial revenue plan outpaces the growth in expenditures. The Town has experienced record high levels of revenue collections in the past year, and has not seen any indication of decrease, however, the Town is consistently monitoring revenue collections and analyzing the trends and will tighten expenditure controls or search for ways to reduce expenditures should revenue collections begin to return to historical levels.

Management also notes a long history of spending less than allowed in appropriations. The natural savings achieved have traditionally been greater than these amounts. The Town is also normally conservative in its revenue projections. By showing a small future possible surplus, the Town has successfully planned out a course of action.





# Debt Service Fund

## Debt Service Fund – Governmental and Business-type Activities (Stormwater Fund)

### Summary

The Debt Service Fund accounts for the accumulation of resources and the payment of debt of governmental funds. (The proprietary fund has its own debt.)

The Town issues three types of bonds: general obligation, tax increment financing (TIF), and special revenue obligation. The bonds are used for the acquisition and construction of major capital facilities, as well as the purchase of land. The Town presently has \$127 million in outstanding bonds associated with governmental type activities and \$5.97 million in outstanding bonds associated with business-type activities.

1. **General obligation bonds** are secured by the full faith, credit and taxing power of the Town.
2. **Tax increment financing bonds** are secured by incremental property tax revenues being derived from the economic development of the Town’s TIF District.
3. **Special obligation bonds** are secured by the revenue flow from a specified source of revenue (e.g. hospitality tax, beach preservation fees, stormwater fees).

### The aggregate amounts of current maturities of long-term bonds due are as follows:

For the Year Ended June 30	Governmental Activities			Business-type Activities		
	Interest	Principal	Total	Interest	Principal	Total
2023	3,289,081	16,055,000	19,344,081	84,817	1,225,000	1,309,817
2024	2,809,733	12,995,000	15,804,733	68,821	1,240,000	1,308,821
2025	2,403,968	12,625,000	15,028,968	52,513	1,260,000	1,312,513
2026	2,001,233	7,325,000	9,326,233	35,851	1,275,000	1,310,851
2027	1,684,405	7,620,000	9,304,405	18,970	345,000	363,970
2028-2031	4,536,780	17,435,000	21,971,780	9,621	355,000	364,621
2032-2036	3,654,109	14,885,000	18,539,109	-	-	-
2037-2041	1,995,558	6,890,000	8,885,558	-	-	-
2042-2046	933,726	6,905,000	7,838,726	-	-	-
2047	49,238	1,515,000	1,564,238	-	-	-
<b>Total</b>	<b>\$ 23,357,831</b>	<b>\$ 104,250,000</b>	<b>\$ 127,607,831</b>	<b>\$ 270,593</b>	<b>\$ 5,700,000</b>	<b>\$ 5,970,593</b>

**Financial Statement – Governmental Debt Service**

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Adopted Budget	% Change
<b>Revenues</b>					
Property Taxes	5,378,472	5,448,437	5,477,158	5,402,336	-1.4%
Bonds Issued	16,520,000	-	-	-	n/a
Bond Premium	-	-	-	-	n/a
Investment Income	302,537	18,964	12,000	12,000	0.0%
Prior Year Funds	896,265	-	-	-	n/a
<b>Transfers In:</b>					
Beach Preservation Fees	3,973,850	3,975,850	3,959,125	3,952,375	-0.2%
Natural Disasters Fund	3,537,565	3,537,265	3,535,665	3,537,765	0.1%
Hospitality Fees	1,508,637	1,441,776	1,446,406	1,444,691	-0.1%
Tax Increment Financing	3,929,626	3,926,703	3,927,712	3,927,564	0.0%
Real Estate Transfer Fees	1,885,356	1,481,757	986,500	1,097,350	11.2%
Lease Revenue	-	-	-	-	n/a
<b>Total Revenues</b>	<b>37,932,308</b>	<b>19,830,752</b>	<b>19,344,566</b>	<b>19,374,081</b>	<b>0.2%</b>
<b>Expenditures</b>					
Administrative	17,310	21,375	30,000	30,000	0.0%
Payment to Escrow Agent	-	-	-	-	n/a
Contribution to Refunding	17,641,779	-	-	-	n/a
Debt Issue Costs	501,957	-	-	-	n/a
Principal	15,335,000	15,655,000	15,545,000	16,055,000	3.3%
Interest	4,436,262	4,138,637	3,769,566	3,289,081	-12.7%
<b>Total Expenditures</b>	<b>37,932,308</b>	<b>19,815,012</b>	<b>19,344,566</b>	<b>19,374,081</b>	<b>0.2%</b>
<b>Net change in fund balance</b>	<b>(896,265)</b>	<b>15,740</b>	<b>-</b>	<b>-</b>	
<b>Beginning Fund Balance</b>	<b>11,954,387</b>	<b>11,058,122</b>	<b>11,073,862</b>	<b>11,073,862</b>	
<b>Use of Prior Year Funds</b>	<b>896,265</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Ending Fund Balance</b>	<b>11,058,122</b>	<b>11,073,862</b>	<b>11,073,862</b>	<b>11,073,862</b>	

### Legal Debt Limit

Article Ten (X), 17125 Section Fourteen (14) of the South Carolina Constitution of 1895 as amended provides that a City or Town shall incur General Obligation Debt over the eight percent (8%) limit when approved by a majority vote of qualified electors of the political subdivision voting in a referendum authorized by law. There shall be no conditions or restrictions limiting the incurring of such indebtedness except:

- a. Those restrictions and limitations imposed in the authorization to incur such indebtedness;
- b. The provisions of Article Ten (X) Section 14; and
- c. Such general obligation debt shall be issued within five years of the date of such referendum and shall mature within forty (40) years from the time such indebtedness shall be incurred.

#### Calculation of Legal Debt Limit

June 30, 2021

Estimated Assessed Value from Property Assessments	<u>1,001,753,000</u>
Debt Limit - Eight Percent (8%) of Assessed Value, without Voter Approval	80,140,240
Reduced by Town Council imposed policy of the greater of twenty percent (20%) or \$20.0 million	<u>(20,000,000)</u>
<b>Adjusted Debt Limit</b>	<b>60,140,240</b>

#### Bonds Applicable to Debt Limit:

General Obligation Non-Referendum Refunding Bonds Series 2009A	(1,815,000)
General Obligation Non-Referendum Refunding Bonds Series 2013A	(307,000)
Series 2017B Reserve Replenishment Bond -- Hurricane Matthew	(6,860,000)
Series 2017A General Obligation Bond -- Capital Plan	(27,310,000)
Series 2019	(4,700,000)
Series 2020B	<u>(3,450,000)</u>
<b>Reductions for Bonds outstanding at 06/30/2021</b>	<u>(44,442,000)</u>
<b>Debt Margin available without a Referendum at June 30, 2021</b>	<b><u>15,698,240</u></b>

The Town is making a concerted effort to finish collecting State and Federal reimbursements from Hurricanes Matthew, Irma, and Florence. The Town is also working on clearing a substantial number of CIP projects delayed by these storms. As these two initiatives are taking place, the Town is also building future debt capacity for future projects and reserves for future storms or emergencies.

Long-Term Obligations

<b>GOVERNMENTAL ACTIVITIES</b>
--------------------------------

**\$5,005,000 General Obligation Bonds Dated September 9, 2009**

On September 9, 2009, the Town issued \$5,005,000 in general obligation bonds with an average interest rate of 2.72% to advance refund \$4,900,000 general obligation bonds dated November 16, 1999 with an average interest rate of 5.56%. The net proceeds of \$5,248,484 including a premium of \$34,061 (after payment of \$139,061 in issuance costs) and funds on hand were used to purchase United States government securities. These general obligation bonds were refunded to reduce total debt service payments over the life of the bonds and to obtain an economic gain. A schedule of the amount due for this issue follows:

<u>For the Year Ending June 30</u>	<u>Interest Rate by Year (%)</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2023	3.375	40,409	445,000	485,409
2024	3.500	24,850	460,000	484,850
2025	3.500	8,400	480,000	488,400
		<u>\$ 73,659</u>	<u>\$ 1,385,000</u>	<u>\$ 1,458,659</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.

**\$5,000,000 General Obligation Bonds Dated June 18, 2013**

On June 18, 2013, the Town issued \$5,000,000 in general obligation bonds to finance land acquisition. A schedule of the amount due for this issue follows:

<u>For the Year Ending June 30</u>	<u>Interest Rate by Year (%)</u>	<u>Governmental Activities</u>		
		<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2023	5.000	9,861	197,222	207,083
		<u>\$ 9,861</u>	<u>\$ 197,222</u>	<u>\$ 207,083</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.

**Long-Term Obligations**

**\$4,000,000 General Obligation Bonds Dated June 18, 2013**

On June 18, 2013, the Town issued \$4,000,000 in general obligation bonds to finance land acquisition. A schedule of the amount due for this issue follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2023	5.000	7,889	157,778	165,667
		<u>\$ 7,889</u>	<u>\$ 157,778</u>	<u>\$ 165,667</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.

**\$13,080,000 General Obligation Bonds Dated September 14, 2016**

On September 14, 2016, the Town issued \$13,080,000 in general obligation bonds with a Net Interest Rate of 0.999% to advance refund \$13,210,000 general obligation bonds dated March 15, 2005. The net proceeds of \$13,593,831 including \$513,831 in premiums (after payment of \$209,846 in issuance costs) were used to purchase United States government securities placed in an irrevocable trust for in substance defeasance. These general obligation bonds were refunded to reduce total debt service by \$1,272,716 over the life of the bonds and to obtain a present value economic gain of \$1,219,122. A schedule for the amount due for this refunded issue is as follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2023	1.500	31,050	810,000	841,050
2024	1.500	18,788	825,000	843,788
2025	1.500	6,300	840,000	846,300
		<u>\$ 56,138</u>	<u>\$ 2,475,000</u>	<u>\$ 2,531,138</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay the first \$1,260,000 annually. The remaining annual debt service requirement is funded by transfers of real estate transfer fees to the Debt Service Fund.

**Long-Term Obligations**

**\$9,035,000 General Obligation Bonds Dated September 14, 2016**

On September 14, 2016, the Town issued \$9,035,000 in general obligation bonds with a Net Interest Rate of 1.98% to advance refund \$9,515,000 general obligation bonds dated February 3, 2010. The net proceeds of \$9,708,531 including \$673,531 in premiums (after payment of \$173,384 in issuance costs) were used to purchase United States government securities placed in an irrevocable trust for in substance defeasance. These general obligation bonds were refunded to reduce total debt service over the life of the bonds by \$1,281,272 and to obtain a present value economic gain of \$1,225,838. A schedule for the amount due for this refunded issue is as follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2023	4.000	192,438	605,000	797,438
2024	4.000	168,238	635,000	803,238
2025	4.000	142,838	665,000	807,838
2026	4.000	116,238	465,000	581,238
2027-2031	2.000	393,490	2,420,000	2,813,490
2032-2035	various	127,689	2,155,000	2,282,689
		<u>\$ 1,140,931</u>	<u>\$ 6,945,000</u>	<u>\$ 8,085,931</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.

**\$5,770,000 General Obligation Bonds Dated September 14, 2016**

On September 14, 2016, the Town issued \$5,770,000 in general obligation bonds with a Net Interest Rate of 1.629% to advance refund \$5,715,000 general obligation bonds dated March 4, 2008. The net proceeds of \$6,156,989 including \$386,989 in premiums (after payment of \$102,706 in issuance costs) were used to purchase United States government securities placed in an irrevocable trust for in substance defeasance. These general obligation bonds were refunded to reduce total debt service over the life of the bonds by \$446,334 and to obtain a present value economic gain of \$430,003. A schedule for the amount due for this refunded issue is as follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2023	2.000	32,350	1,065,000	1,097,350
2024	2.000	10,850	1,085,000	1,095,850
		<u>\$ 43,200</u>	<u>\$ 2,150,000</u>	<u>\$ 2,193,200</u>

Transfers from the Real Estate Transfer Fee Fund to the Debt Service Fund are used to repay these bonds.

Long-Term Obligations

**\$27,310,000 General Obligation Bonds Dated September 21, 2017**

On September 21, 2017, the Town issued \$27,310,000 in general obligation bonds to fund the Capital Improvements Plan. A schedule of the amount due for this issue follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2023	5.000	894,069	570,000	1,464,069
2024	5.000	865,569	605,000	1,470,569
2025	5.000	835,319	940,000	1,775,319
2026	5.000	788,319	780,000	1,568,319
2027-2031	various	3,449,433	4,385,000	7,834,433
2032-2036	3.000	2,748,815	5,075,000	7,823,815
2037-2041	various	1,935,408	5,895,000	7,830,408
2042-2046	3.250	933,726	6,905,000	7,838,726
2047	3.250	49,238	1,515,000	1,564,238
		<u>\$ 12,499,896</u>	<u>\$ 26,670,000</u>	<u>\$ 39,169,896</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.

**\$18,000,000 General Obligation Bonds Dated September 21, 2017**

On September 21, 2017, the Town issued \$18,000,000 in general obligation bonds to replenish reserves used to respond to Hurricane Matthew. A schedule of the amount due for this issue follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2023	2.100	72,765	3,465,000	3,537,765
		<u>\$ 72,765</u>	<u>\$ 3,465,000</u>	<u>\$ 3,537,765</u>



Long-Term Obligations

**\$5,000,000 General Obligation Bonds Dated May 8, 2019**

On May 8, 2019, the Town issued \$ 5,000,000 in general obligation bonds with an average interest rate of 3.40% to provide for the capital improvements plan of 2019 and 2020. A schedule of the amount due for this issue follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2023	5.000	165,900	185,000	350,900
2024	5.000	156,650	195,000	351,650
2025	5.000	146,900	205,000	351,900
2026	5.000	136,650	215,000	351,650
2027-2031	various	515,700	1,245,000	1,760,700
2032-2036	3.000	285,150	1,480,000	1,765,150
2037-2039	3.000	60,150	995,000	1,055,150
		<u>\$ 1,467,100</u>	<u>\$ 4,520,000</u>	<u>\$ 5,987,100</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.

**\$5,830,000 General Obligation Bonds**

On December 3, 2020, the Town issued \$5,830,000 in general obligation bonds with a Net Interest Rate of 0.6142% to advance refund \$6,665,000 general obligation bonds Series dated August 3, 2011. The net proceeds of \$6,975,085 including \$1,145,000 in premiums (after payment of \$194,823 in issuance costs) were used to purchase United States government securities placed in an irrevocable trust for a current refunding. These general obligation bonds were refunded to reduce total debt service by \$721,624 over the life of the bonds and to obtain a present value economic gain of \$705,853. A schedule for the amount due for this refunded issue is as follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2023	5.000	243,350	640,000	883,350
2024	5.000	211,350	670,000	881,350
2025	5.000	177,850	705,000	882,850
2026	5.000	142,600	740,000	882,600
2027-2028	various	206,200	2,445,000	2,651,200
		<u>\$ 981,350</u>	<u>\$ 5,200,000</u>	<u>\$ 6,181,350</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.

Long-Term Obligations

**\$6,285,000 General Obligation Bonds**

On December 3, 2020, the Town issued \$6,285,000 in general obligation taxable bonds with a Net Interest Rate of 1.647% to advance refund \$5,585,000 general obligation bonds Series dated June 18, 2013. The net proceeds of \$6,327,890 (after payment of \$210,808 in issuance costs) were used to purchase United States government securities placed in an irrevocable trust for an advanced refunding. These general obligation bonds were refunded to reduce total debt service by \$472,376 over the life of the bonds and to obtain a present value economic gain of \$425,404. We have apportioned the bonds 55.5% /44.5% between this issue to delineate how much is applicable to the debt limit. A schedule for the amount due for this refunded issue is as follows:

**\$3,491,317.50 portion (55.5%) General Obligation Bonds – applicable to the debt limit**

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2023	3.000	55,200	49,995	105,195
2024	3.000	53,700	255,530	309,230
2025	0.750	46,034	263,863	309,897
2026	0.950	44,055	266,640	310,695
2027-2031	various	174,015	1,380,418	1,554,433
2032-2035	various	58,447	1,185,993	1,244,440
		<u>\$ 431,451</u>	<u>\$ 3,402,439</u>	<u>\$ 3,833,890</u>

**\$2,793,682.50 portion (44.5%) General Obligation Bonds – not applicable to the debt limit**

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2023	3.000	44,170	40,005	84,175
2024	3.000	42,970	204,470	247,440
2025	0.750	36,836	211,138	247,974
2026	0.950	35,252	213,360	248,612
2027-2031	various	139,243	1,104,583	1,243,826
2032-2035	various	46,768	949,008	995,776
		<u>\$ 345,239</u>	<u>\$ 2,722,564</u>	<u>\$ 3,067,803</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.

Long-Term Obligations

**\$30,075,000 Special Obligation Bonds (Beach Preservation Fees) Dated September 28, 2017**

On September 14, 2017, the Town issued \$30,075,000 special obligation bonds (beach preservation fee) to finance beach renourishment projects. A schedule of the amount due for this issue follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2023	5.000	947,375	3,005,000	3,952,375
2024	5.000	793,375	3,155,000	3,948,375
2025	5.000	631,625	3,315,000	3,946,625
2026	5.000	461,750	3,480,000	3,941,750
2027-2028	5.000	379,375	7,495,000	7,874,375
		<u>\$ 3,213,500</u>	<u>\$ 20,450,000</u>	<u>\$ 23,663,500</u>

Beach Preservation fees are transferred to the Debt Service Fund in amounts sufficient to repay these special obligation bonds.

**\$28,530,000 Special Obligation Bonds [Tax Increment Financing (TIF)] Dated July 27, 2017**

On July 27, 2017, the Town issued \$30,075,000 in special obligation bonds (tax increment financing) to fund TIF projects within the Capital Improvement Plans. A schedule of the amount due for this issue follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2023	1.780	202,564	3,725,000	3,927,564
2024	1.780	136,259	3,795,000	3,931,259
2025	1.780	68,708	3,860,000	3,928,708
		<u>\$ 407,531</u>	<u>\$ 11,380,000</u>	<u>\$ 11,787,531</u>

TIF revenues are transferred to the Debt Service Fund in amounts sufficient to repay these special obligation bonds.

**Long-Term Obligations**

**\$16,520,000 Special Obligation Bonds (Hospitality) Dated October 29, 2019**

On October 29, 2019, the Town issued \$16,520,000 in special obligation refunding bonds (hospitality) with a net interest rate of 2.84% to advance refund the remaining portion of the Town’s outstanding Series 2011A and Series 2011B Special Obligation Bonds. The net proceeds of \$16,006,603 (net of issuance costs of \$513,397), along with \$1,635,176 released from the Series 2011 Bond debt service reserve funds, were used to purchase United States government securities placed in an irrevocable trust for in-substance defeasance. These special obligation bonds were refunded to reduce total debt service over the life of the bonds by \$2,524,469 and to obtain a net present value economic gain of \$433,665. A schedule of the amount due for this refunding is as follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2023	2.060	349,691	1,095,000	1,444,691
2024	2.160	327,134	1,110,000	1,437,134
2025	2.350	303,158	1,140,000	1,443,158
2026	2.450	276,368	1,165,000	1,441,368
2027-2031	various	963,727	4,580,000	5,543,727
2032-2036	various	387,239	4,040,000	4,427,239
		<u>\$ 2,607,317</u>	<u>\$ 13,130,000</u>	<u>\$ 15,737,317</u>

Hospitality revenues are transferred to the Debt Service Fund in amounts sufficient to repay these special obligation bonds.

**BUSINESS-TYPE ACTIVITIES**

**\$3,200,000 Stormwater Bonds Dated January 31, 2018**

On January 31, 2018, the Town issued \$3,200,000 in revenue bonds to fund Stormwater projects. A schedule of the amount due for this issue follows:

For the Year Ending June 30	Interest Rate by Year (%)	Business-Type Activities		
		Interest	Principal	Total
2023	2.710	54,065	310,000	364,065
2024	2.710	45,664	320,000	365,664
2025	2.710	36,992	330,000	366,992
2026	2.710	28,049	335,000	363,049
2027-2028	2.710	28,591	700,000	728,591
		<u>\$ 193,361</u>	<u>\$ 1,995,000</u>	<u>\$ 2,188,361</u>

Payments on these special revenue bonds will be funded with Stormwater revenues.

### Long-Term Obligations

#### **\$5,630,000 Stormwater Bonds**

On January 14, 2021, the Town issued \$5,630,000 in special obligation refunding bonds (Stormwater) with a net interest rate of 0.83% to advance refund the remaining portion of the Town's outstanding Series 2010 Special Obligation Bonds (Stormwater). The net proceeds (net of issuance costs of \$144,000), along with \$870,555 contribution from Stormwater funds, were used to current refund the Series 2010 Bonds. These special obligation bonds were refunded to reduce total debt service over the life of the bonds by \$1,022,207 and to obtain a net present value economic gain of \$156,124. A schedule of the amount due for this refunding is as follows:

For the Year Ending June 30	Interest Rate by Year (%)	Business-Type Activities		
		Interest	Principal	Total
2023	0.830	30,752	915,000	945,752
2024	0.830	23,157	920,000	943,157
2025	0.830	15,521	930,000	945,521
2026	0.830	7,802	940,000	947,802
		<u>\$ 77,232</u>	<u>\$ 3,705,000</u>	<u>\$ 3,782,232</u>



**Capital Improvement Program (CIP)  
& Capital Projects Fund (CPF)**

## Capital Improvement Plan (CIP)

### Summary

The CIP budget is programmed at \$45.67 million in fiscal year 2023. Unspent capital improvement appropriations carry-forward amounts have been incorporated into the new-year. This change will help provide a more complete picture of all CIP activity at the time of budget consideration.

The capital improvements plan (CIP) is broken into separate funds based on funding source. The funding program for all funds is summarized in this section.

The Palmetto Electric Franchise Fee Fund grants/reimburses the majority of its funds to the Palmetto Electric Cooperative for power line burial; any capital infrastructure created by this program is an asset of the Cooperative not the Town. These improvements benefit the Town aesthetically and also from a storm readiness standpoint, too. Underground lines are much less susceptible to outages from storms.

Although the Stormwater Fund (Enterprise Fund) is a proprietary fund, the Town will now include Stormwater capital in the CIP.

In accordance with State law, the proposed CIP for was developed by staff for review and recommendation of the full Planning Commission. The pathways and parks section was also reviewed by the Parks & Recreation Commission. The Planning Commission annually recommends the proposed CIP to Town Council for adoption.

Once a project has been approved and funds have been appropriated the project may continue until it is completed without annual re-appropriation. Revisions to the scope and/or increase in cost of an appropriated project will be presented to Town Council by staff as they are identified. If the cost of the project exceeds the appropriation, funding must come from another project within the appropriated CIP or an alternate funding source must be identified prior to undertaking the project. Each fiscal year the Town staff will present Town Council with any additions to the CIP with the recommended funding source.

Also included in this section is the Town's capital expenditure plan with funding sources for the upcoming year including expenditures associated with the Stormwater Program and the Palmetto Electric Program. Input for the capital improvements program comes from a variety of sources. Sources are the Town's 2021-2022 Strategic Action Plan, and the 2022 Town Council Policy and Management Agendas which included input from the public and the Town's Boards, Commissions and Committees. Other source documents include: The 2020 Comprehensive Plan update which incorporates the Initiative Area Plans; the Transportation Plan which includes pathways as well as roads; the Fire and Rescue Master Plan, the recently approved Recreation Element; the adopted County-wide All Hazard Mitigation Plan, the Comprehensive Emergency Management Plan, which will be updated as a part of the Disaster Recovery Commission's work program; the Beach Access Plan, the Beach Maintenance Monitoring reports; the Broad Creek Management Plan, and our Space Needs Study of all Town facilities and properties to include Town Hall, all parks, Fire and Rescue stations and town-wide infrastructure.

**On-going Impact of the CIP on Operations and Operating Expenditures**

The operating impact of these capital projects are considered in the development of the CIP and in the Four-Year Operating Budget. Because there is a four-year look forward, the Town minimizes surprises on the operations and operating expenditures. The Town has traditionally had a basic operations approach toward its operating budget. This is certainly central to the Capital Improvement Planning process so that the CIP projects, when complete, do not have an undue burden on future operations. The Town has been very successful to keep the operating cost of the CIP program down not only upon implementation, but also in an on-going basis.

The operating impact of these capital projects are calculated utilizing the following assumptions:

Pathway maintenance per mile	\$ 6,500/year (General Fund)
Park litter and landscape (passive/beach)	\$25,000/year (General Fund)
Park janitorial (restrooms and supplies)	\$12,500/year (General Fund)
Roadways	\$15,000/mile/year (General Fund) County and State roads maintained by others

**Issues Impacting the Town’s CIP Funding Plan**

There are four issues that impact the Town’s CIP funding plan:

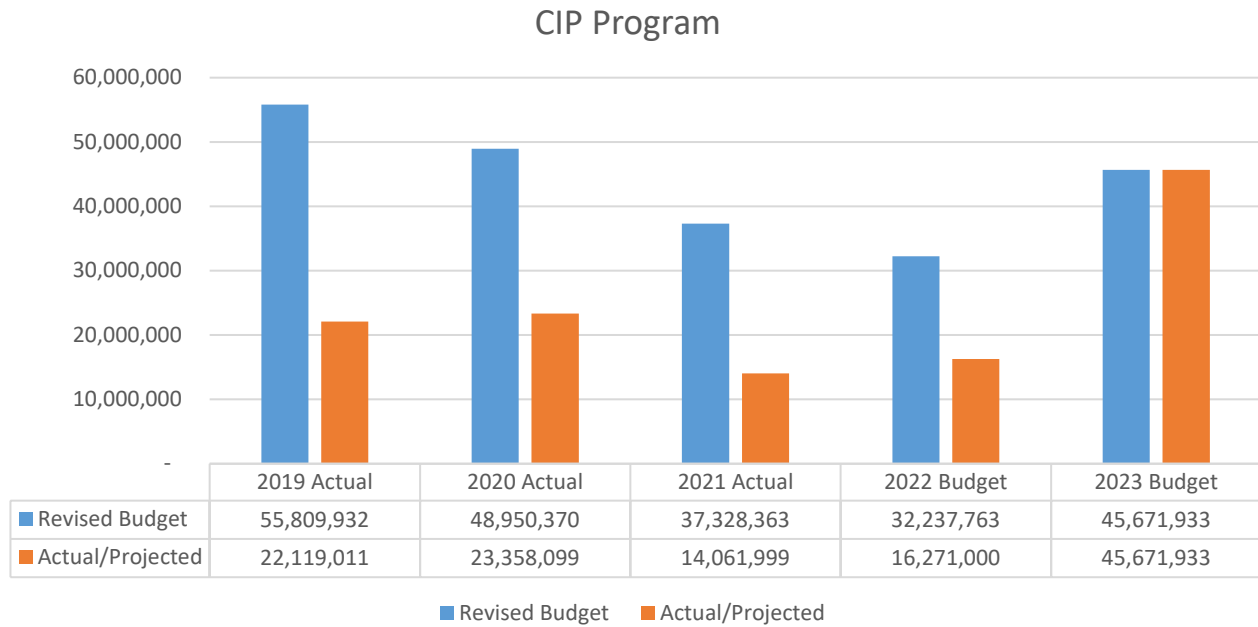
1. In fiscal year 2016 Town Council approved an aggressive CIP spending plan. With two hurricanes and a tropical storm over the next three years the CIP had to be temporarily curtailed to focus on recovery efforts. The Town began to move forward completing these projects during the last two fiscal years, and will continue the momentum in fiscal years 2023 - 2025.
2. In light of the fiscal impact of the storms the Town has also increased the emergency debt reserve from \$15.0 million to \$20.0 million reducing the amount the Town has available to borrow for current capital projects in order to maintain the appropriate level of storm readiness.
3. The Town went through a comprehensive planning process as required by state law. In this plan, the Town set forth priorities for the future.
4. The Town went through an intensive Strategic and Capital Planning process. These efforts tied priorities identified in the long-term plan with specific initiatives in the CIP. This specific matching of priorities to capital initiatives demonstrates the high priority to following the community’s input for the future.

There are sufficient financial resources to advance the backlog of prior year projects in addition to the projects programmed for Fiscal Year 2023. The Town has built and funded a capital plan that also includes projections for Fiscal Years 2024 and 2025 as many of the planned projects will continue into the upcoming fiscal years and beyond. As the projects move forward, the Town will consider its infrastructure and facilities within the planned long term plan the Town is embarking on.



**Issues Impacting the Town’s CIP Funding Plan**

The following chart reflects a comparison between the CIP budgets and actual expenditures from Fiscal Years 2019-2023. Fiscal Year 2022 and 2023 are projections.



**Capital Improvement Plan (CIP) Sources of Revenue**

Previously, Town Council directed that we “minimize reliance on property tax while expanding alternative revenue sources.” The CIP continues to be an excellent example of that approach. It consistently reduces reliance on ad valorem property taxes and shares the costs of infrastructure requirements with the beneficiaries. The CIP incorporates many different funding sources; a brief description of some of those sources is provided below.

1. **Beach Preservation Fees** are derived from an additional two percent (2%) Local Accommodations Tax levied by Town Council. This source averaged approximately \$9 million in revenue annually over the last three fiscal years. These funds are dedicated to beach re-nourishment and related monitoring, dune refurbishment, maintenance and operations, and new beach parks and beach access facilities.
2. **Bond/COP Proceeds.** In Fiscal Year 2023 the Town anticipates issuing no new debt to fund the CIP. Various revenue sources will fund the CIP such as beach preservation fees, and hospitality taxes. However, the Town plans on utilizing capital leases for Fire Truck replacements.
3. **Fund Balance** is un-obligated and obligated monies that are rolled over from previously approved, but incomplete, projects.
4. **Hospitality Tax** is a two percent (2%) tax on the sale of prepared meals and beverages, sold in establishments with or without licenses and for on premise consumption of alcoholic beverages, beer or wine. This source generates approximately \$7.3 million in revenue annually.

### Capital Improvement Plan (CIP) Sources of Revenue

5. **Impact Fees** are assessed against new developments to finance capital improvements necessary to support the growth in population.
  - a. **Traffic Impact Fees** are derived from development and applied to roads, pathways, and additional traffic signals. Pathways may only be funded up to fifty percent with Traffic Impact Fees.
  - b. **Parks Impact Fees** were enacted Countywide to provide funding for emerging park needs.
6. **Palmetto Electric Program** in which funds derive from the Town's negotiated franchise fee with Palmetto Electric Cooperative. These funds have been committed to power line burials and hook ups which was estimated to cost approximately \$30 million over 15 years. This project is nearing completion. Future revenues will support the CIP and General Fund operations.
7. **Sunday Liquor Sales Permit Fees** that are derived from the sale of permits to sell alcohol on Sunday. These fees are rebates from the State and prior year revenues will provide approximately \$350,000.
8. **Tax Increment Financing (TIF)** in which funds derive from increased assessed value above the baseline assessment when the TIF District was established. These funds may be used for public projects within the District. TIF generates approximately \$5 million in revenue annually.
9. **State Accommodation Tax** is a two percent (2%) charge applied to all transient accommodations statewide which the SC Department of Revenue collects and distributes back to municipalities and counties by a formula based on the location of the accommodation. State Accommodation Tax must be used to support tourism-related expenditures.

## Capital Improvement Plan (CIP)

### Planning Commission Adopted Priority Projects

In accordance with state law, the Planning Commission prepares an annual list of priority capital projects for consideration by the Town Council. The following are the Planning Commission's adopted priority projects for Fiscal Year 2023, which served as a helpful guide while developing the CIP budget.



## Fiscal Year 23 Proposed Priority Projects

### Beach

B

- Beach Park Improvements
  - Driessen Beach Park: Boardwalk Replacement (design, permitting, construction)
  - Folly Field Beach Park: Boardwalk Replacement (design, permitting, construction)

### Pathways

Pa

- Pathway Accessibility and Safety Enhancement Projects
  - South Forest Beach pathway improvements
- New Pathway Segments
  - William Hilton Parkway-Eastbound: Mathews Drive at Folly Field Road to Dillon Road (McDonalds) (preliminary planning, design)
  - Jonesville Road (preliminary planning, design)
  - William Hilton Parkway-Eastbound: Gardner Drive to Jarvis Park Road (preliminary planning, design)
  - Lagoon Road Pathway: Pope Avenue to North Forest Beach Drive (preliminary planning, design)
  - William Hilton Parkway-Eastbound: Arrow Road to Village at Wexford (design, construction)
  - Squire Pope Road: Greens Shell Park to Fords Shell Ring Park with a connection to the Rowing and Sailing Center at Squire Pope Community Park
  - Main Street: Whooping Crane Way to Wilborn Road (preliminary planning, design)

## Capital Improvement Plan (CIP)

### Planning Commission Adopted Priority Projects

# Road

# R

- Dillon Road at William Hilton Parkway: Right Turn Lane (preliminary planning, design)
- Dirt Road Acquisitions and Paving Program
  - New R/W Acquisitions
    - Alice Perry Drive
    - Horse Sugar Lane
    - Amelia Drive
  - Re-Engage Past Acquisition Efforts
    - Aiken Place
    - Alfred Lane
    - Cobia Court
    - Murray Avenue
    - Outlaw Road
- Gateway Circle at Dillon Road: Left Turn Lane (preliminary planning, design)
- Gateway Corridor Improvements (design)
- Adaptive Traffic Signal Management (ATSM) System at signalized intersections along major corridors (preliminary planning, design, construction)
  - William Hilton Parkway Intersections
    - Arrow Road
    - Beach City Road / Gardner Drive
    - Beachwood Drive
    - Coggins Point Road
    - Dillon Road
    - Gum Tree Road
    - Mathews Drive (north)
    - Mathews Drive / Folly Field Road
    - New Orleans Road
    - Pembroke Drive / Museum Street
    - Queens Folly Road / King Neptune Drive
    - Queens Way
    - Shelter Cove Lane (off-island int.)
    - Shelter Cove Lane (central int.)
    - Singleton Beach Road
    - Shipyard Drive / Wexford Drive
    - Whooping Crane Way / Indigo Run Drive
    - Wilborn Road / Jarvis Park Road
  - Palmetto Bay Road Intersections
    - Arrow Road / Point Comfort Road
    - Target Road
  - Pope Avenue Intersections
    - Cordillo Parkway
    - Lagoon Road
    - New Orleans Road / College Center Drive

Capital Improvement Plan (CIP)

Planning Commission Adopted Priority Projects

## Parks

PR

- Parks & Recreation
  - Taylor Family Park (preliminary planning, design, permitting, construction)
  - Barker Field (preliminary planning, design, permitting)
- Island Recreation Center; Capital Facility Improvements
- Ford Shell Ring
- Northridge Tract

## Facilities & Equipment

FE

- Town Hall Improvements
- Town Facility Assessment including Town Hall and Fire Rescue Headquarters / EOC / Dispatch
- Parking Master Plan Implementation
- Fire Hydrant Expansion Projects (recurring project, coordinated by HHIFR with HHPSD)
- Coastal Discovery Museum; Capital Projects
- IT Equipment & Software (Town Hall Equipment & Software, Public Safety Systems Equipment & Software)
- Fire Medical Systems, Equipment Replacement
- Security Cameras / Wi-Fi
  - Shelter Cove Connectivity
  - Shelter Cove Community Park
- Stormwater Projects
  - PUD: Lawton Canal Watershed Study & Enhancements
  - Non-PUD: North End Drainage Study & Enhancements

## Fleet

FI

- Town Vehicle Replacement
- FR Apparatus & Vehicle Replacement

## Land Acquisition

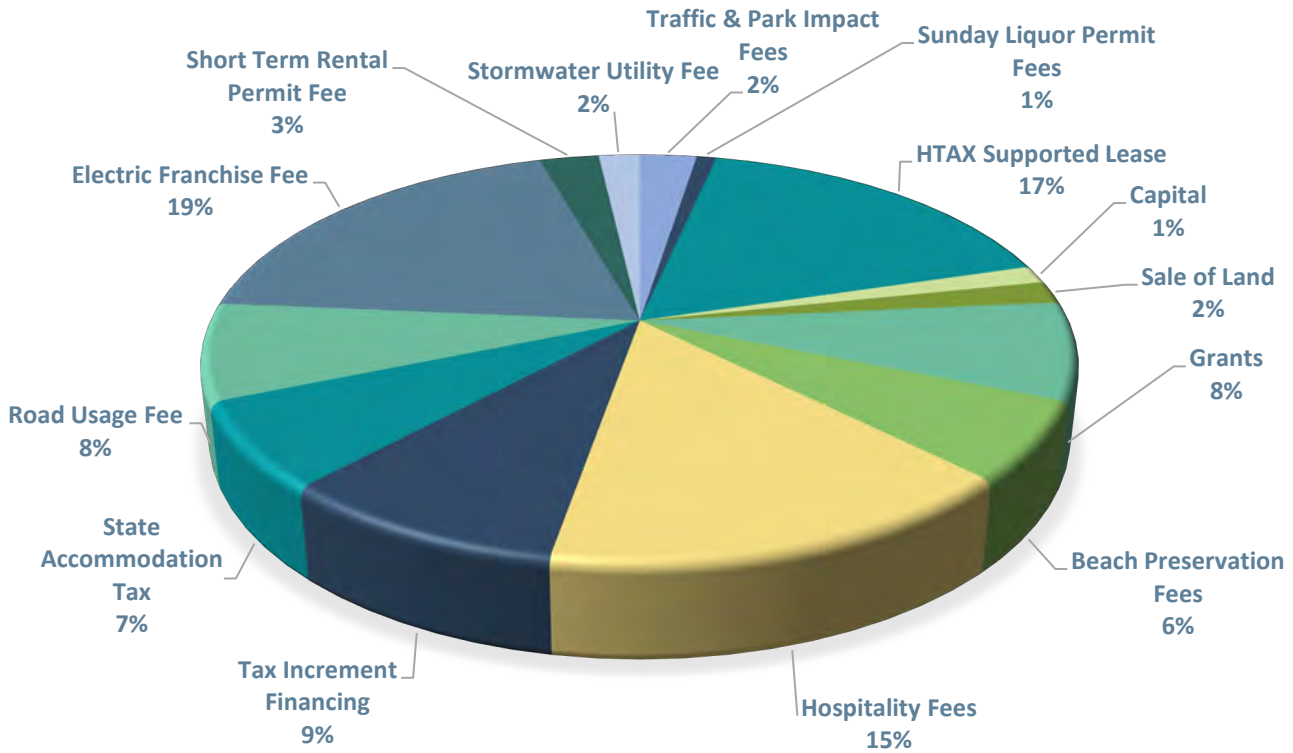
LA

- Land Acquisition (soft costs including ROW acquisition, survey, appraisals, legal fees, etc.): On-Going

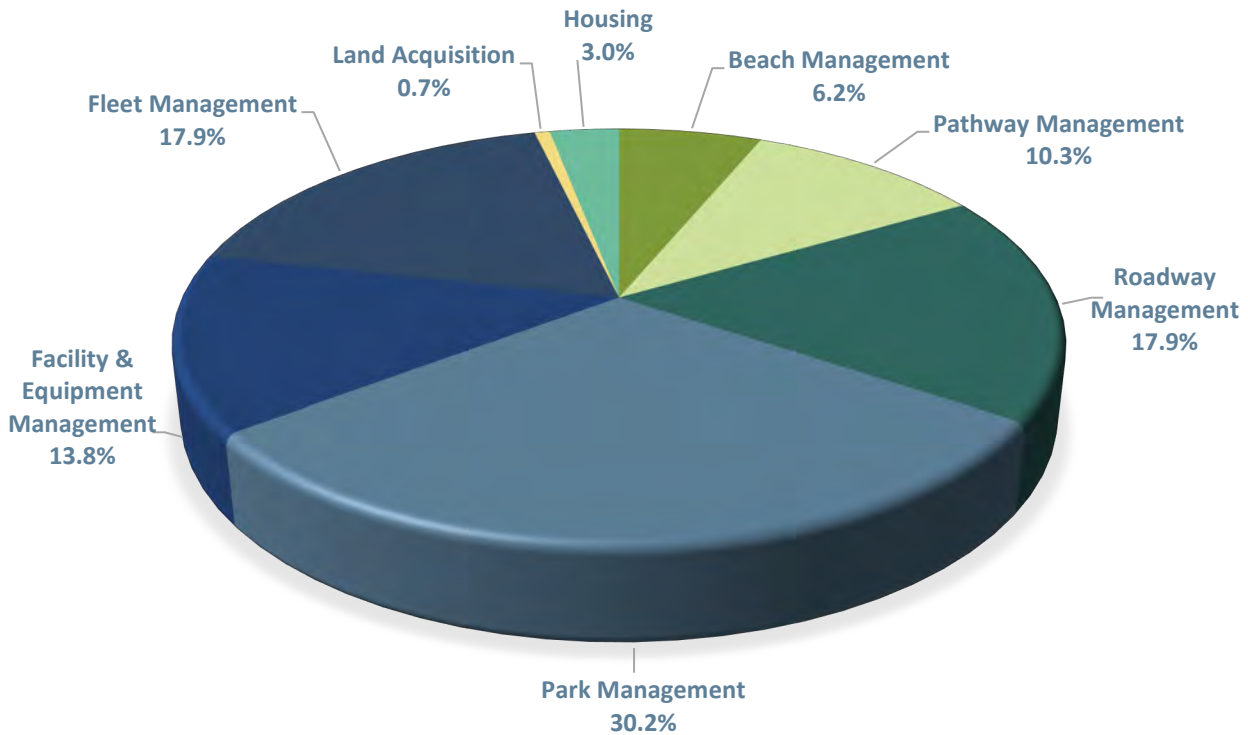
**Revenues and Expenditures by Category Analysis – Historical and Budget**

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Adopted Budget	% Change
<b>Revenues:</b>					
Ad Valorem Property Taxes	21,118	-	-	-	n/a
Investment Income	239,955	11,211	-	-	n/a
Grants	890,000	151,926	347,980	3,530,000	914.4%
Sunday Liquor Permit Fees	253,805	288,590	-	400,000	100.0%
Impact Fees	315,800	680,385	748,300	1,150,000	53.7%
Lease Revenue	43,210	43,235	6,201,868	7,742,473	24.8%
Capital	33,796	-	-	635,761	100.0%
Fund Balance/Prior Year Funds	-	-	10,860,551	-	-100.0%
Sale of Property & Equipment	298,093	-	-	800,000	n/a
Bond Proceeds	-	-	1,855,000	-	-100.0%
<b>Transfers In:</b>					
Beach Preservation Fees	770,695	711,064	1,400,000	2,850,000	103.6%
Hospitality Fees	1,907,030	1,546,648	1,373,628	6,985,472	408.5%
Tax Increment Financing	2,547,510	3,448,570	1,300,000	4,187,235	222.1%
General Fund	-	-	125,000	-	-100.0%
State Accommodation Tax	-	-	-	3,109,000	100.0%
Road Usage Fee	(1,687)	251,019	100,000	3,508,555	3408.6%
Electric Franchise Fee	-	-	1,607,772	8,743,319	443.8%
Real Estate Transfer Fee	-	2,360,590	-	-	100.0%
Short Term Rental Permit Fee	-	-	-	1,200,118	100.0%
Stormwater Utility Fee	-	-	2,089,000	830,000	-60.3%
<b>Total Revenue</b>	<b>7,319,325</b>	<b>9,493,238</b>	<b>28,009,099</b>	<b>45,671,933</b>	<b>63.1%</b>
<b>Expenditures:</b>					
Beach Management	229,756	265,561	2,373,523	2,850,000	20.1%
Facilities & Equipment Management	10,467,168	4,124,119	3,884,200	6,302,650	62.3%
Park Management	99,014	824,214	8,716,476	13,795,235	58.3%
New Facilities	2,827,334	5,005,114	-	-	n/a
Pathway Management	339,313	159,374	900,000	4,724,000	424.9%
Roadway Management	5,537,840	1,125,766	5,167,964	8,153,842	57.8%
Land Acquisition	3,817,674	2,362,183	324,068	300,000	-7.4%
Other/Prior Appropriation	40,000	-	-	-	n/a
Housing	-	-	-	1,379,261	100.0%
Fleet Management	-	195,668	6,642,868	8,166,945	22.9%
<b>Total Expenditures</b>	<b>23,358,099</b>	<b>14,061,999</b>	<b>28,009,099</b>	<b>45,671,933</b>	<b>63.1%</b>
<b>Net Change in Fund Balance</b>	<b>(16,038,774)</b>	<b>(4,568,761)</b>	<b>-</b>	<b>-</b>	
<b>Beginning Fund Balance</b>	<b>28,382,019</b>	<b>12,343,245</b>	<b>7,774,484</b>	<b>7,774,484</b>	
<b>Use of Prior Year Funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Appropriation Carryover</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Ending Fund Balance</b>	<b>12,343,245</b>	<b>7,774,484</b>	<b>7,774,484</b>	<b>7,774,484</b>	

**Sources of Funds – FY 2023 Capital Improvements Program (CIP) Fund**



**Uses of Funds – FY 2023 Capital Improvements Program (CIP) Fund**



## Fiscal Year 2023 CIP Projects

### **Summary**

The Capital Improvement Program (CIP) is comprised of public infrastructure projects and capital needs. Prioritization of the Town's capital needs focuses on preserving, protecting, and enhancing economic prosperity; maintaining competitiveness in the marketplace; protection of quality of life; protection of natural resources; and the creation of a sense of place. These considerations are central to ensuring capital projects are meeting the needs of the Island community while honoring fiscal responsibility.

Funding for capital projects is achieved by identifying the needed capital improvements; costs of the projects with on-going maintenance and operating requirements; and funding support for the projects. In Fiscal Year 2022 the CIP is budgeted at \$45,671,933. This total includes \$23.3 million in carry forward funds from the previous fiscal year.

The capital improvement program includes projects organized into the following categories: beach management, pathway management, roadway management, park management, facility and equipment management, fleet management, land acquisition, and housing.

### **Beach Management**

The Town manages 12 miles of beach to maintain a wide beach and ensure the health of our shoreline. In keeping with Our Plan Environment Goal 4 "To protect and preserve the natural environment of Hilton Head Island", periodically the Town must re-nourish the beach to replace sand lost to natural erosion. After renourishment the Town monitors how the coastline changes over time. FY23 projects include activities aimed at preparing for an anticipated FY25 renourishment project, improvements to beach parks and parking areas, and funding to assist with the dredging of Harbour Town Yacht Basin and Braddock Cove Creek.

### **Pathway Management**

The Town provides 64 miles of public pathways for the enjoyment of pedestrians and cyclists. Our Plan Parks+Recreation Goal 5 is "to continue to improve and enhance the multi-use pathway network on the Island for recreation and transportation." Pathway Management includes improvements to existing pathways focusing on consistency and uniformity within the pathway system as well as the construction of new pathway to expand our pathway network. The FY23 budget includes \$4,724,000 in projects aimed at enhancing pathway safety, accessibility, and connectivity.

### **Roadway Management**

According to Our Plan Infrastructure Goal 1.1, the Town should "maintain and improve the road network to provide safe and convenient access and interconnections to all areas of the Island and the corridor to the mainland." In order to maintain and improve the road network +/- \$8.1M is budgeted in FY23 for Roadway Management. Roadway Management includes dirt road acquisition and paving, roadway enhancements, and the study of roadway acquisition and improvements. Major FY23 projects include enhancements to the corridors of William Hilton Parkway, Pope Avenue, and Main Street targeting safety, beautification, and consistency.

### **Park Management**

Following the successful completion of the Parks and Recreation Master Plan and in keeping with Our Plan Section 4.0, Our Parks+Recreation goals, Park Management includes improvements to existing parks and facilities including the Island Recreation Association as well as the development of new parks. Budgeted projects include the planning for the redevelopment of Chaplin Community Park and Crossing Park and the development of a new community park at the Town-owned Mid Island Tract.



## Fiscal Year 2022 CIP Projects

### **Facility and Equipment Management**

The Town budgets funds to maintain its facilities at best-in-class standards in keeping with Our Plan Infrastructure Goal 5.2 “ensure the Town continues to provide best-in-class services and facilities that meet or exceed the expectations of its residents and visitors.” Key projects planned include security and facility enhancements at Town Hall; improvements to the Coastal Discovery Museum and Historic Mitchelville Freedom Park; Security Cameras; and IT and Fire/Medical equipment. Feasibility studies will guide development of Town Facilities and an Arts Campus.

### **Fleet Management**

Public services are defined as safety, emergency, planning, and administration services the Town provides to the public. In order to provide best-in-class services and “to promote efficient and secure public services to meet current and future needs” per Our Plan Infrastructure Goal 5, Town operations requires vehicles to be replaced on a periodic basis. In order for the award-winning Fire Rescue Department to continue to provide best-in-class services, +/- \$8.1M is budgeted for replacement of vehicles and fire rescue apparatus including engine/pumper replacement.

### **Land Acquisition**

Consistent with Our Plan Infrastructure Goal 5.4 “Continue to implement the Town’s Land Acquisition Program” funds are budgeted for soft costs associated with the acquisition of property to preserve and protect the Island’s character.



Fiscal Year 2023 CIP Projects

**Town of Hilton Head Island Project Map**

**Project Categories**

- Beach
- Pathways
- Roadways
- Parks
- Facilities & Equipment
- Fleet
- Housing

**Map Legend**

- Town-Owned Land
- Upland
- Marsh
- Water

**Notes**

1. Project FE18, Fire Hydrant Expansion, locations are TBD.



**Fiscal Year 2023 CIP Projects**

MAP KEY	PROJECTS	FY23 TOTAL	FUNDING SOURCE	FY23 PROJECT SCOPE
<b>BEACH MANAGEMENT</b>				
B1	Beach Management & Monitoring	\$ 300,000	Beach Preservation Fee	Ongoing activities as to manage the beach including SLR/Resiliency, endangered species monitoring, Beach Program Economic Sustainability Analysis, etc.
B2	Beach Renourishment	\$ 600,000	Beach Preservation Fee	Activities related to the next Renourishment Project, including Pine Island beach including data acquisition, survey, geotechnical / sand -borrow site, wildlife / biological, modeling, design, permitting, bidding, etc. Construction of Renourishment Project anticipated in FY25
	Beach Park Improvements			
B3	Driessen Beach Park Boardwalk Replacement	\$ 300,000	Beach Preservation Fee	Replacement of +/- 1100 LF of existing boardwalk at Driessen Beach Park
B4	Folly Field Beach Park Boardwalk Replacement	\$ 100,000	Beach Preservation Fee	Replacement of +/- 400 LF of existing boardwalk at Folly Field Beach Park
B5	Islanders Beach Park Improvements	\$ 500,000	Beach Preservation Fee	Improvements at existing Beach Park including parking for beach passholders, pathways, and playground amenity area improvements. Design (Final) & Permitting planned for FY23; Construction anticipated in FY24
B6	Coligny Beach Park/Parking Area	\$ 100,000	Beach Preservation Fee	Improvements to signage, landscape, walkways, and pavement
	Beach Park Maintenance & Improvements	\$ 350,000	Beach Preservation Fee	Maintenance and general improvements to 6 beach parks such as paving, landscaping, lighting, and site furnishings, etc.; Moved capital projects from Facilities Management Operating Budget
	<i>Total Beach Park Improvements</i>	\$ 1,350,000		
B7	Harbour Town Dredge	\$ 600,000	Beach Preservation Fee	Agreement with South Island Dredging Association to assist with funding for dredging of Harbour Town Yacht Basin and Braddock Cove Creek; Funding approved in FY19, 20, and 21 budgets
	<b>TOTAL BEACH MANAGEMENT</b>	<b>\$ 2,850,000</b>		

**Fiscal Year 2023 CIP Projects**

MAP KEY	PROJECTS	FY23 TOTAL	FUNDING SOURCE	FY23 PROJECT SCOPE
<b>PATHWAY MANAGEMENT</b>				
	Pathway Maintenance & Improvements	\$ 665,000	State ATAX	Maintenance and Improvements to existing pathways including Repair, Rejuvenation, and Striping plus Safety and Enhancements aimed at improving consistency and uniformity of all pathway signs, landings, crosswalks, pavement markings, ADA compliance, etc. May include Preliminary Planning, Design (Conceptual & Final), Permitting, and/or Construction depending on specific project; \$315,000 transferred from Facilities Management Operating Budget
	New Pathway Segments			
Pa1	Shelter Cove Lane	\$ 300,000	State ATAX	Construction of +/- 900 LF pathway from William Hilton Parkway to Shelter Cove Park
Pa2	Woodhaven Lane/Road	\$ 350,000	State ATAX	Construction of +/- 1300 LF of pathway
Pa3	William Hilton Parkway EB	\$ 1,284,000	State ATAX / TIF	Easement Acquisition & Construction of +/- 6,000 LF of pathway from Shelter Cove Lane (at BCSO) to Mathews Drive at Folly Field Road
Pa4	Jonesville Road	\$ 2,125,000	State ATAX / Electric Franchise Fee	Preliminary Planning including feasibility assessment planned for early FY23 for +/- 1.2 miles of pathway along Jonesville Road; Design (Conceptual & Final), Permitting, & Construction anticipated in FY23 pending results of feasibility assessment
	<i>Total New Pathway Segments</i>	\$ 4,059,000		
	<b>TOTAL PATHWAY MANAGEMENT</b>	<b>\$ 4,724,000</b>		

**Fiscal Year 2023 CIP Projects**

MAP KEY	PROJECTS	FY23 TOTAL	FUNDING SOURCE	FY23 PROJECT SCOPE
<b>ROADWAY MANAGEMENT</b>				
	Dirt Road Acquisition and Paving Program			Program to accept dedications of private, unpaved roads to become public rights of way and then pave the roads and install storm drainage infrastructure.
R1	Mitchelville Lane	\$ 678,583		Construction of +/- 1300 LF paved road planned for FY23 pending 100% ROW Acquisition.
R2	Pine Field Road	\$ 550,000	Road Usage Fee	Design (Conceptual & Final), Permitting, & Construction of +/- 750 LF paved road planned for FY23, pending 100% ROW Acquisition.
R3	Horse Sugar Lane & Alice Perry Drive	\$ 150,000	Road Usage Fee	Preliminary Planning & Design (Conceptual & Final) of +/- 925 LF paved road planned for FY23; Permitting & Construction anticipated in FY24, pending 100% ROW Acquisition.
R4	Freddie's Way	\$ 400,000	Road Usage Fee	Preliminary Planning, Design (Conceptual & Final), Permitting, & Construction of +/-500 LF paved road planned for FY23, pending 100% ROW Acquisition.
R5	Alfred Lane	\$ 150,000	Road Usage Fee	Preliminary Planning & Design (Conceptual & Final) of +/- 900 LF paved road planned for FY23; Permitting & Construction anticipated in FY24, pending 100% ROW Acquisition.
	<i>Total Dirt Road Acquisition and Paving Program</i>	\$ 1,928,583		
	William Hilton Parkway Enhancements			Improvements to William Hilton Parkway from Sea Pines Circle to Spanish Wells Road (SCDOT Gateway project) targeting safety, beautification and consistency to include landscaping, signage, pavement markings, curbing etc. Design (Conceptual & Final), Permitting, & Construction for identified projects is anticipated to begin in FY23 and continue in FY24.
R6	Crosswalk Uniformity	\$ 200,000	Electric Franchise Fee	Improve consistency and uniformity of pathway signs, pavement markings, lighting, landscaping, and related traffic signs, etc.
R7	Crosswalk Lighting	\$ 295,000	Electric Franchise Fee	Provide lighting of crosswalks to enhance pedestrian safety
R8	Turn Lane Extensions / Curb and Gutter	\$ 135,000	Electric Franchise Fee	Add curb and gutter and extend turn lanes as necessary to prevent rutting and driving into the medians at William Hilton Parkway intersections with Wilborn Rd, Pembroke Dr, and Mathews Drive
R9	Pedestrian and Vehicular Enhancements	\$ 1,153,000	Road Usage Fee / Traffic Impact Fee	Improvements to William Hilton Parkway from Sea Pines Circle to Spanish Wells Road (SCDOT Gateway project) targeting safety, beautification and consistency to include landscaping, signage, pavement markings, curbing etc.

**Fiscal Year 2023 CIP Projects**

MAP KEY	PROJECTS	FY23 TOTAL	FUNDING SOURCE	FY23 PROJECT SCOPE
R10	William Hilton Parkway Gateway Corridor	\$ 300,000	Electric Franchise Fee	Additional planning on recommendations not included in SCDOT project
R11	Adaptive Traffic Signal Management - all signalized intersections on William Hilton Parkway	\$ 2,065,224	Road Usage Fee / Traffic Impact Fee	Design & Installation for 26 signals including Spanish Wells and Squire Pope
R12	Dillon Road at William Hilton Parkway - Right Turn Lane	\$ 150,000	Electric Franchise Fee	Right Turn lane from Dillon Road onto William Hilton Parkway; Preliminary Planning & Design (Conceptual & Final) planned for FY23 with Construction anticipated in FY24
	<i>Total William Hilton Parkway Enhancements</i>	\$ 4,298,224		
	Pope Avenue, Palmetto Bay Road, & Arrow Road Streetscape Enhancements			
R13	Streetscape Enhancements	\$ 443,000	Electric Franchise Fee	Improvements targeting safety, beautification and consistency to include landscaping, signage, pavement markings, curbing, multi-modal facilities, etc.; Design (Conceptual & Final), Permitting, & Construction for identified projects is anticipated to begin in FY23 and carry forward to FY24.
R14	Adaptive Traffic Signal Management - all signalized intersections on Palmetto Bay Road & Pope Avenue	\$ 543,480	Electric Franchise Fee / TIF	Design & Installation for 5 signals
	<i>Total Pope Avenue, Palmetto Bay Road, &amp; Arrow Road Streetscape Enhancements</i>	\$ 986,480		
R15	Main Street Enhancements	\$ 225,000	Electric Franchise Fee	Improvements to Main Street from Whooping Crane to Wilborn Road including side streets (Museum Street, Central Avenue, and Merchant Street), a new roundabout at Wilborn Road, and North Main Street from Whooping Crane to Hospital Center Boulevard including roadway, pathways, streetscape, and drainage improvements; Design (Conceptual & Final) & Permitting planned for FY23 with Construction anticipated in FY24.
R16	Squire Pope Road Crosswalks	\$ 150,000	Electric Franchise Fee	Preliminary Planning, Design-Conceptual, Design-Final, Permitting, & Construction of 3 crosswalks to access Town parks (Greens Shell Park, Rowing & Sailing Center at Squire Pope Community Park, Fords Shell Ring)
	Roadway Maintenance & Improvements	\$ 565,555	Electric Franchise Fee	Maintenance of and Improvements to existing roadways including general maintenance such as repair of potholes, curbing, and shoulders; pavement markings; permanent traffic signs; surveying, testing, and analysis; etc.
	<b>TOTAL ROADWAY MANAGEMENT</b>	<b>\$ 8,153,842</b>		

**Fiscal Year 2023 CIP Projects**

MAP KEY	PROJECTS	FY23 TOTAL	FUNDING SOURCE	FY23 PROJECT SCOPE
<b>PARK MANAGEMENT</b>				
	Parks and Recreation			
PR1	Mid-Island Tract Park	\$ 5,200,830	Hospitality Tax / TIF	Design-Final, Permitting, & Phase 1 Construction for new Community Park planned to start in FY23 and continue in FY24 and beyond
PR2	Chaplin Community Park Renovation	\$ 1,910,925	TIF	Design-Final & Permitting for existing Community Park renovation planned for FY23; Phase 1 Construction anticipated in FY24
PR3	Crossings Park Renovation	\$ 1,829,586	Electric Franchise Fee / Hospitality Tax	Design-Final for existing Community Park renovation planned for FY23; Permitting & Phase 1 Construction anticipated in FY25
PR4	Shelter Cove Community Park Expansion	\$ 940,000	TIF / Sale of Land	Expansion of existing Community Park; Design-Final & Permitting planned for FY23; Construction anticipated to start immediately following receipt of permits, likely FY24
PR5	Chaplin Linear Park with Treehouse	\$ 478,238	TIF	Design-Final & Permitting for phase 1 of Linear Park including trail head up-fit, pedestrian bridge at Broad Creek inlet, tree house, and marsh-side trail connection to Singleton Beach Road; Phase 1 Construction anticipated in FY24
PR6	Patterson Family Property Park	\$ 1,385,656	Grants	Design-Final, Permitting & Construction for new Mini Park; FY22 CDBG Project included in Parks & Recreation Maser Plan
PR7	Taylor Family Property Park	\$ 125,000	Grants	Preliminary Planning, Design-Conceptual, & Design-Final for new Mini Park on +/- 4.9 acre Town-owned parcel at 252 Wild Horse Road; FY23 CDBG Project included in Parks & Recreation Master Plan; Permitting & Construction anticipated in FY24
PR8	Barker Field	\$ 500,000	Grants	Preliminary Planning & Design (Conceptual & Final) for existing County Sports Park
	<i>Total Parks and Recreation</i>	\$ 12,370,235		
PR9	Island Recreation Association - Capital Projects	\$ 400,000	Park Impact Fees	Island Recreation Center seeks funds to improve the buildings, pool and grounds, as well as manage events
PR10	Public Art Program	\$ 25,000	Hospitality Tax	Funding to accommodate installation of public art pieces donated to or curated by the Town.
PR11	General Park Enhancements	\$ 1,000,000	Hospitality Tax / Grants	Includes various identified facility and service improvements at existing parks such as additional bike racks, picnic tables, sun shades, fencing, etc.; includes Jarvis Creek Park improvements, re-roof Greens Shell
	<b>TOTAL PARK MANAGEMENT</b>	\$ 13,795,235		

***Fiscal Year 2023 CIP Projects***

MAP KEY	PROJECTS	FY23 TOTAL	FUNDING SOURCE	FY23 PROJECT SCOPE
<b>FACILITIES AND EQUIPMENT MANAGEMENT</b>				
FE1	Town Hall Security & Facility Enhancements	\$ 802,000	Electric Franchise Fee / Hospitality Tax / Capital	Installation of upgrades to security, landscaping, and lighting as well needed structural repairs
FE2	Town Facilities Assessment	\$ 100,000	Electric Franchise Fee	Assessment of site, parking, structures, and systems at Town Hall, Fire Rescue Headquarters/EOC/Dispatch
FE3	Sprinkler Head replacement	\$ 180,000	Electric Franchise Fee	Town Hall, Fire Rescue HQ, & Shelter Cove
	<i>Total Town Hall Security &amp; Facility Enhancements</i>	\$ 1,082,000		
FE4	Shelter Cove/BCSO Office	\$ 450,000	Short Term Rental Fee / Capital	Permitting & Construction of interior renovations
FE5	Electric Vehicle Charging Stations at Town Facilities	\$ 30,000	Electric Franchise Fee	Installation of Electric Vehicle Charging Stations at (2) Town Hall, (1) Facilities Maintenance, and (1) Fire Rescue HQ
FE6	Parking Master Plan Implementation	\$ 200,000	Hospitality Tax	Physical improvements at existing beach parks including Coligny Beach Park and Islanders Beach Park; may include the addition of gates, video cameras, signage, etc.
FE7	Coastal Discovery Museum - Capital Projects	\$ 198,250	Sunday Liquor Permit Fee	Coastal Discovery Museum seeks funds to improve and maintain the buildings and grounds - including boardwalk
FE8	Historic Mitchelville Freedom Park - Capital Projects			At the request of Ahmad Ward, Executive Director, Historic Mitchelville Freedom Park seeks funds to improve property in accordance with approved master plan
	Primary Parking Lot	\$ 100,000	Sunday Liquor Permit Fee	Preliminary Planning, Design (Conceptual & Final), & Permitting in anticipation of FY24 construction
	Loop Road to Visitor's Center	\$ 25,000	Sunday Liquor Permit Fee	Preliminary Planning, Design (Conceptual & Final), & Permitting in anticipation of FY24 construction
	<i>Total Historic Mitchelville Freedom Park - Capital Projects</i>	\$ 125,000		
	IT Equipment and Software			
FE9	Town Hall Equipment and Software	\$ 1,430,900	Electric Franchise Fee / Short Term Rental Fee	
FE10, FE11	Public Safety Systems Equipment and Software	\$ 413,000	Electric Franchise Fee	
	<i>Total IT Equipment and Software</i>	\$ 1,843,900		



**Fiscal Year 2023 CIP Projects**

MAP KEY	PROJECTS	FY23 TOTAL	FUNDING SOURCE	FY23 PROJECT SCOPE
	Security Cameras			
FE13	Shelter Cove Community Park	\$ 150,000		Upgrade (26) existing security cameras at Shelter Cove Community Park
FE14	Shelter Cove Connectivity & Chaplin Linear Park Trailhead	\$ 300,000		(43) New security cameras and Wi-Fi at Shelter Cove Connectivity including parking lot at trailhead
FE15	Fire Stations	\$ 56,000		Security camera installation at seven (7) fire stations; (3) cameras per station
	Ambulance	\$ 30,000		Add cameras to the cab of the current medic fleet; Risk Management / Safety Initiative
	<i>Total Security Cameras</i>	\$ 536,000	Electric Franchise Fee / Sunday Liquor Permit Fee / Hospitality Tax	
FE16	Fire/Medical Systems, Equipment Replacement	\$ 460,000	Hospitality Tax	Vehicle Lift Replacements, Stair Chair Replacement, Rescue Tool Replacement, Fire Hose Replacement
FE17	Automobile Place / Modern Classic Motors Site Enhancements	\$ 472,500	Electric Franchise Fee / Grants	Demolish and remove dilapidated pavements and appurtenances from prior development in preparation for redevelopment
FE18	Fire Hydrant Expansion	\$ 50,000	Hospitality Tax	Installation of (2) Fire Hydrants through matching program with HHPSD.
FE19	Arts Campus Feasibility Study	\$ 25,000	Hospitality Tax	Feasibility study of existing site including expansion options; Residual funds transferred to Island-wide Master Plan
	Stormwater Projects			
FE21	Wexford Debris System Design	\$ 75,000	Stormwater Fees	Design of pump station to consider multiple factors including function and aesthetics in preparation for FY24 construction
FE22	Gum Tree Road Improvements	\$ 125,000	Stormwater Fees	Survey, Design, & Construction of improvements to address various deficiencies along Gum Tree Road between Katie Miller Drive and Georgianna Drive, including regrading of ditches, installation of new inlets, new pipe and repairs along the outfall system

**Fiscal Year 2023 CIP Projects**

MAP KEY	PROJECTS	FY23 TOTAL	FUNDING SOURCE	FY23 PROJECT SCOPE
FE23	Jarvis Creek Outfall	\$ 500,000	Stormwater Fees	Survey, design, permitting, and installation of flap gates on the outfall end of two 84-inch diameter concrete pipes that discharge stormwater from the Jarvis Creek Pump Station outfall system; necessary to improve operation and effectiveness of the pump station during extreme events by mitigating the impacts of tidal storm surge on the system.
FE24	25 Moonshell Road	\$ 80,000	Stormwater Fees	Survey, Design, & Installation of 500 linear feet of 24-inch pipe and two inlet structures to improve efficiency and reduce long-term maintenance costs along the existing Folly Field ditch between Moonshell Road and the Island Club
FE25	Cordillo Court Improvements	\$ 50,000	Stormwater Fees	Design and installation of improvements to address drainage issues on and adjacent to Town-owned property including inlets, pipe and minor grading
	<i>Total Stormwater Projects</i>	\$ 830,000		
	Demolition of Kingfisher and Fairfield Square	\$ -		
	<b>TOTAL FACILITIES AND EQUIPMENT MANAGEMENT</b>	\$ 6,302,650		
<b>FLEET</b>				
F11	Town Vehicle Replacement			
	Staff Vehicle Replacement	\$ 117,000	Electric Franchise Fee	Replacement of 3 staff vehicles over 10 years old including vehicle outfitting
	New Staff Vehicles	\$ 181,472	Electric Franchise Fee	5 new staff vehicles including vehicle outfitting
	<i>Total Town Vehicle Replacement</i>	\$ 298,472		
F12	FR Apparatus & Vehicle Replacement			
	Engine/Pumper Replacement/Quint Company Replacement (2)	\$ 7,742,473	HTAX Supported Lease	
	Staff Vehicle Replacement	\$ 75,000	Electric Franchise Fee	Replace two staff vehicles that have reached their 120,000 mile / 12 year mark.
	Support Vehicle Replacement - Forklift	\$ 35,000	Electric Franchise Fee	Replace forklift. Equipment is past its useful lifecycle, maintenance issues are more frequent, and parts are difficult to acquire as the original manufacturer is out of business.
	Firefighting Foam for Trucks	\$ 16,000	Electric Franchise Fee	Firefighting foam for trucks
	<i>Total FR Apparatus &amp; Vehicle Replacement</i>	\$ 7,868,473		
	<b>TOTAL FLEET</b>	\$ 8,166,945		

Fiscal Year 2023 CIP Projects

MAP KEY	PROJECTS	FY23 TOTAL	FUNDING SOURCE	FY23 PROJECT SCOPE
<b>LAND ACQUISITION</b>				
	Land Acquisition	\$ 300,000	Sale of Land	Land acquisition and soft costs including ROW, Survey, Appraisals, Legal Fees, etc.
	<b>TOTAL LAND ACQUISITION</b>	<b>\$ 300,000</b>		
<b>HOUSING</b>				
H1	North Pointe Housing Partnership	\$ 955,000	Grants	Support for road, water, sewer, and/or utility infrastructure necessary to facilitate the creation of workforce housing through a public-private partnership.
	Other Housing	\$ 424,261	Capital	Setting aside funds from the legal settlement which were in the General Fund toward housing. Funds to be used for impact fees and down payment assistance to help the Town further participate in addressing the workforce housing issue
	<b>TOTAL HOUSING</b>	<b>\$ 1,379,261</b>		
	<b>TOTAL FY23 CIP</b>	<b>\$ 45,671,933</b>		



# Stormwater Fund (Enterprise Fund)



## Stormwater Fund (Enterprise Fund)

### Summary

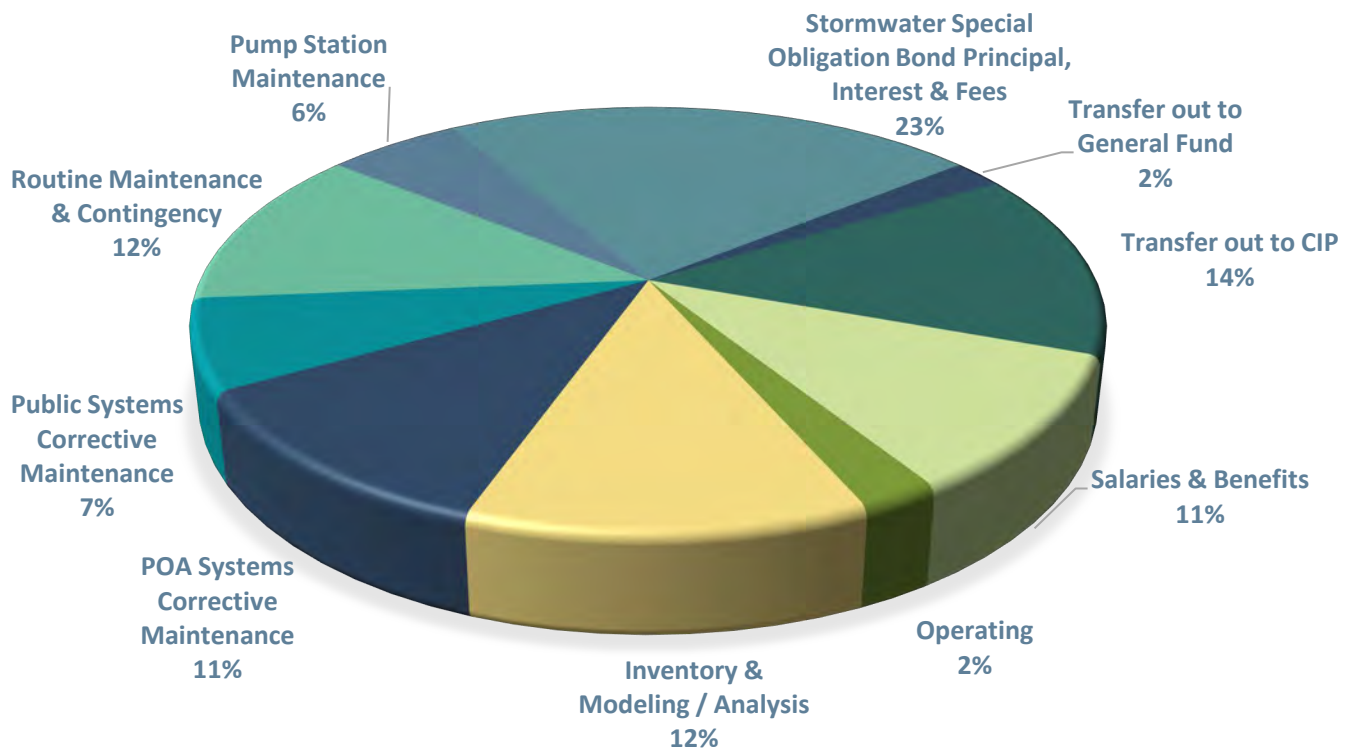
The **Stormwater Utility Program** in which funds derive from stormwater utility fees assessed annually based on a rate per SFU (Single Family Unit) are committed to the management, construction, maintenance, protections, control, regulation, use, and enhancement of stormwater systems and programs within the Town limits of Hilton Head Island in concert with Beaufort County and other water resource management programs. The Town expects to collect \$5.5 million in Stormwater Utility Fees per year in Fiscal Years 2023 through 2027. The total expense budget for Fiscal Year 2023 is \$5.8 million, including funding for the Town's Resiliency Initiative to address the climate adaptation and sea level rise, a transfer to the General Fund for support efforts, and a transfer to CIP to include Stormwater capital projects in the CIP.

### Financial Statement

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Adopted Budget	% Change
<b>Revenues</b>					
Stormwater Utility Fees	4,928,623	5,043,167	4,934,000	5,044,000	2.2%
Prior Period Funds	-	-	560,000	769,296	37.4%
<b>Total Revenues</b>	<b>4,928,623</b>	<b>5,043,167</b>	<b>5,494,000</b>	<b>5,813,296</b>	<b>5.8%</b>
<b>Operating Expenses</b>					
POA Systems Corrective Maintenance	1,036,153	1,424,617	401,000	660,000	64.6%
Public Systems Corrective Maintenance	984,656	751,879	408,000	400,000	-2.0%
Routine Maintenance & Maintenance Contingency				710,000	n/a
Pump Station Maintenance				330,000	n/a
Modeling & Analysis				600,000	n/a
Water Quality Monitoring				105,000	n/a
Personnel	529,277	581,675	601,138	608,996	1.3%
Operating	281,174	265,777	376,800	139,500	-63.0%
Capital	-	-	35,000	-	-100.0%
Depreciation	1,213,576	1,285,588	1,100,000	1,118,451	1.7%
<b>Total Operating Expenses</b>	<b>4,044,836</b>	<b>4,309,536</b>	<b>2,921,938</b>	<b>4,671,947</b>	<b>59.9%</b>
<b>Operating Income</b>	<b>883,787</b>	<b>733,631</b>	<b>2,572,062</b>	<b>1,141,349</b>	<b>-55.6%</b>
<b>Non-Operating Income (Expenses)</b>					
Investment Income	86,566	9,229	6,000	20,000	233.3%
Interest	(359,510)	(308,091)	(155,062)	(84,817)	-45.3%
Amortization	-	-	-	(91,532)	n/a
Other Charges	(6,500)	(150,500)	-	(30,000)	n/a
<b>Total Non-Operating Income (Expenses)</b>	<b>(279,444)</b>	<b>(449,362)</b>	<b>(149,062)</b>	<b>(186,349)</b>	<b>25.0%</b>
<b>Income (Loss) Before Transfers/Bond Proceeds</b>	<b>604,343</b>	<b>284,269</b>	<b>2,423,000</b>	<b>955,000</b>	<b>-60.6%</b>
Transfers Out	(125,000)	(125,000)	(2,423,000)	(955,000)	-60.6%
<b>Net Change in Fund Net Position</b>	<b>479,343</b>	<b>159,269</b>	<b>-</b>	<b>-</b>	
<b>Beginning Fund Balance</b>	<b>9,400,212</b>	<b>9,879,555</b>	<b>10,038,824</b>	<b>9,478,824</b>	
<b>Use of Prior Year Funds</b>	<b>-</b>	<b>-</b>	<b>560,000</b>	<b>436,000</b>	
<b>Ending Fund Balance</b>	<b>9,879,555</b>	<b>10,038,824</b>	<b>9,478,824</b>	<b>9,042,824</b>	

See the Debt Service Fund section of this document for a summary of the outstanding long-term debt obligations of this fund.

Fiscal Year 2023 Stormwater Fund Expenditures



The majority of FY23 Stormwater funds are programmed for strategic plan priorities including SWOT analysis of island resiliency, routine maintenance, corrective maintenance, and capital projects.

There is also an emphasis on service delivery, which is provided by the following programs:

- Water Quality – LMO Compliance and MS4 Permit
- Inventory & Modeling
- Routine Maintenance
  - Channel Maintenance
  - Street Sweeping
  - Pond Management
- Pump Station Maintenance
- Corrective Maintenance
  - Public Systems
  - Private Systems (POA Agreements)

Fiscal Year 2023 Stormwater Fund Overview of Anticipated Projects

**Corrective Maintenance Program**

The Town's Corrective Maintenance Program serves the Public System (the Town's rights-of-way, easements, and property), as well as POA agreements.



Included in the FY23 Budget are 59 Corrective Maintenance Projects, 18 of which are in Public Systems and 41 are in POA Systems.



***Fiscal Year 2023 Stormwater Fund Overview of Anticipated Projects***

**Corrective Maintenance Anticipated Project List – Public Systems**

EVAL	WARD	PROJECT LOCATION	BUDGET	PROJECT DESCRIPTION	CONDITION
16	3	62 New Orleans Road	\$ 15,000	Correct chronic ponding issue at northeast corner of the New Orleans Road/Pope Avenue intersection	
13	5	24 Deallyon Avenue	\$ 15,000	Correct Chronic ponding issue at the southeast corner of the Deallyon Avenue/Nassau Street intersection	
11	6	10 Bow Circle (Arrow Road Ditches)	\$ 35,000	Regrade ditches and clean pipes along portions of Arrow Road to alleviate flooding issues near the post office driveway	
11	4	271 William Hilton Parkway (Island Tire)	\$ 70,000	Remove sediment from the primary channel between Main Street and William Hilton Parkway to restore lost conveyance capacity	Easement Needed
11	3	71 Widewater Road	\$ 10,000	Remove sediment from Town-maintained ditch to restore lost conveyance capacity	Legal Issue
11	3	435 William Hilton Parkway (Northridge Theater)	\$ 80,000	Replace/rehabilitate Mathews Drive pathway drainage system adjacent to the Northridge Theater	Easement Needed
10	2	3901 Main Street	\$ 88,000	Replace 200 linear feet of failing (primary system) large diameter pipe	Easement Needed
10	3	119 Dune Lane	\$ 15,000	Clean pipes and structures along Pelican Street to restore lost capacity	
9	1	30 Cobia Court	\$ 6,000	Regrade ditches and clean pipes along first eight along Cobia Court to restore lost conveyance capacity; add to routine maintenance schedule	Easement Needed
9	4	5 Tanglewood Drive	\$ 5,000	Clean and repair failed inlet structure on Tanglewood Drive	
8	4	21 Castnet Drive (Roadway Pipe)	\$ 5,000	Pipe failed pipe connection at curb inlet in Chaplin Park near the pavilion	
8	5	32 Office Park Road	\$ 2,000	Inlet structure repair; grate and frame	
7	4	21 Castnet Drive (Roadway Pipe)	\$ 5,000	Repair failed pipe underneath Castnet Drive adjacent to Chaplin Park	
7	6	1 Town Center Court (Town Hall)	\$ 6,000	Pond outlet control structure rehabilitation	
7	3	30 Shamrock Circle (Wild Horse Court Subdivision)	\$ 15,000	Remove sediment and create a sump at discharge pipe outfall in Town-maintained pond	
6	1	26 Summit Drive	\$ 3,000	Remove sediment from culvert under Summit Drive; remove sediment from adjacent ditches; add to routine maintenance schedule	
5	1	3 Creek Landing Trace (Salt Creek Landings)	\$ 20,000	Remove sediment, organics, and vegetation to restore conveyance capacity; add to routine maintenance schedule	
5	1	1 Murray Avenue	\$ 5,000	Regrade ditches and clean pipes along first eight along Cobia Court to restore lost conveyance capacity; add to routine maintenance schedule	Easements Needed
<b>Total FY23 Corrective Maintenance – Public Systems</b>			<b>\$400,000</b>		



***Fiscal Year 2023 Stormwater Fund Overview of Anticipated Projects***

**Corrective Maintenance Anticipated Project List – POA Agreement Systems**

EVAL	POA	PROJECT LOCATION	BUDGET	PROJECT DESCRIPTION	CONDITION
14	PH	10 Tucker Ridge Court (Arthur Hills GC 11 <sup>th</sup> Fairway to 11 <sup>th</sup> Green)	\$ 25,000	Pipe cleaning and video inspection needed to restore capacity to drainage system	
14	SP	12 Pine Island Road (Club Course GC #16 Fairway)	\$ 15,000	Pipe cleaning and sump excavation needed to restore positive flow	
14	WEX	25 Wicklow Drive	\$ 15,000	Pipe cleaning and sump excavation needed to restore positive flow	Access Provided
12	HHP	245 Seabrook Drive	\$ 15,000	Control structure weir gate replacement needed to allow emergency draw down of system	
12	SP	43 Woodbine Place	\$ 15,000	Pipe replacement needed to alleviate roadway flooding	Access Provided
12	SP	100 N. Sea Pines Drive (Sea Pines Club House)	\$ 5,000	Pipe cleaning to restore positive flow (Reimbursement)	
12	SP	63 Baynard Cove Road	\$ 25,000	Control structure weir gate replacement needed to allow emergency draw down of system	
12	SP	1 Baynard Cove Road	\$ 97,000	Control structure weir gate replacement needed to prevent tidal flow into the system	
12	SY	90 Gloucester Road (Harbourmaster Entrance)	\$ 50,000	Pipe replacement needed to replace failed pipe	
10	HHP	421 Squire Pope Road (Bayshore Retirement)	\$ 30,000	Outfall stabilization to stabilize erosion	Access Provided
10	SP	1 Baynard Cove Road	\$ 25,000	Control structure internal weir gate replacement needed to allow emergency draw down of system	
9	HHP	132 High Bluff Road	\$ 7,000	Control structure grate replacement to secure structure	
9	HHP	32 Towhee Road (China Cockle Ditch)	\$ 30,000	Design and construction of replacement culvert to restore positive flow	
9	SP	16 Maple Road	\$ 15,000	Pipe replacement needed to replace failed pipe	
9	SP	20 Audubon Pond Drive	\$ 12,000	Flap gate replacement to prevent tidal water from flooding roadway	
9	SP	405 Greenwood Drive	\$ 10,000	Sump excavation needed to restore positive flow	DHEC Permit
8	HHP	4 Foxbriar Lane	\$ 5,000	Pipe cleaning to alleviate road flooding	
8	HHP	Whooping Crane Way (Main entrance lanes)	\$ 15,000	Pipe replacement needed to replace failed pipe	
8	SP	25 Marshview Drive	\$ 15,000	Outfall ditch excavation to restore positive flow	
7	HHP	13 Birdsong Drive	\$ 15,000	Repair failed pipe to alleviate sinkhole	
7	LEA	7 Merion Court	\$ 15,000	Inlet structure replacement to repair sinkhole	
7	PH	Fish Haul Road (System Outfall)	\$ 4,000	Vegetation clearing to access outfall system	Easement Needed
7	SP	40 Sand Fiddler Road	\$ 15,000	Control structure replacement	
6	HHP	6 Woodland Sky Court	\$ 35,000	Clean, video inspect and rehabilitate pipe to alleviate sinkhole	

***Fiscal Year 2023 Stormwater Fund Overview of Anticipated Projects***

**Corrective Maintenance Anticipated Project List – POA Agreement Systems**

EVAL	WARD	PROJECT LOCATION	BUDGET	PROJECT DESCRIPTION	CONDITION
6	HHP	5 Sanderling Lane & 5 Hummingbird Court	\$ 10,000	Pipe cleaning to restore positive flow	
6	LEA	9 Niblick Court (George Fazio GC 4 <sup>th</sup> Fairway)	\$ 15,000	Clean and video inspect the system to determine condition	Easement Needed
6	LEA	5 Niblick Court	\$ 10,000	Structure replacement to alleviate sinkhole	Easement Needed
6	PD	11 High Rigger	\$ 5,000	Pipe repair to alleviate sinkhole	
6	PD	1 Long Boat	\$ 11,000	Pipe repair to alleviate sinkhole	
6	PD	2 High Rigger	\$ 10,000	Pipe repair to alleviate sinkhole	
6	PD	Flotilla	\$ 12,000	Pipe repair to alleviate sinkhole	
6	PD	Dinghy Lane	\$ 11,000	Pipe repair to alleviate sinkhole	
6	PH	Fish Haul Road (System Outfall)	\$ 10,000	Pipe repair to alleviate sinkhole	
6	PH	50 Sedge Fern Drive	\$ 8,000	Pipe repair to alleviate sinkhole	Access Provided
6	PH	27 Clyde Lane	\$ 1,000	Grate replacement to replace broken grate	
6	PR	16 Donax Road	\$ 3,000	Sump excavation needed to restore positive flow	Access Provided
6	PR	16 Coquina Road	\$ 3,000	Sump excavation needed to restore positive flow	Access Provided
6	PR	16 Barnacle Road	\$ 3,000	Sump excavation needed to restore positive flow	Access Provided
6	SP	221 South Sea Pines Drive	\$ 8,000	Pipe repair to alleviate sinkhole	
6	SP	54 Wagon Road (Old Military Road intersection)	\$ 12,000	Pipe replacement to alleviate sinkhole	
6	SP	Lawton Canal Road	\$ 18,000	Sump excavation needed to restore positive flow	
<b>Total FY23 Corrective Maintenance – POA Systems</b>			<b>\$660,000</b>		

## Fiscal Year 2023 Stormwater Fund Overview of Anticipated Projects

### **Capital Improvement Projects**

Stormwater Capital Improvement Projects identified for FY 2023 will be managed by the Capital Projects Division and funds will be transferred from the Stormwater Utility Fund to the Capital Projects Fund.

The FY 2023 Stormwater Capital Projects includes:

- Gum Tree Road Improvements - \$125,000  
Survey, Design, & Construction of improvements to address various deficiencies along Gum Tree Road between Katie Miller Drive and Georgianna Drive, including regrading of ditches, installation of new inlets, new pipe, and repairs along the outfall system.
- Jarvis Creek Outfall - \$500,000  
Survey, design, permitting, and installation of flap gates on the outfall end of two 84-inch diameter concrete pipes that discharge stormwater from the Jarvis Creek Pump Station outfall system; necessary to improve operation and effectiveness of the pump station during extreme events by mitigating the impacts of tidal storm surge on the system.
- Cordillo Courts Improvements - \$50,000  
Design and installation of improvements to address drainage issues on and adjacent to Town-owned property including inlets, pipe, and minor grading.
- Moonshell Road Ditch (Folly Field) - \$80,000  
Survey, Design, & Installation of 500 linear feet of 24-inch pipe and two inlet structures to improve efficiency and reduce long-term maintenance costs along the existing Folly Field ditch between Moonshell Road and the Island Club.
- Wexford Pump Station Resilience - \$75,000  
Design of pump station to consider multiple factors including function and aesthetics in preparation for FY24 construction.

The total Stormwater Capital Project for FY 2023 is \$830,000. Stormwater Fees will be transferred to the Capital Projects Fund to provide funding.



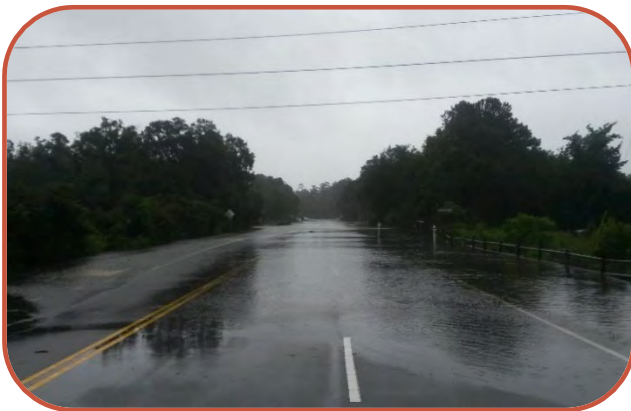
## Fiscal Year 2023 Stormwater Fund Overview of Anticipated Projects

### **Resiliency Initiative**

Funds are budgeted in FY23 for the Town's Strategic Action Environmental Sustainability Initiative of addressing climate adaption and sea level rise, in order to:

- Identify Strengths, Weaknesses, Opportunities, and Threats via SWOT Analysis of Island Resiliency
- Measure program against climate action goals
- Develop and apply insights
- Detailed modeling of future scenarios and menu of mitigation actions and costs
- Accelerate investments in infrastructure and initiatives to address the challenges
- Establish Hilton Head Island tide level monitoring station and coordinate with other agencies

**FY 2023 Project Budget - \$250,000**



Hurricane Irma storm surge at Mathews Drive



King Tide – Singleton Beach



# Appendix

# Appendix

## Financial Balance Changes Greater than 10%

The following funds have a budgeted change in fund balance greater than 10%:

1. **General Fund** – There is no planned use of Fund Balance for the Fiscal Year 2023 budget. The Town increased its Fund Balance policy percentages for Fiscal Year 2023.
2. **Road Usage Fee** – The Town has primarily directed these funds toward road paving with an emphasis on dirt roads. The Town expects to fully utilize Road Usage Fees to the extent practical. The Town temporarily paused collection of the Road Usage Fee as a result of a lawsuit in another jurisdiction.
3. **Tax Increment Financing (TIF)** – Fiscal Year 2023 is the eighth year in the 10-year extension. Projects include Chaplin, Shelter Cove and mid-island area roadway, pathway and park improvements. The District staged these projects using a TIF bond issue to implement the projects the special TIF District will provide. These projects are proceeding.
4. **State ATAX** – State law prescribes how the State ATAX funds are distributed. In Fiscal Year 2023, State ATAX funds are budgeted in the General Fund and the Capital Projects Fund to support tourism-related expenditures. The ATAX Committee meets and considers applications and recommends additional distribution of these funds within the SC state law requirements.
5. **Real Estate Transfer Fee (RETF)** – These funds will be directed to future land purchases in accordance with the Real Estate Transfer Fee code. The increase in fund balance is based on high volume of real estate activity on the Island and spent according to guidelines.
6. **Beach Preservation Fee** – The current year includes beach maintenance, management, and renourishment projects. The Town issued Beach Bonds in Fiscal Year 2018 which were used for beach renourishment. Beach Preservation Fees are being used to make debt service payments on these bonds. The temporary buildup of fund balance is in preparation of the Town's next beach renourishment project temporarily scheduled for Fiscal Years 2025 - 2026.
7. **Hospitality Tax (HTAX)** – The Hospitality Tax Fund continues to provide for specific debt service and support the CIP for projects and Fire Rescue initiatives as funding becomes available. The fund is not expected to have a 10% variance in the fund balance. Fire Rescue equipment purchases were delayed due to supply chain issues related to the Covid-19 pandemic. Those purchased are planned in Fiscal Year 2023.
8. **Debt Service Fund** – The Town plans no long-term bond issues in Fiscal Year 2023. The Town is monitoring the bond market for possible savings and will be ready to act as two savings opportunities were realized in Fiscal Year 2021.
9. **Capital Improvement Plan (CIP)** – The Town has a number of significant projects in the works that are progressing from previous fiscal years. As these projects proceed, the CIP fund balance will decline showing the progress on the projects such as the Lowcountry Celebration Park which opened in Fiscal Year 2021.

### Financial Balance Changes Greater than 10%

10. **Disaster Fund** – In Fiscal Year 2017, due to the significance of Hurricane Matthew, the Town established a Disaster Fund to capture the cost of the hurricane response as well as the reimbursements and funding from various sources. The Town issued an \$18 million GO bond issue to help re-establish the disaster reserves in this fund for future possible disasters. The Town implemented an emergency 5 mills for 5 years to repay the disaster bonds. The Town collected the 5 mills through Fiscal Year 2022, which was the last year of the 5 mills for 5 years. The Debt payments related to that will continue to Fiscal Year 2023 as the last year of payments. The Town is ready to deploy the remaining funds as need ensues for a declared disaster or emergency. The fund balance at 6/30/2021 was \$33,977,293. This amount, coupled with \$20 million debt capacity mirrors the \$52 million cost of Hurricane Matthew.
11. **Electric Franchise Fee** – The Electric Franchise Fee paid to move electric lines underground. The underground project is mostly complete. These activities will help the Town prepare for the next storm. As future funds are collected, Town Council will have the opportunity to consider the highest and best use of these funds – primarily in the Capital Improvement Plan (CIP). The Town’s intent is to utilize as much as these funds will provide.

Adopted Budget Ordinance



**MEMORANDUM**

**TO:** Town Council  
**FROM:** John M. Troyer, CPA, Director of Finance  
**VIA:** Marc Orlando, ICMA-CM, Town Manager  
**DATE:** May 3, 2022  
**RE:** **First Reading of Proposed Ordinance No. 2022-12**

---

**Recommendation:**

Staff recommends Council approve and affirm the first reading of Proposed Ordinance No. 2022-12. The ordinance establishes the fiscal year 2023 budgets for the General Fund, Capital Projects Fund, Debt Service Fund and Stormwater. The ordinance also amends the fiscal year 2022 budget to amend for the Fire Rescue trucks and to close out the fiscal year within budget.

The proposed tax rate at 23.1 is 5.0 mills less than FY 2022 rate of 28.1 mills. The reduction is a result of the expiration of the Disaster millage to restore reserves after Hurricane Matthew has completed the planned 5 years. There is a proposed ambulance fee increase in this budget as recommended by our third-party billing agent to meet market rates based on federal reimbursement standards.

The proposed FY 2023 total operating budget for the General Fund, Capital Projects Fund, Debt Service Fund, and Stormwater Fund at \$119,501,114 compared to last year's \$96,838,322.

	2022 Budget	2023 Budget
General Fund	\$ 43,984,657	\$ 48,621,804
Debt Service Fund	19,344,566	19,374,081
CIP	28,009,099	45,671,933
Stormwater Fund	5,500,000	5,833,296
<b>Total</b>	<b>\$ 96,838,322</b>	<b>\$ 119,501,114</b>

**Summary:**

According to Town Code, the Town Manager will present a budget for review by Town Council by the beginning of May. The Town Manager has met with all Town Council members as the budget was being crafted in order to have their input and guidance in the budget development process. The Town Manager provides this budget to fulfill his obligation under Town Code and he recommends this budget to Town Council for adoption for the Fiscal Year ending June 30, 2023.





**MEMORANDUM**

**TO:** Town Council  
**FROM:** John M. Troyer, CPA, Director of Finance  
**VIA:** Marc Orlando, ICMA-CM, Town Manager  
**DATE:** May 17, 2022  
**RE:** Second Reading of Proposed Ordinance No. 2022-12

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**There are no changes from first reading except a change to the holiday schedule. Recommend adopting the budget on second reading.**

**Recommendation:**

Staff recommends Council approve and affirm the first reading of Proposed Ordinance No. 2022-12. The ordinance establishes the fiscal year 2023 budgets for the General Fund, Capital Projects Fund, Debt Service Fund and Stormwater. The ordinance also amends the fiscal year 2022 budget to amend for the Fire Rescue trucks and to close out the fiscal year within budget.

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Stormwater Fund	5,500,000	5,833,296
<b>Total</b>	<b>\$ 96,838,322</b>	<b>\$ 119,501,114</b>

## *Adopted Budget Ordinance*

### **Summary:**

According to Town Code, the Town Manager will present a budget for review by Town Council by the beginning of May. The Town Manager has met with all Town Council members as the budget was being crafted in order to have their input and guidance in the budget development process. The Town Manager provides this budget to fulfill his obligation under Town Code and he recommends this budget to Town Council for adoption for the Fiscal Year ending June 30, 2023.

**ORDINANCE NO. 2022-11**

**PROPOSED ORDINANCE NO. 2022-12**

**AN ORDINANCE TO RAISE REVENUE AND ADOPT A BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2023; TO ESTABLISH A PROPERTY TAX LEVY; TO ESTABLISH FUNDS; TO ESTABLISH A POLICY FOR ACQUISITION OF RIGHTS OF WAY AND EASEMENTS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE, AND TO AMEND ORDINANCE**

**WHEREAS**, Section 5-7-260(3) of the Code of Laws for South Carolina 1976, as amended, and Section 2-7-20 of the Municipal Code of the Town of Hilton Head Island, South Carolina, require that the Town Council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

**WHEREAS**, Town Council also desires to set aside funds to increase the Operating Reserve to provide for emergency-related expenditures, and to offset any fiscal year tax revenue income stream deficiency; and

**WHEREAS**, Town Council also desires to give the Town Manager authority to adjust revenue estimates as necessary to account for the economic impact of the COVID-19 Pandemic, without changing the total adopted budget. Any changes made under this section will be reported to Town Council on a quarterly basis; and

**WHEREAS**, Town Council finds that it would be more economical and efficient to authorize the Town Manager to move forward with construction contract modifications, change orders, contract price adjustments, and execution of contracts for supplies, services, and construction where the contract amount involved does not exceed the budget line item or project budget as approved by Town Council in the Consolidated Municipal Budget.

**NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS HEREBY ORDAINED BY THE AUTHORITY OF THE SAID COUNCIL:**

**NOTE:** Underlined and bold-face typed portions indicate additions to the Ordinance. ~~Stricken~~ Portions indicate deletions to the Ordinance.

**Section 1. Adoption of the Budget.** The prepared budget of estimated revenues and expenses, a copy of which has been published on the Town's website <https://www.hiltonheadislandsc.gov/budget/FY2023/FY2023ProposedBudgetExecutiveSummary.pdf> and incorporated herein, \$119,501,114 is hereby adopted as the budget for the Town of Hilton Head Island for the fiscal year ending June 30, 2023.

Adopted Budget Ordinance

Proposed Ordinance No. 2022-12

Page Two

The General Fund budgetary authority is adopted at the Departmental level as follows:

	2022 Budget	2023 Budget
Town Council	471,242	548,112
Town Manager	1,286,306	1,524,062
Human Resources	665,941	587,750
Administrative Services	4,986,821	5,458,652
Finance	1,916,176	2,199,100
Community Development	3,602,665	4,286,458
Public Projects and Facilities	7,107,474	7,221,078
Fire Rescue	16,524,716	18,380,246
Sheriff/Other Public Safety	2,498,430	2,674,762
Townwide	2,450,459	3,449,994
Community Grants	2,224,427	2,291,590
Transfer to CIP	125,000	-
Transfer to Fund Balance	125,000	-
<b>Total</b>	<b>43,984,657</b>	<b>48,621,804</b>

The Debt Service Fund and the Stormwater Fund are adopted at the Fund level. Capital Improvement Projects are adopted at the Project level. The Town Manager is authorized to transfer amounts up to \$100,000; larger transfers require Town Council approval.

**Section 2. Establishment of Property Tax Levy.** A tax to cover the period from July 1, 2022 through June 30, 2023, inclusive, for the sums and in the manner hereinafter mentioned, is and shall be, levied, collected and paid into the treasury of the Town of Hilton Head Island for its uses at a rate of mills on assessed value of real estate and personal property of every description owned in the Town of Hilton Head Island, except such property as is exempt from taxation under the Constitution and laws of the State of South Carolina. Said tax levy shall be paid into the Town Treasury for the credit of the Town of Hilton Head Island for its corporate purposes, for the purpose of paying current operational expenses of the said municipality 17.2 mills and Debt Service 5.9 mills making the total levy of 23.1 mills. *{Note: There is NO Disaster Millage override anymore as the 5 mills for 5 years has expired.}*

**Section 3. Establishment of Budgeted Funds.** To facilitate operations, there shall be established and maintained a General Fund, a Capital Projects Fund, a Debt Service Fund, a Stormwater Fund and other appropriate funds in such amounts as are provided for in the aforesaid Budget, as hereby adopted or as hereafter modified pursuant to law.

## Adopted Budget Ordinance

Proposed Ordinance No. 2022-12

Page Three

### **Section 4. Other Funds.**

The Natural Disaster fund is limited to activity related to an officially declared emergency. This fund captures the financial activities from declared disasters, reimbursements from state and federal agencies and houses funds set aside for future emergencies. The federal stimulus funds approved in previous action by Town Council are authorized for receipt and expenditure in the Grants fund. This accounting treatment is for the most direct presentation and documentation to help facilitate the additional audit procedures required with receipt of these funds.

**Section 5. Acquisition of Rights of Way and Easements.** The Town Manager is charged with the duty of executing all necessary documents to obtain rights of way, easements, and other property interests necessary to complete duly authorized Capital Improvement Projects.

Capital Improvement Projects based on the ownership and life expectancy of the assets or improvements or based on the funding source authorized may be budgeted in the General, Capital Projects or Stormwater Funds. If expenditures are expressly authorized for an approved Capital Improvement Project in any of the budgeted funds, then the Town Manager is hereby authorized to execute all necessary documents and to expend such funds as are approved pursuant to the Capital Improvement budgets. Provided, however, in the event that the costs of an acquisition of such real property interests materially exceeds the amount budgeted in the approved Capital Improvement Project and the Town Manager is unable to shift additional funds from other authorized sources, the Town Manager shall be required to obtain the approval of Town Council for such additional expenditures. Nothing herein shall obviate the requirement that no condemnations shall be commenced without the appropriate approval of the Town Council for the Town of Hilton Head Island.

**Section 6. General Fund Operating Reserve Policy Updated.** Town Council changes its General Fund Operating Reserve policy from a lower limit of 35% of budget and an upper limit of 40% to a lower limit of 40% and an upper limit of 55%. This action recognizes Town Council's commitment to prudent operations, strong reserves, strong bond ratings and strong emergency preparedness. The Town is within these ranges today. This is another example of Town Council's prudence – that even when the economy is strong, Town Council is preparing for future storms or economic uncertainty and taking appropriate risk management steps.

**Section 7. Revised Holiday Schedule.** As part of the adoption of the Budget, Town Council approves a Holiday Schedule for 2023 in accordance with the attached schedules.

**Section 8. Approval of State ATAX.** The Town Budget is relying on State ATAX revenues for the operation of the Town in accordance with TERC guidelines in the amount of \$2,445,211. This amount includes amounts as provided by State Law formulas and Town approval to total \$2,445,211 and is hereby approved with this budget. Town Council also authorizes Tourist related capital projects from State ATAX in accordance with the TERC guidelines for pathways in the amount of \$3,109,000 in the Town's CIP for 2022-2023.

Adopted Budget Ordinance

Proposed Ordinance No. 2022-12  
Page Four

**Section 9. Amendment of the Fiscal 2021-2022 budget for purchase of Fire Trucks in accordance with previous Town Council action of November 16, 2021 item 11.a.**

	Original	First Amendment 05-Oct-21	Second Amendment 03-May-22	
	2022			
	Budget	2022 Budget	2022 Budget	
General Fund	\$ 43,984,657	\$ 44,204,613	\$ 44,204,614	
Debt Service Fund	19,344,566	19,344,566	19,344,566	
CIP	28,009,099	30,975,158	32,237,763	Price Increase on Fire Trucks \$1,262,605 from lease
Stormwater Fund	5,500,000	5,500,000	5,500,000	
<b>Total</b>	<b>\$ 96,838,322</b>	<b>\$ 100,024,337</b>	<b>\$ 101,286,943</b>	

Town Council had authorized the amendment to the purchase price of the Fire Trucks on November 16, 2021 to ensure delivery in a difficult supply chain environment. The source of budget funds would be the increased lease proceeds for these Fire Trucks. This action amends the budget to correspond with the earlier Town Council action of November 16, 2021.

**Section 10. Amendment of the current Fiscal 2021-2022 budget within the same totals.**

The Town underwent certain organizational changes from the initial budget within the current fiscal year which require slight adjustments to the categories of the budget but staying within the total budget already approved. These changes provide for reclassification of the current personnel budget while maintaining the same total for Fiscal Year 2021-2022. The changes are as follows:

	Original	Amended Oct. 2021	
	2022		
	Budget	2022 Budget	2022 Budget
Town Council	471,242	446,242	446,242
Town Manager	1,286,306	1,290,345	1,290,345
Human Resources	665,941	665,941	665,941
Administrative Services	4,986,821	4,986,821	4,986,821
Finance	1,916,176	1,916,176	1,941,176
Community Development	3,602,665	3,591,001	3,266,001
Public Projects and Facilities	7,107,474	7,335,055	7,335,055
Fire Rescue	16,524,716	16,524,716	16,824,716
Sheriff/Other Public Safety	2,498,430	2,498,430	2,498,430
Townwide	2,450,459	2,450,459	2,450,459
Community Grants	2,224,427	2,224,427	2,224,427
Transfer to CIP	125,000	125,000	125,000
Transfers to Fund Balance	125,000	150,000	150,000
<b>Total</b>	<b>43,984,657</b>	<b>44,204,613</b>	<b>44,204,613</b>
			No Change in total General Fund

Adopted Budget Ordinance

Proposed Ordinance No. 2022-12

Page Five

**Section 11. Transfer of funds to the Capital Improvements Fund (CIP).** On June 19, 2018, Town Council voted in item 12.b. to set aside funds for workforce housing and transportation. These funds have been included as “assigned fund balance” in the General Fund Balance since that time. The Finance Department is directed to transfer those funds from the General Fund Balance to the Capital Improvements Projects (CIP) fund balance by June 30, 2022 so that those funds are available for use in the new fiscal year under the same restrictions as directed before.

**Section 12. Financial Policies GFOA updates.** The Government Finance Officers Association publishes best practices financial policies. The Town reviews the applicability of those policies and incorporates many of those into the Town’s policies. These are published annually in the budget document. Subjects addressed are:

1. Measurement Focus and Basis of Accounting
2. Fund Balance and Reserves
3. Grants
4. Debt Management
5. Investment
6. Accounting and Financial Reporting
7. Risk Management and Internal Controls
8. Procurement
9. Long-Term financial planning
10. Structurally balanced budget
11. Capital Assets
12. Capital Improvement Plan
13. Revenues
14. Expenditures
15. Operating Budget
16. Municipal Check Signing

The substance of the policies will be included in the annual budget document and the annual comprehensive financial report and available for public inspection.

**Section 13. 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 14. Effective Date.** This Ordinance shall be effective upon its enactment by the Town Council for the Town of Hilton Head Island.

Adopted Budget Ordinance


Proposed Ordinance No. 2022-12  
Page Six

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE  
TOWN OF HILTON HEAD ISLAND ON THIS 7th DAY OF June, 2022.**

  
\_\_\_\_\_

John McCann, Mayor

ATTEST:

  
\_\_\_\_\_  
Krista Wiedmeyer, Town Clerk  
Proposed Ordinance No. 2022-12  
Page Four

First Reading: 5/03/2022  
Public Hearing: 06/07/2022  
Revised First Reading: \_\_\_\_\_  
Second Reading: 06/07/2022

APPROVED AS TO FORM:

  
\_\_\_\_\_, Town Attorney

Introduced by Council Member: William D. Harkins



**TOWN OF HILTON HEAD ISLAND  
ADMINISTRATIVE STAFF  
2023 HOLIDAY SCHEDULE**

<b>New Year's Day 2023 (observed)</b>	<b>January 2, 2023 (Monday)</b>
<b>Martin Luther King, Jr. Day</b>	<b>January 16, 2023 (Monday)</b>
<b>Presidents Day</b>	<b>February 20, 2023 (Monday)</b>
<b>Memorial Day</b>	<b>May 29, 2023 (Monday)</b>
<b>Juneteenth Day</b>	<b>June 19, 2023 (Monday)</b>
<b>Independence Day</b>	<b>July 4, 2023 (Tuesday)</b>
<b>Labor Day</b>	<b>September 4, 2023 (Monday)</b>
<b>Veterans' Day (observed)</b>	<b>November 10, 2023 (Friday)</b>
<b>Thanksgiving Day</b>	<b>November 23, 2023 (Thursday)</b>
<b>Day after Thanksgiving</b>	<b>November 24, 2023 (Friday)</b>
<b>Christmas Day</b>	<b>December 25, 2023 (Monday)</b>
<b>Day after Christmas</b>	<b>December 26, 2023 (Tuesday)</b>
<b>New Year's Day 2024</b>	<b>January 1, 2024 (Monday)</b>

## Glossary of Terms

**Account** – A separate financial reporting unit. All budgetary transactions are recorded in accounts.

**Accrual Basis of Accounting** – A method of accounting where revenues are recorded when service is given and expenditures are recognized when the benefit is received.

**Ad Valorem Tax** – A tax levied on the assessed value (net of any exemptions) of real or personal property as certified by the property appraiser in each county. This is commonly referred to as property tax.

**Adopted Budget** – The financial plan of revenues and expenditures for a fiscal year as approved by the Town Council.

**Amortization** – The expiration of intangible assets due to the passage of time.

**Appropriation** – A specific amount of money authorized by the Town Council for the purchase of goods or services.

**Assessed Property Value** – A value established by the County's property appraiser for all real or personal property for use as a basis for levying ad valorem (property) taxes.

**Audit** – An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

**Balanced Budget** – A budget in which planned funds or revenues available are equal to fund planned expenditures.

**BCSO** – Beaufort County Sheriff's Office.

**Beach Preservation Fees Fund** – Used to preserve the general health, safety and welfare of the public within the Town of Hilton Head Island, by creating an additional fund to pay, in whole or in part, for the current and future preservation, maintenance, nourishment, re-nourishment, and improvement of the beaches of Hilton Head Island, and also those public facilities related to the use, preservation, maintenance, nourishment, re-nourishment, and improvement of the beaches.

**EDC** – Beaufort County Economic Development Corporation.

**Bonds** – A certificate of debt issued by an entity, guaranteeing payment of the original investment, plus interest, by a specified future date.

**Bond Anticipation Note (BAN)** - is a short-term interest-bearing security issued in advance of a future **bond** issue. **Bond anticipation notes** are issued by governments, such as local municipalities, wishing to generate funds for upcoming projects.

**Budget Amendment** – A change to an adopted budget that may increase or decrease a department's or fund's total budget. The Town Council must approve budget amendments.

**Budget Calendar** – A budget calendar is a schedule of key dates which the Town follows in preparation, adoption and administration of the budget.

**Budget Transfer** – A budget transfer is a change to the allocation of budget funds within a department or between departments within a fund.

**Build-out** – That time in the life cycle of the Town when no incorporated property remains undeveloped. All construction from this point forward is renovation, retrofitting or land cleared through the demolition of existing structures.

## Glossary of Terms

**Capital Improvement Program (CIP)** – A plan of capital expenditures to be incurred each year over a period of ten future years, setting forth each capital project, the amount to be expended in each year and the method of financing those expenditures.

**Capital Equipment (Assets)** – Capital equipment is defined by the government as furniture/equipment with an initial cost of \$5,000 or and an estimated useful life in excess of two years.

**Capital Software (Assets)** – Capital software is defined by the government as software with an initial cost of \$50,000 or and an estimated useful life in excess of two years.

**CAFR (Comprehensive Annual Financial Report)** – Financial report that contains, at a minimum, three sections: 1) introductory, 2) financial, 3) statistical, and whose financial section provides information on each individual fund and component unit.

**CDBG** – The Community Development Block Grant (CDBG) Entitlement Program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.

**CD Services** – Community Development Services; administrative support for the Town’s Community Development Department.

**COBRA** – Consolidated Omnibus Budget Reconciliation Act of 1985; is a law passed by the U.S. Congress on a reconciliation basis and signed by President Ronald Reagan that, among other things, mandates an insurance program which gives some employees the ability to continue health insurance coverage after leaving employment.

**Comprehensive Plan** – Developed pursuant to the provisions of the South Carolina Code of Laws Section 6-29-510 et seq, the Comprehensive Plan is intended to guide the development and redevelopment of lands within the Town, consistent with the physical, social, and fiscal environment.

**Contingency** – A budgetary reserve to provide for emergency or unanticipated expenditures during the fiscal year. These funds, if not used, lapse at year end. This is not the same as fund balance.

**Debt Service** – The payment of principal and interest on borrowed funds such as bonds.

**Defeasance** – Netting of outstanding liabilities and related assets on the statement of financial position. Most refunds result in the defeasance of the refunded debt.

**Deferred** – Postponement of the recognition of an expense already paid or a revenue already received.

**Department** – A basic organizational unit of the Town which is functionally unique in its service provided.

**Depreciation** – The decrease in value of physical assets due to use and the passage of time.

**Division** – A sub-organizational unit of a Department which is functionally unique in its service provided.

**Encumbrance** – The commitment of appropriated (budgeted) funds to purchase goods or services. To encumber sets aside those funds for the future when the goods and services have been legally committed.

**Enterprise Fund** – Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

**Expenditure (Governmental Fund)/Expense (Proprietary/Enterprise Fund)** – The disbursement of appropriated funds to pay for goods and/or services.

**Fines and Forfeitures** – Consists of a variety of fees, fines and forfeitures collected by the state court system, including bail forfeitures, garnishments, legal defenders recoupment and juror/witness fees.

## Glossary of Terms

**Fiscal Year** – Any period of 12 consecutive months designated as the budget year. The fiscal year for the Town is July 1 through June 30.

**Fixed Asset** – Things the Town owns that cost a considerable amount and has a useful life exceeding two years.

**FMLA** – The Family and Medical Leave Act of 1993 is a United States federal law requiring covered employers to provide employees job-protected and unpaid leave for qualified medical and family reasons. Qualified medical and family reasons include: personal or family illness, family military leave, pregnancy, adoption, or the foster care placement of a child.

**Franchise Fee** – Charges to utilities for exclusive/non-exclusive rights to operate within municipal boundaries. Examples are electricity, telephone, cable television, and solid waste.

**FTE (Full-Time Equivalent)** – A measurement equal to one person working a full-time schedule for one year.

**Fund** – A self-balancing accounting entity segregated to carry on specific activities or attain certain objectives to meet legal requirements or Generally Accepted Accounting Principles.

**Fund Balance** – Equals the equity in each fund.

**GAAP** – Generally Accepted Accounting Principles

**General Fund** – This is considered the Town’s operating fund. This fund is used to account for all financial resources, property tax revenues (major revenue source), as well as other general revenue sources that will be used to support services that are provided on a Townwide basis.

**GFOA (Government Finance Officers Association)** – An association of public finance professional that has played a major role in the development and promotion of GAAP for state and local governments since its inception in 1906.

**Goal** – A broad statement of intended accomplishments or a description of a general condition deemed desirable.

**Governmental Funds** – Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. The Town has no permanent funds.

**Grant** – A commitment of resources from one organization to another.

**Gullah/Geechee** – The Gullah/Geechee Nation exist from Jacksonville, NC to Jacksonville, FL. It encompasses all of the Sea Islands and thirty to thirty-five miles inland to the St. John’s River. On these islands, people from numerous African ethnic groups linked with indigenous Americans and created the unique Gullah language and traditions from which later came “Geechee.” The Gullah/Geechee people have been considered “a nation within a nation” from the time of chattel enslavement in the United States until they officially became an internationally recognized nation on July 2, 2000.

**Hospitality Tax** – A two percent (2%) tax on the sale of prepared meals and beverages, sold in establishments with or without licenses for on-premises consumption of alcoholic beverages, beer or wine.

**Intergovernmental Revenue** – Revenue received from or through the Federal, State, or County government.

**LMO** – Land Management Ordinance; The purpose and intent of the LMO is to guide the development and use of property in accordance with the Town's Comprehensive Plan and existing and future needs of the Town in order to protect, promote, and improve the public health, safety, morals, convenience, order, appearance, prosperity, and general welfare of the landowners and residents of the Town.

## Glossary of Terms

**LRTA (Palmetto Breeze)** – The Palmetto Breeze provides a wide variety of public transportation services in five Lowcountry counties (Lowcountry Regional Transportation Authority).

**Major Fund** – Governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor’s report.

**MASC** - Municipal Association of South Carolina; is a government sector lobbying association in South Carolina.

**Mil** – A taxation unit equal to one dollar of tax obligation for every \$1,000 of assessed valuation of property.

**Millage** – The total tax obligation per \$1,000 of assessed valuation of property.

**Mission Statement** – A statement that identifies the particular purpose and function of a department.

**MPO** - Metropolitan Planning Organization; Is a transportation policy-making organization made up of representatives from local government and transportation authorities, and created to ensure existing and future expenditures for transportation projects and programs were based on a comprehensive, cooperative, and continuing planning process. The role of the MPO includes: establishing a local forum for transportation decision making; evaluating transportation alternatives; developing and updating a long-range transportation plan; developing a Transportation Improvement Program of projects; and involving the public. Funds from the Federal Highway Administration are distributed to the State and then to MPOs for these transportation projects.

**NAICS** - The North American Industry Classification System or NAICS (pronounced "nakes") is used by business and government to classify business establishments according to type of economic activity (process of production) in [Canada](#), [Mexico](#), and the [United States of America](#). It has largely replaced the older [Standard Industrial Classification](#) (SIC) system; however, certain government departments and agencies, such as the [U.S. Securities and Exchange Commission](#) (SEC), still use the [SIC codes](#).

**Non-Departmental (Townwide)** – Refers to activities, revenues and expenditures that are not assigned to a particular department.

**Non-Major Fund** – A Special Revenue Fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**Objective** – Something to be accomplished in specific, well-defined, measurable terms and that is achievable within a specific time frame.

**Operating Expenditures/Expenses** – Disbursements for goods and services purchased that are consumable in nature or equipment purchases that have a useful life of less than one year.

**Operating Budget** – A budget for general expenses as distinct from financial transactions or permanent improvements such as salaries and benefits, operating equipment/supplies, utilities, insurance, etc.

**Ordinance** – The formally adopted Town Council documents that provides the legal authority to levy taxes and expend funds.

**Palmetto Breeze (LRTA)** – The Palmetto Breeze provides a wide variety of public transportation services in five Lowcountry counties (Lowcountry Regional Transportation Authority).

**Performance Measure** – Data measurement used to determine how effective and/or efficient a program is in achieving its objectives.

**Personnel Expenditures/Expenses** – Disbursements for salaries, wages, and all related fringe benefits.

**Property Tax** – Taxes levied on all non-exempt real and personal property located within a county. Property taxes are computed by multiplying the total of all millage rates (for each taxing authority within a county) by the assessed value of the property.

## Glossary of Terms

**Proprietary Fund** – A proprietary fund may be classified into one of two fund types. Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services. Internal service funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost re-imbusement basis.

**Public Hearing** – A special publicly noticed meeting conducted by the Town to consider and adopt the annual budget.

**Real Estate Transfer Fees Fund** – Real estate transfer fees are used to (a) acquire fee and less than fee interest in land while it is still available to be held in perpetuity as wildlife preserves or believed to be needed by the public in the future for active and passive recreation uses and scenic easements, to include the following types of land: ocean, harbor and pond frontage in the form of beaches, dunes and adjoining backlands; barrier beaches; fresh and saltwater marshes and adjoining uplands; land for bicycle paths; land protecting existing and future; public water supply, well fields, highway buffering and aquifer recharge areas; and land for wildlife preserves; and land for future public recreational facilities, (b) acquire already developed land or development rights in order to convert its use to a public use, to restore the property to open space, or to redefine that property in accordance with the Town's current comprehensive plan and dispose of it as soon as possible.

**Real Property** – Land and the buildings or structures erected upon such land.

**Revenue** – Monies received from all sources (with the exception of fund balances) that are used to fund expenditures in a given fiscal year.

**Revised Budget** – The adopted budget as formally amended by Town Council.

**RFP** - request for proposal; is a type of bidding solicitation in which a company or organization announces that funding is available for a particular project or program, and companies can place bids for the project's completion.

**Tax Increment Financing (TIF)** – a method of funding public investments in an area slated for redevelopment by capturing for a time, all or a portion of the increased tax revenue that may result when the redevelopment stimulates private investment. As private investments add to the tax base within the redevelopment area, the increased tax revenues are placed in a special fund that can only be used for public purposes permitted by law.

**SFU** or "Single-family unit" – Is the average impervious area of a single-family detached residential dwelling unit located within the Town.

**SIC** - Standard Industrial Classification (SIC) codes are four-digit numerical codes assigned by the U.S. government to business establishments to identify the primary business of the establishment. The classification was developed to facilitate the collection, presentation and analysis of data; and to promote uniformity and comparability in the presentation of statistical data collected by various agencies of the federal government, state agencies and private organizations. The classification covers all economic activities. In the United States the SIC code is being supplanted by the six-digit [North American Industry Classification System](#) (NAICS code), which was released in 1997; however certain government departments and agencies, such as the [U.S. Securities and Exchange Commission](#) (SEC), still use the SIC codes.

## Glossary of Terms

**Special Revenue Fund** – Governmental fund type used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects and exclusive of resources held in trust for individuals, private organizations, or other governments.

**State EMD** - The South Carolina Emergency Management Division is the coordinating agency responsible for the statewide emergency management program.

**Stormwater drainage system** – Is the system of publicly or privately owned or operated rivers, creeks, ditches, drainage channels, pipes, basins, street gutters, and ponds within the Town through which or into which storm water runoff, surface water, or subsurface water is conveyed or deposited.

**Taxable Value** – The assessed value of real property

**Ten-Year Capital Plan** (also known as a Capital Improvement Program (CIP)) – A plan of capital expenditures to be incurred each year over a period of ten future years, setting forth each capital project, the amount to be expended in each year and the method of financing those expenditures, when known.

**Unemployment Compensation** – Amount used to make unemployment compensation payments to former employees.

**Workers' Compensation** – Premiums and deductible amounts paid for Workers' Compensation coverage.

# THE TOWN OF HILTON HEAD ISLAND SOUTH CAROLINA



### Acknowledgement:

A special thanks to April Akins for her generous contribution of time and photographs that help share some of the character of our Island.