

Town of Hilton Head Island

FY 2024 PROPOSED CONSOLIDATED BUDGET

Town Council Meeting // June 6, 2023



TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED CONSOLIDATED BUDGET OUTLINE

- ❑ FY24 Proposed Consolidated Budget Goals
- ❑ FY24 Proposed Consolidated Budget Overview
- ❑ FY24 Proposed Consolidated Budget Review & Approval Process



TOWN OF HILTON HEAD ISLAND

FY 2024 CONSOLIDATED BUDGET GOALS

❑ Deliver Town Council Strategic Plan Priorities – Top 15 Priorities are Budgeted:

- 1. Establish a Growth Management Strategy**
 - *Community Development Budget*
- 2. Implement Workforce Housing Framework**
 - *New Housing Fund Budget*
- 3. Adopt Major Corridor/Street Enhancement Policies**
 - *Community Development / CIP Budgets*
- 4. Develop William Hilton Parkway Gateway Corridor Plan**
 - *Community Development / CIP Budgets*
- 5. Commence Operations of the Gullah Geechee Historic Neighborhoods Community Development Corporation**
 - *New GGHNDC Fund Budget*
- 6. Identify Strengths, Weaknesses, Opportunities & Threats of Resiliency and establish an Island Resiliency Plan**
 - *Community Development / Stormwater Budgets*



TOWN OF HILTON HEAD ISLAND

FY 2024 CONSOLIDATED BUDGET GOALS

❑ Deliver Town Council Strategic Plan Priorities – Top 15 Priorities are Budgeted:

7. **Implement the Capital Improvement Program**
 - *Community Development / CIP Budget*
8. **Update the Town's Land Acquisition Manual**
 - *Community Development Budget*
9. **Conduct a Strengths, Weaknesses, Opportunities & Threats (SWOT) of Solid Waste & Recycling**
 - *Community Development Budget*
10. **Implement the Destination Marketing Organization (DMO) Marketing Plan & Measure Performance**
 - *ATAX Funding*
11. **Short-Term Rental Assessment and Program Implementation**
 - *Technology & Innovation, Finance, Public Safety and other General Fund Budgets*
12. **Assess Alternative Revenue Sources and Funding Opportunities**
 - *General Fund and Stormwater Fund Budgets*



TOWN OF HILTON HEAD ISLAND

FY 2024 CONSOLIDATED BUDGET GOALS

- ❑ **Deliver Town Council Strategic Plan Priorities – Top 15 Priorities are Budgeted:**
 - 13. Complete Implementation of the Gullah Geechee Task Force Work Plan**
 - *Community Development Budget*
 - 14. Assist with St. James Church Mitigation/Relocation Plan**
 - *Funded by the FAA, South Carolina, Beaufort County, and the Town of Hilton Head Island*
 - 15. Implement Beach Park Enhancements**
 - *CIP Budget*
- ❑ **Establish a lean operating budget and continue to refine year over year**
- ❑ **Enhance customer service, innovation and employee engagement**
- ❑ **Invest in impactful community infrastructure**
- ❑ **Form a resilient Hilton Head Island community - use the consolidated budget as a CATALYST to implement positive change & improvement**



TOWN OF HILTON HEAD ISLAND

FY 2024 CONSOLIDATED BUDGET HIGHLIGHTS

- ✓ Priority-based budget that is funding the Town's Strategic Plan Initiatives
- ✓ Increased Fund Balances due to prior year unspent funds, as well as Fund Balance Policy improvements
- ✓ No change in Property Tax rate with the expectation of a reduction after reassessment
- ✓ Two years of strong non-property tax revenue collections are now being reflected in the budget
- ✓ Enhanced revenues through growth related application fee enhancements
- ✓ State ATAX funding to increase support of both the General Fund and Capital Projects Fund



TOWN OF HILTON HEAD ISLAND

FY 2024 CONSOLIDATED BUDGET HIGHLIGHTS

- ✓ Reduced various line-item expenditure budgets through careful analysis of year over year spending
- ✓ Funding for Sewer Connection and Home Safety and Repair Programs
- ✓ Addition of two new Funds:
 - Gullah Geechee Historic Neighborhoods Community Development Corporation
 - Housing Fund
- ✓ Funds provided for Housing and Land Acquisition without detriment to employees, operations, or fund balances



| TOWN OF HILTON HEAD ISLAND

REPRESENTATIVE COMMENTS FROM BOND RATERS

- ✓ Strong Financial Performance
- ✓ Consistent Operations
- ✓ Long-term trend of maintaining strong reserves
- ✓ Very strong economy
- ✓ Very strong management
- ✓ Budgetary Flexibility
- ✓ Environmental – more susceptible to weather events
- ✓ A resiliency plan will enhance the Town's preparedness and stature
- ✓ *Credit outlook -- stable*



TOWN OF HILTON HEAD ISLAND

FY 2024 CONSOLIDATED BUDGET HIGHLIGHTS

| New Positions | Value Added | Start Date | Funding Source |
|--|---|----------------------------|--|
| Assistant Finance Director | Many complex financial projects | July 1, 2023 | Property Tax / Business License / STR |
| Marketing & Engagement Director | Maximizes citizen awareness, input and participation in all aspects of city government, including DMO | July 1, 2023 | ATAX / Business License |
| Beach Facilities Technician | Increase in beach operations / enhance beach experience | July 1, 2023 | Beach / ATAX / STR / BL / Property Tax |
| Grounds Crew | Enhance landscape / hardscape & contract management | July 1, 2023 | Beach / ATAX / STR / BL / Property Tax |
| 2 Construction Project Managers | Execution of CIP projects | July 1, 2023 & Jan 1, 2024 | Beach / ATAX / STR / BL / Property Tax |
| 2 Firefighters | Respond to the increase in calls | July 1, 2023 | ATAX / STR / Business License |
| Fire Rescue Communications & Marketing Administrator | Establish a greater social media presence, promote & market accomplishments, share public information, recruitment of Fire Rescue personnel | July 1, 2023 | ATAX / STR / Property Tax |
| Fire Inspector | Respond to the increase in workload to conduct required inspections | July 1, 2023 | STR / Business License |
| Mechanic | Respond to the increase in Town's fleet and maintain excellent service | July 1, 2023 | ATAX / Property Tax / Business License |
| EMS Lieutenant | New program expectations require a medically trained individual | July 1, 2023 | EMS Fee |
| SWU Maintenance Administrator (SWU Fund) | Respond to demands on pump station and routine maintenance | July 1, 2023 | SWU Fee |
| SWU Inspector (SWU Fund) | Implementation of additional inspections and plan reviews | July 1, 2023 | SWU Fee |

I TOWN OF HILTON HEAD ISLAND

FY 2024 CONSOLIDATED BUDGET HIGHLIGHTS

- ✓ Includes several part-time & seasonal employees:
 - Fire Rescue Operations & Dispatch
 - Office of Cultural Affairs
 - Communications
 - Community Development
 - Technology & Innovation
 - Facilities Management – Seasonal Beach Ambassadors

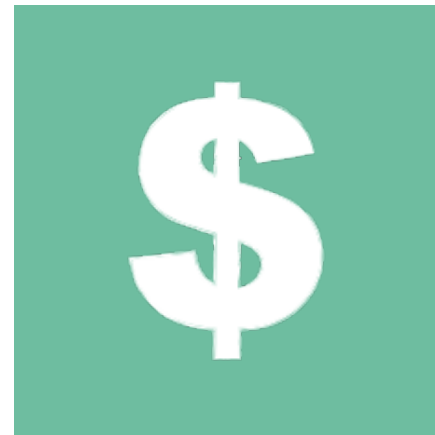
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TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED CONSOLIDATED BUDGET OVERVIEW

SIX MAJOR FUNDS



General Fund

Stormwater Utility Fund



Capital Projects Fund

Debt Service Fund

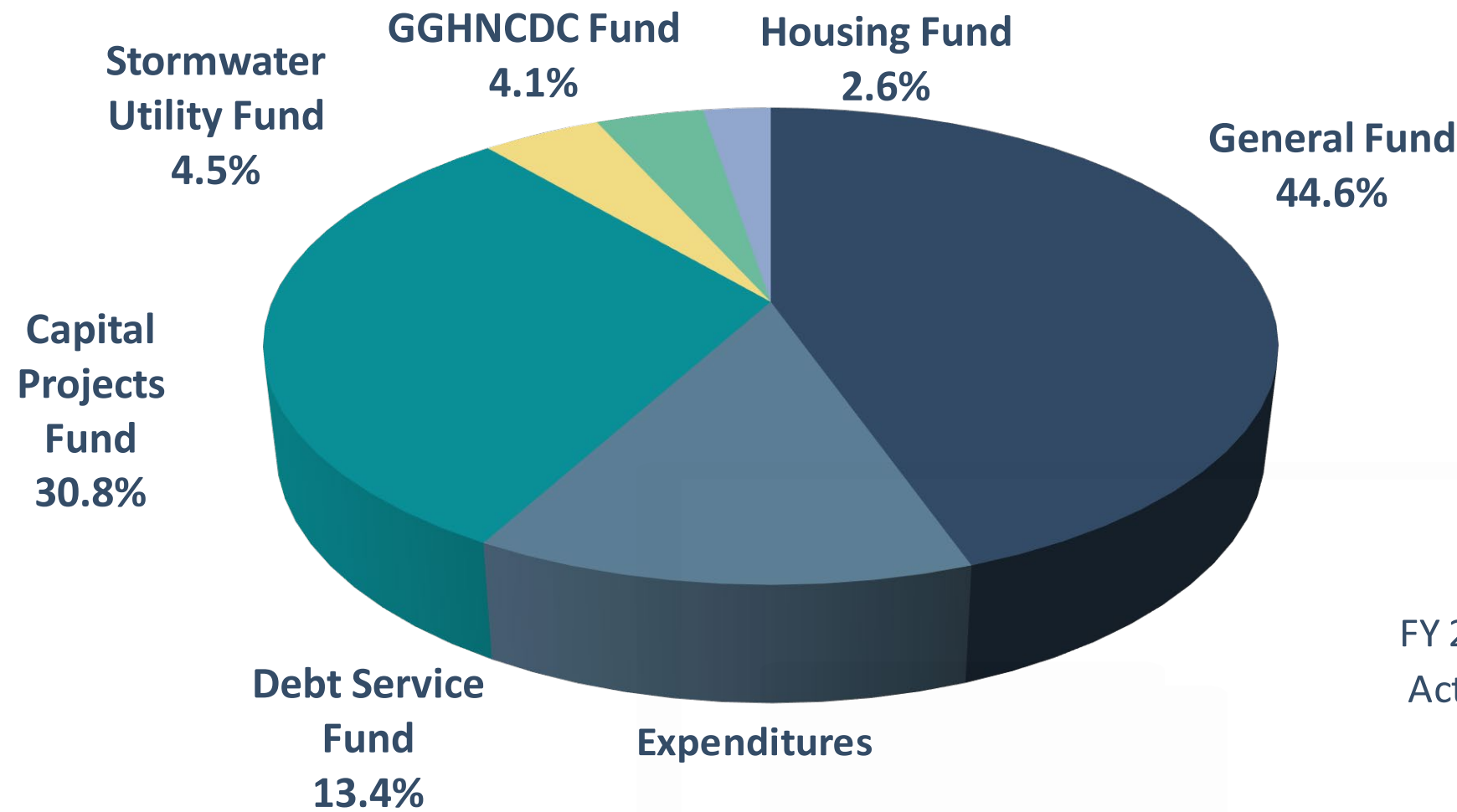


Gullah Geechee Historic Neighborhoods
Community Development Corporation Fund

Housing Fund

TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED CONSOLIDATED BUDGET



Expenditures

| |
|-------------------------|
| General Fund |
| Debt Service Fund |
| Capital Projects Fund |
| Stormwater Utility Fund |
| Subtotal |
| GGHNCDC Fund |
| Housing Fund |
| Consolidated Budget |

| | FY 2021 Actual | FY 2022 Actual | FY 2023 Original Budget | FY 2024 Proposed Budget | Compared to FY23 Original Budget | |
|-------------------------|----------------------|----------------------|-------------------------------|-------------------------------|-------------------------------------|-------------|
| | | | | | \$ Change | % Change |
| General Fund | \$ 40,959,948 | \$ 43,641,527 | \$ 48,621,804 | \$ 57,980,977 | \$ 9,359,173 | 19.2% |
| Debt Service Fund | 19,815,012 | 19,330,666 | 19,374,081 | 17,397,233 | \$ (1,976,848) | -10.2% |
| Capital Projects Fund | 14,061,999 | 7,554,151 | 45,671,933 | 39,993,081 | \$ (5,678,852) | -12.4% |
| Stormwater Utility Fund | 4,893,127 | 4,589,552 | 5,833,296 | 5,885,817 | \$ 52,521 | 0.9% |
| Subtotal | 79,730,086 | 75,115,896 | 119,501,114 | 121,257,108 | 1,755,994 | 1.5% |
| GGHNCDC Fund | - | - | - | 5,343,185 | \$ 5,343,185 | 0.0% |
| Housing Fund | - | - | - | 3,350,000 | \$ 3,350,000 | 0.0% |
| Consolidated Budget | \$ 79,730,086 | \$ 75,115,896 | \$119,501,114 | \$129,950,293 | \$ 10,449,179 | 8.7% |

This year the Town has six funds, up from four last year

TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED CONSOLIDATED BUDGET REVENUES

| Revenues | FY 2022 Actual | FY 2023 Original Budget | FY 2024 Proposed Budget | \$ Change FY 2023 Original | % Change FY 2023 Original |
|---|----------------------|-------------------------------|-------------------------------|-------------------------------------|------------------------------------|
| Property Taxes | \$ 21,972,298 | \$ 21,425,825 | \$ 22,412,300 | \$ 986,475 | 4.6% |
| Business License | 14,110,311 | 10,600,393 | 12,421,015 | \$ 1,820,622 | 17.2% |
| Franchise Fees | 1,136,607 | 996,752 | 1,020,402 | \$ 23,650 | 2.4% |
| Stormwater Utility Fees | 5,081,075 | 5,044,000 | 5,104,075 | \$ 60,075 | 1.2% |
| Local Accomodations Tax | 7,026,531 | 4,779,690 | 7,034,520 | \$ 2,254,830 | 47.2% |
| EMS Revenue | 2,016,643 | 1,838,000 | 2,117,000 | \$ 279,000 | 15.2% |
| Permits & Fees | 2,001,046 | 2,468,323 | 4,100,225 | \$ 1,631,902 | 66.1% |
| Intergovernmental | 633,244 | 915,878 | 926,755 | \$ 10,877 | 1.2% |
| Lease | - | 7,742,473 | 7,944,420 | \$ 201,947 | 2.6% |
| Grants | 323,047 | 3,606,111 | 6,409,043 | \$ 2,802,932 | 77.7% |
| Interest Income | 85,181 | 67,750 | 719,315 | \$ 651,565 | 961.7% |
| Misc Income* | 1,233,945 | 3,563,433 | 3,622,271 | \$ 58,838 | 1.7% |
| Total Revenues | \$ 55,619,928 | \$ 63,048,628 | \$ 73,831,341 | \$ 10,782,713 | 17.1% |
| Other Financing Sources | | | | | |
| Transfers In | 24,550,756 | 55,683,190 | 54,547,835 | \$ (1,135,355) | -2.0% |
| FY23 Prior Year Funds | - | 769,296 | 1,571,117 | \$ 801,821 | 104.2% |
| Total Other Financing Sources | 24,550,756 | 56,452,486 | 56,118,952 | \$ (333,534) | -0.6% |
| Total Revenues and Other Financing Sources | \$ 80,170,684 | \$ 119,501,114 | \$ 129,950,293 | \$ 10,449,179 | 8.7% |

*Permits & Fees Includes (Fund):

- Construction Permits (GF)
- Development Permits (GF)
- Short Term Rental Permits (GF)
- Other Permit Fees (GF)
- Stormwater Plan Review Fees (SWU)

*Miscellaneous Income Includes (Fund):

- Beach Services (GF)
- Other Revenue (GF)
- Impact Fees (CIP)
- Capital (CIP)
- Sale of Land / Equipment (CIP)

Transfers In Includes (Fund):

- Hospitality Tax (GF / Debt / CIP)
- Beach Fee (GF / Debt / CIP)
- TIF (GF / Debt / CIP)
- State ATAX (GF / CIP)
- Real Estate Transfer Fee (Debt / CIP)
- Stormwater Fee (GF / CIP)
- Road Usage Fee (CIP)
- Electric Franchise Fee (GF / CIP)
- Capital (Housing)

Prior Year Funds Include (Fund):

- General Fund (GF)
- Stormwater Fee (SWU)

TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED CONSOLIDATED BUDGET REVENUES TRANSFERS-IN PER FUND

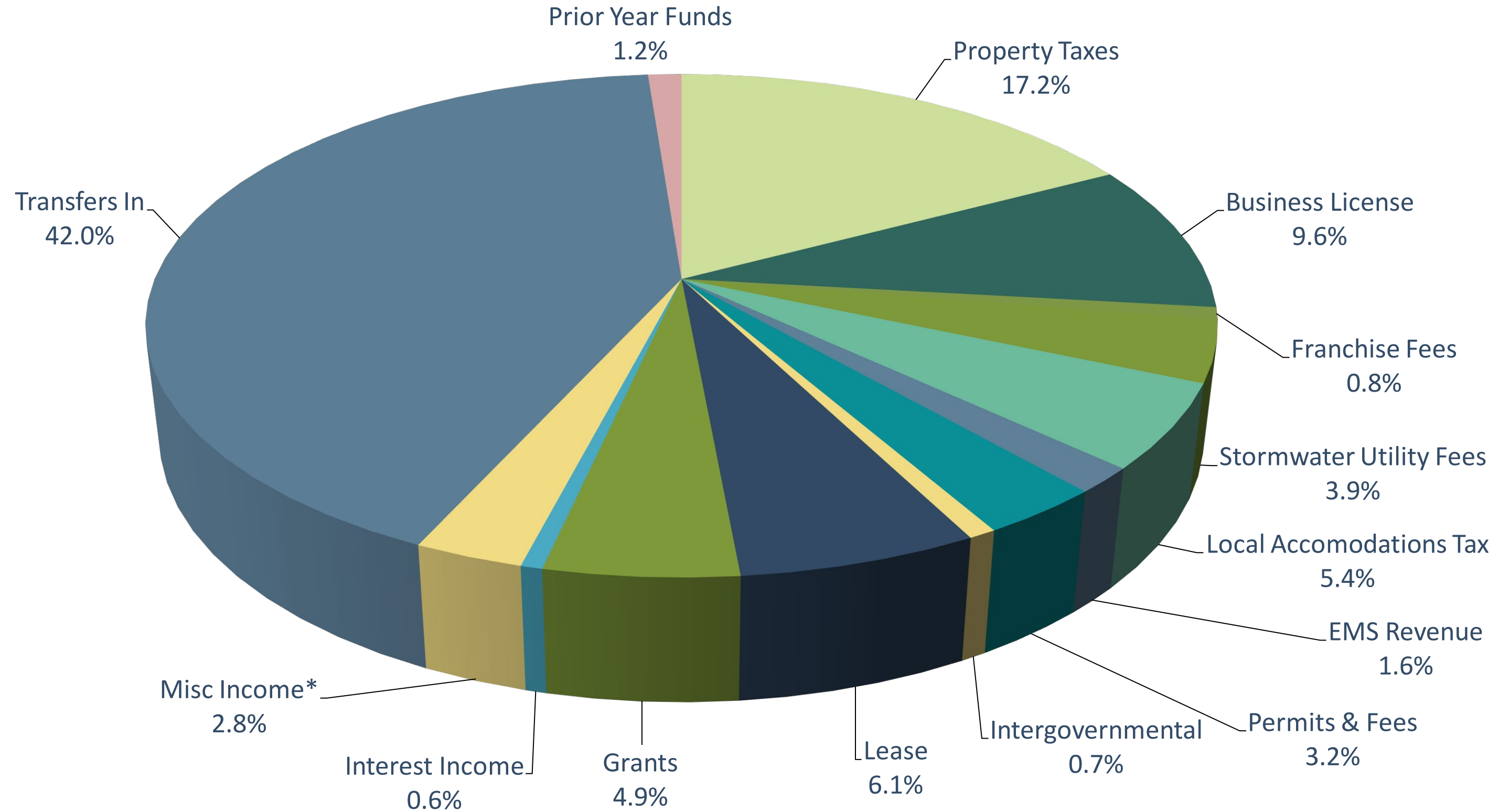
| Transfers In | FY 2023 Total | General Fund | Debt Service Fund | CIP | Housing | FY 2024 Total |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|
| Hospitality Taxes | \$ 13,492,587 | \$ 5,062,424 | \$ 1,937,134 | \$ 2,360,000 | \$ - | \$ 9,359,558 |
| Beach Preservation Fees | 8,785,883 | 1,983,508 | 4,448,375 | 6,556,000 | - | 12,987,883 |
| Tax Increment Financing (TIF) | 8,267,799 | 110,000 | 3,931,259 | 4,379,500 | - | 8,420,759 |
| State Accommodation Taxes | 5,554,211 | 3,515,021 | - | 3,000,000 | - | 6,515,021 |
| Real Estate Transfer Fees | 1,097,350 | - | 1,595,850 | 400,000 | - | 1,995,850 |
| Stormwater Fees | 955,000 | 125,000 | - | 860,000 | - | 985,000 |
| General Fund | - | - | - | - | 2,000,000 | 2,000,000 |
| Road Usage Fees | 3,508,555 | - | - | 3,600,000 | - | 3,600,000 |
| Electric Franchise Fees | 9,283,922 | 540,603 | - | 7,793,161 | - | 8,333,764 |
| Short Term Rental Fees (1) | 1,200,118 | - | - | - | - | - |
| Natural Disaster Fund (2) | 3,537,765 | - | - | - | - | - |
| Capital Projects Fund | - | - | - | - | 350,000 | 350,000 |
| Total | \$ 55,683,190 | \$ 11,336,556 | \$ 11,912,618 | \$ 28,948,661 | \$ 2,350,000 | \$ 54,547,835 |

(1) In FY24 Short Term Rental Fees are included in the General Fund Permits & Fees. The budget amount is \$1,750,000.

(2) The 5 mills dedicated to the Natural Disaster Fund has expired. FY 2023 was the first year after the expiration.

TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED CONSOLIDATED BUDGET REVENUES



The Town's diversity in revenue sources is a significant financial strength

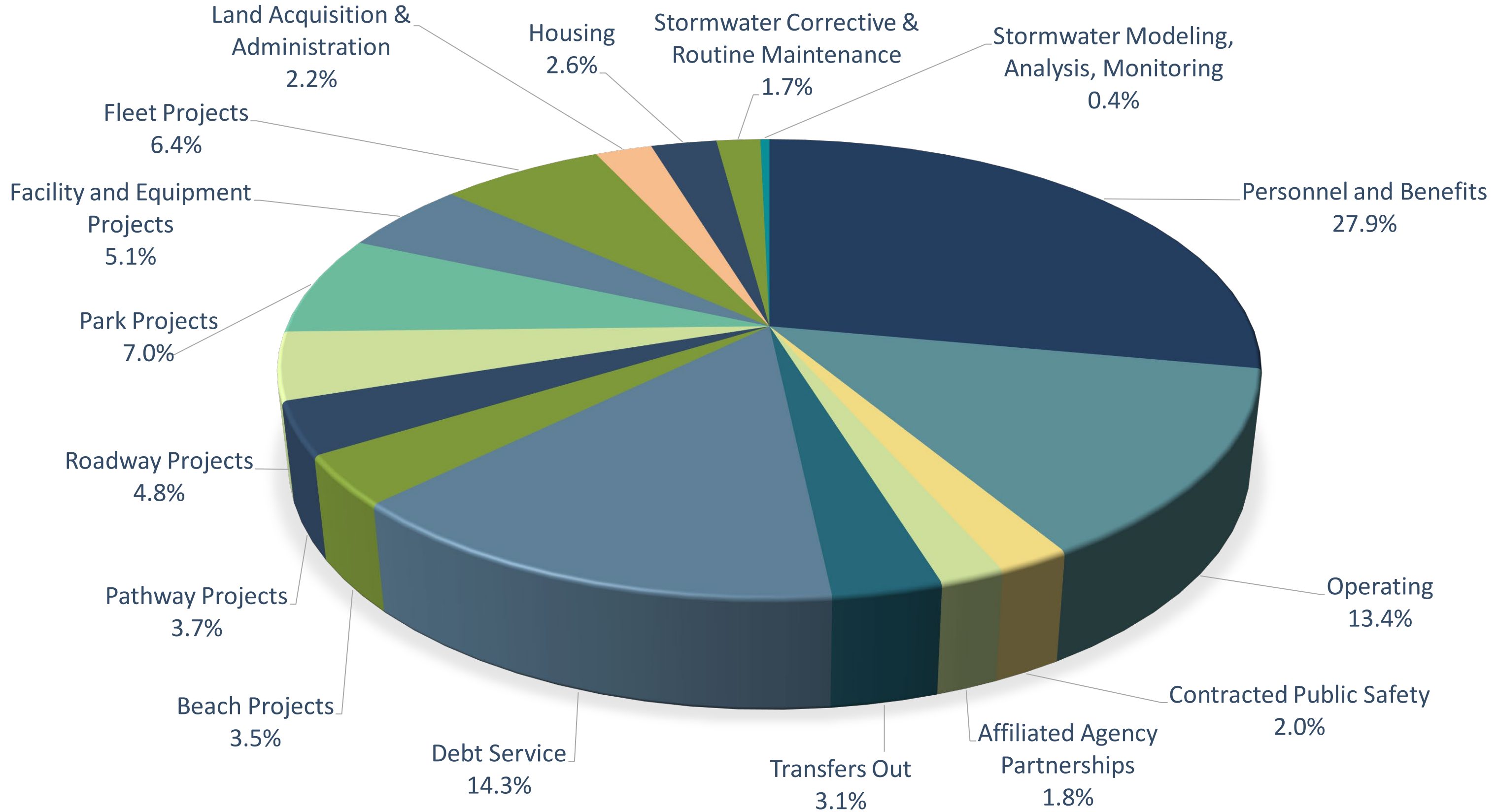
TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED CONSOLIDATED BUDGET EXPENDITURES

| | FY 2022 Actual | FY 2023 Original Budget | FY 2024 Proposed Budget | \$ Change FY2023 Original | % Change FY2023 Original | % of Budget |
|---|-------------------|-------------------------------|-------------------------------|---------------------------------|--------------------------------|----------------|
| Personnel and Benefits | \$ 27,474,786 | \$ 31,025,827 | \$ 36,314,651 | \$ 5,288,824 | 17.0% | 27.9% |
| Operating | 11,638,827 | 13,378,121 | 17,465,365 | \$ 4,087,244 | 30.6% | 13.4% |
| Contracted Public Safety | 2,520,709 | 2,674,762 | 2,644,456 | \$ (30,306) | -1.1% | 2.0% |
| Affiliated Agency Partnerships | 2,162,424 | 2,291,590 | 2,363,994 | \$ 72,404 | 3.2% | 1.8% |
| Transfers Out | 2,708,875 | 955,000 | 3,985,000 | \$ 3,030,000 | 317.3% | 3.1% |
| Debt Service | 20,527,821 | 20,698,881 | 18,630,566 | \$ (2,068,315) | -10.0% | 14.3% |
| Beach Projects | 547,974 | 2,850,000 | 4,556,000 | \$ 1,706,000 | 59.9% | 3.5% |
| Pathway Projects | 143,596 | 4,724,000 | 4,810,000 | \$ 86,000 | 1.8% | 3.7% |
| Roadway Projects | 434,882 | 8,153,842 | 6,204,465 | \$ (1,949,377) | -23.9% | 4.8% |
| Park Projects | 4,091,113 | 13,795,235 | 9,129,500 | \$ (4,665,735) | -33.8% | 7.0% |
| Facility and Equipment Projects | 1,925,916 | 6,302,650 | 6,563,696 | \$ 261,046 | 4.1% | 5.1% |
| Fleet Projects | 371,528 | 8,166,945 | 8,329,420 | \$ 162,475 | 2.0% | 6.4% |
| Land Acquisition & Administration | 39,142 | 300,000 | 2,900,000 | \$ 2,600,000 | 866.7% | 2.2% |
| Housing | - | 1,379,261 | 3,350,000 | \$ 1,970,739 | 142.9% | 2.6% |
| Stormwater Corrective & Routine Maintenance | 289,295 | 2,100,000 | 2,240,000 | \$ 140,000 | 6.7% | 1.7% |
| Stormwater Modeling, Analysis, Monitoring | 239,008 | 705,000 | 463,180 | \$ (241,820) | -34.3% | 0.4% |
| Other Capital Outlay | - | - | - | \$ - | 0.0% | 0.0% |
| Total Expenditures | 75,115,896 | 119,501,114 | 129,950,293 | \$ 10,449,179 | 8.7% | 100.0% |

TOWN OF HILTON HEAD ISLAND

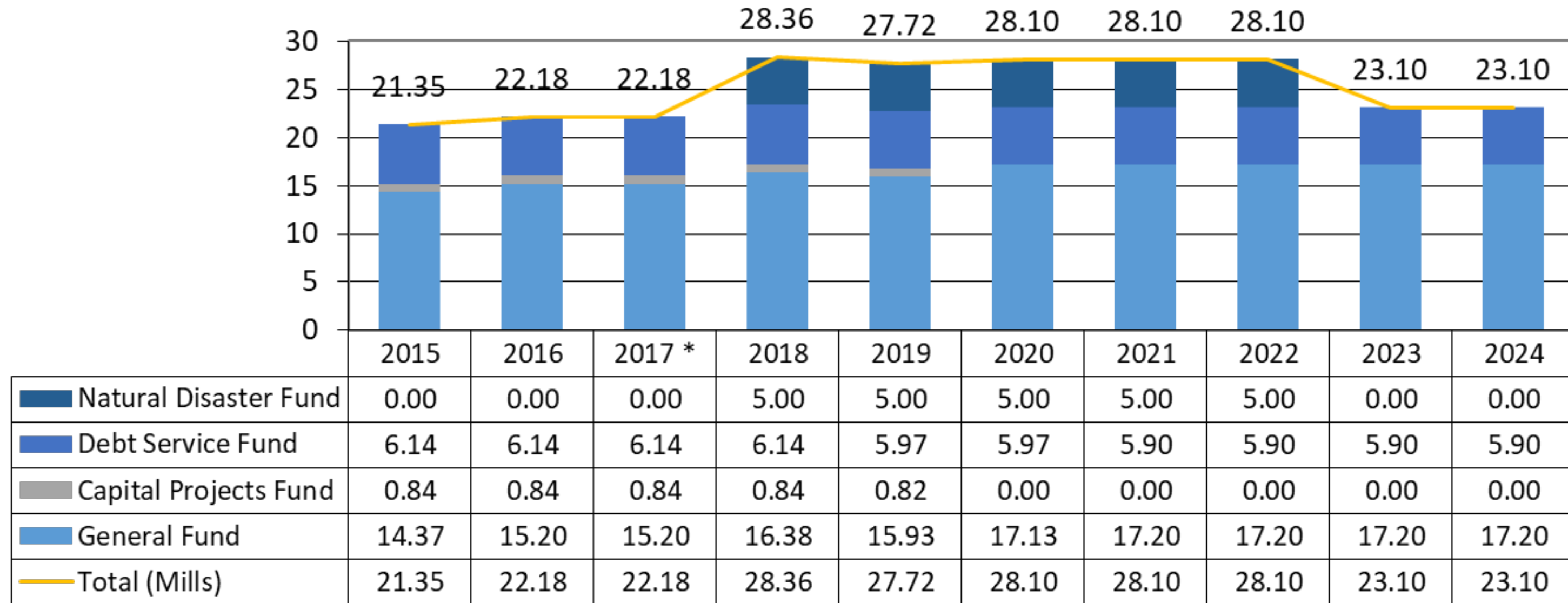
FY 2024 PROPOSED CONSOLIDATED BUDGET EXPENDITURES



There are many facets to Town operations and investments

TOWN OF HILTON HEAD ISLAND

HISTORICAL MILLAGE RATES



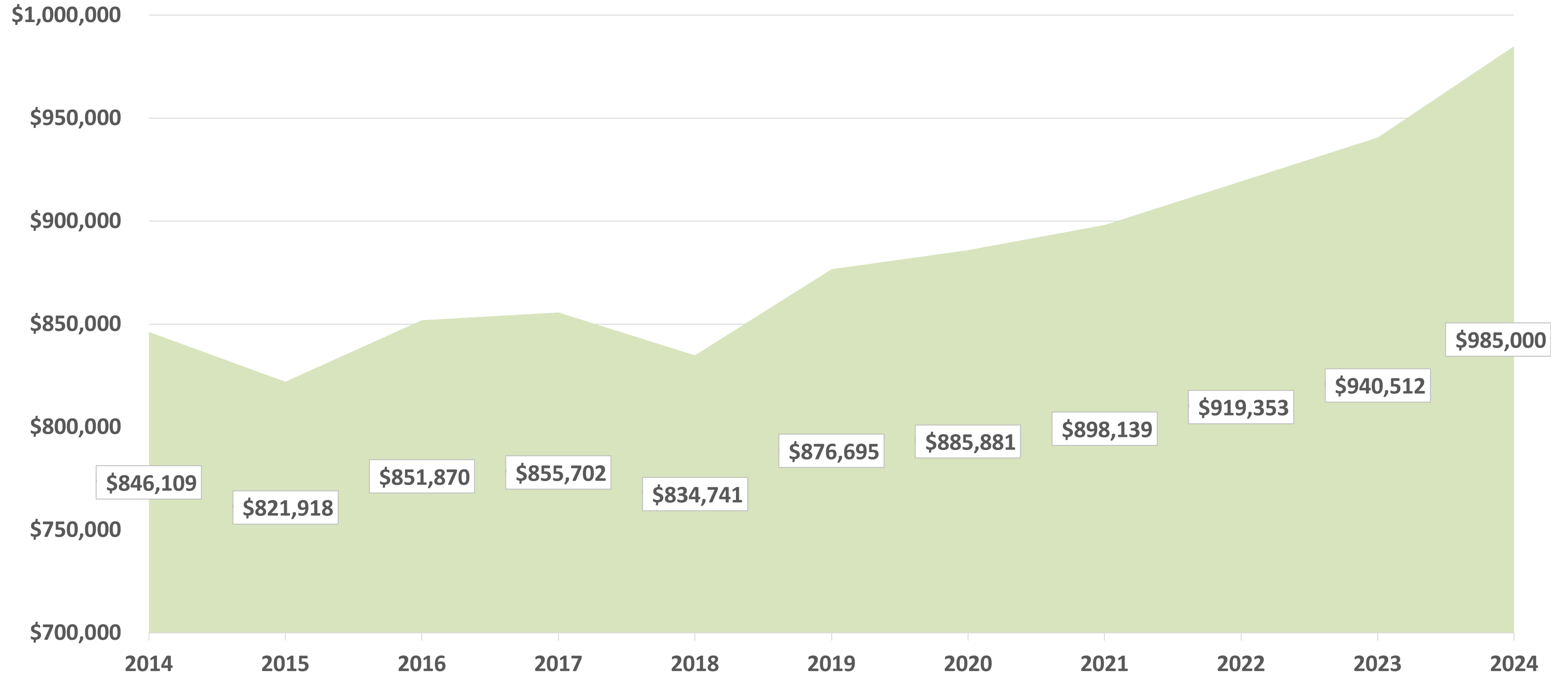
* Fiscal Year 2017 was Hurricane Matthew

5 mill decrease in FY23 – lowered the tax bill on a \$500,000 owner occupied single family residential home by \$100

FY 2024 is expected to be lower to offset the updated values from the reappraisal process for a revenue neutral outcome. Until this happens, we are presenting the tax rate at the same rate.

TOWN OF HILTON HEAD ISLAND

MILLAGE VALUE



Value before reappraisal in FY 2024

TOWN OF HILTON HEAD ISLAND

PROPERTY TAX REASSESSMENT

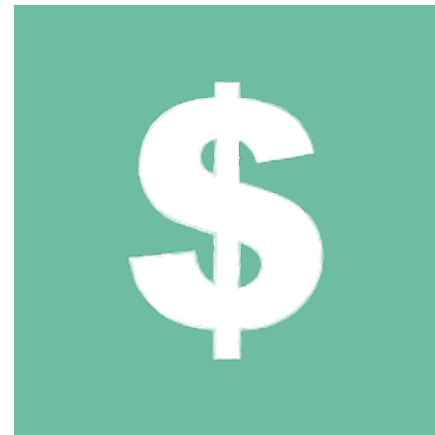
Reassessment

- Beaufort County reassessment is currently underway.
- The Finance Director and Deputy Town Manager have been working with the Beaufort County Assessor, County Finance Department, County Legal Department and the South Carolina Department of Revenue.
- The process includes calculating the effects of reappraisal on all property values.
- The South Carolina Code of Laws and the State Department of Revenue provide guidance on the values and the calculations.
- The FY24 Budget Ordinance includes budgeted property tax collections based on current property values without the effects of the reappraisal.
- Town staff will propose to amend the FY24 Budget Ordinance in July/August to incorporate the reassessment property valuation.

TOWN OF HILTON HEAD ISLAND

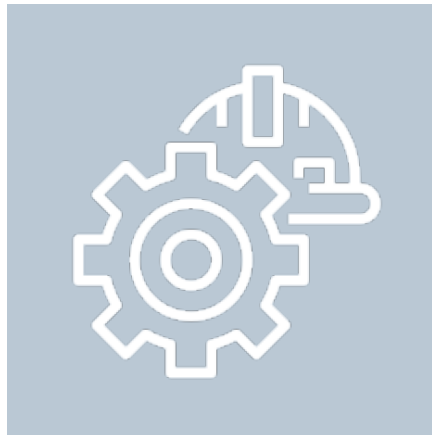
FY 2024 PROPOSED MUNICIPAL BUDGET OVERVIEW

SIX MAJOR FUNDS



General Fund

Stormwater Utility Fund



Capital Projects Fund

Debt Service Fund



**Gullah Geechee Historic Neighborhoods
Community Development Corporation Fund**

Housing Fund



TOWN OF HILTON HEAD ISLAND

GENERAL FUND

- ❑ Accounts for and reports the financial resources for the Town's primary operating fund
- ❑ The primary sources of revenue are property taxes, business licenses, local ATAX and permit fees
- ❑ Includes the Town's basic operations, public safety, and Interagency partnership funding



TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED GENERAL FUND BUDGET REVENUES

| | FY 2022 Actual | FY 2023 Original Budget | FY 2024 Proposed Budget | \$ Change FY2023 Budget | % Change FY2023 Budget | % of Budget |
|-------------------------------|-------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------|----------------|
| Property Taxes | \$ 16,372,284 | \$ 16,023,489 | \$ 16,942,000 | \$ 918,511 | 5.7% | 29.2% |
| Local Accomodations Tax | 7,026,531 | 4,779,690 | 7,034,520 | 2,254,830 | 47.2% | 12.1% |
| Business Licenses | 14,110,311 | 10,600,393 | 12,421,015 | 1,820,622 | 17.2% | 21.4% |
| Franchise Fees | 1,136,607 | 996,752 | 1,020,402 | 23,650 | 2.4% | 1.8% |
| Permit Fees | 2,001,046 | 2,468,323 | 3,729,200 | 1,260,877 | 51.1% | 6.4% |
| Intergovernmental | 633,244 | 915,878 | 926,755 | 10,877 | 1.2% | 1.6% |
| Grants - 911 Dispatch | 129,860 | 76,111 | 65,858 | (10,253) | -13.5% | 0.1% |
| Beach Services | 218,193 | 298,401 | 243,000 | (55,401) | -18.6% | 0.4% |
| Other | 335,802 | 279,271 | 279,271 | - | 0.0% | 0.5% |
| Public Safety - EMS | 2,016,643 | 1,838,000 | 2,117,000 | 279,000 | 15.2% | 3.7% |
| Public Safety - County | 2,910 | - | - | - | 0.0% | 0.0% |
| Investments | 39,184 | 35,750 | 585,000 | 549,250 | 1536.4% | 1.0% |
| Transfers In: | | | | | | |
| Beach Preservation Fee | 487,631 | 1,983,508 | 1,983,508 | - | 0.0% | 3.4% |
| CIP Sale of Vehicle/Equipment | 46,427 | - | - | - | 0.0% | 0.0% |
| Hospitality Fee | 110,203 | 5,062,424 | 5,062,424 | - | 0.0% | 8.7% |
| Tax Increment Financing (TIF) | 144,585 | 153,000 | 110,000 | (43,000) | -28.1% | 0.2% |
| State Accommodations Tax | 1,695,211 | 2,445,211 | 3,515,021 | 1,069,810 | 43.8% | 6.1% |
| Electric Franchise Fee | 405,452 | 540,603 | 540,603 | - | 0.0% | 0.9% |
| Stormwater Fee | 116,250 | 125,000 | 125,000 | - | 0.0% | 0.2% |
| Prior Year Funds | - | - | 1,280,400 | 1,280,400 | 0.0% | 2.2% |
| Total Revenues | 47,028,374 | 48,621,804 | 57,980,977 | 9,359,173 | 19.2% | 100.0% |

Note: Prior Year Funds include \$1 million designated by Town Council for Housing from FY 2023 Budget and \$280,400 in carryover funds from Community Development for LMO updates.



TOWN OF HILTON HEAD ISLAND

FY 2024 GENERAL FUND BUDGET REVENUE HIGHLIGHTS

- ✓ After 2 years of record high revenue collections – our projections moderate for FY24
- ✓ Local ATAX revenue increased \$2.2 million, or 47.2%
- ✓ Property Tax revenue increased \$918k, or 5.7%
- ✓ Business Licenses increased \$1.8 million and will be used for:
 - Business License Operating and Personnel Costs
 - Website Enhancements and Support
 - Online Portal Payment Program
 - Office of Cultural Affairs programming
 - General maintenance of Island pathways, open space, and roadways



TOWN OF HILTON HEAD ISLAND

FY 2024 GENERAL FUND BUDGET REVENUE HIGHLIGHTS

- ✓ State ATAX Funding all-inclusive of the state funding formula portions and Town grant amount – FY24 General Fund total \$3.5 million
- ✓ Short Term Rental Permit Fee increased \$877k - FY24 is first full year and will be used for:
 - Software Hosting
 - Administrative, Code Enforcement and Legal Support
 - Operational Costs
- ✓ EMS Services increased \$279k due to FY23 rate increase and increase in call volume
- ✓ Investment Income increased over 1,500%
- ✓ New Residential Plan Review Fee equal to 50% of permit fee



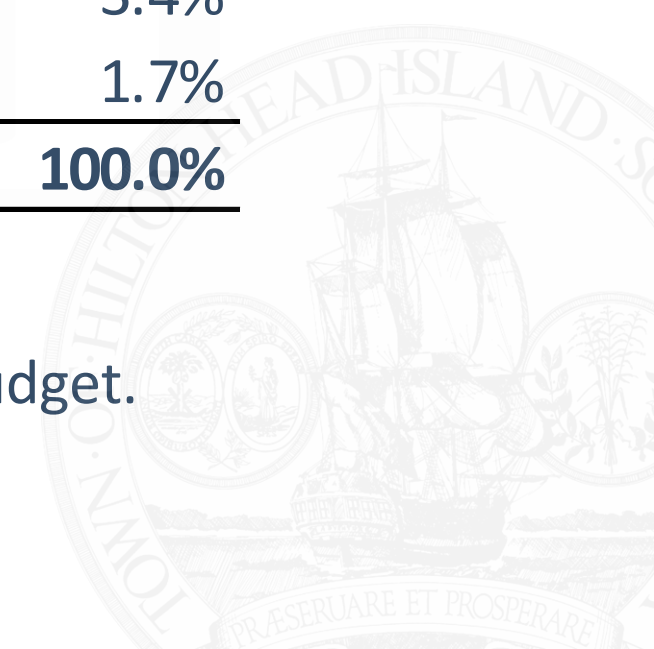
TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED GENERAL FUND BUDGET EXPENDITURES

| Expenditures by Category | FY 2022 Actual | FY 2023 Original Budget | FY 2024 Proposed Budget | \$ Change FY 2023 Original | % Change FY 2023 Original | % of Budget |
|---|-------------------|-------------------------|-------------------------|----------------------------|---------------------------|---------------|
| Salaries & Benefits | \$ 26,958,602 | \$ 30,416,831 | \$ 34,948,562 | \$ 4,531,731 | 14.9% | 60.3% |
| Operating | 11,450,531 | 13,238,621 | 15,023,965 | 1,785,344 | 13.5% | 25.9% |
| Contracted Public Safety | 2,520,709 | 2,674,762 | 2,644,456 | (30,306) | -1.1% | 4.6% |
| Affiliated Agencies | 2,162,424 | 2,291,590 | 2,363,994 | 72,404 | 3.2% | 4.1% |
| Total | 43,092,266 | 48,621,804 | 54,980,977 | 6,359,173 | 13.1% | 94.8% |
| Transfer to CIP | 549,261 | - | - | - | 0.0% | 0.0% |
| Transfer to Housing Fund (1) | - | - | 2,000,000 | 2,000,000 | 0.0% | 3.4% |
| Transfer to Land Acquisition Fund (2) | - | - | 1,000,000 | 1,000,000 | 0.0% | 1.7% |
| Total Expenditures & Transfers Out | 43,641,527 | 48,621,804 | 57,980,977 | 9,359,173 | 19.2% | 100.0% |

(1) \$1 million in transfer to Housing Fund for FY24 - in addition to the designated funds from the FY 2023 Budget.

(2) \$1 million in transfer to the Land Acquisition Fund for future land purchases



| TOWN OF HILTON HEAD ISLAND

FY 2024 OFFICE OF CULTURAL AFFAIRS

OFFICE OF CULTURAL AFFAIRS

- FY 2024 Budget - \$313,313

SOURCES OF REVENUE

- State Accommodations Taxes
- Local Accommodations Taxes
- Business Licenses



TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED GENERAL FUND EXPENDITURES – AFFILIATED AGENCIES

| | FY 2021 Actual | FY 2022 Actual | FY 2023 Request | FY 2023 Budget | FY 2024 Request | FY 2024 F&A Proposed |
|--|-------------------|-------------------|--------------------|-------------------|--------------------|----------------------------|
| Island Recreation Association | 1,060,706 | 1,087,578 | 1,099,304 | 1,099,304 | 1,123,766 | 1,123,766 |
| Coastal Discovery Museum | 75,000 | 75,000 | 92,775 | 92,775 | 102,432 | 102,432 |
| Mitchelville Executive Director | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 |
| USCB Event Management/Ambassadors | 110,663 | 186,367 | 190,094 | 190,094 | 238,985 | 238,985 |
| LRTA (Palmetto Breeze) | 200,000 | 225,165 | 283,478 | 282,404 | 277,842 | 277,842 |
| 14th Circuit Solicitor-Multidisciplinary | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| 14th Circuit Solicitor-Career Criminal | 118,500 | 118,500 | 118,500 | 118,500 | 118,500 | 118,500 |
| Beaufort County EDC | 25,000 | 25,000 | 25,000 | 25,000 | 40,000 | 40,000 |
| Heritage Classic | - | 289,815 | 298,513 | 298,513 | 307,469 | 307,469 |
| Habitat for Humanity | - | - | - | - | 500,000 | - |
| Grant Matching Funds | - | - | 30,000 | 30,000 | - | - |
| LEPC/Beaufort County | 4,246 | - | - | - | - | - |
| Concours D'Elegance | 150,000 | - | - | - | - | - |
| Arts Center | 200,000 | - | - | - | - | - |
| Total | 2,099,115 | 2,162,425 | 2,292,664 | 2,291,590 | 2,863,994 | 2,363,994 |



TOWN OF HILTON HEAD ISLAND

FY 2024 GENERAL FUND BUDGET EXPENDITURE HIGHLIGHTS

- ✓ Lean Operating Budget provides funding for all Town Department Operating Budgets
- ✓ Comprehensive LMO Code amendments
- ✓ Island-Wide Illustrative Master Plan, Conditions and Trends Completion, District Planning, Future Land Use Map, and Comp Plan amendments
- ✓ Permitting & Plan Review Process Improvements
- ✓ Funding for Town's 360/40 Celebration and Music Festival
- ✓ Continued Public Safety enhancements including the addition of Flock safety cameras & trail cameras
- ✓ Calibrated salary adjustments to remain competitive in the Public and Private Sectors, including but not limited to Fire Rescue adjustments effective late FY22, full year FY23 and beyond (FY24 first full year budgeted)



TOWN OF HILTON HEAD ISLAND

FY 2024 GENERAL FUND BUDGET EXPENDITURE HIGHLIGHTS

- ✓ Prioritization on Marketing and Communications including expanding social media presence for Fire Rescue
- ✓ Continued expansion of Christmas and Holiday lighting throughout the Island
- ✓ Enhancements to Community Events such as Crescendo, Lantern Parade, Earth Day, Tree and Menorah Lighting
- ✓ Increased funding for Park Maintenance, Road Maintenance, Landscape Maintenance and Corridor Safety Enhancements
- ✓ Focus on Beach Operations, including additional beach facility staff and resources, to enhance the beach appearance and experience
- ✓ Transfer of \$1 million to the Land Acquisition Fund balance for future to-be-determined land purchases



TOWN OF HILTON HEAD ISLAND

FY 2024 GENERAL FUND BUDGET EXPENDITURE HIGHLIGHTS

- ✓ Commitment to recruiting and retaining employees with benefit package enhancements including:
 - Up to 4% performance-based salary increases effective July 2023
 - Tuition Reimbursement increase from \$3,000 to \$5,000 per employee
 - New Wellness Reimbursement of \$300 per employee
 - Continuation of enhancements introduced in FY23 including:
 - 401k retirement plan contribution increase
 - Medflex reimbursement increase
 - Vacation buy-back option
 - Coverage of SC unfunded mandates – health insurance & F/R retirement premiums
 - BCSO Island Resident Stipend increase
 - Town Staff class & compensation calibration
 - Fire Rescue compensation adjustments and overtime policy enhancements



TOWN OF HILTON HEAD ISLAND

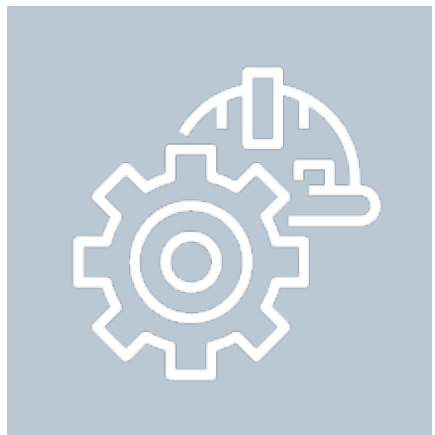
FY 2024 PROPOSED MUNICIPAL BUDGET OVERVIEW

SIX MAJOR FUNDS



General Fund

Stormwater Utility Fund



Capital Projects Fund

Debt Service Fund



Gullah Geechee Historic Neighborhoods
Community Development Corporation Fund

Housing Fund



| TOWN OF HILTON HEAD ISLAND

STORMWATER UTILITY FUND

- ❑ Accounts for and reports the financial resources for stormwater-related expenditures including staffing and operations; inventory, modeling and master planning; routine maintenance and capital projects
- ❑ The overarching goal is to improve and sustain the Stormwater infrastructure, water quality, all watersheds within the Town of Hilton Head Island and Island resiliency
- ❑ The primary sources of revenue are stormwater utility fees



TOWN OF HILTON HEAD ISLAND



FY 2024 PROPOSED STORMWATER UTILITY FUND BUDGET REVENUES

| | FY 2022 Actual | FY2023 Original Budget | FY2024 Proposed Budget | \$ Change FY2023 | % Change FY2023 | % of Budget |
|-------------------------|-------------------|------------------------------|------------------------------|---------------------|--------------------|----------------|
| Stormwater Utility Fees | \$5,081,075 | \$5,044,000 | \$5,104,075 | \$ 60,075 | 1.2% | 86.7% |
| Prior Year Funds | - | 769,296 | 290,717 | (478,579) | -62.2% | 4.9% |
| Investment Income | 10,394 | 20,000 | 120,000 | 100,000 | 500.0% | 2.0% |
| Plan Review Fees | - | - | 371,025 | 371,025 | 0.0% | 6.3% |
| Total Revenues | 5,091,469 | 5,833,296 | 5,885,817 | 52,521 | 0.9% | 100.0% |

Note: Prior year funds are expected one-time carryforward amounts for one-time uses.



TOWN OF HILTON HEAD ISLAND

FY 2024 STORMWATER FUND BUDGET HIGHLIGHTS

- ✓ Proposed new Fee Schedule to support the enforcement of unfunded Federal and State water quality regulations per the terms of our current State-issued NPDES Permit
- ✓ A Stormwater Rate Study is planned for FY24
- ✓ Two new FTEs are proposed
 - Stormwater Maintenance Administrator
 - Stormwater Inspector
- ✓ Majority of funds programmed for routine maintenance, corrective maintenance, and capital projects
- ✓ Lean operating budget within the current rate structure
- ✓ More transparency in project development

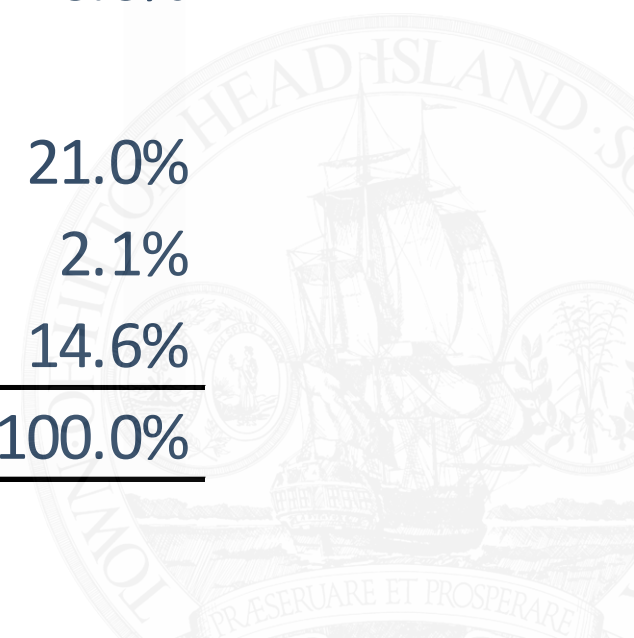


TOWN OF HILTON HEAD ISLAND



FY 2024 PROPOSED STORMWATER UTILITY FUND BUDGET EXPENDITURES

| Expenditures by Category | FY 2022 Actual | FY2023 Original Budget | FY2024 Proposed Budget | \$ Change FY2023 | % Change FY2023 | % of Budget |
|---|------------------|------------------------|------------------------|------------------|-----------------|---------------|
| Salaries & Benefits | \$ 516,184 | \$ 608,996 | \$ 755,239 | \$146,243 | 24.0% | 12.8% |
| Operating | 188,296 | 139,500 | 209,065 | \$69,565 | 49.9% | 3.6% |
| Inventory & Modeling / Analysis | 239,008 | 705,000 | 463,180 | -\$241,820 | -34.3% | 7.9% |
| POA Systems Corrective Maintenance | 2,250 | 660,000 | 500,000 | -\$160,000 | -24.2% | 8.5% |
| Public Systems Corrective Maintenance | 3,523 | 400,000 | 360,000 | -\$40,000 | -10.0% | 6.1% |
| Routine Maintenance & Contingency | 95,805 | 710,000 | 990,000 | \$280,000 | 39.4% | 16.8% |
| Pump Station Maintenance | 187,717 | 330,000 | 390,000 | \$60,000 | 18.2% | 6.6% |
| Stormwater Special Obligation Bond | | | | | | |
| Principal, Interest & Fees | 1,197,155 | 1,324,800 | 1,233,333 | -\$91,467 | -6.9% | 21.0% |
| Transfer out to General Fund | 116,250 | 125,000 | 125,000 | \$0 | 0.0% | 2.1% |
| Transfer out to CIP | 2,043,364 | 830,000 | 860,000 | \$30,000 | 3.6% | 14.6% |
| Total Expenditures & Transfers Out | 4,589,552 | 5,833,296 | 5,885,817 | \$52,521 | 0.9% | 100.0% |



| TOWN OF HILTON HEAD ISLAND

STORMWATER UTILITY SERVICE DELIVERY PROGRAMS

Service delivery is provided by the following programs:

- Water Quality – LMO Compliance & MS4 Permit
- Inventory & Modeling
- Routine Maintenance
 - Channel Maintenance
 - Street Sweeping
 - Pond Management
- Pump Station Maintenance (4)
- Corrective Maintenance
 - Public System
 - Private Systems (POA Agreements)



TOWN OF HILTON HEAD ISLAND



STORMWATER FUND CORRECTIVE MAINTENANCE PROJECTS

- ✓ FY 2024 Budget includes **9 Public System Maintenance Projects:**
 - Arrow Road Haig Point Outfall to alleviate upstream flooding **(\$97K)**
 - Mathews Court pipe replacement **(\$45K)**
 - Old Wild Horse Road pathway and drainage improvements **(\$50K)**
 - Kings Court channel erosion stabilization **(\$15K)**
 - Mathews Drive pond dredging/excavation **(\$50K)**
 - Firethorn Lane pipe rehabilitation to alleviate sinkhole **(\$55K)**
 - Squiresgate Road headwall stabilization and ditch excavation **(\$3K)**
 - Lagoon Road pond dredging/excavation **(\$25K)**
 - Dreissen Beach Park drainage improvements to alleviate flooding **(\$20K)**

○ **FY 2024 Public System Maintenance Projects Budget - \$360,000**





STORMWATER FUND CORRECTIVE MAINTENANCE PROJECTS

- ✓ FY 2024 Budget includes **14 POA System Maintenance Projects:**
 - Eagle Claw Drive structure replacement to alleviate sinkhole **(\$10K)**
 - Prestwick Court pipe cleaning, CCTV inspection and repairs to alleviate sinkholes **(\$20K)**
 - Scarborough Head channel excavation and pipe cleaning **(\$12K)**
 - Quail Walk Lane point repair to alleviate sinkhole **(\$7K)**
 - Brewton Court pipe point repair **(\$4K)**
 - Bellhaven Way structure repair to alleviate sinkhole **(\$5K)**
 - Charlesfort Place pipe cleaning to alleviate flooding **(\$3K)**
 - Troon Drive clean and CCTV pipe to determine cause of issue **(\$13K)**



TOWN OF HILTON HEAD ISLAND



STORMWATER FUND CORRECTIVE MAINTENANCE PROJECTS

- ✓ FY 2024 Budget includes **14 POA System Maintenance Projects** continued:
 - Clyde Lane replace broken grate **(\$1K)**
 - Madison Lane tree obstruction removal within channel **(\$11K)**
 - South Port Royal Drive pipe point repair **(\$3K)**
 - Planters Row drainage improvements **(\$16K)**
 - Windjammer Court Pond Outfall flap gate installation and sump excavation **(\$10K)**
 - Wicklow Drive point repair to alleviate sinkhole **(\$5K)**
 - Other POA System Maintenance Projects to be determined **(\$380K)**

○ **FY 2024 POA System Maintenance Projects Budget - \$500,000**



| TOWN OF HILTON HEAD ISLAND

RESILIENCY INITIATIVE – ADDRESSING CLIMATE ADAPTION AND SEA LEVEL RISE

- ❑ 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
- ❑ Approximately a \$400,000 cost



TOWN OF HILTON HEAD ISLAND



STORMWATER FUND CAPITAL IMPROVEMENT PROJECTS

- ✓ Capital Improvement Projects Identified for FY 2024 will be managed by the CIP Division and funds will be transferred from the Stormwater Utility Fund to the CIP Fund

- ✓ FY 2024 Budget includes **7 CIP Projects**:
 - Gum Tree Road Improvements – Permitting and construction of new infrastructure **(\$80K)**
 - Jarvis Creek Outfall – Install new backflow prevention devices **(\$100K)**
 - Cordillo Courts Improvements – Permitting and installation of drainage improvements **(\$70K)**
 - Moonshell Road Ditch (Folly Field) – install new pipe and inlet structures in existing ditch **(\$92K)**
 - Wexford Pump Station Resilience – design of robust debris screen system to protect pumps and improve operational capabilities **(\$123K)**
 - Pump Station Security Cameras **(\$45K)**
 - Lawton Pump Station – New Pump **(\$350K)**

○ **FY 2024 Budget - \$860,000**



TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED CONSOLIDATED BUDGET OVERVIEW

SIX MAJOR FUNDS



General Fund



Stormwater Utility Fund



Capital Projects Fund



Debt Service Fund



Gullah Geechee Historic Neighborhoods
Community Development Corporation Fund



Housing Fund



| TOWN OF HILTON HEAD ISLAND

CAPITAL PROJECTS FUND

- ❑ Accounts for and reports the financial resources that are restricted, committed or assigned to expenditures for capital outlays including the land acquisition and/or construction of capital facilities and other capital assets
- ❑ Capital projects are primarily non-recurring in nature
- ❑ All capital categories require a unit cost threshold of greater than \$5,000, except roads, buildings, and computer software whose threshold is \$50,000
- ❑ Sources of revenue are Beach Fees, State Accommodations Taxes, Hospitality Taxes, TIF Taxes, Stormwater fees and other restricted revenues for capital improvements



TOWN OF HILTON HEAD ISLAND

5 Year CIP PROGRAM SELECTION PROCESS



TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED CIP SOURCE OF FUNDS

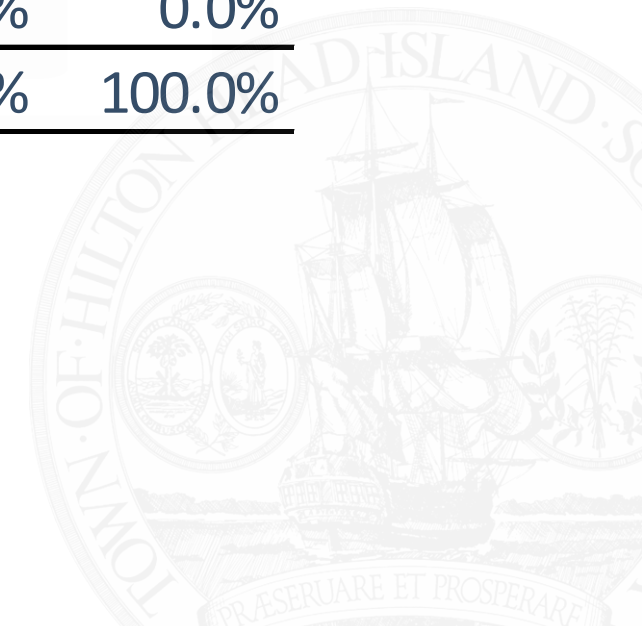
| Funding Sources | FY 2022 Actual | FY 2023 Original Budget | FY 2024 Proposed Budget | \$ Change FY 2023 | % Change FY 2023 | % of Budget |
|------------------------------|-------------------|-------------------------------|-------------------------------|----------------------|---------------------|----------------|
| Traffic & Park Impact Fees | 321,205 | 1,150,000 | 300,000 | (850,000) | -73.9% | 0.8% |
| Sunday Liquor Permit Fees | 306,410 | 400,000 | - | (400,000) | -100.0% | 0.0% |
| HTAX Supported Lease | - | 7,742,473 | 7,944,420 | 201,947 | 2.6% | 19.9% |
| Bond Proceeds | 1,399 | - | - | - | 0.0% | 0.0% |
| Capital | 64,359 | 635,761 | 1,200,000 | 564,239 | 88.8% | 3.0% |
| Sale of Land | 43,744 | 800,000 | 1,600,000 | 800,000 | 100.0% | 4.0% |
| Grants | 193,187 | 3,530,000 | - | (3,530,000) | -100.0% | 0.0% |
| Transfers In: | | | | | | 0.0% |
| Beach Preservation Fees | 611,004 | 2,850,000 | 6,556,000 | 3,706,000 | 130.0% | 16.4% |
| Hospitality Fees | 770,104 | 6,985,472 | 2,360,000 | (4,625,472) | -66.2% | 5.9% |
| Tax Increment Financing | 1,489,637 | 4,187,235 | 4,379,500 | 192,265 | 4.6% | 11.0% |
| General Fund | 549,261 | - | - | - | 0.0% | 0.0% |
| State Accommodation Tax | - | 3,109,000 | 3,000,000 | (109,000) | -3.5% | 7.5% |
| Road Usage Fee | 372,811 | 3,508,555 | 3,600,000 | 91,445 | 2.6% | 9.0% |
| Electric Franchise Fee | 1,607,772 | 8,743,319 | 7,793,161 | (950,158) | -10.9% | 19.5% |
| Real Estate Transfer Fee | 201,894 | - | 400,000 | 400,000 | 0.0% | 1.0% |
| Short Term Rental Permit Fee | - | 1,200,118 | - | (1,200,118) | -100.0% | 0.0% |
| Stormwater Utility Fee | 2,043,363 | 830,000 | 860,000 | 30,000 | 3.6% | 2.2% |
| Total Funding Sources | 8,576,150 | 45,671,933 | 39,993,081 | (5,678,852) | -12.4% | 100.0% |



TOWN OF HILTON HEAD ISLAND

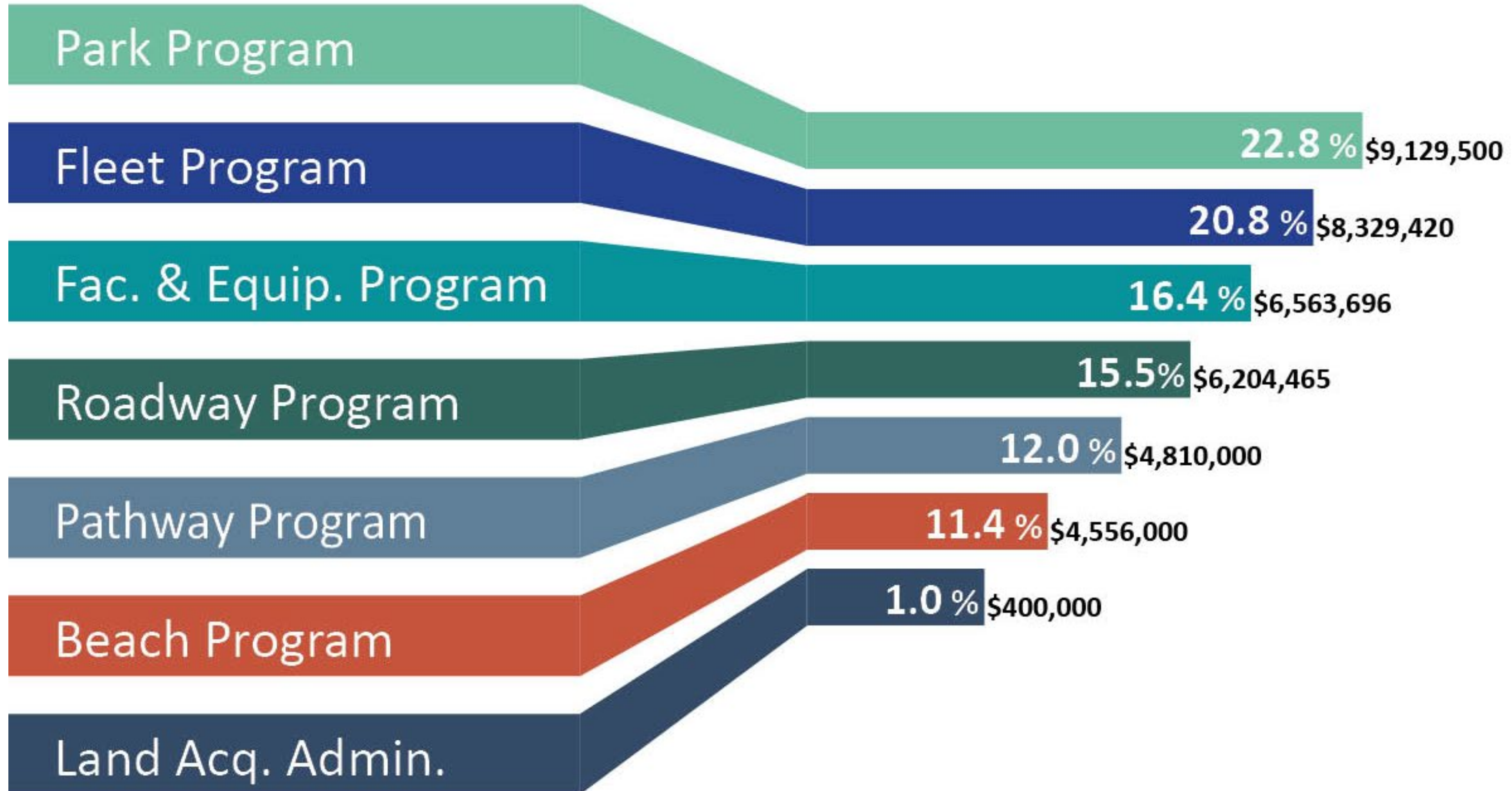
FY 2024 PROPOSED CIP USE OF FUNDS

| Use of Funds | FY 2022 Actual | FY 2023 Original Budget | FY 2024 Proposed Budget | \$ Change FY 2023 | % Change FY 2023 | % of Budget |
|---------------------------------|-------------------|-------------------------------|-------------------------------|----------------------|---------------------|----------------|
| Beach Program | \$ 547,974 | \$ 2,850,000 | \$ 4,556,000 | \$ 1,706,000 | 59.9% | 11.4% |
| Pathway Program | 143,596 | 4,724,000 | 4,810,000 | \$ 86,000 | 1.8% | 12.0% |
| Roadway Program | 434,882 | 8,153,842 | 6,204,465 | \$ (1,949,377) | -23.9% | 15.5% |
| Park Program | 4,091,113 | 13,795,235 | 9,129,500 | \$ (4,665,735) | -33.8% | 22.8% |
| Facility & Equipment Program | 1,925,916 | 6,302,650 | 6,563,696 | \$ 261,046 | 4.1% | 16.4% |
| Fleet Program | 371,528 | 8,166,945 | 8,329,420 | \$ 162,475 | 2.0% | 20.8% |
| Land Acquisition Administration | 39,142 | 300,000 | 400,000 | \$ 100,000 | 33.3% | 1.0% |
| Housing | - | 1,379,261 | - | \$ (1,379,261) | -100.0% | 0.0% |
| Total Use of Funds | 7,554,151 | 45,671,933 | 39,993,081 | (5,678,852) | -12.4% | 100.0% |



TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED CIP USE OF FUNDS



TOWN OF HILTON HEAD ISLAND

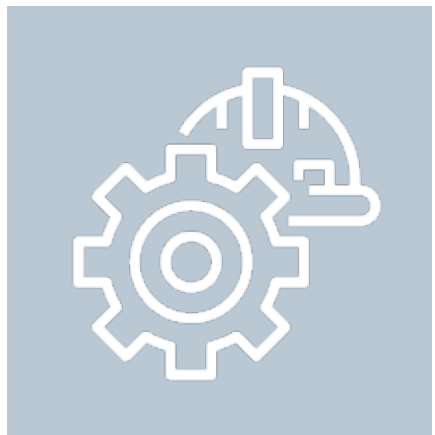
FY 2024 PROPOSED CONSOLIDATED BUDGET OVERVIEW

SIX MAJOR FUNDS



General Fund

Stormwater Utility Fund



Capital Projects Fund

Debt Service Fund



Gullah Geechee Historic Neighborhoods
Community Development Corporation Fund

Housing Fund



| TOWN OF HILTON HEAD ISLAND

DEBT SERVICE FUND

- ❑ Accounts for the accumulation of resources for the payment of interest and principal on general long-term debt obligations and special revenue debt obligations
- ❑ The primary sources of revenue are Property Taxes, Transfers In of Beach Preservation Fees, Hospitality Taxes, Natural Disaster Fund (5 mill over-ride), and Tax Increment Financing fees

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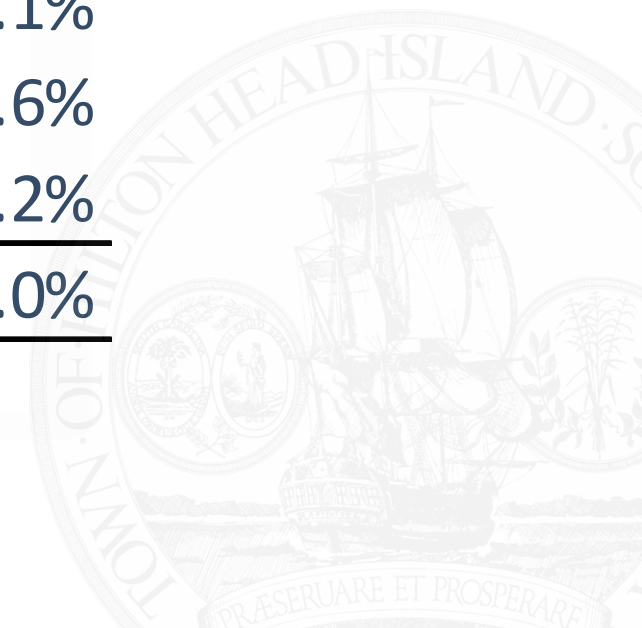


TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED DEBT SERVICE FUND BUDGET REVENUES

| | FY 2022 Actual | FY 2023 Original Budget | FY 2024 Proposed Budget | % Change FY 2023 Budget | % of Budget |
|--------------------------|-------------------|-------------------------------|-------------------------------|-------------------------------|----------------|
| Property Taxes | \$ 5,600,014 | \$ 5,402,336 | \$ 5,470,300 | 1.3% | 31.4% |
| Investment Income | 19,270 | 12,000 | 14,315 | 19.3% | 0.1% |
| Transfers In: | | | | | |
| Beach Preservation Fees | 3,959,125 | 3,952,375 | 4,448,375 | 12.5% | 25.6% |
| Natural Disasters Fund | 3,535,665 | 3,537,765 | - | -100.0% | 0.0% |
| Hospitality Fees | 1,446,406 | 1,444,691 | 1,937,134 | 34.1% | 11.1% |
| Tax Increment Financing | 3,927,712 | 3,927,564 | 3,931,259 | 0.1% | 22.6% |
| Real Estate Transfer Fee | 986,500 | 1,097,350 | 1,595,850 | 45.4% | 9.2% |
| Total Revenues | 19,474,692 | 19,374,081 | 17,397,233 | -10.2% | 100.0% |

The Natural Disaster bonds were paid in full in FY 2023



TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED DEBT SERVICE FUND BUDGET EXPENDITURES

| | FY 2022 Actual | FY 2023 Original Budget | FY 2024 Proposed Budget | % Change FY 2023 Budget | % of Budget |
|---------------------------|-------------------|-------------------------------|-------------------------------|-------------------------------|----------------|
| Principal | \$ 15,655,000 | \$ 16,055,000 | \$ 12,995,000 | -19.1% | 74.7% |
| Interest | 4,138,637 | 3,289,081 | 2,809,733 | -14.6% | 16.2% |
| Other | 21,375 | 30,000 | 92,500 | 208.3% | 0.5% |
| New Debt | - | - | 1,500,000 | 0.0% | 8.6% |
| Total Expenditures | 19,815,012 | 19,374,081 | 17,397,233 | -10.2% | 100.0% |

Town Council may consider new debt after the FY24 Consolidated Budget is adopted.
New debt of \$1,500,000 provides interest costs of new proposed debt.



TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED DEBT SERVICE FUND BUDGET OUTSTANDING ISSUES

FY 2024 Payments

| | FY 2024 Payments | | | Balance After FY24 Pmts | Final Payment FY |
|--|---------------------|----------------------|----------------------|----------------------------|------------------------|
| | Interest | Principal | Total | | |
| Debt Service Payments - (without Stormwater Bonds) | | | | | |
| General Obligation Bonds (Original Issue Amount) | | | | | |
| Series 2016A GO Referendum Refunding Bonds (\$13,080,000) | \$ 18,788 | \$ 825,000 | \$ 843,788 | \$ 840,000 | 2025 |
| Series 2016C GO Referendum Refunding Bonds (\$9,035,000) | 168,238 | 635,000 | 803,238 | 5,705,000 | 2035 |
| Series 2009 GO Non-Referendum Refunding Bonds (\$5,005,000) | 24,850 | 460,000 | 484,850 | 480,000 | 2025 |
| Series 2016B GO Referendum Bonds (\$5,770,000) | 10,850 | 1,085,000 | 1,095,850 | - | 2024 |
| Series 2020A GO Referendum Refunding Bonds (\$5,830,000)- to 202 | 211,350 | 670,000 | 881,350 | 3,890,000 | 2028 |
| Series 2017A GO Non-Referendum Bonds (\$27,310,000) | 865,569 | 605,000 | 1,470,569 | 25,495,000 | 2047 |
| Series 2020B GO Referendum Bonds (\$6,285,000) | 96,670 | 460,000 | 556,670 | 5,575,000 | 2035 |
| Series 2019 GO Obligation Bonds (\$5,000,000) | 156,650 | 195,000 | 351,650 | 4,140,000 | 2039 |
| Total General Obligation Bonds | \$ 1,552,965 | \$ 4,935,000 | \$ 6,487,965 | 46,125,000 | |
| Revenue / Special Obligation Bonds (Original Issue Amount) | | | | | |
| Series 2019 Special Bonds (Hospitality Tax) (\$16,520,000) | \$ 327,134 | \$ 1,110,000 | \$ 1,437,134 | \$ 10,925,000 | 2036 |
| Series 2017C Special USCB Tax Increment Bonds (\$28,530,000) | 136,259 | 3,795,000 | 3,931,259 | 3,860,000 | 2025 |
| Series 2017B Special Bonds (Beach Preservation Fee) (\$30,075,000) | 793,375 | 3,155,000 | 3,948,375 | 14,290,000 | 2028 |
| Total Revenue / Special Obligation Bonds | \$ 1,256,768 | \$ 8,060,000 | \$ 9,316,768 | 29,075,000 | |
| Grand Total - Existing Debt (a) | \$ 2,809,733 | \$ 12,995,000 | \$ 15,804,733 | 75,200,000 | |
| Stormwater debt is accounted for in the Stormwater Fund. Outstanding Stormwater debt are these two special revenue bonds: | | | | | |
| Stormwater Bonds (Original Issue Amount) | | | | | |
| Series 2021 Special Bonds (Stormwater) (\$5,630,000) | \$ 23,157 | \$ 920,000 | \$ 943,157 | \$ 1,870,000 | 2026 |
| Series 2018 Special Bonds (Stormwater) (\$3,200,000) | 45,664 | 320,000 | 365,664 | 1,365,000 | 2028 |
| Total Stormwater Special Obligation Bonds | \$ 68,821 | \$ 1,240,000 | \$ 1,308,821 | \$ 3,235,000 | |

(a) Comparable amounts for FY 2023 are \$3,289,081 Interest and \$16,055,000 Principal payments – indicating the Town’s relatively fast payout schedule and significant progress toward reducing outstanding balances.

I TOWN OF HILTON HEAD ISLAND

FY 2024 DEBT SERVICE FUND BUDGET HIGHLIGHTS

- ✓ Debt reduction: FY21 – \$15 million / FY22 - \$15 million / FY23 - \$16 million / FY24 - \$15.8 million
- ✓ Bonds issued after Hurricane Matthew to reinstate the Disaster Fund have been fully repaid
- ✓ The Town continues to improve its financial position and capacity by steadily decreasing debt, increasing reserves, and increasing assessed values
- ✓ 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
- ✓ We are in the early stages of possibly planning a new bond issue this year
- ✓ *The budget proposes to keep the Debt Service millage rate the same at 5.9 mills (pending reappraisal)*



TOWN OF HILTON HEAD ISLAND

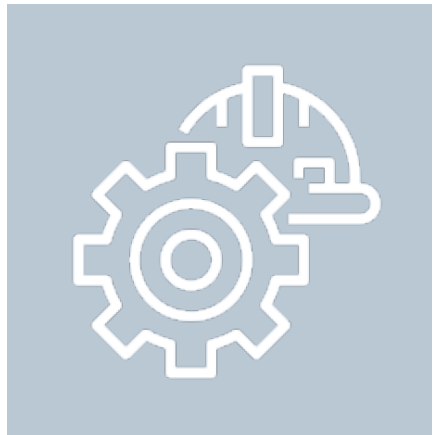
FY 2024 PROPOSED CONSOLIDATED BUDGET OVERVIEW

SIX MAJOR FUNDS



General Fund

Stormwater Utility Fund



Capital Projects Fund

Debt Service Fund



**Gullah Geechee Historic Neighborhoods
Community Development Corporation Fund**

Housing Fund



| TOWN OF HILTON HEAD ISLAND

GGHNCDC FUND

- ❑ Accounts for and report the costs associated with the actions of the Corporation to protect the Town's historic and culturally sensitive neighborhoods
- ❑ The primary sources of revenue are State and County grants



TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED GGHNCDC FUND BUDGET REVENUES

| | FY 2023 Revised Budget | FY 2024 Proposed Budget | % Change FY 2023 Budget | % of Budget |
|-----------------------|------------------------------|-------------------------------|-------------------------------|----------------|
| South Carolina Grant | \$ 5,000,000 | \$ 5,000,000 | 0.0% | 93.6% |
| Beaufort County Grant | 500,000 | 343,185 | -31.4% | 6.4% |
| Total Revenues | 5,500,000 | 5,343,185 | -2.9% | 100.0% |

The FY 2024 Proposed Budget amounts from the South Carolina grant and the Beaufort County grant (ARPA funds) were received in FY 2023; however, will not be deployed until FY 2024.

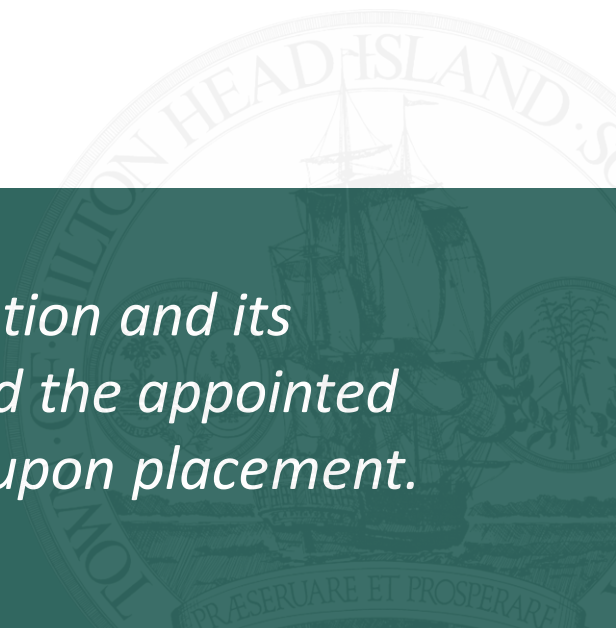


TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED GGHNCDC FUND BUDGET EXPENDITURES

| | FY 2023 Revised Budget | FY 2024 Proposed Budget | % Change FY 2023 Budget | % of Budget |
|--------------------------------|------------------------------|-------------------------------|-------------------------------|----------------|
| Personnel & Benefits | \$ 610,850 | \$ 610,850 | 0.0% | 11.4% |
| Operating Expenses | 418,885 | 262,070 | -37.4% | 4.9% |
| Professional Services | 463,775 | 463,775 | 0.0% | 8.7% |
| Grants & Incentives Loans | 1,006,490 | 1,006,490 | 0.0% | 18.8% |
| Capital Outlay | 2,500,000 | 2,500,000 | 0.0% | 46.8% |
| Project Expenses & Contingency | 500,000 | 500,000 | 0.0% | 9.4% |
| Total Expenditures | 5,500,000 | 5,343,185 | -2.9% | 100.0% |

A Board of Directors has been appointed by Town Council to oversee and guide the development of the Corporation and its organizational objectives. An Executive Director will be hired through coordination between the Town Manager and the appointed Board in the coming months. Planned expenditures will be refined by the Executive Director and Board of Directors upon placement.



I TOWN OF HILTON HEAD ISLAND

FY 2024 GGHNCDC FUND BUDGET HIGHLIGHTS

- ✓ New Fund
- ✓ A board of directors will be appointed by Town Council to oversee and guide the development of the Corporation and its organizational objectives
- ✓ An Executive Director will be hired through coordination between the Town Manager and the appointed Board in the coming months
- ✓ Funding for the Corporation's start up provided by a \$5 million South Carolina grant, and the remainder of the \$500k Beaufort County Grant (\$343,185 funds derived from ARPA), both received in FY23 to be deployed in FY24



I TOWN OF HILTON HEAD ISLAND

FY 2024 GGHNCDC FUND BUDGET HIGHLIGHTS

- ✓ Planned expenses include the below, which will be refined by the Executive Director and Board of Directors upon placement:
 - Personnel for an Executive Director
 - Operating expenses, including office space, computers and software, marketing, promotion and hospitality, etc.
 - Professional services, including start-up legal services, planning services, public education/outreach, etc.
 - Grants, Incentives and Loans for Small Business Development, and Attraction, Retention, and Investment
 - Capital outlay for land/easement acquisition and public infrastructure
 - Miscellaneous project expenses and contingency



TOWN OF HILTON HEAD ISLAND

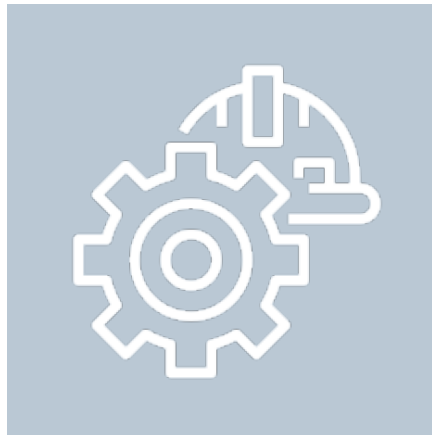
FY 2024 PROPOSED CONSOLIDATED BUDGET OVERVIEW

SIX MAJOR FUNDS



General Fund

Stormwater Utility Fund



Capital Projects Fund

Debt Service Fund



Gullah Geechee Historic Neighborhoods
Community Development Corporation Fund

Housing Fund



| TOWN OF HILTON HEAD ISLAND

HOUSING FUND

- ❑ Accounts for and reports the costs associated with the development, implementation, and delivery of strategies and tactics identified within the Town's adopted Workforce Housing Framework
- ❑ The primary sources of revenue are transfers from the General Fund and Capital Projects Fund, a portion of which is ARPA funding

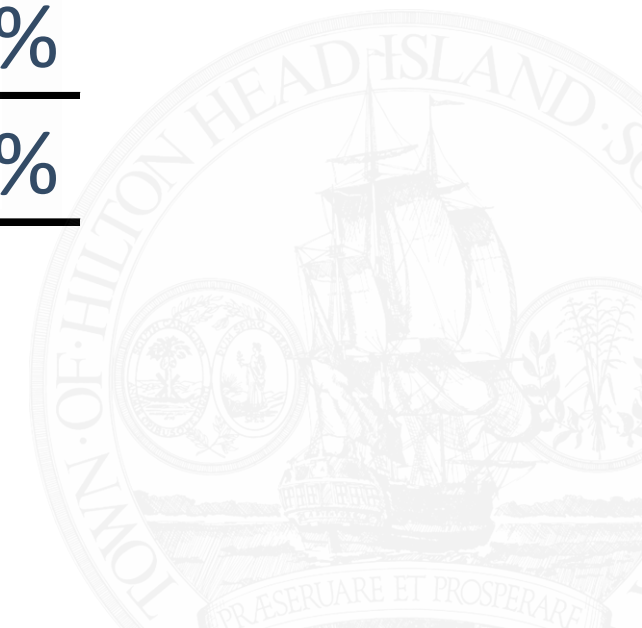


TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED HOUSING FUND BUDGET REVENUES



| | FY 2024 Proposed Budget | % of Budget |
|---|-------------------------------|----------------|
| Transfer from General Fund | \$ 2,000,000 | 59.7% |
| Transfer from Capital Projects - ARPA Funds | 1,000,000 | 29.9% |
| Transfer from Capital Projects | 350,000 | 10.4% |
| Total Revenues | 3,350,000 | 100.0% |

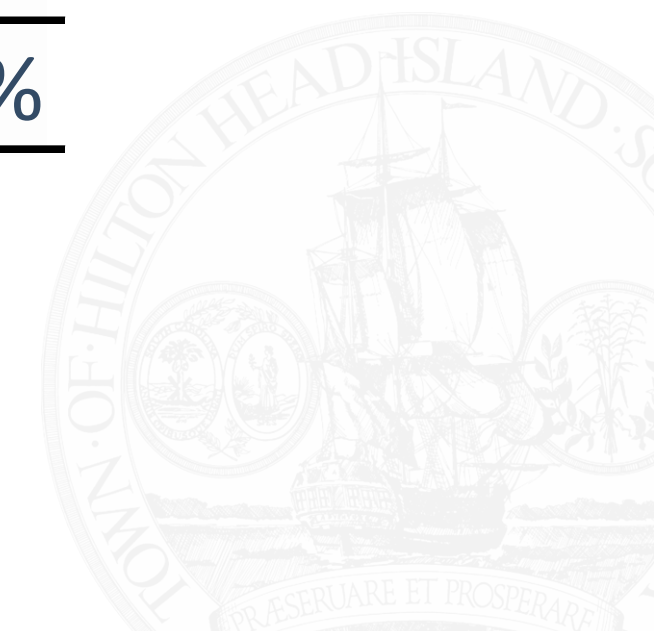


TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED HOUSING FUND BUDGET EXPENDITURES



| | FY 2024 Proposed Budget | % of Budget |
|---|-------------------------------|----------------|
| Northpoint Housing Partnership | \$ 1,000,000 | 29.9% |
| Housing Initiatives to be Identified | 2,263,441 | 67.6% |
| Beaufort Jasper Housing Trust Fund Dues | 86,559 | 2.6% |
| Total Expenditures | 3,350,000 | 100.0% |



TOWN OF HILTON HEAD ISLAND

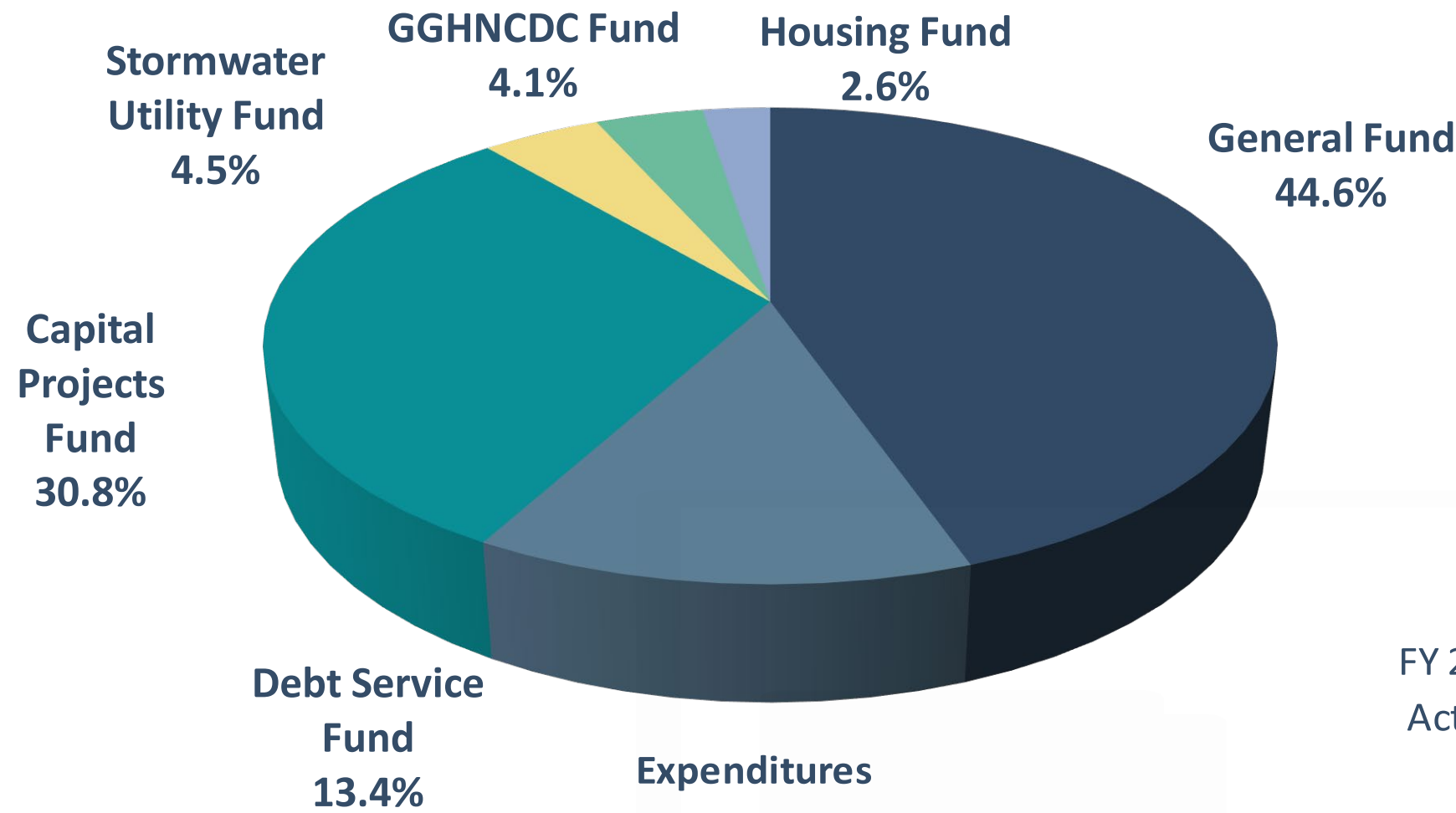
FY 2024 HOUSING FUND BUDGET HIGHLIGHTS

- ✓ New Fund
- ✓ \$1 million transfer from General Fund – FY23 fund balance
- ✓ \$1 million transfer from General Fund – FY24 funds
- ✓ \$1 million from the Capital Projects Fund – ARPA Funds – for the Northpoint Housing Partnership
- ✓ \$350k transfer from Capital Projects Fund
- ✓ Funding for the Beaufort Jasper Housing Trust Fund Dues
- ✓ Funding for new housing initiatives to be identified by Town Council



TOWN OF HILTON HEAD ISLAND

FY 2024 PROPOSED CONSOLIDATED BUDGET



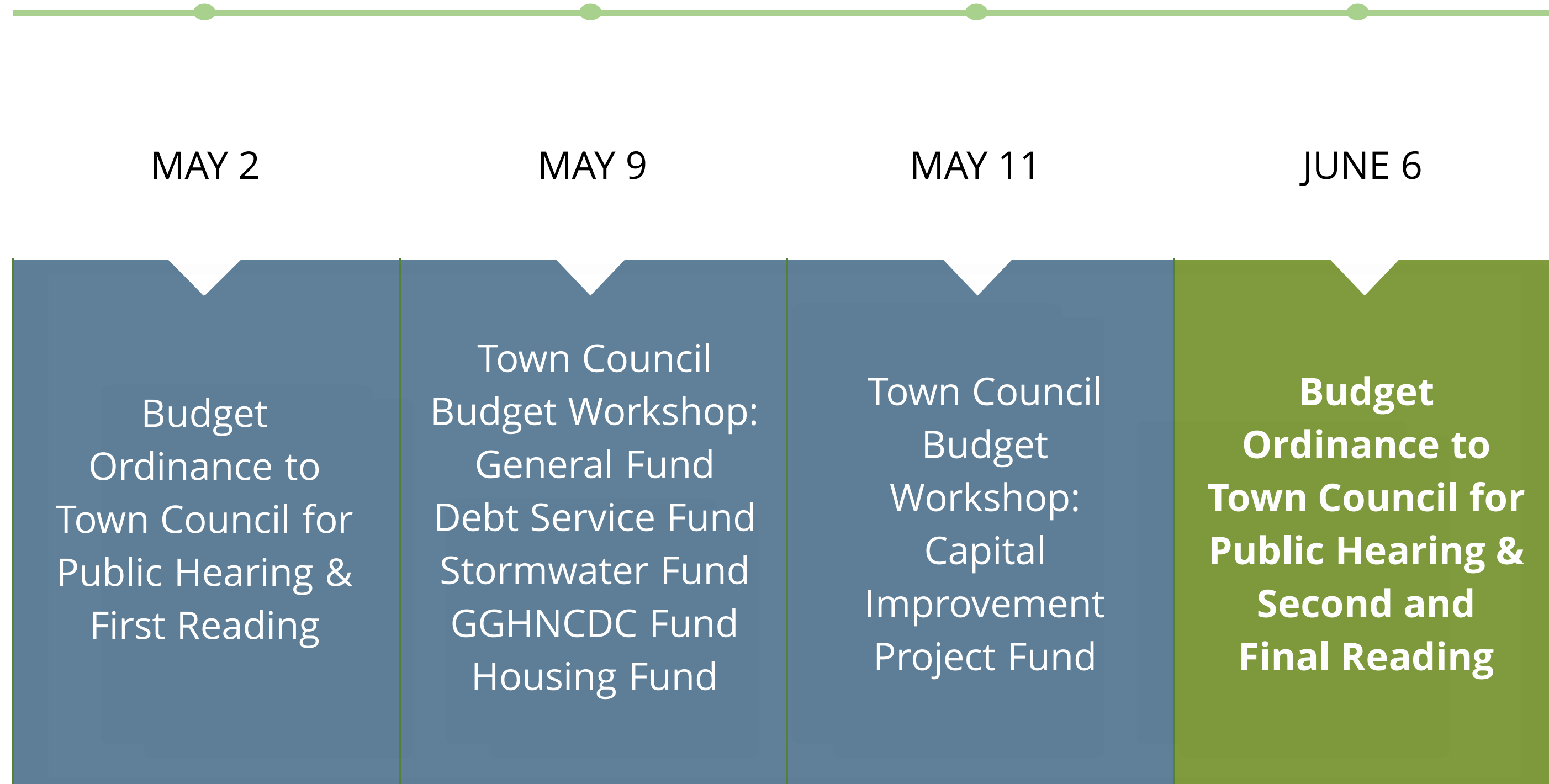
Expenditures

| |
|-------------------------|
| General Fund |
| Debt Service Fund |
| Capital Projects Fund |
| Stormwater Utility Fund |
| Subtotal |
| GGHNCDC Fund |
| Housing Fund |
| Consolidated Budget |

| | FY 2021 Actual | FY 2022 Actual | FY 2023 Original Budget | FY 2024 Proposed Budget | Compared to FY23 Original Budget | |
|-------------------------|-------------------|-------------------|-------------------------------|-------------------------------|-------------------------------------|-------------|
| | | | | | \$ Change | % Change |
| General Fund | \$ 40,959,948 | \$ 43,641,527 | \$ 48,621,804 | \$ 57,980,977 | \$ 9,359,173 | 19.2% |
| Debt Service Fund | 19,815,012 | 19,330,666 | 19,374,081 | 17,397,233 | \$ (1,976,848) | -10.2% |
| Capital Projects Fund | 14,061,999 | 7,554,151 | 45,671,933 | 39,993,081 | \$ (5,678,852) | -12.4% |
| Stormwater Utility Fund | 4,893,127 | 4,589,552 | 5,833,296 | 5,885,817 | \$ 52,521 | 0.9% |
| Subtotal | 79,730,086 | 75,115,896 | 119,501,114 | 121,257,108 | 1,755,994 | 1.5% |
| GGHNCDC Fund | - | - | - | 5,343,185 | \$ 5,343,185 | 0.0% |
| Housing Fund | - | - | - | 3,350,000 | \$ 3,350,000 | 0.0% |
| Consolidated Budget | \$ 79,730,086 | \$ 75,115,896 | \$119,501,114 | \$129,950,293 | \$ 10,449,179 | 8.7% |

TOWN OF HILTON HEAD ISLAND

FY 2024 CONSOLIDATED BUDGET REVIEW & APPROVAL PROCESS



Note: Beaufort County Reassessment Schedule TBD.

TOWN OF HILTON HEAD ISLAND

RECOMMENDED MOTION

MOVE TO APPROVE

**FY 2024 PROPOSED CONSOLIDATED BUDGET
ON SECOND AND FINAL READING**





Town of Hilton Head Island

THANK YOU

FY 2024 PROPOSED CONSOLIDATED BUDGET

