



Town of Hilton Head Island
SPECIAL TOWN COUNCIL MEETING
1 Town Center Court, Hilton Head Island, SC
Benjamin M. Racusin Council Chambers
Tuesday, August 29, 2023, 10:00 AM

The meeting can be viewed on the [Town's YouTube Channel](#), the [Beaufort County Channel](#), and Spectrum Channel 1304.

1. Call to Order

2. FOIA Compliance: Public notification of this workshop has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the requirements of the Town of Hilton Head Island.

3. Pledge to the Flag

4. Adoption of the Agenda

5. Appearance by Citizens: Citizens who wish to address the Town Council on the matters being discussed during the meeting may do so by submitting the [Request to Speak form](#) or by 4:30 PM the day before the meeting.

6. Unfinished Business

- a. Consideration of Proposed Ordinance No. 2023-18 Amending the Millage Rate of the Town of Hilton Head Island General Fund and Debt Service Fund for the Fiscal Year Ending June 30, 2024, so as to Perform Required Rollback of Millage Pursuant to South Carolina Code of Laws Section 12-37-251 – Second and Final Reading – John Troyer, Finance Director

7. Executive Session

- a. Discussion of Personnel Matters [Pursuant to the South Carolina Freedom of Information Act Section 30-4-70 [a][1)] related to:

1. Beaufort County Sales Tax Advisory Committee

- b. Discussion and Status Update on the Negotiations Incident to Proposed Contractual Arrangements for the Northpoint Public-Private Partnership Workforce Housing Project (Pursuant to the South Carolina Freedom of Information Act Section 30-4-70[a][2])

8. Action from Executive Session

9. Adjournment

Municipal Association of South Carolina (MASC) Civility Pledge:

"I pledge to build a stronger and more prosperous community by advocating for civil engagement, respecting others and their viewpoints, and finding solutions for the betterment of my city or town."



TOWN OF HILTON HEAD ISLAND

Town Council

TO: Town Council
FROM: John M. Troyer, Director of Finance
VIA: Marc Orlando, Town Manager
CC: Josh Gruber, Deputy Town Manager
DATE: August 29, 2023
SUBJECT: Second Reading of Proposed Ordinance No. 2023-18 to Establish the Rollback Millage Required by Section 12-31-251, Code of Laws of South Carolina, 1976, as Amended; and Provide for Severability and Effective Date

RECOMMENDATION:

As directed in the budget ordinance for fiscal year 2024, staff recommends Town Council approve the second reading of Proposed Ordinance No. 2023-18 to lower the millage of the General Fund and Debt Service Fund for the fiscal year ending June 30, 2024, to offset the property reassessment performed by the County. **There were no changes to Proposed Ordinance 2023-18 as a result of the first reading held on August 15, 2023.**

BACKGROUND:

Pursuant to Section 12-43-217 of the Code of Laws of South Carolina, 1976, as amended (the "Code"), once every fifth year each county shall appraise and equalize those properties under its jurisdiction ("Reassessment"). Property valuation must be complete at the end of December of the fourth year and the county shall notify every taxpayer of any change in value or classification if the change is one thousand dollars or more. In the fifth year, the county or State shall implement the program and assess all property on the newly appraised values.

Beaufort County has undertaken Reassessment which will be implemented in tax year 2023; and pursuant to 12-37-251 (E) of the Code, the number of mills levied for tax year 2023 must be decreased or "rolled back".

With Ordinance No. 2023-07 on June 6, 2023, Town Council enacted a budget for the fiscal year ending June 30, 2024. As stated in Section 2 of the Ordinance, the budget was initially based on a tax rate of 23.1 mills, and the millage rate would be reduced to offset the effects of implementation of new property values from the County's reappraisal process to achieve a revenue neutral outcome.

SUMMARY:

The revised millage based on the County's reassessment is presented below. The reassessment applies to tax year 2023 which is the Town's fiscal year 2024. The total assessed value after reassessment for the Town of Hilton Head Island is \$1,146,028,610, and the new value of a mill is \$1,146,029. The revised total millage is 21.4.

	Before Reappraisal	After Reappraisal
General Fund	17.2	15.9
Debt Service Fund	5.9	5.5
Total Millage Rate	23.1	21.4

ATTACHMENTS:

1. Proposed Ordinance No. 2023-18
2. Calculation of Millage rollback rate for Reappraisal
3. Calculation of Millage by category after rollback rate for Reappraisal
4. Calculation of Adjusted Taxable Value
5. Agencies Roll Back Taxes
6. Value of 1 Mill for TY 2023 as of April 19, 2023

ORDINANCE NO. _____

PROPOSED ORDINANCE NO. 2023-18

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, TO ESTABLISH THE ROLLBACK MILLAGE REQUIRED BY SECTION 12-31-251, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED; AND PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, pursuant to Ordinance No. 2023-07 enacted by the Town Council (the “Town Council”) of the Town of Hilton Head Island, South Carolina (the “Town”) on June 6, 2023, millage rates were established for the Town’s General Fund, and Debt Service Fund; and

WHEREAS, pursuant to Section 12-43-217 of the Code of Laws of South Carolina, 1976, as amended (the “Code”), once every fifth year each county shall appraise and equalize those properties under its jurisdiction (“Reassessment”). Property valuation must be complete at the end of December of the fourth year and the county shall notify every taxpayer of any change in value or classification if the change is one thousand dollars or more. In the fifth year, the county or State shall implement the program and assess all property on the newly appraised values; and

WHEREAS, Beaufort County (the “County”) has undertaken Reassessment which will be implemented in tax year 2023; and

WHEREAS, the Town has been informed by the County as a result of Reassessment the value of one mill for tax year 2023 has increased to \$1,146,029; and

WHEREAS, pursuant to 12-37-251(E) of the Code, the number of mills levied for each Reassessment Tax Year must be recalculated to ensure the calculation of the number of mills is revenue neutral; and

WHEREAS, pursuant to 12-37-251(E) of the Code, in order for the number of mills levied for tax year 2023 to be revenue neutral, the number of mills must be decreased or “rolled back”; and

WHEREAS, this Ordinance is being enacted in order to establish the rollback millage rates for the Town’s General Fund, and Debt Service Fund.

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. Establishment of Millage Rates. The Town Council hereby establishes the following millage rates for each of the following funds for the fiscal year ending June 30, 2024:

General Fund	15.9
<u>Debt Service Fund</u>	<u>5.5</u>
Total	21.4

Section 2. 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 3. Effective Date. This Ordinance shall be effective upon its enactment by the Town Council for the Town of Hilton Head Island.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2023.

Alan Perry, Mayor

ATTEST:

Kimberly Gammon, Town Clerk
Proposed Ordinance No. 2023-18

First Reading: _____
Second Reading: _____

APPROVED AS TO FORM:

Town Attorney

Introduced by Council Member:

Attachment 2

Town of Hilton Head Island
Calculation of Millage rollback rate for Reappraisal

Prior Year Taxes Billed		\$	23,768,035
Adjusted Taxable Value	Divided by		<u>1,108,357,389</u>
	Ratio		0.021444
	per Mill		<u>1,000</u>
	Millage Rate	Detailed	<u>21.444</u>
		Rounded	<u>21.4</u>

Attachment 3

Town of Hilton Head Island

Calculation of Millage by category after rollback rate for reappraisal

	Before Reappraisal	After Reappraisal
General Fund	<u>17.2</u>	<u>15.9</u>
Debt Service Fund	<u>5.9</u>	<u>5.5</u>
Total Millage Rate	<u><u>23.1</u></u>	<u><u>21.4</u></u>

Attachment 4

**Town of Hilton Head Island
Calculation of Adjusted Taxable Value**

Assessed Value without growth or exempt properties

<u>District</u>	<u>Amount</u>
510	350,109,501.00
511	22,686,919.00
520	180,656,676.00
550	462,037,819.00
552	31,362,119.00
553	44,818,393.00
Total	<u>1,091,671,427.00</u>

Subtract TIF values

511	(22,686,919.00)
552	(31,362,119.00)
553	(44,818,393.00)

Add back TIF base

511	5,047,581.00
552	12,857,837.00
553	<u>15,002,656.00</u>

Adjusted real property	1,025,712,070.00
Personal property	42,035,579.00
Vehicles	<u>40,609,740.00</u>
Adjusted taxable value	<u><u>1,108,357,389.00</u></u>

Attachment 5

Agencies Roll Back Taxes

<u>Tax District</u>	<u>Real</u>	<u>Personal</u>	<u>Watercraft</u>	<u>Vehicles</u>	<u>Total Taxes Billed</u>
County Operations	110,827,314.33	6,399,384.03	699,252.51	8,165,855.86	126,091,806.73
County Debt Service	11,514,523.15	664,857.55	72,650.07	848,364.13	13,100,394.90
County Purchase Property	10,897,723.77	629,292.03	68,766.13	803,215.74	12,398,997.67
BCSD Operations	155,252,341.84	15,028,995.98	1,577,520.39	18,421,581.74	190,280,439.95
BCSD Debt Service	74,638,820.17	4,346,636.37	470,929.75	5,499,550.20	84,955,936.49
Town of Port Royal	3,753,521.98	236,439.72	23,287.04	386,887.00	4,400,135.74
City of Beaufort	7,142,535.95	698,437.81	50,584.63	415,258.68	8,306,817.07
Town of Hilton Head	22,132,468.13	881,511.74	65,067.64	688,987.53	23,768,035.04 (A)
Town of Bluffton	11,322,252.27	786,324.91	52,053.57	1,025,039.44	13,185,670.19
City of Hardeeville	304,894.07	43,933.37	0.00	91.09	348,918.53
Town Ridgeland	904.40	0.00	0.00	0.00	904.40
Town of Yemassee	37,666.81	20,979.53	21.98	7,648.94	66,317.26
Burton Fire District Ops	4,313,742.51	1,057,116.74	48,647.38	767,050.45	6,186,557.08
Burton Fire District Debt	246,513.71	60,404.59	3,529.60	55,664.13	366,112.03
LISH Fire District Ops	6,062,062.35	427,814.06	100,558.44	647,975.07	7,238,409.92
LISH Fire District Debt	554,879.12	39,159.20	4,893.68	31,770.60	630,702.60
Bluffton Fire District Ops	16,720,635.30	991,253.96	101,096.52	1,627,105.76	19,440,091.54
Bluffton Fire District Debt	979,795.83	58,103.31	6,282.77	101,086.88	1,145,268.79
Sheldon Fire District Ops	1,451,780.45	132,945.23	12,732.69	96,171.91	1,693,630.28
Sheldon Fire District Debt	115,278.32	10,556.03	1,068.11	8,070.21	134,972.67
Daufuskie Fire District Ops	1,212,388.98	107,568.79	8,054.42	28,744.88	1,356,757.07
Daufuskie Fire District Debt	0.00	0.00	0.00	1.07	1.07
Fripp Island PSD Ops	636,492.87	15,954.73	2,393.55	12,569.00	667,410.15
Fripp Island PSD Debt	789,636.70	19,794.70	3,362.60	17,510.94	830,304.94
Fripp Island PSD Erosion	215,357.74	5,399.99	830.83	4,324.64	225,913.20
Broad Creek PSD	1,585,400.70	43,201.67	2,941.70	33,160.80	1,664,704.87
Hilton Head PSD #1 Ops	1,036,329.36	68,397.55	5,570.52	70,696.23	1,180,993.66
Hilton Head PSD #1 Debt	1,416,322.60	93,477.46	7,798.63	98,977.46	1,616,576.15

Value of 1 Mill for TY2023 as of April 19, 2023

Tax District	Real	Personal	Vehicles	Total Assessed (Taxable) Value	Value of 1 mil
County Operations	2,370,433,582	132,812,527	151,474,960	2,654,721,069	2,654,721
County Debt Service	2,370,433,582	132,812,527	151,474,960	2,654,721,069	2,654,721
County Purchase Property	2,370,433,582	132,812,527	151,474,960	2,654,721,069	2,654,721
BCSD Operations	1,545,561,192	132,812,527	151,474,960	1,829,848,679	1,829,849
BCSD Debt Service	2,442,433,980	132,812,527	151,474,960	2,726,721,467	2,726,721
Town of Port Royal	57,730,001	3,523,846	5,307,230	66,561,077	66,561
City of Beaufort	111,673,972	9,810,326	7,246,310	128,730,608	128,731
Town of Hilton Head	1,063,383,291	42,035,579	40,609,740	1,146,028,610	1,146,029
Town of Bluffton	107,997,781	21,825,251	28,015,110	157,838,142	157,838
City of Hardeeville	2,985,786	403,340	159,470	3,548,596	3,549
Town Ridgeland	6,460	0	0	6,460	6
Town of Yemassee	526,100	301,760	115,240	943,100	943
Burton Fire District Ops	69,903,375	15,084,451	10,998,460	95,986,286	95,986
Burton Fire District Debt	69,903,375	15,084,451	10,998,460	95,986,286	95,986
LISH Fire District Ops	166,118,563	12,241,748	15,796,980	194,157,291	194,157
LISH Fire District Debt	166,118,563	15,798,560	15,796,980	197,714,103	197,714
Bluffton Fire District Ops	778,798,113	42,918,256	67,321,950	889,038,319	889,038
Bluffton Fire District Debt	778,798,113	42,918,256	67,321,950	889,038,319	889,038
Sheldon Fire District Ops	40,519,601	3,634,042	2,521,380	46,675,023	46,675
Sheldon Fire District Debt	40,519,601	3,634,042	2,521,380	46,675,023	46,675
Daufuskie Fire District Ops	21,873,241	1,760,304	469,820	24,103,365	24,103
Daufuskie Fire District Debt	21,873,241	1,760,304	469,820	24,103,365	24,103
Fripp Island PSD Ops	57,441,179	1,399,110	1,043,860	59,884,149	59,884
Fripp Island PSD Debt	57,441,179	1,399,110	1,043,860	59,884,149	59,884
Fripp Island PSD Erosion	57,441,179	1,399,110	1,043,860	59,884,149	59,884
Broad Creek PSD	187,943,330	4,629,557	3,384,420	195,957,307	195,957
Hilton Head PSD #1 Ops	408,830,123	24,705,610	23,772,040	457,307,773	457,308
Hilton Head PSD #1 Debt	408,830,123	24,705,610	23,772,040	457,307,773	457,308