The Town Of Hilton Head Island
Regular Town Council Meeting
Tuesday, October 5, 2010
4:00 P.M.
AGENDA

As a courtesy to others please turn off all cell phones and pagers during the town council meeting.

1) Call to Order

2) Pledge to the Flag

3) Invocation

4) FOIA Compliance – Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

5) Proclamations And Commendations

a. Fire Prevention Week

6) Approval of Minutes

a. Regular Town Council Meeting of September 21, 2010

b. Joint Town Council/Planning Commission meeting of September 15, 2010

7) Report of the Town Manager

a. Town Manager's Items of Interest

b. Proposed change in November 16 Town Council meeting date

c. Preliminary Year-End Financial Statements for June 30, 2010

d. Consideration of a recommendation that the Town Council take a position and communicate same regarding various tax proposals under consideration by the South Carolina Tax Realignment Commission

8) Reports From Members of Council

a. General Reports from Council

b. Report of the Intergovernmental Relations Committee – George Williams, Chairman

c. Report of the Personnel Committee – Drew Laughlin, Chairman

d. Report of the Planning and Development Standards Committee – Bill Ferguson, Chairman

e. Report of the Public Facilities Committee – John Safay, Chairman

f. Report of the Public Safety Committee – Bill Harkins, Chairman

9) Appearance By Citizens

10) Unfinished Business

a. None.

11) New Business

a. **Resolution establishing a parking meter zone**

Consideration of a recommendation that the Town Council for the Town of Hilton Head Island adopt a Resolution establishing a parking meter zone for public parking at Islanders Beach Park and reserving the remaining spaces for beach pass parking.

b. **First Reading of Proposed Ordinance No. 2010-20**

First Reading of Proposed Ordinance No. 2010-20 authorizing the Town Council for the Town of Hilton Head Island for the issuance and sale of not to exceed $13,000,000.00 General Obligation Refunding Bonds, Series 2010B, or such other appropriate series designation, of the Town of Hilton Head Island, South Carolina; fixing the form and certain details of the bonds; authorizing the Town Manager or his lawfully authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; and other matters relating thereto; and providing for severability and an effective date.

c. **Declaration of intent to reimburse certain expenditures**

Consideration of a Resolution relating to the Declaration of Intent by the Town of Hilton Head Island, South Carolina, to reimburse certain expenditures prior to the issuance by the Hilton Head Island Public Facilities Corporation's tax exempt debt.

d. **First Reading of Proposed Ordinance No. 2010-21**

First Reading of Proposed Ordinance No. 2010-21 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2010; to provide for the expenditure of certain funds; and to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

e. **First Reading of Proposed Ordinance No. 2010-22**

First Reading of Proposed Ordinance No. 2010-22 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2011; to provide for the budget appropriations of prior year encumbrances; to provide for the expenditure of certain funds; and to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

f. **First Reading of Proposed Ordinance No. 2010-23**

First Reading of Proposed Ordinance No. 2010-23 to amend the budget for the Town of Hilton Head Island, South Carolina for the fiscal year ending June 30, 2011; to provide for the budgeted appropriations of prior year budget roll-forwards; to provide for the expenditure of certain funds; and to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

12) Executive Session

a. Land Acquisition

b. Review of the Town Manager

13) Adjournment

WHEREAS, the Town of Hilton Head Island, SC is committed to ensuring the safety and security of all those living in and visiting our town; and

WHEREAS, fire is a serious public safety concern both locally and nationally, and nearly 3000 people die each year in U.S. homes; and

WHEREAS, smoke alarms cut the risk of dying in a reported fire in half; and

WHEREAS, The Town of Hilton Head Island Fire & Rescue is dedicated to reducing the occurrence of home fire deaths through prevention education and a free smoke alarm program; and

WHEREAS, Hilton Head Island residents are responsive to public education measures and are able to take personal steps to increase their safety from fire, especially in their homes; and

WHEREAS, the 2010 Fire Prevention Week theme, "Smoke Alarms: A sound you can live with" effectively serves to remind us all of the simple actions we can take to stay safe from fire during Fire Prevention Week and year-round.

NOW THEREFORE, I Thomas D. Peeples, Mayor of Hilton Head Island, do hereby proclaim the week of October 3-9, 2010 as

Fire Prevention Week

and I urge all the people of Hilton Head Island to protect their homes and families by heeding the important safety messages and to support the many public safety activities and efforts of The Town of Hilton Head Island Fire & Rescue.

IN TESTIMONY WHEREOF, I hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed this fifth day of October, in the year of our Lord, two thousand and ten.

Thomas D. Peeples

Thomas D. Peeples, Mayor

Attest:

Betsy R. Mosteller, CMC, Town Clerk

THE TOWN OF HILTON HEAD ISLAND

REGULAR TOWN COUNCIL MEETING

Date: Tuesday, September 21, 2010 **Time:** 4:30 P.M.

Present from Town Council: Thomas D. Peeples, *Mayor;* Ken Heitzke, *Mayor Pro-Tem;* George Williams, John Safay, Bill Harkins, Drew Laughlin, Bill Ferguson, *Councilmen*.

Present from Town Staff: Stephen G. Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Jill Foster, *Deputy Director of Community Development*; Scott Liggett, *Director of Public Projects and Facilities*; Susan Simmons, *Finance Director;* Nancy Gasen, *Director of Human Resources;* Shawn Colin, *Comprehensive Planning Manager;* Ed Boring, *Deputy Fire Chief;* Brad Tadlock, *Deputy Fire Chief;* Tom Fultz, *Director of Administrative Services;* Julian Walls, *Facilities Manager;* Paul Rasch, *Emergency Management Coordinator;* Shea Farrar, *Senior Planner;* Connie Pratt, *Code Enforcement;* Brian Hulbert, *Staff Attorney;* Susan Blake, *Executive Assistant*

Present from Media: Tom Barton, Island Packet

1) CALL TO ORDER

2) PLEDGE TO THE FLAG

3) INVOCATION

4) FOIA COMPLIANCE – Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

5) PROCLAMATIONS AND COMMENDATIONS

6) APPROVAL OF MINUTES

a. Regular Town Council Meeting of September 7, 2010

Mr. Harkins moved to approve. Mr. Williams seconded. The motion was approved by a vote of 6-0-1. Mr. Heitzke abstained because he was not able to attend that meeting.

7) REPORT OF THE TOWN MANAGER

a. Town Manager's Items of Interest

The Town Manager reported on some items of interest.

b. Semi-Annual Report of the Parks & Recreation Commission – John McCann, Chairman

The Chairman reported on the highlights of where they are and what they have accomplished in the past six months.

c. Semi-Annual Report of the Planning Commission – Al Vadnais, Chairman

Chairman Vadnais presented a report on the activities of the Commission during the first half of 2010.

d. September 2010 Policy Agenda, Management Targets and CIP Updates

Steve Riley noted the September updates were included in the agenda package and invited Council to contact him or staff if they had any questions.

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8) REPORTS FROM MEMBERS OF COUNCIL

a. General Reports from Council

Mr. Williams noted Town Council would be considering the final proposed Airport Master Plan, probably sometime the end of October and in the Master Plan were recommendations to extend the runway. Since the Town's current LMO ordinance limited the runway to 4,300 ft., he thought we should start researching procedures and timelines needed to revise the ordinance, in the event a revision became necessary. The Mayor agreed with Mr. Williams' suggestion and the Town Manager said he would look into it.

b. Report of the Intergovernmental Relations Committee – George Williams, Chairman

The Committee would be holding a special meeting on September 22 to review the S.C. Tax Re-alignment Commission's proposed changes to the accommodations tax funding formula.

c. Report of the Personnel Committee – Drew Laughlin, Chairman

Mr. Laughlin advised that he erroneously reported at the last Town Council meeting that all vacancies had been filled. The Personnel Committee did have one recommendation for a Design Review Board seat and this would be discussed during executive session.

d. Report of the Planning and Development Standards Committee – Bill Ferguson, Chairman

No report. The next meeting was cancelled due to a lack of agenda items.

e. Report of the Public Facilities Committee – John Safay, Chairman

The Committee reviewed a proposal to add twenty five parking meters to the Islanders Beach Park in order to become eligible for a beach renourishment grant. This would be coming forward with a favorable recommendation to the next Town Council meeting.

f. Report of the Public Safety Committee – Bill Harkins, Chairman

No report.

9) APPEARANCE BY CITIZENS

None.

10) UNFINISHED BUSINESS

a. None.

11) NEW BUSINESS

a. Consideration of a recommendation that the Town Council for the Town of Hilton Head Island award $22,714 to Main Street Youth Theater (MSYT) as a supplemental 2010 State Accommodations grant.

Mr. Laughlin moved to approve. Mr. Heitzke seconded. The motion was approved by a vote of 7-0.

b. Consideration of a recommendation that Town Council authorize staff to proceed with the Port Royal Fill Project as approved in the current budget and amend the funding sources.

Mr. Heitzke moved to approve. Mr. Williams seconded. The Mayor asked Finance Director

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Susan Simmons to present the staff's 2011 Beach Renourishment Financing proposal. They were recommending that the Town proceed with the $12.5 million Port Royal Fill Project as presented and amend the funding sources associated with the project. The proposal was to transfer $1 million from Beach preservation fees, fund $11 million with Beach Preservation Fee Bond proceeds and $1 million from grant revenues. The additional $500,000 expense was to cover bond issue costs. (At 5:20 p.m. during this presentation, technical difficulties with the Council Chambers sound system caused the recording system to be shut down. There was a brief adjournment to see if the problem could be fixed. It was determined that it could not, so the remainder of the meeting was not tape recorded.)

Staff was also recommending that the next beach renourishment be scheduled for 2015 and then on a recurring eight year cycle, on average. Debt for each renourishment should have an eight year maturity such that the final payment coincides with the issuance of new bonds for the next renourishment.

Additionally, the funding source for $1,450,000 of Coligny Beach Park FY2009 expenditures be amended from Beach Fee to TIF revenues and a budget reduction of beach fee transfer in FY11 to $1,232,000.00.

Brent Robertson, Merchant Capital Financial Advisors, talked about the Beach Preservation Fee Debt structure from 2011 to 2032 utilizing a staggering of bond issues vs. overlapping to ensure rapid payback and full financing of projected needs through 2032.

There were a few questions for Ms. Simmons from the council members, which she answered.

The motion as approved by a vote of 7-0.

12) EXECUTIVE SESSION

Mr. Riley said that he needed an executive session for contractual matters pertaining to land acquisition; legal advice pertaining to on-going litigation; contractual matters pertaining to the Developer Agreement with the Shelter Cove Mall and personnel matters pertaining to appointments to boards and commissions.

At 6:12 p.m., Mr. Heitzke moved to go into Executive Session for the reasons stated by the Town Manager. Mr. Ferguson seconded. The motion was approved by a vote of 7-0.

Mayor Peeples called the meeting back to order at 6:43 p.m. and asked if there was any business to take up as a result of executive session. He also stated for the record that Mr. Safay had to leave after executive session and therefore, was not on the dais.

Mr. Laughlin moved that the Town Council for the Town of Hilton Head Island appoint Martha Schymik to the Design Review Board. Mr. Heitzke seconded. The motion was approved by a vote of 6-0.

13) ADJOURNMENT

At 6:44 p.m., Mr. Heitzke moved to adjourn. Mr. Williams seconded. The motion was approved by a vote of 6-0.

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Susan Blake, Secretary

Approved:

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Thomas D. Peeples, Mayor

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THE TOWN OF HILTON HEAD ISLAND
SPECIAL JOINT MEETING OF THE TOWN COUNCIL AND THE PLANNING COMMISSION

Benjamin M. Racusin Council Chambers

Date: Wednesday, September 15, 2010 **Time:** 3:00 P.M.

Present from Town Council: Thomas D. Peeples, *Mayor;* Ken Heitzke, *Mayor Pro-Tem;* George Williams, John Safay, Bill Harkins, Drew Laughlin, Bill Ferguson, *Councilmen*.

Present from Planning Commission: Al Vadnais, *Chairman*; Tom Crews, Jack Docherty, Therese Leary, Tom Lennox, Charles Young, III, *commission members.*

Absent from Planning Commission: Gail Quick, Terry Ennis, Loretta Warden.

Present from the Mayor's Task Force for the Future: David Ames, *Chairman*; J. R. Richardson, *Vice Chairman*; Peter Kristian, Elizabeth Lamkin, Kumar Viswanathan, Mark Baker, Thomas Barnwell, Bud Shay, Marc Frey, *committee members*.

Present from Town Staff: Stephen G. Riley, *Town Manager;* Jill Foster, *Deputy Director, Community Development Dept.;* Teri Lewis, *LMO Official;* Shawn Colin, *Comprehensive Planning Manager;* Heather Colin, *Development Review Administrator;* Jayme Lopko, *Senior Planner;* Shea Farrar, *Senior Planner;* Brian Hulbert, *Staff Attorney;* Susan Blake, *Executive Assistant;* Kathleen Carlin, *Administrative Assistant.*

Present from Media: Tom Barton, Island Packet

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1. CALL TO ORDER

2. FOIA COMPLIANCE – Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

3. NEW BUSINESS

a. Report of the Chairman, Mayor's Task Force for the Future and presentation of the Final Vision 2025 Report.

The Mayor acknowledged the many hours the members of the Task Force have spent working on this report and extended his thanks for all their hard work and dedication. Mayor Peeples said that he hoped that the Town Council would accept the Final Vision 2025 Report and the Planning Commission would consider this report to make recommendations to the Town Council for their 2011 goal setting retreat.

On behalf of the Task Force Members, Chairman Dave Ames thanked the Mayor, the Town Council and the Planning Commission for giving them the opportunity today to discuss and present the findings of the Task Force. Mr. Ames thanked the Mayor for his leadership in establishing the Task Force and for honoring the members by their selection to the Task Force. Mr. Ames distributed a final copy of the report to each member of the Town Council and the Planning Commission.

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The Chairman gave a report to the Town Council and Planning Commission. He said the Task Force established a set of core values, developed a succinct Mission or Vision Statement, identified no more than five key areas of focus for the Town over the next 25 years and recommended strategies for implementation of these key focus areas. All of this was contained in detail in the Task Force's Final Report.

Mr. Harkins thanked the Task Force for their hard work in developing this Vision report. He moved that the Town Council accept the Task Force Report and refer it to the Planning Commission for review and that the Planning Commission create a prioritized list of four or five recommendations to the Town Council for development of the future goals and targets. Mr. Safay seconded.

Mr. Safay said that he, too, wanted to express his appreciation to the Task Force for all their hard work. He was looking forward to seeing the prioritized list after the Planning Commission had had time to review the Task Force report.

Mr. Laughlin suggested that they not limit the Planning Commission to a specific number. Mr. Harkins and Mr. Safay agreed to revise their motion to remove a specific number of recommendations.

Mr. Ferguson said that he did not think the Task Force was a legally appointed advisory committee since it was not appointed by the Town Council. He had tried to get a Resolution passed at a regular Town Council meeting that would authorize the formation of the Task Force, but it was defeated. Based on his understanding of the Town Code, the Task Force had to be created by the Council, not the Mayor. Mr. Ferguson added that he knew the members had worked very hard and he appreciated their dedication. He did not want to take anything away from their efforts, but he would not be voting in favor of accepting the final report.

Steve Riley added that staff had obtained an opinion from the Town attorney who stated that the Task Force did not need to be sanctioned by the full Town Council because it was only an advisory body and had no authority to enact any of its recommendations.

Mayor Peeples talked about the financial pressures that will be facing the Town in the near future as a result of the economy and the probable lowering of the tax base due to reduced property values. He did not have an issue with any of the directions proposed by the Task Force, but the big challenge will be finding a way to fund the proposals.

The motion passed with a vote of 6-1. Mr. Ferguson was opposed.

The Mayor thanked the Task Force members again for their hard work and declared that the Task Force was now officially disbanded.

4. ADJOURNMENT

The meeting was adjourned at 3:55 p.m.

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Susan Blake, Secretary

Approved:

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Thomas D. Peeples, Mayor

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Items of Interest
September 21, 2010

I. Town News

a) Battalion Chief David Cooler has successfully completed the U.S. Fire Administration's National Fire Academy (NFA) Executive Fire Officer Program. This 4-year program involves over 320 hours of classroom activities and 24 months of research on managing fire service organizations.

(Contact: Lavarn Lucas, Fire Chief – phone 682-5153)

b) In memory of the September 11 tragedy, the Town coordinated a series of events for Patriot's Day. On Sept. 9, the "Day of Caring," Teri Lewis, Heather Colin, Jayme Lopko, Sarah Heyward, Lynn Cooler, Eileen Buckalew, Suzanne Brown, Jennifer Lyle, David Cooler, Karen Knox, Judith Boroski, Nicole Dixon, Sam Burnett and Joheida Fister volunteered at non-profit agencies and helped with projects such as landscaping, cleaning, stuffing envelopes or helping children. On Sept. 10, a blood drive was held at the Town. A total of 24 pints of blood were collected through Town employee and private citizen donors. And on Sept. 11, local businesses and communities lowered their flags to half-mast at the 8:46 a.m. time of the first attack.

(Contact: Suzanne Brown, Addressing Technician – phone 341-4741)

II. Noteworthy Events

a) Some of the upcoming meetings at Town Hall:

- Planning Commission – October 6, 9:00 a.m.
- Design Review Board – October 12, 1:15 p.m.
- Parks & Recreation Commission – October 14, 3:30 p.m.
- Accommodations Tax Advisory Committee – October 19, 9:00 p.m.
- Town Council – October 19, 4:00 p.m.

(Meetings subject to change and/or cancellation. Please visit the Towns' website at www.hiltonheadislandsc.gov for meeting agendas)

2010 Hilton Head Island Events

Date	Time	Event	Location
Fri., Oct. 8, 2010	5:00 pm - 10:00 pm	Rock the Nest	HHIHS Football Stadium
Sat., Oct. 9, 2010	12:00 pm – 4:00 pm	Kiwanis Chili Cookoff	Honey Horn
Sat., Oct. 16, 2010	8:00 am - 1:00 pm	NAMI Walks for the Mind of America	Coligny Beach

MEMORANDUM

TO: Town Council

FROM: Steve Riley

DATE: October 5, 2010

RE: Proposed meeting date change

Recommendation: Change the date of the November 16, 2010 Town Council meeting to take place on November 17, 2010.

Summary: November 16 is the date scheduled for any mayoral election run-off, should there be one. We typically try to avoid scheduling a Town Council meeting on the same date as an election.

Background: When the Town Council approved the 2010 schedule of Town Council Meetings at its October 20, 2009 meeting, the November 2 meeting date was changed to November 3 because of Election Day. At the time, we did not realize there could be a local election run-off so the second Council meeting was scheduled on its normal third Tuesday of the month.

Town of Hilton Head Island, SC

FY 2010 Financial Statements

Through June 2010

(13th period/pre-audit)

MEMORANDUM

To: Steve Riley, Town Manager

From: Susan Simmons, Director of Finance

Date: September 28, 2010

RE: FY 2010 Financial Statements – Through June (13th period/pre-audit)

General Overview

The struggling economy continues to impact Town revenues but varies depending on the revenue stream. Revenues associated with real estate have increased over the previous fiscal year while tourism related revenues were less than the previous fiscal year.

Real estate related revenues, construction permits, and real estate transfer fees have shown signs of improvement, they are approximately 7% more than the previous fiscal year.

	RETF			Construction Permits			Total		
	Received	$ Change	% Change	Received	$ Change	% Change	Received	$ Change	% Change
FY 2009	1,848,993			853,962			2,702,955		
FY 2010	2,008,012	159,019	9%	886,382	32,420	4%	2,894,394	191,439	7%

Revenue from tourism-driven revenues such as local accommodations taxes, beach preservation fees, and hospitality taxes have declined. Revenues from these sources are approximately 4% less than the previous fiscal year.

	Local ATAX/ Beach Preservation Fees			Hospitality Tax			Total		
	Received	$ Change	% Change	Received	$ Change	% Change	Received	$ Change	% Change
FY 2009	6,301,648			4,826,318			11,127,966		
FY 2010	6,020,792	(280,856)	-4%	4,708,807	(117,511)	-2%	10,729,599	(398,367)	-4%

General Fund Summary

Franchise fee revenues are up $173,314 or 28% over the previous fiscal year. Business license revenues are $355,559 less than last fiscal year. The major reason for the sharp decline is less revenue received from MASC for collection of broker and telecommunication business license fees. The Town has received the majority of its property tax revenue.

As a percentage of budget, General Fund revenues are more than the prior year (97% this fiscal year versus 94% last fiscal year) while expenditures are tracking slightly higher than last fiscal year (94% current year and 93% last fiscal year).

General Fund Summary (continued)

Through June the General Fund financial statement reflects expenditures exceeding revenues by $97,632 compared to $412,362 last fiscal year. The primary reason for the favorable variance is expenditures are $725,036 less than last fiscal year and $2.0 million less than budget. The favorable trend in expenditures offsets a $1.0 million unfavorable variance in revenues received.

General Fund Revenues

The chart below reflects the major revenue variances for the General Fund:

	FY 2009 actual	FY 2010 actual	$ variance	% variance
franchise fees - cable	586,852	760,735	173,883	30%
property taxes	10,715,949	10,920,696	204,747	2%
transfer in - hospitality tax	2,214,864	2,464,955	250,091	11%
transfer in - ATAX State	1,266,741	1,089,096	(177,645)	-14%
miscellaneous revenues	462,368	415,054	(47,314)	-10%
local atax	2,150,536	2,012,520	(138,016)	-6%
business licenses	7,459,058	7,103,499	(355,559)	-5%
state shared	1,054,891	884,672	(170,219)	-16%
ems	1,210,300	1,216,699	6,399	1%

General Fund Expenditures

Due to town-wide efforts to decrease spending, expenditures are down $725,036 compared to last fiscal year. One of the major reasons for the decrease in expenditures is Fire and Rescue expenditures are $609,438 less than last fiscal year. The majority of the decrease is associated with personnel expenditures, with less money being spent on overtime, retirement, medical benefits, and workers compensation. The decreases in Fire and Rescue operating expenditures are primarily due to less being spent on travel, professional services, and capital than in the previous fiscal year. Another reason for the favorable variance in operating expenditures is because telephone, cell phone, and utility expenditures were moved to the Townwide budget for FY 2010. Community Development expenditures were down $209,920. This favorable variance is primarily due to vacant positions being unfilled throughout the fiscal year.

Debt Service Fund

Through June the Debt Service Fund financial statement reflects expenditures exceeding revenues by $493,732. This is primarily due to the planned use of fund balance to pay for a portion of the current fiscal year debt service costs.

Capital Projects Fund

Through June the Capital Projects Fund financial statement reflects revenues exceeding expenditures by $7.3 million. The favorable variance is primarily due to the receipt of approximately $12.0 million in bond funds.

Major projects/expenditures that occurred during the fiscal year are as follows:

- Pathways New Orleans Road $514,552
- Drainage system rehabilitation $909,058
- Coligny Beach Park $512,315
- Apparatus and vehicle replacement $1,756,547
- Fire Station #5 replacement $2,228,217
- Groins refurbishment $500,892
- Land acquisition $1,152,741

Other Revenues

The chart below reflects the Town's other governmental funds and the revenues received through the end of the fiscal year in comparison to last fiscal year:

	FY 2009 actual	FY 2010 actual	$ variance	% variance
state atax	3,859,820	3,456,927	(402,893)	-10%
tax increment financing	5,833,846	6,308,512	474,666	8%
real estate transfer fees	1,848,993	2,008,012	159,019	9%
beach preservation fees	4,210,460	4,008,272	(202,188)	-5%
electric franchise fee	2,606,971	2,682,274	75,303	3%

The reason for the favorable variance in tax increment financing revenue is primarily due to the increase in participation by school district.

TOWN OF HILTON HEAD ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR 2010 - THROUGH JUNE (13TH PERIOD/PRE-AUDIT)

	General	Tax Increment Financing District	Local Accom. Tax	State Accom. Tax	Real Estate Transfer Fee	Beach Preservation Fee	Debt Service	Capital Projects	Electric Franchise Fee	Total Governmental Funds
Revenues:										
Real and Personal Property Taxes	$ 10,920,696	$ 6,308,512					$ 5,529,402	$ 695,844		$ 23,454,454
Capital Sales Tax								331,638		331,638
Accommodations Tax			2,012,520	3,456,927						5,469,447
Hospitality Tax								4,708,807		4,708,807
Business Licenses and Franchise Fees	7,884,950									7,884,950
Permits	886,382									886,382
Other Fees:										
Impact								75,080		75,080
Real Estate Transfer					2,008,012					2,008,012
Beach Preservation						4,008,272				4,008,272
Electric Franchise									2,682,274	2,682,274
Stormwater								2,553,971		2,553,971
State Shared Funds	884,672							314,950		1,199,622
Bond Proceeds								12,121,571		12,121,571
Miscellaneous Revenue	2,366,553							2,019,589		4,386,142
Investment Income	83,720	16,027		1,974	7,308	138,415	138,243	34,476		420,163
Total revenues	23,027,093	6,324,539	2,012,520	3,458,901	2,015,320	4,146,687	5,667,645	22,855,926	2,682,274	72,190,905
Expenditures:										
General Government										
Town Council	292,604									292,604
Town Manager	751,886									751,886
	1,044,490	-	-	-	-	-	-	-	-	1,044,490
Administration										
Administration/Legal	3,057,986									3,057,986
Finance	1,439,262				20,080				1,433	1,460,775
	4,497,248	-	-	-	20,080	-	-	-	1,433	4,518,761
Community Services										
Community Development	2,691,457									2,691,457
Public Projects and Facilities	3,313,089									3,313,089
	6,004,546	-	-	-	-	-	-	-	-	6,004,546
Public Safety										
Sheriff	3,024,440									3,024,440
Fire & Rescue	13,137,983									13,137,983
	16,162,423	-	-	-	-	-	-	-	-	16,162,423
Townwide	2,653,181									2,653,181
Grants	-			2,384,962						2,384,962
Capital Outlay/Projects	229,675							12,067,254	2,322,717	14,619,646
Debt Service	-						16,995,703			16,995,703
Total expenditures	30,591,563	-	-	2,384,962	20,080	-	16,995,703	12,067,254	2,324,150	64,383,712
Excess (deficiency) of revenues over (under) expenditures	(7,564,470)	6,324,539	2,012,520	1,073,939	1,995,240	4,146,687	(11,328,058)	10,788,672	358,124	7,807,193
Other financing sources (uses):										
Transfers In:										
Accommodations Tax - Local	2,012,520									2,012,520
Accommodations Tax - State	1,089,096									1,089,096
Hospitality Tax	2,464,955						756,508			3,221,463
Real Estate Transfer	-						2,721,768	7,757		2,729,525
Beach Preservation	1,315,746						2,812,310	1,202,029		5,330,085
Electric Franchise	77,371									77,371
Stormwater	313,360						912,559			1,225,919
TIF	193,790						3,987,538	973		4,182,301
Transfers Out:										
Accommodations Tax - Local			(2,012,520)							(2,012,520)
Accommodations Tax - State				(1,089,096)						(1,089,096)
Hospitality Tax								(3,221,463)		(3,221,463)
Real Estate Transfer					(2,729,525)					(2,729,525)
Beach Preservation						(5,330,085)				(5,330,085)
Electric Franchise									(77,371)	(77,371)
Stormwater								(1,225,919)		(1,225,919)
TIF		(4,182,301)								(4,182,301)
Debt Issuance							(356,357)	(264,272)		(620,629)
Total other financing sources (uses)	7,466,838	(4,182,301)	(2,012,520)	(1,089,096)	(2,729,525)	(5,330,085)	10,834,326	(3,500,895)	(77,371)	(620,629)
Net change in fund balances	(97,632)	2,142,238	-	(15,157)	(734,285)	(1,183,398)	(493,732)	7,287,777	280,753	7,186,564
Fund balance - beginning	15,861,769	3,552,262	-	1,319,171	2,532,509	14,563,966	9,882,485	13,367,074	156,413	61,235,649
Fund balance - ending	$ 15,764,137	$ 5,694,500	$ -	$ 1,304,014	$ 1,798,224	$ 13,380,568	$ 9,388,753	$ 20,654,851	$ 437,166	$ 68,422,213
		A				A		A		

A: This report does not reflect the funding sources changes for Coligny Park and Squire Pope drainage. These changes will increase the Beach Preservation Fee fund balance and decrease the TIF and Capital Projects fund balances.

Budget versus Actual Report
General Fund

Town of Hilton Head Island

General Fund

FY 2010 Y-T-D June\ Actual Versus Budget and Prior Y-T-D Actual (13th period/pre-audit)

	Y-T-D June Prior Year	FY 2010 Budget	Y-T-D June FY 2010	$ Variance to Prior Year	$ Variance to Current Year Budget	Prior Year % of Budget Received/ Expended	Current Year % of Budget Received/ Expended
				percent of year lapsed			100%
Revenues and Transfers In:							
Real and Personal Property Taxes	$ 10,715,949	$ 11,098,760	$ 10,920,696	$ 204,747	$ (178,064)	101%	98%
Business Licenses	7,459,058	7,310,780	7,103,499	(355,559)	(207,281)	98%	97%
Franchise Fees - Cable	586,852	515,350	760,735	173,883	245,385	99%	148%
Franchise Fees - Beach	21,285	21,500	20,716	(569)	(784)	92%	96%
Permits	853,962	795,500	886,382	32,420	90,882	65%	111%
State Shared Funds	1,054,891	895,590	884,672	(170,219)	(10,918)	90%	99%
Donations	6,125	1,000	120	(6,005)	(880)	0%	12%
Public Safety	206,205	200,000	203,536	(2,669)	3,536	111%	102%
EMS	1,210,300	1,317,910	1,216,699	6,399	(101,211)	110%	92%
Fines and Fees	407,422	410,000	423,042	15,620	13,042	84%	103%
Beach Fees	188,060	135,000	178,247	(9,813)	43,247	84%	132%
Miscellaneous Revenue	502,950	495,780	345,029	(157,921)	(150,751)	135%	70%
Transfers In:							
Accommodations Tax - Local	2,150,536	1,946,330	2,012,520	(138,016)	66,190	95%	103%
Accommodations Tax - State	1,266,741	1,020,890	1,089,096	(177,645)	68,206	93%	107%
Hospitality Tax	2,214,864	2,995,553	2,464,955	250,091	(530,598)	90%	82%
Beach Preservation Fees	1,355,973	1,461,940	1,315,746	(40,227)	(146,194)	95%	90%
TIF	226,260	193,790	193,790	(32,470)	-	100%	100%
Stormwater Utility	303,830	313,360	313,360	9,530	-	100%	100%
Electric Franchise Fees	85,905	79,330	77,371	(8,534)	(1,959)	122%	98%
Funds from Prior Years	-	219,137	-	-	(219,137)	0%	0%
Investment Income	87,069	112,790	83,720	(3,349)	(29,070)	17%	74%
Total revenues	**30,904,237**	**31,540,290**	**30,493,931**	**(410,306)**	**(1,046,359)**	**94%**	**97%**
Expenditures:							
General Government							
Town Council							
Personnel	72,978	84,980	70,966	(2,012)	(14,014)	86%	84%
Operating	282,727	359,715	221,638	(61,089)	(138,077)	89%	62%
	355,705	444,695	292,604	(63,101)	(152,091)	88%	66%
Town Manager							
Personnel	723,053	731,153	731,153	8,100	-	100%	100%
Operating	21,862	31,510	20,733	(1,129)	(10,777)	72%	66%
	744,915	762,663	751,886	6,971	(10,777)	99%	99%
Administration							
Administration/Legal							
Personnel	2,270,985	2,272,570	2,238,162	(32,823)	(34,408)	98%	98%
Operating	875,204	1,024,205	819,824	(55,380)	(204,381)	64%	80%
Capital	104,416	123,900	93,201	(11,215)	(30,699)	41%	75%
	3,250,605	3,420,675	3,151,187	(99,418)	(269,488)	83%	92%
Finance							
Personnel	1,285,236	1,439,940	1,339,916	54,680	(100,024)	90%	93%
Operating	131,581	165,369	99,346	(32,235)	(66,023)	62%	60%
	1,416,817	1,605,309	1,439,262	22,445	(166,047)	86%	90%

Town of Hilton Head Island

General Fund

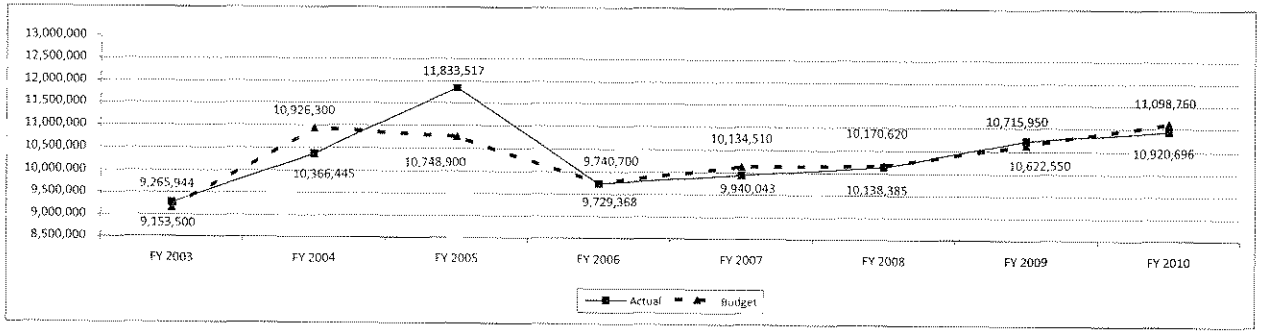
FY 2010 Y-T-D June\ Actual Versus Budget and Prior Y-T-D Actual (13th period/pre-audit)

	Y-T-D June Prior Year	FY 2010 Budget	Y-T-D June FY 2010	$ Variance to Prior Year	$ Variance to Current Year Budget	Prior Year % of Budget Received/ Expended	Current Year % of Budget Received/ Expended
				percent of year lapsed			100%
Community Services							
Community Development							
Personnel	2,795,625	2,672,110	2,593,872	(201,753)	(78,238)	93%	97%
Operating	105,752	136,619	97,585	(8,167)	(39,034)	32%	71%
	2,901,377	2,808,729	2,691,457	(209,920)	(117,272)	87%	96%
Public Projects and Facilities							
Personnel	1,610,107	1,674,530	1,661,083	50,976	(13,447)	100%	99%
Operating	1,646,387	1,824,322	1,652,006	5,619	(172,316)	80%	91%
Capital	-	-	-	-	-	0%	0%
	3,256,494	3,498,852	3,313,089	56,595	(185,763)	86%	95%
Public Safety							
Sheriff/Other	3,109,609	3,079,140	3,024,440	(85,169)	(54,700)	98%	98%
Fire & Rescue							
Personnel	12,244,904	12,199,660	11,995,784	(249,120)	(203,876)	99%	98%
Operating	1,481,570	1,371,738	1,142,199	(339,371)	(229,539)	70%	83%
Capital	157,421	190,755	136,474	(20,947)	(54,281)	77%	72%
	13,883,895	13,762,153	13,274,457	(609,438)	(487,696)	94%	96%
Townwide	2,397,182	3,200,445	2,653,181	255,999	(547,264)	115%	83%
Total expenditures	**31,316,599**	**32,582,661**	**30,591,563**	**(725,036)**	**(1,991,098)**	**93%**	**94%**
Revenues Over/(Under) Expenditures	**$ (412,362)**	**$ (1,042,371)**	**$ (97,632)**				

Revenue Analysis
General Fund

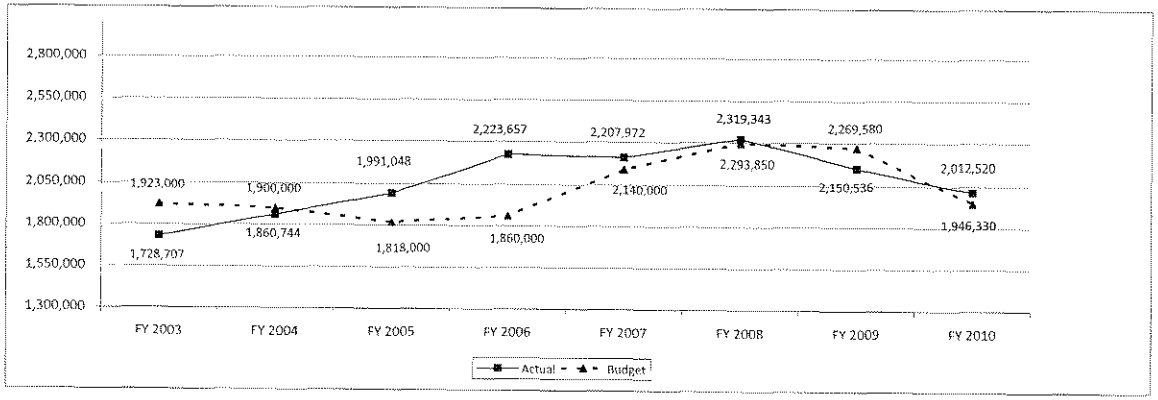
Ad Valorem Tax Revenue - Current/Delinquent/Penalties - GF
Revenues by Month/Fiscal Year

	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	9,747	-	249,966	**259,713**	227,590	865,662	3,743,287	**4,836,539**	3,078,313	304,433	237,536	**3,620,282**	282,915	106,819	159,676	**549,410**	**9,265,944**
	0%	0%	3%	**3%**	2%	9%	40%	**52%**	33%	3%	3%	**39%**	3%	1%	2%	**6%**	**100%**
FY 2004	72,177	64,590	120,149	**256,916**	176,666	900,204	3,851,478	**4,928,348**	3,265,096	174,232	1,063,057	**4,502,385**	309,998	117,322	251,476	**678,796**	**10,366,445**
	1%	1%	1%	**2%**	2%	9%	37%	**48%**	31%	2%	10%	**43%**	3%	1%	2%	**7%**	**100%**
FY 2005	66,032	75,839	109,235	**251,106**	102,771	1,302,436	4,335,906	**5,741,113**	4,498,886	573,159	132,103	**5,204,148**	-	-	637,150	**637,150**	**11,833,517**
	1%	1%	1%	**2%**	1%	11%	37%	**49%**	38%	5%	1%	**44%**	0%	0%	5%	**5%**	**100%**
FY 2006	44,586	72,444	110,323	**227,353**	175,473	829,940	3,951,807	**4,957,220**	3,742,415	61,037	323,124	**4,126,576**	111,446	60,917	245,856	**418,219**	**9,729,368**
	0%	1%	1%	**2%**	2%	9%	41%	**51%**	38%	1%	3%	**42%**	1%	1%	3%	**4%**	**100%**
FY 2007	53,735	40,122	104,709	**198,566**	361,332	836,247	4,212,070	**5,409,649**	3,511,938	340,058	167,145	**4,019,141**	(133,783)	99,610	346,860	**312,687**	**9,940,043**
	1%	0%	1%	**2%**	4%	8%	42%	**54%**	35%	3%	2%	**40%**	-1%	1%	3%	**3%**	**100%**
FY 2008	44,601	47,382	57,528	**149,511**	426,108	822,879	4,636,838	**5,885,825**	3,765,955	65,420	119,870	**3,951,245**	208,719	76,033	(132,948)	**151,804**	**10,138,385**
	0%	0%	1%	**1%**	4%	8%	46%	**58%**	37%	1%	1%	**39%**	2%	1%	-1%	**1%**	**100%**
FY 2009	36,076	41,534	84,443	**162,053**	1,922	1,086,678	829,855	**1,918,455**	3,313,463	4,437,270	338,990	**8,089,723**	-	202,764	342,955	**545,719**	**10,715,950**
	0%	0%	1%	**2%**	0%	10%	8%	**18%**	31%	41%	3%	**75%**	0%	2%	3%	**5%**	**100%**
FY 2010	-	-	78,356	**78,356**	67,292	327,013	1,451,045	**1,845,350**	4,590,506	3,511,502	326,948	**8,428,956**	58,593	83,793	425,648	**568,034**	**10,920,696**
	0%	0%	1%	**1%**	1%	3%	13%	**17%**	42%	32%	3%	**77%**	1%	1%	4%	**5%**	**100%**



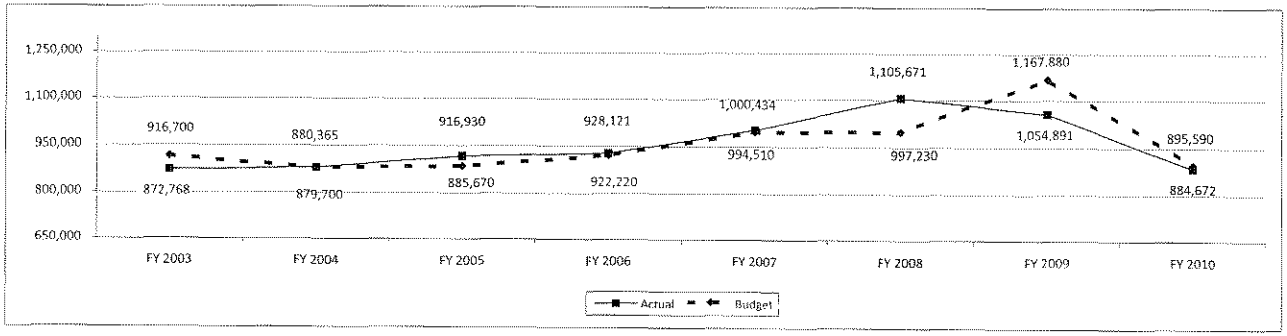
Local ATAX Revenue - GF
Revenues by Month/Fiscal Year

	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	167	698	693,956	**694,821**	-	11,228	174,238	**185,466**	-	7,104	173,804	**180,908**	-	13,700	653,812	**667,512**	**1,728,707**
	0%	0%	40%	**40%**	0%	1%	10%	**11%**	0%	0%	10%	**10%**	0%	1%	38%	**39%**	**100%**
FY 2004	1,463	33	769,233	**770,729**	(81)	14,645	192,365	**206,929**	-	2,175	176,691	**178,866**	-	9,890	694,330	**704,220**	**1,860,744**
	0%	0%	41%	**41%**	0%	1%	10%	**11%**	0%	0%	9%	**10%**	0%	1%	37%	**38%**	**100%**
FY 2005	36	460	810,422	**810,918**	-	2,244	234,797	**237,041**	-	3,247	206,867	**210,114**	(102)	17,486	715,591	**732,975**	**1,991,048**
	0%	0%	41%	**41%**	0%	0%	12%	**12%**	0%	0%	10%	**11%**	0%	1%	36%	**37%**	**100%**
FY 2006	8	2,182	896,565	**898,755**	(12)	3,367	219,970	**223,325**	26,400	20,701	223,911	**271,012**	364	8,305	821,896	**830,565**	**2,223,657**
	0%	0%	40%	**40%**	0%	0%	10%	**10%**	1%	1%	10%	**12%**	0%	0%	37%	**37%**	**100%**
FY 2007	78	5,031	894,802	**899,911**	(584)	8,967	232,451	**240,834**	-	2,706	237,296	**240,002**	(28)	5,137	822,116	**827,225**	**2,207,972**
	0%	0%	41%	**41%**	0%	0%	11%	**11%**	0%	0%	11%	**11%**	0%	0%	37%	**37%**	**100%**
FY 2008	(253)	3,862	935,461	**939,070**	(508)	175,464	18,135	**193,091**	286,211	7,335	(27,991)	**265,555**	256,107	4,959	660,561	**921,627**	**2,319,343**
	0%	0%	40%	**40%**	0%	8%	1%	**8%**	12%	0%	-1%	**11%**	11%	0%	28%	**40%**	**100%**
FY 2009	2,956	1,859	46,147	**50,962**	878,310	20,012	3,223	**901,545**	249,895	19,554	9,799	**279,248**	186,573	26,654	705,554	**918,781**	**2,150,536**
	0%	0%	2%	**2%**	41%	1%	0%	**42%**	12%	1%	0%	**13%**	9%	1%	33%	**43%**	**100%**
FY 2010	38,603	(8,613)	27,306	**57,296**	819,940	15,273	6,635	**841,848**	170,250	8,362	8,778	**187,390**	174,777	22,785	728,424	**925,986**	**2,012,520**
	2%	0%	1%	**3%**	41%	1%	0%	**42%**	8%	0%	0%	**9%**	9%	1%	36%	**46%**	**100%**



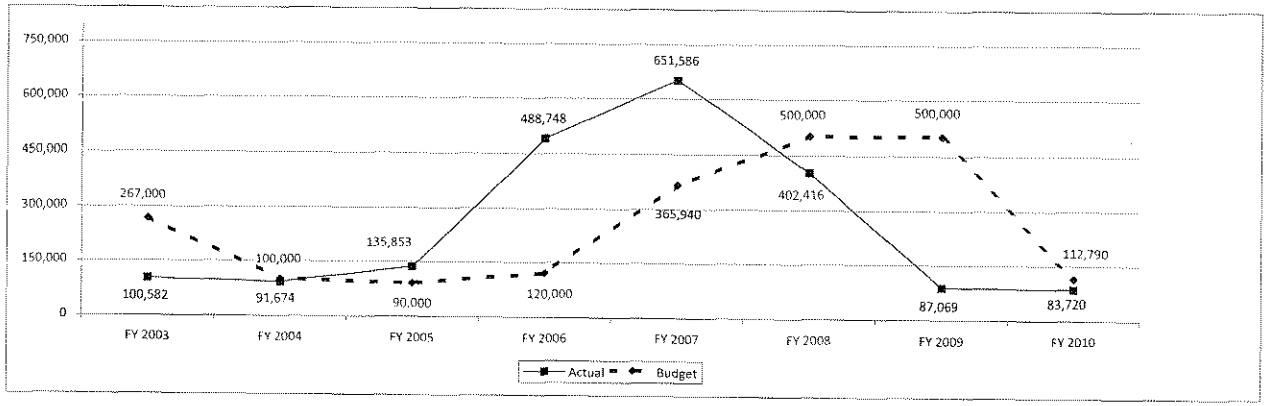
State Shared Revenue - GF
Revenues by Month/Fiscal Year

	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	-	-	226,053	**226,053**	-	-	213,657	**213,657**	-	-	213,189	**213,189**	-	-	219,869	**219,869**	**872,768**
	0%	0%	26%	**26%**	0%	0%	24%	**24%**	0%	0%	24%	**24%**	0%	0%	25%	**25%**	**100%**
FY 2004	-	-	219,725	**219,725**	-	-	219,697	**219,697**	-	-	219,700	**219,700**	-	-	221,243	**221,243**	**880,365**
	0%	0%	25%	**25%**	0%	0%	25%	**25%**	0%	0%	25%	**25%**	0%	0%	25%	**25%**	**100%**
FY 2005	-	-	221,243	**221,243**	-	-	223,726	**223,726**	-	-	223,726	**223,726**	-	-	248,235	**248,235**	**916,930**
	0%	0%	24%	**24%**	0%	0%	24%	**24%**	0%	0%	24%	**24%**	0%	0%	27%	**27%**	**100%**
FY 2006	-	-	229,166	**229,166**	-	-	227,273	**227,273**	-	-	226,570	**226,570**	-	-	245,112	**245,112**	**928,121**
	0%	0%	25%	**25%**	0%	0%	24%	**24%**	0%	0%	24%	**24%**	0%	0%	26%	**26%**	**100%**
FY 2007	-	-	245,112	**245,112**	-	-	241,810	**241,810**	-	-	241,810	**241,810**	-	-	271,702	**271,702**	**1,000,434**
	0%	0%	25%	**25%**	0%	0%	24%	**24%**	0%	0%	24%	**24%**	0%	0%	27%	**27%**	**100%**
FY 2008	-	-	271,702	**271,702**	-	-	271,702	**271,702**	-	-	271,702	**271,702**	-	-	290,565	**290,565**	**1,105,671**
	0%	0%	25%	**25%**	0%	0%	25%	**25%**	0%	0%	25%	**25%**	0%	0%	26%	**26%**	**100%**
FY 2009	-	-	278,943	**278,943**	-	-	258,649	**258,649**	-	-	258,649	**258,649**	-	-	258,650	**258,650**	**1,054,891**
	0%	0%	26%	**26%**	0%	0%	25%	**25%**	0%	0%	23%	**25%**	0%	0%	23%	**25%**	**100%**
FY 2010	-	-	211,471	**211,471**	-	-	211,471	**211,471**	-	-	-	-	250,259	-	211,471	**461,730**	**884,672**
	0%	0%	24%	**24%**	0%	0%	24%	**24%**	0%	0%	0%	**0%**	28%	0%	24%	**52%**	**100%**



Investment Revenue - GF
Revenues by Month/Fiscal Year

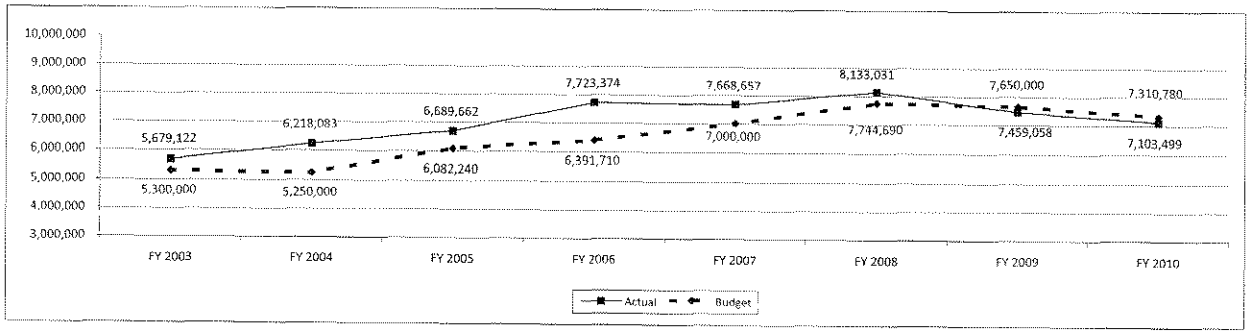
	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	8,868	9,301	7,666	**25,835**	7,035	7,237	9,574	**23,846**	11,454	12,659	6,058	**30,171**	5,746	7,030	7,954	**20,730**	**100,582**
	9%	9%	8%	**26%**	7%	7%	10%	**24%**	11%	13%	6%	**30%**	6%	7%	8%	**21%**	**100%**
FY 2004	5,674	7,243	6,870	**19,787**	7,105	10,945	7,995	**26,045**	10,756	9,768	8,878	**29,402**	7,795	3,428	5,217	**16,440**	**91,674**
	6%	8%	7%	**22%**	8%	12%	9%	**28%**	12%	11%	10%	**32%**	9%	4%	6%	**18%**	**100%**
FY 2005	4,936	6,172	4,029	**15,137**	3,794	5,864	8,644	**18,302**	9,203	20,241	13,837	**43,281**	21,105	7,095	30,933	**59,133**	**135,853**
	4%	5%	3%	**11%**	3%	4%	6%	**13%**	7%	15%	10%	**32%**	16%	5%	23%	**44%**	**100%**
FY 2006	25,527	38,398	34,359	**98,284**	31,287	25,970	26,701	**83,958**	34,528	67,282	43,815	**145,625**	42,596	48,508	69,777	**160,881**	**488,748**
	5%	8%	7%	**20%**	6%	5%	5%	**17%**	7%	14%	9%	**30%**	9%	10%	14%	**33%**	**100%**
FY 2007	58,678	66,160	53,453	**178,291**	44,032	46,602	41,281	**131,915**	52,140	70,096	47,014	**169,250**	56,804	56,675	58,651	**172,130**	**651,586**
	9%	10%	8%	**27%**	7%	7%	6%	**20%**	8%	11%	7%	**26%**	9%	9%	9%	**26%**	**100%**
FY 2008	72,475	74,212	49,589	**196,276**	40,347	25,497	16,133	**81,977**	25,453	30,885	25,227	**81,565**	13,869	13,091	15,638	**42,598**	**402,416**
	18%	18%	12%	**49%**	10%	6%	4%	**20%**	6%	8%	6%	**20%**	3%	3%	4%	**11%**	**100%**
FY 2009	19,747	16,097	13,372	**49,216**	9,762	4,386	2,372	**16,520**	59	11,284	3,550	**14,893**	1,068	4,049	1,323	**6,440**	**87,069**
	23%	18%	15%	**57%**	11%	5%	3%	**19%**	0%	13%	4%	**17%**	1%	5%	2%	**7%**	**100%**
FY 2010	1,071	11,087	601	**12,759**	706	49,526 *	1,466	**51,698**	2,849	4,509	1,935	**9,293**	3,334	2,793	3,843	**9,970**	**83,720**
	1%	13%	1%	**15%**	1%	59%	2%	**62%**	3%	5%	2%	**11%**	4%	3%	5%	**12%**	**100%**



Notes:
* Certificate of deposit maturity: interest earned $48,734.

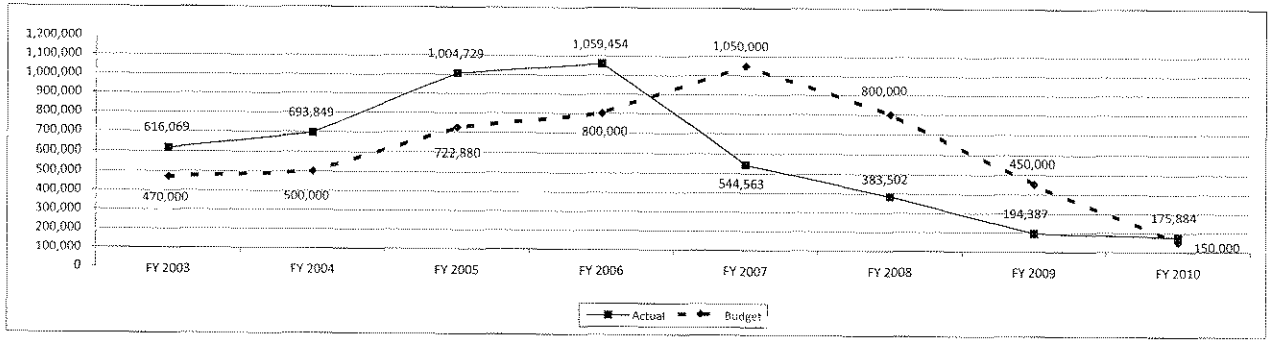
Business License Revenue - GF
Revenues by Month/Fiscal Year

	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	41,104	17,607	128,418	**187,129**	24,836	28,904	18,893	**72,633**	27,213	123,662	732,674	**883,549**	563,108	1,082,759	2,889,944	**4,535,811**	**5,679,122**
	1%	0%	2%	**3%**	0%	1%	0%	**1%**	0%	2%	13%	**16%**	10%	19%	51%	**80%**	**100%**
FY 2004	17,394	10,462	45,722	**73,578**	165,462	46,376	32,280	**244,118**	113,918	453,400	595,797	**1,163,115**	305,402	1,189,413	3,242,457	**4,737,272**	**6,218,083**
	0%	0%	1%	**1%**	3%	1%	1%	**4%**	2%	7%	10%	**19%**	5%	19%	52%	**76%**	**100%**
FY 2005	35,505	47,306	112,435	**195,246**	161,439	17,452	37,196	**216,087**	16,585	140,685	922,760	**1,080,030**	1,075,463	399,219	3,723,617	**5,198,299**	**6,689,662**
	1%	1%	2%	**3%**	2%	0%	1%	**3%**	0%	2%	14%	**16%**	16%	6%	56%	**78%**	**100%**
FY 2006	26,015	44,758	290,369	**361,142**	149,772	84,131	83,249	**317,152**	335,551	317,580	699,776	**1,352,907**	550,722	1,532,945	3,608,506	**5,692,173**	**7,723,374**
	0%	1%	4%	**5%**	2%	1%	1%	**4%**	4%	4%	9%	**18%**	7%	20%	47%	**74%**	**100%**
FY 2007	33,483	20,463	26,160	**80,106**	47,892	69,312	106,200	**223,404**	151,233	322,983	728,618	**1,202,834**	551,813	1,677,215	3,933,285	**6,162,313**	**7,668,657**
	0%	0%	0%	**1%**	1%	1%	1%	**3%**	2%	4%	10%	**16%**	7%	22%	51%	**80%**	**100%**
FY 2008	14,876	71,626	14,485	**100,987**	178,357	18,066	71,291	**267,714**	185,179	421,376	740,367	**1,346,922**	476,458	1,346,441	4,594,509	**6,417,408**	**8,133,031**
	0%	1%	0%	**1%**	2%	0%	1%	**3%**	2%	5%	9%	**17%**	6%	17%	56%	**79%**	**100%**
FY 2009	(3,452)	37,746	34,690	**68,984**	20,446	11,955	51,445	**83,847**	338,171	325,311	670,109	**1,333,592**	600,719	1,244,326	4,127,590	**5,972,635**	**7,459,058**
	0%	1%	0%	**1%**	0%	0%	1%	**1%**	5%	4%	9%	**18%**	8%	17%	55%	**80%**	**100%**
FY 2010	4,033	46,255	45,979	**96,267**	38,556	17,736	72,775	**129,067**	327,317	282,390	666,682	**1,276,389**	460,723	970,312	4,170,741	**5,601,776**	**7,103,499**
	0%	1%	1%	**1%**	1%	0%	1%	**2%**	5%	4%	9%	**18%**	6%	14%	59%	**79%**	**100%**



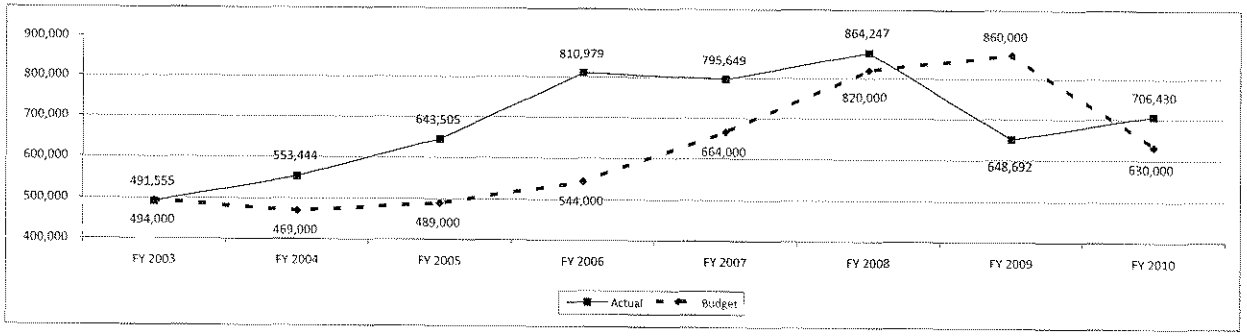
Construction Permits Revenue - GF
Revenues by Month/Fiscal Year

	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	12,108	17,178	21,540	**50,826**	15,541	50,647	47,865	**114,053**	29,078	34,934	31,671	**95,683**	26,195	30,544	298,768	**355,507**	**616,069**
	2%	3%	3%	**8%**	3%	8%	8%	**19%**	5%	6%	5%	**16%**	4%	5%	48%	**58%**	**100%**
FY 2004	44,637	57,142	44,935	**146,714**	36,186	31,195	127,432	**194,813**	63,404	64,344	67,184	**194,932**	84,321	32,549	40,520	**157,390**	**693,849**
	6%	8%	6%	**21%**	5%	4%	18%	**28%**	9%	9%	10%	**28%**	12%	5%	6%	**23%**	**100%**
FY 2005	107,356	62,978	59,865	**230,199**	85,530	71,490	53,050	**210,070**	66,056	71,951	57,563	**195,570**	126,711	69,584	172,595	**368,890**	**1,004,729**
	11%	6%	6%	**23%**	9%	7%	5%	**21%**	7%	7%	6%	**19%**	13%	7%	17%	**37%**	**100%**
FY 2006	88,210	101,775	78,623	**268,608**	147,989	186,145	56,892	**391,026**	94,695	74,680	76,089	**245,464**	52,208	49,986	52,162	**154,356**	**1,059,454**
	8%	10%	7%	**25%**	14%	18%	5%	**37%**	9%	7%	7%	**23%**	5%	5%	5%	**15%**	**100%**
FY 2007	55,511	74,277	49,736	**179,524**	30,790	39,626	44,820	**115,236**	58,133	21,818	49,990	**129,941**	57,788	29,078	32,996	**119,862**	**544,563**
	10%	14%	9%	**33%**	6%	7%	8%	**21%**	11%	4%	9%	**24%**	11%	5%	6%	**22%**	**100%**
FY 2008	25,645	34,739	41,181	**101,565**	32,090	40,974	32,173	**105,237**	48,812	48,781	25,218	**122,811**	19,112	18,730	16,047	**53,889**	**383,502**
	7%	9%	11%	**26%**	8%	11%	8%	**27%**	13%	13%	7%	**32%**	5%	5%	4%	**14%**	**100%**
FY 2009	9,938	41,505	11,199	**62,642**	9,023	(2,614)	25,014	**31,423**	13,509	8,117	9,422	**31,048**	9,306	39,456	20,512	**69,274**	**194,387**
	5%	21%	6%	**32%**	5%	-1%	13%	**16%**	7%	4%	5%	**16%**	5%	20%	11%	**36%**	**100%**
FY 2010	38,343	2,861	8,361	**49,565**	24,075	6,166	12,509	**42,750**	11,863	3,508	25,385	**40,756**	5,198	22,832	14,783	**42,813**	**175,884**
	22%	2%	5%	**28%**	14%	4%	7%	**24%**	7%	2%	14%	**23%**	3%	13%	8%	**24%**	**100%**



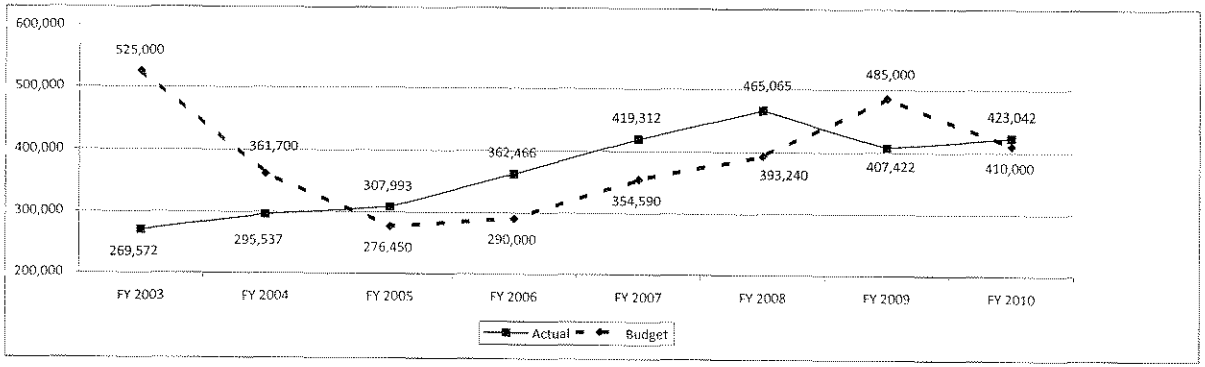
Other Permits Revenue - GF
Revenues by Month/Fiscal Year

	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	31,437	23,748	27,839	**83,024**	29,933	36,645	32,169	**98,747**	44,616	42,146	41,956	**128,718**	37,846	42,666	100,554	**181,066**	**491,555**
	6%	5%	6%	**17%**	6%	7%	7%	**20%**	9%	9%	9%	**26%**	8%	9%	20%	**37%**	**100%**
FY 2004	37,235	45,042	52,321	**134,598**	50,284	28,011	35,798	**114,093**	59,008	47,445	58,004	**164,457**	53,372	42,399	44,525	**140,296**	**553,444**
	7%	8%	9%	**24%**	9%	5%	6%	**21%**	11%	9%	10%	**30%**	10%	8%	8%	**25%**	**100%**
FY 2005	53,066	44,387	48,491	**145,944**	45,839	51,141	56,121	**153,101**	50,398	51,077	61,595	**163,070**	54,675	61,735	64,980	**181,390**	**643,505**
	8%	7%	8%	**23%**	7%	8%	9%	**24%**	8%	8%	10%	**25%**	8%	10%	10%	**28%**	**100%**
FY 2006	52,509	64,372	74,718	**191,599**	77,305	69,224	47,710	**194,239**	65,193	88,547	93,338	**247,078**	61,991	59,272	56,800	**178,063**	**810,979**
	6%	8%	9%	**24%**	10%	9%	6%	**24%**	8%	11%	12%	**30%**	8%	7%	7%	**22%**	**100%**
FY 2007	76,205	48,281	66,370	**190,856**	71,463	68,249	77,658	**217,370**	66,221	60,744	84,701	**211,666**	59,002	59,957	56,797	**175,756**	**795,648**
	10%	6%	8%	**24%**	9%	9%	10%	**27%**	8%	8%	11%	**27%**	7%	8%	7%	**22%**	**100%**
FY 2008	57,533	66,973	82,031	**206,537**	77,095	83,033	55,201	**215,329**	87,717	80,033	62,266	**230,016**	66,869	74,702	70,794	**212,365**	**864,247**
	7%	8%	9%	**24%**	9%	10%	6%	**25%**	10%	9%	7%	**27%**	8%	9%	8%	**25%**	**100%**
FY 2009	76,267	63,207	43,215	**182,689**	49,610	49,465	53,983	**153,058**	51,823	55,258	54,604	**161,685**	45,626	51,609	54,025	**151,260**	**648,692**
	12%	10%	7%	**28%**	8%	8%	8%	**24%**	8%	9%	8%	**25%**	7%	8%	8%	**23%**	**100%**
FY 2010	61,262	49,960	47,646	**158,868**	58,496	64,861	70,116	**193,473**	58,306	49,514	81,236	**189,056**	61,339	56,495	47,199	**165,033**	**706,430**
	9%	7%	7%	**22%**	8%	9%	10%	**27%**	8%	7%	11%	**27%**	9%	8%	7%	**23%**	**100%**



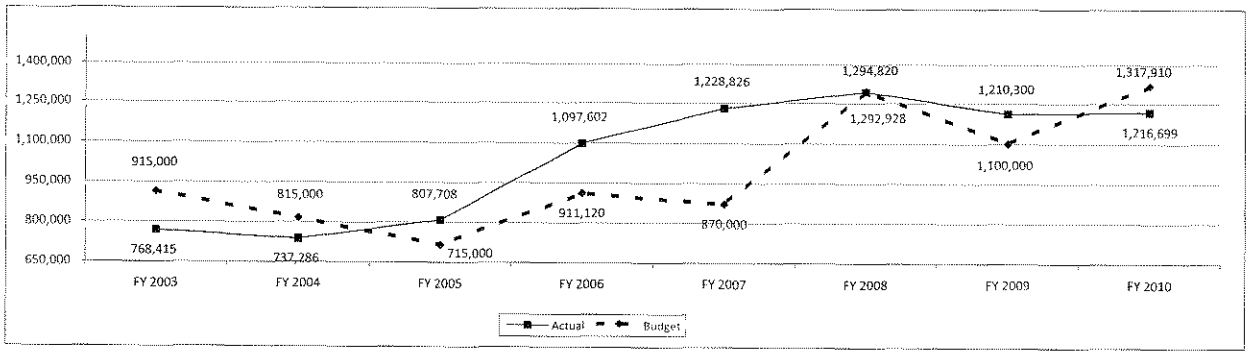
Fines & Fees Revenue - GF
Revenues by Month/Fiscal Year

	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	28,845	30,186	18,727	**77,758**	29,891	18,991	22,112	**70,994**	28,364	26,353	29,810	**84,527**	18,373	15,920	2,000	**36,293**	**269,572**
	11%	11%	7%	**29%**	11%	7%	8%	**26%**	11%	10%	11%	**31%**	7%	6%	1%	**13%**	**100%**
FY 2004	29,823	21,550	25,506	**76,879**	22,826	20,991	16,740	**60,557**	30,097	15,057	27,405	**72,559**	27,094	27,071	31,377	**85,542**	**295,537**
	10%	7%	9%	**26%**	8%	7%	6%	**20%**	10%	5%	9%	**25%**	9%	9%	11%	**29%**	**100%**
FY 2005	27,936	23,918	21,707	**73,561**	20,908	27,865	21,425	**70,198**	22,437	23,361	32,175	**77,973**	33,047	25,943	27,271	**86,261**	**307,993**
	9%	8%	7%	**24%**	7%	9%	7%	**23%**	7%	8%	10%	**25%**	11%	8%	9%	**28%**	**100%**
FY 2006	33,518	30,108	32,229	**95,855**	25,854	31,760	26,868	**84,482**	29,342	27,384	34,509	**91,235**	29,211	30,377	31,306	**90,894**	**362,466**
	9%	8%	9%	**26%**	7%	9%	7%	**23%**	8%	8%	10%	**25%**	8%	8%	9%	**25%**	**100%**
FY 2007	52,481	36,232	25,088	**113,801**	28,493	31,604	27,617	**87,714**	36,378	35,545	31,585	**103,508**	37,798	37,425	39,066	**114,289**	**419,312**
	13%	9%	6%	**27%**	7%	8%	7%	**21%**	9%	8%	8%	**25%**	9%	9%	9%	**27%**	**100%**
FY 2008	43,673	50,004	49,783	**143,460**	43,615	40,721	39,803	**124,139**	38,170	34,129	44,389	**116,688**	42,465	(2,144)	40,457	**80,778**	**465,065**
	9%	11%	11%	**31%**	9%	9%	9%	**27%**	8%	7%	10%	**25%**	9%	0%	9%	**17%**	**100%**
FY 2009	45,023	38,490	36,213	**119,726**	28,928	(4,436)	67,835	**92,327**	26,890	25,284	36,062	**88,236**	88,498	37,869	(19,234)	**107,133**	**407,422**
	11%	9%	9%	**29%**	7%	-1%	17%	**23%**	7%	6%	9%	**22%**	22%	9%	-5%	**26%**	**100%**
FY 2010	42,800	32,955	36,215	**111,970**	36,450	32,096	34,975	**103,521**	28,129	40,868	33,968	**102,965**	34,019	34,325	36,242	**104,586**	**423,042**
	10%	8%	9%	**26%**	9%	8%	8%	**24%**	7%	10%	8%	**24%**	8%	8%	9%	**25%**	**100%**



EMS Revenue - GF
Revenues by Month/Fiscal Year

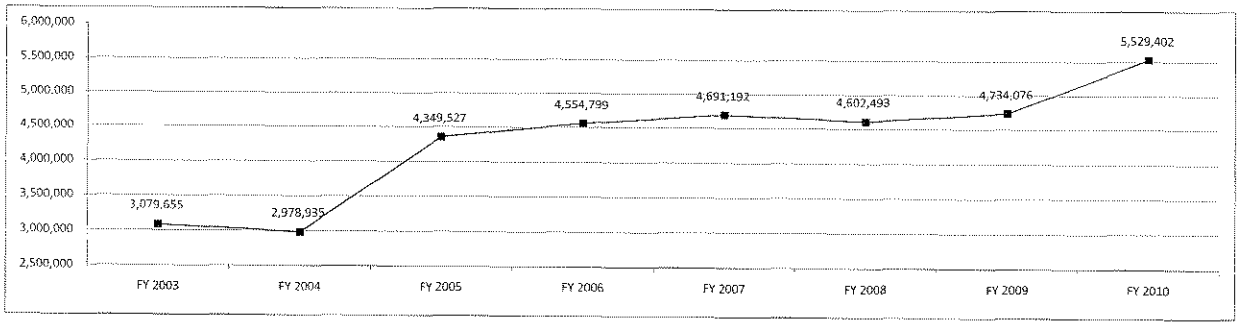
	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	116,710	80,624	76,416	**273,750**	58,899	58,328	33,159	**150,386**	61,720	52,777	61,947	**176,444**	64,849	83,179	19,807	**167,835**	**768,415**
	15%	10%	10%	**36%**	8%	8%	4%	**20%**	8%	7%	8%	**23%**	8%	11%	3%	**22%**	**100%**
FY 2004	87,895	53,534	54,123	**195,552**	48,189	48,864	107,016	**204,069**	50,697	27,564	48,261	**126,522**	76,979	48,672	85,492	**211,143**	**737,286**
	12%	7%	7%	**27%**	7%	7%	15%	**28%**	7%	4%	7%	**17%**	10%	7%	12%	**29%**	**100%**
FY 2005	81,759	78,547	59,260	**219,566**	47,953	62,651	59,311	**169,915**	61,556	71,826	88,096	**221,478**	-	76	196,673	**196,749**	**807,708**
	10%	10%	7%	**27%**	6%	8%	7%	**21%**	8%	9%	11%	**27%**	0%	0%	24%	**24%**	**100%**
FY 2006	73,958	113,550	59,349	**246,857**	24,265	113,200	84,995	**222,460**	109,943	91,791	150,391	**352,125**	5,980	198,600	71,580	**276,160**	**1,097,602**
	7%	10%	5%	**22%**	2%	10%	8%	**20%**	10%	8%	14%	**32%**	1%	18%	7%	**25%**	**100%**
FY 2007	125,651	112,378	95,853	**333,882**	116,943	88,870	95,262	**301,075**	87,069	87,032	96,006	**270,107**	61,194	198,600	63,968	**323,762**	**1,228,826**
	10%	9%	8%	**27%**	10%	7%	8%	**25%**	7%	7%	8%	**22%**	5%	16%	5%	**26%**	**100%**
FY 2008	44,431	114,384	95,778	**254,593**	72,330	124,118	78,252	**274,700**	229,208	76,584	153,297	**459,089**	107,188	44,928	152,430	**304,546**	**1,292,928**
	3%	9%	7%	**20%**	6%	10%	6%	**21%**	18%	6%	12%	**36%**	8%	3%	12%	**24%**	**100%**
FY 2009	194,134	111,833	27,521	**333,488**	98,312	24,779	210,979	**334,070**	93,612	88,221	123,025	**304,858**	109,309	127,262	1,313	**237,884**	**1,210,300**
	16%	9%	2%	**28%**	8%	2%	17%	**28%**	8%	7%	10%	**25%**	9%	11%	0%	**20%**	**100%**
FY 2010	137,337	124,999	87,121	**349,457**	88,332	76,386	89,281	**253,999**	55,126	141,559	122,861	**319,546**	82,541	98,124	113,032	**293,697**	**1,216,699**
	11%	10%	7%	**29%**	7%	6%	7%	**21%**	5%	12%	10%	**26%**	7%	8%	9%	**24%**	**100%**



Revenue Analysis
Debt Service Fund

Ad Valorem Tax Revenue - DSF
Revenues by Month/Fiscal Year

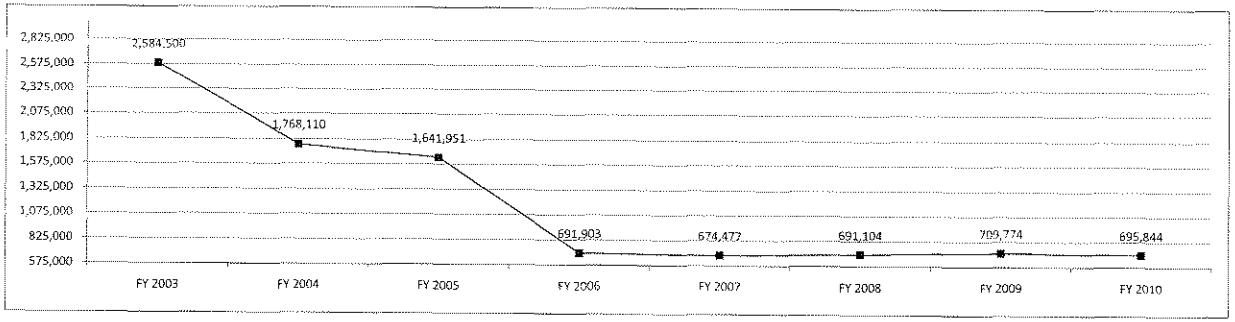
	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,079,655	3,079,655	3,079,655
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%	100%
FY 2004	23,975	19,719	38,569	82,263	58,290	299,390	1,259,846	1,617,526	1,082,633	46,024	(43,528)	1,085,129	89,079	33,439	71,499	194,017	2,978,935
	1%	1%	1%	3%	2%	10%	42%	54%	36%	2%	-1%	36%	3%	1%	2%	7%	100%
FY 2005	17,260	21,034	29,886	68,180	31,093	481,293	1,583,813	2,096,199	1,684,465	214,087	49,531	1,948,083	-	-	237,065	237,065	4,349,527
	0%	0%	1%	2%	1%	11%	36%	48%	39%	5%	1%	45%	0%	0%	5%	5%	100%
FY 2006	14,209	25,802	41,076	81,087	86,210	391,235	1,858,563	2,336,008	1,758,039	39,679	146,492	1,944,210	8,917	81,384	103,193	193,494	4,554,799
	0%	1%	1%	2%	2%	9%	41%	51%	39%	1%	3%	43%	0%	2%	2%	4%	100%
FY 2007	22,130	18,816	47,789	88,735	168,447	397,758	1,988,854	2,555,059	1,660,517	157,106	77,483	1,895,106	(54,634)	47,024	159,902	152,292	4,691,192
	0%	0%	1%	2%	4%	8%	42%	54%	35%	3%	2%	40%	-1%	1%	3%	3%	100%
FY 2008	19,231	22,057	23,023	64,311	185,218	361,622	1,971,688	2,518,528	1,600,674	296,892	53,512	1,951,078	94,683	33,578	(59,685)	68,576	4,602,493
	0%	0%	1%	1%	4%	8%	43%	55%	35%	6%	1%	42%	2%	1%	-1%	1%	100%
FY 2009	15,889	16,113	36,396	68,398	849	59,589	787,047	847,485	1,463,188	1,804,494	304,099	3,571,781	-	91,386	155,026	246,412	4,734,076
	0%	0%	1%	1%	0%	1%	17%	18%	31%	38%	6%	75%	0%	2%	3%	5%	100%
FY 2010	-	-	35,188	35,188	31,846	161,506	740,179	933,531	2,341,918	1,790,050	164,937	4,296,905	27,003	38,421	198,354	263,778	5,529,402
	0%	0%	1%	1%	1%	3%	13%	17%	42%	32%	3%	78%	0%	1%	4%	5%	100%



Revenue Analysis
Capital Projects Fund

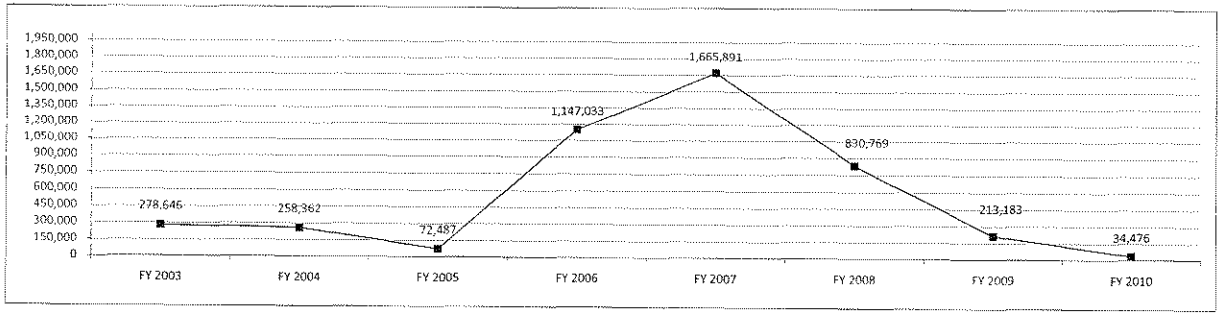
Ad Valorem Revenue - CIP
Revenues by Month/Fiscal Year

	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	-	5	88,749	**88,754**	80,978	237,740	1,034,309	**1,353,027**	829,017	95,312	66,345	**990,674**	78,645	29,628	43,772	**152,045**	**2,584,500**
	0%	0%	3%	**3%**	3%	9%	40%	**52%**	32%	4%	3%	**38%**	3%	1%	2%	**6%**	**100%**
FY 2004	19,877	16,445	32,197	**68,519**	49,246	243,452	1,016,958	**1,309,656**	896,730	47,011	(666,747)	**276,994**	52,973	19,615	40,353	**112,941**	**1,768,110**
	1%	1%	2%	**4%**	3%	14%	58%	**74%**	51%	3%	-38%	**16%**	3%	1%	2%	**6%**	**100%**
FY 2005	10,242	12,482	17,943	**40,667**	16,988	180,349	603,944	**801,281**	615,138	78,027	18,034	**711,199**	-	-	88,804	**88,804**	**1,641,951**
	1%	1%	1%	**2%**	1%	11%	37%	**49%**	37%	5%	1%	**43%**	0%	0%	5%	**5%**	**100%**
FY 2006	5,297	9,604	15,244	**30,145**	10,609	57,454	276,991	**345,054**	262,626	1,795	29,939	**294,360**	(3,784)	9,443	16,685	**22,344**	**691,903**
	1%	1%	2%	**4%**	2%	8%	40%	**50%**	38%	0%	4%	**43%**	-1%	1%	2%	**3%**	**100%**
FY 2007	3,325	2,856	7,270	**13,451**	26,787	48,580	289,787	**365,154**	240,170	25,439	11,850	**277,459**	(15,125)	6,867	26,671	**18,413**	**674,477**
	0%	0%	1%	**2%**	4%	7%	43%	**54%**	36%	4%	2%	**41%**	-2%	1%	4%	**3%**	**100%**
FY 2008	2,827	3,257	3,318	**9,402**	28,017	57,394	308,415	**393,826**	260,148	9,045	8,299	**277,492**	14,208	5,211	(9,035)	**10,384**	**691,104**
	0%	0%	0%	**1%**	4%	8%	45%	**57%**	38%	1%	1%	**40%**	2%	1%	-1%	**2%**	**100%**
FY 2009	2,390	2,416	5,469	**10,275**	127	8,967	118,012	**127,106**	219,349	270,515	45,589	**535,453**	-	13,699	23,241	**36,940**	**709,774**
	0%	0%	1%	**1%**	0%	1%	17%	**18%**	31%	38%	6%	**75%**	0%	2%	3%	**5%**	**100%**
FY 2010	-	-	4,582	**4,582**	4,377	20,964	92,359	**117,700**	292,269	223,398	20,798	**536,465**	3,826	5,380	27,891	**37,097**	**695,844**
	0%	0%	1%	**1%**	1%	3%	13%	**17%**	42%	32%	3%	**77%**	1%	1%	4%	**5%**	**100%**



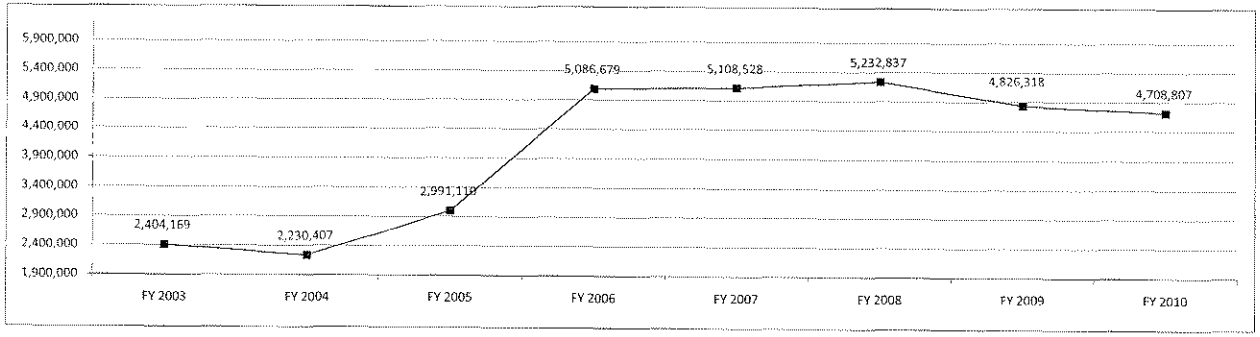
Investment Revenue - CIP
Revenues by Month/Fiscal Year

	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	20,163	20,253	18,266	**58,682**	17,120	15,551	21,249	**53,920**	11,600	46,955	30,375	**88,930**	31,929	28,046	17,139	**77,114**	**278,646**
	7%	7%	7%	**21%**	6%	6%	8%	**19%**	4%	17%	11%	**32%**	11%	10%	6%	**28%**	**100%**
FY 2004	20,039	19,421	16,090	**55,550**	16,090	14,419	15,763	**46,272**	13,751	15,495	13,961	**43,207**	15,031	22,135	76,167	**113,333**	**258,362**
	8%	8%	6%	**22%**	6%	6%	6%	**18%**	5%	6%	5%	**17%**	6%	9%	29%	**44%**	**100%**
FY 2005	39,386	20,483	60,652	**120,521**	43,714	47,598	45,760	**137,072**	36,984	24,744	37,129	**98,857**	32,945	43,002	(359,910)	**(283,963)**	**72,487**
	54%	28%	84%	**166%**	60%	66%	63%	**189%**	51%	34%	51%	**136%**	45%	59%	-497%	**-392%**	**100%**
FY 2006	66,102	82,865	65,709	**214,676**	117,831	47,467	185,801	**351,099**	60,643	101,679	92,020	**254,342**	138,330	105,171	83,415	**326,916**	**1,147,033**
	6%	7%	6%	**19%**	10%	4%	16%	**31%**	5%	9%	8%	**22%**	12%	9%	7%	**29%**	**100%**
FY 2007	111,879	111,404	101,724	**325,007**	311,101	106,875	87,590	**505,566**	255,412	113,408	122,201	**491,021**	110,944	114,206	119,147	**344,297**	**1,665,891**
	7%	7%	6%	**20%**	19%	6%	5%	**30%**	15%	7%	7%	**29%**	7%	7%	7%	**21%**	**100%**
FY 2008	108,911	106,104	88,295	**303,310**	96,670	79,674	70,783	**247,127**	56,895	36,592	35,345	**128,832**	30,203	68,890	52,407	**151,500**	**830,769**
	13%	13%	11%	**37%**	12%	10%	9%	**30%**	7%	4%	4%	**16%**	4%	8%	6%	**18%**	**100%**
FY 2009	50,225	46,510	48,877	**145,612**	22,123	12,225	5,802	**40,150**	1,219	16,464	4,238	**21,921**	2,559	685	2,256	**5,500**	**213,183**
	24%	22%	23%	**69%**	9%	6%	3%	**18%**	1%	8%	2%	**11%**	1%	.0%	1%	**2%**	**100%**
FY 2010	1,684	1,047	998	**3,729**	1,009	2,476	929	**4,414**	782	3,209	5,885	**9,876**	5,408	5,099	5,950	**16,457**	**34,476**
	5%	3%	3%	**11%**	3%	7%	3%	**13%**	2%	9%	17%	**29%**	16%	15%	17%	**48%**	**100%**



Hospitality Tax Revenue - CIP
Revenues by Month/Fiscal Year

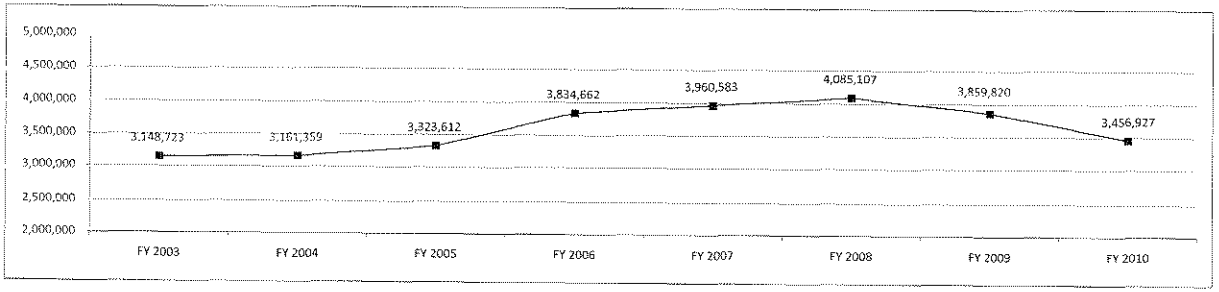
	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	2,607	16,065	571,206	**589,878**	660	72,787	378,101	**451,548**	-	58,698	417,146	**475,844**	-	(5,815)	892,714	**886,899**	**2,404,169**
	0%	1%	24%	**25%**	0%	3%	16%	**19%**	0%	2%	17%	**20%**	0%	0%	37%	**37%**	**100%**
FY 2004	8,280	18,185	581,546	**608,011**	(3,887)	43,421	406,329	**445,863**	-	22,493	383,177	**405,670**	-	46,773	724,090	**770,863**	**2,230,407**
	0%	1%	26%	**27%**	0%	2%	18%	**20%**	0%	1%	17%	**18%**	0%	2%	32%	**35%**	**100%**
FY 2005	1,102	20,953	700,881	**722,936**	-	45,431	457,612	**503,043**	-	28,195	418,803	**446,998**	352	48,086	1,269,695	**1,318,133**	**2,991,110**
	0%	1%	23%	**24%**	0%	2%	15%	**17%**	0%	1%	14%	**15%**	0%	2%	42%	**44%**	**100%**
FY 2006	300	23,782	1,431,913	**1,455,995**	-	85,947	892,256	**978,203**	476	82,758	924,703	**1,007,937**	(1,834)	64,581	1,581,797	**1,644,544**	**5,086,679**
	0%	0%	28%	**29%**	0%	2%	18%	**19%**	0%	2%	18%	**20%**	0%	1%	31%	**32%**	**100%**
FY 2007	2,406	73,977	1,422,406	**1,498,789**	(3,701)	74,689	917,648	**988,636**	(11,475)	64,370	912,501	**965,396**	(1,859)	79,480	1,578,086	**1,655,707**	**5,108,528**
	0%	1%	28%	**29%**	0%	1%	18%	**19%**	0%	1%	18%	**19%**	0%	2%	31%	**32%**	**100%**
FY 2008	903	79,940	1,491,971	**1,572,814**	(3,897)	73,307	22,231	**91,641**	833,197	76,639	82,405	**992,241**	911,704	102,753	1,561,684	**2,576,141**	**5,232,837**
	0%	2%	29%	**30%**	0%	1%	0%	**2%**	16%	1%	2%	**19%**	17%	2%	30%	**49%**	**100%**
FY 2009	2,207	85,911	110,257	**198,375**	1,305,139	89,401	50,462	**1,445,002**	737,230	110,146	63,473	**910,849**	733,197	94,067	1,444,828	**2,272,092**	**4,826,318**
	0%	2%	2%	**4%**	27%	2%	1%	**30%**	15%	2%	1%	**19%**	15%	2%	30%	**47%**	**100%**
FY 2010	44,438	56,501	100,791	**201,730**	1,267,411	91,091	74,812	**1,433,314**	663,467	78,680	93,164	**835,311**	666,197	125,941	1,446,314	**2,238,452**	**4,708,807**
	1%	1%	2%	**4%**	27%	2%	2%	**30%**	14%	2%	2%	**18%**	14%	3%	31%	**48%**	**100%**



Revenue Analysis
Other Governmental Funds

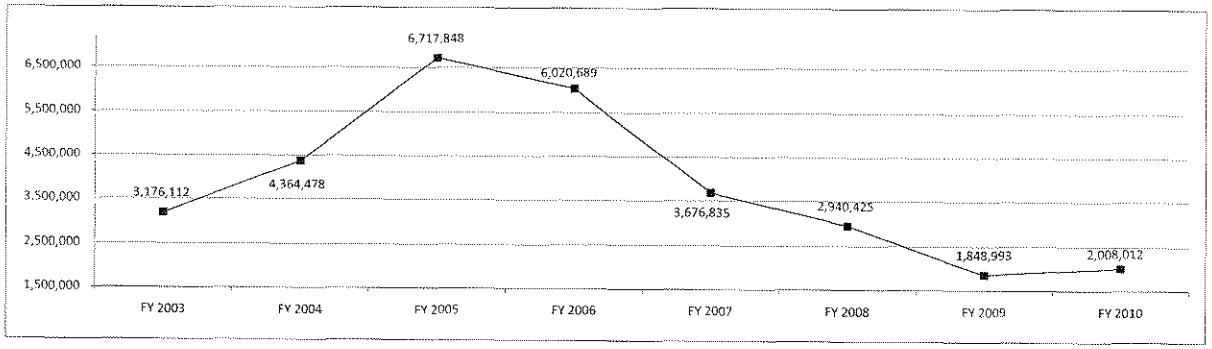
State ATAX Revenue
Revenues by Month/Fiscal Year

	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	-	-	1,484,972	**1,484,972**	-	-	431,609	**431,609**	-	-	202,790	**202,790**	-	-	1,029,352	**1,029,352**	**3,148,723**
	0%	0%	47%	**47%**	0%	0%	14%	**14%**	0%	0%	6%	**6%**	0%	0%	33%	**33%**	**100%**
FY 2004	-	-	1,508,020	**1,508,020**	-	-	399,276	**399,276**	-	-	199,395	**199,395**	-	-	1,054,668	**1,054,668**	**3,161,359**
	0%	0%	48%	**48%**	0%	0%	13%	**13%**	0%	0%	6%	**6%**	0%	0%	33%	**33%**	**100%**
FY 2005	-	-	1,594,738	**1,594,738**	-	-	427,468	**427,468**	-	-	210,786	**210,786**	-	-	1,090,620	**1,090,620**	**3,323,612**
	0%	0%	48%	**48%**	0%	0%	13%	**13%**	0%	0%	6%	**6%**	0%	0%	33%	**33%**	**100%**
FY 2006	-	-	1,744,152	**1,744,152**	-	-	464,658	**464,658**	-	-	272,230	**272,230**	-	-	1,353,622	**1,353,622**	**3,834,662**
	0%	0%	45%	**45%**	0%	0%	12%	**12%**	0%	0%	7%	**7%**	0%	0%	35%	**35%**	**100%**
FY 2007	-	-	1,842,997	**1,842,997**	-	-	540,293	**540,293**	-	-	245,770	**245,770**	-	-	1,331,523	**1,331,523**	**3,960,583**
	0%	0%	47%	**47%**	0%	0%	14%	**14%**	0%	0%	6%	**6%**	0%	0%	34%	**34%**	**100%**
FY 2008	-	-	1,888,638	**1,888,638**	-	-	584,213	**584,213**	-	-	274,872	**274,872**	-	-	1,337,384	**1,337,384**	**4,085,107**
	0%	0%	46%	**46%**	0%	0%	14%	**14%**	0%	0%	7%	**7%**	0%	0%	33%	**33%**	**100%**
FY 2009	-	-	2,011,405	**2,011,405**	-	-	-	**-**	454,628	-	-	**454,628**	219,516	-	1,174,271	**1,393,787**	**3,859,820**
	0%	0%	52%	**52%**	0%	0%	0%	**0%**	12%	0%	0%	**12%**	6%	0%	29%	**36%**	**100%**
FY 2010	-	-	-	**-**	1,740,535	-	-	**1,740,535**	451,817	-	-	**451,817**	186,174	-	1,078,401	**1,264,575**	**3,456,927**
	0%	0%	0%	**0%**	50%	0%	0%	**50%**	13%	0%	0%	**13%**	5%	0%	31%	**37%**	**100%**



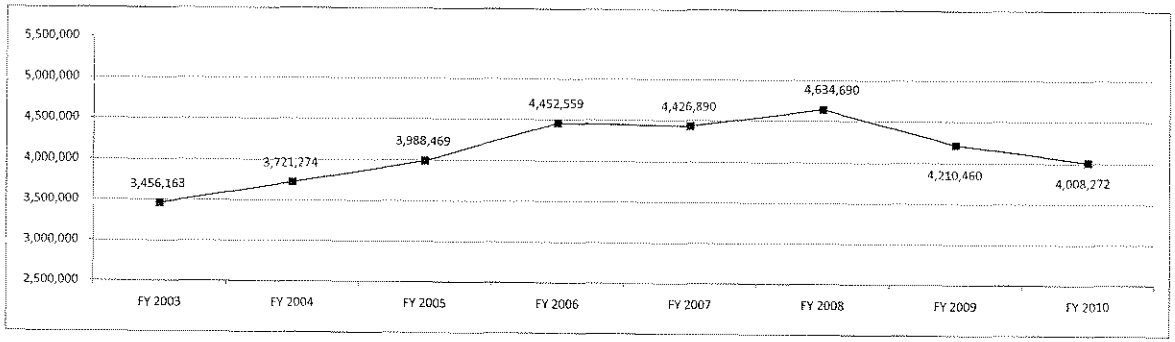
Real Estate Transfer Fee
Revenues by Month/Fiscal Year

	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	325,272	223,808	292,094	**841,174**	302,064	230,239	287,894	**820,197**	223,340	178,580	222,130	**624,050**	251,253	300,278	339,160	**890,691**	**3,176,112**
	10%	7%	9%	**26%**	10%	7%	9%	**26%**	7%	6%	7%	**20%**	8%	9%	11%	**28%**	**100%**
FY 2004	324,297	267,938	372,815	**965,050**	416,185	267,049	374,750	**1,057,984**	242,170	393,480	228,298	**863,948**	458,066	474,028	545,402	**1,477,496**	**4,364,478**
	7%	6%	9%	**22%**	10%	6%	9%	**24%**	6%	9%	5%	**20%**	10%	11%	12%	**34%**	**100%**
FY 2005	459,853	501,676	485,759	**1,447,288**	453,388	389,875	542,314	**1,385,577**	672,025	384,227	634,890	**1,691,142**	777,821	720,780	695,240	**2,193,841**	**6,717,848**
	7%	7%	7%	**22%**	7%	6%	8%	**21%**	10%	6%	9%	**25%**	12%	11%	10%	**33%**	**100%**
FY 2006	613,024	770,789	592,722	**1,976,535**	578,945	424,531	357,768	**1,361,244**	400,964	383,321	725,943	**1,510,228**	382,628	414,031	376,023	**1,172,682**	**6,020,689**
	10%	13%	10%	**33%**	10%	7%	6%	**23%**	7%	6%	12%	**25%**	6%	7%	6%	**19%**	**100%**
FY 2007	385,702	293,977	273,938	**953,617**	276,934	287,752	314,399	**879,085**	233,521	223,219	391,018	**847,758**	367,773	414,031	214,571	**996,375**	**3,676,835**
	10%	8%	7%	**26%**	8%	8%	9%	**24%**	6%	6%	11%	**23%**	10%	11%	6%	**27%**	**100%**
FY 2008	332,108	304,829	330,596	**967,533**	268,817	237,654	287,433	**793,904**	154,684	109,236	216,495	**480,415**	237,199	240,776	220,598	**698,573**	**2,940,425**
	11%	10%	11%	**33%**	9%	8%	10%	**27%**	5%	4%	7%	**16%**	8%	8%	8%	**24%**	**100%**
FY 2009	238,958	170,453	206,208	**615,619**	178,622	124,015	143,680	**446,317**	117,863	109,891	132,272	**360,026**	117,122	164,024	145,885	**427,031**	**1,848,993**
	13%	9%	11%	**33%**	10%	7%	8%	**24%**	6%	6%	7%	**19%**	6%	9%	8%	**23%**	**100%**
FY 2010	207,759	220,308	128,039	**556,106**	188,968	149,608	179,144	**517,720**	117,350	117,506	161,453	**396,309**	183,415	171,416	183,046	**537,877**	**2,008,012**
	10%	11%	6%	**28%**	9%	7%	9%	**26%**	6%	6%	8%	**20%**	9%	9%	9%	**27%**	**100%**



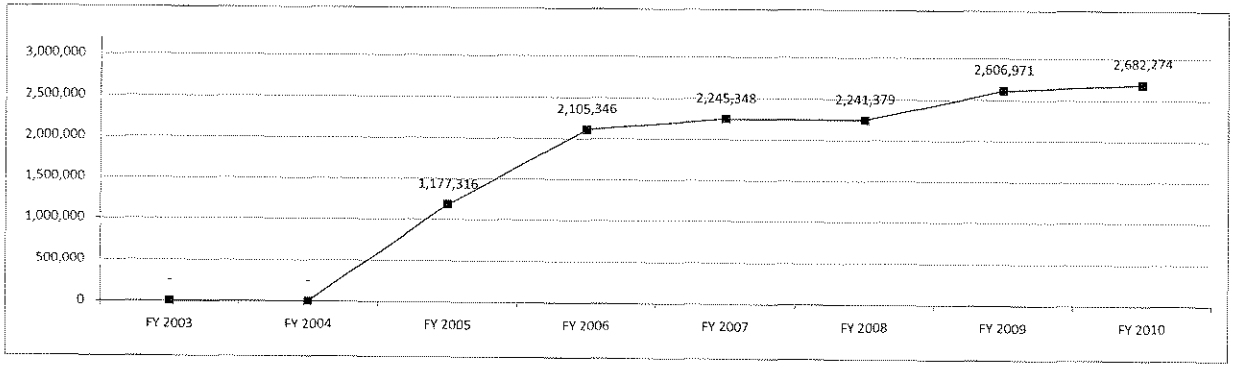
Beach Preservation Fee
Revenues by Month/Fiscal Year

	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	333	1,397	1,387,698	**1,389,428**	-	21,802	348,465	**370,267**	-	14,231	350,259	**364,490**	(1,117)	25,181	1,307,914	**1,331,978**	**3,456,163**
	0%	0%	40%	**40%**	0%	1%	10%	**11%**	0%	0%	10%	**11%**	0%	1%	38%	**39%**	**100%**
FY 2004	2,941	67	40,287	**43,295**	1,498,121	29,286	384,841	**1,912,248**	-	4,342	353,384	**357,726**	-	19,450	1,388,555	**1,408,005**	**3,721,274**
	0%	0%	1%	**1%**	40%	1%	10%	**51%**	0%	0%	9%	**10%**	0%	1%	37%	**38%**	**100%**
FY 2005	72	981	1,623,721	**1,624,774**	-	4,377	469,564	**473,941**	31	6,487	418,797	**425,315**	-	28,886	1,435,553	**1,464,439**	**3,988,469**
	0%	0%	41%	**41%**	0%	0%	12%	**12%**	0%	0%	11%	**11%**	0%	1%	36%	**37%**	**100%**
FY 2006	16	(1,601)	1,793,630	**1,792,045**	-	5,126	443,233	**448,359**	53,809	41,559	453,592	**548,960**	493	16,609	1,646,093	**1,663,195**	**4,452,559**
	0%	0%	40%	**40%**	0%	0%	10%	**10%**	1%	1%	10%	**12%**	0%	0%	37%	**37%**	**100%**
FY 2007	155	9,888	1,788,635	**1,798,678**	(1,167)	20,389	465,720	**484,942**	-	5,651	479,283	**484,934**	(56)	10,275	1,648,117	**1,658,336**	**4,426,890**
	0%	0%	40%	**41%**	0%	0%	11%	**11%**	0%	0%	11%	**11%**	0%	0%	37%	**37%**	**100%**
FY 2008	(523)	82	1,878,335	**1,877,894**	6,214	349,362	2,451	**358,027**	555,444	1,964	925	**558,333**	518,730	8,793	1,312,913	**1,840,436**	**4,634,690**
	0%	0%	41%	**41%**	0%	8%	0%	**8%**	12%	0%	0%	**12%**	11%	0%	28%	**40%**	**100%**
FY 2009	230	1,449	71,976	**73,655**	1,701,685	34,205	6,302	**1,742,192**	510,156	33,642	18,647	**562,445**	373,397	51,775	1,406,996	**1,832,168**	**4,210,460**
	0%	0%	2%	**2%**	40%	1%	0%	**41%**	12%	1%	0%	**13%**	9%	1%	33%	**44%**	**100%**
FY 2010	(702)	63,314	52,187	**114,799**	1,639,541	29,679	13,288	**1,682,508**	338,203	14,067	14,762	**367,032**	348,112	43,936	1,451,885	**1,843,933**	**4,008,272**
	0%	2%	1%	**3%**	41%	1%	0%	**42%**	8%	0%	0%	**9%**	9%	1%	36%	**46%**	**100%**



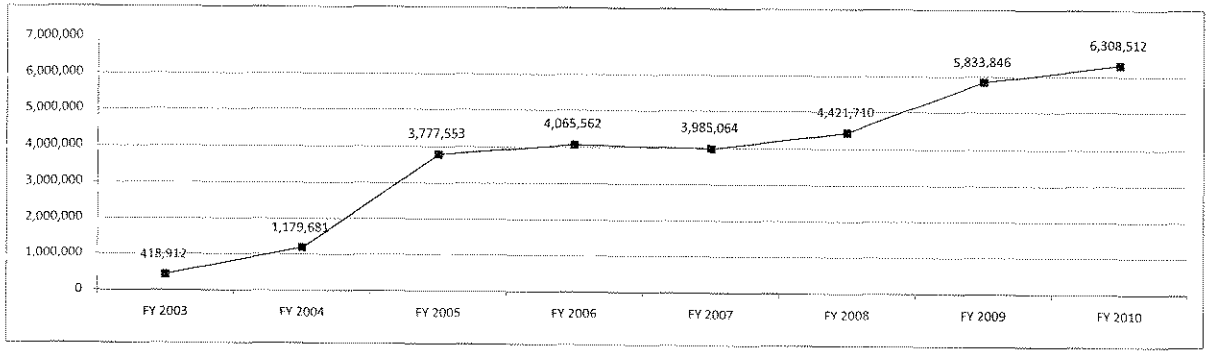
Electric Franchise Fee
Revenues by Month/Fiscal Year

	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0%	0%	0%	**0%**	0%	0%	0%	**0%**	0%	0%	0%	**0%**	0%	0%	0%	**0%**	**0%**
FY 2004	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0%	0%	0%	**0%**	0%	0%	0%	**0%**	0%	0%	0%	**0%**	0%	0%	0%	**0%**	**0%**
FY 2005	-	-	-	-	-	132,062	125,170	**257,232**	164,914	182,902	149,175	**496,991**	137,819	124,503	160,771	**423,093**	**1,177,316**
	0%	0%	0%	**0%**	0%	11%	11%	**22%**	14%	16%	13%	**42%**	12%	11%	14%	**36%**	**100%**
FY 2006	200,399	228,654	207,028	**636,081**	169,472	147,282	137,920	**454,674**	183,400	169,744	157,591	**510,735**	153,195	-	350,661	**503,856**	**2,105,346**
	10%	11%	10%	**30%**	8%	7%	7%	**22%**	9%	8%	7%	**24%**	7%	0%	17%	**24%**	**100%**
FY 2007	236,917	262,320	239,571	**738,808**	178,164	140,383	154,431	**472,978**	162,181	202,468	169,907	**534,556**	153,195	-	345,811	**499,006**	**2,245,348**
	11%	12%	11%	**33%**	8%	6%	7%	**21%**	7%	9%	8%	**24%**	7%	0%	15%	**22%**	**100%**
FY 2008	234,553	257,467	243,116	**735,136**	188,133	159,109	145,630	**492,872**	173,607	193,281	153,310	**520,198**	-	302,365	190,808	**493,173**	**2,241,379**
	10%	11%	11%	**33%**	8%	7%	6%	**22%**	8%	9%	7%	**23%**	0%	13%	9%	**22%**	**100%**
FY 2009	233,926	250,752	-	**484,678**	265,468	201,638	172,999	**640,105**	200,915	440,404	223,202	**864,521**	193,044	200,570	224,053	**617,667**	**2,606,971**
	9%	10%	0%	**19%**	10%	8%	7%	**25%**	8%	17%	9%	**33%**	7%	9%	10%	**24%**	**100%**
FY 2010	270,908	275,206	-	**546,114**	240,225	216,760	165,708	**622,693**	402,001	-	264,959	**666,960**	240,741	193,650	412,116	**846,507**	**2,682,274**
	10%	10%	0%	**20%**	9%	8%	6%	**23%**	15%	0%	10%	**25%**	9%	7%	15%	**32%**	**100%**



Ad Valorem Tax Revenue - TIF
Revenues by Month/Fiscal Year

	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
FY 2003	-	-	-	-	-	4,035	41,879	**45,914**	302,244	3,344	-	**305,588**	54,629	488	12,293	**67,410**	**418,912**
	0%	0%	0%	**0%**	0%	1%	10%	**11%**	72%	1%	0%	**73%**	13%	0%	3%	**16%**	**100%**
FY 2004	-	-	-	-	-	393,533	248,339	**641,872**	466,304	-	5,077	**471,381**	2,499	12,762	51,167	**66,428**	**1,179,681**
	0%	0%	0%	**0%**	0%	33%	21%	**54%**	40%	0%	0%	**40%**	0%	1%	4%	**6%**	**100%**
FY 2005	-	-	67	**67**	-	338,497	1,128,491	**1,466,988**	1,896,080	200,256	-	**2,096,336**	-	-	214,162	**214,162**	**3,777,553**
	0%	0%	0%	**0%**	0%	9%	30%	**39%**	50%	5%	0%	**55%**	0%	0%	6%	**6%**	**100%**
FY 2006	-	-	69,390	**69,390**	107,775	297,084	1,239,163	**1,644,022**	2,045,577	85,285	43,750	**2,174,612**	14,525	9,169	153,844	**177,538**	**4,065,562**
	0%	0%	2%	**2%**	3%	7%	30%	**40%**	50%	2%	1%	**53%**	0%	0%	4%	**4%**	**100%**
FY 2007	-	-	20,654	**20,654**	178,977	464,614	1,214,287	**1,857,878**	1,631,316	136,984	136,879	**1,905,179**	(221,381)	9,169	413,565	**201,353**	**3,985,064**
	0%	0%	1%	**1%**	4%	12%	30%	**47%**	41%	3%	3%	**48%**	-6%	0%	10%	**5%**	**100%**
FY 2008	-	-	-	-	211,651	236,113	1,939,103	**2,386,867**	796,093	-	-	**796,093**	-	-	1,238,750	**1,238,750**	**4,421,710**
	0%	0%	0%	**0%**	5%	5%	44%	**54%**	18%	0%	0%	**18%**	0%	0%	28%	**28%**	**100%**
FY 2009	-	-	-	-	-	319,346	-	**319,346**	2,906,538	1,453,270	-	**4,359,808**	862,468	115,562	176,662	**1,154,692**	**5,833,846**
	0%	0%	0%	**0%**	0%	5%	0%	**5%**	50%	25%	0%	**75%**	15%	2%	3%	**20%**	**100%**
FY 2010	-	-	-	-	-	177,438	-	**177,438**	3,293,599	2,304,305	113,484	**5,711,388**	107,390	40,162	272,134	**419,686**	**6,308,512**
	0%	0%	0%	**0%**	0%	3%	0%	**3%**	52%	37%	2%	**91%**	2%	1%	4%	**7%**	**100%**



MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, CM and Town Manager

VIA: Susan M. Simmons, CPA, Director of Finance

DATE: September 28, 2010

RE: Proposed Tax Changes before Tax Realignment Commission

Recommendation: Staff recommends that Town Council take a position on the various tax law proposals being considered by the Tax Realignment Commission (TRAC) and forward a written response to the local legislative delegation and TRAC for its meeting on October 7, 2010.

Summary: The State authorized a Tax Realignment Commission (TRAC) to study and recommend changes to most of the State's tax programs and laws. To accomplish this large task, TRAC formed committees to include the Local Accommodations & Hospitality Tax Sub-Committee. At this Sub-Committee's meeting on August 27, 2010, a Joint Task Force formed by the SC Tourism Alliance and the SC Chamber of Commerce's Tourism Committee proposed several changes to the tourism-related taxes.

The Municipal Association of South Carolina (MASC) has provided an assessment of the State accommodation changes being considered. MASC intends to coordinate municipal opposition to significant portions of the proposals. The Sub-Committee plans to present the proposal from the Joint Task Force to the entire TRAC on October 7, 2010 in Columbia. The Town is participating in these meetings and will continue to monitor the proceedings of TRAC.

The tax law changes being considered would have a significant impact on the Town as summarized below.

1. **State Accommodations Tax**
   This proposal is the most publicized both Statewide and locally; it is also the best analyzed to date. The Town's Intergovernmental Relations Committee met on September 22, 2010 to discuss this issue. Finance prepared an analysis of the financial impact which is attached. The Committee voted unanimously to recommend to Town Council that it oppose this legislation. Also, the Town's State Accommodations Tax grantees plan to come together as a group to oppose this proposal. The key financial impacts are as follows:

   - The State allocation increases by $339,277 or 77% primarily to fund regional tourism and operate the State's welcome centers.
   - The mandated designated marketing organization allocation increases from 30% to 50%, an increase of $529,247 or 51% for the Hilton Head Island Chamber of Commerce's VCB.
   - The Town's allocation for both its general fund and grants to arts, cultural and tourism organizations decreases by $868,524 or 36%.

Staff Recommendation:
Town Council should oppose this proposal for the following reasons:

- *The State continues to take a bigger share from the top which will likely continue as it struggles to balance its budget. As a result, the Town, its direct marketing organization, and its arts/cultural organizations lose.*
- *The proposal will have a significant negative financial impact on the Town's local art/cultural organizations that provide activities for the tourists that visit the Island and its citizens.*
- *The proposal will take a sizable amount of funding away from the Town's General Fund. This will have an impact on balancing the budget and may impact the level and quality of service being provided to the tourists that visit the Island and the citizens.*
- *The proposal will erode home rule by taking away the Town's flexibility in determining how much funding should go to marketing or supporting local art/cultural organizations. The Town supports both groups and desires to retain allocation of funds authority over these revenues.*

1a. Timeshare Maintenance Fee

Additionally, the proposal would add language to include collection of State Accommodations Tax, Local Accommodations Tax, and Hospitality Tax on timeshare maintenance fees. The Joint Task Force stated the impact is to "level the field of competition between traditional hotel/motel/B&B properties and the Timeshare industry, which now enjoys an unfair advantage in the market."

This issue has surfaced before and pits hoteliers against the timeshare industry; hoteliers claim timeshare owners are the same as tourists while the timeshare industry supports that they are property owners. A timeshare maintenance fee is more aligned with a regime fee paid by property owners and would not appear to be subject to sales and use taxes. Maintenance fees are expenses paid by property owners and includes the owner's proportionate share of property taxes. The proposed change would amend the law applying to taxation of room rental charges (a revenue) as detailed in South Carolina Code of Laws Section 12-36-920 A.

Staff Recommendation:
Town Council should oppose this proposal because taxes should be paid on income generated by the property and not expenditures associated with the operation of the property. This proposal appears to be taxing expenditures.

2. Admissions Tax

The admissions tax is State-administered and will remain so. It is a license tax of five percent on paid admissions to places of amusement. Under this proposal, the State will remit two unspecified portions of the tax to the South Carolina Department of Parks, Recreation, and Tourism for:

- Product Development Fund to build regional tourism attractions to build critical mass in areas off the coast.
- South Carolina State Park system to improve facilities.

The direct impact to the Town is minimal since this is a State-administered program. It appears that the majority of this tax is presently unrestricted in its use. By mandating that portions of the collections must be expended for tourism programs, this proposal ensures that the citizens who paid the tourism/amusement taxes will see the funds returned to benefit the same or similar tourism/amusement programs.

One concern that the Town may have is that the funds will be focused for attractions off the coast which means that the taxes paid on admission to amusements within the Town may not return to the local area. Currently, staff does not know the amount of admission taxes generated in the Town and the local area.

Staff Recommendation:
Council should support this proposal on the condition that all State parks would benefit and all areas of the State would benefit equitably from the Product Development Fund.

3. **Local Accommodations and Hospitality Tax**

Currently, the Town collects both local accommodations and hospitality tax revenues and expends them in accordance with State and Town laws that govern their permitted uses. While State laws exist regarding the authority to collect and expend these revenues, the State currently does not have direct involvement with collecting and expending them. Under the proposal, the key changes are as follows:

- The State would collect these funds from businesses, retain an unspecified amount or percentage to cover administrative costs, and remit the funds to the local governments where the funds were generated.
- The Town would be required to submit annual reports to the Tourism Expenditure Review Committee (TERC) for oversight of the local accommodations tax expenditures.

This proposal has a significant impact to the Town in terms of the revenues it receives and in the amount of control the Town has over these funds. Using fiscal year 2010 amounts, the significant changes would be:

- Assuming the administrative fee is similar to that for State accommodations tax or 1% and using fiscal year 2010 as the basis, the State would retain approximately $20,000 of the Town's local accommodations tax, $40,000 of the beach preservation fees (a local accommodations tax from the State's perspective), and $47,000 from the hospitality tax for a total of $107,000 annually.
- Currently, TERC does not have this oversight authority. It is unclear why the proposal generally eliminates TERC oversight over the Town's proposed 50% of state accommodations tax yet establishes new TERC oversight authority over local accommodations and hospitality taxes.

<u>Staff Recommendation</u>:
Town Council should oppose this proposal for the following reasons:

- *The Town has a complex rental industry. How would the State propose to reconcile tax collection data between its database, the rental management companies, individual owners, and the County property tax records?*
- *The proposal does not explain how the tax permitting process would be handled. If the Town issues permits, how will it ensure that the State's database reconciles to the Town's? How does the Town maintain the synchronization?*
- *The proposal does not identify the collection methodology and how the State would ensure that local collections are being made. The proposal does not address whether enforcement would be performed by the State or at the local level.*
    - *If enforcement is performed by the State, how much local enforcement "presence" would exist? It is likely that with less enforcement, revenue collections would decrease. If the State performs the enforcement function, it would retain more than a 1% administrative fee leaving the Town with less discretion over its revenues.*
    - *If enforcement remains with the Town, how will this function be performed? The revenue collection forms will be filed with the State leaving the Town with limited data to perform audits and enforcement. The Town believes it is vital to tie the business licensing function (which would remain with the Town) to the accommodations and hospitality tax permitting, collecting and enforcing functions (which would move to the State).*
- *The State already has problems maintaining its current accommodations tax database. It would have to create a hospitality tax collection database. Recently the State contacted the Town for assistance in validating its database. This proposal adds an additional burden to already overburdened State systems. It is likely that with less technology efforts and synchronization of tax databases, revenue collections would decrease.*
- *The proposal shifts at least $107,000 of these funds from local coffers to the State. This once again reduces the Town's flexibility is using the funds as it deems appropriate.*
- *The Town complies with laws regarding permitted uses of funds and does not need the additional burden and cost of TERC oversight.*

TOWN OF HILTON HEAD ISLAND

Community Development Department

TO:	Town Council
VIA:	Stephen G. Riley, *CM, Town Manager*
FROM:	Public Facilities Committee
DATE	September 21, 2010
SUBJECT:	Islander's Beach Park Parking Changes

STAFF RECOMMENDATION

Staff recommends that Town Council approve a Resolution to establish a 'parking meter zone' within Islander's Beach Park in order to meter 25 public parking spaces and reserve the remaining 131 spaces for use by Island residents and property owners with beach passes.

On September 17, 2010 the Public Facilities Committee voted to forward this request to Town Council with a recommendation of approval with the request that the proposed resolution be amended to show that the total number of parking spaces at Islander's Beach Park is 156. The resolution has been revised to reflect this. Underlined text indicates new text.

SUMMARY

To become eligible for a beach renourishment grant for the Port Royal Beach Renourishment Project, the State has informed the Town that it must provide a minimum of 25 public spaces at Islander's Beach Park to use State funds. Metering these spaces would be consistent with other metered beach parks, such as Folly Field and Driessen, which requires the designation of a 'parking meter zone'. The remaining 131 spaces at Islander's Beach Park would still be reserved for the sole use of Island residents and property owners with beach passes. The 25 public spaces would also be available to beach pass holders on a first come first serve basis.

BACKGROUND

Earlier this year the State announced the availability of funds for beach renourishment grants. To qualify for the grant the renourishment project area must be categorized by the State as 'full and complete public access' based on certain amenities being available at the access location. The amount of public parking is one of these considerations.

The Town applied for approximately one million dollars through the grant to help fund the Port Royal Beach Renourishment Project; however, in reviewing the grant, the State determined that the Town did not qualify because the parking at Islander's Beach Park was restricted to Island residents and property owners with beach passes. In order to qualify, the Town would need to make a minimum of 25 public spaces available. Potential spaces have been identified on Exhibit "A"

The Town's Municipal Code requires that Town Council establish a 'parking meter zone' by resolution to install meters. Folly Field and Driessen were both established as such. In addition, the Town's Local Comprehensive Beach Management Plan would need to be updated if any parking change should take effect, which would follow this resolution if approved.

A RESOLUTION BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND ESTABLISHING A PARKING METER ZONE FOR PUBLIC PARKING AT ISLANDERS BEACH PARK AND RESERVING THE REMAINING SPACES FOR BEACH PASS PARKING .

WHEREAS, the Town Council of the Town of Hilton Head Island has constructed beach parks for the convenience and enjoyment of all beach goers, and

WHEREAS, the Town Council of the Town of Hilton Head Island has an established policy of reserving certain parking spaces for the use of residents or property owners within the town limits of Hilton Head Island; and

WHEREAS, the Town Council of the Town of Hilton Head Island adopted Resolution No, 99-21 reserving 100 spaces for beach pass users at Islander's Beach Park; and

WHEREAS, additional parking spaces were constructed at Islander's Beach Park through the Town's Capital Improvements Program, making the total number of spaces 156; and

WHEREAS, Town Council adopted Ordinance No. 90-12, also known as the Parking Ordinance, on May 7, 1990; and

WHEREAS, the Town wishes to establish a 'parking meter zone' within Islander's Beach Park in order to provide 25 metered spaces for the general public; and

WHEREAS, the Town intends to assess and enforce parking fees to recover operating and capital costs for these spaces; and

WHEREAS, the Town has determined that it wishes to reserve the remaining 131 spaces at Islander's Beach Park for beach pass users;

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CARIOLINA, AND IT IS ORDAINED BY THE AUTHORITY OF SAID COUNCIL that: Town Council hereby authorizes the establishment of a parking meter zone within Islander's Beach Park for the metering of 25 spaces for the general public and the reservation of 131 spaces for Town of Hilton Head Island residents and property owners with beach passes.

MOVED, APPROVED, AND ADOPTED ON THIS ____ DAY OF _____, 2010.

_____
Thomas D. Peeples, Mayor

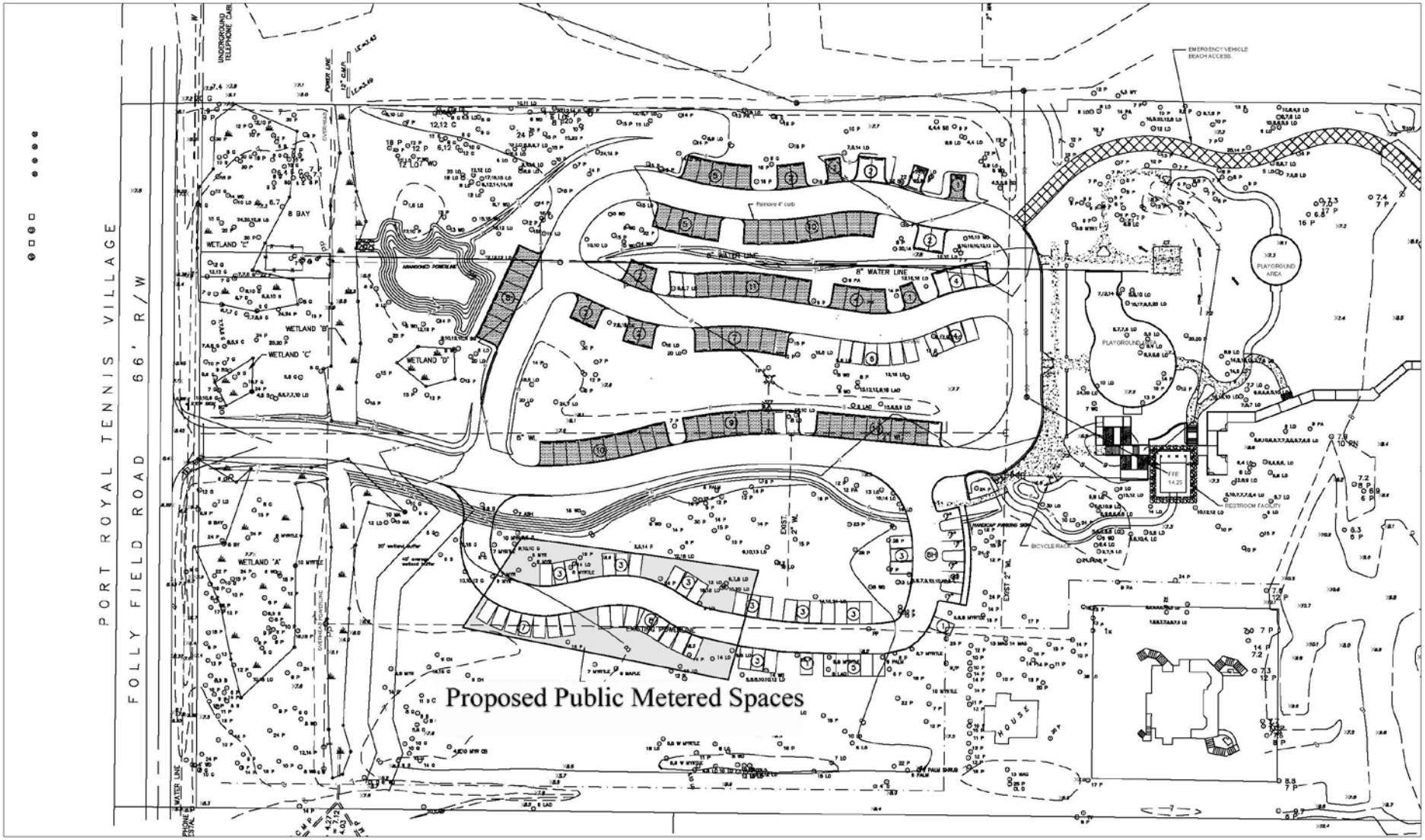
ATTEST:

_____
Betsy Mosteller, Town Clerk

APPROVED AS TO FORM:

_____
Gregory M. Alford, Town Attorney

Introduced by Council Member: _____



Islanders Beach Park

Exhibit "A"

MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, CM, Town Manager

VIA: Susan M. Simmons, CPA, Director of Finance

DATE: September 23, 2010

RE: **Refunding of Bonds**

Recommendation: Staff recommends that Council adopt proposed ordinance 2010-20 authorizing the issuance and sale of not to exceed $13,000,000 General Obligation (GO) Referendum Refunding Bonds, Series 2010B.

Summary: The proposed ordinance will allow the Town to take advantage of favorable bond market conditions by partially refunding the Town's outstanding bonds on the $15,000,000 GO Referendum Bonds, Series 2004A. By issuing the refunding bonds, the Town anticipates an estimated savings of approximately $798,000 and 6%. There is no assurance that market conditions at the date of such sale will be similar to the prevailing rates at the date of this ordinance. Therefore, this ordinance delegates authority through the Council to the Town Manager to either accept the low bid or reject all bids depending on satisfactory debt service savings.

Background:
Recently, bond market conditions have become more favorable for the refunding of previous bond issues and issuance of new bonds at lower costs. Town staff along with Merchant Capital reviewed the Town's bond portfolio and determined savings for the Series 2004A GO Referendum Bonds. The bonds maturing on or after March 1, 2014 are callable on or after March 1, 2013 making this an advanced refunding. The remaining bonds in this series maturing in fiscal years 2011, 2012 and 2013 will not be refunded.

ORDINANCE NO. 2010-____ PROPOSED ORDINANCE NO. 2010-20

AN ORDINANCE

AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED $13,000,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010B, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; FIXING THE FORM AND CERTAIN DETAILS OF THE BONDS; AUTHORIZING THE TOWN MANAGER OR HIS LAWFULLY AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AS FOLLOWS:

SECTION 1. Findings and Determinations. The Town Council (the "Council") of the Town of Hilton Head Island, South Carolina (the "Town"), hereby finds and determines:

(a) The Town is an incorporated municipality located in Beaufort County, South Carolina, and as such possesses all powers granted to municipalities by the Constitution and laws of the State of South Carolina (the "State").

(b) Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended (the "Constitution"), provides that general obligation debt may be incurred by the governing body of each municipality of the State for any public and corporate purpose in an amount not exceeding eight (8%) percent of the assessed value of all taxable property of such municipality and upon such terms and conditions as the General Assembly may prescribe. Such Article further provides that if general obligation debt is authorized by a majority vote of the qualified electors of the municipality voting in a referendum authorized by law, there shall be no conditions or restrictions limiting the incurring of such indebtedness except as specified in such Article.

(c) Title 5, Chapter 21, Article 5, Code of Laws of South Carolina, 1976, as amended (the "Municipal Bond Act"), provides that the municipal council of any municipality may issue general obligation bonds of such municipality for any corporate purpose of such municipality to any amount not exceeding the constitutional debt limitation applicable to such municipality.

(d) The Municipal Bond Act provides that as a condition precedent to the issuance of bonds an election be held and the result be favorable thereto. Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended, provides that if an election be prescribed by the provisions of the Municipal Bond Act, but not be required by the provisions of Article X of the Constitution, then in every such instance, no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the Municipal Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions.

(e) Sections 11-21-10 to 11-21-80 of the Code of Laws of South Carolina 1976, as amended, empower any "public agency" to utilize the provisions of Article 5, Chapter 15, Title 11 of the Code of Laws of South Carolina 1976, as amended, to effect the refunding of any outstanding general obligation bonds.

(f) In a successful referendum (the "Referendum") held in the Town on November 4, 2003, the following question was submitted to the qualified electors of the Town:

> Shall the Town of Hilton Head Island, South Carolina, be authorized to incur general obligation debt in an amount not to exceed the sum of Fifteen Million and 00/100 Dollars ($15,000,000) for the public purpose of purchasing developed and undeveloped land on Hilton Head Island, South Carolina, for the public use or uses of management of growth and development, public facilities, passive and active parkland and preservation of historic sites?

(g) Pursuant to Ordinance No. 2004-12 enacted on March 16, 2004, the Town authorized the issuance and approved the sale of $15,000,000 General Obligation Bonds, Series 2004A (the "Series 2004A Bonds").

(h) The Series 2004A Bonds maturing on or after Mar,ch 1, 2014, shall be subject to redemption at the option of the Town on or after March 1, 2013 as a whole or in part at any time, in such order of redemption as the Town may determine, at par, together with the interest accrued thereon to the date fixed for redemption.

(i) Based on current market conditions and projected savings, the Town Council finds that it is in the best interest of the Town to effect a refunding of certain maturities of the 2004A Bonds because a savings can be effected through the refunding of such bonds. The Town Council recognizes, however, that current market conditions may change and that, as of the date of enactment of this Ordinance, a determination cannot be made as to the amount of such savings, if any, realized through the refunding of the 2004A Bonds and that certain authority relating to such refunding is delegated to the Town Manager of the Town (the "Town Manager") through this Ordinance. Because the Refunding Act requires that refunding bonds be sold at public sale, there can be no assurance that market conditions at the time of such sale will be similar to the prevailing rates on the date of the enactment of this Ordinance. If the rates of interest on the refunding bonds authorized by this Ordinance do not result in satisfactory debt service savings, the Town Council, through the authority delegated to the Town Manager, will be empowered to reject bids for the purchase of the refunding bonds.

(j) It is now in the best interest of the Town for the Town Council to provide for the issuance and sale of not exceeding $13,000,000 aggregate principal amount general obligation refunding bonds of the Town to provide funds for the purposes of (i) refunding certain maturities of the 2004A Bonds (the "Bonds to be Refunded"); and (ii) paying costs of issuance of the Bonds (hereinafter defined).

SECTION 2. Authorization and Details of the Bonds. Pursuant to the aforesaid provisions of the Constitution and laws of the State of South Carolina and the successful results of the Referendum, there is hereby authorized to be issued not exceeding $13,000,000 general obligation refunding bonds of the Town (the "Bonds") for the purposes listed in Section 1(j) above.

Upon the delivery of the Bonds, the principal proceeds thereof, less any accrued interest and less issuance expenses, shall be deposited with a corporate trustee (the "Escrow Agent") and held by it under a written refunding trust agreement (the "Refunding Trust Agreement") in a special trust account. It shall be the duty of such Escrow Agent to keep such proceeds invested and reinvested to the extent that it shall be practical in obligations of the United States or any agency thereof and to apply the principal and interest of the trust so established in the manner prescribed in such Refunding Trust Agreement.

The Town Manager is hereby authorized and directed for and on behalf of the Town to execute such agreements and give such directions as shall be necessary to carry out the provisions of this Ordinance, including the execution and delivery of the Refunding Trust Agreement. The Refunding Trust Agreement shall be dated the date of delivery of the Bonds to the initial purchasers thereof.

The Bonds shall be issued as fully-registered Bonds; shall be dated as of the first day of the month in which the Bonds are sold to the initial purchaser(s) thereof or their date of delivery; shall be in denominations of $5,000 or any integral multiple thereof not exceeding the principal amount of the Bonds maturing in each year; shall be numbered from R-1 upward; shall bear interest at such times as hereafter designated by the Town Manager or his lawfully authorized designee at such rate or rates as may be determined at the time of the sale thereof; and shall mature serially in successive annual installments as determined by the Town Manager or his lawfully authorized designee.

Wells Fargo Bank, N.A. shall serve as Registrar/Paying Agent for the Bonds.

SECTION 3. Delegation of Authority to Determine Certain Matters Relating to the Bonds. The Council hereby delegates to the Town Manager or his lawfully-authorized designee the authority to determine (a) the maturity dates of the Bonds and the respective principal amounts maturing on such dates; (b) the interest payment dates of the Bonds; (c) redemption provisions, if any, for the Bonds; (d) the date and time of sale of the Bonds, including whether or not the Bonds will be sold on the same date as one or two series or on separate dates as separate series, (e) which maturities of the 2004A Bonds shall be redeemed; and such other details of the transaction which will provide for an orderly process of sale and closing of the bond issue.

The Council hereby delegates to the Town Manager or his lawfully authorized designee the authority to receive bids on behalf of the Council and the authority to award the sale of the Bonds to the lowest bidder therefor, in accordance with the terms of the Notice of Sale for the Bonds, provided the true interest cost does not exceed 4.25%. After the sale of the Bonds, the Town Manager or his lawfully authorized designee shall submit a written report to the Council setting forth the results of the sale of the Bonds.

SECTION 4. Registration, Transfer and Exchange of Bonds. The Town shall cause books (herein referred to as the "registry books") to be kept at the offices of the Registrar/Paying Agent, for the registration and transfer of the Bonds. Upon presentation at its office for such purpose the Registrar/Paying Agent shall register or transfer, or cause to be registered or transferred, on such registry books, the Bonds under such reasonable regulations as the Registrar/Paying Agent may prescribe.

Each Bond shall be transferable only upon the registry books of the Town, which shall be kept for such purpose at the principal office of the Registrar/Paying Agent, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Bond the Registrar/Paying Agent on behalf of the Town

shall issue in the name of the transferee a new fully-registered Bond or Bonds, of the same aggregate principal amount, interest rate and maturity as the surrendered Bond. Any Bond surrendered in exchange for a new registered Bond pursuant to this Section shall be canceled by the Registrar/Paying Agent.

The Town and the Registrar/Paying Agent may deem or treat the person in whose name any fully-registered Bond shall be registered upon the registry books as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Town nor the Registrar/Paying Agent shall be affected by any notice to the contrary. In all cases in which the privilege of transferring Bonds is exercised, the Town shall execute and the Registrar/Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. Neither the Town nor the Registrar/Paying Agent shall be obliged to make any such transfer of Bonds during the fifteenth (15th) day of the calendar month preceding an interest payment date on such Bonds.

SECTION 5. Record Date. The Town establishes a record date for the payment of interest or for the giving of notice of any proposed redemption of Bonds, and such record date shall be the fifteenth (15th) day (whether or not a business day) preceding an interest payment date on such Bond or, in the case of any proposed redemption of Bonds, such record date shall be the fifteenth (15th) day (whether or not a business day) prior to the mailing of notice of redemption of Bonds.

SECTION 6. Mutilation, Loss, Theft or Destruction of Bonds. In case any Bond shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the owner, the Town shall execute and the Registrar shall authenticate and deliver at the principal office of the Registrar, or send by registered mail to the owner thereof at his request, risk and expense a new Bond of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Bond, or in lieu of or in substitution for such lost, stolen or destroyed Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish the Town and the Registrar evidence or proof satisfactory to the Town and the Registrar of the loss, destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity as may be required by the laws of the State or such greater amount as may be required by the Town and the Registrar. Any duplicate Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Bond or in substitution for any allegedly lost, stolen or wholly destroyed Bond shall be entitled to the identical benefits under this Ordinance as was the original Bond in lieu of which such duplicate Bond is issued, and shall be entitled to equal and proportionate benefits with all the other Bonds of the same series issued hereunder.

All expenses necessary for the providing of any duplicate Bond shall be borne by the applicant therefor.

SECTION 7. Form of Bonds. The Bonds shall be in substantially the form attached hereto as Exhibit A and incorporated herein by reference.

SECTION 8. Execution of Bonds. The Bonds shall be executed in the name of the Town with the manual or facsimile signature of the Mayor of the Town attested by the manual or facsimile signature of the Clerk of the Town under a seal of the Town which shall be impressed, imprinted or reproduced thereon. The Bonds shall not be valid or become obligatory for any purpose unless there shall have been

endorsed thereon a certificate of authentication. Each Bond shall bear a certificate of authentication manually executed by the Registrar/Paying Agent in substantially the form set forth herein.

SECTION 9. Security for the Bonds. The full faith, credit, taxing power and resources of the Town are hereby irrevocably pledged for the payment of the principal and interest of the Bonds as they respectively mature and for the creation of such sinking fund as may be necessary to provide for the prompt payment thereof. The Town at its option may also utilize any other funds available therefor for the payment of the principal of and interest on the Bonds.

For the payment of the principal and interest of the Bonds as they respectively mature and for the creation of such sinking fund as may be necessary to provide for the prompt payment thereof, the full faith, credit, taxing power and resources of the Town are hereby irrevocably pledged, and there shall be levied and collected annually upon all taxable property of the Town an ad valorem tax, without limitation as to rate or amount, sufficient for such purposes.

SECTION 10. Defeasance. The obligations of the Town herein made or provided for, shall be fully discharged and satisfied as to any portion of the Bonds, and such Bond or Bonds shall no longer be deemed to be outstanding hereunder when:

(a) such Bond or Bonds shall have been purchased by the Town and surrendered to the Town for cancellation or otherwise surrendered to the Town or the Paying Agent and is canceled or subject to cancellation by the Town or the Paying Agent; or

(b) payment of the principal of and interest on such Bonds either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Paying Agent in trust and irrevocably set aside exclusively for such payment (1) moneys sufficient to make such payment or (2) Government Obligations (hereinafter defined) maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment and all necessary and proper fees, compensation and expenses of the Paying Agent. At such time as the Bonds shall no longer be deemed to be outstanding hereunder, such Bonds shall cease to draw interest from the due date thereof and, except for the purposes of any such payment from such moneys or Government Obligations, shall no longer be secured by or entitled to the benefits of this Ordinance.

"Government Obligations" shall mean any of the following:

(a) direct obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is fully and unconditionally guaranteed by the United States of America; and

(b) non-callable, U. S. Treasury Securities - State and Local Government Series ("SLGS");

SECTION 11. Exemption from State Taxes. Both the principal of and interest on the Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the Code of Laws of South Carolina, 1976, as amended, from all State, county, municipal, town and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

SECTION 12. Eligible Securities. The Bonds initially issued (the "Initial Bonds") will be eligible securities for the purposes of the book-entry system of transfer maintained by The Depository Trust Company, New York, New York ("DTC"), and transfers of beneficial ownership of the Initial Bonds shall be made only through DTC and its participants in accordance with rules specified by DTC. Such beneficial ownership must be of $5,000 principal amount of bonds of the same maturity or any integral multiple of $5,000.

The Initial Bonds shall be issued in fully-registered form, one Bond for each of the maturities of the Bonds, in the name of Cede & Co., as the nominee of DTC. When any principal of or interest on the Initial Bonds becomes due, the Paying Agent, on behalf of the Town, shall transmit to DTC an amount equal to such installment of principal and interest. DTC shall remit such payments to the beneficial owners of the Bonds or their nominees in accordance with its rules and regulations.

Notices of redemption of the Initial Bonds or any portion thereof shall be sent to DTC in accordance with the provisions of the Ordinance.

If (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the Town has advised DTC of its determination that DTC is incapable of discharging its duties, the Town shall attempt to retain another qualified securities depository to replace DTC. Upon receipt by the Town of the Initial Bonds together with an assignment duly executed by DTC, the Town shall execute and deliver to the successor securities depository bonds of the same principal amount, interest rate and maturity registered in the name of such successor.

If the Town is unable to retain a qualified successor to DTC or the Town has determined that it is in its best interest not to continue the book-entry system of transfer or that interests of the beneficial owners of the Bonds might be adversely affected if the book-entry system of transfer is continued (the Town undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify beneficial owners of the Bonds by mailing an appropriate notice to DTC, upon receipt by the Town of the Initial Bonds together with an assignment duly executed by DTC, the Town shall execute, authenticate and deliver to the DTC participants bonds in fully-registered form in the denomination of $5,000 or any integral multiple thereof.

SECTION 13. Sale of Bonds, Form of Notice of Sale. The Bonds shall be sold at public sale. A Notice of Sale shall be distributed to prospective bidders and a summary of such Notice shall be published in a newspaper having general circulation in the State or in a financial publication published in the City of New York, State of New York, or both, not less than seven (7) days prior to the date set for such sale in substantially the form attached hereto as Exhibit B and incorporated herein by reference.

SECTION 14. Preliminary and Final Official Statement. The Council hereby authorizes and directs the Town Manager or his lawfully authorized designee to prepare, or cause to be prepared, a Preliminary Official Statement to be distributed to prospective purchasers of the Bonds together with the Notice of Sale. The Council authorizes the Town Manager or his lawfully authorized designee to designate the Preliminary Official Statement as "near final" for purposes of Rule 15c2-12 of the Securities Exchange Commission. The Town Manager or his lawfully authorized designee is further authorized to see to the completion of the final form of the Official Statement upon the sale of the Bonds so that it may be provided to the purchasers of the Bonds.

SECTION 15. Filings with Central Repository. In compliance with Section 11-1-85, South Carolina Code of Laws 1976, as amended, the Town covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (a) a copy of an annual

independent audit of the Town within thirty (30) days of the Town's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, event specific information of an event which adversely affects more than five (5%) percent of the tax revenues of the Town or the Town's tax base.

SECTION 16. Continuing Disclosure. In compliance with the Securities and Exchange Commission Rule 15c2-12 (the "Rule") the Town covenants and agrees for the benefit of the holders from time to time of the Bonds to execute and deliver prior to closing, and to thereafter comply with the terms of a Continuing Disclosure Certificate in substantially the form attached hereto and incorporated herein by reference as Exhibit C. In the event of a failure of the Town to comply with any of the provisions of the Continuing Disclosure Certificate, an event of default under this Ordinance shall not be deemed to have occurred. In such event, the sole remedy of any bondholder or beneficial owner shall be an action to compel performance by the Town.

SECTION 17. Deposit and Use of Proceeds. The proceeds derived from the sale of the Bonds necessary to refund the Bonds to be Refunded shall be deposited with the Escrow Agent to be named pursuant to the terms of a Refunding Trust Agreement. The remaining proceeds, if any, shall be deposited with the Town in a special fund and shall be applied solely to the purposes for which the Bonds have been issued, including payment of costs of issuance of the Bonds, except that the premium, if any, shall be placed in a sinking fund and the accrued interest, if any, shall be used to discharge in part the first interest to become due on the Bonds.

SECTION 18. Tax Covenants. The Town hereby covenants and agrees with the holders of the Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the holders of the Bonds for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the Bonds. The Town further covenants and agrees with the holders of the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds would have caused the Bonds to be "arbitrage bonds," as defined in Section 148 of the Code, and to that end the Town hereby shall:

(i) comply with the applicable provisions of Sections 103 and 141 through 150 of the Code and any regulations promulgated thereunder so long as the Bonds are outstanding;

(ii) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code relating to required rebates of certain amounts to the United States; and

(iii) make such reports of such information at the time and places required by the Code.

SECTION 19. Miscellaneous. The Council hereby authorizes the Mayor and Clerk of the Town, the Town Manager, the Director of Finance and any lawfully authorized designee to execute such documents and instruments as may be necessary to effect the issuance of the Bonds or make modifications in any documents including but not limited to the form of the Bond or Notice of Sale, if necessary. The Council hereby retains the law firm of McNair Law Firm, P.A. as bond counsel and Merchant Capital, LLC, as financial advisor in connection with the issuance of the Bonds. The Town Manager is authorized to execute such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

All rules, regulations, resolutions and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the Bonds are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its enactment.

SECTION 20. 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 21. Codification. This Ordinance shall be forthwith codified in the Code of Town Ordinances in the manner required by law.

SECTION 22. Effective Date. This Ordinance shall be effective upon its enactment by the Council of the Town of Hilton Head Island, South Carolina.

Be it Ordered and Ordained by the Town of Hilton Head Island, South Carolina, and it is ordained by the authority of the said Council.

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By:_____
Mayor

(SEAL)

ATTEST:

_____
Town Clerk

Approved by:

_____
Town Manager

Approved as to form:

_____
Town Attorney

First Reading:_____
Second Reading:_____

Introduced by:

_____

Effective Date:_____

COLUMBIA 1015417v1

Exhibit A

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
THE TOWN OF HILTON HEAD ISLAND
$_____ GENERAL OBLIGATION REFUNDING BOND
SERIES 2010B

No. R-

INTEREST RATE	MATURITY DATE	ORIGINAL ISSUE DATE	CUSIP
%			

REGISTERED HOLDER:

PRINCIPAL AMOUNT: DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the Town of Hilton Head Island, South Carolina (the "Town"), is justly indebted and, for value received, hereby promises to pay to the registered holder named above, or registered assigns, the principal amount shown above on the maturity date shown above, upon presentation and surrender of this Bond at the principal office of Wells Fargo Bank, N.A., in Atlanta, Georgia (the "Paying Agent"), and to pay interest on such principal sum from the date hereof at the interest rate per annum shown above until this Bond matures. Interest on this Bond is payable semiannually on _____ 1 and _____ 1 of each year commencing _____ 1, 2011, until this Bond matures, and shall be payable by check or draft mailed to the person in whose name this Bond is registered on the registration books of the Town maintained by the registrar, presently Wells Fargo Bank, N.A., in Atlanta, Georgia (the "Registrar"), at the close of business on the fifteenth (15th) day of the calendar month next preceding each semiannual interest payment date. The principal and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully-registered Bond shall be paid by check or draft as set forth above.

This Bond shall not be entitled to any benefit under the Ordinance of the Town authorizing the Bonds, nor become valid or obligatory for any purpose, until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

For the payment of the principal and interest of this Bond as they respectively mature and for the creation of such sinking fund as may be necessary to provide for the prompt payment hereof, the full faith, credit, taxing power and resources of the Town are hereby irrevocably pledged, and there shall be levied and collected annually upon all taxable property of the Town an ad valorem tax, without limitation as to rate or amount, sufficient for such purposes.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Ordinance. One bond certificate with respect to each date on which the Bonds are stated to mature, registered in the name of the securities depository nominee, is being issued and required to be deposited with the securities depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the securities depository's participants, beneficial ownership of the Bonds in the principal amount of $5,000 or any multiple thereof being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the securities depository and its participants pursuant to rules and procedures established by the securities depository and its participants. The Town and the Registrar/Paying Agent will recognize the securities depository nominee, while the registered owner of this bond, as the owner of this bond for all purposes, including payments of principal of and redemption premium, if any, and interest on this bond, notices and voting. Transfer of principal and interest payments to participants of the securities depository will be the responsibility of the securities depository, and transfer of principal, redemption premium, if any, and interest payments to beneficial owners of the Bonds by participants of the securities depository will be the responsibility of such participants and other nominees of such beneficial owners. The Town will not be responsible or liable for such transfers of payments or for maintaining, supervision or reviewing the records maintained by the securities depository, the securities depository nominee, its participants or persons acting through such participants. While the securities depository nominee is the owner of this bond, notwithstanding, the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Bond shall be made in accordance with existing arrangements between the Registrar/Paying Agent or its successors under the Ordinance and the securities depository.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to number, date of maturity, denomination, [redemption provisions] and rate of interest, aggregating _____ Dollars issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended; Title 11, Chapters 15, 21 and 27, Code of Laws of South Carolina 1976, as amended; [the favorable results of a referendum held in the Town on November 4, 1997]; and Ordinance No. _____ duly enacted by the Council of the Town.

[Redemption Provisions]

This Bond is transferable as provided in the Ordinance, only upon the books of the Town kept for that purpose at the principal office of the Registrar by the registered holder in person or by his duly authorized attorney upon surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered holder or his duly authorized attorney. Thereupon a new fully-registered Bond or Bonds of the same aggregate principal amount, interest rate, and maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance. The Town, the Registrar and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

Under the laws of the State of South Carolina, this Bond and the interest hereon are exempt from all State, county, municipal, Town and other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of South Carolina to exist, to happen and to be performed precedent to or in the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law; that the amount of this Bond, together with all other indebtedness of the Town does not exceed the applicable limitation of indebtedness under the laws of the State of South Carolina; and, that provision has been made for the levy and collection of a tax, without limit, on all taxable property in the Town sufficient to pay the principal and interest of this Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

IN WITNESS WHEREOF, THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the Town, attested by the manual or facsimile signature of the Clerk of the Town and the seal of the Town impressed, imprinted or reproduced hereon.

This bond is dated as of ____ day of _____, 2010.

TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

_____

(SEAL) Mayor

ATTEST:

_____
Clerk

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

Date of Authentication:

This Bond is one of the bonds described in the within mentioned Ordinance of the Town of Hilton Head Island, South Carolina.

_____,
as Registrar

By:_____
Authorized Officer

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship

UNIF GIFT MIN ACT -

_____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to
Minors Act _____

and not as tenants in common	(state)

Additional abbreviations may also be used though not in above list.

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Transferee)

_____

the within Bond and does hereby irrevocably constitute and appoint _____ _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:_____

_____	_____
Signature Guaranteed	(Authorized Officer)
_____	_____
Notice: Signature(s) must be guaranteed by an institution which is a a participant in the registered Securities Transfer Agents Medallion Program ("STAMP") or similar program.	Notice: The signature to the assignment must correspond with the name of the holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

A copy of the final approving legal opinion to be rendered shall accompany each Bond and preceding the same a certificate shall appear, which shall be signed on behalf of the Town with a manual or facsimile signature of the Clerk of the Town in the following form:

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the final legal opinion (except for date and letterhead) of McNair Law Firm, P.A., Columbia, South Carolina, approving the issue of Bonds of which the within Bond is one, the original of which opinion was manually executed, dated and issued as of the date of delivery of and payment for the Bonds, and a copy of which is on file with the Town of Hilton Head Island, South Carolina.

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By_____
Clerk

Exhibit B

FORM OF NOTICE OF SALE

$_____ GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010B
TOWN OF HILTON HEAD ISLAND
SOUTH CAROLINA

Time and Place of Sale: NOTICE IS HEREBY GIVEN that proposals addressed to the undersigned will be received on behalf of the Town Council (the "Council") of the Town of Hilton Head Island, South Carolina (the "Town"), in Council Chambers, One Town Center Court, Hilton Head Island, South Carolina, until 11:00 a.m., South Carolina time, on _____, 2010, at which time said proposals will be publicly opened for the purchase of _____ ($_____) General Obligation Refunding Bonds, Series 2010B of the Town (the "Bonds").

Sealed Bids: Each hand delivered proposal shall be enclosed in a sealed envelope marked "Proposal for $_____ General Obligation Refunding Bonds, Series 2010B, Town of Hilton Head Island, South Carolina" and should be directed to the Director of Finance at the address in the first paragraph hereof.

Facsimile Bids: The Town will accept the facsimile transmission of a manually signed Official Bid Form at the risk of the Bidder. The Town shall not be responsible for the confidentiality of bids submitted by facsimile transmission. Any delay in receipt of a facsimile bid, and any incompleteness or illegible portions of such bid are the responsibility of the bidder. Bids by facsimile should be transmitted to the attention of Steve Riley, Town Manager, fax number (843) 842-7728**.**

Electronic Bids: Electronic proposals must be submitted through i-Deal's Parity Electronic Bid Submission System ("Parity"). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of Parity may be obtained from i-Deal, 40 W. 23rd Street, 5th floor, New York, New York 10010, Customer Support, telephone (212) 404-8102.

PROPOSALS MAY BE DELIVERED BY HAND, BY MAIL, BY FACSIMILE TRANSMISSION OR BY ELECTRONIC BID, BUT NO PROPOSAL SHALL BE CONSIDERED WHICH IS NOT ACTUALLY RECEIVED BY THE TOWN AT THE PLACE, DATE AND TIME APPOINTED, AND THE TOWN SHALL NOT BE RESPONSIBLE FOR ANY FAILURE, MISDIRECTION, DELAY OR ERROR RESULTING FROM THE SELECTION BY ANY BIDDER OF ANY PARTICULAR MEANS OF DELIVERY OF BIDS.

Book-Entry-Only Bonds: The Bonds will be issued in fully-registered form. One Bond representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and each such Bond will be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry-only form in the principal amount of $5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing each year; Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates representing each maturity with DTC. The Bonds will be dated _____ 1, 2010 and will mature serially in successive annual installments on _____ 1 in each of the years and in the principal amounts as follows:

_____1	Principal Amount*	_____1	Principal Amount*

*Preliminary, subject to adjustment.

Adjustment of Maturity Schedule. If, after final computation of the proposals, the Town determines in its sole discretion that the funds necessary to accomplish the purposes for which the Bonds are being issued are either more or less than the proceeds of the sale of the amount of the Bonds as shown in this Notice of Sale, it reserves the right either to decrease or increase the principal amount of the Bonds (all calculations to be rounded to the near $5,000), provided that any such decrease or increase shall not exceed 10% of the par amount. Such adjustment(s), if any, shall be made within twenty-four (24) hours of the award of the Bonds. In order to calculate the yield on the Bonds for federal tax law purposes and as a condition precedent to the award of the Bonds, bidders must disclose to the Town in connection with their respective bids the price (or yield to maturity) at which each maturity of the Bonds will be reoffered to the public.

In the event of any adjustment of the maturity schedule for the Bonds as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Nevertheless, the award of the Bonds will be made to the bidder whose proposal produces the lowest true interest cost solely on the basis of the Bonds offered, without taking into account any adjustment in the amount of the Bonds pursuant to this paragraph.

The Bonds will bear interest from the date thereof payable semiannually on _____ 1 and _____ 1 of each year, commencing _____ 1, 2011.

[Redemption Provisions.]

Registrar/Paying Agent: Wells Fargo Bank, N.A. will serve as Registrar/Paying Agent for the Bonds.

Bid Requirements: Bidders shall specify the rate or rates of interest per annum which the Bonds are to bear, to be expressed in multiples of 1/20 or 1/8 of 1% with no greater difference than two percent (2%) between the highest and lowest rates of interest named by a bidder. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for all Bonds of that maturity from their date to such maturity date. A bid for less than all the Bonds, a bid at a price less than par or a bid which includes a premium of more than 1% will not be considered. In addition to the bid price, the successful bidder must pay accrued interest from the date of the Bonds to the date of full payment of the purchase price.

Good Faith Deposit: A good faith deposit is not required.

Bid Form: It is requested but not required that you submit your bid on the Proposal for Purchase of Bonds supplied with the Official Statement.

Official Statement: Upon the award of the Bonds, the Town will prepare an official statement (the "Official Statement") in substantially the same form as the preliminary official statement subject to minor additions, deletions and revisions as required to complete the Official Statement. Within seven (7) business days after the award of the Bonds, the Town will deliver the Official Statement to the successful bidder in sufficient quantity to comply with Rule G-32 of the Municipal Securities Rulemaking Board. The successful bidder agrees to supply to the Town within 24 hours after the award of the Bonds all necessary pricing information and any Underwriter identification necessary to complete the Official Statement.

Security: The Bonds shall constitute binding general obligations of the Town, and the full faith, credit, resources and taxing power of the Town are irrevocably pledged for the payment of the principal and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary to provide for the prompt payment thereof. There shall be levied and collected annually upon all taxable property of the Town a tax, without limitation as to rate or amount, sufficient for such purposes.

Continuing Disclosure: In order to assist the bidders in complying with S.E.C. Rule 15c2-12(b)(5), the Town will undertake, pursuant to an ordinance and a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Legal Opinion: The Town shall furnish upon delivery of the Bonds the final approving opinion of McNair Law Firm, P.A., Columbia, South Carolina, which opinion shall accompany each Bond, together with the usual closing documents, including a certificate that no litigation is pending affecting the Bonds.

Certificate as to Issue Price: The successful bidder must provide a certificate to the Town by the date of delivery of the Bonds, stating the initial reoffering price of the Bonds to the public (excluding bond houses and brokers) and the price at which a substantial amount of the Bonds were sold to the public, in form satisfactory to Bond Counsel. A sample copy of such a certificate may be obtained from Bond Counsel.

Delivery: The Bonds will be delivered on or about _____, 2010, in New York, New York, at the expense of the Town or at such other place as may be agreed upon with the purchaser at the expense of the purchaser. The balance of the purchase price then due (including the amount of accrued interest) must be paid in federal funds or other immediately available funds.

CUSIP Numbers: It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of its proposal. All expenses in relation to the printing of CUSIP identification numbers on the Bonds shall be paid for by the Town; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the successful bidder.

Award of Bid. The Bonds will be awarded to the bidder or bidders offering to purchase the Bonds at the lowest true interest cost (TIC) to the Town. The TIC will be the nominal interest rate which, when

compounded semiannually and used to discount all debt service payments on the Bonds (computed at the interest rates specified in the bid and on the basis of a 360-day year of twelve 30-day months) to the dated date of the Bonds, results in an amount equal to the price bid for the Bonds. In the case of a tie bid, the winning bid will be awarded by lot. The Town reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 3:00 p.m., South Carolina time, on the date of the sale.

For the purpose of calculating the yield on the Bonds for federal tax purposes as a condition precedent to the award of the Bonds, the successful bidder will, within 30 minutes after being notified of its winning bid, advise the Town by telephone confirmed by facsimile transmission of the initial offering prices of the Bonds to the public (expressed as a price, exclusive of accrued interest, or yield per maturity).

Additional Information: Persons seeking information should communicate with Susan Simmons, Director of Finance, the Town of Hilton Head Island, One Town Center Court, Hilton Head Island, South Carolina 29925, (843) 341-4646 or Francenia B. Heizer, Esquire, McNair Law Firm, P.A., Post Office Box 11390, Columbia, South Carolina, 29211 (803) 799-9800.

/s/Mayor, Town of Hilton Head Island, South Carolina

EXHIBIT C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Town of Hilton Head Island, South Carolina (the "Town") in connection with the issuance of $_____ General Obligation Refunding Bonds, Series 2010B (the "Bonds"). The Bonds are being issued pursuant to an Ordinance adopted by the Town Council of the Town (the "Council"). The Town covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Town for the benefit of the beneficial owners and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below).

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Town pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Bonds" shall mean the $_____ General Obligation Refunding Bonds, Series 2010B, of the Town of Hilton Head Island, South Carolina, dated _____.

"Dissemination Agent" shall mean the Town or any successor Dissemination Agent designated in writing by the Town and which has filed with the Town a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"National Repository" shall mean for purposes of the Rule, the Electronic Municipal Market Access (EMMA) system created by the Municipal Securities Rulemaking Board.

"Participating Underwriter" shall mean _____ and any other original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and each State Depository, if any.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Depository" shall mean any public or private repository or entity designated by the State of South Carolina as a state depository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Depository.

SECTION 3. Provision of Annual Reports.

(a) The Town shall, or shall cause the Dissemination Agent to provide, not later than February 1 of each year, commencing in 2011, to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to such date the Town shall provide the Annual Report to the Dissemination Agent, if other

than the Town; provided, that if the audited financial statements required pursuant to Section 4 hereof to be included in the Annual Report are not available for inclusion in the Annual Report as of such date, unaudited financial statements of the Town may be included in such Annual Report in lieu thereof, and the Town shall replace such unaudited financial statements with audited financial statements within fifteen (15) days after such audited financial statements become available for distribution. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Town may be submitted separately from the balance of the Annual Report.

(b) If the Town is unable to provide to the Repository an Annual Report by the date required in subsection (a), the Town shall send a notice to the Municipal Securities Rulemaking Board and State Depository, if any, in substantially the form attached hereto as Exhibit A.

(c) The Dissemination Agent shall:

(1) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Depository, if any; and

(2) if the Dissemination Agent is other than the Town, file a report with the Town and (if the Dissemination Agent is not the Registrar) the Registrar certifying whether the Annual Report has been provided pursuant to this Disclosure Certificate, and, if provided, stating the date it was provided, and listing the Repository to which it was provided.

SECTION 4. Content of Annual Reports.

(a) The Town's Annual Report shall contain or incorporate by reference the most recent audited financial statements, which shall be prepared in conformity with generally accepted accounting principles (or, if not in such conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information) applicable to governmental entities such as the Town, and shall, in addition, contain or incorporate by reference the following:

(1) Town population for the current fiscal year;
(2) Total anticipated state appropriations subject to withholding under Article X, Sec. 14, South Carolina Constitution for current fiscal year;
(3) Outstanding indebtedness of the Town;
(4) Market value/assessment summary of taxable property in Town;
(5) Tax levy for Town for current fiscal year;
(6) Tax collections for Town for preceding fiscal year; and
(7) Five largest taxpayers (including fee-in-lieu-of-tax) for Town for preceding fiscal year.

(b) Audited Financial Statements prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Town is an "obligated person" (as defined by the Rule), which have been previously filed with the National Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Town will clearly identify each such document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

(1) Principal and interest payment delinquencies;
(2) Non-payment related defaults;
(3) Unscheduled draws on debt service reserves reflecting financial difficulties;
(4) Unscheduled draws on credit enhancements reflecting financial difficulties;
(5) Substitution of credit or liquidity providers, or their failure to perform;
(6) Adverse tax opinions or events affecting the tax-exempt status of the security;
(7) Modifications to rights of security holders;
(8) Bond calls;
(9) Defeasances;
(10) Release, substitution, or sale of property securing repayment of the securities; and
(11) Rating changes.

(b) Whenever the Town obtains knowledge of the occurrence of a Listed Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Town shall as soon as possible determine if such event would constitute material information for holders of Bonds, provided, that any event under subsection (a)(2) will always be deemed to be material.

(c) If the Town has determined that knowledge of the occurrence of a Listed Event would be material the Town shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board and each State Depository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds.

SECTION 6. Termination of Reporting Obligation. The Town's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Town may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Town.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Town may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the Town, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Town chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Town shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Town, or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any beneficial owner may take such actions as may be necessary and appropriate, including seeking injunctive relief or specific performance by court order, to cause the Town, or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the Town, or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Town agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Town under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Town, the Dissemination Agent, the Participating Underwriters, and Holders from time to time of the Bonds and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By:_____
Mayor

Dated: _____, 2010

Exhibit A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Town: Town of Hilton Head Island, South Carolina

Name of Bond Issue: $_____ General Obligation Refunding Bonds, Series 2010B, Town of Hilton Head Island, South Carolina

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that The Town of Hilton Head Island, South Carolina (the "Town") has not provided an Annual Report with respect to the above-named Bonds as required by Sections 3 and 4 of the Continuing Disclosure Certificate executed and delivered by the Town as Dissemination Agent. The Town has notified us in writing that the Annual Report will be filed by _____.

Dated:_____

TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, CM, Town Manager

VIA: Susan M. Simmons, CPA, Director of Finance

DATE: September 22, 2010

RE: Reimbursement Resolution for Port Royal Fill Project

Recommendation: Staff recommends that Council adopt a resolution authorizing the Town to make interim payments related to the Port Royal Fill Project from existing beach preservation fee revenues or other funds on hand with the intent to reimburse these funds from the proceeds of tax-exempt debt.

Summary: Late in calendar year 2010 or early 2011, the Town plans to issue beach preservation funds not to exceed $11,000,000 to fund the Port Royal Heel Project. The Town will likely incur expenditures for this project prior to the issuance of the bonds. For the Town to reimburse itself for the interim payments on this project, it is necessary to pass a reimbursement resolution at the present time.

Background: The Town determined it is necessary to perform an out-of-cycle beach renourishment project at the Port Royal Heel. Staff has analyzed both the costs and financing of the project and presented its recommendations to the Public Facilities Committee and the Town Council. Council has approved the construction and financing for the project which includes the issuance of bonds. This reimbursement resolution will allow any expenditure incurred prior to the issuance of the bonds to be charged against the bond proceeds funding source.

A RESOLUTION

RELATING TO THE DECLARATION OF INTENT BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, TO REIMBURSE CERTAIN EXPENDITURES PRIOR TO THE ISSUANCE BY THE HILTON HEAD ISLAND PUBLIC FACILITIES CORPORATION'S TAX EXEMPT DEBT.

WHEREAS, the Internal Revenue Service and U.S. Treasury Department have promulgated Section 1.150-2 of the Treasury Regulations (the "Regulations") that authorizes an issuer to reimburse itself for expenditures made with respect to projects prior to the issuance of tax-exempt bonds for such projects; and

WHEREAS, The Town of Hilton Head Island, South Carolina (the "Town"), anticipates incurring certain expenditures (the "Expenditures") with respect to renourishment of beaches adjacent to certain areas within the Town (the "Projects"), prior to the issuance by Hilton Head Island Public Facilities Corporation (the "Corporation") Certificates of Participation in an amount not to exceed $11,000,000 for such purposes; and

WHEREAS, the Regulations require that the governing body of the political subdivision declare an official intent to reimburse an expenditure prior to the incurrence of the expenditure.

NOW, THEREFORE, BE IT RESOLVED, by the Town Council (the "Council"), as the governing body of the Town, as follows:

Section 1. The Council hereby declares that this Resolution shall constitute its declaration of official intent pursuant to Regulation § 1.150-2 to reimburse the Town from the proceeds of tax-exempt debt in the form of certificates of participation of the Corporation to be issued pursuant to South Carolina state law, for Expenditures with respect to the Projects. The Council anticipates incurring Expenditures with respect to the Projects prior to the issuance by the Corporation of certificates of participation for such purposes.

Section 2. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were paid, or (b) the date the Projects was placed in service, but in no event more than three (3) years after the original Expenditures.

Section 3. The Expenditures are incurred solely to acquire, construct or rehabilitate property having a reasonably expected economic life of at least one (1) year.

Section 4. The source of funds for the Expenditures with respect to the Projects will be the Town's capital improvement funds, general reserve funds or other funds on hand.

Section 5. This Resolution shall be in full force and effect from and after its adoption as provided by law. This Resolution shall be made available for inspection during normal business hours by the general public at the office of the Town.

PASSED, APPROVED AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS 5TH DAY OF OCTOBER, 2010.

TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By:_____
Thomas D. Peeples, Mayor

(SEAL)

ATTEST:

_____
Betsy R. Mosteller, Town Clerk

Approved as to form:

_____
Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

Effective Date:_____

MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, Town Manager

VIA: Susan Simmons, Director of Finance

DATE: September 28, 2010

RE: **First Reading of Proposed Ordinance No. 2010-21**

Recommendation:
Staff recommends that Town Council approve first reading of Proposed Ordinance No. 2010-21 which amends the fiscal year 2010 budget for changes in the Capital Projects Fund.

Summary:
Staff presented a comprehensive budget amendment in the Spring to represent the changes that occurred throughout fiscal year 2010. This budget amends the Capital Projects Fund for fiscal year 2010 for a few remaining items. Encumbrances and remaining amounts after this budget amendment if necessary to complete the projects will be rolled forward to fiscal year 2011. (The encumbrance and roll-forward amendments are Proposed Ordinance No. 2010-22 and 23 on this meeting's agenda.)

Background:
The budget changes are requested for the following reasons:

- to codify Council decision for a funding source change for Coligny Park from beach preservation fee revenues to tax improvement financing revenues.
- to reclassify funding sources for stormwater projects from stormwater fee revenues to stormwater bond proceeds to use the last of the proceeds to avoid arbitrage penalties.
- to reclassify funding sources for Squire Pope Road Drainage project from TIF bond and taxes to stormwater fees as a more appropriate funding solution.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. **PROPOSED ORDINANCE NO. 2010-21**

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2010; TO PROVIDE FOR THE EXPENDITURES OF CERTAIN FUNDS; AND TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS.

WHEREAS, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

WHEREAS, the Town Council did adopt the budget on June 24, 2009, and

WHEREAS, pursuant to the budget amendment policy as stated in the Town's annual budget document, the Town Council is desirous of amending the budget so as to provide for the expenditures and certain other commitments from the Fund Balance and other revenue sources.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS ORDAINED BY THE AUTHORITY OF THE SAID TOWN COUNCIL:

Section 1 Amendment. The adopted 2010 fiscal year budget is amended to make the following changes to the projected revenue and expenditure accounts as follows:

Capital Projects Fund

Account Description		Amount
Revenues:		
Beach Fees		(1,450,000)
Stormwater Utility Bond		120,705
Stormwater Utility Fees		597,119
TIF Bond		(79,681)
TIF Property Taxes		932,562
Total Revenues		**$ 120,705**
Expenditures:		
Drainage		
Drainage System Rehab.	SWU Bond	344,705
"	SWU Fees	(106,184)
Squire Pope Road	SWU Fees	597,119
"	TIF Bond	(79,681)
"	TIF Propert Taxes	(517,438)
Drainage Study Updates	SWU Bond	(224,000)
"	SWU Fees	106,184
		120,705
Park Development		
Coligny Beach Park	Beach Fees	(1,450,000)
"	TIF Property Taxes	1,450,000
		-
Total Expenditures		**$ 120,705**

The effect of this amendment will be to increase the Capital Projects Fund to $21,923,172.

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 of the Town of Hilton Head Island on this _____ day of _____, 2010.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS ____DAY OF_____, 2010.

_____
Thomas D. Peeples, Mayor

ATTEST:

_____
Betsy Mosteller, Town Clerk

First Reading: _____
Second Reading: _____

APPROVED AS TO FORM:

_____
Gregory M. Alford, Town Attorney

Introduced by Council Member:_____

MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, CM, Town Manager

VIA: Susan M. Simmons, CPA, Director of Finance

DATE: September 28, 2010

RE: **First Reading of Proposed Ordinance No. 2010-22**

Recommendation:
Staff recommends that Town Council approve first reading of Proposed Ordinance No. 2010-22 which amends the fiscal year 2011 budget for the encumbrances brought forward from fiscal year 2010.

Summary:
This budget amends the General Fund and the Capital Projects Fund by carrying forward funds from prior years to pay for specific encumbrance items that have already been obligated prior to the beginning of the new fiscal year 2011. These specific encumbrance items can be contracts and/or obligated purchase orders that for various reasons were not paid prior to the end of fiscal year 2010 but are still obligated.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. **PROPOSED ORDINANCE NO. 2010-22**

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2011; TO PROVIDE FOR THE BUDGETED APPROPRIATIONS OF PRIOR YEAR ENCUMBRANCES AND FOR THE EXPENDITURES OF CERTAIN FUNDS; AND TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS.

WHEREAS, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

WHEREAS, the Town Council did adopt the budget on June 22, 2010, and

WHEREAS, pursuant to the budget amendment policy as stated in the Town's annual budget document, the Town Council is desirous of amending the budget so as to provide for the budgeted appropriations of prior year **encumbrances** and certain other commitments from the Fund Balance and other revenue sources.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS ORDAINED BY THE AUTHORITY OF THE SAID TOWN COUNCIL:

Section 1 Amendment. The adopted 2011 fiscal year budget is amended to make the following changes as additions to the funds from prior years and to the projected revenue and expenditure accounts as follows:

General Fund

Account Description	**Amount**
Revenues:	
Funds From Prior Years	$ 66,324
Total Revenues	**$ 66,324**
Expenditures:	
Town Council Operating	
Professional Services	$ 22,393
Finance Admn. Operating	
Professional Services	3,000
Finance Acct. Operating	
Professional Services	5,774
Finance Bus. Lic. Operating	
Equipment < $5,000	1,548
IT Services Operating	
Computer Software <$50,000	6,750
IT Services Capital	
Specilized Equipment	5,125

General Fund (Cont.)

Account Description	Amount
Expenditures (Continued):	
Human Resources Operating	
Consulting Services	13,000
DRZ Operating	
Consulting Services	790
Town Wide Grants/Other	
LEPC/BC	3,264
F&R Logistics & Maint. Operating	
Radio Repair & Maintenance	1,680
F&R Emergency Management Operating	
Maintenance Contracts-Nonequipment	3,000
Total Expenditures	**$ 66,324**

Capital Projects Fund

Account Description		Amount
Revenues:		
2004A GO Ref.		$ 13,261
Beach Fees		365,875
Fund Balance		4,100
Hospitality Bond		26,717
Hospitality Tax		525,063
Property Taxes		24,625
Stormwater Utility Fees		67,029
TIF Bond		261,653
Traffic Impact Fees		14,027
Total Revenues		**$ 1,302,350**
Expenditures:		
Pathways		
Mathews Drive (US278 to Beach City Rd.)	TIF Bond	$ 4,802
New Orleans Road	TIF Bond	77,719
Lagoon Road	TIF Bond	22,116
Avocet Road	TIF Bond	36,919
Drainage		
Drainage System Rehabilitation	SWU Fees	22,107
Miller Pond	SWU Fees	44,922

Capital Projects Fund (Cont.)

Account Description	Source of Funds	Amount
Expenditures (Continued):		
Road Improvements		
Traffic Signal Mast Arms	HTAX Fees	8,529
Widen & Realign Office Park Rd.	TIF Bond	68,571
Intersection Improvements	HTAX Fees	22,769
"	Property Taxes	3,814
Horseshoe Rd. Connector-Sp. Wells	TIF Bond	1,199
Roadway Safety Improvements	TIF Bond	12,432
"	Traffic Impact Fees	14,027
Directional Neighborhood Signs	Fund Balance	4,100
Stoney Secondary Road	TIF Bond	1,228
Summit Drive Realignment	Hospitality Bond	14,312
Dunnagan's Alley Roundabout	TIF Bond	250
Mathews Dr. N.-Roundabout @ Beach City	TIF Bond	168
Park Development		
Island Recreation-Acquatics	HTAX Fees	22,210
Existing Facilities/Infrastructure		
Apparatus/Vehicle Replacement	HTAX Fees	287,812
Fire Station # 5 Replacement	Hospitality Bond	12,405
Fire Station # 1 Replacement	TIF Bond	19,069
Rehab & Renovation of Town Fixed Assets	Property Taxes	20,811
Town Hall Renovations	HTAX Fees	50,302
New Facilities/Infrastructure		
F&R - Dispatch Ctr. Equip. Upgrade	HTAX Fees	10,745
F&R - Computer Systems	HTAX Fees	2,737
Dunnagen's Alley/Arrow Rd Improvements	TIF Bond	17,180
Fire/Medical Systems & Equip.	HTAX Fees	119,959
Beach Maintenance		
Beach Management	Beach Fees	68,069
Shoreline Management Plan	Beach Fees	87,623
Groins Refurbishment	Beach Fees	65,602
Port Royal Fill Project	Beach Fees	144,581
Land Acquisition		
Land Acquisition	2004A GO Ref.	13,261
Total Expenditures		**$ 1,302,350**

The effect of this amendment will be to increase the General Fund to $32,332,424 and the Capital Projects Fund to $25,277,850.

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 of the Town of Hilton Head Island on this _____ day of _____, 2010.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS ____DAY OF_____, 2010.

_____
Thomas D. Peeples, Mayor

ATTEST:

_____
Betsy Mosteller, Town Clerk

First Reading: _____
Second Reading: _____

APPROVED AS TO FORM:

_____
Gregory M. Alford, Town Attorney

Introduced by Council Member:_____

MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, CM, Town Manager

VIA: Susan M. Simmons, CPA, Director of Finance

DATE: September 29, 2010

RE: **First Reading of Proposed Ordinance No. 2010-23**

Recommendation:
Staff recommends that Town Council approve first reading of Proposed Ordinance No. 2010-23 which amends the fiscal year 2011 budget for the requested roll-forwards from fiscal year 2010.

Summary:
This budget amends the General Fund and the Capital Projects Fund by rolling forward budgeted funds from prior years to fund projects that were in-progress but for which funds had not been encumbered prior to the beginning of the new fiscal year 2011. Roll forwards are monies that were budgeted for a project that for various reasons has not started or is not completed.

Background:
The amounts rolled forward in the General Fund are for the Airport Master Plan and technology projects to improve efficiency and reporting. In the Capital Projects Fund, there are multiple projects ongoing and in early stages of design or construction (Mathews Pathway & Roundabout, Miller Pond, Squire Pope Drainage, Sewer Projects, and Beach Renourishment) as well as three years' funding of the five year plan for the Mainland Transportation project.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. PROPOSED ORDINANCE NO. 2010-23

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2011; TO PROVIDE FOR THE BUDGETED APPROPRIATIONS OF PRIOR YEAR BUDGET ROLL-FORWARDS AND THE EXPENDITURES OF CERTAIN FUNDS; AND TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS.

WHEREAS, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

WHEREAS, the Town Council did adopt the budget on June 22, 2010, and

WHEREAS, pursuant to the budget amendment policy as stated in the Town's annual budget document, the Town Council is desirous of amending the budget so as to provide for the budgeted appropriations of prior year budget **roll-forwards** and certain other commitments from the Fund Balance and other revenue sources.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS ORDAINED BY THE AUTHORITY OF THE SAID TOWN COUNCIL:

Section 1 Amendment. The adopted 2011 fiscal year budget is amended to make the following changes as additions to the funds from prior years and to the projected revenue and expenditure accounts as follows:

General Fund

Account Description		Amount
Revenues:		
Funds From Prior Years	$	26,350
Hospitality Tax		140,923
Total Revenues	**$**	**167,273**
Expenditures:		
Finance Bus. Lic. Operating		
Equipment < $5,000	$	1,452
IT Services Capital		
Computer Software = or >$50,000		24,898
Townwide Operating		
Professional Services		140,923
Total Expenditures	**$**	**167,273**

Capital Projects Fund

Account Description	Source of Funds	Amount
Revenues:		
Beach Fees		$ 588,265
Fund Balance		144,408
Hospitality Bond		84,944
Hospitality Tax		2,512,204
Property Taxes		86,016
Stormwater Utility Fees		1,640,477
Sunday Liq. Permit Fees		301,843
TIF Bond		3,128,854
TIF Property Taxes		30,428
Traffic Impact Fees		5,672
Total Revenues		**$ 8,523,111**
Expenditures:		
Pathways		
Palmetto Bay Road	TIF Bond	$ 9,957
Mathews Drive (US 278 N. to Beach City)	TIF Bond	300,000
Target Road	TIF Bond	5,000
New Orleans Road	TIF Bond	29,354
Lagoon Road	TIF Bond	8,661
Avocet Road	TIF Bond	34,577
Dunnagan's Alley	TIF Bond	60,000
		447,549
Drainage		
Drainage System Rehab.	SWU Fees	38,000
Squire Pope Road	SWU Fees	399,370
Drainage Study Updates	SWU Fees	141,184
Miller Pond	SWU Fees	869,193
Professional Services/New Projects	SWU Fees	192,730
		1,640,477

Capital Projects Fund (Cont.)

Account Description	Source of Funds	Amount
Expenditures (Continued):		
Road Improvements		
Traffic Signal Mast Arms	HTAX Fees	8,075
Widen & Realign Office Park Road	TIF Bond	12,049
Intersection Improvements	Fund Balance	25,000
"	Hospitality Bond	6,816
"	HTAX Fees	77,830
"	Property Taxes	10,655
"	TIF Bond	165,293
"	TIF Property Taxes	30,428
F&R Emergency Access Points	HTAX Fees	101,382
Horseshoe Road Connector	TIF Bond	17,210
Gumtree/Squire Pope Roundabout	TIF Bond	1,744
Roadway Safety Improvements	TIF Bond	2,017
"	Traffic Impact Fees	5,672
Directional Neighborhood Signs	Fund Balance	48,205
Mainland Transportation Improvements	HTAX Fees	1,397,681
Stoney Secondary Road (South)	TIF Bond	43,235
Summit Drive Realignment	Hospitality Bond	7,328
Intersection/Crosswalk Lighting	TIF Bond	42,713
Median Curbing	HTAX Fees	10,956
Dunnagan's Alley Roundabout	TIF Bond	53,400
Marshland Rd. Roundabout	TIF Bond	40,000
Mathews Dr. N.-Roundabout @ Beach City	TIF Bond	1,328,065
Private (Dirt) Roads Acquisition	Fund Balance	21,386
Honey Horn Entrance	Fund Balance	49,817
		3,506,957
Park Development		
Parks Upgrades	Sunday Liq. Permit I	301,843
Rock's/Remy's Tract Park	TIF Bond	10,000
Compass Rose Park	TIF Bond	77,390
Island Recreation-Aquatics	HTAX Fees	48,203
		437,436

Capital Projects Fund (Cont.)

Account Description	Source of Funds	Amount
Expenditures (Continued):		
Existing Facilities/Infrastructure		
Clean-up/Maint. Demo.	TIF Bond	1,404
"	Property Taxes	12,537
Apparatus/Vehicle Replacement	HTAX Fees	3,874
Fire Station # 5 Replacement	Hospitality Bond	60,721
Fire Station # 6 Repair	Hospitality Bond	10,079
Fire Station # 1 Replacement	HTAX Fees	12,836
"	TIF Bond	199,522
Rehab & Renov Fixed Capital	HTAX Fees	110,540
"	Property Taxes	62,824
Security Cameras-Facilities	HTAX Fees	105,275
Coastal Discovery Stabilization	HTAX Fees	63,643
Town Hall Renovations	HTAX Fees	278,418
Fire Station # 6 Replacement	HTAX Fees	280,785
		1,202,458
New Facilities/Infrastructure		
Dispatch Center Equip. Upgrade	HTAX Fees	9,148
F&R - Computer Systems	HTAX Fees	1,499
Coligny/Pope Ave. Area Improv.	TIF Bond	100,038
Dunnagan's Alley/Arrow Rd. Initiative Area	TIF Bond	111,410
Sewer Service Projects	TIF Bond	475,815
Public Safety Systems Equip. Upgrade	HTAX Fees	2,059
		699,969
Beach Maintenance		
Beach Management/Monitoring	Beach Fees	248,903
Beach Parks/Access Rehab	Beach Fees	8,445
Beach Renourishment	Beach Fees	172,565
Shoreline Management Plan	Beach Fees	158,352
		588,265
Total Expenditures		**$ 8,523,111**

The effect of this amendment will be to increase the General Fund to $32,499,697 and the Capital Projects Fund to $33,800,961.

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 of the Town of Hilton Head Island on this _____ day of _____, 2010.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS ____DAY OF_____, 2010.

_____
Thomas D. Peeples, Mayor

ATTEST:

_____
Betsy Mosteller, Town Clerk

First Reading: _____
Second Reading: _____

APPROVED AS TO FORM:

_____
Gregory M. Alford, Town Attorney

Introduced by Council Member:_____