# The Town of Hilton Head Island
# Special Town Council Meeting
# Budget Workshop/Public Hearing

**Tuesday, June 11, 2013**

**Council Chambers**

**4:00 P.M.**

# AGENDA

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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. **Business License Appeal Hearing Continued from June 4, 2013**

   Kigre Inc./Appeal of Final Assessment of Business License Fees
4. **Budget Wrap Up**
5. **6:00 p.m.: PUBLIC HEARING ON THE MUNICIPAL BUDGET FOR FY2013-2014**
6. **Revised First Reading of Proposed Ordinance No. 2013-05**

   Revised First Reading of Proposed Ordinance No. 2013-05 to raise revenue and adopt a budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2014; to establish a property tax levy; to establish funds; to establish a policy for acquisition of rights of way and easements; and providing for severability and an effective date.
7. **Executive Session**
8. **Adjournment**

# MEMORANDUM

**TO:** Town Council

**FROM:** Stephen G. Riley, ICMA-CM, Town Manager

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

**DATE:** June 7, 2013

**RE:** **Revised First Reading of Proposed Ordinance No. 2013-05**

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Recommendation:
Town Council approves the **revised** first reading of Proposed Ordinance No. 2013-05 to raise revenue and adopt a budget for the Town of Hilton Head Island, South Carolina for the Fiscal Year ending June 30, 2014.

Summary:
Council held budget workshops throughout May and in early June to consider the proposed budget for the following funds. Changes from the original budget are summarized below. Total millage will remain the same as the prior year at 19.33 mils.

**Governmental Funds:**

| | |
|---|---|
| General Fund | See attached summary and revised statement. |
| Capital Projects Fund | See attached summary and revised statements. |
| Debt Service Fund | See attached summary and revised statement. |

**Enterprise Fund:**

| | |
|---|---|
| Stormwater Utility Fund: | No changes. |

**Accounting and Financial Policies:** No changes.

**Budget Process Overview:** Budget Transfers, Amending the Budget and Encumbrances – Contract Authority (Page 39 of original attached)
**Delete the words:** "and contract" from second sentence.
**Effect:** Requires only budget amendment and not the contract to be approved by Council when a contract bid exceeds the budget by more than 10%. This change is for consistency with Municipal Code and actual practice. The Town Manager is authorized to approve contracts within budgetary limits with very limited exceptions.

# FY 14 General Fund Budget Updates/Changes

1. Non Departmental (Townwide):
    a. Personnel: Add Palmetto Pass reimbursement budget omitted in original budget; increase of $14,000.
    b. Grants: Add Coastal Discovery Museum - Capital $77,000. Plus 3-year ($75k, $75k, $45k). (Moved from Capital Projects Fund)
    c. Grants: Event Management and Hospitality Program – Change to 5% of local ATAX, $134,711 from $118,060, an increase of $16,651 (plus three year forecast).
    d. Grants: Increase three year forecast for Economic Development, (20%, 20%, 10%) – operating costs only; no net change to FY 14.
    Note: The FY 14 budget is $156,044 which includes salary for a director at $80k plus benefits; dues, registration and travel for certain economic organizations and training; $25,000 for market study; and small amounts for supplies and furniture. It does not include administrative support costs, rent, or future economic development such as incentives to entice businesses.
2. Police/Other Public Safety (Beaufort County Sheriff's Office):
    Police Services – Change to $2,791,179 from $2,897,707, net decrease of $106,528.
    Victim's Rights - Change to $59,035 from $65,422, net decrease of $6,387.
3. General Government – Town Council Personnel: add "per meeting stipends" omitted from original budget, net increase of $30,000.
4. Public Projects and Facilities – Personnel: adjustment incorrect in original budget; net decrease of $80,946.
5. Public Projects and Facilities – Capital: Add security cameras and transfers in $35,000, no net change. (Moved from Capital Projects Fund)
6. Community Development – Operating: Reduce consulting services by $35,000 for Island Recreation Management Review.

Total net change to FY 14 General Fund Balance – reduce use of prior year's funds by $91,210. The Funds from Prior Year's budget is now $674,725.

# General Fund

| | | | | 2013 | | 2014 | % change | |
|---|---|---|---|---|---|---|---|---|
| | 2010 | 2011 | 2012 | Revised Budget | Estimated Actual | FY 2014 Budget | FY 2013 Budget | FY 2013 Est. Actual |
| **Revenues** | | | | | | | | |
| Property Taxes | 10,920,696 | 10,956,179 | 11,585,070 | 11,935,350 | 11,503,398 | 11,769,908 | -1% | 2% |
| ATAX Local 1% | 2,012,520 | 2,416,264 | 2,420,698 | 2,387,000 | 2,565,939 | 2,694,236 | 13% | 5% |
| **Business Licenses:** | | | | | | | | |
| Business Licenses - Town | 3,382,398 | 2,833,347 | 2,926,327 | 3,034,500 | 3,171,504 | 3,330,079 | 10% | 5% |
| Business Licenses - MASC | 3,721,101 | 4,067,077 | 4,217,999 | 4,231,375 | 4,159,070 | 4,200,661 | -1% | 1% |
| **Franchise Fees:** | | | | | | | | |
| Cable | 760,735 | 691,914 | 905,811 | 719,850 | 750,100 | 750,100 | 4% | 0% |
| Beach Fee | 20,716 | 23,200 | 22,161 | 24,125 | 22,000 | 22,000 | -9% | 0% |
| Recycling | - | 18,672 | 112,081 | 102,000 | 130,772 | 130,000 | 27% | -1% |
| **Permit Fees:** | | | | | | | | |
| Construction | 175,884 | 247,415 | 270,363 | 277,600 | 379,000 | 416,900 | 50% | 10% |
| Development | 4,067 | 5,526 | 5,700 | 6,200 | 10,818 | 11,899 | 92% | 10% |
| Other | 706,430 | 701,478 | 676,476 | 787,050 | 790,000 | 869,000 | 10% | 10% |
| Intergovernmental | 884,672 | 752,988 | 678,370 | 651,080 | 798,251 | 806,234 | 24% | 1% |
| **Grants:** | | | | | | | | |
| Beaufort County - Hazmat | 11,677 | 11,677 | 11,677 | 11,680 | 11,677 | 11,680 | 0% | 0% |
| Beaufort County - E911 | 122,828 | 106,760 | 109,779 | 115,000 | 110,000 | 110,000 | -4% | 0% |
| DHEC | 7,293 | 4,710 | 3,387 | 6,000 | 3,387 | 3,400 | -43% | 0% |
| FEMA | - | 25,087 | | - | | | 0% | 0% |
| Red to Greeen Grant | - | 1,498 | | - | | | 0% | 0% |
| FM Global Grant | - | 2,000 | | - | | | 0% | 0% |
| SCMIT Grant | | | | - | 2,000 | - | | |
| **Miscellaneous Revenue:** | | | | | | | | |
| Beach Services | 178,247 | 206,040 | 207,182 | 214,350 | 205,461 | 210,000 | -2% | 2% |
| Donations | 120 | | 450 | 1,000 | 155 | 500 | -50% | 223% |
| Municipal Court | 423,042 | 361,152 | 308,708 | 367,200 | 291,754 | 300,000 | -18% | 3% |
| Other | 138,603 | 140,560 | 152,348 | 100,000 | 172,120 | 172,120 | 72% | 0% |
| Public Safety - EMS | 1,216,699 | 1,352,088 | 1,340,787 | 1,402,500 | 1,375,000 | 1,402,787 | 0% | 2% |
| Public Safety - County D/T | 203,536 | 203,000 | 54,441 | 54,060 | 55,000 | 55,000 | 2% | 0% |
| Town Codes | 995 | 453 | 296 | 500 | 292 | 500 | 0% | 71% |
| Victim's Assistance | 70,471 | 57,045 | 50,142 | 59,160 | 45,000 | 45,000 | -24% | 0% |
| **Transfers In:** | | | | | | | | |
| ATAX State | 1,089,096 | 1,083,671 | 1,085,776 | 1,085,736 | 1,077,860 | 1,089,414 | 0% | 1% |
| Beach Preservation Fee | 1,315,746 | 978,080 | 969,390 | 981,705 | 969,390 | 1,094,557 | 11% | 13% |
| Electricity Franchise Fee | 77,371 | 78,176 | 83,602 | 81,790 | 82,998 | 85,576 | 5% | 3% |
| Hospitality Taxes | 2,464,955 | 2,930,183 | 2,975,271 | 2,816,311 | 2,816,311 | 3,514,549 | 25% | 25% |
| Stormwater Utility Fee | 302,763 | 389,730 | 235,330 | 236,130 | 235,330 | 74,258 | -69% | -68% |
| Sunday Liquor Permits | - | 37,500 | 37,500 | 37,500 | 37,500 | 318,400 | 749% | 749% |
| TIF | 193,790 | 184,330 | 181,480 | 182,930 | 181,480 | 163,775 | -10% | -10% |
| Investments | 95,768 | 41,785 | 1,865 | 10,000 | 2,487 | 2,512 | -75% | 1% |
| **Total Revenues** | **30,502,219** | **30,909,585** | **31,630,468** | **31,919,683** | **31,956,054** | **33,655,045** | 5% | 5% |
| **Increase/Decrease** | **(402,018)** | **407,366** | **720,883** | **289,215.08** | **325,586** | **1,698,991** | | |
| **%** | **-1.30%** | **1.34%** | **2.33%** | **0.91%** | **1.03%** | **5.32%** | | |

# General Fund

| | 2010 | 2011 | 2012 | 2013 Revised Budget | 2013 Estimated Actual | 2014 FY 2014 Budget | 2014 % change FY 2013 Budget | 2014 % change FY 2013 Est. Actual |
|---|---|---|---|---|---|---|---|---|
| **Expenditures** | | | | | | | | |
| **General Government:** | | | | | | | | |
| Town Council | 292,601 | 484,500 | 307,268 | 446,728 | 451,507 | 500,110 | 12% | 11% |
| Town Manager | 751,876 | 635,330 | 574,843 | 608,968 | 610,782 | 642,571 | 6% | 5% |
| **Total General Government** | **1,044,477** | **1,119,830** | **882,111** | **1,055,696** | **1,062,289** | **1,142,681** | 8% | 8% |
| **Management Services:** | | | | | | | | |
| **Administration/Legal** | | | | | | | | |
| Legal | 428,878 | 402,823 | 424,396 | 459,387 | 396,870 | 475,359 | 3% | 20% |
| **Administrative Services** | | | | | | | | |
| Administrative Support | 193,428 | 219,840 | 209,676 | 240,590 | 186,546 | 224,116 | -7% | 20% |
| Municipal Court | 395,050 | 400,355 | 371,047 | 399,248 | 394,592 | 408,405 | 2% | 4% |
| Information Technology | 1,605,931 | 1,573,292 | 1,576,388 | 2,333,477 | 2,232,310 | 1,938,722 | -17% | -13% |
| | **2,194,409** | **2,193,487** | **2,157,111** | **2,973,315** | **2,813,448** | **2,571,243** | -14% | -9% |
| **Finance** | | | | | | | | |
| Administration | 213,968 | 211,370 | 247,858 | 293,669 | 284,952 | 297,446 | 1% | 4% |
| Accounting | 565,988 | 589,794 | 538,530 | 601,147 | 557,672 | 606,582 | 1% | 9% |
| Revenue and Collections | 659,308 | 700,325 | 569,734 | 808,789 | 672,319 | 856,136 | 6% | 27% |
| | **1,439,264** | **1,501,489** | **1,356,122** | **1,703,605** | **1,514,943** | **1,760,164** | 3% | 16% |
| Human Resources | 527,901 | 495,427 | 486,730 | 558,413 | 539,234 | 590,614 | 6% | 10% |
| **Total Management Services** | **4,590,452** | **4,593,226** | **4,424,359** | **5,694,720** | **5,264,495** | **5,397,380** | -5% | 3% |
| **Community Services:** | | | | | | | | |
| **Community Development** | | | | | | | | |
| Administration | 541,226 | 548,302 | 593,454 | 698,000 | 571,200 | 600,343 | -14% | 5% |
| Comprehensive Planning | 356,859 | 367,135 | 347,178 | 367,445 | 395,082 | 498,782 | 36% | 26% |
| Development, Review and Zoning | 791,780 | 674,375 | 633,069 | 852,652 | 785,375 | 649,629 | -24% | -17% |
| Building | 667,371 | 603,692 | 615,000 | 640,594 | 657,571 | 636,721 | -1% | -3% |
| CD Services | 334,221 | 289,892 | 268,333 | 281,751 | 273,739 | 289,393 | 3% | 6% |
| **Total Community Development** | **2,691,457** | **2,483,396** | **2,457,034** | **2,840,442** | **2,682,967** | **2,674,868** | -6% | 0% |
| **Public Projects and Facilities** | | | | | | | | |
| Administration | 230,031 | 232,326 | 233,415 | 242,160 | 241,310 | 249,972 | 3% | 4% |
| Engineering | 719,746 | 643,071 | 654,347 | 722,590 | 707,404 | 792,741 | 10% | 12% |
| Facilities Management | 2,363,313 | 2,381,406 | 2,426,992 | 2,665,374 | 2,563,348 | 3,129,683 | 17% | 22% |
| **Total Public Projects and Facilities** | **3,313,090** | **3,256,803** | **3,314,754** | **3,630,124** | **3,512,062** | **4,172,396** | 15% | 19% |
| **Total Community Services** | **6,004,547** | **5,740,199** | **5,771,788** | **6,470,566** | **6,195,029** | **6,847,264** | 6% | 11% |

# General Fund

| | 2010 | 2011 | 2012 | 2013 Revised Budget | 2013 Estimated Actual | 2014 FY 2014 Budget | % change FY 2013 Budget | % change FY 2013 Est. Actual |
|---|---|---|---|---|---|---|---|---|
| **Public Safety:** | | | | | | | | |
| **Fire** | | | | | | | | |
| Administration | 285,385 | 285,916 | 321,194 | 368,372 | 348,664 | 368,491 | 0% | 6% |
| Operations | 8,834,581 | 8,964,000 | 9,068,353 | 9,114,381 | 9,133,042 | 9,132,565 | 0% | 0% |
| Fire Prevention | 498,575 | 521,577 | 491,236 | 521,103 | 543,069 | 565,001 | 8% | 4% |
| Logistics/Maintenance | 665,746 | 530,085 | 570,639 | 539,790 | 512,764 | 561,077 | 4% | 9% |
| Communications | 1,117,858 | 1,047,752 | 1,080,123 | 1,193,535 | 1,178,766 | 1,133,177 | -5% | -4% |
| Training | 586,398 | 625,232 | 683,782 | 698,246 | 718,897 | 715,508 | 2% | 0% |
| Emergency Management | 206,415 | 218,785 | 160,819 | 141,507 | 130,396 | 135,524 | -4% | 4% |
| E911 Communications | 229,093 | 232,346 | 232,094 | 270,277 | 261,648 | 273,704 | 1% | 5% |
| Support Services | 849,905 | 716,225 | 737,170 | 812,007 | 806,751 | 1,044,801 | 29% | 30% |
| **Total Fire & Rescue** | **13,273,956** | **13,141,918** | **13,345,410** | **13,659,218** | **13,633,997** | **13,929,849** | 2% | 2% |
| **Sheriff/Other Public Safety** | | | | | | | | |
| Police Services Contract | 2,661,045 | 2,731,804 | 2,763,628 | 2,864,031 | 2,784,199 | 2,791,179 | -3% | 0% |
| Beach Services | 184,192 | 212,568 | 192,058 | 201,825 | 201,825 | 205,638 | 2% | 2% |
| Stipend | 124,950 | 121,800 | 111,300 | 115,000 | 115,000 | 115,000 | 0% | 0% |
| Victims' Rights | 54,253 | 53,010 | 57,640 | 59,493 | 57,460 | 59,035 | -1% | 3% |
| **Total Sheriff/Other Public Safety** | **3,024,440** | **3,119,182** | **3,124,626** | **3,240,349** | **3,158,484** | **3,170,852** | -2% | 0% |
| **Total Public Safety** | **16,298,396** | **16,261,100** | **16,470,036** | **16,899,567** | **16,792,481** | **17,100,701** | 1% | 2% |
| **Townwide (non-departmental):** | | | | | | | | |
| Personnel | 14,158 | 153,154 | 185,616 | 203,380 | 133,165 | 177,324 | -13% | 33% |
| Operating | 1,242,722 | 1,465,515 | 1,356,868 | 1,597,728 | 1,512,672 | 1,638,430 | 3% | 8% |
| Grants | 1,405,252 | 2,454,261 | 1,612,417 | 1,540,737 | 1,535,677 | 2,025,989 | 31% | 32% |
| Debt Service | - | - | - | - | - | - | #DIV/0! | 0% |
| **Total Townwide (non-departmental)** | **2,662,132** | **4,072,930** | **3,154,901** | **3,341,845** | **3,181,514** | **3,841,743** | 15% | 21% |
| **Total Expenditures** | **30,600,004** | **31,787,285** | **30,703,195** | **33,462,394** | **32,495,808** | **34,329,769** | 3% | 6% |
| **Net change in fund balances** | **(97,785)** | **(877,700)** | **927,272** | **(1,542,711)** | **(539,754)** | **(674,725)** | | |
| **Fund balance - beginning** | **15,861,767** | **15,763,982** | **14,886,282** | **15,813,554** | **15,813,554** | **15,273,800** | | |
| **Fund balance - ending** | **15,763,982** | **14,886,282** | **15,813,554** | **14,270,843** | **15,273,800** | **14,599,076** | | |

# Capital Projects Fund (CIP) Changes

**FY 13 Actual Amounts:** updated to reflect known changes in $9,000,000 bond issue; budgeted amounts relative to bond issue will be included in final FY 13 budget amendment

**FY 14 Budget: 1-Year Budget Spreadsheet**

- **Beach** – no net change in budgeted expenditures or related funding sources; remains at $1,702k
  - Allocated $702k between Beach Management & Monitoring ($202k) and Beach Renourishment for FY 16 ($500k)
- **Existing Facilities** – reduction of $35k in budgeted expenditures and transfers in; new budget is $857k
  - Increased Rehab & Reno budget by $77k; new budget is $191k
  - Removed Coastal Discovery Museum/Honey Horn of $77k; expenditures will be budgeted in General Fund and funded by General Fund sources
  - Removed Facilities Security Cameras expenditures and transfers in from budget for $35k; expenditures and transfer in will be budgeted in General Fund
- **Park Development** – expenditure and revenues/transfers in reduction of $466k; new budget is $2,670k
  - Removed $251k Island Recreation Center portion of Park Upgrades budgeted expenditures and related revenues/prior year revenues from Sunday Permit Fees to recognize Island Recreation – Capital being budgeted in General Fund; new Park Upgrades budget is $215k
  - Increased expenditures and transfers in for Chaplin Linear Park from $750k to $1,300k (this $1,300k will be total allocated for park due to *decreased availability of TIF revenues*)
  - Removed Chaplin Community Park Boardwalk to Collier Beach expenditure and transfer in budget of $400k (will be changed to FY 15 in 10-Year Budget Plan *due to decreased availability of TIF revenues*)
  - Added budget (previously noted as TBD) to Recreation Center Enhancements for study/design of future phases; new budget is $35k with transfer in from Hospitality Tax Fund as the funding source
  - Removed Collier Beach Park expenditure and transfer in of $400k (will be moved to FY 15 in 10-Year Budget Plan)
- **New Facilities & Infrastructure** – no changes
- **Pathways** – no changes
- **Roadway Improvements** – expenditure and transfer in reduction of $96k, new budget is $2,177k
  - Reduced Traffic Signal Mast Arms expenditure budget and transfer in from Hospitality Tax Fund by $96k *due to need to decrease Hospitality Tax Fund transfers*; new budget is $125k
  - The following reductions do not impact the new FY 14 budget being adopted but relate to the projects and amounts expected to roll from **FY 13** *because of decreased availability of TIF revenues*:
    - Removed Mathews Dr./Chaplin Area Connectivity ($570k)
    - Removed Marshland Roundabout ($947k)
- **Impact on Capital Projects Fund Balance** – None; all increases and decreases in expenditure budgets had corresponding increases in revenues/prior year revenues/transfers in to the Capital Projects Fund

# Capital Projects Fund (CIP) Changes, Continued

**10-Year Budget Plan**

- **Beach**
  - **FY 14 changes: see above**
  - **FY 15-23: no changes**
- **Existing Facilities**
  - **FY 14 changes: see above**
  - Also removed future years' (FY 15-23) Coastal Discovery Museum/Honey Horn; will be budgeted in General Fund
  - Also removed future years' Facilities Security Cameras; will be budgeted in General Fund
  - **Changes for FY 15 through FY23 total the following amounts**
    - FY15 – reduced by $125k to $3,182k
    - FY16 – reduced by $125k to $467k
    - FY17 – reduced by $95k to $497k
    - FY18 – reduced by $84k to $508k
    - FY19-23 – reduced by $250k to $2,710k
- **Park Development**
  - **FY 14 changes: see above**
  - Chaplin Linear Park: *Due to decreased availability of TIF revenues,* Council directed staff to increase the FY 14 budget to a capped total of $1,300k; therefore, the FY 15 budget of $1,160k has been removed
  - Collier Beach Park: Moved FY 14 budget to FY 15
  - **Changes for FY 15 through FY 23 total the following amounts**
    - FY 15 – reduced by $760k to $475k
    - FY 16-23 – no changes
- **New Facilities & Infrastructure**
  - **FY 14 changes: none**
  - Coligny/Pope Avenue Area Initiative FY 15 budget decreased by $1,506k to $3,624k d*ue to decreased availability of TIF revenues*
  - Added $500k to FY 15 in Sewer Service Projects in Gum Tree Road area
  - **Changes for FY 15 through FY 23 total the following amounts**
    - FY15 – decreased by $1,006k
    - FY16-23 – no changes
- **Pathways**
  - **FY 14 changes: none**
  - *Due to need to decrease Hospitality Tax Fund transfers by deferring projects, the following future years' plans have been changed*
    - US 278 (Gum Tree Road to Squire Pope Road): Moved $550k from FY 16 budget to FY 17
    - US 278 (Fresh Market Shoppes to Shelter Cove/Chaplin): Moved $1,320k from FY 15 budget to FY 16
    - US 278 (Jarvis Park/Honey Horn to Graves Bridge): Moved $1,690k FY 17 budget to FY 18
    - Singleton Beach Road (US278 to Chaplin Park): Moved $300k FY 17 budget to FY 18
    - US 278 (Squire Pope Road - near Welcome Center): Moved $600k FY 17 budget to FY 18

# Capital Projects Fund (CIP) Changes, Continued

**10-Year Budget Plan, continued**

- **Pathways, continued**
  - **Changes for FY 15 through FY 23 total the following amounts**
    - FY 15 – reduced by $1,320k to $2,000k
    - FY 16 – increased by $770k to $2,500k
    - FY 17 – reduced by $2,040k to $860k
    - FY 18 – increased by $2,590k to $3,120k
    - FY 19-23 – no changes
- **Roadway Improvements**
  - **FY 14 changes: see above**
  - *Due to need to decrease Hospitality Tax Fund transfers by deferring projects and due to decreased availability of TIF revenues,* reduced Traffic Signal Mast Arms in FY 14 and FY15; added budget in FY 17 and FY 18
  - **Changes for FY 15 through FY 23 total the following amounts**
    - FY 15 – reduced by $150k to $1,550k
    - FY 16 – no changes
    - FY 17 – increased to $96k
    - FY 18 – increased to $150k
    - FY 19-23 – no changes

# Capital Projects Fund

| | FY 2010 | FY 2011 | FY 2012 | FY 2013 Revised Budget | FY 2013 Est. Actual | FY 2014 Budget | % change FY 2013 Budget | % change FY 2013 Est. Actual |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | |
| Property Taxes | 695,844 | 696,763 | 692,417 | 638,209 | 692,417 | 686,425 | 8% | -1% |
| Investments | 34,027 | 23,752 | 3,378 | - | 3,400 | - | N/A | N/A |
| Grants | 75,956 | - | 944,854 | - | 102,000 | - | #DIV/0! | -100% |
| Contributions | 7,500 | 7,500 | 100,000 | 20,000 | 20,000 | - | -100% | -100% |
| Sunday Permit Fees | 314,950 | 356,900 | 332,230 | 733,646 | 332,200 | 1,019,500 | 39% | 207% |
| Capital Sales Tax | 331,639 | - | - | - | - | - | #DIV/0! | #DIV/0! |
| Hospitality Tax | 4,708,807 | - | - | - | - | - | N/A | N/A |
| Impact Fees - Roads | 55,643 | 79,254 | 151,989 | 1,100,941 | 152,000 | 692,000 | -37% | 355% |
| Impact Fees - Parks | 19,437 | 26,334 | 36,366 | - | 36,300 | - | #DIV/0! | -100% |
| County | - | 275,000 | - | - | - | - | N/A | N/A |
| Stormwater Fees | - | - | | - | - | - | N/A | N/A |
| Sale of Property/Equip. | 1,888,488 | 324,774 | 264,930 | - | 266,625 | - | N/A | N/A |
| Premium on Bond Issuance | 121,571 | - | 742,241 | - | 664,056 | - | #DIV/0! | -100% |
| Hospitality Tax Bond Proceeds | - | - | 15,250,000 | 4,947,000 | - | 275,000 | -94% | #DIV/0! |
| Beach Preservation Fee Bond | | - | 11,000,000 | - | - | | #DIV/0! | #DIV/0! |
| General Obligation Bond Proceeds | 12,000,000 | - | - | 8,960,605 | 9,000,000 | - | -100% | -100% |
| **Transfers In:** | | | | | | | | |
| ATAX State | - | - | - | - | - | - | N/A | N/A |
| Real Estate Transfer Fees | 7,757 | 33,080 | 821 | - | - | - | N/A | N/A |
| Beach Preservation Fees | 1,541,701 | 606,267 | 608,882 | 1,971,302 | 1,971,302 | 1,702,000 | -14% | -14% |
| Tax Increment Financing | 973 | 376,744 | 3,436,996 | 5,879,572 | 5,879,572 | 4,176,000 | -29% | -29% |
| Hospitality Tax | - | 1,543,734 | 888,292 | 3,803,456 | 3,803,456 | 2,825,000 | -26% | -26% |
| Stormwater Fees | - | - | - | 40,000 | 40,000 | - | N/A | N/A |
| General Fund | - | - | - | - | - | - | | |
| Miscellaneous | 2,000 | (77,062) | 2,336 | - | - | - | N/A | N/A |
| Lease | 45,645 | 19,200 | 44,824 | 12,000 | 149,245 | 12,000 | 0% | -92% |
| **Total Revenues** | **21,851,938** | **4,292,240** | **34,500,556** | **28,106,731** | **23,112,573** | **11,387,925** | **-59%** | **-51%** |
| **Expenditures & Other Uses** | | | | | | | | |
| **Expenditures:** | | | | | | | | |
| Beach Maintenance | 1,331,073 | 568,574 | 11,357,778 | 1,429,581 | 398,331 | 1,702,000 | 19% | 327% |
| Existing Facilities | 4,959,040 | 2,997,296 | 1,426,274 | 4,847,391 | 1,178,778 | 857,000 | -82% | -27% |
| Park Development | 724,232 | 257,991 | 849,814 | 1,249,891 | 698,283 | 2,670,000 | 114% | 282% |
| New Facilities | 923,844 | 354,644 | 1,853,680 | 2,849,515 | 2,759,014 | 2,051,000 | -28% | -26% |
| Pathway Improvements | 934,823 | 548,128 | 510,075 | 1,995,405 | 1,171,735 | 1,260,000 | -37% | 8% |
| Drainage Improvements | (192,411) | - | - | - | - | - | N/A | N/A |
| Roadway Improvements | 916,560 | 1,154,476 | 1,297,646 | 4,115,581 | 2,310,193 | 2,177,000 | -47% | -6% |
| Land Acquisition | 1,152,741 | 2,917,122 | 8,909,874 | 7,500,000 | 6,032,044 | - | N/A | N/A |
| Debt Service/Issue Costs/Misc. | 264,273 | - | 525,364 | 225,000 | 251,417 | - | -100% | -100% |
| **Total Expenditures:** | **11,014,175** | **8,798,231** | **26,730,505** | **24,212,364** | **14,799,795** | **10,717,000** | -56% | -28% |
| **Other Uses:** | | | | | | | | |
| Transfers Out | 3,537,280 | 37,500 | 1,137,500 | 3,551,772 | 1,762,696 | 318,400 | -91% | -82% |
| **Total Expenditures & Other Uses** | **14,551,455** | **8,835,731** | **27,868,005** | **27,764,136** | **16,562,491** | **11,035,400** | -60% | -33% |
| **Net change in fund balances** | **7,300,483** | **(4,543,491)** | **6,632,551** | **342,595** | **6,550,082** | **352,525** | | |
| **Fund balance - beginning** | **13,367,074** | **20,532,570** | **13,841,517** | **20,474,068** | **20,474,068** | **27,024,150** | | |
| **Prior period adjustment** | (134,987) | (2,147,562) | - | - | - | - | | |
| **Fund balance - ending** | **20,532,570** | **13,841,517** | **20,474,068** | **20,816,663** | **27,024,150** | **27,376,675** | | |

# Capital Projects Fund (CIP) Expenditures by Funding Source - FY 2014

| | THOUSANDS OF DOLLARS | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Source of Funds | | | | | | | |
| | Estimated FY 2013 Funding (Enc./Roll) | FY 2014 Budget | Impact Fees (Traffic/ Park) | FY 2014 Property Taxes | Beach Fee | Hospitality Bond | Hospitality Tax | TIF | Sunday Liquor Permit Fees | Lease |
| **Summary** | | | | | | | | | | |
| Beach Maintenance | 848 | 1,702 | - | - | 1,702 | - | - | - | - | - |
| Existing Facilities & Infrastructure | 3,485 | 857 | - | 470 | - | 275 | 100 | - | - | 12 |
| Park Development | 291 | 2,670 | - | - | - | - | 35 | 2,185 | 450 | - |
| New Facilities & Infrastructure | 78 | 2,051 | - | 60 | - | - | - | 1,991 | - | - |
| Pathways | 780 | 1,260 | 532 | 55 | - | - | 673 | - | - | - |
| Roadway Improvements | 318 | 2,177 | 160 | - | - | - | 2,017 | - | - | - |
| **TOTAL FY 2014 BUDGET** | **5,800** | **10,717** | **692** | **585** | **1,702** | **275** | **2,825** | **4,176** | **450** | **12** |

# Capital Projects Fund (CIP) Expenditures by Funding Source - FY 2014

| | THOUSANDS OF DOLLARS | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Source of Funds | | | | | | | |
| | Estimated FY 2013 Funding (Enc./Roll) | FY 2014 Budget | Impact Fees (Traffic/ Park) | FY 2014 Property Taxes | Beach Fee | Hospitality Bond | Hospitality Tax | TIF | Sunday Liquor Permit Fees | Lease |
| **BEACH MAINTENANCE** | | | | | | | | | | |
| Beach Management & Monitoring | | 202 | | | 202 | | | | | |
| Beach Renourishment - Ocean Point | 158 | 1,000 | | | 1,000 | | | | | |
| Beach Renourishment - FY 2016 | 690 | 500 | | | 500 | | | | | |
| **TOTAL** | **848** | **1,702** | **-** | **-** | **1,702** | **-** | **-** | **-** | **-** | **-** |
| **EXISTING FACILITIES & INFRASTRUCTURE** | | | | | | | | | | |
| Rehabilitation & Renovation of Fixed Cap. Assets | | 191 | | 191 | | | | | | |
| Clean up, Maint. of Properties & Demo. Of Structures | | 291 | | 279 | | | | | | 12 |
| Town Hall Renovations | 243 | 100 | | | | | 100 | | | |
| Fire Station 2 Replacement | | 275 | | | | 275 | | | | |
| Fire Station 6 Replacement | 3,242 | - | | | | | | | | |
| **TOTAL** | **3,485** | **857** | **-** | **470** | **-** | **275** | **100** | **-** | **-** | **12** |
| **PARK DEVELOPMENT** | | | | | | | | | | |
| Park Upgrades | | 215 | | | | | | | 215 | |
| Chaplin Linear Park | 90 | 1,300 | | | | | | 1,300 | | |
| Recreation Center Enhancements | 183 | 35 | | | | | 35 | | | |
| Rowing and Sailing Center | 18 | 885 | | | | | | 885 | | |
| Chaplin Tennis Park | | 235 | | | | | | | 235 | |
| **TOTAL** | **291** | **2,670** | **-** | **-** | **-** | **-** | **35** | **2,185** | **450** | **-** |

# Capital Projects Fund (CIP) Expenditures by Funding Source - FY 2014

| | THOUSANDS OF DOLLARS | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Source of Funds | | | | | | | |
| | Estimated FY 2013 Funding (Enc./Roll) | FY 2014 Budget | Impact Fees (Traffic/ Park) | FY 2014 Property Taxes | Beach Fee | Hospitality Bond | Hospitality Tax | TIF | Sunday Liquor Permit Fees | Lease |
| **NEW FACILITIES & INFRASTRUCTURE** | | | | | | | | | | |
| Coligny/Pope Avenue Area Initiative | | 1,991 | | | | | | 1,991 | | |
| 58 Shelter Cove Lane - Tenant Upfit (Town Use) | | 60 | | 60 | | | | | | |
| 58 Shelter Cove Lane - Tenant Upfit (BCSO) | 78 | - | | | | | | | | |
| **TOTAL** | **78** | **2,051** | **-** | **60** | **-** | **-** | **-** | **1,991** | **-** | **-** |
| **PATHWAYS** | | | | | | | | | | |
| Pathway Rehabilitation | | 195 | | 55 | | | 140 | | | |
| Pembroke Drive | 42 | 480 | 240 | | | | 240 | | | |
| Gardner Drive | 23 | 330 | 165 | | | | 165 | | | |
| US 278 (Shelter Cove/Chaplin to Mathews North) | 115 | 30 | 15 | | | | 15 | | | |
| US 278 (Gardner Drive to Jarvis Park / Honey Horn) | | 120 | 60 | | | | 60 | | | |
| US 278 (Gum Tree Road to Squire Pope Road) | | 55 | 27 | | | | 28 | | | |
| US 278 (Village at Wexford to Arrow Road) | | 50 | 25 | | | | 25 | | | |
| US 278 (Fresh Market Shoppes to Shelter Cove/Chaplin) | 155 | - | | | | | | | | |
| US 278 (Wexford Circle to Fresh Market Shoppes) | 220 | - | | | | | | | | |
| Honey Horn Access Improvements | 225 | - | | | | | | | | |
| **TOTAL** | **780** | **1,260** | **532** | **55** | **-** | **-** | **673** | **-** | **-** | **-** |
| **ROADWAY IMPROVEMENTS** | | | | | | | | | | |
| F&R Emergency Access Points | | 210 | | | | | 210 | | | |
| Honey Horn Drive Apron Improvements | | 125 | | | | | 125 | | | |
| Traffic Signal Mast Arms | 109 | 125 | | | | | 125 | | | |
| Lemoyne Road Reconstruction & Extension | 64 | 50 | 50 | | | | | | | |
| Traffic Signal System Pre-emption | | 350 | | | | | 350 | | | |
| Leamington/Fresh Market Shoppes | 30 | 1,207 | | | | | 1,207 | | | |
| Roadway Safety Improvements | 15 | 110 | 110 | | | | | | | |
| Pedestrian Crosswalks | 19 | - | | | | | | | | |
| Private (Dirt) Road Acquisition | 81 | - | | | | | | | | |
| **TOTAL** | **318** | **2,177** | **160** | **-** | **-** | **-** | **2,017** | **-** | **-** | **-** |
| **TOTAL FY 2014 BUDGET** | **5,800** | **10,717** | **692** | **585** | **1,702** | **275** | **2,825** | **4,176** | **450** | **12** |

# Capital Projects Fund (CIP) Expenditures by Category 2014-2023

| | THOUSANDS OF DOLLARS | | | | | |
|---|---|---|---|---|---|---|
| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019-2023 |
| **Summary** | | | | | | |
| Beach Maintenance | 1,702 | 500 | 17,500 | 500 | 500 | 2,500 |
| Existing Facilities & Infrastructure | 857 | 3,182 | 467 | 497 | 508 | 2,710 |
| Park Development | 2,670 | 475 | 1,200 | 700 | 200 | 1,000 |
| New Facilities & Infrastructure | 2,051 | 540 | 40 | - | - | - |
| Pathways | 1,260 | 2,000 | 2,500 | 860 | 3,120 | 1,700 |
| Roadway Improvements | 2,177 | 1,550 | 100 | 96 | 150 | - |
| **TOTALS (THOUSAND OF DOLLARS)** | **10,717** | **8,247** | **21,807** | **2,653** | **4,478** | **7,910** |

# Capital Projects Fund (CIP) Expenditures by Category 2014-2023

| | THOUSANDS OF DOLLARS | | | | | |
|---|---|---|---|---|---|---|
| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019-2023 |
| **BEACH MAINTENANCE** | | | | | | |
| Beach Management & Monitoring | 202 | 500 | 500 | 500 | 500 | 2,500 |
| Beach Renourishment - Ocean Point | 1,000 | | | | | |
| Beach Renourishment - FY 2016 | 500 | | 17,000 | | | |
| **TOTAL** | **1,702** | **500** | **17,500** | **500** | **500** | **2,500** |
| **EXISTING FACILITIES & INFRASTRUCTURE** | | | | | | |
| Rehabilitation & Renovation of Fixed Cap. Assets | 191 | 176 | 176 | 206 | 217 | 1,255 |
| Clean up, Maint. of Properties & Demo. Of Structures | 291 | 291 | 291 | 291 | 291 | 1,455 |
| Town Hall Renovations | 100 | | | | | |
| Fire Station 2 Replacement | 275 | 2,500 | | | | |
| F&R Training Center Enhancements (Proposed Strategic Plan Recommendation) | | 215 | | | | |
| **TOTAL** | **857** | **3,182** | **467** | **497** | **508** | **2,710** |
| **PARK DEVELOPMENT** | | | | | | |
| Park Upgrades | 215 | 10 | 200 | 200 | 200 | 1,000 |
| Chaplin Linear Park | 1,300 | | | | | |
| Chaplin Community Park Boardwalk to Collier Beach | | 400* | | | | |
| Recreation Center Enhancements | 35 | TBD | TBD | | | |
| Rowing and Sailing Center | 885 | | | | | |
| Collier Beach Park | | 400 | | | | |
| Chaplin Tennis Park | 235 | | | | | |
| Yacht Cove Community Park | | 40 | 1,000 | | | |
| Ford Shell Ring Park | | 25 | | 500 | | |
| **TOTAL** | **2,670** | **475** | **1,200** | **700** | **200** | **1,000** |
| **NEW FACILITIES & INFRASTRUCTURE** | | | | | | |
| Coligny/Pope Avenue Area Initiative | 1,991 | 5,130* | | | | |
| 58 Shelter Cove Lane - Tenant Upfit (Town Use) | 60 | | | | | |
| Sewer Services Projects | | 540 | 40 | | | |
| **TOTAL** | **2,051** | **540** | **40** | **-** | **-** | **-** |

# Capital Projects Fund (CIP) Expenditures by Category 2014-2023

| | THOUSANDS OF DOLLARS | | | | | |
|---|---|---|---|---|---|---|
| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019-2023 |
| **PATHWAYS** | | | | | | |
| Pathway Rehabilitation | 195 | 200 | 210 | 220 | 230 | 1,300 |
| Pembroke Drive | 480 | | | | | |
| Gardner Drive | 330 | | | | | |
| US 278 (Shelter Cove/Chaplin to Mathews North) | 30 | 1,170 | | | | |
| US 278 (Gardner Drive to Jarvis Park / Honey Horn) | 120 | | 930 | | | |
| US 278 (Gum Tree Road to Squire Pope Road) | 55 | 10 | | 550 | | |
| US 278 (Village at Wexford to Arrow Road) | 50 | 250 | | | | |
| US 278 (Fresh Market Shoppes to Shelter Cove/Chaplin) | | | 1,320 | | | |
| US 278 (Jarvis Park/Honey Horn to Graves Bridge) | | 220 | | | 1,690 | |
| Singleton Beach Road (US 278 to Chaplin Community Park) | | 40 | | | 300 | |
| US 278 (Squire Pope Road to near Welcome Center) | | 110 | | | 600 | |
| US 278 (Stoney Area to Jenkins Island) | | | 40 | | 300 | |
| US 278 (Jenkins Island to Bridge) | | | | 90 | | 400 |
| **TOTAL** | **1,260** | **2,000** | **2,500** | **860** | **3,120** | **1,700** |
| **ROADWAY IMPROVEMENTS** | | | | | | |
| F&R Emergency Access Points | 210 | | | | | |
| Honey Horn Drive Apron Improvements | 125 | | | | | |
| Traffic Signal Mast Arms | 125 | 150 | 100 | 96 | 150 | |
| Lemoyne Road Reconstruction & Extension | 50 | 800 | | | | |
| Traffic Signal System Pre-emption | 350 | | | | | |
| Leamington/Fresh Market Shoppes | 1,207 | | | | | |
| Roadway Safety Improvements | 110 | | | | | |
| Private (Dirt) Road Acquisition | | TBD | TBD | TBD | TBD | TBD |
| Stoney Secondary Road (South) (Spanish Wells spur to Kirby Lane) | | 600 | | | | |
| **TOTAL** | **2,177** | **1,550** | **100** | **96** | **150** | **-** |
| **TOTALS (THOUSAND OF DOLLARS)** | **10,717** | **8,247** | **21,807** | **2,653** | **4,478** | **7,910** |

# FY14 Debt Service Fund Budget Updates/Changes

**All of the changes below are a result of known changes (vs. estimated amounts) related to the new $9,000,000 general obligation bond issue. These changes are primarily a result of the bonds selling at a significant premium.**

## 2013 Estimated Actual

- Transfers In from Capital Projects Fund increased from $1,061,140 to $1,725,196
    - Increased $664,056 representing Bond Premium required to be used for fiscal year 2014 Interest and Principal payment.

### 2013 Revised Budget

- The revised budget will be amended for the above changes at the end of this fiscal year.

## 2014 Budget

- Expenditures – Principal increased from $12,340,900 to $12,950,000
    - Originally estimated $50,900 for 2013 Bond Issues in principal payments, added $609,100 to reach $660,000.
- Expenditures – Interest decreased from $4,136,274 to $4,081,403
    - Originally estimated $300k for 2013 Bond Issues, subtracted $54,871 to $245,129.

# Debt Service Fund

| | 2010 | 2011 | 2012 | 2013 Revised Budget | 2013 Est. Actual | 2014 Budget | % change FY 2013 Budget | % change FY 2013 Est. Actual |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | |
| Property Taxes | 5,529,403 | 5,583,395 | 5,548,641 | 5,655,543 | 5,655,543 | 5,235,138 | -7% | -7% |
| Investments | 55,566 | 82,349 | 114,656 | 50,000 | 76,000 | 76,000 | 52% | 0% |
| Bond Premium | 34,061 | - | 228,064 | - | | - | | |
| Issuance of Bonds | 5,005,000 | - | 20,635,000 | - | - | - | | |
| Federal Reimbursement - BABS | - | 207,868 | 191,713 | 189,634 | 189,634 | 185,938 | -2% | -2% |
| **Transfers In:** | | | | | | | | |
| Hospitality Taxes | 756,508 | 760,132 | 2,115,452 | 1,638,313 | 1,632,312 | 1,631,213 | 0% | 0% |
| Real Estate Transfer Fees | 2,721,768 | 2,469,965 | 1,863,828 | 2,152,295 | 2,152,295 | 2,169,796 | 1% | 1% |
| Beach Preservation Fees | 2,812,310 | 2,785,750 | 2,853,015 | 3,113,854 | 3,108,645 | 3,103,968 | 0% | 0% |
| Tax Increment Financing | 3,987,538 | 4,011,252 | 4,040,446 | 4,064,885 | 4,064,439 | 4,094,121 | 1% | 1% |
| Capital Projects Fund | - | - | 1,100,000 | 1,061,140 | 1,725,196 | - | -100% | -100% |
| **Total Revenues** | **20,902,154** | **15,900,711** | **38,690,815** | **17,925,664** | **18,604,064** | **16,496,174** | **-55%** | **-55%** |
| **Expenditures** | | | | | | | | |
| Administrative | 17,131 | 44,390 | 408,515 | 17,790 | 19,025 | 19,000 | 7% | 0% |
| Payment to Escrow Agent | 5,248,484 | - | 21,675,878 | - | - | - | | |
| Debt Issue Costs | 127,144 | - | - | - | - | - | | |
| Principal | 11,415,000 | 12,305,000 | 12,105,000 | 11,645,000 | 11,645,000 | 12,950,000 | 11% | 11% |
| Interest | 4,335,765 | 4,524,266 | 3,914,974 | 4,265,225 | 4,265,017 | 4,081,403 | -4% | -4% |
| **Total Expenditures** | **21,143,524** | **16,873,656** | **38,104,367** | **15,928,015** | **15,929,042** | **17,050,403** | 7% | 7% |
| **Net change in fund balances** | **(241,370)** | **(972,945)** | **586,448** | **1,997,649** | **2,675,022** | **(554,229)** | | |
| **Fund balance - beginning** | **9,882,485** | **6,974,490** | **6,001,545** | **6,587,993** | **6,587,993** | **9,263,015** | | |
| **Prior period adjustment** | (2,666,625) | - | - | - | - | - | | |
| **Fund balance - ending** | **6,974,490** | **6,001,545** | **6,587,993** | **8,585,642** | **9,263,015** | **8,708,786** | | |

**Budget Approval Process (continued)**

During the months of May and June, Town Council reviews the proposed budget. The Town Council either approves or makes changes to the budget and returns it to staff for further review.

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

**Monitoring the Budget**

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

**Budget Transfers, Amending the Budget and Encumbrances**

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

a. Make any budget line item transfer within a department in the General Fund.

b. Transfer up to One Hundred Thousand Dollars ($100,000) between departments in the General Fund.

c. Transfer up to One Hundred Thousand Dollars ($100,000) between Town Council approved capital projects in the Capital Projects Fund.

d. Transfer up to One Hundred Thousand Dollars ($100,000) between Town Council approved capital projects in the Tax Increment Financing Fund (TIF).

e. Transfer up to One Hundred Thousand Dollars ($100,000) between Town Council approved line items in the Debt Service Fund.

f. Any other transfers between a department's line items or capital projects exceeding the thresholds outlined above will be submitted to Town Council for approval.

g. No budget transfers shall (a) be made from one fund to another fund (General Fund, Capital Projects Fund, Debt Service Fund, Tax Increment Financing Fund (TIF)), or (b) conflict with any existing Bond Ordinances.

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

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

*Encumbrances* – appropriations in governmental funds are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. While appropriations lapse at the end of each fiscal year, re-appropriation of encumbrances of the fund balance will be provided for through an amendment of the new fiscal year budget to increase the revenues (funds from previous fiscal year(s)) and increase the appropriated budget expenditures. The threshold for encumbrance roll-over is $1,000. Any encumbrances less than this threshold will be liquidated and must be expended using funds from the new fiscal year budget.

**ORDINANCE NO. _____** **PROPOSED ORDINANCE NO. 2013-05**

**AN ORDINANCE TO RAISE REVENUE AND ADOPT A BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2014; TO ESTABLISH A PROPERTY TAX LEVY; TO ESTABLISH FUNDS; TO ESTABLISH A POLICY FOR ACQUISITION OF RIGHTS OF WAY AND EASEMENTS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, Section 5-7-260(3) of the Code of Laws for South Carolina 1976, as amended, and Section 2-7-20 of the Municipal Code of the Town of Hilton Head Island, South Carolina, require that the Town Council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

**WHEREAS**, Town Council also desires to set aside funds for an Operating Reserve to provide for emergency-related expenditures and to offset fiscal year tax revenue income stream deficiency; and

**WHEREAS**, Town Council finds that it would be more economical and efficient to authorize the Town Manager to move forward with construction contract modifications, change orders, contract price adjustments, and execution of contracts for supplies, services, and construction where the contract amount involved does not exceed the budget line item or project budget as approved by Town Council in the Consolidated Municipal Budget.

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

**NOTE:** **Underlined and bold-face typed** portions indicate additions to the Ordinance. ~~Stricken~~ Portions indicate deletions to the Ordinance.

**Section 1. Adoption of the Budget**. The prepared budget of estimated revenues and expenses, a copy of which is attached hereto and incorporated herein, is hereby adopted as the budget for the Town of Hilton Head Island for the fiscal year ending June 30, 2014.

**Section 2. Establishment of Property Tax Levy.** A tax to cover the period from July 1, 2013 through June 30, 2014, inclusive, for the sums and in the manner hereinafter mentioned, is and shall be, levied, collected and paid into the treasury of the Town of Hilton Head Island for its uses at a rate of mills on assessed value of real estate and personal property of every description owned in the Town of Hilton Head Island, except such property as is exempt from taxation under the Constitution and laws of the State of South Carolina. Said tax levy shall be paid into the Town Treasury for the credit of the Town of Hilton Head Island for its corporate purposes, for the purpose of paying current operational expenses of the said municipality ___ mils, Debt Service ___ mils, and Capital Projects Fund ____ mils making the total levy of ____ mils.

**Section 3. Establishment of Funds.** To facilitate operations, there shall be established and maintained a General Fund, a Capital Projects Fund, a Debt Service Fund, a Stormwater Fund and other appropriate funds in such amounts as are provided for in the aforesaid Budget, as hereby adopted or as hereafter modified pursuant to law.

**Section 4. Acquisition of Rights of Way and Easements.** The Town Manager is charged with the duty of executing all necessary documents to obtain rights of way, easements, and other property interests necessary to complete duly authorized Capital Improvement Projects. If expenditures are expressly authorized in an approved Capital Improvement Project, then the Town Manager is hereby authorized to execute all necessary documents and to expend such funds as are approved pursuant to the Capital Improvement budget. Provided, however, in the event that the costs of an acquisition of such real property interests materially exceeds the amount budgeted in the approved Capital Improvement Project and the Town Manager is unable to shift additional funds from other authorized sources, the Town Manager shall be required to obtain the approval of Town Council for such additional expenditures. Nothing herein shall obviate the requirement that no condemnations shall be commenced without the appropriate approval of the Town Council for the Town of Hilton Head Island.

**Section 5 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 6. Effective Date.** This Ordinance shall be effective upon its enactment by the Town Council for the Town of Hilton Head Island.

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS _____ DAY OF _____, 2013.**

_____
Drew A. Laughlin, Mayor

ATTEST:

_____
Esther Coulson, Town Clerk

First Reading:
Public Hearing:
Revised First Reading:
Second Reading:

APPROVED AS TO FORM:

_____
Gregory M. Alford, Town Attorney

Introduced by Council Member: _____