

**The Town of Hilton Head Island**  
**Town Council Special Meeting/Budget Workshop**  
**Wednesday, May 27, 2015**  
**Benjamin M. Racusin Council Chambers**  
**4:00 P.M.**  
**REVISED**  
**AGENDA**

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**As a Courtesy to Others Please Turn Off/Silence All Mobile Devices During  
the Town Council Special Meeting/Workshop**

- 1. Call to Order**
- 2. FOIA Compliance** – Public notification of this meeting has been published, posted and distributed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
- 3. Capital Projects Fund (CPF) and Storm Water Utility Fund (SWU) Review**
- 4. Continued Review of General and Debt Service Funds**

**Entire Budget located on Town website:**

**<http://www.hiltonheadislandsc.gov/departments/finance/budget.cfm>**

- 5. Executive Session**
  - a. Consideration of Appointments to Town Boards and Commissions**
- 6. Adjournment**



## MEMORANDUM

**TO:** Town Council

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

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

**DATE:** May 22, 2015

**RE:** **Potential FY16 Budget Changes as of May 22, 2015**

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**Recommendation:** Council consider the proposed fiscal year budget changes discussed to date by the Council and provide staff direction as appropriate.

**Summary:** The budget presented by the Town Manager did not include funding for some Council goals since the scope of work for each was not sufficiently refined to allow for detailed cost estimates. Staff planned to address these items as budget amendments during fiscal year 2016.

To ensure that sufficient funds are available to address at least some of the 2015 goals, Council has asked staff to address how certain goals could be funded in the initial budget. Rather than estimate budgets for each goal, the Town will use a lump sum of \$750,000 with a placeholder titled Town Council Initiatives in the Townwide section of the General Fund. This item and other items that Council asked to be included as potential budget changes are summarized on the attachment.

Staff anticipates that Council may direct other changes during the Capital Projects/Debt Service Funds workshops on Wednesday, May 27, 2015 or at the scheduled budget wrap-up at the regular Council meeting on June 2, 2015. Provided staff can react to any requests within these time frames, our goal is that the public hearing and revised 1<sup>st</sup> reading will be June 9, 2015 and 2<sup>nd</sup> reading will be at Council's regular meeting on June 16, 2015. *If additional time and meetings become necessary, the Town has reserved June 23, 2015 at 4:00 p.m. for the 2<sup>nd</sup> (final) reading.*

**Background:** The Town Manager presented a General Fund budget that uses \$1,203,760 of prior year funds. Staff determined this was reasonable given that some expenditures are truly one-time capital uses, most personnel expenditures are budgeted at 100% usage although historical trends indicate a lower usage, and the unreserved fund balance is sufficient.

Staff recommends Council consider the following options for funding the proposed changes: the .83 mil increase available from prior years, a transfer of ad valorem tax revenues from the Capital Projects Fund (CPF), and additional use of fund balance. The attachment presents using the .83 mil amount of \$703,000, the \$500,000 transfer of CPF ad valorem tax available, and \$172,000 of additional prior year funds.

**Schedule of Potential Budget Adjustments as of May 22, 2015**

	<u>General Fund</u>
<b>Revenues Over/Under Expenditures</b>	<b>(1,203,760)</b>
<b>POTENTIAL EXPENDITURES TO BE INCLUDED:</b>	
<b>Airport Noise Reduction Wall(s)</b> - <i>includes only the Town's commitment to PH</i>	(500,000)
<b>Townwide Grants - Palmetto Breeze (LRTA)</b>	(25,000)
<b>Police - Detention Center Reimbursement</b>	(75,000)
<i>Determine Cost/Benefits Ratio of Detention Ctr. Reimb. vs. Lost Deputy Time</i>	
<b>Traffic Study</b>	
TIF-Funded --- Coligny/Pope Portion	No impact on General Fund -
<i>TIF Funds are available in the FY15 budget and will roll. This will cover developing the model and then applying it to the Coligny/ Pope area; in the future, when the model is applied to areas beyond Coligny/Pope the appropriate source of funds to cover costs will be determined.</i>	Fund Balance
<b>Town Council Initiatives</b>	
Other Circle to Circle Initiatives	} (750,000)
Islandwide Master Plan - <i>s/b funded in FY16 for <u>Vision</u> portion</i>	
Arts Collaborative Study	
Heritage Tourism/Mitchelville	
Cordillo Courts	
<b>Economic Analysis (Dr. Salazar)</b>	(25,000)
<b>Sewer Service</b>	} To be addressed after initial budget adopted; not likely a General Fund impact. Capital Projects/Debt Service has some GO Bond Proceeds available and other revenues sources are being researched.
<b>Private (Dirt) Road Acquisition - costs beyond \$100,000 budget</b>	
<b>POTENTIAL REVENUE SOURCES</b>	
.83 Millage Increase	703,000
Transfer of Remaining Ad Valorem Funding in the Capital Projects Fund	500,000
<b>Adjusted Revenues Over/Under Expenditures</b>	<b>(1,375,760)</b>
<b>Other Items - Would not be Ready for Initial FY16 Budget</b>	
Arts Center Building - TC should receive proposal from F&A Comm	TBD
County Plan for Parks	TBD