

# Town of Hilton Head Island, South Carolina



**Fiscal Year 2025  
Consolidated Budget**



TOWN OF HILTON HEAD ISLAND, SC  
FY 2025  
CONSOLIDATED BUDGET  
**TOWN COUNCIL**



**Alan Perry, Mayor, At-Large**



**David Ames**  
Mayor Pro-Tem / Ward 3



**Alex Brown**  
Ward 1



**Patsy Brison**  
Ward 2



**Tamara Becker**  
Ward 4



**Steve Alfred**  
Ward 5



**Glenn Stanford**  
Ward 6





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Town of Hilton Head Island  
South Carolina**

For the Fiscal Year Beginning

**July 01, 2023**

*Christopher P. Morrell*

**Executive Director**

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Town of Hilton Head Island, for its Fiscal Year 2024 Budget for the fiscal year beginning July 01, 2023. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one fiscal year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



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# Reader's Guide





## Reader's Guide

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The reader's guide is intended to assist those readers not familiar with the Town's budget document in gaining an understanding of how the budget document is organized and what information is presented. The budget document is divided into the following sections:

### [Budget Format](#)

This section explains the Financial Foundations Framework (Framework), as established by the Government Finance Officer Association (GFOA), designed to facilitate collaboration and support for public policies and programs.

### [Town Manager's Letter](#)

This section provides a high-level preview of the Town's budget, economic overview, and vision for the future.

### [Strategic Action Plan](#)

This section provides the framework used to develop the annual budget as well as the steps taken to create the strategic plan for the Town, and the steps to be taken to monitor the Town's progress toward achieving its annual goals and objectives.

### [Budget Overview and Highlights](#)

This section provides a summary of the Town's budget.

### [Financial Structure](#)

The section provides a summary of all funds used by the Town to manage its financial resources for Fiscal Years 2022 through 2025. Budgets are formally adopted by Town Council for the Stormwater proprietary fund and the governmental funds of General Fund, Debt Service Fund, Capital Projects Fund, Gullah Geechee Historic Neighborhoods Community Development Corporation Fund, and Housing Fund. The fund structure and functional unit/fund relationship are also included in this section.

### [About Hilton Head Island](#)

This section provides an overview of the rich history of the Island.

### [General Information](#)

This section includes the location of Hilton Head Island map, Hilton Head Island at a Glance, town-wide organizational chart.

### [Financial Policies](#)

This section includes detailed information on the Town's Financial Policies.

### [Budget Process Overview](#)

This section includes information pertaining to the business plan, budget methodology, approach to the budget review process, budget approval process, monitoring the budget, budget transfers and amending the budget.

### [Budget Calendar](#)

This section includes a detailed calendar of the FY25 budget development.



# Reader's Guide

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## Consolidated Budget Summary

This section includes an introduction, the Fiscal Year 2025 consolidated budget, where the money comes from (table), where the money goes by program (chart), where the money goes by category (chart), trend analysis of expenditures by fund (chart), historical overview of revenues and expenditures (schedule), budget highlights, property tax analysis, millage rate historical analysis (chart), and staffing changes. The Town has five budgeted governmental funds and one proprietary fund.

## General Fund

This section includes the department expenditure summary (schedule), historical overview and five-year comparison of revenue and expenditures (schedule), review of the General Fund major revenue sources, general fund expenditures (chart), expenditure trend analysis by program (charts), department budgets, and the four-year General Fund Financial Model. All the Town's departments are budgeted in the General Fund except for the Stormwater department which is budgeted in the Stormwater Fund.

## Debt Service Fund

This section includes a historical overview and five-year comparison of revenue and expenditures (schedule), calculation of legal debt limit, and a list of outstanding debt issues.

## Capital Projects Fund (multiple funds) / Capital Improvement Program

This section includes a summary of capital projects by funding source for the current fiscal year and the next two years.

## Gullah Geechee Historic Neighborhoods Community Development Corporation (GGHNCDC) Fund

This section includes an overview of a new fund as of mid-fiscal year 2023 and the planned revenue and expenditures to protect the Town's historic and culturally sensitive neighborhoods.

## Housing Fund

This section includes an overview of a new fund as of fiscal year 2024 and the planned revenue and expenditures associated with the development, implementation, and delivery of the strategies and tactics identified within the Town's adopted Workforce Housing Framework.

## Proprietary Fund – Stormwater Fund

The Town has one budgeted proprietary fund which is the Stormwater Fund. It operates as an enterprise fund. This section includes an overview and summary of major revenue sources, expenditures by category, historical overview and five-year comparison of revenue and expenditures (schedule), the Town's stormwater capital improvement program for the upcoming year as well as the three-year plan.

## Appendix

1. Financial balance changes greater than 10%
2. Adopted budget ordinance
3. Glossary of terms

## Budget Format

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The Government Finance Officer Association (GFOA) has established the Financial Foundations Framework (Framework), designed to facilitate collaboration and support for public policies and programs. The Framework shows how to improve the Town's financial position now and create a strong foundation for a thriving community over the long-term.

The Framework is organized into **five pillars**. Each pillar includes different leadership strategies and/or institutional design principles. Understanding that local governments cannot order people to collaborate, leadership strategies help inspire pride and public support for a strong financial foundation. Institutional design principles, meanwhile, are the "rules of the road." They provide the context for leadership strategies and ensure continuity of good financial practices through changes in leadership.

In keeping with the Town's desire to conform to best financial practices Town staff have revised the structure to incorporate elements of the five pillars into the structure of the Fiscal Year 2025 budget document. In addition, the philosophy surrounding the development of the budget and the on-going administration of the budget are grounded in the five pillars, as well.

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# The Five Pillars of the GFOA Financial Foundations Framework

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The information below can be found on the following website: <https://www.gfoa.org/financial-foundations>.

## **Pillar 1: Establish a Long-Term Vision**

**Give people a reason to collaborate.** All finance officers need to promote collaboration. The only thing better than an inspiring vision is an inspiring shared vision. In addition, work to balance long-term goals with short-term needs.

### **Leadership Strategy #1: Promote Collaboration**

The only thing better than an inspiring vision is an inspiring shared vision. Turn stakeholders into co-creators as you define the long-term vision.

### **Leadership Strategy #2: Balance Long-Term Goals with Short-Term Needs**

In all things, seek balance. Advocate for both the big picture and day-to-day needs. Break long-term goals into shorter-term milestones to maintain momentum.

## **Pillar 2: Build Trust and Open Communication**

**Create conditions for cooperation.** Communication is key. Create and promote two-way channels to connect peers within the organization, elected officials, and members of the public. Communication creates transparency, which leads to trust.

### **Leadership Strategy #3: Create Open Lines of Communication**

Communication is key. Create and promote two-way channels to connect elected officials and staff with the public.

# The Five Pillars of the GFOA Financial Foundations Framework

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## **Leadership Strategy #4: Cultivate Trustworthy Reputations**

Trust is everything. Build trust through transparency—say what you mean, mean what you say and follow through.

## **Pillar 3: Use Collective Decision Making**

**Develop forums for participation.** Finance officers need to engage key stakeholders from throughout the organization in decision making. We are stronger together - think how you can pool resources and collaborate to solve problems within your organization or in the community.

## **Leadership Strategy #5: Engage Key Stakeholders**

Building a sturdy financial foundation is a team effort. We must be proactive and responsive. Let people voice their concerns. Ask for their feedback. Adjust as needed.

## **Institutional Design Principle #1: Collective Choice Arrangements**

Give citizens a seat at the table. They're more likely to support decisions when they have a say in how public resources are used. Prioritize public feedback.

## **Institutional Design Principle #2: Networked Enterprises**

We're stronger together. Share services across local governments to save costs. Build collaborative, cross-sector networks to pool resources for addressing community challenges.

## **Pillar 4: Create Clear Rules**

**Reinforce constructive behavior.** Create and share expectations about how decisions get made. Financial sustainability relies on everyone following the rules. People need to be held accountable and play fair.

## **Leadership Strategy #6: Maintain Oversight**

Cooperation is key to thriving communities. Reinforce the importance of cooperation through the power of the purse strings. Encourage a culture of shared values.

## **Institutional Design Principle #3: Well-Defined Boundaries**

When the game has clear rules, everyone's set up to win. Create and share expectations about how decisions get made, who has the final say, and timelines.

## **Institutional Design Principle #4: Monitoring**

Financial sustainability relies on everyone following the rules. Hold people accountable. When they understand their reputations are at stake, they're more likely to play fair.

## **Institutional Design Principle #5: Sanctions and Rewards**

Incentives can encourage both good and bad behaviors. Know the difference and design institutions accordingly.

## **Pillar 5: Treat Everyone Fairly**

**Promote and protect mutual trust and respect.** It's impossible to please everyone all the time and disputes will happen. People must get what they pay for and pay for what they get.



# The Five Pillars of the GFOA Financial Foundations Framework

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## **Institutional Design Principle #6: Proportional Equivalence between Benefits & Cost**

People must get what they pay for and pay for what they get. Be proactive—make sure citizens know what they stand to gain for their tax dollars.

## **Institutional Design Principle #7: Conflict-Resolution Mechanisms**

We can't please everyone all the time. Disputes around financial decisions will happen. Anticipate that. Prevent destructive conflict. Promote constructive debate.

## **Institutional Design Principle #8: Minimum Recognition of Rights**

Local governments must have autonomy. Use collective decision-making to develop policies and procedures for protecting local choices and addressing unfunded mandates and grants.

## **Summary of GFOA Budget Award Revisions**

- The table of contents can now refer and even link to items outside of the budget document.
- Strategic planning is now mandatory and process should be identified.
- Short-term factors and priorities and issues are combined.
- The budget overview should also summarize changes between proposed and adopted budget.
- Organization chart may consider how structure helps achieve mission.
- Financial policies should note whether the budget complies with relevant financial policies.
- The budget process should also include a discussion on legal level of budget control.
- The three-year financial schedule is no longer mandatory.
- Long-range operating financial plans should consider unfunded liabilities and go beyond just the general fund.
- The capital program and operating impact of capital are combined.
- The capital program needs to identify the process of choosing funded projects.
- Debt should include bond ratings, debt to maturity schedules, and purpose of obligations.
- Performance measures are now mandatory.
- Understandability and usability encourages governments to use other forms of communication for budgets including videos, social media, etc.
- Understandability and usability criterion also notes that governments need to be aware of ADA requirements.
- The goal is to make sure that the criteria remains relevant and that the budget information presented is meaningful.





# Town Manager's Letter



## Town Manager's Letter

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July 1, 2024



Dear Members of Town Council and Citizens of Hilton Head Island:

I am pleased to present the Fiscal Year 2025 Consolidated Budget. This budget funds a significant investment in our community, all without increasing property taxes. The \$166.9 million budget reflects the Town Council's commitment to promoting safe, healthy neighborhoods, fostering a strong sense of community, and supporting a thriving business climate. Key investments include island-wide capital improvement projects such as beach renourishment, park expansions, workforce housing, and efforts to preserve Hilton Head Island's natural environment.

Through careful planning and priority-based budgeting, this balanced budget reflects responsible revenue projections and prudent expenditure reductions. It advances our top priorities, including growth management, workforce housing, traffic solutions, infrastructure improvements, economic development, resilience, recreation, and public safety. The budget aligns with the Town Council's adopted Strategic Action Plan and focuses our resources on community priorities while achieving operational excellence in town government.

Hilton Head Island continues to benefit from strong economic performance and revenue growth, underpinned by a healthy tax base. Our financial outlook remains strong, evidenced by our ongoing debt reduction efforts, an upgraded General Obligation Bond Rating of AAA from Fitch, an Aaa General Obligation Bond Rating from Moody's, as well as an AA+ General Obligation Bond Rating from Standard & Poor's. These ratings are a testament to the Town's fiscal responsibility, even in uncertain economic times. Contributing to our credit strength are our long-standing reserves, stable operations, and strategic resilience planning, all of which enhance our preparedness and financial stability.

This year's budget is centered around delivering the vision and mission-based priorities of the Town Council's Strategic Action Plan. Built upon our comprehensive plan, Our Plan, this action plan embodies our core values: excellence, environmental sustainability, a revitalized economy, inclusivity, connectivity, regional focus, right-sized infrastructure, and enhanced parks and recreation. These priorities will drive community growth, improve the quality of life for residents, and reinforce operational excellence in town governance.

Sincerely,

A handwritten signature in blue ink that reads "Marc Orlando". The signature is fluid and cursive, with the first name "Marc" and last name "Orlando" clearly distinguishable.

Marc Orlando, ICMA-CM  
Town Manager



A scenic landscape at sunset. In the foreground, a light-colored, winding path leads through tall, green grass. To the left, there are several palm trees and other tropical plants. A small, dark, cylindrical light fixture is visible near the path. In the background, a distant city skyline is visible under a sky with vibrant orange and yellow clouds. The overall atmosphere is peaceful and scenic.

# Strategic Action Plan

# Strategic Action Plan

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## Introduction

The Strategic Action Plan is a result of input from both the citizens and the Town leadership team into the future development and growth of the Town. The Strategic Action Plan is supported by Our Plan, the Town's comprehensive plan for 2020-2040. The process for creating the Strategic Action Plan began with analyzing Our Plan, which served as the guiding document and baseline for the new Plan. Based on extensive community input received throughout over 900 hours of community participation during public work group sessions, public open house meetings, and more community engagement events, reoccurring themes emerged. The following **Core Values** were identified and are representative of these key community values in Our Plan:

- Adopt and pursue Our Ideals of Excellence
- Protect and preserve the natural environment.
- Manage evolving growth while maintaining the Island's unique aesthetic.
- Provide exceptional quality of life offerings in arts, culture, and recreation with best-in-class facilities and programming.
- Develop creative revenue sources to fund the delivery of capital services, maintenance, operations, and projects meeting the needs of the Town, residents, and visitors.
- Recognize, respect, and promote multi-dimensional diversity on the Island.
- Promote efficient and secure public services to meet current and future needs.
- Plan for and mitigate the effects of climate change, environmental or health concerns, and natural disasters.
- View the region as a partner, not a competitor.
- Foster a healthy, self-sustaining community that encourages economic, cultural, and demographic diversity.

These Core Values for Our Plan developed into eight Strategic Action Plan Goals, or **Strategic Focus Areas**, by evaluating our Vision/Mission, Goals, Strategies, and Tactics, and asking what kind of community we want to be; what we should be doing to accomplish the Vision; how we are going to accomplish our goals; and what specifically will be doing to accomplish these goals. These Strategic Action Plan Goals then converted into the Strategic Initiatives of Policy, Project and Operational, and each individual Strategic Initiative was broken out into more detail. All these steps led to the development of the 2021-2022 Strategic Action Plan, which was thoroughly presented and discussed at Strategic Planning Workshops in the fall of 2021 and was adopted by Town Council on December 7, 2021. The Town held several more Strategic Planning Workshops through 2022, 2023 and into 2024, and provided updates on the progress being made to achieve the goals, while establishing priorities and strategies for the new Strategic Plan for 2023-2025, which was adopted by Town Council on June 6, 2023.

The goal of the Strategic Plan is to build an alignment of strategies, projects, and performance measures to address Town of Hilton Head Island focus areas and guiding principles. The Strategic Plan is a compass to continuously make proactive decisions on maintaining and improving the Town's core functions in the following **Strategic Focus Areas**:

- **Pursuit of Excellence** - Require and sustain excellence of Place, People, Planning and Process.
- **Environmental Sustainability** - Create a resilient and sustainable environment through planning and policy.
- **Revitalize Economy** - Create an Island-appropriate economy that has sufficient depth and breadth to attract and support a diverse resident, visitor, and business population.
- **Inclusive Community** - Foster a multi-dimensional, equitable, and diverse community.
- **Connected Community** - Facilitate true connectivity in Island physical, social, and cultural environments.
- **Regional Focus** - Evaluate how regional expansion will impact immediate and future social, economic, and political planning and policy.



## Strategic Action Plan

- **Right Sized Infrastructure** - Align the community's physical, environmental, and social values with the Capital Improvements Program (CIP) and infrastructure planning.
- **Parks and Recreation** - Implement the Parks + Recreation Master Plan.

The Strategic Plan Action Agenda establishes a road map for activities and initiatives that will achieve the vision for the Town and ensure that Hilton Head Island is poised to capitalize on opportunities to advance key initiatives. The Action Plan links to the Town's budget process, staff work plans and performance evaluations, Town-wide performance measures and Town Council agenda to ensure the day-to-day relevancy and effectiveness of the Plan.

The Town organization is committed to:

- Providing world-class service, facilities, leisure and recreational opportunities for residents and guests;
- Providing financial stability and economic development by promoting services in the most cost-effective manner while protecting the high level of service quality the Town has become known for;
- Providing an open town government to make participation in local government activities possible for all residents;
- Providing enhanced customer service, innovation, and employee engagement;
- Investing in **impactful** capital projects and community infrastructure;
- Providing community and environmental vitality to preserve the Town's character while promoting a sense of pride for its citizens;
- Promoting unity while supporting diversity to honor the strength of diversity in our community; and
- Using the consolidated budget as a catalyst to implement change and improvement

The Town's [Strategic Action Plan](#) for Fiscal Years 2023 – 2025 was adopted by Town Council on June 6, 2023, and is presented on the following pages. More information on the Strategic Action Plan, community engagement, updates, and resources can also be found on the Town's website here: <https://hiltonheadislandsc.gov/strategicplan/>

TOWN OF HILTON HEAD ISLAND

# Strategic Action Plan 2023-2025







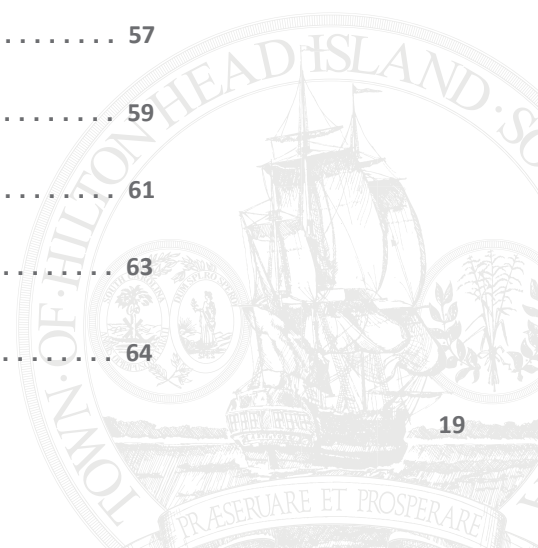


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ALAN PERRY

## A Word from the Mayor



As a Town, it is essential that we move in the right direction to enhance our quality of life. In January, the Town Council and Town staff convened for a two-day strategic planning session to set the agenda for Town government in the months ahead. We emerged with a list of 15 priorities around which we are building action plans and formulating strategies.

This Strategic Action Plan represents our work to promote safe and healthy neighborhoods that foster a strong sense of community and facilitate a thriving business climate. It also reflects our desire to achieve operational excellence in Town government, from the day-to-day services we provide for our residents to fiscal responsibility.

As we move this plan forward, we hope it will be the foundation for us to engage with our constituents and build a connected community with properly maintained infrastructure, facilities, parks, and pathways. Our Town Council and Town Staff are committed to addressing our challenges and delivering quality municipal service to our residents, but we always need your support. We are proud of this strategic action plan and the breadth of projects that will enhance the quality of life for our residents, now and into the future. We encourage you to stay engaged with us and follow the progress of our priorities. Thank you for allowing us the opportunity to serve you.

## Town Council



**David Ames**  
Ward 3  
Mayor Pro-Tem



**Alex Brown**  
Ward 1



**Patsy Brison**  
Ward 2



**Tamara Becker**  
Ward 4



**Steve Alfred**  
Ward 5



**Glenn Stanford**  
Ward 6







MARC ORLANDO, ICMA-CM

## A Word from the Town Manager



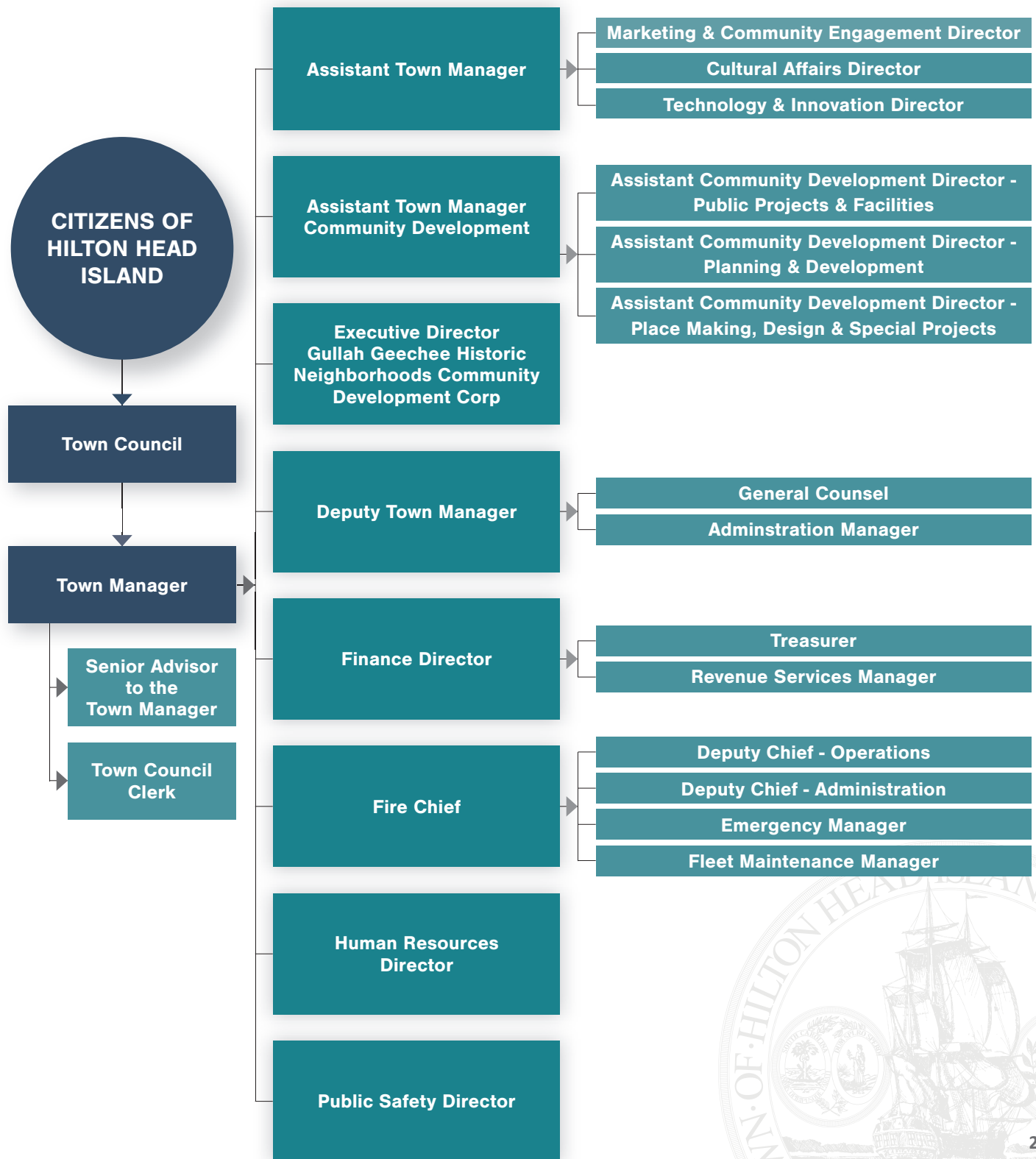
It is my pleasure to present our Strategic Action Plan for the fiscal years 2024 and 2025. It clearly articulates how we plan to preserve our beautiful environment, celebrate our culture, build economic diversity, embrace new projects, and drive our community forward.

As a guiding document, the Strategic Action Plan focuses on the top priorities for our Town—growth management, workforce housing, solutions for traffic and transportation, infrastructure enhancements, economic development, resiliency, recreation, and public safety. It gives Town leaders, staff members, and residents a blueprint of the Town’s work plan while providing a framework for budgetary and policy decisions to advance our identified priorities.

This Strategic Action Plan also follows our comprehensive plan, *Our Plan*. It incorporates *Our Plan*’s mission, vision, and core values: the pursuit of excellence, environmental sustainability, revitalized economy, inclusive community, connected community, regional focus, right-sized infrastructure, parks and recreation, and town organization. Our comprehensive plan, budget and firm commitment to providing world-class municipal services for our community underlies every strategic objective. As we navigate our future, this document will guide us on where, when, and how to use our Town’s resources to meet the needs of our community.

I am privileged to work with and lead our talented staff as we execute our Strategic Action Plan. I am also grateful to our residents and business owners for their support in advancing our objectives. Thank you for allowing my team and me to serve you.

## Town of Hilton Head Organization Chart



# Town Staff

## Executive

Marc Orlando, ICMA-CM	Town Manager
Joshua A. Gruber, JD, MPA	Deputy Town Manager
Angie Stone, IPMA-SCP	Assistant Town Manager
Shawn A. Colin, AICP	Assistant Town Manager—Community Development
Executive Director (vacant)	Community Development Corporation
Ben Brown	Senior Advisor to the Town Manager
Kim Gammon	Town Clerk

## Departments

Chris Blankenship	Fire Chief
Bob Bromage	Director of Public Safety
Andrew Davis	Director of Marketing & Communications
Natalie Harvey	Director of Cultural Affairs
Lisa Stauffer	Director of Human Resources
Tommy Sunday	Technology & Innovation Director
John Troyer	Finance Director





## Setting Our Goals

The Town of Hilton Head Island's **mission** is to promote the health and vitality of the community we serve through ethical and inclusive programs, policies and actions.

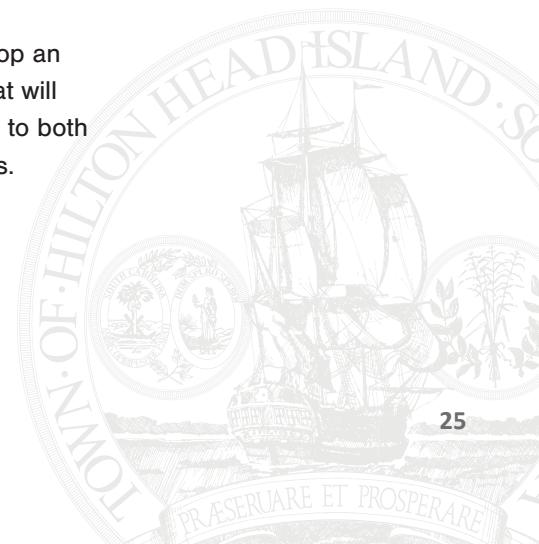
The Town of Hilton Head Island adopted *Our Plan*, the 2020 to 2040 Comprehensive Plan, as a dynamic policy development tool that reflects many integral components of the Island's community fabric. It is intended to be used as a guide book for the Town and community leaders as they seek to

strengthen and preserve the Island character while effectively overseeing the Island's growth and development. In developing *Our Plan*'s goals, emphasis was placed on revitalizing and modernizing the Island's economy and infrastructure while at the same time building an inclusive and diverse community.

Our 2020-2040 **vision**: To reinvent sustainability...again. To focus on revitalization and modernization, and to build an inclusive and diverse community.

Achieving these goals will result in a community that is balanced in the areas of viable economic development, a resilient built environment, and equitable social conditions. In order to achieve many of the goals identified within

*Our Plan*, it is necessary to develop an effective Strategic Action Plan that will clearly engage and communicate to both internal and external stakeholders.



OUR IDEALS OF EXCELLENCE

## What Kind of Community Do We Want to Be?

A community that...

...is welcoming, inclusive, safe, values diversity, and is focused on people

...is recognized as an excellent place to live, work, and visit

...reserves, values, and recognizes our history

...attracts businesses and residents who appreciate our ideals and core values

...is recognized as a best-in-class destination that welcomes visitors and values tourism

...protects the natural environment as a unique quality of our identity

...prioritizes the greater good

...attracts a diverse residential population with competitive live-work options

...recognizes the benefit and value of arts, culture, recreation, healthy living, and education

...fosters transparency and inclusion when resolving concerns or planning for the future

...considers sustainability paramount when developing environmental and economic projects and policies

...fosters a spirit of inspiration and leads by example

...uses innovation and learning to continually develop and apply best practices and standards for processes and projects

...continually adapts the Core Values and Comprehensive Plan to meet the needs of the present and future

# Key Community Goals

The development of *Our Plan* utilized extensive community input as part of the plan creation process. During these discussions, many of the same recurring ideas became clearly defined and were subsequently organized into 10 Key Community Goals:

1▶

Adopt and pursue **Our Ideals of Excellence.**

2▶

Protect and preserve the **natural environment.**

3▶

Manage **evolving growth** while maintaining the Island's unique aesthetic.

4▶

Provide **exceptional quality of life offerings** in arts, culture, and recreation with best-in class facilities and programming.

5▶

Develop **creative revenue sources** to fund the delivery of capital services, maintenance, operations, and projects meeting the needs of the Town, residents, and visitors.

6▶

Recognize, respect, and promote **multi-dimensional diversity** on the Island.

7▶

Promote **efficient and secure public services** to meet current and future needs.

8▶

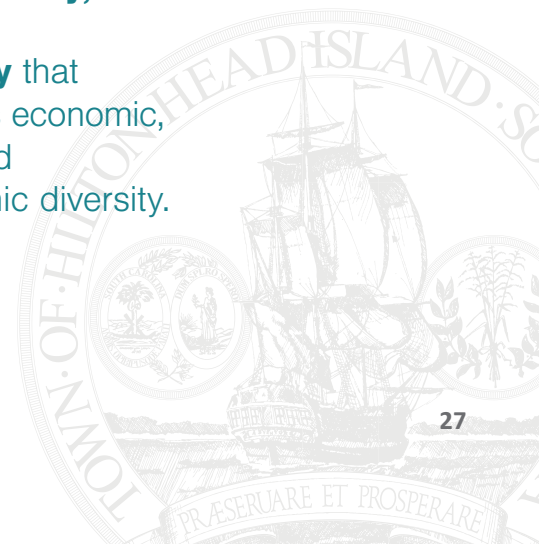
Plan for and mitigate the effects of **climate change, environmental or health concerns**, and natural disasters.

9▶

View the **region as a partner**, not a competitor.

10▶

Foster a **healthy, self-sustaining community** that encourages economic, cultural, and demographic diversity.



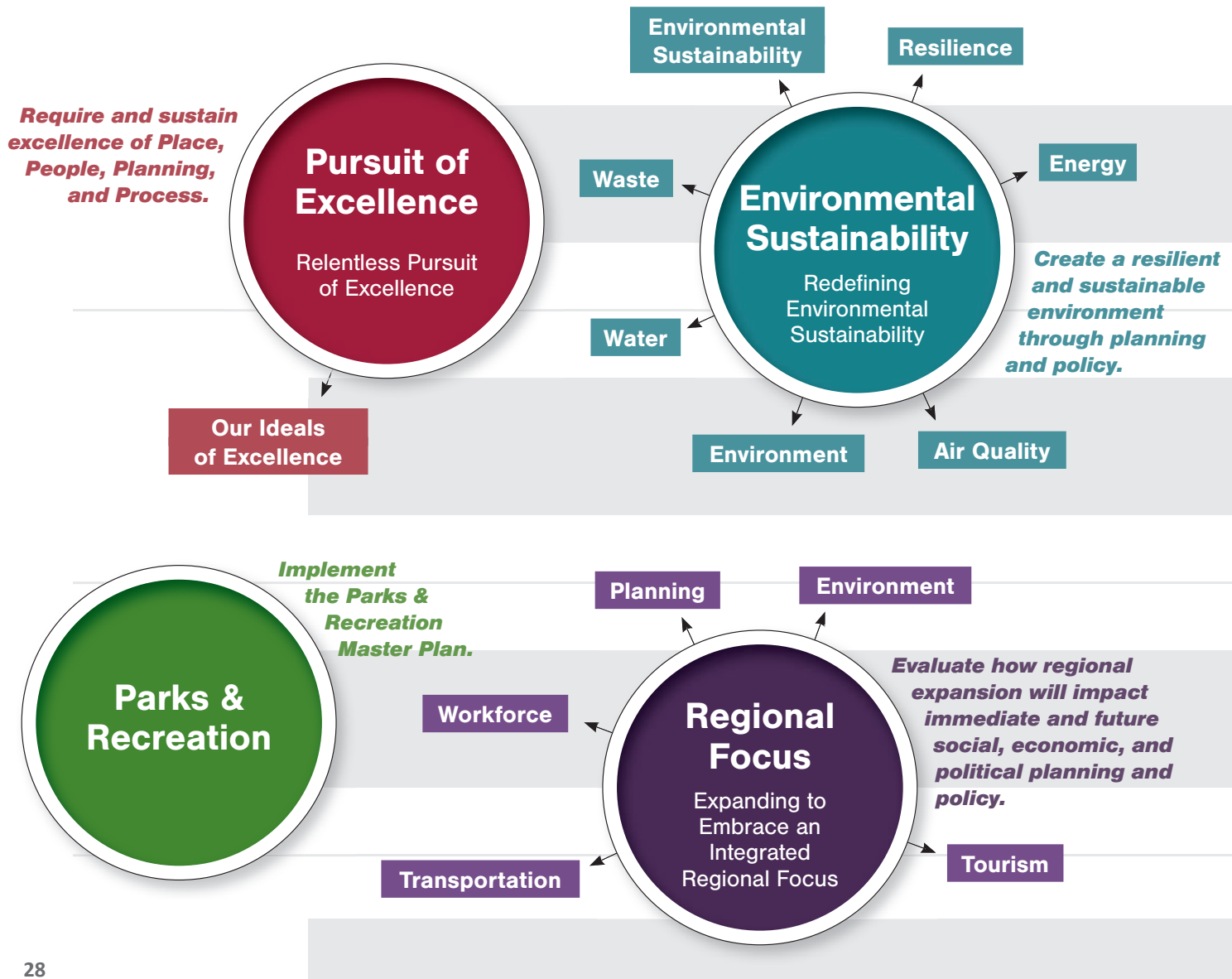


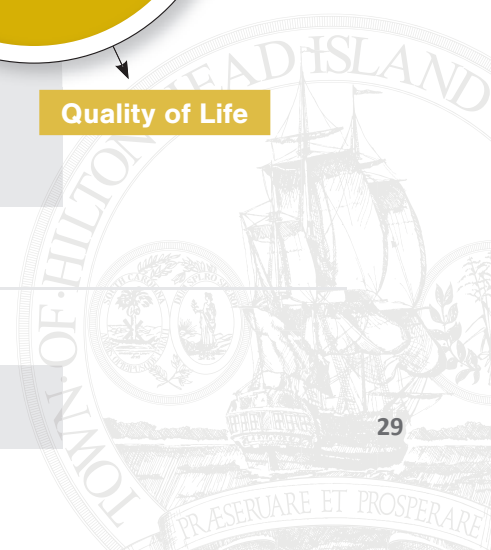
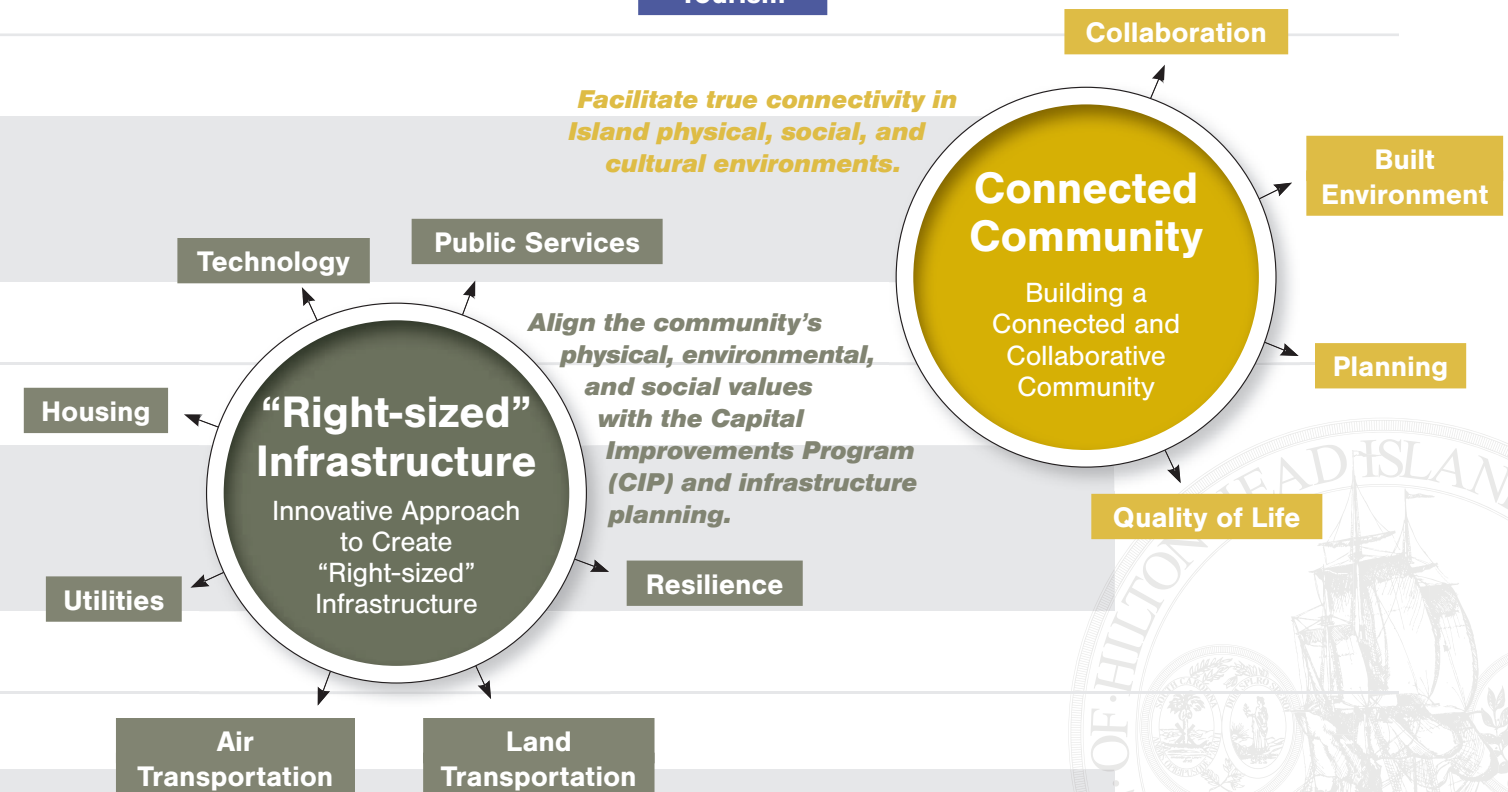
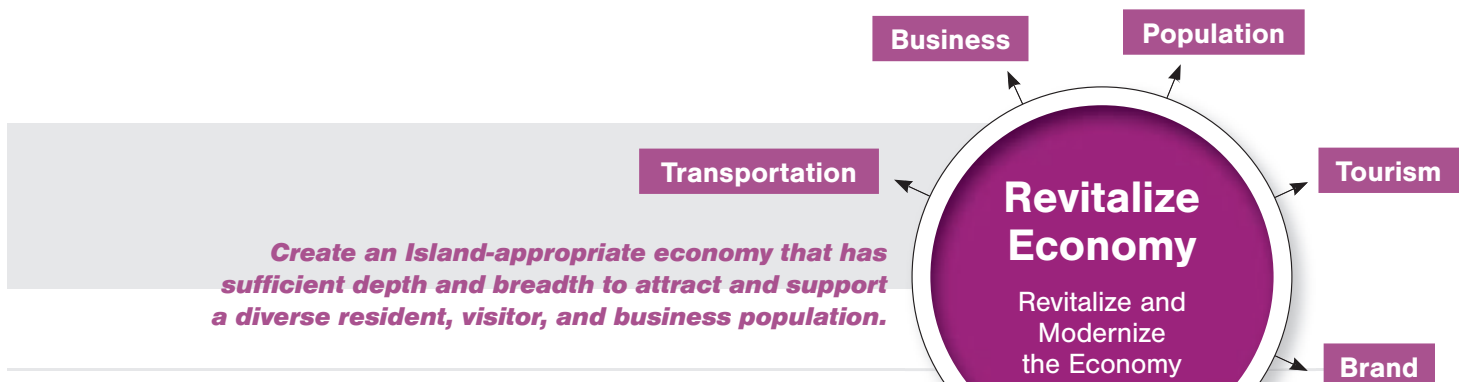
## OUR IDEALS OF EXCELLENCE

# Core Values & Focus Areas

The broad goals developed following the Key Community Themes were the foundation for the strategies outlined by the Core Values within the *Our Plan* document. Further, this Strategic Action Plan has identified Focus Areas that correspond with and are anchored in the Core Values and Parks and Recreation.

While Parks and Recreation is an Element and not a Core Value in *Our Plan*, it is included in this Plan as a Focus Area. Parks and Recreation is representative of significant investment by the Town in numerous capital projects and initiatives, and it is a key factor of an Inclusive Community.





## Purpose of the Strategic Action Plan

A strategic action plan presents in sufficient detail the intended activities of staff and associated agencies necessary to successfully implement the policy directions of Town Council in furthering the Town's

Mission. By clearly identifying agreed upon Focus Areas in this Plan and the corresponding Strategic Initiatives within these Focus Areas, the Town will be able to:





## How the Plan Will be Used

The Strategic Action Plan (Plan) will be updated annually as a road-map for staff to follow while implementing the identified Strategic Initiatives. All initiatives that are not capital improvement projects and require a significant investment of staff support or other similar administrative resources are also included in the Plan.

Adherence to the prioritized initiatives contained within this document will help to ensure that staff have the sufficient time and resources necessary to successfully meet expectations. The use of this Plan will also allow for budgetary decisions to be clearly identified and correlated to each initiative. The Plan should be regularly updated as part of the overall annual budget adoption process.

Any new Strategic Initiatives identified by Town Council following the adoption of the Plan will require coordination with the Town Manager to determine how such projects are ultimately implemented in light of any ongoing project(s) within the approved Plan. This will result in either a reprioritization of ongoing projects or the inclusion of new initiatives as part of future annual strategic action plans and operational budgets.



## Summary

This Plan is the guiding document the Town will use to determine how to best utilize the Town's resources over the next one to two years. *Our Plan*, this *Strategic Action Plan* and the Town's annual budget are all complementary puzzle pieces which fit together and guide the Town's work during this time.

Implementing these prioritized policies of the Town will require discipline and collaboration between the Town Council, Town Manager, staff and various external stakeholders. However, in accomplishing these objectives we will be known as an Island that is recognized for its world-class environments, that embodies the tenets of sustainability, and is recognized as a leader in delivering quality public services.



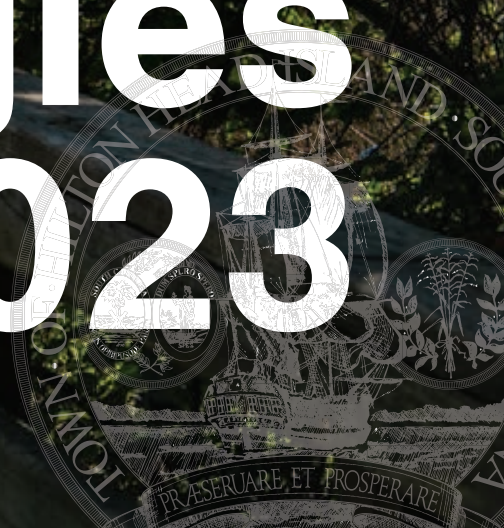








# Top 15 Strategies for 2023











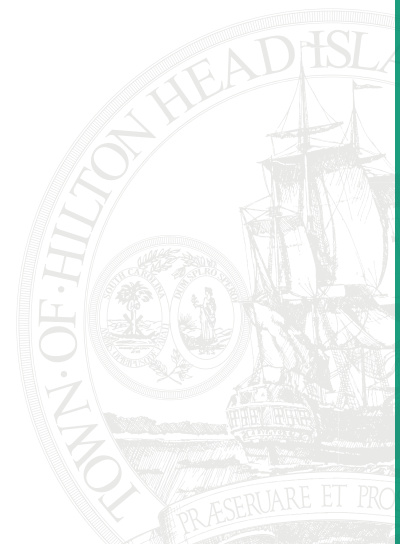
## STRATEGY #1

# Establish a Growth Management Strategy

### FOCUS AREA: REVITALIZE & MODERNIZE THE ECONOMY

Successfully manage increasing and evolving future growth patterns in a manner that will ensure sustainability of Hilton Head Island's unique character. Additionally, the Town must monitor economic and demographic trends, undertaking a comprehensive list of future planning activities, and proactively protecting the Island's rich natural resources through appropriate design, regulation, and capital investment practices.

- ☐ 1.1 Conduct a Hilton Head Island Conditions and Trends Assessment
- ☐ 1.2 Establish a Growth Framework Map
- ☐ 1.3 Identify District Plan Boundaries and Prioritization
- ☐ 1.4 Create and Adopt District Plans
- ☐ 1.5 Create a Future Land Use Map
- ☐ 1.6 Create an Island Master Plan
- ☐ 1.7 Amend the Land Use Element of *Our Plan*
- ☐ 1.6 Implement the Mid-Island District Plan
- ☐ 1.9 Adopt Zoning Map Amendments
- ☐ 1.10 Amend the Land Management Ordinance
- ☐ 1.11 Establish a Development Review Improvement Program
- ☐ 1.12 Align Capital Improvement Plan with Growth Framework Strategies









## STRATEGY #2

# Implement the Workforce Housing Framework: *Finding Home*

### FOCUS AREA: “RIGHT-SIZED” INFRASTRUCTURE

Workforce housing affordability has been a growing challenge on Hilton Head Island and this negative trend has been accelerating over the last five years. Without deliberate action to counteract these trends, the Town will continue to lose its valuable share of workforce housing, home-by-home, or family-by-family. The Workforce Housing Framework is a commitment to preserve and expand workforce housing options on Hilton Head Island through the adoption of four (4) foundational pillars: Community, Planning, Management, and Revenue. Collectively, these pillars establish the enabling structure to assign future policy, programs, organizational capacity, resources, and management.

#### ❑ 2.1 Community

❑ 2.1.1 Commit to develop, maintain, and support partnerships and relationships with community organizations, as well as regional and state partners to collaboratively address local workforce housing needs.

❑ 2.1.2 Engage with a Housing Action Committee to coordinate with community groups in the housing space, while cultivating an ongoing housing dialogue, engagement with the community in housing education, planning, innovation and provide advice and recommendations.

#### ❑ 2.2 Planning

❑ 2.2.1 Commit to create a multi-year workforce housing action plan that will include a range of prioritized housing tactics and tools.

#### ❑ 2.3 Management

❑ 2.3.1 Commit to adding dedicated staff to provide coordination and planning.

❑ 2.3.2 Commit to explore the creation of a professionally managed housing organization.

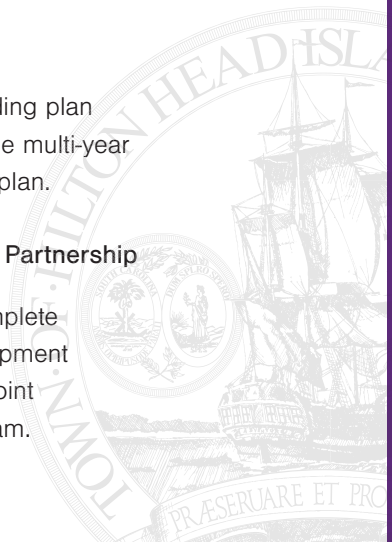
❑ 2.3.3 Commit to and maintain a dashboard of core metrics.

#### ❑ 2.4 Revenue

❑ 2.4.1 Commit to a funding plan that meets the needs of the multi-year workforce housing action plan.

#### ❑ 2.5 Northpoint Public-Private Partnership

❑ 2.5.1 Successfully complete the execution of a Development Agreement for the Northpoint Workforce Housing Program.











### STRATEGY #3

## Adopt Major Corridors/Street Enhancement Policies

### FOCUS AREA: “RIGHT-SIZED” INFRASTRUCTURE

The Town has prepared a Major Thoroughfare Corridors Plan which when implemented, will address improvements to the Island’s major thoroughfares including William Hilton Parkway, Main Street, Pope Avenue, New Orleans Road, Arrow Road, and Palmetto Bay Road. These improvements will be aimed at improving safety, beautification, and consistency to include landscaping and aesthetics, pathways, intersections, roadways, transit, and wayfinding.

#### ❑ 3.1 Adopt Major Corridors Improvement Plans for:

- William Hilton Parkway
- Palmetto Bay Road
- Pope Avenue
- New Orleans Road
- Main Street
- Sea Pines Circle/Greenwood Drive
- Arrow Road
- Others/TBD

#### ❑ 3.2 Implement Corridor Safety and Beautification Enhancement Projects

#### ❑ 3.3 Adopt a Complete Streets Policy

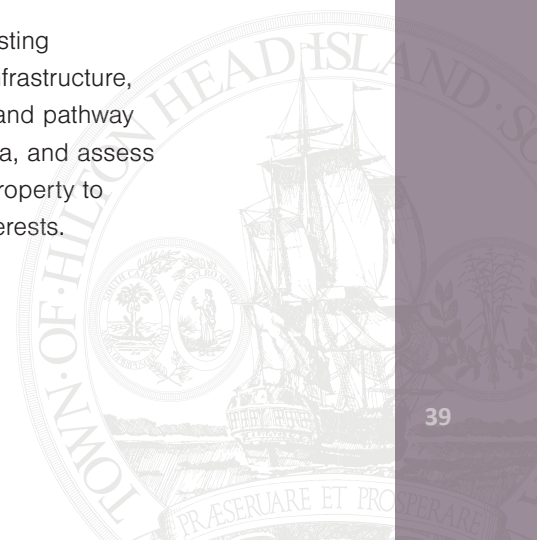
*Purpose:* Adopt a Complete Streets policy that will look at planning, designing, building, operating, and maintaining streets in a manner that enables safe access for all people who need to use them, including pedestrians, bicyclists, motorists and transit riders of all ages and abilities.

#### ❑ 3.4 Adopt a Traffic Calming Policy

*Purpose:* Adopt a policy to provide fair and reasonable application of traffic calming measures within previously established neighborhoods and other qualifying public roadways so as to implement a uniform methodology of installing traffic calming measures that increase public safety and minimize impacts to emergency response services.

#### ❑ 3.5 Assist with Cross Island Parkway Toll Booth Removal & Reconfiguration

*Purpose:* Remove the existing Cross Island Toll Booth infrastructure, reconfigure the roadway and pathway networks through this area, and assess the donation of surplus property to best serve the Town’s interests.









#### STRATEGY #4

## Develop William Hilton Parkway Gateway Corridor Plan

### FOCUS AREA: “RIGHT-SIZED” INFRASTRUCTURE

Execute the goals and objectives outlined in the adopted “Guiding Principles for the US278 Gateway Corridor Project” as a comprehensive corridor improvement plan stretching from the mainland to the Cross Island Parkway and any/all ancillary or affected areas included therein.

- ❑ 4.1 Coordinate with project partners and various community stakeholders to deliver design element recommendations to enhance the overall project consistent with the guiding principles and community values.
- ❑ 4.2 Identify land use strategies and solutions that can be incorporated into multimodal transportation corridor plan.
- ❑ 4.3 Influence the conversion of William Hilton Parkway Gateway from a highway corridor to a well-articulated boulevard through application of context sensitive design solutions consistent with local values and expectations.
- ❑ 4.4 Work with project partners and property and business owners to identify mitigation opportunities to potential project impacts.
- ❑ 4.5 Support Town Council in their discussion and overall deliberation of these elements once identified so as to formulate a formal Town Council position on the municipal consent of the gateway corridor project as required by current South Carolina law.
- ❑ 4.6 Implement Town of Hilton Head Island/Beaufort County adopted MOA.
- ❑ 4.7 Establish a Citizen Review Committee for End-to-End Analysis.











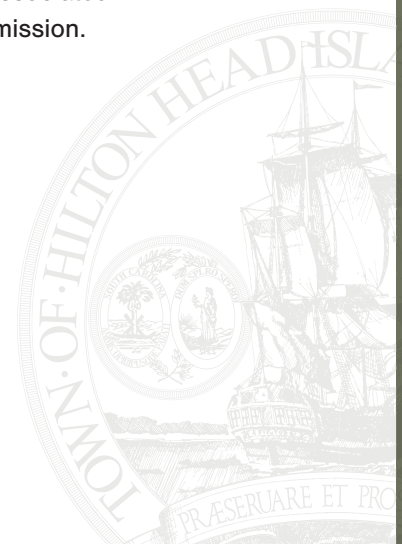
## STRATEGY #5

# Commence Operations of the Gullah Geechee Historic Neighborhoods Community Development Corporation

### FOCUS AREA: REVITALIZE & MODERNIZE THE ECONOMY

The Gullah Geechee Historic Neighborhoods Community Development Corporation has been formed with a goal of stabilizing, protecting, and promoting historic and culturally sensitive communities on Hilton Head Island. It will create strategic programs related to, but not necessarily limited to, economic development initiatives, affordable housing, streetscaping, neighborhood planning, targeted capital investment, resident education, and other community support service opportunities.

- ❑ 5.1 Facilitate community redevelopment within the Gullah Geechee Historic Neighborhoods for the benefit of its Residents.
- ❑ 5.2 Foster and promote redevelopment within the Historic Neighborhoods by focusing on promoting cultural resources, protecting cultural assets, and enhancing quality of life.
- ❑ 5.3 Prevent gentrification through the preservation of housing opportunities and supporting economic opportunities that allow for existing community residents to remain within their Neighborhoods.
- ❑ 5.4 Facilitate business attraction, expansion, and retention as well as providing land planning and development assistance.
- ❑ 5.5 Pursue affordable housing opportunities.
- ❑ 5.6 Facilitate economic prosperity and advancement opportunities for local businesses and residents within the Neighborhoods and provide such other services that are associated with fulfilling the CDC's mission.









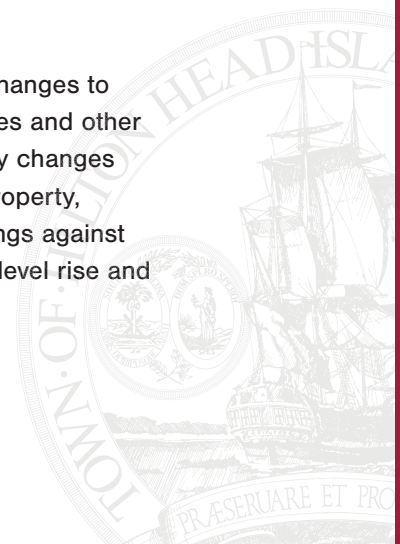
## STRATEGY #6

# Identify Strengths, Weaknesses, Opportunities & Threats (SWOT) of Hilton Head Island Resiliency and Establish an Island Resiliency Plan

### FOCUS AREA: ENVIRONMENTAL SUSTAINABILITY

As Hilton Head Island is a barrier island subject to the impacts of sea level rise and other climate related affects, it is vital that a plan be developed to enhance resiliency of the island's infrastructure and developed areas against future storm events and potential sea level rise. In order to improve the resiliency of the island, the prudent application of climate change science and data to inform our administrative decisions, public policy, and infrastructure investments is critical. By using the most up to date models and sound information on future projections, we can assess vulnerabilities and enhance our adaptive capacity with tools and actions designed to protect the short and long-term interests of our residents and businesses and public infrastructure.

- ❑ 6.1 Establish Hilton Head Island tide gauge and participate in statewide sea level monitoring program.
- ❑ 6.2 Facilitate partnership discussions with local, state and federal agencies regarding data sharing, grant funding.
- ❑ 6.3 Identify critical infrastructure facilities.
- ❑ 6.4 Identify all Town ordinances and regulations that could be modified to increase future protections of property, infrastructure, and buildings.
- ❑ 6.5 Develop a Resilience Plan that models future sea level rise and storm scenarios to identify inundation impacts and a menu of mitigation actions, each with benefit costs analysis associated with varying levels of protection.
- ❑ 6.6 Evaluate and consider changes to zoning and building codes and other ordinance and regulatory changes that will better protect property, infrastructure and buildings against future impacts from sea level rise and climate change.





- ❑ 6.7 Develop recommendations and projected budget needs for future mitigation and protection projects, based on near, mid and long-term implementation schedule.
- ❑ 6.8 Identify and fund proactive investments in public actions which enhance resistance to and recovery from environmental challenges.
- ❑ 6.9 Continue to maintain and replenish appropriate levels of Town disaster relief funds.







## STRATEGY #7

# Implement the Capital Improvement Program (CIP)

### FOCUS AREA: “RIGHT-SIZED” INFRASTRUCTURE

The Capital Improvement Program (CIP) is the Town’s five-year program for planning capital improvement needs identified in the Comprehensive Plan, and other adopted Town Plans. The CIP links this Plan to the Comprehensive Plan with fiscal capacity. Capital needs are synchronized with operating expenses and tied to forecasted revenues for the current and upcoming fiscal years. It includes projects that improve or maintain a Town asset including new construction, expansion, renovation, or replacement of facilities and equipment. The program follows a yearly planning and budgeting process including recommendations by the Planning Commission and Parks and Recreation Commission with a budget adopted by Town Council. The following list includes the projects by category adopted as part of the FY23-24 budget.

#### ❑ 7.1 Beach Program Implementation

❑ 7.1.1 Beach Management & Monitoring

❑ 7.1.2 Beach Renourishment

#### ❑ 7.2 Pathway Program

❑ 7.2.1 Pathways Accessibility & Safety Enhancement

❑ 7.2.2 New Pathway Segments

- Shelter Cove Lane: William Hilton Parkway to Shelter Cove Community Park
- Phase 1: Boggy Gut Pathway: Cordillo Parkway to Office Park Road, Woodhaven Dr/Ln
- William Hilton Parkway East Bound: BCSO to Mathews Drive

#### ❑ 7.3 Roadway Program

❑ 7.3.1 Dirt Road Improvement Program

❑ 7.3.2 Additional William Hilton Parkway Enhancements

❑ 7.3.3 Pope Avenue Enhancements

❑ 7.3.4 Main Street Enhancements

#### ❑ 7.4 Park Program Implementation

- Mid Island Initiative Area & Park
- Coligny Beach Parking Area
- Chaplin Community Park
- Crossings Park
- Shelter Cove Community Park
- Chaplin Linear Park
- Patterson Family Park



#### ❑ 7.5 Facility and Equipment Management Implementation

- ❑ 7.5.1 Town Hall Security & Facility Enhancements
- ❑ 7.5.2 Coastal Discovery Museum Capital Project
- ❑ 7.5.3 IT Equipment & Software
- ❑ 7.5.4 Fire/Medical Systems Equipment
- ❑ 7.5.5 Security Cameras: Shelter Cove Community Park
- ❑ 7.5.6 Automobile Place/Modern Classic Motors Site Enhancements
- ❑ 7.5.7 Fire Hydrant Expansion
- ❑ 7.5.8 Arts Campus Feasibility Study
- ❑ 7.5.9 Stormwater Projects

#### ❑ 7.6 Fleet Management Implementation

- ❑ 7.6.1 Town Vehicle Replacement
  - Vehicle Outfitting
- ❑ 7.6.2 F+R Apparatus & Vehicle Replacement
  - Engine/Pump Replacement/Quint Company Replacement
  - Fire Rescue Specialty Vehicles
  - Staff Vehicle Replacement
  - Firefighting Foam for Trucks

#### ❑ 7.7 Land Acquisition Program Management Implementation

Soft costs such as surveying, appraisals, and legal fees associated with the acquisition of property to preserve and protect the Island's character.

#### ❑ 7.8 Housing Program Management Implementation







## STRATEGY #8

# Update the Town's Land Acquisition Manual

### FOCUS AREA: "RIGHT-SIZED" INFRASTRUCTURE

The Town of Hilton Head Island has purchased a significant amount of land throughout the Island for a variety of strategic purposes. These have included reducing traffic congestion, preserving open space, providing public access to or views of the water, and other similar actions that are in furtherance of the Town's Comprehensive Plan. However, the Land Acquisition Manual that the Town utilizes to identify and acquire real property has not been updated since 2005 and does not fully reflect that current needs and goals of the Town. The document should be amended and be brought up to date with existing practices, processes, and policies.

- ❑ 8.1 Evaluate Land Acquisition Manual updates inclusive of parks, open space, conservation, town facilities, commercial redevelopment, workforce housing, development rights, preservation of historic neighborhoods, etc.
- ❑ 8.2 Identify potential funding sources for Land Acquisition Program implementation.









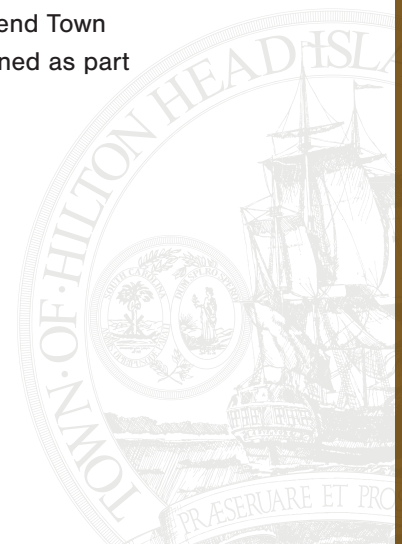
## STRATEGY #9

# Conduct a Strengths, Weaknesses, Opportunities and Threats (SWOT) of Hilton Head Island Solid Waste and Recycling

### FOCUS AREA: ENVIRONMENTAL SUSTAINABILITY

The Town's Our Plan document lays out several goals related to increasing capacity for processing recyclable materials and ensuring the long-term viability of solid waste disposal for the Island. To achieve these objectives, the Town will need to work in coordination with Beaufort County as the agency responsible for household waste streams disposal for the entire county and jointly pursue opportunities that improve recycling and composting rates.

- ❑ 9.1 Engage experts in the field of solid waste to assist the Town in performing a SWOT analysis.
- ❑ 9.2 Pursue promotional and educational efforts to foster recycling, composting, and litter control.
- ❑ 9.3 Engage in dialogue with Beaufort County regarding their long-range solid waste disposal and recycle programs. If they undertake revisions or updates to their long-range plans, actively participate in such discussions in order to represent the goals of the Island in these plans.
- ❑ 9.4 Propose discussions with Beaufort County regarding the potential creation of an off-Island materials processing center that would facilitate increased recycling rates from within the Town and the greater region.
- ❑ 9.5 Examine the creation of composting models at highly visible sites around the Town.
- ❑ 9.6 Evaluate the need to amend Town Code utilizing data obtained as part of the SWOT analysis.









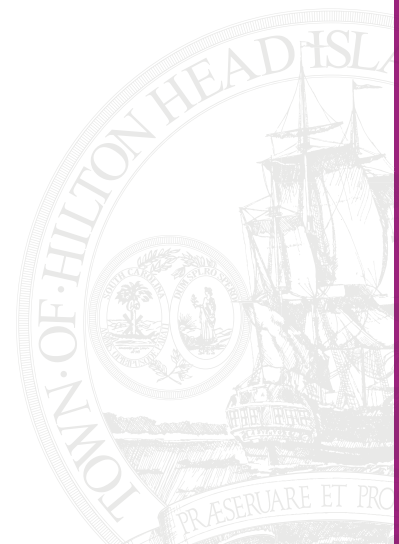
## STRATEGY #10

# Implement the Destination Marketing Organization (DMO) Marketing Plan & Measure Performance

### FOCUS AREA: REVITALIZE & MODERNIZE THE ECONOMY

Work with the Town's authorized Destination Marketing Organization to adopt and implement an effective marketing plan that places an emphasis on positive community attributes of Hilton Head Island as a place to live, work, and play. Identify any necessary changes and ensure that Town Council feedback is incorporated into the annual marketing plan. Monitor the performance of the Town's authorized Destination Marketing Organization partner with DMO staff to assess performance against stated goals.

- ☐ 10.1 Survey current metrics required by the DMO contract and analyze to achieve Town goals.
- ☐ 10.2 Review any metrics recommendations/changes with DMO.
- ☐ 10.3 Support DMO Marketing Council in creation of marketing plan to ensure that correct performance measurements are being included and achieved.
- ☐ 10.4 Continue monitoring DMO performance and achievement of identified performance measures.
- ☐ 10.5 Include Ecotourism (with Assistance from USCB and others), Cultural Tourism, Wellness Tourism, and Sports Tourism into DMO Marketing Materials.









## STRATEGY #11

# Assess Alternative Revenue Sources and Funding Opportunities

### FOCUS AREA: PURSUIT OF EXCELLENCE

In order to support the long-term financial stability of the Town, utilize all available resources at the federal, state and local levels to identify and obtain alternative sources of revenue, grant funding, or other project funding so as to support the strategic goals and objectives of the Town, its organizational operations and its Capital Improvement Plans.

- ☐ 11.1 Establish Land Acquisition Funding Strategies:
  - ☐ 11.1.1 Beaufort County Greenspace Sales Tax Program
- ☐ 11.2 Assessment of Voter Referendum Questions
- ☐ 11.3 Identify Dedicated Funding for Workforce Housing Initiatives
- ☐ 11.4 Evaluate Mid-Island Tax Increment Financing (TIF) District Creation
- ☐ 11.5 Assess Development Permit Fees and Propose Necessary Adjustments
- ☐ 11.6 Conduct a Stormwater Utility Rate Study
- ☐ 11.7 Assess Municipal Bonding Capabilities
  - ☐ 11.7.1 Installment Purchase Revenue Bonds
- ☐ 11.8 Adopt an Accommodations Tax Funding Policy









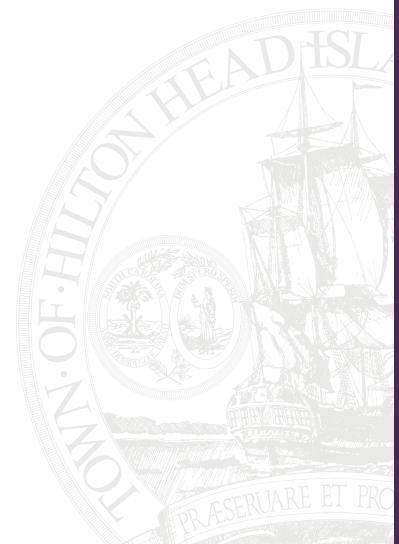
## STRATEGY #12

# Short-Term Rental Assessment and Program Implementation

### FOCUS AREA: PURSUIT OF EXCELLENCE

Conduct a Short-Term Rental program assessment that evaluates the short-term rental program effectiveness on addressing the negative impacts to neighborhoods including environmental impacts, demands on Fire and Rescue services, impacts to public utilities and infrastructure, and impacts of land use intensity. Program assessment will include data on the volume, location, type, and size of short-term rentals on Hilton Head Island in order to better understand, plan, and manage short-term rentals, and to determine if further regulation is necessary.

- ❑ 12.1 Review data obtained through the Town's short-term rental software and evaluate permits, location, and magnitude of short-term rentals within the Town.
- ❑ 12.2 Review short-term rental permit program efficacy through evaluation of reported violations of the short-term rental requirements and propose necessary adjustments.









## STRATEGY #13

# Complete Implementation of the Gullah Geechee Task Force Work Plan

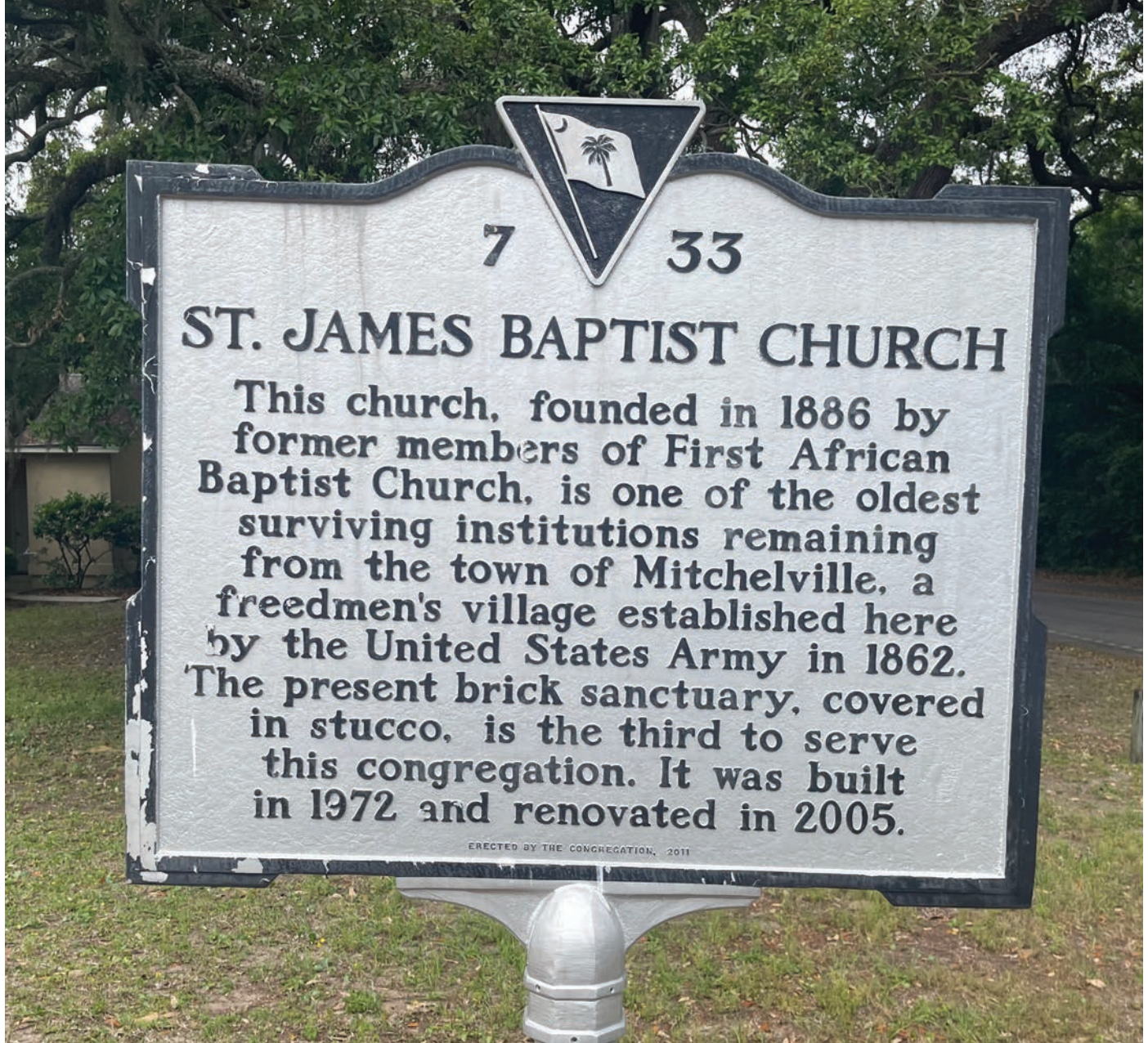
### FOCUS AREA: INCLUSIVE COMMUNITY

Implement the Framework for the Top 16 Priority Projects from the Gullah Geechee Preservation Report Recommendations as approved by Town Council in 2019. Define the critical path for the remaining recommendations from the report.

- ❑ 13.1 Develop Framework for the Top 16 Priority Projects
  - ❑ 13.1.1 Significant progress has been made on all Top 16 recommendations, 14 of which have been incorporated into ongoing operations and programs.
  - ❑ 13.1.2 Remaining recommendations are being addressed through District Planning and continuous improvement of Town resources and programs.
- ❑ 13.2 Define the critical path for remaining 20 recommendations
  - ❑ 13.2.1 Coordination and collaboration with community and cultural resources is preferred for establishing the critical path for implementing the remaining recommendations.











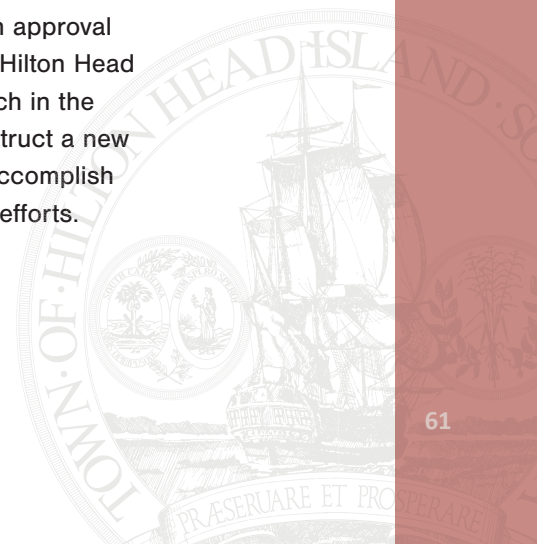
#### STRATEGY #14

## Facilitate Relocation of the Historic St. James Baptist Church to Mitigate Impacts Generated from Airport Operations and Corresponding Safety Concerns

### FOCUS AREA: CONNECTED COMMUNITY

The Hilton Head Airport has been actively working to retain and attract new commercial airline services. This has included taking actions to ensure that regional business jets can operate from this facility. The Historic St. James Baptist Church has been directly impacted by the increase in airport operations that has resulted from the ability to support regional business jets. The Town has therefore committed to assisting St. James Baptist Church in the successful relocation of its congregation to a mutually agreed upon location that will meet the current and future needs of the church.

- ☐ 14.1 Work cooperatively with the leadership from the St. James Baptist Church, Beaufort County, the Hilton Head Island Airport, and the Town of Hilton Head Island to submit an agreed upon relocation plan for consideration by the Federal Aviation Administration.
- ☐ 14.2 Monitor Status of FAA submission and provide supplemental information or responses as may be necessary for continued evaluation of the joint proposal.
- ☐ 14.3 If the joint relocation plan is approved by the FAA, work with Beaufort County to provide the church with the grant funding sufficient to allow commencement and construction of the relocated facility.
- ☐ 14.4 Following relocation plan approval by the FAA, the Town of Hilton Head Island to assist the church in the steps necessary to construct a new church facility that will accomplish the approved relocation efforts.









## STRATEGY #15

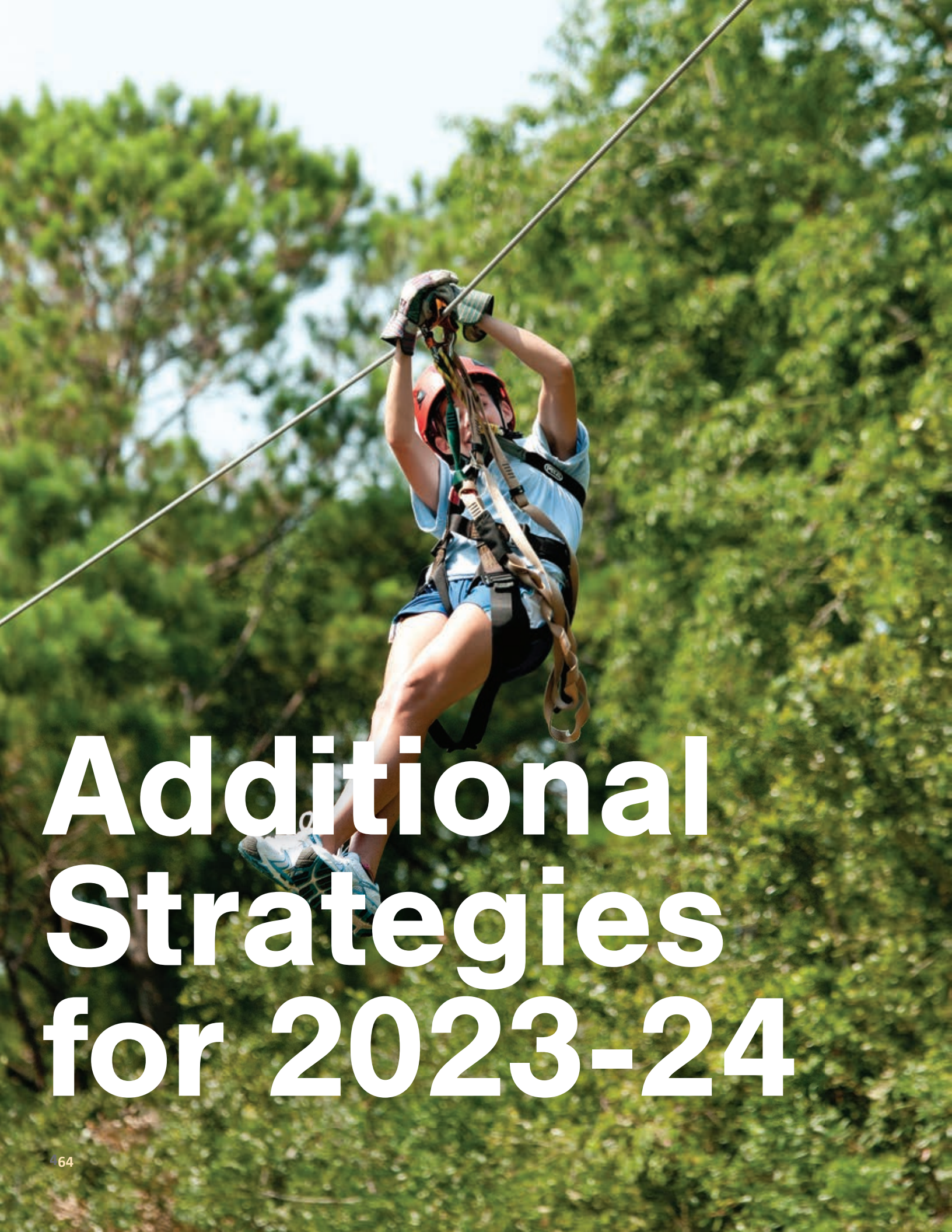
# Implement Beach Park Enhancements

### FOCUS AREA: PURSUIT OF EXCELLENCE

The Town has over 12 miles of pristine beaches that are routinely identified as being some of, if not the best in the world. This precious resource serves one the most cherished amenities for both Island residents and visitors. The Town must ensure that it maintains the quality of the beach going experience through the development of a comprehensive enhancement plan that will identify physical infrastructure needs of its beach facilities, improvements and upgrades of existing facilities, and take steps necessary to ensure that the public experiences a safe and consistently memorable day at the beach.

- ❑ 15.1 Establish a Beach Master Plan.
- ❑ 15.2 Consider Implementation of Beach Parking Master Plan.
- ❑ 15.3 Enhance Beach Shuttle Services - Island Mobility/Connectivity to Beaches, Parking, Employment, and Businesses.
- ❑ 15.4 Consider Beach Experience Regulations - Fishing, Tents, Smoking, Emergency Access Routes, Facility Hours of Operation, Parking Management, Boat Storage on Beach, etc.





# Additional Strategies for 2023-24



# Pursuit of Excellence

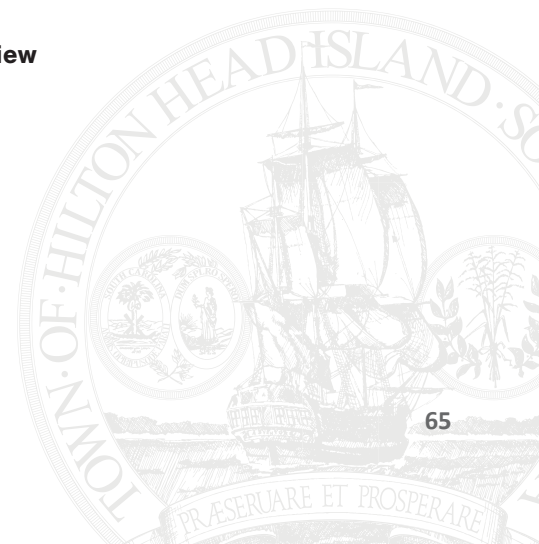
Require and sustain excellence of Place, People, Planning, and Process.

## 2023

- ☐ Implement Cultural Affairs Strategic Plan
- ☐ Celebrate 360th Anniversary of the Hilton Head Island Siting
- ☐ Celebrate Hilton Head Island 40th Anniversary of Municipal Incorporation
- ☐ Develop a New Fire Rescue Strategic Plan
- ☐ Adopt & Implement a Human Resources Strategic Plan
- ☐ Adopt & Implement a Technology & Innovation Strategic Plan
- ☐ Measure and Communicate Return on Public Investment
- ☐ Improve Administrative Support Process for Boards, Commissions & Committees
- ☐ Research Trends & Implement Best-in-Class Municipal Services Delivery
- ☐ Implement American Rescue Plan Funding Appropriations
- ☐ Enhance Communications Plan with Strong Social Media Emphasis
- ☐ Create a Culture of High Organizational Performance
- ☐ Broadcast Transition from Facebook Live to YouTube for Public Meetings

## 2024

- ☐ Evaluate Island Vision Statement, Mission Statement, and Community Value Statement
- ☐ Establish Island Brand Development Strategy
- ☐ Employee Performance Review Program Improvements



# Environmental Sustainability

Create a resilient and sustainable environment through planning and policy.

## 2023

- ☐ **Work with Public Service Districts (PSDs) on Long-Term Capital Projects**
- ☐ **Establish National Leadership Credibility in Environmental Sustainability & Resource Protection**
- ☐ **Assess and Implement an Environmentally Friendly Landscape and Grounds Maintenance Best Practices Program**
- ☐ **Host/Sponsor a Resiliency Symposium**
- ☐ **Establish a Sustainable Environmental Practices Social Media Campaign**

## 2024

- ☐ **Develop Town-Owned Property Management, Asset Management and Utilization Plan**
- ☐ **Acquire Audubon International Sustainable Community Recertification (2-year Term)**











# Revitalize Our Economy

Create an Island-appropriate economy that has sufficient depth and breadth to attract and support a diverse resident, visitor, and business population.

## 2024

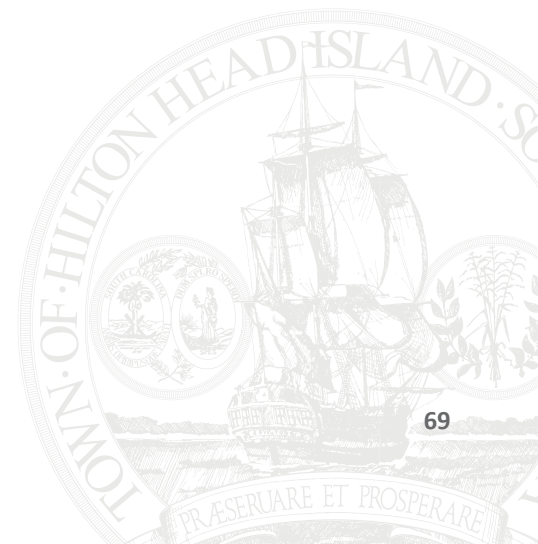
- ❑ **Establish an Economic Development Strategy**

# Connected Community

Facilitate true connectivity in Island physical, social, and cultural environments.

## 2023

- ❑ **Adopt a Food Truck Ordinance and Operational Program**
- ❑ **Conduct a Strengths, Weaknesses, Opportunities & Threats (SWOT) Analysis of High-Speed Fiber/Cellular Capabilities**



# Inclusive Community

Foster a multi-dimensional, equitable, and diverse community.

## 2023

- ☐ Establish a Public Institutional Partnership with USCB to Support Arts and Cultural Organizations
- ☐ Adopt Annual HUD/CDBG Entitlement Program
- ☐ Conduct a Community Engagement Survey
- ☐ Assist with Implementing Mitchelville Master Plan
- ☐ Incorporate Public Art & Culture Projects into New & Existing Parks

## 2024

- ☐ Develop a Landmark Protection Program

# Regional Focus

Evaluate how regional expansion will impact immediate and future social, economic, and political planning and policy.

## 2023

- ☐ Assess Revisions of Beaufort County Impact Fees
- ☐ Establish Reoccurring Joint Meetings between Hilton Head Island & Beaufort County Council

## 2024

- ☐ Evaluate Access between Hilton Head Island & the Greater Region through Viable Multi-Modal Transportation











## “Right-sized” Infrastructure

Align the community’s physical, environmental, and social values with the Capital Improvements Program (CIP) and infrastructure planning.

### 2023

- ☐ **Acquire Main Street Right-of-Way**
- ☐ **Adopt Community Addressing Ordinance**

## Parks & Recreation

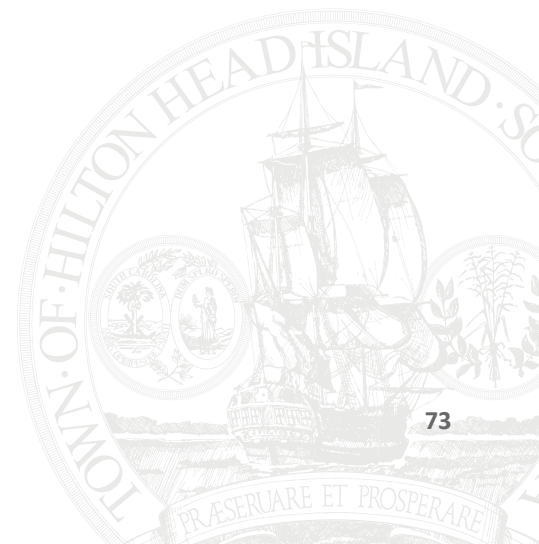
Implement the Parks & Recreation Master Plan.

### 2023

- ☐ **Assist with Ford Shell Ring Park Development**
- ☐ **Implement the Parks and Recreation Master Plan**
- ☐ **Develop a Parks and Recreation Marketing Plan**

### 2024

- ☐ **Establish Beaufort County & Hilton Head Land Trust Northridge Conservation Tract Partnership**















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# Budget Overview





## Mission Statement, Vision, and Goals

### Our Mission

The Town of Hilton Head Island’s mission is to promote the health and vitality of the community we serve through ethical and inclusive programs, policies, and actions.

### Vision

To focus on revitalization and modernization, and to build an inclusive and diverse community.

### Goals

- Require and sustain excellence of Place, People, Planning, and Process.
- Create a resilient and sustainable environment through planning and policy.
- Create an Island-appropriate economy that has sufficient depth and breadth to attract and support a diverse resident, visitor, and business population.
- Foster a multi-dimensional, equitable, and diverse community.
- Facilitate true connectivity in island physical, social, and cultural environments.
- Evaluate how regional expansion will impact immediate and future social, economic, and political planning and policy.
- Align the community’s physical, environmental, and social values with the Capital Improvements Program (CIP) and infrastructure planning.
- Implement the Parks + Recreation Master Plan.





## Budgeted Fund Types

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### General Fund

This fund is used to account for all financial resources except those required to be accounted for in another fund. Its primary operating expenditures include the Town's departments of General Government, Administrative Services, Sheriff/Other Public Safety, Fire Rescue, Community Services, and Public Projects and Facilities. Principal sources of revenue are property taxes and licenses and permit fees.

### Debt Service Fund

This fund is used for accumulating resources for the payment of interest and principal on general long-term obligation debt of the governmental funds. The primary sources of revenue are property tax, beach preservation fee, hospitality tax, TIF proceeds, and real estate transfer fees.



### Capital Projects Fund (CIP)

This fund is used to account for and report financial resources that are restricted, committed or assigned for the acquisition, construction, or renovation of major capital facilities; ongoing major improvement projects; and major equipment or other capital asset acquisitions which are not financed by another fund. Primary sources of revenue include bond proceeds, hospitality tax fees, beach preservation fees, TIF proceeds, road usage fees (now paused), electric franchise fees, and road/park impact fees. Capital Projects are primarily non-recurring in nature.

### Stormwater Fund

This fund is used to account for and report the costs associated with the management, construction, maintenance, protections, control, regulation, use and enhancement of stormwater systems and programs within the Town limits. The primary source of revenue is stormwater utility fees.



## Budgeted Fund Types

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### Gullah Geechee Historic Neighborhoods Community Development Corporation Fund

This is a new fund as of mid Fiscal Year 2023. This fund is used to account for and report the costs associated with the actions of the Corporation to protect the Town's historic and culturally sensitive neighborhoods. The focus of the Corporation is to enhance the quality of life for community residents; encourage entrepreneurialism; prevent gentrification; assist in business attraction, expansion, and retention; provide land planning and development assistance; pursue affordable housing opportunities; identify infrastructure needs; and provide critical financial opportunities. The primary sources of revenue are State and County Grants.

### Housing Fund

This is a new fund as of Fiscal Year 2024. This fund is used to account for and report the costs associated with the development, implementation, and delivery of the strategies and tactics identified within the Town's adopted Workforce Housing Framework. The current sources of revenue are transfers from State Accommodations Tax, and ARPA funding.





## Budget Overview

Over the course of the last few years, many of the Town’s revenues rose to the point of record high collections. Hospitality and Accommodations Taxes rebounded quickly after the initial pandemic downturn, reflecting the growth in tourism activities the Island experience during those years. Revenues maintained steady through Fiscal Year 2024, with some exceptions, notably a growth in Property Tax and Business License revenues, and a slight reduction in tourism-based revenues when compared to 2023. Revenue projections for Fiscal Year 2025 reflect these trends and the Town remains well-positioned to enter Fiscal Year 2025 with plans to spend in a strategic manner to be a catalyst for continued growth, while simultaneously continuing to build reserve balances for any future events that may require emergency funds.

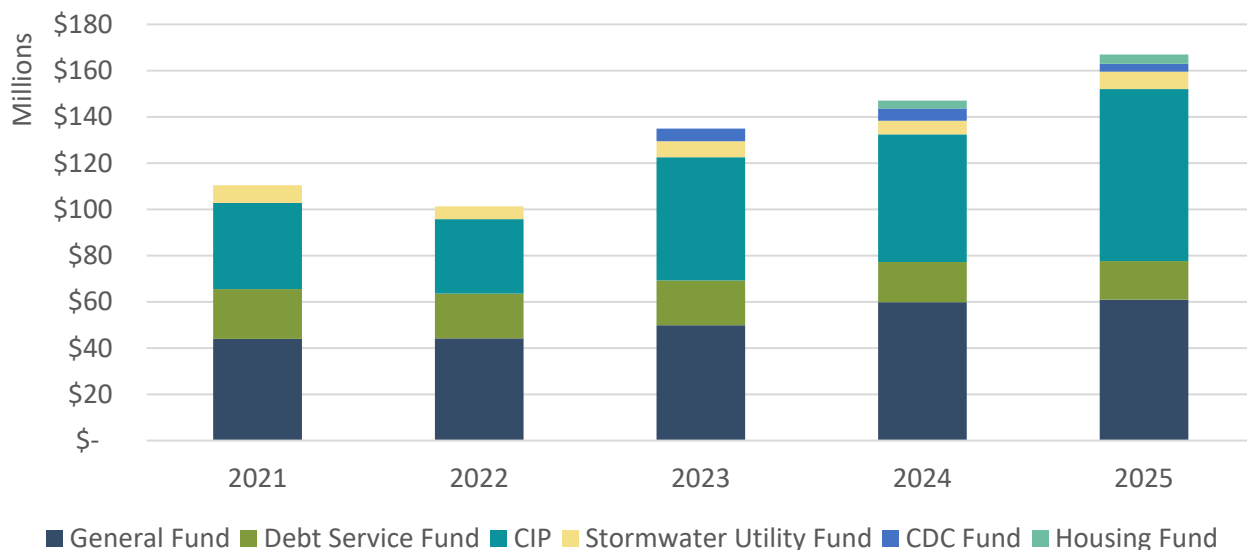
The Town expanded its budgeted funds from four to six in Fiscal Year 2024 with the addition of the Gullah Geechee Historic Neighborhoods Community Development Corporation and the Housing Fund. The development of the new funds supports community investment through revitalization of economic opportunity and quality of life for our historic neighborhoods and provides designated funding to implement the Town Council adopted Workforce Housing Framework, *Finding Home*, to address the Island’s critical workforce housing needs.

Based on the foundations of the [Comprehensive Plan](#), which aims to guide development and redevelopment in our municipality, the Town has put in place an impactful 3-to-5-year capital plan that is continuing its implementation in Fiscal Year 2025. Several major capital projects are planned, such as the start of a multi-year beach renourishment project, the planning, design, and construction of new parks as well as enhancements to many of our existing parks, new pathway segments throughout the Town, and the replacement of our Fire Rescue Fleet, just to name a few. New full-time positions were added last budget year in an effort to accelerate the progression of the capital improvement program, as well as to accomplish the Town Council’s top priorities in the Strategic Action Plan.

The table and chart below provide a historical comparison of budgeted expenditures by fund.

	FY 2022 Revised Budget	FY 2023 Revised Budget	FY 2024 Revised Budget	FY 2025 Adopted Budget	% Change
General Fund	\$ 44,204,613	\$ 49,861,416	\$ 59,832,016	\$ 60,924,381	1.8%
Debt Service Fund	19,344,566	19,374,081	17,397,233	16,700,000	-4.0%
CIP	32,237,763	53,288,633	55,211,171	74,381,459	34.7%
Stormwater Utility Fund	5,500,000	6,917,114	5,885,817	7,525,525	27.9%
CDC Fund	-	5,500,000	5,343,185	3,405,501	-36.3%
Housing Fund	-	-	3,350,000	4,000,000	19.4%
<b>Total</b>	<b>\$ 101,286,942</b>	<b>\$ 134,941,244</b>	<b>\$ 147,019,422</b>	<b>\$ 166,936,866</b>	<b>13.5%</b>

## Budget Overview



## Budget Highlights

- No change to the Town's total millage after a reduction from 23.1 mills to 21.4 mills in FY 2024 to offset the property reassessment performed by the County.
- Priority-based budget that is funding the **Town's Strategic Plan**. Town Council's Top 15 Priorities are:
  - **Establish a Growth Management Strategy** (in Community Development budget)
  - **Implement the Workforce Housing Framework – Finding Home** (in the Housing Fund)
  - **Adopt Major Corridor/Street Enhancement Policies** (in Community Development and CIP budgets)
  - **Develop William Hilton Parkway Gateway Corridor Plan** (in Community Development budget)
  - **Commence Operations of the Gullah Geechee Historic Neighborhoods Community Development Corporation** (The GGHNCDC Fund budget contains funds for these initiatives and activities)
  - **Identify Strengths, Weaknesses, Opportunities & Threats (SWOT) of Hilton Head Island Resiliency and Establish an Island Resiliency Plan** (This is funded in the Community Development budget)
  - **Implement the Capital Improvement Program (CIP)** (CIP Budget)
  - **Update the Town's Land Acquisition Manual** (CIP Budget and CD operating budget)
  - **Conduct a Strengths, Weaknesses, Opportunities & Threats (SWOT) of Hilton Head Island Solid Waste & Recycling** (Funded in the CD Budget)
  - **Implement the Destination Marketing Organization (DMO) Marketing Plan & Measure Performance**
  - **Assess Alternative Revenue Sources and Funding Opportunities** (Review and propose adjustments to development review fees for Community Development and Beach Parking Fees based on regional norms)
  - **Short-Term Rental Assessment and Program Implementation** (Program is funded in IT, Public Safety and other General Fund budgets)



## Budget Overview

- **Complete Implementation of the Gullah Geechee Task Force Work Plan** (Funded in the Community Development Budget)
  - **Assist with St. James Baptist Church Mitigation/Relocation Plan** (Funded by the FAA, assisted with Community Development personnel)
  - **Implement Beach Park Enhancements** (Funded in the CIP budget)
- Increased Fund Balances due to prior year unspent funds, as well as Fund Balance Policy improvements to continue Fund Balance growth percentage. (6/30/2022 to 6/30/2023 Fund Balance Increases - General Fund \$3.2 million / Total Governmental Funds \$17.9 million / Stormwater Fund \$2.6 million).
  - Enhanced revenues through fee enhancements:
    - **Community Development Growth Management** fee adjustments for Gas Permit, Water Heater Change Out, Building Permit Transfer, Permit Extension Request, and Permit Reinstatement Fees
    - **Ambulance Service Fee** adjustments for Basic Life Support, Advanced Life Support, and Treatment without Transfer Fees, as well as an adjustment to the rate per mile.
  - State ATAX Funding to increase support of the General Fund, investments in the Island via the Capital Projects Fund, and Workforce Housing via the Housing Fund.

## Revenue Highlights

For Fiscal Year 2025, the Town's total projected revenues and other financing sources for the six budgeted funds are **\$168,872,799** as follows:

Revenues	FY 2025 Adopted Budget	% of Budget
Property Taxes	\$ 23,919,144	14.2%
Business License	12,690,924	7.5%
Franchise Fees	840,000	0.5%
Stormwater Utility Fees	5,067,000	3.0%
Local Accommodations Tax	6,880,890	4.1%
EMS Revenue	2,036,000	1.2%
Permits & Fees	1,912,420	1.1%
Intergovernmental	973,093	0.6%
Lease	6,931,677	4.1%
Grants	500,000	0.3%
Investment Income	2,113,365	1.3%
Misc Income	4,772,070	2.8%
<b>Total Revenues</b>	<b>\$ 68,636,583</b>	<b>40.6%</b>
Other Financing Sources		
Transfers In	88,584,165	52.5%
Prior Year Funds	11,652,051	6.9%
<b>Total Other Financing Sources</b>	<b>\$ 100,236,216</b>	<b>59.4%</b>
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 168,872,799</b>	<b>100.0%</b>

## Budget Overview

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- Sources of Funds – Two years of strong collections are reflected in the budget and have been adjusted appropriately for recent trends. Revenues as compared to the FY2024 Revised Budget:
  - **Property Taxes** – Increased \$1.5m (6.7%) to reflect collection rates.
  - **Business Licenses** – Increased \$270k (2.2%) to be in line with actuals.
  - **Franchise Fees** – Decreased \$180k (-17.7%) to match expected revenue due to the timing of collections on the cusp of two fiscal years.
  - **Stormwater Utility Fees** – Slight decrease of \$37k (-0.7%) to reflect actual collection.
  - **Local Accommodations Tax** – Decreased \$153k (-2.2%) and is budgeted at 99.5% projected FY24 actuals.
  - **EMS Revenue** – Decreased \$81k (-3.8%) due to a recent reduction in trips to care facilities.
  - **Permits & Fees** – Decreased \$437k (-18.6%) to reflect current trends.
  - **Intergovernmental** – Increased \$46k (5.0%) to reflect the amount we expect from the State.
  - **Lease** – Decreased \$552k (-7.4%) to reflect the portion of the new Fire Truck fleet we expect to receive in FY25 plus two Ladder Truck Replacements.
  - **Grants** – Decreased \$6.7m (-93.1%), mostly attributed to the start-up of the GGHNCDC / Housing Funds previously received and are now recorded in Prior Year Unspent Funds (below).
  - **Investment Income** – Increased \$1.4m (193.8%), a reflection of all time high levels.
  - **Miscellaneous** – Includes **Beach Services/Parking** and **Other Revenue** in the General Fund, which increased by \$8.7K (1.7%), and **Sunday Liquor Permit Fees, Impact Fees, Capital, and Sale of Land/Equipment** in the CIP, which decreased by \$759k (-15.2%).
  - **Transfers In** – Increased by \$19.4m (28.0%) across all funds.
  - **Prior Year Unspent Funds** – Increased by \$8.2m (236.0%), due to use of General Fund and Stormwater fund balance for one-time projects, and the carry forward of grants and other prior year funding in the GGHNCDC and Housing Funds.



## Budget Overview

### Expenditure Highlights

For Fiscal Year 2025, the Town's total projected expenditures and other financing uses of the six budgeted funds are **\$166,936,866** as summarized below:

Expenditures	FY 2025 Adopted Budget	% of Budget
Personnel and Benefits	\$ 39,519,241	23.7%
Operating	19,408,951	11.6%
Contracted Public Safety	2,642,000	1.6%
Affiliated Agency Partnerships	2,550,641	1.5%
Transfers Out	1,260,000	0.8%
Debt Service	17,948,574	10.8%
Beach Projects	21,599,000	12.9%
Pathway Projects	5,500,000	3.3%
Roadway Projects	10,317,218	6.2%
Park Projects	19,815,273	11.9%
Facility and Equipment Projects	8,402,291	5.0%
Stormwater Capital Projects	1,200,000	0.7%
Fleet	7,297,677	4.4%
Land Acquisition & Administration	1,500,000	0.9%
Housing	4,000,000	2.4%
Stormwater Corrective & Routine Maintenance	3,112,000	1.9%
Stormwater Modeling, Analysis, Monitoring	864,000	0.5%
<b>Total Expenditures</b>	<b>\$ 166,936,866</b>	<b>100.0%</b>

- Uses of Funds - Expenditures as compared to the FY2024 Revised Budget:
  - **Personnel and Benefits** – Increased \$3.2m (8.8%) and includes merit-based salary increases for all filled positions, benefit increases, plus Interns, Temps, and Beach Ambassadors. Also included is a 15% increase for Town Council member compensation, which is the first increase since 2012.
  - **Operating** – Increased \$1.3m (7.1%) and includes all Departmental, Stormwater and GGHNCDC operating costs. Major initiatives include comprehensive LMO code amendments, District Planning and Comprehensive Plan amendments, professional development for staff, enhanced maintenance of Town property and facilities including safety and beautification projects.
  - **Contracted Public Safety** – Decreased \$2.5k (-0.1%) as some security services shifted from contracted services to the Town's Public Safety Department. The Town continues to accrue \$2.0 million per year for the Beaufort County Sheriff's Department.

## Budget Overview

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- **Affiliated Agency Partnerships** – Funding as recommended by the Finance & Administrative Committee on March 12 and April 9, 2024, decreased \$1.0m from the proposed revised FY24 budget (-28.3%).
- **Transfers Out** – Decreased \$2.7m (-68.4%) which is mainly the difference in Transfers from the General Fund to the Housing Fund and Land Acquisition fund balance in FY24.
- **Debt Service** – Decreased \$681.9k (-3.7%) due to debt reduction.
- **Beach Management Projects** – Increased \$16.8m (346.1%). Major projects include Beach Renourishment preparation, Islanders Beach Park Improvements, Other Beach Park Maintenance & Improvements, and Harbour Town Dredging.
- **Pathway Management Projects** – Increased \$82.9k (1.5%). Major projects include new pathway segments on Jonesville Road, William Hilton Parkway, Dunnagan’s Alley and Cordillo Parkway at Pope Ave.
- **Roadway Management Projects** – Increased \$3.6m (53.2%). Major projects include Dirt Road Acquisition & Paving, William Hilton Parkway Enhancements, Pope Ave., Palmetto Bay Rd., Arrow Rd., and New Orleans Rd. Enhancements, Main Street Enhancements, Adaptive Signal System Maintenance, Roadway segment improvements, and Landscape, Lighting and Safety Enhancements.
- **Park Management Projects** – Increased \$10.3m (109.2%). Major projects include Mid-Island, Chaplin, Crossings, Chaplin Linear, Shelter Cove Expansion, Patterson, Taylor, Barker and Ford Shell Ring parks.
- **Facility and Equipment Management Projects** – Increased \$2.2m (35.2%). Includes Town Hall Facility enhancements, Other Town Facility enhancements, Coastal Discovery Museum, Mitchelville Freedom Park, IT Equipment & Software, Security Cameras & Connectivity, and Fire/Medical Systems & Replacements.
- **Fleet Management Projects** – Decreased \$1.0m (-12.4%) due to partial delivery of the new Fire Rescue Fleet in FY24.
- **Land Acquisition & Administration** – Decreased \$13.3m (-89.9%) from the FY24 Proposed Revised Budget mostly due to the purchase of five parcels in FY24, and the additional funds for land acquisition and public infrastructure in the FY24 GGHNCDC budget. Funds for other land purchases in FY25 will be brought forth separately for approval via budget amendments.



## Budget Overview

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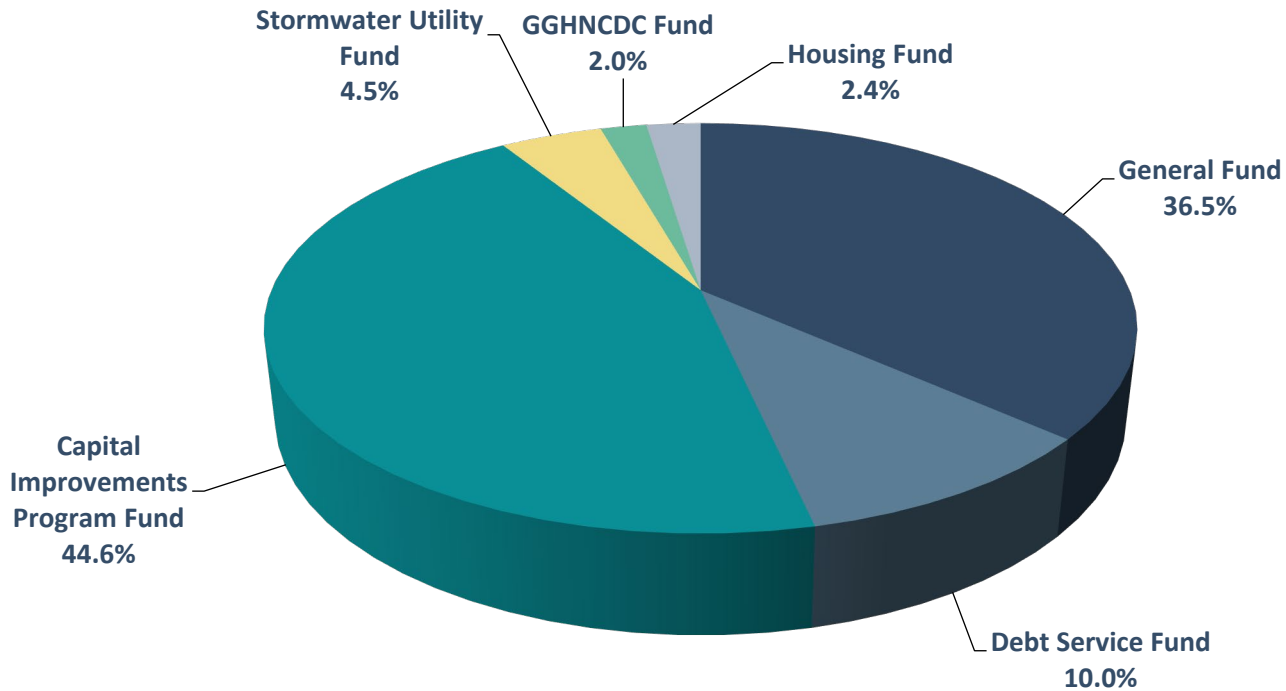
- **Housing** – Increased \$650k (19.4%), with a \$1m transfer from State ATAX in FY25. Major projects include the execution of the Northpoint Public-Private Partnership agreement, creation and adoption of the Muddy Creek Neighborhood Stabilization Plan, and creation of a Bryant Road Public-Private Partnership.
- **Stormwater Capital Program** – Decreased \$640k (-34.8%), however projects initiated in prior years will continue in FY25.
- **Stormwater Corrective & Routine Maintenance** – Increased \$872k (38.9%) with a goal to improve and sustain the Stormwater infrastructure, water quality, all watersheds within the Town, and Island resiliency.
- **Stormwater Modeling, Analysis, Monitoring** – Increased \$401k (86.5%).

Please continue reading for more highlights of the Town of Hilton Head Island’s Fiscal Year 2025 Consolidated Budget.



## Fiscal Year 2025 Consolidated Budget Highlights

### Fund Percentages

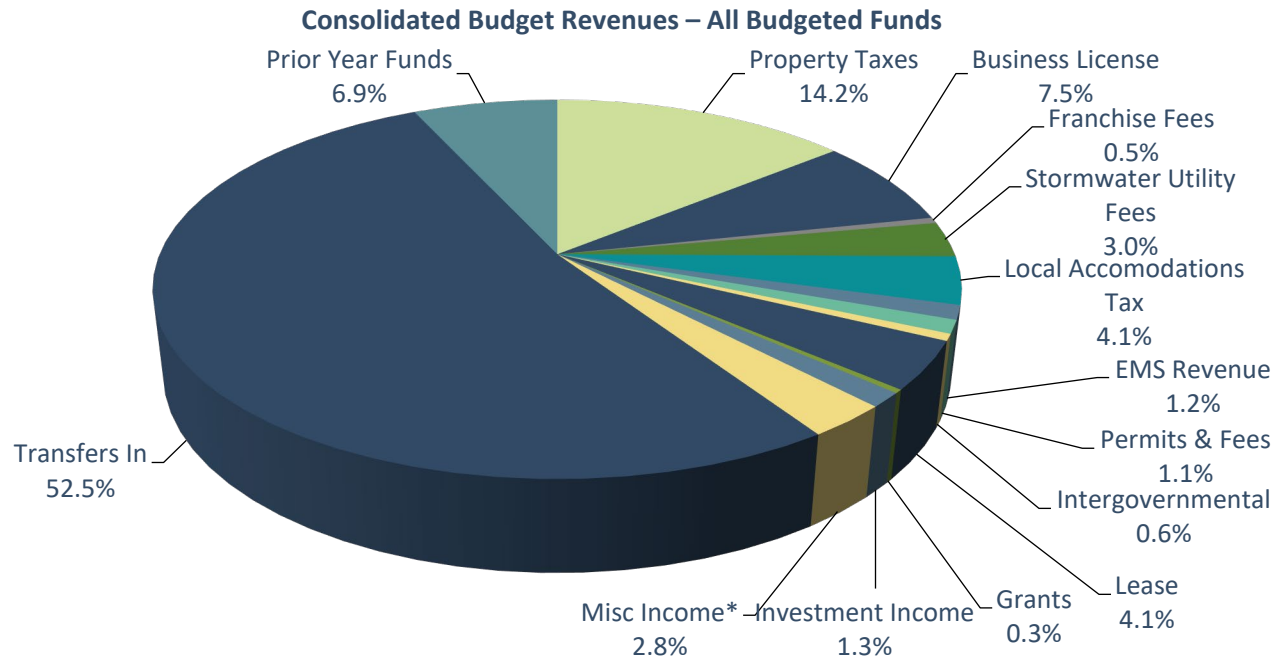


	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	\$ Change	% Change
<b>Expenditures</b>						
General Fund	\$ 43,641,527	\$ 48,108,322	\$ 59,832,016	\$ 60,924,381	\$ 1,092,365	1.8%
Debt Service Fund	19,330,666	19,362,930	17,397,233	16,700,000	(697,233)	-4.0%
Capital Improvements Program Fund	7,554,151	20,822,285	55,211,171	74,381,459 (1)	19,170,288	34.7%
Stormwater Utility Fund	4,589,552	3,088,497	5,885,817	7,525,525	1,639,708	27.9%
GGHNCDC Fund	-	156,815	5,343,185	3,405,501	(1,937,684)	-36.3%
Housing Fund	-	-	3,350,000	4,000,000	650,000	19.4%
<b>Consolidated Budget</b>	<b>\$ 75,115,896</b>	<b>\$ 91,538,849</b>	<b>\$ 147,019,422</b>	<b>\$ 166,936,866</b>	<b>\$ 19,917,444</b>	<b>13.5%</b>

**Note (1)** - \$16.5 million to begin our next beach renourishment project is included in the FY 2025 Capital Improvements Program Fund budget.



## Fiscal Year 2025 Consolidated Budget Highlights



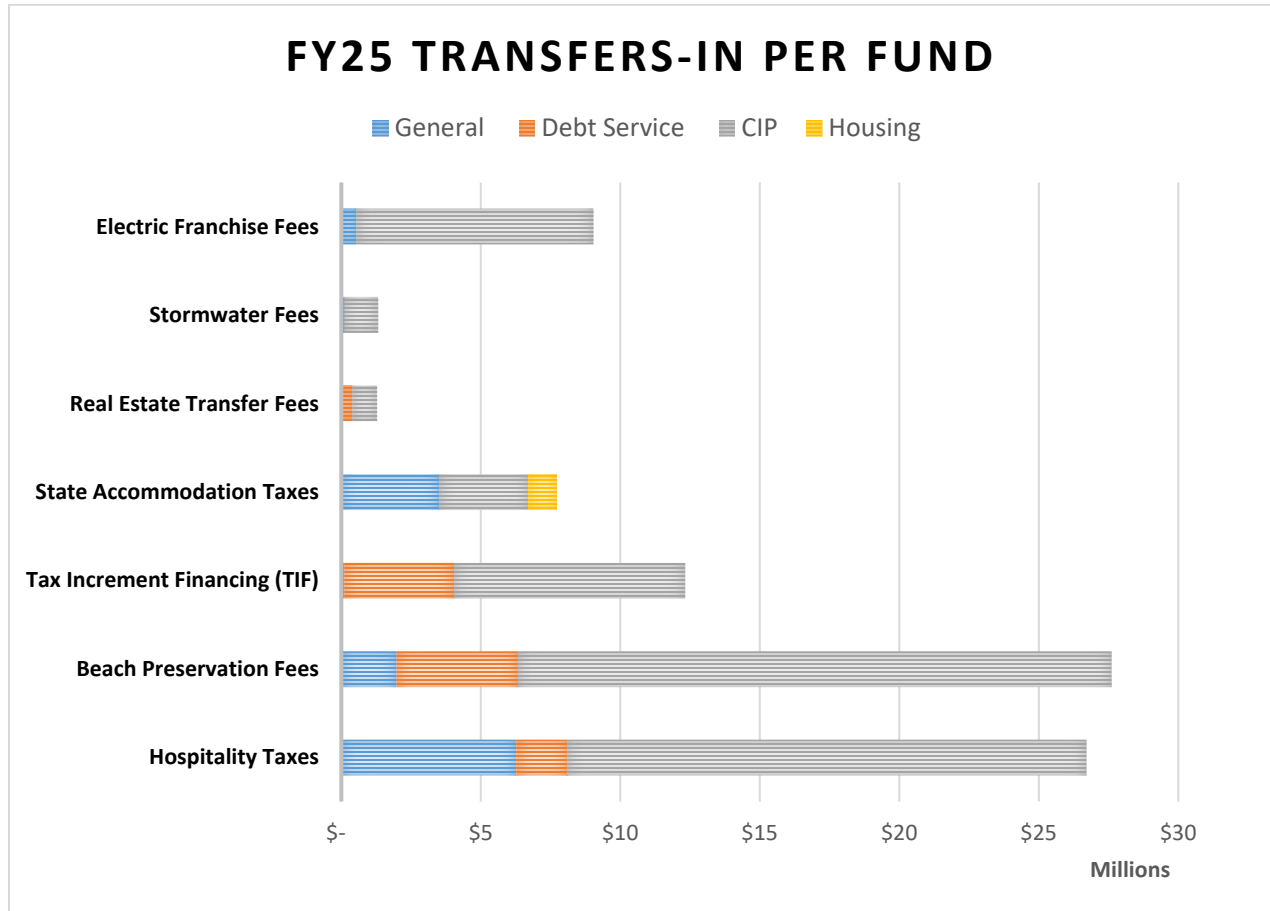
	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	\$ Change	% Change
<b>Revenues</b>						
Property Taxes	\$ 21,972,298	\$ 23,102,246	\$ 22,412,300	\$ 23,919,144	\$ 1,506,844	6.7%
Business License	14,110,311	12,690,924	12,421,015	12,690,924	269,909	2.2%
Franchise Fees	1,136,607	840,552	1,020,402	840,000	(180,402)	-17.7%
Stormwater Utility Fees	5,081,075	5,066,598	5,104,075	5,067,000	(37,075)	-0.7%
Local Accommodations Tax	7,026,531	6,948,465	7,034,520	6,880,890	(153,630)	-2.2%
EMS Revenue	2,016,643	2,250,934	2,117,000	2,036,000	(81,000)	-3.8%
Permits & Fees	2,001,046	1,570,126	2,350,225	1,912,420	(437,805)	-18.6%
Intergovernmental	633,244	885,089	926,755	973,093	46,338	5.0%
Lease	-	-	7,483,420	6,931,677	(551,743)	-7.4%
Grants	323,047	5,858,539	7,231,154	500,000	(6,731,154)	-93.1%
Investment Income	85,181	1,926,943	719,315	2,113,365	1,394,050	193.8%
Misc Income*	1,233,945	2,631,439	5,522,271	4,772,070	(750,201)	-13.6%
<b>Total Revenues</b>	<b>\$ 55,619,928</b>	<b>\$ 63,771,855</b>	<b>\$ 74,342,452</b>	<b>\$ 68,636,583</b>	<b>\$ (5,705,869)</b>	<b>-7.7%</b>
<b>Other Financing Sources</b>						
Transfers In	24,550,756	35,786,231	69,208,911	88,584,165	19,375,254	28.0%
Prior Year Funds	-	-	3,468,059	11,652,051	8,183,992	236.0%
<b>Total Other Financing Sources</b>	<b>\$ 24,550,756</b>	<b>\$ 35,786,231</b>	<b>\$ 72,676,970</b>	<b>\$ 100,236,216</b>	<b>\$ 27,559,246</b>	<b>37.9%</b>
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 80,170,684</b>	<b>\$ 99,558,086</b>	<b>\$ 147,019,422</b>	<b>\$ 168,872,799</b>	<b>\$ 21,853,377</b>	<b>14.9%</b>

\*Misc Income in the General Fund includes Beach Services/Parking and Other Revenue

\*Misc Income in the CIP Fund includes Sunday Liquor Permit Fees, Impact Fees, Capital, and Sale of Land/Equipment

## Fiscal Year 2025 Consolidated Budget Highlights

### Consolidated Budget Transfers In Revenues – All Budgeted Funds



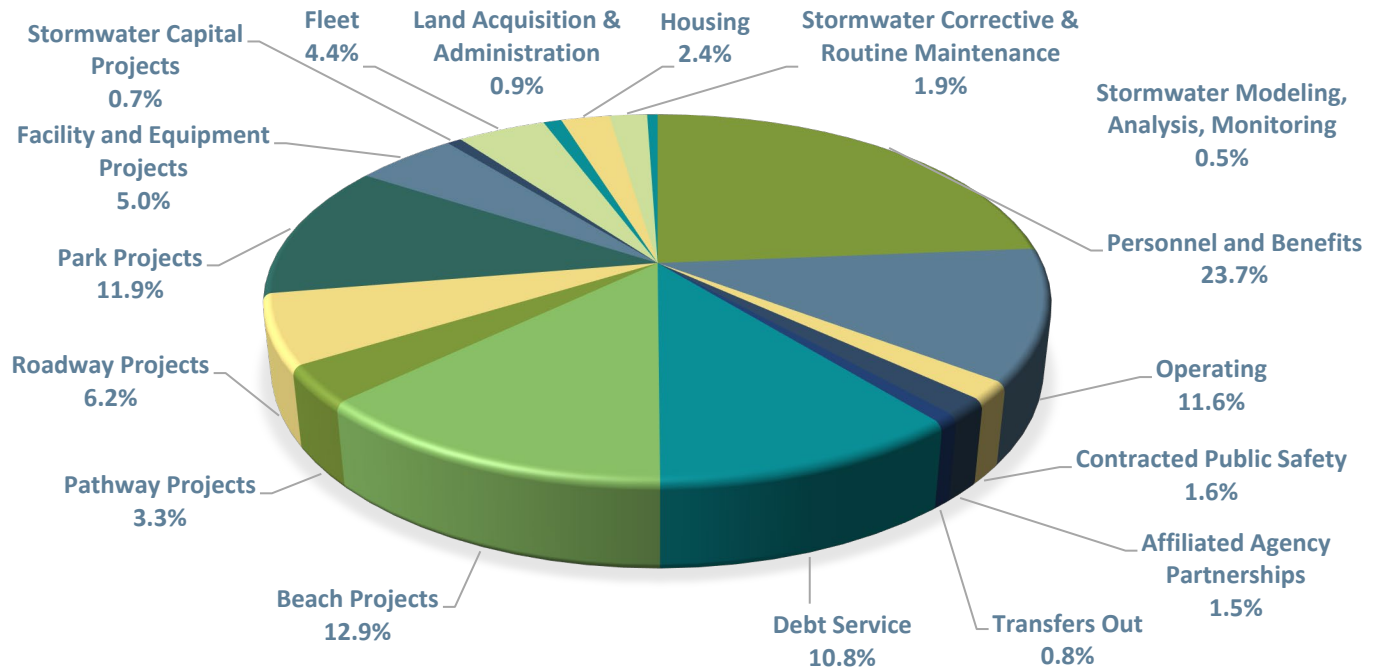
Transfers-In	General	Debt Service	CIP	Housing	FY 2025 Total
Hospitality Taxes	\$ 6,257,894	\$ 1,843,158	\$ 18,601,126	\$ -	\$ 26,702,178
Beach Preservation Fees	1,983,508	4,346,625	21,275,174	-	27,605,307
Tax Increment Financing (TIF)	110,000	3,928,708	8,285,717	-	12,324,425
State Accommodation Taxes	3,515,021	-	3,200,000	1,000,000	7,715,021
Real Estate Transfer Fees	-	400,000	885,912	-	1,285,912
Stormwater Fees	125,000	-	1,200,000	-	1,325,000
Road Usage Fees	-	-	762,871	-	762,871
Electric Franchise Fees	540,603	-	8,497,848	-	9,038,451
Short Term Rental Fees	1,825,000	-	-	-	1,825,000
<b>Total</b>	<b>\$ 14,357,026</b>	<b>\$ 10,518,491</b>	<b>\$ 62,708,648</b>	<b>\$ 1,000,000</b>	<b>\$ 88,584,165</b>

Transfers-In are special taxes or fees, collected and utilized to assist the Town on projects and other provided services.



## Fiscal Year 2025 Consolidated Budget Highlights

Consolidated Budget Expenditures – All Budgeted Funds



	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	\$ Change	% Change	% of Budget
Personnel and Benefits	\$ 27,474,786	\$ 31,191,028	\$ 36,314,651	\$ 39,519,241	\$ 3,204,590	8.8%	23.7%
Operating	11,638,827	12,591,893	18,123,873	19,408,951	1,285,078	7.1%	11.6%
Contracted Public Safety	2,520,709	2,566,926	2,644,456	2,642,000	(2,456)	-0.1%	1.6%
Affiliated Agency Partnerships	2,162,424	2,244,940	3,556,525	2,550,641	(1,005,884)	-28.3%	1.5%
Transfers Out	2,708,875	125,000	3,985,000	1,260,000	(2,725,000)	-68.4%	0.8%
Debt Service	20,527,821	20,538,014	18,630,566	17,948,574	(681,992)	-3.7%	10.8%
Beach Projects	547,974	1,153,510	4,842,216	21,599,000	16,756,784	346.1%	12.9%
Pathway Projects	143,596	312,853	5,417,085	5,500,000	82,915	1.5%	3.3%
Roadway Projects	434,882	4,361,824	6,734,923	10,317,218	3,582,295	53.2%	6.2%
Park Projects	4,091,113	1,396,152	9,472,169	19,815,273	10,343,104	109.2%	11.9%
Facility and Equipment Projects	1,235,732	5,036,029	6,213,083	8,402,291	2,189,208	35.2%	5.0%
Stormwater Capital Projects	690,184	133,993	1,840,000	1,200,000	(640,000)	-34.8%	0.7%
Fleet	371,528	480,489	8,329,420	7,297,677	(1,031,743)	-12.4%	4.4%
Land Acquisition & Administration	39,142	7,826,584	14,862,275	1,500,000	(13,362,275)	-89.9%	0.9%
Housing	-	120,851	3,350,000	4,000,000	650,000	19.4%	2.4%
Stormwater Corrective & Routine Maintenance	289,295	987,673	2,240,000	3,112,000	872,000	38.9%	1.9%
Stormwater Modeling, Analysis, Monitoring	239,008	109,869	463,180	864,000	400,820	86.5%	0.5%
Other Capital Outlay	-	361,221	-	-	-	0.0%	0.0%
<b>Total Expenditures</b>	<b>75,115,896</b>	<b>\$ 91,538,849</b>	<b>\$ 147,019,422</b>	<b>\$ 166,936,866</b>	<b>\$ 19,917,444</b>	<b>13.5%</b>	<b>100.0%</b>

# 2025



## BUDGET SNAPSHOT



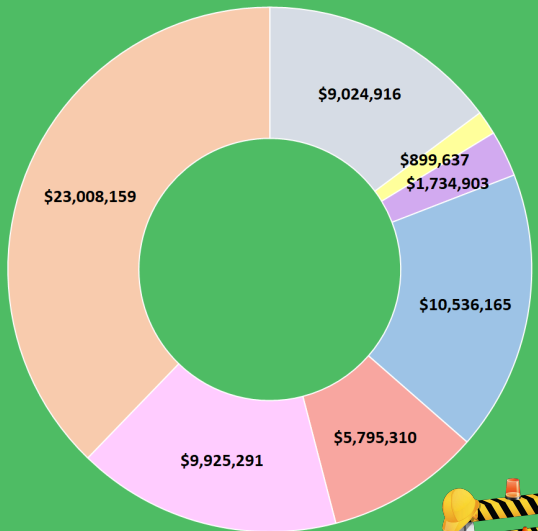
CONSOLIDATED BUDGET

**\$166,936,866**

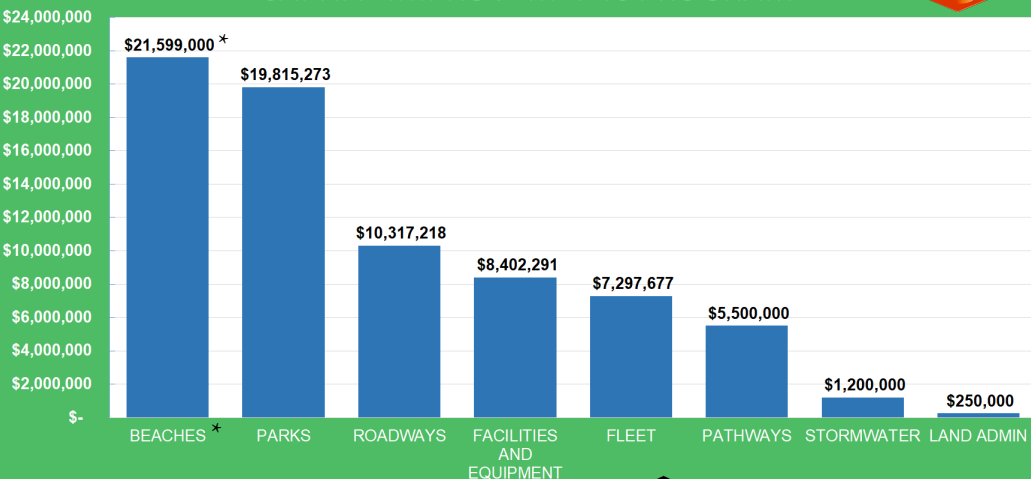
GENERAL FUND	\$ 60,924,381
CAPITAL IMPROVEMENTS PROGRAM FUND	74,381,459
STORMWATER UTILITY FUND	7,525,525
DEBT SERVICE FUND	16,700,000
GGHNCDC FUND	3,405,501
HOUSING FUND	4,000,000

### GENERAL FUND EXPENDITURES

- TOWNWIDE & COMMUNITY EVENTS
- CODE ENFORCEMENT
- GENERAL GOVERNMENT
- MANAGEMENT SERVICES
- COMMUNITY DEVELOPMENT
- PUBLIC PROJECTS & FACILITIES
- FIRE RESCUE



### CAPITAL IMPROVEMENTS PROGRAM



**\$1,136,855**

ESTIMATED  
VALUE OF A MILL



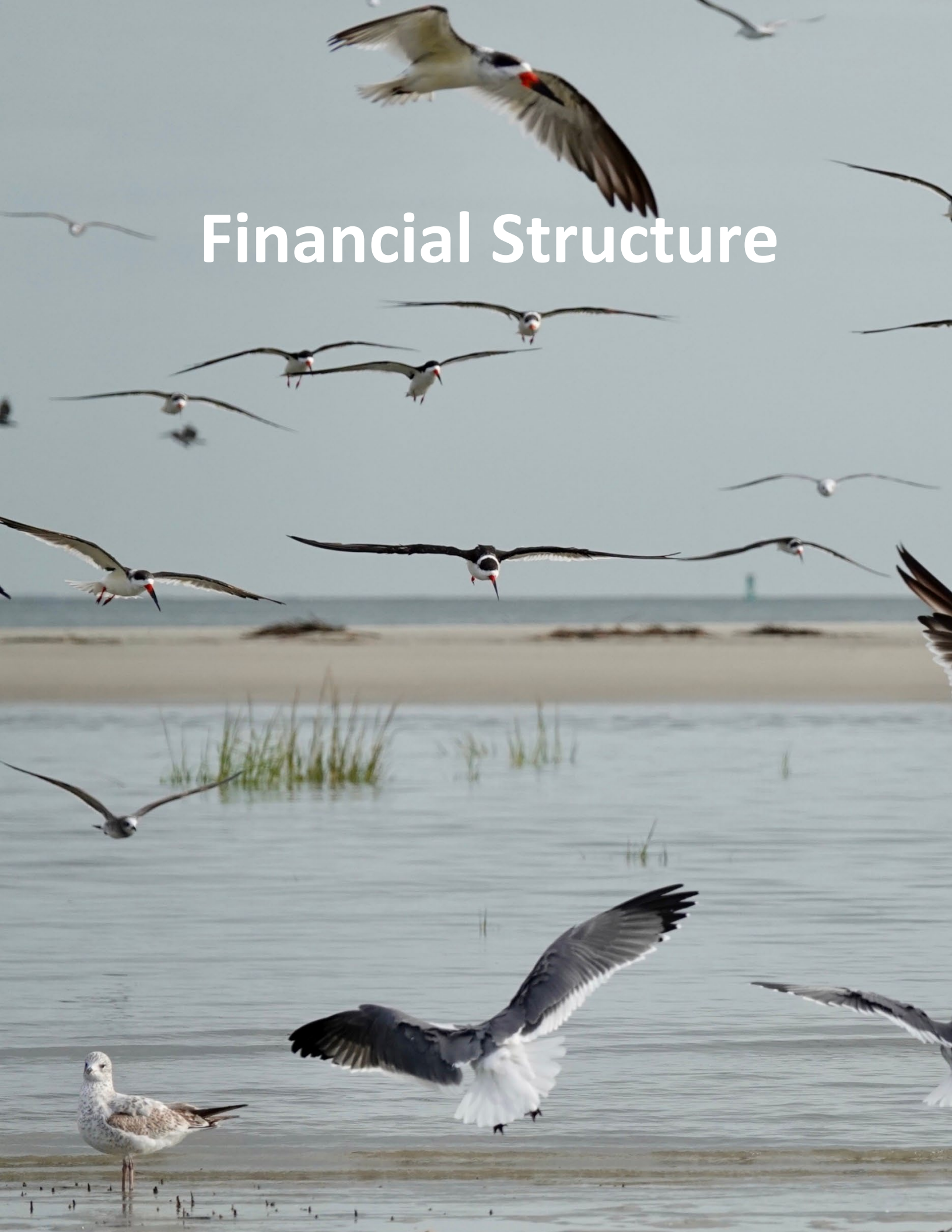
GENERAL FUND  
REVENUES



**1.8%**



# Financial Structure



## Financial Structure Multiyear – All Governmental Funds

The chart below reflects all funds used by the Town to manage its financial resources for Fiscal Years 2022 through 2025. Budgets are formally adopted by Town Council for the General, Debt Service, Capital Projects, Gullah Geechee Historic Neighborhoods Community Development Corporation, and Housing Funds. Information is included in the Town's annual audited financial statements for the funds shown on this page.

	Tax Increment			Beach								
	General	Financing District	State Accom-odations Tax	Real Estate Transfer Fees	Preservation Fees	Hospitality Fees	Debt Service	Capital Projects	Natural Disasters	Federal Grants Fund	Non-major Funds	Total Governmental
<b>Fiscal Year 2025 (ESTIMATED)</b>												
<b>REVENUES</b>	46,567,355	6,508,216	12,811,107	4,568,340	13,761,779	10,444,133	6,181,509	11,672,811	-	-	6,905,739	119,420,989
<b>EXPENDITURES</b>	60,924,381	-	8,118,160	45,683	39,000	-	16,700,000	74,381,459	-	-	4,905,501	168,464,184
Excess(Deficit)of Revenues and Exp.	(14,357,026)	6,508,216	4,692,947	4,522,657	13,722,779	10,444,133	(10,518,491)	(62,708,648)	-	-	2,000,238	(49,043,195)
Other Sources and Uses (net)	14,357,026	(12,324,425)	(7,715,021)	(1,285,912)	(27,605,307)	(26,702,178)	10,518,491	62,708,648	-	-	(10,863,451)	4,437,871
Net change in fund balance	-	(5,816,209)	(3,022,074)	3,236,745	(13,882,528)	(16,258,045)	-	-	-	-	(8,863,213)	(44,605,324)
Fund balances - beginning	39,538,808	9,642,601	10,985,197	10,402,944	42,985,990	27,123,833	13,714,424	7,675,347	35,969,473	-	17,978,160	216,016,777
Fund balances - ending	\$ 39,538,808	\$ 3,826,392	\$ 7,963,123	\$ 13,639,689	\$ 29,103,462	\$ 10,865,788	\$ 13,714,424	\$ 7,675,347	\$ 35,969,473	-	\$ 9,114,947	\$ 171,411,453

	Tax Increment			Beach								
	General	Financing District	State Accom-odations Tax	Real Estate Transfer Fees	Preservation Fees	Hospitality Fees	Debt Service	Capital Projects	Natural Disasters	Federal Grants Fund	Non-major Funds	Total Governmental
<b>Fiscal Year 2024 (ESTIMATED)</b>												
<b>REVENUES</b>	49,313,172	8,285,450	13,289,564	5,405,007	15,701,652	11,884,332	6,965,171	4,954,111	1,656,022	618,772	9,739,896	127,813,149
<b>EXPENDITURES</b>	57,592,307	-	13,233,766	48,832	35,500	-	15,822,721	27,276,320	60,529	618,772	1,986,688	120,025,435
Excess(Deficit)of Revenues and Exp.	(8,279,135)	8,285,450	55,798	5,356,175	15,666,152	11,884,332	(8,857,550)	(22,322,209)	1,595,493	-	7,753,208	7,787,714
Other Sources and Uses (net)	14,315,135	(4,494,978)	(2,014,294)	(8,332,751)	(8,848,605)	(9,246,221)	10,412,618	26,594,910	-	-	(11,749,725)	9,986,089
Net change in fund balance	6,036,000	3,790,472	(1,958,496)	(2,976,576)	6,817,547	2,638,111	1,555,068	4,272,701	1,595,493	-	(3,996,517)	17,773,803
Fund balances - beginning	33,502,808	5,852,129	12,943,693	13,379,520	36,168,443	24,485,722	12,159,356	3,402,646	34,373,980	-	21,974,677	198,242,974
Fund balances - ending	\$ 39,538,808	\$ 9,642,601	\$ 10,985,197	\$ 10,402,944	\$ 42,985,990	\$ 27,123,833	\$ 13,714,424	\$ 7,675,347	\$ 35,969,473	-	\$ 17,978,160	\$ 216,016,777

	Tax Increment			Beach								
	General	Financing District	State Accom-odations Tax	Real Estate Transfer Fees	Preservation Fees	Hospitality Fees	Debt Service	Capital Projects	Natural Disasters	Federal Grants Fund	Non-major Funds	Total Governmental
<b>Fiscal Year 2023</b>												
<b>REVENUES</b>	44,406,559	6,675,147	13,716,539	5,521,402	14,257,688	10,904,068	6,322,884	1,045,218	1,591,009	1,476,628	11,697,707	117,614,849
<b>EXPENDITURES</b>	48,108,322	-	7,992,840	49,756	37,170	-	19,362,930	20,822,285	35,446	1,476,628	1,427,821	99,313,198
Excess(Deficit)of Revenues and Exp.	(3,701,763)	6,675,147	5,723,699	5,471,646	14,220,518	10,904,068	(13,040,046)	(19,777,067)	1,555,563	-	10,269,886	18,301,651
Other Sources and Uses (net)	8,141,706	(5,040,205)	(3,167,803)	(8,814,450)	(5,634,336)	(5,987,295)	13,959,745	14,383,231	(3,537,765)	-	(3,440,721)	862,107
Net change in fund balance	4,439,943	1,634,942	2,555,896	(3,342,804)	8,586,182	4,916,773	919,699	(5,393,836)	(1,982,202)	-	6,829,165	19,163,758
Fund balances - beginning	29,062,865	4,217,187	10,387,797	16,722,324	27,582,261	19,568,949	11,239,657	8,796,482	36,356,182	-	15,145,512	179,079,216
Fund balances - ending	\$ 33,502,808	\$ 5,852,129	\$ 12,943,693	\$ 13,379,520	\$ 36,168,443	\$ 24,485,722	\$ 12,159,356	\$ 3,402,646	\$ 34,373,980	-	\$ 21,974,677	\$ 198,242,974

	Tax Increment			Beach								
	General	Financing District	State Accom-odations Tax	Real Estate Transfer Fees	Preservation Fees	Hospitality Fees	Debt Service	Capital Projects	Natural Disasters	Federal Grants Fund	Non-major Funds	Total Governmental
<b>Fiscal Year 2022</b>												
<b>REVENUES</b>	44,022,615	5,811,540	13,582,414	7,004,356	14,053,062	9,907,025	5,619,284	886,560	5,914,554	804,159	4,058,308	111,663,877
<b>EXPENDITURES</b>	43,092,266	-	8,515,245	69,575	30,789	-	19,330,666	7,554,151	-	804,159	1,101,054	80,497,905
Excess(Deficit)of Revenues and Exp.	930,349	5,811,540	5,067,169	6,934,781	14,022,273	9,907,025	(13,711,382)	(6,667,591)	5,914,554	-	2,957,254	31,165,972
Other Sources and Uses (net)	2,456,498	(5,561,934)	(1,695,211)	(1,188,394)	(5,057,760)	(2,326,712)	13,855,408	7,689,589	(3,535,665)	-	(2,386,034)	2,249,785
Net change in fund balance	3,386,847	249,606	3,371,958	5,746,387	8,964,513	7,580,313	144,026	1,021,998	2,378,889	-	571,220	33,415,757
Fund balances - beginning	25,676,018	3,967,581	7,015,839	10,975,937	18,617,748	11,988,636	11,095,631	7,774,484	33,977,293	-	14,574,292	145,663,459
Fund balances - ending	\$ 29,062,865	\$ 4,217,187	\$ 10,387,797	\$ 16,722,324	\$ 27,582,261	\$ 19,568,949	\$ 11,239,657	\$ 8,796,482	\$ 36,356,182	-	\$ 15,145,512	\$ 179,079,216



## Financial Structure Multiyear – All Governmental Funds

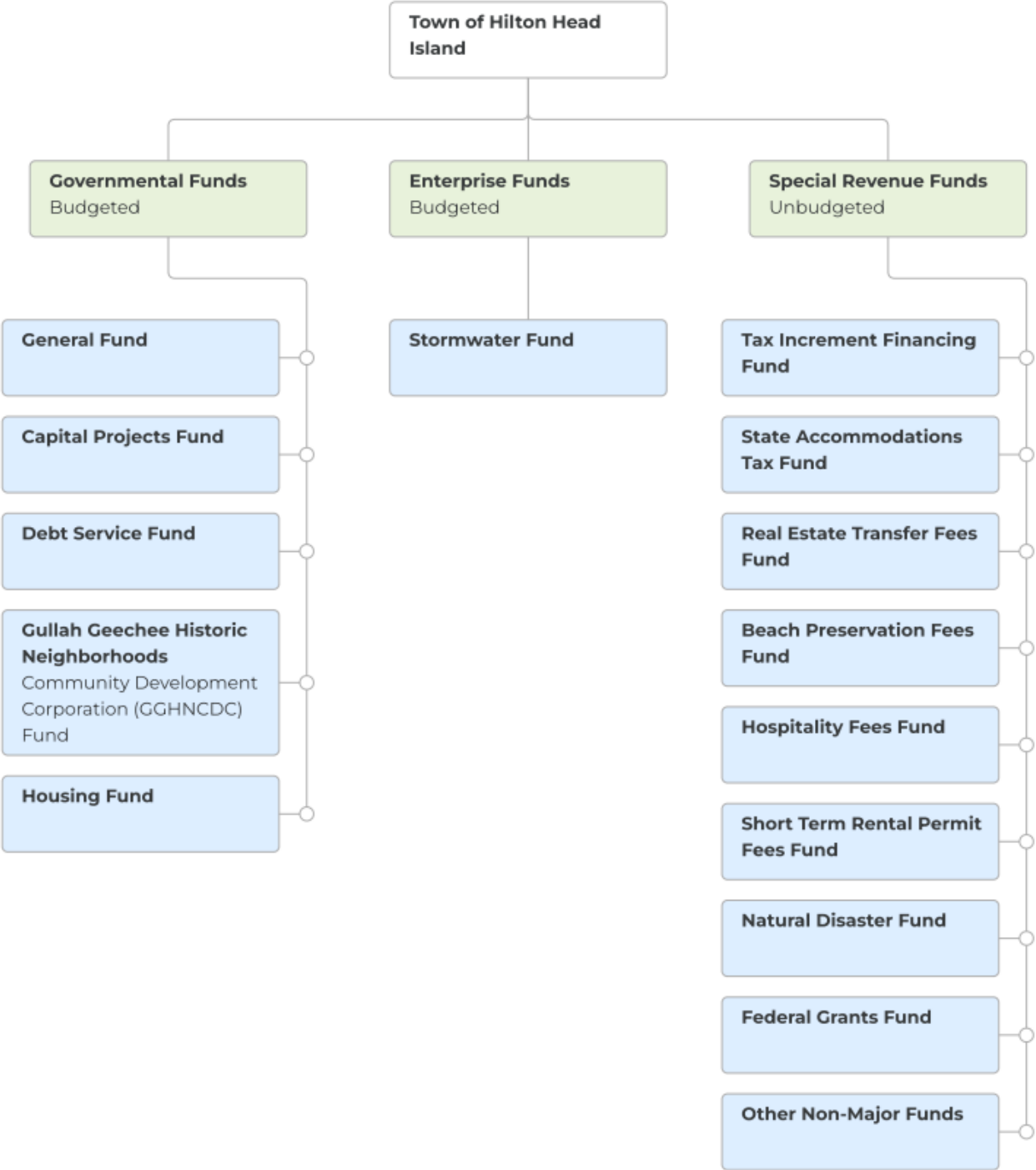
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### Notes on Funds:

1. The **General Fund**, a major fund, and a budgeted fund, is used to account for the daily operations and all departments within the Town except Stormwater and the Gullah Geechee Historic Neighborhoods Community Development Corporation, which are budgeted in their own respective Funds. Funds are reserved according to policy and used to maintain Town operations to offset the seasonality of revenues.
2. **Tax Increment Financing (TIF) District**, a major fund, and an unbudgeted fund – Funds were approved for a specific list of capital projects intended with those revenues.
3. **State Accommodations Tax (State ATAX)**, a major fund, and an unbudgeted fund – the State provides funding and an approved allocation process for specific uses of these funds by local governments.
4. **Real Estate Transfer Fees**, a major fund, and an unbudgeted fund – were specifically approved for land purchases and other special uses.
5. **Beach Preservation Fees**, a major fund, and an unbudgeted fund – were approved primarily for Beach Renourishment, and Beach related services and facilities.
6. **Hospitality Fees** a major fund, and an unbudgeted fund – were approved primarily for specific capital projects and to offset some tourist-related expenditures.
7. **Debt Service**, a major fund, and a budgeted fund – are funds that are set aside to be used for the retirement of the Town's debt.
8. **Capital Projects Funds**, a major fund, and a budgeted fund – are used to provide resources for the approved capital plan. As of 6/30/24, there was just over \$28 million in approved capital appropriations.
9. The **Natural Disasters Fund**, a major fund, and an unbudgeted fund, was created in response to Hurricane Matthew – to account for natural disaster response activities and the related reimbursements. The fund is one indicator of the Town's demonstration of readiness for the next storm and storm response.
10. The **Federal Grants Fund**, a major fund, and an unbudgeted fund, is used to account for and report the proceeds related to the American Rescue Plan Act federal funds received by the Town.
11. **Non-Major Governmental Funds** – Mainly include the electric franchise fee, an unbudgeted fund, being collected and used to bury power lines on the island, an aesthetic and functional purpose to protect power sources in a storm and aftermath; the road usage fee, an unbudgeted fund, of which collection is now paused and fund balance is being utilized for roadway related capital projects; the new GGHNCDC Fund and the Housing Fund, both of which are budgeted.

There was a temporary build-up of fund balances in FY22 through FY24. The purpose was to accumulate funds for an aggressive investment in the Island through the Capital Improvement Program (CIP). As the investments were developed and planned, funds set aside for these purposes temporarily increased. As the CIP moves forward, this temporary build-up will reverse. The FY24 CIP had estimated \$13 million in approved projects to carry the appropriation forward to FY25 as part of the \$74 million CIP. These projects are expected to make significant progress in FY25, and the temporary fund balances will reduce accordingly. Currently, the Town has a number of capital projects in beach renourishment preparation, pathway & parking enhancements, development of new parks as well as the expansion of several parks, a number of road improvements, stormwater projects and other capital projects. These projects are moving forward towards completion.

# Financial Structure – Funds Structure





## Financial Structure – Department / Fund Relationship

Department	General Fund	Stormwater Fund	Transfers from Special Revenue Funds					
			Beach Fee	Hospitality Tax	TIF Tax	State ATAX	Electric Franchise Fee	Short Term Rental Permit Fee
Town Council	✓							
Town Manager	✓							
Finance	✓							✓
Legal & Administration	✓							✓
Office of Cultural Affairs	✓					✓		
Communications	✓							
Technology & Innovation	✓						✓	✓
Human Resources	✓							
Community Development	✓							✓
Public Projects & Facilities	✓	✓	✓		✓	✓		✓
Fire Rescue	✓			✓		✓		✓
Public Safety Code Enforcement	✓					✓		✓
Contracted Public Safety	✓					✓		
Non-Departmental	✓			✓				



# About Hilton Head Island





## About Hilton Head Island<sup>1</sup>

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### History

Hilton Head Island, also referred to as simply Hilton Head, is a Lowcountry resort town located on an island of the same name in Beaufort County, South Carolina, United States. It is 20 miles (32 km) northeast of Savannah, Georgia, and 95 miles (153 km) southwest of Charleston. According to the United States Census Bureau, the town has a total area of 69.2 square miles (179.1 km), of which 41.4 square miles (107.1 km) is land, and 27.8 square miles (71.9 km), or 40.17%, is water. Although the town occupies most of the land area of Hilton Head Island there is a small part near the main access road from the mainland, William Hilton Parkway, which is not incorporated into the town. The island is named after Captain William Hilton, who in 1663 identified a headland near the entrance to Port Royal Sound, which he named "Hilton's Head" after himself. The island features 12 miles (19 km) of beachfront on the Atlantic Ocean and is a popular vacation destination. In 2019, an estimated 2.61 million visitors pumped more than \$1.5 billion into the local economy. The year-round population is approximately 39,861 according to the Hilton Head Island-Bluffton Chamber of Commerce. During the peak of summer vacation season the population can swell to 150,000.

The island has a rich history that started with seasonal occupation by Native Americans thousands of years ago, and continued with European exploration and the Sea Island Cotton Trade. It became an important base of operations for the Union blockade of the Southern ports during the Civil War. Once the island fell to Union troops, hundreds of ex-slaves flocked to Hilton Head, which is still home to many "native islanders", many of whom are descendants of freed slaves known as the Gullah (or Geechee) who have managed to hold on to much of their ethnic and cultural identity.

The Town of Hilton Head Island incorporated as a municipality in 1983 and is well known for its eco-friendly development. The Town's Land Management Ordinance minimizes the impact of development and governs the style of buildings and how they are situated among existing trees. As a result, Hilton Head Island enjoys an unusual amount of tree cover relative to the amount of development. Approximately 70% of the island, including most of the tourist areas, is located inside gated communities. However, the town maintains several public beach access points.

Hilton Head Island offers an unusual number of cultural opportunities for a community its size, including Broadway-quality plays at the Arts Center of Coastal Carolina, the 120-member full chorus of the Hilton Head Choral Society, the highly-rated Hilton Head Symphony Orchestra, the largest annual outdoor, tented wine tasting event on the east coast, the Concours d' Elegance Motoring Festival, and several other annual community festivals. It also hosts the RBC Heritage a stop on the PGA Tour which is played on the Harbour Town Golf Links in The Sea Pines Resort.

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<sup>1</sup> Wikipedia with updates

## About Hilton Head Island

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### History

The beginning of Hilton Head as a resort started in 1956 with Charles E. Fraser developing Sea Pines Resort. Soon, other developments followed, such as Hilton Head Plantation, Palmetto Dunes Plantation, Shipyard Plantation, and Port Royal Plantation, imitating Sea Pines' architecture and landscape. Sea Pines however continued to stand out by creating a unique locality within the plantation called Harbour Town, anchored by a recognizable lighthouse. Fraser was a committed environmentalist who changed the whole configuration of the marina at Harbour Town to save an ancient live oak. It came to be known as the Liberty Oak, known to generations.

### Geography

#### **Barrier Island**

Hilton Head Island is sometimes referred to as the second largest barrier island on the Eastern Seaboard after Long Island (which is not actually a barrier island but two glacial moraines). Technically, however, Hilton Head Island is only a half barrier island. The north end of the island is a sea island dating to the Pleistocene epoch, and the south end is a barrier island that appeared as recently as the Holocene epoch. Broad Creek, which is actually a land-locked tidal marsh, separates the two halves of the island.

The terrain of a barrier island is determined by a dynamic beach system with offshore bars, pounding surf, and shifting beaches; as well as grassy dunes behind the beach, maritime forests with wetlands in the interiors, and salt or tidal marshes on the lee side, facing the mainland. A typical barrier island has a headland, a beach and surf zone, and a sand spit.

#### **Wildlife**

The Hilton Head Island area is home to a vast array of wildlife, including alligators, deer, loggerhead sea turtles, manatees, hundreds of species of birds, and dolphins. Small stingrays inhabit the quieter, shallow region of ocean floor just beyond the break of the surf, typically buried beneath a thin layer of sand. Stingrays are a type of demersal, cartilaginous fish common to the South Carolina coast as well as other areas on the Atlantic shoreline. The waters around Hilton Head Island are one of the few places on earth where dolphins routinely use a technique called "strand feeding", whereby schools of fish are herded up onto mud banks, and the dolphins lie on their side while they feed before sliding back down into the water. Plankton support marine life including oysters, shrimp and other invertebrates, and bait-fish species including menhaden and mullet, which in turn support larger fish and mammal species that populate the local waterways. Popular sport fish in the Hilton Head Island area include the red drum (or spot tail bass), spotted sea trout, sheepshead, cobia, tarpon, and various shark species. The saltmarsh estuaries of Hilton Head Island are the feeding grounds, breeding grounds, and nurseries for many saltwater species of game fish, sport fish, and marine mammals. The dense plankton population gives the coastal water its murky brown-green coloration.



## About Hilton Head Island

### Climate

Average annual temperature	65.7 (F)
Average annual high temperature	75.5 (F)
Average annual low temperature	55.9 (F)
Average annual precipitation	52.1 inches

information obtained from: <https://www.weatherbase.com>

### Demographics

	Town	South Carolina
<b>Population Estimates, July 1, 2023</b>	38,097	5,373,555
<b>Age</b>		
Persons under the age of 65	60.8%	80.7%
Persons 65 years and over	39.2%	19.3%
<b>Racial Composition</b>		
White alone (a)	78.4%	69.0%
Black or African American alone (a)	7.1%	26.0%
Hispanic or Latino (b)	13.8%	7.5%
<b>Housing</b>		
Median value of owner-occupied housing units, 2018-2022	\$589,000	\$216,200
Median gross rent, 2018-2022	\$1,563	\$1,065
<b>Computer and Internet Use</b>		
Households with a computer, 2018-2022	95.5%	92.7%
Households with a broadband internet subscription, 2018-2022	91.7%	85.0%
<b>Education</b>		
High school graduate or higher % of persons age 25 years+, 2018-2022	91.4%	89.3%
Bachelor's degree or higher % of persons age 25 years+, 2018-2022	53.8%	30.6%
<b>Income</b>		
Median household income (in 2022 dollars), 2018-2022	\$93,694	\$63,623
Per capita income in past twelve months (in 2022 dollars), 2018-2022	\$66,506	\$36,072
<b>Geography</b>		
Population per square mile, 2020	910.7	170.3
information obtained from: <a href="https://www.census.gov/quickfacts/fact/table/hiltonheadislandtownsouthcarolina,SC/PST045219">https://www.census.gov/quickfacts/fact/table/hiltonheadislandtownsouthcarolina,SC/PST045219</a>		

Fact Note:

(a) Includes persons reporting only one race

(b) May be of any race, so also are included in applicable race categories

## About Hilton Head Island

### Principal Property Taxpayers

Taxpayer	Tax Year 2022 (FY 2023)			Tax Year 2013 (FY 2014)		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Marriott Ownership Resorts, Inc.	\$ 16,887,220	1	1.56%	\$ 19,965,350	1	2.44%
Hargray Telephone Company, Inc.	8,774,240	2	0.81%	3,187,000	6	0.39%
Palmetto Electric Co-op, Inc.	6,146,680	3	0.57%	5,455,120	2	0.67%
Sea Pines Resort, LLC	5,105,100	4	0.47%	3,669,410	5	0.45%
Columbia Properties Hilton Head, LLC	4,880,580	5	0.45%	4,764,090	3	0.58%
SCG HiltonHead Property, LLC	4,335,720	6	0.40%	4,260,000	4	0.52%
Shelter Cove II, LLC	2,995,230	7	0.28%			
Shelter Cove III, LLC	2,697,310	8	0.25%			
Palmetto Dunes Resort, LLC	2,174,630	9	0.20%			
Hilton Head Health System LP	2,034,720	10	0.19%	1,423,500	7	0.17%
Festival Center (E&A), LLC				1,255,120	8	0.15%
Shelter Cove Towne Center, LLC				1,207,500	9	0.15%
Heritage Golf Port Royal, LLC				1,126,620	10	0.14%
<b>Total</b>	<b>\$ 56,031,430</b>		<b>5.18%</b>	<b>\$ 46,313,710</b>		<b>5.67%</b>

### Principal Employers

Employer	2023		2014	
	Employees	Rank	Employees	Rank
SERG Group Restaurants	944	1	800	1
Sea Pines Resort	683	2	650	2
Coastal Restaurants and Bars	671	3	N/A	N/A
Marriott Vacation Club	560	4	569	4
Beaufort County School District	478	5	449	5
Hilton Head Medical Center and Clinics	457	6	525	3
Greenwood Communities & Resorts (Palmetto Dunes)	394	7	N/A	N/A
Publix Super Markets	340	8	255	10
Cypress of Hilton Head	315	9	345	7
Omni Hilton Head Oceanfront Resort	236	10	N/A	N/A
<b>Total</b>	<b>5,078</b>		<b>3,593</b>	

Source: Employment head counts were verified via telephone calls to the above companies.



# About Hilton Head Island

## Property Sold Through Real Estate Agents<sup>1</sup>

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Homes Sold	882	932	830	916	1142	1095	1575	1484	975	685
% change	6%	6%	-11%	10%	25%	-4%	44%	-6%	-34%	-30%
Median Price	\$ 615,742	\$ 617,000	\$ 676,240	\$ 725,825	\$ 687,178	\$ 710,671	\$ 872,322	\$ 799,000	\$ 924,000	\$ 1,110,000
% change	-3%	0%	10%	7%	-5%	3%	23%	-8%	16%	20%
Villas Sold	881	938	937	1094	1120	1179	1400	1518	1139	960
% change	0%	6%	0%	17%	2%	5%	19%	8%	-25%	-16%
Median Price	\$ 247,238	\$ 242,000	\$ 268,539	\$ 272,437	\$ 291,850	\$ 303,338	\$ 347,141	\$ 359,100	\$ 431,000	\$ 520,000
% change	-7%	-2%	11%	1%	7%	4%	14%	3%	20%	21%

1-Home and Villa Prices for 2020 and prior are the average prices as provided by the Hilton Head Area Association of Realtors.



# About Hilton Head Island

## Property Sold Through Real Estate Agents<sup>1</sup>



<sup>1</sup> Data obtained from the Hilton Head Area Association of Realtors



## About Hilton Head Island

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### Arts and Culture

#### Organizations

- The **Arts Center of Coastal Carolina** is a showcase for professional performing and visual arts, as well as cultural festivals and educational outreach. The Arts Center also offers community education, including Visual and Performing Arts Camps, Theater Camp, and other workshops and classes.
- The **Coastal Discovery Museum** offers a variety of programs, activities, and indoor and outdoor exhibits year-round to over 125,000 visitors. The Discovery House has permanent exhibitions about the natural history and cultural heritage of the Lowcountry. The museum offers many tours of its 68-acre property that includes salt marsh boardwalks, trails, a native butterfly habitat and various gardens.
- The **Hilton Head Choral Society** is a non-profit organization founded in 1975. The choirs of the Hilton Head Choral Society are known for their diverse musical repertoire including classical masterworks, pops concerts and lighter fare, patriotic and Americana, and gospel and musical theatre. There is also a 20-voice chamber choir and a youth choir. The 120-member full chorus presents four major programs per season: *A Fall Pops Concert*, *The Christmas Concert*, *The Musical Masterworks Concert* and a pair of Memorial Day concerts celebrating the art of American choral singing and a patriotic tribute.
- The **Hilton Head Symphony Orchestra** was started 40 years ago by a handful of musicians and classical music aficionados who dreamed of bringing "big city" culture to Hilton Head. Since then, they have transformed from a small group of classical music lovers to a highly rated symphony orchestra. A branch formed from the Hilton Head Symphony Orchestra is the Hilton Head Youth Orchestra, helping young musicians across the county with their love for music.
- The **Arts Council of Beaufort County**'s mission is to promote and foster the arts of Beaufort County, including Hilton Head Island. Its vision is to position and maintain Beaufort County as a vibrant arts community and destination through active marketing, service to current arts organizations and artists and advocacy for the arts. Programs include Quarterly Community Arts Grants, the Ever-Expanding Arts Calendar, Get Your Art Out emerging artist initiative, the print publication ArtNews, and Arts of the Roundtables, which are free quarterly seminars exploring the business of art.
- The **Main Street Theatre** is a non-profit community theatre dedicated to enriching the lives of the island's youth by providing a true theatrical experience. Each year, the theater performs four or five Broadway-quality shows that run about two months at a time. During the tourist season, the theater is a major tourist attraction and is also a local hot spot year-round. The organization also provides acting, dance, and vocal instruction after school and during the summer.
- **Lifelong Learning of Hilton Head Island** offers the adult community of Hilton Head Island a collection of educational and fun classes covering subjects from history, arts, yoga, and current events to outer space exploration and beyond.
- **The Heritage Library of Hilton Head Island** is the repository for Hilton Head Island history and a premier ancestry research center. The Heritage Library is a non-profit member library that is open to the public for a small daily fee, and offers history programs, genealogy classes, and special programs throughout the year.

## About Hilton Head Island

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### Arts and Culture

#### Annual Events

- **Gullah Celebration** – Gullah culture can be seen at the annual Hilton Head Island Gullah Celebration which is held at Shelter Cove Community Park in February. In the summer, the acclaimed Hallelujah Singers present a Gullah concert series at Hilton Head's Arts Center of Coastal Carolina.
- **WineFest** – The Annual WineFest is the largest outdoor, tented wine tasting on the East Coast, featuring over 1,500 domestic and international wines.
- **St. Patrick's Day Parade** – The annual St. Patrick's Day Parade draws over 20,000 people.
- **WingFest** – The annual event is held at Shelter Cove Community Park. The event is operated by the Island Recreation Association, and all proceeds benefit the Island Recreation Scholarship Fund.
- **HarbourFest** – Is held every Tuesday night from June to August at Shelter Cove Marina. It features arts and crafts, live entertainment, and fireworks at sunset. There is a special HarbourFest celebration on July 4.
- **RBC Heritage** – The PGA golf tournament is held every April at Harbour Town Golf Links in Sea Pines Resort.
- **Rib Burnoff and Barbecue Fest** – The annual festival is held at Honey Horn Plantation.
- **Celebrity Golf Tournament** – This event is held at the Golf Club at Indigo Run, the Robert Trent Jones course in Palmetto Dunes and Harbour Town Golf Links. The tournament has contributed over \$3 million to 18 children's charities.
- **FoodFest** – This event celebrates the talent of the local hospitality industry and provides attendees with several spectator events including: The Best Bartender Drink Making Contest, The Hospitable Waiter's Race, and The Tailgate Gourmet Challenge.
- **Chili Cookoff** – The annual Chili Cookoff is held at Honey Horn Plantation.
- **Community Festival** – The annual Community Festival at Honey Horn Plantation features a "haunted trail" in the "haunted forest" presented by the Hilton Head Rotary Club and the Interact Clubs from Hilton Head Island High School and Hilton Head Preparatory School.
- **Motoring Festival and Concours d'Elegance** – World-class automobiles take center stage each November at the annual Hilton Head Island Motoring Festival & Concours d'Elegance at the Port Royal Golf Club. The festival features some of the country's finest collector automobiles, including classic cars, two-wheeled machines, wooden boats, and beach mobiles.



# General Information





## General Information

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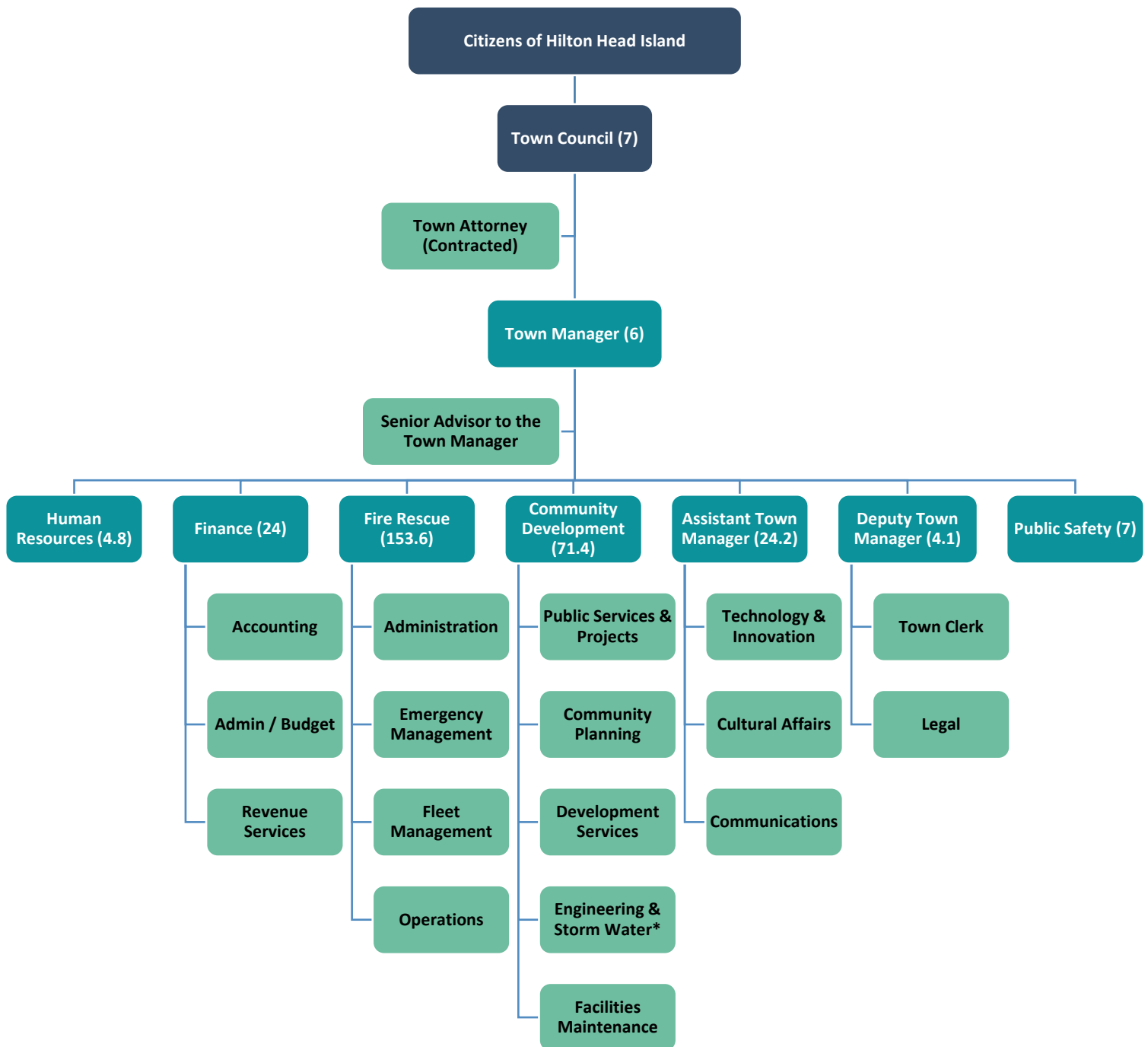
### Location of Hilton Head Island





# General Information

## Town Organizational Structure



Notes: All the departments identified above are budgeted in the General Fund with the exception of \*Stormwater (7) which is in the Stormwater fund.

1. Full Time Equivalents (FTEs) are noted in parenthesis above. Position detail can be found in the General Fund department budget section, more detail can also be found in the Personnel Chart in the Consolidated Budget section.
2. The Town Manager and Town Attorney are under contract with Town Council

## General Information

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### Government Structure

The Town of Hilton Head Island incorporated as a municipality in 1983 and has jurisdiction over the entire island except Mariner's Cove, Blue Heron Point, and Windmill Harbor. The Town of Hilton Head Island has a Council-Manager form of government. The Town Manager is the chief executive officer and head of the administrative branch and is responsible to the municipal council for the proper administration of all the affairs of the town. The Town Council exercises all powers not specifically delegated to the Town Manager. The Mayor has the same powers, duties, and responsibilities as a member of Town Council. In addition, the Mayor establishes the agenda for Town Council meetings, calls special meetings, executes contracts, deeds, resolutions, and proclamations not designated to the Town Manager, and represents the town at ceremonial functions.

Town functions include: General Government, Finance & Administrative Services, Community Development, Public Projects & Facilities (includes Stormwater), Fire Rescue and Public Safety. All functions except Stormwater are budgeted within the General Fund; Stormwater is budgeted in the Stormwater Fund.

The Town's organizational structure, as shown on the previous page, helps the Town to achieve its goals by providing a clear hierarchical structure that facilitates communication, decision-making, collaboration between departments, opportunities for public input, and strategic planning for short- and long-term goals. The Town's clear and effective structure allows for efficient management of resources and responsibilities.

### Budget Quick Facts

#### Property Tax Millage Rate

General Fund	15.9
Debt Service	5.5
<b>Total Millage Rate</b>	<b>21.4</b>

#### Bond Ratings

Moody's Investor Service	Aaa
Standard and Poor's	AA+
Fitch	AAA

#### Total Town Operating Budget

	<b>FY 2025</b>
Operating Budget	\$ 60,924,381
Town Staff (Full Time / Part Time)	281 FT / 17 PT



# Financial Policies & Budget Process





## Financial Policies

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The financial policies of the Town are adopted/reaffirmed as part of the budget adoption process. The fiscal year 2025 budget complies with these policies as the budget was adopted on June 4, 2024.

### TOWN OF HILTON HEAD ISLAND FINANCIAL POLICIES

***Measurement Focus and Basis of Accounting.*** Policy describing what is being measured and how it is being reported in the financial statements.

***Fund Balance and Reserves.*** Policies governing the amount of resources to be held in reserve and conditions under which reserves can be used.

***Grants.*** Policies that deal with the administration and grants process.

***Debt.*** Policies that govern the use of government debt, including permissible debt instruments, conditions under which debt may be used, allowable levels of debt, and compliance with continuing disclosure requirements.

***Investment.*** Policies that provide guidance on the investment of public funds, including permissible investment instruments, standards of care for invested funds, and the role of staff and professional advisors in the investment program.

***Accounting and Financial Reporting.*** Policies that endorse key accounting principles, and that ensure external audits are properly performed.

***Risk Management and Internal Controls.*** Policies that address risk management and internal control.

***Procurement.*** Policies that are essential in order to encourage efficient, effective and fair public procurement.

***Municipal Check Signing.*** Policy addressing signature authority for all Town issued accounts payable and payroll checks.

***Long-term Financial Planning.*** A policy that commits the organization to taking a long- term approach to financial health.

***Structurally Balanced Budget.*** Policies that offer a distinction between satisfying the statutory definition and achieving a true structurally balanced budget.

***Capital Asset.*** Policies that cover the lifecycle of capital assets.

***Capital Improvement Program (CIP).*** Policies that include capital improvement planning, capital budgeting, project management, and asset maintenance

***Revenues.*** Policy guidance through the designing of efficient and effective revenue systems that guarantee the generation of adequate public resources to meet expenditure obligations.



## Financial Policies

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**Expenditures.** Policies addressing a range of issues around how the money is expended, including personnel, outsourcing, and funding long-term liabilities.

**Operating Budget.** Policies that describe essential features of the budget development process and form, as well as principles that guide budgetary decision making.

### TOWN OF HILTON HEAD ISLAND MEASUREMENT FOCUS AND BASIS OF ACCOUNTING POLICY

The Town uses the modified-accrual basis for budgeting for all budgeted governmental funds, the same as the basis of accounting used in the Town's audited financial statements. The proprietary fund uses the same basis for budgetary purposes but is converted to accrual basis at year-end for the Annual Comprehensive Financial Report.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Taxpayer-assessed income and gross receipts are recognized as revenue when in the hands of intermediary collecting governments (state shared revenues, sales and accommodation tax revenue). Business license revenues are recognized when measurable and available. Property tax revenues are recognized when received or available for payment of liabilities of the current period. The Town considers property taxes and other revenues as available if collected within 30 days after year-end.

Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting as described above for the government-wide financial statements. The operating statement does not report the issuance of debt, debt service principal payments and capital outlay.

## Financial Policies

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### TOWN OF HILTON HEAD ISLAND FUND BALANCE AND RESERVES POLICY

The Town of Hilton Head Island hereby establishes and will maintain reservations of Fund Balance as defined herein in accordance with the Governmental Accounting and Financial Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund Balance represents the difference between assets and fund liabilities in the governmental funds balance sheet and is commonly referred to as fund equity. This Policy shall apply to the Town's General Fund and all governmental funds. This policy does not apply to the Proprietary Fund.

The fund balance policy addresses the following components: (1) clearly defined classifications that make the nature and extent of the constraints placed on the various fund balances more transparent; (2) providing a better understanding of fund balances by clarifying the definitions of governmental fund types; (3) reservations of the Town's General Fund and all governmental funds; (4) the Town's order of spending regarding restricted and unrestricted fund balance and the order of spending for committed, assigned and unassigned fund balance.

#### Classifications of Fund Balances

Under GASB Statement No. 54, fund balances are classified as non-spendable, restricted, committed, assigned or unassigned amounts.

1. **Non-Spendable** – Amounts that cannot be spent because they are either in a (a) non-spendable form, including items not expected to be converted to cash (i.e. inventories, prepaid amounts, long-term portion of loans and notes receivable and property acquired for resale), or (b) legally or contractually required to be maintained intact (i.e. the principal of an endowment, etc.).
2. **Restricted** – Amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.
3. **Committed** – Amounts that are constrained to be used for a specific purpose as per action by the Town Council. Amounts classified as committed are not subject to legal enforceability like restricted resources; however, they cannot be used for any other purpose unless the Council removes or changes the commitment by taking the same action it employed to impose the commitment. Committed amounts for the Town consist of amounts passed and approved by Town Council.
4. **Assigned** – Amounts that are intended to be used for a specific purpose but are neither restricted nor committed. The intent shall be expressed by the Town Council, or a designee authorized by the Town Council for a specific purpose in accordance with policy established by the Town Council. The Town reserves the right to assign fund balance by simple majority vote of Town Council.
5. **Unassigned** – Amounts available for any purpose (amounts that are not Non-Spendable, Restricted, Committed or Assigned) for all governmental funds. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to these purposes, it may be necessary to report a negative unassigned fund balance.



# Financial Policies

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## Governmental Fund Type Definitions

The Town's governmental fund types as defined by GASB No. 54 are as follows:

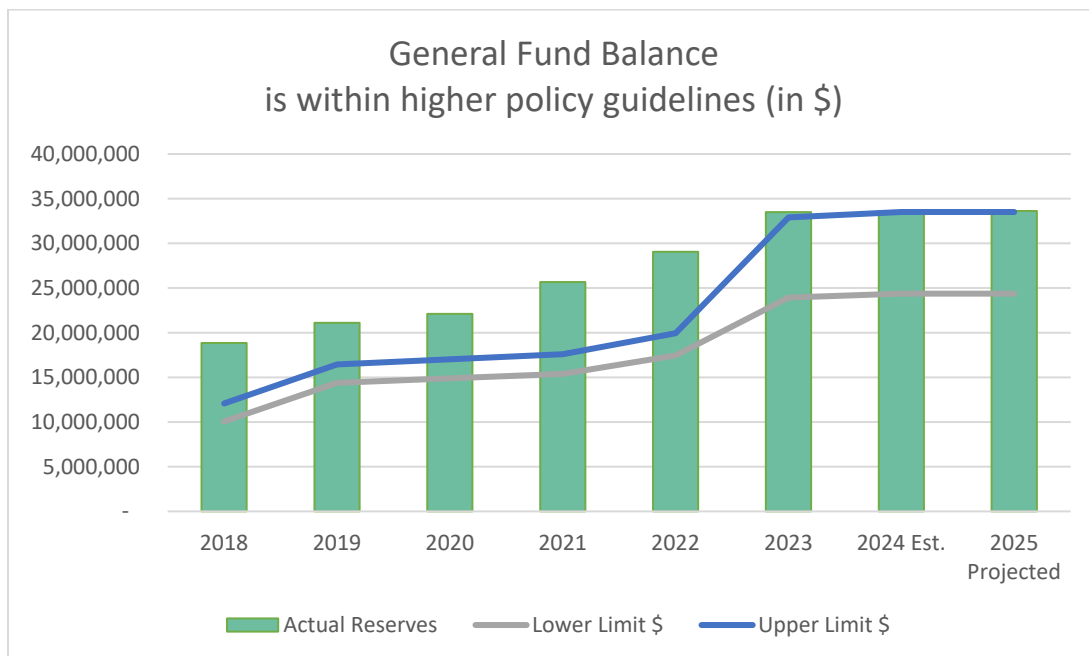
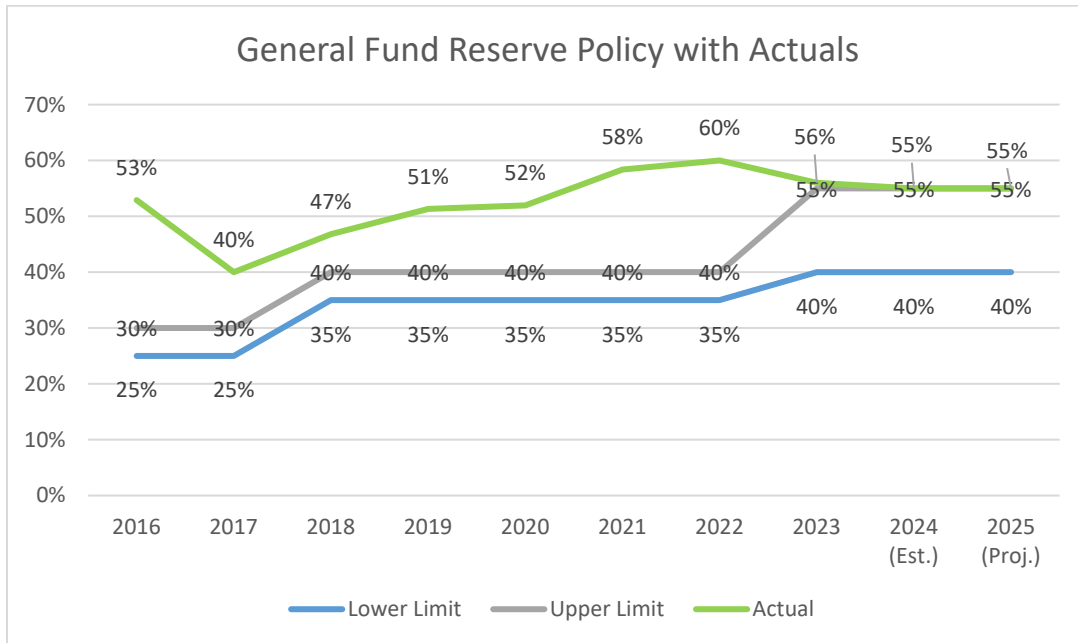
1. The **General Fund** is the general operating fund of the Town and accounts for all revenues and expenditures of the Town except those required to be accounted for in other funds. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.
2. The **Special Revenue Funds** account for the proceeds from dedicated revenue sources that are required by law to be segregated from the General Fund and used for specific allowable expenditures. Special Revenue funds include but are not limited to the Tax Increment Financing ("TIF") District Fund, the Beach Preservation Fee Fund, the Real Estate Transfer Fee Fund, Accommodations Tax Fund, the Hospitality Fees Fund, the Palmetto Electric Franchise Fee Fund, Operating Grants Fund, the Road Usage Fee Fund, the Firemen's Fund, and the Home Grant Fund.
3. The **Capital Projects Fund** is used to account for and report financial resources that are restricted, committed, or assigned for expenditures of capital outlay related to equipment, site acquisitions, construction renovation of capital facilities, and other capital assets for the Town expect for those financed in the Enterprise Fund.
4. The **Debt Service Fund** is used to account for and report the accumulation of financial resources that are restricted for the payment of all long-term principal, interest, and related costs of the Town.
5. The **Natural Disasters Fund** is used to account for and report financial resources that are restricted, committed, or assigned for expenditures related to the Town's response to a natural disaster or declared emergency.
6. The **Gullah Geechee Historic Neighborhoods Community Development Corporation Fund** is used to account for and report the costs associated with the actions of the Corporation to protect the Town's historic and culturally sensitive neighborhoods.
7. The **Housing Fund** is used to account for and report the costs associated with the development, implementation, and delivery of the strategies and tactics identified within the Town's adopted Workforce Housing Framework.

## Disaster Planning Reserves

To protect its assets during catastrophic events, the Town established the following reserves:

**Operating Reserves** – The Town will establish and maintain an operating balance based on a range of with a minimum of 40% and a maximum of 55% of the Town's adopted fiscal year budget. The operating balance may be utilized for emergency purposes in pre-disaster and post-disaster occurrences; to offset an early fiscal year tax revenue income stream deficiency; and to avoid emergency Town borrowing or use of tax anticipation notes, to cushion the effects of an economic downturn, to provide for emergency expenditures or to offset a revenue shortfall from unforeseen circumstances. The Director of Finance is authorized to transfer the amount of unassigned fund balance above the 55% maximum balance into the following funds: (1) the Debt Service Fund to maintain an account reserved for the reduction of the Town's general obligation debt. These funds may be used for early debt retirement or other debt payments; or (2) the Natural Disasters Fund to maintain an account for disaster preparation, disaster response, or disaster recovery; or (3) the Capital Projects Fund – subject to Town Council appropriations for usage from the CIP Fund.

## Financial Policies



The Director of Finance is authorized to transfer the amount of unassigned fund balance above the 55% maximum balance into the following funds:

1. The Debt Service Fund to maintain an account reserved for the reduction of the Town's general obligation debt. These funds may be used for early debt retirement or other debt payments; or
2. The Natural Disasters Fund to maintain an account for disaster preparation, disaster response, or disaster recovery; or
3. The Capital Improvements Program – subject to Town Council appropriations for usage from the CIP Fund.



## Financial Policies

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The Town Manager may recommend use of these funds for:

1. Emergency purposes
2. Disaster preparation and response purposes
3. To set aside for debt payments or to pay down debt
4. One-time capital expenditures

These recommendations are subject to Town Council appropriation approvals.

A report shall be given each year to Town Council, at the close of the fiscal year, identifying the status of the fund balance in relation to the operating reserve policy, and any potential excess funds that could be transferred or used.

Unassigned General Fund balances are balances above the maximum level of the operating reserve policy, and not set aside for other purposes.

### Restricted for Advertising

The Town shall maintain a Restricted Advertising Account for the purpose of having ready access to funds for special advertising needs in cases of, a) a near miss of a hurricane, b) for advertising in response to a declared disaster, c) for other such targeted advertising needs as determined by Council on a case-by-case basis, and d) for supplemental annual tourism advertising. The Town shall maintain a balance of \$1.0 million in this account. If the balance falls below \$1.0 million, the Town shall deposit two percent (2%) of the local hospitality tax revenues and five percent (5%) of the local accommodations tax, (ATAX), revenues collected annually into the Restricted for Advertising account.

The Town may distribute the funds in the following manner.

- A. The Town Manager may authorize advertising expenditures associated with responding to a near miss or declared disaster and are the only expenditures authorized to take the account below one million dollars.
- B. Following a vote of Town Council, funds may be distributed for other such targeted advertising needs as approved. In no case shall such a release of funds for such purposes take the account below one million dollars.

The local ATAX reserve is a component of the General fund. Beginning in Fiscal Year 2018 Restricted for Advertising monies will be held in the Natural Disasters Fund.

### Debt Service Levels

General statutes limit the amount of general obligation debt that a unit of government can issue up to eight percent (8%) of the total assessed value of taxable property located within that government's boundaries. The Town may incur General Obligation Debt over the eight percent (8%) limit when approved by a majority vote in a referendum as authorized by law. In addition, Town Council has imposed an 80% cap on this amount. The remaining 20% is reserved for additional bonding associated with disaster recovery.

The Town Council has further stated the disaster recovery reserve capacity should be at least \$20.0 million.

## Financial Policies

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### Real Estate Transfer Fee Debt Service Reserve

The Town will set aside \$1 million of real estate transfer fees into a disaster debt service reserve account in the Real Estate Transfer Fee Fund. The funds will be used to fund debt service payments during a disaster or financial crisis.

### Beach Preservation Reserve

The Town will hold in an interest-bearing account a portion of the amounts on deposit in the Town of Hilton Head Island Beach Preservation Fee Account. The amount to be held in this reserve account shall be \$12 million in addition to the restricted reserve.

Funds held in the reserve account may be used for the following items.

- A. Direct expenditures to pay costs of any project or purposes identified in Section 4-9-70 as such may be amended of the Municipal Code and in Section 6-1-50 of the Code of Laws of South Carolina 1976 as amended.
- B. To pledge as security for or to use as debt service for any debt or financial obligation of the Town incurred for a purpose as identified in subsection (A) above.
- C. To advance monies needed by the Town to meet extenuating circumstances created by a storm or natural disaster, provided that the Town Council shall have a reasonable expectation that such amounts would be reimbursed, at least in part, from a local, state, or federal source.

Authorization to utilize monies from the reserves shall be by resolution duly adopted by the Town Council if circumstances allow for the convening of a meeting of Town Council. In the event circumstances do not allow for the convening of a meeting of Town Council, the Town Manager may authorize the utilization of monies from the reserves, provided that such utilization is presented to Town Council at the first practicable opportunity for ratification.

### Natural Disasters Fund

Following Hurricane Matthew, the Town will endeavor to hold emergency reserves and unused debt bonding capacity in order to be able to respond to an emergency with at least as many resources as Hurricane Matthew required adjusted for inflation. This amount may be increased for higher possible damage levels and higher possible costs. This calculation will incorporate the Town's various disaster reserves with its debt capacity as its measure for financial preparedness for the next disaster. Amounts needed to accommodate for the seasonality of General Fund operations will not be counted toward these amounts – as Hurricane season corresponds with the low point of the Town's cash flow levels. The General Fund reserves are to maintain Town services and Town facilities in the event of a disaster.



## Financial Policies

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### Disaster Response Reserve

The table below reflects the Town's current reserve funds available for disasters compared to the Hurricane Matthew benchmark.

	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
Disaster Reserve Fund fund balance	36,356,182	34,373,980	35,969,473	35,969,473
Beach Preservation Fee Reserves	27,582,261	36,168,443	42,985,990	29,103,462
Debt Capacity reserved for Disasters	20,000,000	20,000,000	20,000,000	20,000,000
Funding Available for a Disaster	<b>83,938,443</b>	<b>90,542,423</b>	<b>98,955,463</b>	<b>85,072,935</b>

### Funding Needed for a Disaster

Hurricane Matthew Cost (goal)	57,000,000	57,000,000	57,000,000	57,000,000
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Funds Available as a % of Goal	147.3%	158.8%	173.6%	149.3%
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### Prioritization of Fund Balance Use (Spending Policy)

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the Town to use the restricted amounts first as permitted under the law. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Town to use the committed amounts first, followed by the assigned amounts and then unassigned amounts.

### Annual Review and Determination of Fund Balance Reserve Amounts

Compliance with the provisions of this policy shall be reviewed as part of the closing of the financial books at year-end (June 30) and the amounts of non-spendable, restricted, committed, and assigned fund balance will be determined. Any residual general fund balance amounts will be classified as unassigned.

# Financial Policies

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## TOWN OF HILTON HEAD ISLAND GRANT ADMINISTRATION POLICY AND PROCEDURES

### Scope

This Grants Administration Policies and Procedures Manual will apply to all federal, state, private business, and foundation grants awarded to the Town of Hilton Head Island. Federal and state grants will be managed in compliance with the Code of Federal Regulations (CFR): Title 2, Subtitle A, Chapter II, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Private business and foundation grants will be managed in compliance with the granting organization's rules and regulations.

Procedures are developed for the following six main operational categories:

- Grant Opportunities and Budgeting
- Grant Application/Offer
- Grant Award
- Grant Monitoring and Reporting
- Grant Accounting and Auditing
- Noncompliance Procedures
- Closeout

### Purpose

The purpose of these policies and procedures is to assist in providing accurate, current, and complete disclosure of funded programs and financial results of federal, state, private business, and foundation grants within the existing budgetary accounting and reporting framework of the Town of Hilton Head Island.

These policies provide guidelines to ensure the following:

- 2.1 Federal, state, private business, and foundation grants are properly authorized by the Town Manager or designee.
- 2.2 Grants have been properly budgeted by the Finance Department.
- 2.3 Transactions involving federal and state grants are in accordance with the provisions of the Federal Office of Management and Budget Circulars and other federal and state laws.
- 2.4 Transactions involving private business and foundation grants are in accordance with granting organization's rules and regulations.
- 2.5 Grant transactions are properly identified by recording grant revenues and expenditures in the Town's accounting system, including program income and match, and properly reported on financial reports to maintain accounting and reporting controls.



## Financial Policies

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- 2.6 Grant expenditures are tracked by approved budget categories.
- 2.7 Preparation and timely submitting of financial and progress reports.
- 2.8 Financial and programmatic requirements are monitored for compliance.
- 2.9 Official accounting records required by grant agreements are maintained to the extent possible in a centralized location.
- 2.10 All documents pertaining to a grant are kept and stored for the established time periods in which records retention is required.
- 2.11 Compliancy with Federal cash management regulations.
- 2.12 Program income and indirect costs are properly administrated.
- 2.13 Grant closeout.
- 2.14 Any other pertinent grant-related financial activities.

### Governing Laws and Regulations

#### Federal

- Single Audit Act of 1984 as Amended in 1996
- CFR – Chapter II, Subtitle 2, Chapter II, Section 200 (*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*)
- *Government Auditing Standards* issued by the Comptroller General of the United States

#### State

- State of South Carolina Code of Laws

### Delegation Of Authority

#### Signatory Authority

The delegation of and signatory authority is exclusively given to the Town Manager or their designee. Under no circumstances shall a grant application be submitted or signed for by an unauthorized staff member or agent of the Town without designation being given by the Town Manager.

#### Administrative Authority

The official recipient of a grant is the Town of Hilton Head Island with all activity and coordination to be maintained and administrated by the Town staff. All grants awarded to the Town of Hilton Head Island must be included in combined Town reports under federal and state reporting guidelines.

## Financial Policies

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### Roles And Responsibilities

All Monitoring, Financial, Reporting and Accounting Responsibilities

The Senior Grants Administrator is responsible for the day-to-day activities of the grant. The Senior Grants Administrator functions as the liaison between the Grantor and the Town, submitting all required reporting and reimbursable procurements, as required by the Grantor, ensuring the activities conducted under the grant adhere and comply with the grant agreement and its requirements. The Senior Grants Administrator will coordinate with the grant Project or Program Manager to ensure all project or program documents are received for submittal to the Grantor.

The Town's Senior Grants Administrator and Project or Program Manager both share the responsibility of the programmatic monitoring of all grant activities and assuring compliance with federal, state, and granting organization regulations. The interaction of each and their responsibilities are determined prior to the execution of any grant agreement.

The Senior Grants Administrator oversees, monitors, tracks the implementation of activities, maintains a monitoring schedule and the statuses involved, and performs internal controls of all grants.

The Town's Finance Department is responsible for all official financial records of the Town; and in that capacity, the Finance Department is responsible for maintaining adequate records to ensure compliance with federal and state accounting and reporting requirements.

### **TOWN OF HILTON HEAD ISLAND DEBT MANAGEMENT POLICY**

#### Purpose

The purpose of this policy is to establish parameters by which debt obligations will be undertaken by the Town of Hilton Head Island, SC [the "Town"]. This policy reinforces the commitment of the Town and its officials to manage the issuance of bonds in a way that achieves the long-term capital improvement objectives while minimizing risks, avoiding conflicts of interest, and insuring transparency. This debt management policy provides a formal commitment to the public, credit rating agencies, investors, and the capital markets that the Town will use a disciplined and defined approach to financing its capital needs.

#### General Policies

- A.** General Obligation bonds are subject to the State Constitutional debt limit of eight percent (8%) of assessed taxable value of the locality. At no time shall the Town's indebtedness backed by the full faith and credit of the Town exceed this limit without a referendum approving the additional general obligation bonds above this limit.
- B.** The Town issues long-term debt to provide funds for the acquisition and construction of major capital facilities as well as the purchase of land.
- C.** The Town may confine long-term borrowing to capital improvements and projects that have lives of 4-50 years (in accordance with the estimated useful life definition of a capital asset).
- D.** The Town will not use long-term debt to finance current operations.



## Financial Policies

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- E. When the Town finances capital projects by issuing bonds, it will pay back the interest and principal on the bonds within a period not exceeding the expected life of the improvements.
- F. The Town will seek level or declining debt repayment schedules and will avoid issuing debt that provides for balloon principal payments reserved at the end of the term of the issue.
- G. The Town will not issue variable-rate debt due to the potential volatility and financial risks associated with such instruments.
- H. The Town will not use derivatives or other exotic financial structures in the management of the Town's debt portfolio.
- I. The Town will strive to maintain a minimum fund balance in the Debt Service Fund at an amount equivalent to one (1) year's debt obligation. The Debt Service Fund will receive annual funding through operating transfers from other funds, primarily the General Fund, and by interest earned on cash held in the Debt Service Fund itself.
- J. The Town will strive to maintain the highest possible credit rating from at least three nationally recognized rating agencies.

### Procedure For Issuance of Debt

#### K. **Authority**

- 1.) The Town will adhere to any lawfully promulgated rules and regulations of the State of South Carolina and those promulgated under the Internal Revenue Code ("The Code").
- 2.) All debt shall be formally authorized by resolution of the Town Council.

#### L. **Method of Issuance**

It shall be the policy of the Town to sell all General Obligation and Revenue bonds through a competitive bid process. The Town's bonds will be offered in a public sale to all eligible bidders. Unless all bids are rejected, the debt will be awarded to the bidder providing the lowest true interest cost if the bid adheres to the requirements set forth in the official notice of sale.

#### M. **Transparency**

- 1.) The Town and/or its Financial Advisor will ensure compliance with the Code, and all applicable Federal and State rules and regulations. Such State compliance will include, but not be limited to, compliance with all legal requirements regarding adequate public notice of all meetings of the Town related to consideration and approval of debt.
- 2.) All costs (including interest, issuance, continuing, and one-time), the terms and conditions of each debt issue along with a debt service schedule outlining the rate of retirement for the principal amount will be disclosed to the Town Council, citizens and other interested parties in a timely manner and will be available for public review on request during normal working hours.

## Financial Policies

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- 3.) The Town will make this information available through the Town website, newspapers, and other customary locations for Town notices to its Town Council, citizens, and other interested parties.
- 4.) The Town will file its Annual Comprehensive Financial Report which includes debt schedules and any Continuing Disclosure documents, prepared by the Town or its Dissemination Agent with the MSRB through the Electronic Municipal Market Access system ("EMMA"). These documents will be made available to its citizens and other interested parties by posting on the Town's web page.

### Debt Types

When the Town determines that the issuance on long term debt is appropriate, the following criteria will be used to evaluate the type of debt to be issued.

#### **N. Security Structure**

##### **1.) General Obligation Bonds**

General obligation bonds are direct obligations and pledge the full faith and credit of the Town and shall be used to support governmental-purpose facilities and improvements. General obligation bonds are subject to the State Constitutional debt limit of eight percent (8%) of assessed taxable value of the locality. At no time shall the Town's bonded indebtedness backed by the full faith and credit of the Town exceed this limit without a referendum approving the additional general obligation bonds above such limit.

##### **2.) Special Obligation (Revenue) Bonds**

Special Obligation Bonds are considered a special obligation of the Town payable from a specified revenue source such as hospitality tax, beach preservation fees, stormwater fees, etc. The full faith, credit, and taxing powers of the Town are not pledged for the payment of the Special Obligation Bonds nor the interest thereon. The Town shall utilize special obligation bonds when practicable for all user-fee supported activities. The Town shall utilize special obligation bonds for restricted revenues including, but not limited to hospitality taxes and accommodations taxes, as permitted under state law.

##### **3.) Tax Increment Financing Bonds**

Tax Increment Financing bonds are considered a special obligation of the Town payable solely from ad valorem taxes generated by improvements to real property within the redevelopment property area. The full faith, credit, and taxing powers of the Town are not pledged for the payment of the Tax Increment Financing Bonds nor the interest thereon. The amount of debt allowed is defined in the redevelopment plan for each tax increment district as approved by the affected taxing districts. The Town shall not exceed the debt allowed in the redevelopment plan.

##### **4.) Capital Leases**

The Town may use capital leases to finance projects such as equipment, if the Finance Director, Town Manager, and Financial Advisor determine that such an instrument is economically feasible.

## Financial Policies

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### **O. Duration**

#### **Long-Term Debt**

The Town may issue long-term debt when it is deemed that capital improvements cannot or should not be financed from current revenues or short-term borrowings. Long-term debt will not be used to finance current operations or normal maintenance expenses. Long-term debt will be structured such that the financial obligations do not exceed the expected useful economic life of the project(s) financed.

### **Refinancing Outstanding Debt**

The Finance Director and Town Manager, with assistance from the Town's Financial Advisor, will have the responsibility to analyze outstanding debt for refunding opportunities. The following parameters will be considered when analyzing possible refunding opportunities:

### **P. Debt Service Savings**

Absent other compelling considerations such as the opportunity to eliminate onerous or unduly restrictive covenants contained in existing debt documents, the Town as a general rule will require in any refunding bond issue a minimum net present value savings threshold of at least three (3) percent of the refunded debt principal amount. However, The Town may accept a lower threshold.

### **Q. Restructuring for Economic Purposes**

The Town may also consider refunding debt when it is in its best financial interest to do so. Such a refunding will be limited to restructuring to meet unanticipated revenue shortfalls, achieve annual cost savings, mitigate irregular debt service payments, release reserve funds, etc.

### **R. Term of Refunding Issues**

Normally, the Town will refinance debt equal to or within its existing term. However, the Town may consider maturity extension for economic purposes, when necessary to achieve desired outcomes, provided that such extension is legally permissible. The Town may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful economic life of the financed facility and the concept of inter-generational equity will guide these decisions.

### **S. Escrow Structuring**

The Town will utilize the least costly securities available in structuring refunding escrows. In the case of open market securities, a certificate will be provided by a third-party agent, who is not the financial advisor or broker-dealer stating that the securities were procured through an arms-length, competitive bid process.

### **T. Arbitrage**

The Town will take all necessary steps to optimize escrows and to avoid negative arbitrage in its refunding. Any positive arbitrage will be rebated as necessary according to Federal guidelines.



## Financial Policies

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### Professional Services

The Town shall require all professionals engaged in the process of issuing debt to clearly disclose all compensation and consideration received related to services provided in the debt issuance process by both the Town and the lender or conduit issuer, if any. This includes “soft” costs or compensations in lieu of direct payments.

**U. Bond Counsel**

The Town shall select a Bond Counsel. The Bond Counsel’s role is to prepare or review and advise the issuer regarding the tax status authorizing resolutions or ordinances, trust indentures, office statements, and other customary matters.

**V. Financial Advisor**

The Town may select a Financial Advisor with relevant experience in South Carolina municipal government to assist in its issuance of debt.

**W. Underwriter**

The Town shall solicit proposals for underwriting services for all debt issued in a negotiated or private placement sale. The solicitation process used for these services shall fully comply with Town purchasing requirements, to the extent applicable.

### Conflicts

- X.** Professionals involved in a debt transaction hired or compensated by the Town shall be required to disclose to the Town existing client and business relationships between and among the professionals to the transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, liquidity or credit enhancement provider, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include sufficient information to allow the Town to understand fully the significance of the relationships.
- Y.** Professionals who become involved in the debt transaction because of a bid submitted in a publicly advertised competitive sale conducted using an industry standard, electronic bidding platform shall not be subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

### Compliance

**Z. Continuing Annual Disclosure**

When the debt is delivered, the Town will execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the publicly traded debt to provide certain financial information relating to the Town by not later than twelve months after each of the Town’s fiscal years, (the “Annual Report”) and provide notice of the occurrence of certain enumerated events. The Annual Report will be filed with the MSRB through the Electronic Municipal Market Access system (“EMMA”).

## Financial Policies

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### **AA. Arbitrage Rebate**

It is the Town's policy to minimize the cost of arbitrage rebate and yield restriction while strictly complying with the applicable laws. Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, arbitrage calculations will be performed by qualified arbitrage professionals in strict adherence to applicable laws and regulations. These calculations will be done in accordance with required Internal Revenue Service reporting dates.

### **BB. Records**

The Town will also maintain records required by the Code including, but not limited to, all records related to the issuance of the debt including detailed receipts and expenditures for a period up to six (6) years following the final maturity date of the Debt.

## **Debt Policy Review**

### **CC. General Guidance**

The guidelines outlined herein are intended to provide general direction regarding the future issuance of Debt. The Town Council maintains the right to modify this Debt Policy and make reasonable exceptions to any of its guidelines at any time to the extent that the execution of such Debt achieves the overall debt management goals of the Town, and such exceptions or changes are consistent with any rules and regulations promulgated by the State of South Carolina.

### **DD. Designated Official**

The Finance Director and Town Manager shall be responsible for ensuring substantial compliance with this Debt Policy.

## **TOWN OF HILTON HEAD ISLAND INVESTMENT POLICY**

### **Scope**

This investment policy applies to all financial assets and funds placed for investment by the Town of Hilton Head Island. Except for special funds that are otherwise specifically provided for, the Town will consolidate the balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles. These funds are accounted for in the Town's Annual Comprehensive Financial Report and include:

- A. General Fund
- B. Special Revenue Funds
- C. Capital Project Funds
- D. Debt Service Funds
- E. Stormwater Funds
- F. Natural Disaster Funds
- G. Trust and Agency Funds

# Financial Policies

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## Objectives

The primary objectives, in order of priority, of all investment activities involving the financial assets of the Town of Hilton Head Island shall be the following:

- A. **Safety:** Safety and preservation of principal in the overall portfolio is the foremost investment objective. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
- 1.) **Credit Risk**  
The Town will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:
- Limiting investments to the types of securities listed in the Investment Types section of this Investment Policy.
- 2.) **Interest Rate Risk**  
The Town will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:
- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
  - Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.
- B. **Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets or the South Carolina Investment Pool which offers next day liquidity for short-term funds.
- C. **Yield:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:
- A security with declining credit may be sold early to minimize loss of principal.
  - A security swap would improve the quality, yield, or target duration in the portfolio.
  - Liquidity needs of the portfolio require that the security be sold.



# Financial Policies

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## Delegation of Authority

Authority to manage the Town's investment program is derived from State of South Carolina Statutes and Town ordinances and is granted to the Director of Finance, through the adoption of this policy. No persons may engage in an investment transaction except as provided under the terms of this policy and procedures established by the Director of Finance. The Director of Finance shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

## Internal Controls

The Director of Finance is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met.

## Prudence

The standard of prudence to be used by all participants in the investment process shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

## Investment Providers

### A. Broker/Dealers

The Town shall select broker/dealers by their ability to provide effective market access and may include "Primary Government Securities Dealers" or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). Broker/dealers selected must be members in good standing of the Financial Industry Regulatory Authority ("FINRA") and be licensed in the State. Each broker/dealer will be reviewed and approved by the Director of Finance.

The Town shall maintain an "approved broker/dealer list" and the list will be periodically approved by the Director of Finance. The Town shall not enter into transactions with a broker/dealer until approved.

Periodic review of the financial condition and registration of all selected broker/dealers will be conducted by the Town.

### B. Financial Institutions

The Town shall select a primary depository bank in compliance with the Town's banking services procurement process and State law, and which offers the most favorable terms and conditions for the handling of Town funds.

## Financial Policies

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The Town may also establish agreements with other financial institutions under separate contract for additional services that are necessary in the administration, collection, investment, and transfer of Town funds. No deposit shall be made except in a qualified public depository as established by State law.

### Investment Types

- A. In accordance with South Carolina Statute SC Code Ann. SECTION 6-5-10, Authorized investments by political subdivisions include:
- 1.) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
  - 2.) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
  - 3.) i. General obligations of the State of South Carolina or any of its political units; or ii. Revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
  - 4.) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
  - 5.) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
  - 6.) Repurchase agreements when collateralized by securities as set forth in this section.
  - 7.) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (1), (2), (3), and (6) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

## Financial Policies

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- B. The provisions of this chapter shall not impair the power of a municipality, county, school district or other local governmental unit or political subdivision or county treasurer to hold funds in deposit accounts with banking institutions as otherwise authorized bylaw.
- C. Local government investment pools either state-administered or developed through joint powers statutes and other intergovernmental agreement legislation.
- D. Unrated investments (overnight funds) are invested in a money market “account” vs. a true “fund.” That is, the funds are held by Bank in an interest-bearing depository account. As such, they are collateralized per Section 6-5-15 of the SC Code which outlines securing bank deposits.

### Collateralization and Insurance

All deposits and investments at a bank, trust company, or savings and loan association (hereinafter, collectively referred to as “depository”), including all demand deposits, certificates of deposit and special time deposits (hereinafter, collectively referred to as “deposits”) that are in excess of the amount of insured under the provisions of the Federal Deposit Insurance Corporation (FDIC), including pursuant to a Deposit Placement Program in accordance with South Carolina State Statute 6-5-15, which dictates the securing and collateralization of public funds.

### Diversification

It is the policy of the Town of Hilton Head Island to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss and balance the effect of interest rate changes affecting different types of securities. Investments will be diversified by:

- Limiting investments to avoid over-concentration in securities from a specific issuer or business sector;
- Limiting investments in securities with higher credit risks;
- Investing in securities with varying maturities; and
- Continuously investing a portion of the portfolio in readily available funds such as the Local Government Investment Pool, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

### Maximum Maturities

To the extent possible, the Town of Hilton Head Island will attempt to match its investments with anticipated cash flow requirements. The Town will not directly invest in securities maturing more than five (5) years from the date of purchase.

### Performance Standards

The Town’s investment portfolio will be designed to obtain a market average rate of return during a market/economic environment of stable interest rates and consider the Town’s investment risk constraints and cash flow needs. Given the passive nature of the Town’s investment strategy, the basis used to determine whether market yields are being achieved shall be the average Federal Funds rate.

### Reporting

The Director of Finance or designee shall submit a quarterly investment report to the Finance Committee. The report shall include for each individual investment:

- Description of investment instrument
- Issuer name



## Financial Policies

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- Maturity date
- Purchase price
- Current market value
- Maturity amount

### Investment Policy Considerations

The investment policy will be reviewed annually by the Finance & Administrative Committee. Changes in the investment policy must be approved by the Finance & Administration Committee and Town Council.

### **TOWN OF HILTON HEAD ISLAND ACCOUNTING AND FINANCIAL REPORTING POLICY**

The Town will establish and maintain a high standard of accounting practices.

The accounting system will maintain records on a basis consistent with accepted standards for local government accounting. Governmental fund revenues and expenditures are recognized on the modified accrual basis. Revenues are recognized in the period when they become measurable and available. Expenditures are recognized when the liability is incurred, except principal and interest on general long-term debt which is recognized when due or when funds have been made available for payment.

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate.

The Town will comply with prevailing federal, state, and local statutes and regulations. The Town will also conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB), American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).

In accordance with South Carolina Code Ann., Section 5-7-40, an annual independent external audit by a certified public accountant, is required of the books of account and financial records of the Town.

In general, it will be the policy of the Town to:

- A. Prepare and present monthly financial reports outlining the status of revenues and expenditures. The financial reports will be distributed to the Town Council, Town Manager and posted to the Town's website for public inspection.
- B. Issue annual financial reports in accordance with generally accepted accounting principles (GAAP) as outlined in the Governmental Accounting, Auditing and Financial Reports (GAAFR) publication.
- C. Annually seek to obtain the Government Finance Officers Association (GFOA) Certificate of Achievement in Excellence for Financial Reporting for the Town's Annual Comprehensive Financial Report (ACFR).

## Financial Policies

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### **TOWN OF HILTON HEAD ISLAND RISK MANAGEMENT AND INTERNAL CONTROLS POLICY**

In developing and maintaining the Town's accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

### **TOWN OF HILTON HEAD ISLAND PROCUREMENT POLICY**

#### **Purpose**

To establish detailed Standard Operating Procedures ("SOP") for the procurement of goods and services by all Town Departments ("Departments"). These SOPs are intended to serve as the guide for proper methods, procedures and processes for acquiring goods or services for the Town. No such document can ever be all encompassing, therefore any questions or concerns that may arise during the procurement process should be directed to the Procurement Officer for resolution.

#### **Background**

Contracting/Procurement requirements are established in Title 11 of the Town's Municipal Code. The procurement process starts with the Town's Procurement Officer to whom the Town Manager has delegated procurement authority, as allowed per Title 11, Chapter 1, Article 2 of the Town's Municipal Code. This delegation includes all duties with the exception of the contracts for Town Manager and Town Attorney. All other contracts and agreements must be reviewed and approved by the Procurement Officer who will then forward to the appropriate senior staff members for additional review and approval. The Deputy Town Manager will sign most contracts with the exception of contracts for capital improvement projects, which will be signed by the Assistant Town Manager - Community Development. Signature authority has been delegated to these positions by the Town Manager for contracts having a total value of up to \$100,000. Contracts over that amount must be signed by the Town Manager.

The Town utilizes a virtual centralized procurement model in which there is a centralized procurement/contracting process overseen and administered by the Procurement Officer, with decentralized initiation and participation by user Departments. Each Department is responsible for the acquisition of goods or services for which a line item has been established in their budget. The Director of Public Projects and Facilities is responsible for all Capital Improvement Projects and the acquisition of goods or services that support these projects.

The procurement process requirements are determined primarily by the dollar amount of the procurement, regardless of the instrument (purchase card, purchase order or written contract) used for the procurement.

## Financial Policies

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The Town has three definitive methods/tools for procuring goods or services with a value of \$25,000 or less (“Small Purchases”). These methods are the standard purchase order, the purchase card (P-Card), or when appropriate, the standard town contract (typically when contracting for services). A Purchase Order is also a simple contract. Most Small Purchases can be acquired using a P-Card. However, if a vendor will not accept a P-Card, then a purchase order should be used. Almost all services that fall within the Small Purchases threshold will utilize the Town’s standard contract to acquire the services. Such services shall include any services that will be foreseeably utilized on a recurring basis over a period of time, regardless of total dollar value. If a Department is unclear on which option to choose, it should consult with the Procurement Officer. The detailed procedures and guidelines for Small Purchases are outlined in Exhibit 1.

For acquisition of goods and services with a value in excess of \$25,000, the Town Code requires a formal solicitation. These SOPs establish the procedures and the processes to be used for all formal solicitations. There are several formal solicitation methods that may be used. In all cases the formal solicitation process begins with and is overseen by the Procurement Officer.

### EXHIBIT 1 SMALL PURCHASE PROCEDURES

#### RULES AND REGULATIONS FOR MAKING PURCHASES UP TO \$25,000

Under Section 11-1-315 of the Procurement Code of the Town of Hilton Head Island, the Town Manager may establish procedures for handling purchases of goods and services up to \$25,000. Therefore, the following rules shall apply to all purchases up to \$25,000, unless otherwise exempted by Title 11 of the Municipal Code.

1. Purchases of goods and services up to \$7,500, require either: (i) the completion and approval of a purchase order, (ii) a purchase card transaction (if within P-Card dollar limitations), or (iii) an executed contract, prior to purchase. Employees are encouraged to check competitive prices to obtain the lowest price, but may proceed with the purchase if confident the pricing quoted from one vendor is fair and reasonable. No purchase may be artificially subdivided to constitute a small purchase.
2. Purchases of goods and services from \$7,500.01 to \$25,000.00, require either: (i) the completion and approval of a purchase order, (ii) a purchase card transaction (if within P-Card dollar limitations), or (iii) an executed contract, prior to purchase. Employees are required to obtain a minimum of three written bids/quotes. The designated Department representative must also document in writing either of the following occurrences: (a) any deviation from selecting the lowest price, or (b) purchases where there are less than three sources available for price comparison purposes. **Documentation of the competitive quotes solicited, along with any other written documentation required shall be filed as part of the official procurement record, which means either: (a) uploaded to the P-Card transaction in Works, (b) uploaded the purchase order record in Munis, or (c) filed with the contract package.** The designated Department representative must approve purchase orders prior to the actual purchase of goods and services. All purchases made with a P-Card must be in compliance with the Town’s Purchasing Card Policy.



## Financial Policies

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### **TOWN OF HILTON HEAD ISLAND MUNICIPAL CHECK SIGNING POLICY**

For all municipal checks relating to the purchase of goods, supplies, and services which are less than Ten Thousand Dollars (\$10,000.00), the check must be signed by the Director of Finance.

For all municipal checks relating to the purchase of goods, supplies, and services which exceed Ten Thousand Dollars (\$10,000.00) and are less than One Hundred Thousand Dollars (\$100,000.00) two signatures are required. The check must be signed by the Director of Finance and must be countersigned by the Deputy Town Manager, Assistant Town Manager-Community Development, or Assistant Town Manager.

For all municipal checks relating to the purchase of goods, supplies, and services which exceed One Hundred Thousand Dollars (\$100,000.00), the check must be signed by the Director of Finance, and must be countersigned by the Town Manager, Mayor, or Mayor Pro-Tem.

For all municipal checks relating to payroll, the check must be signed by the Director of Finance.

All Town employees must be paid by direct deposit. Only exceptions are the first payroll check after date of hire or when changing bank accounts.

These procedures are in addition to the procurement regulations in the Municipal Code of the Town of Hilton Head Island and are subject to an appropriate fidelity bond being in place.

### **TOWN OF HILTON HEAD ISLAND LONG TERM FINANCIAL PLANNING POLICY**

The purpose of a long-term financial plan is to express in financial terms the activities that the Town Council proposes to undertake over the medium to longer term to achieve its stated objectives. It is similar to, but less detailed than the Annual Budget and helps guide Town Council's future actions depending on the longer-term revenue and expenditure proposals.

Long-term financial plans are particularly important for entities with a high level of long-lived assets and significant asset management responsibilities relative to their income base. Such entities may have long periods with modest levels of asset renewal requirements and then other periods when very significant outlays are necessary. They need to be generating revenue in an equitable manner over time and ensure that they have capacity to finance peaks in asset management and other outlays when, and including by way of borrowings where, necessary.

The preparation of a long-term financial plan generates improved information to guide Town Council's decisions about the mix and timings of outlays on operating activities and additional assets and the funding implications of these. Without a soundly based long-term financial plan, the Council with its significant asset management responsibilities is unlikely to have sufficient data to determine sustainable service levels with affordable asset strategies, appropriate revenue targets and treasury management.

The long-term financial plan forecast shall be at a minimum of four years and potentially more if needed.

## Financial Policies

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### TOWN OF HILTON HEAD ISLAND STRUCTURALLY BALANCED BUDGET POLICY

#### Policy

It is the policy of the Town to maintain a structurally balanced budget to assure the Town's ability to sustain agreed upon service levels. The Town's structurally balanced budget policy is the Town's official source for developing sustainable service delivery on an annual basis.

#### Authority

Under the authority granted by the Town Charter, the Town Council is authorized to direct the financial affairs of the Town. It is the Town council's intent to use this authority responsibly in order to fulfill the service objectives of the Town. Management's responsibility for the structurally balanced budget policy is delegated to the Director of Finance.

#### Scope

The structurally balanced budget policy is inclusive of all governmental activity of the Town and incorporates recommended best practices of the Government Finance Officers Association (GFOA).

#### Definitions

**Non-recurring expense** - A charge or expense that is unlikely to occur again in the normal course of business.

**Non-recurring revenue** - A revenue gain or increase of an infrequent or unique nature that is unlikely to occur again in the normal course of business.

**Recurring expense** - A cost that is highly likely to occur annually such as salaries, benefits, materials, services, and asset maintenance costs.

**Recurring revenue** - The portion of a government's revenues that can reasonably be expected to continue year-to-year, with some degree of predictability.

**Reserves** - The portion of fund balance set aside as a hedge against the risks of underperforming revenue streams.

**Structurally balanced budget** - A budget that supports financial sustainability for multiple years into the future.

**Year-end surplus** - Funds not expended within the fiscal year to fund services that are recurring or non-recurring.

#### Guidelines for structurally balanced budget

The Town shall annually adopt a balanced budget, which requires revenue to be equal to or exceed expenses.

Increases in expenses, decreases in revenue, or a combination of the two shall be used to balance the budget.

Non-recurring revenues shall be used to fund non-recurring expenses under normal circumstances.

Any year-end operating surpluses shall revert to the unappropriated fund balance to assist in reaching the required reserve levels as set by the fund balance and reserve policy. Any surplus above the required levels may be used to support one-time expenses only.

The Town shall assure decision makers and stakeholders have information during all phases of the budget process, including but not limited to, the current financial condition of the Town, the impact of the proposed or actual budget, and the outlook and trends.

## Financial Policies

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The Town shall adjust its policies, plans, programs, and management strategies during a current budget period, as appropriate, to stay within funds available. In addition, the Town shall use its long-term financial planning and budget processes to develop a strategy that provides details for using and replenishing fund balance to levels outlined in the fund balance and reserve policy.

The Town shall identify major revenue sources it considers unpredictable and define how those revenues may be used.

The Town shall develop a policy to guide the financial actions it shall take in the event of emergencies, natural disasters, downturns in the economy, or other unexpected events. The policy shall include methods of regaining a structural balance if draws on reserves are required.

### **TOWN OF HILTON HEAD ISLAND CAPITAL ASSET POLICY**

#### **Purpose**

The purpose of this policy is: (1) to describe the policies and procedures utilized in the Town's capital asset management system; (2) put in place guidelines for accounting for and depreciating the Town's capital assets.

The primary goals of this policy are:

- To ensure that the Town's capital assets are accounted for in conformance with generally accepted accounting principles; and
- To establish a consistent and cost-effective method for accounting of the Town's capital assets.

This capital asset policy is in accordance with generally accepted accounting principles and closely conforms to capital asset accounting practices as recommended by the Government Finance Officers Association. The Government Finance Officers Association (GFOA) recommends that every state and local government consider the following applicable guidelines in establishing capitalization thresholds for capital assets:

- Capital assets should be capitalized only if they have an estimated useful life of at least two years following the date of acquisition.
- Capitalization thresholds should be applied to individual assets rather than to groups of similar items (e.g., desks, tables), unless the effect of doing so would be to eliminate a significant portion of total capital assets.
- As a general rule, capitalization thresholds should be designed to encompass approximately 80% of a government's total non-infrastructure assets.
- In no case should a government establish a capitalization threshold of less than \$5,000 for any individual item.
- Governments should exercise control over their non-capitalized capital assets by establishing and maintaining adequate internal control procedures at the department level.

#### **Authority**

The Town of Hilton Head Island Town Council.



# Financial Policies

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## Application

This policy applies to all Town Department heads.

## Responsibility

The Town Manager and Director of Finance shall be responsible for implementation of this policy.

## Definitions

See attachment entitled "Glossary of Terms".

## Policy

### 1. Threshold

Effective July 1, 2022, the Town will capitalize individual assets other than infrastructure and software acquisition that cost \$5,000 or more and have an estimated useful life of at least two (2) years. The capitalization threshold for infrastructure shall be \$100,000 and for software acquisition the threshold shall be \$50,000.

### 2. Valuation

In accordance with generally accepted accounting principles, the Town will value its capital assets at historical cost. Historical cost includes the cost or estimated cost at the time of acquisition, freight charges, installation and site preparation charges, and the cost of any subsequent additions or improvements, excluding repairs. If a capital asset is donated to the Town, the asset will be valued based on the fair market value at the time the asset is donated.

### 3. Capital Assets Inventory Report

As part of the financial audit, the Finance Department shall submit a capital asset report to the Town's external auditor on an annual basis. This report will include the following information:

- i. Type of asset (i.e. land, building, infrastructure)
- ii. Date of acquisition
- iii. Acquisition cost
- iv. Estimated useful life
- v. Annual depreciation
- vi. Accumulated depreciation

### 4. Depreciation

The Town will use the Straight-Line Method to depreciate capital assets.

#### a. Estimated Useful Lives

The following ranges are guidelines in setting estimated useful lives for depreciating assets.

Building	25-30 Years
Infrastructure	25 Years
Vehicles	8-15 Years
Furniture, fixtures, and equipment	5-20 Years
Roads	25-30 Years
Waterway	30 Years
Dams	30-50 Years
Software	10 Years

## Financial Policies

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b. Inventory

For internal control purposes, the Town may maintain an inventory listing of certain assets (controlled equipment) that do not meet the above reference capitalization amounts. Controlled equipment includes items that should be specifically accounted for and inventoried periodically due to the high re-sale value of the equipment and potential risk of theft. Controlled equipment may include items such as computers, construction equipment, and other office equipment.

Each Department Head is responsible for all controlled equipment within their areas of responsibility.

c. Disposal and Transfer of Town's Assets

Disposition of Town assets will be performed in accordance with applicable Town policies and procedures.

### **TOWN OF HILTON HEAD ISLAND CAPITAL ASSET POLICY GLOSSARY OF TERMS**

Capital Assets: Capital assets include land, land improvements, buildings, building improvements, construction in progress, machinery and equipment, vehicles, infrastructure, easements, intangible assets (such as computer software), and works of art and historical treasures.

Capitalization: Capitalization of an asset occurs when the cost of the asset meets the “threshold” and the “estimated useful life” set in the organizational guidelines. Under capitalization, the cost of an item is initially recorded as an asset rather than an expense.

Depreciation: Depreciation is the process of allocating the cost of property over a period of time, rather than recognizing the cost as an expense in the year of acquisition. Generally, at the end of an asset's life, the sum of the amounts charged for depreciation in each accounting period (accumulated depreciation) will equal the original cost less salvage value.

Donated Capital Asset: Donated assets are those assets contributed to the Town. The donated assets are treated like a capital asset (using the fair market value).

Estimated Useful Life: Estimated useful life means the estimated number of months or years that an asset will be able to be used for the purpose for which it was purchased. In determining useful life, consideration is given to the asset's present condition, use of the asset, construction type, maintenance policy, and how long it is expected to meet service demands.

Fair Market Value: The amount that would be paid if the item were sold currently in a transaction between a willing buyer and a willing seller.

Historical Cost: The historical cost of a capital asset includes the cost or estimated cost at the time of acquisition, freight charges, installation and site preparation charges, and the cost of any subsequent additions or improvements, excluding repairs.

## Financial Policies

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**Infrastructure Assets:** Infrastructure assets are long-lived capital assets that normally can be preserved for a significant greater number of years than most capital assets (non- infrastructure assets). Infrastructure assets are normally stationary in nature and are of value only to the government entity. Examples include the Town drain system.

**Straight-Line Method:** The straight-line method is the simplest and most commonly used for calculating depreciation. It can be used for any depreciable property. Under the straight- line method, the basis of the asset is written off evenly over the useful life of the asset. The same amount of depreciation is taken each year. In general, the amount of annual depreciation is determined by dividing an asset's depreciable cost by its estimated life.

**Threshold:** The threshold is the dollar amount that an asset must equal or exceed if that asset is to be capitalized. Otherwise, the item would be considered as an expense at the time of acquisition.

### **TOWN OF HILTON HEAD ISLAND CAPITAL IMPROVEMENT PROGRAM (CIP) POLICY**

The Town is required by State law to develop a ten-year Capital Improvements Program (CIP) and update it annually. The CIP is the initial source for developing the capital improvement funding for the upcoming year. There are multiple funding sources (each a separate fund within the accounting system) for the CIP. This document reflects the projects to be undertaken by funding source.

State law recognizes millage as either operating or debt. The Town chooses to establish a separate millage for the General Fund and CIP; however for State millage purposes, both are combined into the operating millage.

Once a project is approved and funds appropriated, the project will need Town Council approval to roll-over funds from year to year. During the annual budget process Town Council will be asked to approve any new projects or adjustments to the already approved projects and appropriate into the CIP. Town staff will recommend funding sources for any new projects. Excess appropriated funds shall be used to fund future capital projects, over budget projects, or to refund financial instruments.

The Town coordinates the development of the CIP budget with development of the General Fund budget. Future operating costs associated with capital improvements will be projected and reported in the General Fund budget.

Projects that will exceed budget must have a revised budget and request for additional funding submitted to Finance at the earliest possible time. Additional funding identified through savings on other capital projects or other means is adopted in accordance with the budget transfer policy.



## Financial Policies

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### **TOWN OF HILTON HEAD ISLAND REVENUES POLICY**

The Town estimates its annual revenues by objective and analytical processes to include trend analysis and economic factors. General Fund revenue forecasts for the next three years shall be conservative and will be reviewed and updated annually.

The Town shall maintain a diversified and stable revenue system to the extent provided by law to insulate it from short run fluctuations in any one revenue source.

The Town will avoid dependence on temporary revenues to fund day-to-day municipal services. One-time revenues will generally be used for one-time expenditures/expenses.

All potential grants will be carefully examined for matching requirements (both dollar and level-of-effort matches).

Current revenues will be sufficient to support current expenditures/expenses (balanced budget) unless Council approves limited uses of unused or excess prior year funds.

### **TOWN OF HILTON HEAD ISLAND EXPENDITURES POLICY**

All current operating expenditures/expenses will be paid for with current operating revenues. Budgetary procedures that fund current expenditures/expenses at the expense of future needs, such as postponing expenditures/expenses, accruing future revenues or rolling over short-term debt, will be avoided.

All assets will be maintained at a level that protects capital investment and minimizes future maintenance and replacement costs.

The budget will provide sufficient funding for adequate maintenance and orderly replacement of capital infrastructure and equipment.

All equipment needs and replacements for the next five years will be projected, and the projection will be reviewed and updated each year.

Future operating costs and maintenance will be determined to the extent estimable prior to construction of all new capital facilities.

Before any actions are taken or agreements are entered into that create fixed costs, the current and future years cost implications (both operating and capital) will be fully determined.

Where practical, performance measures and productivity indicators will be integrated into the budget.

# Financial Policies

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## TOWN OF HILTON HEAD ISLAND OPERATING BUDGET POLICY

### Budget Process Overview

The budget is a tool with which the Town can allocate its financial, human and capital resources in an effective and efficient manner to meet residents' needs. The process incorporates the development, implementation and evaluation of a plan for the provision of services and capital assets. Through the budget process, the Town makes decisions on the allocation of human and financial resources to achieve long and short-term goals and objectives as set forth by the Town Council. These resource decisions address desired quality of service, staffing levels, technology needs, equipment and capital improvements, and programs considered to be priorities by the Town Council. The Town of Hilton Head Island's fiscal year starts on July 1 and runs through June 30. To make these decisions, the Town uses the budget model described below.

### Policy and Strategy Phase

The Council's goals and directives set the tone for the development of the budget. At an annual workshop, the Council identifies priorities, issues and projects that will provide the direction and framework of the budget. These key policy issues are presented at the "budget kickoff" meeting as are budgeting guidelines for the operating and capital budgets, timelines and an overview of fiscal constraints and resources available for allocation. Within this general framework, departments identify and formulate the more specific budgetary issues.

### Assessment Phase

As part of the budget process, departments evaluate performance towards meeting current and past goals and objectives and assess current conditions, programs and needs. Various financial analyses, as well as productivity and staffing analyses, are performed. Programs and services are also reviewed thoroughly to assess their value and priority to the residents of the Town. These internal analyses are necessary to determine service needs and delivery improvements, cost savings opportunities and required staffing levels. Additionally, departments identify possible trade-offs in an attempt to provide the "best fit" for resources between service and workload estimates. Departments also establish departmental goals, objectives and performance measures corresponding to the goals, objectives and specific actions established by Town Council.

### Format of Department/Division Budgets

1. The department/division budget is separated into the following components:

#### Mission Statement

The statement must identify the particular purpose for the department and how it relates to the Town's overall mission.

#### Core Services

A listing of the fundamental services that the department is designed to provide.

#### Current Fiscal Year Accomplishments

A broad statement of what was accomplished in the current fiscal year.

#### Goals

A broad statement of intended accomplishments or a description of a general condition deemed desirable.

## Financial Policies

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### Objectives

An objective is a task to be undertaken to attain a goal. The objectives focus on particular program accomplishments that will be attained within the current year.

### Performance Measures (not all departments report this information)

Specific quantitative and qualitative measures of work performed as an objective of the department.

### Department Expenditures by Division and Category

The budget for a department is summarized by division, if applicable, and by category of expenditure. Categories of expenditures are as follows:

**Personnel** – salaries, overtime, other pay including holiday pay and temporary wages, FICA, retirement contributions, and health and other benefits;

**Operating** – contract and professional services, consulting; printing and publishing; uniforms and protective gear; travel, meetings and conferences; office and operating supplies; repairs and maintenance; capital outlay for equipment and furniture costing less than \$5,000 and software purchases costing less than \$50,000;

**Capital outlay** – equipment and furniture costing \$5,000 or more, and software purchases costing \$50,000 or more.

2. The **Townwide – Non-departmental** budget is used for centralized expenditures and purchases not assigned to a department or division. The Town distinguishes the expenditures in the budget in the following categories.

The **personnel** reports retiree expenditures; short-term temporary salary and benefits including most summer interns; and workers' compensation deductibles (not premiums).

In the **operating**, the Town reports most utilities, insurance, maintenance contracts, copier leases and supplies, and vehicle fuel.

The **grants** includes Town funding for its affiliated organizations such as the Island Recreation Center; Coastal Discovery Museum management fee and turtle watch program; Solicitor's Office for career criminals program and drug court; Lowcountry Regional Transportation Authority, (LRTA); and the Beaufort County EDC.

The **capital outlay** includes equipment and furniture costing \$5,000 or more, and software purchases costing \$50,000 or more which is not directly associated with a specific department. An example is for security cameras throughout the Town.

The **debt service** is used for short-term debt such as capital leases or bank notes for equipment, vehicles, or software. Currently, the Town does not have any debt service in the General Fund.



## Financial Policies

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### Approach to the Budget Review Process

The budget process begins by reviewing all current services in comparison to the Strategic Plan. Are current services sufficient or necessary? What new initiatives should be undertaken to meet basic requirements? Based on this analysis, a list of recommended changes is developed, creating the basis for the operating budget (business plan).

The mission statement for the department is the basis of the department's budget and lays down the direction of the department. A department's proposed budget is developed based on the previous year's budget, adding new initiatives and removing discontinued services.

From there, a department identifies specific goals, objectives and performance measures (not all departments report this information) to be accomplished within the upcoming year.

Based on the aforementioned analysis, departments submit staffing requests to the Human Resources Department. The Human Resources Department along with the Finance Department develops the personnel budget for each department including anticipated benefit costs. The proposed staffing models will then be reviewed and approved for each department.

It should be noted that departments not only develop a budget for the upcoming fiscal year, they develop a three year expenditure forecast beyond the upcoming fiscal year as well. This includes any anticipated staffing adjustments that may be necessary. This information is incorporated with the three-year financial model developed by the Finance Department, with assistance from the departments, to create the Town's three-year financial forecast that is incorporated in the budget document.

At the same time the operating budgets are being created, the Public Projects and Facilities Director and staff are developing the Capital Improvement Program (CIP) for Planning Commission review, prioritization, and approval. This budget is submitted to the Finance Department and incorporated as part of the budget document.

The Director of Finance, in conjunction with Finance staff, develop the revenue budget based on historical records, trends, and economic conditions – local, regional, and national.

The Debt Service Budget is developed in accordance with legal bond requirements.

The Stormwater (Proprietary) Fund budget is developed in conjunction with two of the Town's major governmental funds (General Fund, Capital Projects Fund). Revenue projections are developed along with any proposed rate increase necessary to support the funding of capital improvements, debt service costs, and project management costs charged by the General Fund.

The Finance Department staff consolidates the operating budgets for the Town's three major governmental funds: General Fund, Debt Service Fund, and Capital Improvement Program (capital projects funds); as well as the two non-major governmental funds: Gullah Geechee Historic Neighborhoods Community Development Corporation Fund and Housing Fund, and the Stormwater (Proprietary) Fund budget into the Town's upcoming fiscal year business plan. In addition, a three- year financial forecast is created for the General Fund and incorporated into its upcoming fiscal year business plan.

# Financial Policies

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## Budget Approval Process

During the months of February, March and April, the Town Manager reviews the proposed budget for the upcoming fiscal year with department directors and makes final adjustments to the budget proposal. The Finance Department staff prepares the final Town Manager's Consolidated Municipal Budget to be submitted to Town Council at its first meeting in May.

During the months of May and June, Town Council reviews the proposed budget and holds public budget workshops and meetings, along with public hearings. The proposed budget is also published on the Town's website, along with recordings of each budget meeting. Several press releases are also distributed communicating the details of the budget development. After Town Council considers the budget Town Council adopts a budget to operate the Town for the next fiscal year.

Public hearings and final adoption of the budget occur 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 as long as the project is completed and closed. If reserve funds (amending the cost of the Capital Improvement Program (CIP)) need to be used or a project slid (amending the CIP spending plan) the transfer must be approved by Town Council.
- d. Transfer up to One Hundred Thousand Dollars (\$100,000) between Town Council approved capital projects in the Tax Increment Financing Fund (TIF) per (c) above.
- 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 between the General Fund, Capital Projects Fund, Debt Service Fund, or Tax Increment Financing Fund (TIF) with the exception of transfers identified in (c) above related to the Capital Projects Funds, 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 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 legal

## Financial Policies

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encumbrances at year-end of the fund balance are provided through the passage of the new fiscal year budget to increase the revenues (funds from previous fiscal year(s)) and roll-forward the appropriated budget expenditures from the prior year. The threshold for encumbrance roll-over is \$1,500. Any encumbrances less than this threshold will be liquidated and must be expended using funds from the new fiscal year.

**Capital Budgets often span fiscal years** - Capital budgets are approved on a project-based basis. Unlike operating budgets that expire at year-end, capital budgets carry forward until the project is complete. **This includes projects budgeted in the CIP as well as the Stormwater Fund.**

### Specific Carryforwards and Designations

1. Town Council has designated the proceeds of a legal settlement toward work force housing and transportation initiatives. The funds were set aside for further direction from Town Council for specific criteria to utilize these funds. In fiscal year 2022, Town Council approved a transfer of these funds to the Capital Projects Fund and appropriated the funds to be used for housing initiatives in fiscal year 2023. Since these funds remained unspent at year end, and a new Housing Fund was established in fiscal year 2024, these funds were transferred to the Housing Fund to await further direction on use.
2. This year's CIP anticipates carry forward appropriations so that what has been a carry forward will now be incorporated into the beginning budget. This change will help provide a more complete, fuller picture of the CIP and projects in process. Once fiscal year 2024 is closed and the carry forward amounts are known, there is expected to be a "true up" of carry forward anticipated to actual amounts.



# Budget Calendar





## Budget Calendar

December 5, 2023	Town Council public meeting to award Accommodations Tax Grants for Calendar Year 2024
December 14, 2023	<ul style="list-style-type: none"> <li>- Town Staff Budget Kick-off Meeting</li> <li>-Budget Packets are distributed</li> <li>-Budget Software opens for FY25 budget requests</li> <li>-Affiliated Agencies of the Town are notified of the funding application due date and the expectations for funding requests</li> </ul>
Week of January 2, 2024	<ul style="list-style-type: none"> <li>-First 6 months expenditure activity report to departments</li> <li>-Budget planning meeting with Town Manager and Finance Budget Team</li> <li>- Affiliated Agency applications go live on the Town's website</li> </ul>
January 2 - 16, 2024	<ul style="list-style-type: none"> <li>-Human Resources &amp; Finance planning meeting regarding FY25 salary and benefits</li> <li>-Development of the personnel budget for current staff</li> <li>-Capital Projects budget planning meeting</li> </ul>
January 17 - 31, 2024	<ul style="list-style-type: none"> <li>-Review Strategic Plan and priorities and their impact on the FY25 Budget</li> <li>-Individual department meetings</li> </ul>
January 26, 2024	Budget requests for new Hardware / Software due to Technology & Innovations Department
Late January, 2024	Discussion of the CIP and Stormwater capital plan
January 31, 2024	<ul style="list-style-type: none"> <li>-All budget requests and supporting documentation are due to the Finance Department</li> <li>-Mid-year FY24 budget amendment requests are due to the Finance Department</li> <li>-Affiliated Agency funding applications are due to the Finance Department</li> </ul>
February 1 -16, 2024	<ul style="list-style-type: none"> <li>-Initial budget meetings with individual Town Council members, Town Manager and Finance Director</li> <li>-Existing CIP and Stormwater project review with Capital Projects staff and Finance Budget Team</li> <li>-Finance prepares General Fund budget summary and broad overall budget review</li> </ul>
February 13, 2024	Finance & Administrative Committee public meeting to consider Affiliated Agency funding applications and presentations
February 20 – March 8, 2024	Administrative review of budget requests with Town Manager, Department/Division Managers, and Finance Budget Team

February 21, 2024	Planning Commission public meeting on the prioritization of FY 2025 CIP projects
March 2024	Review of Town's Investment and Reserve Policies, and discussion of State ATAX Policy creation
March 12, 2024	Finance & Administrative Committee public meeting to consider Affiliated Agency funding applications and determine if additional meetings are needed
March 21, 2024	Town Council holds a public workshop for review and discussion of the 2023-2025 Strategic Action Plan
March 22, 2024	Destination Marketing Organization (DMO) Marketing Plan and Budget due for consideration
March 29, 2024	Due date for Destination Marketing Organization (DMO) Industry Metrics to be submitted to the Town
April 1 - 2, 2024	Individual budget meetings with Town Council members with Town Manager and Finance Budget Team
April 2024	Mid-year FY24 budget amendment (if needed) is presented to Town Council for First Reading
April 4, 2024	Accommodations Tax Committee public meeting for the presentation of the Destination Marketing Organization (DMO) proposed Marketing Plan and Budget
Week of April 8, 2024	Finance Budget Team documents proposed balance budget
April 9, 2024	Finance and Administrative Committee holds a public meeting for the presentation of the Destination Marketing Organization's (DMO) proposed Marketing Plan, Budget and Industry Metrics
April 15, 2024	A public notice is published in the Island Packet newspaper with FY 2025 Projected Revenues, Expenditures, and Millage Rate, along with a notice of the Public Hearing to be held on May 7, 2024
April 15 – 26, 2024	<ul style="list-style-type: none"> <li>-Finance Budget Team presents initial balanced budget to Town Manager</li> <li>-Finalize FY25 proposed Consolidated Budget Executive Summary, PowerPoint presentation, and Budget Ordinance</li> <li>-Finance Budget Team and Town Manager meet in preparation for May 7th Town Council meeting and 1st Reading of the proposed Budget Ordinance</li> </ul>
Week of April 29, 2024	-Distribute FY25 proposed Consolidated Budget Executive Summary to Town Council



May 7, 2024	<ul style="list-style-type: none"> <li>-Town Manager delivers the FY 2025 proposed budget at the Town Council meeting for the first reading of the budget ordinance and the first Public Hearing</li> <li>-FY2024 budget amendment for FY 2023 carry forwards and other adjustments presented to Town Council for Second Reading</li> <li>-Destination Marketing Plan and DMO Budget presented to Town Council for consideration</li> </ul>
May 8, 2024	A public notice is published in the Island Packet newspaper with FY 2025 Projected Revenues, Expenditures, and Millage Rate, along with a notice of the Public Hearing to be held on June 4, 2024
May 14, 2024	Town Council Public Budget Workshop #1 for the General, Debt Service, Stormwater, Gullah Geechee Historic Neighborhoods Community Development Corporation, and Housing Funds
May 16, 2024	Town Council Public Budget Workshop #2 for the FY 2025 Capital Improvements Program
June 4, 2024	<p>Town Manager delivers the Fiscal Year 2025 proposed Town of Hilton Head Island Consolidated Budget Ordinance to Town Council and the Public for the Second and Final Reading and holds second Public Hearing. View the Town Manager's Presentation here:</p> <p><a href="https://hiltonheadislandsc.gov/budget/FY2025/FY2025BudgetPresentation_6-4-2024.pdf">https://hiltonheadislandsc.gov/budget/FY2025/FY2025BudgetPresentation_6-4-2024.pdf</a></p>
July 1, 2024	Beginning of Fiscal Year 2025

\*The Planning Commission and Town Council put a high priority on using the Town's Strategic Plan as a basis for building the Capital Plan.



# Consolidated Budget Summary





## Consolidated Budget Summary – All Budgeted Funds

The budget process this year was priority-based and focused on funding the Town’s Strategic Action Plan and top priorities, enhancing community planning, public safety, public works and service level increases, investing in impactful capital projects and community infrastructure, building a resilient community, and using the consolidated budget as a catalyst to implement change and improvement. The balanced budget for Fiscal Year 2025 has been allocated in a manner that will successfully meet the challenges and opportunities before the Town and set the stage for the Town’s continued success in the future.

The combined budgets expenditures for the six budgeted funds for Fiscal Year 2025 is \$166,936,866, and the combined budgets revenues for Fiscal Year 2025 is \$168,872,799, with \$1,935,933 in excess revenue representing a contribution to the GGHNCDC’s fund balance. The budget is prudent and responsive to community needs.

### Consolidated Financial Statement – General, Debt, Capital Projects, Housing, Gullah Geechee Historic Neighborhoods Community Development Corporation (GGHNCDC), and Housing Funds

	2022 Actual	2023 Actual	2024 Revised Budget	2025 Adopted Budget	% Change
<b>Revenues</b>					
Property Taxes	21,972,298	23,102,246	22,412,300	23,919,144	6.7%
ATAX - Local	7,026,531	6,948,465	7,034,520	6,880,890	-2.2%
Business Licenses & Franchise Fees	15,246,918	13,531,476	13,441,417	13,530,924	0.7%
Public Safety - EMS	2,016,643	2,250,934	2,117,000	2,036,000	-3.8%
Permits	2,001,046	1,570,126	2,350,225	1,912,420	-18.6%
Intergovernmental	633,244	885,089	926,755	973,093	5.0%
Investment Income	85,181	1,926,943	719,315	2,113,365	193.8%
Stormwater Fees	5,081,075	5,066,598	5,104,075	5,067,000	-0.7%
Funds from Prior Years	-	-	3,468,059	11,652,051	236.0%
Prior Bond Issue	-	31,236	258,434	-	-100.0%
Lease	-	-	7,483,420	6,931,677	-7.4%
Grants	323,047	5,858,539	7,231,154	500,000	-93.1%
Operating Transfers In	24,550,756	35,786,231	69,208,911	88,584,165	28.0%
Miscellaneous	1,233,945	2,600,203	5,263,837	4,772,070	-9.3%
<b>Total</b>	<b>80,170,684</b>	<b>99,558,086</b>	<b>147,019,422</b>	<b>168,872,799</b>	<b>14.9%</b>

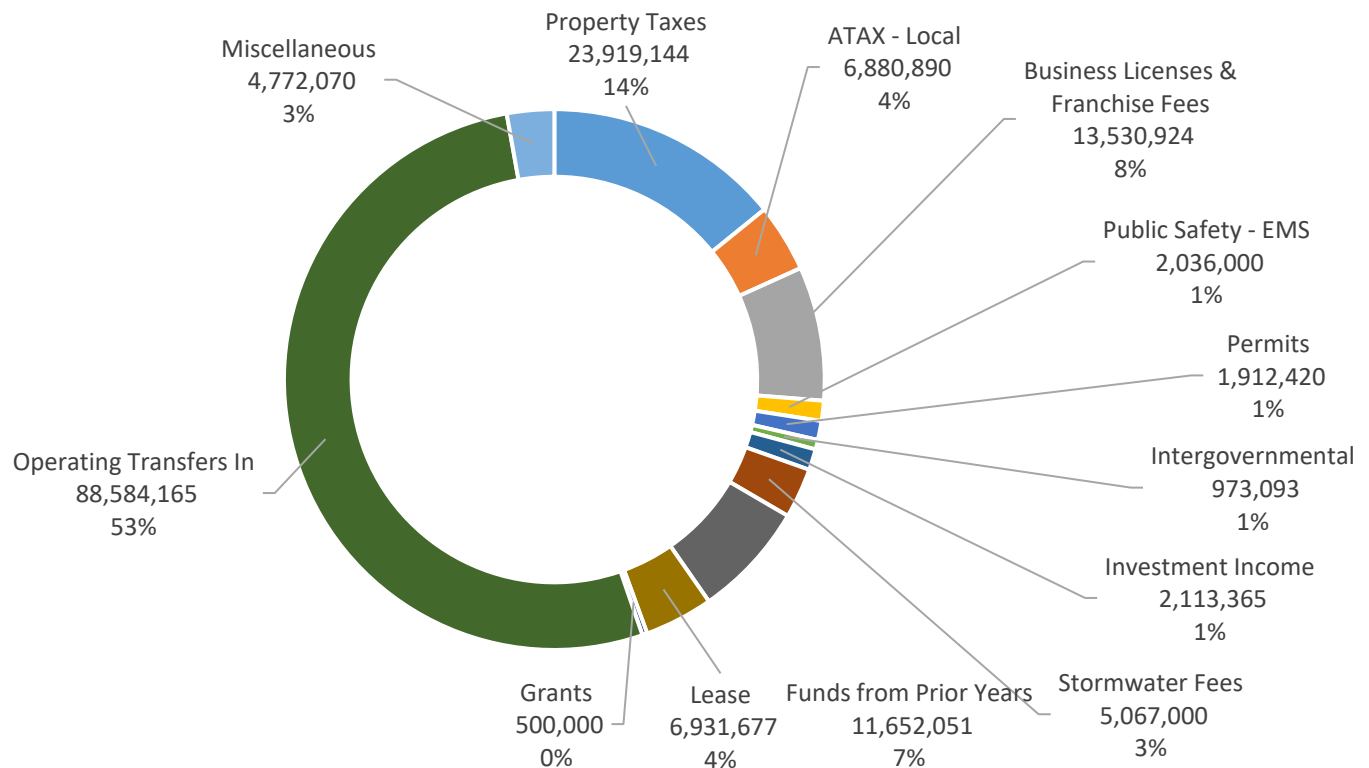


**Consolidated Financial Statement – General, Debt, Capital Projects, Housing, Gullah Geechee Historic Neighborhoods Community Development Corporation (GGHNCDC), and Housing Funds**

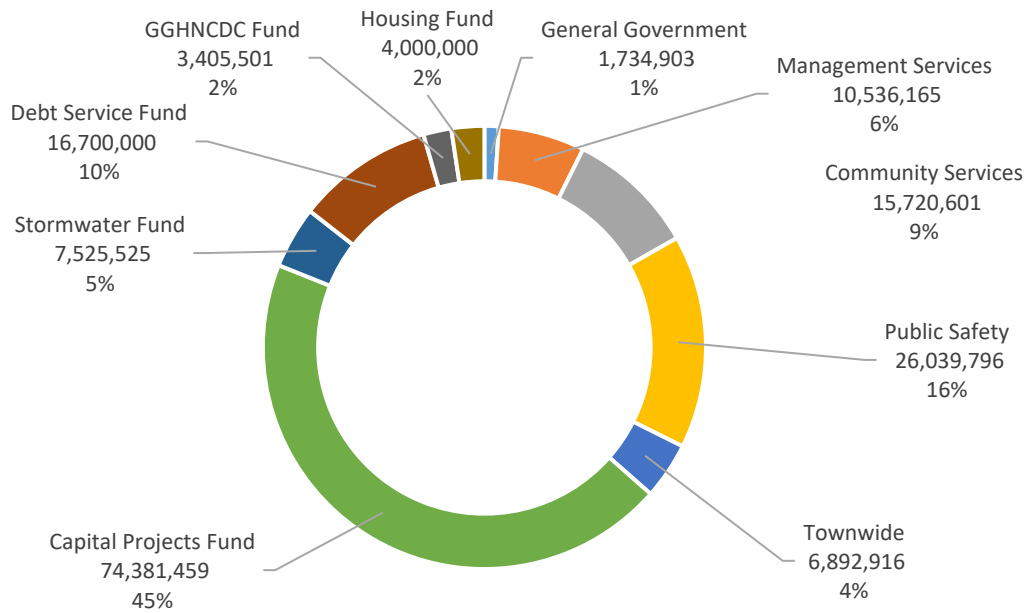
**Expenditures**

General Government	1,726,570	2,046,471	2,148,969	1,734,903	-19.3%
Management Services	7,080,011	7,877,498	9,023,700	10,536,165	16.8%
Community Services	10,399,647	11,691,755	20,508,183	21,876,102	6.7%
Public Safety	19,251,340	21,516,919	24,637,205	28,171,796	14.3%
Townwide	4,634,698	4,975,679	6,707,144	4,760,916	-29.0%
Transfers Out	2,708,875	125,000	3,985,000	1,260,000	-68.4%
Capital	7,554,151	20,688,292	55,871,171	74,431,459	33.2%
Stormwater	1,232,783	1,922,406	5,507,484	6,216,951	12.9%
Debt Issue Costs	-	-	-	-	0.0%
Debt Service	20,527,821	20,538,014	18,630,566	17,948,574	-3.7%
<b>Total</b>	<b>75,115,896</b>	<b>91,382,034</b>	<b>147,019,422</b>	<b>166,936,866</b>	<b>13.5%</b>
<b>Excess/(Deficiency) of Revenues over Expenditures</b>	<b>5,054,788</b>	<b>8,176,052</b>	<b>-</b>	<b>1,935,933</b>	

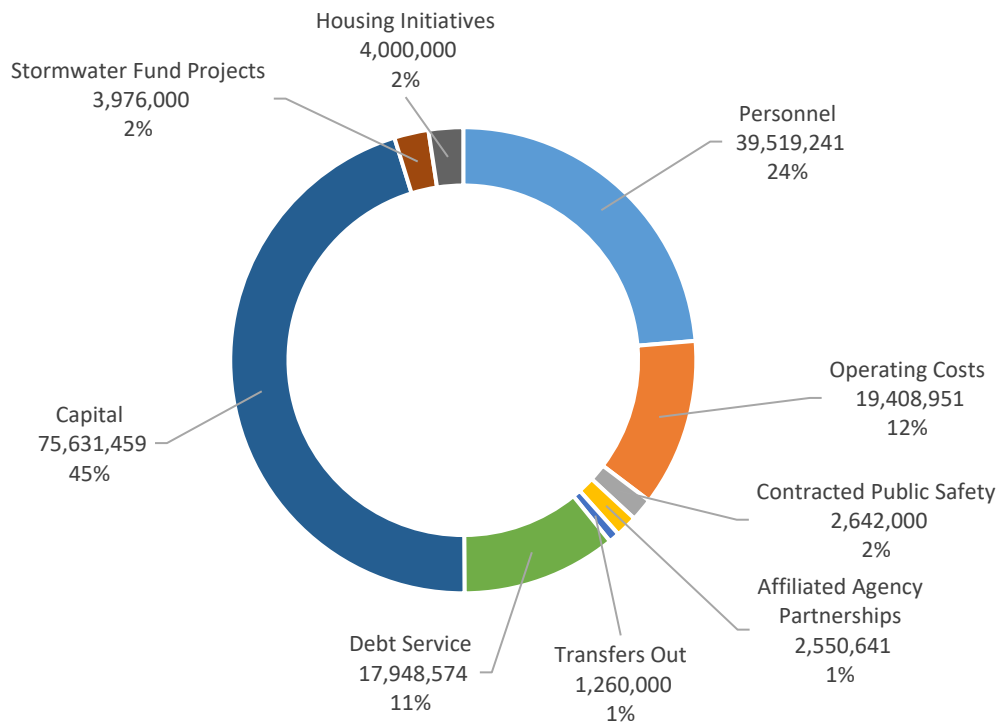
**Where the Money Comes From**



## Where the Money Goes – By Program



## Where the Money Goes – By Category



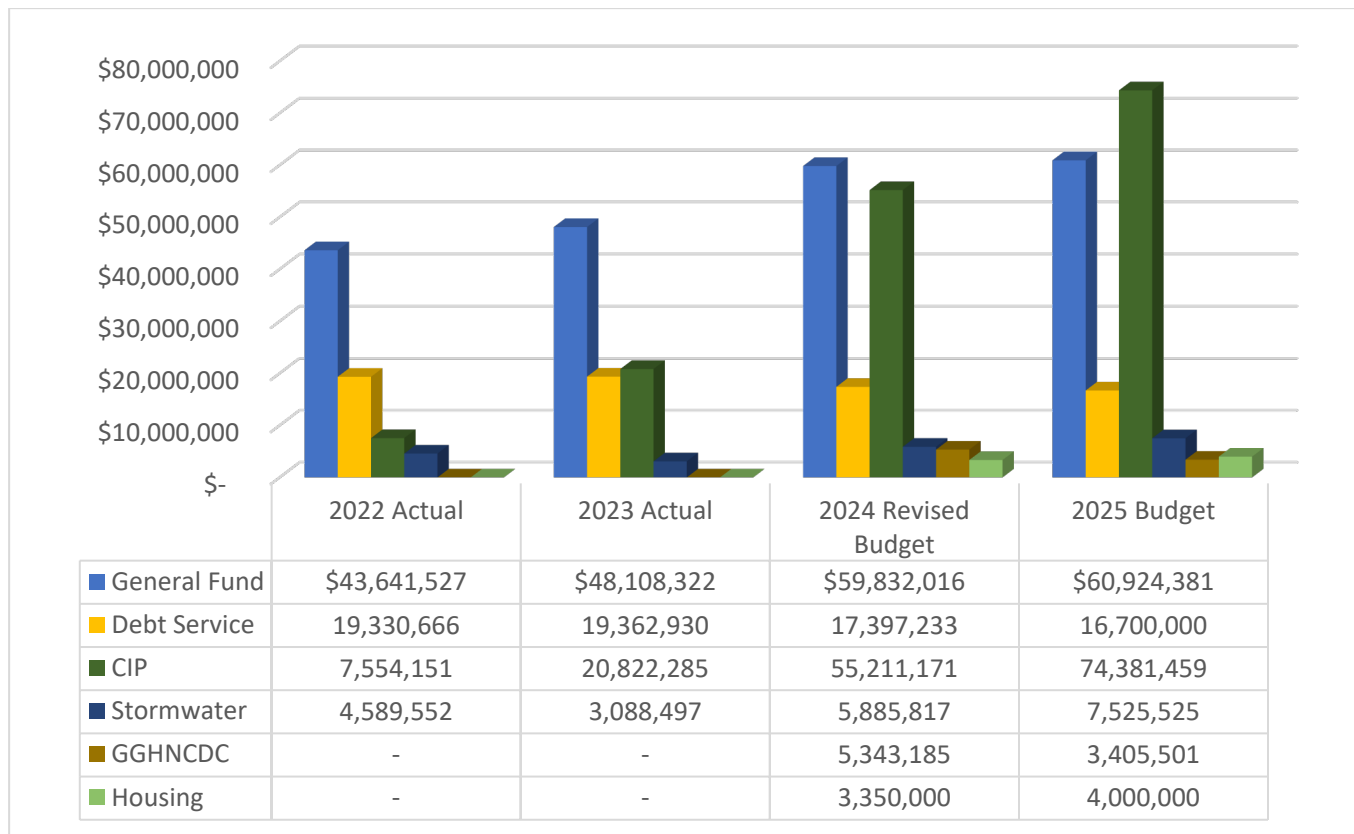
## Revenue and Expenditures by Fund

### Fiscal Year 2025

Fiscal Year 2025 Budget	General Fund	Debt Service	CIP	SWU	CDC	Housing	Total
<b>Budgeted Revenues</b>							
Property Taxes	18,076,000	5,843,144	-	-	-	-	23,919,144
ATAx - Local	6,880,890	-	-	-	-	-	6,880,890
Business Licenses and Franchise Fees	13,530,924	-	-	-	-	-	13,530,924
EMS Revenue	2,036,000	-	-	-	-	-	2,036,000
Permits & Fees	1,800,000	-	-	112,420	-	-	1,912,420
Intergovernmental	973,093	-	-	-	-	-	973,093
Investment Income	1,500,000	338,365	-	150,000	125,000	-	2,113,365
Stormwater Fees	-	-	-	5,067,000	-	-	5,067,000
Funds from Prior Years	1,239,512	-	-	2,196,105	5,216,434	3,000,000	11,652,051
Bond Revenue	-	-	-	-	-	-	-
Operating Transfers In	14,357,026	10,518,491	62,708,648	-	-	1,000,000	88,584,165
Lease	-	-	6,931,677	-	-	-	6,931,677
Grants	-	-	500,000	-	-	-	500,000
Miscellaneous	530,936	-	4,241,134	-	-	-	4,772,070
<b>Total Revenues</b>	<b>60,924,381</b>	<b>16,700,000</b>	<b>74,381,459</b>	<b>7,525,525</b>	<b>5,341,434</b>	<b>4,000,000</b>	<b>168,872,799</b>
<b>Budgeted Expenditures</b>							
General Government	1,734,903	-	-	-	-	-	1,734,903
Management Services	10,536,165	-	-	-	-	-	10,536,165
Community Services	15,720,601	-	-	-	2,155,501	4,000,000	21,876,102
Public Safety	26,039,796	-	-	-	-	-	26,039,796
Townwide	6,892,916	-	-	-	-	-	6,892,916
Transfers Out	-	-	-	1,260,000	-	-	1,260,000
Capital	-	-	73,181,459	-	1,250,000	-	74,431,459
Stormwater	-	-	1,200,000	5,016,951	-	-	6,216,951
Debt Issue Costs	-	-	-	-	-	-	-
Debt Service	-	16,700,000	-	1,248,574	-	-	17,948,574
<b>Total Expenditures</b>	<b>60,924,381</b>	<b>16,700,000</b>	<b>74,381,459</b>	<b>7,525,525</b>	<b>3,405,501</b>	<b>4,000,000</b>	<b>166,936,866</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,935,933</b>	<b>-</b>	<b>1,935,933</b>



## Analysis of Expenditures by Fund



## Revenue Trend Analysis

### 1. **Property Taxes; General Fund and Debt Service Fund –**

An ad valorem property tax, a tax per unit of property value, is levied upon all real property and certain classes of tangible property as that property is assessed and equalized for State and County purposes for any tax year. The property tax is authorized by the South Carolina Code of Laws (SC Code), Sec. 5-7-30 and 12-43-220, and also by the Town of Hilton Head Island Code of Ordinances, Title 4, Chapter 3.

#### Collection and Distribution

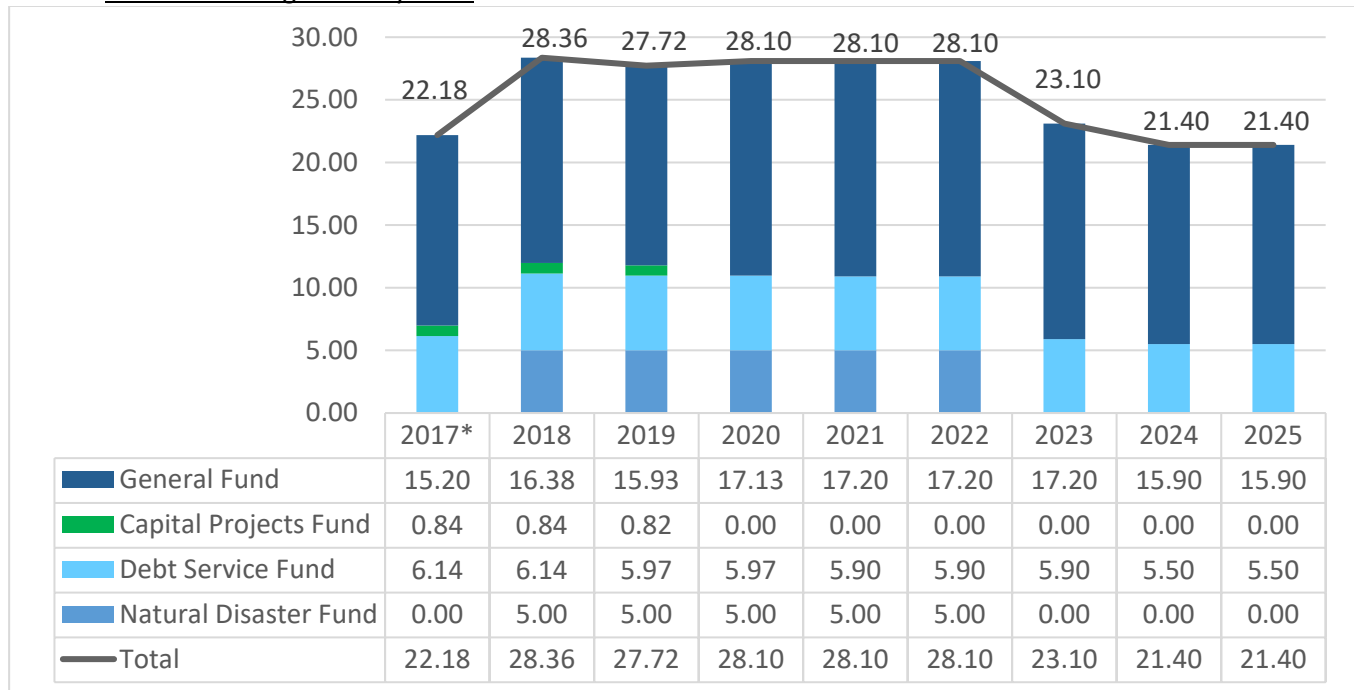
The tax levy is released in September and current taxes are payable from October 1<sup>st</sup> through December 31<sup>st</sup> of each year. On January 15, unpaid taxes are considered delinquent, and penalties begin to accrue.

#### **Tax Levy for Fiscal Year 2025**

The millage rate for Fiscal Years 2025 will remain the same as Fiscal Year 2024 at 21.4 mills. During fiscal year 2024, Beaufort County performed a property value reassessment of all property within the County limits. Since the reassessment showed that property values within the Town of Hilton Head Island had increased, the Town reduced its millage from 23.1 to 21.4 to offset the effects of the implementation of new property values from the County's reappraisal process to achieve a revenue-neutral outcome.

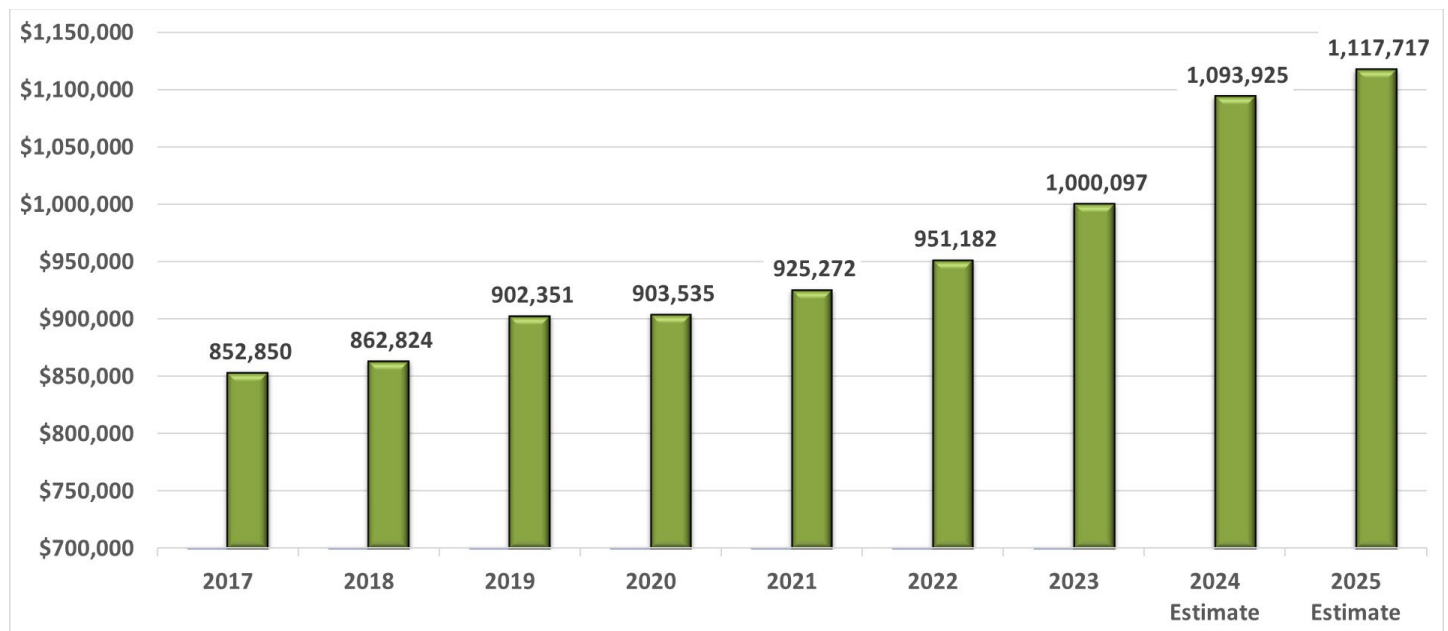
## Revenue Trend Analysis

Historical Millage Rate by Fund

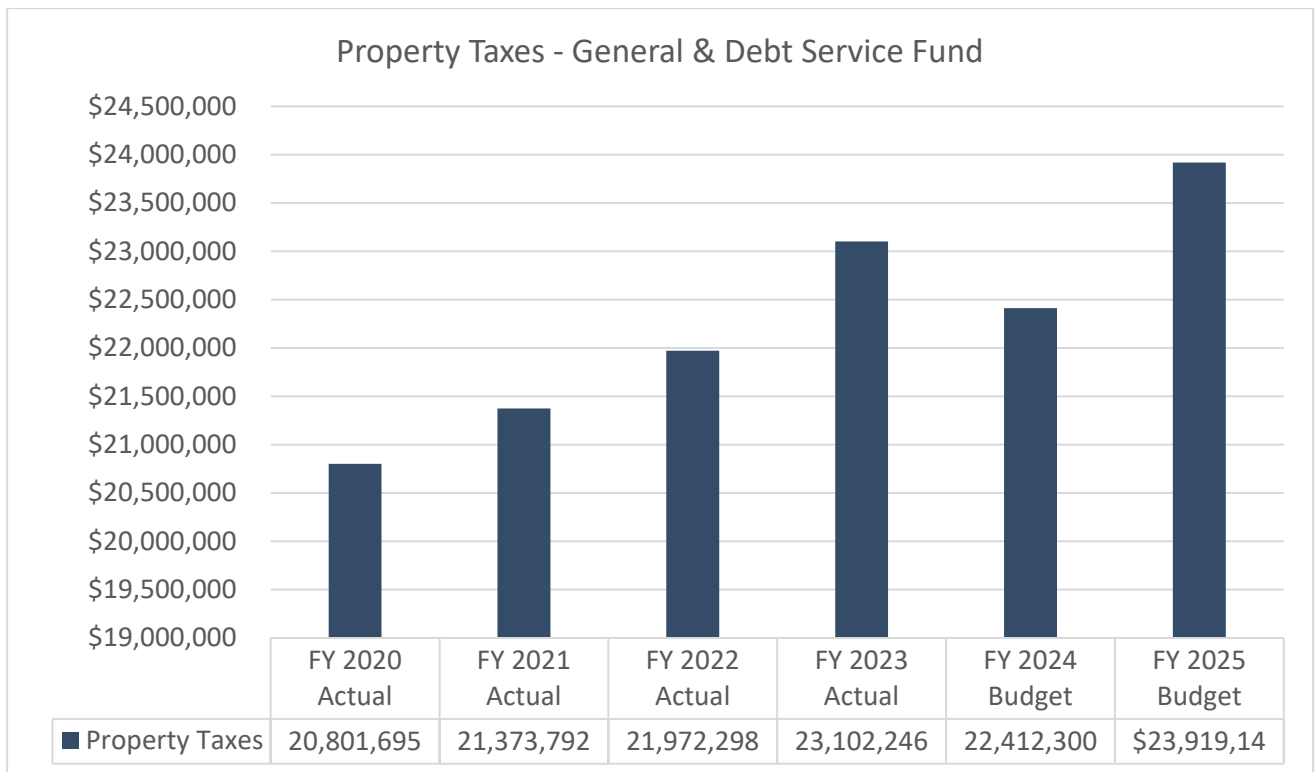


\*Hurricane Matthew was in Fiscal Year 2017

Value of a Mil



## Revenue Trend Analysis



### Anticipated Tax Collections

For Fiscal Year 2025 property taxes represent approximately 14% of the total revenue received by the General, Debt, CIP, GGHNCDC, Housing, and Stormwater funds. Revenue anticipated from this source is approximately \$23.9 million for Fiscal Year 2025, of which approximately \$18.1 million is in the General Fund.

2. **Business License Taxes and Franchise Fees; General Fund** – these funds will be used to fund various operating expenditures.

The combined revenue from business license taxes and franchise fees represents the second largest single revenue source for the General Fund.

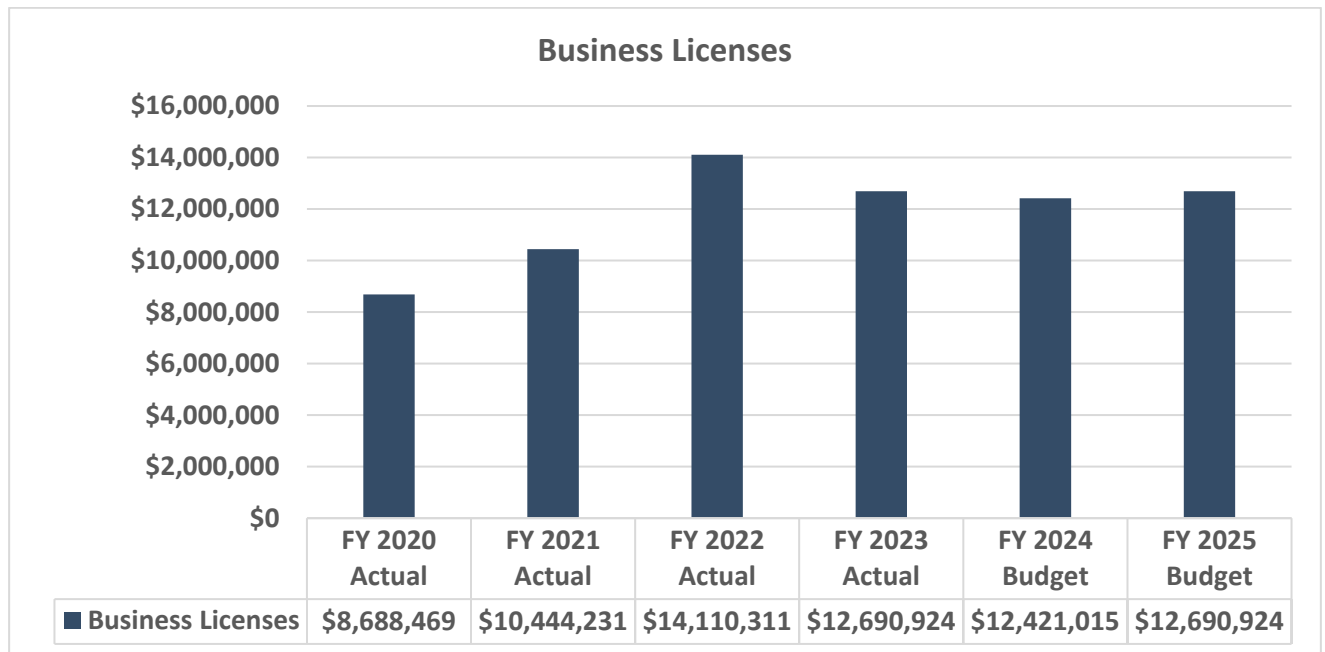
The most significant source is the business license tax levied upon each \$1,000 of gross receipts, sales, or premiums of business conducted within the corporate limits of the Town. The South Carolina General Assembly passed Act 176, the South Carolina Business License Tax Standardization Act, in September 2020. The law requires every local government with a business license tax to administer the tax in the same way across the state starting January 1, 2022. The law prevents municipalities from receiving a revenue windfall in the first year of implementation as a result of the required changes, as such, the Town's business license tax rates were rebalanced to ensure revenue neutrality during the 2022 business license cycle (FY22-FY23).

At the same time, the Municipal Association of South Carolina created a business license model ordinance to assist with the process of complying with the new law, which the Town adopted effective September 21, 2021. Under the model ordinance, a significant change for the Town was the lack of a business license



## Revenue Trend Analysis

exemption for a person owning and renting one (1) residential property, which the Town's previous business license ordinance included. As a result, the Town received approximately one thousand new business license accounts for short-term rental businesses in FY22, which increased overall business license revenue that year as well as the years to follow. Revenue collection from business licenses remains strong and is anticipated to be \$12.7 million in Fiscal Year 2025. Franchise fee revenue is anticipated to be \$840.0 thousand.



Note: In Fiscal Year 2020 one business license payment (\$1,087,367) from the state was delayed due to processing issues associated with the COVID-19 pandemic. The payment was posted in Fiscal Year 2021.

### 3. **Intergovernmental (State Shared); General Fund**

The Town will receive approximately \$973,093 in state shared revenue in Fiscal Year 2025. The amount received from this source has remained about the same over the past several years.

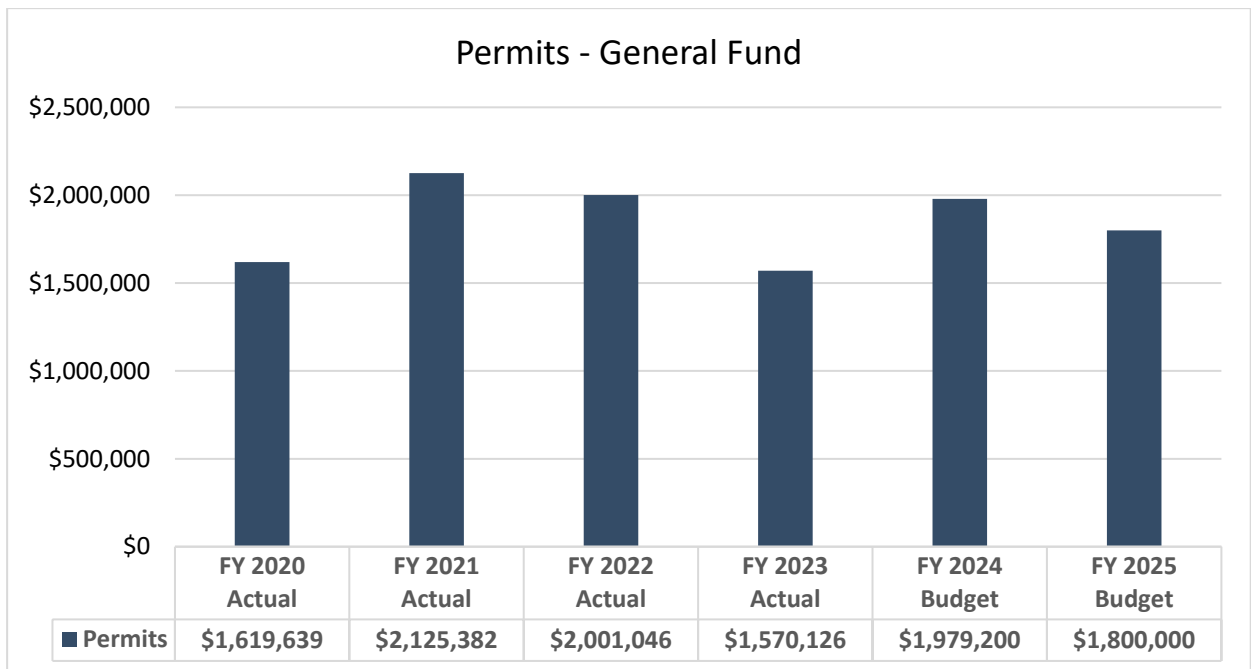
### 4. **Permit Fees; General Fund and Stormwater Fund**

**New construction** – Permit fee revenue from new construction is expected to be lower than last year: \$724,336

**Development** – Revenue from permit fees associated with development is expected to be lower than last year: \$8,500

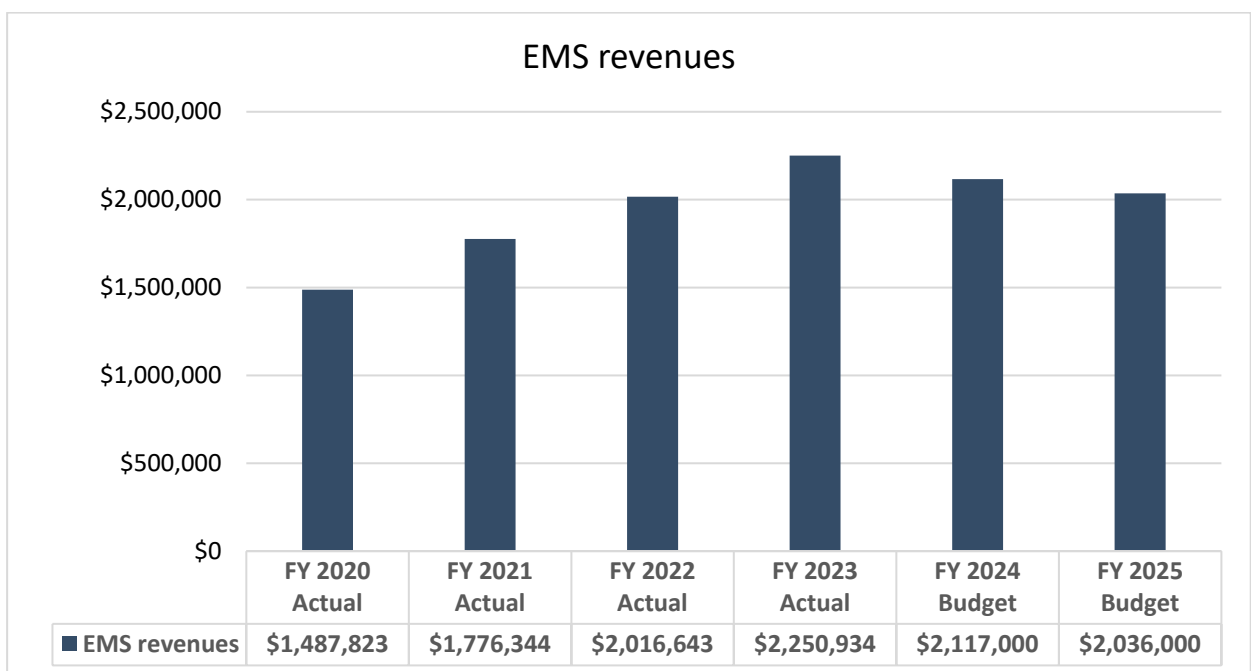
**Other** – General Fund revenue from other miscellaneous permit fee is expected to be lower than FY24, although some Growth Management Fees were increased for FY25 which will contribute more funding in those areas: \$1,067,164. Stormwater Fund revenue from other permit fees is also expected to decrease in FY25: \$112,420.

## Revenue Trend Analysis



### 5. **Emergency Medical Services; General Fund**

An EMS rate increase went into effect in Fiscal Year 2023, and Ambulance Service Fees increases will into effect in Fiscal Year 2025, however, recent call volume has decreased, therefore funds received through Fire Rescue for medical services rendered are projected be slightly lower than FY24 levels, approximately \$2.0 million.



## Revenue Trend Analysis

### 6. **Local 1% Accommodations Tax (ATAX); General Fund**

Although a slight decrease in tourist activity has been noticed in FY24, Tourism remains high on the Island and therefore, this revenue source tax is expected to generate approximately the same amount in revenue in Fiscal Year 2025 as in Fiscal Year 2023 and 2024, \$6.8 million. This tax is imposed on the gross proceeds derived from the rental of any rooms (excluding meeting rooms), campground spaces, recreational vehicle spaces, lodging or sleeping accommodations furnished to transients by any hotel, inn, condominium, motel, "bed and breakfast," residence or any other place in which rooms, lodging or sleeping accommodations are furnished to transients for consideration within the town. The gross proceeds derived from the lease or rental of sleeping accommodations supplied to the same person or persons for a period of ninety (90) days or more are not considered "proceeds from transients."

These funds may be used for tourism-related buildings, including, but not limited to, civic centers, coliseums, and aquariums; cultural, recreational, or historic facilities; beach access and re-nourishment; highways, roads, streets, and bridges providing access to tourist destinations; advertisements and promotions related to tourism development; water and sewer infrastructure to serve tourism-related demand and the operation and maintenance of those items previously enumerated and police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.

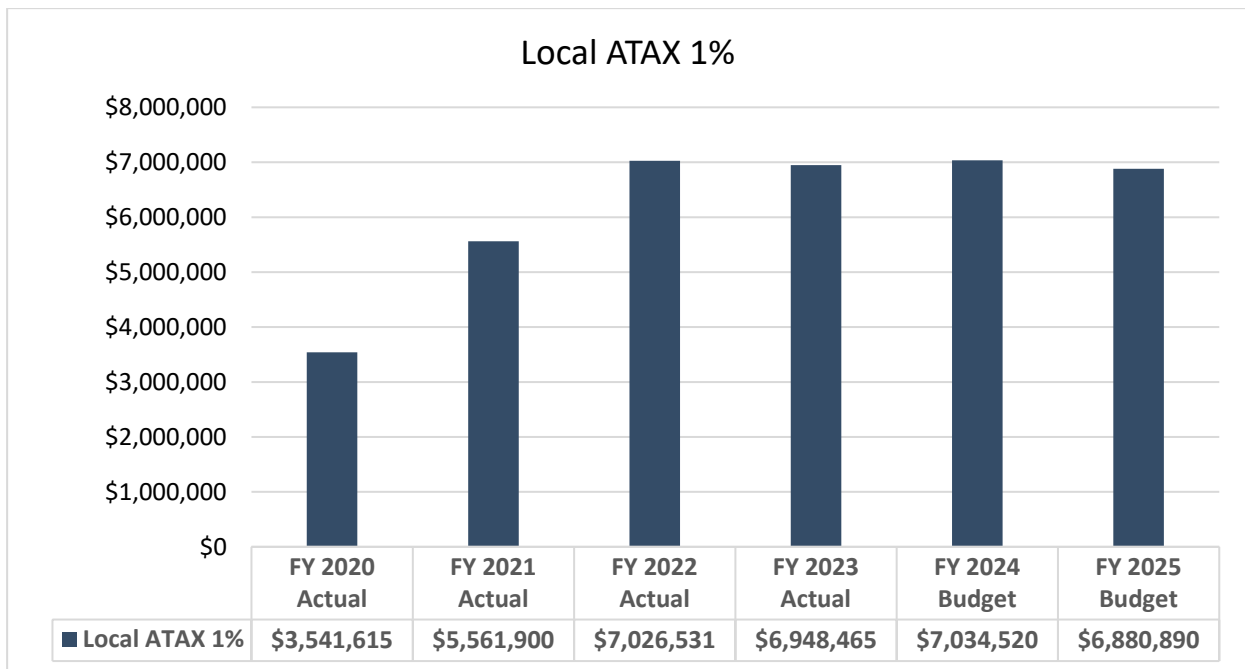
***Event Management and hospitality training program fund*** – The Town sets aside five (5) percent of this local accommodations tax for special events production, volunteerism and hospitality training and shall select one (1) organization to manage and direct such fund expenditures. To be eligible for selection the organization must be local, organized as a nonprofit (501c), and be mission driven to promote tourism development. The organization must employ a full-time executive director and provide an annual audited financial report in accordance with Generally Accepted Accounting Principles. The organization must not otherwise be designated as the official tourism agency by the town or any other governmental agency. The agency is required to submit an annual budget to the Town of Hilton Head Island prior to April 1 of each calendar year for inclusion in the Town's budget. Town Council will consider the budget and award the organization a reimbursable grant on a June 30 fiscal year basis.

***Reserve Fund*** – The Town sets aside, in a separate account, five (5) percent of the one (1) percent local accommodations tax, as a reserve fund for disaster management communications-oriented programs.

These funds are used to provide for post disaster advertising, a communications link to emergency agencies, and media programs to provide public notice. Funds are distributed upon authorization of the Town Manager.



## Revenue Trend Analysis



7. **Minor Grants** are not included in the budget. The matching funds associated with the minor grants are included in the operating budget.
  
8. **Transfers In from Special Revenue Funds; General Fund, Debt Service Fund, CIP Fund and Housing Fund**  
 Transfers In vary from year to year, in FY25 Transfers In include:
  - (a) **Hospitality Taxes** – these funds will be used to fund various operating expenditures, debt service payments, and various capital projects.
  - (b) **Beach Preservation Fees** – these funds will be used to fund various operating expenditures, debt service payments, and various beach related capital projects.
  - (c) **Tax Increment Financing (TIF)** – these funds will be used to fund project management expenditures in the operating budget, debt service payments, and various capital projects.
  - (d) **Road Usage Fees** – these funds will be used for road improvement projects.
  - (e) **State Accommodation Tax**– these funds will be used to fund various operating expenditures, tourism related CIP projects, and Workforce Housing initiatives. State ATAX collections have been at, or near, record-high levels since FY21.
  - (f) **Real Estate Transfer Fees (RETF)** – these funds will be used for debt service payments and park development capital projects.
  - (g) The **Stormwater Enterprise Fund** – to the General Fund and CIP Fund for project management.
  - (h) The **Electric Franchise Fund** – to the General Fund for project management and to fund various operating expenditures, and to the CIP Fund for various projects.
  - (i) The **Short Term Rental Fees** – to the General Fund for costs associated with the Short Term Rental Permit program.

## Analysis of Transfers-In

The table below reflects transfers between the special revenue funds and the General Fund, Debt Service Fund, CIP and Housing Fund.

Transfers-In	General	Debt Service	CIP	Housing	FY 2025 Total
Hospitality Taxes	\$ 6,257,894	\$ 1,843,158	\$ 18,601,126	\$ -	\$ 26,702,178
Beach Preservation Fees	1,983,508	4,346,625	21,275,174	-	27,605,307
Tax Increment Financing (TIF)	110,000	3,928,708	8,285,717	-	12,324,425
State Accommodation Taxes	3,515,021	-	3,200,000	1,000,000	7,715,021
Real Estate Transfer Fees	-	400,000	885,912	-	1,285,912
Stormwater Fees	125,000	-	1,200,000	-	1,325,000
Road Usage Fees	-	-	762,871	-	762,871
Electric Franchise Fees	540,603	-	8,497,848	-	9,038,451
Short Term Rental Fees	1,825,000	-	-	-	1,825,000
<b>Total</b>	<b>\$ 14,357,026</b>	<b>\$ 10,518,491</b>	<b>\$ 62,708,648</b>	<b>\$ 1,000,000</b>	<b>\$ 88,584,165</b>

## Expenditure Analysis

### Summary of Changes – Proposed Budget to Adopted Budget

1. General Fund –
  - The total proposed to adopted budgeted amounts remained the same in the General Fund
2. Debt Service Fund –
  - The total proposed to adopted budgeted amounts remained the same in the Debt Service Fund
3. CIP Fund –
  - The total proposed to adopted budgeted amounts remained the same in the CIP Fund
4. Stormwater Fund –
  - The total proposed to adopted budgeted amounts remained the same in the Stormwater Fund
5. Gullah Geechee Historic Neighborhoods Community Development Corporation Fund –
  - The total proposed to adopted budgeted amounts remained the same in the GGHNCDC Fund
6. Housing Fund –
  - The total proposed to adopted budgeted amounts remained the same in the Housing Fund

## Town Staffing (F.T.E.s)

	FY 2022	FY 2023	FY 2024	FY 2025
<b><u>General Government</u></b>				
Town Council	7.0	7.0	7.0	7.0
Town Manager	7.0	8.0	8.8	5.8
<b><u>Community Engagement</u></b>				
Community Engagement				1.8
Cultural Affairs	1.0	1.0	1.8	1.8
Marketing & Communications	2.5	2.0	3.6	5.6
Information Technology and Innovation	14.5	15.0	14.8	14.8
<b><u>Management Services</u></b>				
Legal and Administration	6.2	11.4	5.2	4.1
Finance	19.2	20.2	22.2	24.0
Human Resources	4.0	4.0	4.8	4.8
<b><u>Community Services</u></b>				
Community Development	31.1	32.2	34.1	33.9
Public Projects and Facilities (PPF)	22.0	26.0	28.0	23.6
<b><u>Public Safety</u></b>				
Fire and Rescue	145.5	146.5	153.6	153.6
Public Safety Code Enforcement			7.0	7.0
<b>Total General Fund</b>	<b>260.0</b>	<b>273.3</b>	<b>290.9</b>	<b>287.8</b>
<b>PPF Stormwater Fund</b>	5.0	5.0	7.0	7.0
<b>GGHNCDC Fund</b>			1.0	1.0
<b>Total Town Staff</b>	<b>265.0</b>	<b>278.3</b>	<b>298.9</b>	<b>295.8</b>

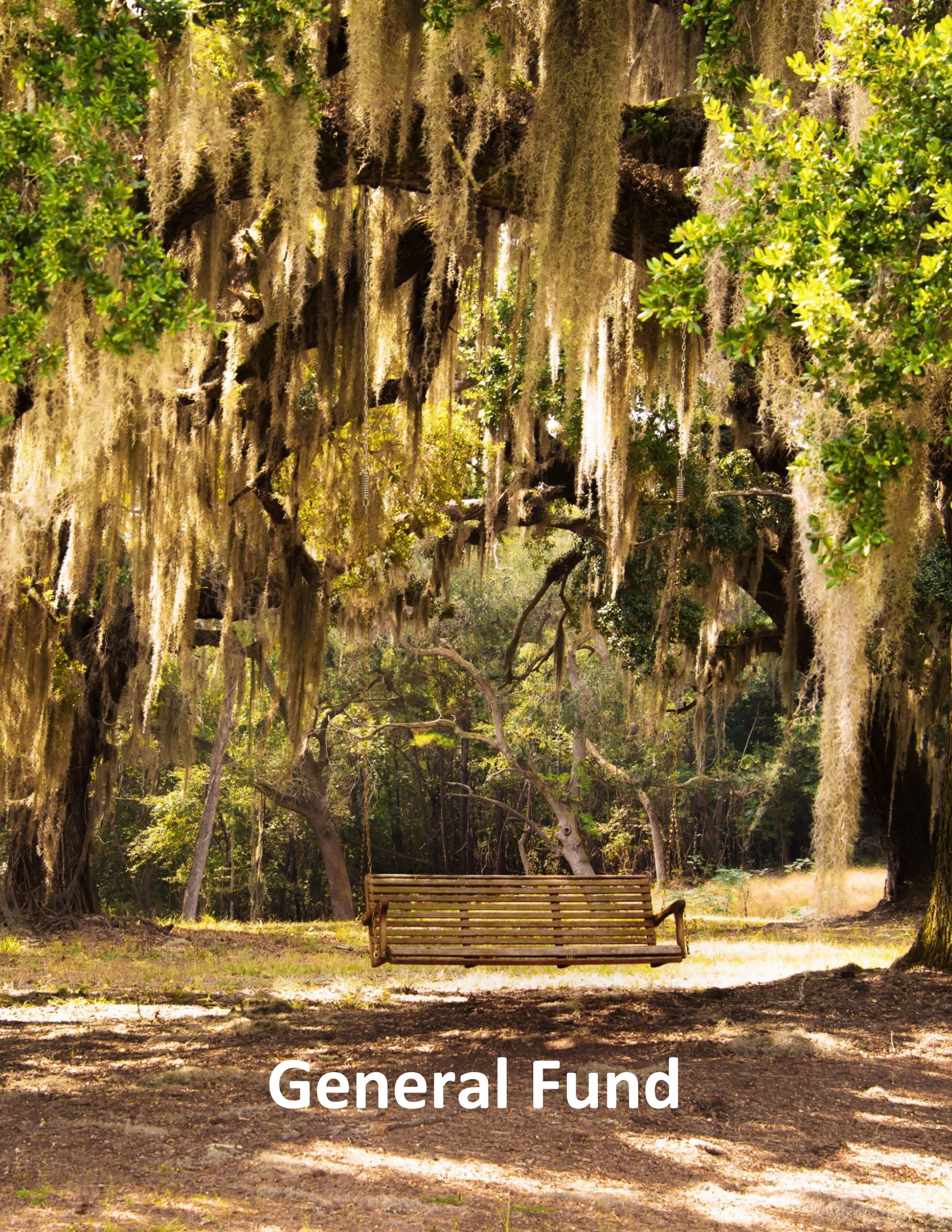
### **Changes in Staffing**

- To better align work program activities and operational efficiencies, some positions were reassigned within the Community Services area, as well as within the Town Manager, Community Engagement and Management Services areas. There were also three vacant positions that were removed from the budget effective July 1, 2025, as these positions were deemed not necessary at this time.

### **Retired positions in FY 2025:**

- Principal Planner
- Senior Project Manager
- Transportation Project Engineer





**General Fund**



## General Fund

The General Fund is a major fund that accounts for the revenues and expenditures necessary to carry out basic governmental activities of the Town such as general government, financial, legal, administrative services, police and fire protection, recreation, and community and infrastructure services. All financial transactions not accounted for in other funds are recorded in the General Fund.

	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	% Change
<b>Revenues</b>					
Property Taxes	16,372,284	17,215,546	16,942,000	18,076,000	6.7%
ATAX Local 1%	7,026,531	6,948,465	7,034,520	6,880,890	-2.2%
<b>Business Licenses:</b>					
Business Licenses - Town	7,168,807	8,424,998	6,783,975	8,424,998	24.2%
Business Licenses - MASC	6,941,504	4,265,926	5,637,040	4,265,926	-24.3%
<b>Franchise Fees:</b>					
Cable	1,074,991	780,688	967,752	785,000	-18.9%
Beach Fee	61,616	59,864	52,650	55,000	4.5%
<b>Permit Fees:</b>					
Construction	860,364	495,593	841,000	724,336	-13.9%
Development	15,020	7,369	15,200	8,500	-44.1%
Other	1,125,662	1,067,164	1,123,000	1,067,164	-5.0%
Intergovernmental/Local Gov't Fee	633,244	885,089	926,755	973,093	5.0%
<b>Grants:</b>					
Beaufort County - E911	128,515	138,543	65,858	-	-100.0%
Other	1,345	6,830	-	-	
<b>Miscellaneous Revenue:</b>					
Beach Services/Parking	218,193	236,232	243,000	236,232	-2.8%
Other	335,802	372,514	279,271	294,704	5.5%
Public Safety - EMS	2,016,643	2,250,934	2,117,000	2,036,000	-3.8%
Public Safety - Other	2,910	2,190	-	-	
Prior Year Unspent Funds	-	-	1,938,908	1,239,512	-36.1%
Investments	39,184	1,248,615	585,000	1,500,000	156.4%
<b>Sub-Total Operating Rev.</b>	<b>44,022,615</b>	<b>44,406,560</b>	<b>45,552,929</b>	<b>46,567,355</b>	<b>2.2%</b>
<b>Transfers In:</b>					
Beach Fees	487,631	652,923	1,983,508	1,983,508	0.0%
Sale of Equipment/Vehicles	46,427	38,656	-	-	
Hospitality Fee	110,203	3,218,687	5,154,955	6,257,894	21.4%
TIF	144,585	153,000	110,000	110,000	0.0%
ATAX -- State	1,695,211	2,445,211	4,615,021	3,515,021	-23.8%
Electric Franchise Fee	405,452	540,603	540,603	540,603	0.0%
Short Term Rental Permit Fee	-	967,626	1,750,000	1,825,000	4.3%
Stormwater	116,250	125,000	125,000	125,000	0.0%
<b>Sub-Total Transfers In</b>	<b>3,005,759</b>	<b>8,141,706</b>	<b>14,279,087</b>	<b>14,357,026</b>	<b>0.5%</b>
<b>Total Revenues</b>	<b>47,028,374</b>	<b>52,548,266</b>	<b>59,832,016</b>	<b>60,924,381</b>	<b>1.8%</b>

## Financial Statement

	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	% Change
<b><u>Expenditures</u></b>					
<b>General Government:</b>					
Town Council	429,917	626,515	450,842	470,064	4.3%
Town Manager	1,296,654	1,419,956	1,698,127	1,264,839	-25.5%
<b>Total General Government</b>	<b>1,726,571</b>	<b>2,046,471</b>	<b>2,148,969</b>	<b>1,734,903</b>	<b>-19.3%</b>
<b>Management Services:</b>					
<b>Finance</b>					
Administration	2,016,665	2,392,927	2,667,700	3,046,341	14.2%
	2,016,665	2,392,927	2,667,700	3,046,341	14.2%
<b>Administrative Services</b>					
Legal Administration	539,434	598,621	672,288	558,761	-16.9%
Community Engagement				340,777	
Office of Cultural Affairs	258,399	247,944	313,313	387,022	23.5%
Marketing & Communications	257,551	313,843	446,715	893,408	100.0%
Technology & Innovation/Records	3,340,536	3,669,679	4,232,573	4,447,413	5.1%
Human Resources	667,427	654,484	691,111	862,443	24.8%
	5,063,347	5,484,571	6,356,000	7,489,824	17.8%
<b>Total Management Services</b>	<b>7,080,012</b>	<b>7,877,498</b>	<b>9,023,700</b>	<b>10,536,165</b>	<b>16.8%</b>
<b>Community Services:</b>					
<b>Community Development</b>					
Administration	348,117	920,630	1,278,795	1,758,404	37.5%
Community Planning	575,719	688,785	1,286,193	1,176,259	25.6%
Development, Review and Zoning	624,443	532,532	780,487	637,833	-18.3%
Building Inspection/Compliance	1,066,885	1,059,543	1,360,933	1,423,776	4.6%
CD Services	497,681	597,472	529,604	599,031	13.1%
Workforce Housing Program	-	-	-	200,007	100.0%
	3,112,845	3,798,961	5,236,012	5,795,310	18.6%
<b>Public Projects and Facilities</b>					
Administration	150,404	-	-	-	
Transportation	683,911	632,852	513,437	619,322	20.6%
Facilities Maintenance	6,057,703	6,580,876	7,742,924	3,229,402	-56.6%
Public Projects	394,782	679,066	822,625	1,850,339	124.9%
Public Services	-	-	-	4,226,228	
	7,286,800	7,892,794	9,078,986	9,925,291	13.2%
<b>Total Community Services</b>	<b>10,399,645</b>	<b>11,691,755</b>	<b>14,314,998</b>	<b>15,720,601</b>	<b>15.1%</b>

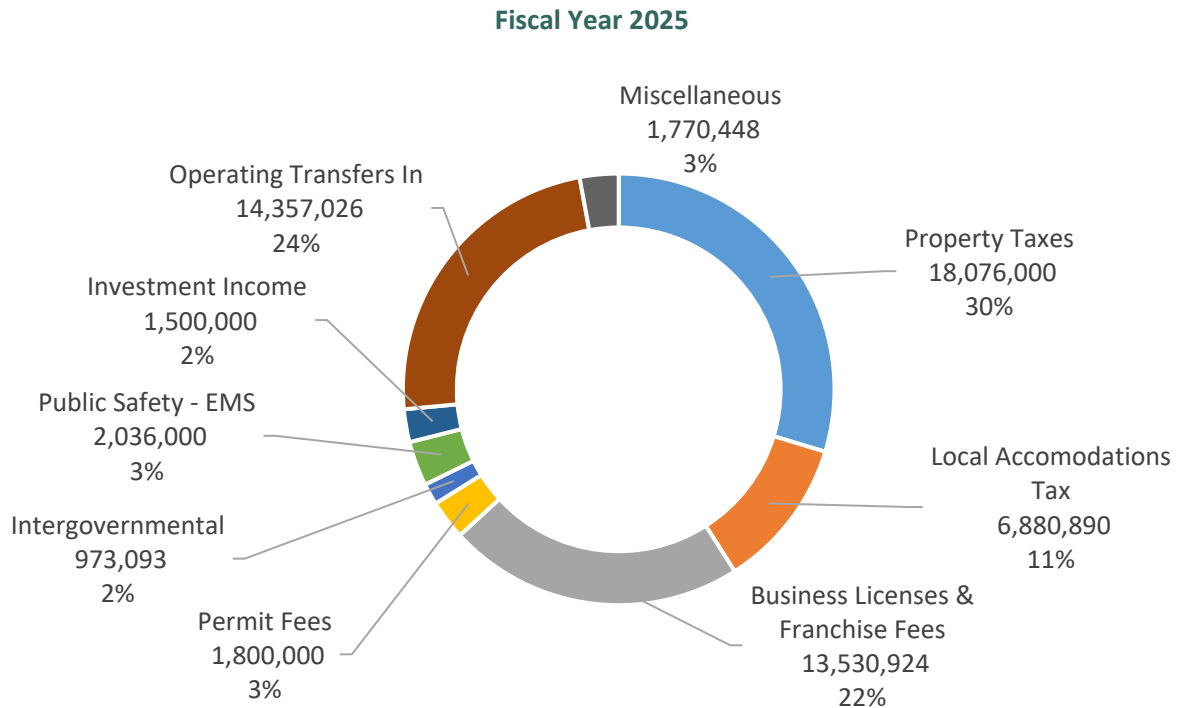


## Financial Statement

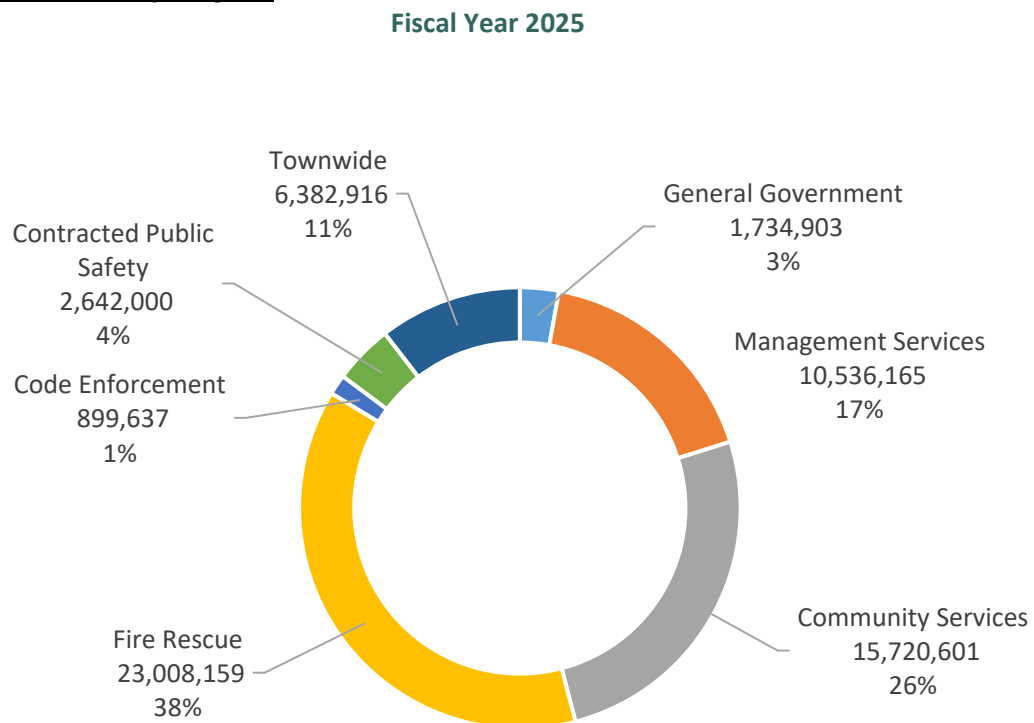
	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	
<b>Public Safety:</b>					
<b>Fire Rescue</b>					
Executive	1,140,494	1,286,907	2,308,296	2,856,163	23.7%
Administration	2,435,290	2,797,757	3,395,488	3,322,694	-2.1%
Operations	13,154,844	14,477,536	15,443,206	16,829,302	9.0%
<b>Total Fire Rescue</b>	16,730,628	18,562,200	21,146,990	23,008,159	8.8%
<b>Public Safety &amp; Code Enforcement</b>					
Public Safety & Code Enforcement	-	387,793	845,759	899,637	6.4%
<b>Total Public Safety &amp; Code Enforcement</b>	-	387,793	845,759	899,637	6.4%
<b>Contracted Public Safety - Police Services</b>					
Police Services	2,000,000	2,000,000	-	-	
Security Services	21,647	-	-	-	
Shore Beach Services	411,612	406,462	418,656	-	-100.0%
Shore Beach Reimbursable	-	56,014	60,000	-	-100.0%
Stipend	87,450	104,450	165,800	-	-100.0%
Other	-	-	-	-	
<b>Total Public Safety - Police Services</b>	2,520,709	2,566,926	644,456	-	-100.0%
<b>Non-Departmental:</b>					
<b>Townwide:</b>					
Personnel	384,620	431,407	391,684	402,817	2.8%
Operating	2,087,656	2,299,332	4,758,935	5,422,596	13.9%
Grants	2,162,425	2,244,940	3,556,525	2,550,641	7.9%
	4,634,701	4,975,679	8,707,144	8,376,054	11.5%
<b>Townwide Community Events:</b>					
Operating				648,862	
	-	-	-	648,862	
<b>Total Non-Departmental</b>	4,634,701	4,975,679	8,707,144	9,024,916	
<b>Total Expenditures</b>	<b>43,092,266</b>	<b>48,108,322</b>	<b>56,832,016</b>	<b>60,924,381</b>	10.8%
<b>Transfers</b>					
To CIP	549,261	-	-	-	0.0%
To Land Acquisition Fund	-	-	1,000,000	-	-100.0%
To Housing Fund	-	-	2,000,000	-	-100.0%
<b>Total Transfers</b>	549,261	-	3,000,000	-	-100.0%
<b>Total Exp. &amp; Transfers To</b>	<b>43,641,527</b>	<b>48,108,322</b>	<b>59,832,016</b>	<b>60,924,381</b>	5.1%
		(0)			
<b>Net change fund balance</b>	<b>3,386,847</b>	<b>4,439,944</b>	<b>-</b>	<b>-</b>	
<b>Beginning Fund Balance</b>	<b>25,676,018</b>	<b>29,062,865</b>	<b>33,502,808</b>	<b>33,502,808</b>	
<b>Ending Fund Balance</b>	<b>29,062,865</b>	<b>33,502,808</b>	<b>33,502,808</b>	<b>33,502,808</b>	

\*The budget for Contracted Public Safety moved to the Townwide Operating budget in fiscal year 2025.

## Where Money Comes From

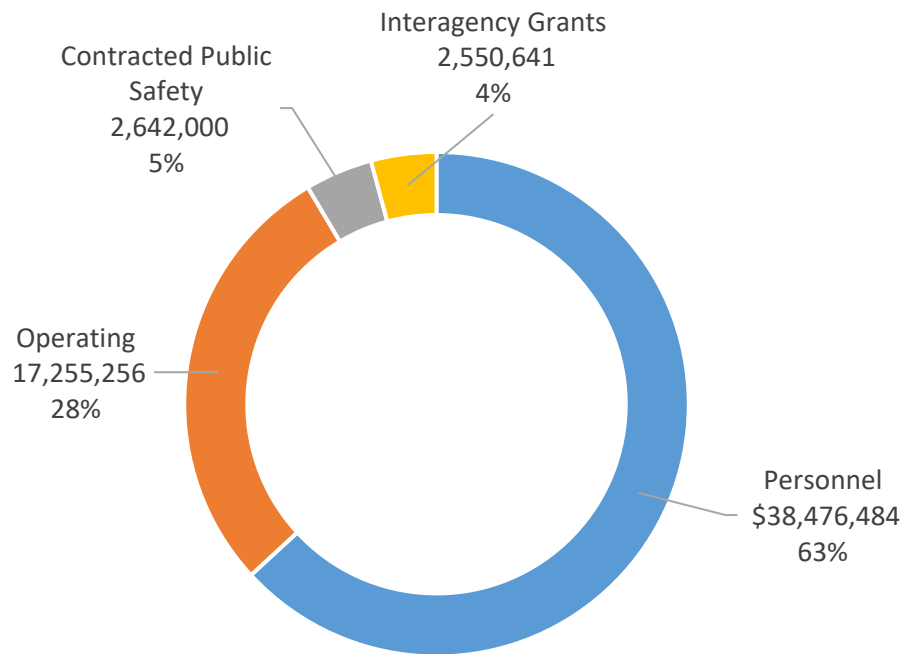


## Where Money the Goes – By Program



## Where Money the Goes – By Category

Fiscal Year 2025



## Revenue Analysis

A description and analysis of revenues associated with the General Fund can be found in the Consolidated Budget Summary section of this document.

## Expenditure Analysis

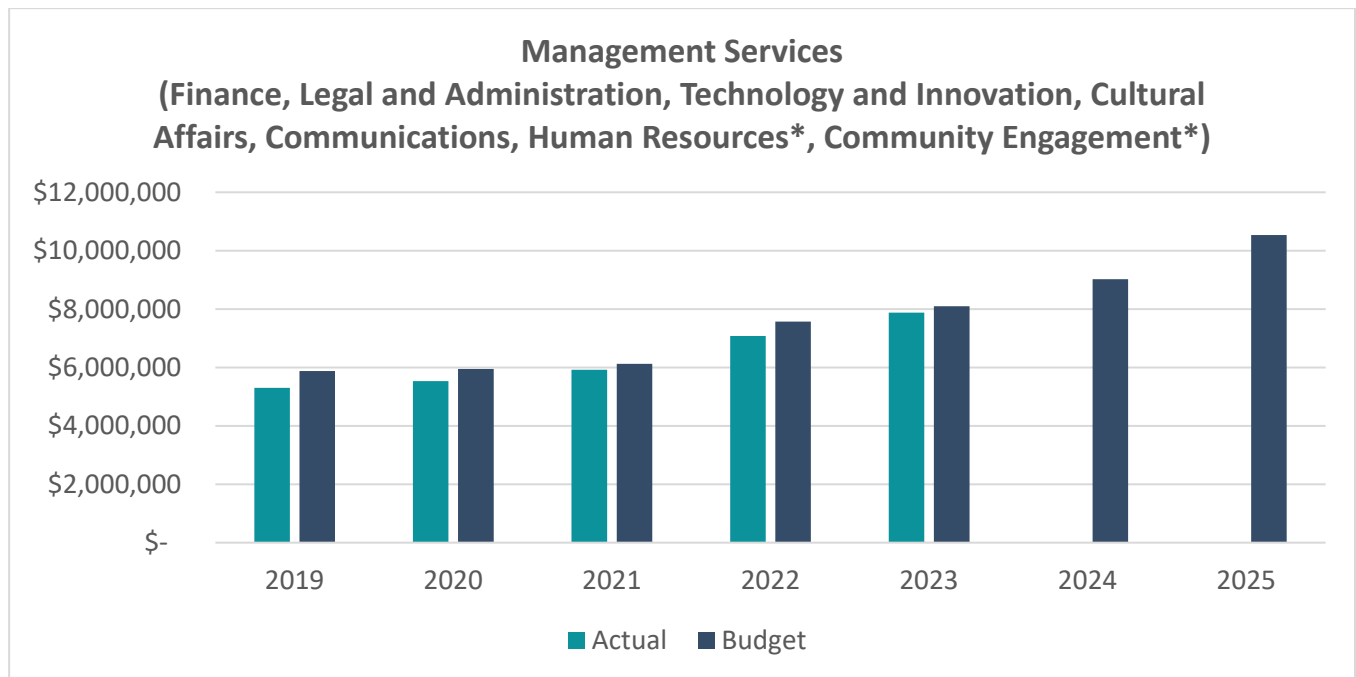
The following charts depict the trends in expenditures by program.



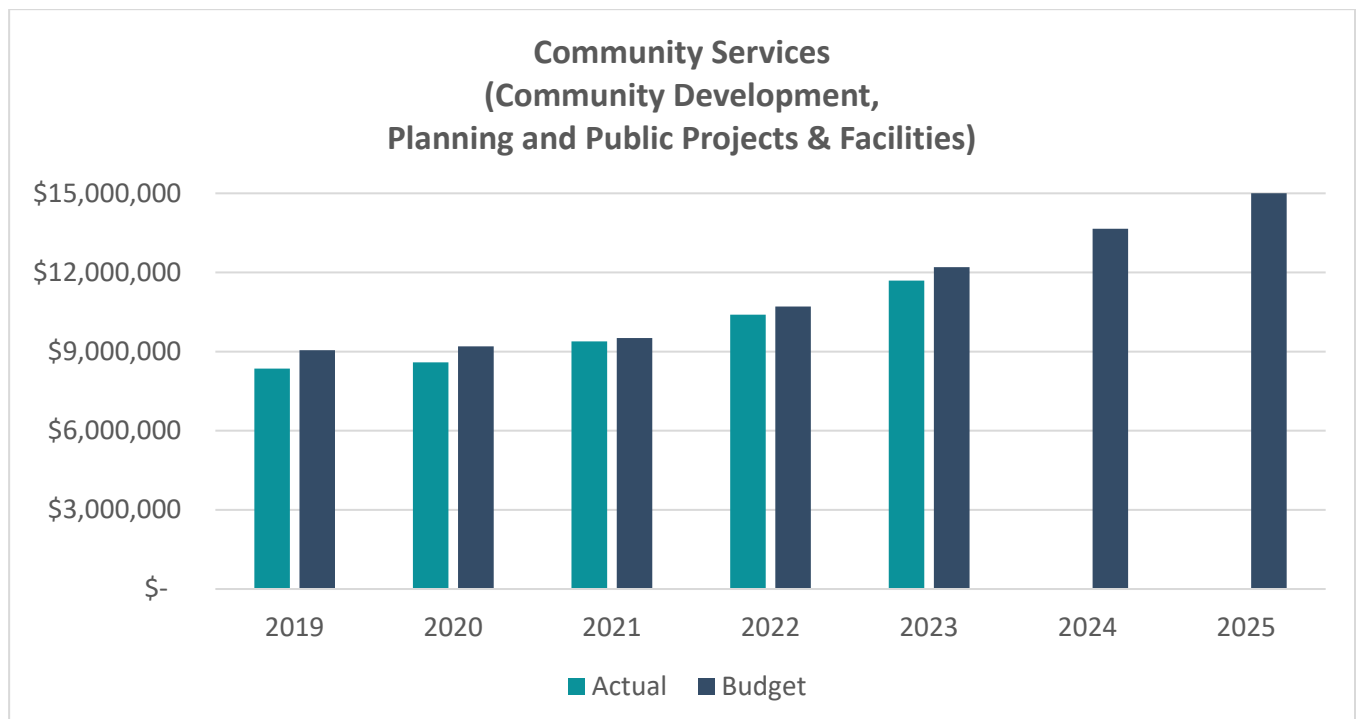
\*Note: in Fiscal Year 2019 through 2021 Human Resources moved from Management Services to this category.



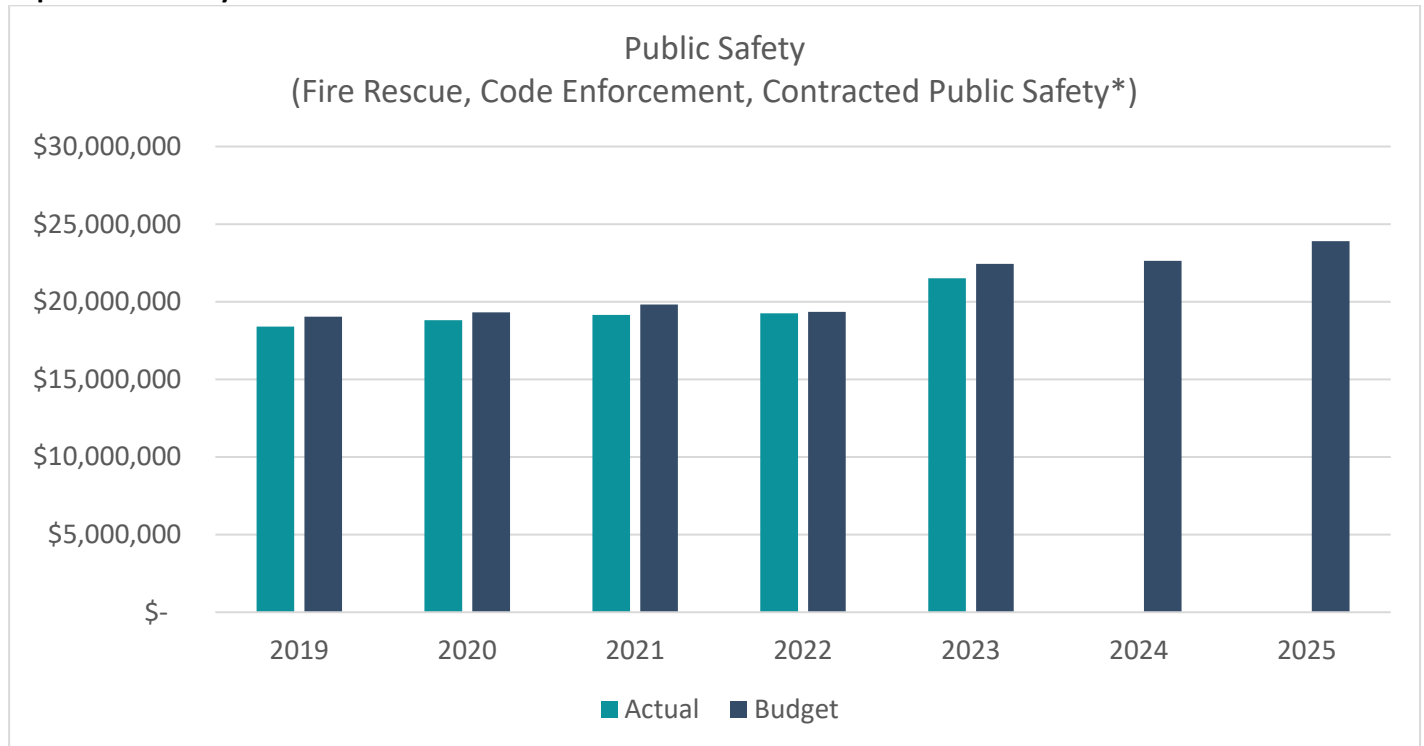
## Expenditure Analysis



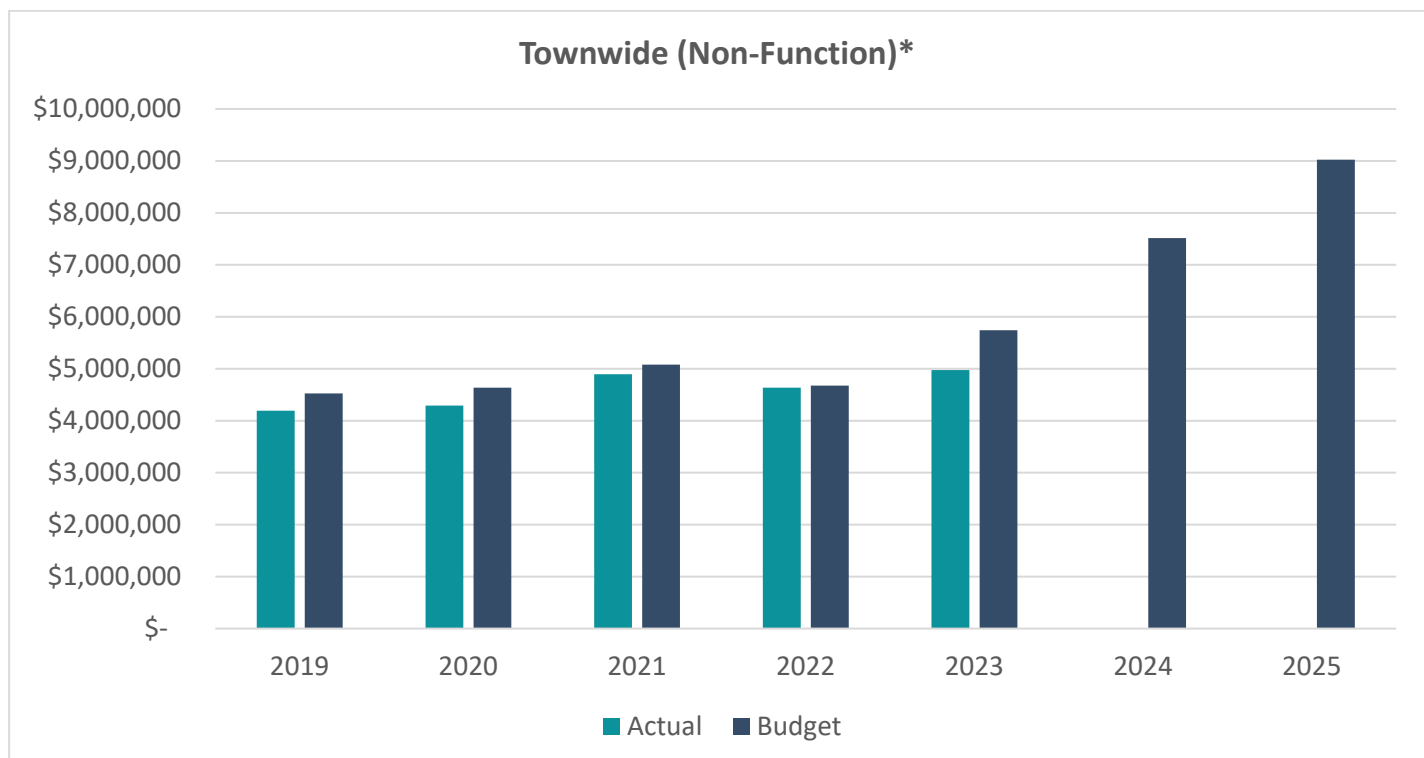
\*Note: Human Resources was included in this category from FY22 through FY24. Community Engagement was a new department in FY25.



## Expenditure Analysis



\*The appropriation for Police Service funding (\$2 million) moved from Public Safety to the Townwide budget in FY24. Code Enforcement funding moved from Management Services to the Public Safety budget in FY24.



\*Contracted Police Services (\$2 million) moved from Public Safety to the Townwide budget in FY24. Contracted Beach Services moved from Public Safety to the Townwide budget in FY25. Townwide also includes Affiliated Agency funding and Transfers Out of the General Fund. In FY25 there is a new budget for Townwide Community Events.

## Department Budgets

Program: General Government

Department: **Town Council**

### **Council Mission**

To provide professional leadership for the implementation of all policies and objectives set by Town Council and coordinate all municipal operations to provide effective and efficient delivery of services to Hilton Head Island's residents and visitors.

### **Core Services**

#### ***Open Town Government***

Develop innovative ways to make participation in local government activities possible for all residents and foster a sense of engagement among the citizenry by effectively communicating a common identity, actively seeking insight into the needs of the community, aligning Town services with citizen expectations, and continuing to strive for excellence as a highly-effective municipal corporation.

#### ***Financial Stability and Economic Development***

Promote services in the most cost-effective manner. Protect the high level of service quality and financial stability that the Town has become known for by encouraging redevelopment, diversifying tax and revenue sources, ensuring the long-term viability of financial strategies, and implementing "new urbanism" techniques.

#### ***Community and Environmental Vitality***

Preserve the Town's character while promoting a sense of pride for its citizens. Continue to provide support to neighborhood communities and individual homeowners and business owners in maintaining and improving aesthetics, safety, accessibility, and mobility throughout the Town. Lead by example in the stewardship of natural resources by preserving existing environmentally sensitive land sites. Minimize impacts on natural resources and protect trees, waterways, wetlands, and water quality while planning for the conservation of resources.

#### ***World-Class Leisure and Recreational Opportunities for Residents and Guests***

Support renourishment and maintenance of quality beaches, including access and parking. Support maintenance and development of quality parks and recreational facilities. Support events that attract people to the Town while influencing accommodations and facilities of high standard and quality.

#### ***Promoting Unity while Supporting Diversity in the Community***

Honor the strength of diversity in our community through open dialogue and gathering together to communicate, understand, and celebrate our differences and similarities.



## Department Budgets

Program: General Government

Department: **Town Council**

Town Council held Strategic Planning work sessions on September 8, 2022, and January 24-25, 2023 and adopted the Town of Hilton Head Island Fiscal Years 2023-2025 Strategic Action Plan on June 6, 2023 to guide the Town's operations. A number of important factors were identified.

### Key Community Goals

- Adopt and pursue **Our Ideals of Excellence**.
- Protect and preserve the **natural environment**.
- Manage **evolving growth** while maintaining the Island's unique aesthetic.
- Provide **exceptional quality of life offerings** in arts, culture, and recreation with best-in-class facilities and programming.
- Develop **creative revenue sources** to fund the delivery of capital services, maintenance, operations, and projects meeting the needs of the Town, residents, and visitors.
- Recognize, respect, and promote **multi-dimensional diversity** on the Island.
- Promote **efficient and secure public services** to meet current and future needs.
- Plan for and mitigate the effects of **climate change, environmental or health concerns**, and natural disasters.
- View the **region as a partner**, not a competitor.
- Foster a **healthy, self-sustaining community** that encourages economic, cultural, and demographic diversity.

### Our Ideals of Excellence Core Values and Focus Areas

- **Pursuit of Excellence**
  - Require and sustain excellence of Place, People, Planning, and Process.
- **Environmental Sustainability**
  - Create a resilient and sustainable environment through planning and policy.
- **Parks and Recreation**
  - Implement the Parks & Recreation Master Plan.
- **Regional Focus**
  - Evaluate how regional expansion will impact immediate and future social, economic, and political planning and policy.
- **Revitalize Economy**
  - Create an Island-appropriate economy that has sufficient depth and breadth to attract and support a diverse resident, visitor, and business population.
- **Inclusive Community**
  - Foster a multi-dimensional, equitable, and diverse community.
- **Connected Community**
  - Facilitate true connectivity in Island physical, social, and cultural environments.
- **Right-sized Infrastructure**
  - Align the community's physical, environmental, and social values with the Capital Improvements Program (CIP) and infrastructure planning.

# Department Budgets

Program: General Government

Department: Town Council

## Town Council FY 2025 Budget Highlights

- Increases Town Council total compensation 15% (the first increase since 2012), and converts Town Council meeting reimbursements to monthly stipends, which results in savings of staff reporting and processing efficiencies. The increase goes into effect after the elections in November 2024.

## Expenditure and Staffing Summary

	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	% change
<b>Town Council</b>					
Personnel	153,783	152,580	167,742	182,464	9%
Operating	276,134	473,935	283,100	287,600	2%
<b>Total</b>	<b>429,917</b>	<b>626,515</b>	<b>450,842</b>	<b>470,064</b>	<b>4%</b>
Personnel	7.0	7.0	7.0	7.0	

## Department Budgets

Program: General Government

Department: **Town Manager**

### **Town of Hilton Head Island Mission**

To provide excellent customer service to all that come in contact with the Town. To wisely manage and utilize the financial and physical resources of Town government. To promote policies and programs which will assure the long term health and vitality of the community. To encourage and instill job satisfaction for all Town staff. To develop and enhance the professional growth of all staff members.

### **Core Services**

The Town of Hilton Head Island is a Council-Manager form of government, wherein the Town Manager is the chief executive officer and head of the administrative branch of the municipal government.

The Town Manager provides overall management of Town departments in a way that empowers employees to exceed citizen/ customer expectations.

The Town Manager provides support and recommendations to Mayor and Town Council; provides effective communication between Town Council, staff, residents, and other customers; and meets with Department Heads to ensure implementation of Town Council's goals and objectives.

### **Fiscal Year 2025 Goal and Objectives**

- Implement the Strategic Action Plan and fund Strategic Action Plan Priorities and Initiatives.
- Execute the policies and initiatives of Town Council.
- Lead Town operations to meaningfully provide best-in-class service, and award-winning projects and initiatives.
- Enhance customer service, public safety, innovation, employee engagement, and training.
- Plan and invest in impactful capital projects and community infrastructure.
- Develop and use the consolidated budget as a catalyst to implement change and improvement.

### **Fiscal Year 2025 Budget Highlights**

- Funding for Strategic Plan Workshops with Town Council and Town Staff to continue the review, discussion and prioritization of projects with the Strategic Action Plan.

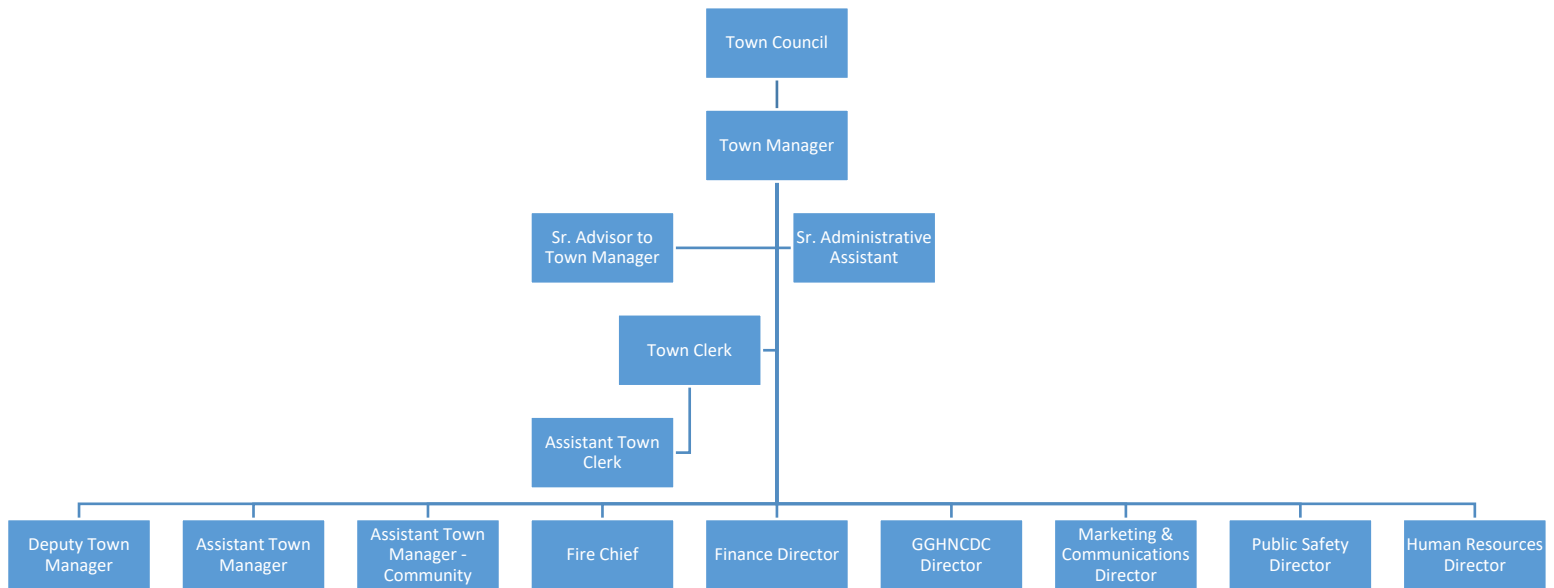


## Department Budgets

Program: General Government

Department: **Town Manager**

### Organizational Chart



\*Note: Town Council is elected by and represents the citizens of the Town and is budgeted separately. The Town Manager is under contract with Town Council. The Assistant Town Manager is budgeted in the Community Development budget, the Assistant Town Manager – Community is budgeted in Community Engagement’s budget and the Fire Chief, Finance Director, GGHNCDC Director, Marketing & Communications Director, Public Safety Director and Human Resources Director are all budgeted within their respective budgets.

### Expenditure and Staffing Summary

	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	% change
<b>Town Manager</b>					
Personnel	1,246,250	1,343,873	1,646,277	1,167,439	-29.1%
Operating	50,404	76,083	51,850	97,400	87.8%
<b>Total</b>	<b>1,296,654</b>	<b>1,419,956</b>	<b>1,698,127</b>	<b>1,264,839</b>	-25.5%
Personnel	7.0	8.0	8.8	5.8	

## Department Budgets

**Program:** Management Services

**Department:** Legal and Administration

### Mission

To provide administrative leadership, supervision, support and direction to the Legal and Administration Division. To provide sound legal advice and services to the Town Manager, Town Staff, Town Council, and Boards and Commissions of the Town of Hilton Head Island. Provide support and assist with the Town's Public Information Program and Initiatives. Plan various community events. Provide support and assist with the Town's Special Event Process. Provide support and assist with the Town's State Legislative Agenda. Process Town-wide Freedom of Information requests. Provide risk management functions and management of fixed asset records; provide leadership for Town safety program. Oversee strategic planning and initiatives that have a significant impact in support of Town objectives.

### Core Services

#### **Administration**

Assist Town Manager with Town-wide oversight. Assist with strategic planning, development and delivery of complex programs, initiatives and high-level projects that are large scale, multi-year or have significant impact in support of Town objectives. Coordinates and supports Public Information Program to include Mayor/Town Manager correspondence; Town Council and subcommittee agendas, media relations; and planning of community events. Provide assistance with the Town's State Legislative Agenda. Provide assistance with the Town's Special Event Process. Manage the Mayor's Youth Volunteer Service Award Program. Manage Administration Division and Legal Division.

#### **Legal Services**

Advise Town officials in a variety of subject areas, including ethics, environmental law, constitutional law, public records requests and records management, contract law, land use planning, revenue and taxation, code enforcement, housing, elections, and telecommunications franchises and utilities. Prepare and review opinions, contracts, resolutions, ordinances, intergovernmental agreements, regulations, leases, licenses, public communications, policies and procedures, and other legal documents. Monitor risk exposure and advise on policy development and program implementation to minimize risk and safeguard Town operations. Manage outside counsel and the Town for specialized legal matters. Attend and participated in meetings for, and provide legal support and advice to Town commissions, committees, and boards.

### Fiscal Year 2024 Accomplishments

- Oversaw the State's Legislative Agenda and its strategies and provided assistance to support the Town's positions on 2022-2023 State Legislation.
- Assisted with the development and implementation of the Town Council Strategic Action Plan and organization of Strategic Action Plan Workshop.
- Assisted with the planning and organization of the 360/40 Community Celebration.
- Processed 95 special events and 17 non-special events.
- Processed over 550 Freedom of Information Requests, 50 subpoenas, and 275 contracts and addendums.

## Department Budgets

**Program: Management Services**

**Department: Legal and Administration**

- Assisted with providing resources, materials, information on Town policies, procedures, and State laws to incoming Town Committee, Commission and Board members.
- Assisted with the recruitment and appointments of Board and Commission Members.
- Managed the planning and organization of the Mayor's Youth Volunteer Service Award Program.
- Assisted with the drafting and dissemination of Town ordinances, resolutions, releases, indemnification agreements, right-of-entries, easements, leases, intergovernmental agreements, memorandums of understanding, and contracts.
- Provided direction concerning Town safety program.
- Provided leadership and supervision for subordinate professional and administrative staff to optimize organization effectiveness, performance development and talent management.
- Co-negotiated and settled FEMA Arbitration related to Hurricane Matthew, protecting approximately \$6 million in FEMA public assistance funding.
- Initiated and assisted in the creation and negotiation of a development agreement related to the Northpoint Workforce Housing public-private partnership project.
- Supported staff and assisted in the negotiation and drafting of the agreement related to the William Hilton Parkway Corridor Project.
- Assisted with the creation of the Gullah Geechee Historical Neighborhood Development Corporation.
- Assisted with the St. James Baptist Church Mitigation and Relocation.
- Developed and proposed a new draft ordinance and framework for beach parking management, incorporating innovative technology solutions.



## Department Budgets

Program: Management Services

Department: Legal and Administration

### Fiscal Year 2025 Goals, Objectives, and Performance Measures

**Goal 1: Pursuit of Excellence** - To provide competent legal advice and counsel in a timely manner to Town officials and administration.

**Objective:** To render sound legal advice to Town officials and staff, respond to project demands, and review contracts within three business days.

	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2024 Actual	FY 2025 Budget
Review of contracts within 3 business days	99%	99%	99%	99%	99%
Workers compensation compliance	98.0%	98.0%	98.0%	98.0%	99.0%

**Objective:** To respond to Freedom of Information requests within 10 days.

	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2024 Actual	FY 2025 Budget
Average response to FOIA Requests within 10 days	350	400	425	450	475
FOIA requests processed	475	500	525	550	600

**Goal 2: Pursuit of Excellence** - To oversee the State Legislative Agenda and strategies and provide assistance to support the Town's positions on 2022-2023 legislative issues.

**Objective:** To monitor Town's priority legislation; to support Town Council Legislative Priorities; and draft letters of support or opposition to legislators.

	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2024 Actual	FY 2025 Budget
Review and Distribute MASC Legislative Alerts	31	32	32	34	34
Letters of support or opposition	3	4	4	3	4

**Goal 3: Pursuit of Excellence / Revitalize Economy / Inclusive Community / Connected Community** - To provide administrative support for the Town's Special Event application process.

**Objective:** To review applications, advise applicants of ordinance requirements and required documentation distribute application to key staff and BCSO liaison, coordinate meetings, draft correspondence/permits, obtain necessary signatures, and notify parties of approved events.

## Department Budgets

Program: Management Services

Department: **Legal and Administration**

	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2024 Actual	FY 2025 Budget
Number of special event applications processed	45	90	105	95	125
Number of non-special events reviewed and processed	7	10	15	17	20

**Goal 4: Pursuit of Excellence** - To draft Ordinances, Resolutions, and other legal documents.

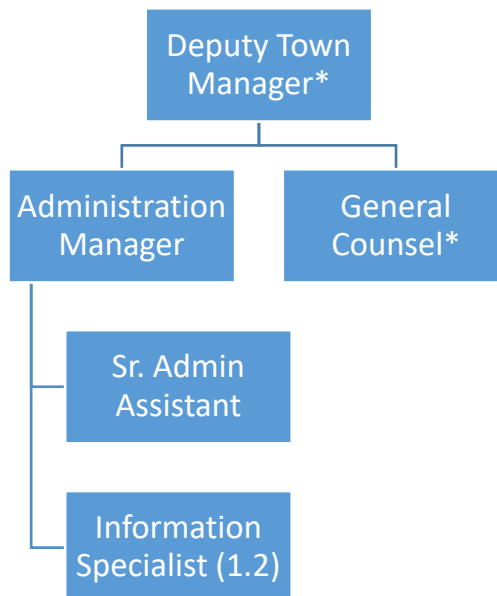
**Objective:** To review and draft legal documents in a timely manner.

	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2024 Actual	FY 2025 Budget
Ordinances drafted/reviewed	13	14	14	15	17
Resolutions drafted/reviewed	20	25	25	30	35

### Fiscal Year 2025 Budget Highlights

- Operating Budget reduced from FY 2024 due to General Counsel being contracted now.

### Organizational Chart



Note: The Deputy Town Manager's salary and benefits are budgeted in the Town Manager's Department, and the General Counsel is contracted.

## Department Budgets

Program: Management Services

Department: Legal and Administration

### Expenditure and Staffing Summary

	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	% change
<b><u>Legal &amp; Administration</u></b>					
Personnel	508,045	568,448	637,303	540,896	-15.1%
Operating	31,389	30,173	34,985	17,865	-48.9%
<b>Total</b>	<b>539,434</b>	<b>598,621</b>	<b>672,288</b>	<b>558,761</b>	-16.9%
Personnel	6.2	5.7	5.2	4.1	

## Department Budgets

Program: Management Services

Department: Community Engagement - Administration

### Mission

To cultivate and support a thriving, engaged and educated community through the provision of contemporary and accessible communications, online tools, resources, and opportunities to interact and collaborate with, learn about, and obtain services from the Town.

### Fiscal Year 2024 Accomplishments

1. Developed calendar year accomplishments document and provided periodic updates to Town Manager.
2. Managed development and production of the Town's inaugural Annual Report.
3. Oversaw Special Events Permitting approval process including bi-weekly meetings with involved departments and affiliated outside agencies resulting in more compliant events and a reduction in complaints.
4. Participated in planning and execution of Juneteenth event with Historic Mitchelville Freedom Park staff in June 2024.
5. Led planning, production and promotion of the Town's 360/40 celebration, a three-week long celebration of the Town's history, culture, food, music and community.
6. Developed a standard operating procedure for Town project kick-off, milestone, and grand opening/ribbon cutting events.
7. Centralized procurement and organization of materials for Town participation in events, job fairs, and engagement efforts.
8. Provided leadership and supervision for subordinate professional and administrative staff to optimize organization effectiveness, performance development and talent management.
9. Managed the Special Event Permitting process including event attendance and assessment of potential areas of concern (noise levels, impact on surrounding areas, etc).



# Department Budgets

Program: Management Services

Department: Community Engagement - Administration

## Fiscal Year 2025 Goals, Objectives, and Performance Measures

**Goal 1: Pursuit of Excellence** – To enhance perception of the Town through opportunities for the community to engage with Town staff in neutral territory.

**Objective:** To expand Town participation in planned special events to increase knowledge of Town services, programs, and efforts.

	FY 2024 Actual	FY 2025 Budget
Staff a Town tent at all events with expected attendance of 2000 or more.	50%	100%

**Objective:** Identify five additional organizations, clubs, or other groups where Town staff can present updates, information, etc.

	FY 2024 Actual	FY 2025 Budget
Number of organizations added.	4	5

**Goal 2: Pursuit of Excellence / Revitalize Economy / Inclusive Community / Connected Community** - To provide program oversight for the Town’s Special Event application process.

**Objective:** To implement policy and procedure enhancements that decrease the need for follow-up information requests to less than 30% of all applications.

	FY 2024 Actual	FY 2025 Budget
Number of special event applications requiring follow up information requests.	80	30
Percentage of applications requiring follow-up information requests.	70%	<10%

## Department Budgets

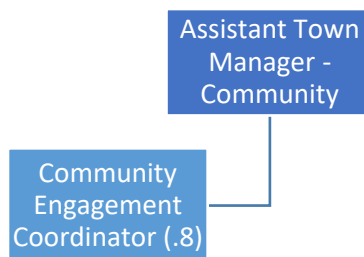
Program: Management Services

Department: **Community Engagement - Administration**

**Objective:** To efficiently lead the review and approval process for all Special events.

	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2024 Actual	FY 2025 Budget
Number of special event applications processed	45	90	105	110	125
Number of non-special events reviewed and processed	7	10	15	17	20

### Organizational Chart



### Fiscal Year 2025 Budget Highlights

- New department budget in FY 2025

### Expenditure and Staffing Summary

	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget
<b>Community Engagement</b>				
Personnel				317,875
Operating				22,902
<b>Total</b>	-	-	-	<b>340,777</b>
Personnel	0.0	0.0	0.0	1.8

## Department Budgets

**Program:** Management Services

**Department:** Office of Cultural Affairs

### Mission

To promote and support Hilton Head Island as a vibrant and diverse island that is celebrated locally, regionally and nationally for the ways in which arts and culture enrich and enhance the community.

### Core Services

#### **Office of Cultural Affairs:**

- Promote and support Hilton Head Island’s art and cultural community through marketing, community engagement, resource provision and collaboration building.
- Produce annual events for the Town including the Crescendo Festival and Lantern Parade.
- Manage the Town’s public art collection and coordinate acquisitions and placements of art for CIP projects and other public spaces.
- Connect Hilton Head Island citizens and visitors to the depth and breadth of arts, culture, and heritage offerings in the Town.

### Fiscal Year 2024 Accomplishments

- Increased Facebook followers 41% (9,595) & Instagram followers 6% (1,888) between November 2022 and November 2023.
- E-newsletter subscriptions up 8% between November 2022 and November 2023 (5,038 subscribers)
- OCA Director Co-chaired 360/40 Celebration Committee – OCA assisted with the development of the calendar of events, marketing, implementation, and management of Community Picnic & Community Concert.
- OCA Director served as liaison between the Hilton Head Island Jam Songwriter Festival and the Town assisting with festival planning, logistics and implementation.
- OCA coordinated the acquisition of “Carolina Parakeet” sculpture for the Town’s permanent collection.
- Worked with exhibit designers, fabricators, and community members to develop interpretive panels and a public art installation at the Rowing and Sailing Center about the Hilton Head Fishing Cooperative and BASF. (Expected installation in early 2024.)
- Coordinated a successful Crescendo festival with over 100 events including OCA sponsored ones (Songwriter concerts at Lowcountry Celebration Park, Poetry Trail Crawl & Readings, Family Entertainment at Farmers Market, and Kickoff Celebration.
- Managed production of the Hilton Head Island Lantern Parade which had an increase in participation and spectators in 2023.
- Assisted in organizing the 2<sup>nd</sup> annual Christmas Tree Lighting event.
- Added a part time Cultural Arts Coordinator to the OCA. This position supports the activities of the OCA, focusing on building the cultural events calendar, connecting organizations, assistance with promotion of events to visitors and residents, and event production and management.



## Department Budgets

Program: Management Services

Department: Office of Cultural Affairs

### Fiscal Year 2025 Goals, Objectives, and Performance Measures

#### Goals and Objectives:

The Office of Cultural Affairs (OCA) is guided by its Strategic Plan that was adopted by Town Council on 12/7/21. The plan's goals are aligned with the Town of Hilton Head Island's "Our Plan." The Strategic Plan identifies five goals that guide the OCA's activities, projects, resources, and collaborations.

#### Office of Cultural Affairs Strategic Plan – FY22 – FY24

##### **1. Marketing and Communications – Promote our Arts and Culture Assets**

*-FY25 Projects include implementing website improvements, growing social media engagement, coordinating with Arts Council of Hilton Head to build collaborations and unique programming and activities, identifying avenues for marketing Hilton Head Island focusing upon cultural and heritage tourism.*

##### **2. Resource Provision – Increase Resource Availability for the Community and Artists**

*-FY25 – Identify temporary art pieces for display at Shelter Cove Sculpture Trail and acquire permissions for installation and acquisition. Connect organizations with necessary resources for finding arts providers, workshop leaders, and field trip opportunities. Identify grant opportunities to support OCA-coordinated programs and activities.*

##### **3. Inclusive – Foster and Inclusive Multi-Dimensional Community**

*-FY25 - Work with other Town staff and departments on projects connected to the OCA Mission/Vision - including Gullah-Geechee Land & Cultural Preservation Task Force, cultural education programs, and park development. Collaborate with other departments to produce the Town's holiday events in 2024. Assist as requested with the coordination of any additional special events sponsored by the Town. (Please note that none of the costs for the holiday or other special events, i.e. HHI Jam, are included in this budget request.)*

##### **4. Public Art – Build a Connected and Collaborative Community through Public Art**

*-FY25- Ongoing public art acquisition, temporary exhibit planning, and identifying opportunities for community engagement. Continue to collaborate with the Capital Projects team to ensure appropriate locations for future installations and the thoughtful and intentional placement of Town-owned public art in accessible and appropriate locations.*

## Department Budgets

Program: Management Services

Department: Office of Cultural Affairs

### [Office of Cultural Affairs Strategic Plan – FY22 – FY24](#)

#### 5. Annual Crescendo Celebration – Expand the Crescendo Festival to be Recognized as a Regional Attraction

*-FY25 - Work with Hilton Head Arts Council and other organizations to produce and promote high-quality and unique events Evaluate any new event proposals to ensure that they fit the Island's "sense of place." Organize and produce events during Crescendo including the Singer-Songwriter series and Poetry & Patron events. Identify funding sources and sponsorships for events including the Singer-Songwriter series, Poetry & Patron, and new programs for 2024.*

*-FY25 – Implement a successful and inclusive Lantern Parade in 2024. Identify challenges from 2023 and coordinate with community members, business leaders, Town Staff, transportation providers, community organizations, and volunteers to produce a safe and appropriate event.*

	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Projected
Office of Cultural Affairs Website Visitors	24,639	27,100	33,000	35,000
Culture HHI Facebook & IG Followers	7,706	10,753	12,500	13,500
Culture HHI E-Subscription Services Subscribers	4,160	4,807	5,300	5,600

#### [Fiscal Year 2025 Budget Highlights](#)

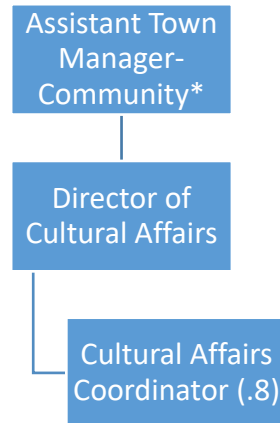
- Production of Crescendo, Lantern Parade, and associated workshops and events.
- Continue to update and revamp the Culture HHI website.
- Increase social media presence, website engagement through targeted marketing.
- Lantern Parade expenses reflect the growing need for additional transportation, security, and communications.

## Department Budgets

Program: Management Services

Department: Office of Cultural Affairs

### Organizational Chart



\*The Assistant Town Manager-Community salary and benefits are budgeted in the Community Engagement department.

### Expenditure and Staffing Summary

	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	% change
<b><u>Office of Cultural Affairs</u></b>					
Personnel	152,497	122,601	160,163	237,072	48.0%
Operating	105,901	125,343	153,150	149,950	-2.1%
<b>Total</b>	<b>258,398</b>	<b>247,944</b>	<b>313,313</b>	<b>387,022</b>	23.5%
Personnel	1.0	1.0	1.8	1.8	



## Department Budgets

**Program:** Management Services

**Department:** Technology & Innovation

### Mission

To provide innovative, secure, and high-quality customer service to all our internal and external users. Our Vision is to deliver exceptional technology services and capabilities, while continually being able to adapt to a future of changing technology demands.

### Core Services

#### **Technology & Innovation**

Our enterprise IT services include infrastructure operations, information systems, desktop and collaboration services, IT planning, IT project management, and IT support.

**Network & Infrastructure Services** is responsible for the data, video, voice and network infrastructure. We provide secure Internet and network connectivity, the wireless network, remote access systems, telephone and messaging services and all physical network infrastructure for network connectivity.

Further, we provide the computing infrastructure and service management that powers Town applications including Microsoft 365 and calendaring systems. Manage and maintain the 24 x 7 Data center operations, including security, virtualization, mass storage, backup, disaster recovery, Help Desk, and IT Departmental support.

**Enterprise Applications & GIS Services** Provide technical support for all enterprise level software applications to include the design and maintenance of the Town's Geographic Information System. This division is dedicated to the acquisition, development, implementation, maintenance, and support of the Town's core enterprise applications that are used for the delivery of services to all Town departments and the citizens of Hilton Head Island, SC. Our goal is to maintain and support enterprise applications, enhance business processes through the use of enterprise applications, and improve the user experience in all enterprise software applications. The Geographic Information Systems (GIS) team creates and maintains GIS databases and applications internally and externally to support all Town departments and the citizens of Hilton Head Island, SC.

**Public Safety Systems** provide direct, and indirect Information Technology (IT) support for Fire Rescue's core services. Work closely with Fire Rescue's leadership in defining their IT needs for current and future operations. Coordinate with other IT divisions to ensure Fire Rescue's core services are supported to the highest level of interoperability, reliability and security. When appropriate, utilize Town enterprise data/networking services to reduce costs.

### Fiscal Year 2024 Accomplishments

- **Technology Strategic Plan**
- Firewall Replacements at Town Hall and Dispatch
- Completed Phase 1 of Dark Fiber Project
- Network Redundancy Improvements
- New Public Safety Cameras at parks and fire stations
- New A/V Equipment at Fire Rescue Facilities
- Traffic Network Creation to support the Adaptive Traffic Control Software
- ArcGIS Enterprise Implementation
- Tyler Cashiering Project

## Department Budgets

Program: Management Services

Department: **Technology & Innovation**

### Fiscal Year 2024 Accomplishments

- Munis Software Upgrade
- Energov Software Upgrade
- Migration from Executime to Employee Access
- Applicant Tracking & Recruitment Software Implementation
- Selection and Replacement of Sharp Managed Print Services

### Fiscal Year 2025 Goals, Objectives, and Performance Measures

The Town of Hilton Head Island Technology Strategic Plan provides detailed information on the Technology Trends, Goals, Strategies, and Tactics for Fiscal Year 2024 - 2026. **Please follow this link to view the Technology Strategic Plan on the Town's website:** [Technology Strategic Plan](#)

Below are some additional Goals of the Technology & Innovation Department.

**Goal 1: Pursuit of Excellence** - To provide cost-effective state of the art management information systems and support services to enhance employee productivity throughout the Town.

**Objective 1:** Maintain 99.9% uptime of all critical system services.

	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Projected
Critical system uptime	99.99%	99.99%	99.99%	99.99%
Number of critical system failures	1	1	1	0

**Goal 2: Pursuit of Excellence** To ensure confidentiality, integrity, and availability of Town data by preventing unauthorized access to systems.

**Objective 1:** Utilizing a layered security methodology, prevent malicious attacks from reaching critical systems and users.

	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Projected
Number of security breaches	1	0	0	0
Email rejections (includes viruses and SPAM)	280,997	317,075	350,000	375,000
Total threats blocked (malware)	1,128	1,122	1,200	2000
Malicious websites blocked and warned	106,428	105,348	107,000	110,000

## Department Budgets

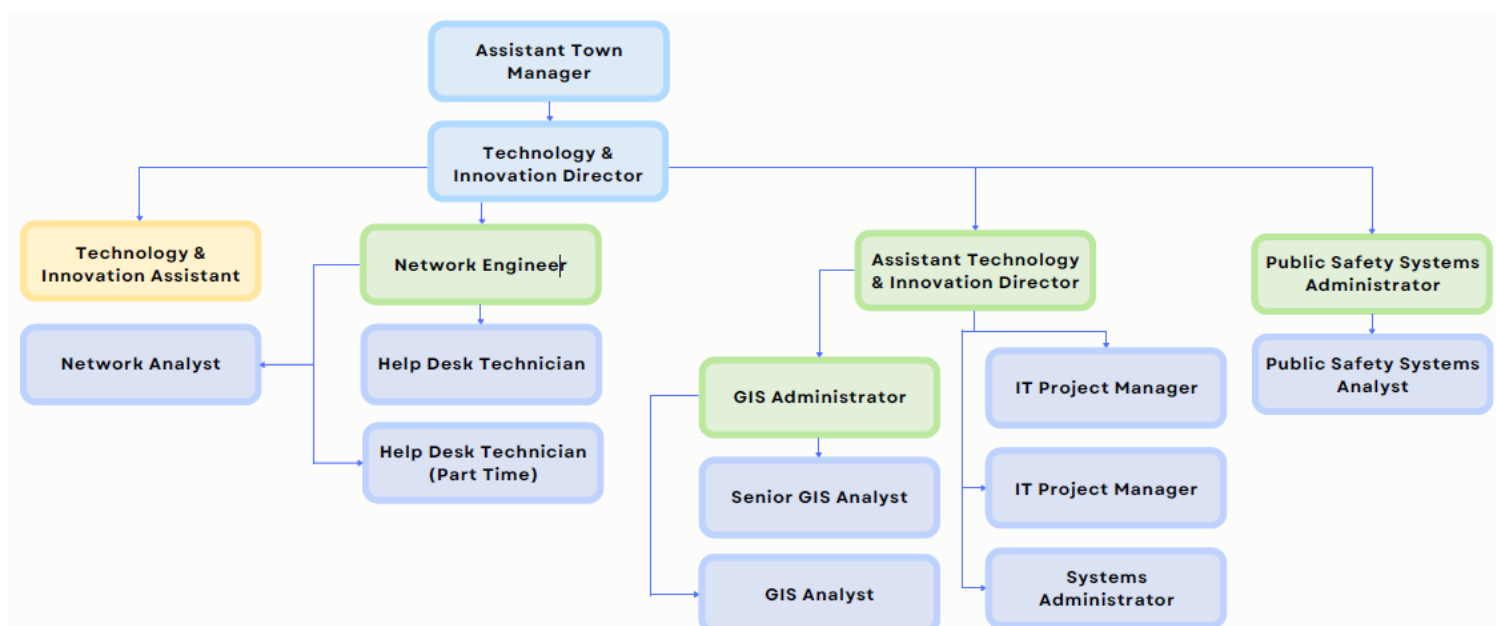
Program: Management Services

Department: **Administrative Services – Technology & Innovation**

### Fiscal Year 2025 Budget Highlights

- Commitment to cybersecurity and improving IT infrastructure
- Enhanced service delivery by converting a part time HelpDesk Technician to a full-time employee to provide technical assistance to Town staff.
- Embrace innovation through online dashboards, surveys and smart city initiatives
- Expand and enhance the workforce by providing a new web-based phone system to Town staff

### Organizational Chart



\*The Assistant Town Manager is budgeted in the Community Engagement Department.

### Expenditure and Staffing Summary

	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	% change
<b><u>Technology &amp; Innovation/Records</u></b>					
Personnel	1,533,216	1,716,665	1,698,962	1,893,998	11.5%
Operating	1,807,320	1,953,014	2,533,611	2,553,415	0.8%
Capital	-	-	-	-	#DIV/0!
<b>Total</b>	<b>3,340,536</b>	<b>3,669,679</b>	<b>4,232,573</b>	<b>4,447,413</b>	5.1%
Personnel	14.5	15.0	14.8	14.8	



## Department Budgets

Program: Management Services

Department: **Marketing & Communications**

### Mission

To cultivate and support a thriving, engaged and educated community through the provision of contemporary and accessible communications, online tools, resources, and opportunities to interact and collaborate with, learn about, and obtain services from the Town.

### Core Services

#### **Communications**

Develop and administer a public information program to communicate with the public and the media about Town priorities and activities. Design and administer the Town's Websites to include all associated electronic online government services.

### Fiscal Year 2024 Accomplishments

- Created Breast Cancer Awareness program w/Beaufort Memorial Hospital
- Created Domestic Violence Awareness Program w/Hopeful Horizons
- Communicated/Marketed 360/40 Picnic/Music festival and Community concert
- Marketing for Christmas Celebration helped lead to largest crowd ever for event
- Significantly More engagement on social media from citizens than previous years
- Doubled the number of Videos on social media from past years
- Significantly larger presence on local television stations
- Successful news conference re: Northpoint project. Media coverage from 5 tv stations and 2 newspapers

### Fiscal Year 2024 Goals, Objectives, and Performance Measures

- Further expand reach and focus of Town social media accounts through use of video and photos.
- Create bi-monthly newsletter to reach and inform more Town citizens about initiatives and projects on Hilton Head Island
- Through training expand the team's ability to communicate and market Town priorities and programs
- Start video and audio podcast with Town Manager and Mayor to give citizens a different view on Town politics and policies.
- Use new drone and camera equipment to do more videos for social media and internet. Expand on "beauty shots" for publications.
- Improve marketing events through increased number of roll up banners. Updating design and focusing on several different Town initiatives (Workforce housing, beaches, parks, jobs with the Town) to allow for a variety and choices at each event.
- Expanding number of social media followers on all accounts through targeted use of posts and videos
- Working with GIS, Cultural Affairs, IT and more to improve everyday communication with the public as well as look and technology needed to stay "fresh" for viewers.

## Department Budgets

Program: Management Services

Department: Marketing & Communications

**Pursuit of Excellence / Connected Community** -To develop and implement communication strategies to further the Town's Public Information Program initiatives and goals. To increase public access to information, services and interaction through the Town's multiple communication channels.

	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget
Town E-Subscription Services Subscribers	31,946	32,000	32,250	37,000
Town Website Visitors	2,046,590	2,100,000	2,250,000	2,950,000
Town Website Page Views	7,016,631	7,250,000	7,500,000	13,900,000

### Fiscal Year 2025 Budget Highlights

- Implementation of the Marketing and Communications Strategic Action Plan including deployment of a community engagement survey.
- Procurement of professional image catalog for use in marketing and communications collateral.
- Development of a Town podcast with the Town Manager and Mayor.
- Training budget expanded to match larger department. Allowing more people to "cross train" as well as gain insight into marketing a Town
- Obtaining Drone for use in Town projects, at Town events and for marketing materials. Allowing Town to do more of its own video projects as well as create pictures of publications like Annual Report and Strategic Plan
- Continuing to improve upon success of Department in second half of 2023. Social media statistics to rise and improved ability to market Town. Making sure Town residents know what Town is doing to improve their lives and the Island as a whole. Not just to businesses but bring in more long-term residents to Hilton Head Island

## Department Budgets

Program: Management Services

Department: Marketing & Communications

### Organizational Chart



\*The Assistant Town Manager's salary and benefits are in the Community Engagement department budget.

### Expenditure and Staffing Summary

	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget
<b>Marketing &amp; Communications</b>				
Personnel	230,084	246,895	313,735	814,908
Operating	27,467	66,948	132,980	78,500
<b>Total</b>	<b>257,551</b>	<b>313,843</b>	<b>446,715</b>	<b>893,408</b>
Personnel	2.5	2.0	3.6	5.6



## Department Budgets

Program: Management Services

Department: Finance

### Mission

To provide sound financial management resulting in effective preservation of the Town and its fiscal assets; to comply with all governmental policies and procedures relative to accounting, auditing, financial reporting, asset management, debt administration, business licensing and associated revenue collections; and to provide accurate financial information and courteous and professional support to Town staff and its citizens to ensure a high level of customer satisfaction is maintained.

The Finance Department's mission incorporates the following principles:

**Leadership** – Strong financial leadership in all areas of activity undertaken by the Town.

**Innovation** – Progressive use of technology to promote the efficient use of resources.

**Professionalism** – Sound professional advice on all aspects of financial management.

**Quality** – Achievement and maintenance of a high quality service.

GFOA standards for Finance Departments as identified in "An Elected Official's Guide to Government Finance" include:

1. **Promote competent financial management**.....Governments should seek to retain trained experience professional managers. To ensure that vital financial policies are implemented, a continuing investment should be made in proper organization, staffing, training, compensation, certification, technology, and support facilities for financial professionals.
2. **Use the budget to communicate effectively**.....The budget document should be prepared so that it facilitates public understanding and analysis while effectively communicating key economic issues and fiscal policies. Revenue sources and assumptions should be explained as clearly as the spending plan.
3. **Pay careful attention to revenues**.....Revenue estimates should be based on reasonable expectations. Unless fund balances or budget stabilization reserves are available to absorb shortfalls, realistic and reasonably conservative revenue estimates are preferable.
4. **Monitor the budget**.....The budget process should include periodic reports to the governing body demonstrating budgetary compliance. Budget policymaking and oversight should be forward looking.

### Core Services

#### **Financial Administration**

Provide strong financial leadership in all areas of activity undertaken by the Town. Promote the use of technology to ensure the efficient use of the Town's resources. Develop and manage the Town's financial policies and exercise budgetary controls over all expenditures. Provide effective cash and debt management for the Town ensuring strong bond ratings are maintained. Oversee the compilation of accurate comprehensive annual financial reports and budgets in compliance with governmental standards, practices and recommendations. Provide oversight of technological and systems improvements within the department. Ensure the department is committed to providing the highest quality customer services.

## Department Budgets

Program: Management Services

Department: Finance

### Core Services

#### **Accounting Services**

Provide administration of the Town's general ledger, payroll, accounts payable, financial audits, State reporting and grants. Provide accounting functions for the Island Recreation Association and Coastal Discovery Museum. Responsible for maintaining the following funds: General, Tax Increment Financing District (TIF), Debt Service, Capital Projects, Accommodations Tax - State, Accommodations Tax – Local, Beach Preservation Fee, Hospitality Tax, Stormwater Fee, Real Estate Transfer Fee, Home Grant, Road Usage Fee, and Electric Franchise Fee. Provide effective accounting support to staff and committees. Compile accurate monthly and comprehensive annual financial reports in compliance with governmental standards, practices and recommendations to be published on the Town's website and submitted to the Government Finance Officers Association.

#### **Revenue Services**

Collection of Town-wide funds including business license fees, hospitality taxes, accommodations taxes, beach preservation fees, franchise fees, and beach passes. Perform billing and collections for Emergency Medical Services. Oversee the processes associated with the Town's setoff debt collection program. Maintain the Town's business license database and ensure compliance with the business license ordinance through on-site inspections. Compile accurate annual financial budgets in compliance with governmental standards, practices and recommendations to be published on the Town's website and submitted to the Government Finance Officers Association.

#### **Procurement**

Oversight of solicitations and contracts for goods and services. Oversee all Town risk management programs and insurance coverage.

### Fiscal Year 2024 Accomplishments

1. Bond rating agencies reviewed and re-affirmed our strong bond ratings
2. Achieved record high collections of several revenues during FY24 including Business Licenses, Property Taxes and TIF Taxes
3. Extended the expiration date of the Real Estate Transfer Fee from December 31, 2024 until December 31, 2044, which will allow the Town to continue its strategic land acquisition program
4. Completed the Fiscal Year 2023 audit and preparation of the Annual Comprehensive Financial Report
5. Completed preparation of the Fiscal Year 2024 budget and the preparation of the budget books

### Fiscal Year 2025 Goals, Objectives, and Performance Measures

1. Support the Strategic Plan and ensure the capital and operation needs are provided for appropriately
2. Maintain strong credit rating of the Town
3. Obtain GFOA Certificate of Achievement for Excellence in Financial Reporting
4. Obtain GFOA Distinguished Budget Presentation Award
5. Amend the Short-Term Rental Program Ordinance to update and address short-term rental related compliance issues and requirements
6. Assess sources of funding and debt utilization for Town operations and capital projects, and create a three-to-five-year financial outlook plan
7. Analyze the department's technology systems capabilities and current utilization, and improve processes to include more system automation
8. Begin to budget on a monthly basis for all departmental operating expenses and revenues

## Department Budgets

Program: Management Services

Department: Finance

### Fiscal Year 2025 Additional Goals, Objectives, and Performance Measures

**Goal: Pursuit of Excellence / Revitalize Economy** - Maintain the Town's strong credit rating.

**Objective:** To effectively manage and implement the fiscal planning process for the bond issuance and ultimate funding of a ten-year Capital Improvement Program.

	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Projected
Standard & Poor's Bond Rating	AA+	AA+	AA+	AA+
Moody's Investors Bond Rating	Aaa	Aaa	Aaa	Aaa
Fitch Bond Rating	AA+	AA+	AA+	AAA

**Goal: Pursuit of Excellence** - Provide a high level of customer service to both our internal and external customers in the Revenue Services Division and ensure diligent collection efforts in accordance with state and local laws.

**Objective:** To issue licenses and accounts and process cash receipts in a timely and accurate manner.

	FY 2022 Actual	FY 2023 Projected	FY2023 Actual	FY2024 Projected	FY2024 Actual	FY2025 Projected
# of Business License renewals processed	9,425	13,500	13,675	14,000	14,144	14,450
# of new Business Licenses processed	4,870	2,000	3,113	2,200	1,886	1,300
Business License collections	\$14,110,310	\$10,600,393	\$12,690,924	\$12,421,015	\$14,749,382	\$12,690,924
# of Local ATAX/Beach Preservation Fees permits	1,126	1,250	1,277	1,300	1,490	1,500
# of Local ATAX/Beach Preservation Fees receipts processed	5,412	5,500	5,700	5,700	6,751	6,800
Local ATAX/Beach Preservation Fees collections	\$21,079,593	\$16,220,970	\$20,845,396	\$21,100,000	\$20,833,574	\$20,642,669
# of Hospitality Tax Permits	396	400	405	400	438	440
# of Hospitality Tax receipts processed	2,621	2,700	2,640	2,650	2,948	2,950
Hospitality Tax collections	\$9,907,025	\$8,733,470	\$10,400,345	\$10,106,156	\$10,574,379	\$10,444,133
# of Short-Term Rental Permits	N/A	4,800	6,638	7,000	8,050	7,300
Short-Term Rental Permit collections	N/A	\$1,200,000	\$1,659,500	\$1,750,000	\$2,012,495	\$1,825,000



## Department Budgets

Program: Management Services

Department: Finance

### Fiscal Year 2025 Additional Goals, Objectives, and Performance Measures

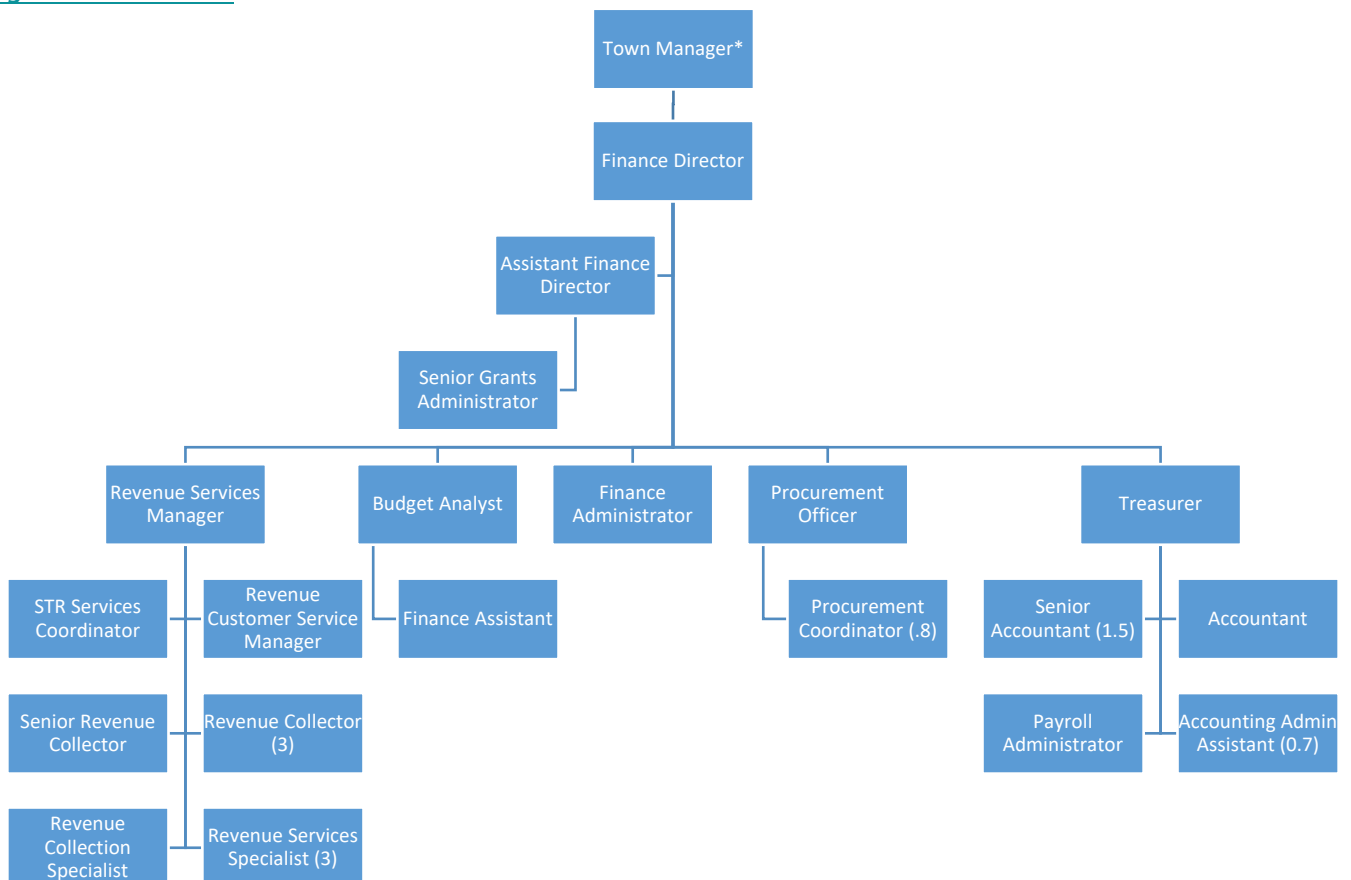
**Goal: Environmental Sustainability** - Support paperless records retention to allow the Finance Department to be environmentally responsible and allows faster and more efficient access to financial information.

**Objective:** Archive Revenue Services primary and support documentation with 30 days of processing.

	FY 2022 Actual	FY 2023 Budget	FY 2024 Projected	FY 2025 Projected
Revenue Services documents archived within 30 days	95%	98%	98%	99%
EMS documents archived within 30 days	95%	98%	98%	99%

Note: EMS billing was successfully outsourced in Fiscal Year 2020. The Finance team is still heavily involved in monitoring billing activity, monitoring collection results, and collecting outstanding billings from proprietary billing systems.

### Organizational Chart



## Department Budgets

Program: Management Services

Department: Finance

### Expenditure and Staffing Summary

	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	% change
<b>Finance - Program Summary</b>					
Personnel	1,780,108	2,117,784	2,332,548	2,759,983	18.3%
Operating	236,557	275,143	335,152	286,358	-14.6%
<b>Total</b>	<b>2,016,665</b>	<b>2,392,927</b>	<b>2,667,700</b>	<b>3,046,341</b>	14.2%
Personnel	19.2	20.2	22.2	24.0	

## Department Budgets

**Program:** Community Services

**Department:** Community Development

### Mission

To provide the highest quality planning services for both internal and external customers by; a) insuring the Comprehensive Plan is in accordance with state law and is being implemented; b) providing creative, flexible, fair and consistent administration of development and construction codes, permitting and inspection of structures, while maintaining records and assuring compliance with the provision of the National Flood Insurance Program for our customers; c) insuring a comprehensive and professional direction for the Island's environmental protection and preservation; and d) preserving and enhancing the Island's long-term sustainability.

### Core Services

#### **Administration**

1. Oversees the implementation of the Land Management Ordinance to ensure development and redevelopment activities are in compliance.
2. Oversees revision to the Comprehensive Plan to improve its effectiveness in guiding the future of the community.
3. Oversees implementation of building codes and effective code enforcement.
4. Selectively participates in regional issues with Beaufort County, the Town of Bluffton, and other agencies regarding growth management, development regulations, transportation planning, recreation planning, natural resource protection, and other issues that impact our community.
5. Assists in developing and addressing Town Council's Key Priorities.
6. Coordinates land acquisition efforts of Town Council.
7. Oversees process improvements within the department and with other departments.
8. Coordinates review board activities, meetings, agendas, and packets.
9. Promotes public education of department's projects and functions.
10. Updates and implements the Town's Disaster Recovery Plan.

#### **Development, Review and Rezoning**

1. Manages and coordinates efforts to implement the Land Management Ordinance by the review of all applications for Development Plans, Subdivisions, Variances, Special Exceptions, Appeals, Zoning Map Amendments, Public Project Reviews, and Master Plan Amendments ensuring all applications are in compliance with the Comprehensive Plan.
2. Oversees natural resource protection of the Island including beach, tree and wetland regulations, and water quality preservation.
3. Continues environmental monitoring for water quality and created wetlands, and Land Management Ordinance effectiveness for tree protection.
4. Oversees Urban Design Program and Guidelines.
5. Provides for periodic review and update of the Land Management Ordinance.

#### **Community Planning**

1. Guides the revision and implementation of the Comprehensive Plan focusing on Redevelopment strategies, Sustainable strategies, Capital Improvement Program projects, and Land Management Ordinance amendments.
2. Provides support services and programs for economic development initiatives in the Town.
3. Undertakes and guides Special Projects as identified by Town Council or Town Management.
4. Oversees Sustainable Practices Program and Implementation.



## Department Budgets

Program: Community Services

Department: Community Development - Planning

5. Provides staff support to Capital Improvement Program (CIP) and storm water initiatives as needed.

### ***Building Inspections and Compliance***

1. Delivers prompt, efficient, and courteous service in the management, coordination and inspection of the building permitting process to ensure compliance with current building code and flood control regulations for both single family and commercial structures.
2. Enforces State and locally adopted building codes and ordinances.
3. Collects permit fees, plan review, and impact fees for both the Town and the County.
4. Provides flood hazard determination to homeowners, insurance, legal and banking representatives.
5. Conducts seminars and outreach activities for the public pertaining to building code and flood control regulations.
6. Manages the Community Rating System, assuring that construction within the Town is in compliance with FEMA regulations thereby providing savings on flood insurance premiums for the residents and businesses on the Island.

### ***Community Development Services***

1. Serves as front line for general information and permitting process. Approves minor permits for site development.
2. Maintains accurate records and statistics of construction on Hilton Head Island.
3. Communicates with the construction/development community to address code issues, inspection issues, procedures for permitting and inspection, and planning/development issues.
4. Initializes building permit applications within 2 days of receipt.

### ***Workforce Housing***

1. Conduct comprehensive assessments to gain insights into the workforce housing needs within the community.
2. Develop and implement robust policies that actively support the creation and sustained maintenance of affordable workforce housing.
3. Engage closely with the community to raise awareness regarding the critical importance of workforce housing, fostering a sense of shared responsibility.
4. Establish and foster partnerships with developers, nonprofit organizations, and government agencies to strengthen housing initiatives and ensure a collaborative approach.
5. Develop effective financial strategies to fund workforce housing projects, utilizing various avenues such as grants, subsidies, and public-private partnerships.
6. Identify suitable locations for workforce housing developments through thorough research and consideration of community needs and preferences.
7. Ensure strict compliance with local and state regulations pertaining to zoning, land use, and building codes to guarantee the legality and safety of the housing projects.
8. Implement incentive programs aimed at encouraging private developers to invest in and construct workforce housing, promoting a more diversified and inclusive housing market.
9. Establish clear standards for defining and maintaining affordability in workforce housing projects, ensuring transparency and consistency in the application of affordability criteria.
10. Implement policies and measures designed to prevent the displacement of existing residents, emphasizing the importance of community stability and inclusivity.

## Department Budgets

Program: Community Services

Department: Community Development - Planning

### Fiscal Year 2024 Accomplishments

- Continued implementing the Gullah Geechee Land & Cultural Preservation Task Force Work Plan.
- Monitored delinquent taxes, provided heir's property assistance, and maintained an online resource center.
- Continued implementation of Historic Neighborhoods Permitting and Design Studio.
- Launched the Short-Term Rental permit portal on January 3, 2023 and collaborated with Revenue Services to implement the adopted Short-Term Rental Ordinance.
- Identified Island-Wide planning districts.
- Completed the Island-Wide Conditions and Trends Assessment.
- Continued collaboration with Beaufort County to implement a Joint Operating Agreement (JOA) for the Ford's Shell Ring park.
- Updated the Mitchelville Memorandum of Understanding agreement for a 10-year term.
- Conducted a SWOT analysis of the LMO and proposed amendments.
- Adopted 3 LMO amendments as part of the LMO Amendment Plan.
- Implemented process improvements for major subdivision and major site plan reviews.
- Created a Housing Impact Analysis.
- Hired a Chief Housing Officer.
- Formed the Housing Action Committee.
- Created and approved the Islander Mixed-Use text amendment.
- Created the Regional Housing Trust Fund and appointed members.
- Recertification of Bicycle Friendly Community.
- Creation and adoption of Small and Minority Owned Disadvantaged Business Enterprise Utilization Program.
- Maintained a CRS community rating of class 5.
- Maintained a ISO BCEGS rating of Class 3 for Commercial and Industrial, and Class 3 for Residential.
- Completed the updating of the permitting and plan review software to a cloud based and digital permitting and plan review platform.
- Managed the Home Safety Repair and Sewer Connects programs with over \$800,000 committed or spent for home repairs and sewer connections for Island residents.
- Achieved CAL-OES Safety Assessment Inspector Certification for all Inspection staff members.
- Development Review, Customer Service and Building Inspections and Compliance staff has received excellent Customer satisfaction survey results.
- From early June 2023 to the end of September, CDIC team brought down the input processed time from 10 days down to 1-2 days. This has held steady through end of December.
- Created a tracking system to see how many permits and plans were input each week including the total number, the number input by CDIC staff and the number input online.
- Instituted a customer feedback survey which has produced extremely positive results.
- Closed out all permits from permits so that current permit activity shows only truly active permits. Permits are now closed out as they pass their final inspection.
- Instituted value-added Customer Self Service Portal Updates including a "how to" guide to educate users.
- Significant process improvements were implemented for to improve internal and external operations within the development plan review, building & inspections and better efficiency.

## Department Budgets

**Program:** Community Services

**Department:** Community Development - Planning

### Goal 1: Environmental Sustainability

**Objective:** Establish National Leadership Credibility in Environmental Sustainability & Resource Protection

**Objective:** Acquire Audubon International "Sustainable Community" Recertification

#### Strategies:

- 6.6 Evaluate and consider changes to zoning and building codes and other ordinance and regulatory changes that will better protect property, infrastructure, and buildings against future impacts from sea level rise and climate change.

### Goal 2: Inclusive Community

**Objective:** Implement Gullah Geechee Land & Cultural Preservation Task Force Work Plan

**Objective:** Develop Landmark Protection Program

#### Strategies:

- 13.1.1 Significant progress has been made on all Top 16 recommendations, 14 of which have been incorporated into ongoing operations and programs.
- 13.1.2 Remaining recommendations are being addressed through District Planning and continuous improvement of Town resources and programs.
- 13.2.1 Coordination and collaboration with community and cultural resources is preferred for establishing the critical path for implementing the remaining recommendations.

### Goal 3: Pursuit of Excellence/ Operational

**Objective:** Improve Permitting & Review Process

#### Strategies:

- Create Applications Manual.
- Create "How To" guides, development application packages,
- Improve Manufactured Home process.
- Continuous process improvements for operational streamlining
- Improve communications internally and externally.
- Customer Service Center upgrades.
- Utilize Customer Service Survey results for program betterment opportunities.

### Goal 4: Connected Community

**Objective:** Adopt Mid-Island Redevelopment Strategy

**Objective:** Develop Hilton Head Island Growth Framework & Illustrative Master Plan

**Objective:** Conduct Strengths, Weaknesses, Opportunities & Threats (SWOT) Analysis of Land Management Ordinance (LMO)

#### Strategies:

- 1.4 Create and adopt District Plans
- 1.5 Create a Future Land Use Map
- 1.6 Create an Island Master Plan
- 1.7 Amend the Land Use Element of Our Plan
- 1.8 Implement the Mid-Island District Plan
- 1.9 Adopt Zoning Map Amendments
- 1.11 Establish a Development Review Improvement Program



## Department Budgets

Program: Community Services

Department: Community Development - Planning

### Fiscal Year 2025 Goals, Objectives, and Performance Measures

#### **Goal 5: Right-sized Infrastructure**

**Objective:** Implement Workforce & Affordable Housing Strategy

**Strategies: Implement Workforce Housing Program**

- Collaborate with Housing Action Committee
- Implement Multi-Year Housing Action Plan

#### **Goal 6: Northpoint Project Development**

**Objective:** Advance the Northpoint Project construction and development activities.

**Strategies:**

- Establish effective project management to monitor and achieve construction milestones.

#### **Goal 7: Small Homes Series Research and Design**

**Objective:** Conduct research and design innovative small homes to address specific workforce housing needs

**Strategies:**

- Engage with architects and designers to create practical and appealing small home designs.
- Collaborate with local communities to understand their needs and preferences.
- Evaluate potential sites for small home developments.
- Launch Small Home Series.

#### **Goal 3: Anti-Displacement Research and Policy Adoption**

**Objective:** Establish Anti-Displacement and Support Plan to guide the Town and community partners in addressing housing-related issues, particularly the prevention of displacement and the preservation of affordable housing.

**Strategies:**

- Collaborate with experts in housing policy and displacement prevention.
- Hold community forums to gather input on potential policies and form necessary partnerships.
- Adopt an Anti-Displacement and Support Plan.

#### **Goal 4: Muddy Creek Neighborhood Stabilization Plan and Workforce Housing Development**

**Objective:** Evaluate the Muddy Creek land for its suitability for workforce housing and needs for neighborhood stabilization.

**Strategies:**

- Collaborate with environmental consultants for land evaluation.
- Engage architects and urban planners to design an efficient housing layout.
- Secure necessary approvals for the development plan.
- Create and Launch Neighborhood Stabilization Plan.

#### **Goal 4: Expanding Private-Public Partnerships for Workforce Housing**

**Objective:** Expand partnerships with private entities to increase workforce housing opportunities

**Strategies:**

- Conduct outreach to private developers and investors.
- Showcase the benefits of private-public partnerships for workforce housing.
- Establish clear and transparent collaboration frameworks.

## Department Budgets

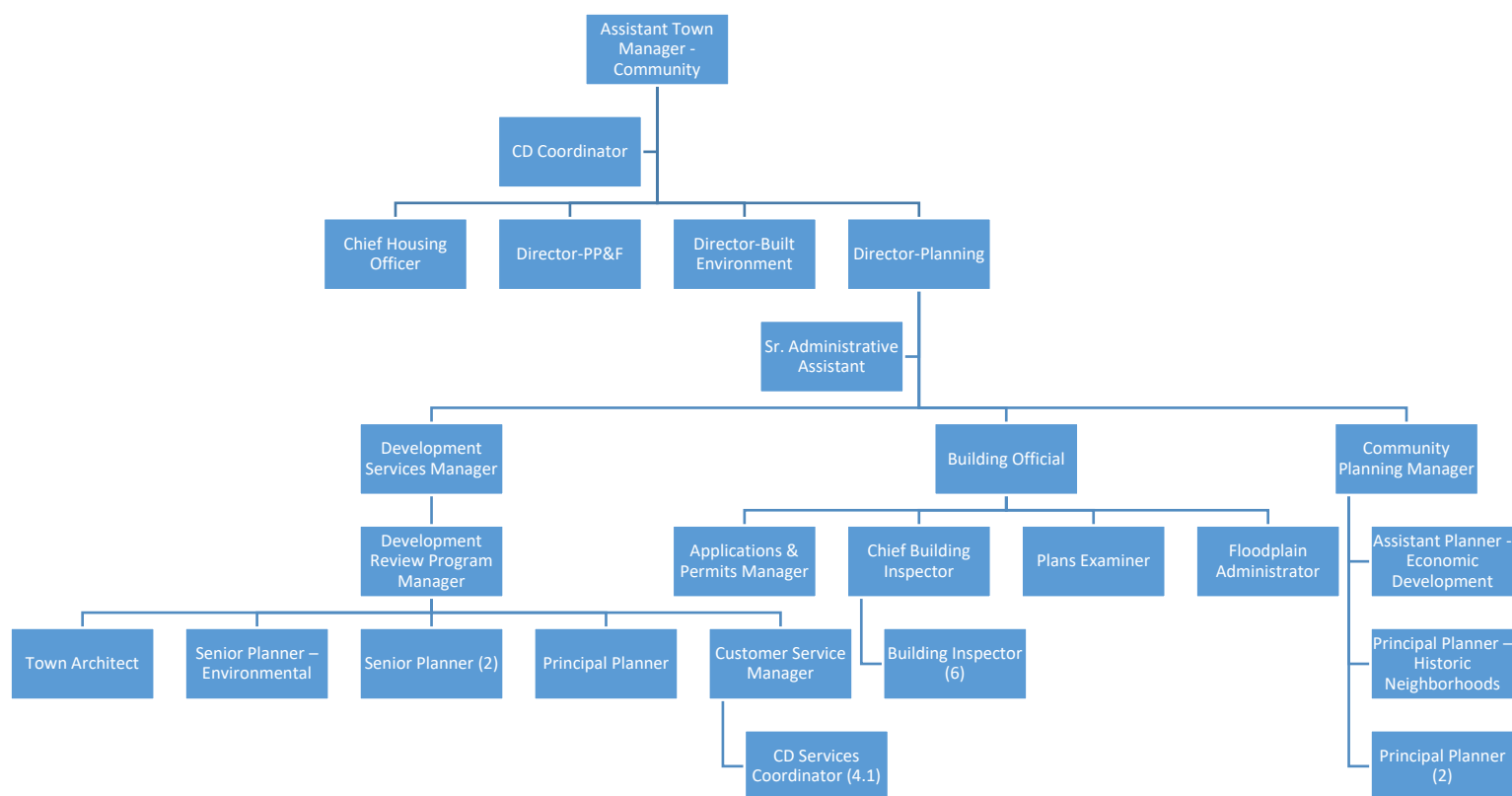
Program: Community Services

Department: Community Development - Planning

### Fiscal Year 2025 Budget Highlights

- Adopt Island-Wide Master Plan that includes a Growth Framework Map and Eight District Plans. Future Land Use Map.
- Amend the Land Use Element of the Comprehensive Plan to incorporate the Future Land Use Map from the Island-Wide Master Plan.
- LMO Amendments Plan underway with expert code writer consultant.
- Adopt an Anti-Displacement and Support Plan
- Adoption of a Small Home Series
- Establishment of Muddy Creek Neighborhood Stabilization Plan

### Organizational Chart



## Department Budgets

Program: Community Services

Department: Community Development - Planning

### Expenditure and Staffing Summary

	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	% change
<b>Community Development - Program Summary</b>					
Administration	348,116	920,630	1,278,795	1,758,404	37.5%
Comprehensive Planning	575,719	688,785	1,286,193	1,176,259	25.6%
Development Review & Zoning	624,443	532,532	780,487	637,833	-18.3%
Building	1,066,885	1,059,543	1,360,933	1,423,776	4.6%
CD Services	497,681	597,472	529,604	599,031	13.1%
Workforce Housing Program				200,007	
<b>Total</b>	<b>3,112,844</b>	<b>3,798,961</b>	<b>5,236,012</b>	<b>5,795,310</b>	18.6%
<b>Community Development - By Category</b>					
Personnel	2,833,374	3,301,573	4,278,396	5,005,257	17.0%
Operating	279,470	497,388	957,616	790,053	30.0%
Capital	-	-	-	-	#DIV/0!
<b>Total</b>	<b>3,112,844</b>	<b>3,798,961</b>	<b>5,236,012</b>	<b>5,795,310</b>	18.6%
Personnel	30.1	31.1	34.1	33.9	



## Department Budgets

**Program: Community Services**

**Department: Community Development – Public Projects & Facilities**

### Mission

Lead, manage and supervise the operations of the Engineering, Capital Projects, Facilities Management, and Stormwater Divisions. Provide oversight of the Capital Improvements Program (CIP). Provide departmental support and assistance to the Town Manager, other staff, and Boards and Commissions as required. Provide services to the general public in a courteous and professional manner. Exceed their expectations.

### Core Services

#### **Engineering / Transportation**

Provide general oversight and project management for design and construction of road, drainage, pathway, and other infrastructure projects. Review and approve plans for land development to ensure compliance with the traffic and stormwater management standards of the Land Management Ordinance. Conduct field inspections of development projects and issue certificates of compliance for same. Maintain the Town's roadways, traffic signals, traffic signs, and stormwater infrastructure. Coordinate with other government agencies and utility providers regarding infrastructure maintenance and improvements.

#### **Public Projects**

Provide general oversight and administration of the Capital Improvements Program (CIP). The CIP is the Town's program for planning capital improvement needs identified in the Comprehensive Plan, and other adopted Town Plans, and tying those needs to forecasted revenues for the current and upcoming fiscal years. The program follows a yearly planning and budgeting process including recommendations by the Planning Commission and Parks and Recreation Commission with a budget adopted by Town Council.

#### **Facilities Management**

Operate and maintain Town beach parks. Manage parking permits and boat permits. Maintain beach accesses, pathways, highway medians, transfer stations, buildings and grounds, and cleaning service bids. Provide parking enforcement and act as liaison for Town Beautification and Recycling initiatives. Maintain Fire and Rescue buildings and grounds to include distribution of cleaning supplies.

#### **Stormwater**

The Stormwater Utility is responsible for the following:

- Maintenance of the Town's drainage infrastructure, including both routine maintenance and corrective maintenance programs;
- Maintenance and operation of four stormwater pump stations;
- Implementing capital improvements projects for stormwater infrastructure via close coordination with the CIP Division;
- Maintaining and improving water quality on the Island, including managing the Town's NPDES Permit, conducting an ongoing Water Quality Monitoring Program, and managing the health of the Town's lagoons;
- Conducting frequent and thorough regulatory inspections in support of the NPDES Permit, LMO compliance, and drainage system conditions;
- Managing service requests received from residents, business owners, and visitors including documenting, vetting, identification of responsibility, programming for correction, and providing timely feedback to the requestors;

## Department Budgets

Program: Community Services

Department: Community Development – Public Projects & Facilities

### Stormwater

- Managing and improving the Town’s inventory of drainage infrastructure via the Asset Management and Watershed Inventory and Modeling Programs; and
- Ensuring LMO compliance through plan review and providing constructive feedback on improving site design for new development and redevelopment

### Fiscal Year 2025 Goals, Objectives, and Performance Measures

#### Goal 1: Pursuit of Excellence

**Objective:** Implement Parking Master Plan (go live after summer season)

**Objective:** Enhance Beach Shuttle Services

**Objective:** Adopt & Implement Beach Operations Master Plan

**Objective:** Create and implement a new Town “brand” of signage throughout the Island

**Objective:** Improve the “beach experience” for residents and guests. This would include a parking master plan, increased use of public transportation, code enforcement, improving the Beach Ambassadors program, and upgrading the facilities.

**Objective:** Improve efficiency in service delivery to correct deficiencies via the Corrective Maintenance Program; increase volume by 25%.

**Objective:** Continue refinement and expansion of the Proactive Maintenance Program; Increase the number of identified proactive maintenance sites by 10% and move toward bi-annual frequency at all locations.

**Objective:** Improve efficiency in service delivery to correct deficiencies via the Corrective Maintenance Program; increase volume by 25%.

#### Goal 2: Environmental Sustainability

**Objective:** Implement Beach Renourishment Program (acquire permits and develop bid documents)

**Objective:** Work with Public Service Districts (PSDs) on Long-Term Capital Projects

**Objective:** Identify Strengths, Weaknesses, Opportunities & Threats (SWOT) of Hilton Head Island Solid Waste & Recycling

**Objective:** Identify Strengths, Weaknesses, Opportunities & Threats (SWOT) of Hilton Head Island Resiliency

#### Goal 3: Regional Focus

**Objective:** Evaluate Access Between Hilton Head Island & the Greater Region Through Viable Multi-Modal Transportation

**Objective:** Adopt and implement various aspects of the Southern Lowcountry Stormwater Design Manual.

#### Goal 4: Right Sized Infrastructure

**Objective:** Adopt Traffic Calming Policy

## Department Budgets

Program: Community Services

Department: Community Development – Public Projects & Facilities

### Goal 5: Engineering

**Objective:** Manage traffic signal systems under agreement with SCDOT.

### Goal 6: Capital Improvement Program (CIP)

**Objective:** Manage Capital Improvement Projects to ensure schedule and budget targets are met and quality specifications are met.

**Objective:** Provide quarterly updates on the status of Capital Projects.

**Objective:** Maintain the Capital Projects Dashboard to keep elected officials and the public informed.

**Objective:** Implement Improvements at the Jarvis Creek system outfall.

**Objective:** Replace pumps at the Lawton Pump Station.

**Objective:** Complete design and permitting for overhaul and improvements at the Wexford Stormwater Pump Station.

**Objective:** Install security cameras at all four stormwater pump stations.

### Goal 7: Stormwater Management

**Objective:** Increase scope of sediment and erosion control inspection and enforcement; implement required inspection of single-family home construction; adding staff to accomplish.

**Objective:** Ensure compliance with Town's NPDES Permit, mitigation of flooding, monitor and enhance water quality.

**Objective:** Successfully manage service request intake, vetting documentation, and ensuring excellent customer service by providing timely and personal feedback.

**Objective:** Maintain storm drainage infrastructure integrity through implementing corrective and proactive maintenance activities to protect and ensure public health and safety.

**Objective:** Improve NPDES Permit Compliance performance measures in public outreach and public participation; Supplement efforts of Carolina Clear with 2 or more activities per quarter

**Objective:** Maintain the Town's stormwater pump stations, including performing scheduled biannual and annual inspections and proactive maintenance according to current LOS policy

**Objective:** Continue to improve the integrity of stormwater inventory data, including adding BMPs to the database and attaching plans and inspection documents.

**Objective:** Successfully complete review of all plans and permit applications assigned per LMO requirements, providing constructive feedback on improved site design for new development and redevelopment, supported by making site visits and participating in better site design review meetings.

### Goal 8: Facilities Management

#### Field Operation

**Objective:** Establish Daily, Weekly, Monthly, Semi-Annual, Annual Inspections in Cartegraph

**Objective:** Evaluate Town owned Facilities for maintenance and CIP needs.

**Objective:** Establish a program to enhance park landscaping

**Objective:** Establish a program to convert all Town properties to "touchless" amenities in the restrooms.

**Objective:** Evaluate and create program go convert all Town owned buildings and parks to LED.



## Department Budgets

Program: Community Services

Department: Community Development – Public Projects & Facilities

**Objective:** Establish monthly training to enhance tech knowledge

**Objective:** Upgrade/ repair facilities with touchless fixtures, LED lighting, and improved landscaping

### Contracts and Administration

**Objective:** GIS mapping of all Landscaping Contracts

**Objective:** Evaluate and improve contract scopes of work based on Town Staff's direction

**Objective:** Identify additional trades of work to establish contract on. (Sprinkler inspection/ repairs, Electrical, etc.)

**Objective:** Work with Field Operations Manager to create daily, weekly, monthly, quarterly, annual reoccurring inspections in Cartegraph.

**Objective:** Review the wedding permit process and add an administration fee?

### Grounds and Landscaping

**Objective:** Establish a Turf Management program.

**Objective:** Establish a Forest Management program

**Objective:** Perform litter inspections and work to improve litter control program

**Objective:** Evaluate plantings in corridor and identify areas of opportunity for enhancements (upgrades at intersections and irrigation).

**Objective:** Evaluate plantings in parks and identify areas of opportunities for improvements.

**Objective:** Explore options to "Go Green" with battery powered maintenance tools.

**Objective:** Work with Contract Manager to evaluate and improve on landscaping contracts to mirror Town's needs and expectations.

**Objective:** Establish an environmentally conscious pesticide/ herbicide program for Town Landscaping practices.

### Beach Operations

**Objective:** Review of staffing and internal operational needs

**Objective:** Review and evaluate current plantings and potential upgrades at Beach Parks

**Objective:** Evaluation of beach facilities and potential CIP projects

**Objective:** Consistency of operations at all parks

**Objective:** Work with Events and Programming Manger on providing additional beach programming for events

**Objective:** Work with Turtle Patrol and Turtle Trackers to promote and improve season

**Objective:** Upgrade/ repair facilities with touchless fixtures, LED lighting, and improved landscaping

### Fiscal Year 2025 Budget Highlights

- Includes funding for continued expansion of Christmas and holiday lighting throughout the Island.
- Includes funding for right-of-way maintenance including safety and beautification enhancement projects.
- Provides for Beach and Beach Park enhancements including wayfinding, bike racks, trash and recycling, public rules, and identification markers.

## Department Budgets

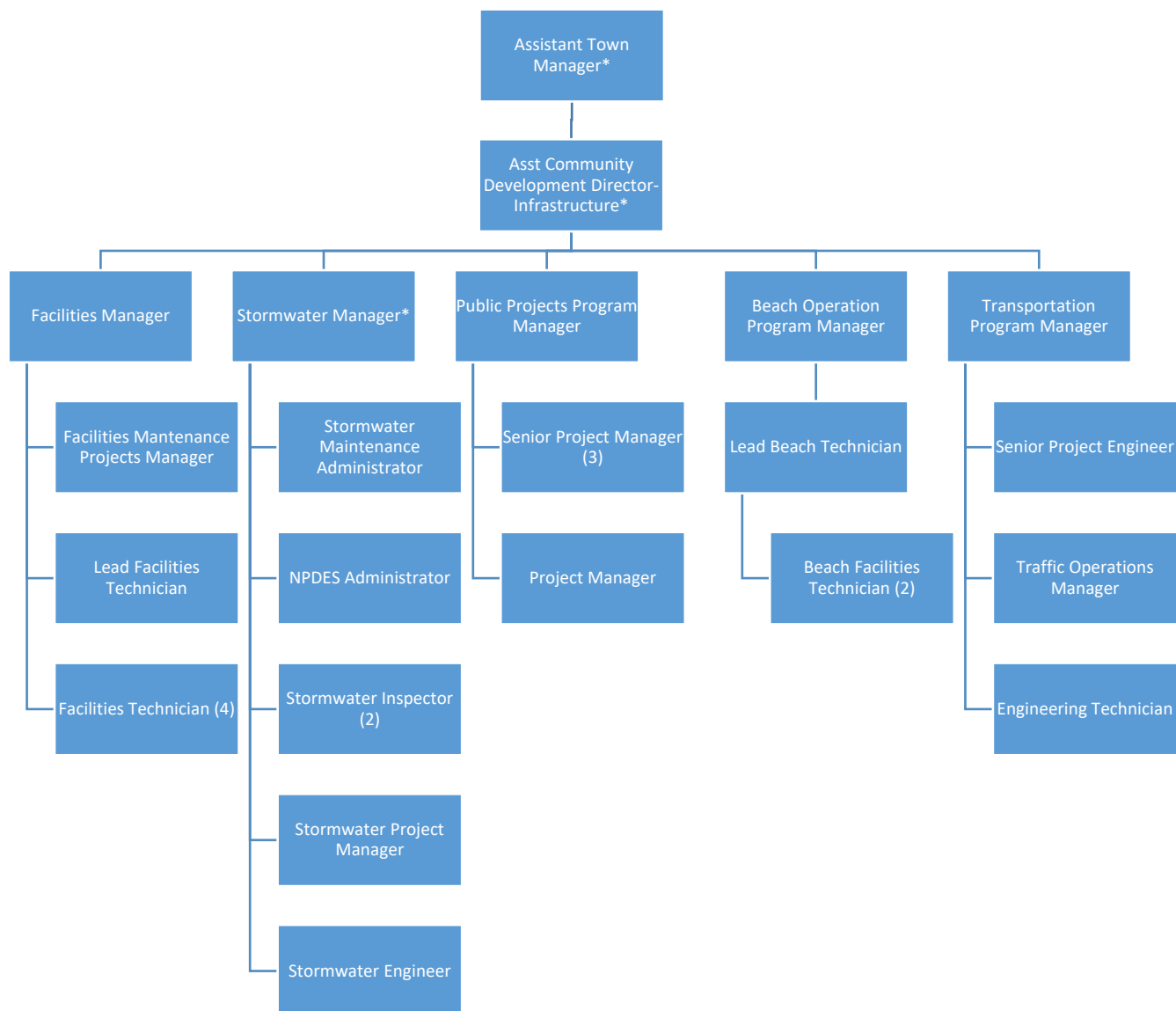
Program: Community Services

Department: Community Development – Public Projects & Facilities

### Fiscal Year 2025 Budget Highlights

- Includes a town-wide litter patrol contract.
- Supports solid waste and recycling SWOT findings and supports priorities.
- Enhances traffic and transportation support through traffic counting and adaptive traffic signal monitoring.

### Organizational Chart



\*Note: The Assistant Town Manager-Community and the Assistant Community Development Director's salary and benefits are budgeted in the Community Development Planning Department. Seven positions above are budgeted in the Town's Stormwater Fund. The remaining positions are in the General Fund.

## Department Budgets

Program: Community Services

Department: Community Development – Public Projects & Facilities

### Expenditure and Staffing Summary

	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	% change
<b>Public Projects &amp; Facilities - Program Summary</b>					
Administration	150,404	-	-	-	0.0%
Transportation	683,911	632,852	513,437	619,322	20.6%
Facilities Maintenance	6,057,703	6,580,876	7,742,924	3,229,402	-56.6%
Public Services	-	-	-	4,226,228	
Public Projects	394,782	679,066	822,625	1,850,339	124.9%
<b>Total</b>	<b>7,286,800</b>	<b>7,892,794</b>	<b>9,078,986</b>	<b>9,925,291</b>	13.2%
<b>Public Projects &amp; Facilities - By Category</b>					
Personnel	2,050,252	2,455,123	2,992,536	2,831,040	-5.4%
Operating	5,236,548	5,076,450	6,086,450	7,094,251	22.8%
Capital	-	361,221		-	#DIV/0!
<b>Total</b>	<b>7,286,800</b>	<b>7,892,794</b>	<b>9,078,986</b>	<b>9,925,291</b>	13.2%
Personnel	22.0	26.0	28.0	23.6	



## Department Budgets

**Program: Public Safety**

**Department: Fire Rescue**

### Mission

To protect the people, property and environment of Hilton Head Island with courage, commitment and compassion.

### Town Council Guiding Principle

Providing a Serene, Safe and Healthy Living Environment for Residents, Guests and Visitors.

### Town Council Goal

Financially Sound, Excellent Services

### Core Services

1. Provide fire services to the town to include structural firefighting, wildland firefighting, motor vehicle fires, and all other fires typically assigned to a fire department to include the training and development of its staff to perform these duties.
2. Fire Rescue provides advanced life support (ALS) emergency medical services (EMS) to include public education, early detection, response, treatment, patient care and necessary transport including the training of its staff to perform these duties.
3. Operate seven fire stations, a dispatch center and a headquarters facility. Manage and operate a Primary Public Safety Answering Point to receive and process 911 calls from the public for Hilton Head Island, Hilton Head Island Airport and Daufuskie Island in addition to serving as backup communication center for Beaufort and Jasper Counties.
4. Provide fire prevention services to the Town to include public education, prevention, code enforcement, and fire origin cause and determination.
5. Deliver other specialty emergency response services to include hazardous materials response, technical rescue services, vehicle and machinery extrication services, confined space, and other services as requested.
6. Emergency Management develops town-wide plans for the preparedness, response, and recovery from man-made and natural disasters to include but not limited to evacuations, hurricane and tropical storms, earthquakes, floods, tornadoes, fire, hazardous materials, etc. and to coordinate all such plans with local, county, state, and federal authorities.
7. Manage a fleet maintenance program for all Town vehicles to include preventative maintenance and repairs and assist in other activities as required.
8. Fire Rescue shall conduct research and planning activities as necessary to properly perform its assigned services.

### Fiscal Year 2024 Accomplishments

- The 2024-2026 Fire Rescue Strategic Plan was adopted by Town Council.
- Fire Rescue's E911 Communications Center received a Training Program Certification, making the program one of 92 certified programs and one of three in the State.
- Two new fire hydrants were installed as part of the fire hydrant expansion initiative.
- Fire Rescue received the Fire Safe South Carolina Designation for the fourth year since its inception.
- The Emergency Management Division was awarded the Emergency Management Accreditation Program (EMAP). The Division is one of three programs in the State and one of 91 internationally.

## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Fiscal Year 2024 Accomplishments

- Received an Assistance to Firefighters Grant (AFG) to send 10 members of Fire Rescue to Paramedic school.
- Fire Rescue's Bureau of Fire Prevention (BFP) was rebranded to Community Risk Reduction (CRR) to reflect enhanced risk reduction efforts outside of Fire Prevention.
- As part of Fire Rescue's efforts to support the health and wellness of our members and community, Fire Rescue established a Chaplain Program. Four members of the clergy from different denominations have partnered with Fire Rescue to provide local resources to our personnel and the community.
- Fire Rescue on-boarded two Community Outreach & Recruitment Captains, a Communications & Marketing Administrator, an Emergency Management Coordinator, a fourth Fire Inspector, and a third Mechanic.
- Created a direct hire program to fast track hiring of fully qualified Firefighter/ EMTs and Firefighter/ Paramedics.

### Fiscal Year 2025 Goals, Objectives, and Performance Measures

#### Operations

**Division Goal:** Protect the lives and property of the community through timely emergency response and the efficient delivery of services.

**Division Objectives:** Provide an emergency response system that improves the quality of life by maintaining and enhancing the response capability and performance level of our members to reduce fire losses and civilian casualties.

To provide for a safe and timely response to all emergent incidents with the goal of being on scene from the time a call is received in the E911 Communications Center to when an ambulance arrives curb side on EMS incidents in 8 minutes and 5 seconds 90% of the time; and, for a fire apparatus to arrive on scene at 8 minutes and 50 seconds 90% of the time.

Provide a timely and professional response to hazardous materials, technical rescue, and other emergency situations to assist the public and protect the community.

Proactively identify and reduce the impact of hazards on emergency incidents that have the potential to do harm to the environment through the utilization of knowledge, equipment, and resources.

Support department programs that engage the public in education and during community events.

## Department Budgets

Program: Public Safety

Department: Fire Rescue

	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget
Total Emergency Incidents	9281	9608	9900	9700
Emergency Medical Service (EMS) responses	7082	7146	7500	7500
EMS patients transported	5124	5082	5600	5600
EMS patients treated but not transported	335	295	350	350
Fire Suppression and other responses	2199	2462	2400	2400
Actual number of fires	64	36	40	40
EMS First Arriving – Total Response Time Baseline (90 <sup>th</sup> percentile)	8:12	8:39	8:05	8:05
Fire First Arriving – Total Response Time Baseline (90 <sup>th</sup> percentile)	8:37	9:08	8:50	8:50
Pre-incident plans processed (Planning)	20	25	35	25

### Fiscal Year 2025 Goals, Objectives, and Performance Measures

#### Emergency Medical Services

**Division Goal:** Facilitate the provision of high-quality emergency medical care to our citizens and visitors with a commitment to clinical excellence, compassion, customer service, and the preservation of human dignity.

**Division Objectives:** Administrate an effective and compliant Electronic Health Record (EHR) platform that appropriately documents patient care encounters, enables the collection of relevant performance metrics, and allows the Town to obtain appropriate reimbursement for medical care.

Develop and curate education and training that is timely and relevant for a variety of injuries and time-sensitive diagnoses. Enable staff to provide evidence-based therapies to improve clinical outcomes.

Support EMS certification and recertification using the best regionally available schools, training methods, and evaluation techniques according to state and national standards and best practices.

Promote a culture of clinical excellence and continuous quality improvement using the Just Culture model that enhances the safety and quality of life for each individual patient we encounter.

	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget
EMS Training Hours Completed	14865	13502	15000	14500
NREMT Recertification Completed	42	34	45	45
EMT-B Certification	8	10	8	8
EMT-P Certification	9	4	6	10
EMS FOIA Requests	171	218	180	200



## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Fiscal Year 2025 Goals, Objectives, and Performance Measures

#### **Emergency Management**

**Division Goal:** To continue positioning the Town of Hilton Head Island to respond efficiently to the full range of threats facing the community, seek to minimize the impacts of emergencies and disasters on the people, property, environment, and economy of the Town, and to prepare staff and residents to better protect themselves and others through an effective program of all-hazards planning, partnerships, resource acquisition, training and public education/outreach.

#### **Division Objectives:**

Implement the EMAP Continuous Accreditation Pilot Program and review the Emergency Operations Plan and Emergency Management Guide based on the new 2024 EMAP standards.

Complete re-write of the Town's Continuity of Operations Plan.

Evaluate the ways to improve general staff and EOC/critical staff training related personal preparedness and event response.

Continue to partner with other Town Departments and Divisions to administer a program of effective public education and outreach which promotes Town initiatives and resources and provides pre-event information that will allow our citizens to prepare for all potential hazards facing the Town.

Develop annexes to the emergency operations plan for every hazard identified in the Beaufort County Hazard Mitigation Plan.

Partner with other Town Departments and Divisions to administer a program of effective public education and outreach which promotes Town initiatives and resources and provides pre-event information that will allow our citizens to prepare for all potential hazards facing the Town.

	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget
Plans and Procedures updated/developed	40	18	12	20
Exercises Participated in	2	9	9	6
Exercises/Training program staff attendees	60	80	100	70
Disaster Preparedness presentations conducted	20	16	20	20
Disaster presentations/training public attendees	800	550	900	900
Citizen's Guide to Emergency Preparedness distributed	1800	1200	2000	2000
Citizen's Guide to Emergency Preparedness Downloaded	-	2100	3000	3000

## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Fiscal Year 2025 Goals, Objectives, and Performance Measures

#### **Administration**

**Division Goal:** To provide administrative support and services to support the mission of Fire Rescue through efficient administrative processes and functions.

**Division Objectives:**

Provide oversight of the Community Risk Reduction Program & the 911 Communications Center.

Maintain critical public safety computer systems 24/7 - 365 days a year to assure timely and accurate emergency response.

Efficiently provide and maintain effective firefighting and emergency medical response equipment and supplies that support the department operations and personnel.

Provide the oversight of the departments Accreditation Process and manage response data to evaluate response benchmarks and established levels of service to identify areas of improvement.

Liaison to Public Safety Systems and Information Technology to ensure support for Fire Rescue's Data Systems, Computer Aided Dispatch System, Records Management System, Electronic Patient Care Reporting and Medical Billing programs.

#### **Community Risk Reduction**

**Division Goal:** To increase sponsorship and participation in various community education programs; increase technical fire/life safety inspections for both existing & new structures; and intensify investigations of fires with suspicious or undetermined origins.

**Division Objectives:**

Reduction of preventable deaths, injuries and property loss through public education programs, increased fire inspections enforcing compliance with adopted fire codes for all commercial buildings and the reduction of preventable and/or intentional fires.

Encourage participation in community risk reduction activities by all members of Fire Rescue.

Continuously monitor our communities' risk and adapt to ensure a safe environment for residents and guests.

Monitor property loss, fire confinement, and casualties as part of risk reduction.

Complete accurate and thorough inspections of occupancies on a recurring basis.

Complete an origin and cause investigation report on all structure fires and utilize that data to provide public education and risk mitigation.

Respond to complaints from our community stakeholders including firefighters, citizens, and employees.

## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Fiscal Year 2025 Goals, Objectives, and Performance Measures

	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget
Public Education Presentations (includes Company Pub Ed taught, Company public events, Risk Watch, Station Tours and Public Ed Officer Pub Ed taught)	113	81	80	80
CPR/AED/First Aid Students	305	678	350	450
Fire Extinguisher Training Students	125	146	100	125
Car Seat Installations	91	95	80	80
File of Life Recipients	514	545	500	522
Smoke Detectors Installed	149	197	150	175
Plan Reviews	296	275	250	275
Total Fire Safety Inspections (Total includes Initial Inspections, Re-Inspections, Business License Inspections, New Construction/Renovation Inspections)	2031	2050	2500	3000
Business License Inspections	295	371	250	300
Existing Building Inspections (Initial Inspections & Re-inspections)	1124	936	2000	2000
New Renovated Construction Inspections	470	598	400	500
Violations found during inspections	1524	2440	2800	2800
Violations Corrected	1259	2341	2800	2800
Single Family Residential Site Plan Reviews	267	127	200	150
Planning project reviews & inspections	208	160	150	150
Fire cause/origin investigations	12	18	20	20
Special Event reviews & Inspections	93	85	100	100

### **911 Communications**

**Division Goal:** To manage and operate a primary emergency answering point for the Town of Hilton Head Island; thereby, ensuring all emergency and non-emergency requests for assistance requiring police, fire, EMS, or other agencies, are received and the appropriate resources are notified.

**Division Objectives:**

To receive, process and dispatch requests for services in a timely and efficient manner in order to protect the lives and property of the community.

To answer calls for service in less than ten seconds, ninety five percent of the time.

## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Fiscal Year 2025 Goals, Objectives, and Performance Measures

	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget
Calls answered 0-10 seconds	52,930	57,612	54,450	54,500
Total telephone requests received	53,467	58,340	55,000	55,000
Pool & elevator lines	6,104	13,366	6,500	14,000
911 calls for service line	34,442	31,256	30,800	28,000

### **Safety and Professional Development**

**Division Goal:** Provide a comprehensive training and development program that will enhance the abilities of personnel to improve department operations and service delivery.

**Division Objectives:** Plan, conduct and facilitate multi-discipline training in support of the goals and objectives of Fire Rescue. Support employee training and professional development at all levels of the department and in all subject areas to enhance knowledge, skills, and abilities.

Develop and deliver training as required by OSHA Regulations.

Provide administration and management of the Fire Rescue Training Center.

Maintain training records consistent with department and NFPA standards.

Administer the new firefighter orientation program.

Support Fire and EMS certification/recertification process as required.

Training Hours/Type	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget
Company training – firefighting	22,020	19,597	20,000	20,000
Company drills – fire, rescue	2,435	2,281	2,400	2,500
Rescue/extraction	801	1,987	1,200	2,400
Hazardous materials	1,050	2,409	1,200	2,400
Total Hours	26,306	26,274	24,800	27,300



## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Fiscal Year 2025 Goals, Objectives, and Performance Measures

Drills/Classes Sessions	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget
Company drills	98	100	100	100
Live burn training	1	1	14	50
Urban search and rescue training	18	18	18	18
S.C. fire academy classes	44	81	80	80
Fire rescue classes	5	5	6	6
Driver/operator training/testing	14	10	9	10
New firefighter orientation	23	14	6	6
Officer training	9	9	12	6
Total	212	238	245	276

### **Fleet Maintenance**

**Division Goal:** To provide a comprehensive and cost-effective maintenance and repair program to support the needs of the Town of Hilton Head Island.

**Division Objectives:** Operate and maintain a Fleet Management system to track routine maintenance, repairs, and inventory of all Town owned vehicles and equipment.

Inspect, maintain, and repair all Town owned vehicles and equipment in a timely and cost-effective manner.

Complete fire pump and ladder testing and other certification tests as required.

Support Fleet Maintenance employee training and professional development, Including EVT and ASE certification/recertification process.

Support the process of design and replacement of vehicles and emergency apparatus.

Drills/Classes Sessions	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget
Total Maintenance Requests – All Types	1292	1287	1375	1380
Scheduled Maintenance (Preventative and Safety)	222	227	240	290
Unscheduled Maintenance (Vehicle Repairs)	766	702	800	725
Other Repairs (Mowers, powered equipment)	304	358	335	365
Town Fleet Vehicles (Emergency, Passenger, Utility)	158	185	185	185

## Department Budgets

**Program: Public Safety**

**Department: Fire Rescue**

### Fiscal Year 2025 Budget Highlights

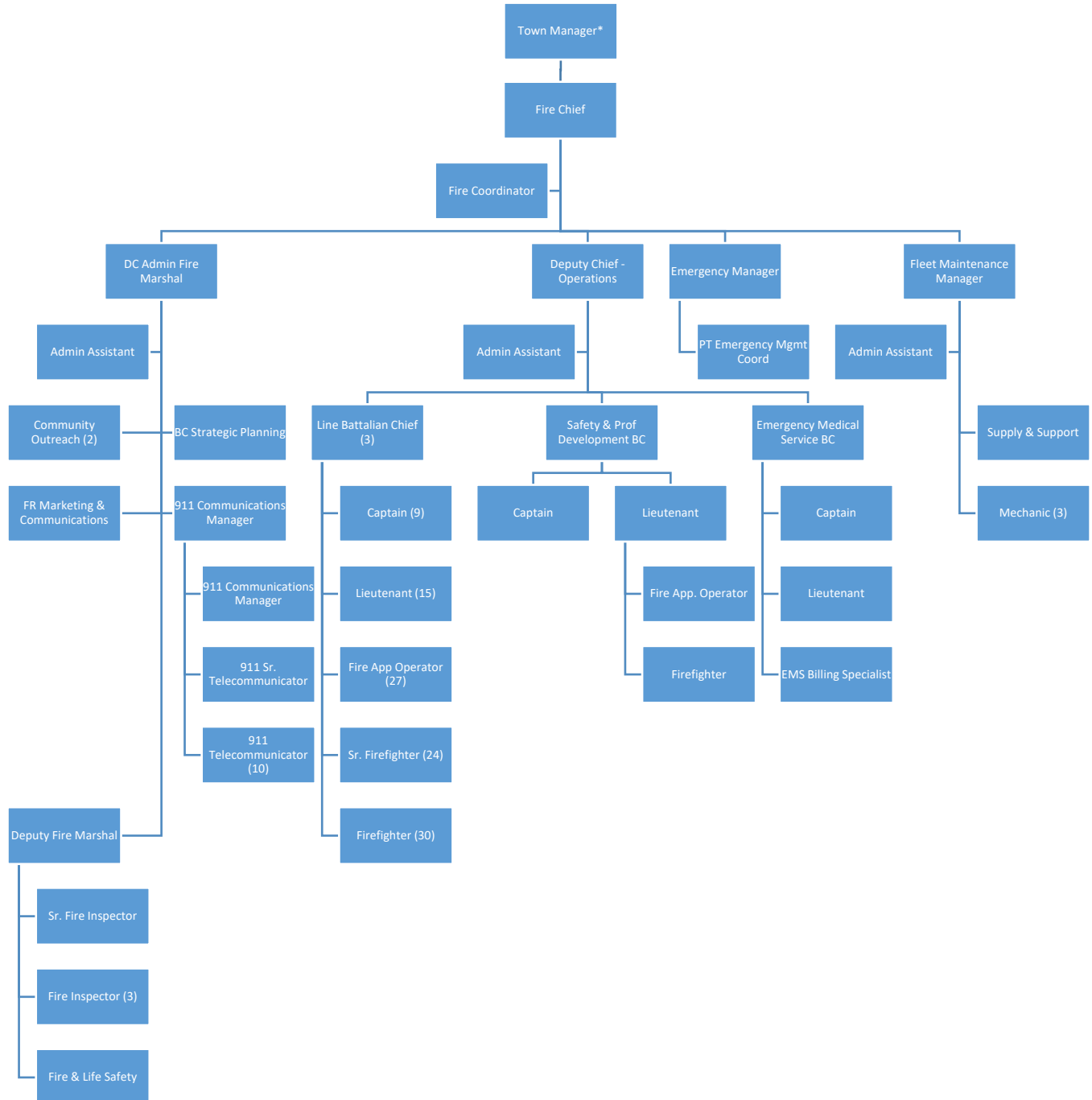
1. Review, update, and publish revised Standard Operating Guidelines.
2. Provide leadership training & and education to company officers.
3. Expand the Field Officer (FTO) training program in addition to providing accredited training tailored to enhance the FTO process.
4. Develop a comprehensive training program that goes beyond our current learning management system.
5. Improve our existing Quality Assurance/Quality Improvement program to align with industry best practices.
6. Analyze the effectiveness of developmental programs and strategies.
7. Develop and enhance programs to meet identified needs.
8. Develop a comprehensive project plan that includes a timeline, milestones, and tasks.
9. Implement the EMAP Continuous Accreditation Pilot Program and review the Emergency Operations Plan and Emergency Management Guide.
10. Complete a re-write of the Town's Continuity of Operations Plan.
11. Evaluate wat to improve general staff and EOC/critical staff training related to personal preparedness and event response.
12. Ensure tracking and onboarding of new Community Risk Reduction staff is relevant and consistent.
13. Evaluate the effectiveness of the partnership with 3<sup>rd</sup> party inspection, testing, and maintenance tracking to ensure fire protection system inspection records are accurate and timely.
14. Review historical incident data and community needs to steer efforts of a comprehensive fall risk reduction program.
15. Develop a plan so that Dispatch can continue to process calls and assign resources in the event of a weather evacuation or catastrophic event.
16. Evaluate and provide a recommendation about the feasibility of pursuing accreditation for Dispatch.
17. Research, develop, and recommend a future staffing plan for dispatch.
18. Establish a partnership with Beaufort County School District to help facilitate the emergency services Career and Technical Education Program.
19. Identify ways to reach applicants to develop a diverse and well-prepared firefighting hiring pool.
20. Engage the community by hosting a variety of outreach events at Fire Rescue facilities.
21. Implement a comprehensive social media plan.
22. Develop strategies to boost engagement on social media platforms.
23. Develop and execute community events in collaboration with Community Outreach and Community Risk Reduction to support community engagement.
24. Implementation of the Engine/Pumper Replacement Fleet (8-Apparatus) and Quint Company Replacements (2-Apparatus). (CIP Fund)
25. Decommission of old Engine/Pumper/Quint Fleet (10-Apparatus).
26. Town Staff Vehicles Replacement, 3-Vehicles. Fire Rescue Staff Vehicle Replacement, 1-Vehicle (CIP Fund)
27. New Staff Vehicles. (CIP Fund)

## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Organizational Chart



## Department Budgets

Program: Public Safety

Department: Fire Rescue

### Expenditure and Staffing Summary

	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	% change
<b>Fire Rescue - Program Summary</b>					
Executive	1,140,494	1,286,907	2,308,296	2,856,163	23.7%
Administration	2,435,289	2,797,757	3,395,488	3,322,694	-2.1%
Operations	13,154,844	14,477,536	15,443,206	16,829,302	9.0%
<b>Total</b>	<b>16,730,627</b>	<b>18,562,200</b>	<b>21,146,990</b>	<b>23,008,159</b>	8.8%
<b>Fire Rescue - By Category</b>					
Personnel	15,627,066	17,284,579	18,984,482	20,834,516	9.7%
Operating	1,103,561	1,277,621	2,162,508	1,331,461	-38.4%
Capital	-	-	-	842,182	100.0%
<b>Total</b>	<b>16,730,627</b>	<b>18,562,200</b>	<b>21,146,990</b>	<b>23,008,159</b>	8.8%
Personnel	142.5	146.7	153.6	153.6	



## Department Budgets

**Program:** Public Safety

**Department:** Public Safety

### Mission

To provide professional, effective and high-quality code enforcement, police protection and law enforcement services for the Town of Hilton Head Island.

### Core Services

#### **Code Enforcement**

Implement Town-wide public safety initiatives. Enforce the Town's Municipal Code and Land Management Ordinance relating to environmental, public safety, health, sanitation, and other general regulations.

#### **Police Services**

Town-wide police services are provided to the citizens of the community through a contract with Beaufort County and the Sheriff's Office. These services are provided in conjunction with the Town's fiscal policies of sound, economical management. (Police service expenditures moved to the Townwide budget effective July 1, 2023.)

#### **Shore Beach Services**

Shore Beach Service provides year-round beach patrol for the entire 13.5 miles of beach on Hilton Head Island. During the peak summer season, the patrol consists of more than sixty lifeguards, seven red trucks marked "Beach Patrol," and two red ATVs. In addition, they have three wave runners for use in water rescue. They can assist in first aid, ocean rescue, missing persons, beach specific questions, or any other questions you may have about the island. (Shore Beach Service expenditures moved to the Townwide budget effective July 1, 2024.)

### Fiscal Year 2024 Accomplishments

- In 2024, with additional hires, staffing is now at six full-time Community Code Enforcement Officers and one full-time Public Safety Director. Duties include daily patrols of Town beaches, parks and properties for security and safety; short-term rental complaint response and proactive patrols; building site visits to monitor and enforce land management ordinance.

### Fiscal Year 2025 Goals, Objectives, and Performance Measures

- Expansion of Public Safety/Community Code Enforcement roles to include boat and bicycle patrols. These initiatives are designed to enhance Town presence and promote better etiquette and safer behavior in surrounding waterways and public paths.

### Fiscal Year 2025 Budget Highlights

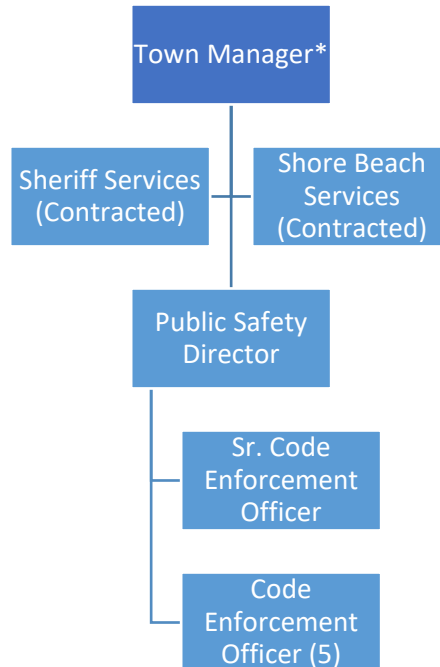
- Supports Public Safety working hours of 8:00am – 9:00pm, seven days a week.
- Supports the annual security contract for public safety.

## Department Budgets

Program: Public Safety

Department: Public Safety

### Organizational Chart



### Expenditure Summary

	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	% change
<b>Public Safety Town Staff</b>					
Personnel	-	336,653	777,855	823,432	5.9%
Operating	-	51,140	67,904	76,205	12.2%
<b>Total Public Safety Town Staff</b>	-	<b>387,793</b>	<b>845,759</b>	<b>899,637</b>	6.4%
Personnel	0.0	5.0	7.0	7.0	
<b>Sheriff - Program Summary</b>					
Police Services	2,000,000	2,000,000	-	-	n/a
Community Event Support	21,647	-	-	-	n/a
Stipend	87,450	104,450	165,800	-	-100.0%
Park Services	-	-	-	-	n/a
<b>Total Sheriff</b>	<b>2,109,097</b>	<b>2,104,450</b>	<b>165,800</b>	-	-100.0%
<b>Shore Beach Services</b>					
Expenses	-	56,014	60,000	-	-100.0%
Contract	411,612	406,462	418,656	-	-100.0%
<b>Total Shore Beach Services</b>	<b>411,612</b>	<b>462,476</b>	<b>478,656</b>	-	-100.0%
<b>Total Public Safety</b>	<b>2,520,709</b>	<b>2,954,719</b>	<b>1,490,215</b>	<b>899,637</b>	-39.6%

## Department Budgets

**Program: Townwide**

**Department: Non-Departmental**

The Townwide budget is a compilation of miscellaneous expenditures not directly associated with a specific department. The budget for the personnel, operating, and capital portions of this budget are developed jointly developed by Finance and Human Resources. Also included in this budget are the grants provided by the Town to various community organizations.

### *Personnel*

Expenditures that are included in this category are short-term temporary salaries, retirement health savings plan contributions, workers compensation deductibles, Palmetto Pass employee reimbursement, employee recognition, and COBRA benefits.

### *Operating*

This category includes expenditures for certain professional dues, consultant costs for town-wide studies, photocopying, courier services, Palmetto Pass costs for Town vehicles, taxes and assessments, various supplies, fuel costs, lease costs, utilities, property insurance and the general contingency. This category also now includes expenditures related to contracted town-wide police and beach public safety services.

### *Capital*

All capital expenditures are now included in the Capital Improvement Program (CIP).

### *Grants*

The Town provides funding to its Affiliated Agencies as follows:

1. **Coastal Discovery Museum** – The Coastal Discovery Museum is a not-for-profit organization operated on the Town owned 68-acre Honey Horn Plantation. Funding for this organization is provided by memberships, donations, corporate sponsors, and community partners. The Town provides the organization with an annual property management fee as well as funding for capital needs as requested and approved by Town Council.
2. **Mitchelville Preservation Project** – Situated on Hilton Head Island, Mitchelville represents the Gullah/Geechee Cultural Heritage Corridor that forms the roots of the African American's contribution to the heritage of freedom in America. The Town Council approved a management contract with Mitchelville Preservation Project which provides funding for the Director of this project.
3. **Recreation Center** – The Town owns a recreation center situated on the Beaufort County School District's campus. The center is operated by the Hilton Head Island Recreation Association. Funding for operating the facility and funding for programs provided at the facility comes from donations from the Town, program fees, donations, fund raising activities, and Beaufort County.
4. **Event Management and Hospitality Training** – In accordance with Town Code section 4-10-100 the Town sets aside 5% of the 1% local accommodations tax for special events production, volunteerism, and hospitality training. The Town has designated the University of South Carolina Beaufort to manage and direct such expenditures.
5. **LRTA** – The Lowcountry Regional Transportation Authority (dba Palmetto Breeze) provides public transportation throughout the lowcountry region including service from rural counties to destinations on Hilton Head Island and the urban services areas in the Bluffton/Hilton Head area. The Town provides and annual grant to support this regional transportation program.

## Department Budgets

Program: Townwide

Department: Non-Departmental

### Grants

6. **14<sup>th</sup> Circuit Solicitor's Office** – The Town provides annual grants to support the following programs:
  - **Adult Multi-Disciplinary Court** – The goal of this program is to address the underlying problems that are causing an individual to commit crimes, so they become productive members of society. Each person is carefully screened to undergo professional substance abuse and mental health treatment. Those who are unsuccessful in abiding by the court's rigid requirements are transferred to prison.
  - **Career Criminal Unit** – The Criminal Prosecution Unit is a team of experienced prosecutors, investigators and an intelligence analyst who focus solely on sending the worst of the worst to prison. The team targets defendants based on their criminal history and their danger to the community as opposed to the particular crime they are charged with.
7. **Heritage Classic Foundation** – The Heritage Classic Foundation contracts with the PGA Tour, Inc. to annually conduct the RBC Heritage golf tournament on the Harbour Town Golf Links in Sea Pines Resort. This tournament provides significant economic impact and publicity to the Town. In accordance with an agreement between the Heritage Classic Foundation and the Town, the Town is designated as an official sponsor of the tournament and agrees to provide a sponsorship fee each year.
8. **Sea Turtle Patrol of Hilton Head** – The Sea Turtle Patrol Hilton Head Island provides monitoring and support on Hilton Head Island beaches for sea turtle nesting and hatching activity annually. These programs, along with spreading awareness through public education and outreach, are essential to promote the continued existence of these endangered species. In fiscal year 2025, the Town will provide funding to assist the Sea Turtle Patrol programs.



## Department Budgets

Program: Townwide

Department: Non-Departmental

### Expenditure Summary

	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	% change
<b>Townwide - Non-Departmental</b>					
Personnel	384,619	431,407	391,684	402,817	2.8%
Operating	457,403	521,107	2,927,412	3,350,698	14.5%
Insurance	666,703	775,197	838,820	942,695	12.4%
Utilities	828,316	870,072	648,000	694,000	7.1%
Taxes/Assessments	132,852	124,875	136,703	160,203	17.2%
Capital	-	-	-	-	
Contingency	2,382	8,081	108,000	275,000	154.6%
Other Charges	-	-	100,000	-	-100.0%
<b>Affiliated Agency &amp; Community Funding:</b>					
Grant Matching Funds	-	-	-		
Recreation Center - General	1,087,578	1,099,304	1,123,766	1,167,366	3.9%
Coastal Discovery Museum - General	75,000	92,775	102,432	107,700	5.1%
Executive Director	105,000	105,000	105,000	105,000	0.0%
Event Management & Hospitality Training	186,367	173,447	238,985	235,000	-1.7%
LRTA (Palmetto Breeze)	225,164	282,404	277,842	253,595	-8.7%
Multidisciplinary Court	50,000	50,000	50,000	50,000	0.0%
Solicitor Career Criminal Program	118,500	118,500	118,500	118,500	0.0%
Beaufort County EDC	25,000	25,000	40,000	40,000	0.0%
Heritage Classic Foundation	289,815	298,510	400,000	400,000	30.1%
Habitat for Humanity			500,000	-	N/A
Coastal Community Development Corporation			600,000		
Beaufort Jasper Economic Opportunities Commission				-	N/A
BlacQuity				-	N/A
Memory Matters				-	N/A
Sea Turtle Patrol Hilton Head Island	-	-	-	73,480	N/A
<b>Sub-Total Community Grants</b>	2,162,424	2,244,940	3,556,525	2,550,641	7.9%
<b>Total</b>	<b>4,634,699</b>	<b>4,975,679</b>	<b>8,707,144</b>	<b>8,376,054</b>	<b>11.5%</b>

## General Fund – Four-Year Financial Model

One of the most significant tools employed by the Town for strategic planning is the long-range financial plan (forecast). The financial model provides a picture of the financial impact the Town would experience if no action were taken, including tax increases or changes in service.

The forecasts are based on a combination of general assumptions and specific program changes of which the Town has knowledge. These general assumptions include economic considerations, commercial and residential development, service loads, and incremental growth in the compensation system. The four-year forecast provides the baseline for next year's General Fund budget.

By using the four-year forecast, the Town can more proactively plan for upcoming changes in service level demands as well as identifying potential downturns in revenues and identifying appropriate responses and solutions.

### Revenue Assumptions

% increase/(decrease) by year	FY 2025	FY 2026	FY 2027	FY 2028
Property Taxes	1.5%	1.5%	1.5%	1.5%
1% Local Accommodations Taxes	0.0%	0.0%	0.0%	0.0%
Business License Taxes (local & state)	3.0%	3.0%	3.0%	3.0%
Franchise Fees	0.0%	0.0%	0.0%	0.0%
Permit Fees; Construction	1.0%	1.0%	1.0%	1.0%
Permit Fees; Development	0.5%	0.5%	0.5%	0.5%
Permit Fees; Other	0.5%	0.5%	0.5%	0.5%
Intergovernmental	0.5%	0.5%	0.5%	0.5%
Grants; E-911 and Other	0.0%	0.0%	0.0%	0.0%
Beach Services	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%
EMS	3.0%	3.0%	3.0%	3.0%
Investments	8.0%	2.0%	2.0%	2.0%
Transfers in; Beach Preservation Fees	5.0%	5.0%	5.0%	5.0%
Transfers in; Hospitality Taxes	5.0%	5.0%	5.0%	5.0%
Transfers in; TIF	0.0%	0.0%	0.0%	0.0%
Transfers in; State Accommodations Taxes	5.0%	5.0%	5.0%	5.0%
Transfers in; Palmetto Electric Franchise Fees	5.0%	5.0%	5.0%	5.0%
Transfer in; Stormwater Fees	5.0%	5.0%	5.0%	5.0%
Transfer in; Short Term Rental Permit Fees	10.0%	1.0%	1.0%	1.0%

## General Fund – Four-Year Financial Model

### Expenditure Assumptions

% increase/(decrease) by year	FY 2025	FY 2026	FY 2027	FY 2028
Currently established positions will retain the same salary grade in future year				
Personal and benefit costs	3.0%	3.0%	3.0%	3.0%
Operating costs	2.0%	2.0%	2.0%	2.0%
Transfers Out	0.0%	0.0%	0.0%	0.0%
Grants; Recreation Center	2.0%	2.0%	2.0%	2.0%
Grants; Coastal Discovery Museum	0.0%	0.0%	0.0%	0.0%
Grants; Gullah Executive Director	0.0%	0.0%	0.0%	0.0%
Grants; Lowcountry Regional Transportation Authority	0.0%	0.0%	0.0%	0.0%
Grants; Event Management & Hospitality Training	3.0%	3.0%	3.0%	3.0%
Grants; Multidisciplinary Court	0.0%	0.0%	0.0%	0.0%
Grants; Solicitor Career Criminal Program	0.0%	0.0%	0.0%	0.0%
Grants; Operating Grants	0.0%	0.0%	0.0%	0.0%
Grants; Beaufort EDC	0.0%	0.0%	0.0%	0.0%

Note: These are budgetary assumptions only. Town Council has final authority for future spending. As the Town monitors collections, Town management and Town Council are well positioned to make the difficult but necessary adjustments in spending.

# General Fund – Four-Year Financial Model

## Revenue & Expenditure Summary

	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	Years 2, 3, 4 and 5			
				2026	2027	2028	2029
<b><u>Revenues</u></b>							
Property Taxes	17,215,546	16,942,000	18,076,000	18,347,140	18,622,347	18,901,682	19,185,208
ATAX Local 1%	6,948,465	7,034,520	6,880,890	6,880,890	6,880,890	6,880,890	6,880,890
Business Licenses	12,690,924	12,421,015	12,690,924	13,071,652	13,463,801	13,867,715	14,283,747
Franchise Fees	840,552	1,020,402	840,000	840,000	840,000	840,000	840,000
Permit Fees	1,570,126	1,979,200	1,800,000	1,827,000	1,854,405	1,882,221	1,910,454
Intergovernmental	885,089	926,755	973,093	977,958	982,848	987,762	992,701
Grants	147,563	65,858	-	-	-	-	-
Miscellaneous Revenue	2,859,680	4,578,179	3,806,448	3,921,403	4,039,829	4,161,832	4,287,519
Transfers In	8,141,706	14,279,087	14,357,026	15,103,591	15,888,978	16,715,205	17,584,396
Investment Income	1,248,615	585,000	1,500,000	1,620,000	1,652,400	1,685,448	1,719,157
<b>Total Revenues</b>	<b>52,548,266</b>	<b>59,832,016</b>	<b>60,924,381</b>	<b>62,589,634</b>	<b>64,225,499</b>	<b>65,922,756</b>	<b>67,684,072</b>
<b><u>Expenditures</u></b>							
General Government	2,046,471	2,148,969	1,734,903	1,783,100	1,832,666	1,883,641	1,936,064
Management Services	7,877,498	9,023,700	10,536,165	10,819,183	11,110,031	11,408,930	11,716,107
Community Services	11,691,756	14,314,998	15,720,601	16,113,376	16,516,357	16,929,820	17,354,046
Fire Rescue	18,562,200	21,146,990	23,008,159	23,676,667	24,364,796	25,073,126	25,802,252
Other Public Safety	2,954,719	1,490,215	899,637	925,864	952,863	980,656	1,009,267
Townwide	4,975,678	8,707,144	9,024,916	9,188,827	9,356,208	9,527,133	9,701,680
<b>Total Expenditures</b>	<b>48,108,322</b>	<b>56,832,016</b>	<b>60,924,381</b>	<b>62,507,018</b>	<b>64,132,921</b>	<b>65,803,304</b>	<b>67,519,416</b>
Transfers Out	-	3,000,000	-	-	-	-	-
<b>Net change in fund balance</b>	<b>4,439,944</b>	<b>-</b>	<b>-</b>	<b>\$ 82,617</b>	<b>\$ 92,578</b>	<b>\$ 119,452</b>	<b>\$ 164,657</b>

## Commentary

The Town normally projects operating revenues and expenditures for three years beyond the adopted budget. The summary schedule above demonstrates the Town's anticipated outcomes. The plan is founded on modest revenue growth while not repeating some one-time expenditures and keeping operating costs contained. Each year, the Town updates its four-year plan to ensure its continued timeliness and sustainability.

Among the updates are: After monitoring revenue each year, the forecasts are updated for the most recent data available. Expenditures are continuously monitored to ensure coincidence with revenue collections. Activities may be scheduled back or delayed to coincide with collections and financial resources.

Over the course of the next several years our initial revenue plan outpaces the growth in expenditures. The Town has experienced high levels of revenue collections in the three years, however, the Town is consistently monitoring revenue collections and analyzing the trends and will tighten expenditure controls or search for ways to reduce expenditures should revenue collections begin to return to historical levels.

Management also notes a long history of spending less than allowed in appropriations. The natural savings achieved have traditionally been greater than these amounts. The Town is also normally conservative in its revenue projections. By showing a small future possible surplus, the Town has successfully planned out a course of action.



# Debt Service Fund



## Debt Service Fund – Governmental and Business-type Activities (Stormwater Fund)

### Summary

The Debt Service Fund accounts for the accumulation of resources and the payment of debt of governmental funds. (The proprietary fund has its own debt.)

The Town issues three types of bonds: general obligation, tax increment financing (TIF), and special revenue obligation. The bonds are used for the acquisition and construction of major capital facilities, as well as the purchase of land. The Town presently has \$92.5 million in outstanding bonds associated with governmental type activities and \$3.4 million in outstanding bonds associated with business-type activities.

1. **General obligation bonds** are secured by the full faith, credit and taxing power of the Town.
2. **Tax increment financing bonds** are secured by incremental property tax revenues being derived from the economic development of the Town's TIF District.
3. **Special obligation bonds** are secured by the revenue flow from a specified source of revenue (e.g. hospitality tax, beach preservation fees, stormwater fees).

The Town's credit ratings on its General Obligation outstanding bonds were upgraded to AAA, and reaffirmed again at Aaa and AA+ from the three major credit ratings agencies, Fitch, Moody's Investor Service, and Standard and Poor's Rating Group respectively. These ratings reinforce confidence in the Town's ability and efforts to maintain a fiscally sound operation through uncertain economic times.

### The aggregate amounts of current maturities of long-term bonds due are as follows:

For the Year Ended June 30	Governmental Activities			Business-type Activities		
	Interest	Principal	Total	Interest	Principal	Total
2025	2,403,968	12,625,000	15,028,968	52,513	1,260,000	1,312,513
2026	2,001,233	7,325,000	9,326,233	35,851	1,275,000	1,310,851
2027	1,684,405	7,620,000	9,304,405	18,970	345,000	363,970
2028	1,369,073	7,930,000	9,299,073	9,621	355,000	364,621
2029-2033	4,883,611	15,650,000	20,533,611	-	-	-
2034-2038	2,868,081	11,650,000	14,518,081	-	-	-
2039-2043	1,570,895	6,610,000	8,180,895	-	-	-
2044-2047	477,749	5,790,000	6,267,749	-	-	-
Total	\$ 17,259,017	\$ 75,200,000	\$ 92,459,017	\$ 116,955	\$ 3,235,000	\$ 3,351,955

## Financial Statement – Governmental Debt Service

### Debt Service Fund

	FY 2022 Actual	FY 2023 Actual	FY 2024 Adopted Budget	FY 2025 Adopted Budget	% Change
<b>Revenues</b>					
Property Taxes	5,600,014	5,886,700	5,470,300	5,843,144	6.8%
Bonds Issued	-	-	-	-	
Bond Premium	-	-	-	-	
Investment Income	19,270	436,184	14,315	338,365	2263.7%
Prior Year Funds	-	-	-	-	
<b>Transfers In:</b>					
Beach Preservation Fees	3,959,125	3,952,375	4,448,375	4,346,625	-2.3%
Natural Disasters Fund	3,535,665	3,537,765	-	-	
Hospitality Fees	1,446,406	1,444,691	1,937,134	1,843,158	-4.9%
Tax Increment Financing	3,927,712	3,927,564	3,931,259	3,928,708	-0.1%
Real Estate Transfer Fees	986,500	1,097,350	1,595,850	400,000	-74.9%
Lease Revenue	-	-	-	-	
<b>Total Revenues</b>	<b>19,474,692</b>	<b>20,282,629</b>	<b>17,397,233</b>	<b>16,700,000</b>	-4.0%
<b>Expenditures</b>					
Administrative	16,100	18,850	92,500	71,032	-23.2%
New Debt	-	-	1,500,000	1,600,000	6.7%
Contribution to Refunding	-	-	-	-	
Debt Issue Costs	-	-	-	-	
Principal	15,545,000	16,055,000	12,995,000	12,625,000	-2.8%
Interest	3,769,566	3,289,080	2,809,733	2,403,968	-14.4%
<b>Total Expenditures</b>	<b>19,330,666</b>	<b>19,362,930</b>	<b>17,397,233</b>	<b>16,700,000</b>	-4.0%
<b>Net change in fund balance</b>	<b>144,026</b>	<b>919,699</b>	<b>-</b>	<b>-</b>	



### Legal Debt Limit

Article Ten (X), 17125 Section Fourteen (14) of the South Carolina Constitution of 1895 as amended provides that a City or Town shall incur General Obligation Debt over the eight percent (8%) limit when approved by a majority vote of qualified electors of the political subdivision voting in a referendum authorized by law. There shall be no conditions or restrictions limiting the incurring of such indebtedness except:

- a. Those restrictions and limitations imposed in the authorization to incur such indebtedness;
- b. The provisions of Article Ten (X) Section 14; and
- c. Such general obligation debt shall be issued within five years of the date of such referendum and shall mature within forty (40) years from the time such indebtedness shall be incurred.

#### Calculation of Legal Debt Limit

June 30, 2023

Estimated Assessed Value from Property Assessments	<u>1,080,988,070</u>
Debt Limit - 8% of Assessed Value, without Voter Approval	86,479,046
Reduced by Town Council imposed policy of the greater of twenty percent (20%) or \$20.0 million	<u>(20,000,000)</u>
<b>Adjusted Debt Limit</b>	<b>66,479,046</b>

#### Bonds Applicable to Debt Limit:

General Obligation Non-Referendum Refunding Bonds Series 2009A	(940,000)
Series 2017A General Obligation Bond -- Capital Plan	(26,100,000)
Series 2019	(4,335,000)
Series 2020B	<u>(3,352,444)</u>
<b>Reductions for Bonds outstanding at 06/30/2023</b>	<b><u>(34,727,444)</u></b>

<b>Debt Margin available without a Referendum at June 30, 2023</b>	<b><u><u>31,751,602</u></u></b>
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The Town is building future debt capacity for future projects and reserves for future storms or emergencies.



## Long-Term Obligations

### GOVERNMENTAL ACTIVITIES

#### **\$5,005,000 General Obligation Bonds Dated September 9, 2009**

On September 9, 2009, the Town issued \$5,005,000 in general obligation bonds with an average interest rate of 2.72% to advance refund \$4,900,000 general obligation bonds dated November 16, 1999 with an average interest rate of 5.56%. The net proceeds of \$5,248,484 including a premium of \$34,061 (after payment of \$139,061 in issuance costs) and funds on hand were used to purchase United States government securities. These general obligation bonds were refunded to reduce total debt service payments over the life of the bonds and to obtain an economic gain. A schedule of the amount due for this issue follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2025	3.500	8,400	480,000	488,400
		<u>\$ 8,400</u>	<u>\$ 480,000</u>	<u>\$ 488,400</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.

#### **\$13,080,000 General Obligation Bonds Dated September 14, 2016**

On September 14, 2016, the Town issued \$13,080,000 in general obligation bonds with a Net Interest Rate of 0.999% to advance refund \$13,210,000 general obligation bonds dated March 15, 2005. The net proceeds of \$13,593,831 including \$513,831 in premiums (after payment of \$209,846 in issuance costs) were used to purchase United States government securities placed in an irrevocable trust for in substance defeasance. These general obligation bonds were refunded to reduce total debt service by \$1,272,716 over the life of the bonds and to obtain a present value economic gain of \$1,219,122. A schedule for the amount due for this refunded issue is as follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2025	1.500	6,300	840,000	846,300
		<u>\$ 6,300</u>	<u>\$ 840,000</u>	<u>\$ 846,300</u>

Ad Valorem tax revenues of the Debt Service Fund were used to repay the first \$1,260,000 annually. The remaining annual debt service requirement is funded by transfers of real estate transfer fees to the Debt Service Fund.

### Long-Term Obligations

#### **\$9,035,000 General Obligation Bonds Dated September 14, 2016**

On September 14, 2016, the Town issued \$9,035,000 in general obligation bonds with a Net Interest Rate of 1.98% to advance refund \$9,515,000 general obligation bonds dated February 3, 2010. The net proceeds of \$9,708,531 including \$673,531 in premiums (after payment of \$173,384 in issuance costs) were used to purchase United States government securities placed in an irrevocable trust for in substance defeasance. These general obligation bonds were refunded to reduce total debt service over the life of the bonds by \$1,281,272 and to obtain a present value economic gain of \$1,225,838. A schedule for the amount due for this refunded issue is as follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2025	4.000	142,838	665,000	807,838
2026	4.000	116,238	465,000	581,238
2027	2.000	97,638	465,000	562,638
2028	2.000	88,338	470,000	558,338
2029-2033	various	294,940	2,535,000	2,829,940
2034 and 2035	various	40,263	1,105,000	1,145,263
		<u>\$ 780,255</u>	<u>\$ 5,705,000</u>	<u>\$ 6,485,255</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.

#### **\$27,310,000 General Obligation Bonds Dated September 21, 2017**

On September 21, 2017, the Town issued \$27,310,000 in general obligation bonds to fund the Capital Improvements Plan. A schedule of the amount due for this issue follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2025	5.000	835,319	940,000	1,775,319
2026	5.000	788,319	780,000	1,568,319
2027	4.000	749,319	815,000	1,564,319
2028	4.000	716,719	850,000	1,566,719
2029-2033	various	3,172,471	4,660,000	7,832,471
2034-2038	3.000	2,439,665	5,390,000	7,829,665
2039-2043	various	1,560,695	6,270,000	7,830,695
2044-2047	3.250	477,751	5,790,000	6,267,751
		<u>\$ 10,740,258</u>	<u>\$ 25,495,000</u>	<u>\$ 36,235,258</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.

### Long-Term Obligations

#### **\$5,000,000 General Obligation Bonds Dated May 8, 2019**

On May 8, 2019, the Town issued \$ 5,000,000 in general obligation bonds with an average interest rate of 3.40% to provide for the capital improvements plan of 2019 and 2020. A schedule of the amount due for this issue follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2025	5.000	146,900	205,000	351,900
2026	5.000	136,650	215,000	351,650
2027	5.000	125,900	225,000	350,900
2028	5.000	114,650	240,000	354,650
2029-2033	various	415,250	1,345,000	1,760,250
2034-2038	3.000	195,000	1,570,000	1,765,000
2039	3.000	10,200	340,000	350,200
		<u>\$ 1,144,550</u>	<u>\$ 4,140,000</u>	<u>\$ 5,284,550</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.

#### **\$5,830,000 General Obligation Bonds**

On December 3, 2020, the Town issued \$5,830,000 in general obligation bonds with a Net Interest Rate of 0.6142% to advance refund \$6,665,000 general obligation bonds Series dated August 3, 2011. The net proceeds of \$6,975,085 including \$1,145,000 in premiums (after payment of \$194,823 in issuance costs) were used to purchase United States government securities placed in an irrevocable trust for a current refunding. These general obligation bonds were refunded to reduce total debt service by \$721,624 over the life of the bonds and to obtain a present value economic gain of \$705,853. A schedule for the amount due for this refunded issue is as follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2025	5.000	177,850	705,000	882,850
2026	5.000	142,600	740,000	882,600
2027	5.000	105,600	780,000	885,600
2028	4.000	66,600	815,000	881,600
2029	4.000	34,000	850,000	884,000
		<u>\$ 526,650</u>	<u>\$ 3,890,000</u>	<u>\$ 4,416,650</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.

## Long-Term Obligations

### **\$6,285,000 General Obligation Bonds**

On December 3, 2020, the Town issued \$6,285,000 in general obligation taxable bonds with a Net Interest Rate of 1.647% to advance refund \$5,585,000 general obligation bonds Series dated June 18, 2013. The net proceeds of \$6,327,890 (after payment of \$210,808 in issuance costs) were used to purchase United States government securities placed in an irrevocable trust for an advanced refunding. These general obligation bonds were refunded to reduce total debt service by \$472,376 over the life of the bonds and to obtain a present value economic gain of \$425,404. We have apportioned the bonds 55.5% /44.5% between this issue to delineate how much is applicable to the debt limit. A schedule for the amount due for this refunded issue is as follows:

### **\$3,491,317.50 portion (55.5%) General Obligation Bonds – applicable to the debt limit**

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2025	0.750	46,034	263,863	309,897
2026	0.950	44,055	266,640	310,695
2027	1.100	41,522	269,418	310,940
2028	1.200	38,559	272,195	310,754
2029-2033	various	134,005	1,419,303	1,553,308
2034 and 2035	various	18,376	605,495	623,871
		<u>\$ 322,551</u>	<u>\$ 3,096,914</u>	<u>\$ 3,419,465</u>

### **\$2,793,682.50 portion (44.5%) General Obligation Bonds – not applicable to the debt limit**

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2025	0.750	36,836	211,137	247,973
2026	0.950	35,252	213,360	248,612
2027	1.100	33,225	215,582	248,807
2028	1.200	30,854	217,805	248,659
2029-2033	various	107,228	1,135,697	1,242,925
2034 and 2035	various	14,704	484,505	499,209
		<u>\$ 258,099</u>	<u>\$ 2,478,086</u>	<u>\$ 2,736,185</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.



### Long-Term Obligations

#### **\$30,075,000 Special Obligation Bonds (Beach Preservation Fees) Dated September 28, 2017**

On September 14, 2017, the Town issued \$30,075,000 special obligation bonds (beach preservation fee) to finance beach renourishment projects. A schedule of the amount due for this issue follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2025	5.000	631,625	3,315,000	3,946,625
2026	5.000	461,750	3,480,000	3,941,750
2027	5.000	283,375	3,655,000	3,938,375
2028	5.000	96,000	3,840,000	3,936,000
		<u>\$ 1,472,750</u>	<u>\$ 14,290,000</u>	<u>\$ 15,762,750</u>

Beach Preservation fees are transferred to the Debt Service Fund in amounts sufficient to repay these special obligation bonds.

#### **\$28,530,000 Special Obligation Bonds [Tax Increment Financing (TIF)] Dated July 27, 2017**

On July 27, 2017, the Town issued \$30,075,000 in special obligation bonds (tax increment financing) to fund TIF projects within the Capital Improvement Plans. A schedule of the amount due for this issue follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2025	1.780	68,708	3,860,000	3,928,708
		<u>\$ 68,708</u>	<u>\$ 3,860,000</u>	<u>\$ 3,928,708</u>

TIF revenues are transferred to the Debt Service Fund in amounts sufficient to repay these special obligation bonds.

### Long-Term Obligations

#### **\$16,520,000 Special Obligation Bonds (Hospitality) Dated October 29, 2019**

On October 29, 2019, the Town issued \$16,520,000 in special obligation refunding bonds (hospitality) with a net interest rate of 2.84% to advance refund the remaining portion of the Town's outstanding Series 2011A and Series 2011B Special Obligation Bonds. The net proceeds of \$16,006,603 (net of issuance costs of \$513,397), along with \$1,635,176 released from the Series 2011 Bond debt service reserve funds, were used to purchase United States government securities placed in an irrevocable trust for in-substance defeasance. These special obligation bonds were refunded to reduce total debt service over the life of the bonds by \$2,524,469 and to obtain a net present value economic gain of \$433,665. A schedule of the amount due for this refunding is as follows:

For the Year Ending June 30	Interest Rate by Year (%)	Governmental Activities		
		Interest	Principal	Total
2025	2.350	303,158	1,140,000	1,443,158
2026	2.450	276,368	1,165,000	1,441,368
2027	2.550	247,825	1,195,000	1,442,825
2028	2.600	217,353	1,225,000	1,442,353
2029-2033	various	725,715	3,705,000	4,430,715
2034-2036	various	160,073	2,495,000	2,655,073
		<u>\$ 1,930,492</u>	<u>\$ 10,925,000</u>	<u>\$ 12,855,492</u>

Hospitality revenues are transferred to the Debt Service Fund in amounts sufficient to repay these special obligation bonds.

### Long-Term Obligations

#### **BUSINESS-TYPE ACTIVITIES**

#### **\$3,200,000 Stormwater Bonds Dated January 31, 2018**

On January 31, 2018, the Town issued \$3,200,000 in revenue bonds to fund Stormwater projects. A schedule of the amount due for this issue follows:

For the Year Ending June 30	Interest Rate by Year (%)	Business-Type Activities		
		Interest	Principal	Total
2025	2.710	36,992	330,000	366,992
2026	2.710	28,049	335,000	363,049
2027	2.710	18,970	345,000	363,970
2028	2.710	9,621	355,000	364,621
		<u>\$ 93,632</u>	<u>\$ 1,365,000</u>	<u>\$ 1,458,632</u>

Payments on these special revenue bonds will be funded with Stormwater revenues.

### Long-Term Obligations

#### **\$5,630,000 Stormwater Bonds**

On January 14, 2021, the Town issued \$5,630,000 in special obligation refunding bonds (Stormwater) with a net interest rate of 0.83% to advance refund the remaining portion of the Town's outstanding Series 2010 Special Obligation Bonds (Stormwater). The net proceeds (net of issuance costs of \$144,000), along with \$870,555 contribution from Stormwater funds, were used to refund the Series 2010 Bonds. These special obligation bonds were refunded to reduce total debt service over the life of the bonds by \$1,022,207 and to obtain a net present value economic gain of \$156,124. A schedule of the amount due for this refunding is as follows:

For the Year Ending June 30	Interest Rate by Year (%)	Business-Type Activities		
		Interest	Principal	Total
2025	0.830	15,521	930,000	945,521
2026	0.830	7,802	940,000	947,802
		<u>\$ 23,323</u>	<u>\$ 1,870,000</u>	<u>\$ 1,893,323</u>

## Debt Service Fund – Three-Year Financial Model

One of the most significant tools employed by the Town for strategic planning is the long-range financial model. The financial model provides a picture of the financial impact the Town would experience if no action were taken, including tax increases or changes in service.

The forecasts are based on a combination of general assumptions and specific program changes of which the Town has knowledge. These general assumptions include a 1.5% increase in Property Tax collections per year without a change in millage, no increase in Investment Income, and a decrease in Transfers In from Special Revenue Funds due to the decrease in expenditures of the planned principal and interest payments.

By using the three-year forecast, the Town can more proactively plan for the possibilities of issuing new debt.

	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	Years 2, 3 and 4		
				2026	2027	2028
<b><u>Revenues</u></b>						
Property Taxes	5,886,700	5,470,300	5,843,144	5,930,791	6,019,753	6,110,049
Investment Income	436,184	14,315	338,365	300,000	300,000	300,000
Transfers In	13,959,745	11,912,618	10,518,491	5,300,000	5,141,000	4,986,770
<b>Total Revenues</b>	<b>20,282,629</b>	<b>17,397,233</b>	<b>16,700,000</b>	<b>11,530,791</b>	<b>11,460,753</b>	<b>11,396,819</b>
<b><u>Expenditures</u></b>						
Administrative	18,850	92,500	71,032	80,000	80,000	80,000
Potential New Debt	-	1,500,000	1,600,000	2,000,000	2,000,000	2,000,000
Principal	16,055,000	12,995,000	12,625,000	7,325,000	7,620,000	7,930,000
Interest	3,289,080	2,809,733	2,403,968	2,001,233	1,684,405	1,369,073
<b>Total Expenditures</b>	<b>19,362,930</b>	<b>17,397,233</b>	<b>16,700,000</b>	<b>11,406,233</b>	<b>11,384,405</b>	<b>11,379,073</b>
	-	-	-	-	-	-
<b>Net change in fund balance</b>	<b>\$ 919,699</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 124,558</b>	<b>\$ 76,348</b>	<b>\$ 17,747</b>
<b>Fund balance - beginning</b>	<b>11,239,657</b>	<b>12,159,356</b>	<b>12,159,356</b>	<b>12,159,356</b>	<b>12,283,914</b>	<b>12,360,262</b>
<b>Fund balance - ending</b>	<b>12,159,356</b>	<b>12,159,356</b>	<b>12,159,356</b>	<b>12,283,914</b>	<b>12,360,262</b>	<b>12,378,009</b>

Note: Years 2, 3 and 4 are budgetary assumptions only. Town Council has final authority for future spending. Each year, the Town updates its three-year plan to ensure its continued timeliness and sustainability.



A photograph of a modern park boardwalk at night. The boardwalk is constructed from dark wooden planks and features a curved wooden railing on the left side. Integrated lighting is visible along the base of the railing and within a gravel path that runs alongside the boardwalk. The background shows a grassy area and trees, with several small, warm-toned lights illuminating the scene.

# Capital Improvements Program Fund



## Capital Improvements Program Fund (CIP)

### Summary

The Capital Improvements Program (CIP) is the Town's program for planning capital improvement needs identified in the 2020-2040 Comprehensive Plan, *Our Plan*, the Strategic Action Plan, and other adopted Town Plans, and tying those needs to forecasted revenues for the current and up-coming fiscal years. The CIP includes Capital Expenditures, which are the disbursements of appropriated funds to pay for land, buildings, machinery, equipment, and infrastructure with an original cost of \$5,000 or more; and software licenses and other intangibles of a consumable nature the value of which is \$50,000 or more and has an estimated useful life of at least two years following the date of acquisition. The Capital Improvement Program follows a yearly planning and budgeting process including project prioritization recommendations by the Planning Commission and Parks and Recreation Commission, careful analysis by Town leadership and staff, community engagement, public budget meetings, hearings, and workshops, and a budget adopted by Town Council.

The Town has developed the *Priority Investment* element in Our Plan Section 5.0 as a stand-alone section because it represents significant areas of interest for the Town in terms of the budget and investments falling within the Town's jurisdiction. Our Priority Investment Goals include:

1. **CIP Process** – to develop and review the Town's annual CIP and Ten-Year CIP based on recommendations of projects from adopted and approved Town plans and community input where feasible.
2. **Collaboration** – to prioritize public infrastructure projects to the extent practical through coordination with adjacent and relevant jurisdictions and agencies.
3. **Growth; Resilience** – to provide the community with necessary services and facilities, and maintain sufficient flexibility to meet the challenges associated with growth or natural disasters.
4. **CIP Revenue** – to develop revenue sources to fund the delivery of capital services, maintenance, operations, and projects meeting the needs of the Town, residents, and visitors.
5. **CIP Expenditures** – to expend funds in order to meet the capital needs of the Town, residents, and visitors through review, planning, and implementation of the CIP.

### **The Priority Investment CIP Process**

To prepare the list of public infrastructure projects comprising the CIP, Town staff reviews recommendations of adopted plans and initiatives. Projects needed to maintain existing service levels or to repair/replace facilities are also identified. A short-range plan is prepared and budgeted for the next fiscal year, while a ten-year project plan (Ten-Year CIP) is prepared to prioritize and anticipate future capital needs. The availability of Town staff to manage projects, funding sources, project seasonality, and organizational prioritization can also limit the number of projects the Town is able to program in any one fiscal year. This is taken into consideration during the planning process for the CIP.

It is the Planning Commission's role to certify capital projects are consistent with the Comprehensive Plan and with the intentions and recommendations of other adopted plans. This ensures that public investment in municipal facilities and infrastructure is coordinated with the Town's projected growth and development. Specifically, the planning process for development of future capital improvements entails careful review of proposed projects for consistency with the core values, goals, strategies, and tactics of the Town's current Comprehensive Plan. In preparation for presentation of the CIP proposal to the Planning Commission, staff works closely with the Planning Commission to prioritize projects and develop the program. Input for the CIP comes from a variety of sources. The primary sources for the FY 2025 CIP are the 2021-2022 and 2023 - 2025 Town Council Priorities and Strategic Action Plan and the Town Council Policy and Management Agendas which included input from the public and the Town's Boards, Commissions and Committees. Other source documents include: The

### Summary

2020 Comprehensive Plan update which incorporates the Initiative Area Plans; the Transportation Plan which includes pathways as well as roads; the Fire and Rescue Master Plan, the recently approved Recreation Element; the adopted County-wide All Hazard Mitigation Plan, the Comprehensive Emergency Management Plan, which will be updated as a part of the Disaster Recovery Commission's work program; the Beach Access Plan, the Beach Maintenance Monitoring reports; the Broad Creek Management Plan, and our Space Needs Study of all Town facilities and properties to include Town Hall, all parks, Fire and Rescue stations and town-wide infrastructure.

As required by the State's Priority Investment Act, a Ten-Year CIP is developed to assist with project prioritization over the next ten years. Although the Town legally adopts a one-year budget at a time, a Ten-Year CIP is needed in order to ensure projects with the highest and best use of the town's funds are prioritized. The Town provides a detailed immediate first year budget with future-year programming and planning. The projects listed in the Ten-Year CIP represent the best efforts of Town departments to plan capital needs. Under the current Town process, inclusion of projects in the ten-year plan does not imply they have been approved. Further analysis and review of these projects is required, with consideration for budget and existing conditions, prior to their actual implementation. The Ten-Year CIP better serves as a guide for recognizing capital needs, funding sources, and the potential future scope of work.

The CIP budget is presented and discussed in detail during public Finance and Administration Committee meetings. Finally, the CIP budget is presented along with the proposed Consolidated Budget Ordinance to Town Council for a first reading, two public hearings, public budget workshops, and a second reading.

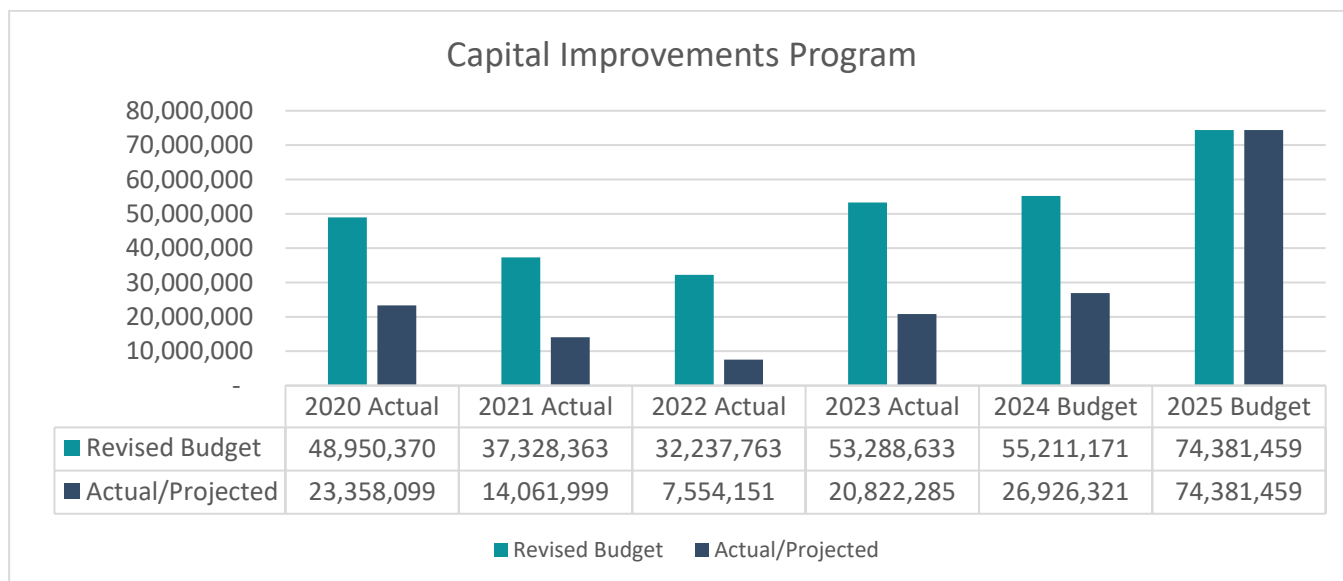
The CIP budget is programmed at just under \$75 million in fiscal year 2025. Unspent prior-year capital improvement appropriations carry-forward amounts have been incorporated into the new-year. This change will help provide a more complete picture of all CIP activity at the time of budget consideration.

The Capital Improvements Program (CIP) is broken into separate funds based on funding source. The funding program for all funds is summarized in this section.



### Summary

The following chart reflects a comparison between the CIP budgets and actual expenditures from Fiscal Years 2020-2025. Fiscal Year 2024 and 2025 are projections.



### Capital Improvement Program (CIP) Sources of Revenue

Previously, Town Council directed that we “minimize reliance on property tax while expanding alternative revenue sources.” The CIP continues to be an excellent example of that approach. It consistently reduces reliance on ad valorem property taxes and shares the costs of infrastructure requirements with the beneficiaries. The CIP incorporates many different funding sources; a brief description of some of those sources is provided below.

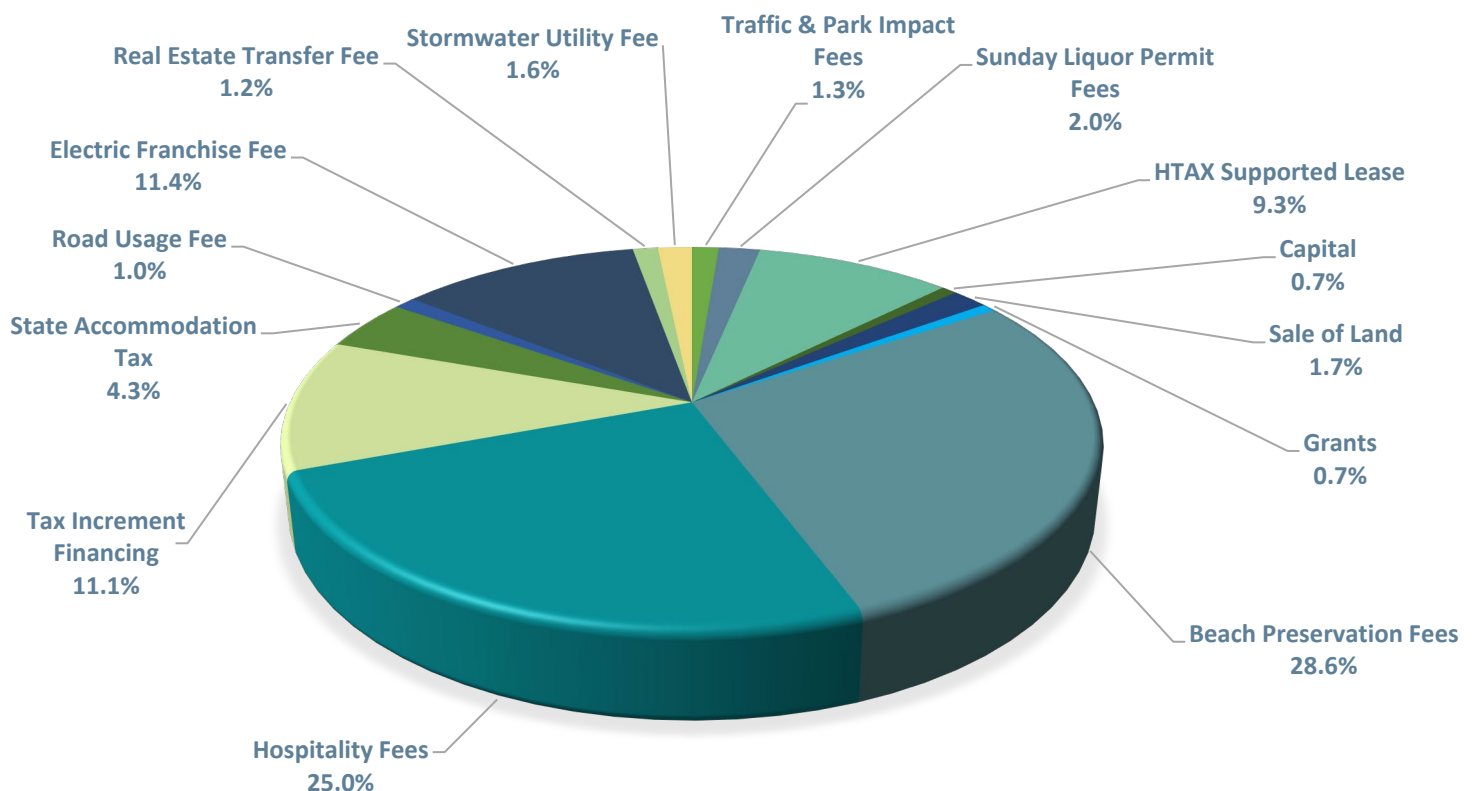
1. **Beach Preservation Fees** are derived from an additional two percent (2%) Local Accommodations Tax levied by Town Council. This source averaged approximately \$13.9 million in revenue annually over the last three fiscal years. These funds are dedicated to beach re-nourishment and related monitoring, dune refurbishment, maintenance and operations, and new beach parks and beach access facilities.
2. **Bond/Lease Proceeds**. In Fiscal Year 2025 the Town currently anticipates issuing no new debt to fund the CIP. However, the Town plans on utilizing capital leases for Fire Truck replacements.
3. **Fund Balance** is un-obligated and obligated monies that are rolled over from previously approved, but incomplete, projects.
4. **Hospitality Tax** is a two percent (2%) tax on the sale of prepared meals and beverages, sold in establishments with or without licenses and for on premise consumption of alcoholic beverages, beer or wine. This source generates approximately \$10 million in revenue annually.
5. **Impact Fees** are assessed against new developments to finance capital improvements necessary to support the growth in population.
  - a. **Traffic Impact Fees** are derived from development and applied to roads, pathways, and additional traffic signals. Pathways may only be funded up to fifty percent with Traffic Impact Fees.
  - b. **Parks Impact Fees** were enacted Countywide to provide funding for emerging park needs.



### Capital Improvement Program (CIP) Sources of Revenue

6. **Palmetto Electric Program** in which funds derive from the Town's negotiated franchise fee with Palmetto Electric Cooperative. These funds have been committed to power line burials and hook ups which was estimated to cost approximately \$50 million over 20 years. As this project is nearing completion, revenues also support the CIP and General Fund operations.
7. **Sunday Liquor Sales Permit Fees** that are derived from the sale of permits to sell alcohol on Sunday. These fees are rebates from the State and prior year revenues will provide approximately \$300,000 annually.
8. **Tax Increment Financing (TIF)** in which funds derive from increased assessed value above the baseline assessment when the TIF District was established. These funds may be used for public projects within the District. TIF averaged approximately \$6.7 million in revenue per year over the last three fiscal years.
9. **State Accommodation Tax** is a two percent (2%) charge applied to all transient accommodations statewide which the SC Department of Revenue collects and distributes back to municipalities and counties by a formula based on the location of the accommodation. State Accommodation Tax must be used to support tourism-related expenditures. State ATAX averaged approximately \$13 million in revenue per year over the last three fiscal years.

### Sources of Funds – FY 2025 Capital Improvements Program (CIP) Fund Budget \$74,381,459



## **Fiscal Year 2025 CIP Projects**

### **Summary**

The Capital Improvement Program (CIP) is comprised of public infrastructure projects and capital needs. Prioritization of the Town's capital needs focuses on preserving, protecting, and enhancing economic prosperity; maintaining competitiveness in the marketplace; protection of quality of life; protection of natural resources; and the creation of a sense of place. These considerations are central to ensuring capital projects are meeting the needs of the Island community while honoring fiscal responsibility.

In accordance with state law, the Planning Commission prepares an annual list of priority capital projects for consideration by the Town Council. The Planning Commission's adopted priority projects for Fiscal Year 2025 are listed for each project in the far-right column of the schedules on the following pages. These priority rankings served as a helpful guide while developing the CIP budget.

Funding for capital projects is achieved by identifying the needed capital improvements; costs of the projects with on-going maintenance and operating requirements; and funding support for the projects. In Fiscal Year 2025 the CIP is budgeted at \$74,381,459. This total includes \$13.2 million in anticipated carry forward funds from the previous fiscal year.

The capital improvement program includes projects organized into the following program categories: beach, pathway, roadway, park, facility and equipment, fleet, stormwater, and land acquisition administration. Previously, housing was also a capital improvement program category, however, housing has now moved to its own fund.

### **Beach Program**

The Town manages 12 miles of beach to maintain a wide beach and ensure the health of our shoreline. In keeping with Our Plan Environment Goal 4 "To protect and preserve the natural environment of Hilton Head Island", periodically the Town must re-nourish the beach to replace sand lost to natural erosion. After renourishment the Town monitors how the coastline changes over time. FY25 projects include activities aimed at preparing for an anticipated renourishment project beginning in FY25, improvements to beach parks and parking areas, and funding to assist with the dredging of Harbour Town Yacht Basin and Braddock Cove Creek. The total FY25 Beach Management Program is \$21,599,000.

### **Pathway Program**

The Town provides 64 miles of public pathways for the enjoyment of pedestrians and cyclists. Our Plan Parks+Recreation Goal 5 is "to continue to improve and enhance the multi-use pathway network on the Island for recreation and transportation." Pathway Management includes improvements to existing pathways focusing on consistency and uniformity within the pathway system as well as the construction of new pathway to expand our pathway network. The FY25 budget includes \$5,500,000 in projects aimed at enhancing pathway safety, accessibility, and connectivity.

### **Roadway Program**

According to Our Plan Infrastructure Goal 1.1, the Town should "maintain and improve the road network to provide safe and convenient access and interconnections to all areas of the Island and the corridor to the mainland." In order to maintain and improve the road network \$10,317,218 is budgeted in FY25 for Roadway Management. Roadway Management includes dirt road acquisition and paving, roadway enhancements, and the study of roadway acquisition and improvements. Major FY25 projects include enhancements to the corridors of William Hilton Parkway, Pope Avenue, and Main Street targeting safety, beautification, and consistency.

### **Fiscal Year 2025 CIP Projects**

#### **Park Program**

Following the successful completion of the Parks and Recreation Master Plan and in keeping with Our Plan Section 4.0, Our Parks+Recreation goals, Park Management includes improvements to existing parks and facilities including the Island Recreation Association as well as the renovation of existing parks and development of new parks. Major budgeted projects include the design, permitting, and construction of the Chaplin Community Park and Crossings Park redevelopment projects, the permitting and construction of new Neighborhood Parks, the Patterson Family Property Park and Taylor Family Park, and the development of a new community park at the Town-owned Mid Island Tract. The total FY25 Park Program is \$19,815,273.

#### **Facility and Equipment Program**

The Town budgets funds to maintain its facilities at best-in-class standards in keeping with Our Plan Infrastructure Goal 5.2 “ensure the Town continues to provide best-in-class services and facilities that meet or exceed the expectations of its residents and visitors.” Key projects planned include security and facility enhancements at Town Hall; upgrades and enhancements at Fire Rescue facilities; improvements to the Coastal Discovery Museum and Historic Mitchelville Freedom Park; Security Cameras; IT and Fire/Medical equipment; and Stormwater related capital projects. Feasibility studies will guide development of Town Facilities and an Arts Campus. The FY25 Facility and Equipment Program total is \$9,602,291.

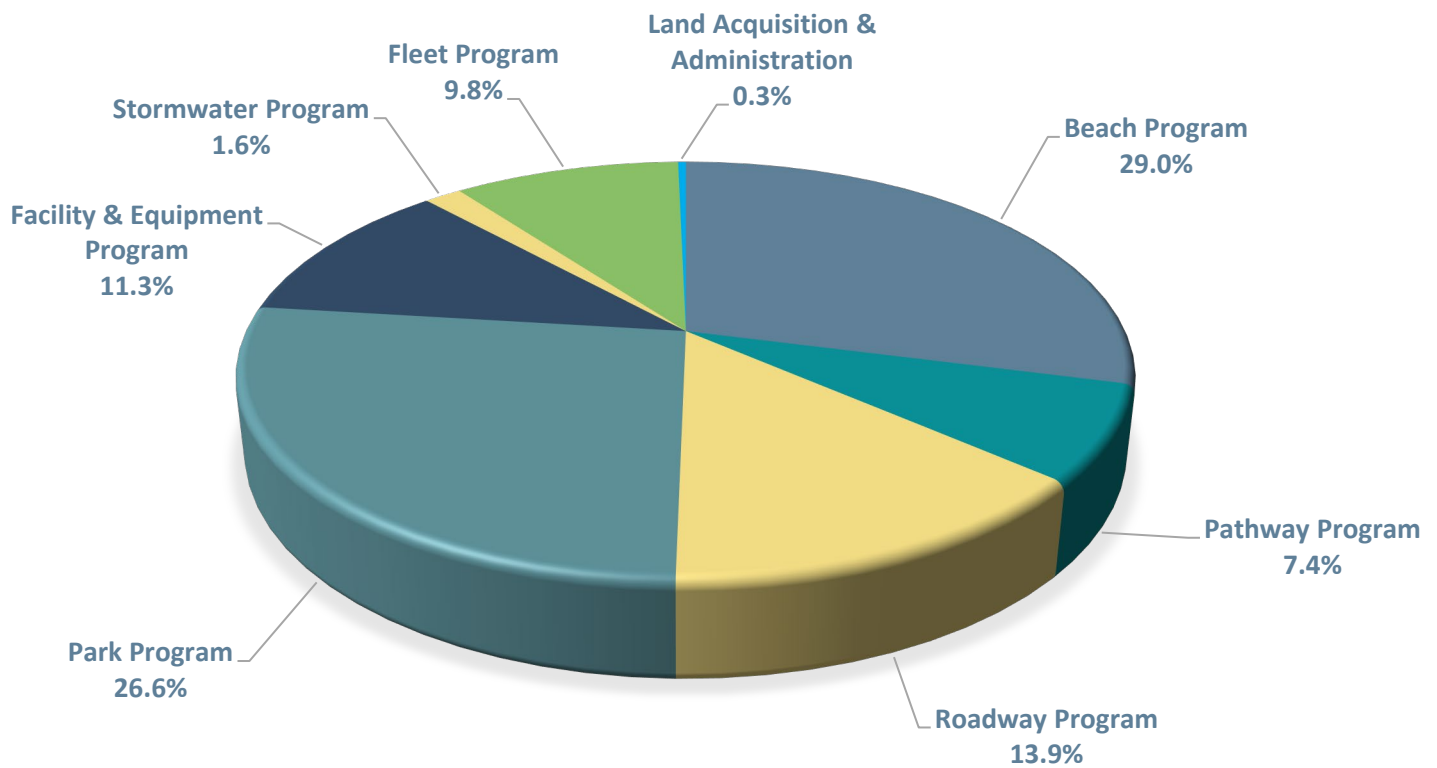
#### **Fleet Program**

Public services are defined as safety, emergency, planning, and administration services the Town provides to the public. In order to provide best-in-class services and “to promote efficient and secure public services to meet current and future needs” per Our Plan Infrastructure Goal 5, Town operations requires vehicles to be replaced on a periodic basis. In order for the award-winning Fire Rescue Department to continue to provide best-in-class services, \$7,297,677 is budgeted for replacement of vehicles and fire rescue apparatus including engine/pumper replacement.

#### **Land Acquisition Administration Program**

Consistent with Our Plan Infrastructure Goal 5.4 “Continue to implement the Town’s Land Acquisition Program” \$250,000 is budgeted for soft costs associated with the acquisition of property to preserve and protect the Island’s character.

Uses of Funds – FY 2025 Capital Improvements Program (CIP) Fund Budget \$74,381,459





## Fiscal Year 2025 CIP Projects

### Town of Hilton Head Island CIP Project Map

#### Proposed FY 2025 Projects

##### Beach

- 1 Beach Renourishment
- 2 Islander's Beach Park Improvements

##### Pathways

- 3 Jonesville Road
- 4 Dunnagans Alley (Wexford Drive to Arrow Road)

##### Roadways

- 5 Pope Ave Streetscape Enhancements
- 6 Main Street Enhancements

##### Parks

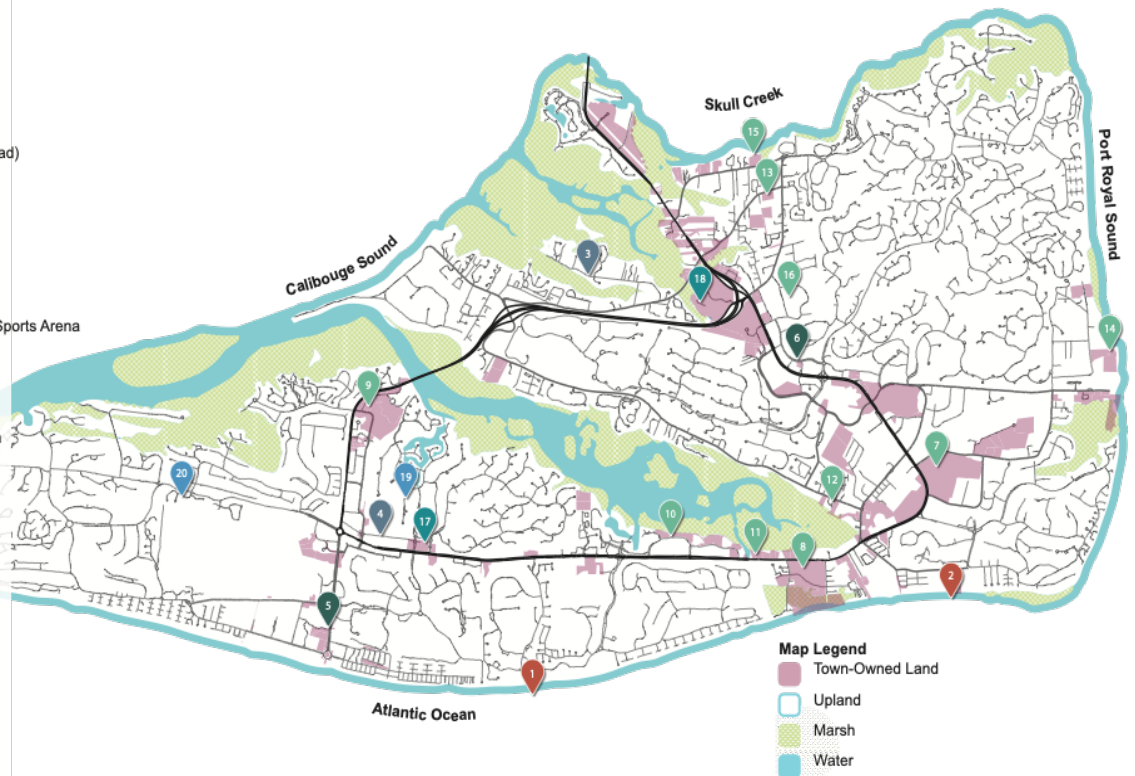
- 7 Mid-Island Tract Park
- 8 Chaplin Community Park Renovation
- 9 Crossings Park Renovation including Bristol Sports Arena
- 10 Shelter Cove Community Park Expansion
- 11 Chaplin Linear Park with Treehouse
- 12 Patterson Family Park
- 13 Taylor Family Park
- 14 Barker Field including Barker Field Expansion
- 15 Ford Shell Ring
- 16 Rec Center Building Enhancements

##### Facilities & Equipment

- 17 Town Hall Facility Enhancements
- 18 Discovery House

##### Stormwater Program

- 19 Wexford Debris System Design
- 20 Lawton Pump Station



## Fiscal Year 2025 CIP Project Summary

Projects	FY 2024 Revised Budget	FY 2024 Carry Forward	FY 2025 New Funding	FY 2025 Total Funding	Planning Commission Priority	Project Schedule		
						Design	Permitting	Construction
<b>Beach Program</b>								
Beach Management & Monitoring	450,000	75,489	224,511	300,000	★			
Beach Renourishment	850,000	228,541	16,271,459	16,500,000	★		✓	✓
Beach Park Maint. & Improvements	285,382	54,797	195,203	250,000	★		✓	✓
Islanders Beach Park Improvements	1,650,000	904,964	2,845,036	3,750,000	★	✓	✓	✓
Beach Wheelchair Storage	-	-	99,000	99,000	★		✓	✓
Harbour Town Dredge	600,000	600,000	-	600,000				
Contingency	100,000	-	100,000	100,000				
Driessen Beach Park Improvements	827,851	-	-	-				
Folly Field Beach Park Improvements	78,983	-	-	-				
<b>Beach Program Total</b>	<b>4,842,216</b>	<b>1,863,791</b>	<b>19,735,209</b>	<b>21,599,000</b>				
<b>Pathway Program</b>								
Pathway Maintenance & Improvements	592,330	-	350,000	350,000	★			✓
New Pathway Segments:				-				
William Hilton Parkway EB (Wexford to Arrow)	1,925,000	100,000	-	100,000	★	✓	✓	
William Hilton Parkway EB (Mathews to BCSO)	1,280,000	100,000	-	100,000	★	✓	✓	
Jonesville Road	500,000	334,591	4,165,409	4,500,000	★		✓	✓
Dunnagans Alley	200,000	100,000	-	100,000	★	✓	✓	
Cordillo Parkway at Pope Ave	50,000	32,740	217,260	250,000	★			✓
Shelter Cove Lane	427,444	-	-	-				
Woodhaven Drive/Lane	342,311	-	-	-				
Contingency	100,000	-	100,000	100,000				
<b>Pathway Program Total</b>	<b>5,417,085</b>	<b>667,331</b>	<b>4,832,669</b>	<b>5,500,000</b>				
<b>Roadway Program</b>								
Dirt Road Acquisition & Paving Program:								
Mitchelville Lane	647,965	585,093	414,907	1,000,000	★		✓	✓
Horse Sugar Lane & Alice Perry Drive	389,000	308,095	691,905	1,000,000	★	✓	✓	✓
Freddie's Way	343,000	306,276	268,724	575,000	★	✓	✓	✓
Alfred Lane	48,500	48,500	-	48,500	★	✓	✓	
Benjamin Drive	-	-	100,000	100,000	★	✓	✓	
Pine Field Road	70,022	-	-	-	★			
William Hilton Parkway Enhancements:					★	✓	✓	✓
WHP Gateway & Stoney Corridors	334,379	-	100,000	100,000	★		✓	✓
Islandwide Intersection Improvements	150,000	100,000	900,000	1,000,000	★		✓	✓
Wilborn / Pembroke Turn Lane	-	-	100,000	100,000	★	✓	✓	
Crosswalk Lighting & Safety Imprvmts	750,000	-	-	-				
Pedestrian & Vehicular Improvements	500,000	-	-	-				
Adaptive Traffic Signal System	1,000,000	-	-	-				

## Fiscal Year 2025 CIP Project Summary

Projects	FY 2024 Revised Budget	FY 2024 Carry Forward	FY 2025 New Funding	FY 2025 Total Funding	Planning Commission Priority	Project Schedule		
						Design	Permitting	Construction
<b>Roadway Program</b>								
Pope Ave, Palmetto Bay Rd., New Orleans Rd. Streetscap Enhancements:								
Pope Ave Streetscapes	500,000	333,718	-	333,718	★	✓	✓	
Adaptive Traffic Signal System	275,000	-	-	-				
Main Street Enhancements	312,666	-	2,000,000	2,000,000	★	✓	✓	
Squire Pope Road Crosswalks	135,000	-	-	-				
Roadway Maintenance & Improvements	799,391	-	580,000	580,000	★			✓
Adaptive Signal System Maintenance	230,000	-	880,000	880,000	★			✓
Wayfinding & Signage Master Plan	150,000	-	-	-				
Beach City to Dillon Rd. Improvements	-	-	500,000	500,000	★	✓	✓	✓
Mathews to Shelter Cove Ln Imprvmnts	-	-	200,000	200,000	★	✓	✓	
Sea Pines, Pope, Coligny Area Impvmnts	-	-	800,000	800,000	★	✓	✓	✓
Landscape, Lighting, Safety Enhancmnts	-	-	1,000,000	1,000,000	★	✓	✓	✓
Contingency	100,000	-	100,000	100,000				✓
<b>Roadway Program Total</b>	<b>6,734,923</b>	<b>1,681,682</b>	<b>8,635,536</b>	<b>10,317,218</b>				
<b>Park Program</b>								
Mid-Island Tract Park	900,000	-	2,500,000	2,500,000	★	✓	✓	✓
Chaplin Community Park Renovation	2,000,000	1,907,797	-	1,907,797	★	✓	✓	✓
Crossings Park & Bristol Renovation	625,000	447,927	4,552,073	5,000,000	★	✓	✓	✓
Shelter Cove Community Park Exp.	-	-	500,000	500,000	★	✓	✓	
Chaplin Linear Park w/ Treehouse	350,000	250,000	100,000	350,000	★	✓	✓	
Patterson Family Park	2,200,000	1,627,818	1,112,765	2,740,583	★	✓	✓	✓
Taylor Family Park	1,000,000	385,912	2,525,504	2,911,416	★	✓	✓	✓
Barker Field including Extension	500,000	87,424	1,412,576	1,500,000	★	✓	✓	✓
Ford Shell Ring	100,000	50,102	-	50,102	★	✓	✓	✓
Coligny Circle Quadrant Pocket Park	-	-	500,000	500,000	★	✓	✓	✓
Island Recreation Association	509,500	-	520,000	520,000	★			✓
Public Art Program	35,000	5,742	29,633	35,375	★			
General Park Enhancements	652,669	-	500,000	500,000	★			✓
Jarvis Creen Park Enhancement	-	-	100,000	100,000	★	✓	✓	
Greens Shell Park Enhancements	250,000	50,000	200,000	250,000	★	✓	✓	✓
Old Schoolhouse Park Enhancements	250,000	-	350,000	350,000	★	✓	✓	✓
Contingency	100,000	-	100,000	100,000				
<b>Park Program Total</b>	<b>9,472,169</b>	<b>4,812,722</b>	<b>15,002,551</b>	<b>19,815,273</b>				
<b>Facility &amp; Equipment Program</b>								
Town Hall Facility Enhancements	927,516	127,689	1,617,900	1,745,589	★			✓
Town Facilities Improvements Planning	100,000	-	-	-				
Sprinkler Head Replacement	280,000	-	-	-				
Furniture Replacement	100,000	-	-	-				
Generator Replacement	200,000	-	-	-				
Shelter Cove/BCSO Office	291,451	40,000	10,000	50,000	★		✓	✓
Fire Rescue Training Center Upgrades	250,000	107,000	271,000	378,000	★		✓	✓
Jarvis Pump Station Roof Replacement	30,000	-	-	-				
SCDOT Toll Plaza Building Demolition	200,000	-	-	-				

## Fiscal Year 2025 CIP Project Summary

Projects	FY 2024 Revised Budget	FY 2024 Carry Forward	FY 2025 New Funding	FY 2025 Total Funding	Planning Commission Priority	Project Schedule		
						Design	Permitting	Construction
<b>Facility &amp; Equipment Program</b>								
Wild Wing Café Demo	-	-	500,000	500,000	★		✓	✓
Electric Vehicle Charging Stations	30,420	-	-	-				
Parking Master Plan Implementation	200,000	-	-	-				
Emergency Access Gates	150,000	-	-	-				
Tree Planting & Forest Management	-	-	500,000	500,000	★	✓	✓	✓
Fire Stations 1-7 Replacements	-	-	1,127,000	1,127,000	★	✓	✓	✓
Fire Training Center	-	-	10,000	10,000	★	✓	✓	✓
Fire Rescue HQ Replacements	-	-	85,000	85,000	★	✓	✓	✓
EOC Replacements	-	-	35,000	35,000	★	✓	✓	✓
Security Access Upgrades	-	-	175,000	175,000	★	✓	✓	✓
Coastal Discovery Museum CIP	578,000	260,000	368,500	628,500	★			✓
Historic Mitchelville Freedom Park	750,000	554,702	500,000	1,054,702	★	✓	✓	✓
IT Equipment & Software	1,145,000	30,000	1,552,000	1,582,000	★			
Security Cameras & Connectivity	390,696	-	266,500	266,500	★			✓
Fire/Medical Systems & Equipment	375,000	6,189	108,811	115,000	★			
Automobile Place Enhancements	40,000	-	-	-				
Fire Hydrant Expansion	50,000	33,121	16,879	50,000	★			
Arts Campus Feasibility Study	25,000	-	-	-				
Contingency	100,000	-	100,000	100,000				
<b>Facility &amp; Equipment Program Total</b>	<b>6,213,083</b>	<b>1,158,701</b>	<b>7,243,590</b>	<b>8,402,291</b>				
<b>Stormwater Program</b>								
Wexford Debris System Design	123,000	25,000	475,000	500,000	★	✓	✓	
Gum Tree Road Improvements	80,000	5,000	75,000	80,000	★			✓
Jarvis Creek Outfall	100,000	15,000	135,000	150,000	★	✓	✓	
25 Moonshell Road	92,000	20,000	80,000	100,000	★	✓	✓	✓
Cordillo Court Improvements	70,000	-	-	-	★			
Palmetto Hall Outfall Improvements	-	-	100,000	100,000	★	✓	✓	
Lawton Pump Station	1,330,000	-	-	-	★			
Pump Station Security Cameras	45,000	-	-	-	★			
Howell Tract Access Gate	-	-	20,000	20,000	★			✓
Main Street Drainage Improvements	-	-	250,000	250,000	★	✓	✓	
<b>Stormwater Program Total</b>	<b>1,840,000</b>	<b>65,000</b>	<b>1,135,000</b>	<b>1,200,000</b>				
<b>Fleet Program</b>								
Town Vehicle Replacement	541,000	130,000	-	130,000	★			
F/R Apparatus & Vehicle Replacement								
Engine/Pumper/Quint Company	7,483,420	2,431,677	-	2,431,677	★			
Support Vehicle Replacement	35,000	3,695	96,305	100,000	★			
Ladder Truck Replacement (2)	-	-	4,500,000	4,500,000	★			
Staff Vehicle Replacement	170,000	-	-	-				
Public Safety Boat	-	-	36,000	36,000	★			
Contingency	100,000	100,000	-	100,000				
<b>Fleet Program Total</b>	<b>8,329,420</b>	<b>2,665,372</b>	<b>4,632,305</b>	<b>7,297,677</b>				



### Fiscal Year 2025 CIP Project Summary

Projects	FY 2024 Revised Budget	FY 2024 Carry Forward	FY 2025 New Funding	FY 2025 Total Funding	Planning Commission Priority	Project Schedule		
						Design	Permitting	Construction
<b>Land Acquisition Program</b>								
Land Acquisition Administration	400,000	250,000	-	250,000	N/A			
Land Acquisition:								
30 Bryant Road	3,400,000	-	-	-	N/A			
71 Shelter Cove Lane	3,938,000	-	-	-	N/A			
Parcel 15, Mathews Drive	350,000	-	-	-	N/A			
72 Pope Avenue	4,000,000	-	-	-	N/A			
Lot 9, 19 Marshland Road	239,000	-	-	-	N/A			
Wildhorse Road	35,275	-	-	-	N/A			
<b>Land Acquisition Program Total</b>	<b>12,362,275</b>	<b>250,000</b>	<b>-</b>	<b>250,000</b>				
<b>Total FY 2025 Capital Program</b>	<b>\$ 55,211,171</b>	<b>\$ 13,164,599</b>	<b>\$ 61,216,860</b>	<b>\$ 74,381,459</b>				



*2016 Beach Renourishment*

### Fiscal Year 2025 CIP Projects

PROJECTS	FY25 PROJECT SCOPE	FY25 TOTAL	FUNDING SOURCE
<b>BEACH PROGRAM</b>			
Beach Management & Monitoring	Ongoing activities to manage the beach including Islandwide beach survey and monitoring, endangered species monitoring, Beach Program Economic Sustainability Analysis, etc.	\$ 300,000	BEACH FEE
Beach Renourishment	Activities related to Beach Renourishment Project, including permitting, bidding, and construction. Construction of next cycle of renourishment anticipated to begin in April, 2025. Pine Island, Fish Haul Creek, and Heel must be complete by August, 2025 to achieve Fish & Wildlife Permit requirements. Renourishment of remaining island beaches in FY26. FEMA funds must be reimbursed by December, 2025.	\$ 16,500,000	BEACH FEE
Beach Park Maintenance & Improvements	Maintenance and general improvements to 7 beach parks such as paving, landscaping, lighting, and site furnishings, etc. FY25 - Upgrades to Recycling, Trash, Wayfinding, Rules, Signage, Lighting	\$ 250,000	BEACH FEE
Islanders Beach Park Improvements	FY24 - Design of Islanders Park Renovation and construction of pedestrian pathway from Folly Field Road to restroom and playground in FY24. FY25 - Construction of Islanders Park Renovation pending coordination with Beach Renourishment staging area	\$ 3,750,000	BEACH FEE
Beach Wheelchair Storage	Permanent storage structure for increased beach wheelchairs stemming from Chamber Leadership Class project; 5 locations (\$19,800 each)	\$ 99,000	BEACH FEE
<b>Total Beach Park Improvements</b>			
Harbour Town Dredge	Agreement with South Island Dredging Association to assist with funding for dredging of Harbour Town Yacht Basin and Braddock Cove Creek; Funding approved in FY19, 20, and 21 budgets	\$ 600,000	HOSPITALITY TAX
Beach Project Management and Contingency	Miscellaneous unexpected project expenses	\$ 100,000	BEACH FEE
<b>TOTAL BEACH PROGRAM</b>		<b>\$ 21,599,000</b>	

### Fiscal Year 2025 CIP Projects

PROJECTS	FY25 PROJECT SCOPE	FY25 TOTAL	FUNDING SOURCE
<b>PATHWAY PROGRAM</b>			
Pathway Maintenance & Improvements	Maintenance and Improvements to existing pathways including repair, rejuvenation, and striping plus safety enhancements aimed at improving consistency and uniformity of all pathways, including ADA compliance. May include Preliminary Planning, Design (Conceptual & Final), Permitting, and/or Construction depending on specific project. Includes assessment/repair of all pathway boardwalks and pathway fence replacement.	\$ 350,000	Hospitality Tax
<b>NEW PATHWAY SEGMENTS</b>			
William Hilton Parkway EB (Mathews Drive/Folly Field Road to Shelter Cove Lane)	Design, Permitting, and Easement Acquisition of pathway from Shelter Cove Lane (at BCSO) to Singleton Beach Rd. Construction in FY26. Future phase (Singleton Beach Rd to Mathews Dr/Folly Field Rd) to be considered with Corridors Implementation.	\$ 100,000	State ATAX
Jonesville Road	Finalize Design, Permitting, & Easement Acquisition of +/- 1.2 miles of pathway along Jonesville Road. Begin construction of pathway in FY25.	\$ 4,500,000	Hospitality Tax
William Hilton Parkway EB (Wexford to Arrow Road)	Final Design, Permitting, and begin Easement Acquisition of pathway from Village at Wexford to Arrow Road. Construction anticipated in FY26.	\$ 100,000	State ATAX
Dunnagans Alley (Wexford Drive to Arrow Road)	Final Design, Permitting, and begin Easement Acquisition for streetscape improvements from Wexford Drive to Arrow Road. Construction anticipated in FY27.	\$ 100,000	Hospitality Tax
Cordillo Parkway at Pope Avenue	Construction of pathway connection from Pope Avenue to Shipyard along Cordillo Parkway.	\$ 250,000	Hospitality Tax
<b>Total NEW PATHWAY SEGMENTS</b>		<b>\$ 5,050,000</b>	
Pathway Project Management and Contingency	Miscellaneous unexpected project expenses	\$ 100,000	Hospitality Tax
<b>TOTAL PATHWAY PROGRAM</b>		<b>\$ 5,500,000</b>	

### Fiscal Year 2025 CIP Projects

PROJECTS	FY25 PROJECT SCOPE	FY25 TOTAL	FUNDING SOURCE
<b>ROADWAY PROGRAM</b>			
<b>DIRT ROAD ACQUISITION &amp; PAVING PROGRAM</b>	Program to accept dedications of private, unpaved roads to become public rights of way and then pave the roads and install storm drainage infrastructure.		
Mitchelville Lane	Final Permitting & Construction of +/- 1300 LF paved road, pending 100% ROW Acquisition.	\$ 1,000,000	Electric Franchise Fee / Sale of Land
Horse Sugar Lane & Alice Perry Drive	Design (Final), Permitting, & Construction of +/- 925 LF of paved road, pending 100% ROW Acquisition.	\$ 1,000,000	Electric Franchise Fee/ Road Usage Fee
Freddie's Way	Design (Final), Permitting, & Construction of +/-900 LF paved road, pending 100% ROW Acquisition.	\$ 575,000	Electric Franchise Fee / Road Usage Fee
Alfred Lane	Preliminary Planning, Design (Conceptual & Final), & Permitting +/- 900 LF of paved road. Construction anticipated for FY26 pending 100% ROW Acquisition.	\$ 48,500	Road Usage Fee
Benjamin Drive	Survey, Planning, Design, Permitting, and ROW acquisition in FY25. Construction anticipated in FY26 pending 100% ROW Acquisition.	\$ 100,000	Electric Franchise Fee
<b>Total DIRT ROAD ACQUISITION &amp; PAVING PROGRAM</b>		<b>\$ 2,723,500</b>	
<b>WILLIAM HILTON PARKWAY ENHANCEMENTS</b>	Improvements to William Hilton Parkway from Sea Pines Circle to Spanish Wells Road (SCDOT Gateway project) targeting safety, beautification and consistency to include landscaping, signage, pavement markings, curbing etc.		
William Hilton Parkway Gateway Corridor & Stoney Corridor	Additional planning for improvements to William Hilton Parkway on recommendations not included in SCDOT project	\$ 100,000	Electric Franchise Fee
Islandwide Intersection Improvements Striping, Wayfinding, Safety Signage Pedestrian and Vehicular Enhancements	Installation of consistent and uniform signs, pavement markings, lighting, landscaping, and related traffic signs, etc. for 26 intersections based on Corridors Plan. Striping, signage, midblock crossing, lighting, etc. Island wide branding and style design guide based on recommendations from Corridor Study Project will identify new design standards, materials, implementation, etc.	\$ 1,000,000	Electric Franchise Fee / Road Usage Fee
Wilborn Rd, Pembroke Dr, Drive Turn Lane Extensions / Curb and Gutter	Design and permitting of extended turn lanes to alleviate vehicle stacking and prevent rutting and driving into the medians at William Hilton Parkway intersections with Wilborn Rd, Pembroke Dr, Construction anticipated in FY26.	\$ 100,000	Electric Franchise Fee
<b>Total WILLIAM HILTON PARKWAY ENHANCEMENTS</b>		<b>\$ 1,200,000</b>	
<b>POPE AVE., PALMETTO BAY ROAD, ARROW ROAD, &amp; NEW ORLEANS ROAD STREETScape ENHANCEMENTS</b>			
Pope Avenue Streetscape Enhancements	Implementation of recommendations from the Corridors Planning project	\$ 333,718	Electric Franchise Fee
<b>Total POPE AVE., PALMETTO BAY ROAD, ARROW ROAD, &amp; NEW ORLEANS ROAD STREETScape ENHANCEMENTS</b>		<b>\$ 333,718</b>	



### Fiscal Year 2025 CIP Projects

PROJECTS	FY25 PROJECT SCOPE	FY25 TOTAL	FUNDING SOURCE
<b>ROADWAY PROGRAM</b>			
Main Street Enhancements	Design (Final) & Permitting of improvements to Main Street from Whooping Crane to Wilborn Road including side streets (Museum Street, Central Avenue, and Merchant Street and North Main Street from Whooping Crane to Hospital Center Boulevard including roadway, pathways, streetscape, and drainage improvements. Construction planned for multiple fiscal years. Construction of a new roundabout at Wilborn Road and a new roundabout at Hospital Center Boulevard planned for future fiscal years.	\$ 2,000,000	Hospitality Tax / Traffic Impact Fee
Roadway Maintenance & Improvements	Maintenance of and Improvements to existing roadways including general maintenance such as repair of potholes, curbing, and shoulders; pavement markings; permanent traffic signs; etc. Includes Traffic Studies	\$ 580,000	Electric Franchise Fee
Adaptive Signal System Maintenance	Ongoing and recurring maintenance of traffic signal system and maintenance of traffic mast arms and signage (\$230,000); Reimbursement by SCDOT through IGA. Painting of mast arms at all 26 locations at \$25,000 per intersection (\$650,000 )	\$ 880,000	Hospitality Tax
Segment 3 - Beach City Road to Dillon Road	Design (Final), Permitting & Construction of improvements including lighting, crosswalk markings, and signage to enhance pedestrian safety. County Impact Fees reimbursement in FY25 (December 31, 2024 deadline)	\$ 500,000	Beaufort County Grant
Segment 5 - Mathews to Shelter Cove Lane	Design of potential improvements identified by the Town and SCDOT.	\$ 200,000	Electric Franchise Fee
Segment 8 - Sea Pines Circle, Pope Avenue, Coligny Circle, and portions of NFB/SFB	Design, permitting and construction of potential improvements identified by the Town and SCDOT.	\$ 800,000	TIF Tax
Landscape, Lighting, and Safety Enhancements	Beach City Road roundabout, Pope Avenue, WHP, Mathews Drive, Dunnagans roundabout, Squire Pope Roundabout, Palmetto Bay Road, Cross Island Parkway	\$ 1,000,000	Hospitality Tax
Roadway Project Management and Contingency	Miscellaneous unexpected project expenses	\$ 100,000	Hospitality Tax
<b>TOTAL ROADWAY PROGRAM</b>		<b>\$ 10,317,218</b>	

### Fiscal Year 2025 CIP Projects

PROJECTS	FY25 PROJECT SCOPE	FY25 TOTAL	FUNDING SOURCE
<b>PARK PROGRAM</b>			
<b>Parks &amp; Recreation</b>			
Mid-Island Tract Park	Design (Final) and Permitting of phase 1 of new community park underway. Construction of Phase 1 starting in FY25.	\$ 2,500,000	TIF Tax
Chaplin Community Park Renovation	Renovation of existing Community Park. Design (Final) and permitting in FY25. Phase construction of park improvements over several fiscal years	\$ 1,907,797	TIF Tax
Crossings Park Renovation including Bristol Sports Arena	Renovation of existing Community Park Design, permitting, and construction of 12 pickleball court complex on Arrow Road (\$3.3M); Design and permitting of park improvements; Construction of Skate Park (\$650k-900k) & Pump Track (\$350k-600k) and park amenities); Resurface Roller Hockey/Basketball venue including paint inside Rink panels and kickboards, install 64 new exterior rink panels, install 4 72" glass Basketball backboard system, Sand and paint existing Posts (\$108k); Design and permitting for all-weather court structure.	\$ 5,000,000	Hospitality Tax / Sunday Liquor Permit Fee / Sale of Land
Shelter Cove Community Park Expansion	Phase 2 expansion of existing Community Park; Design (Final) and permitting in FY25 with construction in FY26	\$ 500,000	TIF Tax
Chaplin Linear Park with Treehouse	Design (Conceptual & Final) and Permitting of Phase 1 of Linear Park including trail head up-fit, pedestrian bridge at Broad Creek inlet, tree house, and marsh-side trail connection to Singleton Beach Road	\$ 350,000	TIF Tax
Patterson Family Park	Construction for new Neighborhood Park in FY25	\$ 2,740,583	Hospitality Tax / TIF Tax
Taylor Family Park	Construction for new Neighborhood Park in FY25	\$ 2,911,416	Hospitality Tax / Real Estate Transfer Fee
Barker Field including Barker Field Extension	Improvements to Barker Field Extension including fencing, new lights, bleachers, player benches, swings; Design (Final), Permitting and Construction in FY25. Design (Conceptual) for newly acquired Barker Field Master Plan. Construction in future fiscal years.	\$ 1,500,000	Beach Fee / Hospitality Fee
Ford Shell Ring	CDBG project; Design and permitting for improvements to supplement Beaufort's County's construction project	\$ 50,102	TIF Tax
Coligny Circle Quadrant Pocket Park (Pope Ave enhancements)	Improvements to include plaza amenity space, signage, landscaping, multi-use path. Design and permitting in FY24. Construction in FY25.	\$ 500,000	TIF Tax
<b>Total Parks &amp; Recreation</b>		<b>\$ 17,959,898</b>	

### Fiscal Year 2025 CIP Projects

PROJECTS	FY25 PROJECT SCOPE	FY25 TOTAL	FUNDING SOURCE
<b>PARK PROGRAM</b>			
<b>Island Recreation Association - Capital Projects</b>			
Rec Center Building Enhancements	Recreation center enhancements	\$ 365,000	Electric Franchise Fee
Rec Center Pool Enhancements	Pool enhancements including dome equipment and pool equipment updates, windscreens, locker replacement, pool covers, etc.	\$ 95,000	Electric Franchise Fee
Parks/Event Enhancements	Athletic fields and event parks improvements	\$ 45,000	Electric Franchise Fee
Outdoor Recreation	Basketball court improvements; backboards, sun shade, light replacement, court replacement	\$ 15,000	Electric Franchise Fee
<b>Total Island Recreation Association - Capital Projects</b>		<b>\$ 520,000</b>	
Public Art Program	Sculptures for installation at Shelter Cove Sculpture Trail (3) – Dana Montlack Site prep at Sculpture Trail (preparing for installation, replace shell at pathway Replacement signs for Public Art collection 20@ \$135 each Deposit for 2025 Sculpture Trail installation of Seward Johnson pieces Upkeep/maintenance/repair of permanent collection and sites	\$ 35,375	Hospitality Tax
<b>GENERAL PARK ENHANCEMENTS</b>	Includes various identified facility and service improvements at existing parks including restroom partition replacement, restroom floor re-tiling, restroom building roof replacement, etc.	\$ 500,000	Beach Fee / State ATAX
Jarvis Creek Park Enhancements	ADA accessibility improvements, site and landscape enhancements	\$ 100,000	State ATAX
Greens Shell Park Enhancements	Replacement of property line fencing, curb, playground equipment, and observation decks	\$ 250,000	TIF Tax / State ATAX
Old Schoolhouse Park Enhancements	Landscape & site improvements: ADA parking and sidewalks, restroom, shade, signage, seating, basketball court resurface, landscaping, etc.	\$ 350,000	State ATAX
Park Project Management and Contingency	Miscellaneous unexpected project expenses	\$ 100,000	Beach Fee / State ATAX
<b>TOTAL PARK PROGRAM</b>		<b>\$ 19,815,273</b>	

### Fiscal Year 2025 CIP Projects

PROJECTS	FY25 PROJECT SCOPE	FY25 TOTAL	FUNDING SOURCE
<b>FACILITIES AND EQUIPMENT PROGRAM</b>			
<b>Town Hall Facility Enhancements</b>	Installation of upgrades to building including structural and flooring repairs, painting, sprinkler heads, carpet, etc.	\$ 1,745,589	Electric Franchise Fee
<b>Total Town Hall Facility Enhancements</b>		<b>\$ 1,745,589</b>	
Shelter Cove/BCSO Office	Building Storage enhancements	\$ 50,000	Electric Franchise Fee
Fire Rescue Training Center Facility Upgrades	Upgrades to Classroom and Phase 1 of Burn Building	\$ 378,000	Electric Franchise Fee
Wild Wing Café Building Demolition	Demolition of recently acquired building, parking lot design and permitting and construction	\$ 500,000	Hospitality Tax / State ATAX
Tree Planting and Forest Management Program	New tree planting islandwide. Assess and evaluate areas to manage undergrowth and promote specimen trees and park/facility functionality.	\$ 500,000	Hospitality Tax / State ATAX
Station 1 replacements	Carpet replacement, LED light conversion, Shower door replacement, and replacement of bay doors (\$200k).	\$ 237,000	Hospitality Tax / State ATAX
Station 3 replacements	Replace carpet, bathroom renovations throughout, and interior painting, and replacement of bay doors (\$200k) Replace Generator	\$ 444,000	Hospitality Tax / State ATAX
Station 4 replacements	Interior painting and replace kitchen, hallway and utility room flooring and replacement of bay doors (\$200k)	\$ 242,000	Hospitality Tax / State ATAX
Station 5 replacements	Replace flooring in kitchen, hallways and utility room. Replacement of bay doors in FY26	\$ 35,000	Hospitality Tax / State ATAX
Station 6 replacement	Renovation in storage closets, repaint weight room and bunk rooms, add electrical outlets to bunk rooms, concrete pad under pullup station, and new lockers in officers bunkroom. Replacement of bay doors in FY26	\$ 44,000	Hospitality Tax / State ATAX
Station 7 replacements	Replace cooktop, replace carpet in living quarters, and replace insulation in bay roof area. Replacement of bay doors in FY26	\$ 125,000	Hospitality Tax / State ATAX
Fire Training Center	Replace the flooring in office and laundry with LVF.	\$ 10,000	Hospitality Tax / State ATAX
Fire Rescue HQ replacements	Exterior storage shed renovation, front lobby renovation, and electrical panel surge protection.	\$ 85,000	Hospitality Tax / State ATAX
EOC replacements	Center work station renovation, chairs, and painting of interior hallway, dispatch kitchen, office, counter top.	\$ 35,000	Hospitality Tax / State ATAX
Security access upgrades	Replacement of the door access control systems at all Fire/Rescue locations	\$ 175,000	Hospitality Tax / State ATAX
<b>Total Other Town Facility Enhancements</b>		<b>\$ 2,860,000</b>	
<b>Coastal Discovery Museum - Capital Projects</b>	Coastal Discovery Museum seeks funds to improve and maintain the buildings and grounds including the addition of 3-phase power at the Hay Barn and the addition of power pedestals for special events		
Discovery House	Paint exterior and interior, doors/hardware, wood rot repairs	\$ 21,500	State ATAX
Armstrong/Hack House	Floors and office renovation	\$ 21,000	State ATAX
Pavilion	Floors	\$ 4,000	State ATAX
Discovery Lab	Interior repairs	\$ 1,500	State ATAX
Pavilion/Restroom Building	Structural repairs	\$ 5,000	State ATAX
Horse Barn	Structural repairs	\$ 30,000	State ATAX
Misc. Improvements	Front and side gates, boardwalks repair, tree work, well/field irrigation, fence repair, HVAC platform and replacement	\$ 95,500	State ATAX
Event Space Improvements	Construction of Town initiated enhancements including ADA compliance and lighting upgrades	\$ 450,000	State ATAX
<b>Total Coastal Discovery Museum - Capital Projects</b>		<b>\$ 628,500</b>	



### Fiscal Year 2025 CIP Projects

PROJECTS	FY25 PROJECT SCOPE	FY25 TOTAL	FUNDING SOURCE
<b>FACILITIES AND EQUIPMENT PROGRAM</b>			
<b>Historic Mitchelville Freedom Park - Capital Projects</b>	At the request of Ahmad Ward, Executive Director, Historic Mitchelville Freedom Park seeks funds to improve property in accordance with approved master plan		
<b>Total Historic Mitchelville Freedom Park - Capital Projects</b>	Parking, pathways, signage and playground	\$ 1,054,702	State ATAX / Capital
<b>IT EQUIPMENT &amp; SOFTWARE</b>			
<b>Town Hall Equipment &amp; Software</b>			
Network Infrastructure Enhancements	Begin 5-year replacement program for all vital network equipment	\$ -	
Cloud Services Enhancements	Ability to move more services and applications to hosted solutions	\$ -	
Town Strategic Plan SWOT for Town Connectivity	Strategic Plan request for connectivity SWOT analysis	\$ 30,000	Electric Franchise Fee
<b>Public Safety Systems Equipment and Software</b>			
<b>Dispatch Center Equipment</b>			
Station Alerting	Current Station Alerting system is reaching end of service and is not compatible with modern IT infrastructure. Costs to maintain are increasing and parts are difficult to obtain Complete in FY 24	\$ 100,000	Electric Franchise Fee
Dispatch Center Workstation Desks	Replacement of Dispatch workstation desks	\$ 200,000	Electric Franchise Fee
Hardware Reserve	This will be for any unplanned needs that arise during the budget year	\$ 35,000	Electric Franchise Fee
Conference Room replacement equipment for Fire Stations 1,5, and 6	Conference Room AV equipment for Fire Stations 1,5,6 for staff trainings and community meetings	\$ 82,000	Electric Franchise Fee
Infrastructure lifecycle replacement year 2 of 5	Second year of five year infrastructure lifecycle replacements. Part of IT Strategic Plan, 20% of equipment for five year	\$ 260,000	Electric Franchise Fee
ESRI to hosted solution	Request to move the services needed to operate ESRI, public dashboards, and maps to a hosted solution for continuity of government during a disaster related emergency. Part of IT Strategic Plan	\$ 120,000	Electric Franchise Fee
ESRI Advantage Program	Software and Application Packgee, year 2 of 2	\$ 71,000	Electric Franchise Fee
Replacement of end user equipment year 2 of 4	Replacement of end user laptops, docking stations, monitors, etc. This is the second year of four year life cycle replacement within our IT Strategic Plan	\$ 235,000	Electric Franchise Fee
Document Management Migration from Laserfiche to Sharepoint	Request to migrate document management system to Sharepoint for more modern and user friendly system, part of our IT Strategic Plan	\$ 325,000	Electric Franchise Fee
Public Safety Equipment Replacement	Public Safety and dispatch replacement equipment for fleet vehicles and dispatch areas. Also includes replacement radios and batteries.	\$ 74,000	Electric Franchise Fee
Website Migration	Migration of custom website to a content management system (CMS).	\$ 50,000	Electric Franchise Fee
<b>Total IT EQUIPMENT &amp; SOFTWARE</b>		\$ 1,582,000	

### Fiscal Year 2025 CIP Projects

PROJECTS	FY25 PROJECT SCOPE	FY25 TOTAL	FUNDING SOURCE
<b>SECURITY CAMERAS &amp; CONNECTIVITY</b>			
Public Safety Cameras	Add 16 specialty public safety cameras to the Town for enhanced coverage	\$ 48,000	Hospitality Tax / State ATAX
Chaplin Park Camera replacements	Replace existing cameras and add cameras where there is no coverage at the soccer fields	\$ 95,000	Hospitality Tax / State ATAX
Jarvis Creek Park Camera Replacements	Replace cameras and public wifi equipment	\$ 47,500	Hospitality Tax / State ATAX
Ford Shell Ring Camera Installation	Install safety cameras	\$ 25,000	Hospitality Tax / State ATAX
Islanders Beach Park Camera Replacements	Replace cameras and public wifi equipment	\$ 51,000	Hospitality Tax / State ATAX
<b>Total SECURITY CAMERAS &amp; CONNECTIVITY</b>		<b>\$ 266,500</b>	
<b>FIRE/MEDICAL SYSTEMS &amp; EQUIPMENT REPLACEMENT</b>			
Fleet Maintenance Equipment	Replace shop welders in FY25	\$ 20,000	Electric Franchise Fee / Hospitality Tax
Personal Protective Equipment Replacement	Replacement of PPE as necessary Reoccurring annually	\$ 60,000	Hospitality Tax
Fire Hose Replacement	Replace Reserve Hose	\$ 35,000	Hospitality Tax
<b>Total FIRE/MEDICAL SYSTEMS &amp; EQUIPMENT REPLACEMENT</b>		<b>\$ 115,000</b>	
Fire Hydrant Expansion	Installation of Fire Hydrants through matching program with HHPSD. Reoccurring annually	\$ 50,000	Electric Franchise Fee / Hospitality Tax
Facilities and Equipment Project Management and Contingency	Miscellaneous unexpected project expenses	\$ 100,000	Hospitality Tax
<b>TOTAL FACILITIES AND EQUIPMENT PROGRAM</b>		<b>\$ 8,402,291</b>	

### Fiscal Year 2025 CIP Projects

PROJECTS	FY25 PROJECT SCOPE	FY25 TOTAL	FUNDING SOURCE
<b>STORMWATER PROGRAM</b>			
Wexford Debris System Design 30000PWE-55300-WEP00 BUDGET 30000PWE-55322-WEP00 DESIGN	Overhaul including 2 new pumps, new controls, debris screens, new genset, new conduit, new SCADA monitoring system, new control building in FY26/FY27;  need to plan for \$5 million in one fiscal cycle, construction must occur between late Sept and late May  Design of pump station to consider multiple factors including function and aesthetics in preparation for FY24 construction  \$400K to sandblast and repaint pump chamber walls and fill in sinkholes around the perimeter of the well.  \$60K for additional engineering design	\$ 500,000	
Gum Tree Road Improvements 30000CXN-55300-XN116 BUDGET 30000CXN-55325-XN116 SURVEY	Permitting & Construction of improvements to address various deficiencies along Gum Tree Road between Katie Miller Drive and Georgianna Drive, including regrading of ditches, installation of new inlets, new pipe and repairs along the outfall system  \$75K to implement improvements	\$ 80,000	
Jarvis Creek Outfall 30000CXN-55300-XN117 BUDGET 30000CXN-55325-XN117 SURVEY	Installation of flap gates on the outfall end of two 84-inch diameter concrete pipes that discharge stormwater from the Jarvis Creek Pump Station outfall system; necessary to improve operation and effectiveness of the pump station during extreme events by mitigating the impacts of tidal storm surge on the system  \$125K to complete permitting and design  Construction in FY26	\$ 150,000	
25 Moonshell Road 30000CXN-55300-XN068 BUDGET 30000CXN-55324-XN068 ENVIRONMENTAL	Permitting & Installation of 500 linear feet of 24-inch pipe and two inlet structures to improve efficiency and reduce long-term maintenance costs along the existing Folly Field ditch between Moonshell Road and the Island Club  \$90K for construction in late FY25	\$ 100,000	
Cordillo Court Improvements 30000CXN-55300-XN119 BUDGET	Permitting & installation of improvements to address drainage issues on and adjacent to Town-owned property including inlets, pipe and minor grading	\$ -	
Palmetto Hall Outfall Improvements	Addition of hydraulic capacity at the system outfall and addition of backflow prevention devices; \$100K for consultant design (\$75K) & field surveys (\$25K)	\$ 100,000	
Lawton Pump Station 30000PSP-55300-SPP01 BUDGET 30000PSP-55385-SPP01 REPLACEMENT	Third pump at Lawton station to complete replacement of all 2006 pumps  FY23 Carry Forward (Budget Amendment): \$980,000 for 2 new pumps and 5 new gates +  FY24 Third pump at Lawton (\$350K) to complete replacement of all 2006 pumps	\$ -	
Pump Station Security Cameras 30000CXN-55300-XN131 BUDGET 30000CXN-55350-XN131 EQUIPMENT	Add security cameras at pump stations	\$ -	
Howell Tract Access Gate	Install a new automatic gate with code or card access at the entrance to the Howell Tract lay-down yard on Arrow Road	\$ 20,000	
Main Street Drainage Improvements 300000CR-55300-RR099 BUDGET	Improvements based on 2019 assessment completed by SWU \$100K to complete cleaning and CCTV of trunk line system; \$150K to undertake any critical improvements needed.	\$ 250,000	
<b>TOTAL STORMWATER PROGRAM</b>		<b>\$ 1,200,000</b>	

### Fiscal Year 2025 CIP Projects

PROJECTS	FY25 PROJECT SCOPE	FY25 TOTAL	FUNDING SOURCE
<b>FLEET PROGRAM</b>			
<b>Town Vehicle Replacement</b>			
Staff Vehicle Replacement	Replacement of staff vehicles over 10 years old including vehicle outfitting	\$ 130,000	
New Staff Vehicles	Vehicles including vehicle outfitting for new staff as needed. No roll forward. No new Money	\$ -	
<b>Total Town Vehicle Replacement</b>		\$ 130,000	
<b>FR Apparatus &amp; Vehicle Replacement</b>			
Engine/Pumper Replacement/Quint Company Replacement (2)		\$ 2,431,677	
Support Vehicle Replacement	FORk lift Delivered in service. FY25 \$ is for Service Truck	\$ 100,000	
Ladder Truck Replacement (2)	Ladder Truck Replacement - (2) Tillers min. 36 month build	\$ 4,500,000	
<b>Total FR Apparatus &amp; Vehicle Replacement</b>	\$ -	\$ 7,031,677	
Public Safety Boat	War Eagle 19' Aluminum Boat	\$ 36,000	
Fleet Project Management and Contingency	Miscellaneous unexpected project expenses	\$ 100,000	
<b>TOTAL FLEET PROGRAM</b>		\$ 7,297,677	
<b>LAND ACQUISITION &amp; ADMINISTRATION</b>			
Land Acquisition Administration	Land acquisition and soft costs including ROW, Survey, Appraisals, Legal Fees, etc. Includes demolition and clean up of Jonesville Road property.	\$ 250,000	
Land Acquisition	Land acquisition: 30 Bryant Road, 71 Shelter Cove Lane, 72 Pope Avenue, .5 acre Mathews Drive, 19 Marshland Rd, Wildhorse Road	\$ -	
<b>TOTAL LAND ACQUISITION &amp; ADMINISTRATION</b>	\$ -	\$ 250,000	
<b>TOTAL CIP</b>	\$ -	\$ 74,381,459	



***Revenues and Expenditures by Category Analysis – Historical, Budget and Estimated***

	FY 2022 Actual	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Adopted Budget	Years 2 and 3	
					FY 2026 Estimated	FY 2027 Estimated
<b>Revenues:</b>						
Grants	193,187	213,166	822,111	500,000	3,500,000	250,000
Sunday Liquor Permit Fees	306,410	319,600	-	1,455,811	275,000	275,000
Impact Fees	321,205	164,741	300,000	947,601	-	-
Lease Revenue	-	-	7,483,420	6,931,677	-	-
Capital	64,359	316,475	1,200,000	554,702	2,225,000	3,225,000
Sale of Property & Equipment	43,744	-	3,500,000	1,283,020	1,400,000	5,350,000
Prior Year Bond Proceeds	1,399	31,236	258,434	-	-	-
SBITA Asset Revenue	-	1,188,451	-	-	-	-
<b>Transfers In:</b>						
Beach Preservation Fees	611,004	1,029,037	5,983,782	21,275,174	24,050,000	1,000,000
Hospitality Fees	770,104	1,323,918	3,865,585	18,601,126	10,025,000	11,575,000
Tax Increment Financing	1,489,637	959,641	4,166,825	8,285,717	9,900,000	11,500,000
General Fund	549,260	-	-	-	-	-
State Accommodation Tax	-	232,592	5,000,000	3,200,000	2,415,000	1,540,000
Road Usage Fee	372,811	1,240,183	3,600,000	762,871	2,198,750	-
Electric Franchise Fee	1,607,772	-	9,596,675	8,497,848	9,566,000	6,785,600
Real Estate Transfer Fee	201,894	7,717,100	7,594,339	885,912	1,300,000	900,000
Short Term Rental Permit Fee	-	692,309	-	-	-	-
Stormwater Utility Fee	2,043,363	-	1,840,000	1,200,000	6,750,000	1,610,000
<b>Total Revenue</b>	<b>8,576,149</b>	<b>15,428,449</b>	<b>55,211,171</b>	<b>74,381,459</b>	<b>73,604,750</b>	<b>44,010,600</b>
<b>Expenditures:</b>						
Beach Program	547,974	1,153,510	4,842,216	21,599,000	27,550,000	1,000,000
Facility & Equipment Program	1,235,732	5,036,029	6,213,083	8,402,291	7,066,000	3,548,600
Park Program	4,091,113	1,396,152	9,472,169	19,815,273	18,225,000	28,660,000
Pathway Program	143,596	312,853	5,417,085	5,500,000	3,175,000	3,650,000
Roadway Program	434,882	4,361,824	6,734,923	10,317,218	10,248,750	4,902,000
Stormwater Program	690,184	133,993	1,840,000	1,200,000	6,750,000	1,610,000
Fleet Program	371,528	480,489	8,329,420	7,297,677	390,000	440,000
Land Acquisition & Administration Program	39,142	7,826,584	12,362,275	250,000	200,000	200,000
Housing Program	-	120,851	-	-	-	-
<b>Total Expenditures</b>	<b>7,554,151</b>	<b>20,822,285</b>	<b>55,211,171</b>	<b>74,381,459</b>	<b>73,604,750</b>	<b>44,010,600</b>
<b>Net Change in Fund Balance</b>	<b>1,021,998</b>	<b>(5,393,836)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Beginning Fund Balance</b>	<b>7,774,484</b>	<b>8,796,482</b>	<b>3,402,646</b>	<b>3,402,646</b>	<b>3,402,646</b>	<b>3,402,646</b>
<b>Ending Fund Balance</b>	<b>8,796,482</b>	<b>3,402,646</b>	<b>3,402,646</b>	<b>3,402,646</b>	<b>3,402,646</b>	<b>3,402,646</b>

Note: Years 2 and 3 are budgetary assumptions only. Town Council has final authority for future spending. As the Town monitors collections, Town management and Town Council are well positioned to make any difficult but necessary adjustments in spending. Each year, the Town updates its plan for future years to ensure its continued timeliness and sustainability.

### On-going Impact of the CIP on Operations and Operating Expenditures

The operating impact of these capital projects are considered in the development of the CIP and in the Four-Year General Fund Operating Budget. Because there is a four-year look forward, the Town minimizes surprises on the operations and operating expenditures. The Town has traditionally had a basic operations approach toward its operating budget. This is certainly central to the Capital Improvement Programming process so that the CIP projects, when complete, do not have an undue burden on future operations. The Town has been very successful to keep the operating cost of the CIP program down not only upon implementation, but also in an on-going basis. Since many of this year's CIP projects involve upgrades, enhancements, and renovations to existing facilities, there are minimal additional impacts on the current year operating budget as personnel and operating costs for these facilities have already been included in the General Fund budget.

Once CIP projects involving new or expanded facilities are completed, such as the Taylor Family Park, Patterson Family Park and Mid-Island Tract, the operating impact of these capital projects on future year's operating budgets will be calculated utilizing the following assumptions:

Pathway maintenance per mile	\$ 7,500/year (General Fund)
Park litter and landscape (passive/beach)	\$775,000/year (General Fund)
Park janitorial (restrooms and supplies)	\$350,000/year (General Fund)
Roadway maintenance per mile	\$20,000/mile/year (General Fund) County and State roads maintained by others

### Factors Impacting the Town's CIP Funding Plan

There are three issues that impact the Town's CIP funding plan:

1. In fiscal year 2016 Town Council approved an aggressive CIP spending plan. With two hurricanes and a tropical storm over the next three years, and then the global pandemic, the CIP had to be temporarily curtailed to focus on recovery efforts. The Town began to move forward completing these projects during the last two fiscal years, and the momentum is expected to increase in fiscal years 2025 - 2026.
2. The Town went through a comprehensive planning process and adopted "Our Plan", which is intended to be used as a guidebook for the Town and community leaders. In developing this plan, emphasis was placed on revitalizing and modernizing the Island's economy, which is reflected in the Capital Improvement Program.
3. The Town went through an intensive Strategic and Capital Planning process. These efforts tied priorities identified in the long-term plan with specific initiatives in the CIP. This specific matching of priorities to capital initiatives demonstrates the high priority to following the community's input for the future.

### Long Range Capital Plan

There are sufficient financial resources to advance the prior year projects in addition to the projects programmed for Fiscal Year 2025. The Town has built and funded a one-year capital plan and has also included estimates for Fiscal Years 2026 and 2027, as well as projections for Fiscal Years 2028 through 2034, as many of the planned projects will continue into the upcoming fiscal years and beyond. As the projects move forward, the Town will consider its infrastructure and facilities within the Town's long-term plan.

Specific items to keep in mind for the next two years include:

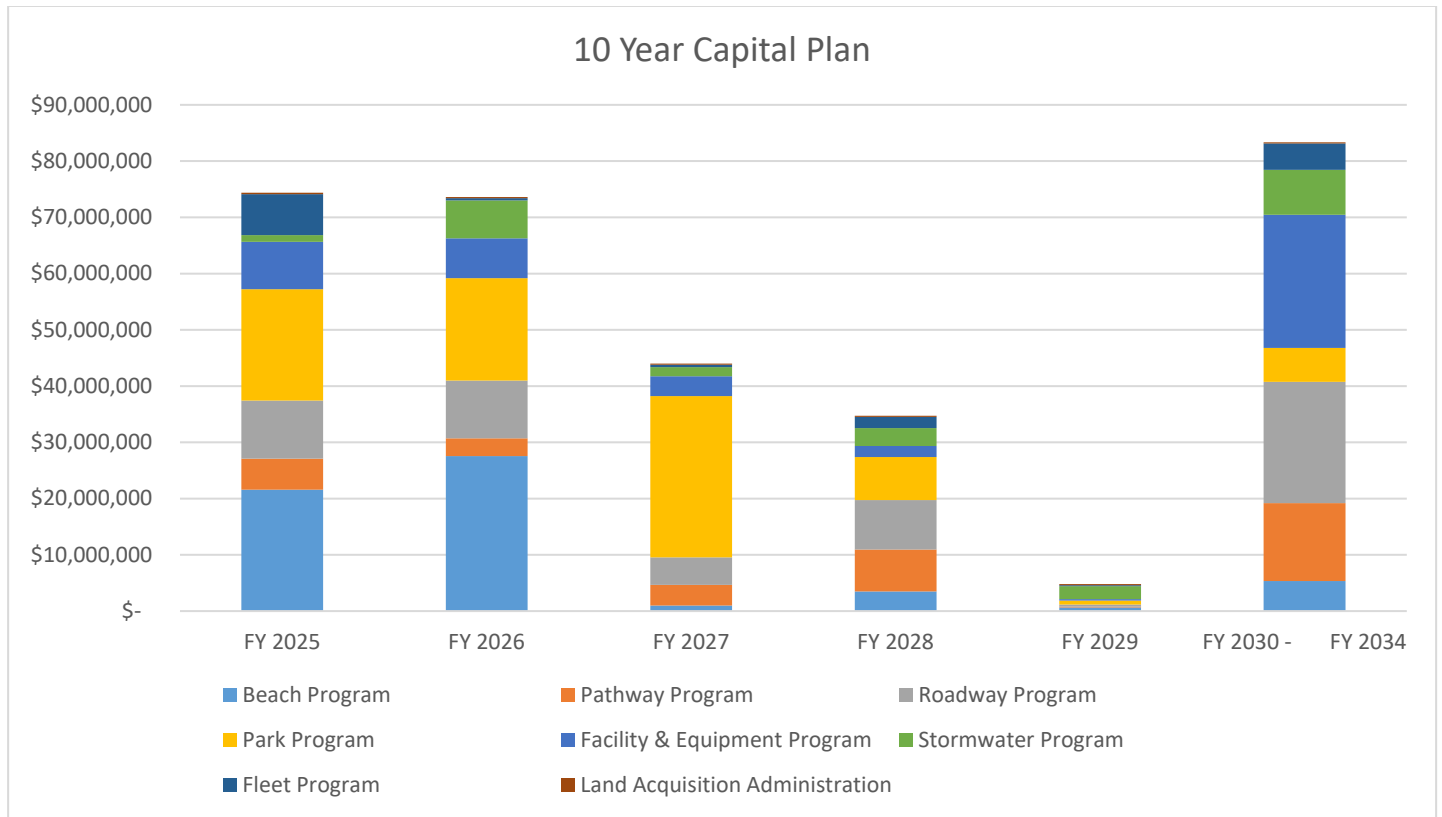
1. Renourishment of the beach is currently estimated to cost approximately \$42 million. The Town is contemplating various ways to fund the project including all cash, all borrowed funds or a combination of the two. The analysis on the previous page assumes all cash.

### Capital Improvements Program Fund – Ten Year Forecast

As required by the State’s Priority Investment Act, a Ten-Year CIP is developed to assist with project prioritization over the next ten years. Although the Town legally adopts a one-year budget at a time, a Ten-Year CIP is needed in order to ensure projects with the highest and best use of the town’s funds are prioritized. The Town provides a detailed immediate first year budget with future-year programming and planning. The projects listed in the Ten-Year CIP represent the best efforts of Town departments to plan capital needs. Under the current Town process, inclusion of projects in the ten-year plan does not imply they have been approved. Further analysis and review of these projects is required, with consideration for budget and existing conditions, prior to their actual implementation. The Ten-Year CIP better serves as a guide for recognizing capital needs, funding sources, and the potential future scope of work.

Program Summary	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030 - FY 2034	5 Year Total
Beach Program	\$ 21,599,000	\$ 27,550,000	\$ 1,000,000	\$ 3,500,000	\$ 650,000	\$ 5,350,000	\$ 59,649,000
Pathway Program	5,500,000	3,175,000	3,650,000	7,450,000	150,000	13,850,000	\$ 33,775,000
Roadway Program	10,317,218	10,248,750	4,902,000	8,800,000	350,000	21,555,000	\$ 56,172,968
Park Program	19,815,273	18,225,000	28,660,000	7,625,000	725,000	6,025,000	\$ 81,075,273
Facility & Equipment Program	8,402,291	7,066,000	3,548,600	1,963,500	250,000	23,680,000	\$ 44,910,391
Stormwater Program	1,200,000	6,750,000	1,610,000	3,200,000	2,300,000	8,000,000	\$ 23,060,000
Fleet Program	7,297,677	390,000	440,000	1,995,000	190,000	4,671,000	\$ 14,983,677
Land Acquisition Administration	250,000	200,000	200,000	200,000	200,000	200,000	\$ 1,250,000
<b>Total</b>	<b>\$ 74,381,459</b>	<b>\$ 73,604,750</b>	<b>\$ 44,010,600</b>	<b>\$ 34,733,500</b>	<b>\$ 4,815,000</b>	<b>\$ 83,331,000</b>	<b>\$ 314,876,309</b>

**Capital Improvements Program Fund – Ten Year Forecast**



Note – The FY25 Capital Program budget is approved. The information provided for FY26-34 is for planning purposes.





Stormwater Fund



## Stormwater Fund (Enterprise Fund)

### Summary

The **Stormwater Utility Program** in which funds derive from stormwater utility fees assessed annually based on a rate per SFU (Single Family Unit) are committed to the management, construction, maintenance, protections, control, regulation, use, and enhancement of stormwater systems and programs within the Town limits of Hilton Head Island in concert with Beaufort County and other water resource management programs. The overarching goal of the Stormwater Utility Program is to improve and sustain the Stormwater Infrastructure, water quality, all watersheds within the Town of Hilton Head Island and Island Resiliency.

The Town expects to collect \$5.0 million in Stormwater Utility Fees per year in Fiscal Years 2025 through 2029. A new Fee Schedule in FY24 was established to support the enforcement of unfunded Federal and State water quality regulations per the terms of our current State-issued National Pollutant Discharge Elimination System (NPDES) Permit. The Town did not previously charge a fee for NPDES Plan Review and Inspections, which at the level of staff effort would cost the Town approximately \$120,000 annually, equal to the anticipated fee collection, for a revenue-neutral outcome. A Stormwater Rate Study is planned for Calendar Year 2026.

The total expense budget for Fiscal Year 2025 is \$7.5 million, including funding for Phase 2 of the Town's Resiliency Initiative to address the climate adaption and sea level rise, corrective and routine maintenance, monitoring programs, a transfer to the General Fund for support efforts, and a transfer to CIP to include Stormwater capital projects in the CIP.

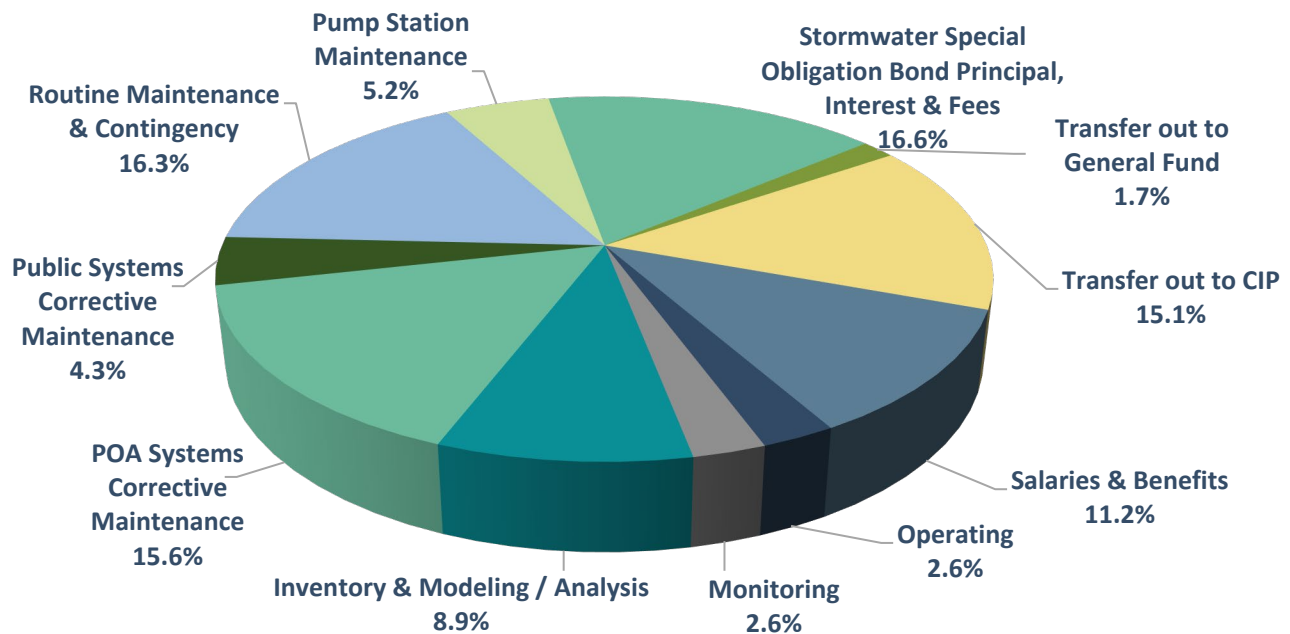


## Stormwater Fund

	FY 2022 Actual	FY 2023 Actual	FY 2024 Original Budget	FY 2025 Adopted Budget	% Change
<b>Revenues</b>					
Stormwater Utility Fees	5,081,075	5,066,598	5,104,075	5,067,000	-0.7%
Plan Review Fees	-	-	371,025	112,420	-69.7%
Prior Period Funds	-	-	290,717	2,196,105	655.4%
<b>Total Revenues</b>	<b>5,081,075</b>	<b>5,066,598</b>	<b>5,765,817</b>	<b>7,375,525</b>	<b>27.9%</b>
<b>Operating Expenses</b>					
POA Systems Corrective Maintenance	2,250	464,917	500,000	1,177,000	135.4%
Public Systems Corrective Maintenance	3,523	174,444	360,000	320,000	-11.1%
Routine Maintenance & Maintenance Contingency	95,805	179,519	990,000	1,225,000	23.7%
Pump Station Maintenance	187,717	168,793	390,000	390,000	0.0%
Modeling & Analysis	239,008	644	350,000	670,000	91.4%
Monitoring		109,225	113,180	194,000	71.4%
Personnel	516,184	556,582	755,239	842,381	11.5%
Operating	188,296	134,289	209,065	198,570	-5.0%
Capital	-	-	-	-	#DIV/0!
Depreciation	1,004,547	998,206	1,068,451	1,100,000	3.0%
<b>Total Operating Expenses</b>	<b>2,237,330</b>	<b>2,786,619</b>	<b>4,735,935</b>	<b>6,116,951</b>	<b>29.2%</b>
<b>Operating Income</b>	<b>2,843,745</b>	<b>2,279,979</b>	<b>1,029,882</b>	<b>1,258,574</b>	<b>22.2%</b>
<b>Non-Operating Income (Expenses)</b>					
Investment Income	10,394	169,769	120,000	150,000	25.0%
Interest	(96,547)	(80,817)	(68,821)	(52,513)	-23.7%
Amortization	(89,061)	(89,061)	(89,061)	(89,061)	0.0%
Other Charges	(7,000)	(7,000)	(7,000)	(7,000)	0.0%
<b>Total Non-Operating Income (Expenses)</b>	<b>(182,214)</b>	<b>(7,109)</b>	<b>(44,882)</b>	<b>1,426</b>	<b>-103.2%</b>
<b>Income (Loss) Before Transfers/Bond Proceeds</b>	<b>2,661,531</b>	<b>2,272,870</b>	<b>985,000</b>	<b>1,260,000</b>	<b>27.9%</b>
Transfers In	-	490,000	-	-	
Transfers Out	(2,159,614)	(125,000)	(985,000)	(1,260,000)	27.9%
<b>Net Change in Fund Net Position</b>	<b>501,917</b>	<b>2,637,870</b>	<b>-</b>	<b>-</b>	
<b>Beginning Fund Balance</b>	<b>10,038,823</b>	<b>10,540,740</b>	<b>13,178,610</b>	<b>12,887,893</b>	
<b>Use of Prior Year Funds</b>	<b>-</b>	<b>-</b>	<b>290,717</b>	<b>2,196,105</b>	
<b>Ending Fund Balance</b>	<b>10,540,740</b>	<b>13,178,610</b>	<b>12,887,893</b>	<b>10,691,788</b>	

See the Debt Service Fund section of this document for a summary of the outstanding long-term debt obligations of this fund.

### Fiscal Year 2025 Stormwater Fund Expenditures



Stormwater is budgeted to operate within its current rate structure. The majority of FY25 Stormwater funds are programmed for strategic plan priorities including SWOT analysis of island resiliency, routine maintenance, corrective maintenance, and capital projects.

There is also an emphasis on service delivery, which is provided by the following programs:

- Monitoring Programs
  - Water Quality – LMO Compliance and MS4 (Multiple Separate Storm Sewer Systems) Permit
  - Tide Monitoring
  - Weather Monitoring
- Modeling and Analysis Programs
  - Inventory & Modeling
  - Resilience SWOT / Sea Level Rise Study
- Routine Maintenance
  - Channel Maintenance
  - Street Sweeping
  - Pond Management
- Pump Station Maintenance
- Corrective Maintenance
  - Public Systems
  - Private Systems (POA Agreements)



## Fiscal Year 2025 Stormwater Fund Overview of Anticipated Projects

### **Corrective Maintenance Program**

The Town's Corrective Maintenance Program serves the Public System (the Town's rights-of-way, easements, and property), as well as POA agreements.



Included in the FY25 POA Agreements are:

- 22 Agreements throughout the Island
- 4 new applicants to be included in the future:
  - Victoria Square
  - The Paddocks on Jarvis Creek
  - Broad Creek Landing
  - Ribaut Island

## *Fiscal Year 2025 Stormwater Fund Overview of Anticipated Projects*

### **Corrective Maintenance Anticipated Project List – Public Systems**

- FY 2025 **Public System Maintenance (\$320,000)** includes projects in the following areas:
  - New Orleans Road
  - Deallyon Avenue
  - Northridge Drainage System
  - North Forest Beach Drive
  - Tanglewood Drive

### **Corrective Maintenance Anticipated Project List – POA Agreement Systems**

- FY 2025 **POA System Maintenance (\$1,177,000)** includes projects in the following areas:
  - Palmetto Dunes
  - Sea Pines
  - Hilton Head Plantation
  - Chinaberry Ridge
  - Palmetto Hall

### **Routine Maintenance Anticipated Project List**

- FY 2025 **Routine Maintenance (\$1,225,000)** includes:
  - Pond Management
    - Annual Field Inspections (55 Town-owned ponds)
    - Maintenance of access for operational controls (vegetative maintenance)
    - As-needed treatment of Ponds to maintain water quality
  - Street Sweeping
    - Weekly sweeping of public roads and parking lots (plus supplemental sweeping as needed)
    - 63 Roads (34.8 Total Roadway Miles)
    - 4 Bridges (3.4 Total Bridge Miles)
    - 19 Town Parking Lots
  - Channel Maintenance
    - Routine Maintenance (52 sites twice per year)
    - Contingency (additional sites and/or additional service)

## Fiscal Year 2025 Stormwater Fund Overview of Anticipated Projects

### **Capital Improvement Projects**

Stormwater Capital Improvement Projects identified for FY 2025 will be managed as a part of the Capital Improvement Program and funds will be transferred from the Stormwater Utility Fund to the Capital Projects Fund. the total Stormwater Capital Project for FY 2025 is \$1,200,000. Stormwater Fees will be transferred to the Capital Projects Fund to provide funding.

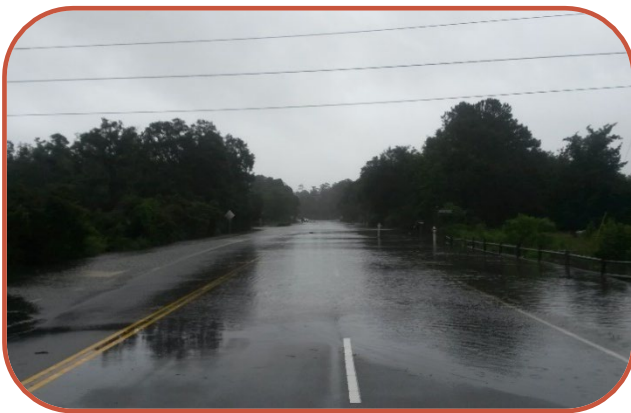
PROJECTS	FUNDING SOURCE	FY25 ADOPTED BUDGET	FY25 Notes	PROJECT SCOPE
<b>STORMWATER PROJECTS</b>				
Wexford Debris System Design	SW FEE	\$ 500,000	<b>\$425K</b> to To sandblast and repaint pump chamber walls and fill in sinkholes around the perimeter of the well.  <b>\$75K</b> for additional engineering design.	Overhaul including 2 new pumps, new controls, debris screens, new genset, new conduit, new SCADA monitoring system, new control building in FY26/FY27;  need to plan for \$5 million in one fiscal cycle, construction must occur between late Sept and late May
Gum Tree Road Improvements	SW FEE	\$ 80,000	<b>\$80K</b> to implement improvements	Permitting & Construction of improvements to address various deficiencies along Gum Tree Road between Katie Miller Drive and Georgianna Drive, including regrading of ditches, installation of new inlets, new pipe and repairs along the outfall system
Jarvis Creek Outfall	SW FEE	\$ 150,000	<b>\$150K</b> to complete permitting and design  Construction in FY26	Installation of flap gates on the outfall end of two 84-inch diameter concrete pipes that discharge stormwater from the Jarvis Creek Pump Station outfall system; necessary to improve operation and effectiveness of the pump station during extreme events by mitigating the impacts of tidal storm surge on the system
25 Moonshell Road	SW FEE	\$ 100,000	<b>\$100K</b> for construction in late FY25	Permitting & Installation of 500 linear feet of 24-inch pipe and two inlet structures to improve efficiency and reduce long-term maintenance costs along the existing Folly Field ditch between Moonshell Road and the Island Club
Main Street Drainage Improvements	SW FEE	\$ 250,000	<b>\$100K</b> to complete cleaning and CCTV of trunk line system; <b>\$150K</b> to undertake any critical improvements needed.	Improvements based on 2019 assessment completed by SWU
Palmetto Hall Outfall Improvements	SW FEE	\$ 100,000	<b>\$100K</b> for consultant design (\$75K) field surveys (\$25K)	Addition of hydraulic capacity at the system outfall and addition of backflow prevention devices
Howell Tract Access Control System	SW FEE	\$ 20,000	<b>\$20K</b> to install a new automatic gate with code or card access	Install a new automatic gate with code or card access at the entrance to the Howell Tract lay-down yard on Arrow Road
Jarvis Pump Station	SW FEE	\$ -		(2) new pumps in FY27
Shipyard Pump Station Overhaul	SW FEE	\$ -		Pump station overhaul in FY27 or FY28
North Forest Beach Pipe Replacements	SW FEE	\$ -		Future Pipe Replacements TBD
Resilience Improvements TBD	SW FEE	\$ -		Future Improvements to be determined
Wexford Pump Station	SW FEE	\$ -		Future overhaul including 2 new pumps, new controls, debris screens, new genset, new conduit, new SCADA, new control building.
<b>Total STORMWATER PROJECTS</b>		<b>\$ 1,200,000</b>		

## Fiscal Year 2025 Stormwater Fund Overview of Anticipated Projects

### **Resiliency Initiative**

Funds are budgeted in FY25 for the Town's Strategic Action Environmental Sustainability Initiative of Identifying Strengths, Weaknesses, Opportunities & Threats (SWOT) of Hilton Head Island Resiliency and Establish an Island Resilience Plan, in order to:

- Identify Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis of Island Resilience
- Identify critical infrastructure facilities
- Develop and apply insights
- Develop detailed modeling of storm scenarios to identify inundation impacts
- Develop a menu of mitigation actions and costs analysis associated with varying levels of protection
- Identify all Town Ordinances and Regulations that could be Modified to Increase Future Protections of Property, Infrastructure, and Buildings
- Participate in statewide sea level monitoring program



Hurricane Irma storm surge at Mathews Drive



King Tide – Singleton Beach



# Gullah Geechee Historic Neighborhoods Community Development Corporation Fund



# Gullah Geechee Historic Neighborhoods Community Development Corporation (GGHNCDC) Fund

## Summary

The Strategic Action Plan for Fiscal Years 2021-2022 included a goal to Establish a Historic and Cultural District Development Corporation and the 2023 – 2025 Strategic Action Plan continued to build off that goal with Strategy #5 - to Commence Operations of the Gullah Geechee Historic Neighborhoods Community Development Corporation under the Focus Area of Revitalize and Modernize the Economy.

The Gullah Geechee Historic Neighborhoods Community Development Corporation was established in September 2022 to support these Strategic Action Plans with a mission of stabilizing, protecting, and promoting historic and culturally sensitive communities on Hilton Head Island. Its focus is to create strategic programs related to, but not necessarily limited to, economic development initiatives, affordable housing, streetscaping, neighborhood planning, targeted capital investment, resident education, and other community support service opportunities.

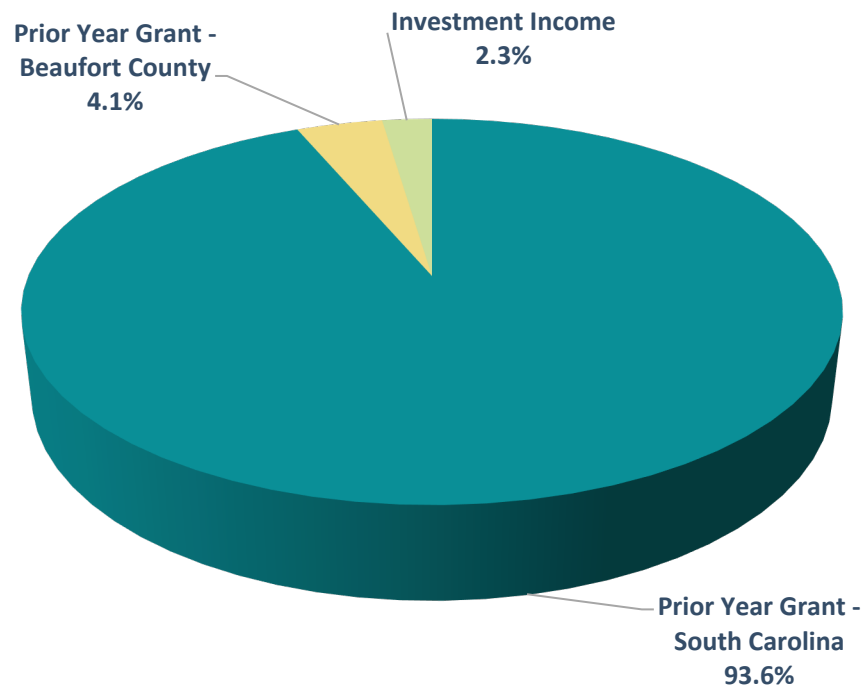
The Corporation serves the Town's historic communities including the Bay Gall, Big Hill, Chaplin, Gardner, Grassland, Jarvis, Jonesville, Marshland, Mitchelville, Spanish Wells, Squire Pope, and Stoney areas of the Island.

A Board of Directors has been appointed by Town Council to oversee and guide the development of the Corporation and its organizational objectives. An Executive Director was hired through coordination between the Town Manager and the appointed Board during fiscal year 2024. Together, the GGHNCDC will strive to accomplish:

- Facilitate community redevelopment within the Gullah Geechee Historic Neighborhoods for the benefit of its Residents.
- Foster and promote redevelopment within the Historic Neighborhoods by focusing on promoting cultural resources, protecting cultural assets, and enhancing quality of life.
- Prevent gentrification through the preservation of housing opportunities and supporting economic opportunities that allow for existing community residents to remain within their Neighborhoods.
- Facilitate business attraction, expansion, and retention as well as providing land planning and development assistance.
- Pursue affordable housing opportunities.
- Facilitate economic prosperity and advancement opportunities for local businesses and residents within the Neighborhoods and provide such other services that are associated with fulfilling the CDC's mission.

### GGHNCD Fund - Sources of Revenue

Fiscal Year 2025 GGHNCD Fund - \$5,341,434

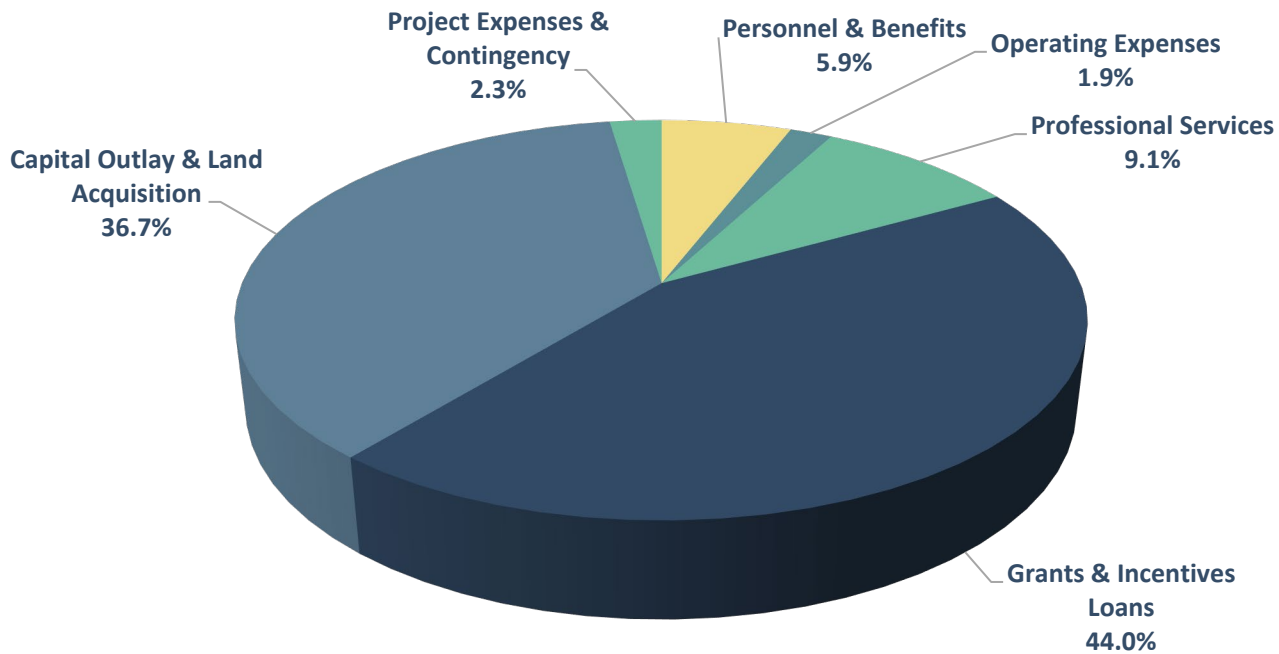


	FY 2023 Revised Budget	FY 2023 Actual	FY 2024 Budget	FY 2025 Adopted Budget	% Change	% of Budget
South Carolina Grant	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -	0.0%	0.0%
Beaufort County Grant	500,000	500,000	-	-	0.0%	0.0%
Prior Year Grant - South Carolina	-	-	5,000,000	5,000,000	0.0%	93.6%
Prior Year Grant - Beaufort County	-	-	343,185	216,434	-36.9%	4.1%
Investment Income	-	72,375	-	125,000	N/A	2.3%
<b>Total Revenues</b>	<b>\$ 5,500,000</b>	<b>\$ 5,572,375</b>	<b>\$ 5,343,185</b>	<b>\$ 5,341,434</b>	<b>-0.03%</b>	<b>100.0%</b>

*The FY 2025 Budget amounts from the South Carolina grant and the Beaufort County grant (ARPA funds) were received in FY 2023, deployed in FY 2024, and the remaining funds will carry forward to FY 2025.*

### GGHNCD Fund – Uses of Funds

Fiscal Year 2025 GGHNCD Fund - \$3,405,501



	FY 2023 Revised Budget	FY 2023 Actual	FY 2024 Budget	FY 2025 Adopted Budget	% Change FY 2024 Budget	% of Budget
Personnel & Benefits	\$ 610,850	\$ -	\$ 610,850	\$ 200,376	-67.2%	5.9%
Operating Expenses	418,885	156,815	262,070	65,125	-75.1%	1.9%
Professional Services	463,775	-	463,775	310,000	-33.2%	9.1%
Grants & Incentives Loans	1,006,490	-	1,006,490	1,500,000	49.0%	44.0%
Capital Outlay & Land Acquisition	2,500,000	-	2,500,000	1,250,000	-50.0%	36.7%
Project Expenses & Contingency	500,000	-	500,000	80,000	-84.0%	2.3%
<b>Total Expenditures</b>	<b>5,500,000</b>	<b>156,815</b>	<b>5,343,185</b>	<b>3,405,501</b>	<b>-36.3%</b>	<b>100.0%</b>
<b>Ending Fund Balance</b>	-	-	-	<b>1,935,933</b>		

- Budget Approved by the Board – March 2024. FY25 Planned expenditures of \$3.4 million include:
  - Personnel for the Executive Director who reports to the Town Manager
  - Operating expenses, including Computers and Software, Marketing, Promotion and Hospitality, Training, etc.
  - Professional Services including Legal Services, Planning Services, Public Outreach, etc.
  - Loans for Small Business Development and Attraction, Retention, and Investment
  - Loans for Neighborhood and Community Development
  - Capital Outlay for Land/Easement Acquisition and Public Infrastructure
  - Miscellaneous Project Expenses and Contingency, including Legal support for property owners directly impacted by the William Hilton Parkway expansion



# Housing Fund



# Housing Fund

## Summary

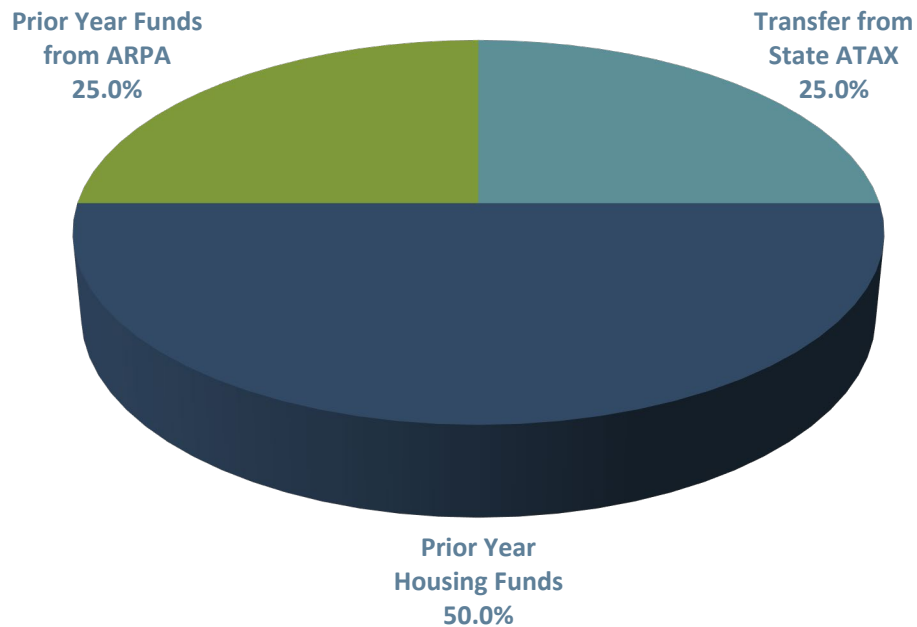
Workforce housing availability and affordability has been a growing challenge on Hilton Head Island for many years, and this issue has only become worse and at an accelerated pace recently. The effects of the lack of affordable housing are felt throughout the community. Facilitating the production of and access to workforce housing options on the Island to help ensure the local economy remains competitive, and that the Island continues to be a world-class place to live and visit is a top priority. In 2019, Town Council adopted the Workforce Housing Strategic Plan in an effort to move forward policy that is favorable to help the housing needs of the Island. Included in the Plan is a set of recommendations designed to address current and future workforce housing needs within Hilton Head Island. In 2022, Town Council adopted the Workforce Housing Framework that authorized the Town to take the necessary steps to develop, implement and carry out strategies and tactics identified. The framework is supported by four foundational pillars – Community, Planning, Management and Revenue. Each of the four pillars have specific goals, strategies, and critical steps to accomplish the mission of the Framework. These goals are reflected in the 2023-2025 Strategic Action Plan Strategy #2 under the Focus Area of “Right-Sized” Infrastructure - Implement the Workforce Housing Framework: Finding Home:

- Community
  - Commit to develop, maintain, and support partnerships and relationships with community organizations, as well as regional and state partners to collaboratively address local workforce housing needs.
  - Engage with a Housing Action Committee to coordinate with community groups in the housing space, while cultivating an ongoing housing dialogue, engagement with the community in housing education, planning, innovation and provide advice and recommendations.
- Planning
  - Commit to create a multi-year workforce housing action plan that will include a range of prioritized housing tactics and tools.
- Management
  - Commit to adding dedicated staff to provide coordination and planning.
  - Commit to explore the creation of a professionally managed housing organization.
  - Commit to and maintain a dashboard of core metrics.
- Revenue
  - Commit to a funding plan that meets the needs of the multi-year workforce housing action plan.

By establishing a distinct Housing Fund, the Town is committed to providing designated funding to implement the adopted Workforce Housing Framework, Finding Home, support the launch of the Northpoint Public Private Partnership (which was previously funded in the Capital Improvement Program), fund land acquisition, and pay the Town’s dues to the Regional Housing Trust Fund.

### Housing Fund - Sources of Revenue

Fiscal Year 2025 Housing Fund - \$3,350,000

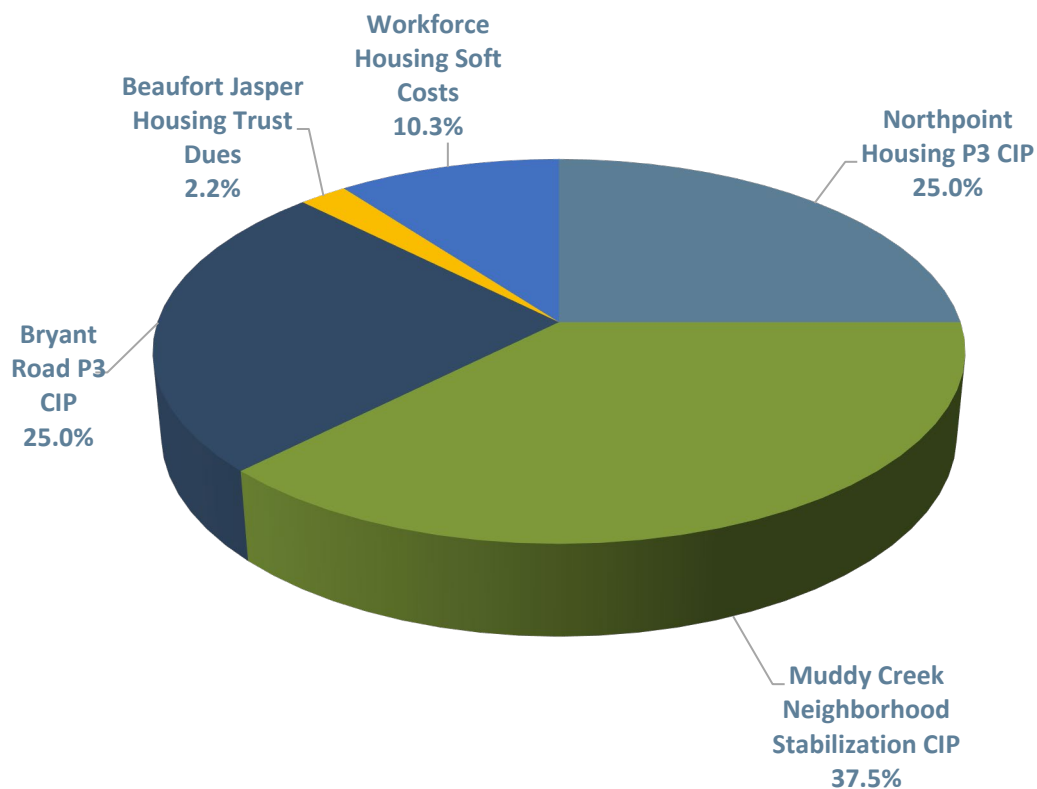


	FY 2024 Original Budget	FY 2025 Adopted Budget	% of Budget
Transfer from General Fund	\$ 2,000,000	\$ -	0.0%
Transfer from Capital Projects - ARPA Funds	1,000,000	-	0.0%
Transfer from Capital Projects	350,000	-	0.0%
Transfer from State ATAX	-	1,000,000	25.0%
Prior Year Housing Funds	-	2,000,000	50.0%
Prior Year Funds from ARPA	-	1,000,000	25.0%
<b>Total Revenues</b>	<b>\$ 3,350,000</b>	<b>\$ 4,000,000</b>	<b>100.0%</b>

In November 2022, Town Council voted to set aside \$1 million of Fiscal 2022 contribution to the General Fund Balance to provide for the Town's future contribution towards Housing solutions. Those funds were moved from the General Fund Balance to the Housing Fund in FY24 for future deployment toward Housing Initiatives. Further, an additional \$1 million was transferred from the General Fund in FY24 to support the Workforce Housing Framework. In FY25 an additional \$1 million of State Accommodations Tax Funds will also be transferred to support the Northpoint Public Private Housing Partnership and new housing initiatives to be identified by Town Council.

### Housing Fund – Uses of Funds

Fiscal Year 2025 Housing Fund - \$4,000,000



	FY 2024 Original Budget	FY 2025 Adopted Budget	% of Budget
Northpoint Housing P3 CIP	\$ 1,000,000	\$ 1,000,000	25.0%
Muddy Creek Neighborhood Stabilization CIP	-	1,500,000	37.5%
Bryant Road P3 CIP	-	1,000,000	25.0%
Beaufort Jasper Housing Trust Dues	86,559	89,206	2.2%
Workforce Housing Soft Costs	-	410,794	10.3%
Housing Initiatives TBD	2,263,441	-	0.0%
<b>Total Expenditures</b>	<b>\$ 3,350,000</b>	<b>\$ 4,000,000</b>	<b>100.0%</b>

Note, the Northpoint Housing Partnership project is currently underway with support for road, water, sewer, and/or utility infrastructure necessary to facilitate the creation of workforce housing through a public-private partnership.



### Housing Fund Budget Highlights

- ✓ \$1 million transfer from State ATAX adds to funds available from previous transfers to the Housing Fund
- ✓ Supports funding for Northpoint Public-Private Partnership Agreement
- ✓ Supports funding for the Muddy Creek Neighborhood Stabilization Plan including infrastructure improvements for roads, water, sewer, stormwater, lighting, landscaping, signage, broadband, etc.
- ✓ Supports funding for the Bryant Road Public-Private Partnership and related infrastructure improvements
- ✓ Workforce Housing Soft Costs:
  - Public-Private Partnership legal, market studies, and due diligence
  - Fair housing studies for Public-Private Partnership projects
  - Housing consulting
  - Housing program collateral (print media, videos, etc.)
  - Development of housing data and metrics dashboard
- ✓ Support partnership in Beaufort Jasper Housing Trust



# Appendix





# Appendix

## Financial Balance Changes Greater than 10%

The following funds may have a budgeted change in fund balance greater than 10%:

1. **General Fund** – There is a planned use of Fund Balance for the Fiscal Year 2025 budget for one time uses. With the planned use, the fund balance will still be within the Town’s Fund Balance Policy, which was increased in Fiscal Year 2023.
2. **Road Usage Fee** – The Town has primarily directed these funds toward road paving with an emphasis on dirt roads, and roadway capital projects. The Town expects to fully utilize Road Usage Fees to the extent practical. The Town temporarily paused collection of the Road Usage Fee as a result of a lawsuit in another jurisdiction.
3. **Tax Increment Financing (TIF)** – Fiscal Year 2025 is the final year in the 10-year extension. Capital Projects include Chaplin, Mid- Island and North-Island Park improvements, and Roadway Improvements.
4. **State ATAX** – State law prescribes how the State ATAX funds are distributed. In Fiscal Year 2025, State ATAX funds are budgeted in the General Fund and the Capital Projects Fund to support tourism-related expenditures. The ATAX Committee meets and considers community grant applications and recommends to Town Council additional distribution of these funds within the SC state law requirements. The fund balance change is not expected to be greater than 10% in FY25.
5. **Real Estate Transfer Fee (RETF)** – These funds will be directed to future land purchases in accordance with the Real Estate Transfer Fee code. The increase in fund balance in previous years is based on a high volume of real estate activity on the Island and spent according to guidelines.
6. **Beach Preservation Fee** – The current year includes beach maintenance, management, renourishment preparation projects, and General Fund support. The Town issued Beach Bonds in Fiscal Year 2018 which were used for beach renourishment. Beach Preservation Fees are being used to make debt service payments on these bonds. The previous buildup of fund balance is in preparation of the Town’s next beach renourishment project scheduled for Fiscal Years 2025 - 2026.
7. **Hospitality Tax (HTAX)** – The Hospitality Tax Fund continues to provide for specific debt service and support the CIP for projects and Fire Rescue initiatives as funding becomes available. There is an increase in Capital projects funded by HTAX in FY25, which include enhancements to safety, pathways, roadways, parks, and Town facilities.
8. **Debt Service Fund** – The Town plans no long-term bond issues in Fiscal Year 2025. The Town is monitoring the bond market for possible savings and will be ready to act.
9. **Capital Projects Fund (CIP)** – The Town has a number of significant projects in the works that are progressing from previous fiscal years. As these projects proceed, the CIP fund balance will decline showing the progress on the projects. The fund balance change is not expected to be greater than 10% in FY25.

### Financial Balance Changes Greater than 10%

10. **Disaster Fund** – In Fiscal Year 2017, due to the significance of Hurricane Matthew, the Town established a Disaster Fund to capture the cost of the hurricane response as well as the reimbursements and funding from various sources. The Town issued an \$18 million GO bond issue to help re-establish the disaster reserves in this fund for future possible disasters. The Town implemented an emergency 5 mills for 5 years to repay the disaster bonds. The Town collected the 5 mills through Fiscal Year 2022, which was the last year of the 5 mills for 5 years. Fiscal Year 2023 was the last year of debt payments. The Town is ready to deploy the remaining funds as need ensues for a declared disaster or emergency. The fund balance at 6/30/2023 was \$34,373,980. This amount, coupled with \$20 million debt capacity exceeds the \$52 million cost of Hurricane Matthew. The fund balance change is not expected to be greater than 10% in FY25.
11. **Electric Franchise Fee** – The Electric Franchise Fee is a non-major fund. These fees paid to move electric lines underground. The underground project is mostly complete. These activities will help the Town prepare for the next storm. As future funds are collected, Town Council will have the opportunity to consider the highest and best use of these funds – primarily in the Capital Improvement Program (CIP). The Town’s intent is to utilize as much as these funds will provide.



**TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**

**ORDINANCE NO. 2024-07**

**AN ORDINANCE TO RAISE REVENUES, PROVIDE FOR EXPENDITURES, AND ADOPT A CONSOLIDATED BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2025; TO ESTABLISH A PROPERTY TAX LEVY; TO ESTABLISH VARIOUS FUNDS; TO AMEND SECTION 2-3-60 OF THE TOWN'S MUNICIPAL CODE; 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 desires to identify its operating and capital budgets for the upcoming fiscal year, to set aside any remaining funds into its reserve accounts, to provide for emergency-related expenditures, and to offset any prior fiscal year tax revenue income stream deficiencies; and

**WHEREAS**, Town Council desires to amend provisions of the Town's Municipal Code to change the process by which the Mayor and members of Town Council are compensated for their attendance at public meetings and to revise the compensation provided to these offices to account for a rise in inflation since the last compensation adjustment was implemented; and

**WHEREAS**, Town Council finds that it is 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 budget funds either as approved by Town Council or from a transfer of funds as provided for within this 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:**

**Section 1. Adoption of the Budget.** The prepared budget of estimated revenues and expenses, a copy of which is attached hereto and incorporated herein as **Exhibit A**, consisting of a consolidated budget in the amount of \$168,872,799 in estimated revenues, \$166,936,866 in estimated expenses, and a contribution to fund balance of the Gullah Geechee Historic Neighborhoods Community Development Corporation Fund in the amount of \$1,935,933, is hereby adopted for the Town of Hilton Head Island for the fiscal year ending June 30, 2025.

### Adopted Budget Ordinance

Through the adoption of this budget, the Town Manager is hereby authorized to employ a total of 281 full-time employees, 17 part-time employees, and 13 seasonal employees, which are hereby deemed funded positions. The Town Manager shall be authorized to amend his or her organizational structure to add, remove, or to reassign individuals to new or alternative roles within the organization so long as the cumulative number of funded positions identified above are not exceeded within the respective categories of full-time, part-time, or seasonal employees.

The General Fund is hereby adopted as follows:

General Fund	2024 Revised Budget	2025 Budget
Town Council	450,842	470,064
Town Manager	1,698,127	1,264,839
Finance	2,667,700	3,046,341
Human Resources	691,111	862,443
Legal & Administration	672,288	558,761
Community Engagement	-	340,777
Office of Cultural Affairs	313,313	387,022
Information Technology	4,232,573	4,447,413
Marketing & Communications	446,715	893,408
Administrative Support	-	-
Transportation	513,437	619,322
Facilities Management	7,742,924	3,229,402
Public Services	-	4,226,228
Public Projects	822,625	1,850,339
Community Development Administration	1,278,795	1,758,404
Building Services	1,360,933	1,423,776
Development Review and Zoning	780,487	637,833
Community Development Services	529,604	599,031
Community Planning	1,286,193	1,176,259
Workforce Housing	-	200,007
Fire Rescue -- Operations	15,443,206	16,829,302
Fire Rescue -- Executive & Administration	5,703,784	6,178,857
Public Safety	1,490,215	899,637
Townwide	5,150,619	5,825,413
Townwide Community Events	-	648,862
Community Grants	3,556,525	2,550,641
Transfer to Housing Fund	2,000,000	-
Transfer to Land Acquisition Fund	1,000,000	-
<b>Total General Fund</b>	<b>59,832,016</b>	<b>60,924,381</b>

The Capital Improvements Program Fund is hereby adopted as shown below. A schedule showing the complete FY25 Capital Improvement Program is attached hereto and incorporated by reference as **Exhibit B**.

Adopted Budget Ordinance

<b>Capital Improvements Program Fund</b>	<b>2024 Revised Budget</b>	<b>2025 Budget</b>
Beach Program	4,842,216	21,599,000
Pathway Program	5,417,085	5,500,000
Roadway Program	6,734,923	10,317,218
Park Program	9,472,169	19,815,273
Facility and Equipment Program	6,213,083	8,402,291
Stormwater Program	1,840,000	1,200,000
Fleet Program	8,329,420	7,297,677
Land Acquisition and Administration Program	12,327,000	250,000
<b>Total Capital Improvements Program Fund</b>	<b>55,175,896</b>	<b>74,381,459</b>

The Debt Service Fund is hereby adopted as follows:

<b>Debt Service Fund</b>	<b>2024 Budget</b>	<b>2025 Budget</b>
Principal	12,995,000	12,625,000
Interest	2,809,733	2,403,968
Other	92,500	71,032
New Debt	1,500,000	1,600,000
<b>Total Debt Service Fund</b>	<b>17,397,233</b>	<b>16,700,000</b>

The Stormwater Fund is hereby adopted as follows:

<b>Stormwater Utility Fund</b>	<b>2024 Budget</b>	<b>2025 Budget</b>
Personnel and Benefits	755,239	842,381
Debt Service	164,882	148,574
Operations	1,390,696	1,298,570
Maintenance, Modeling and Monitoring	2,590,000	3,976,000
Transfer to General Fund	125,000	125,000
Transfer to Capital Improvements Fund	860,000	1,135,000
<b>Total Stormwater Fund</b>	<b>5,885,817</b>	<b>7,525,525</b>

The Housing Fund is hereby adopted as follows:

<b>Housing Fund</b>	<b>2024 Budget</b>	<b>2025 Budget</b>
Northpoint Housing	1,000,000	1,000,000
Muddy Creek Neighborhood Stabilization	-	1,500,000
Bryant Road	-	1,000,000
Beaufort Jasper Housing Trust Dues	86,559	89,206
Workforce Housing Soft Costs	-	410,794
Housing Initiatives TBD	2,263,441	-
<b>Total Housing Fund</b>	<b>3,350,000</b>	<b>4,000,000</b>

The Gullah Geechee Historic Neighborhoods Community Development Corporation Fund is hereby adopted as follows:



### Adopted Budget Ordinance

<b>Gullah Geechee Historic Neighborhoods Community Development Corporation (GGHNCDC) Fund</b>		
	<b>2024 Budget</b>	<b>2025 Budget</b>
Personnel and Benefits	610,850	200,376
Operating	262,070	65,125
Professional Services	463,775	310,000
Grants and Incentives Loans	1,006,490	1,500,000
Capital Outlay and Land Acquisition	2,500,000	1,250,000
Project Expenses and Contingency	500,000	80,000
<b>Total GGHNCDC Fund</b>	<b>5,343,185</b>	<b>3,405,501</b>

**Section 2. Establishment of Property Tax Levy.** A tax to cover the period from July 1, 2024 through June 30, 2025, 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 in the amount of **15.9 mills** and Debt Service in the amount of **5.5 mills** making the total levy for Fiscal Year 2025 of **21.4 mills**.

**Section 3. Establishment of Budgeted Funds.** To facilitate operations, there shall be established and maintained a General Fund, a Capital Projects Fund, a Debt Service Fund, a Stormwater Fund, a Housing Fund, and a Gullah Geechee Historic Neighborhood Community Development Corporation Fund, and such other appropriate funds in such amounts as are provided for in this Budget, or as hereafter modified pursuant to appropriate Town Council action.

**Section 4. Other Funds.** The Natural Disaster fund is limited to activity related to an officially declared emergency. This fund captures the financial activities from declared disasters, reimbursements from state and federal agencies and holds funds set aside for future emergencies.

**Section 5. Transfer of Funds.** All budget transfers and supplements shall be made in conformance with the Town's budget policies as outlined herein:

**A. General Fund.** The General Fund budgetary authority is to be adopted at the departmental level with the exception that the Town Manager, or designee, shall have the authority to transfer funds across departmental accounts to implement staff reorganizations and salary adjustments. Additionally, the Town Manager, or designee, shall have the authority to transfer up to \$100,000 within this Fund as may be necessary to achieve the goals of the budget; larger transfers will require Town Council approval.

**B. Capital Improvements Program Fund.** The Capital Improvements Program Fund is to be adopted at the program level. The Town Manager, or designee, shall have the authority to transfer appropriated funds between projects within each program category identified in the



### Adopted Budget Ordinance

Capital Improvement Program Fund if the project(s) fall under the same functional program category. The appropriated projects under the Capital Improvement Program Fund are on a multi-year project basis and are effective as of July 1, 2024, and shall be re-appropriated each new fiscal year until the project is complete but said appropriations are subject to cancellation or amendment by the Town Council as may be in the best interest of the Town.

C. Debt Service Fund. The Debt Service Fund is to be adopted at the Fund level and does not contain additional provisions for the transfers of budgeted funds within this Fund.

D. Stormwater Fund. The Stormwater Fund is to be adopted at the Fund level. Additionally, the Town Manager, or designee, shall have the authority to transfer up to \$100,000 within this Fund as may be necessary to achieve the goals of the budget; larger transfers will require Town Council approval.

E. Housing Fund. The Housing Fund is to be adopted at the Fund level and does not contain additional provisions for the transfers of budgeted funds within this Fund.

F. Gullah Geechee Historic Neighborhoods Community Development Corporation. The Gullah Geechee Historic Neighborhoods Community Development Corporation Fund is to be adopted at the Fund level. Additionally, the Town Manager, or designee, shall have the authority to transfer up to \$100,000 within this Fund as may be necessary to achieve the goals of the budget; larger transfers will require Town Council approval.

For all Funds, all outstanding encumbrances as of June 30, 2024, will carry forward into Fiscal Year 2025 to the same department, account, or project for which they are encumbered in Fiscal Year 2024 subject to approval by the Town Council via an appropriate budget amendment.

**Section 6. Affiliated Agency Funding.** This budget provides funding for entities identified as Affiliated Agents of the Town. Affiliated Agents are those entities who serve as an integral partner who is contracted by the Town to deliver public services on the Town's behalf instead of the Town providing those services directly. By virtue of adopting this budget, the Town hereby states that the services to be provided under the Affiliated Agency program will benefit the public by virtue of the nature of the services to be provided, that the public will be the primary beneficiary of such service, that the services are not of a speculative nature and are well defined in terms of the benefits to be provided to the public, and that on balance, the services to be provided will ultimately serve a public interest as compared to any ancillary benefit to a private party or entity.

For Fiscal Year 2025, the Town's Finance and Administrative Committee voted on March 12, 2024, to recommend funding for Affiliated Agencies in the cumulative amount of \$2,550,641 and is included in the General Fund in Section 1 above under Community Grants.

**Section 7. Compensation of Town Council Members.** Section 2-3-60 of the Municipal Code for the Town of Hilton Head Island is hereby amended as shown in **Exhibit C** which is incorporated as if fully restated herein and is hereby adopted as part of this Ordinance.

**Section 8. 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.

Capital Improvement Projects based on the ownership and life expectancy of the assets or improvements or based on the funding source authorized may be budgeted in the General, Capital Projects or Stormwater Funds. If expenditures are expressly authorized for an approved Capital Improvement Project in any of the budgeted funds, 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 budgets. Provided, however, if the costs of acquisition of such real property interests materially exceeds the amount budgeted in the approved Capital Improvement Project and the Town Manager is unable to move sufficient 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 9. General Fund Operating Reserve Policy Updated.** The Town Council reaffirms its General Fund Operating Reserve policy to be a lower limit of 40% of the next year's budget and an upper limit of 55% of next year's budget. This action recognizes Town Council's commitment to prudent operations, strong reserves, strong bond ratings and strong emergency preparedness. The Town is within these ranges today. This is another example of the Town Council's prudence – that whatever the economic conditions may be, the Town Council is preparing for future storms or economic uncertainty.

**Section 10. Holiday Schedule.** As part of the adoption of the Budget, the Town Council approves the Town of Hilton Head Island Administrative Staff 2025 Holiday Schedule in accordance with the schedule shown in **Exhibit D**.

**Section 11. Approval of State Accommodations Taxes.** The Town Budget is relying on State Accommodation Tax revenues for the operation of the Town in accordance with the Tourism Expenditure Review Committee guidelines in the amount of \$3,515,021. This amount is inclusive of the amounts as provided by State Law formulas (\$25,000 and 5% of State ATAX collections) and is hereby approved with this budget. Town Council also authorizes tourism related capital projects from State Accommodations Taxes in accordance with the Tourism Expenditure Review Committee guidelines for parks, facilities, and equipment in the amount of \$3,000,000 in the Town's Capital Improvements Program for 2024-2025 plus any carryforward of capital projects from the 2023-2024 Capital Improvements Program budget. The Town Council also authorizes workforce housing related projects from State Accommodations Taxes in accordance with South Carolina law and the Tourism Expenditure Review Committee guidelines in the amount of \$1,000,000 in the Town's Housing Fund for 2024-2025.

**Section 12. Amendment of the current Fiscal 2023-2024 budget within the same totals.** As part of the annual budgeting process, any organizational changes that occur following the date of the initial budget adoption until the adoption of the next year's



### Adopted Budget Ordinance

budget will ultimately require adjustments within the categories to reflect their final figures, but at the same time remaining within the totals of the previous budget. These changes therefore provide for reclassification of existing personnel and operating budgets while maintaining the same total for Fiscal Year 2023-2024. The changes are identified as follows:

<b>General Fund</b>	<b>2024 Revised Budget</b>	<b>Amended 2024 Revised Budget</b>
Town Council	450,842	594,852
Town Manager	1,698,127	1,753,127
Finance	2,667,700	2,738,380
Human Resources	691,111	955,386
Legal & Administration	672,288	763,218
Office of Cultural Affairs	313,313	334,546
Information Technology	4,232,573	4,314,573
Marketing & Communications	446,715	215,982
Engineering / Transportation	513,437	416,816
Facilities Management	7,742,924	7,190,321
Capital Project / Public Projects	822,625	889,625
Community Development Administration	1,278,795	1,902,114
Building Services	1,360,933	1,313,933
Development Review and Zoning	780,487	614,443
Community Development Services	529,604	666,007
Community Planning	1,286,193	950,528
Fire Rescue -- Operations	15,443,206	15,786,206
Fire Rescue -- Executive & Administration	5,703,784	5,002,044
Public Safety	1,490,215	1,414,215
Townwide	5,150,619	5,459,175
Community Grants	3,556,525	3,556,525
Transfer to Housing Fund	2,000,000	2,000,000
Transfer to Land Acquisition Fund	1,000,000	1,000,000
<b>Total General Fund</b>	<b>59,832,016</b>	<b>59,832,016</b>

**Section 13. Amendment of the Fiscal Year 2023-2024 budget for land acquisition.** Following its initial approval of the Fiscal Year 2023-2024 Budget amendment, the Town Council authorized the purchase of land located on Wildhorse Road. Therefore, to appropriately account for this expenditure of \$35,275 in Real Estate Transfer Fees, the Town's Fiscal Year 2023-2024 Capital Improvements Program Budget is hereby further amended to align with this action as shown in the chart below.

### Adopted Budget Ordinance

Capital Improvements Program Fund	2024 Revised Budget	Amended 2024 Revised Budget	
Beach Program	4,842,216	4,842,216	
Pathway Program	5,417,085	5,417,085	
Roadway Program	6,734,923	6,734,923	
Park Program	9,472,169	9,472,169	
Facilities & Equipment Program	6,213,083	6,213,083	
Stormwater Program	1,840,000	1,840,000	
Fleet Program	8,329,420	8,329,420	
Land Acquisition Administration Program	400,000	400,000	
Land Acquisition Program			\$35,275 Wildhorse Road Acquisition
	11,927,000	11,962,275	
<b>Total Capital Improvements Program Fund</b>	<b>55,175,896</b>	<b>55,211,171</b>	

**Section 14. Financial Policies GFOA updates.** The Government Finance Officers Association publishes best practices financial policies. The Town reviews the applicability of those policies and incorporates many of those into the Town's policies. These are published annually in the budget document. Subjects addressed are:

1. Measurement Focus and Basis of Accounting
2. Fund Balance and Reserves
3. Grants
4. Debt Management
5. Investment
6. Accounting and Financial Reporting
7. Risk Management and Internal Controls
8. Procurement
9. Long-Term financial planning
10. Structurally balanced budget
11. Capital Assets
12. Capital Improvement Plan
13. Revenues
14. Expenditures
15. Operating Budget
16. Municipal Check Signing

It is our intent that the substance of these policies will be included in the annual budget document and the annual comprehensive financial report and that both will be available for public inspection following their adoption and/or completion.

**Section 15. Fees.** To be competitive, the Town fee schedule is updated as part of Attachment D which is incorporated as if fully restated herein and is hereby adopted as part of this Ordinance.

**Section 16. Severability.** If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent



Adopted Budget Ordinance

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 17. 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 4th DAY OF JUNE, 2024.**

  
Alan R. Perry, Mayor

ATTEST:

  
Kimberly Gammon, Town Clerk

First Reading: May 7, 2024

First Pubic Hearing: May 7, 2024

Second Reading: June 4, 2024

Second Public Hearing: June 4, 2024

Approved as to Form:



Curtis Coltrane  
Town Attorney

**EXHIBIT A**

A LINK TO THE FISCAL YEAR 2025 CONSOLIDATED BUDGET EXECUTIVE  
SUMMARY CAN BE OBTAINED AT:  
(<https://hiltonheadislandsc.gov/budget/FY2025/FY2025BudgetExecutiveSummary.pdf>)

## Adopted Budget Ordinance

### EXHIBIT B

#### TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY25

PROJECTS	PM	FY24 APPROVED BUDGET	AMENDED FY24 BUDGET	FY24 ROLL FORWARD ESTIMATE	FY25 NEW MONEY ESTIMATE	FY25 PROJECT SCOPE	FY25 TOTAL	PLANNING COMMISSION PRIORITY
<b>BEACH PROGRAM</b>								
Beach Management & Monitoring	BMC	\$ 450,000	\$ 450,000	\$ 75,489	\$ 224,511	Ongoing activities to manage the beach including islandwide beach survey and monitoring, endangered species monitoring, Beach Program Economic Sustainability Analysis, etc.	\$ 300,000	★
Beach Renourishment	BMC	\$ 700,000	\$ 850,000	\$ 228,541	\$ 16,271,459	Activities related to Beach Renourishment Project, including: permitting, bidding, and construction. Construction of next cycle of renourishment anticipated to begin in April, 2025. Pine Island, Fish Haul Creek, and Heel must be complete by August, 2025 to achieve Fish & Wildlife Permit requirements. Renourishment of remaining island beaches in FY26. FEMA funds must be reimbursed by December, 2025.	\$ 16,500,000	★
Beach Park Maintenance & Improvements	MD	\$ 250,000	\$ 285,382	\$ 54,797	\$ 195,203	Maintenance and general improvements to 7 beach parks such as paving, landscaping, lighting, and site furnishings, etc. FY25 - Upgrades to Recycling, Trash, Wayfinding, Rules, Signage, Lighting	\$ 250,000	★
Islanders Beach Park Improvements	CM	\$ 1,650,000	\$ 1,650,000	\$ 904,964	\$ 2,845,036	FY24 - Design of Islanders Park Renovation and construction of pedestrian pathway from Folly Field Road to restroom and playground in FY24. FY25 - Construction of Islanders Park Renovation pending coordination with Beach Renourishment staging area	\$ 3,750,000	★
Beach Wheelchair Storage	IM			\$ -	\$ 99,000	Permanent storage structure for increased beach wheelchairs stemming from Chamber Leadership Class project; 5 locations (\$19,800 each)	\$ 99,000	★
<b>Total Beach Park Improvements</b>								
Harbour Town Dredge	BMC	\$ 600,000	\$ 600,000	\$ 600,000	\$ -	Agreement with South Island Dredging Association to assist with funding for dredging of Harbour Town Yacht Basin and Braddock Cove Creek; Funding reserved in FY19 - 20 and 21 budgets	\$ 600,000	N/A
Beach Project Management and Contingency	MD	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	Miscellaneous unexpected project expenses	\$ 100,000	
<b>TOTAL BEACH PROGRAM</b>		<b>\$ 4,556,000</b>	<b>\$ 4,842,216</b>	<b>\$ 1,863,791</b>	<b>\$ 19,735,209</b>		<b>\$ 21,599,000</b>	
<b>PATHWAY PROGRAM</b>								
Pathway Maintenance & Improvements	KV	\$ 345,000	\$ 592,330	\$ -	\$ 350,000	Maintenance and improvements to existing pathways including repair, rejuvenation, and striping plus safety enhancements aimed at improving consistency and uniformity of all pathways, including ADA compliance. May include Preliminary Planning, Design (Conceptual & Final), Permitting, and/or Construction depending on specific project. Includes assessment/repair of all pathway boardwalks and pathway fence reinforcement	\$ 350,000	★
<b>NEW PATHWAY SEGMENTS</b>								
William Hilton Parkway EB (Mathews Drive/Folly Field Road to Shelter Cove Lane)	KV	\$ 1,280,000	\$ 1,280,000	\$ 100,000	\$ -	Design, Permitting, and Easement Acquisition of pathway from Shelter Cove Lane (at BCSO) to Singleton Beach Rd. Construction in FY26. Future phase (Singleton Beach Rd to Mathews Dr/Folly Field Rd) to be presented with FY27 budget	\$ 100,000	★
Jonesville Road	KV	\$ 500,000	\$ 500,000	\$ 334,591	\$ 4,165,409	Finalize Design, Permitting, & Easement Acquisition of +/- 1.2 miles of pathway along Jonesville Road. Begin construction of pathway in FY25.	\$ 4,500,000	★
William Hilton Parkway EB (Wexford to Arrow Road)	KV	\$ 1,925,000	\$ 1,925,000	\$ 100,000	\$ -	Final Design, Permitting, and begin Easement Acquisition of pathway from Village of Wexford to Arrow Road. Construction anticipated in FY26.	\$ 100,000	★
Dunnagans Alley (Wexford Drive to Arrow Road)	KV	\$ 200,000	\$ 200,000	\$ 100,000	\$ -	Final Design, Permitting, and begin Easement Acquisition for streetscape improvements from Wexford Drive to Arrow Road. Construction anticipated in FY27.	\$ 100,000	★
South Forest Beach (from HAWK Signal to Marriott Hotel)	TBD	\$ -	\$ -	\$ -	\$ -	Future Preliminary Planning, Design (Conceptual & Final), Permitting, Easement Acquisition, and Construction of pathway on South Forest Beach Drive.	\$ -	★
Cordillo Parkway at Pope Avenue	AC	\$ 50,000	\$ 50,000	\$ 32,740	\$ 217,260	Construction of pathway connection from Pope Avenue to Shipyard along Cordillo Parkway.	\$ 250,000	★
<b>Total NEW PATHWAY SEGMENTS</b>		<b>\$ 4,365,000</b>	<b>\$ 4,724,755</b>	<b>\$ 667,331</b>	<b>\$ 4,382,669</b>		<b>\$ 5,050,000</b>	
Pathway Project Management and Contingency	CM	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	Miscellaneous unexpected project expenses	\$ 100,000	
<b>TOTAL PATHWAY PROGRAM</b>		<b>\$ 4,810,000</b>	<b>\$ 5,417,085</b>	<b>\$ 667,331</b>	<b>\$ 4,832,669</b>		<b>\$ 5,500,000</b>	

## Adopted Budget Ordinance

### TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY25

PROJECTS	PM	FY24 APPROVED BUDGET	AMENDED FY24 BUDGET	FY24 ROLL FORWARD ESTIMATE	FY25 NEW MONEY ESTIMATE	FY25 PROJECT SCOPE	FY25 TOTAL	PLANNING COMMISSION PRIORITY
<b>ROADWAY PROGRAM</b>								
<b>DIRT ROAD ACQUISITION &amp; PAVING PROGRAM</b>						Program to accept dedications of private, unpaved roads to become public rights of way and then pave the roads and install storm drainage infrastructure.		
Mitchellville Lane	KV	\$ 647,965	\$ 647,965	\$ 585,093	\$ 414,907	Final Permitting & Construction of +/- 1300 LF paved road, pending 100% ROW Acquisition.	\$ 1,000,000	★
Pine Field Road	KV	\$ -	\$ 70,022	\$ -	\$ -	Construction in FY26 pending 100% ROW Acquisition.	\$ -	★
Horse Sugar Lane & Alice Perry Drive	KV	\$ 389,000	\$ 389,000	\$ 308,095	\$ 691,905	Design (Final), Permitting, & Construction of +/- 925 LF of paved road, pending 100% ROW Acquisition.	\$ 1,000,000	★
Freddie's Way	KV	\$ 343,000	\$ 343,000	\$ 306,276	\$ 268,724	Design (Final), Permitting, & Construction of +/- 900 LF paved road, pending 100% ROW Acquisition.	\$ 575,000	★
Alfred Lane	KV	\$ 48,500	\$ 48,500	\$ 48,500	\$ -	Preliminary Planning, Design (Conceptual & Final), & Permitting +/- 900 LF of paved road. Construction anticipated for FY26 pending 100% ROW Acquisition.	\$ 48,500	★
Benjamin Drive	KV	\$ -		\$ -	\$ 100,000	Survey, Planning, Design, Permitting, and ROW acquisition in FY25. Construction anticipated in FY26 pending 100% ROW Acquisition.	\$ 100,000	★
<b>Total DIRT ROAD ACQUISITION &amp; PAVING PROGRAM</b>		<b>\$ 1,428,465</b>	<b>\$ 1,498,487</b>	<b>\$ 1,247,964</b>	<b>\$ 1,475,536</b>		<b>\$ 2,723,500</b>	
<b>WILLIAM HILTON PARKWAY ENHANCEMENTS</b>						Improvements to William Hilton Parkway from Sea Pines Circle to Spanish Wells Road (SCDOT Gateway project) targeting safety, beautification and consistency to include landscaping, signage, pavement markings, curbside etc.		★
William Hilton Parkway Gateway Corridor & Stonev Corridor	JL/KV	\$ 50,000	\$ 334,379	\$ -	\$ 100,000	Additional planning for improvements to William Hilton Parkway on recommendations not included in SCDOT project	\$ 100,000	★
Islandwide Intersection Improvements Striping, Wayfinding, Safety Signage Pedestrian and Vehicular Enhancements	JL	\$ 150,000	\$ 150,000	\$ 100,000	\$ 900,000	Installation of consistent and uniform signs, pavement markings, lighting, landscaping, and related traffic signs, etc. for 26 intersections based on Corridor Plan, Striping, signage, midblock crossing, lighting, etc. Island wide branding and style design guide based on recommendations from Corridor Study Project will identify new design standards, materials, implementation, etc.	\$ 1,000,000	★
Wilborn Rd, Pembroke Dr, Drive Turn Lane Extensions / Curb and Gutter	JL	\$ -	\$ -	\$ -	\$ 100,000	Design and permitting of extended turn lanes to alleviate vehicle stacking and prevent rutting and driving into the medians at William Hilton Parkway intersections with Wilborn Rd, Pembroke Dr. Construction anticipated in FY26.	\$ 100,000	★
<b>Total WILLIAM HILTON PARKWAY ENHANCEMENTS</b>		<b>\$ 1,700,000</b>	<b>\$ 1,984,379</b>	<b>\$ 100,000</b>	<b>\$ 1,100,000</b>		<b>\$ 1,200,000</b>	
<b>POPE AVE., PALMETTO BAY ROAD, ARROW ROAD, &amp; NEW ORLEANS ROAD STREETSCAPE ENHANCEMENTS</b>								
Pope Avenue Streetscape Enhancements	KT	\$ 500,000	\$ 500,000	\$ 333,718	\$ -	Implementation of recommendations from the Corridor Planning project	\$ 333,718	★
<b>Total POPE AVE., PALMETTO BAY ROAD, ARROW ROAD, &amp; NEW ORLEANS ROAD STREETSCAPE ENHANCEMENTS</b>		<b>\$ 775,000</b>	<b>\$ 775,000</b>	<b>\$ 333,718</b>	<b>\$ -</b>		<b>\$ 333,718</b>	
Main Street Enhancements	JL/KV	\$ 250,000	\$ 312,666	\$ -	\$ 2,000,000	Design (Final) & Permitting of improvements to Main Street from Whooping Crane to Wilborn Road including side streets (Museum Street, Central Avenue, and Merchant Street and North Main Street from Whooping Crane to Hospital Center Boulevard including roadway, pathways, streetscape, and drainage improvements. Construction planned for multiple fiscal years. Construction of a new roundabout at Wilborn Road and a new roundabout at Hospital Center Boulevard anticipated for future fiscal years.	\$ 2,000,000	★
Roadway Maintenance & Improvements	TM	\$ 686,000	\$ 799,391	\$ -	\$ 580,000	Maintenance of and improvements to existing roadways including general maintenance such as repair of potholes, curbing, and shoulders; pavement markings; permanent traffic signs; etc. Includes Traffic Studies	\$ 580,000	★
Adaptive Signal System Maintenance	JL/TM	\$ 230,000	\$ 230,000	\$ -	\$ 880,000	Ongoing and recurring maintenance of traffic signal system and maintenance of traffic mast arms and signage (\$230,000); Reimbursement by SCDOT through IGA. Painting of mast arms at all 26 locations at \$25,000 per intersection (\$650,000)	\$ 880,000	★
Segment 1 - Spanish Wells to Gumtree Road	JL	\$ -			\$ -		\$ -	★
Segment 2 - Main Street; Gumtree Road to Beach City Road	JL	\$ -			\$ -		\$ -	★



## Adopted Budget Ordinance

### TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY25

PROJECTS	PM	FY24 APPROVED BUDGET	AMENDED FY24 BUDGET	FY24 ROLL FORWARD ESTIMATE	FY25 NEW MONEY ESTIMATE	FY25 PROJECT SCOPE	FY25 TOTAL	PLANNING COMMISSION PRIORITY
Segment 3 - Beach City Road to Dillon Road	JL	\$ 750,000	\$ 750,000	\$ -	\$ 500,000	Design (Final), Permitting & Construction of improvements including lighting, crosswalk markings, and signage to enhance pedestrian safety. County Impact Fees reimbursement in FY25 (December 31, 2024 deadline)	\$ 500,000	★
Segment 5 - Mathews to Shelter Cove Lane	JL	\$ -			\$ 200,000	Design of potential improvements identified by the Town and SCDOT.	\$ 200,000	★
Segment 8 - Sea Pines Circle, Pope Avenue, Colanv Circle, and portions of NFB/SFB	JL	\$ -			\$ 800,000	Design, permitting and construction of potential improvements identified by the Town and SCDOT.	\$ 800,000	★
Landscape, Lighting, and Safety Enhancements	MS	\$ -			\$ 1,000,000	Beach City Road roundabout, Pope Avenue, WHP, Mathews Drive, Dunnagans roundabout, Squire Pope Roundabout, Palmetto Bay Road, First Island Parkways	\$ 1,000,000	★
Roadway Project Management and Contingency	JL	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	Miscellaneous unexpected project expenses	\$ 100,000	
<b>TOTAL ROADWAY PROGRAM</b>		<b>\$ 6,204,465</b>	<b>\$ 6,734,923</b>	<b>\$ 1,681,682</b>	<b>\$ 8,635,534</b>		<b>\$ 10,317,218</b>	
<b>PARK PROGRAM</b>								
<b>Parks &amp; Recreation</b>								
Mid-Island Tract Park	BDM	\$ 900,000	\$ 900,000	\$ -	\$ 2,500,000	Design (Final) and Permitting of phase 1 of new community park underway. Construction of Phase 1 starting in FY25.	\$ 2,500,000	★
Chaplin Community Park Renovation	TBD	\$ 2,000,000	\$ 2,000,000	\$ 1,907,797	\$ -	Renovation of existing Community Park. Design (Final) and permitting in FY25. Phase construction of park improvements over several fiscal years	\$ 1,907,797	★
Crossings Park Renovation including Bristol Sports Arena	TBD	\$ 550,000	\$ 550,000	\$ 447,927	\$ 4,552,073	Renovation of existing Community Park. Design, permitting, and construction of 12 pickleball court complex on Arrow Road (\$3.3M); Design and permitting of park improvements; Construction of Skate Park (\$450k-900k) & Pump Track (\$350k-600k) and park amenities; Resurface Roller Hockey/Basketball venue including paint inside rink panels and kickboards, install 64 new exterior rink panels, install 4 72" glass Basketball backboard system, Sand and paint existing Posts (\$108k); Design and permitting for all-weather court structure;	\$ 5,000,000	★
Shelter Cove Community Park Expansion	KT	\$ -	\$ -	\$ -	\$ 500,000	Phase 2 expansion of existing Community Park; Design (Final) and permitting in FY25 with construction in FY26.	\$ 500,000	★
Chaplin Linear Park with Treehouse	ZM	\$ 350,000	\$ 350,000	\$ 250,000	\$ 100,000	Design (Conceptual & Final) and Permitting of Phase 1 of Linear Park including trail head up-fit, pedestrian bridge at Broad Creek inlet, tree house, and marsh-side trail connection to Singleton Beach Road	\$ 350,000	★
Patterson Family Park	LB	\$ 2,200,000	\$ 2,200,000	\$ 1,627,818	\$ 1,112,765	Construction for new Neighborhood Park in FY25	\$ 2,740,583	★
Taylor Family Park	LB	\$ 1,000,000	\$ 1,000,000	\$ 385,912	\$ 2,525,504	Construction for new Neighborhood Park in FY25	\$ 2,911,416	★
Barker Field including Barker Field Extension	KT	\$ 500,000	\$ 500,000	\$ 87,424	\$ 1,412,576	Improvements to Barker Field Extension including fencing, new lights, bleachers, player benches, swings; Design (Final), Permitting and Construction in FY25. Design (Conceptual) for newly acquired Barker Field Master Plan. Construction in future fiscal years.	\$ 1,500,000	★
Ford Shell Ring	BDM	\$ 100,000	\$ 100,000	\$ 50,102	\$ -	CDBG project; Design and permitting for improvements to supplement Beaufort's County's construction project	\$ 50,102	★
Coligny Circle Quadrant Pocket Park (Pope Ave enhancements)	KT	\$ -			\$ 500,000	Improvements to include plaza amenity space, signage, landscaping, multi-use path. Design and permitting in FY24. Construction in FY25.	\$ 500,000	★
<b>Total Parks &amp; Recreation</b>		<b>\$ 7,600,000</b>	<b>\$ 7,600,000</b>	<b>\$ 4,754,980</b>	<b>\$ 13,202,918</b>		<b>\$ 17,959,898</b>	
<b>Island Recreation Association - Capital Projects</b>								
Rec Center Building Enhancements	KT	\$ 354,500	\$ 354,500	\$ -	\$ 365,000	Recreation center enhancements	\$ 365,000	★
Rec Center Pool Enhancements	KT	\$ 110,000	\$ 110,000	\$ -	\$ 95,000	Pool enhancements including dome equipment and pool equipment updates, windscreens, locker replacement, pool covers, etc.	\$ 95,000	★

## Adopted Budget Ordinance

### TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY25

PROJECTS	PM	FY24 APPROVED BUDGET	AMENDED FY24 BUDGET	FY24 ROLL FORWARD ESTIMATE	FY25 NEW MONEY ESTIMATE	FY25 PROJECT SCOPE	FY25 TOTAL	PLANNING COMMISSION PRIORITY
Parks/Event Enhancements	KT	\$ 45,000	\$ 45,000	\$ -	\$ 45,000	Athletic fields and event parks improvements	\$ 45,000	★
Outdoor Recreation	KT	\$ -	\$ -	\$ -	\$ 15,000	Basketball court improvements; backboards, sun shade, light replacement, court replacement	\$ 15,000	★
<b>Total Island Recreation Association - Capital Projects</b>		<b>\$ 509,500</b>	<b>\$ 509,500</b>	<b>\$ -</b>	<b>\$ 520,000</b>		<b>\$ 520,000</b>	
Public Art Program	NH/CM	\$ 35,000	\$ 35,000	\$ 5,742	\$ 29,633	Sculptures for installation of Shelter Cove Sculpture Trail (3) – Dana Montlack Site prep at Sculpture Trail (preparing for installation, replace shell at pathway) Replacement signs for Public Art collection 20@ \$135 each Deposit for 2025 Sculpture Trail installation of Seward Johnson pieces Includes various identified facility and service improvements at existing parks including restroom partition replacement, restroom floor re-tiling, restroom building roof replacement, etc. ADA accessibility improvements, site and landscape enhancements	\$ 35,375	★
<b>GENERAL PARK ENHANCEMENTS</b>	TBD	<b>\$ 310,000</b>	<b>\$ 652,669</b>	<b>\$ -</b>	<b>\$ 500,000</b>	Replacement of property line fencing, curb, playground equipment, and observation decks Landscape & site improvements: ADA parking and sidewalks, restroom, shade, signage, seating, basketball court resurface, landscaping, etc.	<b>\$ 500,000</b>	<b>★</b>
Jarvis Creek Park Enhancements	KT/WK	\$ -			\$ 100,000		\$ 100,000	★
Greens Shell Park Enhancements	KT	\$ 250,000	\$ 250,000	\$ 50,000	\$ 200,000		\$ 250,000	★
Old Schoolhouse Park Enhancements	CM	\$ 250,000	\$ 250,000	\$ -	\$ 350,000		\$ 350,000	★
Rowing & Sailing Center Park Enhancements	CM	\$ -			\$ -	Upgrades TBD in FY26	\$ -	★
Park Project Management and Contingency		\$ 100,000	\$ 100,000	\$ -	\$ 100,000	Miscellaneous unexpected project expenses	\$ 100,000	
<b>TOTAL PARK PROGRAM</b>		<b>\$ 9,129,500</b>	<b>\$ 9,472,169</b>	<b>\$ 4,812,722</b>	<b>\$ 15,002,551</b>		<b>\$ 19,815,273</b>	

FACILITIES AND EQUIPMENT PROGRAM								
<b>Town Hall Facility Enhancements</b>	AB	\$ 750,000	\$ 927,516	\$ 127,689	\$ 1,617,900	Installation of upgrades to building including structural and flooring repairs, paintline, sprinkler heads, carpet, etc.	\$ 1,745,589	★
<b>Total Town Hall Facility Enhancements</b>		<b>\$ 1,430,000</b>	<b>\$ 1,607,516</b>	<b>\$ 127,689</b>	<b>\$ 1,617,900</b>		<b>\$ 1,745,589</b>	
Shelter Cove/BCSO Office	ZM	\$ -	\$ 291,451	\$ 40,000	\$ 10,000	Building Storage enhancements	\$ 50,000	★
Fire Rescue Training Center Facility Upgrades	ZM/CF	\$ 250,000	\$ 250,000	\$ 107,000	\$ 271,000	Upgrades to Classroom and Phase 1 of Burn Building	\$ 378,000	★
Jarvis Pump Station Roof Replacement	MV	\$ 30,000	\$ 30,000	\$ -	\$ -	Replacement of existing roof	\$ -	
Wild Wing Café Building Demolition	AB/LB				\$ 500,000	Demolition of recently acquired building, parking lot design and permitting and construction	\$ 500,000	★
Tree Planting and Forest Management Program	WK				\$ 500,000	New tree planting islandwide. Assess and evaluate areas to manage undergrowth and promote specimen trees and park/facility functionality.	\$ 500,000	★
Station 1 replacements	AB				\$ 237,000	Carpet replacement, LED light conversion, Shower door replacement, and replacement of bay doors (\$200k)	\$ 237,000	★
Station 3 replacements	AB				\$ 444,000	Replace carpet, bathroom renovations throughout, and interior painting, and replacement of bay doors (\$200k)	\$ 444,000	★
Station 4 replacements	AB				\$ 242,000	Interior painting and replace kitchen, hallway and utility room flooring and replacement of bay doors (\$200k)	\$ 242,000	★
Station 5 replacements	AB				\$ 35,000	Replace flooring in kitchen, hallways and utility room. Replacement of bay doors in FY26	\$ 35,000	★
Station 6 replacement	AB				\$ 44,000	Renovation in storage closets, repaint weight room and bunk rooms, add electrical outlets to bunk rooms, concrete pad under pullup station, and new lockers in officers bunkroom. Replacement of bay doors in FY26	\$ 44,000	★
Station 7 replacements	AB				\$ 125,000	Replace cooktop, replace carpet in living quarters, and replace insulation in bay roof area. Replacement of bay doors in FY26	\$ 125,000	★
Fire Training Center	AB				\$ 10,000	Replace the flooring in office and laundry with LVF.	\$ 10,000	★
Fire Rescue HQ replacements	AB				\$ 85,000	Exterior storage shed renovation, front lobby renovation, and electrical panel surge protection.	\$ 85,000	★

## Adopted Budget Ordinance

### TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY25

PROJECTS	PM	FY24 APPROVED BUDGET	AMENDED FY24 BUDGET	FY24 ROLL FORWARD ESTIMATE	FY25 NEW MONEY ESTIMATE	FY25 PROJECT SCOPE	FY25 TOTAL	PLANNING COMMISSION PRIORITY
EOC replacements	AB/ZM				\$ 35,000	Center work station renovation, chairs, and painting of interior hallway, dispatch kitchen, office, counter top.	\$ 35,000	★
Security access upgrades	TS				\$ 175,000	Replacement of the door access control systems at all Fire/Rescue locations	\$ 175,000	★
<b>Total Other Town Facility Enhancements</b>		<b>\$ 860,000</b>	<b>\$ 1,151,871</b>	<b>\$ 147,000</b>	<b>\$ 2,713,000</b>		<b>\$ 2,860,000</b>	
<b>Coastal Discovery Museum - Capital Projects</b>						Coastal Discovery Museum seeks funds to improve and maintain the buildings and grounds including the addition of 3-phase power at the Hsu Room next the addition of power markestric for carnival events		
Discovery House	RG	\$ 10,500	\$ 10,500	\$ -	\$ 21,500	Paint exterior and interior, doors/hardware, wood rot repairs	\$ 21,500	★
Armstrong/Hack House	RG	\$ 3,500	\$ 3,500	\$ -	\$ 21,000	Floors and office renovation	\$ 21,000	★
Pavilion	RG	\$ 4,500	\$ 4,500	\$ -	\$ 4,000	Floors	\$ 4,000	★
Discovery Lab	RG	\$ 4,500	\$ 4,500	\$ -	\$ 1,500	Interior repairs	\$ 1,500	★
Pavilion/Restroom Building	RG	\$ 7,000	\$ 7,000	\$ -	\$ 5,000	Structural repairs	\$ 5,000	★
Horse Barn	RG	\$ 3,000	\$ 3,000	\$ -	\$ 30,000	Structural repairs	\$ 30,000	★
Misc. Improvements	RG	\$ 25,000	\$ 25,000	\$ -	\$ 95,500	Front and side gates, boardwalks repair, tree work, well/field irrigation, fence repair, HVAC platform and replacement	\$ 95,500	★
Hay Barn	RG	\$ -	\$ -	\$ -	\$ -	Interior repairs	\$ -	★
Event Space Improvements	TBD	\$ 460,000	\$ 460,000	\$ 260,000	\$ 190,000	Construction of Town initiated enhancements including ADA compliance and lighting upgrades	\$ 450,000	★
<b>Total Coastal Discovery Museum - Capital Projects</b>		<b>\$ 578,000</b>	<b>\$ 578,000</b>	<b>\$ 260,000</b>	<b>\$ 368,500</b>		<b>\$ 628,500</b>	
<b>Historic Mitchellville Freedom Park - Capital Projects</b>						At the request of Ahmad Ward, Executive Director, Historic Mitchellville Freedom Park seeks funds to improve property in accordance with approved master plan		
<b>Total Historic Mitchellville Freedom Park - Capital Projects</b>		<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 554,702</b>	<b>\$ 500,000</b>	Parking, pathways, signage and playground	<b>\$ 1,054,702</b>	<b>★</b>
<b>IT EQUIPMENT &amp; SOFTWARE</b>								
<b>Town Hall Equipment &amp; Software</b>								
Network Infrastructure Enhancements	TS	\$ 225,000	\$ 225,000	\$ -	\$ -	Begin 5-year replacement program for all vital network equipment	\$ -	
Cloud Services Enhancements	TS	\$ 100,000	\$ 100,000	\$ -	\$ -	Ability to move more services and applications to hosted solutions	\$ -	
Town Strategic Plan SWOT for Town Connectivity	TS	\$ 30,000	\$ 30,000	\$ 30,000	\$ -	Strategic Plan request for connectivity SWOT analysis	\$ 30,000	★
<b>Public Safety Systems Equipment and Software</b>								
<b>Dispatch Center Equipment</b>								
Station Alerting	TS/CB	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	Current Station Alerting system is reaching end of service and is not compatible with modern IT infrastructure. Costs to maintain are increasing and parts are difficult to obtain Complete in FY24	\$ 100,000	★
Dispatch Center Workstation Desks	ZM/CB				\$ 200,000	Replacement of Dispatch workstation desks	\$ 200,000	★
Hardware Reserve	TS				\$ 35,000	This will be for any unplanned needs that arise during the budget year	\$ 35,000	★
Conference Room replacement equipment for Fire Stations 1,5, and 6	TS				\$ 82,000	Conference Room AV equipment for Fire Stations 1,5,6 for staff trainings and community meetings	\$ 82,000	★
Infrastructure lifecycle replacement year 2 of 5	TS				\$ 260,000	Second year of five year infrastructure lifecycle replacements. Part of IT Strategic Plan. 20% of equipment for five year	\$ 260,000	★
ESRI to hosted solution	TS				\$ 120,000	Request to move the services needed to operate ESRI, public dashboards, and maps to a hosted solution for continuity of government during a disaster related emergency. Part of IT Strategic Plan	\$ 120,000	★
ESRI Advantage Program	TS				\$ 71,000	Software and Application Package, year 2 of 2	\$ 71,000	★

## Adopted Budget Ordinance

### TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY25

PROJECTS	PM	FY24 APPROVED BUDGET	AMENDED FY24 BUDGET	FY24 ROLL FORWARD ESTIMATE	FY25 NEW MONEY ESTIMATE	FY25 PROJECT SCOPE	FY25 TOTAL	PLANNING COMMISSION PRIORITY
Replacement of end user equipment year 2 of 4	TS				\$ 235,000	Replacement of end user laptops, docking stations, monitors, etc. This is the second year of four year life cycle replacement within our IT Strategic Plan.	\$ 235,000	★
Document Management Migration from Laserfiche to Sharepoint	TS				\$ 325,000	Request to migrate document management system to Sharepoint for more modern and user friendly system, part of our IT Strategic Plan.	\$ 325,000	★
Public Safety Equipment Replacement	TS				\$ 74,000	Public Safety and dispatch replacement equipment for fleet vehicles and dispatch areas. Also includes replacement radios and batteries.	\$ 74,000	★
Website Migration	AS/TS				\$ 50,000	Migration of custom website to a content management system (CMS).	\$ 50,000	★
<b>Total IT EQUIPMENT &amp; SOFTWARE</b>		<b>\$ 1,145,000</b>	<b>\$ 1,145,000</b>	<b>\$ 30,000</b>	<b>\$ 1,552,000</b>		<b>\$ 1,582,000</b>	
<b>SECURITY CAMERAS &amp; CONNECTIVITY</b>								
Public Safety Cameras	BB	\$ 54,696	\$ 54,696	\$ -	\$ 48,000	Add 16 specialty public safety cameras to the Town for enhanced coverage	\$ 48,000	★
Chaplin Park Camera replacements	TS				\$ 95,000	Replace existing cameras and add cameras where there is no coverage at the soccer fields.	\$ 95,000	★
Jarvis Creek Park Camera Replacements	TS				\$ 47,500	Replace cameras and public wifi equipment	\$ 47,500	★
Ford Shell Ring Camera Installation	TS				\$ 25,000	Install safety cameras	\$ 25,000	★
Islanders Beach Park Camera Replacements	TS				\$ 51,000	Replace cameras and public wifi equipment	\$ 51,000	★
<b>Total SECURITY CAMERAS &amp; CONNECTIVITY</b>		<b>\$ 390,696</b>	<b>\$ 390,696</b>	<b>\$ -</b>	<b>\$ 266,500</b>		<b>\$ 266,500</b>	
<b>FIRE/MEDICAL SYSTEMS &amp; EQUIPMENT REPLACEMENT</b>								
Fleet Maintenance Equipment	CB	\$ 30,000	\$ 30,000	\$ 6,189	\$ 13,811	Replace shop welders in FY25	\$ 20,000	
Personal Protective Equipment Replacement	CB	\$ 115,000	\$ 115,000	\$ -	\$ 60,000	Replacement of PPE as necessary Reoccurring annually	\$ 60,000	
Fire Hose Replacement	CB			\$ -	\$ 35,000	Replace Reserve Hose	\$ 35,000	★
<b>Total FIRE/MEDICAL SYSTEMS &amp; EQUIPMENT REPLACEMENT</b>		<b>\$ 375,000</b>	<b>\$ 375,000</b>	<b>\$ 6,189</b>	<b>\$ 108,811</b>		<b>\$ 115,000</b>	
Fire Hydrant Expansion	JF	\$ 50,000	\$ 50,000	\$ 33,121	\$ 16,879	Installation of Fire Hydrants through matching program with HHPSD.	\$ 50,000	★
Facilities and Equipment Project Management and Contingency		\$ 100,000	\$ 100,000	\$ -	\$ 100,000	Miscellaneous unexpected project expenses	\$ 100,000	
<b>TOTAL FACILITIES AND EQUIPMENT PROGRAM</b>		<b>\$ 5,703,696</b>	<b>\$ 6,213,083</b>	<b>\$ 1,158,701</b>	<b>\$ 7,243,590</b>		<b>\$ 8,402,291</b>	
<b>SEWERWATER PROGRAM</b>								
Wexford Debris System Design 30000PWE-S5300-WEP00 BUDGET 30000PWE-S5322-WEP00 DESIGN	JN	\$ 123,000	\$ 123,000	\$ 25,000	\$ 475,000	Overhaul including 2 new pumps, new controls, debris screens, new genset, new conduit, new SCADA monitoring system, new control building in FY26/FY27;  need to plan for \$5 million in one fiscal cycle, construction must occur between late Sept and late May  Design of pump station to consider multiple factors including function and aesthetics in preparation for FY24 construction  \$400K to To sandblast and repaint pump chamber walls and fill in sinkholes around the perimeter of the well.	\$ 500,000	★
Gum Tree Road Improvements 30000CXN-S5300-JN116 BUDGET 30000CXN-S5325-JN116 SURVEY	KU	\$ 80,000	\$ 80,000	\$ 5,000	\$ 75,000	Permitting & Construction of Improvements to address various deficiencies along Gum Tree Road between Katie Miller Drive and Georgianna Drive, including regrading of ditches, installation of new inlets, new pipe and repairs along the outfall system	\$ 80,000	★



## Adopted Budget Ordinance

### TOWN OF HILTON HEAD ISLAND - CAPITAL IMPROVEMENTS PROGRAM FY25

PROJECTS	PM	FY24 APPROVED BUDGET	AMENDED FY24 BUDGET	FY24 ROLL FORWARD ESTIMATE	FY25 NEW MONEY ESTIMATE	FY25 PROJECT SCOPE	FY25 TOTAL	PLANNING COMMISSION PRIORITY
Jarvis Creek Outfall 30000CXN-55300-JN117 BUDGET 30000CXN-55325-JN117 SURVEY	JN	\$ 100,000	\$ 100,000	\$ 15,000	\$ 135,000	Installation of flap gates on the outfall end of two 84-inch diameter concrete pipes that discharge stormwater from the Jarvis Creek Pump Station outfall system; necessary to improve operation and effectiveness of the pump station during extreme events by mitigating the impacts of tidal storm surge on the system  \$125K to complete permitting and design	\$ 150,000	★
25 Moonshell Road 30000CXN-55300-JN048 BUDGET 30000CXN-55324-JN048 ENVIRONMENTAL	KU	\$ 92,000	\$ 92,000	\$ 20,000	\$ 80,000	Permitting & installation of 500 linear feet of 24-inch pipe and two inlet structures to improve efficiency and reduce long-term maintenance costs along the existing Folly Field ditch between Moonshell Road and the Island Club  \$90K for construction in late FY25	\$ 100,000	★
Cordillo Court Improvements 30000CXN-55300-JN119 BUDGET	KU	\$ 70,000	\$ 70,000	\$ -	\$ -	Permitting & installation of improvements to address drainage issues on and adjacent to Town-owned property including inlets, pipe and minor grading	\$ -	★
Palmetto Hall Outfall Improvements	JN				\$ 100,000	Addition of hydraulic capacity of the system outfall and addition of backflow prevention devices	\$ 100,000	★
Lawton Pump Station 30000PSP-55300-SPP01 BUDGET 30000PSP-55385-SPP01 REPLACEMENT	JN	\$ 350,000	\$ 1,330,000	\$ -	\$ -	\$100K for consultant design (\$75K) & field surveys (\$25K) Third pump at Lawton Station to complete replacement of all 2006 pumps	\$ -	★
Pump Station Security Cameras 30000CXN-55300-JN131 BUDGET 30000CXN-55350-JN131 EQUIPMENT	CS	\$ 45,000	\$ 45,000	\$ -	\$ -	FY23 Carry Forward (Budget Amendment): \$980,000 for 2 new pumps and Add security cameras at pump stations	\$ -	★
Howell Tract Access Gate	JN				\$ 20,000	Install a new automatic gate with code or card access at the entrance to the Howell Tract lay-down yard on Arrow Road	\$ 20,000	★
Main Street Drainage Improvements 30000CCR-55300-RR099 BUDGET	KU				\$ 250,000	Improvements based on 2019 assessment completed by SWU \$100K to complete cleaning and CCTV of trunk line system; \$150K to undertake any critical improvements needed.	\$ 250,000	★
<b>TOTAL STORMWATER PROGRAM</b>		<b>\$ 840,000</b>	<b>\$ 1,840,000</b>	<b>\$ 45,000</b>	<b>\$ 1,135,000</b>		<b>\$ 1,200,000</b>	

FLEET PROGRAM								
<b>Town Vehicle Replacement</b>								
Staff Vehicle Replacement	KT/CB	\$ 181,000	\$ 181,000	\$ 130,000	\$ -	Replacement of staff vehicles over 10 years old including vehicle outfitting	\$ 130,000	★
New Staff Vehicles	KT/CB	\$ 360,000	\$ 360,000	\$ -	\$ -	Vehicles including vehicle outfitting for new staff as needed. No roll forward. No new Money	\$ -	★
<b>Total Town Vehicle Replacement</b>		<b>\$ 541,000</b>	<b>\$ 541,000</b>	<b>\$ 130,000</b>	<b>\$ -</b>		<b>\$ 130,000</b>	
<b>FR Apparatus &amp; Vehicle Replacement</b>								
Engine/Pumper Replacement/Quint Company Replacement (2)	KT/CB	\$ 7,483,420	\$ 7,483,420	\$ 2,431,677	\$ -		\$ 2,431,677	★
Support Vehicle Replacement	KT/CB	\$ 35,000	\$ 35,000	\$ 3,695	\$ 94,305	Fork lift Delivered in service. FY25 \$ is for Service Truck	\$ 100,000	★
Ladder Truck Replacement (2)	KT/CB				\$ 4,500,000	Ladder Truck Replacement - (2) Tiller min. 36 month build	\$ 4,500,000	★
Specialty Vehicles	KT/CB			\$ -	\$ -	Replacement of Specialty vehicles	\$ -	★
Battalion 1 Replacement	KT/CB			\$ -	\$ -	Replacement of Battalion 1 vehicle	\$ -	★
Medic Unit Replacement	KT/CB			\$ -	\$ -	Replacement of Medic Units (10-year cycle)	\$ -	★
<b>Total FR Apparatus &amp; Vehicle Replacement</b>		<b>\$ 7,688,420</b>	<b>\$ 7,688,420</b>	<b>\$ 2,435,372</b>	<b>\$ 4,594,305</b>		<b>\$ 7,031,677</b>	
Public Safety Boat					\$ 36,000	War Eagle 19' Aluminum Boat	\$ 36,000	★
Fleet Project Management and Contingency		\$ 100,000	\$ 100,000	\$ 100,000	\$ -	Miscellaneous unexpected project expenses	\$ 100,000	

PROJECTS	PM	FY24 APPROVED BUDGET	AMENDED FY24 BUDGET	FY24 ROLL FORWARD ESTIMATE	FY25 NEW MONEY ESTIMATE	FY25 PROJECT SCOPE	FY25 TOTAL	PLANNING COMMISSION PRIORITY
<b>TOTAL FLEET PROGRAM</b>		<b>\$ 8,329,420</b>	<b>\$ 8,329,420</b>	<b>\$ 2,665,372</b>	<b>\$ 4,632,305</b>		<b>\$ 7,297,677</b>	
<b>LAND ACQUISITION &amp; ADMINISTRATION</b>								
Land Acquisition Administration		\$ 400,000	\$ 400,000	\$ 250,000	\$ -	Land acquisition and soft costs including ROW, Survey, Appraisals, Legal Fees, etc. Includes demolition and clean up of Jonesville Road property.	\$ 250,000	N/A
Land Acquisition		\$ -	\$ 11,962,275	\$ -	\$ -	Land acquisition: 30 Bryant Road, 71 Shelter Cove Lane, 72 Pope Avenue, 5 acre Mathews Drive, 19 Marshland Rd, Wilhorse Road	\$ -	N/A
<b>TOTAL LAND ACQUISITION &amp; ADMINISTRATION</b>		<b>\$ 400,000</b>	<b>\$ 12,362,275</b>	<b>\$ 250,000</b>	<b>\$ -</b>		<b>\$ 250,000</b>	
<b>TOTAL CIP</b>		<b>\$ 39,993,081</b>	<b>\$ 55,211,171</b>	<b>\$ 13,164,599</b>	<b>\$ 61,216,860</b>		<b>\$ 74,381,459</b>	

**EXHIBIT C**

NOTE: Underlined portions indicate additions to the Town's Municipal Code. Stricken Portions indicate deletions to the Town's Municipal Code.

**Sec. 2-3-60. - Compensation and expenses.**

- a) The mayor and council members shall receive salaries as determined by the council; provided, no increase in such salaries shall become effective until the commencement date of the terms of two (2) or more members of council elected at the next general election following the adoption of the ordinance setting the salaries, at which time it will become effective for all members of council whether or not they were elected in such election.
- b) The salary to be received by the mayor shall be ~~twenty-five thousand dollars (\$25,000.00)~~ thirty-seven thousand three hundred and seventy-five dollars (\$37,375) per year and by the mayor pro tem and by each council member shall be ~~twelve thousand eight hundred dollars (\$12,800.00)~~ twenty-three thousand three hundred and forty-five dollars (\$23,345) per year. These salaries shall be paid in monthly installments in arrears to each appropriate individual during his or her service to the town.
- c) ~~In addition to the base annual pay received for service on council, members and the mayor may be paid an attendance fee of fifty dollars (\$50.00) per meeting for their attendance at any council committee meeting (except regularly scheduled town council meetings) and other council related business meetings; mileage reimbursement shall be paid for all meetings except those held on Hilton Head Island.~~
- d) ~~Maximum amount of payment. Payment for the council attendance fee shall be allowed up to the maximum amount authorized per fiscal year, as follows:~~
  - 1) ~~Council members. Payment of base annual pay plus attendance fee shall not exceed twenty thousand three hundred dollars (\$20,300.00) per fiscal year.~~
  - 2) ~~Mayor. Payment of base annual pay plus attendance fee shall not exceed thirty-two thousand five hundred dollars (\$32,500.00) per fiscal year.~~
  - 3) ~~Mayor pro tem. Payment of base annual pay plus attendance fee shall not exceed twenty thousand three hundred dollars (\$20,300.00) per fiscal year.~~
- e) ~~Other meetings. The council attendance fee shall be paid for the following types of meetings:~~
  - 1) ~~A specially called meeting of the town council;~~
  - 2) ~~A specially called work session of the town council; and~~
  - 3) ~~Any other business at which the council member (at the discretion of the mayor or town council) is in attendance in their official capacity as a member of council, e.g., an official meeting with another governmental entity, a meeting with a town public body, a meeting of a town council subcommittee, town task force, or standing committee.~~

### Adopted Budget Ordinance

- f) ~~Duplicate payments shall not be permitted. If a member accepts payment from another body for attendance, then that member shall not be entitled to compensation from the town.~~
- g) ~~Method of payment. Payment of the attendance fee shall be made within ten (10) working days from submission.~~
- h) ~~Required documentation. An affidavit of attendance form must be completed and signed by the council member, and submitted to the finance department by the last day of each month in order for payment of the attendance fee to be made. The affidavit provides for the recording of the date, time spent, location and the purpose of the meeting.~~
- c. i) Expenses. Members may also be reimbursed for actual expenses incurred in the conduct of their official duties.

**EXHIBIT D**

**TOWN OF HILTON HEAD ISLAND ADMINISTRATIVE STAFF  
2025 HOLIDAY SCHEDULE**

<b>New Year's Day 2025 (observed)</b>	<b>January 1, 2025 (Wednesday)</b>
<b>Martin Luther King, Jr. Day</b>	<b>January 20, 2025 (Monday)</b>
<b>Presidents Day</b>	<b>February 17, 2025 (Monday)</b>
<b>Memorial Day</b>	<b>May 26, 2025 (Monday)</b>
<b>Juneteenth</b>	<b>June 19, 2025 (Thursday)</b>
<b>Independence Day</b>	<b>July 4, 2025 (Friday)</b>
<b>Labor Day</b>	<b>September 1, 2025 (Monday)</b>
<b>Veterans' Day (observed)</b>	<b>November 11, 2025 (Tuesday)</b>
<b>Thanksgiving Day</b>	<b>November 27, 2025 (Thursday)</b>
<b>Day after Thanksgiving</b>	<b>November 28, 2025 (Friday)</b>
<b>Christmas Eve (observed)</b>	<b>December 24, 2025 (Wednesday)</b>
<b>Christmas Day</b>	<b>December 25, 2025 (Thursday)</b>
<b>New Year's Day 2026</b>	<b>January 1, 2026 (Thursday)</b>

**Floating Holidays:**

Employees hired during the first half of the calendar year will be granted the full annual allocation of floating holidays to be taken by the end of the calendar year. Employees hired during the second half of the calendar year will be granted one half of the annual allocation to be taken by the end of the calendar year. See Section 5.02 of the Policy Manual for additional details regarding floating holidays.



## EXHIBIT E

### Master Fee Schedule

#### Section I- Hospitality Fees

Item/Description	Basis	Fee
Taxation Fees		
Hospitality Tax Fees	Quarterly on the dates listed in the table below	2% of Prepared Meals/Beverages
Accommodations Tax	Quarterly on the dates listed in the table below	3% of Gross Sales Price of Accommodations*
Short-Term Rental Permit	Yearly running with the calendar year	\$250 per property

\*1/3 of the Accommodations Tax (or 1% of Gross Price of Accommodations) goes towards tourism-related expenditures including such things as tourism-related buildings, beach access, roads, water and sewer infrastructure, maintenance, police, fire protections and emergency medical services.

2/3 of the Accommodations Tax (or 2% of Gross Price of Accommodations) is allocated to the Beach Preservation Fee used for beach renourishment, and beach related services and facilities.

Collected	Due
First Quarter (January, February, March)	April 20 <sup>th</sup> of the calendar year
Second Quarter (April, May, June)	July 20 <sup>th</sup> of the calendar year
Third Quarter (July, August, September)	October 20 <sup>th</sup> of the calendar year
Fourth Quarter (October, November, December)	January 20 <sup>th</sup> of the following calendar year

## Section II- Business License Fees

### Business License Rate Schedule

	Income: \$0—\$2,000	Income Over \$2,000
Rate Class	Base Rate	Rate Per \$1,000 or Fraction Thereof
1	\$46.30	\$.75
2	\$54.00	\$1.00
3	\$61.60	\$1.10
4	\$69.40	\$1.30
5	\$77.10	\$1.40
6	\$84.80	\$1.50
7	\$92.50	\$1.70
8.1	\$61.60	\$1.10
8.2	Set by state statute-Railroad Companies	
8.3	MASC Telecommunications	
8.4	MASC Insurance	
8.51	\$12.50 + \$12.50 per machine	
8.52	\$12.50 + \$180.00 per machine	
8.6	\$61.60 plus \$5.00 -OR- \$12.50 per table	\$1.10
9.10	\$187.50	\$3.24
9.30	\$54.00	\$1.00
9.40	\$54.00	\$1.00
9.70	\$107.90	\$1.70

#### Non-Resident Rates:

Unless otherwise specifically provided, all taxes and rates shall be doubled for nonresidents and itinerants having no fixed principal place of business within the municipality.

#### Irrigation Trade Certificates:

Item	Fee
Irrigation Trade Test	\$75.00
Initial Irrigation Trade Certificate (issued for one calendar year)	\$25.00
Renewal Fee (due December 31 <sup>st</sup> )	\$10.00
Late Renewal Fee	\$20.00

### Section III- Ambulance Service Fees

Billing Category	Rate
<b>BLS-</b> Basic Life Support- Non-emergency	\$460 plus <del>\$12.25</del> 17.25/mile
<b>BLS-</b> Basic Life Support- Emergency	<del>\$558</del> 626 plus <del>\$12.25</del> 17.25/mile
<b>ALS-1-</b> Advanced Life Support- Non-emergency	\$520 plus <del>\$12.25</del> 17.25/mile
<b>ALS-1-</b> Advanced Life Support- Level 1 Emergency	<del>\$662</del> 745 plus <del>\$12.25</del> 17.25/mile
<b>ALS-2-</b> Advanced Life Support- Level 2	<del>\$1010</del> 1076 plus <del>\$12.25</del> 17.25/mile
<b>Treatment-</b> No Transport - BLS	\$100 per incident
<b>Treatment-</b> No Transport - ALS	\$400 175 per incident

Emergency response is a BLS, ALS 1 or ALS 2 level of service provided in immediate response to a 911 call or the equivalent.

### Ambulance Billing Category Descriptions

#### **BLS (non-emergency)**

Response to treat/transport a patient includes:

- Checking vitals, oxygen administration, etc.;
- Maintaining an existing IV but no IV initiated;
- Minimal use of supplies;
- These calls are mostly non-emergency "transport" patients who are routinely transported by private ambulance services to various locations (hospitals, doctor's offices, homes, etc.); and
- The Town of Hilton Head Island Fire Rescue rarely handle these types of calls and do so only in defined critical situations.

#### **BLS (emergency)**

Emergency response for a patient who is treated /transported to a hospital includes:

- Checking vitals, oxygen administration, splinting, bandaging, etc.;
- Maintaining an existing IV but no IV initiated;
- Minimal to moderate use of supplies; and
- These are emergency calls that The Town of Hilton Head Island Fire Rescue routinely handles.

#### **ALS 1 (non-emergency)**

Response for a patient who is treated/transported includes:

- An ALS assessment or ALS skills such as IV initiation, cardiac monitoring, blood draws, BGL checks, or up to two (2) drugs administered;
- Minimal to moderate use of supplies;
- These are mostly non-emergency "transport" calls between facilities that require an ALS assessment and/or the use of ALS procedures that are above the scope of BLS care; and
- The Town of Hilton Head Island Fire Rescue rarely handles these types of calls and do so only in defined critical situations.

**ALS 1 (emergency)**

Emergency response for a patient who is treated/transported to a hospital and requires:

- An ALS assessment or ALS skills such as IV initiation, cardiac monitoring, blood draws, BGL checks, or up to two (2) drugs administered;
- Minimal to moderate use of supplies;
- These are emergency calls are primarily patients suffering from seizure, diabetic emergencies, breathing problems, auto accidents, etc.; and
- The Town of Hilton Head Island Fire Rescue routinely handles these emergency calls.

**ALS 2**

Emergency response for a patient who is treated/transported to a hospital and requires:

- An ALS assessment or ALS skills plus three (3) or more separate drug administrations and/or the use of any one of the following:
  - Manual defibrillation
  - Cardio-version
  - Cardiac pacing
  - Endotracheal intubation
  - Chest decompression
  - Intraosseous line
- Maximum use of supplies;
- These emergency calls are primarily patients in cardiac or respiratory arrest, shock, or critical trauma patients; and
- The Town of Hilton Head Island Fire Rescue routinely handles these emergency calls.

**Treatment-No Transport**

Response to calls where "treatment" was performed but no transport to a medical facility took place. Treatment is described as providing oxygen administration, splinting, bandaging, applying hot or cold compresses, IV fluid administration, etc.



**Section IV- Growth Management Fees**

Item/Description	Value of Construction	Fee
<b>New Structure Single Family Permits</b>	\$0-\$2,000	\$35.00
	\$2,001-\$3,000	\$38.50
	\$3,001-\$50,000	\$38.50 + \$4.50 per \$1,000 or fraction thereof
	\$50,001 and above	\$250.00 + \$3.50 per \$1,000 or fraction thereof over \$50,000
	Plan Review Fee	50% of permit fee (non-refundable)
<b>Miscellaneous Single Family Permits</b>	\$0-\$1,000	\$35.00
	\$1,001-\$2,000	\$70.00
	\$2,001-\$3,000	\$77.00
	\$3,001-\$50,000	\$77.00 + \$9.00 per \$1,000 or fraction thereof
	\$50,001 and above	\$500.00 + \$3.50 per \$1,000 or fraction thereof over \$50,000
	Plan Review Fee	50% of permit fee (non-refundable)
<b>New Structure Commercial Permits</b>	\$500-\$2,000	\$35.00
	\$2,001-\$3,000	\$38.50
	\$3,001-\$50,000	\$38.50 + \$4.50 per \$1,000 or fraction thereof
	\$50,001 and above	\$250.00 + \$4.00 per \$1,000 or fraction thereof over \$50,000
	Plan Review Fee	75% of permit fee (non-refundable)
<b>Miscellaneous Commercial Permits</b>	\$0-\$1,000	\$35.00
	\$1,001-\$2,000	\$70.00
	\$2,001-\$3,000	\$77.00
	\$3,001-\$50,000	\$77.00 + \$9.00 per \$1,000 or fraction thereof
	\$50,001 and above	\$500.00 + \$4.00 per \$1,000 or fraction thereof over \$50,000
	Plan Review Fee	75% of permit fee (non-refundable)

Fees shall be waived for single family construction alterations to enlarge, alter, repair, remodel or add additions to existing structures when the value of said alteration is less than one thousand dollars (\$1,000.00).

- A permit is still required.
- Mechanical work is not subject to this waiver.

**Permit Application Fees**

<b>Item/Description</b>	<b>Basis</b>	<b>Fee</b>
Construction Trailers	Each	\$25.00
Demolition	Each	\$50.00
Electrical < 200 amps	Each	\$25.00
Electrical > 200 amps	Each	\$35.00
Electrical Other	Each	
HVAC Change Out (per unit)	Each	\$50.00
LP Gas Permit- Residential > 1,000 gallons	Each	\$50.00
LP Gas Permit- Commercial < 1,000 gallons	Each	\$50.00
LP Gas Permit- Commercial > 1,000 gallons	Each	\$75.00
Water Heater Change Out	Each	\$50.00
Manufactured Homes	Each	\$25.00 + impact fees
Moving a Structure	Each	\$100.00
Swimming Pool or Spa Single Family	Each	\$100 + \$200 surety deposit*
Swimming Pool or Spa Commercial	Each	\$150 + \$200 surety deposit*
Irrigation Systems (per system)	Each	\$100 + \$200 surety deposit*
Tent, Stage or Air Supported Structure	Each	\$50.00
Water Feature (Fountains)	Each	\$100 + \$200 surety deposit*
Re-inspection of each permit	Each	\$50.00
Construction Board of Adjustments and Appeals	Each	\$75.00
Remark Single Family Plans	Each	\$50.00
Safety Inspection	Each	\$100.00
Withdrawn Permits with Plans	Each	\$50.00 or 10% of permit fee, whichever is larger
Withdrawn Permits Without Plans	Each	Refund Permit Fee or \$50, whichever is larger
Stop Work Order	Each	Double permit fee + possible fine
Building Permit Transfer	Each	\$50.00
Permit Extension Request	Each	\$25.00
Permit Reinstatement Fee	Each	\$25.00

\*Surety Deposits are refundable if final inspection is approved within six months of permit issuance.

Building permit fees are based on a comparison of the declared value of construction and the minimum value of construction as outlined in the Building Valuation Data as published by the International Code Council. The fee is calculated using the higher of the two compared figures.

**Planning and Environmental Permit Fees**

<b>Description</b>	<b>Fee</b>
Address Request	\$0.00
Appeal	\$100.00
Certificate of Compliance	\$0.00 + \$200 for each reinspection
Designation of Contributing Structure	\$0.00
Design Review Board: New Development Conceptual	\$175.00
Design Review Board: New Development Final	\$175.00
Design Review Board: Alteration/Addition	\$100.00
Development Naming	\$0.00
Development Review Plan: Major-Residential	\$200.00 + \$10 per unit
Development Review Plan: Major-Non-Residential	\$500.00 + \$20 per 1000 sq ft
Development Review Plan: Major-Hotel/Motel	\$200.00 + \$10 per room plus non-residential fee
Development Review Plan: Minor (no new building/addition)	\$100.00
Emergency Permitting	\$0.00
Exempt Plat	\$0.00
Family Compound	\$0.00
Minor Corridor Review	\$50.00
Natural Resource Request	\$0.00
Plat Stamping	\$0.00
Pre-Application	\$0.00
Pre-Clear Inspection	\$0.00 + \$200 for each re-inspection
Public Project	\$0.00
Sign	\$25.00 + \$25.00 per sign face
Silviculture	\$0.00
Site Lighting	\$0.00
Small Residential Plan Review	\$50.00 + \$10 per unit
Special Exception	\$200.00
Street Naming	\$0.00
Street Renaming	\$0.00
Substitution of Non-Conformities	\$0.00
Subdivision: Major	\$200.00 + \$10 per lot
Subdivision: Minor	\$100.00 + \$10 per lot
Traffic Impact Analysis Plan	\$250.00
Tree Removal	\$0.00
LMO Text Amendment	\$0.00
Utility Project	\$0.00

**Planning and Environmental Permit Fees (continued)**

<b>Description</b>	<b>Fee</b>
Variance	\$250.00
Zoning Map Amendment	\$500.00
Zoning Permit	\$0.00
Zoning Verification Letter	\$0.00

## Adopted Budget Ordinance

### **Section V- Impact Fees**

Impact fees are due to the community when issuing new structure building permits to help build the infrastructure required to serve the new occupants. The Beaufort County fees are collected by the Town of Hilton Head Island at the issuance of the permit and distributed to the county monthly.

#### **Beaufort County Road Development Impact Fees**

Residential (per housing unit)  
1,000 sqft)

Unit Size (sq. ft)	Fee
1,000 or less	\$1,551.00
1,001 to 1,250	\$1,939.00
1,251 to 1,500	\$2,284.00
1,501 to 1,750	\$2,585.00
1,751 to 2,000	\$2,844.00
2,001 to 2,500	\$3,231.00
2,501 to 3,000	\$3,576.00
3,001 to 3,500	\$3,835.00
3,501 to 4,000	\$4,093.00
4,001 or more	\$4,309.00

Non-Residential (per

Use Type	Fee
Retail	\$5,024.00
Office/Service	\$2,497.00
Industrial	\$1,007.00
Institutional	\$2,326.00

#### **Beaufort County Library Development Fees**

Residential (per housing unit)

Unit Size (sq. ft)	Fee
1,000 or less	\$151.00
1,001 to 1,250	\$189.00
1,251 to 1,500	\$227.00
1,501 to 1,750	\$252.00
1,751 to 2,000	\$278.00
2,001 to 2,500	\$316.00
2,501 to 3,000	\$353.00
3,001 to 3,500	\$379.00
3,501 to 4,000	\$404.00
4,001 or more	\$417.00



**Town of Hilton Head Island Road Development Fees**

<b>Land Use</b>	<b>Fee Per</b>	<b>Fee</b>
Single Family (<1500 sq ft)	Dwelling	\$635.00
Single Family (>1500 sq ft)	Dwelling	\$816.00
Multifamily	Dwelling	\$500.00
Retirement Housing	Dwelling	\$282.00
Hotel	Room	\$805.00
Motel	Room	\$870.00
Bank w/out drive-thru	1,000 sq ft	\$1,800.00
Bank w/ drive-thru	1,000 sq ft	\$3,394.00
Church	1,000 sq ft	\$795.00
Community College	1,000 sq ft	\$1,099.00
Convenience Market	1,000 sq ft	\$9,445.00
Day Care Center	1,000 sq ft	\$1,013.00
Discount Store	1,000 sq ft	\$4,487.00
Elementary/Secondary School	1,000 sq ft	\$915.00
Golf Course	Acre	\$3,208.00
High School	1,000 sq ft	\$930.00
Hospital	1,000 sq ft	\$1,431.00
Industry, Light	1,000 sq ft	\$595.00
Library	1,000 sq ft	\$3,882.00
Marina	Berth	\$252.00
Medical Clinic/Office	1,000 sq ft	\$2,916.00
Mini-Warehouse	1,000 sq ft	\$223.00
Office, General (<25,000 sq ft)	1,000 sq ft	\$1,988.00
Office, General (>25,000 sq ft)	1,000 sq ft	\$1,418.00
Park	Acre	\$191.00
Racquet Club	1,000 sq ft	\$1,462.00
Restaurant, Quality	1,000 sq ft	\$6,175.00
Restaurant, High- Turnover	1,000 sq ft	\$8,761.00
Restaurant, Fast Food	1,000 sq ft	\$14,562.00
Service Station	Hose	\$1,236.00
Shopping Center (<50,000 sq ft)	1,000 sq ft	\$2,604.00
Shopping Center (>50,000 sq ft)	1,000 sq ft	\$3,317.00
Supermarket/Food Store	1,000 sq ft	\$4,283.00
Warehousing	1,000 sq ft	\$416.00

**Section VI: GIS Map Fees**

**Standard Pre-Made Maps and Reprints**

<b>Size</b>	<b>Fee</b>
8.5" x 11"	\$1.00
11" x 17" (Tabloid)	\$2.00
24" x 36" (Arch D)	\$10.00
36" x 48" (Arch E)	\$20.00

**Custom Maps and Aerial Photos (Produced by Staff)**

### Adopted Budget Ordinance

Same price as above with \$40.00 per hour for Staff time- charges added in 15-minute increments. Minimum staff time charge of \$10.00.

Maps larger than 36" x 48" (Arch E) will be billed at \$1.67 per square foot.

#### **Section VII- Stormwater Fees**

<b>Permit Type</b>	<b>Initial NPDES Plan Review</b>	<b>Plan Amendment/ Resubmittal</b>	<b>Routine Inspection (monthly)</b>	<b>Notice of Violation (per inspection)</b>	<b>Stop Work Order (per inspection)</b>
Single Family Residential	\$100	\$75	\$90 (6 month minimum)	\$140	\$190
Pool or Spa (residential)	\$100	\$75	\$90 (3 month minimum)	\$140	\$190
Demolition (Residential, <1 acre)	\$100	\$75	\$90 (1 month minimum)	\$140	\$190
Residential Subdivision, Multifamily and Non-residential **	\$250/acre* (\$5000 max)	\$150/acre* (\$2500 max)	\$50 + \$50/acre* (\$500 max)	\$100 + \$50/acre* (\$550 max)	\$150 + \$50/acre* (\$600 max)

\*Per disturbed acre, rounded up to the nearest whole acre.

\*\*Including Land Disturbance Permits and Commercial Demolitions

Minimum monthly inspection fees due prior to permit issuance, inspections above the minimums will be due in full prior to final CO issuance.

#### **Section VIII- Miscellaneous Fees**

<b>Item/Description</b>	<b>Basis</b>	<b>Fee</b>
Resident Beach Parking Pass	Yearly (calendar year)	\$15 per vehicle with a 2 vehicle per address limit
Real Estate Transfer Fee	Upon closing of real estate	.25%
Special Event Fee	Per Event	\$100 + \$500 event bond*

\*The \$500 event bond is refundable pending the event completion with all Town of Hilton Head event requirements satisfied.



An aerial photograph of a vast wetland landscape. A long, straight wooden boardwalk runs along the left edge of the frame. The terrain is a mix of green and brownish-yellow marsh grasses, with several small, shallow pools of water scattered throughout. In the upper right corner, a line of trees is visible. The word "Glossary" is printed in a large, white, sans-serif font in the upper-middle section of the image.

# Glossary



## Glossary of Terms

**Account** – A separate financial reporting unit. All budgetary transactions are recorded in accounts.

**Accrual Basis of Accounting** – A method of accounting where revenues are recorded when service is given and expenditures are recognized when the benefit is received.

**Ad Valorem Tax** – A tax levied on the assessed value (net of any exemptions) of real or personal property as certified by the property appraiser in each county. This is commonly referred to as property tax.

**Adopted Budget** – The financial plan of revenues and expenditures for a fiscal year as approved by the Town Council.

**Amortization** – The expiration of intangible assets due to the passage of time.

**Appropriation** – A specific amount of money authorized by the Town Council for the purchase of goods or services.

**Assessed Property Value** – A value established by the County's property appraiser for all real or personal property for use as a basis for levying ad valorem (property) taxes.

**Audit** – An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

**Balanced Budget** – A budget in which planned funds or revenues available are equal to fund planned expenditures.

**BCSO** – Beaufort County Sheriff's Office.

**Beach Preservation Fees Fund** – Used to preserve the general health, safety and welfare of the public within the Town of Hilton Head Island, by creating an additional fund to pay, in whole or in part, for the current and future preservation, maintenance, nourishment, re-nourishment, and improvement of the beaches of Hilton Head Island, and also those public facilities related to the use, preservation, maintenance, nourishment, re-nourishment, and improvement of the beaches.

**EDC** – Beaufort County Economic Development Corporation.

**Bonds** – A certificate of debt issued by an entity, guaranteeing payment of the original investment, plus interest, by a specified future date.

**Bond Anticipation Note (BAN)** - is a short-term interest-bearing security issued in advance of a future **bond** issue. **Bond anticipation notes** are issued by governments, such as local municipalities, wishing to generate funds for upcoming projects.

**Budget Amendment** – A change to an adopted budget that may increase or decrease a department's or fund's total budget. The Town Council must approve budget amendments.

**Budget Calendar** – A budget calendar is a schedule of key dates which the Town follows in preparation, adoption and administration of the budget.

**Budget Transfer** – A budget transfer is a change to the allocation of budget funds within a department or between departments within a fund.

**Build-out** – That time in the life cycle of the Town when no incorporated property remains undeveloped. All construction from this point forward is renovation, retrofitting or land cleared through the demolition of existing structures.



## [Glossary of Terms](#)

**Capital Improvement Program (CIP)** – A plan of capital expenditures to be incurred each year over a period of ten future years, setting forth each capital project, the amount to be expended in each year and the method of financing those expenditures.

**Capital Equipment (Assets)** – Capital equipment is defined by the government as furniture/equipment with an initial cost of \$5,000 or and an estimated useful life in excess of two years.

**Capital Expenditure (Assets)** – A capital expenditure is the disbursement of appropriated funds to pay for land, buildings, machinery, equipment, and infrastructure with an original cost of \$5,000 or more; and software licenses and other intangibles of a consumable nature the value of which is \$50,000 or more and has an estimated useful life of at least two years following the date of acquisition.

**Capital Software (Assets)** – Capital software is defined by the government as software with an initial cost of \$50,000 or and an estimated useful life in excess of two years.

**CAFR (Comprehensive Annual Financial Report)** – Financial report that contains, at a minimum, three sections: 1) introductory, 2) financial, 3) statistical, and whose financial section provides information on each individual fund and component unit.

**CDBG** – The Community Development Block Grant (CDBG) Entitlement Program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.

**CD Services** – Community Development Services; administrative support for the Town’s Community Development Department.

**COBRA** – Consolidated Omnibus Budget Reconciliation Act of 1985; is a law passed by the U.S. Congress on a reconciliation basis and signed by President Ronald Reagan that, among other things, mandates an insurance program which gives some employees the ability to continue health insurance coverage after leaving employment.

**Comprehensive Plan** – Developed pursuant to the provisions of the South Carolina Code of Laws Section 6-29-510 et seq, the Comprehensive Plan is intended to guide the development and redevelopment of lands within the Town, consistent with the physical, social, and fiscal environment.

**Contingency** – A budgetary reserve to provide for emergency or unanticipated expenditures during the fiscal year. These funds, if not used, lapse at year end. This is not the same as fund balance.

**Debt Service** – The payment of principal and interest on borrowed funds such as bonds.

**Defeasance** – Netting of outstanding liabilities and related assets on the statement of financial position. Most refunds result in the defeasance of the refunded debt.

**Deferred** – Postponement of the recognition of an expense already paid or a revenue already received.

**Department** – A basic organizational unit of the Town which is functionally unique in its service provided.

**Depreciation** – The decrease in value of physical assets due to use and the passage of time.

**Division** – A sub-organizational unit of a Department which is functionally unique in its service provided.

**Encumbrance** – The commitment of appropriated (budgeted) funds to purchase goods or services. To encumber sets aside those funds for the future when the goods and services have been legally committed.

**Enterprise Fund** – Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

## Glossary of Terms

**Expenditure (Governmental Fund)/Expense (Proprietary/Enterprise Fund)** – The disbursement of appropriated funds to pay for goods and/or services.

**Fines and Forfeitures** – Consists of a variety of fees, fines and forfeitures collected by the state court system, including bail forfeitures, garnishments, legal defenders recoupment and juror/witness fees.

**Fiscal Year** – Any period of 12 consecutive months designated as the budget year. The fiscal year for the Town is July 1 through June 30.

**Fixed Asset** – Things the Town owns that cost a considerable amount and has a useful life exceeding two years.

**FMLA** – The Family and Medical Leave Act of 1993 is a United States federal law requiring covered employers to provide employees job-protected and unpaid leave for qualified medical and family reasons. Qualified medical and family reasons include: personal or family illness, family military leave, pregnancy, adoption, or the foster care placement of a child.

**Franchise Fee** – Charges to utilities for exclusive/non-exclusive rights to operate within municipal boundaries. Examples are electricity, telephone, cable television, and solid waste.

**FTE (Full-Time Equivalent)** – A measurement equal to one person working a full-time schedule for one year.

**Fund** – A self-balancing accounting entity segregated to carry on specific activities or attain certain objectives to meet legal requirements or Generally Accepted Accounting Principles.

**Fund Balance** – Represents the difference between assets and fund liabilities in the governmental funds balance sheet and is commonly referred to as fund equity.

**GAAP** – Generally Accepted Accounting Principles

**General Fund** – This is considered the Town's operating fund. This fund is used to account for all financial resources, property tax revenues (major revenue source), as well as other general revenue sources that will be used to support services that are provided on a Townwide basis.

**GFOA (Government Finance Officers Association)** – An association of public finance professional that has played a major role in the development and promotion of GAAP for state and local governments since its inception in 1906.

**Goal** – A broad statement of intended accomplishments or a description of a general condition deemed desirable.

**Governmental Funds** – Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. The Town has no permanent funds.

**Grant** – A commitment of resources from one organization to another.

**Gullah/Geechee** – The Gullah/Geechee Nation exist from Jacksonville, NC to Jacksonville, FL. It encompasses all of the Sea Islands and thirty to thirty-five miles inland to the St. John's River. On these islands, people from numerous African ethnic groups linked with indigenous Americans and created the unique Gullah language and traditions from which later came "Geechee." The Gullah/Geechee people have been considered "a nation within a nation" from the time of chattel enslavement in the United States until they officially became an internationally recognized nation on July 2, 2000.

**Hospitality Tax** – A two percent (2%) tax on the sale of prepared meals and beverages, sold in establishments with or without licenses for on-premises consumption of alcoholic beverages, beer or wine.

**Intergovernmental Revenue** – Revenue received from or through the Federal, State, or County government.

## Glossary of Terms

**LMO** – Land Management Ordinance; The purpose and intent of the LMO is to guide the development and use of property in accordance with the Town's Comprehensive Plan and existing and future needs of the Town in order to protect, promote, and improve the public health, safety, morals, convenience, order, appearance, prosperity, and general welfare of the landowners and residents of the Town.

**LRTA (Palmetto Breeze)** – The Palmetto Breeze provides a wide variety of public transportation services in five Lowcountry counties (Lowcountry Regional Transportation Authority).

**Major Fund** – Governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor's report.

**MASC** - Municipal Association of South Carolina; is a government sector lobbying association in South Carolina.

**Mil** – A taxation unit equal to one dollar of tax obligation for every \$1,000 of assessed valuation of property.

**Millage** – The total tax obligation per \$1,000 of assessed valuation of property.

**Mission Statement** – A statement that identifies the particular purpose and function of a department.

**MPO** - Metropolitan Planning Organization; Is a transportation policy-making organization made up of representatives from local government and transportation authorities, and created to ensure existing and future expenditures for transportation projects and programs were based on a comprehensive, cooperative, and continuing planning process. The role of the MPO includes: establishing a local forum for transportation decision making; evaluating transportation alternatives; developing and updating a long-range transportation plan; developing a Transportation Improvement Program of projects; and involving the public. Funds from the Federal Highway Administration are distributed to the State and then to MPOs for these transportation projects.

**NAICS** - The North American Industry Classification System or NAICS (pronounced "nakes") is used by business and government to classify business establishments according to type of economic activity (process of production) in [Canada](#), [Mexico](#), and the [United States of America](#). It has largely replaced the older [Standard Industrial Classification](#) (SIC) system; however, certain government departments and agencies, such as the [U.S. Securities and Exchange Commission](#) (SEC), still use the [SIC codes](#).

**Non-Departmental (Townwide)** – Refers to activities, revenues and expenditures that are not assigned to a particular department.

**Non-Major Fund** – A Special Revenue Fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**Objective** – Something to be accomplished in specific, well-defined, measurable terms and that is achievable within a specific time frame.

**Operating Expenditures/Expenses** – Disbursements for goods and services purchased that are consumable in nature or equipment purchases that have a useful life of less than one year.

**Operating Budget** – A budget for general expenses as distinct from financial transactions or permanent improvements such as salaries and benefits, operating equipment/supplies, utilities, insurance, etc.

**Ordinance** – The formally adopted Town Council documents that provides the legal authority to levy taxes and expend funds.

**Palmetto Breeze (LRTA)** – The Palmetto Breeze provides a wide variety of public transportation services in five Lowcountry counties (Lowcountry Regional Transportation Authority).

**Performance Measure** – Data measurement used to determine how effective and/or efficient a program is in achieving its objectives.

## Glossary of Terms

**Personnel Expenditures/Expenses** – Disbursements for salaries, wages, and all related fringe benefits.

**Property Tax** – Taxes levied on all non-exempt real and personal property located within a county. Property taxes are computed by multiplying the total of all millage rates (for each taxing authority within a county) by the assessed value of the property.

**Proprietary Fund** – A proprietary fund may be classified into one of two fund types. Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services. Internal service funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost re-imbursement basis.

**Public Hearing** – A special publicly noticed meeting conducted by the Town to consider and adopt the annual budget.

**Real Estate Transfer Fees Fund** – Real estate transfer fees are used to (a) acquire fee and less than fee interest in land while it is still available to be held in perpetuity as wildlife preserves or believed to be needed by the public in the future for active and passive recreation uses and scenic easements, to include the following types of land: ocean, harbor and pond frontage in the form of beaches, dunes and adjoining backlands; barrier beaches; fresh and saltwater marshes and adjoining uplands; land for bicycle paths; land protecting existing and future; public water supply, well fields, highway buffering and aquifer recharge areas; and land for wildlife preserves; and land for future public recreational facilities, (b) acquire already developed land or development rights in order to convert its use to a public use, to restore the property to open space, or to redefine that property in accordance with the Town's current comprehensive plan and dispose of it as soon as possible.

**Real Property** – Land and the buildings or structures erected upon such land.

**Revenue** – Monies received from all sources (with the exception of fund balances) that are used to fund expenditures in a given fiscal year.

**Revised Budget** – The adopted budget as formally amended by Town Council.

**RFP** - request for proposal; is a type of bidding solicitation in which a company or organization announces that funding is available for a particular project or program, and companies can place bids for the project's completion.

**Tax Increment Financing (TIF)** – a method of funding public investments in an area slated for redevelopment by capturing for a time, all or a portion of the increased tax revenue that may result when the redevelopment stimulates private investment. As private investments add to the tax base within the redevelopment area, the increased tax revenues are placed in a special fund that can only be used for public purposes permitted by law.

**SFU** or “Single-family unit” – Is the average impervious area of a single-family detached residential dwelling unit located within the Town.

**SIC** - Standard Industrial Classification (SIC) codes are four-digit numerical codes assigned by the U.S. government to business establishments to identify the primary business of the establishment. The classification was developed to facilitate the collection, presentation and analysis of data; and to promote uniformity and comparability in the presentation of statistical data collected by various agencies of the federal government, state agencies and private organizations. The classification covers all economic activities. In the United States the SIC code is being supplanted by the six-digit [North American Industry Classification System](#) (NAICS code), which was released in 1997; however certain government departments and agencies, such as the [U.S. Securities and Exchange Commission](#) (SEC), still use the SIC codes.



### [Glossary of Terms](#)

**Special Revenue Fund** – Governmental fund type used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects and exclusive of resources held in trust for individuals, private organizations, or other governments.

**State EMD** - The South Carolina Emergency Management Division is the coordinating agency responsible for the statewide emergency management program.

**Stormwater drainage system** – Is the system of publicly or privately owned or operated rivers, creeks, ditches, drainage channels, pipes, basins, street gutters, and ponds within the Town through which or into which storm water runoff, surface water, or subsurface water is conveyed or deposited.

**Taxable Value** – The assessed value of real property

**Ten-Year Capital Plan** (also known as a Capital Improvement Program (CIP)) – A plan of capital expenditures to be incurred each year over a period of ten future years, setting forth each capital project, the amount to be expended in each year and the method of financing those expenditures, when known.

**Unemployment Compensation** – Amount used to make unemployment compensation payments to former employees.

**Workers' Compensation** – Premiums and deductible amounts paid for Workers' Compensation coverage.

## THE TOWN OF HILTON HEAD ISLAND SOUTH CAROLINA



[www.hiltonheadislandsc.gov/budget](http://www.hiltonheadislandsc.gov/budget)

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