

FY 2022 Budget

**Town of Hilton Head Island,
South Carolina**

TOWN OF HILTON HEAD ISLAND, SC

FISCAL YEAR 2022

CONSOLIDATED BUDGET

ELECTED OFFICIALS



John J. McCann, Mayor, At-Large



Alex Brown, Ward 1



**William (Bill) D. Harkins
Mayor Pro-Tem, Ward 2**



David Ames, Ward 3



Tamara Becker, Ward 4



Thomas W. Lennox, Ward 5



Glenn Stanford, Ward 6

SENIOR STAFF

Marc Orlando
Josh Gruber
Shawn Colin
Angie Stone
Bradley Tadlock
John Troyer
Jeff Buckalew
Jennifer Ray

Town Manager
Deputy Town Manager
Senior Advisor to the Town Manager
Assistant Town Manager
Fire Chief
Director of Finance
Interim Director of Public Projects & Facilities
Capital Projects Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Hilton Head Island
South Carolina**

For the Fiscal Year Beginning

July 01, 2020

Christopher P. Morill

Executive Director

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Reader's Guide

[Reader's Guide](#)

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:

New 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.

Budget Overview

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

Executive Summary

This section provides a broad overview of the Fiscal Year 2022 Consolidated Budget.

Strategic Plan

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

Financial Structure Multiyear – All Governmental Funds

The section provides a summary of all funds used by the Town to manage its financial resources for Fiscal Years 2019 through 2021. Budgets are formally adopted by Town Council for the General Fund, Debt Service Fund, and Capital Projects Fund.

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, and budget calendar.

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.

Reader's Guide

Consolidated Budget Summary – Governmental Funds

This section includes an introduction, the Fiscal Year 2022 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 three budgeted governmental funds.

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.

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 Improvement Plan (multiple funds)

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

Proprietary Fund

The Town has one budgeted proprietary fund which is the Stormwater Fund. It operates as an enterprise fund.

Stormwater 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 plan 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

[New Budget Format](#)

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 2022 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.

[The Five Pillars of the GFOA Financial Foundations Framework](#)

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](#)

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](#)

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

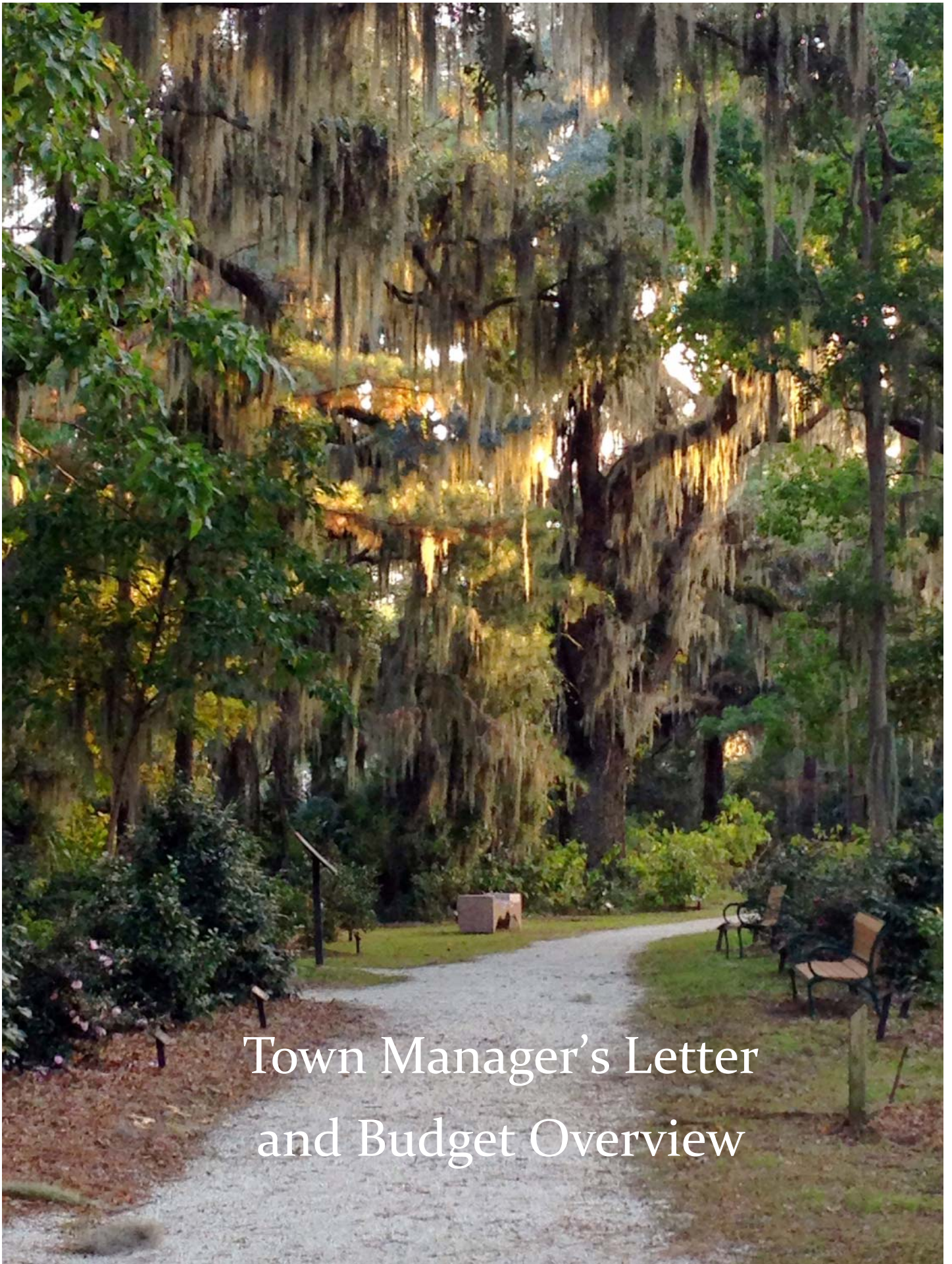
We can't please everyone all the time. Disputes around financial decisions will happen. Anticipate that. Prevent destructive conflict. Promote constructive debate.

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 – changes to the budget document](#)

- 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
and Budget Overview



Town Manager's Letter

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

I am pleased to present to you the Fiscal Year 2022 Consolidated Budget. This year's budget is balanced with conservative revenue projections and careful expenditure choices and reductions. The property tax millage remains the same at 28.10 and it is important to point out that this year is the last year of the 5 mills for 5 years disaster recovery.

The Town continues to benefit from ongoing economic strength and growth that underpins its healthy tax base trends and strong, reliable financial performance. We remain in an excellent credit position with an Aaa Bond Rating from Moody's and AA+ Bond Rating from Standard and Poor's and Fitch. These ratings reinforce confidence in the Town's efforts to maintain a fiscally sound operation throughout uncertain economic times. Notable credit financial factors include a growing tax base, prudent fiscal management, robust financial position, and modest debt and pension burden.

One of the primary goals associated with this year's budget is the delivery of vision and mission based Town Council Strategic Plan Priorities. The Town's strategic plan has been developed utilizing the adopted Our Plan, the 2020 to 2040 Comprehensive Plan for the Town of Hilton Head Island. Another notable, and equally important goal, is the Town's investment in impactful Capital Projects and community infrastructure. Both of these large Town-wide goals will allow us to focus on building a resilient Hilton Head Island community!

Sincerely,

A handwritten signature in blue ink that reads "Marc Orlando". The signature is written in a cursive, slightly stylized font.

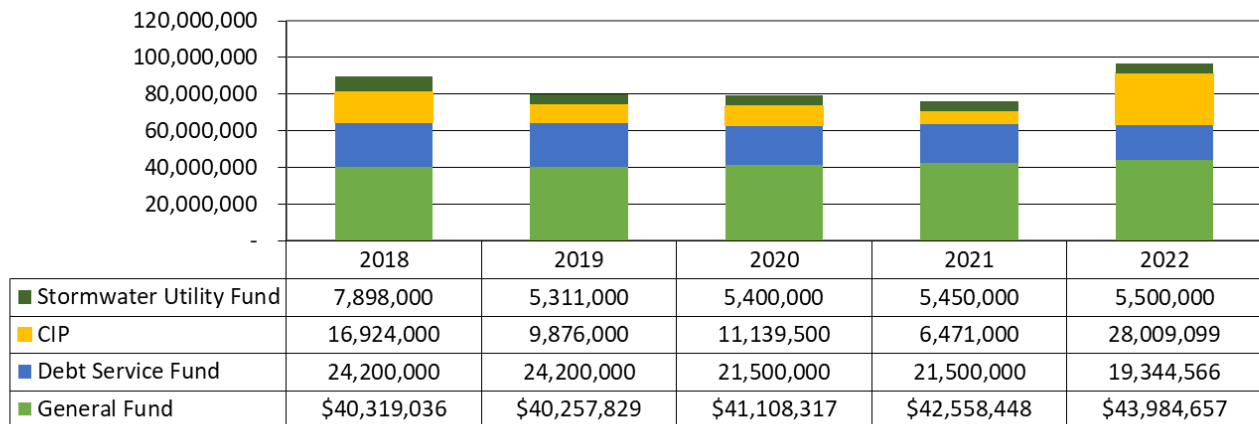
Marc Orlando, ICMA-CM
Town Manager

Budget Overview

Even with the uncertainties related to the global health crisis (COVID-19) the Town continues to respond and recover. The Town is well-positioned to maintain essential services and will begin spending in a strategic manner to be a catalyst for continued growth. By keeping the budget as efficient as possible, the Town is in better position to respond to any future events and moves the Town toward its goal of thriving.

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

	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2022 Adopted Budget	% Change
General Fund	\$ 40,257,829	\$ 41,108,317	\$ 42,558,448	\$ 43,984,657	3.4%
Debt Service Fund	24,200,000	21,500,000	21,500,000	19,344,566	-10.0%
CIP	9,876,000	11,139,500	6,471,000	28,009,099	332.8%
Stormwater Utility Fund	5,311,000	5,400,000	5,450,000	5,500,000	0.9%
Total	\$ 79,644,829	\$ 79,147,817	\$ 75,979,448	\$ 96,838,322	27.5%



Fiscal Year 2017 was Hurricane Matthew. In Fiscal Years 2018-2020, the Town focused on disaster response, disaster reimbursement, and completing projects temporarily delayed because of the storm. In Fiscal Year 2021, the Town focused on adjusting operations due to the uncertainty of the Covid-19 pandemic. The revenues were closely monitored throughout the year, some capital projects were delayed, and the emergency spending was managed well. As we start to come out of the pandemic, Fiscal Year 2022 now pivots to look to the future. From responding to the pandemic environment to becoming a catalyst for community growth, we seek to move from recovery to thriving. Based on the foundations of the Comprehensive Plan, the Town has put in place an impactful capital plan that is ready to be implemented, as long as the negative effects of Covid-19 can be avoided. Overall, the Town has done surprisingly well throughout the Covid-19 pandemic. In fact, Moody's Investors Service recently reaffirmed the Town's Aaa rating with a stable outlook assigned, stating factors that contributed to the Town's strong rating such as a robust financial position, extensive tax base, and strong wealth and income profile; an exceptionally strong economy and tax base; and an overall small burden of debt and pension.

Mission Statement and Vision

Mission Statement

To provide world-class services to the Town's residents and tourists that promotes open town government, financial stability and economic development, community and environmental vitality, world-class leisure and recreational opportunities for residents and guests, and promoting unity while supporting diversity in the community.

Vision

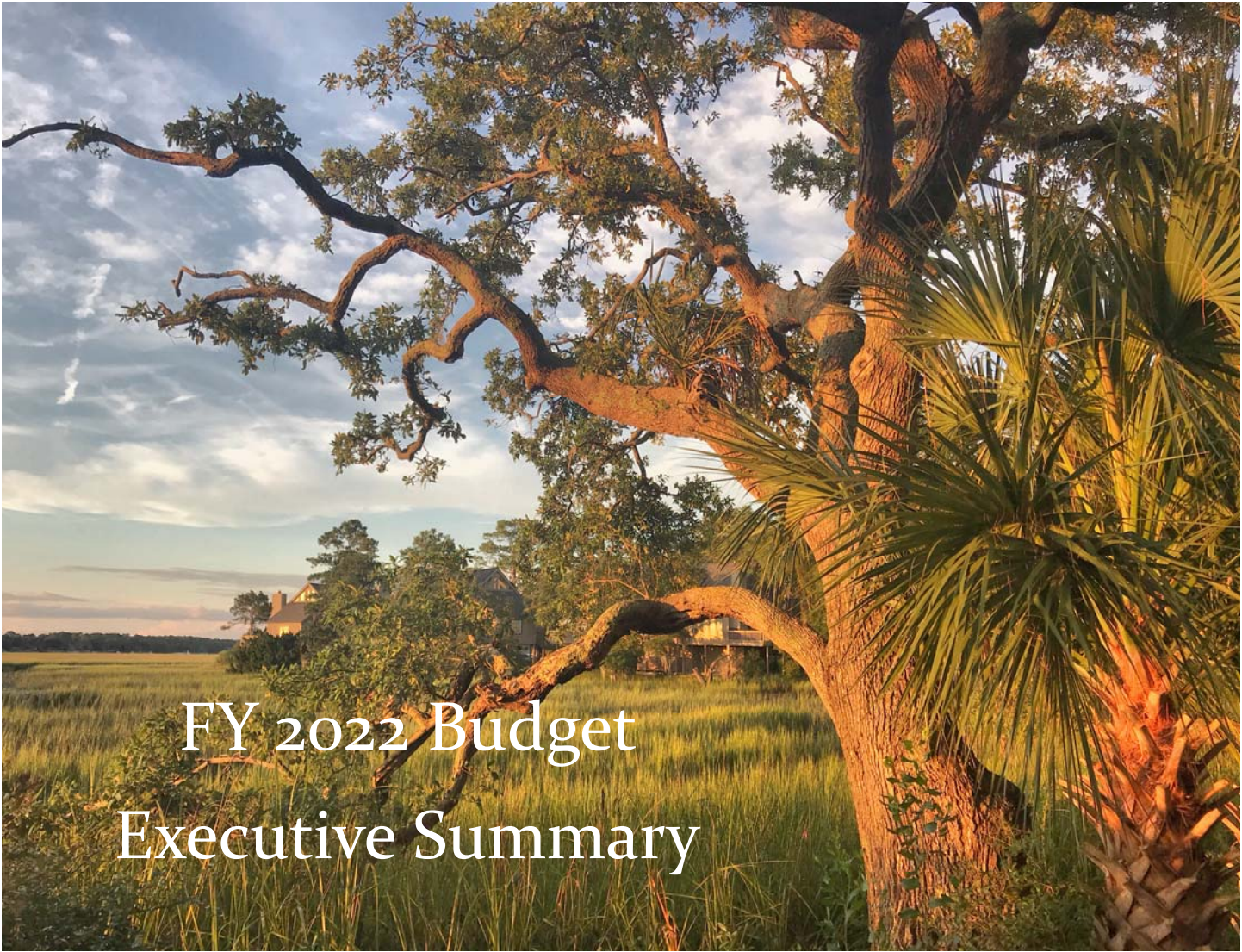
America's best island focused on environmental stewardship, history and heritage, the spirit of volunteerism, quality of residence, and fiscal strength.

Goals

Best in class services and facilities

Exceptional quality of life

Prosperity and innovation



FY 2022 Budget
Executive Summary



Town of
HILTON HEAD ISLAND
South Carolina



**FISCAL YEAR 2022
CONSOLIDATED BUDGET
EXECUTIVE SUMMARY**

www.HiltonHeadIslandsc.gov

**TOWN OF HILTON HEAD ISLAND, SC
FY 2022
PROPOSED CONSOLIDATED BUDGET**

ELECTED OFFICIALS



John J. McCann, Mayor, At-Large



Alex Brown, Ward 1



**William (Bill) D. Harkins
Mayor Pro-Tem, Ward 2**



David Ames, Ward 3



Tamara Becker, Ward 4



Thomas W. Lennox, Ward 5



Glenn Stanford, Ward 6

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Town Manager
Deputy Town Manager
Senior Advisor to the Town Manager
Assistant Town Manager
Fire Chief
Director of Finance
Interim Director of Public Projects & Facilities
Capital Projects Manager

**Executive Summary
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Town of Hilton Head Island Overview 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 northeast of Savannah, Georgia, and 95 miles southwest of Charleston. According to the United States Census Bureau, the Island has a total area of 69.2 square miles, of which 41.4 square miles is land, and 27.8 square miles, or 40.17%, is water.

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 presented by Boeing, a stop on the PGA Tour which is played on the Harbour Town Golf Links in The Sea Pines Resort.

Town of Hilton Head Island Strategic Plan Summary 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
- Environmental Sustainability
- Revitalize Economy
- Inclusive Community
- Connected Community
- Regional Focus
- Right Sized Infrastructure
- Parks and Recreation

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.

Town of Hilton Head Island Vision Statement "AMERICA'S BEST ISLAND FOCUSED ON ENVIRONMENTAL STEWARDSHIP, HISTORY AND HERITAGE, AND THE SPRIT OF VOLUNTEERISM, QUALITY OF RESIDENCE, AND FISCAL STRENGTH."

Town of Hilton Head Island Mission Statement "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."

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

Why Does the Town Prepare a Budget?

1. Establishes priorities to determine how resources will be allocated among the Town's programs and services.
2. Identifies the costs of providing programs and services.
3. Establishes the amount of revenue projected to be available, and subsequently sets limitations on the amount of expenditures that can be supported.
4. Aligns allocated funding with Strategic Plan Action Agenda priorities established by Town Council.
5. Provides budgetary targets to compare with actual revenues and expenditures throughout the year.

The State of South Carolina requires Town Council to adopt an annual balanced budget ordinance prior to July 1. The Town's annual budget is developed in conjunction with feedback from citizens, various boards and commissions including the Town's Planning Commission, the Mayor and Council, the Town Manager, and each department within the Town. Town Council adopts the budget via two readings of the Consolidated Budget Ordinance as well as a public hearing. The first reading is held in May, and the second reading and associated public hearing is held in June. Town Council also holds one or two budget workshops to review projected revenues, expenditure requests, programs, services, and capital projects.

2022



BUDGET SNAPSHOT

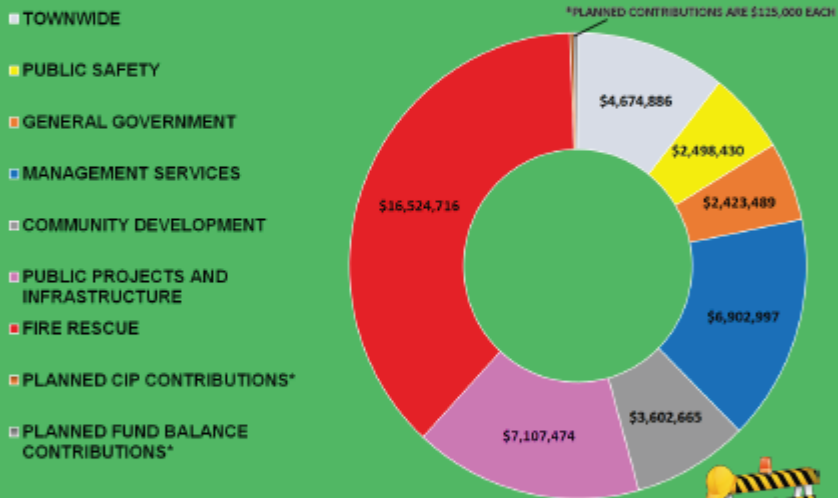
**CONSOLIDATED
BUDGET**



\$96,838,322

GENERAL FUND	\$ 43,984,657
CAPITAL IMPROVEMENTS PROGRAM FUND	28,009,099
STORMWATER UTILITY FUND	5,500,000
DEBT SERVICE FUND	19,344,566

GENERAL FUND EXPENDITURES



CAPITAL IMPROVEMENTS PROGRAM



**3 FIREFIGHTERS ADDED
IN FIRE RESCUE**



\$917,494

**ESTIMATED
VALUE OF A
MILL**



**GENERAL
FUND
REVENUES**

↑ 3.35%

Town of Hilton Head Island Four Major Fund Types



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 are general government, administrative services, sheriff/other public safety, fire, 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 and beach preservation, hospitality tax, TIF tax, and real estate transfer fees.



Capital Improvements Program (CIP) Fund

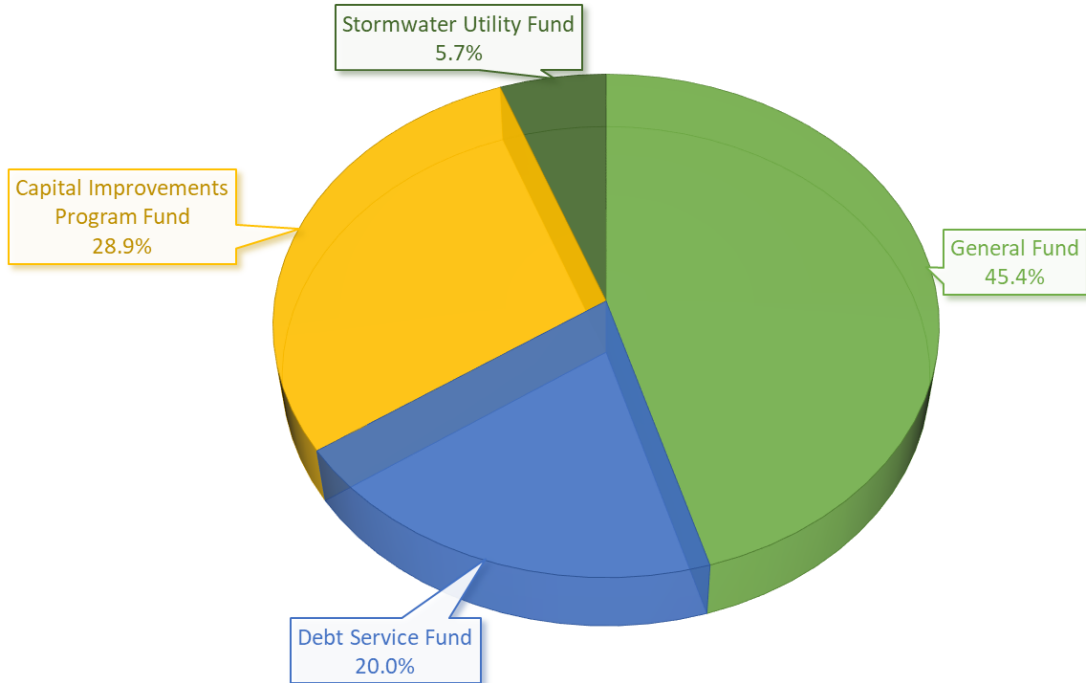
This fund is used to account for and report financial resources that are restricted, committed or assigned for the acquisition, construction, or renovation of major capital facilities; ongoing major improvement projects; and major equipment or other capital asset acquisitions which are not financed by another fund. Primary sources of revenue include bond proceeds, hospitality tax fees, beach preservation fees, TIF taxes, road usage fees, electric franchise fees, and road/park impact fees. Capital Projects are primarily non-recurring in nature. All capital categories require a cost threshold of greater than \$5,000 except for roads, buildings and computer software (recorded in general fund) with a threshold of greater than \$50,000.

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.



**Town of Hilton Head Island
Fiscal Year 2022 Consolidated Budget
Fund Percentages**

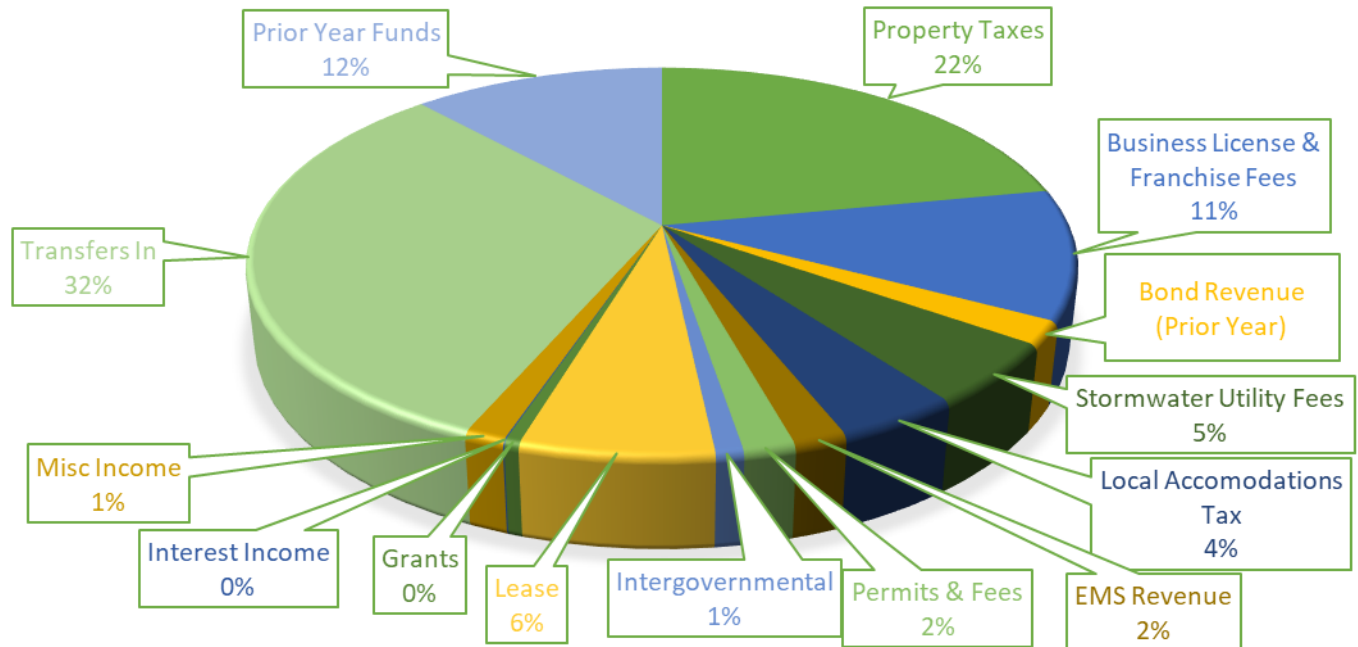


	FY 2020 Original Budget	FY 2021 Original Budget	FY 2021 Revised Budget	FY 2022 Budget	Compared to FY21 Original Budget		Compared to FY21 Revised Budget	
					\$ Change	% Change	\$ Change	% Change
Expenditures								
General Fund	\$ 41,108,317	\$ 42,558,448	\$ 44,012,322	\$ 43,984,657	\$ 1,426,209	3.4%	\$ (27,665)	-0.1%
Debt Service Fund	21,500,000	21,500,000	21,500,000	19,344,566	(2,155,434)	-10.0%	(2,155,434)	-10.0%
Capital Improvements Program Fund	11,139,500	6,471,000	37,478,363	28,009,099	21,538,099	332.8%	(9,469,264)	-25.3%
Stormwater Utility Fund	5,400,000	5,450,000	7,776,066	5,500,000	50,000	0.9%	(2,276,066)	-29.3%
Consolidated Budget	\$ 79,147,817	\$ 75,979,448	\$ 110,766,751	\$ 96,838,322	\$ 20,858,874	27.5%	\$ (13,928,429)	-12.6%

Sources of Funds

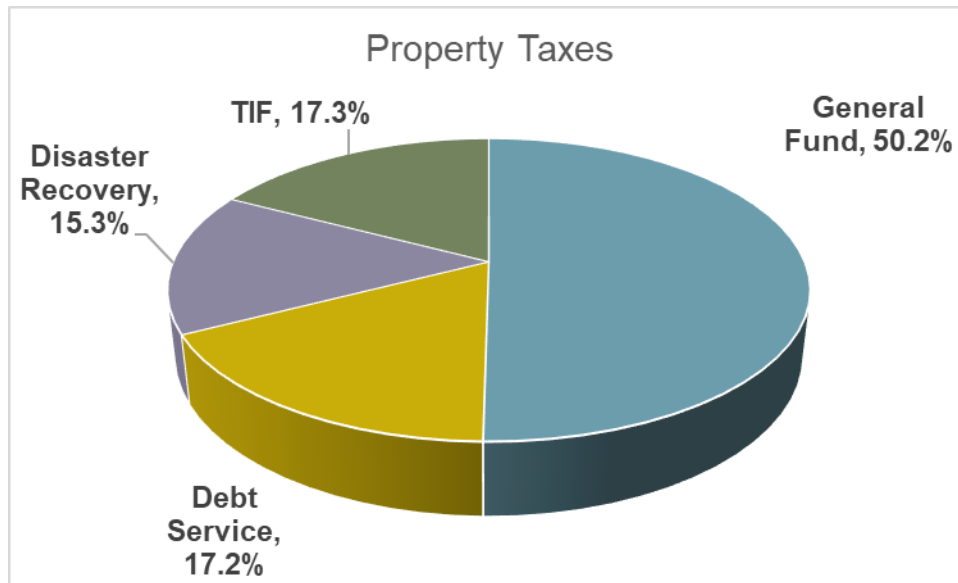
General, Debt, CIP and Stormwater Funds

Fiscal Year 2022 Consolidated Budget - \$96,838,322



	FY 2021 Original Budget	FY 2021 Revised Budget	FY 2022 Budget	\$ Change FY 2021 Original	% Change FY 2021 Original	% Change FY 2021 Revised
Revenues						
Property Taxes	\$ 20,797,020	\$ 20,797,020	\$ 21,237,055	\$ 440,035	2.1%	2.1%
Business License & Franchise Fees	10,959,917	10,959,917	10,477,403	(482,514)	-4.4%	-4.4%
Bond Revenue (Prior Year)	-	-	1,855,000	1,855,000	100.0%	100.0%
Stormwater Utility Fees	4,824,000	4,824,000	4,934,000	110,000	2.3%	2.3%
Local Accomodations Tax	3,690,430	3,690,430	3,988,163	297,733	8.1%	8.1%
EMS Revenue	1,507,500	1,507,500	1,707,823	200,323	13.3%	13.3%
Permits & Fees	1,522,575	1,522,575	1,659,323	136,748	9.0%	9.0%
Intergovernmental	840,000	840,000	888,392	48,392	5.8%	5.8%
Lease	-	-	6,201,868	6,201,868	100.0%	100.0%
Grants	143,587	143,587	476,199	332,612	231.6%	231.6%
Interest Income	362,000	362,000	48,000	(314,000)	-86.7%	-86.7%
Misc Income	1,499,200	1,499,200	1,306,229	(192,971)	-12.9%	-12.9%
Total Revenues	\$ 46,146,229	\$ 46,146,229	\$ 54,779,455	\$ 8,633,226	18.7%	18.7%
Other Financing Sources						
Transfers In	29,209,772	47,173,979	30,638,316	1,428,544	4.9%	-35.1%
Prior Year Funds	960,081	17,783,177	11,420,551	10,460,470	1089.5%	-35.8%
Total Other Financing Sources	30,169,853	64,957,156	42,058,867	11,889,014	39.4%	-35.3%
Total Revenues and Other Financing Sources	\$ 76,316,082	\$ 111,103,385	\$ 96,838,322	\$ 20,522,240	26.9%	-12.8%

Source of Funds – Property Taxes
 General, Debt, CIP, and Other Funds

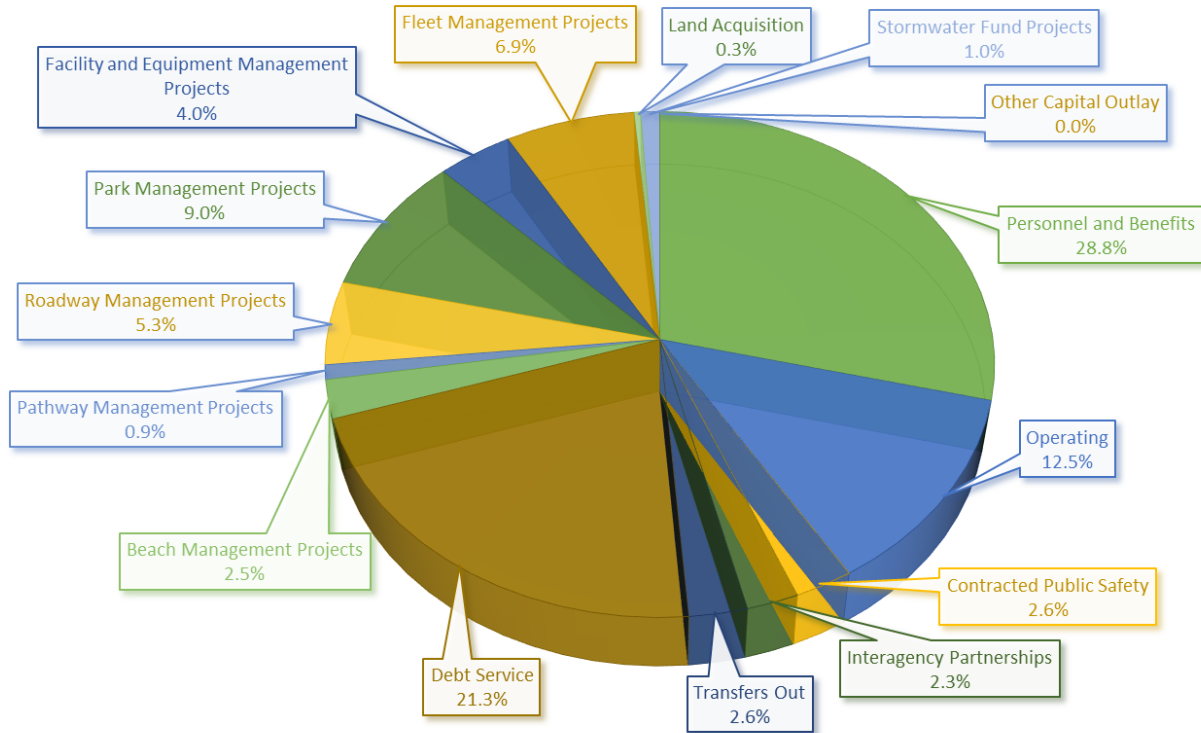


	FY 2020 Actual	FY 2021 Budget	April 2021 YTD Actual	Apr 2021 as a % of Budget	FY 2022 Budget	FY22 as a % of YTD Apr 2021
Budgeted Funds						
General Fund	\$ 15,423,223	\$ 15,386,182	\$ 15,373,516	99.9%	\$ 15,759,897	102.5%
CIP	21,118	-	-	n/a	-	n/a
Debt Service	5,378,472	5,360,838	5,262,452	98.2%	5,477,158	104.1%
Total Budgeted Funds	20,822,813	20,747,020	20,635,968	99.5%	21,237,055	102.9%
Other Funds						
Natural Disasters Fund	4,654,613	-	4,667,772	n/a	-	n/a
TIF	5,031,311	-	5,298,576	n/a	-	n/a
Total Property Taxes	30,508,737	20,747,020	30,602,316	n/a	\$ 21,237,055	n/a

Uses of Funds

General, Debt, CIP and Stormwater Funds

Fiscal Year 2022 Consolidated Budget - \$96,838,322

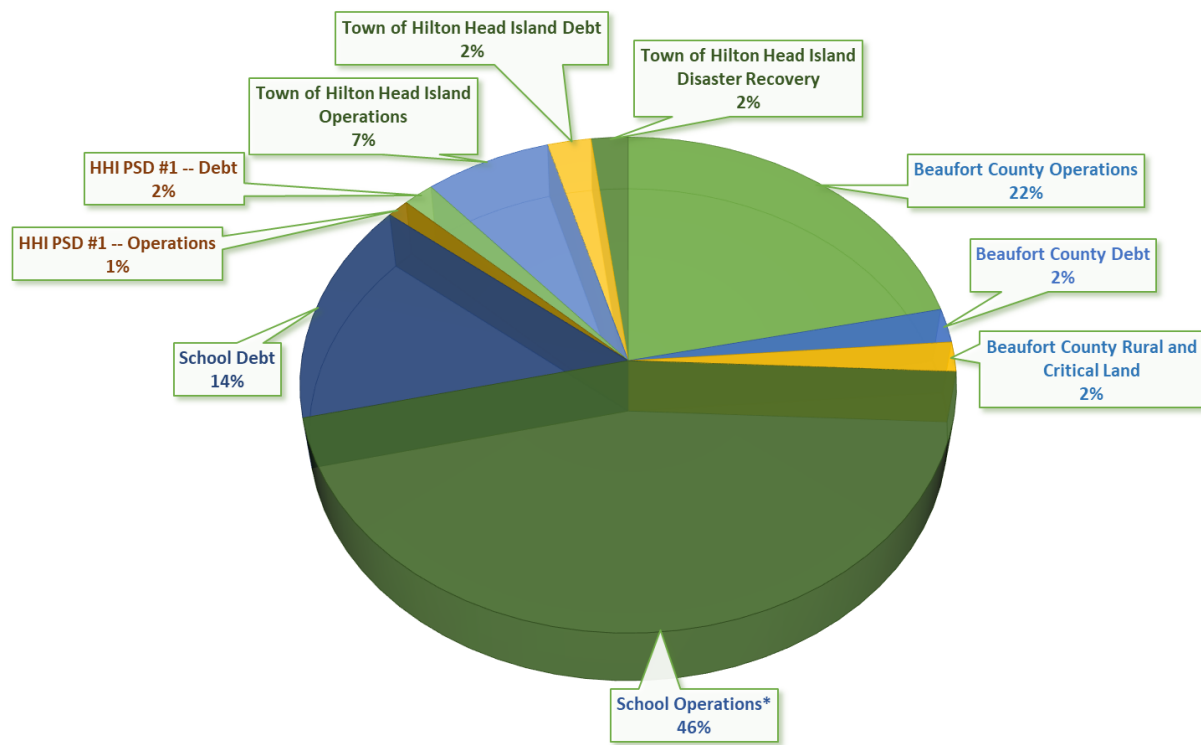


	FY 2021 Original Budget	FY 2021 Revised Budget	FY 2022 Budget	% Change FY2021 Original	% Change FY2021 Revised	% of Budget
Personnel and Benefits	\$ 26,865,856	\$ 26,865,856	\$ 27,908,655	4%	4%	28.8%
Operating	10,593,333	11,679,472	12,081,083	14%	3%	12.5%
Contracted Public Safety	3,927,634	3,797,172	2,498,430	-36%	-34%	2.6%
Interagency Partnerships	1,791,917	2,281,917	2,224,427	24%	-3%	2.3%
Transfers Out	150,000	150,000	2,494,000	1563%	1563%	2.6%
Debt Service	23,034,490	23,034,490	20,599,628	-11%	-11%	21.3%
Beach Management Projects	500,000	2,697,027	2,373,523	375%	-12%	2.5%
Pathway Management Projects	100,000	219,404	900,000	800%	310%	0.9%
Roadway Management Projects	980,000	9,673,646	5,167,964	427%	-47%	5.3%
Park Management Projects	250,000	5,431,030	8,716,476	3387%	60%	9.0%
Facility and Equipment Management Projects	633,000	12,883,447	3,884,200	514%	-70%	4.0%
Fleet Management Projects	3,988,000	4,070,911	6,677,868	67%	64%	6.9%
Land Acquisition	20,000	2,402,898	324,068	1520%	-87%	0.3%
Stormwater Fund Projects	2,802,000	5,071,263	988,000	-65%	-81%	1.0%
Other Capital Outlay	343,218	508,218	-	-100%	-100%	0.0%
Total Expenditures	75,979,448	110,766,751	96,838,322	27%	-13%	100.0%

* New Transfers Out this year include transfers from Stormwater to CIP, and from General Fund to CIP and Fund Balance.

Property Tax Overview

Tax Year 2021 and Fiscal Year 2022



	Tax Rate	
	2020	2021
	2020	2021
	Fiscal Year	2022
Beaufort County Operations	54.30	53.90
Beaufort County Debt	5.50	5.50
Beaufort County Rural and Critical Land	5.50	4.80
School Operations*	114.00	114.00
School Debt	31.70	36.30
HHI PSD #1 -- Operations	3.00	3.00
HHI PSD #1 -- Debt	4.10	4.20
Town of Hilton Head Island Operations	17.20 *	17.20 *
Town of Hilton Head Island Debt	5.90 *	5.90 *
Town of Hilton Head Island Disaster Recovery	5.00 *	5.00 *
Total	<u>246.2</u>	<u>249.8</u>

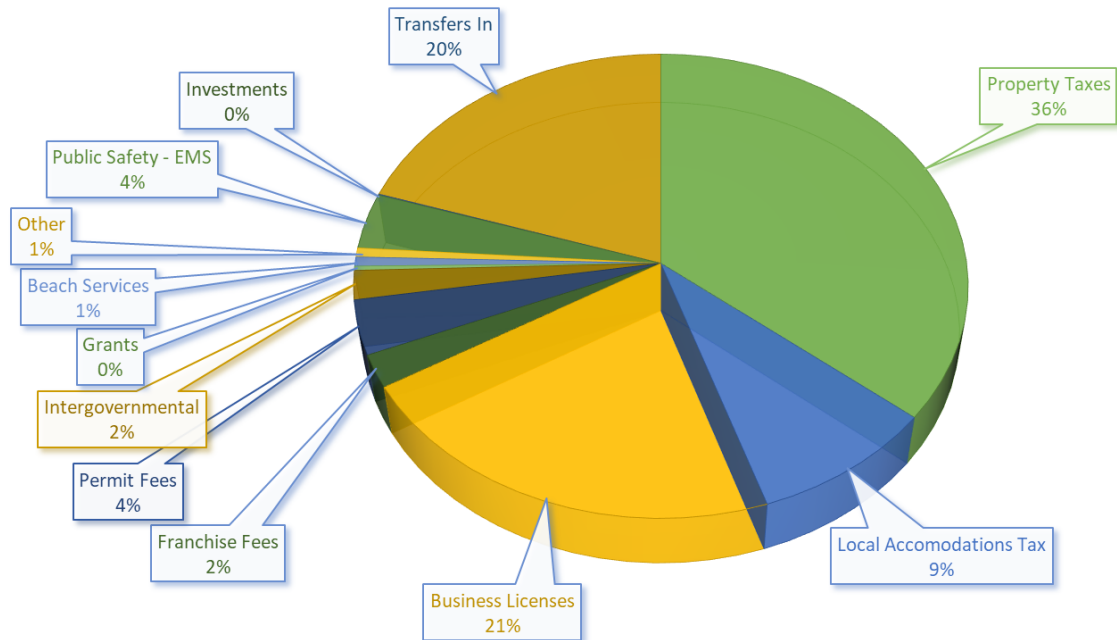
This is a sample tax rate for a property in the PSD #1 district. There are other districts. School operations applicable to non-resident and commercial taxpayers.

** The Town total millage rate is only 28.1 of this sample rate.*

The Town of Hilton Head Island tax rate is to remain the same at 28.1 with operations at 17.20, debt at 5.90, and disaster recovery at 5.00 per \$1,000 of assessed valuation. Tax Year 2021 / Fiscal Year 2022 will be the third year in a row at 28.10 mills, and will be the last year of the 5.00 mills for disaster recovery.

Sources of Funds – General Fund
General Fund Revenues

Fiscal Year 2022 General Fund - \$43,984,657

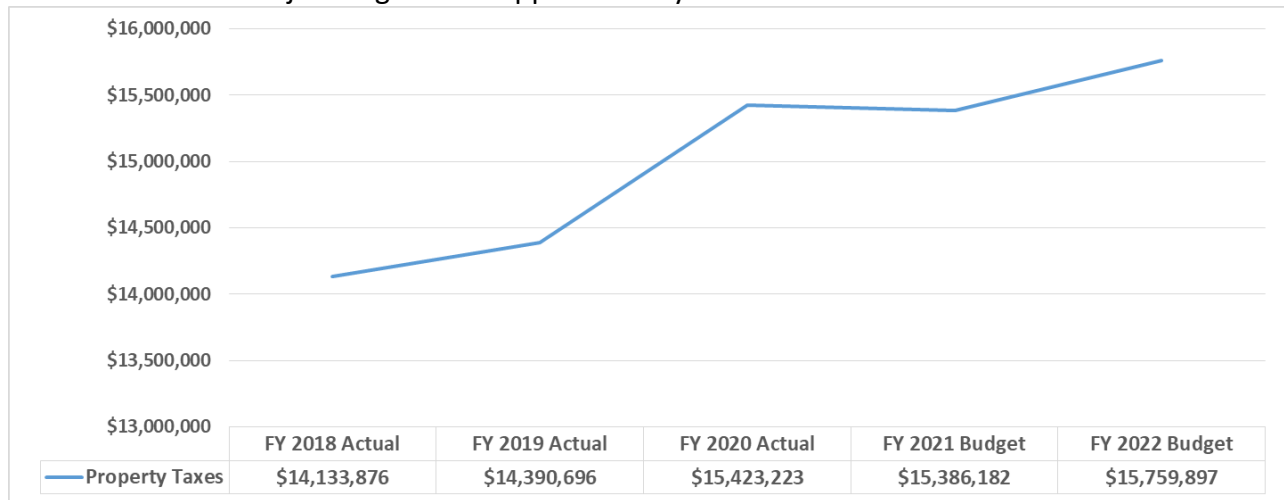


	FY 2021 Original Budget	FY 2021 Revised Budget	FY 2022 Budget	% Change FY2021 Original	% Change FY2021 Revised	% of Budget
Property Taxes	\$ 15,386,182	\$ 15,386,182	\$ 15,759,897	2.4%	2.4%	35.8%
Local Accommodations Tax	3,690,430	3,690,430	3,988,163	8.1%	8.1%	9.1%
Business Licenses	9,995,367	9,995,367	9,482,051	-5.1%	-5.1%	21.6%
Franchise Fees	964,550	964,550	995,352	3.2%	3.2%	2.3%
Permit Fees	1,522,575	1,522,575	1,659,323	9.0%	9.0%	3.8%
Intergovernmental	840,000	840,000	888,392	5.8%	5.8%	2.0%
Grants	143,587	143,587	128,219	-10.7%	-10.7%	0.3%
Beach Services	252,500	252,500	278,658	10.4%	10.4%	0.6%
Other	272,700	272,700	279,271	2.4%	2.4%	0.6%
Public Safety - EMS	1,507,500	1,507,500	1,707,823	13.3%	13.3%	3.9%
Public Safety - County	55,000	55,000	-	-100.0%	-100.0%	0.0%
Victims Assistance	21,000	21,000	-	-100.0%	-100.0%	0.0%
Investments	300,000	300,000	30,000	-90.0%	-90.0%	0.1%
Transfers In	7,943,691	8,293,691	8,787,508	10.6%	6.0%	20.0%
Prior Year Funds	-	1,103,874	-	0.0%	-100.0%	0.0%
Total Revenues	42,895,082	44,348,956	43,984,657	2.5%	-0.8%	100.0%

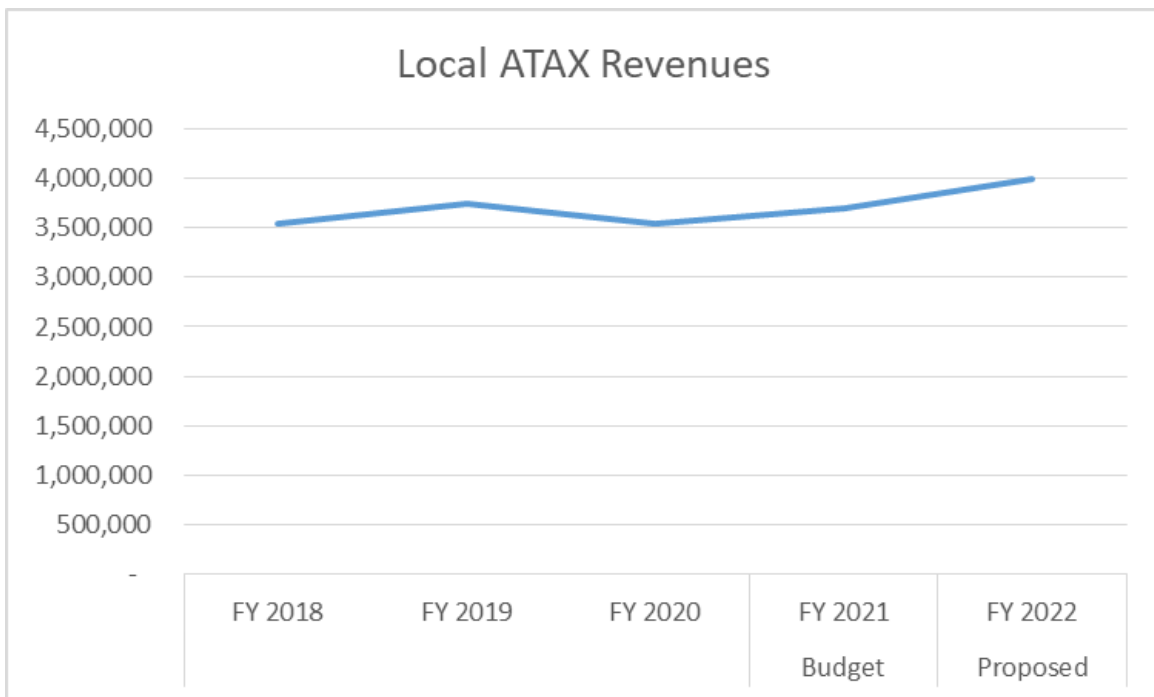
General Fund Revenue Trends

Property Taxes

Projected growth – approximately 1% for FY 2021 and FY 2022



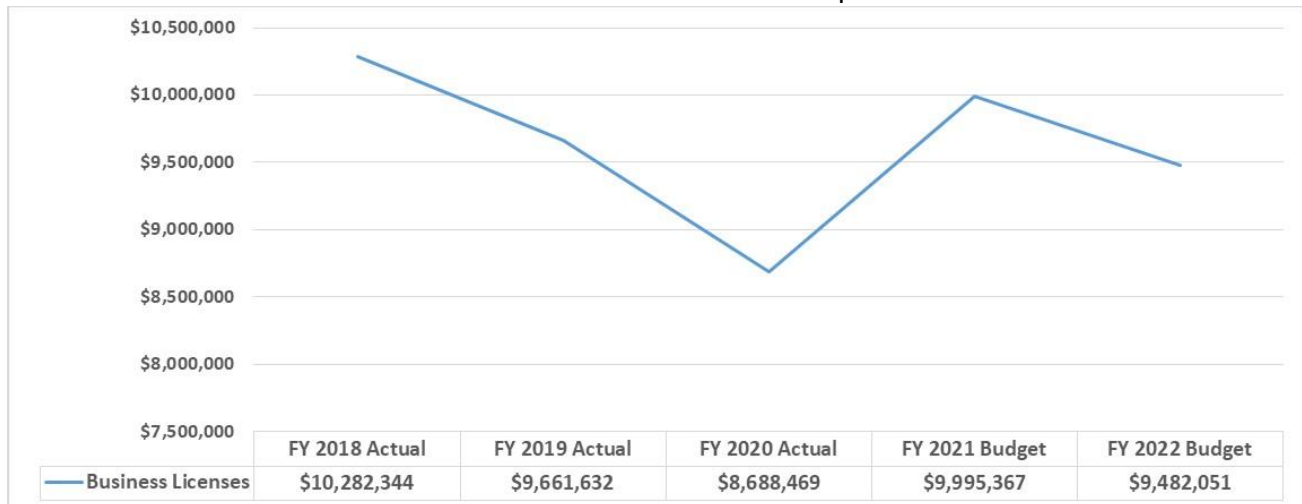
Local ATAX Revenues



General Fund Revenue Trends

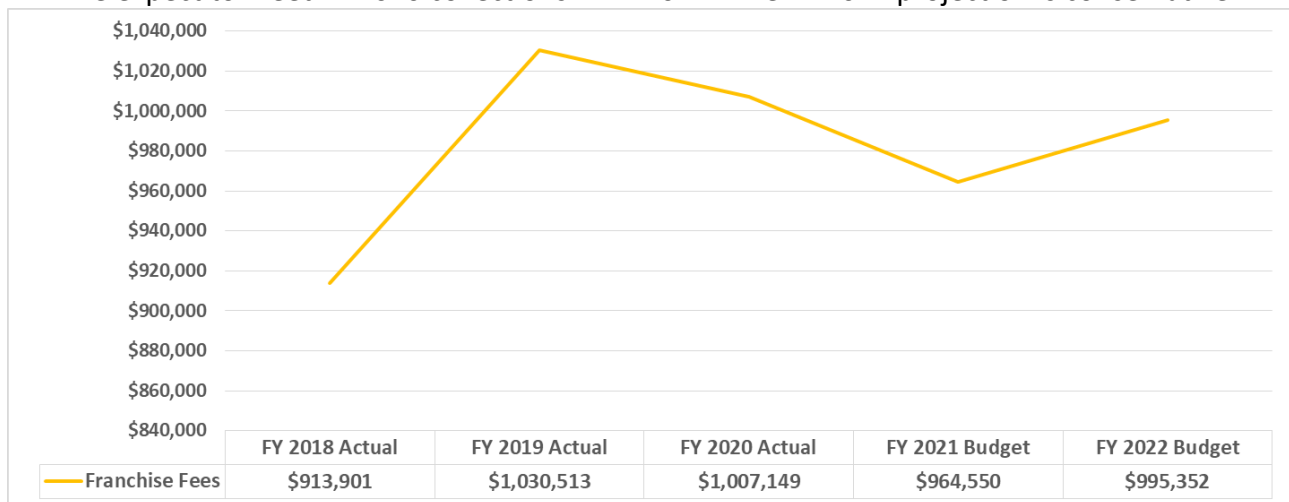
Business Licenses – Local and MASC

Local Business License Revenue expectations were lowered in FY 2021 to be conservative. Projections for FY 2022 are only a 0.6% increase. A delay in the MASC payment schedule pushed \$1 million of collections from FY 2020 to FY 2021. FY 2022 is expected to be more like FY 2019.



Franchise Fees

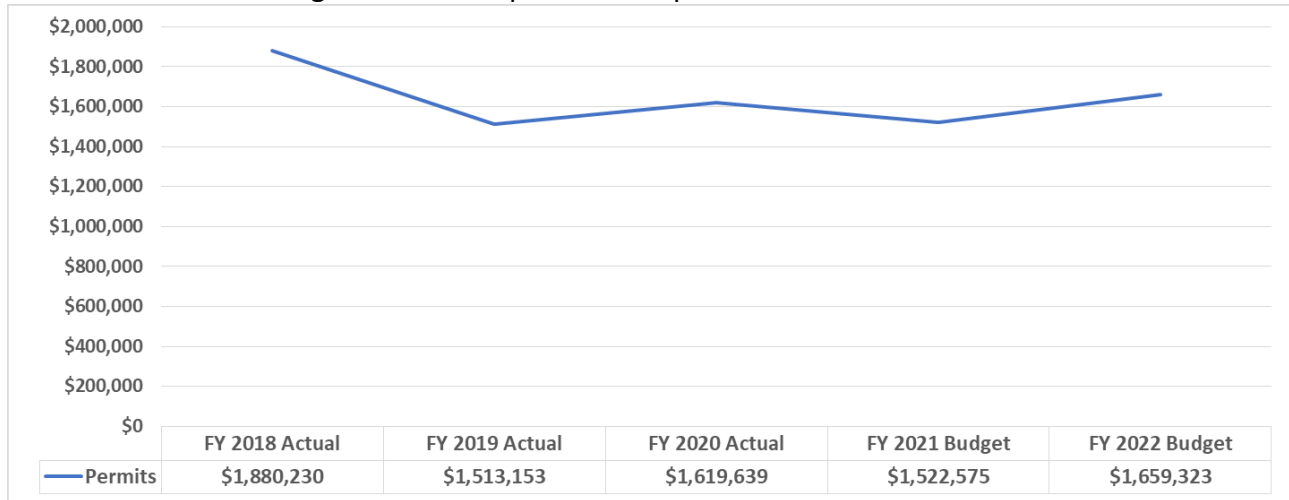
We expect to meet FY 2020 collections in FY 2021. The FY 2022 projection is conservative.



General Fund Revenue Trends

Permits

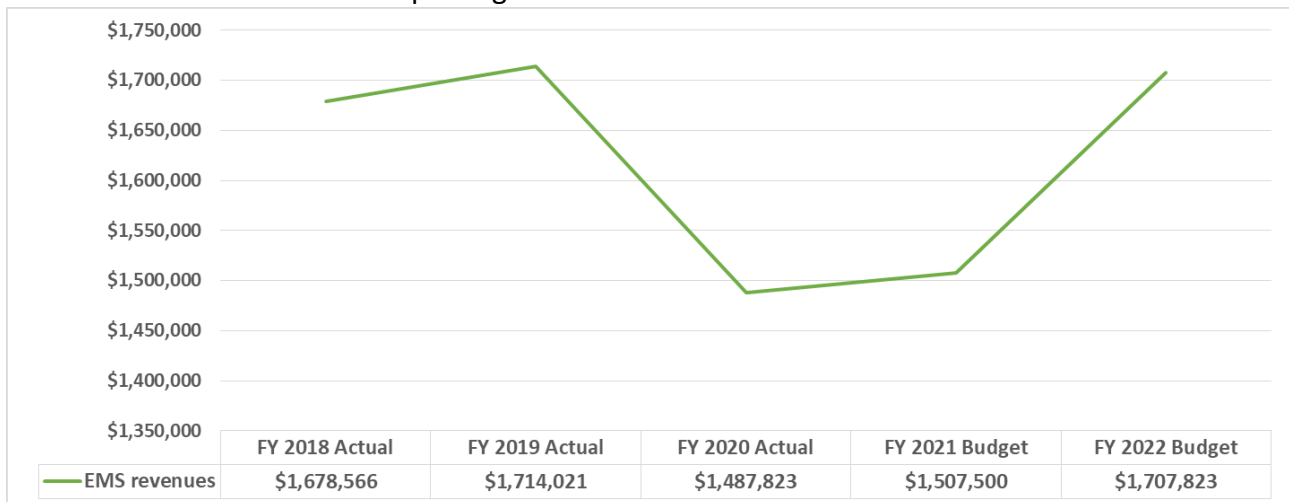
The high demand for permits is expected to continue in FY 2022.



EMS Revenues

FY 2020 had significant slowdown in April – June due to COVID-19.

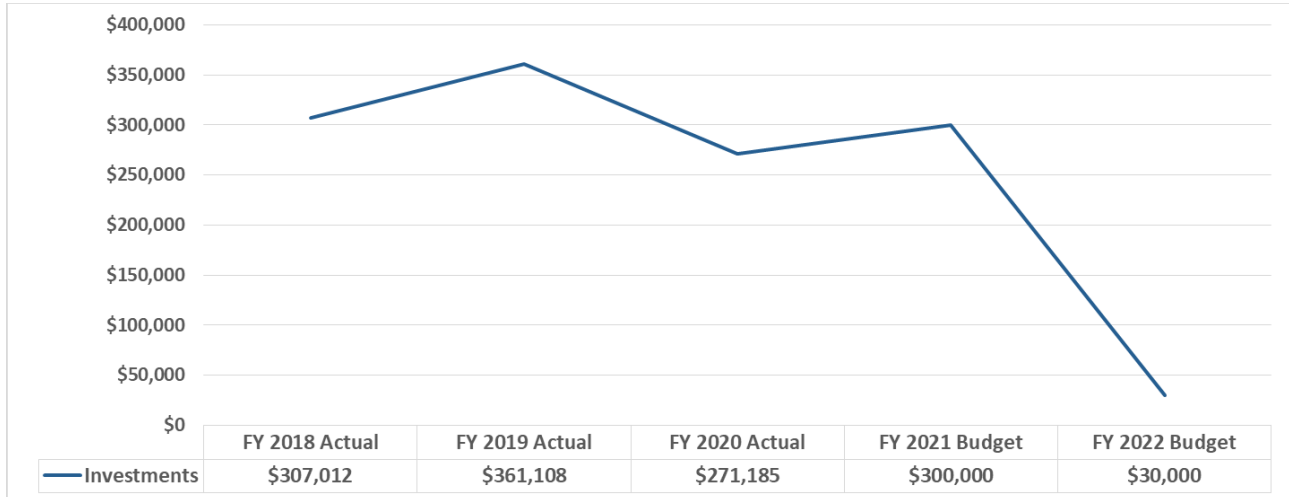
We are expecting FY 2021 and FY2022 to be like FY 2019.



General Fund Revenue Trends

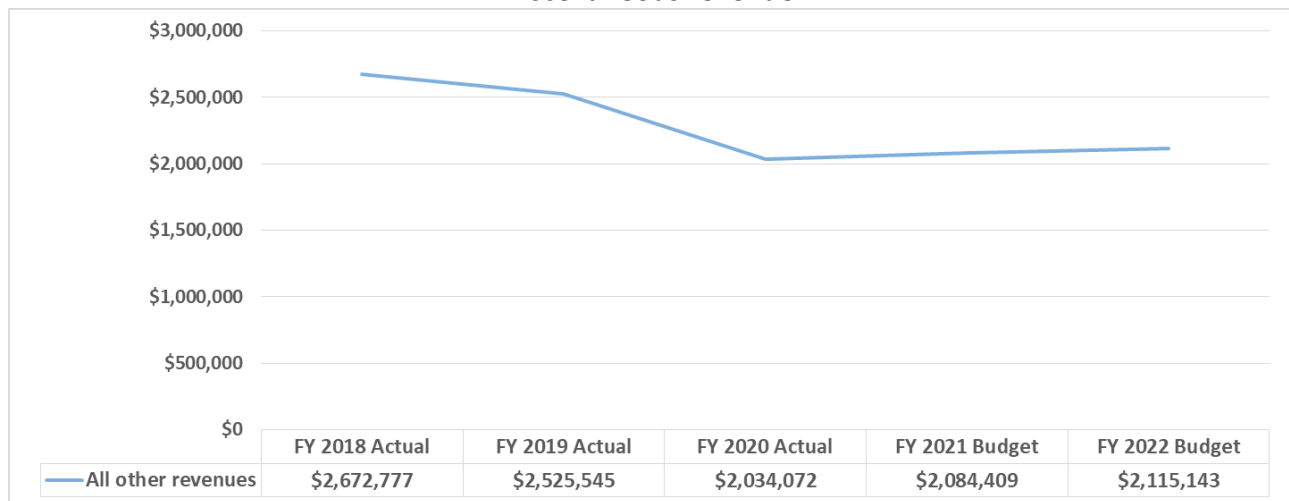
Investments

The investment returns are significantly down due to current interest rates, which our revenue projections reflect for FY 2022.



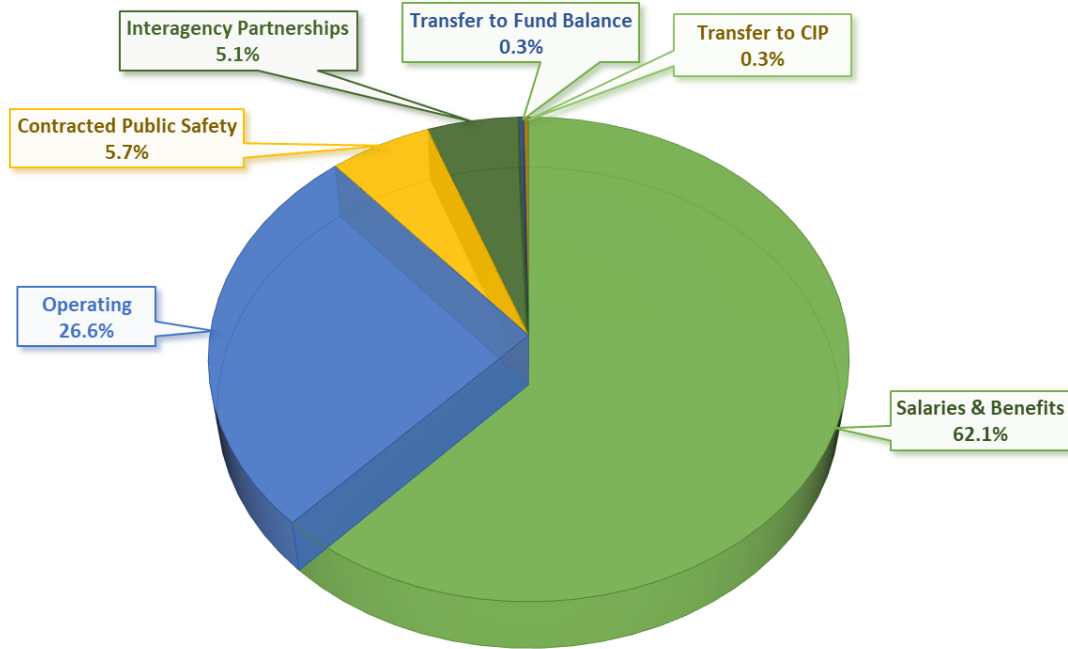
All Other Revenues

“All Other” revenue includes Intergovernmental, Grants, Beach Services, Electric Franchise Fees, and miscellaneous revenue.



Uses of Funds – General Fund
General Fund Expenditures

Fiscal Year 2022 General Fund - \$43,984,657



Expenditures by Category	FY 2021 Original Budget	FY 2021 Revised Budget	FY 2022 Budget	% Change FY 2021 Original	% Change FY 2021 Revised	% of Budget
Salaries & Benefits	\$ 26,294,346	\$ 26,294,346	\$ 27,307,517	3.9%	3.9%	62.1%
Operating	10,231,333	11,260,669	11,704,283	14.4%	3.9%	26.6%
Contracted Public Safety	3,927,634	3,797,172	2,498,430	-36.4%	-34.2%	5.7%
Interagency Partnerships	1,791,917	2,281,917	2,224,427	24.1%	-2.5%	5.1%
Capital	313,218	378,218	-	-100.0%	-100.0%	0.0%
Total	42,558,448	44,012,322	43,734,657	2.8%	-0.6%	99.4%
Transfer to Fund Balance	-	-	125,000	100.0%	100.0%	0.3%
Transfer to CIP	-	-	125,000	100.0%	100.0%	0.3%
Total Expenditures & Transfers Out	42,558,448	44,012,322	43,984,657	3.4%	-0.1%	100.0%

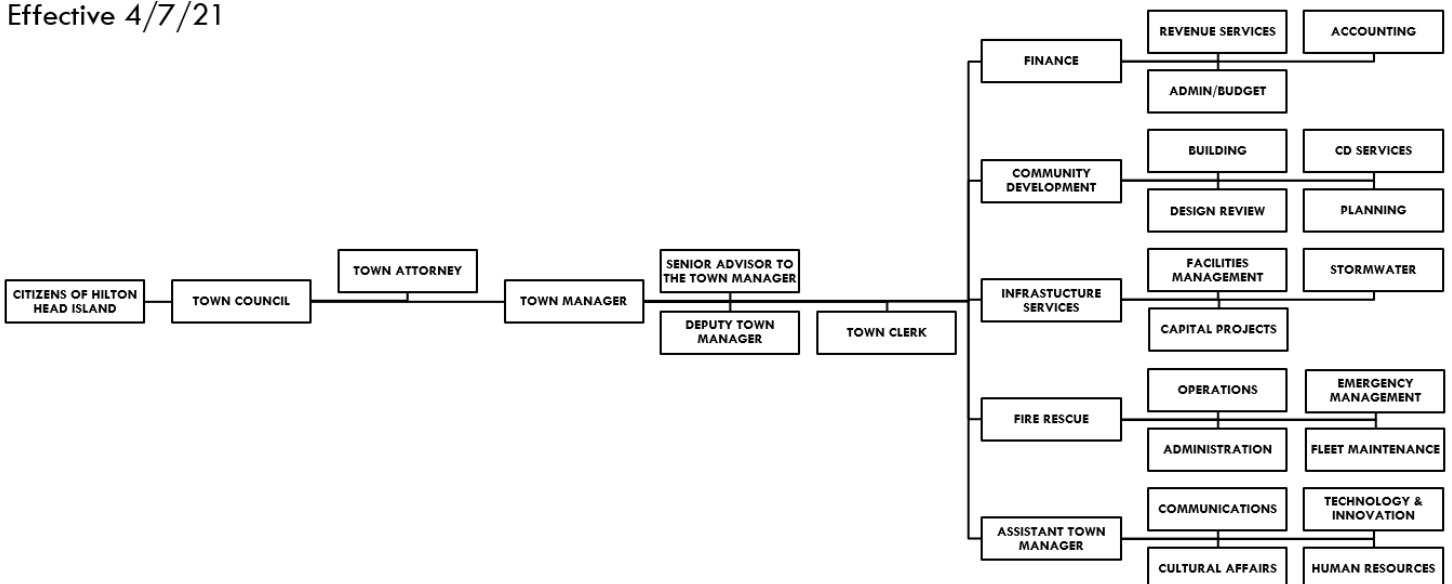
Town of Hilton Head Island Workforce

Budget Personnel History

	FY 2019	FY 2020	FY 2021	FY 2022	
<u>General Government</u>					
Town Council	7.0	7.0	7.0	7.0	
Town Manager	5.0	5.0	4.0	7.0	
<u>People and Connections</u>					
Human Resources	4.0	4.0	4.0	4.0	
Cultural Affairs				1.0	
Communications				2.5	
Information Technology and Innovation				14.5	
<u>Management Services</u>					
Administration/Legal	19.7	19.7	24.2	6.2	
Finance	19.7	20.7	19.7	19.2	
<u>Community Services</u>					
Community Development	31.1	33.1	33.1	30.1	
Public Projects and Facilities/Infrastructure Services	19.0	19.0	21.0	22.0	
<u>Public Safety</u>					
Fire and Rescue	145.3	145.3	142.5	145.5	#
Total General Fund	250.8	253.8	255.5	259.0	
PPF Stormwater Fund	6.0	6.0	6.0	6.0	
Total Town Staff	256.8	259.8	261.5	265.0	

Added positions: # Includes 3 Firefighters (2 effective July 1, 2021, 1 effective January 1, 2022)

Organizational Chart Effective 4/7/21



Town of Hilton Head Island FY 2022 Consolidated Budget Highlights

General Fund Notes

- There are no millage increases or expiring CPI options this year. This will be the 3rd year at the same millage rate.
- This budget includes a \$125,000 Contribution to from the General Fund budget to the General Fund Balance.
- This budget includes a \$125,000 Contribution to from the General Fund budget to the Capital Improvements Plan.
- This budget includes a \$1.695 million in State ATAX funding, which, if adopted, will replace the need for the Town to apply for an ATAX grant, and gives the Town confidence in its funding to move forward with the budget. This amount would be all-inclusive, including the state funding formula portions as well as the Town grant amounts.
- The Town's revenue collections continue to be strong despite the pandemic. Our projections, however, are moderate.
- This budget provides for the Staff / departmental reorganization for a more effective structure for the Town's future.
- This budget invests in our Employees:
 - Two new paid holidays per year were added for our Staff to align more closely with the Beaufort County School District schedule.
 - The increased health insurance and PORS rates will be covered by the Town.
 - The Town will provide up to 3% performance-based salary adjustments, to be effective January 1, 2022.
 - Funds will be provided for an increase in employee / leadership / Island employee training.
 - Three new firefighter positions were added to improve response capability and reduce overtime.
- This budget provides funding for enhanced long range planning initiatives.
- This budget includes additional building plans examination support, which will be outsourced for flexibility.
- This budget provides for Beach parking attendants / Island ambassadors for a more positive and proactive connection with our residents and visitors, and will be funded by Beach Preservation Fees.
- This budget increases maintenance and landscaping support to account for the Town taking over former County Parks, the shrinking off-season, and the completion of the new Low Country Celebration Park.
- This budget reduces amounts for travel, office supplies, printing and publishing, etc. to allow more funding for Capital Projects and Town Initiatives.
- This budget provides for implementation of the in-house inspection and maintenance program for Town-owned properties, infrastructure and facilities utilizing Cartegraph asset management software, on-the-spot facility maintenance programs, "See-Click-Fix", and quarterly reports – all to keep the Town and its assets in the best working order possible.
- This budget provides for increased funding for Community Events and Town-wide holiday celebrations.
- This budget invests in our Community Partners:
 - The Island Recreation Association amount increased due to additional responsibilities previously funded by the County. (\$1,087,578)
 - The Mitchelville Preservation Project Executive Director amount was agreed upon in the recent MOU. (\$105,000)

- The Coastal Discovery Museum Management Fee is the same level of funding as FY 2021. (\$75,000)
 - Town Code specifies the funding as 1% of Local ATAX for the USCB Event Management and Hospitality Program. (\$186,367)
 - Funding for LRTA / Palmetto Breeze is slightly increased due to an expansion of the trolley service. (Urban match is \$175,165, and Rural match is \$50,000)
 - Funding for the Solicitor's Office is the same amount as previous years; \$118,500 for the Career Criminal Program, and \$50,000 for the Multidisciplinary Court.
 - The Heritage Classic Foundation contract funding was added to the General Fund budget this year, as it was previously paid directly from the Hospitality Tax Special Revenue Fund. (\$289,817)
 - This budget enables our continued participation in the Beaufort County EDC at the same level of funding as FY 2021. (\$25,000)
 - Grant matching funds are included in the amount of \$62,000 as the Town is positioning itself to take advantage of grant opportunities by proactively including possible matching funds to make our grant applications as attractive as possible.
- This budget is planning on implementing the Model Business License Ordinance **as revenue neutral to the Town.**

Departmental / Division Expenditure Overview

Town Council

Budget: \$471,242

- Supports the Mayor and Town Council operating expenses, training and meeting expenses
- Funds legal counsel and support to Mayor and Town Council

Town Manager

Budget: \$1,286,306

Town Manager: Marc Orlando

- Supports the staffing and operations of the office of the Town Manager to provide high standards of service delivery
- Includes executive leadership training which is an additional feature this year
- Supports professional certifications and training for staff

Human Resources

Budget: \$665,941

Director: Lisa Stauffer

- Supports the staffing and operations of the office of the Human Resources Department to provide high standards of service delivery
- Provide high quality and cost-effective human resource programs and services designed to attract, retain, and develop diverse employees committed to the achievement of the Town's strategic objectives
- Supports the Town Manager and all Town Departments
- Coordinates employee benefit programs
- Administers recruitment and selection processes for all Town Departments

Office of Cultural Affairs

Budget: \$280,149

Director: Jen McEwen

- Supports the staffing and operations of the office of the Cultural Affairs to provide high standards of service delivery
- Serves as a link between the various and diverse cultural organizations on the Island to promote coordination and collaboration

Communications

Budget: \$386,009

Director: Carolyn Grant

- Supports the staffing and operations of the office of the Communications office to provide high standards of service delivery
- Supports the Town Manager and all Town departments in an overall communication strategy

Information Technology and Innovation

Budget: \$3,705,373

Director: Brett Lavender

- Supports the staffing and operations of the office of Information Technology and Innovation to provide high standards of service delivery
- Includes Records Management Services for all Town Departments
- Includes the recently merged Fire Rescue Information office as well for enhanced coordination of efforts

Finance

Budget: \$1,916,176

Director: John Troyer

- Supports the staffing and operations of the office of the Finance Department to provide high standards of service delivery
- Provides for budgeting, planning, collection, procurement, administration and accounting of funds for all Town activities
- Provides for payroll and accounts payable services for all the Town needs
- Provides customer service for business license, ATAX, HTAX and other accounts of the Town
- Coordinates the Town's banking, debt administration and investing activities
- Provides financial services support for the Town Manager and the Town's other operating departments

Legal/Administration

Budget: \$615,290

Director: Diane Busch

- Supports the staffing and operations of the office of the Legal Counsel to provide services at the highest level to all departments of the Town
- Provides for legal support to Town Departments reporting to the Town Manager
- Provides for Enforcement personnel and resources for enforcement of Town Codes

Community Development

Budget: \$3,602,665

Interim Director: Jennifer Ray

- Supports the staffing and operations of the office of the Community Development Department to provide high standards of service delivery
- Administers and leads the Town's LMO, planning, and development activities
- Provides for implementation of building codes with inspection and compliance activities
- Manages and coordinates efforts in Development, Review and Rezoning activities

Public Projects & Facilities / Infrastructure Services

Budget: \$7,107,474

Interim Director: Jeff Buckalew

- Supports the staffing and operations of the office of the Infrastructure Services to provide high standards of service delivery
- Administers the management of Town facilities
- Leads the Stormwater system activities for the Town
- Maintains the Town's roadways, traffic signals, street signs, mile markers and storm water infrastructure
- Provides general oversight and project management for design and construction of road, drainage, pathway and other infrastructure projects
- Oversees the implementation of the Town's capital projects through the Capital Improvements Projects

Fire Rescue

Budget: \$16,524,716

Fire Chief: Brad Tadlock

- Supports the Island's Fire Rescue staffing and operations
- Provides fire services to the town to include structural firefighting, wildland firefighting, motor vehicle fires, and all other fires
- Provides advanced life support (ALS) emergency medical services (EMS) and transport
- Delivers specialty emergency response services to include hazardous materials response, technical rescue services, vehicle and machinery extrication services, confined space, and other services
- Provides for community education for fire prevention and various medical topics
- Provides for emergency responses in the event of a natural disaster
- Operates seven fire stations, a dispatch center and a headquarters facility
- Manages a fleet maintenance program for all Town vehicles

Police Services

Budget: \$2,498,430

- Supports the contracts for policing services with Beaufort County Sheriff's Office for police services on the Island
- Supports Shore Beach Services contract for Beach patrol operations

Townwide

Budget: \$4,674,886

- Includes Personnel and benefits budget of \$408,587 for personnel costs not assigned to a specific department such as workers' compensation premiums, retirement contributions, temporary employees expenses and employee recognitions
- Includes Operating budget of \$2,041,872 for operating costs not assigned to a specific department such as insurance, utilities and communications expenses
- Includes \$2,224,427 in funding for Interagency Partnerships

Transfers

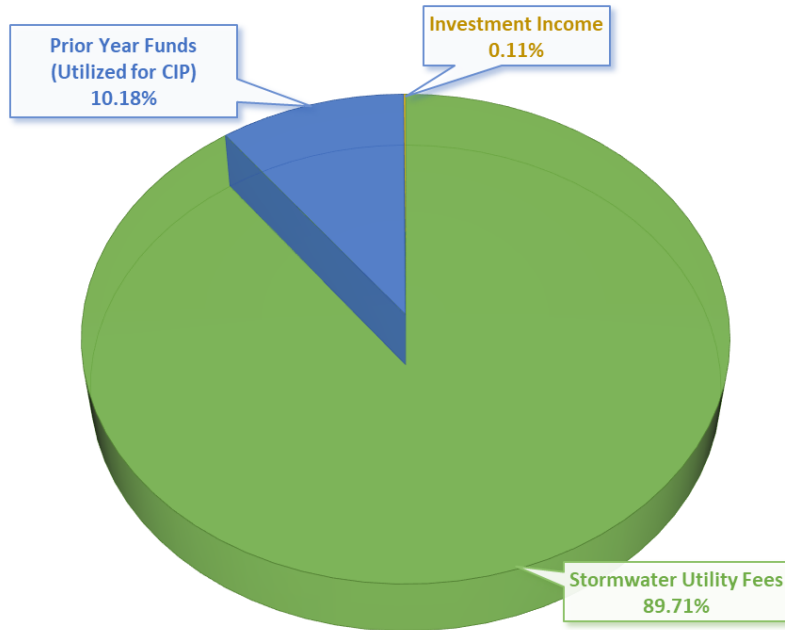
Budget: \$250,000

- This is a new category this fiscal year
- The category includes \$125,000 transfer from the General Fund to the General Fund balance and \$125,000 from the General Fund to the Capital Improvement Plan
- These two items demonstrate the Town's fiscal conservatism by setting aside funds for the future through the planned, budget process

Sources of Funds – Stormwater Utility Fund

Stormwater Utility Fund Revenues

Fiscal Year 2022 Stormwater Utility Fund - \$5,500,000

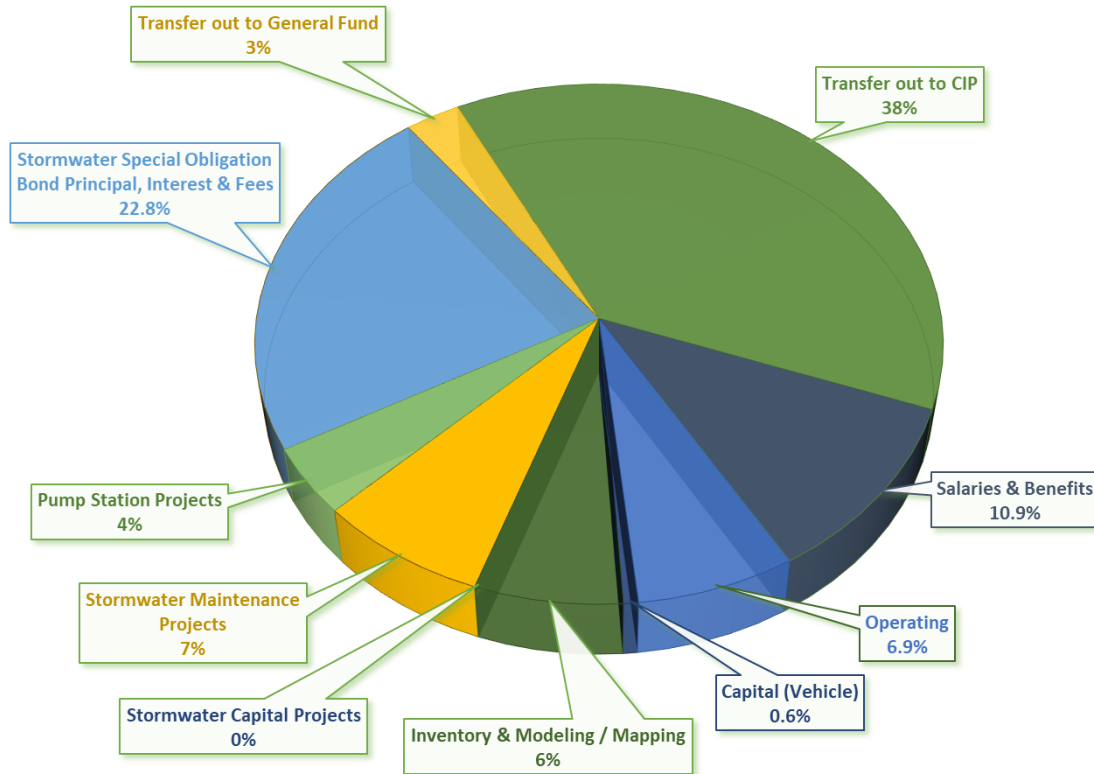


	FY 2021 Original Budget	FY 2021 Revised Budget	FY 2022 Budget	% Change FY2021 Original	% Change FY2021 Revised	% of Budget
Stormwater Utility Fees	\$ 4,824,000	\$ 4,824,000	\$ 4,934,000	2.3%	2.3%	89.7%
Prior Year Funds (Utilized for CIP)	624,000	2,950,066	560,000	-10.3%	-81.0%	10.2%
Investment Income	2,000	2,000	6,000	200.0%	200.0%	0.1%
Total Revenues	5,450,000	7,776,066	5,500,000	0.9%	-29.3%	100.0%

Uses of Funds – Stormwater Utility Fund

Stormwater Utility Fund Expenditures

Fiscal Year 2022 Stormwater Utility Fund - \$5,500,000



Expenditures by Category	FY 2021 Original Budget	FY 2021 Revised Budget	FY 2022 Budget	% Change FY2021 Original	% Change FY2021 Revised	% of Budget
Salaries & Benefits	\$ 571,510	\$ 571,510	\$ 601,138	5.2%	5.2%	10.9%
Operating	362,000	418,803	376,800	4.1%	-10.0%	6.9%
Capital (Vehicle)	30,000	30,000	35,000	16.7%	16.7%	0.6%
Inventory & Modeling / Mapping	350,000	1,046,158	350,000	0.0%	-66.5%	6.4%
Stormwater Capital Projects	-	270,929	-	0.0%	-100.0%	0.0%
Stormwater Maintenance Projects	1,812,000	2,839,780	408,000	-77.5%	-85.6%	7.4%
Pump Station Projects	640,000	914,396	230,000	-64.1%	-74.8%	4.2%
Stormwater Special Obligation Bond Principal, Interest & Fees	1,534,490	1,534,490	1,255,062	-18.2%	-18.2%	22.8%
Transfer out to General Fund	150,000	150,000	155,000	3.3%	3.3%	2.8%
Transfer out to CIP	-	-	2,089,000	100.0%	100.0%	38.0%
Total Expenditures & Transfers Out	5,450,000	7,776,066	5,500,000	0.9%	-29.3%	100.0%

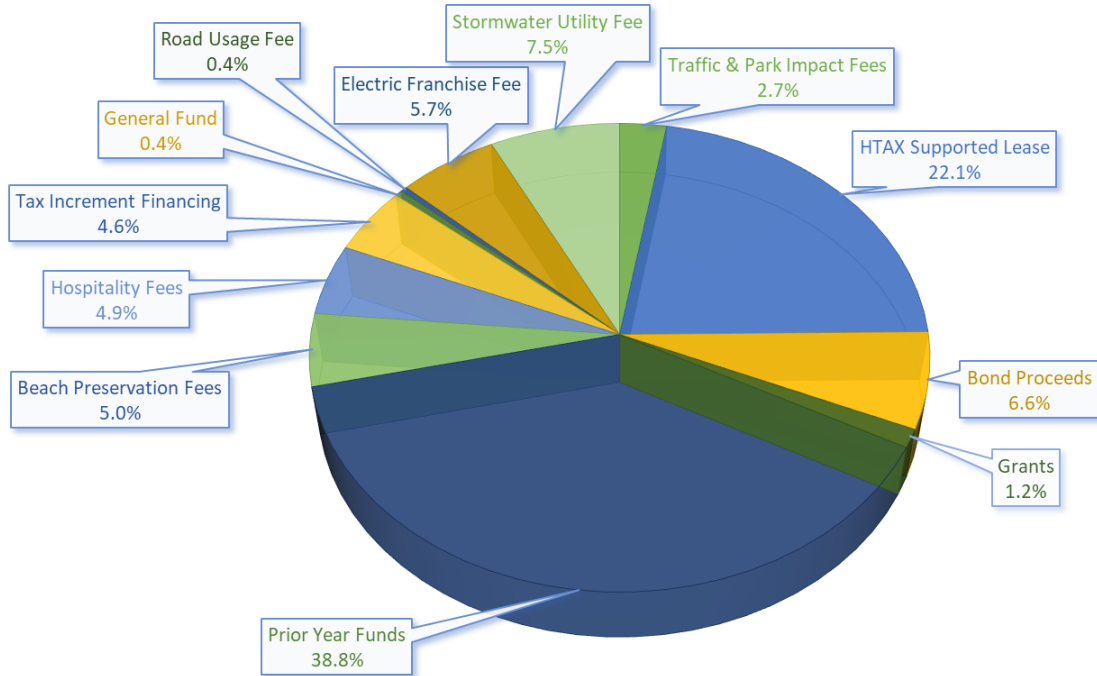
Town of Hilton Head Island FY 2022 Consolidated Budget Highlights

Stormwater Utility Fund

- Stormwater is budgeted to operate within its current rate structure.
- Stormwater capital projects will be transferred to the CIP, along with a transfer of Stormwater funding.
- Stormwater maintenance projects include:
 - Water quality monitoring
 - Inventory, modeling and flood plain mapping
 - General operation, routine inspection and maintenance of the Island's pump stations
 - Routine maintenance of channels, ditches, pipes, ponds and parks
 - Street sweeping
- Additional Stormwater Fund expenditures will include:
 - Personnel (6 positions)
 - Operating Costs
 - Purchase of 1 Vehicle
 - Stormwater Special Obligation Bond principal, interest and fees
 - Transfer to General Fund
- Stormwater operations are accomplishing the improvement and sustainment of:
 - Stormwater infrastructure
 - Water quality
 - All watersheds within the town

Sources of Funds – Capital Improvements Program (CIP) Fund
 Capital Improvements Program (CIP) Proposed Revenues

Fiscal Year 2022 - \$28,009,099



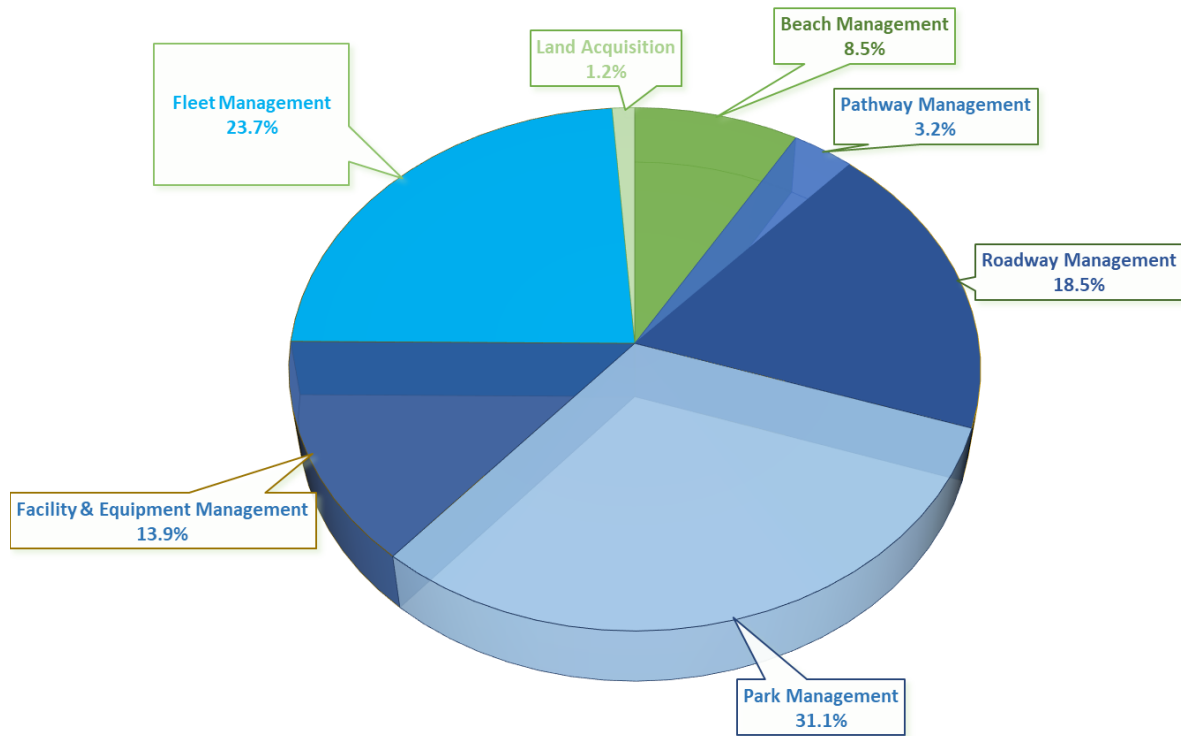
Funding Sources	FY 2021 Original Budget	FY 2021 Revised Budget	FY 2022 Budget	% Change FY 2021 Original	% Change FY 2021 Revised	% of Budget
Traffic & Park Impact Fees	628,000	628,000	748,300	19.2%	19.2%	2.7%
HTAX Supported Lease	-	-	6,201,868	100.0%	100.0%	22.1%
Bond Proceeds	-	-	1,855,000	100.0%	100.0%	6.6%
Grants	-	-	347,980	100.0%	100.0%	1.2%
Prior Year Funds	-	12,573,337	10,860,551	100.0%	-13.6%	38.8%
Transfers In:						
Beach Preservation Fees	500,000	4,714,897	1,400,000	180.0%	-70.3%	5.0%
Hospitality Fees	4,243,000	6,307,659	1,373,628	-67.6%	-78.2%	4.9%
Tax Increment Financing	450,000	4,951,744	1,300,000	188.9%	-73.7%	4.6%
General Fund	-	-	125,000	100.0%	100.0%	0.4%
Road Usage Fee	330,000	3,712,907	100,000	-69.7%	-97.3%	0.4%
Electric Franchise Fee	-	500,000	1,607,772	100.0%	221.6%	5.7%
Stormwater Utility Fee	-	-	2,089,000	100.0%	100.0%	7.5%
Total Funding Sources	6,471,000	37,478,364	28,009,099	332.8%	-25.3%	100.0%

*The Stormwater Utility Capital Projects are now being included in the CIP for better transparency and understanding of the value of SWU fees being used on the Island.

Uses of Funds – Capital Improvements Program (CIP) Fund

Capital Improvements Program (CIP) Expenditures

Fiscal Year 2022 - \$28,009,099



Use of Funds	FY 2021 Original Budget	FY 2021 Revised Budget	FY 2022 Budget	% Change FY 2021 Original	% Change FY 2021 Revised	% of Budget
Beach Management	\$ 500,000	\$ 2,697,027	\$ 2,373,523	374.7%	-12.0%	8.5%
Pathway Management	100,000	219,404	900,000	800.0%	310.2%	3.2%
Roadway Management	980,000	9,673,646	5,167,964	427.3%	-46.6%	18.5%
Park Management	250,000	5,431,030	8,716,476	3386.6%	60.5%	31.1%
Facility & Equipment Management	633,000	12,883,447	3,884,200	513.6%	-69.9%	13.9%
Fleet Management	3,988,000	4,070,911	6,642,868	66.6%	63.2%	23.7%
Land Acquisition	20,000	2,402,898	324,068	1520.3%	-86.5%	1.2%
Other	-	100,000	-	n/a	-100.0%	0.0%
Total Use of Funds	6,471,000	37,478,363	28,009,099	332.8%	-25.3%	100.0%

Capital Improvements Program (CIP)

Public Planning Commission Adopted Priority Projects

Fiscal Year 2022 – Adopted Priority Projects

Pathways

Programmatic Enhancements

1. Pathways Accessibility and Safety Enhancement Projects
2. Crosswalk Lighting at unsignalized locations on Wm. Hilton Parkway
 - a. Wm. Hilton Parkway at Northridge and Palmetto Parkway
 - b. Wm. Hilton Parkway at Burkes Beach Road
3. Crosswalk Consistency Enhancements (Improvements to Existing Crosswalks)

New Pathway Segments

1. US 278 – Bus. EB (William Hilton Parkway) Arrow Road to Village at Wexford (design and construction)
2. Main Street (Whooping Crane Way to Wilborn Road) – (Private R/W to be accepted by the Town - survey and concept development)
3. Shelter Cove Lane – William Hilton Parkway (near Starbucks) to Shelter Cove Park (survey and design)
4. Woodhaven Drive/Lane – Phase 1 of Boggy Gut Pathway – Connecting Cordillo Parkway to Office Park Road (survey, design and construction)
 - a. A subset / initial phase of the larger Boggy Gut project could be the Town re-constructing the existing Woodhaven Drive pathway to meet current standards and connecting to Pope Avenue via Woodhaven Lane
5. US 278 – Bus. EB (William Hilton Parkway) Shelter Cove Lane (at BCSO) to Mathews Drive (at Folly Field Road) (survey, design) – this will have some overlap with Chaplin Linear Park
6. US 278 – Bus. EB (William Hilton Parkway) Mathews Drive (at Folly Field Road) to Dillon Road (McDonalds) – (survey design)
7. US 278 – Bus. EB (William Hilton Parkway) Gardner Drive to Jarvis Park Lane
8. Lagoon Road Pathway (Pope Avenue to North Forest Beach Drive)
9. Singleton Beach Road
10. Arrow Road
11. Archer Road
12. Jonesville Road

Roadways

1. Main Street Rehabilitation (predicated on acceptance of public R/W)
2. Wm. Hilton Parkway Median Left Turn Lane Extensions / Curb and Gutter
 - a. Wilborn Road (EB/WB)
 - b. Pembroke Drive (EB)
 - c. Mathews Drive (EB)
3. Dirt Road Program (Acquisitions of Public R/W and Paving)
 - a. New R/W Acquisitions
 - Alice Perry Drive
 - Horse Sugar Lane
 - Amelia Drive
 - b. Active R/W Acquisitions
 - Mitchelville Road - Active
 - Pine Field Road

- a. Re-Engage Past Acquisition Efforts
 - Aiken Place
 - Alfred Lane
 - Cobia Court
 - Murray Avenue
 - Outlaw Road
- 2. Dillon Road at US 278 – Add devoted Right Turn Lane at Wm. Hilton Parkway approach
- 3. Folly Field Road at US 278 – Lengthen the widened the multi-lane approach

Parks

New Parks

- 1. Mid-Island Tract Park – master planning and concept development
- 2. Chaplin Linear Park – finalize revised concept, design and permitting
 - a. To include US 278 Streetscaping and Pathway Safety elements from Shelter Cove Lane to Mathews Drive
- 3. Patterson Family Property Park
- 4. Taylor Family Property Park

Major Park Master Planning (Existing Parks)

- 1. Chaplin Park Renovation – master planning and concept development
- 2. Crossings Park Renovation – master planning and concept development

Existing Park / Recreation Facilities Improvements

- 1. Existing Park Upgrades
 - a. Picnic Shelter at Barker Field Ext
 - b. Jarvis Park Playground
 - c. Football Goal Posts and Scoreboard; appropriate location TBD
- 2. Island Recreation Center – Capital Facility Improvements
- 3. Coastal Discovery Museum – Capital Facility Improvements

Existing Facilities

- 1. Arts Campus Renovation – facility master planning and concept development
- 2. Public Facilities and Infrastructure Beautification and Enhancements

New Facilities

- 1. Fire Hydrant Expansion Projects – recurring project, coordinated by HHIFR with HHPSD

Beach Maintenance

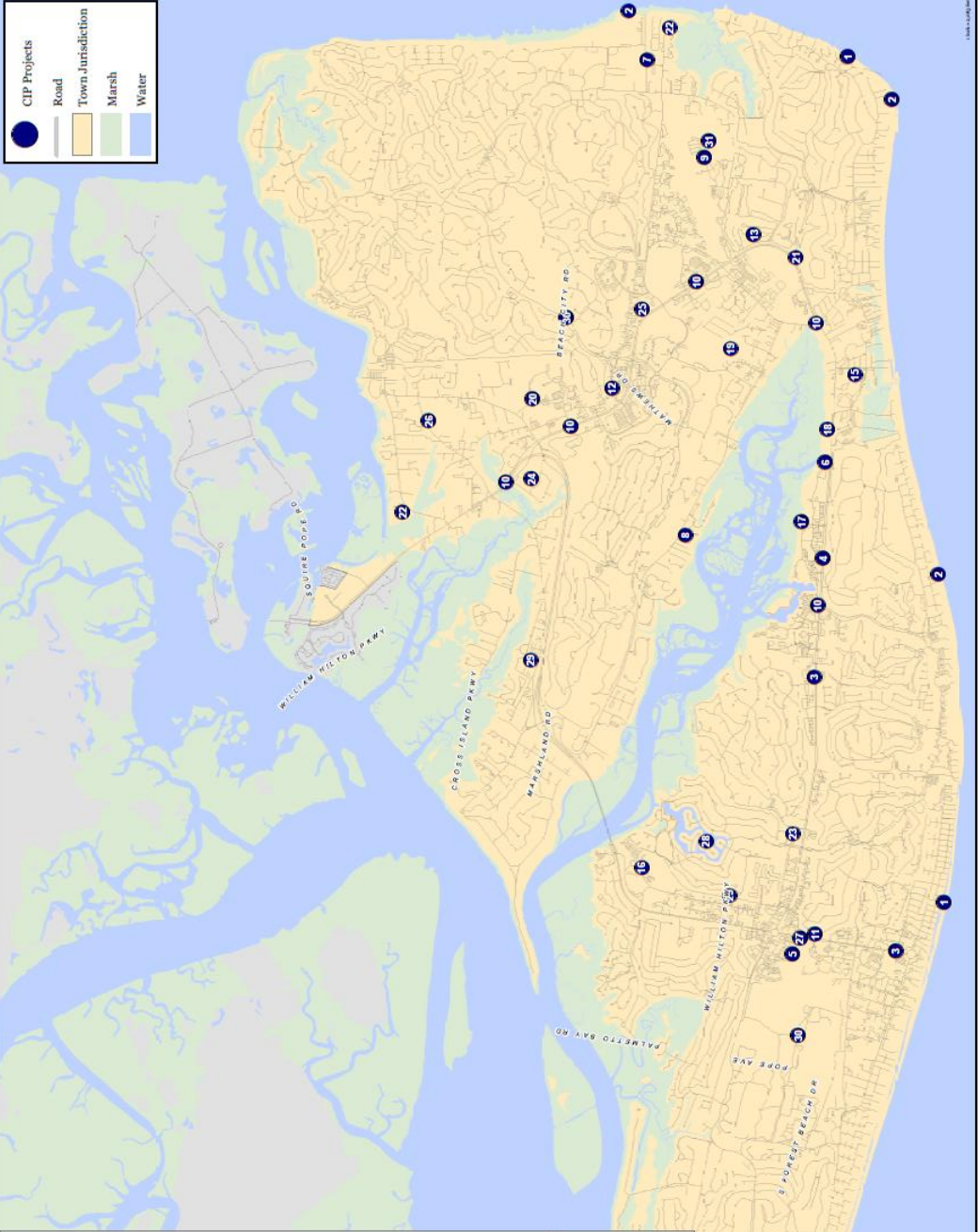
- 1. Beach Management and Monitoring – survey, data collection
- 2. 2025 Island-wide Beach Renourishment – survey, design, and permitting

Capital Improvements Program (CIP)
Adopted Projects

Fiscal Year 2022

Projects	FY 2021 Carry Forward	FY 2022 New Funding	FY 2022 Total Funding	Funding Sources
Beach Management & Monitoring	802,609	-	802,609	Beach Preservation Fee
Beach Renourishment	270,914	1,300,000	1,570,914	Beach Preservation Fee
Pathways Accessibility and Safety Enhancement Projects	-	350,000	350,000	HTAX, GO Bonds
New Pathway Segments	-	550,000	550,000	HTAX, TIF, Traffic Impact Fee
Dirt Road Acquisition and Paving Program	2,279,491	-	2,279,491	Road Usage Fee
William Hilton Parkway Enhancements	129,918	1,825,000	1,954,918	HTAX, TIF, Traffic Impact Fee
Pope Avenue Enhancements	-	500,000	500,000	GO Bonds
Main Street Enhancements	-	100,000	100,000	Road Usage Fee
Other Roadway Enhancements	333,555	-	333,555	Road Usage Fee
Parks and Recreation	1,000,000	6,492,476	7,492,476	General Fund, GO Bonds, Electric Franchise Fee, Beach Preservation Fee, HTAX, TIF, CDBG
Island Recreation Association - Capital Requests	-	399,000	399,000	Park Impact Fee
Public Art Program	-	25,000	25,000	HTAX
General Park Enhancements	550,000	250,000	800,000	GO Bonds, HTAX
Town Hall Security, Facility & Parking Enhancements	-	280,000	280,000	GO Bonds
Coastal Discovery Museum - Capital Requests	-	49,300	49,300	Park Impact Fee
IT Equipment and Software	695,900	-	695,900	General Fund, GO Bonds
Fire/Medical Systems & Equipment Replacement	-	70,000	70,000	HTAX
Security Cameras - Shelter Cove Community Park	-	150,000	150,000	HTAX
Automobile Place / Modern Classic Motors Site Enhancements	300,000	-	300,000	Utility Tax Credits
Fire Hydrant Expansion	50,000	-	50,000	GO Bonds
Arts Campus Feasibility Study	-	200,000	200,000	GO Bonds, HTAX
Stormwater Projects	-	2,089,000	2,089,000	Stormwater Fees
Town Vehicle Replacement	122,228	32,772	155,000	General Fund
F&R Apparatus & Vehicle Replacement	4,001,868	2,486,000	6,487,868	Lease, HTAX
Land Acquisition	324,068	-	324,068	Sale of Land, General Fund
*Workforce & Affordable Housing				\$75,000 in Credits to Local Impact Fees
Total Projects	\$ 10,860,551	\$ 17,148,548	\$ 28,009,099	

- CAPITAL IMPROVEMENT PROJECTS**
1. Beach Management & Monitoring
 2. Beach Renourishment
 3. Pathways Accessibility and Safety Enhancements
 4. Shelter Cove New Pathway Segments
 5. Woodhaven Dr New Pathway Segments
 6. William Hilton Parkway EB New Pathway Segments
 7. Mitchelville Ln Paving
 8. Pine Field Road Paving
 9. Other Roadway Enhancements
 10. William Hilton Pkwy Enhancements
 11. Pope Ave Enhancements
 12. Main St Enhancements
 13. Mid Island Tract Park & Redevelopment Strategy
 14. Coligny Beach Parking Area Improvements
 15. Chaplin Park Improvements
 16. Crossings Park Improvements
 17. Shelter Cove Community Park Improvements
 18. Chaplin Linear Park Improvements
 19. Patterson Family Property Park
 20. Island Rec Center Improvements
 21. Public Art Program
 22. General Park Enhancements
 23. Town Hall Security & Facility Enhancements
 24. Coastal Discovery Museum Improvements
 25. Automobile Place/Modern Classic Motors Site Enhancement
 26. Fire Hydrant Expansion
 27. Arts Campaign Feasibility Study
 28. Wexford Stormwater Pump Station
 29. Stormwater non-PUD Projects
 30. Stormwater PUD Projects
 31. Fire & Rescue Apparatus & Vehicle Replacement



Town of Hilton Head Island
CAPITAL IMPROVEMENT FY22 PROJECTS
 April, 2021



This map was prepared by the Town of Hilton Head Island, South Carolina, for the purpose of illustrating the location of the projects listed on the accompanying list. It is not intended to be used for any other purpose. The Town of Hilton Head Island is not responsible for any errors or omissions in this map.

Capital Improvements Program (CIP) Highlights

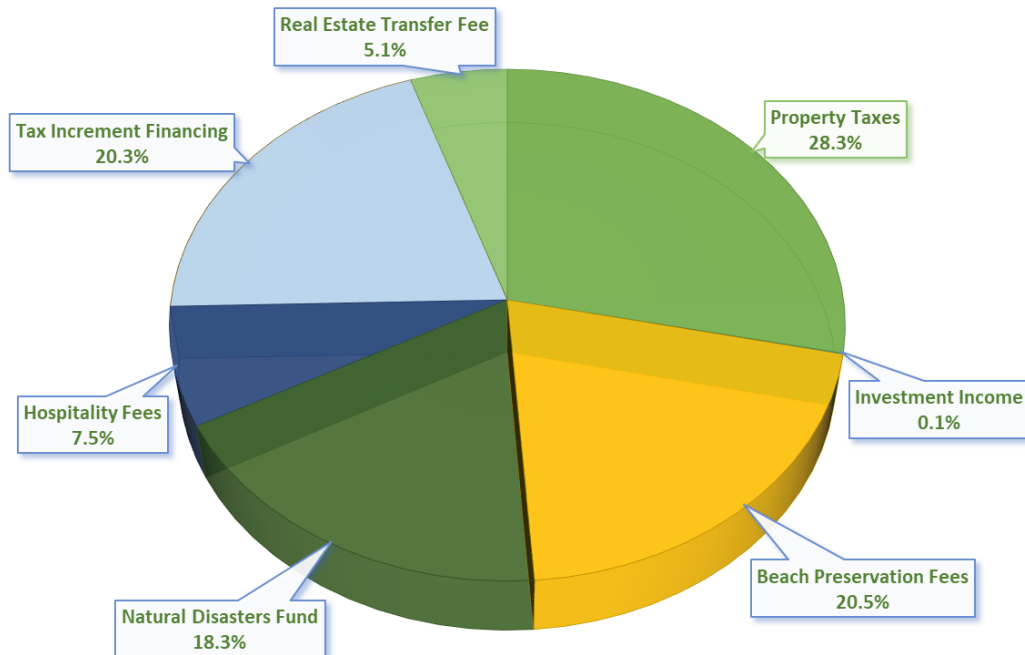
The Capital Improvements Plan (CIP) includes:

- Beach Management and Monitoring to prepare for the FY25 Renourishment preparation
- Pathway accessibility and safety enhancements, and new pathway segment survey, design and construction to expand our pathway network
- Dirt Road Acquisition and Paving program to include Mitchelville Ln, Pine Field Rd, and other qualifying roads to be determined
- Other Roadway enhancements
- William Hilton Parkway Corridor Pedestrian and Vehicular Enhancements from Sea Pines Circle to Spanish Wells, including Beach City Road to Dillon Road improvements, targeting safety, beautification and consistency
- Crosswalk Uniformity throughout the Island, and expansion of non-signalized Crosswalk lighting to enhance pedestrian safety
- New roadway turn lane extensions, curb and gutter, and streetscape improvements
- Pope Avenue improvements targeting safety (including bike-pedestrian safety), beautification and consistency
- Main Street study Whooping Crane to Wilborn (predicated on acceptance of public right of way), to include right of way acquisition, design for the roadway, pathways, streetscape and drainage
- Mid-Island Tract Park & Development to include conceptual and detailed design, construction documents & permitting
- Coligny Beach Parking Improvements to signage, landscaping, walkways, and pavement for consistency and aesthetics from the Low Country Celebration park to the HAWK signal crosswalk
- Chaplin Park and Crossings Park Renovations – master planning, design, concept development, and permitting
- Shelter Cove Community Park design, permitting, and construction of Phase 1 of the park expansion
- Chaplin Linear Park revisions of detailed design, construction documents, and permitting
- Patterson Family Property Park, partially funded by CDBG, for design and construction during FY22
- Island Recreation Association and Coastal Discovery Museum’s capital projects and improvements
- Installation of public art pieces donated to or curated by the Town
- General park upgrades, facilities and improvements at existing parks
- Town Hall security and facility enhancements
- IT equipment including new cloud based hosting of Town and Fire Rescue systems for emergency readiness, equipment and systems for Fire Rescue Public Safety, 911 Data Center, and MDT laptops for all Apparatus
- Additional security cameras for Shelter Cove Community Park
- Automobile Place / Modern Classic Motors Site Improvements including relocated site access to Main Street, demolition of pavements from prior development
- Fire Hydrant Expansion Initiative
- Feasibility study of the existing Arts Campus site including expansion options
- Land acquisition and soft costs including right-of-way, survey, appraisals, legal fees, etc.

Sources of Funds – Debt Service Fund

Debt Service Fund Revenues

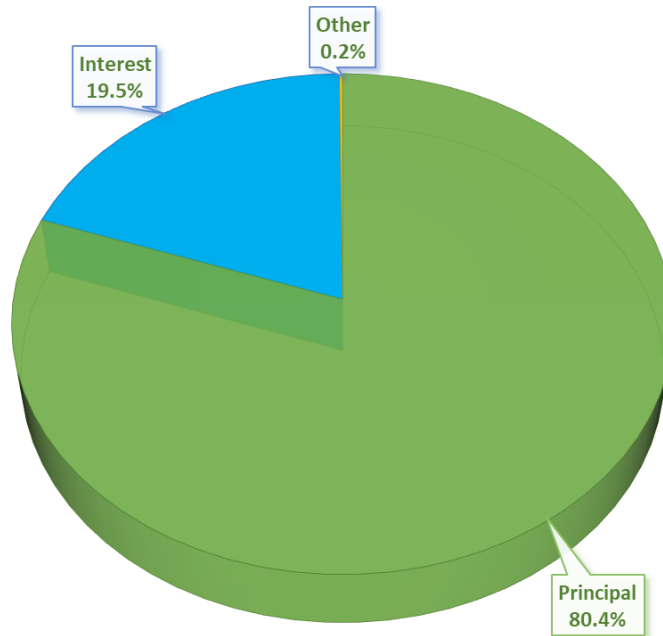
Fiscal Year 2022 - \$19,344,566



	FY 2021 Original Budget	FY 2021 Revised Budget	FY 2022 Budget	% Change FY 2021 Original	% Change FY 2021 Revised	% of Budget
Property Taxes	\$ 5,360,838	\$ 5,360,838	\$ 5,477,158	2.2%	2.2%	28.3%
Investment Income	60,000	60,000	12,000	-80.0%	-80.0%	0.1%
Prior Year Funds	336,081	336,081	-	-100.0%	-100.0%	0.0%
Transfers In:						
Beach Preservation Fees	3,975,850	3,975,850	3,959,125	-0.4%	-0.4%	20.5%
Natural Disasters Fund	3,537,265	3,537,265	3,535,665	0.0%	0.0%	18.3%
Hospitality Fees	1,629,650	1,629,650	1,446,406	-11.2%	-11.2%	7.5%
Tax Increment Financing	3,926,703	3,926,703	3,927,712	0.0%	0.0%	20.3%
Real Estate Transfer Fee	2,608,613	2,608,613	986,500	-62.2%	-62.2%	5.1%
Lease Revenue	65,000	65,000	-	-100.0%	-100.0%	0.0%
Total Revenues	21,500,000	21,500,000	19,344,566	-10.0%	-10.0%	100.0%

Uses of Funds – Debt Service Fund
Debt Service Fund Expenditures

Fiscal Year 2022 - \$19,344,566



	FY 2021 Original Budget	FY 2021 Revised Budget	FY 2022 Budget	% Change FY 2021 Original	% Change FY 2021 Revised	% of Budget
Principal	\$ 15,560,000	\$ 15,560,000	\$ 15,545,000	-0.1%	-0.1%	80.4%
Interest	4,600,000	4,600,000	3,769,566	-18.1%	-18.1%	19.5%
Other	1,340,000	1,340,000	30,000	-97.8%	-97.8%	0.2%
Total Expenditures	21,500,000	21,500,000	19,344,566	-10.0%	-10.0%	100.0%

Debt Service Fund Highlights

- No new bonds are planned for this year
- The budget includes both General Obligation (GO) and Special Revenue bonds
- The FY 2022 budget is less than the prior year
- The Town will seek out refunding opportunities
- Stormwater bonds are paid through the Stormwater fund

Uses of Funds – Debt Service Fund

Debt Service Fund Payments

	FY 2022		
	Interest	Principal	Total
Debt Service Payments - (without Stormwater Bonds)			
General Obligation Bonds			
Series 2016 General Obligation Referendum Refunding Bonds (\$13,080,000)	\$ 52,425	\$ 765,000	\$ 817,425
Series 2016 General Obligation Referendum Refunding Bonds (\$9,035,000)	215,838	585,000	800,838
Series 2009 General Obligation Non-Referendum Refunding Bonds (\$5,005,000)	54,906	430,000	484,906
Series 2016 General Obligation Referendum Bonds (\$5,770,000)	61,500	925,000	986,500
Series 2020A General Obligation Referendum Refunding Bonds (\$5,830,000)- to 2020A	273,600	605,000	878,600
Series 2013A General Obligation Referendum Bonds (\$5,000,000) - non-refunded	19,167	186,111	205,278
Series 2013B General Obligation Non-Referendum Bonds (\$4,000,000) - non-refunded	15,333	148,889	164,222
Series 2017A General Obligation Non-Referendum Bonds (\$27,310,000)	926,069	640,000	1,566,069
Series 2017B General Obligation Disaster Recovery Bonds (\$18,000,000)	140,665	3,395,000	3,535,665
Series 2020B General Obligation Referendum Bonds (\$6,285,000)	101,920	85,000	186,920
Series 2019 GO Obligation Bonds (\$5,000,000)	174,900	180,000	354,900
Total General Obligation Bonds	\$ 2,036,323	\$ 7,945,000	\$ 9,981,323
Revenue / Special Obligation Bonds			
Series 2019 Special Obligation Bonds (Hospitality Tax) (\$16,520,000)	\$ 371,406	\$ 1,075,000	\$ 1,446,406
Series 2017C Special Obligation USCB Tax Increment Bonds (\$28,530,000)	267,712	3,660,000	3,927,712
Series 2017B Special Obligation Bonds (Beach Preservation Fee) (\$30,075,000)	1,094,125	2,865,000	3,959,125
Total Revenue / Special Obligation Bonds	\$ 1,733,243	\$ 7,600,000	\$ 9,333,243
Grand Total - Existing Debt	\$ 3,769,566	\$ 15,545,000	\$ 19,314,566
Stormwater debt is accounted for in the Stormwater Fund. Outstanding Stormwater debt are these two special revenue bonds:			
Stormwater Bonds			
Series 2021 Special Obligation Bonds (Stormwater) (\$5,630,000)	\$ 38,263	\$ 905,000	\$ 943,263
Series 2018 Special Obligation Bonds (Stormwater) (\$3,200,000)	\$ 62,195	\$ 300,000	\$ 362,195
Total Stormwater Special Obligation Bonds	\$ 100,458	\$ 1,205,000	\$ 1,305,458

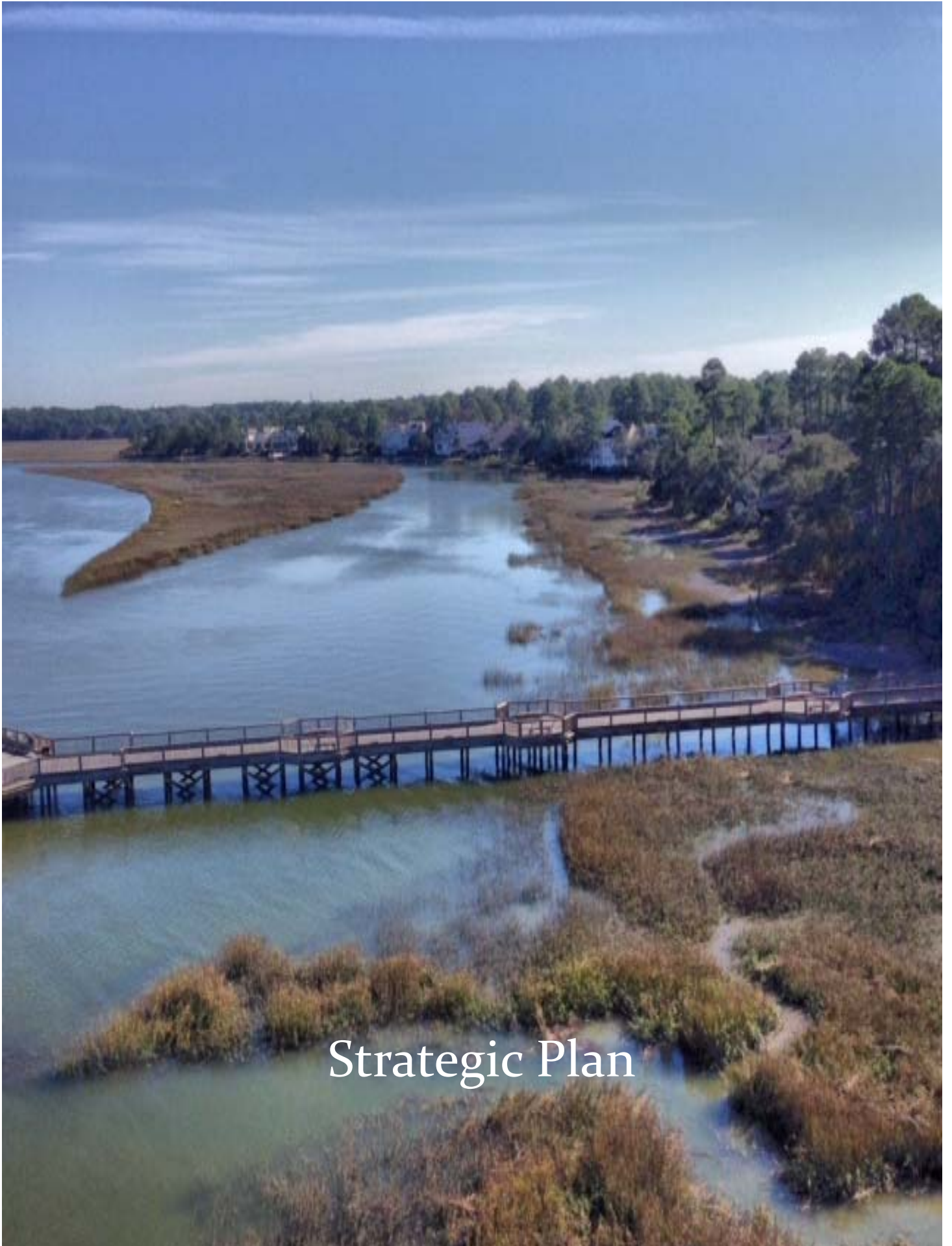
Note: No new bonds are proposed for FY22 – unless we see a refunding opportunity – which will be brought for consideration separately. A lease purchase option is being proposed for new fire trucks from HTAX.



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Strategic Plan

Strategic Plan

Introduction

The strategic 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 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
- Environmental Sustainability
- Revitalize Economy
- Inclusive Community
- Connected Community
- Regional Focus
- Right Sized Infrastructure
- Parks and Recreation

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 proposed Draft Strategic Plan is presented on the following pages. As of the publishing of this budget document, the Draft Strategic Plan has not been approved but is being actively constructed by Town Staff to be proposed to Town Council for consideration in the coming months.

Town of Hilton Head Island
Strategic Action Plan
FY 2021-2022





Strategic Action Plan
Fiscal Years 2021 to 2022
for the
Town of Hilton Head Island, South Carolina

Adopted by Town Council Resolution **2021-#**
Date, 2021

Town of Hilton Head Island
One Town Center Court
Hilton Head Island, South Carolina
www.hiltonheadislandsc.gov

Prepared by the Town of Hilton Head Island

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Greetings from the Mayor

John J. McCann



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A Word from the Town Manager

Marc Orlando, ICMA-CM

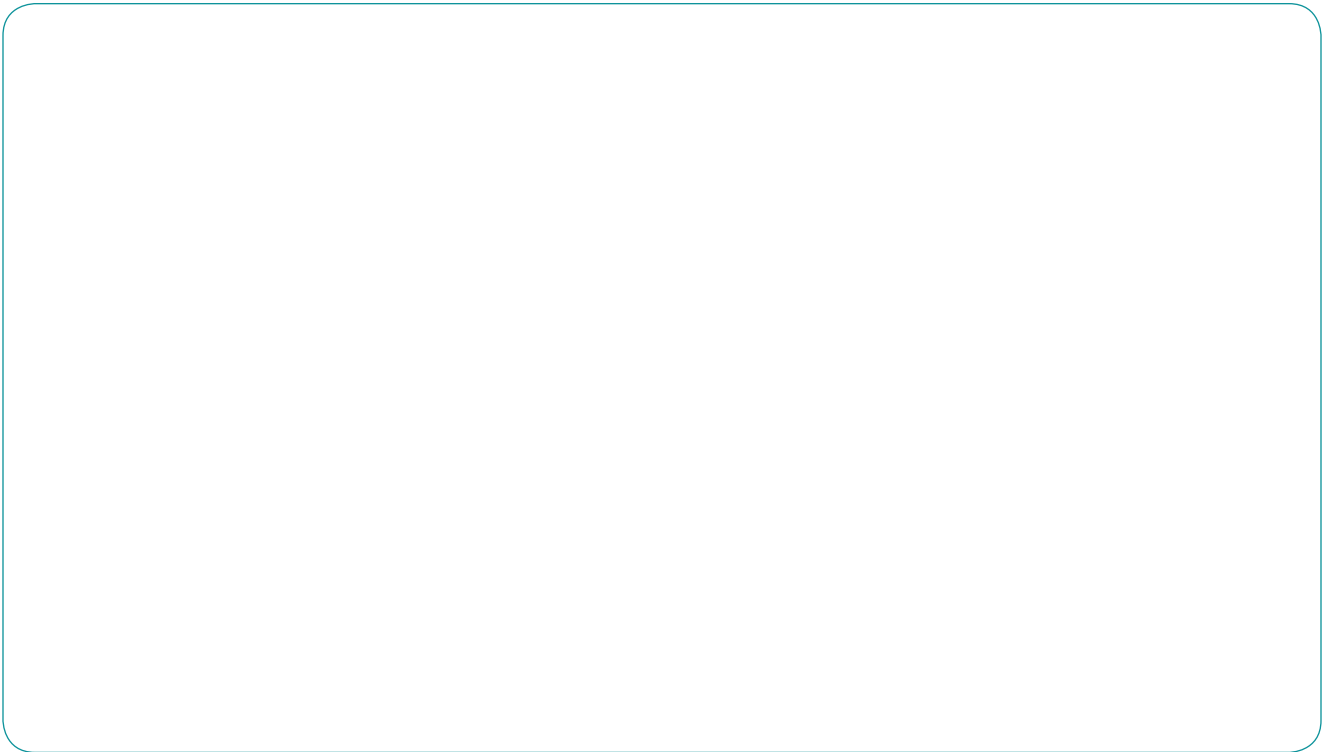


It is my pleasure to present the Town of Hilton Head Island's Strategic Plan for fiscal years 2022 and 2023. This plan represents the first organization-wide and policy driven strategic plan the Town has written in recent years. It follows the adoption of our comprehensive plan, **Our Plan**, and incorporates the mission, vision, and core values of **Our Plan**: pursuit of excellence, environmental sustainability, revitalize economy, inclusive community, connected community, regional focus, right-sized infrastructure, parks and recreation, and town organization.

The Strategic Plan clearly articulates Town priorities and gives Town leaders, staff members and residents a blueprint of the Town's work plan while providing a framework for budgetary and policy decisions. Our comprehensive plan, our budget and our strong commitment to provide world-class municipal services for our community underlies every strategic objective and action item. As we navigate our future, this document will provide us guidance on where, when and how to use our Town's resources.

I am privileged to work with and lead our staff as we execute our Strategic Plan. Thank you to our Mayor and Town Council for their vision and support, the Novak Group and its facilitators who assisted in our strategic planning workshop, and our many partners and stakeholders whose input resulted in **Our Plan**, the 10-year comprehensive plan upon which we have built our strategic direction. I also express my gratitude to Town staff who are truly committed to carrying out our mission of promoting the health and vitality of the community we serve through ethical and inclusive programs, policies and actions.

Town Council



Pictured left to right:

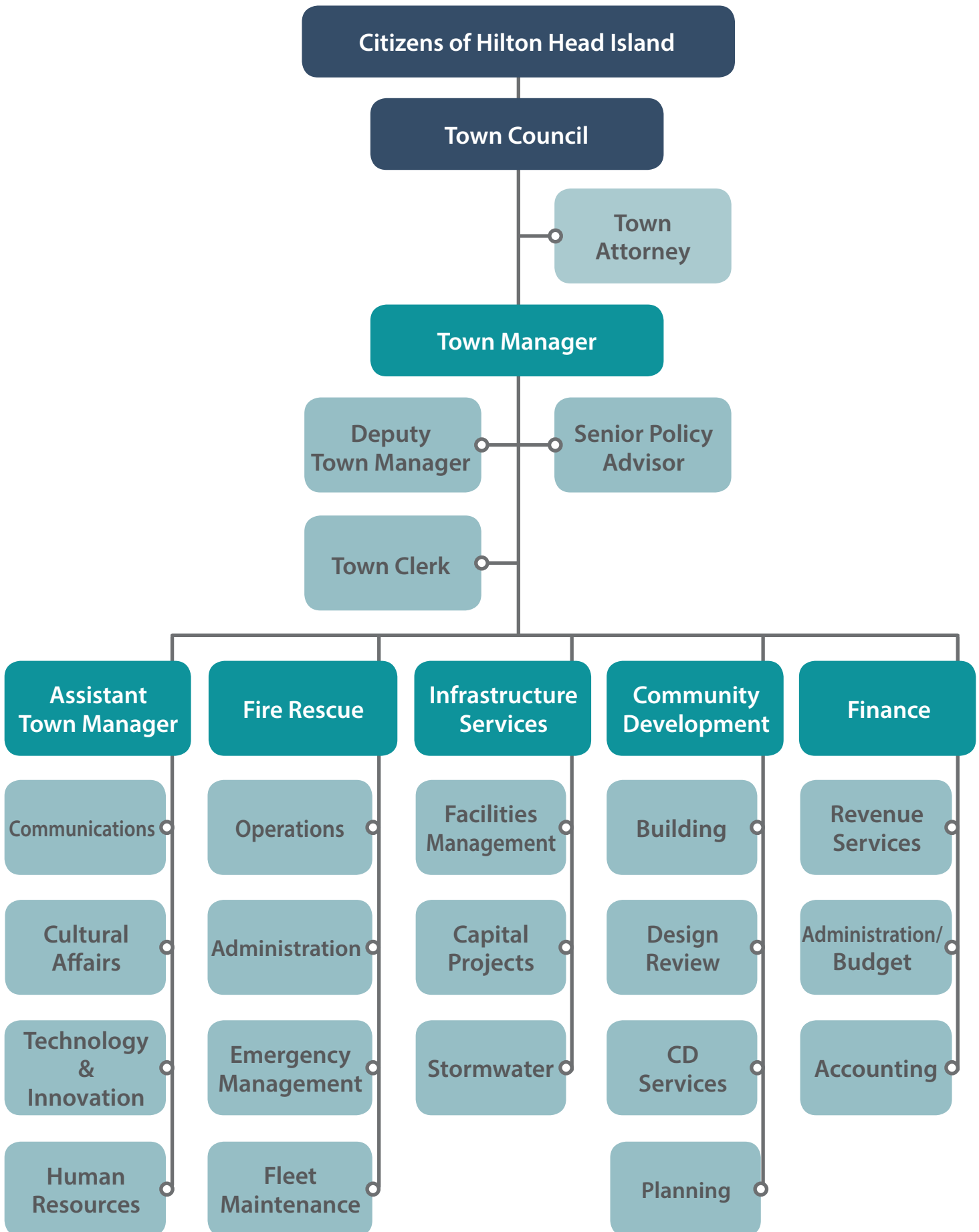
Town of Hilton Head Island

Incorporated in 1983 as a limited services government, the Town of Hilton Head Island proudly serves a diverse community of more than 40,000 residents and over 2.5 million annual visitors in all facets of life, work, and recreation. Each day, a devoted workforce of 119 Town Hall staff and 142 Fire Rescue staff come together to ensure the needs of the community are met through municipal service. To guide this effort, the Town of Hilton Head Island operates under a clear mission statement and vision towards revitalization and modernization of its economy and infrastructure while building an inclusive and diverse community.

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.

Town Organization Chart



Acknowledgments

Town Council

John J. McCann, *Mayor*
William D. Harkins, *Mayor Pro-Tem, Ward 2*
Alex Brown, *Ward 1*
David Ames, *Ward 3*
Tamara Becker, *Ward 4*
Thomas W. Lennox, *Ward 5*
Glenn Stanford, *Ward 6*

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, *Senior Policy Advisor to Town Manager*
Krista Wiedmeyer, *Town Clerk*

Departments

Jeff Buckalew, PE, *Interim Infrastructure Services Director*
Carolyn Grant, *Communications Director*
Jenn McEwen, *Director of Cultural Affairs*
Jennifer B. Ray, *Interim Community Development Director; Capital Program Manager*
Lisa Stauffer, *Director of Human Resources*
Brad Tadlock, *Fire Chief*
John Troyer, *Finance Director*
John Tuttle, *Interim Technology & Innovation Director*

Contributor

Taylor Ladd, *Senior Planner & Our Plan Project Lead*

1.

Introduction

Strategic Action Plan

Purpose

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 (initiatives) within these Focus Areas, the Town will be able to:

- Develop appropriate operating budgets;
- Identify and prioritize capital improvement projects;
 - Assist in potential revisions to existing capital improvement projects;
- Define new projects and strategic initiatives and ensure that they are matched to appropriate staff and Town resources;
- Create realistic project schedules that are in-line with established Town Council priorities; and
- Develop accountability within the project implementation process by communicating the status of active strategic initiatives and by creating measurable analytics that are clear indicators of successful performance.

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.



What is Not Part of the Plan

Strategic planning is an organizational management tool that is used to determine priorities, focus time and resources, strengthen organizational operations, and ensure that employees and external stakeholders are working toward common goals. Strategic planning helps to define where an organization is going for its future and what it will take to get there. Because of this it does not include routine operations, budgeted expenditures, or day-to-day core functions, and it removes focus from short-term projects.

How the Plan Is Updated

Ensuring that a strategic plan is up-to-date and sustainable relies on adherence to the following development cycle:



Strategic Planning Process: This process involves the annual strategic planning retreat of Town Council where the elected officials review the Town’s Vision and Mission statements and set forth the general goals and strategies that they would like to see accomplished within the upcoming performance cycle to support that Vision and Mission.

Annual Strategic Action Plan and Budget Adoption: This is Town staff’s development of a strategic action plan and corresponding fiscal budget to support the identified goals and strategies that Town Council desires to be prioritized. This plan identifies the projects to be completed in detail and sets forth the performance measures for each project.

Achievement and Progress Reporting: An annual report will be presented to and reviewed with Town Council identifying the level of progress achieved for each initiative included in the adopted plan.



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Goals, Strategies & Tactics

Goals, Strategies & Tactics

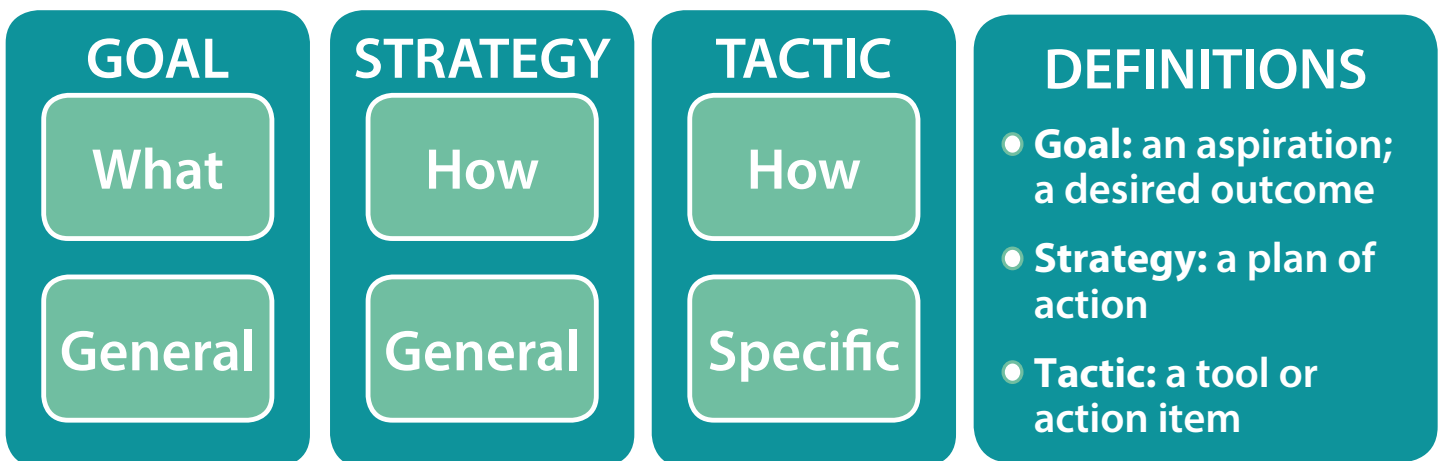
Strategic planning in the governmental sector entails the purposeful allocation of limited resources through clearly identified actions that are intended to exceed customer expectations in delivering public services. Developing a dynamic yet achievable strategic action plan can be a very challenging undertaking. In order to create such a plan there must be a clear understanding of the following: what are the agency’s goals; what are the strategies necessary to achieve those goals; and, what are the tactics that will be undertaken to accomplish those strategies?

At the root of many strategic planning challenges is a lack of clarity between these key planning concepts. Without a clear definition, the terms for goals, strategies and tactics can all be used interchangeably and ultimately ineffectively.

Rich Horwath¹, author of the book “Elevate: The Three Disciplines of Advanced Strategic Thinking,” breaks down the definitions of these terms in the following manner:

- **Goal:** A goal is a target that describes what you are trying to achieve in general terms.
- **Strategy:** A strategy is the general description of how you will allocate resources within your plan.
- **Tactic:** A tactic is a specific description of how you will accomplish your strategies

Within **Our Plan**, the Town has defined a “goal” as the direct application of the **Our Plan** vision or aspirations to the key ideas and opportunities identified for each Core Value. We define “strategy” as the primary implementation approach under **Our Plan** as a plan of action. And, we define “tactic” as a secondary implementation approach under **Our Plan** as a specific tool or action item.



1. Horwath, R. (2014). “Elevate: the three disciplines of advanced strategic thinking.” John Wiley & Sons, Inc.

Our Plan: Setting Our Goals

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.

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 2020-2040 Vision

Reinventing Sustainability... Again!

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

Key Community Themes

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 Themes:

- 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

To be a Community that

- 1 Is welcoming, inclusive, values diversity, safe, and people focused.
- 2 Is recognized as an excellent place to live, work, and visit.
- 3 Preserves, values, and recognizes its history.
- 4 Attracts businesses and residents who identify with and appreciate the Hilton Head Island community *Ideals of Excellence* and Core Values.
- 5 Is recognized as a best-in-class destination where visitors are welcomed and the economic impact of tourism is valued.
- 6 Protects the natural environment as a unique quality of our identity.

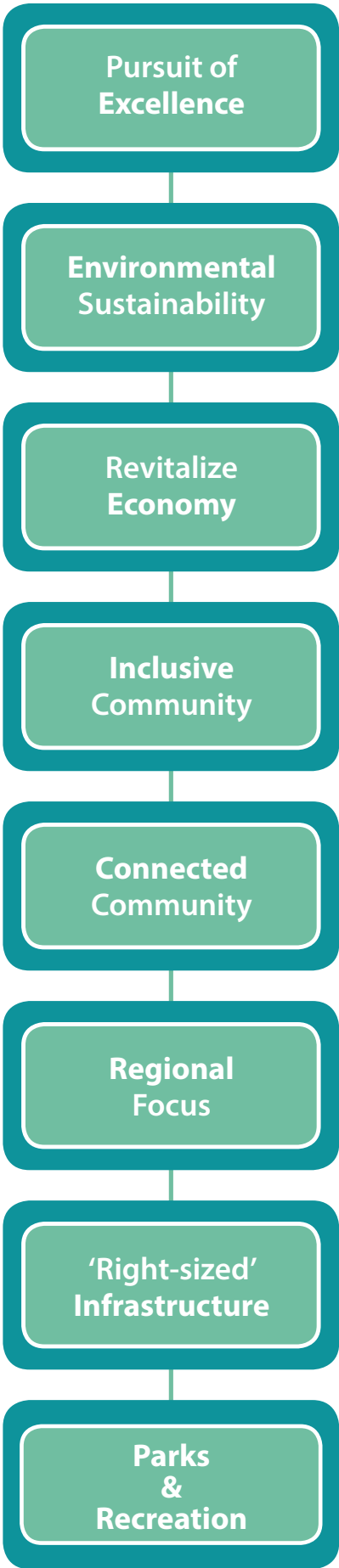
FOR
OUR
PLACE

- 7 Prioritizes the greater good.
- 8 Attracts and maintains a diverse and multi-dimensional residential population, providing a competitive live-work option.
- 9 Recognizes the benefit and value of arts, culture, recreation, healthy living, and education for the community.

FOR
OUR
PEOPLE

- 10 Fosters a collaborative, transparent, and inclusive environment when resolving concerns or planning for the future.
- 11 Considers sustainability as foundational to the Island's development and redevelopment of environmental and economic projects and policies.
- 12 Fosters a spirit of inspiration and leads by example.
- 13 Uses innovation and learning to continually develop and apply best practices and standards for processes and projects.
- 14 Continually adapts the Core Values and Comprehensive Plan to meet the needs of the present and future.

FOR
OUR
PLANNING
&
PROCESS



Focus Areas

Core Values & Focus Areas

The broad goals developed following the Key Community Themes were the foundation for the strategies outlined by Core Value 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. The **Our Plan** Core Values are shown below. The corresponding Focus Areas for this Plan are shown in the column to the left.

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.



Our Plan Core Values with Goals by Keyword

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.





3. Strategic Initiatives

Strategic Initiatives

This section presents the 67 Strategic Initiatives which summarize the Town’s annual Strategic Action Plan. These projects prioritize the allocation of resources over the course of Fiscal Years 2021 and 2022 and define staff’s primary workload. This section is broken down into a summary of Strategic Initiatives by Focus Area followed by a more in-depth description of each initiative:

Strategic Initiatives Summary

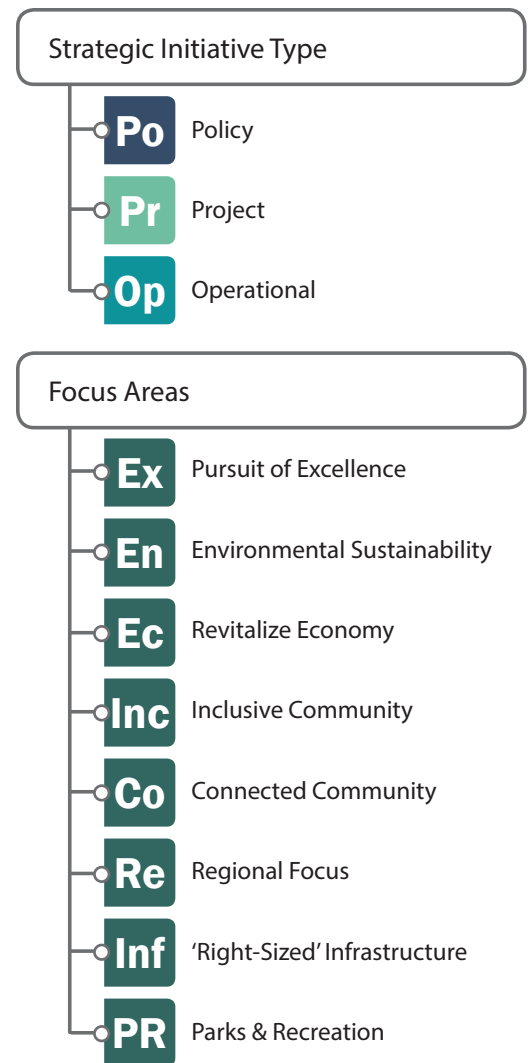
In the Summary, the Strategic Initiatives are presented by the Focus Area they support. Each listing includes the initiative name and the nature of the initiative as either Policy , Project , or Operational. It also indicates the fiscal year in which the initiative was started or is anticipated to start.

- **Policy** – Strategic Initiatives which are strategic by virtue of their legal origin and require formal action on the part of Town Council in order to accomplish. For example, amendments to Town of Hilton Head Island Ordinances, formal Resolutions, creation of new policies or revisions to existing ones, etc.
- **Project** – Strategic Initiatives which are well defined and are strategic because of the substantial commitment to resources required to accomplish them. For example, priority investment construction projects.
- **Operational** – Strategic Initiatives that consist of tasks or other activities executed by Town staff in order to provide enhanced service to Town residents, strategic partners or other customers.

Strategic Initiatives Descriptions

This section provides more detailed one to two-page descriptions about each of the Plan’s Strategic Initiatives. The initiatives are sorted by their respective Focus Areas, then by initiative type: Policy, Project, or Operational. The descriptions include the following information:

- Strategic Initiative Name
- Starting Fiscal Year
- Strategic Initiative Type
- Focus Area
- Staff Project Manager
- Department of Primary Responsibility
- Initiative Description



Strategic Initiatives Summary **Pursuit of Excellence**

POLICY

Short Term Rental Regulations Adoption

FY Start: 2022

Parking Master Plan Implementation

FY Start: 2022

Beach Master Plan Adoption

FY Start: 2022

Affiliated Agency Town Funding Process Standardization

FY Start: 2022

2020 Census Redistricting

FY Start: 2022

American Rescue Plan Funding Appropriation

FY Start: 2021

Alternative Revenue Sources Assessment

FY Start: 2021

Island Brand Development Campaign

FY Start: 2023

Pursuit of Excellence

POLICY

Financial Policies Assessment

FY Start: 2022

Real Estate Transfer Fee Extension & Expansion

FY Start: 2022

Beach Tent/Canopy Regulations Adoption

FY Start: 2021

Beach Shuttle Service Enhancements

FY Start: 2022

OPERATIONAL



OPERATIONAL

SeeClickFix Mobile & Website Application Implementation

FY Start: 2022

Fire Rescue Center for Public Service Excellence Re-accreditation

FY Start: 2021

Fire Rescue Strategic Plan Implementation

FY Start: 2021

Cultural Affairs Strategic Plan Implementation

FY Start: 2021

Enhanced Communications Plan with Strong Social Media Emphasis

FY Start: 2021



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Strategic Initiatives Summary Environmental Sustainability

Environmental Sustainability

POLICY

Beach Resiliency & Renourishment Plan Implementation

FY Start: 2022

**Work with Public Service Districts (PSDs)
on Long-Term Capital Projects**

FY Start: 2023

OPERATIONAL

**Environmental Sustainability & Resource Protection
Leadership**

FY Start: 2021

**Audubon International “Sustainable Community”
Recertification**

FY Start: 2021

Strategic Initiatives Summary **Revitalize Economy**

POLICY

**Municipal Association of South Carolina (MASC)
Model Business License Ordinance Adoption**
FY Start: 2021

**Town-Owned Property Management & Utilization Plan
Development**
FY Start: 2021

OPERATIONAL

Cultural District(s) Designation Attainment
FY Start: 2023

**Destination Marketing Organization (DMO)
Marketing Plan & Performance Measures Implementation**
FY Start: 2021

Economic Development Strategy Formation
FY Start: 2022

Strategic Initiatives Summary **Inclusive Community**

POLICY

Gullah Geechee Task Force Work Plan Implementation

FY Start: 2021

Landmark Protection Program Development

FY Start: 2022

Public Institutional Partnership with USCB to Support Arts & Cultural Organizations

FY Start: 2021

Community Engagement Survey Execution

FY Start: 2023

Sandalwood Food Pantry Relocation

FY Start: 2021

HUD/CDBG Entitlement Program Annual Action Plan Adoption

FY Start: 2021

Inclusive Community

OPERATIONAL

Mitchelville Master Plan Implementation

FY Start: 2021

Asphalt Art Program Implementation

FY Start: 2022

Public Art & Culture Project Incorporation into New & Existing Parks

FY Start: 2021



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Strategic Initiatives Summary **Connected Community**



POLICY

**Hilton Head Island Growth Framework
& Illustrative Master Plan Creation**

FY Start: 2022

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

FY Start: 2022

e-Bike & e-Scooter Usage/Regulations

FY Start: 2021

St. James Baptist Church Relocation

FY Start: 2021

PROJECT

**Mid Island Redevelopment Strategy Creation
& Park Master Plan Development**

FY Start: 2022

Connected Community

OPERATIONAL

Town Website Update

FY Start: 2022

High Speed Fiber Connectivity Assessment/ Cellular Usage Capabilities Evaluation

FY Start: 2023

Sustainable Environmental Practices Social Media Campaign Formulation

FY Start: 2023



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Strategic Initiatives Summary **Regional Focus**



POLICY

- Beaufort County Impact Fee Assessment**
FY Start: 2021
- Regional Housing Trust Fund Evaluation**
FY Start: 2021
- Homelessness Issues Examination**
FY Start: 2022

OPERATIONAL

- Increase Access between Hilton Head Island & the Greater Region through Viable Multi-Modal Transportation**
FY Start: 2023
- Lowcountry Area Transportation Study (LATS) Long-Range Transportation Plan Update**
FY Start: 2021



Strategic Initiatives Summary **‘Right-Sized’ Infrastructure**



'Right-Sized' Infrastructure

POLICY

- William Hilton Parkway Gateway Corridor Plan Development**
FY Start: 2021
- Workforce & Affordable Housing Strategy Implementation**
FY Start: 2020
- Main Street Acquisition Assessment**
FY Start: 2021
- Community Addressing Ordinance Creation**
FY Start: 2022
- Traffic Calming Policy Evaluation**
FY Start: 2023

PROJECT

- Capital Improvement Projects Plan Implementation**
FY Start: 2022
- Cross Island Parkway Toll Booth Removal & Reconfiguration Oversight**
FY Start: 2021

Strategic Initiatives Summary **Parks & Recreation**

OPERATIONAL

- Parks & Recreation Marketing Plan Implementation**
FY Start: 2021
- Ford Shell Ring Park Development**
FY Start: 2021
- Beaufort County & Hilton Head Land Trust
Northridge Conservation Tract Partnership**
FY Start: 2023



Strategic Initiative Descriptions **Pursuit of Excellence**



Short-Term Rental Regulations Adoption

Start Date: FY 2022

Project Manager: Teri Lewis, *Deputy Community Development Director*

Department: Community Development

Description

Purpose:

Develop a Short-term Rental Ordinance to address the numerous impacts of short-term rentals on single-family neighborhoods including the destruction of neighborhoods, environmental impacts, demands on Fire Rescue services and infrastructure, and an imbalance between residential and resort districts.

Phase 1: Summer – Fall 2021

- Research short-term rental ordinances in other resort communities.
- Coordinate with Finance Department on their related business license Ordinance.
- Obtain stakeholder input.
- Review research results with Public Planning Committee.

Phase 2: Fall – Winter 2021

- Working with the Legal Department, draft and revise the Ordinance.

Phase 3: Winter 2021 – Spring 2022

- Guide the Ordinance through adoption with review by the LMO Committee, the Planning Commission, the Public Planning Committee, and Town Council.

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Parking Master Plan Implementation

Start Date: FY 2022

Project Manager: Joshua Gruber, *Deputy Town Manager*

Department: Executive

Description

Purpose:

Implementation of appropriate recommendations from the Walker Consultants Parking Master Plan so as to provide more effective regulation and enforcement of beach parking facilities, improve public communication concerning available parking opportunities, and develop an enterprise program through paid parking fees that can be reinvested into the parking management program and the overall improvement of the Town's beach access areas.

Phase 1: Summer – Fall 2021

Develop comprehensive presentation of potential legislative actions for consideration by the Public Planning Committee.

- Discuss creation of an enterprise fund for parking operations. Revenues generated from parking fees and/or vendor payments/concessions would be dedicated to paying for operational expenses related to administering an all-inclusive comprehensive parking program. Any additional revenues generated under this program would then be reserved for improving beach parking infrastructure and related access improvements.
- Provide an outline of the draft legislative changes that would be necessary in order to create a comprehensive parking program. This would include requirements to pay to park, oversee the administration of the paid parking program, and allow for appropriate enforcement mechanisms to include the creation of a new administrative penalty associated with parking violations and the necessary due process requirements to constitutionally impose such fines.

Phase 2: Winter 2021 – Spring 2022

Develop a Request for Qualifications to solicit nationally for a vendor that can partner with the Town to assist in the creation, development, execution and oversight of the Town's comprehensive paid parking program.

- RFQ discussion would include input and feedback from the appropriate standing committee of Town Council as well as comments received during the implementation of phase 1. Conduct interviews of qualified firms and present selection recommendation to the Town Manager for development of contractual proposal, inclusive of proposed capital investment, technology investment, and operational management and enforcement monitoring plan to be submitted to Town Council.

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Beach Master Plan Adoption

Start Date: FY 2022

Project Manager: Marc Robson, *Beach Operations Manager*

Department: Infrastructure Services

Description

Purpose:

Undertake a study of the public beach access areas and the overall beach going experience to develop a Beach Master Plan. Solicit public input and engagement in the Master Planning process to achieve stakeholder buy in and facilitate implementation of the Master Plan recommendations.

Phase 1: Summer – Fall 2021

- The Town will hire a Beach Operations Manager who will be charged with overseeing all beach operations and management of all beach-related contracts.

Phase 2: Fall 2021 – Spring 2022

- The Beach Operations Manager will evaluate the prior Beach Ambassador Program and develop recommendations in the continued operations of this program and how its mission might be furthered in providing a quality beach going experience.
- Through the engagement of a qualified third-party, the Beach Operations Manager will oversee an evaluation of the current level of services being offered to the public through the public beach accesses and the overall on-beach experience.
- The third-party will be charged with conducting substantial public engagement to gather feedback from various stakeholders and public interest organizations.
- The third-party will prepare a Beach Master Plan which shall be presented to Town Council for adoption by Resolution and shall become an appendix of the Town's Comprehensive Plan.

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Affiliated Agency Town Funding Process Standardization

Start Date: FY 2022

Project Manager: Joshua Gruber, *Deputy Town Manager*

Department: Executive

Description

Purpose:

In order to ensure an equitable, consistent, and transparent means of receiving, evaluating, and making awards of public funding to private entities, the Town should undertake an examination of this process to fully understand what limitations, if any, are in place regarding the appropriate of public funds to private entities. There should also be the development of a formalized process that will guide this decision making process to achieve the desired outcomes in the consideration of these types of requests.

Phase 1: Summer – Fall 2021

- Provide educational information to the Finance and Administration Committee on the current legal ability to provide public funding to private entities through a formal presentation and address any questions or concerns that may arise out of this discussion.
- Develop a proposed formal process by which Town Council, through the Finance and Administration Committee would receive, evaluate, and recommend funding requests that are received from outside agencies.
- Support the procedural process for any formal policy that may ultimately be considered for approval by Town Council.

Phase 2: Winter – Spring 2022

- Incorporate any policies that are adopted by Town Council into the formal budget consideration and adoption process making sure to provide advance notification to the public and to any existing agency that has received or requested public funds from the Town.

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2020 Census Redistricting

Start Date: FY 2022

Project Manager: Matthew Carey, GIS Developer

Department: Technology & Innovation

Description

Purpose:

The Town is constitutionally required to redraw the boundaries of its Town Council wards upon the completion of a decennial census in order to ensure equal representation and the cohesiveness of neighborhoods or other similar communities of interest.

Phase 1: Fall – Winter 2021

- Engage the services of the South Carolina Revenue and Fiscal Affairs Office to provide public education on the redistricting process, constitutional mandates, and address questions and concerns of the Hilton Head Island Community.
- Work with the Revenue And Fiscal Affairs Office to prepare and present a baseline redistricting plan for the Town’s six Town Council wards that adheres to the following principles:
 - o Compactness – wards should be geographically cohesive as possible
 - o Contiguity – wards must be geographically connected
 - o Equal Representation – ward boundaries should be drawn to ensure equal populations figures are present to ensure constitutional principles of “one-person, one-vote”
 - o Communities of Interest – maintain neighborhoods and other similar community interests so as to ensure that elected representatives of representative of these particular communities
 - o Constituent Consistency - preserve the core of existing districts and respect incumbent representatives

Phase 2: Spring 2022

- Conduct public education on proposed redistricting plan in order to ensure public knowledge and understanding of the proposed district boundaries.
- Assist Town Council in the adoption of an Ordinance redrawing Town Council ward boundaries to ensure constitutional compliance.

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American Rescue Plan Funding Appropriation

Start Date: FY 2021

Project Manager: John Troyer, *Finance Director*

Department: Finance

Description

Purpose:

As a result of the COVID-19 pandemic, the United States Congress adopted House Resolution 1319 known as the American Rescue Plan. This Act appropriated funding to local governments to counteract the impacts of the pandemic and to allow investment in services and infrastructure that would make the community more resilient from ongoing and future pandemics. Additionally, this Act allowed local governments to utilize this funding to restore revenues that it would have otherwise received in the absence of the pandemic and to utilize that funding for general public purposes. The Act requires that the Town provide reports on the expenditure of these funds by certain milestone dates and must ultimately develop an appropriate plan to fully expend all funding that it receives. The Town will receive \$5,227,178.00 under the Act.

Phase 1: Spring – Summer 2021

- Apply for and directly receive the funding available to the Town under the American Rescue Plan Act as a metropolitan statistical entity.
- Obtain guidance from the United States Department of Treasury on the appropriate uses of these funds. Discuss this guidance with other governmental and professional organizations such as the Municipal Association of South Carolina, the International City/County Management Association, the Government Finance Officers Association, as well as peer communities to fully understand both the legal and anticipated uses of such funds.
- Provide updates on the guidance that has been received as to the appropriate uses of these funds and a staff recommendation regarding potential uses of this funding that are in compliance with the established guidelines of the program.

Phase 2: Fall – Winter 2021

- Work with Town Council to develop and adopt an approved program on the uses and expenditure of the ARP funds. Consideration should also be given to the proposed uses of funds received by Beaufort County and by the State of South Carolina to avoid duplication and maximize public impacts from this funding source.
- Provide appropriate reports to the United States Department of Treasury to ensure grant reporting compliance. Provide updates to the Finance and Administration Committee on the status of these grant awards and their approved expenditures especially including funds that are received and expended in future fiscal years.

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Alternative Revenue Sources Assessment

Start Date: FY 2021

Project Manager: John Troyer, *Finance Director*

Department: Finance

Description

Purpose:

Conduct an evaluation of potential future revenue sources to ensure that the Town can continue to deliver quality public services and facilities that achieve best-in-class distinction.

Phase 1: Spring – Summer 2021

- 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.
- Examine support for potential adoption of the following:
 - Local Option Sales Tax
 - Mid-Island TIF District
 - Real Estate Transfer Fee Extension
 - Municipal Improvement District

Phase 2: Fall – Winter 2021

- Provide periodic updates on the status of alternative funding sources that have been pursued and the overall effectiveness in identifying and obtaining alternative sources of revenue.
- Discuss any corresponding use restrictions or obligations that may be required depending upon the source of the funding that is received.
- Examine Town Development Review Fees and propose adjustments as may be necessary.
- Examine future Stormwater Impact Fee rates.

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Island Brand Development Campaign

Start Date: FY 2023

Project Manager: Angie Stone, Assistant Town Manager

Department: Executive

Description

Purpose:

The Town will develop an Island brand development campaign in partnership with the Town's Destination Marketing Organization to identify Town vision and values and a framework to communicate our vision, values, and enhance all facets of the Town's image and brand.

Phase 1: July 2022-July 2023

- In coordination with the Town's Destination Marketing Organization (DMO) and the Office of Cultural Affairs, lead a comprehensive team that will begin the groundwork for an organizational journey through brand development/rebranding.
- Determine overall goal of developing the brand/rebranding for the Town of Hilton Head Island.
- Conduct a communications audit of all existing graphic assets (logos, fonts, colors, etc.), value statements and other brand components.
- Develop Style Guide to provide instruction on existing use logo, suggested fonts, official colors, layouts, graphic element/implementation, email signatures, etc., until brand/rebranding process is completed and adopted.

Phase 2: July 2023

- Develop a Request for Qualifications to publicly solicit the services of a branding/marketing firm to assist in development of an Island brand/rebranding campaign.
- Interview and select a branding/marketing firm to assist in development of an Island brand/rebranding campaign.

Phase 3: March 2024

- Present brand/rebranding campaign to Town Council for adoption.
- Launch Island brand/rebranding campaign, including refreshed identity and visual brand that reflects and supports the Town's vision, values, goals and priorities.

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Financial Policies Assessment

Start Date: FY 2022

Project Manager: John Troyer, *Finance Director*

Department: Finance

Description

Purpose:

Conduct a comprehensive review of the Town's current formalized fiscal policies to identify any areas for improvement or further strengthening of the Town's fiscal practices.

Phase 1: Winter 2021

- Review current debt and financial policies.
- Conduct survey to determine best practices across peer organizations – regionally and nationally.

Phase 2: Spring 2022

- Consider updates to debt and financial policies to maintain a “best practices” position.
- Analyze the potential impact on Town operations, Town financial position, Town bond ratings and the current and future Capital plans if potential changes to policies are adopted.
- Make recommendations to Town Manager to include any proposals with the proposed budget for FY 2023.
- Discuss proposed changes to debt and financial policies with Town Council as the FY 2023 Budget is being crafted and receive input from Town Council (Spring 2022).

Phase 3: Summer 2022

- Present updated debt and financial policies with the proposed Budget for FY 2023 and provide opportunity to receive public input.
- Formally adopt the new policies.
- Implement the new debt and financial policies.

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Real Estate Transfer Fee Extension & Expansion

Start Date: FY 2022

Project Manager: Joshua Gruber, *Deputy Town Manager*

Department: Executive

Description

Purpose:

Pursue extension of the Real Estate Transfer Fee and evaluate the modification of its uses to allow for the maintenance and improvement of existing properties that have previously been acquired by the Town.

Phase 1: Spring 2022

- Develop an informational memorandum on the history of the Real Estate Transfer Fee (RETF), the prior collections that have occurred under the program and the property that has been acquired through the use of the fee.
- Identify the potential terms and conditions that could be included within a proposed extension and/or expansion of the fee for consideration by both internal and external groups.

Phase 2: Summer 2022

- Develop a list of necessary/impacted stakeholders to present the information memorandum and proposed extension and/or expansion terms.
- Conduct in-person presentations of these materials to these organizations to obtain direct feedback and comments.
- Make potential adjustments to potential terms and conditions based upon the received responses.

Phase 3: Fall 2022 – Spring 2023

- Summarize feedback received and obtain further policy direction from members of Town Council.
- Deliver draft ordinance based upon the policy direction that is received.

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Beach Tent/Canopy Regulations Adoption

Start Date: FY 2021

Project Manager: Diane Busch, *Staff Attorney*

Department: Legal

Description

Purpose:

The Town has received a request to examine the appropriateness of certain types of shading devices utilized on its public beaches so as to reduce concerns related to public safety services ability to traverse all areas of beach. During the summer at locations consisting of high concentrations of individuals, movement through the public beach areas can become substantially limited due to the volume of tents and other canopies that are present.

Phase 1: Winter – Spring 2021

- Staff will evaluate options with regards to limiting or otherwise restricting the use of certain types of shading devices on the beach. Staff will examine regulations in peer communities and determine the overall effectiveness and enforceability of such restrictions.
- Staff will contact various stakeholder groups to obtain information and feedback on the potential implementation of such restrictions.
- Based upon the stakeholder feedback that is received, staff will prepare and deliver a corresponding draft Ordinance for discussion and deliberation. If approved, staff will provide procedural support through the legislative adoption process by Town Council.

Phase 2: Fall 2021 – Winter 2022

- If additional regulations are ultimately adopted by the Town Council, staff will work to provide public education of any modifications well in advance of the summer beach season. The Town will also develop public education materials to be utilized by both internal staff and external agencies to provide notice and education to the public on any new regulations.

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Beach Shuttle Service Enhancements

Start Date: FY 2022

Project Manager: Jeff Buckalew, *Interim Infrastructure Services Director*

Department: Infrastructure Services

Description

Purpose:

Provide a safe, clean, well-publicized and enjoyable free beach shuttle service that will transport citizens between parking areas and public amenities. Evaluate regulations to better manage private shuttles.

Phase 1: Winter 2021

- Assess designated beach parking areas, and potential new partners (churches) for satellite beach parking.
- Coordinate lease agreement offerings with viable church parking areas (St. Andrew, Holy Family, First Baptist, and Providence Presbyterian (St. Luke's declined)).
- Execute lease agreements in June if agreeable to both parties. Coordinate with staff (Communications and Facilities Management) to promote an increased awareness of the remote parking and shuttle opportunities.
- Assess shuttle routes for timelines and customer understanding of frequency.

Phase 2: Spring 2022

- Execute parking lease agreement.
- Develop preliminary shuttle plan, including funding and revenue projections, and identify resources required for implementation, including an assessment of infrastructure transportation enhancements that may be required.
- Identify beneficial amenities that can be implemented, such as bicycle parking facilities and concessions. Draft legal documents as appropriate where partnering opportunities are identified.
- Research laws and ordinances regarding golf carts on public roads. Provide recommendations as may be appropriate.

Phase 3: Spring 2022

- Develop and finalize strategic plan that most efficiently meets user needs.
- Complete procurement of additional resources and implement infrastructure enhancements identified as being required.
- Finalize legal agreements with private property owners. Initiate public awareness and marketing efforts.

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COVID-19 Response

Start Date: FY 2020

Project Manager: Tom Dunn, *Emergency Manager*

Department: Fire Rescue

Description

Purpose:

To ensure the Town continues to recognize and monitor changes in data related to the COVID-19 pandemic so that policy decisions can be made that support the safety of the community and employees.

Phase 1:

Collect data to provide to Town Council and Town Leadership resources to monitor vaccination rates and positive case numbers in Beaufort County and by ZIP Code to assist in policymaking determinations. On-Going. Time Line: 6-12 Months

References:

- DHEC County-Level Data for COVID-19 Dash Board - <https://scdhec.gov/covid19/south-carolina-county-level-data-covid-19>
 - To see specific ZIP Code data select Beaufort County and hover the mouse over the shaded area.
- DHEC Vaccination Dashboard - <https://scdhec.gov/covid19/covid-19-vaccination-dashboard>
- Provided Daily:
 - COVID-19 Cases By County
 - Emergency Managers PDF – COVID Cases by ZIP Code
 - COVID-19 Daily Deaths

Phase 1A:

- Continue to support all Town employee protocols and procedures to ensure all working spaces and public areas are as safe as possible for employees and visitors. In Progress.
- Time Line: 6- 12 Months.

Phase 1B:

- Continue to support updates to Fire Rescue emergency response protocols and procedures to ensure safe operational response for personnel and the public. In Progress and on-going.

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COVID-19 Response

Phase 2:

- Continue to monitor community spread and evaluate the need to support Hilton Head Regional Hospital in providing free community testing for the COVID-19 virus. On-going.

Phase 3:

- Continue to support local vaccination efforts by the Hilton Head Regional Hospital and local non-profit organizations. In Progress.
- Time Line: 3-6 months.

Permitting & Plan Review Processing Improvements

Start Date: FY 2021

Project Manager: Teri Lewis, *Deputy Community Development Director*

Department: Community Development

Description

Purpose:

Identify areas of improvement within the Town's permitting and plan review processes so as to accelerate the time necessary to conduct sufficient reviews to the greatest extent practical, improve communications with customers regarding the status of pending request, and significantly improve the overall customer service experience associated with obtaining a permit or development plan review.

Phase 1: Spring 2021 – Winter 2021

- Improve customer service by achieving faster permit entry and plan review, better communications, and streamlining processes.
- Continue using temporary measures to catch up on permit entry and plan review:
 - Hire contract employees to assist with plan review.
 - Utilize other staff members to enter, issue and finalize permits.
 - Extend work hours of existing staff by transitioning from part-time to temporary full time.

Phase 2: Spring 2021 – Summer 2021

- Develop process improvement documents to aid in application process and review process such as tips for perfect submittals, permit review metrics, and a permit application table. Share with the public through meetings, e-mail blasts, and creative communication strategies.

Phase 3: Fall 2021

- Further streamline the plan review process, including regular follow up and permit tracking.
 - Improve the online permitting process by enabling online submittals of all applications and implement an online permit tracking map.
 - Create a customer satisfaction survey to gather customer feedback and implement suggested improvements.
 - Establish clear and quantifiable metrics along with a corresponding reporting mechanisms in order to track staff performance of plan review and permitting process objectives.
 - Prepare both internal and external reports to communicate measurement of success in achieve processing metric goals.

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Create a Culture of High Organizational Performance

Start Date: FY 2021

Project Manager: Marc Orlando, *Town Manager*

Department: Executive

Description

Purpose:

Improve overall governmental service levels and operational accountability within Town government through the establishment of a culture that strives for organizational excellence.

Phase 1: Summer 2021

- Assess the organizational design and leadership capabilities of Town staff.
- Assess the organization's vision and the goals that it should be striving to achieve.

Phase 2: Fall 2021 – Winter 2022

- Identify opportunities for organizational realignment to better:
 - Improve customer service levels
 - Achieve continuous process improvement
 - Align staff to maximize productivity
 - Provide enhanced leadership to all staff members
 - Create an environment that emphasizes innovation
- Provide professional leadership and growth opportunities to facilitate staff development.

Phase 3: Spring 2022

- Communicate and implement changes in organizational operation and personnel roles as may be necessary.

Phase 4: Summer 2022

- Assess success of realignment after 6 months and again at 1 year. Make additional changes as warranted.

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Human Resources Strategic Plan Development

Start Date: FY 2022

Project Manager: Lisa Stauffer, *Human Resources Director*

Department: Human Resources

Description

Purpose:

Develop a Human Resources strategic plan that provides the methods to address current and future workforce needs to achieve Town Council's work plan.

Phase 1: Fall 2021

- Meet with senior staff to identify specific human capital needs in the following areas:
 - Current and future skill needs
 - Current and future position needs
 - Opportunities for retooling current workforce
- Identify gaps between future needs and present capabilities.
- Identify opportunities to enhance the employee experience.
- Identify opportunities to invest in our employee's development.
- Identify opportunities to integrate diversity and inclusion strategies in recruitment, performance management, leadership assessment, and training.
- Review our current on-boarding program to identify opportunities for cultural awareness improvement as part of the employee on-boarding process to include:
 - Organizational relationship development
 - Awareness of the Town operations and initiatives
 - Historical, cultural and ecological education
 - Valuing differences in the workplace

Phase 2: Winter 2021 – Spring 2022

- Formulate gap strategies and prioritize those strategies.
- Assess benefit of formal internal mentorship program.
- Assess available external resources for education/awareness of Island history, uniqueness, culture, ecology, etc
- Evaluate Town policies and procedures to ensure they support diversity and inclusion best practices.

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Human Resources Strategic Plan Development

Phase 3: Spring 2022

- Implement enhanced on-boarding program.
- Implement diversity and inclusion training program for all employees.
- Implement inclusive leadership training program.

Phase 4: Ongoing

- Upon completion of first program cycle, assess program success and opportunities for further enhancement.

Technology & Innovation Strategic Plan Development

Start Date: FY 2022

Project Manager: John Tuttle, *Interim Technology & Innovation Director*

Department: Technology & Innovation

Description

Purpose:

Develop a Technology and Innovation Strategic Plan that provides a method to achieve overall and long-term information technology goals.

Phase 1: Fall 2021

Determine information technology's strategic position:

- Identify issues that need to be addressed.
- Identify opportunities and threats.
- Assess current and future demands.
- Determine strengths and weaknesses.
- Synthesize data from Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis.

Phase 2: Winter 2021 – Spring 2022

Develop the strategy:

- Define the IT mission, our core purpose.
- Define IT values, our core beliefs.
- Define the IT vision, what do we consider success?
- Define organization-wide strategies, how we will succeed.
- Develop long term objectives, 3-year plan.

Phase 3: Summer 2022

Build the plan:

- Utilize SWOT to guide priorities.
- Identify short SMART goals.
- Establish key performance indicators.
- Establish department wide goals.
- Establish team member goals.
- Determine a one-year budget.

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Technology & Innovation Strategic Plan Development

Phase 4: Spring – Summer 2022

Manage the plan:

- Publicize IT strategies internally.
- Set progress review dates.
- Adapt plan quarterly as appropriate.
- Update the strategic plan annually.

Employee Satisfaction Survey & Response

Start Date: FY 2021

Project Manager: Lisa Stauffer, *Human Resources Director*

Department: Human Resources

Description

Purpose:

Conduct an Employee Survey assess employee engagement focusing on accountability, communication, recognition, working relationships and the employee's understanding and commitment to the Town's mission and core values.

Phase 1: Summer 2021

- Identify consultant to support development and deployment of employee survey.
- Provide input and guidance on questions; identify data cuts to enable meaningful and actionable analysis of responses.
- Pilot draft survey and disseminate pre-launch communications.
- Consultant will launch employee survey.

Phase 2: Fall 2021

- The consultant will collect and analyze data, identify areas of strength/concern, and present results to executive leadership team.
- Town leadership, with consultant support, will hold multiple Town Hall meetings with Town staff to share results, solicit additional input and communicate what action items will be taken.

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Boards, Commissions & Committees Process Improvements

Start Date: FY 2021

Project Manager: Krista Wiedmeyer, *Town Clerk*

Department: Executive

Description

Purpose:

Implement a technology solution to ensure public meetings run smoothly, increase internal efficiency, and document decisions proficiently so policymaking is open and available to the public. Effectively manage boards and commission appointments, talent bank, applicant tracking, and administration required to optimize the processes of the various Town board, commissions, and committees.

Phase 1: Summer 2021 – Fall 2021

- Establish working groups with the Town Clerk, administrative staff, and Technology and Innovation to identify processes and features to be included in an appropriate technology solution.

Phase 2: Fall 2021 – Winter 2022

- Implement roll out of new Board and Commission software solution.
- Conduct internal training with identified user groups.
- Roll out new application process to the public via the Town website.

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Best-in-Class Municipal Services Delivery (Recognize Trends/Research & Development)

Start Date: FY 2021

Project Manager: Shawn Colin, *Senior Policy Advisor to the Town Manager*

Department: Executive

Description

Purpose:

The Town will become known as an entity that delivers a superior level of public services as compared to its peers and will be on the leading edge of new advancements the areas of smart/connected cities, digit service delivery, and an emphasis on overall customer experience.

Phase 1: Summer 2021 – Summer 2022

- Work with staff to develop and reinforce a culture of learning and constant improvement with an emphasis on being on the leading edge of new service delivery strategies. Examples of this include:
 - o Creating an end-to-end customer experience
 - o Differentiating between ‘experience’ and ‘service’
 - o Creating a uniform environment
 - o Using design thinking principles
 - o Tapping into the collective intelligence of our local citizens
 - o Adopting an iterative approach
- Reinforce the importance of fostering a creative/cutting edge approach to problem solving issues and explore opportunities to develop creative solutions that place us ahead of our competitors.
- Create expectations within performance planning for staff to include research and exploration of new ideas as critical components of organizational success.
- Develop a clear organizational understanding that in order to be amongst the leaders in local public service delivery we can never be content with our existing service levels or delivery methods.

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SeeClickFix Mobile & Website Application Implementation

Start Date: FY 2021

Project Manager: John Tuttle, *Interim Technology & Innovation Director*

Department: Technology & Innovation

Description

Purpose:

Enhance civic engagement by providing citizens with the ability to report issues like potholes, illegal dumping, overgrown parks and blight issues directly to the Town of Hilton Head Island. The issue submitter will receive an email when the request has been seen and assigned by the department and when the issue has been resolved. Department representatives will access the requests using Cartegraph OMS, the Town’s asset/work order management system, .

Phase 1: Spring 2021

- Review and configuration of service request types in SeeClickFix.
- Build integration of SeeClickFix and Cartegraph.
- Develop customized marketing materials for the public announcement of the new SeeClickFix application.
- Staff training on how to process and respond to service requests in SeeClickFix and Cartegraph.

Phase 2: Summer 2021

- Final review and testing of SeeClickFix on the website and Cartegraph integration.
- Launch SeeClickFix on Town website.

Phase 3: Spring 2023

- Addition of new marketplace application that will enable the Town to deploy its own application in the Google and Apple play store.
- Monitoring of service requests and work orders with the use of interactive maps, dashboards, and reports.
- Addition of service request types as needed.

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Fire Rescue Center for Public Service Excellence Re-accreditation

Start Date: FY 2021

Project Manager: Joheida Fister, *Deputy Chief/Fire Marshall*

Department: Fire Rescue

Description

Purpose:

To maintain the current Fire Service Accreditation status from the Commission on Fire Accreditation International through the Center for Public Service Excellence. Fire Rescue has been an accredited agency since 2002 and this re-accreditation process will be the 5th time Fire Rescue has applied for this status and highlights a continuous improvement model that requires an internal self-assessment documenting how the department meets the CFAI criteria.

Phase 1: Summer – Fall 2021

- Complete the required update to the 2016 Standard of Cover / Community Risk Assessment prior to September 1, 2021.
- Complete the required Self-Assessment Manual.

Phase 2: Fall –Winter 2021

- Submit the required documents to the CFAI by the Sept. 30, 2021 due date:
 - o Strategic Plan
 - o Standard of Cover / Community Risk Assessment (SOC / CRA)
 - o Self-Assessment Manual (SAM)

Phase 3: Winter 2021 – Spring 2022

- Upon initial review of the Fire Rescue SAM by the CFAI PEER Team, schedule and host on-site the PEER Team that will verify and validate the department's Self-Assessment Manual. The estimated time period for on-site visit is late fall.

Phase 4: Winter 2021 – Spring 2022

- Fire Rescue will attend (either virtual or in-person) a CFAI Commission Hearing to defend the request to be re-accredited. Hearing will be scheduled upon completion of the site visit and a recommendation from the PEER team to proceed to a hearing.

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Fire Rescue Strategic Plan Implementation

Start Date: FY 2021

Project Manager: Brad Tadlock, *Fire Chief*

Department: Fire Rescue

Description

Purpose:

To address the goals and objectives identified in the 2019-2024 adopted Fire Rescue Strategic Plan that supports the continuous improvement of the department.

Phase 1: Summer 2021 – Summer 2022

- Continue the implementation of *Goal #3 Improve the Community Outreach Programs to promote our message to the community utilizing the existing assigned working group.* In Progress.

Phase 2: Summer 2021 – Summer 2022

- Continue the implementation of *Goal #1 Create the appropriate staffing model to fulfill the needs of the department and best serve the community.* In Progress. The SOC / CRA has recommendations for future staffing considerations for line operations and dispatch.
- Work with HR to evaluate Administrative Staffing levels to ensure the number of staff can compete the workload based on community and Town expectations.

Phase 3: Fall 2021 – Fall 2022

- Implement a working group in the fall of 2021 to address the objectives of *Goal #5 Improve the quality of EMS care on Hilton Head Island.*

Phase 4: Fall 2021 – Fall 2022

- Implement a working group in the fall of 2021 to address the objectives of *Goal #2 Enhance the professional development of our personnel to meet the needs of our organization and community.*

Other:

The following goals are on hold until after re-accreditation is complete:

- *Goal #4 Enhance Emergency Communications through recognized best practices and regulations to meet organizational needs.*
- *Goal #6 Enhance information the technology systems to support the mission and improve efficiencies.*

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Cultural Affairs Strategic Plan Implementation

Start Date: FY 2021

Project Manager: Jenn McEwen, *Director of Cultural Affairs*

Department: Office of Cultural Affairs

Description

Purpose:

Implement the Office of Cultural Affairs Strategic Plan so as to enhance arts and cultural activities on the Island through the coordination and alignment of new and existing projects/programs.

Phase 1: Summer 2021

- Develop a presentation to the Community Services and Public Safety Committee that effectively outlines the various goals and objectives identified within the draft Office of Cultural Affairs Strategic Plan.

Phase 2: Fall 2021

- Upon the concurrence of the CSPSC, submit a draft Resolution to Town Council adopting the Strategic Plan

Phase 3: Fall - Winter 2021

- Implement recommendations from the adopted Strategic Plan.

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Enhanced Communications Plan with Strong Social Media Emphasis

Start Date: FY 2021

Project Manager: Carolyn Grant, *Communications Director*

Department: Communications

Description

Purpose:

The enhancement of a Town communications plan with help to define the messages, priorities, strategies, and tools the Town will use when communicating with the community. The plan will ensure the Town's story is told effectively and will provide engagement between the Town and the community in a timely and effective manner. Further development of this plan will align with the strategic priorities of the Hilton Head Island Town Council thereby advancing the Town's goals and objectives.

Phase 1: June 2021-December 2021

- Review existing communications plan and multi-communications channels to determine areas of improvement, and meet with department leaders to evaluate their communication needs and engage their support of communication efforts. Start June 2021; Complete by January 2022.
- Enhance communications plan based on leadership dialogue, Town vision and priorities, and best practices in the field of municipal communications, including social media. Start June 2021; Complete by January 2022.
- Develop and deploy a robust and active social media strategy that leverages existing media assets and builds direct communications to audiences. Started April 2021; On-going.
 - Create a social media master schedule, including campaigns aligned with Town priorities, and continue using analytics to make decisions about what to post and when and to better understand our followings. Started April 2021; On-going.
 - Review and update existing social media policies and procedures for the Town's digital communications efforts. Started May 2021; Complete by December 2021.
 - Deploy a redesigned virtual newsletter for the Town. Start June 2021; Target launch for November 2021 or before.
 - Identify and implement a social media tracking platform to provide better analytics and tracking, to measure the frequency and tone of Town of Hilton Head Island mentions across numerous platforms, and to better understand our followings, engagements and reach. Develop a Request for Proposals. Started March 2021.

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Enhanced Communications Plan with Strong Social Media Emphasis

- o Identify online communities servicing our Island and look for ways that the Town can become a leader in sharing information to these communities.
- o Connect with local stakeholders to better understand and address the cultural needs of different audiences, and make sure we are appropriately reaching them through social media platforms. On-going.

Phase 2: January -August 2022

- Present enhanced communications plan to stakeholders, including Town staff and Town Council. January 2022.
- Implement new strategies outlined in enhanced communications plan. January 2022.
- Develop and implement a plan for multi-lingual translation services that will ensure the Town doesn't overlook important audience segments and is able to successfully reach Spanish-speaking, and visually- or hearing-impaired residents more effectively.

Phase 3: Ongoing

- Continue to explore the numerous platforms available and identify the best social media sites/tools to implement that will reach our target audiences and, if valuable, begin employing them for communication of the Town's policies, services and programs.



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Strategic Initiative Descriptions **Environmental Sustainability**



Beach Resiliency & Renourishment Plan Implementation

Start Date: FY 2022

Project Manager: Jeff Buckalew, *Interim Infrastructure Services Director*

Department: Infrastructure Services

Description

Purpose:

Improve the coastal resiliency of the Island by reviewing and proposing appropriate modifications to the Town's beach nourishment program that align with the resiliency goals identified in the Town's comprehensive plan. Evolve elements of the 2025 beach nourishment program to take advantage of lessons learned and to incorporate new goals while continuing to achieve existing program goals of buffering erosion, maintaining the recreation quality of the beach, nourishing on a flexible schedule with multiple sand sources, and exercising environmental sensitivity. Foster improvement of the Town's plan by adding increased storm protections and climate change resiliency to the stated program goals.

Phase 1: Fall 2021 - Winter 2022

- Evaluate the Beach Renourishment Program and identify any new goals and objectives to incorporate into the next project before design begins.
- Facilitate partnership discussions with Hilton Head Plantation representatives to pursue cooperative the renourishment of the Pine Island Beach as a part of the Town's 2025 beach renourishment program.
- Consider adding additional geographic areas of the Island such as Mitchelville and Fish Haul Beach into the Town's statutory definition of "public beach" in order to facilitate the renourishment of these areas as part of the Town's greater plan to conduct a 2025 beach renourishment program.

Phase 2: Winter 2022 - Spring 2023

- Continue design and permitting activities required to facilitate the 2025 beach renourishment project.
- Consider Public-Private-Partnerships to achieve stated goals of protecting coastal Infrastructure.
- Evaluate the potential need to conduct an Island resiliency study to identify areas of potential critical need or improvement that may not otherwise be known to the Town. As identified in the Town's comprehensive plan, areas of focus could include:
 - Evaluating changes to zoning and building codes to minimize vulnerabilities.
 - Continuing to maintain and replenish appropriate levels of Town disaster relief funds.
 - Considering development and implementation of a sea level rise adaptation plan for the Town.
 - Identifying and funding proactive investments in public actions which enhance resistance to and recovery from environmental challenges.

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Work with Public Service Districts (PSDs) on Long-Term Capital Projects

Start Date: FY 2023

Project Manager: Jeff Buckalew, *Interim Infrastructure Services Director*

Department: Executive

Description

Purpose:

Assess appropriate partnership opportunities with PSD Facilities and Capital Projects to ensure future delivery of potable water to Hilton Head Island residents.

Phase 1: Fall 2022

- Work with PSDs to identify current as well as long-term capital and facility improvements necessary to deliver water and wastewater services to the community.

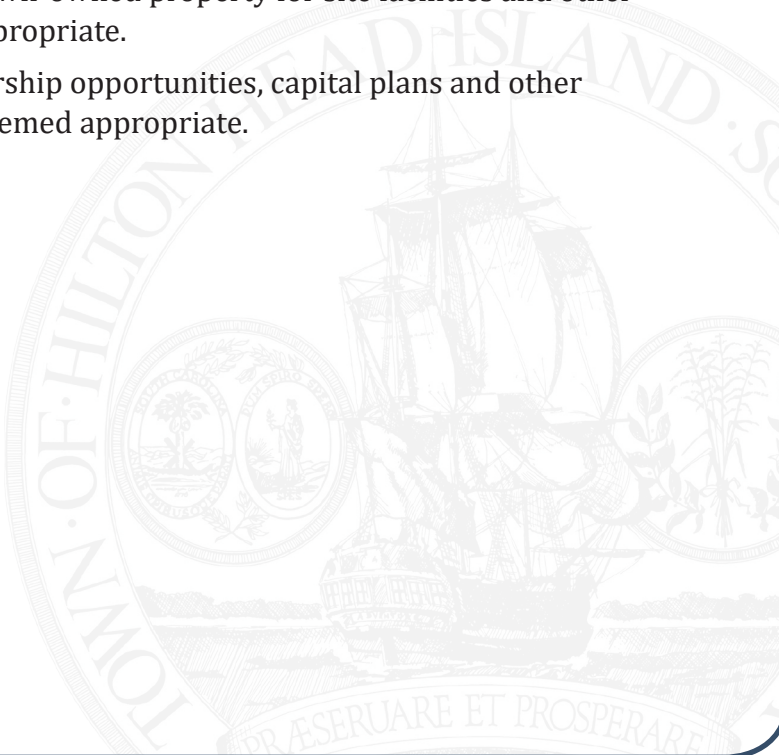
Phase 2: Winter 2022

- Work with PSDs to develop a water and wastewater service CIP project map or dashboard tool.

Phase 3: Spring-Summer 2023

- Identify opportunities to utilize partnerships to deliver facility and service needs consistent with Town Council goals.
- Explore opportunities to utilize Town-owned property for site facilities and other utility infrastructure if deemed appropriate.
- Work with PSDs to execute partnership opportunities, capital plans and other mutually beneficial agreements deemed appropriate.

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Environmental Sustainability & Resource Protection Leadership

Start Date: FY 2021

Project Manager: Sally Krebs, Sustainable Practices Coordinator

Department: Community Development

Description

Purpose:

Take appropriate actions to highlight that environmental protection and sustainability are truly foundational values of our Island community.

Phase 1: Summer 2021 – Summer 2022

- Research how to integrate Low Impact Development (LID) techniques in the LMO.
- Assist with development of LMO Amendments to ensure existing environmental protections are maintained or strengthened.
- Strengthen existing and form new partnerships to further environmental education.
- Investigate environmentally sustainable standards for development projects, including Town projects.
- Investigate opportunities and methods to cool urban heat islands and use green infrastructure to protect and improve air and water quality and biodiversity.

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Audubon International “Sustainable Community” Recertification

Start Date: FY 2021

Project Manager: Sally Krebs, Sustainable Practices Coordinator

Department: Community Development

Description

Purpose:

Achieve recertification as a “sustainable community” as defined under the Audubon International standards.

Phase 1: Spring 2021 – Summer 2021

- Seek recertification as an Audubon International Sustainable community (initially certified in 2017).
- Submit recertification materials to Audubon International for review, and prepare an appropriate communications strategy upon receipt of recertification.

Phase 2: Summer 2021 – Summer 2022

- Prioritize and advance Hilton Head Island Green Blueprint and Sustainable Community Indicators based on input from Audubon International.

Ongoing:

- Monitor and track Indicators for future recertification.

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Strategic Initiative Descriptions **Revitalize Economy**



Municipal Association of South Carolina (MASC) Model Business License Ordinance Adoption

Start Date: FY 2021

Project Manager: April Akins, *Revenue Services Manager*

Department: Finance

Description

Purpose:

Take such legislative actions as necessary in order to ensure compliance with the requirements of Act 176 of 2020, the South Carolina Business License Standardization Act.

Phase 1: Summer 2021

- Study the Model Business License Ordinance prepared by the Municipal Association of South Carolina and identify the potential impacts that the adoption of the model ordinance will have on the Town's current business license operations both from an administrative standpoint and from a financial standpoint.

Phase 2: Summer – Fall 2021

- Introduce research and proposed amendments to the Town's Finance and Administration Committee for review and recommendation to Town Council.
- Conduct public education and outreach to potentially affected businesses.
- Present recommendations to Town Council for Model Business License Ordinance adoption.

Phase 3: Fall – Winter 2021

- Implement the new ordinance with an effective date of calendar year 2022.
- Update necessary computer systems with corresponding changes.
- Development communications to taxpayers to inform them of the changes and conduct help sessions to answer any questions.

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Town-Owned Property Management & Utilization Plan Development

Start Date: FY 2021

Project Manager: Shawn Colin, *Senior Policy Advisor to the Town Manager*

Department: Executive

Description

Purpose:

Comprehensively review and assess the approximately 1,400 acre inventory of Town-owned properties so as to possess a full and complete understanding of the historical acquisition of all Town-owned properties, the sources of funding that were utilized to effectuate the purchase of the properties, and any corresponding restrictions applicable to the use or maintenance of these properties. Once fully understood, develop an asset management plan consistent with existing industry best practices that articulates the life-cycle costs of owning, operating, and maintaining these properties along with expectations on potential public uses and service levels that could be appropriate for each property.

Phase 1: Summer – Fall 2021

- Refine the existing Town-owned property database to identify all historical acquisition information for each property, opportunities and limitations related to the historical funding sources and use limitations of each property, and include a separate category for economic development opportunities to all be included within a public facing dashboard.
- Identify opportunities and marketing steps necessary to facilitate the redevelopment of appropriate Town-owned properties such as the Modern Classic Motors Site and the Palmetto Bay Road Tract.
 - Prioritize inventory of identified Town-owned land assets to target the recruitment of strategic development partnerships.
 - Develop effective marketing and/or recruitment materials so as to further the goals identified by Town Council in the utilization of these Town-owned assets.
- Coordinate the usage of \$300,000 in Utility Tax Credits for site development of the Modern Classic Motors Site.
- Identify opportunities and limitations related to the uses of a potential housing development on the Town’s Marshland Road property in coordination with creation of the Patterson Park.

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Town-Owned Property Management & Utilization Plan Development

Phase 2: Winter 2022 – Summer 2023

- Develop a strategic asset management plan to extract the highest total value from the Town's public land assets while identifying life-cycle costs necessary to maintain these properties at established standard of excellence service levels.
- Consider development of a forestry management plan for appropriate properties that are identified as use restricted or will otherwise be maintained in a natural state.
- Consider development of a turf management program that will effectively provide a superior level of quality in the use and maintenance of town properties that utilize either natural or artificial turf surfaces.

Phase 3: Spring – Summer 2023

- In coordination with Town Council, identify capital improvement program opportunities, inclusive of funding mechanisms and associated programming, to achieve the articulated goals in the use and management of Town-owned lands.

Cultural District(s) Designation Attainment

Start Date: FY 2023

Project Manager: Jenn McEwen, *Director of Cultural Affairs*

Department: Office of Cultural Affairs

Description

Purpose:

Explore the creation of formalized cultural districts to highlight the unique cultural heritage that is present on Hilton Head Island.

Phase 1: Spring 2023

- Contract Courtney Young to work on yearlong Gullah cultural district branding initiative – starts 6/1/21 with goal being to have full cultural district look, feel, message package to first implement here and then disseminate across the State.

Phase 2: Fall 2024

- Identify top 3 cultural districts to augment with minor capital investments to create small, pedestrian friendly corridors of authentic experiences. Internally decide which district will be applied for first as it impacts how the requirements established by the state are executed.
 - Recommendations include: Mitchelville District/Beach City Rd; Squire Pope/Gumtree District, Shelter Cove.
- Once districts are decided, contact SC Arts Commission for discussion with cultural district coordinator to confirm eligibility.
 - **How to Confirm eligibility**
 1. Review the program guidelines to understand the goals and requirements.
 2. Confirm that there is sufficient municipal and local interest and support to seek the designation.
 3. Contact South Carolina Cultural Districts Program Director Jason Rapp (jrapp@arts.sc.gov | 803.734.8899) to discuss the program, community readiness and any questions you may have.
 - **Create Required Site visit and district map**
 1. Schedule a visit by S.C. Arts Commission staff to tour the proposed district and meet key stakeholders.
 2. Create a map of the proposed district that identifies proposed boundaries, cultural facilities, public art and other cultural assets.
 3. Include a spreadsheet that lists each place by name and street address. The map can be created by your local government planning office, GIS department or by using online tools such as Google Maps.

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Cultural District(s) Designation Attainment

o Steps/Requirements for the state application include the following:

1. Legislation ratified by the South Carolina General Assembly authorizes the S.C. Arts Commission to grant official state designation to cultural districts in the Palmetto State. The legislation specifies the goals of this program:
 - o attract artists, creative entrepreneurs and cultural enterprises to communities
 - o encourage economic development
 - o foster local cultural development
 - o provide a focal point for celebrating and strengthening local cultural identity
2. Additionally, cultural districts:
 - o attract tourists
 - o help preserve and reuse historic buildings
 - o enhance the image and visibility of a place
 - o foster a supportive environment for arts and culture

o Requirements

1. Governance structure

- o Prior to applying, the city or town must develop a cultural district steering committee composed of organizations and individuals that represent the interests of the district. At least one cultural organization located within the district and/or one organization representing artists must be included.

Other types of organizations may include nonprofits, private businesses, educational institutions, faith-based organizations, economic development groups, residential associations, merchant associations or other stakeholder groups. This group should provide a governance and accountability structure for the district.

This governing organization should engage in community-based planning activities that establish locally defined goals and outcomes for the district, identify resources for sustaining the district, and create measures for determining progress toward achieving the goals.

2. Resolution

- o Any city or town applying for state designation of a cultural district must hold a public hearing with adequate notice regarding the proposed district and pass a resolution making a commitment to establish a state-designated cultural district.

Phase 3: Spring 2026

- Finalize plan for top 2-3 cultural districts to augment districts with minor capital and marketing investments to create small, pedestrian friendly corridors of authentic experiences and complete execution of plan.
- Once capital/marketing investments are completed, complete application.

Destination Marketing Organization (DMO) Marketing Plan & Performance Measures Implementation

Start Date: FY 2021

Project Manager: Jenn McEwen, *Director of Cultural Affairs*

Department: Office of Cultural Affairs

Description

Purpose:

Monitor the performance of the Town’s authorized Destination Marketing Organization and ensure that contractually obligated performance measurements are achieved. Identify any necessary changes and ensure that appropriate community focus is utilized in the development of the annual marketing plan.

Phase 1: Summer – Fall 2021

- Survey current metrics required by the DMO contract and analyze with the Town Manager to achieve best outcomes to achieve Town goals.

Phase 2: Fall – Winter 2021

- Review any metrics recommendations/changes with DMO facilitated by Town Manager.

Phase 3: Winter 2021 – Spring 2022

- Support DMO Marketing Council in creation of marketing plan to ensure that correct performance measurements are being included and achieved.

Phase 4: Ongoing

- Continue monitoring DMO performance and achievement of identified performance measures.

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Economic Development Strategy Formation

Start Date: FY 2022

Project Manager: Shawn Colin, *Senior Policy Advisor to the Town Manager*

Department: Executive

Description

Purpose:

Create an economic development framework and strategic plan to include business retention and expansion, commercial occupancy assessment and targeted recruitment of key business industries.

Phase 1: Fall 2021

- Request the Beaufort County Economic Development Corporation (BCEDC) provide the Town an Assessment of the Island's framework for Business Retention and Expansion (BRE).
- Conduct research to quantify commercial properties and occupancy levels, using Costar or similar tool.
- Continue efforts towards redevelopment for the Modern Classic Motors and Palmetto Bay Road commercial sites.

Phase 2: Winter 2021

- Partner with BCEDC to conduct a SWOT analysis of the Town Economic environment to include:
 - Overall Capacity Analysis
 - Competitiveness Analysis
- Develop a commercial property database and dashboard.
- Solicit input from local realtors and business owners to determine existing market conditions, including opportunities as well as barriers and competitive disadvantages island properties are experiencing.

Phase 3: Spring 2022

- Ensure the Town's development services, Town policies and priorities are continually streamlined, efficient, customer focused and responsive to efficiently support new growth, local economic development and the long-term success of existing local businesses. Evaluate existing programs and regulatory environment to gauge effectiveness and comparative position to competitors.
- Work with BCEDC to develop a full business retention and expansion strategy (BRE).
- Develop priority execution strategy for use of Town-owned land for Economic Development.

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Economic Development Strategy Formation

Phase 4: Summer 2022

- Identify Economic Development opportunities to include in the development of a Growth Management Framework.
- Coordinate with land use planning and growth management framework to enhance options for capital and priority investment strategies for areas that are in need of improvements.
- Develop strategies, including regulatory options and funding solutions that may be utilized to advance goals of increasing preferred occupancy and retention.
- Actively recruit investment into the community from targeted strategic partners.



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Strategic Initiative Descriptions **Inclusive Community**



Gullah Geechee Task Force Work Plan Implementation

Start Date: FY 2021

Project Manager: Sheryse DuBose, *Historic Neighborhoods Preservation Administrator*

Department: Community Development

Description

Purpose:

Implement the Framework for the 16 Top Priority Projects from the Gullah Geechee Preservation Report Recommendations as approved by Town Council in 2019.

Top Priority Projects:

1. PP-4: Designate Historic Overlay District
2. PP-6: Provide greater flexibility for ROW and drainage easements
3. PP-2: "Fast Track" Development Review Process
4. PP-5: Add Family Compound Provisions to Land Management Ordinance
5. CP-17: Recognize Gullah Churches to be the source of leadership and communication
6. CP-14: Establish open air market for Gullah products
7. CP-7: Program to educate Town officials, teachers, and others on Gullah history and culture
8. HP-4: NIBCAA to work the Community Foundation of the Low Country (CFL) to create a fund to clear property titles
9. HP-2: Leverage local, state, and national organizations to address Heirs' Property
10. PP-14: Program for temporary or seasonal signs to promote economic opportunities for Gullah businesses and residents
11. HP-1: Utilize Heritage Library as a first step to clearing land title
12. PP-12: Program to education Gullah residents on policy (Taxes, Land Use, Development)
13. HP-3: Encourage Center for Heirs' Property Preservation (CHPP) to open satellite office
14. CP-1: Promote Heritage Library to research history and genealogy
15. PP-11: Fund for Delinquent Taxes
16. PP-3: Historical Neighborhoods Preservation to work with Gullah property and business owners to assist with Town regulations

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Gullah Geechee Task Force Work Plan Implementation

Phase 1: Summer – Winter 2021

- Adopt the Family Compound and Family Subdivision LMO Amendments.
- Work with Heritage Library to create genealogy clinic as first step to clear land title.
- Develop a program for temporary and seasonal signs in the Historic Neighborhoods to expand economic opportunities for Gullah businesses.
- Evaluate locations for an open-air market for Gullah products.
- Evaluate land use and density for a Historic Gullah Neighborhoods Overlay District.

Phase 2: Spring 2022

- Facilitate efforts with NIBCAA and Community Foundation of the Lowcountry to create a fund to clear property titles.
- Develop a program to educate Town officials, teachers, and other community members on Gullah history and culture.
- Develop a program to educate Gullah residents on policy issues such as taxes, land use, etc.
- Promote the Center for Heirs' Property Preservation trainings on heirs' property, forestry, and wills.

Ongoing:

- Continue to assist Gullah property and business owners with Town regulations.

Landmark Protection Program Development

Start Date: FY 2023

Project Manager: Sheryse DuBose, *Historic Neighborhoods Preservation Administrator*

Department: Community Development

Description

Purpose:

In coordination with various external stakeholder organizations, develop a historic landmark protection program that will ensure preservation of irreplaceable sites that possess culturally significant sites, structures and/or architecture located on Hilton Head Island. Research the need to create potential ordinances, regulations, or a zoning district amendments in order to achieve these goals or to otherwise offer additional protection to historical and culturally significant sites.

Phase 1: Fall 2022 - Winter 2023

- Draft a comprehensive list of all historic sites on the Island including their cultural significance; i.e. Revolutionary War, Civil War, Gullah, and identify who owns each site.

Phase 2: Spring 2023 - Summer 2024

- Hire or partner with a historical preservation specialist to assist in drafting a comprehensive and detailed cultural preservation plan for the Island. Explore potential partnerships with academic organizations such as SCAD.
- Segment out a focus on Gullah historical sites and cultural preservation in accordance with recommendation CP-16 of the Gullah Geechee Culture Preservation Project Report.

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Public Institutional Partnership with USCB to Support Arts & Cultural Organizations

Start Date: FY 2021

Project Manager: Joshua Gruber, *Deputy Town Manager*

Department: Executive

Description

Purpose:

Explore the creation of a public-private partnership with the University of South Carolina – Beaufort (USCB), and the Arts Center of Coastal Carolina (ACCC) in order to secure the long-term viability and economically efficient usage of public arts facilities.

Phase 1: Summer – Fall 2021

- Work with USCB and ACCC to enter into a mutually agreeable Memorandum of Understanding that will delineate the responsibilities of the parties in exploring the formal creation of a public-private partnership.
- Assist in the creation of a draft Memorandum of Understanding between USCB and ACCC that identifies how a degree granting program can be incorporated within the operations of the ACCC facility and how the delivery of public art programming will be provided by the ACCC within a USCB owned and managed facility.

Phase 2: Fall – Winter 2021

- Undertake facility assessment of current ACCC facilities to help in the development of a comprehensive redevelopment plan and corresponding project budget that will allow the future use of the property to meet the needs of both USCB and the presentation of dynamic public art events.

Phase 3: Ongoing

- Support programming/scheduling/presenting that will ensure that the redeveloped space will be utilized effectively.
- Examine recruiting local and regional performing arts groups, high schools and universities, as well as local organizations such as the Art League, Hilton Head Dance Theatre, Lean Ensemble, and the Hilton Head Symphony Orchestra to program in the space.

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Community Engagement Survey Execution

Start Date: FY 2023

Project Manager: Angie Stone, Assistant Town Manager

Department: Executive

Description

Purpose:

Utilize a survey or series of surveys to help assess the overall community sentiment regarding the quality of resident life on the Island to include criteria such as the quality and expectations in delivering public services, opinions on public infrastructure and views towards the quality of existing public facilities, thoughts regarding general public trust and opinions on public engagement.

Phase 1: Fall 2022

- Discuss with Town Council and key stakeholders how to gauge the morale of the community and citizen feedback on their interactions with public facilities and Town-owned infrastructure.
- Define survey objectives for each assessment category (quality of community life, service delivery, public trust and public engagement).

Phase 2: Winter 2022

- Issue an RFQ/RFP to obtain support for developing and deploying survey.

Phase 3: Spring 2023

- Launch and promote survey to ensure maximum participation.
- Ensure survey is accessible to all (remove barriers to participation).
- Analyze responses to identify areas for improvement and develop an action plan.

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Sandalwood Food Pantry Relocation

Start Date: FY 2021

Project Manager: Anne Cyran, *Senior Planner*

Department: Community Development

Description

Purpose:

Partner with Sandalwood Community Food Pantry to identify and lease a Town-owned property to Sandalwood so they can build a permanent, resilient facility on the Island to serve their clients.

Phase 1: Summer 2021

- Present a Resolution to Town Council recommending the Town Manager pursue lease agreement with Sandalwood as recommended by the Community Services and Public Safety Committee.

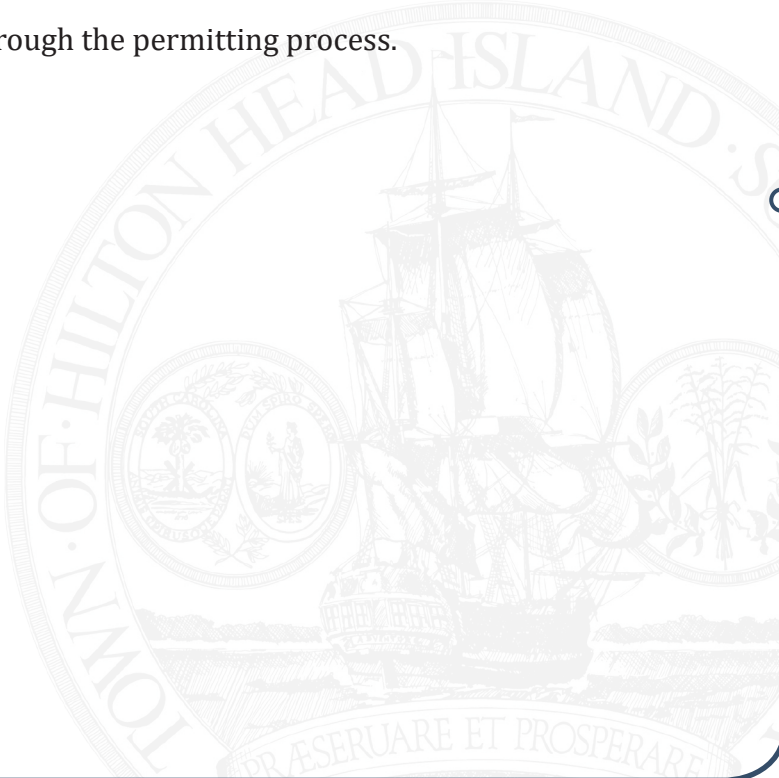
Phase 2: Fall – Winter 2021

- Work with Sandalwood to develop a site plan. Work with the Legal Division to draft a lease agreement agreeable to the Town and Sandalwood. Present an Ordinance with the lease agreement to Town Council for adoption.

Phase 3: Spring 2022

- Provide support to Sandalwood through the permitting process.

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HUD/CDBG Entitlement Program Annual Action Adoption

Start Date: FY 2021

Project Manager: Marcy Benson, *Senior Grants Administrator*

Department: Executive

Description

Purpose:

Obtain approval of annual action plan for HUD/CDBG entitlement program funds.

Phase 1: Summer – Fall 2021

- Draft Consolidated Annual Performance Evaluation Report (CAPER) for previous year (2020).
- 2020 CAPER 15 day public comment period scheduled (HUD requirement); public meeting to present 2020 CAPER and take public comment scheduled.
- 2020 CAPER and resolution authorizing submittal to HUD scheduled for Town Council meeting. CAPER submitted to HUD no later than September 30th.

Phase 2: Fall – Winter 2021

- Staff discussion of project(s) to recommend for inclusion in Annual Action Plan (AAP).
- Schedule public meeting to solicit community input for project(s) to include in AAP.
- Staff drafts proposed AAP based upon public comments that have been received.
- HUD issues notice of allocation amount. (Date fluctuates depending on Federal budget adoption date. Notice may be received as late as June.)

Phase 3: Spring – Summer 2022

- Draft of AAP presented to Community Services and Public Safety Committee for review and comments; draft of AAP 30 day public comment period scheduled (HUD requirement).
- Draft of AAP and resolution authorizing plan submittal to HUD scheduled for Town Council meeting.
- AAP submitted to HUD 45 days prior to the start of fiscal year (May 15).
- HUD has 45 days to review AAP and issue CDBG grant agreement.
- Staff conducts environmental review for infrastructure project listed in AAP and submits request for release of funds to HUD.

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Mitchelville Master Plan Implementation

Start Date: FY 2021

Project Manager: Jayme Lopko, *Senior Planner*

Department: Community Development

Description

Purpose:

Provide proactive support and guidance to the Historic Mitchelville Freedom Park organization in their pursuit of successfully implementing their Town approved Master Plan.

Phase 1: Summer 2021 - Fall 2021

- Execute a separate lease agreement for the use of four Town and County jointly-owned properties on Beach City Road.
- Coordinate with Mitchelville to transfer existing utilities from the Town to Mitchelville.
- Review and approve interpretive signage.

Phase 2: Fall 2021 – Spring 2022

- Revise the master plan to remove one of the Town and County’s jointly owned properties on Beach City Road since it will not be developed as part of the Historic Mitchelville Freedom Park. Remove references to the park being gated with an admission charge from the master plan and business plan.
- If the need is identified, develop replacement public parking spaces on the adjacent Town and County’s jointly owned property at the end of Beach City Road.
- Engage in proactive participation with the Historic Mitchelville Freedom Park organization in order to further their master plan implementation and overall site development by exploring the following possible activities:
 - Assist with design, permitting, and installation of interpretive panels (Mitchelville to provide info for signs)
 - Clean and repair the existing temporary structures
 - Expand and increase the Wi-Fi capabilities in the park
 - Repair the tabby base around the Toni Morrison bench
 - Open up the entry to the park to make it more visible through appropriate vegetation removal
 - Modify the entry kiosk to include an information board for tours, website, and donation information
 - Expand electrical capabilities in the park for events

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Mitchelville Master Plan Implementation

Ongoing:

- Provide engaged support to Mitchelville throughout the permitting process.
- Ensure required documents including insurance, annual budget, and end of year financials are submitted to the Town for public reporting and accountability purposes as the project progresses.

Asphalt Art Program Implementation

Start Date: FY 2022

Project Manager: Jenn McEwen, *Director of Cultural Affairs*

Department: Office of Cultural Affairs

Description

Purpose:

Create additional arts opportunities on the Island through the creation of a unique asphalt art program that will align with the Town’s Capital Improvement Program (CIP) projects, utilization of Town owned property, or through partnership with participating entities.

Phase 1: Fall 2021

- Apply for funding of program through potential grant programs including AARP, Bloomberg Philanthropies and CFL. Reached out to HHIHS principal about mural artist in residency component. AARP funding announced July 2021, Bloomberg Oct 2021.

Phase 2: Winter 2021

- Realign project scale and scope based on level of funding that is acquired.

Phase 3: Spring 2022

- Solicit artists to create murals, order wraps, install. Installation completed by March.

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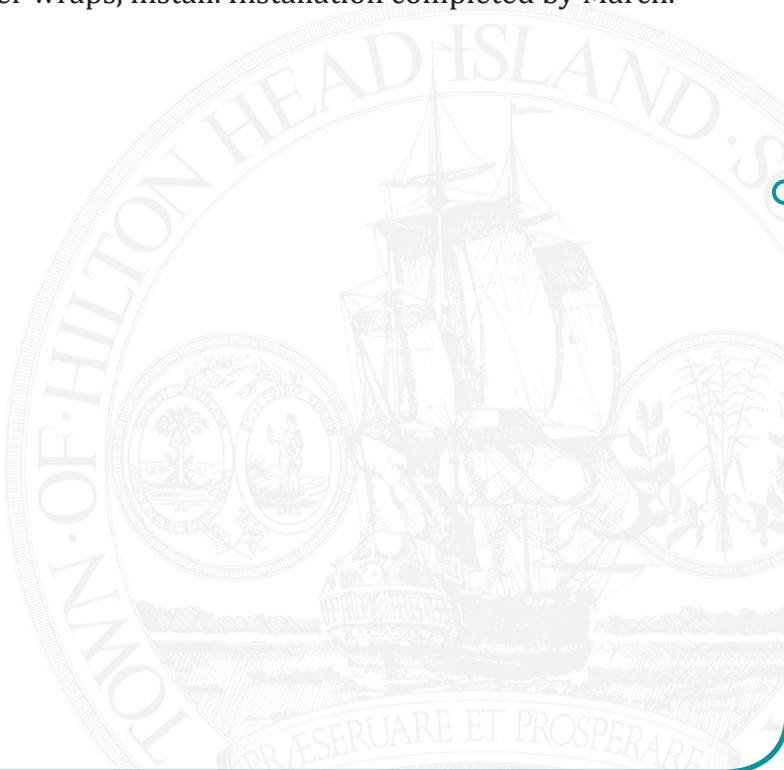
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Public Art & Culture Project Incorporation into New & Existing Parks

Start Date: FY 2021

Project Manager: Jenn McEwen, *Director of Cultural Affairs*

Department: Office of Cultural Affairs

Description

Purpose:

Optimize strategic opportunities to incorporate arts and cultural projects into the design and implementation of Town parks and other appropriate recreational spaces that align with the Town's adopted Capital Improvement Program (CIP).

Phase 1: Summer-Fall 2021

- Review plans for new park & pathway development and identify spaces in pre-planning for site specific artwork and creative placemaking augmentations.

Phase 2: Summer-Fall 2021

- Review current parks & pathways and consider proposals for art augmentation that was not developed as part of the original design. Examples include the following:
 - o Gullah mural around rest area building @ Sailing & Rowing, interpretive panels telling the story of the BASF conflict and commissioning bronze sculpture of Gullah fisherman casting net.
 - o Install sculpture and free-standing murals along the 1 mile stretch of pathway along Arrow Road that is hidden from the street for an unexpected "High Line" style experience.

Phase 3: Ongoing

- Implement more art and creative placemaking initiatives in a similar manner as to those that are identified above.

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Strategic Initiative Descriptions **Connected Community**



Hilton Head Island Growth Framework & Illustrative Master Plan Creation

Start Date: FY 2022

Project Manager: Jennifer Ray, *Interim Community Development Director*

Department: Community Development

Description

Purpose:

Develop a Master Plan for the entirety of Hilton Head Island that will align the Town's Capital Projects, community sentiments, and drive future policy directives from Town Council. Initiatives included within this process would be the creation of an identified Growth Framework that when used effectively will guide future development of land, infrastructure and use of Town-owned assets, build resilience, and assist in the calibration of the Town's LMO and design performance standards.

Phase 1: Winter 2021 – Summer 2022

- Create a Master Service Agreement via competitive public solicitation to create a mechanism for efficiently undertaking various planning and/or design services projects.
- Utilize the services of the preferred vendor identified under the Master Service Agreement to assist in the preparation of an Illustrative Master Plan for all of Hilton Head Island.
- Utilize the services of the preferred vendor identified under the Master Service Agreement to assist in the preparation of a comprehensive Growth Framework Map.
- Work with one or more identified vendors in order to facilitate an Island Capacity Assessment that is aligned with the goals and objectives identified by Town Council in evaluating current and future Island capacity metrics.

Phase 2: Fall 2022 – Spring 2023

- Following completion of the Illustrative Master Plan, begin advanced planning initiatives related to both district areas/sub-area of the Island.
- Utilize the services of the preferred vendor identified under the Master Service Agreement to assist in the preparation of an updated Future Land Use Map.
- Utilize the information obtain via the prior completed planning exercises in order to facilitate the calibration of the LMO zoning code, and design and performance standards.

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Strengths, Weaknesses, Opportunities & Threats (SWOT) Analysis of Land Management Ordinance (LMO)

Start Date: FY 2022

Project Manager: Teri Lewis, Deputy Community Development Director

Department: Community Development

Description

Purpose:

Utilize a SWOT analysis of the Town’s Land Management Ordinance (LMO) as an assessment tool that will identify the core strengths, weaknesses, opportunities, and threats of the existing code regulations. This will be accomplished via a realistic, fact-based, data-driven analysis of the current LMO and will utilize diverse voices to achieve fresh perspectives and new ideas as to any potential changes that may be necessary to achieve the community’s identified land development goals and smart growth framework.

Phase 1: Fall 2021 – Spring 2022

- Use existing staff resources to perform a SWOT analysis of the Town’s LMO regulations employing a diverse range of both internal and external stakeholders that will provide feedback and guidance on the need for potential LMO amendments. Areas of evaluation will include, but not be limited to, the following:
 - o Height and scale of structures appropriate for surrounding developments and neighborhoods
 - o Protection of natural resources and utilization of trees and landscaping to reduce visual impacts of new buildings
 - o Reducing impervious site coverage and avoiding heat islands
 - o Improving the quality of stormwater runoff
 - o Evaluation of new subdivision regulations
 - o Design and performance standards
- Identify a proposed first set of LMO Amendments based upon the comments and feedback obtained through the SWOT analysis.

Phase 2: Summer 2022 – Fall 2022

- Present the first set of proposed amendments to the Public Planning Committee and the LMO Committee as required by Town Code.
- Using direction from the PPC and LMO Committee, research and draft any modifications as may be appropriate.
- Work with the Legal Division and the Town Attorney to review and revise the proposed amendments to ensure compliance with all necessary legal considerations.
- Guide the proposed amendments through the legislative adoption process, including LMO Committee, Planning Commission, Public Planning Committee, and Town Council.

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e-Bike & e-Scooter Usage/Regulations

Start Date: FY 2021

Project Manager: Diane Busch, *Staff Attorney*

Department: Legal

Description

Purpose:

To prepare a detailed legal analysis of e-scooters and e-bikes usage with sufficient information to consider and formulate a Town Council policy for each device.

e-Scooters

Phase 1: Summer 2021

- Perform comprehensive research regarding definitions and interpretations of e-scooters to include applicable S.C. Code Sections; NHTSA regulations, and any applicable case law subsequent to S.C. Code amendments; research the Town's authority to regulate speed, usage, areas of restricted use, and enforcement approach; and draft a memorandum summarizing research.
- Review and analyze e-scooter related incidents, complaints made to the Town, and documented legal cases that have occurred since the change of the definition of e-scooters; and compile a summary of research.
- Contact PUD's Security Departments, including Sea Pines and Palmetto Dunes to determine how they are approaching regulating, limiting, and enforcing e-scooters within their communities; and prepare a summary of findings.

Phase 2: Summer 2021

- Research benefits v. risks of electric-scooters to the community and summarize findings.

Phase 3: Summer 2021

- Develop a presentation based on information compiled, providing viable options for regulation, and enforcement of electric-scooters for consideration by the PPC during the June 16, 2021 special meeting.
- Provide staff assistance for ordinance progression from PPC to Town Council. Proposed ordinance is on the July 20, 2021 agenda for first reading.

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e-Bike & e-Scooter Usage/Regulations

e-Bikes

Phase 1: Summer 2021

- Perform comprehensive research regarding e-bikes and other low speed vehicles including applicable S.C. Code definitions; review and evaluate any e-bike related incidents and complaints occurring within Town limits; review the Town's authority to regulate speed, usage, and areas of restricted use; consider Town's approach to enforcement; and consider any subsequent legal cases since the amendment of the definition of e-bikes.

Phase 2: Summer 2021

- Research which other communities are struggling with e-bikes, compile a summary of their policies and enforcement of e-bikes, and contact the identified communities and exchange ideas for options to regulate speed, usage, or both of e-bikes.
- Prepare comprehensive overview of findings and present to PPC during the June 16, 2021 special meeting.

Phase 3: Summer 2021

- Upon conclusion of community research, prepare a presentation of options for Town Council or appropriate Town Council standing committee to consider in developing a policy direction related to e-bikes.
- Present information compiles, based on research of federal and state law, and treatment of e-bikes in response to questions raised, and direction provided from PPC members during the June 16, 2021 special meeting.
- Conduct additional research and consideration of methods to regulate e-bikes in response to questions raised, and direction provided from PPC members during the June 16, 2021 special meeting.
- Respond to stakeholder and citizen inquiries and conduct further research on e-bikes uses, including personal experimentation with the devices. Conduct review of appropriate and legal means for PPC to consider for e-bike regulation. Organize findings and prepare for August 10, 2021 e-bike workshop.

St. James Baptist Church Relocation

Start Date: FY 2021

Project Manager: Joshua Gruber, *Deputy Town Manager*

Department: Executive

Description

Purpose:

To assist St. James Baptist Church and Beaufort County in the successful relocation of the church congregation to a mutually agreed upon location that will meet the needs of the church and of the greater community.

Phase 1: Fall 2020

- 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.

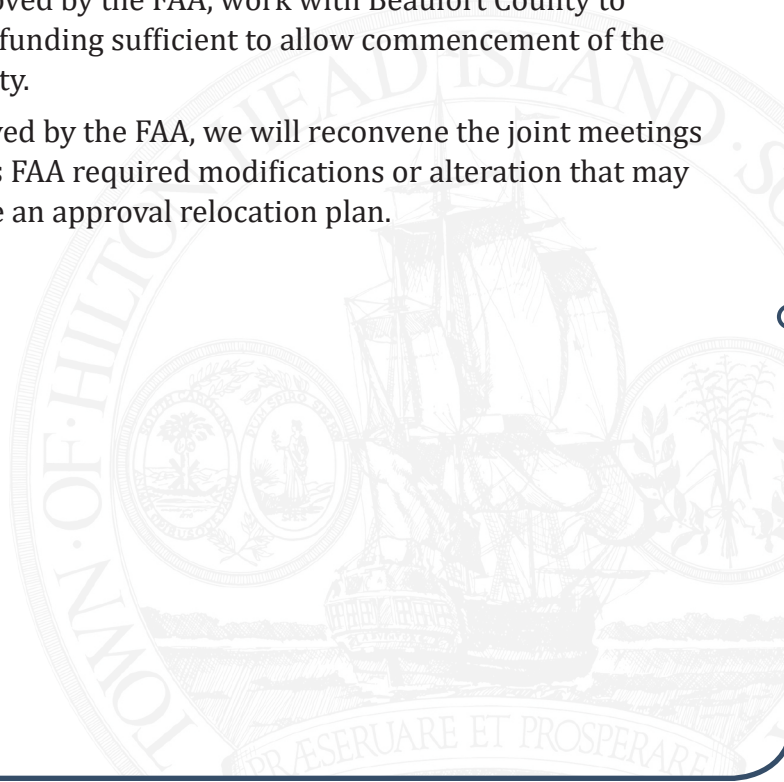
Phase 2: Ongoing

- Monitor Status of FAA submission and provide supplemental information or responses as may be necessary for continued evaluation of the joint proposal.

Phase 3: Ongoing

- 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 of the construction of the relocated facility.
- If the relocation plan is not approved by the FAA, we will reconvene the joint meetings of all parties to review and discuss FAA required modifications or alteration that may need to be incorporated to achieve an approval relocation plan.

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Mid Island Redevelopment Strategy Creation & Park Master Plan Development

Start Date: FY 2021

Project Manager: Jennifer Ray, *Capital Program Manager*

Department: Infrastructure Services

Description

Purpose:

Plan and design a Mid Island Redevelopment Plan anchored by a public park and open space, located at the Town-Owned portion of the former Port Royal Planters Row Golf Course, to attract investment and build community.

Phase 1: Summer – Fall 2021

- Prepare a Redevelopment Strategy for the Mid-Island Initiative Area including a community park on the Town-owned Mid-Island Tract.
- Select a consultant team from proposals received in response to Request for Qualifications. Conduct site analysis and community engagement. Prepare initial and final redevelopment strategies. Prepare initial and final park concept plans.

Phase 2: Winter 2021 – Fall 2022

- Prepare detailed design and construction documents for development of a world-class community park and a strategy to revitalize area/corridor/sites rooted in market reality, financial feasibility, community design, and effective implementation.
- Develop place-based, community goals grounded in economic potential, demolition and development scenarios, and physical and market constraints assessments based on proven planning principles.
- Adopt Redevelopment Plan.
- Approve Park Master Plan.
- Align Redevelopment Plan with LMO.
- Work with property owners, stakeholders, Beaufort County, etc throughout effort.

■ See also Capital Improvement Projects Plan Implementation

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Town Website Update

Start Date: FY 2021

Project Manager: Rene Phillips, *Web Developer*

Department: Technology & Innovation

Description

Purpose:

Develop and launch the new Town website to enhance civic engagement by providing an innovative platform for information about the Town’s government, values, and services.

Phase 1: Winter 2020 – Spring 2021

- Comprehensive review, rewrite and restructure of all current website content and navigation, employing usability standards, for a user-focused and tasked based user experience.
- Design and development of a new website layout, structure and templates utilizing responsive design to ensure that all content is mobile-friendly, while adhering to WCAG accessibility standards.
- Identification, configuration and implementation of third-party applications for integration with the website to improve services and user experience.

Phase 2: Summer 2021

- Final review and testing of website and content by departments.
- Launch redesigned website in 3rd quarter 2021.

Phase 3: Fall 2021 – Spring 2022

- Update of all third-party applications for consistency and improvements.
- Continue expansion of content and services including and not limited to:
 - Online form submissions and process workflows
 - Integration of new Agenda Management System, e-commenting and boards and commission solution.
 - Interactive dashboards, open data and web applications
- Assignment of content owners and implementation of auditing and update process.

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High Speed Fiber Connectivity Assessment/ Cellular Usage Capabilities Evaluation

Start Date: FY 2023

Project Manager: John Tuttle, *Interim Technology & Innovation Director*

Department: Technology & Innovation

Description

Purpose:

To understand existing and future needs for broadband supply and demand in different community segments and improve wireless call quality and reliability through the expansion of 5G service for the island.

Phase 1: Fall 2022

- Conduct a broadband survey to understand population segment service needs and how they are being met with services from internet providers.
 1. Design and conduct a survey that can provide community segment specific information on broadband supply and demand.
 2. Research alternative solutions for different community segment demands.
 3. Prepare a matrix presentation showing the different community segment's needs and identify potential solutions based on various technology options.
 4. Tabulate location and project data and display tabulated data on maps to identify clusters of homes or businesses in need of greater access to broadband or increased speeds.
 5. Present and discuss the survey results with prospective internet service providers along with maps of the responses to encourage service improvements on the island.

Phase 2: Spring 2023

- Assess the mobile coverage across the island for major carriers to uncover areas in need of service improvement. Maintain data on existing vertical assets of cell towers and antennae placement locations and provide carriers with support for the site selection and permitting process. Manage and report progress.
 1. Routinely survey call and data services for the four main carriers on the island.
 2. Advise carriers of locations where improvements to the wireless network are needed.
 3. Suggest alternative solutions for quality, reliability, and coverage.
 4. Support the site selection and permitting process.
 5. Manage and report on progress toward service improvements.

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Sustainable Environmental Practices Social Media Campaign Formulation

Start Date: FY 2023

Project Manager: Carolyn Grant, *Communications Director*

Department: Communications

Description

Purpose:

The Town places special interest in protecting the environment and supporting environmentally sustainable practices are a clear mandate of the adopted **Our Plan**. In order to communicate with the greater Hilton Head Island community the Town will engage in a purposeful social media campaign that provides public education, resources and furthers the Town’s goals of supporting environmental sustainability.

Phase 1: January 2022 – Ongoing

- Develop and deploy a robust and active social media campaign on sustainable environmental practices.
 - Create a list of topics to research and develop into content with accompanying photos, graphics or video.
 - Incorporate posts into social media master schedule.

Phase 2: January 2023 – December 2023

- Review and update our social media calendar to include new content on sustainable environmental practices.
 - Review related analytics to make decisions about what to post and when, and to better understand our followings.
 - Develop new content using our analytics, ideas highlighted in **Our Plan**, and contributions from Town Staff and other experts.
 - Explore new media platforms to disseminate messages, i.e., podcasts, and determine if appropriate to use.

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Strategic Initiative Descriptions **Regional Focus**



Beaufort County Impact Fee Assessment

Start Date: FY 2021

Project Manager: Shawn Colin, *Senior Policy Advisor to the Town Manager*

Department: Executive

Description

Purpose:

Review of proposed update to Beaufort County Impact Fees including projects, funding arrangement and consideration of an updated Intergovernmental Agreement

Phase 1: Summer 2021

- Update Town leadership on status of Beaufort County request to the Town to execute an Intergovernmental Agreement outlining the collection and use of funds.
- Provide status report on latest correspondence with the County and action taken since the last correspondence to the Town Manager.
- Review Town's current fee structure as well as the structure/arrangement proposed by Beaufort County including changes to impact schedule and projects included for funding consideration.
- Present this information, in coordination with Beaufort County staff to the appropriate standing committee of Town Council.

Phase 2: Fall 2021

- Continue discussions with representatives from Beaufort County on the proposed level of impact fees to be assessed and the corresponding capacity improvements to be carried out with the impact fee revenue that is generated.
- Make recommendations to the Town Council on the proposed adoption of Intergovernmental Agreements with Beaufort County to impose or update current impact fees.

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Regional Housing Trust Fund Evaluation

Start Date: FY 2021

Project Manager: Jayme Lopko, *Senior Planner*

Department: Community Development

Description

Purpose:

Examine the creation of a regional housing authority in conjunction with other regional governmental entities such as Beaufort County, the Town of Bluffton and the City of Hardeeville to oversee and administer a regional affordable housing program.

Phase 1: Spring 2021 – Fall 2021

- Participate in County-led project to explore creation of a Regional Housing Trust Fund as one tactic to address workforce availability. Refer to Pursuit of Excellence – Workforce and Affordable Housing Strategy.
 - Participate in monthly meetings of Steering Committee and consultant to develop a Framework.

Phase 2: Winter 2021

- Present Housing Trust Fund Proposal and Implementation Plan to SOLOCO and all participating member organizations.
 - Evaluate the Town's participation in a Regional Housing Trust Fund.

Phase 3: Spring 2022

- Identify the impacts to the FY23 budget if Town Council votes to participate in a Regional Housing Trust Fund.

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Homelessness Issues Examination

Start Date: FY 2022

Project Manager: Angie Stone, Assistant Town Manager

Department: Executive

Description

Purpose:

Address shelter/housing insecurity within the Town of Hilton Head Island.

Phase 1: Fall 2021

- Identify sources of information about shelter/housing insecurity (local schools, clergy, charitable organizations, Sheriff's department, etc.).

Phase 2: Winter 2021

- Gather data about the extent of shelter/housing insecurity through identified information source and other outreach methods.

Phase 3: Winter 2022

- Assess opportunities to match those in need with existing programs and resources.

Phase 4: Spring 2022

- Identify ways to bridge the gap and make resources more readily accessible to those in need through outreach and communication.

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Increase Access Between Hilton Head Island & the Greater Region Through Viable Multi-Modal Transportation

Start Date: FY 2023

Project Manager: Darrin Shoemaker, *Traffic Engineer*

Department: Infrastructure Services

Description

Purpose:

To improve the quality of life and promote economic growth within the Town and region via the provision of a synergistic multi-modal transportation system that reduces the reliance of the public on single-occupant motor-vehicle trips and enhances the Town's reputation as a proactive steward of the environment.

Phase 1: Summer 2022

- Engage in discussions with multi-modal transportation authorities and organizations including the SCDOT Intermodal Planning Division, Beaufort County, the Town of Bluffton, Palmetto Breeze, the Lowcountry Council of Governments (LCOG), private transportation providers, private communities, local advocacy groups, etc., to identify significant needs and resources toward increasing the interoperability and cross-functionality of existing and proposed modes of transportation.
- Continue to work with the SCDOT and Beaufort County to ensure that the US 278 entry gateway corridor improvement project adequately serves multiple modes of transportation via the provision of off-street multi-use facilities and in accordance with the precepts of a "Complete Streets" policy.
- Develop a master plan of desirable improvements and associated funding sources to improve public transportation and facilities that serve alternative modes of transportation.
- Cooperate with the SCDOT Intermodal Planning Office, the Beaufort County, and LCOG to assess opportunities and strategies to enhance water-based transportation.
- Actively engage LRTA / Palmetto Breeze to discuss existing demands and resources and to identify opportunities to improve utilization of existing public transportation modes.
 - Find out why ridership is so low and develop actions to improve ridership.
- Assess the use of e-bikes within the Town and determine what elements of a multi-modal transportation plan are indicated in order to effectively manage this rapidly-increasing demand and its impact on the Town's multi-use pathway network.
- Assess the availability of electric-vehicle charging stations within the Town and the need for improved availability at Town facilities and other points of interest.

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Increase Access Between Hilton Head Island & the Greater Region Through Viable Multi-Modal Transportation

- Develop a master plan for enhancing multi-modal and interoperability opportunities that will encourage the use of alternate modes of transportation by the public as a result of their attractiveness, efficiency, and accessibility, with the goal of relieving motor-vehicle demand on the Town's major arterials and enhancing the Town's reputation as a proactive and effective steward of the natural environment.

Phase 2: Winter 2022

- Identify adequate funding sources and potential geographic sites for master-planned projects that can be implemented near-term, both within the Town via Town Council and regionally via collaboration with external agencies.
- Partner with the SCDOT's Intermodal Planning Division and Beaufort County to develop a workable plan to implement new water-based transportation links to northern Beaufort County, Daufuskie Island, and downtown Savannah.
- Conduct projections and economic analysis to demonstrate that a workable plan is projected to generate sufficient revenue to completely or largely offset initial and recurring costs.
- Work with Palmetto Breeze and the Town of Bluffton to expand the existing trolley service to Greater Bluffton and develop public transportation links between the Town visitor-activity hubs, the Bluffton Historic District, and both Tanger Outlet Malls.
- Conduct economic analysis to identify required funding and potential resources to plan for implementation of higher-impact, larger-cost projects that support these efforts.

Phase 3: Fall 2023

- Identify adequate funding to design and construct the public infrastructure required to support expanded alternate transportation services and to provide intermodal connections in a manner that further encourages the selection of alternative modes of transportation on a regular basis by the public at large.
- Identify Federal and State funding opportunities.
- Complete the multi-modal transportation enhancement effort by designing and constructing projects of a magnitude that may qualify for federal or state funding and that elicit regional participation interest.

Lowcountry Area Transportation Study (LATS) Long-Range Transportation Plan Update

Start Date: FY 2021

Project Manager: Shawn Colin, *Senior Policy Advisor to the Town Manager*

Department: Executive

Description

Purpose:

The Town is a participating member in the Lowcountry Area Transportation Study (LATS). As a member of this group the Town will participate in the mandatory update of the Long-Range Transportation Plan that will serve to identify both current and future transportation needs as well as provide multi-modal strategies to address identified needs. Through its participation, the Town will ensure that the transportation interests of the greater Hilton Head Island community will receive substantial consideration as part of the plan update process.

Phase 1: Summer – Fall 2021

- Undertake appropriate efforts to ensure that the Lowcountry Area Transportation Study's (LATS) status as a Metropolitan Planning Organization (MPO) is not adversely impacted by revisions to the U. S. Census Bureau's policy governing the designation of federally-recognized metropolitan areas.
- Review the Town's relationship with the Lowcountry Area Transportation Study (LATS) group, with a focus on increasing the Town's participation on the group's Technical Committee by qualified staff members and ensuring adequate representation by one or more of the Town's elected or appointed officials on the group's governing Policy Committee.
- Town representatives will establish and improve working relationships with appropriate personnel with the Lowcountry Council of Governments (LCOG) that provide administrative functions for the LATS MPO.

Phase 2: Winter 2021

- Work within the LATS group to identify and appropriately prioritize multi-modal capital improvements equitably based on need, updating the study area's Transportation Improvement Plan (TIP) and Long-Range Transportation Plan in accordance with the availability of state and federal guide share monies and ongoing reassessments of needs and projected benefit.

Phase 3: Spring – Summer 2022

- Continue efforts outlined above on an ongoing, long-term basis, maintaining and/or increasing the Town's influence as a regional leader in the development of long-range transportation policy and resultant priorities.

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Strategic Initiative Descriptions **‘Right-Sized’ Infrastructure**



William Hilton Parkway Gateway Corridor Plan Development

Start Date: FY 2021

Project Manager: Shawn Colin, *Senior Policy Advisor to the Town Manager*

Department: Executive

Description

Purpose:

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.

Phase 1: Summer 2021 – Fall 2021

- Coordinate with SCDOT, KCI, MKSK and HDR, along with community stakeholders and Town leadership to identify opportunities to affect positive, community based solutions for this effort and develop corridor for the Gateway/Stoney area.
- Describe the benefits of specific corridor strategies, including roadway alignment, intersection design, and mitigation.
- Identify land use strategies and solutions that can be incorporated into multimodal transportation corridor plan.
- 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.
- Identify mitigation opportunities to enhance quality of life for impacted property and business owners in the corridor.
- Review and provide feedback to the preferred alternative from SCDOT expected for release in July.

Phase 2: Fall 2021 – Winter 2021

- 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.
- Work with project partners and property and business owners to identify mitigation opportunities to potential project impacts
- 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.

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William Hilton Parkway Gateway Corridor Plan Development

Phase 3: Winter 2021 – Spring 2022

- Develop an RFQ/RFP to secure the service for a comprehensive corridor plan for William Hilton Parkway ROW and adjacent parcels to integrate transportation, land use, landscape, and context sensitive design and consistency.

Workforce & Affordable Housing Strategy Implementation

Start Date: FY 2019

Project Manager: Jayme Lopko, *Senior Planner*

Department: Community Development

Description

Purpose:

Work with Hilton Head Island Town Council to develop appropriate policies that will support the growth and expansion of workforce and affordable housing opportunities on the Island. Beginning in Fiscal Year 2019, Town Council made this initiative a priority and adopted the Workforce Housing Strategic Plan. The following is continued work towards implementing recommendations and using research from this plan.

Phase 1: Summer 2021 – Spring 2022

- Reevaluate Workforce Housing Strategic Plan (accepted by Town Council November, 2019) and define a long term plan for workforce availability.
- Draft a business plan with steps the Town could implement as further incentives to create opportunities for workforce housing.
- Continue to participate in the Regional Housing Trust Fund Steering Committee. Through August, 2021. Refer to Regional – Explore Creating a Regional Housing Trust Fund.
- Evaluate use of the +/-3.27-acre Town-owned Patterson Tract for a housing partnership and a neighborhood development opportunity.

Phase 2: Fall 2021 – Spring 2022

- Engage developers and investors by creating an education and outreach program with information on the program and current incentives.
- Gather feedback from developers and investors on additional methods to encourage the development of workforce housing.
- Complete a Town-owned property dashboard to identify properties that could be sold or used for the development of workforce housing.

Phase 3: Fall 2021 – Spring 2022

- Continue to record and track inquiries regarding workforce housing, including concerns and feedback to assess opportunities for improvements to the program.

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Main Street Acquisition Assessment

Start Date: FY 2021

Project Manager: Jeff Buckalew, *Interim Infrastructure Services Director*

Department: Infrastructure Services

Description

Purpose:

Main Street is a minor arterial and serves as a commercial frontage road to William Hilton Parkway. This and the three side streets connecting William Hilton Parkway offer the traveling public an alternative should there be a wreck, heavy traffic, etc. The poor condition of Main Street portrays a bad image of the Town, as most do not realize it is a private road. A multi-use pathway along this road has been the top priority pathway project of the Planning Commission for the past two years. The Town is therefore considering accepting a public dedication of the Main street Rights-of-Way for improvement and perpetual maintenance.

Phase 1: Spring 2021 – Summer 2021

- Conduct an examination of current rights of way title work and the existing documents related to the existences and operations of the Main Street Commercial Property Owners Association.
- Review prior and current financial records of the Association.
- Update past infrastructure condition assessments and cost estimates.
- The estimated construction cost for a new streetscape CIP infrastructure project, including new road surface, repaired curbing, new pathway on one side and landscaping, is \$2,500,000.
- Immediate repairs may cost \$500,000, but a portion may be included in the CIP project.
- Engage in discussions with Association to bring their “best and final” offer for the Town to accept the dedication of these road rights of way and adjacent easements.

Phase 2: Fall 2021 – Winter 2021

- Bring this item to the appropriate standing committee of Town Council to consider acceptance of these rights of way, with necessary accompanying terms and conditions that have been defined to that point.
- If recommended to accept, then seek approval of a Town Council Resolution authorizing the Town Manager to take such actions and to prepare and execute such documentation as may be necessary to facilitate the transfer of these rights of way pursuant to any terms and conditions that may be required by Town Council.

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Community Addressing Ordinance Creation

Start Date: FY 2022

Project Manager: Joheida Fister, Deputy Chief/Fire Marshall

Department: Fire Rescue

Description

Purpose:

In the best interest of public safety for the citizens of the Town of Hilton Head Island, the addressing system, designations, corrections, and updates will utilize whenever possible the best available methods and follow the National Emergency Number Association (NENA) and United States Postal Services (USPS) standards for addressing.

Phase 1: Fall 2021

- Finalize the internal procedures that identify best practices in community addressing and following national standards on addressing.
- Timeline: July 2021

Phase 2: Winter 2021

- Present the draft procedures to the Community Services & Public Safety Committee.
- Timeline: August 2021

Phase 3: Spring 2022

- Work with Town Legal and Community Development to present the Community Service and Public Safety Committee (CSPSC) recommendation as a proposed ordinance to the full Town Council.
- Timeline: August/September 2021

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Traffic Calming Policy Evaluation

Start Date: FY 2023

Project Manager: Jeff Buckalew, *Interim Infrastructure Services Director*

Department: Infrastructure Services

Description

Purpose:

Adopt a policy for the Town to provide a fair and reasonable application of traffic calming measures on qualifying public roadways so as to increase public safety and minimize impacts for emergency response services.

Phase 1: Fall 2022

- Research the existing policies from similar municipalities and local governments. Draft a policy considering concerns and ideas of Traffic Engineering and Fire Rescue. Obtain Town Manager approval of the draft policy and request assignment to Community Service and Public Safety Committee (CSPSC).

Phase 2: Winter 2022

- Present the draft policy to CSPSC for endorsement to Town Council.

Phase 3: Spring 2023

- Present the CSPSC endorsed policy to Town Council for adoption. Once adopted, assign staff roles and responsibilities (Engineering Division and Fire Rescue), to set up standard operating procedure and flow chart to implement the policy.

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Capital Improvement Projects Plan Implementation

Start Date: FY 2022

Project Manager: Jennifer Ray, Capital Program Manager

Department: Infrastructure Services

Description

Purpose:

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 up-coming 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 FY22 budget.

Parks Projects:

- Parks and Recreation
 - Mid Island Initiative Area & Park
 - Coligny Beach Parking Area
 - Chaplin Community Park
 - Crossings Park
 - Shelter Cove Community Park
 - Chaplin Linear Park
 - Patterson Family Park
- Island Recreation Association - Capital Requests
- Public Art Program
- General Park Enhancements

Fleet:

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

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See also Appendix C, Capital Improvement Program FY22

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Capital Improvement Projects Plan Implementation

Roadway Projects:

- Dirt Road Improvement Program
 - Mitchelville Lane
 - Pine Field Road
 - Other Roads
- William Hilton Parkway Enhancements
 - Crosswalk Uniformity & Lighting
 - Turn Lanes
 - Pedestrian and Vehicular Enhancements
- Pope Avenue Enhancements
- Main Street Enhancements
- Other Roadway Projects

Facilities & Equipment:

- Town Hall Security & Facility Enhancements
- Coastal Discovery Museum Capital Project
- IT Equipment & Software
- Fire/Medical Systems Equipment
- Security Cameras: Shelter Cove Community Park
- Automobile Place/Modern Classic Motors Site Enhancements
- Fire Hydrant Expansion
- Arts Campus Feasibility Study
- Stormwater Projects

Beach Management:

- Beach Management & Monitoring
- Beach Renourishment

Pathway Projects:

- Pathways Accessibility & Safety Enhancement
- 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

Land Acquisition:

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

Cross Island Parkway Toll Booth Removal & Reconfiguration Oversight

Start Date: FY 2021

Project Manager: Jeff Buckalew, *Interim Infrastructure Services Director*

Department: Infrastructure Services

Description

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.

Phase 1: Spring – Fall 2021

- Coordinate with SCDOT on project design regarding landscaping, pavement removal, toll booth removal, signage, pathway alignments and connections, and the acquisition of the administrative building. Initiate/continue discussions with SCDOT regarding acquisition of the administration building. [SCDOT construction (\$14M) scheduled for bid letting early 2022 and build through summer 2022]

Phase 2: Winter 2021 – Spring 2022

- Coordinate efforts to acquire the administration building for possible use as a Town facility (satellite office/storage for Facilities Management, Parking Management contractor, Storm Water or potentially market and sale).
- Coordinate with SCDOT during demolition/reconstruction as necessary (public information, traffic control, maintaining pathway and connections for public use to greatest practical extent).

Phase 3: Spring – Summer 2022

- Consider installation of additional median and shoulder area landscape enhancements if SCDOT project / budget is lacking.
- Develop scope and extent during FY22, budget for implementation in FY23.

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Strategic Initiative Descriptions **Parks & Recreation**



Parks & Recreation Marketing Plan Implementation

Start Date: FY 2021

Project Manager: Carolyn Grant, *Communications Director*

Department: Communications

Description

Purpose:

Create a Parks and Recreation Marketing Plan that will develop effective strategies to promote our Island's best-in-class parks, recreation facilities and programs to improve the knowledge and usage of these valuable public resources by the Island's residents and visitors.

Phase 1: May 2021 – Ongoing

- Identify and meet with key staff & stakeholders to determine the marketing and communication goals for parks and recreation.
- Continue development and distribution of monthly parks and recreation e-newsletter, which includes articles, parks spotlights, meeting updates and other updates on parks and recreation projects; explore consolidation with a general Town newsletter. Ongoing on a monthly basis.
- Work with consultant teams for the mid-Island tract, Chaplin Community Park and Crossings Park to obtain and incorporate their communication strategies and assets for community engagement and marketing.

Phase 2: Fall 2022

- Develop a marketing plan that uses best practices for promoting and highlighting the Town's vision, priorities and assets for parks and recreation.

Phase 3: Spring 2023

- Present marketing plan to key staff & stakeholders for awareness and buy-in.
- Implement marketing strategies.

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Ford Shell Ring Park Development

Start Date: FY 2021

Project Manager: Jayme Lopko, *Senior Planner*

Department: Community Development

Description

Purpose:

Participate in County-led effort to develop a passive park at the jointly-owned property to highlight the unique cultural and historical resource.

Phase 1: Summer – Fall 2021

- Continue to work with Beaufort County on developing a Joint Operating Agreement.
- Review and approve the County’s site design and permit applications.

Phase 2: Winter 2021

- Provide input to the County during the bidding process to ensure receipt of bids that will achieve the Town’s communicated goals for the park development.

Phase 3: Spring 2022

- Assist the County during construction as needed.

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Beaufort County & Hilton Head Land Trust Northridge Conservation Tract Partnership

Start Date: FY 2023

Project Manager: Rocky Browder, *Environmental Planner*

Department: Community Development

Description

Purpose:

Work with representatives from Beaufort County and the Hilton Head Land Trust to pursue the joint development of a new passive park at the Northridge Tract site.

Phase 1: Fall 2022

- Review the proposed partnership with Town Council to gauge their interest in development of the Northridge Tract as a passive park.

Phase 2: Winter 2022

- If Town Council is interested, visit the site, order updated surveys, and review the activities allowed per the conservation easement.
- Develop a conceptual plan with passive recreational opportunities. Review the plan with the Hilton Head Land Trust Board, obtain public input, and present the plan to Town Council for input.

Phase 3: Spring 2023

- Submit a Public Project Review application for review by the Planning Commission.

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4. Appendix

A. Strategic Action Agenda

Appendix A consists of the Town's **Strategic Action Agenda** in the format that will be used to convey project status and update information to the public.

B. Our Plan Implementation Index

Appendix B provides the **Our Plan Implementation Index**. This is a matrix to relate the items identified from **Our Plan** that are categorized using the *Now*, *Near* and *Next* designations to items that were identified as Town Council priorities during the 2021 annual strategic planning workshop.

C. Capital Improvement Program FY 2022-2023

Appendix C presents the Town's adopted **Capital Improvement Program** (CIP) for the Fiscal Years 2022 and 2023.

D. Governing Body Work Session Report

Appendix D is a copy of the **Governing Body Work Session Report** provided by the Novak Consulting Group as documentation of the Town Council 2021 annual strategic planning workshop.

A.
Strategic Action Agenda



B. Our Plan Implementation Index



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C.
**Capital Improvement Program
FY 2022-2023**



D.
**Governing Body Work Session
Report**





Prepared by the Town of Hilton Head Island
August 2021



Financial Structure Multiyear
All Governmental Funds

Financial Structure Multiyear – All Governmental Funds

The chart below reflects all funds used by the Town to manage its financial resources for Fiscal Years 2019 through 2022. Budgets are formally adopted by Town Council for the General Fund, Debt Service Fund, and Capital Projects Fund.

Fiscal Year 2022 (ESTIMATED)	Tax Increment			Beach			Capital Projects	Natural Disasters	Non-major Funds	Total Governmental	
	General	Financing District	State Accommodations Tax	Real Estate Transfer Fees	Preservation Fees	Hospitality Fees					Debt Service
REVENUES	35,197,149	5,420,492	7,000,000	4,200,000	7,040,440	7,150,000	5,489,158	9,153,148	5,380,000	5,900,000	91,930,387
EXPENDITURES	43,984,657	-	4,800,000	41,850	39,000	-	19,344,566	28,009,099	100,000	3,164,943	99,484,115
Excess(Deficit)of Revenues and Exp.	(8,787,508)	5,420,492	2,200,000	4,158,150	7,001,440	7,150,000	(13,855,408)	(18,855,951)	5,280,000	2,735,057	(7,553,728)
Other Sources and Uses (net)	8,787,508	(5,925,492)	(2,068,961)	(1,527,103)	(8,416,156)	(12,172,226)	13,855,408	7,995,400	(3,535,665)	(1,707,772)	(4,715,059)
Net change in fund balance	-	(505,000)	131,039	2,631,047	(1,414,716)	(5,022,226)	-	(10,860,551)	1,744,335	1,027,285	(12,268,787)
Fund balances - beginning	23,422,484	3,470,905	5,988,071	10,402,610	15,886,419	10,722,618	12,058,122	6,686,245	33,945,875	13,412,972	135,996,321
Fund balances - ending	\$ 23,422,484	\$ 2,965,905	\$ 6,119,110	\$ 13,033,657	\$ 14,471,703	\$ 5,700,392	\$ 12,058,122	(\$ 4,174,306)	\$ 35,690,210	\$ 14,440,257	\$ 123,727,534

Fiscal Year 2021 (ESTIMATED)	Tax Increment			Beach			Capital Projects	Natural Disasters	Non-major Funds	Total Governmental	
	General	Financing District	State Accommodations Tax	Real Estate Transfer Fees	Preservation Fees	Hospitality Fees					Debt Service
REVENUES	36,584,000	5,320,000	8,072,000	6,500,000	8,645,000	6,802,000	5,479,000	1,083,000	5,737,000	4,876,000	89,098,000
EXPENDITURES	41,142,000	-	4,100,000	64,850	30,290	281,375	28,000,000	14,240,000	663,000	2,550,000	91,071,515
Excess(Deficit)of Revenues and Exp.	(4,558,000)	5,320,000	3,972,000	6,435,150	8,614,710	6,520,625	(22,521,000)	(13,157,000)	5,074,000	2,326,000	(1,973,515)
Other Sources and Uses (net)	5,869,000	(7,974,000)	(1,427,350)	(3,779,000)	(6,167,000)	(5,535,000)	23,521,000	7,500,000	(3,536,000)	(656,800)	7,814,850
Net change in fund balance	1,311,000	(2,654,000)	2,544,650	2,656,150	2,447,710	985,625	1,000,000	(5,657,000)	1,538,000	1,669,200	5,841,335
Fund balances - beginning	22,111,484	6,124,905	3,443,421	7,746,460	13,438,709	9,736,993	11,058,122	12,343,245	32,407,875	11,743,772	130,154,986
Fund balances - ending	\$ 23,422,484	\$ 3,470,905	\$ 5,988,071	\$ 10,402,610	\$ 15,886,419	\$ 10,722,618	\$ 12,058,122	\$ 6,686,245	\$ 33,945,875	\$ 13,412,972	\$ 135,996,321

Fiscal Year 2020	Tax Increment			Beach			Capital Projects	Natural Disasters	Non-major Funds	Total Governmental	
	General	Financing District	State Accommodations Tax	Real Estate Transfer Fees	Preservation Fees	Hospitality Fees					Debt Service
REVENUES	33,955,085	5,143,708	6,512,992	3,639,165	7,251,587	6,424,440	5,681,009	1,797,684	5,398,702	4,349,607	80,153,979
EXPENDITURES	39,000,968	-	5,011,180	35,540	11,485	273,180	20,290,529	23,358,099	1,029,288	2,613,061	91,623,330
Excess(Deficit)of Revenues and Exp.	(5,045,883)	5,143,708	1,501,812	3,603,625	7,240,102	6,151,260	(14,609,520)	(21,560,415)	4,369,414	1,736,546	(11,469,351)
Other Sources and Uses (net)	6,056,680	(6,657,136)	(1,695,211)	(1,885,356)	(6,105,685)	(5,992,907)	13,713,255	5,521,641	(3,537,565)	(88,313)	(670,597)
Net change in fund balance	1,010,797	(1,513,428)	(193,399)	1,718,269	1,134,417	158,353	(896,265)	(16,038,774)	831,849	1,648,233	(12,139,948)
Fund balances - beginning	21,100,687	7,638,333	3,636,820	6,028,191	12,304,292	9,578,640	11,954,387	28,382,019	31,576,026	10,095,539	142,294,934
Fund balances - ending	\$ 22,111,484	\$ 6,124,905	\$ 3,443,421	\$ 7,746,460	\$ 13,438,709	\$ 9,736,993	\$ 11,058,122	\$ 12,343,245	\$ 32,407,875	\$ 11,743,772	\$ 130,154,986

Fiscal Year 2019	Tax Increment			Beach			Capital Projects	Natural Disasters	Non-major Funds	Total Governmental	
	General	Financing District	State Accommodations Tax	Real Estate Transfer Fees	Preservation Fees	Hospitality Fees					Debt Service
REVENUES	34,168,739	4,783,631	6,899,857	3,432,730	7,578,571	7,621,010	5,510,040	1,976,466	8,690,739	4,669,361	85,331,144
EXPENDITURES	37,671,993	-	4,775,528	33,801	3,678	265,225	21,182,915	21,408,343	916,221	2,388,590	88,646,294
Excess(Deficit)of Revenues and Exp.	(3,503,254)	4,783,631	2,124,329	3,398,929	7,574,893	7,355,785	(15,672,875)	(19,431,877)	7,774,518	2,280,771	(3,315,150)
Other Sources and Uses (net)	5,762,646	(5,837,691)	(1,757,381)	(1,879,703)	(7,143,963)	(4,199,750)	16,694,687	7,680,675	(3,361,568)	(359,255)	5,598,697
Net change in fund balance	2,259,392	(1,054,060)	366,948	1,519,226	430,930	3,156,035	1,021,812	(11,751,202)	4,412,950	1,921,516	2,283,547
Fund balances - beginning	18,841,295	8,692,393	3,269,872	4,508,965	11,873,362	6,422,605	10,932,575	40,133,221	27,163,076	8,174,023	140,011,387
Fund balances - ending	\$ 21,100,687	\$ 7,638,333	\$ 3,636,820	\$ 6,028,191	\$ 12,304,292	\$ 9,578,640	\$ 11,954,387	\$ 28,382,019	\$ 31,576,026	\$ 10,095,539	\$ 142,294,934

Financial Structure Multiyear – All Governmental Funds

Notes on Funds:

1. The **General Fund** is used to account for the daily operations of the Town. Funds are reserved according to policy and used to maintain Town operations to offset the seasonality of revenues.
2. **Tax Increment Financing (TIF) District** – Funds were approved for a specific list of capital projects intended with those revenues.
3. **State Accommodations Tax (State A-tax)** – the State provides funding and an approved allocation process for specific uses of these funds by local governments.
4. **Real Estate Transfer Fees** – were specifically approved for land purchases and other special uses.
5. **Beach Preservation Fees** – were approved primarily for Beach Renourishment, and Beach related services and facilities.
6. **Hospitality Fees** – were approved primarily for specific capital projects and to offset some tourist-related expenditures.
7. **Debt Service** – are funds that are set aside to be used for the retirement of the Town's debt.
8. **Capital Projects Funds** – are used to provide resources for the approved capital plan. As of 4/15/21, there were \$37 million in approved capital appropriations. *
9. The **Natural Disasters Fund** was created in the response to Hurricane Matthew – to account for the 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. **Non-Major Governmental Funds** – are primarily the electric franchise fee – which is being collected and used to bury power lines on the island. The purpose of this is aesthetic and functional – protecting power sources in a storm and storm aftermath.

* Currently the Town has a number of capital projects in process: Shelter Cove pathway & parking enhancements, Lowcountry Celebration Park, a new fire station, a number of road improvements, stormwater projects and other capital projects. These projects are moving forward towards completion.



About Hilton Head

About Hilton Head Island¹

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.

¹ Wikipedia with updates

About Hilton Head Island

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	75.7 (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
Population estimates, July 1, 2019	39,861	5,148,714
Age		
Persons under the age of 65	64.5%	81.8%
Persons 65 years and over	35.5%	18.2%
Racial Composition		
White alone (a)	88.0%	68.6%
Black or African American alone (a)	7.0%	27.0%
Hispanic (b)	11.8%	6.0%
Housing		
Median value of owner-occupied housing units, 2014-2018	\$469,300	\$154,800
Median gross rent, 2014-2018	\$1,211	\$868
Computer and Internet Use		
Households with a computer, 2014-2018	93.1%	86.2%
Households with a broadband internet subscription, 2014-2018	87.0%	73.0%
Education		
High school graduate or higher % of persons age 25 years+, 2014-2018	94.0%	87.1%
Bachelor's degree or higher % of persons age 25 years+, 2014-2018	52.8%	27.4%
Income		
Median household income (in 2018 dollars), 2014-2018	\$73,972	\$51,015
Per capita income in past twelve months (in 2018 dollars), 2014-2018	\$51,773	\$27,986
Geography		
Population per square mile, 2010	896.9	153.9
information obtained from: https://www.census.gov/quickfacts/fact/table/hiltonheadislandtownsouthcarolina,SC/PST045219		

Fact Note:

- (a) Includes persons reporting only one race
- (b) Hispanics may be of any race, so also are included in applicable race categories

About Hilton Head Island

Principal Property Taxpayers

Taxpayer	Tax Year 2019			Tax Year 2010		
	Total Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Total Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Marriott Ownership Resorts, Inc	\$ 16,817,020	1	1.71%	\$ 23,095,270	1	2.52%
Palmetto Electric Co-op, Inc.	\$ 5,906,370	2	0.60%	\$ -		0.00%
Sea Pines Resort, LLC	\$ 5,091,560	3	0.52%	\$ 3,239,780	4	0.35%
Columbia Properties Hilton Head, LLC	\$ 4,880,580	4	0.50%	\$ 4,540,040	2	0.49%
Hargray Telephone Company, Inc.	\$ 4,741,810	5	0.48%	\$ -		0.00%
SCG Hilton Head Property, LLC	\$ 4,335,720	6	0.44%	\$ 2,656,500	6	0.29%
Shelter Cove III, LLC	\$ 2,898,790	7	0.30%	\$ 1,725,000	9	0.19%
HHI Development, LLC	\$ 2,095,700	8	0.21%	\$ -		0.00%
Barnwell Family Associates, LLC	\$ 2,095,470	9	0.21%	\$ -		0.00%
Shelter Cove II, LLC	\$ 1,749,220	10	0.18%	\$ -		0.00%
Greenwood Development	\$ -		0.00%	\$ 3,013,040	5	0.33%
Summit Title Agency Trustee - Southwind	\$ -		0.00%	\$ 3,787,210	3	0.41%
SJ Travel	\$ -		0.00%	\$ 1,747,840	7	0.19%
Plantation Title Agency Trustee - Southwind	\$ -		0.00%	\$ 1,739,810	8	0.19%
Disney Vacation Dev Inc.	\$ -		0.00%	\$ 1,715,650	10	0.19%
Total	\$ 50,612,240		5.16%	\$ 47,260,140		5.1500%

Source: Beaufort County

Principal Employers

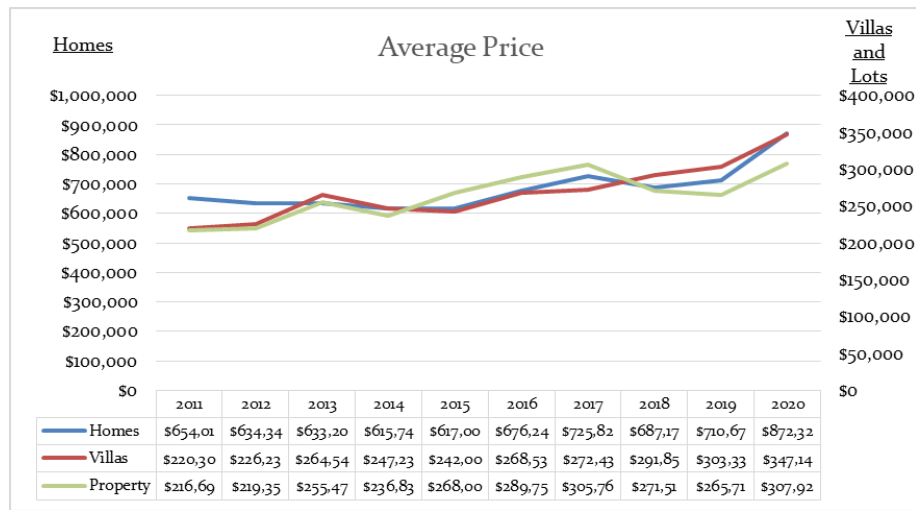
Employer	2020		2011	
	Employees	Rank	Employees	Rank
SERG Group Restaurants	1164	1	n/a	
Marriott Vacation Club Intl	529	2	550	2
Sea Pines Resort	512	3	585	1
Beaufort County School District	457	4	478	4
Cypress of Hilton Head	360	5	310	6
Publix Super Markets	309	6	263	9
Omni Hilton Head Oceanfront Resort	300	7	250	10
Greenwood Communities & Resorts (Palmetto Dunes)	269	8	n/a	
Town of Hilton Head Island	258	9	244	
Kroger Super Markets	200	10	n/a	
Total				

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

About Hilton Head Island

Property Sold Through Real Estate Agents¹

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Homes Sold	673	768	830	882	932	830	916	1142	1095	1575
% change	10%	14%	8%	6%	6%	-11%	10%	25%	-4%	44%
Average Price	\$ 654,018	\$ 634,342	\$ 633,206	\$ 615,742	\$ 617,000	\$ 676,240	\$ 725,825	\$ 687,178	\$ 710,671	\$ 872,322
% change	-2%	-3%	0%	-3%	0%	10%	7%	-5%	3%	23%
Villas Sold	747	896	885	881	938	937	1094	1120	1179	1400
% change	3%	20%	-1%	0%	6%	0%	17%	2%	5%	19%
Average Price	\$ 220,300	\$ 226,232	\$ 264,546	\$ 247,238	\$ 242,000	\$ 268,539	\$ 272,437	\$ 291,850	\$ 303,338	\$ 347,141
% change	-4%	3%	17%	-7%	-2%	11%	1%	7%	4%	14%
Lots Sold	103	122	185	168	146	111	127	146	145	203
% change	24%	18%	52%	-9%	-13%	-24%	14%	15%	-1%	40%
Average Price	\$ 216,698	\$ 219,352	\$ 255,472	\$ 236,836	\$ 268,000	\$ 289,750	\$ 305,766	\$ 271,515	\$ 265,710	\$ 307,923
% change	6%	1%	16%	-7%	13%	8%	6%	-11%	-2%	16%



¹ Data obtained from MLS of Hilton Head Island, Inc.

[About Hilton Head Island](#)

[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 25 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 Youth 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

Arts and Culture

Annual Events

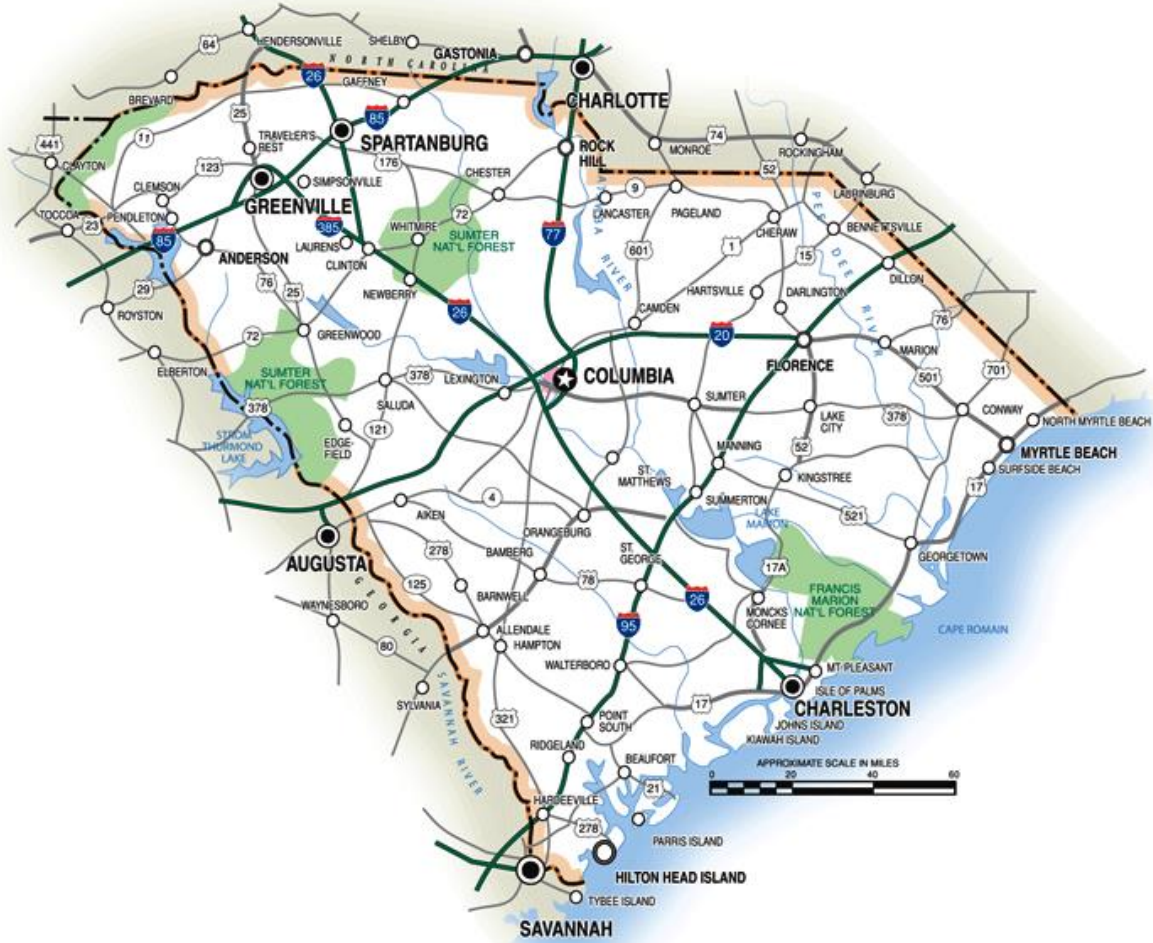
- **Gullah Celebration** – Gullah culture can be seen at the annual Hilton Head Island Gullah Celebration which is held at Shelter Cove Community Park in February. In the summer, the acclaimed Hallelujah Singers present a Gullah concert series at Hilton Head's Arts Center of Coastal Carolina.
- **WineFest** – 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 Honey Horn Plantation. The festival features some of the country's finest collector automobiles, including classic cars, two-wheeled machines, wooden boats, and beach mobiles.



General Information

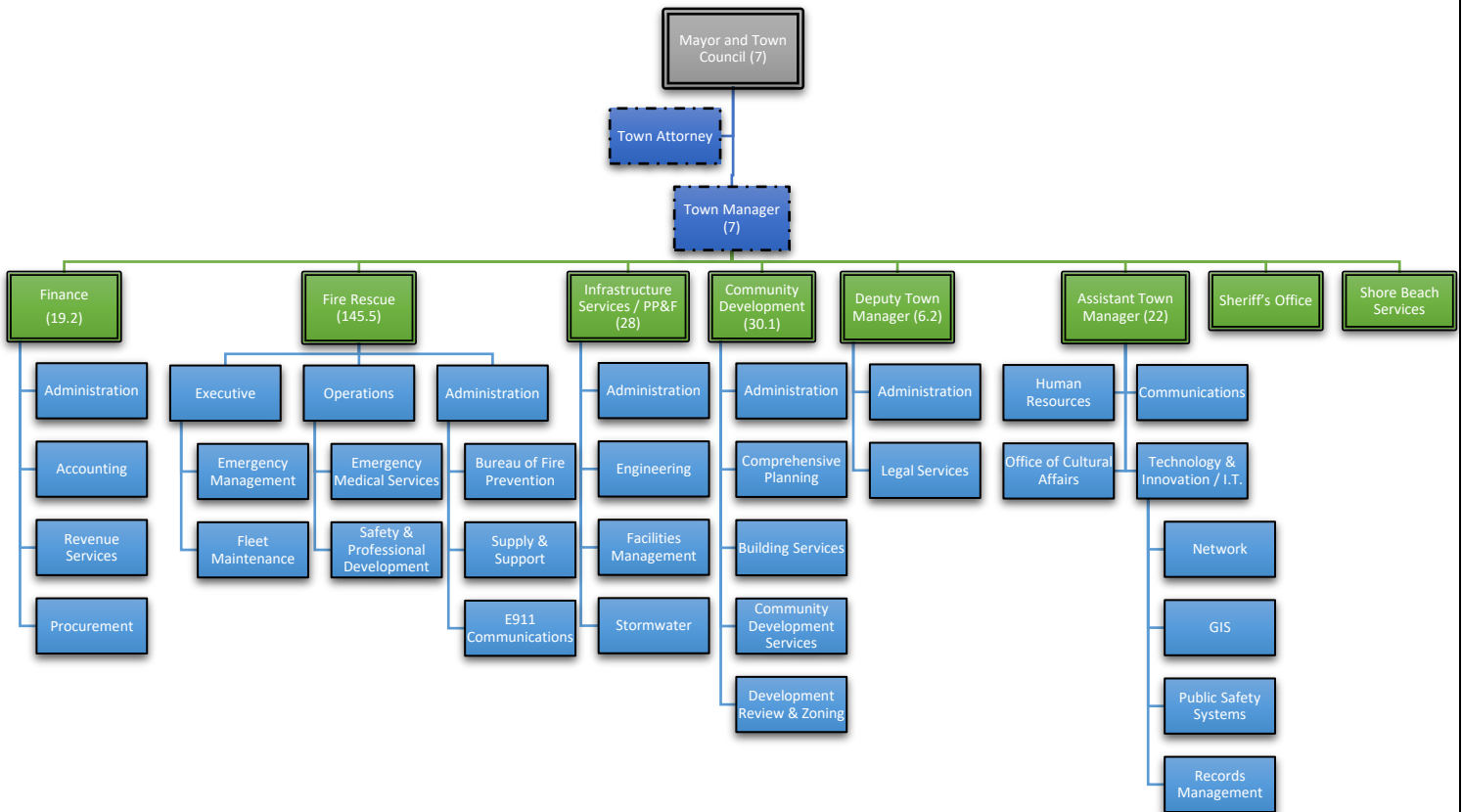
General Information

Location of Hilton Head Island



General Information

Town Organizational Structure



All the departments identified above are budgeted in the General Fund with the exception of Stormwater which is a separate fund.

Notes:

1. FTEs are noted in parenthesis above. Position detail can be found in the department budgets
2. The Town Manager and Town Attorney are under contract with Town Council
3. Sheriff's Office and Shore Beach Services are contract services

General Information

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 and Facilities (includes Stormwater), and Fire Rescue.

Budget Quick Facts

Property Tax Millage Rate

General Fund	17.2
Natural Disaster Fund	5.0
Debt Service	5.9
Total Millage Rate	28.1

Bond Ratings

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

Total Town Operating Budget

	FY 2022
Operating Budget	\$ 43,984,657
Town Staff (FTEs)	265.0

Budget Calendar

Week of January 7, 2021	Finance personnel meet with the Town Manager to develop broad, overall goals and strategies for the budget and the budget process including potential options for Town Council
January 26, 2021	Budget kick-off departmental budget packages distributed
February 28, 2021	Department budgets are due to Finance
March 1, 2021 – March 8, 2021	Finance Department collects budget requests and compiles reports
March 9, 2021	Finance personnel meet with the Town Manager, Deputy Town Manager, and Human Resources Director for a preliminary overview of the FY 2022 budget requests
March 11, 2021	*Public Planning Commission discusses Priority CIP Projects
Weeks of March 8, 2021, March 15, 2021 and March 22, 2021	Administrative review of budget requests with each department / Capital Projects Team
Weeks of March 29, 2021, April 5, 2021 and April 12, 2021	Individual meetings with Town Council members for a preliminary overview of the proposed budget
April 2021	Finance prepares Executive Summary of budget for presentation to Town Council
May 4, 2021	Town Manager delivers the proposed budget to the Town Council for first reading of ordinance
May 11, 2021	Town Council workshop
June 1, 2021	Public Hearing
June 1, 2021	Second and final reading of budget
July 1, 2021	Beginning of Fiscal Year 2022

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



Accounting and Financial Policies

Accounting Policies

The accounting policies of the Town are adopted/reaffirmed as part of the budget adoption process.

General Guidelines

The Comprehensive Annual Financial Report (CAFR) presents the status of the Town's finances on a basis consistent with Generally Accepted Accounting Principles (GAAP), i.e., the governmental funds use the modified accrual basis of accounting and the proprietary funds use the accrual basis. The CAFR presents the Town's funds on a GAAP basis in the Government-wide and Fund Financial Statements. The Town adopts a formal budget for the General, Capital Projects, Debt Service and Stormwater Funds. In order to provide a meaningful comparison of actual results with the budget, the Town presents budget and actual statements for its four budgeted funds in the Other Supplementary Information section of the CAFR. The budgets are adopted on a modified accrual basis including the Stormwater Fund. The budget and actual statements are reconciled to the appropriate GAAP basis in the CAFR.

Government-Wide Statements (CAFR)

The statement of net assets and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the **governmental** and **business-type activities** of the Town. Governmental activities, generally, are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties. The Town reports its Stormwater Fund, an enterprise fund in the Proprietary Fund Group, as business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function; and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (CAFR)

The fund financial statements provide information about the Town's funds of which all except the Stormwater Fund are considered governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Town reports the following major governmental funds

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 are general government, administrative services, sheriff/other public safety, fire, community services, and public projects and facilities.

Accounting Policies

The Town reports the following major governmental funds

Natural Disaster Fund. This fund is used for accumulating resources for post-disaster recovery funding.

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.

Capital Projects Funds. These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment. For the new fiscal year, these funds are transitioning from a fiscal year budget to a project length budget. In the aggregate they are known as the Capital Improvement Program (CIP).

Tax Increment Financing (TIF) Fund (Special Revenue Fund). This fund is used to account for the revenues and expenditures associated with the Town's redevelopment districts.

Local Accommodations Tax Fund. This fund is used to account for the Town's receipts from the one percent (1%) tax levied on rentals of transient accommodations within the corporate limit. According to statutory provisions the purpose of these funds is to pay, in whole or in part, for the current and future needs of the town, for the following items: 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.

State Accommodations Tax Fund (Special Revenue Fund). This fund is used to account for the Town's receipts from the two percent (2%) tax levied on rentals of transient accommodations within the corporate limit. According to statutory provisions, these funds are used for the promotion of tourism and the arts.

Beach Preservation Fee Fund (Special Revenue Fund). This fund accounts for the Town's receipts from the two percent (2%) fee levied on the gross proceeds derived from the rental for any 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 within the corporate limit.

Accounting Policies

The Town reports the following major governmental funds

Hospitality Tax Fund (Special Revenue Fund). This fund is used to account for the Town's receipts from the two percent (2%) percent tax imposed on the gross sales price of prepared meals and beverages sold in establishments and also on the gross sales price of sales of prepared meals and beverages sold in establishments licensed for on-premises consumption of alcoholic beverages, beer or wine. The tax is imposed throughout the corporate limits of the Town. According to statutory provisions, the purpose of these funds is to pay, in whole or in part, for the current and future construction, enhancement, preservation and maintenance of 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; and water and sewer infrastructure to serve tourism-related demand.

Real Estate Transfer Fee Fund (Special Revenue Fund). This fund accounts for a fee equal to one quarter of one percent (.0025) of the purchase price upon the transfer of any real property interest in any real property situated within the corporate limits of the Town.

These funds are used (a) to 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 and (b) to 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.

Non-major Funds (Special Revenue Fund). The Town reports the Palmetto Electric Franchise Fees and the Home Grant as Special Revenue funds under non-major governmental funds.

Note on Funds without Formally Adopted Budgets. The Town does not formally adopt budgets for its Special Revenue Funds. These funds have minimal direct expenditures; instead, the majority of the sources in these funds are transferred to the three budgeted governmental funds and expended from those funds. The Tax Increment Financing Fund (TIF), Accommodations Tax Fund, Beach Preservation Fees Fund, Real Estate Transfer Fee Fund, Road Usage Fee, and Electricity Franchise Fee Fund budgets are reflected in the General Fund, Capital Projects Fund (CIP), and Debt Service Fund as "transfers in". Any additional funds expended from these funds are approved at the time the funds are expended.

Accounting Policies

The Town reports the following enterprise fund

Stormwater Utility Fund. The Clean Water Act, signed into law 1973, requires local governments to manage stormwater pollution. As a result of this federal mandate Beaufort County established a Stormwater Management Utility (SWU). The utility is responsible for protecting the health of our valuable waterways and for reducing flooding due to storms in our vulnerable low-lying region. The Town sets the fee and notifies Beaufort County to include the fee on its property tax bills. The County collects the Stormwater fee and remits the funds to the Town minus an administrative overhead fee. The Town uses these funds for drainage infrastructure maintenance and any associated debt service costs. The Town currently operates on a pay as you go basis.

Measurement Focus and Basis of Accounting

The Town maintains all budgeted funds during the year using the modified accrual basis of accounting. The proprietary fund uses this same basis for budgetary purposes but is converted to accrual basis at year-end for the CAFR.

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 as available if collected within 60 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.

Accounting Policies

Cash and Cash Equivalents

The Town considers cash on hand, cash with fiscal agents, demand deposits, and all other short-term investments that are highly liquid to be cash equivalents. Highly liquid short-term investments are those readily convertible to a known amount of cash, that at the day of purchase, have a maturity date no longer than three months.

Investments

In accordance with the provisions of two South Carolina Statutes, S.C. Code Ann. § 6-5-10 and S.C. Code Ann. § 11-1-60, the Town is authorized to invest in the following instruments:

- Government National Mortgage Association (GNMA)
- Federal Home Loan Banks (FHLB)
- Small Business Administration (SBA)
- U.S. Maritime Administration (MA)
- Tennessee Valley Authority (TVA)
- U.S. Export-Import Bank (Eximbank)
- Farmers Home Administration (FHA)
- Federal Financing Bank (FFB)
- General Services Administration (GSA)
- Department of Housing and Urban Development (HUD)
- Repurchase agreements whose underlying purchased securities consist of the afore-mentioned instruments;
- Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities; and
- Local government investment pools either state-administered or developed through joint powers statutes and other intergovernmental agreement legislation.

The Town's primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield.

Unrated investments (overnight funds) are invested in a money market "account" vs. a true "fund." That is, the funds are held by Wells Fargo 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.

Restricted Assets

Certain debt proceeds as well as certain resources that are set aside for their repayment are classified as restricted assets because their use is limited by applicable bond covenants.

Accounting Policies

Capital Assets and Depreciation

In general, all capital assets including land, buildings, machinery and equipment, and infrastructure with an original cost of \$5,000 or more will be subject to accounting and reporting (capitalization). All costs associated with the purchase or construction should be considered, including ancillary costs such as freight and transportation charges, site preparation expenditures, installation charges, professional fees, and legal costs directly attributable to asset acquisition. Software licenses and other intangibles of a consumable nature the value of which is \$50,000 or more and an estimated useful life of at least two years following the date of acquisition will be considered capital items.

Capital assets are reported in the applicable governmental column in the government-wide financial statements.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are assets of the Town as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized as assets in the government-wide statement of net assets. General capital assets are carried at historical cost. Where costs cannot be determined from the available records, estimated historical costs have been used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair value at the date of acquisition. Most of the Town's road network is owned by the State or deeded by the Town to the County and is not included in the Town's capital asset inventory. The remaining Town-owned roads are carried in the capital asset inventory.

Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized.

Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated lives for each major class of depreciable fixed assets are as follows:

Buildings	30 years
Infrastructure	25 years
Vehicles	8-15 years
Furniture, fixtures, equipment	5-20 years
Land	20-30 years
Roads	25-30 years
Waterway	30 years
Software	10 years

Physical Inventory

An annual inventory will be conducted to ensure the replacement, maintenance, and capital improvement program projections are accurate, and that sufficient internal control over capital items is exercised.

Accounting Policies

Compensated Absences

The Town has a policy to accrue compensated absences for employees when the obligation relating to the employee's rights to receive compensation is attributable to the employee's services already rendered, when the rights vest and accumulate and when the payment is payable. Vacation pay meets the above criteria for accrual, whereas sick pay does not. Sick pay does not vest until an employee reaches retirement eligibility. In accordance with GASB no liability is recorded for non-vesting accumulative rights to receive sick pay benefits.

Sick leave benefits are not paid to terminating employees who have not reached retirement eligibility. Employees who retire (as defined by the employee's primary retirement plan) or who die after reaching retirement eligibility receive a contribution equal to 100% of the value of their accrued sick leave to a Vantage Care Retirement Health Savings Plan account. The balance in this account may be used for payment of retiree medical expenses.

Long-Term Obligations

In the government-wide financial statements and the fund financial statements for the proprietary fund, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Bond Discounts/Issuance Costs/Deferred Charges on Advance Refunding

As mentioned above in the fund financial statements, bond discounts and issuance costs for governmental funds are recognized in the current period. For proprietary funds, bond discounts, issuance costs, and deferred charges on advance refunding are deferred and amortized over the term of the bonds using the effective interest method. Bond discounts and deferred charges on advance refunding are presented as a reduction of the face amount of the bonds payable, whereas issuance costs are recorded as deferred charges in accordance with Governmental Accounting Standards.

In the government-wide financial statements, bond discounts, bond premiums and deferred charges on advance refunding are accounted for in the same manner as in the proprietary funds.

Accounting Policies

Budgetary Accounting

The Town uses the modified-accrual basis for budgeting, the same as the basis of accounting used in the Town's audited financial statements. Budgets are formally adopted for governmental funds: the General Fund, Debt Service Fund, and funds associated with the Capital Improvement Plan (CIP). The Town also adopts a formal budget for its proprietary fund: the Stormwater Fund operating as an enterprise. These are annual appropriations, except for the capital projects funds which are project-based appropriations.

The State Accommodations Fund budget is determined by Town Council as it awards grants in the middle of the fiscal year. Grants from 65% of the total fund are awarded for the calendar year. The remainder of the fund is established by State law (first \$25,000 and 5% transferred to the General Fund, and 30% designated for marketing to the Hilton Head Chamber of Commerce – Visitor and Convention Bureau).

The budget book also includes special revenue funds' plans as well. Budgets are not formally adopted for the various special revenue funds. However, they provide significant sources of funds for the three major governmental funds. The Town presents this funding as transfers out of the special revenue funds and transfers in to the formally budgeted funds. The Town's special revenue funds are the State Accommodations, Tax Increment Financing (TIF), Beach Preservation Fees, Hospitality Tax, Real Estate Transfer Fees (RETF), Road Usage Fees, and Palmetto Electric Franchise Fees. The Town does not budget grants generally as it has few recurring grant funds. Beginning in Fiscal Year 2015, the Town established a special revenue fund for grants. A budget will not be formally adopted for this fund.

As required by State law, the Town Manager submits to Town Council a proposed annual budget for the General Fund, Debt Service Fund, CIP (capital projects funds), and the Stormwater Utility which includes proposed expenditures and the means of financing them.

Public hearings are held for citizens' comments regarding the budgets for the General Fund, Debt Service Fund, CIP (capital projects funds), and the Stormwater Fund.

The budgets and related millage rate are legally enacted by ordinance.

Budgetary transfers between departments and projects may be authorized by the Town Manager up to established limits. Changes or amendments altering total expenditures of any fund must be approved by Town Council.

The Town prepares and adopts budgets on a basis consistent with the appropriate generally accepted accounting principles and basis of accounting. All appropriations except capital projects lapse at year end.

Encumbrances at year-end are approved to be carried forward to the new-year. Amounts specifically designated to be carried forward to the subsequent year are re-appropriated by ordinance in the following year.

Financial Policies

The financial policies of the Town are adopted/reaffirmed as part of the budget adoption process.

Revenues

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 excess prior year funds.

Expenditures/Expenses

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

Expenditure forecasts for the General Fund and Stormwater Fund for the next three years shall be all-inclusive and will be reviewed and updated annually. Debt service costs are forecast for the next five years and will be reviewed and updated annually.

Capital Improvement Plan (CIP)

The Town is required by State law to develop a ten-year Capital Improvements Plan (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 automatically roll-over from year to year until the project is finished, unless Town Council directs otherwise. 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.

Contingency

The Town will establish a contingency in each year's budget to:

1. Provide for temporary funding of unforeseen needs of an emergency or nonrecurring nature;
2. Permit orderly budgetary adjustments when revenues are lost through the action of other governmental bodies;
3. Provide a local match for public or private grants; or
4. Meet unexpected small increases in service delivery costs.

Debt Management Policies

Market Review

The Town reviews its outstanding debt annually for the purpose of determining if the financial market place will afford the Town the opportunity to refund an issue and lessen outstanding debt.

Financial Policies

Debt Issuance

When the Town finances capital projects by issuing bonds, it shall amortize the debt over a term not to exceed the average useful life of the project(s) financed.

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).

When appropriate, the Town may use special assessments or self-supporting bonds, so those benefiting from the improvements will bear all or part of the cost of the project financed.

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.

The Town's total assessed value from property assessments is \$981,591,830. The legal debt margin for the Town of Hilton Head Island is \$78,527,346. The Town Council has self-imposed a further limiting 80% cap to reserve bonding capacity in case of a disaster, reserving a minimum of \$20 million. At June 30, 2020 the Town had \$10,989,015 in bonding capacity available.

Bond Ratings

The Town shall periodically review possible actions to maintain or improve its bond ratings by various rating agencies. The Town shall follow a policy of "full disclosure" in its Comprehensive Annual Financial Report and bond prospectuses.

As a result of the Town's prudent financial management, it has been rewarded with excellent bond ratings by all three rating agencies.

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

These ratings reinforce confidence in our efforts to maintain a fiscally sound operation through uncertain economic times.

Financial Reserves

In an effort to maintain a sound fiscal condition, the Town continues to maintain stringent expenditure controls. Another measure of the Town's financial strength is the level of fund surpluses (i.e. revenues exceeding expenditures). For several years, the General Fund reserves have continued to grow as a result of growth related revenues, improved productivity and prudent financial management policies. These funds are held in reserve to protect the Town's assets against catastrophic events or to fund unplanned expenditures.

Financial Policies

To the extent there is an imbalance between revenues and budgeted expenditures, it is important that reserves are used carefully and judiciously, since reserves are a one-time, nonrecurring funding source. Just as reserves are built up over time, drawing down on reserves should be done in measured amounts. The long-term health of the fund requires that a structural imbalance must be addressed promptly. If an imbalance occurs a plan should be developed to address the imbalance concurrently with the planned draw down of reserves.

Disaster Planning Reserves

To protect its assets against catastrophic events, the Town established the following reserves.

Operating Reserve

The Town established and maintains an operating reserve based on a range with a minimum of 35% up to a maximum of 40% of the Town's upcoming adopted fiscal year operating budget. This was increased with the adoption of the fiscal year 2020 budget. The operating reserve may be utilized for emergency purposes in pre-disaster and post-disaster occurrences; to offset an early fiscal year tax revenue income stream deficiency; 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.

For Fiscal Year 2021 the General Fund Budget is \$42,558,448.

Based on that approved budget, the Town reserve calculations would be:

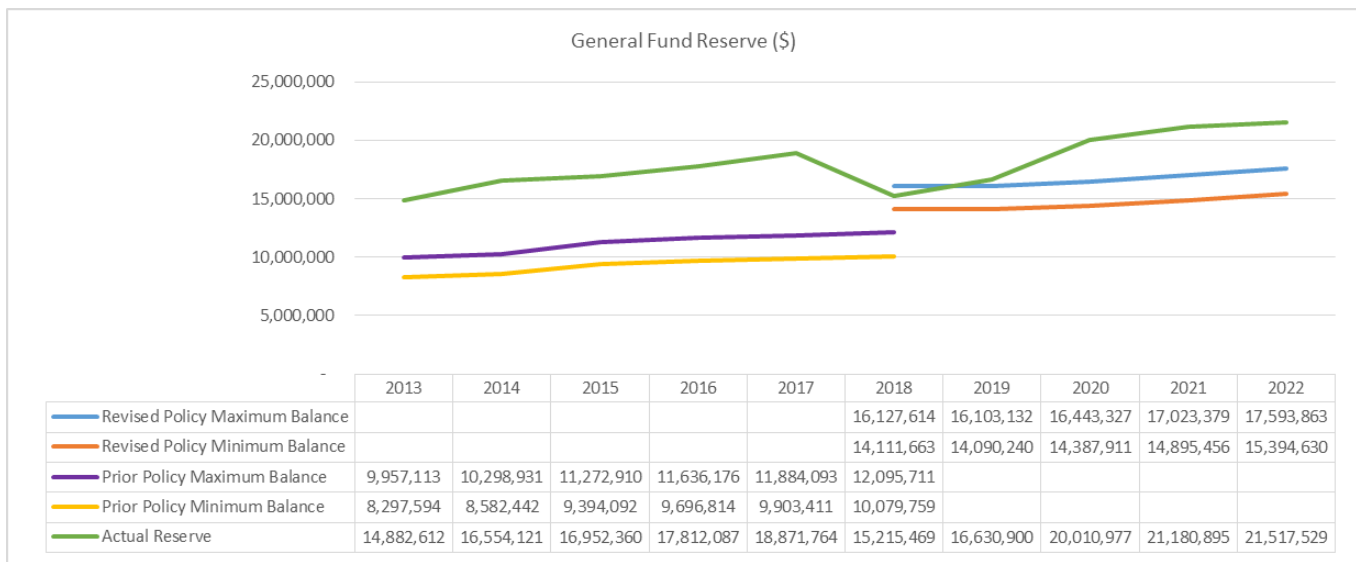
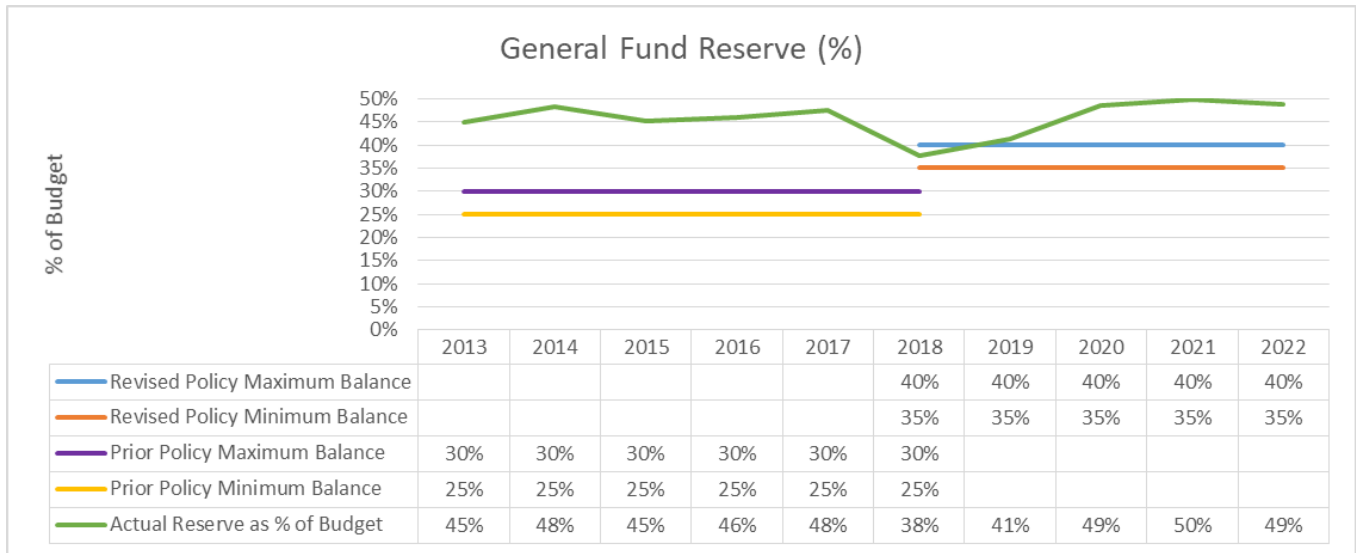
A minimum balance of 35% or \$14,895,457; and a maximum balance of 40% or \$17,023,379.

At 6/30/2020, the General Fund Balance included \$18,750,207 in committed (which includes \$1,000,000 in advertising reserves), and \$2,430,688 in unassigned funds for a total of \$21,180,895.

Therefore at 6/30/2020, the Town's General Fund Balance would be \$4,157,516 above the maximum per the operating reserve policy.

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

Financial Policies



The Director of Finance is authorized to transfer the amount of unassigned fund balance above the 40% 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.
3. The Capital Improvements Fund – subject to Town Council appropriations for usage from the CIP Fund.

Financial Policies

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.

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

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. This amount may be increased for higher damage levels and higher expected 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

Disaster Response Reserve

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

Funding Available for a Disaster

	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
Disaster Reserve Fund fund balance	31,576,026	31,576,026	31,576,826	31,576,826
Beach Preservation Fee Reserves	12,304,292	12,304,292	12,000,000	12,000,000
Debt Capacity reserved for Disasters	20,000,000	20,000,000	20,000,000	20,000,000
Funding Available for a Disaster	63,880,318	63,880,318	63,576,826	63,576,826

Funding Needed for a Disaster

Hurricane Matthew Cost (goal)	52,000,000	52,000,000	52,000,000	52,000,000
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Funds Available as a % of Goal	122.8%	122.8%	122.3%	122.3%
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The Town has reimbursement requests for about \$287,000 of State and Federal reimbursement for expenditures associated with Hurricanes Matthew and Florence. No significant additional spending is expected beyond repayment of the debt funded with the 5 mills for 5 years. The COVID-19 response has been declared a disaster by both the Governor and the Mayor, spending has been \$968,000 through May 21, 2021. The response has been focused on preparing for the emergency by primarily using existing appropriations. The Town is slated to receive recovery funding in excess of that amount. The Town is considering allowable spending under the plan.



Budget Process

Budget Process

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.

Budget Process

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 employees' Palmetto Pass; 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, Palmetto Pass for Town vehicles, 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.

Budget Process

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.

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 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.

Budget Process

The Finance Department staff consolidates the operating budgets for the Town's three major governmental funds: General Fund, Debt Service Fund, and Capital Improvement Plant (capital projects funds); as well as 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.

Budget Approval Process

During the months of 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 a public hearing. The proposed budget is also published on the Town's website. 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 occurs by June 30 in accordance with state law.

Monitoring the Budget

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

Budget Transfers, Amending the Budget and Encumbrances

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

- a. Make any budget line item transfer within a department in the General Fund.
- b. Transfer up to One Hundred Thousand Dollars (\$100,000) between departments in the General Fund.
- c. Transfer up to One Hundred Thousand Dollars (\$100,000) between Town Council approved capital projects as long as the project is complete and closed.
If reserve funds (amending the cost of the Capital Improvement Plan (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.

Budget Process

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 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 budget.

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 are set aside, and further direction from Town Council for specific criteria to utilize these funds is forthcoming.
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. Although there is expected to be a "true up" of carry forward anticipated to actual, the dollar amounts will be significantly less than prior years.



Consolidated Budget Summary

Consolidated Budget Summary – General, Debt, CIP and Stormwater Funds

2022



BUDGET SNAPSHOT

CONSOLIDATED BUDGET



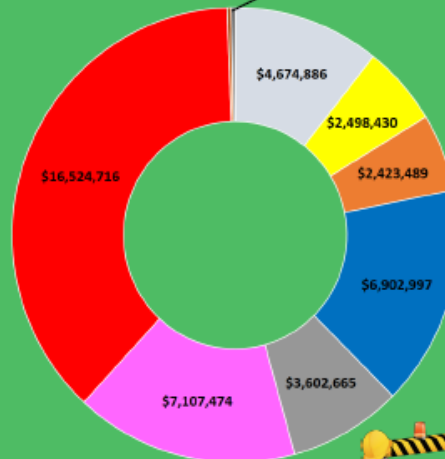
\$96,838,322

GENERAL FUND	\$ 43,984,657
CAPITAL IMPROVEMENTS PROGRAM FUND	28,009,099
STORMWATER UTILITY FUND	5,500,000
DEBT SERVICE FUND	19,344,566

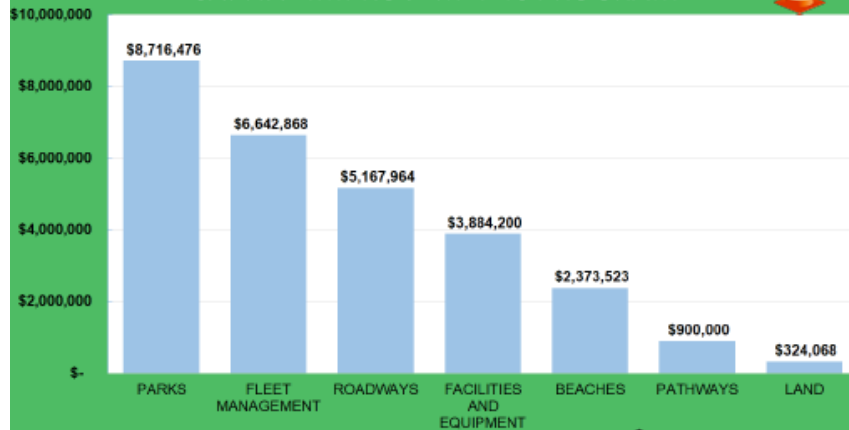
GENERAL FUND EXPENDITURES

- TOWNWIDE
- PUBLIC SAFETY
- GENERAL GOVERNMENT
- MANAGEMENT SERVICES
- COMMUNITY DEVELOPMENT
- PUBLIC PROJECTS AND INFRASTRUCTURE
- FIRE RESCUE
- PLANNED CIP CONTRIBUTIONS*
- PLANNED FUND BALANCE CONTRIBUTIONS*

*PLANNED CONTRIBUTIONS ARE \$125,000 EACH



CAPITAL IMPROVEMENTS PROGRAM



3 FIREFIGHTERS ADDED IN FIRE RESCUE



\$917,494

ESTIMATED VALUE OF A MILL



GENERAL FUND REVENUES

↑ 3.35%

Consolidated Budget Summary – General, Debt, CIP and Stormwater Funds

The budget process this year focused on building a resilient community, investing in impactful capital improvement projects and community infrastructure, and developing a budget to act as a catalyst to implement change and improvement. The balanced budget for Fiscal Year 2022 has been allocated in a manner that we believe will successfully meet the challenges and opportunities before the Town and set the stage for the Town’s continued success in the future.

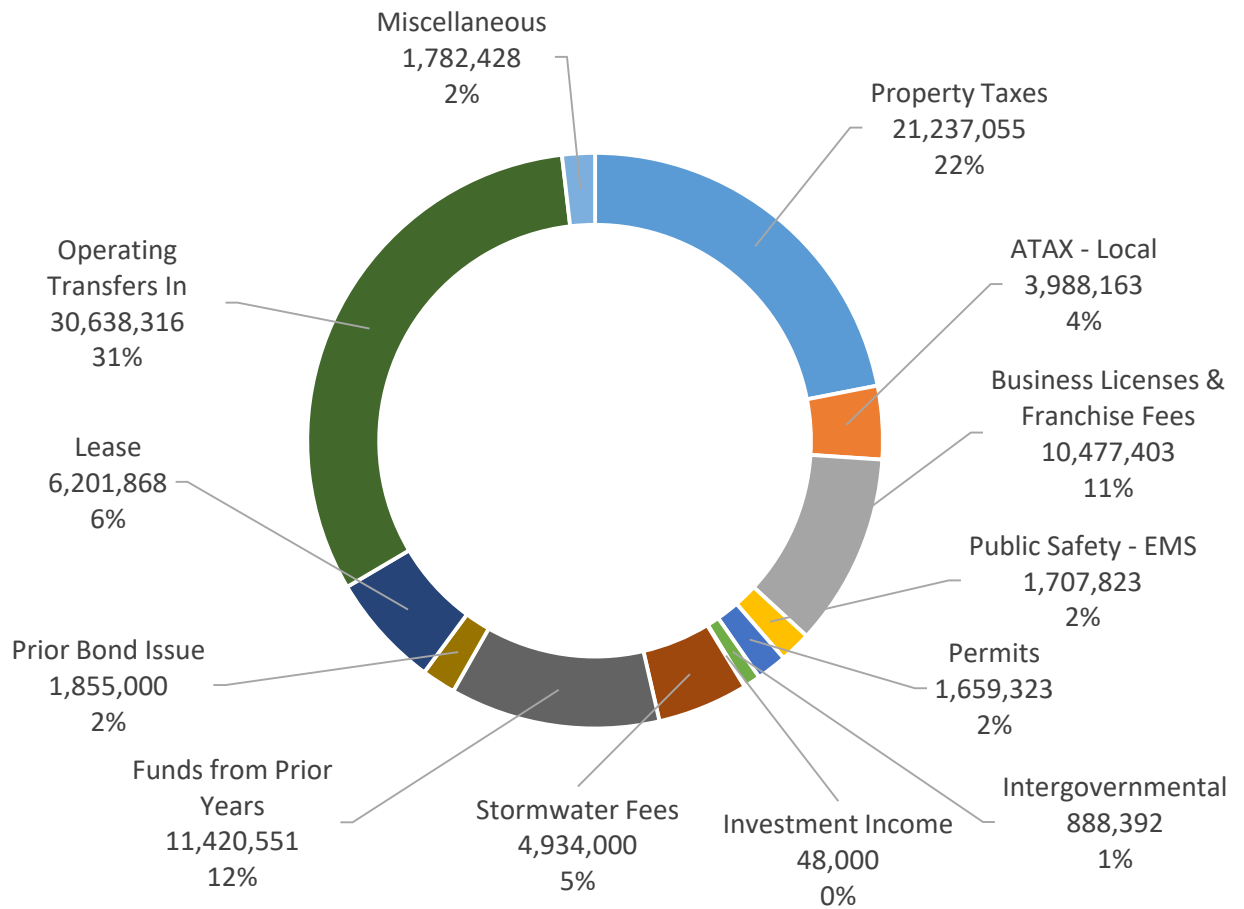
The combined budgets expenditures for the four major governmental funds for Fiscal Year 2022 is \$96,838,322. The budget is balanced, prudent and responsive to community needs.

Consolidated Financial Statement

	2019 Actual	2020 Actual	2021 Adopted Budget	2022 Adopted Budget	% Change
Revenues					
Property Taxes	20,501,403	20,822,813	20,747,020	21,237,055	2.4%
ATAX - Local	3,740,071	3,541,615	3,690,430	3,988,163	8.1%
Business Licenses & Franchise Fees	10,692,146	9,695,618	10,959,917	10,477,403	-4.4%
Public Safety - EMS	1,714,021	1,487,823	1,507,500	1,707,823	13.3%
Permits	1,513,153	1,619,638	1,522,575	1,659,323	9.0%
Intergovernmental	848,742	879,859	840,000	888,392	5.8%
Investment Income	954,391	900,242	362,000	48,000	-86.7%
Stormwater Fees	4,895,801	4,928,623	4,824,000	4,934,000	2.3%
Funds from Prior Years	-	-	1,010,081	11,420,551	1030.7%
Prior Bond Issue	5,000,000	16,520,000	-	1,855,000	100.0%
Lease	-	-	-	6,201,868	100.0%
Operating Transfers In	25,517,311	26,149,059	29,144,772	30,638,316	5.1%
Miscellaneous	2,272,943	2,837,033	1,707,787	1,782,428	4.4%
Total	77,649,982	89,382,323	76,316,082	96,838,322	26.9%
Expenditures					
General Government	1,619,103	1,909,226	2,013,858	2,423,489	20.3%
Management Services	5,301,169	5,534,568	5,967,556	6,902,997	15.7%
Community Services	8,337,130	8,454,851	9,512,851	10,710,139	12.6%
Public Safety	18,396,384	18,810,785	19,825,011	19,023,146	-4.0%
Townwide	4,193,207	4,052,137	4,925,953	4,674,886	-5.1%
Transfers Out	835,668	-	150,000	2,494,000	1562.7%
Capital	21,408,343	23,597,502	6,814,218	28,044,099	311.6%
Stormwater	2,274,454	-	3,637,866	1,965,938	-46.0%
Bond Anticipation Note Repayment	-	-	-	-	0.0%
Debt Issue Costs	227,444	501,957	250,000	-	-100.0%
Debt Service	22,440,483	37,430,350	22,882,134	20,599,628	-10.0%
Total	85,033,385	100,291,376	75,979,448	96,838,322	27.5%
Excess/(Deficiency) of Revenues over Expenditures	(7,383,403)	(10,909,053)	336,634	-	

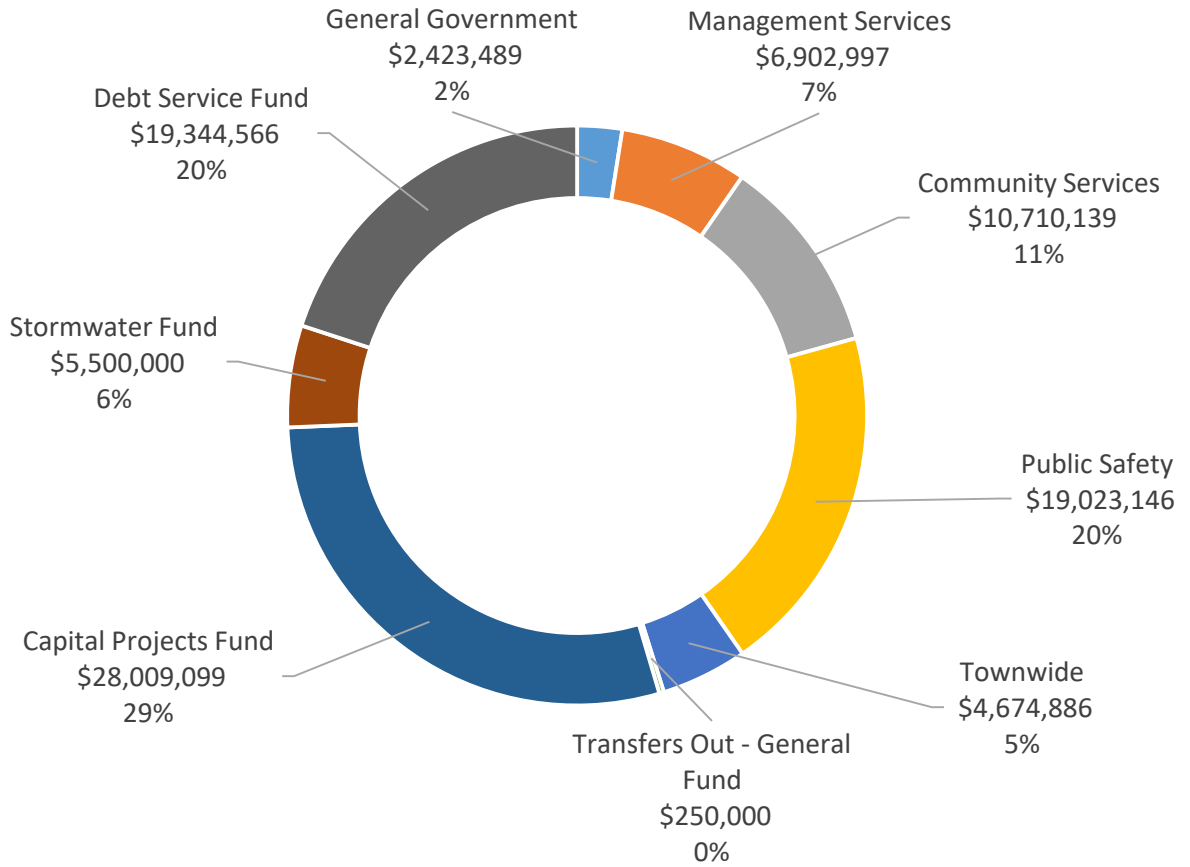
Where the Money Comes From

Fiscal Year 2022



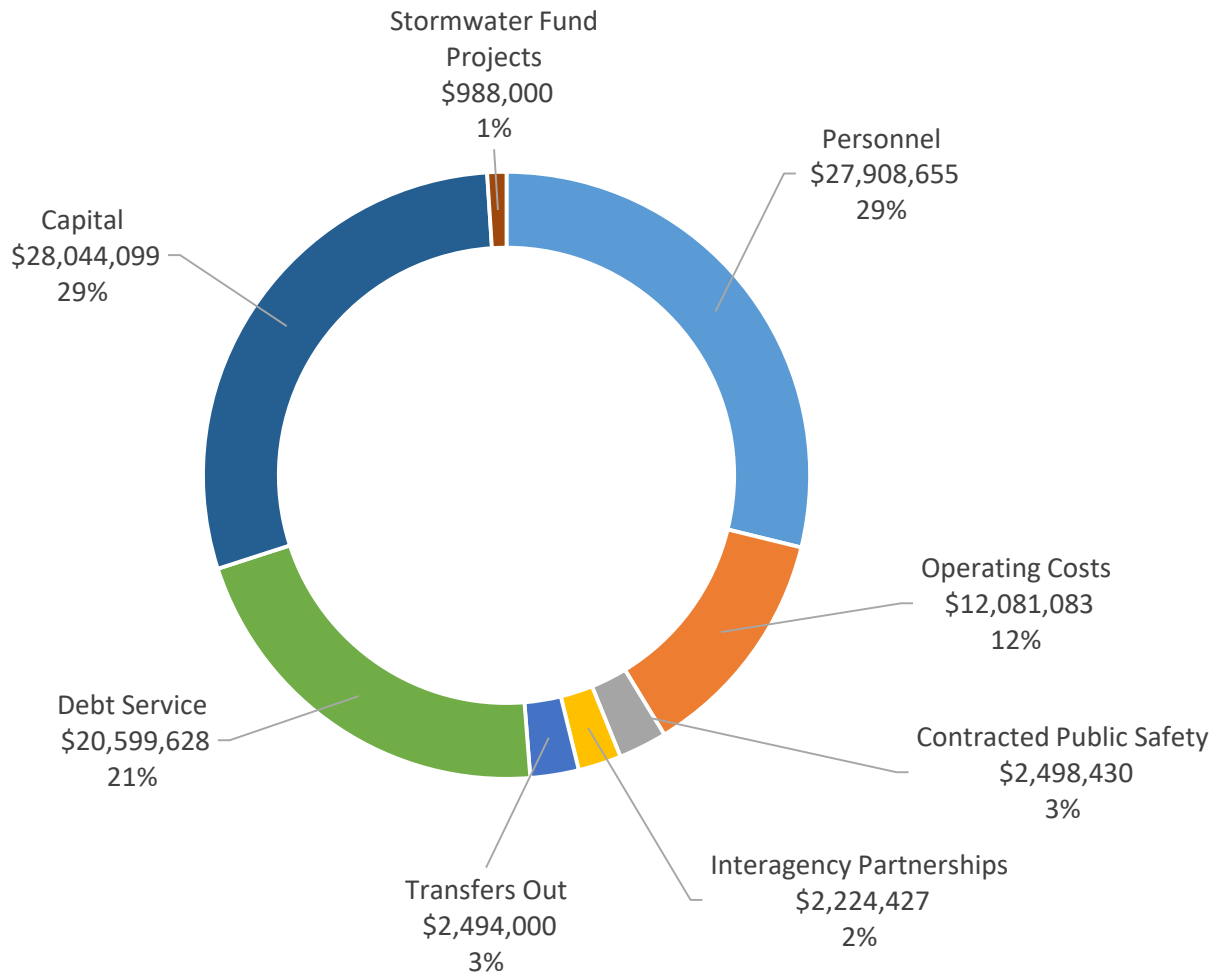
Where the Money Goes – By Program

Fiscal Year 2022



Where the Money Goes – By Category

Fiscal Year 2022

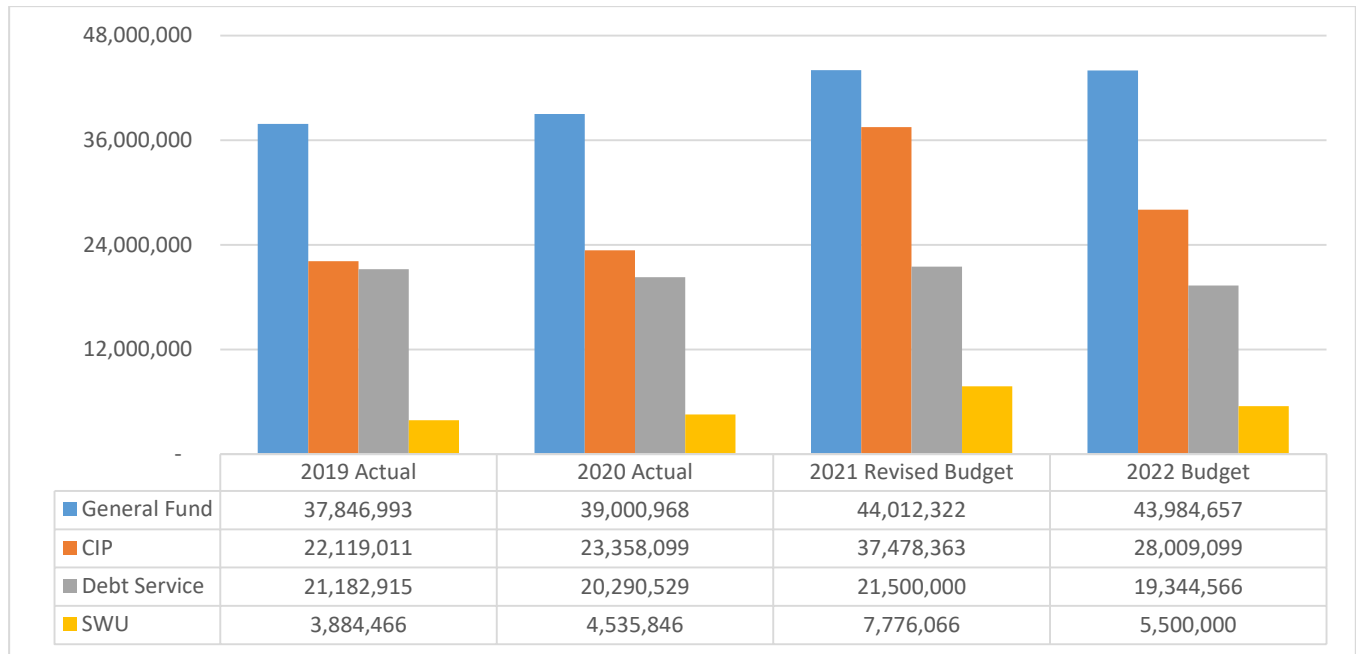


Revenue and Expenditures by Fund

Fiscal Year 2022

Fiscal Year 2022	General Fund	Debt Service Fund	CIP	SWU	Total
Budgeted Revenues					
Property Taxes	15,759,897	5,477,158	-	-	21,237,055
ATAx - Local	3,988,163	-	-	-	3,988,163
Business Licenses and Franchise Fees	10,477,403	-	-	-	10,477,403
EMS Revenue	1,707,823	-	-	-	1,707,823
Permits & Fees	1,659,323	-	-	-	1,659,323
Intergovernmental	888,392	-	-	-	888,392
Investment Income	30,000	12,000	-	6,000	48,000
Stormwater Fees	-	-	-	4,934,000	4,934,000
Funds from Prior Years	-	-	10,860,551	560,000	11,420,551
Bond Revenue	-	-	1,855,000	-	1,855,000
Operating Transfers In	8,787,508	13,855,408	7,995,400	-	30,638,316
Lease	-	-	6,201,868	-	6,201,868
Grants	128,219	-	347,980	-	476,199
Miscellaneous	557,929	-	748,300	-	1,306,229
Total Revenues	43,984,657	19,344,566	28,009,099	5,500,000	96,838,322
Budgeted Expenditures					
General Government	2,423,489	-	-	-	2,423,489
Management Services	6,902,997	-	-	-	6,902,997
Community Services	10,710,139	-	-	-	10,710,139
Public Safety	19,023,146	-	-	-	19,023,146
Townwide	4,674,886	-	-	-	4,674,886
Transfers Out	250,000	-	-	2,244,000	2,494,000
Capital	-	-	25,920,099	35,000	25,955,099
Stormwater	-	-	2,089,000	1,965,938	4,054,938
Debt Issue Costs	-	-	-	-	-
Debt Service	-	19,344,566	-	1,255,062	20,599,628
Total Expenditures	43,984,657	19,344,566	28,009,099	5,500,000	96,838,322
Revenues Over/(Under) Expenditures	-	-	-	-	-

Trend Analysis of Expenditures by Fund



Revenue 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

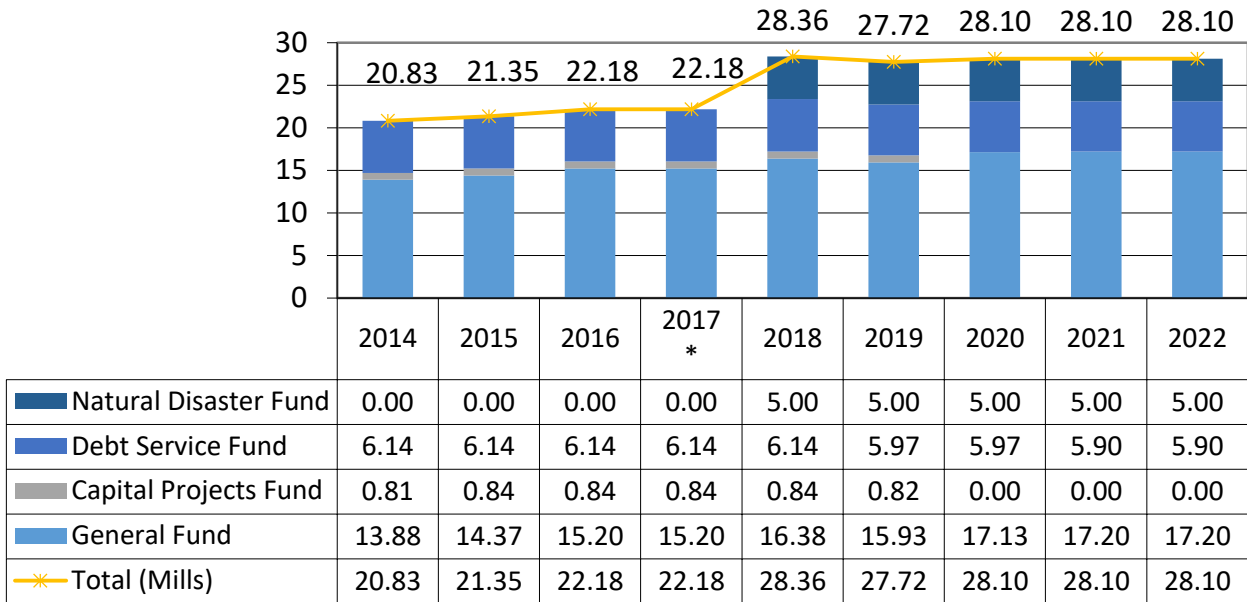
The tax levy is released in September and current taxes are payable from October 1st through December 31st of each year. On January 15, unpaid taxes are considered delinquent and penalties begin to accrue.

Tax Levy for Fiscal Year 2022

The millage rate for Fiscal Years 2022 will be the same as Fiscal Year 2021, 28.10 mils. It should also be noted the Town is in the final year of the planned five years of the 5 mil override for disaster recovery.

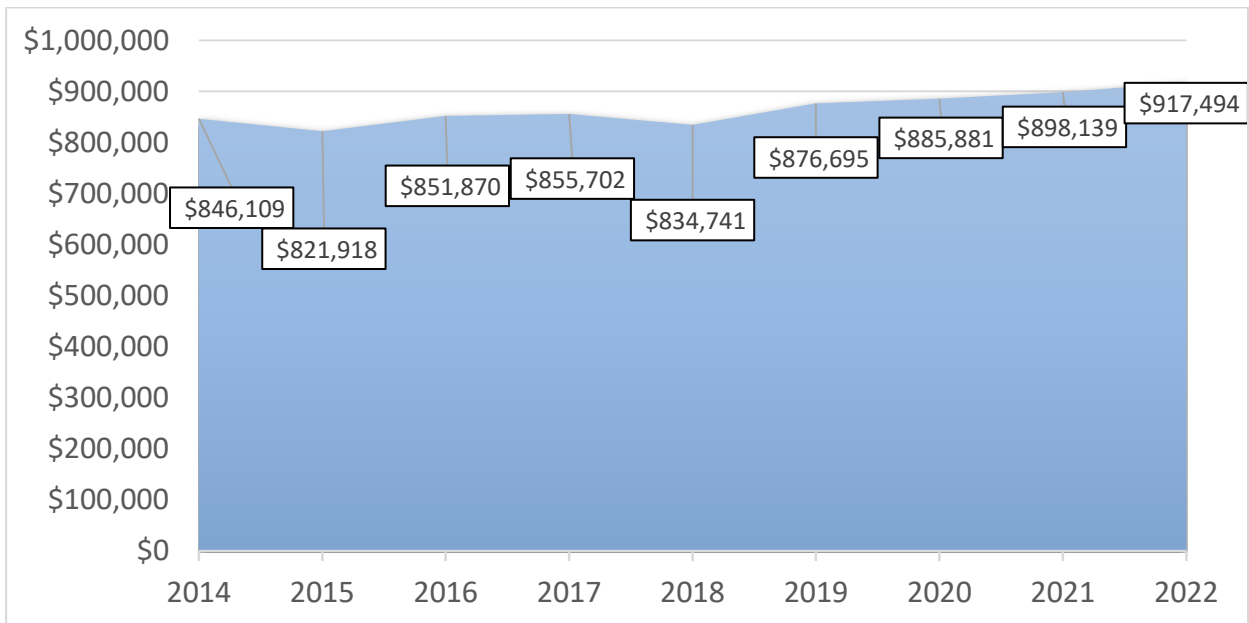
Revenue Analysis

Historical Millage Rate by Fund

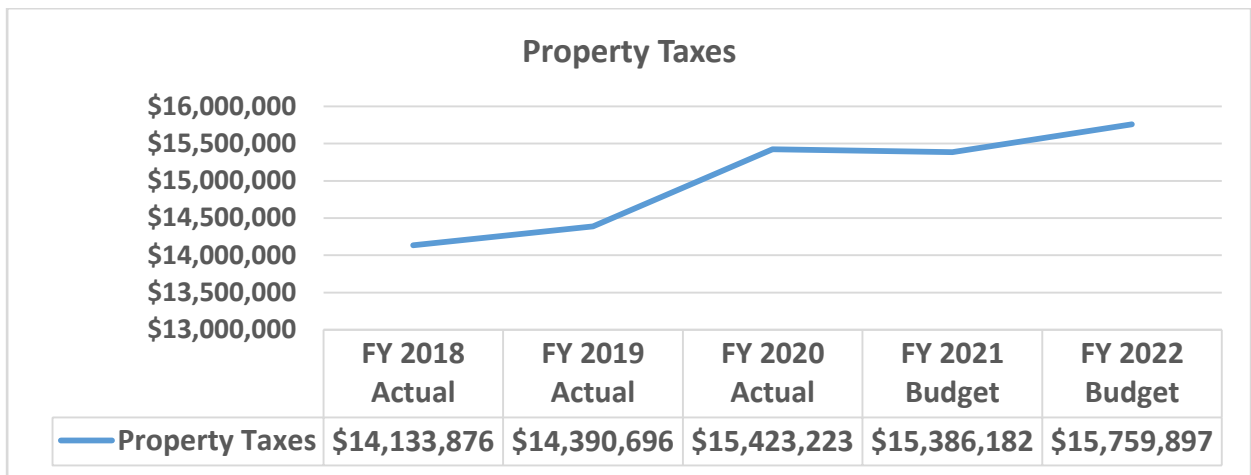


*Hurricane Matthew was in Fiscal Year 2017

Value of a Mil



Revenue Analysis



Anticipated Tax Collections

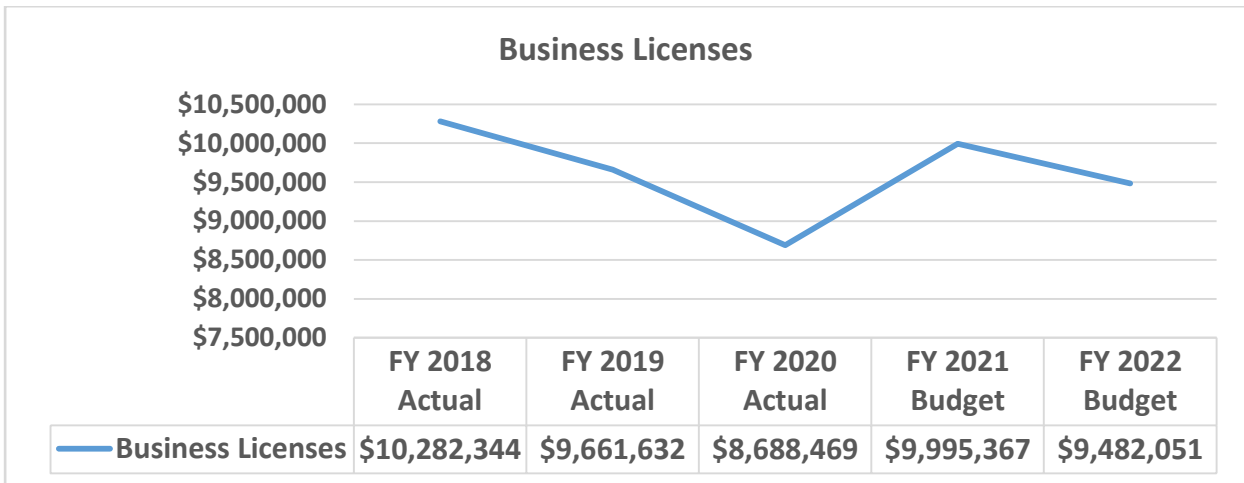
For Fiscal Year 2022 property taxes represent approximately 22% of the total revenue received by the General, Debt, CIP and Stormwater funds. Revenue anticipated from this source is approximately \$21.2 million for Fiscal Year 2022, of which approximately \$15.7 is in the General Fund.

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 represent 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. Revenue from business licenses is anticipated to be \$9.4 million in Fiscal Year 2022. Franchise fee revenue is anticipated to be just under \$1.0 million.

Revenue Analysis



Notes: (1) in Fiscal Year 2018 the Town received approximately \$375,000 in business license revenue associated with a lawsuit settlement, (2) 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

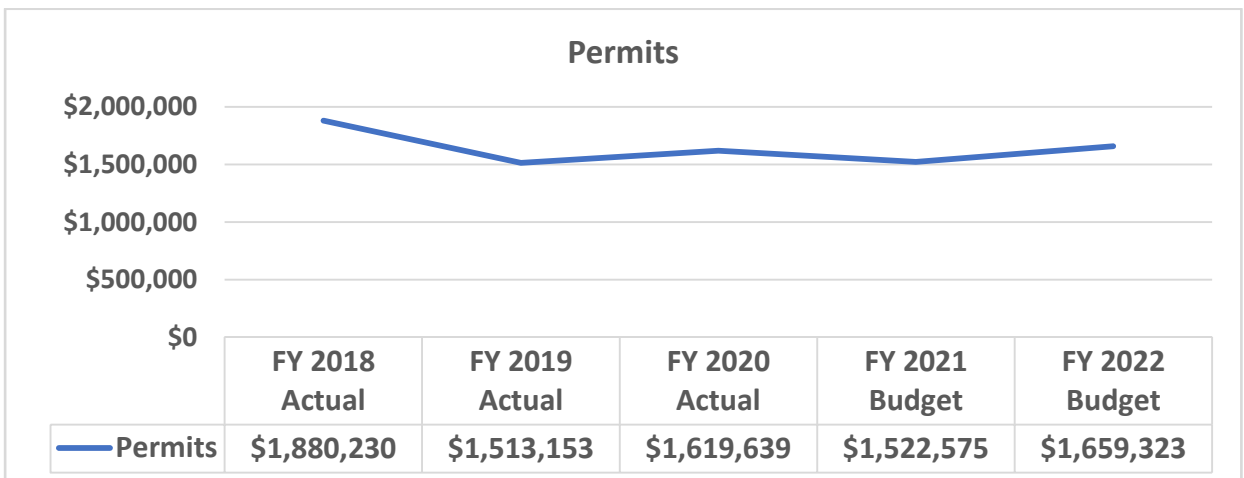
The Town will receive approximately \$888,000 in state shared revenue in Fiscal Year 2022. The amount received from this source has remained about the same over the past several years.

4. Permit Fees; General Fund

New construction – Permit fee revenue from new construction: \$654,764

Development– Revenue from permit fees associated with development: \$15,670

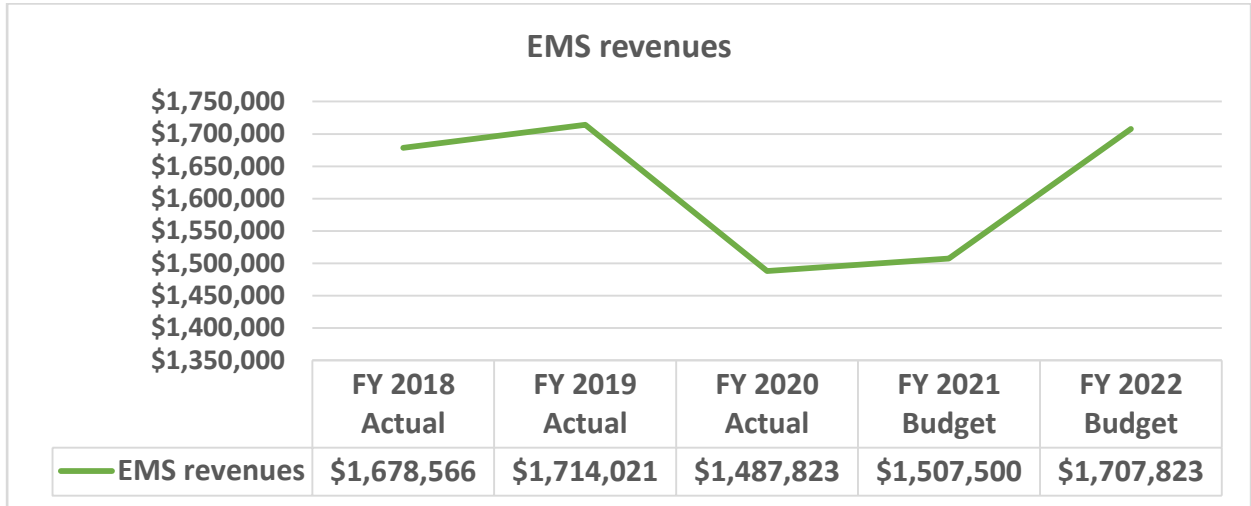
Other – Revenue from other miscellaneous permit fees: \$988,889



Revenue Analysis

5. Emergency Medical Services; General Fund

Funds received through Fire Rescue for medical services rendered are projected be approximately \$1.7 million in Fiscal Year 2022.



6. Local 1% Accommodations Tax; General Fund

This revenue source tax will generate approximately \$3.9 million in revenue in Fiscal Year 2022. 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."

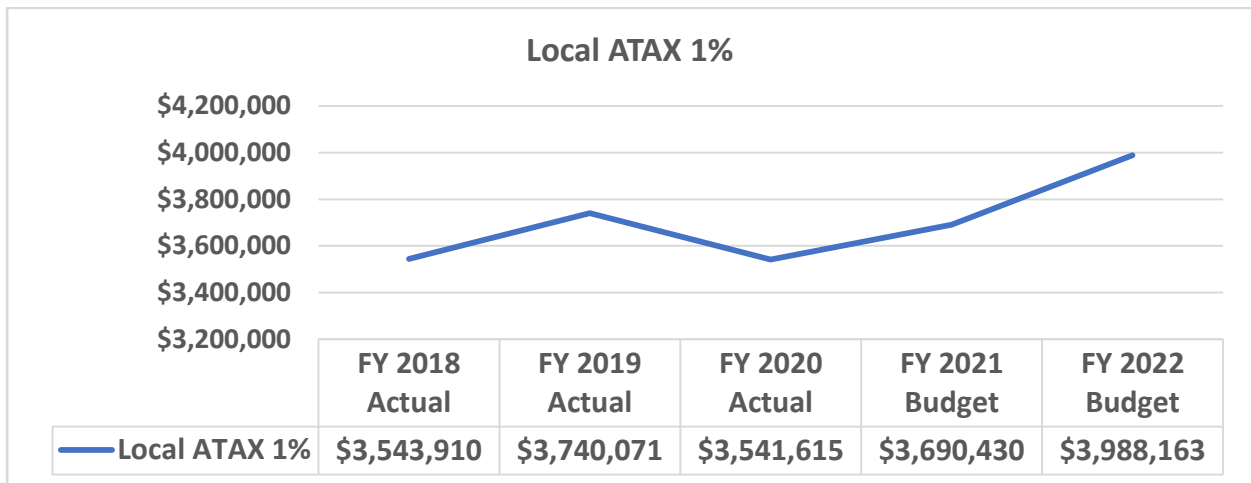
These funds may be used for tourism-related buildings, including, but not limited to, civic centers, coliseums, and aquariums; cultural, recreational, or historic facilities; beach access and re-nourishment; highways, roads, streets, and bridges providing access to tourist destinations; advertisements 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.

Revenue Analysis

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.



Minor Grants are not included in the budget. The matching funds associated with the minor grants are included in the operating budget.

7. **Transfers in from Special Revenue Funds; General Fund, Debt Service Fund and CIP Fund**

- (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.
- (f) **Real Estate Transfer Fees (RETF)** – these funds will be used for debt service payments.
- (g) The **General Fund** – to the CIP Fund for land acquisition, park improvements, vehicle and equipment purchases.
- (h) The **Stormwater Enterprise Fund** – to the General Fund and CIP Fund for project management.
- (i) 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.
- (j) The **Natural Disasters Fund** – to the Debt Service Fund for debt service payments associated with the \$18.0 million borrowed to augment the current reserves in the fund to prepare for the next hurricane.

Analysis of Transfers-In

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

	Debt Service			Total
	General Fund	Fund	CIP	
Hospitality Taxes	\$ 4,220,406	\$ 1,446,406	\$ 1,373,628	\$ 7,040,440
Beach Preservation Fees	1,983,508	3,959,125	1,400,000	7,342,633
Tax Increment Financing (TIF)	192,780	3,927,712	1,300,000	5,420,492
State Accommodation Taxes	1,695,211	-	-	1,695,211
Real Estate Transfer Fees	540,603	986,500	-	1,527,103
Stormwater Enterprise Fund	155,000	-	2,089,000	125,000
General Fund	-	-	125,000	2,244,000
Road Usage Fees	-	-	100,000	100,000
Electric Franchise Fund	-	-	1,607,772	1,607,772
Natural Disaster Fund	-	3,535,665	-	3,535,665
Total	\$ 8,787,508	\$ 13,855,408	\$ 7,995,400	\$ 30,638,316

Expenditure Analysis

Summary of Changes – Proposed to Adopted Budget

1. General Fund – None
2. Debt Service Fund – None
3. CIP Fund –
 - The Pine Island beach project was reclassified as a project within the CIP’s Beach Renourishment program, instead of as a Stormwater Fund project
 - The Town Facility Enhancement description was expanded to include implementation of recommended parking improvements
 - It was specified that the \$125,000 transfer from the General Fund for CIP and the \$125,000 General Fund Balance would be made available in the Land Purchase account. This specification was in response to the changing real estate market conditions and to position the Town to respond to a possible market opportunity.
 - Other Roadway Enhancements in the CIP was reduced by \$250,000
 - **The total proposed to adopted budgeted amounts remained the same in the CIP Fund**
4. Stormwater Fund –
 - The Pine Island beach project was reclassified as a project within the CIP’s Beach Renourishment program, instead of as a Stormwater Fund project
 - **The total proposed to adopted budgeted amounts remained the same in the Stormwater Fund**

Town Staffing (F.T.E.s)

	FY 2019	FY 2020	FY 2021	FY 2022
<u>General Government</u>				
Town Council	7.0	7.0	7.0	7.0
Town Manager	5.0	5.0	4.0	7.0
<u>People and Connections</u>				
Human Resources	4.0	4.0	4.0	4.0
Cultural Affairs				1.0
Communications				2.5
Information Technology and Innovation				14.5
<u>Management Services</u>				
Administration/Legal	19.7	19.7	24.2	6.2
Finance	19.7	20.7	19.7	19.2
<u>Community Services</u>				
Community Development	31.1	33.1	33.1	30.1
Public Projects and Facilities/Infrastructure Services	19.0	19.0	21.0	22.0
<u>Public Safety</u>				
Fire and Rescue	145.3	145.3	142.5	145.5
Total General Fund	250.8	253.8	255.5	259.0
PPF Stormwater Fund	6.0	6.0	6.0	6.0
Total Town Staff	256.8	259.8	261.5	265.0

Fiscal Year 2022 Additional Staffing:

- Three Firefighter positions were added in Fiscal Year 2022 in order to improve response capability and reduce overtime. Two of these positions are effective July 1, 2021, and the third position is effective January 1, 2022.



General Fund

General Fund

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

Financial Statement

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2022 Adopted Budget	% Change
Revenues				-	
Property Taxes	14,390,694	15,423,224	15,386,182	15,759,897	2.4%
ATAX Local 1%	3,740,071	3,541,615	3,690,430	3,988,163	8.1%
Business Licenses:					
Business Licenses - Town	5,006,012	5,099,830	4,931,406	4,963,085	0.6%
Business Licenses - MASC	4,655,620	3,588,639	5,063,961	4,518,966	-10.8%
Franchise Fees:					
Cable	992,311	965,395	929,200	952,932	2.6%
Beach Fee	38,203	41,754	35,350	42,420	20.0%
Permit Fees:					
Construction	544,762	698,284	603,000	654,764	8.6%
Development	18,668	15,533	15,075	15,670	3.9%
Other	949,723	905,821	904,500	988,889	9.3%
Intergovernmental/Local Gov't Fee	848,742	879,859	840,000	888,392	5.8%
Grants:					
Beaufort County - Hazmat	11,677	-	11,677	-	n/a
Beaufort County - E911	125,651	130,667	131,910	128,219	-2.8%
Other	2,288	200,067	-	-	n/a
Miscellaneous Revenue:					
Beach Services	270,839	266,392	252,500	278,658	10.4%
Donations	100	1,070	-	-	n/a
Municipal Court	73,665	-	-	-	n/a
Other	359,014	434,218	272,700	279,271	2.4%
Public Safety - EMS	1,714,021	1,487,823	1,507,500	1,707,823	13.3%
Public Safety - County D/T	55,008	3,709	55,000	-	n/a
Town Code	10	-	-	-	n/a
Fund Balance	-	-	-	-	n/a
Victim's Assistance	10,552	-	21,000	-	n/a
Investments	361,108	271,185	300,000	30,000	-90.0%
Sub-Total Operating Rev.	34,168,739	33,955,085	34,951,391	35,197,149	0.7%
Transfers In:					
Beach Fees	1,361,140	1,361,140	1,498,254	1,983,508	32.4%
CIP - Ad Valorem	628,000	28,089	-	-	n/a
CIP - Sunday Liquor	50,000	-	-	-	n/a
Hospitality Fee	1,746,125	2,577,240	3,819,465	4,220,406	10.5%
TIF	180,000	180,000	183,600	192,780	5.0%
ATAX -- State	1,757,381	1,695,211	1,792,750	1,695,211	-5.4%
Electric Franchise Fee	90,000	90,000	499,622	540,603	8.2%
Stormwater	125,000	125,000	150,000	155,000	3.3%
Sub-Total Transfers In	5,937,646	6,056,680	7,943,691	8,787,508	10.6%
Total Revenues	40,106,385	40,011,765	42,895,082	43,984,657	2.5%

Financial Statement

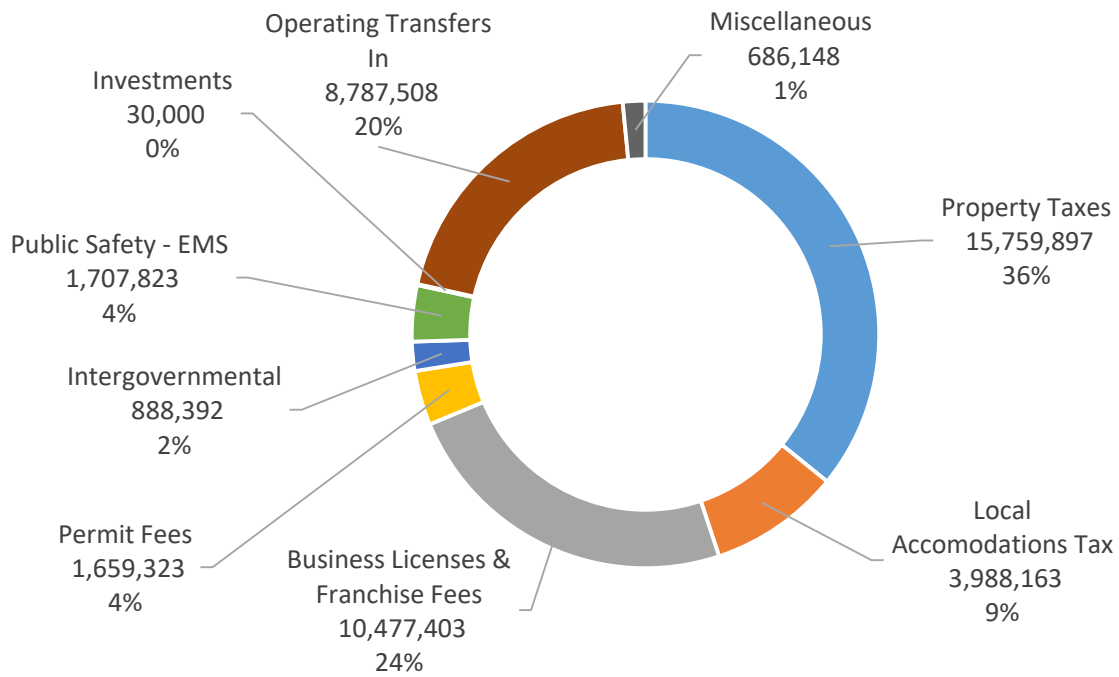
	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2022 Adopted Budget	% Change
Expenditures					
General Government:					
Town Council	338,750	283,420	493,601	471,242	-4.5%
Town Council - Initiative	8,595	149,714	-	-	n/a
Town Manager	782,884	837,140	871,833	1,286,306	47.5%
Human Resources	488,874	638,951	648,424	665,941	2.7%
Total General Government	1,619,103	1,909,225	2,013,858	2,423,489	20.3%
Management Services:					
Finance					
Administration	1,920,206	1,951,206	2,052,125	1,916,176	-6.6%
	1,920,206	1,951,206	2,052,125	1,916,176	-6.6%
Administrative Services					
Administration/Legal	521,918	457,443	579,723	615,290	6.1%
Office of Cultural Affairs	158,986	204,510	258,030	280,149	8.6%
Communications	289,150	316,315	376,895	386,009	2.4%
Records Management	284,426	271,652	282,692	234,259	-17.1%
Municipal Court	168,209	-	-	-	n/a
Technology & Innovation	1,958,274	2,333,444	2,576,309	3,471,114	34.7%
	3,380,963	3,583,364	4,073,649	4,986,821	22.4%
Total Management Services	5,301,169	5,534,570	6,125,774	6,902,997	12.7%
Community Services:					
Community Development					
Administration	552,444	675,753	708,185	587,319	-17.1%
Comprehensive Planning	673,077	650,246	673,602	672,875	-0.1%
Development, Review and Zoning	725,004	631,355	747,216	783,019	4.8%
Building Inspection/Compliance	820,655	1,002,065	1,035,754	1,095,418	5.8%
CD Services	410,621	423,297	436,790	464,034	6.2%
	3,181,801	3,382,716	3,601,547	3,602,665	0.0%
Public Projects and Facilities					
Administration	291,515	296,244	311,742	277,675	-10.9%
Engineering	880,717	789,191	1,022,975	955,192	-6.6%
Facilities Management	3,983,097	3,986,698	4,576,587	5,874,607	28.4%
	5,155,329	5,072,133	5,911,304	7,107,474	20.2%
Total Community Services	8,337,130	8,454,849	9,512,851	10,710,139	12.6%

Financial Statement

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2022 Adopted Budget	% Change
Public Safety:					
Fire Rescue					
Executive	1,019,709	1,079,423	1,190,541	1,205,212	1.2%
Administration	2,725,605	2,627,572	2,978,393	2,505,778	-15.9%
Operations	10,916,949	11,326,040	11,728,443	12,813,726	9.3%
Total Fire Rescue	14,662,263	15,033,035	15,897,377	16,524,716	3.9%
Public Safety - Police Services					
Police Services	3,377,935	3,223,555	3,320,262	2,000,000	-39.8%
Security Services	3,000	4,900	-	50,000	n/a
Shore Beach Services	267,974	319,603	280,304	305,430	9.0%
Shore Beach Reimbursable	-	-	60,770	43,000	-29.2%
Stipend	82,200	91,150	123,600	100,000	-19.1%
Other	3,012	138,542	142,698	-	n/a
Total Public Safety	3,734,121	3,777,750	3,927,634	2,498,430	-36.4%
Townwide (non-departmental):					
Personnel	324,538	481,954	1,004,386	408,587	-59.3%
Operating	1,966,467	1,875,952	2,129,651	2,041,872	-4.1%
Capital	231,022	239,403	155,000	-	n/a
Grants	1,671,180	1,694,230	1,791,917	2,224,427	24.1%
Total Townwide	4,193,207	4,291,539	5,080,953	4,674,886	-8.0%
Total Expenditures	37,846,993	39,000,968	42,558,447	43,734,657	2.8%
Transfers					
To CIP	-	-	-	125,000	n/a
to Fund Balance	-	-	-	125,000	n/a
Total Transfers to	-	-	-	250,000	
Total Exp. & Transfers To	37,846,993	39,000,968	42,558,447	43,984,657	3.4%
Net change fund balance	2,259,392	1,010,797	336,635	-	
Beginning Fund Balance	18,841,295	21,100,687	21,100,687	21,437,322	
Ending Fund Balance	21,100,687	22,111,484	21,437,322	21,437,322	

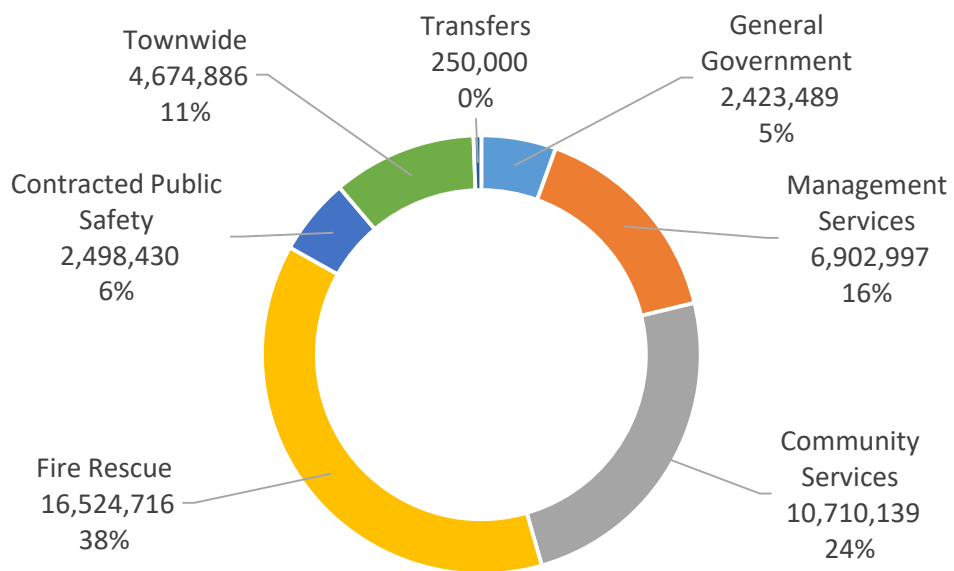
Where Money Comes From

Fiscal Year 2022

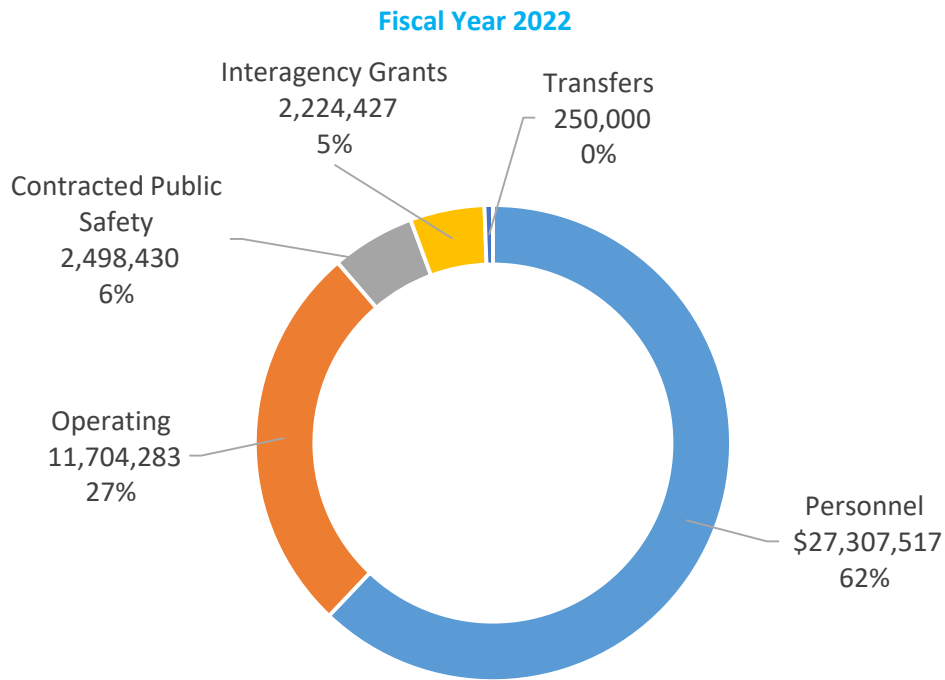


Where Money the Goes – By Program

Fiscal Year 2022



Where Money the Goes – By Category



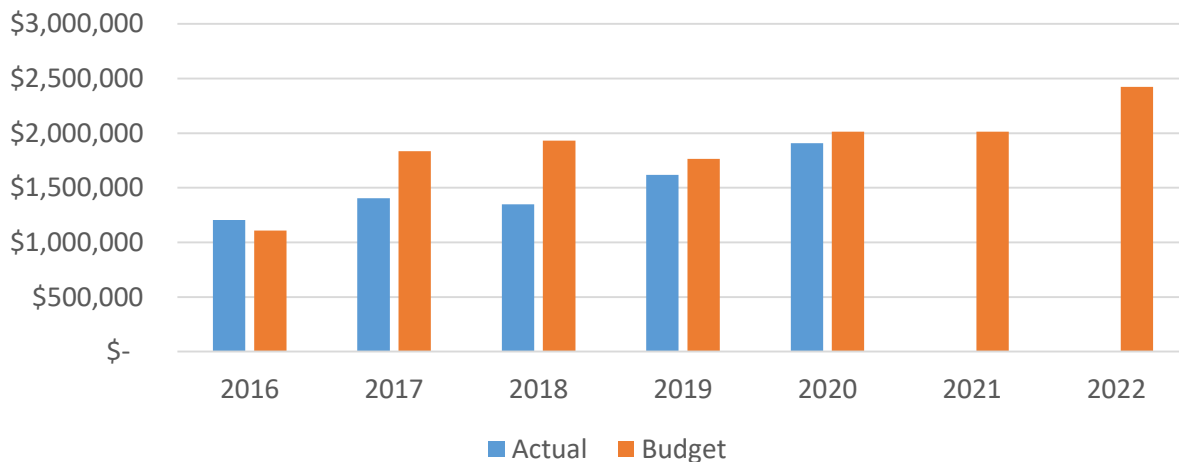
Revenue Analysis

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. For explanations of significant changes, refer to the Consolidated Summary section of this document.

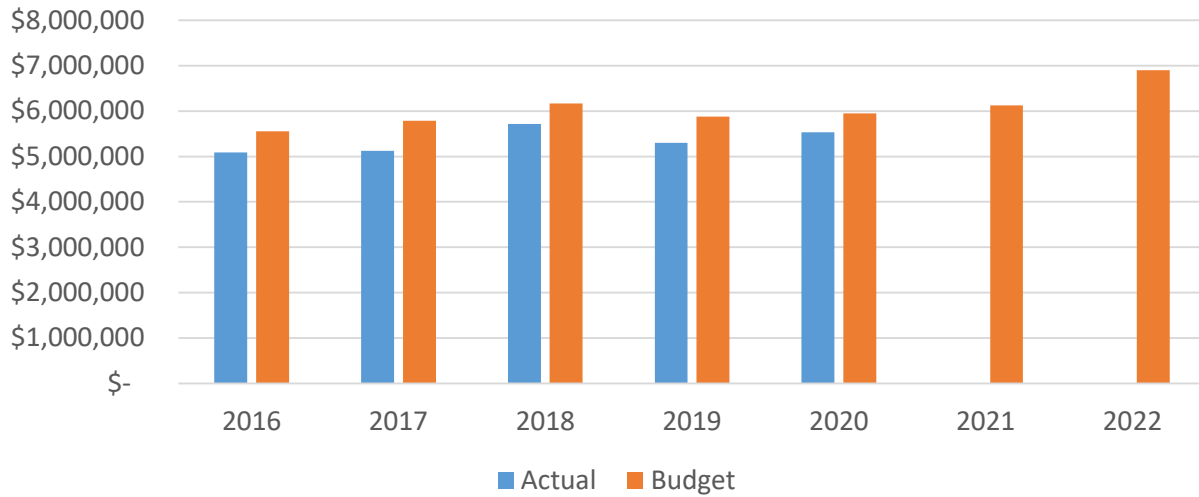
**General Government
(Town Council, Town Manager, Human Resources)**



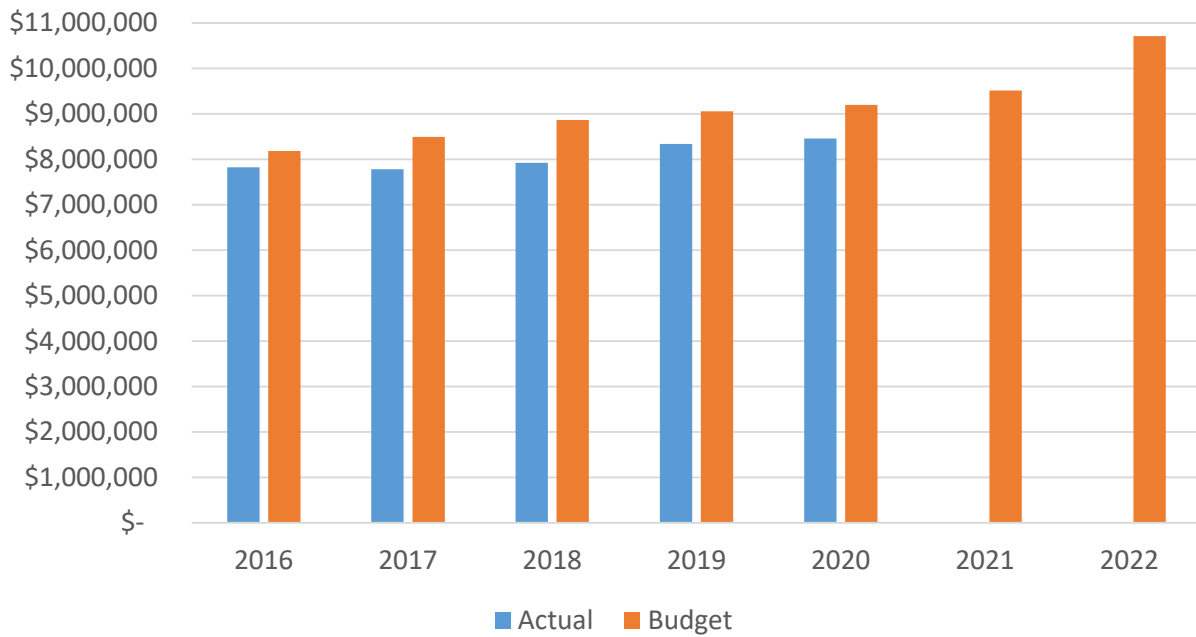
Note: in Fiscal Year 2019 Human Resources moved from Management Services to this category.

Expenditure Analysis

Management Services (Legal, Administrative Services, Finance)

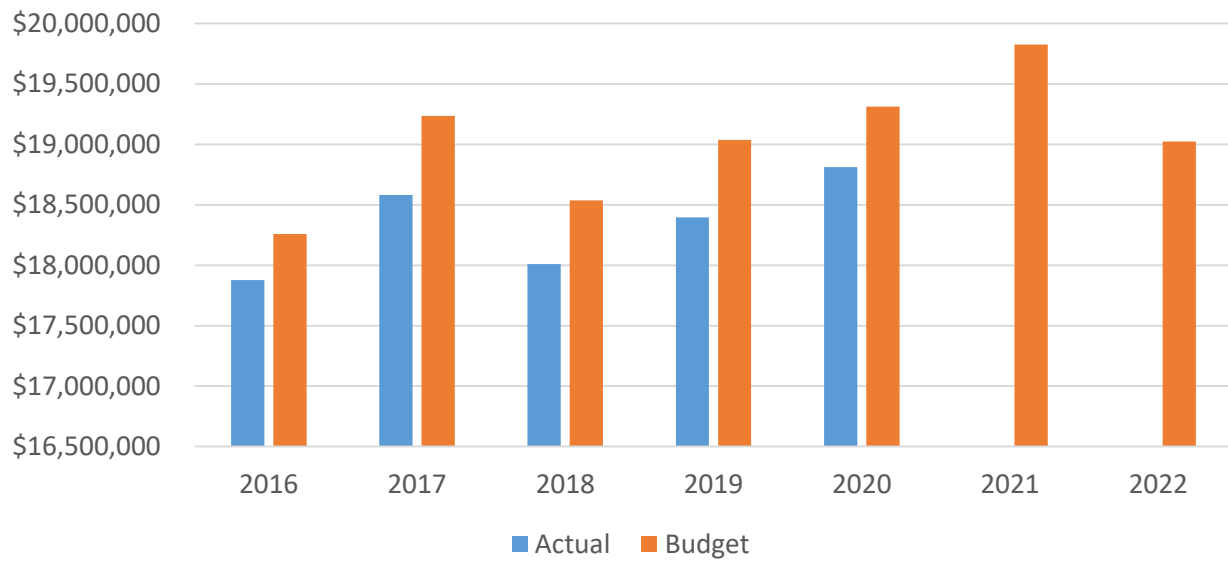


Community Services (Community Development Infrastructure Services / Public Projects & Facilities)

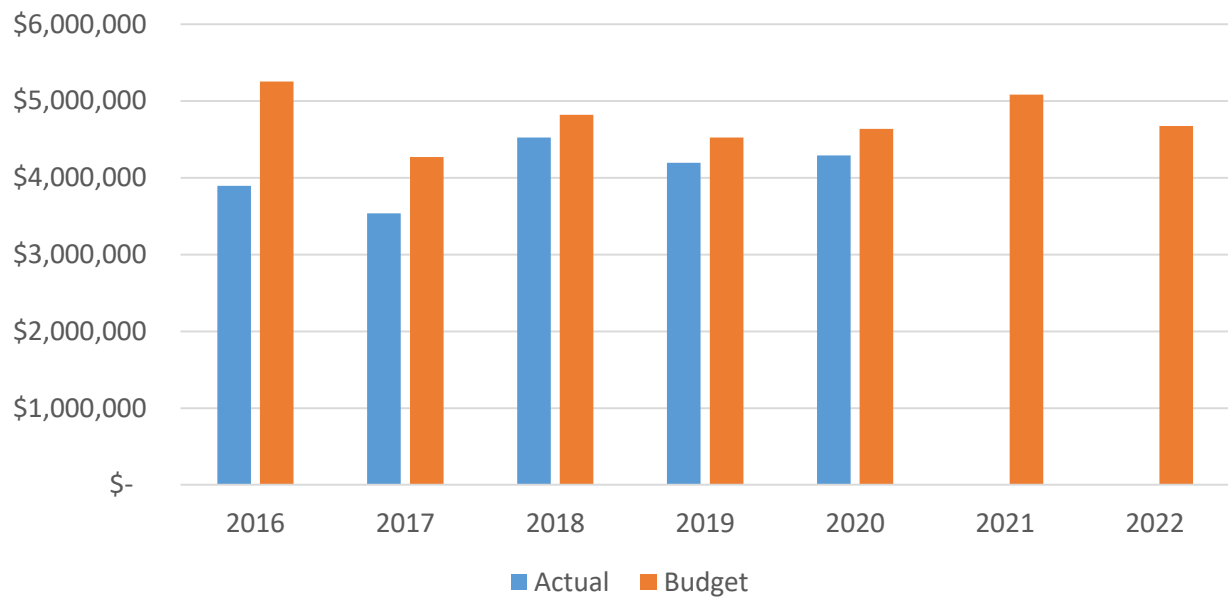


Expenditure Analysis

Public Safety (Fire Rescue, Police Services)



Townwide



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 a two day work session on January 28th and 29th, 2021 to guide the Town's operations for calendar year 2021. A number of important factors were identified.

Town Council 2021 Core Values

- **Pursuit of Excellence**
 - Adopt and pursue *Our Ideals of Excellence* for Hilton Head Island:
 - Our Place
 - Our People
 - Our Planning & Process
- **Environmental Sustainability**
 - To become a recognized leader in environmental protection and sustainability
 - To monitor our water resources so that it is clean, abundant, and available
 - To protect and preserve the natural environment of Hilton Head Island
- **Revitalize Economy**
 - To attract more diverse businesses
 - To manage evolving economic growth while maintaining Hilton Head Island's unique aesthetic
 - To explore, understand, prepare for, and adapt to the future of tourism
 - To attract a diverse and dynamic local population
 - To have a high-quality, sustainable workforce
- **Inclusive Community**
 - To create an environment that fosters equitable, high-quality education options, where Hilton Head Island is recognized as an epicenter of life-long learning
 - To identify and re-imagine historic places and venues so that they are inviting and accessible
 - To create awareness and respect for our core community and environmental values, promoting inclusiveness and equality for all residents and guests
 - To recognize, respect, and promote multi-dimensional diversity on the Island, now and into the future
 - To build diversity and provide exceptional quality of life offerings in the arts, culture, and recreation
- **Connected Community**
 - To foster a planning process that is inclusive, collaborative, on-going, and responsive to changing circumstances and stakeholder priorities
 - To promote designs for the built environment that capitalize on our natural beauty and community strengths, reinforcing our unique sense of place
 - To foster an exceptional quality of life for residents, outstanding experiences for visitors, and economic opportunity for our workforce

Department Budgets

Program: General Government

Department: **Town Council**

Town Council 2021 Core Values

- **Regional Focus**
 - To enable innovation and excellence in regional planning and coordination for the Town of Hilton Head Island as a built-in part of the everyday process
- **Right Sized Infrastructure**
 - To promote efficient and secure public services to meet current and future needs
 - To promote housing options to meet the needs of all current and future populations on the Island
- **Parks and Recreation**
 - To continue to promote and prioritize the value parks and recreation add to the Island community
 - To provide best-in-class recreation facilities and programs in the Island's public parks
 - To celebrate the unique natural amenities and cultural assets of the Island through education facilities and programs in public parks

Expenditure and Staffing Summary

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2022 Adopted Budget	% change
Town Council					
Personnel	157,068	157,134	172,962	167,742	-3.0%
Operating	181,682	126,286	320,639	303,500	-5.3%
Initiatives	8,595	149,714	-	-	0.0%
Capital	-	-	-	-	0.0%
Total	347,345	433,134	493,601	471,242	-4.5%
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 that 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.

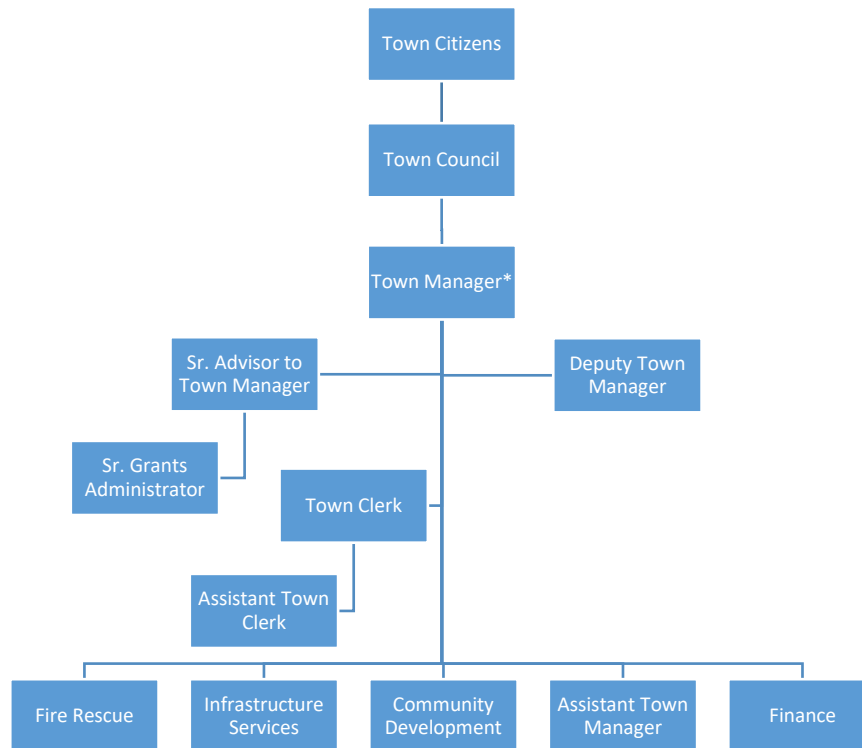
The Town Manager provides support and recommendations to Mayor and Town Council; provides effective communication between Town Council, staff, residents, and other customers; and meets with Department Heads to ensure implementation of Town Council's goals and objectives.

Fiscal Year 2022 Goal and Objectives

1. Plan, develop, adopt and implement the Strategic Plan for the Town of Hilton Head Island for Fiscal Years 2021 – 2022
2. Execute the policies and initiatives of Town Council
3. Lead Town operations to meaningfully provide best in class service and award-winning projects and initiatives
4. Enhance customer service, innovation, employee engagement, and training
5. Plan and invest in impactful capital projects and community infrastructure
6. Use the consolidated budget as a catalyst to implement change and improvement

Department Budgets
Program: General Government
Department: *Town Manager*

Organizational Chart



*Note: The Town Manager is under contract with Town Council. The salaries of the Fire Rescue Chief, Director of Community Development, Director of Human Resources, and Director of Infrastructure Services are budgeted in their respective departments.

Expenditure and Staffing Summary

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2022 Adopted Budget	% change
Town Manager					
Personnel	736,829	817,900	847,866	1,239,806	46.2%
Operating	46,055	19,240	23,967	46,500	94.0%
Capital	-	-	-	-	0.0%
Total	782,884	837,140	871,833	1,286,306	47.5%
Personnel	5.0	5.0	5.0	7.0	

Department Budgets

Program: General Government

Department: **Human Resources**

Mission

To provide high quality and cost-effective human resource programs and services designed to attract, retain and develop diverse employees committed to the achievement of the Town's strategic objectives.

Core Services

Recruitment and Selection

Develop, implement and administer recruitment and selection activities including advertising, screening, interviewing, assessment/testing, background checking, new hire selection, and offer determination designed to attract qualified employees.

Total Rewards Management

Develop, implement and administer compensation, benefit and work life programs to encourage employee retention and support the organization's strategic objectives and values.

Talent Management

Develop, implement and administer activities and programs to facilitate succession planning, performance management, employee training, and leadership development to ensure that workforce performance meets current and future needs.

Organization Effectiveness

Develop, implement and administer human resource policies, procedures, processes, and technology initiatives to enhance organization effectiveness and employee engagement.

Fiscal Year 2021 Accomplishments

1. Managed HR programs to comply with new/changing federal and state laws; addressed changes in regulations (SECURE Act, CARES Act, Families First Coronavirus Response Act, etc) and monitored pending legislative impact.
2. Implemented Classification & Compensation Study recommendations to increase internal equity and external competitiveness, and improve compensation related policies and procedures. Implementation included updated class specifications for all employees.
3. Supported key organization redesign, succession planning and recruitment initiatives, resulting in improved effectiveness of Town staff in supporting of Town Council strategic goals.
4. Maintained cost-effective Workers' Compensation premiums through effective WC program management, use of deductible program, increased discounts/credits, and continuing emphasis on employee safety
5. Developed Town-wide training initiatives designed to support service delivery goals; used in-house training resources where feasible; varied delivery methods to meet employee preferences and group needs. Identified opportunities to utilize LinkedIn Learning platform and other remote training opportunities during COVID-19 service disruption to improve employee skillsets.

Department Budgets

Program: General Government

Department: **Human Resources**

Fiscal Year 2021 Accomplishments

6. Provided disaster response support during COVID-19 pandemic to include staff communications, development and ongoing revision of safety protocols, coordination of quarantine/isolation where needed, vaccine delivery, design and implementation of a health screening app, and management of related pay and leave policies.

Fiscal Year 2022 Goals, Objectives, and Performance Measures

Goal 1: Attract and retain high quality staff capable of achieving Town goals.

Objective 1: Effectively manage recruitment process.

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
# of positions filled	26	50	40
# of external hires	20	28	30
% of external offers accepted	90.9%	96%	96%
Average time to fill positions (requisition approval to offer acceptance)	97	75	65
Direct cost per hire (exc. staff time)	\$1588	\$1070	\$1750

Objective 2: Retain employees capable of achieving Town goals.

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
Overall turnover rate	7.1%	11%	12%
Voluntary turnover rate	5.5%	9%	10%
Involuntary turnover rate	1.6%	2%	2%
Turnover Rate during 1 st year	16.7%	25%	15%
High performer loss (rating \geq 3.25)	4	2	3

Goal 2: Offer competitive total rewards program.

Objective 1: Maintain competitive compensation programs.

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
Salary budget increase % vs. public sector national avg.	.3% more	.2% less	0.0%
Salary budget increase % vs. national avg. (< 500 employees)	.5% less	.1% more	0.0%
% high performers paid > range mid	53.7%	55%	55%
# of resignations due to salary	0	0	0

Department Budgets

Program: General Government

Department: **Human Resources**

Fiscal Year 2022 Goals, Objectives, and Performance Measures

Objective 2: Maintain competitive benefit programs.

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
Benefits as % of total compensation	28.61%	28%	28%
Town medical premium/month vs. national average (single coverage)	\$500/\$622	\$500/\$656	\$520/\$682
Eligible employee participation rate in 401k match plan	97.2%	97.5%	97.5%
# of resignations due to benefits	0	0	0

Goal 3: Develop and administer activities and programs to optimize workforce performance.

Objective 1: Facilitate effective succession planning and career development.

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
# of promotions	5	15	10
# of transfers	1	2	2
Internal placement rate	2.3%	6.7%	5%

Objective 2: Provide effective interdepartmental talent development initiatives.

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
# of interdepartmental participant training hours	217.75	200	200
% of employees participating in tuition reimbursement program	3.6%	4.4%	5%
# certification/degree bonuses given	8	5	8

Objective 3: Maintain effective employee job performance.

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
% of employees meeting expectations	99.1%	99.0%	99.0%
% of employees with improved ratings	*		
# of Employee Recognition Awards	18	31	**

* Moved from a 4 point scale to 5 point scale.

**Implementation of new employee recognition program is planned for FY22

Department Budgets

Program: General Government

Department: **Human Resources**

Fiscal Year 2022 Goals, Objectives, and Performance Measures

Goal 4: Effectively facilitate planning, projects, processes and actions that support organization productivity and employee engagement.

Objective 1: Optimize position and organization design.

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
# of positions created/re-evaluated	0*	108*	3
# of organization redesigns supported	0*	6	1

*Classification & Compensation study was conducted in FY20 resulting in evaluation of all Town positions in FY21.

Objective 2: Maintain employee productivity and engagement.

	CY 2020 Actual	CY 2021 Projected	CY 2022 Budget
Non-FMLA sick leave (% of work hours)	1.29%	1.5%	1.4%
Average length of service (in years)	11.07	9	9

Objective 3: Support workplace safety.

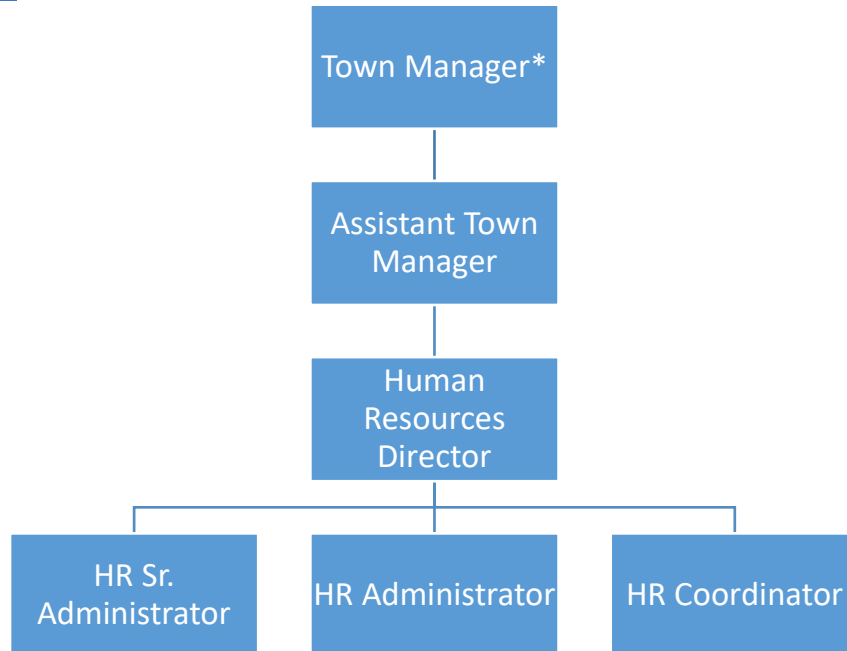
	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
# of reported employee injuries	18	20	20
# of calendar days away from work due to injury/illness or on restricted duty	648	350	350

Objective 4: Encourage participation in wellness initiatives.

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
% using dental preventive care benefit	26%	28%	29%
% participating in on-site health screening	33%	34%	35%

Department Budgets
Program: General Government
Department: Human Resources

Organizational Chart



*Note: The Town Manager is under contract with Town Council. Town Council is elected by, and represents the citizens of the Town.

Expenditure and Staffing Summary

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2022 Adopted Budget	% change
Human Resources					
Personnel	387,234	450,724	451,671	456,338	1.0%
Operating	101,640	188,227	196,753	209,603	6.5%
Capital	-	-	-	-	0.0%
Total	488,874	638,951	648,424	665,941	2.7%
Personnel	4.0	4.0	4.0	4.0	.

Department Budgets

Program: Management Services

Department: Administrative Services

Mission

To provide administrative leadership, supervision, support and direction to the Finance Department, Information Technology Department, Communications Division, Administration Division, Culture Affairs Division, Records Management Division, Code Enforcement, and Legal 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. Prosecute municipal code violations and misdemeanor offenses in Magistrates Court. Provide support and assist with the Town's Public Information Program and Initiatives. 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. Inform and engage residents, guests, stakeholders and employees; strengthen and expand the Town's brand, and foster community pride and cooperation through telling the Hilton Head Island story.

Core Services

Administration

Assist Town Manager with Town-wide oversight. Manage Public Information Program to include Mayor/Town Manager correspondence; media relations; promotion of Town news; newsletter publication; magazine articles; Facebook posts; speech writing; liaison with Beaufort County Sheriff's Office. 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 Finance Department, Information Technology Department, Communications Division, Culture & Arts Network Division, and Legal Division.

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 and social media accounts.

Office of Cultural Affairs

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.

Legal Services

Provide effective legal representation for the Town, providing continuing legal updates to Town Staff, draft and review contracts, draft and review ordinances and resolutions, review and process Freedom of Information Act requests, update Town Codes, and manage overall Code Enforcement Program. Prosecute violations of the municipal code in the Magistrates Court. Prosecute misdemeanor offense including, but not limited to, criminal domestic violence, simple possession of illegal drugs, and driving under the influence which occur in the Town in the Magistrates Court when defendants request a jury trial. Represent the Town in all appeals of Municipal Court cases. Advise BCSO deputies and Code Enforcement Officers as needed regarding criminal offenses committed on Hilton Head Island.

Department Budgets

Program: Management Services

Department: **Administrative Services**

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.

Records Management

Provide support for internal departments to include scanning, storing and destroying records as appropriate. Respond quickly and efficiently to customer requests for Town records. Identify and capture historical archival records. Provide reception and information services at the Town's main reception desk.

Fiscal Year 2021 Accomplishments and Fiscal Year 2022 Goals, Objectives, and Performance Measures

Administration and Legal Services:

Fiscal Year 2021 Accomplishments

- Oversaw the State's Legislative Agenda and its strategies and provided assistance to support the Town's positions on 2019-2020 State Legislation.
- Assisted with the development and implementation of the Town Council Major Initiatives and organization of the annual Council Workshop.

Department Budgets

Program: Management Services

Department: **Administrative Services**

Administration and Legal Services:

Fiscal Year 2021 Accomplishments

- Processed 20 special events and 20 non-special events; notified all special event contacts that special events were suspended due to COVID; and provided Town Code amendment requiring a special event permit for 250 people with additional COVID checklist.
- Processed over 400 Freedom of Information Requests, 30 subpoenas, and 150 contracts and addendums.
- 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.
- Assisted with the Public Information Enhancement promotion for the Town.
- Provided assistance to Town staff on how to deal with media inquiries and reviewed draft press releases for dissemination to the media;
- Assisted with the planning and organization of the Mayor's Youth Community Service Award Program.
- Assisted with the drafting and dissemination of Town ordinances, Governor's Orders and Town and State information related to the COVID pandemic.
- Oversaw all risk management functions and management of fixed asset records; conducted annual review and assessment of insurance requirements for town property, vehicles, and other required insurance.
- Acted as Town liaison to Beaufort County Sheriff's Office to ensure effective service delivery, coordination of communications, special event management, and negotiations through meetings with the Sheriff or other high-level law enforcement staff as needed;
- 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.
- Proactively patrolled the Island and responded to complaints of violations from citizens, staff, and those identified during patrol, including illegal dumping sites.
- Communicated and coordinated with Town departments in an effort to educate and enforce violations specific to each department.
- Educated the public about and enforced the emergency ordinances including parking lot enclosures and face coverings.
- Provided continued education for residents, guests, rental companies, and hotels regarding beach ordinances and the Light Ordinance in an effort for an enhanced and successful sea turtle nesting season.

Department Budgets

Program: Management Services

Department: **Administrative Services**

Administration and Legal Services:

Fiscal Year 2022 Goals, Objectives, and Performance Measures

Goal 1: To provide competent legal advice and counsel in a timely manner to Town officials and administration.

Objective: To review, draft, and negotiate contracts and agreements between the Town and other entities or persons in a timely manner.

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
Average review of contracts within 3 days	80	85	90
Workers compensation compliance	98.0%	98.0%	98.0%

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

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
Average response to FOIA Requests within 10 days	300	300	350
FOIA requests processed	400	420	450

Goal 2: To oversee the State Legislative Agenda and strategies and provide assistance to support the Town's positions on 2019-2020 legislative issues.

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

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
Review and Distribute MASC Legislative Alerts	30	30	30
Draft Committee Agendas and attend meetings	2	5	5
Letters of support or opposition	5	5	5

Goal 3: 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: **Administrative Services**

Administration and Legal Services:

Fiscal Year 2022 Goals, Objectives, and Performance Measures

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
Number of special event applications processed	57	28	85
Number of non-special events reviewed and processed	28	21	25

Goal 4: To provide competent legal presentation on behalf of the Town. Assist Town of Hilton Head Island Code Enforcement Officers in determining which violations should be cited, under the correct Code sections. Prepare cases for trial, including review of evidence, interview of witnesses, and applicable case law. Answer calendar calls on behalf of the Town, attempt to negotiate pleas, primarily focused on compliance with defendants and/or their attorneys in the Bluffton Magistrate Court.

Objective: To obtain voluntary compliance with regard to code violations. In the event of ongoing or more serious code violations, to prosecute from the onset of the citation issuance through plea, trial, and/or appeal. Educate violators on particulars of Code requirements.

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
Attorney prosecutions	20	18	20

Communications:

Fiscal Year 2021 Accomplishments

- Developed and implemented the Mask Up campaign, which included public messaging, media interviews, signage, advertisement, collateral for business and community use, and social media to communicate information about COVID-19.
- Development and distribution of daily e-newsletters stemming from COVID-19 pandemic. Produced 89 daily e-newsletters, between June-December 2020.
- Expanded and incorporated use of video to distribute messages and updates about COVID-19, Town projects and accomplishments.
- Worked with GIS on the creation of a COVID-19 Hub Page to provide the public with easily accessible information and resources for dealing with COVID-19.
- Redesigned the Town's Emergency Guide, including content editing, revised layout, creation of Spanish version, and online accessibility.
- Worked with IT to establish a successful process to host virtual meetings for Town Council and other Town boards and committees.
- Trained staff to support virtual meetings for respective Town committees, commissions and boards.

Department Budgets

Program: Management Services

Department: **Administrative Services**

Communications:

Fiscal Year 2021 Accomplishments

- Developed We Already Pay website and campaign to provide information on local law enforcement fees.
- Planned celebratory activities for the opening of the Lowcountry Celebration Park, including 3 video updates, media interviews, playground video photo shoot, and virtual ribbon cutting ceremony event video. The virtual ribbon cutting video was shared more than 75 times on social media.
- Increased social media following across all social media channels (Facebook, Twitter, YouTube, Nextdoor and LinkedIn) through more engaging content and posts.
- Promoted the 2020 Census Island wide.
- Redesigned Town website.
- Through news releases and e-newsletters, increased coverage of earned media coverage for Town projects.

Fiscal Year 2022 Goals, Objectives, and Performance Measures

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 2020 Actual	FY 2021 Projected	FY 2022 Budget
Town Website Visitors	2,975,000	2,975,000	3,000,000
Town Website Page Views	7,100,000	7,100,000	7,125,000
Town Facebook Followers	29,600	30,500	31,000
Town E-Subscription Services Subscribers	27,100	27,100	28,000
Town Twitter Followers	7,190	7,190	7,250
Town YouTube Subscribers	730	730	750
Town Nextdoor Members	14,260	14,260	14,500
Town LinkedIn Followers	620	650	750

Office of Cultural Affairs:

Fiscal Year 2021 Accomplishments

- Covid friendly pivot for the Lantern Parade serving over 2000 people in a drive-thru model
- Offered EDI professional development training seminar over zoom for all arts & culture nonprofits on the Island
- Installed new mural art designed and executed by local artists in both Hilton Head Island School for Creative Arts & Hilton Head Island Middle School

Department Budgets

Program: Management Services

Department: **Administrative Services**

Fiscal Year 2022 Goals, Objectives, and Performance Measures

Goals and Objectives: To develop and implement communication strategies to support and promote the island's culture and arts assets.

	FY 2020 Actual	FY 2021 Budget	FY 2022 Budget
Office of Cultural Affairs Website Visitors	14,000	15,500	17,000
Culture HHI Facebook Followers	5,588	6,100	6,710
Culture HHI E-Subscription Services Subscribers	3,675	4,040	4,400

Technology & Innovation:

Fiscal Year 2021 Accomplishments

- Completed installation of redundant Cisco Firepower Threat Defense Next Generation Firewall (NGFW)
- Completed enhanced 911 (E911) call data for 1 Town Center
- Completed security camera and Wi-Fi installation for Low Country Celebration Park
- Completed migration to Microsoft 365
- In collaboration with Communications team, completed migration of external web site hosting environment from Texas to Colorado data center
- Completed OKTA Single Sign On (SSO) installation for enterprise applications
- Implemented CyberSecurity risk policy with Traveler's insurance
- AnyConnect Virtual Private Network (VPN) upgrade with integrated windows authentication
- COVID-19 application support
 - GoEvo Health Screening application to support COVID-19 health screenings for staff and visitors
 - COVID-19 Hub to help staff and citizens better understand, prepare and respond to the COVID-19 pandemic
- SeeClickFix (HHI Connect) implementation to provide citizens with the ability to report issues to Town staff.
- Town Safety Training Class enhancements to support staff.
- Total Rewards enhancements and distribution to staff.

Department Budgets

Program: Management Services

Department: **Administrative Services**

Technology & Innovation:

Fiscal Year 2022 Goals, Objectives, and Performance Measures

Goal 1: To provide for 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 2020 Actual	FY 2021 Projected	FY 2022 Budget
Critical system uptime	99.99%	99.99%	99.999%
Number of critical system failures	1	1	0

Objective 2: To respond to critical calls for Information Technology support within 1 hour and to resolve all departmental Help Desk requests in less than 7 days.

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
Respond to critical calls in 1 hour	99%	99%	100%
Help Desk requests exceeding 24 hours	1	1	0
Help Desk requests exceeding 7 days	0	0	0

Goal 2: 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 2020 Actual	FY 2021 Projected	FY 2022 Budget
Number of security breaches	0	1	0
Email rejections (includes viruses and SPAM)	317,455	280,997	299,000
Total threats blocked (malware)	917	1,128	1,100
Malicious websites blocked and warned	104,631	106,428	105,000

Records Management:

Fiscal Year 2021 Accomplishments

- Responded to an estimated 600 FOIA requests
- Digitized and added to public portal over 10,000 historical building records
- Digitized and added to staff portal over 1,100 historical Legal and Engineering files

Department Budgets

Program: Management Services

Department: **Administrative Services**

Records Management:

Fiscal Year 2022 Goals, Objectives, and Performance Measures

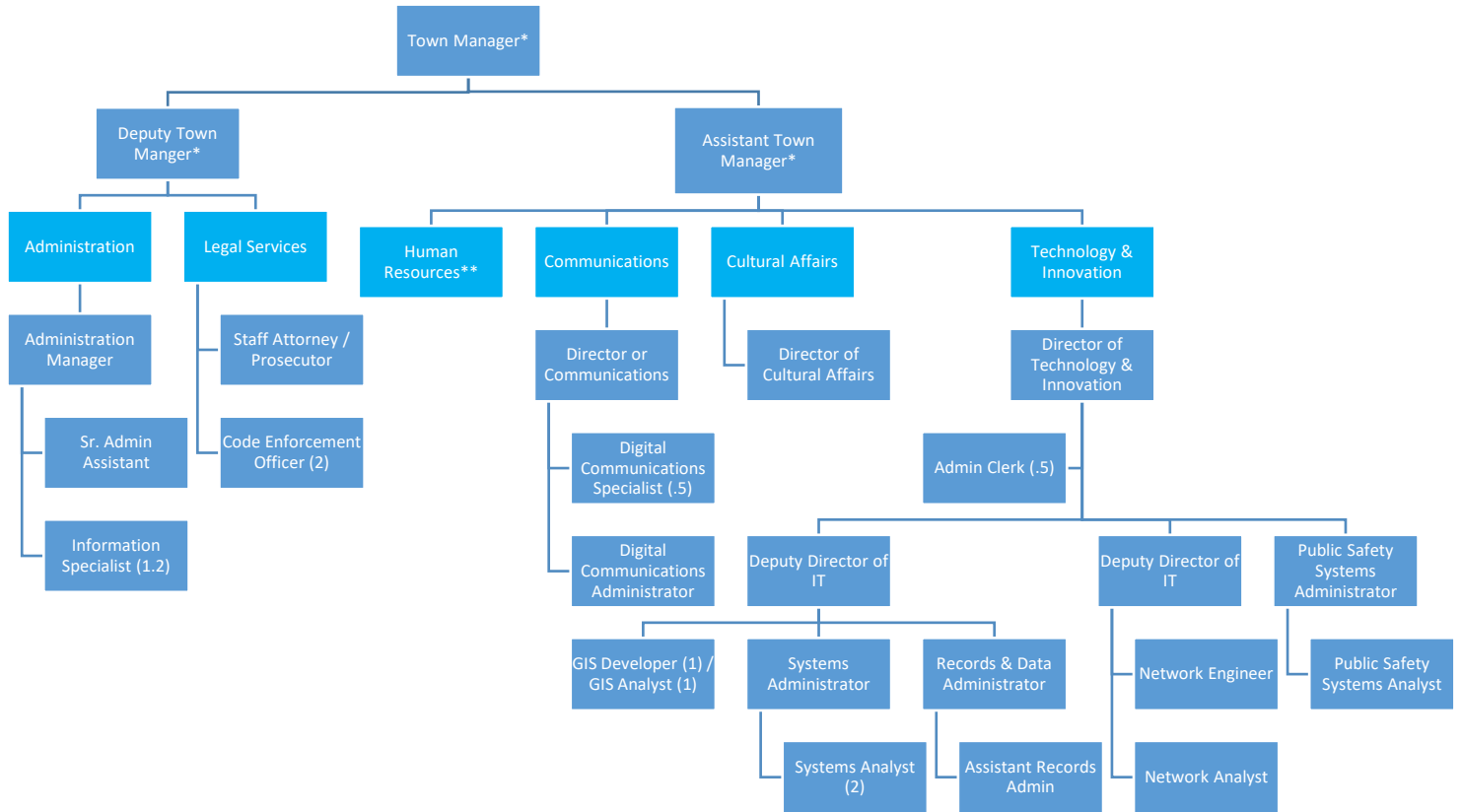
Goal 1: To administer the Town Records Management Program.

Objective: To receive and process official town records from all departments. To ensure that records are processed according to their designated life cycle, creation, digital or physical storage and destruction as appropriate for each record type. To make records readily available to staff and the public.

	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2022 Budget
Microfiche records converted to digital	11,000	100	10,000	0
Paper building plans converted to digital	4,000	10,000	10,000	10,000
Records requests filled	700	600	600	600

Department Budgets
Program: Management Services
Department: Administrative Services

Organizational Chart



*Note: The Town Manager is under contract with Town Council. The Town Manager, Deputy Town Manager, and Assistant Town Manager's salary and benefits are budgeted in the Town Manager's Department.

**Note: See Human Resources section under General Government

Department Budgets

Program: Management Services

Department: **Administrative Services**

Expenditure and Staffing Summary

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2022 Adopted Budget	% change
Administrative Services - Program Summary					
Administration and Legal	521,918	457,443	579,723	615,290	6.1%
Cultural Affairs	158,986	204,510	258,030	280,149	8.6%
Communications	289,150	316,315	376,895	386,009	2.4%
Records Management	284,426	271,652	282,692	234,259	-17.1%
Municipal Court	168,209	-	-	-	0.0%
Technology & Innovation	1,958,274	2,333,444	2,576,309	3,471,114	34.7%
Total	3,380,963	3,583,364	4,073,649	4,986,821	22.4%
Administrative Services - By Category					
Personnel	2,128,052	1,971,029	2,158,881	2,690,143	24.6%
Operating	1,170,081	1,489,490	1,756,550	2,296,678	30.7%
Capital	82,830	122,845	158,218	-	-100.0%
Total	3,380,963	3,583,364	4,073,649	4,986,821	22.4%
Personnel	19.7	19.7	19.7	24.2	

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 Emergency Medical Services billing and collections. 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 2021 Accomplishments

1. Completed a rate study in anticipation of the model MASC business license ordinance, established a plan for the implementation, and analyzed the expected impact
2. Issued two bond issues for savings of over \$1,150,000
3. In the midst of a pandemic, all three rating agencies reviewed and re-affirmed our strong bond ratings
4. Helped Town Council monitor our positive revenue collections during the pandemic, enabling the implementation of the Classification and Compensation Study recommendations
5. Completed the Fiscal Year 2020 audit and preparation of the CAFR
6. Completed preparation of the Fiscal Year 2021 budget and the preparation of the budget books

Fiscal Year 2022 Goals, Objectives, and Performance Measures

1. Maintain strong credit rating of the Town.
2. Obtain GFOA Certificate of Achievement for Excellence in Financial Reporting.
3. Obtain GFOA Distinguished Budget Presentation Award.
4. Prepare for implementation of the model MASC business license ordinance and HB4331 in Fiscal Year 2022.

Department Budgets

Program: Management Services

Department: Finance

Fiscal Year 2022 Goals, Objectives, and Performance Measures

Goal: 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 the ten-year Capital Improvement Program.

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
Standard & Poor's Bond Rating	AA+	AA+	AA+
Moody's Investors Bond Rating	Aaa	Aaa	Aaa
Fitch Bond Rating	AA+	AA+	AA+

Goal: 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 2020 Actual	FY 2021 Projected	FY 2022 Budget
# of business license renewals processed	6,812	6,050	6,800
# of new business licenses processed	1,049	1,275	1,000
Business License collections	\$8,688,469	\$9,813,735	\$9,482,051
# of local ATAX/Beach Preservation Fees permits	1,519	1,470	1,550
# of local ATAX/Beach Preservation Fees receipts processed	6,573	6,500	6,500
Local ATAX/Beach Preservation Fees collections	\$10,624,845	\$12,554,412	\$12,388,165
# of Hospitality Tax Permits	377	370	370
# of Hospitality Tax receipts processed	2,434	2,400	2,400
Hospitality Tax collections	\$6,284,461	\$6,208,887	\$6,200,000
# of beach passes issued	991	990	990

Department Budgets

Program: Management Services

Department: Finance

Fiscal Year 2022 Goals, Objectives, and Performance Measures

Goal: 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 2020 Actual	FY 2021 Projected	FY 2022 Budget
Revenue Services documents	11,223	12,000	12,500
EMS documents	4,220	3,500	2,750

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.

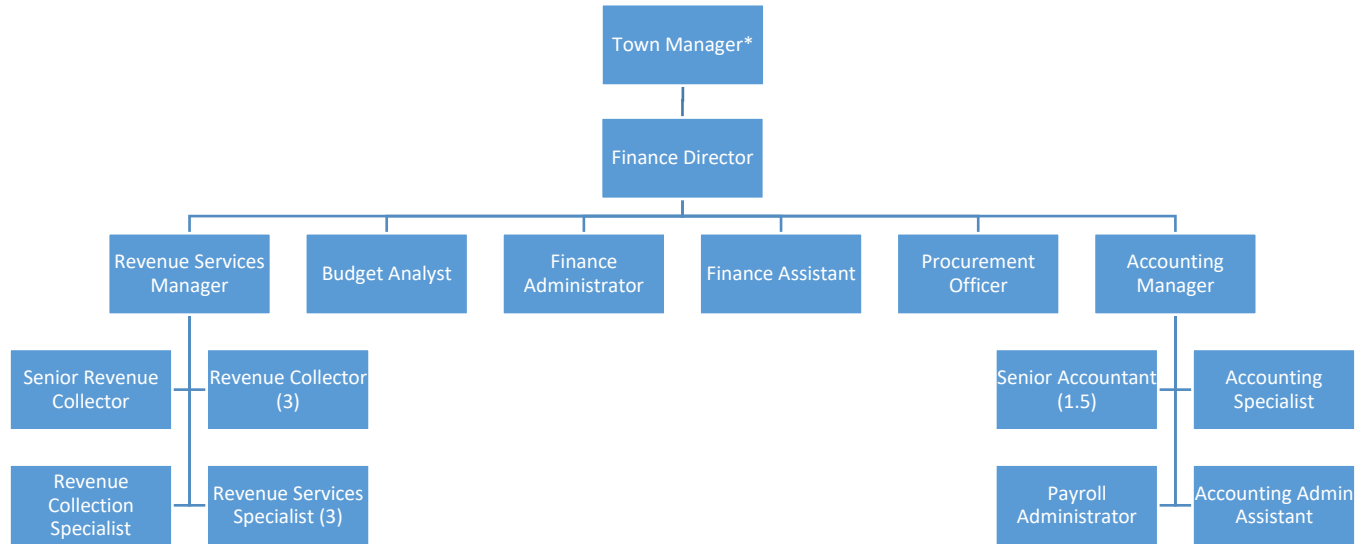
Goal: Ensure business license compliance and enforcement of Town Code.

Objective: Conduct business license site visits/contacts.

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
Business license site visits/contacts	199	561	575

Department Budgets
Program: Management Services
Department: Finance

Organizational Chart



*Note: The Town Manager is under contract with Town Council.

Expenditure and Staffing Summary

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2022 Adopted Budget	% change
Finance - Program Summary					
Personnel	1,739,268	1,791,919	1,839,234	1,759,046	-4.4%
Operating	180,938	159,287	212,891	157,130	-26.2%
Capital	-	-	-	-	0.0%
Total	1,920,206	1,951,206	2,052,125	1,916,176	-6.6%
Personnel	19.7	20.7	19.7	19.2	

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 department and with other departments.
8. Coordinates review board activity, meetings, agendas and packets.
9. Promotes public education of department's projects and function.
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.
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.

Department Budgets

Program: Community Services

Department: **Community Development**

Core Services

Comprehensive 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. Provides for grant research and writing to secure funding for various town projects and programs.
4. Implements all aspects of CDBG Entitlement Grant Activities.
5. Undertakes and guides Special Projects as identified by Town Council or Town Management.
6. Oversees Sustainable Practices Program and Implementation.
7. Provide staff support to Capital Improvement Plan (CIP) and storm water initiatives as needed.

Building

1. Delivers prompt, efficient and courteous service in the management, coordination and inspection of the building permitting process to be in compliance with current building code regulations for both single family and commercial structures.
2. Enforces ICC building codes.
3. Collects permit fees 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 for the public pertaining to building code regulations.

Community Development Services

1. Serves as front line for general information and permitting process. Approves smaller 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 and procedures for permitting and inspection, and planning/development issues.

Fiscal Year 2021 Accomplishments

1. Adoption of Our Plan, the Town's new Comprehensive Plan
2. Adoption of the Parks and Recreation Master Plan Part 1: Budget, Staffing, Maintenance, Needs Assessment, and Gap Analysis
3. Grand Opening of Lowcountry Celebration Park
4. Adoption of LMO Amendments for Workforce Housing including Commercial Conversion and Bonus Density as well as Amendments establishing Family Compounds and Family Subdivisions and Amendments related to Dirt Road Paving and General Amendments
5. Adoption of new FEMA Flood Maps
6. Coordinated response, recovery and reimbursement activities related to COVID-19

Department Budgets

Program: Community Services

Department: **Community Development**

Fiscal Year 2022 Goals, Objectives, and Performance Measures

Goal 1: Comprehensive Plan

Objective: Support implementation of Our Plan

Goal 2: Parks & Recreation

Objective: Conceptual Planning and implementation of Parks and Recreation Master Plan including a new community park on the Mid-Island Tract

Goal 3: US 278 Corridor Improvement Project

Objective: Support initiative including land planning in Stoney area

Goal 4: Mid-Island Initiative Area

Objective: Prepare redevelopment strategy for Mid-Island Initiative Area

Goal 5: Chaplin Linear Park

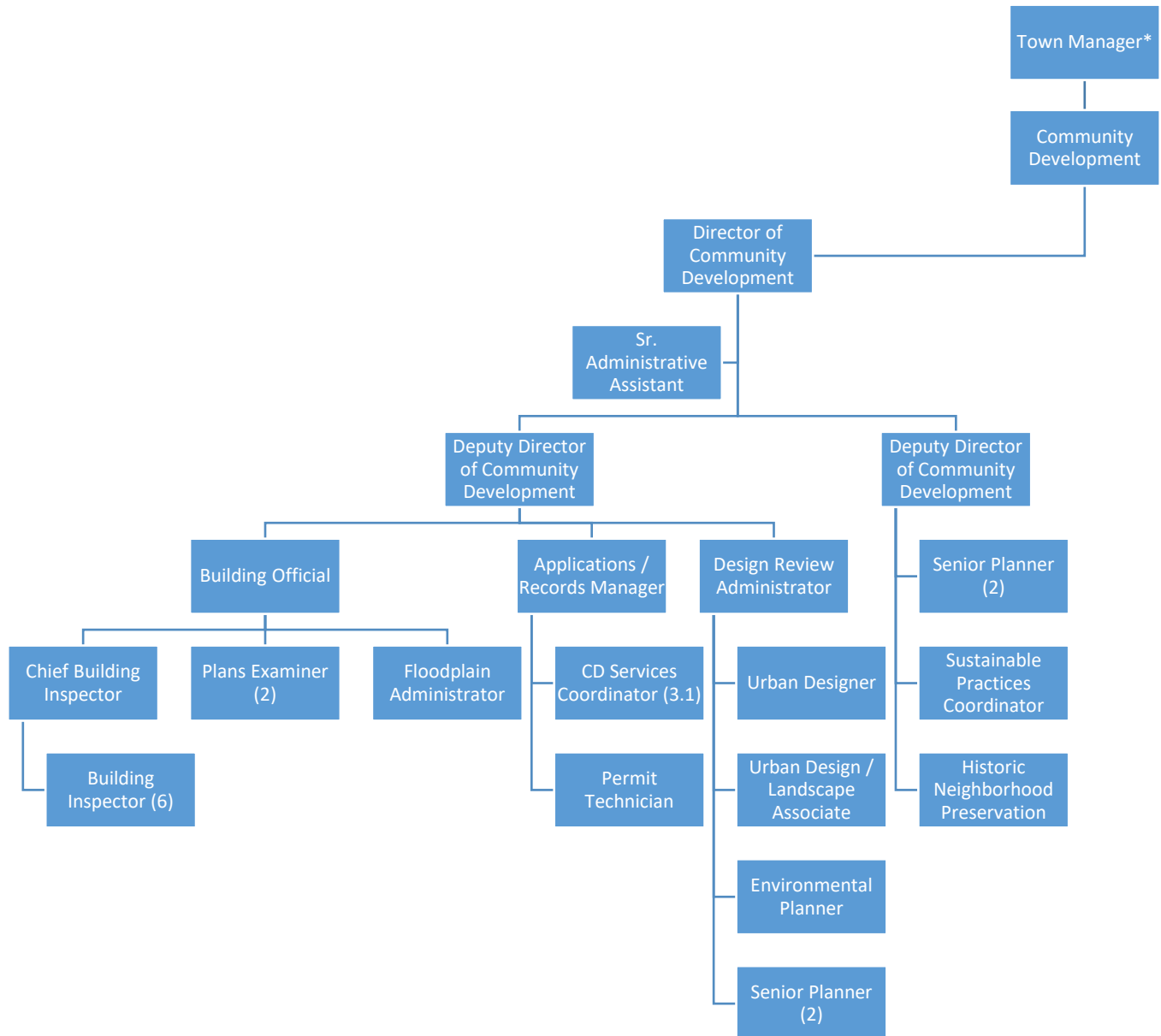
Objective: Develop plans for permitting and construction of the Chaplin Linear Park

Department Budgets

Program: Community Services

Department: **Community Development**

Organizational Chart



Note: The Town Manager's salary and benefits are budgeted in the Town Manager's Department.

Department Budgets

Program: Community Services

Department: **Community Development**

Expenditure and Staffing Summary

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2022 Adopted Budget	% change
Community Development - Program Summary					
Administration	552,444	675,753	708,185	587,319	-17.1%
Comprehensive Planning	673,077	650,246	673,602	672,875	-0.1%
Development Review & Zoning	725,004	631,355	747,216	783,019	4.8%
Building	820,655	1,002,065	1,035,754	1,095,418	5.8%
CD Services	410,621	423,297	436,790	464,034	6.2%
Total	3,181,801	3,382,716	3,601,547	3,602,665	0.0%
Community Development - By Category					
Personnel	2,945,284	3,293,568	3,447,716	3,293,074	-4.5%
Operating	236,517	89,148	153,831	309,591	101.3%
Capital	-	-	-	-	0.0%
Total	3,181,801	3,382,716	3,601,547	3,602,665	0.0%
Personnel	31.1	33.1	33.1	30.1	

Department Budgets

Program: Community Services

Department: **Public Projects and Facilities / Infrastructure Services**

Mission

Lead, manage and supervise the operations of the Engineering and Facilities Management Divisions. Provide oversight of the Capital Improvements Program (CIP). Provide departmental support and assistance to the Town Manager, Staff and other Boards and Commissions as required. Provide services to the general public in a courteous and professional manner. Exceed their expectations.

Core Services

Administration

Provide overall administration of the Facilities Management and Engineering Division. Manage the Town's Capital Improvement Program for roads, parks, pathways, beach facilities, beach renourishment, and drainage.

Engineering

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 road and storm water 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, street signs, mile markers and storm water infrastructure. Coordinate with other government agencies and utility providers regarding infrastructure maintenance and improvements.

Facilities

Operate and maintain Town beach parks. Manage parking permits, 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.

Fiscal Year 2021 Accomplishments

1. Completed construction of a New Fire Station #2. This replaces the existing station that was built in 1976 (approx. 8500 sq. ft., LEED Silver certified, sleeping quarters for 5). This completes a program to upgrade all seven Town fire stations.
2. Crossings Park – constructed new restroom facility. Located directly across from the existing soccer field and adjacent to the meadow (approx. 154 sq. ft., drinking fountain, covered porch and electrical room).
3. F&R fuel truck shed. 3 Bay truck storage shed constructed from pre-engineered steel with metal roofing.
4. Town Hall Building D renovations. Space renovated to facilitate the relocation of the PP&F Engineering division and make room for transfer of Finance personnel back to Town Hall.
5. COVID building assessments. Installed Bi-Polar Ionization and air induction at Town Hall, FM, Fire Stations and Suite H, Shelter cove. Also installed motion sensor lighting, touchless faucets, and social distance markings. Touchless toilets and urinals were applicable.
6. Installed decorative mast arms at US 278 and Gumtree Road completing the decade-plus long program of converting all overhead signal supports from span wires to the decorative supports.

Department Budgets

Program: Community Services

Department: **Public Projects and Facilities / Infrastructure Services**

Fiscal Year 2021 Accomplishments

7. Completed the major rehabilitation of the Lawton Canal storm water pump station in Sea Pines.
8. Submitted NPDES permit to SCDHEC and successfully withstood a thorough audit of our storm water program
9. Designed and constructed roadway improvements on Summit Drive as a new, unforeseen CIP project to enhance new County operations at the Hilton Head Island Convenience Center

Fiscal Year 2022 Goals, Objectives, and Performance Measures

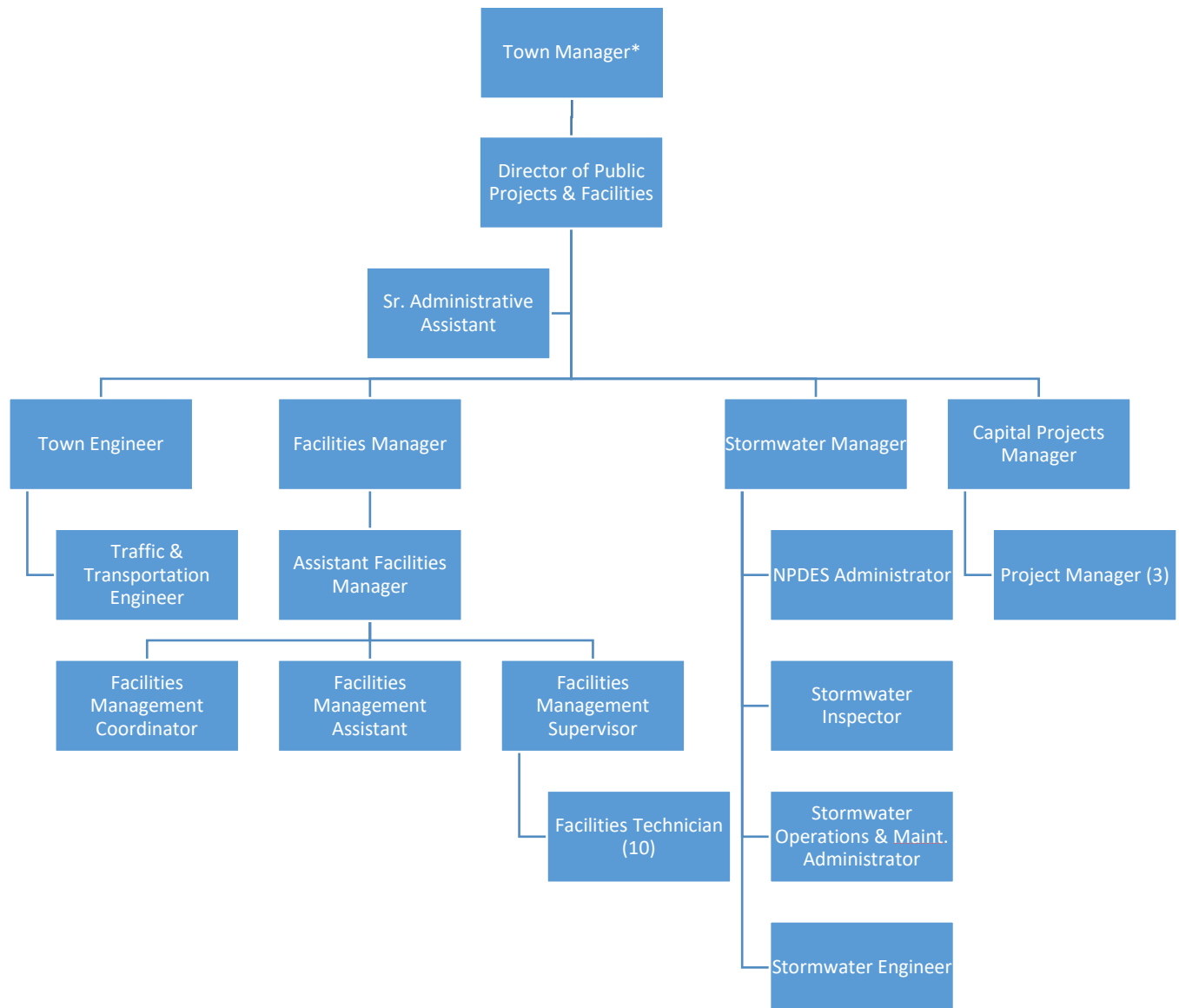
- Manage Capital Improvement Projects to ensure schedule and budget targets are met, the public is informed and quality specifications are met.
- Ensure effective and environmentally sensitive design of Facilities Management projects using “best management practices.” Refine and implement the long-term maintenance program for the Town’s infrastructure including cost allocation and fee structure.
- Continue the execution a comprehensive in-house inspection and maintenance program for Town owned properties, infrastructure, and facilities utilizing Cartegraph asset management software, automated maintenance programs, and quarterly inspection reports.
- Support and manage the escalating demands and costs of maintaining all Town Facilities, to include the 7 Fire Stations and Fire/Rescue Headquarters.
- Provide Storm Water Management to ensure compliance with Town’s NPDES Permit, mitigation flooding, monitor and enhance water quality, and maintain drainage infrastructure for safety and conveyance.

Department Budgets

Program: Community Services

Department: Public Projects and Facilities / Infrastructure Services

Organizational Chart



Note: The Town Manager's salary and benefits are budgeted in the Town Manager's Department. Six positions above are budgeted in the Town's Stormwater Fund. The remaining positions are in the General Fund.

Department Budgets

Program: Community Services

Department: **Public Projects and Facilities / Infrastructure Services**

Expenditure and Staffing Summary

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2022 Adopted Budget	% change
Public Projects and Facilities - Program Summary					
Administration	291,515	296,244	311,742	277,675	-10.9%
Engineering	880,717	789,191	1,022,975	955,192	-6.6%
Facilities	3,983,097	3,986,698	4,576,587	5,874,607	28.4%
Total	5,155,329	5,072,133	5,911,304	7,107,474	20.2%
Public Projects and Facilities - By Category					
Personnel	1,824,263	1,922,679	2,096,614	2,032,425	-3.1%
Operating	3,331,066	3,149,454	3,814,690	5,075,049	33.0%
Capital	-	-	-	-	0.0%
Total	5,155,329	5,072,133	5,911,304	7,107,474	20.2%
Personnel	19.0	19.0	21.0	22.0	

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 2021 Accomplishments

1. Fire Rescue was on the frontlines of EMS response during the pandemic and overcame many challenges of COVID-19 with determination, ingenuity, resiliency, and a passion to protect the public and our members when executing the Fire Rescue mission.
2. Completed a department opinion survey and held a leadership retreat for all the supervisors of Fire Rescue to review items identified in the survey and identify possible actions steps.

Department Budgets

Program: Public Safety

Department: Fire Rescue

Fiscal Year 2021 Accomplishments

3. Initiated processes to address two of the department's strategic planning goals: 1) Evaluate the Departments Staffing Model and 2) Improve Community Outreach Programs.
4. The Town of Hilton Head Island became the first organization in South Carolina to receive the Hurricane Strong designation from the Federal Alliance for Safe Homes.
5. Completed a Fire Apparatus Operator promotional process and promoted 5 members to vacant positions.
6. Provided education and training to all EMS certified staff to meet DHEC's requirements to obtain nasopharyngeal swab specimen for PCR test
7. Received "RA Lighthouse" recognition from Seattle / King County Resuscitation Academy and "Trailblazer" recognition from RQI Partners to recognize our E911 Telecommunicators improvements in recognition out-of-hospital cardiac arrest.
8. Implemented a process to issue an operational permit for mobile food preparation vehicles. This sets standards for mobile food trucks operating in the community with the goal being to reduce the risks associated with these types of vehicles when operating in the public.
9. Continued the Joint Hydrant Installation Program with Hilton Head PSD and installed 3 hydrants in 2020 bring the total to 10 fire hydrants installed in needed areas since the program began.
10. Completed the construction of a new storage building to house the Fire Rescue Fuel truck, Emergency Management Trailer and Rescue Boats/Deployment trailer. The structure was needed to protect the equipment from the elements and prolong the usable life.

Fiscal Year 2022 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 Objective: 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 Center to when an ambulance arrives curb side on EMS incidents in 7 minutes and 50 seconds 90% of the time; and, for a fire truck to arrive on scene at fire incident in 8 minutes and 30 seconds 90% of the time.

Department Budgets

Program: Public Safety

Department: Fire Rescue

Fiscal Year 2022 Goals, Objectives, and Performance Measures

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.

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
Total Emergency Incidents	7,752	8,250	8,400
Emergency Medical Service (EMS) responses	5,720	6,300	6,500
EMS patients transported	3,854	4,100	4,200
EMS patients treated but not transported	241	350	400
Fire Suppression and other responses	1,832	1,950	2,000
Actual number of fires	79	80	80
EMS First Arriving – Total Response Time Baseline (90 th percentile)	9:00	8:30	7:59
Fire First Arriving – Total Response Time Baseline (90 th percentile)	9:13	9:10	8:30
Pre-incident plans processed (Planning)	102	100	100

Department Budgets

Program: Public Safety

Department: Fire Rescue

Fiscal Year 2022 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:

- Continue to develop, maintain, update, and expand the plans, procedures, and agreements necessary to support the goals of the Emergency Management Division.
- Identify necessary equipment and any resource shortfalls, and either purchase items in a cost effective manner or arrange for their availability through the development of agreements with outside entities.
- Develop a more effective hurricane evacuation point for critical staff and public safety assets through enhancing the current location or identifying an alternate location.
- 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 2020 Actual	FY 2021 Projected	FY 2022 Budget
Plans and Procedures updated/developed	15	35*	10
Exercises Participated in	8	2	6
Exercises/Training program staff attendees	45	50	120
Disaster Preparedness presentations conducted	22	6	20
Disaster presentations/training public attendees	700	215	1,000
<i>Citizen's Guide to Emergency Preparedness</i> distributed	2095	1,675	2,200

*Includes complete re-write of Emergency Management Guides

Department Budgets

Program: Public Safety

Department: Fire Rescue

Fiscal Year 2022 Goals, Objectives, and Performance Measures

Bureau of Fire Prevention

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.

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
Public Education Presentations (includes Company Pub Ed taught, Company public events, Risk Watch, Station Tours and Public Ed Officer Pub Ed taught)	478	450	450
CPR/AED/First Aid Students	346	600	600
Fire Extinguisher Training Students	91	200	200
Car Seat Installations	74	140	140
File of Life Recipients	1,075	1,000	1,000
Smoke Detectors Installed	151	200	200
Plan Reviews	257	300	300
Total Fire Safety Inspections (Total includes Initial Inspections, Re-Inspections, Business License Inspections, New Construction/Renovation Inspections)	2,992	2,900	2,900
Business License Inspections	402	400	400
Existing Building Inspections (Initial Inspections & Re-inspections)	989	1,500	1,500
New Renovated Construction Inspections	472	1,000	1,000
Violations found during inspections	2,767	2500	2500
Violations Corrected	2,941	2500	2500
Planning project reviews & inspections	178	200	200
Fire cause/origin investigations	28	30	30
Special Event reviews & Inspections	66	50	100

Department Budgets

Program: Public Safety

Department: Fire Rescue

Fiscal Year 2022 Goals, Objectives, and Performance Measures

E911 Communications

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.

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.

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
Calls answered 0-10 seconds	55,842	54,880	57,048
Total telephone requests received	56,406	55,434	57,624
Pool & elevator lines	11,362	10,985	12,076
911 calls for service line	31,702	30,855	33,567
New addresses created (911 Addressing)	70	75	80
Existing addresses corrected (911 Addressing)	30	35	40

Safety and Professional Development

Division Goal: Provide a comprehensive training and development program that will enhance the abilities of personnel in order to improve department operations and service delivery.

Division Objectives:

- Support employee training and professional development at all levels of the organization 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.

Department Budgets

Program: Public Safety

Department: Fire Rescue

Fiscal Year 2022 Goals, Objectives, and Performance Measures

Safety and Professional Development

Training Hours/Type	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
Company training – firefighting	15,095	17,167	30,000
Company drills – fire, rescue	1,588	1,200	2,000
Rescue/extraction	1,096	1,200	1,200
Hazardous materials	1,199	1,200	1,200
Total Hours	18,978	30,767	34,400

Drills/Classes Sessions	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
Company drills	77	97	150
Live burn training	1	1	24
Urban search and rescue training	36	18	12
S.C. fire academy classes	16	23	25
Fire rescue classes	5	5	12
Driver/operator training/testing	24	21	24
New firefighter orientation	6	9	6
Officer training	5	9	12
Total	170	183	265

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.

Department Budgets

Program: Public Safety

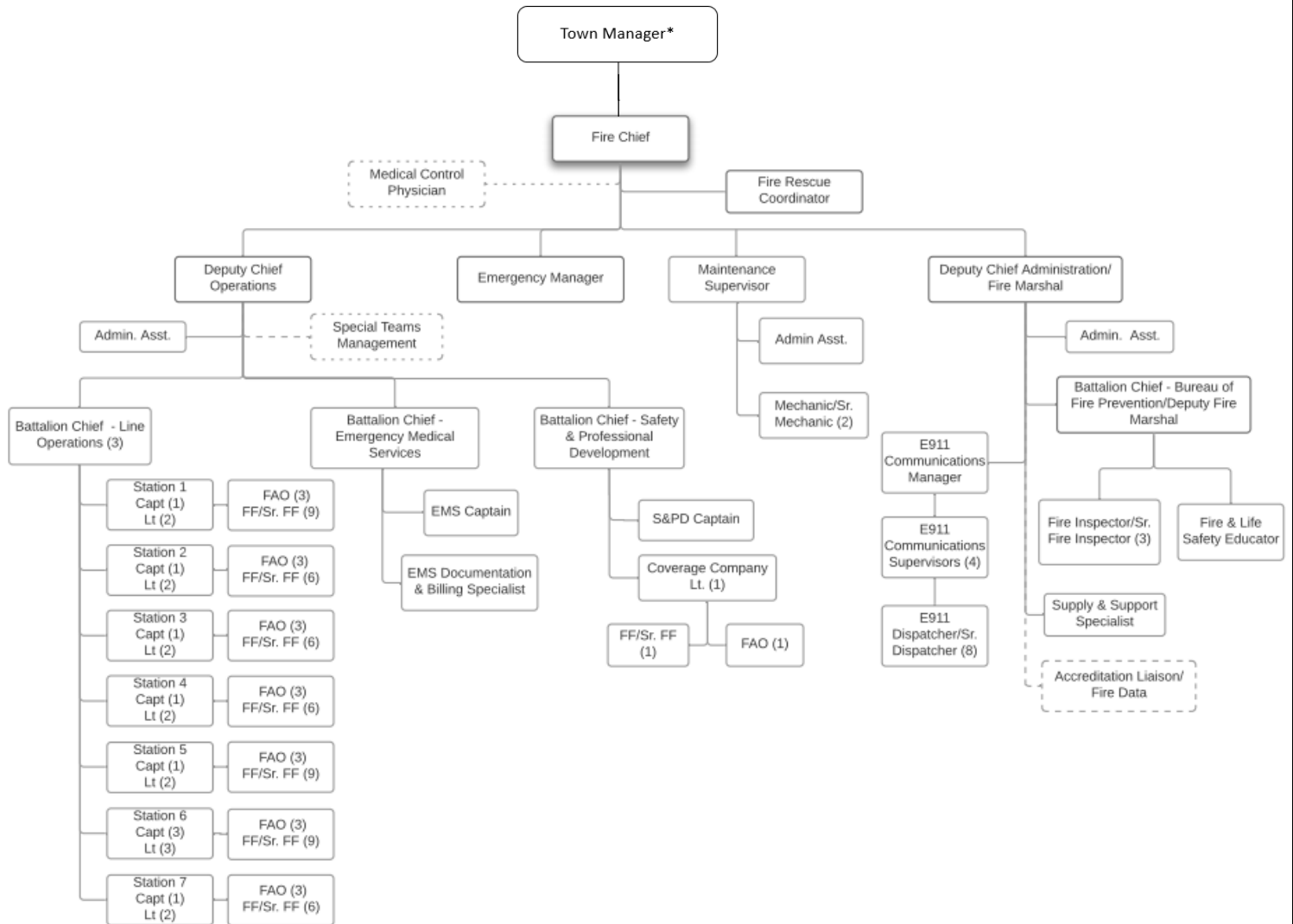
Department: Fire Rescue

Fiscal Year 2022 and Fiscal Year 2023 Goals, Objectives, and Performance Measures

Drills/Classes Sessions	FY 2020 Actual	FY 2021 Projected	FY 2022 Budget
Total Maintenance Requests – All Types	1269	1300	1320
Scheduled Maintenance (Preventative and Safety)	213	250	250
Unscheduled Maintenance (Vehicle Repairs)	857	850	870
Other Repairs (Mowers, powered equipment)	188	200	200
Town Fleet Vehicles (Emergency, Passenger, Utility)	130	130	130

Department Budgets
Program: Public Safety
Department: Fire Rescue

Organizational Chart



Note: The Town Manager's salary and benefits are budgeted in the Town Manager's Department.

Department Budgets

Program: Public Safety

Department: **Fire Rescue**

Expenditure and Staffing Summary

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2022 Adopted Budget	% change
Fire Rescue - Program Summary					
Executive	1,019,709	1,079,423	1,190,541	1,205,212	1.2%
Administration	2,725,605	2,627,572	2,978,393	2,505,778	-15.9%
Operations	10,916,949	11,326,040	11,728,443	12,813,726	9.3%
Total	14,662,263	15,033,035	15,897,377	16,524,716	3.9%
Fire Rescue - By Category					
Personnel	13,277,774	13,756,983	14,275,003	15,260,356	6.9%
Operating	1,384,489	1,276,052	1,622,374	1,264,360	-22.1%
Capital	-	-	-	-	0.0%
Total	14,662,263	15,033,035	15,897,377	16,524,716	3.9%
Personnel	145.3	145.3	142.5	145.5	

Department Budgets

Program: Public Safety

Department: Sheriff/Other Public Safety

Mission

To provide professional, effective and high quality police protection and law enforcement services for the Town of Hilton Head Island.

Core Services

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.

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.

Expenditure Summary

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2022 Adopted Budget	% change
Sheriff - Program Summary					
Police Services	3,380,935	3,298,555	3,320,262	1,950,000	-41.3%
Community Event Support	-	-	-	100,000	100.0%
Stipend	82,200	91,150	123,600	100,000	-19.1%
Victim Services	-	63,542	65,448	-	-100.0%
Detention Center	3,012	-	77,250	-	-100.0%
Total Sheriff	3,466,147	3,453,247	3,586,560	2,150,000	-40.1%
Shore Beach Services					
Expenses	-	-	60,770	43,000	-29.2%
Contract	267,974	324,503	280,304	305,430	9.0%
Total Sheriff and Shore Beach Services	3,734,121	3,777,750	3,927,634	2,498,430	-36.4%

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.

Capital

All capital expenditures are now included in the Capital Improvement Program (CIP).

Grants

Grants provided by the Town are 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.

Department Budgets

Program: Townwide

Department: **Non-Departmental**

Grants

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 an annual grant to support this regional transportation program.
6. **14th 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.

Department Budgets
Program: Townwide
Department: Non-Departmental

Expenditure Summary

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2022 Adopted Budget	% change
Townwide - Non-Departmental					
Personnel	324,538	481,954	1,004,386	408,587	-59.3%
Operating	340,482	404,569	478,435	352,163	-26.4%
Insurance	474,825	584,439	644,390	702,575	9.0%
Utilities	707,673	679,768	581,435	681,873	17.3%
Taxes/Assessments	94,522	103,197	95,790	105,261	9.9%
Transfers Out	175,000	-	-	-	0.0%
Capital	231,022	239,403	155,000	-	-100.0%
Contingency	173,965	58,979	229,601	100,000	-56.4%
Other Charges	-	45,000	100,000	100,000	0.0%
Community Grants					
Grant Matching Funds	-	-	17,359	12,000	-30.9%
Recreation Center - General	844,073	893,889	920,706	1,087,578	18.1%
Coastal Discovery Museum - General	75,000	75,000	75,000	75,000	0.0%
Coastal Discovery Museum - Capital	58,462	-	30,000	-	-100.0%
LEPC/Other	11,468	11,995	10,830	-	-100.0%
Executive Director	95,670	111,151	110,000	105,000	-4.5%
Event Management & Hospitality Training	165,648	158,695	184,522	186,367	1.0%
LRTA (Palmetto Breeze)	187,359	250,000	200,000	225,165	12.6%
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%
Community Arts Displays	50,000	-	50,000	-	-100.0%
Beaufort County EDC	15,000	25,000	25,000	25,000	0.0%
First Tee	-	-	-	50,000	0.0%
Heritage Classic Foundation	-	-	-	289,817	0.0%
Sub-Total Community Grants	1,671,180	1,694,230	1,791,917	2,224,427	24.1%
Total	4,193,207	4,291,539	5,080,953	4,674,886	-8.0%

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 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 2023	FY 2024	FY 2025	FY 2026
Property Taxes	2%	2%	2%	2%
1% Local Accommodations Taxes	1.0%	1.0%	1.0%	1.0%
Business License Taxes (local/state)	0.5 %/0.0%	0.5 %/0.0%	0.5 %/0.0%	0.5 %/0.0%
Franchise Fees	0.5%	0.5%	0.5%	0.5%
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	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)
Grants; E-911 and Other	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)
Beach Services	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)
Other	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)
EMS	(0.7%)	0.0%	0.0%	0.0%
Investments	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)
Transfers in; Beach Preservation Fees	5.0%	5.0%	5.0%	5.0%
Transfers in; Hospitality Taxes	0.0%	0.0%	0.0%	0.0%
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%

* Because of the world-wide health crisis, the Town continues to monitor collections and projections daily. Because of the fluidity and uncertainty, the Town continues to monitor and assess appropriate responses. Because of Town Council's foresight to raise reserve levels this year, the Town is in a better position to make the tough decisions.

General Fund – Four-Year Financial Model

Expenditure Assumptions

% increase/(decrease) by year	FY 2023	FY 2024	FY 2025	FY 2026
Currently established positions will retain the same salary grade in future year				
Personal and benefit costs	2.0%	2.0%	2.0%	2.0%
Operating costs	1.0%	1.0%	1.0%	1.0%
Capital; Information Technology	2.0%	2.0%	2.0%	2.0%
Capital; Vehicles	1.0%	1.0%	1.0%	1.0%
Grants; Recreation Center	1.0%	1.0%	1.0%	1.0%
Grants; Coastal Discovery Museum	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)
Grants; Gullah Executive Director	2.0%	2.0%	2.0%	2.0%
Grants; Lowcountry Regional Transportation Authority	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)
Grants; Event Management & Hospitality Training	1.0%	1.0%	1.0%	1.0%
Grants; Multidisciplinary Court	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)
Grants; Solicitor Career Criminal Program	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)
Grants; Operating Grants	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)
Grants; Beaufort EDC	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)	(same as FY 2022 Budget)

Note: These are budgetary assumptions only. Town Council has final authority for future spending. Current and future spending has already been limited to essential services in anticipation of revenue shortfalls. 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

Expenditure Summary

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2022 Adopted Budget	Years 2, 3, 4 and 5			
					2023	2024	2025	2026
Revenues								
Property Taxes	14,390,694	15,423,224	15,386,182	15,759,897	15,996,295	16,236,240	16,479,783	16,726,980
ATAX Local 1%	3,740,071	3,541,615	3,690,430	3,988,163	4,095,843	4,206,431	4,320,005	4,436,645
Business Licenses	9,661,632	8,688,469	9,995,367	9,482,051	9,785,477	10,098,612	10,421,767	10,755,264
Franchise Fees	1,030,514	1,007,149	964,550	995,352	1,017,250	1,039,629	1,062,501	1,085,876
Permit Fees	1,513,153	1,619,638	1,522,575	1,659,323	1,684,213	1,709,476	1,735,118	1,761,145
Intergovernmental	848,742	879,859	840,000	888,392	899,053	909,841	920,759	931,809
Grants	139,616	330,734	143,587	128,219	129,758	131,315	132,890	134,485
Miscellaneous Revenue	2,483,209	2,193,212	2,108,700	2,265,752	2,334,178	2,404,670	2,477,291	2,552,105
Transfers In	5,937,646	6,056,680	7,943,691	8,787,508	9,244,458	9,725,170	10,230,879	10,762,885
Investments	361,108	271,185	300,000	30,000	32,100	34,347	36,751	39,324
Total Revenues	40,106,385	40,011,765	42,895,082	43,984,657	45,218,625	46,495,731	47,817,746	49,186,518
Expenditures								
General Government	1,619,103	1,909,225	2,013,858	2,423,489	2,488,923	2,556,124	2,625,139	2,696,018
Management Services	5,301,169	5,534,570	6,125,774	6,902,997	7,103,184	7,309,176	7,521,142	7,739,255
Community Services	8,337,130	8,454,849	9,512,851	10,710,139	10,999,313	11,296,294	11,601,294	11,914,529
Fire Rescue	14,662,263	15,033,035	15,897,377	16,524,716	17,053,507	17,599,219	18,162,394	18,743,591
Other Public Safety	3,734,121	3,777,750	3,927,634	2,498,430	2,535,906	2,573,945	2,612,554	2,651,743
Townwide	4,193,207	4,291,539	5,080,953	4,674,886	4,791,758	4,911,552	5,034,341	5,160,199
Total Expenditures	37,846,993	39,000,968	42,558,447	43,734,657	44,972,591	46,246,311	47,556,865	48,905,336
Transfers Out	-	-	-	250,000	246,033	249,421	260,881	281,182
Net change in fund balance	2,259,392	1,010,797	336,635	-	0	(0)	0	0

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 expenditure plan outpaces the growth in revenues. In order to address this issue the Town is currently monitoring revenue collections, reviewing current revenue policies, exploring alternative revenue sources, and tightening expenditure controls, searching for ways to reduce expenditures, in order to bridge the gap.

Management notes a long history of spending less than allowed in appropriations. The natural savings achieved have traditionally been greater than these amounts. If more adjustments are needed more purposeful action can be taken. The Town is also normally conservative in its revenue projections. By showing a small future possible deficit, the Town has successfully planned out a course of action in case revenues improve more than the initial projections.



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 \$146 million in outstanding bonds associated with governmental type activities and \$7.276 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 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
2022	3,769,566	15,545,000	19,314,566	100,458	1,205,000	1,305,458
2023	3,289,081	16,055,000	19,344,081	84,817	1,225,000	1,309,817
2024	2,809,733	12,995,000	15,804,733	68,821	1,240,000	1,308,821
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
2027-2031	6,221,185	25,055,000	31,276,185	28,591	700,000	728,591
2032-2036	3,654,109	14,885,000	18,539,109	-	-	-
2037-2041	1,995,558	6,890,000	8,885,558	-	-	-
2042-2046	933,726	6,905,000	7,838,726	-	-	-
2047	49,238	1,515,000	1,564,238	-	-	-
Total	\$ 27,127,397	\$ 119,795,000	\$ 146,922,397	\$ 371,051	\$ 6,905,000	\$ 7,276,051

Financial Statement – Governmental Debt Service

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2022 Adopted Budget	% Change
Revenues					
Property Taxes	5,372,835	5,378,472	5,360,838	5,477,158	2.2%
Bonds Issued	-	16,520,000	-	-	0.0%
Bond Premium	470,006	-	-	-	0.0%
Investment Income	137,205	302,537	60,000	12,000	-80.0%
Prior Year Funds	-	896,265	336,081	-	-100.0%
Transfers In:					
Beach Preservation Fees	5,305,444	3,973,850	3,975,850	3,959,125	-0.4%
Natural Disasters Fund	3,536,568	3,537,565	3,537,265	3,535,665	0.0%
Hospitality Fees	1,543,906	1,508,637	1,629,650	1,446,406	-11.2%
Tax Increment Financing	3,926,392	3,929,626	3,926,703	3,927,712	0.0%
Real Estate Transfer Fees	1,879,703	1,885,356	2,608,613	986,500	-62.2%
Lease Revenue	32,668	-	65,000	-	0.0%
Total Revenues	22,204,727	37,932,308	21,500,000	19,344,566	-10.0%
Expenditures					
Administrative	16,425	17,310	100,000	30,000	-70.0%
Payment to Escrow Agent	-	-	100,000	-	-100.0%
Contribution to Refunding	-	17,641,779	890,000	-	100.0%
Debt Issue Costs	227,444	501,957	250,000	-	-100.0%
Principal	15,830,000	15,335,000	15,560,000	15,745,000	1.2%
Interest	5,109,046	4,436,262	4,600,000	3,769,566	-18.1%
Total Expenditures	21,182,915	37,932,308	21,500,000	19,544,566	-9.1%
Net change in fund balance	1,021,812	(896,265)	(336,081)	-	
Beginning Fund Balance	10,932,575	11,954,387	11,058,122	10,722,041	
Use of Prior Year Funds	-	896,265	336,081	-	
Ending Fund Balance	11,954,387	11,058,122	10,722,041	10,722,041	

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.

<u>Calculation of Legal Debt Limit</u>	June 30, 2020
Estimated Assessed Value from Property Assessments	<u>981,592,000</u>
Debt Limit - Eight Percent (8%) of Assessed Value, without Voter Approval	78,527,360
Reduced by Town Council imposed policy of the greater of twenty percent (20%) or \$20.0 million	<u>(20,000,000)</u>
Adjusted Debt Limit	58,527,360
Bonds Applicable to Debt Limit:	
General Obligation Non-Referendum Refunding Bonds Series 2009A	(2,235,000)
General Obligation Non-Referendum Refunding Bonds Series 2013B	(2,933,333)
Series 2017B Reserve Replenishment Bond -- Hurricane Matthew	(10,190,000)
Series 2017A General Obligation Bond -- Capital Plan	(27,310,000)
Series 2019	<u>(4,870,000)</u>
Reductions for Bonds outstanding at 06/30/2020	<u>(47,538,333)</u>
Debt Margin available without a Referendum at June 30, 2020	<u>10,989,027</u>

The Town is making a concerted effort to finish collecting State and Federal reimbursements from Hurricanes Matthew, Irma, and Florence. The Town is also working on clearing a substantial number CIP projects delayed by these storms. As these two initiatives are taking place, the Town is also 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 (%)	Interest	Principal	Total
2022	3.250	54,906	430,000	484,906
2023	3.375	40,409	445,000	485,409
2024	3.500	24,850	460,000	484,850
2025	3.500	8,400	480,000	488,400
		<u>\$ 128,565</u>	<u>\$ 1,815,000</u>	<u>\$ 1,943,565</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.

\$5,000,000 General Obligation Bonds Dated June 18, 2013

On June 18, 2013, the Town issued \$5,000,000 in general obligation bonds to finance land acquisition. 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
2022	5.000	19,167	186,111	205,278
2023	5.000	9,861	197,222	207,083
		<u>\$ 29,028</u>	<u>\$ 383,333</u>	<u>\$ 412,361</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.

Long-Term Obligations

\$4,000,000 General Obligation Bonds Dated June 18, 2013

On June 18, 2013, the Town issued \$4,000,000 in general obligation bonds to finance land acquisition. 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
2022	5.000	15,333	148,889	164,222
2023	5.000	7,889	157,778	165,667
		<u>\$ 23,222</u>	<u>\$ 306,667</u>	<u>\$ 329,889</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
2022	4.000	52,425	765,000	817,425
2023	1.500	31,050	810,000	841,050
2024	1.500	18,788	825,000	843,788
2025	1.500	6,300	840,000	846,300
		<u>\$ 108,563</u>	<u>\$ 3,240,000</u>	<u>\$ 3,348,563</u>

Ad Valorem tax revenues of the Debt Service Fund are 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
2022	4.000	215,838	585,000	800,838
2023	4.000	192,438	605,000	797,438
2024	4.000	168,238	635,000	803,238
2025	4.000	142,838	665,000	807,838
2026	4.000	116,238	465,000	581,238
2027-2031	2.000	393,490	2,420,000	2,813,490
2032-2035	various	127,689	2,155,000	2,282,689
		<u>\$ 1,356,769</u>	<u>\$ 7,530,000</u>	<u>\$ 8,886,769</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.

\$5,770,000 General Obligation Bonds Dated September 14, 2016

On September 14, 2016, the Town issued \$5,770,000 in general obligation bonds with a Net Interest Rate of 1.629% to advance refund \$5,715,000 general obligation bonds dated March 4, 2008. The net proceeds of \$6,156,989 including \$386,989 in premiums (after payment of \$102,706 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 \$446,334 and to obtain a present value economic gain of \$430,003. 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
2022	4.000	61,500	925,000	986,500
2023	2.000	32,350	1,065,000	1,097,350
2024	2.000	10,850	1,085,000	1,095,850
		<u>\$ 104,700</u>	<u>\$ 3,075,000</u>	<u>\$ 3,179,700</u>

Transfers from the Real Estate Transfer Fee Fund to the Debt Service Fund are used to repay these bonds.

Long-Term Obligations

\$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
2022	5.000	926,069	640,000	1,566,069
2023	5.000	894,069	570,000	1,464,069
2024	5.000	865,569	605,000	1,470,569
2025	5.000	835,319	940,000	1,775,319
2026	5.000	788,319	780,000	1,568,319
2027-2031	various	3,449,433	4,385,000	7,834,433
2032-2036	3.000	2,748,815	5,075,000	7,823,815
2037-2041	various	1,935,408	5,895,000	7,830,408
2042-2046	3.250	933,726	6,905,000	7,838,726
2047	3.250	49,238	1,515,000	1,564,238
		<u>\$ 13,425,965</u>	<u>\$ 27,310,000</u>	<u>\$ 40,735,965</u>

Ad Valorem tax revenues of the Debt Service Fund are used to repay these bonds.

\$18,000,000 General Obligation Bonds Dated September 21, 2017

On September 21, 2017, the Town issued \$18,000,000 in general obligation bonds to replenish reserves used to respond to Hurricane Matthew. 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
2022	2.000	140,665	3,395,000	3,535,665
2023	2.100	72,765	3,465,000	3,537,765
		<u>\$ 213,430</u>	<u>\$ 6,860,000</u>	<u>\$ 7,073,430</u>

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
2022	5.000	174,900	180,000	354,900
2023	5.000	165,900	185,000	350,900
2024	5.000	156,650	195,000	351,650
2025	5.000	146,900	205,000	351,900
2026	5.000	136,650	215,000	351,650
2027-2031	various	515,700	1,245,000	1,760,700
2032-2036	3.000	285,150	1,480,000	1,765,150
2037-2039	3.000	60,150	995,000	1,055,150
		<u>\$ 1,642,000</u>	<u>\$ 4,700,000</u>	<u>\$ 6,342,000</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
2022	5.000	273,600	605,000	878,600
2023	5.000	243,350	640,000	883,350
2024	5.000	211,350	670,000	881,350
2025	5.000	177,850	705,000	882,850
2026	5.000	142,600	740,000	882,600
2027-2028	various	206,200	2,445,000	2,651,200
		<u>\$ 1,254,950</u>	<u>\$ 5,805,000</u>	<u>\$ 7,059,950</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
2022	3.000	56,617	47,218	103,835
2023	3.000	55,200	49,995	105,195
2024	3.000	53,700	255,530	309,230
2025	0.750	46,034	263,863	309,897
2026	0.950	44,055	266,640	310,695
2027-2031	various	174,015	1,380,418	1,554,433
2032-2035	various	58,447	1,185,993	1,244,440
		<u>\$ 488,068</u>	<u>\$ 3,449,657</u>	<u>\$ 3,937,725</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
2022	3.000	45,303	37,783	83,086
2023	3.000	44,170	40,005	84,175
2024	3.000	42,970	204,470	247,440
2025	0.750	36,836	211,138	247,974
2026	0.950	35,252	213,360	248,612
2027-2031	various	139,243	1,104,583	1,243,826
2032-2035	various	46,768	949,008	995,776
		<u>\$ 390,542</u>	<u>\$ 2,760,347</u>	<u>\$ 3,150,889</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
2022	5.000	1,094,125	2,865,000	3,959,125
2023	5.000	947,375	3,005,000	3,952,375
2024	5.000	793,375	3,155,000	3,948,375
2025	5.000	631,625	3,315,000	3,946,625
2026	5.000	461,750	3,480,000	3,941,750
2027-2028	5.000	379,375	7,495,000	7,874,375
		<u>\$ 4,307,625</u>	<u>\$ 23,315,000</u>	<u>\$ 27,622,625</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
2022	1.780	267,712	3,660,000	3,927,712
2023	1.780	202,564	3,725,000	3,927,564
2024	1.780	136,259	3,795,000	3,931,259
2025	1.780	68,708	3,860,000	3,928,708
		<u>\$ 675,243</u>	<u>\$ 15,040,000</u>	<u>\$ 15,715,243</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
2022	2.020	371,406	1,075,000	1,446,406
2023	2.060	349,691	1,095,000	1,444,691
2024	2.160	327,134	1,110,000	1,437,134
2025	2.350	303,158	1,140,000	1,443,158
2026	2.450	276,368	1,165,000	1,441,368
2027-2031	various	963,727	4,580,000	5,543,727
2032-2036	various	387,239	4,040,000	4,427,239
		<u>\$ 2,978,723</u>	<u>\$ 14,205,000</u>	<u>\$ 17,183,723</u>

Hospitality revenues are transferred to the Debt Service Fund in amounts sufficient to repay these special obligation bonds.

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
2022	2.710	62,195	300,000	362,195
2023	2.710	54,065	310,000	364,065
2024	2.710	45,664	320,000	365,664
2025	2.710	36,992	330,000	366,992
2026	2.710	28,049	335,000	363,049
2027-2028	2.710	28,591	700,000	728,591
		<u>\$ 255,556</u>	<u>\$ 2,295,000</u>	<u>\$ 2,550,556</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 current 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
2022	0.830	38,263	905,000	943,263
2023	0.830	30,752	915,000	945,752
2024	0.830	23,157	920,000	943,157
2025	0.830	15,521	930,000	945,521
2026	0.830	7,802	940,000	947,802
		<u>\$ 115,495</u>	<u>\$ 4,610,000</u>	<u>\$ 4,725,495</u>



Capital Improvements Program (CIP)

Capital Improvements Fund

Capital Improvement Plan (CIP)

Summary

The CIP budget is programmed at \$28.0 million in fiscal year 2022. Unspent 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 plan (CIP) is broken into separate funds based on funding source. The funding program for all funds is summarized in this section.

The Palmetto Electric Franchise Fee Fund grants/reimburses the majority of its funds to the Palmetto Electric Cooperative for power line burial; any capital infrastructure created by this program is an asset of the Cooperative not the Town. These improvements benefit the Town aesthetically and also from a storm readiness standpoint, too. Underground lines are much less susceptible to outages from storms.

Although the Stormwater Fund (Enterprise Fund) is a proprietary fund, the Town will now include Stormwater capital in the CIP.

In accordance with State law, the proposed CIP for was developed by staff for review and recommendation of the full Planning Commission. The pathways and parks section was also reviewed by the Parks & Recreation Commission. The Planning Commission annually recommends the proposed CIP to Town Council for adoption during their CIP Budget Workshop.

Once a project has been approved and funds have been appropriated the project may continue until it is completed without annual re-appropriation. Revisions to the scope and/or increase in cost of an appropriated project will be presented to Town Council by staff as they are identified. If the cost of the project exceeds the appropriation funding must come from another project within the appropriated CIP or an alternate funding source must be identified prior to undertaking the project. Each fiscal year the Town staff will present Town Council with any additions to the CIP with the recommended funding source.

Another change included in this section is the Town's capital expenditure plan with funding sources for the upcoming year including expenditures associated with the Stormwater Program and the Palmetto Electric Program. Input for the capital improvements program comes from a variety of sources. Sources are 2021 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 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.

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 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 Planning 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.

The operating impact of these capital projects are calculated utilizing the following assumptions:

Pathway maintenance per mile	\$ 6,500/year (General Fund)
Park litter and landscape (passive/beach)	\$25,000/year (General Fund)
Park janitorial (restrooms and supplies)	\$12,500/year (General Fund)
Roadways	\$15,000/mile/year (General Fund) County and State roads maintained by others

Issues Impacting the Town's CIP Funding Plan

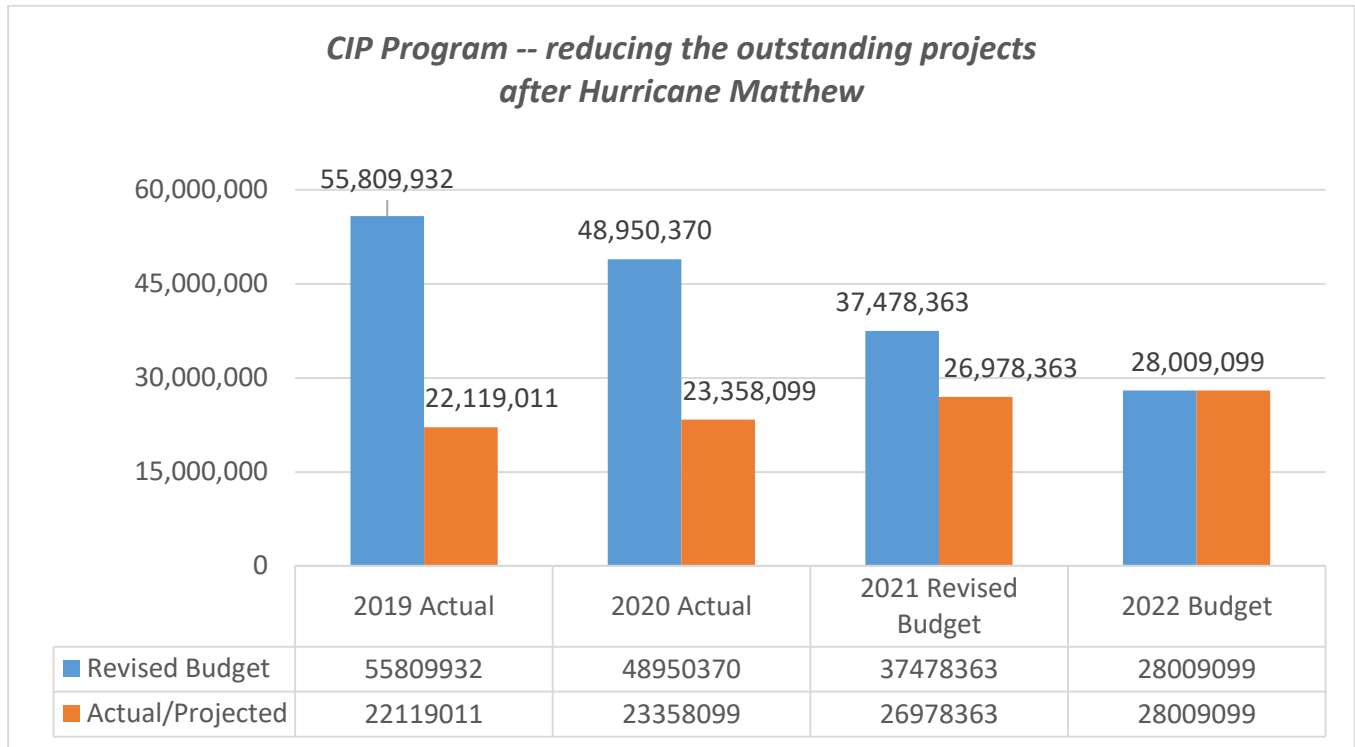
There are four issues that impact the Town's CIP funding plan:

1. In fiscal years 2016 Town Council approved an aggressive CIP spending plan. With two hurricanes and a tropical storm over the past three years the CIP had to be temporarily curtailed to focus on recovery efforts. Now the Town is moving forward completing these projects.
2. In light of the fiscal impact of the storms the Town has also increased the emergency debt reserve from \$15.0 million to \$20.0 million reducing the amount the Town has available to borrow for current capital projects in order to maintain the appropriate level of storm readiness.
3. The Town went through a comprehensive planning process as required by state law. In this plan, the Town set forth priorities for the future.
4. The Town went through an intensive 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.

There are sufficient financial resources to advance the backlog of prior year projects in addition to the projects programmed from Fiscal Year 2022. Over the course of the next two years the Town will build a new CIP spending plan to include an update to the projects list as well as funding options. As the projects move forward, the Town will consider its infrastructure and facilities within the planned long term plan the Town is embarking on.

Issues Impacting the Town’s CIP Funding Plan

The following chart reflects a comparison between the CIP budgets and actual expenditures from Fiscal Years 2019-2022. Fiscal Year 2021 and 2022 are projections.



Capital Improvement Plan (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 usually generates approximately \$7.0 million in revenue annually. 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/COP Proceeds.** In Fiscal Year 2022 the Town anticipates issuing no new debt to fund the CIP. Various revenue sources will fund the CIP such as beach preservation fees, and hospitality taxes. However, the Town plans on utilizing capital leases for Fire Truck replacements.
3. **Fund Balance** which is un-obligated and obligated monies that are rolled over from previously approved, but incomplete, projects.
4. **Hospitality Tax** which 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 \$6.3 million in revenue annually.

Capital Improvement Plan (CIP) Sources of Revenue

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.
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 \$30 million over 15 years. This project is nearing completion. Future revenues will support the CIP and General Fund operations.
7. **Road Usage Fee** is a fee charged to registered automobiles in the Town, which is expected to generate approximately \$900,000 in revenue in Fiscal Year 2022.
8. **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 \$350,000.
9. **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 generates approximately \$4.3 million in revenue annually.

Capital Improvement Plan (CIP)

Public Planning Commission Adopted Priority Projects

In accordance with state law, the Planning Commission prepares an annual list of priority capital projects for consideration by the Town Council. The following are the Planning Commission's adopted priority projects for Fiscal Year 2022, which served as a helpful guide while developing the CIP budget.

Fiscal Year 2022 – Adopted Priority Projects

Pathways

Programmatic Enhancements

1. Pathways Accessibility and Safety Enhancement Projects
2. Crosswalk Lighting at unsignalized locations on Wm. Hilton Parkway
 - a. Wm. Hilton Parkway at Northridge and Palmetto Parkway
 - b. Wm. Hilton Parkway at Burkes Beach Road
3. Crosswalk Consistency Enhancements (Improvements to Existing Crosswalks)

New Pathway Segments

1. US 278 – Bus. EB (William Hilton Parkway) Arrow Road to Village at Wexford (design and construction)
2. Main Street (Whooping Crane Way to Wilborn Road) – (Private R/W to be accepted by the Town - survey and concept development)
3. Shelter Cove Lane – William Hilton Parkway (near Starbucks) to Shelter Cove Park (survey and design)
4. Woodhaven Drive/Lane – Phase 1 of Boggy Gut Pathway – Connecting Cordillo Parkway to Office Park Road (survey, design and construction)
 - a. A subset / initial phase of the larger Boggy Gut project could be the Town re-constructing the existing Woodhaven Drive pathway to meet current standards and connecting to Pope Avenue via Woodhaven Lane
5. US 278 – Bus. EB (William Hilton Parkway) Shelter Cove Lane (at BCSO) to Mathews Drive (at Folly Field Road) (survey, design) – this will have some overlap with Chaplin Linear Park
6. US 278 – Bus. EB (William Hilton Parkway) Mathews Drive (at Folly Field Road) to Dillon Road (McDonalds) – (survey design)
7. US 278 – Bus. EB (William Hilton Parkway) Gardner Drive to Jarvis Park Lane
8. Lagoon Road Pathway (Pope Avenue to North Forest Beach Drive)
9. Singleton Beach Road
10. Arrow Road
11. Archer Road
12. Jonesville Road

Roadways

1. Main Street Rehabilitation (predicated on acceptance of public R/W)
2. Wm. Hilton Parkway Median Left Turn Lane Extensions / Curb and Gutter
 - a. Wilborn Road (EB/WB)
 - b. Pembroke Drive (EB)
 - c. Mathews Drive (EB)
3. Dirt Road Program (Acquisitions of Public R/W and Paving)
 - a. New R/W Acquisitions
 - Alice Perry Drive

- Horse Sugar Lane
- Amelia Drive
- b. Active R/W Acquisitions
 - Mitchelville Road - Active
 - Pine Field Road
- c. Re-Engage Past Acquisition Efforts
 - Aiken Place
 - Alfred Lane
 - Cobia Court
 - Murray Avenue
 - Outlaw Road
- 4. Dillon Road at US 278 – Add devoted Right Turn Lane at Wm. Hilton Parkway approach
- 5. Folly Field Road at US 278 – Lengthen the widened the multi-lane approach

Parks

New Parks

1. Mid-Island Tract Park – master planning and concept development
2. Chaplin Linear Park – finalize revised concept, design and permitting
 - a. To include US 278 Streetscaping and Pathway Safety elements from Shelter Cove Lane to Mathews Drive
3. Patterson Family Property Park
4. Taylor Family Property Park

Major Park Master Planning (Existing Parks)

1. Chaplin Park Renovation – master planning and concept development
2. Crossings Park Renovation – master planning and concept development

Existing Park / Recreation Facilities Improvements

1. Existing Park Upgrades
 - a. Picnic Shelter at Barker Field Ext
 - b. Jarvis Park Playground
 - c. Football Goal Posts and Scoreboard; appropriate location TBD
2. Island Recreation Center – Capital Facility Improvements
3. Coastal Discovery Museum – Capital Facility Improvements

Existing Facilities

1. Arts Campus Renovation – facility master planning and concept development
2. Public Facilities and Infrastructure Beautification and Enhancements

New Facilities

1. Fire Hydrant Expansion Projects – recurring project, coordinated by HHIFR with HHPSD

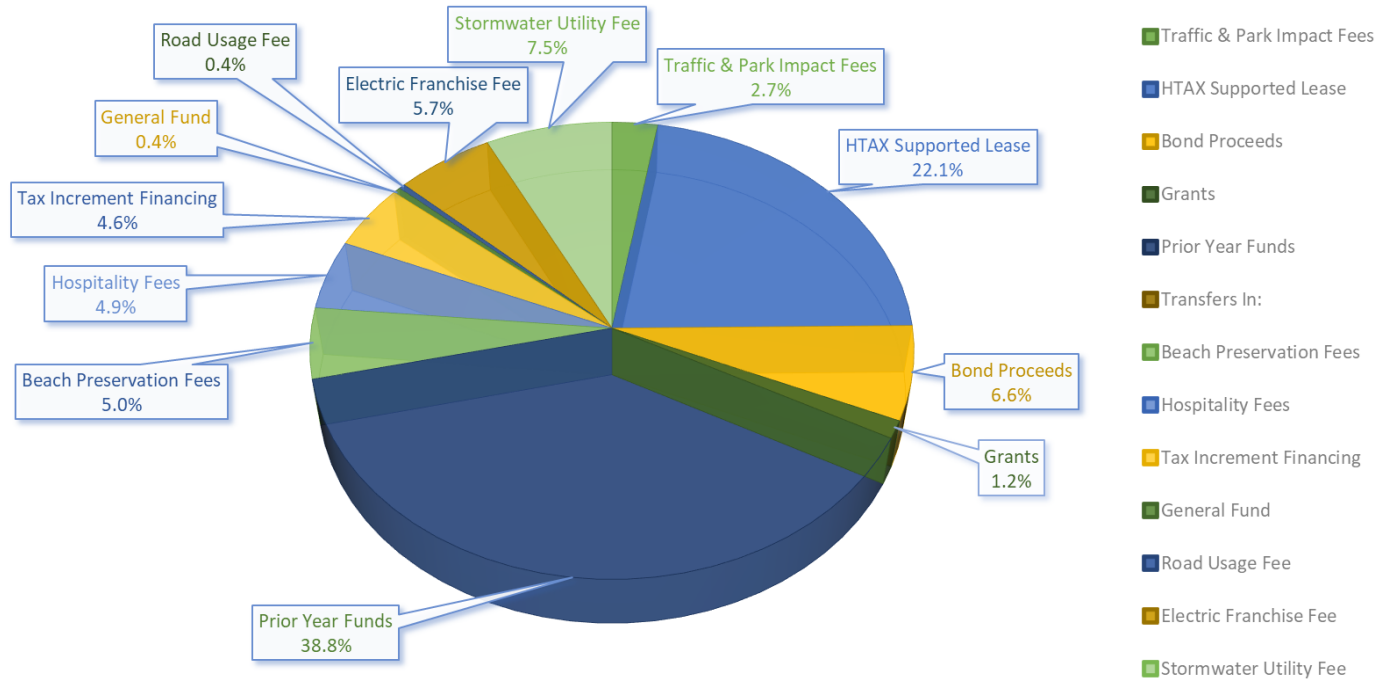
Beach Maintenance

1. Beach Management and Monitoring – survey, data collection
2. 2025 Island-wide Beach Renourishment – survey, design, and permitting

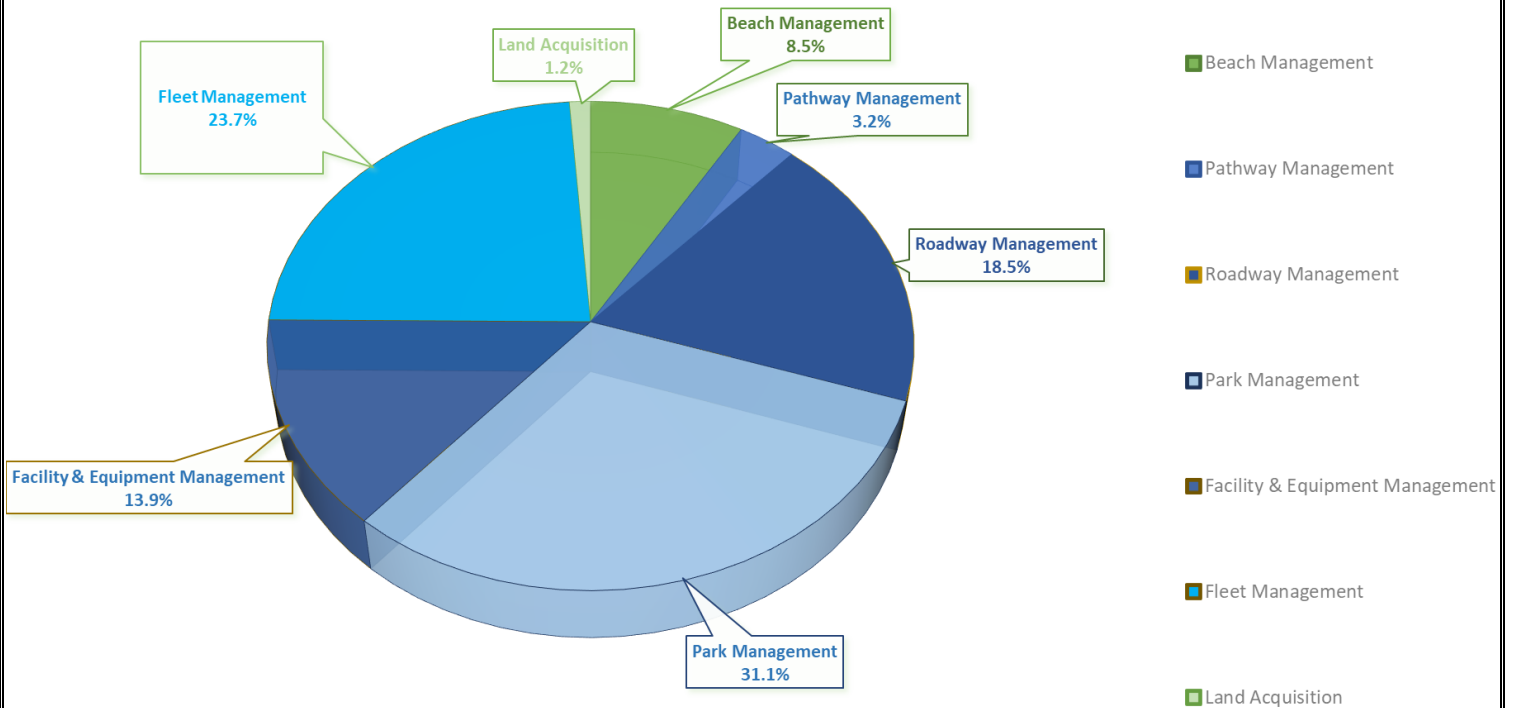
Revenues and Expenditures by Category Analysis – Historical and Budget

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2022 Adopted Budget
Revenues:				
Ad Valorem Property Taxes	737,874	21,118	50,000	-
Investment Income	380,818	239,955	-	-
Grants	111,000	890,000	-	347,980
Sunday Liquor Permit Fees	332,695	253,805	250,000	-
Impact Fees	258,017	315,800	628,000	748,300
Lease Revenue	76,338	43,210	-	6,201,868
Other Revenue	79,724	33,796	-	-
Fund Balance/Prior Year Funds	-	-	-	10,860,551
Sale of Property & Equipment	3,691	298,093	20,000	-
Bond Proceeds (Prior Year for FY22 budget)	5,000,000	-	-	1,855,000
Transfers In:				
Beach Preservation Fees	477,379	770,695	500,000	1,400,000
Hospitality Fees	909,719	1,907,030	4,243,000	1,373,628
Tax Increment Financing General Fund	1,731,299	2,547,510	450,000	1,300,000
Debt Service Fund	-	-	-	125,000
Road Usage Fee	269,255	(1,687)	330,000	-
Electric Franchise Fee	-	-	-	100,000
Stormwater Utility Fee	-	-	-	1,607,772
	-	-	-	2,089,000
Total Revenue	10,367,809	7,319,325	6,471,000	28,009,099
				-
Expenditures:				
Beach Maintenance	253,048	229,756	500,000	2,373,523
Existing Public Facilities	10,862,561	10,467,168	105,000	3,884,200
Park Development	2,338,380	99,014	250,000	8,716,476
Facilities Improvements	1,752,469	2,827,334	100,000	-
Pathway Improvements	193,987	339,313	100,000	900,000
Roadway Improvements	5,976,396	5,537,840	980,000	5,167,964
Land Acquisition	31,502	3,817,674	20,000	324,068
Other/Prior Appropriation	-	40,000	428,000	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
Bond Issue Costs	-	-	-	-
Transfers Out	710,668	-	-	-
Vehicles & Specialized Equipment	-	-	3,988,000	6,642,868
Total Expenditures	22,119,011	23,358,099	6,471,000	28,009,099
Net Change in Fund Balance	(11,751,202)	(16,038,774)	-	-
Beginning Fund Balance	40,133,221	28,382,019	12,343,245	12,343,245
Use of Prior Year Funds	-	-	-	-
Appropriation Carryover	-	-	-	-
Ending Fund Balance	28,382,019	12,343,245	12,343,245	12,343,245

Sources of Funds – FY 2022 Capital Improvements Program (CIP) Fund



Uses of Funds – FY 2022 Capital Improvements Program (CIP) Fund



Fiscal Year 2022 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 market place; 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.

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 2022 the CIP is budgeted at \$28,009,099. This total includes \$10.8 million in prior year funds.

The capital improvement program includes projects organized into the following categories: beach management, pathway management, roadway management, park management, facility and equipment management, fleet management, and land acquisition.

Beach Management

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. FY22 projects include activities aimed at preparing for an anticipated FY25 renourishment project.

Pathway Management

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 FY22 budget includes \$350,000 in projects aimed at enhancing pathway safety and accessibility.

Roadway Management

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 +/- \$5.2M is budgeted in FY22 for Roadway Management. Roadway Management includes dirt road acquisition and paving, roadway enhancements, and the study of roadway acquisition and improvements. Major FY22 projects include enhancements to the William Hilton Parkway corridor targeting safety, beautification, and consistency.

Park Management

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 development of new parks. Budgeted projects include the planning for the redevelopment of Chaplin Community Park and Crossing Park and the development of a new community park at the Town-owned Mid Island Tract.

Fiscal Year 2022 CIP Projects

Facility and Equipment Management

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 and IT and Fire/Medical equipment. A feasibility study will guide development of an Arts Campus.

Fleet Management

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, +/- \$6.5M is budgets for replacement of vehicles and fire rescue apparatus including engine/pumper replacement.

Land Acquisition

Consistent with Our Plan Infrastructure Goal 5.4 “Continue to implement the Town’s Land Acquisition Program” funds are budgeted for soft costs associated with the acquisition of property to preserve and protect the Island’s character.

Fiscal Year 2022 CIP Projects

PROJECTS	FY22 TOTAL FUNDING	FUNDING SOURCES	PROJECT SCOPE
BEACH MANAGEMENT			
Beach Management & Monitoring	\$ 802,609	Beach Preservation Fees	Ongoing activities as to manage the beach, comply with permits and to accrue data, this also includes sand fencing, groin maintenance, dune plantings, access, and regulatory issues.
Beach Renourishment	\$ 1,570,914	Beach Preservation Fees	Project activities related to Renourishment Project including Pine Island Beach (data acquisition, survey, geotechnical / sand borrow, wildlife / biological, design, permitting, bidding, construction. etc.) Anticipating a FY2025 Renourishment Project.
TOTAL BEACH MANAGEMENT	\$ 2,373,523		
PATHWAY MANAGEMENT			
Pathways Accessibility and Safety Enhancement Projects	\$ 350,000	GO Bonds, Hospitality Tax	Improve consistency and uniformity of all pathway signs, landings, crosswalks, pavement markings, ADA compliance, etc.
New Pathway Segments:			
Shelter Cove Lane - William Hilton Parkway to Shelter Cove Park	\$ 225,000	Hospitality Tax, Traffic Impact Fee	Survey, design and construction
Woodhaven Drive/Lane	\$ 225,000	Hospitality Tax, Traffic Impact Fee	Cordillo Parkway to Seabrook. Survey, design and construction. This is Phase 1 of Boggy Gut Pathway – Connecting Cordillo Parkway to Office Park Road.
William Hilton Parkway EB - Shelter Cove Lane (at BCSO) to Mathews Drive (at Folly Field Road)	\$ 100,000	Hospitality Tax, TIF Tax	Survey and design
<i>Total New Pathway Segments</i>	<i>\$ 550,000</i>		
TOTAL PATHWAY MANAGEMENT	\$ 900,000		
ROADWAY MANAGEMENT			
Dirt Road Acquisition and Paving Program:			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	\$ 750,000	Road Usage Fee	ROW Acquisition, Design, Construction
Pine Field Road	\$ 400,000	Road Usage Fee	ROW Acquisition, Design, Construction
Other Roads To Be Determined	\$ 1,129,491	Road Usage Fee	ROW Acquisition, Design, Construction
<i>Total Dirt Road Acquisition and Paving Program</i>	<i>\$ 2,279,491</i>		
William Hilton Parkway Enhancements			
Crosswalk Uniformity	\$ 200,000	Traffic Impact Fee	Improve consistency and uniformity of pathway signs, pavement markings, lighting, landscaping, and related traffic signs, etc.
Crosswalk Lighting - Northridge / Palmetto Parkway	\$ 304,918	Hospitality Tax	Provide lighting of crosswalks to enhance pedestrian safety
Turn Lane Extensions / Curb and Gutter	\$ 150,000	Hospitality Tax	Add curb and gutter and extend turn lanes as necessary to prevent rutting and driving into the medians at William Hilton Parkway intersections with Wilborn Rd, Pembroke Dr, Mathews Drive, and other locations
Pedestrian and Vehicular Enhancements	\$ 1,300,000	Traffic Impact Fee, TIF Tax	Improvements to William Hilton Parkway medians, crossings, streetscape in the Chaplin area and other areas
<i>Total William Hilton Parkway Enhancements</i>	<i>\$ 1,954,918</i>		
Other Roadway Enhancements	\$ 333,555	Road Usage Fee	ROW Acquisition, Design, Construction

Fiscal Year 2022 CIP Projects

PROJECTS	FY22 TOTAL FUNDING	FUNDING SOURCES	PROJECT SCOPE
Pope Avenue Enhancements	\$ 500,000	GO Bonds	Improvements to Pope Avenue from Sea Pines Circle to and including Coligny Circle targeting safety, beautification and consistency to include landscaping, signage, pavement markings, curbing, multi-modal facilities, etc.
Main Street Enhancements	\$ 100,000	Road Usage Fee	Main Street (West), the private portion running from Whooping Crane Way to Wilborn Road and the side streets connecting to William Hilton Parkway (Museum Street, Central Avenue, and Merchant Street). ROW acquisition and <u>design</u> for roadway, pathways, streetscape and drainage in FY22.
TOTAL ROADWAY MANAGEMENT	\$ 5,167,964		
PARK MANAGEMENT			
Parks and Recreation:			
Mid-Island Tract Park & Redevelopment Strategy	\$ 1,700,000	Electric Franchise Fee, Hospitality Tax	Conceptual Design, Detailed Design, Construction Documents, & Permitting
Coligny Beach Parking Area	\$ 100,000	Beach Preservation Fee	Improvements to signage, landscaping, walkways, pavement to create a more consistent and aesthetic environment from Lowcountry Celebration Park to the HAWK signal crosswalk.
Chaplin Park	\$ 1,996,238	General Fund, Electric Franchise Fee, Hospitality Tax	Conceptual Design; Detailed Design, Construction Documents, & Permitting for Phase 1; Phase 1 Construction to include park edge enhancements/streetscape improvements
Crossings Park	\$ 1,996,238	General Fund, Electric Franchise Fee, Hospitality Tax	Conceptual Design; Detailed Design, Construction Documents, & Permitting for Phase 1; Phase 1 Construction to renovations to existing ballfield facilities
Shelter Cove Community Park	\$ 500,000	GO Bonds	Design, Permitting and Construction of Phase 1 Park Expansion to include grounds improvements, viewshed and connectivity enhancements
Chaplin Linear Park	\$ 500,000	TIF Tax	Revised Detailed Design, Construction Documents, & Permitting
Patterson Family Property Park	\$ 700,000	Hospitality Tax, Grants	Design & Construction
<i>Total Parks and Recreation</i>	<i>\$ 7,492,476</i>		
Island Recreation Association - Capital Requests	\$ 399,000	Park Impact Fee	Island Recreation Center seeks funds to improve the buildings, pool and grounds, as well as manage events
Public Art Program	\$ 25,000	Hospitality Tax	Funding to accommodate installation of public art pieces donated to or curated by the Town.
General Park Enhancements	\$ 800,000	GO Bonds, Hospitality Tax	Includes various identified facility and service improvements at existing parks such as Wi-Fi at Chaplin and other parks, additional bike racks, picnic tables, sun shades, fencing, etc.
TOTAL PARK MANAGEMENT	\$ 8,716,476		

Fiscal Year 2022 CIP Projects

PROJECTS	FY22 TOTAL FUNDING	FUNDING SOURCES	PROJECT SCOPE
FACILITY AND EQUIPMENT MANAGEMENT			
Town Hall Security and Facility Enhancements	\$ 280,000	GO Bonds	Town Hall Security and Facility Enhancements; implementation of parking improvements (up to \$75,000) as identified by the parking consultants
Coastal Discovery Museum - Capital Projects:	\$ 49,300	Park Impact Fee	Coastal Discovery Museum funds to improve and maintain the buildings and grounds - including boardwalk repairs, HVAC replacement, flooring, windows, parking areas, fencing, etc.
IT Equipment and Software:			
Town Hall Equipment and Software	\$ 479,900	GO Bonds, General Fund	Tyler Cloud / Emergency Readiness Initiative / Technology Initiative, IT Dell PowerEdge RX730d Servers (4), IT Cisco Data Center switches (2) & Web Update
Public Safety Systems Equipment and Software	\$ 216,000	GO Bonds	New SAN and Host for PSS, UPS Replacement for 911 Data center, MDT replacement for all apparatus
Fire/Medical Systems, Equipment Replacement	\$ 70,000	Hospitality Tax	SCBA Compressor Replacement, Fleet Maintenance Equipment
Security Cameras - Shelter Cove Community Park	\$ 150,000	Hospitality Tax	Upgrade Security Cameras at Shelter Cove Community Park
Automobile Place / Modern Classic Motors Site Enhancements	\$ 300,000	Utility Tax Credits	Remove curb cuts from William Hilton Parkway, relocate site access and Automobile Place to Main Street, and demolish and remove dilapidated pavements and appurtenances from prior development.
Fire Hydrant Expansion	\$ 50,000	GO Bonds	Matching program with HHPSD.
Arts Campus Feasibility Study	\$ 200,000	GO Bonds, Hospitality Tax	Feasibility study of existing site including expansion options.
Stormwater Projects	\$ 2,089,000	Stormwater Fees	Anticipated projects throughout the Island detailed on a separate list in the Stormwater Fund section
TOTAL FACILITY AND EQUIPMENT MANAGEMENT	\$ 3,884,200		
FLEET MANAGEMENT			
Town Vehicle Replacement	\$ 155,000	General Fund	Replacement of five Staff Vehicles, and vehicle outfitting
F&R Apparatus & Vehicle Replacement:			
Engine/Pumper Replacement/Quint Company(2)	\$ 6,201,868	Lease	Replacements
Fire Rescue Specialty Vehicles (Rescue Trailer)	\$ 130,000	Hospitality Tax	Rescue Trailer and CDL Training Vehicles
Staff Vehicle Replacements-C-30 (Tahoe)	\$ 140,000	Hospitality Tax	Replacement of four Staff Vehicles
Firefighting Foam for trucks	\$ 16,000	Hospitality Tax	
<i>Total F&R Apparatus & Vehicle Replacement</i>	<i>\$ 6,487,868</i>		
TOTAL FLEET MANAGEMENT	\$ 6,642,868		

Fiscal Year 2022 CIP Projects

PROJECTS	FY22 TOTAL FUNDING	FUNDING SOURCES	PROJECT SCOPE
LAND ACQUISITION			
Land Acquisition	\$ 324,068	General Fund, Sale of Land	Land acquisition and soft costs including ROW, Survey, Appraisals, Legal Fees, etc.
TOTAL LAND ACQUISITION	\$ 324,068		
HOUSING			
Workforce & Affordable Housing Fee Offsets	See Scope	Other / Credits	The source of funds will be other funds and/or credits to offset local impact fees for developments meeting the Town's criteria, while funds are available. Cost / Economic impact estimate is \$75,000.
TOTAL HOUSING			
TOTAL	\$ 28,009,099		





Stormwater Enterprise 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 Town expects to collect \$5.5 million in Stormwater Utility Fees per year in Fiscal Years 2022 through 2026.

This fund is used to account for the costs associated with the management, construction, maintenance, protections, control, regulation, use, and enhancement of stormwater systems within the Town in concert with Beaufort County and other water resource management programs. The total expense budget for Fiscal Year 2022 is \$5.5 million, including a transfer to the General Fund for support efforts, and a transfer to CIP to include Stormwater projects in the CIP.

Financial Statement

Stormwater Fund

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2022 Adopted Budget	% Change
Revenues					
Stormwater Utility Fees	4,895,801	4,928,623	4,824,000	4,934,000	2.3%
Prior Period Funds	-	-	624,000	560,000	-10.3%
Total Revenues	4,895,801	4,928,623	5,448,000	5,494,000	0.8%
Operating Expenses					
Planned Unit Developments	865,193	1,036,153	1,272,000	401,000	-68.5%
Non-Planned Unit Developments	714,518	984,656	1,480,000	408,000	-72.4%
Personnel	451,955	529,277	571,510	601,138	5.2%
Operating	242,787	281,174	412,000	376,800	-8.5%
Capital	-	-	30,000	35,000	0.0%
Depreciation	1,091,604	1,213,576	1,250,000	1,100,000	-12.0%
Total Operating Expenses	3,366,057	4,044,836	5,015,510	2,921,938	-41.7%
Operating Income	1,529,744	883,787	432,490	2,572,062	494.7%
Non-Operating Income (Expenses)					
Investment Income	75,260	86,566	2,000	6,000	200.0%
Administrative	-	-	-	-	0.0%
Loss on Refunding	(89,556)	-	(89,555)	-	-100.0%
Interest	(297,353)	(359,510)	(174,445)	(155,062)	-11.1%
Debt Issue Costs	-	-	-	-	0.0%
Other Charges	(6,500)	(6,500)	(20,490)	-	-100.0%
Total Non-Operating Income (Expenses)	(318,149)	(279,444)	(282,490)	(149,062)	-47.2%
Income (Loss) Before Transfers/Bond Proceeds	1,211,595	604,343	150,000	2,423,000	1515.3%
Transfers Out	(125,000)	(125,000)	(150,000)	(2,423,000)	1515.3%
Net Change in Fund Net Position	1,086,595	479,343	(624,000)	-	
Beginning Fund Balance	8,313,617	9,400,212	9,879,555	9,255,555	
Use of Prior Year Funds	-	-	624,000	560,000	
Ending Fund Balance	9,400,212	9,879,555	9,255,555	8,695,555	

See the Debt Service Fund section of this document for a summary of the outstanding long-term debt obligations of this fund.

Fiscal Year 2022 Stormwater Fund Expenditures

EXPENSES SUMMARY	FY 22	FY 23	FY 24	FY 25	FY 26
DOLLARS					
DESCRIPTION	5,500,000	5,510,000	5,500,000	5,500,000	5,500,000
Personnel	601,138	636,100	667,900	701,300	736,400
Operating	376,800	372,000	376,300	386,900	392,800
Projects					
Modeling & Inventory	350,000	350,000	350,000	350,000	350,000
Maintenance, Pump Stations	830,000	1,065,000	1,065,000	465,000	465,000
Maintenance, Non-PUD	1,090,000	910,000	934,000	1,092,000	1,011,000
Maintenance, PUD	807,000	682,100	572,000	1,000,000	1,000,000
Capital - Vehicle	35,000	-	35,000	-	35,000
Transfers to General Fund	155,000	160,000	165,000	170,000	175,000
Debt Service	1,255,062	1,334,800	1,334,800	1,334,800	1,334,800

EXPENSES - DETAIL DESCRIPTION	FY 22	FY 23	FY 24	FY 25	FY 26
DOLLARS					
PERSONNEL	601,138	636,100	667,900	701,300	736,400
Staff Salaries and Benefits (6 Positions)	601,138	636,100	667,900	701,300	736,400
OPERATING EXPENSES	376,800	372,000	376,300	386,900	392,800
Beaufort County SWU Administration Fee (withheld by County)	145,000	148,000	151,000	154,000	157,000
NPDES MS4 Permit (DHEC)	2,000	2,000	2,000	2,000	2,000
Public Education	40,000	31,000	32,000	33,000	34,000
Water Quality Monitoring & Sampling	105,000	105,000	105,000	110,000	110,000
Asset Management System	35,000	36,000	37,000	38,000	39,000
General Operating Costs	49,800	50,000	49,300	49,900	50,800
Travel	6,000	6,000	6,000	6,000	6,000
Meetings & Conferences	5,000	5,000	5,000	5,000	5,000
Training	5,000	5,000	5,000	5,000	5,000
Legal (PUD Negotiations, Easement Acquisitions)	7,800	8,000	7,300	7,900	8,800
Membership Dues (SESWA, ASCE, SCASM, etc)	3,000	3,000	3,000	3,000	3,000
Tools & Equipment	8,000	8,000	8,000	8,000	8,000
Uniforms & Protective Gear	3,000	3,000	3,000	3,000	3,000
Cell Phones	7,500	7,500	7,500	7,500	7,500
Stormwater Hotline	1,500	1,500	1,500	1,500	1,500
Vehicle Fuel	3,000	3,000	3,000	3,000	3,000
CAPITAL EXPENSES	35,000	-	35,000	-	35,000
New Vehicle	35,000		35,000		35,000
TRANSFERS	155,000	160,000	165,000	170,000	175,000
Transfer to General Fund for OH Cost Allocation	155,000	160,000	165,000	170,000	175,000
DEBT SERVICE (MATURES IN FY 2026)	1,255,062	1,334,800	1,334,800	1,334,800	1,334,800
Principal	1,100,000	1,200,000	1,200,000	1,200,000	1,200,000
Interest	100,358	84,800	84,800	84,800	84,800
Other Charges and Fees	54,704	50,000	50,000	50,000	50,000

Fiscal Year 2022 Stormwater Fund Overview of Anticipated Projects

EXPENSES - DETAIL DESCRIPTION		FY 22	FY 23	FY 24	FY 25	FY 26
DOLLARS						
INVENTORY, MODELING, MAPPING & MASTER PLANNING		350,000	350,000	350,000	350,000	350,000
Modeling, Flood Plain Mapping & Mapping Updates		-	-	-	-	350,000
Mapping Updates						350,000
Inventory, Modeling, Flood Plain Mapping		350,000	350,000	350,000	350,000	-
South Forest Beach / Sea Pines (Lawton Creek)		225,000				
Shipyard / Wexford / North Forest Beach		125,000				
Long Cove Club / Yacht Cove				250,000		
Sea Pines (Baynard Cove / Braddock Cove)			350,000	100,000		
Spanish Wells / Muddy Creek					250,000	
Folly Field / Chaplin (Folly Field Outfall)					100,000	
DESCRIPTION		FY 22	FY 23	FY 24	FY 25	FY 26
PUMP STATIONS - OPERATION, MAINTENANCE, REPAIRS & UPGR		830,000	1,065,000	1,065,000	465,000	465,000
General Operations, Routine Inspection and Maintenance		230,000	230,000	230,000	230,000	230,000
Jarvis Creek (4 Pumps)	M	25,000	25,000	25,000	25,000	25,000
Shipyard (2 Pumps)	M	20,000	20,000	20,000	20,000	20,000
Wexford (3 Pumps)	M	25,000	25,000	25,000	25,000	25,000
Sea Pines (3 Pumps)	M	25,000	25,000	25,000	25,000	25,000
Pump Overhauls	M	95,000	95,000	95,000	95,000	95,000
Emergency Repairs Contingency	M	40,000	40,000	40,000	40,000	40,000
Pump Station/Channel Improvements & Upgrades		600,000	835,000	835,000	235,000	235,000
Pump Replacements	C		235,000	235,000	235,000	235,000
Jarvis Creek Pump Station	C					
Shipyard Pump Station	C			600,000		
Wexford Pump Station*	C	600,000	600,000			
Sea Pines Pump Station	C					
Routine Maintenance		408,000	416,000	424,000	432,000	441,000
Routine Maintenance (Channels, Ditches, Pipes, Ponds & Parks)	M	310,000	316,000	322,000	328,000	335,000
Street Sweeping	M	98,000	100,000	102,000	104,000	106,000

*These projects will be transferred to the Capital Improvements Program (CIP) Fund, along with a transfer of Stormwater funding

Fiscal Year 2022 Stormwater Fund Overview of Anticipated Projects

EXPENSES - DETAIL DESCRIPTION	FY 22	FY 23	FY 24	FY 25	FY 26
DOLLARS					
Projects, Non-PUD*	682,000	494,000	510,000	660,000	570,000
62 New Orleans Road	15,000				
Arrow/Crossing Park/Haig Point Outfall	210,000				
24 Deallyon Ave	15,000				
71 Widewater Road (CONDITIONAL)		12,000			
Folly Field Beach Parking Lot (Starfish Drive)	10,000				
3901 Main Street (CONDITIONAL)	88,000				
Nothridge Theater (CONDITIONAL)			80,000		
Market Place Drive at Fish Haul Creek		150,000			
Union Cemetery Road at Fish Haul Creek			90,000		
271 William Hilton Parkway (Island Tire)	70,000				
119 Dune Lane	15,000				
3 Creek Landing Trace (Salt Creek Landings)	20,000				
83 Old Wild Horse Road	10,000				
23 Castnet Drive	3,000				
30 Cobia Court	7,000				
3 Sea Spray Lane (CONDITIONAL)				50,000	
1 Town Center Ct	6,000				
Beach City Rd at US278 Bus.	29,000				
Arrow Road / Bristol Sports Complex	4,000				
Mustang Lane (CONDITIONAL)		50,000			
12 Georgianna Drive		10,000			
131 Dunnagans Alley		2,000			
Dreissen Beach Park - Picnic/Bathroom Area			20,000		
PROJECTS CONTINGENCY, XN	180,000	270,000	320,000	610,000	570,000

Contingency, PUD*	240,000	500,000	470,000	-	-
Projects Contingency, PUD	-	240,000	500,000	470,000	
Hilton Head Plantation*	195,000	42,000	-	-	-
10 Wild Holly Court (HH Oyster Reef GC 12th Tee)	5,000				
19 Oyster Reef Drive (HH Oyster Reef GC 11th Green)	5,000				
5 Blackgum Place	30,000				
421 Squire Pope Road (CONDITIONAL)	30,000				
3 & 7 Conservancy Court	25,000				
Whooping Crane Way Main Entrance lane approaching circle	15,000				
32 Towhee Road (China Cockle Ditch)	30,000				
132 High Bluff Road	7,000				
3 Cougar Run	10,000				
4 Foxbriar Lane	5,000				
26 Edgewood Drive	20,000				
5 Sanderling Lane & 5 Hummingbird Court	10,000				
9 & 11 Charlesfort Place	3,000				
87 Birdsong Way		5,000			
4 Nut Hatch Road		5,000			
266 Seabrook Drive		1,000			
SEABROOK DR BEHIND 4 HADLEY LANE		16,000			
11 Birkdale Court		10,000			
1 Chickadee Road		5,000			

*These projects will be transferred to the Capital Improvements Program (CIP) Fund, along with a transfer of Stormwater funding

Fiscal Year 2022 Stormwater Fund Overview of Anticipated Projects

EXPENSES - DETAIL DESCRIPTION	FY 22	FY 23	FY 24	FY 25	FY 26
DOLLARS					
Indigo Run*	-	2,000	102,000	-	-
20 WILERS CREEK WAY (CONDITIONAL)			102,000		
79 River Club Drive (IR)		2,000			
Leamington*	30,000	-	-	-	-
9 Niblick Court (CONDITIONAL)	15,000				
5 Niblick Court (CONDITIONAL)	10,000				
3 Merion Court (CONDITIONAL)	5,000				
Palmetto Dunes*	-	4,000	-	-	-
Between 2 Hunt Club Court & Centre Court Villas		1,000			
28 Haul Away		3,000			
Palmetto Hall*	39,000	8,100	-	-	-
10 TUCKER RIDGE COURT (ARTHUR HILLS GC 11TH FAIRWAY TO 11TH GREEN)	25,000				
Fish Haul Road Outfall Pipe Ends	4,000				
50 SEDGE FERN DRIVE (CONDITIONAL)	8,000				
27 CLYDE LANE	1,000				
29 CLYDE LANE	1,000				
2 SEDGE FERN DRIVE		3,300			
19 SEDGE FERN DRIVE		2,000			
18 WILDBIRD LANE		2,800			
Port Royal Plantation*	16,000	41,000	-	-	-
42 Planters Row	16,000				
67 Fort Walker Drive		10,000			
24 Suttlers Row		7,000			
45 Fairway Winds Place - Barony GC 12th Green Weir		2,000			
21 & 23 Ensis Road (CONDITIONAL)		10,000			
107 & 109 South Port Royal Drive		4,000			
24 & 26 Audubon Place		1,000			
Barnacle Road & Barony Resort - Ditch		7,000			
Shipyard Plantation*	-	1,000	-	-	-
13 KINGSTON COVE		1,000			

*These projects will be transferred to the Capital Improvements Program (CIP) Fund, along with a transfer of Stormwater funding

Fiscal Year 2022 Stormwater Fund Overview of Anticipated Projects

EXPENSES - DETAIL DESCRIPTION	FY 22	FY 23	FY 24	FY 25	FY 26
DOLLARS					
Sea Pines*	267,000	69,000	-		
Cordillo Ditch Outfall Gates - 53 Lawton Canal Road (HH Prep)	25,000				
12 & 18 Pine Island Road (Club Course GC #16 Fairway & Culvert)	15,000				
1 Baynard Cove Road (Outfall)	78,000				
63 Baynard Cove Road (Control Structure Gate)	25,000				
30 Governor Road (Sea Pines Country Club Control Structure)	6,000				
405 Greenwood Drive (CONDITIONAL)	10,000				
25 Marshview Drive	15,000				
40 Sand Fiddler Road	15,000				
Lawton Canal Road (CONDITIONAL)	18,000				
54 Wagon Road at Intersection with Old Military Road	12,000				
221 South Sea Pines Drive	8,000				
6 Scaup Court/Road (CONDITIONAL)	20,000				
34 Windjammer Court Pond Outfall	10,000				
34 Baynard Park Road	5,000				
4 Planters Wood Court (CONDITIONAL)	5,000				
Weir Across from 2 Black Skimmer Lane		15,000			
7 & 12 Twin Pines Road		8,000			
39 Woodbine Place along Woodbine Road		8,000			
1 Sprunt Pond Road - Outfall		5,000			
35 Baynard Park Road, Outfall Headwall (CONDITIONAL)		4,000			
190 Greenwood Lane		2,000			
Governors Road to Six Oaks Cemetery, Lot 4 (CONDITIONAL)		12,000			
55 Hearthwood Drive		5,000			
13 Lawton Drive (southeast driveway for Hilton Head Prep)		3,000			
10 Club Course Drive		2,000			
54 Harleston Green Road		5,000			
Wexford Plantation*	20,000	15,000	-		
25 Wicklow Drive (CONDITIONAL)	15,000				
44 Wicklow Drive	5,000				
30 Wexford Club Drive		5,000			
4 Wexford Club Drive		5,000			
2 Berkshire Court		5,000			

*These projects will be transferred to the Capital Improvements Program (CIP) Fund, along with a transfer of Stormwater funding



Appendix

Appendix

Financial Balance Changes Greater than 10%

The following funds have a budgeted change in fund balance greater than 10%:

1. **General Fund** – There is no planned use of Fund Balance for the Fiscal Year 2022 budget. In fact, the budget calls for a transfer of \$125,000 to the General Fund Balance and a \$125,000 transfer to the CIP from positive General Fund operations to better prepare the Town for possible natural disasters, economic downturns or uncertainties. This demonstrates the Town continues to manage well in the current healthcare crisis.
2. **Road Usage Fee** – The Town has primarily directed these funds toward road paving with an emphasis on dirt roads. The Town expects to fully utilize Road Usage Fees to the extent practical.
3. **Tax Increment Financing (TIF)** – Fiscal Year 2022 is the seventh year in the 10 year extension. Projects include Coligny area and mid-island roadway, pathway and park improvements. The District staged these projects using a TIF bond issue to implement the projects the special TIF District will provide. These projects are proceeding.
4. **State ATAX** – State law prescribes how the State ATAX funds are distributed. The ATAX Committee meets and considers applications and recommends distribution of these funds within the SC state law requirements.
5. **Real Estate Transfer Fee (RETF)** – These funds will be directed to future land purchases in accordance to the Real Estate Transfer Fee code. The increase in fund balance is based on high volume of real estate activity on the Island and spent according to guidelines.
6. **Beach Preservation Fee** – The current year includes beach renourishment projects. 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.
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. The fund is not expected to have a 10% variance in the fund balance. Fire Rescue equipment purchases were delayed as a precaution related to the Covid-19 pandemic. Those purchased are planned in Fiscal Year 2022.
8. **Debt Service Fund** – The Town plans no long-term bond issues in Fiscal Year 2022. The Town is monitoring the bond market for possible savings and will be ready to act as two savings opportunities were realized in Fiscal Year 2021.
9. **Capital Improvement Plan (CIP)** – The Town has a number of significant projects in the works. The funds within the CIP increased in fiscal year 2017 in anticipation of these projects. As these projects proceed, the CIP fund balance will decline showing the progress on the projects such as the Lowcountry Celebration Park which opened in Fiscal Year 2021.

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 expects to collect the 5 mills in Fiscal Year 2022 as the last year of the 5 mills for 5 years. The Debt payments related to that will continue to Fiscal Year 2023 – after allowing for collection in Fiscal Year 2022 to provide funding for the last payments in Fiscal Year 2023. The Town is ready to deploy the remaining funds as need ensues. The fund balance at 6/30/2020 was \$32,407,875. This amount, coupled with \$20 million debt capacity mirrors the \$52 million cost of Hurricane Matthew.
11. **Electric Franchise Fee** – The Electric Franchise Fee paid to move electric lines underground. The underground project is over 95% 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 Plan (CIP). The Town’s intent is to utilize as much as these funds will provide.

Adopted Budget Ordinance



MEMORANDUM

TO: Town Council
FROM: John M. Troyer, CPA, Director of Finance
VIA: Marc Orlando, ICMA-CM, Town Manager
DATE: May 4, 2021
RE: **First Reading of Proposed Ordinance No. 2021-14**

Recommendation:

Staff recommends Council approve and affirm the first reading of Proposed Ordinance No. 2021-14. The ordinance establishes the fiscal year 2022 budgets for the General Fund, Capital Projects Fund, Debt Service Fund and Stormwater.

There are no tax increases or fee increases in this proposed budget.

The proposed FY 2022 total operating budget for the General Fund, Capital Projects Fund, Debt Service Fund, and Stormwater Fund at \$96,838,322.

	2021 Budget	2022 Budget
General Fund	\$ 42,558,448	\$ 43,984,657
Debt Service Fund	21,500,000	19,344,566
CIP	6,471,000	28,009,099
Stormwater Fund	5,450,000	5,500,000
Total	\$ 75,979,448	\$ 96,838,322

Summary:

According to Town Code, the Town Manager will present a budget for review by Town Council by the beginning of May. The Town Manager has met with all Town Council members as the budget was being crafted in order to have their input and guidance in the budget development process. The Town Manager provides this budget to fulfill his obligation under Town Code and he recommends this budget to Town Council for adoption.

Adopted Budget Ordinance



MEMORANDUM

TO: Town Council
FROM: John M. Troyer, Director of Finance
VIA: Marc Orlando, ICMA-CM, Town Manager
DATE: May 14, 2021
RE: **Second Reading of Proposed Ordinance No. 2021-14**

Recommendation:

Staff recommends Council approve on second reading of Proposed Ordinance No. 2021-14. The ordinance establishes the fiscal year 2022 budgets for the General Fund, Capital Projects Fund, Debt Service Fund and Stormwater.

There are no tax increases or fee increases in this proposed budget.

The proposed FY 2022 total operating budget for the General Fund, Capital Projects Fund, Debt Service Fund, and Stormwater Fund at \$96,838,322. The totals have not changed from first reading.

	2021 Budget	2022 Budget
General Fund	\$ 42,558,448	\$ 43,984,657
Debt Service Fund	21,500,000	19,344,566
CIP	6,471,000	28,009,099
Stormwater Fund	5,450,000	5,500,000
Total	\$ 75,979,448	\$ 96,838,322

Summary:

According to Town Code, the Town Manager will present a budget for review by Town Council by the beginning of May. The Town Manager has met with all Town Council members as the budget was being crafted in order to have their input and guidance in the budget development process. There were only a few minor changes from the initial presentation based on response from Town Council. The Pine Island project is no longer a part of the Stormwater activity, but rather included in the Town's normal beach renourishment efforts. The item has been removed from Section 5 of the Budget Ordinance. In response to the changing real estate market conditions on the Town, and in order to position the Town to respond to a possible market opportunity, \$125,000 in transfers from the General Fund for CIP and \$125,000 General Fund Balance have been made available in the Land Purchase account. Any transaction would be reported to Town Council at its next regular meeting. Other Road Enhancements has been reduced by a like amount to maintain the same total budget. In order to better position the Town to begin implementation of the parking improvements recommended by the parking consultant -- the facility enhancements description has been expanded to include implementation of the parking recommendations. *The total budgeted amounts remain the same as the original presentation.*

Adopted Budget Ordinance

ORDINANCE NO. 2021-14

PROPOSED ORDINANCE NO. 2021-14

AN ORDINANCE TO RAISE REVENUE AND ADOPT A BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2022; TO ESTABLISH A PROPERTY TAX LEVY; TO ESTABLISH FUNDS; TO ESTABLISH A POLICY FOR ACQUISITION OF RIGHTS OF WAY AND EASEMENTS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

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

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

WHEREAS, Town Council also desires to give the Town Manager authority to adjust revenue estimates as necessary to account for the economic impact of the COVID-19 Pandemic, without changing the total adopted budget. Any changes made under this section will be reported to Town Council on a quarterly basis; and

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

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

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

Section 1. Adoption of the Budget. The prepared budget of estimated revenues and expenses, a copy of which is attached hereto and incorporated herein, is hereby adopted as the budget for the Town of Hilton Head Island for the fiscal year ending June 30, 2022.

Adopted Budget Ordinance

Proposed Ordinance No. 2021-14

Page Two

The General Fund budgetary authority is adopted at the Departmental level as follows:

	2021 Budget	2022 Budget
Town Council	493,601	471,242
Town Manager	871,833	1,286,306
Human Resources	648,424	665,941
Administrative Services	4,073,649	4,986,821
Finance	2,052,125	1,916,176
Community Development	3,601,547	3,602,665
Public Projects and Facilities	5,911,304	7,107,474
Fire Rescue	15,897,377	16,524,716
Sheriff/Other Public Safety	3,927,634	2,498,430
Townwide	3,289,037	2,450,459
Community Grants	1,791,917	2,224,427
Transfer to CIP	-	125,000
Transfer to Fund Balance	-	125,000
Total	42,558,448	43,984,657

The Debt Service Fund and the Stormwater Fund are adopted at the Fund level. Capital Improvement Projects are adopted at the Project level. The Town Manager is authorized to transfer amounts up to \$100,000; larger transfers require Town Council approval.

Section 2. Establishment of Property Tax Levy. A tax to cover the period from July 1, 2021 through June 30, 2022, 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 17.2 mills, Debt Service 5.9 mills, and Disaster Recovery (millage override) 5.00 mills making the total levy of 28.1 mills.

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

Section 4. Acquisition of Rights of Way and Easements. The Town Manager is charged with the duty of executing all necessary documents to obtain rights of way, easements, and other property interests necessary to complete duly authorized Capital Improvement Projects.

Adopted Budget Ordinance

Proposed Ordinance No. 2021-14

Page Three

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, in the event that the costs of an acquisition of such real property interests materially exceeds the amount budgeted in the approved Capital Improvement Project and the Town Manager is unable to shift additional funds from other authorized sources, the Town Manager shall be required to obtain the approval of Town Council for such additional expenditures. Nothing herein shall obviate the requirement that no condemnations shall be commenced without the appropriate approval of the Town Council for the Town of Hilton Head Island.

Section 5. Revised Holiday Schedule. As part of the adoption of the Budget, Town Council approves an updated Holiday Schedule for 2021 and 2022 in accordance with the attached schedules.

Section 6. Approval of State ATAX. The Town Budget is relying on State ATAX revenues for the operation of the Town in accordance with TERC guidelines in the amount of \$1,695,211. This amount includes amounts as provided by State Law formulas and Town approval to total \$1,695,211 and is hereby approved with this budget.

Section 7. Severability. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 8. Effective Date. This Ordinance shall be effective upon its enactment by the Town Council for the Town of Hilton Head Island.

Adopted Budget Ordinance

Proposed Ordinance No. 2021-14

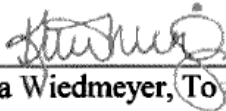
Page Four

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS 1st DAY OF June, 2021.**



John McCann, Mayor

ATTEST:



Krista Wiedmeyer, Town Clerk

First Reading: May 4, 2021
Public Hearing: June 1, 2021
Revised First Reading: n/a
Second Reading: June 1, 2021

APPROVED AS TO FORM:



, Town Attorney

Introduced by Council Member: William D. Harkins

**TOWN OF HILTON HEAD ISLAND ADMINISTRATIVE STAFF
2021 HOLIDAY SCHEDULE**

Revised 7/1/2021

New Year's Day	January 1, 2021 (Friday)
Martin Luther King, Jr. Day	January 18, 2021 (Monday)
Memorial Day	May 31, 2021 (Monday)
Independence Day (observed)	July 5, 2021 (Monday)
Labor Day	September 6, 2021 (Monday)
Veterans' Day	November 11, 2021 (Thursday)
Thanksgiving Day	November 25, 2021 (Thursday)
Day after Thanksgiving	November 26, 2021 (Friday)
Christmas Eve (observed)	December 23, 2021 (Thursday)
Christmas Day (observed)	December 24, 2021 (Friday)
New Year's Day 2022 (observed)	December 31, 2021 (Friday)

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.

**TOWN OF HILTON HEAD ISLAND ADMINISTRATIVE STAFF
2022 HOLIDAY SCHEDULE**

New Year's Day (observed)	December 31, 2021 (Friday)
Martin Luther King, Jr. Day	January 17, 2022 (Monday)
Presidents Day	February 21, 2022 (Monday)
Memorial Day	May 30, 2022 (Monday)
Independence Day	July 4, 2022 (Monday)
Labor Day	September 5, 2022 (Monday)
Veterans' Day	November 11, 2022 (Friday)
Thanksgiving Day	November 24, 2022 (Thursday)
Day after Thanksgiving	November 25, 2022 (Friday)
Christmas Eve (observed)	December 23, 2022 (Friday)
Christmas Day (observed)	December 26, 2022 (Monday)
New Year's Day 2023 (observed)	January 2, 2023 (Monday)

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.

[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.

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.

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.

[Glossary of Terms](#)

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 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.

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.

Glossary of Terms

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 – Equals the equity in each fund.

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.

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.

Glossary of Terms

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.

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.

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.

[Glossary of Terms](#)

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-imbusement 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

Acknowledgement:

A special thanks to April Akins for her generous contribution of time and photographs that help share some of the character of our Island.