

# Our Town

*A Newsletter of the Town of Hilton Head Island*  
 Brought to you by the Town of Hilton Head Island, South Carolina  
[www.hiltonheadislandsc.gov](http://www.hiltonheadislandsc.gov) (843)341-4600

## Mayor's Note



Mayor Peeples

I have learned in my lifetime that there are no guarantees of success, happiness or health. While no guarantees can be made as to our financial situation at Town Hall, Council and I can report to you that our financial picture can be characterized as one of the best in the State of South Carolina. At a recent Town Council meeting, our bond attorney stated that "the Town has been so well managed in the boom years that it's very well positioned to handle the slow years." Thanks to careful stewardship of our finances,

we enjoy the highest credit rating of any municipality in the state. This country's three largest bond rating companies did not change their "high grade" category for us and this is unusual in today's economic climate. I believe that the rating companies appreciate the fact that our debt is far below the state constitutional cap and the cap established by Council itself. Finally, we have set aside an amount equal to 30% of our \$32 million operating budget and we have \$14 million set aside for use after a natural disaster. We have significantly reduced the budget the last 2 years and the Town Manager has reduced personnel through attrition. Thanks for your support in Council's efforts to manage your money.

In an effort to respond to expected lower visitor numbers, I suggested and Council concurred that we ask the Manager to approve the amount of \$200,000 to the Chamber to advertise primarily in Atlanta and Charlotte. Let's face it, visitors spend money at local restaurants, retail shops, hotels etc. and that helps our business community which is, after all, made up of residents. The approach was to encourage people within driving

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or short flight distances to visit the Island. It worked. Hotel and Resort occupancy rates for July increased over 4% from a year earlier. Compared to other resort communities, that increase was significant because many saw their percentage drop. Our focus has been to prudently support efforts to keep Island businesses in business. Our visitors pay their fair share of accommodations and hospitality taxes and beach preservation fees that offset costs that would otherwise be borne by residents. This balancing act is, in part, responsible for the Town's solid financial position.

Second quarter crime statistics were unveiled at a Council Public Safety Committee meeting recently which showed that violent and property crime both decreased. This represents two quarters in a row that property crimes decreased and five quarters in a row that violent crime declined. Town Council budgeted more money for Sheriff's Office overtime a few months ago, and we hope this will help the cause of law enforcement.

## Town Manager's Note



Steve Riley

Do you Twitter? It's painless, I assure you. We have established a service account on Twitter so you can get alerts about emergencies and natural disasters. It works this way: go to [twitter.com/hhiemergency](http://twitter.com/hhiemergency) and click on "join today." Just follow instructions thereafter. The Town will send messages after a hurricane, for example, to alert subscribers when all or certain parts of the Island have opened for re-entry after a mandatory evacuation. We could send messages that let

residents know re-entry procedures or the status of water and sewer facilities. The messages can be sent to your cell phone or computer. The Twitter account is not interactive in that we will not be corresponding with subscribers. We'll be busy enough with getting the Island up and running again.

On the subject of disasters, we have created a "Citizen's Guide to Emergency Preparedness" which is available to you at Town Hall or on our web page: [www.hiltonheadislandsc.gov](http://www.hiltonheadislandsc.gov). Our Emergency Management Coordinator, Paul Rasch, is also available to make presentations to groups; he can be reached at 682-5100. The Guide includes suggestions for preparing for 6 types of disasters including tornados, flooding, earthquakes and, of course, hurricanes. If you want to know how to rebuild fast, get a copy of the guide.

Town Council recently approved a bond referendum, with huge resident support, to borrow up to \$17 million for land acquisition. We may or may not spend this amount, depending on whether property meets our strict land acquisition guide-

lines. We also recently refinanced a 1990 bond issue that will save us about \$864,000 by the time it's paid off in 2024. We are taking advantage of lower interest rates as we have done several times over the years. Speaking of finances, I want to direct your attention to pages 2 and 3 of this edition where we lay out our fiscal year '09-'10 adopted budget. For the last two years, we have reduced our budget to coincide with a drop in revenues. As the Mayor stated above, the bond companies appreciate Council's efforts at maintaining an excellent financial picture for the Town. We are early in the budget year, and we will be closely following costs and revenues in order to quickly react when necessary. Council's marching orders are clear: be fiscally prudent, be mindful of changing environments, and keep the Council and residents apprised of our financial situation. We have and will continue to do just that.



# Fiscal Year 2009/2010 Budget

The Town's annual budget allocates the resources to achieve Town goals established by both long-term and short-term priorities set by Town Council. The combined Fiscal Year 2009/2010 budgeted expenditures for the General Fund, Capital Projects Fund and Debt Service Fund is \$59,876,810. This represents a decrease of \$30,571,722 million or 33.8% under Fiscal Year 2008/2009 final revised budget.

## Funds, Resources and Uses

The financial transactions of the Town are budgeted and accounted for within three types of funds. Each fund type has a different source of revenue and/or certain restrictions on the use of the revenues. The fund types, major revenue sources, and primary fund uses are summarized in the chart below.

Fund Type	Primary Resources	Fund Uses
The <b>General Fund</b> provides for basic Town services and operations not required to be accounted for in other funds.	<ul style="list-style-type: none"> <li>Property Taxes</li> <li>Business License Fees</li> <li>Permit Fees</li> <li>Local Public Safety Fee</li> <li>Accommodations Taxes</li> </ul>	<ul style="list-style-type: none"> <li>General Operations</li> <li>Public Safety</li> <li>Community Services</li> <li>Beach &amp; Area Parks Support</li> </ul>
The <b>Debt Service Fund</b> accounts for long-term debt obligations for capital assets, improvements, and land acquisition.	<ul style="list-style-type: none"> <li>Property Taxes / TIF</li> <li>Real Estate Transfer Fees</li> <li>Storm Water Utility Fees</li> <li>Beach Preservation Fees</li> <li>Hospitality Taxes</li> </ul>	Debt Principal & Interest
The <b>Capital Projects Fund</b> is used to purchase and construct capital facilities.	<ul style="list-style-type: none"> <li>Property Taxes</li> <li>Fund Balance</li> <li>Grants</li> <li>Hospitality Tax</li> <li>Impact Fees</li> <li>Storm Water Utility Bond</li> <li>Lease Account</li> <li>Accommodations Taxes</li> <li>Sunday Liquor Permit Fees</li> </ul>	<ul style="list-style-type: none"> <li>New Construction</li> <li>Purchase of Capital Assets</li> <li>Street &amp; Drainage Improvements</li> <li>Pathways</li> <li>Beach Maintenance</li> <li>Parks &amp; Open Space</li> </ul>

## Where the Money Comes From

The Town revenue sources are provided from taxes on real, personal, and vehicle property; business licenses; permits; fees; charges for services; and other miscellaneous revenue collections. Major categories of revenue are described below.

**Taxes** are ad valorem property taxes collected this fiscal year on real estate, personal property, and vehicles. This revenue is 27.59% of the Consolidated Budget at \$16.5 million.

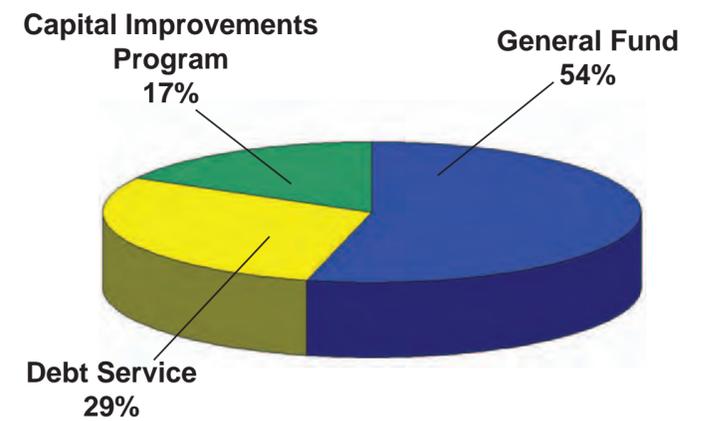
**Accommodations Taxes (ATAX) / Beach Preservation Fees** are funds derived from taxes on short-term rental, hotels, and motel accommodations. The State mandates 2% tax, and the Town has a 2% Beach Fee and 1% Local Accommodations tax. These fees are \$8.1 million and represent 13.52% of the total budget.

**HTAX/SWU Bonds and Fees:** HTAX (Hospitality Tax) are proceeds from HTAX Bond and fees collected from a 2% tax imposed on the gross sales price of prepared meals and beverages; SWU Bond and Fees are proceeds from a storm water utility bond and a fee charged by the County for management of the storm water system within the Town. These fees are \$7.7 million and represent 12.95% of the total budget.

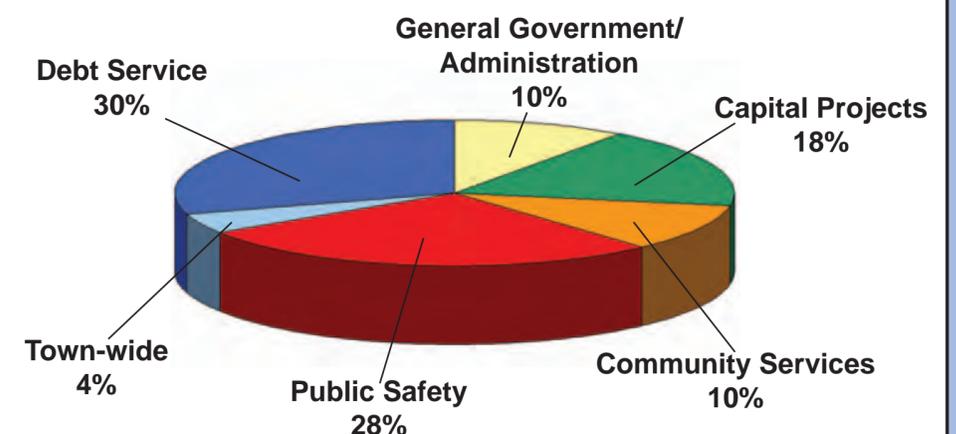
**Licenses, Franchise Fees & Permits** are business licenses, building and development permits, and cable and beach franchise fees which raise \$8.6 million for the General Fund and represent 14.43% of the Consolidated Budget.

**Other revenue** includes impact fees, real estate transfer fees, tax increment financing (TIF) fees, and miscellaneous revenue (contributions, municipal fines and fees, intergovernmental funds, parking fees, miscellaneous funds from prior years, and interest income). Total revenue from these sources is \$18.9 million or 31.51% of the total budget.

## Consolidated Budget by Fund Fiscal Year 2009/2010



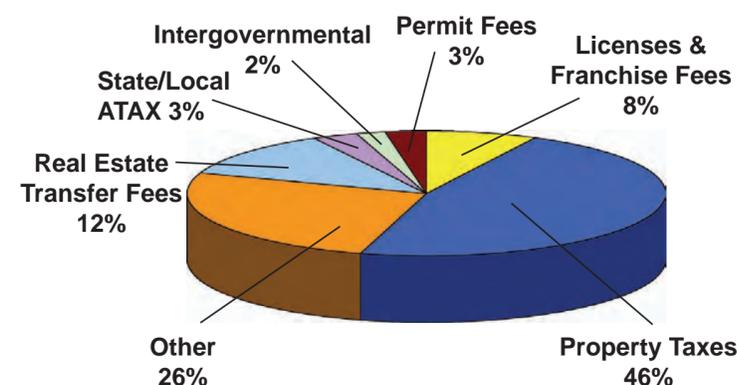
## Where the Money Goes by Program Fiscal Year 2009/2010



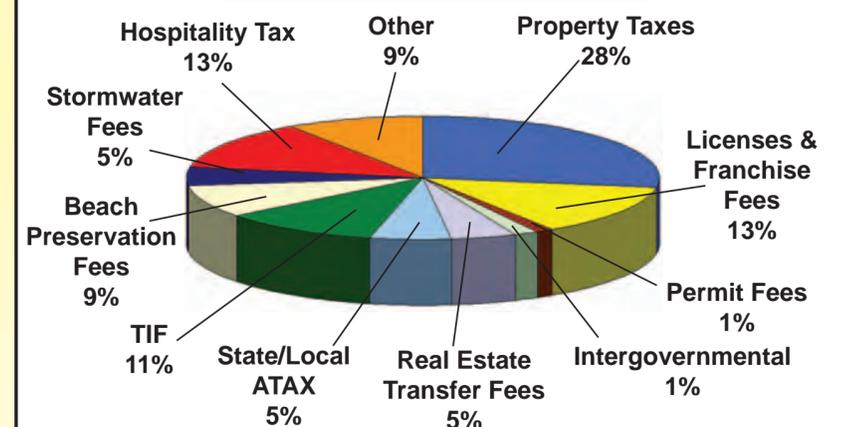
## Consolidated Budget Revenue Sources

The pie charts below highlight the Town's progress in decreasing the reliance on a high percentage of property tax revenue from 46% in Fiscal Year 1994 as compared to 28% in Fiscal Year 2010. The increase in funding provided through other sources demonstrates the Town's ability to expand the diversity of its funding sources through the years.

### Fiscal Year 1993/1994



### Fiscal Year 2009/2010



# Town Hall Goes Green



In an effort to fulfill a 2009 Town Council goal of "Green Initiatives in Town Operations," the Town began implementing the following strategies:

- Reducing use and associated costs of paper products and other office supplies by using email and the Town's internal and external websites for sharing information and providing the public access to online services and forms.
- Increasing Town-wide participation in recycling of office paper, aluminum cans, newspapers, magazines, cardboard, phone books, batteries, printer cartridges, phones, and other items and increasing the use of green products by replacing new cars with hybrid, energy efficient vehicles and using environmentally friendly cleaning supplies.
- Reducing use and costs for energy, fuel and water by replacing light bulbs with energy saving ones at all Town facilities; using LED lights in Island traffic lights; ensuring thermostats at all facilities are set at energy saving temperatures; using drought resistant plants in landscaping plans of Town projects, and providing miles of pathways to as an alternative to driving on the Island.
- Providing alternative means of educating the public and staff on green initiatives by offering detailed recycling information on the Town's website including tips, posters, brochures, etc.

At the Town's Fire & Rescue Department, 9,022 pounds of recyclable products were collected last year at Fire and Rescue facilities and 110,000 pounds of hazardous materials were collected at the Household Hazardous Waste Roundup in the events held last April and October.

Other "green" initiatives going on in the Fire and Rescue Department include:

- Caustics and non- biodegradable cleaners have been replaced with environmentally responsible items and Styrofoam products have been replaced with biodegradable items.
- The recent purchase of our fire apparatus fleet includes a number of green initiatives such as a diesel engine package that is compliant to the most current EPA standard. It produces about 90% less particulates and 60% less green house emission than the previous pumpers.
- Fewer oil changes resulting in the reduction of oil consumption by 20%.
- The new fleet is averaging about 2 miles per gallon better than some of our older units.
- In response to the use of alcohol enriched gasoline, we now use environmentally friendly alcohol resistant foam. This foam allows us to extinguish fires and suppress vapors from gasoline emergencies with out introducing additional toxins into the environment. Foam that is produced during training requires no special treatment at our sewer facilities.

See what you can do with your business or home to encourage going green! You can also check the Internal Revenue Code to find out about tax savings for certain renovations.

## Hilton Head Island Convenience Center

The Hilton Head Island Convenience Center, located at 26 Summit Road (off Gateway Circle and across from Fire & Rescue Headquarters) is open every day from 7:00 a.m. to 7:00 p.m., except holidays. The Convenience Center has containers and compactors alongside the ramp to accept bagged household garbage, bulky items, cardboard, pasteboard and mixed paper, and yard waste no larger than six inches in diameter and eight feet in length. An additional area located at the entrance to the ramp has been designated for recyclables.

The following recyclables are accepted at the Hilton Head Island Convenience Center:

- Aluminum and Steel Cans
- Clear, Green, and Brown Glass
- Newspapers and Magazines
- #1 and #2 Plastics (soda or water bottles, milk jugs, detergent bottles, etc.)
- Used Motor Oil
- Motor Oil Bottles and Oil Filters
- Used Passenger Vehicle Tires

Please help preserve the beauty of Hilton Head Island and Recycle!

