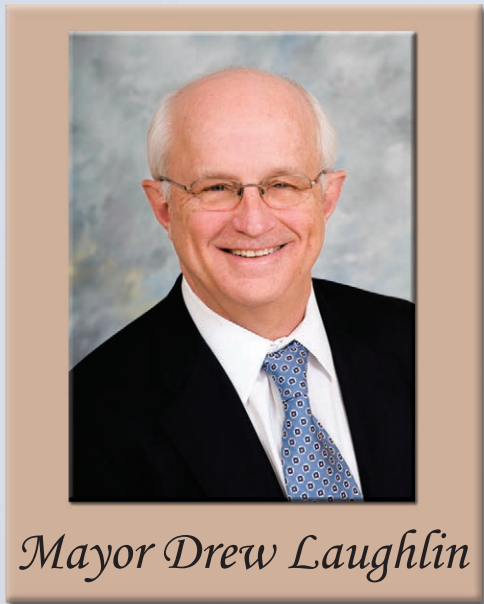




Our Town

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

Mayor's Note



accident, rather, with private and public commitments, we have distinguished ourselves. Behind the private and public achievements, we acknowledge the support of all residents.

With the gradual recovery of the economy and efforts by the Hilton Head Island-Bluffton Chamber of Commerce, we are observing a corresponding uptick in occupancy at hotels and short-term rentals. I am told many visitors are staying longer than in recent years. The Chamber recently stated that through April, occupancy was up 7 percent. This bodes well for residents as well because visitors are asked to share the cost of beach renourishments, beach park maintenance, police and beach lifeguard and other beach services. This spreads the cost rather than relying solely on residents.

More positive news comes our way in the form of a recovering real estate market. Median sale prices have increased on the Island, inventories are dropping, and there appears to be a bottoming out of the real estate market nationally. While building permits have also increased, much of that is due to redevelopment

One thing never gets old, the Island has achieved distinction again on 2 fronts: *Parents* magazine, with 2.2 million readers and 817,000 visitors each month to its website, chose Hilton Head Island as the number 1 beach town in the nation, and, less sexy but all the more important, the Town maintained high marks by bond rating agencies who cited, among other things, the "strong financial policies" the town employs. *Parents* magazine credited our beaches, view of the stars, children-focused museums and recent and significant redevelopment on the Island. Neither of these 2 distinctions happened by

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which is good, but I would sure like to see homebuilding recover more.

Town Council has had more meetings than I can count the last few months with the budget, board and commission interviews, council subcommittee meetings, and interview with prospective Economic Development Board members. Approximately 47 candidates were considered and slightly less than 20 were interviewed. Appointments are expected to be made by Council at its August 6th meeting.

The Board will begin meeting soon and I want to thank Town Council for the time and effort in creating the Board and selecting these great volunteers. I would also like to thank all of those who applied and for their willingness to devote their time for the improvement of our Island.

Finally, Town Council adopted a texting while driving ban and more information about this law is found on page 3.

Town Manager's Note



positions and with decreased costs related to turnover. We have increased our services with no millage rate increase this year. The Town's larger projects planned for fiscal year 2014 are park developments at a community dock on Squire Pope Road with dock and pier components and Chaplin Linear Park; new facilities at Coligny/Pope Initiative Area; pathways at Pembroke and Gardner Drives; roadway improvements at Leamington/Fresh Market Shoppes; and beach management projects for an emergent issue named Ocean Point and early stages of the next major renourishment planned in 2015.

The Fire & Rescue Department held its tenth Household Hazardous Waste Round Up on April 27th. Approximately 1,400 cars came through our facility during the event dropping off almost 82,000 lbs. of materials. The Round Up collected almost 36,000 lbs. of paints, pesticides, batteries, and other hazardous materials. Additionally, over 45,000 lbs. of E-Waste was collected including; 181 personal computers, 180 computer monitors, more than 150 printers, 338 televisions, 20 large

projection televisions and countless cell phones, radios and miscellaneous electronic devices. Last but not least, the Beaufort County Sheriff's Department collected 85 lbs. of prescription drugs. We saw a 7% increase in traffic over the previous year. In recent years, the intake of hazardous materials has slowly decreased while our E-Waste volume has been steadily growing. Since inception, we have collected and recycled over 750,000 lbs. of hazardous materials and E-Waste

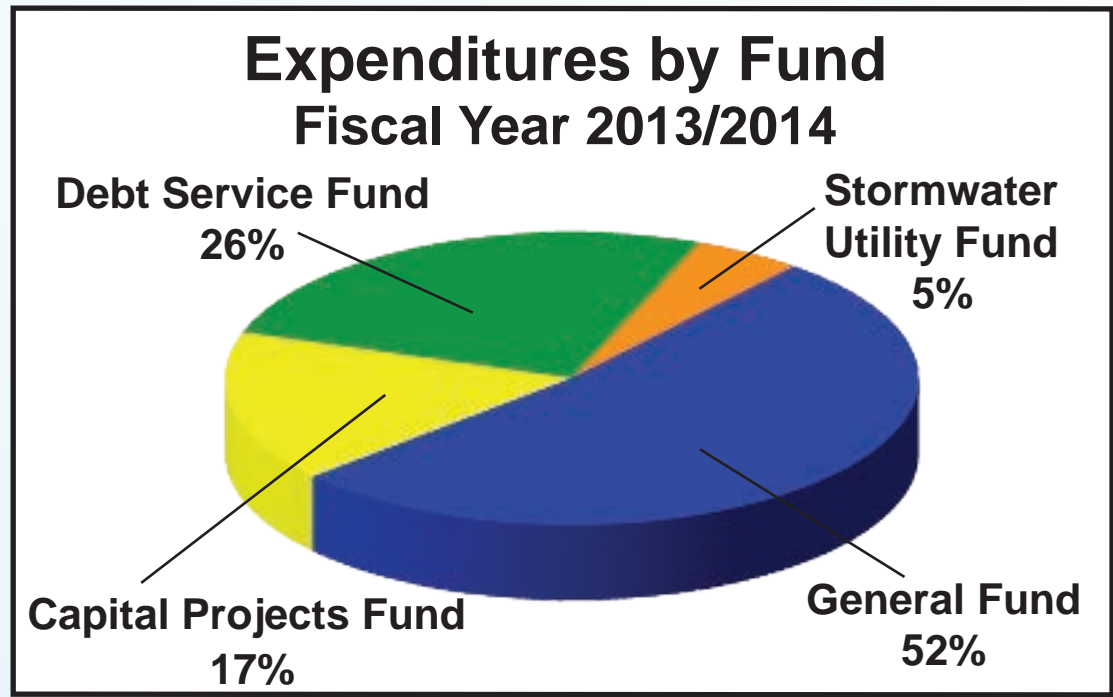
We have installed 110 new beach signs recently which feature a more subtle design than those they replace. We've taken the big red "NO" off the sign and provided more information about designated swimming areas, when animals are permitted on the beach and various other regulations. We hope these new signs achieve a more welcoming tone while at the same time alerting beach visitors to the fact that we do have rules to live by.

Town Council adopted our FY 2013/2014 annual budget. We developed our budget with the view of an improving Island economy recovering from the economic recession. The Town is experiencing slightly higher revenues in most revenue sources and has presented a budget that reflects Town Council's adopted strategic plan. Over the last several years, we reduced personnel expenditures by eliminating 16

Fiscal Year 2013/2014

Budget

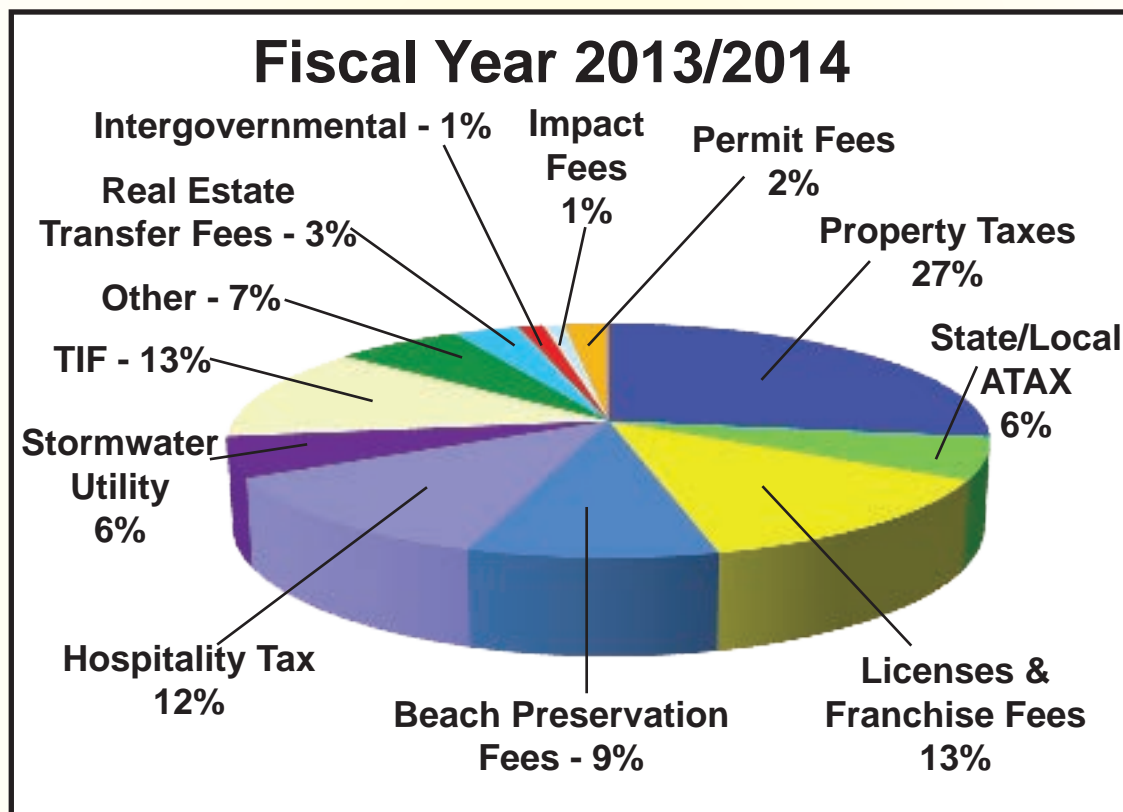
The Town's annual budget allocates the resources to achieve Town goals and objectives established by both long-term and short-term priorities set by Town Council. The combined fiscal year 2013/2014 budgeted expenditures for the General Fund, Capital Projects Fund, Debt Service Fund and Stormwater Utility Fund (Enterprise Fund) is \$65,834,327. This represents a decrease of \$16.4 million or 20% less than the fiscal year 2012/2013 amended budget.



Where the Money Comes From

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 47% in fiscal year 1994 as compared to 27% in fiscal year 2014. The increase in funding provided through other sources demonstrates the Town's ability to expand the diversity of its funding sources through the years.



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.

Property Taxes are ad valorem taxes collected during the fiscal year on real estate, personal property, and vehicles. This revenue is 27% of the consolidated budget at \$17.7 million.

Licenses and Franchise Fees are business licenses; cable, recycling and beach franchise fees providing \$8.5 million for the General Fund representing 13% of the consolidated budget.

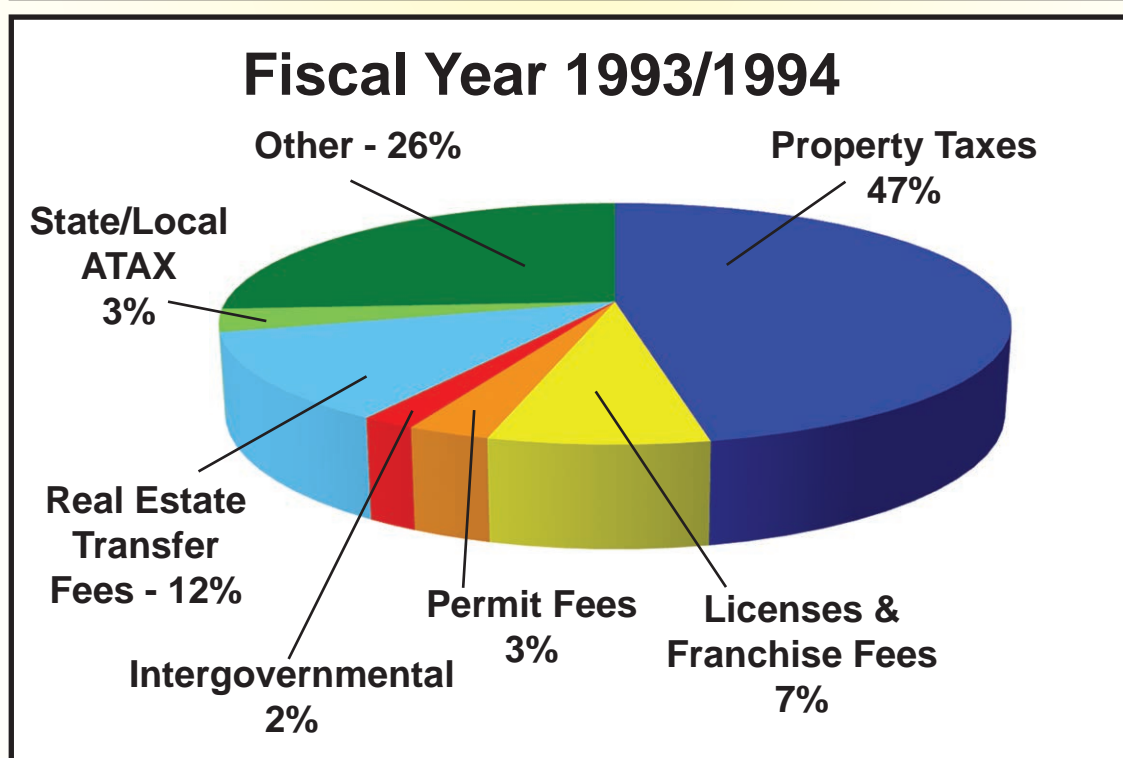
Accommodations Taxes (ATAX) / Beach Preservation Fees are funds derived from taxes on short-term rental, hotels, and motel accommodations. The State mandates a 2% ATAX, and the Town has a 2% Beach Fee and 1% Local ATAX. These fees provide \$9.7 million and represent 15% of the consolidated budget.

Tax Increment Financing (TIF) in which funds derive from increased value above the baseline assessment when the TIF District was established. These taxes provide \$8.4 million and represent 13% of the consolidated budget.

Hospitality Tax (HTAX) and related bond proceeds are collected from a 2% tax imposed on the gross sales price of prepared meals and beverages. These fees and proceeds provide \$8.0 million and represent 12% of the total budget.

Stormwater Utility Fees and related bond proceeds are charged by Beaufort County for management of the stormwater system within the Town. These fees and proceeds provide \$3.6 million and represent 6% of the total budget.

Other revenue include impact fees, permit fees, real estate transfer fees, intergovernmental funds and miscellaneous revenue (contributions, municipal fines and fees, emergency medical services, and interest income). Total budgeted revenue from these sources is \$9.2 million or 14% of the total budget.



Where the Money Goes by Program Fiscal Year 2013/2014

