

Revised to add item 7(c) - Consideration of a Recommendation.



Town of Hilton Head Island
**FINANCE & ADMINISTRATIVE COMMITTEE
MEETING**

Tuesday, November 16, 2021, 1:00 PM

REVISED AGENDA

The Finance & Administrative Committee meeting will be conducted virtually and can be viewed on the [Town of Hilton Head Island Public Meetings Facebook Page](#)

1. **Call to Order**
2. **FOIA Compliance** Public notification of this meeting has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the requirements of the Town of Hilton Head Island.
3. **Roll Call**
4. **Approval of the Agenda**
5. **Approval of the Minutes**
 - a. October 16, 2021
6. **Appearance by Citizens** Citizens who wish to address the Committee may do so by contacting the Town Clerk at 843.341.4701, no later than 12:00 p.m. the day of the meeting. Citizens may also submit written comments via the [Town's Open Town Hall Portal](#). The portal will also close at 12:00 p.m. the day of the meeting. Comments submitted through the portal will be shared with the Committee and made part of the official record.
7. **New Business**
 - a. Presentation and Discussion of the Annual Tax Increment Financing District Fund ("TIF") Report
 - b. Town of Hilton Head Island Financial Report
 - c. Consideration of a Recommendation - Authorizing the Town Manager to Enter into a Contract Securing Fire Rescue Fleet Updates.
8. **Adjournment**

Please note, a quorum of Town Council may result if four (4) or more of their members attend this meeting.



Town of Hilton Head Island
Finance & Administrative Committee
Tuesday, October 19, 2021, 1:00 p.m.
MEETING MINUTES

Present from the Committee: Tom Lennox, *Chairman*; Bill Harkins, Glenn Stanford and Alexander Brown, Jr.

Present from Town Council: David Ames,

Present from Town Staff: Marc Orlando, *Town Manager*; Josh Gruber, *Deputy Town Manager*; John Troyer, *Director of Finance*; Krista Wiedmeyer, *Town Clerk*

1. Call to Order

The Chairman called the meeting to order at 1:00 p.m.

2. FOIA Compliance

Ms. Wiedmeyer confirmed compliance with the South Carolina Freedom of Information Act.

3. Roll Call

Attendance of all members was confirmed by way of roll call.

4. Approval of the Agenda

Mr. Harkins moved to approve. Mr. Stanford seconded. Motion carried 4-0.

5. Approval of Minutes

a. September 21, 2021

Mr. Harkins moved to approve. Mr. Stanford seconded. Motion carried 4-0.

6. Appearance by Citizens

Ms. Wiedmeyer confirmed that no citizen comments were submitted via the Open Town Hall Portal and that no citizens had signed up to address the Committee.

7. New Business

a. Status Update on the Business Plan and Master Plan for Mitchelville Freedom Park

Ahmad Ward, Executive Director of the Mitchelville Freedom Park Project, reviewed and delivered a presentation to the Committee, providing information on both the Business and Master Plan for the project. Upon the conclusion of his presentation, he answered questions posed to him by the Committee.

7. New Business (cont.)

b. Town of Hilton Head Island Financial Update

Mr. Troyer reviewed and delivered a presentation on the status of the Town's finances. Upon the conclusion of the presentation, he answered questions posed to him by the Committee.

8. Adjournment

By unanimous vote, the meeting adjourned at 12:54 p.m.

Submitted by: Krista M. Wiedmeyer, Town Clerk

Approved: _____

The recording of this meeting can be found on the Town's website at www.hiltonheadislandsc.gov.

DRAFT

TOWN OF HILTON HEAD ISLAND

One Town Center Court, Hilton Head Island, S.C. 29928

(843) 341-4600 Fax (843) 842-7728

www.hiltonheadislandsc.gov

John J. McCann
Mayor

October 19, 2021

William D. Harkins
Mayor ProTem

Eric Greenway, Beaufort County Administrator
Beaufort County, South Carolina

Council Members

Dr. Frank Rodriguez, Superintendent
Beaufort County School District

Thomas W. Lennox
David Ames
Tamara Becker
Glenn Stanford
Alexander Brown, Jr.

Pete Nardi, General Manager
Hilton Head Island Public Service District

Marc Orlando
Town Manager

Dear Hilton Head Island TIF Partners:

The fiscal year 2021 annual books are closed for the Town of Hilton Head Island and the 2021 TIF report is enclosed. Please find the following attached documents:

1. An Executive Summary of actual revenue expenditures and fund balances thru June 30, 2021.
2. A report of actual expenditures through June 30, 2021, in total and by area.
3. A detailed report of actual expenditures through June 30, 2021, by capital project category.
4. A report of projections through the end of the extension.

You will note information contained in this report referencing the ending of the original TIF as well as the TIF extension. The past fiscal year (fiscal year 2021) marks the 6th year of the TIF extension. If the projections hold true, some additional appropriations can be made in the last four years of the extension (about \$4.6 million).

Please do not hesitate to contact me if you have any questions or require additional information.

Sincerely,

John M. Troyer

John M. Troyer, Director of Finance

(843) 341-4650

johntr@hiltonheadislandsc.gov

CC: Marc Orlando, Town Manager, Town of Hilton Head Island
Josh Gruber, Deputy Town Manager, Town of Hilton Head Island
Whitney Richland, Chief Financial Officer, Beaufort County
Tonya Crosby, Chief Financial Officer, Beaufort County School
District Amy L. Graybill, Finance Manager, Hilton Head PSD

Town of Hilton Head Island
Tax Increment Financing
Executive Summary
Revenues, Expenditures & Fund Balance Summary
Inception Through June 30, 2021

	<u>Original Term</u>	<u>TIF Extension</u>						<u>Grand Total</u>	
	<u>thru FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>Subtotal</u>	<u>thru FY2021</u>
Revenue:									
TIF Tax-Beaufort County	20,587,250	2,218,264	2,347,683	2,599,848	2,646,604	2,880,055	2,953,716	15,646,170	36,233,420
TIF Tax-Beaufort County School Dist	32,478,286	956,508	912,115	975,733	1,002,440	1,047,940	1,250,364	6,145,100	38,623,386
Tif Tax-Hilton Head PSD	785,782	84,183	84,377	91,408	80,446	88,527	94,502	523,443	1,309,225
TIF Tax-Town of Hilton Head	8,411,691	831,825	850,655	957,911	958,085	1,014,789	1,062,508	5,675,773	14,087,464
Subtotal Taxes (A)	62,263,009	4,090,780	4,194,830	4,624,900	4,687,575	5,031,311	5,361,090	27,990,486	90,253,495
Bond Proceeds	30,000,000	-	-	28,530,000	-	-	-	28,530,000	58,530,000
Interest Income	803,646	824	2,582	244,705	347,168	204,779	10,168	810,226	1,613,872
Transfer from SWU Fees	197,749	-	-	-	-	-	-	-	197,749
Prior Period Adjustment	(744,318)	-	-	-	-	-	-	-	(744,318)
Other Income	-	-	275,000	-	-	33,797	-	308,797	308,797
Total Revenue & Financing	92,520,086	4,091,604	4,472,412	33,399,605	5,034,743	5,269,887	5,371,258	57,639,509	150,159,595
Expenditures:									
2004 Bond - Interest	2,720,326	-	-	-	-	-	-	-	2,720,326
2008 Bond - Interest	2,422,224	-	-	-	-	-	-	-	2,422,224
2017 Bond - Interest	-	-	-	428,838	456,392	394,626	331,703	1,611,559	1,611,559
Cost of Issuance	439,128	-	-	415,000	-	-	-	415,000	854,128
Expenditures (See Detail Sheets)									
<u>Pathways</u>	6,142,356	52,207	4,774	5,459	-	-	-	62,439	6,204,795
<u>Roadways</u>	20,176,399	432,451	1,035,594	1,833,238	4,657,074	2,102,895	(32,034)	10,029,218	30,205,617
<u>Land Acquisition</u>	11,217,074	-	-	-	-	-	-	-	11,217,074
<u>Parks</u>	4,970,181	-	-	-	-	-	21,946	21,946	4,992,127
<u>Facilities</u>	9,079,956	1,958,189	422,741	9,493,961	8,462,156	5,342,092	4,840,769	30,519,908	39,599,864
<u>Project Mgmt & Admin</u>	1,531,863	169,398	175,000	180,000	180,000	180,000	153,000	1,037,398	2,569,261
<u>Consulting</u>	480,850	-	-	-	-	-	-	-	480,850
Expenditures-Apply to Spending Cap	59,180,357	2,612,245	1,638,108	12,356,497	13,755,622	8,019,612	5,315,383	43,697,468	102,877,825
2004 Bond - Principal	8,000,000	-	-	-	-	-	-	-	8,000,000
2008 Bond - Principal	22,000,000	-	-	-	-	-	-	-	22,000,000
2017 Bond - Principal	-	-	-	2,890,000	3,470,000	3,535,000	3,595,000	13,490,000	13,490,000
Principal Payments on Debt	30,000,000	-	-	2,890,000	3,470,000	3,535,000	3,595,000	13,490,000	43,490,000
Total Expenditures	89,180,357	2,612,245	1,638,108	15,246,497	17,225,622	11,554,612	8,910,383	57,187,468	146,367,825
Surplus (Deficit)	3,339,729	1,479,359	2,834,304	18,153,108	(12,190,879)	(6,284,725)	(3,539,125)	452,041	3,791,770
FYE Fund Balance	3,339,729	4,819,088	7,653,392	25,806,500	13,615,621	7,330,895	3,791,770	3,791,770	3,791,770

(A) The initial term estimate was \$65,000,000.
The second term estimate is \$50,000,000.

**Town of Hilton Head Island
Tax Increment Financing
Expenditures by Area
Inception Through June 30, 2021**

	Expenditures		
	<u>Original Term</u> <u>thru FY2015</u>	<u>TIF Extension</u> <u>Total</u>	<u>Grand Total</u> <u>thru FY2021</u>
Tax Increment Sub Area:			
Chaplin/Broad Creek Area (1) Totals	1,263,100.00	23,055.60	1,286,155.60
Matthew/Gardner Area (2) Totals	14,011,016.00	55,320.36	14,066,336.36
Palmetto Bay Road Area (3) Totals	293,163.00	-	293,163.00
Coligny Circle Area (4) Totals	8,003,519.00	17,688,731.70	25,692,250.70
Sea Pines Circle Area (5) Totals	8,969,668.00	-	8,969,668.00
Stoney Area (6) Totals	7,828,426.00	8,001.00	7,836,427.00
USCB Area (7) Totals	-	22,858,402.53	22,858,402.53
Subtotal	<u>40,368,892.00</u>	<u>40,633,511.19</u>	<u>81,002,403.19</u>
Land Acquisition	11,217,074.00	-	11,217,074.00
Studies-Consulting	480,850.00	-	480,850.00
Project Mgmt & Admin	1,531,863.00	1,037,398.00	2,569,261.00
Finance Charges-Bonds	5,581,678.00	2,026,559.04	7,608,237.04
Subtotal	<u>18,811,465.00</u>	<u>3,063,957.04</u>	<u>21,875,422.04</u>
Total Expenditures	<u><u>59,180,357.00</u></u>	<u><u>43,697,468.23</u></u>	<u><u>102,877,825.23</u></u>

Town of Hilton Head Island-TIF
 Expenditure Detail-Pathways
 Inception Through June 30, 2021

	Area	Original Term	TIF Extension					Total	Grand Total	
		thru FY2015	FY2016	FY2017	FY2018	FY2019	FY2020		FY2021	thru FY2021
Matthews/Marshland South	1	252,463.00	-	-	1,110.00	-	-	-	1,110.00	253,573.00
Pope Avenue	4	2,224,849.00	6,596.17	4,773.78	4,349.12	-	-	-	15,719.07	2,240,568.07
Lagoon Road	4	138,212.00	-	-	-	-	-	-	-	138,212.00
Avocet Road	4	182,688.00	-	-	-	-	-	-	-	182,688.00
Matthews/Marshland South	2	57,162.00	45,610.36	-	-	-	-	-	45,610.36	102,772.36
Matthews/Marshland Road	2	176,683.00	-	-	-	-	-	-	-	176,683.00
Matthews Drive	2	460,007.00	-	-	-	-	-	-	-	460,007.00
US278 Gardner to Matthews	2	340,000.00	-	-	-	-	-	-	-	340,000.00
Matthews Dr/Islander Dr	2	928,924.00	-	-	-	-	-	-	-	928,924.00
Palmetto Bay Road	3	214,482.00	-	-	-	-	-	-	-	214,482.00
Target Road	3	78,681.00	-	-	-	-	-	-	-	78,681.00
Dunnigan's Alley	5	139,726.00	-	-	-	-	-	-	-	139,726.00
US278 New Orleans/Shipyard	5	167,181.00	-	-	-	-	-	-	-	167,181.00
New Orleans Road	5	781,298.00	-	-	-	-	-	-	-	781,298.00
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Pathways-Total		<u>6,142,356.00</u>	<u>52,206.53</u>	<u>4,773.78</u>	<u>5,459.12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,439.43</u>	<u>6,204,795.43</u>

Town of Hilton Head Island-TIF
 Expenditure Detail-Roadways
 Inception Through June 30, 2021

	Area	Original Term	TIF Extension					Total	Grand Total	
		thru FY2015	FY2016	FY2017	FY2018	FY2019	FY2020		FY2021	thru FY2021
Traffic Signal Mast Arms	1	218,500.00	-	-	-	-	-	-	-	218,500.00
Roadway Safety Improvements	1	180,810.00	-	-	-	-	-	-	-	180,810.00
Coligny Circle Reconfiguration	4	436,706.00	-	-	-	3,463,105.48	2,040,262.99	(32,034.20)	5,471,334.27	5,908,040.27
SCDOT Road Resurfacing	4	334,608.00	-	-	-	-	-	-	-	334,608.00
SCDOT Road Resurfacing	4	357,766.00	-	-	-	-	-	-	-	357,766.00
Heritage Road Extension	4	16,922.00	-	-	-	-	-	-	-	16,922.00
Directional Neighborhood Signs	4	102,840.00	-	-	-	-	-	-	-	102,840.00
Nassau Street Extension	4	-	70,974.86	9,157.94	3,575.00	-	-	-	83,707.80	83,707.80
Traffic Signal Mast Arms	2	159,386.00	-	-	-	-	-	-	-	159,386.00
Matthews Drive Widening	2	8,833,675.00	-	-	-	-	-	-	-	8,833,675.00
Roadway Safety Improvements	2	66.00	-	-	-	-	-	-	-	66.00
Matthews Drive Widening	2	197,003.00	-	-	-	-	-	-	-	197,003.00
Matthews Dr/Chaplin Connect	2	993,507.00	-	-	-	-	-	-	-	993,507.00
Matthews Dr/Marshland Road Connect	2	4,505.00	-	-	-	-	-	-	-	4,505.00
Marshland Rd Roundabout	2	1,001,029.00	-	-	140.00	-	-	-	140.00	1,001,169.00
Matthews Dr N/Beach City Roundabout	2	833,680.00	-	-	-	-	-	-	-	833,680.00
Office Park Road Widening	5	1,040,779.00	-	-	-	-	-	-	-	1,040,779.00
Office Park Road Intersection	7	-	104,310.72	313,514.89	1,808,892.64	1,193,968.99	62,631.80	-	3,483,319.04	3,483,319.04
Long Cove Lane Extension	5	50,000.00	-	-	-	-	-	-	-	50,000.00
Intersection Improvements	5	498,340.00	-	-	-	-	-	-	-	498,340.00
Roadway Safety Improvements	5	50,697.00	-	-	-	-	-	-	-	50,697.00
Wexford Village Crosswalk Improvement	5	49,501.00	-	-	-	-	-	-	-	49,501.00
Shipyard-Crosswalk Improvement	5	31,552.00	-	-	-	-	-	-	-	31,552.00
Directional Neighborhood Signs	5	55,629.00	-	-	-	-	-	-	-	55,629.00
Intersection/Crosswalk Lighting	5	47,540.00	-	-	-	-	-	-	-	47,540.00
Dunnagan's Alley Roundabout	5	982,201.00	-	-	-	-	-	-	-	982,201.00
Median Curbing	-	-	-	-	-	-	-	-	-	-
Pedestrian Crosswalks	6	110,283.00	-	-	-	-	-	-	-	110,283.00
Pedestrian Crosswalks	6	170,762.00	-	-	-	-	-	-	-	170,762.00
Intersection Improvements	6	295,384.00	-	-	-	-	-	-	-	295,384.00
Horseshoe Road Connector	6	951,887.00	-	-	-	-	-	-	-	951,887.00
Gumtree/Squirepope Roundabout	6	1,759,657.00	-	-	-	-	-	-	-	1,759,657.00
Roadway Safety Improvements	6	149,095.00	-	-	-	-	-	-	-	149,095.00
US278/Squire Pope Road	6	22,052.00	-	-	-	-	-	-	-	22,052.00
Stoney Secondary Road	6	40,037.00	-	-	-	-	-	-	-	40,037.00
Honey Horn Road Project	6	200,000.00	-	-	-	-	-	-	-	200,000.00
Traffic Signal-Spanish Wells	6	-	8,001.00	-	-	-	-	-	8,001.00	8,001.00
Lagoon Road Extension	4	-	119,328.03	656,548.58	13,916.95	-	-	-	789,793.56	789,793.56
Lagoon Road/Pope Ave Intersection	4	-	59,501.83	52,077.62	6,713.89	-	-	-	118,293.34	118,293.34
So Forest Beach Drive Improvement	4	-	61,805.21	3,254.12	-	-	-	-	65,059.33	65,059.33
Matthew's Dr/Chaplin Area Road Maint	2	-	764.00	42.50	-	-	-	-	806.50	806.50
Marshland Rd Roundabout Road Maint	2	-	7,765.50	998.00	-	-	-	-	8,763.50	8,763.50
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
Roadways-Total		20,176,399.00	432,451.15	1,035,593.65	1,833,238.48	4,657,074.47	2,102,894.79	(32,034.20)	10,029,218.34	30,205,617.34

Town of Hilton Head Island-TIF
 Expenditure Detail-Land Acquisition
 Inception Through June 30, 2021

	Area	Original Term	TIF Extension					Total	Grand Total
		thru FY2015	FY2016	FY2017	FY2018	FY2019	FY2020		FY2021
Hack-Fire Station 3	1	293,167.00	-	-	-	-	-	-	293,167.00
Legendary Golf	4	1,750,000.00	-	-	-	-	-	-	1,750,000.00
Town Center(Shipyard Fire Station)	4	4,500.00	-	-	-	-	-	-	4,500.00
Howell/Arrow Road	5	800,000.00	-	-	-	-	-	-	800,000.00
Rock's/Remy's	5	1,810,036.00	-	-	-	-	-	-	1,810,036.00
Art Center	5	636,934.00	-	-	-	-	-	-	636,934.00
Office Park Rd Condemnation	5	(50,828.00)	-	-	-	-	-	-	(50,828.00)
Office Park LLC	5	727,800.00	-	-	-	-	-	-	727,800.00
Land Acquisition Group, LLC	6	275,000.00	-	-	-	-	-	-	275,000.00
Williams	6	551,616.00	-	-	-	-	-	-	551,616.00
R.G. Holdings	6	603,550.00	-	-	-	-	-	-	603,550.00
Ackridge	6	2,510,284.00	-	-	-	-	-	-	2,510,284.00
Low Country Investments	6	1,210,944.00	-	-	-	-	-	-	1,210,944.00
Miscellaneous		94,071.00	-	-	-	-	-	-	94,071.00
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
Land Acquisition-Total		11,217,074.00	-	-	-	-	-	-	11,217,074.00

Town of Hilton Head Island-TIF
Expenditure Detail-Parks
Inception Through June 30, 2021

	<u>Area</u>	<u>Original Term</u>	<u>TIF Extension</u>					<u>Total</u>	<u>Grand Total</u>	
		<u>thru FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>		<u>FY2021</u>	<u>thru FY2021</u>
Chaplin Tennis Courts	1	4,010.00	-	-	-	-	-	-	-	4,010.00
Chaplin Linear Park w/Boardwalk	1	181,822.00	-	-	-	-	-	21,945.60	21,945.60	203,767.60
Coligny Beach Park	4	1,752,000.00	-	-	-	-	-	-	-	1,752,000.00
Rock's/Remy's	5	400.00	-	-	-	-	-	-	-	400.00
Park Upgrades, Compass Rose Park/Art	5	462,713.00	-	-	-	-	-	-	-	462,713.00
Mckibben Property	5	5,270.00	-	-	-	-	-	-	-	5,270.00
Compass Rose Park	5	1,222,888.00	-	-	-	-	-	-	-	1,222,888.00
Rowing & Sailing Center	6	1,341,078.00	-	-	-	-	-	-	-	1,341,078.00
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Parks-Total		<u>4,970,181.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,945.60</u>	<u>21,945.60</u>	<u>4,992,126.60</u>

Town of Hilton Head Island-TIF
Expenditure Detail-Facilities
Inception Through June 30, 2021

	Area	Original Term	TIF Extension					Total	Grand Total	
		thru FY2015	FY2016	FY2017	FY2018	FY2019	FY2020		FY2021	thru FY2021
Sewer Service Projects	1	425,495.00	-	-	-	-	-	-	-	425,495.00
Coligny/Pope Ave Improvements	4	750,256.00	936.00	-	-	-	-	-	936.00	751,192.00
Demolition of Structures	4	1,404.00	-	-	-	-	-	-	-	1,404.00
Fire Station#1 Replacement	4	1,693,268.00	-	-	-	-	-	-	-	1,693,268.00
Fiber to Sheriff's Building	4	12,000.00	-	-	-	-	-	-	-	12,000.00
Sewer Service Projects	2	25,389.00	-	-	-	-	-	-	-	25,389.00
Office Park Road/USCB	5	3,130,686.00	-	-	-	-	-	-	-	3,130,686.00
Office Park Road/USCB	7	-	1,349,956.45	152,102.31	9,493,010.49	8,244,339.85	135,674.39	-	19,375,083.49	19,375,083.49
Dunnagan's Alley	5	156,654.00	-	-	-	-	-	-	-	156,654.00
Sea Pines Circle	5	82,741.00	-	-	-	-	-	-	-	82,741.00
McKibben Property	5	13,872.00	-	-	-	-	-	-	-	13,872.00
Sewer Service Projects	6	1,302,546.00	-	-	-	-	-	-	-	1,302,546.00
Sewer Service Projects	6	324,185.00	-	-	-	-	-	-	-	324,185.00
Stoney Area CDBG Project	6	361,169.00	-	-	-	-	-	-	-	361,169.00
Demolition of Structures	6	136,676.00	-	-	-	-	-	-	-	136,676.00
Coligny Parking Lot Enhancements	6	115,311.00	-	-	-	-	-	-	-	115,311.00
NW Quadrant-Coligny	6	23,200.00	-	-	-	-	-	-	-	23,200.00
NW Quadrant-Coligny	4	-	523,375.54	252,523.74	951.00	217,815.81	5,206,417.19	4,840,769.05	11,041,852.33	11,041,852.33
Demolition of Structures	6	525,104.00	-	-	-	-	-	-	-	525,104.00
NW Quadrant-Sandbox	4	-	83,921.45	18,114.55	-	-	-	-	102,036.00	102,036.00
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Facilities-Total		9,079,956.00	1,958,189.44	422,740.60	9,493,961.49	8,462,155.66	5,342,091.58	4,840,769.05	30,519,907.82	39,599,863.82

Town of Hilton Head Island-TIF
 Expenditure Detail-Project Mgmt & Admin
 Inception Through June 30, 2021

	<u>Original Term</u>	<u>TIF Extension</u>						<u>Total</u>	<u>Grand Total</u>
	<u>thru FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>		
Project Management	1,521,173.00	169,398.00	175,000.00	180,000.00	180,000.00	180,000.00	153,000.00	1,037,398.00	2,558,571.00
Admin	10,690.00	-	-	-	-	-	-	-	10,690.00
Project Mgmt & Admin-Total	<u>1,531,863.00</u>	<u>169,398.00</u>	<u>175,000.00</u>	<u>180,000.00</u>	<u>180,000.00</u>	<u>180,000.00</u>	<u>153,000.00</u>	<u>1,037,398.00</u>	<u>2,569,261.00</u>

**Town of Hilton Head Island-TIF
Expenditure Detail-Consulting
Inception Through June 30, 2021**

	<u>Original Term</u>	<u>TIF Extension</u>						<u>Grand Total</u>	
	<u>thru FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>Total</u>	<u>thru FY2021</u>
LDR International	449,016.00	-	-	-	-	-	-	-	449,016.00
Wilbur/Smith	24,000.00	-	-	-	-	-	-	-	24,000.00
Coltrane (Legal)	159.00	-	-	-	-	-	-	-	159.00
Pitkin	7,675.00	-	-	-	-	-	-	-	7,675.00
Consulting-Total	<u>480,850.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>480,850.00</u>

Town of Hilton Head Island Tax Increment Financing Revenue/Expenditure & Fund Balance Summary (Draft) Inception Through June 30, 2021	A	B	A + B	C	B + C	A + B + C
	<u>Original Term</u> <u>thru FY2015</u>	<u>TIF Extension</u> <u>Subtotal</u>	<u>Actual Total</u> <u>thru FY2021</u>	<u>Projected</u>	<u>Projected for</u> <u>Extension</u>	<u>Projected</u> <u>Total</u>
Revenue:						
TIF Tax-Beaufort County	20,587,250	15,646,170	36,233,420	10,353,830	26,000,000	46,587,250
TIF Tax-Beaufort County School Dist	32,478,286	6,145,100	38,623,386	4,303,792	10,448,892	42,927,178
Tif Tax-Hilton Head PSD	785,782	523,443	1,309,225	347,109	870,552	1,656,334
TIF Tax-Town of Hilton Head	8,411,691	5,675,773	14,087,464	4,128,789	9,804,562	18,216,253
Subtotal Taxes (*)	62,263,009	27,990,486	90,253,495	19,133,520	47,124,006	109,387,015
Bond Proceeds	30,000,000	28,530,000	58,530,000	-	28,530,000	58,530,000
Interest Income	803,646	810,226	1,613,872	3,750	813,976	1,617,622
Transfer from SWU Fees	197,749	-	197,749	-	-	197,749
Prior Period Adjustment	(744,318)	-	(744,318)	-	-	(744,318)
Other Income	-	308,797	308,797	-	308,797	308,797
Total Revenue & Financing	92,520,086	57,639,509	150,159,595	19,137,270	76,776,779	169,296,865
Expenditures:						
2004 Bond - Interest	2,720,326	-	2,720,326	-	-	2,720,326
2008 Bond - Interest	2,422,224	-	2,422,224	-	-	2,422,224
2017 Bond - Interest	-	1,611,559	1,611,559	675,243	2,286,802	2,286,802
Cost of Issuance	439,128	415,000	854,128	-	415,000	854,128
Expenditures (See Detail Sheets)						
<u>Pathways</u>	6,142,356	62,439	6,204,795	50,000	112,439	6,254,795
<u>Roadways</u>	20,176,399	10,029,219	30,205,617	1,255,000	11,284,219	31,460,618
<u>Land Acquisition</u>	11,217,074	-	11,217,074	-	-	11,217,074
<u>Parks</u>	4,970,181	21,946	4,992,127	500,000	521,946	5,492,127
<u>Facilities</u>	9,079,956	30,519,908	39,599,864	-	30,519,908	39,599,864
<u>Project Mgmt & Admin</u>	1,531,863	1,037,398	2,569,261	759,000	1,796,398	3,328,261
<u>Consulting</u>	480,850	-	480,850	-	-	480,850
Expenditures-Apply to Spending Cap	59,180,357	43,697,469	102,877,825	3,239,243	46,936,712	106,117,069
2004 Bond - Principal	8,000,000	-	8,000,000	-	-	8,000,000
2008 Bond - Principal	22,000,000	-	22,000,000	-	-	22,000,000
2017 Bond - Principal	-	13,490,000	13,490,000	15,040,000	28,530,000	28,530,000
Principal Payments on Debt	30,000,000	13,490,000	43,490,000	15,040,000	28,530,000	58,530,000
Total Expenditures	89,180,357	57,187,469	146,367,825	18,279,243	75,466,712	164,647,069
Surplus (Deficit)	3,339,729	452,040	3,791,770	858,027	1,310,067	4,649,796
FYE Fund Balance	3,339,729	3,791,769	3,791,770	4,649,797	4,649,796	4,649,796

(*) The initial term estimate was \$65,000,000. The extension estimate was \$50,000,000.
The total of both estimates is \$115,000,000.



TOWN OF HILTON HEAD ISLAND

Finance Department

TO: Finance and Administrative Committee
VIA: Marc Orlando, *Town Manager*
VIA: Josh Gruber, *Deputy Town Manager*
FROM: John M. Troyer, *Director of Finance*
DATE: October 6, 2021
SUBJECT: Town of Hilton Head Island Financial Update

Recommendation:

Staff recommends that Finance Department continue to monitor Town Revenues and Expenditures and to provide monthly updates to the Finance & Administrative Committee for their review and discussion.

Summary:

As part of the pandemic response, Town Management identified the importance of monitoring revenue and expenditure items in a pandemic environment. Close monitoring can provide the ability to respond timely to changing economic realities.

In order to provide Town Council as clear a picture of the Town's revenue collections and financial position, I plan to give Finance and Administrative Committee an update during the October 19, 2021, meeting of the committee. I plan to give a preview of year-to-date results for the four months ending October 16, 2021. This is still early in the fiscal year, but it does capture the first full quarter activity and financial position. This will be a part of giving the Finance and Administrative Committee a continuing look at Town financial position, and provide a forum for discussions. We will continue those discussions monthly to ensure the Town is appropriately positioned in this economic environment.

Background:

As Town Council considered the proposed budget for FY 2021, one issue at the forefront of the discussion was the economic uncertainties due to the impact of the COVID-19 pandemic -- which prompted the need for more frequent financial updates. Now we are in to FY 2022, and the pandemic is still not behind us. The financial updates need to continue at least until the COVID threat is contained, and probably much beyond. Town Council recognized that even after the budget was adopted for FY2022, continuing the close monitoring of the revenue collections and spending would continue to be important again this year.



TOWN OF HILTON HEAD ISLAND

Finance Department

TO: Finance and Administrative Committee
VIA: Marc Orlando, *Town Manager*
VIA: Josh Gruber, *Deputy Town Manager*
FROM: John M. Troyer, *Director of Finance*
DATE: November 5, 2021
SUBJECT: Purchase of Fire Rescue Apparatus – for FY 2022

Recommendation:

Staff recommends that Finance and Administrative Committee recommend to Town Council to approve authorization to the Town Manager to enter into a contract for the purchase of the Fire Rescue apparatus as detailed in the Town's FY 2022 Capital Improvement Plan.

Summary:

The Town included 8 pumper trucks and 2 quints or ladder trucks in the FY 2022 Capital Improvement Plan. The Town bid out the trucks once the budget was passed. Because of difficulties with the supply chain in today's economy, both price and availability of the trucks are under pressure. The bid process has identified the vendor with the best bid for the fire apparatus who is willing to lock in the price and availability for the Town. However, with today's economy – the price would require a budget amendment. The vendor has guaranteed the prices through December 1, 2021. The Town can enter into a contract for this equipment, but requires Town Council to authorize the transaction. If Finance and Administrative Committee sees fit to recommend the authorization of the contract, and Town Council approves the authorization, the Town Manager would enter into the contract and secure both the price and availability for the needed equipment. At future meetings, Town staff would submit for consideration a budget amendment to correspond with this specific transaction.

Background:

As Town Council considered the proposed budget for FY 2022, replacement of the Fire Rescue fleet was an important item in the CIP. The fleet is getting some age on it, and maintenance costs are adding up. Town staff recommends the purchase as planned in the CIP. Operationally, Fire Rescue would prefer to have the same maintenance protocol for all the equipment. This should save time and money for the Town over the course of the useful lives of the Fire Rescue apparatus. This authorization would lock in today's pricing and availability – both of which are difficult in today's economic environment.



Town of Hilton Head Island

One Town Center Court
Hilton Head Island, SC 29928

MEMORANDUM

TO: Tom Lennox, Finance and Administrative Committee Chair

FROM: John Troyer, Finance Director

VIA: Marc Orlando, Town Manager

CC: Brad Tadlock, Fire Chief
Rich Groth, Procurement Officer
Josh Gruber, Deputy Town Manager

DATE: November 5, 2021

RE: Options related to the purchase of the new Fire Apparatus

The current year Capital Improvement Program (CIP) includes replacing Fire Rescue fire apparatus. Scheduled for replacement are 8 pumpers and 2 quint units. These units are approaching the end of their normal service lives. Some units have recently required extensive maintenance to keep fully operational. Once the budget and the CIP was approved by Town Council, Fire Rescue worked with our Procurement Officer to develop specifications and seek bids for the equipment. The Town combined the bid for all units at the same time – hoping to achieve a consistency designed to make future maintenance the most efficient over the course of the expected useful lives of the equipment.

We were all disappointed when the bid prices exceeded budgeted funds. Fire Rescue has carefully reviewed the specifications and made some deletions to bring the cost down while maintaining basic operability. With these adjustments, the bid price is \$7,450,473 which is \$1,248,605 above the approved \$6,201,868 budget. Additionally, there would also be an estimated \$14,000 for travel related expenses for five (5) Fire Rescue personnel to perform four (4) scheduled inspections that need to take place during the build. This leaves the total difference of \$1,262,605 to procure all the units planned in the CIP over the approved budget amounts.

The reasons the bid costs exceeded original estimates are directly related to today's economy. The global supply chain has been disrupted. Materials prices are up significantly. Suppliers are hesitant in this environment to make commitments for fixed prices. In this economy, suppliers are especially hesitant fixing prices for transactions months away.

We have worked closely with the selected vendor, Safe Industries, to discuss our contract options. Safe has agreed to hold their bid pricing until 12/1 but going beyond that date is not an option. They indicated that they have already seen a 4% increase on the supplier side with more increases expected, and that they had to fight to even get the original 90-day price hold approved.

We wanted to try to frame options for a decision. Below are some of the options we considered:

Option 1: Purchase what we can now

The budget could afford all the pumper trucks – without the quints. The two quints would need to wait until a future date. The vendor will not hold prices beyond 12/1/2021. This utilizes the approved budget and does not exceed it. No additional action is required from Town Council at this time. The Town could rebid the quints to coincide with additional funding approved from Town Council – whether through a budget amendment or with the approval of next year's budget. Next fiscal year is

not too far in the future. There is no guarantee of future pricing. *The risk of future price increases is retained by the Town.*

Option 2: Rebid all pumper trucks and quints

While a rebid may yield another price, our expectation is that prices are only going up. This option just delays all replacements and subjects the Town to higher expected maintenance costs for our current fleet, and does not obligate any vendor to deliver the specified trucks.

Option 3: Amend the Budget to cover the additional costs

Town Council has the option to amend the approved budget to enable the purchase of the full complement of fire apparatus replacements contemplated in the CIP. Amending the budget is not ideal, however, we can lock in today's prices, get the trucks under contract for delivery and avoid future price increases.

I would suggest we seek recommendation from the Finance and Administrative Committee to Town Council to give authorization to the Town Manager to enter into a contract for the full complement of fire apparatus. This option locks in the price – avoiding future price increases – and also puts the vendor under contract to deliver the needed equipment – securing availability. Both price and availability are difficult in today's economy. Town staff would follow-up later with a budget amendment – to adjust the lease proceeds to cover the final cost of the bid.