



Town of Hilton Head Island

Finance and Administrative Committee Meeting

Tuesday, November 18, 2025, 10:00 AM
1 Town Center Court, Hilton Head Island, SC
Benjamin M. Racusin Council Chambers

The meeting can be viewed on the [Town's YouTube Channel](#), the [Beaufort County Channel](#), and Spectrum Channel 1304.

1. **Call to Order**
2. **Adoption of the Agenda**
3. **Approval of the Minutes**
 - a. Regular Meeting Minutes of September 30, 2025
4. **Presentations**
 - a. Town of Hilton Head Island FY2026 Monthly Financial Update - Dave Byrd, Finance Director
 - b. Lowcountry Regional Transportation Authority Funding Request - Brian Sullivan, Executive Director
5. **New Business**
 - a. Consideration of an Ordinance of the Town of Hilton Head Island Authorizing the Issuance of General Obligation Debt Bonds - John McGowan, Assistant Finance Director
 - b. Consideration of a Resolution for Reimbursement of the Fire Rescue Headquarters Acquisition - John McGowan, Assistant Finance Director
 - c. Consideration of a Resolution of the Town of Hilton Head Approving the Recommendation from the Accommodations Tax Advisory Committee for the Calendar Year 2026 Grants - Michele Bunce, Senior Grants Administrator
6. **Public Comment - Non Agenda Items**
7. **Adjournment**

FOIA Compliance: Public notification of this meeting has been published, posted, and

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In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the Town of Hilton Head Island will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. Auditory accommodations are available. Any person requiring further accommodation should contact the Town of Hilton Head Island ADA Coordinator as soon as possible but no later than 48 hours before the scheduled event.

Municipal Association of South Carolina (MASC) Civility Pledge:

"I pledge to build a stronger and more prosperous community by advocating for civil engagement, respecting others and their viewpoints, and finding solutions for the betterment of my city or town."



Town of Hilton Head Island
FINANCE AND ADMINISTRATIVE
COMMITTEE MEETING
Tuesday, September 30, 2025, 10:00 AM
Minutes

Call to Order

Chair Brown called the meeting to order at 10:00 a.m.

Committee Members Present: Alex Brown, Chair; Patsy Brison, and Melinda Tunner

Other Members of Town Council Present: Steve Alfred

Adoption of the Agenda

Ms. Brison made a motion to adopt. Ms. Tunner seconded. Motion carried 3-0.

Approval of the Minutes

Regular Meeting Minutes of August 25, 2025

Ms. Brison made a motion to approve. Ms. Tunner seconded. Motion carried 3-0.

Presentations

Town of Hilton Head Island FY2026 Monthly Financial Update – John Troyer, Interim Finance Director

John Toyer provided the Committee with the monthly financial update through June. Mr. Troyer indicated that these amounts are pre-close and pre-audit, therefore subject to change. General Fund collections finished above budget with the help of strong property tax, ATAX, business licenses, and the one-time AirBnB settlement. General Fund spending finished below budget primarily due to savings from temporary open positions and the timing of the fire truck lease and several maintenance projects. Recently, Standard & Poor's raised the Town's bond rating to AAA, recognizing the continued economic health and vitality of the Town and the responsible decision-making of Town Council and the execution of policy and programs by the Town Manager. The finance department is working with our independent auditors to finalize and publish the Annual Comprehensive Financial Report to close the books for fiscal year 2025, which will be delivered to Town Council in the coming months.

The Committee held discussion and asked questions regarding the Town's Emergency Fund; the process for Town Council approval of budget amendments; and clarification of the Town's revenue sources and short-term rental fees.

New Business

Consideration of an Ordinance of the Town of Hilton Head Island to Amend Municipal Code Title 10, Section 10-1-250, the Business License Ordinance, to Update the Business License Class Schedule as Required by Act 176 of 2020 for the Town of Hilton Head Island, South Carolina and Providing for Severability and Effective Date - April Akins, Interim Revenue Manager

Ms. Akins presented the proposed amendment to the Town's Business License Ordinance, Title 10, Section 10-1-250 of the Municipal Code, to update the Business License Class Schedule as required by Act 176 of 2020. The Committee held discussion and asked questions regarding the proposed changes to the rate structure; business classification categories; types of industries included within each class; Town business license renewal dates; and if this amendment would require a corresponding budget ordinance revision approved by Town Council.

Ms. Brison made a motion to forward to the full Town Council for consideration adoption of the new class schedule for business licenses and that the rate be revised back to the rate currently charged for class 7, subject to approval by the Town Attorney, and if it is determined that the Town cannot change the rate, it is recommended to adopt the Staff's recommendation of a 4.9% increase in the rate across the board. Ms. Tunner seconded.

Chair Brown asked for public comment.
There was no public comment at this time.

Motion carried 3-0.

Consideration of an Ordinance Providing the Issuance and Sale of the Town of Hilton Head Island Special Obligation Bonds (Beach Preservation Fee Pledge), in One or More Series in the Principal Amount Not Exceeding \$19,000,000; Delegating the Authority to the Town Manager to Determine Certain Matters with Respect to the Bonds; Prescribing the Form and Details of Such Bonds; Other Matters Relating Thereto; and Providing for Severability and an Effective Date - John Troyer, Interim Finance Director

Mr. Troyer provided the Committee with an overview of the Special Obligation Bonds for beach renourishment. The Committee held discussion and asked questions regarding the proposed total cost and the plan if costs exceed \$50 million; a request that Staff provide a schedule showing the borrowed amount versus the fund balance over the next seven years for presentation to the full Town Council.

Ms. Brison made a motion to forward to Town Council for consideration an ordinance providing the issuance and sale of the Town of Hilton Head Island Special Obligation Bonds (Beach Preservation Fee Pledge), in one or more series in the principal amount not exceeding \$19,000,000; delegating the authority to the Town Manager to determine certain matters with respect to the Bonds; prescribing the form and details of such Bonds; other matters relating thereto; and providing for severability and an effective date. Ms. Tunner seconded.

Chair Brown asked for public comment.

There was no public comment at this time.

Motion carried 3-0.

Public Comment - Non Agenda Items

There was no public comment at this time.

Adjournment

Chair Brown adjourned the meeting at 11:25 a.m.

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



TOWN OF HILTON HEAD ISLAND

Finance & Administrative Committee

TO: Finance & Administrative Committee
FROM: John Troyer, Interim Finance Director
VIA: Marc Orlando ICMA-CM, Town Manager
CC: Dave Byrd, Finance Director
DATE: November 18, 2025
SUBJECT: Town of Hilton Head Island FY 2026 Monthly Financial Update

RECOMMENDATION:

Staff recommends the Finance & Administrative Committee receive the Town of Hilton Head Island Fiscal Year 2026 Year-to-Date Financial Update to help keep Committee members apprised of the Town's financial condition.

BACKGROUND:

Town staff monitors the financial activity daily. On regular intervals, Town staff presents information to the Finance and Administrative Committee to keep the Committee up to date on the progress of the budget, the financial status, collections, and spending. This information assists the Committee in assessing the financial status and provides background information to prepare the Committee for future decisions that have financial implications.

SUMMARY:

The Finance Department has prepared financial information for the Finance and Administrative Committee to provide a picture of the financial status and financial results to September 30, 2025. This update will assist the Finance and Administrative Committee in keeping apprised of the Town's financial capacity as they consider new decisions impacting the Town's finances.

ATTACHMENTS:

1. Fiscal Year 2026 Year to Date Financial Update

Town of Hilton Head Island

Finance & Administrative Committee Meeting

November 18, 2025

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Economic Data and Summary Comments

Fiscal Year 2026
July 2025 – September 2025

Summary of Major Revenue Sources
Budgeted & Non-Budgeted Funds

Economic Data and Summary/Preliminary Close Comments

FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Our revenues are seasonal, so early returns are not necessarily indicative of trends. We are always cautious when anticipating trends based on amounts early in the year. General Fund external revenues of \$4.0 million of the \$46.5 million budget is as expected.

On the spending side, the first payrolls of July relate to June, and there are usually a few departmental changes with the onset of the new budget year. Spending of \$13.1 million is 21.9% of the new budget. Through 3 months or 24% of the fiscal year, these amounts are all within expectations and should level out as the year progresses.

Major Revenue Sources - Budgeted Funds

	FY2026				FY2025 Actual	FY2026 vs FY2025	
	Budget	Actual	+/- Budget	% of Budget		\$ Variance	% Variance
General Fund							
Property Taxes	\$ 17,935,450	\$ 215,644	\$ (17,719,806)	1%	\$ 170,971	\$ 44,673	26%
Business Licenses	\$ 13,565,155	\$ 343,189	(13,221,966)	3%	\$ 1,701,317	(1,358,128)	-80%
Franchise Fees	\$ 861,065	\$ -	(861,065)	0%	\$ 201,300	(201,300)	-100%
Permits	\$ 1,800,000	\$ 845,731	(954,269)	47%	\$ 490,800	354,931	72%
State Shared Funds	\$ 978,035	\$ 255,436	(722,599)	26%	\$ 243,273	12,164	5%
EMS	\$ 2,036,000	\$ 600,412	(1,435,588)	29%	\$ 719,467	(119,056)	-17%
Local ATAX	\$ 6,812,769	\$ 859,060	(5,953,709)	13%	\$ 639,798	219,262	34%
Beach Parking & Services	\$ 650,000	\$ 185,327	(464,673)	29%	\$ 51,226	134,101	262%
Debt Service Fund							
Property Taxes	\$ 6,035,600	\$ 73,827	(5,961,773)	1%	\$ 56,441	17,386	31%
Stormwater Fund							
SWU Fees	\$ 5,275,035	\$ 44,283	(5,230,752)	1%	\$ 40,725	3,558	9%

Major Revenue Sources - Non-Budgeted Funds

	FY2026	FY2025	FY2026 vs FY2025	
	Actual	Actual	\$ Variance	% Variance
Special Revenue Funds				
Tax Increment Financing	\$ 15,410	\$ 97,675	\$ (82,265)	-84%
State ATAX	\$ -	\$ -	\$ -	#DIV/0!
Real Estate Transfer Fees	\$ 2,233,440	1,279,168	954,272	75%
Hospitality Tax	\$ 1,255,383	1,073,329	182,054	17%
Beach Preservation Fees	\$ 1,718,120	1,279,595	438,525	34%
Palmetto Electric Franchise Fees	\$ 700,506	632,749	67,757	11%
Short Term Rental	\$ 130,500	68,750	61,750	90%

General Fund

Fiscal Year 2026
July 2025 – September 2025

Schedule of Revenues, Expenditures,
and Changes in Fund Balance

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETS & ACTUAL
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 1

	Original Budget	Amended Budget	Actual	Available Budget Positive (Negative)	Percentage of Budget Used	FY2025 Comparisons		
						Prior YTD Actual	+/- Dollars Prior YTD	+/- Percentage Prior YTD
Revenues:								
Real and Personal Property Taxes	\$ 17,935,450	\$ 17,935,450	\$ 215,644	\$ (17,719,806)	1.2%	\$ 170,971	\$ 44,673	26.1%
Accommodations Tax	6,812,769	6,812,769	859,060	(5,953,709)	12.6%	639,798	219,262	34.3%
Business License and Franchise Fees	14,426,220	14,426,220	343,189	(14,083,031)	2.4%	1,902,617	(1,559,428)	-82.0%
Permits	1,800,000	1,800,000	845,731	(954,269)	47.0%	490,800	354,931	72.3%
State Shared Funds	978,035	978,035	255,436	(722,599)	26.1%	243,273	12,164	5.0%
Grants	-	-	-	-	#DIV/0!	-	-	#DIV/0!
EMS Revenue	2,036,000	2,036,000	600,412	(1,435,588)	29.5%	719,467	(119,056)	-16.5%
Public Safety Revenue	-	-	-	-	#DIV/0!	-	-	#DIV/0!
Miscellaneous Revenue	1,006,848	1,006,848	220,795	(786,053)	21.9%	53,308	167,487	314.2%
Investment Income	1,500,000	1,500,000	682,577	(817,423)	45.5%	675,312	7,266	1.1%
Total Revenues	46,495,322	46,495,322	4,022,845	(42,472,477)	8.7%	4,895,545	(872,700)	-17.8%
Expenditures:								
Current:								
General Government	1,737,897	1,737,897	510,763	1,227,134	29.4%	336,181	174,582	51.9%
Management Services	10,869,939	10,869,939	2,507,550	8,362,389	23.1%	2,349,800	157,750	6.7%
Community Services	14,956,083	15,021,083	2,418,056	12,603,027	16.1%	2,527,602	(109,546)	-4.3%
Public Safety	25,098,338	25,098,338	5,037,104	20,061,234	20.1%	4,457,235	579,869	13.0%
Non-Departmental	6,895,564	6,830,564	2,598,290	4,232,274	38.0%	2,700,326	(102,035)	-3.8%
Capital Outlay	-	-	-	-	#DIV/0!	-	-	#DIV/0!
Total Expenditures	59,557,821	59,557,821	13,071,763	46,486,058	21.9%	12,371,144	700,619	5.7%
(Deficiency) Excess of revenues over (under) expenditures	(13,062,499)	(13,062,499)	(9,048,918)	4,013,581	69.3%	(7,475,599)	(1,573,320)	21.0%
Other Financing Sources (Uses)								
Transfers In	12,968,548	12,968,548	10,463,548	(2,505,000)	80.7%	11,837,005	(1,373,457)	-11.6%
Transfers Out	(197,049)	(197,049)	(197,049)	-	100.0%	-	(197,049)	#DIV/0!
Sale of Equipment	16,000	16,000	10,809	(5,191)	67.6%	5,850	4,959	84.8%
Total Other Financing Sources (Uses)	12,787,499	12,787,499	10,277,308	(2,510,191)	80.4%	11,842,855	(1,565,547)	-13.2%
Net change in Fund Balance	(275,000)	(275,000)	1,228,390	1,503,390	-446.7%	4,367,256	(3,138,867)	-71.9%
Fund balance - Beginning of Year	52,370,364	52,370,364	52,370,364	-	100.0%	39,536,670	12,833,694	32.5%
Fund balance - End of Year	\$ 52,095,364	\$ 52,095,364	\$ 53,598,754	\$ 1,503,390	102.9%	\$ 43,903,926	\$ 9,694,827	22.1%

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL
 GENERAL FUND
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 1

	Original Budget	Amended Budget	Actual	Available Budget Positive (Negative)	Percentage of Budget Used
Revenues:					
Real and Personal Property Taxes	\$ 17,935,450	\$ 17,935,450	\$ 215,644	\$ (17,719,806)	1.2%
Accommodations Tax - Local 1%	\$ 6,812,769	\$ 6,812,769	\$ 859,060	(5,953,709)	12.6%
Business License and Franchise Fees:					
Business License - Town	\$ 8,975,005	\$ 8,975,005	\$ 304,875	(8,670,130)	3.4%
Business License - MASC	\$ 4,590,150	\$ 4,590,150	\$ 38,314	(4,551,836)	0.8%
Cable Television Franchise	\$ 785,000	\$ 785,000	\$ -	(785,000)	0.0%
Beach Franchise	\$ 76,065	\$ 76,065	\$ -	(76,065)	0.0%
Total	14,426,220	14,426,220	343,189	(14,083,031)	2.4%
Permits:					
Construction	\$ 724,336	\$ 724,336	\$ 363,822	(360,514)	50.2%
Development	\$ 8,500	\$ 8,500	\$ 91,873	83,373	1080.9%
Other	\$ 1,067,164	\$ 1,067,164	\$ 390,036	(677,128)	36.5%
Total	1,800,000	1,800,000	845,731	(954,269)	47.0%
State Shared Funds	\$ 978,035	\$ 978,035	\$ 255,436	(722,599)	26.1%

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL
 GENERAL FUND
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 1

	Original Budget	Amended Budget	Actual	Available Budget Positive (Negative)	Percentage of Budget Used
EMS Revenue	\$ 2,036,000	\$ 2,036,000	\$ 600,412	(1,435,588)	29.5%
Public Safety Revenue	\$ -	\$ -	\$ -	-	#DIV/0!
Miscellaneous Revenue:					
Beach Services	\$ 650,000	\$ 650,000	\$ 185,327	(464,673)	28.5%
Other	\$ 356,848	\$ 356,848	\$ 35,468	(321,380)	9.9%
Total	<u>1,006,848</u>	<u>1,006,848</u>	<u>220,795</u>	<u>(786,053)</u>	<u>21.9%</u>
Investment Income	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 682,577</u>	<u>(817,423)</u>	<u>45.5%</u>
Total Revenues	<u>\$ 46,495,322</u>	<u>\$ 46,495,322</u>	<u>\$ 4,022,845</u>	<u>\$ (42,472,477)</u>	<u>8.7%</u>
<u>Expenditures:</u>					
General Government:					
Town Council:					
Salaries and Benefits	\$ 192,314	\$ 192,314	\$ 32,132	\$ 160,182	16.7%
Operating	\$ 240,000	\$ 240,000	\$ 85,293	154,707	35.5%
Total Town Council	<u>432,314</u>	<u>432,314</u>	<u>117,425</u>	<u>314,889</u>	<u>27.2%</u>
Town Manager:					
Salaries and Benefits	\$ 1,243,943	\$ 1,243,943	\$ 383,078	860,865	30.8%
Operating	\$ 61,640	\$ 61,640	\$ 10,260	51,380	16.6%
Total Town Manager	<u>1,305,583</u>	<u>1,305,583</u>	<u>393,338</u>	<u>912,245</u>	<u>30.1%</u>
Total General Government	<u>1,737,897</u>	<u>1,737,897</u>	<u>510,763</u>	<u>1,227,134</u>	<u>29.4%</u>

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL
 GENERAL FUND
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 1

	Original Budget	Amended Budget	Actual	Available Budget Positive (Negative)	Percentage of Budget Used
Management Services:					
Finance - Administration:					
Salaries and Benefits	\$ 3,387,167	\$ 3,387,167	\$ 583,593	2,803,574	17.2%
Operating	\$ 146,129	\$ 146,129	\$ 43,279	102,850	29.6%
Total Finance - Administration	3,533,296	3,533,296	626,872	2,906,424	17.7%
Human Resources:					
Salaries and Benefits	\$ 704,565	\$ 704,565	\$ 143,258	561,307	20.3%
Operating	\$ 293,398	\$ 293,398	\$ 21,951	271,447	7.5%
Total Human Resources	997,963	997,963	165,209	832,754	16.6%
Community Engagement					
Salaries and Benefits	\$ 565,023	\$ 565,023	\$ 132,119	432,904	23.4%
Operating	\$ 47,237	\$ 47,237	\$ 6,149	41,088	13.0%
Total Office of Cultural Affairs	612,260	612,260	138,269	473,991	22.6%
Office of Cultural Affairs					
Salaries and Benefits	\$ 248,899	\$ 248,899	\$ 51,029	197,870	20.5%
Operating	\$ 137,750	\$ 137,750	\$ 18,106	119,644	13.1%
Total Office of Cultural Affairs	386,649	386,649	69,136	317,513	17.9%
Admin Services - Information Technology:					
Salaries and Benefits	\$ 2,142,489	\$ 2,142,489	\$ 419,780	1,722,709	19.6%
Operating	\$ 2,485,752	\$ 2,485,752	\$ 909,992	1,575,760	36.6%
Total Admin - Information Technology	4,628,241	4,628,241	1,329,773	3,298,468	28.7%

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL
 GENERAL FUND
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 1

	Original Budget	Amended Budget	Actual	Available Budget Positive (Negative)	Percentage of Budget Used
Management Services (continued):					
Office of Communications					
Salaries and Benefits	\$ 676,655	\$ 676,655	\$ 175,500	501,155	25.9%
Operating	\$ 34,875	\$ 34,875	\$ 2,792	32,083	8.0%
Total Office of Communications	<u>711,530</u>	<u>711,530</u>	<u>178,292</u>	<u>533,238</u>	<u>25.1%</u>
Subtotal Administration Services	<u>6,338,680</u>	<u>6,338,680</u>	<u>1,715,469</u>	<u>4,623,211</u>	<u>27.1%</u>
Total Management Services	<u>10,869,939</u>	<u>10,869,939</u>	<u>2,507,550</u>	<u>8,362,389</u>	<u>23.1%</u>
Community Services:					
Public Facilities - Administration:					
Salaries and Benefits	\$ 460,441	\$ 460,441	\$ 126,842	333,599	27.5%
Operating	\$ 17,250	\$ 17,250	\$ 3,280	13,970	19.0%
Total Public Facilities - Administration	<u>477,691</u>	<u>477,691</u>	<u>130,122</u>	<u>347,569</u>	<u>27.2%</u>
Public Facilities - Engineering:					
Salaries and Benefits	\$ 324,940	\$ 324,940	\$ 84,849	240,091	26.1%
Operating	\$ 128,620	\$ 128,620	\$ 2,687	125,933	2.1%
Total Public Facilities - Engineering	<u>453,560</u>	<u>453,560</u>	<u>87,536</u>	<u>366,024</u>	<u>19.3%</u>

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL
 GENERAL FUND
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 1

	Original Budget	Amended Budget	Actual	Available Budget Positive (Negative)	Percentage of Budget Used
Community Services (continued):					
Public Facilities - Capital Projects:					
Salaries and Benefits	\$ 793,701	\$ 793,701	\$ 131,964	661,737	16.6%
Operating	\$ 19,350	\$ 19,350	\$ 394	18,956	2.0%
Total Public Facilities - Capital Projects	<u>813,051</u>	<u>813,051</u>	<u>132,358</u>	<u>680,693</u>	<u>16.3%</u>
Subtotal Public Facilities	<u>1,744,302</u>	<u>1,744,302</u>	<u>350,016</u>	<u>1,394,286</u>	<u>20.1%</u>
Planning - Operations:					
Salaries and Benefits	\$ 261,174	\$ 261,174	\$ 22,307	238,867	8.5%
Operating	\$ 10,800	\$ 10,800	\$ -	10,800	0.0%
Total Planning - Operations	<u>271,974</u>	<u>271,974</u>	<u>22,307</u>	<u>249,667</u>	<u>8.2%</u>
Planning - Administration:					
Salaries and Benefits	\$ 388,499	\$ 388,499	\$ 21,400	367,099	5.5%
Operating	\$ 74,829	\$ 74,829	\$ 5,485	69,344	7.3%
Total Planning - Administration	<u>463,328</u>	<u>463,328</u>	<u>26,885</u>	<u>436,443</u>	<u>5.8%</u>
Subtotal Planning	<u>735,302</u>	<u>735,302</u>	<u>49,193</u>	<u>686,109</u>	<u>6.7%</u>

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL
 GENERAL FUND
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 1

	Original Budget	Amended Budget	Actual	Available Budget Positive (Negative)	Percentage of Budget Used
Community Services (continued):					
Community Development - Inspection/Compliance:					
Salaries and Benefits	\$ 1,429,768	\$ 1,429,768	\$ 211,855	1,217,913	14.8%
Operating	\$ 128,795	\$ 128,795	\$ 22,165	106,630	17.2%
Total CD - Inspection/Compliance	<u>1,558,563</u>	<u>1,558,563</u>	<u>234,020</u>	<u>1,324,543</u>	<u>15.0%</u>
Community Development - Development, Review, Zoning:					
Salaries and Benefits	\$ 652,125	\$ 652,125	\$ 141,746	\$ 510,379	21.7%
Operating	\$ 29,355	\$ 29,355	\$ 523	28,832	1.8%
Total CD - Development, Review, Zoning	<u>681,480</u>	<u>681,480</u>	<u>142,269</u>	<u>539,211</u>	<u>20.9%</u>
Community Development - CD Services:					
Salaries and Benefits	\$ 1,055,127	\$ 1,055,127	\$ 209,112	846,015	19.8%
Operating	\$ 1,800	\$ 1,800	\$ 234	1,566	13.0%
Total CD - CD Services	<u>1,056,927</u>	<u>1,056,927</u>	<u>209,346</u>	<u>847,581</u>	<u>19.8%</u>
Community Development - Comprehensive Planning:					
Salaries and Benefits	\$ 527,932	\$ 527,932	\$ 61,870	466,062	11.7%
Operating	\$ 485,215	\$ 485,215	\$ 34,704	450,511	7.2%
Total CD - Comprehensive Planning	<u>1,013,147</u>	<u>1,013,147</u>	<u>96,574</u>	<u>916,573</u>	<u>9.5%</u>
Subtotal Community Development	<u>4,310,117</u>	<u>4,310,117</u>	<u>682,209</u>	<u>3,627,908</u>	<u>15.8%</u>

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL
 GENERAL FUND
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 1

	Original Budget	Amended Budget	Actual	Available Budget Positive (Negative)	Percentage of Budget Used
Public Services - Beach Operations:					
Salaries and Benefits	\$ 148,885	\$ 148,885	\$ 71,497	77,388	48.0%
Operating	\$ 688,750	\$ 688,750	\$ 73,739	615,011	10.7%
Total Public Services - Beach Operations	<u>837,635</u>	<u>837,635</u>	<u>145,236</u>	<u>692,399</u>	<u>17.3%</u>
Public Services - Facilities Admin:					
Salaries and Benefits	\$ 2,061,990	\$ 2,061,990	\$ 331,913	1,730,077	16.1%
Operating	\$ 5,266,737	\$ 5,331,737	\$ 859,490	4,472,247	16.1%
Total Public Services - Facilities Admin	<u>7,328,727</u>	<u>7,393,727</u>	<u>1,191,402</u>	<u>6,202,325</u>	<u>16.1%</u>
Subtotal Public Services	<u>8,166,362</u>	<u>8,231,362</u>	<u>1,336,638</u>	<u>6,894,724</u>	<u>16.2%</u>
Total Community Services	<u>14,956,083</u>	<u>15,021,083</u>	<u>2,418,056</u>	<u>12,603,027</u>	<u>16.1%</u>
Public Safety:					
Fire Rescue - Executive:					
Salaries and Benefits	\$ 1,223,350	\$ 1,223,350	\$ 251,210	972,140	20.5%
Operating	\$ 758,005	\$ 758,005	\$ 112,034	645,972	14.8%
Capital	\$ 945,000	\$ 945,000	\$ -	945,000	0.0%
Total Fire Rescue - Executive	<u>2,926,355</u>	<u>2,926,355</u>	<u>363,244</u>	<u>2,563,111</u>	<u>12.4%</u>

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL
 GENERAL FUND
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 1

	Original Budget	Amended Budget	Actual	Available Budget Positive (Negative)	Percentage of Budget Used
Public Safety (continued):					
Fire Rescue - Operations:					
Salaries and Benefits	\$ 17,225,076	\$ 17,225,076	\$ 3,642,488	\$ 13,582,588	21.1%
Operating	\$ 389,811	\$ 389,811	\$ 91,339	298,472	23.4%
Total Fire Rescue - Operations	<u>17,614,887</u>	<u>17,614,887</u>	<u>3,733,827</u>	<u>13,881,060</u>	<u>21.2%</u>
Fire Rescue - Support Services					
Salaries and Benefits	\$ 3,171,139	\$ 3,171,139	\$ 635,516	2,535,623	20.0%
Operating	\$ 245,050	\$ 245,050	\$ 82,840	162,210	33.8%
Total Fire Rescue - Support Services	<u>3,416,189</u>	<u>3,416,189</u>	<u>718,356</u>	<u>2,697,833</u>	<u>21.0%</u>
Subtotal Fire Rescue:					
Salaries and Benefits	21,619,565	21,619,565	4,529,214	17,090,351	20.9%
Operating	1,392,866	1,392,866	286,212	1,106,654	20.5%
Capital	945,000	945,000	-	945,000	0.0%
Subtotal Fire Rescue	<u>23,957,431</u>	<u>23,957,431</u>	<u>4,815,427</u>	<u>19,142,004</u>	<u>20.1%</u>
Public Safety					
Salaries and Benefits	\$ 969,593	\$ 969,593	\$ 190,291	\$ 779,302	19.6%
Operating	\$ 171,314	\$ 171,314	\$ 31,386	\$ 139,928	18.3%
Capital	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Total Public Safety	<u>1,140,907</u>	<u>1,140,907</u>	<u>221,677</u>	<u>919,230</u>	<u>19.4%</u>
Total Public Safety	<u>25,098,338</u>	<u>25,098,338</u>	<u>5,037,104</u>	<u>20,061,234</u>	<u>20.1%</u>

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL
 GENERAL FUND
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 1

	Original Budget	Amended Budget	Actual	Available Budget Positive (Negative)	Percentage of Budget Used
Non-Departmental - Townwide:					
Personnel	\$ 372,736	\$ 372,736	\$ 193,958	\$ 178,778	52.0%
Operating	\$ 3,470,450	\$ 3,405,450	\$ 1,514,199	1,891,251	44.5%
Community Events	\$ 663,862	\$ 663,862	\$ 271,745	392,117	40.9%
Total Non-Departmental, Townwide	4,507,048	4,442,048	1,979,902	2,462,146	44.6%
Operating Grants:					
Recreation Center-Operating Grant	\$ 1,252,366	\$ 1,252,366	\$ 417,455	834,911	33.3%
Coastal Discovery Grant-Operating Grant	\$ 141,650	\$ 141,650	\$ 35,413	106,238	25.0%
Coastal Discovery Grant-Mitchellville Grant	\$ 105,000	\$ 105,000	\$ -	105,000	0.0%
Event Management & Hospitality Training	\$ -	\$ -	\$ -	-	#DIV/0!
LTRA Grant	\$ 350,000	\$ 350,000	\$ 87,500	262,500	25.0%
Heritage Classic Foundation	\$ 400,000	\$ 400,000	\$ -	400,000	0.0%
BCEDC	\$ 42,000	\$ 42,000	\$ 42,000	-	100.0%
Sea Turtle	\$ 97,500	\$ 97,500	\$ 36,020	61,480	36.9%
Subtotal Non-Departmental - Townwide Grants	2,388,516	2,388,516	618,388	1,770,128	25.9%
Total Non-Departmental Townwide	6,895,564	6,830,564	2,598,290	4,232,274	38.0%
Total Expenditures	59,557,821	59,557,821	13,071,763	46,486,058	21.9%

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL
 GENERAL FUND
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 1

	Original Budget	Amended Budget	Actual	Available Budget Positive (Negative)	Percentage of Budget Used
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (13,062,499)	\$ (13,062,499)	\$ (9,048,918)	\$ 4,013,581	69.3%
Other Financing Sources(Uses):					
Transfers In:					
Beach Preservation Fee Fund	\$ 248,548	\$ 248,548	\$ 248,548	-	100.0%
Hospitality Tax Fund	\$ 6,500,000	\$ 6,500,000	\$ 6,500,000	-	100.0%
Tax Increment Financing Fund	\$ -	\$ -	\$ -	-	#DIV/0!
State Accommodations Tax Fund	\$ 3,500,000	\$ 3,500,000	\$ 2,820,000	(680,000)	80.6%
Electricity Franchise Fee Fund	\$ 545,000	\$ 545,000	\$ 545,000	-	100.0%
Short Term Rental Fee Fund	\$ 1,825,000	\$ 1,825,000	\$ -	(1,825,000)	0.0%
Stormwater Utility Fund	\$ 350,000	\$ 350,000	\$ 350,000	-	100.0%
Sale of Equipment /Special Revenue -- Federal	\$ 16,000	\$ 16,000	\$ 10,809	(5,191)	67.6%
Transfers Out:					
Housing	\$ (197,049)	\$ (197,049)	\$ (197,049)	-	100.0%
Total Other Financing Sources	12,787,499	12,787,499	10,277,308	(2,510,191)	80.4%
(Appropriated) Fund Balance /Net change in Fund Balance	(275,000)	(275,000)	1,228,390	1,503,390	-446.7%
Fund balance - Beginning of Year	52,370,364	52,370,364	52,370,364	-	100.0%
Fund balance - End of Year	\$ 52,079,364	\$ 52,079,364	\$ 53,598,754	\$ 1,503,390	102.9%

Debt Service Fund

Fiscal Year 2026
July 2025 – September 2025

Schedule of Revenues, Expenditures,
and Changes in Fund Balance

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 2

	Original Budget	Amended Budget	Actual	Available Budget Positive (Negative)	Percentage of Budget Used
Revenues:					
Real and Personal Property Taxes	\$ 6,035,600	\$ 6,035,600	\$ 73,827	\$ (5,961,773)	1.2%
Investment Income	325,115	325,115	15,279	(309,836)	4.7%
Total Revenues	<u>6,360,715</u>	<u>6,360,715</u>	<u>89,106</u>	<u>(6,271,609)</u>	1.4%
Expenditures:					
Administrative -- Other Charges	17,600	17,600	1,800	15,800	10.2%
Cost of Issue	-	-	-	-	
Debt Service:					
New Debt	2,400,000	2,400,000	-	2,400,000	0.0%
Principal	14,820,000	14,820,000	10,975,000	3,845,000	74.1%
Interest	1,626,483	1,626,483	905,932	720,551	55.7%
Total Expenditures	<u>18,864,083</u>	<u>18,864,083</u>	<u>11,882,732</u>	<u>6,981,351</u>	63.0%
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12,503,368)</u>	<u>(12,503,368)</u>	<u>(11,793,626)</u>	<u>709,743</u>	94.3%
Other Financing Sources(Uses)					
Transfers In(Out):					
Beach Preservation Fees	11,062,000	11,062,000	11,249,375	187,375	101.7%
Hospitality Tax	1,441,368	1,441,368	-	(1,441,368)	0.0%
Real Estate Transfer Fees	-	-	-	-	#DIV/0!
Lease Revenue	-	-	-	-	#DIV/0!
TIF taxes	-	-	-	-	#DIV/0!
Disaster Funds	-	-	-	-	#DIV/0!
Bonds Issued	-	-	-	-	#DIV/0!
Bond Premiums	-	-	-	-	#DIV/0!
Payments to Escrow Agent	-	-	-	-	#DIV/0!
Total Other Financing Sources(Uses)	<u>12,503,368</u>	<u>12,503,368</u>	<u>11,249,375</u>	<u>(1,253,993)</u>	90.0%
Net Change in Fund Balance	-	-	(544,251)	(544,251)	
Fund Balance - beginning	<u>14,243,513</u>	<u>14,243,513</u>	<u>14,243,513</u>	<u>-</u>	100.0%
Fund Balance - ending	<u>\$ 14,243,513</u>	<u>\$ 14,243,513</u>	<u>\$ 13,699,263</u>	<u>\$ (544,251)</u>	96.2%

Capital Projects Fund

Fiscal Year 2026
July 2025 – September 2025

Schedule of Revenues, Expenditures,
and Changes in Fund Balance

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 3

	Original Budget	Amended Budget	Actual	Commitments	Available Budget Positive (Negative)	Percentage of Budget Used
Revenues:						
Grants	\$ 7,365,538	\$ 7,365,538	\$ 133,987	\$ -	\$ (7,231,551)	1.8%
Other Revenue	-	-	5,132	-	5,132	#DIV/0!
Sunday Permit Fees	1,000,000	1,000,000	-	-	(1,000,000)	0.0%
Impact Fees	1,100,000	1,100,000	31,373	-	(1,068,627)	2.9%
Miscellaneous Revenue	-	-	-	-	-	#DIV/0!
Investment Income	-	-	133,795	-	133,795	#DIV/0!
Total Revenues	9,465,538	9,465,538	304,287	-	(9,161,251)	3.2%
Expenditures:						
Park Development:	10,636,000	10,636,000	1,055,253	(841,125)	10,421,872	9.9%
Land Acquisition:	250,000	250,000	578,369	(10,275)	(318,094)	231.3%
Beach Maintenance:	48,820,000	48,820,000	3,813,594	36,217,449	8,788,957	7.8%
Facilities Improvements:	4,901,000	4,901,000	802,173	554,010	3,544,818	16.4%
Roadway Improvements:	5,079,500	5,079,500	156,950	297,158	4,868,557	3.1%
Stormwater Projects	6,350,880	6,350,880	-	222,432	6,128,448	0.0%
Pathway Improvements:	1,650,000	1,650,000	199,593	294,383	1,156,023	12.1%
Total Capital Outlay	77,687,380	77,687,380	6,605,933	36,734,032	34,590,580	8.5%
Total Expenditures	77,687,380	77,687,380	6,605,933	36,734,032	34,590,580	8.5%
Excess of Revenues Over (Under) Expenditures	(68,221,842)	(68,221,842)	(6,301,646)			
Other Financing Sources (Uses):						
Transfers In:	64,875,842	64,875,842	9,278,984			
Total Other Financing Sources (Uses)	64,875,842	64,875,842	9,278,984			
Net change in fund balance	(3,346,000)	(3,346,000)	2,977,338			
Fund Balance - beginning	9,680,413	9,680,413	9,680,413			
Fund Balance - ending	\$ 6,334,413	\$ 6,334,413	\$ 12,657,751			

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 3

	Original Budget	Amended Budget	Actual	Commitments	Available Budget Positive (Negative)	Percentage of Budget Used
<u>Revenues:</u>						
Grants	\$ 7,365,538	\$ 7,365,538	\$ 133,987		(7,231,551)	1.8%
Other Revenue	\$ -	\$ -	\$ 5,132		5,132	#DIV/0!
Sunday Permit Fees	\$ 1,000,000	\$ 1,000,000	\$ -		(1,000,000)	0.0%
Impact Fees	\$ 1,100,000	\$ 1,100,000	\$ 31,373		(1,068,627)	2.9%
Miscellaneous Revenue	\$ -	\$ -	\$ -		-	#DIV/0!
Investment Income	\$ -	\$ -	\$ 133,795		133,795	#DIV/0!
Total Revenues	9,465,538	9,465,538	304,287	-	(9,161,251)	3.2%
<u>Expenditures:</u>						
Park Development:						
Public Art Program	\$ 35,000	35,000	3,600	3,600	27,800	10.3%
Crossing Park	\$ 1,000,000	1,000,000	156,419	(145,959)	989,540	15.6%
Mid-Island Tract	\$ 750,000	750,000	18,349	(18,349)	750,000	2.4%
Patterson Family Property Park	\$ 2,590,000	2,590,000	87,702	(86,929)	2,589,228	3.4%
Island Recreation CIP	\$ 511,000	511,000	93,658	-	417,342	18.3%
Shelter Cove Parking Expansion	\$ -	-	10,826	(10,826)	-	#DIV/0!

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 3

	Original Budget	Amended Budget	Actual	Commitments	Available Budget Positive (Negative)	Percentage of Budget Used
Taylor Family Property Park	\$ 2,750,000	2,750,000	53,808	(53,808)	2,750,000	2.0%
Barker Field	\$ -	-	553,352	(598,404)	45,053	#DIV/0!
Old School House Enhancements	\$ 750,000	750,000	1,610	(1,610)	750,000	0.2%
Park Project Management & Contingency	\$ 100,000	100,000	1,500	9,700	88,800	1.5%
Coligny Circle Quadrant Pocket Park	\$ 900,000	900,000	-	-	900,000	0.0%
Jarvis Creek Park Enhancements	\$ -	-	6,696	(6,706)	10	#DIV/0!
Crossings Park Renovations - Phase 2	\$ 750,000	750,000	-	-	750,000	0.0%
Crossings Park Renovations - Phase 3	\$ 250,000	250,000	-	31,908	218,092	0.0%
Park Upgrades	\$ 250,000	250,000	67,734	36,259	146,008	27.1%
Total Park Development	10,636,000	10,636,000	1,055,253	(841,125)	10,421,872	9.9%
Land Acquisition:						
Miscellaneous	\$ 250,000	250,000	578,369	(10,275)	(318,094)	231.3%
Total Land Acquisition	250,000	250,000	578,369	(10,275)	(318,094)	231.3%
Beach Maintenance:						
Islandwide Beach Renourishment	\$ 47,720,000	47,720,000	3,777,890	36,185,337	7,756,773	7.9%
Coligny Beach Parking Lot	\$ 250,000	250,000	12,200	-	237,800	4.9%
Beach Park Maintenance & Improvement	\$ 150,000	150,000	19,805	32,113	98,082	13.2%
Harbour Town Dredge	\$ 600,000	600,000	-	-	600,000	0.0%
Beach Project Management & Contingency	\$ 100,000	100,000	-	-	100,000	0.0%
Beach Wheelchair Storage	\$ -	-	3,699	-	(3,699)	#DIV/0!
Total Beach Maintenance	48,820,000	48,820,000	3,813,594	36,217,449	8,788,957	7.8%

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 3

	Original Budget	Amended Budget	Actual	Commitments	Available Budget Positive (Negative)	Percentage of Budget Used
Facilities Improvements:						
Town Hall Renovations	\$ 200,000	200,000	59,591	(55,083)	195,491	29.8%
Honey Horn Improvements	\$ 496,000	496,000	-	1,100	494,900	0.0%
Computer Software Equipment	\$ 625,000	625,000	238,110	(78,343)	465,233	38.1%
Security Cameras - Shelter Cove	\$ 150,000	150,000	103,305	-	46,695	68.9%
Fire Hydrant Expansion	\$ 50,000	50,000	-	-	50,000	0.0%
Historic Mitchelville Freedom Park	\$ 250,000	250,000	71,647	(71,647)	250,000	28.7%
Furniture Replacement	\$ 300,000	300,000	-	-	300,000	0.0%
Facilities & Equipment Contingency	\$ 100,000	100,000	-	-	100,000	0.0%
Wild Wing Café Demo	\$ -	-	11,201	(12,500)	1,299	#DIV/0!
Tree Planting / Forest Management	\$ 150,000	150,000	7,200	(7,200)	150,000	4.8%
Fire Station 3 Replacements	\$ -	-	1,115	(1,115)	-	#DIV/0!
Fire Station 4 Replacements	\$ -	-	57,045	(57,045)	-	#DIV/0!
Security Access Upgrades	\$ -	-	15,135	(13,426)	(1,710)	#DIV/0!
Facility Maintenance & Improvement	\$ 500,000	500,000	63,751	62,404	373,845	12.8%
Facilities Equipment	\$ 50,000	50,000	-	-	50,000	0.0%
4 Office Way Renovations	\$ 1,100,000	1,100,000	87,920	771,381	240,699	8.0%
Jonesville Horse Barn	\$ 500,000	500,000	18,784	15,482	465,734	3.8%
Town Refuse & Recycling Management	\$ 250,000	250,000	-	-	250,000	0.0%
Town Vehicle Replacements	\$ 80,000	80,000	67,369	-	12,631	84.2%
Fleet Contingency	\$ 100,000	100,000	-	-	100,000	0.0%
Total Facilities Improvements	4,901,000	4,901,000	802,173	554,010	3,544,818	16.4%

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 3

	Original Budget	Amended Budget	Actual	Commitments	Available Budget Positive (Negative)	Percentage of Budget Used
Roadway Improvements:						
Road Maintenance & Improvements	\$ 250,000	250,000	39,882	(6,997)	210,118	16.0%
Signal System Maintenance	\$ 1,100,000	1,100,000	29,288	30,844	1,070,712	2.7%
Landscape, Lighting, & Safety Enhancements	\$ 750,000	750,000	7,063	-	742,937	0.9%
Dirt Road Paving Program	\$ 1,104,500	1,104,500	18,781	5,462	1,085,720	1.7%
Island-wide Intersection Safety Improvements	\$ 250,000	250,000	29,532	70,108	220,468	11.8%
Jonesville Road and Spanish Wells Lane Improvements	\$ 100,000	100,000	-	-	100,000	0.0%
Northpoint Access Improvements	\$ 150,000	150,000	-	-	150,000	0.0%
Tabby Walk Entrance Relocation	\$ 200,000	200,000	-	13,950	200,000	0.0%
WHP Gateway Corridor & Stoney Corridor	\$ 100,000	100,000	-	100,000	100,000	0.0%
Island-wide Streetscape Enhancements	\$ 250,000	250,000	-	13,905	250,000	0.0%
WHP Streetscape Enhancements	\$ 650,000	650,000	32,405	15,893	617,595	5.0%
Folly Field Road Pedestrian Safety Enhancements	\$ 75,000	75,000	-	-	75,000	0.0%
Roadway Project Management and Contingency	\$ 100,000	100,000	-	53,993	46,007	0.0%
Total Roadway Improvements	5,079,500	5,079,500	156,950	297,158	4,868,557	3.1%
Stormwater Projects						
SWU General Contingency	\$ 500,000	500,000	-	-	500,000	0.0%
SWU Contingency Non-PUD	\$ 1,800,000	1,800,000	-	-	1,800,000	0.0%
SWU Contingency PUD	\$ 2,000,000	2,000,000	-	-	2,000,000	0.0%
Palmetto Hall	\$ 150,000	150,000	-	42,517	107,483	0.0%
Wexford	\$ 750,000	750,000	-	-	750,000	0.0%
Non-PUD	\$ 1,150,880	1,150,880	-	179,915	970,965	0.0%
Total Stormwater Projects	6,350,880	6,350,880	-	222,432	6,128,448	0.0%
Pathway Improvements:	\$ 1,650,000	1,650,000	199,593	294,383	1,156,023	12.1%
Total Pathway Improvements	1,650,000	1,650,000	199,593	294,383	1,156,023	12.1%
Total Capital Outlay	77,687,380	77,687,380	6,605,933	36,734,032	34,590,580	8.5%
Total Expenditures	77,687,380	77,687,380	6,605,933	36,734,032	34,590,580	8.5%

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 3

	Original Budget	Amended Budget	Actual	Commitments	Available Budget Positive (Negative)	Percentage of Budget Used
Excess of Revenues Over (Under) Expenditures	(68,221,842)	(68,221,842)	(6,301,646)			
<u>Other Financing Sources (Uses):</u>						
Transfers In:						
Beach Preservation Fees	\$ 41,220,000	\$ 41,220,000	\$ 221,212			
Hospitality Tax	\$ 9,934,462	\$ 9,934,462	\$ 1,557,110			
Tax Increment Financing	\$ 2,242,934	\$ 2,242,934	\$ 111,008			
State Accommodation Tax	\$ 2,832,066	\$ 2,832,066	\$ 1,007,659			
Road Usage Fee	\$ 1,354,500	\$ 1,354,500	\$ 44,677			
Electric Franchise Fee	\$ 511,000	\$ 511,000	\$ 511,000			
Real Estate Transfer Fee	\$ 250,000	\$ 250,000	\$ 792,122			
General Fund	\$ -	\$ -	\$ -			
Short Term Rental Permit Fee	\$ 180,000	\$ 180,000	\$ -			
Stormwater Utility Fee	\$ 6,350,880	\$ 6,350,880	\$ 5,034,197			
Total Other Financing Sources (Uses)	64,875,842	64,875,842	9,278,984			
Net change in fund balance	(3,346,000)	(3,346,000)	2,977,338			
Fund Balance - beginning	9,680,413	9,680,413	9,680,413			
Fund Balance - ending	\$ 6,334,413	\$ 6,334,413	\$ 12,657,751			

Stormwater Fund

Fiscal Year 2026
July 2025 –September 2025

Schedule of Revenues, Expenditures,
and Changes in Fund Balance

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - PROPRIETARY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 4

	Original Budget	Amended Budget	Actual	Available Budget Positive (Negative)	Percentage of Budget Used
OPERATING REVENUES					
Stormwater Utility Fees	\$ 5,275,035	\$ 5,275,035	\$ 44,283	\$ (5,230,752)	0.8%
Permits	122,580	122,580	40,607	\$ (81,973)	33.1%
TOTAL OPERATING REVENUES	5,397,615	5,397,615	84,890	(5,312,725)	1.6%
OPERATING EXPENSES					
Maintenance and Repair	2,190,000	2,190,000	14,799	2,175,201	0.7%
Administrative - Salary/Benefits	916,066	916,066	180,636	735,430	19.7%
Administrative - Operating	190,480	190,480	2,553	187,927	1.3%
Depreciation	1,100,000	1,100,000	275,000	825,000	25.0%
TOTAL OPERATING EXPENSES	4,396,546	4,396,546	472,988	3,923,558	10.8%
OPERATING INCOME	1,001,069	1,001,069	(388,098)	(1,389,167)	-38.8%
NON-OPERATING INCOME (EXPENSES)					
Investment Income	150,000	150,000	77,209	(72,791)	51.5%
Administrative	(7,000)	(7,000)	-	7,000	0.0%
Loss on Refunding	-	-	-	-	#DIV/0!
Interest Expense	(35,851)	(35,851)	(17,925)	17,926	50.0%
Debt Issue Cost	-	-	-	-	#DIV/0!
TOTAL NON-OPERATING INCOME (EXPENSES)	107,149	107,149	59,283	(47,866)	55.3%
Income (Loss) Before Transfers/Bond Proceeds	1,108,218	1,108,218	(328,815)	(1,437,033)	-29.7%
Bond Proceeds	-	-	-	-	#DIV/0!
Transfers In	-	-	-	-	#DIV/0!
Transfers Out	(6,700,880)	(6,700,880)	(5,384,197)	1,316,683	80.4%
NET CHANGE IN FUND NET POSITION	(5,592,662)	(5,592,662)	(5,713,012)	(120,350)	102.2%
Net Position - Beginning	13,636,629	13,636,629	13,636,629	-	100.0%
Net Position - Ending	\$ 8,043,967	\$ 8,043,967	\$ 7,923,617	\$ (120,350)	98.5%

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - PROPRIETARY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 4

Original Budget	Amended Budget	Actual	Available Budget Positive (Negative)	Percentage of Budget Used
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A - Because the Stormwater Utility Fund is a proprietary fund, principal payments are recorded directly as debt reductions on the balance sheet - rather than pass through the debt service fund.

B - The budgetary level for the Stormwater Proprietary Fund is:

Personnel and Benefits	\$ 916,066	\$ 916,066		
Debt Service	42,851	42,851		
Operations	1,290,480	1,290,480		
Maintenance	2,190,000	2,190,000		
Transfer to General Fund	350,000	350,000		
Transfer to CIP Fund	6,350,880	6,350,880		
	\$ 11,140,277	\$ 11,140,277		

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - PROPRIETARY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 4

	Original Budget	Amended Budget	Actual	Available Budget Positive (Negative)	Percentage of Budget Used
OPERATING REVENUES					
Stormwater Utility Fees	\$ 5,275,035	\$ 5,275,035	\$ 44,283	\$ (5,230,752)	0.8%
Permits	\$ 122,580	\$ 122,580	\$ 40,607	\$ (81,973)	33.1%
TOTAL OPERATING REVENUES	5,397,615	5,397,615	84,890	(5,312,725)	1.6%
OPERATING EXPENSES					
Planned Unit Developments:					
Shipyard Plantation	-	-	558	(558)	#DIV/0!
Sea Pines Plantation	-	-	4,379	(4,379)	#DIV/0!
Wexford Plantation	-	-	2,449	(2,449)	#DIV/0!
Total Planned Unit Developments	-	-	7,387	(7,387)	#DIV/0!
Non-Planned Unit Developments:					
Stormwater Maintenance	475,000	475,000	752	474,248	0.2%
Inventory and Modeling	790,000	790,000	1,170	788,830	0.1%
Pump station	-	-	5,490	(5,490)	#DIV/0!
Total Non-Planned Unit Development	1,265,000	1,265,000	7,413	1,257,587	0.6%

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - PROPRIETARY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 4

	Original Budget	Amended Budget	Actual	Available Budget Positive (Negative)	Percentage of Budget Used
Other -- Non-classified expenses:					
Contingency -- Non-PUDs	370,000	370,000	-	370,000	0.0%
Contingency -- Pump Station	555,000	555,000	-	555,000	0.0%
Total Other -- Non-classified expenses	<u>925,000</u>	<u>925,000</u>	<u>-</u>	<u>925,000</u>	<u>0.0%</u>
Other Operating Expenses:					
Administrative Salaries/Benefits	916,066	916,066	180,636	735,430	19.7%
Administrative Operating	190,480	190,480	2,553	187,927	1.3%
Administrative Capital	-	-	-	-	#DIV/0!
Depreciation	1,100,000	1,100,000	275,000	825,000	25.0%
Total Other Operating Expenses	<u>2,206,546</u>	<u>2,206,546</u>	<u>458,189</u>	<u>1,748,357</u>	<u>20.8%</u>
TOTAL OPERATING EXPENSES	<u>4,396,546</u>	<u>4,396,546</u>	<u>472,988</u>	<u>3,923,558</u>	<u>10.8%</u>
OPERATING INCOME	<u>1,001,069</u>	<u>1,001,069</u>	<u>(388,098)</u>	<u>(1,389,167)</u>	<u>-38.8%</u>

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
 BUDGET (GAAP BASIS) AND ACTUAL - PROPRIETARY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
 FISCAL YEAR 2026 - THROUGH SEPTEMBER (3RD PERIOD)

Schedule 4

	Original Budget	Amended Budget	Actual	Available Budget Positive (Negative)	Percentage of Budget Used
NON-OPERATING INCOME (EXPENSES)					
Investment Income	150,000	150,000	77,209	(72,791)	51.5%
Administrative	(7,000)	(7,000)	-	7,000	0.0%
Loss on Refunding	-	-	-	-	#DIV/0!
Interest Expense	(35,851)	(35,851)	(17,925)	17,926	50.0%
Debt Issue Cost	-	-	-	-	#DIV/0!
TOTAL NON-OPERATING INCOME (EXPENSES)	107,149	107,149	59,283	(47,866)	55.3%
Income (Loss) Before Transfers/Bond Proceeds	1,108,218	1,108,218	(328,815)	(1,437,033)	-29.7%
Bond Proceeds					
Transfers In-ATAX Fund	-	-	-	-	#DIV/0!
Transfers Out-General Fund	(350,000)	(350,000)	(350,000)	-	100.0%
Transfers Out-CIP	(6,350,880)	(6,350,880)	(5,034,197)	1,316,683	79.3%
NET CHANGE IN FUND NET POSITION	(5,592,662)	(5,592,662)	(5,713,012)	(120,350)	102.2%
Net Position - Beginning	13,636,629	13,636,629	13,636,629	-	100.0%
Net Position - Ending	\$ 8,043,967	\$ 8,043,967	\$ 7,923,617	\$ (120,350)	98.5%

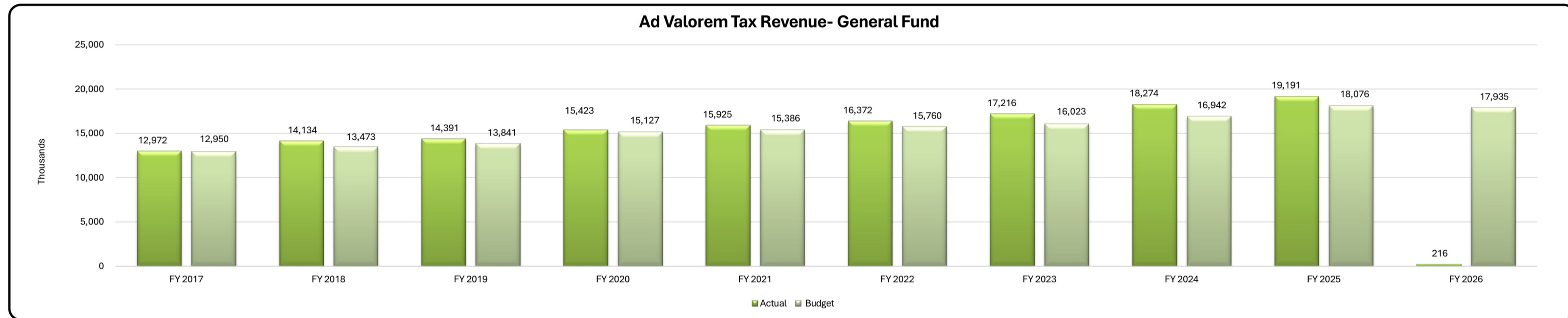
Revenue Charts

Fiscal Year 2026
July 2025 –September 2025

FY2026 YTD Monthly Revenues and Prior
Fiscal Years for Comparison
(FY 2017-FY 2026)

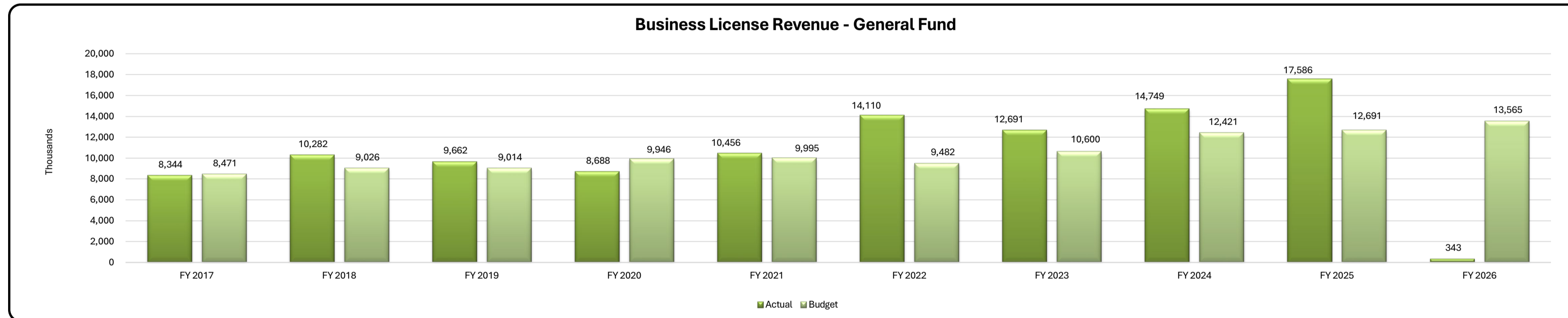
**Ad Valorem Tax Revenue - General Fund
Revenues by Month/Fiscal Year**

Fiscal Year	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
2017	-	45,492	151,125	196,617	96,211	1,256,627	124	1,352,962	5,313,733	5,282,564	(4,529)	10,591,768	257,292	232,513	340,437	830,242	12,971,589
	0%	0%	1%	2%	1%	10%	0%	10%	41%	41%	0%	82%	2%	2%	3%	6%	100%
2018	-	50,808	137,351	188,159	72,190	234,127	1,457,685	1,764,002	6,249,336	4,588,002	598,029	11,435,367	170,567	300,738	275,043	746,348	14,133,876
	0%	0%	1%	1%	1%	2%	10%	12%	44%	32%	4%	81%	1%	2%	2%	5%	100%
2019	-	91,400	156,556	247,956	97,341	300,315	1,050,641	1,448,297	6,248,987	5,499,525	239,152	11,987,664	170,573	94,529	441,677	706,779	14,390,696
	0%	1%	1%	2%	1%	2%	7%	10%	43%	38%	2%	83%	1%	1%	3%	5%	100%
2020	-	78,876	117,043	195,919	77,560	219,771	1,076,800	1,374,131	6,888,648	6,055,546	206,862	13,151,056	120,680	82,909	498,528	702,117	15,423,223
	0%	1%	1%	1%	1%	1%	7%	9%	45%	39%	1%	85%	1%	1%	3%	5%	100%
2021	-	129,642	134,157	263,799	78,169	71,690	1,220,574	1,370,433	2,394,688	5,006,290	5,803,142	13,204,120	535,164	63,488	488,351	1,087,003	15,925,355
	0%	1%	1%	2%	0%	0%	8%	9%	15%	31%	36%	83%	3%	0%	3%	7%	100%
2022	-	123,150	130,348	253,498	88,593	196,604	2,283,332	2,568,529	6,049,595	6,239,459	247,081	12,536,135	273,784	481,691	258,647	1,014,122	16,372,284
	0%	1%	1%	2%	1%	1%	14%	16%	37%	38%	2%	77%	2%	3%	2%	6%	100%
2023	-	109,860	128,669	238,529	92,597	213,772	2,325,313	2,631,682	6,511,449	6,656,198	228,591	13,396,238	362,910	190,576	395,611	949,097	17,215,546
	0%	1%	1%	1%	1%	1%	14%	15%	38%	39%	1%	78%	2%	1%	2%	6%	100%
2024	-	82,227	125,358	207,585	101,124	210,816	949,509	1,261,449	5,054,418	10,611,016	264,829	15,930,263	602,241	104,923	167,919	875,083	18,274,380
	0%	0%	1%	1%	1%	1%	5%	7%	28%	58%	1%	87%	3%	1%	1%	5%	100%
2025	-	79,647	91,324	170,971	54,245	256,555	2,025,404	2,336,204	9,846,139	5,510,867	482,637	15,839,643	379,129	206,454	258,393	843,976	19,190,794
	0%	0%	0%	1%	0%	1%	11%	12%	51%	29%	3%	83%	2%	1%	1%	4%	100%
2026	-	87,222	128,422	215,644	-	-	-	-	-	-	-	-	-	-	-	-	215,644
	0%	40%	60%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%



Business License Revenue - General Fund
Revenues by Month/Fiscal Year

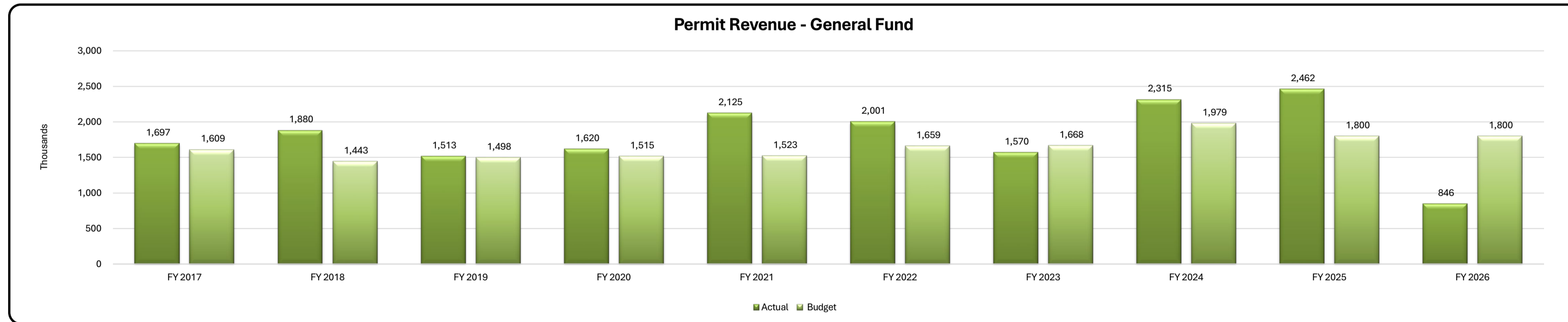
Fiscal Year	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
2017	64,509 1%	86,648 1%	59,972 1%	211,129 3%	86,132 1%	28,244 0%	29,660 0%	144,036 2%	520,807 6%	583,336 7%	663,953 8%	1,768,096 21%	650,430 8%	1,419,353 17%	4,150,907 50%	6,220,690 75%	8,343,951 100%
2018	67,290 1%	30,256 0%	20,838 0%	118,384 1%	28,558 0%	18,345 0%	30,319 0%	77,222 1%	651,902 6%	620,383 6%	876,833 9%	2,149,118 21%	820,658 8%	1,802,887 18%	5,314,075 52%	7,937,620 77%	10,282,344 100%
2019	120,174 1%	97,474 1%	21,523 0%	239,171 2%	18,774 0%	32,052 0%	35,040 0%	85,866 1%	462,293 5%	709,984 7%	1,049,815 11%	2,222,092 23%	1,940,418 20%	884,638 9%	4,289,447 44%	7,114,503 74%	9,661,632 100%
2020	66,795 1%	70,285 1%	28,064 0%	165,144 2%	22,083 0%	18,401 0%	56,975 1%	97,459 1%	677,419 8%	756,256 9%	806,783 9%	2,240,458 26%	690,681 8%	841,272 10%	4,653,455 54%	6,185,408 71%	8,688,469 100%
2021	24,115 0%	328,495 3%	1,155,774 11%	1,508,384 14%	28,558 0%	19,766 0%	20,679 0%	69,003 1%	794,863 8%	672,581 6%	1,142,632 11%	2,610,076 25%	1,682,248 16%	864,591 8%	3,721,334 36%	6,268,173 60%	10,455,636 100%
2022	87,288 1%	1,720,313 12%	62,727 0%	1,870,328 13%	16,434 0%	33,564 0%	32,331 0%	82,329 1%	673,839 5%	755,432 5%	2,021,412 14%	3,450,683 24%	2,334,599 17%	989,418 7%	5,382,954 38%	8,706,971 62%	14,110,311 100%
2023	155,970 1%	164,738 1%	175,702 1%	496,410 4%	49,355 0%	61,981 0%	92,114 1%	203,450 2%	462,002 4%	943,435 7%	2,083,866 16%	3,489,303 27%	3,030,776 24%	1,385,183 11%	4,085,802 32%	8,501,761 67%	12,690,924 100%
2024	422,122 3%	98,915 1%	1,065,622 7%	1,586,659 11%	244,951 2%	26,523 0%	44,117 0%	315,591 2%	607,225 4%	1,032,694 7%	1,407,925 10%	3,047,844 21%	3,756,921 25%	1,387,820 9%	4,654,547 32%	9,799,288 66%	14,749,382 100%
2025	133,588 1%	1,515,985 9%	51,744 0%	1,701,317 10%	25,531 0%	12,118 0%	39,395 0%	77,044 0%	265,343 2%	1,129,682 6%	1,730,511 10%	3,125,536 18%	5,290,137 30%	1,102,458 6%	6,289,110 36%	12,681,705 72%	17,585,602 100%
2026	130,213 38%	109,526 32%	103,450 30%	343,189 100%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	343,189 100%



*FY25 Includes one-time Airbnb settlement

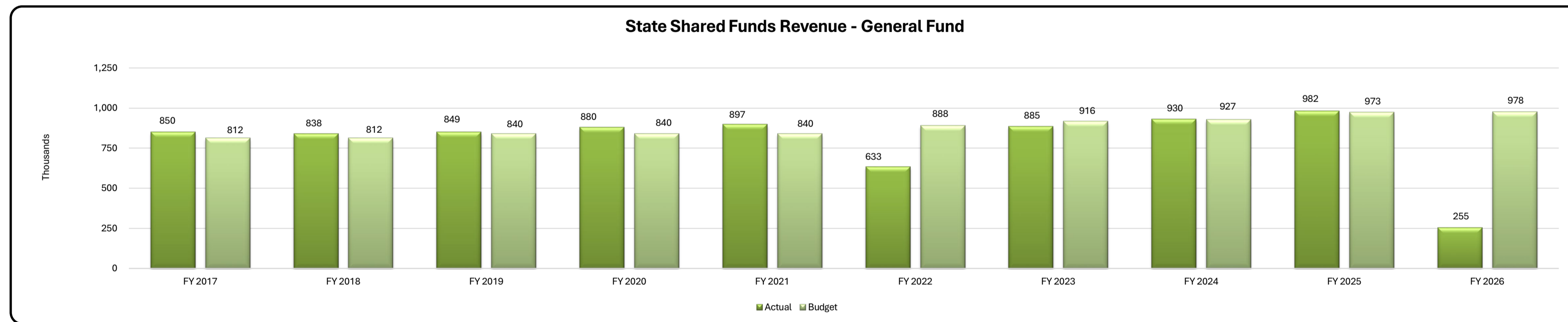
Permit Revenue - General Fund
Revenues by Month/Fiscal Year

Fiscal Year	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
2017	84,579 5%	151,705 9%	108,292 6%	344,576 20%	105,919 6%	203,734 12%	184,066 11%	493,719 29%	160,748 9%	160,575 9%	139,856 8%	461,179 27%	141,799 8%	110,359 7%	145,807 9%	397,965 23%	1,697,439 100%
2018	114,217 6%	150,687 8%	75,196 4%	340,100 18%	316,243 17%	185,048 10%	208,245 11%	709,536 38%	161,773 9%	147,768 8%	124,883 7%	434,424 23%	133,612 7%	125,350 7%	137,208 7%	396,170 21%	1,880,230 100%
2019	96,100 6%	155,990 10%	157,720 10%	409,810 27%	159,615 11%	123,830 8%	97,878 6%	381,323 25%	137,075 9%	130,264 9%	164,498 11%	431,837 29%	105,075 7%	93,622 6%	91,486 6%	290,183 19%	1,513,153 100%
2020	93,827 6%	106,015 7%	110,305 7%	310,147 19%	165,951 10%	114,083 7%	296,031 18%	576,065 36%	151,832 9%	136,774 8%	134,678 8%	423,284 26%	98,245 6%	72,272 4%	139,626 9%	310,143 19%	1,619,639 100%
2021	128,998 6%	124,954 6%	103,872 5%	357,824 17%	155,687 7%	112,763 5%	182,480 9%	450,930 21%	346,996 16%	151,728 7%	214,465 10%	713,189 34%	233,801 11%	237,238 11%	132,400 6%	603,439 28%	2,125,382 100%
2022	131,777 7%	103,433 5%	230,861 12%	466,071 23%	191,337 10%	195,708 10%	144,669 7%	531,714 27%	205,720 10%	133,561 7%	181,356 9%	520,637 26%	148,935 7%	162,933 8%	170,755 9%	482,623 24%	2,001,045 100%
2023	143,971 9%	144,324 9%	140,598 9%	428,893 27%	182,919 12%	161,853 10%	90,942 6%	435,714 28%	132,166 8%	114,368 7%	114,310 7%	360,844 23%	89,881 6%	125,812 8%	128,982 8%	344,675 22%	1,570,126 100%
2024	139,201 6%	216,640 9%	299,979 13%	655,820 28%	172,342 7%	169,206 7%	437,189 19%	778,737 34%	218,891 9%	135,559 6%	130,844 6%	485,294 21%	121,137 5%	131,842 6%	142,309 6%	395,288 17%	2,315,139 100%
2025	153,710 6%	168,168 7%	168,922 7%	490,800 20%	204,376 8%	202,493 8%	180,285 7%	587,154 24%	269,110 11%	290,846 12%	270,456 11%	830,412 34%	186,075 8%	176,806 7%	190,437 8%	553,318 22%	2,461,684 100%
2026	290,907 34%	347,214 41%	207,610 25%	845,731 100%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	845,731 100%



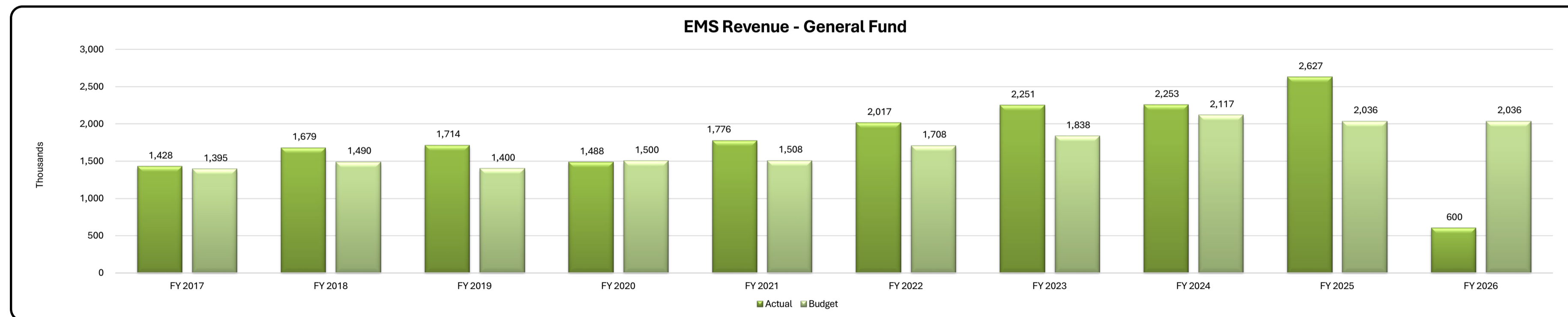
State Shared Revenue - General Fund
Revenues by Month/Fiscal Year

Fiscal Year	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
2017	-	-	-	-	239,980	-	-	239,980	200,080	-	-	200,080	200,081	274	209,491	409,846	849,906
	0%	0%	0%	0%	28%	0%	0%	28%	24%	0%	0%	24%	24%	0%	25%	48%	100%
2018	-	-	-	-	209,491	-	-	209,491	209,490	-	-	209,490	209,491	361	209,490	419,342	838,323
	0%	0%	0%	0%	25%	0%	0%	25%	25%	0%	0%	25%	25%	0%	25%	50%	100%
2019	-	-	-	-	209,491	-	-	209,491	209,436	-	-	209,436	209,437	-	220,378	429,815	848,742
	0%	0%	0%	0%	25%	0%	0%	25%	25%	0%	0%	25%	25%	0%	26%	51%	100%
2020	-	-	-	-	219,899	-	-	219,899	219,900	-	-	219,900	219,899	-	220,161	440,060	879,859
	0%	0%	0%	0%	25%	0%	0%	25%	25%	0%	0%	25%	25%	0%	25%	50%	100%
2021	-	-	-	-	219,899	-	-	219,899	219,900	-	-	219,900	219,899	-	237,211	457,110	896,909
	0%	0%	0%	0%	25%	0%	0%	25%	25%	0%	0%	25%	25%	0%	26%	51%	100%
2022	-	-	-	-	-	210,148	-	210,148	-	208,011	-	208,011	214,422	663	-	215,085	633,244
	0%	0%	0%	0%	0%	33%	0%	33%	0%	33%	0%	33%	34%	0%	0%	34%	100%
2023	-	220,655	-	220,655	220,656	-	-	220,656	220,655	2,453	-	223,108	220,655	-	15	220,670	885,089
	0%	25%	0%	25%	25%	0%	0%	25%	25%	0%	0%	25%	25%	0%	0%	25%	100%
2024	-	231,688	-	231,688	231,689	-	-	231,689	231,688	3,535	-	235,223	231,491	14	-	231,505	930,105
	0%	25%	0%	25%	25%	0%	0%	25%	25%	0%	0%	25%	25%	0%	0%	25%	100%
2025	-	243,273	-	243,273	243,272	-	-	243,272	243,066	-	8,976	252,042	243,194	-	-	243,194	981,781
	0%	25%	0%	25%	25%	0%	0%	25%	25%	0%	1%	26%	25%	0%	0%	25%	100%
2026	-	255,436	-	255,436	-	-	-	-	-	-	-	-	-	-	-	-	255,436
	0%	100%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%



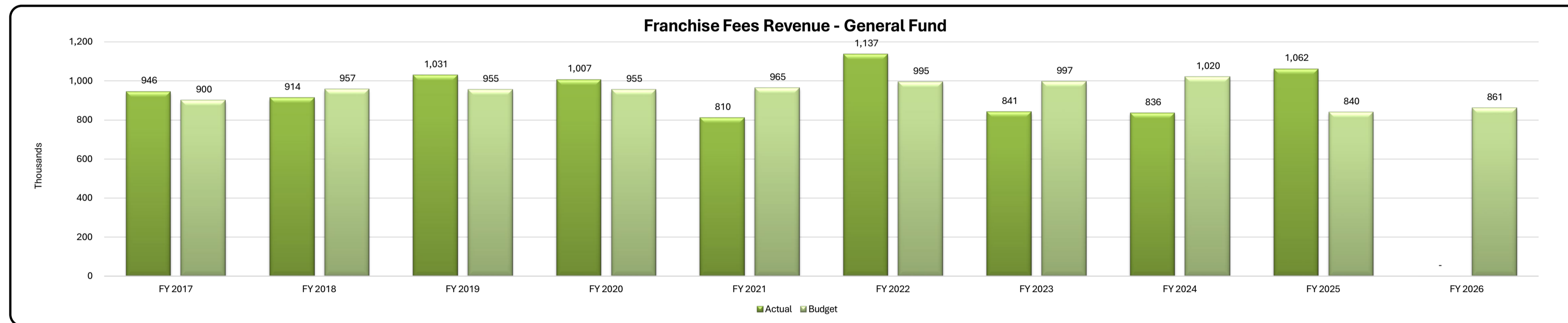
EMS Revenue - General Fund
Revenues by Month/Fiscal Year

Fiscal Year	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
2017	233,539 16%	147,126 10%	154,104 11%	534,769 37%	27,675 2%	204,987 14%	131,154 9%	363,816 25%	124,606 9%	190,909 13%	(45,560) -3%	269,955 19%	(11,399) -1%	216,007 15%	55,243 4%	259,851 18%	1,428,391 100%
2018	227,954 14%	169,694 10%	44,667 3%	442,315 26%	127,532 8%	99,611 6%	140,296 8%	367,439 22%	104,158 6%	168,123 10%	127,172 8%	399,453 24%	135,701 8%	191,899 11%	141,759 8%	469,359 28%	1,678,566 100%
2019	156,264 9%	141,829 8%	113,277 7%	411,370 24%	118,673 7%	109,743 6%	110,944 6%	339,360 20%	121,778 7%	146,152 9%	177,402 10%	445,332 26%	114,590 7%	236,870 14%	166,499 10%	517,959 30%	1,714,021 100%
2020	99,463 7%	245,680 17%	73,682 5%	418,825 28%	176,650 12%	22,233 1%	151,460 10%	350,343 24%	176,688 12%	134,383 9%	164,251 11%	475,322 32%	52,089 4%	83,672 6%	107,572 7%	243,333 16%	1,487,823 100%
2021	191,893 11%	131,658 7%	193,145 11%	516,696 29%	107,825 6%	135,283 8%	145,007 8%	388,115 22%	115,734 7%	94,393 5%	201,745 11%	411,872 23%	173,595 10%	142,518 8%	143,548 8%	459,661 26%	1,776,344 100%
2022	254,063 13%	188,742 9%	168,576 8%	611,381 30%	117,394 6%	109,493 5%	136,688 7%	363,575 18%	117,900 6%	164,394 8%	168,275 8%	450,569 22%	208,936 10%	140,577 7%	241,605 12%	591,118 29%	2,016,643 100%
2023	230,289 10%	236,286 10%	169,083 8%	635,658 28%	174,422 8%	162,723 7%	136,151 6%	473,296 21%	182,956 8%	153,195 7%	267,275 12%	603,426 27%	145,537 6%	151,060 7%	241,957 11%	538,554 24%	2,250,934 100%
2024	169,625 8%	238,513 11%	159,824 7%	567,962 25%	242,230 11%	33,226 1%	187,192 8%	462,648 21%	170,062 8%	215,804 10%	196,677 9%	582,543 26%	160,916 7%	14,764 1%	463,714 21%	639,394 28%	2,252,547 100%
2025	292,223 11%	224,656 9%	218,062 8%	734,941 28%	148,187 6%	196,983 7%	121,637 5%	466,807 18%	21,777 1%	497,570 19%	264,431 10%	783,778 30%	293,677 11%	243,493 9%	104,475 4%	641,645 24%	2,627,171 100%
2026	230,496 38%	173,201 29%	196,715 33%	600,412 100%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	600,412 100%



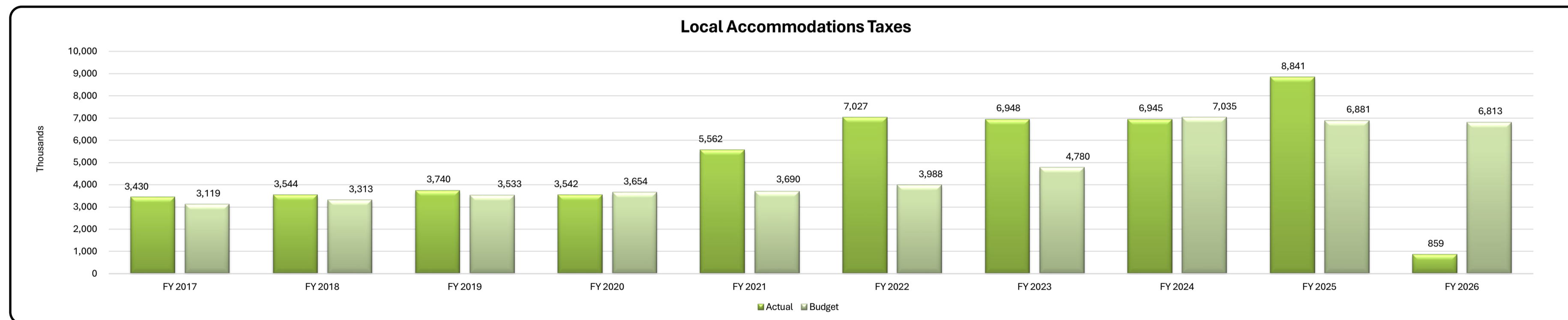
Franchise Fees Revenue - General Fund
Revenues by Month/Fiscal Year

Fiscal Year	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
2017	-	-	65,077	65,077	160,710	-	-	160,710	246,983	-	16,616	263,599	214,359	13,770	228,215	456,344	945,730
	0%	0%	7%	7%	17%	0%	0%	17%	26%	0%	2%	28%	23%	1%	24%	48%	100%
2018	-	-	-	-	230,906	-	-	230,906	268,780	-	-	268,780	238,111	-	176,104	414,215	913,901
	0%	0%	0%	0%	25%	0%	0%	25%	29%	0%	0%	29%	26%	0%	19%	45%	100%
2019	-	74,215	-	74,215	244,301	-	-	244,301	293,923	-	-	293,923	243,753	-	174,322	418,075	1,030,514
	0%	7%	0%	7%	24%	0%	0%	24%	29%	0%	0%	29%	24%	0%	17%	41%	100%
2020	-	-	-	-	249,382	67,989	-	317,371	285,037	-	-	285,037	242,745	-	161,995	404,740	1,007,148
	0%	0%	0%	0%	25%	7%	0%	32%	28%	0%	0%	28%	24%	0%	16%	40%	100%
2021	70,026	-	-	70,026	230,155	-	-	230,155	248,011	37,108	-	285,119	224,524	-	-	224,524	809,824
	9%	0%	0%	9%	28%	0%	0%	28%	31%	5%	0%	35%	28%	0%	0%	28%	100%
2022	166,043	63,004	-	229,047	226,893	-	-	226,893	164,522	123,040	-	287,562	162,976	61,794	168,335	393,105	1,136,607
	15%	6%	0%	20%	20%	0%	0%	20%	14%	11%	0%	25%	14%	5%	15%	35%	100%
2023	-	63,127	-	63,127	219,390	-	-	219,390	223,225	60,125	-	283,350	219,307	(1)	55,379	274,685	840,552
	0%	8%	0%	8%	26%	0%	0%	26%	27%	7%	0%	34%	26%	0%	7%	33%	100%
2024	-	-	163,458	163,458	208,072	-	-	208,072	204,626	58,270	-	262,896	151,100	50,339	-	201,439	835,865
	0%	0%	20%	20%	25%	0%	0%	25%	24%	7%	0%	31%	18%	6%	0%	24%	100%
2025	149,778	51,522	-	201,300	195,948	-	-	195,948	190,956	108,514	-	299,470	184,380	-	180,705	365,085	1,061,803
	14%	5%	0%	19%	18%	0%	0%	18%	18%	10%	0%	28%	17%	0%	17%	34%	100%
2026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%



Local ATAX Revenue - General Fund
Revenues by Month/Fiscal Year

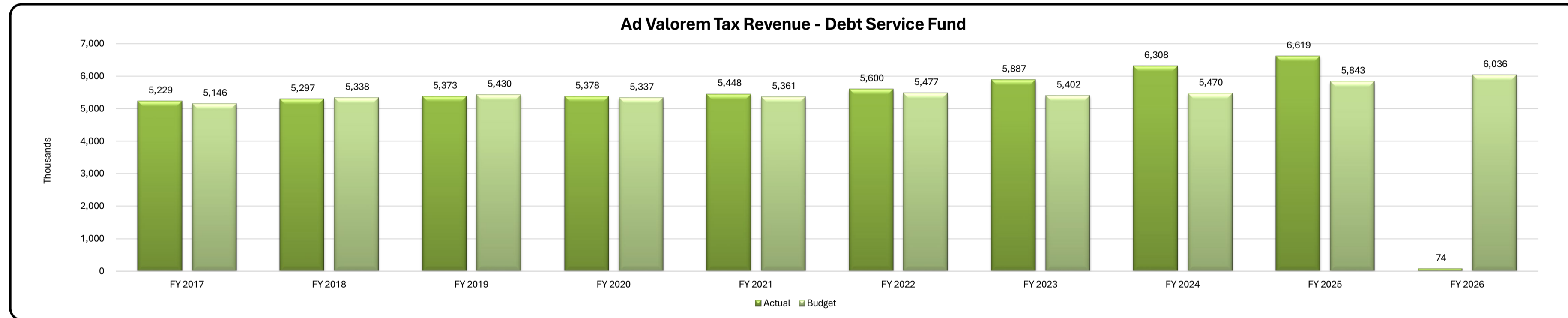
Fiscal Year	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
2017	(2) 0%	104,685 3%	75,399 2%	180,082 5%	1,037,898 30%	266,822 8%	22,416 1%	1,327,136 39%	247,350 7%	24,056 1%	28,495 1%	299,901 9%	343,957 10%	64,311 2%	1,214,992 35%	1,623,260 47%	3,430,379 100%
2018	121 0%	81,067 2%	50,523 1%	131,711 4%	1,274,638 36%	60,517 2%	23,190 1%	1,358,345 38%	329,491 9%	17,387 0%	22,406 1%	369,284 10%	373,769 11%	60,383 2%	1,250,418 35%	1,684,570 48%	3,543,910 100%
2019	35 0%	110,663 3%	69,539 2%	180,237 5%	1,281,174 34%	52,300 1%	25,754 1%	1,359,228 36%	336,642 9%	26,974 1%	24,957 1%	388,573 10%	374,977 10%	52,844 1%	1,384,212 37%	1,812,033 48%	3,740,071 100%
2020	12 0%	129,431 4%	89,668 3%	219,111 6%	1,329,949 38%	77,316 2%	55,716 2%	1,462,981 41%	345,905 10%	43,515 1%	40,184 1%	429,604 12%	236,867 7%	84,816 2%	1,108,236 31%	1,429,919 40%	3,541,615 100%
2021	(172) 0%	324,378 6%	216,254 4%	540,460 10%	1,418,057 25%	172,710 3%	63,485 1%	1,654,252 30%	487,871 9%	50,275 1%	61,363 1%	599,509 11%	496,545 9%	196,181 4%	2,074,953 37%	2,767,679 50%	5,561,900 100%
2022	(14) 0%	441,439 6%	295,412 4%	736,837 10%	2,002,671 29%	162,533 2%	89,918 1%	2,255,122 32%	631,573 9%	68,814 1%	71,651 1%	772,038 11%	664,638 9%	286,776 4%	2,311,120 33%	3,262,534 46%	7,026,531 100%
2023	1,928 0%	508,911 7%	242,573 3%	753,412 11%	2,016,867 29%	168,393 2%	101,920 1%	2,287,180 33%	593,739 9%	68,526 1%	94,224 1%	756,489 11%	699,311 10%	272,134 4%	2,179,939 31%	3,151,384 45%	6,948,465 100%
2024	(245) 0%	558,108 8%	247,272 4%	805,135 12%	1,996,743 29%	163,316 2%	73,720 1%	2,233,779 32%	565,924 8%	65,020 1%	88,862 1%	719,806 10%	715,975 10%	212,035 3%	2,257,794 33%	3,185,804 46%	6,944,524 100%
2025	5,362 0%	393,033 4%	241,403 3%	639,798 7%	1,850,182 21%	195,387 2%	130,050 1%	2,175,619 25%	570,856 6%	199,233 2%	101,455 1%	871,544 10%	2,596,004 29%	406,259 5%	2,152,182 24%	5,154,445 58%	8,841,406 100%
2026	2,623 0%	539,875 63%	316,562 37%	859,060 100%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	859,060 100%



*FY25 Includes one-time Airbnb settlement

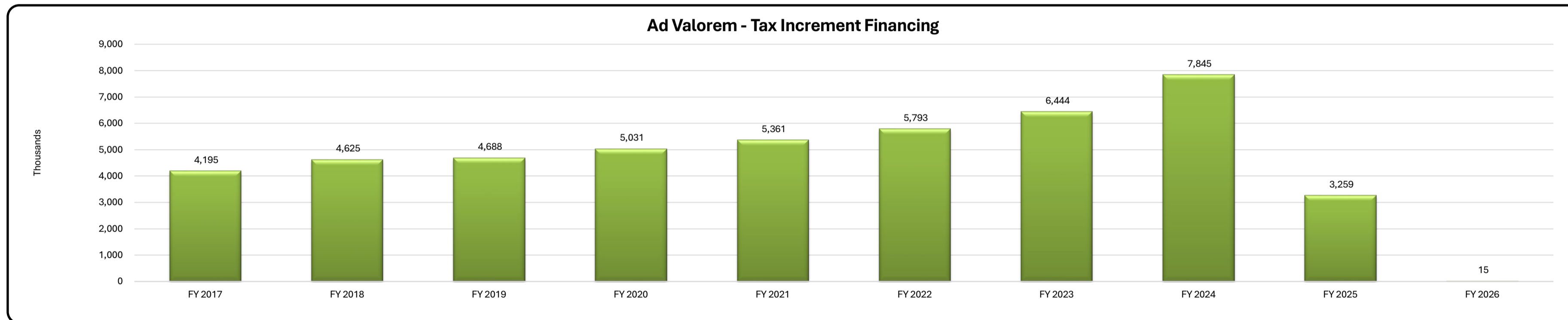
Ad Valorem Tax Revenue - Debt Service Fund
Revenues by Month/Fiscal Year

Fiscal Year	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
2017	-	18,223	61,654	79,877	34,796	505,466	50	540,312	2,146,469	2,132,522	(3,095)	4,275,896	102,195	93,676	137,265	333,136	5,229,221
	0%	0%	1%	2%	1%	10%	0%	10%	41%	41%	0%	82%	2%	2%	3%	6%	100%
2018	-	20,452	51,639	72,091	29,164	89,883	543,277	662,324	2,343,251	1,719,187	222,579	4,285,017	62,503	112,442	102,646	277,591	5,297,023
	0%	0%	1%	1%	1%	2%	10%	13%	44%	32%	4%	81%	1%	2%	2%	5%	100%
2019	-	33,492	55,085	88,577	36,489	105,100	392,042	533,631	2,341,624	2,060,751	87,825	4,490,200	61,438	34,117	164,872	260,427	5,372,835
	0%	1%	1%	2%	1%	2%	7%	10%	44%	38%	2%	84%	1%	1%	3%	5%	100%
2020	-	29,560	42,774	72,334	28,150	78,443	375,383	481,976	2,400,869	2,109,911	71,418	4,582,198	41,316	28,894	171,754	241,964	5,378,472
	0%	1%	1%	1%	1%	1%	7%	9%	45%	39%	1%	85%	1%	1%	3%	4%	100%
2021	-	45,182	43,146	88,328	27,237	22,600	417,834	467,671	820,093	1,715,899	1,988,268	4,524,260	182,193	21,778	164,207	368,178	5,448,437
	0%	1%	1%	2%	0%	0%	8%	9%	15%	31%	36%	83%	3%	0%	3%	7%	100%
2022	-	41,224	43,218	84,442	29,301	66,386	783,236	878,923	2,074,063	2,138,813	83,753	4,296,629	91,253	163,910	84,857	340,020	5,600,014
	0%	1%	1%	2%	1%	1%	14%	16%	37%	38%	1%	77%	2%	3%	2%	6%	100%
2023	-	36,315	42,949	79,264	29,350	73,329	796,506	899,185	2,232,164	2,281,844	78,078	4,592,086	122,372	64,153	129,640	316,165	5,886,700
	0%	1%	1%	1%	0%	1%	14%	15%	38%	39%	1%	78%	2%	1%	2%	5%	100%
2024	-	28,206	43,000	71,206	33,530	72,117	327,669	433,316	1,747,690	3,668,958	90,296	5,506,944	207,101	35,495	53,974	296,570	6,308,036
	0%	0%	1%	1%	1%	1%	5%	7%	28%	58%	1%	87%	3%	1%	1%	5%	100%
2025	-	26,206	30,235	56,441	17,468	87,503	699,244	804,215	3,404,318	1,904,662	164,072	5,473,052	131,146	69,903	84,372	285,421	6,619,129
	0%	0%	0%	1%	0%	1%	11%	12%	51%	29%	2%	83%	2%	1%	1%	4%	100%
2026	-	30,171	43,656	73,827	-	-	-	-	-	-	-	-	-	-	-	-	73,827
	0%	41%	59%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%



**Ad Valorem Tax Revenue - Tax Increment Fund
Revenues by Month/Fiscal Year**

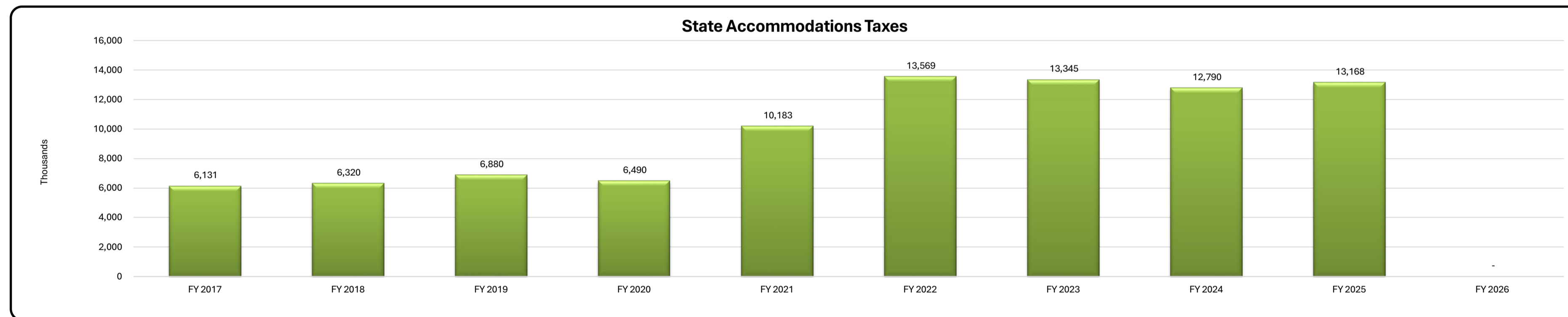
Fiscal Year	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
2017	-	12,189	61,692	73,881	14,923	22,123	1,438,199	1,475,245	364,166	2,056,156	104,090	2,524,412	26,756	17,532	77,004	121,292	4,194,830
	0%	0%	1%	2%	0%	1%	34%	35%	9%	49%	2%	60%	1%	0%	2%	3%	100%
2018	-	-	25,885	25,885	17,717	1,711	104,569	123,997	2,256,112	1,996,725	52,531	4,305,368	94,637	24,721	50,292	169,650	4,624,900
	0%	0%	1%	1%	0%	0%	2%	3%	49%	43%	1%	93%	2%	1%	1%	4%	100%
2019	-	24,609	21,167	45,776	24,487	5,556	(40,767)	(10,724)	2,462,557	2,091,799	15,032	4,569,388	40,757	22,402	19,976	83,135	4,687,575
	0%	1%	0%	1%	1%	0%	-1%	0%	53%	45%	0%	97%	1%	0%	0%	2%	100%
2020	-	15,653	39,962	55,615	4,762	8,438	(10,445)	2,755	2,121,234	2,596,354	96,912	4,814,500	101,299	7,320	49,822	158,441	5,031,311
	0%	0%	1%	1%	0%	0%	0%	0%	42%	52%	2%	96%	2%	0%	1%	3%	100%
2021	-	32,444	14,386	46,830	13,077	5,208	(1,283)	17,002	846,079	2,276,351	1,909,233	5,031,663	203,081	20,529	41,985	265,595	5,361,090
	0%	1%	0%	1%	0%	0%	0%	0%	16%	42%	36%	94%	4%	0%	1%	5%	100%
2022	-	12,040	34,389	46,429	18,394	2,264	604,508	625,166	2,250,162	2,652,132	111,751	5,014,045	19,457	43,306	44,124	106,887	5,792,527
	0%	0%	1%	1%	0%	0%	10%	11%	39%	46%	2%	87%	0%	1%	1%	2%	100%
2023	-	(9,993)	21,231	11,238	4,481	3,186	678,836	686,503	3,195,531	2,251,620	154,920	5,602,071	70,597	30,494	42,875	143,966	6,443,778
	0%	0%	0%	0%	0%	0%	11%	11%	50%	35%	2%	87%	1%	0%	1%	2%	100%
2024	-	4,258	27,705	31,963	1,870	8,137	222,196	232,203	2,203,560	4,663,796	107,210	6,974,566	537,596	38,933	29,425	605,954	7,844,686
	0%	0%	0%	0%	0%	0%	3%	3%	28%	59%	1%	89%	7%	0%	0%	8%	100%
2025	-	7,415	90,260	97,675	2,477	(1,641)	1,057,837	1,058,673	2,844,576	4,097,324	91,882	7,033,782	48,032	8,361	(4,987,664)	(4,931,271)	3,258,859
	0%	0%	3%	3%	0%	0%	32%	32%	87%	126%	3%	216%	1%	0%	-153%	-151%	100%
2026	-	5,197	10,213	15,410	-	-	-	-	-	-	-	-	-	-	-	-	15,410
	0%	34%	66%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%



The original TIF went through tax year 2014/fiscal year 2015 and included the school district participating at 75% for both operating and debt millage. The TIF has been extended for 10 years; however, the school district changed its participation to exclude operating millage. Therefore, TIF revenues will be less in fiscal years 2016 and forward. TIF revenues by design are expected to grow via redevelopment; \$50 million is the capped addition for the 10 years. Revenues for the early years of the 10 year extension are expected to be in the \$4 millions, but will need to exceed \$5 million in the latter years to average \$5 million/year or \$50 million in total.

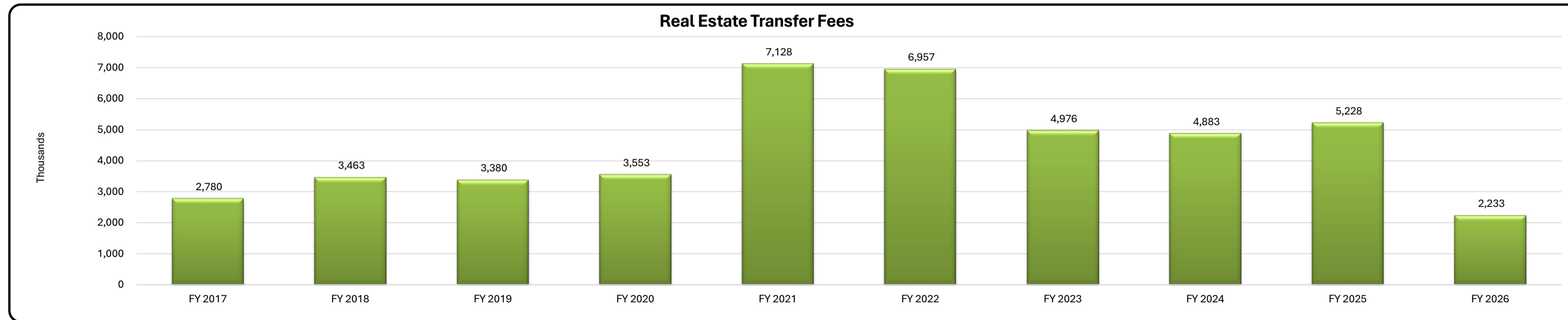
**State ATAX Revenue
Revenues by Month/Fiscal Year**

Fiscal Year	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
2017	-	-	-	-	2,793,958	-	-	2,793,958	747,978	-	-	747,978	417,652	-	2,171,824	2,589,476	6,131,412
	0%	0%	0%	0%	46%	0%	0%	46%	12%	0%	0%	12%	7%	0%	35%	42%	100%
2018	-	-	-	-	2,809,551	-	-	2,809,551	858,253	-	-	858,253	397,776	-	2,254,419	2,652,195	6,319,999
	0%	0%	0%	0%	44%	0%	0%	44%	14%	0%	0%	14%	6%	0%	36%	42%	100%
2019	-	-	-	-	3,034,478	-	-	3,034,478	855,629	-	-	855,629	472,626	-	2,517,294	2,989,920	6,880,027
	0%	0%	0%	0%	44%	0%	0%	44%	12%	0%	0%	12%	7%	0%	37%	43%	100%
2020	-	-	-	-	3,223,818	-	-	3,223,818	815,760	134,656	-	950,416	586,126	-	1,730,047	2,316,173	6,490,407
	0%	0%	0%	0%	50%	0%	0%	50%	13%	2%	0%	15%	9%	0%	27%	36%	100%
2021	-	-	-	-	3,655,462	-	-	3,655,462	1,598,915	-	-	1,598,915	818,143	-	4,110,959	4,929,102	10,183,479
	0%	0%	0%	0%	36%	0%	0%	36%	16%	0%	0%	16%	8%	0%	40%	48%	100%
2022	-	-	-	-	-	5,082,956	-	5,082,956	2,048,139	-	-	2,048,139	1,124,141	-	5,314,052	6,438,193	13,569,288
	0%	0%	0%	0%	0%	37%	0%	37%	15%	0%	0%	15%	8%	0%	39%	47%	100%
2023	-	-	-	-	5,342,323	-	-	5,342,323	1,814,391	-	-	1,814,391	1,071,043	-	5,117,146	6,188,189	13,344,903
	0%	0%	0%	0%	40%	0%	0%	40%	14%	0%	0%	14%	8%	0%	38%	46%	100%
2024	-	-	-	-	5,148,616	-	-	5,148,616	1,770,069	-	-	1,770,069	1,200,353	-	4,671,291	5,871,644	12,790,329
	0%	0%	0%	0%	40%	0%	0%	40%	14%	0%	0%	14%	9%	0%	37%	46%	100%
2025	-	-	-	-	5,293,425	-	-	5,293,425	-	1,835,526	-	1,835,526	-	1,249,751	4,788,960	6,038,711	13,167,662
	0%	0%	0%	0%	40%	0%	0%	40%	0%	14%	0%	14%	0%	9%	36%	46%	100%
2026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%



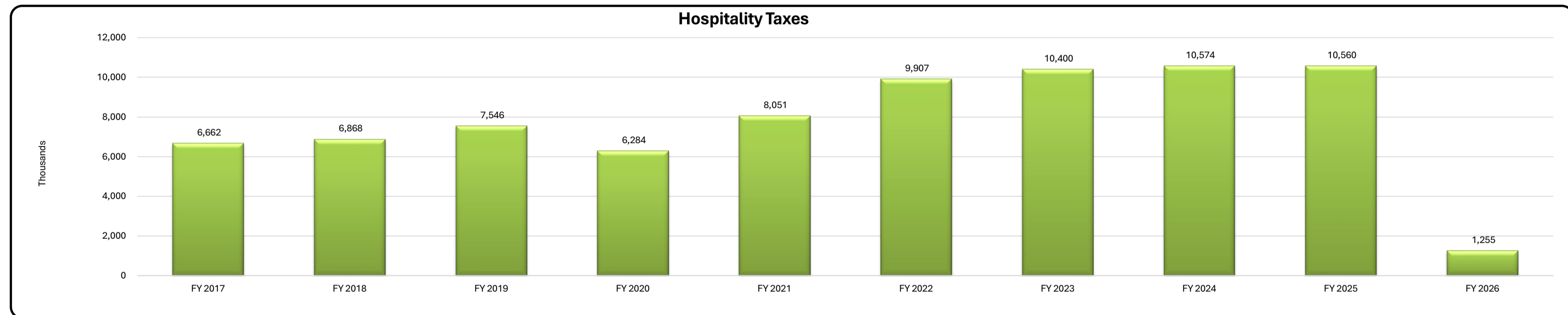
**Real Estate Transfer Fee Revenue
Revenues by Month/Fiscal Year**

Fiscal Year	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
2017	211,072 8%	245,654 9%	244,422 9%	701,148 25%	174,911 6%	178,434 6%	226,500 8%	579,845 21%	199,693 7%	169,245 6%	219,557 8%	588,495 21%	285,421 10%	351,313 13%	274,090 10%	910,824 33%	2,780,312 100%
2018	264,872 8%	340,779 10%	262,410 8%	868,061 25%	335,365 10%	223,959 6%	264,198 8%	823,522 24%	265,998 8%	199,667 6%	255,934 7%	721,599 21%	324,009 9%	352,736 10%	373,562 11%	1,050,307 30%	3,463,489 100%
2019	296,001 9%	313,882 9%	206,316 6%	816,199 24%	320,404 9%	263,233 8%	289,595 9%	873,232 26%	218,269 6%	175,129 5%	317,464 9%	710,862 21%	326,829 10%	375,085 11%	277,900 8%	979,814 29%	3,380,107 100%
2020	351,658 10%	300,875 8%	296,053 8%	948,586 27%	339,361 10%	252,246 7%	301,810 8%	893,417 25%	310,098 9%	191,741 5%	295,598 8%	797,437 22%	297,260 8%	257,004 7%	359,261 10%	913,525 26%	3,552,965 100%
2021	507,895 7%	633,339 9%	590,226 8%	1,731,460 24%	704,857 10%	555,031 8%	668,553 9%	1,928,441 27%	426,367 6%	393,801 6%	618,372 9%	1,438,540 20%	646,491 9%	639,417 9%	743,536 10%	2,029,444 28%	7,127,885 100%
2022	658,402 9%	625,669 9%	553,975 8%	1,838,046 26%	562,174 8%	565,490 8%	570,232 8%	1,697,896 24%	500,286 7%	412,086 6%	595,594 9%	1,507,966 22%	615,986 9%	631,669 9%	665,682 10%	1,913,337 28%	6,957,245 100%
2023	502,466 10%	382,365 8%	499,057 10%	1,383,888 28%	432,972 9%	354,800 7%	340,135 7%	1,127,907 23%	267,280 5%	268,133 5%	489,468 10%	1,024,881 21%	408,042 8%	523,503 11%	507,410 10%	1,438,955 29%	4,975,631 100%
2024	434,928 9%	423,083 9%	460,863 9%	1,318,874 27%	375,976 8%	327,580 7%	311,280 6%	1,014,836 21%	331,156 7%	396,177 8%	409,577 8%	1,136,910 23%	527,207 11%	518,520 11%	366,858 8%	1,412,585 29%	4,883,205 100%
2025	506,523 10%	390,462 7%	382,183 7%	1,279,168 24%	383,806 7%	433,967 8%	341,860 7%	1,159,633 22%	- 0%	743,731 14%	522,477 10%	1,266,208 24%	576,910 11%	437,478 8%	508,958 10%	1,523,346 29%	5,228,355 100%
2026	604,948 27%	619,321 28%	1,009,171 45%	2,233,440 100%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	2,233,440 100%



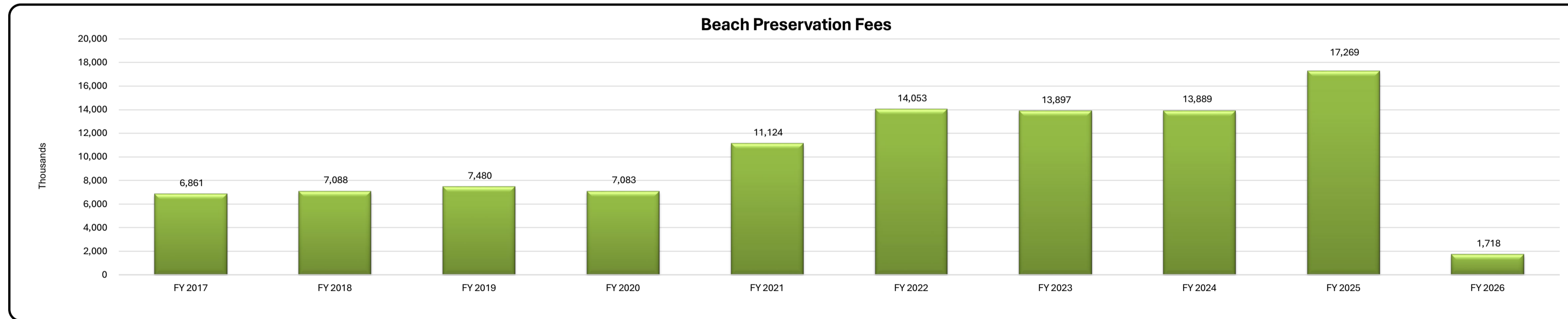
Hospitality Tax Revenue
Revenues by Month/Fiscal Year

Fiscal Year	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
2017	(112) 0%	307,641 5%	266,071 4%	573,600 9%	1,280,180 19%	386,522 6%	172,512 3%	1,839,214 28%	732,298 11%	144,942 2%	168,931 3%	1,046,171 16%	925,322 14%	284,577 4%	1,992,989 30%	3,202,888 48%	6,661,873 100%
2018	(1,896) 0%	350,984 5%	272,962 4%	622,050 9%	1,354,343 20%	305,889 4%	176,091 3%	1,836,323 27%	863,424 13%	184,537 3%	167,049 2%	1,215,010 18%	947,412 14%	333,953 5%	1,913,039 28%	3,194,404 47%	6,867,787 100%
2019	(9,311) 0%	519,830 7%	311,840 4%	822,359 11%	1,442,824 19%	308,357 4%	184,810 2%	1,935,991 26%	940,109 12%	171,194 2%	173,486 2%	1,284,789 17%	1,004,704 13%	321,473 4%	2,176,461 29%	3,502,638 46%	7,545,777 100%
2020	(1,966) 0%	440,781 7%	322,265 5%	761,080 12%	1,533,954 24%	320,714 5%	193,848 3%	2,048,516 33%	996,593 16%	172,646 3%	149,601 2%	1,318,840 21%	316,148 5%	218,826 3%	1,621,051 26%	2,156,025 34%	6,284,461 100%
2021	(1,066) 0%	479,724 6%	302,201 4%	780,859 10%	1,465,205 18%	353,444 4%	176,301 2%	1,994,950 25%	1,005,209 12%	153,767 2%	169,022 2%	1,327,998 16%	1,046,038 13%	391,365 5%	2,510,046 31%	3,947,449 49%	8,051,256 100%
2022	- 0%	640,898 6%	432,750 4%	1,073,648 11%	1,964,624 20%	379,533 4%	264,776 3%	2,608,933 26%	1,239,280 13%	298,836 3%	227,257 2%	1,765,373 18%	1,280,003 13%	485,944 5%	2,693,124 27%	4,459,071 45%	9,907,025 100%
2023	- 0%	678,986 7%	420,270 4%	1,099,256 11%	2,000,402 19%	434,292 4%	293,276 3%	2,727,970 26%	1,320,673 13%	248,272 2%	252,037 2%	1,820,982 18%	1,383,813 13%	512,946 5%	2,855,378 27%	4,752,137 46%	10,400,345 100%
2024	3,569 0%	675,017 6%	446,721 4%	1,125,307 11%	2,123,476 20%	434,832 4%	248,995 2%	2,807,303 27%	1,329,707 13%	230,126 2%	276,365 3%	1,836,198 17%	1,400,440 13%	482,095 5%	2,923,036 28%	4,805,571 45%	10,574,379 100%
2025	- 0%	638,803 6%	434,526 4%	1,073,329 10%	1,999,225 19%	445,666 4%	295,112 3%	2,740,003 26%	1,323,019 13%	231,158 2%	288,645 3%	1,842,822 17%	1,179,230 11%	612,506 6%	3,111,772 29%	4,903,508 46%	10,559,662 100%
2026	8,473 1%	673,758 54%	573,152 46%	1,255,383 100%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	1,255,383 100%



**Beach Preservation Fee Revenue
Revenues by Month/Fiscal Year**

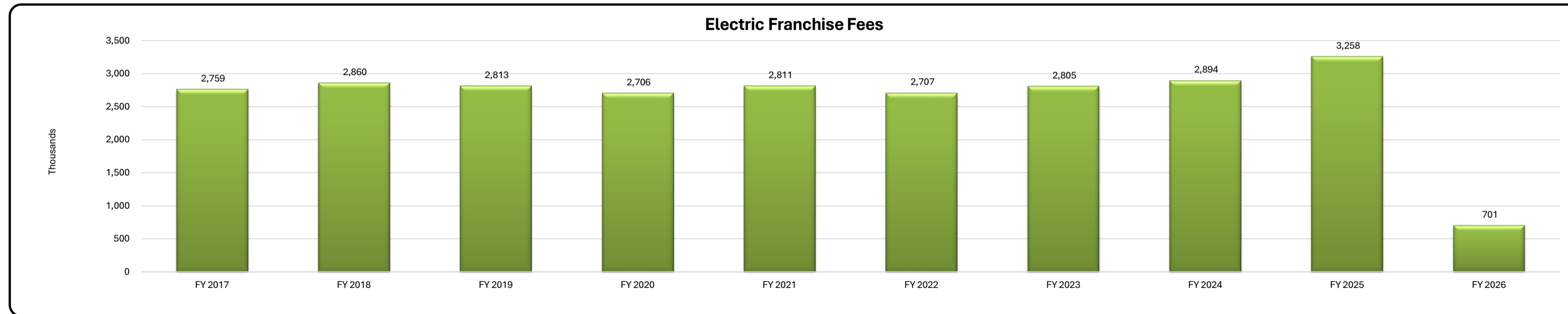
Fiscal Year	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
2017	(6) 0%	209,371 3%	150,800 2%	360,165 5%	2,075,794 30%	533,645 8%	44,832 1%	2,654,271 39%	494,699 7%	48,112 1%	56,991 1%	599,802 9%	687,914 10%	128,623 2%	2,429,983 35%	3,246,520 47%	6,860,758 100%
2018	241 0%	162,135 2%	101,045 1%	263,421 4%	2,549,276 36%	121,035 2%	46,379 1%	2,716,690 38%	658,983 9%	34,774 0%	44,811 1%	738,568 10%	747,540 11%	120,764 2%	2,500,837 35%	3,369,141 48%	7,087,820 100%
2019	70 0%	221,325 3%	139,080 2%	360,475 5%	2,562,348 34%	104,599 1%	51,408 1%	2,718,355 36%	673,384 9%	53,947 1%	49,916 1%	777,247 10%	749,954 10%	105,688 1%	2,768,423 37%	3,624,065 48%	7,480,142 100%
2020	24 0%	258,863 4%	179,335 3%	438,222 6%	2,659,898 38%	154,633 2%	111,430 2%	2,925,961 41%	691,810 10%	87,032 1%	80,367 1%	859,209 12%	473,735 7%	169,631 2%	2,216,472 31%	2,859,838 40%	7,083,230 100%
2021	(344) 0%	648,756 6%	432,509 4%	1,080,921 10%	2,836,113 25%	345,421 3%	127,533 1%	3,309,067 30%	975,178 9%	100,550 1%	122,725 1%	1,198,453 11%	993,091 9%	392,361 4%	4,149,908 37%	5,535,360 50%	11,123,801 100%
2022	(28) 0%	882,878 6%	590,824 4%	1,473,674 10%	4,005,343 29%	325,065 2%	179,837 1%	4,510,245 32%	1,263,145 9%	137,627 1%	143,302 1%	1,544,074 11%	1,329,278 9%	573,551 4%	4,622,240 33%	6,525,069 46%	14,053,062 100%
2023	- 0%	1,021,679 7%	485,145 3%	1,506,824 11%	4,033,734 29%	336,786 2%	203,840 1%	4,574,360 33%	1,187,478 9%	137,051 1%	188,450 1%	1,512,979 11%	1,398,622 10%	544,266 4%	4,359,880 31%	6,302,768 45%	13,896,931 100%
2024	(490) 0%	1,116,704 8%	494,055 4%	1,610,269 12%	3,993,487 29%	326,632 2%	147,441 1%	4,467,560 32%	1,131,847 8%	130,040 1%	177,723 1%	1,439,610 10%	1,431,951 10%	424,070 3%	4,515,589 33%	6,371,610 46%	13,889,049 100%
2025	10,724 0%	786,066 5%	482,805 3%	1,279,595 7%	3,700,365 21%	390,774 2%	260,100 2%	4,351,239 25%	1,141,712 7%	398,465 2%	202,912 1%	1,743,089 10%	3,577,978 21%	812,517 5%	5,504,364 32%	9,894,859 57%	17,268,782 100%
2026	5,246 0%	1,079,750 63%	633,124 37%	1,718,120 100%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	1,718,120 100%



*FY25 Includes one-time AirBnB settlement

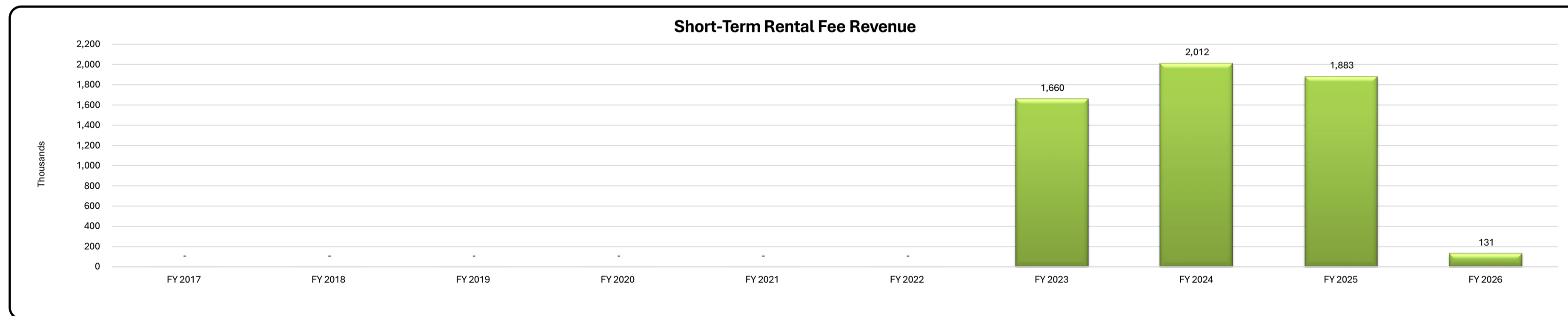
**Electric Franchise Fee Revenue
Revenues by Month/Fiscal Year**

Fiscal Year	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
2017	- 0%	300,541 11%	333,053 12%	633,594 23%	289,538 10%	219,568 8%	165,837 6%	674,943 24%	168,934 6%	207,031 8%	209,820 8%	585,785 21%	179,145 6%	216,348 8%	468,876 17%	864,369 31%	2,758,691 100%
2018	- 0%	286,171 10%	302,024 11%	588,195 21%	280,004 10%	242,318 8%	207,471 7%	729,793 26%	177,218 6%	286,059 10%	272,016 10%	735,293 26%	183,936 6%	206,385 7%	416,234 15%	806,555 28%	2,859,836 100%
2019	- 0%	284,487 10%	300,539 11%	585,026 21%	287,235 10%	225,289 8%	176,572 6%	689,096 25%	217,205 8%	231,783 8%	247,294 9%	696,282 25%	179,820 6%	197,124 7%	465,155 17%	842,099 30%	2,812,503 100%
2020	- 0%	288,444 11%	311,185 11%	599,629 22%	274,894 10%	237,022 9%	185,439 7%	697,355 26%	167,418 6%	203,003 8%	215,289 8%	585,710 22%	211,820 8%	190,958 7%	420,531 16%	823,309 30%	2,706,003 100%
2021	- 0%	283,256 10%	313,306 11%	596,562 21%	292,719 10%	221,868 8%	200,865 7%	715,452 25%	162,356 6%	239,436 9%	240,349 9%	642,141 23%	212,751 8%	207,498 7%	436,740 16%	856,989 30%	2,811,144 100%
2022	- 0%	272,172 10%	285,109 11%	557,281 21%	278,301 10%	219,717 8%	164,483 6%	662,501 24%	174,764 6%	200,129 7%	268,048 10%	642,941 24%	190,369 7%	201,218 7%	452,814 17%	844,401 31%	2,707,124 100%
2023	- 0%	274,903 10%	305,974 11%	580,877 21%	274,128 10%	223,207 8%	195,817 7%	693,152 25%	192,999 7%	274,856 10%	235,686 8%	703,541 25%	195,593 7%	212,147 8%	419,951 15%	827,691 30%	2,805,261 100%
2024	- 0%	275,652 10%	314,724 11%	590,376 20%	297,506 10%	221,779 8%	190,279 7%	709,564 25%	196,748 7%	241,491 8%	253,188 9%	691,427 24%	215,997 7%	209,446 7%	476,808 16%	902,251 31%	2,893,618 100%
2025	- 0%	313,618 10%	319,131 10%	632,749 19%	284,594 9%	241,214 7%	208,752 6%	734,560 23%	221,040 7%	289,743 9%	334,837 10%	845,620 26%	250,199 8%	244,842 8%	550,425 17%	1,045,466 32%	3,258,395 100%
2026	- 0%	336,480 48%	364,026 52%	700,506 100%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	700,506 100%



**Short-Term Rental Fee Revenue
Revenues by Month/Fiscal Year**

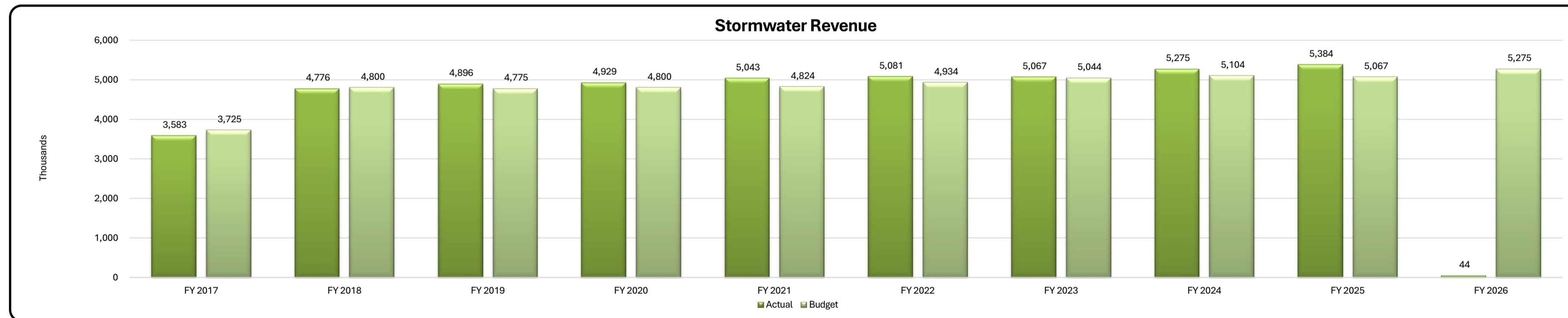
Fiscal Year	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2023	-	-	-	-	-	-	-	-	797,011	186,750	366,500	1,350,261	126,250	99,500	83,500	309,250	1,659,511
	0%	0%	0%	0%	0%	0%	0%	0%	48%	11%	22%	81%	8%	6%	5%	19%	100%
2024	46,250	37,500	29,250	113,000	25,750	807,500	508,500	1,341,750	165,500	62,500	161,500	389,500	80,495	49,750	38,000	168,245	2,012,495
	2%	2%	1%	6%	1%	40%	25%	67%	8%	3%	8%	19%	4%	2%	2%	8%	100%
2025	28,500	18,750	21,500	68,750	16,500	596,500	766,500	1,379,500	-	232,250	50,000	282,250	67,500	41,000	43,500	152,000	1,882,500
	2%	1%	1%	4%	1%	32%	41%	73%	0%	12%	3%	15%	4%	2%	2%	8%	100%
2026	49,750	41,500	39,250	130,500	-	-	-	-	-	-	-	-	-	-	-	-	130,500
	38%	32%	30%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%



*New source of revenue established during FY2023.

**Stormwater Utility Fee Revenue
Revenues by Month/Fiscal Year**

Fiscal Year	July	August	September	Quarter 1	October	November	December	Quarter 2	January	February	March	Quarter 3	April	May	June	Quarter 4	Total
2017	- 0%	20,819 1%	193 0%	21,012 1%	45,892 1%	6,779 0%	233,754 7%	286,425 8%	- 0%	2,236,860 62%	788,955 22%	3,025,815 84%	189,339 5%	12,164 0%	48,250 1%	249,753 7%	3,583,005 100%
2018	- 0%	11,824 0%	18,636 0%	30,460 1%	12,687 0%	4,850 0%	444,436 9%	461,973 10%	2,234,819 47%	1,877,991 39%	54,737 1%	4,167,547 87%	50,417 1%	21,204 0%	44,035 1%	115,656 2%	4,775,636 100%
2019	- 0%	18,968 0%	32,519 1%	51,487 1%	22,142 0%	3,859 0%	356,960 7%	382,961 8%	2,170,577 44%	2,003,012 41%	144,665 3%	4,318,254 88%	43,223 1%	16,888 0%	82,988 2%	143,099 3%	4,895,801 100%
2020	- 0%	18,433 0%	29,375 1%	47,808 1%	20,484 0%	12,844 0%	323,914 7%	357,242 7%	2,140,418 43%	2,214,336 45%	59,218 1%	4,413,972 90%	39,589 1%	12,162 0%	57,850 1%	109,601 2%	4,928,623 100%
2021	- 0%	74,796 1%	21,179 0%	95,975 2%	12,246 0%	7,528 0%	411 0%	20,185 0%	1,125,627 22%	1,389,160 28%	2,124,901 42%	4,639,688 92%	202,620 4%	23,283 0%	61,416 1%	287,319 6%	5,043,167 100%
2022	- 0%	23,865 0%	27,686 1%	51,551 1%	11,686 0%	2,225 0%	630,513 12%	644,424 13%	1,853,509 36%	2,186,267 43%	198,474 4%	4,238,250 83%	35,536 1%	58,772 1%	52,542 1%	146,850 3%	5,081,075 100%
2023	- 0%	8,769 0%	20,424 0%	29,193 1%	6,794 0%	7,005 0%	676,858 13%	690,657 14%	2,195,788 43%	1,973,307 39%	58,478 1%	4,227,573 83%	55,559 1%	33,890 1%	29,726 1%	119,175 2%	5,066,598 100%
2024	- 0%	8,454 0%	32,106 1%	40,560 1%	10,188 0%	53,699 1%	196,090 4%	259,977 5%	1,407,603 27%	3,148,695 60%	199,655 4%	4,755,953 90%	125,018 2%	52,387 1%	41,140 1%	218,545 4%	5,275,035 100%
2025	- 0%	17,183 0%	23,542 0%	40,725 1%	13,049 0%	68,051 1%	522,099 10%	603,199 11%	1,241,884 23%	3,090,552 57%	248,682 5%	4,581,118 85%	77,778 1%	45,009 1%	36,435 1%	159,222 3%	5,384,264 100%
2026	- 0%	14,573 33%	29,710 67%	44,283 100%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	- 0%	44,283 100%



LRTA Workforce Transportation Overview

Presentation to Town of Hilton Head Island Finance & Administrative Committee



Connecting The Lowcountry

November 18, 2025

Purpose & Context

- Provide a comprehensive update on Palmetto Breeze workforce transportation services.
- Explain funding needs, operational structure, and implications for FY2026.
- Support informed decision-making by the Town's Finance & Administrative Committee.



Workforce Transportation Origins and Destinations

- **Origins:** Service originates in regional towns: Allendale, Walterboro, Fairfax, Hampton, Varnville, Estill, Yemassee, Hardeeville, Ridgeland, St. Helena, Beaufort, and Bluffton.
- **Destinations:** Hardeeville, Bluffton and Hilton Head Island employers across hospitality, retail, and service sectors.
- **Six commuter routes serve the Island daily**



Major Island Employers Served*

- **Marriott Properties (funding through MVW MOU)** – Surfwatch, Grande Ocean, Barony, Monarch
- **Others:** McDonald's, Walmart, Courtyard, Piggly Wiggly, Hilton Head Hospital, Disney Resort, Westin, Burger King, Tide Pointe, Sonesta, SpringHill Suites, Home2Suites, Parker's.

Off-Island Employers Served

- **Employers in Bluffton and Hardeeville:** Walmart, Wendy's, Kroger, Planet Fitness, and Buckwalter retail areas.

* Validated through four-day passenger count over Labor Day weekend.

Operations and Funding Overview

Funding sources: Federal (FTA), State (SCDOT), and Local funds supplemented by fares, limited contracts, and advertising revenue.

Federal/State funds allocated by population, ridership and service type (Rural, Small Urban, Mobility Management, Bus & Facilities).

Local match contributions required to access federal and state funding.

LRTA coordinates funding with nine local partners.

FY26 Financial Overview

- **FY26 total operating and capital budget: \$6.25 million.**
- **Operating departments: Administration, Maintenance, Operations.**
- **Depreciation Expense: \$824,000; Capitalized Maintenance: \$441,708.**
- **Funding gap identified: \$361,000 for FY26, with similar or higher need expected for FY27.**



Causes of Funding Shortfall

- Lag in federal/state appropriations due to accelerated regional population growth.
- Increased service demand exceeding current allocations.
- Exhaustion of COVID-19 subsidies.
- Rising operational costs for insurance, maintenance, and staffing.

Consequences of Unfunded Gap

Without additional funding, weekend service elimination planned beginning Feb 28, 2026.

Elimination affects Breeze Trolley, Coligny Beach shuttle, and Commuter routes.

Title VI compliance restricts selective continuation of services (equity concerns).

Estimated 200+ commuters impacted daily.

Impact on Island Businesses and Workforce

Businesses reliant on workforce commuters will face labor shortages and recruitment challenges.

Potential wage inflation to attract workers living closer to the Island.

Loss of Breeze Trolley access for visitors and residents increases congestion, reduces mobility, and affects local spending.

Key Take Aways



LRTA provides essential workforce mobility supporting the Island's economy.

Immediate FY26 funding shortfall of \$361,000 requires action to prevent service reductions.

Weekend shutdown would affect both workforce and tourism services.

Several long-term funding mechanisms available for evaluation and collaboration.

Possible Funding Sources

Short-Term:

- **Cities and Towns:** Additional funding to close FY26 gap and sustain FY27.
- **Counties:** Supplementary funding support.
- **Fare Increases:** Under consideration but would burden low-income riders.

Long-Term:

- **State:** Explore vehicle registration fee authority.
- **Consider use of State ATAX dollars for tourism shuttles**
- **Private Sector:** Employer partnerships (e.g., MVW precedent).
- **County Sales Tax Referendum:** Potential source in 2026.

Today's Request: \$157,051

- \$350,000 approved previously as an affiliated agency
- Initial request totaled \$507, 051
- Immediate funding gap is \$361,000 to avoid service reductions before June 30, 2026
- **An additional \$157,051 would equal our initial request and eliminate 44% of our immediate funding gap**
 - Postpone (and possibly eliminate) need for FY26 service reductions
 - Awaiting outcome of discussions with Beaufort County
- **PLUS, continued collaboration to solve long-term funding concerns**



Service Expansion Considerations

- **Potential route extension to North/South Forest Beach via smaller EV or tram-style vehicles (“Breeze Buggy”).**
 - Would connect with existing Breeze Trolley routes at Coligny.
 - Requires new funding and coordination with current shuttle providers (HHGS, Spinnaker).
- **If funding allows, launch new feeder Trolley route along Palmetto Bay & Arrow Roads to alleviate congestion and connect the Palmetto Bay Marina**
- **Seek capital grants for new/replacement vehicles**

Resident and Workforce Service Expansion Considerations

- 2021 plan proposed looping route linking resorts with HHH Airport – could serve as foundation for expanded commuter service.
- **Key differences between Breeze Trolley and commuter service:**
 - Seasonal operation with tourism-oriented hours.
 - \$1 fare prepaid by Town through annual appropriation (Title VI compliance).
 - Trolley design chosen for Island character and visitor appeal.

Next Steps for Consideration



Town Council to review LRTA FY26 additional funding request.



Explore regional funding collaborations (County, employers, private sector).



Assess feasibility of vehicle registration fee or 2026 sales tax referendum.



Develop sustainable funding strategy for workforce transportation operations.



Thank You!





TOWN OF HILTON HEAD ISLAND

Finance & Administrative Committee

TO: Finance & Administrative Committee
FROM: John McGowan, Assistant Finance Director
CC: Marc Orlando, ICMA-CM, Town Manager
Dave Byrd, Finance Director
DATE: November 18, 2025
SUBJECT: Consideration of an Ordinance of the Town of Hilton Head Island Authorizing the Issuance of General Obligation Debt Bonds

RECOMMENDATION:

Town Council is requested to review and consider approval of a Bond Ordinance which would give the Town the ability to issue tax-exempt General Obligation (G.O.) Bonds, in an amount between \$25 million and \$35 million, in FY2026 to potentially fund specific land purchases and related capital improvements, the Town's ongoing property acquisition program, and "shovel-ready" capital projects to be determined by Town Council.

BACKGROUND:

Potential Capital Projects and Property Acquisitions to be Funded with G.O. Bond Issue Proceeds:

- 1) Acquiring and improving specific properties for a new Fire and Rescue headquarters and Emergency Operations Center, including building an adjacent parking lot for the benefit of the facility (total estimated property acquisition and buildout costs of approximately \$9,000,000).
- 2) Acquiring strategic land parcels consistent with the Town's land acquisition policy (total funds devoted to these property acquisitions to be determined by Town Council).
- 3) Undertaking additional "shovel-ready" capital projects. The specific capital projects and specific dollar amounts devoted to each project would be determined by Town Council.

The Town has historically funded many of its property acquisitions and capital improvement projects via accumulated cash balances from various Town funds. The Town has also issued G.O. bonds to fund strategic property acquisitions and capital projects throughout its history, including "new money" (non-refunding) G.O. Bond issuances in 2010, 2013, 2017, and 2019.

Sources of Payment/Payback of Potential Bond Issuance

- 1) Accumulated Debt Service Fund Balance - The Town's Debt Service Fund can only be used to pay back debt. The Debt Service Fund's balance has grown to \$14.2 million (as of 6/30/25) over the past several years due to conservative revenue projections. If the Town was to maintain a minimum future Debt Service Fund Balance of \$2.5 million, this would leave approximately \$11.7 million in FY2026 to pay back the first G.O. bond debt service payment (due on approximately June 1, 2026) within 2 months of the initial bond issuance.
- 2) Already Requested Debt Service Millage Collections for FY2026 – Consistent with the FY2026 budget, the Town has already requested that Beaufort County assess 5.1 mils in FY2026 in Debt Service-related property taxes that can only be used to pay back debt. Of the 5.1 mils of Debt Service millage requested, the Town has included 2 mils (approximately \$2.6 million) to pay for additional anticipated debt to be issued in FY2026.
- 3) Future annual Debt Service millage, over a payback period of 15-20 years, to pay future debt service payments. These anticipated future debt service payments would maintain all future annual Debt Service millage rates at or below 5.1 mils.

SUMMARY:

The Town has the opportunity to acquire land and make significant capital improvements on the property to build out a Fire & Rescue Headquarters and Emergency Operations Center, fund future strategic land acquisitions, and fund other “shovel-ready” Capital projects, as described in the Background section above.

The Town can fund the above via a G.O. bond issuance. The Town would pay back the bond issuance over 15-20 years, with a large portion of the principal to be paid back within 2 months of issuance. The sources of the first payment (\$14.3 million on approximately 6/1/26) would be \$11.7 million from the accumulated Debt Service Fund balance + \$2.6 million in already-requested FY2026 property tax collection millage. The remaining payments would be made via future annual Debt Service millage collections until the bonds are paid off.

The Town's future total annual Debt Service millage (for its existing G.O. bonds and the proposed FY2026 G.O. bonds) would stay at or significantly below FY2026's 5.1 Debt Service millage rate, and would thus give the Town the ability to either 1) reduce Debt Service millage below 5.1 mils after FY2028, 2) undertake addition debt-financed capital projects after FY2028, or, 3) a combination of the two.

The Town, through its Municipal Advisor, First Tryon, would sell this debt competitively in the municipal bond market to ensure the most competitive interest rate results. The Town's AAA G.O. bond ratings from Moody's, S&P, and Fitch would be featured prominently in the bond offering documents. The Town would pay back the debt over a 15 or 20-year period through our bond trustee, Regions Bank.

Funding these land purchases and capital projects with G.O. bond proceeds (instead of with cash currently available in various funds balances) will allow the Town to:

- a) Maintain strong General Fund, RETF Fund, and other governmental fund balances in excess of the minimum fund balance policy
- b) Fund other future capital projects with the additional cash on hand in the General Fund, RETF Fund, and other governmental funds
- c) Retain additional financial flexibility in the event of a natural disaster
- d) Align the payment of the land acquisitions and capital improvements more closely with the land acquisition and capital projects' expected useful lives, thus offering a more equitable and financially sustainable approach relative to funding the entire capital project via past-accumulated cash balances

Key Future Dates & Milestones (Dates Approximate):

December 9, 2025 – Town Council Meeting: First Reading of the Bond Ordinance

January 13, 2026 – Town Council Meeting: Second Reading of the Bond Ordinance

January 14, 2026 – 60-day Challenge Period begins

February 16, 2026 – Credit Rating Agency meetings

March 7, 2026 – Publish Notice of Sale to Municipal Bond marketplace

March 14, 2026 – 60-day challenge period ends

March 17, 2026 – Bond Pricing with winning bidder

April 1, 2026 – Financial Closing, funds transfer to Town account

June 1, 2026 – First Principal & Interest Payment

ATTACHMENTS:

1. Draft General Obligation Bond Ordinance
2. General Obligations Bonds – Information and Discussion Points (Power Point)

ORDINANCE NO. _____

PROPOSED ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$_____ GENERAL OBLIGATION BONDS, SERIES 2026, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; FIXING THE FORM AND CERTAIN DETAILS OF THE BONDS; AUTHORIZING THE TOWN MANAGER OR HIS LAWFULLY AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; OTHER MATTERS RELATING THERETO; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Town Council has been advised that the Town’s capital improvement plan includes several capital projects (the “Capital Projects”) that would appropriately be funded through the issuance of general obligation bonds; and

WHEREAS, in order to authorize the issuance of general obligation bonds, the proceeds of which would be used to fund the Capital Projects, it is necessary for Town Council to enact an ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AS FOLLOWS:

SECTION 1. Findings and Determinations. The Town Council (the “Town Council”) of the Town of Hilton Head Island, South Carolina (the “Town”), hereby finds and determines:

(a) The Town is an incorporated municipality located in Beaufort County, South Carolina, and as such possesses all powers granted to municipalities by the Constitution of the State of South Carolina, 1895, as amended (the “Constitution”) and laws of the State of South Carolina (the “State”).

(b) Article X, Section 14 of the Constitution provides that general obligation debt may be incurred by the governing body of each municipality of the State for any public and corporate purpose in an amount not exceeding eight (8%) percent of the assessed value of all taxable property of such municipality and upon such terms and conditions as the General Assembly may prescribe. Such Article further provides that if general obligation debt is authorized by a majority vote of the qualified electors of the municipality voting in a referendum authorized by law, there shall be no conditions or restrictions limiting the incurring of such indebtedness except as specified in such Article.

(c) Title 5, Chapter 21, Article 5, Code of Laws of South Carolina, 1976, as amended (the “Municipal Bond Act”), provides that the municipal council of any municipality may issue general obligation bonds of such municipality for any corporate purpose of such municipality to any amount not exceeding the constitutional debt limitation applicable to such municipality.

(d) The Municipal Bond Act provides that as a condition precedent to the issuance of bonds an election be held and the result be favorable thereto. Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended (the “S.C. Code”), provides that if an election be prescribed by the provisions of the Municipal Bond Act, but not be required by the provisions of Article X of the Constitution, then in every such instance, no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the Municipal Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions.

(e) The assessed value of all the taxable property in the Town as of June 30, 2025, for purposes of computation of the Town’s constitutional debt limit, is \$1,327,265,610. Eight percent of such sum is \$106,181,249. As of the date hereof, the outstanding general obligation debt of the Town subject to the limitation imposed by Article X, Section 14(7) of the Constitution is \$28,490,000. Thus, the Town may incur \$77,691,249 of additional general obligation debt within its applicable debt limitation.

(f) Pursuant to Ordinance No. 2013-03 duly enacted by the Town Council on May 7, 2013, the Town has adopted Written Procedures Related to Tax-Exempt Debt.

(h) It is now in the best interest of the Town for the Town Council to provide for the issuance and sale of not to exceed \$_____ aggregate principal amount general obligation bonds of the Town to provide funds for the purposes of funding certain Capital Projects, including but not limited to [the acquisition, construction and renovation of certain public facilities, including a new headquarters for Fire and Rescue, and the acquisition and renovation of land and existing improvements, if any, located thereon] (collectively, the “Projects”), and paying costs of issuance of the Bonds (hereinafter defined).

SECTION 2. Authorization and Details of the Bonds. Pursuant to the aforesaid provisions of the Constitution and laws of the State, there is hereby authorized to be issued not to exceed \$_____ general obligation bonds of the Town, Series 2026 or such other appropriate series designation (the “Bonds”), for the purposes listed in Section 1(h) above.

The Bonds shall be issued as fully-registered Bonds; shall be dated their date of delivery; shall be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of the Bonds maturing in each year; shall be numbered from R-1 upward; shall bear interest at such times as hereafter designated by the Town Manager or his lawfully authorized designee at such rate or rates as may be determined at the time of the sale thereof; and shall mature serially in successive annual installments as determined by the Town Manager or his lawfully authorized designee. Regions Bank, Atlanta, Georgia, shall serve as Registrar/Paying Agent for the Bonds.

SECTION 3. Delegation of Authority to Determine Certain Matters Relating to the Bonds. The Town Council hereby expressly delegates to the Town Manager the authority, with respect to the Bonds, to determine (a) the maturity dates and the respective principal amounts maturing on such dates; (b) the interest payment dates; (c) the redemption provisions, if any; (d) whether to publish notice of the adoption of this ordinance under the provisions of Section 11-27-40(8), of the S.C. Code; (e) the date and time of the sale; (f) whether the Bonds should be publicly traded or placed with a bank and take actions in connection therewith, including receiving bids on behalf of the Town to award the sale of the Bonds in accordance with the terms of the Notice of Sale or Request for Proposals (as applicable) for the Bonds; and (g) such other matters as are necessary or appropriate. The Town Manager is further directed to consult with the Town’s municipal advisor and bond counsel in making any such decisions.

The Town Council hereby further delegates to the Town Manager or his lawfully authorized designee the authority to receive bids on behalf of the Town Council and the authority to award the sale of the Bonds to the lowest bidder therefor, in accordance with the terms of the Notice of Sale or Request for Proposals (as applicable) for the Bonds, provided the true interest cost does not exceed 5.00%. After the sale of the Bonds, the Town Manager or his lawfully authorized designee shall submit a written report to the Town Council setting forth the results of the sale of the Bonds.

SECTION 4. Registration, Transfer and Exchange of Bonds. The Town shall cause books (herein referred to as the “registry books”) to be kept at the offices of the Registrar/Paying Agent, for the registration and transfer of the Bonds. Upon presentation at its office for such purpose the Registrar/Paying Agent shall register or transfer, or cause to be registered or transferred, on such registry books, the Bonds under such reasonable regulations as the Registrar/Paying Agent may prescribe.

Each Bond shall be transferable only upon the registry books of the Town, which shall be kept for such purpose at the principal office of the Registrar/Paying Agent, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Bond the Registrar/Paying Agent on behalf of the Town shall issue in the name of the transferee a new fully-registered Bond or Bonds, of the same aggregate principal amount, interest rate and maturity as the surrendered Bond. Any Bond surrendered in exchange for a new registered Bond pursuant to this Section shall be canceled by the Registrar/Paying Agent.

The Town and the Registrar/Paying Agent may deem or treat the person in whose name any fully-registered Bond shall be registered upon the registry books as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Town nor the Registrar/Paying Agent shall be affected by any notice to the contrary. In all cases in which the privilege of transferring Bonds is exercised, the Town shall execute and the Registrar/Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. Neither the Town nor the Registrar/Paying Agent shall be obliged to make any such transfer of Bonds during the fifteenth (15th) day of the calendar month preceding an interest payment date on such Bonds.

SECTION 5. Record Date. The Town establishes a record date for the payment of interest or for the giving of notice of any proposed redemption of Bonds, and such record date shall be the fifteenth (15th) day (whether or not a business day) preceding an interest payment date on such Bonds or, in the case of any proposed redemption of Bonds, such record date shall be the fifteenth (15th) day (whether or not a business day) prior to the mailing of notice of redemption of Bonds.

SECTION 6. Mutilation, Loss, Theft or Destruction of Bonds. In case any Bond shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the owner, the Town shall execute and the Registrar/Paying Agent shall authenticate and deliver at the principal office of the Registrar/Paying Agent, or send by registered mail to the owner thereof at his request, risk and expense a new Bond of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Bond, or in lieu of or in substitution for such lost, stolen or destroyed Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish the Town and the Registrar/Paying Agent evidence or proof satisfactory to the Town and the Registrar/Paying Agent of the loss, destruction,

mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity as may be required by the laws of the State or such greater amount as may be required by the Town and the Registrar/Paying Agent. Any duplicate Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Bond or in substitution for any allegedly lost, stolen or wholly destroyed Bond shall be entitled to the identical benefits under this Ordinance as was the original Bond in lieu of which such duplicate Bond is issued, and shall be entitled to equal and proportionate benefits with all the other Bonds of the same series issued hereunder.

All expenses necessary for the providing of any duplicate Bond shall be borne by the applicant therefor.

SECTION 7. Form of Bonds. The Bonds shall be in substantially the form attached hereto as Exhibit A and incorporated herein by reference.

SECTION 8. Execution of Bonds. The Bonds shall be executed in the name of the Town with the manual or facsimile signature of the Mayor or Mayor Pro Tempore of the Town attested by the manual or facsimile signature of the Town Clerk under the seal of the Town which shall be impressed, imprinted or reproduced thereon. The Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication. Each Bond shall bear a certificate of authentication manually executed by the Registrar/Paying Agent in substantially the form set forth herein.

SECTION 9. Security for the Bonds. The full faith, credit, taxing power and resources of the Town are hereby irrevocably pledged for the payment of the principal and interest of the Bonds as they respectively mature and for the creation of a sinking fund to aid in the retirement and payment thereof. There shall be levied and collected annually upon all taxable property of the Town an ad valorem tax, without limitation as to rate or amount, sufficient for such purposes. The Town at its option may also utilize any other funds available therefor for the payment of the principal of and interest on the Bonds.

SECTION 10. Defeasance. The obligations of the Town herein made or provided for, shall be fully discharged and satisfied as to any portion of the Bonds, and such Bond or Bonds shall no longer be deemed to be outstanding hereunder when:

(a) such Bond or Bonds shall have been purchased by the Town and surrendered to the Town for cancellation or otherwise surrendered to the Town or the Registrar/Paying Agent and is canceled or subject to cancellation by the Town or the Registrar/Paying Agent; or

(b) payment of the principal of and interest on such Bonds either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Registrar/Paying Agent in trust and irrevocably set aside exclusively for such payment (1) moneys sufficient to make such payment or (2) Government Obligations (hereinafter defined) maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment and all necessary and proper fees, compensation and expenses of the Registrar/Paying Agent. At such time as the Bonds shall no longer be deemed to be outstanding hereunder, such Bonds shall cease to draw interest from the due date thereof and, except for the purposes of any such payment from such moneys or Government Obligations, shall no longer be secured by or entitled to the benefits of this Ordinance.

“Government Obligations” shall mean any of the following:

- (i) direct obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is fully and unconditionally guaranteed by the United States of America;
 - (ii) non-callable, U. S. Treasury Securities - State and Local Government Series (“SLGS”); and
 - (iii) a defeasance obligation as defined in Section 6-5-10 of the S.C. Code as such may be amended from time to time.
- (c) Such Bond of Bonds shall be defeased as provided in Section 11-14-110 of the S.C. Code as such may be amended from time to time.

The Town has reserved the right to modify this definition to conform to amendments in State law regarding legal investments of public funds.

SECTION 11. Exemption from State Taxes. Both the principal of and interest on the Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the S.C. Code, from all State, county, municipal, Town and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

SECTION 12. Eligible Securities. The Bonds initially issued (the “Initial Bonds”) will be eligible securities for the purposes of the book-entry system of transfer maintained by The Depository Trust Company (“DTC”), and transfers of beneficial ownership of the Initial Bonds shall be made only through DTC and its participants in accordance with rules specified by DTC. Such beneficial ownership must be of \$5,000 principal amount of bonds of the same maturity or any integral multiple of \$5,000.

The Initial Bonds shall be issued in fully-registered form, one Bond for each of the maturities of the Bonds, in the name of Cede & Co., as the nominee of DTC. When any principal of or interest on the Initial Bonds becomes due, the Registrar/Paying Agent, on behalf of the Town, shall transmit to DTC an amount equal to such installment of principal and interest. DTC shall remit such payments to the beneficial owners of the Bonds or their nominees in accordance with its rules and regulations.

Notices of redemption of the Initial Bonds or any portion thereof shall be sent to DTC in accordance with the provisions of the Ordinance.

If (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the Town has advised DTC of its determination that DTC is incapable of discharging its duties, the Town shall attempt to retain another qualified securities depository to replace DTC. Upon receipt by the Town of the Initial Bonds together with an assignment duly executed by DTC, the Town shall execute and deliver to the successor securities depository bonds of the same principal amount, interest rate and maturity registered in the name of such successor.

If the Town is unable to retain a qualified successor to DTC or the Town has determined that it is in its best interest not to continue the book-entry system of transfer or that interests of the beneficial owners of the Bonds might be adversely affected if the book-entry system of transfer is continued (the Town undertakes no obligation to make any investigation to determine the occurrence of any events that would

permit it to make any such determination), and has made provision to so notify beneficial owners of the Bonds by mailing an appropriate notice to DTC, upon receipt by the Town of the Initial Bonds together with an assignment duly executed by DTC, the Town shall execute, authenticate and deliver to the DTC participants bonds in fully-registered form in the denomination of \$5,000 or any integral multiple thereof.

Notwithstanding the foregoing, at the request of the purchaser, the Bonds will be issued as one single fully-registered bond and not issued through the book-entry system.

SECTION 13. Sale of Bonds, Form of Notice of Sale. The Bonds shall be sold at public sale. A Notice of Sale shall be distributed to prospective bidders and a summary of such Notice shall be published in a newspaper having general circulation in the State or in a financial publication published in the City of New York, State of New York, or both, not less than seven (7) days prior to the date set for such sale in substantially the form attached hereto as Exhibit B and incorporated herein by reference.

SECTION 14. Preliminary and Final Official Statement. The Town Council hereby authorizes and directs the Town Manager or his lawfully authorized designee to prepare, or cause to be prepared, a Preliminary Official Statement to be distributed to prospective purchasers of the Bonds together with the Notice of Sale. The Town Council authorizes the Town Manager or his lawfully authorized designee to designate the Preliminary Official Statement as “near final” for purposes of Rule 15c2-12 of the Securities Exchange Commission (the “Rule”). The Town Manager or his lawfully authorized designee is further authorized to see to the completion of the final form of the Official Statement upon the sale of the Bonds so that it may be provided to the purchasers of the Bonds.

SECTION 15. Filings with Central Repository. In compliance with Section 11-1-85 of the S.C. Code, as amended, the Town covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (a) a copy of an annual independent audit of the Town within thirty (30) days of the Town's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, event specific information of an event which adversely affects more than five (5%) percent of the tax revenues of the Town or the Town's tax base.

SECTION 16. Continuing Disclosure. In compliance with the Rule, the Town covenants and agrees for the benefit of the holders from time to time of the Bonds to execute and deliver prior to closing, and to thereafter comply with the terms of a Continuing Disclosure Certificate in substantially the form attached hereto and incorporated herein by reference as Exhibit C. In the event of a failure of the Town to comply with any of the provisions of the Continuing Disclosure Certificate, an event of default under this Ordinance shall not be deemed to have occurred. In such event, the sole remedy of any bondholder or beneficial owner shall be an action to compel performance by the Town.

SECTION 17. Deposit and Use of Proceeds. The proceeds derived from the sale of the Bonds shall be deposited with the Town in a special fund and shall be applied solely to the purposes for which the Bonds have been issued, including payment of costs of issuance of the Bonds, except that the premium, if any, shall be placed in a sinking fund for the Bonds.

SECTION 18. Tax Covenants. The Town hereby covenants and agrees with the holders of the Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the holders of the Bonds for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder (the “Code”) in effect on the date of original issuance of the Bonds. The Town further covenants and agrees with the holders of the Bonds that no use of the proceeds of the

Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds would have caused the Bonds to be “arbitrage bonds,” as defined in Section 148 of the Code, and to that end the Town hereby shall:

- (i) comply with the applicable provisions of Sections 103 and 141 through 150 of the Code and any regulations promulgated thereunder so long as the Bonds are outstanding;
- (ii) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code relating to required rebates of certain amounts to the United States; and
- (iii) make such reports of such information at the time and places required by the Code.

SECTION 19. Bank Placement. In the event the Bonds are sold to a bank, the requirements of Sections 12, 14 and 16 hereof shall not be applicable, and the Town may serve as Registrar/Paying Agent as described in Sections 2 and 4 hereof. Also, forms of the attachments to this Ordinance will be revised as necessary and appropriate, including but not limited to the use of a Request for Proposals instead of a Notice of Sale (or a modified version of the Notice of Sale) pursuant to Section 13 hereof.

SECTION 20. Miscellaneous. The Town Council hereby authorizes the Mayor and the Town Clerk, the Town Manager, the Finance Director and any lawfully authorized designee to execute such documents and instruments as may be necessary to effect the issuance of the Bonds or make modifications in any documents including but not limited to the form of the Bonds or Notice of Sale, if necessary. The Town Council hereby retains Burr & Forman, LLP as bond counsel and First Tryon Advisors, as municipal advisor in connection with the issuance of the Bonds. The Town Manager is authorized to execute such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

SECTION 21. 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 22. Codification. This Ordinance shall be forthwith codified in the Code of Town Ordinances in the manner required by law.

SECTION 23. Effective Date. This Ordinance shall be effective upon its enactment by the Town Council of the Town of Hilton Head Island, South Carolina.

[Signature Page follows]

PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA ON THIS ____ DAY OF _____, 2025.

Alan Perry, Mayor

ATTEST:

Kimberly Gammon
Town Clerk

APPROVED AS TO FORM:

Curtis L. Coltrane, Town Attorney

First Reading: _____

Second Reading: _____

Introduced by Council Member:

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
THE TOWN OF HILTON HEAD ISLAND
\$ _____ GENERAL OBLIGATION BOND
SERIES _____

No. R-

<u>INTEREST</u> <u>RATE</u>	<u>MATURITY</u> <u>DATE</u>	<u>ORIGINAL</u> <u>ISSUE DATE</u>	<u>CUSIP</u>
%			

REGISTERED HOLDER:

PRINCIPAL AMOUNT: _____ DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the Town of Hilton Head Island, South Carolina (the "Town"), is justly indebted and, for value received, hereby promises to pay to the registered holder named above, or registered assigns, the principal amount shown above on the maturity date shown above, upon presentation and surrender of this Bond at the principal office of _____ in _____, as registrar and paying agent (the "Registrar/Paying Agent"), and to pay interest on such principal sum from the date hereof at the interest rate per annum shown above until this Bond matures. Interest on this Bond is payable semiannually on _____ 1 and _____ 1 of each year commencing _____ 1, 20____, until this Bond matures, and shall be payable by check or draft mailed to the person in whose name this Bond is registered on the registration books of the Town maintained by the Registrar/Paying Agent, at the close of business on the fifteenth (15th) day of the calendar month next preceding each semiannual interest payment date. The principal and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully-registered Bond shall be paid by check or draft as set forth above.

This Bond shall not be entitled to any benefit under the Ordinance of the Town authorizing the Bonds, nor become valid or obligatory for any purpose, until the Certificate of Authentication hereon shall have been duly executed by the Registrar/Paying Agent.

For the payment of the principal and interest of this Bond as they respectively mature and for the creation of a sinking fund to aid in the retirement and payment hereof, the full faith, credit, taxing power and resources of the Town are hereby irrevocably pledged, and there shall be levied and collected annually upon all taxable property of the Town an ad valorem tax, without limitation as to rate or amount, sufficient for such purposes.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Ordinance. One bond certificate with respect to

each date on which the Bonds are stated to mature, registered in the name of the securities depository nominee, is being issued and required to be deposited with the securities depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the securities depository's participants, beneficial ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the securities depository and its participants pursuant to rules and procedures established by the securities depository and its participants. The Town and the Registrar/Paying Agent will recognize the securities depository nominee, while the registered owner of this bond, as the owner of this bond for all purposes, including payments of principal of and redemption premium, if any, and interest on this bond, notices and voting. Transfer of principal and interest payments to participants of the securities depository will be the responsibility of the securities depository, and transfer of principal, redemption premium, if any, and interest payments to beneficial owners of the Bonds by participants of the securities depository will be the responsibility of such participants and other nominees of such beneficial owners. The Town will not be responsible or liable for such transfers of payments or for maintaining, supervision or reviewing the records maintained by the securities depository, the securities depository nominee, its participants or persons acting through such participants. While the securities depository nominee is the owner of this bond, notwithstanding, the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Bond shall be made in accordance with existing arrangements between the Registrar/Paying Agent or its successors under the Ordinance and the securities depository.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to number, date of maturity, denomination, [redemption provisions] and rate of interest, aggregating _____ Dollars issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended; Title 5, Chapter 21 and Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended, and Ordinance No. _____ duly enacted by the Town Council of the Town.

[Redemption Provisions]

This Bond is transferable as provided in the Ordinance, only upon the books of the Town kept for that purpose at the principal office of the Registrar/Paying Agent by the registered holder in person or by his duly authorized attorney upon surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered holder or his duly authorized attorney. Thereupon a new fully-registered Bond or Bonds of the same aggregate principal amount, interest rate, and maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance. The Town and the Registrar/Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

Under the laws of the State of South Carolina (the "State"), this Bond and the interest hereon are exempt from all State, county, municipal, Town and other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State to exist, to happen and to be performed precedent to or in the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law; that the amount of this Bond, together with all other indebtedness of the Town does not

exceed the applicable limitation of indebtedness under the laws of the State; and, that provision has been made for the levy and collection of a tax, without limit, on all taxable property in the Town sufficient to pay the principal and interest of this Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

IN WITNESS WHEREOF, THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the Town, attested by the manual or facsimile signature of the Town Clerk and the seal of the Town impressed, imprinted or reproduced hereon.

TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

(SEAL)

Mayor

ATTEST:

Town Clerk

[FORM OF REGISTRAR/PAYING AGENT'S CERTIFICATE OF AUTHENTICATION]

Date of Authentication:

This Bond is one of the bonds described in the within mentioned Ordinance of the Town of Hilton Head Island, South Carolina.

_____,
as Registrar/Paying Agent

By: _____
Authorized Officer

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the
entireties

_____ Custodian _____
(Cust) (Minor)

JT TEN - as joint tenants with
right of survivorship
and not as tenants in
common

under Uniform Gifts to
Minors Act _____
(state)

Additional abbreviations may also be used though not in above list.

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____
(Name and Address of Transferee)

the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

(Authorized Officer)

Notice: Signature(s) must be guaranteed by an institution which is a participant in the registered Securities Transfer Agents Medallion Program ("STAMP") or similar program.

Notice: The signature to the assignment must correspond with the name of the holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

A copy of the final approving legal opinion to be rendered shall accompany each Bond and preceding the same a certificate shall appear, which shall be signed on behalf of the Town with a manual or facsimile signature of the Town Clerk in the following form:

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the final legal opinion (except for date and letterhead) of Burr & Forman LLP, Columbia, South Carolina, approving the issue of Bonds of which the within Bond is one, the original of which opinion was manually executed, dated and issued as of the date of delivery of and payment for the Bonds, and a copy of which is on file with the Town of Hilton Head Island, South Carolina.

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By _____
Town Clerk

FORM OF NOTICE OF SALE

\$ _____ * GENERAL OBLIGATION BONDS, SERIES _____
 TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

Date and Time of Sale: Electronic bids for the purchase of \$ _____ * General Obligation Bonds, Series _____, of the Town of Hilton Head Island, South Carolina (the “Bonds”) will be received by the Town of Hilton Head Island, South Carolina (the “Town”) until _____ [a][p].m. (South Carolina time) on _____, _____, _____.

Electronic Bids: Electronic proposals must be submitted through IHS Markit’s Parity/BidComp Competitive Bidding System (“Parity”). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of Parity may be obtained from Parity, 450 West 33rd Street, 5th Floor, New York, New York 10001, Customer Support, telephone (212) 849-5021.

Book-Entry-Only Bonds: The Bonds will be issued in fully-registered form. One Bond representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), as registered owner of the Bonds and each such Bond will be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry-only form in the principal amount of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing each year. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates representing each maturity with DTC.

Interest on the Bonds will be payable semiannually on _____ 1 and _____ 1 of each year, until the Bonds mature, commencing _____. The Bonds will be dated their date of delivery and will mature serially in successive annual installments on _____ 1 in each of the years and in the principal amounts as follows:

_____ 1	Principal Amount*	_____ 1	Principal Amount*
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Adjustment of Maturity Schedule. The schedule of maturities set forth above (the “Maturity Schedule”) represents an estimate of the principal amounts and maturities of the bonds which will be sold. If, after final computation of the proposals, the Town determines in its sole discretion that the funds necessary to accomplish the purposes for which the Bonds are being issued are either more or less than the proceeds of the sale of the amount of the Bonds as shown in this Notice of Sale, it reserves the right either to decrease or increase the principal amount of the Bonds maturing in any year (all calculations to be rounded to the near \$5,000), provided that any such decrease or increase shall not exceed 20% of the

* Preliminary, subject to change.

par amount and the aggregate principal amount of the bonds will not exceed \$[NTE]. Such adjustment(s), if any, shall be made within twenty-four (24) hours of the award of the Bonds.

In the event of any adjustment of the Maturity Schedule for the Bonds as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Nevertheless, the award of the Bonds will be made to the bidder whose proposal produces the lowest true interest cost solely on the basis of the Bonds offered, without taking into account any adjustment in the amount of the Bonds pursuant to this paragraph.

[Redemption Provisions]

Registrar/Paying Agent: Regions Bank, Atlanta, Georgia, will serve as Registrar/Paying Agent for the Bonds.

Bid Requirements: Bidders shall specify the rate or rates of interest per annum which the Bonds are to bear, to be expressed in multiples of 1/20 or 1/8 of 1% with no greater difference than two percent (2%) between the highest and lowest rates of interest named by a bidder. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for all Bonds of that maturity from their date to such maturity date. A bid for less than all the Bonds or a bid at a price less than par will not be considered.

Award of Bid: The Bonds will be awarded to the bidder or bidders offering to purchase the Bonds at the lowest true interest cost ("TIC") to the Town. The TIC will be the nominal interest rate which, when compounded semiannually and used to discount the debt service payment on the Bonds (computed at the interest rates specified in the bid and on the basis of a 360-day year of twelve 30-day months) to the dated date of the Bonds, results in an amount equal to the price bid for the Bonds. In the case of a tie bid, the winning bid will be awarded based on the earlier bid time. The Town reserves the right to reject any and all bids or to waive irregularities in any bid. In order to calculate the yield on the Bonds for federal tax law purposes and as a condition precedent to the award of the Bonds, the successful bidder will be required to disclose to the Town the price (or yield to maturity) at which the Bonds will be reoffered to the public. Bids will be accepted or rejected no later than 3:00 p.m., South Carolina time, on the date of sale.

Good Faith Deposit: A good faith deposit is not required.

Official Statement: Upon the award of the Bonds, the Town will prepare an official statement (the "Official Statement") in substantially the same form as the preliminary official statement subject to minor additions, deletions and revisions as required to complete the Official Statement. Within seven (7) business days after the award of the Bonds, the Town will deliver the Official Statement to the successful bidder in sufficient quantity to comply with Rule G-32 of the Municipal Securities Rulemaking Board. The successful bidder agrees to supply to the Town within 24 hours after the award of the Bonds all necessary pricing information and any Underwriter identification necessary to complete the Official Statement.

Security: The Bonds shall constitute binding general obligations of the Town, and the full faith, credit, resources and taxing power of the Town are irrevocably pledged for the payment of the principal and interest on the Bonds as they respectively mature and to create a sinking fund to aid in the retirement and payment thereof. There shall be levied and collected annually upon all taxable property of the Town a tax, without limitation as to rate or amount, sufficient for such purposes.

Continuing Disclosure: In order to assist the bidders in complying with S.E.C. Rule 15c2-12(b)(5), the Town will undertake, pursuant to an ordinance and a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Legal Opinion: The Town shall furnish upon delivery of the Bonds the final approving opinion of Burr & Forman LLP, Columbia, South Carolina, which opinion shall accompany each Bond, together with the usual closing documents, including a certificate that no litigation is pending affecting the Bonds.

Issue Price Certificate: The winning bidder shall assist the Town in establishing the issue price of the Bonds and shall execute and deliver to the Town at Delivery an “issue price” certificate setting forth the reasonably expected initial offering price to the public, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Town and Bond Counsel. A sample copy of the certificate may be obtained from Burr & Forman LLP.

The Town intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because:

- (1) the Town shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Town may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Town anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the Competitive Sale Requirements are not satisfied, the Town shall so advise the winning bidder. The Town may determine to treat the initial offering price to the public as of the sale date of the Bonds as the issue price of the Bonds (the “Hold-the-Offering-Price Rule”). The Town shall promptly advise the winning bidder, at or before the time of award of the Bonds, that the Bonds shall be subject to the Hold-the-Offering-Price Rule. Bids will not be subject to cancellation in the event that the Town determines to apply the Hold-the-Offering-Price Rule to the Bonds. Bidders should prepare their bids on the assumption that the Bonds will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the Bonds.

By submitting a bid, the winning bidder shall (1) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price (the “Initial Offering Price”), or at the corresponding yield, set forth in the bid submitted by the winning bidder and (2) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds to which the Hold-the-Offering-Price Rule shall apply to any person at a price

that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public (the “10% Test”).

The winning bidder shall promptly advise the Town when the underwriters have sold 10% of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Town acknowledges that, in making the representation set forth above, the winning bidder will rely on (1) the agreement of each underwriter to comply with the Hold-the-Offering-Price Rule, as set forth in an agreement among underwriters and the related pricing wires, (2) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price Rule, as set forth in a selling group agreement and the related pricing wires, and (3) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price Rule, as set forth in the retail distribution agreement and the related pricing wires. The Town further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering-Price Rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Offering-Price Rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (1) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (a) report the prices at which it sells to the public the unsold Bonds allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds or all Bonds have been sold to the public and (b) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (2) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (a) report the prices at which it sells to the public the unsold Bonds allotted to it until it is notified by the winning bidder or such underwriter that either the 10% Test has been satisfied as to the Bonds or all Bonds have been sold to the public and (b) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (1) “public” means any person other than an underwriter or a related party,
- (2) “underwriter” means (a) any person that agrees pursuant to a written contract with the Town (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (a) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (a) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (b) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (c) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (4) “sale date” means the date that the Bonds are awarded by the Town to the winning bidder.

Delivery: The Bonds will be delivered through the facilities of DTC on or about _____, _____, at the expense of the Town. The balance of the purchase price then due (including the amount of accrued interest) must be paid in federal funds or other immediately available funds.

Municipal Advisor: First Tryon Advisors has acted as Municipal Advisor to the Town in connection with the issuance of the Bonds. In this capacity, First Tryon Advisors provided technical assistance in the preparation of the offering documents and assisted the Town in preparing for this financing.

CUSIP Numbers: It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of its proposal. The Town’s Municipal Advisor will timely apply for CUSIP numbers with respect to the Bonds. However, all expenses related to the CUSIP identification numbers shall be paid for by the successful bidder.

Additional Information: The Preliminary Official Statement and the Official Notice of Sale of the Town with respect to the Bonds are available via the internet at [<http://www.idealprospectus.com>] and will be furnished to any person interested in bidding on the Bonds upon request to Burr & Forman LLP, Post Office Box 11390, Columbia, South Carolina 29211, attention: Francenia B. Heizer, Esquire, or Michael J. Seezen, Esquire, telephone (803) 799-9800, e-mail: fheizer@burr.com or mseezen@burr.com (as applicable). The Preliminary Official Statement shall be reviewed by bidders prior to submitting a bid. Bidders may not rely on this Official Notice of Sale as to the complete information concerning the Bonds. For additional information, please contact the Town’s Bond Counsel, Francenia B. Heizer, Esquire/Michael J. Seezen, Esquire, Burr & Forman LLP, telephone (803) 799-9800, e-mail: fheizer@burr.com and mseezen@burr.com or the Town’s Municipal Advisor, David Cheatwood/Andy Smith, First Tryon

Advisors, telephone (704) 926-2447/(704) 703-3747, e-mail: dcheatwood@firsttryon.com and asmith@firsttryon.com.

Town of Hilton Head Island, South Carolina

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Town of Hilton Head Island, South Carolina (the “Town”) in connection with the issuance of \$ _____ General Obligation Bonds, Series _____ (the “Bonds”). The Bonds are being issued pursuant to an Ordinance adopted by the Town Council of the Town (the “Council”). The Town covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Town for the benefit of the beneficial owners and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below).

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean any Annual Report provided by the Town pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“**Bonds**” shall mean the \$ _____ General Obligation Bonds, Series _____, of the Town of Hilton Head Island, South Carolina, dated _____.

“**Dissemination Agent**” shall mean the Town or any successor Dissemination Agent designated in writing by the Town and which has filed with the Town a written acceptance of such designation.

“**Financial Obligation**” is defined by the Rule as and for purposes of this Disclosure Certificate shall mean (1) a debt obligation, (2) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (3) a guarantee of either of the foregoing; provided, however, that a “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

“**Listed Events**” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“**National Repository**” shall mean for purposes of the Rule, the Electronic Municipal Market Access (EMMA) system created by the Municipal Securities Rulemaking Board.

“**Official Statement**” shall mean that Official Statement prepared in connection with the Bonds.

“**Participating Underwriter**” shall mean _____ and any other original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“**Repository**” shall mean each National Repository and each State Depository, if any.

“**Rule**” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Depository” shall mean any public or private repository or entity designated by the State of South Carolina as a state depository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Depository.

SECTION 3. Provision of Annual Reports.

(a) The Town shall, or shall cause the Dissemination Agent to provide, not later than February 1 following the end of the fiscal year of the Town, commencing with the fiscal year ending June 30, 20__, to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to such date the Town shall provide the Annual Report to the Dissemination Agent, if other than the Town; provided, that if the audited financial statements required pursuant to Section 4 hereof to be included in the Annual Report are not available for inclusion in the Annual Report as of such date, unaudited financial statements of the Town may be included in such Annual Report in lieu thereof, and the Town shall replace such unaudited financial statements with audited financial statements within fifteen (15) days after such audited financial statements become available for distribution. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Town may be submitted separately from the balance of the Annual Report.

(b) If the Town is unable to provide to the Repository an Annual Report by the date required in subsection (a), the Town shall send a notice to the Municipal Securities Rulemaking Board and State Depository, if any, in substantially the form attached hereto as Exhibit A.

(c) The Dissemination Agent shall:

(1) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Depository, if any; and

(2) if the Dissemination Agent is other than the Town, file a report with the Town and (if the Dissemination Agent is not the Registrar/Paying Agent) the Registrar/Paying Agent certifying whether the Annual Report has been provided pursuant to this Disclosure Certificate, and, if provided, stating the date it was provided, and listing the Repository to which it was provided.

SECTION 4. Content of Annual Reports.

(a) The Town’s Annual Report shall contain or incorporate by reference the most recent audited financial statements, which shall be prepared in conformity with generally accepted accounting principles (or, if not in such conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information) applicable to governmental entities such as the Town, and shall, in addition, contain or incorporate by reference the following, for the immediately preceding fiscal year:

- (1) Town population;
- (2) Total anticipated state appropriations subject to withholding under Article X, Sec. 14, South Carolina Constitution;
- (3) Outstanding indebtedness of the Town;
- (4) Market value/assessment summary of taxable property in Town;

- (5) Tax rates for Town;
- (6) Tax collections for Town; and
- (7) Five largest taxpayers (including fee-in-lieu-of-tax) for Town.

(b) Audited Financial Statements prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Town is an “obligated person” (as defined by the Rule), which have been previously filed with the National Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Town will clearly identify each such document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Town shall give, or cause to be given, notice of the occurrence of any of the following events (the “Listed Events”):

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders;
- (8) Bond calls;
- (9) Tender offers;
- (10) Defeasances;
- (11) Release, substitution, or sale of property securing repayment of the securities;
- (12) Rating changes;
- (13) Bankruptcy, insolvency, receivership or similar event of the Town;
- (14) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
- (15) Appointment of a successor or additional trustee or the change of name of a trustee;
- (16) Incurrence of a Financial Obligation of the Town; or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Town, any of which affect security holders; and
- (17) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Town, any of which reflect financial difficulties.

(b) Whenever the Town obtains knowledge of the occurrence of a Listed Event described in subsections (a)(2), (7), (8), (11), (14), (15) or (16) above, the Town shall as soon as possible determine if such event would be material under applicable federal securities laws. If the Town determines that knowledge of the occurrence of such event would be material under applicable federal securities laws, the Town shall promptly, and no later than 10 days after the occurrence of the event, file a notice of such occurrence with the Repository.

(c) Whenever the Town obtains knowledge of the occurrence of a Listed Event described in subsections (a)(1), (3), (4), (5), (6), (9), (10), (12), (13) or (17) above, the Town shall promptly, and no later than 10 days after the occurrence of the event, file a notice of such occurrence with the Repository.

(d) Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8), (9), and (10) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds. For the purposes of the event identified in (a)(13) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

SECTION 6. Termination of Reporting Obligation. The Town's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Town may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Town.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Town may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the Town, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Town chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Town shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Town, or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any beneficial owner may take such actions as may be necessary and appropriate, including seeking injunctive relief or specific performance by court order, to cause the Town, or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the Town, or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties of the Dissemination Agent. The provisions of this Section 11 shall apply if the Issuer is not the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Town, the Dissemination Agent, the Participating Underwriters, and Holders from time to time of the Bonds and shall create no rights in any other person or entity.

TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By: _____
Town Manager

Dated: _____, 20__

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Town: Town of Hilton Head Island, South Carolina
Name of Bond Issue: \$ _____ General Obligation Bonds, Series _____,
Town of Hilton Head Island, South Carolina
Date of Issuance: _____

NOTICE IS HEREBY GIVEN that The Town of Hilton Head Island, South Carolina (the "Town") has not provided an Annual Report with respect to the above-named Bonds as required by Sections 3 and 4 of the Continuing Disclosure Certificate executed and delivered by the Town as Dissemination Agent. The Town has notified us in writing that the Annual Report will be filed by _____.

Dated: _____

TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

TOWN OF HILTON HEAD ISLAND

General Obligation (G.O.) Bonds: Information & Discussion Points

Finance & Administrative Committee Meeting November 18, 2025



Overview

- Summary – Why Should the Town Borrow via General Obligation (G.O.) Bonds Now?
- Outstanding G.O. & Special Obligation Debt by Bond Issue/Bonds Outstanding by Year
- Millage Comparison/History
- Town’s Assessed Valuation Growth History
- Total Governmental Fund Balances have Grown 64.7% since 2021
- Total Government Revenues Have Grown 39.9% since 2021
- Real Estate Transfer Fee Annual Fund Balances, Revenues, Expenditures
- Debt Service Fund’s Accumulated Balance as a Potential Partial Source of a June 1, 2025 G.O. Debt Payment
- Accumulated Debt Service Fund Balances Need to be Deployed





Overview (continued)

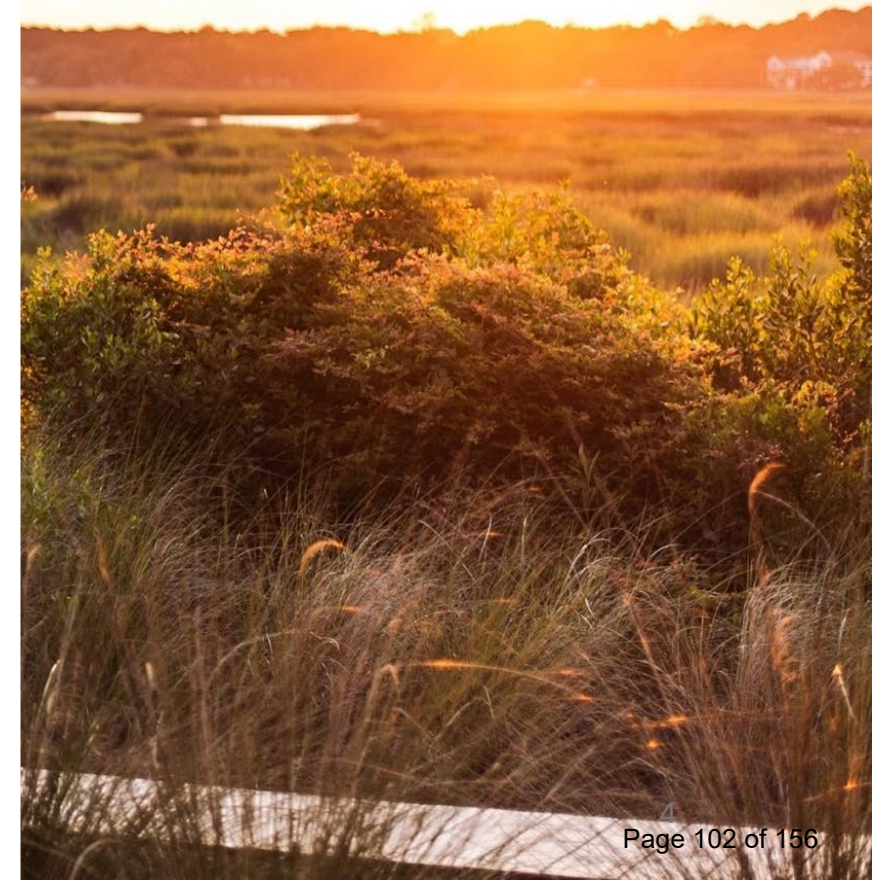
- Debt Issuance Capacity Continues to Grow as AV Grows and Total Non-Referendum G.O. Debt Outstanding Decreases
- Potential New Capital Projects to be Financed by G.O. Bond Proceeds
- “Shovel Ready” Capital Projects Fiscal Year 2027
- Past Land Acquisition Program – Summary of Benefits
- Debt Scenarios - All Can be Easily Paid Back via Future Years’ Annual Debt Service Millage at 2 Mills or Below
- G.O. Bond Issuance – Possible Calendar Task Schedule
- Potential Series 2025 G.O. Bonds Proposed Sale – Details
- S&P July 3, 2025 G.O. (AAA) & Special Obligation Bonds (AA+) Upgrade Report – Select Excerpts





Summary – Why Should the Town Borrow via General Obligation (G.O.) Bonds Now?

- To Fund Land Acquisition Opportunities and Specific Capital Projects now and in the near future
- The Town’s FY2026 existing Debt Service property tax request of 5.1 mills, includes 2 mills to pay back debt issued in FY2026
- The One-time Use of approximately \$11.7 million in Accumulated Debt Service Fund Balance to quickly pay back (within 2 months) a portion of the bonds
- Low borrowing rates via Town’s well-earned triple AAA status + a tax-exempt debt sale into the broad Public Finance Debt Markets
- The Town can borrow without increasing Debt Service Millage, and potentially even reduce millage further in future years
- Financially, the Town can comfortably handle the transaction without threat of a ratings downgrade





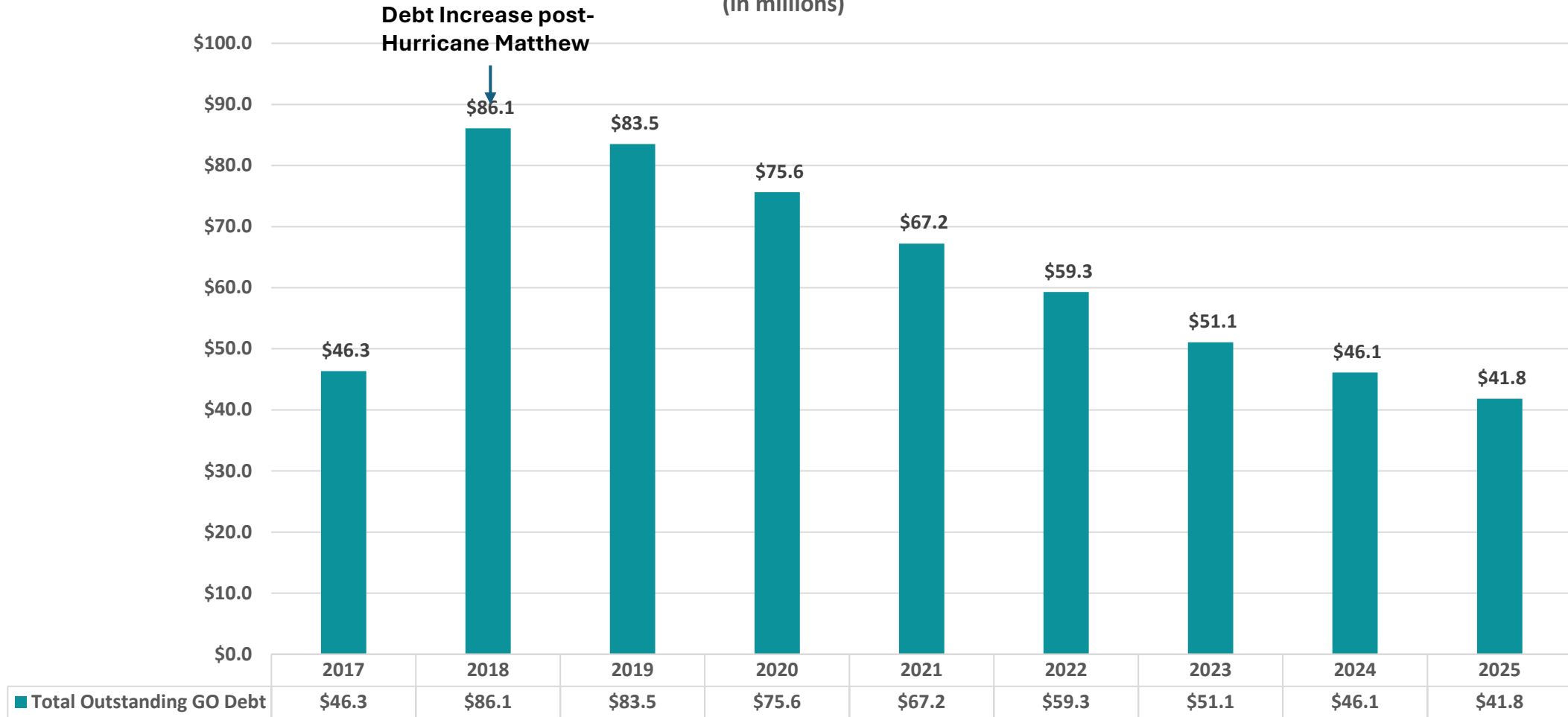
Outstanding General Obligation (G.O.) Debt by Bond Issue

G.O. Bond Issue Name	Original Issuance Amount	Counts Against Non-Referendum Debt Limit?	FY of Final Maturity (March 1 payment)	FY of First Redemption Date (March 1)	Outstanding Principal
2016C (Refunding)	\$ 9,035,000	No (Referendum-related)	2035	2026	\$5,040,000
2017A	\$27,310,000	Yes	2047	2027	\$24,555,000
2019	\$ 5,000,000	Yes	2039	2029	\$3,935,000
2020A (Refunding)	\$ 5,800,000	No (Referendum-related)	2029	None	\$3,185,000
2020B (Refunding)	<u>\$ 6,285,000</u>	No (Referendum-related)	2035	2030	<u>\$5,100,000</u>
Total	\$53,430,000				\$41,815,000



G.O. Bonds Outstanding*- FYs 2017-2025

Town of Hilton Head Island General Obligation Bond Debt
(in millions)



*Note: Includes Referendum and Non-Referendum Debt.



Outstanding Special Revenue Debt by Bond Issue*

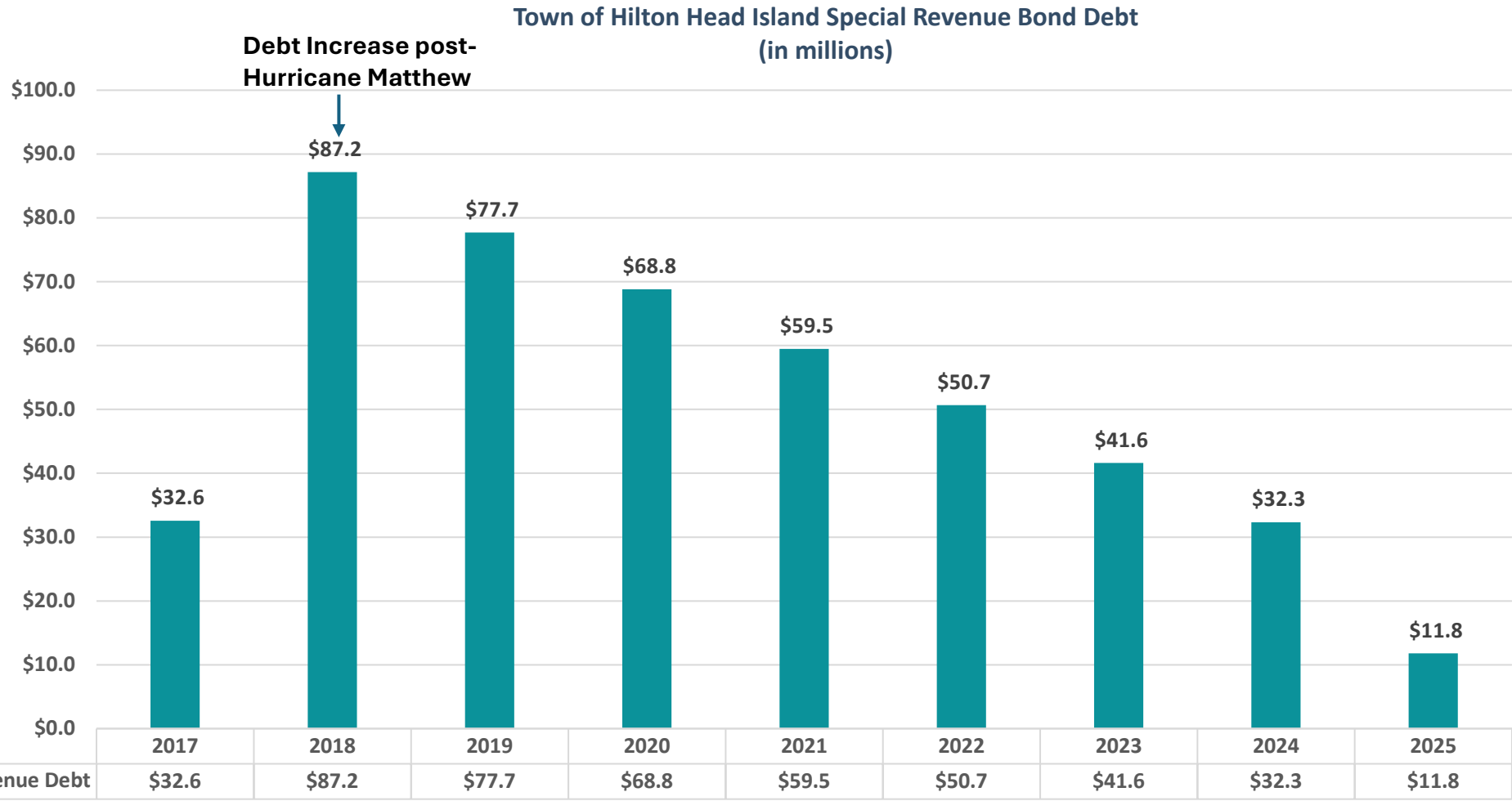
Special Revenue Bond Issue Name	Original Issuance Amount	FY of Final Maturity	FY of First Redemption Date	Outstanding Principal
2018A (Stormwater)	\$ 3,200,000	2028	2018	\$ 1,035,000
2019 (Hospitality)	\$16,520,000	2036	2029	\$ 9,785,000
2021 (Stormwater) (Refunding)	\$ 5,630,000	2026	2021	\$ 940,000
2025 (Beach Preservation Fee)**	<u>\$19,000,000</u>	2032	----	<u>\$19,000,000</u>
Total	\$44,350,000			\$30,760,000

*Does not include the FY2025 \$7,584,000 Fire Truck Lease Purchase Financing, payable through FY2035.

**Note: 2025 Beach Preservation Fee Bond Closing is scheduled for December 3, 2025 (FY2026).



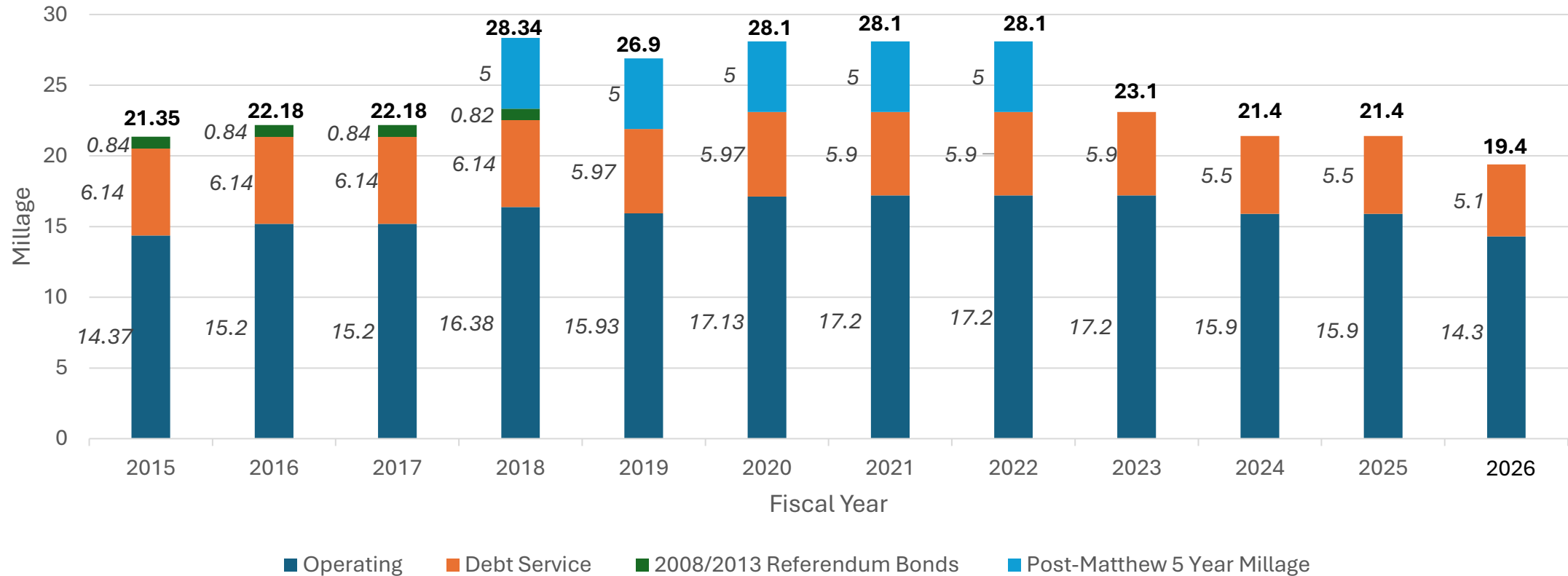
Special Revenue Bonds Outstanding - FYs 2017-2025





The Town of HHI Continues to Lower Annual Millage Rates from 2018 Peak

Town of HHI Millage Rates by Use

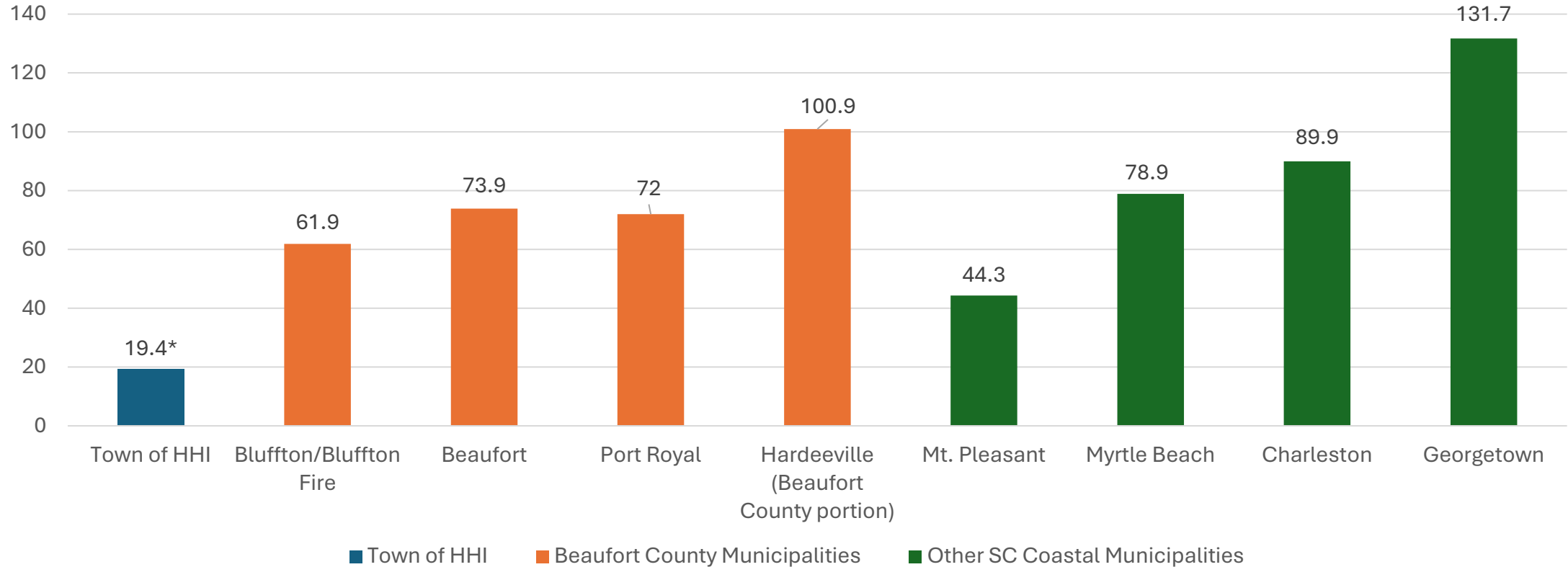


- Fiscal Year 2026 Millage of 19.4 is lowest rate since records available (FY2000)



Town of HHI Millage Rates Compare Favorably to Beaufort County Municipalities & Comparable SC Coastal Municipalities

Millage Rates

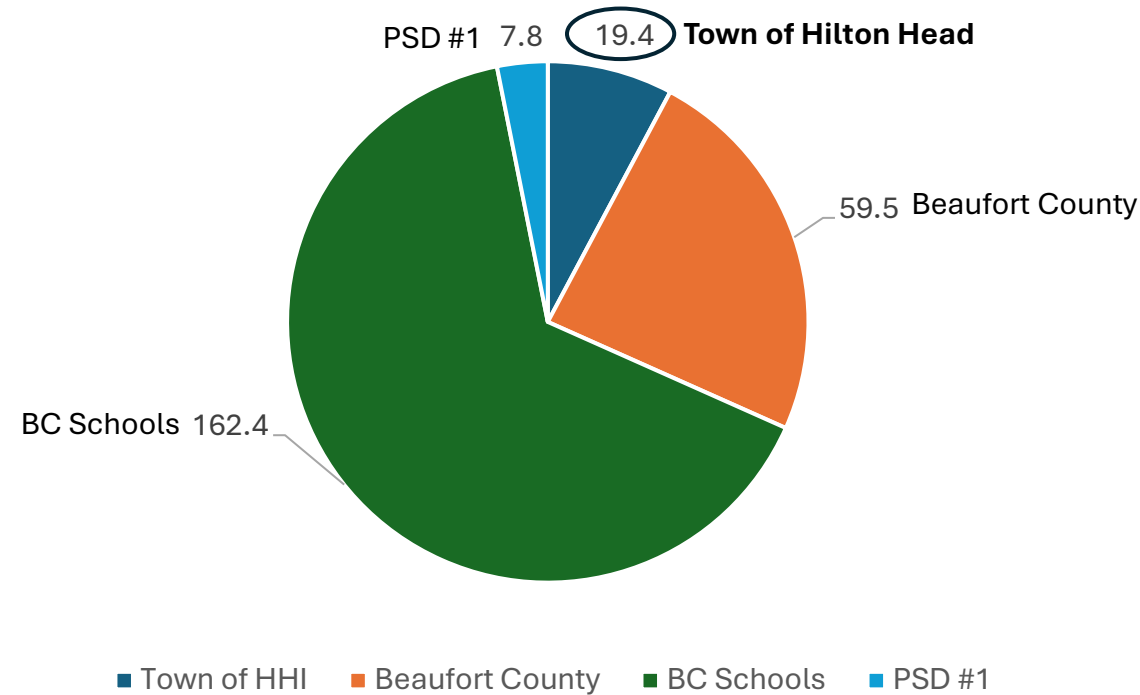


***Note: Town of Hilton Head Island Police Fee is assessed separately.**



Town of Hilton Head Island Total Millage Represents 7.8% of HHI 2024 Property Tax Millage

Millage by Overlapping Tax Districts (249.10 Total Millage)

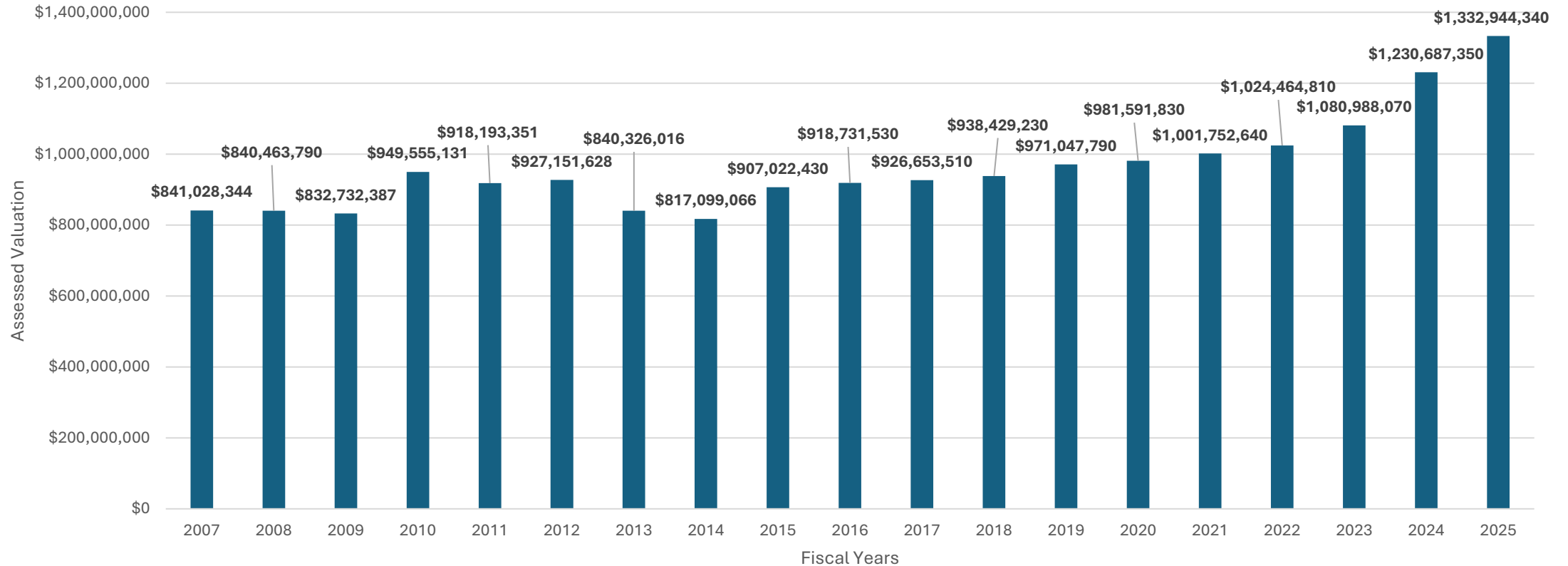


- The Town of Hilton Head Island’s percent of average taxpayer millage declined from 8.65% in FY2025 to 7.8% in FY2026.



Total Town Assessed Value* has Grown 47% since 2015, increasing Non-Referendum G.O. Borrowing Capacity

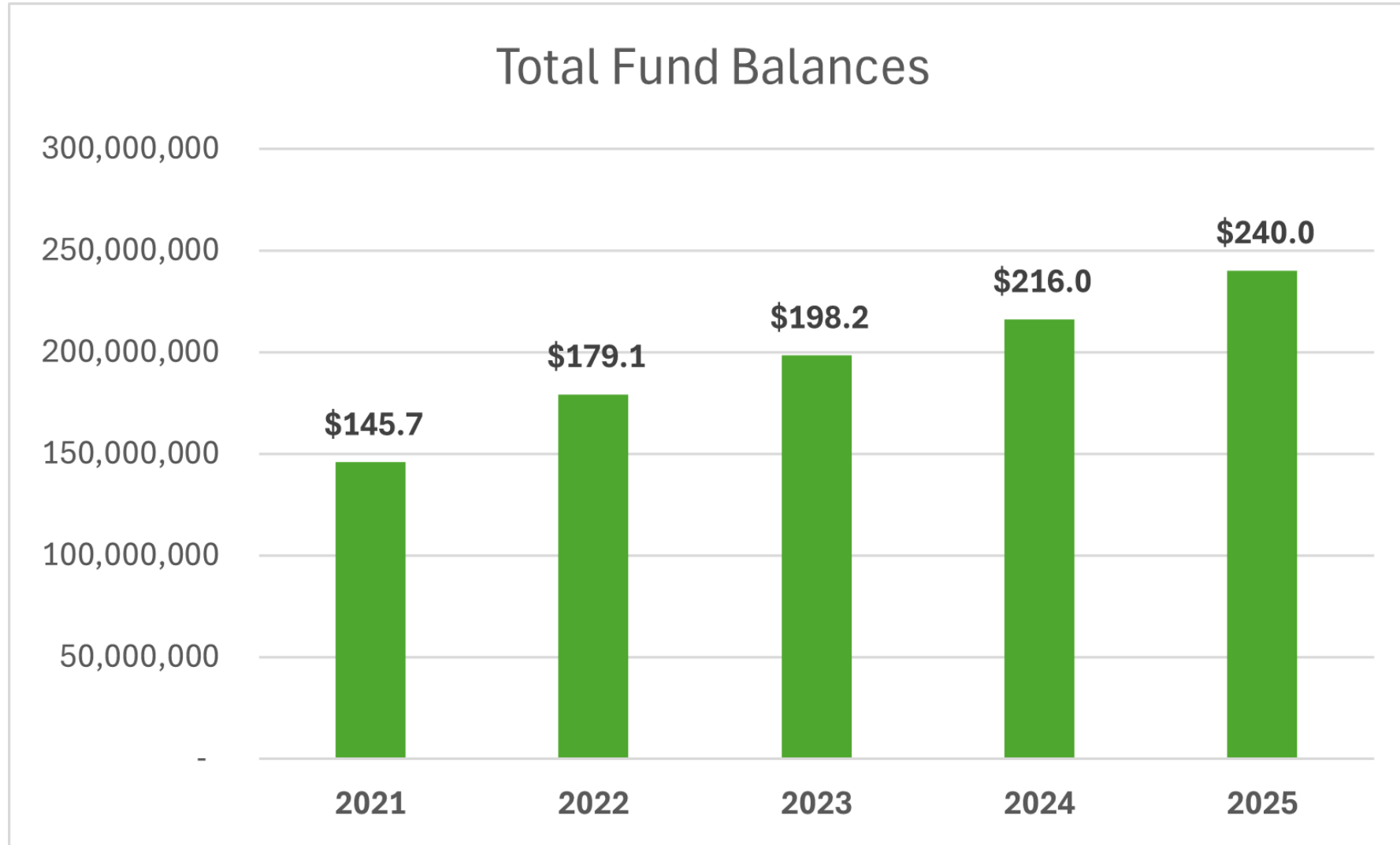
Total Taxable Assessed Valuation



* Assessed Value is the Estimated Value of all real and personal property and motor vehicles in the Town x Beaufort County determined factor (5.3% in FY2024).

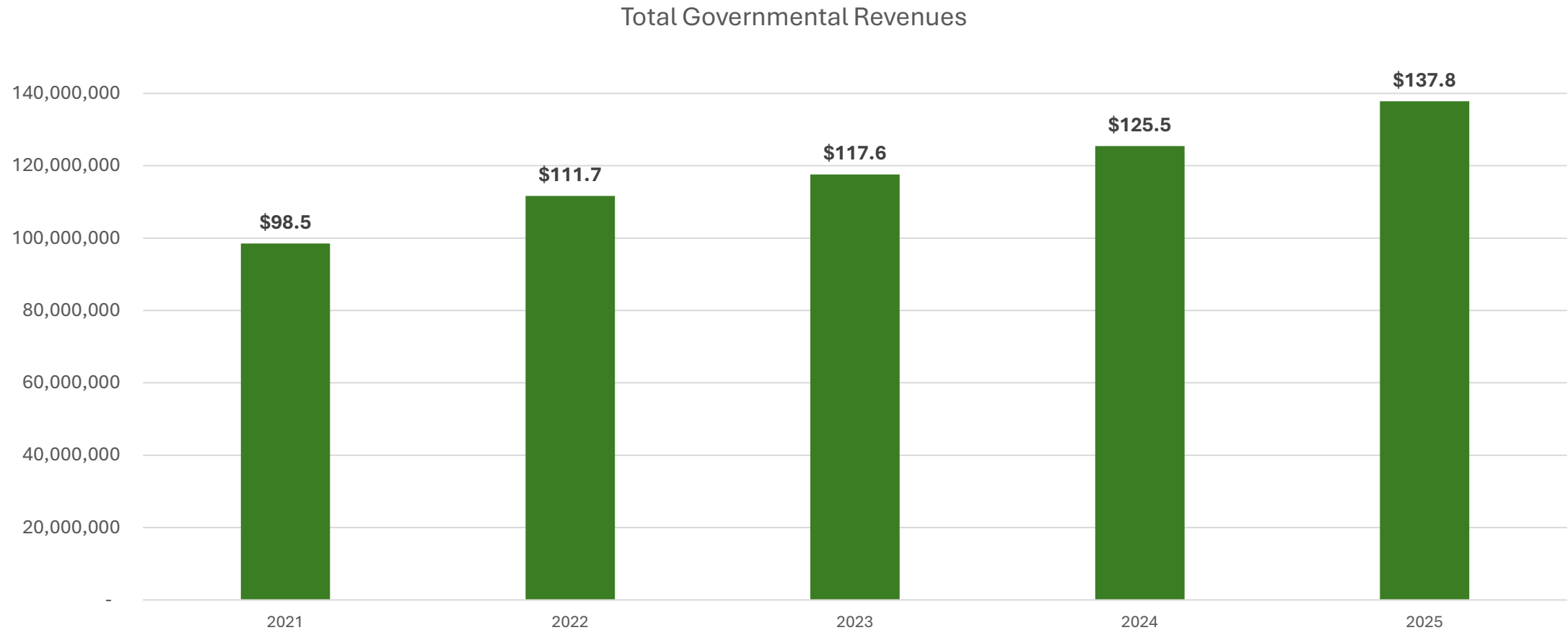


Total Governmental Fund Balances have Grown 64.7% Since 2021





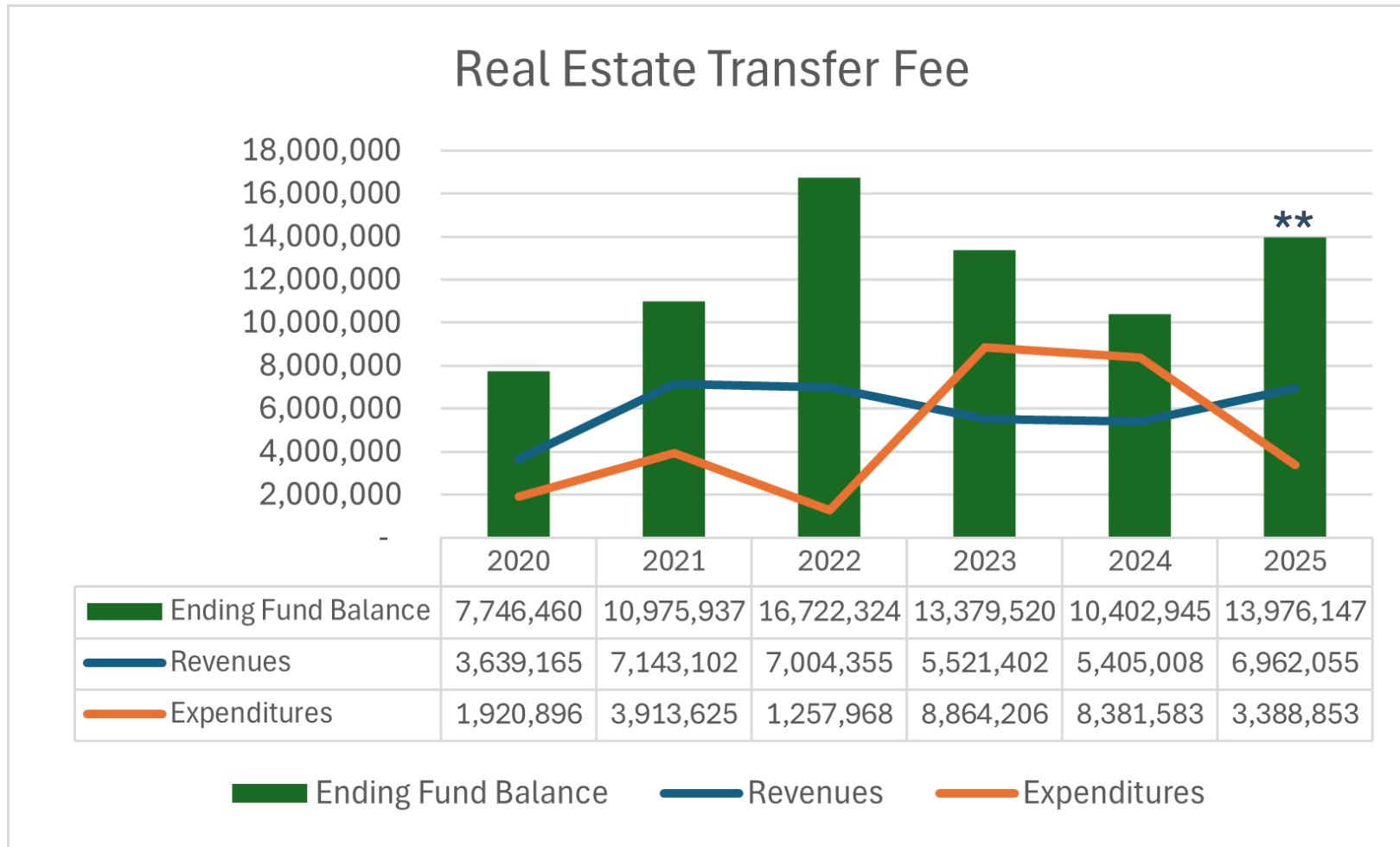
Total Government Revenues Have Grown 39.9% since 2021



Includes major revenue sources, including property taxes, hospitality taxes, beach preservation fees, accommodations tax, interest earned, and multiple other sources.



Real Estate Transfer Fee (RETF)* Annual Fund Balances, Revenues, Expenditures



***Note: The Town uses RETF funds for property acquisitions, though in most years the Town also uses other fund sources (TIF, Hospitality Taxes, General Fund) for property acquisitions.**

****Note: RETF Balance as of 11/10/25 is \$16,030,162.**



Debt Service Fund's Accumulated Balance as a Potential Partial Source of a June 1, 2026 G.O. Bond Debt Payment

- Debt Service Fund Balances can only be used to pay back debt
- Debt Service Fund Balance has grown to \$14.2 million (as of 6/30/25) over the past several years due to conservative revenue projections
- We recommend the Town set a Minimum Debt Service Fund Balance Policy of \$2.5 million to maintain a cushion should future debt service property tax collections come in below estimates
- A possible G.O. Bond Issue (proposed close date of April 1, 2026) can utilize approximately \$11.7 million in accumulated Debt Service Fund balance and \$2.6 million via 2 mills in FY2026 property tax collections to quickly pay back (proposed first payback date of June 1, 2026) a significant portion of any possible 2026 Debt Issuance



Accumulated Debt Service Fund Balances* Need to be Deployed

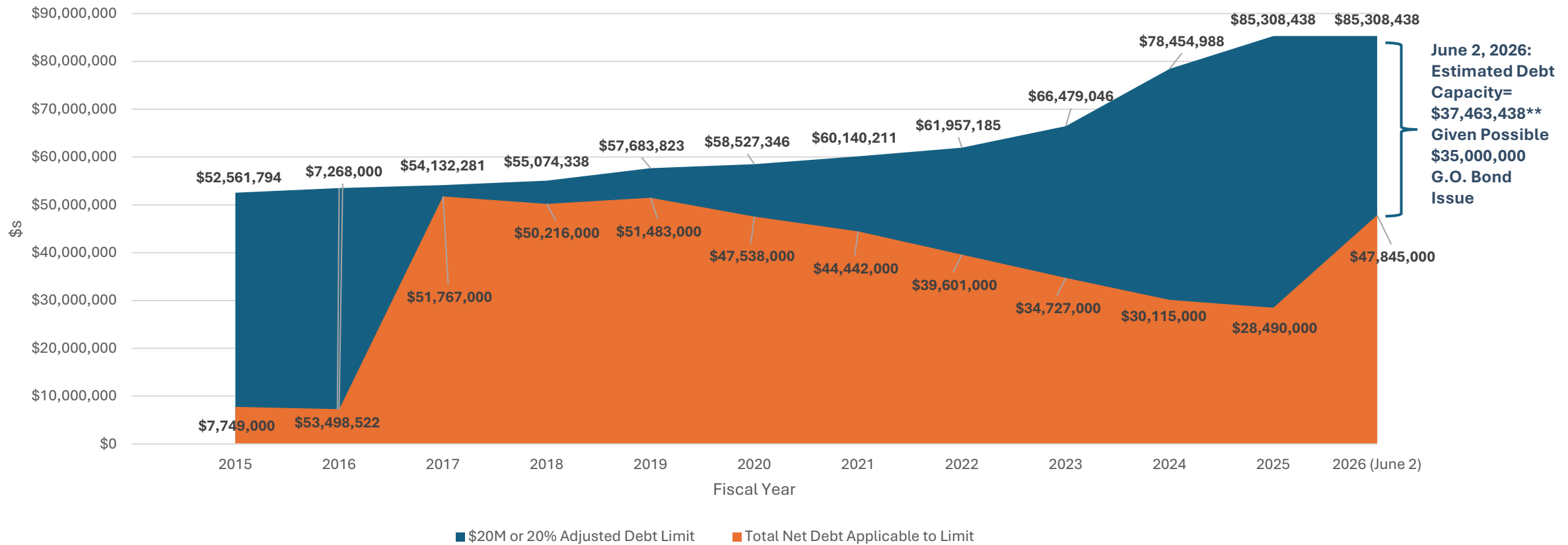
Debt Service Fund Balance as of 6/30/25:	\$14,243,513
Less Proposed Fund Reserve Policy**:	<u>\$ 2,500,000</u>
Debt Service Funds to be Used for Debt:	\$11,743,513
Add: 2 mills @ \$1,300,000:	<u>\$ 2,600,000</u>
Reduction in Bond Principal:	\$14,343,513

***Note:** As discussed at FY2026 Consolidated Budget Preparation & Adoption, Debt Service Funds can only be used to repay debt. These accumulated Debt Service Funds would pay down a significant portion of any Series 2026 G.O. debt issue almost immediately and thus minimize overall interest costs.

****Note:** Town staff proposes the Town formalize this policy in FY2027 Budget.



Debt Issuance Capacity* Continues to Grow as AV Grows and Total Non-Referendum G.O. Debt Outstanding Decreases



*Debt Issuance Capacity = 8% of Assessed Value (SC State Limitation) - \$20 mil or 20% (HHI Town Council additional limitation)

**The above illustrates the effect on Debt Issuance Capacity if the Town were to issue a \$35 million G.O. Bond Issue on approximately April 1, 2026 and use its accumulated Debt Service Fund balance + already-requested 2 mills of FY2026 property tax collected to pay for the approximately \$14.1 million June 1, 2026 initial debt service payment.



Potential New Capital Projects to be Financed by G.O. Bond Proceeds

Scenario #	Bond Amount	Fire Rescue HQ/EOC	Land	Other “Shovel Ready” Projects*
1 (A&B)	\$25,000,000	\$9,000,000	\$16,000,000	\$0
2 (A&B)	\$35,000,000	\$9,000,000	\$26,000,000	\$0

*Note: Other “Shovel Ready Projects”, including FY2027 projects, are listed on following page



Sampling of “Shovel Ready” Capital Projects for Fiscal Year 2027

Project	FY27 Shovel Ready Projects
Islanders Beach Park Improvements	\$ 5,400,000
Crossings Park Renovation - Phase 1 Pickleball Complex	\$ 10,000,000
Crossings Park Renovation - Phase 2 Bristol Sports Arena and Pump Track	\$ 6,500,000
Shelter Cove Community Park Expansion Ph 2	\$ 5,000,000
Mitchelville Freedom Park	\$ 2,300,000
Total	\$ 28,200,000



Past Land Acquisition Program- Summary of Benefits

- 171 parcels purchased
- 1,353.42 acres
- Total expenditure of \$211.37 million
- Reduction of 4.89 million sq. feet of potential commercial development
- Reduction of 1,983 potential hotel/motel rooms
- Reduction of 5,040 potential residential and timeshare units
- Reduction of 45,516 PM potential peak-hour driving trips
- Community support as evidenced by positive feedback received prior to 2023 Town Council actions to extend Real Estate Transfer Fee-funded Land Acquisition Program



Debt Scenarios - All Can be Easily Paid Back via Future Years' Annual Debt Service Millage at 2 Mills or Below

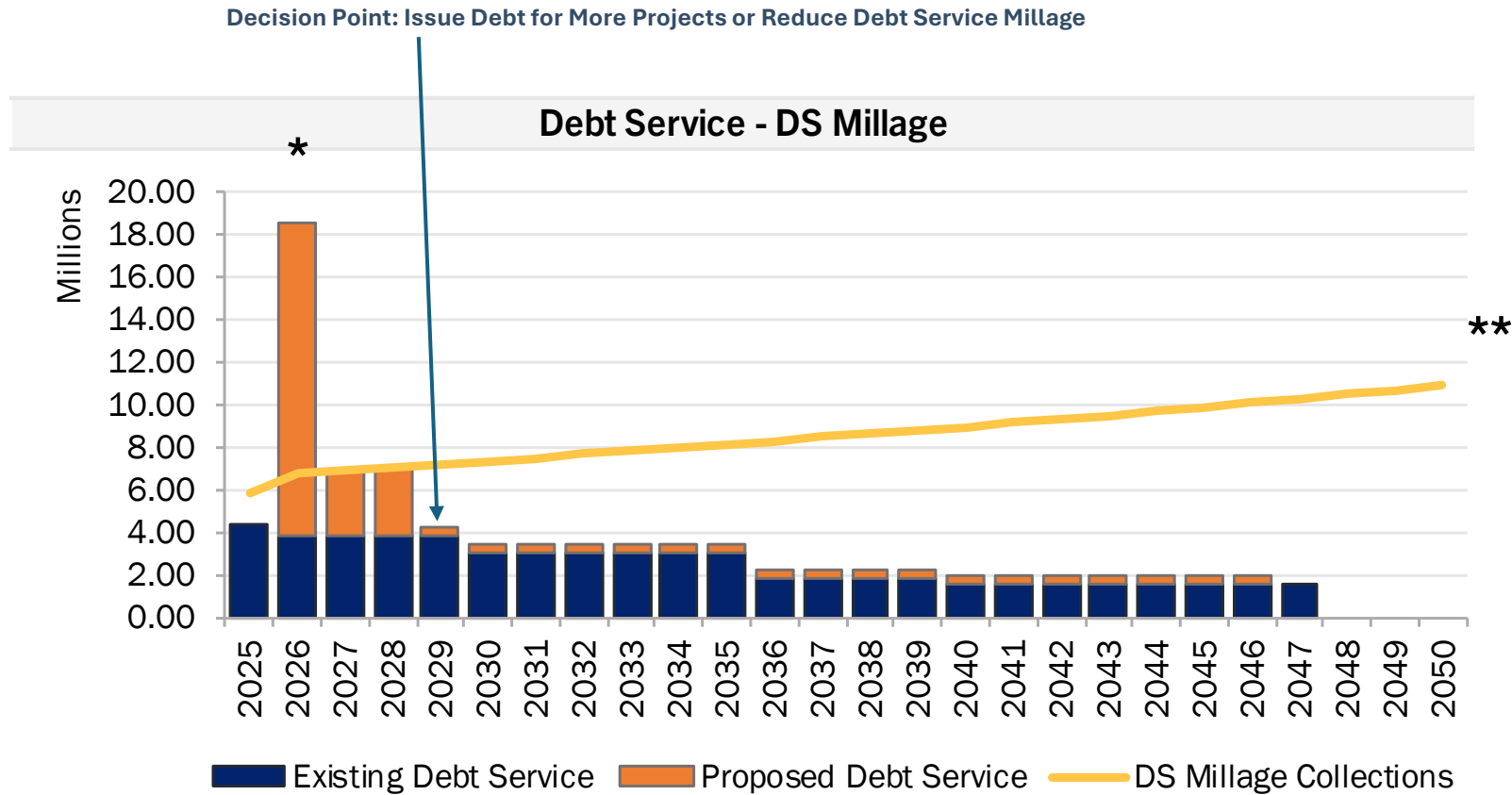
<u>Scenario</u>	<u>Proceeds</u>	<u>Payback Period</u>
1A	\$25 million	20 years
1B	\$25 million	15 years
2A	\$35 million	20 years
2B	\$35 million	15 years

All scenarios include 1st year debt payment from:

- Portion of existing Debt Service Fund Accumulated Balance of approximately \$11.7 million
- FY2026 Debt Service millage of approximately \$2.6 million
- Total 1st year debt payback of approximately \$14.3 million



Scenario 1A: Existing & Possible G.O. Debt Service per Year for Sample \$25 mil G.O. Bond with 20 Year Payback



*Note: June 2026 Debt Service payment would be paid via approximately \$11.7 million in accumulated Debt Service Fund Balance + approximately \$2.6 million from already-requested Debt Service property tax collections.

**Note: Debt Service Millage Collection Line Assumes 2% Annual AV growth and thus 2% Annual Mill Value Increase.



Scenario 1A: Potential Sample 20 Year Payback Schedule for \$25 million in G.O. Bonds Issued in FY2026

Debt Service				
FY	Principal	Interest	D/S Fund*	Total*
2026	14,725,000	205,514	(510,117)	14,420,397
2027	2,600,000	496,831		3,096,831
2028	2,900,000	366,831		3,266,831
2029	170,000	221,831		391,831
2030	180,000	213,331		393,331
2031	185,000	204,331		389,331
2032	195,000	195,081		390,081
2033	205,000	185,331		390,331
2034	220,000	175,081		395,081
2035	230,000	164,081		394,081
2036	240,000	152,581		392,581
2037	255,000	140,581		395,581
2038	265,000	127,831		392,831
2039	280,000	114,581		394,581
2040	295,000	100,581		395,581
2041	305,000	85,831		390,831
2042	320,000	73,631		393,631
2043	335,000	60,831		395,831
2044	350,000	47,013		397,013
2045	365,000	32,138		397,138
2046	380,000	16,625		396,625
Total	25,000,000	3,380,470		27,870,353

Sources of Funds	
Par Amount	25,000,000
Premium	610,117
Total Sources of Funds	25,610,117

Uses of Funds	
Project Fund	24,725,000
Debt Service Fund	510,117
Cost of Issuance (est.)	275,000
Underwriter's Discount (est.)	100,000
Total Uses of Funds	25,610,117

True Interest Cost	3.76%
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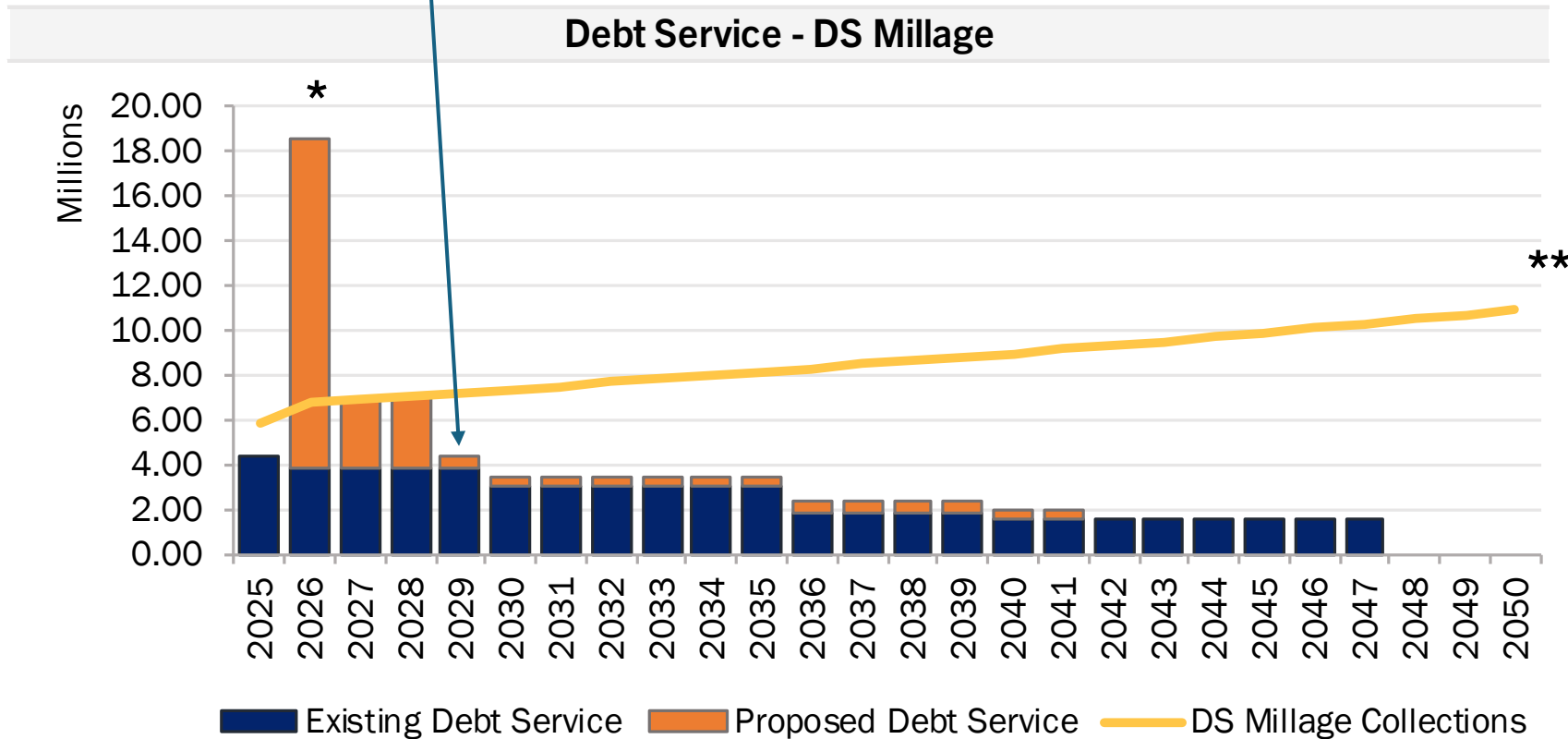
Principal & Interest Due:	June 1
Interest Only Due:	December 1

Annual Debt Service after FY2028 of approximately \$395,000 equals approximately 0.3 mils, given FY2026 mil value of \$1,327,265.



Scenario 1B: Existing & Possible G.O. Debt Service per Year for Sample \$25 mil G.O. Bond with 15 Year Payback

Decision Point: Issue Debt for More Projects or Reduce Debt Service Millage



*Note: June 2026 Debt Service payment would be paid via approximately \$11.7 million in accumulated Debt Service Fund Balance + approximately \$2.6 million from already-requested Debt Service property tax collections.

**Note: Debt Service Millage Collection Line Assumes 2% Annual AV growth and thus 2% Annual Mill Value Increase.



Scenario 1B: Potential Sample Payback Schedule for \$25 million in G.O. Bonds Issued in FY2026 with 15 Year Payback

Debt Service				
FY	Principal	Interest	D/S Fund*	Total
2026	14,925,000	207,558	(718,138)	14,414,420
2027	2,600,000	499,100		3,099,100
2028	2,900,000	369,100		3,269,100
2029	255,000	224,100		479,100
2030	270,000	211,350		481,350
2031	285,000	197,850		482,850
2032	300,000	183,600		483,600
2033	315,000	168,600		483,600
2034	330,000	152,850		482,850
2035	345,000	136,350		481,350
2036	365,000	119,100		484,100
2037	380,000	100,850		480,850
2038	400,000	81,850		481,850
2039	420,000	61,850		481,850
2040	445,000	40,850		485,850
2041	465,000	18,600		483,600
2042	-	-		-
2043	-	-		-
2044	-	-		-
2045	-	-		-
2046	-	-		-
Total	25,000,000	2,773,558		27,055,420

Sources of Funds	
Par Amount	25,000,000
Premium	818,138
Total Sources of Funds	25,818,138

Uses of Funds	
Project Fund	24,725,000
Debt Service Fund	718,138
Cost of Issuance (est.)	275,000
Underwriter's Discount (est.)	100,000
Total Uses of Funds	25,818,138

True Interest Cost	3.41%
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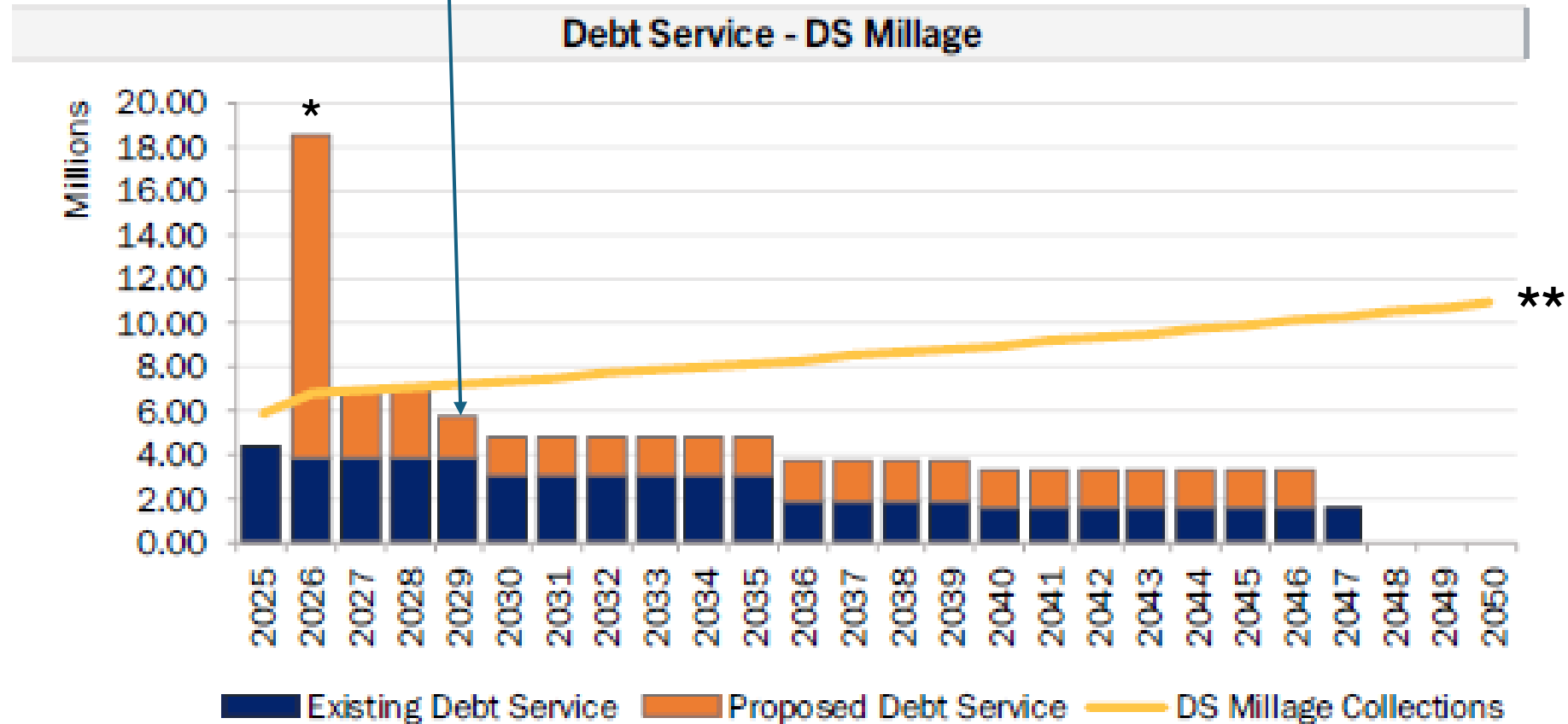
Principal & Interest Due:	June 1
Interest Only Due:	December 1

Annual Debt Service after FY2028 of approximately \$483,000 equals approximately 0.37 mils, given FY2026 mil value of \$1,327,265.



Scenario 2A: Existing & Possible G.O. Debt Service per Year for Sample \$35 mil G.O. Bond with 20 Year Payback

Decision Point: Issue Debt for More Projects or Reduce Debt Service Millage



*Note: June 2026 Debt Service payment would be paid via approximately \$11.7 million in accumulated Debt Service Fund Balance + approximately \$2.6 million from already-requested Debt Service property tax collections.

**Note: Debt Service Millage Collection Line Assumes 2% Annual AV growth and thus 2% Annual Mill Value Increase.



Scenario 2A: Potential Sample 20 Year Payback Schedule for \$35 million in G.O. Bonds Issued in FY2026

Debt Service				
FY	Principal	Interest	D/S Fund*	Total
2026	15,000,000	282,379	(1,138,110)	14,144,269
2027	2,000,000	944,275		2,944,275
2028	2,250,000	844,275		3,094,275
2029	560,000	731,775		1,291,775
2030	590,000	703,775		1,293,775
2031	620,000	674,275		1,294,275
2032	650,000	643,275		1,293,275
2033	685,000	610,775		1,295,775
2034	720,000	576,525		1,296,525
2035	755,000	540,525		1,295,525
2036	795,000	502,775		1,297,775
2037	835,000	463,025		1,298,025
2038	880,000	421,275		1,301,275
2039	925,000	377,275		1,302,275
2040	970,000	331,025		1,301,025
2041	1,015,000	282,525		1,297,525
2042	1,055,000	241,925		1,296,925
2043	1,100,000	199,725		1,299,725
2044	1,150,000	154,350		1,304,350
2045	1,195,000	105,475		1,300,475
2046	1,250,000	54,688		1,304,688
Total	35,000,000	9,685,917		43,547,807

Sources of Funds	
Par Amount	35,000,000
Premium	1,278,110
Total Sources of Funds	36,278,110

Uses of Funds	
Project Fund	34,725,000
Debt Service Fund	1,138,110
Cost of Issuance (est.)	275,000
Underwriter's Discount (est.)	140,000
Total Uses of Funds	36,278,110

True Interest Cost	3.88%
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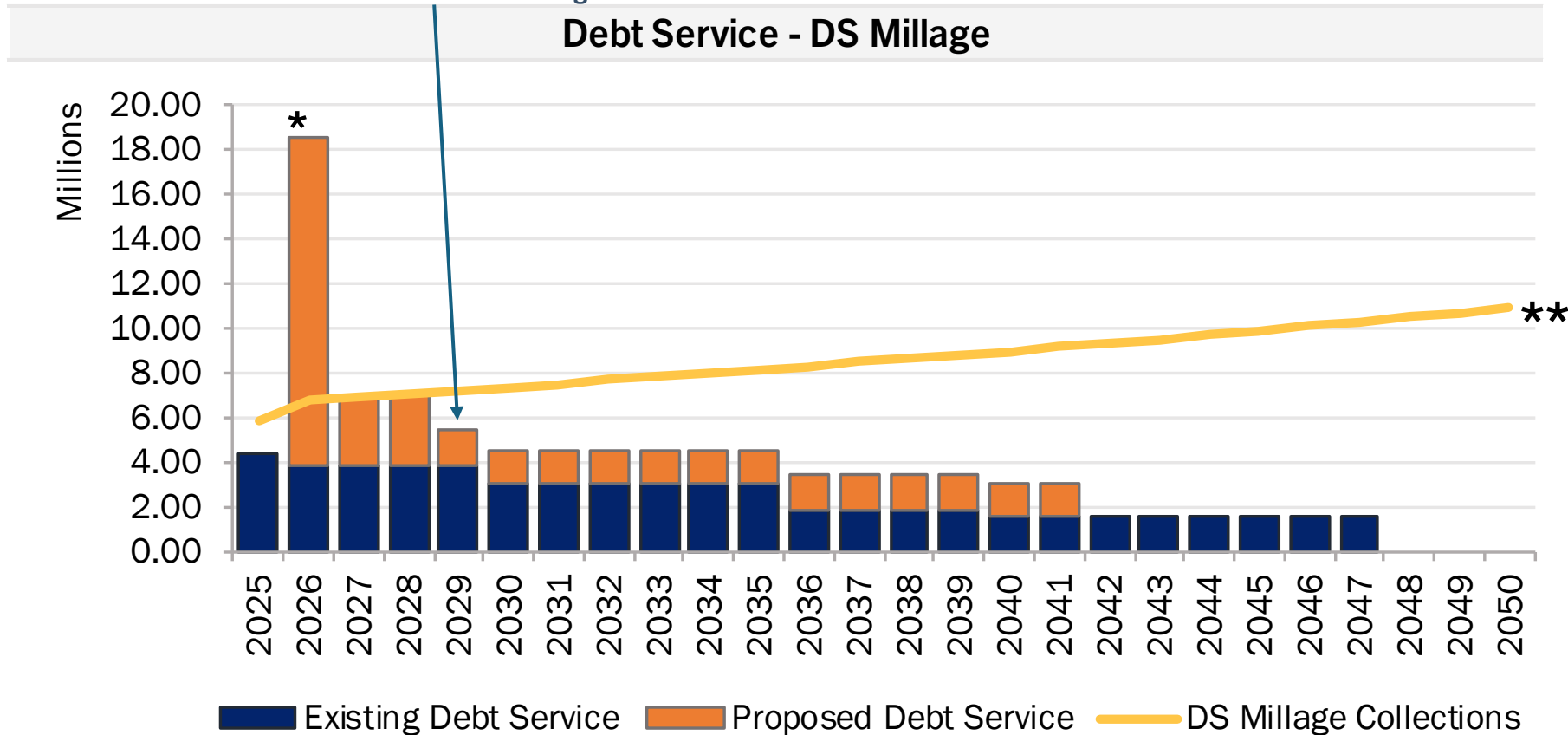
Principal & Interest Due:	June 1
Interest Only Due:	December 1

Annual Debt Service after FY2028 of approximately \$1,300,000 equals approximately 1.0 mil, given FY2026 mil value of \$1,327,265.



Scenario 2B: Existing & Possible G.O. Debt Service per Year for Sample \$35 mil G.O. Bond with 15 Year Payback

Decision Point: Issue Debt for More Projects or Reduce Debt Service Millage



*Note: June 2026 Debt Service payment would be paid via approximately \$11.7 million in accumulated Debt Service Fund Balance + approximately \$2.6 million from already-requested Debt Service property tax collections.

**Note: Debt Service Millage Collection Line Assumes 2% Annual AV growth and thus 2% Annual Mill Value Increase.



Potential Sample 15 Year Payback Schedule for \$35 million in G.O. Bonds Issued in FY2026

Debt Service				
FY	Principal	Interest	D/S Fund*	Total
2026	15,700,000	289,167	(1,796,011)	14,193,156
2027	2,150,000	950,000		3,100,000
2028	2,400,000	842,500		3,242,500
2029	825,000	722,500		1,547,500
2030	870,000	681,250		1,551,250
2031	915,000	637,750		1,552,750
2032	960,000	592,000		1,552,000
2033	1,010,000	544,000		1,554,000
2034	1,060,000	493,500		1,553,500
2035	1,115,000	440,500		1,555,500
2036	1,175,000	384,750		1,559,750
2037	1,235,000	326,000		1,561,000
2038	1,295,000	264,250		1,559,250
2039	1,360,000	199,500		1,559,500
2040	1,430,000	131,500		1,561,500
2041	1,500,000	60,000		1,560,000
2042	-	-		-
2043	-	-		-
2044	-	-		-
2045	-	-		-
2046	-	-		-
Total	35,000,000	7,559,167		40,763,156

Sources of Funds	
Par Amount	35,000,000
Premium	1,936,011
Total Sources of Funds	36,936,011

Uses of Funds	
Project Fund	34,725,000
Debt Service Fund	1,796,011
Cost of Issuance (est.)	275,000
Underwriter's Discount (est.)	140,000
Total Uses of Funds	36,936,011

True Interest Cost	3.48%
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Principal & Interest Due:	June 1
Interest Only Due:	December 1

Annual Debt Service after FY2028 of approximately \$1,560,000 equals approximately 1.18 mils, given FY2026 mil value of \$1,327,265.



G.O. Bond Issue: Possible Calendar Task Schedule

- **11/18/25:** F&A Committee: Review Plan of Finance/Ordinance
- **12/9/25:** Town Council Meeting: 1st Reading of Ordinance
- **1/13/25:** Town Council Meeting: 2nd Reading of Ordinance
- **3/7/26:** Publish Summary Notice of Competitive Sale
- **3/17/26:** Pricing Bonds via Municipal Finance Buyside Market
- **4/1/26:** Closing
- **6/1/26:** First Principal & Interest Payment, including approximately \$11.7 million in Principal paid back via Accumulated Debt Service Fund Balance

- **Activities throughout Timeline:** Offering Document Production/ Distribution, Rating Agency Preparation



Potential Series 2026 G.O. Bonds Proposed Sale - Details

- AAA Ratings from Moody's, S&P, & Fitch: Highest Possible Ratings = Low Borrowing Rates
- Tax-exempt Issuance = Low Borrowing Rates
- Public Competitive Sale: Offering document would be made available to all potential bond buyers in U.S. municipal marketplace – broadest market available = low borrowing costs
- Independent Municipal Advisor: First Tryon Advisors – serves 16 of top 20 SC Local Governments by Population Size
- Bond Counsel: Burr & Forman – providing the Town expert bond advice since inception in 1983
- The Town's Internal Finance Team's Bond Issuance Expertise



S&P July 3, 2025 G.O. (AAA) & Special Obligation (AA+) Bonds Upgrade Report – Select Excerpts

- “The raised rating reflects the town's improved reserve levels, which provide it sufficient flexibility if faced with economic slowdowns or emergencies while remaining comparable with its similarly-rated peers.”
- “The 'AAA' rating reflects our view of the town's history of operating surpluses, which have raised reserve levels to well above those of its peers, which we view as a credit strength sufficient to offset the potential for deterioration in budget flexibility and reserves during economic downcycles, contingency expenses that may relate to chronic and acute physical weather events, as well as the town's below-average economic output metrics.”
- “Manageable long-term liability and fixed cost profile despite plans to issue additional debt in the near term.”
- “We note that to mitigate some of this exposure to physical risk associated with acute weather events, management maintains high fund balance levels for contingencies, specifically setting aside a portion of reserves for disaster recovery.”
- “The general fund balance can be used for emergency purposes in case of unforeseen circumstances and to avoid emergency town borrowing or use of tax anticipation notes. In addition, the town added to fund balances outside the general fund in fiscal 2024, totaling \$36 million in the natural disaster fund and \$48 million in the beach renourishment fund as additional flexibility for disasters though not incorporated in the total available reserve ratios. Though we view these balances positively, given the town’s elevated physical risks related to acute weather events.”
- “Hilton Head Island has robust, well-defined policies with thorough reporting. The town's net direct debt as a percentage of total revenues and market value are low compared with its 'AAA' rated peers.”
- “We expect that the town will maintain a manageable debt burden despite its additional debt plans, including approximately \$30 million in GO bonds to fund various capital projects in the next two years. Additionally, the town awarded a \$38 million contract to Marinex Construction Inc. in May 2025 to renourish its beaches in fiscal 2026; \$23 million will be paid from beach preservation fund reserves coupled with an estimated \$15 million tax-exempt private placement bond issuance that is backed by beach preservation fee revenue.”

QUESTIONS?





TOWN OF HILTON HEAD ISLAND

Finance & Administrative Committee

TO: Finance & Administrative Committee
FROM: John McGowan, Assistant Finance Director
CC: Marc Orlando, ICMA-CM, Town Manager
David Byrd, Finance Director
DATE: November 18, 2025
SUBJECT: Consideration of a Resolution for Reimbursement of the Fire Rescue
Headquarters Acquisition

RECOMMENDATION:

Town Council is requested to review and approve the attached Reimbursement Resolution, which will give the Town the ability to reimburse General Fund and Real Estate Transfer Fee (RETF) Fund balances expended for the initial purchase of specific properties and related capital improvements described below. This reimbursement would be accomplished via proceeds from a Tax-Exempt General Obligation (G.O.) Bond Issue to be issued by the Town in FY2025.

BACKGROUND:

The Town has contracted to purchase properties at 9 & 10 Park Lane, with a combined purchase price of approximately \$7,700,000. The Town intends to add approximately \$1,300,000 in related capital improvements to these properties to transform the existing structure into a new Fire and Rescue headquarters and Emergency Operations Center, as well as build an adjacent parking lot for the benefit of the facility. The Town will initially use General Fund and RETF dollars to pay for the property purchases at the property acquisitions' closing. The anticipated closing dates for these property purchases are in January, 2025.

Additionally, the Town may use General Fund and RETF dollars to pay for the above capital projects' related capital improvements.

The Town is also in the initial stages of preparing a G.O. bond issue to be sold later in FY2026. The proceeds of these bonds will be used for multiple capital purposes, including reimbursing the Town's General Fund and RETF Fund for up to \$9,000,000 in funds that may have been expended for the above property purchases and related capital improvements.

SUMMARY:

Approving the attached Reimbursement Resolution provides the Town with the ability to reimburse itself for the upfront property acquisition and related build-out expenses (that will have been paid out of the General Fund and the RETF) from a portion of the proceeds from its planned FY2026 G.O. bond issue.

If approved by the Town Council, this reimbursement action would preserve strong FY2026 General Fund and RETF Fund balances and would allow the Town the ability to pay for additional approved future capital projects and property acquisitions with these replenished balances.

Additionally, aligning the payback period of the G.O. bond issue more closely to the long-term useful life and benefits of the property acquisitions and related build-out is a more equitable way to pay for these acquisitions and related capital improvements compared to paying via FY2026 General Fund and RETF Fund cash expenditures.

ATTACHMENTS:

1. Draft Reimbursement Resolution for Fire Rescue Headquarters

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

A RESOLUTION RELATING TO THE DECLARATION OF INTENT BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, TO REIMBURSE CERTAIN EXPENDITURES PRIOR TO THE ISSUANCE BY THE TOWN OF TAX-EXEMPT DEBT

WHEREAS, the Internal Revenue Service and U.S. Treasury Department have promulgated Section 1.150-2 of the Treasury Regulations (the “Regulations”) that authorizes an issuer to reimburse itself for expenditures made with respect to projects prior to the issuance of tax-exempt debt for such projects; and

WHEREAS, the Regulations require an issuer to adopt an official intent to reimburse an expenditure not later than sixty (60) days after the payment of the expenditure; and

WHEREAS, the Town of Hilton Head Island, South Carolina (the “Town”), anticipates incurring expenditures (the “Expenditures”) related to the acquisition and renovation of land and existing improvements, if any, located thereon (the “Projects”) prior to the issuance of tax-exempt debt for such purpose by the Town (the “Debt”); and

WHEREAS, the Town reasonably expects that it will reimburse Expenditures from the proceeds of the Debt; and

WHEREAS, the Town expects that the maximum principal amount of the Debt to be issued for the Projects will not exceed \$_____.

NOW, THEREFORE, BE IT RESOLVED by the Town Council (the “Town Council”) of the Town:

Section 1. The Town Council hereby declares that this Resolution shall constitute its declaration of official intent pursuant to Section 1.150-2 of the Regulations to reimburse the Town from the proceeds of tax-exempt debt in the form of the Debt to be issued pursuant to South Carolina state law, for Expenditures with respect to the Projects. The Town Council anticipates incurring Expenditures with respect to the Projects prior to the issuance by the Town of the Debt for such purposes.

Section 2. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were paid, or (b) the date the first Project was placed in service, but in no event more than three (3) years after the original Expenditures.

Section 3. The Town understands that Expenditures which may be reimbursed are limited to Expenditures which are (1) properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Section 1.150-2 of the Regulations) under general federal income tax principles; or (2) certain de

minimis or preliminary expenditures satisfying the requirements of Section 1.150-2(f) of the Regulations.

Section 4. The Town Council hereby authorizes the use of general fund monies or other legally-available funds on hand (including real estate transfer fees) as the source of funds for the Expenditures with respect to the Projects.

Section 5. This Resolution shall be in full force and effect from and after its adoption as provided by law. This Resolution shall be made available for inspection during normal business hours by the general public at the offices of the Town.

MOVED, APPROVED, AND ADOPTED ON THIS _____ DAY OF DECEMBER, 2025.

TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By: _____
Alan R. Perry, Mayor

(SEAL)

ATTEST:

Kimberly Gammon, Town Clerk

APPROVED AS TO FORM:

Curtis L. Coltrane, Town Attorney



TOWN OF HILTON HEAD ISLAND

Finance and Administrative Committee

TO: Finance & Administrative Committee
FROM: Michele Bunce, Senior Grants Administrator
CC: Dave Byrd, Finance Director
DATE: November 18, 2025
SUBJECT: Consideration of a Resolution of the Town of Hilton Head Approving the Recommendation from the Accommodations Tax Advisory Committee for the Calendar Year 2026 Grants

RECOMMENDATION:

The Accommodations Tax (ATAX) Advisory Committee respectfully submits the following funding recommendations for Fiscal Year 2026 (*Exhibit A of Resolution*). The Committee met on November 7, 2025, to finalize its recommendations after careful review of all applications received, ensuring that all recommendations comply with the requirements of the South Carolina Tourism Expenditure Review Committee (TERC).

A total of 37 applications were submitted for consideration, with \$4,076,992 available for distribution. Following its review and deliberations, the Committee recommends 35 ATAX grant awards for funding.

These recommendations align with the Town's new Comprehensive South Carolina Accommodations Tax Program, which emphasizes measurable return on investment (ROI), consistency with the Town's Strategic Action Plan goals, and a transparent, equitable allocation process that prioritizes programs demonstrating clear benefits to Hilton Head Island's tourism economy and community quality of life.

In addition to the recommended 2026 ATAX Grant award funding, the ATAC Committee submits a recommendation requesting that any grant funds awarded, but not expended, by the recipient organizations by the end of the 2026 grant year cycle will be carried forward in full (100%) and applied to the 2027 Accommodations Tax Grant Fund allocation.

Applications: <https://hiltonheadislandsc.gov/atax/applications/2026/>

BACKGROUND:

The Town collects a 2% State Accommodations Tax annually, with state law outlining how these funds must be utilized. These allocations and expenditures are also subject to review and compliance oversight by the South Carolina Tourism Expenditure Review

Committee (TERC), which ensures that funds are used in accordance with the provisions of Title 6, Chapter 4 of the South Carolina Code of Laws. In addition, in July 2025, Town Council adopted a Comprehensive South Carolina Accommodations Tax Program, which established both the grant application process and a Fund Distribution Policy.

The Town’s Fund Distribution Policy helps to ensure consistency, fiscal responsibility, and alignment with the Town’s Strategic Plan. The table below summarizes the Town’s adopted distribution categories and required allocations, including the portion dedicated to ATAX Grant Awards:

Distribution Category	Required Distribution
General Fund	First \$25,000
General Fund	5%
DMO	30%
ATAX Grant Awards	33%
General Fund (Tourism Operating Expenses)	20%
Capital Improvement Program (CIP)	7%
Tourism-Serving Housing Program	5%
Total	100%

Throughout the FY 2026 ATAX grant cycle, the Committee evaluated each application using the new funding distribution criteria adopted by Town Council. The evaluation process focused on:

- Demonstrated ROI and tourism and economic impact.
- Alignment with the Town’s Strategic Action Plan, particularly in areas such as destination development, community character, and cultural enrichment.
- Organizational accountability and proven capacity to manage public funds responsibly.
- Innovation, sustainability, and collaborative approaches to enhancing Hilton Head Island’s tourism profile.

The Committee held applicant hearings to allow organizations to present their proposals and answer questions. Deliberations were comprehensive, ensuring that recommendations reflect both fiscal responsibility and support for programs that strengthen Hilton Head Island’s tourism infrastructure and visitor experience.

SUMMARY:

The ATAC Committee finalized its recommendations after careful review of all applications received. One application was voluntarily withdrawn prior to final recommendations, and one application was not funded. Therefore, the Committee is submitting 35 applications for funding.

The Chairman's Letter (*Attachment 1*) provides additional details about committee deliberations, applicant requests, and 2026 funding recommendations.

Town Council holds the authority to approve the expenditure of ATAX funds, ensuring compliance with state law (*Attachment 4*) and the Town's Comprehensive South Carolina Accommodations Tax Program. Following Council approval, all Town ATAX expenditure remains subject to review by the South Carolina Tourism Expenditure Review Committee (TERC) to verify compliance with allowable uses under state law.

ATTACHMENTS:

1. Recommendation Letter from Keith Schlegel, ATAC Chair
2. Accommodations Tax Grants - Award Chart by Calendar Year
3. Accommodations Tax Monthly Report by Fiscal Year as of October 2025
4. Title 6, Chapter 4 SC Code of Laws
5. Proposed Resolution

**TOWN OF HILTON HEAD ISLAND
ACCOMMODATIONS TAX ADVISORY COMMITTEE**

To: Finance & Administrative Committee
Cc: Marc Orlando, *ICMA-CM, Town Manager*
Dave Byrd, Finance Director
From: Keith Schlegel, Chair
Date: November 18, 2025
Subject: Calendar Year 2026 Accommodations Tax Advisory Grants Recommendation

RECOMMENDATION:

The Accommodations Tax (ATAX) Advisory Committee respectfully submits the following funding recommendations for Fiscal Year 2026. The Committee met on November 7, 2025, to finalize its recommendations after careful review of all applications received.

A total of 37 applications were submitted for consideration, with \$4,076,992 available for distribution. Following its review and deliberations, the Committee recommends 35 awards for funding.

These recommendations align with the Town's new ATAX Fund Distribution Policy, which emphasizes measurable return on investment (ROI), consistency with the Town's Strategic Action Plan goals, and a transparent, equitable allocation process that prioritizes programs demonstrating clear benefits to Hilton Head Island's tourism economy and community quality of life.

BACKGROUND:

Throughout the Calendar Year 2026 ATAX grant cycle, the Committee evaluated each application using the new funding distribution criteria adopted by Town Council. The evaluation process focused on:

- Demonstrated ROI and economic impact in attracting overnight visitors;
- Alignment with the Town's Strategic Action Plan, particularly in areas such as enhancing tourism and cultural assets, strengthening economic resilience, and sustaining the island's unique character and community vibrancy;
- Organizational accountability and proven capacity to manage public funds responsibly; and
- Innovation, sustainability, and collaborative approaches to enhancing Hilton Head Island's tourism profile.

The Committee held applicant hearings to allow organizations to present their proposals and answer questions. Deliberations were comprehensive, ensuring that recommendations reflect both fiscal responsibility and support for programs that strengthen Hilton Head Island's tourism infrastructure and visitor experience.

COMMITTEE DELIBERATIONS

The Committee's recommendations represent a balance amongst long-standing community events, cultural and heritage programs, marketing and promotional initiatives, and tourism-related infrastructure. Members prioritized projects demonstrating collaboration, fiscal efficiency, and measurable outcomes that advance the Town's strategic goals.

This approach ensures thoughtful stewardship of public funds and reinforces the Town's commitment to supporting programs that meaningfully contribute to Hilton Head Island's reputation as a premier destination and exceptional place to live and visit. A request was made to recommend that any grant funds awarded but not expended by the recipient organizations by the end of the 2026 grant year cycle be carried forward in full (100%) and applied to the 2027 Accommodations Tax Grant Fund allocation.

This recommendation reflects the Committee's intent to maintain the integrity of the grant funding process and ensure that all awarded funds continue to benefit the community through future ATAX program allocations.

The following chart summarizes the final allocation and recommendation made by the ATAX Committee:

Funding Status	Applicants	Requested Amount	Committee Recommendation	Variance
Partial Funding				
	Art League of Hilton Head	\$ 100,000	\$ 79,000	\$ (21,000)
	Arts Center of Coastal Carolina	\$ 447,000	\$ 440,000	\$ (7,000)
	Beach Cat Sailors of Hilton Head Island	\$ 100,000	\$ 40,000	\$ (60,000)
	David M. Carmines Memorial Foundation	\$ 201,095	\$ 182,000	\$ (19,095)
	Gullah Traveling Theater	\$ 25,000	\$ 15,000	\$ (10,000)
	Gullah Museum of Hilton Head Island	\$ 180,000	\$ 150,000	\$ (30,000)
	Harbour Town Merchants Association	\$ 50,000	\$ 40,000	\$ (10,000)
	Hilton Head Island Audubon Society	\$ 27,955	\$ 20,000	\$ (7,955)
	Hilton Head Choral Society	\$ 20,000	\$ 18,000	\$ (2,000)
	Hilton Head Concours d'Elegance	\$ 350,000	\$ 340,000	\$ (10,000)
	Hilton Head Island Dance Theater	\$ 20,000	\$ 18,000	\$ (2,000)
	Hilton Head Island Airport	\$ 175,000	\$ 160,000	\$ (15,000)
	Hilton Head Island Bridge Association	\$ 20,000	\$ 15,000	\$ (5,000)
	Hilton Head Island Land Trust	\$ 50,000	\$ 40,000	\$ (10,000)
	Hilton Head Island Recreation Association	\$ 75,000	\$ 70,000	\$ (5,000)
	Hilton Head Island St. Patrick's Day Parade	\$ 100,000	\$ 79,095	\$ (20,905)
	Hilton Head Wine & Food Festival	\$ 130,000	\$ 125,000	\$ (5,000)
	Hilton Head Wine & Food Fest. (Rhythm & Brews)	\$ 40,000	\$ 25,000	\$ (15,000)
	Hilton Head Symphony Orchestra	\$ 360,000	\$ 350,000	\$ (10,000)
	Lean Ensemble Theater	\$ 55,000	\$ 50,000	\$ (5,000)
	Long Cove Club (Darius Rucker Intercollegiate)	\$ 67,250	\$ 61,897	\$ (5,353)
	Lowcountry Golf Course Owners Assoc.	\$ 150,000	\$ 100,000	\$ (50,000)
	Lowcountry Gullah	\$ 100,000	\$ 90,000	\$ (10,000)
	Mitchelville Preservation Project	\$ 205,000	\$ 190,000	\$ (15,000)
	Native Island Business & Community Affairs Assoc.	\$ 320,000	\$ 240,000	\$ (80,000)
	Palmetto Quilt Guild	\$ 8,000	\$ 7,000	\$ (1,000)
	Sea Pines Forest Preserve	\$ 48,000	\$ 40,000	\$ (8,000)
	Sea Turtle Patrol HHI	\$ 70,000	\$ 65,000	\$ (5,000)
	Shelter Cove Harbour Company	\$ 336,500	\$ 290,000	\$ (46,500)
	The Boys & Girls Club of Hilton Head (Pedal HHI)	\$ 45,000	\$ 40,000	\$ (5,000)
	The Coastal Discovery Museum	\$ 400,000	\$ 395,000	\$ (5,000)
	The First Tee of the Lowcountry	\$ 63,593	\$ 50,000	\$ (13,593)

	The Heritage Library	\$ 140,000	\$ 125,000	\$ (15,000)
	The Outside Foundation	\$ 72,000	\$ 65,000	\$ (7,000)
	The Sandbox	\$ 82,200	\$ 62,000	\$ (20,200)
		\$		
		4,633,593	\$ 4,076,992	\$ (556,601)
Withdrawn Application(s)				
	Community Foundation of the Lowcountry	\$ 16,500	\$ -	\$ (16,500)
		\$ 16,500	\$ -	\$ (16,500)
No Funding				
	Rotary Club of Hilton Head (Quenchbuggy)	\$ 5,000	\$ -	\$ (5,000)
		\$ 5,000	\$ -	\$ (5,000)
		\$		
		4,655,093	\$ 4,076,992	\$ (578,101)

SUMMARY:

The ATAX Advisory Committee appreciates the Finance & Administrative Committee's continued support and oversight of this important funding program. We believe the CY 2026 recommendations uphold the intent of the program, strengthen the Town's tourism economy, and reflect prudent financial management aligned with Town Council's strategic direction.

Ms. Eck made a motion that the Accommodations Tax Advisory Committee recommend the approval of the 2026 ATAX Grant awards as presented in the amount of \$ 4,076,992, except for those organizations from which Committee members have previously recused themselves. Any grant funds awarded but not expended by the recipient organizations by the end of the 2026 calendar year grant cycle, will be carried forward in full (100%) and applied to the 2027 ATAX Grant Fund Awards Distribution Category. Mr. Farrell seconded. The motion carried 6-0.

Respectfully submitted on behalf of the Accommodations Tax Advisory Committee,

Keith Schlegel, Chairman

2026 Accommodations Tax Advisory Committee Members:

Martin Lesch, Vice Chairman

Cecile Eck

John Farrell

Thomas Dowling

Adriaan Radder

Dave Ferguson

Town of Hilton Head Island
Accommodations Tax Grants 2023 to 2026
by Calendar Year

Grantee Agency	2023	2024	2025	2026 GRANTS					
	Town Council Award	Town Council Award	Town Council Award	2026 Applicant Request	ATAC 1st Round	ATAC 2nd Round	ATAC Recommendation	Finance & Admin Rec.	Town Council Award
Art League of Hilton Head	75,000	75,000	80,000	100,000	100,000	80,000	79,000		
Arts Center of Coastal Carolina	420,000	430,000	447,000	447,000	447,000	440,000	440,000		
Beach Cat Sailors (Previously Paul Miller Fund)				100,000	50,000	50,000	40,000		
Community Foundation of the Lowcountry				16,500	5,000	5,000	App Withdrawn		
David M. Carmines Memorial Foundation	181,000	181,000	185,000	201,095	190,000	185,000	182,000		
Gullah Traveling Theater, Inc.				25,000	20,000	160,000	15,000		
Gullah Museum of Hilton Head Island	139,700	150,000	180,000	180,000	160,000	15,000	150,000		
Harbour Town Merchants Association	29,000	29,000	29,000	50,000	50,000	40,000	40,000		
HHI Audubon Society	17,588	20,100	21,400	27,955	22,000	20,000	20,000		
HHI Choral Society	10,000	15,000	20,000	20,000	20,000	18,000	18,000		
HHI Concours d'Elegance	385,000	362,000	350,000	350,000	343,000	340,000	340,000		
HHI Dance Theater	20,000	20,000	23,000	20,000	20,000	20,000	18,000		
Hilton Head Island Airport	155,000	150,000	150,000	175,000	175,000	160,000	160,000		
Hilton Head Island Bridge Association	15,000	15,000	15,000	20,000	17,000	15,000	15,000		
Hilton Head Island Land Trust	-	36,632	47,000	50,000	47,000	40,000	40,000		
HHI Rec Assoc.(Wingfest & Other Festivals)	60,000	60,000	75,000	75,000	75,000	75,000	70,000		
HHI St. Patrick's Day Parade	71,704	74,065	80,000	100,000	79,439	79,439	79,095		
HH MLK Committee for Justice		4,513	2,980						
HHI Wine and Food Fest	130,000	130,000	130,000	130,000	130,000	130,000	125,000		
HHI Wine & Food, Inc (Rhythm and Brews)	25,000	30,000	30,000	40,000	30,000	28,000	25,000		
HHI Symphony Orchestra	300,000	330,000	350,000	360,000	360,000	350,000	350,000		
Lean Ensemble Theatre	50,000	50,000	55,000	55,000	55,000	50,000	50,000		
Long Cove Club (Darius Rucker Intercollegiate)	51,442	56,653	61,897	67,250	63,320	61,897	61,897		
Lowcountry Golf Course Owners Assoc.	50,000	100,000	150,000	150,000	100,000	100,000	100,000		
Lowcountry Gullah	95,889	100,000	100,000	100,000	95,000	90,000	90,000		
Mitchelville Preservation Project	185,000	190,000	190,000	205,000	205,000	195,000	190,000		
Native Island Business & Community	235,000	225,000	225,000	320,000	246,000	240,000	240,000		
Palmetto Quilt Guild		7,500		8,000	8,000	8,000	7,000		
Paul Miller Fund (Currently Beach Cat Sailors)		16,500							
Rotary Club of Hilton Head (Quenchbuggy)			40,000	5,000	-	-	-		
Sea Pines Forest Preserve		40,000		48,000	48,000	40,000	40,000		
Sea Turtle Patrol HHI	64,500	70,000	70,000	70,000	70,000	70,000	65,000		
Shelter Cove Harbour Company	195,000	244,600	293,800	336,500	300,000	293,800	290,000		
TEDx Hilton Head	25,000	45,000	10,000						
The Boys & Girls Club of Hilton Head	35,000	40,000	40,000	45,000	44,300	40,000	40,000		
The Coastal Discovery Museum	325,000	375,000	400,000	400,000	400,000	390,000	395,000		
Coastal Disc. Museum (Honey Horn-CIP)	695,350	300,000							
The First Tee of the Lowcountry	40,000	40,000	50,000	63,593	50,000	50,000	50,000		
The Heritage Library	118,000	135,000	143,000	140,000	125,000	125,000	125,000		
The Outside Foundation	59,480	72,000	72,000	72,000	72,000	65,000	65,000		
The Sandbox	59,895	60,765	64,000	82,200	65,000	64,000	62,000		
University of South Carolina		2,000							
World Affairs Council of HHI	5,000	-							
Subtotal	4,323,548	4,282,328	4,180,077	4,655,093	4,287,059	4,133,136	4,076,992		
DMO Supplemental Grant	350,000								
Total Grants	4,673,548	4,282,328	4,180,077	4,655,093	(210,067)	(56,144)	4,076,992	-	-

**Awards will be based on the maximum reimbursable amount allowed under the submitted budget or TERC requirements.

*Any grant funds awarded but not expended by recipient organizations by the end of the 2026 grant year cycle will be carried forward in full (100%) and applied to the 2027 ATAX Grant Fund allocation.

**Town of Hilton Head Island
Accommodations Tax Fund
Ending - Oct 2025**

Accommodations Tax Applicants FY 2023-2024 (CY 2023 Grants)	Amount Approved	Paid FY23	Paid FY24	Paid FY25	Paid FY26	Amount Lapsed
Art League of Hilton Head	75,000.00	41,833.53	33,166.47			-
Art Center of Coastal Carolina	420,000.00	420,000.00	-			-
David M. Carmines Memorial Foundation	181,000.00	133,005.01	23,090.00			24,904.99
Gullah Museum of Hilton Head	139,700.00	70,796.06	63,306.38			5,597.56
Harbour Town Merchants Association	29,000.00	-	29,000.00			-
Hilton Head Audobon Society	17,588.00	7,386.98	8,973.24			1,227.78
Hilton Head Choral Society	10,000.00	3,022.50	6,977.50			-
Hilton Head Concours d' Elegance	385,000.00	78,532.84	306,467.16			0.00
Hilton Head Dance Theatre	20,000.00	6,542.45	13,457.55			-
Hilton Head Airport	155,000.00	31,731.35	123,268.65			-
Hilton Head Island Bridge Association	15,000.00	2,267.99	12,728.64			3.37
Hilton Head Island Recreation Association	60,000.00	26,230.00	33,770.00			-
Hilton Head St. Patrick's Day Parade	71,704.00	29,048.09	-			42,655.91
Hilton Head Island Wine & Food (Rhythm & Brews)	25,000.00	-	-			25,000.00
Hilton Head Island Wine & Food	130,000.00	100,873.14	-			29,126.86
Hilton Head Island-Bluffton Chamber of Comm.	350,000.00	133,740.33	215,608.02			651.65
Hilton Head Symphony Orchestra, Inc	300,000.00	300,000.00	-			-
Lean Ensemble Theater	50,000.00	50,000.00	-			-
Lowcountry Golf Course Owners Assoc	50,000.00	-	49,878.32			121.68
Long Cove Club (DRI Golf Tourn.)	51,442.00	47,277.30	3,700.00			464.70
Lowcountry Gullah	95,889.00	34,828.49	61,060.51			-
Mitchelville Preservaiton Project	185,000.00	101,259.78	83,740.22			-
Native Island Business & Community Affairs Assoc.	235,000.00	49,427.70	145,798.89			39,773.41
Sea Turtle Patrol Hilton Head Island	64,500.00	26,075.94	38,424.06			-
Shelter Cove Harbour Company	195,000.00	-	195,000.00			-
TEDxHiltonHead	25,000.00	8,000.00	15,808.87			1,191.13
The Boys & Girls Club	35,000.00	35,000.00	-			-
The Coastal Discovery Museum	325,000.00	229,898.41	95,101.60			(0.01)
The Coastal Discovery Museum (CIP)	695,350.00	-	695,350.00			-
The First Tee of the Lowcountry	40,000.00	-	40,000.00			-
The Heritage Library Foundation	118,000.00	18,208.46	98,434.52			1,357.02
The Outside Foundation	59,480.00	14,233.12	30,025.00			15,221.88
The Sandbox	59,895.00	-	33,783.28			26,111.72
World Affairs Council of Hilton Head	5,000.00	-	5,000.00			-
CY 2023 GRANTS Sub-Total	4,673,548.00	1,999,219.47	2,460,918.88	-	-	213,409.65

**Town of Hilton Head Island
Accommodations Tax Fund
Ending - Oct 2025**

Accommodations Tax Applicants FY 2024-2025 (CY 2024 Grants)	Amount Approved	Paid FY23	Paid FY24	Paid FY25	Paid FY26	Amount Lapsed
Art League of Hilton Head	75,000.00		46,031.78	28,968.22		-
Arts Center of Coastal Carolina	430,000.00		430,000.00	-		-
David M. Carmines Memorial Foundation	181,000.00		173,052.64	-		7,947.36
Gullah Museum of Hilton Head	150,000.00		85,787.09	63,827.10		385.81
Harbour Town Merchants Association	29,000.00		29,000.00	-		-
Hilton Head Audobon Society	20,100.00		11,363.84	8,736.16		-
Hilton Head Choral Society	15,000.00		3,513.50	11,486.50		-
Hilton Head Concours d' Elegance	362,000.00		86,953.50	269,481.07		5,565.43
Hilton Head Dance Theatre	20,000.00		6,670.35	13,329.65		-
Hilton Head Island Airport	150,000.00		103,365.00	46,635.00		-
Hilton Head Island Bridge Association	15,000.00		2,349.30	9,889.96		2,760.74
Hilton Head Island Land Trust	36,632.00		12,559.17	20,192.05		3,880.78
Hilton Head Island Recreation Association	60,000.00		23,031.55	36,181.40		787.05
Hilton Head St. Patrick's Day Parade	74,065.00		43,689.21	26,508.72		3,867.07
Hilton Head Island Wine & Food (Rhythm & Brews)	30,000.00		-	24,942.55		5,057.45
Hilton Head Wine & Food	130,000.00		119,230.22	10,000.00		769.78
Hilton Head MLK Committee for Justice	4,513.00		-	2,846.65		1,666.35
Hilton Head Symphony Orchestra, Inc	330,000.00		272,635.59	57,364.41		(0.00)
Lean Ensemble Theater	50,000.00		50,000.00	-		-
Lowcountry Golf Course Owners Assoc	100,000.00		43,972.00	56,025.00		3.00
Long Cove Club (DRI Golf Tourn.)	56,653.00		51,080.77	5,572.03		0.20
Lowcountry Gullah	100,000.00		65,563.80	44,837.57		(10,401.37)
Mitchelville Preservaiton Project	190,000.00		49,702.46	140,297.54		-
NIBCAA, INC.	225,000.00		139,632.29	85,367.71		(0.00)
Palmetto Quilt Guild	7,500.00		7,466.11	-		33.89
Paul Miller Fund	16,500.00		-	9,744.34		6,755.66
Sea Pines Forest Preserve Foundation	40,000.00		-	38,722.00		1,278.00
Sea Turtle Patrol Hilton Head Island	70,000.00		17,161.73	52,838.27		0.00
Shelter Cove Harbour Company	244,600.00		-	244,600.00		-
TEDxHiltonHead	45,000.00		3,353.74	22,835.29		18,810.97
The Boys & Girls Club	40,000.00		40,000.00	-		-
The Coastal Discovery Museum	375,000.00		310,194.33	64,805.68		(0.01)
The Coastal Discovery Museum- CIP	300,000.00		4,800.00	17,615.06	21,927.90	255,657.04
The First Tee of the Lowcountry	40,000.00		-	40,000.00		-
The Heritage Library Foundation	135,000.00		41,019.79	78,399.86		15,580.35
The Outside Foundation	72,000.00		26,971.88	33,547.92		11,480.20
The Sandbox	60,765.00		28,075.27	26,324.39		6,365.34
University of South Carolina	2,000.00		-	-		2,000.00
CY 2024 GRANTS Sub-Total	4,282,328.00	-	2,328,226.91	1,591,922.10	21,927.90	340,251.09

**Town of Hilton Head Island
Accommodations Tax Fund
Ending - Oct 2025**

Accommodations Tax Applicants FY 2025-2026 (CY 2025 Grants)	Amount Approved	Paid FY23	Paid FY24	Paid FY25	Paid FY26	Amount Available
Art League of Hilton Head	80,000.00			45,129.34		34,870.66
Arts Center of Coastal Carolina	447,000.00			427,615.17	19,384.83	-
David M. Carmines Memorial Foundation	185,000.00			83,500.00	81,034.99	20,465.01
Gullah Museum of Hilton Head Island	180,000.00			104,594.83	64,165.51	11,239.66
Harbour Town Merchants Association	29,000.00			29,000.00		-
Hilton Head Audobon Society	21,400.00			8,206.69	6,307.69	6,885.62
Hilton Head Choral Society	20,000.00			6,421.40		13,578.60
Hilton Head Concours d' Elegance	350,000.00			64,169.00	90,867.60	194,963.40
Hilton Head Dance Theatre	23,000.00			5,864.42		17,135.58
Hilton Head Island Airport	150,000.00			54,400.00	66,712.45	28,887.55
Hilton Head Island Bridge Association	15,000.00			6,064.95	3,030.50	5,904.55
Hilton Head Island Land Trust	47,000.00			2,346.04	19,697.37	24,956.59
Hilton Head Island Recreation Association	75,000.00			31,133.72		43,866.28
Hilton Head St. Patrick's Day Parade	80,000.00			-		80,000.00
Hilton Head Island Wine & Food (Rhythm & Brews)	30,000.00			-	30,000.00	-
Hilton Head Island Wine & Food	130,000.00			79,721.17	40,081.03	10,197.80
Hilton Head MLK Committee for Justice	2,980.00			-		2,980.00
Hilton Head Symphony Orchestra, Inc	350,000.00			326,371.78	11,197.60	12,430.62
Lean Ensemble Theater	55,000.00			55,000.00		-
Lowcountry Golf Course Owners Assoc	150,000.00			-		150,000.00
Long Cove Club (DRI Golf Tourn.)	61,897.00			52,491.62		9,405.38
Lowcountry Gullah	100,000.00			10,913.52	54,663.44	34,423.04
Mitchelville Preservaiton Project	190,000.00			77,217.00	89,578.64	23,204.36
NIBCAA, INC.	225,000.00			82,278.39	66,900.00	75,821.61
Rotary Club of Hilton Head Island	40,000.00			-	40,000.00	-
Sea Turtle Patrol HHI	70,000.00			12,368.61	20,280.47	37,350.92
Shelter Cove Harbour Company	293,800.00			-	287,079.20	6,720.80
Tedx Hilton Head	10,000.00			-		10,000.00
The Boys & Girls Club of Hilton Head	40,000.00			37,130.24		2,869.76
The Coastal Discovery Museum	400,000.00			212,653.67	127,550.43	59,795.90
The First Tee of the Lowcountry	50,000.00			-		50,000.00
The Heritage Library Foundation	143,000.00			62,846.54	22,281.75	57,871.71
The Outside Foundation	72,000.00			16,991.77	23,318.94	31,689.29
The Sandbox	64,000.00			34,813.31		29,186.69
CY 2025 GRANTS Sub-Total	4,180,077.00	-	-	1,929,243.18	1,164,132.44	1,086,701.38

South Carolina Legislature

Attachment 4

South Carolina Law > Code of Laws > Title 6

South Carolina Code of Laws Unannotated

Title 6 - LOCAL GOVERNMENT—PROVISIONS APPLICABLE TO SPECIAL PURPOSE DISTRICTS AND OTHER POLITICAL SUBDIVISIONS

CHAPTER 4

Allocation of Accommodations Tax Revenues

SECTION 6-4-5. Definitions.

As used in this chapter:

- (1) "County area" means a county and municipalities within the geographical boundaries of the county.
- (2) "Cultural", as it applies to members of advisory committees in Section 6-4-25, means persons actively involved and familiar with the cultural community of the area including, but not limited to, the arts, historical preservation, museums, and festivals.
- (3) "Hospitality", as it applies to members of the committees in item (2), means persons directly involved in the service segment of the travel and tourism industry including, but not limited to, businesses that primarily serve visitors such as lodging facilities, restaurants, attractions, recreational amenities, transportation facilities and services, and travel information and promotion entities.
- (4) "Travel" and "tourism" mean the action and activities of people taking trips outside their home communities for any purpose, except daily commuting to and from work.
- (5) "Housing costs" for housing occupied by the owner means:
 - (a) the principal and interest on a mortgage loan that finances the purchase of the housing;
 - (b) the closing costs and other costs associated with a mortgage loan;
 - (c) mortgage insurance;
 - (d) property insurance;
 - (e) utility-related costs;
 - (f) property taxes; and
 - (g) if the housing is owned and occupied by members of a cooperative or an unincorporated cooperative association, fees paid to a person for managing the housing.
- (6) "Housing costs" for rented housing means:
 - (a) rent; and
 - (b) utility-related costs, if not included in the rent.
- (7) "Ordinance" means an ordinance adopted pursuant to Section 6-29-530.
- (8) "Utility-related costs" means costs related to power, heat, gas, light, water, and sewage.
- (9) "Workforce housing" means residential housing for rent or sale that is appropriately priced for rent or sale to a person or family whose income falls within thirty percent and one hundred twenty percent of the median income for the local area, with adjustments for household size, according to the latest figures available from the United States Department of Housing and Urban Development (HUD).

HISTORY: 1991 Act No. 147, SECTION 1; 2001 Act No. 74, SECTION 2; 2002 Act No. 312, SECTION 2; 2023 Act No. 57 (S.284), SECTION 5, eff May 19, 2023.

Editor's Note

2023 Act No. 57, SECTION 9, provides as follows:

"SECTION 9. Before the beginning of the 2030 Legislative Session, the Director of the Department of Parks, Recreation and Tourism, in consultation with the Secretary of Commerce and the Commissioner of Agriculture, shall issue a report to the General Assembly detailing the effects on tourism and workforce housing resulting from the codified provisions of this act."

Effect of Amendment

2023 Act No. 57, SECTION 5, added (5) to (9).

SECTION 6-4-10. Allocation to general fund; special fund for tourism; management and use of special fund.

The funds received by a municipality or a county in county areas collecting more than fifty thousand dollars from the local accommodations tax provided in Section 12-36-2830(3) must be allocated in the following manner:

- (1) The first twenty-five thousand dollars must be allocated to the general fund of the municipality or county and is exempt from all other requirements of this chapter.
- (2) Five percent of the balance must be allocated to the general fund of the municipality or county and is exempt from all other requirements of this chapter.
- (3) Thirty percent of the balance must be allocated to a special fund and used only for advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity. To manage and direct the expenditure of these tourism promotion funds, the municipality or county shall select one or more organizations, such as a chamber of commerce, visitor and convention bureau, or regional tourism commission, which has an existing, ongoing tourist promotion program.

If no organization exists, the municipality or county shall create an organization with the same membership standard in Section 6-4-25. To be eligible for selection the organization must be organized as a nonprofit organization and shall demonstrate to the municipality or county that it has an existing, ongoing tourism promotion program or that it can develop an effective tourism promotion program. Immediately upon an allocation to the special fund, a municipality or county shall distribute the tourism promotion funds to the organizations selected or created to receive them. Before the beginning of each fiscal year, an organization receiving funds from the accommodations tax from a municipality or county shall submit for approval a budget of planned expenditures. At the end of each fiscal year, an organization receiving funds shall render an accounting of the expenditure to the municipality or county which distributed them. Fees allocated pursuant to this subsection must not be used to pledge as security for bonds and to retire bonds. Also, fees allocated pursuant to this subsection must be allocated to a special fund and used only for advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity, and not used to pledge as security for bonds and to retire bonds.

(4)(a) The remaining balance plus earned interest received by a municipality or county must be allocated to a special fund and used for tourism-related expenditures. This section does not prohibit a municipality or county from using accommodations tax general fund revenues for tourism-related expenditures.

(b) The funds received by a county or municipality which has a high concentration of tourism activity may be used to provide additional county and municipal services including, but not limited to, law enforcement, traffic control, public facilities, and highway and street maintenance, as well as the continual promotion of tourism. The funds must not be used as an additional source of revenue to provide services normally provided by the county or municipality but to promote tourism and enlarge its economic benefits through advertising, promotion, and providing those facilities and services which enhance the ability of the county or municipality to attract and provide for tourists.

"Tourism-related expenditures" include:

(i) advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity;

(ii) promotion of the arts and cultural events;

(iii) construction, maintenance, and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities;

(iv) the criminal justice system, law enforcement, fire protection, solid waste collection, and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of costs directly attributed to tourists;

(v) public facilities such as restrooms, dressing rooms, parks, and parking lots;

(vi) tourist shuttle transportation;

(vii) control and repair of waterfront erosion, including beach renourishment;

(viii) operating visitor information centers;

(ix) development of workforce housing, which must include programs to promote home ownership. However, a county or municipality may not expend or dedicate more than fifteen percent of its annual local accommodations tax revenue for the purposes set forth in this item (4)(b)(ix). The provisions of this item (4)(b)(ix) are no longer effective after December 31, 2030.

(c)(i) Allocations to the special fund must be spent by the municipality or county within two years of receipt. However, the time limit may be extended upon the recommendation of the local governing body of the county or municipality and approval of the oversight committee established pursuant to Section 6-4-35. An extension must include provisions that funds be committed for a specific project or program.

(ii) Notwithstanding the provisions of subsubitem (i), upon a two-thirds affirmative vote of the membership of the appropriate local governing body, a county or municipality may carry forward unexpended allocations to the special fund beyond two years provided that the county or municipality commits use of the funds exclusively to the control and repair of waterfront erosion, including beach renourishment or development of workforce housing, which must include programs to promote home ownership. The county or municipality annually shall notify the oversight committee, established pursuant to Section 6-4-35, of the basic activity of the committed funds, including beginning balance, deposits, expenditures, and ending balance.

(d) In the expenditure of these funds, counties and municipalities are required to promote tourism and make tourism-related expenditures primarily in the geographical areas of the county or municipality in which the proceeds of the tax are collected where it is practical.

HISTORY: 1990 Act No. 612, Part II, SECTION 74B; 1991 Act No. 147, SECTION 1; 2010 Act No. 284, SECTION 2, eff upon approval (became law without the Governor's signature on June 28, 2010); 2014 Act No. 184 (S.294), SECTIONS 1, 2, eff June 2, 2014; 2023 Act No. 57 (S.284), SECTION 2, eff May 19, 2023.

Editor's Note

2023 Act No. 57, SECTION 9, provides as follows:

"SECTION 9. Before the beginning of the 2030 Legislative Session, the Director of the Department of Parks, Recreation and Tourism, in consultation with the Secretary of Commerce and the Commissioner of Agriculture, shall issue a report to the General Assembly detailing the effects on tourism and workforce housing resulting from the codified provisions of this act."

Effect of Amendment

The 2010 amendment, in item (3), inserted "only" preceding "for advertising" in the first sentence and added the last two sentences.

2014 Act No. 184, SECTION 1, in subsection (4)(b), changed the paragraph designators from arabic to roman numbers; and in subsection (4)(b)(vii), inserted ", including beach renourishment".

2014 Act No. 184, SECTION 2, rewrote subsection (4)(c).

2023 Act No. 57, SECTION 2, in (4), in (b), inserted (ix) and made nonsubstantive changes, and in (c)(ii), in the first sentence, inserted "or development of workforce housing, which must include programs to promote home ownership".

SECTION 6-4-12.Housing impact analysis.

(A) If a local government intends to use the funds for the development of workforce housing, then the local government shall prepare a housing impact analysis prior to giving second reading to the ordinance.

(B) The analysis required by subsection (A) must include:

(1) information about the effect of the ordinance on housing, including the effect of the ordinance on each of the following:

(a) the cost of developing, construction, rehabilitating, improving, maintaining, or owning single-family or multifamily dwellings;

(b) the purchase price of new homes or the fair market value of existing homes;

(c) the cost and availability of financing to purchase or develop housing;

(d) housing costs; and

(e) the density, location, setback, size, or height development on a lot, parcel, land division, or subdivision; and

(2) an analysis of the relative impact of the ordinance on low- and moderate-income households.

(C) The following applies to information on housing costs required to be included in the analysis conducted pursuant to subsection (B)(1)(d):

(1) the analysis must include reasonable estimates of the effect of the ordinance on housing costs, expressed in dollar amounts. The local government shall include a brief summary of, or worksheet demonstrating, the computations used in determining the dollar amounts. However, if the local government determines that it is not possible to make an estimate expressed in dollar amounts, then the analysis must include a statement setting forth the reasons for the local government's determination; and

(2) the analysis must include descriptions of both the immediate effect and, to the extent ascertainable, the long-term effect of the ordinance on housing costs.

(D) Except as otherwise provided in this section, a housing impact analysis required pursuant to this section must be based on costs associated with the development, construction, financing, purchasing, sale, ownership, or availability of a median-priced single-family residence. However, the analysis may include estimates for larger developments as part of an analysis of the long-term effects of the ordinance.

(E) A local government may request information from any state agencies, local units of government, universities or colleges, organizations, or individuals as necessary to prepare a housing impact analysis pursuant to this section.

(F) The local government shall provide the housing impact analysis for an ordinance to the members of the legislative body of the local government, the Department of Revenue, and the Tourism Expenditure Revenue Committee before the ordinance is considered by the legislative body. The Department of Revenue may not disburse any accommodations taxes to the local government for purposes of development of workforce housing unless and until the local government has provided the housing impact analysis to the parties required pursuant to this subsection.

HISTORY: 2023 Act No. 57 (S.284), SECTION 4, eff May 19, 2023.

Editor's Note

2023 Act No. 57, SECTION 9, provides as follows:

"SECTION 9. Before the beginning of the 2030 Legislative Session, the Director of the Department of Parks, Recreation and Tourism, in consultation with the Secretary of Commerce and the Commissioner of Agriculture, shall issue a report to the General Assembly detailing the effects on tourism and workforce housing resulting from the codified provisions of this act."

SECTION 6-4-15. Use of revenues to finance bonds.

A municipality or county may issue bonds, enter into other financial obligations, or create reserves to secure obligations to finance all or a portion of the cost of constructing facilities, all of which must fulfill the purpose of this chapter, for civic activities, the arts, cultural events, or workforce housing that includes programs to promote home ownership. The annual debt service of indebtedness incurred to finance the facilities or lease payments for the use of the facilities may be provided from the funds received by a municipality or county from the accommodations tax in an amount not to exceed the amount received by the municipality or county after deduction of the accommodations tax funds dedicated to the general fund and the advertising and promotion fund. However, none of the revenue received by a municipality or county from the accommodations tax may be used to retire outstanding bonded indebtedness unless accommodations tax revenue was obligated for that purpose when the debt was incurred.

HISTORY: 1991 Act No. 147, SECTION 1; 2023 Act No. 57 (S.284), SECTION 3, eff May 19, 2023.

Editor's Note

2023 Act No. 57, SECTION 9, provides as follows:

"SECTION 9. Before the beginning of the 2030 Legislative Session, the Director of the Department of Parks, Recreation and Tourism, in consultation with the Secretary of Commerce and the Commissioner of Agriculture, shall issue a report to the General Assembly detailing the effects on tourism and workforce housing resulting from the codified provisions of this act."

Effect of Amendment

2023 Act No. 57, SECTION 3, in the first sentence, substituted ", all of which must fulfill the purpose of this chapter, for civic activities, the arts, cultural events, or workforce housing that includes programs to promote home ownership" for "for civic activities, the arts, and cultural events which fulfill the purpose of this chapter".

SECTION 6-4-20. Administration account established; State Treasurer's duties; distribution of account revenues; exceptions to tourism spending mandate.

(A) An accommodations tax account is created to be administered by the State Treasurer.

(B) At the end of each fiscal year and before August first a percentage, to be determined by the State Treasurer, must be withheld from those county areas collecting four hundred thousand dollars or more from that amount which exceeds four hundred thousand dollars from the tax authorized by Section 12-36-2630(3), and that amount must be distributed to assure that each county area receives a minimum of fifty thousand dollars. The amount withheld from those county areas collecting four hundred thousand dollars or more must be apportioned among the municipalities and the county in the same proportion as those units received quarterly remittances in Section 12-36-2630(3). If the total statewide collections from the local accommodations tax exceeds the statewide collections for the preceding fiscal year then this fifty thousand dollar figure must be increased by a percentage equal to seventy-five percent of the statewide percentage increase in statewide collections for the preceding fiscal year. The difference between the fifty thousand dollars minimum and the actual collections within a county area must be distributed to the eligible units within the county area based on population as determined by the most recent United States census.

(C) At the end of each fiscal year and before August first, the State Treasurer shall distribute to each county area collecting more than fifty thousand dollars but less than four hundred thousand dollars an additional fifteen thousand dollars. If the total statewide collections from the local accommodations tax exceed the statewide collections for the preceding fiscal year, this fifteen thousand dollar figure must be increased by a percentage equal to seventy-five percent of the statewide percentage increase in statewide collections for the preceding fiscal year. This amount must be distributed in the same manner as the fifty thousand dollars in subsection (B). The amount paid those qualified county areas under this subsection must be paid from the account created under this section.

(D) The amount withheld in excess must be distributed to the county areas whose collections exceed four hundred thousand dollars based on the ratio of the funds available to the collections by each county area.

(E) The accommodations tax funds received by a municipality or county in county areas collecting fifty thousand dollars or less are not subject to the tourism-related provisions of this chapter.

(F) Two percent of the local accommodations tax levied pursuant to Section 12-36-2630(3) must be remitted quarterly and equally to the eleven agencies designated by law and regional organizations to administer multi-county tourism programs in the state tourism regions as identified in the promotional publications of the South Carolina Department of Parks, Recreation and Tourism. This remittance is in addition to other funds that may be allocated to the agencies by local governments.

(G) The State Treasurer may correct misallocations to counties and municipalities from accommodations tax revenues by adjusting subsequent allocations, but these adjustments may be made only in allocations made in the same fiscal year as the misallocation.

HISTORY: 1990 Act No. 612, Part II, SECTION 74B; 1991 Act No. 147, SECTION 1; 1991 Act No. 168, SECTION 2.

Code Commissioner's Note

1991 Act No. 168, SECTION 2, originally amended this section by adding item "(5)." By direction of the Code Commissioner, the added text was redesignated as subsection "(G)" to conform to the designations in the earlier amendment of this section by 1991 Act No. 147, SECTION 1.

SECTION 6-4-25.Advisory Committee; guidelines for expenditures; annual reports; reports to Accommodations Tax Oversight Committee.

(A) A municipality or county receiving more than fifty thousand dollars in revenue from the accommodations tax in county areas collecting more than fifty thousand dollars shall appoint an advisory committee to make recommendations on the expenditure of revenue generated from the accommodations tax. The advisory committee consists of seven members with a majority being selected from the hospitality industry of the municipality or county receiving the revenue. At least two of the hospitality industry members must be from the lodging industry where applicable. One member shall represent the cultural organizations of the municipality or county receiving the revenue. For county advisory committees, members shall represent the geographic area where the majority of the revenue is derived. However, if a county which receives more in distributions of accommodations taxes than it collects in accommodations taxes, the membership of its advisory committee must be representative of all areas of the county with a majority of the membership coming from no one area.

(B) A municipality or county and its advisory committee shall adopt guidelines to fit the needs and time schedules of the area. The guidelines must include the requirements for applications for funds from the special fund used for tourism-related expenditures. A recipient's application must be reviewed by an advisory committee before it receives funds from a county or municipality.

(C) Advisory committees shall submit written recommendations to a municipality or county at least once annually. The recommendations must be considered by the municipality or county in conjunction with the requirements of this chapter.

(D) Municipalities and counties annually shall submit to the South Carolina Accommodations Tax Oversight Committee:

- (1) end-of-the-year report detailing advisory committee accommodations tax recommendations;
- (2) municipality's or county's action following the recommendations;
- (3) list of how funds from the accommodations tax are spent, except for the first twenty-five thousand dollars and five percent of the balance in Section 6-4-10(2) allocated to the general fund. The list is due before October first and must include funds received and dispersed during the previous fiscal year;
- (4) list of advisory committee members noting the chairman, business address if applicable, and representation of the hospitality industry including the lodging industry and cultural interests.

(E) The regional tourism agencies in Section 6-4-20 annually shall submit reports on their budgets and annual expenditure of accommodations tax funds pursuant to this chapter to the Accommodations Tax Oversight Committee.

HISTORY: 1991 Act No. 147, SECTION 1; 2002 Act No. 312, SECTION 3.

SECTION 6-4-30.Repealed by 2003 Act No. 69, SECTION 3.MM, eff June 18, 2003.

Editor's Note

Former section was entitled "Department of Revenue's duties regarding accommodations taxes" and was derived from 1991 Act No. 147, SECTION 1; 1997 Act No. 87, SECTION 1; 2001 Act No. 74, SECTION 3.B.

SECTION 6-4-35.Tourism Expenditure Review Committee.

(A) There is established the Tourism Expenditure Review Committee consisting of eleven members as follows:

- (1) one member appointed by the Speaker of the House;
- (2) one member appointed by the President of the Senate;
- (3) the Director of the South Carolina Department of Parks, Recreation and Tourism, or his designee, ex officio;
- (4) eight members appointed by the Governor as follows:
 - (a) one member on the recommendation of the South Carolina Association of Tourism Regions;
 - (b) one member on the recommendation of the South Carolina Association of Convention and Visitors Bureaus;
 - (c) one member on the recommendation of the South Carolina Travel and Tourism Coalition;
 - (d) one member on the recommendation of the Municipal Association of South Carolina;
 - (e) one member on the recommendation of the South Carolina Association of Counties;
 - (f) one member on the recommendation of the Hospitality Association of South Carolina;
 - (g) one member on the recommendation of the South Carolina Arts Commission; and
 - (h) one member at large.

Appointed members shall serve for terms of four years and until their successors are appointed and qualify, except that of those first appointed by the Governor, four shall serve for a term of two years and the term must be noted on the appointment. Regardless of the date of appointment, all terms expire July first of the applicable year. Members shall serve without compensation but may receive the mileage, subsistence, and per diem allowed by law for members of state boards, committees, and commissions. Vacancies must be filled in the manner of original appointment for the unexpired portion of the term.

(B)(1)(a) The Tourism Expenditure Review Committee shall serve as the oversight authority on all questionable tourism-related expenditures and to that end, all reports filed pursuant to Section 6-4-25(D)(3) must be forwarded to the committee for review to determine if they are in compliance with this chapter. The municipality or county must be notified if an expenditure is questioned, and the committee may consider any further supporting information the municipality or county may provide. If the committee finds an expenditure to be in noncompliance, it shall certify the noncompliance to the State Treasurer, who shall withhold the amount of the expenditure found in noncompliance from subsequent distributions in accommodations tax revenue otherwise due the municipality or county. An appeal from an action of the committee under this subitem lies with the Administrative Law Judge Division.

(b) If the committee determines that a municipality or county has failed to file the reports required pursuant to Section 6-4-25(D)(3), it may impose a fee of five hundred dollars a month or part of a month for each month the report is not filed, but not more than five thousand dollars. The committee shall certify the penalty to the State Treasurer, who shall withhold the amount of the penalty from subsequent distributions otherwise due the municipality or county. An appeal from an action of the committee

under this subitem lies with the Administrative Law Judge Division.

(c) Allocations withheld must be reallocated proportionately to all other recipients.

(2) The committee has jurisdiction to investigate and research facts on written complaints submitted to it with regard to the appropriate tourism-related expenditures and resolve these complaints as provided in item (1) of this subsection.

(3) The committee shall forward copies of information submitted by the local governments and regional tourism agencies pursuant to Section 6-4-25 arising under the tourism provisions of this chapter to the Department of Parks, Recreation and Tourism, which shall publish an annual report on the information submitted.

HISTORY: 2001 Act No. 74, SECTION 3.A; 2003 Act No. 38, SECTION 1, eff June 2, 2003; 2019 Act No. 1 (S.2), SECTION 31, eff January 31, 2019.

Editor's Note

2004 Act No. 202, SECTION 3, provides as follows:

"Wherever the term 'Administrative Law Judge Division' appears in any provision of law, regulation, or other document, it must be construed to mean the Administrative Law Court established by this act."

Effect of Amendment

The 2003 amendment, in subsection (A) substituted "eleven" for "nine" in the introductory paragraph, substituted "eight" for "six" in paragraph (4), added paragraphs (4)(g) and (4)(h), and made nonsubstantive changes.

2019 Act No. 1, SECTION 31, in (A)(2), substituted "President of the Senate" for "President Pro Tempore of the Senate".

Legislative Services Agency
<http://www.scstatehouse.gov>

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF
HILTON HEAD ISLAND, SOUTH CAROLINA, APPROVING
ACCOMMODATIONS TAX GRANTS FOR CALENDAR YEAR
2026.**

WHEREAS, S. C. Code Ann. § 6-4-10(4)(b)(Supp. 2025), describes a fund to be used by the recipient for tourism related expenditures (the “65% Fund”); and,

WHEREAS, 65% Funds received by a county or municipality which has a high concentration of tourism activity may be used to provide additional county and municipal services including, but not limited to, law enforcement, traffic control, public facilities, and highway and street maintenance, as well as the continual promotion of tourism; and

WHEREAS, as is required by S. C. Code Ann. § 6-4-25 (Supp. 2025), the Town Council appointed an Accommodations Tax Advisory Committee to advise and recommend to the Town Council for the Town of Hilton Head Island, South Carolina, on the expenditure of revenue generated from State Accommodations Tax; and

WHEREAS, the Town’s Fund Distribution Policy includes the following distribution categories for ATAX Funds: General Fund (first \$25,000.00 and 5% of the balance); DMO (30% of the balance); ATAX Grant Awards (33% of the balance); General Fund Tourism Operating Expenses (20% of the balance); Capital Improvements Program (7% of the balance) and Tourism Serving Housing Program (5% of the balance)(the “Distribution Category”); and,

WHEREAS, On November 6, 2025, the Town of Hilton Head Island Accommodations Tax Advisory Committee reviewed the calendar year 2026 accommodations tax applications and voted to forward its recommendations on which applications should be approved and in what amounts to the Town Council’s Finance and Administrative Committee regarding the 2026 Accommodations Tax Grants and also recommended that any Accommodations Tax grants awarded in calendar year 2026 but which are not spent by the recipient organization in calendar year 2026 be carried forward in the 65% Fund and in the same Distribution Category for calendar year 2027; and,

WHEREAS, the Town Council’s Finance and Administrative Committee met on November 18, 2025, and voted to forward its recommendations on which applications should be approved and in what amounts to the Town Council and recommended that any Accommodations Tax grants awarded in calendar year 2026 but which are not spent by the recipient organization in calendar year 2026 be carried forward in the 65% Fund and in the same Distribution Category for calendar year

2027; and,

WHEREAS, the Town Council finds that approval of the grants of Accommodations Tax funds as outlined on the attached Exhibit "A" is in the best interest of the Town and promotes the health, safety and welfare of the citizens, residents, property owners, business owners, and visitors in and to the Town.

NOW, THEREFORE, BE IT, AND IT HEREBY IS, RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, THAT:

(a) The Town Council hereby approves and adopts the 2026 Accommodations Tax Grants as set out on the attached Exhibit "A" to this Resolution, and this includes adoption of the recommendations of the Accommodations Tax Advisory Committee and the Finance and Administration Committee that any Accommodations Tax grants awarded in calendar year 2026 but which are not spent by the recipient organization in calendar year 2026, be carried forward in the 65% Fund and in the same Distribution Category for calendar year 2027

(b) The Town Manager is authorized to take all necessary action to give effect to this Resolution.

MOVED, APPROVED, AND ADOPTED ON THIS _____ DAY OF DECEMBER, 2025.

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By: _____
Alan R. Perry, Mayor

ATTEST:

Kimberly Gammon, Town Clerk

APPROVED AS TO FORM

Curtis L. Coltrane, Town Attorney

EXHIBIT "A" TO ACCOMODATIONS TAX GRANTS RESOLUTION

**Town of Hilton Head Island
Accommodations Tax Grants 2023 to 2026
by Calendar Year**

Grantee Agency	2023	2024	2025	2026 GRANTS			
	Town Council Award	Town Council Award	Town Council Award	2026 Applicant Request	ATAC Recommendation	Finance & Admin Recc.	Town Council Award
Art League of Hilton Head	75,000	75,000	80,000	100,000	79,000		
Arts Center of Coastal Carolina	420,000	430,000	447,000	447,000	440,000		
Beach Cat Sailors (Previously Paul Miller Fund)				100,000	40,000		
Community Foundation of the Lowcountry				16,500	App Withdrawn		
David M. Carmines Memorial Foundation	181,000	181,000	185,000	201,095	182,000		
Gullah Traveling Theater, Inc.				25,000	15,000		
Gullah Museum of Hilton Head Island	139,700	150,000	180,000	180,000	150,000		
Harbour Town Merchants Association	29,000	29,000	29,000	50,000	40,000		
HHI Audubon Society	17,588	20,100	21,400	27,955	20,000		
HHI Choral Society	10,000	15,000	20,000	20,000	18,000		
HHI Concours d'Elegance	385,000	362,000	350,000	350,000	340,000		
HHI Dance Theater	20,000	20,000	23,000	20,000	18,000		
Hilton Head Island Airport	155,000	150,000	150,000	175,000	160,000		
Hilton Head Island Bridge Association	15,000	15,000	15,000	20,000	15,000		
Hilton Head Island Land Trust	-	36,632	47,000	50,000	40,000		
HHI Rec ASSOC.(Wingfest & Other Festivals)	60,000	60,000	75,000	75,000	70,000		
HHI St. Patrick's Day Parade	71,704	74,065	80,000	100,000	79,095		
HH MLK Committee for Justice		4,513	2,980				
HHI Wine and Food Fest	130,000	130,000	130,000	130,000	125,000		
HHI Wine & Food, Inc (Rhythm and Brews)	25,000	30,000	30,000	40,000	25,000		
HHI Symphony Orchestra	300,000	330,000	350,000	360,000	350,000		
Lean Ensemble Theatre	50,000	50,000	55,000	55,000	50,000		
Long Cove Club (Darius Rucker Intercollegiate)	51,442	56,653	61,897	67,250	61,897		
Lowcountry Golf Course Owners Assoc.	50,000	100,000	150,000	150,000	100,000		
Lowcountry Gullah	95,889	100,000	100,000	100,000	90,000		
Mitchelville Preservation Project	185,000	190,000	190,000	205,000	190,000		
Native Island Business & Community	235,000	225,000	225,000	320,000	240,000		
Palmetto Quilt Guild		7,500		8,000	7,000		
Paul Miller Fund (Currently Beach Cat Sailors)		16,500					
Rotary Club of Hilton Head (Quenchbuggy)			40,000	5,000	-		
Sea Pines Forest Preserve		40,000		48,000	40,000		
Sea Turtle Patrol HHI	64,500	70,000	70,000	70,000	65,000		
Shelter Cove Harbour Company	195,000	244,600	293,800	336,500	290,000		
TEDx Hilton Head	25,000	45,000	10,000				
The Boys & Girls Club of Hilton Head	35,000	40,000	40,000	45,000	40,000		
The Coastal Discovery Museum	325,000	375,000	400,000	400,000	395,000		
Coastal Disc. Museum (Honey Horn-CIP)	695,350	300,000					
The First Tee of the Lowcountry	40,000	40,000	50,000	63,593	50,000		
The Heritage Library	118,000	135,000	143,000	140,000	125,000		
The Outside Foundation	59,480	72,000	72,000	72,000	65,000		
The Sandbox	59,895	60,765	64,000	82,200	62,000		
University of South Carolina		2,000					
World Affairs Council of HHI	5,000	-					
Subtotal	4,323,548	4,282,328	4,180,077	4,655,093	4,076,992		
DMO Supplemental Grant	350,000						
Total Grants	4,673,548	4,282,328	4,180,077	4,655,093	4,076,992		

