Town of Hilton Head Island

Town Council Meeting

Tuesday, May 12, 2026, 3:00 PM
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. **Pledge to the Flag**
3. **Invocation – G. Eddie Patten, Sr., Wheat and Tares Ministries**
4. **Adoption of the Agenda**
5. **Approval of the Minutes**
   - **a.** Special Meeting and Workshop Minutes of March 31, 2026
   - **b.** Regular Meeting Minutes of April 7, 2026
   - **c.** Workshop Meeting Minutes of April 28, 2026
6. **Presentations and Recognitions**
   - **a.** Report of the Town Manager
   - **b.** Beaufort County School District Character Education Student of the Month - Mayor Alan Perry
   - **c.** Amyotrophic Lateral Sclerosis (ALS) Awareness Month Proclamation - Mayor Alan Perry
   - **d.** Bike Month Proclamation - Mayor Alan Perry
7. **Reports from Members of Town Council**
   - **a.** General Reports from Town Council
   - **b.** Report of the Lowcountry Area Transportation Study - Councilmember Tamara Becker

c. Report of the Lowcountry Council of Governments - Councilmember Steve Alfred

d. Report of the Beaufort County Airports Board - Councilmember Melinda Tunner

e. Report of the Southern Lowcountry Regional Board - Councilmember Patsy Brison

f. Report of the Island Recreation Association Board - Mayor Pro Tempore Alex Brown

g. Report of the Beaufort County Economic Development Corporation - Mayor Alan Perry

h. Report of the Gullah Geechee Historic Neighborhoods Community Development Corporation - Mayor ProTempore Alex Brown

i. Report of the Community Development and Public Services Committee - Councilmember Tamara Becker

j. Report of the Finance and Administrative Committee - Mayor Pro Tempore Alex Brown

8. Public Hearing

a. Consideration of an Ordinance Adopting the Consolidated Municipal Budget for the Town of Hilton Head Island for Fiscal Year 2027 Ending June 30, 2027 - Public Hearing and First Reading - Marc Orlando, Town Manager

9. Consent Agenda

a. Consideration of an Ordinance to Amend Title 16 of the Municipal Code of the Town of Hilton Head Island, the Land Management Ordinance, to Amend the Overlay Zoning District Standards for the Holiday Homes Neighborhood Character Overlay District (HH-NC-O), to Include the Following Section: 16-3-106.J, to Modify and Add Standards Related to Setbacks, Buffers, Impervious Coverage, Floor Area Ratio, Parking, Building Height, and Minimum Lot Size and Provide for Severability and Effective Date – Second Reading - Trey Lowe, Interim Planning Director

10. New Business

a. Consideration of a Resolution of the Town of Hilton Head Island Town Council Approving Rental Locations Proposed by Shore Beach Services for 2026 Beach Season - Ben Brown, Interim Deputy Town Manager

b. Consideration of a Resolution Authorizing the Town Manager to Execute and Deliver Form ABL-956 to the South Carolina Department of Revenue in Connection with an Application for an Alcoholic Beverage License filed by NYCP Shelter, LLC, d/b/a Chophouse 119 - Angie Stone, Assistant Town Manager

11. Public Comment - Non Agenda Items

12. Executive Session

a. Discussion of Negotiations Incident to Proposed Contractual Arrangements for the Proposed Sale or Purchase of Property [Pursuant to the South Carolina Freedom of Information Act Section 30-4-7 (a)(2)] related to:

1. Beach City Road Area
2. Union Cemetery Road Area
3. William Hilton Parkway - Chaplin Park Area
4. Squire Pope Road Area
5. Office Park Road Area

13. Action from Executive Session

14. Adjournment

FOIA Compliance: Public notification of this meeting has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the requirements of the Town of Hilton Head Island.

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
TOWN COUNCIL SPECIAL MEETING AND WORKSHOP
Tuesday, March 31, 2026, 3:00 PM
Minutes

Call to Order

Mayor Perry called the meeting to order at 3:00 p.m.

Council Members present: Alan Perry, Mayor; Alex Brown, Ward 1, Mayor Pro-Tempore; Patsy Brison, Ward 2; Steve DeSimone, Ward 3; Tammy Becker, Ward 4; Steve Alfred, Ward 5; Melinda Tunner, Ward 6

Others Present: Marc Orlando, Town Manager; Curtis Coltrane, Town Attorney; Kim Gammon, Town Clerk

Ms. Becker arrived to the meeting at 3:07 p.m.

Adoption of the Agenda

Mr. Alfred moved to approve. Ms. Brison seconded. Motion carried 6-0-1 (Ms. Becker was not present at this time).

Unfinished Business

Consideration of an Ordinance of the Town of Hilton Head Town Council to Amend the Budget for the Fiscal Year Ending June 30, 2026; to Provide for the Budgeted Appropriations of the Prior Year Budget Roll Forward and Certain Other Appropriations and Commitments and the Expenditures of Certain Funds; to Allocate the Sources of Revenue for the Said Funds; and to Provide for Severability and an Effective Date - Second Reading – Dave Byrd, Finance Director

Dave Byrd, Finance Director, stated that no changes have been made to this item since the First Reading, which was unanimously approved by Town Council on March 10, 2026. Mr. Byrd provided a brief summary of the proposed Budget Amendments as follows:

1. Capital Improvements Program Fund Amendments – Totaling $46,929,034
   a) Budgeted Carry Forward Adjustments - $5,958,531
   b) New Capital Improvement Project funding for items that have arisen since budget development - $3,988,373
   c) Land Acquisition Funding - $10,081,300
   d) General Obligation Bond Proceeds – Up to $35,000,000
   e) Special Revenue Bond Proceeds and Cost of Issuance - $19,277,838

2. Debt Service Fund Amendments – Totaling $12,220,198
   a) Special Revenue Bond Payments - $289,310
   b) General Obligation Bond Payment - $11,930,888

3. General Fund Amendments – Totaling $607,939
   a) Donation to Fire Rescue - $80,000
   b) Additional Staffing, Operating and Equipment costs related to the amendment of the Short-Term Rental Program Ordinance - $475,411 for the remainder of Fiscal Year 2026
   c) Lowcountry Regional Transit Authority (LRTA) Affiliated Agency Funding - $52,528

4. Short-Term Rental Permit Fee Amendments
   a) Short-Term Rental (STR) Permit Fee (amend the fee to $150 per bedroom)
   b) Late Fee of $250 for renewal after May 15th

5. Short-Term Rental Program Impact

Ms. Brison moved to approve. Mr. Alfred seconded.

Mayor Perry asked for public comment.

Skip Hoagland addressed Council regarding creating a CityDOGE Finance Committee.

Following discussion by Council, the motion carried 6-0-1.

Workshop Discussion

Review and Discussion of the Town of Hilton Head Island's Designated Marketing Organization (DMO) FY2027 Destination Marketing Plan, Budget, and Industry Metrics

Mr. Orlando introduced Bill Miles, President and CEO of The Hilton Head Island - Bluffton Chamber of Commerce, Inc.

Mr. Miles and his team provided a presentation regarding the Marketing Budget and Marketing Plan, including administrative expenses, strategic planning framework, marketing pillars, and performance metrics.

During discussion, Council raised questions and requested clarification regarding:

- Potential duplication of marketing efforts among ATAX-funded organizations and the DMO
- Coordination of marketing activities and the flow of funds under the DMO contract
- Alignment of marketing efforts with support for local events
- Trends in ATAX collections and broader economic impacts
- Visitor trends, spending patterns, and demographic data
- KPI development and measurement, including potential additional metrics

- Alignment of marketing strategies with community priorities, including ecotourism and heritage
- Availability, access, and distribution of event-related data
- Inclusion of specific events in reporting and identification of priority events
- Public access to survey data, metrics, and reporting tools
- Methodology and sources of visitor and seasonal data
- Comparisons to competitive markets and benchmarking data
- Consistency in reporting metrics relative to original and refined marketing pillars

The DMO team indicated that:

- Marketing and promotional efforts are coordinated among partner organizations
- Event, survey, and performance data is available and will be included in the Marketing Plan Appendix
- Additional information regarding coordination, funding, and data reporting can be provided upon request
- Public-facing tools are available to access reporting, metrics, and related information

Council requested:
- Documentation demonstrating coordination of marketing efforts and flow of funds
- Additional reporting related to events, visitor trends, and marketing performance
- Comparative data with competitive destinations
- Clarification on data methodology and consistency in reporting metrics
- Documentation demonstrating alignment between original and refined marketing pillars
- Expanded access to and communication of data to stakeholders

A question was raised regarding whether modifications to the DMO contract may be required. The Mayor requested input from the Town Attorney. Attorney Brittany Ward stated that with regard to Council's question concerning marketing pillars, Article 6 of the DMO contract explicitly states what the core values are and does repeat the original marketing pillars, but deferred to a later time as to Council's additional comments, pending further discussion with counsel.

General topics discussed included advertising strategies, website performance, group sales, destination marketing efforts, and recognition of the destination.

The Mayor and Council expressed appreciation for the presentation and noted the importance of continued collaboration, data transparency, and alignment with community priorities moving forward.

Public Comment - Non Agenda Items

Mayor Perry asked for public comment.

Richard Bisi addressed Council regarding the importance of customer service on the Island. He expressed his disappointment regarding the status of the Island Ambassador Program at

USCB and suggested that the Town find the funds to support this program.

Skip Hoagland addressed Council regarding Town Council, Town Manager and Town Attorney relationships.

Adjournment

Mayor Perry asked if there was a motion to adjourn the Workshop.

At 6:01 pm., Ms. Becker moved to adjourn, Mr. Alfred seconded. Motion carried 7-0.

_____
Kimberly Gammon, Town Clerk

_____
Alan R. Perry, Mayor

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
TOWN COUNCIL MEETING - REVISED AGENDA
Tuesday, April 7, 2026, 3:00 PM
Minutes

Call to Order

Mayor Perry called the meeting to order at 3:00 p.m.

Council Members present: Alan Perry, Mayor; Alex Brown, Ward 1, Mayor Pro-Tempore; Steve DeSimone, Ward 3; Tammy Becker, Ward 4; Steve Alfred, Ward 5; Melinda Tunner, Ward 6

Not present: Council Member Patsy Brison, Ward 2

Others Present: Marc Orlando, Town Manager; Curtis Coltrane, Town Attorney; Kim Gammon, Town Clerk

Pledge to the Flag

Invocation – Dr. Arthur Evans, Sr., St. James Baptist Church

Dr. Arthur Evans, Sr., of St. James Baptist Church delivered the Invocation.

Adoption of the Agenda

Mr. Alfred moved to approve. Ms. Becker seconded. Motion carried 6-0.

Approval of the Minutes

Regular Meeting Minutes of March 10, 2026

Mr. Alfred moved to approve. Ms. Becker seconded. Motion carried 6-0.

Special Meeting Minutes of March 26, 2026

Mr. Alfred moved to approve. Ms. Becker seconded. Motion carried 6-0.

Presentations and Recognitions

Report of the Town Manager

Mr. Orlando began by thanking the members of the LMO Task Force and community members who have taken the time to participate in meetings and stated that the LMO Task Force is continuing to make steady progress. He reminded everyone that the meetings are broadcast on the Beaufort County Channel and are available on the Town's YouTube page.

Next, Mr. Orlando provided updates on the following capital projects: Muddy Creek and Bryant Road; Northpoint on Jarvis Creek; Mitchelville Road; Historic Mitchelville Freedom Park; Coligny Circle Pocket Park; Taylor Family Park; Patterson Family Park; Crossings Park Phase I Pickleball Complex; Bristol Sports Arena Phase II; Beach Renourishment; and Pine Island Beach.

Mr. Orlando reminded everyone that RBC Heritage began the week of April 13th and noted that Heritage and Hilton Head Island were recently named and recognized by the PGA Tour with the Best of Award for "Most Fan First Event" and The Hilton Head Island Deep Well Project was named the 2025 PGA Tour Charity of the Year. Additionally, the Gullah Geechee Historic Neighborhood Community Development Corp. was included in the RBC Heritage as a charitable option in the 2026 Birdies for Charity program.

Mr. Orlando recognized and congratulated Hilton Head Island Fire Rescue members, Senior Firefighter Steven Clark, who was named Firefighter of the Year and Senior Firefighter Paramedic, Kiefer McBurney, named EMT of the Year, by the Rotary Club of Hilton Head Island. He congratulated the Hilton Head Island Firefighters Association for earning First Place in the Judge's Choice category of the Hilton Head Island WingFest.

Finally, Mr. Orlando talked about the Town's hosting of approximately 40 students from Hilton Head Preparatory School, who came to Town Hall to learn about local government economics and the challenges and opportunities that the Town manages every day. He thanked Hilton Head Preparatory School, the students of Hilton Head Preparatory School and his team for a successful visit to Town Hall.

Recognition of Mayor's Honored Islanders Recipients - Mayor Alan Perry

The Mayor's Honored Islander Award recognizes Hilton Head Island residents whose steady volunteerism and good deeds enrich the Island community, bolster community organizations that depend on in-kind, hands-on support, and help uplift their fellow mankind. The recipients were Dr. William Bilek, Linda Ferguson, Don Hendrickson, Bernie Riedel and Chris Shively.

Beaufort County School District Character Education Student of the Month - Mayor Alan Perry

Mayor Perry recognized and congratulated Wrenly Yount, from Daufuskie Island Elementary School, who was selected as a Beaufort County School District Character Education Student of the Month for character traits, honesty and integrity.

Child Abuse Prevention Awareness Month Proclamation - Mayor Alan Perry

Meagan Buss, of the Child Abuse Prevention Association and Richard Hammes, of Hopeful Horizons, were present to accept the proclamation recognizing Child Abuse Prevention Awareness Month.

Fair Housing Month Proclamation - Mayor Alan Perry

Trey Lowe, Interim Planning Director of the Town of Hilton Head Island, accepted the

Proclamation on behalf of the Town, recognizing Fair Housing Month.

Reports from Members of Town Council

General Reports from Town Council

No report.

Report of the Lowcountry Area Transportation Study - Councilmember Tamara Becker

Ms. Becker reported that the Long Range Policy Committee is doing a 2055 Survey which opens in May and closes in November (lowcountrycog.org to complete the survey) - and referenced a US 278 Corridor Study, running from I-95 to Sea Pines Circle, which affects the Island. Ms. Becker reported that the Transportation Advisory Committee (TAC) has been meeting and will have some project recommendations for the Beaufort County Council.

Report of the Lowcountry Council of Governments - Councilmember Steve Alfred

No report.

Report of the Beaufort County Airports Board - Councilmember Melinda Tunner

Ms. Tunner thanked the Hilton Head Island community for their support of the TSA Agents during the government shutdown. Ms. Becker also reported that the airport installed a situational awareness system to manage airport traffic and that the new terminal will be open and ready for business on May 1st.

Report of the Southern Lowcountry Regional Board - Councilmember Patsy Brison

Mayor Perry reported that Jasper County made a presentation covering growth management, economic development and strategic growth at their airport. Beaufort County made a presentation concerning different aspects of growth challenges and how they will be observed going forward. Mayor Perry also reported that at the next meeting an e-bike committee from Bluffton will be discussed, as well as a sales tax committee and the Transportation Advisory Committee.

Report of the Island Recreation Association Board - Mayor Pro Tempore Alex Brown

Mr. Brown reported that the Hilton Head Island Recreation Center was very busy during March spring break, with College LaCrosse and Tennis held at local parks and Hilton Head Island High School. He reported that there was an Easter Eggstravaganza that took place, gave an update on membership at the Senior Center and the Fitness Center and relayed that the dome has been taken down and the CIP work at the pool has been completed.

Report of the Beaufort County Economic Development Corporation - Mayor Alan Perry

Mayor Perry reported that according to a summary of the meeting held March 26, 2026, the focus was on transferring the $1 Million St. Helena Arts and Cultural Center Project to the Open Land Trust and approving key government policies. Additionally, the Board progressed

a strategic plan due April 20th, managed leadership succession for July and awarded Relentless Challenge Grants for workforce development.

Report of the Gullah Geechee Historic Neighborhoods Community Development Corporation - Mayor ProTempore Alex Brown

No report.

Report of the Community Development and Public Services Committee - Councilmember Tamara Becker

Ms. Becker reported that the Community Development and Public Safety Committee met on April 6th and the focus was on reviewing applications received for the vacant positions in the Boards, Commissions and Committees. She relayed that at the next meeting, the Committee will meet with selected applicants and conduct interviews to fill open spots and that the Town is accepting applications for those interested in serving in a volunteer capacity.

Report of the Finance and Administrative Committee - Mayor Pro Tempore Alex Brown

Mr. Brown began his report by thanking Dave Byrd, the Finance Director, for the work Mr. Byrd's team has been doing in providing data and a report concerning the economic state of Hilton Head Island and how the Town is doing financially. He recommended that the report be reviewed in order to obtain a sense of where Hilton Head Island stands as a community and to see how decisions for the Town are made.

Mr. Brown also reported that the next meeting will be Monday, May 11th, and the agenda will include the monthly Fiscal Year 2026 Financial Update as well as a presentation of the Destination Marketing Organization (DMO) of the Fiscal Year 2027 Marketing Plan, Budget and Industry Metrics; a Resolution Authorizing the Town Manager to Execute an Intergovernmental Agreement with the South Carolina Department of Transportation for the Sea Pines Circle Improvement Project; and the Consideration and Recommendation for Additional 2025 ATAX Grant Funding for Hilton Head Island Concours d'Elegance.

Mr. Alfred noted that the meeting of May 11th will be the first presentation to Town Council regarding the terms of the Agreement between the Town and the South Carolina Department of Transportation with respect to the management of the improvements to Sea Pines Circle and Greenwood Drive and that Sea Pines CSA and the Town have both agreed that it would be desirable for the State to take over that project.

New Business

Consideration of a Resolution Approving the Program Year 2026 Action Plan as Required by the U.S. Department of Housing and Urban Development (HUD) for Participation in the Community Development Block Grant (CDBG) Entitlement Program — Michele Bunce, Senior Grants Administrator

Michele Bunce provided a brief overview regarding the item. She stated this Resolution is to

approve the Program Year 2026 Annual Action Plan for the Community Development Block Grant (CDBG), which is a part of the Town of Hilton Head Island's CDBG Five Year Consolidated Plan for program years 2025-2029 (the Consolidated Plan). Ms. Bunce reminded Town Council that the Consolidated Plan was approved by Town Council in July, 2025 and by the U.S. Department of Housing and Urban Development (HUD) in August, 2025. Additionally, she relayed that this is the second year of the Consolidated Plan, and the 2026 Annual Action Plan is part of the Consolidated Plan.

Ms. Bunce stated that the 2026 Annual Action Plan serves as the Town's application to the HUD CDBG Program and identifies the projects proposed for funding and use of funding during that program year. Examples of projects to be funded include Patterson Family Park and Taylor Family Park, with hopes of bringing those projects across the finish line, so other projects could be funded in the future.

Ms. Bunce also relayed that the Finance and Administrative (F&A) Committee discussed how they could better communicate notice to the public to attend meetings in order to encourage more participation from the community and get input from the community for projects that could be funded. She reported that the F&A Committee was investigating ways to reach out to the community through newsletters and other methods.

Ms. Bunce advised Town Council that the draft Program Year 2026 Annual Action Plan was presented to the F&A Committee on March 9, 2026 and the F&A Committee voted unanimously (3-0) to recommend the plan for approval via a Resolution by Town Council. Ms. Bunce is presenting the request to this Town Council meeting, as the Program Year 2026 Annual Action Plan will have to be submitted to HUD next month, and thanked Town Council.

As outlined in the Consolidated Plan, the allocation is estimated at $204,194.00 for Program Year 2026.

Mayor Perry asked for a motion from Council.

Mr. Brown moved to approve. Ms. Becker seconded.

Mayor Perry asked for public comment. There was none.

Mayor Perry asked for comments and questions from Council. Discussion took place regarding the potential use of funds for the sewer connection program. It was noted that, based on review, CDBG funds should be prioritized for activities with broader community benefits. Alternative funding sources were identified, including a potential Beaufort-Jasper Housing Authority grant and remaining American Rescue Plan funds, including those held by the Community Foundation of the Lowcountry.

Motion to adopt the Resolution carried 6-0.

Consideration of an Ordinance to Amend Title 16 of the Municipal Code of the Town of Hilton Head Island, the Land Management Ordinance, to Amend the Overlay Zoning District

Standards for the Holiday Homes Neighborhood Character Overlay District (HH-NC-O) to include the following Section; 16-3-106.J, to Modify and Add Standards Related to Setback, Buffers, Impervious Coverage, Floor Area Ratio, Parking, Building Height, and Minimum Lot Size and Provide for Severability and an Effective Date - First Reading - Trey Lowe, Interim Planning Director

Trey Lowe provided an overview regarding the item and recommended that the Town Council consider amending Title 16 of the Municipal Code of the Town of Hilton Head Island, The Land Management Ordinance Section 16-3-106.J, Holiday Homes Neighborhood Character Overlay District (HH-NC-O) to Modify and Add Standards Related to Setbacks, Buffers, Impervious Coverage, Floor Area Ratio, Parking, Building Height and Minimum Lot Size and to Provide for Severability and an Effective Date.

A brief summary of the amendment was provided, as follows:

Holiday Homes neighborhood residents have requested proposed zoning amendments that more closely align with existing protective private covenants for the neighborhood that were shared with the Town on June 12, 2025. Among other items, these protective covenants, adopted in 1957, require homes to be single-family detached homes, not more than 2-1/2 stories in height, and garages shall not be for more than two cars. However, these covenants do not establish a property owners association for enforcement. As a result, enforcement is left to each individual property owner.

The following table summarizes the current requirements of the Holiday Homes Neighborhood Character Overlay compared to the proposed resident requested amendments.

Code Requirement	**Current**	**Resident Proposal**	**Change Proposed**
Setbacks Rear Side Side Angles Street Folly Field Road	10 ft 10 ft[a,b] 20 ft[c] / 65 Degrees 20 ft[d] 20 ft	10 ft 10 ft[a] 20 ft[c] / 65 Degrees 20 ft[d] 20 ft	No Yes No No No
Buffers Street Driveway Width (Total) Folly Field Road	20[d] 24 ft 20 ft	20[d] 22 ft 20 ft	No Yes No
Max Impervious Coverage	50%	45%	Yes

Floor Area Ratio (FAR)	0.45	0.45	No
Max Gross Floor Area (GFA)	4,000 sq ft[e,f,g]	3,200 sq ft[e,g]	Yes
Parking First 2,000 sq ft GFA Each Additional 1,000 sq ft GFA Garage Parking	 2 spaces 1 space n/a	 2 spaces 1 space Max 2 spaces	 No No Yes
Min Lot Size	7,260 sq ft[h]	7,260 sq ft[h]	No
Max Height	35 feet[i]	30 feet	Yes
Max Stories	n/a	2-1/2 stories	Yes

a. May be reduced to 5 feet to preserve trees, sum must total 20 feet.
b. A lot with less than 50 feet of street frontage or less than 0.15 acres in area shall be permitted to reduce side yard setbacks to a minimum of 5 feet.
c. Measured 20 feet above 13 feet above mean sea level using the NAVD 88 vertical datum or pre-development grade, whichever is higher, at the setback line
d. In the case of a corner lot, the required 20 feet adjacent street setback may be reduced to 10 feet for the street with the lower average daily trips (ADT)
e. The gross floor area shall be calculated as all enclosed space with a ceiling height of seven feet or greater with the exclusions noted in f and g.
f. Enclosed areas, where the floor level is located below the required base flood elevation (BFE), which are used solely for parking or storage are excluded from gross floor area.
g. Attic space as defined by the latest adopted edition of the IBC are excluded from gross floor area.
h. For the subdivision or recombination of any lot shown on a plat recorded prior to July 21, 1998.
i. Established in the RSF-6 Zoning District.

As requested, these amendments attempt to provide new and more restrictive land management regulations to better control the mass and scale of homes in accordance with the protective covenants. It is important to note that reductions in requirements, such as those proposed by this request, can result in existing homes not being compliant and becoming non-conforming to the regulations. Town staff have preliminarily identified the following impacts that may result from the proposed amendment.

1. *Side Setback*. No lots have less than 50 feet of street frontage or less than 0.15 acres of area. As a result, there would be no impact from the removal of this exception.

2. *Driveway Buffer Width*. Town staff have attempted to measure driveway buffer widths using aerial images. While this effort is significantly limited by tree canopy coverage limits, there is at least one driveway that will become non-conforming by the reduction in driveway buffer width.

3. *Impervious Coverage*. Based on available GIS data, there are approximately 14 properties that do not comply with the current 50% maximum impervious coverage amount. Reducing maximum impervious coverage to 45%, increases non- conforming properties to 21.

4. *Floor Area Ratio*. Currently all homes meet the floor area ratio. The proposed amendment would eliminate the exclusion of enclosed areas located below the base flood elevation used for parking or storage from the gross floor area calculation. If applicable, this change would increase the floor area ratio potentially making the home non-compliant. Given the age of the neighborhood, permit and elevation data are not available for many homes. However, based on GIS data, nearly all homes within the neighborhood appear to be below the base flood elevation, 13 feet mean sea level. This amendment could result in some homes becoming non-compliant with the floor area ratio.

5. *Maximum Gross Floor Area*. Currently all homes meet the maximum gross floor area ratio. According to County Assessor and building permit gross floor area data, the reduction of the maximum area from 4,000 to 3,200 would result in at least one home becoming non-compliant. The removal of the exclusion for enclosed areas located below the base flood elevation used for parking or storage would result in approximately 7 homes becoming non-compliant. Further, those homes with areas near the 3,200 square feet threshold would be limited in their ability to expand in the future.

6. *Garage Parking*. Although this is a private covenant restriction, this would be a new zoning requirement. Establishing a maximum number of 2 garage spaces would result in at least 3 homes becoming non-compliant.

7. *Maximum Building Height*. Based on available data, all homes appear to meet the maximum height requirement of 35 feet. However, it appears at least 6 homes will become non-compliant if the maximum building height were reduced to 30 feet.

8. *Maximum Number of Stories*. Although this is a private covenant restriction, this would be a new zoning requirement. Establishing a maximum number of 2-1/2 stories would result in 6 homes becoming non-compliant.

Any amendment to the Holiday Homes Neighborhood Character Overlay will apply to all lots in the neighborhood. The residents that have been in contact with Town Staff have coordinated with other property owners in the neighborhood. These residents have worked to communicate these changes to all 57 property owners, and they have collected signatures of support for the currently proposed amendments that include a majority (currently 42) of the property owners.

Ms. Becker moved to approve. Mr. DeSimone seconded.

Ms. Becker moved to amend the original motion and approve as pending doctrine. Mr. DeSimone seconded.

Mayor Perry asked for public comment.

Peter Kristian addressed Council regarding his support of the Town Council addressing the needs of this smaller community which does not have the protections of a Property Owners Association. He expressed hope that other communities would feel emboldened to come forward to Town Council to express what they would like to see in their community so as to maintain the character of their neighborhoods.

Rick Lawson addressed Council and let them know that 83% of the Holiday Homes property owners have approved the changes to the Holiday Homes Overlay.

Matt Lewis addressed Council and asked that Council approve the Ordinance because most of the property owners in the Holiday Homes Neighborhood are in agreement and all the governing bodies have agreed to the amendment.

Members of Council held a discussion which included clarification of setbacks and buffers and location of graphics for review; percentage of property owners in agreement with the Ordinance; praise of the owners in the neighborhood for coming forth and working with the Town to find a reasonable solution; and clarification as to pending ordinance doctrine.

Mr. Brown expressed concern that the Town is stepping in and making a decision based on the opinion of the majority of the community and setting a precedent with regard to smaller communities without POAs.

Amendment carried 5-1 with regard to the Pending Doctrine (Mr. Brown voted against).

Motion as amended carried 5-1 (Mr. Brown voted against).

Public Comment - Non Agenda Items

Mayor Perry asked for public comment.

Richard Bisi addressed Council regarding transparency.

Peter Kristian addressed Council on behalf of Hilton Head Plantation, to commend the Town on how well the Beach Renourishment Project has been run and to convey that the Hilton Head Plantation residents are very excited about the recreation benefits that the renourishment will bring.

Adjournment

At 4:01 p.m., Ms. Becker moved to adjourn. Mr. Alfred seconded. Motion carried 6-0.

_____
Kimberly Gammon, Town Clerk

_____
Alan R. Perry, Mayor

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
TOWN COUNCIL WORKSHOP MEETING
Tuesday, April 28, 2026, 3:00 PM
Minutes

Call to Order

Mayor Perry called the meeting to order at 3:00 p.m.

Council Members present: Alan Perry, Mayor; Alex Brown, Ward 1, Mayor Pro-Tempore; Patsy Brison, Ward 2; Steve DeSimone, Ward 3; Tammy Becker, Ward 4; Steve Alfred, Ward 5; Melinda Tunner, Ward 6

Others Present: Marc Orlando, Town Manager; Curtis Coltrane, Town Attorney; Kim Gammon, Town Clerk; Shawn Gillen, Assistant Town Manager, Brian Kinzelman of MKSK; Jonathan Guy of Kimley-Horn and Jeff Buckalew of Infrastructure Consulting and Engineering

Adoption of the Agenda

Mr. Alfred moved to approve. Ms. Becker seconded. Motion carried 7-0.

Workshop Discussion

Beaufort County Update on William Hilton Parkway Gateway Corridor Bridge Project

Mayor Perry introduced the Workshop Discussion and stated that this Workshop is addressing the status of the scope of the base of the bridge from Windmill Harbor through Spanish Wells. Mayor Perry then turned the meeting over to the Town Manager, Marc Orlando. Mr. Orlando introduced Jared Fralix, Assistant County Administrator of Beaufort County.

Jared Fralix provided a presentation of the status of the William Hilton Parkway Gateway Corridor Bridge Project and a brief to Town Council on the Federal Highway Administration Large Bridge Grant application. Mr. Fralix provided an outline as to how a potential grant award would allow for expansion of the project scope to include replacement of the westbound bridge. Currently, the US278 bridge project scope focuses on replacing the eastbound bridge entering Hilton Head Island in order to eliminate structural deficiencies and provide new bridge and roadway approaches.

With regard to the expected timeline, Mr. Fralix relayed that as to design, the project is 60% complete; environmental documents are being submitted with the Federal Highway Administration, followed by right of way acquisition with respect to Pinckney Island, final design anticipated to be completed in the spring/summer of 2027 followed by requests for bids in the fall/winter of 2027 and an expectation that a contractor will be procured with construction beginning early 2028, and an expected two and a half year build for a summer of 2030 timeline

completion.

Additionally, Mr. Fralix introduced a new website for obtaining information regarding the project: www.SCDOT278BridgeReplacement.com

During discussion, Council raised questions and requested clarification regarding:

- How grant funding may affect the project timeline
- Expected cost of the project
- Possible changes to the level of service
- Whether the scope of the project will address structural deficiencies
- Improvement of access on and off Pinckney Island
- Future lane configuration
- Priority of project assignments by the Transportation and Advisory Committee
- SCDOT and Beaufort County deadline, if any, for a decision to move forward without federal grant money in order to address structural issues
- Possible changes in weight designation for the bridge
- Town and County deadline, if any, by which a decision would need to be made to continue the federal grant application
- Status of a decision by the Federal Highway Administration to award funding as a result of recent meetings in Washington, DC

Mr. Fralix indicated that:

- An answer as to the Federal Grant application has not yet been received; additional improvements made possible by the receipt of grant funding will affect the project timeline by increasing it from two and a half years to three years
- Project cost is $311,000,000.00 and the funding is in hand for the current project scope
- Currently, there will be no changes to the level of service as to congestion or intersection safety
- Structural deficiencies are addressed as part of the project scope
- Pinckney Island on and off entrance will be improved
- Lane configurations will remain at 2 lanes in each direction
- Transportation and Advisory Committee has an understanding as to widening and resurfacing issues but is unclear as to the intersection and safety issues, and they are working on prioritizing project opportunities to assist in making decisions
- The decision to move forward with the project, absent federal grant money, was made in June of 2025; SCDOT is monitoring the bridge for structural deficiencies and is prepared to make temporary improvements to make sure the bridge remains open
- Per Secretary Powell, improvements are anticipated to keep weight restriction open (no restrictions)
- No timeline as to making a decision to continue the application for the federal grant; further decisions will need to be made by the Town and, in particular, SCDOT, as to the project scope if such monies are granted

- Mr. Fralix met last week with federal delegates, USDOT and the Federal Highway Administration; federal delegates are speaking on the Town and County's behalf, no further updates as to status of the grant award

Mayor Perry thanked Mr. Fralix for his presentation.

Review and Discussion of Proposed William Hilton Parkway Gateway Corridor Master Plan

Mr. Orlando began by stating that the William Hilton Parkway Gateway Corridor Master Plan (the "Plan") reflects prior direction, coordination with Beaufort County and the SCDOT, technical and engineering analysis and public comment and input and presents a path forward which can be implemented. He also expressed that the Stoney Historic Neighborhood is a primary consideration with regard to the Plan with a focus on safety, mobility and system improvements and access while recognizing the community's cultural and historic significance.

The objective of the Workshop and presentation of the Plan is to obtain Town Council policy direction to finalize the Plan and advance public engagement, funding, partnerships, and implementation as well as to confirm alignment with Town Council priorities and to provide direction on advancing the Plan into the next phase. This includes final refinement of the Plan, initiation of broader public engagement, and development of a coordinated funding and implementation strategy.

Mr. Orlando then turned the meeting over to Shawn Gillen, Assistant Town Manager, who introduced and provided background on the team: Brian Kinzelman of MKSK, Jonathan Guy of Kimley-Horn and Jeff Buckalew of Infrastructure Consulting and Engineering.

Mr. Kinzelman and Mr. Guy provided a presentation of the William Hilton Parkway Gateway Corridor Master Plan which included the extent of the project, bridge project overview (as previously presented by Jared Fralix), project objective along with guiding principles and influences, a summary of the improvements, Jenkins Island improvements, Stoney Neighborhood improvements, Old Wild Horse corridor improvements and an analysis of the performance matrix, implementation sequence, project descriptions/cost estimates and additional transportation system improvement projects.

The Guiding Principles (listed below) for the corridor plan were laid-out and specific data was relayed for each Guiding Principle in order to convey an overall better understanding of the Plan:

- Fix the transportation safety issues of the corridor
- Improve the safety and quality of life for residents, businesses and neighborhoods (in particular, the Stoney Neighborhood) impacted by the corridor improvements
- Create a gateway to Hilton Head Island that the region will be proud of
- Improve the hurricane/evacuation route

The Plan, in its current form, sets forth a cost estimate of $122,800,000.00

Mayor Perry asked for public comment.

Donald Furtado addressed Council regarding his concern that the proposed US278 reconfiguration does not adequately address the US278/Squire Pope Road westbound intersection and suggested a longer merge/acceleration lane to decrease collisions.

Skip Hoagland addressed Council to express his concern that the corridor improvements will alleviate traffic congestion at the north end of the Island but not at the south end. He expressed gratitude for the installment of the existing traffic light at the Windmill Harbor intersection and suggested that a traffic loop at the intersection would further alleviate traffic, and expressed his desire to have Windmill Harbor made a part of the Town of Hilton Head Island.

Steven Baer addressed Council and expressed concern that the Plan is not cost-specific enough and that it needed to include better traffic analysis. He also suggested that more community input is needed and requested more opportunities for the community to work with the project experts and offer suggestions and feedback.

Richard Bisi addressed Council regarding his concern that the corridor plan has not yet been finalized and also suggested that transparency and community input could help in finalizing the corridor plan.

Christopher Cliffe addressed Council and expressed that he was pleased by the presentation but questioned whether SCDOT traffic data was used in connection with the Plan regarding traffic on the Cross Island Parkway. Additionally, he expressed concern that the corridor plan improvements will affect the cultural aspects of the Island relating to visitor impact, as well as concern as to the cost of the improvements.

John Stewart addressed Council and expressed concern that the improvements would attract more tourists to the Island and would not alleviate traffic congestion, in particular with regard to the Stoney Neighborhood.

William Stewart addressed Council and expressed his concern that the Plan does not contain enough specific data regarding improvement dimensions, start points and end points.

Tammy Gore addressed Council with concern that the current motor vehicle count (Average Annual Daily Traffic Volumes) contained in the Plan may be insufficient considering Beaufort County and Jasper County rates of growth and development.

Diederick Advocaat addressed Council regarding implementing a better traffic management system.

During discussion, Council raised the following questions and concerns for consideration:

- Possibility of completing certain projects on an accelerated timeline with funds that will become available in the near future (perhaps funds from the State) to alleviate travel times and safety issues on an expedited basis, with emphasis on the Squire Pope Road/US278 and Wild Horse Road/Spanish Wells Road/US278 intersections
- Whether there has been consideration of construction costs for utility interference during improvement construction (Mr. Buckalew relayed that a contingency of 15% of the flat rate of construction costs was factored in)
- Whether there may be funds in the Town budget earmarked for intersection improvements
- Whether the Town has the capacity to fund some of the intersection improvements and begin some of the intersection improvements immediately
- The need to focus on the William Hilton Parkway Gateway Corridor Master Plan as the key to strategically obtaining funding for the improvements and all mechanisms for finding funding should be used
- Possibility of Beaufort County funding with regard to improvements that do not lie on Town of Hilton Head Island land and the importance of itemizing the cost of those improvements
- Protection of Hilton Head Humane Society and Island businesses during design planning
- Possibility of the SCDOT reducing motor vehicle speed on US 278
- Council's responsibility is to take the time to ensure the corridor project is done correctly, taking as much consideration and advice as they can obtain
- Restricting the use of existing bond money which is slated for property purchase and not for corridor improvements
- Whether the Gum Tree Road/Cross Island Parkway intersection should be included in the Plan for corridor improvements
- What future economic opportunities, if any, might the historic neighborhoods expect as a result of the corridor improvements
- Preparing a list of improvement project priorities which can then be reviewed along with assigned estimated costs
- Meeting timelines in presenting a plan for consideration of funding sources, including State and Federal sources

Mr. Orlando then reported on discussions with the SCDOT and relayed that the SCDOT was supportive of the Guiding Principles and thought that they were well done and addressed traffic flow and safety, and added a place-based value to the community and to the Island. The SCDOT asked about the Town's willingness and ability to help in funding the project as it will take many sources and layers of funding. He shared with the SCDOT that the Town's proposed FY2027 budget will contain some soft costs toward the funding and the SCDOT relayed that they will know more when the Town provides collective support for the Plan.

Mr. Orlando stated that once the Town has confirmed a final Plan, he would like to try to figure out a funding strategy which he can then present to Council with next steps to follow, and

thanked Council for all of their time, guidance, efforts and input.

Public Comment - Non Agenda Items

Mayor Perry asked for public comment.

Skip Hoagland addressed Council regarding use of taxpayer funds.

Richard Bisi addressed Council to recommend a later start time for Council meetings in order that community members who work full time may attend and give feedback.

Brenda Armstrong addressed Council regarding representation of the community.

Adjournment

The Workshop Meeting was adjourned at 6:29 p.m.

_____
Kimberly Gammon, Town Clerk

_____
Alan R. Perry, Mayor

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

The Town of Hilton Head Island

ALS Awareness Month Proclamation

WHEREAS, amyotrophic lateral sclerosis, also commonly known as Lou Gehrig's disease, is a progressive fatal neurodegenerative disease, in which a person's brain loses connection with their muscles, slowly reducing a person's ability to walk, talk, eat and eventually breathe, and thousands of new ALS cases are reported every year, and estimates show that every 90 minutes someone is diagnosed with ALS and someone passes away from ALS, and people who have served in the military are more likely to develop ALS and die from the disease than those with no history of military service; and

WHEREAS, on average, patients diagnosed with ALS survive only two to five years from the time of diagnosis, and the exact causes of ALS are unknown and there is no known cure for ALS; and

WHEREAS, securing access to new therapies, durable medical equipment, and communication technologies is of vital importance to people living with ALS, and clinical trials play a pivotal role in evaluating new treatments, enhancing quality of life, and fostering assistive technologies for those living with ALS; and

WHEREAS, the ALS Association is the largest philanthropic funder of ALS research globally and has committed more than $154 million to support more than 550 projects across the United States and 18 other countries, and the ALS Association is committed to make ALS livable and cure it for everyone, everywhere; and

WHEREAS, ALS Awareness Month provides an opportunity to increase public awareness of the dire circumstances of people living with ALS, acknowledge the terrible impact this disease has on those individuals and their families, and support research to eradicate this disease.

NOW, THEREFORE, I, Alan R. Perry, Mayor of the Town of Hilton Head Island, South Carolina, do hereby proclaim May 2026 as ALS Awareness Month and I call upon all Americans to join in supporting ALS research, advocating for increased funding, and standing in solidarity with those affected by this relentless disease.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed on this twelfth day of May, in the year of our Lord, two thousand and twenty-six.

Alan R. Perry, Mayor

Attest:

Kimberly Gammon, Town Clerk

The Town of Hilton Head Island

Bike Month Proclamation

WHEREAS, for more than a century, the bicycle has been an important part of the lives of most Americans; and

WHEREAS, today millions of Americans engage in bicycling because it is a viable and environmentally-sound form of transportation, an excellent form of fitness, and provides quality family recreation; and

WHEREAS, Bike Walk Hilton Head Island in conjunction with the Town of Hilton Head Island and the Hilton Head Island-Bluffton Chamber of Commerce has promoted bicycling education and awareness through annual bicycle events and the Bike Walk Ambassador Program; and

WHEREAS, the Town of Hilton Head Island is a vacation destination where visitors enjoy bicycling on pathways and the beach; and

WHEREAS, Hilton Head Island residents increasingly ride bicycles for pleasure, exercise, and as a means of commuting to and from work; and

WHEREAS, the League of American Cyclists, the Palmetto Cycling Coalition, Bike Walk HHI, Kickin' Asphalt Bike Club, and riders throughout our area are promoting greater public awareness of bicycle operation and safety; and

WHEREAS, the League of American Bicyclists designated the Town of Hilton Head Island a Bicycle Friendly Community at the Gold level in 2019 and again in 2024 until 2027; and

WHEREAS, May 11-17, 2026, is Bike to Work Week and May 15, 2026, is Bike to Work Day:

NOW, THEREFORE, I, Alan Perry, Mayor of the Town of Hilton Head Island, hereby proclaim May 2026 as Bike Month.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed this twelfth day of May, in the Year of our Lord, two thousand and twenty-six.

Alan R. Perry, Mayor

Attest:

Kimberly Gammon, Town Clerk

TOWN OF HILTON HEAD ISLAND

Town Council

TO: Town Council
FROM: Marc Orlando, *Town Manager, ICMA-CM*
CC: Dave Byrd, *Finance Director*
DATE: May 12, 2026
SUBJECT: Consideration of an Ordinance Adopting the Consolidated Municipal Budget for the Town of Hilton Head Island for Fiscal Year 2027 Ending June 30, 2027 – Public Hearing and First Reading

RECOMMENDATION:

Town Council is requested to review and consider the proposed **Fiscal Year 2027 Consolidated Budget, which totals $233,284,719** in projected revenues and scheduled expenditures and encompasses all funds as follows:

- General Fund - **$67,652,550**
- Capital Improvements Program Fund - **$55,205,752:**
  - FY 2026 Carry Forward - **$12,181,755**
  - FY 2027 New Funding - **$41,785,792**
- Debt Service Fund - **$11,513,988**
- Stormwater Utility Fund - **$7,583,334**
- Housing Fund - **$3,211,498**
- Gullah Geechee Historic Neighborhoods Community Development Corporation Fund - **$1,694,756**
- Special Revenues Fund - **$86,422,841**

BACKGROUND:

In accordance with the South Carolina Constitution Article X, § 7(b) and South Carolina Code of Laws § 5-13-30(3) and § 5-13-90(2), the Town of Hilton Head Island must adopt a balanced annual budget. As required by § 4-1-20 of the Municipal Code, the Town Manager has prepared this proposed budget for Council's consideration and is responsible for its administration following adoption.

Upon review, Town Council is requested to consider the Fiscal Year 2027 Budget Ordinance on First Reading. The Ordinance, provided in **Attachment 1**, including **Exhibits A through F**, establishes appropriations for all funds included in the Consolidated Budget.

In addition to the six major funds that have been budgeted historically, the Fiscal Year 2027 Consolidated Budget also includes the Special Revenues Fund. The revenues generated support the General, Debt Service, Capital Improvements Program and Housing Funds. The direct expenses in this fund consist primarily of Accommodations Tax grants, Destination Marketing Organization (DMO) funding, beach monitoring, deed processing, and grant expenses.

The Total Consolidated Budget accounts for the roll-up of the six major funds, along with the Special Revenues Fund, which provides a consolidated revenue and expenditure view for the Town, provides a Town-wide balanced budget, and gives a total view for the Town's use of funds.

This proposed consolidated budget provides a strategic and balanced financial plan that advances Town Council's Strategic Action Plan, supports the vision of the 2020 Comprehensive Plan, and is intended to address Hilton Head Island's evolving needs and available resources. It is shaped by the Town's current operational programs and the strategic goals identified by Town Council during the February 2025 Town Council Strategic Planning Workshop and formally adopted during the July 15, 2025 Town Council meeting.

In this regard, the FY 2027 Consolidated Budget supports the following Strategic Action Plan priorities identified by Town Council:

- Protect the Island's Character through Growth Management
- Invest in Stormwater Management Infrastructure
- Enhance Major Corridors and Streets
- Enhance Public Safety Readiness and Facilities
- Support Economic Development and Business Recruitment and Retention
- Assess and Reinforce Island Resilience
- Preserve, Protect, and Celebrate Gullah Geechee Culture and Heritage
- Advance Workforce Housing Opportunities
- Protect and Enhance Environmental Sustainability
- Enhance Community Well-being through Implementation of the Parks and Recreation Master Plan and Program Enhancements

Further, in support of these community priorities, the FY 2027 budget goals are as follows:

- Enhance community amenities, including recreation, leisure, and public facilities;
- Maintain high-quality municipal services delivered efficiently and effectively;
- Foster a workplace culture of innovation, customer service, and employee engagement;
- Invest in transformative capital projects and long-term infrastructure resilience;
- Protect and elevate the Island's identity, including its environmental and cultural assets; and
- Leverage fiscal planning as a tool for progress, innovation, and continuous improvement.

FY27 Proposed Consolidated Budget highlights include:

- **Balanced $233,284,719 budget** across all funds.

- **Revenue Strategy and Fiscal Diversification:**
  - The FY27 budget is built on a foundation of strategic revenue diversification and responsible fiscal planning**,** enabling the Town to advance priorities while maintaining current tax and millage rates to the community.
  - Highlights include:
    - Sustained investment capacity is supported by a diverse portfolio of revenue sources**,** including property taxes, business license fees, accommodation and hospitality taxes, user fees (stormwater, real estate transfer and permits), and return on financial investments**.**
    - Short-term rental (STR) revenue stream which funds enhanced enforcement and compliance driven by the STR program regulations amended by Town Council in October 2025.
    - The proposed budget includes a change in the Fund Balance Reserve Policy across several major funds, including the General Fund, Beach Preservation Fund, Stormwater Fund, and the Natural Disaster Fund. These adjustments reflect our commitment to strengthening the town's financial position and ensuring adequate resources for long-term sustainability and resilience.
    - After executing **$54.0 million** in new bond debt in FY26, planned payments of $15.7 million for the 2026 General Obligation (GO) Bonds, $7.5 million for the 2017 Beach Bonds, as well as regularly scheduled debt payments of $17.5 million, our outstanding debt balance as of June 30, 2027, will be $77.8 million, or **$13.3 million** over the FY25 debt balance.
    - As a part of the GO Bond executed in FY26, the Town received Triple A ratings from Moody's, Standard and Poor's, and Fitch based on the following credit financial factors:
      - Growing tax base
      - Growing and diverse non-property tax revenues
      - Prudent fiscal management
      - Strong fund balance
      - High liquidity ratio
    - The Town continues to maintain and enhance high-quality services while responding to community needs given the variable economic headwinds in the local economy such as inflation, tariffs and global events. Hilton Head Island continues to be resilient, benefitting from a strong economy and steady revenues, supported by a healthy tax base.
    - The Consolidated Budget includes a net usage of fund balance in the amount of $19.9 million, to partially fund the $54.0 million Capital Improvements Program.

- **General Fund - Organizational Capacity, Public Service, and Community Experience:**
    - The FY27 budget reflects the Town's strategic investment in staff capacity, operational excellence, and enhanced quality of life for residents and visitors.
    - Highlights include:
        - **290 Full-Time Positions:** No increase in staff outside of the six new STR positions added in the FY26 Budget Amendment approved on March 31, 2026, by Town Council to support the new Short-Term Rental program compliance regulations.
        - **Personnel:** 6.9% Increase to include –
            - 4% performance-based pay increase (3.2% year-over-year)
            - Class & Compensation Assessment and salary adjustments (approximately 3.6%)
            - Full-year impact of the new STR positions (1%)
        - **Operational Efficiencies:** Outside of one-time investments, a 0.5% decrease in General Fund operating expenses versus the FY26 Amended Budget. These targeted decreases in operating expenses were achieved during a time of inflationary pressure by strategic cost reductions and resource optimization without compromising service quality.
        - **Town Council:** Consolidation of Townwide legal fees into one account, and appropriate funds for the Calendar Year 2026 Municipal Election.
        - **Land Management Modernization:** Continued support for the comprehensive update to the Land Management Ordinance (LMO), enabling more effective land use policy and community development practices.
        - **Community Investment and Engagement:** Funding for staff training and development, community events, and expanded cultural programming, including enhanced holiday lighting and seasonal celebrations.
        - **Public Space Enhancements:** Targeted improvements to amenities in Town parks and beach parks to elevate recreational opportunities and visitor experience.
        - **Technology and Operational Advancements:** Investments in new and existing technology and systems to improve Town operations, transparency, customer service, and responsiveness.
        - **Public Safety and Enforcement Support:** Strengthened funding for public safety, including program enhancements for Fire Rescue, Shore Beach Services, and expanded Community Code Enforcement efforts.

- **Affiliated Agency Partnerships**:
    - $2.414 million in funding support ($373.4k / 18.3% increase from the FY 2026 Amended Budget) allocated across nonprofit and community partners through a new comprehensive application and review process. The table below provides an overview of FY 2026 and FY 2027 funding for each affiliated agency. The $2.414 million is included in the FY 2027 budget based on the Finance and Administrative Committee recommendation as follows.

	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2027 Requests	FY 2027 F&A Recommendations	FY26 Amended to FY27 Budget $ Change	FY26 Amended to FY27 Budget % Change
Island Recreation Association	$ 1,252,366	$ 1,252,366	**$ 1,544,682**	**$ 1,544,682**	$ 292,316	23.3%
Coastal Discovery Museum	141,650	141,650	**149,148**	**149,148**	7,498	5.3%
Mitchelville Preservation Project	105,000	105,000	**105,000**	**105,000**	-	0.0%
LRTA (Palmetto Breeze)	350,000	402,528	**433,201**	**433,201**	30,673	7.6%
Beaufort County EDC	42,000	42,000	**42,000**	**42,000**	-	0.0%
Sea Turtle Patrol HHI	97,500	97,500	**94,415**	**94,415**	(3,085)	-3.2%
The Outside Foundation	-	-	**46,000**	**46,000**	46,000	0.0%
Total	**$ 1,988,516**	**$ 2,041,044**	**$ 2,414,446**	**$ 2,414,446**	**$ 373,402**	**18.3%**

- **Capital Improvements Projects Program (CIP) Investments**:
    - **$54.0 million allocated to capital projects, including:**
        - Beach Program - $7.5 million
        - Road Program - $9.7 million
        - Pathway Program - $1.4 million
        - Stormwater Program - $4.2 million
        - Park Program - $17.5 million
        - Facilities and Equipment Program - $8.5 million
        - Fleet Program - $5.0 million
        - Land Acquisition Administration Program - $250k
    - **FY27 CIP Highlights Include:**
        - Crossings Park – Phase 1 Pickleball & Phase 2 Pump Track
        - Patterson Park
        - Northpoint / USPS Access Improvements
        - Spanish Wells Road, Squire Pope Road, Folly Field Road, and Gum Tree Road Vehicle and Pedestrian Safety Improvements
        - Jonesville Barn Renovation
        - Fire Rescue Headquarters Renovation and Relocation of Emergency Operations Center
        - Jarvis Creek Pump Station Pump Replacement
        - Acquisition of two new Fire Rescue Ladder Trucks

- **Stormwater System Investment and Resilience**:

    - The FY27 budget allocates $7.59 million to the Town's stormwater program (without any rate increase) demonstrating a strong commitment to responsible fiscal management and environmental resilience. This funding supports:
        - Increased investment in management, construction, and maintenance of critical stormwater infrastructure.
        - Enhanced program efficiencies to ensure long-term system performance and flood mitigation.
        - Ongoing efforts to safeguard water quality, reduce environmental impact, and improve drainage capacity across the Island.
        - Completion of the Stormwater Master Plan
        - Completion of the Resilience Plan.

- **Gullah Geechee Historic Neighborhoods Community Development Corporation:**

    - Dedicated funding in the amount of $1.69 million to support the Gullah Geechee Historic Neighborhood Community Development Corporation (GGHNCDC) as a key partner in preserving and revitalizing Hilton Head Island's historic neighborhoods. This investment reinforces the Town's commitment to cultural heritage, land retention, and community-led development. Funding will assist with:

        - Quality-of-life enhancements for community residents.
        - Encouraging entrepreneurialism.
        - Preventing gentrification.
        - Assisting in business attraction, expansion, and retention.
        - Providing land planning and development assistance.
        - Pursuing affordable housing opportunities.
        - Identifying infrastructure needs.
        - Providing critical financial opportunities.

- **Workforce Housing Program**:

    - The FY27 budget of $3.21 million continues the Town's strategic commitment to advancing workforce housing opportunities and neighborhood stabilization through targeted public-private partnerships and capital investments. Initiatives include:
        - **Muddy Creek Neighborhood Stabilization ($1.5 million)**: Capital Improvement Projects are based upon neighborhood infrastructure assessment and community feedback. **FY27 Capital Improvement Projects include:**

- Stormwater maintenance, ditch clearing, and roadway/landscape improvements on Muddy Creek Road and Bryant Road
- Construct new sidewalks along Muddy Creek Road (west side), Bryant Road and Muddy Creek Court intersections
- Add multiple crosswalks along Muddy Creek Road, Bryant Road, and Muddy Creek Court intersections
- Install neighborhood identification, wayfinding, and crosswalk signage
- Add lighting at crosswalks; consider bollard lighting along sidewalks and pathways, pending community input
- **FY27 Next Steps**:
- Develop concept drawings
- Meet with Muddy Creek neighborhood residents for review & feedback – Q1/FY27
- Begin engineering design, complete final design, permitting, and implementation

- **Bryant Road Public-Private-Partnership and Other Housing Initiatives ($1 million)**: Advances the Bryant Road public-private partnership project along with various workforce housing efforts.
- **Transfer to Housing Fund Balance for Future Housing Needs ($620k):** Town Council approved State Accommodations Tax Policy equaling 5% of the Revenues after the first $25k.

FISCAL YEAR 2027 PROPOSED CONSOLIDATED BUDGET:

The proposed Fiscal Year 2027 Consolidated Budget is outlined below and highlights each separate fund as follows:

A. General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Its primary operating expenditures are general government, administrative services, public safety, fire rescue, community services, and public projects and facilities. Principal sources of revenue are property taxes, business licenses, local accommodations tax, permit fees, and interest earnings. Other financing sources, which are used to support many of the general operations and expenses of the Town government, include transfers of revenue from Beach Preservation Fee, State Accommodations Tax, Hospitality Tax, Short-Term Rental Permit Fee, Electric Franchise Fee, and Stormwater Fee. These combined revenues support the operations and expenses of the General Fund.

The proposed Fiscal Year 2027 budget includes the following Ambulance Service Fee increases as per Town Code, these rates are to be set at 150% or above the most recent Medicare fee schedule:

Billing Category	Rate
BLS- Basic Life Support- Non-emergency	$460 plus $17.25/mile
BLS- Basic Life Support- Emergency	~~$626 plus $17.25/mile~~ $660 plus $17.25/mile
ALS-1- Advanced Life Support- Non-emergency	$520 plus $17.25/mile
ALS-1- Advanced Life Support- Level 1 Emergency	~~$745 plus $17.25/mile~~ $785 plus $17.25/mile
ALS-2- Advanced Life Support- Level 2	~~$1076 plus $17.25/mile~~ $1,135 plus $17.25/mile
Treatment- No Transport - BLS	$100 per incident
Treatment- No Transport - ALS	$175 per incident

For Fiscal Year 2027, the following schedules show the General Fund budget as compared to the Fiscal Year 2026 amended budget as follows:

General Fund	2026 Amended Budget	2027 Budget
Town Council	434,814	669,905
Town Manager & Deputy Town Manager	1,673,536	1,611,579
Finance	3,427,169	3,550,499
Human Resources	965,911	881,545
Community Engagement	644,312	651,857
Office of Cultural Affairs	386,649	401,491
Information Technology & CIO	4,628,241	4,908,170
Communications	736,530	797,521
Engineering & Projects	1,088,503	774,108
Capital Projects	653,299	1,067,569
Facilities Maintenance	8,231,362	7,337,248
Assistant Town Manager - Operations	271,974	624,002
Planning Administration	463,328	522,492
Inspections & Compliance	1,462,155	1,274,842
Development Review and Zoning	681,480	693,027
Community Development Services	1,056,927	1,084,301
Community Planning	911,628	755,224
Workforce Housing	-	137,821
Fire Rescue	24,058,488	24,772,830
Public Safety	1,506,361	2,394,015
Townwide	4,178,186	6,214,210
Townwide Community Events	663,862	638,862
Affiliated Agency Partnerships	2,041,044	2,414,446
Transfers Out	197,049	3,474,986
Total General Fund	**60,362,808**	**67,652,550**

B. Capital Improvements Program Fund

The Town's Capital Improvements Program Fund is used to account for and report on financial resources that are restricted, committed, or assigned for the acquisition, construction, or renovation of major capital facilities; ongoing major capital improvement projects; and major equipment or other capital asset acquisitions including land acquisition which are not financed by another fund. The Capital Improvements Program (CIP) is the Town's program for planning capital improvement needs identified in the Comprehensive Plan, and other adopted Town Plans, and align those needs to forecasted revenues for the current and up-coming Fiscal Years.

The South Carolina Local Government Comprehensive Planning Enabling Act of 1994 requires that all local governments who have adopted a Comprehensive Plan, inclusive of a Priority Investment chapter, must present the annual CIP budget to the local Planning Commission for its review and recommendation of the Program's elements. The proposed Fiscal Year 2027 CIP projects were presented to the Planning Commission on April 15, 2026, and are enclosed in **Attachment 1** - **Exhibit B,** which also includes Fiscal Years 2027 – 2031 Capital Improvements Program Priorities. The FY 2027 funding source for each Capital Improvement Project is shown in **Attachment 1** - **Exhibit C.**

A schedule showing the proposed Fiscal Year 2027 CIP budget as compared to the FY 2026 amended CIP budget is shown as follows:

Capital Improvements Program Fund	2026 Amended Budget	2027 Budget
Beach Program	49,019,119	7,449,119
Pathway Program	1,650,000	1,418,937
Roadway Program	8,656,486	9,701,553
Park Program	12,439,243	17,451,552
Facility and Equipment Program	5,870,272	8,510,800
Stormwater Program	7,104,326	4,205,586
Fleet Program	2,644,838	4,980,000
Land Acquisition and Administration Program	10,331,300	250,000
Total Capital Improvements Program	**97,715,584**	**53,967,547**
Transfer to Capital Fund Balance	-	1,238,205
Total Capital Improvements Program Expenditures	**97,715,584**	**55,205,752**

C. Debt Service Fund

The Town's Debt Service Fund accounts for the financial resources that are restricted or committed to expenditures for, and the payment of, principal and interest on the Town's general long-term obligation debt, bonds, or other similar debt issued in support of its governmental activities.

For Fiscal Year 2027, a schedule showing the Debt Service budget as compared to the 2026 amended budget is proposed as follows:

Debt Service Fund	2026 Amended Budget	2027 Budget
Principal	7,325,000	8,605,000
Interest	1,915,793	2,888,988
Other	17,600	20,000
Anticipated Debt Costs	14,330,888	-
Callable Special Obligation Beach Bond	7,495,000	-
Total Debt Service Fund	**31,084,281**	**11,513,988**

D. Stormwater Utility Fund

The Town's Stormwater Utility Fund is used to account for revenues generated from stormwater utility fees that support the Town's Municipal Separate Storm Sewer System Program, also known as MS4, and its management of stormwater discharges into federal, state, and local waters. The Town strives to protect surrounding water bodies and enhance the natural resources by improving water quality through the promotion and implementation of effective stormwater management practices, regulation of land development, collaboration with regional jurisdictions, along with public education and outreach through its Stormwater Management Program.

The Fiscal Year 2027 Budget includes strategic use of interfund transfers to support both operational needs and long-term capital priorities. It includes a transfer of $375,000 from the Stormwater Fund to the General Fund to provide operational support for stormwater-related support staff and street sweeping services, ensuring effective alignment between day-to-day functions and the Town's broader resilience objectives. Also, a transfer of $4,205,586 from the Stormwater Fund to the Capital Improvements Program (CIP) is included to support corrective maintenance and infrastructure improvement projects. These funds also enable reimbursements to active drainage agreement partners, reinforcing the Town's commitment to collaborative stormwater management and sustainable infrastructure investment.

For Fiscal Year 2027, a schedule showing the Stormwater Utility budget as compared to the 2026 amended budget is proposed as follows:

Stormwater Utility Fund	2026 Amended Budget	2027 Budget
Personnel and Benefits	916,066	792,020
Debt Service	42,851	24,176
Operations	1,290,480	1,178,215
Maintenance, Modeling and Monitoring	2,190,000	1,008,337
Transfer to General Fund	350,000	375,000
Transfer to Capital Improvements Fund	6,350,880	4,205,586
Total Stormwater Fund	**11,140,277**	**7,583,334**

E. Housing Fund

The Fiscal Year 2027 Budget reflects an accounting of housing-related expenditures to align with program objectives. In Fiscal Year 2026, the Town completed its funding obligation for the Northpoint Public Private Partnership. In Fiscal Year 2027, the Town will focus on implementation of the Muddy Creek Neighborhood Stabilization and Bryant Road projects. Additionally, Housing Operations and Personnel expenses are being covered by the General Fund in Fiscal Year 2027.

The following schedule shows the 2027 Housing Fund budget as compared to the 2026 adopted budget is proposed as follows:

Housing Fund	2026 Budget	2027 Budget
Northpoint Housing	1,000,000	-
Muddy Creek Neighborhood Stabilization	1,500,000	1,500,000
Bryant Road	1,000,000	1,000,000
Beaufort Jasper Housing Trust Dues	181,088	91,882
Workforce Housing Operations	102,717	-
Workforce Housing Personnel	194,332	-
Subtotal Housing Fund	**3,978,137**	**2,591,882**
Transfer to Housing Fund Balance	-	619,616
Total Housing Fund	**3,978,137**	**3,211,498**

F. Gullah Geechee Historic Neighborhoods Community Development Corporation

The Town Council created the Gullah Geechee Historic Neighborhoods Community Development Corporation to serve the Town's historic neighborhoods identified as Bay Gall, Big Hill, Chaplin, Gardner, Grassland, Jarvis, Jonesville, Marshland, Mitchelville, Spanish Wells, Squire Pope, and Stoney areas of the Island. This action was taken to address significant threats to these areas due to a sustained and continuing absence of viable economic opportunities, lack of access to safe, respectable, and quality affordable

housing options, limited access to critical skills, training, and education programs. The revenues identified within this Fund will be used to support the operations of the Corporation as well as implementing its adopted Strategic Plan.

At its March 2026 meeting, the Board of Directors for the Gullah Geechee Historic Neighborhoods Community Development Corporation voted unanimously to endorse the proposed budget that is contained with this Staff Memorandum and corresponding Budget Ordinance.

For Fiscal Year 2027, the Gullah Geechee Historic Neighborhoods Community Development Corporation budget as compared to the 2026 adopted budget is proposed as follows:

Gullah Geechee Historic Neighborhoods Community Development Corporation (GGHNCDC) Fund	**2026 Budget**	**2027 Budget**
Personnel and Benefits	212,801	359,026
Operating	39,592	74,520
Professional Services	204,210	111,210
Grants and Incentives Loans	1,500,000	125,000
Capital Outlay and Land Acquisition	1,250,000	1,000,000
Project Expenses and Contingency	80,000	25,000
Total GGHNCDC Fund	**3,286,603**	**1,694,756**

G. Special Revenues Fund

The Special Revenues Fund is used to account for local taxes and fees including State Accommodations Tax, Hospitality Tax, Beach Preservation Fees, Real Estate Transfer Fees, Palmetto Electric Franchise Fees, Short-Term Rental Permit Fees, and Grants. The revenues generated support the General, Debt Service, Capital Improvements, and Housing Funds. The direct expenses in this fund consist primarily of Accommodations Tax grants, Destination Marketing Organization funding, beach monitoring, deed processing, and grant expenses.

For Fiscal Year 2027, the Special Revenues Fund budget as compared to the 2026 Projection is proposed as follows:

Special Revenues Fund	2026 Budget*	2026 Projection	2027 Budget
Operating Expenditures	-	536,096	664,564
Accommodations Tax Grants	-	4,076,992	4,089,462
Destination Marketing Organization (DMO)	-	3,785,976	3,717,693
Transfer to General Fund	-	13,093,959	16,236,626
Transfer to Capital Improvements Program Fund	-	40,611,857	46,104,356
Transfer to Debt Service Fund	-	12,792,678	4,484,733
Transfer to Housing Fund	-	1,000,000	619,616
Transfer to Fund Balance	-	9,494,253	10,505,791
Total Special Revenues Fund	**-**	**85,391,811**	**86,422,841**

*As mentioned previously, for FY 2026 the Town did not budget the Special Revenues Fund. The FY 2026 Projection is being utilized for comparison purposes.

H. Additional Considerations

The proposed Fiscal Year 2027 Budget provides for additional considerations that are important to highlight as part of this Memorandum. These considerations include the following:

1. Funded positions are identified in the Fiscal Year 2027 Budget Ordinance and consist of 290 full-time employees, and 16 part-time employees (excluding Town Council members). This represents no increase from the amended Fiscal Year 2026 Budget.

2. All budget transfer and supplements for the six major funds shall be made in conformance with the Town's budget policies consistent with FY 2026 (in FY 2027 we have added a policy for the Special Revenues Fund) and as outlined herein:

   A. General Fund. The General Fund budgetary authority is to be adopted at the departmental level with the exception that the Town Manager, or designee, shall have the authority to transfer funds across departmental accounts to implement staff reorganizations and salary adjustments. Additionally, the Town Manager, or designee, shall have the authority to transfer up to $100,000 within this fund as may be necessary to achieve the goals of the budget; larger transfers will require Town Council approval.

   B. Capital Improvements Program Fund. The Capital Improvements Program Fund is to be adopted at the program level. The Town Manager, or designee, shall have the authority to transfer appropriated funds between projects within each program category identified in the Capital Improvement Program Fund if the project(s) fall under the same functional program category. The appropriated projects under the Capital Improvement Program Fund are on a multi-year project basis and are effective as of July 1, 2026, and shall be reappropriated each new fiscal year until the project is complete but said appropriations are subject to cancellation or amendment by the Town Council as may be in the best interest of the Town.

C. Debt Service Fund. The Debt Service Fund is to be adopted at the fund level and does not contain additional provisions for the transfers of budgeted funds within this fund.

D. Stormwater Fund. The Stormwater Fund is to be adopted at the fund level. Additionally, the Town Manager, or designee, shall have the authority to transfer up to $100,000 within this fund as may be necessary to achieve the goals of the budget; larger transfers will require Town Council approval.

E. Housing Fund. The Housing Fund is to be adopted at the fund level and does not contain additional provisions for the transfers of budgeted funds within this fund.

F. Gullah Geechee Historic Neighborhoods Community Development Corporation. The Gullah Geechee Historic Neighborhoods Community Development Corporation Fund is to be adopted at the fund level. Additionally, the Town Manager, or designee, shall have the authority to transfer up to $100,000 within this fund as may be necessary to achieve the goals of the budget; larger transfers will require Town Council approval.

G. Special Revenues Fund. The Special Revenues Fund is to be adopted at the fund level and does not contain additional provisions for the transfers of budgeted funds within this fund.

For all funds, all outstanding encumbrances as of June 30, 2026, will carry forward into Fiscal Year 2027 to the same department, account, or project for which they are encumbered in Fiscal Year 2026 subject to approval by the Town Council via an appropriate budget amendment.

I. Fund Reserve Policy

The proposed Fiscal Year 2027 Budget provides for updates to the Fund Reserve Policy. These considerations include the revisions shown in **Attachment 1 - Exhibit E** and as follows:

The Fund Reserve Policy reaffirms the following:

- The Real Estate Transfer Fee Fund Reserve is maintained at a minimum of $1.0 million.
- The Hospitality Tax Reserve is maintained at a minimum of $5.0 million.

The Fund Reserve Policy includes the following revisions:

- The General Fund Operating Reserve policy is being modified from a lower limit of 40% to a lower limit of 50% of next year's budget and an upper limit of 55% of next year's budget. This action recognizes Town Council's commitment to prudent

operations, strong reserves, strong bond ratings and strong emergency preparedness.
- Proceeds from the sale of the Modern Classic Motors site of $4.3 million will be added to the Capital Reserves for future economic development purposes.
- The Beach Preservation Reserve has been increased from a minimum of $20.0 million to the available fund balance at the end of the fiscal year (projection at the end of FY 2027 is $42.8 million).
- The Stormwater Utility Fund Reserve of a minimum of $5.0 million has been calibrated to $3 million to cover one-year operating expenses.
- The Stormwater Utility Fund Net Asset Reserve has been added to reflect the calculated net assets at the end of the fiscal year.
- The Natural Disaster Reserve has increased from a minimum of $36.0 million to the available fund balance at the end of the fiscal year (projection at the end of FY 2027 is $39.7 million). Any General Fund reserved amounts over 55% will be transferred to the Natural Disaster Fund.

ANNUAL BUDGET ADOPTION PROCESS:

Pursuant to § 5-13-90(2) of the South Carolina Code of Laws and § 2-9-40(2) of the Municipal Code for the Town of Hilton Head Island, the Town Manager is charged with presenting a balanced budget for review by the Town Council beginning in May as part of the annual budget adoption process. The Town Manager and financial staff developed the FY 2027 budget with feedback and collaboration from department heads.

The schedule for review and adoption of the budget is as follows:

- Notice of Public Hearing on Fiscal Year 2027 Budget Published -- April 26, 2026
- First Public Hearing on Fiscal Year 2027 Budget – May 12, 2026
- First Reading of Budget Ordinance – May 12, 2026
- Budget Workshop on the General Fund, Debt Service Fund, Housing Fund, Gullah Geechee Historic Neighborhoods Community Development Corporation Fund, and Special Revenues Fund – May 14, 2026
- Budget Workshop on the CIP Fund, Stormwater Utility Fund, and Consolidated Budget – May 19, 2026
- Second Public Hearing on Fiscal Year 2027 Budget – June 9, 2026
- Second Reading of Budget Ordinance – June 9, 2026

The Town Manager therefore provides this proposed Fiscal Year 2027 Consolidated Budget to fulfill this obligation and recommends this budget to Town Council for its adoption for the Fiscal Year ending June 30, 2027.

ATTACHMENTS:

1. Proposed Fiscal Year 2027 Budget Ordinance
    a. Exhibit A – Link to Fiscal Year 2027 Consolidated Budget Summary

b. Exhibit B – Capital Improvements Program Budget Fiscal Years 2027-2031
c. Exhibit C – Fiscal Year 2027 Capital Improvements Project Funding Sources
d. Exhibit D – Town of Hilton Head Island Staff 2027 Holiday Schedule
e. Exhibit E – Fund Reserve Policy
f. Exhibit F – Town of Hilton Head Island Master Fee Schedule

2. DRAFT Fiscal Year 2027 Consolidated Budget Presentation

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

ORDINANCE NO. _____

AN ORDINANCE TO RAISE REVENUES, PROVIDE FOR EXPENDITURES, AND ADOPT A CONSOLIDATED BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2027; TO ESTABLISH A PROPERTY TAX LEVY; TO ESTABLISH VARIOUS FUNDS; TO ESTABLISH A POLICY FOR ACQUISITION OF RIGHTS OF WAY AND EASEMENTS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, Section 5-7-260(3) of the Code of Laws for South Carolina 1976, as amended, and Section 2-7-20 of the Municipal Code of the Town of Hilton Head Island, South Carolina, require that the Town Council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

WHEREAS, Town Council desires to identity its operating and capital budgets for the upcoming fiscal year, to set aside any remaining funds into its reserve accounts, to provide for emergency-related expenditures, and to offset any prior fiscal year tax revenue income stream deficiencies; and

WHEREAS, Town Council finds that it is economical and efficient to authorize the Town Manager to move forward with construction contract modifications, change orders, contract price adjustments, and execution of contracts for supplies, services, and construction where the contract amount involved does not exceed budget funds either as approved by Town Council or from a transfer of funds as provided for within this Consolidated Municipal Budget; and

WHEREAS, the Town Council finds that the proposed budget of estimated revenues and expenditures shows fiscally responsible and appropriate levels staffing for the Town in order to carry out the work program established by the Town Manager, and includes fiscally responsible and appropriate levels of funding for the Town's capital improvements projects, maintenance and operation of public facilities, permitting, review, inspections and compliance for development, building and short term rentals and business licenses, Fire, Rescue and EMS operations, stormwater and beach management, code enforcement, parking and public safety operations, affiliated agency operations, and other Town operations and Town projects identified in the proposed budget; and,

WHEREAS, the Town Council finds that the proposed budget demonstrates a fiscally responsible use of the various funds established in the proposed budget including the General Fund, the Capital Improvements Program Fund, the Debt Service Fund, the Stormwater Utility Fund, the Housing Fund, the Gullah Geechee Historic Neighborhoods Community Development Corporation Fund and the Special Revenues Fund; and,

WHEREAS, the Town Council finds that the proposed budget maintains/increases the Town's Reserve Fund balances, which is a fiscally responsible and appropriate method of having funds on hand to address unexpected and future needs of the Town; and,

WHEREAS, the Town Council finds that the proposed tax levy in the amount of 19.4 mills, the same as the tax levy for fiscal year 2026, and the Town Council finds that the proposed tax levy in the amount of 19.4 mills is a fiscally responsible and appropriate imposition for fiscal year 2027; and,

WHEREAS, the Town Council finds that adoption of the proposed budget for fiscal year 2027 is in the best interests of the Town, and that adoption of the proposed budget for fiscal year 2027 will promote the health, safety, convenience and general welfare of the Town and its citizens, residents, visitors, property owners and business owners.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS HEREBY ORDAINED BY THE AUTHORITY OF THE SAID COUNCIL:

Section 1. Adoption of the Budget. The prepared budget of estimated revenues and expenses, a copy of which is attached hereto and incorporated herein as **Exhibit A**, consisting of a consolidated budget in the amount of $233,284,719 estimated revenues and estimated expenses is hereby adopted as the budget for the Town of Hilton Head Island for the fiscal year ending June 30, 2027.

Through the adoption of this budget, the Town Manager is hereby authorized to employ a total of 290 full-time employees, and 16 part-time employees which are hereby deemed funded positions. The Town Manager shall be authorized to amend his or her organizational structure to add, remove, or to reassign individuals to new or alternative roles within the organization so long as the cumulative number of funded positions identified above are not exceeded within the respective categories of full-time, or part-time employees.

The General Fund budgetary authority is hereby adopted at the Fund level as follows.

General Fund	2026 Amended Budget	2027 Budget
Town Council	434,814	669,905
Town Manager & Deputy Town Manager	1,673,536	1,611,579
Finance	3,427,169	3,550,499
Human Resources	965,911	881,545
Community Engagement	644,312	651,857
Office of Cultural Affairs	386,649	401,491
Information Technology & CIO	4,628,241	4,908,170
Communications	736,530	797,521
Engineering & Projects	1,088,503	774,108
Capital Projects	653,299	1,067,569
Facilities Maintenance	8,231,362	7,337,248
Assistant Town Manager - Operations	271,974	624,002
Planning Administration	463,328	522,492
Inspections & Compliance	1,462,155	1,274,842
Development Review and Zoning	681,480	693,027
Community Development Services	1,056,927	1,084,301
Community Planning	911,628	755,224
Workforce Housing	-	137,821
Fire Rescue	24,058,488	24,772,830
Public Safety	1,506,361	2,394,015
Townwide	4,178,186	6,214,210
Townwide Community Events	663,862	638,862
Affiliated Agency Partnerships	2,041,044	2,414,446
Transfers Out	197,049	3,474,986
Total General Fund	**60,362,808**	**67,652,550**

A schedule showing the Fiscal Year 2027 Capital Improvements Program, which includes priority recommendations from the Planning Commission, and Fiscal Years 2027 – 2031 Capital Improvements Program Priorities, is attached hereto and incorporated by reference as **Exhibit B.** A schedule showing the funding sources for the Fiscal Year 2027 Capital Improvement Projects is shown as **Exhibit C.** The Capital Improvements Program Fund is hereby adopted at the Fund level as follows:

Capital Improvements Program Fund	2026 Amended Budget	2027 Budget
Beach Program	49,019,119	7,449,119
Pathway Program	1,650,000	1,418,937
Roadway Program	8,656,486	9,701,553
Park Program	12,439,243	17,451,552
Facility and Equipment Program	5,870,272	8,510,800
Stormwater Program	7,104,326	4,205,586
Fleet Program	2,644,838	4,980,000
Land Acquisition and Administration Program	10,331,300	250,000
Total Capital Improvements Program	**97,715,584**	**53,967,547**
Transfer to Capital Fund Balance	-	1,238,205
Total Capital Improvements Program Expenditures	**97,715,584**	**55,205,752**

The Debt Service Fund budget includes scheduled debt payments, enabling the Town to manage debt proactively while supporting critical infrastructure investments. The Debt Service Fund is hereby adopted at the Fund level as follows:

Debt Service Fund	2026 Amended Budget	2027 Budget
Principal	7,325,000	8,605,000
Interest	1,915,793	2,888,988
Other	17,600	20,000
Anticipated Debt Costs	14,330,888	-
Callable Special Obligation Beach Bond	7,495,000	-
Total Debt Service Fund	**31,084,281**	**11,513,988**

The Stormwater Utility Fund is hereby adopted at the Fund level as follows:

Stormwater Utility Fund	2026 Amended Budget	2027 Budget
Personnel and Benefits	916,066	792,020
Debt Service	42,851	24,176
Operations	1,290,480	1,178,215
Maintenance, Modeling and Monitoring	2,190,000	1,008,337
Transfer to General Fund	350,000	375,000
Transfer to Capital Improvements Fund	6,350,880	4,205,586
Total Stormwater Fund	**11,140,277**	**7,583,334**

The Housing Fund is hereby adopted at the Fund level as follows:

Housing Fund	2026 Budget	2027 Budget
Northpoint Housing	1,000,000	-
Muddy Creek Neighborhood Stabilization	1,500,000	1,500,000
Bryant Road	1,000,000	1,000,000
Beaufort Jasper Housing Trust Dues	181,088	91,882
Workforce Housing Operations	102,717	-
Workforce Housing Personnel	194,332	-
Subtotal Housing Fund	**3,978,137**	**2,591,882**
Transfer to Housing Fund Balance	-	619,616
Total Housing Fund	**3,978,137**	**3,211,498**

The Gullah Geechee Historic Neighborhoods Community Development Corporation Fund is hereby adopted at the Fund level as follows:

Gullah Geechee Historic Neighborhoods Community Development Corporation (GGHNCDC) Fund	2026 Budget	2027 Budget
Personnel and Benefits	212,801	359,026
Operating	39,592	74,520
Professional Services	204,210	111,210
Grants and Incentives Loans	1,500,000	125,000
Capital Outlay and Land Acquisition	1,250,000	1,000,000
Project Expenses and Contingency	80,000	25,000
Total GGHNCDC Fund	**3,286,603**	**1,694,756**

The Special Revenues Fund is hereby adopted at the Fund level as follows:

Special Revenues Fund	2026 Budget*	2026 Projection	2027 Budget
Operating Expenditures	-	536,096	664,564
Accommodations Tax Grants	-	4,076,992	4,089,462
Destination Marketing Organization (DMO)	-	3,785,976	3,717,693
Transfer to General Fund	-	13,093,959	16,236,626
Transfer to Capital Improvements Program Fund	-	40,611,857	46,104,356
Transfer to Debt Service Fund	-	12,792,678	4,484,733
Transfer to Housing Fund	-	1,000,000	619,616
Transfer to Fund Balance	-	9,494,253	10,505,791
Total Special Revenues Fund	**-**	**85,391,811**	**86,422,841**

Section 2. Establishment of Property Tax Levy. A tax to cover the period from July 1, 2026 through June 30, 2027, inclusive, for the sums and in the manner hereinafter mentioned, is and shall be, levied, collected and paid into the treasury of the Town of Hilton Head Island for its uses at a millage (mill) rate on assessed value of real estate and personal property of every description owned in the Town of Hilton Head Island, except such property as is exempt from taxation under the Constitution and laws of the State of South Carolina. Said tax levy shall be paid into the Town Treasury for the credit of the Town of Hilton Head Island for its corporate purposes, for the purpose of paying current operational expenses of the said municipality in the amount of **14.3 mills** and Debt Service in the amount of **5.1 mills** making the total levy for Fiscal Year 2026 of **19.4 mills**.

Section 3. Establishment of Budgeted Funds. To facilitate operations, there shall be established and maintained a General Fund, a Capital Improvements Program Fund, a Debt Service Fund, a Stormwater Utility Fund, a Housing Fund, a Gullah Geechee Historic Neighborhood Community Development Corporation Fund, and a Special Revenues Fund, and such other appropriate funds in such amounts as are provided for in this Budget, or as hereafter modified pursuant to appropriate Town Council action.

Section 4. Other Funds. The Natural Disaster Fund, as part of the Special Revenues Fund, is limited to activity related to an officially declared emergency. This fund captures the financial activities from declared disasters, reimbursements from state and federal agencies and holds funds set aside for future emergencies.

Section 5. Transfer of Funds. All budget transfers and supplements shall be made in conformance to the Town's budget policies as outlined herein:

A. General Fund. The General Fund budgetary authority is to be adopted at the departmental level with the exception that the Town Manager, or designee, shall have the authority to transfer funds across departmental accounts to implement staff reorganizations and salary adjustments. Additionally, the Town Manager, or designee, shall have the authority to transfer up to $100,000 within this Fund as may be necessary to achieve the goals of the budget; larger transfers will require Town Council approval.

B. Capital Improvements Program Fund. The Capital Improvements Program Fund is to be adopted at the program level. The Town Manager, or designee, shall have the authority to transfer appropriated funds between projects within each program category identified in the Capital Improvement Program Fund if the project(s) fall under the same functional program category. The appropriated projects under the Capital Improvements Program Fund are on a multi-year project basis and are effective as of July 1, 2026, and shall be reappropriated each new fiscal year until the project is complete but said appropriations are subject to cancellation or amendment by the Town Council as may be in the best interest of the Town.

C. Debt Service Fund. The Debt Service Fund is to be adopted at the Fund level and does not contain additional provisions for the transfers of budgeted funds within this Fund.

D. Stormwater Fund. The Stormwater Fund is to be adopted at the Fund level. Additionally, the Town Manager, or designee, shall have the authority to transfer up to $100,000 within this Fund as may be necessary to achieve the goals of the budget; larger transfers will require Town Council approval.

E. Housing Fund. The Housing Fund is to be adopted at the Fund level and does not contain additional provisions for the transfers of budgeted funds within this Fund.

F. Gullah Geechee Historic Neighborhoods Community Development Corporation. The Gullah Geechee Historic Neighborhoods Community Development Corporation Fund is to be adopted at the Fund level. Additionally, the Town Manager, or designee, shall have the authority to transfer up to $100,000 within this Fund as may be necessary to achieve the goals of the budget; larger transfers will require Town Council approval.

G. Special Revenues Fund. The Special Revenues Fund is to be adopted at the Fund level and does not contain additional provisions for the transfers of budgeted funds within this Fund.

For all Funds, all outstanding encumbrances as of June 30, 2026, will carry forward into Fiscal Year 2027 to the same department, account, or project for which they are encumbered in Fiscal Year 2026 subject to approval by the Town Council via an appropriate budget amendment.

Section 6. Affiliated Agency Funding. This budget provides funding for entities identified as Affiliated Agents of the Town. Affiliated Agents are those entities who serve as an integral partner who is contracted by the Town to deliver public services on the Town's behalf instead of the Town providing those services directly. By virtue of adopting this budget, the Town hereby states that the services to be provided under the Affiliated Agency program will benefit the public by virtue of the nature of the services to be provided, that the public will be the primary beneficiary of such service, that the services are not of a speculative nature and are well defined in terms of the benefits to be provided to the public, and that on balance, the services to be provided will ultimately serve a public interest as compared to any ancillary benefit to a private party or entity.

For Fiscal Year 2027, the Town's Finance and Administrative Committee voted on March 9, 2026, to recommend funding as displayed in the table below for Affiliated Agencies in the cumulative amount of $2,414,446 and is included in the General Fund in Section 1 under Affiliated Agency Partnerships.

Affiliated Agencies	2026 Amended Budget	2027 Budget
Island Recreation Association	1,252,366	1,544,682
Coastal Discovery Museum	141,650	149,148
Mitchelville Preservation Project	105,000	105,000
LRTA (Palmetto Breeze)	402,528	433,201
Beaufort County EDC	42,000	42,000
Sea Turtle Patrol HHI	97,500	94,415
The Outside Foundation	-	46,000
Total Affiliated Agencies	**2,041,044**	**2,414,446**

Section 7. Acquisition of Rights of Way and Easements. The Town Manager is charged with the duty of executing all necessary documents to obtain rights of way, easements, and other property interests necessary to complete duly authorized Capital Improvement Projects.

Capital Improvement Projects, based on the ownership and life expectancy of the assets or improvements or based on the funding source authorized, may be budgeted in the General, Capital Improvements Program or Stormwater Funds. If expenditures are expressly authorized for an approved Capital Improvement Project in any of the budgeted funds, then the Town Manager is hereby authorized to execute all necessary documents and to expend such funds as are approved pursuant to the Capital Improvements Program Budget. Provided, however, if the costs of acquisition of such real property interests materially exceed the amount budgeted in the approved Capital Improvement Project and the Town Manager is unable to move sufficient additional funds from other authorized sources, the Town Manager shall be required to obtain the approval of Town Council for such additional expenditures. Nothing herein shall obviate the requirement that no condemnations shall be commenced without the appropriate approval of the Town Council for the Town of Hilton Head Island.

Section 8. Holiday Schedule. As part of the adoption of the Budget, the Town Council approves the Town of Hilton Head Island Staff 2027 Holiday Schedule in accordance with the schedule shown in **Exhibit D**.

Section 9. Approval of State Accommodation Tax. State Accommodations Tax is budgeted as part of the Special Revenues Fund. The Town's General Fund Budget is relying on State Accommodation Tax (State ATAX) revenues for the operation of the Town in accordance with the Tourism Expenditure Review Committee guidelines in the amount of $3,123,078. This amount is inclusive of the amounts as provided by State Law formulas

($25,000 and 5% of State ATAX collections) and is hereby approved with this budget. Town Council also authorizes tourism related capital projects from State Accommodations Taxes in accordance with the Tourism Expenditure Review Committee guidelines for parks, facilities, and equipment in the amount of $5,410,921 in the Town's Capital Improvements Program for 2026-2027 plus any carryforward of capital projects from the 2025-2026 Capital Improvements Program budget. The Town Council also authorizes workforce housing related projects from State Accommodations Taxes in accordance with South Carolina law and the Tourism Expenditure Review Committee guidelines in the amount of $619,616 in the Town's Housing Fund for 2026-2027.

Section 10. Financial Policies GFOA Updates. The Government Finance Officers Association publishes best practices financial policies. The Town reviews the applicability of those policies and incorporates many of those into the Town's policies. These are published annually in the budget document. Subjects addressed are:

1. Measurement Focus and Basis of Accounting
2. Fund Reserve
3. Grants
4. Debt Management
5. Investment
6. Accounting and Financial Reporting
7. Risk Management and Internal Controls
8. Procurement
9. Long-Term financial planning
10. Structurally balanced budget
11. Capital Assets
12. Capital Improvements Plan
13. Revenues
14. Expenditures
15. Operating Budget
16. Municipal Check Signing

As part of the adoption of the Budget, the Town Council approves a revised Fund Reserve Policy as shown in **Exhibit E**.

The Fund Reserve Policy reaffirms the following:

1. The Real Estate Transfer Fee Fund Reserve is maintained at a minimum of $1.0 million.
2. The Hospitality Tax Reserve is maintained at a minimum of $5.0 million.

The Fund Reserve Policy includes the following revisions:

1. The General Fund Operating Reserve policy to be a lower limit of 50% of the next year's budget and an upper limit of 55% of next year's budget. This action recognizes Town Council's commitment to prudent operations, strong reserves, strong bond ratings and strong emergency preparedness.

2. Proceeds from the sale of the Modern Classic Motors site will be added to the Capital Reserves for future economic development purposes.
3. The Beach Preservation Reserve has been increased from a minimum of $20.0 million to the available fund balance at the end of the fiscal year.
4. The Stormwater Utility Fund Reserve of a minimum of $5.0 million has been calibrated to $3 million to cover one year of operating expenses.
5. The Stormwater Utility Fund Net Asset Reserve has been added to reflect the calculated net assets at the end of the fiscal year.
6. The Natural Disaster Reserve has increased from a minimum of $36.0 million to the available fund balance at the end of the fiscal year.

It is our intent that the substance of these policies will be included in the annual budget document and the annual comprehensive financial report and that both will be available for public inspection following their adoption and/or completion.

Section 12. Fees. To be competitive, the Town fee schedule is updated as part of **Exhibit F**, which is incorporated as if fully restated herein and is hereby adopted as part of this Ordinance.

Section 13. 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 14. Effective Date. This Ordinance shall be effective upon its enactment by the Town Council for the Town of Hilton Head Island.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS _____ DAY OF _____, 2026.

_____
Alan Perry, Mayor

ATTEST:

_____
Kimberly Gammon, Town Clerk

First Public Hearing: _____

Second Public Hearing: _____

APPROVED AS TO FORM:

_____
Curtis Coltrane, Town Attorney

EXHIBIT A

LINK TO FISCAL YEAR 2027 CONSOLIDATED BUDGET SUMMARY

www.hiltonheadislandsc.gov/government/finance/budget/2027

CAPITAL IMPROVEMENT PROGRAM - FY 2027 BUDGET

Revised: April 3, 2026

	Project	Project Type	Project Scope	FY 2026 Approved Amended Budget	FY 2027 Estimated Roll Forward Request from FY 2026 Budget	FY 2027 New Funding Requests	Proposed Budget FY 2027 Priority 1	FY 2028 Priority 2	FY 2029 Priority 3	FY 2030 Priority 4	FY 2031 Priority 5	FY 2027 Planning Commission Priority	FY 2027 Project Schedule		
													Design	Permitting	Construction
	BEACH PROGRAM														
1	Beach Park Maintenance & Improvements	Maintenance	Repairs, replacements, and general improvements to beach parks, including upgrades to facilities, hardscapes, landscaping, lighting, boardwalks, beach access mats, site furnishings, and other capital infrastructure.	$ 150,000	$ -	$ 150,000	**$ 150,000**	Priority	Priority	Priority	Priority	★			✓
2	Beach Management & Monitoring	Maintenance	Management and monitoring of the beach and dune system including island-wide beach surveys, endangered species monitoring, and other related environmental activities.	$ 290,620	$ 70,620	$ 150,000	**$ 220,620**	Priority	Priority	Priority	Priority	★			
3	Beach Renourishment	Maintenance	Follow up sand fencing and dune plantings work to support completed improvements. Sand fencing and dune plantings help build new dunes and fill gaps in existing dune ridges. These measures reduce local wind speeds, trap sand, and promote the formation of new dunes with increased height.	$ 47,500,000	$ 600,000	$ -	**$ 600,000**					★			✓
4	Islanders Beach Park Improvements	Discretionary	The improvements include the expansion and renovation of parking areas, upgrades to stormwater infrastructure, replacement of playground equipment, construction of a new pathway along the southern property line, and enhancements to landscaping.	$ 128,499	$ 128,499	$ 5,000,000	**$ 5,128,499**					★			✓
5	Folly Field Beach Park Improvements	Discretionary	Renovations consisting of restroom building exterior renovation, landscaping enhancements, new signage, consolidation of lighting and camera systems, and other improvements.	$ -	$ -	$ -	**$ -**	Priority							
6	Coligny Beach Park Boardwalk Maintenance	Maintenance	Replacement and repair to existing decking, including structural repairs where necessary.	$ 250,000	$ -	$ -	**$ -**	Priority	Priority	Priority	Priority				
7	Harbour Town Dredge	Maintenance	Agreement with South Island Dredging Association to assist with funding for dredging of Harbour Town Yacht Basin and Braddock Cove Creek.	$ 600,000	$ 600,000	$ -	**$ 600,000**								
8	Beach Operations Center Renovations	Discretionary	Renovation of a facility that will incorporate modern technology and classroom space to support education about the Hilton Head beach environment. The facility will house Town Beach Operations, Shore Beach Services, Town Code Enforcement offices, and other public safety and environmental organizations.	$ -	$ -	$ 300,000	**$ 300,000**	Priority				★	✓		
9	Beach Wayfinding and Signage	Discretionary	Renovation of Town beach signage and wayfinding starting with Islanders, Folly Field, and Fish Haul.	$ -	$ -	$ 200,000	**$ 200,000**	Priority	Priority	Priority	Priority	★	✓	✓	✓
10	69 Pope Avenue Beach Parking Lot	Discretionary	Expand the existing parking lot to provide additional public parking (scheduled for completion in fall 2026) to improve access and accommodate increased visitor demand.	$ -	$ -	$ 150,000	**$ 150,000**					★			✓
11	Beach Program Contingency	N/A	Contingency fund to cover unexpected expenses related to beach projects.	$ 81,222	$ -	$ 100,000	**$ 100,000**	Priority	Priority	Priority	Priority	★			
	Total Beach Program			**$ 49,019,119**	**$ 1,399,119**	**$ 6,050,000**	**$ 7,449,119**								
	PATHWAY PROGRAM														
12	Pathway Maintenance & Improvements	Maintenance	Maintenance and enhancement of existing pathways and supporting infrastructure, including repairs, surface rejuvenation, restriping, and safety upgrades. These improvements are intended to increase consistency and uniformity while ensuring full ADA compliance across all pathways including pathway connectivity to Town properties.	$ 225,000	$ 143,937	$ 500,000	**$ 643,937**	Priority	Priority	Priority	Priority	★			✓
	New Pathway Segments														
13	Jonesville Road Pathway (Western Terminus to Spanish Wells Road)	Discretionary	Construction of a new pedestrian pathway connecting Spanish Wells Road to and through the Jonesville neighborhood.	$ 500,000	$ 200,000	$ -	**$ 200,000**	Priority	Priority	Priority		★	✓		

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												FY 2027 Planning Commission Priority	Design	Permitting	Construction
14	Dunnagans Alley Pathway (Wexford Drive to Arrow Road)	Discretionary	Expansion of the existing pedestrian pathway along Dunnagans Alley (extending from Wexford Drive to Arrow Road) to improve connectivity, accessibility, beautification, traffic calming and safety.	$ 250,000	$ -	$ -	$ -	Priority	Priority						
15	William Hilton Parkway EB Pathway (Wexford Drive to Arrow Road)	Discretionary	Design development of a new pedestrian pathway connecting the Village at Wexford to Arrow Road as part of the SC DOT TAP Grant Project, enhancing connectivity, accessibility, and safety for pedestrians. SC DOT will commence with easement acquisition and construction anticipated in FY28.	$ 120,000	$ -	$ -	$ -	Priority	Priority						
16	Lagoon Road Pathway (Avocet Road to North Forest Beach Drive)	Discretionary	Enhance the pedestrian and vehicular safety including crossings to improve safety and accessibility.	$ -	$ -	$ 300,000	$ **300,000**	Priority	Priority			★	✓		
17	Palmetto Parkway Pathway (Mathews Drive to William Hilton Parkway)	Discretionary	Enhance pedestrian pathway along Palmetto Parkway in the Northridge area to improve connectivity and accessibility.	$ -	$ -	$ -	$ -	Priority	Priority						
18	Spanish Wells Pedestrian Bridge	Maintenance	Renovation of existing wooden pedestrian bridge along Spanish Wells Road.	$ -	$ -	$ -	$ -			Priority					
19	Fish Haul Road (Baygall Road to Alice Perry Drive)	Discretionary	Phase 1: Baygall Road to Mangrove Street (800 linear feet). Phase 2: Mangrove Street to Alice Perry Drive (1,700 linear feet).	$ -	$ -	$ -	$ -			Priority	Priority				
20	William Hilton Parkway EB Pathway (Mathews Drive / Folly Field Road to Shelter Cove Lane)	Discretionary	Construction of a new pathway, including landscaping and bollard lighting, along William Hilton Parkway eastbound from Mathews Drive / Folly Field Road intersection to Shelter Cove Lane (6,400 linear feet).	$ -	$ -	$ -	$ -			Priority	Priority				
21	South Forest Beach Drive Pathway at Seascape Villas	Discretionary	Reconfigure the pathway near the entry drive and parking lot to address safety concerns and improve pedestrian flow.	$ -	$ -	$ 175,000	$ **175,000**					★			✓
22	Port Royal Entrance Pathway	Discretionary	Reconfigure the pathway near the entrance to Port Royal Plantation to enhance pedestrian safety and improve traffic flow.	$ -	$ -	$ -	$ -		Priority	Priority					
23	Palmetto Bay Pathway (Point Comfort to Target Road)	Discretionary	Construction of a new pathway.	$ -	$ -	$ -	$ -	Priority	Priority	Priority					
	Subtotal New Pathway Segments			**$ 870,000**	**$ 200,000**	**$ 475,000**	**$ 675,000**								
24	Pathway Program Contingency	N/A	Contingency fund to cover unexpected expenses related to pathway projects.	$ 100,000	$ -	$ 100,000	$ **100,000**	Priority	Priority	Priority	Priority	★			
	Total Pathway Program			**$ 1,650,000**	**$ 343,937**	**$ 1,075,000**	**$ 1,418,937**								
	ROADWAY PROGRAM														
25	Roadway Maintenance & Improvements	Maintenance	Maintenance and improvement of existing roadways, including general repairs such as potholes, curbing, and shoulders, as well as pavement markings and installation or replacement of permanent traffic signs including roads serving Town properties.	$ 95,957	$ 97,870	$ 250,000	$ **347,870**	Priority	Priority	Priority	Priority	★			✓
26	Signal System Maintenance	Maintenance	Maintenance of the traffic signal system, including routine mast arm maintenance, signage, aging traffic cabinets, signal heads, and installation of battery backup systems to ensure reliable operation.	$ 1,100,000	$ 550,000	$ 550,000	$ **1,100,000**	Priority	Priority	Priority	Priority	★			✓
27	Signal Mast Arm Replacements	Maintenance	Multi-year project to replace aging poles and signal mast arms, cabinets, and signal heads at two intersections per year that have exceeded their useful life, ensuring continued safety, reliability, and operational efficiency of the traffic signal system.	$ -	$ -	$ 400,000	$ **400,000**	Priority	Priority	Priority	Priority	★			✓

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												FY 2027 Planning Commission Priority	Design	Permitting	Construction
28	Streetscape and Traffic Calming Enhancements	Maintenance	Enhance roads on Hilton Head Island through landscaping, lighting upgrades, aesthetics, visibility, and overall safety for motorists and pedestrians including access to Town properties.	$ 605,501	$ 241,808	$ 750,000	**$ 991,808**	Priority	Priority	Priority	Priority	★			✓
29	Jonesville Road and Spanish Wells Right Turn Lane Improvements	Maintenance	Survey and design to improve the right-turn lane from Jonesville Road onto Spanish Wells Road to enhance traffic flow, safety, and efficiency at the intersection.	$ 100,000	$ 100,000	**$** -	**$ 100,000**	Priority				★	✓	✓	
30	Northpoint USPS Side Improvements	Discretionary	Implement access improvements connecting Northpoint to Gum Tree Road through the USPS site, including roadway and pathway enhancements, drainage upgrades, and landscaping improvements to improve connectivity, safety, and aesthetics.	$ 3,350,000	$ 2,800,000	**$** -	**$ 2,800,000**					★			✓
31	Tabby Walk Entrance Relocation	Maintenance	Survey and design to relocate the Tabby Walk entrance from Mathews Drive to Palmetto Parkway to improve safety and access.	$ 200,000	$ 121,860	$ -	**$ 121,860**	Priority				★	✓	✓	
32	William Hilton Parkway Gateway Corridor & Stoney Corridor	Discretionary	Conduct additional planning for improvements to William Hilton Parkway to enhance traffic flow, safety, and overall roadway efficiency.	$ 123,163	$ -	$ 100,000	**$ 100,000**					★	✓		
33	Main Street	Discretionary	Implement sidewalk, safety enhancements, landscaping, signage, lighting, and other identified improvements to enhance functionality, aesthetics, and overall corridor safety.	$ 26,045	$ -	**$** -	**$** -	Priority	Priority	Priority					
34	New Orleans Road	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and other improvements identified.	$ -	$ -	**$** -	**$** -			Priority	Priority				
35	Old Wild Horse	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and other improvements identified.	$ -	$ -	**$** -	**$** -			Priority	Priority				
36	Palmetto Bay Road	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and other improvements identified.	$ -	$ -	**$** -	**$** -			Priority	Priority				
37	Pope Avenue Streetscape Improvements	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and intersection improvements at Pope Avenue and Lagoon Road.	$ 148,000	$ -	$ 150,000	**$ 150,000**	Priority	Priority			★	✓		
38	Arrow Road	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, pedestrian pathways including the Target Road intersection, and other improvements identified.	$ -	$ -	$ -	**$** -	Priority	Priority	Priority					
39	Segment 1 - Spanish Wells Road / Wild Horse Road to Wilborn Road / Jarvis Park Road	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and other improvements identified.	$ -	$ -	$ -	**$** -			Priority	Priority				
40	Segment 2 - Wilborn Road / Jarvis Park Road to Beach City Road / Gardner Drive	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and other improvements identified.	$ -	$ -	$ -	**$** -			Priority	Priority				
41	Segment 3 Interim Safety Improvements - Beach City Road / Gardner Drive to Dillon Road	Discretionary	Construct pedestrian safety improvements, including lighting, crosswalk markings, landscaping, and signage, to enhance visibility, accessibility, and overall safety for pedestrians.	$ 113,068	$ -	$ -	**$** -			Priority	Priority				
42	Segment 4 - Dillon Road to Mathews Drive / Folly Field Road	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and other improvements identified.	$ -	$ -	**$** -	**$** -			Priority	Priority				

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													Design	Permitting	Construction
43	Segment 5 - Mathews Drive / Folly Field Road to Shelter Cove Lane	Discretionary	Implement recommendations from the Major Thoroughfares and Corridors Plan, including safety enhancements, landscaping, signage, lighting, and other identified improvements to enhance corridor safety, functionality, and aesthetics.	$ 300,000	$ 51,160	$ -	**$ 51,160**	Priority	Priority	Priority		★	✓		
44	Segment 6 - Shelter Cove Lane to Queens Folly Road / King Neptune Drive	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and other improvements identified.	$ -	$ -	$ -	$ -			Priority	Priority				
45	Segment 7 - Queens Folly Road / King Neptune Drive to Wexford Drive / Shipyard Drive	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and other improvements identified.	$ -	$ -	$ -	$ -			Priority	Priority				
46	Segment 8 - Sea Pines Circle to Wexford Drive / Shipyard Drive	Discretionary	Collaborate with SCDOT on schematic design and design development documents to implement recommendations from the Major Thoroughfares and Corridors Plan, including safety enhancements, landscaping, signage, lighting, and other identified improvements to improve corridor safety, functionality, and aesthetics. permitting, and implementation of improvements to Sea Pines Circle.	$ 350,000	$ 300,477	$ -	**$ 300,477**	Priority	Priority	Priority		★	✓		
47	Folly Field Road Safety Improvements	Maintenance	Implement improvements on Folly Field Road, including traffic calming measures and enhanced pedestrian crossings to improve safety and mobility for all users. Improvements include speed feedback signs and up to four (4) raised intersections (pending SCDOT approval).	$ 75,000	$ -	$ 250,000	**$ 250,000**	Priority				★	✓	✓	✓
48	South Forest Beach and North Forest Beach Corridor Safety Enhancements	Discretionary	Enhance the pedestrian and vehicular safety including crossings to public beach access to improve safety and accessibility.	$ -	$ -	$ 200,000	**$ 200,000**	Priority				★	✓		
49	Gum Tree Road Corridor Improvements 1	Discretionary	Establish a new pedestrian pathway from the USPS site along Marshpoint Drive and Gum Tree Road to the crosswalk at Bus Drive. This pathway will complete the connection between the Northpoint and Marshpoint communities and provide safe access to nearby school campuses. There will also be a RRFB install at crosswalk.	$ -	$ -	$ 650,000	**$ 650,000**					★	✓	✓	✓
50	Gum Tree Road Corridor Improvements 2	Discretionary	Roadway enhancements including but not limited to pathway connectivity, intersection improvements, traffic calming, pedestrian safety, stormwater enhancements, etc.	$ -	$ -	$ 250,000	**$ 250,000**	Priority	Priority			★	✓		
51	Squire Pope Road Corridor Improvements	Discretionary	Roadway enhancements including but not limited to pathway connectivity, intersection improvements, traffic calming, pedestrian safety, stormwater enhancements, etc.	$ -	$ -	$ 755,000	**$ 755,000**	Priority				★	✓	✓	✓
52	Squire Pope & WHP Intersection Improvements	Discretionary	Survey and develop design plans for initial items to improve traffic flow and enhance pedestrian safety.	$ -	$ -	$ 400,000	**$ 400,000**	Priority	Priority	Priority		★	✓		
53	Spanish Wells & WHP Intersection Improvements	Discretionary	Survey and develop design plans for initial items to improve traffic flow and enhance pedestrian safety.	$ -	$ -	$ 300,000	**$ 300,000**	Priority	Priority	Priority	Priority	★	✓		
54	Indigo Run Circle Interior Enhancements	Discretionary	Implement landscape and hardscape improvements to enhance and support the Veterans Memorial area.	$ -	$ -	$ 160,000	**$ 160,000**					★			✓
	Dirt Road Paving Program		Establish a program to accept dedications of private dirt roads through procurement and right-of-way acquisition, improving public access and connectivity.												
55	Mitchelville Road	Discretionary	Replace the existing dirt road on Mitchelville Road with asphalt pavement and implement drainage improvements to enhance safety, accessibility, and durability.	$ 910,000	$ -	$ -	$ -								

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56	Alice Perry Drive	Discretionary	Replace the existing dirt road in the Bay Gall area of Hilton Head with asphalt pavement and implement drainage improvements to enhance safety, accessibility, and roadway durability.	$ 50,000	$ 44,869	$ -	**$ 44,869**	Priority	Priority			★	✓	✓	
57	Freddie's Way	Discretionary	Replace the existing dirt road off Oak View Road with asphalt pavement and implement drainage improvements to improve safety, accessibility, and roadway longevity.	$ 50,000	$ 43,280	$ -	**$ 43,280**	Priority	Priority			★	✓	✓	
58	Alfred Lane	Discretionary	Replace the existing dirt road off Bryant Road with asphalt pavement and implement drainage improvements to enhance safety, accessibility, and roadway durability.	$ 44,500	$ 44,500	$ -	**$ 44,500**	Priority	Priority			★	✓	✓	
59	Benjamin Drive	Discretionary	Replace the existing dirt road off Jonesville Road with asphalt pavement and implement drainage improvements to improve safety, accessibility, and roadway longevity.	$ 106,797	$ 40,729	$ -	**$ 40,729**	Priority	Priority			★	✓	✓	
60	Christopher Drive	Discretionary	Dirt road identified for future extension of paved road off of William Hilton Parkway.	$ -	$ -	$ -	**$ -**		Priority	Priority					
61	Darling Road	Discretionary	Dirt road identified for future extension of paved road off of William Hilton Parkway.	$ -	$ -	$ -	**$ -**		Priority	Priority					
62	Manatee Way	Discretionary	Dirt road identified for future extension of paved road off of Otter Hole Road.	$ -	$ -	$ -	**$ -**		Priority	Priority					
63	Pine Field	Discretionary	Dirt road identified for future extension of a paved road off of Marshland Road.	$ -	$ -	$ -	**$ -**		Priority	Priority					
64	Amelia Court	Discretionary	Dirt road identified for future extension of paved road off of Squire Pope Road.	$ -	$ -	$ -	**$ -**		Priority	Priority					
65	Evelina Road	Discretionary	Dirt road identified for future extension of paved road off of Squire Pope Road.	$ -	$ -	$ -	**$ -**			Priority	Priority				
	Subtotal Dirt Road Paving Program			**$ 1,161,297**	**$ 173,378**	**$ -**	**$ 173,378**								
66	Roadway Program Contingency	N/A	Contingency fund to cover unexpected expenses related to roadway projects.	$ 73,955	$ -	$ 100,000	**$ 100,000**	Priority	Priority	Priority	Priority	★			
	Total Roadway Program			**$ 8,656,486**	**$ 4,436,553**	**$ 5,265,000**	**$ 9,701,553**								
	PARK PROGRAM														
67	Park Maintenance and Improvements	Maintenance	Perform repairs, replacements, and general improvements to non-beach parks, including facilities, hardscape, landscaping, lighting, boardwalks, site furnishings, and other capital infrastructure to enhance safety, accessibility, and visitor experience.	$ 250,000	$ 25,000	$ 225,000	**$ 250,000**	Priority	Priority	Priority	Priority	★			✓
68	Public Art Program	Discretionary	Manage the installation, upkeep, maintenance, and repair of sculptures and other elements within the permanent collection and associated sites to preserve artistic integrity and ensure public safety and accessibility.	$ 35,000	$ -	$ 52,000	**$ 52,000**	Priority	Priority	Priority	Priority	★			✓
	Island Recreation Association CIP		**Recreation Center enhancements**												
69	Rec Center Building Improvements	Maintenance	Implement improvements to the Recreation Center building and its supporting equipment, vehicles, and infrastructure to enhance operations, safety, and user experience.	$ 344,865	$ -	$ 367,500	**$ 367,500**	Priority	Priority	Priority	Priority	★			✓

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													Design	Permitting	Construction
70	Rec Center Pool Improvements	Maintenance	Enhance pool facilities through updates to dome and pool equipment, installation of windscreens, replacement of lockers, pool covers, and other related improvements to support safety, functionality, and user experience.	$ 195,000	$ -	$ 118,000	**$ 118,000**	Priority	Priority	Priority	Priority	★			✓
71	Basketball Court Improvements	Maintenance	Implement improvements to basketball courts, including replacement of backboards, installation of sun shades, upgraded lighting, and resurfacing or full court replacement to enhance safety, usability, and player experience.	$ -	$ -	$ 15,000	**$ 15,000**					★			✓
72	Athletic Equipment Improvements	Maintenance	Provide new and replacement equipment to support athletics, including practice and game goals for soccer, to enhance safety, functionality, and the overall athletic experience.	$ 15,000	$ -	$ 20,000	**$ 20,000**	Priority		Priority		★			✓
73	Event Equipment Improvements	Maintenance	Provide new and replacement equipment to support special events, ensuring safe, efficient, and high-quality event operations.	$ 67,500	$ -	$ 249,500	**$ 249,500**	Priority	Priority	Priority	Priority	★			✓
	Subtotal Island Recreation Association CIP			**$ 622,365**	**$ -**	**$ 770,000**	**$ 770,000**								
74	Barker Field - Extension Field Improvement	Discretionary	Renovate the soccer field with improvements to lighting, landscaping, fencing, storage enclosures, and the adjacent parking lot to enhance safety, accessibility, and overall user experience.	$ 1,330,247	$ -	$ -	$ -								
75	Barker Field Phase 2 & Mitchelville Property Improvements	Discretionary	Develop a master plan and identify future projects to guide strategic improvements, prioritize investments, and enhance overall community assets and amenities.	$ -	$ -	$ -	$ -			Priority	Priority				
76	Chaplin Community Park Renovation - Phase 1: Parking Renovation & Expansion	Discretionary	Expand the existing northern and southern parking lots to add approximately 154 additional parking spaces, improving access, capacity, and overall user convenience.	$ -	$ -	$ -	$ -		Priority	Priority	Priority				
77	Chaplin Community Park Renovation - Phase 2: Soccer Complex, Facility Upgrades, and Parking Expansion	Discretionary	Connect the northern parking lot to Castnet Drive and add approximately 82 parking spaces. Renovate the soccer fields, tennis courts, and dog park, and construct a new pavilion, a multi-use facility with restrooms, pickleball courts, and a playground to enhance recreational amenities and accessibility.	$ -	$ -	$ -	$ -			Priority	Priority				
78	Coligny Circle NW Quadrant Pocket Park	Discretionary	Develop a new pocket park along Pope Avenue to connect the beach and nearby shops, facilitate pedestrian traffic along the corridor, provide seating areas, and incorporate signage to enhance accessibility and user experience.	$ 900,000	$ -	$ -	$ -								
79	Crossings Park Renovation - Phase 1: Pickleball Complex	Discretionary	Construct a new pickleball complex featuring 19 courts, a clubhouse with restrooms, a parking lot, landscaping, and a pathway connection to the Bristol Sports Area to enhance recreational opportunities and accessibility.	$ 1,000,000	$ 191,605	$ 8,400,000	**$ 8,591,605**	Priority	Priority			★		✓	✓
80	Crossings Park Renovation - Phase 2: Bristol Sports Arena, Skate Park, and Pump Track	Discretionary	Renovate the Bristol Sports Arena to include a new skate park, pump track, and parking lot upgrades.	$ 750,000	$ 114,086	$ 4,600,000	**$ 4,714,086**	Priority	Priority			★		✓	✓
81	Crossings Park Renovation - Phase 3: Baseball Complex	Discretionary	Conduct schematic design for the construction of two new baseball fields, a restroom facility, parking lot, and Champions Plaza, along with the renovation of three existing baseball fields, concessions, training facility, stormwater infrastructure, landscaping, and parking areas to enhance overall functionality and user experience.	$ 126,000	$ -	$ -	$ -			Priority	Priority				
82	Jarvis Creek Park Improvements	Discretionary	Replace existing playground equipment to improve safety, accessibility, and overall play experience.	$ 6,696	$ -	$ -	$ -	Priority							

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83	Mid-Island Tract Park - Phase 1	Discretionary	Implement improvements to stormwater drainage and lagoon systems, pathways, landscaping, parking facilities off Union Cemetery Road, and restroom amenities to support the development of a 102-acre passive park.	$ 957,744	$ -	$ -	$ -		Priority	Priority	Priority				
84	Patterson Family Park	Discretionary	Construct a new neighborhood park on Marshland Road featuring a pavilion, open lawn area, viewing platform overlooking Broad Creek, pedestrian connectivity, parking, and associated site amenities to enhance recreation and community access.	$ 2,789,000	$ 2,408,296	$ -	**$ 2,408,296**					★		✓	✓
85	Shelter Cove Community Park Expansion, Phase 2	Discretionary	Install a Best Buddies playground designed to meet the needs of all children, along with expansion of the Broad Creek boardwalk and viewing platform, and additional landscaping and parking improvements to enhance accessibility and overall visitor experience.	$ 153,887	$ -	$ -	$ -	Priority	Priority						
86	Taylor Family Park	Discretionary	Construct a new neighborhood park on Wild Horse Road featuring a pavilion, open lawn area, recreational play amenities, pedestrian connectivity, parking, and associated site amenities to enhance community recreation and access.	$ 2,750,000	$ 315,565	$ -	**$ 315,565**					★			✓
87	Chaplin Linear Park Extension	Discretionary	Develop a linear park featuring a trailhead upfit, a pedestrian bridge at the Broad Creek inlet, a treehouse structure, and a marsh-side trail connection to Singleton Beach Road to enhance connectivity and recreational opportunities.	$ -	$ -	$ -	$ -		Priority	Priority	Priority				
88	Old Schoolhouse Park Improvements	Discretionary	Implement landscape and site improvements, including ADA-compliant parking and sidewalks, pickleball court replacement, restroom upgrades, shade structures, signage, seating, and landscaping to enhance accessibility, safety, and user experience.	$ 675,000	$ -	$ -	$ -								
89	Park Program Contingency	N/A	Establish a contingency fund to cover unexpected expenses related to park projects, ensuring flexibility and timely completion of planned improvements.	$ 93,304	$ -	$ 350,000	**$ 350,000**	Priority	Priority	Priority	Priority	★			
	Total Park Program			**$ 12,439,243**	**$ 3,054,552**	**$ 14,397,000**	**$ 17,451,552**								
	FACILITY & EQUIPMENT PROGRAM														
90	Facility Maintenance & Improvements	Maintenance	Perform repairs, replacements, and general improvements to Town facilities, including buildings, plumbing, electrical systems, roofing, HVAC, hardscape, landscaping, lighting, boardwalks, site furnishings, and other capital infrastructure to enhance safety, functionality, and longevity.	$ 500,000	$ -	$ 200,000	**$ 200,000**	Priority	Priority	Priority	Priority	★			✓
91	Facilities Equipment	Maintenance	Provide landscape equipment, watering tanks, and other tools necessary for the maintenance of capital infrastructure to ensure effective upkeep, safety, and aesthetics.	$ 50,000	$ -	$ -	$ -	Priority	Priority	Priority	Priority				
92	Town Hall Facility Improvements	Maintenance	Perform repairs, replacements, and general improvements to the Town Hall facility to enhance safety, functionality, and overall building performance.	$ 290,783	$ -	$ -	$ -		Priority	Priority	Priority				
93	4 Office Way Renovations	Maintenance	Renovate the recently acquired former bank building to accommodate the Engineering & Projects Department on the first floor and the Technology & Innovation Department on the second floor, improving functionality, workflow, and departmental operations.	$ 1,100,000	$ -	$ -	$ -								
94	IT Equipment & Software	Maintenance	Replace and acquire IT hardware and software, including servers, network switches, computers, and associated equipment, to ensure reliable operations, security, and technological efficiency.	$ 691,542	$ -	$ 633,000	**$ 633,000**	Priority	Priority	Priority	Priority	★			

CAPITAL IMPROVEMENT PROGRAM - FY 2027 BUDGET

Revised: April 3, 2026

	Project	Project Type	Project Scope	FY 2026 Approved Amended Budget	FY 2027 Estimated Roll Forward Request from FY 2026 Budget	FY 2027 New Funding Requests	Proposed Budget FY 2027 Priority 1	FY 2028 Priority 2	FY 2029 Priority 3	FY 2030 Priority 4	FY 2031 Priority 5	FY 2027 Planning Commission Priority	FY 2027 Project Schedule		
													Design	Permitting	Construction
95	Fire Hydrant Expansion	Maintenance	Install new fire hydrants, with a focus on historic neighborhoods, to enhance fire protection, public safety, and emergency response capabilities.	$ 100,000	$ 50,000	$ 50,000	**$ 100,000**	Priority	Priority	Priority	Priority	★			✓
96	Fire & Medical Systems Equipment	Maintenance	Replace self-contained breathing apparatus (SCBA), replace turnout gear, and medical equipment to ensure reliability, safety, and compliance with current standards for emergency response operations.	$ -	$ -	$ 1,295,000	**$ 1,295,000**	Priority	Priority	Priority	Priority	★			
97	Furniture Replacement	Maintenance	Replace furniture in Town facilities to improve functionality, comfort, and aesthetics for staff and visitors.	$ 300,000	$ -	$ 150,000	**$ 150,000**	Priority	Priority	Priority	Priority	★			
98	Security Cameras & Connectivity	Maintenance	Replace aging cameras and upgrade Wi-Fi infrastructure at Coastal Discovery Museum, Barker Field Park, and Compass Rose Park facilities. Install new camera systems at Coligny Beach, Schoolhouse Park, Taylor Family Park, Bristol Park, and Jonesville Stables to enhance security, connectivity, and operational efficiency across Town facilities.	$ 150,000	$ -	$ 630,000	**$ 630,000**	Priority	Priority	Priority	Priority	★			
99	Tree Planting Program	Discretionary	Implement a town-wide tree planting program to enhance green infrastructure, improve environmental quality, and promote community aesthetics and sustainability.	$ 150,000	$ -	$ 150,000	**$ 150,000**	Priority	Priority	Priority	Priority	★			
	Coastal Discovery Museum CIP Improvements		Provide funding to the Coastal Discovery Museum to support the improvement and ongoing maintenance of its buildings and grounds, ensuring safety, accessibility, and an enhanced visitor experience.												
100	Discovery House	Maintenance	Perform exterior and interior painting, replace doors and hardware, and repair wood rot to maintain building integrity, appearance, and functionality.	$ 20,500	$ -	$ 307,000	**$ 307,000**	Priority	Priority	Priority	Priority	★			✓
101	Armstrong / Hack House	Maintenance	Renovate office spaces, including flooring upgrades, to improve functionality, aesthetics, and workplace efficiency.	$ 10,500	$ -	$ 9,500	**$ 9,500**	Priority	Priority	Priority	Priority	★			✓
102	Pavilion	Maintenance	Perform roof and electrical improvements to enhance building safety, reliability, and operational efficiency.	$ 4,500	$ -	$ 3,600	**$ 3,600**	Priority		Priority		★			✓
103	Discovery Lab	Maintenance	Perform interior repairs to maintain building functionality, safety, and appearance.	$ 4,500	$ -	$ -	**$ -**	Priority	Priority						
104	Pavilion / Restroom Building	Maintenance	Perform structural repairs to ensure building integrity, safety, and long-term durability.	$ 350,000	$ -	$ 5,000	**$ 5,000**	Priority	Priority			★			✓
105	Horse Barn	Maintenance	Perform structural repairs to ensure building integrity, safety, and long-term durability.	$ 23,000	$ -	$ 5,000	**$ 5,000**	Priority		Priority		★			✓
106	Hay Barn	Maintenance	Perform interior repairs to maintain building functionality, safety, and appearance.	$ 50,000	$ -	$ -	**$ -**	Priority	Priority	Priority	Priority				
107	Miscellaneous Improvements	Maintenance	Perform tree maintenance, fence repairs, landscaping, and other necessary site improvements to maintain safety, functionality, and aesthetics of Town properties.	$ 23,000	$ -	$ 152,500	**$ 152,500**	Priority	Priority	Priority	Priority	★			✓
108	Event Space Improvements	Maintenance	Construction of Town-initiated enhancements including ADA compliance and lighting upgrades.	$ 10,000	$ -	$ 10,000	**$ 10,000**					★			✓
109	Coastal Discovery Museum Facilities Assessment	Discretionary	Conduct assessments of existing facilities, including surveys and reserve studies, to develop a forward-looking plan for maintenance, improvements, and long-term capital planning.	$ -	$ -	$ 250,000	**$ 250,000**					★	✓		

CAPITAL IMPROVEMENT PROGRAM - FY 2027 BUDGET

Revised: April 3, 2026

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												FY 2027 Planning Commission Priority	Design	Permitting	Construction
	Subtotal Coastal Discovery Museum CIP Improvements			$ 496,000	$ -	$ 742,600	**$ 742,600**								
110	Jonesville Horse Barn	Maintenance	Renovate existing stables, demolish the home behind the stables, repair and replace fencing, and perform miscellaneous site improvements to make the site accessible and safe for public use.	$ 500,000	$ -	$ 500,000	**$ 500,000**					★	✓	✓	✓
111	Mitchelville Freedom Park Improvements	Discretionary	Construct a new paved loop road with an accompanying parking lot to support future growth and improve public accessibility.	$ 325,000	$ -	$ 2,310,200	**$ 2,310,200**					★			✓
112	Town Refuse & Recycling Management Improvements	Discretionary	Implement improvements and acquire equipment for refuse and recycling operations on the beach to include new waste collection and recycling containers and corrals.	$ 250,000	$ -	$ 250,000	**$ 250,000**					★			✓
113	Fire Radio Replacement	Maintenance	Replacement of radio communication equipment.	$ -	$ -	$ -	**$ -**			Priority					
114	Fire Rescue HQ	Discretionary	Implement improvements to the newly acquired 9 and 10 Park Lane property to support the Fire Rescue Headquarters, Emergency Operations Center (EOC), and call center, enhancing functionality, safety, and operational efficiency.	$ 677,008	$ 577,008	$ 622,992	**$ 1,200,000**					★	✓	✓	✓
115	Gullah Geechee Cultural Heritage Center Renovations	Discretionary	Renovate an existing building to establish the new Gullah Geechee Heritage Center, enhancing cultural preservation, accessibility, and visitor experience.	$ -	$ -	$ 250,000	**$ 250,000**	Priority	Priority			★	✓		
116	Facilities and Equipment Program Contingency	N/A	Establish a contingency fund to cover unexpected expenses related to facility projects, ensuring flexibility and timely completion of planned improvements.	$ 100,000	$ -	$ 100,000	**$ 100,000**	Priority	Priority	Priority	Priority	★			
	Total Facility & Equipment Program			**$ 5,870,272**	**$ 627,008**	**$ 7,883,792**	**$ 8,510,800**								
	STORMWATER PROGRAM														
117	Stormwater Maintenance & Improvements - Non-PUD	Maintenance	Various stormwater corrective maintenance and improvement projects based on service request priority scores, including easement acquisitions as needed including needed stormwater improvements for Town properties.	$ 1,018,301	$ 892,524	$ 150,000	**$ 1,042,524**	Priority	Priority	Priority	Priority	★	✓	✓	✓
118	Stormwater Maintenance Agreement Program - PUD	Maintenance	Stormwater program allocation for qualifying corrective maintenance reimbursements for active agreement partners.	$ 2,000,000	$ 650,000	$ 350,000	**$ 1,000,000**	Priority	Priority	Priority	Priority	★	✓	✓	✓
119	25 Moonshell Road	Maintenance	Permitting & installation of pipes, inlet structures, and control structures to improve efficiency and reduce long-term maintenance costs along the existing Folly Field ditch between Starfish Drive and the Island Club including improvements to the outfall connection to the Port Royal main channel (under Folly Field Road and Wimbledon Court).	$ 127,238	$ 25,000	$ 95,000	**$ 120,000**	Priority				★	✓		
120	75 Helmsman Way Drainage Improvements	Maintenance	Replace existing pipes and replace with larger pipes at a higher elevation with backflow prevention devices to correct identified deficiencies (resilience project).	$ 50,000	$ 25,000	$ -	**$ 25,000**	Priority	Priority			★	✓		
121	Bryant Road Pond Restoration	Maintenance	Restoration of existing ponds and new pipe interconnection on property recently acquired by the Town to address drainage system deficiencies.	$ 25,000	$ -	$ -	**$ -**								
122	Cordillo Courts Drainage Improvements	Maintenance	Installation of new drainage infrastructure including pipe, inlets and expansion of an existing detention basin.	$ 95,880	$ -	$ -	**$ -**								

CAPITAL IMPROVEMENT PROGRAM - FY 2027 BUDGET

Revised: April 3, 2026

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													Design	Permitting	Construction
123	Gum Tree Road Drainage Improvements	Maintenance	Improvements to address various deficiencies along Gum Tree Road between Katie Miller Drive and Georgianna Drive, including regrading of ditches, installation of new inlets, new pipe and repairs along the outfall system.	$ 131,479	$ 90,000	$ -	**$ 90,000**	Priority	Priority			★	✓		
124	Jarvis Creek Outfall	Maintenance	Installation of flap gates on the outfall end of two 84-inch diameter concrete pipes that discharge stormwater from the Jarvis Creek Pump Station outfall system; necessary to improve operation and effectiveness of the pump station during extreme events by mitigating the impacts of tidal storm surge on the system. (resilience project).	$ 56,136	$ 25,000	$ -	**$ 25,000**	Priority	Priority	Priority		★	✓		
125	Jarvis Creek Pump Station - Pump Replacements	Maintenance	Procure and install new pumps (4 total, 1 replaced per year).	$ 300,000	$ 300,000	$ 400,000	**$ 700,000**	Priority	Priority	Priority		★			✓
126	Main Street Drainage Improvements	Maintenance	Improvements based on 2019 assessment completed by Stormwater Utility.	$ 56,437	$ -	$ -	**$ -**								
127	Old Woodlands-26 Indian Trail Improvements	Maintenance	Improvements along the back lot line of three residential properties to address a chronic drainage issue.	$ 80,000	$ 80,000	$ -	**$ 80,000**	Priority				★	✓	✓	
128	Palmetto Hall Outfall Improvements	Maintenance	Addition of hydraulic capacity at the system outfall and addition of backflow prevention devices.	$ 150,000	$ 124,616	$ -	**$ 124,616**	Priority	Priority			★	✓		
129	Water Level Monitoring	Maintenance	Installation of remote monitoring devices to facilitate disaster preparation, pond management, and dynamic model calibration efforts.	$ 75,000	$ -	$ 75,000	**$ 75,000**	Priority	Priority	Priority	Priority	★			✓
130	Weather Monitoring	Maintenance	Installation of weather stations in various locations to provide essential data during extreme weather events and to calibrate dynamic hydraulic models.	$ 50,000	$ -	$ 50,000	**$ 50,000**	Priority	Priority	Priority	Priority	★			✓
131	Central Island Pump Station Overhaul	Maintenance	Overhaul including 2 new pumps, new controls, debris screens, new genset, new conduit, new SCADA monitoring system, and new control building.	$ 1,503,446	$ 53,446	$ 50,000	**$ 103,446**					★			✓
132	Ashmore Channel Resilience/278 Backflow Prevention Port Royal	Maintenance	Install flap gates on each of two large diameter pipes to protect Port Royal and adjacent upstream properties during extreme weather events (resilience project).	$ -	$ -	$ -	**$ -**		Priority	Priority	Priority				
133	Gum Tree Channel Capacity Improvements at Chinaberry Crossing	Maintenance	Channel and road crossing improvements to address identified system deficiencies.	$ 120,000	$ 55,000	$ 165,000	**$ 220,000**	Priority	Priority			★	✓	✓	
134	24 Pope Avenue Outfall to Shipyard	Maintenance	Design and install drainage infrastructure to correct an identified deficiency impacting drainage on Pope Avenue.	$ -	$ -	$ -	**$ -**		Priority	Priority	Priority				
135	Arrow Road Laydown Yard Improvements	Maintenance	Addition of rock to reduce tracking of sediment onto Arrow Road.	$ 75,000	$ -	$ -	**$ -**								
136	Arrow Road Outfall at Greenery	Maintenance	Relocate a primary system outfall pipe that drains portions of Arrow Road, Palmetto Bay Road, and Archer Road to address an identified deficiency.	$ -	$ -	$ -	**$ -**		Priority	Priority	Priority				
137	Burkes Beach Area Drainage Improvements	Maintenance	Design and install drainage infrastructure to correct several identified deficiencies on Burkes Beach Road, Beach Front Lane, Barrier Beach Cove, and Sandy Beach Trail.	$ -	$ -	$ -	**$ -**		Priority	Priority	Priority				

CAPITAL IMPROVEMENT PROGRAM - FY 2027 BUDGET

Revised: April 3, 2026

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												FY 2027 Planning Commission Priority	Design	Permitting	Construction
138	Gardner Channel Capacity Improvements at 278	Maintenance	Excavate a primary system channel to restore conveyance capacity.	$ -	$ -	$ -	$ -		Priority	Priority	Priority				
139	Marshland Road Pathway Drainage Issues	Maintenance	Implement various improvements along the Town-owned pathway to address identified deficiencies.	$ -	$ -	$ -	$ -			Priority	Priority				
140	North Forest Beach Pipe Replacements	Maintenance	Replacement of perforated pipe along 9 streets in North Forest Beach to restore and improve functionality of Town-owned systems along private roads with in Town easements.	$ -	$ -	$ -	$ -	Priority	Priority						
141	Shipyard Pump Station Overhaul	Maintenance	Overhaul of a critical pump station including replacement of electronic controls, generator, and pumps.	$ -	$ -	$ -	$ -			Priority	Priority				
142	Squire Pope Outfalls-Backflow Prevention (2)	Maintenance	Add flap gates at the end of two primary system outfalls to improve hydraulic functionality (resilience project).	$ -	$ -	$ -	$ -			Priority	Priority				
143	The Links at Port Royal Improvements	Maintenance	Drainage system capacity improvements to protect Port Royal, Folly Field, Island Club, Islanders Beach Park, and residential properties along Wimbledon Court.	$ -	$ -	$ 50,000	**$ 50,000**	Priority	Priority			★	✓		
144	Woodlake Villas/Mathews Drive Outfall Improvements	Maintenance	Design and implement drainage system improvements to correct identified deficiencies and mitigate flooding potential in Woodlake Villas.	$ -	$ -	$ -	$ -			Priority	Priority				
145	Woodward Ave Pipe Rehabilitation	Maintenance	Line or replace a primary system pipe to address an identified deficiency.	$ -	$ -	$ -	$ -			Priority					
146	Arrow Road Powerline Channel Excavation - Capacity Improvements	Maintenance	Excavate a primary system channel to restore conveyance capacity.	$ -	$ -	$ -	$ -				Priority				
147	Shell Midden/Cordillo Parkway Drainage Improvements	Maintenance	Drainage system improvements to correct identified deficiencies and mitigate flooding on Shell Midden Lane, Hickory Lane, and Cordillo Parkway including road, pathway, structure, and yard flooding.	$ -	$ -	$ 150,000	**$ 150,000**	Priority				★	✓	✓	✓
148	Point Comfort Outfall	Maintenance	Replace (or line) an existing outfall pipe that drains a portion of Sea Olive Road.	$ -	$ -	$ 50,000	**$ 50,000**	Priority				★	✓	✓	✓
149	Stormwater Program Contingency	N/A	Contingency for unexpected project expenses.	$ 333,710	$ -	$ 300,000	**$ 300,000**	Priority	Priority	Priority	Priority	★			
	Total Stormwater Program			**$ 7,104,326**	**$ 2,320,586**	**$ 1,885,000**	**$ 4,205,586**								
	FLEET PROGRAM														
150	Ladder Truck Replacement	Maintenance	Ladder Truck Replacement - (2) Tillers 36 month build (minimum lead time).	$ -	$ -	$ 4,500,000	**$ 4,500,000**					★			
151	Engine/Pumper Replacement/Quint Company Replacement	Maintenance	Replacement of fire response vehicles.	$ 2,464,838	$ -	$ -	$ -								
152	Specialty Vehicles	Maintenance	Replacement of specialty vehicles such as Search and Rescue Vehicle, Hazmat Truck, and/or Brush Truck.	$ -	$ -	$ -	$ -	Priority		Priority					

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													Design	Permitting	Construction
153	Battalion 1 Replacement	Maintenance	Replacement of Battalion 1 primary response mobile command equipped vehicle that has reached its 120,000 mile / 12-year mark. F350 diesel truck with expected useful life of over 200,000 miles.	$ -	$ -	$ 150,000	**$ 150,000**					★			
154	Medic Unit Replacement	Maintenance	Replacement of Medic Units (10-year cycle).	$ -	$ -	$ -	**$ -**		Priority						
155	Secondary Response Vehicle Replacement	Maintenance	Replace two fire rescue vehicles equipped with medical response equipment that have reached their 120,000 mile / 12-year mark.	$ 80,000	$ -	$ 130,000	**$ 130,000**	Priority	Priority	Priority	Priority	★			
156	Support Vehicle Replacement	Maintenance	Replace the 26-year old industrial forklift necessary for the maintenance and operation of the Town's fleet to ensure reliability, efficiency, and safety.	$ -	$ -	$ 100,000	**$ 100,000**	Priority	Priority	Priority	Priority	★			
157	New Staff Vehicles	Maintenance	New non-emergency vehicles.	$ -	$ -	$ -	**$ -**	Priority	Priority	Priority	Priority				
158	Fleet Program Contingency	N/A	Contingency for unexpected project expenses.	$ 100,000	$ -	$ 100,000	**$ 100,000**	Priority	Priority	Priority	Priority	★			
	Total Fleet Program			**$ 2,644,838**	**$ -**	**$ 4,980,000**	**$ 4,980,000**								
	LAND ACQUISITION PROGRAM														
159	Land Acquisition Administration	Discretionary		$ 250,000	$ -	$ 250,000	**$ 250,000**	Priority	Priority	Priority	Priority	★			
	Total Land Acquisition Program			**$ 10,331,300**	**$ -**	**$ 250,000**	**$ 250,000**								
	Total Capital Improvements Program Fund			**$ 97,715,584**	**$ 12,181,755**	**$ 41,785,792**	**$ 53,967,547**								

FY 2027 PROPOSED BUDGET
SOURCES OF FUNDS - CAPITAL IMPROVEMENTS PROGRAM

ATTACHMENT 1.c - EXHIBIT C

		BEACH PRESERVATION FEES	HTAX FEES	FIRE TRUCK LEASE PROCEEDS	TIF TAXES	ROAD USAGE FEES	STATE ATAX FEES	REAL ESTATE TRANSFER FEES	PALMETTO ELECTRIC FEES	SHORT TERM RENTAL FEES	TOTAL SPECIAL REVENUE	CAPITAL PROJECTS		STORMWATER FUND	TOTAL ALL FUNDS
FY2026 CARRYFORWARD CIP															
STORMWATER	2,320,586										-			2,320,586	**2,320,586**
BEACH HARBOUR TOWN DREDGE	600,000		600,000								600,000				**600,000**
BEACH	799,119	799,119									799,119				**799,119**
PATHWAYS:															
PATHWAY MAINTENANCE & IMPROVEMENTS	143,937										-	143,937	SUNDAY LIQ PERMIT		**143,937**
JONESVILLE PATHWAY	200,000										-	200,000	SUNDAY LIQ PERMIT		**200,000**
DUNNAGANS ALLEY PATHWAY	-				-						-				**-**
ROADWAYS:															
ROADWAY MAINTENANCE & IMPROVEMENTS	97,870					97,870					97,870				**97,870**
SIGNAL SYSTEM MAINTENANCE	550,000										-	550,000	TRAFFIC IMPACT		**550,000**
STREETSCAPE & TRAFFIC CALMING	241,808										-	241,808	TRAFFIC IMPACT		**241,808**
JONESVILLE & SPANISH WELLS	100,000		100,000								100,000				
NORTHPOINT USPS	2,800,000		2,238,920			561,080					2,800,000				
TABBY WALK ENTRANCE	121,860										-	121,860	CAPITAL		
SEGMENT 5 MATHEWS TO SHELTER	51,160				51,160						51,160				
SEGMENT 8 SEA PINES TO WEXFORD	300,477				300,477						300,477				
ALICE PERRY DRIVE	44,869					44,869					44,869				**44,869**
FREDDIE'S WAY	43,280					43,280					43,280				**43,280**
ALFRED LANE	44,500					44,500					44,500				**44,500**
BENJAMIN DRIVE	40,729					40,729					40,729				**40,729**
PARKS:															
PARK MAINTENANCE AND IMPROVEMENTS	25,000		25,000								25,000				**25,000**
CROSSINGS PARK RENO - PHASE 1	191,605		191,605								191,605				**191,605**
CROSSINGS PARK RENO - PHASE 2	114,086		114,086								114,086				**114,086**
PATTERSON FAMILY PARK	2,408,296		2,408,296								2,408,296				**2,408,296**
TAYLOR FAMILY PARK	315,565		315,565								315,565				**315,565**
FACILITIES & EQUIPMENT:															
FIRE HYDRANT EXPANSION	50,000		16,879				33,121				50,000				**50,000**
FIRE RESCUE HEADQUARTERS	577,008										-	577,008	26 GO BONDS		**577,008**
TOTAL FY2026 CIP CARRYFORWARD FUNDING	**12,181,755**	**799,119**	**6,010,351**	**-**	**351,637**	**832,328**	**33,121**	**-**	**-**	**-**	**8,026,556**	**1,834,613**		**2,320,586**	**12,181,755**
FY 2027 CIP PROJECTS NEW FUNDING															
STORMWATER	1,885,000										-			1,885,000	**1,885,000**
BEACH	6,050,000	6,050,000									6,050,000				**6,050,000**
LAND	250,000							250,000			250,000				**250,000**
PATHWAYS:															
PATHWAY MAINTENANCE	500,000						500,000				500,000				**500,000**
LAGOON ROAD PATHWAY	300,000						300,000				300,000				**300,000**
SOUTH FOREST BEACH DR. PATHWAY AT SEASCAPE	175,000						175,000				175,000				**175,000**
PATHWAY CONTINGENCY	100,000						100,000				100,000				**100,000**
ROADWAYS:															
ROADWAY MAINTENANCE & IMPROVEMENTS	250,000								250,000		250,000				**250,000**
TOWN ROAD RESURFACING	-								-		-				**-**
SIGNAL SYSTEM MAINTENANCE	550,000								550,000		550,000				**550,000**
SIGNAL MAST ARM REPLACEMENTS	400,000								400,000		400,000				
STREETSCAPES & TRAFFIC CALMING	750,000								750,000		750,000				**750,000**
ISLAND-WIDE INTERSECTION PED/VEH SAFETY	-								-		-				**-**
WHP GATEWAY CORRIDOR/STONEY CORRIDOR	100,000								100,000		100,000				**100,000**
POPE AVENUE STREETSCAPE IMPROVEMENTS	150,000								150,000		150,000				**150,000**
FOLLY FIELD ROAD PEDESTRIAN SAFETY	250,000								250,000		250,000				**250,000**
SOUTH FOREST BEACH & NORTH FOREST BEACH	200,000								200,000		200,000				**200,000**
ROADWAY PROJECT MGMT & CONTINGENCY	-								-		-				**-**
GUM TREE ROAD CORRIDOR IMPROVEMENTS 1	650,000				150,000						150,000	500,000	2026 GO BONDS		**650,000**
GUM TREE ROAD CORRIDOR IMPROVEMENTS 2	250,000				250,000						250,000				**250,000**
SQUIRE POPE ROAD CORRIDOR IMPROVEMENTS	755,000				755,000						755,000				**755,000**
SQUIRE POPE & WHP INTERSECTION	400,000										-	400,000	2026 GO BONDS		**400,000**
SPANISH WELLS & WHP INTERSECTION	300,000										-	300,000	2026 GO BONDS		**300,000**
INDIGO RUN CIRCLE INTERIOR	160,000								160,000		160,000				**160,000**
ROADWAY PROGRAM CONTINGENCY	100,000								100,000		100,000				**100,000**
PARKS:															
PARK MAINTENANCE AND IMPROVEMENTS	225,000		225,000								225,000				**225,000**
PUBLIC ART PROGRAM	52,000		52,000								52,000				**52,000**
REC CENTER:											-				**-**
REC CENTER BUILDING IMPROVEMENTS	367,500		367,500								367,500				**367,500**

FY 2027 PROPOSED BUDGET
SOURCES OF FUNDS - CAPITAL IMPROVEMENTS PROGRAM

		BEACH PRESERVATION FEES	HTAX FEES	FIRE TRUCK LEASE PROCEEDS	TIF TAXES	ROAD USAGE FEES	STATE ATAX FEES	REAL ESTATE TRANSFER FEES	PALMETTO ELECTRIC FEES	SHORT TERM RENTAL FEES	TOTAL SPECIAL REVENUE	CAPITAL PROJECTS	STORMWATER FUND	TOTAL ALL FUNDS
REC CENTER POOL IMPROVEMENTS	118,000		118,000								118,000			**118,000**
BASKETBALL COURT IMPROVEMENTS	15,000		15,000								15,000			**15,000**
ATHLETIC EQUIPMENT IMPROVEMENTS	20,000		20,000								20,000			**20,000**
EVENT EQUIPMENT IMPROVEMENTS	249,500		249,500								249,500			**249,500**
CROSSINGS PARK RENO - PHASE 1	8,400,000		8,400,000								8,400,000			**8,400,000**
CROSSINGS PARK RENO - PHASE 2	4,600,000		4,600,000								4,600,000			**4,600,000**
PARK PROGRAN CONTINGENCY	350,000		350,000								350,000			**350,000**
FACILITIES & EQUIPMENT:														
FACILITY MAINTENANCE & IMPROVEMENTS	200,000						200,000				200,000			**200,000**
IT EQUIPMENT & SOFTWARE	633,000								633,000		633,000			**633,000**
FIRE HYDRANT EXPANSION	50,000						50,000				50,000			**50,000**
FIRE & MEDICAL SYSTEMS & EQUIPMENT + PPE	1,295,000								1,295,000		1,295,000			**1,295,000**
FURNITURE REPLACEMENT	150,000								150,000		150,000			**150,000**
SECURITY CAMERAS & CONNECTIVITY	630,000								630,000		630,000			**630,000**
TREE PLANTING PROGRAM	150,000								150,000		150,000			**150,000**
CDM:											-			-
DISCOVERY HOUSE	307,000						307,000				307,000			**307,000**
ARMSTRONG/HACK HOUSE	9,500						9,500				9,500			**9,500**
PAVILION	3,600						3,600				3,600			**3,600**
PAVILION/RESTROOM BUILDING	5,000						5,000				5,000			**5,000**
HORSE BARN	5,000						5,000				5,000			**5,000**
MISC IMPROVEMENTS	152,500						152,500				152,500			**152,500**
EVENT SPACE IMPROVEMENTS	10,000						10,000				10,000			**10,000**
CDM FACILITIES ASSESSMENT	250,000						250,000				250,000			**250,000**
JONESVILLE HORSE BARN	500,000						500,000				500,000			**500,000**
MITCHELVILLE FREEDOM PARK	2,310,200						2,310,200				2,310,200			**2,310,200**
TOWN REFUSE & RECYCLING IMPROVEMENTS	250,000						250,000				250,000			**250,000**
FIRE RESCUE HEADQUARTERS	622,992										-	622,992 2026 GO BONDS		**622,992**
GULLAH GEECHEE CULTURAL HERITAGE CENTER	250,000						250,000				250,000			**250,000**
FACILITIES & EQUIPMENT CONTINGENCY	100,000								100,000		100,000			**100,000**
FLEET:														
SECONDARY RESPONSE VEHICLE	130,000		130,000								130,000			**130,000**
SUPPORT VEHICLE REPLACEMENT	100,000			100,000							100,000			**100,000**
LADDER TRUCK REPLACEMENT	4,500,000			4,500,000							4,500,000			**4,500,000**
BATTALION 1 REPLACEMENT	150,000		150,000								150,000			**150,000**
FLEET CONTINGENCY	100,000		100,000								100,000			**100,000**
TOTAL NEW PROJECTS	**41,785,792**	**6,050,000**	**14,777,000**	**4,600,000**	**1,155,000**	**-**	**5,377,800**	**250,000**	**5,868,000**	**-**	**38,077,800**	**1,822,992**	**1,885,000**	**41,785,792**
TOTAL ROLLOVER AND NEW PROJECTS	**53,967,547**	**6,849,119**	**20,787,351**	**4,600,000**	**1,506,637**	**832,328**	**5,410,921**	**250,000**	**5,868,000**	**-**	**46,104,356**	**3,657,605**	**4,205,586**	**53,967,547**
ENDING FUND BALANCE (AFTER RESTRICTIONS)		**22,845,384**	**932,403**	**-**	**-**	**-**	**6,037,977**	**23,506,806**	**1,024,395**	**301,690**	**54,648,654**	**31,656,350**	**746,329**	**87,051,333**

TOWN OF HILTON HEAD ISLAND STAFF
2027 HOLIDAY SCHEDULE

New Year's Day 2027	**January 1, 2027 (Thursday)**
Martin Luther King, Jr. Day	**January 18, 2027 (Monday)**
Presidents Day	**February 15, 2027 (Monday)**
Memorial Day	**May 31, 2027 (Monday)**
Juneteenth (observed)	**June 18, 2027 (Friday)**
Independence Day (observed)	**July 5, 2027 (Monday)**
Labor Day	**September 6, 2027 (Monday)**
Veterans' Day	**November 11, 2027 (Thursday)**
Thanksgiving Day	**November 25, 2027 (Thursday)**
Day after Thanksgiving	**November 26, 2027 (Friday)**
Christmas Eve	**December 24, 2027 (Friday)**
Christmas Day (observed)	**December 27, 2027 (Monday)**
New Year's Day 2027 (observed)	**December 31, 2027 (Friday)**

Floating Holidays:

Employees hired during the first half of the calendar year will be granted the full annual allocation of floating holidays to be taken by the end of the calendar year. Employees hired during the second half of the calendar year will be granted one half of the annual allocation to be taken by the end of the calendar year. See Section 5.02 of the Policy Manual for additional details regarding floating holidays.

FY2027 BUDGET
FUND RESERVE POLICY

TABLE OF CONTENTS

1. REPORTING AND GOVERNMENTAL FUND TYPE DEFINITIONS **Page 2**

A. Classifications of Fund Balances Page 2

B. Governmental Fund Type Definitions Page 3

2. DISASTER PLANNING RESERVES **Page 3**

A. General Fund Reserves Page 4

B. Long Term General Obligation Debt Limit Page 5

C. Real Estate Transfer Fee Reserve Page 6

D. Beach Preservation Fee Reserve Page 6

E. Hospitality Tax Reserve Page 6

F. Stormwater Utility Fund Reserve Page 7

G. Natural Disasters Fund Reserve Page 7

H. Capital Improvements Fund Reserve Page 8

3. PRIORITIZATION OF FUND BALANCE USE (SPENDING POLICY) **Page 8**

4. ANNUAL REVIEW AND DETERMINATION OF FUND BALANCE RESERVE AMOUNTS **Page 8**

1. REPORTING AND GOVERNMENTAL FUND TYPE DEFINITIONS

The Town of Hilton Head Island hereby establishes and will maintain reserves of Fund Balance as defined herein in accordance with the Governmental Accounting and Financial Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund Balance represents the difference between assets and fund liabilities in the governmental funds balance sheet and is commonly referred to as fund equity. This Policy shall apply to the Town's General Fund and all governmental funds. This policy does not apply to the Proprietary Fund.

The fund balance policy addresses the following components:

1) Clearly defined classifications that make the nature and extent of the constraints placed on the various fund balances more transparent;
2) Providing a better understanding of fund balances by clarifying the definitions of governmental fund types;
3) Reservations of the Town's General Fund and all governmental funds; and,
4) The Town's order of spending regarding restricted and unrestricted fund balance and the order of spending for committed, assigned and unassigned fund balance.

A. *Classifications of Fund Balances*

Under GASB Statement No. 54, fund balances are classified as non-spendable, restricted, committed, assigned or unassigned amounts.

1) **Non-Spendable** – Amounts that cannot be spent because they are either in a (a) non-spendable form, including items not expected to be converted to cash (i.e. inventories, prepaid amounts, long-term portion of loans and notes receivable and property acquired for resale), or (b) legally or contractually required to be maintained intact (i.e. the principal of an endowment, etc.).
2) **Restricted** – Amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.
3) **Committed** – Amounts that are constrained to be used for a specific purpose as per action by the Town Council. Amounts classified as committed are not subject to legal enforceability like restricted resources; however, they cannot be used for any other purpose unless the Council removes or changes the commitment by taking the same action it employed to impose the commitment. Committed amounts for the Town consist of amounts passed and approved by Town Council.
4) **Assigned** – Amounts that are intended to be used for a specific purpose but are neither restricted nor committed. The intent shall be expressed by the Town Council, or a designee authorized by the Town Council for a specific purpose in accordance with policy established by the Town Council. The Town reserves the right to assign fund balance by simple majority vote of Town Council.
5) **Unassigned** – Amounts available for any purpose (amounts that are not Non-Spendable, Restricted, Committed or Assigned) for all governmental funds. The General Fund should be the

only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to these purposes, it may be necessary to report a negative unassigned fund balance.

B. ***Governmental Fund Type Definitions***

The Town's governmental fund types as defined by GASB No. 54 are as follows:

1) The **General Fund** is the general operating fund of the Town and accounts for all revenues and expenditures of the Town except those required to be accounted for in other funds. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.
2) The **Special Revenue Fund** account for the proceeds from dedicated revenue sources that are required by law to be segregated from the General Fund and used for specific allowable expenditures. Special Revenue funds include but are not limited to the Tax Increment Financing ("TIF") District Fund, the Beach Preservation Fee Fund, the Real Estate Transfer Fee Fund, Accommodations Tax Fund, the Hospitality Fees Fund, the Palmetto Electric Franchise Fee Fund, Operating Grants Fund, the Road Usage Fee Fund, the Natural Disasters Fund, the Firemen's Fund, and the Home Grant Fund.
3) The **Capital Projects Fund** is used to account for and report financial resources that are restricted, committed, or assigned for expenditures of capital outlay related to equipment, site acquisitions, construction renovation of capital facilities, and other capital assets for the Town expect for those financed in the Enterprise Fund.
4) The **Debt Service Fund** is used to account for and report the accumulation of financial resources that are restricted for the payment of all long-term principal, interest, and related costs of the Town.
5) The **Gullah Geechee Historic Neighborhoods Community Development Corporation Fund** is used to account for and report the costs associated with the actions of the Corporation to protect the Town's historic and culturally sensitive neighborhoods.
6) The **Housing Fund** is used to account for and report the costs associated with the development, implementation, and delivery of the strategies and tactics identified within the Town's adopted Workforce Housing Framework.

2. DISASTER PLANNING RESERVES

To protect its assets during catastrophic events, the Town established the following reserves:

Fund	Projected Fund Balance at 06/30/2026	Current Reserve Policy	FY 2027 Proposed Minimum Reserve Policy	Year-end FY26 Projected Change	Year-end FY27 Projected Change
General Fund	57,836,280	24,217,589	50% - 55% of the Ending Fund Balance; Transfer amount above 55% to Disaster Fund	5,465,915	2,908,088
Real Estate Transfer Fee Fund	19,335,175	1,000,000	$1,000,000	-	-
Beach Preservation Fee Fund	38,623,827	20,000,000	Transfer Ending Fund Balance at Year-end with no Maximum	-	22,845,384
Hospitality Tax Fund	22,933,201	5,000,000	$5,000,000	-	-
Stormwater Utility Fund	12,891,854	5,000,000	$3,000,000	-	(2,000,000)
Stormwater Utility Fund Net Fixed Assets		-	No Minimum	-	7,090,752
Natural Disasters Fund	38,633,361	36,000,000	Transfer Ending Fund Balance at Year-end with no Maximum	-	3,745,965
Capital Improvements Fund	37,159,645	-	Town Council Designates Reserves for Economic Development during the Adoption of each Fiscal Year Budget	-	4,341,500
Total	**227,413,345**	**91,217,589**		**5,465,915**	**38,931,689**
Total Projected Restricted Fund Balance		91,217,589		96,683,504	135,615,193
Total Projected Unrestricted Fund Balance		163,598,982		158,133,066	99,325,616
Percent Restricted		36%		38%	58%
Projected Ending Fund Balance		254,816,563		254,816,563	234,940,803

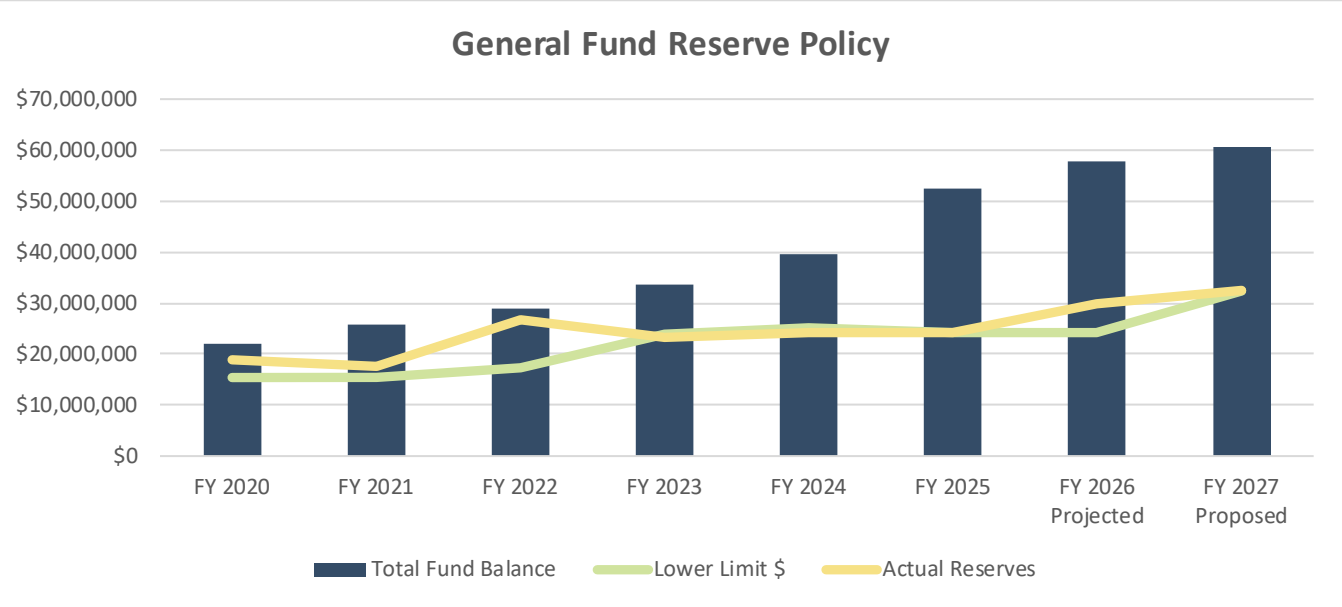
	Projected Fund Balance at 6/30/2026	Current Reserve Policy	Proposed Minimum Balance Policy	Projected Restricted Fund Balance at 6/30/2027	FY 2027 Proposed Reserve Policy
Operating Reserves:					
General Fund	$ 57,836,280	$ 24,217,589	**50% - 55%**	32,591,592	50% - 55% of the Ending Fund Balance; Transfer amount above 55% to Disaster Fund
Housing Fund	2,865,798	-	-	-	No Minimum Balance
GGHNCDC Fund	4,074,501	-	-	-	No Minimum Balance
Stormwater	12,891,854	5,000,000	**3,000,000**	10,090,752	One year operating expenditures and net assets
Subtotal Operating Reserves	**$ 77,668,433**	**$ 29,217,589**		**42,682,344**	
Capital Reserves:					
Capital Projects	$ 37,159,645	$ -	-	4,341,500	Town Council Designates Reserves for Economic Development during the Adoption of each Fiscal Year Budget
Subtotal Capital Reserves	**$ 37,159,645**	**$ -**		**$ 4,341,500**	
Special Purpose Reserves:					
TIF	$ 1,506,637	$ -	-	-	No Minimum Balance
State ATAX	10,205,635	-	-	-	No Minimum Balance
Real Estate Transfer Fee	19,335,175	1,000,000	**1,000,000**	1,000,000	Keep Current Policy
Beach Preservation Fee	38,623,827	20,000,000	**Ending Fund Bal.**	42,845,384	Transfer Ending Fund Balance at Year-end with no Maximum
Hospitality Tax	22,933,201	5,000,000	**5,000,000**	5,000,000	Keep Current Policy
Road Usage Fee	832,328	-	-	-	No Minimum Balance
Palmetto Electric Franchise Fee	3,641,983	-	-	-	No Minimum Balance
Short-Term Rental Fee	876,611	-	-	-	No Minimum Balance
Debt Service	2,951,753	-	-	-	No Minimum Balance
Natural Disasters	38,633,361	36,000,000	**Ending Fund Bal.**	39,745,965	Transfer Ending Fund Balance at Year-end with no Maximum
Operating Grants	363,151	-	-	-	No Minimum Balance
Fire Truck Lease Proceeds	84,828	-	-	-	No Minimum Balance
Subtotal Special Purpose Reserves	**$ 139,988,491**	**$ 62,000,000**		**88,591,349**	
Total Reserves:	**$ 254,816,570**	**$ 91,217,589**		**135,615,193**	

A. General Fund Reserves (Operating)

The Town establishes and maintains an operating balance based a range with a minimum of 50% and a maximum of 55% of the Town's adopted fiscal year budget. The General Fund balance reserve may be utilized for emergency purposes in pre-disaster and post-disaster occurrences; to offset an early fiscal year tax revenue income stream deficiency; and to avoid emergency Town borrowing or use of tax anticipation notes, to cushion the effects of an economic downturn, to provide for emergency expenditures or to offset a revenue shortfall from unforeseen circumstances. The Director of Finance has the discretion to transfer the amount of unassigned fund balance above the 55% maximum balance into the following funds:

1.) The Debt Service Fund to maintain an account reserved for the reduction of the Town's general obligation debt – these funds may be used for early debt retirement or other debt payments; or
2.) The Natural Disasters Fund to maintain an account for disaster preparation, disaster response, or disaster recovery; or
3.) The Capital Projects Fund, subject to Town Council appropriations for usage from the CIP Fund.

The Director of Finance has the discretion to transfer the amount of committed fund balance above the 55% maximum balance into the Natural Disasters Fund to maintain an account for disaster preparation, disaster response, or disaster recovery.



The Annual Comprehensive Financial Report of the Town includes all information presented in this General Fund reserve policy.

B. *Long Term General Obligation Debt Limit*

General statutes limit the amount of general obligation debt that a unit of government can issue up to eight percent (8%) of the total assessed value of taxable property located within that government's boundaries. The Town may incur General Obligation Debt over the eight percent (8%) limit when

approved by a majority vote in a referendum as authorized by law. In addition, Town Council has imposed an 80% cap on this amount. The remaining 20% is reserved for additional bonding associated with disaster recovery.

C. ***Real Estate Transfer Fee Reserve***

The Town shall maintain a minimum of $1 million of real estate transfer fees. The funds will be used to fund debt service payments during a disaster or financial crisis. The Town Manager has the discretion to allocate this reserve balance for emergency purposes.

D. ***Beach Preservation Fee Reserve***

The Town shall fully reserve the year-end fund balance. The goal is to allocate funds equivalent to the projected cost of the next Beach Renourishment project in preparation for the next scheduled renourishment effort.

Funds held in the reserve account may be used for the following items.

1) Direct expenditures to pay costs of any project or purposes identified in the Municipal Section 4-9-70 as such may be amended of the Municipal Code and in Section 6-1-50 of the Code of Laws of South Carolina 1976 as amended.
2) To pledge as security for or to use as debt service for any debt or financial obligation of the Town incurred for a purpose as identified in subsection (A) above.
3) To advance monies needed by the Town to meet extenuating circumstances created by a storm or natural disaster, provided that the Town Council shall have a reasonable expectation that such amounts would be reimbursed, at least in part, from a local, state, or federal source.

Authorization to utilize reserve funds shall require a resolution duly adopted by the Town Council, provided that circumstances allow for a Council meeting to be convened. If circumstances do not permit the convening of a Town Council meeting, the Town Manager may authorize the use of reserve funds, with the understanding that such action must be presented to the Town Council for ratification at the earliest practicable opportunity.

E. ***Hospitality Tax Reserve***

The Town Shall maintain a reserve of $5 million. This reserve calculation represents six months of revenue from the prior fiscal year.

Funds held in the reserve account may be used for the following items.

1) Direct expenditures to pay costs of any project or purposes identified in the Municipal Section 4-9-70 as such may be amended of the Municipal Code and in Section 6-1-50 of the Code of Laws of South Carolina 1976 as amended.
2) To pledge as security for or to use as debt service for any debt or financial obligation of the Town incurred for a purpose as identified in subsection (A) above.

3) To advance monies needed by the Town to meet extenuating circumstances created by a storm or natural disaster, provided that the Town Council shall have a reasonable expectation that such amounts would be reimbursed, at least in part, from a local, state, or federal source.

Authorization to utilize reserve funds shall require a resolution duly adopted by the Town Council, provided that circumstances allow for a Council meeting to be convened. If circumstances do not permit the convening of a Town Council meeting, the Town Manager may authorize the use of reserve funds, with the understanding that such action must be presented to the Town Council for ratification at the earliest practicable opportunity.

F. ***Stormwater Utility Fund Reserve***

The Town Shall maintain a reserve of $3 million. This reserve calculation represents twelve months of operating expenses from the prior fiscal year.

Funds held in the reserve account may be used for the following items.

1) Direct expenditures to pay costs of any project or purposes identified in the Municipal Section 4-9-70 as such may be amended of the Municipal Code and in Section 6-1-50 of the Code of Laws of South Carolina 1976 as amended.
2) To pledge as security for or to use as debt service for any debt or financial obligation of the Town incurred for a purpose as identified in subsection (A) above.
3) To advance monies needed by the Town to meet extenuating circumstances created by a storm or natural disaster, provided that the Town Council shall have a reasonable expectation that such amounts would be reimbursed, at least in part, from a local, state, or federal source.

In addition, the Town shall maintain an additional restriction for net fixed assets based on prior capital purchases less any outstanding debt. This restriction is needed to reflect the proper available fund balance for future spending. This restriction is required based upon the accounting for Enterprise Funds. The FY 2027 total net fixed asset restriction is $7.1 million. This amount will adjust every year based upon the addition of new fixed assets offset by current year depreciation expense and/or outstanding debt.

Authorization to utilize reserve funds shall require a resolution duly adopted by the Town Council, provided that circumstances allow for a Council meeting to be convened. If circumstances do not permit the convening of a Town Council meeting, the Town Manager may authorize the use of reserve funds, with the understanding that such action must be presented to the Town Council for ratification at the earliest practicable opportunity.

G. ***Natural Disasters Fund Reserve***

The Town shall fully reserve the year-end fund balance to account for the potential for greater damage and higher costs associated with unpredictable natural disasters.

H. ***Capital Improvements Fund Reserve***

During the adoption of the annual budget, the Town shall designate amounts within the Capital Improvements Fund to reserve for Economic Development purposes.

3. PRIORITIZATION OF FUND BALANCE USE (SPENDING POLICY)

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the Town to use the restricted amounts first as permitted under the law. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Town to use the committed amounts first, followed by the assigned amounts and then unassigned amounts.

4. ANNUAL REVIEW AND DETERMINATION OF FUND BALANCE RESERVE AMOUNTS

Compliance with the provisions of this policy shall be reviewed as part of the closing of the financial books at year-end (June 30) and the amounts of non-spendable, restricted, committed, and assigned fund balance will be determined. Any residual general fund balance amounts will be classified as unassigned. Changes to Fund Reserve will be implemented during the next fiscal year and proposed to Town Council during the Budget proposal discussions.

ATTACHMENT 1.f – EXHIBIT F

Town of Hilton Head Island
Master Fee Schedule

Section I:	Hospitality Fees	Page 2
Section II:	Business License Fees	Page 3
Section III:	Ambulance Fees	Pages 4-6
Section IV:	Growth Management Fees	Pages 7-10
Section V:	Impact Fees	Pages 11-12
Section VI:	GIS Map Fees	Page 13
Section VII:	Stormwater Fees	Page 14
Section VIII:	Miscellaneous Fees	Page 15

ATTACHMENT 1.f – EXHIBIT F

Town of Hilton Head Island
Master Fee Schedule

Section I- Hospitality Fees

Item/Description	Basis	Fee
Taxation Fees		
Hospitality Tax Fees	Quarterly on the dates listed in the table below	2% of Prepared Meals/Beverages
Accommodations Tax	Quarterly on the dates listed in the table below	3% of Gross Sales Price of Accommodations*
Short-Term Rental Permit	12-month period starting May 1	$150 per bedroom per property $250 late fee after May 1

*1/3 of the Accommodations Tax (or 1% of Gross Price of Accommodations) goes towards tourism-related expenditures including such things as tourism-related buildings, beach access, roads, water and sewer infrastructure, maintenance, police, fire protections and emergency medical services.

2/3 of the Accommodations Tax (or 2% of Gross Price of Accommodations) is allocated to the Beach Preservation Fee used for beach renourishment, and beach related services and facilities.

Collected	Due
First Quarter (January, February, March)	April 20th of the calendar year
Second Quarter (April, May, June)	July 20th of the calendar year
Third Quarter (July, August, September)	October 20th of the calendar year
Fourth Quarter (October, November, December)	January 20th of the following calendar year

ATTACHMENT 1.f – EXHIBIT F

Town of Hilton Head Island
Master Fee Schedule

Section II- Business License Fees

Business License Rate Schedule

Rate Class/Charge Code	New Rates effective 01/01/2026 New base rate	New per thousand rate	A=In Town (IT) B=Out of Town (OT)
01A	$ 48.60	$ 0.80	
01B	$ 97.20	$ 1.60	
02A	$ 56.70	$ 1.10	
02B	$ 113.40	$ 2.20	
03A	$ 64.60	$ 1.20	
03B	$ 129.20	$ 2.40	
04A	$ 72.80	$ 1.40	
04B	$ 145.60	$ 2.80	
05A	$ 80.90	$ 1.50	
05B	$ 161.80	$ 3.00	
06A	$ 89.00	$ 1.60	
06B	$ 178.00	$ 3.20	
07A	$ 97.00	$ 1.80	
07B	$ 194.00	$ 3.60	
08D	Exempt	Exempt	
08.1A Contractors, Construction	$64.60	$1.20	
08.1B Contractors, Construction	$129.20	$2.40	
08.51A Type I & II Amusement Machine Operator	$12.50		Business License Flat Rate
08.11 Type I & II Per Each Machine Permit	$12.50		Amusement Machine
08.52A Type III Amusement Machine Operator	$12.50		Business License Flat Rate
08.13 Type III Per Each Machine Permit	$180.00		Amusement Machine
08.6A Pool Halls or Billiards	$64.60	$1.20	
08.12 Per Each Billiard/Pool Table Permit	$5.00		Pool Table
09.10A Online Travel Arrangements	$187.50	$3.24	Same Rate for IT/OT
09.10B Onlne Travel Arrangements	$187.50	$3.24	
09.30A Auto Dealers	$56.70	$1.10	
09.30B Auto Dealers	$113.40	$2.20	
09.70A Drinking Places	$113.20	$1.80	
09.70B Drinking Places	$226.40	$3.60	
08EE- Taxi Stickers	$25.00		Per Taxi

ATTACHMENT 1.f – EXHIBIT F

Town of Hilton Head Island
Master Fee Schedule

Non-Resident Rates:

Unless otherwise specifically provided, all taxes and rates shall be doubled for nonresidents and itinerants having no fixed principal place of business within the municipality.

Irrigation Trade Certificates:

Item	Fee
Irrigation Trade Test	$75.00
Initial Irrigation Trade Certificate (issued for one calendar year)	$25.00
Renewal Fee (due December 31st)	$10.00
Late Renewal Fee	$20.00

Section III- Ambulance Service Fees

Billing Category	Rate
BLS- Basic Life Support- Non-emergency	$460 plus $17.25/mile
BLS- Basic Life Support- Emergency	~~$626 plus $17.25/mile~~ $660 plus $17.25/mile
ALS-1- Advanced Life Support- Non-emergency	$520 plus $17.25/mile
ALS-1- Advanced Life Support- Level 1 Emergency	~~$745 plus $17.25/mile~~ $785 plus $17.25/mile
ALS-2- Advanced Life Support- Level 2	~~$1076 plus $17.25/mile~~ $1,135 plus $17.25/mile
Treatment- No Transport - BLS	$100 per incident
Treatment- No Transport - ALS	$175 per incident

Emergency response is a BLS, ALS 1 or ALS 2 level of service provided in immediate response to a 911 call or the equivalent.

Ambulance Billing Category Descriptions

BLS (non-emergency)

Response to treat/transport a patient includes:

- Checking vitals, oxygen administration, etc.
- Maintaining an existing IV but no IV initiated
- Minimal use of supplies
- These calls are mostly non-emergency “transport” patients who are routinely transported by private ambulance services to various locations (hospitals, doctor’s offices, homes, etc.)
- The Town of Hilton Head Island Fire Rescue rarely handle these types of calls and do so only in defined critical situations.

BLS (emergency)

Emergency response for a patient who is treated /transported to a hospital includes:

- Checking vitals, oxygen administration, splinting, bandaging, etc.
- Maintaining an existing IV but no IV initiated
- Minimal to moderate use of supplies
- These are emergency calls that The Town of Hilton Head Island Fire Rescue routinely handles.

ALS 1 (non-emergency)

Response for a patient who is treated/transported includes:

- an ALS assessment or ALS skills such as IV initiation, cardiac monitoring, blood draws, BGL checks, or up to two (2) drugs administered
- minimal to moderate use of supplies
- These are mostly non-emergency "transport" calls between facilities that require an ALS assessment and/or the use of ALS procedures that are above the scope of BLS care.
- The Town of Hilton Head Island Fire Rescue rarely handles these types of calls and do so only in defined critical situations.

ALS 1 (emergency)

Emergency response for a patient who is treated/transported to a hospital and requires:

- an ALS assessment or ALS skills such as IV initiation, cardiac monitoring, blood draws, BGL checks, or up to two (2) drugs administered
- minimal to moderate use of supplies
- These are emergency calls are primarily patients suffering from seizure, diabetic emergencies, breathing problems, auto accidents, etc.
- The Town of Hilton Head Island Fire Rescue routinely handles these emergency calls.

ALS 2

Emergency response for a patient who is treated/transported to a hospital and requires:

- an ALS assessment or ALS skills plus three (3) or more separate drug administrations and/or the use of any one of the following:
    - Manual defibrillation
    - Cardio-version
    - Cardiac pacing
    - Endotracheal intubation
    - Chest decompression
    - Intraosseous line
- maximum use of supplies
- These emergency calls are primarily patients in cardiac or respiratory arrest, shock, or critical trauma patients.
- The Town of Hilton Head Island Fire Rescue routinely handles these emergency calls.

Treatment-No Transport

Response to calls where "treatment" was performed but no transport to a medical facility took place. Treatment is described as providing oxygen administration, splinting, bandaging, applying hot or cold compresses, IV fluid administration, etc.

Town of Hilton Head Island
Master Fee Schedule

Section IV- Growth Management Fees

Item/Description	Value of Construction	Fee
New Structure Single Family Permits	$0-$2,000	$35.00
	$2,001-$3,000	$38.50
	$3,001-$50,000	$38.50 + $4.50 per $1,000 or fraction thereof
	$50,001 and above	$250.00 + $3.50 per $1,000 or fraction thereof over $50,000
	Plan Review Fee	50% of permit fee (non-refundable)
Miscellaneous Single Family Permits	$0-$1,000	$35.00
	$1,001-$2,000	$70.00
	$2,001-$3,000	$77.00
	$3,001-$50,000	$77.00 + $9.00 per $1,000 or fraction thereof
	$50,001 and above	$500.00 + $3.50 per $1,000 or fraction thereof over $50,000
	Plan Review Fee	50% of permit fee (non-refundable)
New Structure Commercial Permits	$500-$2,000	$35.00
	$2,001-$3,000	$38.50
	$3,001-$50,000	$38.50 + $4.50 per $1,000 or fraction thereof
	$50,001 and above	$250.00 + $4.00 per $1,000 or fraction thereof over $50,000
	Plan Review Fee	75% of permit fee (non-refundable)
Miscellaneous Commercial Permits	$0-$1,000	$35.00
	$1,001-$2,000	$70.00
	$2,001-$3,000	$77.00
	$3,001-$50,000	$77.00 + $9.00 per $1,000 or fraction thereof
	$50,001 and above	$500.00 + $4.00 per $1,000 or fraction thereof over $50,000
	Plan Review Fee	75% of permit fee (non-refundable)

Fees shall be waived for single family construction alterations to enlarge, alter, repair, remodel or add additions to existing structures when the value of said alteration is less than one thousand dollars ($1,000.00).

- A permit is still required.
- Mechanical work is not subject to this waiver.

ATTACHMENT 1.f – EXHIBIT F

Town of Hilton Head Island
Master Fee Schedule

Permit Application Fees

Item/Description	Basis	Fee
Construction Trailers	Each	$25.00
Demolition	Each	$50.00
Electrical < 200 amps	Each	$25.00
Electrical > 200 amps	Each	$35.00
Electrical Other	Each	
HVAC Change Out (per unit)	Each	$50.00
LP Gas Permit- Residential > 1,000 gallons	Each	$50.00
LP Gas Permit- Commercial < 1,000 gallons	Each	$50.00
LP Gas Permit- Commercial > 1,000 gallons	Each	$75.00
Water Heater Change Out	Each	$50.00
Manufactured Homes	Each	$25.00 + impact fees
Moving a Structure	Each	$100.00
Swimming Pool or Spa Single Family	Each	$100 + $200 surety deposit*
Swimming Pool or Spa Commercial	Each	$150 + $200 surety deposit*
Irrigation Systems (per system)	Each	$100 + $200 surety deposit*
Tent, Stage or Air Supported Structure	Each	$50.00
Water Feature (Fountains)	Each	$100 + $200 surety deposit*
Re-inspection of each permit	Each	$50.00
Construction Board of Adjustments and Appeals	Each	$75.00
Remark Single Family Plans	Each	$50.00
Safety Inspection	Each	$100.00
Withdrawn Permits with Plans	Each	$50.00 or 10% of permit fee, whichever is larger
Withdrawn Permits Without Plans	Each	Refund Permit Fee or $50, whichever is larger
Stop Work Order	Each	Double permit fee + possible fine
Building Permit Transfer	Each	$50.00
Permit Extension Request	Each	$25.00
Permit Reinstatement Fee	Each	$25.00

*Surety Deposits are refundable if final inspection is approved within six months of permit issuance.

Building permit fees are based on a comparison of the declared value of construction and the minimum value of construction as outlined in the Building Valuation Data as published by the International Code Council. The fee is calculated using the higher of the two compared figures.

ATTACHMENT 1.f – EXHIBIT F

Town of Hilton Head Island
Master Fee Schedule

Planning and Environmental Permit Fees

Description	Fee
Address Request	$0.00
Appeal	$100.00
Certificate of Compliance	$0.00 + $200 for each reinspection
Designation of Contributing Structure	$0.00
Design Review Board: New Development Conceptual	$175.00
Design Review Board: New Development Final	$175.00
Design Review Board: Alteration/Addition	$100.00
Development Naming	$0.00
Development Review Plan: Major-Residential	$200.00 + $10 per unit
Development Review Plan: Major-Non-Residential	$500.00 + $20 per 1000 sq ft
Development Review Plan: Major-Hotel/Motel	$200.00 +$10 per room plus non-residential fee
Development Review Plan: Minor (no new building/addition)	$100.00
Emergency Permitting	$0.00
Exempt Plat	$0.00
Family Compound	$0.00
Minor Corridor Review	$50.00
Natural Resource Request	$0.00
Plat Stamping	$0.00
Pre-Application	$0.00
Pre-Clear Inspection	$0.00 + $200 for each re-inspection
Public Project	$0.00
Sign	$25.00 + $25.00 per sign face
Silviculture	$0.00
Site Lighting	$0.00
Small Residential Plan Review	$50.00 + $10 per unit
Special Exception	$200.00
Street Naming	$0.00
Street Renaming	$0.00
Substitution of Non-Conformities	$0.00
Subdivision: Major	$200.00 + $10 per lot
Subdivision: Minor	$100.00 + $10 per lot
Traffic Impact Analysis Plan	$250.00

Planning and Environmental Permit Fees (continued)

Description	Fee
Tree Removal	$0.00
LMO Text Amendment	$0.00
Utility Project	$0.00
Variance	$250.00
Zoning Map Amendment	$500.00
Zoning Permit	$0.00
Zoning Verification Letter	$0.00

Section V- Impact Fees

Impact fees are due to the community when issuing new structure building permits to help build the infrastructure required to serve the new occupants. The Beaufort County fees are collected by the Town of Hilton Head Island at the issuance of the permit and distributed to the county monthly.

Beaufort County Road Development Impact Fees

Residential (per housing unit)

Unit Size (sq. ft)	Fee
1,000 or less	$1,551.00
1,001 to 1,250	$1,939.00
1,251 to 1,500	$2,284.00
1,501 to 1,750	$2,585.00
1,751 to 2,000	$2,844.00
2,001 to 2,500	$3,231.00
2,501 to 3,000	$3,576.00
3,001 to 3,500	$3,835.00
3,501 to 4,000	$4,093.00
4,001 or more	$4,309.00

Non-Residential (per 1,000 sqft)

Use Type	Fee
Retail	$5,024.00
Office/Service	$2,497.00
Industrial	$1,007.00
Institutional	$2,326.00

Beaufort County Library Development Fees

Residential (per housing unit)

Unit Size (sq. ft)	Fee
1,000 or less	$151.00
1,001 to 1,250	$189.00
1,251 to 1,500	$227.00
1,501 to 1,750	$252.00
1,751 to 2,000	$278.00
2,001 to 2,500	$316.00
2,501 to 3,000	$353.00
3,001 to 3,500	$379.00
3,501 to 4,000	$404.00
4,001 or more	$417.00

ATTACHMENT 1.f – EXHIBIT F

Town of Hilton Head Island
Master Fee Schedule

Town of Hilton Head Island Road Development Fees

Land Use	Fee Per	Fee
Single Family (<1500 sq ft)	Dwelling	$635.00
Single Family (>1500 sq ft)	Dwelling	$816.00
Multifamily	Dwelling	$500.00
Retirement Housing	Dwelling	$282.00
Hotel	Room	$805.00
Motel	Room	$870.00
Bank w/out drive-thru	1,000 sq ft	$1,800.00
Bank w/ drive-thru	1,000 sq ft	$3,394.00
Church	1,000 sq ft	$795.00
Community College	1,000 sq ft	$1,099.00
Convenience Market	1,000 sq ft	$9,445.00
Day Care Center	1,000 sq ft	$1,013.00
Discount Store	1,000 sq ft	$4,487.00
Elementary/Secondary School	1,000 sq ft	$915.00
Golf Course	Acre	$3,208.00
High School	1,000 sq ft	$930.00
Hospital	1,000 sq ft	$1,431.00
Industry, Light	1,000 sq ft	$595.00
Library	1,000 sq ft	$3,882.00
Marina	Berth	$252.00
Medical Clinic/Office	1,000 sq ft	$2,916.00
Mini-Warehouse	1,000 sq ft	$223.00
Office, General (<25,000 sq ft)	1,000 sq ft	$1,988.00
Office, General (>25,000 sq ft)	1,000 sq ft	$1,418.00
Park	Acre	$191.00
Racquet Club	1,000 sq ft	$1,462.00
Restaurant, Quality	1,000 sq ft	$6,175.00
Restaurant, High- Turnover	1,000 sq ft	$8,761.00
Restaurant, Fast Food	1,000 sq ft	$14,562.00
Service Station	Hose	$1,236.00
Shopping Center (<50,000 sq ft)	1,000 sq ft	$2,604.00
Shopping Center (>50,000 sq ft)	1,000 sq ft	$3,317.00
Supermarket/Food Store	1,000 sq ft	$4,283.00
Warehousing	1,000 sq ft	$416.00

Town of Hilton Head Island
Master Fee Schedule

Section VI: GIS Map Fees

Standard Pre-Made Maps and Reprints

Size	Fee
8.5” x 11”	$1.00
11’ x 17” (Tabloid)	$2.00
24” x 36” (Arch D)	$10.00
36” x 48” (Arch E)	$20.00

Custom Maps and Aerial Photos (Produced by Staff)

Same price as above with $40.00 per hour for Staff time- charges added in 15 minute increments. Minimum staff time charge of $10.00.

Maps larger than 36” x 48” (Arch E) will be billed at $1.67 per square foot.

ATTACHMENT 1.f – EXHIBIT F

Town of Hilton Head Island
Master Fee Schedule

Section VII- Stormwater Fees

Permit Type	Initial NPDES Plan Review	Plan Amendment/ Resubmittal	Routine Inspection (monthly)	Notice of Violation (per inspection)	Stop Work Order (per inspection)
Single Family Residential	$100	$75	$90 (6 month minimum)	$140	$190
Pool or Spa (residential)	$100	$75	$90 (3 month minimum)	$140	$190
Demolition (Residential, <1 acre)	$100	$75	$90 (1 month minimum)	$140	$190
Residential Subdivision, Multifamily and Non-residential **	$250/acre* ($5000 max)	$150/acre* ($2500 max)	$50 + $50/acre* ($500 max)	$100 + $50/acre* ($550 max)	$150 + $50/acre* ($600 max)

*Per disturbed acre, rounded up to the nearest whole acre.

**Including Land Disturbance Permits and Commercial Demolitions

Minimum monthly inspection fees due prior to permit issuance, inspections above the minimums will be due in full prior to final CO issuance.

ATTACHMENT 1.f – EXHIBIT F

Town of Hilton Head Island
Master Fee Schedule

Section VIII- Miscellaneous Fees

Item/Description	Basis	Fee
Resident Beach Parking Pass*	Yearly (calendar year)	$0 per vehicle with a 2 vehicle per address limit
Non-Resident Beach Parking Fee*	March 1st through September 7th (Monday through Friday)	$3 per hour per vehicle
	March 1st through September 7th (Saturday and Sunday)	$5 per hour per vehicle
Real Estate Transfer Fee	Upon closing of real estate	.25%
Special Event Fee	Per Event	$100 + $500 event bond**

*All visitors will be required to pay for parking at all locations except Coligny Beach Park.

- Free parking for youth recreational sports will remain available at Chaplin Community Park (Burkes Beach Access).
- Beach parking fees will be enforced at Chaplin Community Park (Burkes Beach Access) from 7 am to 5 pm, beginning May 19th and through September 7th, following the end of the youth sports season.
- Individuals with registered handicap placards and/or license plates may park for free at all beach parks, per South Carolina state law.
- Disabled veterans and recipients of the Purple Heart are exempt from the payment of municipal parking meter fees when their vehicles bear a disabled veteran's or Purple Heart license plate issued by the Department of Motor Vehicles. A new parking privilege has been added to certain military license plates that allows free parking in metered areas in SC. These benefits do not apply to military license plates issued before May 6, 2022.

**The $500 event bond is refundable pending the event completion with all Town of Hilton Head event requirements satisfied.

Town of Hilton Head Island

FY 2027 PROPOSED CONSOLIDATED BUDGET

DRAFT

Town Council Meeting // May 12, 2026

FY 2027 PROPOSED CONSOLIDATED BUDGET OUTLINE

01

COMMUNITY FACTORS + ECONOMIC DRIVERS

02

STRATEGIC ACTION PLAN + GOALS

FY27 Proposed Consolidated Budget Goals

03

OVERVIEW

FY27 Proposed Consolidated Budget Overview

04

REVIEW

FY27 Proposed Consolidated Budget Review & Approval Process

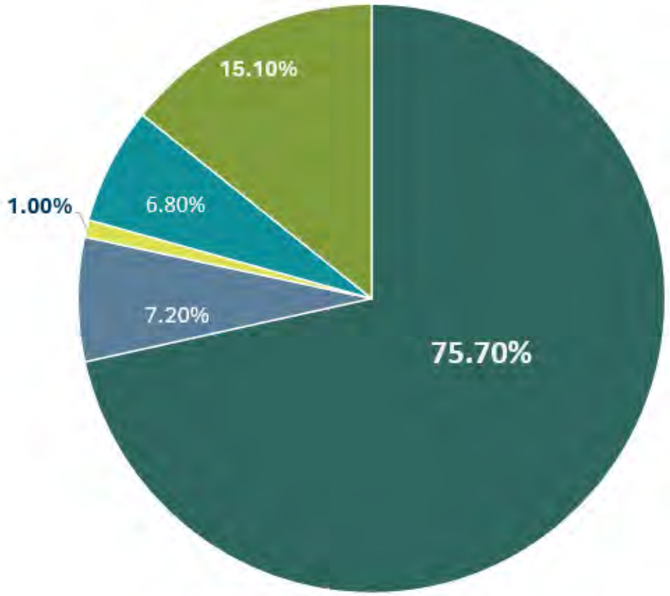
COMMUNITY FACTORS + ECONOMIC DRIVERS

COMMUNITY FACTORS

54
Square Miles
5 Miles wide x 12 miles long

38,158
Population Estimate

40,642
Jobs
Accounting for 33% of all employment in Beaufort County



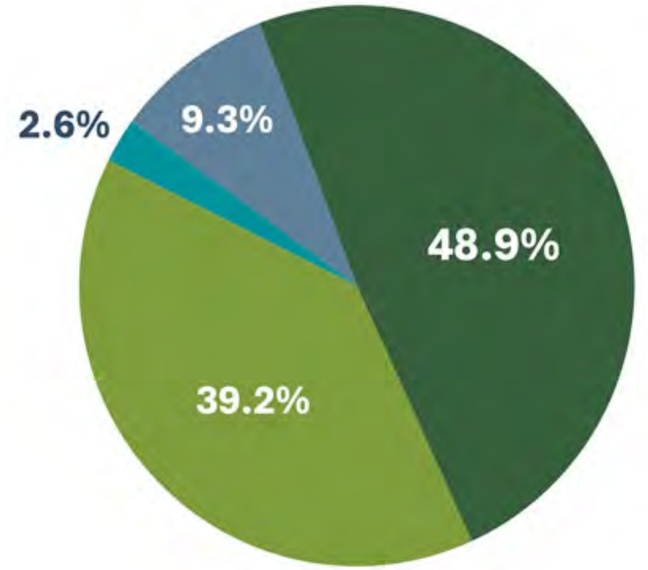
Race & Ethnicity
- White
- Black
- Asian
- Two or more races
- Hispanic or Latino

59
Median Age

$95K
Median Household Income

93%
High School Graduate

55.3%
Bachelor's degree or higher



Population by Age
- 5 years and under
- Ages between 6 to 17
- Ages between 18 to 64
- 65 years and above

Source: July 2024 estimated census.gov

ECONOMIC DRIVERS – DIVERSE ECONOMY

Tourism

- 2.67M annual visitors
- $2.9B in visitor spending
- $3.95B in overall economic impact
- 31K+ jobs supported
- $60.4M in tourism-related revenue
- HH Airport Expansion $36M investment / Annual volume of 250k passengers

Healthcare & Wellness

- Novant Hilton Head Medical Center – 93 Acute Beds
- New Novant $25M / 25,000 sf investment for urgent care, primary care, & medical specialties
- Population trends create increasing demand for primary & specialty care, rehabilitation, home health, and senior services

Real Estate, Property Management & Construction

- Second home and retiree markets generate demand for real estate, home services, retail, financial planning, and lifestyle amenities
- Property values and tax base help support public services & capital investments
- Construction and maintenance economy supports contractors, architects, trades, engineers, landscape firms, & property management firms
- 3,115 jobs supported

Workforce Housing and Economic Infrastructure

- Novant investment in 90 - 108 units near medical facilities
- Northpoint Public Private Partnership 157 units - $40 million investment
- Bryant Road Public Private Partnership - $1 million in FY 2027 Housing Fund budget

Our Island at a Glance

Source: Estimated July 2024 US Census and the Town of Hilton Head Island

10 New Commercial Building Permits (New Structures)

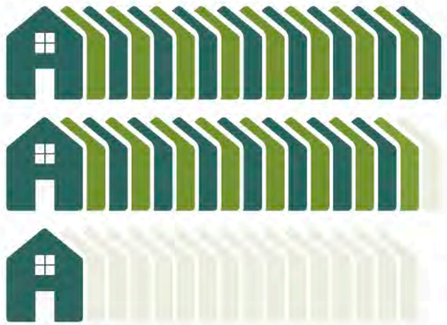
HOUSING

142 New Single-Family Building Permits

SHORT-TERM RENTALS

1 in 5 residential properties is a short-term rental unit

34,665 TOTAL HOUSING UNITS



- **16,882** multi-family units
- **16,590** single family detached homes
- **1,193** mobile homes

$687,400
Median Owner-Occupied Home Value

HOUSING UNITS FOR SALE

Local Market update – March 2026
Hilton Head Island Area Realtors Association

403 Condos/villas for sale (median price $515,000)

239 Detached homes for sale (median price $1,200,000)

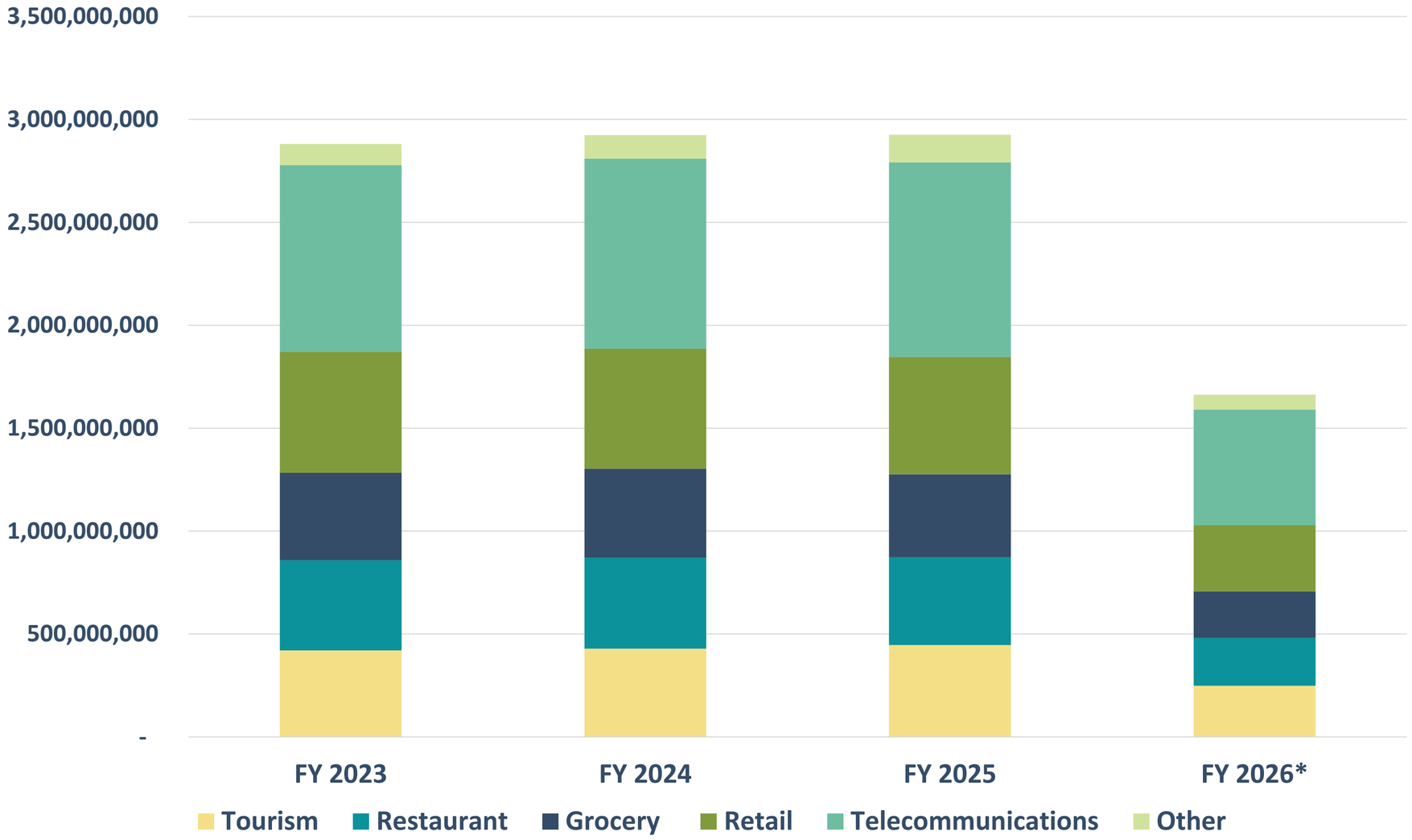
ECONOMIC FACTORS – TOP EMPLOYERS

Source: Beaufort County Treasurer and the Beaufort County and Town Annual Comprehensive Financial Report for fiscal year ended June 30, 2025

Top Town Employers	# of Employees
SERG Group Restaurants	841
Coastal Restaurants and Bars	715
Sea Pines Resort	687
Novant Hilton Head Medical Ctr and Clinics	533
Marriott Vacation Club Intl	514
Beaufort County School District	444
Greenwood Communities & Resorts (Palmetto Dunes)	415
Cypress of Hilton Head	339
Publix Super Markets	328
Town of Hilton Head	306

The employment base in the Town is diversified, ranging from government, healthcare and education to resort operators and retail

ECONOMIC FACTORS – GROSS SALES BY FISCAL YEAR



*FY 2026 Year-to-date through January 2026

Compound Annual Growth Rate from FY 2023 – FY 2025 is less than 1%

ECONOMIC FACTORS - BOND RATING

- ✓ The Town benefits from ongoing economic strength and growth that underpins its healthy tax base trends and strong, reliable financial performance.

- ✓ Excellent credit position – Triple A Bond Rating from Moody's, Fitch, and Standard and Poor's. These ratings reinforce confidence in our efforts to maintain a fiscally sound operation.

- ✓ Notable credit financial factors include:
  - Growing tax base
  - Growing and diverse non-property tax revenues
  - Prudent fiscal management
  - Strong fund balance
  - High liquidity ratio

- ✓ The Town's financial resilience is supported by robust reserve levels that have remained above 50 percent of annual spending since at least fiscal year 2018 and total reserves reached approximately 90 percent of general fund spending in fiscal year 2025.

- ✓ The Town was recognized for ongoing investments in stormwater infrastructure and beach renourishment as part of its long-term capital improvement plan.

- ✓ The Town has improved its resilience through creation and maintenance of disaster relief reserves, proactive stormwater capital planning, and maintenance of emergency bonding capacity.

ECONOMIC FACTORS In 2025…

189
New Businesses Opened in 2025
160 in 2024

64
Businesses closed in 2025
77 in 2024

14,604
Total Business Licenses Issued
14,479 in 2024

7,368
STR Permits
7,204 in 2024

7,236
Business Licenses
7,111 in 2024

$14.8m
Total Business License Revenue
$14.7m in 2024

$25.8m
Property Tax collected
$24.6m in 2024

Source: Town of Hilton Head Island

ECONOMIC FACTORS – ASSESSED / MARKET VALUE

Source: Town's Annual Comprehensive Financial Report for fiscal year ended June 30, 2025

	Real & Personal		Motor Vehicles		Total	
Fiscal Year	Assessed Value	Growth Rate	Assessed Value	Growth Rate	Assessed Value	Growth Rate
2021	964,993,530	-	36,759,110	-	1,001,752,640	-
2022	985,104,810	2.08%	39,360,000	7.08%	1,024,464,810	2.27%
2023	1,040,073,090	5.58%	40,914,980	3.95%	1,080,988,070	5.52%
2024	1,186,389,670	14.07%	44,297,680	8.27%	1,230,687,350	13.85%
2025	1,282,996,970	8.14%	44,268,640	-0.07%	1,327,265,610	7.85%

	Real & Personal		Motor Vehicles		Total	
Fiscal Year	Market Value	Growth Rate	Market Value	Growth Rate	Market Value	Growth Rate
2021	18,335,352,245	-	568,071,554	-	18,903,423,799	-
2022	18,717,476,468	2.08%	608,265,444	7.08%	19,325,741,912	2.23%
2023	19,761,900,855	5.58%	632,295,947	3.95%	20,394,196,802	5.53%
2024	22,541,987,923	14.07%	684,571,849	8.27%	23,226,559,772	13.89%
2025	24,377,574,194	8.14%	684,123,068	-0.07%	25,061,697,262	7.90%

The Town has seen significant growth in its Assessed and Market Value over the past five years as both have increased approximately 32.5%

ASSET MANAGEMENT

- **1,966.3 total acres** of Town owned property
  - Past 5 years of added acreage / density - **80.655 acres**
  - **$51,473,349** of Town Funds and **$13,317,000** of Beaufort County Greenspace funds for land acquisition
  - Land acquisitions have prevented an estimated: 450 residential units, 193 hotel rooms, 52,610 square feet of commercial space
- **27** Town Parks - includes beach parks, community parks, neighborhood parks, sports/specialized parks. This number includes Taylor and Patterson Family Parks (not completed yet)
- **14 miles / 73,920 linear feet** of roads maintained by the Town
- **24 Total Town Buildings -** not including restroom facilities and pavilions

THE TOWN AS AN ORGANIZATION

CITIZENS OF HILTON HEAD ISLAND

TOWN OF HILTON HEAD ISLAND

SENIOR STAFF

Effective April 9, 2026

Department Headcount Summary (FY27)

290 Full Time / 16 Part Time

	FY24 BUDGET		FY25 BUDGET		FY26 BUDGET		FY26 AMENDED		FY27 PROPOSED	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
GENERAL STAFF	132	16	129	16	132	15	137	15	**137**	**15**
FIRE RESCUE	152	2	152	1	152	1	153	1	**153**	**1**
TOTAL HEADCOUNT	**284**	**18**	**281**	**17**	**284**	**16**	**290**	**16**	**290**	**16**

STRATEGIC ACTION PLAN

FY 2027 CONSOLIDATED BUDGET STRATEGIC PLAN PRIORITIES

The Town of Hilton Head Island Strategic Action Plan for Fiscal Years 2026 – 2028 was adopted on July 15, 2025. The Strategic Action Plan Goals are:

- **Protect Island Character through Managing Growth**
- **Enhance Major Corridor and Streets**
- **Reinforce Island Resilience**
- **Invest in Stormwater Management Infrastructure**
- **Enhance Public Safety Readiness and Facilities**
- **Support Economic Development and Business Recruitment and Retention**
- **Advance Workforce Housing Opportunities**
- **Preserve, Protect and Celebrate Gullah Geechee Culture and Heritage**
- **Protect and Enhance Environmental Sustainability**
- **Enhance Community Well-being Through Implementation of the Parks and Recreation Master Plan and Program Enhancements**

FY 2027 CONSOLIDATED BUDGET GOALS

- **Enhance community amenities, including recreation, leisure, and public facilities.**
- **Maintain high-quality municipal services delivered efficiently and effectively.**
- **Foster a workplace culture of innovation, customer service, and employee engagement.**
- **Invest in transformative capital projects and long-term infrastructure resilience.**
- **Protect and elevate the Island's identity, including its environmental and cultural assets.**
- **Leverage fiscal planning as a tool for progress, innovation, and continuous improvement.**

The State of South Carolina requires the Town Council to adopt an annual balanced budget ordinance prior to July 1. The annual budget is adopted in conjunction with Town Council, Department Heads, Planning Commission, and citizens through this budget process.

FY 2027 PROPOSED CONSOLIDATED BUDGET

FY 2027 CONSOLIDATED BUDGET REVIEW & APPROVAL PROCESS

MAY 12

Budget Ordinance to Town Council for Public Hearing & First Reading

MAY 14

Town Council Budget Workshop:
General Fund
Debt Service Fund
GGHNCDC Fund
Housing Fund
Special Revenues Fund

MAY 19

Town Council Budget Workshop:
CIP Fund
Stormwater Fund
Consolidated Budget

JUNE 9

Budget Ordinance to Town Council for Public Hearing & Second and Final Reading

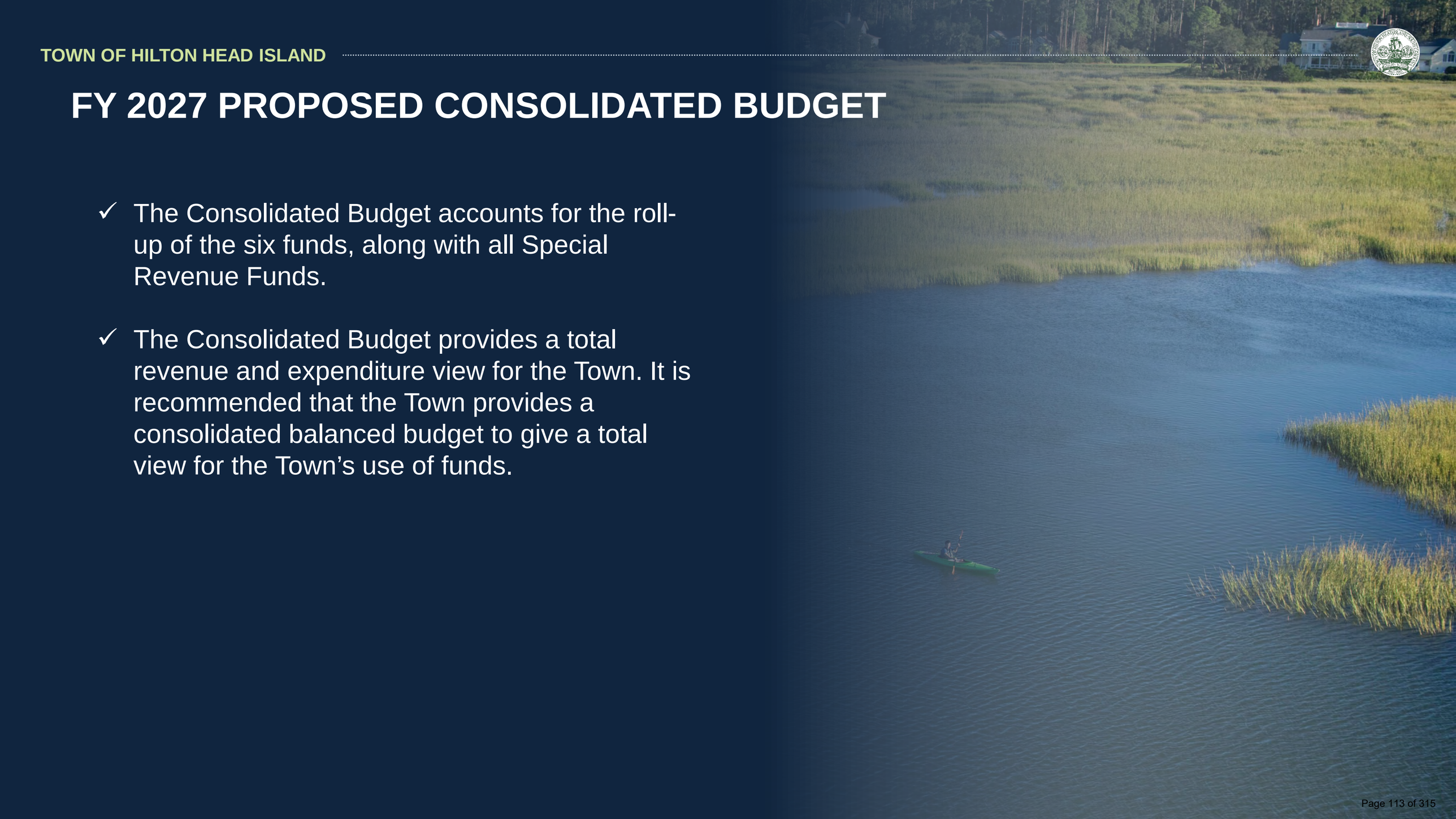
FY 2027 PROPOSED CONSOLIDATED BUDGET

ALL FUNDS

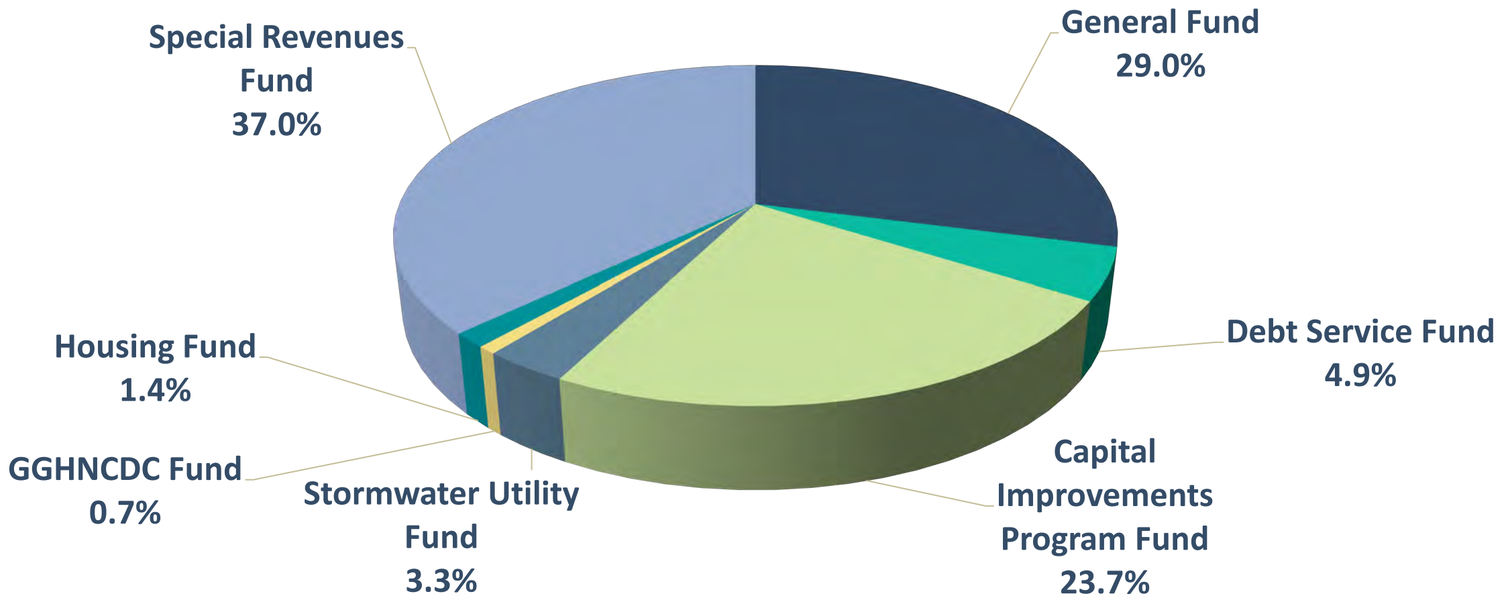
- ✓ General Fund
- ✓ Capital Improvements Program Fund
- ✓ Debt Service Fund
- ✓ Stormwater Utility Fund
- ✓ Gullah Geechee Historic Neighborhoods Community Development Corporation Fund
- ✓ Housing Fund
- ✓ Special Revenues Fund

FY 2027 PROPOSED CONSOLIDATED BUDGET

- ✓ The Consolidated Budget accounts for the roll-up of the six funds, along with all Special Revenue Funds.
- ✓ The Consolidated Budget provides a total revenue and expenditure view for the Town. It is recommended that the Town provides a consolidated balanced budget to give a total view for the Town’s use of funds.



FY 2027 PROPOSED CONSOLIDATED BUDGET – ALL FUNDS



Expenditures	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
General Fund	$ 57,822,970	$ 57,775,830	$ 59,754,870	$ 60,362,809	$ 65,387,249	**$ 67,652,550**	$ 7,289,741	12.1%
Debt Service Fund	15,820,581	15,046,492	18,864,083	31,084,281	30,960,656	**11,513,988**	(19,570,293)	-63.0%
Capital Improvements Program Fund	27,398,738	31,066,109	77,687,380	124,616,414	110,369,157	**55,205,752**	(69,410,662)	-55.7%
Stormwater Utility Fund	5,150,208	6,062,194	11,140,277	11,893,723	6,552,349	**7,583,334**	(4,310,389)	-36.2%
GGHNCDC Fund	129,142	277,025	3,286,603	3,286,603	1,718,563	**1,694,756**	(1,591,847)	-48.4%
Housing Fund	201,523	280,287	3,978,137	3,978,137	1,199,442	**3,211,498**	(766,639)	-19.3%
Special Revenues Fund	59,513,257	63,570,215	-	-	85,391,811	**86,422,841**	86,422,841	0.0%
Consolidated Budget	**$ 166,036,419**	**$ 174,078,152**	**$ 174,711,350**	**$ 235,221,967**	**$ 301,579,227**	**$ 233,284,719**	**$ (1,937,248)**	**-0.8%**

FY 2027 PROPOSED CONSOLIDATED BUDGET REVENUES

Operating Revenues	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Property Taxes	$ 24,582,416	$ 25,809,924	$ 23,971,050	$ 23,971,050	$ 25,600,000	**$ 26,112,000**	$ 2,140,950	8.9%
Business Licenses	14,749,382	17,585,602	13,565,155	13,565,155	14,847,121	**14,995,592**	1,430,437	10.5%
Franchise Fees	835,865	1,061,803	861,065	861,065	842,555	**842,555**	(18,510)	-2.1%
Stormwater Utility Fees	5,275,035	5,384,264	5,275,035	5,275,035	5,500,962	**5,610,981**	335,946	6.4%
Local Accommodations Tax	6,944,525	8,841,406	6,812,769	6,812,769	7,275,251	**7,384,380**	571,611	8.4%
EMS Revenue	2,252,547	2,627,171	2,036,000	2,036,000	2,713,836	**2,461,122**	425,122	20.9%
Permit Fees	2,437,719	2,670,404	1,922,580	1,922,580	3,063,000	**1,922,580**	-	0.0%
Intergovernmental	930,105	981,781	978,035	978,035	1,021,747	**1,042,182**	64,147	6.6%
State Accommodations Tax	12,790,329	13,167,662	-	-	12,644,919	**12,417,310**	12,417,310	100.0%
Beach Preservation Fees	13,889,049	17,268,782	-	-	14,550,475	**14,768,732**	14,768,732	100.0%
Hospitality Tax	10,574,379	10,559,662	-	-	10,760,553	**10,878,919**	10,878,919	100.0%
TIF Taxes	7,844,686	3,258,859	-	-	16,682	**-**	-	100.0%
Road Usage Fee	1,724	950	-	-	228	**-**	-	100.0%
Real Estate Transfer Fee	4,883,205	5,228,355	-	-	6,324,914	**5,029,064**	5,029,064	100.0%
Electric Franchise Fee	2,893,617	3,258,395	-	-	3,380,869	**3,507,652**	3,507,652	100.0%
Short Term Rental Fee	2,012,495	1,882,500	-	-	3,031,050	**3,031,050**	3,031,050	100.0%
Grants	5,522,874	3,155,760	7,365,538	7,365,538	8,442,684	**1,250,000**	(6,115,538)	-83.0%
Investment Income	10,699,467	10,885,143	2,100,115	2,100,115	8,912,490	**7,966,015**	5,865,900	279.3%
Beach Parking	193,034	520,770	650,000	650,000	650,000	**650,000**	-	0.0%
Sunday Liquor Permit Fees	279,950	316,500	1,000,000	1,153,887	332,325	**348,941**	(804,946)	-69.8%
Impact Fees	236,672	148,347	1,100,000	1,100,000	199,234	**187,248**	(912,752)	-83.0%
Capital	62,120	62,120	-	-	62,120	**62,120**	62,120	100.0%
Sale of Land/Equipment	-	97,703	-	-	4,341,500	**-**	-	100.0%
Other	787,745	389,987	356,848	436,848	506,113	**560,000**	123,152	28.2%
Total Operating Revenues	**$ 130,678,939**	**$ 135,163,851**	**$ 67,994,190**	**$ 68,228,077**	**$ 135,020,628**	**$ 121,028,443**	**$ 52,800,366**	**77.4%**

» Total Consolidated Budget Revenues are continued on the next slide

FY 2027 PROPOSED CONSOLIDATED BUDGET REVENUES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Operating Revenues								
Other Financing Sources								
Use of Fund Balance:								
General Fund	$ -	$ -	$ 275,000	$ 327,528	$ -	$ -	$ (327,528)	-100.0%
Stormwater Fund	-	-	5,592,662	6,346,108	744,774	**1,674,773**	(4,671,335)	-73.6%
Capital Projects Fund (Operating)	-	-	3,279,803	3,354,803	-	-	(3,354,803)	-100.0%
Prior Year Bond Proceeds (CIP Fund)	-	-	66,197	66,197	-	**2,400,000**	2,333,803	3525.5%
Debt Service Fund	-	-	-	11,930,888	11,291,759	**209,755**	(11,721,133)	-98.2%
GGHNCDC Fund	-	-	3,161,603	3,161,603	1,489,774	**1,123,230**	(2,038,373)	-64.5%
Special Revenue Grants	-	-	-	-	-	**363,151**	363,151	100.0%
Housing Fund	-	-	3,781,088	3,781,088	2,393	**2,591,883**	(1,189,205)	-31.5%
Beach Preservation Fee	-	-	-	-	16,701,035	-	-	0.0%
Hospitality Tax	-	-	-	-	5,870,513	**17,000,798**	17,000,798	100.0%
Fire Truck Lease	-	-	-	-	-	**84,828**	84,828	100.0%
TIF Tax	-	-	-	-	2,566,404	**1,506,637**	1,506,637	100.0%
Road Usage Fee	-	-	-	-	1,435,778	**832,328**	832,328	100.0%
State Accommodations Tax	-	-	-	-	1,129,535	**4,167,659**	4,167,659	100.0%
Electric Franchise Fee	-	-	-	-	-	**2,617,498**	2,617,498	100.0%
Short Term Rental Fee	-	-	-	-	-	**574,921**	574,921	100.0%
Total Use of Fund Balance	**-**	**-**	**16,156,353**	**28,968,215**	**41,231,965**	**35,147,460**	**6,179,245**	**21.3%**

» Total Consolidated Budget Revenues are continued on the next slide.

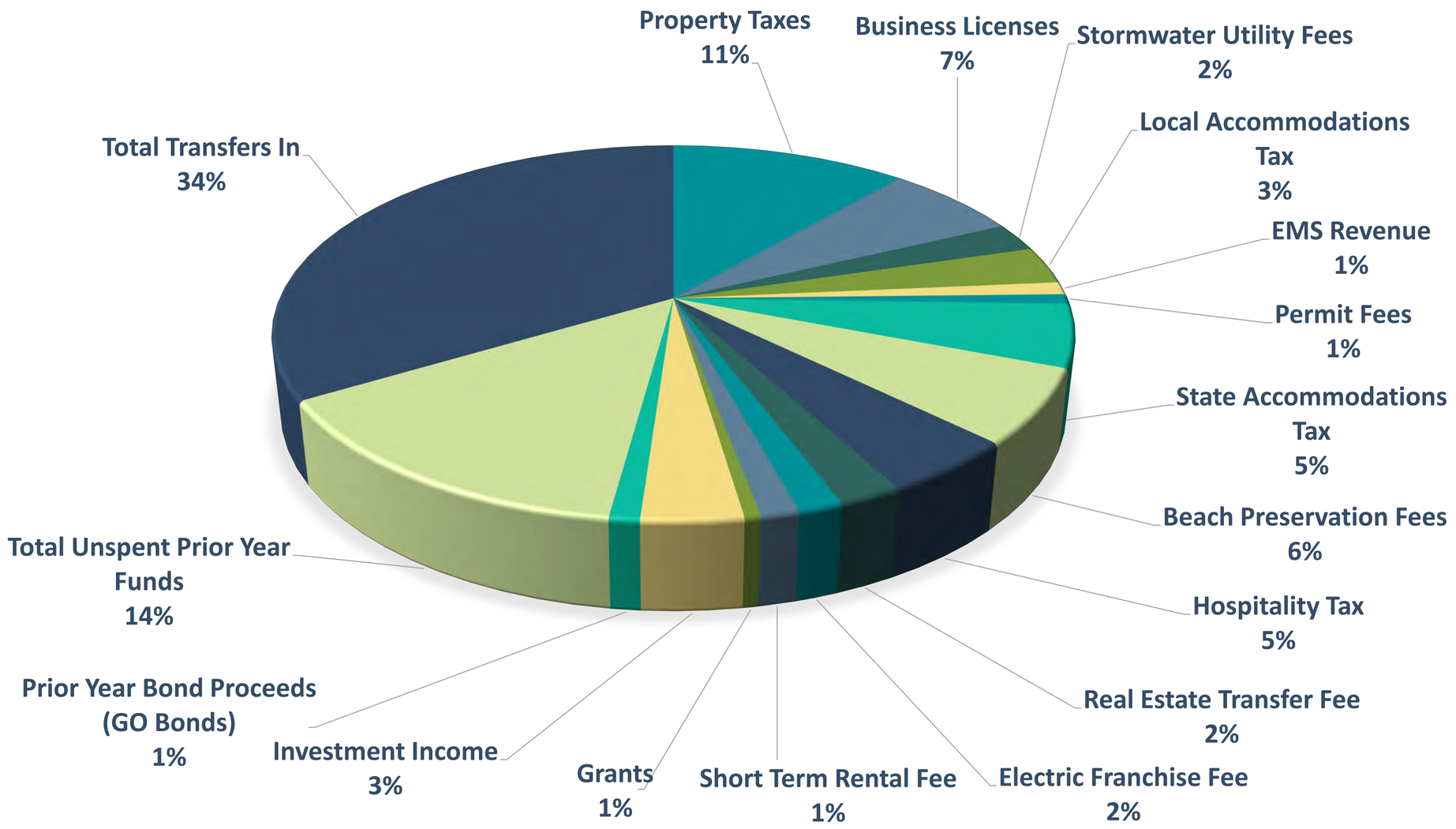
FY 2027 PROPOSED CONSOLIDATED BUDGET REVENUES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Transfers In								
From General Fund for Housing	2,000,000	-	197,049	197,049	197,049	-	(197,049)	-100.0%
From General Fund for GGHNCDC	1,000,000	-	-	-	-	**359,026**	359,026	100.0%
From General Fund for Special Revenue	-	-	-	-	-	**207,872**	207,872	100.0%
From Beach Preservation Fee	8,848,605	6,945,849	52,530,548	34,296,815	33,159,836	**12,357,922**	(21,938,893)	-64.0%
From Hospitality Tax	9,246,221	17,273,617	17,875,830	21,940,492	17,526,286	**28,730,176**	6,789,684	30.9%
From Fire Truck Lease Proceeds	-	-	-	2,464,838	-	**4,600,000**	2,135,162	86.6%
From TIF Tax	4,494,978	9,171,775	2,242,934	3,505,434	2,909,274	**1,506,637**	(1,998,797)	-57.0%
From Road Usage Fee	(137,533)	481,323	1,354,500	2,268,334	1,436,006	**832,328**	(1,436,006)	-63.3%
From State ATAX	6,629,315	5,770,126	6,332,066	6,445,183	6,307,066	**9,153,614**	2,708,431	42.0%
From Real Estate Transfer Fee	8,332,751	3,336,556	250,000	1,368,800	1,368,800	**250,000**	(1,118,800)	-81.7%
From Electric Franchise Fee	10,137,278	9,038,451	1,056,000	1,587,993	1,310,815	**6,408,603**	4,820,610	303.6%
From Short Term Rental Permit Fee	1,750,000	1,825,000	2,005,000	2,480,411	2,480,411	**3,606,050**	1,125,639	45.4%
From Capital Projects Fund	350,000	-	-	-	-	-	-	100.0%
From Federal Grants	-	-	-	-	1,000,000	-	-	100.0%
From Natural Disaster Fund	-	-	-	-	-	-	-	100.0%
From Stormwater Utility Fee	985,000	1,370,552	6,700,880	7,454,326	3,609,591	**4,580,586**	(2,873,740)	-38.6%
Total Transfers In	**53,636,615**	**55,213,249**	**90,544,807**	**84,009,675**	**71,305,134**	**72,592,815**	**(11,416,860)**	**-13.6%**
Other Financing Sources								
From Sale of Equipment/Vehicles	37,688	-	16,000	16,000	21,500	**16,000**	-	0.0%
Proceeds from GO Bonds	-	-	-	35,000,000	35,000,000	-	(35,000,000)	-100.0%
Proceeds from Beach Bonds	-	-	-	19,000,000	19,000,000	-	(19,000,000)	-100.0%
Proceeds from Fire Truck Lease	-	7,584,000	-	-	-	**4,500,000**	4,500,000	100.0%
Total Other Financing Sources	**$ 37,688**	**$ 7,584,000**	**$ 16,000**	**$ 54,016,000**	**$ 54,021,500**	**$ 4,516,000**	**$ (49,500,000)**	**-91.6%**
Total Revenues and Other Financing Sources	**$ 184,353,242**	**$ 197,961,100**	**$ 174,711,350**	**$ 235,221,967**	**$ 301,579,227**	**$ 233,284,719**	**$ (1,937,248)**	**-0.8%**

FY 2027 PROPOSED CONSOLIDATED BUDGET TRANSFERS

	Transfers In Fund						
	General	Debt Service	CIP	GGHNCDC	Housing	Special Revenues	FY 2027 Total
Transfers From Fund							
Hospitality Taxes	$ 6,500,000	$ 1,442,825	$ 20,787,351	$ -	$ -	$ -	**$ 28,730,176**
Beach Preservation Fees	2,466,895	3,041,908	6,849,119	-	-	-	**12,357,922**
Tax Increment Financing (TIF)	-	-	1,506,637	-	-	-	**1,506,637**
State Accommodation Taxes	3,123,078	-	5,410,921	-	619,616	-	**9,153,614**
Fire Truck Lease Proceeds	-	-	4,600,000	-	-	-	**4,600,000**
Real Estate Transfer Fees	-	-	250,000	-	-	-	**250,000**
Stormwater Fees	375,000	-	4,205,586	-	-	-	**4,580,586**
Road Usage Fees	-	-	832,328	-	-	-	**832,328**
Electric Franchise Fees	540,603	-	5,868,000	-	-	-	**6,408,603**
Short Term Rental Fees	3,606,050	-	-	-	-	-	**3,606,050**
General Fund	-	-	-	359,026	-	-	**359,026**
Total Six Fund Transfers	**16,611,626**	**4,484,733**	**50,309,942**	**359,026**	**619,616**	**-**	**72,384,943**
General Fund	-	-	-	-	-	207,872	**207,872**
Total Consolidated Budget Transfers	**$ 16,611,626**	**$ 4,484,733**	**$ 50,309,942**	**$ 359,026**	**$ 619,616**	**$ 207,872**	**$ 72,592,815**

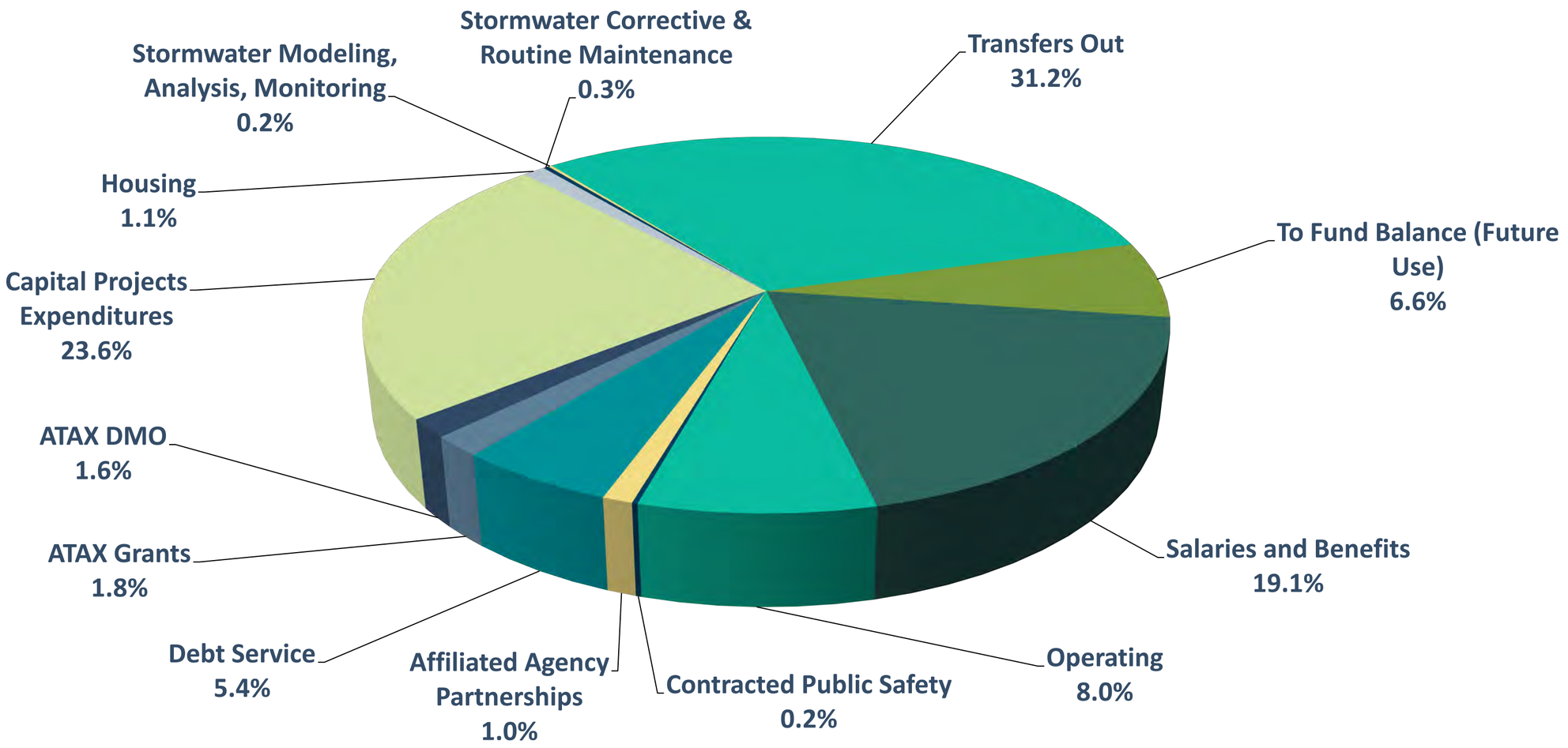
FY 2027 PROPOSED CONSOLIDATED BUDGET REVENUES



FY 2027 PROPOSED CONSOLIDATED BUDGET EXPENDITURES

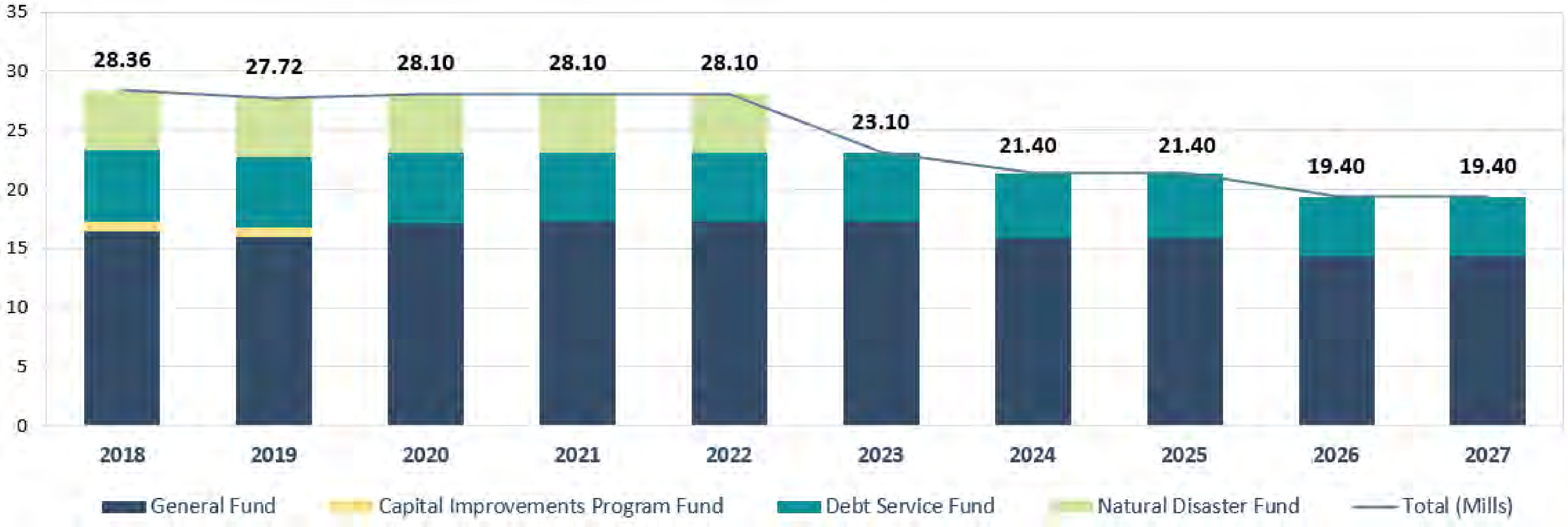
Operating Expenses	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Salaries and Benefits	$ 35,860,967	$ 37,484,867	$ 41,550,730	$ 41,739,845	$ 41,004,008	**$ 44,423,064**	$ 2,683,219	6.4%
Operating	14,974,788	15,552,427	18,935,556	19,204,520	17,627,291	**18,650,895**	(553,625)	-2.9%
Contracted Public Safety	2,595,199	2,756,658	420,500	517,832	517,832	**446,032**	(71,800)	-13.9%
Affiliated Agency Partnerships	2,056,525	3,208,939	1,988,516	2,041,044	2,041,044	**2,414,446**	373,402	18.3%
Debt Service	17,200,152	16,256,845	20,006,934	32,227,132	32,001,712	**12,538,164**	(19,688,968)	-61.1%
Beach Consulting Expense	35,500	38,350	-	-	43,250	**43,250**	43,250	100.0%
Deed Processing Expense	48,832	52,297	-	-	63,250	**50,291**	50,291	100.0%
ATAX Grants	4,789,146	3,521,165	-	-	4,076,992	**4,089,462**	4,089,462	100.0%
ATAX DMO	3,829,599	3,942,799	-	-	3,785,976	**3,717,693**	3,717,693	100.0%
Buried Underground Cable	16,649	-	-	-	-	**-**	-	100.0%
ARPA Grant Expenses	618,772	1,159,149	-	-	14,344	**-**	-	100.0%
Grant Expenses	814,998	400,849	-	-	416,747	**571,023**	571,023	100.0%
Disaster Expenses	60,529	481,903	-	-	-	**-**	-	100.0%
Capital Projects Expenditures	26,828,181	30,998,370	78,937,380	98,965,584	83,778,527	**54,967,547**	(43,998,037)	-44.5%
Housing	201,523	280,287	3,783,805	3,783,805	1,105,406	**2,500,000**	(1,283,805)	-33.9%
Stormwater Corrective & Routine Maintenance	1,900,922	2,277,175	1,290,000	1,290,000	688,413	**610,500**	(679,500)	-52.7%
Stormwater Modeling, Analysis, Monitoring	198,718	383,323	900,000	900,000	287,553	**397,837**	(502,163)	-55.8%
Cost of Issuance/Bond Proceeds Future CIP	-	132,500	-	277,838	277,838	**-**	(277,838)	-100.0%
Other Capital Outlay	368,805	-	-	-	-	**-**	-	100.0%
Total Operating Expenses	**$ 112,399,805**	**$ 118,927,903**	**$ 167,813,421**	**$ 200,947,600**	**$ 187,730,183**	**$ 145,420,206**	**$ (55,527,394)**	**-27.6%**
Transfers-out								
Transfer to General Fund	$ 14,279,087	$ 14,357,026	$ 12,968,548	$ 13,443,959	$ 13,443,959	**$ 16,611,626**	$ 3,167,667	23.6%
Transfer to CIP Fund	26,594,910	31,474,733	64,875,842	57,575,989	43,871,448	**50,309,942**	(7,266,047)	-12.6%
Transfer to Debt Service Fund	10,412,618	8,318,491	12,503,368	12,792,678	12,792,678	**4,484,733**	(8,307,945)	-64.9%
Transfer to Housing Fund	2,350,000	1,000,000	1,197,049	1,197,049	1,197,049	**619,616**	(577,433)	-48.2%
Transfer to GGHNCDC Fund	-	-	-	-	-	**359,026**	359,026	100.0%
Transfer to Special Revenue Fund	-	-	-	-	-	**207,872**	207,872	100.0%
Total Transfers-out	**$ 53,636,615**	**$ 55,150,250**	**$ 91,544,807**	**$ 85,009,675**	**$ 71,305,134**	**$ 72,592,815**	**$ (12,416,860)**	**-14.6%**
Fund Balance Surplus (Bond Proceeds)	$ -	$ -	$ -	$ 26,622,992	$ 26,622,992	**$ -**	$ (26,622,992)	-100.0%
Fund Balance Surplus (Future Use)	-	-	-	-	15,920,918	**15,271,698**	15,271,698	100.0%
Total Fund Balance Surplus	**$ -**	**$ -**	**$ -**	**$ 26,622,992**	**$ 42,543,910**	**$ 15,271,698**	**$ (11,351,294)**	**-42.6%**
Total Expenditures	**$ 166,036,420**	**$ 174,078,153**	**$ 259,358,228**	**$ 312,580,267**	**$ 301,579,227**	**$ 233,284,719**	**$ (79,295,548)**	**-25.4%**

FY 2027 PROPOSED CONSOLIDATED BUDGET EXPENDITURES



MILLAGE RATES

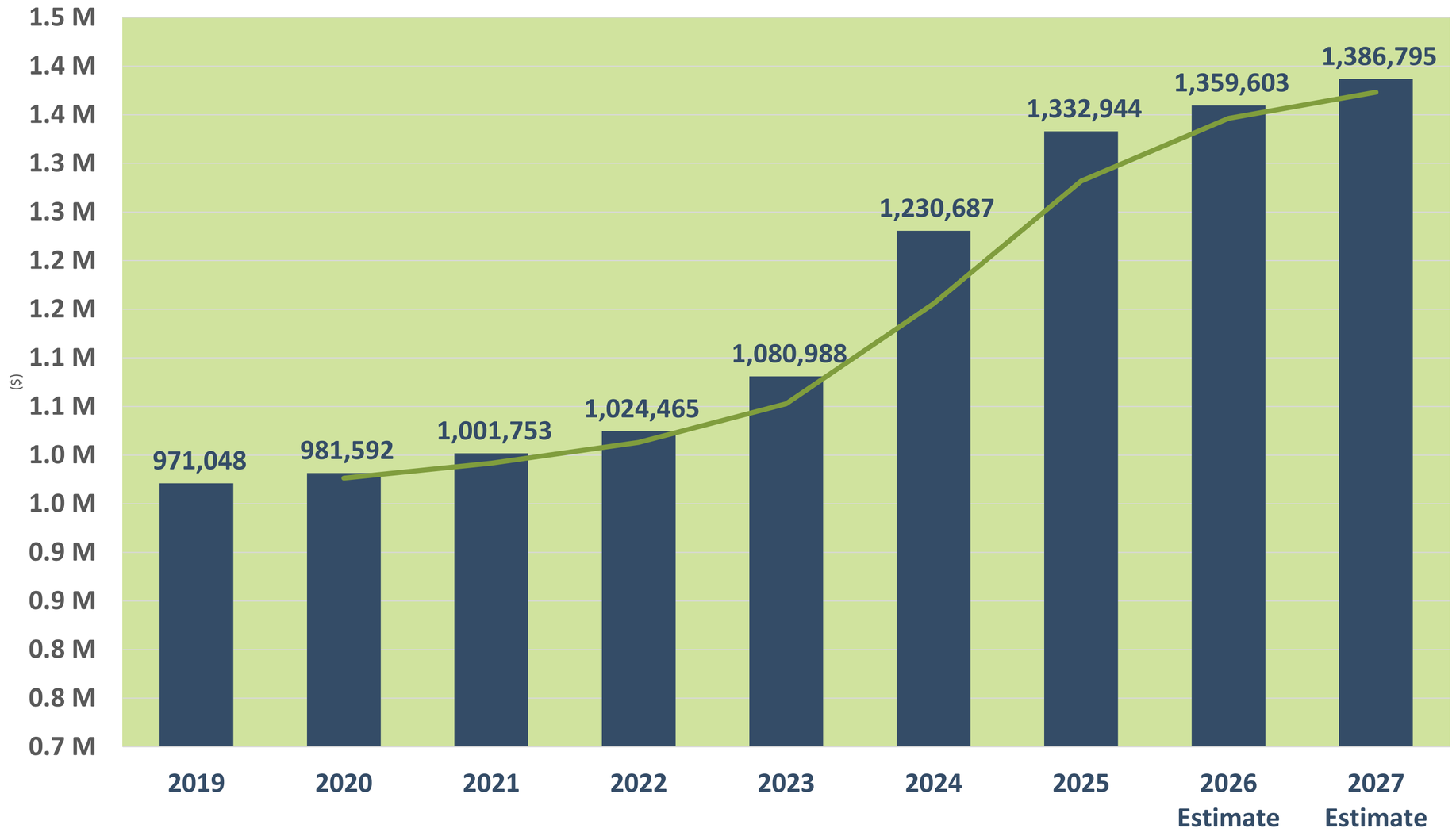
Mill rate is a tax rate—the amount of tax payable per dollar of the assessed value of a property.



Note(1): Fiscal Year 2017 was Hurricane Matthew. Five (5) Mills were added for Disaster Recovery in Fiscal Years 2018-2022.

» Millage was reduced by 2 Mills in FY 2026

MILLAGE VALUES



FY 2027 PROPOSED BUDGET – PROPERTY TAXES

Sample Property Tax Bill - Millage 19.4

Tax Year: 2025	Property Value (1)	4% Taxable Value (1)	6% Taxable Value (1)
Fiscal Year - Tax Bill: 2026	*$ 500,000*	*$ 20,000*	*$ 30,000*

	Property Value (2)	4% Taxable Value (2)	6% Taxable Value (2)
	$ 1,000,000	$ 40,000	$ 60,000

Description	Millage	4% Tax Calculation (1)	4% Tax Calculation (2)	6% Tax Calculation (1)	6% Tax Calculation (2)
COUNTY OPERATIONS	42.30	846.00	1,692.00	1,269.00	2,538.00
COUNTY DEBT	3.20	64.00	128.00	96.00	192.00
RURAL & CRITICIAL LANDS	3.00	60.00	120.00	90.00	180.00
SCHOOL - OPERATIONS*	121.80	-	-	3,654.00	7,308.00
SCHOOL - DEBT	36.30	726.00	1,452.00	1,089.00	2,178.00
TOWN OF HILTON HEAD - OPERATIONS**	14.30	286.00	572.00	429.00	858.00
TOWN OF HILTON HEAD - DEBT**	5.10	102.00	204.00	153.00	306.00
HH POLICE FEE***		156.00	156.00	252.00	252.00
Stormwater COUNTY FEE****		7.88	7.88	7.88	7.88
Stormwater MUNICIPAL/DISTRICT FEE****		150.00	150.00	150.00	150.00
TOTALS		**$ 2,397.88**	**$ 4,481.88**	**$ 7,189.88**	**$ 13,969.88**

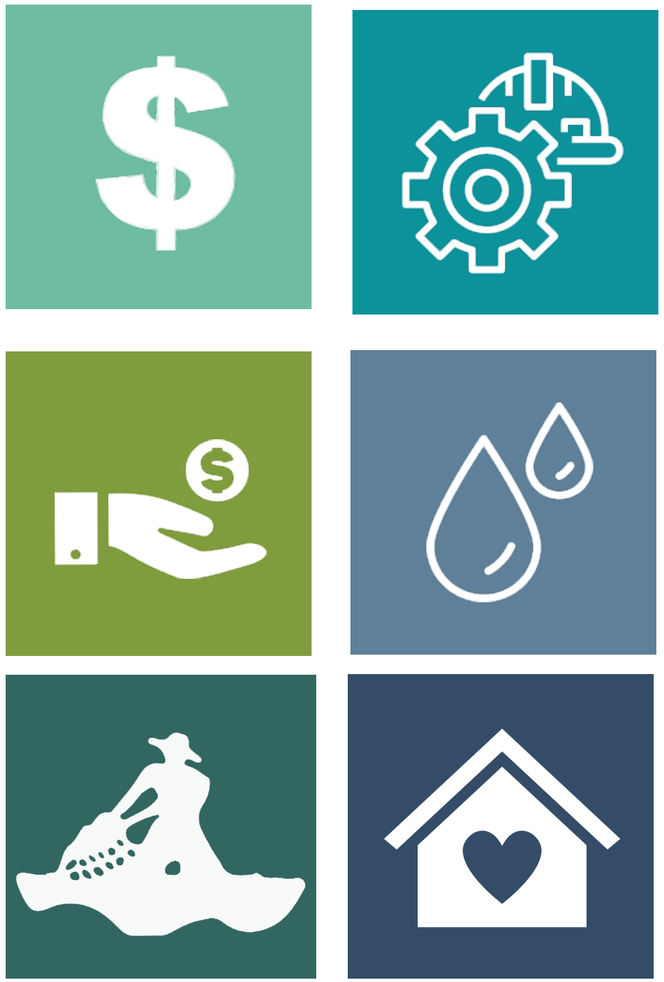
» Assumption: This is a sample tax rate for a property in Tax District: 550 South Beach PSD. There are other districts.

Note 4%: Assessment applies to owner-occupied primary residences.
Note 6%: Assessment applies to non-owner-occupied properties including rental properties, second homes, commercial properties and properties that do not quality for the 4% exemption.
*Note: School operations applicable to non-resident and commercial taxpayers.
**Note: The Town total millage rate at 19.4 of this FY26 sample rate is $776.00 for 4% / $1,164.00 for 6%.

***Note: Hilton Head Police Fees are determined by property use and/or square footage. Residential: Single-Family Housing Unit $156 / Multi-Family Housing Unit $113. Nonresidential: Retail 1,000 sq. ft. $252 / Office/Service 1,000 sq. ft. $97 / Industrial 1,000 sq. ft. $43 / Institutional 1,000 sq. ft. $96 / Lodging Room $72.
****Note: Stormwater Utility Fees are determined by Countywide Infrastructure Cost Share: Town of Hilton Head Island $7.88 and Stormwater service fee categories: Administrative Fee $24 / Impervious Area Unit $105 / Gross Area Unit $21 equals $150.00.

FY 2027 BUDGET OVERVIEW

SIX MAJOR FUNDS



General Fund

Capital Improvements Project Fund

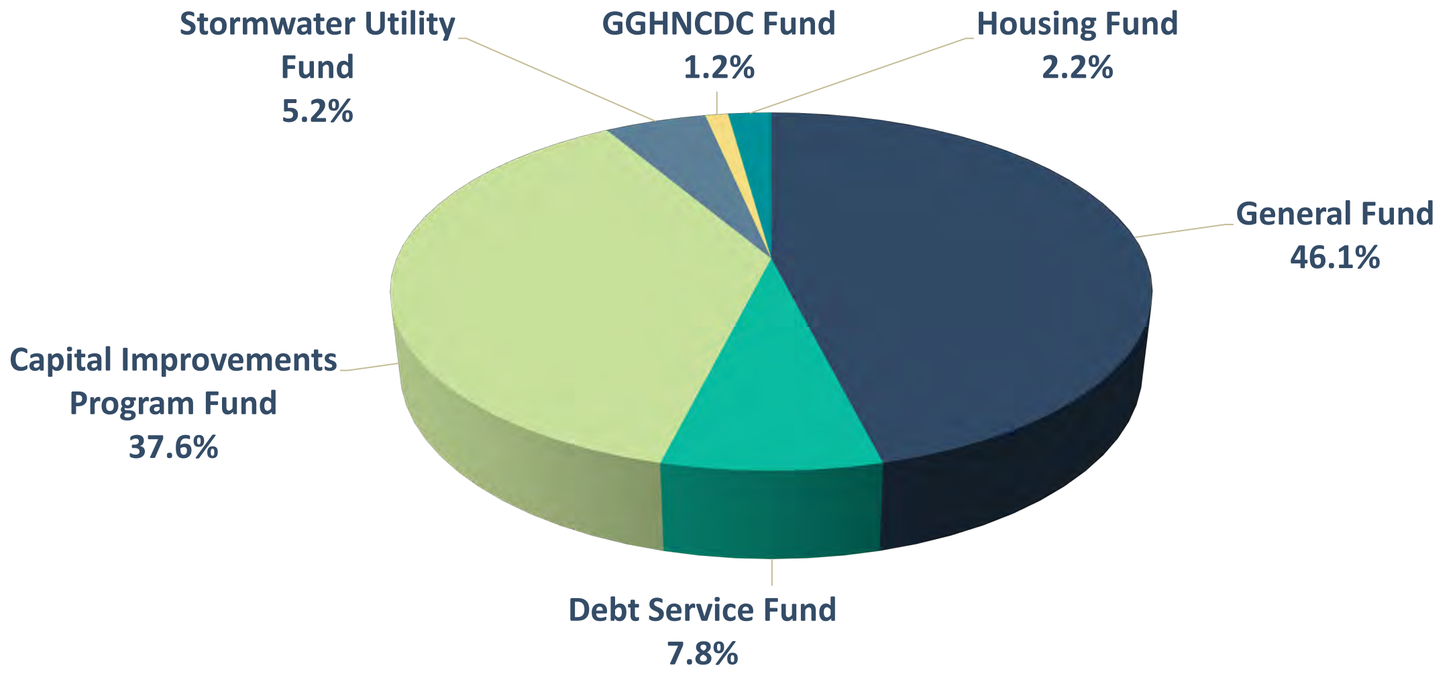
Debt Service Fund

Stormwater Utility Fund

Gullah Geechee Historic Neighborhoods Community Development Corporation Fund

Housing Fund

FY 2027 PROPOSED SIX MAJOR FUNDS BUDGET REVENUES



Revenues	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
General Fund	$ 63,856,831	$ 70,609,525	$ 59,754,870	$ 60,362,809	$ 65,387,249	**$ 67,652,550**	$ 7,289,741	12.1%
Debt Service Fund	17,377,789	15,573,441	18,864,083	31,084,281	30,960,656	**11,513,988**	(19,570,293)	-63.0%
Capital Improvements Program Fund	31,671,440	32,966,666	77,687,380	124,616,414	110,369,157	**55,205,752**	(69,410,662)	-55.7%
Stormwater Utility Fund	5,726,307	5,944,113	11,140,277	11,893,723	6,552,349	**7,583,334**	(4,310,389)	-36.2%
GGHNCDC Fund	275,478	279,404	3,286,603	3,286,603	1,718,563	**1,694,756**	(1,591,847)	-48.4%
Housing Fund	2,350,000	1,000,000	3,978,137	3,978,137	1,199,442	**3,211,498**	(766,639)	-19.3%
Consolidated Budget - Six Funds	**$ 121,257,844**	**$ 126,373,150**	**$ 174,711,350**	**$ 235,221,967**	**$ 216,187,416**	**$ 146,861,878**	**$ (88,360,089)**	**-37.6%**

FY 2027 PROPOSED SIX MAJOR FUNDS BUDGET REVENUES

OPERATING REVENUES

Revenues	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Property Taxes	$ 24,582,416	$ 25,809,924	$ 23,971,050	$ 23,971,050	$ 25,600,000	$ 26,112,000	$ 2,140,950	8.9%
Business Licenses	14,749,382	17,585,602	13,565,155	13,565,155	14,847,121	14,995,593	1,430,438	10.5%
Franchise Fees	835,865	1,061,803	861,065	861,065	842,555	842,555	(18,510)	-2.1%
Stormwater Utility Fees	5,275,035	5,384,264	5,275,035	5,275,035	5,500,962	5,610,981	335,946	6.4%
Local Accommodations Tax	6,944,525	8,841,406	6,812,769	6,812,769	7,275,251	7,384,380	571,611	8.4%
EMS Revenue	2,252,547	2,627,171	2,036,000	2,036,000	2,713,836	2,461,122	425,122	20.9%
Permit Fees	2,437,719	2,670,404	1,922,580	1,922,580	3,063,000	1,922,580	-	0.0%
Intergovernmental	930,105	981,781	978,035	978,035	1,021,747	1,042,182	64,147	6.6%
Grants	4,040,704	430,640	7,365,538	7,365,538	6,965,538	1,250,000	(6,115,538)	-83.0%
Investment Income	3,975,679	4,294,477	2,100,115	2,100,115	3,410,779	3,031,593	931,478	44.4%
Beach Parking	193,034	520,770	650,000	650,000	650,000	650,000	-	0.0%
Sunday Liquor Permit Fees	279,950	316,500	1,000,000	1,153,887	332,325	348,941	(804,946)	-69.8%
Impact Fees	236,672	148,347	1,100,000	1,100,000	199,234	187,248	(912,752)	-83.0%
Capital	62,120	62,120	-	-	62,120	62,120	62,120	100.0%
Sale of Land/Equipment	-	97,703	-	-	-	-	-	100.0%
Other*	787,789	389,987	356,848	436,848	506,113	560,000	123,152	28.2%
Total Operating Revenues	**$ 67,583,541**	**$ 71,222,900**	**$ 67,994,190**	**$ 68,228,077**	**$ 72,990,581**	**$ 66,461,296**	**$ (1,766,781)**	**-2.6%**

**Other Revenue includes Rebates, Credit Adjustments, FOIA Fees, NSF Fees, Vending Commissions, Special Event Fees, Subscription-Based Information Technology Agreement (SBITA), Fundraising & Lease Back (GGHNCDC), Etc.*

» FY 2027 Proposed Six Funds Budget Revenues are continued on the next slide

FY 2027 PROPOSED SIX MAJOR FUNDS BUDGET REVENUES

OTHER REVENUES AND TOTALS

Revenues	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Use of Fund Balance:								
General Fund	$ -	$ -	$ 275,000	$ 327,528	$ -	$ -	$ (327,528)	-100.0%
Stormwater Fund	-	-	5,592,662	6,346,108	744,774	1,674,773	(4,671,335)	-73.6%
Capital Projects Fund	-	-	3,279,803	3,354,803	-	-	(3,354,803)	-100.0%
Capital Projects Fund (Bond Proceeds)	-	-	66,197	66,197	-	2,400,000		
Debt Service Fund	-	-	-	11,930,888	11,291,759	209,755	(11,721,133)	-98.2%
GGHNCDC Fund	-	-	3,161,603	3,161,603	1,489,774	1,123,230	(2,038,373)	-64.5%
Housing Fund	-	-	3,781,088	3,781,088	2,393	2,591,882	(1,189,206)	-31.5%
Total Use of Fund Balance	**-**	**-**	**16,156,353**	**28,968,215**	**13,528,700**	**7,999,640**	**(20,968,575)**	**-72.4%**
Total Transfer In from Other Funds	**53,636,615**	**55,150,249**	**90,544,807**	**84,009,675**	**71,305,134**	**72,384,942**	**(11,624,733)**	
Other Financing Sources								
From Sale of Equipment/Vehicles	37,688	-	16,000	16,000	21,500	16,000	-	0.0%
From Sale of Land	-	-	-	-	4,341,500	-	-	100.0%
Proceeds from GO Bonds	-	-	-	35,000,000	35,000,000	-	(35,000,000)	-100.0%
Proceeds from Beach Bonds		-	-	19,000,000	19,000,000	-	(19,000,000)	-100.0%
Total Other Financing Sources	**$ 37,688**	**$ -**	**$ 16,000**	**$ 54,016,000**	**$ 58,363,000**	**$ 16,000**	**$ (54,000,000)**	**-100.0%**
Total Transfers and Other Financing Sources	**$ 53,674,303**	**$ 55,150,249**	**$ 106,717,160**	**$ 166,993,890**	**$ 143,196,834**	**$ 80,400,583**	**$ (86,593,307)**	**-51.9%**
Total Operating Revenues, Fund Balance Use, Transfers & Other Financing Sources	**$ 121,257,844**	**$ 126,373,150**	**$ 174,711,350**	**$ 235,221,967**	**$ 216,187,415**	**$ 146,861,878**	**$ (88,360,089)**	**-37.6%**

A breakdown of the Transfers-In is provided on the following slide

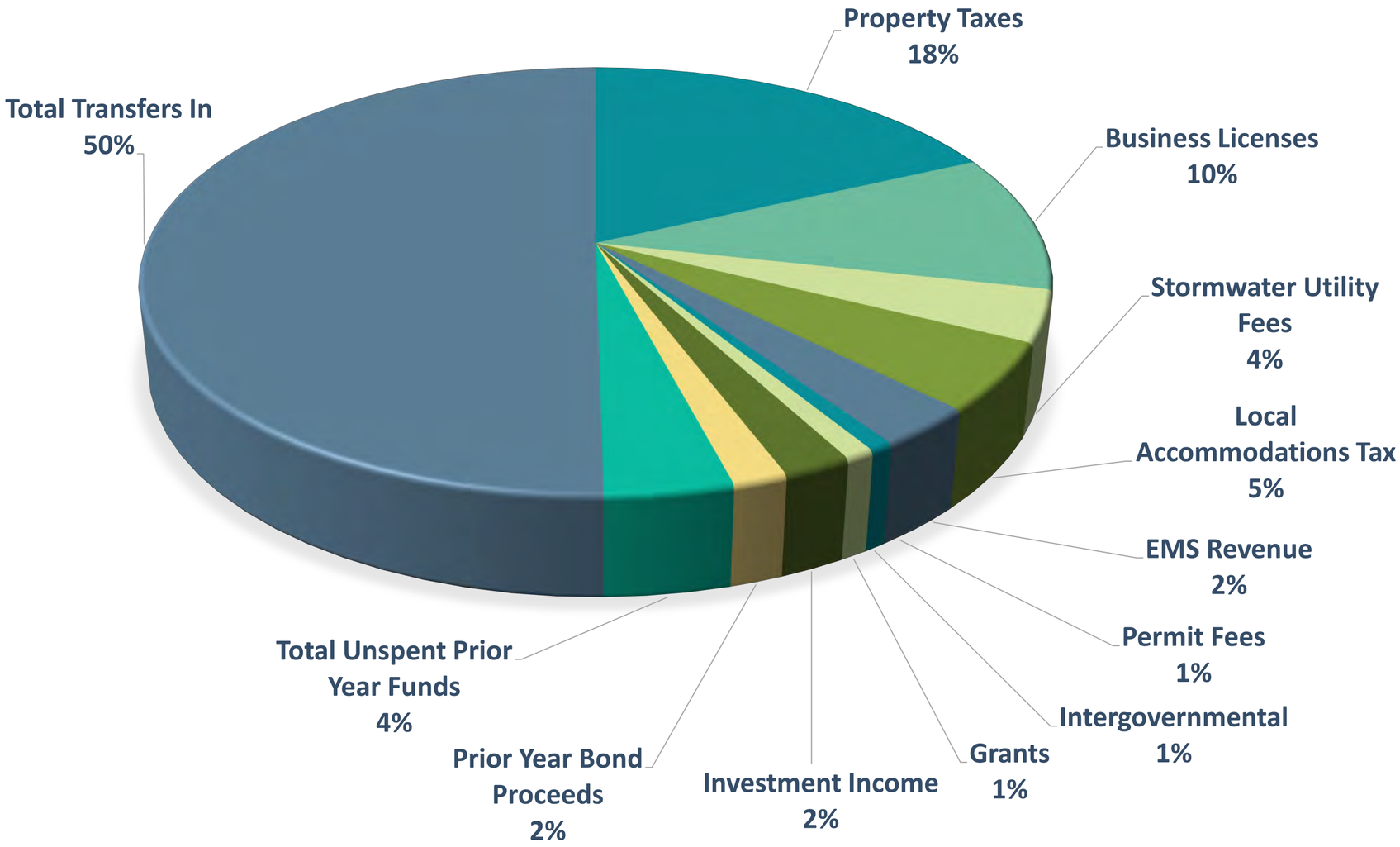
FY 2027 PROPOSED SIX MAJOR FUNDS BUDGET REVENUES

TRANSFERS-IN PER FUND

	Transfers-In Fund						
	General	Debt Service	CIP	GGHNCDC	Housing	Special Revenues	FY 2027 Total
Transfers-from Fund							
Hospitality Taxes	$ 6,500,000	$ 1,442,825	$ 20,787,351	$ -	$ -	$ -	**$ 28,730,176**
Beach Preservation Fees	2,466,895	3,041,908	6,849,119	-	-	-	**12,357,922**
Tax Increment Financing (TIF)	-	-	1,506,637	-	-	-	**1,506,637**
State Accommodation Taxes	3,123,078	-	5,410,921	-	619,616	-	**9,153,614**
Fire Truck Lease Proceeds	-	-	4,600,000	-	-	-	**4,600,000**
Real Estate Transfer Fees	-	-	250,000	-	-	-	**250,000**
Stormwater Fees	375,000	-	4,205,586	-	-	-	**4,580,586**
Road Usage Fees	-	-	832,328	-	-	-	**832,328**
Electric Franchise Fees	540,603	-	5,868,000	-	-	-	**6,408,603**
Short Term Rental Fees	3,606,050	-	-	-	-	-	**3,606,050**
General Fund	-	-	-	359,026	-	-	**359,026**
Total Six Fund Transfers	**16,611,626**	**4,484,733**	**50,309,942**	**359,026**	**619,616**	**-**	**72,384,943**

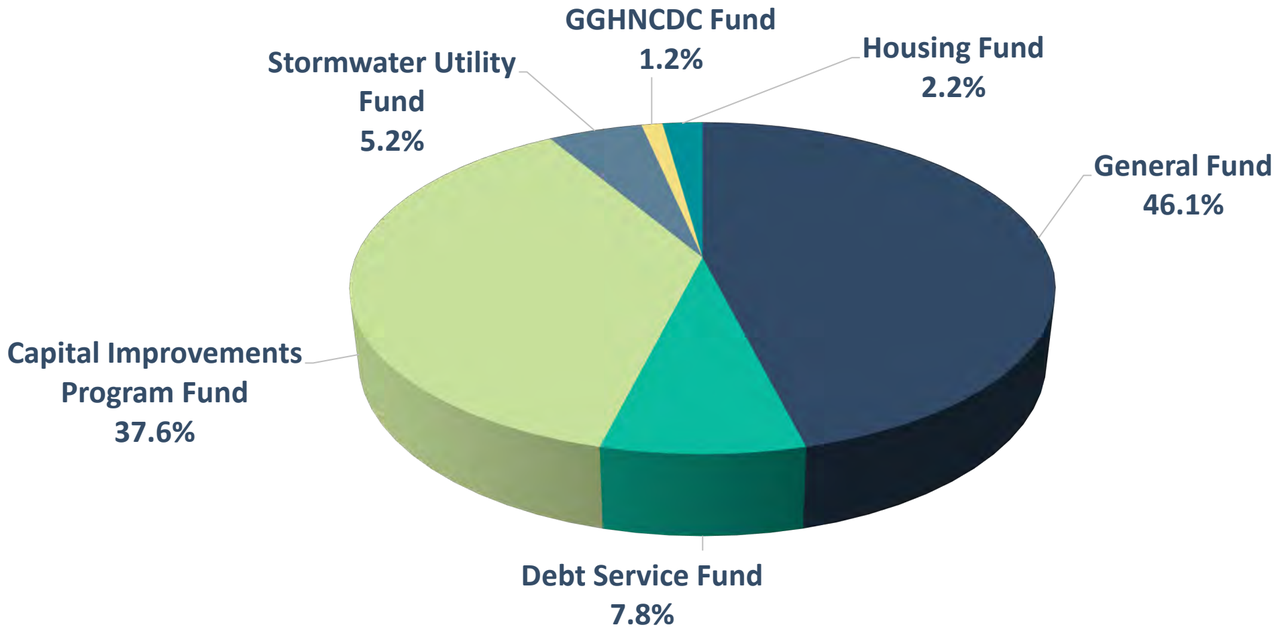
Transfers-In are interfund transfers to move revenues from the fund that, by statute or budget, requires to collect them - to the fund that, by statute or budget, requires to expend them

FY 2027 PROPOSED SIX MAJOR FUNDS BUDGET REVENUES



The Town's diversity in revenue sources is a significant financial strength

FY 2027 PROPOSED SIX MAJOR FUNDS BUDGET EXPENDITURES



Expenditures	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
General Fund	$ 57,822,970	$ 57,775,830	$ 59,754,870	$ 60,362,809	$ 65,387,249	**$ 67,652,550**	$ 7,289,741	12.1%
Debt Service Fund	15,820,581	15,046,492	18,864,083	31,084,281	30,960,656	**11,513,988**	(19,570,293)	-63.0%
Capital Improvements Program Fund	27,398,738	31,066,109	77,687,380	124,616,414	110,369,157	**55,205,752**	(69,410,662)	-55.7%
Stormwater Utility Fund	5,150,208	6,062,194	11,140,277	11,893,723	6,552,349	**7,583,334**	(4,310,389)	-36.2%
GGHNCDC Fund	129,142	277,025	3,286,603	3,286,603	1,718,563	**1,694,756**	(1,591,847)	-48.4%
Housing Fund	201,523	280,287	3,978,137	3,978,137	1,199,442	**3,211,498**	(766,639)	-19.3%
Consolidated Budget - Six Funds	**$ 106,523,162**	**$ 110,507,937**	**$ 174,711,350**	**$ 235,221,967**	**$ 216,187,416**	**$ 146,861,878**	**$ (88,360,089)**	**-37.6%**

FY 2027 PROPOSED SIX MAJOR FUNDS BUDGET EXPENDITURES

OPERATING AND CIP EXPENDITURES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Salaries and Benefits	$ 35,860,967	$ 37,484,867	$ 41,550,730	$ 41,739,845	$ 41,004,008	**$ 44,423,064**	$ 2,683,219	6.4%
Operating	14,977,170	15,553,922	18,935,556	19,204,520	17,628,785	**18,650,895**	(553,625)	-2.9%
Contracted Public Safety	2,595,199	2,756,658	420,500	517,832	517,832	**446,032**	(71,800)	-13.9%
Affiliated Agency Partnerships	2,056,525	3,208,939	1,988,516	2,041,044	2,041,044	**2,414,446**	373,402	18.3%
Debt Service	17,200,152	16,256,845	20,006,934	32,227,132	32,001,712	**12,538,164**	(19,688,968)	-61.1%
Beach Programs	2,404,079	1,849,806	48,820,000	49,019,119	47,559,978	**7,449,119**	(41,570,000)	-84.8%
Pathway Programs	1,527,321	697,207	1,650,000	1,650,000	1,088,563	**1,418,937**	(231,063)	-14.0%
Roadway Programs	2,770,550	4,455,403	5,079,500	8,656,486	4,070,410	**9,701,553**	1,045,067	12.1%
Park Programs	2,323,598	4,281,336	10,636,000	12,439,243	8,599,572	**17,451,552**	5,012,309	40.3%
Facility and Equipment Programs	3,623,957	5,010,035	4,721,000	5,870,272	4,953,325	**8,510,800**	2,640,528	45.0%
Stormwater Programs	1,088,427	856,627	6,350,880	7,104,326	3,259,591	**4,205,586**	(2,898,740)	-40.8%
Fleet	1,071,075	4,797,990	180,000	2,644,838	2,644,838	**4,980,000**	2,335,162	88.3%
Land Acquisition & Administration	12,019,174	9,049,966	1,500,000	11,581,300	11,602,250	**1,250,000**	(10,331,300)	-89.2%
Housing	201,523	280,286	3,783,805	3,783,805	1,105,406	**2,500,000**	(1,283,805)	-33.9%
Stormwater Corrective & Routine Maintenance	1,900,922	2,277,175	1,290,000	1,290,000	688,413	**610,500**	(679,500)	-52.7%
Stormwater Modeling, Analysis, Monitoring	198,718	383,323	900,000	900,000	287,553	**397,837**	(502,163)	-55.8%
Bond Issuance/Bond Proceeds Future CIP	-	-	-	26,900,830	26,900,830	-	(26,900,830)	-100.0%
Other Capital Outlay	368,805	-	-	-	-	-	-	100.0%
Transfers-Out	4,335,000	1,307,552	6,897,929	7,651,375	3,806,640	**5,147,484**	(2,503,891)	-32.7%
Fund Balance Surplus (future use)	-	-	-	-	6,426,665	**4,765,907**	4,765,907	100.0%
Total Expenditures	**$ 106,523,162**	**$ 110,507,937**	**$ 174,711,350**	**$ 235,221,967**	**$ 216,187,415**	**$ 146,861,878**	**$ (88,360,089)**	**-37.6%**

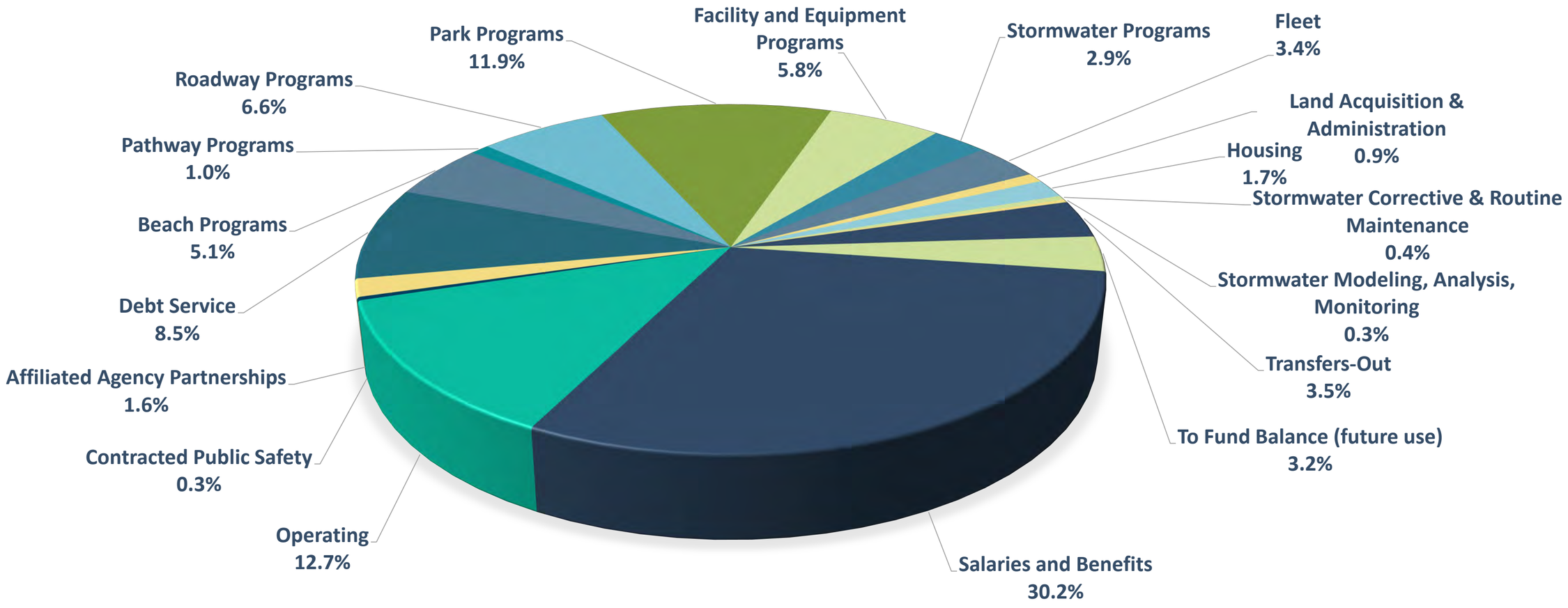
» Note: Additions to Fund Balance are planned for the General and CIP Funds in FY 2027

FY 2027 PROPOSED SIX MAJOR FUNDS BUDGET EXPENDITURES

TRANSFERS-OUT PER FUND

	Transfers-In Fund					
Transfers-Out	**General**	**CIP**	**GGHNCDC**	**Housing**	**Special Revenue Grants**	**FY 2027 Total**
General Fund	$ -	$ -	$ 359,026	$ -	$ 207,872	**$ 566,898**
Stormwater Fund	375,000	4,205,586	-	-	-	**4,580,586**
Total Transfers-Out	**$ 375,000**	**$ 4,205,586**	**$ 359,026**	**$ -**	**$ 207,872**	**$ 5,147,484**

FY 2027 PROPOSED SIX MAJOR FUNDS BUDGET EXPENDITURES



CIP is 37.4% of the Total Six Funds Consolidated Budget

FY 2027 BUDGET OVERVIEW

SIX MAJOR FUNDS

General Fund

Capital Improvements Program Fund

Debt Service Fund

Stormwater Utility Fund

Gullah Geechee Historic Neighborhoods Community Development Corporation Fund

Housing Fund

GENERAL FUND

- ✓ This fund is used to account for all financial resources except those required to be accounted for in another fund.
- ✓ Its primary operating expenditures are general government, administrative services, sheriff/other public safety, fire, community services, and public projects and facilities.
- ✓ Principal sources of revenue are property taxes, business licenses, local ATAX and permit fees.

FY 2027 PROPOSED GENERAL FUND BUDGET REVENUES

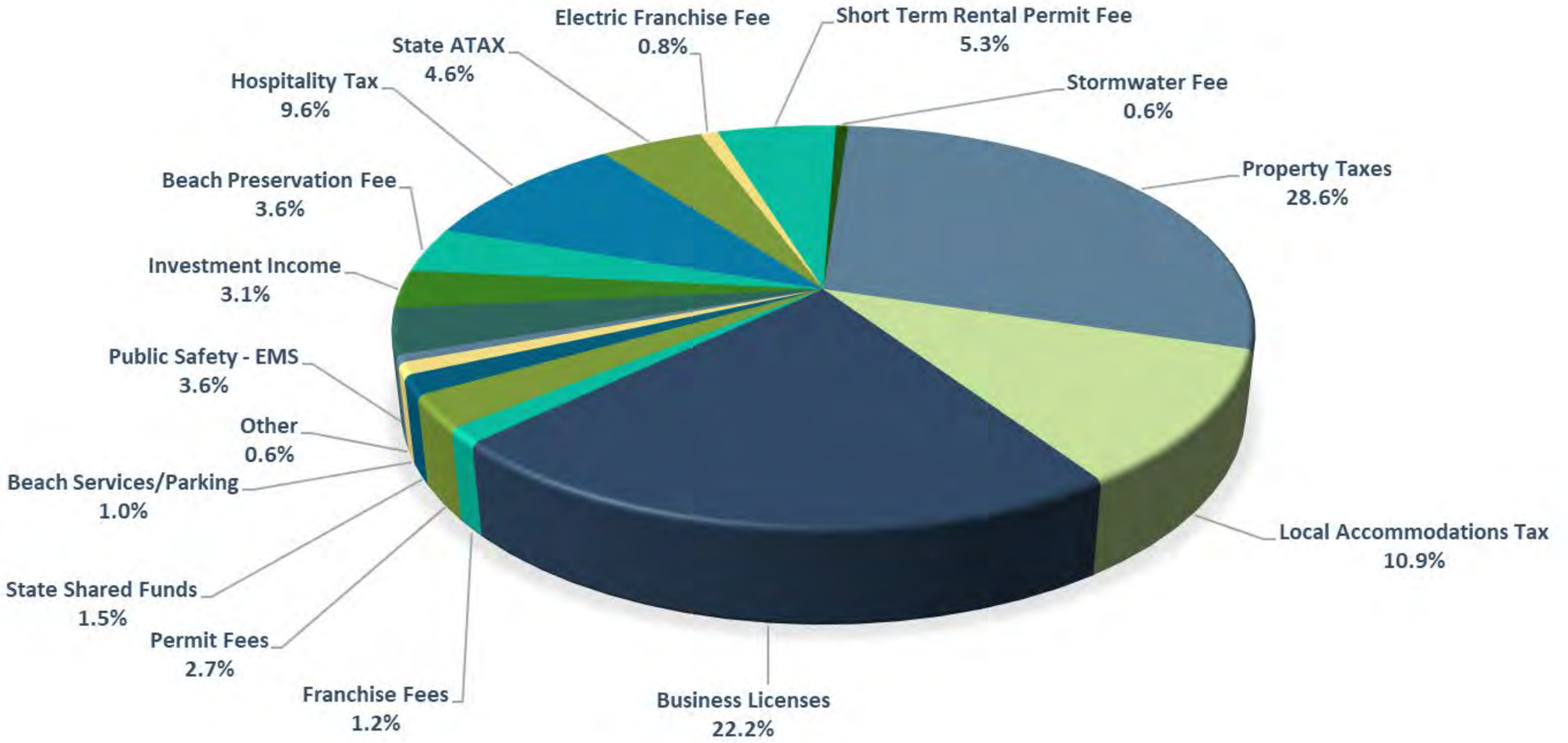
	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Property Taxes	$ 18,274,380	$ 19,190,794	$ 17,935,450	$ 17,935,450	$ 19,000,000	**$ 19,364,000**	$ 1,428,550	8.0%
Local Accommodations Tax	6,944,525	8,841,406	6,812,769	6,812,769	7,275,251	**7,384,380**	571,611	8.4%
Business Licenses	14,749,382	17,585,602	13,565,155	13,565,155	14,847,121	**14,995,592**	1,430,437	10.5%
Franchise Fees	835,865	1,061,803	861,065	861,065	842,555	**842,555**	(18,510)	-2.1%
Permit Fees	2,315,139	2,461,684	1,800,000	1,800,000	2,940,420	**1,800,000**	-	0.0%
State Shared Funds	930,105	981,781	978,035	978,035	1,021,747	**1,042,182**	64,147	6.6%
Grants	157,414	-	-	-	-	**-**	-	0.0%
Beach Services/Parking	193,034	520,770	650,000	650,000	650,000	**650,000**	-	0.0%
Other	665,371	388,217	356,848	436,848	452,867	**416,000**	(20,848)	-4.8%
Public Safety - EMS	2,252,547	2,627,171	2,036,000	2,036,000	2,713,836	**2,461,122**	425,122	20.9%
Public Safety - Other	1,440	1,770	-	-	-	**-**	-	0.0%
Investment Income	2,222,495	2,502,871	1,500,000	1,500,000	2,177,993	**2,069,093**	569,093	37.9%
Use of Fund Balance	-	-	275,000	327,528	-	**-**	(327,528)	-100.0%
Transfers-In:								
Beach Preservation Fee	1,983,508	1,983,508	248,548	248,548	248,548	**2,466,895**	2,218,347	892.5%
Hospitality Tax	5,154,955	6,257,894	6,500,000	6,500,000	6,500,000	**6,500,000**	-	0.0%
Tax Increment Financing (TIF)	110,000	110,000	-	-	-	**-**	-	0.0%
State ATAX	4,615,021	3,515,021	3,500,000	3,500,000	3,500,000	**3,123,078**	(376,922)	-10.8%
Electric Franchise Fee	540,603	540,603	545,000	545,000	545,000	**540,603**	(4,397)	-0.8%
Short Term Rental Permit Fee	1,750,000	1,825,000	1,825,000	2,300,411	2,300,411	**3,606,050**	1,305,639	56.8%
Stormwater Fee	125,000	125,000	350,000	350,000	350,000	**375,000**	25,000	7.1%
Sale of Vehicle/Equipment	36,048	88,628	16,000	16,000	21,500	**16,000**	-	0.0%
Total Revenues	**$ 63,856,831**	**$ 70,609,525**	**$ 59,754,870**	**$ 60,362,809**	**$ 65,387,249**	**$ 67,652,550**	**$ 7,289,741**	**12.1%**

FY 2027 PROPOSED GENERAL FUND BUDGET REVENUES – BEACH PRESERVATION FEE TRANSFER-IN

	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Budget $ Change	FY27 to FY26 Budget % Change
Beach Preservation Transfer-In					
Shore Beach - Townwide	298,832	298,832	222,473	(76,359)	-26%
Beach Trolley - Townwide	26,280	26,280	30,000	3,720	14%
Facilities Beach Operations & Contracts	1,048,921	1,164,171	1,011,385	(37,536)	-4%
Facilites Beach Operations Staffing	607,035	607,035	632,108	25,073	4%
Public Safety Staffing	316,402	316,402	316,402	-	0%
Public Safety Boat Removal	50,000	50,000	25,000	(25,000)	-50%
Fire Rescue Staffing	183,527	183,527	183,527	-	0%
FY26 Budget Adjustment	(2,282,449)	(2,397,699)	-	2,282,449	-100%
The Outside Foundation Affiliated Agency	-	-	46,000	46,000	0%
Total Beach Preservation Transfer-In	**248,548**	**248,548**	**2,466,895**	**2,218,347**	**893%**

» General Fund expenses supported by the Beach Preservation Fee Transfer-In

FY 2027 PROPOSED GENERAL FUND BUDGET REVENUES



FY 2027 GENERAL FUND BUDGET REVENUE HIGHLIGHTS-$67,652,550

- ✓ **General Fund Property Taxes – $19.4m - 8% increase of $1.4m**
  - Millage remains the same as FY26 at 14.3 mills
  - Assumed 2% growth in property valuation

- ✓ **Local Accommodations Tax – $7.4m - 8% increase of $571k**
  - Assumed 1.5% growth from FY26 projections
  - Supports Cultural Affairs / Code Enforcement / Revenue Collection / Facilities Maintenance of public spaces and roads / Fire Rescue emergency services

- ✓ **Business License – $15m – 10% increase of $1.4m**
  - Assumed 1 % growth from FY26 projections
  - Supports Business License operating costs, website enhancements & support, online portal payment program, Cultural Affairs, Facilities Maintenance of public spaces and roads

- ✓ **Beach Services/Parking – $650k – No change from FY26**
  - Non-Resident Beach Parking Fees March 1st through September 7th (Chaplin parking fees begin May 19th)
  - Monday – Friday: $3/Hour / Saturday – Sunday: $5/Hour

- ✓ **EMS – $2.4m – 21% increase of $425k**
  - Assumed the average per year from FY23 - FY26 (FY27 is a 9.3% reduction from the FY26 projection)
  - Proposed increase in Ambulance fee schedule – Per Town Code, rates to be set at 150% or above the most recent Medicare fee schedule:
    - Basic Life Support-Emergency fee change from $626 to $660 / Advanced Life Support – Level 1 Emergency fee change from $745 to $785 / Advanced Life Support – Level 2 fee change from $1,076 to $1,135 (plus $17.25 per mile)

FY 2027 GENERAL FUND BUDGET TRANSFERS-IN HIGHLIGHTS

- ✓ **Beach Preservation Fee – $2.5m - 893% increase of $2.2m**
  - Aligned with beach-related operating expenses including resources allocated to beach operations, beach protection, emergency response, code enforcement, beach and beach park repairs and maintenance

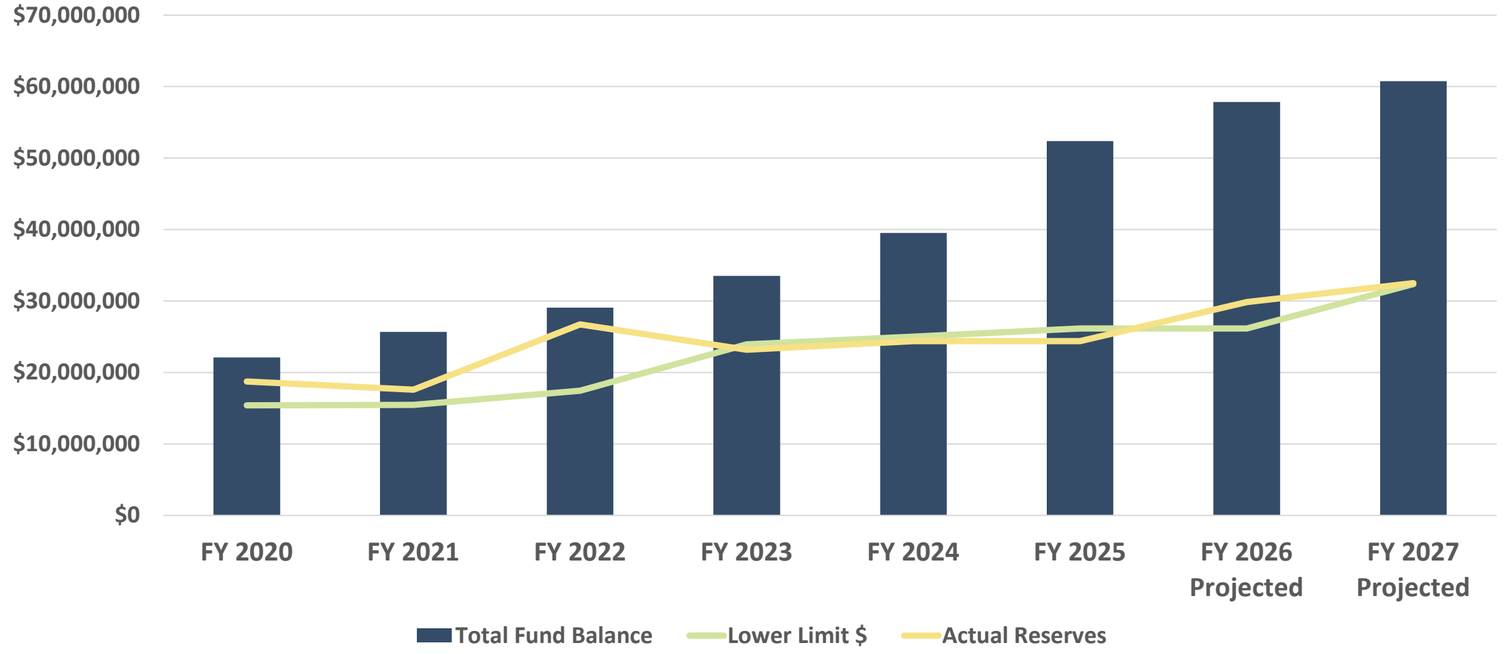
- ✓ **Hospitality Tax – $6.5m – No change from FY26**
  - Funding for the Fire Truck tax-exempt lease agreement payments, enhanced Fire Rescue operations, maintenance of Town facilities, and RBC Heritage Sponsorship

- ✓ **State Accommodations Tax (ATAX) – $3.1m – 11% decrease of $377k**
  - All-inclusive of the State's required formula ($25k and 5% of remaining revenue), and the Town's ATAX Policy formula (20% of remaining revenue)

  - Supports community celebrations and events, social media and marketing, Fire Rescue, Code Enforcement and Beach Services, Facilities maintenance of public space, roadways, pathways and parks

- ✓ **Short Term Rental Permit (STR) Fee – $3.6m - 57% Increase of $1.3m**
  - Aligned with the amended STR ordinance funding staffing, operational resources for effective administration of the program

GENERAL FUND RESERVE POLICY LIMITS



	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027 Proposed
Lower Limit	35%	35%	35%	40%	40%	40%	40%	**50%**
Upper Limit	40%	40%	40%	55%	55%	55%	55%	**55%**
Actual % Reserves to Total Fund Balance	85%	69%	92%	69%	62%	47%	52%	**53%**
Budgeted General Fund Expenditures	$42,663,156	$44,012,324	$44,204,613	$49,861,416	$59,832,016	$62,546,927	$60,362,808	**$64,744,462**
Lower Limit $	15,404,313	15,471,615	17,451,496	23,932,806	25,018,771	24,145,123	24,145,123	**32,372,231**
Actual Reserves	18,752,057	17,593,863	26,741,992	23,192,000	24,370,000	24,370,000	29,835,915	**32,494,807**
Total Fund Balance	$22,111,484	$25,676,018	$29,062,865	$33,502,808	$39,536,669	$52,370,364	$57,836,281	**$60,744,368**
Change in Reserves Balance		$ (1,158,194)	$ 9,148,129	$ (3,549,992)	$ 1,178,000	$ -	$ 5,465,915	**$ 2,908,088**

An increase to the Lower Limit from 40% to 50% is recommended for FY 2027

FY 2027 PROPOSED GENERAL FUND BUDGET EXPENDITURES

Expenditures by Category:	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Personnel	$ 34,994,207	$ 36,513,039	$ 40,227,531	$ 40,489,895	$ 39,873,223	**$ 43,272,018**	$ 2,782,123	6.9%
Operating	14,808,233	15,697,393	16,823,942	17,116,988	17,292,186	**18,045,068**	928,080	5.4%
Contracted Public Safety	2,595,199	2,356,458	517,832	517,832	517,832	**446,032**	(71,800)	-13.9%
Affiliated Agencies	2,056,525	3,208,939	1,988,516	2,041,044	2,041,044	**2,414,446**	373,402	18.3%
Capital Outlay (Parking Equipment)	368,805	-	-	-	-	**-**	-	0.0%
Subtotal Expenditures	**54,822,969**	**57,775,830**	**59,557,821**	**60,165,759**	**59,724,285**	**64,177,563**	**4,011,804**	**6.7%**
Transfers-Out:								
Transfer to GGHNCDC Fund	-	-	-	-	-	**359,026**	359,026	0.0%
Transfer to Housing Fund	2,000,000	-	197,049	197,049	197,049	**-**	(197,049)	-100.0%
Transfer to Capital Fund (Land Acquisition)	1,000,000	-	-	-	-	**-**	-	0.0%
Transfer to Special Revenue Fund	-	-	-	-	-	**207,872**	207,872	0.0%
Total Transfers-Out	**3,000,000**	**-**	**197,049**	**197,049**	**197,049**	**566,898**	**369,849**	**187.7%**
Fund Balance Surplus (Future Use)	-	-	-	-	5,465,915	**2,908,088**	2,908,088	0.0%
Total Expenditures	**$ 57,822,969**	**$ 57,775,830**	**$ 59,754,870**	**$ 60,362,808**	**$ 65,387,249**	**$ 67,652,550**	**7,289,742**	**12.1%**

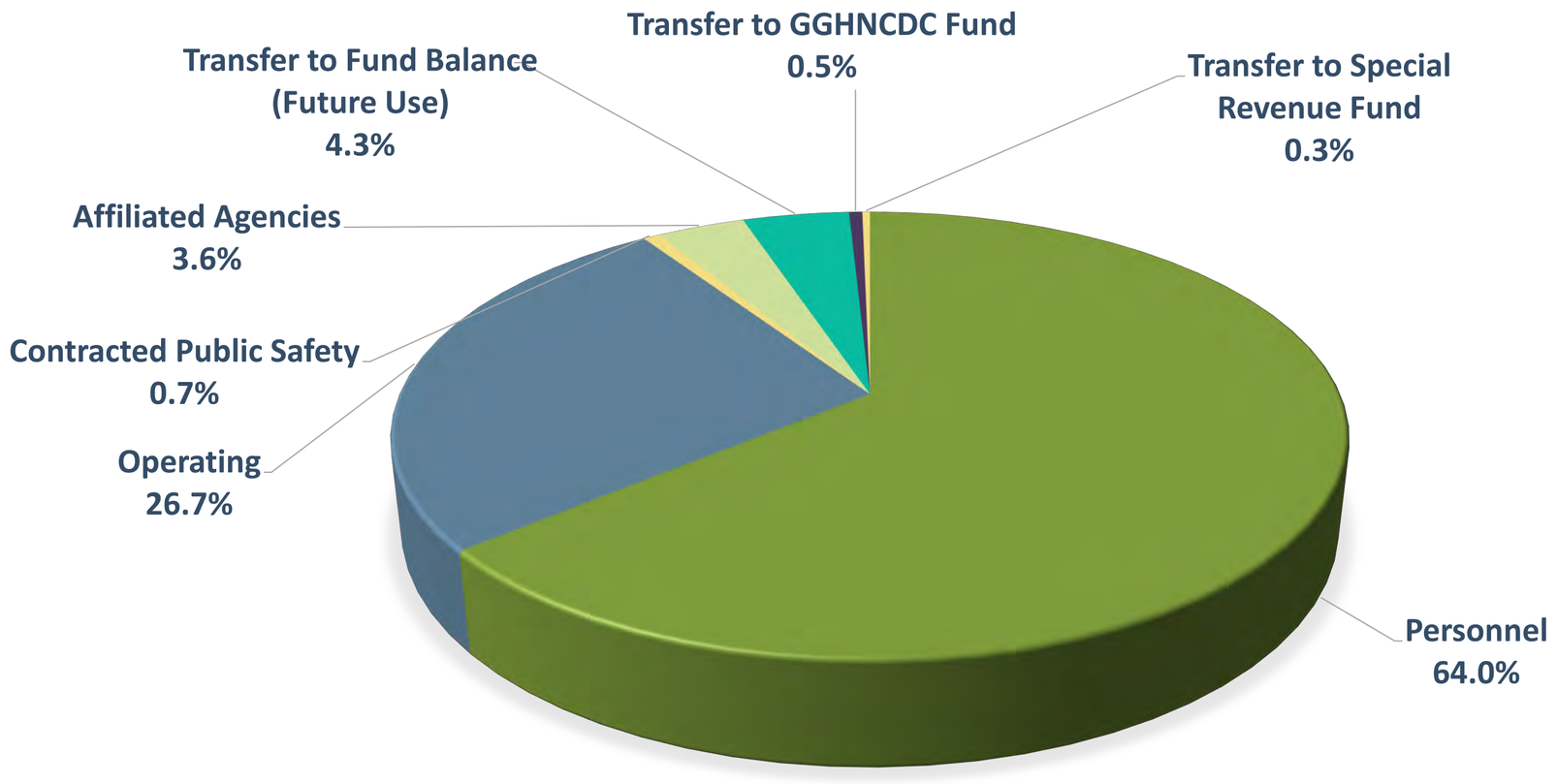
A contribution to the General Fund - Fund Balance is planned for FY 2027

FY 2027 PROPOSED GENERAL FUND EXPENDITURES – AFFILIATED AGENCIES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Requests	FY 2027 F&A Recommendations	FY26 Amended to FY27 Budget $ Change	FY26 Amended to FY27 Budget % Change
Island Recreation Association	$ 1,123,766	$ 1,167,366	$ 1,252,366	$ 1,252,366	$ 1,252,366	**$ 1,544,682**	**$ 1,544,682**	$ 292,316	23.3%
Coastal Discovery Museum	102,432	107,700	141,650	141,650	141,650	**149,148**	**149,148**	7,498	5.3%
Mitchelville Preservation Project	105,000	105,000	105,000	105,000	105,000	**105,000**	**105,000**	-	0.0%
USCB Event Management/Ambassadors	238,985	193,298	-	-	-	**-**	**-**	-	0.0%
LRTA (Palmetto Breeze)	277,842	253,595	350,000	402,528	402,528	**433,201**	**433,201**	30,673	7.6%
14th Circuit Solicitor-Multidisciplinary	50,000	50,000	-	-	-	**-**	**-**	-	0.0%
14th Circuit Solicitor-Career Criminal	118,500	118,500	-	-	-	**-**	**-**	-	0.0%
Beaufort County EDC	40,000	40,000	42,000	42,000	42,000	**42,000**	**42,000**	-	0.0%
Habitat for Humanity	-	500,000	-	-	-	**-**	**-**	-	0.0%
Coastal Community Development Corp.	-	600,000	-	-	-	**-**	**-**	-	0.0%
Sea Turtle Patrol HHI	-	73,480	97,500	97,500	97,500	**94,415**	**94,415**	(3,085)	-3.2%
The Outside Foundation	-	-	-	-	-	**46,000**	**46,000**	46,000	0.0%
Total	**$ 2,056,525**	**$ 3,208,939**	**$ 1,988,516**	**$ 2,041,044**	**$ 2,041,044**	**$ 2,414,446**	**$ 2,414,446**	**$ 373,402**	**18.3%**

An Affiliated Agency is defined as an integral partner contracted by the Town to deliver services that benefit the public on the Town's behalf

FY 2027 PROPOSED GENERAL FUND BUDGET EXPENDITURES



FY 2027 GENERAL FUND BUDGET EXPENDITURE HIGHLIGHTS-$67,652,550

✓ **Salaries & Benefits – $43.3m - 6.9% increase / $2.8 million - including:**

- The Town's position counts for FY27 (excluding Town Council members):
  - FTE - 290 (153 Fire Rescue)
  - PTE - 16

- FTE includes a full year of new head count (salary, benefits, overhead) to support the amended STR program:
  - Two Code Enforcement Officers
  - Short-term Rental Property Inspector
  - Public Safety Manager Promotion
  - STR Rapid Response Hotline Operator
  - Conversion of two Finance STR positions from part-time to full-time

- Part-Time support for Human Resources, Community Engagement, Finance, Office of Cultural Affairs, Community Engagement, Communications, and Planning & Operations

FY 2027 GENERAL FUND BUDGET EXPENDITURE HIGHLIGHTS

✓ **Salaries & Benefits include the following:**

- 4% performance-based pay increase plus Class & Compensation Assessment (approximately 3.6% salary adjustments)
- Town 401k contribution of up to 12%
- SC mandated Police Officer's Retirement System (PORS) contribution
- 14 Paid Holidays including 2 Floating Holidays
- Paid time off buy-back option of 37.5 hours
- Planned Overtime (90% for Fire Rescue)

FY 2027 GENERAL FUND BUDGET EXPENDITURE HIGHLIGHTS

✓ **Operating – $18.0m - 5% increase / $925k - Includes the following**:

- Travel, meetings and conferences, printing, and general operating expenses
- Comprehensive LMO Code amendments
- Town Staff Professional Development including Leadership Development, Customer Service, Project Management, Cultural and Environmental Awareness
- Community events such as Crescendo, the Lantern Parade, the 250th Anniversary of the Revolutionary War, and the 4th Annual HHI Jams Songwriter Festival
- RBC Heritage Sponsorship Agreement and community preparations
- Expanded Holiday lighting throughout the Island
- Local governmental matching funds for Lowcountry Council of Government, and the Lowcountry regional Hilton Head Island Beach Shuttle transportation service
- Lease payments for Fire Trucks and Town office space
- ADA and Public Safety Department Assessments
- Removal of abandoned boats from our waterways

FY 2027 GENERAL FUND BUDGET EXPENDITURE HIGHLIGHTS

- ✓ **Contracted Public Safety – $446k - 14% decrease / $72k - Includes the following:**
  - $550/month Stipend for approximately 15 BCSO Officers living on the Island, and Holiday Bonuses for all BCSO employees working south of the Broad
  - Shore Beach Services' contract (new contract at reduced amount compared to FY26 Budget)
  - Town Hall Security Administration
- ✓ **Affiliated Agency Partnerships – $2.4m - 18% increase / $373k**
  - 7 Applications received and recommended funding by the F&A Committee
- ✓ **Transfers Out:**
  - New in FY27 is a planned transfer to the General Fund Balance for future use ($2.9 million)
  - Transfer to the Gullah Geechee Historic Neighborhoods CDC Fund for Personnel costs ($359k)
  - Transfer to the Special Revenue Fund for prior year grant funds ($208k)

FY 2027 GENERAL FUND BUDGET DEPARTMENTAL EXPENDITURE HIGHLIGHTS

- ✓ **Fire Rescue - $24.8 million - 153 FTE - Including:**
  - Fire Rescue Operations, 911 Communications, Emergency Management, Fleet Maintenance, Emergency Medical Services, Safety & Professional Development, and Community Risk Reduction

- ✓ **Public Safety - $2.4 million - 12 FTE - Including:**
  - Short-Term Rental Program and Town Code compliance, beach operations, parking management, abandoned boat program and serves as the liaison with Beaufort County Sheriff's Office
  - Public safety hours of 8am – 9pm 7 days a week
  - Town Hall security administration

FY 2027 GENERAL FUND BUDGET DEPARTMENTAL EXPENDITURE HIGHLIGHTS

- ✓ **Finance - $3.6 million - 25 FTE - Including:**
  - Revenue Services:
    - Short-Term Rental Program administration
    - Collection of Local ATAX, Beach Fee, Hospitality Fee, Business License Fee, and other Town-wide funds
  - Financial reporting, grant applications, treasury operations including the identification of additional alternative funding sources
  - Annual ACFR and annual budget preparations
- ✓ **Human Resources - $882k - 4 FTE - Including:**
  - Professional development for town staff including customer service, hospitality, cultural awareness, and leadership development training
  - Recruiting, compensation and benefits administration
- ✓ **Technology and Innovation and Information Center - $4.9 million - 16 FTE - Including:**
  - Software, technology, website and dashboard solutions
  - Security of Town systems

FY 2027 GENERAL FUND BUDGET DEPARTMENTAL EXPENDITURE HIGHLIGHTS

- ✓ **Facilities - $7.3 million - 18 FTE - Including:**
  - Enhanced landscape, lighting, solid waste and recycling, and park maintenance / management
  - Beach and beach park enhancements including wayfinding, bike racks, trash and recycling, public rules, and identification markers
  - Right-of-way maintenance including safety and beautification enhancement projects
  - General maintenance for Town Hall and Fire Rescue Facilities
  - Street sweeping and Town-wide litter patrol
  - Solid waste, recycling and Integrated Pest Management Policy

FY 2027 GENERAL FUND BUDGET DEPARTMENTAL EXPENDITURE HIGHLIGHTS

- ✓ **Planning / Community Development - $5.1 million - 29 FTE - Including:**
  - Commercial and residential inspections
  - Comprehensive LMO Code amendments
  - District Planning and Comprehensive Plan amendments
  - Permitting improvements and contractual external building safety plan review
  - Workforce housing and economic development

- ✓ **Engineering & Projects - $1.8 million - 10 FTE - Including:**
  - Traffic and transportation support through traffic counting and adaptive traffic signal monitoring, studies as needed for capacity, speed, signal warrants, traffic calming, safety, etc.
  - Capital improvement project planning and management for roadways, parks, beaches, pathways, stormwater, and facilities / equipment

FY 2027 GENERAL FUND BUDGET DEPARTMENTAL EXPENDITURE HIGHLIGHTS

- ✓ **Marketing and Communications - $798k - 4 FTE - Including:**
  - Digital and print publishing to communicate initiatives or projects that encapsulate the overarching goals of the Town
  - Sponsorships for Talk of the Town, Mayor's Monthly Update, and the WHHI News program
  - Town Manager and Mayor podcast production
- ✓ **Office of Cultural Affairs / Community Engagement - $1.0 million - 4 FTE - Including:**
  - The 4th Annual Hilton Head Island Jam Songwriter's Festival
  - Crescendo, Lantern Parade, 250th Anniversary of the Revolutionary War, and other community events
  - Expanded Town holiday decorations and celebrations
  - Destination Marketing Organization and Affiliated Agency liaison

FY 2027 GENERAL FUND BUDGET EXPENDITURE HIGHLIGHTS

- ✓ Provides for public meeting broadcasts by the Beaufort County Channel for the following (approximately 110 meetings/year):
  - Town Council
  - Community Services & Public Safety Committee
  - Finance & Administrative Committee
  - Planning Commission
  - Gullah Geechee Land & Cultural Preservation Task Force
  - Gullah Geechee Historic Neighborhoods CDC
  - Accommodations Tax Advisory Committee
  - Housing Action Committee
  - Other Special Meetings as needed

FY 2027 CONSOLIDATED BUDGET OVERVIEW

SIX MAJOR FUNDS

General Fund

Capital Improvements Project Fund

Debt Service Fund

Stormwater Utility Fund

Gullah Geechee Historic Neighborhoods Community Development Corporation Fund

Housing Fund

Special Revenues Fund

Consolidated Budget

CAPITAL IMPROVEMENTS PROGRAM FUND

- ✓ This fund is used to account for and report financial resources that are restricted, committed or assigned for the acquisition, construction, or renovation of major capital facilities; ongoing major improvement projects; and major equipment or other capital asset acquisitions which are not financed by another fund.

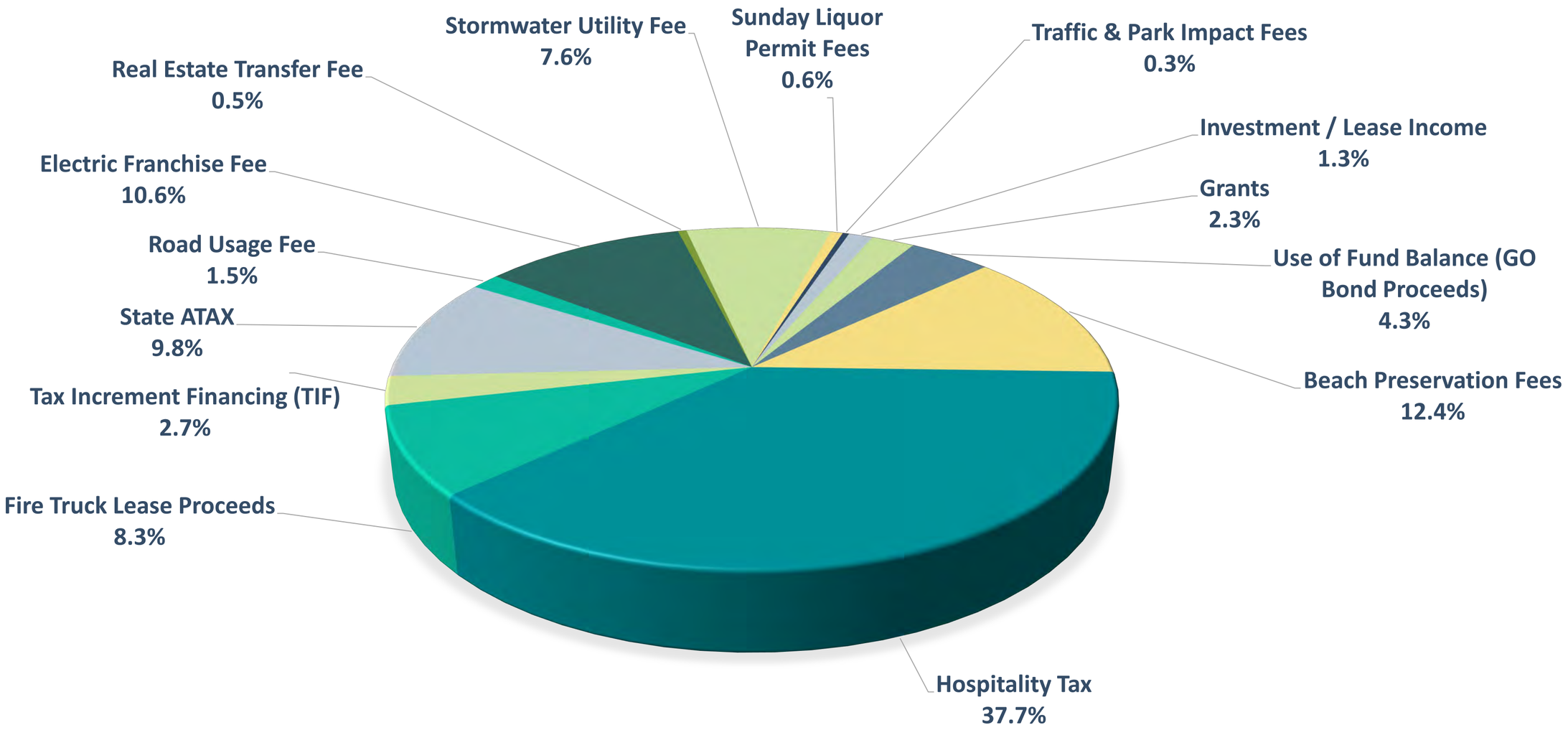
- ✓ Primary sources of revenue include bond proceeds, hospitality tax fees, beach preservation fees, state accommodations taxes, TIF proceeds, road usage fees (now paused), electric franchise fees, and road/park impact fees. Capital Projects are primarily non-recurring in nature.

5-YEAR CIP PROGRAM SELECTION PROCESS

FY 2027 PROPOSED CIP SOURCES OF FUNDS

Funding Sources	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Sunday Liquor Permit Fees	$ 279,950	$ 316,500	$ 1,000,000	$ 1,153,887	$ 332,325	**$ 348,941**	$ (651,059)	-65.1%
Traffic & Park Impact Fees	236,672	148,347	1,100,000	1,100,000	199,234	**187,248**	(912,752)	-83.0%
GO Bond Proceeds	-	-	-	35,000,000	35,000,000	**-**	-	0.0%
Beach Bond Proceeds	-	-	-	19,000,000	19,000,000	**-**	-	0.0%
Investment / Lease Income	742,764	587,371	3,279,803	3,354,803	659,112	**709,620**	(2,570,183)	-78.4%
Sale of Land	200	9,075	-	-	4,341,500	**-**	-	0.0%
Grants	3,692,991	430,640	7,365,538	7,365,538	6,965,538	**1,250,000**	(6,115,538)	-83.0%
Use of Fund Balance (GO Bond Proceeds)	1,534	-	66,197	66,197	-	**2,400,000**	2,333,803	3525.5%
SBITA Asset Revenue	122,418	-	-	-	-	**-**	-	0.0%
Subtotal	**$ 5,076,529**	**$ 1,491,933**	**$ 12,811,538**	**$ 67,040,425**	**$ 66,497,709**	**$ 4,895,810**	**$ (7,915,729)**	**-61.8%**
Transfers-In:								
Beach Preservation Fees	2,916,722	1,015,716	41,220,000	22,696,957	21,559,978	**6,849,119**	(34,370,881)	-83.4%
Hospitality Tax	2,654,133	4,521,431	9,934,462	13,999,124	9,584,918	**20,787,351**	10,852,889	109.2%
Fire Truck Lease Proceeds	-	5,051,135	-	2,464,838	-	**4,600,000**	4,600,000	0.0%
Tax Increment Financing (TIF)	453,719	6,133,067	2,242,934	3,505,434	2,909,274	**1,506,637**	(736,297)	-32.8%
General Fund	1,000,000	-	-	-	-	**-**	-	0.0%
State ATAX	2,014,294	1,255,105	2,832,066	2,945,183	2,807,066	**5,410,921**	2,578,855	91.1%
Road Usage Fee	(137,533)	481,323	1,354,500	2,268,334	1,436,006	**832,328**	(522,172)	-38.6%
Electric Franchise Fee	9,596,675	8,497,848	511,000	1,042,993	765,815	**5,868,000**	5,357,000	1048.3%
Real Estate Transfer Fee	7,236,901	3,336,556	250,000	1,368,800	1,368,800	**250,000**	-	0.0%
Short Term Rental Permit Fee	-	-	180,000	180,000	180,000	**-**	(180,000)	-100.0%
Stormwater Utility Fee	860,000	1,182,552	6,350,880	7,104,326	3,259,591	**4,205,586**	(2,145,294)	-33.8%
Total Transfers-In	**$ 26,594,910**	**$ 31,474,733**	**$ 64,875,842**	**$ 57,575,989**	**$ 43,871,448**	**$ 50,309,942**	**$ (14,565,900)**	**-22.5%**
Total Funding Sources	**$ 31,671,440**	**$ 32,966,666**	**$ 77,687,380**	**$ 124,616,414**	**$ 110,369,157**	**$ 55,205,752**	**$ (22,481,628)**	**-28.9%**

FY 2027 PROPOSED CIP SOURCES OF FUNDS



FY 2027 PROPOSED CIP USES OF FUNDS

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Beach Program	$ 2,404,079	$ 1,849,805	$ 48,820,000	$ 49,019,119	$ 47,559,978	**$ 7,449,119**	$ (41,370,881)	-84.7%
Pathway Program	1,527,321	697,207	1,650,000	1,650,000	1,088,563	**1,418,937**	(231,063)	-14.0%
Roadway Program	2,770,550	4,455,402	5,079,500	8,656,486	4,070,410	**9,701,553**	4,622,053	91.0%
Park Program	2,323,598	4,281,336	10,636,000	12,439,243	8,599,572	**17,451,552**	6,815,552	64.1%
Facility & Equipment Program	3,623,957	5,010,036	4,721,000	5,870,272	4,953,325	**8,510,800**	3,789,800	80.3%
Stormwater Program	1,088,427	856,627	6,350,880	7,104,326	3,259,591	**4,205,586**	(2,145,294)	-33.8%
Fleet Program	1,071,075	4,797,990	180,000	2,644,838	2,644,838	**4,980,000**	4,800,000	2666.7%
Land Acquisition & Administration	12,019,174	9,049,966	250,000	10,331,300	10,331,300	**250,000**	-	0.0%
Subtotal CIP Programs	**26,828,180**	**30,998,369**	**77,687,380**	**97,715,584**	**82,507,577**	**53,967,547**	**(23,719,833)**	**-30.5%**
Other Uses:								
Fund Balance Surplus (Future Use)*	-	-	-	-	26,583,742	**1,238,205**	1,238,205	0.0%
Transfer to Housing	350,000	-	-	-	-	**-**	-	0.0%
Debt Service	220,558	67,740	-	-	-	**-**	-	0.0%
Bond Issuance Costs	-	-	-	277,838	277,838	**-**	-	0.0%
Future GO Bond Projects	-	-	-	26,622,992	-	**-**	-	0.0%
Total Use of Funds	**$ 27,398,738**	**$ 31,066,109**	**$ 77,687,380**	**$124,616,414**	**$109,369,157**	**$ 55,205,752**	**$ (22,481,628)**	**-28.9%**

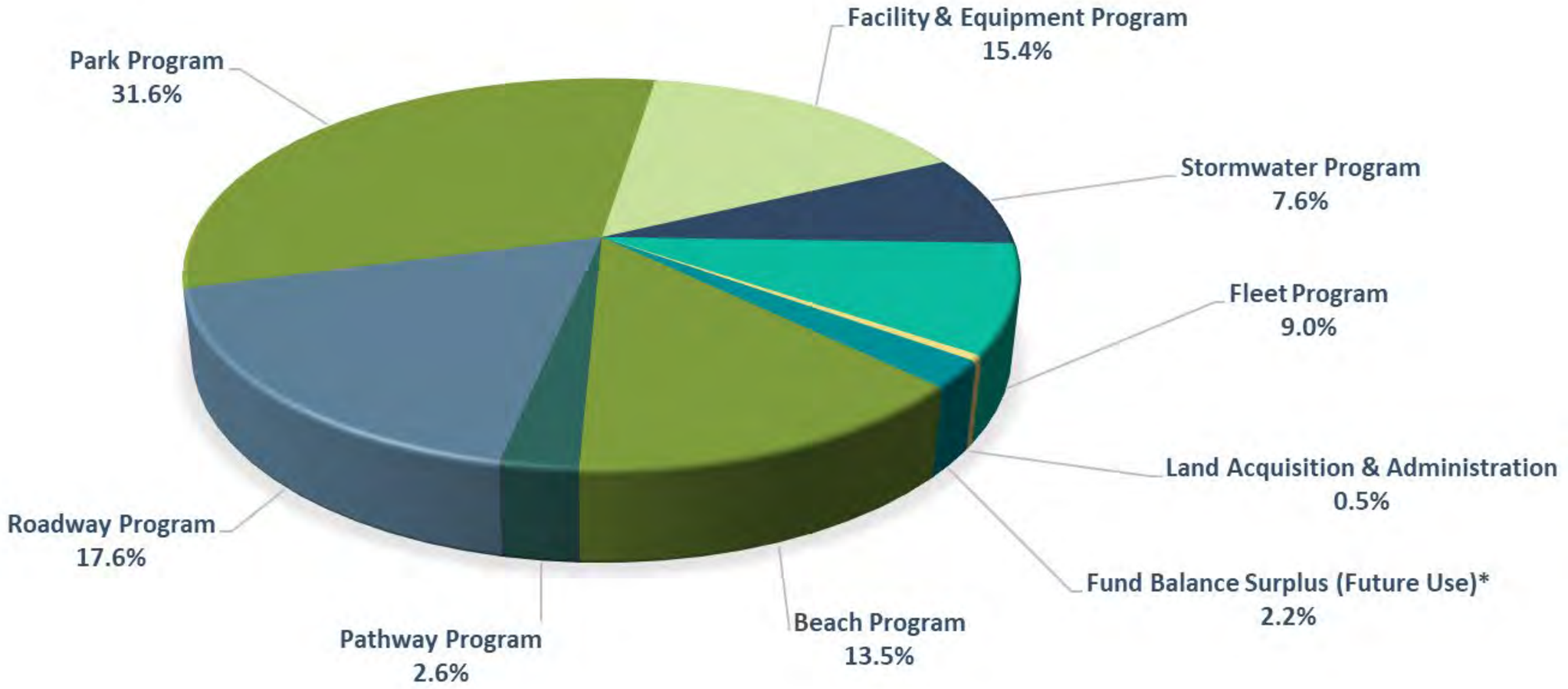
» ***Fund Balance Surplus is related to FY 2027 Sunday Liquor Permit Fees, Impact Fees, and Investment Income and will be available for future capital project funding**

FY 2027 PROPOSED CIP USES OF FUNDS

Summary	Estimated Carry Forward from FY 2026 Budget	FY 2027 New Funding	FY 2027 Total Funding	Funding Sources
Beach Program	$ 1,399,119	$ 6,050,000	**$ 7,449,119**	Beach Fee, HTAX
Pathway Program	343,937	1,075,000	**1,418,937**	State Accommodation Tax
Roadway Program	4,436,553	5,265,000	**9,701,553**	TIF, GO Bond, Electric Franchise Fee
Park Program	3,054,552	14,397,000	**17,451,552**	Hospitality Tax
Facility & Equipment Program	627,008	7,883,792	**8,510,800**	State Accommodation Tax, Electric Franchise Fee, GO Bond
Stormwater Program	2,320,586	1,885,000	**4,205,586**	Stormwater Fee
Fleet Program	-	4,980,000	**4,980,000**	Lease Proceeds, Hospitality Tax
Land Acquisition & Administration	-	250,000	**250,000**	Real Estate Transfer Fee
Total FY 2027 CIP Projects	**$ 12,181,755**	**$ 41,785,792**	**$ 53,967,547**	
Fund Balance Surplus (Future Use)*	-	-	1,238,205	
Total FY 2027 CIP Budget	**$ 12,181,755**	**$ 41,785,792**	**$ 55,205,752**	

***Note -** $1.2 million is related to FY 2027 Sunday Liquor Permit Fees, Impact Fees, and Investment Income and will be available for future capital project funding.

FY 2027 PROPOSED CIP USES OF FUNDS



FY 2027 PROPOSED
CIP PROJECTS

FY 2026 CIP ACCOMPLISHMENTS

- Completion of Beach Renourishment
- Completion of Barker Field Extension Soccer Fields
- Completion of Old Schoolhouse Park Pickleball Facility
- Completion of Mitchelville Road Paving and Drainage Improvements
- Acquired Property and Facilitated the Relocation of Fire Rescue Headquarters
- Completion of Renovations and Staff Relocation at 4 Office Way
- Acquired the Remainder of Fire Apparatus Fleet
- Acquired over 15 Acres of Land / Town Property

FY 2027 CIP HIGHLIGHTS

- Islanders Beach Park Improvements
- Crossings Park – Phase 1 Pickleball + Phase 2 Pump Track
- Patterson Park
- Northpoint / USPS Access Improvements
- Spanish Wells Road, Squire Pope Road, Folly Field Road, Gum Tree Road Vehicle and Pedestrian Safety Improvements
- Jonesville Barn Renovation
- Fire Rescue Headquarters Renovation and Relocation of EOC
- Jarvis Creek Pump Station Pump Replacement
- Acquire two new Fire Rescue Ladder Trucks

TOWN OF HILTON HEAD ISLAND

FY 2027 Proposed Capital Improvements Projects

Project Phase
- Planning
- Design
- Construction

Note: Project Phase shown is based upon status to be achieved in FY 2027.

CIP DASHBOARD

FY 2027 PROPOSED CIP PROJECTS

	Project	Project Type	FY 2026 Approved Amended Budget	FY 2027 Estimated Roll Forward Request from FY 2026 Budget	FY 2027 New Funding Requests	Proposed Budget FY 2027 Priority 1	FY 2027 Project Schedule			
							FY 2027 Planning Commission Priority	Design	Permitting	Construction
	BEACH PROGRAM									
1	Beach Park Maintenance & Improvements	Maintenance	$ 150,000	$ -	$ 150,000	**$ 150,000**	★			✓
2	Beach Management & Monitoring	Maintenance	$ 290,620	$ 70,620	$ 150,000	**$ 220,620**	★			
3	Beach Renourishment	Maintenance	$ 47,500,000	$ 600,000	$ -	**$ 600,000**	★			✓
4	Islanders Beach Park Improvements	Discretionary	$ 128,499	$ 128,499	$ 5,000,000	**$ 5,128,499**	★			✓
5	Harbour Town Dredge	Maintenance	$ 600,000	$ 600,000	$ -	**$ 600,000**				
6	Beach Operations Center Renovations	Discretionary	$ -	$ -	$ 300,000	**$ 300,000**	★	✓		
7	Beach Wayfinding and Signage	Discretionary	$ -	$ -	$ 200,000	**$ 200,000**	★	✓	✓	✓
8	69 Pope Avenue Beach Parking Lot	Discretionary	$ -	$ -	$ 150,000	**$ 150,000**	★			✓
9	Beach Program Contingency	N/A	$ 81,222	$ -	$ 100,000	**$ 100,000**	★			
	Total Beach Program		**$ 49,019,119**	**$ 1,399,119**	**$ 6,050,000**	**$ 7,449,119**				

FY 2027 PROPOSED CIP PROJECTS

	Project	Project Type	FY 2026 Approved Amended Budget	FY 2027 Estimated Roll Forward Request from FY 2026 Budget	FY 2027 New Funding Requests	Proposed Budget FY 2027 Priority 1	FY 2027 Project Schedule			
							FY 2027 Planning Commission Priority	Design	Permitting	Construction
	PATHWAY PROGRAM									
10	Pathway Maintenance & Improvements	Maintenance	$ 225,000	$ 143,937	$ 500,000	**$ 643,937**	★			✓
	New Pathway Segments									
11	Jonesville Road Pathway (Western Terminus to Spanish Wells Road)	Discretionary	$ 500,000	$ 200,000	$ -	**$ 200,000**	★	✓		
12	Lagoon Road Pathway (Avocet Road to North Forest Beach Drive)	Discretionary	$ -	$ -	$ 300,000	**$ 300,000**	★	✓		
13	South Forest Beach Drive Pathway at Seascape Villas	Discretionary	$ -	$ -	$ 175,000	**$ 175,000**	★			✓
	Subtotal New Pathway Segments		**$ 870,000**	**$ 200,000**	**$ 475,000**	**$ 675,000**				
14	Pathway Program Contingency	N/A	$ 100,000	$ -	$ 100,000	**$ 100,000**	★			
	Total Pathway Program		**$ 1,650,000**	**$ 343,937**	**$ 1,075,000**	**$ 1,418,937**				

FY 2027 PROPOSED CIP PROJECTS

	Project	Project Type	FY 2026 Approved Amended Budget	FY 2027 Estimated Roll Forward Request from FY 2026 Budget	FY 2027 New Funding Requests	Proposed Budget FY 2027 Priority 1	FY 2027 Project Schedule			
							FY 2027 Planning Commission Priority	Design	Permitting	Construction
	ROADWAY PROGRAM									
15	Roadway Maintenance & Improvements	Maintenance	$ 95,957	$ 97,870	$ 250,000	**$ 347,870**	★			✓
16	Signal System Maintenance	Maintenance	$ 1,100,000	$ 550,000	$ 550,000	**$ 1,100,000**	★			✓
17	Signal Mast Arm Replacements	Maintenance	$ -	$ -	$ 400,000	**$ 400,000**	★			✓
18	Streetscape and Traffic Calming Enhancements	Maintenance	$ 605,501	$ 241,808	$ 750,000	**$ 991,808**	★			✓
19	Jonesville Road and Spanish Wells Right Turn Lane Improvements	Maintenance	$ 100,000	$ 100,000	$ -	**$ 100,000**	★	✓	✓	
20	Northpoint USPS Side Improvements	Discretionary	$ 3,350,000	$ 2,800,000	$ -	**$ 2,800,000**	★			✓
21	Tabby Walk Entrance Relocation	Maintenance	$ 200,000	$ 121,860	$ -	**$ 121,860**	★	✓	✓	
22	William Hilton Parkway Gateway Corridor & Stoney Corridor	Discretionary	$ 123,163	$ -	$ 100,000	**$ 100,000**	★	✓		
23	Pope Avenue Streetscape Improvements	Discretionary	$ 148,000	$ -	$ 150,000	**$ 150,000**	★	✓		
24	Segment 5 - Mathews Drive / Folly Field Road to Shelter Cove Lane	Discretionary	$ 300,000	$ 51,160	$ -	**$ 51,160**	★	✓		
25	Segment 8 - Sea Pines Circle to Wexford Drive / Shipyard Drive	Discretionary	$ 350,000	$ 300,477	$ -	**$ 300,477**	★	✓		
26	Folly Field Road Safety Improvements	Maintenance	$ 75,000	$ -	$ 250,000	**$ 250,000**	★	✓	✓	✓
27	South Forest Beach and North Forest Beach Corridor Safety Enhancements	Discretionary	$ -	$ -	$ 200,000	**$ 200,000**	★	✓		

» Roadway Program continues next slide

FY 2027 PROPOSED CIP PROJECTS

	Project	Project Type	FY 2026 Approved Amended Budget	FY 2027 Estimated Roll Forward Request from FY 2026 Budget	FY 2027 New Funding Requests	Proposed Budget FY 2027 Priority 1	FY 2027 Project Schedule			
							FY 2027 Planning Commission Priority	Design	Permitting	Construction
	ROADWAY PROGRAM									
28	Gum Tree Road Corridor Improvements 1	Discretionary	$ -	$ -	$ 650,000	**$ 650,000**	★	✓	✓	✓
29	Gum Tree Road Corridor Improvements 2	Discretionary	$ -	$ -	$ 250,000	**$ 250,000**	★	✓		
30	Squire Pope Road Corridor Improvements	Discretionary	$ -	$ -	$ 755,000	**$ 755,000**	★	✓	✓	✓
31	Squire Pope & WHP Intersection Improvements	Discretionary	$ -	$ -	$ 400,000	**$ 400,000**	★	✓		
32	Spanish Wells & WHP Intersection Improvements	Discretionary	$ -	$ -	$ 300,000	**$ 300,000**	★	✓		
33	Indigo Run Circle Interior Enhancements	Discretionary	$ -	$ -	$ 160,000	**$ 160,000**	★			✓
	Dirt Road Paving Program									
34	Alice Perry Drive	Discretionary	$ 50,000	$ 44,869	$ -	**$ 44,869**	★	✓	✓	
35	Freddie's Way	Discretionary	$ 50,000	$ 43,280	$ -	**$ 43,280**	★	✓	✓	
36	Alfred Lane	Discretionary	$ 44,500	$ 44,500	$ -	**$ 44,500**	★	✓	✓	
37	Benjamin Drive	Discretionary	$ 106,797	$ 40,729	$ -	**$ 40,729**	★	✓	✓	
	Subtotal Dirt Road Paving Program		**$ 1,161,297**	**$ 173,378**	**$ -**	**$ 173,378**				
38	Roadway Program Contingency	N/A	$ 73,955	$ -	$ 100,000	**$ 100,000**	★			
	Total Roadway Program		**$ 8,656,486**	**$ 4,436,553**	**$ 5,265,000**	**$ 9,701,553**				

FY 2027 PROPOSED CIP PROJECTS

	Project	Project Type	FY 2026 Approved Amended Budget	FY 2027 Estimated Roll Forward Request from FY 2026 Budget	FY 2027 New Funding Requests	Proposed Budget FY 2027 Priority 1	FY 2027 Project Schedule			
							FY 2027 Planning Commission Priority	Design	Permitting	Construction
	PARK PROGRAM									
39	Park Maintenance and Improvements	Maintenance	$ 250,000	$ 25,000	$ 225,000	**$ 250,000**	★			✓
40	Public Art Program	Discretionary	$ 35,000	$ -	$ 52,000	**$ 52,000**	★			✓
	Island Recreation Association CIP									
41	Rec Center Building Improvements	Maintenance	$ 344,865	$ -	$ 367,500	**$ 367,500**	★			✓
42	Rec Center Pool Improvements	Maintenance	$ 195,000	$ -	$ 118,000	**$ 118,000**	★			✓
43	Basketball Court Improvements	Maintenance	$ -	$ -	$ 15,000	**$ 15,000**	★			✓
44	Athletic Equipment Improvements	Maintenance	$ 15,000	$ -	$ 20,000	**$ 20,000**	★			✓
45	Event Equipment Improvements	Maintenance	$ 67,500	$ -	$ 249,500	**$ 249,500**	★			✓
	Subtotal Island Recreation Association CIP		**$ 622,365**	**$ -**	**$ 770,000**	**$ 770,000**				
46	Crossings Park Renovation - Phase 1: Pickleball Complex	Discretionary	$ 1,000,000	$ 191,605	$ 8,400,000	**$ 8,591,605**	★		✓	✓
47	Crossings Park Renovation - Phase 2: Bristol Sports Arena, Skate Park, and Pump Track	Discretionary	$ 750,000	$ 114,086	$ 4,600,000	**$ 4,714,086**	★		✓	✓
48	Patterson Family Park	Discretionary	$ 2,789,000	$ 2,408,296	$ -	**$ 2,408,296**	★		✓	✓
49	Taylor Family Park	Discretionary	$ 2,750,000	$ 315,565	$ -	**$ 315,565**	★			✓
50	Park Program Contingency	N/A	$ 93,304	$ -	$ 350,000	**$ 350,000**	★			
	Total Park Program		**$ 12,439,243**	**$ 3,054,552**	**$ 14,397,000**	**$ 17,451,552**				

FY 2027 PROPOSED CIP PROJECTS

	Project	Project Type	FY 2026 Approved Amended Budget	FY 2027 Estimated Roll Forward Request from FY 2026 Budget	FY 2027 New Funding Requests	Proposed Budget FY 2027 Priority 1	FY 2027 Project Schedule			
							FY 2027 Planning Commission Priority	Design	Permitting	Construction
	FACILITY & EQUIPMENT PROGRAM									
51	Facility Maintenance & Improvements	Maintenance	$ 500,000	$ -	$ 200,000	**$ 200,000**	★			✓
52	IT Equipment & Software	Maintenance	$ 691,542	$ -	$ 633,000	**$ 633,000**	★			
53	Fire Hydrant Expansion	Maintenance	$ 100,000	$ 50,000	$ 50,000	**$ 100,000**	★			✓
54	Fire & Medical Systems Equipment	Maintenance	$ -	$ -	$ 1,295,000	**$ 1,295,000**	★			
55	Furniture Replacement	Maintenance	$ 300,000	$ -	$ 150,000	**$ 150,000**	★			
56	Security Cameras & Connectivity	Maintenance	$ 150,000	$ -	$ 630,000	**$ 630,000**	★			
57	Tree Planting Program	Discretionary	$ 150,000	$ -	$ 150,000	**$ 150,000**	★			
	Coastal Discovery Museum CIP Improvements									
58	Discovery House	Maintenance	$ 20,500	$ -	$ 307,000	**$ 307,000**	★			✓
59	Armstrong / Hack House	Maintenance	$ 10,500	$ -	$ 9,500	**$ 9,500**	★			✓
60	Pavilion	Maintenance	$ 4,500	$ -	$ 3,600	**$ 3,600**	★			✓
61	Pavilion / Restroom Building	Maintenance	$ 350,000	$ -	$ 5,000	**$ 5,000**	★			✓

» Facility & Equipment Program continues next slide

FY 2027 PROPOSED CIP PROJECTS

	Project	Project Type	FY 2026 Approved Amended Budget	FY 2027 Estimated Roll Forward Request from FY 2026 Budget	FY 2027 New Funding Requests	Proposed Budget FY 2027 Priority 1	FY 2027 Planning Commission Priority	FY 2027 Project Schedule		
								Design	Permitting	Construction
	FACILITY & EQUIPMENT PROGRAM									
62	Horse Barn	Maintenance	$ 23,000	$ -	$ 5,000	**$ 5,000**	★			✓
63	Miscellaneous Improvements	Maintenance	$ 23,000	$ -	$ 152,500	**$ 152,500**	★			✓
64	Event Space Improvements	Maintenance	$ 10,000	$ -	$ 10,000	**$ 10,000**	★			✓
65	Coastal Discovery Museum Facilities Assessment	Discretionary	$ -	$ -	$ 250,000	**$ 250,000**	★	✓		
	Subtotal Coastal Discovery Museum CIP Improvements		$ 496,000	$ -	$ 742,600	**$ 742,600**				
66	Jonesville Horse Barn	Maintenance	$ 500,000	$ -	$ 500,000	**$ 500,000**	★	✓	✓	✓
67	Mitchelville Freedom Park Improvements	Discretionary	$ 325,000	$ -	$ 2,310,200	**$ 2,310,200**	★			✓
68	Town Refuse & Recycling Management Improvements	Discretionary	$ 250,000	$ -	$ 250,000	**$ 250,000**	★			✓
69	Fire Rescue HQ	Discretionary	$ 677,008	$ 577,008	$ 622,992	**$ 1,200,000**	★	✓	✓	✓
70	Gullah Geechee Cultural Heritage Center Renovations	Discretionary	$ -	$ -	$ 250,000	**$ 250,000**	★	✓		
71	Facilities and Equipment Program Contingency	N/A	$ 100,000	$ -	$ 100,000	**$ 100,000**	★			
	Total Facility & Equipment Program		**$ 5,870,272**	**$ 627,008**	**$ 7,883,792**	**$ 8,510,800**				

FY 2027 PROPOSED CIP PROJECTS

	Project	Project Type	FY 2026 Approved Amended Budget	FY 2027 Estimated Roll Forward Request from FY 2026 Budget	FY 2027 New Funding Requests	Proposed Budget FY 2027 Priority 1	FY 2027 Project Schedule			
							FY 2027 Planning Commission Priority	Design	Permitting	Construction
	STORMWATER PROGRAM									
72	Stormwater Maintenance & Improvements - Non-PUD	Maintenance	$ 1,018,301	$ 892,524	$ 150,000	**$ 1,042,524**	★	✓	✓	✓
73	Stormwater Maintenance Agreement Program - PUD	Maintenance	$ 2,000,000	$ 650,000	$ 350,000	**$ 1,000,000**	★	✓	✓	✓
74	25 Moonshell Road	Maintenance	$ 127,238	$ 25,000	$ 95,000	**$ 120,000**	★	✓		
75	75 Helmsman Way Drainage Improvements	Maintenance	$ 50,000	$ 25,000	$ -	**$ 25,000**	★	✓		
76	Gum Tree Road Drainage Improvements	Maintenance	$ 131,479	$ 90,000	**$ -**	**$ 90,000**	★	✓		
77	Jarvis Creek Outfall	Maintenance	$ 56,136	$ 25,000	$ -	**$ 25,000**	★	✓		
78	Jarvis Creek Pump Station - Pump Replacements	Maintenance	$ 300,000	$ 300,000	$ 400,000	**$ 700,000**	★			✓
79	Old Woodlands-26 Indian Trail Improvements	Maintenance	$ 80,000	$ 80,000	$ -	**$ 80,000**	★	✓	✓	
80	Palmetto Hall Outfall Improvements	Maintenance	$ 150,000	$ 124,616	$ -	**$ 124,616**	★	✓		
81	Water Level Monitoring	Maintenance	$ 75,000	$ -	$ 75,000	**$ 75,000**	★			✓
82	Weather Monitoring	Maintenance	$ 50,000	$ -	$ 50,000	**$ 50,000**	★			✓
83	Central Island Pump Station Overhaul	Maintenance	$ 1,503,446	$ 53,446	$ 50,000	**$ 103,446**	★			✓
84	Gum Tree Channel Capacity Improvements at Chinaberry Crossing	Maintenance	$ 120,000	$ 55,000	$ 165,000	**$ 220,000**	★	✓	✓	
85	The Links at Port Royal Improvements	Maintenance	$ -	$ -	$ 50,000	**$ 50,000**	★	✓		
86	Shell Midden/Cordillo Parkway Drainage Improvements	Maintenance	$ -	$ -	$ 150,000	**$ 150,000**	★	✓	✓	✓
87	Point Comfort Outfall	Maintenance	$ -	$ -	$ 50,000	**$ 50,000**	★	✓	✓	✓
88	Stormwater Program Contingency	N/A	$ 333,710	$ -	$ 300,000	**$ 300,000**	★			
	Total Stormwater Program		**$ 7,104,326**	**$ 2,320,586**	**$ 1,885,000**	**$ 4,205,586**				

FY 2027 PROPOSED CIP PROJECTS

	Project	Project Type	FY 2026 Approved Amended Budget	FY 2027 Estimated Roll Forward Request from FY 2026 Budget	FY 2027 New Funding Requests	Proposed Budget FY 2027 Priority 1	FY 2027 Project Schedule: FY 2027 Planning Commission Priority	Design	Permitting	Construction
	FLEET PROGRAM									
89	Ladder Truck Replacement	Maintenance	$ -	$ -	$ 4,500,000	$ 4,500,000	★			
90	Battalion 1 Replacement	Maintenance	$ -	$ -	$ 150,000	$ 150,000	★			
91	Secondary Response Vehicle Replacement	Maintenance	$ 80,000	$ -	$ 130,000	$ 130,000	★			
92	Support Vehicle Replacement	Maintenance	$ -	$ -	$ 100,000	$ 100,000	★			
93	Fleet Program Contingency	N/A	$ 100,000	$ -	$ 100,000	$ 100,000	★			
	Total Fleet Program		**$ 2,644,838**	**$ -**	**$ 4,980,000**	**$ 4,980,000**				
	LAND ACQUISITION PROGRAM									
94	Land Acquisition & Administration	Discretionary	$ 10,331,300	$ -	$ 250,000	$ 250,000	★			
	Total Land Acquisition Program		**$ 10,331,300**	**$ -**	**$ 250,000**	**$ 250,000**				
	TOTAL CAPITAL IMPROVEMENTS PROGRAM									
	Total Capital Improvements Program		**$ 97,715,584**	**$ 12,181,755**	**$ 41,785,792**	**$ 53,967,547**				

FY 2027 CONSOLIDATED BUDGET OVERVIEW

SIX MAJOR FUNDS

General Fund

Capital Improvements Project Fund

Debt Service Fund

Stormwater Utility Fund

Gullah Geechee Historic Neighborhoods Community Development Corporation Fund

Housing Fund

DEBT SERVICE FUND

- ✓ This fund is used for accumulating resources for the payment of interest and principal on general long-term obligation debt of the governmental funds.

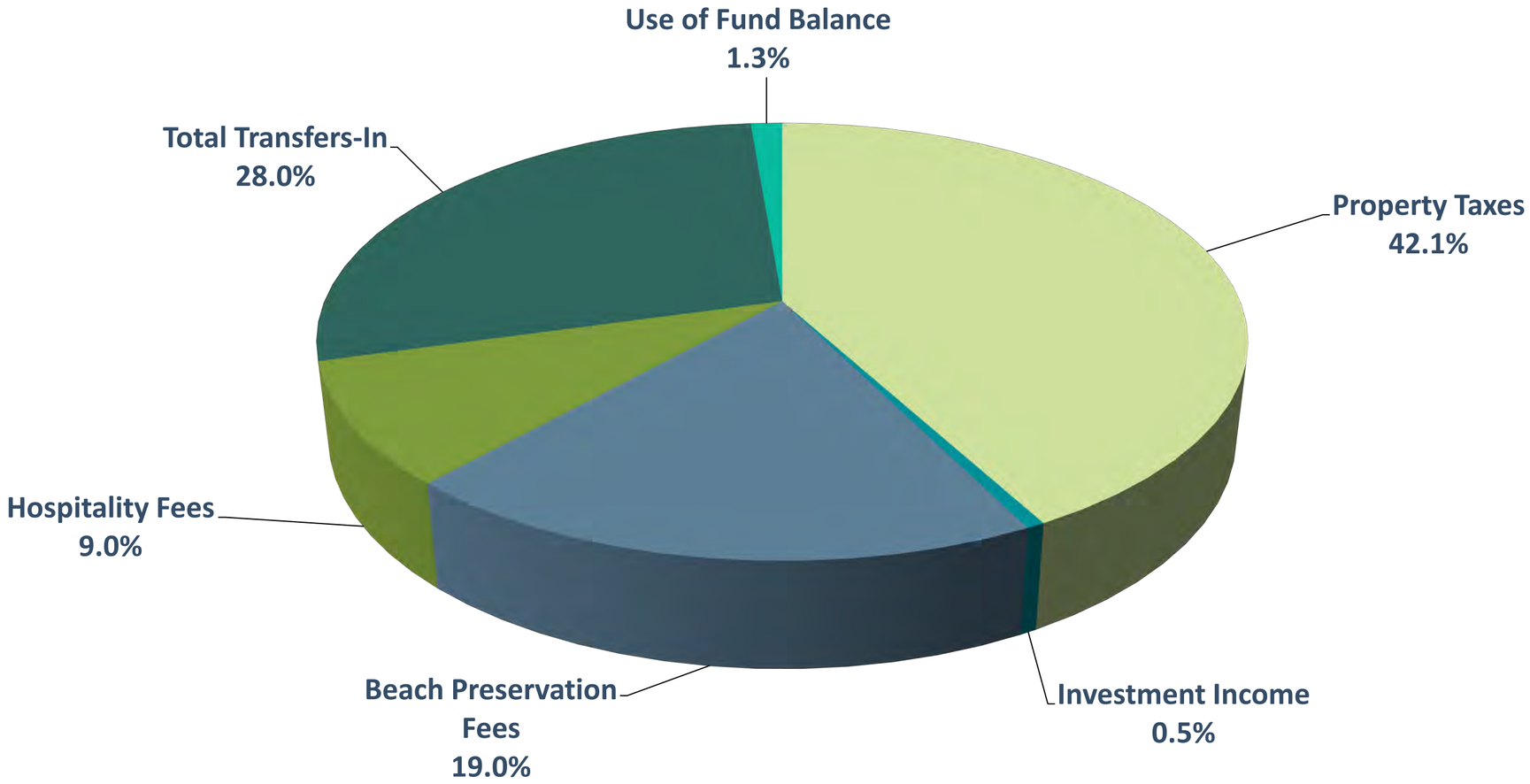
- ✓ The primary sources of revenue are property tax, beach preservation fee, and hospitality tax.

FY 2027 PROPOSED DEBT SERVICE FUND BUDGET REVENUES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Property Taxes	$ 6,308,036	$ 6,619,129	$ 6,035,600	$ 6,035,600	$ 6,600,000	**$ 6,732,000**	$ 696,400	11.5%
Investment Income	657,135	635,822	325,115	325,115	276,218	**87,500**	(237,615)	-73.1%
Transfers In:								
Beach Preservation Fees	3,948,375	3,946,625	11,062,000	11,351,310	11,351,310	**3,041,908**	(8,309,402)	-73.2%
Hospitality Fees	1,437,134	1,443,158	1,441,368	1,441,368	1,441,368	**1,442,825**	1,457	0.1%
Tax Increment Financing (TIF)	3,931,259	2,928,708	-	-	-	**-**	-	0.0%
Real Estate Transfer Fee	1,095,850	-	-	-	-	**-**	-	0.0%
Natural Disasters Fund	-	-	-	-	-	**-**	-	0.0%
Total Transfers-In	**10,412,618**	**8,318,491**	**12,503,368**	**12,792,678**	**12,792,678**	**4,484,733**	**(8,307,945)**	-64.1%
Use of Fund Balance	-	-	-	11,930,888	11,291,759	**209,755**	(11,721,133)	-98.2%
Total Revenues	**$ 17,377,789**	**$ 15,573,441**	**$ 18,864,083**	**$ 31,084,281**	**$ 30,960,656**	**$ 11,513,988**	**$ (19,570,293)**	**-63.0%**

Property Tax Debt Millage Remains at 5.1 Mills in FY 2027

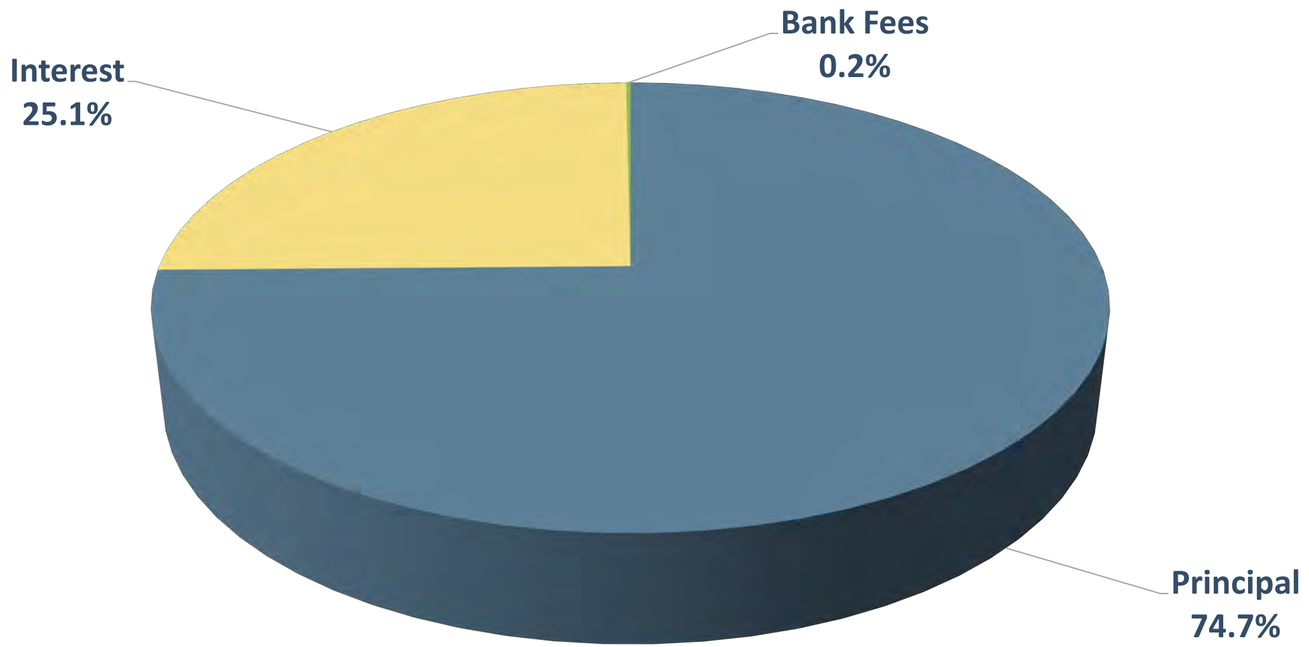
FY 2027 PROPOSED DEBT SERVICE FUND BUDGET REVENUES



FY 2027 PROPOSED DEBT SERVICE FUND BUDGET EXPENDITURES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Principal	$ 12,995,000	$ 12,625,000	$ 7,325,000	$ 7,325,000	$ 7,325,000	**$ 8,605,000**	$ 1,280,000	17.5%
Interest	2,809,733	2,403,967	1,626,483	1,915,793	1,915,793	**2,888,988**	973,195	50.8%
Bank Fees	15,850	15,025	17,600	17,600	17,600	**20,000**	2,400	13.6%
Anticipated Debt Costs	-	2,500	2,400,000	14,330,888	14,207,263	**-**	(14,330,888)	-100.0%
Callable Bond - Beach Preservation S.O. Bond	-	-	7,495,000	7,495,000	7,495,000	**-**	(7,495,000)	-100.0%
Total Expenditures	**$ 15,820,583**	**$ 15,046,492**	**$ 18,864,083**	**$ 31,084,281**	**$ 30,960,656**	**$ 11,513,988**	**$ (19,570,293)**	**-63.0%**

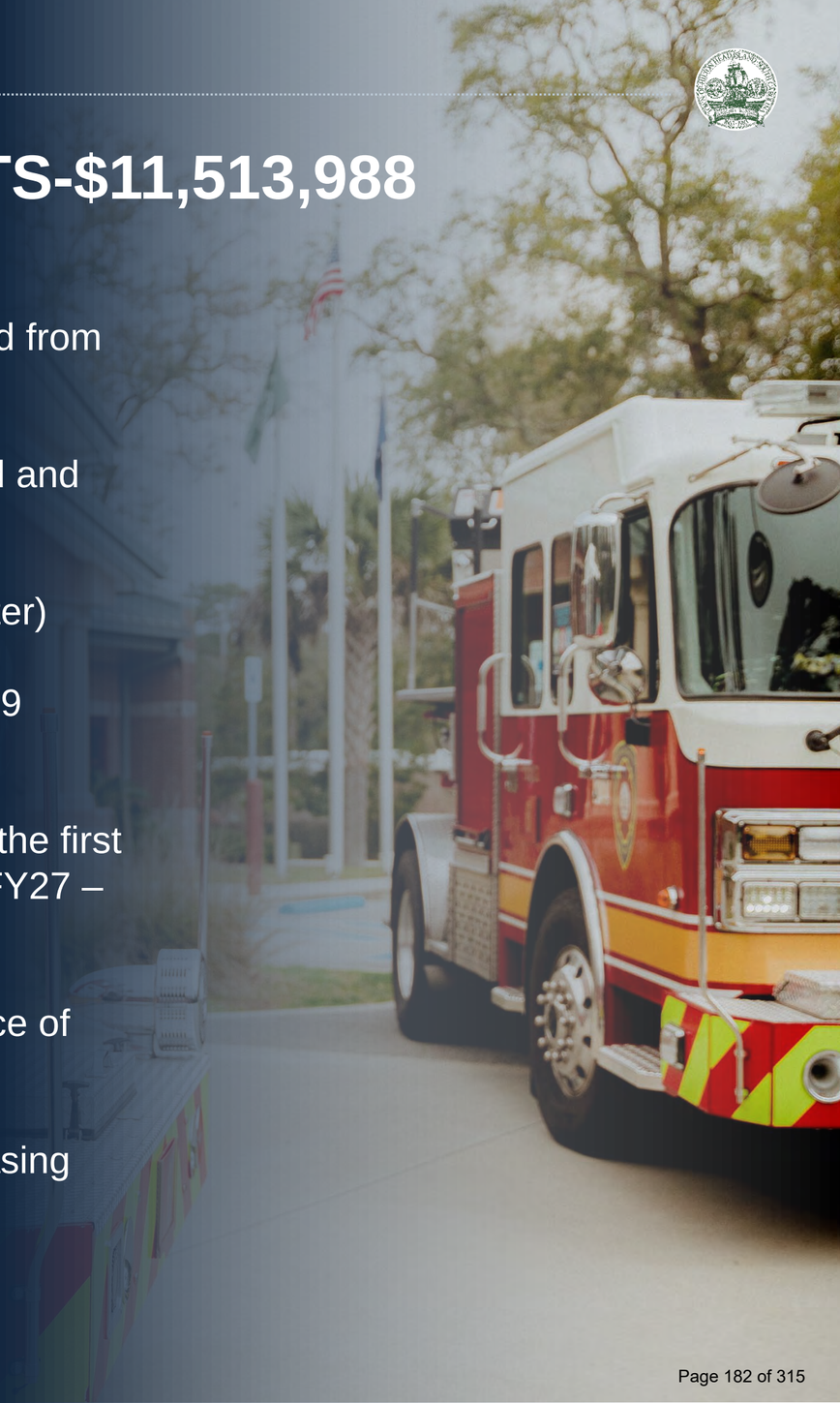
FY 2027 PROPOSED DEBT SERVICE FUND BUDGET EXPENDITURES



The Town's debt payments are primarily principal reduction

FY 2027 DEBT SERVICE FUND BUDGET HIGHLIGHTS-$11,513,988

- ✓ Debt Service Property Tax millage remains at 5.1 mills in FY27 (Millage was reduced from 5.5 mills to 5.1 mills in FY26)
- ✓ $93.9 million in debt reduction from FY18 to FY26 (Includes $19 million Beach Bond and $19.3 million GO Bond net new debt as of June 30, 2026)
- ✓ An additional $8.6 million debt reduction is planned in FY27 (not including Stormwater)
- ✓ Series 2025 Special Obligation Bond (Beach Preservation Fee Pledge) issued at $19 million during FY26 with principal payments August 2026 through August 2032
- ✓ Series 2026 General Obligation Bonds were issued at $35 million during FY26 with the first payment of $15.7 million in June 2026, and the balance of $19.3 million to be paid FY27 – FY41 ($2.2 million scheduled in FY27)
- ✓ Debt payments offset by revenues will result in an ending Debt Service Fund Balance of **$2.7 million**
- ✓ The Town continues to improve its financial position and capacity by steadily decreasing debt, increasing reserves, and increasing assessed values
- ✓ Stormwater bonds are paid through the Stormwater Fund



FY 2027 DEBT SERVICE FUND BUDGET EXPENDITURE HIGHLIGHTS

✓ Total Budget is a decrease of $19.6m / 63%:

- Principal - $8.6m / 17.5% increase based on new bonds
- Interest - $2.9m / 50.8% increase based on new bonds
- Bank Fees - $20.0k / 23.6% increase
- FY26 New Debt Costs and Callable Beach Bonds not repeated in FY27 - $21.8m decrease

FY 2027 PROPOSED DEBT SERVICE FUND BUDGET OUTSTANDING ISSUES

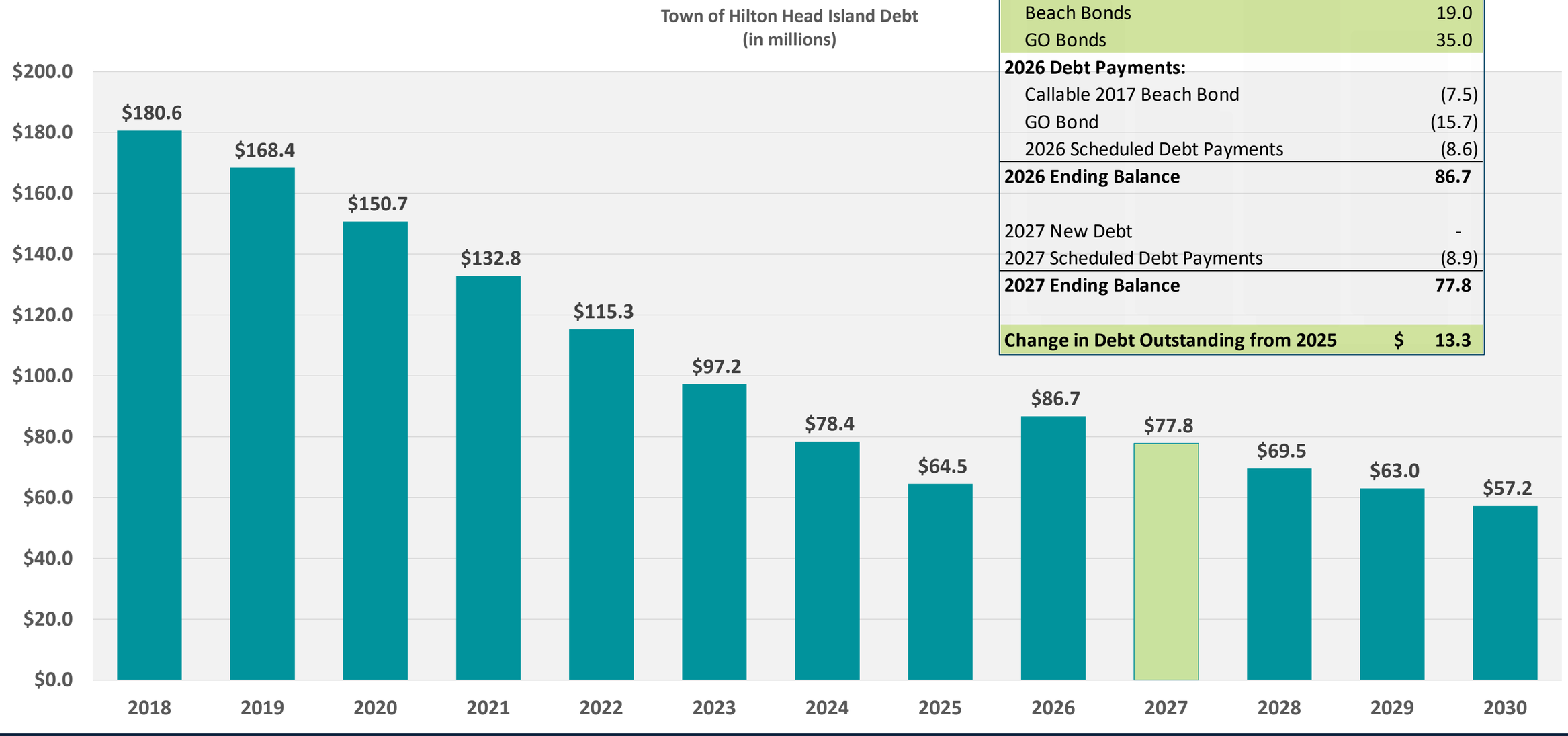
Debt Service Payments - (without Stormwater Bonds)	Interest	Principal	Total	Balance After FY27 Pmts	Final Payment FY	Funding Source
General Obligation Bonds (Original Issue Amount)						
Series 2016C GO Referendum Refunding Bonds ($9,035,000)	97,638	465,000	562,638	4,110,000	2035	Property Tax
Series 2020A GO Referendum Refunding Bonds ($5,830,000)- to 2020A	105,600	780,000	885,600	1,665,000	2028	Property Tax
Series 2017A GO Non-Referendum Bonds ($27,310,000)	749,319	815,000	1,564,319	22,960,000	2047	Property Tax
Series 2020B GO Referendum Bonds ($6,285,000)	74,747	485,000	559,747	4,135,000	2035	Property Tax
Series 2019 GO Obligation Bonds ($5,000,000)	125,900	225,000	350,900	3,495,000	2039	Property Tax
Series 2026 GO Obligation Bonds ($35,000,000)	896,050	2,190,000	3,086,050	17,065,000	2041	Property Tax
Subtotal General Obligation Bonds	$ 2,049,254	$ 4,960,000	$ 7,009,254	$ 53,430,000		
Special Obligation Bonds (Original Issue Amount)						
Series 2019 Special Bonds (Hospitality Tax) ($16,520,000)	$ 247,825	$ 1,195,000	$ 1,442,825	$ 7,425,000	2036	HTAX
Series 2025 Special Bonds (Beach Preservation Fee) ($19,000,000)	591,908	2,450,000	3,041,908	16,550,000	2033	Beach Fee
Subtotal Special Obligation Bonds	$ 839,733	$ 3,645,000	$ 4,484,733	$ 23,975,000		
Grand Total - Existing Debt (a)	**$ 2,888,987**	**$ 8,605,000**	**$ 11,493,987**	**77,405,000**		

Stormwater debt is accounted for in the Stormwater Fund. Outstanding Stormwater debt are these two special revenue bonds:

Stormwater Bonds (Original Issue Amount)						
Series 2018 Special Bonds (Stormwater) ($3,200,000)	18,970	345,000	363,970	355,000	2028	SWU
Total Stormwater Special Obligation Bonds	**$ 18,970**	**$ 345,000**	**$ 363,970**	**$ 355,000**		

TOTAL DEBT FY 2018 – FY 2030

	in millions	
Ending FY 2025 Outstanding Balance	**$**	**64.5**
2026 New Debt:		
Beach Bonds		19.0
GO Bonds		35.0
2026 Debt Payments:		
Callable 2017 Beach Bond		(7.5)
GO Bond		(15.7)
2026 Scheduled Debt Payments		(8.6)
2026 Ending Balance		**86.7**
2027 New Debt		-
2027 Scheduled Debt Payments		(8.9)
2027 Ending Balance		**77.8**
Change in Debt Outstanding from 2025	**$**	**13.3**



» The Town's debt has decreased steadily from FY 2018 – 2025
The Town issued new Beach and General Obligation Bonds in FY 2026

FY 2027 CONSOLIDATED BUDGET OVERVIEW

SIX MAJOR FUNDS

General Fund

Capital Improvements Project Fund

Debt Service Fund

Stormwater Utility Fund

Gullah Geechee Historic Neighborhoods Community Development Corporation Fund

Housing Fund

STORMWATER UTILITY FUND

- ✓ This fund is used to account for and report the costs associated with the management, construction, maintenance, protections, control, regulation, use and enhancement of stormwater systems and programs within the Town limits.

- ✓ The primary source of revenue is stormwater utility fees.

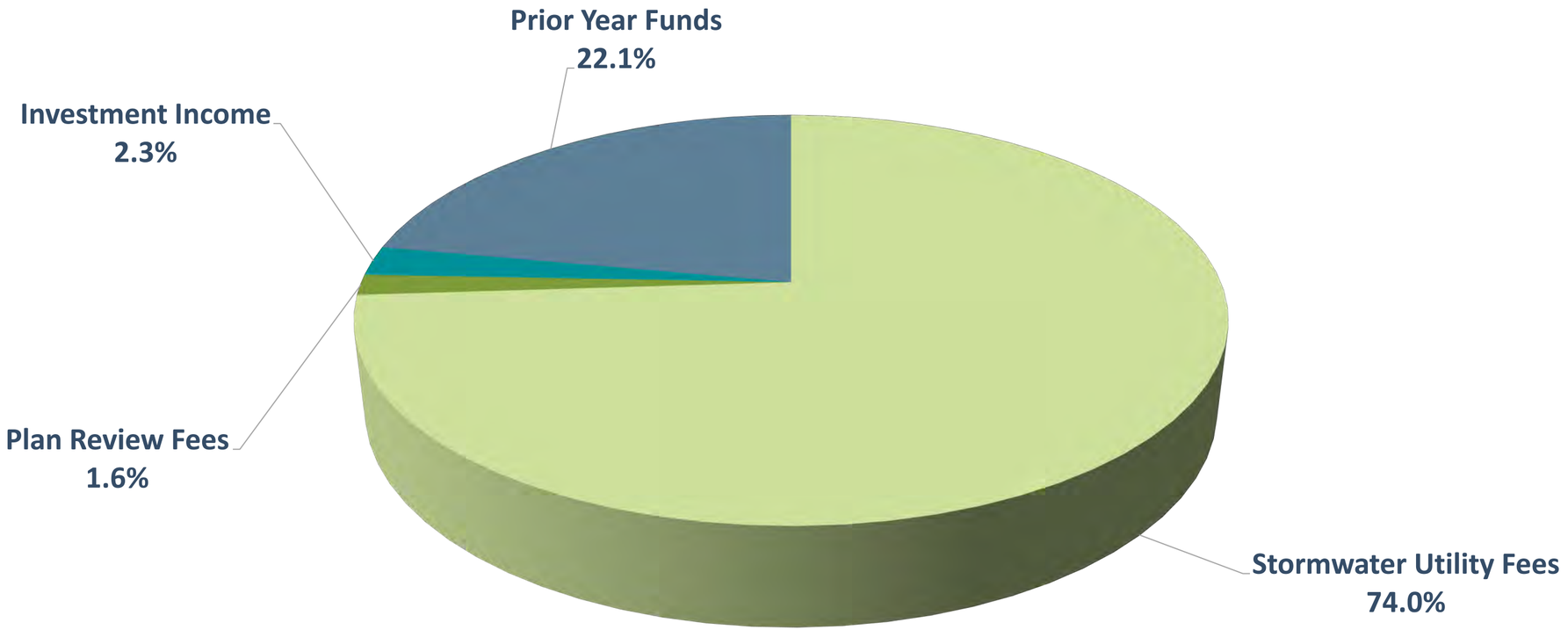
FY 2027 PROPOSED STORMWATER UTILITY FUND BUDGET REVENUES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Stormwater Utility Fees	$ 5,275,035	$ 5,384,264	$ 5,275,035	$ 5,275,035	$ 5,500,962	**$ 5,610,981**	$ 335,946	6.4%
Plan Review Fees	122,580	208,720	122,580	122,580	122,580	**122,580**	-	0.0%
Investment Income	328,692	351,129	150,000	150,000	184,033	**175,000**	25,000	16.7%
Use of Fund Balance	-	-	5,592,662	5,592,662	744,774	**1,674,773**	(3,917,889)	-70.1%
Total Revenues	**$ 5,726,307**	**$ 5,944,113**	**$ 11,140,277**	**$ 11,140,277**	**$ 6,552,349**	**$ 7,583,334**	**$ (3,556,943)**	**-31.9%**

» **The Use of Fund Balance is for one-time expenditures**

The Projected FY27 Stormwater Fund balance is $11.2 million (prior to restrictions)

FY 2027 PROPOSED STORMWATER UTILITY FUND BUDGET REVENUES



FY 2027 STORMWATER UTILITY FEE

THE FOLLOWING UNIT RATES APPLY FOR TAX YEAR 2026:

Fee	Town of Hilton Head Island
Administrative Fee	$ 24.00
Impervious Area Unit (IA)	$ 105.00
Gross Area Unit (GA) X =	$ 21.00
Total	**$ 150.00**

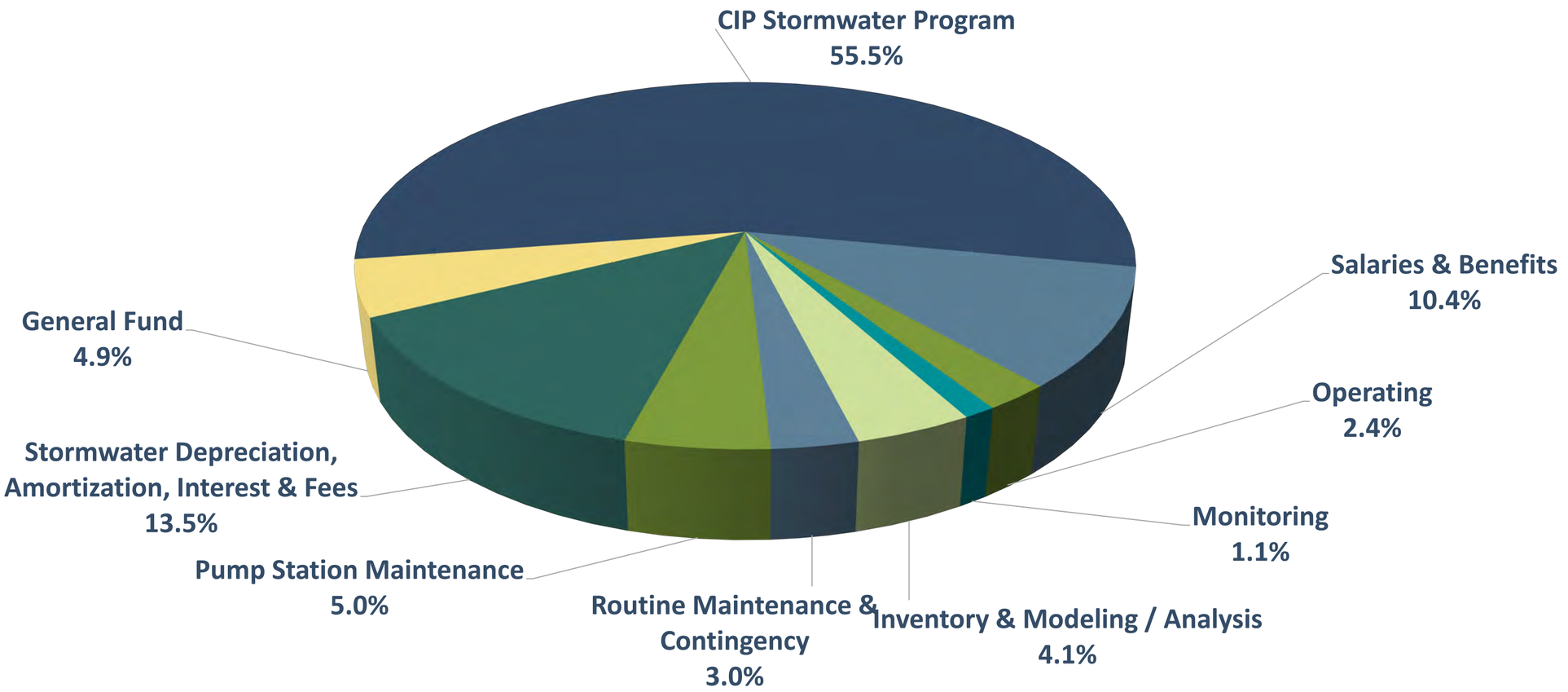
Law S453 (2009) does not allow any increase in fees for agricultural, forestland and undeveloped lands that qualify for an Agricultural Use Exemption.

FY 2027 PROPOSED STORMWATER UTILITY FUND BUDGET EXPENDITURES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Salaries & Benefits	$ 750,240	$ 770,240	$ 916,066	$ 916,066	$ 784,291	**$ 792,020**	$ (124,046)	86.5%
Operating	156,316	155,023	190,480	190,480	141,444	**178,215**	(12,265)	93.6%
Monitoring	97,814	71,739	110,000	110,000	60,143	**86,000**	(24,000)	78.2%
Inventory & Modeling / Analysis	100,905	337,852	790,000	790,000	227,410	**311,837**	(478,163)	39.5%
POA Systems Corrective Maintenance	487,335	802,083	-	-	-	**-**	-	0.0%
Public Systems Corrective Maintenance	633,149	168,686	-	-	-	**-**	-	0.0%
Routine Maintenance & Contingency	467,674	515,674	735,000	735,000	318,368	**230,000**	(505,000)	31.3%
Pump Station Maintenance	312,765	790,733	555,000	555,000	370,045	**380,500**	(174,500)	68.6%
Stormwater Depreciation, Amortization, Interest & Fees	1,159,011	1,142,614	1,142,851	1,142,851	1,041,057	**1,024,176**	(118,675)	89.6%
Transfers Out:								
General Fund	125,000	125,000	350,000	350,000	350,000	**375,000**	25,000	107.1%
CIP Stormwater Program	860,000	1,182,552	6,350,880	6,350,880	3,259,591	**4,205,586**	(2,145,294)	66.2%
Total Expenditures & Transfers Out	**$ 5,150,209**	**$ 6,062,194**	**$ 11,140,277**	**$ 11,140,277**	**$ 6,552,349**	**$ 7,583,334**	**$(3,556,943)**	**68.1%**

» **Stormwater Corrective Maintenance and Improvement projects, Stormwater Maintenance Agreement projects, and Water Level / Weather Monitoring are included in the CIP Stormwater Program again in FY27**

FY 2027 PROPOSED STORMWATER UTILITY FUND BUDGET EXPENDITURES



STORMWATER UTILITY FUND REVENUE HIGHLIGHTS-$7,585,334

- ✓ **Stormwater Utility Fees – $5.6m – 6.4% increase**
  - Stormwater Rate remains unchanged from FY26
- ✓ **Use of Fund Balance – $1.6m– 70% decrease in** planned Stormwater Fund Balance use due to a more realistic approach to Stormwater maintenance and analysis. Funds will continue to be transferred to the CIP Fund for Stormwater projects.
- ✓ **Investment Income – $175k – 17% increase**
- ✓ **Plan Review Fees – $122.6k – remains unchanged**

STORMWATER UTILITY FUND EXPENDITURE HIGHLIGHTS-$7,585,334

- ✓ **Salaries & Benefits – $792k – 13% decrease** includes 4% merit-based increase and covers increase in Workers Compensation
  - One FTE moved to the Capital Projects Department budget in the General Fund
- ✓ **Operating** – **$178k – 6% decrease** due to a reduction in general operating expenses
- ✓ **Monitoring – $86k – 22% decrease**, includes quarterly water quality monitoring services, supplemental water quality testing, and tide and weather monitoring. New weather stations water level monitoring devices were installed as part of the FY26 CIP for Stormwater
- ✓ **Inventory & Modeling / Analysis – $312k – 61% decrease**, includes:
  - Complete Stormwater Master Plan ($150k)
  - Phase 2 Resilience Plan Supplemental Modeling using existing models ($162k)
- ✓ **POA Systems & Public Systems Corrective Maintenance – $0** – all POA Agreement and Public System Corrective Maintenance is in the FY27 CIP Budget

STORMWATER UTILITY FUND EXPENDITURE HIGHLIGHTS-$7,585,334

- ✓ **Routine Maintenance & Contingency – $230k – 69% decrease** due the majority of Contingency moving to the CIP budget. Routine Maintenance includes:
  - Pond Maintenance of 55 Town Owned Ponds
  - Maintenance of access for operational controls (vegetative maintenance)
  - As-needed treatment of Ponds to maintain water quality
  - Routine Channel Maintenance for 43 sites maintained twice per year, plus contingency for additional sites and/or services

- ✓ **Pump Station Maintenance (4 Pump Stations) – $385k – 31% decrease**, includes:
  - Pump Inspections, Repairs, Maintenance, and Contingency
    - 4 sites plus Palmetto Hall – 7 times total per year
  - Generator Routine Maintenance & Inspection
    - 4 sites – 2 times per year
  - Electrical Services
    - 4 sites
  - Monitoring
    - 4 sites – annual fee

- ✓ **Stormwater Depreciation, Amortization, Interest & fees – $1.0 million – 10% decrease**, due to a reduction in depreciation expense to match budget to FY26 Projection

STORMWATER UTILITY FUND TRANSFERS-OUT HIGHLIGHTS

- ✓ **Transfer To General Fund – $375k – 8% increase** includes:
  - Stormwater administrative and operational support provided by Town Staff and facility resources - $125k
  - Street sweeping support which has moved to the Facilities Maintenance Department budget in FY27 - $250k
- ✓ **Transfer To CIP Fund – $4.2m – 40% decrease** of CIP Stormwater projects and infrastructure. Projects include:
  - Corrective Maintenance and Improvements - $1.04m
  - Partner Corrective Maintenance Project Reimbursements - $1.0m
  - Stormwater Capital Projects $2.2m

STORMWATER UTILITY SERVICE DELIVERY PROGRAMS

✓ **Service delivery is provided by the following programs:**

- Water Quality – LMO Compliance & MS4 Permit
- Inventory & Modeling
- Routine Maintenance
  - Channel Maintenance
  - Pond Management
- Pump Station Maintenance (4)
- Monitoring
  - Water Quality
  - Tides
  - Weather
- Corrective Maintenance
  - Public System
  - Private Systems (POA Agreements)

CORRECTIVE MAINTENANCE PROGRAM – EXTENT OF SERVICE

EXTENT OF SERVICE (EOS)

✓ **Town System**
- Town ROW
- Town Easements
- Town Property

✓ **PUD/POA Agreements**
- 27 Active
- 2 2026 Applicants
- 30 Potential Candidates

✓ **Not Included in EOS**
- State Roads & Easements
- State Property
- County Roads & Easements
- County Property
- Private Property

STORMWATER UTILITY FUND RESERVE POLICY

- ✓ The Stormwater Utility Fund Operating Reserve Policy was established in FY26 at $5m

- ✓ FY27 Recommendation – Reduce the Reserve to $3m, to cover approximately one year of operating expenses, and add a Restriction for net fixed assets based on prior capital purchases less any outstanding debt. This change:

  - Will reflect the proper available fund balance for future spending

  - Is required based on the accounting method for Enterprise Funds

  - Will adjust every year based upon the addition of new fixed assets offset by current year depreciation expense and/or outstanding debt

- ✓ The Stormwater Utility Fund Balance after Reserves is projected to be $1.1 million as of June 30, 2027

FY 2027 CONSOLIDATED BUDGET OVERVIEW

SIX MAJOR FUNDS

General Fund

Capital Improvements Program Fund

Debt Service Fund

Stormwater Utility Fund

Gullah Geechee Historic Neighborhoods Community Development Corporation Fund

Housing Fund

GULLAH GEECHEE HISTORIC NEIGHBORHOODS COMMUNITY DEVELOPMENT CORPORATION (GGHNCDC) FUND

- ✓ This fund is used to account for and report the costs associated with the actions of the Corporation to protect the Town's historic and culturally sensitive neighborhoods.

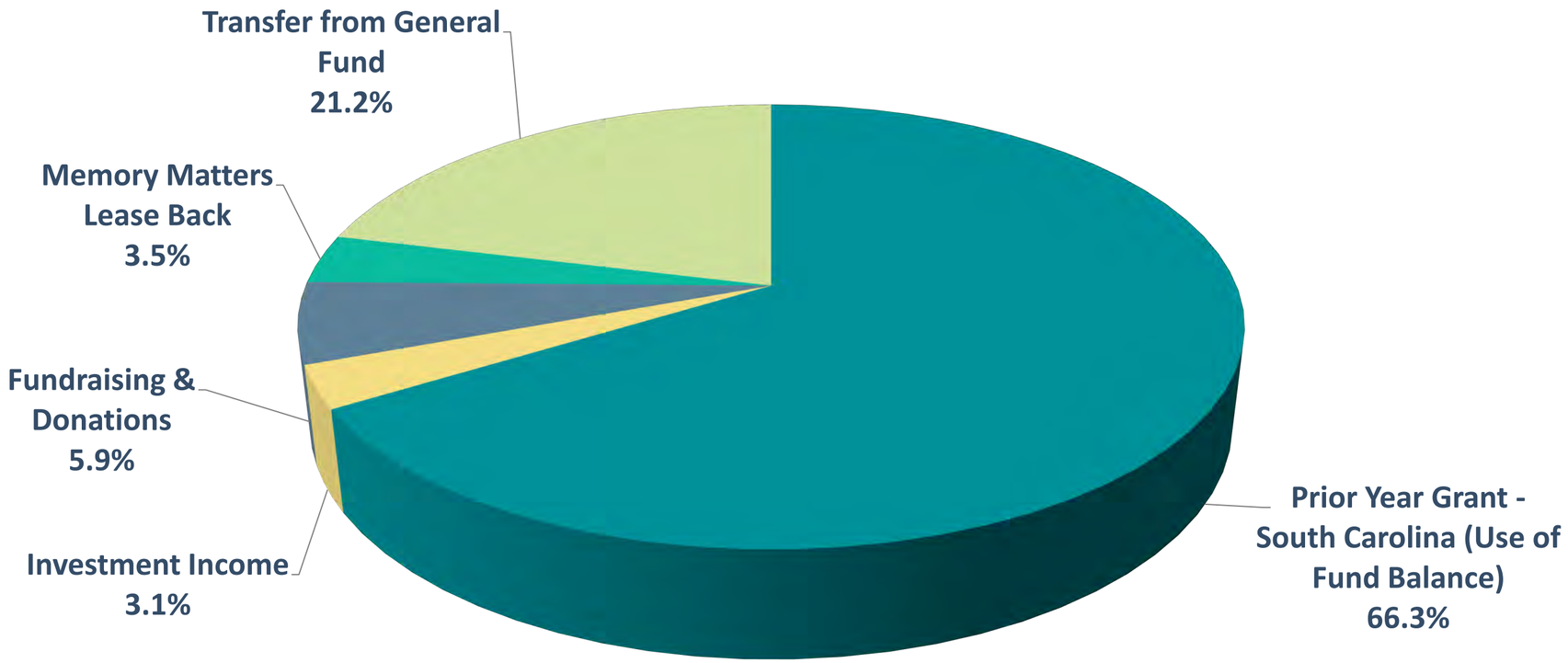
- ✓ The focus of the Corporation is to enhance the quality of life for community residents;
encourage entrepreneurialism; prevent gentrification; assist in business attraction, expansion, and retention; provide land planning and development assistance; pursue affordable housing opportunities; identify infrastructure needs; and provide critical financial opportunities.

- ✓ The primary sources of revenue are State and County Grants.

FY 2027 PROPOSED GGHNCDC FUND BUDGET REVENUES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Prior Year Grant - South Carolina (Use of Fund Balance)	$ -	$ -	$ 2,945,169	$ 2,945,169	$ 1,489,774	**$ 1,123,230**	$ (1,821,939)	-61.9%
Prior Year Grant - Beaufort County (Use of Fund Balance)	-	-	216,434	216,434	-	**-**	(216,434)	-100.0%
Investment Income	275,478	279,404	125,000	125,000	169,789	**52,500**	(72,500)	-58.0%
Fundraising & Donations	-	-	-	-	14,000	**100,000**	100,000	0.0%
Memory Matters Lease Back	-	-	-	-	45,000	**60,000**	60,000	0.0%
Transfer from General Fund	-	-	-	-	-	**359,026**	359,026	0.0%
Total Revenues	**$ 275,478**	**$ 279,404**	**$ 3,286,603**	**$ 3,286,603**	**$ 1,718,563**	**$ 1,694,756**	**$ (1,591,847)**	**-48.4%**

FY 2027 PROPOSED GGHNCDC FUND BUDGET REVENUES

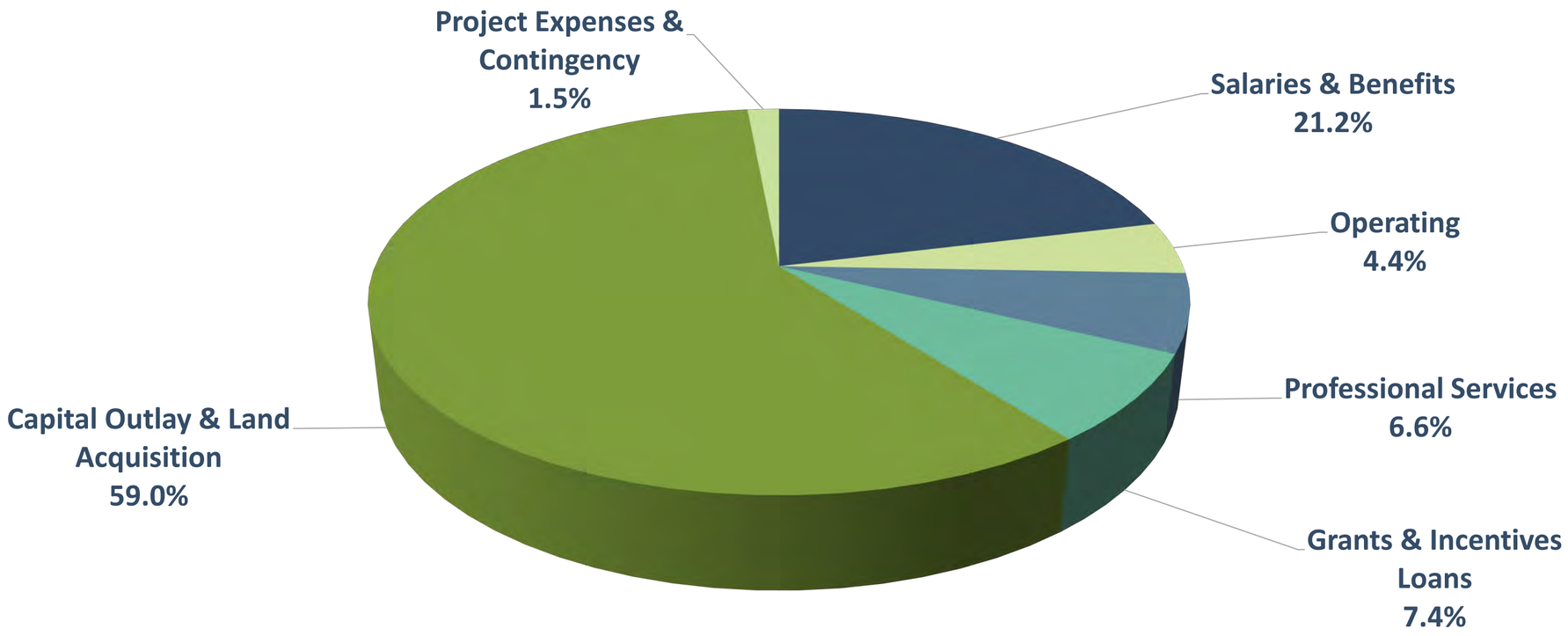


FY 2027 PROPOSED GGHNCDC FUND BUDGET EXPENDITURES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Salaries & Benefits	$ 125,464	$ 201,588	$ 212,801	$ 212,801	$ 345,346	**$ 359,026**	$ 146,225	68.71%
Operating	3,678	15,482	39,592	39,592	29,267	**74,520**	34,928	88.22%
Professional Services	-	59,955	204,210	204,210	73,000	**111,210**	(93,000)	-45.54%
Grants & Incentives Loans	-	-	1,500,000	1,500,000	-	**125,000**	(1,375,000)	-91.67%
Capital Outlay & Land Acquisition	-	-	1,250,000	1,250,000	1,270,950	**1,000,000**	(250,000)	-20.00%
Project Expenses & Contingency	-	-	80,000	80,000	-	**25,000**	(55,000)	-68.75%
Total Expenditures	**$ 129,142**	**$ 277,025**	**$ 3,286,603**	**$ 3,286,603**	**$ 1,718,563**	**$ 1,694,756**	**$(1,591,847)**	**-48.43%**

The FY 2027 Projected Ending Fund Balance is $3.0 million

FY 2027 PROPOSED GGHNCDC FUND BUDGET EXPENDITURES



FY 2027 GGHNCDC FUND BUDGET EXPENDITURE HIGHLIGHTS- $3,286,603

- ✓ **Budget endorsed by the Board of Directors in March 2026**

- ✓ **Salaries & Benefits - $359k - 69% increase**
  - Includes 2 staff (reclassed 1 in FY26 from General Fund) and increases for up to 4% performance-based pay and workers compensation

- ✓ **Operating - $76k - 88% increase**
  - Increase in Promotion and Hospitality related to fundraising event expenses

- ✓ **Professional Services - $111k - 46% decrease**
  - Wayfinding Application – Experience Gullah - $40k
  - Legal Services – Community Support for legal matters and appraisals - $41k
  - Consulting Services – Lowcountry Gullah - $30k

- ✓ **Grants and Incentive Loans - $125k - 92% decrease**
  - Pitch Competition
  - Stoney Community Improvement grant program

- ✓ **Capital Outlay and Land Acquisition - $1.0m - 20% decrease**
  - Purchase of site(s) for economic development

- ✓ **Project Expense & Contingency - $25k - 69% decrease**
  - Unforeseen costs of main office development and other projects

FY 2027 CONSOLIDATED BUDGET OVERVIEW

SIX MAJOR FUNDS

General Fund

Capital Improvements Program Fund

Debt Service Fund

Stormwater Utility Fund

Gullah Geechee Historic Neighborhoods Community Development Corporation Fund

Housing Fund

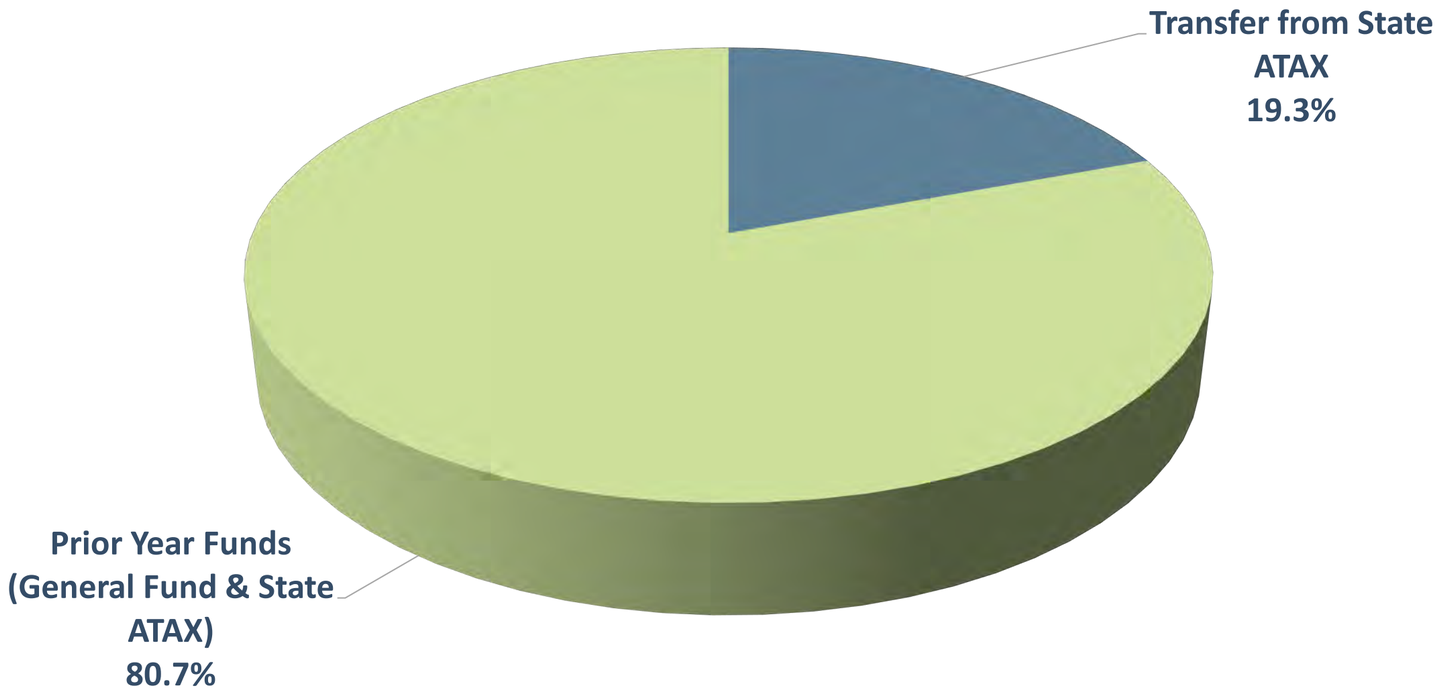
HOUSING FUND

- ✓ This fund is used to account for and report the costs associated with the development, implementation, and delivery of the strategies and tactics identified within the Town's adopted Workforce Housing Framework.
- ✓ The current sources of revenue are transfers from the State Accommodations Tax Fund and prior year fund balance.

FY 2027 PROPOSED HOUSING FUND BUDGET REVENUES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projected	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Transfer from General Fund	$ 2,000,000	$ -	$ 197,049	$ 197,049	$ 197,049	**$ -**	$ (197,049)	-100.0%
Transfer from Capital Projects	350,000	-	-	-	-	**-**	**-**	0.0%
Transfer from State ATAX	-	1,000,000	-	-	-	**619,616**	619,616	100.0%
Use of Fund Balance (General Fund & State ATAX)	-	-	2,781,088	2,781,088	2,393	**2,591,882**	(189,206)	-6.8%
Transfer-in Federal Grants (ARPA)	-	-	1,000,000	1,000,000	1,000,000	**-**	(1,000,000)	-100.0%
Total Revenues	**$ 2,350,000**	**$ 1,000,000**	**$ 3,978,137**	**$ 3,978,137**	**$ 1,199,442**	**$ 3,211,498**	**$ (766,639)**	**-19.3%**

FY 2027 PROPOSED HOUSING FUND BUDGET REVENUES

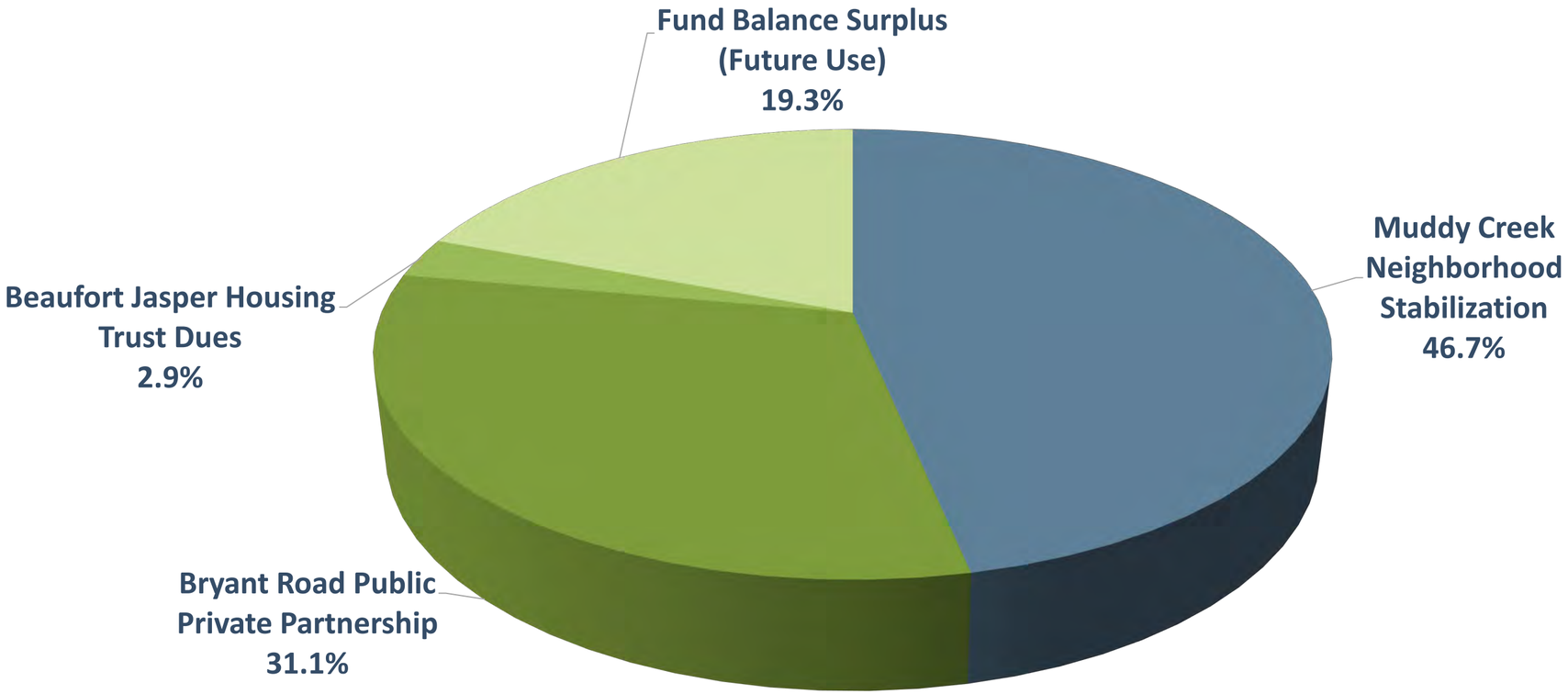


FY 2027 PROPOSED HOUSING FUND BUDGET EXPENDITURES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Northpoint Public Private Partnership	$ 90,775	$ 4,805	$ 1,000,000	$ 1,000,000	$ 1,000,000	**$ -**	$ (1,000,000)	-100.0%
Muddy Creek Neighborhood Stabilization	-	300	1,500,000	1,500,000	-	**1,500,000**	-	0.0%
Bryant Road Public Private Partnership	-	900	1,000,000	1,000,000	-	**1,000,000**	-	0.0%
Beaufort Jasper Housing Trust Dues	-	86,559	181,088	181,088	89,206	**91,882**	(89,206)	-49.3%
Lateral Sewer Connections	-	-	-	-	-	**-**	-	0.0%
Housing Program Personnel	-	-	194,332	194,332	1,148	**-**	(194,332)	-100.0%
Housing Program Operating	110,748	187,729	102,717	102,717	109,088	**-**	(102,717)	-100.0%
Fund Balance Surplus (Future Use)	-	-	-	-	-	**619,616**	619,616	0.0%
Total Expenditures	**$ 201,523**	**$ 280,293**	**$ 3,978,137**	**$ 3,978,137**	**$ 1,199,442**	**$ 3,211,498**	**$ (766,639)**	**-19.3%**

The Housing Program Personnel and Operating is in the General Fund Budget in FY 2027
The FY 2027 Projected Ending Fund Balance is $893.5k

FY 2027 PROPOSED HOUSING FUND BUDGET EXPENDITURES



FY 2027 HOUSING FUND BUDGET EXPENDITURE HIGHLIGHTS - $3,211,498

✓ **Muddy Creek Neighborhood Stabilization Plan – $1.5m**

- Muddy Creek Neighborhood Capital Improvement Projects are based upon neighborhood infrastructure assessment and community feedback.

- **FY27 capital improvement projects include:**
  - Stormwater maintenance, ditch clearing, and roadway/landscape improvements on Muddy Creek Road and Bryant Road
  - Construct new sidewalks along Muddy Creek Road (west side), Bryant Road and Muddy Creek Court intersections
  - Add multiple crosswalks along Muddy Creek Road, Bryant Road, and Muddy Creek Court intersections
  - Install neighborhood identification, wayfinding, and crosswalk signage
  - Add lighting at crosswalks; consider bollard lighting along sidewalks and pathways, pending community input

- **FY27 Next Steps:**
  - Develop concept drawings
  - Meet with Muddy Creek neighborhood residents for review & feedback – Q1/FY27
  - Begin engineering design, complete final design, permitting, and implementation

✓ **RFQ/RFP for Bryant Road Public-Private Partnership and related infrastructure improvements - $1.0m**

FY 2027 SPECIAL REVENUES BUDGET OVERVIEW

FY 2027 SPECIAL REVENUES BUDGET OVERVIEW

SPECIAL REVENUE FUNDS:

- ✓ Beach Preservation Fees
- ✓ Hospitality Taxes
- ✓ Fire Truck Lease Proceeds
- ✓ State Accommodations Taxes
- ✓ Real Estate Transfer Fees
- ✓ Palmetto Electric Franchise Fees
- ✓ Short-Term Rental Permit Fees
- ✓ Grants

SPECIAL REVENUES FUND

- ✓ The Special Revenues Fund is used to account for local taxes and fees including State Accommodations Tax, Hospitality Tax, Beach Preservation Fees, Real Estate Transfer Fees, Palmetto Electric Franchise Fees, Short-Term Rental Permit Fees, and Grants.

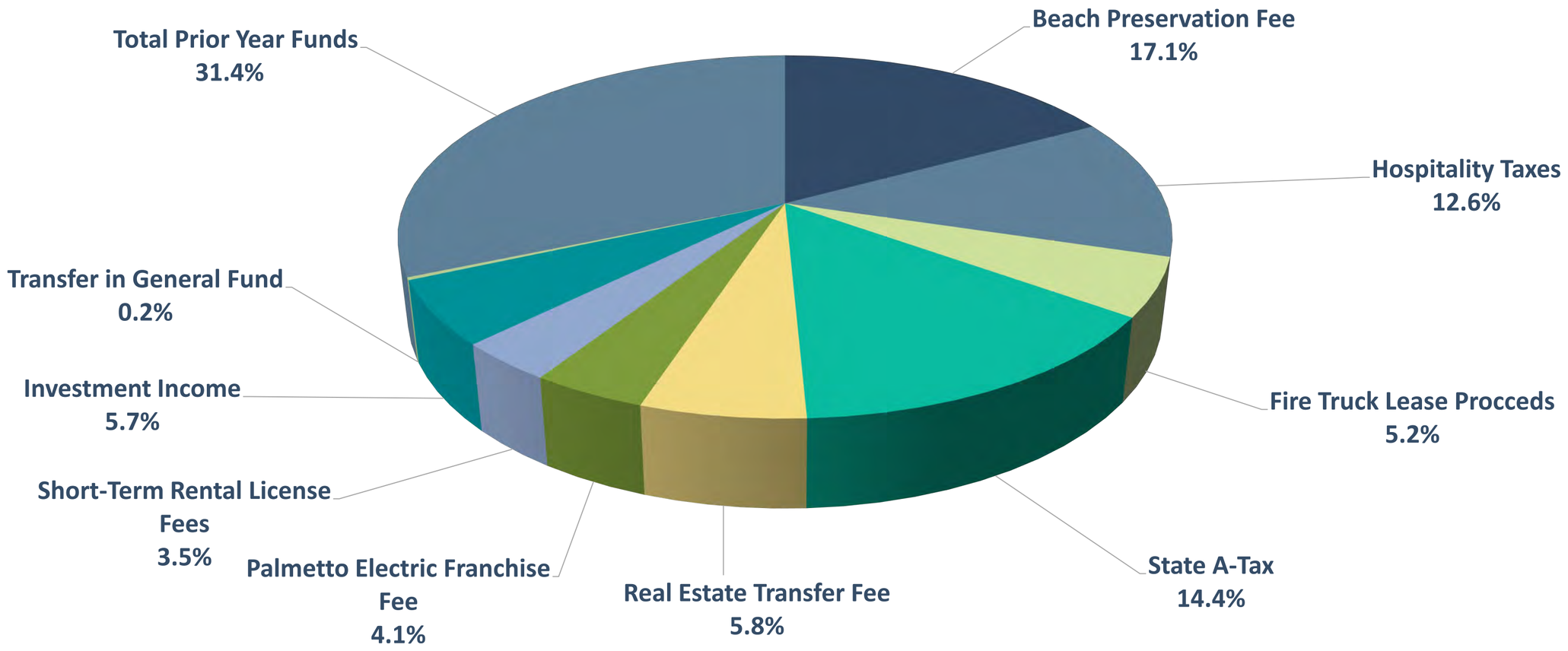
- ✓ The revenues generated support the General, Debt Service, Capital Improvements Program, and Housing Funds.

- ✓ The direct expenses in this fund consist primarily of Accommodations Tax grants, Destination Marketing Organization funding, beach monitoring, deed processing, and grant expenses.

FY 2027 PROPOSED SPECIAL REVENUES FUND BUDGET REVENUES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original / Amended Budget	FY 2026 Projected	FY 2027 Proposed Budget	FY27 to FY26 Budget $ Change	FY27 to FY26 Budget % Change
Operating Grants	$ 711,710	$ 1,529,756	$ -	$ 458,777	**$ -**	$ -	0.0%
Beach Preservation Fee	13,889,049	17,268,782	-	14,550,475	**14,768,732**	14,768,732	100.0%
Hospitality Taxes	10,574,379	10,559,662	-	10,760,553	**10,878,919**	10,878,919	100.0%
Fire Truck Lease Procceds	-	7,584,000	-	-	**4,500,000**	4,500,000	100.0%
TIF	7,844,686	3,258,859	-	16,682	**-**	-	0.0%
Road Usage Fees	1,724	950	-	228	**-**	-	0.0%
State A-Tax	12,790,329	13,167,662	-	12,644,919	**12,417,310**	12,417,310	100.0%
Real Estate Transfer Fee	4,883,205	5,228,355	-	6,324,914	**5,029,064**	5,029,064	100.0%
Palmetto Electric Franchise Fee	2,893,617	3,258,395	-	3,380,869	**3,507,652**	3,507,652	100.0%
Short-Term Rental License Fees	2,012,495	1,882,500	-	3,031,050	**3,031,050**	3,031,050	100.0%
Federal Grants	770,460	1,195,364	-	1,018,369	**-**	-	0.0%
Investment Income	6,723,744	6,590,666	-	5,501,711	**4,934,421**	4,934,421	100.0%
Transfer in General Fund	-	-	-	-	**207,872**	207,872	100.0%
Use of Fund Balance							
Special Revenue	-	-	-	-	**363,151**	363,151	100.0%
Beach Preservation Fee	-	-	-	16,701,035	**-**	-	100.0%
Hospitalty Tax Fund	-	-	-	5,870,513	**17,000,798**	17,000,798	100.0%
Fire Truck Lease Procceds	-	-	-	-	**84,828**	84,828	100.0%
TIF	-	-	-	2,566,404	**1,506,637**	1,506,637	100.0%
Road Usage	-	-	-	1,435,778	**832,328**	832,328	100.0%
State A-Tax	-	-	-	1,129,535	**4,167,659**	4,167,659	100.0%
Palmetto Electric Franchise Fee	-	-	-	-	**2,617,498**	2,617,498	100.0%
Short-Term Rental Fund	-	-	-	-	**574,921**	574,921	100.0%
Total Use of Fund Balance	-	-	-	27,703,264	**27,147,820**	27,147,820	100.0%
Total Revenues and Transfers In	**$ 63,095,398**	**$ 71,524,951**	**$ -**	**$ 85,391,811**	**$ 86,422,841**	**$ 86,422,841**	**100.0%**

FY 2027 PROPOSED SPECIAL REVENUES FUND BUDGET REVENUES

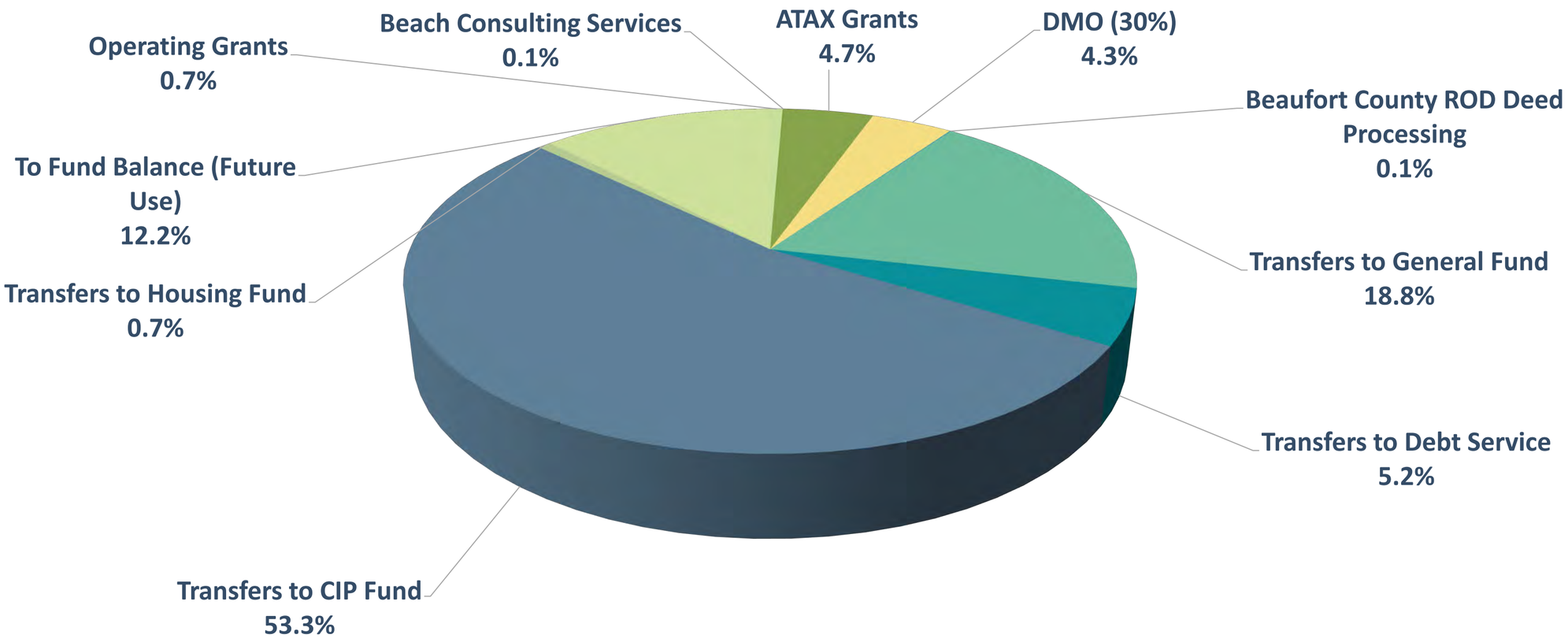


FY 2027 PROPOSED SPECIAL REVENUES FUND BUDGET EXPENDITURES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original / Amended Budget	FY 2026 Projected	FY 2027 Proposed Budget	FY27 to FY26 Budget $ Change	FY27 to FY26 Budget % Change	% of Budget
Operating Grants	$ 875,526	$ 882,751	$ -	$ 416,747	**$ 571,023**	$ 571,023	100.0%	0.7%
Beach Consulting Services	35,500	38,350	-	43,250	**43,250**	43,250	100.0%	0.1%
Cost of Issuance - Lease	-	132,500	-	-	**-**	-	0.0%	0.0%
ATAX Grants	4,789,146	3,521,165	-	4,076,992	**4,089,462**	4,089,462	100.0%	4.7%
DMO (30%)	3,829,599	3,942,799	-	3,785,976	**3,717,693**	3,717,693	100.0%	4.3%
Beaufort County ROD Deed Processing	48,832	52,297	-	63,250	**50,291**	50,291	100.0%	0.1%
Buried Underground Cable	16,649	-	-	-	**-**	-	0.0%	0.0%
Professional Services/Bank Charges	(2,382)	(1,494)	-	(1,495)	**-**	-	0.0%	0.0%
ARPA Grants	618,772	1,159,149	-	14,344	**-**	-	0.0%	0.0%
Transfers Out								
Transfers to General Fund	14,154,087	14,232,026	-	13,093,959	**16,236,626**	16,236,626	100.0%	18.8%
Transfers to Debt Service	10,412,618	8,318,491	-	12,792,678	**4,484,733**	4,484,733	100.0%	5.2%
Transfers to CIP Fund	24,734,910	30,292,181	-	40,611,857	**46,104,356**	46,104,356	100.0%	53.3%
Transfers to Housing Fund	-	1,000,000	-	1,000,000	**619,616**	619,616	100.0%	0.7%
Total Transfer Out	**49,301,615**	**53,842,698**	**-**	**67,498,494**	**67,445,330**	**67,445,330**	**100.0%**	**78.0%**
Fund Balance Surplus (Future Use)	-	-	-	9,494,253	**10,505,791**	10,505,791	100.0%	12.2%
Total Expenditures and Transfers Out	**$ 59,513,257**	**$ 63,570,215**	**$ -**	**$ 85,391,811**	**$ 86,422,841**	**$ 86,422,841**	**100.0%**	**100.0%**

» The Fund Balance Surplus includes Beach Preservation Fee and Real Estate Transfer Fee

FY 2027 PROPOSED SPECIAL REVENUES FUND BUDGET EXPENDITURES



The majority of Special Revenues are Sources of Funds for the CIP, General, Debt Service and Housing Funds

SPECIAL REVENUES FUND – BEACH PRESERVATION FEES FY 2024 - 2027

Expenditures	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY 2027 to FY 2026 Budget $ Change	FY 2027 to FY 2026 Budget % Change
General Fund - Beach Patrol, Safety, Maintenance, Repairs	$ 1,983,508	$ 1,983,508	$ 248,548	$ 248,548	$ 248,548	**$ 2,466,895**	$ 2,218,347	892.5%
Debt Service Fund Payments	3,948,375	3,946,625	11,062,000	11,351,310	11,351,310	**3,041,908**	(8,309,402)	-73.2%
Spartina Marine Light Ordinance Enforcement Patrol	35,500	38,350	38,100	-	43,250	**43,250**	43,250	0.0%
CIP - Beach Management & Monitoring	68,925	129,379	220,000	290,620	220,000	**220,620**	(70,000)	-24.1%
CIP - Beach Renourishment	423,265	534,735	40,500,000	21,500,000	20,900,000	**600,000**	(20,900,000)	-97.2%
CIP - Coligny Beach Park Boardwalk Maintenance	-	-	250,000	250,000	225,000	**-**	(250,000)	-100.0%
CIP - Driessen Beach Park Improvements	827,851	-	-	-	-	**-**	-	0.0%
CIP - Beach Operations Center Renovations	-	-	-	-	-	**300,000**	300,000	0.0%
CIP - Beach Wayfinding and Signage	-	-	-	-	-	**200,000**	200,000	0.0%
CIP - Folly Field Beach Park Improvements	78,982	-	-	-	-	**-**	-	0.0%
CIP - 69 Pope Avenue Beach Parking Lot	-	-	-	-	-	**150,000**	150,000	0.0%
CIP - Islanders Beach Park Improvements	724,611	205,646	-	128,499	-	**5,128,499**	5,000,000	3891.1%
CIP - Beach Park Maintenance & Improvements	280,444	341,385	150,000	150,000	150,000	**150,000**	-	0.0%
CIP - Beach Wheelchair Storage	-	38,661	-	-	18,778	**-**	-	0.0%
CIP - Beach Contingency	-	107,403	100,000	100,000	64,978	**100,000**	-	0.0%
CIP - Park Improvements	58,907	73,850	-	-	1,400	**-**	-	0.0%
CIP - Public Safety Watercraft	-	36,000	-	-	-	**-**	-	0.0%
Total Expenditures	**$ 8,430,368**	**$ 7,435,542**	**$ 52,568,648**	**$ 34,018,977**	**$ 33,223,264**	**$ 12,401,172**	**$ (21,617,805)**	**-63.5%**

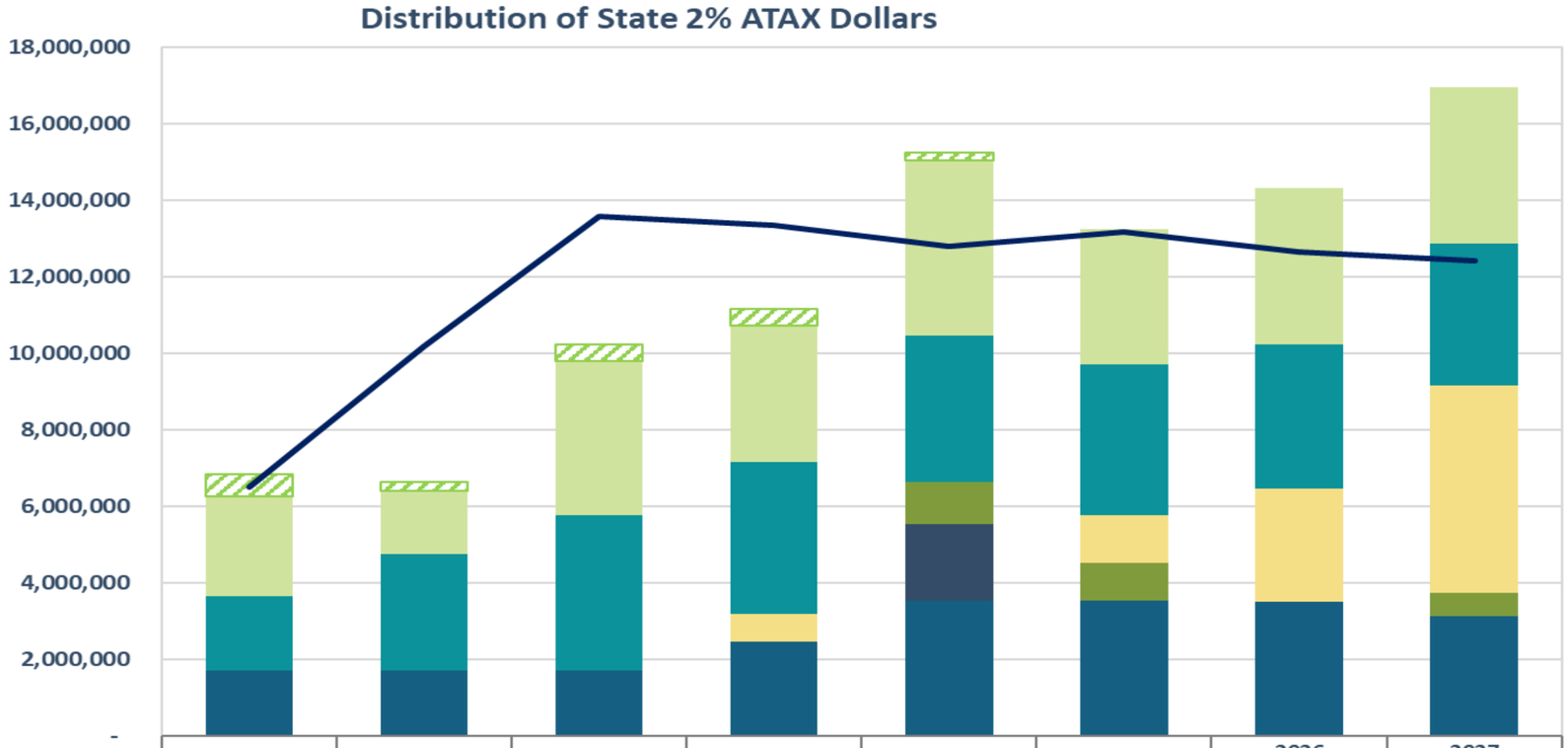
» Beach Preservation Fee projections for FY 2027 – 2033 are on the following slide

SPECIAL REVENUES FUND – BEACH PRESERVATION FEES FY 2027 - 2033

	FY 2027 Proposed Budget	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Beginning Fund Balance	**38,623,827**	**42,845,385**	**53,498,886**	**62,713,780**	**73,493,470**	**84,346,203**	**95,247,318**
Revenues							
Beach Preservation Fees	14,768,732	14,990,263	15,215,117	15,443,344	15,674,994	15,910,119	16,148,771
Investment Income	1,853,997	1,761,297	1,673,232	1,589,571	1,510,092	1,434,588	1,362,858
Total Revenues	**16,622,729**	**16,751,560**	**16,888,350**	**17,032,915**	**17,185,086**	**17,344,707**	**17,511,629**
Expenditures							
Consulting Services	43,250	43,250	43,250	43,250	43,250	43,250	43,250
Transfer to General Fund	2,466,895	2,540,902	2,617,129	2,695,643	2,776,512	2,887,573	3,003,075
Transfer to CIP	6,849,119	470,000	1,970,000	470,000	470,000	470,000	1,470,000
Transfer to Debt Service	3,041,908	3,043,907	3,043,077	3,044,332	3,042,591	3,042,769	3,039,784
Total Expenditures	**12,401,172**	**6,098,059**	**7,673,456**	**6,253,225**	**6,332,353**	**6,443,592**	**7,556,109**
Net change in fund balance	**4,221,557**	**10,653,502**	**9,214,894**	**10,779,690**	**10,852,733**	**10,901,115**	**9,955,520**
Ending Fund Balance	**42,845,385**	**53,498,886**	**62,713,780**	**73,493,470**	**84,346,203**	**95,247,318**	**105,202,837**
Proposed Reserve	42,845,385	53,498,886	62,713,780	73,493,470	84,346,203	95,247,318	105,202,837
Fund Balance After Reserve	-	-	-	-	-	-	-

» **The Fund Balance is projected to grow to $105 million by FY 2033 (Future CIP projects are TBD)**

FY 2027 PROPOSED SPECIAL REVENUES BUDGET – STATE ACCOMMODATIONS TAX



	2020	2021	2022	2023	2024	2025	2026 Projection	2027 Budget
DMO - Supplemental (Calendar Year)	575,000	234,085	419,458	437,090	215,608	-	-	-
HHI ATAX Grants (Calendar Year)	2,616,600	1,629,223	4,032,501	3,559,779	4,573,538	3,521,165	4,076,992	4,089,462
DMO - 30%	1,939,622	3,047,544	4,063,286	3,995,971	3,829,599	3,942,799	3,785,976	3,717,693
HHI Capital Improvements	-	-	-	722,592	14,294	1,255,105	2,945,183	5,410,921
Housing	-	-	-	-	1,100,000	1,000,000	-	619,616
Land Acquisition	-	-	-	-	2,000,000	-	-	-
Town - General Fund Tourism Services	1,695,449	1,706,394	1,695,211	2,445,211	3,515,021	3,515,021	3,500,000	3,123,078
Revenues (Fiscal Year)	6,490,407	10,183,479	13,569,288	13,344,903	12,790,329	13,167,662	12,644,919	12,417,310
End of Fiscal Year Balance	3,443,421	7,015,839	10,387,797	12,943,693	10,985,198	11,335,170	10,205,635	6,037,976

» Note: There is a two-year spending requirement for State ATAX Funds.

FY 2027 PROPOSED SPECIAL REVENUES BUDGET – USES OF ACCOMMODATIONS TAX

State Accommodations Taxes – General Fund - $3,123,078 (Town Council Policy – 20% of Revenue; State Law – the first $25k and 5% of Revenue)

- ✓ **Administration**
  - Fire Rescue
  - Community Code Enforcement
  - Police Services
  - Beach Services
  - Revenue Management Services
- ✓ **Facilities Management**
  - Roadside Maintenance
  - Pathway Maintenance
  - Public Park Maintenance
- ✓ **Community Events**
  - Annual Hilton Head Island Jam Songwriter's Festival
  - Holiday Decorations & Events

State Accommodations Taxes – Capital Improvements Program Fund - $5,410,921 (Town Council Policy – 7% of Revenue plus discretionary amount for CIP funding)

- ✓ **Pathway, Facility and Equipment Programs**
  - Pathway Enhancements
  - Facility Enhancements

State Accommodations Taxes – Housing Fund - $619,616 (Town Council Policy – 5% of Revenue)

- ✓ **Development of Workforce Housing Program**

State Accommodations Taxes – Special Revenue Fund - $7,807,155

- ✓ **ATAX Grants - $4,089,462**
- ✓ **Destination Marketing Organization - $3,717,693**

FY 2027 PROPOSED RESERVE POLICIES, FUND BALANCE & KPIs

FY 2027 PROPOSED RESERVE POLICIES

Fund	Projected Fund Balance at 06/30/2026	Current Reserve Policy	FY 2027 Proposed Minimum Reserve Policy	Year-end FY26 Projected Change	Year-end FY27 Projected Change
General Fund	57,836,280	24,217,589	50% - 55% of the Ending Fund Balance; Transfer amount above 55% to Disaster Fund	5,465,915	2,908,088
Real Estate Transfer Fee Fund	19,335,175	1,000,000	$1,000,000	-	-
Beach Preservation Fee Fund	38,623,827	20,000,000	Transfer Ending Fund Balance at Year-end with no Maximum	-	22,845,384
Hospitality Tax Fund	22,933,201	5,000,000	$5,000,000	-	-
Stormwater Utility Fund	12,891,854	5,000,000	$3,000,000	-	(2,000,000)
Stormwater Utility Fund Net Fixed Assets		-	No Minimum	-	7,090,752
Natural Disasters Fund	38,633,361	36,000,000	Transfer Ending Fund Balance at Year-end with no Maximum	-	3,745,965
Capital Improvements Fund	37,159,645	-	Town Council Designates Reserves for Economic Development during the Adoption of each Fiscal Year Budget	-	4,341,500
Total	**227,413,345**	**91,217,589**		**5,465,915**	**38,931,689**
Total Projected Restricted Fund Balance		91,217,589		96,683,504	135,615,193
Total Projected Unrestricted Fund Balance		163,598,982		158,133,066	99,325,616
Percent Restricted		36%		38%	58%
Projected Ending Fund Balance		254,816,563		254,816,563	234,940,803

FY 2027 PROPOSED RESERVE POLICIES

	Projected Fund Balance at 6/30/2026	Current Reserve Policy	Proposed Minimum Balance Policy	Projected Restricted Fund Balance at 6/30/2027	FY 2027 Proposed Reserve Policy
Operating Reserves:					
General Fund	$ 57,836,280	$ 24,217,589	**50% - 55%**	$ 32,591,592	50% - 55% of the Ending Fund Balance; Transfer amount above 55% to Disaster Fund
Housing Fund	2,865,792	-	-	-	No Minimum Balance
GGHNCDC Fund	4,074,501	-	-	-	No Minimum Balance
Stormwater	12,891,854	5,000,000	**3,000,000**	10,090,752	One year operating expenditures and net assets
Subtotal Operating Reserves	**$ 77,668,427**	**$ 29,217,589**		**$ 42,682,344**	
Capital Reserves:					
Capital Projects	$ 37,159,645	$ -	-	$ 4,341,500	Town Council Designates Reserves for Economic Development during the Adoption of each Fiscal Year Budget
Subtotal Capital Reserves	**$ 37,159,645**	**$ -**		**$ 4,341,500**	
Special Purpose Reserves:					
TIF	$ 1,506,637	$ -	-	$ -	No Minimum Balance
State ATAX	10,205,635	-	-	-	No Minimum Balance
Real Estate Transfer Fee	19,335,175	1,000,000	**1,000,000**	1,000,000	Keep Current Policy
Beach Preservation Fee	38,623,827	20,000,000	**Ending Fund Bal.**	42,845,384	Transfer Ending Fund Balance at Year-end with no Maximum
Hospitality Tax	22,933,201	5,000,000	**5,000,000**	5,000,000	Keep Current Policy
Road Usage Fee	832,328	-	-	-	No Minimum Balance
Palmetto Electric Franchise Fee	3,641,983	-	-	-	No Minimum Balance
Short-Term Rental Fee	876,611	-	-	-	No Minimum Balance
Debt Service	2,951,753	-	-	-	No Minimum Balance
Natural Disasters	38,633,361	36,000,000	**Ending Fund Bal.**	39,745,965	Transfer Ending Fund Balance at Year-end with no Maximum
Operating Grants	363,151	-	-	-	No Minimum Balance
Fire Truck Lease Proceeds	84,828	-	-	-	No Minimum Balance
Subtotal Special Purpose Reserves	**$ 139,988,491**	**$ 62,000,000**		**$ 88,591,349**	
Total Reserves:	**$ 254,816,564**	**$ 91,217,589**		**$ 135,615,193**	

FY 2027 FUND BALANCE OVERVIEW

2027 Total Town Budget	
Total Operating Revenue	125,544,443
Transfers In	72,592,815
Use of Fund Balance	35,147,460
Total Revenue	**233,284,719**
Total Operating Expense	145,420,206
Transfers Out	72,592,815
Fund Balance Surplus	15,271,698
Total Expense	**233,284,719**
Net Fund Balance Use	**(19,875,761)**

FY 2027 FUND BALANCE WALK

	SIX MAJOR FUNDS						NEW FUND	CONSOLIDATED
	GENERAL	DEBT SERVICE	STORMWATER	CAPITAL	GULLAH GEECHEE CDC	WORKFORCE HOUSING	SPECIAL REVENUE	TOTAL
BEGINNING FUND BALANCE	**$ 57,836,281**	**$ 2,951,754**	**$ 12,891,855**	**$ 37,159,646**	**$ 4,074,502**	**$ 2,865,793**	**$ 137,036,740**	**$ 254,816,571**
REVENUE	$ 51,040,924	$ 6,819,500	$ 5,908,561	$ 2,495,810	$ 212,500	$ -	$ 59,067,148	$ 125,544,443
EXPENSE	64,177,563	11,513,988	3,002,748	53,967,547	1,694,756	2,591,882	8,471,719	145,420,204
TRANSFERS IN	16,611,626	4,484,733	-	50,309,942	359,026	619,616	207,872	72,592,815
TRANSFERS OUT	566,898	-	4,580,586	-	-	-	67,445,330	72,592,815
CHANGE IN FUND BALANCE	**$ 2,908,088**	**$ (209,755)**	**$ (1,674,773)**	**$ (1,161,796)**	**$ (1,123,230)**	**$ (1,972,266)**	**$ (16,642,029)**	**$ (19,875,761)**
ENDING FUND BALANCE	**$ 60,744,369**	**$ 2,741,999**	**$ 11,217,082**	**$ 35,997,851**	**$ 2,951,272**	**$ 893,527**	**$ 120,394,711**	**$ 234,940,810**
TOWN COUNCIL PROPOSED RESERVE								
OPERATING RESERVE	$ 32,591,592	$ -	$ 3,000,000	$ -	$ -	$ -	$ 5,000,000	$ 40,591,592
NET FIXED ASSETS	-	-	7,090,752	-	-	-	-	7,090,752
ECONOMIC DEVELOPMENT	-	-	-	4,341,500	-	-	-	4,341,500
BEACH PRESERVATION	-	-	-	-	-	-	42,845,385	42,845,385
DISASTER - DEBT SERVICE	-	-	-	-	-	-	1,000,000	1,000,000
DISASTER FUND	-	-	-	-	-	-	39,745,965	39,745,965
TOWN COUNCIL PROPOSED RESERVE TOTAL	**$ 32,591,592**	**$ -**	**$ 10,090,752**	**$ 4,341,500**	**$ -**	**$ -**	**$ 88,591,349**	**$ 135,615,193**
ENDING FUND BALANCE AFTER RESERVES	**$ 28,152,777**	**$ 2,741,999**	**$ 1,126,330**	**$ 31,656,351**	**$ 2,951,272**	**$ 893,527**	**$ 31,803,361**	**$ 99,325,617**

FY 2027 FUND BALANCE WALK – SPECIAL REVENUES

	SPECIAL REVENUE	BEACH PRESERVATION FEES	HTAX FEES	FIRE TRUCK LEASE PROCEEDS	TIF TAXES	ROAD USAGE FEES	STATE ATAX FEES	REAL ESTATE TRANSFER FEES	PALMETTO ELECTRIC FEES	SHORT TERM RENTAL FEES	DISASTER FUND	TOTAL
BEGINNING FUND BALANCE	**$ 363,151**	**$ 38,623,827**	**$ 22,933,201**	**$ 84,828**	**$ 1,506,637**	**$ 832,328**	**$ 10,205,635**	**$ 19,335,175**	**$ 3,641,983**	**$ 876,611**	**$ 38,633,361**	**$ 137,036,740**
REVENUE	$ -	$ 16,622,729	$ 11,729,378	$ 4,515,172	$ -	$ -	$ 12,793,111	$ 5,471,921	$ 3,791,105	$ 3,031,129	$ 1,112,604	$ 59,067,148
EXPENSE	571,023	43,250	-	-	-	-	7,807,156	50,291	-	-	-	8,471,719
TRANSFERS IN	207,872	-	-	-	-	-	-	-	-	-	-	207,872
TRANSFERS OUT	-	12,357,922	28,730,176	4,600,000	1,506,637	832,328	9,153,614	250,000	6,408,603	3,606,050	-	67,445,330
CHANGE IN FUND BALANCE	**$ (363,151)**	**$ 4,221,557**	**$ (17,000,798)**	**$ (84,828)**	**$ (1,506,637)**	**$ (832,328)**	**$ (4,167,659)**	**$ 5,171,630**	**$ (2,617,498)**	**$ (574,921)**	**$ 1,112,604**	**$ (16,642,029)**
ENDING FUND BALANCE	**$ -**	**$ 42,845,385**	**$ 5,932,403**	**$ -**	**$ -**	**$ -**	**$ 6,037,976**	**$ 24,506,805**	**$ 1,024,485**	**$ 301,689**	**$ 39,745,965**	**$ 120,394,711**
TOWN COUNCIL PROPOSED RESERVE												
OPERATING RESERVE	$ -	$ -	$ 5,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,000,000
BEACH PRESERVATION	-	42,845,385	-	-	-	-	-	-	-	-	-	42,845,385
DISASTER - DEBT SERVICE	-	-	-	-	-	-	-	1,000,000	-	-	-	1,000,000
DISASTER FUND	-	-	-	-	-	-	-	-	-	-	39,745,965	39,745,965
TOWN COUNCIL PROPOSED RESERVE TOTAL	**$ -**	**$ 42,845,385**	**$ 5,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,000,000**	**$ -**	**$ -**	**$ 39,745,965**	**$ 88,591,349**
ENDING FUND BALANCE AFTER RESERVES	**$ -**	**$ -**	**$ 932,403**	**$ -**	**$ -**	**$ -**	**$ 6,037,976**	**$ 23,506,805**	**$ 1,024,485**	**$ 301,689**	**$ -**	**$ 31,803,361**

FY 2027 KPIs

Available Fund Balance	2025 Actual	2026 Projected	2027 Proposed Budget
General Fund Unrestricted FB	64,281,157	57,836,280	60,744,368
Current Assets SWU	8,904,258	7,882,690	6,861,123
Total	73,185,415	65,718,970	67,605,491
Less - Current Liab. SWU	4,009,795	3,079,795	3,069,795
Net	69,175,620	62,639,175	64,535,696
Revenue (recurring excludes grant income)	133,037,875	122,236,444	119,778,443
Ratio	**52%**	**51%**	**54%**
Aaa Criteria	>35%	>35%	>35%

Liquidity Ratio	2025 Actual	2026 Projected	2027 Proposed Budget
Unrestricted Cash - Govt Funds	241,606,853	241,924,717	223,723,728
Unrestricted Cash- SWU	8,888,189	5,147,896	4,126,330
Less - ST Debt Govt Fund	7,983,000	8,605,000	9,070,000
Less - ST Debt SWU	1,275,000	345,000	335,000
Net Total	241,237,042	238,122,613	218,445,058
Revenue (recurring excludes grant income)	133,037,875	122,236,444	119,778,443
Ratio	**181%**	**195%**	**182%**
Aaa Criteria	>40%	>40%	>40%

FY 2027 KPIs

LT Liabilities Ratio	2025 Actual	2026 Projected	2027 Proposed Budget
Total LT Debt - Govt (1)	72,872,930	95,619,930	81,210,000
Total LT Debt - SWU	1,975,000	680,000	355,000
Adjusted Net Pension Liability (2)	17,901,586	17,901,586	17,901,586
Adjusted OPEB Liability (2)	4,033,824	4,033,824	4,033,824
Other LT Liabilities (3)	13,187,714	12,835,417	12,500,000
Total	109,971,054	131,070,757	116,000,410
Revenue (recurring excludes grant income)	133,037,875	122,236,444	119,778,443
Ratio	83%	107%	97%
Aaa Criteria	<100%	<100%	<100%

(1) - Includes outstanding GO Bonds, Revenue Bonds, Financed Purchases (Leases) and Bond Premiums (being amortized)

(2) - Adjusted Net Pension Liability is calculated during the audit based on the previous year performance of the SC Police Officers Retirement Plan and the Town's share of any unfunded pension liability. Adjusted OPEB Liability is calculated every two years by an actuary based on the number of eligible employees and value of any plan assets. For this example, the amounts for 2026 and 2027 are the amounts reported in FY2025

(3) - Includes long term liabilities to other governments, compensated absences and subscription-based information technology agreements.

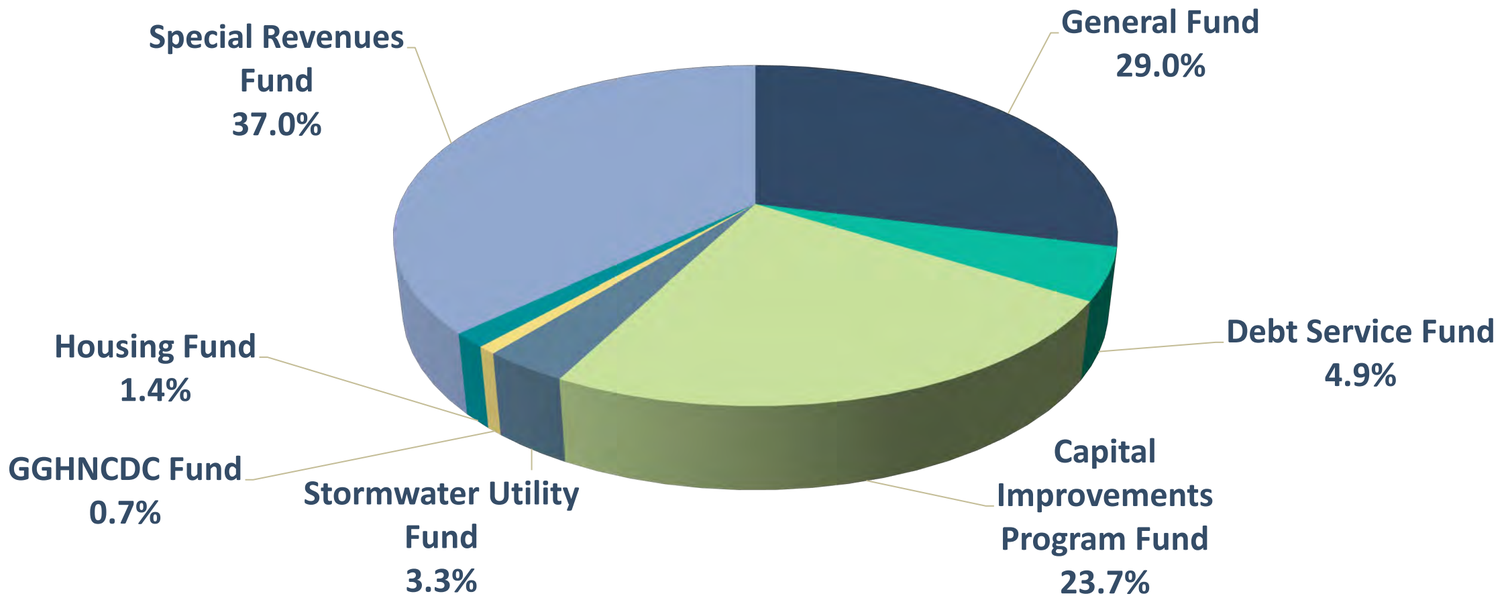
Fixed Costs Ratio	2025 Actual	2026 Projected	2027 Proposed Budget
Implied Debt Service - Govt (1)	3,507,950	4,602,943	3,909,279
Implied Debt Service - SWU (1)	98,750	32,734	17,089
Pension Tread Water Contribution (2)	2,565,310	2,565,310	2,565,310
OPEB Contribution (3)	225,101	225,101	225,101
Implied Cost Other LT Liabilities	158,442	617,870	601,724
Total	6,555,553	8,043,958	7,318,503
Revenue (recurring excludes grant income)	133,037,875	122,236,444	119,778,443
Ratio	5%	7%	6%
Aaa Criteria	<10%	<10%	<10%

(1) - Implied Debt Service takes total outstanding debt and amortizes it over a 20-year period at an average bond rates.

(2) - Pension Tread Water Contribution is based on current year funding to the pension plan

(3) - OBEP Contribution is based on current year contribution to the OPEB plan

FY 2027 PROPOSED CONSOLIDATED BUDGET – ALL FUNDS



Expenditures	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
General Fund	$ 57,822,970	$ 57,775,830	$ 59,754,870	$ 60,362,809	$ 65,387,249	**$ 67,652,550**	$ 7,289,741	12.1%
Debt Service Fund	15,820,581	15,046,492	18,864,083	31,084,281	30,960,656	**11,513,988**	(19,570,293)	-63.0%
Capital Improvements Program Fund	27,398,738	31,066,109	77,687,380	124,616,414	110,369,157	**55,205,752**	(69,410,662)	-55.7%
Stormwater Utility Fund	5,150,208	6,062,194	11,140,277	11,893,723	6,552,349	**7,583,334**	(4,310,389)	-36.2%
GGHNCDC Fund	129,142	277,025	3,286,603	3,286,603	1,718,563	**1,694,756**	(1,591,847)	-48.4%
Housing Fund	201,523	280,287	3,978,137	3,978,137	1,199,442	**3,211,498**	(766,639)	-19.3%
Special Revenues Fund	59,513,257	63,570,215	-	-	85,391,811	**86,422,841**	86,422,841	0.0%
Consolidated Budget	**$ 166,036,419**	**$ 174,078,152**	**$ 174,711,350**	**$ 235,221,967**	**$ 301,579,227**	**$ 233,284,719**	**$ (1,937,248)**	**-0.8%**

FY 2027 CONSOLIDATED BUDGET REVIEW & APPROVAL PROCESS

MAY 12

Budget Ordinance to Town Council for Public Hearing + First Reading

MAY 14

Town Council Budget Workshop:
General Fund
Debt Service Fund
GGHNCDC Fund
Housing Fund
Special Revenues Fund

MAY 19

Town Council Budget Workshop:
CIP Fund
Stormwater Fund
Consolidated Budget

JUNE 9

Budget Ordinance to Town Council for Public Hearing + Second and Final Reading

TOWN · OF · HILTON HEAD · ISLAND · SOUTH CAROLINA
PRÆSERVARE ET PROSPERARE
1663 · 1983

THANK YOU

TOWN OF HILTON HEAD ISLAND

Town Council

TO: Town Council
FROM: Trey Lowe, Interim Planning Director, Interim LMO Official
CC: Ben Brown, Interim Deputy Town Manager
Marc Orlando, ICMA-CM, Town Manager
DATE: May 12, 2026
SUBJECT: Consideration of an Ordinance to Amend Title 16 of the Municipal Code of the Town of Hilton Head Island, the Land Management Ordinance, to Amend the Overlay Zoning District Standards for the Holiday Homes Neighborhood Character Overlay District (HH-NC-O), to Include the Following Section: 16-3-106.J, to Modify and Add Standards Related to Setbacks, Buffers, Impervious Coverage, Floor Area Ratio, Parking, Building Height, and Minimum Lot Size and Provide for Severability and Effective Date – Second Reading

RECOMMENDATION:

Town staff recommends Town Council review and consider second reading of an Ordinance to Amend Title 16 of the Municipal Code of the Town of Hilton Head Island, the Land Management Ordinance, to amend the Overlay Zoning District Standards for the Holiday Homes Neighborhood Character Overlay District (HH-NC-O), to include the following section: 16-3-106.J, to Modify and Add Standards Related to Setbacks, Buffers, Impervious Coverage, Floor Area Ratio, Parking, Building Height, and Minimum Lot Size and provide for severability and effective date.

On April 7, 2026, Town Council held a public hearing at which Town staff presented first reading of an ordinance to amend Title 16 of the Municipal Code, the Land Management Ordinance, specifically to amend section 16-3-106.J, Holiday Homes Neighborhood Character Overlay District (HH-NC-O), and Town Council voted 5-1 to approve first reading of the ordinance pursuant to the pending ordinance doctrine.

BACKGROUND:

Properties within the Holiday Homes neighborhood are zoned Residential Single-Family-6 Zoning District with the Holiday Homes Neighborhood Character Overlay District. The purpose of the overlay is to provide additional zoning regulations that support the desired character of the neighborhood. These additional regulations are related to setbacks, buffers, impervious coverage, floor area ratio, parking, and minimum lot size.

In March and April of 2025, three building permits were submitted and approved for the construction of new single-family homes on Oleander Street in the Holiday Homes neighborhood. Each home complies with the standards of the Residential Single-Family - 6 Zoning District and the Holiday Homes Neighborhood Character Overlay District. Multiple residents of the neighborhood have expressed concerns with the effectiveness of the overlay to provide development outcomes that reflect the character of the neighborhood. As a result, neighborhood residents requested the Town amend the Holiday Homes Neighborhood Character Overlay District.

On December 15, 2025, the Community Development and Public Services (CDPS) Committee held a public meeting at which Town staff, along with members of the Holiday Homes community, held a discussion with the CDPS Committee seeking direction and support of a request for the Planning Commission to initiate an amendment to Title 16 of the Municipal Code, the Land Management Ordinance, specifically to amend section 16-3-106.J, Holiday Homes Neighborhood Character Overlay District (HH-NC-O), and the CDPS voted unanimously to direct staff to move the text amendment forward to the Planning Commission for their consideration.

On January 21, 2026, the Planning Commission held a public hearing at which Town staff, along with members of the Holiday Homes community, presented a request for the Planning Commission to initiate an amendment to Title 16 of the Municipal Code, the Land Management Ordinance, specifically to amend section 16-3-106.J, Holiday Homes Neighborhood Character Overlay District (HH-NC-O), and the Planning Commission voted unanimously to initiate the text amendment.

On March 18, 2026, the Planning Commission held a public hearing at which Town staff presented a text amendment to amend Title 16 of the Municipal Code, the Land Management Ordinance, specifically to amend section 16-3-106.J, Holiday Homes Neighborhood Character Overlay District (HH-NC-O), and the Planning Commission voted unanimously to recommend approval to Town Council.

SUMMARY OF AMENDMENT:

Holiday Homes neighborhood residents have requested proposed zoning amendments that more closely align with existing protective private covenants for the neighborhood that were shared with the Town on June 12, 2025. Among other items, these protective covenants, adopted in 1957, require homes to be single-family detached homes, not more than 2-1/2 stories in height, and garages shall not be for more than two cars. However, these covenants do not establish a property owners association for enforcement. As a result, enforcement is left to each individual property owner.

The following table summarizes the current requirements of the Holiday Homes Neighborhood Character Overlay compared to the proposed resident requested amendments.

Code Requirement	Current	Resident Proposal	Change Proposed
Setbacks			
Rear	10 ft	10 ft	No
Side	10 ft[a,b]	10 ft[a]	Yes
Side Angles	20 ft[c] / 65 Degrees	20 ft[c] / 65 Degrees	No
Street	20 ft[d]	20 ft[d]	No
Folly Field Road	20 ft	20 ft	No
Buffers			
Street	20[d]	20[d]	No
Driveway Width (Total)	24 ft	22 ft	Yes
Folly Field Road	20 ft	20 ft	No
Max Impervious Coverage	50%	45%	Yes
Floor Area Ratio (FAR)	0.45	0.45	No
Max Gross Floor Area (GFA)	4,000 sq ft[e,f,g]	3,200 sq ft[e,g]	Yes
Parking			
First 2,000 sq ft GFA	2 spaces	2 spaces	No
Each Additional 1,000 sq ft GFA	1 space	1 space	No
Garage Parking	n/a	Max 2 spaces	Yes
Min Lot Size	7,260 sq ft[h]	7,260 sq ft[h]	No
Max Height	35 feet[i]	30 feet	Yes
Max Stories	n/a	2-1/2 stories	Yes

a. May be reduced to 5 feet to preserve trees, sum must total 20 feet.

b. A lot with less than 50 feet of street frontage or less than 0.15 acres in area shall be permitted to reduce side yard setbacks to a minimum of 5 feet.

c. Measured 20 feet above 13 feet above mean sea level using the NAVD 88 vertical datum or pre-development grade, whichever is higher, at the setback line

d. In the case of a corner lot, the required 20 feet adjacent street setback may be reduced to 10 feet for the street with the lower average daily trips (ADT)

e. The gross floor area shall be calculated as all enclosed space with a ceiling height of seven feet or greater with the exclusions noted in f and g.

f. Enclosed areas, where the floor level is located below the required base flood elevation (BFE), which are used solely for parking or storage are excluded from gross floor area.

g. Attic space as defined by the latest adopted edition of the IBC are excluded from gross floor area.

h. For the subdivision or recombination of any lot shown on a plat recorded prior to July 21, 1998.

i. Established in the RSF-6 Zoning District.

As requested, these amendments attempt to provide new and more restrictive land management regulations to better control the mass and scale of homes in accordance with the protective covenants. It is important to note that reductions in requirements, such as those proposed by this request, can result in existing homes not being compliant and becoming non-conforming to the regulations. Town staff have preliminarily identified the following impacts that may result from the proposed amendment.

1. *Side Setback*. No lots have less than 50 feet of street frontage or less than 0.15 acres of area. As a result, there would be no impact from the removal of this exception.

2. *Driveway Buffer Width*. Town staff have attempted to measure driveway buffer widths using aerial images. While this effort is significantly limited by tree canopy coverage limits, there is at least one driveway that will become non-conforming by the reduction in driveway buffer width.

3. *Impervious Coverage*. Based on available GIS data, there are approximately 14 properties that do not comply with the current 50% maximum impervious coverage amount. Reducing maximum impervious coverage to 45%, increases non-conforming properties to 21.

4. *Floor Area Ratio*. Currently all homes meet the floor area ratio. The proposed amendment would eliminate the exclusion of enclosed areas located below the base flood elevation used for parking or storage from the gross floor area calculation. If applicable, this change would increase the floor area ratio potentially making the home non-compliant. Given the age of the neighborhood, permit and elevation data are not available for many homes. However, based on GIS data, nearly all homes within the neighborhood appear to be below the base flood elevation, 13 feet mean sea level. This amendment could result in some homes becoming non-compliant with the floor area ratio.

5. *Maximum Gross Floor Area*. Currently all homes meet the maximum gross floor area ratio. According to County Assessor and building permit gross floor area data, the reduction of the maximum area from 4,000 to 3,200 would result in at least one home becoming non-compliant. The removal of the exclusion for enclosed areas located below the base flood elevation used for parking or storage would result in approximately 7 homes becoming non-compliant. Further, those homes with areas near the 3,200 square feet threshold would be limited in their ability to expand in the future.

6. *Garage Parking*. Although this is a private covenant restriction, this would be a new zoning requirement. Establishing a maximum number of 2 garage spaces would result in at least 3 homes becoming non-compliant.

7. *Maximum Building Height*. Based on available data, all homes appear to meet the maximum height requirement of 35 feet. However, it appears at least 6 homes will become non-compliant if the maximum building height were reduced to 30 feet.

8. *Maximum Number of Stories*. Although this is a private covenant restriction, this would be a new zoning requirement. Establishing a maximum number of 2-1/2 stories would result in 6 homes becoming non-compliant.

Any amendment to the Holiday Homes Neighborhood Character Overlay will apply to all lots in the neighborhood. The residents that have been in contact with Town Staff have coordinated with other property owners in the neighborhood. These residents have worked to communicate these changes to all 57 property owners, and they have collected signatures of support for the currently proposed amendments that include a majority (currently 42) of the property owners.

TOWN COUNCIL ACTION:

LMO Sec.16-2-103.B.2.e states that the Town Council shall review the application, staff report, and Planning Commission recommendation, and make a final decision on the application. If the applicant proposes a change or departure from the text amendment that is different than what was reviewed by Planning Commission the change or departure shall first be submitted to the Planning Commission for review and recommendation in accordance with State law. The Town Council's decision shall be one of the following:

1. Adopt an ordinance approving the Text Amendment; or
2. Adopt a resolution denying the Text Amendment.

If the applicant proposes a change or departure from the text amendment that is different from what was reviewed by the Planning Commission, the application shall be remanded to the Planning Commission for review, and a recommendation on the proposed changes and departures. The Planning Commission shall deliver its recommendation on the proposed changes and departures to the Town Council within 30 days after the remand; if the Planning Commission fails to do so, it is deemed to have recommended approval of the proposed changes and departures.

ATTACHMENTS:

1. Ordinance
2. Holiday Homes Neighborhood Location Map
3. Land Management Ordinance Section 16-3-106.J. Holiday Homes Neighborhood Character Overlay (HH-NC-O) District
4. Holiday Homes Protective Covenants
5. Neighborhood Character Images
6. HH-NC-O District Proposed Amendment

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

ORDINANCE NO.: 2026-_____

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND TO AMEND TITLE 16 OF THE MUNICIPAL CODE, THE LAND MANAGEMENT ORDINANCE SECTION 16-3-106.J, HOLIDAY HOMES NEIGHBORHOOD CHARACTER OVERLAY DISTRICT (HH-NC-O), TO MODIFY AND ADD STANDARDS RELATED TO SETBACKS, BUFFERS, IMPERVIOUS COVERAGE, FLOOR AREA RATIO, PARKING, BUILDING HEIGHT, AND MINIMUM LOT SIZE, AND TO PROVIDE FOR SEVERABILITY AND EFFECTIVE DATE.

BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AND IT IS HEREBY ORDERED AND ORDAINED UNDER THE AUTHORITY OF THE TOWN COUNCIL AS FOLLOWS:

Section 1. Findings and Determinations:

1. The Town Council for the Town of Hilton Head Island, South Carolina (herein, the "Town Council"), has identified a continued need for the adoption of Amendments to the Land Management Ordinance to address needs and issues in the Town as such are identified.

2. The Town Council finds that properties within the Holiday Homes neighborhood are zoned Residential Single-Family-6 (RSF-6) with the Holiday Homes Neighborhood Character Overlay District (HH-NC-O), the purpose of which is to provide additional zoning regulations that support the desired character of the neighborhood, including standards related to setbacks, buffers, impervious coverage, floor area ratio, parking, building height, and minimum lot size.

3. The Town Council finds that recent development activity within the Holiday Homes neighborhood has identified issues regarding the effectiveness of the existing standards in the Holiday Homes Character Overlay District (HH-NC-O) in maintaining the established character and scale of development within the Holiday Homes neighborhood.

4. The Town Council finds amendments to the Holiday Homes Character Overlay District (HH-NC-O) are needed to better align the Land Management Ordinance with long-standing neighborhood development patterns, neighborhood character and existing covenants and restrictions in the Holiday Homes neighborhood.

5. The Town Council finds that the proposed amendments to Section 16-3-106.J of the Land Management Ordinance, including modifications to maximum gross floor area, impervious coverage, building height, number of stories, and garage parking limitations, are intended to provide more consistent and predictable development outcomes that are consistent with and promote the historic character of the Holiday Homes neighborhood.

6. On January 21, 2026, the Planning Commission held a public hearing and held a public and received a request to and voted unanimously to initiate a text amendment to Sec. 16-3-106.J of the Land Management Ordinance.

7. On March 18, 2026, the Planning Commission held a Public Hearing to consider the proposed amendment to Sec. 16-3-106.J of the Land Management Ordinance a copy of which is attached hereto as Exhibit "A" (herein, the "Proposed Amendments").

8. At the Planning Commission's March 18, 2026, Public Hearing, the public had an opportunity to comment on the Proposed Amendments, and the Planning Commission voted unanimously to recommend that Town Council approve the Proposed Amendments.

9. The Town Council finds it is in the best interest of the Town and the health, safety, and welfare of its citizens, residents, visitors. property owners and business owners to amend the Land Management Ordinance by amending Sec. 16-3-106.J of the Land Management Ordinance as described on Exhibit "A" to this Ordinance.

Section 2. Amendment Sec. 16-3-106.J of the Land Management Ordinance is amended as shown on Exhibit "A" to this Ordinance. Newly added language is illustrated with double underline, and deleted language is illustrated with a ~~strikethrough~~.

Section 3. 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 4. Effective Date This Ordinance shall be effective upon its adoption by the Town Council of the Town of Hilton Head Island, South Carolina.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS _____ DAY OF_____, 2026.

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

_____
Alan R. Perry, Mayor

ATTEST:

_____
Kimberly Gammon, Town Clerk

APPROVED AS TO FORM:

_____

Curtis L. Coltrane, Town Attorney

First Reading: _____, 2026

Second Reading: _____, 2026

Introduced by Council Member:_____

Town of Hilton Head Island

Holiday Homes Neighborhood Character Overlay

Sec.16-3-106. Overlay Zoning Districts

J. Holiday Homes Neighborhood Character Overlay (HH-NC-O) District

1. Applicability and Purpose

The purpose of the Holiday Homes Neighborhood Character Overlay (HH-NC-O) District is to protect the ***single-family*** residential character of the district and in particular the ***development*** and redevelopment of ***lots*** within the district. All new ***development*** and changes to existing ***development*** are subject to the overlay district regulations, in addition to those listed in Sec. 16-3-104.D, Residential Single-Family-6 (RSF-6) District. Existing ***nonconforming structures*** and site features may be expanded as long as the site complies with the required floor area ratio (FAR) and maximum ***impervious cover*** listed in paragraph 3 below.

2. Approval

Compliance with these regulations shall be determined by the ***Official*** at the time the ***Building Permit*** is reviewed and shall be based upon the standards of Sec. 16-3-104.D, Residential Single-Family-6 (RSF-6) District.

3. Delineation of District

The Holiday Homes Neighborhood Character Overlay (HH-NC-O) District includes all ***parcels*** shown as hatched in Figure 16-3-106.J.3 below.

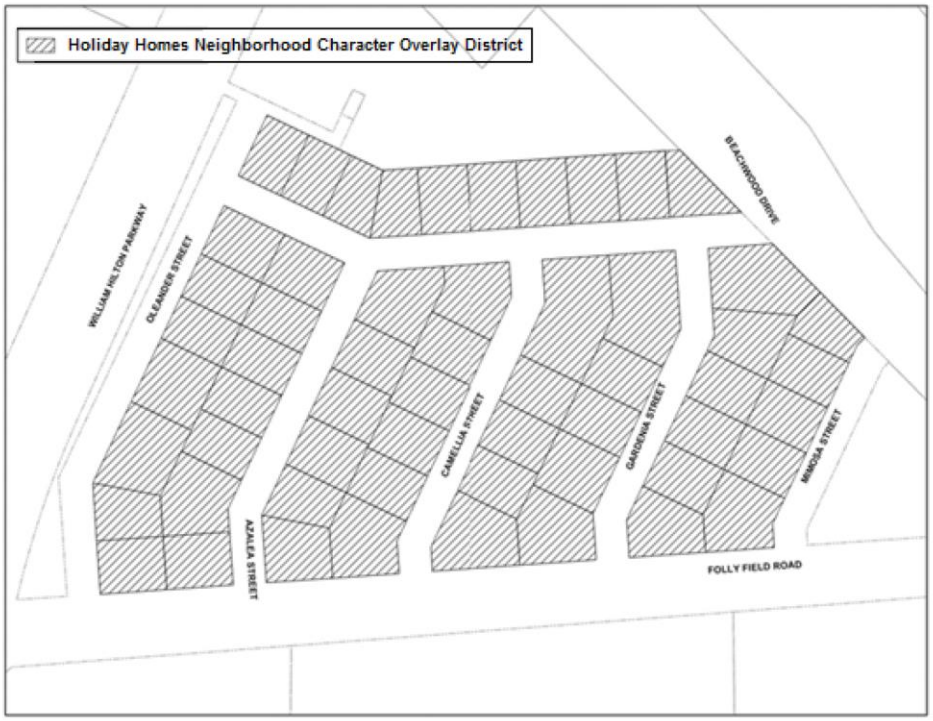


Figure 16-3-106.J.3: Holiday Homes Neighborhood Character Overlay (HH-NC-O) District.

4. District Regulations

a. Setbacks

In addition to the ***single-family*** setback requirements of Sec. 16-5-102, Setback Standards, the following setbacks shall be required:

i. Rear yard setbacks shall be a minimum of ten feet.

ii. Side yard setbacks shall be a minimum of ten feet; however, to preserve existing ***trees***, any one side yard setback may be reduced to five feet provided the sum of the required side yard setbacks equals at least 20 feet.

01. A ***lot*** with less than 50 feet of ***street frontage*** or less than 0.15 acres in area shall be permitted to reduce side yard setbacks to a minimum of five feet.

02. Dwelling units that are nonconforming as to the side yard setbacks identified above are permitted to be expanded along the subject boundary line; however, ***expansions*** shall be constructed no closer than five feet from the side property line.

03. Side yard setback angles shall be a minimum of 65 degrees measured from 20 feet above thirteen feet (13') above mean sea level using the NAVD 88 vertical datum or ***pre-development grade***, whichever is higher, at the setback line. The illustration in Sec. 16-5-102.D, Adjacent Use Setback Requirements, can be referenced for an example of a setback angle.

iii. In the case of a ***corner lot***, the required 20-foot adjacent street setback may be reduced to ten feet for the ***street*** with the lower average daily trips (ADT).

iv. ***Lots*** directly ***adjacent*** to Folly Field Road shall have a minimum adjacent street setback of 20 feet.

(Revised 3-7-2023 - Ordinance 2023-04)

b. Buffers

In addition to the buffer requirements of Sec. 16-5-103, Buffer Standards,the following buffers shall be required:

i. A 20-foot street buffer and side and rear buffers equal to the setbacks above.

ii. ***Driveways*** for ***street access***, as permitted in Sec. 16-5-103.J, Development Within Required Buffers,shall be limited to a total width of 24 feet per ***lot***.

iii. In the case of a ***corner lot***, the required 20-foot adjacent street buffer may be reduced to ten feet for the ***street*** with the lower average daily trips (ADT).

iv. ***Lots*** directly ***adjacent*** to Folly Field Road shall have a minimum adjacent street buffer of 20 feet.

c. Impervious Coverage

Impervious cover of the ***lot*** shall not exceed 50 percent.

d. Floor Area Ratio

The maximum ***gross floor area*** is limited to 0.45 times the area of the ***lot*** containing the ***single-family dwelling***, up to a maximum of 4,000 square feet. The ***gross floor area*** shall be calculated as all enclosed space with a ceiling height of seven feet or greater with the following exclusions:

i. Enclosed areas, where the floor level is located below the required ***base flood elevation*** (BFE), which are used solely for parking or storage.

ii. Attic space as defined by the latest adopted edition of the IBC.

e. Parking

Two parking spaces are required for up to 2,000 square feet of ***gross floor area***. Thereafter, one additional space shall be required for each 1,000 square feet or less of ***gross floor area***.

f. Minimum Lot Size

The ***subdivision*** or recombination of any ***lot*** shown on a plat recorded prior to July 21, 1998, shall not result in any ***lot*** having a gross area of less than 7,260 square feet.

(82)

HOLIDAY HOMES) STATE OF SOUTH CAROLINA) COUNTY OF BEAUFORT) WHEREAS, Holiday Homes is a corporation
TO: PROTECTIVE COVENANTS) orgainized and existing under the laws of the State of South Carolina and is the owner of
) certain lands located on Hilton Head Island in Beaufort County, South Carolina, and
WHEREAS, heretofore by an instrument dated April 5, 1956 and recorded in the office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 78 at page 325, Block 1 of Section A of a subdivision on Hilton Head Island in Beaufort County, South Carolina, known as Holiday Homes Subdivision, was made subject to certain protective covenants and it is now the desire of Holiday Homes to make the remaining portion of said section A of Holiday Homes Subdivision subject to the same restrictions and protective covenants., NOW THEREFORE, Holiday Homes, a corporation as aforesaid, does hereby declare that all of Section A of a subdivision on Hilton Head Island in Beaufort County, South Carolina known as Holiday Homes Subdivision as shown on a plat recorded in the office of the Clerk of Court for Beaufort County, South Carolina on March 5, 1956 in Plat Book 10 at page 18, shall be subject to the following restrictions and protective covenants, to-wit: In addition to lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 which are included in Block 1 of Section A referred to above, the remaining numbered lots in said Section A numbered 16 through 45 inclusive and 51 through 63 inclusive shall be subject to the following restrictions and protective covenants.

1. All lots in said subdivision shall be used for residential purposes exclusively. No structure shall be erected, altered, placed or permitted to remain on any lot, other than (1) detached single family dwelling not to exceed two and one half ($2\frac{1}{2}$) stories in height and a privated garage for not more than two cars (which may include servant' quarters) and other outbuildings incident to the use of one single family unit.

2. No building shall be erected, placed or altered on any lot in this subdivision until the building plans, specifications, and plot plan showing the location of such building, have been approved in writing by HOLIDAY HOMES, its agents, seccuessors, or assigns.

3. No. building shall be located on any lot nearer than twenty (20) feet to the front line, nor nearer than ten (10) feet to any side streetline, nor nearer than (5) feet to any lot line.

4. No dwelling shall be permitted on any lot which structure shall have less than seven hundred fifty (750) feet of permanently enclosed space, exclusive of gargges.

5. HOLIDAY HOMES hereby reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the ground to erect, maintain and use electric and telephone poles, wires, cables, conduits, sewers, water mains, and other suitable equipment for the conveyance and use of electricity, telephone, gas, sewage, water or other public conveniences or utilities on, in, or over the rear five (5) feet of each lot and five (5) feet along one (1) side of said lots.

6. Prior to the occupancy of a residence on any lot in said subdivision, propertand suitable septic tank, or tanks, shall be constructed on such lot for the disposal of all sewage, and all sewage shall be emptied or discharged into such tank, or tanks.

No noxious of offensive activity shall be carried on upon any lot, nor shall anything be done therein which may be or may become an annoyance or nuisance to the neighborhood.

8. No livestock or live fowl shall be maintained on any lot without written consent of HOLIDAY HOMES, its successors or assigns.

9. No struture of a temporary character, trailer, basement, tent, shack, gargge, barn or other outbuilding shall be used on any lot at any time as a residence either temporarily or permanently.

10. No lot shall be subdivided, or its boundary lines changed except with the written consent of HOLIDAY HOMES, its successors or assigns, However, HOLIDAY HOMES hereby expressly reserves to itself, its successors and assigns, the right to subdivide (by deed or otherwise) or replat any two (20 or more lots shown on the plat of said subdivision so as to create building plot or building plots each larger in size than any one of the lots so subdivided or replatted. When such a building plot is created, the restrictions and covenants herein apply to such building plot as a unit, and as to such building plot as a unit, and as to such building plot the word "lot" as used herein, shall be construed to mean "building plot".

11. These covenants shall run with the land and shall be binging on all parties and persons claiming under them for a period of twenty-five (25) years from date after which time said covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a majortty of the then owners of said lots has been recorded, agreeing to change said covenants and restrictions in whole or in part.

12. If the parties hereto, or any of them or their heirs, successors or assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person or persons woning any real property situate in said subdivision to prosecute any lawful proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant and either to prevent him or them from doing so or to re cover damages or other dues for such violation.

13. Invalidation of any of these covenants by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

14. HOLIDAY HOMES May include in any contaract or deed hereafter amde additional covenants and restrictions that are not inconsistent with and which do not lower the standards of the covenants and restrictions set forth herein.

IN WITNESS WHEREOF, this instrument has been executed on behalf of HOLIDAY HOMES, a corporation, by its duly qualified officers this 23rd day of January, 1957. HOLIDAY HOMES (SEAL) By O. T. McIntosh, Jr., President Attest: W. S. McIntosh Witnesses: Jas. F. McIntosh Betty H. Armour.

STATE OF SOUTH CAROLINA) COUNTY OF BEAUFORT) PERSONALLY appeared before me James F. McIntosh who, on oath, says that he saw the within named HOLIDAY HOMES by O. T. McIntosh, Jr., its President sign the within Instrument, and W. S. McIntosh its Secretary attest the same, and the said corporation, by said officers, seal said instrument, and, as its act and deed, deliver the same, and that he with Betty H. Armour witnessed the execution thereof. Jas. F. McIntosh
SWORN to before me this 23rd day of January, 1957. (SEAL) Betty H. Armour (L.S.) Notary Public for Chatham County, Ga.
My Commission Expires Sept. 28, 1959.
Recorded and certified this 28th day of January, 1957. J. L. Lalyon Deputy Clerk of Court.

J. J. McNULTA, JR.) STATE OF SOUTH CAROLINA) COUNTY OF BEAUFORT) For value received, I, the undersigned, J. J.
TO: ASSIGNMENT) McNULTA, JR. of the County of Beaufort and State of South Carolina, do hereby assign, set over
J. J. McNULTA, SR.) and transfer unto J. J. McNULTA, SR. all my right, title and interest in and to that certain agreement executed and entered into by and between Loinel M. Henkle, J. J. McNulta and the undersigned J. J. McNulta, Jr., which said agreement was dated May 20, 1952 and transferred to the undersigned and J. J. McNulta, Sr. all the right, title and interest of the said Loinel M. Henkle in and to his Contract of Sale between F. M. Craddock and his wife, Doris H. Craddock of Fairfax, South Carolina and Harry E. Carr and his wife, Gladys H. Carr, of Beaufort County, South Carolina, which said original Contract was dated July 6, 1949 and provided for the sale to Loonel M. Henkle his heirs and assigns of a tract of land containing 658.7 acres, more or less loacted in Beaufort County, South Carolina.
IN WITNESS WHEREOF, I have executed this instrument this 31st day of December, 1956. J. J. McNulta, Jr. Witnesses: G. G. Dowling Kathrine W. Wilson
STATE OF SOUTH CAROLINA) COUNTY OF BEAUFORT) PERSONALLY Appeared before me Kathrine W. Wilson and made oath that she saw the within named J. J. McNulta, Jr., sign, seal and as his act and deed, deliver the within written Assignment and that she with G. G. Dowling witnessed the execution thereof. Kathrine W. Wilson SWORN to before me this 31st day of December, 1956. G. G. Dowling (L.S.) Notary Public for South Carolina.
Recorded and certified this 30th day of January, 1957. J. L. Lalyon Deputy Clerk of Court.

Examples of Existing Homes in Holiday Homes Neighborhood

New Homes Under Construction in Holiday Homes Neighborhood

Sec.16-3-106. Overlay Zoning Districts

J. Holiday Homes Neighborhood Character Overlay (HH-NC-O) District

1. Applicability and Purpose

~~The purpose of the Holiday Homes Neighborhood Character Overlay (HH-NC-O) District is to protect the ***single-family*** residential character of the district and in particular the ***development*** and redevelopment of ***lots*** within the district~~ The purpose of the Holiday Homes Neighborhood Character Overlay (HH-NC-O) District is to protect and preserve the single-family residential character of the neighborhood. The district is intended to guide the development and redevelopment of lots in a manner that maintains and enhances the area's architectural character and development intensity. All new ***development*** and changes to existing ***development*** are subject to the overlay district regulations, in addition to those listed in Sec. 16-3-104.D, Residential Single-Family-6 (RSF-6) District. Notwithstanding the requirements of Sec. 16-7-103 A, ~~E~~existing ***nonconforming structures*** and site features may be expanded as long as the site complies with the required floor area ratio (FAR) and maximum ***impervious cover*** listed in paragraph 3 below, and if the expanded component of the ***structure*** is compliant with Sec. 16-3-104.D and all requirements of Sec. 16-3-106 J.

2. Approval

Compliance with these regulations shall be determined by the ***Official*** at the time the ***Building Permit*** is reviewed and shall be based upon the standards of Sec. 16-3-104.D, Residential Single-Family-6 (RSF-6) District.

3. Delineation of District

The Holiday Homes Neighborhood Character Overlay (HH-NC-O) District includes all ***parcels*** shown as hatched in Figure 16-3-106.J.3 below.

Figure 16-3-106.J.3: Holiday Homes Neighborhood Character Overlay (HH-NC-O) District.

4. District Regulations

a. Setbacks

In addition to the ***single-family*** setback requirements of Sec. 16-5-102, Setback Standards, the following setbacks shall be required:

i. Rear yard setbacks shall be a minimum of ten feet.

ii. Side yard setbacks shall be a minimum of ten feet; however, to preserve existing ***trees***, any one side yard setback may be reduced to five feet provided the sum of the required side yard setbacks equals at least 20 feet.

~~**01.**A ***lot*** with less than 50 feet of ***street frontage*** or less than 0.15 acres in area shall be permitted to reduce side yard setbacks to a minimum of five feet.~~

0~~2~~1.Dwelling units that are nonconforming as to the side yard setbacks identified above are permitted to be expanded along the subject boundary line; however, ***expansions*** shall be constructed no closer than five feet from the side property line.

0~~3~~2.Side yard setback angles shall apply to all side yards and be a minimum of 65 degrees measured from 20 feet above thirteen feet (13') above mean sea level using the NAVD 88 vertical datum or ***pre-development grade***, whichever is higher, at the setback line. The illustration in Sec. 16-5-102.D, Adjacent Use Setback Requirements, can be referenced for an example of a setback angle.

iii. In the case of a ***corner lot***, the required 20-foot adjacent street setback may be reduced to ten feet for the ***street*** with the lower average daily trips (ADT).

iv. ***Lots*** directly ***adjacent*** to Folly Field Road shall have a minimum adjacent street setback of 20 feet.

(Revised 3-7-2023 - Ordinance 2023-04)

b. Buffers

In addition to the buffer requirements of Sec. 16-5-103, Buffer Standards, the following buffers shall be required:

i. A 20-foot street buffer and side and rear buffers equal to the setbacks above.

ii. ***Driveways*** for ***street access***, as permitted in Sec. 16-5-103.J, Development Within Required Buffers, shall be limited to a total width of ~~24~~22 feet per ***lot***. Horseshoe driveways with two connecting driveways for street access from the same lot shall be limited to a total width of 22 feet within required buffers.

iii. In the case of a ***corner lot***, the required 20-foot adjacent street buffer may be reduced to ten feet for the ***street*** with the lower average daily trips (ADT).

iv. ***Lots*** directly ***adjacent*** to Folly Field Road shall have a minimum adjacent street buffer of 20 feet.

c. Impervious Coverage

Impervious cover of the ***lot*** shall not exceed 45~~50~~ percent.

d. Floor Area Ratio

The maximum ***gross floor area*** is limited to 0.45 times the area of the ***lot*** containing the ***single-family dwelling***, up to a maximum of ~~4,000~~3,200 square feet. The ***gross floor area*** shall be calculated as all enclosed space with a ceiling height of seven feet or greater ~~with the following exclusions:~~excluding

~~i. Enclosed areas, where the floor level is located below the required ***base flood elevation*** (BFE), which are used solely for parking or storage.~~

~~ii.~~ Aattic space as defined by the latest adopted edition of the IBC.

e. Parking

Two parking spaces are required for up to 2,000 square feet of ***gross floor area***. Thereafter, one additional space shall be required for each 1,000 square feet or less of ***gross floor area***. Garages shall not be used for more than two cars.

f. Minimum Lot Size

The ***subdivision*** or recombination of any ***lot*** shown on a plat recorded prior to July 21, 1998, shall not result in any ***lot*** having a gross area of less than 7,260 square feet.

g. Maximum Height and Stories

i. ***Structures*** shall not exceed 30 feet in height in accordance with Sec. 16-10-102 C.1.

ii. ***Buildings*** shall not exceed two and one-half (2-1/2) stories in height. For the purpose of this section, a story is the portion of the building included between the surface of any floor and the surface of the floor next above it, or if there is no floor above it, then the space between the floor and the ceiling next above it. The topmost story of a building is counted as a half story when it is completely within the roof form of the building, less than 50 percent of the floor area has a clear height of more than seven and a half (7.5) feet, measured from the finished floor to the finished ceiling, and dormers do not exceed more than 25 percent of the front, rear or side building length.

TOWN OF HILTON HEAD ISLAND

TOWN COUNCIL

TO:	Mayor Alan R. Perry & Town Council Members
FROM:	Jimmy Acosta, Asset & Risk Management Director
CC:	Marc Orlando, ICMA-CM, Town Manager Curtis Coltrane, Town Attorney Ben Brown, Interim Deputy Town Manager
DATE:	May 12, 2026
SUBJECT:	Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina to Approve the Proposed Shore Beach Services Rental Locations, Product Quantities, and Service Schedules for the 2026 Beach Season, in Accordance with the Non-Exclusive Franchise Agreement Approved June 18, 2024

RECOMMENDATION:

At the February 9, 2026, Community Development and Public Services Committee meeting, staff presented the proposed 2026 beach rental locations and equipment quantities submitted by Shore Beach Services. The Committee voted 3–0 to recommend approval of the original Resolution to Town Council, which included a minor increase in equipment at the Island Club location. Following that meeting, correspondence was received from the Island Club Board regarding the proposed increase at Island Club. In response, staff coordinated with Shore Beach Services and adjusted the proposed quantities to align with 2025 levels at that location.

On March 9, 2026, the Community Development and Public Services Committee voted unanimously (3–0) to recommend approval of the amended Resolution reflecting the revised quantities, including reverting the Island Club location to 2025 equipment levels.

Accordingly, staff recommends that Town Council consider approval of the attached Resolution authorizing the 2026 beach rental locations and associated product quantities submitted by Shore Beach Services, as required by Section 5 of the Non-Exclusive Franchise Agreement approved on June 18, 2024. The Resolution (**Attachment 1**) incorporates the service schedules and maps included in this Staff Report as **Exhibit A** and Exhibit **B** for Town Council consideration and approval.

BACKGROUND:

Shore Beach Services has provided lifeguarding services since the Town's incorporation in 1983. These services have always been provided through the execution of a Non-Exclusive Franchise Agreement. Over the years, the agreement has been renegotiated, and the scope of services has varied. Shore Beach Services currently provides lifeguards, and beach rental equipment to the Town under a Franchise Agreement dated June 18, 2024, attached as **Exhibit A**.

Section 5 of the Franchise Agreement requires Shore Beach Services to submit, on or before December 1 of each year, a listing of proposed rental locations and the quantities of rental equipment to be operated during the ensuing beach season.

Pursuant to Section 5 of the Franchise Agreement, Shore Beach Services submitted six schedules identifying proposed rental locations and associated equipment quantities for the 2026 season. Overall equipment quantities remain largely consistent with the prior year, with only minor reallocations between adjacent locations, specifically Dunes House and the Hilton Resort.

There is a separate schedule for each of the five Areas of Operation, as defined in Section 4 of the Franchise Agreement, as well as a summary schedule for all franchise areas. For reference purposes, the approved product quantities for the 2026 season have been included on each of these schedules **(Exhibits B-1 through B-6)**.

AREAS OF OPERATION: *By this Franchise Agreement, the Franchisee is authorized to operate and conduct commercial activities, as defined therein and as depicted in* ***Exhibit C-1****, within the following areas:*

A*. From the northern boundary of the Westin Hotel south to the southern boundary of the designated swimming area at Driessen Beach Park. The portion of the beach extending 300 feet from either side of the center of the boardwalk at Surf Watch. The portion of the beach from the Burkes Beach access north 400 feet. The portion of the beach from the northern boundary of Palmetto Dunes to Beach Emergency Marker 96* ***(Exhibit C-2)****.*

B*. From the northern boundary of the Palmetto Dunes "Dunes House" south to the southern boundary of the Omni Resort in Palmetto Dunes* ***(Exhibit C-3)****.*

C*. From the northern boundary of Hampton Place at Palmetto Dunes south to the Southern Boundary of Shipyard Beach* ***(Exhibit C-3)****.*

D. *From the northern boundary of the Sea Crest south to the southern boundary of Alder Lane designated swim area.* ***(Exhibit C-4)****.*

E. *From Emergency Marker 39 south to the Southern Boundary of Turtle Lane Club and from Beach Emergency Marker 13 at Tower Beach Club westerly to Beach Emergency Marker 11 and easterly 300 feet.* ***(Exhibit C-5)****.*

CONCLUSION:

Town Council is requested to consider approval of a Resolution authorizing the 2026 beach rental locations and product quantities for Shore Beach Services, in accordance with the Franchise Agreement.

ATTACHMENT:

Attachment 1 Resolution Approving 2026 Shore Beach Rental Locations and Quantities

EXHIBITS:

A Approved Shore Beach Services Franchise Agreement, June 18, 2024
B-1 Service Schedule – All Areas
B-2 Service Schedule – Area A
B-3 Service Schedule – Area B
B-4 Service Schedule – Area C
B-5 Service Schedule – Area D
B-6 Service Schedule – Area E
C-1 Beach Rentals Areas of Operations
C-2 Beach Rentals Area A
C-3 Beach Rentals Area B and C
C-4 Beach Rentals Area D
C-5 Beach Rentals Area E

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, APPROVING RENTAL LOCATIONS AND PRODUCT QUANTITIES AS REQUIRED IN SECTION 5 OF THE JUNE 18, 2024, FRANCHISE AGREEMENT BY AND BETWEEN THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AND SHORE BEACH SERVICES

WHEREAS, on June 18, 2024, the Town Council for the Town of Hilton Head Island, South Carolina (herein, the "Town") adopted Ordinance 2024-11, which authorized the execution and delivery of a non-exclusive franchise agreement between the Town and Shore Beach Services, Inc. (herein, "Shore Beach"); and,

WHEREAS, on June 18, 2024, the Town and Shore Beach entered into a Franchise Agreement (herein, the "Shore Beach Franchise Agreement"); and,

WHEREAS, Article 5 of the Shore Beach Franchise Agreement requires Shore Beach to submit a listing of rental locations and quantities of products available for rent at each of the locations planned for the ensuing beach season; and,

WHEREAS, Shore Beach has submitted its proposed list of rental locations and product quantities product quantities for each location, which are attached hereto as Exhibits "A" and "B;" and,

WHEREAS, the in Ordinance 2024-11, the Town Council found that the Shore Beach Franchise Agreement is in the best interests of the public health, safety, and welfare; and,

WHEREAS, the Town Council has reviewed proposed list of rental locations and product quantities product quantities for each location submitted by Shore Beach and finds that the same is consistent with the requirements of the Shore Beach Franchise Agreement; and,

WHEREAS, the Town Council has reviewed proposed list of rental locations and product quantities product quantities for each location submitted by Shore Beach, and finds that approval of the proposed list of rental locations and product quantities for each location is in the best interest of the Town and its citizens, residents, property owners, and businesses.

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

(a) the Town Council hereby approves the Shore Beach list of rental locations and product quantities product quantities for each location, which are attached hereto as Exhibits "A" and "B."

(b) The Town Manager is authorized to take all actions necessary to manage and enforce the Shore Beach Franchise Agreement.

MOVED, APPROVED, AND ADOPTED THIS ____ DAY OF _____, 2026.

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 SHORE BEACH FRANCHISE RESOLUTION

SHORE BEACH SERVICE
2026
ALL FRANCHISE AREAS

EXHIBIT B-1

	2026						2025					
Equipment	Area A	Area B	Area C	Area D	Area E	Total	Area A	Area B	Area C	Area D	Area E	Total
Umbrellas	400	374	236	456	220	1,686	400	374	236	456	220	1,686
Chairs	858	810	482	936	474	3,560	858	810	482	936	474	3,560
Totals	1,258	1,184	718	1,392	694	5,246	1,258	1,184	718	1,392	694	5,246

SHORE BEACH SERVICE
2026
FRANCHISE AREA A
EXHIBIT B-2

	Westin		Barony		Islander's		Island Club		Folly Field		Beach & Tennis		Driessen		Surf Watch		Burkes Beach		HH Resort		Area A Totals	
Equipment	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026
Umbrellas	112	112	46	46	22	22	34	34	20	20	40	40	28	28	44	44	24	24	30	30	400	400
Chairs	256	256	110	110	44	44	72	72	40	40	80	80	56	56	92	92	48	48	60	60	858	858
Totals	368	368	156	156	66	66	106	106	60	60	120	120	84	84	136	136	72	72	90	90	1,258	1,258

SHORE BEACH SERVICE

2026

FRANCHISE AREA B

EXHIBIT B-3

	Dunes House		Hilton Resort		Villamare		Disney Resort		Captain's Walk		Omni Resort		Area B Totals	
Equipmen	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026
Umbrellas	74	80	112	106	46	46	42	42	30	30	70	70	374	374
Chairs	162	176	250	236	96	96	86	86	60	60	156	156	810	810
Totals	236	256	362	342	142	142	128	128	90	90	226	226	1,184	1,184

SHORE BEACH SERVICE

2026

FRANCHISE AREA C

EXHIBIT B-4

Services	Hampton		Barrington		Sonesta Resort		Area C Totals	
	2025	2026	2025	2026	2025	2026	2025	2026
Umbrellas/Cabanas	56	56	60	60	120	120	236	236
Chairs/Lounges	116	116	126	126	240	240	482	482
Totals	172	172	186	186	360	360	718	718

SHORE BEACH SERVICE

2026

FRANCHISE AREA D

EXHIBIT B-5

Services	Sea Crest		Breakers		Beach House		Ocean One		Shorewood		Sea Side Villas		Ocean Club Villas		Ocean Oaks		Grande Ocean		Alder Lane		Area D Totals	
	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026
Umbrellas/Cabana	64	64	70	70	92	92	20	20	32	32	36	36	16	16	46	46	68	68	12	12	456	456
Chairs/Lounges	132	132	150	150	184	184	40	40	64	64	76	76	32	32	92	92	142	142	24	24	936	936
Totals	196	196	220	220	276	276	60	60	96	96	112	112	48	48	138	138	210	210	36	36	1,392	1,392

SHORE BEACH SERVICE

2026

FRANCHISE AREA E

EXHIBIT B-6

Services	Sea Pines Beach Club		Monarch		Tower Beach		Area E Totals	
	2025	2026	2025	2026	2025	2026	2025	2026
Umbrellas/Cabanas	146	146	50	50	24	24	220	220
Chairs/Lounges	300	300	104	104	70	70	474	474
Totals	446	446	154	154	94	94	694	694

EXHIBIT “B” TO SHORE BEACH FRANCHISE RESOLUTION

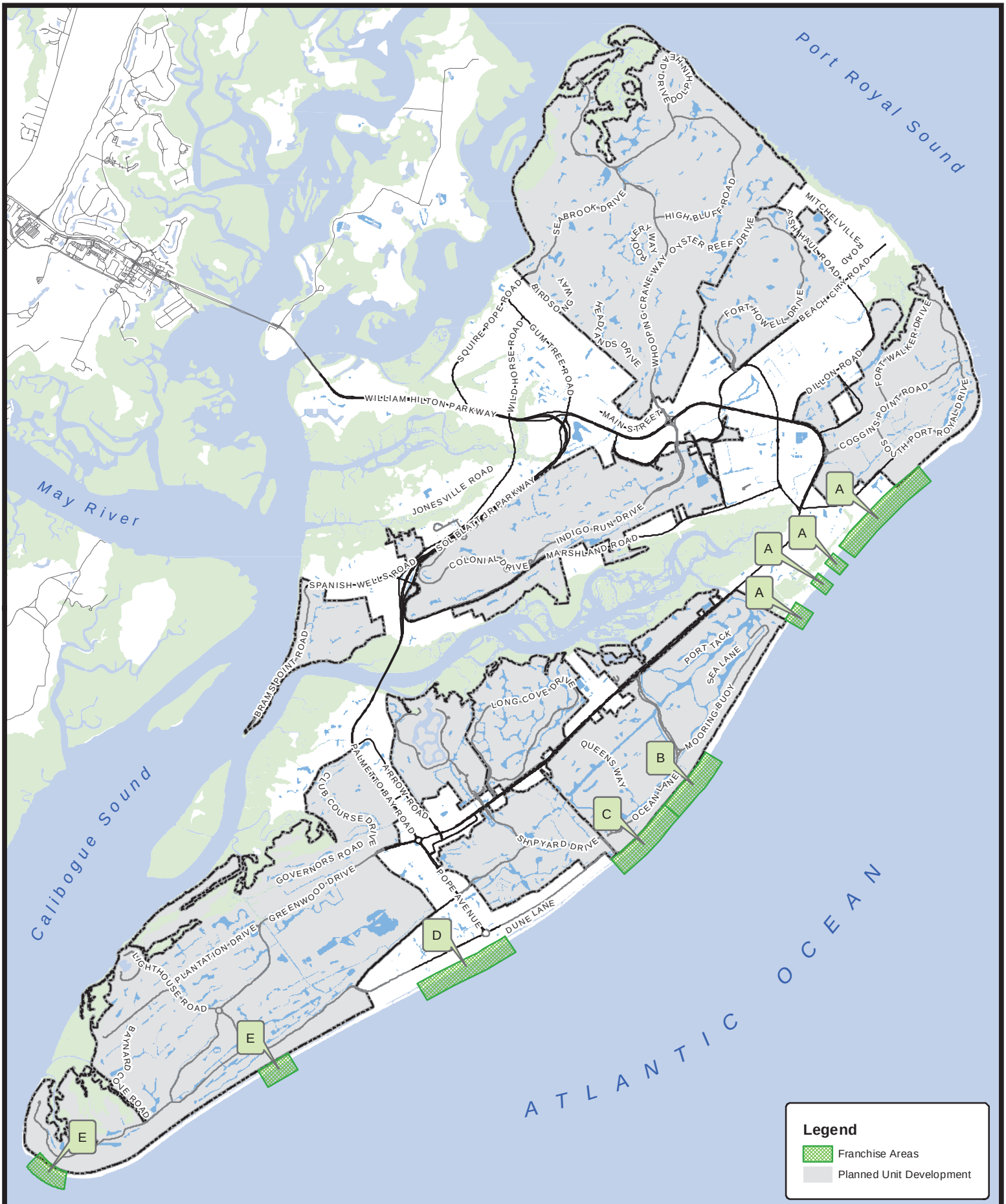


Exhibit C-1

Areas of Operation

2025

0 0.35 0.7 1.4 2.1 2.8 Miles

1 in = 1 miles

TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341- 4600

Date Created: 09/02/08

Project - I:\GIS\Projects\FacilitiesMaps\Attachment_A_AreasofOperation.mxd

N W E S

The information on this map has been compiled from a variety of sources and is intended to be used only as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island assumes no liability for its accuracy or state of completeness and any reliance on such information

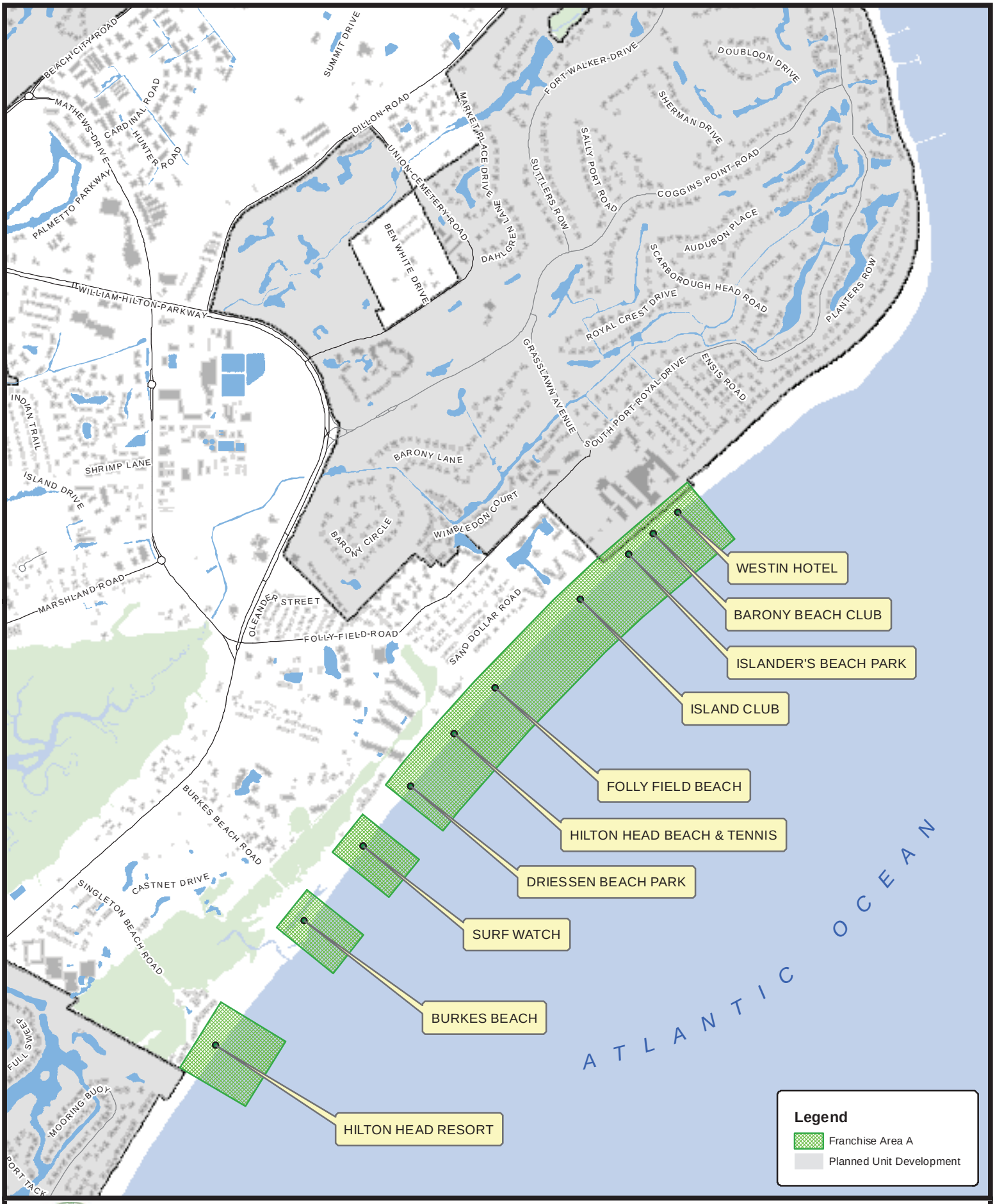


Exhibit C-2

Rental Locations - Area A

2025

0 0.1 0.2 0.4 0.6 0.8 Miles

1 inch = 1,667 feet

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Exhibit C-3

Rental Locations - Area B & C

2025

0 0.1 0.2 0.4 0.6 0.8 Miles

1 inch = 1,667 feet

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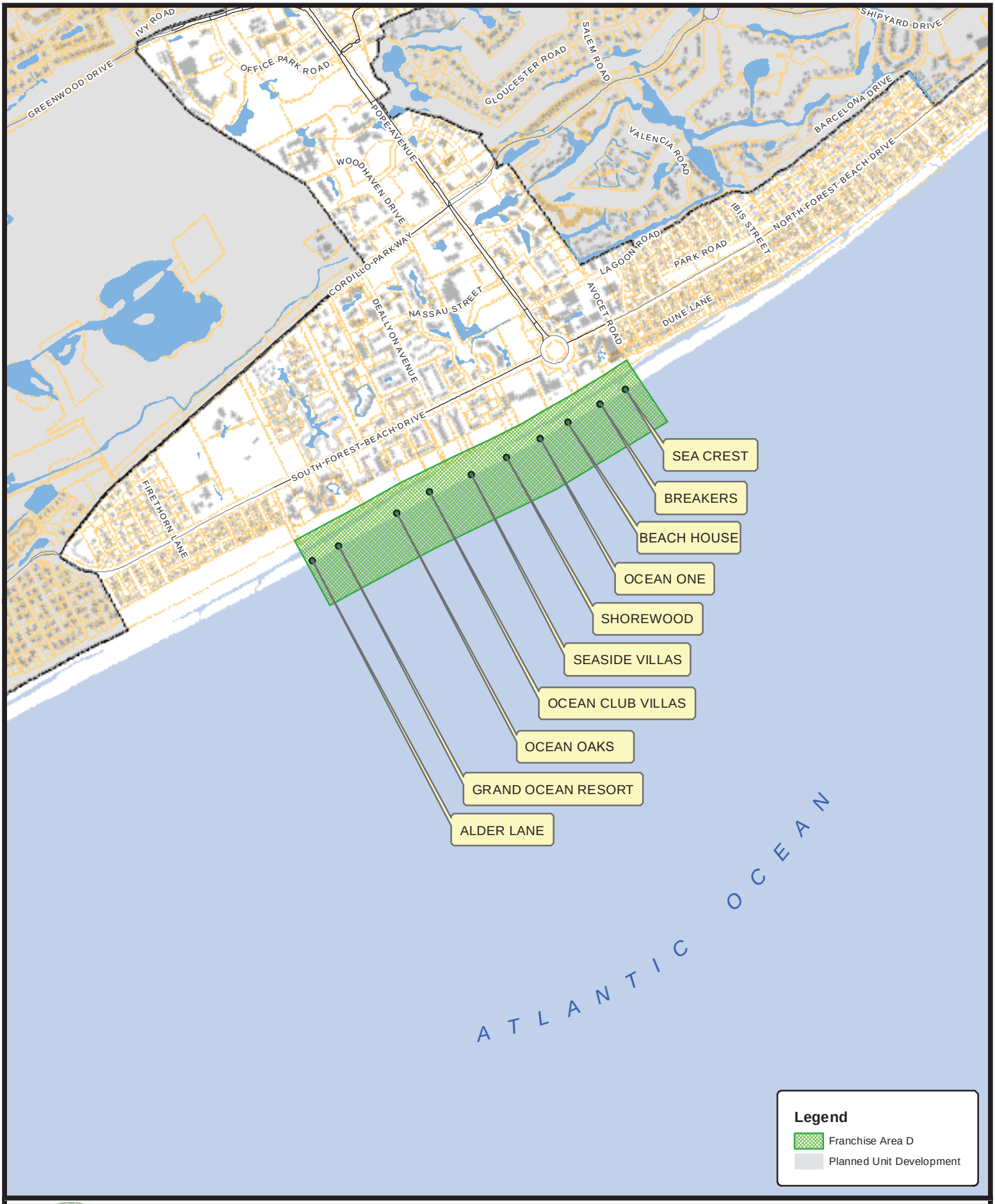

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Project - I:\GIS\Projects\FacilitiesMaps\Attachment_A_AreasofOperation.mxd

Exhibit C-4
Rental Locations - Area D

2025

0 0.1 0.2 0.4 0.6 0.8 Miles

1 inch = 1,667 feet

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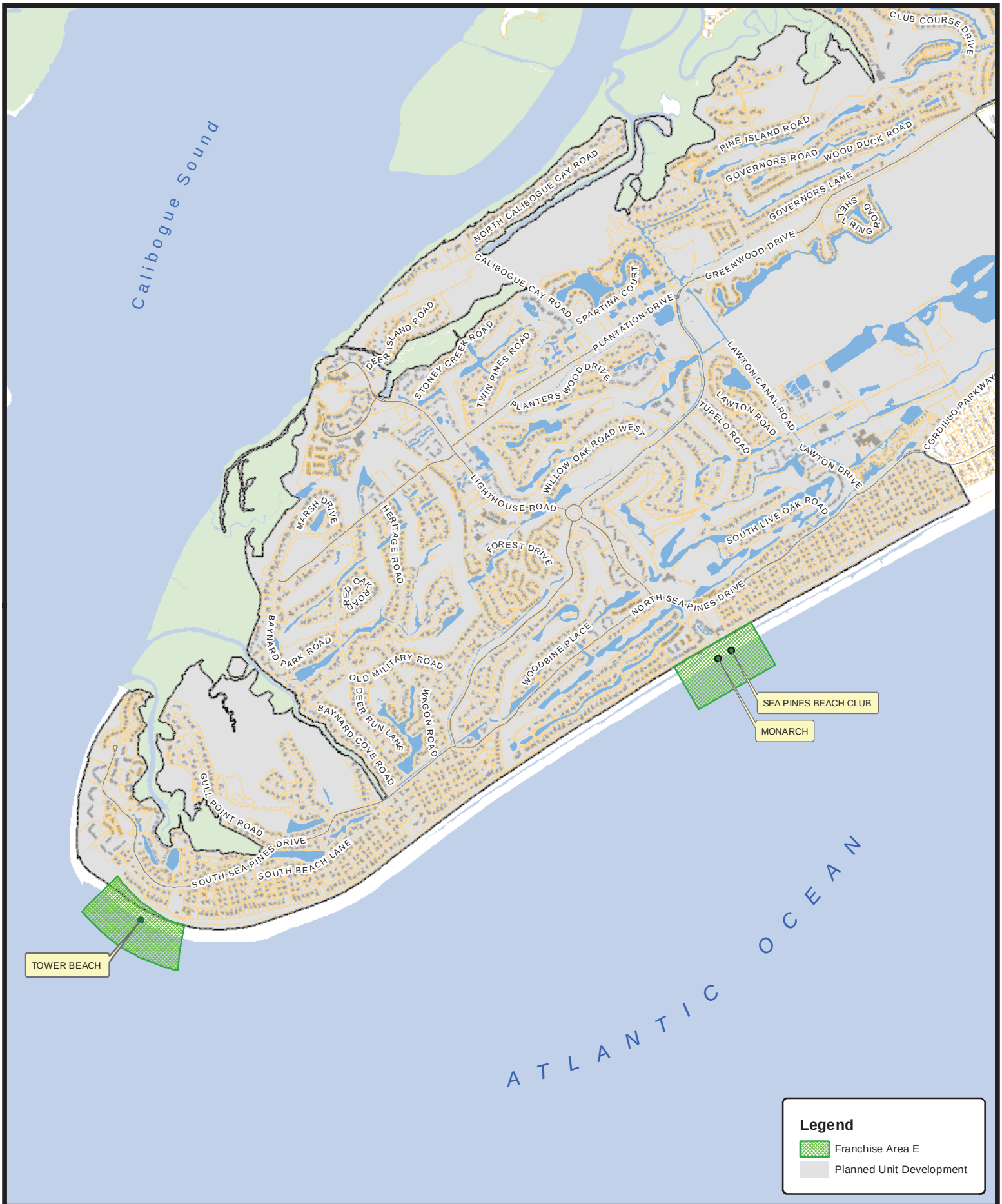

Exhibit C-5

Rental Locations - Area E

2025

0 0.15 0.3 0.6 0.9 1.2 Miles

1 inch = 2,500 feet

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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)
)
TOWN OF HILTON HEAD ISLAND)

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT is made on June 18, 2024 by and between the Town of Hilton Head Island (hereinafter the "Town"), a municipal corporation organized and existing under the laws of the State of South Carolina, and Shore Beach Services, Inc. (hereinafter called (hereinafter the "Franchisee").

WHEREAS, the Franchisee, which maintains a business office located at 116 Arrow Road, Hilton Head Island, SC 29928, desires to enter into a non-exclusive franchise agreement with the Town for the purpose of conducting, within the herein defined beach areas, certain commercial activities, specifically, the renting of items and equipment listed in Exhibit A to this Franchise Agreement.

NOW, THEREFORE, the parties hereby mutually agree as follows:

1. **TERM**: This Franchise Agreement shall be for a term of sixty-six (66) months, commencing on July 1, 2024, and expiring on December 31, 2029.

2. **HOURS OF OPERATION**: The Franchisee may conduct commercial activities (as defined herein) within the beach area from 8:00 am to 8:00 pm each day, seven (7) days per week, from May 1st to September 1st and during daylight hours for the balance of any franchise year. Setting up commercial activities may begin earlier.

3. **VEHICLES**: Permission is hereby granted from the Town to the Franchisee to bring onto the beach those vehicles which are necessary for the operation of the franchise hereby granted. No vehicles operated by the Franchisee on the beach shall be driven at a speed more than ten (10) miles per hour unless an emergency exists. There shall be no driving on the dunes and authorized vehicles must enter only at the designated beach at access points.

4. **AREAS OF OPERATION**: By this Franchise Agreement, the Franchisee is hereby authorized to operate and conduct commercial activities (as defined herein) and in **Exhibit B-1** in the following areas:

   A. From the northern boundary of the Westin Hotel south to the southern boundary of the designated swimming area at Driessen Beach Park. The portion of the beach extending 300 feet from either side of the center of the boardwalk at Surf Watch. The portion of the beach from the Burkes Beach access north 400 feet. The portion of the beach from the northern boundary of Palmetto Dunes to Beach Emergency Marker 96 **(Exhibit B-2).**

B. From the northern boundary of the Palmetto Dunes "Dunes House" south to the southern boundary of the Omni Resort in Palmetto Dunes **(Exhibit B-3).**

C. From the northern boundary of Hampton Place at Palmetto Dunes south to the Southern Boundary of Shipyard Beach **(Exhibit B-3).**

D. From the northern boundary of the Sea Crest south to southern boundary of Alder Lane designated swim area. **(Exhibit B-4)**

E. From Emergency Marker 39 south to the Southern Boundary of Turtle Lane Club and from Beach Emergency Marker 13 at Tower Beach Club westerly to Beach Emergency Marker 11 and easterly 300 feet. **(Exhibit B-5).**

The beach area in front of the Sea Pines Beach Club is private and the Franchisee shall not set up concession services in this area without the consent of the Sea Pines Resort. The plat in **Exhibit B-6** describes the property lines for the Sea Pines Beach Club.

Upon request by individuals, the Franchisee may deliver and set up rental equipment on the beach in places outside of the approved areas of operation.

5. **APPROVAL PROCESS:** On or before December 1st of each year, the Franchisee shall submit to the Town Council for approval a listing of rental locations intended to be operated within the areas of operation during the next beach season. This listing shall include the product quantities for each rental location. For purposes of the first year of this Agreement, the rental locations and product quantities shall be those that were approved by the Town in Calendar Year 2024.The purpose of this approval process is to regulate the location and quantities of rental equipment in use on the beach. Product quantities for each rental location shall not depart significantly from amounts approved during the previous year. Upon the request of the Franchisee, the Town Council may approve product quantity increases in areas of operation when circumstances such as new or expanded beach parks, other developments or changes in demand warrant such increases.

6. **CONDUCT OF OPERATION**: The Franchisee and its employees shall at all times evidence a due concern for the preservation and enhancement of the health, safety and general welfare of persons visiting the beach, and for preservation and enhancement of beach ecology, particularly by strict adherence to Article 4 of Title 8 of the Municipal Code regarding dune protection. In that regard, such employees shall assist beach patrons to be aware of and adhere to Town Beach Ordinances. Additionally, the Franchisee shall comply with all provisions of Town Code regarding activities on the beach unless otherwise addressed herein. Franchisee and its employees are prohibited from consuming alcoholic beverages while on duty during the designated hours of operation. All Franchisee

employees providing services on beach property under this Franchise Agreement shall, at no cost to the Town, be trained in first aid and cardiopulmonary resuscitation (CPR) techniques.

7. **BEACH CLEANLINESS.** Pursuant to this Franchise Agreement and Code Section 8-1-317, Code of the Town of Hilton Head Island, (1983),. each morning, prior to the commencement of operations, employees of the Franchisee shall remove from the rental locations within the areas of operation any trash, cans, glass, litter or other such debris found in such areas.

8. **FRANCHISE CONSIDERATION**:

A. Franchise Fee: During the term of the Franchise Agreement, including any renewal term, a franchise fee shall be paid by the Franchisee annually to the Town, in an amount of three percent (3%) of the Franchisee's annual gross rental receipts. Said payments shall be made no later than January 31st of each year. However, once the payment of the fee by the Franchisee shall equal the cost of the billable services reference below in Exhibit B, and charged by the Franchisee to the Town, the Franchisee shall not be required to remit any additional franchise fees beyond this amount.

All amounts paid shall be subject to audit and re-computation by the Town and acceptance of payment shall not be construed, as an accord that the amount paid is in fact the correct amount. If any audit reveals an error by the Franchisee of one percent (1%) or more during any audit period, the Franchisee shall be responsible for Town's reasonable out of pocket costs associated with audit, in addition to any additional Franchise Fee that may be due to the Town. If this Franchise Agreement expires or is terminated other than at the end of a calendar year, the Franchisee shall pay to the Town the applicable franchise fee within thirty (30) days of the end date of the Franchise Agreement. All amounts paid shall be subject to audit and recalculation by the Town and acceptance of any payment shall not be construed as acceptance that the amount paid is in fact the correct amount. The Franchisee shall not offset Franchise Fees for any amount that the Town may owe to the Franchisee under this Franchise Agreement, without the prior written approval of the Town.

The Franchisee shall provide the Town with an annual report identifying the volume and location of the beach equipment that it rents according to the areas identified in Exhibit A as well as the volume and location of equipment rentals that are provided on an on-demand basis.

The Town Manager and/or Finance Director are authorized to inspect and review the Franchisee's annual audited financial statement. If the Franchisee does not produce an annual audited financial statement, then the Town Manager and/or Finance Director

shall be authorized to inspect and review the balance sheets of the Franchisee inclusive of any profit and loss statements. Prior to viewing this information, the Town Manager and/or Finance Director may be required to execute documentation affirming that this information shall be treated as confidential in nature and will not be disclosed outside of any official business activities of the Town and will be treated as exempt from disclosure pursuant to Section 30-4-40(a)(1) of the South Carolina Freedom of Information Act.

B. Service Agreement: In addition to the Franchise Fee described in paragraph 8.A above, the Franchisee agrees to execute a sperate Services Agreement which will be attached hereto and incorporated herein by reference. The Services Agreement shall be executed contemporaneously herewith, and any breach of failure to perform by the Franchisee of its obligations under the Services Agreement shall be deemed a material breach of this Franchise Agreement.

9. **INSURANCE**: The Franchisee is required to carry and maintain Worker's Compensation insurance in statutory amounts, comprehensive general liability insurance endorsed to include product and completed operations and contractual liability in a minimum amount of $1,000,000 combined single limit and automobile liability insurance with minimum limits of $500,000/$1,000,000, or $1,000,000 combined single limit. Each policy shall provide that it may not be canceled or changed without at least ten (10) days' prior notice to the Town. The Town shall be included as an additional insured on the comprehensive general liability policy. The Franchisee shall provide the Town with a certificate of insurance as evidence of compliance with the foregoing and, upon request, a copy of all policies and any endorsements thereto. Failure to maintain these policies is grounds for termination.

10. **INDEMNIFICATION**:

A. The Franchisee shall defend, indemnify, and hold harmless the Town, its officers, directors, agents, and employees from and against any and all actions, costs, claims, losses, expenses and/or damages, including attorneys' fees, whether incurred prior to the institution of litigation, during litigation, or on appeal arising out of or resulting from the conduct of any commercial activity hereby authorized or the performance of any requirement imposed pursuant by this Franchise Agreement, including the performance of the Franchisee's obligations under the Services Agreement, however caused or occasioned, unless caused by the willful misconduct or gross negligence of the Town.

B. The Franchisee shall further indemnify the Town, its officers, directors, agents, and employees from and against any and all actions, costs, claims, losses, expenses and/or damage, including attorneys' fees, whether incurred prior to the institution of litigation, during litigation, or on appeal, for or arising out of any bodily injuries to or the death

of any of the Franchisee's employees working at the specified location of operation during the specified hours of operation which may occur, however caused or occasioned, unless caused by the willful misconduct or gross negligence of the Town.

11. **NO AGENCY CREATED**: The parties hereto intend that no master/servant, employer/employee, or principal/agent relationship will be created by this Franchise Agreement. Nothing contained herein creates any relationship between the Franchisee and the Town, other than that which is expressly stated herein. The Town is interested only in the results to be achieved through this grant of franchise and the conduct and control of the agents and employees of the Franchisee and the methods utilized by the Franchisee in fulfilling its obligations hereunder shall lie solely and exclusively with the Franchisee. The Franchisee and its agents, officers, directors, and employees shall not be considered agents or employees of the Town for any purpose. No person employed by the Franchisee shall have any benefit, status, or right of employment with the Town.

12. **ASSIGNMENT**: The Franchisee may assign or transfer its franchise to another entity or person subject to a sixty (60) day notification to the Town Manager and upon approval in writing of the Town Council.

13. **TERMINATION:** This Franchise Agreement may be terminated without cause, either in whole or in part, by either party upon one (1) year's prior written notice to the other party. The violation of any provision of this Franchise Agreement by the Franchisee and/or his agents or employees may result in termination of this Franchise Agreement, after due notice by the Town and the opportunity for the Franchisee to remedy the violation.

14. **EFFECTIVE DATE**: This Franchise Agreement shall become effective upon adoption of the Ordinance creating this Franchise.

IN WITNESS WHEREOF, the parties hereto have executed this Franchise Agreement as of the date and year first above written.

SHORE BEACH SERVICES, INC.

By: _____

Michael Wagner

Its: President

TOWN OF HILTON HEAD ISLAND

By: Marc Orlando

Marc Orlando, ICMA-CM

Its: Town Manager

EXHIBIT A
BEACH SERVICES SCOPE/SPECIFICATIONS

The following is a list of minimum products to be rented for use on the beach by the Franchisee. The quantities provided below are representative of the current level of service provided to the Town and the Franchisee is expected to maintain these levels during the term of this Franchise Agreement unless otherwise approved by the Town.

Products	Area A	Area B	Area C	Area D	Area E	Total
Umbrellas/Cabanas	**374**	**404**	**238**	**458**	**208**	**1,682**
Chairs/Lounges	**810**	**874**	**486**	**930**	**462**	**3,562**
Totals	**1,184**	**1,278**	**724**	**1,388**	**670**	**5,244**

The Franchisee shall take all appropriate and necessary steps to ensure that customers use all equipment in a safe manner.

Exhibit B-1

Areas of Operation

2018

TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341-4600

0 0.35 0.7 1.4 2.1 2.8 Miles

1 in = 1 miles

The information on the map has been compiled from a variety of sources and is intended to be used only as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island assumes no liability for its accuracy or state of completion or for any losses arising from the use of the map.

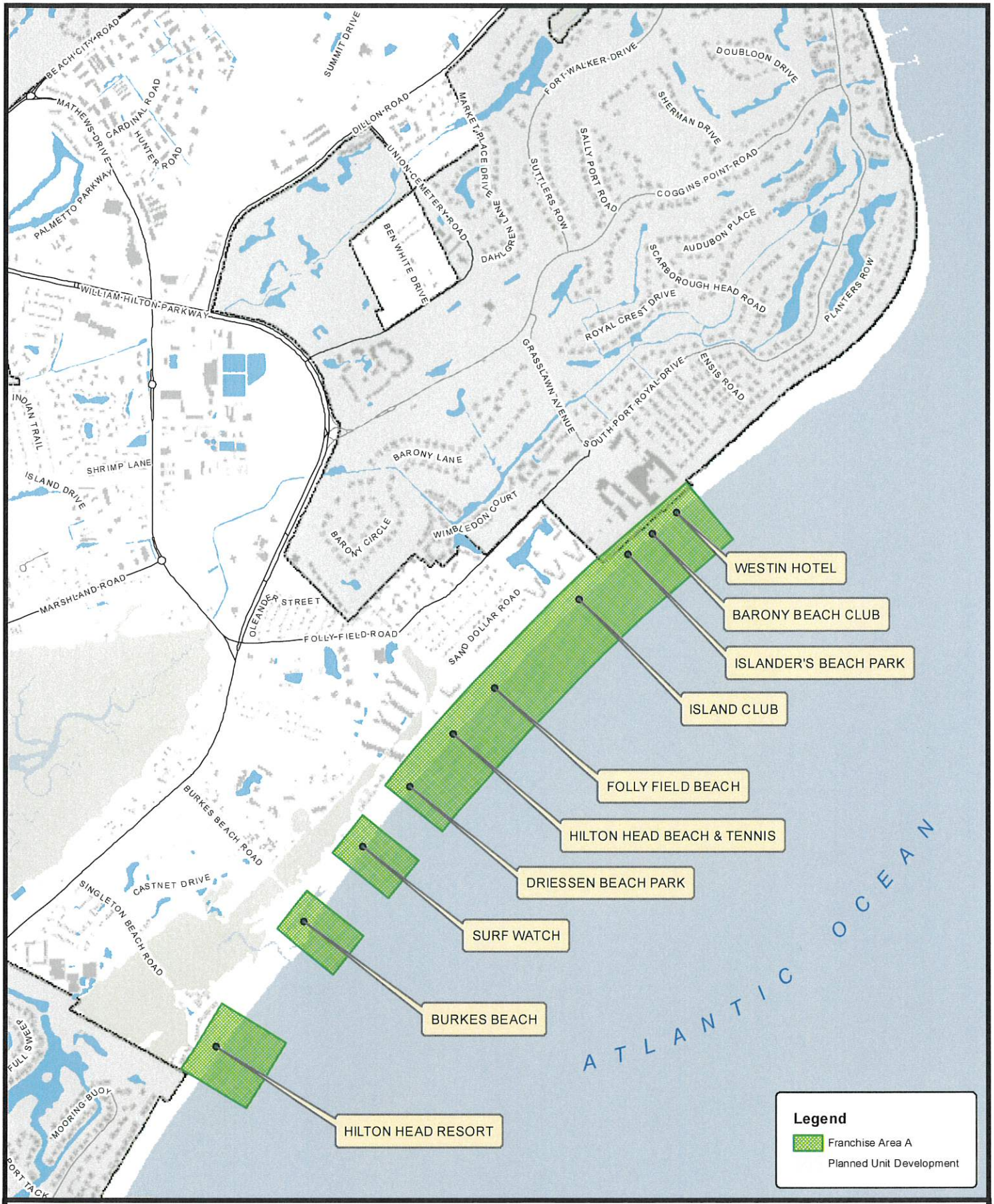


Exhibit B-2

Rental Locations - Area A

2024

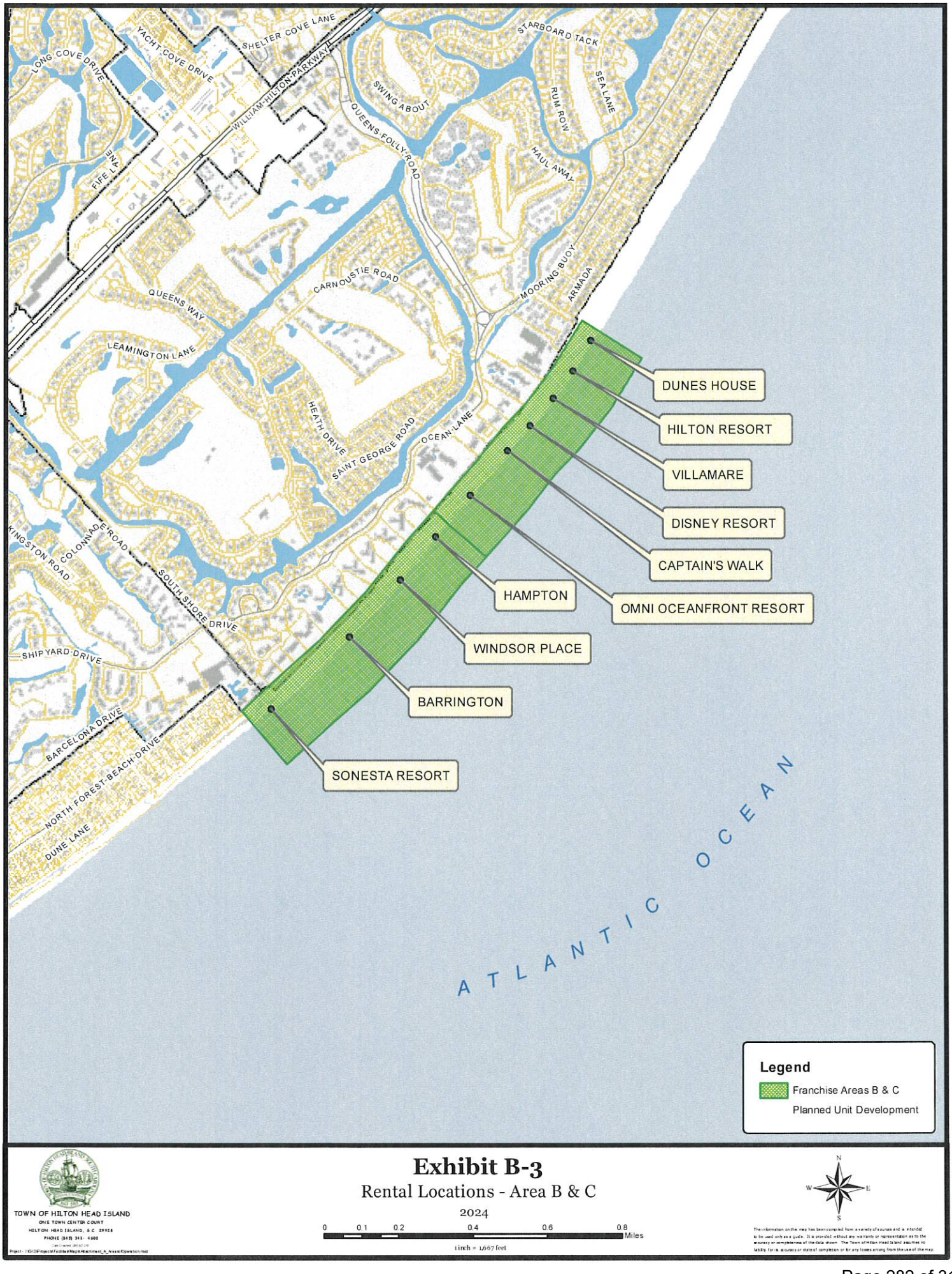
TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341-4600

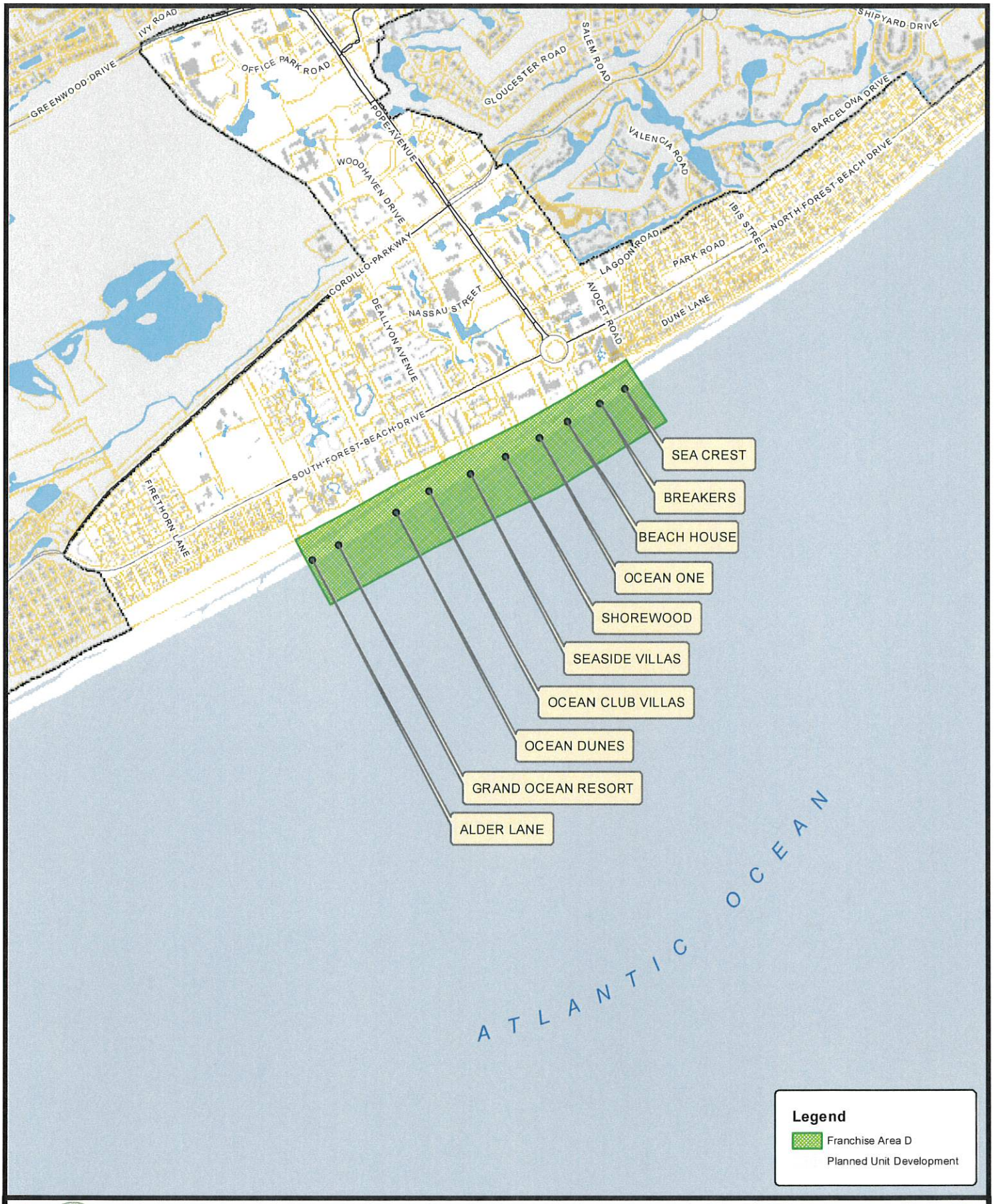
0 0.1 0.2 0.4 0.6 0.8 Miles

1 inch = 1,667 feet

N W E S

The information on this map has been compiled from a variety of sources and is intended to be used only as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island assumes no liability for its accuracy or state of completion, or for any losses arising from the use of the map.


LONG COVE DRIVE
YACHT COVE DRIVE
SHELTER COVE LANE
WILLIAM HILTON PARKWAY
FIFE LANE
SWING ABOUT
QUEENS FOLLY ROAD
STARBOARD TACK
RUM ROW
SEA LANE
HAUL AWAY
MOORING BUOY
ARMADA
CARNOUSTIE ROAD
QUEENS WAY
LEAMINGTON LANE
HEATH DRIVE
SAINT GEORGE ROAD
OCEAN LANE
KINGSTON ROAD
COLONNADE ROAD
SOUTH SHORE DRIVE
SHIP YARD DRIVE
BARCELONA DRIVE
NORTH FOREST BEACH DRIVE
DUNE LANE
DUNES HOUSE
HILTON RESORT
VILLAMARE
DISNEY RESORT
CAPTAIN'S WALK
OMNI OCEANFRONT RESORT
HAMPTON
WINDSOR PLACE
BARRINGTON
SONESTA RESORT
ATLANTIC OCEAN
Legend
Franchise Areas B & C
Planned Unit Development
TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341-4600
Exhibit B-3
Rental Locations - Area B & C
2024
0 0.1 0.2 0.4 0.6 0.8 Miles
1 inch = 1,667 feet
N
W
E
S



TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341-4600

Exhibit B-4

Rental Locations - Area D

2024

0 0.1 0.2 0.4 0.6 0.8 Miles

1 inch = 1,667 feet

N
W E
S

The information on the map has been compiled from a variety of sources and is intended to be used only as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island assumes no liability for its accuracy or state of completion or for any losses arising from the use of the map.

Exhibit B-5

Rental Locations - Area E

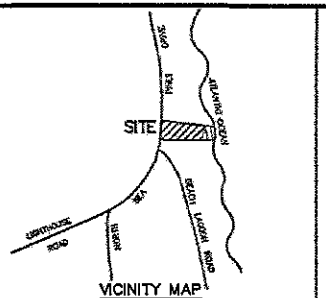
2018

0 0.15 0.3 0.6 0.9 1.2 Miles

1 inch = 2,500 feet

TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341-4600

The information on this map has been compiled from a variety of sources and is intended to be used only as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island assumes no liability for its accuracy or state of completion or for any losses arising from the use of the map.



SPECIAL NOTE

Some or all areas on this plat are flood hazard areas and have been identified as having at least a one percent chance of being flooded in any given year by rising tidal waters associated with possible hurricanes. Local regulations require that certain flood hazard measures be incorporated in the design and construction of structures in these designated areas. Reference shall be made to the development covenants and restrictions of this development and requirements of the Town Building Official. In addition, federal law requires mandatory purchase of flood insurance as a prerequisite to federally insured mortgage financing in these designated flood hazard areas.

LEGEND:

I.O.	IRON OLD, FOUND
CONC. O.	3"x3" CONCRETE MONUMENT FOUND
N.T.S.	NOT TO SCALE

I the undersigned, as the Owner of Record of parcel R550-017-00A-001A-0000, agree to the recording of this plat.

Representatives of Sea Pines Resort, LLC DATE

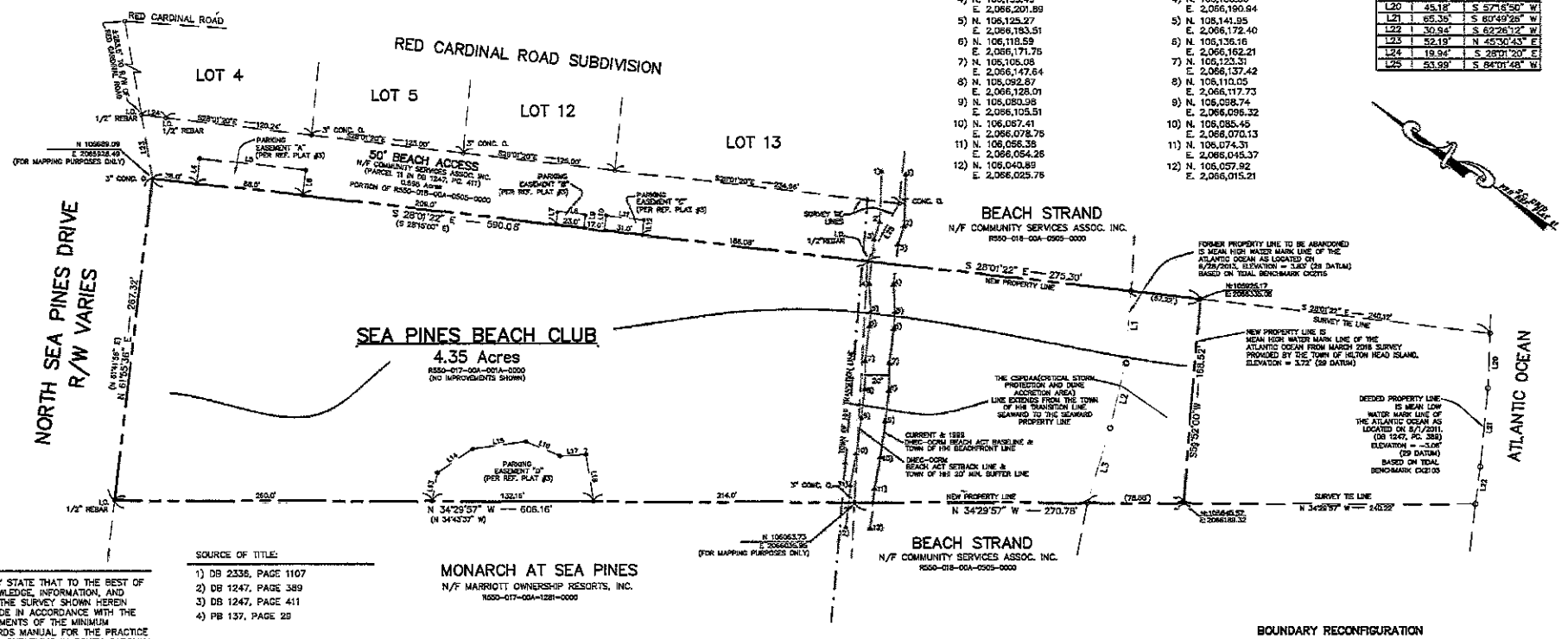
LINE TABLE		
LINE	LENGTH	BEARING
L1	58.14'	S 89°31'25" W
L2	56.06'	S 68°17'06" W
L3	54.51'	S 72°09'30" W
L4	21.00'	N 61°58'38" E
L5	88.00'	S 28°01'22" E
L6	21.00'	S 61°58'38" W
L7	11.00'	N 61°58'38" E
L8	23.00'	S 28°01'22" E
L9	11.00'	S 61°58'38" W
L10	12.00'	N 61°58'38" E
L11	31.00'	S 28°01'22" E
L12	12.00'	S 61°58'38" W
L13	23.44'	S 65°36'54" W
L14	35.14'	S 69°27'57" E
L15	44.03'	S 42°42'33" E
L16	30.47'	S 11°09'42" E
L17	21.46'	S 37°43'31" E
L18	39.15'	S 45°17'05" W
L19	(NOT USED)	
L20	45.18'	S 57°16'50" W
L21	65.35'	S 60°49'26" W
L22	30.94'	S 62°26'12" W
L23	52.19'	N 45°30'43" E
L24	19.94'	S 28°01'20" E
L25	53.99'	S 84°01'48" W

DHEC-OCRM BASELINE COORDINATES

1) N. 106,182.93 E. 2,065,282.39
2) N. 105,159.94 E. 2,066,248.51
3) N. 106,155.44 E. 2,066,231.39
4) N. 106,139.49 E. 2,066,201.89
5) N. 106,125.27 E. 2,066,183.51
6) N. 106,118.59 E. 2,066,171.75
7) N. 105,105.08 E. 2,066,147.64
8) N. 106,092.87 E. 2,066,128.01
9) N. 105,080.98 E. 2,066,105.51
10) N. 106,067.61 E. 2,066,078.75
11) N. 106,056.38 E. 2,066,054.26
12) N. 106,040.89 E. 2,066,025.76

DHEC-OCRM SETBACK LINE COORDINATES

1) N. 106,200.69 E. 2,065,273.03
2) N. 106,178.30 E. 2,066,238.10
3) N. 106,174.02 E. 2,066,223.70
4) N. 106,156.30 E. 2,066,190.94
5) N. 106,141.95 E. 2,066,172.40
6) N. 106,136.16 E. 2,066,162.21
7) N. 106,123.31 E. 2,066,137.42
8) N. 106,110.05 E. 2,066,117.73
9) N. 106,098.74 E. 2,066,096.32
10) N. 106,085.46 E. 2,066,070.13
11) N. 106,074.31 E. 2,066,045.37
12) N. 106,057.92 E. 2,066,015.21



NOTES:

1) I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREIN WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MINIMUM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN.
2) AS OF THE DATE OF THIS SURVEY THE ORIGINAL 3.20 Ac. BEACH CLUB PARCEL IS LOCATED IN ZONE A-7, A SPECIAL FLOOD HAZARD AREA AS DETERMINED BY H.U.D., PANEL 12-D, COMMUNITY NO. 450250 , MAP DATED 9/29/86 , BASE ELEVATION 14.0'.
3) BEARINGS & DISTANCES IN PARENTHESES ARE FROM REFERENCE PLAT. OTHERS ARE BASED ON S.C. GRID COORDINATES.
4) CORNERS NOT SET ON EASEMENTS.
5) FOR SAFETY REASONS, PROPERTY CORNER WERE NOT SET ON BEACH MEAN HIGH WATER MARK LINE.
6) THIS SURVEY WAS CONDUCTED WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE, THEREFORE THERE MAY BE OTHER EASEMENTS, RIGHT-OF-WAY, SETBACK LINES, AGREEMENTS, RESERVATIONS, RESTRICTIONS, OR OTHER SIMILAR MATTERS OF PUBLIC RECORD, NOT DEPICTED ON THIS SURVEY.

SOURCE OF TITLE:

1) DB 2336, PAGE 1107
2) DB 1247, PAGE 389
3) DB 1247, PAGE 411
4) PB 137, PAGE 29

REFERENCE PLATS:

1) 3.894 ACRES BEACH CLUB AND 50' BEACH ACCESS, SEA PINES PLANTATION, DATED: 11/9/87; LATEST REVISION: 1/29/91, BY: TERRY G. HATCHELL, S.C.R.L.S. NO. 11059, RECORDED: P.B. 35, PG. 71.
2) PARKING EASEMENTS A, B & C ACROSS 50' BEACH ACCESS AND PARKING EASEMENT D ADJACENT TO SEA PINES BEACH CLUB & RED CARDINAL ROAD SUBDIVISION, SEA PINES PLANTATION, BY: TERRY G. HATCHELL, S.C.R.L.S. No. 11059, DATED: 03/11/2008; LATEST REVISION: 03/17/2008. RECORDED: P.B. 124, PG. 101.
3) BOUNDARY CONSOLIDATION SURVEY OF SEA PINES BEACH CLUB, NORTH SEA PINES DRIVE, A PORTION OF SEA PINES RESORT, BY: TERRY G. HATCHELL, S.C.R.L.S. No. 11059, DATED: 07/02/2013, RECORDED: P.B. 137, PG. 29.
4) EXHIBIT PLAT OF SEA PINES BEACH CLUB SHOWING MARCH 2016 MEAN HIGH WATER LINE PREPARED FOR THE TOWN OF HILTON HEAD ISLAND, PROVIDED TO SURVEYING CONSULTANTS ON 10/30/2017. BY: CHRISTOPHER C. CREED, P.E., D.CE. OLSEN ASSOCIATES, INC.

SOUTH CAROLINA SURVEYING CONSULTANTS, INC. No.C00835 CERTIFICATE OF AUTHORIZATION

SOUTH CAROLINA REGISTERED LAND SURVEYOR 11059 TERRY G. HATCHELL

PREPARED FOR: SEA PINES COMPANY
ADDRESS: #87 NORTH SEA PINES DRIVE
TAX PARCEL I.D. No. R550-017-00A-001A-0000

GRAPHIC SCALE
0 60 120 180

BOUNDARY RECONFIGURATION
PLAT OF

SEA PINES BEACH CLUB
#87 NORTH SEA PINES DRIVE

A PORTION OF

SEA PINES RESORT

HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA

SCALE: 1" = 60' DATE: 11/21/2017 JOB NO: SC96252.L2

SURVEYING CONSULTANTS
17 Sheraton Drive, Suite C, Bluffton, SC 29910
SC Telephone: (843) 815-3304 FAX: (843) 815-3305
GA Telephone: (912) 525-2775

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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)
)
TOWN OF HILTON HEAD ISLAND)

SERVICES AGREEMENT

THIS SERVICES AGREEMENT ("Services Agreement") is made on June 18, 2024 by and between Shore Beach Services, Inc. (hereinafter called "Contractor") and the Town of Hilton Head Island (hereinafter called "Town"), a municipal corporation organized and existing under the laws of the State of South Carolina.

WHEREAS, the Town has a need for a qualified contractor to provide beach patrol services for the safety of beachgoers; and

WHEREAS, the Town and the Contractor desire to enter into an agreement wherein the Contractor shall provide such services as set forth herein below.

NOW, THEREFORE, for and in consideration of the mutual promises, undertakings and covenants set forth herein, the receipt and sufficiency of which is acknowledged and affirmed by the Town and the Contractor, the parties hereto agree as follows:

1. **Services.** The Contractor shall provide beach patrol services for the safety of beachgoers as detailed in Exhibit A, which is attached hereto and made part of this Services Agreement.

2. **Compensation**. The Town shall pay the Contractor an annual amount not to exceed two hundred and thirteen thousand seven hundred and forty-five dollars ($213,745) for Year 1 services, as further detailed in Exhibit B, which is attached hereto and made part of this Services Agreement.

   Upon request, Contractor shall be allowed to increase its annual fees on each anniversary of the contract commencement date, and such increase shall be limited to the lesser of: (i) three percent (3%) or (ii) the most recently published Consumer Price Index for All Urban Consumers (CPI-U), before seasonal adjustment, as of thirty (30) days prior to the anniversary date. Notwithstanding the foregoing, Contractor may request, and Town Council may, at its sole discretion, grant an annual increase greater than that allowed above if the Contractor can demonstrate to the sole satisfaction of the Town, evidence of specific material costs that it has incurred, which are not under Contractor's control. An example would be a

25% increase in insurance costs.

3. **Term**. The term of this Services Agreement shall be for a period of sixty-six (66) months, commencing on July 1, 2024, and expiring on December 31, 2029. Provided however, that the Contractor shall provide the Town with an annual budget proposal for its beach patrol services no later than March 1st of each year so that such information can be considered as part of the Town's annual budget adoption process. If the contractor shall fail to submit an annual fiscal year budget as provided for herein, then the compensation to be paid will be identified as the amount that was paid to the contractor during the prior fiscal year.

4. **Insurance**. The Contractor is required to carry and maintain Worker's Compensation insurance in statutory amounts, comprehensive general liability insurance endorsed to include product and completed operations and contractual liability in a minimum amount of $1,000,000 combined single limit and automobile liability insurance with minimum limits of $500,000/$1,000,000, or $1,000,000 combined single limit. The Town shall be included as an additional insured on the comprehensive general liability policy. The Contractor shall provide the Town with a certificate of insurance as evidence of compliance with the foregoing and, upon request, a copy of all policies and any endorsements thereto. Failure to maintain these policies is grounds for termination.

5. **Termination**.

5.1 The Town may terminate this Services Agreement in whole or in part at any time upon the delivery of one (1) year's advance notice for the convenience of the Town by delivery of a written notice to the Contractor of the Town's election to terminate this Services Agreement for the convenience of the Town. If this Services Agreement is terminated for the convenience of the Town, the Town will pay the Contractor only for those services rendered by the Contractor up to the date of termination, based on the existing rates of this Services Agreement, and prorated to the date of termination.

5.2 The Town may also terminate this Services Agreement if funds are not appropriated, or otherwise made available to support continuation of this Services Agreement in subsequent fiscal years. In such event, the Town shall deliver a written notice to the Contractor that this Services Agreement is terminated effective the last day of the then current fiscal year due to the lack of appropriated funds, and the Town will pay the Contractor only

through the end of the then current fiscal year at the existing rates in this Services Agreement.

6. **Validity/Enforceability**. Should any part of this Services Agreement be rendered void, invalid, or unenforceable by any court of law, such a determination shall not render void, invalid, or unenforceable any other part of this Services Agreement.

7. **Governing Law**. This Services Agreement has been made and entered into in the State of South Carolina, and the laws of South Carolina shall govern the validity and interpretation of this Services Agreement in the performance due hereunder.

8. **Modification**. This Services Agreement may not be modified unless such modification is in writing and signed by both parties.

9. **Assignment**. The Contractor may not assign this Services Agreement without the prior written approval of the Town.

10. **Indemnification**. The Contractor shall defend, indemnify, and hold harmless the Town, its officers, directors, agents, and employees from and against any and all actions, costs, claims, losses, expenses, and/or damages, including attorney's fees, whether incurred prior to the institution of litigation, during litigation, or on appeal arising out of or resulting from the conduct of any activity hereby authorized or the performance of any requirement imposed pursuant by this Services Agreement, however caused or occasioned, unless caused by the willful misconduct or gross negligence of the Town.

11. **Relationship of Parties**. The parties hereto intend that no master/servant, employer/employee, or principal/agent relationship will be created by this Services Agreement. Nothing contained herein creates any relationship between the Town and the Contractor other than that which is expressly stated herein. The Town is interested only in the results to be achieved under this Services Agreement, and the conduct and control of the agents and employees of the Contractor and the methods utilized by the Contractor in fulfilling its obligations hereunder shall lie solely and exclusively with the Contractor and its agents and employees shall not be considered agents or employees of the Town for any purpose. No person employed by the Contractor shall have any benefits, status, or right of employment with the Town.

12. **South Carolina Illegal Immigration Reform Act**. The Contractor, by signing this Services Agreement, hereby certifies that Contractor shall comply with all applicable requirements of the South Carolina Illegal Immigration Reform Act, S.C. Code Ann. §41-8-10 (2007) et seq., (the "Act"), and that Contractor covenants and agrees as follows:

12.1. Contractor shall not knowingly or intentionally employ any unauthorized alien and, unless excluded from coverage of the "Act", shall verify the work authorization of newly hired employees performing work under the Services Agreement by registering and participating in the Federal Work Authorization Program (E- verify) and verifying the work authorization of every new hired employee within three (3) business days after employing employee.

12.2. Contractor agrees to provide to the Town all documentation requested by it to establish either:

(a) the applicability of the South Carolina Illegal Immigration Reform Act to Contractor; or

(b) compliance with the South Carolina Illegal Immigration Reform Act by Contractor.

12.3. Contractor agrees to include in any contracts with its sub-contractors language requiring its sub-contractors to:

(a) comply with the applicable requirements of Title 8, Chapter 14 of the South Carolina Code of Laws; and

(b) include in their contracts with the sub-subcontractors language requiring the sub-subcontractors to comply with the applicable requirements of Title 8, Chapter 14 of the South Carolina Code of Laws.

12.4. Contractor acknowledges and agrees that it shall comply with requirements of the Immigration Reform and Control Act of 1986 including the non-discrimination provisions thereof and shall complete all required I-9 documentation for all workers employed by it.

12.5. Contractor certifies it shall comply with all state, federal, and local laws, rules, regulations, and orders applicable to it in performance of work under the contract.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures hereto the date first written hereinabove.

SHORE BEACH SERVICES, INC.

By: _____

Michael Wagner

Its: President

TOWN OF HILTON HEAD ISLAND

By: _____

Marc Orlando, ICMA-CM

Its: Town Manager

EXHIBIT A
SAFETY, BEACH, AND PERSONNEL SERVICES

I. GENERAL

Contractor shall provide services generally known as the Beach Patrol. The organization and operation of the Beach Patrol shall be the responsibility of the Contractor.

The primary purpose of the Beach Patrol is to protect the safety of beachgoers in their use of the beaches and ocean waters of the Town and to render assistance to those in need of assistance.

The Beach Patrol shall cover the area from the eastern shore of Fish Haul Creek to the southern shore of Braddock Cove. This area shall be split into four (4) patrol areas (hereinafter the "Patrol Areas") as follows:

1) Area 1 – From the eastern shore of Fish Haul Creek to Folly Creek
2) Area 2 – From Folly Creek to the southern boundary of Hampton Place
3) Area 3 – From the southern boundary of Hampton Place to the southern boundary of Ocean Club Villas
4) Area 4 – From the southern boundary of Ocean Club Villas to the southern boundary of Braddock Cove

A map of Hilton Head Island showing these areas is included as Exhibit C.

Contractor shall obtain and maintain during the term of the Services Agreement the national certification extended to open water lifeguard agencies by the United States Lifesaving Association covering such agencies' training programs and standards. The Contractor shall ensure that all Beach Patrol personnel utilized to carry out the services herein, except for those under Items E of Section II below, shall be trained in accordance with such standards and adhered thereto. Those employees will be trained in first aid and CPR.

Beach Patrol personnel must have hearing and vision which would not impede the full performance of duties and be in sound physical condition and may not have any history of illness which would interfere with the performance of their duties. The fact that a person is on medication will not alter this restriction. Each person shall be at least sixteen (16) years of age, be of good moral character, and shall abide by high standards of cleanliness, physical appearance, health, and ability. The Contractor employees providing services under this Services Agreement shall be subject to a pre-employment criminal background check and drug screening test. In addition, all the Contractor's employees providing services under this Services Agreement shall be subject to random drug screening tests annually. The Contractor and its employees are prohibited from consuming alcoholic beverages while on duty. They shall be neatly attired in uniforms supplied by the Contractor and shall wear the supplied uniforms when on duty.

All Beach Patrol vehicles utilized to carry out the services herein shall be appropriately marked as Beach Patrol and be equipped with 4-wheel drive and two way radios (1 inter-agency and 1 intra-agency), a first aid kit, a torpedo-type rescue buoy, AED, oxygen kit, bag valve masks, rescue rope, red lights, speaker, siren box, binoculars, range finder, and swim fins, except that the vehicles utilized under Items E & F in Section II below will not have inter-agency radios, AED, oxygen kit, or bag valve masks. Each vehicle shall have a utility trailer available and shall be in good condition,

reasonably free of visible rust, dents, or alterations to the vehicle body, and should be able to traverse difficult terrain. Such vehicles shall be new or like new and in good mechanical condition, shall have a current South Carolina state license plate, and shall have an overall appearance that does not detract in any way from the standards and image the Town wishes to project to the public. Such vehicles shall be operated in an extremely careful and prudent manner by a licensed driver. Such licensed driver shall not have been convicted of Driving Under the Influence within twelve (12) months of operating such vehicle. No person(s) other than authorized employees or officers of the Contractor, Town Officials, qualified lifeguards, or junior lifeguards shall be permitted to operate or ride in the Beach Patrol vehicle, with the exception of an individual or individuals who were rescued, lost or needed aid. In the event of such rendering of assistance, the passenger or passengers shall immediately be delivered to the appropriate destination.

Contractor will maintain an FCC licensed radio system for intra-agency communications. For inter-agency communications the Contractor shall follow the radio procedures of the Town's Fire Rescue Department and shall attend mutually agreed upon training on these procedures as necessary.

All Beach Patrol personnel utilized to carry out the services herein shall participate in the Beach Patrol program by:

a) Advising beachgoers regarding Town Beach Ordinances and supervising adherence to the requirements of such Ordinance;
b) Notifying and coordinating with law enforcement authorities regarding any continuing unlawful activities on the beach;
c) Notifying and cooperating with members of the local EMS service when emergency medical services are required on the beach and assisting EMS with removing persons from the beach when requested;
d) Administering (to the level of certification of the individual involved) first aid free of charge to persons who sustain minor injuries on the beach;
e) Monitoring the operation of motorized watercraft for compliance with Section 8-1-211(2) of the Town's Beach Ordinance; advising, where practicable, any operator of motorized watercraft of violations of the Beach Ordinance; and notifying and coordinating with law enforcement authorities regarding any continuing violations of the Beach Ordinance.

II. BILLABLE BEACH PATROL SERVICES

Contractor will provide the following Beach Patrol Services, which may vary due to weather conditions, billable to the Town as set forth in this document and its subsequent attachments.

A. One person shall be designated as the Beach Patrol Director and shall have primary responsibility for administering the Beach Patrol program, for supervising all the Contractor's employees who have Beach Patrol duties, and for acting as liaison with the Town. Pursuant to negotiations between the Town and the Contractor, the services of the Beach Patrol Director will not be a billed service to the Town.

B. During April and September (after the Monday of Labor Day Weekend), not less than the full time equivalent of two (2) persons shall be designated as Beach Patrol Supervisors assigned to cover the four (4) Patrol Areas.

C. From May 1st through the Monday of Labor Day Weekend, not less than the full time equivalent of three (3) persons shall be designated as Beach Patrol Supervisors assigned to cover the four (4) Patrol Areas.

D. Between the hours of 5:00 p.m. and 9:00 p.m., seven (7) days a week from April 1st through September 30th one (1) supervisor will be available with a fully equipped Beach Patrol vehicle as needed on an "on call" basis through the 911 central dispatch.

E. From May 1st through the Monday of Labor Day Weekend, two (2) manned Personal Watercraft (hereinafter "PWC"), each one stationed in the Patrol Areas, shall be provided for the purpose of immediately assisting in off-shore boat rescue and assisting in beach ordinance enforcement in all areas defined in Town Code Section 8-1-112(1), particularly in effecting direct contact with private boat operators to keep such boats a safe distance off shore. Contractor shall also provide a third PWC to be provided as backup.

The PWC's shall be kept operational, and shall be

- Tested and inspected regularly.
- Equipped with Coast Guard approved or required safety equipment.
- Operated by Beach Patrol Personnel trained in the operation of the PWC's.

The Town acknowledges and accepts that there may be intervals where less than 3 PWC's may be operational due to maintenance and repair issues. The Contractor shall keep the Town informed if any PWC will be out of operation for more than a week.

F. The Contractor is responsible for management of all situations on the beach involving live, injured or dead animals which are not being handled directly by another agency, e.g., Turtle Patrol. This may involve removal, storage, or burial of the animals. In that regard, the Contractor shall coordinate as necessary with other agencies such as SCDNR, Turtle Patrol, Beaufort County Sheriff, and Hilton Head Humane Association. The Contractor will provide an authorized participant in the SC Marine Mammal Stranding Network and the SC Marine Turtle Project.

At any given time, the Town shall have full discretion and authority to request the Contractor to dispatch Beach Patrol Supervisors to specific areas on the beach to handle a particular situation. Once that situation has abated, the supervisor may return to assigned duties.

The duties of the Beach Patrol Supervisor shall include the following:

- Assisting beachgoers as needed.
- Informing beachgoers and watercraft operators of Town Beach Ordinances.

III. NON-BILLABLE BEACH PATROL SERVICES

Contractor will provide the following Beach Patrol Services, which may vary due to weather conditions, at no cost to the Town:

EXHIBIT A
SAFETY, BEACH, AND PERSONNEL SERVICES

A. **Lifeguard Personnel Duties & Assignment** - The Contractor is responsible for deploying lifeguard personnel throughout the areas of operations. Lifeguard personnel shall consist of highchair lifeguards and rental attendants.

1. **Highchair Lifeguards.** The primary duty of highchair lifeguards is water surveillance, therefore, they shall not conduct commercial activities. It is mandatory that the highchair lifeguard's attention be focused on this duty; therefore, highchair lifeguards shall not:

   (a) Sit or lean on anything other than their highchair;
   (b) Conduct lengthy conversations with persons in a manner or in such a fashion as to impair the performance of safety duties;
   (c) Permit persons at their highchair other than agents of the Town, Beach Patrol personnel employed by the Contractor and persons seeking first aid or other assistance;
   (d) Read while on duty;
   (e) Turn their back on the ocean or permit others to obstruct their view of the ocean;
   (f) Allow their highchair to be littered at any time while on duty.

2. **Rental Attendants.** The primary duty of rental attendants is conducting commercial activities, however, when not so doing they shall be aware of the needs of beachgoers and available to assist other beach patrol personnel with their duties. Furthermore, in the event of an emergency in their area rental attendants shall cease conducting commercial activities and respond to said emergency. It is mandatory that the rental attendant's attention be focused on these duties; therefore, rental attendants shall not:

   (a) Sit or lean on anything other than their stands;
   (b) Conduct lengthy conversations with persons in a manner or in such a fashion as to impair the performance of safety duties;
   (c) Permit persons at the stand other than agents of the Town, Beach Patrol personnel employed by the Contractor, persons seeking first aid or other assistance, and persons transacting equipment rental business;
   (d) Read while on duty;
   (e) Allow the area around their stand to be littered at any time while on duty.

Lifeguard personnel or their replacements shall remain at their stands in patrol areas while on duty. It is the Contractor's responsibility to monitor the health of its lifeguard personnel and not to assign any lifeguard personnel who is ill or physically unable to execute his/her responsibilities.

The need for lifeguard personnel will fluctuate in accordance with the seasonal change in level of activity on the beaches. Therefore, the number of lifeguard personnel at any location will be determined by the Contractor based on the level of activity and other factors deemed relevant by the Contractor on any given day. However, lifeguard personnel shall be assigned at a minimum as follows:

- From Memorial Day Weekend through Labor Day each year lifeguard personnel shall

be stationed at each of the Town's beach parks

- Islanders Beach Park
- Folly Field Beach Park
- Driessen Beach Park
- Coligny Beach Park
- Alder Lane Beach Park

- From April 1st through the second weekend in May, no less than five (5) lifeguard personnel shall be stationed on the beach.

- From the second weekend in May through the Friday before Memorial Day, no less than twelve (12) lifeguard personnel shall be stationed on the beach.

- From Memorial Day weekend through the first weekend in August, no less than thirty-four (34) lifeguard personnel shall be stationed on the beach.

- From the second weekend in August through Labor Day, no less than nine (9) lifeguard personnel shall be stationed on the beach.

- From the day after Labor Day through September 30th, no less than five (5) lifeguard personnel shall be stationed on the beach.

All lifeguard personnel shall be equipped with a first aid kits, torpedo-type rescue buoys, two way intra agency radios, backboards, caution flags, and appropriately marked umbrellas and chairs.

B. **Beach Patrol Vehicles** - From Memorial Day weekend through August 31st, The Contractor will supply a minimum of four (4) Beach Patrol vehicles in addition to the four (4) Beach Patrol vehicles utilized under Billable Beach Patrol Services and Personnel above. The Town acknowledges and accepts that there may be intervals where less than the four (4) additional Beach Patrol vehicles may be operational due to maintenance and repair issues. The Contractor shall keep the Town informed if any such Beach Patrol

C. **Boats On The Beach** - The Contractor, in conjunction with Town staff, will provide a program for control and inspection of permitted boats on the beach, and for removal of any abandoned boats. Costs for removal of any abandoned boats, either in part or in full, may be reimbursable to the Contractor, but only if the Town has given written approval prior to the Contractor incurring such costs.

IV. POLICIES

A. The Contractor shall use the applicable portions of the United States Lifesaving Association Manual for Open Water Agencies as its policy guide.

B. Upon request of the Town, Contractor agrees to provide information and/or documentation on its policies or procedures directly related to its operations in providing services under this

Agreement the distribution of which will be limited internally to those with direct responsibility for managing Beach Patrol Services. To the extent allowed under applicable Freedom of Information laws, the Town agrees that any such information and/or documentation provided by Contractor, which is identified by Contractor as confidential and proprietary, shall not be subject to public disclosure.

V. REPORTING REQUIREMENTS

Contractor shall provide monthly reports to the Town as follows:

A. **Beach Patrol Activities** – Include number of incidents by location along with any need for caution flags, clearing of water, use of PWC's, and interactions with other agencies in the following areas:
- Safety Incidents
- Medical Incidents
- Beach Ordinance Advisements
- Missing Persons
- Wildlife Actions
- Fishing Complaints

B. **Staffing For Billable Services** – Include schedules by location of Beach Patrol personnel assigned to provide the services under Section II. above.

C. **Franchise Fees** – Include year to date franchise fees due based on gross rental receipts from commercial activities.

VI. MEETING REQUIREMENTS

Contractor shall participate in meetings as follows:

- An annual "kick-off" meeting to take place not later than before Memorial Day weekend the Town's Director or Assistant Director of Facilities Management shall be responsible for coordinating this meeting. One purpose of this meeting is the review of the Contractor's policies and procedures directly related to its operations in providing services under this Agreement.

- The Town reserves the right to require periodic meetings with the Contractor regarding Beach Patrol Services.

EXHIBIT B

CONTRACTOR COMPENSTATION FOR SAFETY, BEACH, AND PERSONNEL SERVICES

A. Annual Fees Payable to Contractor for Services in Year 1: $213,745

1. Annual Fees shall be billed in monthly installments in accordance with the monthly amounts provided in the Year 1 detailed breakdown provided by Contractor. Amounts invoiced shall be inclusive of all labor, equipment and materials necessary to provide the full scope of services described in Exhibit C.

2. Contractor shall be allowed to increase its Annual Fees on each anniversary of the contract commencement date, and such increase shall be limited to the lesser of: (i) three percent (3%) or (ii) the most recently published Consumer Price Index for All Urban Consumers (CPI-U), before seasonal adjustment, as of thirty (30) days prior to the anniversary date. Notwithstanding the foregoing, Contractor may request and Town may, at its sole discretion, grant an annual increase greater than that allowed above if the Contractor can demonstrate to the sole satisfaction of the Town, evidence of specific material costs that it has incurred, which are not under Contractor's control. An example would be a 25% increase in insurance costs.

3. Contractor must provide a detailed breakdown of the Year 1 Annual Fees by calendar month in the following format:

    a. **Personnel/Staffing**: Contractor shall provide position titles, number of staff in each position title, billable hourly rate for each title, and the estimated number of billable hours for each title.

    b. **Equipment**: Contractor shall provide description of each equipment type, number of each type to be employed, estimated billable hours of use for each type and the hourly fee for each type. Photos or brochures of the equipment will be helpful in evaluation.

    c. **Materials**: Contractor shall provide description and cost of any materials included in the Annual Fees.

    d. **Other**: Contractor shall provide description of any other costs included in the proposed Annual Fees not falling into any of the above designations.

B. Fees for Expanded Scope of Work

If during the term of the Agreement between Town and Contractor: (i) Town requests Contractor to provide services that exceed the original scope of work as detailed in Exhibit C, or (ii) unforeseen circumstances (i.e. severe weather event) create the need for Contractor to temporarily exceed the original scope of work as detailed in Exhibit C; fees for such services shall be negotiated.

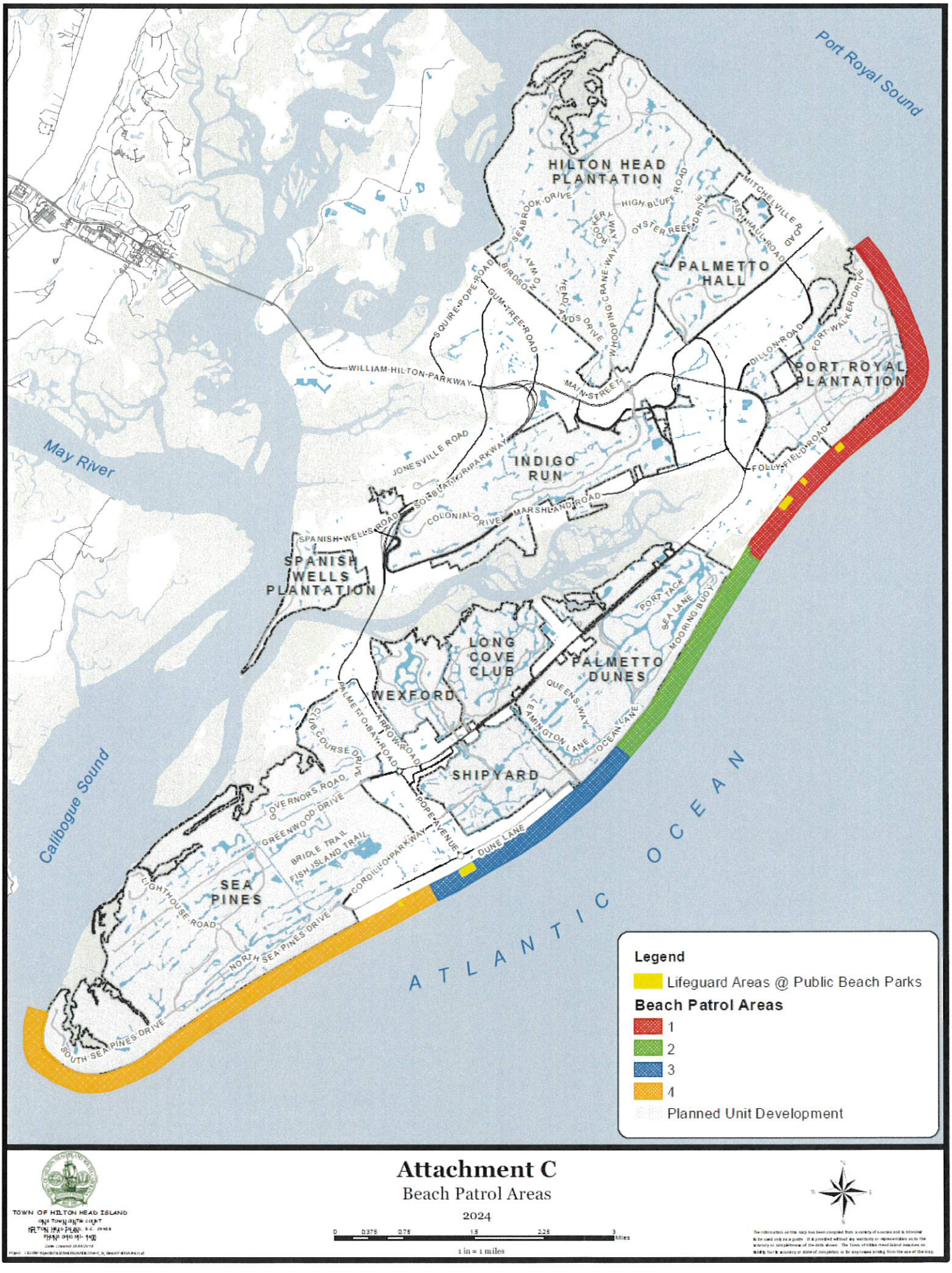
Shore Beach Services, Inc.

Town of Hilton Head Island RFP 2024-03

Detail Of Proposed Annual Fees Payable To Contractor For Service Year 1

Attachment 1

Calendar Month	Lettered Columns References Are To Exhibit 1. Section II.					
	A	B	C	D	E	
	Beach Patrol Director	Beach Patrol	Night Patrol	PWC's	Animal Control	Totals
2024 July	$ -	$ 31,977	$ 3,174	$ 4,830	$ -	$ 39,981
2024 August	-	31,977	3,174	4,830	-	39,981
2024 September	-	22,006	3,072	312	-	25,390
2024 October	-	-	-	-	-	-
2024 November	-	-	-	-	-	-
2024 December	-	-	-	-	-	-
2025 January	-	-	-	-	-	-
2025 February	-	-	-	-	-	-
2025 March	-	-	-	-	-	-
2025 April	-	21,950	3,238	-	-	25,188
2025 May	-	34,023	3,345	4,916	-	42,284
2025 June	-	32,926	3,238	4,757	-	40,921
Total For Year	$ -	$ 174,859	$ 19,241	$ 19,645	$ -	$ 213,745



TOWN OF HILTON HEAD ISLAND

Attachment C

Beach Patrol Areas

2024

0 0.375 0.75 1.5 2.25 3 Miles

1 in = 1 miles

SHORE BEACH SERVICE
2026
ALL FRANCHISE AREAS

EXHIBIT B-1

	2026						2025					
Equipment	Area A	Area B	Area C	Area D	Area E	Total	Area A	Area B	Area C	Area D	Area E	Total
Umbrellas	400	374	236	456	220	1,686	400	374	236	456	220	1,686
Chairs	858	810	482	936	474	3,560	858	810	482	936	474	3,560
Totals	1,258	1,184	718	1,392	694	5,246	1,258	1,184	718	1,392	694	5,246

SHORE BEACH SERVICE
2026
FRANCHISE AREA A
EXHIBIT B-2

	Westin		Barony		Islander's		Island Club		Folly Field		Beach & Tennis		Driessen		Surf Watch		Burkes Beach		HH Resort		Area A Totals	
Equipment	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026
Umbrellas	112	112	46	46	22	22	34	34	20	20	40	40	28	28	44	44	24	24	30	30	400	400
Chairs	256	256	110	110	44	44	72	72	40	40	80	80	56	56	92	92	48	48	60	60	858	858
Totals	368	368	156	156	66	66	106	106	60	60	120	120	84	84	136	136	72	72	90	90	1,258	1,258

SHORE BEACH SERVICE

2026

FRANCHISE AREA B

EXHIBIT B-3

	Dunes House		Hilton Resort		Villamare		Disney Resort		Captain's Walk		Omni Resort		Area B Totals	
Equipmen	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026
Umbrellas	74	80	112	106	46	46	42	42	30	30	70	70	374	374
Chairs	162	176	250	236	96	96	86	86	60	60	156	156	810	810
Totals	236	256	362	342	142	142	128	128	90	90	226	226	1,184	1,184

SHORE BEACH SERVICE

2026

FRANCHISE AREA C

EXHIBIT B-4

Services	Hampton		Barrington		Sonesta Resort		Area C Totals	
	2025	2026	2025	2026	2025	2026	2025	2026
Umbrellas/Cabanas	56	56	60	60	120	120	236	236
Chairs/Lounges	116	116	126	126	240	240	482	482
Totals	172	172	186	186	360	360	718	718

SHORE BEACH SERVICE

2026

FRANCHISE AREA D

EXHIBIT B-5

Services	Sea Crest		Breakers		Beach House		Ocean One		Shorewood		Sea Side Villas		Ocean Club Villas		Ocean Oaks		Grande Ocean		Alder Lane		Area D Totals	
	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026
Umbrellas/Cabana	64	64	70	70	92	92	20	20	32	32	36	36	16	16	46	46	68	68	12	12	456	456
Chairs/Lounges	132	132	150	150	184	184	40	40	64	64	76	76	32	32	92	92	142	142	24	24	936	936
Totals	196	196	220	220	276	276	60	60	96	96	112	112	48	48	138	138	210	210	36	36	1,392	1,392

SHORE BEACH SERVICE

2026

FRANCHISE AREA E

EXHIBIT B-6

Services	Sea Pines Beach Club		Monarch		Tower Beach		Area E Totals	
	2025	2026	2025	2026	2025	2026	2025	2026
Umbrellas/Cabanas	146	146	50	50	24	24	220	220
Chairs/Lounges	300	300	104	104	70	70	474	474
Totals	446	446	154	154	94	94	694	694

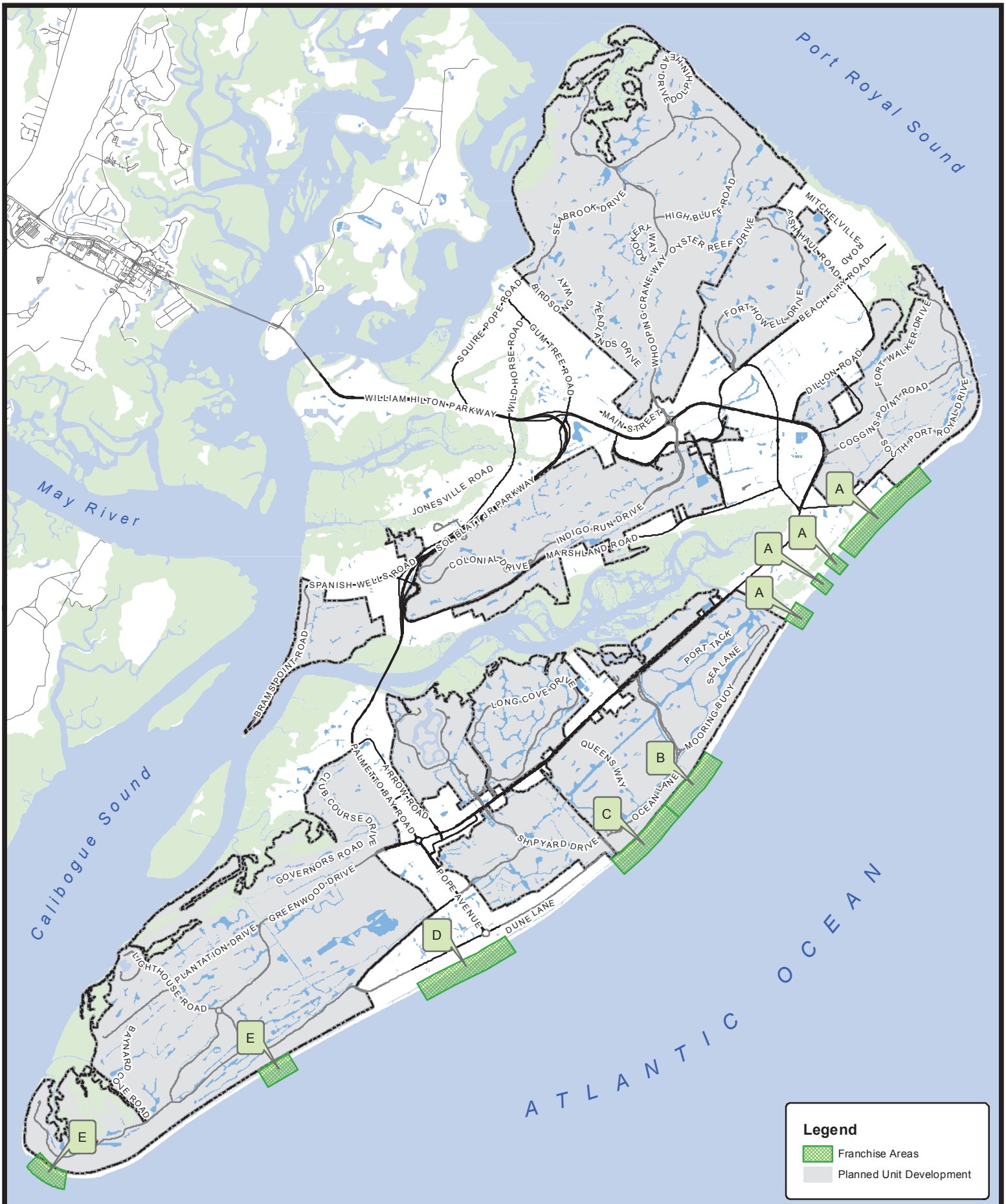


Exhibit C-1

Areas of Operation

2025

0 0.35 0.7 1.4 2.1 2.8 Miles

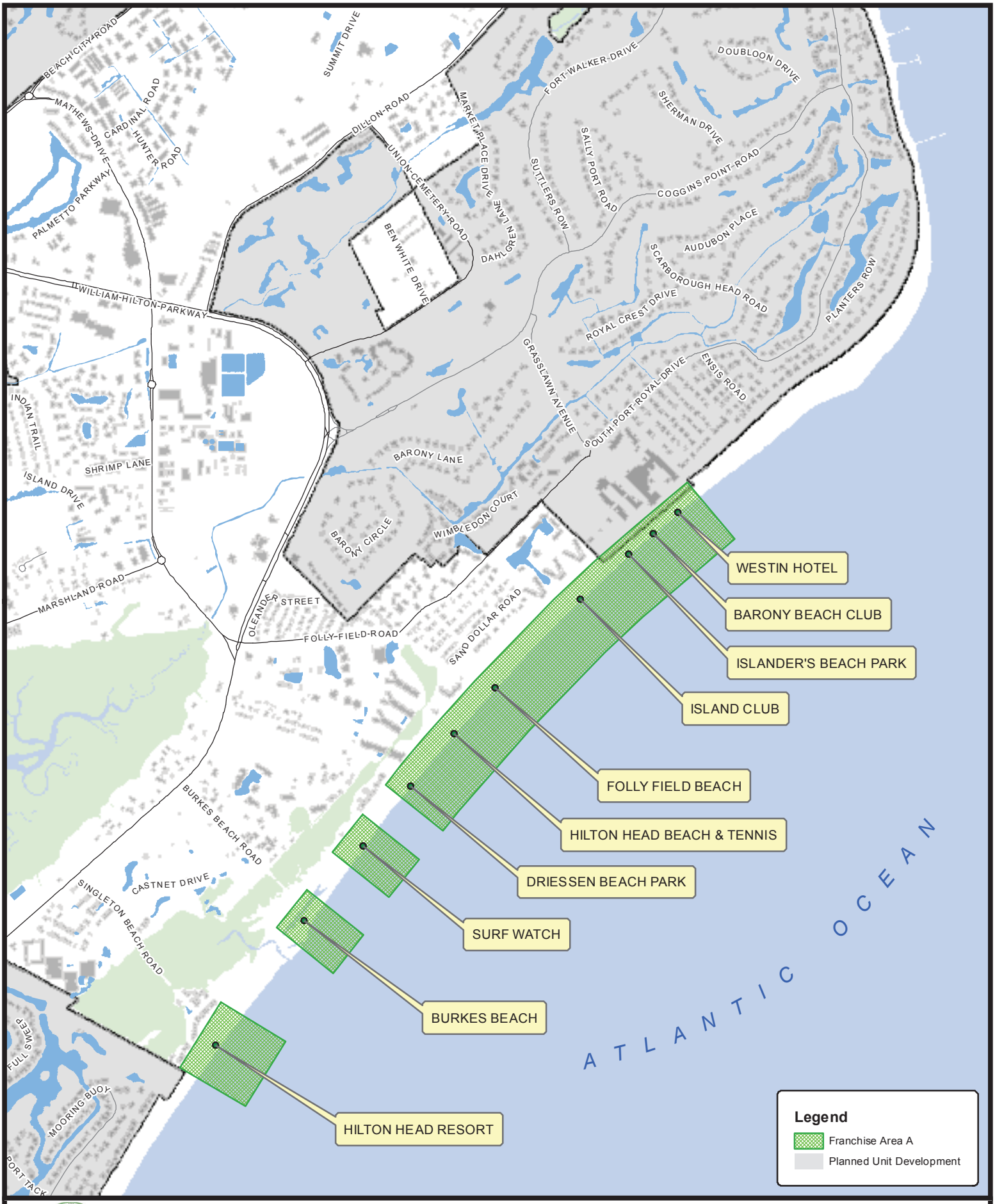
1 in = 1 miles

TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341- 4600

Date Created: 09/02/16

Project - I:\GIS\Projects\FacilitiesMaps\Attachment_A_AreasofOperation.mxd

The information on this map has been compiled from a variety of sources and is intended to be used only as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island assumes no liability for its accuracy or state of completeness and any reliance on such information



TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341-4600

Date Created: 09/02/25
Project - I:\GIS\Projects\FacilitiesMaps\Attachment_A_AreasofOperation.mxd

Exhibit C-2

Rental Locations - Area A

2025

0 0.1 0.2 0.4 0.6 0.8 Miles

1 inch = 1,667 feet

N W E S

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Exhibit C-3

Rental Locations - Area B & C

2025

0 0.1 0.2 0.4 0.6 0.8 Miles

1 inch = 1,667 feet

N W E S

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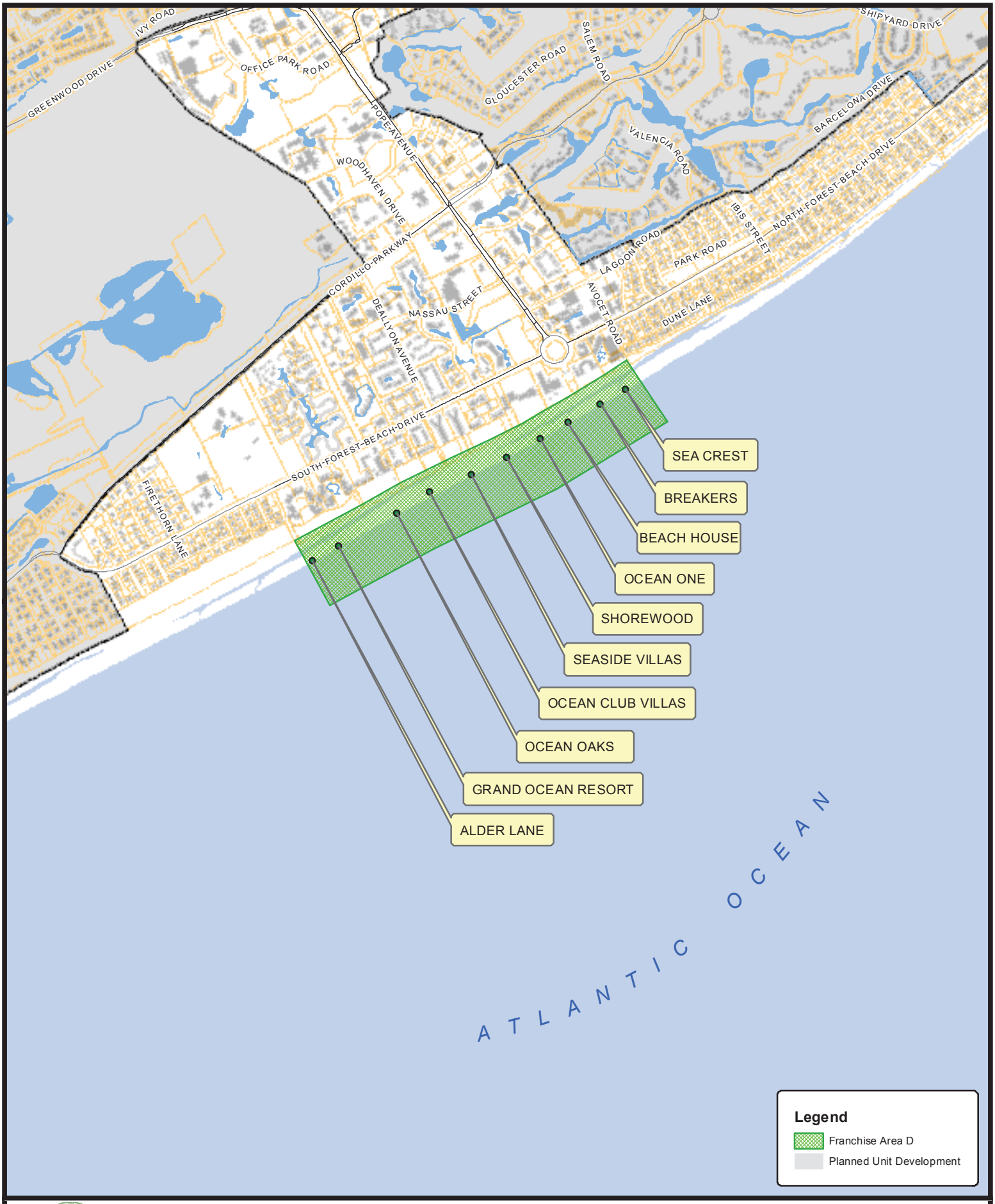

Exhibit C-4

Rental Locations - Area D

2025

0 0.1 0.2 0.4 0.6 0.8 Miles

1 inch = 1,667 feet

N W E S

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ONE TOWN CENTER COURT
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Exhibit C-5

Rental Locations - Area E

2025

0 0.15 0.3 0.6 0.9 1.2 Miles

1 inch = 2,500 feet

N W E S

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TOWN OF HILTON HEAD ISLAND

TOWN COUNCIL

TO: Town Council
FROM: Angie Stone, Assistant Town Manager
CC: Marc Orlando, ICMA-CM, Town Manager
DATE: May 12, 2026
SUBJECT: Consideration of a Resolution of the Town Council of the Town of Hilton Head Island Authorizing the Town Manager to Execute a Waiver of Distance Requirement in Support of the South Carolina Department of Revenue Alcohol Beverage License Application for NYCP Shelter, LLC (D.B.A. Chophouse 119)

RECOMMENDATION:

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island Authorizing the Town Manager to Execute a Waiver of Distance Requirement in Support of the South Carolina Department of Revenue Alcohol Beverage License Application for NYCP Shelter, LLC (D.B.A. Chophouse 119) **(Attachments 1 & 2)**.

BACKGROUND:

Under South Carolina's licensing requirements for the on-premise sale of alcohol, applicants must demonstrate that their establishment is more than 300 feet from a church, school, or playground or obtain a waiver of the distance requirement. When a playground is owned and operated by a municipality, State law allows the local governing body to waive this requirement through formal action.

SUMMARY:

NYCP Shelter, LLC (DBA Chophouse 119) is applying for an Alcohol Beverage License from the South Carolina Department of Revenue. Because of its proximity to the Town-owned playground at Shelter Cove Community Park, a waiver of the distance requirement must be granted by the Town Council of the Town of Hilton Head Island.

ATTACHMENTS:

1. Resolution of the Town Council of the Town of Hilton Head Island Authorizing the Town Manager to Execute a Waiver of Distance Requirement
2. South Carolina Department of Revenue Affirmation Waiving Distance Requirement

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE TOWN MANAGER TO EXECUTE AND DELIVER A FORM ABL-956 TO THE SOUTH CAROLINA DEPARTMENT OF REVENUE IN CONNECTION WITH AN APPLICATION FOR AN ACOHOLIC BEVERAGE LICENSE FILED BY NYCP SHELTER, LLC, D/B/A CHOPHOUSE 119.

WHEREAS, the Town of Hilton Head Island, South Carolina (the "Town"), owns a community park with a playground known as the Shelter Cove Community Park; and,

WHEREAS, NYCP Shelter, LLC, d/b/a Chophouse 119 operates a restaurant located in the Shelter Cove Town Centre; and,

WHEREAS NYCP Shelter, LLC, d/b/a Chophouse 119 has applied to the South Carolina Department of Revenue for an alcoholic beverage license ; and,

WHEREAS, the playground in the Shelter Cove Community Park is located within three hundred (300') feet of the business location of NYCP Shelter, LLC's Chophouse 119 restaurant; and,

WHEREAS, S. C. Code Ann. § 61-6-120 (Supp. 2025) prohibits the issuance of a license for alcohol sales to a location within three hundred (300') of a playground, unless the owner of the playground delivers a statement to the South Carolina Department of Revenue that it does not object to the issuance of the license; and,

WHEREAS, there are numerous restaurants serving alcohol located in the same area of Shelter Cove Town Center and in the same proximity to Shelter Cove Community Park as the business location of NYCP Shelter, LLC's Chophouse 119 restaurant; and,

WHEREAS, Shelter NYCP, LLC, has requested that the Town execute and deliver a South Carolina Department of Revenue Form ABL-956, stating that the Town, as the owner of a playground situated within three hundred (300') feet of business location does not object to the issuance of an alcoholic beverage license to NYCP Shelter, LLC, d/b/a Chophouse 119; and,

WHEREAS, the Town Council finds that there are numerous restaurants serving alcohol located in or near the same area of Shelter Cove Town Center as the business location of NYCP Shelter, LLC's Chophouse 119 restaurant; and,

WHEREAS, the Town Council finds that the execution and delivery of the Form ABL-896 statement that the Town does not object to the issuance of the alcoholic beverage license to NYCP Shelter, LLC, d/b/a Chophouse 119 is appropriate.

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

1. The Town Manager is hereby authorized to execute the Form ABL-896 statement that the Town does not object to the issuance of an alcoholic beverage license to NYCP Shelter, LLC, d/b/a Chophouse 119, and to deliver it to the South Carolina Department of Revenue.

Moved, Approved and Adopted by the Town Council for The Town of Hilton Head Island, South Carolina, on this 12th Day of May, 2026.

_____
Alan R. Perry, Mayor

ATTEST:

_____
Kimberly Gammon, Town Clerk

APPROVED AS TO FORM:

_____
Curtis L. Coltrane, Town Attorney

1350

dor.sc.gov

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

AFFIRMATION WAIVING DISTANCE REQUIREMENT

ABL-956
(Rev. 8/23/21)
4569

Mail to: SCDOR, ABL Section, PO Box 125, Columbia, SC 29214-0907
Email: ABL@dor.sc.gov

FEIN/SSN 465485043 Alcohol Beverage License number _____

Legal entity name or sole proprietor NYCP SHELTER,LLC

Trade name (doing business as) CHOPHOUSE 119

Physical location of business (no PO box) 28 SHELTER COVE LANE UNIT 119
Street

HILTON HEAD ISLAND	SC	29938
City	State	ZIP

Church/Playground/School name Shelter Cove Community Park Playground

Authorized Officer/Official Mayor Alan R. Perry

Physical location of Church/Playground/School 28 Shelter Cove Lane
Street

Hilton Head Island	SC	29928
City	State	ZIP

Personally appeared before me _____ , who being duly sworn states that he/she is an authorized officer/official for the above named church/playground/school and that such church/playground/school does NOT have any objections to the issuance of a Liquor by the Drink License at the above named location (61-6-120). It is also understood that by signature of this affirmation that this waiver would apply to any future applications for this location.

_____ _____
Signature of authorized officer/official Date

Mayor, Town of Hilton Head Island
Title of authorized officer/official

Social Security Privacy Act Disclosure
It is mandatory that you provide your Social Security Number on this tax form if you are an individual taxpayer. 42 U.S.C. 405(c)(2)(C)(i) permits a state to use an individual's Social Security Number as means of identification in administration of any tax. SC Regulation 117-201 mandates that any person required to make a return to the SCDOR must provide identifying numbers, as prescribed, for securing proper identification. Your Social Security Number is used for identification purposes.

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