



Town of Hilton Head Island
**TOWN COUNCIL BUDGET WORKSHOP
MEETING**
Tuesday, May 19, 2026, 5:00 PM
Minutes

Call to Order

Mayor Perry called the meeting to order at 5:00 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

Adoption of the Agenda

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

Workshop Discussion

Review and Discussion of Proposed Fiscal Year 2027 Consolidated Budget

- i. Capital Improvement Program Fund
- ii. Stormwater Utility Fund
- iii. FY27 Consolidated Budget

Mr. Orlando began the presentation by reminding everyone that a Budget Workshop took place on May 14, 2026, during which the General Fund, Debt Service Fund, Gullah Geechee Historic Neighborhoods Community Development Corporation Fund, Housing Fund and Special Revenue Fund were addressed, and that today's Budget Workshop would focus on the Capital Improvement Program Fund, Stormwater Utility Fund and a full overview of the FY 2027 Proposed Consolidated Budget. The Second Reading for the FY 2027 Proposed Consolidated Budget is to take place at the June 9, 2026, Town Council Meeting.

Mr. Orlando began the presentation with an overview of the Capital Improvements Program Fund and the Program Selection Process, as well as the FY 2027 Proposed CIP Sources of Funds and FY 2027 Proposed CIP Uses of Funds:

Capital Improvements Program (CIP) Fund (\$55,205,752.00 (consisting of FY 2026 Carry Forward - \$12,181,755 and FY 2027 New Funding - \$41,785,792)) – 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.

Mr. Orlando then highlighted the FY 2026 CIP Accomplishments and the FY 2027 CIP Highlights:

FY 2026 CIP Accomplishments:

- Completion of Beach Renourishment
- Completion of Barker Field Extension Soccer Fields
- Completion of Old Schoolhouse Park Pickleball Facility
- 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 I Pickleball and 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

Additionally, Mr. Orlando reviewed the FY 2027 Proposed CIP Projects with Council:

- Beach Program (\$7,449,119.00)
- Road Program (\$9,701,553.00)
- Pathway Program (\$1,418,937.00)
- Stormwater Program (\$4,205,586.00)
- Park Program (\$17,451,552.00)
- Facility and Equipment Program (\$8,510,800.00)
- Fleet Program (\$4,980,000.00)
- Land Acquisition & Administration Program (\$250,000.00)

Mr. Orlando also reviewed FY 2027 Proposed CIP Funding Sources - Carry Forward Funding

to illustrate fund allocations for CIP projects from current revenue as well as FY 2027 Proposed CIP Funding Sources - New Funding.

Council members held a discussion with questions, observations and suggestions regarding roadway projects and possible funding for such projects as well as ongoing drainage improvements and also acknowledged the assistance of the Sheriff's Department for providing an assessment and recommendations regarding security measures, cameras and technology on the Island.

Mr. Orlando then moved on to present the FY 2027 Stormwater Utility Fund portion of the FY 2027 Budget with an overview of the FY 2027 Proposed Stormwater Utility Fund Budget Revenues and FY 2027 Proposed Stormwater Utility Fund Budget Expenditures:

Stormwater Utility Fund (\$7,583,334.00) – 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.

Council held discussion concerning the proposed target date for completion of the Hilton Head Island Stormwater Master Plan and received confirmation that such Master Plan encompasses all Island roadways and systems whether owned by the Town or not.

Mr. Orlando expressed that at some point, further direction will be needed in connection with acquiring the roads currently owned by the County and Council suggested negotiations with the County would include requirements for the roads to be delivered to the Town in good condition and to include the transfer of unspent funds for road maintenance and other items.

Mr. Byrd reviewed the FY 2027 Proposed Consolidated Budget.

FY 2027 Proposed Consolidated Budget (\$233,284,719) - accounts for the roll-up of the six funds (General Fund, Debt Service Fund, Capital Improvements Program Fund, Stormwater Utility Fund, Gullah Geechee Historic Neighborhoods Community Development Corporation Fund and the Housing Fund), along with all Special Revenue Funds.

In wrapping up the presentation, Mr. Orlando provided information regarding several key financial indicators as they relate to the Town's Triple-A Credit Rating Criteria:

- Fund balance ratio (40%) is well above the 35% requirement.
- The liquidity ratio (182%) is well above the 40% threshold.
- Long-term liabilities were temporarily elevated in 2026 due to GO Bond issuance but normalized again in 2027 after prepayments.
- The fixed-cost ratio remains low and healthy, below 10%.

The entire presentation is available on the Town's website at www.hiltonheadislandsc.gov.

Mayor Perry asked for public comment.

Skip Hoagland addressed Council regarding the use of taxpayer funds and legal fees.

Public Comment - Non Agenda Items

Mayor Perry asked for public comment.

Skip Hoagland addressed Council regarding use of ATAX Funds, DMO contracts and legal opinions.

Morris Campbell addressed Council to commend the Town Council and staff on the budget process and setting priorities for infrastructure, capital improvement and stormwater improvements, which are very much needed and will improve the quality of life for everyone in the community.

Adjournment

At 6:57 p.m., Mr. Alfred moved to adjourn. Ms. Becker seconded. Motion carried 7-0.



Alan R. Perry, Mayor


Kimberly Gammon, Town Clerk

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