



## **Town of Hilton Head Island**

### **REVISED AGENDA PACKET**

**Additional materials  
added to agenda item 6a.**

### **Finance and Administrative Committee Meeting**

**Tuesday, March 18, 2025, 10:00 AM**

**1 Town Center Court, Hilton Head Island, SC  
Benjamin M. Racusin Council Chambers**

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

- 1. Call to Order**
- 2. Adoption of the Agenda**
- 3. Approval of the Minutes**
  - a. Regular Meeting Minutes of February 25, 2025
- 4. Executive Session**
  - a. Discussion of Legal Advice from the Town Attorney on Matters Covered Under the Attorney-Client Privilege [Pursuant to the South Carolina Freedom of Information Act Section 30-4-70 (a)(2)] related to:
    1. Affiliated Agency Funding Requests
- 5. Action from Executive Session**
- 6. Presentations**
  - a. Consideration of Award Recommendations for the Fiscal Year 2026 Affiliated Agency Funding Requests - Adriana Burnett, Finance Director
  - b. Town of Hilton Head Island FY2025 Monthly Financial Update - Adriana Burnett, Finance Director
- 7. Public Comment - Non Agenda Items**
- 8. 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  
**FINANCE AND ADMINISTRATIVE COMMITTEE**  
**MEETING**  
Tuesday, February 25, 2025, 10:00 AM  
Minutes

Call to Order

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

Adoption of the Agenda

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

Approval of the Minutes

Regular Meeting Minutes of October 29, 2024

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

Presentation

Town of Hilton Head Island FY2025 Monthly Financial Update - Adriana Burnett, Finance Director

Adriana Burnett, Finance Director, provided the Committee with a high-level summary of the Town's finances as of January 31, 2025. The update reflected a 10% increase in fund balances compared to the previous year. Major fund revenues for FY25 have risen by 14% over the same period in FY24, while expenditure has increased by only 4% before accounting for transfers or other funding sources. This demonstrates the Town's operational efficiencies and strong cash flow management.

Key financial highlights include:

- General Fund revenue has increased by 26% year-over-year.
- Debt Service Fund revenue has grown by 78%.
- Stormwater revenue continues to show positive performance.
- CIP Fund expenses total \$10.2 million (excluding new land acquisitions), with \$14.9 million in encumbrances, leaving a remaining CIP balance of \$54.5 million.

The General Fund supports the Town's operating expenses, while CIP expenditure includes both actual costs incurred for approved projects and encumbered expenses under vendor contracts for designated work.

## **Fiscal Year 2025 Budget Analysis – YTD 1/31/25**

### **General Fund:**

- a. Top uses of funds included \$3M in personnel expenses and \$1.4M in operating expenses.
- b. Top sources of funds included \$9.8M in property tax, \$570K in local ATAX and \$266K in business license fees.

### **Debt Service Fund:**

- a. Top uses of funds included \$274K in interest.
- b. Top sources of funds included \$46K in interest earned and \$3.4M in Property Tax.

### **CIP Fund**

- a. Top uses of funds included \$531K on park improvements, \$312K on Fire Station improvements, \$238K on Honey Horn Improvements.
- b. Top sources of funds included \$23K in Beaufort County Impact Fees and \$43K in interest earned.

### **Stormwater Utility Fund**

- a. Top uses of funds included \$176K for Personnel, Operating & Debt Service expenses and \$177K in Stormwater Maintenance.
- b. Top sources of funds included \$27K in Stormwater Permit Fees and \$1.2M in Property Tax.

### **Gullah Geechee Historic Neighborhoods Community Development Fund:**

- a. Top uses of funds included \$16K for personnel expenses.
- b. Top sources of funds included \$20K in Interest.

### **Housing Fund:**

- a. Top uses of funds included \$32K for Workforce Housing consulting and events.

The Committee engaged in a question-and-answer session with Mrs. Burnett, discussing various financial topics. These included the status of the Town's Capital Improvement Projects, the process of transferring funds in and out of accounts, Short-Term Rental Permit Fees, and the need for a more comprehensive view of the Town's funding sources to enhance clarity. Additionally, the Committee explored the possibility of implementing a quarterly financial presentation to Town Council to provide regular updates on the Town's fiscal health.

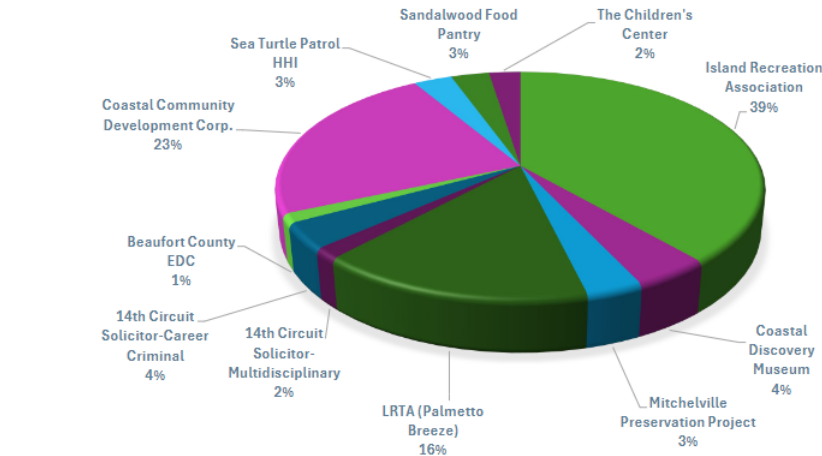
The discussion was productive, and the Committee expressed appreciation for Mrs. Burnett's ongoing financial reports, specifically thanking her for her monthly presentations.

## **Review and Discussion of the Town of Hilton Head Island's Affiliated Agency Funding Request Applications for Fiscal Year 2026 - Adriana Burnett, Finance Director**

Adriana Burnett reviewed the Town of Hilton Head Island's Fiscal Year 2026 Affiliated Agency funding requests with the Committee. The application process began on January 14, 2025 and concluded on February 14, 2025. A total of 11 applications were received, requesting a combined \$3,241,567 in funding.

## TOWN OF HILTON HEAD ISLAND: FY2026 GENERAL FUND BUDGET - DRAFT

### General Fund - Affiliated Agencies Funding Requests



|                                          | FY 2022<br>Actual   | FY 2023<br>Actual   | FY2024<br>Revised<br>Budget | FY2024<br>Actual    | FY 2025<br>Revised Budget | FY 2026<br>Requests |
|------------------------------------------|---------------------|---------------------|-----------------------------|---------------------|---------------------------|---------------------|
| Island Recreation Association            | \$ 1,087,578        | \$ 1,099,304        | \$ 1,123,766                | \$ 1,123,766        | \$ 1,167,366              | \$ 1,252,366        |
| Coastal Discovery Museum                 | 75,000              | 92,775              | 102,432                     | 102,432             | 107,700                   | 141,650             |
| Mitchellville Preservation Project       | 105,000             | 105,000             | 105,000                     | 105,000             | 105,000                   | 105,000             |
| USCB Event Management/Ambassadors        | 186,367             | 173,447             | 238,985                     | 238,985             | 235,000                   | -                   |
| LRTA (Palmetto Breeze)                   | 225,165             | 282,404             | 277,842                     | 277,842             | 253,595                   | 507,051             |
| 14th Circuit Solicitor-Multidisciplinary | 50,000              | 50,000              | 50,000                      | 50,000              | 50,000                    | 50,000              |
| 14th Circuit Solicitor-Career Criminal   | 118,500             | 118,500             | 118,500                     | 118,500             | 118,500                   | 118,500             |
| Beaufort County EDC                      | 25,000              | 25,000              | 40,000                      | 40,000              | 40,000                    | 42,000              |
| Habitat for Humanity                     | -                   | -                   | 500,000                     | -                   | 500,000                   | -                   |
| Coastal Community Development Corp.      | -                   | -                   | 600,000                     | -                   | 600,000                   | 750,000             |
| Sea Turtle Patrol HHI                    | -                   | -                   | -                           | -                   | 73,480                    | 97,500              |
| Sandalwood Food Pantry                   | -                   | -                   | -                           | -                   | -                         | 97,500              |
| The Children's Center                    | -                   | -                   | -                           | -                   | -                         | 80,000              |
| <b>Total</b>                             | <b>\$ 1,872,610</b> | <b>\$ 1,946,430</b> | <b>\$ 3,156,525</b>         | <b>\$ 2,056,525</b> | <b>\$ 3,250,641</b>       | <b>\$ 3,241,567</b> |

The Committee reaffirmed the importance of maintaining transparency throughout the process. While acknowledging the significant public benefit these services provide within the framework of a limited-services government, they also stressed the need to prevent agencies from becoming dependent on annual funding. To support a thorough evaluation, the Committee requested information on whether any applying agencies currently have a Memorandum of Understanding (MOU) with the Town, an analysis of agencies that receive Accommodations Tax or Capital Improvements funding, and financial documents submitted with the applications. Mrs. Burnett agreed to compile and distribute the requested information to all Town Council members for review. As the next step, Town Staff will present a comprehensive review of all 11 applications at the Finance & Administrative Committee meeting on March 18, 2025, for further consideration and potential approval.

A detailed review of the Town of Hilton Head Island's Affiliated Agency Funding Request Applications for Fiscal Year 2026 submitted can be found at:

<https://hiltonheadsc.portal.civicclerk.com/event/685/files/agenda/1010>

Public Comment - Non Agenda Items

There was no public comment at this time.

Adjournment

**Chair Brown adjourned the meeting at 11:15 a.m.**

**The recording of this Meeting can be found on the Town's website at [www.hiltonheadislandsc.gov](http://www.hiltonheadislandsc.gov)**



# TOWN OF HILTON HEAD ISLAND

## Finance & Administrative Committee

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**TO:** Finance & Administrative Committee  
**FROM:** Adriana Burnett, Finance Director  
**CC:** Marc Orlando, ICMA-CM, *Town Manager*  
**DATE:** March 18, 2025  
**SUBJECT:** Town of Hilton Head Island's Affiliated Agency Funding Request Applications for FY2026

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Town staff is bringing to the attention of the Finance & Administrative Committee all Affiliated Agency applications for FY2026 for their consideration. The application process began on January 14, 2025, and concluded on February 14, 2025.

The Town has received a total of 11 timely applications for the Committee to review for a total combined \$3,241,567 in funding.

### Background

The purpose of the Affiliated Agency program is to provide a transparent process to consider funding requests using public funds and to document the proposed public benefit of each funding request. It is the intention of this program to make limited grants to agencies and non-profit organizations providing services for public benefit that are not tourism related. This is the list of applicants for the Committee's consideration:

1. 14th Circuit Solicitor - Career Criminal
2. 14<sup>th</sup> Circuit Solicitor - Multidisciplinary
3. Beaufort County Economic Development Corporation
4. Coastal Community Development Corporation
5. Coastal Discovery Museum
6. Hilton Head Island Recreation Association
7. Lowcountry Regional Transportation Authority
8. Mitchelville Preservation Project
9. Sandalwood Community Food Pantry
10. Sea Turtle Patrol HHI
11. The Children's Center

### Next Steps:

1. Finance & Administrative Committee makes recommendations for the budget to Town Council (March 18, 2025)

2. Town Council considers the affiliated agency funding recommendations as part of the overall budget proposal (May – June 2025).

**Attachments:**

1. Town of Hilton Head Island: FY2026 Affiliated Agencies Funding Requests Summary.
2. Town of Hilton Head Island: Prior Years Affiliated Agencies Funding Approved.
3. Affiliated Agency Funding and Contract Terms for 3-18-25 Finance and Administrative Committee Meeting.
4. Memorandum of Understanding:
  - a. Coastal Community Development Corporation
  - b. Coastal Discovery Museum
  - c. Hilton Head Island Recreation Association
  - d. Historic Mitchelville Freedom Park
  - e. University of South Carolina - Beaufort

| <b>AFFILIATED AGENCIES FUNDING UTILIZATION</b><br>FY 2026 SUMMARY |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                  |  |                                                                                                                              |            |
|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--|------------------------------------------------------------------------------------------------------------------------------|------------|
| Affiliated Agency Name                                            | Purpose                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Requested Amount |  | Funding Utilization                                                                                                          |            |
|                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                  |  |                                                                                                                              |            |
| <b>14th Circuit Solicitors Office</b>                             | The 14th Circuit Solicitor's Office serves as the chief prosecuting agency for Beaufort, Jasper, Allendale, Colleton, and Hampton counties — the only five-county circuit in South Carolina. The Office is comprised of 66 full-time employees, including 26 attorneys.                                                                                                                                                                                             | \$ 168,500       |  | 1. Career Criminal Unit                                                                                                      | \$ 118,500 |
|                                                                   | The Office's primary responsibility is prosecuting criminal cases in General Sessions and Family Courts. Each year, the Office handles approximately 5,000 new General Sessions warrants across the circuit, including about 2,000 in Beaufort County. Of those, roughly 500 involve crimes committed on Hilton Head Island or by defendants who reside there.                                                                                                      |                  |  | 2. Multidisciplinary Court                                                                                                   | \$ 50,000  |
|                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                  |  |                                                                                                                              |            |
| <b>Beaufort County Economic Development Corporation</b>           | The BCEDC works to transform underutilized properties into productive assets, boost the local tax base, and create job opportunities for the community. With a focus on diversifying the county's economy and promoting responsible growth, the BCEDC has facilitated 75 projects since its establishment in 2017, generating \$503 million in investment and creating or retaining 2,081 jobs.                                                                     | \$ 42,000        |  | 1. Operational Support (marketing, lead development, staff and benefits, travel and meals, site development, and incentives) | \$ 42,000  |
|                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                  |  |                                                                                                                              |            |
| <b>Coastal Community Development Corporation</b>                  | The Coastal Community Development Corporation (CCDC) seeks to increase the availability of homes for our local and regional workforce by preserving existing housing, redeveloping existing property and developing new property to meet the demand of our region while serving working residents. The CCDC was founded with the belief that the housing crisis that we face in Beaufort County and surrounding areas is an imminent threat to our quality of life. | \$ 750,000       |  | 1. Down Payment Capital for Purchase of Affordable Workforce Housing                                                         | \$ 700,000 |
|                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                  |  | 2. Administrative Operations                                                                                                 | \$ 50,000  |
|                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                  |  |                                                                                                                              |            |

# AFFILIATED AGENCIES FUNDING UTILIZATION

FY 2026 SUMMARY

| Affiliated Agency Name                              | Purpose                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Requested Amount | Funding Utilization                                                                                                                     |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| <b>Coastal Discovery Museum</b>                     | Founded in 1985, the Coastal Discovery Museum has been Hilton Head Island's center of preservation, education, and celebration for the past 35 years. The Museum is a 501 (c) 3 and doesn't charge an admission fee, but voluntary donations are accepted.                                                                                                                                                                                                                                                                                                                                                                                         | \$ 141,650       | 1. Salary Support: Director of Finance (50%), Curator of Education (70%), Museum Educator (70%)<br>\$ 111,650                           |
|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                  | 2. Horticulturalist Salary (50%)<br>\$ 30,000                                                                                           |
| <b>Hilton Head Island Recreation Association</b>    | The Hilton Head Island Recreation Association, established in 1977 is dedicated to providing and managing recreational services, community events, and the Island Youth Center — a project developed by the Hilton Head Island Rotary Club. The Association oversees the scheduling of the Island Recreation and Senior Center, along with Town-owned parks.                                                                                                                                                                                                                                                                                       | \$ 1,252,366     | 1. Recreational Services (aquatics, senior citizen activities, athletic programs, fitness programs, youth/teen program)<br>\$ 1,252,366 |
|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                  |                                                                                                                                         |
| <b>Lowcountry Regional Transportation Authority</b> | The Lowcountry Regional Transit Authority (LRTA), known as Palmetto Breeze, is one of 10 public transportation systems established under South Carolina law and serves as the primary public transportation provider for Beaufort, Colleton, Hampton, Jasper, and Allendale counties. Since its founding in 1978, LRTA has been a key rural transportation provider, offering critical transit services to the region. Palmetto Breeze services include 24 fixed-route commuter lines (12 urban and 12 rural), demand-response services in Beaufort County, and coordinated trips to essential destinations such as regional healthcare providers. | \$ 507,051       | 1. Local Contribution Match Assist for Daily Rural Commuter Program<br>\$ 55,000                                                        |
|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                  | 2. Breeze Trolley Season Extension<br>\$ 20,000                                                                                         |
|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                  | 3. Breeze Trolley Passenger Fares (so service can remain free)<br>\$ 35,000                                                             |
|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                  | 4. Local Match Assist for Securing 5307 Federal Transit Administration Grant (small urbanized area operations)<br>\$ 397,051            |

# AFFILIATED AGENCIES FUNDING UTILIZATION

FY 2026 SUMMARY

| Affiliated Agency Name                   | Purpose                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Requested Amount | Funding Utilization                                                                                                                                                                                                    |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Mitchelville Preservation Project</b> | The Historic Mitchelville Freedom Park (HMFP) is dedicated to preserving, promoting, and honoring Historic Mitchelville — the first self-governed town of formerly enslaved people in the United States. HMFP shares the powerful story of Mitchelville's residents and their pursuit of education, self-sufficiency, and full participation in a free society. Through engaging exhibits, signature events, guided tours, and educational programs such as lectures, forums, and cultural experiences, HMFP provides immersive learning opportunities for the public. | \$ 105,000       | 1. Site Maintenance, staff support, operations and utilities<br>\$ 105,000                                                                                                                                             |
| <b>Sandalwood Community Food Pantry</b>  | The Sandalwood Community Food Pantry, established in 2009, is a 501(c)(3) nonprofit organization serving low-income individuals and families whose earnings fall below the poverty line as defined by the U.S. Department of Agriculture (USDA). Sandalwood provides essential food, hygiene supplies, and clothing to clients who rely on these resources for their daily needs.<br><br>The pantry primarily serves three key populations — the Gullah, Hispanic, and immigrant communities — many of whom work in Hilton Head Island's hospitality industry.         | \$ 97,500        | 1. Resilient Food Pantry Phase 6 costs (parking lot)<br>\$ 97,500                                                                                                                                                      |
| <b>Sea Turtle Patrol HHI</b>             | Sea Turtle Patrol HHI is a 501(c)(3) non-profit organization dedicated to protecting sea turtles on Hilton Head Island. The organization financially supports and conducts sea turtle nest monitoring, hatching activity observation, and stranding response along 20 miles of Hilton Head Island beaches. Through public education and outreach, they raise awareness about the importance of sea turtle conservation — a critical effort to ensure the survival of these endangered species.                                                                         | \$ 97,500        | 1. Executive Director Salary (70%)<br>\$ 35,000<br>2. Part-Time Administrative Consultant Stipend (70%)<br>\$ 12,000<br>3. Annual Storage Unit Fee<br>\$ 5,500<br>4. Annual Lease Fees (working facility)<br>\$ 45,000 |

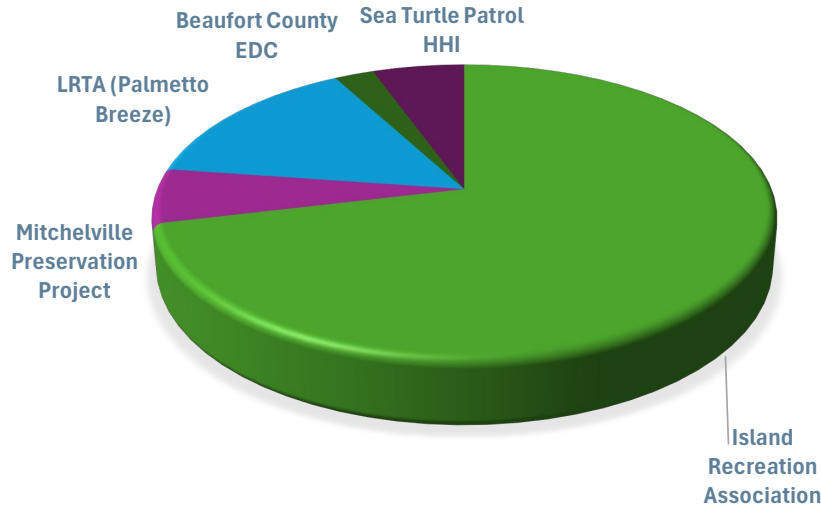
# AFFILIATED AGENCIES FUNDING UTILIZATION

FY 2026 SUMMARY

| Affiliated Agency Name | Purpose                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Requested Amount | Funding Utilization                                                  |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------------------------------------------------------|
|                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                                                                      |
|                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |                                                                      |
| The Children's Center  | The Children's Center, Inc. is a 501(c)(3) non-profit organization committed to providing affordable, high-quality early childhood education and childcare services for working families, including a multi-cultural bilingual program. Since its founding in 1967, The Children's Center has remained steadfast in its mission to ensure that all children, regardless of financial background, have access to a strong educational foundation. What started as a small program serving 15 children has expanded to support approximately 110 children daily, with many more families on a growing waitlist. | \$ 80,000        | 1. Operational Support (help keep childcare affordable)<br>\$ 80,000 |
| <b>Total</b>           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  | <b>\$ 3,241,567</b>                                                  |

## TOWN OF HILTON HEAD ISLAND: PRIOR YEAR APPROVED FUNDING FOR AFFILIATED AGENCIES

### Affiliated Agencies Funding Requests with Prior Year Funding Approved (General Fund)



|                                          | FY 2022<br>Actual   | FY 2023<br>Actual   | FY2024<br>Actual    | FY 2025<br>Revised Budget | FY 2026<br>Requests | FY 2026<br>Proposed<br>Budget |
|------------------------------------------|---------------------|---------------------|---------------------|---------------------------|---------------------|-------------------------------|
| Island Recreation Association            | \$ 1,087,578        | \$ 1,099,304        | \$ 1,123,766        | \$ 1,167,366              | \$ 1,252,366        | \$ 1,252,366                  |
| Coastal Discovery Museum                 | 75,000              | 92,775              | 102,432             | 107,700                   | 141,650             | -                             |
| Mitchelville Preservation Project        | 105,000             | 105,000             | 105,000             | 105,000                   | 105,000             | 105,000                       |
| USCB Event Management/Ambassadors        | 186,367             | 173,447             | 238,985             | 235,000                   | -                   | -                             |
| LRTA (Palmetto Breeze)                   | 225,165             | 282,404             | 277,842             | 253,595                   | 507,051             | 260,000                       |
| 14th Circuit Solicitor-Multidisciplinary | 50,000              | 50,000              | 50,000              | 50,000                    | 50,000              | -                             |
| 14th Circuit Solicitor-Career Criminal   | 118,500             | 118,500             | 118,500             | 118,500                   | 118,500             | -                             |
| Beaufort County EDC                      | 25,000              | 25,000              | 40,000              | 40,000                    | 42,000              | 42,000                        |
| Habitat for Humanity                     | -                   | -                   | -                   | 500,000                   | -                   | -                             |
| Coastal Community Development Corp.      | -                   | -                   | -                   | 600,000                   | 750,000             | -                             |
| Sea Turtle Patrol HHI                    | -                   | -                   | -                   | 73,480                    | 97,500              | 97,500                        |
| Sandalwood Food Pantry                   | -                   | -                   | -                   | -                         | 97,500              | -                             |
| The Children's Center                    | -                   | -                   | -                   | -                         | 80,000              | -                             |
| <b>Total</b>                             | <b>\$ 1,872,610</b> | <b>\$ 1,946,430</b> | <b>\$ 2,056,525</b> | <b>\$ 3,250,641</b>       | <b>\$ 3,241,567</b> | <b>\$ 1,756,866</b>           |

AFFILIATED AGENCY APPLICATIONIONS

Including agreement type and terms.

Created: 3/13/2025

For: 3/18/25 Finance and Administrative Committee Meeting

| Agency                                           | Agreement Type | Agreement Date | Term     | Expiration Date | Initial MOU Funding Amt       | FY2024 Funding | FY2025 Funding | FY2026 Request | Funding Pays for (from FY2026 Application):                                                                                                   | Funding Pays for (outlined in MOU):                                                                 | Service Provided by Town in Addition to Funding                         | CY 2025 ATAX Grant*** |
|--------------------------------------------------|----------------|----------------|----------|-----------------|-------------------------------|----------------|----------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------|
| 14th Circuit Solicitor - Career Criminal Program | None           | N/A            | N/A      | N/A             | N/A                           | \$118,500      | \$118,500      | \$118,500      | A portion of salary and benefit funding based on BC cases.                                                                                    | No MOU                                                                                              | None                                                                    | N/A                   |
| 14th Circuit Solicitor - Multidisciplinary Court | None           | N/A            | N/A      | N/A             | N/A                           | \$50,000       | \$50,000       | \$50,000       | A portion of salary and benefit funding based on BC cases.                                                                                    | No MOU                                                                                              | None                                                                    | N/A                   |
| Beaufort County EDC                              | None           | N/A            | N/A      | N/A             | N/A                           | \$40,000       | \$40,000       | \$42,000       | Economic development activities.                                                                                                              | No MOU                                                                                              | None                                                                    | N/A                   |
| Children's Center                                | None           | N/A            | N/A      | N/A             | N/A                           | N/A            | N/A            | \$80,000       | Operating cost to bridge the gap between tuition and actual cost of care.                                                                     | No MOU                                                                                              | None                                                                    | N/A                   |
| Coastal Community Development Corporation        | MOU            | 05/20/2024     | 5 years  | 05/20/2029      | N/A                           | N/A            | \$600,000      | \$750,000      | \$700,000 for downpayment on workforce housing, \$50,000 administrative costs.                                                                | Acquisition of properties, creation of affordable workforce housing, and oversight/ management.     | Access to Town staff to support its activities.                         | N/A                   |
| Coastal Discovery Museum                         | MOU            | 07/01/2017     | 10 years | 06/30/2027      | \$75,000                      | \$102,432      | \$107,700      | \$141,650      | A portion of salary cost for Finance Director (50%), Education Curator (70%), Museum Educator (70%), and Horticulturist (50% - new position). | Management Fee                                                                                      | Town will perform property maintenance and provide accounting services. | \$400,000             |
| Hilton Head Island Recreation Association        | MOU            | 02/20/2024     | 10 years | 02/19/2034      | up to 50% of Operating Budget | \$1,123,766    | \$1,167,366    | \$1,252,366    | Community-wide public recreation programs, community events, and effective facility management.                                               | Management and operation of all Town-owned recreational facilities and associated programming.      | Town provides accounting services.                                      | \$75,000              |
| LRTA*                                            | None           | N/A            | N/A      | N/A             | N/A                           | \$277,842      | \$253,595      | \$507,051      | \$55,000 for Breeze Trolley, \$55,000 toward local match for rural commuter program, \$397,051 toward local match to secure 5307 FTA grant.   | No MOU                                                                                              | None                                                                    | N/A                   |
| USCB Event Management & Hospitality              | MOU            | 02/28/2024     | 2 years  | 02/27/2026      | \$235,000                     | \$238,985      | \$235,000      | Did not apply  | No application received.                                                                                                                      | Island Ambassador Program                                                                           | None                                                                    | N/A                   |
| Mitchelville                                     | MOU            | 03/21/2023     | 10 years | 03/21/2033      | \$105,000                     | \$105,000      | \$105,000      | \$105,000      | A portion of staff salaries.                                                                                                                  | Executive Director                                                                                  | Town performs park maintenance.                                         | \$190,000             |
| Sandalwood Food Pantry                           | None           | N/A            | N/A      | N/A             | N/A                           | N/A            | N/A            | \$97,500       | Surface Parking to build a 50-space, 16,250 sqft parking lot.                                                                                 | No MOU                                                                                              | None                                                                    | N/A                   |
| Sea Turtle Patrol**                              | None           | N/A            | N/A      | N/A             | N/A                           | N/A            | \$73,480       | \$97,500       | \$47,000 for salaries, \$5,500 current annual storage unit fee, \$45,000 anticipated for annual lease for vehicle storage.                    | Assistance with enforcement of ordinances related to protection of sea turtle nesting populationis. | Parking space for Turtle Patrol vehicles at Islanders' Beach Park.      | \$70,000              |

\* The Town had a MOU with LRTA for Beach Shuttle Services between USCB and Coligny Beach. The contract was for \$23,970 and expired on 9/2/24.

\*\* The Town had a contract with Spartina Marine Consulting for assistance with enforcement of ordinances related to sea turtle preservation. The contract was for \$38,900 and expired on 9/30/24.

\*\*\* ATAX grants for CY2025 approved by Town Council on 1/14/25. The amounts are listed in the final column of this sheet.

C76-2024

STATE OF SOUTH CAROLINA )  
 )  
 COUNTY OF BEAUFORT )

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("Agreement") is entered into this 20<sup>th</sup> day of May, 2024, by and between the Town of Hilton Head Island ("Town"), a South Carolina Municipal Corporation, and the Coastal Community Development Corporation ("Coastal"), a South Carolina nonprofit corporation. When referred to jointly, these entities shall be referred to as the "Parties."

**WHEREAS**, the Town is committed to fostering a strong sense of community and well-being for all of its residents through the creation of affordable workforce housing; and

**WHEREAS**, within *Our Plan*, the Town of Hilton Head Island's Comprehensive Plan, the Town has identified a specific goal of encouraging the development of workforce housing and home ownership through effective incentives; and

**WHEREAS**, one of the strategies identified within Comprehensive Plan is to support programs that are aimed at increasing workforce housing availability similar to the program that is offered by the Coastal Community Development Corporation; and

**WHEREAS**, Coastal is dedicated to the acquisition of affordable workforce housing and has presented a plan whereby it would acquire existing residential units on Hilton Head Island and restrict their future occupation and use to established affordable housing criteria; and

**WHEREAS**, both parties acknowledge the need for an effective partnership between the Town and Coastal to facilitate the acquisition of affordable workforce housing within the municipal limits of Hilton Head Island.

**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 both the Town and Coastal, the Parties do hereby agree as follows:

**1. Governing Document**

It is the intent of the parties that this Memorandum shall only govern circumstances wherein the Town has provided funding to Coastal for the purposes of acquiring affordable workforce housing units.

## **2. Funding**

The Town will consider an annual financial contribution to Coastal through its Affiliated Agency funding process to support the acquisition of properties, the creation of affordable workforce housing, and the oversight and management of the same. The balance of any capital or operating funding that may be necessary to accomplish this purpose above and beyond any amount appropriated by the Town shall be raised by Coastal from sources other than what has been provided by the Town through its Affiliated Agency funding.

Nothing in this document, or the Affiliated Agency funding process shall be deemed to require the Town to continue the Affiliated Agency funding process, or to otherwise be deemed a commitment of the Town to provide any future funding. The use of funding identified in this Memorandum is conditioned upon the Town taking such actions as may be necessary in order to satisfy the requirements outlined in Act 57 of 2023.

## **3. Roles and Responsibilities**

### **A. Coastal's Obligations:**

- i. Approval of Plan and Budget. Prior to awarding any funding identified under this Agreement, Coastal shall submit annually through the Town's Affiliated Agency program. Among other program requirements, this submission shall include a detailed plan (the "Plan") and budget (the "Budget") for the acquisition of workforce housing for which this funding will be utilized. The Town will provide Coastal with access to its staff to assist in the development of both the Plan and the Budget should it request such support.
- ii. Use of Funding. Coastal may only use the above referenced funding for the purposes of developing and/ or acquiring single and/or multi-family workforce housing units within the municipal boundaries of Hilton Head Island. Within its submitted plan, Coastal shall provide information demonstrating that its acquisition of various properties will not cause any building, complex, or community to become ineligible for FHA or other similar residential real estate funding programs.
- iii. Maintenance Plan. Within its Plan, Coastal shall provide information outlining how the affordable workforce housing units acquired with the use of the Town's funding will be maintained in accordance with generally accepted maintenance standards.
- iv. Tenant Qualifications. Coastal shall also identify how applicants will be screened

and ultimately selected to own, rent, and/or occupy any units created under this Agreement. In addition to verifying income criteria, these screening and selection criteria shall include a mandatory requirement that at least one member of a household that qualifies to rent any units created under this Memorandum shall be actively employed within the municipal boundaries of the Town of Hilton Head Island at the time that they are qualified and selected for such unit. This selection criteria along with the applicable income verifications shall be recertified by Coastal no less than annually or at any such time as a new lease or other similar instrument is issued, whichever shall occur sooner so long as no period of recertification occurs in any frequency less than annually.

- v. Selection of Tenants. Coastal shall develop selection criteria for its tenants that shall be in keeping with the terms expressed in this Memorandum of Understanding. Coastal shall be authorized to offer preferential selection of qualifying tenants as a means of raising funds from private, nongovernmental entities. The Town supports these efforts and therefore authorizes Coastal to offer this preferential treatment so long as such preference shall not exceed a ratio of units that are offered to any qualifying member of the general public in a ratio that is any less than one to one (1:1) with one preferential unit being available for every publicly available unit that is also created. However, Coastal shall not be authorized to implement a preferential selection program if the application of such preference were to cause Coastal to become ineligible for 501(c) status under the Federal guidelines of the Internal Revenue Service. When requested, Coastal shall provide the Town with written documentation identifying how it is conducting this application and selection process and shall include detailed information on its review and qualification of such applications. This information shall also include a detailed list of the individuals selected as preferred tenants of any workforce housing units and the waiting lists, if any, that it may maintain for future units.
- vi. Income Requirements. Within its submitted Plan, Coastal shall identify the Area Median Incomes ("AMI") applicable to the affordable workforce housing units that it seeks to create under this Agreement. The rental or conveyance of any workforce housing homes created under this Agreement shall not be less than 30% nor greater than 120% of the AMI applicable to Hilton Head Island, South Carolina according to the latest figures available from the United States Department of Housing and Urban Development (HUD) without the express prior written approval by the Town. Additionally, the monthly rental amount to be charged on any unit that is created or acquired under this program shall not exceed thirty percent (30%) of the total household income identified at the time of qualification for such unit.

- vii. Ongoing Affordable Nature of Housing Units. Within its submitted Plan, Coastal shall identify the nature and extent to which the affordable workforce housing units it seeks to create under this Agreement shall be maintained and the duration of time, expressed in years, that it will ensure that the affordability standards for these units are maintained as stated in its submitted Plan. Coastal shall provide the Town with copies of the restrictive covenants that will be created for these purposes which shall be provided as part of Coastal's annual Plan and Budget submission. Additionally, within the submitted Plan, any units acquired and/or created under this agreement shall be documented as being restricted from use as a short-term rental during any period of time to which the unit is limited to workforce housing purposes.
- viii. Limitations on sale. No units acquired or created under this agreement shall be sold by Coastal without the express written consent of the Town. The net proceeds of any such units that are authorized for sale shall be reinvested into acquiring comparable workforce housing units.
- ix. Annual Report. Coastal shall prepare and submit an annual report to the Town identifying the manner in which any funding that it has received by the Town was utilized, the outcomes that it has created to support the acquisition of workforce housing on Hilton Head Island, and any performance metrics that may be that may be necessary to evaluate the overall effectiveness that this funding has had in addressing workforce housing issues on Hilton Head Island.
- x. Insurance. Coastal shall provide a Certificate of Insurance covering all activities necessary in the carrying out of acquiring real property, and/or during any occupancy of either single and/or multi-family workforce housing units within the municipal boundaries of Hilton Head Island. The Town shall be named as an additional insured within this document. The insurance policies required by this agreement shall include:
  - a. Fire insurance with limits equal to the replacement cost of any structure covered by this agreement, unless already included by regime insurance;
  - b. General liability insurance with limits of no less than \$1million
- xi. Indemnification. Coastal 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 Agreement, however caused or occasioned, unless caused by the willful misconduct or gross negligence of the Town.

**B. Town's Obligations**

- i. Staff Support: The Town will provide Coastal with access to its staff to support its activities provided for under this Agreement.
- ii. Processing of Permits. The Town agrees to work with Coastal to expeditiously process any requests that it may submit for the renovation or repair of any residential units that it acquires or maintains, and the building permits associated with any workforce housing units provided for under this Agreement. We request waiving of any permit fees.
- iii. Release of Funding. The Town will provide any funding authorized to Coastal under this Agreement on a draw down basis. This shall mean that Coastal will submit to the Town documentation establishing satisfactory compliance with all criteria outlined above and only after such documentation has been verified as being sufficient, shall the Town issue funding to Coastal in the amount requested and verified as being compliant with this Memorandum of Understanding.

**4. Specific Obligations**

Because of the unknown nature of future Plans and Budgets that may be submitted by Coastal, as a condition of any funding that may be awarded to Coastal through the Affiliated Agency funding process, the Town may require additional obligations that shall be consistent with both the Plan and Budget approved by the Town Council. Any such specific obligations will be incorporated via separate agreement and shall identify the nature and scope to which such specific obligations shall apply.

**5. Claw Backs and Dissolution**

In the event Coastal materially breaches this Agreement, the Town reserves the right to claw back the entirety of the Grant funds, or a portion thereof, that it has provided to Coastal. Additionally, should any funding awarded under this Agreement not be utilized pursuant to the terms and conditions outlined herein, or any additional specific obligations that may be associated with any such award, then Coastal agrees to refund any such funding to the Town upon the receipt of a written demand by the Town to return such funding. We request a 10 year time frame for this restriction.

Should at any time in the future Coastal cease to exist or otherwise operate as a South Carolina nonprofit corporation, Coastal's assets shall be transferred to another similar entity, with the consent of the Town, who shall assume the ownership and responsibilities for the residential units outlined within this agreement and shall continue their occupation, maintenance, and

management of these units under the same terms and conditions outlined herein or in any corresponding Plan or Budget that has been approved by the Town Council. Should a sufficient successor organization not be identified, the Town shall have the right to assume the ownership and responsibility for these units under the same terms and conditions outlined herein or in any corresponding Plan or Budget that has been approved by the Town Council.

#### **6. Notices**

All notices required under this Memorandum shall be deemed to have been given if in writing and

1. delivered personally; or
2. mailed first class, postage prepaid, to the address of record set forth below, in which case delivery shall be deemed to have occurred two calendar days after the date of postmark.

**COASTAL COMMUNITY DEVELOPMENT CORPORATION**

Chairman of the Board  
1000 Main Street Suite 100-B  
Hilton Head Island, South Carolina 29926

**TOWN OF HILTON HEAD ISLAND**

Town Manager  
One Town Center Court  
Hilton Head Island, SC 29928

The address of record may be changed by written notice to the other party.

#### **7. Term**

The term of this Memorandum of Understanding shall be for a period of five (5) years from the date of its execution. No less than one hundred and eighty (180) days prior to the conclusion of this Memorandum, the Town and Coastal shall meet to discuss any extensions, modifications, or terminations of the same. Changes to this Agreement may be made only with and by the mutual written consent of both Parties. This Agreement and any future requests for funding that are contemplated herein are subject to an annual budget appropriation by the Town Council as part of its Affiliated Agency funding program.

#### **8. Termination**

In addition to any other rights of termination set forth in this Memorandum, each party

shall have the right to terminate this Memorandum, by written notice to the other party, if the other party is in default of any term or provision of this Memorandum, and the defaulting party fails to cure or correct such default within fourteen (14) days of notice thereof from the non-defaulting party. A party may elect to disregard a default for the period of time without waiving its right to declare a default at a subsequent time or upon reoccurrence of the default. Additionally, either of the Parties may elect to terminate this Agreement for convenience by written notice to the other party, thirty (30) days in advance of such termination.

(SIGNATURE PAGES FOLLOW)

IN WITNESS WHEREOF, Coastal has caused this Agreement to be signed and sealed  
this 20<sup>th</sup> day of May, 2024.

SIGNED, SEALED AND  
DELIVERED IN THE PRESENCE

COASTAL COMMUNITY DEVELOPMENT  
CORPORATION

OF:



By: Alan P. Wolf Jr.  
Chairman of the Board

Attest: Cary Welker

Print Name: Alan P. Wolf Jr.

STATE OF SOUTH CAROLINA )  
COUNTY OF Beaufort )

ACKNOWLEDGEMENT

I, the undersigned Notary Public, do hereby certify that Alan wolf and  
Cary Welker personally appeared before me this day and acknowledged  
the due execution of the foregoing instrument on behalf of the Coastal Community Development  
Corporation.

Witness my hand and seal this 20<sup>th</sup> day of May, 2024.

Cary Welker  
Notary Public for South Carolina  
My Commission Expires: My Commission Expires May 01, 2028

IN WITNESS WHEREOF, the Town has caused this Agreement to be signed and sealed  
this 30th day of September, 20 24.

SIGNED, SEALED AND  
DELIVERED IN THE PRESENCE  
OF:



TOWN OF HILTON HEAD  
ISLAND, SOUTH CAROLINA

By:   
Alan Perry, Mayor

Attest:   
Marc Orlando, ICMA~CM  
Town Manager

STATE OF SOUTH CAROLINA )  
COUNTY OF BEAUFORT )

ACKNOWLEDGEMENT

I, the undersigned Notary Public, do hereby certify that Alan Perry and Marc Orlando personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the Town of Hilton Head Island, South Carolina.

Witness my hand and seal this 30th day of September, 20 24.

Notary Public for South Carolina

My Commission Expires: FAIDRA T. SMITH

Notary Public, State of South Carolina  
My Commission Expires 4/6/2027

**TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**

**A RESOLUTION BY THE TOWN OF HILTON HEAD ISLAND AUTHORIZING A  
MEMORANDUM OF UNDERSTANDING WITH THE COASTAL COMMUNITY  
DEVELOPMENT CORPORATION**

**WHEREAS**, the Town was contacted by representatives of the Coastal Community Development Corporation (CCDC), a South Carolina nonprofit corporation, requesting funding in the amount of \$600,000 that would be used by the organization to acquire various condominium units located on Hilton Head Island which in turn would be utilized to provide dedicated affordable workforce housing; and

**WHEREAS**, The CCDC made an initial presentation to the Town's Finance and Administrative Committee on August 15, 2023 and at the conclusion of this meeting, staff was asked to prepare a Memorandum of Understanding that would outline the various roles and responsibilities of the parties would agree to perform should the Town authorize the requested funding; and

**WHEREAS**, the Finance and Administrative Committee met on December 19, 2023 and January 11, 2024 to review the proposed terms contained within the Memorandum of Understanding; and

**WHEREAS**, the Finance and Administrative Committee has completed its review and discussions pertaining to this request and is unanimously recommending the attached Memorandum of Understanding be approved by the Town Council.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Councilmembers of the Town of Hilton Head Island, in Council duly assembled, that the Mayor and Town Manager are hereby authorized to take such actions as may be necessary to enter into a new Memorandum of Understanding enclosed with this Resolution as Attachment A.

**THIS RESOLUTION SHALL BE EFFECTIVE IMMEDIATELY UPON ITS  
ADOPTION.**

**MOVED, APPROVED, AND ADOPTED ON THIS 20<sup>TH</sup> DAY OF FEBRUARY,  
2024.**

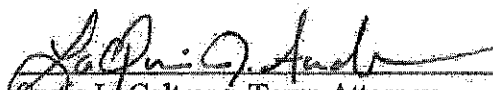
**TOWN OF HILTON HEAD  
ISLAND, SOUTH CAROLINA**

  
\_\_\_\_\_  
Alan R. Perry, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Kimberly Gammon, Town Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Curtis L. Coltrane, Town Attorney

C10-2017

STATE OF SOUTH CAROLINA )  
 ) MEMORANDUM OF UNDERSTANDING  
COUNTY OF BEAUFORT )  
 )

This Memorandum of Understanding (the "Memorandum") is entered into by and between the Town of Hilton Head Island (hereinafter referred to as the "Town,") and the Coastal Discover Museum, a South Carolina not-for-profit corporation (hereinafter referred to as the "Museum") regarding the Town assuming responsibility for the accounting and payroll functions of the Museum, the Town's payment of an annual management fee to the Museum, and the Town's assumption of responsibility for and payment for landscaping at Honey Horn.

1. **Governing Document.** It is the intent of the parties that this Memorandum shall not replace the existing Agreement and Lease between the Town and Museum regarding the use of Honey Horn. This Memorandum shall only govern circumstances wherein the Town assumes the accounting and payroll functions of the Museum, paying a management fee to the Museum, and the Town assumes the responsibility for landscaping at Honey Horn during the term of this Memorandum.
2. **General.** The Town owns Honey Horn and has entered into an Agreement with the Museum for the management and preservation of Honey Horn. This Memorandum does not replace or terminate the existing Agreement and Lease between the Town and Museum pertaining to Honey Horn.
3. **Maintenance.** During the term of this Memorandum, the Town shall, at its sole cost and expense, provide for the maintenance and general upkeep of all exterior landscaping at Honey Horn. This will not include irrigation or special event landscape support.
4. **Operating Funds.**
  - a. The Museum shall submit an annual operating budget to the Town. The submission of this budget shall coincide with the Town's annual budget process. The Town Manager shall inform the Museum of the procedures to be followed in regard to the budgeting process.
  - b. The Town shall pay to the Museum a management fee of Seventy Five Thousand dollars (\$75,000.00) per annum. During the annual budget process each year, this management fee may be reviewed and adjusted as the parties may agree. The Museum shall raise the balance of its operating budget as shown on its operating account profit and loss statement from sources other than the Town for the annual operating budget of the Museum.
  - c. Other entities, public or private, may contribute to the annual operating

budget of the Museum.

d. It is understood by the Town and the Museum that the Town will contract for and pay all expenses related to the maintenance and upkeep of all exterior landscaping at Honey Horn.

5. **Accounting Services.** The Town shall provide accounting, check writing, and payroll services to the Museum. These services shall include:

- a. a monthly and annual balance sheet and profit and loss statement;
- b. a monthly and annual general ledger of transactions;
- c. monthly reconciliation of bank statements;
- d. preparation of checks, including payroll checks and payroll tax payments, including filing of withholding, FICA and similar state and federal reports;
- e. all audit preparation services necessary to comply with Town requirements; and
- f. other financial services as the Town and Museum shall agree upon.

Accounting reports shall be in a format mutually agreeable to the Town and Museum.

6. **Bank Accounts, Checks, and Payments.**

a. Bank accounts shall be maintained in such institutions as the Museum shall determine. The Town shall maintain no more than four separate banking accounts for the Museum. Checks shall be prepared by the Town on the Museum's check forms, normally based on a written request of the Museum indicating the payee, account code and invoice or other appropriate reference data. Checks shall be signed by such person(s) as the Museum shall determine.

b. A separate checking account in an amount not to exceed \$2,500 (unless otherwise authorized in writing by the Town) shall be maintained by the Museum to fund smaller ongoing cash needs. Checks on this account shall be prepared and signed by such person(s) as the Museum shall determine. The Museum may request the Town to transfer additional funds to replenish this account on a regular basis, but not more often than monthly. The Museum shall provide to the Town adequate information regarding all payees, account numbers, and invoice or reference data to permit the Museum's accounting records to be maintained properly with this account.

- c. The Museum shall provide to the Town schedules of pay rates of Museum personnel, time sheets and other information requested by the Town for proper payroll records. Such personnel shall not be deemed employees or agents of the Town.
7. **Procurement and Purchasing.** Unless otherwise authorized in writing by the Town, the Museum will in its purchase of materials and services for the Museum adhere to procurement and purchasing procedures of the Town. This shall not be interpreted to mean that the Town must execute or approve such purchases; however, unless otherwise agreed upon between the parties, all such purchases shall be deemed direct transactions between the Museum and the entity providing the materials or services.
8. **Miscellaneous.** The Museum shall provide the Town with copies of all insurance policies of the Museum relating to their operations within thirty (30) days of signing of the Memorandum. The Museum shall remain a not-for-profit independent entity whose policies and procedures shall be determined by its Chief Executive Officer and Board of Directors. The Museum shall provide the Town with an annual independent audit report.
9. **Notices.** All notices required under this Memorandum shall be deemed to have been given if in writing and
- (a) delivered personally to the Town Manager or Museum CEO, or
  - (b) mailed first class, postage prepaid, to the address of record set forth below, in which case delivery shall be deemed to have occurred two calendar days after the date of postmark.

**COASTAL DISCOVERY MUSEUM**  
President and Chief Executive Officer  
P. O. Box 23947  
Hilton Head Island, SC 29925

**TOWN OF HILTON HEAD ISLAND**  
Town Manager  
One Town Center Court  
Hilton Head Island, SC 29928

The address of record may be changed by written notice to the other party.

10. **Term.** The term of this Memorandum of Understanding shall be for a period of ten years, from July 01, 2017 to June 30, 2027. Prior to June 30, 2027, this Memorandum will be reviewed by the Town and the Museum. Changes may be made only with and by the mutual consent of both parties.

11. **Termination.** In addition any other rights of termination set forth in this Memorandum, each party shall have the right to terminate this Memorandum, by written notice to the other party, if the other party is in default of any term or provision of this Memorandum, and the defaulting party fails to cure or correct such default within sixty (60) days of notice thereof from the non-defaulting party. A party may elect to disregard a default for the period of time without waiving its right to declare a default at a subsequent time or upon reoccurrence of the default.

**IN WITNESS WHEREOF**, the parties hereto have hereby affixed their signatures.

**COASTAL DISCOVERY MUSEUM**

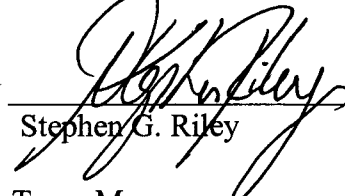
By   
Rex Garniewicz

Its: Chief Executive Officer

Date April 5, 2017

Address:  
P. O. Box 23947  
Hilton Head Island, SC 29925

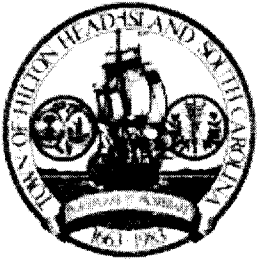
**TOWN OF HILTON HEAD ISLAND**

By   
Stephen G. Riley

Its: Town Manager

Date APRIL 5, 2017

Address:  
One Town Center Court  
Hilton Head Island, SC 29928



## Town of Hilton Head Island

One Town Center Court  
Hilton Head Island, SC 29928

### MEMORANDUM

**TO:** Town Council  
**FROM:** Stephen G. Riley, Town Manager  
**VIA:** Brian E. Hulbert, Esq., Staff Attorney  
**DATE:** March 17, 2017  
**RE:** Memorandum of Understanding between Town of Hilton Head Island and the Coastal Discovery Museum

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**Recommendation:** Staff recommends that Town Council authorize the Town Manager to execute this Memorandum of Understanding (MOU) between the Town of Hilton Head Island (Town) and the Coastal Discovery Museum (Museum).

**Summary:** A MOU was first entered into between the Town and the Coastal Discovery Museum in 2007. It is set to expire June 30, 2017. This MOU between the Town and the Museum would have the Town continue to take responsibility for the accounting and payroll functions of the Museum, continue to take responsibility for the general landscaping at Honey Horn, and continue the payment of a \$75,000.00 per year management fee to Coastal Discovery Museum. This MOU would renew the agreement for another 10 year term.

**Background:** At its 2006 annual workshop, Town Council adopted as a Top Priority, the execution of a management agreement with the Museum. The management agreement was proposed so that the Town would assume responsibility for the accounting and payroll functions of the Museum take over responsibility for the landscaping at Honey Horn. The Town currently has an Agreement and Lease with the Museum in which they manage Honey Horn. The lease was executed on January 29, 2002 and is for a term of 45 years.

**CC:** Gregory D. DeLoach, Esq., Assistant Town Manager  
Mr. Rex Garniewicz, President and CEO Coastal Discovery Museum  
John Troyer, Director, Finance Department  
Scott Liggett, Director PP&F

STATE OF SOUTH CAROLINA )  
 ) MEMORANDUM OF UNDERSTANDING  
COUNTY OF BEAUFORT )

**THIS MEMORANDUM OF UNDERSTANDING** is made and entered into this day of February 20, 2024, by and between the Town of Hilton Head Island, South Carolina, (hereinafter referred to as the “Town”), and the Hilton Head Island Recreation Association, Inc., a South Carolina not-for-profit corporation (hereinafter referred to as the “Association”), when referred to collectively, the Town and the Association shall be referred to as the “Parties.”

**WHEREAS**, the Town and the Association have worked cooperatively to provide public recreational services to the residents and visitors of Hilton Head Island continuously since 1985; and

**WHEREAS**, the most recent Memorandum of Understanding between the Parties was set to expire on September 30, 2023; and

**WHEREAS**, the Parties recognize the ongoing need to provide public recreational services and facilities throughout the Town and therefore desire to enter into a new Memorandum of Understanding; and

**WHEREAS**, on October 20, 2020, the Town adopted its Comprehensive Plan, *Our Plan*, a component piece of which included a Parks and Recreation Master Plan; and

**WHEREAS**, the Town has adopted a stand-alone section in *Our Plan* specifically related to parks and recreational services because it represents a significant area of interest and investment falling within the Town's jurisdiction and scope of responsibility for the Island community; and

**WHEREAS**, within this section of *Our Plan*, the Town has adopted clear goals that it desires to achieve within the areas of public recreation and park facilities which include:

- A. **Community Value:** To continue to promote and prioritize the value parks and recreation add to the Island community.
- B. **Best-In-Class:** To provide best-in-class recreation facilities and programs in the Island's public parks.
- C. **Programming:** To celebrate the unique natural amenities and cultural assets of the Island through education facilities and programs in public parks.
- D. **Water:** To continue to improve and increase opportunities for water access.
- E. **Pathways:** To continue to improve and enhance the multi-use pathway network on the Island for recreation and transportation.
- F. **Sports:** To continue to provide opportunities for sports tourism on the Island.
- G. **Funding:** To generate sufficient funds to construct new, redevelop as needed, and maintain all parks in best-in-class condition.
- H. **Accessibility:** To promote multi-dimensional inclusion and access for all parks, facilities, and recreation programming; and

**WHEREAS**, the Town owns the Island Recreation Center, Shelter Cove Community Park, Jarvis Creek Park, Crossings Park, Bristol Sports Arena, Chaplin Community Park and Tennis Courts, Rowing and Sailing Center at Squire Pope Community Park, Green's Shell Park, Lowcountry Celebration Park, Mid Island Tract, Ashmore Tract, Taylor Family Park, Patterson Park, Barker Field and Barker Field Extension, Old School House Park, the Cordillo Tennis Courts, and the Hilton Head Island Senior Center at Shelter Cove; and

**WHEREAS**, the Parties desire to enter into an agreement wherein the Association will manage and operate all of the Town-owned recreational facilities and associated programming for those facilities identified above along with any other parks and recreation facilities developed during the terms of this agreement.

**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 Association, the parties hereto agree as follows:

A. **Governing Document.** The parties intend that this Memorandum of Understanding and the accompanying exhibits shall replace all previous documents entered into between the Town and the Association regarding the management and operation of all town-owned park or recreational facilities along with any other parks and recreation facilities developed during the terms of this agreement. This document shall serve as the nonexclusive authorization for the Association to occupy, utilize, and determine the programming and special event authorization for those parks and recreation facilities that are herein identified as follows:

- a. Island Recreation Center,
- b. Shelter Cove Community Park,
- c. Jarvis Creek Park,
- d. Crossings Park,
- e. Bristol Sports Arena,
- f. Chaplin Community Park and Tennis Courts,
- g. Rowing and Sailing Center at Squire Pope Community Park,
- h. Green Shell Park,
- i. Lowcountry Celebration Park,
- j. Mid Island Tract,
- k. Ashmore Tract,
- l. Taylor Family Park,
- m. Patterson Park,
- n. Barker Field and Barker Field Extension,
- o. Old School House Park,
- p. Cordillo Tennis Courts,
- q. Hilton Head Island Senior Center at Shelter Cove

The Association shall serve as the primary entity responsible for managing requests by the public to use these parks and recreation facilities either through a special event permit or otherwise. Such authorization shall be at the Association's discretion so long as any

such authorization does not contradict any rules, regulations, or policy instruction developed by either the Town or the Parks and Recreation Commission. To the extent that the town has entered into any agreement, covenant or restriction, or other similar legal requirements pertaining to the nature and use of a particular property, the Association shall ensure that its actions in managing such property shall maintain the Town's compliance with any such regulation or requirement.

- B. **Board of Directors.** The Town shall be authorized to make two (2) appointments to the Association's Board of Directors. One appointment shall be a member of the Town Council who shall serve in an ex-officio capacity without voting rights and whose term shall be for such time as the Town Council may determine until a replacement appointment of an alternative Town Council member has been appointed. One appointment shall be a resident of Hilton Head Island that is agreed upon by the Association's Board of Directors, who shall be a full voting member of the Board and whose terms shall run for a three (3) year period consistent with the Association's by-laws. If nominated and approved by the Board of the Association, the resident appointee can serve on the Executive Committee of the Association in accordance with the Association's by-laws.
  
- C. **Recreational Programming and Scheduling.** The Association shall be responsible for developing and coordinating a schedule of programs that utilizes all parks and recreation facilities identified within this document along with any other parks and recreation facilities developed during the terms of this agreement. It is the intent of the Town that the Association help to develop new programming opportunities as these future sites become available for such purposes. The programming of such activities shall be done in conformity with any directions that may have been set forth by the Town Council through the adoption of any policy directive such as a defined master plan for a particular park or recreation facility. The Association shall review its schedule of programs with the Parks and Recreation Commission on regular intervals to keep the Commission informed on the status of its programming delivery and usage by the public. Creative programming such as the possible development of traveling recreational programs that can be delivered within communities whose residents may have transportation limitations is an example of the types of diverse programming opportunities that the Town desires the Association to pursue. The Association shall gather such data and metrics as may be necessary to clearly understand the demographics, backgrounds, geographic location, and such other details of individuals participating in the Association's programming in order to evaluate the effectiveness of its programming, the development of new and expanded programming opportunities, and determine the overall return on investment to the community that the Association's programming provides. This data shall also include any metrics that may be developed or recommended by the National Parks and Recreation Association. This information shall be provided to the Commission on a regular periodic basis and shall also be presented to the Town's Finance and Administrative Committee, or if such entity is not available during the term of this agreement, to the Town Council, on a biannual basis.

**Creation of New Programming.** The Association is encouraged to develop new and expanded program offerings that are targeted to meet the needs of the Island's youth, young families, seniors, and any other community demographic that may exist on Hilton Head Island. The Association shall present requests for new or expanded programming at facilities that have not previously been utilized for such activities to the Parks and Recreation Commission, who shall be responsible for reviewing and evaluating these proposals and making recommendations to the Town Council. Programs shall be developed and offered for all age groups. Access to all town-owned parks and recreation facilities shall be offered without regard to race, creed, disability, color, sex, or national origin.

- D. **Alignment of Schedules.** The Association shall be responsible for aligning its programming schedule in consideration of the maintenance needs of the Town's parks and recreational facilities. The Association shall meet with designated Town staff to review these maintenance schedules and shall mutually agree upon the timing of all programming and maintenance-related activities.
- E. **Annual Report.** In addition to other data gathering and reporting requirements outlined within this document, the Association shall prepare and submit an annual report to the Town Council which shall coincide in timing with the development and submission of the Association's annual budget request to the Town.
- F. **Maintenance.** The Association shall maintain all buildings, facilities, and grounds at the Island Recreation Center and shall ensure that they are clean, safe, and in good repair, with normal wear and tear excepted. Maintenance of the Shelter Cove Community Park, Jarvis Creek Park, Crossings Park, Bristol Sports Arena, Green's Shell Park, Chaplin Community Park and Tennis Courts, Rowing and Sailing Center at Squire Pope Community Park, Green's Shell Park, Lowcountry Celebration Park, Mid Island Tract, Ashmore Tract, Taylor Family Park, Patterson Park, Barker Field and Barker Field Extension, Old School House Park, the Cordillo Tennis Courts, and the Hilton Head Island Senior Center at Shelter Cove shall be maintained through the Facilities Management Division of the Town.
- G. **Availability.** The Island Recreation Center, excluding the swimming pool, shall be open daily, except during annual maintenance and the following holidays: Christmas Eve, Christmas Day, New Year's Day, Thanksgiving Day, and Easter Sunday. Unless otherwise agreed to by the Parties, the hours of operation for the Island Recreation Center shall be as follows:

|                       |                  |
|-----------------------|------------------|
| Monday through Friday | 6:00 am-9:00 pm  |
| Saturday              | 8:00 am-3:00 pm  |
| Sunday                | 11:00 am-3:00 pm |

During weekends, the Association may schedule programs or have facility rentals that occur outside these normal operating hours.

- H. **Hours of Operation.** The town-owned parks and recreation facilities shall be open for use by the public during such hours as the Town Council may designate within The Municipal Code of the Town of Hilton Head Island. In the absence of such designation, the following hours of operation shall apply:

|                             |                             |
|-----------------------------|-----------------------------|
| Shelter Cove Community Park | 8:00 a.m. - 10:00 p.m.;     |
| Lowcountry Celebration Park | 8:00 a.m. - 10:00 p.m.;     |
| Green's Shell Park          | dawn-dusk;                  |
| Jarvis Creek Park           | dawn-dusk;                  |
| Rowing and Sailing Center   | dawn-dusk;                  |
| Chaplin Tennis Courts       | 7:00 a.m. – 9:30 p.m.;      |
| Cordillo Tennis Courts      | 7:00 a.m. - sunset ;        |
| Crossings Park              | 8:00 a.m. - 10:00 p.m.;     |
| Bristol Sports Arena,       | 8:00 a.m. - 10:00 p.m.;     |
| Barker Field Extension      | 8:00 a.m. - 10:00 p.m.; and |
| Chaplin Community Park.     | 8:00 a.m. - 10:00 p.m.      |

The Association may schedule programs or have facility rentals that occur outside the normal operating hours so long as such programs and facility rentals do not otherwise conflict with the regulation set forth in The Municipal Code of the Town of Hilton Head Island.

- I. **Beach Activities.** The Association shall be authorized to provide supervised instruction for various recreation activities as part of its regular programming, which may include instruction for surfing classes and other water-related programs that may occur at the beach. This will not be considered to be commercial activity on the beach. The Association shall be authorized to utilize a golf cart or gator to access the beach and carry the equipment to the instruction areas on the beach.
- J. **Swimming Pool.** The swimming pool shall be open and staffed daily, except during inclement weather, periods of pool malfunction, installation and deflation of the Air Dome, and the following holidays: Christmas Eve, Christmas Day, New Year's Day, Easter Sunday, and Thanksgiving Day. The hours of operation shall be as follows:

|                       |                  |
|-----------------------|------------------|
| Monday through Friday | 5:30 am- 8:00 pm |
| Saturday              | 8:00 am to 3 pm  |
| Sunday                | 11:00 am-3:00 pm |

During weekends, the Association may schedule programs or have facility rentals that occur outside these normal operating hours.

The Association may also open the swimming pool at such hours as it shall determine are needed for special events, or during such additional periods as it determines are warranted by weather and public use. The swimming pool shall also be open during dates and times mutually agreed upon between the Association and the Beaufort County School District for purposes of teaching swim lessons and practices for swim meets for

the Hilton Head Island High School swimming teams. Staffing during these dates and times will be by appropriately certified Board of Education and Association personnel.

- K. **Operating Funds.** The Association shall submit its funding request to the Town annually. This request shall coincide with the Town's annual budget process. The Town Manager, or his designee, shall inform the Association of the procedures to be followed regarding the funding process.

The Association shall raise a minimum of fifty percent (50%) of its operating budget as shown on its operating account profit and loss statement from sources other than the Town General Fund commitment for the annual operating budget of the Association. The Association shall also be authorized to charge reasonable user fees for programs and services provided by the parks and recreational facilities. Such fees shall be designed to offset applicable personnel, administrative, and operating expenses allocated to its provision of programs or services. When developing and setting such fees, the Association should be mindful to avoid competition from private industries and businesses located on Hilton Head Island.

Any funding provided to the Association from the Town shall be used towards its operating expenses or capital improvement needs. At no time shall the funding provided to the Association by the Town be used to create or enlarge a reserve financial account. The Association should keep and maintain such an account, but funding for that account should come exclusively from sources other than those provided by the Town.

- L. **Accounting Services.** The Town shall provide the Association with timely accounting, check writing, payroll, audit, and income tax preparation services.

These services shall include:

- a. a monthly and annual balance sheet and profit and loss statement;
- b. a monthly and annual general ledger of transactions;
- c. monthly reconciliation of bank statements;
- d. preparation of checks, including payroll checks and payroll tax payments, including the filing of withholding, FICA, and similar state and federal reports;
- e. all audit and audit review preparation services necessary to comply with Town requirements; and
- f. annual state and federal income tax submissions.

Accounting reports shall be in a format that is acceptable to both the Association and the Town.

- M. **Bank Accounts, Checks, and Payments.** Bank accounts shall be maintained in such institutions as the Association shall determine appropriate. The Town shall prepare checks on the Association's check forms, normally based on a written request of the Association indicating the payee, account code, and invoice or other appropriate

reference data. Checks shall be signed by such person(s) as the Association shall determine.

The Association may maintain a separate checking account in an amount not to exceed Twelve Thousand Dollars (\$12,000.00) and fund its ongoing periodic cash needs unless otherwise authorized in writing by the Town. Checks drafted upon this account shall be prepared and signed by such person(s) as the Association shall determine. When the Association requests the Town to transfer additional funds to replenish this account the Association will provide to the Town adequate information regarding payees, account numbers, and invoice or reference data to permit the Association's accounting records to be maintained properly. The Association shall make requests for the Town to transfer additional funds to replenish this account on a not less than monthly basis.

The Association shall provide the Town schedules of pay rates of Association personnel, time sheets, and other information requested by the Town for proper payroll records. Such personnel shall not be deemed employees or agents of the Town.

The Association shall provide the Town with an annual independent audit report or audit review report. An annual audit report shall be submitted no less than every third year.

- N. **Procurement and Purchasing.** Unless otherwise authorized in writing by the Town, the Association will adhere to the procurement and purchasing procedures adopted by the Town in its purchase of materials and services for the Recreation Center, Parks, and Tennis Courts. This shall not be interpreted to mean that the Town must execute or approve such purchases, however, unless otherwise agreed upon between the parties. All such purchases shall be deemed direct transactions between the Association and the entity providing the materials or services.
- O. **Personnel.** Personnel of the Association shall not be employees of the Town.
- P. **Miscellaneous.**
  - a. The Association shall provide the Town with current copies of all insurance policies of the Association relating to all parks and recreation facilities within thirty (30) days of the signing of the Agreement and will provide a copy to the Town upon each renewal of said insurance policies.
  - b. The Association shall provide the Town with copies of all insurance policies the Association requires users to provide to the Association for the use of any parks or recreation facility within thirty (30) days of receiving the copy of the policy.
  - c. The Association shall remain a not-for-profit independent entity whose policies and procedures shall be determined by its Board of Directors.
- Q. **Notices.** All notices required under this Memorandum shall be deemed to have been given if in writing and (a) delivered personally; or (b) mailed first class, postage prepaid,

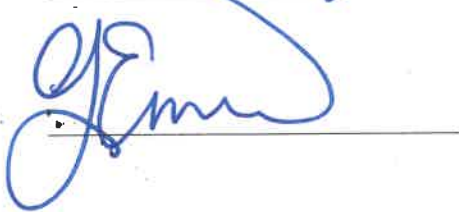
to the address of record set forth below, in which case delivery shall be deemed to have occurred two calendar days after the date of postmark. The address of the record may be changed by written notice to the other party.

- R. **Term.** The term of this Memorandum of Understanding shall be for a period of ten (10) years from the date of its execution. No later than one hundred and twenty (120) days prior to the expiration of this Memorandum of Understanding, the Parties agree that they will meet to review the terms of this document and discuss the development of any potential extensions, renewals, replacements, or termination thereof.
- S. **Amendments.** Changes to this document may be made only with the mutual written consent of both parties.
- T. **Termination.** In addition, any other rights of termination outlined in this Memorandum, each party shall have the right to terminate this Memorandum, by written notice to the other party, if the other party is in default of any term or provision of this Memorandum, and the defaulting party fails to cure or correct such default within fourteen (14) days of notice thereof from the non-defaulting party. A party may elect to disregard a default for some time without waiving its right to declare a default at a subsequent time or upon reoccurrence of the default.

**IN WITNESS WHEREOF**, the parties hereto have affixed their signatures hereto the date first written hereinabove.

**WITNESSES:**

**HILTON HEAD ISLAND RECREATION  
ASSOCIATION, INC.**

  
\_\_\_\_\_  
  
\_\_\_\_\_

By: \_\_\_\_\_

Ray Craver, Board President

Attest: \_\_\_\_\_



**WITNESSES:**

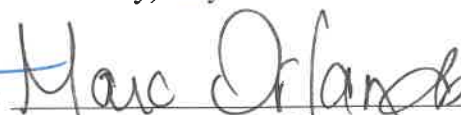
**TOWN OF HILTON HEAD ISLAND**

  
\_\_\_\_\_  
  
\_\_\_\_\_

By: \_\_\_\_\_

Alan Perry, Mayor

Attest: \_\_\_\_\_

  
\_\_\_\_\_  
Marc Orlando, Town Manager

**TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**

**A RESOLUTION BY THE TOWN OF HILTON HEAD ISLAND AUTHORIZING A  
MEMORANDUM OF UNDERSTANDING WITH THE ISLAND RECREATION  
ASSOCIATION**

**WHEREAS**, the Town of Hilton Head Island and the Island Recreation Association executed a Memorandum of Understanding on July 18, 2018, providing for the Association's programming, oversight, and special event management of most Town-owned recreational/park facilities; and

**WHEREAS**, the existing Memorandum of Understanding was set to expire on September 30, 2023; and

**WHEREAS**, on September 19, 2023, Town Council adopted a Resolution extending the existing Memorandum of Understanding until such time as a new agreement was entered into between the parties; and

**WHEREAS**, the Town and the Island Recreation Association have been engaged in ongoing discussions regarding the terms to be contained within a new Memorandum of Understanding; and

**WHEREAS**, the parties have completed their negotiations and the result of which is a new Memorandum of Understanding which provides for the continued recreational programming, oversight, and special event management of most Town-owned recreational/park facilities by the Association.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Councilmembers of the Town of Hilton Head Island, in Council duly assembled, that the Mayor and Town

Manager are hereby authorized to take such actions as may be necessary to enter into a new Memorandum of Understanding enclosed with this Resolution as Attachment A.

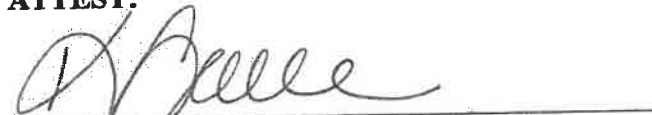
**THIS RESOLUTION SHALL BE EFFECTIVE IMMEDIATELY UPON ITS ADOPTION.**

**MOVED, APPROVED, AND ADOPTED ON THIS 20th DAY OF FEBRUARY, 2024.**

**TOWN OF HILTON HEAD  
ISLAND, SOUTH CAROLINA**

  
Alan R. Perry, Mayor

**ATTEST:**

  
Kimberly Gammon, Town Clerk

**APPROVED AS TO FORM:**

 For  
Curtis L. Coltrane, Town Attorney



## TOWN OF HILTON HEAD ISLAND

### TOWN COUNCIL

**TO:** Town Council Members  
**FROM:** Joshua Gruber, Deputy Town Manager  
**CC:** Marc Orlando, Town Manager  
**DATE:** February 11, 2024  
**SUBJECT:** Consideration of a Resolution Approving a Memorandum of Understanding with the Island Recreation Association

---

#### **RECOMMENDATION:**

The Town Council should review the proposed Memorandum of Understanding with the Island Recreation Association and provide comments on any suggested modifications to this document. Once finalized, the Committee should make a recommendation to the Town Council on the adoption of this updated Memorandum of Understanding.

#### **BACKGROUND:**

The Town and the Island Recreation Association executed a Memorandum of Understanding on July 18, 2018. This document provided for the Association's programming, oversight, and management of most Town-owned recreational/park facilities and the corresponding compensation that the Town would provide both directly and indirectly for this purpose. The term of this agreement was for a period of time from the date of execution until September 30, 2023.

Representatives from the Town and the Association met over the course of the last several months and began discussing terms to be included within a new Memorandum of Understanding. Based upon these conversations, a new document has been prepared that incorporates all comments and feedback that have been received to date. A copy of the Town's updated Memorandum of Understanding is enclosed at Attachment 1.

At its October 2023 meeting, the Association's Board of Directors unanimously approved the draft Memorandum of Understanding as presented.

At its meeting on November 14, 2023, the Town's Finance and Administrative Committee discussed the draft Memorandum of Understanding and asked multiple questions of both Town and Association staff members. Following this discussion, the Committee voted unanimously to recommend approval of the Memorandum of Understanding to the Town Council as presented.

**CONCLUSION:**

The Town Council should review the new Memorandum of Understanding between the Town and the Island Recreation Association and provide any comments or other policy direction that it may have on this document. Once finalized, the Town Council should vote to approve the new Memorandum of Understanding with the Island Recreation Association thereby replacing the current agreement that is being continued on a month-to-month basis.

**ATTACHMENTS:**

1. Draft Memorandum of Understanding between the Town of Hilton Head Island and the Island Recreation Association.
2. Resolution Approving a Memorandum of Understanding with the Island Recreation Association.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
01/12/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

|                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PRODUCER</b><br>Correll Insurance Group of Hilton Head<br>PO Box 6869<br><br>Hilton Head Island SC 29938                 | <b>CONTACT NAME:</b> Lena Johnson<br><b>PHONE (A/C, No, Ext):</b> (843) 785-7733<br><b>E-MAIL ADDRESS:</b> lena@correllhhi.com<br><b>FAX (A/C, No):</b><br><br><b>INSURER(S) AFFORDING COVERAGE</b><br><b>INSURER A:</b> Philadelphia Indemnity<br><b>INSURER B:</b> Amynta Surety Solutions<br><b>INSURER C:</b><br><b>INSURER D:</b><br><b>INSURER E:</b><br><b>INSURER F:</b> |
| <b>INSURED</b><br><br>Hilton Head Island Recreation Association, Inc.<br>P. O. Box 22593<br><br>Hilton Head Island SC 29925 | <b>NAIC #</b>                                                                                                                                                                                                                                                                                                                                                                    |

## COVERAGES

**CERTIFICATE NUMBER:** 23.24 GL; 24.25 WC

**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE                                                                                                                                                                                                                                                                                                   | ADDL INSD                                                        | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS                                                                                                                                                                                                                                                                          |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|----------|---------------|-------------------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A        | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br><br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC<br>OTHER: |                                                                  |          | PHPK2620840   | 10/29/2023              | 10/29/2024              | EACH OCCURRENCE \$ 1,000,000<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000<br>MED EXP (Any one person) \$ Excluded<br>PERSONAL & ADV INJURY \$ 1,000,000<br>GENERAL AGGREGATE \$ 3,000,000<br>PRODUCTS - COMP/OP AGG \$ 3,000,000<br>Abuse & Molestation \$ 1,000,000 |
|          | <input type="checkbox"/> AUTOMOBILE LIABILITY<br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> OWNED AUTOS ONLY<br><input type="checkbox"/> HIRED AUTOS ONLY<br><input checked="" type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> NON-OWNED AUTOS ONLY                                |                                                                  |          | PHPK2620840   | 10/29/2023              | 10/29/2024              | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$<br>\$                                                                                                                 |
|          | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR<br><input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE<br>DED <input checked="" type="checkbox"/> RETENTION \$ 10,000                                                                             |                                                                  |          | PHUB888100    | 10/29/2023              | 10/29/2024              | EACH OCCURRENCE \$ 2,000,000<br>AGGREGATE \$ 2,000,000<br>\$                                                                                                                                                                                                                    |
|          | <input type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY<br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below                                                                                                     | <input checked="" type="checkbox"/> Y <input type="checkbox"/> N | N/A      | WC124-9000284 | 01/01/2024              | 01/01/2025              | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER<br>E.L. EACH ACCIDENT \$ 500,000<br>E.L. DISEASE - EA EMPLOYEE \$ 500,000<br>E.L. DISEASE - POLICY LIMIT \$ 500,000                                                                             |
|          |                                                                                                                                                                                                                                                                                                                     |                                                                  |          |               |                         |                         |                                                                                                                                                                                                                                                                                 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Workers Compensation Excluded Officers: Alan Perry, Susan Hughson, Joe Mezera, Kyle Theodore

## CERTIFICATE HOLDER

## CANCELLATION

|                                                                               |                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Town of Hilton Head Island<br>1 Town Center Court<br><br>Hilton Head SC 29928 | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.<br><br>AUTHORIZED REPRESENTATIVE<br> |
|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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STATE OF SOUTH CAROLINA )  
 ) MEMORANDUM OF UNDERSTANDING  
 COUNTY OF BEAUFORT )  
 )

This Memorandum of Understanding (the “Memorandum”) is entered into by and between the Town of Hilton Head Island (hereinafter referred to as the “Town,”) and the Historic Mitchelville Freedom Park Inc. (formerly known as: Mitchelville Preservation Project, Inc.), a South Carolina not-for-profit corporation (hereinafter referred to as “Mitchelville”) regarding the Town’s assumption of responsibility and payment for janitorial, landscaping, general maintenance, and current capital costs at Historic Mitchelville Freedom Park.

1. **Governing Document.** It is the intent of the parties that this Memorandum shall not replace the Lease between the Town and Mitchelville regarding the use of Historic Mitchelville Freedom Park. This Memorandum shall only govern circumstances wherein the Town pays a management fee to Mitchelville and assumes the responsibility for janitorial, landscaping, general maintenance, and current capital costs at Historic Mitchelville Freedom Park during the term of this Memorandum. Any additional capital and operating costs will be the responsibility of Mitchelville.
2. **General.** The Town owns Historic Mitchelville Freedom Park and has entered into a Lease with Mitchelville for the creation of a historical and cultural museum at Historic Mitchelville Freedom Park. This Memorandum does not replace or terminate the Lease between the Town and Mitchelville pertaining to Historic Mitchelville Freedom Park.
3. **Maintenance.** During the term of this Memorandum, the Town shall, at its sole cost and expense:
  - a. Provide for the janitorial and landscaping services at Historic Mitchelville Freedom Park.
  - b. Provide for general maintenance of the park including driveway and parking area scraping and stocking of paper products in the restroom.
  - c. Continue the 10 year Capital Improvements planned for the park, including but not limited to: roof replacement, partition replacement, light fixtures, plumbing fixtures, exterior/interior painting, structure repairs, pathway/sidewalk repairs, parking lot repairs, amenities/signage replacements, and landscape replacements.
4. **Programming.**
  - a. The Park shall be open daily unless otherwise listed, hours of operation shall be as follows: Monday through Sunday dawn to dusk.

## Exhibit A

- b. Mitchelville may schedule programs or have facility rentals that occur outside normal operating hours.

### 5. **Operations.**

- a. The Town shall pay to Mitchelville a management fee of One Hundred Five Thousand dollars (\$105,000.00) per annum. Mitchelville shall raise the balance of its operating budget as shown on its operating account profit and loss statement from sources other than the Town for the annual operating budget of the Mitchelville.
- b. Other entities, public or private, may contribute to the annual operating budget of Mitchelville.
- c. It is understood by the Town and Mitchelville that the Town will contract for and pay all expenses related to janitorial, landscaping, general maintenance, and current capital costs at Historic Mitchelville Freedom Park. Any new capital projects would be at the sole cost and expense of Mitchelville.
- d. Mitchelville shall be entitled to charge User Fees for the use of the Park and its facilities to defray the cost of event set up, event cleanup, and supervision of the Park and facilities during events. Prior to charging any User Fees for the use of the Park and facilities, Mitchelville shall prepare a schedule of such fees and present the same to the Town for approval by the Town Council. Any changes to the approved schedule of fees shall be submitted to the Town Council for its approval.

### 6. **Miscellaneous.**

- a. Mitchelville shall provide the Town with current copies of all insurance policies of Mitchelville relating to their operations within thirty (30) days of signing of the Memorandum and copy the Town upon each renewal of said insurance policies. Mitchelville shall carry a general liability policy at a minimum of one million dollars (\$1,000,000). Mitchelville shall provide a certificate of insurance outlining the insurance requirements set forth herein upon written request by the Town.
- b. Mitchelville shall remain a not-for-profit independent entity whose policies and procedures shall be determined by its Executive Director and Board of Directors.
- c. Financial Statements:
  - i. Mitchelville shall cause a financial statement to be prepared each year at the conclusion of Mitchelville's fiscal year by an entity independent of, and unconnected to, Mitchelville. Mitchelville's fiscal year ends on

## Exhibit A

December 31 of each calendar year. Mitchelville shall deliver a copy of its financial statement to the Town within thirty (30) days of the completion of the financial statement each calendar year.

- ii. Mitchelville shall submit an annual operating budget to the Town. The submission of this budget shall coincide with the Town's annual budget process. The Town Manager shall inform Mitchelville of the procedures to be followed in regard to the budgeting process.
- iii. Mitchelville shall provide the Town with an annual independent audit report or review report prepared by a Certified Public Accountant (CPA) acceptable to the Town. An annual report shall be submitted no less than every third year.
- iv. Upon request of the Town, Mitchelville shall make its financial books and records available to the Town for Review. The Town shall give Mitchelville written notice of its intention to review Mitchelville's financial books and records. Mitchelville shall make its financial books and records available for review by the Town within twenty (20) days of the Town's written notice.

7. **Notices.** All notices required under this Memorandum shall be deemed to have been given if in writing and

- a. delivered personally; or
- b. mailed first class, postage prepaid, to the address of record set forth below, in which case delivery shall be deemed to have occurred two calendar days after the date of postmark.

**HISTORIC MITCHELVILLE FREEDOM PARK, Inc.**  
Executive Director  
539 William Hilton Parkway, Suite 134  
Hilton Head Island, SC 29928

**TOWN OF HILTON HEAD ISLAND**  
Town Manager  
One Town Center Court  
Hilton Head Island, SC 29928

The address of record may be changed by written notice to the other party.

8. **Term.** The term of this Memorandum of Understanding shall be for a period of ten (10) years from the date of execution, March 21, 2023. Prior to March 21, 2023, this Memorandum will be reviewed by the Town and Mitchelville. Changes may be made only with and by the mutual consent of both parties.

## Exhibit A

9. **Termination.** In addition to any other rights of termination set forth in this Memorandum, each party shall have the right to terminate this Memorandum, by written notice to the other party, if the other party is in default of any term or provision of this Memorandum, and the defaulting party fails to cure or correct such default within fourteen (14) days of notice thereof from the non-defaulting party. A party may elect to disregard a default for the period of time without waiving its right to declare a default at a subsequent time or upon reoccurrence of the default.

(SIGNATURE PAGES FOLLOW)

Exhibit A

IN WITNESS WHEREOF, Mitchelville has caused this Agreement to be signed and

sealed this 23<sup>rd</sup> day of May, 2023.

SIGNED, SEALED AND  
DELIVERED IN THE PRESENCE  
OF:

Shea Jamar  
Carol Campbell

HISTORIC MITCHELVILLE  
FREEDOM PARK, INC.

By: Omolola Campbell  
Omolola Campbell  
President, Board of Directors

Attest: [Signature]  
Print Name: Ahmad Ward

STATE OF SOUTH CAROLINA )  
COUNTY OF Beaufort )

ACKNOWLEDGEMENT

I, the undersigned Notary Public, do hereby certify that Omolola Campbell and  
Ahmad Ward (Print Name) personally appeared before me this day  
and acknowledged the due execution of the foregoing instrument on behalf of the Historic  
Mitchelville Freedom Park, Inc.

Witness my hand and seal this 23<sup>rd</sup> day of May, 2023.

Sherry Parent  
Notary Public for South Carolina  
My Commission Expires: 8/25/2025

**Sherry Parent**  
**NOTARY PUBLIC**  
**State of South Carolina**  
**My Commission Expires 8/25/2025**

## Exhibit A

IN WITNESS WHEREOF, the Town has caused this Agreement to be signed and

sealed this 4th day of April, 2023.

SIGNED, SEALED AND  
DELIVERED IN THE PRESENCE  
OF:

  
\_\_\_\_\_  
\_\_\_\_\_

TOWN OF HILTON HEAD  
ISLAND, SOUTH CAROLINA

By:   
Alan R. Perry, Mayor

By:   
Marc Orlando, Town Manager

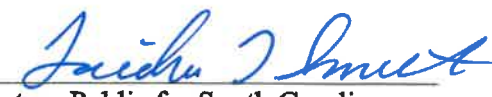
Attest:   
Cindaia L. Ervin, Interim Town  
Clerk

STATE OF SOUTH CAROLINA      )  
                                                          )  
COUNTY OF BEAUFORT            )

## ACKNOWLEDGEMENT

I, the undersigned Notary Public, do hereby certify that Alan R. Perry, Marc Orlando and Cindaia Ervin personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the Town of Hilton Head Island, South Carolina.

Witness my hand and seal this 4th day of April, 2023.

  
Notary Public for South Carolina  
My Commission Expires: FAIDRA T. SMITH  
Notary Public, State of South Carolina  
My Commission Expires 4/6/2027

STATE OF SOUTH CAROLINA )  
 ) MEMORANDUM OF UNDERSTANDING  
 COUNTY OF BEAUFORT )  
 )

This Memorandum of Understanding (the "Memorandum") is entered into by and between the Town of Hilton Head Island (hereinafter referred to as the "Town," a South Carolina Municipal Corporation, and the University of South Carolina Beaufort (hereinafter referred to as "USCB"), a South Carolina public education institution. When referred to collectively, these entities shall be known as the "Parties".

1. **Governing Document and Statement of Purpose.** It is the intent of the Parties that this Memorandum shall serve to outline the various services that USCB will provide to the public on behalf of the Town and the corresponding financial support that will be provided by the Town in order to receive these services. Those services shall include, but not necessarily be limited to, supporting organizations in the development of special events, providing hospitality training, increasing volunteerism, continuing community education, and facilitating the Island Ambassador Program. This document is not intended in any way to impact or amend any other programing, facilities, or financial support documents that may already exist between the Town and USCB separate and apart from this Memorandum.
2. **Programming.**
  - a. To be eligible for funding under this Memorandum, USCB shall remain an agency of the state and be mission driven to support tourism development on Hilton Head Island through the Center for Lowcountry Hospitality Education.
  - b. USCB must employ a full-time executive director who will be responsible for overseeing the creation, development, and delivery of a hospitality training program which shall serve to educate Hilton Head Island residents and visitors as to the Island's rich history, cultural resources and communities, Island operations/resources, environment, and ecology. The scope of services that USCB will provide related to the Island Ambassador Program are outlined in attachment "A" incorporated herein by reference to this Memorandum.
  - c. The Island Ambassador Program shall be offered to the public no less than five (5) times per calendar year at such dates and times as may be determined by USCB. Additionally, USCB may provide the Island Ambassador Program to select groups and organizations as it deems appropriate.
  - d. As part of the Island Ambassador Program, USCB shall provide participants with a meaningful opportunity to provide feedback on the quality of the Program materials, presenters, and other relevant information in order to provide ongoing evaluation as to the effectiveness of the program and any potential program modifications that may need to be considered. This

information shall be submitted to the Town with its annual budget request and its corresponding annual report. This report should detail information about program participation levels, accomplishments during that reporting period, and other relevant information to help inform the Town about the performance and effectiveness of the Island Ambassador Program.

- e. In addition to the Island Ambassador Program, USCB will also provide consultation to nonprofit organizations located on Hilton Head Island in the planning, development, and/or execution of special event production and associated volunteerism related activities.
  - f. USCB will provide an annual audited financial report in accordance with generally accepted accounting principles.
  - g. Upon request of the Town, USCB shall make its financial records associated with any grant funding provided herein available to the Town for review.
  - h. USCB will submit a proposed annual budget in conformity with the terms of this Memorandum to the Town prior to February 1<sup>st</sup> of each calendar year for consideration by the Town Council as an affiliated agency.
  - i. USCB will provide an annual report to the Town containing information on the current number of enrolled students within the Center for Lowcountry Hospitality Education or who otherwise participate within the programs that are provided by the Center.
  - j. USCB will provide the Town with copies of any feedback that it shall receive from participants in the Island Ambassador Program or the Quality Management Program that is provided by the Center.
3. **Funding.** In support of providing the services outlined herein on behalf of the Town of Hilton Head Island, the Town will provide USCB with funding in the amount of \$235,000 annually. This figure shall be subject to an annual inflation factor of three percent (3%) for each successive year under the Term of this Memorandum.
4. **Notices.** All notices required under this Memorandum shall be deemed to have been given if in writing and
- a. delivered personally; or
  - b. mailed first class, postage prepaid, to the address of record set forth below, in which case delivery shall be deemed to have occurred two calendar days after the date of postmark.

UNIVERSITY OF SOUTH CAROLINA BEAUFORT  
Chancellor  
One University Boulevard  
Bluffton, SC 29909

TOWN OF HILTON HEAD ISLAND  
Town Manager  
One Town Center Court  
Hilton Head Island, SC 29928

The address of record may be changed by written notice to the other party.

5. **Term.** The term of this Memorandum of Understanding shall be for a period of two (2) years from the date of execution. No less than six (6) months prior to the expiration of this Memorandum, it will be reviewed by the Town and USCB for purposes of determining if such Memorandum should be extended, terminated, or if modifications need to be made prior to the execution of any subsequent agreements. Changes to this document may be made only with and by the mutual consent of both parties.
6. **Termination.** In addition to any other rights of termination set forth in this Memorandum, each party shall have the right to terminate this Memorandum, by written notice to the other party, if the other party is in default of any term or provision of this Memorandum, and the defaulting party fails to cure or correct such default within fourteen (14) days of notice thereof from the non-defaulting party. A party may elect to disregard a default for the period of time without waiving its right to declare a default at a subsequent time or upon reoccurrence of the default.

IN WITNESS WHEREOF, the Town and USCB has caused this Agreement to be signed and sealed this 28th day of February 2024.

SIGNED, SEALED AND  
DELIVERED IN THE PRESENCE  
OF:

  
  
EXECUTIVE ASSISTANT

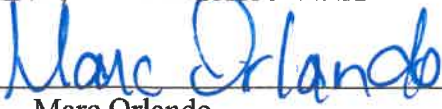
UNIVERSITY OF SOUTH CAROLINA  
BEAUFORT

By:   
Dr. Al M. Panu  
Chancellor

SIGNED, SEALED AND  
DELIVERED IN THE PRESENCE  
OF:


TOWN OF HILTON HEAD  
ISLAND, SOUTH CAROLINA

By:   
Marc Orlando  
Town Manager, ICMA-CM

## **ATTACHMENT A**

### **ISLAND AMBASSADOR/HOSPITALITY TRAINING/COMMUNITY EDUCATION PROGRAM OUTLINE**

#### **1. Island Ambassador Program**

- a. USCB will collect data from a variety of focus groups and Hilton Head Island stakeholders to completely redesign the Island Ambassador Program (“Program”).
- b. The Program is envisioned to be sorted into required content that is directly related to Hilton Head Island’s history, culture (including an emphasis on Gullah Geechee culture, native islander communities, and their importance to Hilton Head Island), natural resources and ecology, governance, economy, and additional a la carte content that takes a deeper dive into some or all of these areas, depending on audience. Local experts in these areas will be incorporated into the Program through videos, in-person presentations, or other meaningful methods.
- c. The program will include an introduction from the mayor speaking to those people participating in the Program who live and/or work on the island.
- d. Redesign the Island Ambassador (“IA”) “pin” and create a digital badge for use in the employee’s signature line.
- e. Schedule a minimum of five (5) Program sessions to occur annually on USCB’s Hilton Head Island campus with additional events to be scheduled with local industries and delivered on-site as determined by USCB.
- f. Develop and implement a pilot for a “junior ambassador” program targeting 4<sup>th</sup> graders on the island as 4<sup>th</sup> grade educational standards include South Carolina History.

#### **2. Quality Management Program**

- a. Refresh the quality management program; increase “secret shopper” program to local industries to continually improve the guest/tourist experience.

#### **3. Continuing Education**

- a. Survey needs of various industry partners and community stakeholders to identify potential continuing education program offerings.
- b. Offer relevant industry certifications (ex. AHLEI) that develop and recognize the expertise of local industry leaders.

#### 4. Ecotourism

- a. Expand Finnegan's Sharing Shack to include other locations and create co-branding opportunities with beachfront resorts.
- b. Collaborate with the Town to minimize the carbon footprint of tourists and support other environmentally responsible strategies to preserve the natural beauty of the island.

#### 5. Develop New and Improved Media Presence

- a. Demonstrate CEMHT's commitment to incorporating the Town Goals as outlined in the Town's *Our Plan*, as well as any current Strategic Action Plan.
- b. Overhaul the Program's website to reflect these items.
- c. Introduce use of social media for marketing purposes.

**TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**

**A RESOLUTION BY THE TOWN OF HILTON HEAD ISLAND AUTHORIZING A  
MEMORANDUM OF UNDERSTANDING WITH THE UNIVERSITY OF SOUTH  
CAROLINA BEAUFORT**

**WHEREAS**, beginning in 2011, the Town formed a partnership with the University of South Carolina Beaufort to support hospitality training, special event management, and volunteerism efforts on Hilton Head Island; and

**WHEREAS**, to fund these services, the Town incorporated into its Municipal Code a provision whereby 5% of the funding that the Town collected under its Local Accommodation Tax would be provided to the University for these purposes; and

**WHEREAS**, in recent years, collections of both State and Local Accommodations Taxes have increased significantly thereby causing the Town to remove this automatic funding formula from its Municipal Code in favor of funding these services as an Affiliated Agency of the Town; and

**WHEREAS**, Town staff were directed to prepare a Memorandum of Understanding that would serve to outline the roles of both the Town and the University and be the basis of any funding that might be provided as part of the annual budget process; and

**WHEREAS**, the parties have completed their negotiations in developing a draft Memorandum of Understanding and the result of which is being presented to the Town Council for its consideration.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Councilmembers of the Town of Hilton Head Island, in Council duly assembled, that the Mayor and Town

Manager are hereby authorized to take such actions as may be necessary to enter into a Memorandum of Understanding enclosed with this Resolution as Attachment A.

**MOVED, APPROVED, AND ADOPTED ON THIS 20th DAY OF  
FEBRUARY, 2024.**

**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



# **FY 2025 MONTHLY FINANCIAL UPDATE**

**March 18, 2025**



# FINANCIAL UPDATE

## FY 25 – YTD 1/31/25

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## EXECUTIVE SUMMARY

### FINANCIAL UPDATE – YEAR TO DATE – FEBRUARY 28, 2025

This financial update provides a high-level summary of the Town's financial performance as of February 28, 2025.

As stated last month, the Town has had an exceptional year so far. With the addition of February's figures, revenues have increased by \$21.6 million, while expenditures reflect \$11.1 million. This brings the total fund balance to 4% above the entire FY24 total, with four more months remaining in FY25.

The Capital Improvement Program continues to progress, with total expenditures reaching \$20.2 million and an additional \$14.5 million encumbered year-to-date. Looking ahead, the Town is actively working on developing the FY26 budget, with a strong emphasis on capital expenditures and projects that will benefit the entire community.



# FY 2025 CONSOLIDATED FINANCIALS YTD FUND BALANCES – 2/28/25

| CORE FUNDS              | FY22           | FY23           | FY24           | FY25<br>YEAR BEGINNING<br>BALANCE | YTD<br>REVENUES | YTD<br>EXPENDITURES | YTD<br>ENDING FUND<br>BALANCE<br>2/28/25 |
|-------------------------|----------------|----------------|----------------|-----------------------------------|-----------------|---------------------|------------------------------------------|
| GENERAL FUND            | \$ 29,062,865  | \$ 33,502,808  | \$ 39,536,669  | \$ 39,536,669                     | \$ 31,114,289   | \$ 36,433,421       | \$ 34,217,537                            |
| DEBT SERVICE FUND       | \$ 11,239,657  | \$ 12,159,356  | \$ 13,716,563  | \$ 13,716,563                     | \$ 6,610,353    | \$ 9,854,809        | \$ 10,472,106                            |
| CIP FUND                | \$ 8,796,482   | \$ 3,402,646   | \$ 7,675,346   | \$ 7,675,346                      | \$ 769,107      | \$ 20,239,688       | \$ (11,795,235)                          |
| STORMWATER UTILITY FUND | \$ 10,540,740  | \$ 13,178,610  | \$ 13,754,708  | \$ 13,754,708                     | \$ 5,337,606    | \$ 2,354,329        | \$ 16,737,985                            |
| GGHNCDC FUND            | \$ -           | \$ 5,415,560   | \$ 5,561,896   | \$ 5,561,896                      | \$ 178,778      | \$ 195,349          | \$ 5,545,325                             |
| HOUSING FUND            | \$ -           | \$ -           | \$ 2,148,477   | \$ 2,148,477                      | \$ -            | \$ 128,651          | \$ 2,019,826                             |
| SUBTOTAL                | \$ 59,639,744  | \$ 67,658,980  | \$ 82,393,659  | \$ 82,393,659                     | \$ 44,010,132   | \$ 69,206,247       | \$ 57,197,544                            |
| OTHER FINANCING SOURCES | \$ 129,980,212 | \$ 143,762,604 | \$ 147,377,808 | \$ 147,377,808                    | \$ 40,914,285   | \$ 9,922,143        | \$ 178,369,950                           |
| TRANSFERS IN/OUT        |                |                |                |                                   | \$ 38,493,739   | \$ 35,293,541       | \$ 3,200,198                             |
| TOTAL                   | \$ 189,619,956 | \$ 211,421,584 | \$ 229,771,467 | \$ 229,771,467                    | \$ 123,418,156  | \$ 114,421,932      | \$ 238,767,691                           |

# TOWN OF HILTON HEAD ISLAND



## FY 2025 FEBRUARY ACTIVITY

|                         | FEBRUARY 2025    |                      |                |
|-------------------------|------------------|----------------------|----------------|
| CORE FUNDS              | MONTHLY REVENUES | MONTHLY EXPENDITURES | NET ACTIVITY   |
| GENERAL FUND            | \$ 8,041,955     | \$ 4,470,028         | \$ 3,571,927   |
| DEBT SERVICE FUND       | \$ 1,946,147     | \$ 3,682,888         | \$ (1,736,741) |
| CIP FUND                | \$ 46,708        | \$ 1,148,753         | \$ (1,102,045) |
| STORMWATER UTILITY FUND | \$ 3,127,269     | \$ 255,355           | \$ 2,871,914   |
| GGHNCDC FUND            | \$ 11,195        | \$ 44,041            | \$ (32,846)    |
| HOUSING FUND            | \$ -             | \$ 9,395             | \$ (9,395)     |
| SUBTOTAL                | \$ 13,173,275    | \$ 9,610,460         | \$ 3,562,814   |
| OTHER FINANCING SOURCES | \$ 8,306,199     | \$ 1,466,452         | \$ 6,839,747   |
| TRANSFERS IN/OUT        | \$ 91,776        | \$ -                 | \$ 91,776      |
| TOTAL                   | \$ 21,571,250    | \$ 11,076,912        | \$ 10,494,338  |

### February Notes:

#### General Fund:

- a. Top uses of funds included \$2.7M in personnel expenses and \$1.3M in operating expenses, and \$500k in Affiliated Agency Funding.
- b. Tops sources of funds included \$5.5M in Property Tax, \$500K in EMS Revenue and \$1.1M in Business License Fees

#### Debt Service Fund:

- a. Top uses of funds included \$3.7M in debt repayment and interest
- b. Tops sources of funds included \$41K in Interest and \$1.9M in Property Tax

#### CIP Fund:

- a. Top uses of funds included \$428K on Park Improvements and \$249K on Roadway Improvements
- b. Tops sources of funds included \$7K in Beaufort County Impact Fees and \$38k in Interest

#### Stormwater Utility Fund:

- a. Top uses of funds included \$212K for Personnel, Operating & Debt Service expenses and \$43K in Stormwater Maintenance
- b. Tops sources of funds included \$22K in interest and \$3.1M in Stormwater Fees

#### GGHNCDC Fund:

- a. Top uses of funds included \$15K for Personnel expenses and \$27K in Professional Services
- b. Tops sources of funds included \$11K in Interest

#### Housing Fund:

- a. Top uses of funds included \$9K for Workforce Housing operating expenses



# FY 2025 BUDGET ANALYSIS – YTD 2/28/25

## FY 2025 BUDGET ANALYSIS

|                         | FY25 BUDGET<br>APPROVED | YTD<br>REVENUES | YTD<br>EXPENDITURES | YTD<br>NET ACTIVITY | REMAINING<br>BUDGET<br>BALANCE |
|-------------------------|-------------------------|-----------------|---------------------|---------------------|--------------------------------|
| GENERAL FUND            | \$ 62,546,927           | \$ 31,114,289   | \$ 36,433,421       | \$ (5,319,132)      | \$ 57,227,795                  |
| DEBT SERVICE FUND       | \$ 16,700,000           | \$ 6,610,353    | \$ 9,854,809        | \$ (3,244,457)      | \$ 13,455,543                  |
| CIP FUND                | \$ 82,802,799           | \$ 769,107      | \$ 20,239,688       | \$ (19,470,581)     | \$ 63,332,218                  |
| STORMWATER UTILITY FUND | \$ 9,082,691            | \$ 5,337,606    | \$ 2,354,329        | \$ 2,983,277        | \$ 12,065,968                  |
| GGHNCDC FUND            | \$ 3,405,501            | \$ 178,778      | \$ 195,349          | \$ (16,571)         | \$ 3,388,930                   |
| HOUSING FUND            | \$ 4,000,000            | \$ -            | \$ 128,651          | \$ (128,651)        | \$ 3,871,349                   |
| CONSOLIDATED BUDGET     | \$ 178,537,918          | \$ 44,010,132   | \$ 69,206,247       | \$ (25,196,115)     | \$ 153,341,803                 |



# FY 2025 APPROVED CIP BUDGET BALANCES – YTD 2/28/25

## Capital Improvements Program Fund YTD Activity through February

|                                    | FY 2025 Approved Budget | YTD Expenditures     | YTD Encumbrances     | FY 2025 Remaining Budget |
|------------------------------------|-------------------------|----------------------|----------------------|--------------------------|
| <b>Summary</b>                     |                         |                      |                      |                          |
| Beach Program                      | \$ 21,599,000           | \$ 326,885           | \$ 850,607           | \$ 20,421,509            |
| Pathway Program                    | \$ 5,500,000            | \$ 348,508           | \$ 268,898           | \$ 4,882,594             |
| Roadway Program                    | \$ 10,317,218           | \$ 1,291,003         | \$ 1,195,627         | \$ 7,830,587             |
| Park Program                       | \$ 19,815,273           | \$ 1,905,269         | \$ 7,486,489         | \$ 10,423,515            |
| Facility & Equipment Program       | \$ 8,402,291            | \$ 2,503,099         | \$ 1,008,194         | \$ 4,890,998             |
| Stormwater Program                 | \$ 2,193,310            | \$ 284,427           | \$ 1,346,885         | \$ 561,998               |
| Fleet Program                      | \$ 11,750,707           | \$ 4,693,181         | \$ 2,429,533         | \$ 4,627,993             |
| Subtotal**                         | \$ 79,577,799           | \$ 11,352,371        | \$ 14,586,233        | \$ 53,639,195            |
| Land Acquisition & Administration* | \$ 3,225,000            | \$ 8,887,317         | \$ 27,299            | \$ (5,689,616)           |
| <b>Total</b>                       | <b>\$ 82,802,799</b>    | <b>\$ 20,239,688</b> | <b>\$ 14,613,531</b> | <b>\$ 47,949,579</b>     |

\*Requires new budget amendment.

\*\*Total does not include revenue amount reflected on consolidated page.



## QUESTIONS:

ADRIANA BURNETT  
FINANCE DIRECTOR

EMAIL: [ADRIANAB@HILTONHEADISLANDSC.GOV](mailto:ADRIANAB@HILTONHEADISLANDSC.GOV)

