



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 1/3125

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.

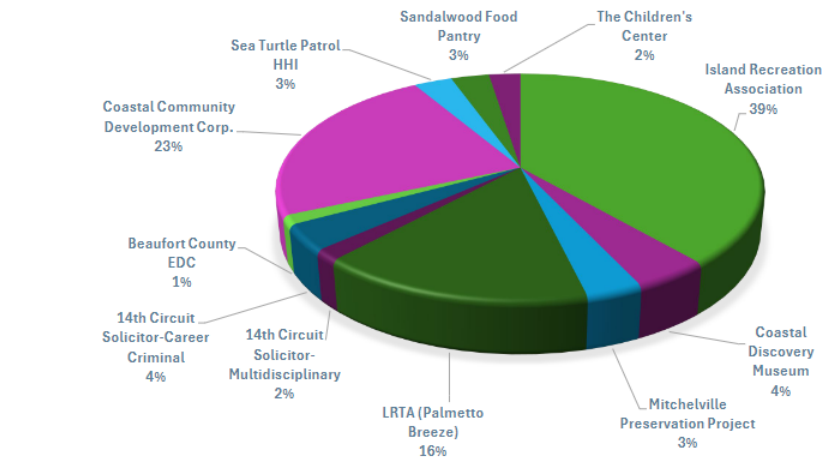
The discussion was productive, and the Committee expressed appreciation for Mrs. Burnett's ongoing financial reports, specifically thanking her for her monthly presentations.

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 Actual	FY 2023 Actual	FY2024 Revised Budget	FY2024 Actual	FY 2025 Revised Budget	FY 2026 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
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	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
Total	\$ 1,872,610	\$ 1,946,430	\$ 3,156,525	\$ 2,056,525	\$ 3,250,641	\$ 3,241,567

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.

Approved: March 18, 2025

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