



**Town of Hilton Head Island  
FINANCE AND ADMINISTRATIVE COMMITTEE  
MEETING  
Tuesday, April 29, 2025, 10:00 AM  
Minutes**

Call to Order

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

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

Committee Members Absent: Melinda Tunner

Other Members of Town Council Present: Steve Alfred

Adoption of the Agenda

**Ms. Brison made a motion to adopt. Mr. Brown seconded. Motion carried 2-0 (Ms. Tunner was absent from the meeting).**

Approval of the Minutes

Regular Meeting Minutes of March 18, 2025

**Ms. Brison made a motion to approve. Mr. Brown seconded. Motion carried 2-0.**

Presentations

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 March 31, 2025. The update reflected the following:

General Fund

- General Fund revenues collected in March totaled approximately \$3.1 million, compared to \$2.3 million in March of the previous fiscal year. Top revenue sources included \$1.7 million in Business License Fees, \$483K in Property Tax and \$258K in EMS Revenue.
- General Fund fiscal year 2025 year-to-date revenues are 3.8% higher than fiscal year 2024, excluding transfer-ins.
- General Fund expenditures for March are \$3.9 million, consistent with expenditures from the same month last year. Primary expenditure included \$2.6 million in personnel and \$1.1 million in operating expenses, with \$221K in affiliated agencies reimbursements.

### Capital Improvement Program Fund (CIP)

- CIP Fund revenues for March were approximately \$64K primarily from: \$12K in Traffic Impact Fees and \$42 K in interest earned. Revenues collected were comparable to fiscal year 2024.
- CIP Fund expenditures for March totaled approximately \$1.4 million, including \$374K on Park Improvements, \$297K on Roadway improvements and \$447K on Facility Improvements. Last March's expenditures totaled \$1.5 million, indicating a 6% decrease, primarily due to vendor payment timing.
- CIP Fund year-to-date expenditures, including encumbrances represent approximately \$36.9 million, leaving a remaining budget balance of \$46.8 million. A significant portion of the remaining balance is attributed to the \$16.5 million budgeted for the Beach Renourishment Program. A negative balance of approximately \$5.7 million is shown under Land Acquisition. A budget amendment to reflect recent land purchases will be presented to Town Council in May.

### Debt Service Fund

- Debt Service Fund top sources of revenue for March include \$164K in property tax and \$45K in interest earned.
- Debt Service Fund, no expenditures were recorded in the month of March.
- Debt Service Fund year-to-date totals reflect a 5.4% increase compared to last year's figures in property tax revenue and 5.3% increase in Investment Income. There is also a decrease of 5.7% in principal and a 13.5% decrease in interest. Overall year-to-date Debt Service Fund expenditures declined by 7.6%, reflecting ongoing debt repayment.

### Stormwater Fund

- Stormwater Fund revenues for March included \$29K in stormwater fees and \$25K in interest.
- Stormwater Fund expenditures for March included \$166K for personnel, operating and debt service and \$45K in stormwater maintenance.
- Stormwater Fund year-to-date revenues increased by 4.6% compared to last year, driven by a 85% increase in plan review fees and a 3.3% increase in stormwater utility fees.
- Stormwater Fund year-to-date expenditures are approximately \$2.7 million in actual expenses, with an additional \$1.7 million encumbered

### Gullah Geechee Historic Neighborhoods Community Development Fund (GGHNCDC)

- GGHNCDC Fund revenues for March included a \$12K in interest earned and \$15K in expenditure for personnel expenses.
- GGHNCDC Fund year-to-date expenditures are \$246K compared to \$137K last year. The expenditures include personnel, operating and professional services.

## Housing Fund

- Housing Fund expenditures for March include an operating expense of \$5K for workforce housing.
- Housing Fund housing program operating budget year-to-date reflects activity of \$295.7K, leaving a remaining budget balance for the year of \$115K.

Members of the Committee had questions, comments and discussion regarding: the Town doing well and congratulated the Finance Team on the financial forecast presented.

Chair Brown asked for public comment.

There was no public comment at this time.

## New Business

### Presentation of the FY26 Destination Marketing Organization Plan, Budget and Industry Metrics- Ariana Pernice, Vice President of the Visitor & Convention Bureau

Ariana Pernice presented the fiscal year 2026 Destination Marketing Organization Plan, Budget and Industry Metrics.

### *DMO Tourism Approach*

## IT STARTS WITH A VISIT



### VISION

A welcoming, world-class community embracing nature, culture and economic vibrancy for residents and visitors.

### MISSION

Stimulate the regional economy while enhancing the quality of life for all.

## DESTINATION VALUES

In partnership with the town and in alignment with our community, our destination's core values support our out-marketing efforts.



**ECOTOURISM**



**HISTORY**



**ARTS & CULTURE**



**RECREATION**



**WELLNESS**

## OUR TARGET LEISURE TRAVELER

**2024 Visitor Profile Study**  
Office of Tourism Analysis, College of Charleston



**\$150-250K**

Affluent Traveler



**54%**

Undergraduate Degree or Higher



**2-4** Trips per Year

**7** Nights Average Stay



**50.7%**  
MALE



**49.0%**  
FEMALE

0.3% OTHER

## DEMOGRAPHICS AND PERSONAS



Weekenders



Families



Snowbirds



Sports Enthusiasts



Culinary Explorers



Wellness Traveler



Arts, History & Cultural Enthusiasts

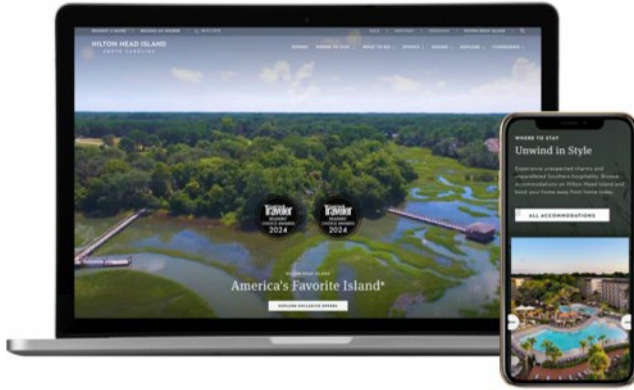


International Travelers

*A Look Back – 2024 Performance Results*

**A LOOK BACK**

2024 HiltonHeadIsland.org Website Performance



**3.3M**  
VISITS/SESSIONS

**1.5M**  
PARTNER REFERRALS

**A LOOK BACK**

2024 Hilton Head Island Social Performance



## A LOOK BACK

2024 Public Relations – What Others Are Saying About Us



**24,796,409,713**  
IMPRESSIONS  
+288% YOY



**2,722**  
STORIES & MENTIONS  
+27% YOY



**\$32,430,886**  
AD EQUIVALENCY  
+54% YOY

## A LOOK BACK

2-SOURCE Performance  
(Combined Home & Villa and Hotel Report)



### WHY IT MATTERS

- Immediately after COVID, we saw a strong demand resurgence, leading to gains across all metrics.
- In the years since, we've seen metrics start to normalize as the post-COVID boom wanes.
- 2024 saw modest declines in occupancy and RevPAR, though ADR remained strong.



-4.0%



+1.0%



-3.0%



## A LOOK BACK

Number of Visitors & Economic Impact



### A Look Forward – FY 2025 – 2026 DMO Strategic Marketing Plan Initiatives



## DESTINATION GOALS

A PLAN OF ACTION. A VISION FOR THE COMMUNITY.

1

**CONNECT THE MARKETING PROMISE WITH THE ON-ISLAND EXPERIENCE.**

2

**CREATE AN UNDERSTANDING OF, AND RESPECT FOR OUR DELICATE ECOSYSTEM (RESIDENTS & VISITORS).**

3

**DRIVE DEEPER DISCOVERY AND EXPLORATION OF OUR DESTINATION.**

4

**BUILD BRAND AWARENESS.**

5

**ENHANCE LEISURE & GROUP BUSINESS THROUGH QUALIFIED VISITATION.**

## COMMUNITY CORNERSTONE PLAN

As the Town's Designated Marketing Organization (DMO) we have the unique privilege to steward the community's identity to the world. Aligning our destination out-marketing messaging and initiatives with our destination core values of Arts/Culture, History, Culinary, Wellness, and Recreation, we are aligned with the Town and residents in efforts to ensure, enhance, and protect the quality of life for our community.



ECOTOURISM



HISTORY



ARTS & CULTURE

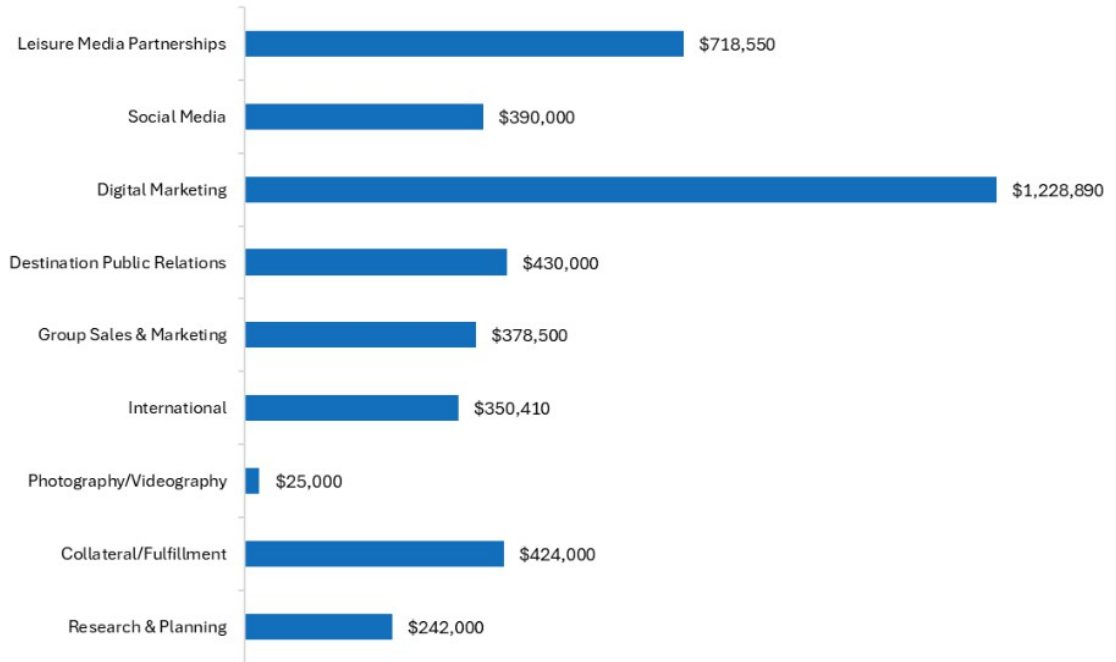


RECREATION



WELLNESS

## FY 2025-2026 PROPOSED BUDGET



*Budget lines for VCB sales, MKT, service OPS & supplemental request not included in graphic.  
The full budget, including these items, is in the FY2025-2026 Hilton Head Island Destination Marketing Plan.*

**Ms. Brison made a motion to forward to Town Council for consideration of approval of the Fiscal Year 26 Destination Marketing Organization Plan Budget. Mr. Brown seconded.**

Members of the Committee had questions, comments and discussion regarding: the difference & target traveler and the change over the last few years; it seems like the international traveler is declining; would like to see more detailed metrics; the time share travel is lower than previous years what is the cause; what are the measures used to keep track of the number of people who attend festivals on Hilton Head and is that information tracked; what is the impact from those that visit from other countries; and how do we know who to target.

Chair Brown asked for public comment.

There was no public comment at this time.

**Motion carried 2-0.**

Discussion to Provide Direction for Consideration of an Ordinance of the Town Council of the Town of Hilton Head Island Amending Municipal Code Section 2-5-60 Committees of Council - Shawn Colin, Assistant Town Manager

Shawn Colin addressed the Committee regarding the item with the following information.

Section 2-5-60 of the Municipal Code currently outlines the framework for the Town Council's standing and non-standing committees. Over the past decade, the Town has adjusted this

structure multiple times in response to evolving priorities. For information and reference, the current committee structure established under Section 2-5-60, along with a list of historical changes to Town Council Standing Committees, are summarized below to provide context for the discussion

**Current Code Language (Sec. 2-5-60 Overview):**

- Town Council maintains standing committees: Finance and Administrative, Community Services and Public Safety, and Public Planning.
- Each committee shall be composed of four (4) Town Council members and an alternate, who shall also be a member of Town Council.
- Members and alternates are appointed by the mayor, with a designated chairperson.
- Additional (non-standing) committees may be created by resolution, with residents serving as members if appointed.
- Town Council may adopt rules and procedures governing these committees.

**Historical Committee Structure Changes**

- 2015 Ordinance 2015-05: Established six standing committees
- 2019 Ordinance 2019-10: Reduced to four committees
- 2020 Ordinance 2020-32: Reduced to current three committees

**Request for Town Council Direction:**

As the Town’s organizational structure has continued to evolve, there is growing consensus that further refinement of the committee framework is needed. Specifically, staff requests the Finance and Administrative Committee’s input and direction on the following elements in preparation for potential amendments to Section 2-5-60 of the Municipal Code:

- a) Direction on Number of Standing Committees
- b) Direction on Names of Town Council Standing Committees
- c) Direction on Composition of Town Council Standing Committees
- d) Direction on Role of the Town Council Standing Committee
- e) Town Council Committee Procedures

**Ms. Brison made a motion to forward to Town Council for Consideration of Approval to Amend Municipal Ordinance Section 2-5-60, so that Town Council shall have at least two (2) standing committees, with the names of such committee and areas of focus to be established by resolution of the Town Council. Each committee shall be composed of three (3) town council members and an alternate, who shall also be a member of council. The Mayor shall appoint the members and the alternate and shall designate a chairman. (Sections b & c remain the same). Also including, a new section (d) to state that the standing committees shall recommend approval, recommend denial, or recommend approval with conditions notwithstanding the committee action or inaction, all items proceed to the full Town Council agenda with the Mayors approval. Mr. Brown seconded.**

Members of the Committee had questions, comments and discussion regarding: the current committee structure and procedures; option 2 gives the opportunity for the Committee to flush out any issues and allow for the public's reaction prior to getting to Town Council; questions of if this should be adopted by resolution or by ordinance; clarification on the previous committee structure changes/names; the areas of focus on the Committees do not seem balanced; the Committees should be driven by the Strategic Plan; allowing 2-3 members on sub Committees allows for the participation by Town Council members prior to those items being reviewed by the full Town Council; and support for less meetings and more efficiency.

Chair Brown asked for public comment.

There was no public comment at this time.

**Motion carried 2-0.**

Consideration of an Ordinance of the Town of Hilton Head Island, Amending the Municipal Code by Adding New Sections 1-5-11 and 1-5-12, Authorizing the Issuance of Administrative Citations and Fines; Amending Section 10-2-60 to Authorize Administrative Citations and Fines for Violations of Article 10, Chapter 2 of the Municipal Code; Amending Section 10-2-70 of the Municipal Code to Add Issuance of More Than 5 Administrative Citations in Twelve Months as Grounds for Suspension or Revocation of Short Term Rental Permit; to Add Section 12-3-101 to Authorize Administrative Citations and Fines for Violations of Article 12, Chapters 3 and 6; to Amend Section 12-3-117; to Amend Section 2-3-213; to Add Sections 12-6-100 and 12-6-101 to Authorize Administrative Citations and Fines for Violations of Article 12, Chapter 6; to Amend Section 12-6-111 to Add a Definition for Resident Beach Pass; to Amend Sections 12-6-113, 12-6-114, 12-6-115, 12-6-117 to Make Grammatical Changes; to Repeal Sections 12-6-119 and 12-6-120; and to Provide for Severability and Effective Date - Shawn Colin, Assistant Town Manager

Shawn Colin addressed the Committee regarding the item with the following information.

The Town of Hilton Head Island is proposing amendments to the Municipal Code to introduce Administrative Citations and Fines as a more efficient, proportionate, and flexible enforcement mechanism for code violations. Currently, most enforcement actions rely on criminal penalties, which may not always be appropriate, especially for minor or repeat infractions that could be better resolved through civil means.

By establishing an administrative enforcement process, the Town seeks to:

- Reduce dependency on criminal proceedings for non-compliance.
- Improve timely resolution of code violations.
- Provide due process while promoting voluntary correction.
- Ensure greater consistency and clarity in enforcement efforts.

The adoption of this alternative enforcement tool will improve regulatory compliance while preserving the Town's ability to pursue criminal or other remedies when necessary. With this tool in place, amendments to Title 10 and Title 12 will include application of Administrative Citations and Fines to Short Term Rental Operations and Parking and Beach Parking

Operations, respectively.

The proposed amendments to Sections 1-5-11 and 1-5-12 establish and clarify procedures for issuing Administrative Citations for violations of the Town Code where such authority is specifically provided. The proposed amendments to 10-2-60 and 10-2-70 establish specific violations, penalties, and enforcement mechanisms related to short-term rental (STR) operations. The proposed amendments to Title 12, Chapters 3 and 6 establish specific violations, penalties, and enforcement mechanisms related to parking and beach parking operations.

These proposed amendments introduce an Administrative Citation process, which allows Town officials or Code Enforcement Officers to issue fines and compel compliance through civil means. This process emphasizes corrective action, preserves due process, and helps reduce reliance on criminal proceedings for code violations. These amendments introduce a comprehensive set of amendments to the Municipal Code that establishes a framework for the issuance of administrative citations and fines for specific code violations. These changes are designed to improve compliance through a non-criminal, streamlined enforcement process and provide flexibility in addressing infractions related to short-term rental permits, beach parking regulations, and other municipal code provisions.

**Ms. Brison made a motion to forward to Town Council for Consideration of Approval an Ordinance Amending the Municipal Code by Adding New Sections 1-5-11 and 1-5-12, Authorizing the Issuance of Administrative Citations and Fines; Amending Section 10-2-60 to Authorize Administrative Citations and Fines for Violations of Article 10, Chapter 2 of the Municipal Code; Amending Section 10-2-70 of the Municipal Code to Add Issuance of More Than 5 Administrative Citations in Twelve Months as Grounds for Suspension or Revocation of Short Term Rental Permit; to Add Section 12-3-101 to Authorize Administrative Citations and Fines for Violations of Article 12, Chapters 3 and 6; to Amend Section 12-3-117; to Amend Section 2-3-213; to Add Sections 12-6-100 and 12-6-101 to Authorize Administrative Citations and Fines for Violations of Article 12, Chapter 6; to Amend Section 12-6-111 to Add a Definition for Resident Beach Pass; to Amend Sections 12-6-113, 12-6-114, 12-6-115, 12-6-117 to Make Grammatical Changes; to Repeal Sections 12-6-119 and 12-6-120; with the following clarifications; timing of 1 year or 12 months is used; confirm that the service of the citation methods provide adequate service of process; and the suspension of Short Term Rentals permits and Business Licenses to determine the method of reinstatement and if there can be a permanent revocation. Mr. Brown seconded.**

Members of the Committee had questions, comments and discussion regarding: support for the changes made for the process of serving; excellent to provide civil enforcement; favor for 3 fines; the process after receiving the maximum number of fines; clarification of who is responsible for the fines; threshold of suspension of the short term rental permit; clarification of the fee structure of the violation if another occurs within one year; if parking is an issue this will give the Town Code Enforcement the ability to address the violations; and general support.

Chair Brown asked for public comment.

Katie Henerson addressed the Committee regarding is this proposed ordinance needed only because the Town has a few that do not cooperate. She stated her opinion to making the penalty more expensive to make an affect.

Ashleigh Phillips addressed the Committee and asked if there are multiple violations can their short term rental permit be banned. She also addressed the Committee on her opinion of parking fines needing to be higher as most violators are only here for 7 days.

**Motion carried 2-0.**

At 12:20 p.m., Chair Brown asked for a brief 5-minute break.

Consideration of an Ordinance of the Town of Hilton Head Authorizing the Execution of a Lease Purchase Agreement for Fire Trucks - Adriana Burnett, Director of Finance

Adriana Burnett addressed the Committee regarding the item with the following information.

Town Fire Rescue Staff proposed the replacement of 10 fire trucks as part of the FY2022 Budget. This recommendation was based on the fire trucks exceeding their standard useful life of 10 years, along with increasing repair costs and downtime associated with maintaining the aging fleet. During the budget approval process, it was agreed that funding for these fire trucks would be pursued through an equipment lease. Funding for the associated lease payments has since been carried forward into the FY2023, FY2024, and FY2025 budgets. Following the FY2022 budget approval, the Town entered into an agreement (“the 2021 Purchase Agreement”) with Safe Industries on December 1, 2021, which was later updated and extended on November 14, 2023. The agreement provides for the purchase of 10 new fire trucks—eight pumpers and two quints. Due to production delays and supply chain disruptions, delivery of the Trucks has been postponed multiple times.

**Pumper Delivery and Purchase Timing** – The Town received delivery of the eight pumpers between June and October 2024. Payment for each vehicle was due within 30 days of delivery. These payments were initially made using cash from the Town’s Hospitality Tax revenues.

**Quint Delivery and Purchase Timing** – The remaining two fire Trucks (quints) have not yet been delivered due to ongoing production delays. The Town anticipates their arrival in late FY2026 or early FY2027.

Authorizing the Fire Truck Lease Ordinance would allow the Town to enter into a tax exempt lease financing agreement, increasing the balance of the Hospitality Tax Fund by the actual paid or to be paid amounts. This infusion of funds would benefit the town by:

- a. Maintaining a strong Hospitality Tax fund balance
- b. Enabling the Town to pay for other approved capital projects
- c. Providing financial flexibility in the event of a natural disaster
- d. Supporting compliance with proposed minimum fund balance policies.
- e. The lease financing structure will align the Town’s annual lease payments with the fire

trucks' anticipated 10-year useful life, offering a more equitable and financially sustainable approach.

f. The proposed tax-exempt equipment lease will not count against the Town's 8% General Obligation Bond capacity. It will remain as a long-term financial obligation of the Town until fully repaid.

Key Dates & Milestones:

- May – Town Council Meetings first and second ordinance readings, and Issue Request for Proposals
- June – Bid submission deadline, Finance Team review of the financing agreement and closing documents, formal bid awarding and financial closing, and transfer of funds to the Hospitality Tax fund.

**Ms. Brison made a motion to forward to Town Council for Consideration of Approval an Ordinance of the Town of Hilton Head Authorizing the Execution of a Lease Purchase Agreement for Fire Trucks. Mr. Brown seconded.**

Members of the Committee had questions, comments and discussion regarding: this being a great option to purchase large equipment; and overall favor of the ordinance.

Chair Brown asked for public comment.

There was no public comment.

**Motion carried 2-0.**

Public Comment - Non Agenda Items

There was no public comment at this time.

Adjournment

Chair Brown adjourned the meeting at 12:32 p.m.

**Approved:** May 29, 2025

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