



Town of Hilton Head Island
FINANCE AND ADMINISTRATIVE COMMITTEE
MEETING
Tuesday, December 9, 2025, 10:00 AM
Minutes

Call to Order

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

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

Other Members of Town Council Present: Steve Alfred; and Steve DeSimone

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 November 18, 2025

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

Presentations

Town of Hilton Head Island FY2026 Monthly Financial Update – Dave Byrd, Finance Director

Dave Byrd made a presentation to the Committee regarding the FY 2026 monthly financial report. Mr. Byrd presented the Fiscal Year 2026 financial update for the period July through October 2025, reporting total revenues of \$28,487,898, which was \$467,018 (1.7%) higher than the same period in FY 2025. The General Fund experienced increases in property taxes (35.7%), accommodations tax (6.2%), permits (55.3%), and investment income (20.7%), while business license and franchise fee revenues were lower due to the timing of prior-year payments. Several Special Revenue Funds also showed growth, including Real Estate Transfer Fees (up 60.9%), Hospitality Tax (up 5.3%), Beach Preservation Fees (up 6.2%), and Short-Term Rental Fees (up 103.8%).

Mr. Byrd also reported total expenditures of \$35,129,647, an increase of \$9.5 million (37.1%) from the prior year, driven largely by personnel, public safety, capital activity, and debt service. The Town paid off the 2017B Beach Bonds early, with \$10.98 million in principal paid, representing 74% of the annual debt service budget. The FY 2026 Capital Improvement Program reflected \$62.6 million in expenditures and commitments, representing 81% of the total CIP budget, with beach projects 90% committed and non-

Town of Hilton Head Island Finance and Administrative Committee
Meeting Minutes

12/9/2025

beach projects 64% committed. Mr. Byrd advised that fund balance projections would be presented at a future meeting, and the Committee received the report for information with no formal action taken.

The Committee held discussion and asked questions regarding the new presentation format, including requests for clarification on TIF reclassification, the distinction between actual and committed funds, and the timing of expected revenues. Additional clarification was requested regarding the increase in permit volume, including whether any process changes contributed to the increase, as well as real estate trends, including home sales volume and average sale prices.

New Business

Consideration of a Funding Request Supporting the Lowcountry Regional Transportation Authority - Brian Sullivan, Executive Director

Brian Sullivan, Executive Director of the Lowcountry Regional Transportation Authority (LRTA), presented LRTA's FY 2026 funding request to the Committee. Mr. Sullivan reported that LRTA originally requested \$507,051 to support the daily rural commuter program, Breeze Trolley operations, and the local match required for a federal 5307 transit grant. The Committee approved \$350,000, which included \$55,000 for the commuter program, \$35,000 for Breeze Trolley passenger trips, and \$260,000 toward the federal grant match, representing \$157,051 less than the amount requested.

Mr. Sullivan further reported that Hilton Head Island accounts for approximately 67.5% of LRTA's total commuter trips, or about 98,000 one-way trips in FY 2025, and that potential service reductions would impact an estimated 4,590 Hilton Head Island passengers. LRTA outlined several options to address the remaining funding shortfall, including fare increases of 10% to 20%, which would increase annual rider costs by \$125 to \$400 and generate up to \$117,600 in additional revenue, as well as possible route reductions, limited use of reserves, and continued expense reductions.

The Committee held discussion and asked questions regarding the impact of fare increases on commuters, funding contributions from other municipalities, ridership in northern Beaufort County, and the possibility of adjusting either the ridership fee or the Town's contribution for the Breeze Trolley to reduce the funding gap. The Committee also requested information regarding Town Council representation on the LRTA Board, a copy of the LRTA Charter and Board roster, and additional ridership data, including usage by North of the Broad, visitors, and residents.

Chair Brown asked for public comments

Heather Rath addressed the Committee regarding the history of the LRTA trolley service with the Town's Circle to Circle project, funding contributions and how the Town services its residents.

The Committee received the information for consideration, and no further action was taken at that time.

Public Comment - Non Agenda Items

There was no public comment at this time.

Adjournment

Chair Brown adjourned the meeting at 11:28 am.

Approved: January 12, 2026

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