



Town of Hilton Head Island
FINANCE AND ADMINISTRATIVE
COMMITTEE MEETING
Monday, January 12, 2026, 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 Tammy Becker

Adoption of the Agenda

Ms. Brison made a motion to amend the agenda to include the November 18, 2025 meeting minutes for revisions. Ms. Tunner seconded. Motion carried 3-0.

Approval of the Minutes

Regular Meeting Minutes of December 9, 2025

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

Regular Meeting Minutes of November 18, 2025

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

Presentations

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

Dave Byrd, Finance Director, presented the Fiscal Year 2026 financial update for the period of July through November 2025, noting that total revenues across all funds were \$31.9 million, slightly ahead of the same period in FY 2025. Property taxes, accommodations taxes, permits, EMS revenue, and investment income all showed year-over-year growth, reflecting continued strength in tourism, construction activity, and cash balances. Real estate transfer fees increased significantly due to higher property values, while business license and short-term rental revenues were lower because of timing changes and prior-year one-time collections.

Capital grant revenue increased substantially due to receipt of a \$600,000 paving grant from Beaufort County. Overall, revenue performance was characterized as stable and generally tracking in line with budget expectations. Expenditures through November totaled \$39.6 million across all funds, driven primarily by debt service, public safety, management services, and major capital-related activity. Mr. Byrd explained that year-over-year expense increases were largely attributable to one-time items, including the early payoff of the 2017

Beach Bonds and land purchases for community and public safety projects. Personnel costs rose due to filled vacancies and benefit adjustments, and technology, insurance, and utilities also increased. When these one-time costs are removed, normalized operating expenses were slightly lower than the prior year, indicating that ongoing operating costs remain well controlled.

Capital improvement activity remained strong, with 67% of the overall FY 2026 Capital Improvement Program budget either spent or committed by November. Land acquisition activity included purchases on William Hilton Parkway, Jonesville Road, and Stoney Peninsula, supporting long-term community, conservation, and public safety objectives.

Staff also reviewed the Town's fund balance position, reporting a projected fund balance of approximately \$223.4 million, well above the Town Council's adopted reserve policies. Even after accounting for bond issuances, land purchases, and major capital investments, all operating, beach, disaster, and special revenue reserves remain adequately funded. The Town is projected to have approximately \$26.5 million in net operating revenue available after debt service and capital obligations, demonstrating strong financial capacity to support ongoing operations and future priorities. Overall, the financial outlook for FY 2026 was presented as stable, with solid revenue performance, disciplined spending, and a strong reserve position.

The Committee held discussion and asked questions regarding Town's overall financial position and asked questions regarding fund transfers and fund balance; there was a request to see in the future a clearer process for illustrating the transfer of funds; more detailed year-over-year comparisons of HTAX and ATAX revenues to be presented with the DMO's next marketing plan and budget, and a review of the Town's investment policy to ensure it remains sufficient.

Consideration of a Resolution of the Town of Hilton Head Island Town Council Approving a Sponsorship Agreement with the Heritage Classic Foundation to Support the 2026 RBC Heritage Golf Tournament - Ben Brown, Strategic Initiatives Director

Ben Brown, Strategic Initiatives Director, presented a resolution authorizing a sponsorship agreement with the Heritage Classic Foundation for the 2026 RBC Heritage Golf Tournament. Mr. Brown noted the Town has historically served as a sponsor of the tournament and recommended maintaining the sponsorship level at \$400,000, consistent with the Town's 2025 contribution. In exchange, the Town would receive sponsor recognition across various tournament promotional materials and engagement opportunities.

He also reported that the 2025 tournament attracted an estimated 120,000 attendees and that the RBC Heritage generates an estimated \$135 million in annual economic impact for South Carolina, providing significant visibility and economic benefits to the Town of Hilton Head Island due to the significant marketing and media coverage.

Following discussion, Council considered a resolution approving the 2026 sponsorship agreement and authorizing the Mayor and Town Manager to execute the agreement and

take all necessary actions to fulfill the Town's obligations.

The Committee held discussion and asked questions regarding the economic impact; if there were any significant changes to the agreement; and a request for the Sea Pines Resort to review the accessibility for those who require transportation assistance.

Ms. Brison made a motion to forward to Town Council for consideration a resolution approving a sponsorship agreement with the Heritage Classic Foundation to support the 2026 RBC Heritage Golf Tournament. Ms. Tunner seconded.

Chair Brown asked for public comment.
There was no public comment at this time.

Motion carried 3-0.

Public Comment - Non Agenda Items

Chair Brown asked for public comment.
There was no public comment at this time.

Adjournment

Chair Brown adjourned the meeting at 11:01 am.

Approved: February 9, 2026

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