



Town of Hilton Head Island  
**FINANCE AND ADMINISTRATIVE COMMITTEE  
MEETING**  
Monday, April 6, 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; Melinda Tunner and Steve Alfred (Alternate)

Committee Members Absent: Patsy Brison

Adoption of the Agenda

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

Approval of the Minutes

Regular Meeting Minutes of March 9, 2026

**Ms. Tunner made a motion to approve. Mr. Alfred 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 Committee with the Town of Hilton Head Island's Fiscal Year 2026 monthly financial update through February 28, 2026. He provided an overview of the Town's financial position, noting that financial activity is monitored daily and reported regularly to keep the Committee informed. The update included newly developed reporting tools utilizing South Carolina Department of Revenue sales tax data, categorized by industry sectors to better evaluate overall economic conditions within the Town.

Mr. Byrd reported that overall economic conditions remain stable, with retail continuing to represent the largest share of taxable sales activity and construction showing the strongest growth. Additional trends included increased hotel and recreational activity, a slight decline in short-term rental activity, stable supermarket sales, and relatively flat restaurant activity compared to the prior year. These indicators reflect a diversified and balanced local economy without overreliance on a single sector.

From a financial standpoint, total revenues were approximately \$93.9 million, reflecting a 12.1% increase compared to the prior year. Normalized revenues showed a more modest

increase of 1.5%, driven primarily by growth in property taxes and real estate transfer fees. Total expenses were approximately \$61.4 million, representing a 12.5% increase year-over-year, while normalized expenses decreased by 1.3%, largely due to reduced stormwater expenditures. Staff also noted that Capital Improvement Program expenditures and commitments were progressing as planned, with a significant portion of the budget already allocated.

The Committee held discussion and asked questions regarding the additional sales tax data and its value compared to information provided by external organizations, future energy forecasts and potential impacts on tourism, and the role of marketing in driving tourism-related markets. Members also expressed positive feedback regarding the financial report as presented.

### Unfinished Business

#### Review and Discussion of the Town of Hilton Head Island's Affiliated Agency Funding Request Applications for Fiscal Year 2027 - Dave Byrd, Finance Director

Dave Byrd, Finance Director, reviewed the Fiscal Year 2027 Affiliated Agency funding requests, as presented. The application process was conducted between December 23, 2025, and January 23, 2026, resulting in a total of seven completed applications. Collectively, the agencies requested \$2,414,446 in funding for the upcoming fiscal year.

Each of the applicant organizations previously presented their requests to the Committee at the March 9, 2026 meeting, providing detailed overviews of their programs, budgets, and funding needs. Mr. Byrd noted that most agencies currently operate under existing memorandums of understanding or grant agreements, with the exception of the Outside Foundation, for which a draft term sheet has been prepared. Additional documentation and clarification were requested from certain applicants, including the Beaufort County Economic Development Corporation and the Outside Foundation, to support further evaluation.

Funding requests varied among agencies, with the largest request submitted by the Island Recreation Association, followed by Palmetto Breeze (LRTA), along with other community-serving organizations. Staff also provided context on other funding sources, including ATAX grants, to present a comprehensive view of total funding support. The Committee discussed the applications and will provide consideration and approval recommendations as part of the Fiscal Year 2027 budget development process.

The Committee held discussion and asked questions regarding the proposed term sheet for the Outside Foundation, including the level of benefit the organization provides to the community, particularly in support of the Town's living shorelines initiatives. Additional discussion included concerns regarding future funding for the Sea Turtle Patrol outside of the Town's beach renourishment window, as well as the importance of aligning the Affiliated Agency funding process to clearly define purpose, eligible uses, and the Town's funding priorities.

**Ms. Tunner made a motion to forward \$2,414,446 in Affiliated Agency funding request applications for Fiscal Year 2027 to Town Council for consideration as part of the Town's Fiscal Year 2027 budget development process. Mr. Alfred seconded the motion.**

Chair Brown asked for public comment.

There were no public comments at this time.

**Motion carried 3-0.**

#### New Business

#### Review and Discussion of the Results of the Town of Hilton Head Island's General Obligation Bond Sale - John McGowan, Assistant Finance Director

John McGowan, Assistant Finance Director, presented the results of the Town's Series 2026 General Obligation Bond sale. Staff reported that the Town successfully issued \$35 million in bonds on March 17, 2026, following authorization by Town Council in December 2025. The bonds will fund key capital projects, including the Fire Rescue Headquarters and Emergency Operations Center, land acquisition for conservation, and associated issuance costs.

The bond sale generated strong market interest, with a total of 24 bids received. The winning bid was submitted by SWBC Investment Services, LLC, with a true interest cost of approximately 3.06%, reflecting highly favorable borrowing conditions. The Town also received top-tier credit ratings (Aaa/AAA) from Moody's, S&P, and Fitch, underscoring its strong financial position and contributing to the low interest rate achieved. The transaction officially closed on April 1, 2026.

Mr. McGowan further explained that a portion of the bond proceeds has already been used to reimburse prior expenditures related to the Fire Rescue Headquarters project, with the remaining funds allocated for future capital needs. The repayment structure is designed to maintain strong fund balances while allowing flexibility for future borrowing or potential millage rate adjustments. The Committee acknowledged the successful bond issuance and received the report as information.

The Committee held discussion and asked questions regarding the municipal bond issuance process, including the role of referendums. Members also recognized the Town's strong financial stewardship, the high level of bidder participation, and the favorable interest rate achieved.

#### Public Comment - Non Agenda Items

Chair Brown asked for public comments.

There was no comment at this time.

Adjournment

At 11:02 am, Chair Brown adjourned the meeting.

**Approved: May 11, 2026**

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