# Town of Hilton Head Island

## Finance and Administrative Committee Meeting

**Monday, August 10, 2026, 10:00 AM**
**1 Town Center Court, Hilton Head Island, SC**
**Benjamin M. Racusin Council Chambers**

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The meeting can be viewed on the Town's YouTube Channel, the Beaufort County Channel, and Spectrum Channel 1304.

1. **Call to Order**

2. **Adoption of the Agenda**

3. **Approval of the Minutes**

   **a.** Regular Meeting Minutes of July 13, 2026

4. **Presentations**

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

   **b.** Town of Hilton Head Island Investment Policy Annual Update - John McGowan, Assistant Finance Director

   **c.** Presentation of the Town of Hilton Head Island Employee Classification and Compensation Study Implementation Plan — Lisa Stauffer, Human Resources Director

5. **New Business**

   **a.** Consideration of a Resolution Authorizing the Town Manager to Execute Certain Documents Associated with Wetland Mitigation for the Crossings Park Project - Don D'Adam, Public Projects Program Director

   **b.** Consideration of an Ordinance Approving Amendments to Town Procurement Code Section 11-1-315, Small Purchases - Doug Broyles, Procurement Officer

   **c.** Consideration of a Resolution Authorizing the Town Manager to Execute and Deliver a Permit/Use Agreement with the South Carolina Department of Environmental Services for Access to a Groundwater Monitoring Well and Other Matters Related Thereto - Jeff Netzinger, Engineering Director

**d.** Consideration of a Resolution Authorizing the Town Manager to Enter into an Agreement with the Hilton Head Audubon Society for Services at Jarvis Creek Park - Angie Stone, Assistant Town Manager

**6. Public Comment - Non Agenda Items**

**7. Adjournment**

FOIA Compliance: Public notification of this meeting has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the requirements of the Town of Hilton Head Island.

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the Town of Hilton Head Island will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. Auditory accommodations are available. Any person requiring further accommodation should contact the Town of Hilton Head Island ADA Coordinator as soon as possible but no later than 48 hours before the scheduled event.

Municipal Association of South Carolina (MASC) Civility Pledge:
“I pledge to build a stronger and more prosperous community by advocating for civil engagement, respecting others and their viewpoints, and finding solutions for the betterment of my city or town.”

# Town of Hilton Head Island
# FINANCE AND ADMINISTRATIVE COMMITTEE MEETING
# Monday, July 13, 2026, 10:00 AM
# Minutes

Call to Order

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

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

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 May 11, 2026

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

Presentations

Town of Hilton Head Island FY2027 Monthly Financial Update – Dave Byrd, Finance Director

Dave Byrd, Finance Director, presented the Fiscal Year 2026 Monthly Financial Update through May 31, 2026, beginning with the Town's Health of the Town sales tax report. Mr. Byrd reported that overall sales tax activity continues to indicate stable economic conditions, with year-to-date gross sales through March increasing 0.7 percent over the prior year. He highlighted continued strength in the tourism, retail, and construction sectors, noting that construction activity remains particularly strong due to residential remodeling, while restaurant sales remain relatively flat and grocery sales continue to experience softer demand. Mr. Byrd also discussed several sector-specific trends and explained that previous declines in the services sector had largely been attributed to delayed reporting from a landscaping business, which has since resumed reporting.

Mr. Byrd then reviewed the Town's year-to-date financial performance, reporting that normalized revenues were approximately 3.8 percent higher than the previous fiscal year and that the Town continues to maintain a strong financial position. He highlighted favorable real estate transfer fee collections, increased FEMA reimbursements related to beach renourishment and disaster recovery projects, and the premium received from the Town's 2026 General Obligation Bond issuance. Mr. Byrd also noted that Emergency Medical Services revenue projections had been adjusted downward due to a reduction in call volume but explained that the decrease reflected fewer emergency responses rather than operational

concerns.

Mr. Byrd provided an update on Capital Improvement Program activity, reporting that approximately 84 percent of the amended capital budget had been expended or contractually committed. He explained that several capital projects are expected to carry forward into Fiscal Year 2027 as construction schedules, permitting, and grant reimbursements continue. He also reviewed the Town's projected year-end fund balance and treasury position, noting continued strong cash reserves and favorable investment performance. An update was provided on FEMA reimbursement activity, including payments received and reimbursements anticipated in the coming months.

Committee members discussed several aspects of the report, including EMS revenue trends, real estate transfer fee activity, FEMA reimbursements, the Town's investment portfolio, revenue projections, project carryforwards, and the assumptions used in the year-end forecast. Committee members also expressed appreciation for the comprehensive financial update and the continued transparency provided through the Town's monthly reporting.

Review and Update of the 2027 Accommodations Tax Grant Applications - Michele Bunce, Senior Grants Administrator

Michele Bunce, Senior Grants Administrator, presented the proposed updates to the 2027 Accommodations Tax (ATAX) Grant Application. Ms. Bunce explained that following the completion of the 2026 grant cycle, staff conducted a comprehensive review of the application process to identify opportunities to improve applicant guidance, reduce redundancies, and enhance consistency throughout the grant administration process. She emphasized that the proposed revisions are administrative in nature and do not change the purpose, eligibility requirements, or intent of the ATAX program.

Ms. Bunce reviewed the updates, including separating the ATAX Grant Application Overview from the application to serve as a year-round reference document, removing redundant questions, relocating prior-year performance reporting to the grant closeout process, and separating tourism narratives from quantitative tourism data. She also introduced the new standardized Town budget form, which requires all applicants to submit project budgets in a consistent format, and highlighted enhancements to financial reporting requirements, including automated calculations, clarified tourism metrics, and reimbursement documentation requirements intended to improve accuracy, transparency, and efficiency throughout the application and reimbursement processes.

Ms. Bunce also reviewed the Town's outreach efforts to prospective applicants, including public announcements, email notifications, individual meetings with grantees, mandatory application workshops, and ongoing technical assistance available throughout the application period. She outlined the 2027 grant timeline, noting the July application period, mandatory workshops, preliminary application review in August, applicant hearings and Committee recommendations in September, Finance & Administrative Committee review in October, and final grant awards by Town Council in November.

Committee members discussed the proposed administrative updates and asked questions regarding the standardized budget form, application instructions, reimbursement documentation, and applicant communication efforts. Members expressed support for the revisions, noting that the updates would improve consistency among applications, establish clearer expectations for applicants, and enhance both the Committee's review process and overall grant administration. The Committee acknowledged the updates to the 2027 Accommodations Tax Grant Application and related materials.

New Business

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina Authorizing the Execution and Delivery of a Financial Participation Agreement with the South Carolina Department of Transportation to Initiate an Engineering Analysis and the Design of Improvements to Sea Pines Circle - Shawn Gillen, Assistant Town Manager

Shawn Gillen, Assistant Town Manager, presented the proposed Resolution authorizing the Town Manager to execute a Financial Participation Agreement (FPA) with the South Carolina Department of Transportation (SCDOT) to initiate an engineering analysis and preliminary design for improvements to Sea Pines Circle. Mr. Gillen reminded the Committee that the agreement had previously been reviewed at the May 11, 2026, Finance & Administrative Committee meeting, where members recommended approval contingent upon revisions addressing cost overruns and maintenance responsibilities. He explained that SCDOT reviewed the Town's requested changes and determined that the existing agreement already addressed those concerns. Mr. Gillen further noted that the agreement is limited to completing approximately 20–30 percent design and preparing preliminary cost estimates, and that any work beyond the approved scope would require additional Town Council authorization through an amendment or separate agreement.

Committee members discussed SCDOT's response to the Town's proposed revisions and expressed appreciation for staff's efforts to negotiate additional protections within the agreement. While members acknowledged concerns regarding potential project cost overruns, they recognized that the agreement limits the Town's financial commitment to the approved funding amount unless future authorization is provided by Town Council. The Committee also discussed the importance of continued oversight as the project advances through the engineering and design phases.

Members of Town Council addressed the Committee to provided additional background on the project, explain that planning efforts began several years earlier through the Town's engineering consultant and later expanded to include collaboration with the Sea Pines Community Services Associates (CSA) and SCDOT. Preliminary design concepts had already been developed and that the existing engineering budget would fund the Town's participation in the current agreement. There also was discussion that the proposed agreement is limited to engineering and design services, and that future decisions regarding construction and project funding would be considered separately by Town Council.

**Ms. Brison made a motion to forward to Town Council for consideration of approval a**

**Resolution authorizing the execution and delivery of a financial participation agreement with the South Carolina Department of Transportation to initiate and an engineering analysis and the design of improvements to Sea Pines Circle. Ms. Tunner seconded the motion.**

Chairman Brown opened the floor for public comment.

No public comments were received.

**Motion carried 3-0.**

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina Authorizing the Execution and Delivery of a Sponsorship Agreement for the Hilton Head Island Jam 2026 Songwriter Festival - Angie Stone, Assistant Town Manager

Angie Stone, Assistant Town Manager, presented a proposed Resolution authorizing the execution and delivery of a sponsorship agreement for the Hilton Head Island Jam 2026 Songwriter Festival. Ms. Stone explained that Hilton Head Island Jam Entertainment, LLC has successfully produced the Songwriter Festival since 2023 and has partnered with the Town through sponsorship agreements in previous years. She reviewed the organization's proposal for the 2026 event, highlighting the festival's continued contribution to the Island's tourism economy, cultural offerings, and community engagement.

Ms. Stone provided an overview of the proposed sponsorship agreement, including the event budget, sponsorship benefits, and the Town's anticipated return on investment. She noted that the festival is expected to attract both residents and visitors while generating economic activity for local businesses during the event. Ms. Stone also discussed the marketing and promotional opportunities associated with the sponsorship, emphasizing the event's role in enhancing Hilton Head Island's reputation as a destination for arts, music, and cultural tourism.

Committee members discussed the proposed sponsorship and asked questions regarding the event budget, anticipated attendance, economic impact, sponsorship deliverables, the value of supporting events that contribute to tourism and the local economy while providing cultural and entertainment opportunities for the community.

**Ms. Brison made a motion to forward to Town Council for consideration of approval a resolution authorizing the execution and delivery of a sponsorship agreement for the Hilton Head Island Jam 2026 songwriter festival. Ms. Tunner seconded.**

Chairman Brown opened the floor for public comment.
No public comments were received.

**Motion carried 3-0.**

Consideration of a Resolution Authorizing the Town Manager to Execute and Deliver an Amended Stormwater Management and Utility Intergovernmental Agreement between the

Town of Hilton Head Island and Beaufort County, South Carolina - Shawn Gillen, Assistant Town Manager

Shawn Gillen, Assistant Town Manager, presented a proposed Resolution authorizing the Town Manager to execute and deliver an Amended and Restated Stormwater Management and Utility Intergovernmental Agreement (IGA) between the Town of Hilton Head Island and Beaufort County. Mr. Gillen explained that the original agreement, executed in 2001 and subsequently extended in 2006 and 2016, established the framework for the administration, construction, maintenance, and funding of the Countywide Stormwater Management Utility. He noted that the current agreement expired on June 30, 2026, and that the proposed IGA largely maintains the same terms and conditions as the previous agreement, including a 10-year term with the option for extension. Mr. Gillen also advised the Committee of a scrivener's error in the draft agreement regarding the term length, explaining that it would be corrected prior to consideration by Town Council.

Mr. Gillen reviewed the operational and financial provisions of the agreement, explaining that Beaufort County will continue to administer the centralized billing and collection of Stormwater Utility (SWU) fees and return the collected revenues to the Town, less the County's administrative fee. He emphasized that the Town retains sole authority to establish its annual stormwater utility rates and that the agreement continues the collaborative framework for managing stormwater infrastructure and regulatory compliance. Jeff Netzinger, Engineering Director, responded to Committee questions regarding the County's administrative fee, explaining that it is based on the County's actual administrative costs and is reviewed annually rather than calculated as a percentage of stormwater revenues.

Committee members discussed the relationship between the proposed agreement and the Town's ongoing Stormwater Master Plan, expressing interest in how future recommendations involving Town, County, State, and private infrastructure would be coordinated and funded. Members asked questions regarding the role of the Beaufort County Stormwater Implementation Committee, future stormwater rates, and opportunities for collaboration on projects affecting multiple jurisdictions. Brittany Ward, Town Attorney, provided the Committee with additional information about the Stormwater Implementation Committee and how it serves as a technical coordination body with representation from Beaufort County and each participating municipality to facilitate discussions on shared stormwater projects and regulatory matters. She further clarified that the Committee cannot obligate the Town to additional expenditures and that any future funding commitments would require separate approval through the Town's budget or formal Council action.

**Ms. Brison made a motion to forward to Town Council for consideration of approval a resolution the Town Manager to execute and deliver an amended Stormwater Management and Utility Intergovernmental Agreement between the Town of Hilton Head Island and Beaufort County, South Carolina. Ms. Tunner seconded.**

Chairman Brown opened the floor for public comment.

No public comments were received.

**Motion carried 3-0.**

Public Comment - Non Agenda Items

Chairman Brown opened the floor for public comment on non agenda items.

No public comments were received.

Adjournment

At 11:37 a.m., Chariman Brown adjourned the meeting.

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

# TOWN OF HILTON HEAD ISLAND

*Finance & Administrative Committee*

**TO:** Finance & Administrative Committee
**FROM:** Dave Byrd, Finance Director
**CC:** Marc Orlando, ICMA-CM, Town Manager
**DATE:** August 10, 2026
**SUBJECT:** Town of Hilton Head Island FY 2026 Monthly Financial Update

## BACKGROUND:

Town Staff monitor the financial activity daily. On regular intervals, Town Staff presents information to the Finance & Administrative Committee to keep the Committee up to date on the progress of the budget, the financial status, collections, and spending. This information assists the Committee in assessing financial status and provides background information to prepare the Committee for future decisions that have financial implications.

## RECOMMENDATION:

Staff recommend the Finance & Administrative Committee receive the Town of Hilton Head Island Fiscal Year 2026 monthly financial update to help keep Committee Members apprised of the Town's financial condition.

## SUMMARY:

The Finance Department has prepared financial information for the Finance & Administrative Committee to present an overview of the Town's financial position and operating results as of 2026. Key highlights include the following:

### Sales Tax Highlights

- The revenue analysis through FY 2026 (year-to-date through April 2026) continues to indicate stable economic conditions with a year-over-year change of 0.8%.
- The largest sector continues to be the Retail Sector with year-to-date gross sales of $468.56 million, representing growth of 1.5% from the same period for the prior year. The growth is being driven by year-to-date increases in gift, novelty and souvenir stores along with general merchandise stores sales of 6.7% and 5.2% respectively offset by a year-to-date decrease in sales at garden centers of 10.6%.

- The fastest growing sector continues to be the Construction Sector. Year-to-date gross sales total $22.48 million, representing growth of $6.56 million and 41.2% from the same period in the prior year. The growth continues to be primarily driven by Residential Remodelers.
- The Tourism Sector reported another good month with growth of 1.8% from the prior year and year-to-date growth of $9.722 million and 2.8% for the first ten months of the fiscal year as compared to the same period of the prior year. Growth is being driven in golf and recreation (up 6.7% ytd), water scenic tours (up 18.6% ytd) and hotels and resorts (up 1.2% ytd). Short-Term rentals continue to see a softer demand with a year-to-date decrease of 2.4%.
- The Restaurant Sector saw another good month with growth of 2.2% bringing year-to-date sales slightly above last year of 0.1%. Specialty food shops (bakeries, ice cream, coffee shops, etc.) continue to be the strongest performer in this sector.
- The Service Sector did report growth of 9.2% from the prior year for the month of April. The growth continues to be driven by landscaping services.

## Short-Term Rentals

- An update of the Short-Term Rental Permit Renewal as of July 23, 2026, has been provided. Approved permits increased to 2,238 and permits in the queue for review have decreased to 1,658.

As a reminder we will not provide the Town Financials, Quarterly Revenue Charts and Treasury/Cash Management reports for the month of June until the September Finance and Administrative Committee meeting. This is due to the FY26 close out and audit preparation that takes place during the months July and August. At the September meeting, we will also provide Town Financials, Quarterly Revenue Charts and Treasury/Cash Management reports for the month of July.

**ATTACHMENTS:**

1. Fiscal Year 2026 Monthly Financial Update -PP

**TOWN OF HILTON HEAD ISLAND**

# Monthly Financial Report

## Fiscal Year 2026

Finance & Administrative Committee Meeting

# Table of Contents

Fiscal Year 2026 Financial Update

- Health of the Town - Town Sales Tax Data p. 3-15
- Short Term Rental Update p. 16-17

# Health of the Town – Town Sales Tax Data

## Fiscal Year 2026

## Through April 2026

# Health of the Town - SC State Sales Tax

**Executive Summary**
**FY2023 - FY2026 YTD through April**

## Executive Summary

**FY2026 year-to-date gross sales provide a baseline view of sales tax performance across major sectors.**
**Overall activity indicates broad-based growth across the Town's major economic sectors.**

| Performance Pattern |
| --- |
| Broad-based growth |

| Total Gross Sales | YOY Change |
| --- | --- |
| $2.4B | 0.8% |

| Largest Sector | Fastest Growing Sector |
| --- | --- |
| Retail | Construction |

**Outside of Telecommunications, Retail remains the largest sector, while Construction reported the largest year-over-year increase through April 2026.**
**Revenue composition remains diversified across multiple sectors, supporting overall economic stability within the Town.**

# Health of the Town - SC State Sales Tax

## Definitions & Methodology

### Sector Category Descriptions

| Sector Category | Description |
|---|---|
| **Tourism** | Accommodations, travel, and entertainment primarily serving visitors. |
| **Restaurant** | Food and beverage establishments serving consumers. |
| **Grocery** | Consumer-facing food retail including supermarkets, convenience stores, and bakeries. |
| **Retail** | Consumer-facing non-food retail including clothing, electronics, and furniture. |
| **Construction** | Construction, remodeling, and specialty trade contractors. |
| **Services** | Professional, technical, personal, and business services. |
| **Telecommunications** | Wired, wireless, cable, and subscription-based communication services. |
| **Other** | Wholesalers, suppliers, and manufacturers not directly selling to consumers. |

### Reporting Definitions

| Term | Definition |
|---|---|
| **Gross Sales** | Total reported gross sales activity prior to application of the local sales tax rate. |
| **State Sales Tax Rate** | The state sales tax percentage applied to taxable sales--6%. |
| **Year-Over-Year (YOY) Change** | The percentage change compared to the same reporting period in the prior fiscal year. Formula: (Current Period – Prior Period) ÷ Prior Period. |
| **Revenue Composition** | The measurement of revenue streams across sector categories. |
| **NAICS Code Classification** | North American Industry Classification System (NAICS) classifies businesses based on their primary economic activity. |

### Data Source and Method

| | |
|---|---|
| **Data Source** | South Carolina Department of Revenue (SC DOR) Monthly Gross Sales Tax Report. |
| **Method** | Gross sales derived from sales reported to the South Carolina Department of Revenue (SC DOR). |
| | Fiscal year comparison July–June. |
| | Fiscal year YTD comparisons from the start of the fiscal year July through the most recent reporting month available. |
| | Sectors categorized by NAICS classification. |
| | Analysis prepared by the Town of Hilton Head Island Finance Department's Revenue Services. |

### Tax Matrix

| | |
|---|---|
| **South Carolina Department of Revenue (SC DOR) - State** | |
| **State Sales Tax on Retail Sales-6%** | Applies to the sale of tangible goods and food and beverage transactions. Calculated on total gross sales in Beaufort County. |
| **State Sales Tax on Lodging Activity-5%** | Applies to short-term rental and lodging activity. Calculated on gross proceeds, including rent and all required charges associated with occupancy in Beaufort County. |
| **State Accommodations Tax-2%** | Applies to short-term rental and lodging activity. Calculated on gross proceeds, including rent and all required charges associated with occupancy in Beaufort County. |
| **Town of Hilton Head Island (HHI)** | |
| **HHI Beach Preservation Fee-2%** | Applies to short-term rental and lodging activity within the Town of Hilton Head Island. Calculated on gross income, including rent and all required charges associated with occupancy. |
| **HHI Accommodations Tax (ATAX)-1%** | Applies to short-term rental and lodging activity within the Town of Hilton Head Island. Calculated on gross income, including rent and all required charges associated with occupancy. |
| **HHI Hospitality Tax (HTAX)-2%** | Applies to prepared food and beverage sales within the Town of Hilton Head Island and is calculated on total gross sales. |

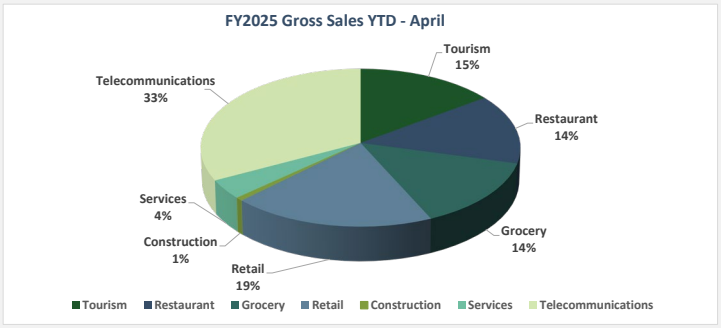
**Taxable amounts are based on gross receipts and include all required charges associated with the transaction prior to deductions or exclusions.**

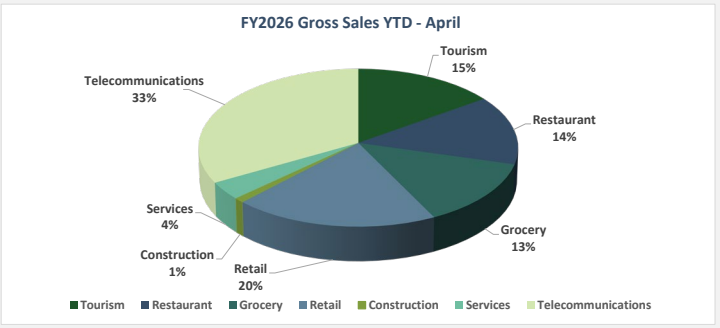
# Health of the Town - SC State Sales Tax

**Gross Sales Tax Overview**
**FY2023 - FY2026 YTD through April**

## Gross Sales Tax Overview

**This report compares July-April gross sales across fiscal years by sector.**
**July-April gross sales increased 0.8% year-over-year based on reported FY2026 activity, reflecting modest growth compared with the same period last year.**




## Sector Category Descriptions

| Sector Category | Description |
|---|---|
| **Tourism** | Accommodations, travel, and entertainment primarily serving visitors. |
| **Restaurant** | Food and beverage establishments serving consumers. |
| **Grocery** | Consumer-facing food retail including supermarkets, convenience stores, and bakeries. |
| **Retail** | Consumer-facing non-food retail including clothing, electronics, and furniture. |
| **Construction** | Construction, remodeling, and specialty trade contractors. |
| **Services** | Professional, technical, personal, and business services. |
| **Telecommunications** | Wired, wireless, cable, and subscription-based communication services. |
| **Other** | Wholesalers, suppliers, and manufacturers not directly selling to consumers. |

| Sector Category | FY 2023 YTD | FY 2024 YTD | FY 2025 YTD | FY 2026 YTD | FY26 YTD to FY25 YTD Change $ | FY26 YTD to FY25 YTD Change % | Explanation |
|---|---|---|---|---|---|---|---|
| Tourism | $ 331,475,752 | $ 335,871,255 | $ 352,288,668 | $ 362,010,721 | $ 9,722,053 | 2.8% | **Increase**; although STR-related activity is slightly down, strong recreational activity continues to support growth in the sector. |
| Restaurant | $ 349,588,480 | $ 353,507,741 | $ 338,182,885 | $ 338,574,794 | $ 391,909 | 0.1% | **Flat**; Overall tax filer counts and average reporting levels remained consistent with prior year. |
| Grocery | $ 348,215,625 | $ 352,967,315 | $ 331,870,578 | $ 316,569,162 | $ (15,301,416) | -4.6% | **Decrease**; Lower gross sales at liquor stores, gas stations, and convenience stores offset stable supermarket sales. |
| Retail | $ 478,767,410 | $ 472,951,779 | $ 461,465,479 | $ 468,555,868 | $ 7,090,389 | 1.5% | **Increase**; Higher gross sales at general merchandise stores and souvenir shops offset lower gross sales at garden centers. |
| Construction | $ 11,482,772 | $ 14,594,859 | $ 15,913,517 | $ 22,476,471 | $ 6,562,954 | 41.2% | **Increase**; Higher gross sales from residential remodelers offset a significant decline in new single-family construction. |
| Services | $ 71,915,097 | $ 71,098,810 | $ 94,880,788 | $ 87,948,784 | $ (6,932,004) | -7.3% | **Decrease**; Services remained below the prior year following the return of a landscape business reporting gross sales. |
| Telecommunications | $ 746,529,822 | $ 756,473,461 | $ 773,787,769 | $ 792,031,399 | $ 18,243,630 | 2.4% | **Increase**; Wired telecommunications carriers continued to report higher gross sales than the prior year. |
| Other | $ 2,008,285 | $ 3,583,407 | $ 1,383,203 | $ 1,422,725 | $ 39,521 | 2.9% | **Increase**; Higher gross sales within the textile manufacturing industry contributed to the year-over-year increase. |
| **YTD Gross Sales** | **$ 2,339,983,242** | **$ 2,361,048,627** | **$ 2,369,772,885** | **$ 2,389,589,922** | **$ 19,817,037** | **0.8%** | |

**Gross retail sales growth was broad-based, with increase across multiple sectors contributing to overall improvement.**

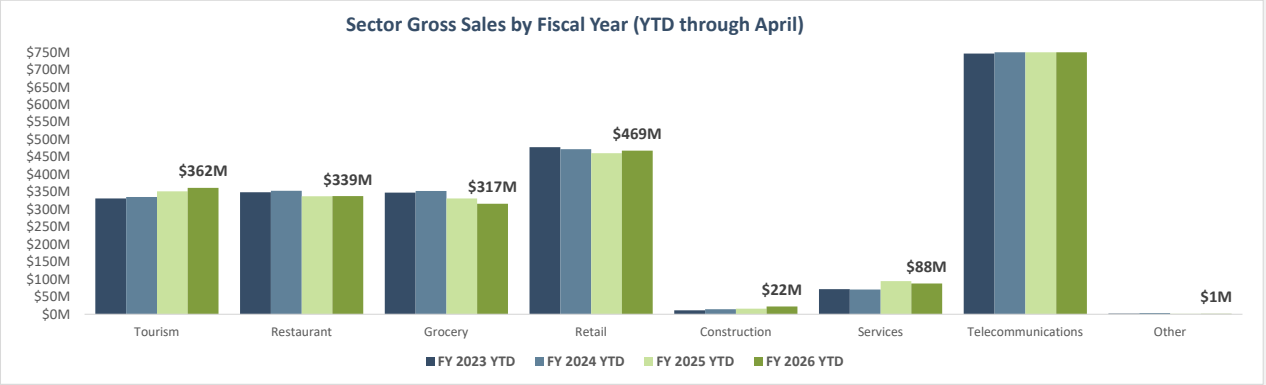
***Notes:***
***All fiscal years present comparable sales tax activity July-April.***
***NAICS classifications are self-reported by taxpayers at the time of filing.***
***Gross sales reflect taxpayer-reported activity at time of filing and may be revised through amendments.***
***Gross retail sales is subject to a 6% state sales tax rate.***
***Lodging-related sales is subject to a 5% state sales tax rate.***
***State and Local Accommodations Tax is reported from the Tourism Sector.***
***Local Hospitality Tax is reported from Restaurant and Grocery Sectors.***

# Health of the Town - SC State Sales Tax

**Gross Sales Tax Analysis**
**FY2023 - FY2026 YTD through April**

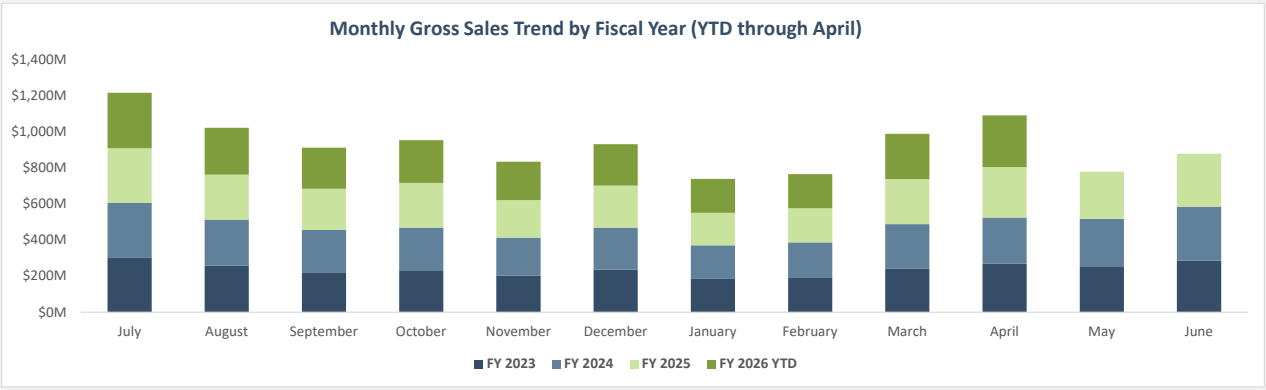
## Sector Composition Overview

**Outside of Telecommunications, Retail and Tourism continue representing the largest shares of gross sales activity.**
**Sector composition and overall sales activity remain stable through April 2026.**




## Monthly Gross Sales Overview

**Gross sales in April 2026 total $286.3M, a 2.2% increase compared to April 2025.**
**Year-to-date gross sales through April indicate stable sales activity across major sectors.**




| Month | FY 2023 | FY 2024 | FY 2025 | FY 2026 YTD | FY26 YTD to FY25 YTD Change $ | FY26 YTD to FY25 YTD Change % |
|---|---|---|---|---|---|---|
| July | $ 301,849,141 | $ 304,067,456 | $ 304,071,181 | $ 307,512,099 | $ 3,440,918 | 1.1% |
| August | $ 257,940,548 | $ 255,598,810 | $ 249,161,442 | $ 260,228,869 | $ 11,067,427 | 4.4% |
| September | $ 221,820,612 | $ 235,105,171 | $ 227,799,009 | $ 228,042,611 | $ 243,603 | 0.1% |
| October | $ 232,597,907 | $ 236,628,379 | $ 247,807,801 | $ 237,090,131 | $ (10,717,669) | -4.3% |
| November | $ 203,626,508 | $ 209,607,438 | $ 209,238,077 | $ 211,887,646 | $ 2,649,569 | 1.3% |
| December | $ 236,334,309 | $ 233,203,008 | $ 232,716,336 | $ 229,417,571 | $ (3,298,765) | -1.4% |
| January | $ 184,600,705 | $ 186,231,316 | $ 180,557,158 | $ 188,072,928 | $ 7,515,770 | 4.2% |
| February | $ 190,274,297 | $ 197,376,201 | $ 188,827,925 | $ 189,041,886 | $ 213,961 | 0.1% |
| March | $ 240,551,037 | $ 248,072,578 | $ 249,554,987 | $ 252,032,294 | $ 2,477,306 | 1.0% |
| **April** | **$ 270,388,177** | **$ 255,158,270** | **$ 280,038,968** | **$ 286,263,887** | **$ 6,224,918** | **2.2%** |
| May | $ 254,392,065 | $ 263,385,004 | $ 261,804,967 | $ - | | |
| June | $ 286,559,246 | $ 299,382,833 | $ 293,406,380 | $ - | | |
| **YTD Gross Sales** | **$ 2,339,983,242** | **$ 2,361,048,627** | **$ 2,369,772,885** | **$ 2,389,589,922** | **$ 19,817,037** | **0.8%** |
| **Total Gross Sales** | **$ 2,880,934,553** | **$ 2,923,816,464** | **$ 2,924,984,232** | | | |

**April gross sales increased 2.2% year-over-year, while year-to-date gross sales through April increased 0.8%.**

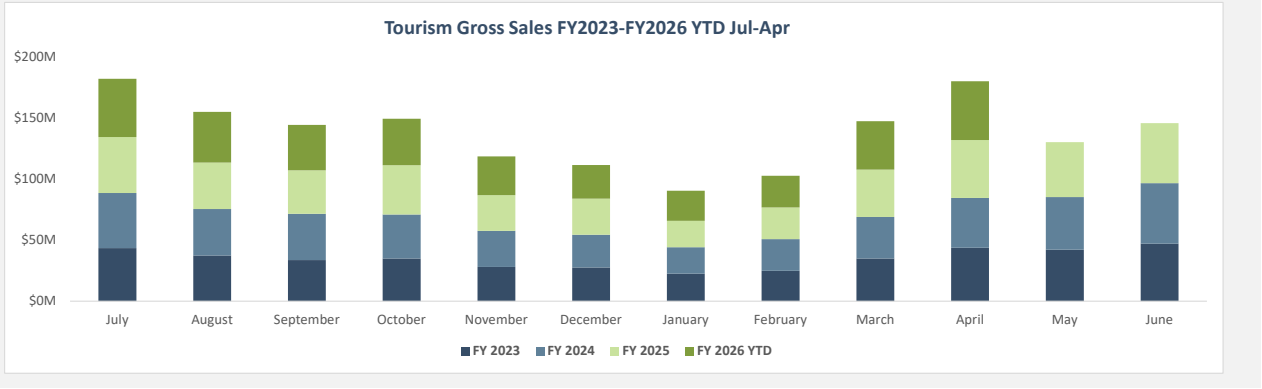
***Notes:***
***FY2023-FY2025 present comparable sales tax activity based on the July-June fiscal year.***
***FY2026 represents activity reported through April 2026.***

## Health of the Town - SC State Sales Tax

**Tourism Gross Sales by Sector Summary**
**FY2023 - FY2026 YTD July through April**

**Tourism gross sales in April 2026 total $48.2M, an increase of 1.8% compared to the same month last year.**
**Overall activity is healthy benefiting from strong peak-season periods.**

**Tourism**




| Month | FY 2023 | FY 2024 | FY 2025 | FY 2026 YTD | FY26 YTD to FY25 YTD Change $ | FY26 YTD to FY25 YTD Change % |
|---|---|---|---|---|---|---|
| July | $ 43,516,648 | $ 45,019,995 | $ 45,833,082 | $ 47,836,120 | $ 2,003,038 | 4.4% |
| August | $ 37,355,122 | $ 38,081,916 | $ 38,049,882 | $ 41,502,632 | $ 3,452,751 | 9.1% |
| September | $ 33,743,629 | $ 37,885,606 | $ 35,510,970 | $ 37,203,483 | $ 1,692,514 | 4.8% |
| October | $ 35,033,587 | $ 36,017,667 | $ 40,306,979 | $ 38,124,052 | $ (2,182,927) | -5.4% |
| November | $ 28,048,913 | $ 29,579,742 | $ 29,278,882 | $ 31,672,065 | $ 2,393,183 | 8.2% |
| December | $ 27,658,825 | $ 26,829,127 | $ 29,548,326 | $ 27,447,158 | $ (2,101,168) | -7.1% |
| January | $ 22,532,114 | $ 21,609,793 | $ 21,721,969 | $ 24,548,472 | $ 2,826,503 | 13.0% |
| February | $ 24,916,595 | $ 25,936,626 | $ 25,898,714 | $ 25,984,529 | $ 85,816 | 0.3% |
| March | $ 34,908,943 | $ 34,077,048 | $ 38,822,479 | $ 39,536,630 | $ 714,151 | 1.8% |
| **April** | **$ 43,761,375** | **$ 40,833,735** | **$ 47,317,386** | **$ 48,155,579** | **$ 838,193** | **1.8%** |
| May | $ 42,114,396 | $ 43,127,274 | $ 45,045,309 | $ - | | |
| June | $ 47,035,013 | $ 49,673,279 | $ 49,174,620 | $ - | | |
| **YTD Gross Sales** | **$ 331,475,752** | **$ 335,871,255** | **$ 352,288,668** | **$ 362,010,721** | **$ 9,722,053** | **2.8%** |
| **Total Gross Sales** | **$ 420,625,161** | **$ 428,671,808** | **$ 446,508,597** | **$ 362,010,721** | **$ (84,497,876)** | **-18.9%** |

**Increase; although STR-related activity is slightly down, strong recreational activity continues to support growth in the sector.**

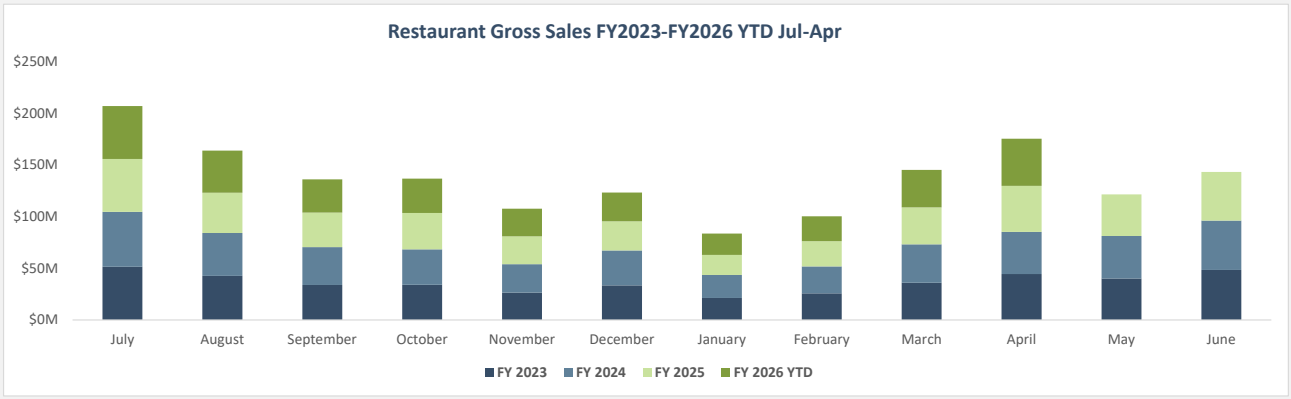
***Notes:***
***Tourism Sector: Accommodations, travel, and entertainment primarily serving visitors.***
***State and Local Accommodations Tax is reported from the Tourism Sector.***
***Hotel and resort sales increased 1.2% year-over-year.***
***Short-Term Rental (STR) related activity decreased 2.4% year-over-year.***
***Golf and Recreation gross sales increased 6.7% year-over year.***
***Water scenic tours gross sales increased 18.6% year-over-year.***

# Health of the Town - SC State Sales Tax

**Restaurant Gross Sales by Sector Summary**
**FY2023 - FY2026 YTD July through April**

**Restaurant gross sales in April 2026 total $45.6M, an increase of 2.2% compared with the same month last year. Overall activity remains stable and consistent with typical consumer dining patterns.**

## Restaurant




| Month | FY 2023 | FY 2024 | FY 2025 | FY 2026 YTD | FY26 YTD to FY25 YTD Change $ | FY26 YTD to FY25 YTD Change % |
|---|---|---|---|---|---|---|
| July | $ 51,511,289 | $ 53,208,746 | $ 51,198,444 | $ 51,259,078 | $ 60,634 | 0.1% |
| August | $ 42,653,043 | $ 41,454,231 | $ 39,014,223 | $ 40,776,186 | $ 1,761,963 | 4.5% |
| September | $ 33,813,419 | $ 36,799,707 | $ 33,259,697 | $ 32,192,162 | $ (1,067,535) | -3.2% |
| October | $ 34,053,342 | $ 34,401,896 | $ 35,118,258 | $ 33,184,684 | $ (1,933,574) | -5.5% |
| November | $ 26,443,718 | $ 27,571,461 | $ 26,958,499 | $ 26,797,840 | $ (160,659) | -0.6% |
| December | $ 33,510,337 | $ 33,801,093 | $ 28,213,434 | $ 27,784,588 | $ (428,846) | -1.5% |
| January | $ 21,268,421 | $ 22,256,087 | $ 19,485,573 | $ 20,599,384 | $ 1,113,810 | 5.7% |
| February | $ 25,856,056 | $ 25,943,534 | $ 24,578,035 | $ 24,062,814 | $ (515,221) | -2.1% |
| March | $ 36,071,884 | $ 37,156,864 | $ 35,767,425 | $ 36,339,013 | $ 571,587 | 1.6% |
| **April** | **$ 44,406,970** | **$ 40,914,123** | **$ 44,589,296** | **$ 45,579,046** | **$ 989,749** | **2.2%** |
| May | $ 40,100,273 | $ 41,213,038 | $ 40,199,320 | $ - | | |
| June | $ 48,359,201 | $ 47,793,855 | $ 47,096,385 | $ - | | |
| **YTD Gross Sales** | **$ 349,588,480** | **$ 353,507,741** | **$ 338,182,885** | **$ 338,574,794** | **$ 391,909** | **0.1%** |
| | **$ 438,047,954** | **$ 442,514,634** | **$ 425,478,589** | **$ 338,574,794** | **$ (86,903,796)** | **-20.4%** |

**Flat; Overall tax filer counts and average reporting levels remained consistent with prior year.**

***Notes:***
***Restaurant Sector: Food and beverage establishments serving consumers.***
***Local Hospitality Tax is reported from Restaurant and Grocery Sectors.***
***Specialty food shops are strong performers in the sector (ice cream, bakeries, coffee shops, etc.).***

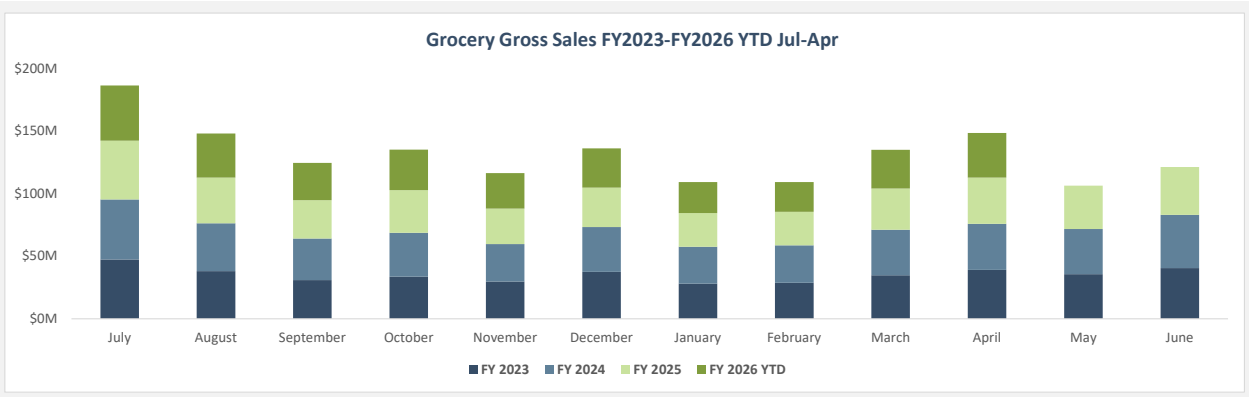
## Health of the Town - SC State Sales Tax

**Grocery Gross Sales by Sector Summary**
**FY2023 - FY2026 YTD July through April**

**Grocery gross sales in April 2026 total $35.6M, a 4% decrease compared with the same month last year.**

**Overall activity remained below the prior year, as strength in supermarket sales was not enough to offset declines across other grocery categories.**

**Grocery**




| Month | FY 2023 | FY 2024 | FY 2025 | FY 2026 YTD | FY26 YTD to FY25 YTD Change $ | FY26 YTD to FY25 YTD Change % |
|---|---|---|---|---|---|---|
| July | $ 47,395,889 | $ 48,014,740 | $ 47,011,462 | $ 44,140,721 | $ (2,870,741) | -6.1% |
| August | $ 38,155,227 | $ 38,206,232 | $ 36,549,184 | $ 35,255,876 | $ (1,293,308) | -3.5% |
| September | $ 31,012,012 | $ 33,126,321 | $ 30,654,789 | $ 29,862,884 | $ (791,905) | -2.6% |
| October | $ 33,724,909 | $ 35,043,512 | $ 34,050,981 | $ 32,480,472 | $ (1,570,509) | -4.6% |
| November | $ 29,734,557 | $ 30,023,327 | $ 28,305,811 | $ 28,362,775 | $ 56,963 | 0.2% |
| December | $ 37,495,236 | $ 35,803,379 | $ 31,509,681 | $ 31,389,140 | $ (120,540) | -0.4% |
| January | $ 28,047,845 | $ 29,589,570 | $ 26,948,695 | $ 24,737,227 | $ (2,211,468) | -8.2% |
| February | $ 28,839,483 | $ 29,880,873 | $ 26,868,956 | $ 23,740,614 | $ (3,128,343) | -11.6% |
| March | $ 34,753,647 | $ 36,460,976 | $ 32,889,242 | $ 30,982,618 | $ (1,906,624) | -5.8% |
| **April** | **$ 39,056,821** | **$ 36,818,384** | **$ 37,081,777** | **$ 35,616,836** | **$ (1,464,941)** | **-4.0%** |
| May | $ 35,696,635 | $ 36,134,313 | $ 34,599,777 | $ - | | |
| June | $ 40,537,997 | $ 42,558,504 | $ 38,293,997 | $ - | | |
| **YTD Gross Sales** | **$ 348,215,625** | **$ 352,967,315** | **$ 331,870,578** | **$ 316,569,162** | **$ (15,301,416)** | **-4.6%** |
| **Total Gross Sales** | **$ 424,450,257** | **$ 431,660,132** | **$ 404,764,352** | **$ 316,569,162** | **$ (88,195,190)** | **-21.8%** |

**Decrease; Lower gross sales at liquor stores, gas stations, and convenience stores offset stable supermarket sales.**

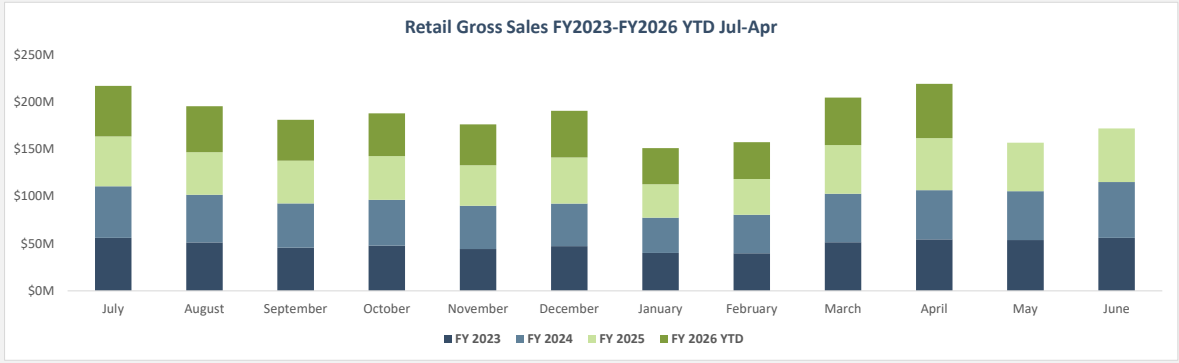
***Notes:***
***Grocery Sector: Consumer-facing food retail including supermarkets, convenience stores, bakeries, and beverage retailers.***
***New grocery stores planned include Publix (Circle Center), Aldi (Sea Turtle Marketplace), and Food Lion (Port Royal Plaza).***
***Local Hospitality Tax is reported from Restaurant and Grocery Sectors.***
***Gas station sales increased for the second consecutive month, rising 13% year over year in April.***

## Health of the Town - SC State Sales Tax

**Retail Gross Sales by Sector Summary**
**FY2023 - FY2026 YTD July through April**

**Retail gross sales in April 2026 total $57.5M, an increase of 4.2% compared with the same month last year. Overall activity remains stable relative to prior year levels.**

**Retail**




| Month | FY 2023 | FY 2024 | FY 2025 | FY 2026 YTD | FY26 YTD to FY25 YTD Change $ | FY26 YTD to FY25 YTD Change % |
|---|---|---|---|---|---|---|
| July | $ 56,245,734 | $ 54,475,260 | $ 52,900,915 | $ 53,562,997 | $ 662,082 | 1.3% |
| August | $ 51,270,333 | $ 50,514,094 | $ 45,145,366 | $ 48,603,165 | $ 3,457,799 | 7.7% |
| September | $ 45,786,700 | $ 46,761,233 | $ 45,383,487 | $ 43,351,515 | $ (2,031,972) | -4.5% |
| October | $ 47,955,960 | $ 48,454,370 | $ 46,314,326 | $ 45,273,687 | $ (1,040,640) | -2.2% |
| November | $ 44,254,828 | $ 45,875,842 | $ 43,012,254 | $ 43,199,147 | $ 186,893 | 0.4% |
| December | $ 47,383,767 | $ 45,099,616 | $ 48,814,164 | $ 49,447,730 | $ 633,565 | 1.3% |
| January | $ 40,085,078 | $ 37,475,238 | $ 35,328,487 | $ 38,334,611 | $ 3,006,124 | 8.5% |
| February | $ 39,789,002 | $ 40,877,387 | $ 37,831,567 | $ 38,961,655 | $ 1,130,088 | 3.0% |
| March | $ 51,406,451 | $ 51,412,621 | $ 51,537,100 | $ 50,308,695 | $ (1,228,405) | -2.4% |
| **April** | **$ 54,589,558** | **$ 52,006,118** | **$ 55,197,811** | **$ 57,512,667** | **$ 2,314,855** | **4.2%** |
| May | $ 53,827,904 | $ 51,772,173 | $ 51,278,248 | $ - | | |
| June | $ 56,121,857 | $ 59,056,304 | $ 56,931,600 | $ - | | |
| **YTD Gross Sales** | **$ 478,767,410** | **$ 472,951,779** | **$ 461,465,479** | **$ 468,555,868** | **$ 7,090,389** | **1.5%** |
| **Total Gross Sales** | **$ 588,717,171** | **$ 583,780,256** | **$ 569,675,327** | **$ 468,555,868** | **$ (101,119,460)** | **-17.8%** |

**Increase; Higher gross sales at general merchandise stores and souvenir shops offset lower gross sales at garden centers.**

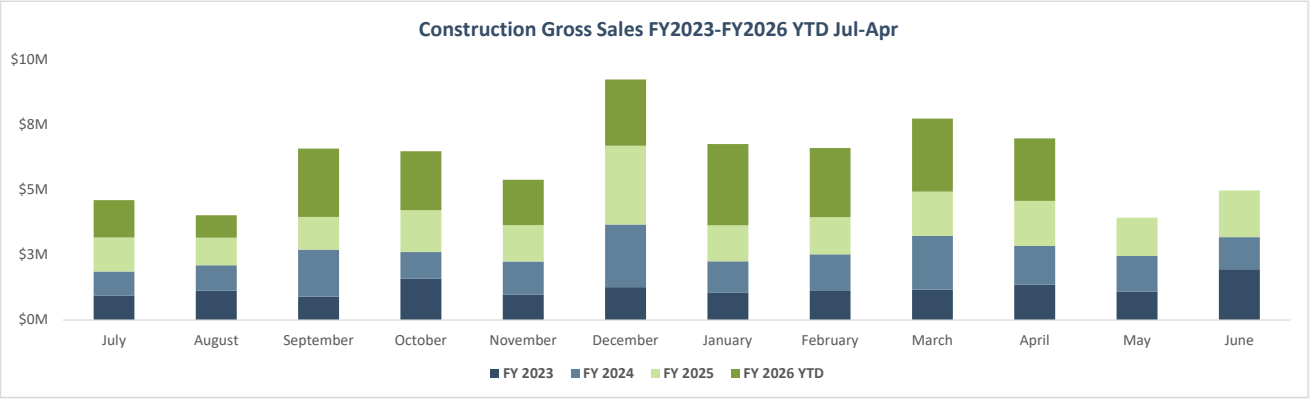
***Notes:***
***Retail Sector: Consumer-facing non-food retail including general merchandise, clothing, electronics, furniture, and garden supply stores.***
***SC State Sales Tax Report includes both in-town and out-of-town gross sales.***
***SC State Sales Tax Report is consistent with the gross revenue reported by retail stores within the Town for business license purposes.***
***General merchandise stores gross sales increased 5.2% year-over-year.***
***Gift, Novelty, and Souvenir stores gross sales increased 6.7% year-over-year.***
***Garden center gross sales decreased 10.6% year-over-year.***
***All Other General Merchandise Stores continued to report the highest gross sales among retail industries in FY2026.***

# Health of the Town - SC State Sales Tax

**Construction Gross Sales by Sector Summary**
**FY2023 - FY2026 YTD July through April**

**Construction gross sales in April 2026 total $2.4M, an increase of 39.3% compared with the same month last year. While percentage growth is notable, the sector remains a small share of overall gross sales activity.**

## Construction




| Month | FY 2023 | FY 2024 | FY 2025 | FY 2026 YTD | FY26 YTD to FY25 YTD Change $ | FY26 YTD to FY25 YTD Change % |
|---|---|---|---|---|---|---|
| July | $ 944,017 | $ 920,126 | $ 1,309,562 | $ 1,433,144 | $ 123,582 | 9.4% |
| August | $ 1,122,189 | $ 980,309 | $ 1,059,437 | $ 866,335 | $ (193,102) | -18.2% |
| September | $ 898,039 | $ 1,807,302 | $ 1,260,494 | $ 2,624,609 | $ 1,364,115 | 108.2% |
| October | $ 1,589,537 | $ 1,023,005 | $ 1,613,166 | $ 2,266,053 | $ 652,888 | 40.5% |
| November | $ 984,119 | $ 1,266,895 | $ 1,399,254 | $ 1,745,678 | $ 346,424 | 24.8% |
| December | $ 1,262,816 | $ 2,414,231 | $ 3,024,302 | $ 2,549,537 | $ (474,764) | -15.7% |
| January | $ 1,042,346 | $ 1,212,612 | $ 1,390,602 | $ 3,116,678 | $ 1,726,076 | 124.1% |
| February | $ 1,117,167 | $ 1,407,680 | $ 1,430,557 | $ 2,656,884 | $ 1,226,328 | 85.7% |
| March | $ 1,166,825 | $ 2,068,797 | $ 1,698,541 | $ 2,810,160 | $ 1,111,619 | 65.4% |
| **April** | **$ 1,355,717** | **$ 1,493,902** | **$ 1,727,603** | **$ 2,407,391** | **$ 679,788** | **39.3%** |
| May | $ 1,097,335 | $ 1,366,967 | $ 1,471,704 | $ - | | |
| June | $ 1,953,640 | $ 1,234,591 | $ 1,789,313 | $ - | | |
| **YTD Gross Sales** | **$ 11,482,772** | **$ 14,594,859** | **$ 15,913,517** | **$ 22,476,471** | **$ 6,562,954** | **41.2%** |
| **Total Gross Sales** | **$ 14,533,747** | **$ 17,196,417** | **$ 19,174,534** | **$ 22,476,471** | **$ 3,301,937** | **17.2%** |

**Increase; Higher gross sales from residential remodelers offset a significant decline in new single-family construction.**

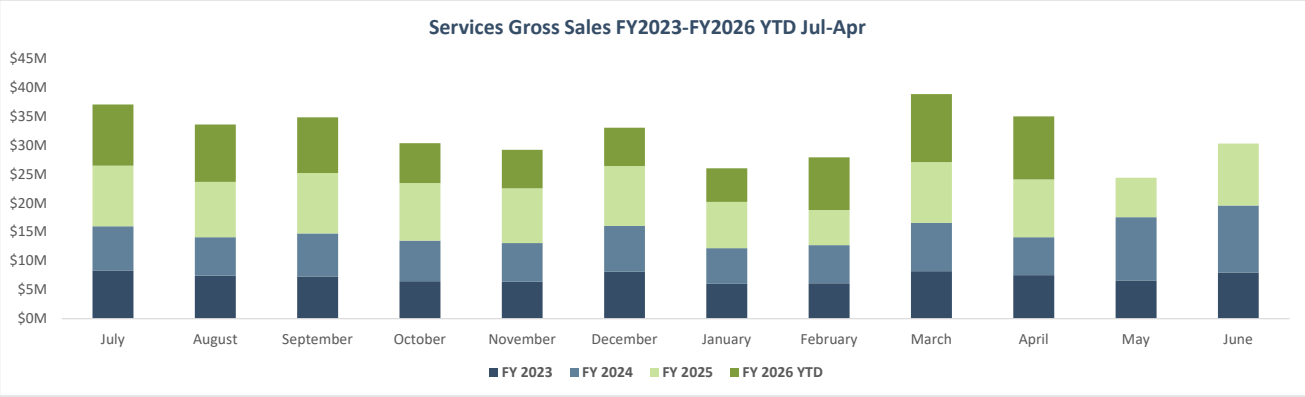
***Notes:***
***Construction Sector: Construction, remodeling, and specialty trade contractors.***
***Industrial Equipment Rentals reported the highest gross sales in FY2025.***
***Residential Remodelers continued to report the highest gross sales in FY2026.***

# Health of the Town - SC State Sales Tax

**Services Gross Sales by Sector Summary**
**FY2023 - FY2026 YTD July through April**

**Services gross sales in April 2026 total $10.9M, an increase of 9.2% compared to the same month last year.**
**Gross sales returned to year-over-year growth in February and remained above the prior year through April 2026.**

## Services




| Month | FY 2023 | FY 2024 | FY 2025 | FY 2026 YTD | FY26 YTD to FY25 YTD Change $ | FY26 YTD to FY25 YTD Change % |
|---|---|---|---|---|---|---|
| July | $ 8,329,579 | $ 7,644,176 | $ 10,503,692 | $ 10,581,937 | $ 78,245 | 0.7% |
| August | $ 7,414,342 | $ 6,681,618 | $ 9,553,681 | $ 9,942,552 | $ 388,871 | 4.1% |
| September | $ 7,294,429 | $ 7,458,171 | $ 10,444,388 | $ 9,635,686 | $ (808,702) | -7.7% |
| October | $ 6,488,585 | $ 7,008,693 | $ 9,968,641 | $ 6,879,736 | $ (3,088,905) | -31.0% |
| November | $ 6,371,542 | $ 6,695,468 | $ 9,483,153 | $ 6,678,550 | $ (2,804,603) | -29.6% |
| December | $ 8,116,294 | $ 7,934,686 | $ 10,349,475 | $ 6,634,368 | $ (3,715,107) | -35.9% |
| January | $ 6,024,140 | $ 6,160,761 | $ 8,006,262 | $ 5,809,237 | $ (2,197,025) | -27.4% |
| February | $ 6,124,370 | $ 6,588,956 | $ 6,078,275 | $ 9,122,988 | $ 3,044,714 | 50.1% |
| March | $ 8,220,857 | $ 8,360,253 | $ 10,508,096 | $ 11,757,552 | $ 1,249,457 | 11.9% |
| **April** | **$ 7,530,960** | **$ 6,566,028** | **$ 9,985,125** | **$ 10,906,177** | **$ 921,053** | **9.2%** |
| May | $ 6,615,051 | $ 10,937,497 | $ 6,844,520 | - | | |
| June | $ 7,985,691 | $ 11,590,146 | $ 10,728,841 | - | | |
| **YTD Gross Sales** | **$ 71,915,097** | **$ 71,098,810** | **$ 94,880,788** | **$ 87,948,784** | **$ (6,932,004)** | **-7.3%** |
| **Total Gross Sales** | **$ 86,515,839** | **$ 93,626,453** | **$ 112,454,148** | **$ 87,948,784** | **$ (24,505,364)** | **-21.8%** |

**Decrease; Services remained below the prior year following the return of a landscape business reporting gross sales.**

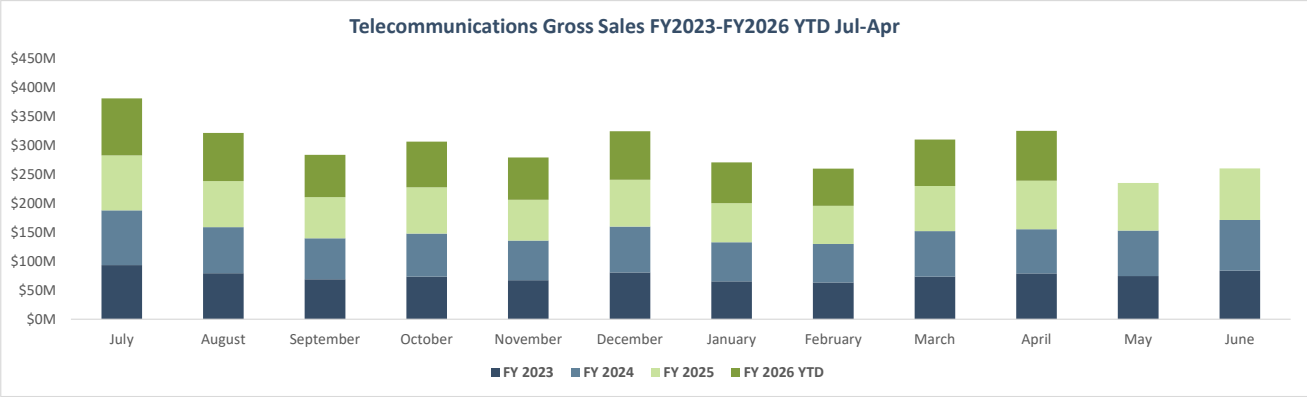
***Notes:***
***Services Sector: Professional, technical, personal, and business services.***
***Service-related businesses, such as landscaping companies, are not required to report sales tax on service labor.***
***Sales tax applies when tangible products, such as landscaping materials or supplies are sold.***
***Landscaping services continued to report the highest gross sales among service-related industries in FY2026.***

## Health of the Town - SC State Sales Tax

**Telecommunications Gross Sales by Sector Summary**
**FY2023 - FY2026 YTD July through April**

**Telecommunications gross sales in April 2026 total $86.0M, an increase of 2.4% compared with the same month last year. Activity remains stable with consistent reporting from telecommunications providers.**

**Telecommunications**




| Month | FY 2023 | FY 2024 | FY 2025 | FY 2026 YTD | FY26 YTD to FY25 YTD Change $ | FY26 YTD to FY25 YTD Change % |
|---|---|---|---|---|---|---|
| July | $ 93,705,751 | $ 94,582,779 | $ 95,170,393 | $ 98,507,043 | $ 3,336,650 | 3.5% |
| August | $ 79,743,982 | $ 79,477,188 | $ 79,716,837 | $ 83,172,483 | $ 3,455,645 | 4.3% |
| September | $ 69,032,350 | $ 71,079,245 | $ 71,228,065 | $ 72,956,421 | $ 1,728,356 | 2.4% |
| October | $ 73,578,527 | $ 74,539,179 | $ 80,144,914 | $ 78,827,087 | $ (1,317,827) | -1.6% |
| November | $ 67,596,165 | $ 68,387,513 | $ 70,663,804 | $ 73,204,232 | $ 2,540,428 | 3.6% |
| December | $ 80,765,439 | $ 79,354,193 | $ 81,114,431 | $ 83,984,951 | $ 2,870,520 | 3.5% |
| January | $ 65,433,953 | $ 67,655,679 | $ 67,556,036 | $ 70,729,968 | $ 3,173,931 | 4.7% |
| February | $ 63,469,453 | $ 66,590,655 | $ 66,012,893 | $ 64,416,382 | $ (1,596,510) | -2.4% |
| March | $ 73,842,668 | $ 78,431,257 | $ 78,208,163 | $ 80,265,940 | $ 2,057,777 | 2.6% |
| **April** | **$ 79,361,533** | **$ 76,375,773** | **$ 83,972,234** | **$ 85,966,893** | **$ 1,994,659** | **2.4%** |
| May | $ 74,765,041 | $ 78,775,178 | $ 82,179,136 | $ - | | |
| June | $ 84,280,633 | $ 87,319,459 | $ 89,229,460 | $ - | | |
| **YTD Gross Sales** | **$ 746,529,822** | **$ 756,473,461** | **$ 773,787,769** | **$ 792,031,399** | **$ 18,243,630** | **2.4%** |
| **Total Gross Sales** | **$ 905,575,496** | **$ 922,568,099** | **$ 945,196,365** | **$ 792,031,399** | **$ (153,164,966)** | **-16.2%** |

**Increase; Wired telecommunications carriers continued to report higher gross sales than the prior year.**

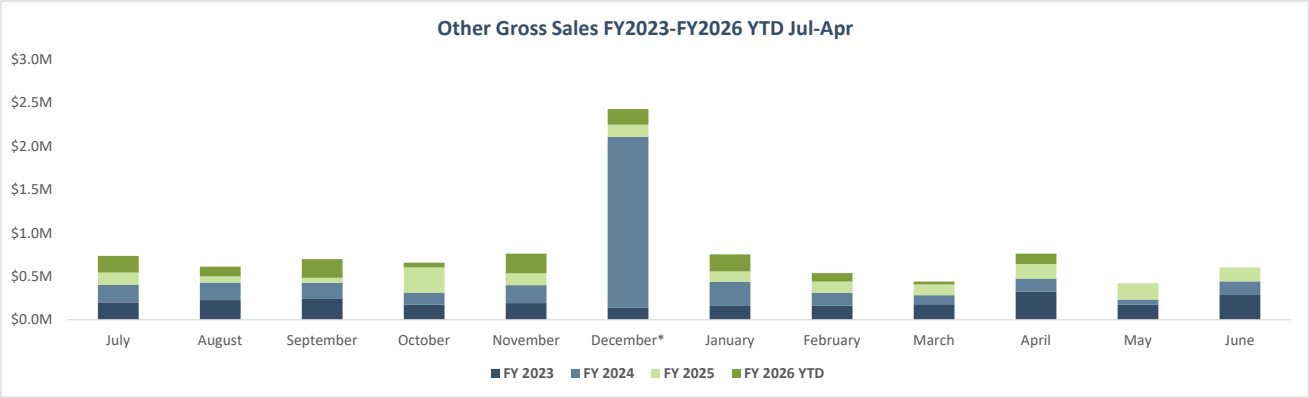
***Notes:***
***Telecommunications Sector: Wired, wireless, cable, and subscription-based communication services.***
***Wired Telecommunications Carriers (except cable) accounted for approximately 71% of Telecommunications sector gross sales through April 2026.***

# Health of the Town - SC State Sales Tax

**Other Gross Sales by Sector Summary**
**FY2023 - FY2026 YTD July through April**

**Other gross sales in April 2026 total $119.3K, a decrease of 28.9% compared with the same month last year.**
**Overall activity represents a small share of total gross sales and is influenced by a limited number of filers.**

## Other




| Month | FY 2023 | FY 2024 | FY 2025 | FY 2026 YTD | FY26 YTD to FY25 YTD Change $ | FY26 YTD to FY25 YTD Change % |
|---|---|---|---|---|---|---|
| July | $ 200,233 | $ 201,634 | $ 143,632 | $ 191,059 | $ 47,427 | 33.0% |
| August | $ 226,309 | $ 203,222 | $ 72,832 | $ 109,640 | $ 36,807 | 50.5% |
| September | $ 240,034 | $ 187,587 | $ 57,119 | $ 215,851 | $ 158,732 | 277.9% |
| October | $ 173,461 | $ 140,056 | $ 290,536 | $ 54,360 | $ (236,176) | -81.3% |
| November | $ 192,667 | $ 207,190 | $ 136,420 | $ 227,359 | $ 90,939 | 66.7% |
| December* | $ 141,596 | $ 1,966,683 | $ 142,524 | $ 180,099 | $ 37,575 | 26.4% |
| January | $ 166,809 | $ 271,576 | $ 119,533 | $ 197,351 | $ 77,819 | 65.1% |
| February | $ 162,171 | $ 150,491 | $ 128,929 | $ 96,020 | $ (32,909) | -25.5% |
| March | $ 179,761 | $ 104,762 | $ 123,941 | $ 31,686 | $ (92,255) | -74.4% |
| **April** | **$ 325,242** | **$ 150,206** | **$ 167,737** | **$ 119,298** | **$ (48,439)** | **-28.9%** |
| May | $ 175,430 | $ 58,563 | $ 186,952 | - | | |
| June | $ 285,214 | $ 156,695 | $ 162,164 | - | | |
| **YTD Gross Sales** | **$ 2,008,285** | **$ 3,583,407** | **$ 1,383,203** | **$ 1,422,725** | **$ 39,521** | **2.9%** |
| **Total Gross Sales** | **$ 2,468,929** | **$ 3,798,666** | **$ 1,732,320** | **$ 1,422,725** | **$ (309,595)** | **-17.9%** |

**Increase; Higher gross sales within the textile manufacturing industry contributed to the year-over-year increase.**

***Notes:***
***Other Sector: Wholesalers, suppliers, and manufacturers not directly selling to consumers.***
***FY2024 includes a one-time reporting event of $834,990 filed in December 2023.***
***Textile manufacturing continued to report the highest gross sales within the Other sector in FY2026.***

# Short Term Rental Program Update

## Fiscal Year 2026

## Through July 2026

# Short-Term Rentals
# Finance Update

| | June 30, 2026 | July 23, 2026 |
|---|---|---|
| Number of Approved STR Permits | 1,630 | 2,238 |
| Number of STR Permit Applications Under Review | 1,016 | 1,028 |
| Number of STR Permit Applications in the Queue for Review | 2,273 | 1,658 |
| Number of New STR Permit Applications | 178 | 211 |
| Number of Delinquent Accounts | 2,436 | 2,436 |
| **Total STR Permit Inventory** | **7,533** | **7,571** |
| **Short-Term Rental Permit Fee Collected** | | $2,092,200 |

# TOWN OF HILTON HEAD ISLAND

*Finance & Administrative Committee*

| | |
|---|---|
| **TO:** | Finance & Administrative Committee |
| **FROM:** | John McGowan, Assistant Finance Director |
| | Dave Byrd, Finance Director |
| **CC:** | Marc Orlando, ICMA-CM, Town Manager |
| **DATE:** | August 10, 2026 |
| **SUBJECT:** | Town of Hilton Head Island Investment Policy Annual Update |

## BACKGROUND:

The Town's investment policy has been in place for multiple years, with minor grammatical and style changes made in December 2024. The policy is consistent with South Carolina's Code of Laws Title 6, Local Government - Provisions Applicable to Special Purpose Districts and Political Subdivisions, Section 6-5-10: Authorized Investments by Political Subdivisions.

## RECOMMENDATION:

The Finance Team recommends the Town keeps its current Investment Policy in place and continues to follow this policy.

As the Town delegates the Authority to implement the Investment Policy to the Town's Finance Director, the Finance Director will continue to review, at least monthly, the Town's investments and implement any rebalancing of invested funds to best achieve the goals of the Investment Policy.

## NEXT STEPS:

No action is necessary by the Finance & Administration Committee or Town Council.

## ATTACHMENTS:

1. Town of Hilton Head Investment Policy
2. Investment Policy Review- PP

# TOWN OF HILTON HEAD ISLAND
# INVESTMENT POLICY

## Scope

This investment policy applies to all financial assets and funds placed for investment by the Town of Hilton Head Island. Except for special funds that are otherwise specifically provided for, the Town will consolidate the balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles. These funds are accounted for in the Town's Annual Comprehensive Financial Report and include:

A. General Fund
B. Special Revenue Funds
C. Capital Project Funds
D. Debt Service Funds
E. Stormwater Funds
F. Natural Disaster Funds
G. Trust and Agency Funds

## Objectives

The primary objectives, in order of priority, of all investment activities involving the financial assets of the Town of Hilton Head Island shall be the following:

A. Safety: Safety and preservation of principal in the overall portfolio is the foremost investment objective. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

1. Credit Risk
   The Town will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

   - Limiting investments to the types of securities listed in the Investment Types section of this Investment Policy.

2. Interest Rate Risk
   The Town will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

   - Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
   - Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

B. Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets or the South Carolina Investment Pool which offers next day liquidity for short-term funds.

C. Yield: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:
    - A security with declining credit may be sold early to minimize loss of principal.
    - A security swap would improve the quality, yield, or target duration in the portfolio.
    - Liquidity needs of the portfolio require that the security be sold.

## Delegation of Authority

Authority to manage the Town's investment program is derived from State of South Carolina Statutes and Town ordinances and is granted to the Director of Finance, through the adoption of this policy. No persons may engage in an investment transaction except as provided under the terms of this policy and procedures established by the Director of Finance. The Director of Finance shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

## Internal Controls

The Director of Finance is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met.

## Prudence

The standard of prudence to be used by all participants in the investment process shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

> The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

## Investment Providers

A. Broker/Dealers
The Town shall select broker/dealers by their ability to provide effective market access and may include "Primary Government Securities Dealers" or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). Broker/dealers selected must be members in good standing of the Financial Industry Regulatory Authority ("FINRA") and be licensed in the State. Each broker/dealer will be reviewed and approved by the Director of Finance.

The Town shall maintain an "approved broker/dealer list" and the list will be periodically approved by the Director of Finance. The Town shall not enter into transactions with a broker/dealer until approved.

Periodic review of the financial condition and registration of all selected broker/dealers will be conducted by the Town.

B. Financial Institutions
The Town shall select a primary depository bank in compliance with the Town's banking services procurement process and State law, and which offers the most favorable terms and conditions for the handling of Town funds.

The Town may also establish agreements with other financial institutions under separate contract for additional services that are necessary in the administration, collection, investment, and transfer of Town funds. No deposit shall be made except in a qualified public depository as established by State law.

## Investment Types

A. In accordance with South Carolina Statute SC Code Ann. SECTION 6-5-10, Authorized investments by political subdivisions include:

1) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.

2) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

3) i. General obligations of the State of South Carolina or any of its political units; or
ii. Revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two

nationally recognized credit rating organizations.

4) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.

5) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.

6) Repurchase agreements when collateralized by securities as set forth in this section.

7) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (1), (2), (3), and (6) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

8) Local government investment pools either state-administered or developed through joint powers statutes and other intergovernmental agreement legislation.

9) Unrated investments (overnight funds) are invested in a money market "account" vs. a true "fund." That is, the funds are held by Bank in an interest-bearing depository account. As such, they are collateralized per Section 6-5-15 of the SC Code which outlines securing bank deposits.

B. The provisions of this chapter shall not impair the power of a municipality, county, school district or other local governmental unit or political subdivision or county treasurer to hold funds in deposit accounts with banking institutions as otherwise authorized by law.

## Collateralization and Insurance

All deposits and investments at a bank, trust company, or savings and loan association (hereinafter, collectively referred to as "depository"), including all demand deposits, certificates of deposit and special time deposits (hereinafter, collectively referred to as "deposits") that are in excess of the amount of insured under the provisions of the Federal Deposit Insurance Corporation (FDIC), including pursuant to a Deposit Placement Program in accordance with South Carolina State Statue 6-5-15, which dictates the securing and collateralization of public funds.

## Diversification

It is the policy of the Town of Hilton Head Island to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss and balance the effect of interest rate changes affecting different types of securities. Investments will be diversified by:

- Limiting investments to avoid over-concentration in securities from a specific issuer or business sector;
- Limiting investments in securities with higher credit risks;
- Investing in securities with varying maturities; and
- Continuously investing a portion of the portfolio in readily available funds such as the Local Government Investment Pool, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

## Maximum Maturities

To the extent possible, the Town of Hilton Head Island will attempt to match its investments with anticipated cash flow requirements. The Town will not directly invest in securities maturing more than five (5) years from the date of purchase.

## Performance Standards

The Town's investment portfolio will be designed to obtain a market average rate of return during a market/economic environment of stable interest rates and consider the Town's investment risk constraints and cash flow needs. Given the passive nature of the Town's investment strategy, the basis used to determine whether market yields are being achieved shall be the average Federal Funds rate.

## Investment Policy Considerations

The investment policy will be reviewed annually by the Finance & Administrative Committee. Changes in the investment policy must be approved by the Finance & Administration Committee and Town Council.



# INVESTMENT POLICY ANNUAL UPDATE

Finance & Administrative Committee - August 10, 2026

# POLICY OBJECTIVES - IN ORDER OF PRIORITY

**Safety – Preservation of Capital**

- Minimize Credit Risk (Loss via failure of issuer or backer)
- Minimize Interest Rate Risk (Loss of market value due to changes in market interest rates)

**Liquidity**

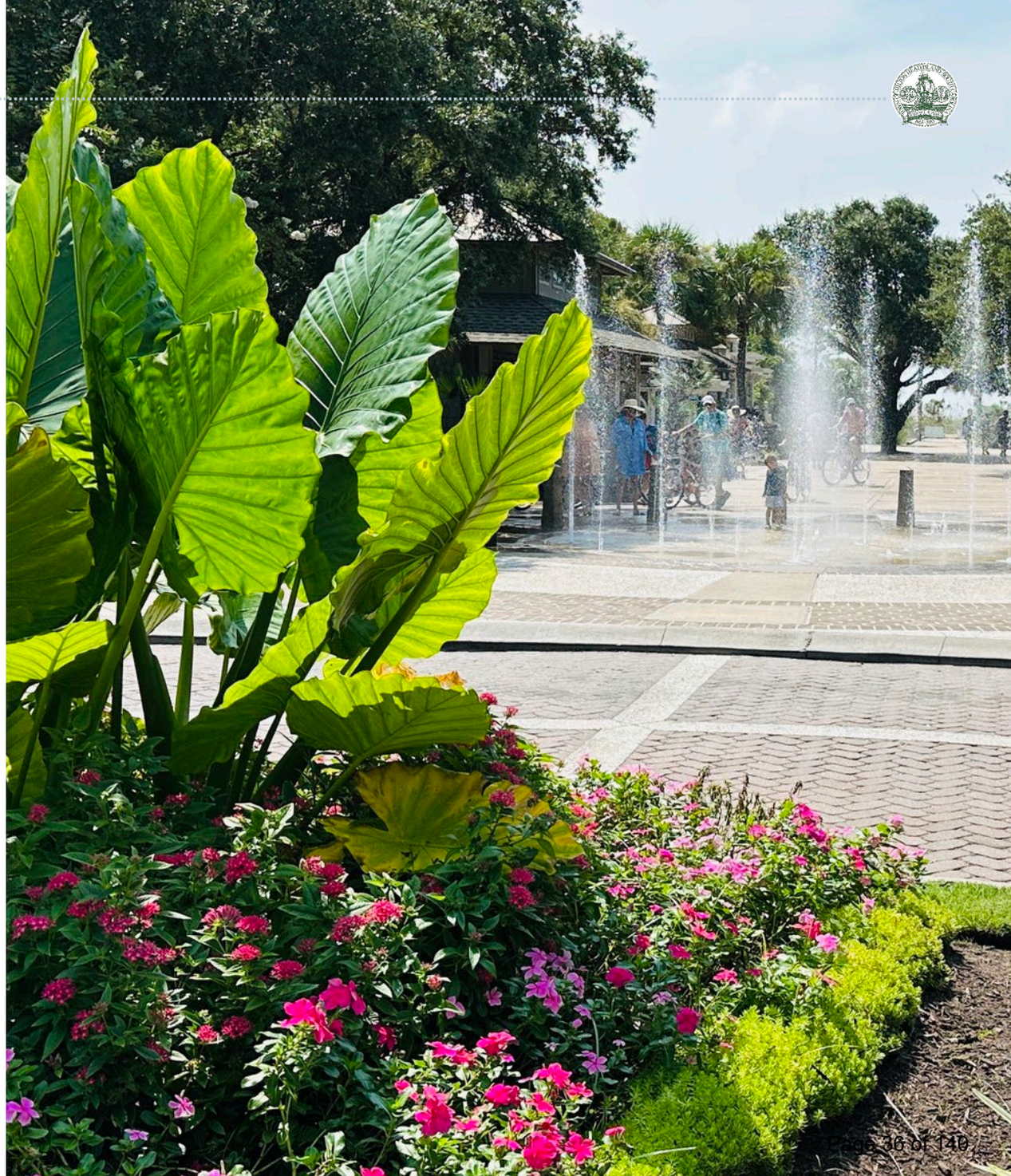
- Align maturities with anticipated cash needs
- Purchase securities with active secondary markets

**Yield**

- Fair market rate of return relative to risk being assumed
- Held to maturity, other than in exceptional circumstances

# DELEGATION OF AUTHORITY

- Derived from South Carolina Code 6-5-10 – Authorized Investments by Political Subdivisions
- Authority Granted to Director of Finance
- Director of Finance establishes and maintains internal control structure



# ALLOWABLE INVESTMENT TYPES

- **US Treasury Securities (Aa1/AAA/AA) ✓**
- **US Agency Securities (Aa1/AAA/AA) – i.e., Fannie Mae, Freddie Mac, FHLB ✓**
- GO Bonds Issued by the State of SC or SC Municipalities
- Savings & Loans Insured by an Agency of the US Government
- Certificates of Deposit (Collateralized by US Government Securities)
- Repurchase Agreements (Collateralized by US Government Securities)
- **South Carolina Local Government Investment Pool (LGIP) ✓**
- Money Market Account

# DIVERSIFICATION

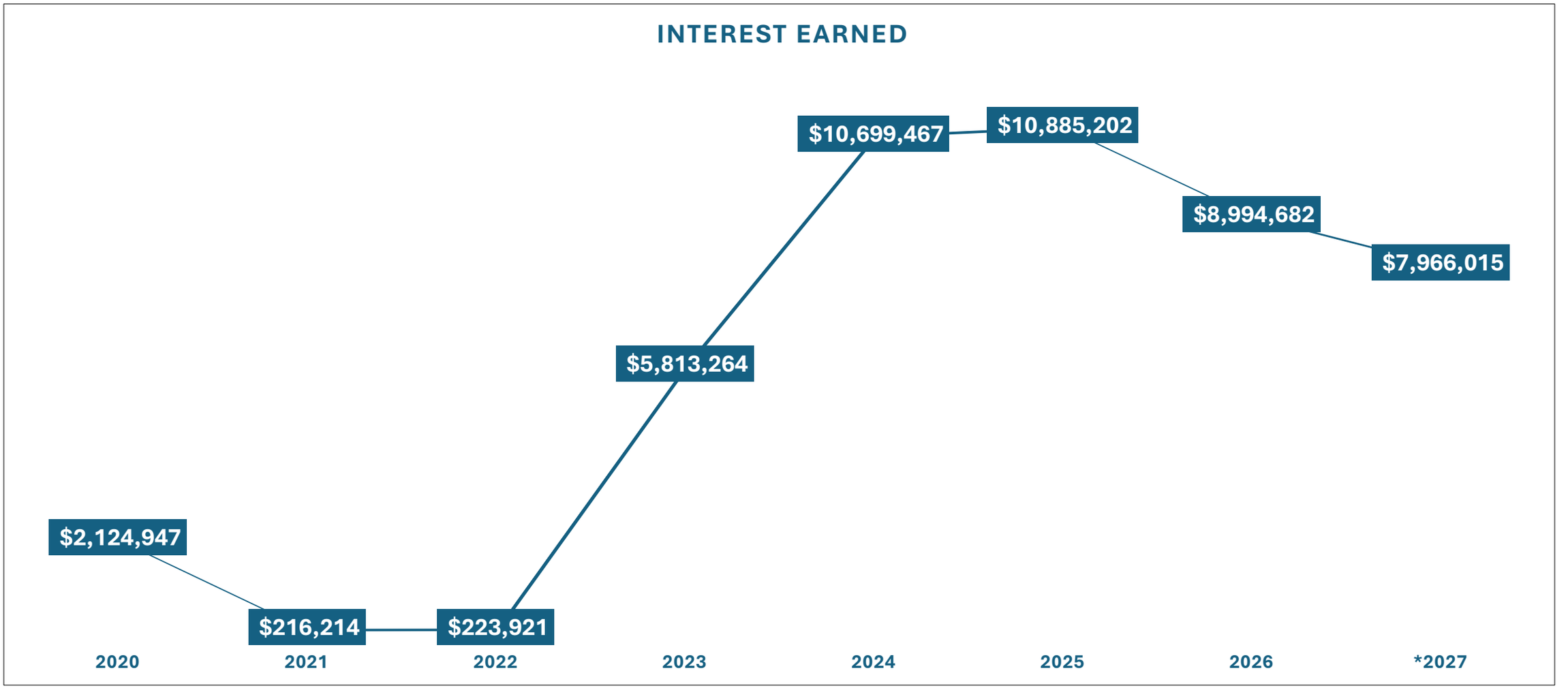
- Structuring Security Maturities on Timeline "Ladder"/Varying Maturities to meet Cash Flow Needs
- Spreading out securities' maturities over multi-year period (up to 5 years from date of purchase)



# CASH POSITION AS OF JUNE 22, 2026

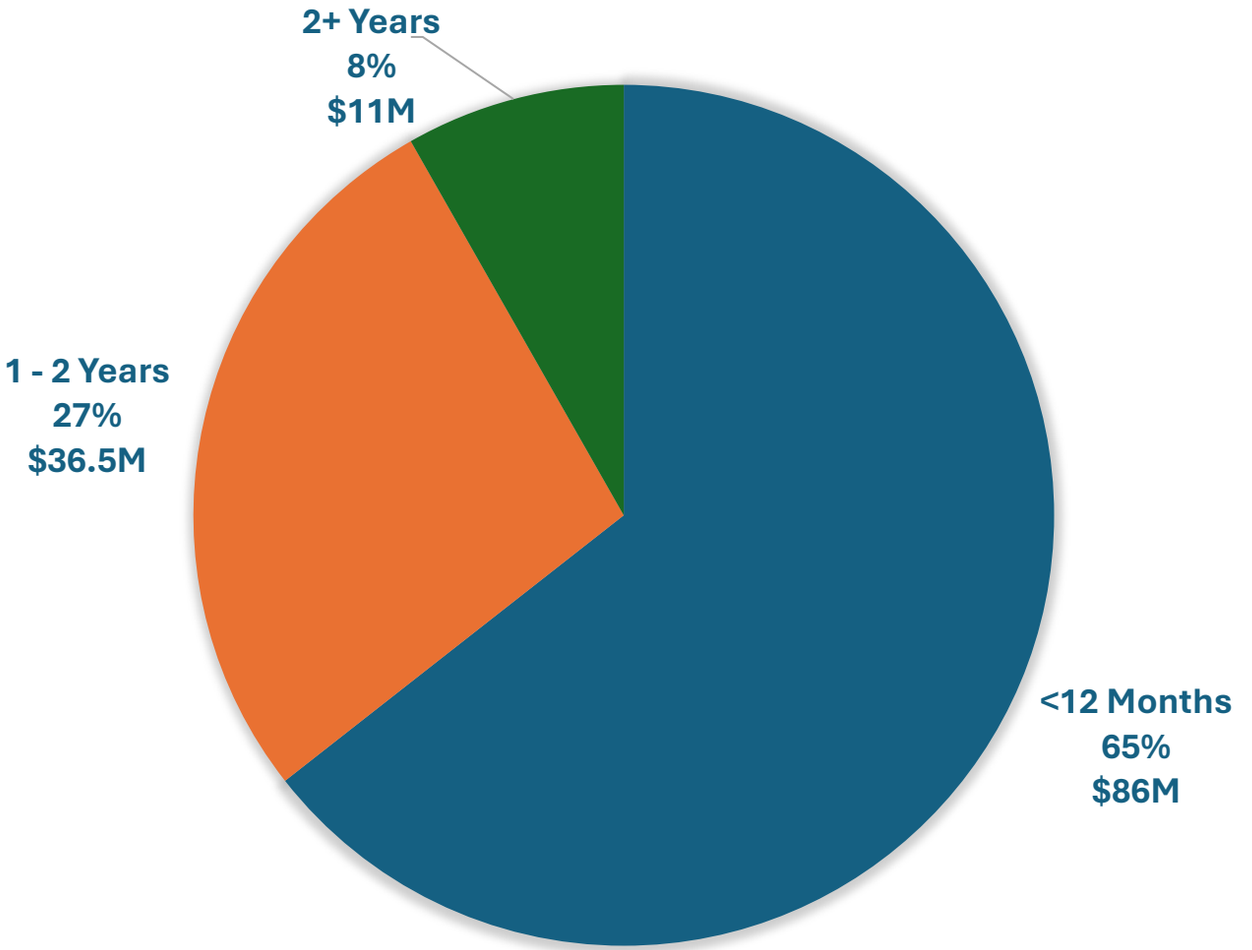
| Investment Name | Institutional Holder | Assets | Percent of Town's Total Financial Assets |
|---|---|---|---|
| SC Local Government Investment Pool (LGIP) | SC Office of State Treasurer | $ 128,500,353 | 48.5% |
| US Treasuries & Agency Securities | Wells Fargo Securities | $ 133,500,000 | 50.4% |
| Bank Account | Wells Fargo Bank | $ 2,813,315 | 1.1% |
| **Total** | | **$ 264,813,668** | |

# HISTORY OF INTEREST EARNINGS




*Projected

# FIXED INCOME INVESTMENTS BY MATURITY TERM



# TOWN OF HILTON HEAD ISLAND

## *TOWN COUNCIL*

**TO:** Finance & Administrative Committee
**FROM:** Lisa Stauffer, Human Resources Director
**CC:** Marc Orlando, Town Manager
**DATE:** August 10, 2026
**SUBJECT:** Classification and Compensation Study Recommendations

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**PURPOSE:**

Staff to present the FY26 Classification and Compensation Study results and planned recommendations, including the proposed General Staff Pay Plan, Fire Rescue Line Step Plan, 911 Public Safety Telecommunicator Step Plan, recommended pay grade assignments, employee impact, and financial impact.

**BACKGROUND:**

The Town of Hilton Head Island last completed a comprehensive Compensation and Classification Study in 2019 and implemented September 1, 2020.

Over the past six years, the labor market has changed significantly. Increased competition for qualified employees, expansion of remote work opportunities, and sustained wage growth have affected recruitment and retention strategies across both the public and private sectors. The Town has continued to invest in its employees through annual performance-based merit increases including 4% merit increases each year since FY23, promotional opportunities, and a highly competitive benefits package that includes a 12% employer retirement contribution. However, the underlying salary structure has remained largely unchanged since FY20 and no longer fully reflects current labor market conditions.

The Town's compensation philosophy is to maintain a market-competitive pay program that supports the recruitment and retention of a high-performing workforce while ensuring responsible stewardship of public resources. Periodic compensation studies are a recognized best practice to ensure compensation programs remain aligned with changing labor market conditions.

To ensure the Town's compensation program remains competitive and internally equitable, the Town retained Evergreen Solutions in December 2025 to conduct a comprehensive Classification and Compensation Study. The study evaluated 290 full-time employees across 154 job classifications, compared the Town’s compensation with 21 peer organizations primarily in SC and FL, and incorporated employee feedback through surveys and focus groups.

## METHODOLOGY:

Evergreen Solutions conducted a comprehensive evaluation of the Town's compensation program using multiple sources of information, including:

- Employee surveys and focus groups to understand employee perceptions of compensation and benefits.
- A market salary survey comparing the Town with 21 peer organizations.
- An evaluation of each position using Evergreen's Job Assessment Tool to ensure internal equity.
- A review of the Town's current salary structure, pay practices, employee placement within salary ranges, and organizational classifications.

Based on its analysis, Evergreen recommended:

- Updating the General Staff salary structure.
- Implementing step plans for Fire Rescue Line personnel and 911 Public Safety Telecommunicators.
- Assigning each position to an updated pay grade using objective market and internal evaluation data.
- Positioning employee salaries within the new structure and alignment to new midpoints.

## IMPLEMENTATION PLAN:

Implementation of the Classification and Compensation Study recommendations will occur in four phases. Phases I through III will be implemented effective August 30, 2026. Phase IV represents the Town's ongoing compensation administration strategy.

### Phase I – Adopt New Compensation Structures

Implement the General Staff Pay Plan, Fire Rescue Line Step Plan, and 911 Public Safety Telecommunicator Step Plan.

### Phase II – Position Classifications

Assign Town positions to the recommended pay grades based on market data and the consultant’s classification analysis.

### Phase III – Position Employees Within the New Pay Structure

Adjust employee salaries, as appropriate, to transition employees into the new compensation structures.

**Phase IV – Ongoing Administration**

Human Resources will review the Town's salary structure annually to ensure salary ranges remain aligned with market conditions. Maintaining current salary ranges will preserve opportunities for salary growth, support recruitment and retention, and reduce the need for significant market adjustments in the future. Comprehensive compensation studies will continue to be conducted periodically, generally every three to five years, consistent with the consultant's recommendations.

## FINANCIAL IMPACT:

Funding for implementation of the Classification and Compensation Study recommendations, including the FY2026 performance-based merit increase, was approved by Town Council as part of the FY2027 Consolidated Budget. The approved funding includes approximately $1.3 million for a 4% performance-based merit increase and approximately $1.0 million for implementation of the Classification and Compensation Study recommendations.

# TOWN OF HILTON HEAD ISLAND CLASSIFICATION AND COMPENSATION STUDY

AUGUST 2026

EVERGREEN SOLUTIONS, LLC

# WHY WE CONDUCTED THIS STUDY

- Last comprehensive study implemented in September 2020.
- Salary structure has not been updated in six years.
- Labor market has changed significantly.
- Increased competition from both public and private employers.
- Supports the Town’s ability to recruit, retain, and reward a high-performing workforce.

# ABOUT EVERGREEN SOLUTIONS

Selected through the Town's competitive procurement process based on:

- National public-sector management consulting firm specializing in classification and compensation studies
- More than 1,500 classification and compensation studies completed for local governments and public sector organizations nationwide
- Experience serving organizations in 47 states with extensive knowledge of local government compensation and human resources best practices
- Extensive experience conducting studies for South Carolina municipalities, counties, and public sector organizations.

# STUDY GOALS

In December 2025, the Town of Hilton Head Island engaged Evergreen Solutions to evaluate its compensation and classification system, ensuring it reflects best practices, promotes equitable pay, and remains competitive in the labor market.

1

### Assess Current Conditions

Review existing pay plans, salary placement, tenure, and compression to establish a clear baseline.

Conduct focus groups and administer a survey to all employees.

2

### Evaluate Internal Alignment

Use the Job Assessment Tool© to score classifications on six compensable factors and define internal relationships and job families within the Classification Plan.

3

### Evaluate Market Competitiveness

Benchmark the Town against peer organizations and measure competitiveness at the 75th percentile.

4

### Develop Recommendations

Deliver a market-aligned pay structure that reflects the Town's unique labor market and supports recruitment and retention.

# INTERNAL REVIEW

## *Employee Outreach*

**250**
survey responses received

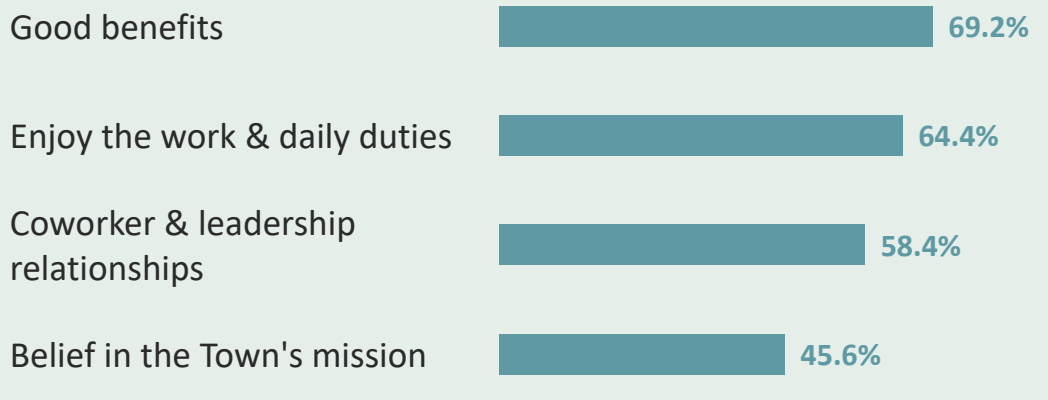
**81.6%**
do not plan to leave within 12 months

**69.2%**
higher base pay would most improve retention

### WHY EMPLOYEES JOIN THE TOWN




### WHY EMPLOYEES STAY




**FOCUS GROUPS**

Employees consistently identified housing affordability and the cost of living as the most significant factors affecting their employment decisions.

# EXTERNAL REVIEW

## *Market Survey Goals*

The market survey benchmarks the Town's pay ranges against peer organizations to measure competitiveness. Consistent with its compensation philosophy, the Town's desired market position is the **75th percentile** - reflecting the Town's competitive labor market and workforce challenges.

**1**

### Select Peers

Identify comparable coastal/resort and regional local governments, plus national fire-rescue comparators.

**2**

### Collect Data

Survey benchmark classifications for salary ranges and benefits across responding peers.

**3**

### Compare Ranges

Measure the average percent difference at the minimum, midpoint, and maximum of each range.

**4**

### Determine Position

Aggregate results against the 50th, 60th, and 75th percentiles to define the Town's market position.

# EXTERNAL REVIEW

## *Market Peers*

**87.5%**
peer response rate (21 of 24)

**140**
benchmark classifications

**108**
classes with 5+ quality matches

**1,032**
total quality peer matches

### SELECTED MARKET PEERS – ADJUSTED FOR COST OF LIVING

- Beaufort, SC
- Beaufort County, SC
- Bluffton, SC
- Charleston, SC
- Coral Gables, FL
- Greenville, SC
- Hardeeville, SC
- Mount Pleasant, SC
- Myrtle Beach, SC
- Naples, FL
- North Charleston, SC
- Palm Beach Gardens, FL
- Rock Hill, SC
- Sarasota, FL
- Savannah, GA
- St. Augustine, FL
- Tybee Island, GA
- Wilmington, NC
- Winter Park, FL
- Frisco, TX (Fire)
- Olathe, KS (Fire)

### COST OF LIVING INDEX

**106.0**

Hilton Head Island – County Level index. Town index is estimated at 133

Peer range spans 95.3 to 136.5, placing the Town in the upper-middle of the market and supporting its 75th-percentile target.

*Data received from 21 of 24 targeted peers. National fire-rescue comparators added for public-safety roles.*

# HILTON HEAD ISLAND'S WORKFORCE CHALLENGE

Hilton Head Island presents unique workforce challenges that require the Town to remain highly competitive in the labor market.

High housing costs and limited workforce housing opportunities make it increasingly difficult for employees to live near where they work.

More than 60% of Town employees live off-Island and commute from surrounding communities each day.

Hilton Head Island is at the end of the regional commuting corridor, competing with employers across Beaufort County and surrounding areas as well as the private sector.

These workforce challenges support the Town's compensation philosophy of maintaining salary ranges at approximately the 75th percentile of the market.



# EXTERNAL REVIEW

*Market Analysis — the Town trails the market at every percentile*

Average percent difference between the Town's salary ranges and the peer market (statistical outliers removed). The **75th percentile is the Town's desired market position.**

| Market Position | Minimum | Midpoint | Maximum | Survey Spread |
|---|---|---|---|---|
| **50th Percentile** | -6.1% | -3.9% | -2.9% | 50% |
| **60th Percentile** | -9.4% | -7.4% | -6.4% | 50% |
| **75th Percentile (Target)** | **-15.7%** | **-13.2%** | **-11.7%** | **50%** |

*A negative value indicates Town pay is below the market. The gap is widest at the entry (minimum) level.*

**AVERAGE RANGE SPREAD**

| | |
|---|---|
| Town | **55%** |
| Peer market | **50%** |

*The wider spread reflects a 25-year career model rather than market competitiveness.*

**IN PRACTICE**

Although the published ranges trail the market, the Town hires near the midpoint and pays most employees above it - effectively competing at the higher end already.

# SUMMARY OF FINDINGS

**01**

**Internal Pay Relationships Remain Sound**

**02**

**Employees Value Town Employment**

**03**

**Current Salary Ranges Lag the External Market**

**04**

**Fire & 911 Benefit from Structured Step Plans**

**05**

**Annual Maintenance Will Prevent Future Market Gaps**

# IMPLEMENTATION OVERVIEW

| | |
|---|---|
| I | Adopt new compensation structures. General Staff, Fire Rescue Line Step Plan, 911 Public Safety Telecommunicator Step Plan. |
| II | Assign classifications to recommended pay grades. |
| III | Transition employees into the new structures. |
| IV | Annual salary structure maintenance and periodic comprehensive studies. |

Funding for implementation is included in the approved FY27 Consolidated Budget.

# QUESTIONS



# TOWN OF HILTON HEAD ISLAND

*Finance & Administrative Committee*

| | |
|---|---|
| **TO:** | Finance & Administrative Committee |
| **FROM:** | Don D'Adam, Public Projects Director |
| **VIA:** | Shawn Gillen, Assistant Town Manager |
| | Brittany Ward, Town Attorney |
| | Dave Byrd, Finance Director |
| **CC:** | Marc Orlando, ICMA-CM, Town Manager |
| | Shawn Leininger, Deputy Town Manager |
| | Jeff Netzinger, Engineering Director |
| | Richard Loudin, Public Projects Program Manager |
| **DATE:** | August 10, 2026 |
| **SUBJECT:** | Consideration of a Resolution Authorizing the Town Manager to Execute Certain Documents Associated with Wetland Mitigation for the Crossings Park Project |

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## RECOMMENDATION:

Consideration of a Resolution Authorizing the Town Manager to Execute Certain Documents Associated with Wetland Mitigation for the Crossings Park Project **(Attachment 1).**

## BACKGROUND:

In August 2025, the civil engineering firm Cranston Engineering submitted preliminary plans to advance design and secure required permits for the Town of Hilton Head Island's Crossings Park Phase 1 project. As the project design progressed, the park layout evolved to further minimize impacts on surrounding wetlands from features such as parking lot spaces, number of courts, and building footprint. Due to these efforts, the project's remaining wetland impact has been minimized to just 0.44 acres of the total 10.3-acre project site **(Attachment 2).**

This remaining impact required review by the U.S. Army Corps of Engineers (USACE), which holds jurisdiction over wetlands. USACE determined on March 23, 2026, that because the work proposed does not involve related activities within jurisdictional wetlands and/or waters of the United States, the Army federal permit is not needed **(Attachment 3).** However, South Carolina Department of Environmental Services

(SCDES) via the Bureau of Coastal Management, Coastal Zone Consistency (BCM-CZC) asserted jurisdiction over the site due to its location in coastal Beaufort County.

On June 1, 2026, BCM-CZC (**Attachment 4**) informed the Town that, to secure certification, the wetland impact would need to be mitigated via the purchase of wetland credits from a USACE-approved mitigation bank. The mitigation bank that currently has availability and services our area was contacted by the Town's wetland mitigation consultant Johnson, Mirmiran, & Thompson (JMT) for the required number and type of credits by BCM – CZC. This resulted in the Wetland and Stream Mitigation Purchase Agreement (**Attachment 5**) which obligates the Town to pay WEYERHAEUSER NR COMPANY (the "Seller"), the sponsor and operator of the Palmetto Umbrella Mitigation Bank, a sum $84,942 for 5.148 Freshwater Wetland Credits.

Please note, WEYERHAEUSER NR as the sponsor goes through a rigorous approval process with USACE concerning the proposed restoration and/or preservation and are required to meet agreed upon success criteria throughout the life of the mitigation bank. Sponsors are not chosen by USACE based on their ability to assist, rather each individual project is approved or denied based on the merits of the mitigation bank as proposed to USACE.

## NEXT STEPS:

Following Committee consideration and recommendation, the documents will be advanced to Town Council. Upon Town Council approval and execution of the agreements, Town staff will arrange the required payments and finalize the project construction documents to support a construction start targeted for early calendar year 2027.

## ATTACHMENTS:

1. Resolution Authorizing the Town Manager to Execute Certain Documents Associated with Wetland Mitigation for the Crossings Park Project
2. Jurisdictional Features Map
3. USACE conditional approval
4. BCM-CZC conditional certification
5. Wetland and Stream Mitigation Purchase Agreement

**TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE TOWN MANAGER TO EXECUTE CERTAIN DOCUMENTS ASSOCIATED WITH THE PURCHASE OF WETLAND MITIGATION CREDITS FOR THE CROSSINGS PARK PROJECT AND OTHER MATTERS RELATED THERETO**

**WHEREAS,** in August 2025, the civil engineering firm Cranston Engineering submitted preliminary plans to advance design and secure required permits for the Town of Hilton Head Island's Crossings Park Phase 1 project ("***Project***"); and,

**WHEREAS,** as the Project design progressed, the park layout evolved to further minimize impacts on surrounding wetlands from features such as parking lot spaces, number of courts, and building footprint. Due to these efforts, the Project's remaining wetland impact has been minimized to just 0.44 acres of the total 10.3-acre project site; and,

**WHEREAS,** Weyerhaeuser NR Company ("***Weyerhaeuser***") currently owns 5.148 Freshwater Wetland credits of the surrounding wetlands; and,

**WHEREAS,** the Town of Hilton Head Island ("***Town***") and Weyerhaeuser have discussed the Town's potential purchase of the 5.148 Freshwater Wetland credits for Sixteen Thousand Five Hundred 00/100 ($16,500.00) Dollars per Freshwater Wetland credit. The 5.148 Freshwater Wetland Credits would be a total of Eighty-Four Thousand Nine Hundred Forty-Two 00/100 ($84,942.00) Dollars; and,

**WHEREAS,** the purchase of the Freshwater Wetland Credits is a necessary step to complete the Project and Town Council finds that it is in the best interest of the citizens and visitors of the Town to authorize the Town Manager to execute certain documents substantially similar to "***Exhibit A***", attached hereto and incorporated herein by reference, and purchase the Freshwater Wetland Credits as described above.

**NOW, THEREFORE, BE IT RESOLVED, AND IT HEREBY IS RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, THAT:**

**Section 1 -** *Authority to Execute Documents.* The Town Manager is authorized to execute certain documents substantially similar to Exhibit A, attached hereto and incorporated herein by reference, associated with the purchase of wetland mitigation credits for the Crossings Park Project.

**Section 2 -** *Authority to Purchase.* The Town Manager is authorized to provide funding for and take all actions necessary to complete the transaction to purchase the Freshwater Wetland Credits in the amount of Eighty-Four Thousand Nine Hundred Forty-Two 00/100 ($84,942.00) Dollars and as further described above.

**Section 2 –** *Severability.* If any section, phrase, sentence, or portion of this Resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

**Section 3 -** *Effective Date.* This Resolution shall be effective upon approval thereof by the Town Council for the Town of Hilton Head Island, South Carolina.

**MOVED, APPROVED, AND ADOPTED ON THIS_____DAY OF _____, 2026.**

**TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**

_____
Alan R. Perry, Mayor

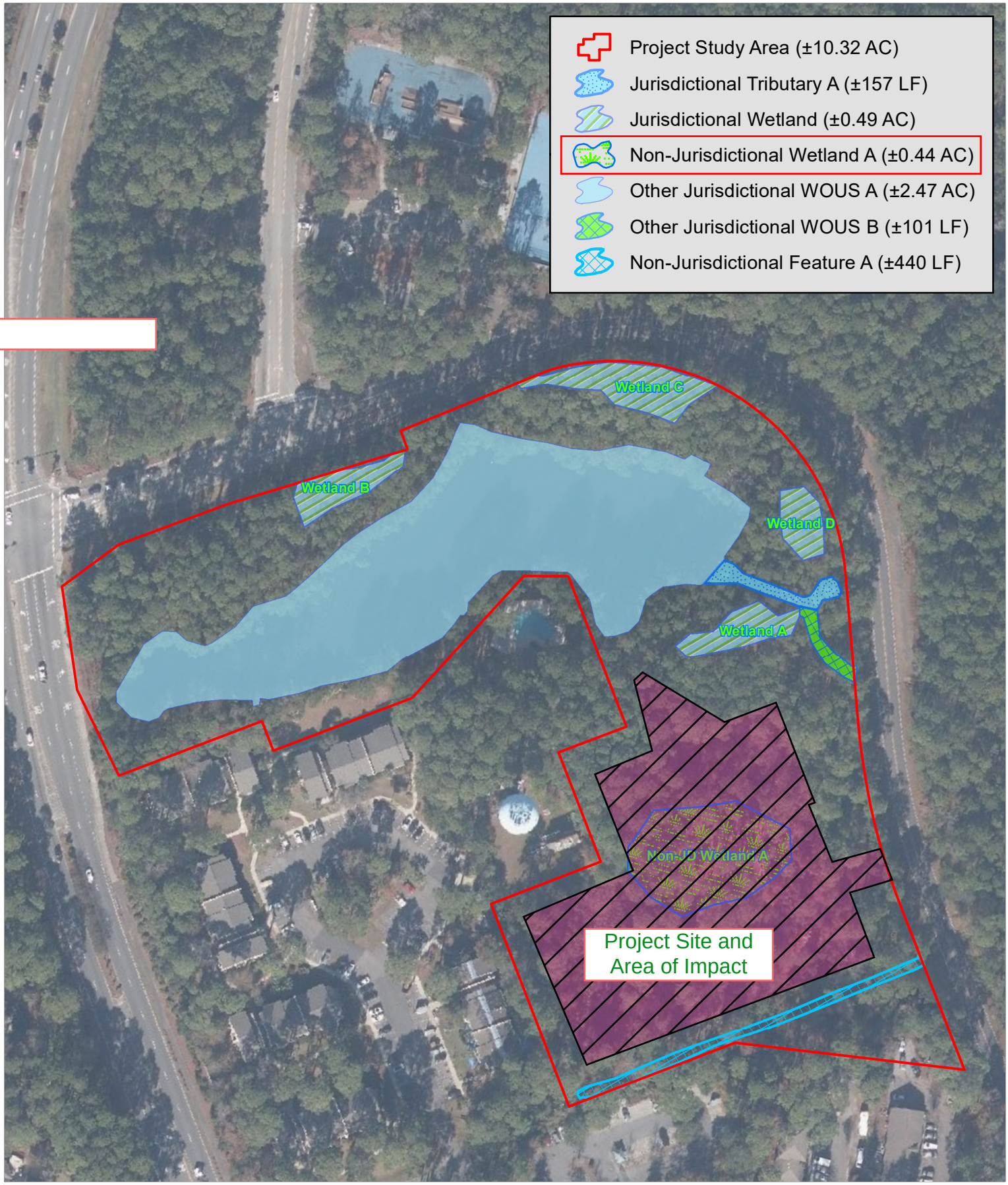
ATTEST:

_____
Kimberly Gammon, Town Clerk

APPROVED AS TO FORM:

_____
Brittany Ward, Town Attorney

**EXHIBIT "A"**




235 Magrath Darby Boulevard, Suite 275
Mount Pleasant, SC 29464
Ph: (843) 556-2624 Fx: (843) 556-4329
www.JMT.com

**Figure 8: Jurisdictional Features Map**

Town of Hilton Head Island
Crossings Park Wetland Delineation
TMS No. R550 014 000 0763 0000
Beaufort County, South Carolina
Source: ESRI, USFWS
Date: November 2024

1 inch = 150 feet

0 75 150 300 Feet

N W E S

**DEPARTMENT OF THE ARMY**
**U.S. ARMY CORPS OF ENGINEERS, CHARLESTON DISTRICT**
**CHARLESTON REGULATORY OFFICE**
**69-A HAGOOD AVENUE**
**CHARLESTON SOUTH CAROLINA 29403**

March 23, 2026

Regulatory Program/Division

Richard Loudin
Town of Hilton Head Island
1 Town Center Court
Hilton Head Island, SC 29928
Via Email: richardl@hiltonheadislandsc.gov

Dear Mr. Loudin:

This is in response to your May 8, 2025, request for confirmation that a Department of the Army (DA) Permit is not required for the construction of a recreational public park with associated parking and stormwater management. The project area is located on the Southwest side of Arrow Rd, 1000 feet East of the intersection of US HWY 278 and Arrow Rd, at 32.167870 and -80.770560; in Hilton Head Island, Beaufort County, South Carolina. The project has been assigned the file number SAC-2025-00508. This file number should be referenced in all correspondence with this office.

Based on a review of the information provided, the Charleston District has made the following determination regarding your proposed project/work:

The work as proposed does not involve regulated activities within jurisdictional wetlands and/or other jurisdictional waters of the United States; therefore, a DA permit is not required.

This letter contains an approved jurisdictional determination for your subject site. If you object to this determination/decision, you may request an administrative appeal under Corps' regulations at 33 CFR Part 331. Enclosed you will find a Notification of Appeal Process fact sheet and Request for Appeal (RFA) form. If you request to appeal this determination/decision, you must submit a completed RFA form to the South Atlantic Division Office at the following (email preferred):

Ms. Krista Sabin
South Atlantic Division
U.S. Army Corps of Engineers
CESAD-CM-CO-R, Room 9M15
60 Forsyth St., SW.
Atlanta, Georgia 30303-8801
Via electronic mail at Krista.D.Sabin@usace.army.mil

Ms. Sabin can be reached by telephone number at 904-314-9631.

In order for an RFA to be accepted by the Corps, the Corps must determine that it is complete, that it meets the criteria for appeal under 33 CFR Part 331.5, and that it has been received by the Division office within 60 days of the date of the RFA. Should you decide to submit an RFA form, it must be received at the above address by May 22, 2026. It is not necessary to submit an RFA form to the Division office if you do not object to the determination/decision in this letter.

This determination has been conducted to identify the limits of the Corps Clean Water Act jurisdiction for the particular site identified in this request. This determination may not be valid for the wetland conservation provisions of the Food Security Act of 1985, as amended. If you or your tenant are U.S. Department of Agriculture (USDA) program participants, or anticipate participation in USDA programs, you should request a certified wetland determination from the local office of the Natural Resources Conservation Service prior to starting work. Please be advised this determination reflects current policy and regulations and is valid for a period of no longer than 5 years from the date of this letter unless new information warrants a revision of the determination before the expiration date. If after the 5-year period, the Corps has not specifically revalidated this determination, it will automatically expire. Any reliance upon this determination beyond the expiration date may lead to possible violation of current Federal laws and/or regulation.

It is your responsibility to ensure no unauthorized work in Navigable Waters of the United States or discharges of dredged or fill material into wetlands and/or other waters of the United States occurs as part of the proposed work. Note that performing such an action without the requisite permit could be a violation of the Clean Water Act and/or the Rivers and Harbors Act and may result in enforcement action.

This “No Permit Required” determination remains valid unless new information, (including changes to the proposed project plans), warrants revision. You may also need to request state and/or local review of the proposed plans/project.

If you have any questions concerning this correspondence, please contact Alexander Miranda, Biologist, at 843-901-6135, by mail at the above address, or by email at alexander.m.miranda@usace.army.mil. A copy of this letter will be forwarded to State and/or Federal agencies for their information.

Sincerely,

Alexander M. Miranda

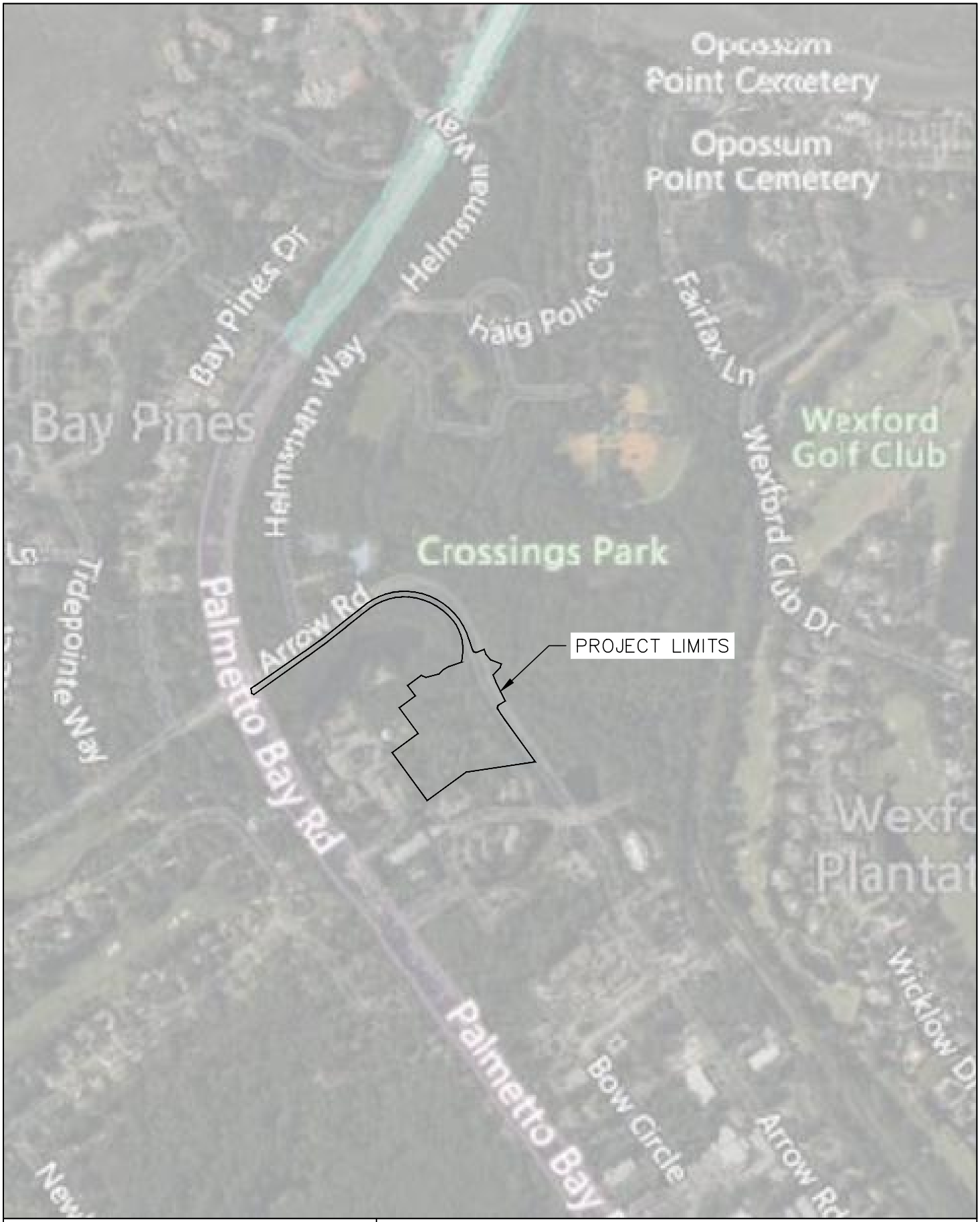
Alexander M. Miranda
Biologist, South Branch

Enclosures
NPR Plans
Approved Jurisdictional Determination SAC-2025-00508

cc: Matthew Thomas, JMT (via mthomas@jmt.com)

SCDES – Bureau of Coastal Management
1362 McMillan Avenue, Suite 400
North Charleston, South Carolina 29405
OCRMPermitting@dhec.sc.gov

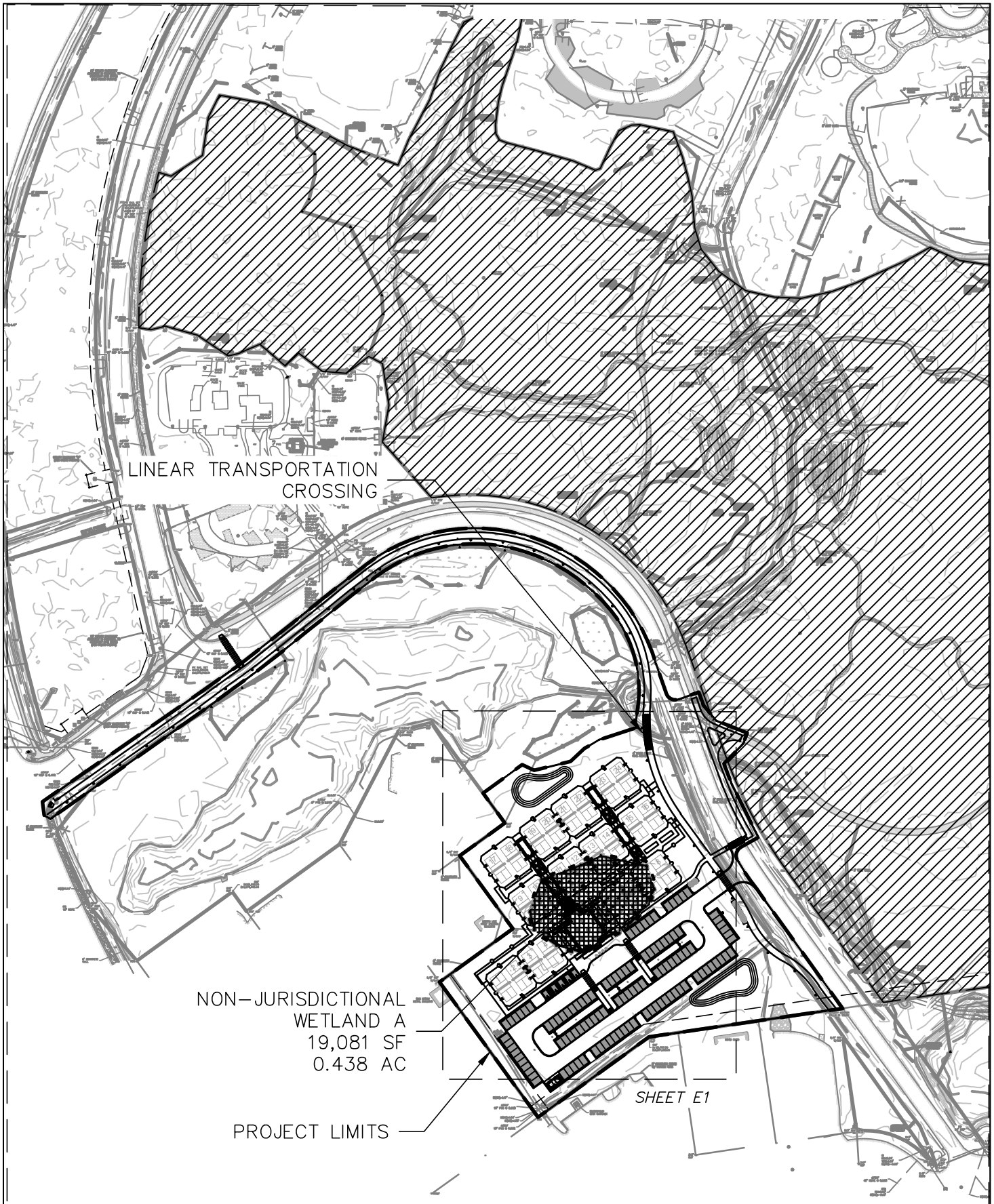
SCDES-Bureau of Water
2600 Bull Street
Columbia, South Carolina 29201
WQCWetlands@dhec.sc.gov




CRANSTON

| JOB NAME | | | |
|---|---|---|---|
| CROSSINGS PARK FILL EXHIBIT | | | |
| JOB NO. | DATE | SCALE | SHEET |
| 2024–0243 | 4–21–2025 | NTS | VICINITY MAP |

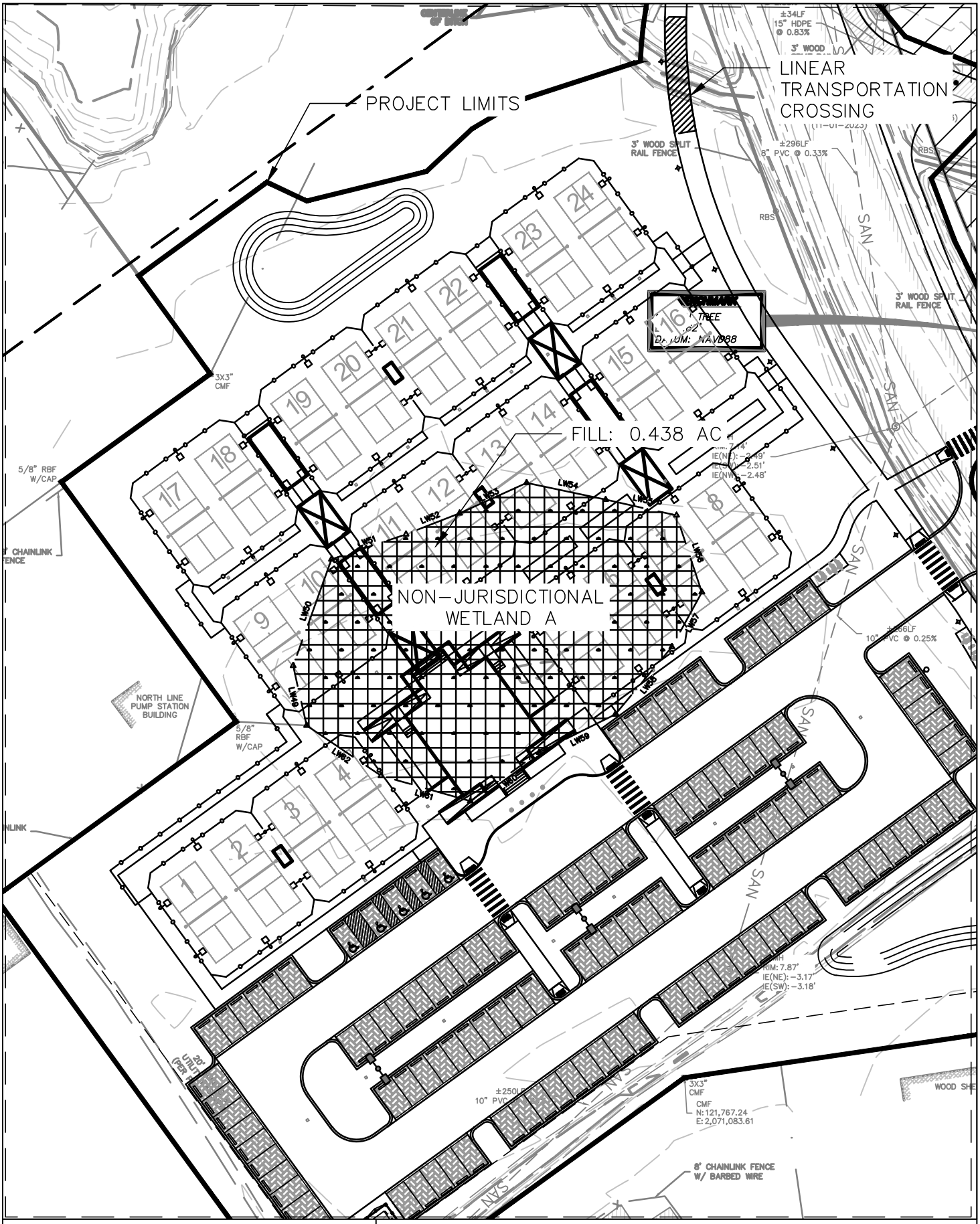
G:\PROJECTS\2024\2024-0243_HH CROSSINGS PARK SD\AC-DRAWINGS\CIVIL\2024-0243_WETLANDS FILL.DWG 4/24/2025 1:37 PM




CRANSTON

| JOB NAME | | | |
|---|---|---|---|
| CROSSINGS PARK FILL EXHIBIT | | | |
| JOB NO. | DATE | SCALE | SHEET |
| 2024-0243 | 4-21-2025 | 1"=200' | LOCATION MAP |

G:\PROJECTS\2024\2024-0243_HH CROSSINGS PARK SD\AC-DRAWINGS\CIVIL\2024-0243_WETLANDS FILL.DWG 4/24/2025 1:38 PM




CRANSTON

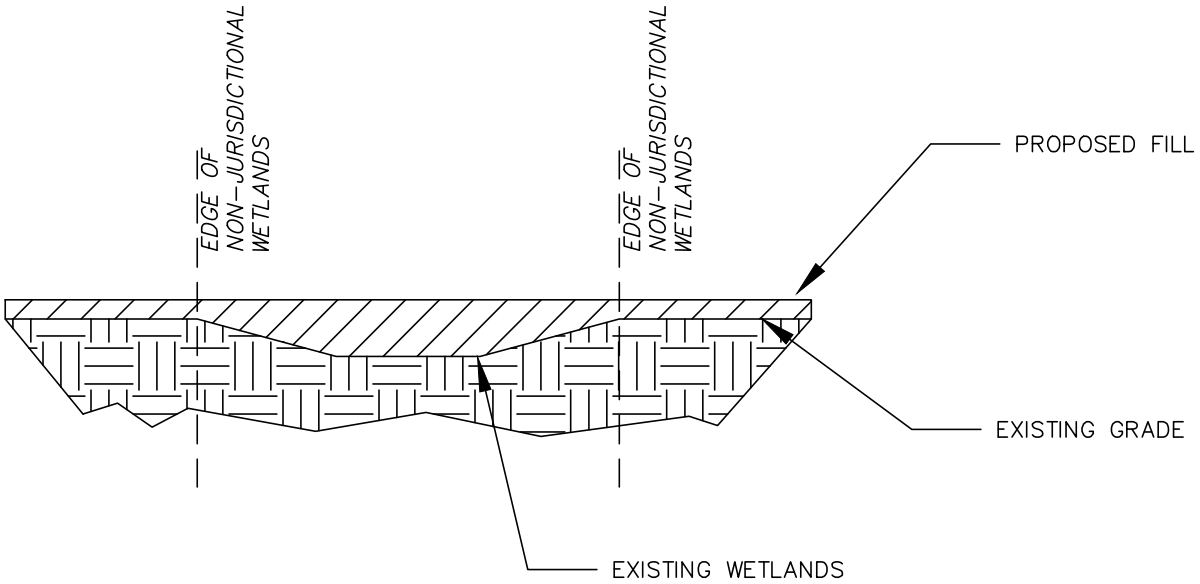
| JOB NAME | | | |
|---|---|---|---|
| CROSSINGS PARK FILL EXHIBIT | | | |
| JOB NO. | DATE | SCALE | SHEET |
| 2024-0243 | 4-21-2025 | 1"=60' | E1 |

G:\PROJECTS\2024\2024-0243_HH CROSSINGS PARK SD\AC-DRAWINGS\CIVIL\2024-0243_WETLANDS FILL.DWG 4/24/2025 1:40 PM

| WETLAND LINE TABLE | | |
|---|---|---|
| LABEL | BEARING | DISTANCE |
| LW49 | N12°44'17"W | 28.64' |
| LW50 | N19°49'14"E | 52.80' |
| LW51 | N71°27'43"E | 36.77' |
| LW52 | N68°38'08"E | 26.85' |
| LW53 | N65°28'41"E | 34.31' |
| LW54 | S77°59'11"E | 37.80' |
| LW55 | S77°32'10"E | 33.85' |
| LW56 | S18°15'38"E | 37.81' |
| LW57 | S28°46'37"W | 29.18' |
| LW58 | S40°01'04"W | 41.06' |
| LW59 | S63°20'13"W | 39.78' |
| LW60 | S54°44'59"W | 39.32' |
| LW61 | N74°06'17"W | 43.35' |
| LW62 | N55°58'35"W | 41.91' |

## FILL TABLE

| NAME | AREA | PROPOSED FILL |
|---|---|---|
| NON-JURISDICTIONAL WETLAND A | 0.438 AC | 2208.4 CY |




CRANSTON

JOB NAME
CROSSINGS PARK FILL EXHIBIT

| JOB NO. | DATE | SCALE | SHEET |
|---|---|---|---|
| 2024-0243 | 4-21-2025 | NTS | E2 |

G:\PROJECTS\2024\2024-0243_HH CROSSINGS PARK SD\AC-DRAWINGS\CIVIL\2024-0243_WETLANDS FILL.DWG 4/24/2025 1:40 PM

**DEPARTMENT OF THE ARMY**
**U.S. ARMY CORPS OF ENGINEERS, CHARLESTON DISTRICT**
**CHARLESTON REGULATORY OFFICE**
**69-A HAGOOD AVENUE**
**CHARLESTON SOUTH CAROLINA 29403**

March 23, 2026

Regulatory Division
SAC-2025-00508

Richard Loudin
Town of Hilton Head Island
1 Town Center Court
Hilton Head Island, SC 29928
Via email: richardl@hiltonheadislandsc.gov

Dear Richard Loudin,

This letter is in response to your request to the Charleston District, for an approved jurisdictional determination at a 5.62 acre site. The review area is located at Crossings Park along the Southwest side of Arrow Rd, at Latitude 32.167870 and Longitude -80.770560; in Hilton Head Island, Beaufort County, South Carolina. The review area for this determination is identified on the attached site map "Figure 8: Jurisdictional Features Map Town of Hilton Head Island Crossings Park Wetland Delineation Beaufort County, South Carolina Source: ESRI, JMT" dated April 2025 and revised by the Corps on March 19, 2026. This request has been assigned the file number SAC-2025-00508 (Town of Hilton Head Island - Crossing Park/14 Arrow Road). This file number should be referenced in all correspondence concerning this project.

**Non-Jurisdictional Area(s):**

We have determined that the following area(s) are not waters of the United States subject to Corps of Engineers (Corps) jurisdiction under Section 404 of the Clean Water Act or Sections 9 or 10 of the Rivers and Harbors Act:

- Non-JD Wetland A, (0.44-acre)
- Non-JD Feature A, (440 linear feet)
- Non-JD Feature B, (48 linear feet)

You are not required to obtain Corps authorization within the area(s) listed above. This determination only applies to the area(s) identified above and is based on a reasonable approximation of their location and boundaries. The basis for this determination is provided in the enclosed Memorandum for Record.

This letter contains an approved jurisdictional determination for your subject site. If you object to this determination, you may request an administrative appeal under Corps regulations at 33 CFR Part 331. Enclosed you will find a Notification of Appeal Process

(NAP) fact sheet and request for appeal (RFA) form. If you request to appeal this determination you must submit a completed RFA form to the Division Appeals Officer at the address listed on the RFA form. In order for an RFA to be accepted by the Corps, the Corps must determine that it is complete, that it meets the criteria for appeal under 33 CFR part 331.5, and that it has been received by the Division Office within 60 days of the date of the NAP. **It is not necessary to submit an RFA form to the Division Office if you do not object to the determination in this correspondence.**

Section 404 of the Clean Water Act requires a Department of the Army (DA) permit be obtained prior to the discharge of dredged or fill material into waters of the United States, including wetlands. Section 10 of the Rivers and Harbors Act of 1899 requires a DA permit be obtained for any work in, on, over or under navigable waters of the United States.

This determination has been conducted to identify the limits of Corps' Clean Water Act jurisdiction for the review area identified in this request. The determination may not be valid for the wetland conservation provisions of the Food Security Act of 1985. If you or your tenant are USDA Program participants, or anticipate participation in USDA programs, you should request a certified wetland determination from the local office of the Natural Resources Conservation Service, prior to starting work.

You are cautioned that work performed below the High Tide Line or ordinary high water line in waters of the United States; and/or, the discharge of dredged or fill material into any areas identified on the enclosed information as within Federal jurisdiction, without a Department of the Army permit could subject you to enforcement action. Receipt of a permit from a state or local municipality does not obviate the requirement for obtaining a Department of the Army permit.

If you have any questions concerning this correspondence, please contact Alexander Miranda, Biologist, at 843-901-6135, by mail at the above address, or by email at alexander.m.miranda@usace.army.mil. A copy of this letter is being forwarded to State and/or Federal agencies for their information.

Sincerely,

Chelsea Fannin

Chelsea B. Fannin
Chief, South Branch

Enclosures:
Memorandum for Record
Notification of Appeal Options
"Figure 8: Jurisdictional Features Map Town of Hilton Head Island Crossings Park Wetland Delineation Beaufort County, South Carolina Source: ESRI, JMT"

cc (w/enclosures)
Matthew Thomas, JMT (via mthomas@jmt.com)

SCDES – Bureau of Coastal Management
1362 McMillan Avenue, Suite 400
North Charleston, South Carolina 29405
OCRMPermitting@des.sc.gov

SCDES-Bureau of Water
2600 Bull Street
Columbia, South Carolina 29201
WQCWetlands@des.sc.gov

U.S. Army Corps of Engineers (USACE)

# NOTIFICATION OF ADMINISTRATIVE APPEAL OPTIONS AND PROCESS AND REQUEST FOR APPEAL

For use of this form, see Section 404 of the Clean Water Act, Section 10 of the Rivers and Harbors Act of 1899, and Section 103 of the Marine Protection, Research, and Sanctuaries Act; the proponent agency is CECW-COR.

***Form Approved –***
***OMB No. 0710-0003***
***Expires 2027-10-31***

**DATA REQUIRED BY THE PRIVACY ACT OF 1974**

| | |
|---|---|
| **Authority** | The authorities for requesting this information are Sections 9, 10, 13, and 14, Rivers and Harbors Act of March 3, 1899; Section 404, Clean Water Act; and Section 103 Marine Protection Research and Sanctuaries Act of 1972. |
| **Principal Purpose** | This information serves as notification to affected parties regarding the USACE administrative appeal options and process, as well as to facilitate requests for appeal of USACE decisions with which they disagree. |
| **Routine Uses** | Routine uses will include: (a) To serve as notification to affected parties of the Corps administrative appeal options and process and to facilitate requests for appeal of Corps decisions with which they disagree. (b) Records may be referred to the Department of Justice for possible criminal prosecution. (c) Records may be referred to other Federal, State, and local agencies for evaluation and enforcement purposes. |
| **Disclosure** | Disclosure of this information is voluntary on your part. However, failure of individual to provide requested information could result in inability to determine all pertinent information regarding a Department of the Army permit matter. |

**The Agency Disclosure Notice (ADN)**

The Public reporting burden for this collection of information, 0710-0003, is estimated to average 1 hour per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or burden reduction suggestions to the Department of Defense, Washington Headquarters Services, at whs.mc-alex.esd.mbx.dd-dod-information-collections@mail.mil. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

**PURPOSE**: This form is used to facilitate the initiation of the administrative appeals process. The appeals process allows an affected party to pursue an administrative appeal of certain Corps of Engineers decisions with which they disagree.

Upon release, this form will also be available on the Corps website https://www.usace.army.mil/Missions/Civil-Works/Regulatory-Program-and-Permits/

| Applicant: Richard Loudin | File Number: SAC-2025-00508 | Date: 3/23/2026 |
|---|---|---|

| Documents Attached (*select all that apply*): | | Form Reference Section: |
|---|---|---|
| ☐ | INITIAL PROFFERED PERMIT (Standard Permit or Letter of permission) | A |
| ☐ | PROFFERED PERMIT (Standard Permit or Letter of permission) | B |
| ☐ | PERMIT DENIAL WITHOUT PREJUDICE | C |
| ☐ | PERMIT DENIAL WITH PREJUDICE | D |
| ☒ | APPROVED JURISDICTIONAL DETERMINATION | E |
| ☐ | PRELIMINARY JURISDICTIONAL DETERMINATION | F |

**SECTION I**

The following identifies your rights and options regarding an administrative appeal of the above decision. Additional information may be found at https://www.usace.army.mil/Missions/Civil-Works/Regulatory-Program-and-Permits/appeals/ or Corps regulations at 33 CFR Part 331.

A: INITIAL PROFFERED PERMIT: You may accept or object to the permit

- ACCEPT: If you received a Standard Permit, you may sign the permit document and return it to the district engineer for final authorization. If you received a Letter of Permission (LOP), you may accept the LOP and your work is authorized. Your signature on the Standard Permit or acceptance of the LOP means that you accept the permit in its entirety, and waive all rights to appeal the permit, including its terms and conditions, and approved jurisdictional determinations associated with the permit.

- OBJECT: If you object to the permit (Standard or LOP) because of certain terms and conditions therein, you may request that the permit be modified accordingly. You must complete Section II of this form and return the form to the district engineer. Upon receipt of your letter, the district engineer will evaluate your objections and may: (a) modify the permit to address all of your concerns, (b) modify the permit to address some of your objections, or (c) not modify the permit having determined that the permit should be issued as previously written. After evaluating your objections, the district engineer will send you a proffered permit for your reconsideration, as indicated in Section B below.

B: PROFFERED PERMIT: You may accept or appeal the permit

- ACCEPT: If you received a Standard Permit, you may sign the permit document and return it to the district engineer for final authorization. If you received a Letter of Permission (LOP), you may accept the LOP and your work is authorized. Your signature on the Standard Permit or acceptance of the LOP means that you accept the permit in its entirety, and waive all rights to appeal the permit, including its terms and conditions, and approved jurisdictional determinations associated with the permit.

- APPEAL: If you choose to decline the proffered permit (Standard or LOP) because of certain terms and conditions therein, you may appeal the declined permit under the Corps of Engineers Administrative Appeal Process by completing Section II of this form and sending the form to the division engineer. This form must be received by the division engineer within 60 days of the date of this notice.

C. PERMIT DENIAL WITHOUT PREJUDICE: Not appealable

You received a permit denial without prejudice because a required Federal, state, and/or local authorization and/or certification has been denied for activities which also require a Department of the Army permit before final action has been taken on the Army permit application. The permit denial without prejudice is not appealable. There is no prejudice to the right of the applicant to reinstate processing of the Army permit application if subsequent approval is received from the appropriate Federal, state, and/or local agency on a previously denied authorization and/or certification.

D: PERMIT DENIAL WITH PREJUDICE: You may appeal the permit denial

You may appeal the denial of a permit under the Corps of Engineers Administrative Appeal Process by completing Section II of this form and sending the form to the division engineer. This form must be received by the division engineer within 60 days of the date of this notice.

E: APPROVED JURISDICTIONAL DETERMINATION: You may accept or appeal the approved JD or provide new information for reconsideration

- ACCEPT: You do not need to notify the Corps to accept an approved JD. Failure to notify the Corps within 60 days of the date of this notice means that you accept the approved JD in its entirety and waive all rights to appeal the approved JD.

- APPEAL: If you disagree with the approved JD, you may appeal the approved JD under the Corps of Engineers Administrative Appeal Process by completing Section II of this form and sending the form to the division engineer. This form must be received by the division engineer within 60 days of the date of this notice.

- RECONSIDERATION: You may request that the district engineer reconsider the approved JD by submitting new information or data to the district engineer within 60 days of the date of this notice. The district will determine whether the information submitted qualifies as new information or data that justifies reconsideration of the approved JD. A reconsideration request does not initiate the appeal process. You may submit a request for appeal to the division engineer to preserve your appeal rights while the district is determining whether the submitted information qualifies for a reconsideration.

F: PRELIMINARY JURISDICTIONAL DETERMINATION: Not appealable

You do not need to respond to the Corps regarding the preliminary JD. The Preliminary JD is not appealable. If you wish, you may request an approved JD (which may be appealed), by contacting the Corps district for further instruction. Also, you may provide new information for further consideration by the Corps to reevaluate the JD.

**POINT OF CONTACT FOR QUESTIONS OR INFORMATION:**

| If you have questions regarding this decision you may contact: | If you have questions regarding the appeal process, or to submit your request for appeal, you may contact: |
|---|---|
| Name: Alexander Miranda | Name: Krista Sabin, Regulatory Appeals Review Officer |
| Street Address, City, State:<br>1949 Industrial Park Road RM 140<br>Conway, SC 29526 | Street Address, City, State:<br>60 Forsyth Street SW Room 9M 15<br>Atlanta, Georgia 30303-8801 |
| Phone: 843-901-6135 | Phone: 904-314-9631 |
| Email: alexander.m.miranda@usace.army.mil | Email: CESAD-Regulatory@usace.army.mil |

**SECTION II – REQUEST FOR APPEAL or OBJECTIONS TO AN INITIAL PROFFERED PERMIT**

REASONS FOR APPEAL OR OBJECTIONS: (Describe your reasons for appealing the decision or your objections to an initial proffered permit in clear concise statements. Use additional pages as necessary. You may attach additional information to this form to clarify where your reasons or objections are addressed in the administrative record.)

ADDITIONAL INFORMATION: The appeal is limited to a review of the administrative record, the Corps memorandum for the record of the appeal conference or meeting, and any supplemental information that the review officer has determined is needed to clarify the administrative record. Neither the appellant nor the Corps may add new information or analyses to the record. However, you may provide additional information to clarify the location of information that is already in the administrative record.

RIGHT OF ENTRY: Your signature below grants the right of entry to Corps of Engineers personnel, and any government consultants, to conduct investigations of the project site during the course of the appeal process. You will be provided a 15-day notice of any site investigation and will have the opportunity to participate in all site investigations.

| Email address of appellant and/or agent | Telephone number |
|---|---|
| Signature of appellant or agent | Date |

**DEPARTMENT OF THE ARMY**
**U.S. ARMY CORPS OF ENGINEERS, CHARLESTON DISTRICT**
**CHARLESTON REGULATORY OFFICE**
**69-A HAGOOD AVENUE**
**CHARLESTON SOUTH CAROLINA 29403**

CESAC-RDS March 23, 2026

MEMORANDUM FOR RECORD

SUBJECT: US Army Corps of Engineers (Corps) Pre-2015 Regulatory Regime Approved Jurisdictional Determination in Light of *Sackett v. EPA*, 143 S. Ct. 1322 (2023) ,[1] SAC-2025-00508 (MFR 1 of 1)[2]

BACKGROUND. An Approved Jurisdictional Determination (AJD) is a Corps document stating the presence or absence of waters of the United States on a parcel or a written statement and map identifying the limits of waters of the United States on a parcel. AJDs are clearly designated appealable actions and will include a basis of JD with the document.[3] AJDs are case-specific and are typically made in response to a request. AJDs are valid for a period of five years unless new information warrants revision of the determination before the expiration date or a District Engineer has identified, after public notice and comment, that specific geographic areas with rapidly changing environmental conditions merit re-verification on a more frequent basis.[4] For the purposes of this AJD, we have relied on section 10 of the Rivers and Harbors Act of 1899 (RHA),[5] the Clean Water Act (CWA) implementing regulations published by the Department of the Army in 1986 and amended in 1993 (references 2.a. and 2.b. respectively), the 2008 *Rapanos-Carabell* guidance (reference 2.c.), and other applicable guidance, relevant case law and longstanding practice, (collectively the pre-2015 regulatory regime), and the *Sackett* decision (reference 2.d.) in evaluating jurisdiction.

This Memorandum for Record (MFR) constitutes the basis of jurisdiction for a Corps AJD as defined in 33 CFR §331.2. The features addressed in this AJD were evaluated consistent with the definition of “waters of the United States” found in the pre-2015 regulatory regime and consistent with the Supreme Court's decision in *Sackett*. This

[1] While the Supreme Court’s decision in *Sackett* had no effect on some categories of waters covered under the CWA, and no effect on any waters covered under RHA, all categories are included in this Memorandum for Record for efficiency.
[2] When documenting aquatic resources within the review area that are jurisdictional under the Clean Water Act (CWA), use an additional MFR and group the aquatic resources on each MFR based on the TNW, interstate water, or territorial seas that they are connected to. Be sure to provide an identifier to indicate when there are multiple MFRs associated with a single AJD request (i.e., number them 1, 2, 3, etc.).
[3] 33 CFR 331.2.
[4] Regulatory Guidance Letter 05-02.
[5] USACE has authority under both Section 9 and Section 10 of the Rivers and Harbors Act of 1899 but for convenience, in this MFR, jurisdiction under RHA will be referred to as Section 10.

AJD did not rely on the 2023 "Revised Definition of 'Waters of the United States,'" as amended on 8 September 2023 (Amended 2023 Rule) because, as of the date of this decision, the Amended 2023 Rule is not applicable in this state due to litigation.

1. SUMMARY OF CONCLUSIONS.

    a. Provide a list of each individual feature within the review area and the jurisdictional status of each one (i.e., identify whether each feature is/is not a water of the United States and/or a navigable water of the United States).

| Name of Aquatic Resource | JD or Non-JD | Section 404/Section 10 |
|---|---|---|
| Non-JD Feature A | Non-Jurisdictional | N/A |
| Non-JD Feature B | Non-Jurisdictional | N/A |
| Non-JD Wetland A | Non-Jurisdictional | N/A |

2. REFERENCES.

    a. Final Rule for Regulatory Programs of the Corps of Engineers, 51 FR 41206 (November 13, 1986).

    b. Clean Water Act Regulatory Programs, 58 FR 45008 (August 25, 1993).

    c. U.S. EPA & U.S. Army Corps of Engineers, Clean Water Act Jurisdiction Following the U.S. Supreme Court's Decision in *Rapanos v. United States & Carabell v. United States* (December 2, 2008)

    d. *Sackett v. EPA*, 598 U.S. 651, 143 S. Ct. 1322 (2023)

    e. MEMORANDUM TO THE FIELD BETWEENTHE U.S. DEPARTMENT OF THE ARMY, U.S. ARMY CORPS OF ENGINEERSAND THE U.S. ENVIRONMENTAL PROTECTION AGENCY CONCERNING THE PROPER IMPLEMENTATIONOF "CONTINUOUS SURFACE CONNECTION" UNDER THE DEFINITION OF "WATERS OF THE UNITEDSTATES" UNDER THE CLEAN WATER ACT (March 12, 2025)

3. REVIEW AREA.

    a. Project Are Size (in acres): 5.62
    b. Location Description: The review area is located at Crossings Park along the Southwest side of Arrow Rd

c. Center Coordinates of the Project Site (in decimal degrees)
   Latitude: 32.167870 Longitude: -80.770560
d. Nearest City or Town: Hilton Head Island
e. County: Beaufort
f. State: South Carolina

4. NEAREST TRADITIONAL NAVIGABLE WATER (TNW), INTERSTATE WATER, OR THE TERRITORIAL SEAS TO WHICH THE AQUATIC RESOURCE IS CONNECTED. The nearest traditional navigable water (TNW) is Broad Creek, a tidally influenced TNW[6]

5. FLOWPATH FROM THE SUBJECT AQUATIC RESOURCES TO A TNW, INTERSTATE WATER, OR THE TERRITORIAL SEAS

   Non-Jurisdictional Feature A and B: These two man-made linear features are apart of a drainage ditch network onsite that carry stormwater runoff offsite that is created during precipitation events. Non-jurisdictional feature A directly ties into non-jurisdictional feature B and discharges flow into an off-site impoundment. The impoundment discharges through an underground stormwater management system that carries the flow downstream, discharging into an approximate 531 linear foot ditch that carries flow into an unnamed pond. The unnamed pond discharges into an approximate 225 linear foot ditch that directly discharges into a tidal tributary of Broad Creek.

   Non-Jurisdictional Wetland A: This wetland is a depressional feature in the landscape that is surrounded by non-wetland and does not flow or have a CSC to a TNW, interstate water, or territorial sea.

6. SECTION 10 JURISDICTIONAL WATERS[7]: Describe aquatic resources or other features within the review area determined to be jurisdictional in accordance with Section 10 of the Rivers and Harbors Act of 1899. Include the size of each aquatic

[6] This MFR should not be used to complete a new stand-alone TNW determination. A stand-alone TNW determination for a water that is not subject to Section 9 or 10 of the Rivers and Harbors Act of 1899 (RHA) is completed independently of a request for an AJD. A stand-alone TNW determination is conducted for a specific segment of river or stream or other type of waterbody, such as a lake, where upstream or downstream limits or lake borders are established.
[7] 33 CFR 329.9(a) A waterbody which was navigable in its natural or improved state, or which was susceptible of reasonable improvement (as discussed in § 329.8(b) of this part) retains its character as "navigable in law" even though it is not presently used for commerce, or is presently incapable of such use because of changed conditions or the presence of obstructions.

resource or other feature within the review area and how it was determined to be jurisdictional in accordance with Section 10.[8] N/A

7. SECTION 404 JURISDICTIONAL WATERS: Describe the aquatic resources within the review area that were found to meet the definition of waters of the United States in accordance with the pre-2015 regulatory regime and consistent with the Supreme Court's decision in *Sackett*. List each aquatic resource separately, by name, consistent with the naming convention used in section 1, above. Include a rationale for each aquatic resource, supporting that the aquatic resource meets the relevant category of "waters of the United States" in the pre-2015 regulatory regime. The rationale should also include a written description of, or reference to a map in the administrative record that shows, the lateral limits of jurisdiction for each aquatic resource, including how that limit was determined, and incorporate relevant references used. Include the size of each aquatic resource in acres or linear feet and attach and reference related figures as needed.

   a. Traditional Navigable Waters (TNWs (a)(1): N/A
   b. Interstate Waters (a)(2): N/A
   c. Other Waters (a)(3): N/A
   d. Impoundments (a)(4): N/A
   e. Tributaries (a)(5): N/A
   f. The territorial seas (a)(6): N/A
   g. Adjacent wetlands (a)(7): N/A

8. NON-JURISDICTIONAL AQUATIC RESOURCES AND FEATURES

   a. Describe aquatic resources and other features within the review area identified as "generally non-jurisdictional" in the preamble to the 1986 regulations (referred to as "preamble waters").[9] Include size of the aquatic resource or feature within the review area and describe how it was determined to be non-jurisdictional under the CWA as a preamble water. N/A

   b. Describe aquatic resources and features within the review area identified as "generally not jurisdictional" in the *Rapanos* guidance. Include size of the aquatic resource or feature within the review area and describe how it was determined to be non-jurisdictional under the CWA based on the criteria listed in the guidance. N/A

[8] This MFR is not to be used to make a report of findings to support a determination that the water is a navigable water of the United States. The district must follow the procedures outlined in 33 CFR part 329.14 to make a determination that water is a navigable water of the United States subject to Section 10 of the RHA.
[9] 51 FR 41217, November 13, 1986.

c. Describe aquatic resources and features identified within the review area as waste treatment systems, including treatment ponds or lagoons designed to meet the requirements of CWA. Include the size of the waste treatment system within the review area and describe how it was determined to be a waste treatment system. N/A

d. Describe aquatic resources and features within the review area determined to be prior converted cropland in accordance with the 1993 regulations (reference 2.b.). Include the size of the aquatic resource or feature within the review area and describe how it was determined to be prior converted cropland. N/A

e. Describe aquatic resources (i.e. lakes and ponds) within the review area, which do not have a nexus to interstate or foreign commerce, and prior to the January 2001 Supreme Court decision in "*SWANCC*," would have been jurisdictional based solely on the "Migratory Bird Rule." Include the size of the aquatic resource or feature, and how it was determined to be an "isolated water" in accordance with *SWANCC*. N/A

f. Describe aquatic resources and features within the review area that were determined to be non-jurisdictional because they do not meet one or more categories of waters of the United States under the pre-2015 regulatory regime consistent with the Supreme Court's decision in *Sackett* (e.g., tributaries that are non-relatively permanent waters; non-tidal wetlands that do not have a continuous surface connection to a jurisdictional water).

Non-Jurisdictional Feature A: This linear feature is approximately 440 linear feet. The feature contains a constructed bed and banks and has existed long enough to have formed an OHWM. This feature is not identified on any topographic map or the National Hydrography Dataset. Review of aerial and site pictures display periods of the linear feature overgrown with vegetation and leaf litter due to lack of perennial or seasonal flow and holding water after storm events. This man-made linear feature appears to have been constructed as a drainage ditch (straight in shape, equal size banks, flat bottom with no pools, shelving, or channel bars). This data supports that this feature does not carry a relatively permanent flow. Since this linear feature is a tributary that is a non-relatively permanent waters, it was determined to not meet one of the categories of waters of the United States under the pre-2015 regulatory regime consistent with the Supreme Court's decision in Sackett.

Non-Jurisdictional Feature B: This linear feature is approximately 48 linear feet. The feature contains a constructed bed and banks and has existed long enough

to have formed an OHWM. This feature is not identified on any topographic map or the National Hydrography Dataset. Review of aerial and site pictures display periods of the linear feature bed full of leaf litter due to lack of perennial or seasonal flow and pooling water after storm events. This man-made linear feature appears to have been constructed as a drainage ditch. This data supports that this feature does not carry a relatively permanent flow. Since this linear feature is a tributary that is a non-relatively permanent waters, it was determined to not meet one of the categories of waters of the United States under the pre-2015 regulatory regime consistent with the Supreme Court's decision in Sackett.

Non-Jurisdictional Wetland A: Is an approximately 0.44-acre non-adjacent depressional wetland feature within the review area, that contains all three parameters that define a wetland as outlined in the 1987 Corps of Engineers Wetland Delineation Manual and the Atlantic and Gulf Coastal Plain Regional Supplement (Version 2.0). This non-tidal wetland is situated within a depression that is supported by a closed circular contour. This wetland does not directly abut or physically connect to a traditional navigable water, or a relatively permanent body of water connected to a traditional navigable water. Since this wetland does not contain a CSC to a relatively permanent water, it was determined to not meet one of the categories of waters of the United States under the pre-2015 regulatory regime consistent with the Supreme Court's decision in Sackett.

9. DATA SOURCES. List sources of data/information used in making determination. Include titles and dates of sources used and ensure that information referenced is available in the administrative record.

a. Review Performed for Site Evaluation: Office (Desk) Determination. Date: March 19, 2026.

b. Aquatic Resources delineation submitted by, or on behalf of, the requestor: Approved Jurisdictional Determination Request package including associated data maps, and aquatic resource map titled ""Figure 8: Jurisdictional Features Map Town of Hilton Head Island Crossings Park Wetland Delineation Beaufort County, South Carolina Source: ESRI, JMT" dated April 2025 and revised by the Corps on March 19, 2026.

c. National Wetland Inventory Map: "Figure 6: NWI Map" prepared by JMT dated April, 2025.

d. Natural Resource Conservation Survey: "Figure 5: Hydric Soil Map" prepared by JMT dated April, 2025.

e. U.S. Geological Survey Map: “Figure 3: USGS Topographical Map” prepared by JMT dated April, 2025.

f. USGS 3D Elevation Program (3DEP) Map Service: “Figure 7: LiDAR Map” prepared by JMT dated April, 2025.

g. Photo Log: “Representative Site Photographs” prepared by JMT dated April, 2025.

h. Aerial Map: Source: ESRI, SCDNR. Map titled “Figure 4: Aerial Map” prepared by JMT dated April, 2025.

i. Data Resources Review: “SAC-2025-00508 Review” prepared by the Corps dated March 19, 2026.

10. OTHER SUPPORTING INFORMATION. N/A.

11. NOTE: The structure and format of this MFR were developed in coordination with the EPA and Department of the Army. The MFR’s structure and format may be subject to future modification or may be rescinded as needed to implement additional guidance from the agencies; however, the approved jurisdictional determination described herein is a final agency action.




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**Figure 8: Jurisdictional Features Map**

Town of Hilton Head Island
Crossings Park Wetland Delineation
Beaufort County, South Carolina
Source: ESRI, JMT
Date: April 2025

1 inch = 150 feet

0 75 150 300 Feet

N W E S




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**Figure 9: Project Boundary Map**

Town of Hilton Head Island
Crossings Park Wetland Delineation
Beaufort County, South Carolina
Source: ESRI, JMT
Date: April 2025

1 inch = 150 feet

0 75 150 300 Feet

N W E S

| ID | Northing | Easting | ID | Northing | Easting | ID | Northing | Easting |
|---|---|---|---|---|---|---|---|---|
| 1 | 32.168780 | -80.773280 | 51 | 32.169182 | -80.770215 | 101 | 32.169391 | -80.770402 |
| 2 | 32.169188 | -80.772584 | 52 | 32.169179 | -80.770208 | 102 | 32.169423 | -80.770416 |
| 3 | 32.169322 | -80.772360 | 53 | 32.169176 | -80.770201 | 103 | 32.169454 | -80.770432 |
| 4 | 32.169335 | -80.772339 | 54 | 32.169175 | -80.770194 | 104 | 32.169480 | -80.770449 |
| 5 | 32.169530 | -80.772046 | 55 | 32.169175 | -80.770186 | 105 | 32.169506 | -80.770467 |
| 6 | 32.169605 | -80.771938 | 56 | 32.169175 | -80.770178 | 106 | 32.169530 | -80.770486 |
| 7 | 32.169679 | -80.771829 | 57 | 32.169177 | -80.770171 | 107 | 32.169554 | -80.770508 |
| 8 | 32.169751 | -80.771719 | 58 | 32.169195 | -80.770112 | 108 | 32.169585 | -80.770538 |
| 9 | 32.169773 | -80.771682 | 59 | 32.168887 | -80.769984 | 109 | 32.169614 | -80.770571 |
| 10 | 32.169793 | -80.771644 | 60 | 32.168825 | -80.769911 | 110 | 32.169642 | -80.770606 |
| 11 | 32.169812 | -80.771605 | 61 | 32.168593 | -80.769778 | 111 | 32.169668 | -80.770642 |
| 12 | 32.169830 | -80.771564 | 62 | 32.168553 | -80.769862 | 112 | 32.169693 | -80.770680 |
| 13 | 32.169845 | -80.771523 | 63 | 32.168549 | -80.769868 | 113 | 32.169716 | -80.770719 |
| 14 | 32.169859 | -80.771481 | 64 | 32.168545 | -80.769874 | 114 | 32.169737 | -80.770760 |
| 15 | 32.169870 | -80.771438 | 65 | 32.168540 | -80.769879 | 115 | 32.169756 | -80.770802 |
| 16 | 32.169880 | -80.771394 | 66 | 32.168534 | -80.769883 | 116 | 32.169773 | -80.770845 |
| 17 | 32.169888 | -80.771350 | 67 | 32.168528 | -80.769885 | 117 | 32.169789 | -80.770889 |
| 18 | 32.169895 | -80.771306 | 68 | 32.168521 | -80.769887 | 118 | 32.169802 | -80.770933 |
| 19 | 32.169899 | -80.771261 | 69 | 32.168514 | -80.769887 | 119 | 32.169813 | -80.770977 |
| 20 | 32.169901 | -80.771213 | 70 | 32.168508 | -80.769886 | 120 | 32.169822 | -80.771022 |
| 21 | 32.169901 | -80.771166 | 71 | 32.168502 | -80.769883 | 121 | 32.169828 | -80.771067 |
| 22 | 32.169899 | -80.771118 | 72 | 32.168496 | -80.769880 | 122 | 32.169833 | -80.771112 |
| 23 | 32.169896 | -80.771071 | 73 | 32.168465 | -80.769858 | 123 | 32.169835 | -80.771158 |
| 24 | 32.169890 | -80.771024 | 74 | 32.168434 | -80.769836 | 124 | 32.169835 | -80.771204 |
| 25 | 32.169882 | -80.770977 | 75 | 32.168405 | -80.769811 | 125 | 32.169833 | -80.771250 |
| 26 | 32.169872 | -80.770931 | 76 | 32.168376 | -80.769786 | 126 | 32.169829 | -80.771295 |
| 27 | 32.169860 | -80.770886 | 77 | 32.167870 | -80.769360 | 127 | 32.169823 | -80.771340 |
| 28 | 32.169846 | -80.770841 | 78 | 32.167752 | -80.770322 | 128 | 32.169814 | -80.771385 |
| 29 | 32.169830 | -80.770797 | 79 | 32.167414 | -80.770874 | 129 | 32.169804 | -80.771429 |
| 30 | 32.169813 | -80.770755 | 80 | 32.167986 | -80.771361 | 130 | 32.169791 | -80.771472 |
| 31 | 32.169793 | -80.770713 | 81 | 32.168210 | -80.770997 | 131 | 32.169776 | -80.771515 |
| 32 | 32.169772 | -80.770672 | 82 | 32.168518 | -80.771260 | 132 | 32.169760 | -80.771556 |
| 33 | 32.169749 | -80.770633 | 83 | 32.168656 | -80.771035 | 133 | 32.169741 | -80.771596 |
| 34 | 32.169725 | -80.770595 | 84 | 32.168783 | -80.771143 | 134 | 32.169720 | -80.771635 |
| 35 | 32.169699 | -80.770559 | 85 | 32.168902 | -80.770949 | 135 | 32.169698 | -80.771672 |
| 36 | 32.169671 | -80.770525 | 86 | 32.168878 | -80.770889 | 136 | 32.169659 | -80.771732 |
| 37 | 32.169642 | -80.770492 | 87 | 32.168915 | -80.770708 | 137 | 32.169620 | -80.771791 |
| 38 | 32.169611 | -80.770460 | 88 | 32.168970 | -80.770639 | 138 | 32.169550 | -80.771895 |
| 39 | 32.169580 | -80.770431 | 89 | 32.169008 | -80.770565 | 139 | 32.169479 | -80.771997 |
| 40 | 32.169546 | -80.770404 | 90 | 32.169057 | -80.770385 | 140 | 32.169420 | -80.772083 |
| 41 | 32.169512 | -80.770378 | 91 | 32.169079 | -80.770383 | 141 | 32.169362 | -80.772170 |
| 42 | 32.169477 | -80.770355 | 92 | 32.169101 | -80.770381 | 142 | 32.169304 | -80.772257 |
| 43 | 32.169441 | -80.770334 | 93 | 32.169123 | -80.770377 | 143 | 32.169283 | -80.772291 |
| 44 | 32.169404 | -80.770315 | 94 | 32.169156 | -80.770371 | 144 | 32.169267 | -80.772317 |
| 45 | 32.169366 | -80.770298 | 95 | 32.169190 | -80.770368 | 145 | 32.169131 | -80.772537 |
| 46 | 32.169328 | -80.770283 | 96 | 32.169224 | -80.770368 | 146 | 32.168679 | -80.773292 |
| 47 | 32.169202 | -80.770233 | 97 | 32.169258 | -80.770370 | 147 | 32.168692 | -80.773322 |
| 48 | 32.169196 | -80.770230 | 98 | 32.169292 | -80.770374 | 148 | 32.168750 | -80.773330 |
| 49 | 32.169191 | -80.770226 | 99 | 32.169325 | -80.770381 | 149 | 32.168780 | -80.773280 |
| 50 | 32.169186 | -80.770221 | 100 | 32.169358 | -80.770390 | | | |

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**Figure 10: Project Boundary Point**

Town of Hilton Head Island
Crossings Park Wetland Delineation
Beaufort County, South Carolina
Source: ESRI, JMT
Date: April 2025

SC DEPARTMENT of ENVIRONMENTAL SERVICES

# Coastal Zone Consistency Determination

| | |
|---|---|
| To: | Stephanie Sine, BCM Coastal Stormwater Permitting |
| | Melanie Barnes, BOW Construction Permitting |
| From: | Jackson B. Cox, BCM Coastal Zone Consistency Division |
| Applicant: | Scott Davis, Cranston Engineering |
| Project Name: | HH Crossings Park |
| Finding: | Conditionally Consistent with the SC Coastal Zone Management Program |
| Site Location: | 14 Arrow Road, Hilton Head Island, Beaufort County, South Carolina (TMS#: R55001400007630000) |
| Reference #: | HQD-CSCP-QHTS0, WS/WW not yet assigned |
| Date: | June 01, 2026 |

---

The staff of the Bureau of Coastal Management (BCM) reviewed the above referenced Coastal Zone Consistency project request for land disturbance associated with a parks project. Construction activities include 19 pickleball courts, one clubhouse, parking lot, walking path, and wastewater and water supply infrastructure. Stormwater management is conducted via four proposed rain gardens, utilization of an existing wet retention pond, and additional BMPs. This project will impact 0.44 acres of non-tidal, freshwater, non-jurisdictional wetlands. The total area of disturbance will be 5.80 acres of a 10.30-acre project site.

We hereby certify that the above referenced project is **Conditionally Consistent** with the ***Guidelines for Evaluation of All Projects*** as well as the Transportation Facilities *(Parking Facilities),* Recreation and Tourism *(Parks),* Public Services and Facilities *(Sewage Treatment and Water Supply),* Activities in Areas of Special Resource Significance *(Wetlands),* and Stormwater Management *(Runoff)* policies contained in the S.C. Coastal Zone Management Program provided the following conditions are included in the permits and adhered to by the applicant.

1. In the event that any historic or cultural resources and/or archaeological materials are found during the course of work, the applicant must notify the State Historic Preservation Office and the South Carolina Institute of Archaeology and Anthropology. Historic or cultural resources consist of those sites listed in the National Register of Historic Places and those sites that are eligible for the National Register. Archaeological materials consist of any items, fifty years old or older, which



info@des.sc.gov | des.sc.gov | 803.898.3432

were made or used by man. These items include, but are not limited to, stone projectile points (arrowheads), ceramic sherds, bricks, worked wood, bone and stone, metal and glass objects, and human skeletal materials.

2. The project must be consistent with State Stormwater Permitting requirements during and post construction for protection of water quality.

3. All construction BMPs must be installed, inspected and maintained to hold sediment onsite and to protect any adjacent or downstream critical area, wetlands and waters through the life of the project. Upon completion of construction activities, all disturbed (including undeveloped) areas, including those impacted for access, must be immediately stabilized.

4. The project must be fully consistent with local zoning and comprehensive plans prior to work being conducted.

5. Mitigation for the 0.44 acres of isolated non-jurisdictional freshwater wetland impacts will be provided through the purchase of 5.148 credits from an approved mitigation bank. Proof of purchase of the required mitigation credits must be submitted to this office prior to beginning work on the project.

This determination shall serve as the SCDES BCM Coastal Zone Consistency Determination for the work described above. However, this determination ***does not*** serve as a Department permitting decision and ***does not*** alleviate the applicant's responsibility to obtain any applicable State or Federal permit(s) for the work. Local government authorizations ***may also*** be required.

**PALMETTO UMBRELLA MITIGATION BANK**
**SAVANNAH BRANCH MITIGATION SITE WETLAND AND STREAM MITIGATION CREDIT PURCHASE AGREEMENT**

This Purchase Agreement (the "Agreement") is made and entered into as of this **23rd** day of **July, 2026** (the "Effective Date"), by and between **Weyerhaeuser NR Company** (the "Seller") **Town of Hilton Head Island** (the "Purchaser"), Seller and Purchaser being hereinafter at times collectively referred to as the "Parties" and individually as a "Party".

## RECITALS

**A.** Seller is the Sponsor and operator of the Palmetto Umbrella Mitigation Bank – Savannah Branch Mitigation Site located in Jasper County, South Carolina (the "Bank"), being established pursuant to the umbrella mitigation banking instrument number **SAC-2023-01183** (the "UMBI") developed for the Bank and approved on September 18, 2023 by the U.S. Army Corps of Engineers (the "Corps") and other federal and state member agencies of the Interagency Review Team ("IRT").

**B.** Purchaser desires to buy from Seller **5.148** Freshwater Wetland and/or **N/A** Stream mitigation credits ("Credits") to meet the compensatory mitigation requirements of **Department of Environmental Services, Bureau of Coastal Management, Coastal Zone Consistency (the "BCM-CZC) BCM-CZC Reference # HQD-CSCP-QHTSO** (the "Permit") issued pursuant to Clean Water Act Section **401**, and Seller agrees to sell such Credits to Purchaser, under the terms and conditions set out in this Agreement.

## AGREEMENT

**NOW, THEREFORE,** for and in consideration of the covenants and conditions herein contained, the receipt and sufficiency of which is hereby acknowledged by the parties, Seller and Purchaser agree as follows:

### 1. AGREEMENT TO PURCHASE AND SALE, DEPOSIT:

A. From the Bank, Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, the Credits subject to the terms and conditions hereof.

B. Upon execution of this Agreement, Purchaser shall pay to Seller a deposit of **N/A DOLLARS ($N/A)** (the "Deposit"), which equals **N/A (N/A)** percent of the total Purchase Price (defined below) under this Agreement. The Deposit shall be applied to

the Purchase Price at Closing and nonrefundable to Purchaser, except as provided in *Section 5.A* of this Agreement.

## 2. CLOSING / PAYMENT

A. Closing: On or before **August 20, 2026** ("Closing"), Purchaser shall pay to Seller **SIXTEEN THOUSAND FIVE HUNDRED DOLLARS ($16,500.00)** for each Freshwater Wetland Credit and **N/A DOLLARS ($N/A)** for each Stream Credit for a total sum of **EIGHTY FOUR THOUSAND NINE HUNDRED FORTY TWO DOLLARS ($84,942.00) ("Purchase Price")**, in full, in certified check or immediately available funds as noted below:

| | | |
|---|---|---|
| **CHECK** | **Payable to:** | **WEYERHAEUSER NR COMPANY**<br>c/o Carolyn Torres<br>13005 SW 1st Road, Suite 241<br>Newberry, FL 32669 |

(1) Mail via a trackable delivery service, and
(2) include Special Instructions: Slide the envelope under the door if delivery occurs after business hours.

---

| | | |
|---|---|---|
| **ACH PAYMENT** | **Destination Bank:** | Bank of America<br>1825 Buckeye Road<br>Phoenix, AZ 85034 |
| | **Account Name:** | **Weyerhaeuser NR Company** |
| | **Routing ABA No.:** | 121 000 358 |
| | **Account No.:** | 123 360 0869 |
| **WIRE PAYMENT** | **Destination Bank:** | Bank of America<br>100 West 33rd Street<br>New York, NY 10001 |
| | **Account Name:** | **Weyerhaeuser NR Company** |
| | **Routing ABA No.:** | 026 009 593 |
| | **Account Number:** | 123 360 0869 |
| | **SWIFT:** | BofAUS3N |

** Please contact john.wigginton@weyerhaeuser.com *prior to initiating an ETF payment*.
**Note: The Purchase Price is non-refundable.**

B. Documentation: Upon receipt of the Purchase Price, Seller shall deliver to the **BCM-CZC** documentation confirming to the **BCM-CZC's** satisfaction that Purchaser has purchased compensatory mitigation pursuant to the Permit.

C. Reduction of Credits: If, during the period following execution of this Agreement but prior to the Closing Date, Purchaser determines that Purchaser will require fewer than **5.148** Freshwater Wetland Credits and/or **N/A** Stream Credits from the Bank, Purchaser shall have the option to elect, by written notice to Seller, to acquire fewer than **5.148** Freshwater Wetland Credits and/or **N/A** Stream Credits. If Purchaser so elects, the Purchase Price shall be proportionally reduced based on the actual number of Credits to be acquired by Purchaser; provided, however, that Purchaser's election to acquire fewer Credits will in no event entitle the Purchaser to return of all or a portion of the Deposit.

**3. WARRANTIES & DISCLAIMERS**:

A. Seller's Warranty: Seller represents and warrants that Seller has the authority and approval from the Corps and the IRT, pursuant to the UMBI, to sell the Credits and has complied with the requirements of the UMBI for the purposes of issuing such Credits. PURCHASER ACKNOWLEDGES AND AGREES THAT (I) THIS AGREEMENT IS AN ARM'S-LENGTH CONTRACT BETWEEN THE PARTIES; (II) SELLER HAS NO CONTROL OVER THE ACTIONS OR INACTIONS OF THE CORPS OR ANY OTHER GOVERNMENTAL AGENCY; AND (III) **EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, ALL REPRESENTATIONS, DISCLOSURES AND WARRANTIES, EXPRESS OR IMPLIED, ARE FULLY DISCLAIMED.**

B. Purchasers' Warranty: Purchaser warrants that: (1) Purchaser is an entity authorized to do business in South Carolina, and is duly authorized to enter into this Agreement and purchase the Credits; (2) Purchaser has the financial capability to pay for the Credits under this Agreement and, to the best of Purchaser's knowledge, there are no legal impediments restricting or otherwise existing that would prevent Purchaser from performing its obligations hereunder; and (3) Purchaser understands that Seller has made no representations or warranties to Purchaser with respect to the necessary number of Credits for Purchaser's needs. Purchaser acknowledges and agrees that it does not have and shall not hereafter have: (1) any rights to any monies generated by or related to the Bank (whether the surface or the subsurface of the Bank); or (2) any rights of ownership, use, or otherwise in the Bank.

**4. INSOLVENCY OF PURCHASER/REMEDIES**:

In case of the filing of a petition in bankruptcy by or against Purchaser, or the appointment of a receiver for Purchaser, or the insolvency of Purchaser, prior to Purchaser's full payment for the Credits under this Agreement, this Agreement shall automatically and immediately terminate without the necessity of any action or notice by or from Seller.

**5. DEFAULT AND REMEDIES:**

a. If the purchase and sale of the Credits contemplated hereby is not consummated because of a default by Seller, then Purchaser may, as Purchaser's sole and exclusive remedy hereunder on account of any default by Seller, terminate this Agreement by written notice to Seller, upon which notice Seller shall return the Deposit to Purchaser, and the Parties shall have no further rights or obligations hereunder except those which survive the termination hereof.

b. If the purchase and sale of the Credits contemplated hereby is not consummated because of a default by Purchaser, Seller may, as Seller's sole and exclusive remedy hereunder on account of a default by Purchaser, terminate this Agreement by written notice to Purchaser, upon which notice Seller shall be entitled to retain the Deposit, **it being agreed between Purchaser and Seller that such sum shall be Seller's sole and liquidated damages (and not a penalty) for such default of Purchaser hereunder because of the difficulty, inconvenience and uncertainty of ascertaining actual damages for such default**, and the Parties shall have no further rights or obligations hereunder except those which survive the termination hereof.

c. Notwithstanding anything in this Agreement to the contrary, neither party shall be liable to the other for punitive, consequential, special, incidental, or indirect damages of any nature, in each case arising out of or relating to the performance of this Agreement, and whether such liability is claimed in contract or tort.

**6. SAVINGS AND SEVERABILITY PROVISIONS**:

The parties agree that if a portion of this Agreement or if the application of this Agreement to any person or circumstance shall to any extent be declared invalid by a court of competent jurisdiction, then the remainder of this Agreement and the application of such provisions to persons or circumstances other than those held to be invalid shall not be affected thereby. Moreover, each other such provision of this Agreement shall be valid and enforced to the fullest extent permitted by applicable law.

**7. ASSIGNMENT**:

The parties may freely assign their rights under this Agreement.

**8. INTEGRATION/MODIFICATION**:

The Agreement contains the entire understanding between the parties with respect to the subject matter hereof. Furthermore, this Agreement supersedes and revokes all previous communications, negotiations and agreements, whether oral or written, between the parties with respect to the subject matter of this Agreement. No addition, modification or deletion of or to this Agreement or any waiver of any of its provisions shall be binding on either party unless made in writing and executed both by Seller and Purchaser.

**9. JURISDICTION**:

This Agreement shall be governed and construed for all purposes under and in accordance with the laws of the State of South Carolina.

**10. NOTICE**:

Any notice required or permitted under or given in respect to this Agreement shall be made in writing (including electronic transmission) directed as follows:

| | **SELLER'S ADDRESS** | | **PURCHASER'S ADDRESS** |
|---|---|---|---|
| **Name:** | **WEYERHAEUSER NR COMPANY** | **Name:** | **Town of Hilton Head Island** |
| **Attn:** | John Wigginton | **Attn:** | Marc Orlando |
| **Address:** | 206 Brighton Park Blvd., Suite A | **Address:** | 1 Town Center Court |
| | Summerville, SC 29485 | | Hilton Head Island, SC 29928 |
| **Mobile #:** | (334) 332-1717 | **Mobile #:** | |
| **Email:** | John.Wigginton@weyerhaeuser.com | **Email:** | marco@hiltonheadislandsc.gov |

**11. SUCCESSORS AND ASSIGNS**:

This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.

**12. COUNTERPARTS:**

This Agreement may be signed in multiple counterparts with the same effect as if all signatories had executed the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile or electronic (i.e., PDF) transmission will constitute effective execution and delivery of this Agreement and may be used instead of the original Agreement for all purposes.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the Effective Date.

**SELLER:** **WEYERHAEUSER NR COMPANY**

By: _____
Name: Doug Hughes
Title: Director, Mitigation Services
Date: _____

**PURCHASER:** **TOWN OF HILTON HEAD ISLAND**

By: _____
Name: Marc Orlando
Title: Town Manager
Date: _____

# TOWN OF HILTON HEAD ISLAND

*Finance & Administration Committee*

**TO:** Finance & Administration Committee
**FROM:** Doug Broyles, Procurement Officer
**CC:** Dave Byrd, Finance Director
**DATE:** July 24th, 2026
**SUBJECT:** Consideration of an Ordinance Approving Amendments to Town Procurement Code Section 11-1-315, Small Purchases

## BACKGROUND:

Town Code Section 11-1-315 establishes the threshold that defines a "Small Purchase" by the Town as "…*not to exceed twenty-five thousand dollars* (*$25,000…")* and conveys authority to the Town Manager to establish procedures that govern these transactions. The Town Code section and dollar limit were last updated on November 20th, 2007. The mechanism by which the Town Manager has established "Small Purchase" procedures to date is by approving a Town Procurement Standard Operating Procedures document ("SOP"). The current SOP version is dated October 2023 and attached for reference. While Town Code establishes the upper limit of what defines a "Small Purchase", the Procurement SOP establishes two tiers of purchases underneath that limit. First, purchases of less than $7,500, for which each department has the authority to make direct purchases with any vendor/contractor, subject to available budgeted funds and intra-departmental approvals. Second, for purchases more than $7,500, but less than $25,000, the department is required to either use an executed Contract vehicle (Town Contract, Cooperative Contract, Sole Source approval, etc.) or to obtain *at least 3 quotes* from vendors/contractors to compare and select from. These purchases are then reviewed by the Procurement department to ensure documents are in order and there is compliance with stated procedure, prior to approval and issuance of a Purchase Order ("PO").

## RECOMMENDATION:

After thorough benchmarking and consideration, Town Procurement, Finance and Administrative staff recommend updating the verbiage in Code Section 11-1-315 to reflect a new Small Purchase limit of fifty thousand dollars ($50,000).

We have compared the current thresholds and procedures of like municipalities and agencies in the State of South Carolina and provided those for your reference and review (attached) in support of this recommendation.

In conjunction with the recommended Town Code update, Town Staff is recommending to Town Manager that the Departmental authority level increase from seven thousand, five hundred dollars ($7,500) to a new limit of ten thousand dollars ($10,000). This recommendation would be provided to Town Manager via a revision to the Town Procurement SOP, upon Council's approval of the requested update to Town Code.

## NEXT STEPS:

Upon concurrence with the recommendation by this committee, the ordinance would need to be moved forward to Town Council for 1st reading consideration and, after that, move forward to approval and adoption at 2nd reading.

Once Town Council fully approves the update to Town Code language, Town Staff will then provide an updated version of the Town Procurement SOP to the Town Manager for review and adoption, reflecting the new "Small Purchase" definition in the Code.

## ATTACHMENTS:

1. Town Code Section 11-1-315. – Small purchases
2. Current Procurement SOP-October 2023
3. Amendment to Town Code Section 11-1-315- Small Purchases- PP
4. Proposed Ordinance

**Sec. 11-1-315. - Small purchases.**

Any procurement not exceeding the amount of twenty-five thousand dollars ($25,000.00) may be made in accordance with small purchase procedures promulgated by the town manager; provided, however, that procurement requirements shall not be artificially divided so as to constitute a small purchase under this section.

(Ord. No. 83-7, 10-3-83; Ord. No. 03-10, § 1, 4-1-03; Ord. No. 2007-24, § 1(Att. A), 11-20-07))

# TOWN OF HILTON HEAD ISLAND

# STANDARD OPERATING PROCEDURES
# FOR
# PROCUREMENT & CONTRACTING
# Revised October 2023

# TOWN OF HILTON HEAD ISLAND
# STANDARD OPERATING PROCEDURES
# FOR PROCUREMENT & CONTRACTING
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# TOWN OF HILTON HEAD ISLAND
# STANDARD OPERATING PROCEDURES
# FOR PROCUREMENT & CONTRACTING

## PURPOSE

To establish detailed Standard Operating Procedures ("SOP") for the procurement of goods and services by all Town Departments ("Departments"). These SOPs are intended to serve as the guide for proper methods, procedures and processes for acquiring goods or services for the Town. No such document can ever be all encompassing, therefore any questions or concerns that may arise during the procurement process should be directed to the Procurement Officer.

## UPDATE AND REVIEW

The SOP's will be reviewed annually by the Town's Procurement Officer to ensure the procedures still meet the needs and legal requirements of the Town.

When updates to the plan are needed, the Town's Procurement Officer will complete the necessary updates, seek final approval from the Finance Director and Town Manager, and once approved, inform staff that the document has been revised, and post it on the Town's intranet.

## BACKGROUND

Contracting/Procurement requirements are established in Title 11 of the Town's Municipal Code. The procurement process starts with the Town's Procurement Officer to whom the Town Manager has delegated procurement authority, as allowed per Title 11, Chapter 1, Article 2 of the Town's Municipal Code. All contracts and agreements must be reviewed and approved by Procurement Officer and the appropriate senior staff members which will vary depending on the nature of the procurement, with the exception of the contracts for Town Manager and Town Attorney. The Town utilizes an electronic routing system for the approval of contracts and contract amendments. Once all necessary approvals have been obtained, the appropriate Town official will sign on behalf of the Town. Signature authority for Town contracts is shown below:

- Non-Capital Improvement Contracts up to $100,000: Deputy Town Manager
- Capital Improvement Contracts up to $100,000: Assistant Town Manager - Community Development
- All Contracts Over $100,000: Town Manager

The Town utilizes a centralized procurement/contracting process overseen and administered by the Procurement Officer. Smaller purchases of up to $25,000 ("Small Purchases") can be handled at the departmental level, but must comply with the Small Purchase Procedures provided in Exhibit

1. Each Department is responsible for the acquisition of goods or services for which a line item has been established in their budget while assuring that the procurement is compliant with Title 11 of Town Municipal Code and these SOP's. The Procurement Officer should be consulted on any questions regarding the application of Title 11.

The procurement process requirements are determined primarily by the dollar amount of the procurement, regardless of the instrument (purchase card, purchase order or written contract) used for the procurement. The type/nature of the transaction will also impact process requirements. Departments shall consult with the Procurement Officer to confirm the proper approach if they are unsure.

The Town has three definitive methods/tools for procuring goods or services classified as Small Purchases: (i) issuing a purchase order, (ii) utilizing a Town-issued purchase card (P-Card), or (iii) executing a contract. A Purchase Order is also a simple contract and is just as binding as a formal written contract. Most Small Purchases can be acquired using a P-Card. However, if a vendor will not accept a P-Card, then a purchase order should be utilized. With some exceptions, the procurement of services that fall within the Small Purchases threshold will utilize the Town's standard contract as there are usually insurance requirements and other terms that need to be addressed. If a contract is established for a Small Purchase, a Purchase Order will also be created for that contract. Use of vendor contracts is possible, but they often require some modification to be acceptable to the Town. The Procurement Officer and either the Town Staff Attorney (or Town contracted legal firm) will review all vendor contracts and negotiate any necessary modifications with the vendor. Departments should consult with the Procurement Officer if they have any questions regarding Small Purchases. The detailed procedures and guidelines for Small Purchases are outlined in **Exhibit 1.**

For acquisition of goods or services exceeding $25,000, the Town Code requires a formal solicitation. These SOPs, together with the requirements of Title 11 establish the procedures for all formal solicitations. There are several formal solicitation methods that may be used. In all cases the formal solicitation process begins with and is managed by the Procurement Officer.

## PRE-SOLICITATION ACTIVITIES

**Department Representative**. The Department should assign someone from within their Department to represent their interests during the solicitation process. At the beginning of the process, the designated representative should consult with the Procurement Officer for assistance in determining the preferred solicitation method and the timeline for acquiring the goods or services.

**Solicitation Methods**. The Town's Procurement Code (Section 11-1-311) directs that all Town contracts be awarded by the method most practical and advantageous to the Town. The primary

formal solicitation methods utilized by the Town are: (i) an Invitation for Bids (IFB), (ii) a Request for Proposals (RFP), and (iii) a Request for Qualifications (RFQ)**.** The Procurement Officer, in consultation with the Department will make the final determination regarding which of these formats is most appropriate. The Department shall provide the Procurement Officer with a detailed description of the desired goods, or a detailed scope of work for the desired services. Departments shall also provide the necessary drawings, plans and special conditions for construction projects. The Procurement Officer will review materials provided by the Department and draft the solicitation document. For RFP's and RFQ's the Procurement Officer shall also collaborate with the Department to develop the evaluation criteria for evaluating vendor proposals.

**Invitation for Bids (IFB)**. The primary objective of an IFB is to obtain the lowest cost through the open solicitation of competitive bids. Normally this method is used when acquiring commercial off-the-shelf items or simple services with a well-defined scope of work, making price the primary consideration. All bids will remain sealed until the stated the bid opening date and time. Bid openings may be performed via virtual meetings. Contract award will be made to the responsible and responsive bidder having the lowest total cost. Definitions of "responsive" and "responsible" are provided in the "Review of Bids/Proposals" section of this document (contact the Procurement Office for the standard IFB format).

**Request for Proposals (RFP)**. The RFP solicitation method is primarily used for procuring services, except certain professional services requiring an RFQ as described in the next section of this document. An RFP is also used for acquiring products that do not lend themselves to a well-defined set of specifications, such as software applications/solutions. The RFP method utilizes additional evaluation criteria other than just the cost. While cost will always be one of the evaluation criteria it may or may not be the most heavily weighted factor in an RFP. All vendor proposals will remain sealed until the stated date and time for the opening of submittals. Proposal openings may be performed via virtual meetings. Contract award will be made to the responsible and responsive offeror having the highest rated proposal based on scoring of the evaluation criteria stated in the RFP (contact the Procurement Office for the standard RFP format).

**Request for Qualifications (RFQ)**. The RFQ solicitation method is only to be used to obtain certain professional services such as architects, engineers, surveyors, doctors, or other similar professional services when determined to be the method most practical and advantageous to the Town. The Procurement Officer will make the final determination regarding whether an RFQ is the proper vehicle for the services desired. Such professional services will often require special licensing or certifications. All vendor qualifications will remain sealed until the stated date and time for the opening of submittals. Submittal openings may be performed via virtual meetings. The RFQ process provides the ability to select the most qualified respondent and to negotiate a fair and reasonable price (contact the Procurement Office for the standard RFQ format).

**Establishing Evaluation Criteria**. For all solicitations, the evaluation criteria must be established

and stated in the solicitation document. The relative weighting of each criterion shall also be determined and will usually be included in the solicitation document as well. If it is determined to be in the best interests of the Town to not state the criteria weighting in the solicitation document, the criteria must at least be listed in the relative order of importance as required by Section 11-1-313 of Town code. The Procurement Officer must approve the evaluation criteria and weighting prior to release of the solicitation document. The evaluation methodology will also be developed and approved by the Procurement Officer, with input from the Department.

**IFB Evaluation Criteria**: When using an IFB, the selection is based 100% on the lowest cost (see formula below), subject to the Town's determination that the vendor is both responsive and responsible. Definitions of "responsive" and "responsible" are provided in the "Review of Bids/Proposals" section of this document. If a vendor is determined to be either non-responsive or not responsible, that vendor's bid shall rejected and not eligible for contract award.

$$\frac{\text{Lowest Cost}}{\text{Cost Being Evaluated}} \times \text{Maximum Points Available} = \text{Awarded Points}$$

**RFP Evaluation Criteria**: The RFP method provides for the use of other evaluation criteria in addition to cost. The Procurement Officer will work with the requiring Department to determine the appropriate evaluation criteria, weights to be assigned to each criterion, and scoring methodology. While cost will always be one of the evaluation factors, it may or may not be the most heavily weighted factor in an RFP. However, any Department desiring to use a weight of less than thirty percent (30%) for cost must provide justification to the Procurement Officer who shall make a final determination if a lower weight is in the Town's best interests. Lower weighting of cost should be reserved for highly technical or complex procurements where other attributes carry much more critical to the Town than cost. The evaluation methodology will be developed and approved by the Procurement Officer, with input from the Department.

The evaluation methodology for the non-cost criteria shall provide general guidelines for scoring within each criterion. A tiered system is the most common way to score, but the methodology shall allow evaluators some flexibility to assign a score falling between the established tiers to allow for more nuanced scoring. In all cases, evaluators shall include comments explaining the scores they award.

When scoring the cost of proposals, the same formula used for scoring IFB's shown above shall be used.

After initial scoring by the evaluation committee, the committee may wish to interview a select list of finalists, which usually consists of the top 2 to 4 respondents, at the discretion of the committee. The committee will then have an opportunity to adjust scoring if warranted.

**RFQ Evaluation Criteria**: For an RFQ, the development of evaluation criteria and the scoring

methodology is the same process as described above for an RFP, with the exception that cost will not be a part of the evaluation. The RFQ process provides the ability to select the most qualified respondent and to negotiate a fair and reasonable price.

After initial scoring by the evaluation committee, the committee may wish to interview a select list of finalists, which usually consists of the top 2 to 4 respondents, at the discretion of the committee. The committee will then have an opportunity to adjust scoring if warranted. Once contract award is made, . negotiations for final pricing shall begin with the selected firm.

**Evaluation Committee and Scoring**. Evaluations will be performed online using the e-Procurement software. Evaluators will receive an e-mail notification from the e-Procurement software indicating that they have been assigned to evaluate proposals for a particular solicitation. Prior to starting their evaluations, Evaluators will be required by the eProcurement software to declare that they do not have any conflicts of interest by electronically signing a Declaration Form. Any individual having a conflict of interest as defined shall be removed from the committee and replaced by someone not having such a conflict. The evaluation committee shall be ideally comprised of a minimum of three (3) Town staff members, and where practical, have members from each Department that will be directly impacted by the resulting contract. Depending on the nature of the solicitation, non-staff members may be included on the evaluation committee due to expertise in a relevant area. The requesting Department and Procurement Officer will mutually determine the members of the evaluation committee. The Procurement Officer retains the right to serve as a member of the evaluation committee, but in all cases shall organize and attend evaluation committee meetings to observe and provide guidance as needed.

**Public Notice and Posting of Solicitations**. Public notice for all Town solicitations is required. Once solicitation documents are finalized, the Procurement Officer or his/her designee will post the solicitation document to the Town's Procurement Portal via the eProcurement software and advertise it on the South Carolina Business Opportunities website. Advertisement in the local paper is not required, but the Procurement Officer, at his discretion, may choose to do so. Advertisement must be posted no less than fourteen (14) calendar days prior to the deadline for submission deadline for bids or proposals. However, the open period for any particular solicitation shall take into consideration the nature and complexity of the solicitation and provide reasonable amount of time for the vendor community to prepare a thorough proposal and submit it electronically by the deadline. Choosing an adequate open period also helps to maximize the number of competitive proposals received. In addition to direct vendor invitations issued by the Procurement Officer, the Department may request certain vendors be invited as well. Solicitation documents should not be emailed directly to vendors and instead vendors should be directed to the Town's Procurement Portal to register and download the documents. Vendor registration will allow them to automatically receive email notification of any changes or amendments to the solicitation. Town staff shall not have any communication with vendors about the solicitation once it has been issued and up until a contract has been fully executed, unless cleared by the Procurement Officer. In the

event that only one (1) vendor proposal is received in response to a solicitation issued by the Town, the Procurement Officer, at his sole discretion and after consultation with the Department, may require the solicitation be reissued to encourage more competition, provided such reissuance does not adversely impact the Town's operations or ability to meet its obligations.

## POST SOLICITATION ACTIVITIES

**Bid Openings**. All bid openings are open to the public and will typically be scheduled as virtual meetings occurring the morning following the submission deadline. The invitation for the virtual meetings will be provided in the solicitation documents. The names of all vendors submitting a proposal shall be announced, and, where the solicitation document is an IFB, vendor pricing shall also be announced. Pricing information will not be made public during openings for RFP's and RFQ's. This method preserves the Town's ability to conduct negotiations with the offerors and the flexibility to consider slightly different approaches/solutions to the same requirement.

The date and time of the opening shall always be published in the solicitation document. A summary of all vendor bids/proposals received will be posted and available to the public via the Town's Procurement Portal, usually within forty-eight (48) hours after the submittal deadline. Vendors will not be able to submit bids or proposals to the Town's Procurement Portal after the submittal deadline has passed.

**Review of Bids/Proposals.** All responses to IFB's shall be reviewed to identify the lowest cost proposal. Once a low bidder has been determined, that low bidder must pass the test for responsiveness and responsibility. To be considered responsive all the requirements of the invitation for bid must be satisfied by the bidder's proposal. Responsibility is determined based on the Town's direct past experience with the bidder (if applicable), checking references provided by the bidder, and review of any other information (ex. vendor litigation history) that would impact responsibility.

All responses to RFP's and RFQ's shall be reviewed utilizing the published evaluation criteria as the basis for award recommendation.

The Procurement Officer will be responsible for performing the cost evaluation for all solicitations. The Procurement Officer also retains the right to serve as a member of the evaluation committee scoring non-cost criteria, but normally will not.

In the event that there is a need for members of an evaluation committee to meet and discuss the evaluations, such meetings shall:

- Have an agenda publicly posted online and in a physical location where such public meeting notices are normally posted, no less than twenty-four (24) hours in advance of the meeting.

For RFP solicitation's, once the evaluation committee has completed its evaluation, including any interviews of firms deemed to be finalists, a contract may be awarded to the highest rated/ranked contractor.

For RFQ solicitation's, once the evaluation committee has reviewed all the qualifications, including any interviews of firms deemed to be finalists, a contract may be awarded to the highest rated/ranked contractor and negotiations of financial terms shall begin. The Department together with the Procurement Officer shall develop a list of persons they wish to be involved in the contract negotiations and prepare a memo to the Town Manager requesting his signature as approval for those persons to be the designated negotiators. Should negotiations with the top-rated firm fail, negotiations with the next highest rated firm would begin, and so on. The Town should establish and have a basis for the determination of what is the fair and reasonable price, which most often will involve a review of rates on existing similar contracts as well as the rates submitted by all of the other Offerors for a particular solicitation.

**Contract Award and Notification.** Shortly after completion of the evaluation process and selection of a contractor, notice of the contract award shall be made available via the Town's Procurement Portal, along with notification to all other Offerors. In the event a contractor submits a request for a debriefing on the results of the evaluation of proposals or contract award, such inquiries should be referred to and conducted by the Procurement Officer.

**Contract Preparation**. After contract award, a contract shall be drafted utilizing the applicable standard Town contract format. The Procurement Officer will normally draft the contract, but on occasion the Department may draft the agreement and submit to the Procurement Officer for review and processing. When a Department is drafting a contract, it shall consult with the Procurement Officer on the proper contract template to utilize, which should also have been included in the solicitation. There are occasions where the contractor's agreement may be utilized as the basis for the contract (i.e. software agreements), and in those instances the Procurement Officer will work with the Town's Staff Attorney (or Town contracted legal firm) and the contractor to arrive at a mutually agreeable contract.

**Contract Types**. There are three (3) standard contract formats that the Town has adopted. These are the primary formats that will be utilized for the majority of Town requirements. The primary exceptions to this rule will be the use or addition of: (i) standard American Institute of Architects (AIA) contracts for architects and certain vertical construction projects, (ii) standard Engineer Joint Contract Documents Committee (EJCDC) contracts for engineering and certain non-vertical construction projects, and (iii) vendor provided agreements (i.e. software).

**Indefinite Delivery/Services Contracts**. For those goods and services that are acquired on a routine/recurring basis where the quantity and/or frequency of use is not predictable, the use of

indefinite delivery/indefinite quantity (IDIQ) contracts are the most efficient and effective manner in which to procure these goods and services. IDIQ contracts are effectively "On-Call" contracts. A contract will be awarded for a defined period of time that establishes the line item costs for these goods or services. During the term of such contracts, as goods or services are required a Job Order or Task Order will be issued and agreed upon by the parties.

**Contract Approval & Execution**. Once the contract draft is finalized, a contract package is assembled and routed electronically for internal approval. There are several documents that make up the contract approval package including: (i) contract routing approval form (ii) a contract award recommendation memo prepared by the Procurement Officer, (iii) a completed Contract Approval Checklist signed by the Procurement Officer, (iv) the contract with all referenced exhibits and attachments, (v) vendor-signed Illegal Immigration Affidavit (if applicable), (vi) Certificate(s) of Insurance showing required coverages (if applicable), (vii) Town Business License (if contractor currently has one), (viii) Contractor's W-9 (if not a currently set up as a Town vendor), and (ix) any other forms or documentation material to the contract or procurement requirements (i.e. Bid Bonds, etc. as may be applicable).

The contract approval package will be routing electronically for approval by all necessary parties and signature by the proper Town official. The contract will then be routed to the contractor for countersignature. After the contract is fully executed, it shall be filed with Administration along with the contract approval package in the eProcurement software's Contract Management module. This will be the official Contract Record.

**Contractor Proposals**. Because contractor proposals are recorded and stored in the Town's Procurement Portal, they are not required to be filed with the contract package. Instead, the Town's Contract Management Software will provide a link to the applicable Procurement Record where contractor proposals can be viewed or downloaded as needed.

## OTHER METHODS OF PROCUREMENT

**Sole/Single Source Purchase**. The Town's Procurement Code (Section 11-1-316) directs that this method of procurement should only be requested on a very limited basis. It is not meant to be a means to select a preferred vendor or particular brand/model. A contract may be awarded, or a purchase order may be issued, for a supply, service or construction item without competitive sealed bids or competitive sealed proposals when the Procurement Officer and Town Manager have determined, in writing one of the following unique circumstances:

1. That there is only (1) source ("sole source") for the required supply, service or construction item.

   Or

2. That a particular source ("single source") for the required supply, service or construction item has a unique ability or knowledge with respect to the supply, service or construction.

To make a sole source approval request, the requestor must have made a diligent and reasonable search for alternative sources and found that there are no other sources available, and document this in the procurement record.

To make a single source approval request, the requestor must clearly document that while there are multiple sources, the selected source possesses unique abilities or knowledge, and that those unique abilities or knowledge are required to satisfactorily meet the needs of the Town. Simply having a history of providing services to the Town before is not adequate justification to grant a single source approval, unless that historical experience gives them unique abilities or knowledge that are critical to the services being requested. Before a sole or single source approval request is made, the requesting department must consult with the Procurement Officer. If warranted, a request memo addressed to the Town Manager shall be prepared and first routed to the Procurement Officer. The Procurement Officer shall have the sole discretion to place a notice of intent to sole source a purchase on the South Carolina Business Opportunities (SCBO) website. Such notice shall give the public a cut-off date by which if the Town has not received any inquiries from other vendors, or has received vendor inquiries, but has determined that those vendors cannot offer the goods or services desired, the Procurement Officer shall forward the request and approval memos, along with the SCBO notice (if applicable), to the Town Manager for final consideration and approval. Approval of such requests shall state with particularity the factual basis for the sole/single source determination and shall become part of the Procurement Record (contract the Procurement Office for sole/single source request/approval memo sample).

**Emergency Procurements**. The Town's Procurement Code (Section 11-1-317) directs that the Town Manager or his designated representative may make or authorize others to make emergency procurements when there exists a threat to public health, welfare, or safety under emergency conditions, or when normal daily operations are adversely affected. However, such emergency procurements shall be made with such competition as is practical under the circumstances.

**Public and Private Partnerships**. It may be advantageous to the Town to agree to this type of partnership when both private and public funds are being considered for the funding of a community project within the Town. This public and private partnership should be formally documented and approved by the Town Manager. Since public funds are involved all the requirements of the Town's Procurement Code must be adhered to during this process. The Town's Procurement Officer will review and manage the issuance of all solicitation documents and will ensure that all steps of the formal procurement process are followed. Normally under these arrangements the Town's standard contract document will be utilized to enter into a formal agreement with the successful contractor.

**Use of Contracts Established by other Public Procurement Units**. Sec. 11-1-815 of the Town's Procurement Code allows the Town procure supplies, services, or construction items through contracts established by the State of South Carolina, or through any comparable regional, county or other governmental public procurement unit. A public procurement unit includes: any county, city, town, and any other subdivision of the state or public agency of any such subdivision, public authority, educational, health, or other institution, any other entity which expends public funds for procurement of supplies, services, or construction. Purchases made from these contracts are exempt from the Town's formal solicitation requirements. If this type of procurement is desired or contemplated, consult with the Procurement Officer.

## CONTRACT AMENDMENTS, RENEWALS AND ADMINISTRATION

**Contract Administration**. The Procurement Officer is responsible for Contract Administration. Contract Administration is defined as oversight of contracting process and procedure, including but not limited to: (i) the issuance of solicitation documents, (ii) evaluation of vendor proposals and contract award, (iii) compliance with procurement related policies, and (iv) procurement policy review and update.

**Contract Management**. Contract Management is defined as oversight and management of contract performance by the contractor. Contract Management is the responsibility of the Department to which the contract is assigned. Contract Management shall consist of a review of contract deliverables or obligations against actual contractor performance, and also involve matching invoiced charges against the current contract pricing/rates. If a contract is being renewed, the renewal memo to be included in the approval package should at a minimum contain a statement that the contractor has satisfactorily met its obligations under the contract during the current term. When a Department becomes aware that a contractor is not meeting its obligations under an agreement, they should inform the contractor in writing and request the contractor to provide a plan for remediation. In the event of any disagreement between the Department and a contractor on whether contractor is meeting its obligations, or that contractor's plan for any remediation is satisfactory, the Department shall schedule a meeting to include the Department Head, the contractor, the Procurement Officer and any other Town staff as appropriate.

**Contract Amendments/Change Orders**. There may be the need during the performance period of a contract to address either a change in the scope of work, or to amend certain contract terms or conditions.

For construction related or job order contracts where unforeseen changes to the scope of work arise, the proper method for documenting these changes is a change order (see samples on Town intranet under Procurement Forms). All such change orders should be processed and fully approved before any additional work by the contractor commences.

For all other contracts, a contract amendment is required to alter the terms or conditions of a contract as well as renew a contract. Contract amendments should be fully executed prior to any changes being implemented.

**Contract Renewal/Replacement**. Each Department shall be responsible for monitoring the expiration dates for its current contracts and shall initiate renewal or replacement activities sufficiently in advance of those dates. If a contract has remaining renewal periods available and the Department desires to renew the contract, it should notify the Procurement Officer at least sixty (60) days prior to the current expiration. The Procurement Officer will prepare a renewal amendment for approval and execution. If a contract does not have any remaining renewals and needs to be replaced with a new agreement, the Department shall coordinate the issuance of new solicitation with the Procurement Officer, and adhere to the following recommended timelines.

**Contracts Needing a Formal Competitive Process (IFB/RFP/RFQ) (>$25K)**:

(a) **120 days** prior to current contract expiration – Department, with assistance from the Procurement Officer, should begin drafting the solicitation document including theevaluation criteria.

(b) **90 days** prior to current contract expiration – Solicitation document should be finalized and ready to be publicly advertised and posted on the Town's Procurement Portal.

(c) **60 days** prior to current contract expiration – Bids/proposals should be due from bidders/respondents. A bid/proposal opening shall be held soon after (within 24 hours) which will often be done via virtual conference. Copies of bids/proposals shall be made available to members of the evaluation committee after the Procurement Officer has reviewed them for compliance and completeness.

(d) **30 days** prior to current contract expiration – Evaluations should be completed, contract award determined and contract negotiations commenced.

(e) **20 days** prior to current contract expiration – Contract negotiations should be completed and contract approval package should be prepared and routed for required Town approvals.

(f) **1 - 10 days** prior to current contract expiration – Contract should be fully executed by both parties and in place.

**Contracts Not Needing a Formal Competitive Process (Small Purchases) ($25K or less)**:

(a) **60 days** prior to current contract expiration – Department should solicit the necessary quotes and other documentation needed to draft new contract.

(b) **30 days** prior to current contract expiration – Contract negotiations should be completed and contract finalized. Contract package should be prepared and routed for required Town approvals.

(c) **1 - 15 days** prior to current contract expiration – Contract should be fully executed by both parties and in place.

**ADDITIONAL PROCUREMENT RELATED INFORMATION**

**Use of Local Vendor Preference**. The Town's Procurement Code (Section 11-1-319) provides for a preference to any qualified local vendor who meets the following criteria:

To qualify for this preference all of the following criteria must be met and certified to by the vendor:

(1) The vendor must maintain an office within the legally defined boundaries of the Town of Hilton Head Island and have a majority of full time employees, chief officers and managers regularly conducting work and business from this office.
(2) The vendor must have held a valid business license for a consecutive period of at least three (3) years prior to the date of application for certification.

Use of the local vendor preference during the bid evaluation process:

(1) It is the responsibility of the Bidder to notify the Town that it is a certified local vendor by submitting the Local Vendor Certification Statement when they submit their proposal.

(2) For comparing bids, any vendor who is a certified local vendor will have their bid price reduced by five percent (5%), not to exceed a maximum reduction of $10,000.00. If after the application of the local vendor preference, the vendor is determined to be the low responsive/responsible bidder, they will be awarded the contract. A vendor must obtain certified local vendor status prior to the bid opening in order to receive the preference. Vendors submitting an application that has not been certified by the Town will not be eligible to have the local vendor preference applied.

(3) The final contract price will reflect the original bid amount before the local vendor preference was applied.

The following types of procurements or procurement methods are excluded from this preference:

(1) All requests for qualifications for professional services (RFQ's).
(2) Contracts that may receive Federal funding or reimbursement.

**Illegal Immigration Act**. The South Carolina legislature has passed the Illegal Immigration Reform Act. This act requires contractors use the E-verify system to verify the work authorization of every new hired employee within three (3) business days after employing an individual. Pursuant to the Act, all contractors doing business with the Town must certify that they are in compliance with the Act and that they will continue to comply with the Act during the term of the contract. The contractor shall complete an I-9 Contractor Affidavit which will be submitted with the contractor's bid or proposal.

**Small, Minority and Women-Owned ("Disadvantaged") Business Commitment**. The Town is committed to ensuring that small businesses enterprises as well as businesses enterprises owned and operated by women and/or minority persons (collectively "disadvantaged business") are afforded every opportunity to fully and fairly participate in the Town's procurement process for goods and services and has adopted a Utilization Plan and Good Faith Effort Program for such purpose. The Town does not have a certification program for disadvantaged businesses, but encourages qualifying businesses to become certified with the South Carolina Department of Transportation (www.scdot.org/business/bus-development-dbe-sbe-cert.aspx) and/or the South Carolina Division of Small and Minority Business Contracting and Certification (osmba.sc.gov/resources.html). In an effort to be inclusive in its procurement process, the Town consults directories maintained by the aforementioned and/or similar organizations to identify and directly solicit certified disadvantaged businesses. The Town shall also encourage disadvantaged businesses to visit the Town's Procurement Portal and register as a potential vendor.

The Town does not utilize affirmative action in its procurement process, except that in the event of tied bids or proposals involving a certified disadvantaged business and a non-disadvantaged business, the Town will award the procurement to the certified disadvantaged business. Tied bids or proposals involving two certified disadvantaged businesses will be settled with a random selection method. It is the obligation of the disadvantaged business to submit proof of certification from a governmental entity in the United States at the time they submit their bid or proposal in order for the certification to be considered by the Town in determining an award as described above.

**Procurement Forms and Templates**. Contract the Procurement Office if any procurement forms or templates are needed.

# EXHIBIT 1
# SMALL PURCHASE PROCEDURES

## RULES AND REGULATIONS
## FOR MAKING PURCHASES UP TO $25,000

Under Section 11-1-315 of the Procurement Code of the Town of Hilton Head Island, the Town Manager may establish procedures for handling purchases of goods and services up to $25,000. Therefore, the following rules shall apply to all purchases up to $25,000, unless otherwise exempted by Title 11 of the Municipal Code.

1. Purchases of goods and services up to $7,500, require either: (i) the completion and approval of a purchase order, (ii) a purchase card transaction (if within P-Card dollar limitations), or (iii) an executed contract, prior to purchase. Employees are encouraged to check competitive prices to obtain the lowest price, but may proceed with the purchase if confident the pricing quoted from one vendor is fair and reasonable. No purchase may be artificially subdivided to constitute a small purchase.

2. Purchases of goods and services from $7,500.01 to $25,000.00, require either: (i) the completion and approval of a purchase order, (ii) a purchase card transaction (if within P-Card dollar limitations), or (iii) an executed contract, prior to purchase. Employees are required to obtain a minimum of three (3) written bids/quotes. The designated Department representative must also document in writing either of the following occurrences: (a) any deviation from selecting the lowest price (must have reasonable justification, such as lowest quote can't provide goods or services by the needed timeline), or (b) purchases where there are less than three (3) sources available for price comparison purposes (there must be evidence that a due diligence effort was made to obtain three quotes, which should include email solicitations sent or a list of vendors who were contacted by phone along with phone numbers called and dates calls were made, and a summary of vendor responses or non-response). Documentation of the competitive quotes solicited, along with any other written documentation required shall be filed as part of the official procurement record, which means either: (a) uploaded to the P-Card transaction in Works, (b) uploaded the purchase order record in Munis, or (c) filed with the contract package. All purchases made with a P-Card must be in compliance with the Town's Purchasing Card Policy.

# Procurement – Review and Consideration of Amendment to Town Code Section 11-1-315 - *Small Purchases*

TOWN OF HILTON HEAD ISLAND,
SC

# “Small Purchases” Update

## Town Code Reference:

Sec. 11-1-315. - Small purchases.

Any procurement not exceeding the amount of twenty-five thousand dollars ($25,000.00) may be made in accordance with small purchase procedures promulgated by the town manager; provided, however, that procurement requirements shall not be artificially divided so as to constitute a small purchase under this section.

(Ord. No. 83-7, 10-3-83; Ord. No. 03-10, § 1, 4-1-03; Ord. No. 2007-24, § 1(Att. A), 11-20-07))

“…promulgated by the Town Manager…” currently means approved within the current Town Procurement SOP

## Current:

Less than $7,500 - Departmental Authority - May proceed with the purchase if budget/funds available

$7,501 to $25,000 - Requires a minimum of 3 written quotes

Over $25,000 – Requires Public Solicitation or separate approval (Such as Sole Source, Cooperative Contract, Emergency)

## Recommended:

Less than **$10,000** - Departmental Authority - May proceed with the purchase if budget/funds available

$10,000 to **$50,000** - Requires a minimum of 3 written quotes

Over **$50,000** - Requires Public Solicitation or separate approval (Such as Sole Source, Cooperative Contract, Emergency)

# Benchmarking

| Government Entity | Department Threshold | 3-Quote Threshold | Public Solicitation Threshold | Notes |
|---|---|---|---|---|
| State of SC | $10,000 | $10,001-$100k | Over $100,000 | 3 quotes applies to Construction/COTS, 1 for all else |
| Town of Bluffton | $15,000 | $15,001-$100k | Over $100,000 | |
| Beaufort County, SC | $5,000 | $5,001-$50,000 | Over $50,000 | |
| Greenville, SC | $2,500 | $2,500-$50,000 | Over $50,000 | |
| Rock Hill, SC | $20,000 | CFO/Procurement Manager Approve methodology | CFO/Procurement Manager approve methodology | Decentralized below $20k, CFO/Proc. approve method over 20k |
| HHI - Current<br>HHI - Recommend | $7,500<br>$10,000 | $7,500-$25,000<br>$10,000-$50,000* | Over $25,000<br>Over $50,000* | *Requires update to Code Sec. 11-1-315 |

# Rationale/Recommendation

**Rationale:**

- Code was written in 2007, significant inflationary pressures since, especially post-Covid
- Most comparable municipalities are already at a “Small Purchase” limit of $50,000 or higher ($100k)
- Our average purchase in the trailing twelve months is $26,135.27, this update would improve Town efficiency on many transactions
- The Compliance process has already been established (April 2025) for Procurement approval of Requisitions in Munis, and remains the same at the new level
- This update would allow us to engage even more Small Businesses locally that might not be willing/able to respond to a formal Public Solicitation (IFB/RFQ/RFP)

**Recommendation:**

**After thorough benchmarking, review and consideration, Town Procurement, Finance and Administrative staff recommend updating the verbiage in Code Section 11-1-315 to reflect a $50,000 Small Purchase threshold.**

**TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**

**ORDINANCE NO. 2026-_____**

**AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AMENDING TITLE 11 OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, TO INCREASE THE DOLLAR LIMITATIONS FOR SMALL PURCHASES ESTABLISHED IN SECTION 11-1-315**

**WHEREAS**, Town Staff recommend an update to Section 11-1-315 of the Municipal Code,

**WHEREAS**, the Town Council now finds it is in the best interest of the Town to amend the Municipal Code of the Town of Hilton Head Island, South Carolina as provided for and described herein.

**NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS ORDAINED BY THE AUTHORITY OF THE SAID TOWN COUNCIL:**

**Section 1 –** That the Municipal Code of the Town of Hilton Head Island, South Carolina be, and hereby is, amended to read as indicated. New text is indicated by underline, and deleted text is indicated by a ~~strike through~~ as shown below. The text is hereby amended as follows:

> Sec. 11-1-315. Small purchases. Any procurement not exceeding the amount of ~~twenty-five thousand dollars ($25,000.00)~~ Fifty Thousand ($50,000) Dollars may be made in accordance with small purchase procedures promulgated by the town manager; provided, however, that procurement requirements shall not be artificially divided so as to constitute a small purchase under this section.

**Section 2 – Severability.** If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

**Section 3 - Effective Date.** This Ordinance shall be effective upon adoption thereof by the Town Council for the Town of Hilton Head Island, South Carolina.

**PASSED AND APPROVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS _____ DAY OF _____, 2026.**

TOWN OF HILTON HEAD
ISLAND, SOUTH CAROLINA

_____
Alan R. Perry, Mayor

ATTEST:

_____
Kimberly Gammon, Town Clerk

First Reading:

Second Reading:

APPROVED AS TO FORM:

_____
Brittany Ward, Town Attorney

# TOWN OF HILTON HEAD ISLAND

*Finance and Administration Committee*

| | |
|---|---|
| **TO:** | Finance and Administration Committee |
| **FROM:** | Jeff Netzinger, Engineering Director |
| **VIA:** | Shawn Gillen, Assistant Town Manager<br>Brittany Ward, Town Attorney |
| **CC:** | Marc Orlando, ICMA-CM, Town Manager<br>Shawn Leininger, Deputy Town Manager<br>Derrick Coaxum, Facilities Director |
| **DATE:** | August 10, 2026 |
| **SUBJECT:** | Consideration of a Resolution Authorizing the Town Manager to Execute and Deliver a Permit/Use Agreement with the South Carolina Department of Environmental Services for Access to a Groundwater Monitoring Well and Other Matters Related Thereto |

## RECOMMENDATION:

Consideration of a Resolution Authorizing the Town Manager to Execute and Deliver a Permit/Use Agreement with the South Carolina Department of Environmental Services for Access to a Groundwater Monitoring Well and Other Matters Related Thereto (**Attachment 1**). The Permit/Use Agreement is included as **Attachment 2**.

## BACKGROUND:

The South Carolina Department of Environmental Services (SCDES) maintains a groundwater-level monitoring network of more than 180 wells in the State as depicted on the USGS Groundwater Monitoring Network Map included as **Attachment 3**. Water-level data is used to identify changes in groundwater levels, calibrate groundwater flow models, and aid in drought monitoring. Well BFT-2055 is located on Town-owned property near the Singleton Beach Parking Lot at 4 Castnet Drive as shown on the map included as **Attachment 4**. The Permit/Use agreement would allow SCDES employees to enter the property to access the well, sometimes requiring the use and installation of monitoring instruments. Any modification of the well site shall be authorized by a separate agreement. The agreement term would extend from the date of execution until June 30, 2035.

## NEXT STEPS:

The recommendation of the Committee will be forwarded to Town Council for action on the proposed Resolution.

**ATTACHMENTS:**

1. Resolution Authorizing the Town Manager to Execute and Deliver a Permit/Use Agreement with the South Carolina Department of Environmental Services for Access to a Groundwater Monitoring Well and Other Matters Related Thereto
2. Permit/Use Agreement for the South Carolina Department of Environmental Services to Access Well for Monitoring Purposes
3. USGS Groundwater Monitoring Network Map (2022)
4. Groundwater Monitoring Well Location Map

**TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**

**A RESOLUTION BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE TOWN MANAGER TO EXECUTE AND DELIVER A PERMIT/USE AGREEMENT WITH THE SOUTH CAROLINA DEPARTMENT OF ENVIRONMENTAL SERVICES FOR ACCESS TO A GROUNDWATER MONITORING WELL AND OTHER MATTERS RELATED THERETO**

**WHEREAS,** the Town of Hilton Head Island, South Carolina ("***Town***") owns certain real property located near the Singleton Beach Parking Lot at 4 Castnet Drive, Hilton Head Island, South Carolina, including groundwater monitoring well BFT-2055 ("***Well***") located on said property; collectively hereinafter the "***Property***"; and,

**WHEREAS**, the South Carolina Department of Environmental Services ("***SCDES***") has requested continued access to the Well for purposes of monitoring, sampling, and data collection as part of SCDES's groundwater monitoring network, under the terms and conditions described in the proposed Permit/Use Agreement ("***Proposed Agreement***"), attached hereto and incorporated herein as "Exhibit A"; and,

**WHEREAS**, the Proposed Agreement authorizes SCDES to access the Property and Well, including the use and installation of monitoring instruments as necessary to fulfill the described purpose; and,

**WHEREAS**, Town Council has determined that authorizing the Town Manager to execute the Proposed Agreement with SCDES is in the best interest of the Town and supports environmental monitoring and stewardship effort within the community.

**NOW, THEREFORE, BE IT RESOLVED**, **AND IT HEREBY IS RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, THAT:**

1. ***Authorization.*** The Town Manager is hereby authorized to execute and deliver the Permit/Use Agreement, in a similar form and substance to Exhibit A, with the South Carolina Department of Environmental Services for access to a groundwater monitoring well, and to take such actions as may be necessary to carry out the Town's obligations described in the Proposed Agreement, and the intent of this Resolution.

2. ***Severability.*** If any section, phrase, sentence, or portion of this Resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

3. ***Effective Date.*** This Resolution shall become effective upon adoption.

**MOVED, APPROVED, AND ADOPTED ON THIS __ DAY OF _____, 2026.**

**TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**

Alan R. Perry, Mayor

ATTEST:

Kimberly Gammon, Town Clerk

APPROVED AS TO FORM:

Brittany Ward, Town Attorney

**AGREEMENT #: _____**

# PERMIT/USE AGREEMENT FOR THE SOUTH CAROLINA DEPARTMENT OF ENVIRONMENTAL SERVICES TO ACCESS WELL FOR MONITORING PURPOSES

**THIS PERMIT/USE AGREEMENT** ("***Agreement***") is entered into on this ____ day of ____, 2026, by and between the Town of Hilton Head Island (the "***Town***") and the South Carolina Department of Environmental Services ("***SCDES***"); collectively hereinafter referred to as the "***Parties***" and individually as a "***Party***").

The Parties enter into this Agreement in order to permit periodic access to a groundwater monitoring well in furtherance of SCDES's groundwater monitoring network. As part of this Agreement, the Town owns the Property described herein and retains ownership of the Well located on this Property. The Town agrees to provide SCDES continued access to the Well for monitoring purposes.

**Property Location and Description.** The Well, BFT-2055 ("***Well***"), is located near the Singleton Beach Parking Lot at 4 Castnet Drive, Hilton Head Island, SC 29928 ("***Property***"). The well site is located at the following coordinates: 32.19138° Latitude; -80.70385° Longitude ("***Well Site***"). The Well is enclosed by a fence and entry is made through a locked gate accessible to both the Town and SCDES on an as-needed basis.

**Specific Use.** Employees of SCDES are granted access to enter the Property for groundwater monitoring and sampling of the Well at the discretion of SCDES. SCDES activities may require the use and installation of monitoring instruments in the Well.

**General Conditions for Well Monitoring.** Employees of SCDES may have access to this property for well monitoring and sampling. Upon notice from SCDES, the Town shall provide any maintenance required for access. When not in use, SCDES shall secure the Well with a lock, with access being shared with the Town. SCDES must maintain good housekeeping at the Well Site.

Any modification to the Well or Well Site, including, but not limited to, well rehabilitation or redevelopment, shall be authorized by separate agreement.

**Term.** This Agreement shall extend from the date of execution until June 30th, 2035, and is eligible for renewal for the duration of the useful life of the monitoring Well.

**Termination.** Either party may terminate this Agreement without cause by providing written notification thirty (30) days prior to the date of cancellation.

**Amendment.** This Agreement may only be amended in writing and executed by both Parties.

**Restoration.** SCDES shall remove its equipment and vacate the Property within ninety (90) days of termination or expiration of this Agreement. After the termination or expiration of this Agreement, the Town maintains responsibility for the Well and will incur all associated costs,

including costs of properly capping and abandoning the Well in accordance with all applicable State and local laws and regulations at any future time so desired by the Town.

**Data Ownership and Disclosure.** Nothing in this Agreement shall be construed as granting the Town any right, title, or interest in or to any SCDES data derived from the monitoring Well. Ownership of all data remains with SCDES. To comply with State and local laws and regulations, SCDES may disclose and/or publish analytical data, including, but not limited to, water levels and conductivity.

**Insurance.** The Town will maintain sufficient insurance to protect the Town from the types of claims that may arise out of or result from the Town's activities under this Agreement, including professional liability insurance covering any professional services to be performed under this Agreement, and general liability insurance, and will provide SCDES with satisfactory evidence of such coverage upon request. If the Town is a South Carolina governmental body, it may satisfy this requirement by maintaining insurance through the S.C. Insurance Reserve Fund as provided by South Carolina law. SCDES will maintain liability coverage through the Insurance Reserve Fund as provided by South Carolina law. Neither party will provide individual coverage for the other Party's employees, with each party being responsible for coverage of its employees.

**Relationship of the Parties.** Neither Party is an employee, agent, partner, or joint venturer of the other. Neither party has the right or authority to control or direct the activities of the other or of the other's employees, or the right or authority to bind the other to any agreement with a third party or to incur any obligation or liability on behalf of the other party except to the extent expressly authorized in this Agreement.

Neither party assumes any liability for any claims, demands, expenses, liabilities, or losses that may arise out of any acts or failures to act by the other party, its employees or agents, in connection with the performance of services under this Agreement.

**Compliance with Laws.** The Parties shall comply with all applicable laws and regulations in the performance of this Agreement.

**Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision, which shall remain in full force and effect.

**Attachments/Addenda.** Any attachments, addenda or other materials attached to this Agreement are specifically incorporated into and made part of this Agreement. This Agreement, with all attachments, represents the entire understanding and agreement between the Parties with respect to the subject matter of this Agreement and supersedes all prior oral and written and all contemporaneous oral negotiations, commitments, and understandings between such Parties. The terms of this Agreement take priority over any conflicting or inconsistent terms of any other document, invoice, or communication between the Parties.

**Non-Indemnification; Limitation on Tort Liability.** Any term or condition of this Agreement or any related agreements is void to the extent it: (1) requires SCDES or the Town to indemnify,

hold harmless, defend, or pay attorney's fees to anyone for any reason; or (2) would have the purpose or effect of increasing or expanding any liability of the State, the Town or their agencies, officers, or employees for any act, error, or omission subject to the South Carolina Tort Claims Act, whether characterized as tort, contract, equitable indemnification, or any other theory or claim.

**Choice of Law.** This Agreement, any dispute, claim, or controversy relating to this Agreement and all the rights and obligations of the parties shall, in all respects, be interpreted, construed, enforced and governed by and under the laws of the State of South Carolina, except South Carolina's choice of law rules.

**Notice.** All notices under this Agreement may be given by personal delivery, fax or email (with confirmed receipt), or express, registered, or certified mail, FedEx or other common express delivery service, return receipt requested, postage prepaid, and addressed as indicated below (or to such other persons, addresses and fax numbers as a Party may designate by notice to the other Party):

To: *Town of Hilton Head Island*

Name: Shawn Gillen
Address: 1 Town Center Court,
Hilton Head Island, SC 29928
Phone: 843-854-1190
Fax:
Email: shawng@hiltonheadislandsc.gov

To: *S.C. Department of Environmental Services (SCDES)*

Hydrology Section-Division of
Water Resources, Bureau of Water
Attn: Scott Harder
Address: 2600 Bull St., Columbia, SC 29201
Phone: 864-260-5807
Fax: 803-898-7344
Email: scott.harder@des.sc.gov

Notice shall be effective when received or, if delivery by mail or other delivery service is refused, then upon deposit in the mail or other delivery service.

If any individual named above is no longer employed by the party in the same position at the time notice is to be given, and the party has failed to designate another person to be notified, then notice may be given to the named person's successor, if known, at the same address, or by mail to the named person's office.

*Signature Page to Follow*

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement as of the date written hereinabove.

**TOWN OF HILTON HEAD ISLAND**

BY: _____
Marc Orlando, Town Manager

**SOUTH CAROLINA DEPARTMENT OF ENVIRONMENTAL SERVICES (SCDES)**

BY: _____

THIS AGREEMENT IS NOT OFFICIAL AND BINDING UNTIL SIGNED BY THE SCDES CONTRACTS MANAGER.

_____
Francine Miller
SCDES Contracts Manager

DATE: _____

# South Carolina Groundwater Monitoring Network

GRV-2543
GRV-3335
(Saprolite) GRV-3336
GRV-3333
GRV-0712
GRV-3341 (Saprolite)
GRV-3342 (T)
CRK-0074
GREENVILLE
SPARTANBURG
CHEROKEE
YORK
YRK-3296
GRV-2162
OCO-0233
PICKENS
SPA-1581
GRV-2230 (Saprolite)
GRV-3533
LAN-0498
CTF-0081 (T)
CTF-0325
CTF-0327
OCONEE
AND-0326
UNION
CTR-0021
CHESTER
LANCASTER
CTF-0323
CTF-0324
CHESTERFIELD
MARLBORO
DIL-0121
DIL-0171
DIL-0172
DIL-0173
DIL-0174
DIL-0175
LRN-1706
CTF-0322
CTF-0189
KER-0263 (T)
ANDERSON
LRN-1705 (Alluvium) (T)
DAR-0228
LAURENS
KER-0435
CTF-0221
CTF-0222
LRN-1707
FAIRFIELD
KERSHAW
DILLON
DARLINGTON
NEWBERRY
LEE-0075
LEE-0179
LEE-0180
LEE-0181
ABBEVILLE
FLO-0128
GREENWOOD
SAL-0069 (T)
SUM-0504
SUM-0505
SUM-0506
SUM-0507
SUM-0508
LEE
FLORENCE
MARION
RIC-0794
RIC-0799
SUMTER
SUM-0355
RICHLAND
MCCORMICK
SALUDA
LEX-1703
RIC-0585
SUM-0488
SUM-0497
SUM-0146
FLO-0274
FLO-0276
FLO-0484
MRN-0077
MRN-0078 (M)
MRN-0178
MCK-0052
LEXINGTON
SUM-0492
SUM-0531
RIC-0543
SUM-0153
LEX-1702
HORRY
EDGEFIELD
CAL-0192
CAL-0193
CAL-0194
CAL-0195
CAL-0215
RIC-0775
RIC-0776
HOR-0309
LEX-0844
WIL-0360
LEX-0823
CLA-0016
CLA-0020
WIL-0012
HOR-0290
AIK-0826
AIK-0845 (M)
AIK-0846 (M)
AIK-0847
AIK-0848 (M)
AIK-0849
AIK-2742
AIKEN
CLARENDON
WILLIAMSBURG
HOR-1326
HOR-1327
AIK-2544
CALHOUN
AIK-0817
AIK-0818 (M)
AIK-0824
AIK-2449
AIK-2711
C-3
ORG-0393
ORG-0430
ORG-0431 (T)
ORANGEBURG
ORG-0634
WIL-0355
GEO-0390
GEO-0391
GEO-0386 (C)
GEO-0387 (C)
AIK-0902 (M)
AIK-0378 (M)
AIK-2379
AIK-2380
AIK-2741
AIK-0344
AIK-2733
BRN-0078
ORG-0385
ORG-0079
BRK-0644
GEORGETOWN
GEO-0381 (M)
GEO-0382
GEO-0383 (C)
C-2
C-1
C-5
BARNWELL
BAMBERG
BRN-0358 (M)
BRN-0359 (M)
BRN-0360 (M)
BRN-0365 (M)
BRN-0366 (M)
BRN-0367 (M)
BRN-0368 (M)
BRN-1015 (M)
BRN-0349
BRN-0350 (M)
BRN-0351
BRN-0352
BRN-0353
BRN-0354 (M)
BRN-0355 (M)
BRN-0356 (M)
BRN-1016 (M)
C-6
C-7
DORCHESTER
BRK-0431
BERKELEY
CHN-0803 (C)
COL-0803
ALL-0378 (M)
C-10
COL-0097
CHN-0101
ALL-0358 (M)
ALL-0363 (M)
ALL-0364 (M)
ALL-0365 (M)
ALL-0366 (M)
ALL-0367
ALL-0368 (M)
ALL-0369 (M)
ALL-0370 (M)
ALLENDALE
COLLETON
DOR-0228 (M)
CHN-0990 (C)
CHN-0991 (C)
HAM-0314
HAM-0315
COL-0030
JAS-0425
JAS-0426 (M)
JAS-0468
JAS-0492
HAMPTON
CHARLESTON
CHN-0163 (M)
CHN-0014
HAM-0083
COL-0804 (C)
CHN-0044
HAM-0050
CHN-0989 (C)
C-15
BEAUFORT
CHN-0484 (C)
COL-0301 (C)
ALL-0347 (M)
ALL-0348 (M)
ALL-0371
ALL-0372
ALL-0373
ALL-0375
ALL-0376
ALL-0377
ALL-0450
JAS-0490
JAS-0491
JASPER
BFT-0563
BFT-1845 (C)
BFT-1846
BFT-1809
BFT-2408
BFT-1813
BFT-1814
BFT-0429
BFT-2404
BFT-2356
BFT-2055 (M)
BFT-2245 (C)
BFT-1820
BFT-0101
BFT-1822

N

0 15 30 60 Miles

**Map prepared by the Land, Water & Conservation Division of the South Carolina Department of Natural Resources: February, 2022.**

## Aquifer

- Surficial aquifer system
- Gordon
- Upper Floridan
- Middle Floridan
- Crouch Branch
- McQueen Branch
- Charleston
- Gramling
- Gramling confining unit
- Crystalline rock

## Agency

- SCDNR
- USGS
- Cluster site

(M) Manual water level measurement
(C) Water level and conductivity measurement
(T) Telemetry Site

Blue Ridge | Piedmont | Coastal Plain




Town of Hilton Head Island
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341- 4600

# SCDES Groundwater Monitoring Well Location

1 inch =200 feet

N
W E
S

The information on this map has been compiled from a variety of sources and is intended to be used only as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island shall not be liable for its accuracy or state of completeness. Any loss or damage resulting from use is prohibited.

# TOWN OF HILTON HEAD ISLAND

## *TOWN COUNCIL*

| | |
|---|---|
| **TO:** | Finance and Administrative Committee |
| **FROM:** | TJ Jett, Chief Environmental Officer |
| **VIA:** | Angie Stone, Assistant Town Manager<br>Marc Orlando, ICMA-CM, Town Manager |
| **CC:** | Shawn Leininger, Deputy Town Manager |
| **DATE:** | August 10, 2026 |
| **SUBJECT:** | Consideration of a Resolution authorizing the Town Manager to enter into an agreement with the Hilton Head Audubon Society for services at Jarvis Creek Park and other matters related thereto |

**RECOMMENDATION:**

Consideration of a Resolution authorizing the Town Manager to enter into an agreement with the Hilton Head Audubon Society, a 501(c)(3) nonprofit organization and local chapter of the National Audubon Society, to establish a bird- and wildlife-friendly habitat including the maintenance of bird boxes within Jarvis Creek Park, a Town-owned and managed public park **(Attachments 1)**.

**BACKGROUND:**

Hilton Head Audubon has developed a Wildlife-Friendly Habitat Certification Program that recognizes properties incorporating habitat features such as native vegetation, water sources, and nesting structures for birds and other wildlife. Jarvis Creek Park has been identified as an ideal demonstration site due to its existing natural features, including native vegetation and water sources.

This project seeks to install bird boxes strategically placed within park boundaries to serve native bird species. The project plan and construction of the boxes are to be carried out by an Eagle Scout candidate seeking to obtain Eagle rank. As a signature requirement of the Eagle Scout program, the candidate must plan and complete a service project that benefits the community.

Local Eagle Scout candidate Jacson Rothman has built and prepared for installation:

- Two (2) Wood Duck boxes
- One (1) Nuthatch box
- Four (4) Bluebird boxes

A diagram outlining the specifications of each box as well as required maintenance timing is attached **(Attachment 2)**. These structures will be located around Lake Liggett at Jarvis Creek Park.

Once installed, ongoing monitoring and maintenance of structures will be the responsibility of Hilton Head Audubon through a maintenance agreement with the Town of Hilton Head Island, including authorization to perform the work on Town property.

## SUMMARY:

Approval of the resolution before the Town Council was reviewed on August 10 by the Finance and Administrative Committee and is necessary for project completion and award of Mr. Rothman's Eagle Scout rank.

## ATTACHMENTS:

1. Resolution
2. Diagram of Bird Boxes

**TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**

**A RESOLUTION AUTHORIZING THE TOWN MANAGER TO ENTER INTO AN AGREEMENT WITH THE HILTON HEAD AUDUBON SOCIETY FOR SERVICES AT JARVIS CREEK PARK AND OTHER MATTERS RELATED THERETO**

**WHEREAS,** the Town of Hilton Head Island ("***Town***") desires to continue to provide the citizens and visitors with parks that highlight the island's natural beauty while protecting the environment and the native animals. In furtherance of the Town's goals, the Town developed Jarvis Creek Park which is a 53-acre park with a large pond surrounded by a one-mile walking pathway with mature trees and vegetation that is home to wildlife; collectively hereinafter the "***Park***"; and,

**WHEREAS,** the Hilton Head Audubon Society ("***HHAS***") is a South Carolina nonprofit operating in good standing formed with a goal to preserve and protect coastal marshes, beaches, maritime forests and other habitats, ensuring they will be available for continued enjoyment of residents and visitors and for their use by migrating and resident. HHAS has developed a Wildlife-Friendly Habitat Certification Program ("***Program***") that recognizes properties incorporating habitat features such as native vegetation, water sources, and nesting structures for birds and other wildlife; and,

**WHEREAS,** as a signature requirement of the local Eagle Scout Program, a candidate must plan and complete a service project that benefits the community. A youth member of the community, Jacson Rothman, is an Eagle Scout candidate who has been working diligently with HHAS through its Program to fulfill the Eagle Scout requirement and obtain the Eagle rank; and,

**WHEREAS,** Mr. Rothman has successfully built and prepared for installation several bird boxes. Specifically, he has built: (2) Wood Duck boxes, one (1) Nuthatch box, and four (4) Bluebird boxes; and,

**WHEREAS,** to assist with this project, the Town and HHAS have identified and agreed on seven (7) locations around Lake Liggett at Jarvis Creek Park for the bird boxes to be installed, as shown in "***Exhibit A"***, attached hereto and incorporated herein by reference; and,

**WHEREAS,** the Town desires to be responsible for installation of the bird boxes and HHAS has agreed to be responsible for the ongoing monitoring and maintenance of the bird boxes. The parties desire to enter into an Agreement for Services to memorialize HHAS' responsibilities for the monitoring and maintenance, where said terms shall be substantially similar to "***Exhibit B"***, attached hereto and incorporated herein by reference; and,

**WHEREAS,** the Town Council of the Town of Hilton Head Island believes this project is great opportunity to recognize Jacson's service to his community and will be a beneficial partnership with HHAS in incorporating habitat features to Jarvis Creek Park.

**NOW, THEREFORE, BE IT RESOLVED, AND IT HEREBY IS RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH**

**CAROLINA, THAT**:

1. The Town Council hereby authorizes the Town Manager to execute an Agreement for Services, substantially similar to Exhibit B attached hereto and incorporated herein by reference, with the Hilton Head Audubon Society for the ongoing monitoring and maintenance of bird boxes, as described above, at the Jarvis Creek Park.

2. The Town Manager is hereby authorized to take all other and further actions as may be necessary to complete the obligations of the Town as set out in the Agreement with the Hilton Head Audubon Society.

**MOVED, APPROVED, AND ADOPTED ON THIS_____DAY OF AUGUST 2026.**

**TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**

_____
Alan R. Perry, Mayor

ATTEST:

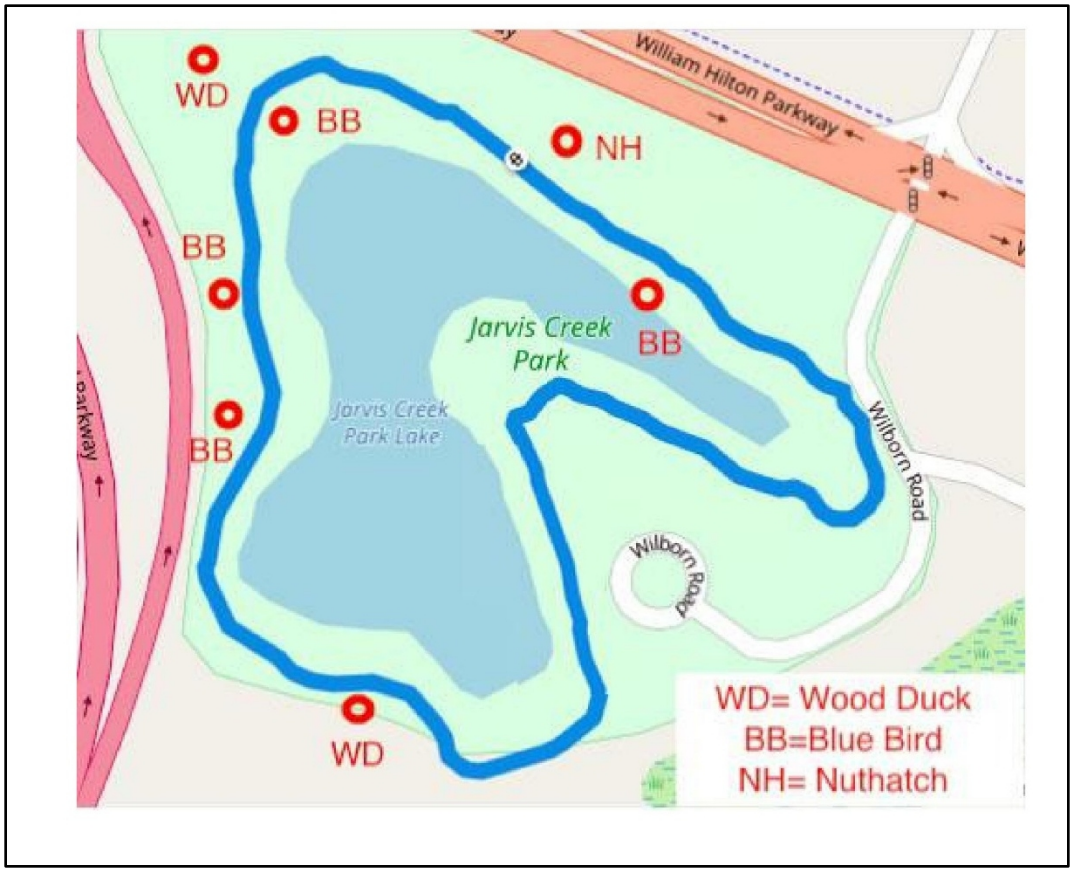
_____
Kimberly Gammon, Town Clerk

APPROVED AS TO FORM:

_____
Brittany Ward, Town Attorney

## Exhibit A

Approximate location of bird box installation sites identified by the red circles in the below diagram.



## Exhibit B

| | | |
|---|---|---|
| **STATE OF SOUTH CAROLINA** | **)** | |
| | **)** | **AGREEMENT FOR** |
| **COUNTY OF BEAUFORT** | **)** | **SERVICES** |

**THIS AGREEMENT FOR SERVICES** ("***Agreement***") is entered into this _____ day of August, 2026 (***"Effective Date***"), by and between **Town of Hilton Head Island**, a political subdivision of the State of South Carolina ("***Town***") and **Hilton Head Audubon Society** ("***Provider***"), collectively referred to as the "***Parties***" or individually as a "***Party***".

**WHEREAS**, the Town desires to continue to provide the citizens and visitors with parks that highlight the island's natural beauty while protecting the environment and the native animals. In furtherance of the Town's goals, the Town has developed Jarvis Creek Park which is a 53-acre park with a large pond surrounded by a one-mile walking pathway with mature trees and vegetation that is home to wildlife; collectively hereinafter the "***Park***"; and,

**WHEREAS**, Provider is a South Carolina nonprofit operating in good standing formed with a goal to preserve and protect coastal marshes, beaches, maritime forests and other habitats, ensuring they will be available for continued enjoyment of residents and visitors and for their use by migrating and resident. The Provider has developed a Wildlife-Friendly Habitat Certification Program that recognizes properties incorporating habitat features such as native vegetation, water sources, and nesting structures for birds and other wildlife; and,

**WHEREAS,** the Provider has identified the Park as an ideal demonstration site to install bird boxes strategically placed within park boundaries to serve native species;

**WHEREAS**, the Parties recognize the public benefit of the successful implementation of this Agreement, and the Provider's desire to provide maintenance services to ensure the bird boxes are maintained in a functional and safe manner.

**NOW, THEREFORE,** for mutual consideration and public service, the Parties mutually agree as follows:

1. **Incorporation of Recitals.** The recitals set forth above are hereby incorporated into and made a part of the terms and conditions of this Agreement.

2. **Term.** The initial term of this Agreement shall commence on the Effective Date and end on July 1, 2028, unless terminated sooner pursuant to the provisions of this Agreement. The term of this Agreement may be extended for up to three (3) additional two (2) year periods (July 1 to June 30) upon the written request of the Provider and written approval of the Town.

3. **Project Site and Services.** The Parties agree to the terms and conditions in this Section in order for Provider to complete the Services.

   a. The Provider acknowledges and agrees that this Agreement is being entered into specifically for the Services described herein and is only for limited use of performing Services at specific Project Sites. For purposes of this Agreement the Project Sites are those specific locations within the

Town owned Park, and as further described and shown in ***Exhibit A***, attached hereto and incorporated herein by reference.

b. The Town shall only be responsible for installation of the bird boxes and any costs associated with the installation. The Town shall not be responsible for any additional costs or materials associated with the bird boxes following the completion of installation.

c. The Provider agrees to provide the Services as necessary for the benefit of and in the best interest of the birds the bird box is serving. For purposes of this Agreement the "***Services***" shall mean the continued upkeep and maintenance necessary for the bird boxes located at the Park on the Project Sites to remain functional at all times. This includes but is not limited to providing the necessary feed for the birds.

d. Provider and any volunteer shall notify the Town immediately via email or phone call if while providing Services they become aware of the presence of any structural problems or if vandalism is known to have occurred at a Project Site.

e. Provider shall provide the Services in accordance with the terms and conditions of this Agreement and shall ensure that all of their employees and volunteers are informed of the extent of the Services and the associated terms and conditions of performing Services.

4. **Funding.** The Parties acknowledge and agree that this Agreement does not obligate the Town to expend any funds for any reason. Provider agrees to use its own funding sources to provide the Services. Any and all costs associated directly or indirectly with the Services is solely the responsibility of the Provider.

5. **Access Authorization.** Town hereby authorizes Provider to access the Park for the purposes of fulfilling the Services and subject to the terms and conditions in this Agreement. Provider may access the Park during regular hours, while the Park is open to the general public, to complete the Services so long as it does not conflict with any Town plans, events, or activities. This Agreement shall not infringe on the access rights of the Town or any of its officers, employees, or agents to any and all portions of the Park at any time or for any reason in carrying out Town's responsibilities for the ownership, maintenance, and operation of the Park. If at anytime Provider is providing Services at a Project Site and there is an activity or an event occurring, the Provider shall not enter the Project Site or disrupt the ongoing activity or event in any manner.

6. **Liability Insurance Required.** At all times during any term of this Agreement, Provider shall maintain no less than $1,000,000 in general liability insurance coverage (each occurrence) and no less than $2,000,000 general liability insurance in the aggregate. The Provider's insurance shall provide coverage to all individuals associated with the Provider, including but not limited to, any employees, members and volunteers. Insurance carried by the Provider shall include that it is the primary coverage for any and all claims made by Provider and its employees, members and volunteers. The Town shall be named as an additional insured in Provider's insurance policy and Provider shall provide the Town with proof of being named prior to accessing the Park or Project Site and prior to any level of Service being provided.

7. **Indemnification**. Provider agrees that to the fullest extent provided by law it shall indemnify, defend, and hold harmless the Town and its respective agents, employees, and volunteers, from and against any and all claims, demands, lawsuits, or other actions that may arise out of this Agreement from the actions or negligence of its employees, agents, or volunteers that may be the basis for such claim, demand, lawsuit, or other similar action.

8. **Termination.**

*a. Mutual Termination.* In addition to any other right to terminate as set forth in this Agreement, the Parties may mutually agree in writing to terminate this Agreement prior to the expiration of any term without any notice required.

*b. Termination with Cause.* This Agreement may be terminated by the Town for cause with ten (10) days written notice of the breach of any terms.

*c. Termination Without Cause.* Upon a thirty (30) day prior written notice, any Party may terminate this Agreement at the end of the Initial Term or during any Renewal Term for any reason.

*d. Automatic Termination.* This Agreement shall automatically terminate if at any time, during any term, Provider has a lapse in liability insurance coverage, and the automatic termination shall apply regardless of the length of time the lapse covers. This Agreement will automatically terminate if Provider loses its non-profit, tax-exempt §501(c)(3) status.

**9. Miscellaneous Terms.**

*a. Notices.* All notices required under this Agreement shall be in writing. Notices shall be deemed delivered when (a) personally delivered; (b) five (5) days after deposit in U.S. registered mail, postage prepaid, addressed to the other party; or (c) receipt of email is acknowledged by the recipient by reply email or "read receipt" is received by sender of notice. All notices shall be sent to the mailing address or email address shown below or to such other address as may from time to time be designated by written notice.

| *To the Town:* | *To the Provider:* |
|---|---|
| ------ | ------- |
| ------ | ------- |
| *Hilton Head Island, SC 29910* | -------- |

*b. Default.* Pursuant to the terms and conditions of this Agreement, in the event of a default by either Party, the non-defaulting Party may seek any available remedy in equity or at law as a result of such failure to perform, including but not limited to, any action for specific performance of obligations recited in this Agreement; but the Parties mutually agree that the Town shall not be forced to appropriate funding for the funds.

*c. Relationship of Parties.* Nothing contained in this Agreement nor any act of the Town or Provider shall be deemed or construed by the Parties, nor by any third person, to create any other legal relationship between the Parties, including, but not limited to, that of an employer/employee, third-party beneficiary, principal, agent, limited or general partnership, joint venture, landlord/tenant, or other relationship. Provider's officers, members, volunteers, and agents and the methods utilized by Provider in providing Services and fulfilling its obligations under this Agreement shall lie solely and exclusively with Provider. Provider's officers, members, volunteers, and agents shall not be considered agents or employees of the Town for any purpose.

*d. Entire Agreement.* This Agreement contains the entire agreement between the Parties pertaining to the subject matter contained herein and fully supersedes all prior written or oral agreements and understanding between the Parties pertaining to such subject matter.

*e. Captions* The section headings appearing in this Agreement are for convenience of reference only and are not intended to any extent for the purpose, to limit, or define the test of any section or any subsection hereof.

*f. Amendment and Modification.* The terms and conditions of this Agreement may be renegotiated at the conclusion of each term period and may result in an amendment or modification only if agreed upon in writing by the Parties. This Agreement shall only be amended or modified in writing and signed by both Parties.

*g.* *Counterparts.* This Agreement may be executed in multiple counterparts, and all such executed counterparts shall constitute the same agreement. The Parties agree that this Agreement may be communicated by use of a fax or other electronic means, such as electronic mail and the internet, and that the scanned or photographed signatures and initials to this Agreement shall be deemed valid and binding upon the Parties as if the original signatures and initials were present on the Agreement.

*h.* *Binding Nature and Assignment.* This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, heirs, administrators, representatives, and assigns. However, the Parties agree that any assignment of this Agreement must be approved in writing by the Town.

*i.* *Waiver.* No waiver of any provision of this Agreement shall be effective unless in writing and signed by the party waiving its rights. No delay or omission by either Party to exercise any right or remedy it has under this Agreement shall impair or be construed as a waiver of such right or remedy. A waiver by either Party of any covenant or breach of this Agreement shall not constitute or operate as a waiver of any succeeding breech of the covenant or of any other covenant.

*j.* *Governing Law and Severability Clause.* This Agreement is governed and interpreted in accordance with the laws of the State of South Carolina. Any and all disputes between the Parties that may arise pursuant to this Agreement shall be brought in the courts of the State of South Carolina in Beaufort County or, if it has or can acquire jurisdiction, in the United States District Court for the District of South Carolina. If for some reason a court finds any provision of the Agreement, or portion thereof, unenforceable, that provision of the Agreement shall be enforced to the maximum extent permissible so as to affect the intent of the Parties, and the remainder of this Agreement shall continue in full force and effect.

*k.* *Authority.* The parties herein represent and warrant each to the other that they have all the requisite power and authority to enter into this Agreement and perform their obligations under this Agreement.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement as of the Effective Date.

**WITNESSES**

_____

_____

**TOWN OF HILTON HEAD ISLAND**

**By:** _____

Marc Orlando, *Town Manager*

**WITNESSES**

_____

_____

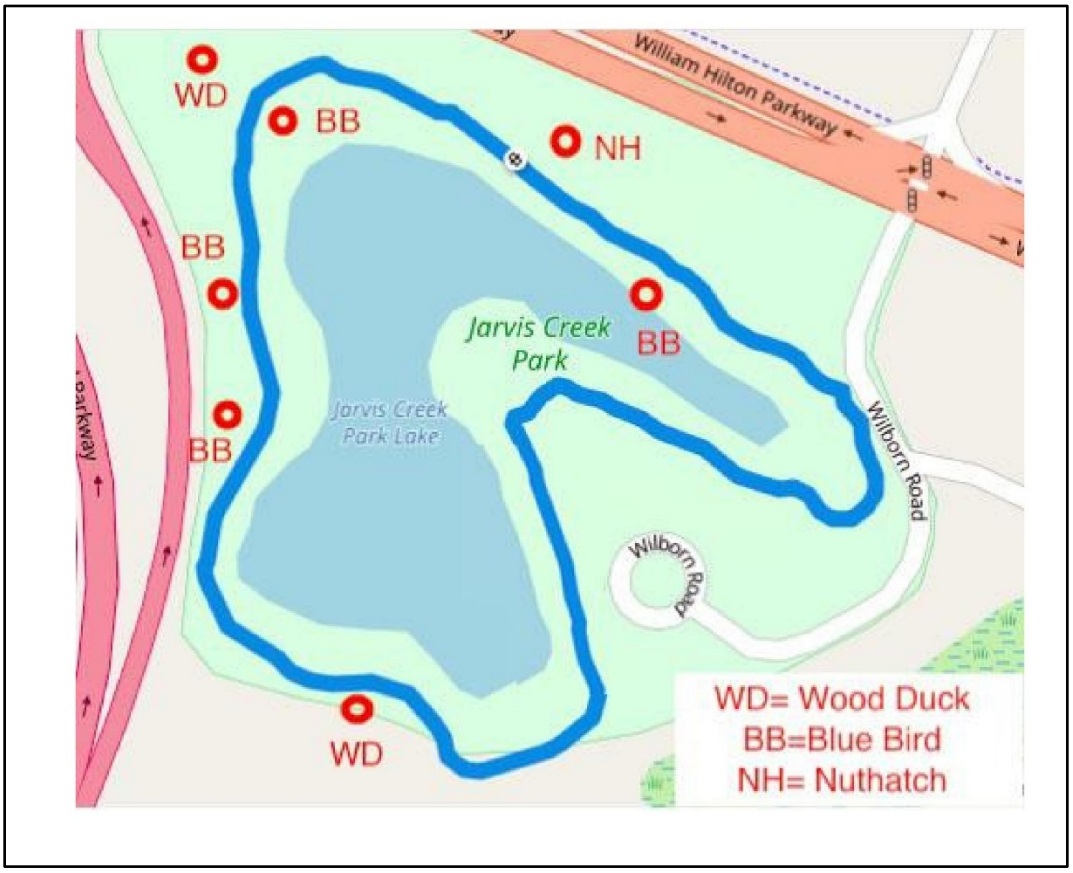
**HILTON HEAD AUDUBON SOCIETY**

**By:** _____

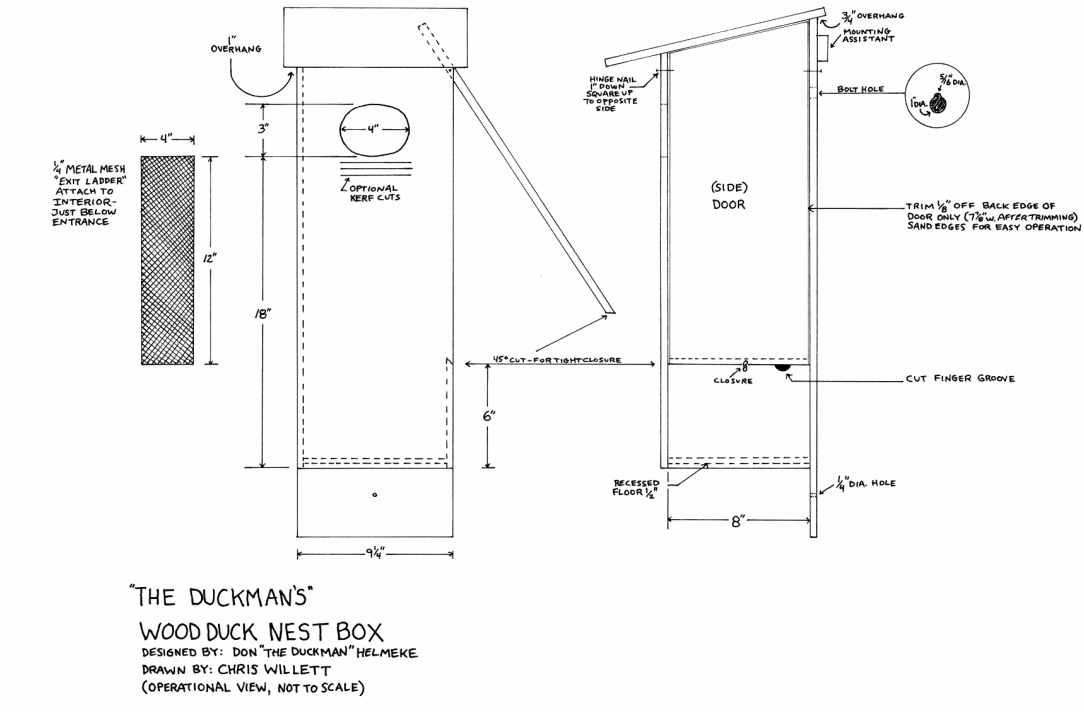
**Name/Title:** _____

**EXHIBIT A**

Approximate location of bird box installation sites, otherwise referred to as "***Project Sites***", identified by the red circles in the below diagram.

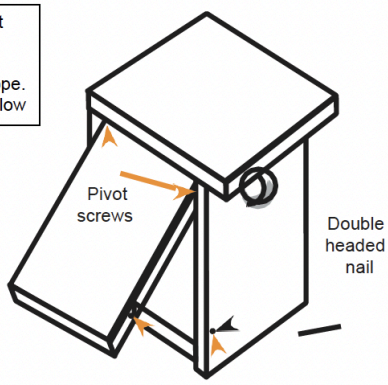


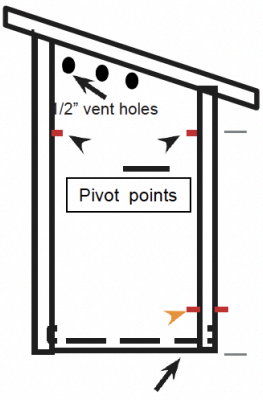
# Wood Duck Box Specs




# Blue Bird Box Specs

The roof will overhang the front ~6" – 6 ½" and both sides ~2" when completed. The roof will have a 20 deg back to front slope. See photo of the actual box below





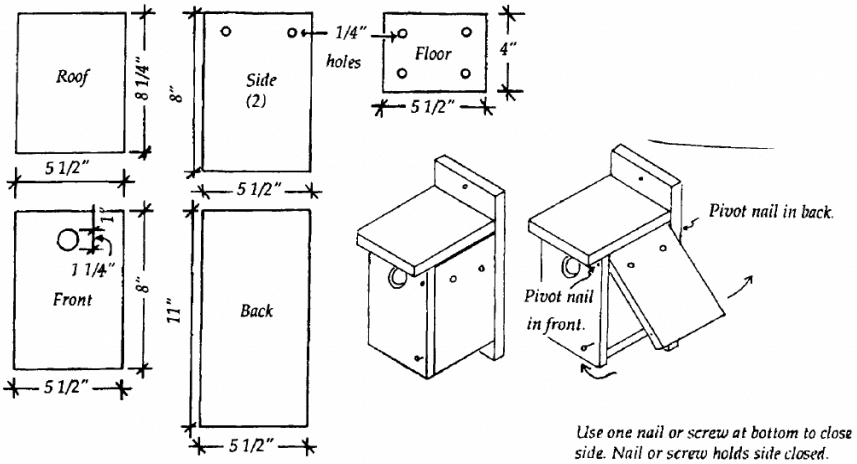

Drill hole through the front board and the side of the door to latch door closed.

It is best to recess the bottom 3/4"

# Nuthatch Box Specs

## Brown-headed Nuthatch Nesting Boxes

- Place boxes in open pine woodlands and backyards. Nuthatches will nest in the shade.
- Mount boxes at least 5 feet above ground on a pole or post equipped with a predator guard.
- Boxes that appear weathered or constructed of rough-hewn lumber are preferred by nuthatches before other types of boxes.
- Place 2 to 3 inches of dry sawdust in the box.




| Bird Box Installation Specs | Post Depth | Box Height Off Ground | Bags Cement |
|---|---|---|---|
| Blue BIrd | 2 Feet | 5 Feet | 2 50lbs |
| Duck Box | 2 Feet | 6 Feet | 2 50lbs |
| Nuthatch | 2 Feet | 5 Feet | 2 50lbs |

| Bird Box Monitoring Schedule | Season | Frequency |
|---|---|---|
| Duck Box | April to mid-August | Monthly |
| Bluebird | February to mid-August. | Weekly |
| Nuthatch | March to mid-June. | Weekly |