



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 provide 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., Chairman Brown adjourned the meeting.

Approved: August 10, 2026

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