

CITY OF MYRTLE BEACH

FY 18 MANAGER'S RECOMMENDED BUDGET, 2ND READING



June 13, 2017



HIGHLIGHTS OF THE MANAGERS RECOMMENDED BUDGET

General Fund

- No increase in property tax
- No increase in the business license fee
- The General Fund is balanced with a ratio of recurring sources to recurring uses at 100.5 % and fund balance at 19.2% of recurring expenditures.

Other Funds

- Water & Sewer—blended increase of ~2.5%-2.8%, depending upon usage (\$1.23/mo. for residential user of an average of 7,500 gal./mo.)
- Solid Waste - Increase in Solid Waste charges of 24.14% to match the increase imposed by the Solid Waste Authority. (\$1.15/month for a residential customer)
- No increase in Storm Water fees

HIGHLIGHTS OF THE MANAGERS RECOMMENDED BUDGET

All Operating Funds

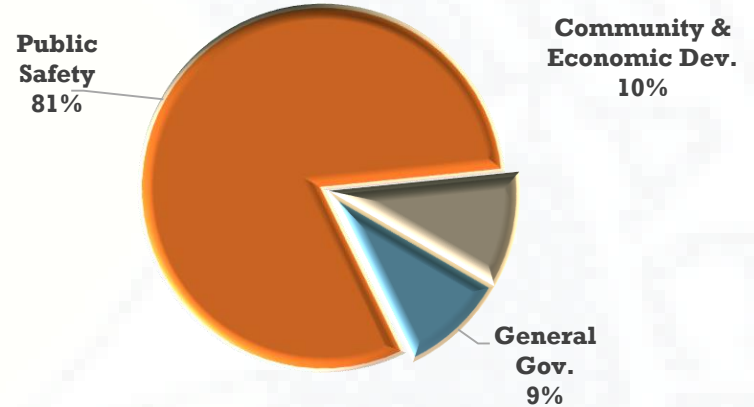
- 1% retirement contribution increase - \$468,000
- 0-5% merit increase - \$792,000
- .33%/.51% across the board increase - \$198,000 (July 2017)
- 7.0% health insurance - \$534,000

SERVICE LEVEL CHANGES

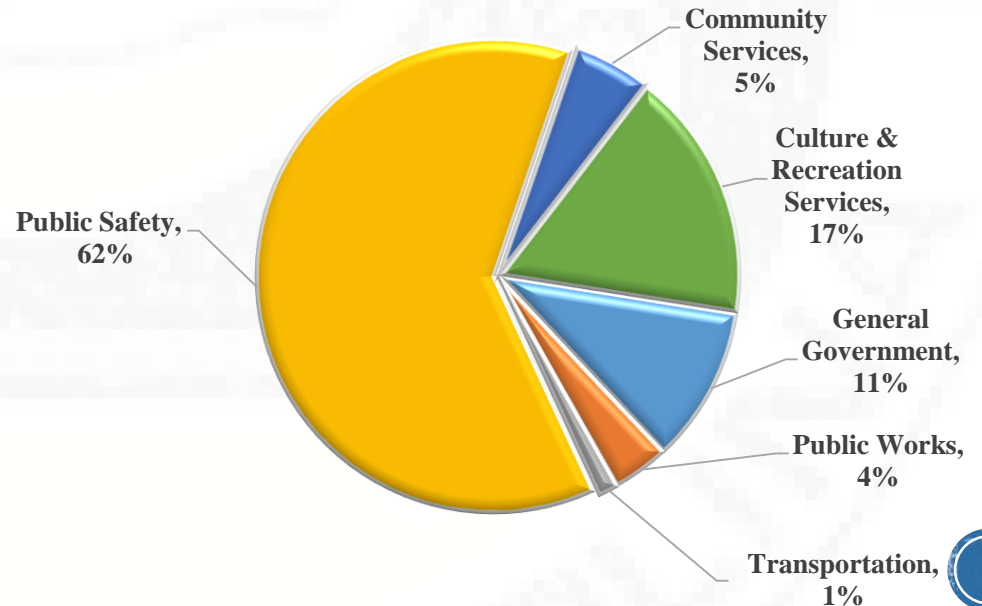
Service Level Changes (14 positions):
 Gross costs \$1,591,572;
 Net from general revenue: \$1,341,572

- Enhanced Beach Services (Police & Fire Overtime)
- 5 Police Officers (Public Safety Enhancement)
- 2 Code Enforcement Officers (Public Safety Enhancement)
- 2 Real Time Crime Analyst
- 1 Commercial Building Inspector
- 1 Building Maintenance Trades Worker
- 1 IT Technician
- 1 Administrative Assistant in Risk Management
- 1 Cashier in Revenue Billing

Service Level Changes



General Fund Positions by Function, FY18



PUBLIC SAFETY ENHANCEMENT



Additional Police Services

- 5 Additional Sworn Officers
- Outside Agency Support
- 2 Code Enforcement Officers
- 2 Real Time Crime Analyst





FY18 BEACH ENHANCEMENT



- **Police:**

- Place two additional officers on the Beach Thursday through Sunday from 10:00am through 8:00pm (with the exception of major holidays or special events)
- Existing Watercraft trained officers will patrol the Ocean in the Jet Ski and Boat.
- Implementation of the Lost Child Program

- **Fire:**

- Place between 1 and 3 two-person crews working the beach from April 15 until Sept 15, approximately 10 am to 7 or 8 pm. (*schedule currently in preparation*)
- Staffing will be staggered to provide the three crews during the height of the season, June, July, August. Then they will be stepped down to one or two crews in the remaining off-season time based on the day of the week.



WATER & SEWER RATE INCREASE IMPACT

GSWS rate increase for 2018 is 1.2% for Water & 2% for Sewer

Budget includes a blended rate increase of ~2.5%-2.8%, depending upon usage

EXAMPLE RATE INCREASES:

<u>Residential</u>		<u>Commercial (Restaurant)</u>		<u>Commercial (Hotel)</u>	
7,500 gallons, 3/4" to 5/8"		40,000 gallons, 1.5" Line		2,000,000 gallons, 4" Line	
Annual Increase	\$ 14.46	Annual Increase	\$ 80.52	Annual Increase	\$ 3,869.52
Monthly	1.21	Monthly	6.71	Monthly	322.46
Percentage	2.5%	Percentage	2.5%	Percentage	2.4%



SOLID WASTE RATE INCREASE

Tipping Fee Increase Imposed by the Solid Waste Authority for FY18 will be:

	<u>FY17</u>	<u>FY18</u>	<u>Increase</u>
Solid Waste	\$29.00/ton	\$36.00/ton	24.14%
Yard Waste	\$18.00/ton	\$20.50/ton	13.89%
Concrete/Asphalt	\$10.00/ton	\$15.00/ton	50.00%
Mixed C&D	\$26.50/ton	\$28.00/ton	5.66%



Recycling Bins

SOLID WASTE – EFFECT OF RATE INCREASE

An Increase in Solid Waste fees to offset the increase implemented by the Solid Waste Authority would result in an increase of \$164,500 in revenue for the Solid Waste Fund.

CITY OF MB FEE SCHEDULE							
				Solid Waste			
<u>Residential Service</u>				<u>Collection</u>	<u>Landfill Disposal</u>	<u>Increase - 24.14%</u>	<u>New Rate</u>
	Service 2 Containers			\$ 18.15	\$4.75/ month	1.15	5.90
	Service each additional Container			\$ 9.80	included in rate		
	Container Fee			\$ 2.00			
<u>Commercial Service *</u>				Monthly			
	8 yd ³ Container Service:						
	Once per week service			\$ 148.00	included in rate		148.00
	all other service schedules			\$ 42.50	included in rate		42.50
	Call-Back Service (8 yd ³)			\$ 63.00	included in rate		63.00
	Compactor Service			\$ 132.50	Contemporary landfill tipping rate	N/A	132.50
Roll-out Container Service							
	One Container twice per week			\$ 36.30	\$9.50/ month	2.30	11.80
	Each additional service per week			\$ 18.15	\$4.75/ month	1.15	5.90
	Each additional Container			\$ 9.80	included in rate		9.80
	(Maximum 5)			per container			
<u>Transfer Station Customers:</u>							
	Transfer Station Processing Fees			\$ 23.00	Contemporary landfill tipping rate	N/A	
	Landscape Waste Fees			\$ 23.00	Contemporary landfill tipping rate	N/A	

2018 CAPITAL IMPROVEMENT PROJECT HIGHLIGHTS

\$5.1 mm in pay-as-you-go projects for Renewal & Replacement for City facilities, street ends, boardwalks, sidewalk improvements & transportation system improvements.

\$4.4 mm in Waterworks & Sewer System improvements.

\$1.9 mm in Renewal & Replacement projects for the Myrtle Beach Convention Center.

\$ 340k in Renewal & Replacement Projects at the Baseball Stadium.

A number of debt financed projects are being considered and will be appropriated through adoption of bond or loan ordinances. The projects include:

- MBAFB TIF projects
- Financial Software Package
- Performing Arts Theater
- Beach Renourishment
- Stormwater Improvements

2017-18 BUDGET SUMMARY, 2ND READING

	FY2015-16	FY2016-17	FY2017-18	
	Actual	Rev. Budget	Budget	% Δ
Governmental Operations	\$ 158,236,515	\$ 168,158,296	\$ 173,111,557	2.9%
Enterprise Operations	<u>36,644,411</u>	<u>37,099,687</u>	<u>38,807,988</u>	4.6%
Total Operating Budget	<u>194,880,926</u>	<u>205,257,983</u>	<u>211,919,545</u>	3.2%
Governmental Capital Projects	<u>5,005,449</u>	<u>9,887,784</u>	<u>5,513,584</u>	-44.2%
Reconciling Items				
Enterprise Capital Projects	<u>3,513,447</u>	<u>7,859,500</u>	<u>4,780,700</u>	-39.2%
Total Reconciling Items	<u>3,513,447</u>	<u>7,859,500</u>	<u>4,780,700</u>	-39.2%
Less: Interfund Transfers	<u>(28,877,720)</u>	<u>(30,711,077)</u>	<u>(31,584,004)</u>	2.8%
Grand Total Appropriations	\$ <u>174,522,102</u>	\$ <u>192,294,190</u>	\$ <u>190,629,825</u>	-0.9%

CHANGES SINCE 1ST READING

Manager's Recommended Budget 1 st Reading :	\$190,968,000
Manager's Recommended Budget 2 nd Reading:	<u>190,630,000</u>
Difference	(\$ 338,000)

Changes Since 1st Reading:

Remove 1.4 Mil Proposed Tax Increase	(\$ 471,000)
Increase Delinquent Business Lic. Rev.	\$ 55,000
Increase Homestead Exemption Revenue	\$ 41,000
Increase in Overall Enterprise Fund Balance	<u>\$ 37,000</u>

(\$ 338,000)

ALTERNATE FUNDING FOR MILLAGE INCREASE

Elimination of Property Tax Increase Proposed at 1st Reading

Proposed Millage Increase : \$ 471,000

Budget Adjustments to Offset Millage Increase:

Increase Delinquent Business Lic. Rev.	\$55,000	
Increase Homestead Exemption Revenue	41,000	
Restructure PD	100,000	
Eliminate Purchase of 2 Police Cars	100,000	
Re-Appropriation of Funding	25,000	
Transfer from Local Atax-Enhanced Beach Svc	<u>150,000</u>	
		\$ 471,000

BUYING POWER OF A TYPICAL HOUSEHOLD'S TAXES & FEES

Household:

Based upon a house valued at \$250,000, two cars valued at \$28,000, and monthly household water consumption of 7,500 gallons, a typical Myrtle Beach household will pay the City's General Government a Total of \$1,456.08 this year. This includes:



City Taxes	\$265.20
Water and Sewer charges	583.08
Storm Water Fees	69.00
Solid Waste Fees	312.60
Tourism Development Fee	240.00
Annual Total	\$1,469.88

If you are the typical City resident, your \$1,469.88 will buy any one of these things:

- Two bullet-proof vests or a gun and body camera for one Police Officer
- One Level A Hazardous Material Suit for a Fire Fighter or 250 ft. of fire hose
- About 4.5 days' salary and benefits for an entry-level Police Officer or Firefighter
- 79 linear feet of new paving, 17 street signs or 72.5 linear feet of sidewalk
- 96 children's books, 32 reference books or 3 IPAD Air (available for loan) for Chapin Library
- 100 cubic yards of mulch for landscaped medians and parks
- Outfit 9 children for youth football with a helmet, shoulder pads, pants with pads, and a jersey



City Services:

- ✓ 24-hour police protection
- ✓ Criminal Investigation
- ✓ Traffic Enforcement
- ✓ Crime Prevention Programs
- ✓ School Resource Officer's Program
- ✓ 24-hour fire protection
- ✓ Fire Prevention Services
- ✓ 24-hour Emergency Medical Response
- ✓ Hazardous Materials Response
- ✓ Street Construction and Maintenance
- ✓ Traffic Signals and Street Lighting
- ✓ Street Cleaning
- ✓ Drainage System Maintenance
- ✓ Drainage Improvements
- ✓ Parks and Recreation Facilities and Programs
- ✓ Street Tree Planting and Maintenance
- ✓ Community Planning, Zoning, Development Review
- ✓ Neighborhood Services
- ✓ Construction Services
- ✓ Municipal Court
- ✓ Various Economic Development Services
- ✓ All Municipal Legislative, Management and Support Services



One evening out for two with dinner and a movie:

\$ 118.25

Based upon entrée' price of \$22.95, including two drinks, taxes, tips and refreshments at the theater.

Total Cost of City Services:

\$122.49 Per Month



Three tanks of mid-grade gasoline to fill your family's mid-sized sedan:

\$125.73

Based upon 21.0 gallon fuel capacity at \$1.99 per gallon.

Compare With:



One Month's subscription to Basic Cable TV & High Speed Internet Access:

\$131.99



One week's low cost grocery bill for a family of 4:

\$ 149.30

Based upon USDA Official Food Plan update February 2016.