



# **City of Myrtle Beach 2012-13 Budget**

**First Reading, May 8, 2012**

**Public Hearing, May 22, 2012**

**Second Reading (proposed), June 12, 2012**

# Public Hearing Requirement

S.C. Code Sec. 6-1-80 requires:

Notice of a Public Hearing on the City's operating budget must be published

- ✦ in at least one newspaper of general circulation in the area
- ✦ not less than fifteen days in advance of the public hearing
- ✦ minimum of two columns wide with a bold headline
- ✦ including contents as described in 6-1-80 (B).

The City published the required notice in the Sun News on Friday, May 4, 2012 and held the Public Hearing on May 22, 2012.

# Property Tax Rate Limitations

- **The budget includes no increase in the millage rate**
- SC Budget & Control Board has not advised the City regarding its operating millage limit for 2011-12 per Sec. 6-1-320. CPI is 3.2%; population figures are expected by early June.
- Thus, the City's limit is at least 3.2% for 2012 plus 10.8% allowed but not implemented for the three previous tax years
- Debt Service Millage is not subject to the limit; must be set at a rate sufficient to provide sufficient funds to pay debt service

# Changes since First Reading

- Sec. 8
  - adjusts Mayor's salary to \$50,000 base with \$500 per month car allowance
  - sets Council compensation \$15,000 base and \$495 per month car allowance (no change)
  - Changes become effective following the November 2013 election.
- Fee schedule for Whispering Pines Golf Course has been adjusted to retain \$35.00 limit for City Residents only, as opposed to "locals."

# FY 2012-13 Manager's Recommended Budget

	Governmental Funds	Enterprise Funds	Capital Projects	Grand Total
Revenues and Other Financing Sources	<u>127,325,020</u>	<u>35,294,271</u>	<u>9,486,220</u>	<u>172,105,511</u>
Expenditures/ Expenses and Other Financing Uses	127,325,020	35,294,271	9,486,220	172,105,511
Non-expense items: Enterprise Capital Projects	--	--	5,133,500	5,133,500
Total Financing Uses	<u>127,325,020</u>	<u>35,294,271</u>	<u>14,619,720</u>	<u>172,105,511</u>
Less: Interfund Transfers	(22,973,142)	(1,194,150)	(238,000)	(24,405,292)
Total Mgr's Recommendation	<u>104,351,878</u>	<u>34,100,121</u>	<u>14,381,720</u>	<u>152,833,719</u>

## Comparison of Actual and Budget, 2011-2013

	2010-11 Actual	2011-12 Proj.	2012-13 Budget	% Change
Gov. Operations	\$ 114.0	\$ 127.3	\$127.3	0.0%
Ent. Operations	<u>35.4</u>	<u>34.9</u>	<u>35.3</u>	1.1
Total Operating	149.5	162.2	\$162.6	0.2
General Capital Project Authorizations	1.4	9.2	9.5	3.3
Enterprise Capital Project Authorizations	<u>5.0</u>	<u>5.2</u>	<u>5.1</u>	(1.9)
Total	155.9	176.6	177.2	0.3
Less: Interfund Tsf	<u>(19.7)</u>	<u>(23.7)</u>	<u>(24.4)</u>	3.0
Grand Total Appropriations	\$ 136.1	\$ 152.9	\$152.8	(0.0)%

# Revenues

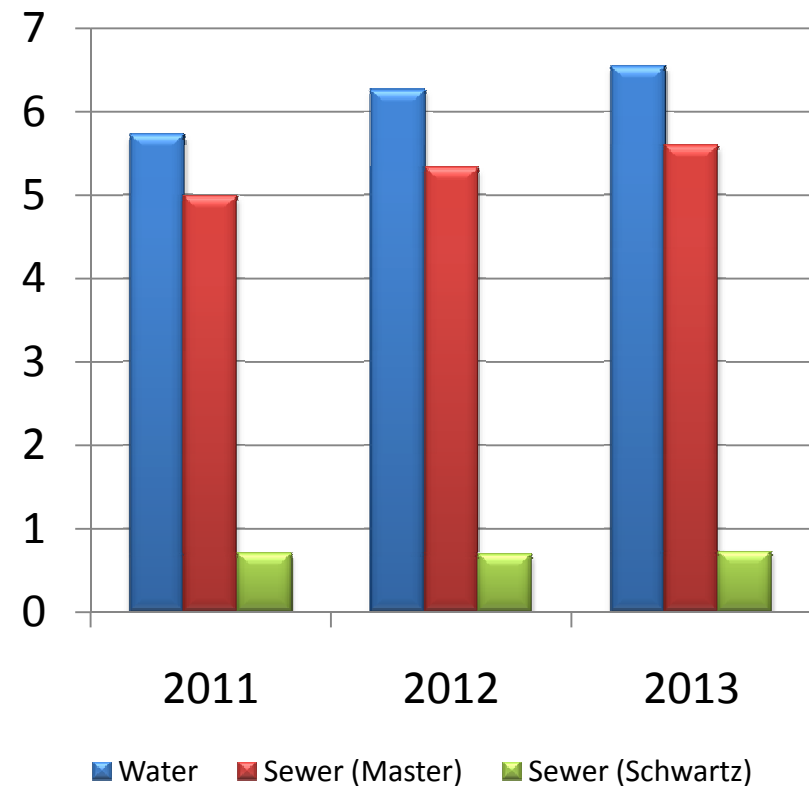
- Maintain tax rate of 66.1 mills
- For primary residences inside the City, the rate is 7.6 mills after the Tourism Development Fee credit
- No increases proposed in General Fund revenues
- Sewer rate increase of 7.5% per rate plan (blended rate increase is approx. 3.8-4.5% depending upon meter size and consumption)

# Water and Sewer wholesale cost increases effective Jan 2012 will be effective all year in 2013

## Wholesale water and sewer rates

	Jan. 2011	Jan. 2012	Full Year FY2013
Water	\$1.44	\$1.58	\$1.58
Sewer (Master)	\$1.75	\$1.84	\$1.84
Sewer (Schwartz)	\$2.48	\$2.60	\$2.60

## Actual/Projected wholesale costs

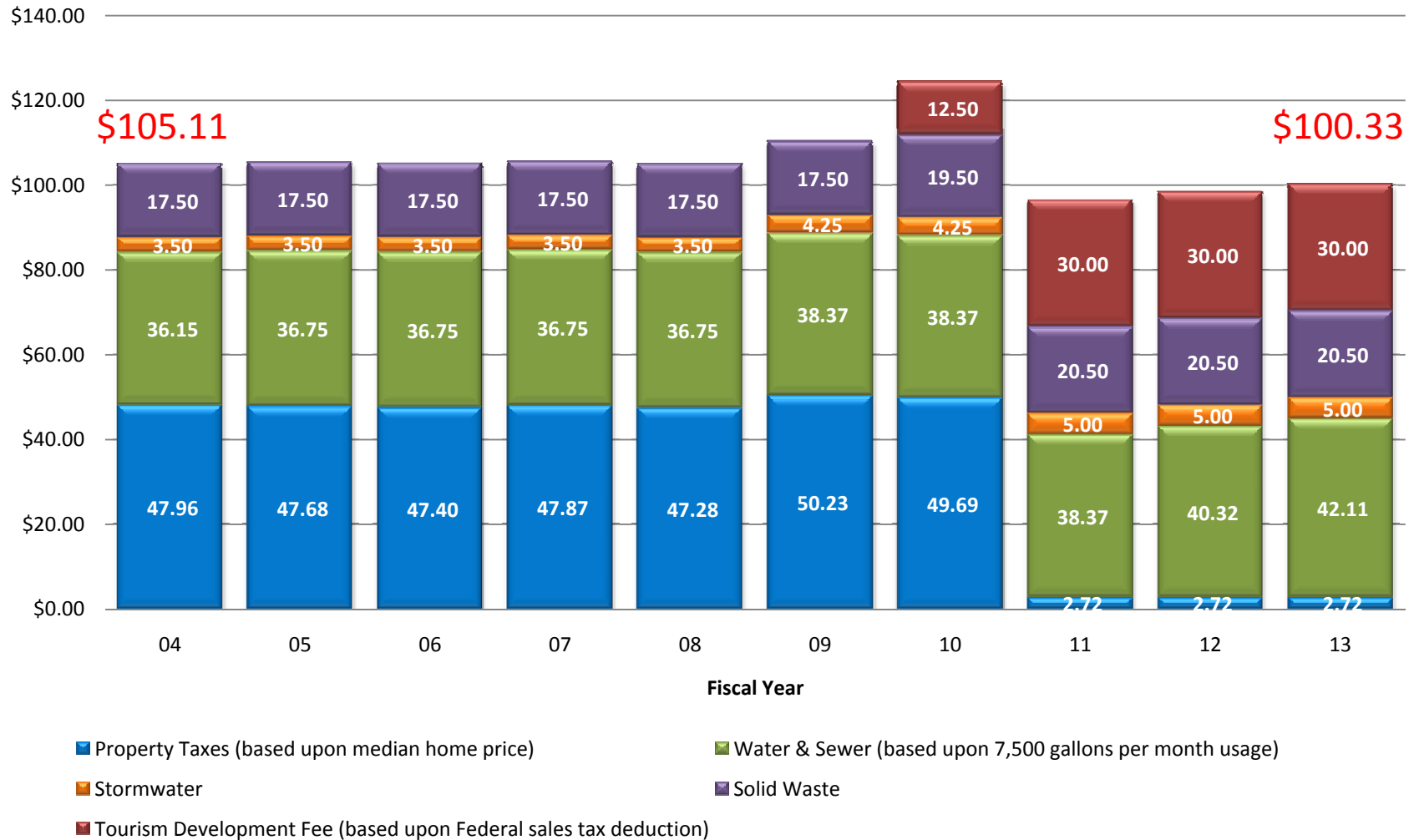




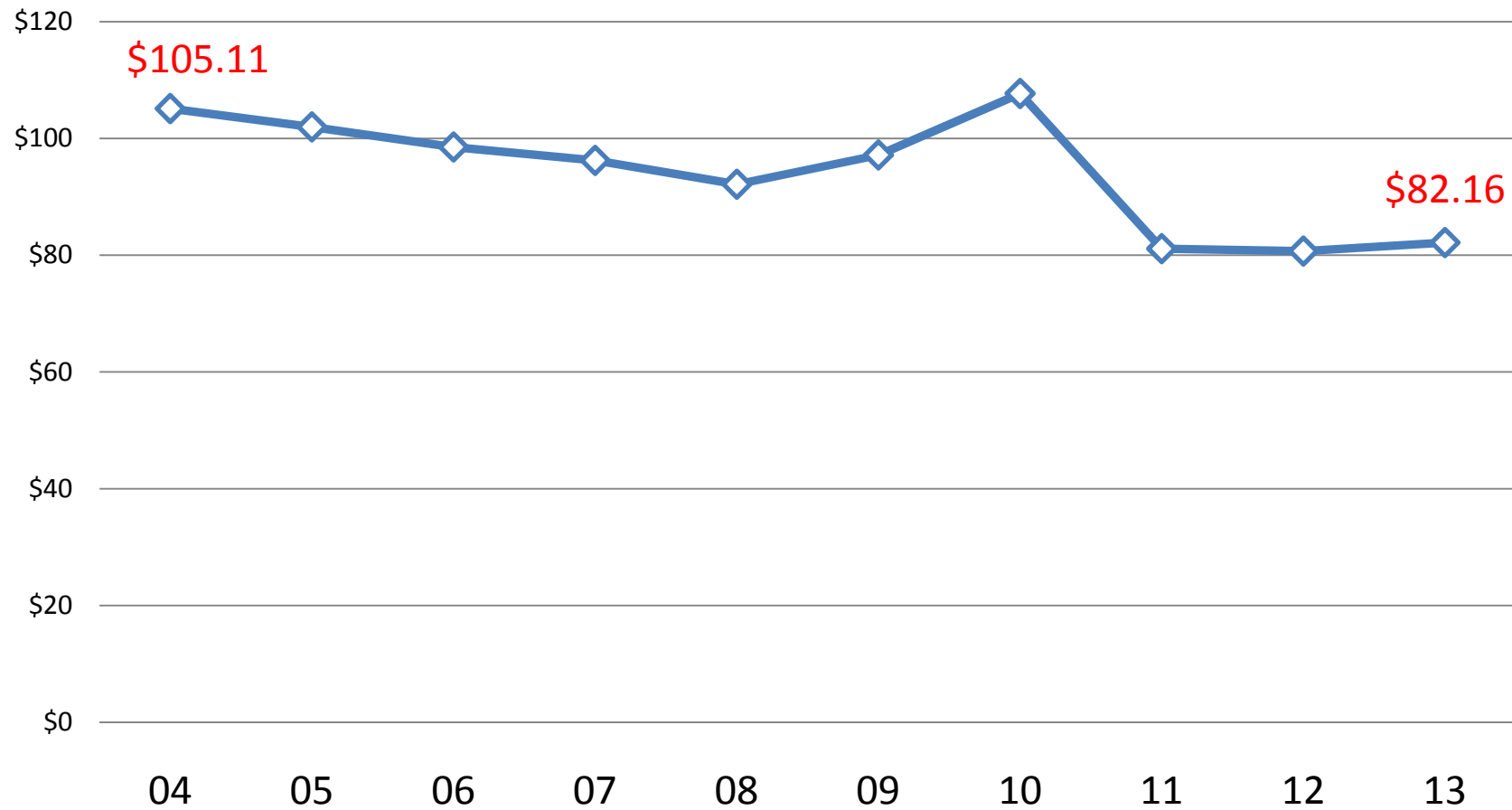
# Water & Sewer Rate Impact Residential Customers

Monthly Consumption	Base Charges	Variable Charges	Total Charges	Monthly Increase over Current Charge
0	5.47	0.00	5.47	0.21
2,000	5.47	8.64	14.11	0.63
4,000	5.47	17.28	22.75	1.05
5,000	5.47	22.81	28.28	1.26
7,500	5.47	36.64	42.11	1.79
10,000	5.47	50.46	55.93	2.31

# Typical City Residents' Costs of Services, 2004-2013



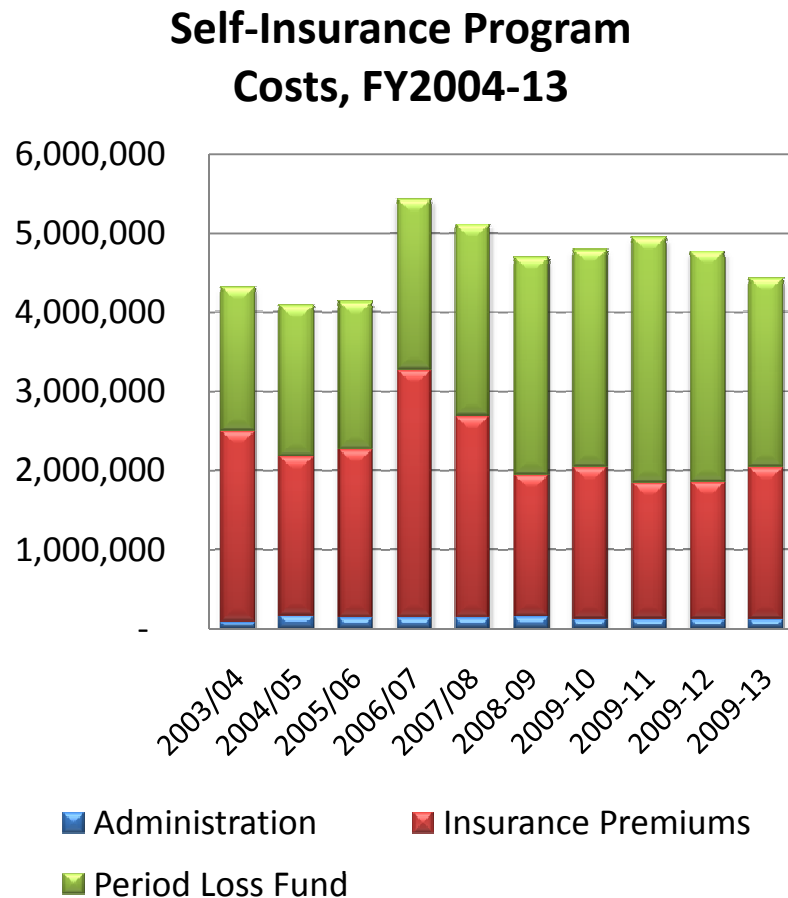
## Inflation-adjusted Costs of City Services, Last 10 Years (in 2004 dollars)



# Operating Budget Highlights

- Fuel costs budgeted higher than in 2011-12 by 13.1% (\$98,000 GF) to provide for expected volatility
- Utility rate increases of 5-7% are expected
- Property and Casualty insurance appropriations are reduced by about 1/3 (\$914,000 GF) as necessary reserve levels have been met
- Health insurance and OPEB (Other Post-Employment Benefits) costs are reduced by 13.0% as claims have moderated and attrition has offset most of the annual OPEB catch-up contribution amortization
- Limited increases in capital outlay are provided to replace essential equipment
- Funding is included for a 3% general adjustment to salaries and wages, effective with the first full pay period in July; no merit program for 2013

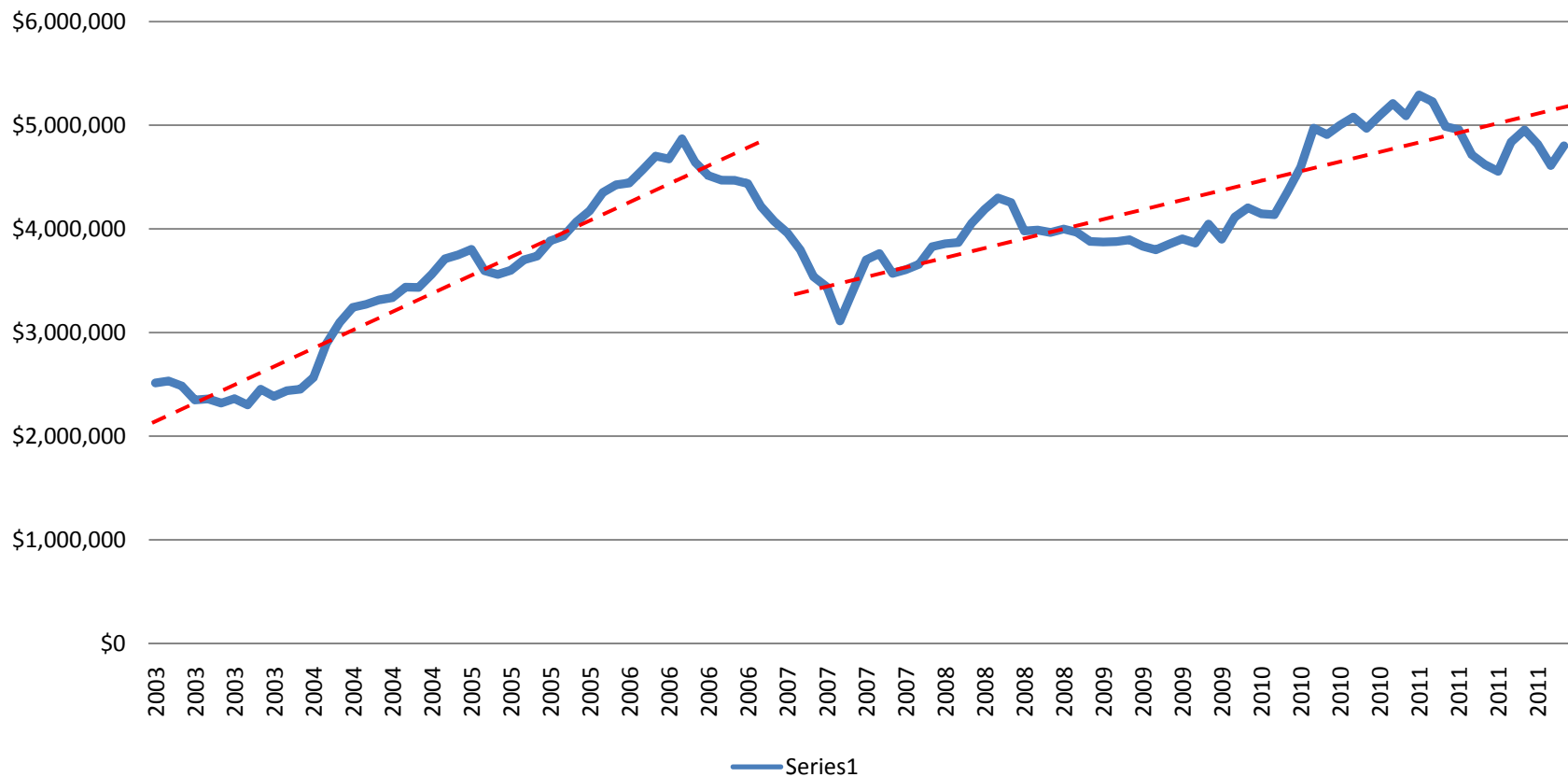
# Property and Casualty Self-Insurance



- Premiums have moderated since the Hurricane Katrina impact of 2006-07
- City's claims experience continues to improve
- The loss fund has reached a level such that we can afford to appropriate for its *maintenance*, resulting in a reduction of Period Loss Fund appropriations for 2013

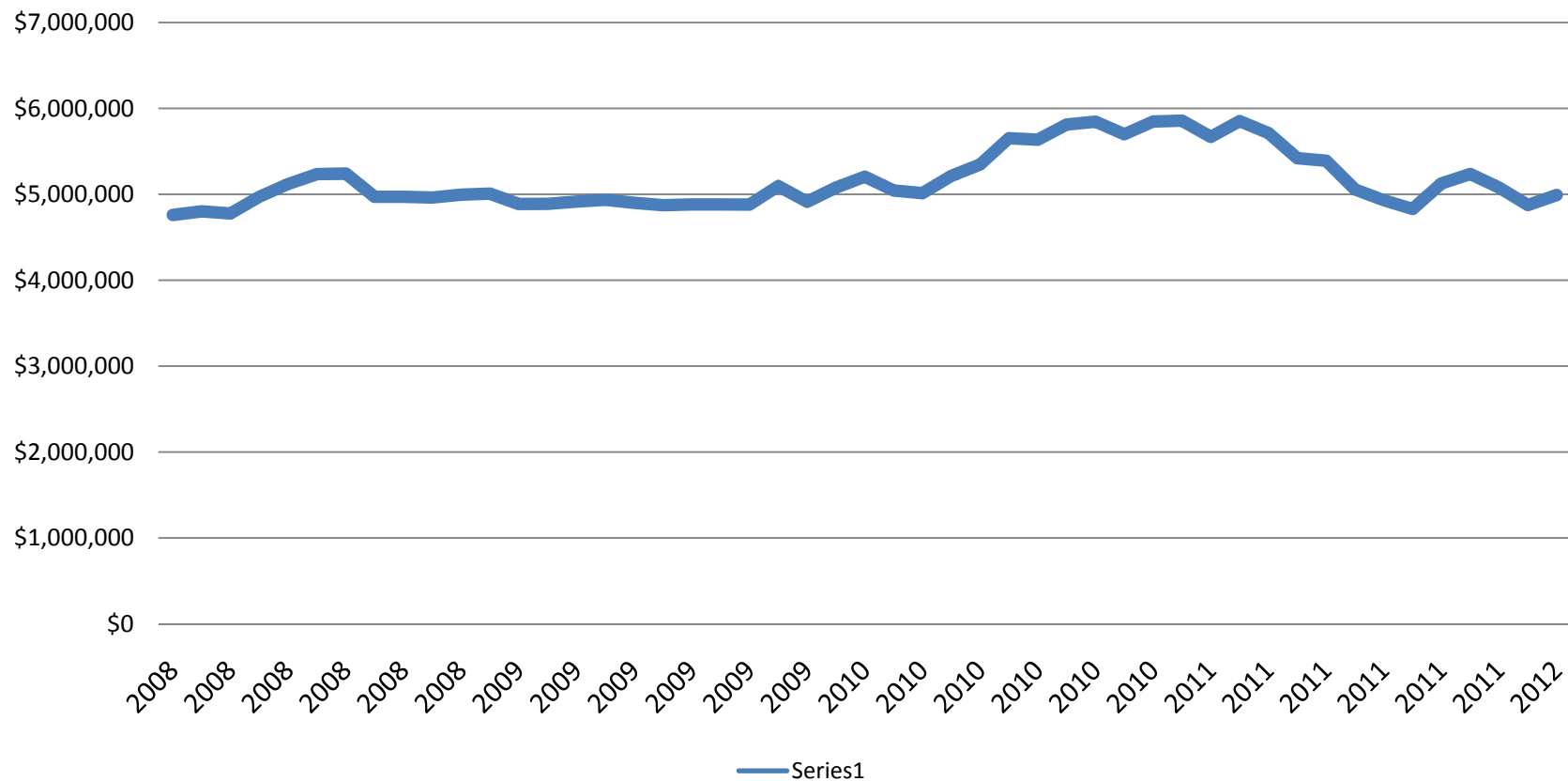
# Health Insurance

Rolling 12-mo. Claims Totals (Gross Claims Paid)



# Health Insurance

**Rolling 12-month Net Claims Totals, 2008-2011**



## \$62.2 mm Five-Year Capital Improvements

\$8.8 million PAYG program emphasizing transportation improvements, parks and rec. facilities

\$7.1 million GO debt for finishing multi-field complex and Convention Center HVAC/roofing in 2012-13 and for Fire Station #7 at Harrelson Blvd. in 2016 (this project may be deleted)  
\$7.030 million in Tourism

Development funds for Stadium R&R, field turf at Ashley Booth, Ocean Blvd. 2<sup>nd</sup> to 9<sup>th</sup> N Conversion & Streetscape improvements

Possible completion funding for 4<sup>th</sup> Av and Ocean Blvd. 2<sup>nd</sup> to 9<sup>th</sup> Streetscape in 2015-16

\$17.7 mm in Water & Sewer Improvements, the largest projects being (1) the Replacement and capacity increase of the Force Main from 29<sup>th</sup> N. to Grissom and US 17 at 6.3 mm and (2) the Water and Sewer portions of the Ocean Blvd. 2<sup>nd</sup> Av. To 9<sup>th</sup> Av. N. at a total of \$5.3 mm

Planned Capital Improvements, in \$\$ Millions					
	2013	2014	2015	2016	2017
PAYG	\$1.735	\$1.685	\$1.735	\$1.835	\$1.885
GO Debt	5.553	--	--	--	1.575
TDF	1.412	1.413	1.420	1.410	1.375
Ocean front TIF	--	--	8.031	13.460	--
Water & Sewer	4.793	3.241	7.455	1.375	0.800
Totals	\$13.493	\$6.339	\$18.641	\$18.080	\$5.635