

2013

City of Myrtle Beach



Annual Budget  
& Financial Plans



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## 2012 – 2013 Municipal Budget

### Introduction

The City of Myrtle Beach operates under a council-manager form of government, which was adopted by voters in 1973. Council is the legislative body of government, comprising seven elected members including the Mayor, each serving four-year teams. The Mayor and three Council Members stand for election in one year and two years later, the remaining three Council seats are up for election. The Council determines the policies of the city by enacting ordinances and resolutions as well as approving the annual budget. A professional City Manager is appointed by Council, and serves at the pleasure of the Council on a contractual basis. The Manager administers the daily operations of the City through appointed executive staff members and department heads. Biographical information on Council Members and senior staff members appears below.

### City Council

**JOHN B. RHODES, Mayor.** Mr. Rhodes was elected Mayor in 2005 and re-elected in 2009 for a term of office that will extend through January 2014. Mr. Rhodes, who attended University of South Carolina (Coastal Carolina), is Executive Director of the Beach Ball Classic, an organization that annually produces a prestigious holiday invitational basketball tournament for high school teams from around the United States. He has previously owned and operated various businesses in the hospitality industry in Myrtle Beach. He has served as General Manager of a major local resort hotel and as Assistant Sales Director for the Hilton Myrtle Beach. Prior to his election as Mayor, he served on the Board of Directors of the Myrtle Beach Convention Center Hotel Corporation and, before the 1993 expansion, served on the Convention Center Advisory Board.

**W. WAYNE GRAY, Council Member and Mayor *Pro Tempore*.** Mr. Gray, a Senior Vice-President with Tideland Bank and owner of local restaurants, served on Council from 1998-2002 and was elected and re-elected in 2005 and 2009. His current term of office runs through January 2014. Prior to his first election, Mr. Gray served on the City's Tourism Committee, chairing its Financial Considerations Subcommittee. He is a former Chairman of the Myrtle Beach Area Chamber of Commerce. Mr. Gray earned a B.S. in Finance from Presbyterian College.

**PHILIP N. RENDER, DMD, Council Member.** Dr. Render is Dean of Academic Affairs at Horry-Georgetown Technical College and a dentist with a private practice in Surfside Beach, SC. He was first elected to Council in November 2003 and re-elected in 2007 and 2011. His current term of office will expire in January 2016. Dr. Render is a graduate of Wofford College and the Medical University of South Carolina.

**MICHAEL CHESTNUT, Council Member.** Mr. Chestnut, a real estate agent, took office in November 2000 following his election to Council and was re-elected in 2003, 2007 and 2011. His current term continues until January 2016. A long-time resident and businessperson in the Myrtle Beach community, Mr. Chestnut is the former owner-operator of his own catering business and

proprietor of a restaurant in the downtown area. He served on the Myrtle Beach Housing Authority prior to his election to City Council.

**CLYDE H. “MIKE” LOWDER, Council Member.** Mr. Lowder was elected to City Council in 2009 for a term of office that will expire in January 2014. Prior to his election, he served on the City’s Board of Zoning Appeals. Mr. Lowder is a graduate of Horry-Georgetown Technical College with a degree in Criminal Justice. He served for over 26 years in the Myrtle Beach Police Department before leaving to become Chief Deputy in the Horry County Sheriff’s office, a position he occupied until his retirement from public law enforcement. He then became a private investigator and is now Vice-President of Excalibur Security & Investigations.

**SUSAN GRISSOM MEANS, Council Member.** Ms. Means is self-employed as a management consultant. She was elected to Council in November 1999 and has served continuously since then. Her current term of office will expire in January 2016. She attended the University of South Carolina (Coastal Carolina), is a graduate of Leadership Grand Strand, former president of the Myrtle Beach Women’s Club and is active in a number of community and charitable organizations.

**RANDAL WALLACE, Council Member.** Mr. Wallace, who sells real estate at Waccamaw Land & Timber, served on the Myrtle Beach Zoning Board of Adjustments prior to his election to Council. He was elected in November 2001 and re-elected in 2005 and 2009. His current term of office will expire in January 2014. He is active in a number of community and charitable organizations. Mr. Wallace has earned degrees from Spartanburg Methodist College (A.A.) and Lander University (B.S. in History & Political Science, B.A. in Mass Communication).

## City Manager, City Attorney, and Senior Management Group

**Thomas E. Leath, City Manager.** B.A., M.P.A., J.D., University of South Carolina (Columbia). Mr. Leath was appointed in November 1987 and serves at the pleasure of City Council. He was Assistant City Manager from February 1986 to November 1987, and Assistant City Attorney from January 1985 to February 1986. Before coming to Myrtle Beach, he was an attorney in private practice, and worked for the State of South Carolina’s Reorganization Commission.

**Thomas E. Ellenburg, City Attorney.** B.A., Clemson University; J.D., University of South Carolina (Columbia). Mr. Ellenburg was appointed City Attorney in April 2000. Before joining the City, he was Assistant City Attorney for the City of Columbia and a Staff Attorney to the South Carolina Supreme Court. He taught emotionally handicapped children and was Administrator of Special Needs for emotionally handicapped children for Anderson County (SC) Schools prior to attending law school.

**Joan M. Grove, City Clerk.** Paralegal Cert., Monmouth College (NJ). Ms. Grove is Clerk to Council and is responsible for maintaining the records of the City, codifying ordinances, and organizing general elections. She was appointed in July 1993. Previously, she was Administrative Assistant to the President of Carolina First Savings Bank, and managed a law firm in New Jersey.

**Jennifer Peters Wilson, Municipal Court Judge.** B.A., Spelman College, J.D., Rutgers University. Ms. Wilson was appointed Municipal Judge in January 2000. She is licensed to practice law in the State of South Carolina, as well as in the United States

District Court for the District of South Carolina and in the Fourth Circuit Court of Appeals. Prior to joining the City, she had a solo practice in family and criminal law in Conway, SC.

### **Manager's Office**

**John G. Pedersen, Assistant City Manager.** B.A., University of Delaware; M.P.A., University of North Carolina at Chapel Hill. Mr. Pedersen was appointed in February 2002. He has direct responsibility for Administrative & Support Services, Construction Services and Planning. Prior to his appointment he spent 24 years with the City of Durham, NC, serving as Assistant City Manager from March 1998 through February 2002. He is a former board member and President of the North Carolina Government Finance Officer's Association.

**E. Ronald Andrews, P. E., Assistant City Manager.** M.S. in Civil Engineering, University of Alabama, Registered Professional Engineer (SC). Mr. Andrews, whose chief areas of responsibility include public works and cultural and leisure services, was appointed in 2005 after serving as Public Works Director for six years. Prior to joining the City in 2002, he served as Executive Director of the Horry County Solid Waste Authority for a period of eight years. He was with the City previously, serving as Public Works Director from 1981 to 1986. Mr. Andrews has also served as Horry County Engineer and as City Engineer for the City of North Augusta, South Carolina.

**Mark Kruea, Public Information Officer.** B. A., Wake Forest University. Mr. Kruea was appointed in August 1998. He is responsible for disseminating City information to the general public, the news media and the staff. Prior to his appointment, he was Director of Communications for St. Andrews Presbyterian College and served as Media and Community Relations Director for the Spartanburg County, SC, Sheriff's Office. His experience includes 10 years in broadcasting as a bureau chief and news director.

**Michael W. Shelton, CGFO, Budget & Evaluation Director.** B.A., Furman University; M.A., Webster University; doctoral study in public policy, University of Kentucky; Cert., Advanced Government Finance Institute, Georgetown University. Mr. Shelton, a Certified Government Finance Officer (CGFO), is responsible for financial planning and debt management. He was appointed in May 1989 after serving three years as Director of Budget & Financial Management in Myrtle Beach and five years as a Budget Analyst with the City of Charlotte (NC). He has authored or co-authored a number of articles and monographs on financial management topics.

### **City Department Heads**

**Maria E. Baisden, Finance Director.** B.B.A. Marshall University. Ms. Baisden is responsible for the City's financial operations, including revenue billing and collection activities, business licensing, purchasing, accounting, and management information services. She was appointed in May 1989. Previously, she was Assistant Director of Budget and Financial Reporting for Horry County, SC, and worked in various public accounting practices

**Bruce Boulineau, Construction Services Director.** B.A., Coastal Carolina University. Mr. Boulineau was appointed in January 2002. His responsibilities include building permit issuance and enforcement of building and zoning codes. He served in the Department for 13 years prior to his appointment, serving as Chief Building Official since 1994. He holds 16 different building

certifications and has been licensed as a General Contractor and Residential Home Builder. He is currently licensed as a Certified Asbestos Inspector and SC Home Inspector.

**Paul T. Edwards, General Manager, Myrtle Beach Convention Center.** A.S., Florence-Darlington Technical College. Mr. Edwards is responsible for the operation of the City's Convention Center. He was appointed General Manager in January 2000. Previously, he was Finance Manager in the City's Finance Department. Prior to his joining the City in 1985, he was a cost accountant with Grove Manufacturing in Conway, SC, and a supply petty officer in the U. S. Navy Mediterranean Fleet.

**Warren S. Gall, Chief of Police.** A.S. in criminal justice, Horry-Georgetown Technical College; B.A., University of South Carolina (Coastal Carolina); M.A., Webster University; graduate, FBI National Academy. Chief Gall was appointed in March 1997, following 16 years of service as an officer, investigator, and administrator in various divisions of the department. From 1993 until his appointment as Chief, he served as Commander of the Uniform Division.

**Briget Livingston, Library Director.** B.A., M.L.I.S., University of South Carolina. Ms. Livingston, a Certified Public Librarian, was appointed in December 2009. She is responsible for the operations of the Chapin Memorial Library. Prior to her appointment, she was Circulation Manager for the Main Library of the Richland County Public Library in Columbia, SC and Systems Librarian and Head of Access Services for the School of Medicine Library at USC. Her experience also includes ten years working in the Circulation and Systems departments at USC's Thomas Cooper Library.

**William Oliver, Director of Public Works.** A.S. in Civil Engineering, Florence-Darlington Technical College; business administration studies, Francis Marion University. Mr. Oliver's responsibilities include directing the City's Public Works administration, engineering, construction, fleet maintenance, traffic/transportation, solid waste, streets/storm water and water and sewer system, with special emphasis upon managing the construction of capital improvement projects. He joined the City in June 1976 as Chief Water/Wastewater Facility Operator and has served in several different capacities during his tenure. He was appointed Deputy Director of Public Works in 1993 and served in that capacity until his appointment as Director of Public Works in July 2006.

**Alvin Payne, Fire Chief.** Graduate, National Fire Academy. Mr. Payne's department is responsible for fire protection services, fire code enforcement, fire safety public education, emergency medical services, and hazardous materials response. He was appointed in April, 2002. Since joining the department as a firefighter in 1979, he has advanced through the ranks. From 1992 until his appointment, he served as a Battalion Chief and Shift Commander.

**Coleman H. Randall, SPHR, Human Resources Director.** B.S., South Carolina State University; post-graduate study, Middle Tennessee State University. Mr. Randall, a Senior Professional in Human Resources (SPHR), was appointed in July 1991. He is responsible for personnel policy, position classifications and pay plan, performance appraisal, recruitment and selection, benefits programs, training, and employee relations. Prior to his appointment, he was a Personnel Analyst and an employee relations assistant with the City.

**Jack O. Walker, Planning Director.** B.A., Clemson University. Mr. Walker is responsible for a wide range of planning activities, including traditional municipal planning services and administration of the City's Community Development Block Grant Entitlement program. He was appointed in August 1984. Prior to his appointment, he was an urban planner with Wilbur Smith & Associates and an associate planner with Central Midlands Regional Planning Council.

# Myrtle Beach, South Carolina

## Area Accolades

"Top Ten Beaches"

-The Travel Channel (2011)

No 25 of 100 "Best Places to Retire"

-TopRetirements.com (2011)

"2011 Travelers' Choice Award"

-Trip Advisor (2011)

"Top 10 Vacation Spots"

-The Travel Channel (2011)

"Top 5 Summer Travel Destinations of 2011"

-Travel Ticker (2011)

Four courses listed among "America's Top 100 Great Public Golf Courses"

-Golf Digest (2009-10)

"Favorite Beach," "Favorite Family Destination," & "Favorite Weekend Getaway"

-Southern Living Magazine (2009)

"Top ten Family Destinations"

-ASK.COM (2008)

Named for native wax myrtle trees growing wild along the shores, Myrtle Beach was incorporated as a town in 1937 and as a city in 1957. It is the largest city in Horry County as well as the Myrtle Beach-Conway MSA. Situated largely on a barrier island between the Atlantic Intercoastal Waterway and the Atlantic Ocean, Myrtle Beach is home to over nine miles of recreational beachfront area and some of the worlds widest and cleanest stretches of white sandy beach. In addition to the world class beaches, 102 local golf courses, the Myrtle Beach Convention Center and nearby 312-acre oceanfront State Park, the City offers wide a variety of cultural entertainment, attracting nearly 14.7 million visitors annually, Myrtle Beach is a major U.S. tourist center continually receiving accolades from regional and national publications.

## Myrtle Beach Facts

Population (2010): 27,109

Myrtle Beach MSA(2010): 269,291

Median Home Price(2009): \$170,100

Largest Private Employer: Wal-Mart

Avg. Annual Salary(MSA 2011): \$29,172

Number of Hotel Rooms: 89,000

Estimated Unrestricted \*

True Value of Taxable

Property (Tax Yr 2012): \$6,298,603,000

Average High Temperature: 63F

Annual Precipitation: 53.27"

Sister Cities: Burlington, Canada  
Pinamar, Argentina  
Bradford-Keighley, England  
Killarney, Ireland

\* Unrestricted taxes are those available for General Fund operations.

## First In Service

The City of Myrtle Beach provides quality service at reasonable prices. The City is committed to being “First in Service.” This commitment, along with the City’s ideal oceanfront location, combine to help make Myrtle Beach the best resort, business and residential location on the East Coast. Public amenities within the City include:

- Six fire stations and full EMS services.
- 3 Police stations-including the main headquarters, the police annex, and the joint use of Fire Station #4 on the Air Force Base.
- 1.2 mile Oceanfront Boardwalk featuring shops, cafes and an oceanfront park. The Boardwalk offers relaxing views of the beach, benches, natural landscaping and passive recreational opportunities
- 48 City Parks, three full-service recreation centers and 9.25 miles of beaches including 132 dune walkovers for public access.
- 18-hole, championship Whispering Pines Golf Course.
- Myrtle Beach Convention Center with 100,000 square feet of meeting space.
- The 402-room Sheraton Myrtle Beach Convention Center Hotel, carrying ratings of 4-star by Mobil and 3-diamond by AAA.
- Water and Sewer System serving over 15,000 commercial and residential customers.
- Full Solid Waste residential and commercial collection and recycling services.
- Myrtle Beach Colored School, historical site and community center.
- Restored historic Myrtle Beach Train Depot and community center.
- Chapin Memorial Library owned and operated by the City.



Withers Swash Park



Whispering Pines Golf Course



# City of Myrtle Beach 2012-13 Annual Budget



**WELCOME** to the City of Myrtle Beach 2011-12 Budget. We hope this document will serve to tell you a little about who we are both as a community and as an organization, including our financial standing and our priorities for this upcoming year. We in the Budget Office hope this document gives you a sense of the annual operations of our city and how they are financed and delivered.

Sincerely,

Michael Shelton, CGFO  
Budget & Evaluation Director

Michelle Shumpert, CPA  
Senior Budget & Evaluation Analyst

Michael Price  
Budget & Evaluation Analyst

## Key Dates for Ratification of 2012-13 Budget:

- ☑ **November 16-** Budget Kick Off Meeting with Department Heads to begin budget submittal process
- ☑ **December 16-** Departmental Budget Requests Due
- ☑ **January 23-31-** City Manager meetings with departments to discuss budget requests and priorities
- ☑ **April 4-6** Budget Retreat to present Manager's Recommended Budget and Popular Budget to City Council
- ☑ **May 3 -** Budget Workshops to review Manager's Recommended Budget and Outside Agency Requests
- ☑ **May 6 –** Publish Statutory Notice of Public Hearing
- ☑ **May 8 –** First Reading of Budget Ordinance
- ☑ **May 22 –** Statutory Public Hearing
- ☑ **June 12 -** Enact 2012-13 Operating Budget



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## **Transmittal Letter**



## City of Myrtle Beach Office of the City Manager

Honorable Mayor John Rhodes  
and Members of City Council:

It is my pleasure to transmit to you the Municipal Budget of the City of Myrtle Beach for Fiscal Year 2012-13 (FY 2013), and the 2012-16 Capital Improvements Plan (CIP).

Total expenditures/expenses for the upcoming fiscal year, net of interfund transfers, are approximately \$152.8 million, a decrease of \$35,191 (or 0.02%) when compared with the appropriations and capital authorizations of Fiscal Year 2011-12. Operating expenditures of Governmental Funds are within \$2,000 of the 2011-12 level at \$127.3 million. Enterprise operations are up by \$445,859, or 1.3% over last year's \$34.8 million.

### Comparison of Budgets, FY 2013 vs. FY 2012

	FY2011-12 Revised Estimate	FY2012-13 Budget	Percent Change
Governmental Operations	127,323,350	127,325,020	0.0%
Enterprise Operations	<u>34,848,412</u>	<u>35,294,271</u>	1.3
Total Operating Budget	<u>162,171,762</u>	<u>162,619,291</u>	0.3
General Capital Project Authorizations	<u>9,159,185</u>	<u>9,486,220</u>	3.6
Reconciling Items <sup>1</sup>			
Enterprise Capital Projects	<u>5,207,000</u>	<u>5,133,500</u>	(1.4)
Gross Budget, All Funds	<u>176,537,947</u>	<u>177,239,011</u>	0.4
Less: Interfund Transfers	<u>(23,669,037)</u>	<u>(24,405,292)</u>	3.1
Grand Total FY2010 Appropriations	<u><u>152,868,910</u></u>	<u><u>152,833,719</u></u>	(0.0)%

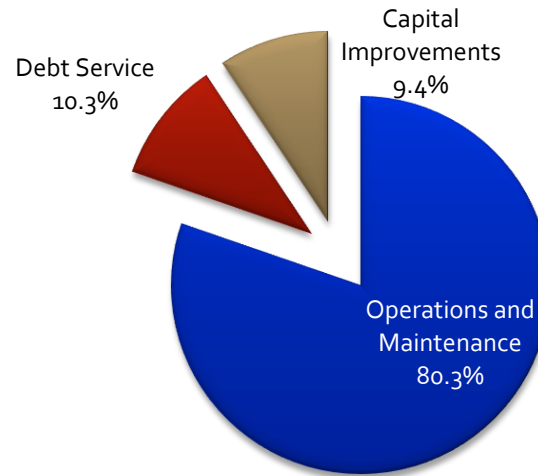
<sup>1</sup> The Budget is formulated on the basis of Generally Accepted Accounting Principles (GAAP) under which capital investment is not recognized as an expense in enterprise funds. Rather, the investment is expensed in equal annual installments over the life of the facilities or equipment acquired with the investment of these resources. This reconciling item for Enterprise Capital Projects is used to show City Council's total allocated resources for capital investment in enterprise funds as a part of the total appropriation of funds.



When interfund transfers are netted out, expenditures for operations and maintenance of general government responsibilities and of City enterprises are estimated at \$122.7 million (80.3% of total). Debt service expenditures/expenses equal \$15.8 million (10.3% of total). New capital improvement authorizations for FY 2012 have been approved in the amount of \$14.3 million (9.4% of total). The chart on the next page summarizes this information.

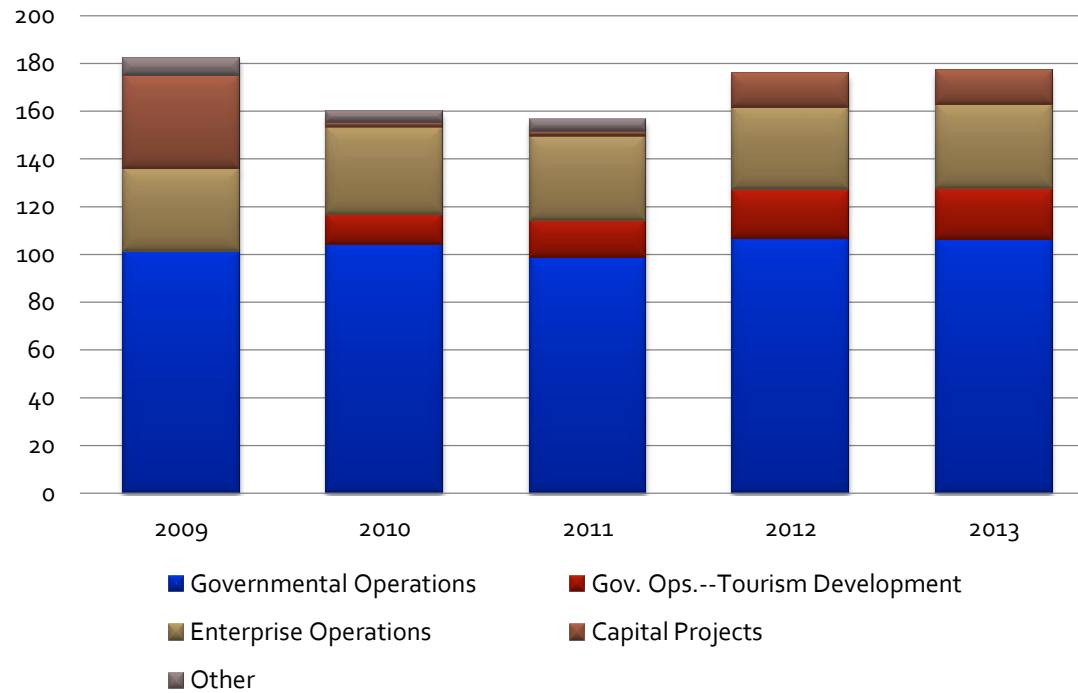
The budget has been balanced with no change in the ad valorem tax rate and no increases in other fees in the General Fund. The only increase in enterprises is the planned increase of 7.5% in the Sewer rate, resulting in a blended Water & Sewer rate increase of 3.8% to 4.5% depending upon meter size and consumption. For the residential customer using 4,000 gallons per month, this increase amounts to \$1.05 in the monthly bill.

**FY 2012 Resource Allocation by Major Categories**



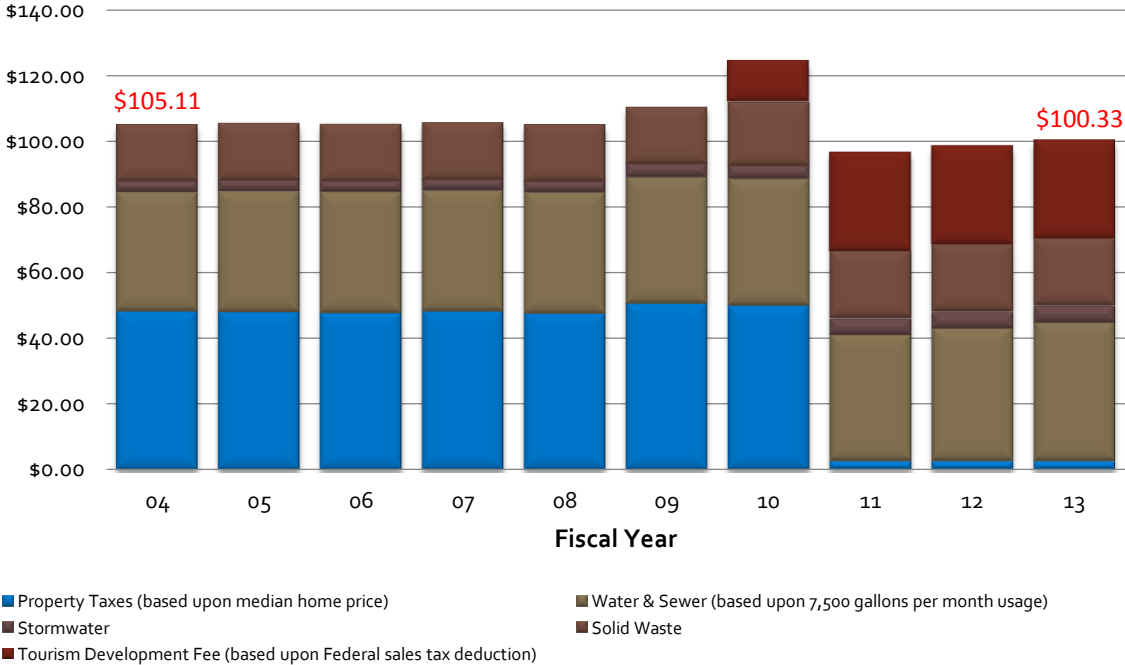
Operations and Maintenance appropriations stand at 80.3% of total appropriations for all funds. Debt Service appropriations account for 10.3%. The remainder are for Capital Investment in public infrastructure.

**Comparison of 2008-2012 Gross Budgets (\$ millions)**



The total budget has varied little for the past four years, except for the addition of the Tourism Development Fee and the out-of-market advertising it has financed. The Budget Office's analysis indicates that the fee has spurred rebounds in the tourism sector of the economy and has provided about \$2.8 million per year in tax credits to City residents.

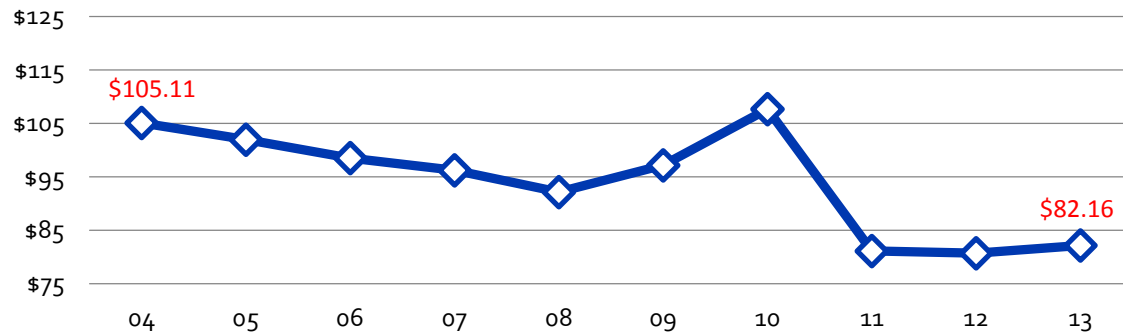
Typical City Residents' Costs of Services, 2004-2013



We have consistently kept costs to residents low for the past ten years. As the graph above shows, the costs of City services to a typical resident with a median-priced house, vehicles valued at \$28,000, monthly taxable expenditures of \$1,167 and whose family uses 8,000 gallons of water, is \$100.33 per month today. This compares favorably with \$105.11 per month in 2003-04. Beginning in 2010 and continuing through 2019, the Tourism Development Fee collections allow a credit of the operating portion of the tax levy on all owner-occupied properties. As a result, a resident will pay only the Debt Service tax rate of 7.6 mills. At 4% this amounts to a payment of \$30.40 for each \$100,000 of market value, a savings of \$234.00 for every \$100,000 of market value of real and automotive property.

When the total cost of City Services is adjusted for inflation, the difference is even more pronounced. The City services that cost local residents \$105.11 in 2004 cost \$82.16 today when stated in 2004 dollars.

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



### **Major Goals in Formulating the 2012-13 Budget**

In 2009-10, Council took several measures that would position the City to respond quickly when the prospects of economic recovery improved, such as pushing for authorizing legislation and then adopting the Local Option Tourism Development Fee. The various approaches that we have taken and are taking to deal with the economic situation have come together in what we can summarize as four main thrusts that would (a) improve revenue prospects for the community and thereby for the City and (b) reduce some basic costs for the longer term:

1. *Implement a marketing plan that will drive more business to the City and its environs during and after the recession by devoting larger recurring resources to out-of-market advertising, and especially to cultivating new target markets.* In May 2009, Council adopted a local option tourism development fee—a sales tax of 1% of taxable sales—that yields an average of roughly \$20.0 million per year. The state enabling legislation provided that all first-year revenues should be used for out-of-market advertising and that in subsequent years, 80% should go for that purpose. The remaining 20% in the future years are to be used for capital improvements or property tax relief.
2. *Invest in an iconic attraction to replace the Myrtle Beach Pavilion.* Using a combination of local revenues freed up by the Tourism Development Fee and an interest-free American Reinvestment and Recovery Act (ARRA) loan, The City proceeded late in 2009 with its plans to build a Boardwalk running along the ocean from 2nd Avenue South to 14th Avenue North and to create a festive atmosphere with easy access to shops, restaurants, hotels and parks along the way.

3. *Use fund balance—then in excess of 20% of annual operating expenditures—in order to avoid reacting in a panic and adopting layoffs and service interruptions that might not be necessary.* The City did not lay off any of its work force but did hold positions that became vacant by attrition. Where alternatives for service delivery could be implemented by process improvement or other means, 16 vacant positions that had been held for the 2011 year were deleted in the 2012 budget for a savings in excess of \$600,000. In many cases, City staff were able to reduce contractual expenditures as a result of the changes as well.
4. *Recognize areas of structural imbalance given the redefinition of revenue trends that was occurring and adopt measures—including revenue increases and expenditure reductions—that would restore long-term structural balance.* In the 2011 budget, Council adopted revenue increasing measures in the three enterprise and special revenue funds that had structural problems. You also implemented expenditure reductions and accompanying policy changes in the General Fund that amounted to nearly \$1.3 million.

The most remarkable thing about all of this is that practically everyone connected with the City contributed to the response. While many people are aware of the roles that senior staff and Council played, I don't think very many understand the extent to which all City employees responded. Many of the productivity improvements and budget reductions that we made in 2010-11 originated in the rank and file of the organization and I have to say that I have heard little or no complaints from City employees over the past three years as we have reduced certain benefit programs, held salary increases to zero, scaled back merit awards to bonuses-only and then suspended the program entirely. I share your gratitude to them for the unselfish ways they have coped with this recession and your pleasure at reinstating the merit program to provide for modest salary increases—up to 3%—this year. Hopefully, as the economy continues to improve, we will be able to reinstate some other benefits that have been lost.

## **Revenue Trends**

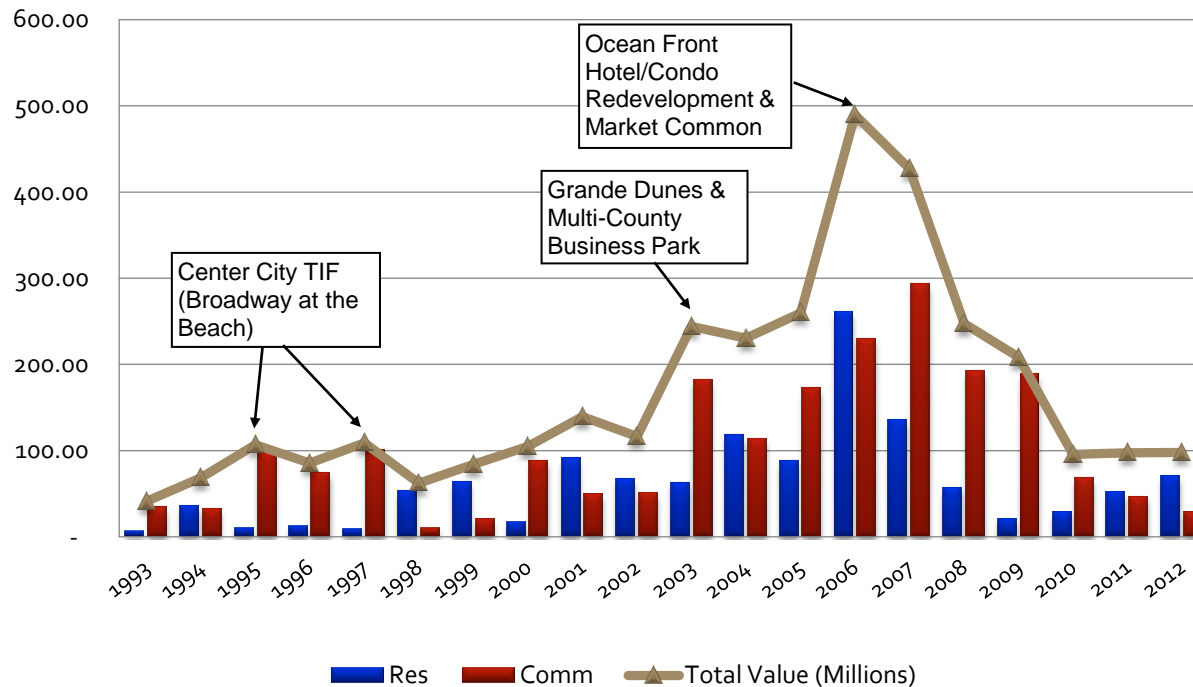
We had thought that property tax revenue was entering a stabilizing phase. However, at the end of FY2011-12, we suffered some sizeable and unexpected write-offs of property value that caused us to have to adjust the 2013 budget just two months into the new year. Much of the loss of value affected property that had been on the books as of the implementation of reassessment in FY2011. Had the City been able to allow for the losses due to reassessment, it may have been able to absorb the loss without significant reductions in property tax receipts. But, because of a 2005 Supreme Court decision that required us to make two totally unrealistic assumptions—that we would lose no value to appeals and that we would collect 100% of the levy—our reassessment rollback rate was set at a level that turned out to be artificially low.

Concerning the other major revenue sources in the City's budget, business license and hospitality fee trends had been disrupted by the slowing of construction and reductions in spending on luxury items and travel in fiscal years 2009 and 2010. At its peak in 2007, Construction and Related Industries accounted for 19.5% of the Business License base. At the end of 2010, it accounted for only a little more than six percent. While this may sound like bad news, it may also be good news for the City going forward. It means that

we are not quite as dependent on the most volatile sector of our economy for a large share of our annual receipts. As the accompanying chart on new construction activity shows, we are back to a reasonable trend after the bursting of a very large bubble. All the same, the reduction of levels of business license revenue had a great negative impact upon the General Fund. The loss of property tax revenue for the 2013 fiscal year might not have been so difficult to absorb had the Business License rebound continued, but those revenues were generally flat compared to the prior year.

Given this set of facts, we amended the budget during the first quarter of 2013.

### New Construction Activity, Last Twenty Fiscal Years



Hospitality Fee and Local Accommodations Tax data have given the budget a significant boost this year in areas where they are available for use. Indeed, had it not been for the growth in these revenues making it possible to replace the Convention Center subsidies, we would not have been able to increase the funding available to finance the changes in the General Fund that were mentioned above.

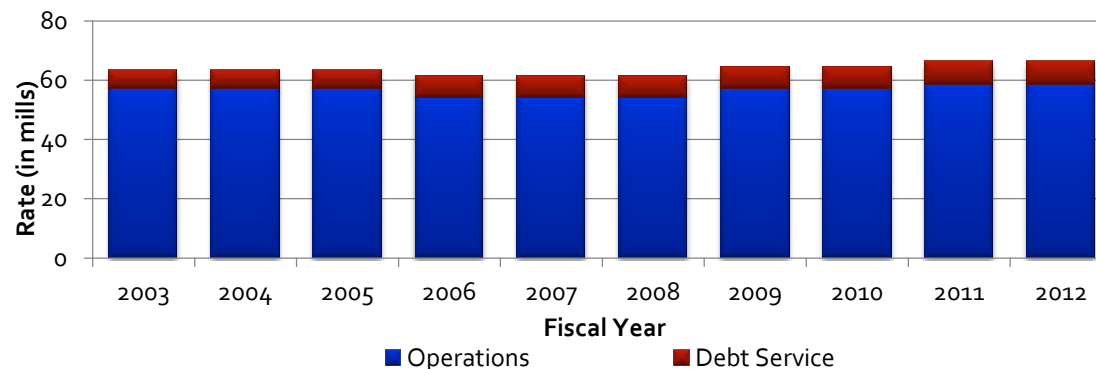
In 2010, we said that there were some signs that the negative trends in these areas were bottoming out but that we expected it would take three to five years for us to reach the level of collections we saw for the peak 12 month period—the one that ended in November 2008. Fortunately, due to pent-up vacation demand and the City’s being prepared to take advantage of recovery, as of June 2011, Hospitality Fee revenues for the previous twelve months exceeded the previous peak twelve-month. FY2011 collections were \$8.97 million versus \$8.79 million for the 12 months of December 2007-November 2008. And the bounce continued through FY2012, hitting \$9.02 million for the year.

Since June’s collections result from May business activity, I would note a couple of other interesting points:

- The June 2012 collections were up by over \$30,500 (3.8%) compared with June of last year and more than \$150,000 (22.9%) when compared with June 2009 collections.
- The June 2012 collections amounted to more than \$836,000 in revenue, which exceeds the June 2008 number by \$11,000 (1.3%).

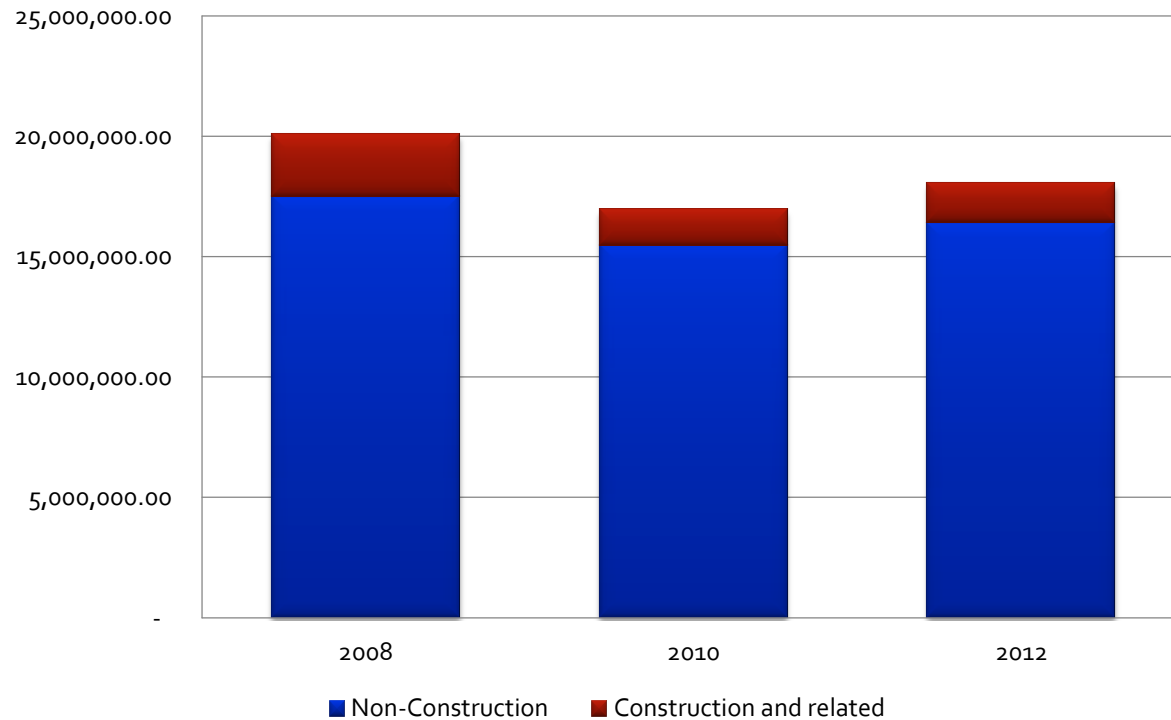
These results may indicate that our efforts to remarket the month of May have been successful despite the notable absence of motorcycle events during that month.

**City Tax Rates with Operations and Debt Service Components, Last Ten Years**



Business license revenues are expected to grow at a below-average but positive pace, after declining by roughly 15% in 2010 and 2011. Given that the Business License is now the General Fund's second largest single source of revenue and that this source was noticeably below its recent trend in 2008, the Budget Office watches this source closely to try to determine whether we should re-evaluate the estimate for the coming year. Initial indications for the 2013 year are flat to slightly positive in the hospitality and retail sectors. The recovery is expected to continue to be somewhat uneven in other sectors and there may be some positive movement in the finance, insurance, and real estate sector, as well as in construction and related industries.

**Construction vs Non-Construction, Relative Growth/Decline**





Only two changes were adopted in fee structures this year:

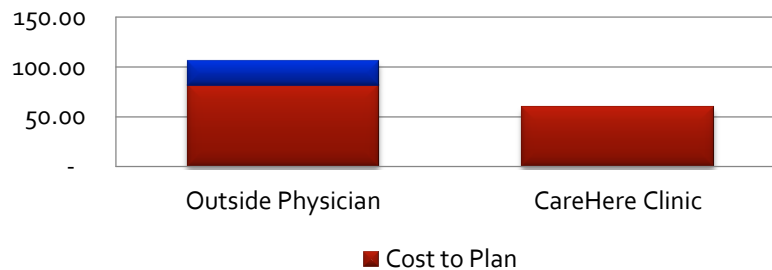
- A new fee was imposed for non-resident individuals and businesses for use of the training facility at Fire Station #6 and
- Sewer rates were increased by 9.0%, resulting in a blended increase in water and sewer rates in the 4.5-5.0% range, depending upon consumption.

### Challenges in Expenditure Control

Probably the most rapidly increasing and most volatile area of expenditure for the City is health care and health insurance. Health care costs continue to escalate at rates in excess of common inflation indices. The City has taken a very proactive position on health care benefits since 2007, when we began to re-examine our programs in light of new accounting and financial statement guidelines on post-employment benefit programs issued by the Governmental Accounting Standards Board (GASB). The changes adopted in 2009 for the Fiscal year 2009-10 budget avoided more than \$50 million out of an estimated \$74 million of potential long-term costs and reduced the City's annually required contribution for current employees from more than \$2 million per year to about \$1.1 million per year. These long-term savings were primarily the result of converting from a defined benefit program to a defined contribution program with a Health Reimbursement Arrangement that would make a limited amount of funds available to reimburse the retiree for premium costs, deductibles, co-pays and other medical expenses.

To try to affect the rate of increase in health care costs for the City's immediate as well as its longer term benefit, we also opened an on-site clinic that offers family medical services for those covered in our insurance plan and instituted annual health risk assessments to identify concerns and help covered individuals to manage their health risks. We hoped that those moves would not only reduce costs to the City, but would also improve our employees' productivity and quality of life.

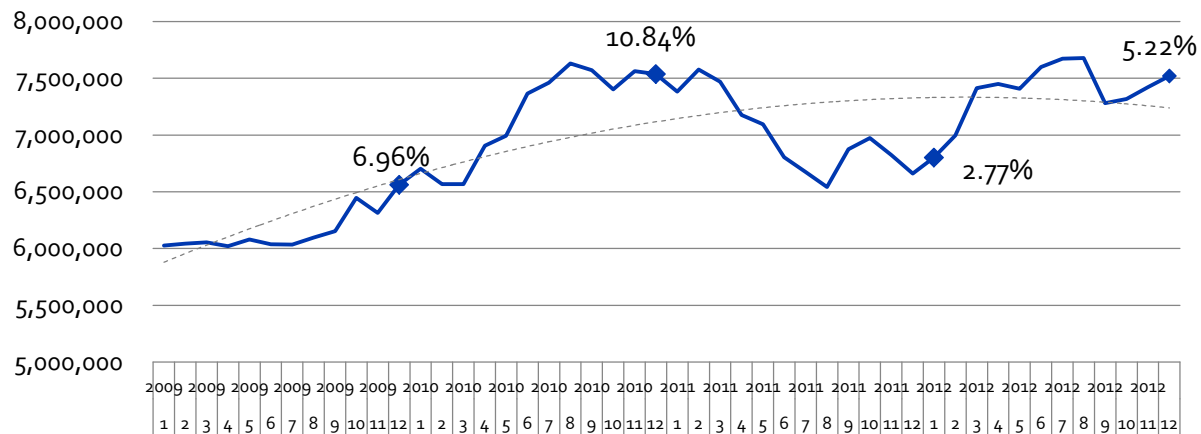
**Weighted Average Costs of Office Visits  
to the City's Health Insurance Plan**



The initial year's results indicated that the initial health risk assessment did identify health issues in more than five per cent of our employees and that those employees are now getting assistance in managing those issues. We are also able to determine that, comparing our outside physician costs with our clinic costs, only for diagnostic classes mutually represented in insurance claims and clinic records, the clinic is able to provide treatment at no cost to the employee and at a lower cost to the City when compared with visits to an outside physician's office.

Despite that success and the generally lower dollar claims per employee that we have experienced since moving to PAI and the Preferred Blue network, in 2010 the City experienced an unusual number of catastrophic claims. The City purchases catastrophic coverage for claims in excess of \$125,000 per covered individual per year, but is exposed for large claims up to the \$125,000 threshold. In a more normal year, a handful of claims in the \$75,000 to \$125,000 category would result in claims in the neighborhood of \$500,000. In 2010, though, we had a large number of serious claims that increased our exposure and ended up generating claims in excess of \$1.8 million. The effect of plan changes on claims costs per employee per month (pepm) can be seen in the graph below in 2008 through the latter months of 2009. Shortly thereafter, the large claims began to mount up and the average claims (pepm) grew by more than \$100 per month from the fall of 2009 through the end of 2010.

**Rolling 12-mo. Health Program Cost Growth, 2009-2012  
with Cumulative Annualized Rates of Increase**

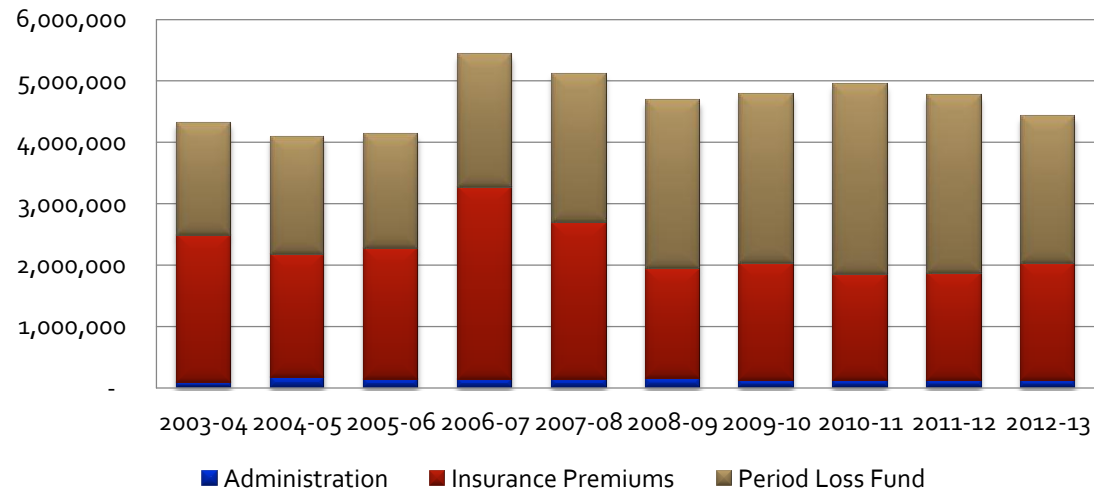


Still, the underlying trend seems to be moving along a good trajectory. Our cumulative rate of growth in costs, including claims, administrative costs and clinic costs, for the past four years is 5.22% per year. This appears to be well in line with most measures of health cost inflation.

This year, we are proceeding to implement the next steps in our wellness emphasis and are hopeful that we will have a more normal year in terms of the large claims experience. That said, though, this budget includes both (a) funding to make up the 2010 deficit in the health insurance fund and (b) funding to make current contributions to the Retiree Health Reimbursement Arrangement and the catch-up contributions for qualified employees and retirees.

Concerning property and casualty insurance, we have gotten these costs under control for the present and have funded the reserves for unmatured claims, the “Period Loss Fund,” at the required levels. Since 2007, property and casualty costs have moderated and even decreased, as is evident in the accompanying graph.

**Self-Insurance Program Costs, FY2004-13**



## **Capital Improvements**

A total of \$62.2 million in capital improvements are planned over the five-year term. The 2013-17 Capital Improvements Plan (CIP) includes \$7.3 million of appropriations for general capital improvements and \$4.8 million for water and sewer system improvements in first year of the plan. FY2013 appropriations include \$1.4 million in Tourism Development projects, mainly for Baseball Stadium renewal and replacement and filed turf at Ashley Booth Field.

The 2013-2017 debt management plan contemplates the issuance of \$5.6 million in 2013 for completion of the multi-field complex at Grande Park and for partial financing of the Convention Center/HVAC roofing project. In calendar year 2017, approximately \$1.6 million principal amount of general obligation bonds is scheduled to finance the construction of Fire Station No. 7 on Harrelson Boulevard near the Myrtle Beach International Airport and Coastal Grande Mall. If Council votes to hold a referendum in the spring of 2012, the voters will determine whether the City will be allowed to issue approximately \$10,000,000 in GO Bonds for the construction of a Performing Arts Center adjacent to the site of the Myrtle Beach Convention Center. This debt issue would be in addition to that contemplated in this budget.

## **Fund Balances**

The projected unrestricted fund balance in the General Fund of approximately \$8.9 million (approaching 15% of recurring expenditures) is expected to be adequate to meet working capital needs without interim borrowing, although it will require that we borrow from other funds of the City during the late fall and winter months of the fiscal year. We will continue to pursue policies that will restore that balance to the upper target limit of 20%. Our fund balance policy served us well during the recent recession, putting us in a position to continue to provide largely uninterrupted services because we were not at the mercy of the financial community during a time when many state and local governments found it costly, if not impossible, to obtain interim financing.

In the Enterprise Funds, the Water and Sewer Fund will exceed the required liquidity ratios, while other funds will need to rely on interfund borrowing during parts of the year in order to finance their operations. Still, the changes you made in the Solid Waste Fund last year have it operating in the black again, even without contributions from the General Fund. The Stadium continues to operate on a balanced basis with support from the hospitality fee and the golf course, which had a much better year in 2011 than in 2009 or 2010 and has done some cost-restructuring of its own, may be headed back toward profitability.

## **Conclusion**

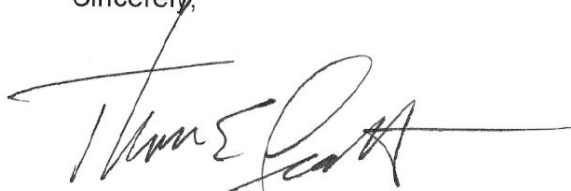
We look forward to another challenging and rewarding year for the City of Myrtle Beach!

I would like thank the Departments for the positive manner in which they implemented last year's budget reductions and maintained a firm rein on their requests for 2013. Their discipline made it possible for us to recommend the positive changes we have made in compensation for this year and to devote the necessary funds to the health insurance program, where they were especially needed.

We have an exceptional group of employees at the City of Myrtle Beach and their commitment to being "First in Service" while at the same time maintaining efficiency in service delivery should be recognized and applauded.

Finally, I would like to thank you, Council, for the support you have provided and the trust you place in me and the staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas E. Leath". The signature is stylized with a long horizontal stroke extending to the left and a large, looped flourish at the end.

Thomas E. Leath  
City Manager

## City of Myrtle Beach Structure and Services

The City of Myrtle Beach operates under a council-manager form of government, which was adopted by voters in 1973. The City Council is the legislative body of government, comprised of seven members including the Mayor each elected at-large for four-year teams. The Council determines the policies of the city by enacting ordinances and resolutions as well as approving the annual operating budget. A professional City Manager is appointed by Council, and serves at the pleasure of the Council on a contractual basis. The Manager administers the daily operations of the City through appointed executive staff members and department heads.

### Local Government Powers

Myrtle Beach is a municipal corporation of the state of South Carolina and, as such, possesses all the general powers granted to municipalities by the state's constitution and general statutes. In 1972, as part of a general revision of South Carolina's 1895 Constitution, voters approved a new Article VIII on local government. The key passage in Section 17 of that article states that:

*"The provisions of this Constitution and all laws concerning local governments shall be liberally construed in their favor. Powers, duties and responsibilities granted local government subdivisions by this Constitution and by law shall include those fairly implied and not prohibited by this Constitution."*

This constitutional amendment and the State of South Carolina, Local Government Act (1975), have established South Carolina as a 'home rule' state. The constitution requires that courts interpret the statutes liberally in favor of local government. Though political and legal challenges continue to arise from time to time, a number state court decisions in the intervening years have reaffirmed the home rule doctrine in many respects but, arguably, have eroded it in others—especially with regards to financial home rule.

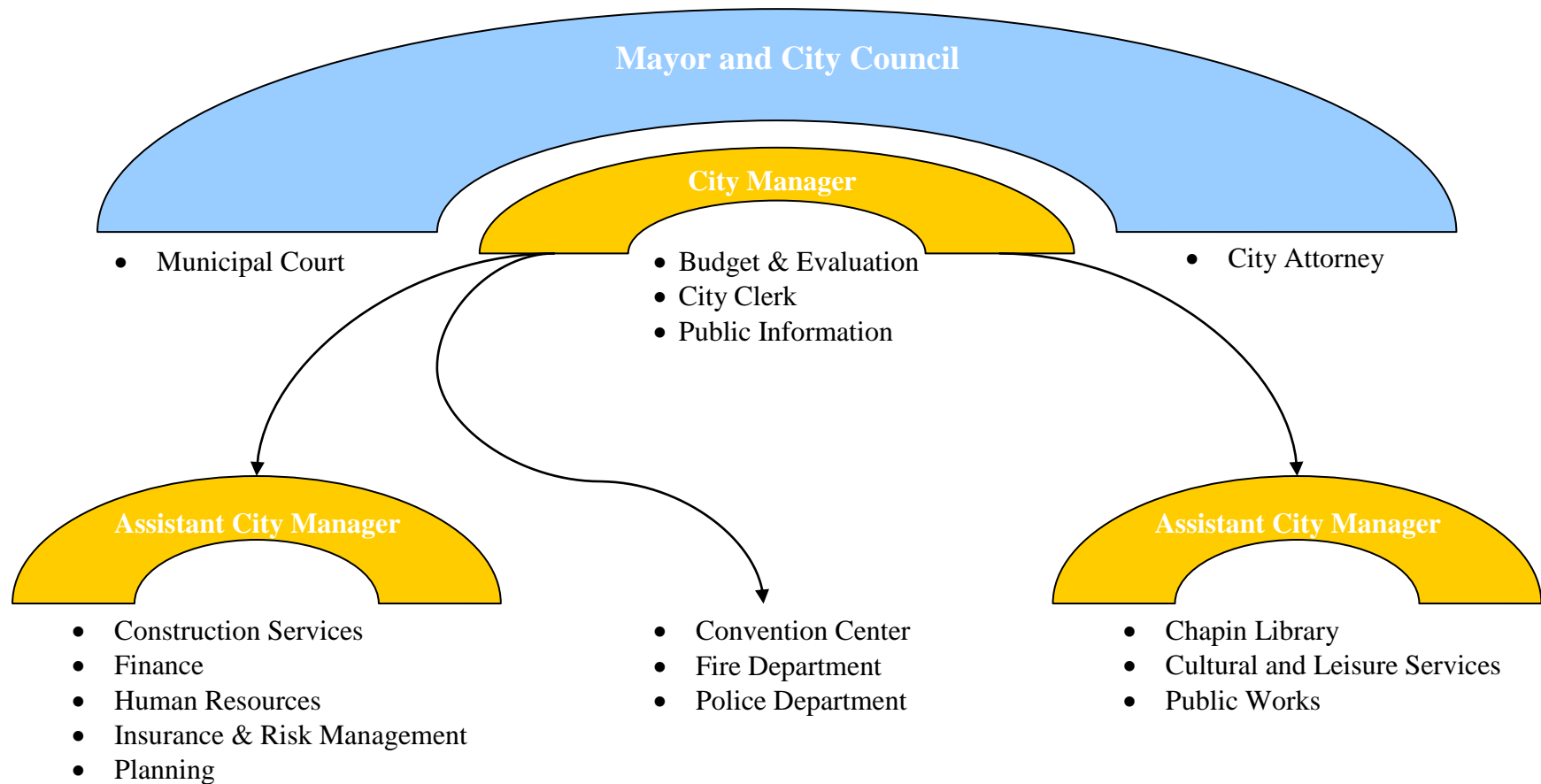
### Government Services

The City is a public agency. It is also a multi-million dollar corporation offering a diverse line of services and products. Residents and visitors receive traditional municipal services such as police protection; fire prevention and protection; well-maintained public parks and rights-of-ways; recreation facilities and programs; sanitation and street maintenance; and community development assistance including planning, zoning, and building code enforcement.

## Citizen Participation and Voluntarism

The City considers citizen participation vital to the successful fulfillment of its mission. Citizen input is sought in order to help reveal and clarify the true needs of City customers, provide efficacious access for citizens to their local government and allow council and staff to receive timely and insightful information regarding the potential impacts of public policy decisions upon different sectors of the community. Most members of boards and commissions are appointed by Council and open to the public at-large.

### City of Myrtle Beach Organizational Chart

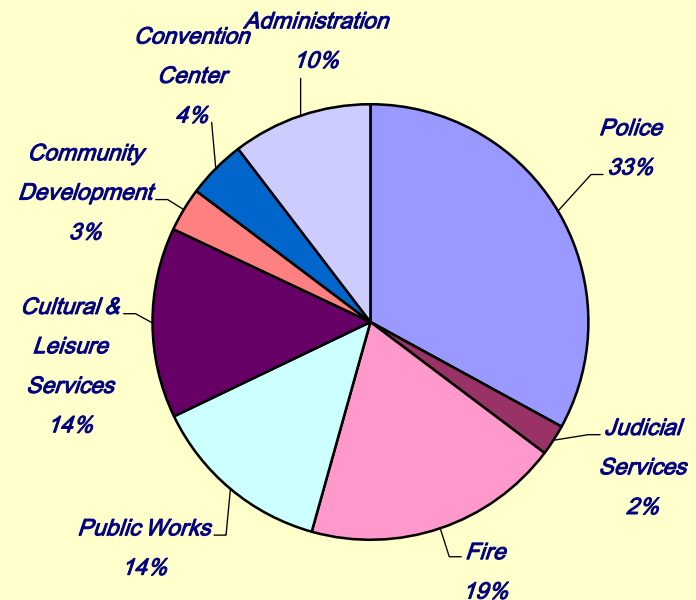


## Myrtle Beach City Employees

A significant part of the operating budget, nearly 40%, is funding for employees who provide services to the citizenry. The charts accompanying this section identify full-time position allocations by department.

Staffing Totals By Department				
Program	2011-12	2011-12	2012-13	Net-Change
<b>Community Services</b>				
Police	276	273	273	-
Municipal Court	16	16	16	-
Victim Witness/Advocate	4	4	3	(1)
Fire	157	158	158	-
Transportation	10	10	10	-
Cultural & Leisure Services	111	107	109	2
Baseball Stadium	1	1	-	(1)
Community Development	28	26	27	1
Water & Sewer	56	56	56	-
Convention Center	37	37	36	(1)
Golf Course	15	10	8	(2)
Solid Waste Management	30	30	30	-
Storm water Management	16	16	16	-
<b>Total Community Services</b>	<b>757</b>	<b>744</b>	<b>742</b>	<b>(2)</b>
<b>Support Services</b>				
Policy & Administration	19	18	18	-
Financial Operations	36	36	37	1
Human Resources	6	6	6	-
Public Works Administration & Engineering*	28	25	25	-
<b>Total Support Services</b>	<b>89</b>	<b>85</b>	<b>86</b>	<b>1</b>
<b>Total Authorized Positions</b>	<b>846</b>	<b>829</b>	<b>828</b>	<b>(1)</b>

Staffing Comparison, Percent of Total

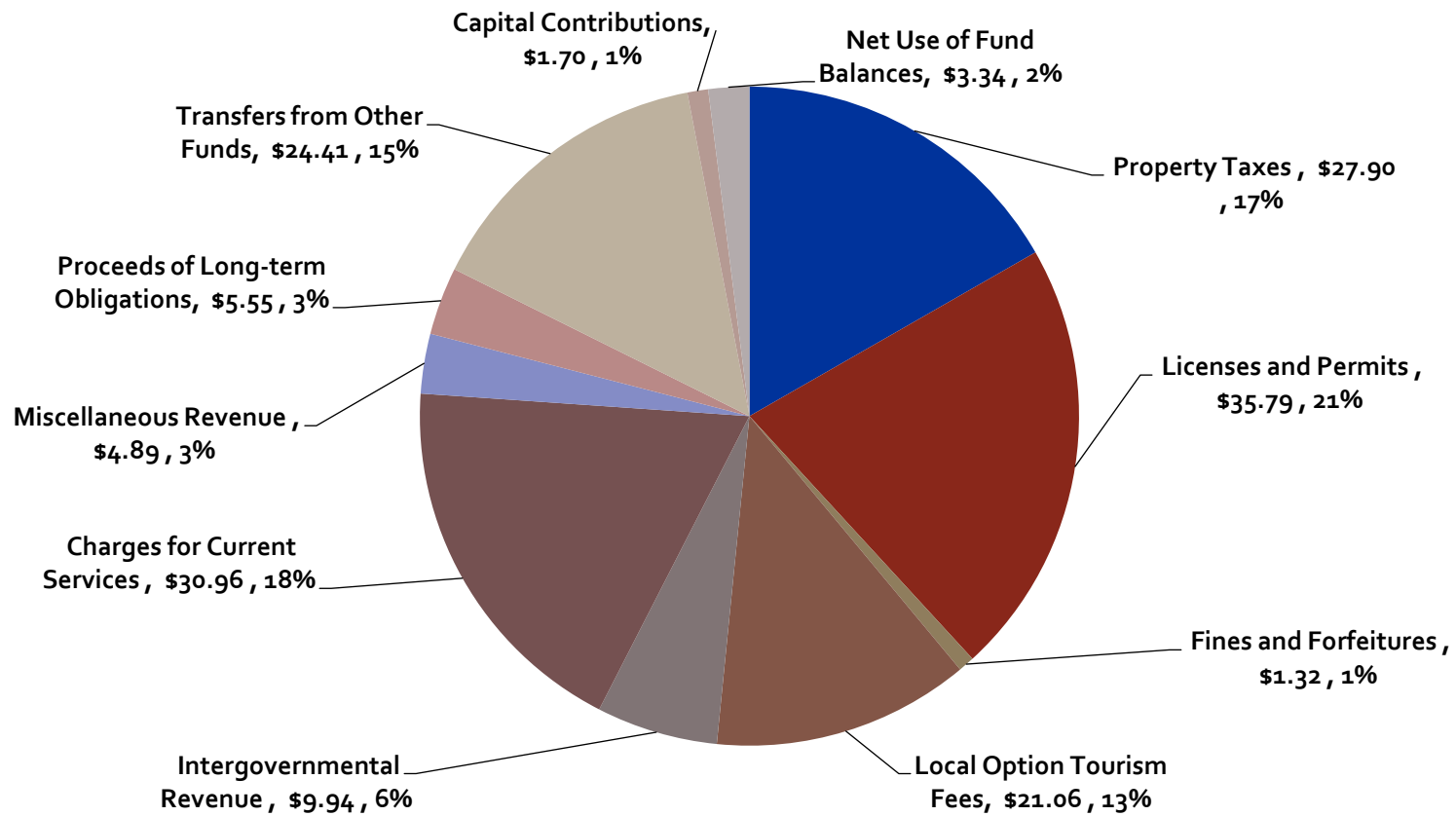


\*Includes 8 Employees in the Fleet Maintenance Internal Service Fund.

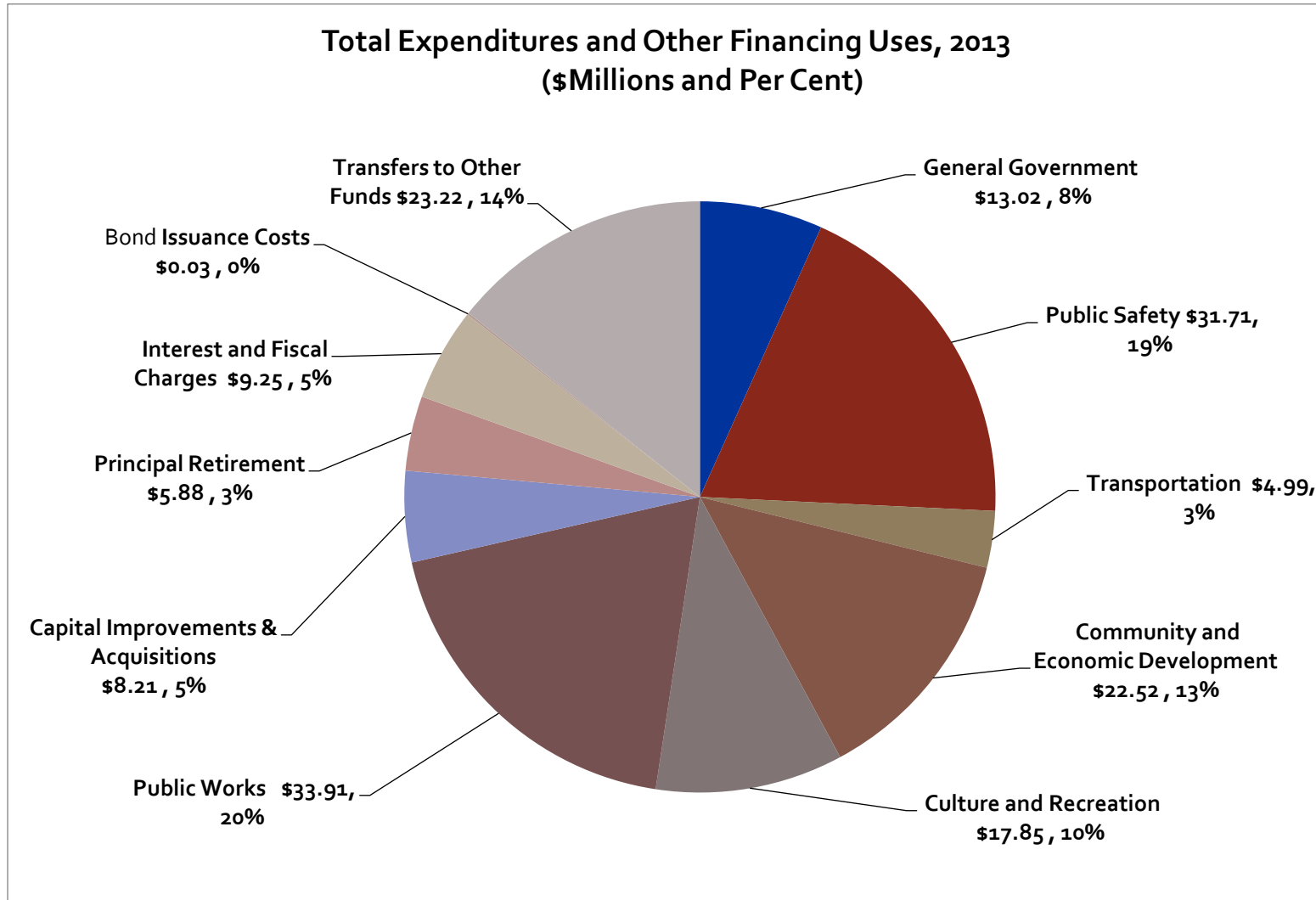


## Revenue Summary

**Total Revenue and Other Financing Sources, 2013  
(\$Millions and Per Cent)**



## Expenditure Summary



## Service Changes & Cost Increases, FY12-FY13

### FY 2012-13 Revenue Increases/Decreases

- 3.8-4.5% Blended Rate increase in Water & Sewer Rates.
- Suspended the Merit review program with resulting salary savings of 1-3%.
- Recognized \$914,000 reduction in property and casualty insurance based on sufficient accumulated reserve balances.
- Estimated new growth over 2012 budget estimates in the following areas based upon most current data:
  - Property Taxes – 4.9%
  - Licenses & Permits –1.2%
  - Hospitality Fee – 8.6%
  - Local Option Tourism Fee – 4.0%
  - Statewide Accommodations Tax – 4.9%
  - Local Accommodations Tax – 10.8%

### FY 2012 –13 Service Enhancements/ Reductions

- Incorporated a Market Increase resulting salary increases of 1-3%.
- Provided full-year's funding of the Annually Required Contribution for the Retiree Health Reimbursement Arrangement (RHRA) programs.
- Provided full-year's funding for the RHRA catch-up contribution for employees who have already completed the required 20 years' service with the City and may qualify for the program upon full retirement.
- \$37.4 million Five-Year General Capital Improvements program
  - emphasizes transportation system improvements, parks and rec. facilities
  - \$7 million in Tourism Development funds for Stadium R&R, Ashley Booth Field & Turf R&R and additional multipurpose fields on the former Air Base.
  - \$21.5 Funding for 3<sup>rd</sup> Av S. Gateway in FY 2012-13; 4<sup>th</sup> Av and Ocean Blvd. 2<sup>nd</sup> to 9<sup>th</sup> Streetcape in 2015-16
  - \$7.1 million GO debt funding for the final phase of Grand Park and the balance of funding for Myrtle Beach Convention Center HVAC in 2013 and for Fire Station #7 at Harrelson Blvd in 2017.

## Operating Environment: Property Taxes

### Operating and Debt Service Millage

Property tax reform legislation adopted in 2006 limits the City's annual ability to raise millage rates to an amount equal to the annual increase in the Consumer Price index (CPI) plus the population growth rate based on U.S. Census estimates. Other increases are allowed only in specific circumstances, a 2/3 majority vote is required. For Fiscal Year 2013, the City maintained a millage rate of 66.1 mills. The adjacent chart compares Myrtle Beach tax millage to those of nine other South Carolina cities. Myrtle Beach is the lowest of the ten cities in terms of City millage.

### South Carolina Operating Millage Rates

City	City Millage
Myrtle Beach <sup>1</sup>	66.1
Charleston	79.1
North Augusta	74.2
Orangeburg	87.0
Greenville	85.4
North Charleston	94.0
Rock Hill	93.5
Spartanburg	101.0
Columbia	98.1
Anderson	125.0

<sup>1</sup>Total Tax Levy for operations in the city of Myrtle Beach is 66.1 mills. The City applies a tax credit in the amount of the millage for operations—58.5 mills or 88.5%—on owner-occupied residential property, thanks to the implementation of a 1% Tourism Development Fee. Thus the resident pays a net rate of 7.6 mills for debt service.

### Property Tax Burden Based on Median Home Price

The chart below compares the property tax burden in Myrtle Beach with that of other cities in the state. This chart does not compare additional local taxes or fees.

### Property Tax Burden Comparison Chart

	Myrtle Beach	Greenville	Spartanburg	Charleston	North Charleston	Columbia
Median Home Price (2009)	\$171,100.00	\$183,500.00	\$115,600.00	\$261,300.00	\$144,400.00	\$156,100.00
Household Median Income (2009 - Adj. For Inflation)	\$37,669.00	\$40,291.00	\$33,276.00	\$49,448.00	\$38,989.00	\$38,272.00
Personal Real Estate Tax Burden based on Median Price (see note 1 above)	\$ 453.18 (401.07) \$ 52.11	\$626.84	\$467.02	\$826.75	\$542.94	\$612.54
Real Property Tax Burden as % of Median Income	0.14%	1.56%	1.40%	1.67%	1.60%	1.60%

Sources: US census Bureau, 2005-2009 American Community Survey; Office of Budget & Evaluation.

## Operating Environment: User Fees

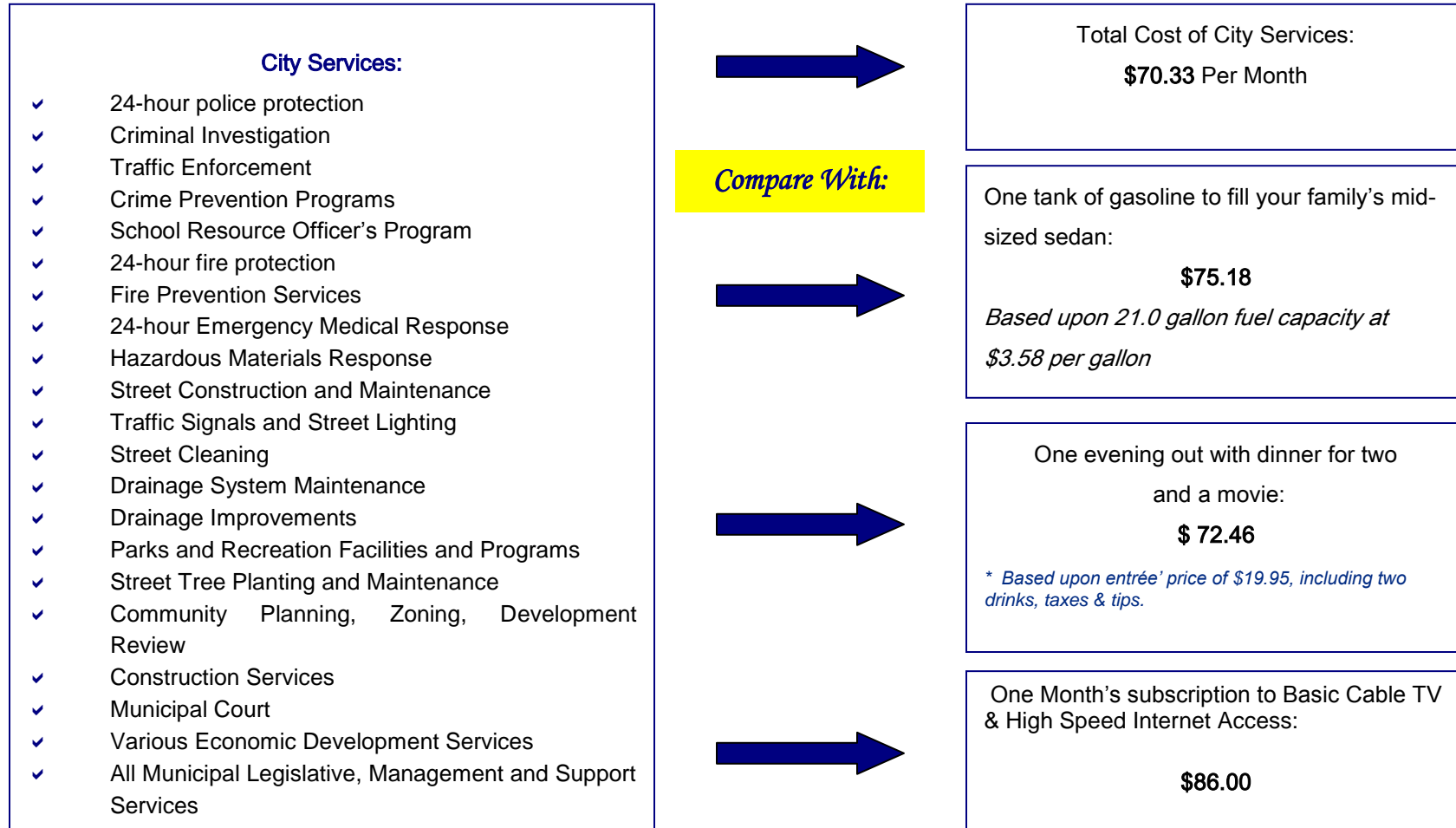
Myrtle Beach is a transient, oceanfront resort with a population ranging from 3 to 12 times the size of its permanent population depending upon the season. While the need for capacity to serve peak rather than average population creates upward pressure on water and sewer rates, Myrtle Beach has managed to keep its user fees reasonable to residents. The following chart compares the City to other selected South Carolina cities in terms of water and sewer rates. The chart compares each city's rate based on 7,500 gallons of consumption and demonstrates that Myrtle Beach rates are well below most of the other in-state communities surveyed.

City	Water	Sewer	Total
North Charleston	50.45	54.55	105.00
Charleston	23.17	70.10	100.40
Spartanburg	28.03	49.83	77.86
Anderson	28.66	37.95	66.61
Rock Hill	21.39	44.34	65.73
Greenville	16.33	47.00	63.33
Columbia	26.00	35.00	61.00
North Augusta	16.81	31.27	48.08
<b>Myrtle Beach</b>	<b>16.79</b>	<b>25.32</b>	<b>42.11</b>
Orangeburg	14.39	20.78	35.17

*Source: Myrtle Beach Budget & Evaluation Office, Survey of South Carolina Water and Sewer Systems, June 2012.*

## Buying Power of a Typical Household's Taxes and Fees

What Can You Buy for \$70.33 per Month?\*



*\*Based upon a typical household with a median real estate value of \$171,100 and two cars valued at a total of \$28,000; with 8,000 gallons of water consumed. Includes taxes and charges for services only. Tourism development fee, which does not support services, is excluded.*

**Household:**

Based upon a house valued at the Myrtle Beach median value of \$171,100 and two cars valued at \$28,000, and monthly household water consumption of 8,000 gallons, a typical Myrtle Beach household will pay the City's General Government a Total of \$813.88 this year. This includes:

City Taxes	\$ 32.64
Water and Sewer charges	505.32
Storm water Fees	60.00
Solid Waste Fees	<u>246.00</u>
Annual Total	\$843.96

**If you are the typical City resident, your \$843.96 will buy any one of these things:**

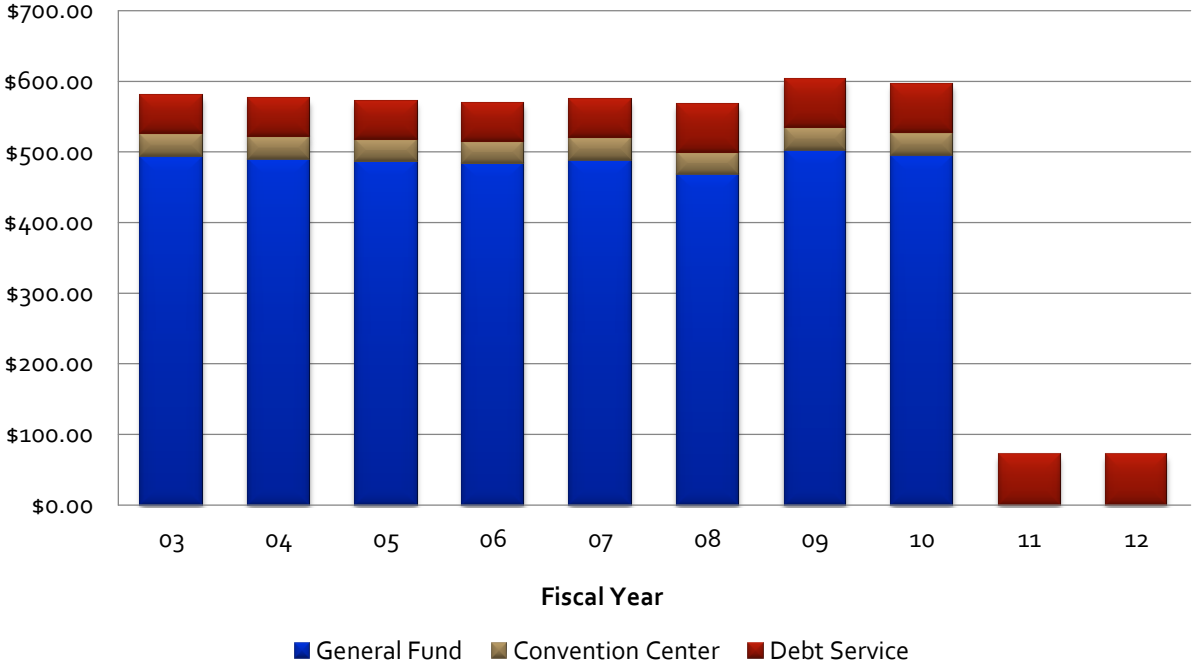
One bullet-proof vest for a Police Officer or one Level A Hazardous Materials Response Suit

About 4.5 days' salary and benefits for an entry-level Police Officer or Firefighter or 200 ft. of fire hose

72 children's books or 15 reference books for Chapin Library.

Four palm trees planted in medians or City parks

### Typical City Residential Property Taxes by Purpose of Levy, Last Ten Years



1. The reduction in typical taxes paid from 2000 through 2005 is due to the fact that the assessment ratio for vehicles was reduced from 10.5% to 6.0% in 0.75% increments each year.
2. For the 2010 tax year and beyond, the operating millage for the General and Convention Center funds are offset by a credit from the Tourism Development Fee for all owner-occupied residences. Those residents pay debt service millage only.



## Community Improvements

Since the Comprehensive Plan was enacted in 2000, great changes have come to the City of Myrtle Beach. Many of the Comprehensive Plan elements below have been accomplished by the City.

- Revitalization of the downtown area through the construction of a 1.2 mile long oceanfront boardwalk. The northern-most stretch of boardwalk is a traditional, raised boardwalk that meanders along the dunes leading into the central section, located next to Plyler Park and oceanfront businesses, and consisting of a wide plaza with shade sails and a crosshatched wooden deck. The southern section is a broad promenade with lush landscaping and a great beach view.
- Dramatic transformation at the former Air Force Base with the opening of the Market Common, the renovation of Crabtree Gym and the completion of miles of new walking and biking trails, extensive landscaping and lighting of public spaces and construction of a new multi-field sports complex at Grand Park.
- Preserving the natural resources by preserving ocean dunes in their natural state, and improving safety and accessibility for people of all ages and walks of life to enjoy the beaches.
- The construction and opening of a world-class baseball stadium, and the presence of the Single-A Myrtle Beach Pelicans, bringing professional baseball to the City.
- New roadways such as Harrelson Boulevard, Grissom Parkway, the Carolina Bays Parkway, Pine Island Drive and 82nd Parkway extensions, Farrow Parkway and the construction of the Fantasy Harbor bridge to improve access to and within the city.
- Extensive community outreach programs such as the Canal/Nance Revitalization project, neighborhood watch groups, and new community meeting/event facilities such as the Myrtle Beach Colored School and the Train Depot.
- Provision of affordable housing options through Waccamaw Housing, Grand Strand and other groups. Plan for the Unity Village, a consolidated homeless housing, health care center and job placement center. Master plan to rehabilitate housing in target areas of the city.
- Citywide street lighting plan and improvements. Burying of utility lines in the Downtown area and along the main thoroughfares. Aesthetic enhancements in landscaping along main thoroughfares and commercial areas such as Coastal Grand Mall and the Market Common development.
- Eliminating visual clutter citywide by zoning ordinances as well as the underground utility improvements. Continuous recipient of the “Tree City USA” distinction for amount of trees and shrubs planted in city rights-of-way.

## Financial Policies

### Elements of Financial Planning in the City of Myrtle Beach

#### (1) Mix of Available Resources

*Objectives:*

- ✓ Use a balanced mix of revenues that will ensure reasonable stability for operation at continuous service levels through economic cycles, but will provide the economic sensitivity suitable for responding to increased service demand in a rapid-growth environment.
- ✓ Evaluate the characteristics of major resources and apply them to the types of expenditures for which they are best suited, e.g., recurring revenues for operating expenditures, one-time revenues for capital investment.

#### (2) Balanced Budget with Competitive Rate Structures

*Objectives:*

- ✓ Maintain operating expenditures within the City's ability to raise revenues while keeping tax and rate structures competitive.
- ✓ Maintain strong prospects of structural balance over the long term.

#### (3) Adequate Liquidity to Retire Operating Obligations

*Objective:*

- ✓ Ensure continuity of service without the use of interim borrowing.

#### (4) Access to Capital Markets

*Objective:*

- ✓ Maintain adequate capital financing sources and low costs of borrowing by managing to ensure the City's credit worthiness.

The policies on the following pages are consistent with the objectives stated above. While policies are long-standing in nature, they are reviewed and evaluated as to their appropriateness at the beginning of each annual budget process. Policies are intended to guide the organization in observing best practices of prudent financial management. Their function is to facilitate—not to hamstring—the operation of City government. To that end, it is expected that the City will exercise a certain amount of flexibility where necessary in order to keep a balance between best financial practices and optimum service delivery.

## **Balanced Budget**

- The South Carolina Constitution and Code of Laws require that local governments adopt balanced budgets.
- A balanced budget provides for sufficient revenues and other financing sources to offset expenditures authorized for a fiscal period. The resources used to balance the budget may include judicious use of fund balance, and may include the use of long-term debt for financing capital projects.
- The City adopts balanced budgets for each year and attempts to maintain structural balance between revenues and expenditures in each operating fund over the long term.

## **Long Term Financial Planning**

- The Budget Office maintains and annually updates financial plans with a five-year planning horizon.
- Five-year plans for operating funds incorporate the effects of absorbing the operating costs of capital projects in the Capital Improvements Program, the Debt Management Plan and Comprehensive Plan implementation.
- Long-term plans help to ensure structural balance of financing sources and uses by allowing the evaluation of long-term impacts of current decisions. Where structural deficits are found, the plans provide recommendations for corrective actions to restore structural balance in a timely fashion.

## **Revenues and Expenditures**

- The City utilizes formal historic trend analysis to establish baseline estimates of major revenues and expenditures. The Budget Office updates both mathematical specifications of trends and their resulting long-term projections each year.
- Updates are informed by study of economic projections of Waccamaw Regional Council and Charleston Southern University. This information helps to identify trends in independent variables in the deterministic models of City revenues and expenditures and to anticipate the likelihood and direction of short-term deviations from long-term trends.
- Revenue estimates are formulated so as to assume reasonable risk, but avoid overly optimistic projections.
- The City maintains operating expenditures within its ability to raise revenues. Annually recurring revenues must equal or exceed annually recurring expenditures.

- The City utilizes a mix of operating revenues characterized by (1) some sources that offer reasonable stability to support operation at continuous service levels and (2) others that provide the elasticity necessary for responding quickly to the challenges of a rapid growth environment. Toward that end, the City will use more economically sensitive revenues, such as business license fees, in the General Fund to allow more timely response to increased service demands during high-growth periods, and to ease the immediate burden on the *ad valorem* tax rate;
  - stabilize the revenue base for payment of debt service and capital leases by utilizing a portion of the property tax levy for this purpose;
  - avoid the use of non-recurring revenues to fund operations, using them instead to accumulate reserves or to fund capital improvements;
  - use more volatile sources (such as building permits) to fund pay-as-you-go capital improvements.

### **Capital Improvements**

- The capital improvements program will not fund all community needs, but will fund high priority community growth projects in a variety of program areas.
- Existing infrastructure will be maintained and replaced as needed.
- The City will maintain or increase the use of pay-as-you-go funding, and will avoid the use of long-term debt for small projects (generally those under \$250,000) or those with a useful life of less than 20 years.
- Proceeds of new funding sources for the capital improvements program will be used for capital acquisition or to establish reserves for the renewal and replacement of existing capital assets.
- The first year of the five-year CIP will be the basis of formal fiscal year appropriations during the annual budget process.
- A projects monitoring team chaired by a representative of the City Manager's office and including all project managers for active projects will periodically review progress, issue progress reports, and coordinate new project resolutions and ordinances with the Budget Office during the year.

### **Contingencies and Strategies to Manage Certain Volatile Expenditures**

- The City maintains a sinking fund for the timely replacement of rolling stock with a value exceeding \$10,000. It is funded by annual lease payments from the users. Additions to the fleet are acquired with an initial capital outlay from grants or fund equities of the appropriate funds.
- In formulating the annual budget, the City appropriates contingency accounts in major operating funds equal to one and one-half per cent (1.5%) of annual operating revenues.
- A disaster recovery reserve is maintained in the Self-Insurance Fund to provide additional cash flow in disaster response situations pending the receipt of FEMA assistance. When reimbursements are received into the City treasury, they are used to replenish the reserve.

### **Budget Amendments and Updates**

- Budget-to-actual reports are provided monthly. The Budget Office completes budget reviews and re-projections quarterly and includes recommendations for corrective action as necessary.
- Budget amendments are processed as necessary, but are considered no less frequently than quarterly.

### **Working Capital**

- The City regularly evaluates the need and the availability of sufficient working capital to finance operations without interruption and without having to resort to short-term borrowing for operations.
- Working capital recommendations take into account the city's particular risk characteristics and are based upon an inventory model to plan for adequate inventories of unrestricted cash throughout the year.
- Recommended working capital levels are set based upon projections of cash flow patterns, which are well synchronized in some funds—especially enterprise funds—but asynchronous in most governmental funds. In the General Fund, the recommended level is normally about 20% of recurring expenditures based upon the City's historical cash flows and the asynchronous nature of cash inflows and outflows. The City should retain sufficient working capital to provide some cushion against possible interruption of cash inflows in the event of a natural disaster.

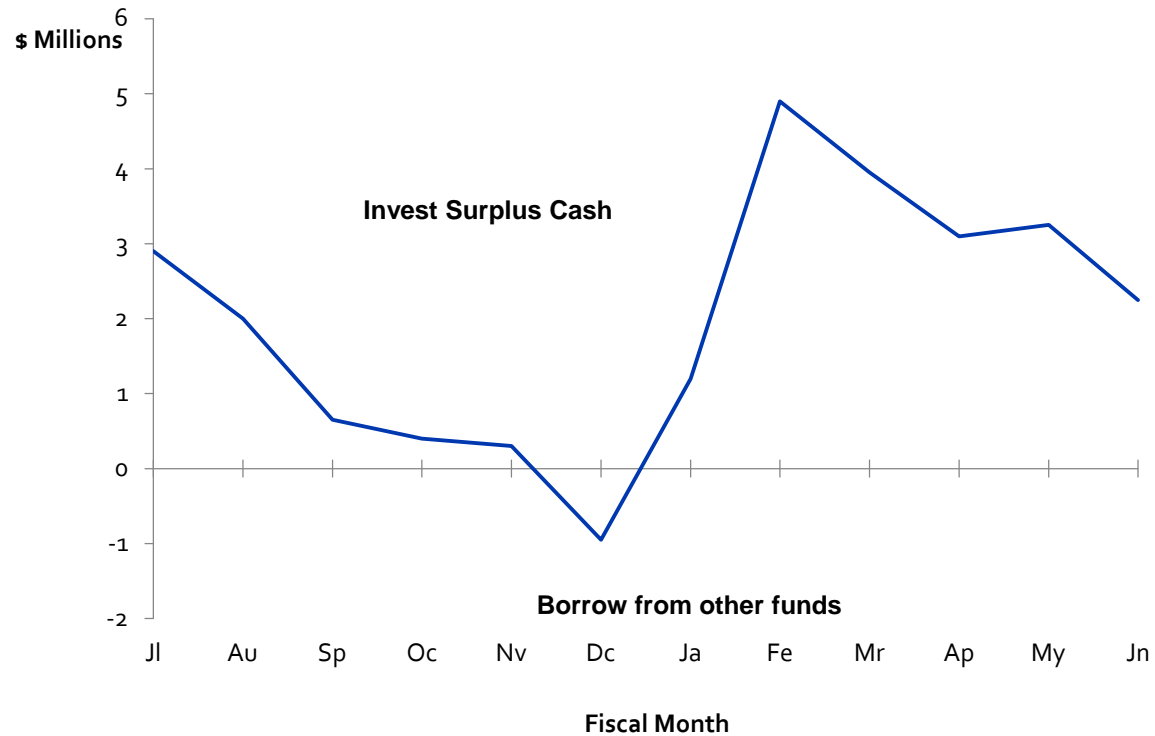
- The City will not issue revenue or tax anticipation notes. To avoid such interim borrowing, the City will
  - maintain unreserved and undesignated fund balances in governmental funds which are sufficient to avoid interim borrowing or service interruptions under normal operating conditions. The target range in the General Fund is between 15% and 20% of recurring expenditures.
  - maintain current ratios of at least 2:1 in each City enterprise fund. (The current ratio is the ratio of unrestricted current assets to current liabilities other than the current liability for servicing long-term debt.)
- Generally, fund balances are allowed to accumulate for designated purposes or for the retention of sufficient working capital to retire routine operating obligations, given the expected cash flows of those funds. Excess fund balance amounts in the General Fund may be appropriated for non-recurring expenditures such as capital acquisitions or capital improvements.
- Myrtle Beach invests excess cash in short-term treasuries, fully collateralized certificates of deposit and repurchase agreements, and the South Carolina Local Government Investment Pool administered by the State Treasurer's Office. For periods when the demand for cash exceeds receipts from revenues and other financing sources, these investments are partially liquidated in order to meet current financial obligations. Interfund loans from pooled cash and investments are occasionally used to offset temporary cash shortages in individual funds during the fiscal year. Interfund loans of this type must be satisfied within one year's time. The accompanying figure illustrates this policy.

### **Interfund Transfers**

- The City does not use interfund transfers from enterprise or special revenue funds to *subsidize* the costs of City services provided by the General Fund.
- Interfund Transfers *are allowed for direct or indirect cost allocation for services rendered* by administrative and support service departments to enterprise or special revenue funds.
- Interfund Borrowing during the year is allowed in a manner compliant with the Moderate Working Capital policy described above, where the interfund borrowing is not prohibited by legal or contractual provisions. It is anticipated that any fund may have a balance "due to" other funds on its balance sheet some time during the year. However, interfund borrowing is an interim arrangement and interfund loans normally should not have a life beyond 90-180 days.
- Interfund Borrowing that cannot be repaid in such a timely manner may be indicative of a structural imbalance in the borrowing fund. If that is the case, the Budget Office will provide the Manager with recommendations for correcting the imbalance.
- An enterprise or special revenue fund may be required to make payments in lieu of taxes to the General Fund, provided that the enterprise or special revenue program charges its regular rates for any service provided to General Fund departments that are accounted for in the General Fund.

## Cash Management Strategy, General Fund

### Moderate Working Capital Policy



Because cash inflows and outflows are asynchronous in governmental funds, the cash positions in those funds can vary widely over the fiscal year. Conservative working capital policy would require the City to keep larger fund balances in order to avoid cash deficits at any time, thus requiring higher tax and fee rates. The opposite extreme would make liberal use of interim borrowing for ongoing operations, likewise requiring higher taxes and fees to support interest payments. The City's policy is to seek a reasonable balance by controlling projected cash deficits to levels that are manageable within limited interfund loan guidelines.

## **Capital Formation and Debt Management**

### Capital Formation

- Funding dedicated to General Capital Improvements on a pay-as-you-go basis includes all non-current ad valorem taxes, one-time revenues and highly volatile revenues, a share of the accommodations tax for beach monitoring, and a share of the hospitality fee.
- Enterprise fund impact fees are used for expansion of distribution system capacity, and all other improvements to municipal enterprises are funded from fund equity, system revenues, or debt secured by a pledge of the enterprise's revenues.
- To the extent that the unreserved general fund balance exceeds amounts needed for working capital, the City may draw upon that balance to provide pay-as-you-go financing for (a) capital outlay to support service delivery, and (b) general capital improvements.

### Debt Management

- The City issues debt only to finance capital improvements for which the project's useful life is expected to equal or exceed the term of the debt issue.
- The City seeks to maintain investment grade credit ratings by managing the timing of debt issuances so as to sustain moderate debt ratios and ensure the affordability of debt before preparing an issue for market.
- The Debt Management Plan will provide for the issuance of new debt at reasonable time intervals in order to avoid erratic impacts upon the ad valorem tax rate or water and sewer utility rates.
- Enterprise Fund projects are formulated and undertaken on a self-sustaining basis.



## Public Funds Management

### Allowable Investments

The City's funds management activity is governed by state law and by local policy. Allowable investment instruments include, and are limited to, U. S. Treasury or Agency securities; bonds of the State of South Carolina; bonds of South Carolina municipalities with an investment grade credit rating; insured or fully collateralized Certificates of Deposit; money market mutual funds backed by short-term U.S. Government securities for reserves or construction funds held in connection with a bond issue by a trustee under a trust agreement; guaranteed investment contracts for reserve funds in connection with a bond issue, when the contract is collateralized by U.S. Treasuries or Agencies of suitable maturities; other investment arrangements for proceeds of bond issues as may be negotiated, provided they meet the policy objectives identified herein.

### Objectives

In addition to these guidelines, the City has set for itself the following investment objectives, in order of priority:

- a) Preservation of capital. The first interest of the City is to safeguard against the risk of loss. To that end, it is the City's policy to observe State laws that protect against credit risk. The City also attempts to limit market risk by investing operating cash balances (or working capital) in cash equivalents and marketable securities with maturities of less than one year.
- b) Liquidity appropriate to the demand for the funds. The City accumulates and maintains unrestricted fund balances for working capital to meet routine operating cash flow needs. The City does not, as a matter of policy, adopt tax or fee structures sufficient to generate excess balances to be made available for investment over an indefinite term. Furthermore, Councils may from time to time desire to appropriate from fund balances for public purposes.

It is the City's intent to avoid the risk of suffering losses due to the need to liquidate investments prior to maturity. Therefore, all investments of working capital funds will have a final maturity of one year or less, and the City will attempt to maintain no less than seventy-five per cent (75%) of such short-term funds in arrangements offering daily liquidity.

*Exceptions to this rule* are permitted only for the investment of balances designated for funded depreciation in an enterprise fund, for the future replacement of rolling stock according to the Vehicle Replacement Plan, or for Debt Service Reserve funds governed by their respective bond ordinances. In any event, however, the maturity schedules of the invested funds will match the schedules according to which the funds are reasonably expected to come into demand.

- c) Reasonable, not maximum, yield. The City will attempt to achieve reasonable returns on its investments. In no event should safety or liquidity be sacrificed in favor of above market yields.

Custodial Arrangements

GASB Statement 3 Rules Apply. The City shall comply with GASB Statement 3 rules on custodial arrangements with a designated risk level of Category 1 or 2.

Safekeeping Agent and Requirements. Securities belonging to the City of Myrtle Beach are held in safekeeping by a designated third-party agency, normally a bank's trust or safekeeping department. Securities will be fully registered in the name of the City of Myrtle Beach, and the safekeeping agent will supply receipts documenting the City's ownership of or pledged interest in the securities, stating (1) the name of the issuer and a description of the security, (2) the par amount, (3) the final maturity date, (4) the CUSIP number, (5) the date of the transaction, (6) the safekeeping receipt number.

Delivery versus Payment Basis of Transfer. The City requires that all transfers of securities, or of cash as payment for securities, be completed on the basis of delivery versus payment (DVP).

Segregation of selling and safekeeping responsibilities. In no event will the bank or broker/dealer from whom a security was purchased be allowed to safekeep the security.

Special Topics

*Unsolicited Business.* The City does not entertain unsolicited trade proposals.

*Eligibility of Firms to Respond to Requests for Investment Proposals.* Any firm requesting eligibility to respond to requests for investment proposals of the City of Myrtle Beach will be furnished a copy of this policy. Such firm will agree to be bound by the terms of this policy, and will certify such agreement by filing a written statement to that effect. Said statement will be written on the firm's letterhead and will be signed by an officer of the firm and accompanied by documentation certifying the officer's authorization to pledge securities of the firm's portfolio for any depository accounts in the City's name, or his/her license to sell on the firm's behalf any deliverable and registrable securities to the City of Myrtle Beach.

*Trading Programs.* Many firms offer securities trading programs and many local governments participate in them. While these programs may be designed to observe the letter of the law of South Carolina with regard to legal investments, they are often designed to evade its intent. The City will not entertain such proposals.

*Bond Mutual Funds.* Many bond funds are marketed as being “government guaranteed.” Except for money market funds, however, their underlying portfolios often consist of securities with long maturities, allowing them to quote high yields. They are not suitable for short-term investments. It is the City’s interpretation that these are not legal investments for municipalities in the state of South Carolina.

The single exception to this rule is for money market funds with allowable underlying securities when invested by the trustee for a bond issue as outlined in state code.

*Derivative, or “Exotic” Products.* These products come in such a wide variety, it would be impossible to cover them all. Use of these products is inconsistent with the City’s objectives for investment of working capital funds. They should *never* be used for this purpose.

The City’s financial management team are funds managers, not investors. The City’s funds can be adequately managed using more traditional products. In the interest of safety and of dealing with commonly known securities, any product more exotic than a straightforward treasury bond or note should be avoided. Any exceptions to this rule shall be authorized by City Council, as per bond ordinance.

*Leveraging.* Leveraging of assets of the City of Myrtle Beach for investment purposes is strictly prohibited. This prohibition specifically includes reverse repurchase agreements.



## FY 2012 – 13 Departmental Budgets

### Municipal Department Responsibilities

- Policy & Administration**
  - City Council and City Clerk
  - City Manager's Office
  - City Attorney & Victims Assistance Office
  - Public Information Office
  - Budget & Evaluation Office
- Human Resources Management**
  - Clerk of Court
  - Recruitment and Employment
  - Training and Developmental Activities
  - Payroll Classification & Benefits Management
- Police Department**
  - Police Patrol
  - Youth Programs
  - Narcotics/Vice
  - Animal Control
- Culture and Leisure Services**
  - Recreation Division & Facilities
  - Park, Beach, Grounds & Building Maint.
  - Chapin Library
- Whispering Pines Golf Course**
  - Administration and Operations
  - Pro Shop & Restaurant Sales and Service
- Finance Department**
  - Finance Admin. & Accounting
  - Business License & Utility Billing
  - Information Systems & GIS
  - Purchasing
- Community Development**
  - Planning Department
  - Downtown Redevelopment Corporation (DRC)
  - Construction Services
- Fire Department**
  - Fire Protection Services
  - Emergency Medical Svc (EMS)
  - Fire Prevention, Training & Public Education
- Myrtle Beach Convention Center**
  - Administration and Operations
  - Sales and Marketing
- Public Works**
  - Transportation and Engineering
  - Water & Wastewater Transmission
  - Stormwater Management
  - Solid Waste Collection & Disposal

## Administrative Departments

### Policy & Administration



City Manager greets employees at staff appreciation luncheon.

**Mission: To provide policy guidance in the formulation of community vision, goals and objectives and manage their direction.**

### **2011-12 Accomplishments**

- Continued to expand efforts to inform City residents, property-owners, visitors and potential property owners of City events, policies and regulations.
- Worked with the Chamber of Commerce and other local businesses to support efforts to develop and expand new tourism initiatives.
- Continued to manage a broad range of neighborhood initiatives, coordinating law enforcement, zoning , code enforcement and housing rehab efforts, as well as helping to organize several new neighborhood watch groups.
- Completed the Oceanfront Boardwalk and Phase III Streetscape enhancements and utility burial in a continued effort to revitalize the downtown area.

### **2012-13 Objectives**

- Continue expansion of safety/ risk management programs.
- Continue to expand efforts to inform City residents, property owners, visitors and potential property owners of City events, policies and regulations.
- Manage the City's Financial and Human Resources in the challenging economic climate, adjusting plans as required.
- Continue to manage broad neighborhood initiative to include law enforcement, zoning , code enforcement and housing rehab efforts.
- Continue to conduct reviews of the City's Financial/Operational systems to improve effectiveness and safeguard the City's Assets.
- Continue to Work with the Downtown Redevelopment Commission and Oceanfront Merchants Association to revitalize the downtown area.
-



Council Meeting at Law Enforcement Center.

<b>Policy &amp; Administration Performance Measures</b>	
<b>Measure</b>	<b>Accomplished?</b>
Give adequate public notice for hearings and council meetings.	✓
Respond to all public inquiries and freedom of information requests.	✓
Continue emergency preparedness plan.	✓
Evaluate city casualty insurance costs.	✓
Budget Document prepared in a timely manner.	✓

<b>Policy &amp; Administration Budget Summary</b>			
	<b>2011-12 Budget</b>	<b>2012-13 Budget</b>	<b>% Change</b>
<b><i>Allocated Positions</i></b>	<b>42</b>	<b>41</b>	<b>(2.4)%</b>
Council/City Clerk	499,992	507,676	1.5%
City Attorney	592,026	677,459	14.4%
City Administration	1,119,875	1,064,158	(5.0)%
Clerk of Court	1,172,564	1,191,494	1.6%
Budget & Evaluation	330,123	329,896	(0.1)%
Public Information	134,190	137,341	2.3%
Sub-Total	<b>\$ 3,848,770</b>	<b>\$ 3,908,024</b>	<b>1.5%</b>
Capital Outlay	-	-	-
Grand Total	<b>\$ 3,848,770</b>	<b>\$ 3,908,024</b>	<b>1.5%</b>



Council Members volunteer at Community Assistance Center.

## Human Resource Management



Employees attend a "Snake Safety" training class.

**Mission: To facilitate the recruitment and retention of quality personnel and coordinate programs to encourage personal growth.**

### ***2011-12 Accomplishments***

- Completed revision of the Employee Handbook. Distributed and review the revised handbooks with all employees.
- Presented Comprehensive training program to employees.
- Presented an overview of the Americans with Disabilities Act (ADA), Family Medical Leave Act (FMLA) and Sexual Harassment to employees and supervisors.
- Made available on-line training classes to City staff.
- Completed Section 504/ADA Plan.
- Successfully presented and administered medical insurance and employee wellness program changes to improve health and control the cost of healthcare for employees and dependents.

### ***2012-13 Objectives***

- Administer goals based wellness benefit program.
- Update Human Resources Intranet Web Page.
- Provide comprehensive employee/supervisor training program.
- Provide reliable professional Human resource services to the City's management, workforce, and the public.

<b>Human Resources Budget Summary</b>			
	<b>2011-12 Budget</b>	<b>2012-13 Budget</b>	<b>% Change</b>
<b><i>Allocated Positions</i></b>	<b>6</b>	<b>6</b>	<b>-</b>
Human Resources	750,319	738,643	(0.2)%
Capital Outlay	-	-	-
<b>Grand Total</b>	<b>\$ 750,319</b>	<b>\$ 738,643</b>	<b>(0.2)%</b>



Senior Job and Volunteer Assistance Fair.

<b>Human Resources Performance Measures</b>	
<b>Measure</b>	<b>Accomplished?</b>
Ensure that all new employees go through orientation.	✓
Update all employee manuals with current information.	✓
Advertise internal and external positions to widest possible audience.	✓
Provide extensive training courses and skill assessments for city employees.	✓
Provide benefits training and information on changes to employees.	✓



## Finance Department

**Mission: To provide accurate accounting and financial reporting for the City and to ensure efficient revenue collection and procurement.**

### 2011-12 Accomplishments

- Completed and submitted Comprehensive Annual Financial Report to GFOA.
- Replaced Recreation Software used at centers for managing payments, scheduling, and registration.
- Rebid the Banking services contract and chose a new banking institution.
- Began printing Business License renewal forms in-house, creating savings for the City.
- Implemented, in conjunction with the Convention Center, a \$200 filing fee for events that require collection of hospitality fees.

### 2012-13 Objectives

- Continue to expand the network of wireless surveillance cameras throughout the City as needed.
- Integrate Android applications with the AS400 to allow users to access the AS400 on tablets and smart phones.
- Expand City-wide file storage to 40TB to meet new record retention requirements.
- Upgrade the Hanson Infrastructure Software.
- Complete and Submit Comprehensive Annual Financial Report to GFOA.

<b>Finance Budget Summary</b>			
	<b>2011-12</b>	<b>2012-13</b>	<b>%</b>
	<b>Budget</b>	<b>Budget</b>	<b>Change</b>
<b>Allocated Positions</b>	<b>36</b>	<b>37</b>	<b>2.8%</b>
Administration	531,826	544,527	2.4%
Fees & Licenses	351,112	365,681	4.1%
Purchasing	499,698	497,717	(0.4)%
Information Systems	803,743	876,393	9.0%
Accounting	494,223	502,030	1.6%
Utility Billing	389,334	384,376	(1.3)%
Sub-Total	<b>\$ 3,069,936</b>	<b>\$ 3,170,724</b>	<b>3.3%</b>
Capital Outlay	-	-	-
Grand Total	<b>\$ 3,069,936</b>	<b>\$ 3,170,724</b>	<b>3.3%</b>

<b>Finance Performance Measures</b>				
<b>Measure</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
Business Licenses Issued	6,497	7,117	8,577	8,293
Utility Accounts	16,850	17,245	17,479	17,791
Hospitality Accounts Collected Monthly	960	1,005	1,085	1,126
Accounts Payable Checks Processed	14,396	15,020	12,415	12,193
Payroll Direct Deposit Vouchers & Checks Processed	26,140	27,919	26,218	26,677
Purchase Orders Processed Annually	712	621	583	649
Bids Conducted Annually	180	143	144	159

## Community Development

**Mission: To formulate recommended goals and objectives to provide for orderly growth and development.**

### **2011-12 Accomplishments**

- Prepared Downtown District zoning and revitalization strategies.
- Began working with Withers Swash neighborhood leadership in implementing a district plan.
- Applied for HUD sustainable Communities Grant..
- Obtained South Carolina CTC grant to continue the Greenway Bike Path at the Myrtle Beach State Park.
- Continued replacement program for all street signs in neighborhoods.
- Brought approximately 200 properties into compliance with the Property Maintenance Code.
- Maintained Class 5 rating allowing residents of the City a 25% discount on flood insurance annually.

### **2012-13 Objectives**

- Comprehensively implement the land use plan: update development regulations and zoning ordinance.
- Develop specific plans for Neighborhoods.
- Develop safe and attractive hiking trails and bike paths throughout the City.
- Continue implementation of the Consolidated Plan of Housing and Community Development.
- Support neighborhoods with appropriate facilities and services.
- Bring Unsightly and dilapidated properties into code compliance.
- Revitalize the Downtown area of Myrtle Beach.
- Maintain Class 5 rating and acquire additional points toward that rating.

<b>Community Development Budget Summary</b>			
	<b>2011-12 Budget</b>	<b>2012-13 Budget</b>	<b>% Change</b>
<b>Allocated Positions</b>	<b>26</b>	<b>27</b>	<b>3.8%</b>
Planning	674,503	767,124	13.7%
MB Housing Authority	46,432	133,700	187.9%
Construction Services	1,442,071	1,475,180	2.3%
Sub-Total	<b>\$ 2,163,006</b>	<b>\$ 2,376,004</b>	<b>9.8%</b>
Capital Outlay	-	-	-
Grand Total	<b>\$ 2,163,006</b>	<b>\$ 2,376,004</b>	<b>9.8%</b>

<b>Community Development Performance Measures</b>				
<b>Measure</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
Planning Commission Meeting Convened	30	40	24	21
Annexations	13	13	3	6
Rezoning & Text Amendments	28	22	41	13
Encroachments	11	5	6	7
Permits Issued	2,506	2,931	3,377	4,081
Certificates of Occupancy Issued	365	146	126	223
Demolitions	27	42	20	38

## Police Department

**Mission: To ensure safety, security and well being through crime prevention, education, enforcement and programs that enable an enhanced quality of life.**

### **2011-12 Accomplishments**

- Completed renovation of the ole Rescue Building for the expansion of storage space and office space for the Special Operations Unit.
- The Street Crimes Unit has worked closely with the homeless community to assisting and coordinating services with the Community Assistance Center and Swash Park Ministries.
- Department training completed on the requirements of the Immigration Reform Act.
- Graduated 22nd<sup>t</sup> Citizens Police Academy classes.
- Participated in a Gun Buy-Back event and Community Awareness Fair that netted 148 handauns in September 2011.

### **2012-13 Objectives**

- Install video-conferencing system at the Law Enforcement Center to incorporate bond hearings and taped police interviews. Prepare for future link to the Horry County Sheriff's Office/J. Rueben Long Detention Center system to provide added safety, security and cost savings.
- Increase traffic enforcement and safety education programs to reduce fatalities.
- Implement the International Students Outreach Program and be able to quantify a reduction of incidents of victimization (accidents and crime).
- Develop a comprehensive and effective Auto Break-in Enforcement strategy to combat B&E's in the beach accesses and parking lots.
- Begin the search for a joint Police/Fire Training Center property and develop a plan for future acquisition and construction of the facility.

<b>Police Services Budget Summary</b>			
	<b>2011-12 Budget</b>	<b>2012-13 Budget</b>	<b>% Change</b>
<b><i>Allocated Positions*</i></b>	<b>273</b>	<b>273</b>	<b>--%</b>
Administration	2,169,595	2,133,037	(1.7)%
Sports Tourism	-	29,488	--%
Special Events	-	409,783	--%
Investigations	2,344,505	2,205,193	(5.4)%
Uniformed Patrol	10,927,046	11,320,866	3.6%
Support Services	4,218,548	4,242,294	0.6%
Sub-Total	<b>\$ 19,659,694</b>	<b>\$ 20,340,661</b>	<b>3.5%</b>
Capital Outlay	-	18,966	-%
Grand Total	<b>\$ 19,659,694</b>	<b>\$ 20,359,627</b>	<b>3.6%</b>
<i>*Includes 8 funded Overhire Positions</i>			





Police host a "Help Us Help You" session at the Community Assistance Center.

<b>Police Services Performance Measures</b>				
<b>Measure</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Traffic Fatalities	9	5	8	7
Traffic Accidents Investigated	2,943	2,736	2,742	2,095
Business Contacts – Crime Prevention Instruction	205	308	352	217
Animals Picked Up	1,663	2,071	2,121	1,482
Calls For Service	108,454	131,018	119,138	105,673
Arrest Totals (Including Tickets)	38,772	46,076	33,243	24,145
Seizures	\$56,171	\$52,047	\$29,926	\$14,686
Funeral Escorts	61	63	78	41
Homicides	2	5	1	4

## Fire & Emergency Services Department



**Mission: To reduce the loss of life and property within our community through an aggressive emergency response system.**

### ***2011-12 Accomplishments***

- Department received 65,089 hours of Fire, EMS and Specialty Training. Every City Business received a pre-plan inspection and all city hydrants were inspected and flowed.
- The Myrtle Beach Fire Department was selected by the State Law Enforcement Division (SLED) to provide Hazardous Materials Response for our region.
- Coordinated with the Information Systems Department to hire an information system technician dedicated to the fire department.
- Conducted Public Fire Education Seminars to citizens and Fire Safety Classes at local schools and daycares, contacting 38,144 adults and 31,799 children.
- The Training Division conducted recruit training class 25 at the Myrtle Beach Fire Department's Training Academy.

### ***2012-13 Objectives***

- Maintain current training, operational, and prevention programs required to meet ISO 1 Classification.
- Coordinate, plan and develop the new regional hazardous Materials Response Team.
- Continue with an aggressive campaign to inspect all businesses within the City of Myrtle Beach every 24 months.
- Continue to maintain and analyze response data for Fire Station #7 coverage area (near Coastal Grand Mall) to determine proper timing for construction.
- Monitor and analyze each firefighter's fitness capabilities through the use of interdepartmental programs.
- Continue with the on-going development of fire prevention programs that will ensure we continue to meet the needs of our City's residents and guests.



Myrtle Beach firefighters take a water survivability class at Canal Street Recreation Center.

<b>Fire Services Budget Summary</b>			
	<b>2011-12 Budget</b>	<b>2012-13 Budget</b>	<b>% Change</b>
<b>Allocated Positions*</b>	<b>158</b>	<b>158</b>	<b>--%</b>
Administration	628,761	568,925	(9.5)%
Emergency Services	10,552,191	10,607,454	0.5%
Technical Services	750,906	710,212	(5.4)%
Sub-Total	<b>\$ 11,931,858</b>	<b>\$ 11,886,591</b>	<b>(0.4)%</b>
Capital Outlay	-	-	-
Grand Total	<b>\$ 11,931,858</b>	<b>\$ 11,886,591</b>	<b>(0.4)%</b>
<i>*Includes 3 Unfunded Over hire Positions</i>			

<b>Fire Services Performance Measures</b>				
<b>Measure</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
Fire Calls / Company	314.45	301.36	345.73	349.27
EMS Calls / Company	533.62	515.23	529.15	536.15
Mean Response Time for Fire Calls (in minutes)	4.03	4.07	3.86	3.41
Mean Response Time for EMS Calls (in minutes)	3.77	3.91	3.93	3.5
Fire Code Inspections Conducted	4,473	4,354	4,490	4,636
Code Violations Discovered Through Inspection	4,110	4,156	4,281	3,812
Code Violations Brought Into Compliance Within 30 Days	2,764	2,863	2,843	2,600
% Code Violations Brought Into Compliance Within 30 Days	67.25%	68.89%	66.41%	68.21%

## Culture & Leisure Services



**Mission: To create community through people, parks and programs.**

### 2011-12 Accomplishments

- Taught 2,364 people how to swim and added free swimming lessons at Canal Street, a 53% over prior year.
- Instituted a "No Bullying" program in both summers camps and after school programs.
- 24,397 athletes participated in tournaments hosted on City fields with over 72,400 spectators in attendance.
- Collected 3,997 cans of food during the Canned Food Drive for Helping Hand.
- Planted 275 new trees in Parks and Right-of-Ways.
- Renovated 11 Medians on Kings Highway and installed landscaping on 14 Ocean Boulevard Crosswalks.
- Upgraded the Polaris Library System to include several enhancements, such as mobile phone applications that allow customers to access their accounts and browse the catalog.
- Opened a classroom to provide computing instruction for customers.

### 2012-13 Objectives

- Strengthen safety and security by teaching 2,500 participants to swim or save lives by offering American Red Cross swimming lessons and First Aid and CPR classes.
- Strengthen Community image and sense of place for children, families and seniors by providing clean, safe, modern programs and well maintained recreational facilities.
- Provide Community opportunities for fun and celebration.
- Promote health and wellness by offering innovative fitness, nutrition and healthy choices classes.
- Landscape the new 15th Avenue n. Ocean Front Park once constructed.
- Renovate 10 existing landscape medians on N. Kings Hwy.
- Replace 2 City Playgrounds.
- Complete inventory of improvements, parking and signage on all public beach accesses.
- Redesign the Library web presence to include more user friendly navigation and features.



<b>Culture &amp; Leisure Services Budget Summary</b>			
	<b>2011-12 Budget</b>	<b>2012-13 Budget</b>	<b>% Change</b>
<b>Allocated Positions</b>	<b>108</b>	<b>109</b>	<b>0.9%</b>
Administration	358,556	349,449	(2.0)%
MB Colored School	22,574	20,418	(9.6)%
Historic Train Depot	35,917	53,492	48.9%
Myrtle's Market	1,792	1,800	0.4%
Sports Tourism	290,564	318,633	9.7%
Special Events	56,004	78,607	40.4%
Recreation	4,850,398	4,886,283	0.7%
ROW & Beach Maint.	1,719,287	1,727,988	0.5%
Litter Control	527,702	536,143	1.6%
Grounds Maintenance	1,590,125	1,570,810	(1.2)%
Building Maintenance	506,742	513,473	1.3%
Cemetery	200,270	205,406	2.6%
Chapin Library	1,162,416	1,139,925	(1.9)%
Sub-Total	<b>\$ 11,322,367</b>	<b>\$ 11,402,427</b>	<b>0.7%</b>
Capital Outlay	125,660	127,675	1.6%
Grand Total	<b>\$ 11,448,007</b>	<b>\$ 11,530,102</b>	<b>0.7%</b>



The City opened its second pet park, Barc Parc North. The park is a 3.3 acre fenced property where dogs may run off-leash.



<b>Culture &amp; Leisure Services Performance Measures</b>				
<b>Measure</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
Participation in Youth Sports	2,630	2,509	2,764	2,341
Number of City Parks Maintained	49	49	49	49
Recreation Facility Memberships Sold	4,493	5,130	6,210	5,698
Library Memberships	24,882	27,882	25,956	26,814
Library Summer Reading Participation	1,806	1,865	2,300	2,241
Miles of Right-Of-Way Maintained	89	89	92	95
Number of City Trees Maintained	25,500	26,300	26,425	27,025
Miles of Beaches Cleaned	9.25	9.25	9.25	9.25
Miles of Median Strips	40	43	43	45

## Whispering Pines Golf Course



**Mission: To provide superior availability for golf clientele on a quality golf course with excellent customer service.**

### **2011-12 Accomplishments**

- Completed renovation projects on holes 17, 18 and 3, increasing course aesthetics and improving the playability of those holes.
- Relocated irrigation heads in order to allow water to be directed to areas that were not being reached previously.
- Added new bunkers on holes 1 and 3.
- Soded distressed areas on holes 11 and 5.
- Installed new irrigation pumps.

### **2012-13 Objectives**

- Enhance and protect the golf course's beauty and serenity.
- Foster social and physical development and continue to promote the course as a playing and learning facility.
- Promote golf tourism in Myrtle Beach.
- Convert old #10 green to nursery/practice green.
- Install lights on practice range to increase use and generate additional revenue.
- Implement improved maintenance schedule.
- Replace high maintenance landscaping with attractive, less labor intensive materials.
- Continue to strive to implement expense saving measures that will not impact the condition of the golf course or level of service.

<b>Golf Course Budget Summary</b>			
	<b>2011-12 Budget</b>	<b>2012-13 Budget</b>	<b>% Change</b>
<b>Allocated Positions</b>	<b>10</b>	<b>8</b>	<b>(20.0)%</b>
Maintenance	593,135	602,026	1.5%
Pro Shop & Operation	650,781	604,946	(7.0)%
Restaurant	93,672	93,640	(0.0)%
Sub-Total	<b>\$ 1,337,588</b>	<b>\$ 1,300,612</b>	<b>(2.8)%</b>
Capital Outlay	-	-	-
Grand Total	<b>\$ 1,337,588</b>	<b>\$ 1,300,612</b>	<b>(2.8)%</b>



<b>Golf Course Performance Measures</b>				
<b>Measure</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
Local Rounds Played	21,475	15,410	18,766	21,000
Non-Local Rounds Played	18,764	17,579	18,458	15,694
Total Rounds:	40,239	32,989	37,224	36,693
% Local Rounds	53.3	46.7	50.4	57.23
% Non-Local Rounds	46.7	53.3	49.6	42.27

### BB&T Coastal Field



**Mission: To see that the facility is used appropriately and kept in excellent condition.**

#### 2011-12 Accomplishments

- Myrtle beach Pelicans - Texas Rangers Minor League Affiliate played 71 home games at the stadium.
- Hosted the Myrtle Beach Marathon for 3 days.
- Hosted 13 days of Coastal Carolina University / NCAA baseball games.
- Hosted 16 days of Triple Crown Baseball Games.
- Hosted NCAA Regional & Super Regional Tournaments.
- Provided a Baseball location for the HBO Series, “East Bound and Down”.
- Completely renovated the playing surface.

#### 2012-13 Objectives

- Strengthen a community landmark and sense of place by assisting the Pelicans with facility renovations.
- Continue to provide recreational experiences through special events, concerts and other promotions.
- Promote economic development through hosting sports tourism events.

<b>Stadium Budget Summary</b>			
	<b>2011-12 Budget</b>	<b>2012-13 Budget</b>	<b>% Change</b>
<b>Allocated Positions</b>	<b>1</b>	<b>-</b>	<b>(100.0) %</b>
Stadium Maintenance	307,908	186,762	(39.3)%
Capital Outlay	-	340,000	340.0%
<b>Grand Total</b>	<b>\$ 360,320</b>	<b>\$ 526,762</b>	<b>46.19%</b>

<b>Stadium Performance Measures</b>				
<b>Measure</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Baseball Games Played	130	136	125	297
Other Stadium Events	10	13	7	6

## Public Works Departments & Divisions

**Mission: To direct the operation of Public Works programs and to coordinate the implementation of the Capital Improvements Plan.**

### 2011-12 Accomplishments

- Upgraded 13 Intersections.
- Designed and coordinated with other divisions the installation of 12 mid-block crossings on Ocean Blvd.
- Installed 101,069 linear feet of pavement markings.
- Resurfaced over 54,000 square yards of City streets and publicly owned parking areas.
- Joint effort between divisions to realign the intersections of Ocean Boulevard and Hampton Circle.

### 2012-13 Objectives

- Manage and inspect 40 CIP projects.
- Resurface 40,000 square yards of City Streets.
- Maintain City Fleet of 707 vehicles.
- Joint project to construct City park at 15<sup>th</sup> Avenue North.
- Construct parking lot for City Services employee parking.
- Apply 100,000 linear feet of thermoplastic pavement marking.
- Replace and install 900 traffic regulatory signs.
- Install 41 ADA ramps on Ocean Boulevard.
- Upgrade 6 and maintain 82 signalized intersections.
- Replace 7 dune crossovers.

<b>Public Works Budget Summary</b>			
	<b>2011-12 Budget</b>	<b>2012-13 Budget</b>	<b>% Change</b>
<b>Allocated Positions</b>	<b>27</b>	<b>27</b>	<b>(0.0)%</b>
Administration	696,189	654,825	(5.9)%
Engineering	774,640	787,829	1.7%
Street Maintenance	930,969	948,192	1.9%
Traffic Engineering	2,368,221	2,531,549	6.8%
Sub-Total	<b>\$ 4,770,019</b>	<b>\$ 4,922,395</b>	<b>3.2%</b>
Capital Outlay	---	---	-%
Grand Total	<b>\$ 4,770,019</b>	<b>\$ 4,922,395</b>	<b>3.2%</b>

<b>Public Works Performance Measures</b>				
<b>Measure</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
Road Resurfacing	38,700	32,400	56,000	54,000
Asphalt Repairs ( tons)	315	355	340	385
Sidewalk/Curd Repairs ( feet)	3,762	4,473	3,200	3,750
Plan Reviews	802	745	798	940
Vehicle Performance Maintenance Services	815	885	858	929
Vehicle Work Orders Processed	3,233	3,279	2,976	3,008



## Waterworks & Sewer Enterprise Fund

**Mission: To deliver potable water to customers and ensure quality availability of fire flows, while exceeding mandated quality standards.**

### 2011-12 Accomplishments

- Continued to meet/exceed State and Federal safe drinking water requirements.
- Rebuilt 4 Pump Station control cabinets.
- Installed valves in strategic locations to limit the number of customers affected during outages.
- Completed Phase III of forcemain replacement project (7,440 linear feet of 36" forcemain) along Highway 17 Bypass.
- Continued replacement of small diameter mains with large diameter mains for improving volume and fire protection.
- Installed 586 linear feet of new sewer lines.

### 2012-13 Objectives

- Continue to meet/exceed State and Federal safe drinking water requirements.
- Continue the replacement of small diameter mains with large diameter mains for improving volume and fire protection.
- Continue to update and verify changes to the distribution map.
- Meet all compliance requirements for the EPA mandated Unregulated Contaminant Monitoring Rule (UCMR 3).
- Review 800 plans.
- Install 6,000 l.f. of 6" water main.
- Install 600 l.f. of 8" gravity sewer line.
- Inspect 40 construction projects.
- 1500 New Water/Sewer Applications.
- Complete Phase IV of force main replacement project (10,300 linear feet of 36" force main) along Highway 17 Bypass.
- Rebuild 4 Pump Station control cabinets.

<b>Water &amp; Sewer Budget Summary</b>			
	<b>2011-12 Budget</b>	<b>2012-13 Budget</b>	<b>% Change</b>
<b><i>Allocated Positions</i></b>	<b>56</b>	<b>56</b>	<b>-</b>
Administration	3,933,506	3,484,910	(11.4)%
Water System	8,784,443	9,078,356	3.3%
Sewer System	9,029,773	9,206,714	2.0%
Construction Division	717,813	705,370	(1.7)%
Grand Total	<b>\$ 22,465,535</b>	<b>\$ 22,475,350</b>	<b>.04%</b>



<b>Water &amp; Sewer Performance Measures</b>				
<b>Measure</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
New Water Meters Installed	210	161	228	346
Water Lines Installed (linear ft.)	35,358	14,795	5,848	25,709
Water Valves Installed	275	53	44	171
Fire Hydrants Maintained	2,416	2,446	2,461	2,499
Water Service Calls Completed	1,707	1,839	1,840	2,791
"Zero" Consumption Corrected	239	310	233	214
Sewer Service Calls	243	251	306	292
Sewer Lines Cleaned (feet)	521,449	537,704	460,598	512,000
Sewer Lines Checked by Camera (feet)	254,434	282,866	287,220	199,757

## Solid Waste Management

**Mission: To contribute to a safe and healthy living environment by providing quality services and promoting recycling.**

### 2011-12 Accomplishments

- Resolved 99% of service requests within 8 hours.
- Reduced non-productive hours by closely monitoring absences.
- Operated within the adopted budget and did not exceed allotted funding.
- Continued to manage overtime while providing superior customer service.
- Continued preventative maintenance service on all equipment to reduce downtime.
- Received no SCDHEC violations throughout the year.

### 2012-13 Objectives

- Continue to minimize overtime costs by utilizing the Alert Crew after hours.
- Coordinate safety and maintenance inspections of the Transfer Station to assure OSHA & SCDHEC standards are met.
- Respond to all internal/external customer service calls within 8 hours.
- Continue to work with Risk Management on training and safety in order to reduce accidents.
- Increase participation in the City's recycling program.

<b>Solid Waste Management Services Budget Summary</b>			
	<b>2011-12 Budget</b>	<b>2012-13 Budget</b>	<b>% Change</b>
<b>Allocated Positions</b>	<b>30</b>	<b>30</b>	<b>0.0%</b>
Administration	682,179	652,230	(4.4)%
Residential	980,851	1,053,968	7.5%
Special Services	405,208	421,542	4.0%
Commercial	603,906	611,664	1.3%
Refuse Hauling	1,245,890	1,265,026	1.5%
Special Litter Crew	118,302	121,810	3.0%
Sub-Total	<b>\$ 4,036,336</b>	<b>\$ 4,126,240</b>	<b>2.2%</b>
Capital Outlay	-	-	-
Grand Total	<b>\$ 4,036,336</b>	<b>\$ 4,126,240</b>	<b>2.2%</b>

<b>Solid Waste Management Performance Measures</b>				
<b>Measure</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
Tonnage of Garbage	19,870	19,722	20,594	2,087
Tonnage of Recyclables	859	1,056	935	1,007
Tonnage of Yard Waste	4,954	4,940	4,975	4,336
Tonnage of Bulk Waste	2,391	2,145	1,495	1,586
Tonnage Hauled to Landfill	27,664	27,414	27,519	26,010



## Stormwater Management

**Mission: To provide an increased level of service to reduce the threat of property damage and other loss during flooding events.**

### 2011-12 Accomplishments

- All state standards for drainage inspections and illicit discharge detection and elimination were met.
- NPDES storm water permit has been placed on hold by DHEC. The original permit is still in place until DHEC promulgates the new issue.
- City employees including Street, Parks, Solid Waste and Construction Division have been trained in storm water runoff controls.
- Neighborhood drainage improvements are installed as needed.

### 2012-13 Objectives

- Continue to maintain the cutting and cleaning of 26+ miles of ditch and lake banks throughout the City.
- Inspect private drainage systems to insure that commercial properties are in compliance with NPDES.
- Continue an active street sweeping program to insure a minimum amount of debris enters the storm sewer system.

<b>Stormwater Management Budget Summary</b>			
	<b>2011-12 Budget</b>	<b>2012-13 Budget</b>	<b>% Change</b>
<b>Allocated Positions</b>	<b>16</b>	<b>16</b>	<b>0.0%</b>
Storm water Maintenance	1,914,962	2,063,374	7.8%
Capital Outlay	--	--	0.0%
Grand Total	<b>\$ 1,914,962</b>	<b>\$ 2,063,374</b>	<b>7.8%</b>

<b>Storm water Management Performance Measures</b>				
<b>Measure</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
Catch Basins Repaired	27	37	25	24
Storm Drains Cleaned (feet)	61,300	269,292	216,845	247,172
Ditches/Canals Maintained	260,440	457,303	397,985	222,575
Miles of Streets Swept	14,066	15,259	16,811	16,664

## Victims Advocate

**Mission: To ensure that all victims and witnesses of crime are treated with dignity, respect, courtesy and sensitivity.**

### 2011-12 Accomplishments

- All three Victim Advocates met state training requirements to maintain certification.
- Provided essential services to over 3,000 victims and provided assistance to over 1,600 crime victims in the courtroom during various court processes.
- Advocates worked closely with the City Prosecutors to ensure the notification of crime victims for all court processes including pre-trial conferences, jury trials, bench trials, bond hearings, reopen hearings, and rules to show cause hearings.

### 2012-13 Objectives

- To protect the rights of crime victims
- To ensure crime victims are notified of all court proceedings in their case.
- To provide crime victims with the opportunity to participate in the prosecution of the defendants in their case through education about the court system and support during all court hearings.

<b>Victims Advocate Budget Summary</b>			
	<b>2011-12 Budget</b>	<b>2012-13 Budget</b>	<b>% Change</b>
<b>Allocated Positions</b>	<b>4</b>	<b>3</b>	<b>(25.0%)</b>
Victims Advocate	284,885	243,206	(14.6)%
Capital Outlay	-	-	-
Grand Total	<b>\$ 284,885</b>	<b>\$ 243,206</b>	<b>(14.6)%</b>

<b>Victims Advocate Performance Measures</b>				
<b>Measures</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
Number of Cases Opened	3,049	3,175	2,960	2,772
Bond Hearings Attended	864	988	946	1,026
Number of Bench Trials Attended	380	470	412	461
Number of Jury Trial Attended	77	122	187	196



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## Myrtle Beach Convention Center



**Mission: To create economic benefits for the community by providing a clean, safe facility with a professional, friendly staff.**

### ***2011-12 Accomplishments***

- Licensed 91 future events that should produce approximately 139,675 hotel room reservations for future years.
- Licensed 6 new City Wide conventions resulting in 500 total room nights.
- Completed the engineering phase of the HVAS and Roof replacement project.
- Developed a proposal to address convention center expansion plans to satisfy the terms of state land purchase grant.

### ***2012-13 Objectives***

- License events that will use between 125,000 and 150,000 hotel room reservations to be realized in all future years.
- Add four new Citywide conventions to future events calendar.
- Complete bid and installation phase of the HVAC System and Roof Replacement projects.
- Upon Council approval, complete the design process and begin the construction of outdoor park.
- Continue upgrades of indoor lighting throughout the center to optimize control and efficiency.

<b>Convention Center Budget Summary</b>			
	<b>2011-12 Budget</b>	<b>2012-13 Budget</b>	<b>% Change</b>
<b>Allocated Positions</b>	<b>37</b>	<b>36</b>	<b>(2.7)%</b>
Administration	992,069	885,383	(10.8)%
Convention Services	311,289	345,532	11.0%
Sales & Marketing	1,208,311	1,147,242	(5.1)%
Operations	2,161,120	2,074,192	(4.0)%
Sub-Total	<b>\$ 4,672,789</b>	<b>\$ 4,452,349</b>	<b>(4.7)%</b>
Capital Outlay	-	-	-
Grand Total	<b>\$ 4,672,789</b>	<b>\$ 4,452,349</b>	<b>(4.7)%</b>



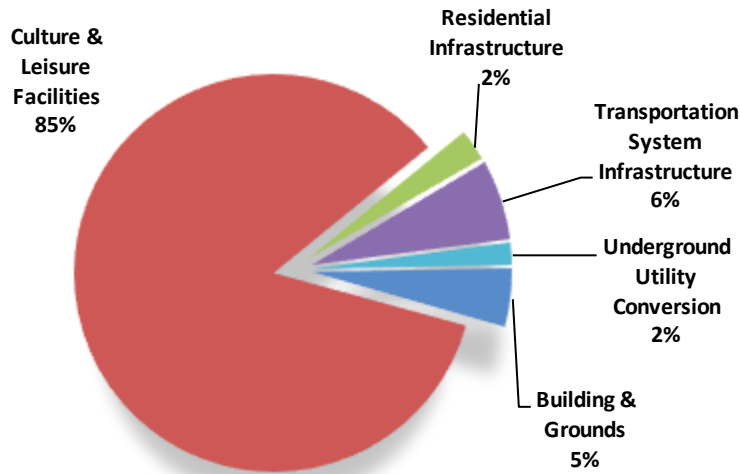
<b>Convention Center Performance Measures</b>				
<b>Measure</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
Number of Events	152	146	163	154
Room-Nights generated	179,050	168,500	170,250	172,600
Total Attendance	521,350	518,500	514,900	542,075
% Occupancy Of the Convention Center	64%	64%	62%	65%



## Capital Projects and 2013-17 Capital Improvements Plan



### Capital Improvements by Category, 2013



### ***What is a Capital Improvement Plan?***

A Capital Improvements Plan is a schedule for the financing and construction of physical assets such as equipment, buildings, streets, sewers and recreation amenities. The plan extends over several future years indicating the beginning date of each project, the amount available in each year, the methods of financing those expenditures and the anticipated operating costs associated with placing those assets into service.

### ***What is a Capital Improvement Project?***

A project to acquire or construct an asset with a value usually exceeding \$25,000 and an expected life of ten years or more. Capital project appropriations continue in effect for the life of the project. It is characteristic that these projects span several years due to the scope of work being performed.

## Capital Improvement Schedule

General Capital Improvement Plan By Funding Source

Major Funding Source	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	TOTAL
Hospitality	\$ 700,000	\$ 700,000	\$ 700,000	\$ 850,000	\$ 850,000	\$ 3,800,000
Local Tourism Fee	1,310,000	1,320,000	1,330,000	1,350,000	1,375,000	6,685,000
General	1,050,000	1,078,000	1,125,000	1,045,000	1,035,000	5,420,700
Debt	5,555,300	-	-	-	1,575,000	7,128,000
<b>Total</b>	<b>\$ 8,700,000</b>	<b>\$ 3,098,000</b>	<b>\$ 3,155,000</b>	<b>\$ 3,245,000</b>	<b>\$ 4,835,000</b>	<b>\$ 23,033,000</b>

General Capital Improvement Plan By Funding Category

Category	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	TOTAL
Building & Grounds	\$ 385,000	\$ 385,000	\$ 425,000	\$ 115,000	\$ 1,687,000	\$ 3,007,000
Culture & Leisure Facilities	7,383,000	710,000	800,000	560,000	1,730,000	11,183,000
Residential Infrastructure	220,000	220,000	220,000	220,000	220,000	1,100,000
Transportation System Infrastructure	552,000	1,633,000	1,560,000	2,200,000	1,048,000	6,993,000
Underground Utility Conversion	150,000	150,000	150,000	150,000	150,000	750,000
<b>Total</b>	<b>\$ 8,700,000</b>	<b>\$ 3,098,000</b>	<b>\$ 3,155,000</b>	<b>\$ 3,245,000</b>	<b>\$ 4,835,000</b>	<b>\$ 23,033,000</b>



## General Capital Projects

The City's 2013-2017 General Capital Improvements Plan includes \$8.6 million in FY2013 appropriations and \$23 million of outlays over the five-year planning period. It addresses major comprehensive plan elements by providing \$7million for transportation system infrastructure, \$1.1 million for residential infrastructure improvements, \$750,000 for underground utilities, \$11.2 million for the improvement of Cultural and Leisure Services facilities, and also applies \$3 million toward the construction and maintenance of the City's general capital infrastructure over the coming five years.

## Financing Mix

The two basic ways of financing capital improvements are (a) pay-as-you-go which means using current revenues or cash on hand, and (b) pay-as-you-use, which involves leveraging debt to spread the acquisition expense over the period of time the community uses the capital asset.

Classic **pay-as-you-go** financing requires that communities allocate a significant portion of operating revenues to a capital improvement fund each year, and use these monies for annual capital improvements or save them until they are sufficient to pay for very large projects. Pay-as-you go financing avoids borrowing costs, but may be impractical for very large or "lumpy" projects and for communities that have an urgent need for certain improvements. Relying exclusively on the use of pay-as-you-go financing may mean the government is assuming a savings function for its citizens. It is, in effect saving money paid into its treasury by current citizens to pay for facilities that will be enjoyed by future citizens.

**Pay-As-You-Use** financing, on the other hand, utilizes the issuance of debt to spread the costs of the project over the years when it is used. Projects are financed by serial debt issues maturing in such a way that the retirement of the debt roughly coincides with the depreciation of the project. By the end of the project's life, the debt has been paid off. If the project has to be replaced, more debt may be issued and retired in the same manner. In this way, "no one is forced to provide free goods for a future generation or to contribute toward facilities for a town in which he or she may not live, nor will new members of the community reap what they have not sown."<sup>2</sup>

The City attempts to make a reasonable and balanced use of these two options. For presentation purposes, capital improvement projects are grouped by funding mechanism. The following are typical of the funding categories generally used:

**Pay-As-You-Go Programs**— The General Pay-as-You-Go program includes as funding sources all non-current ad valorem taxes, one-time revenues and highly volatile revenues. Examples of one-time revenues may include grants and private participation or the appropriation of fund balance. Highly volatile revenue sources may consist of building permit fees, state shared revenues and

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<sup>2</sup> J. Richard Aronson and Eli Schwartz, *Management Policies in Local Government Finance*, 3<sup>rd</sup> Ed., International City Management Association, 1987, p. 414. See Ch. 17 on capital budgeting for a full discussion of topics addressed in this section of the budget.

interest earnings. These may be spent for any legitimate governmental purposes and are used for smaller projects with shorter useful lives.

The plan also utilizes transfers from the Hospitality Fee fund, a source generated by the collection of a 1% Hospitality Fee levied within the limits of the City and designated for a narrow range of specific uses. Money from this source is used to fund projects that generally support the community's tourism infrastructure and that may have shorter lives.

***Debt Financed, or Pay-as-You-Use Programs*** - Funding is generated through the issuance of debt. The retirement of the debt may be supported by the City's Full Faith and Credit, which is its power to tax, or by pledges of non-tax revenues. This program is used to build larger, more expensive facilities with relatively long useful lives. Most will have lives of 40+ years.

In the project descriptions that follow, the designation PG indicates a Pay-as-You-Go project; L/P is a Lease/Purchase Obligation, usually short-term (3-5 years in duration); LTO indicates one financed by the issuance of long term debt or other long-term obligations.

### **Operating Budget Impact of the General Capital Improvement Plan**

Virtually any new capital investment will require staffing, materials, utilities and other regular maintenance if it is to serve its purpose to the community. Some capital projects will generate revenues to the City, and will help to promote the community's general economic health and well being as well as enhance its quality of life. While it is difficult to quantify the exact costs of future operations and maintenance of a project, most can be reasonably estimated based upon experience. For example:

The renovation of a break room and subsequent installation of video conferencing equipment at the Ted Collins Law Enforcement Center will generate increased utility and operating costs of approximately \$2,000 annually.

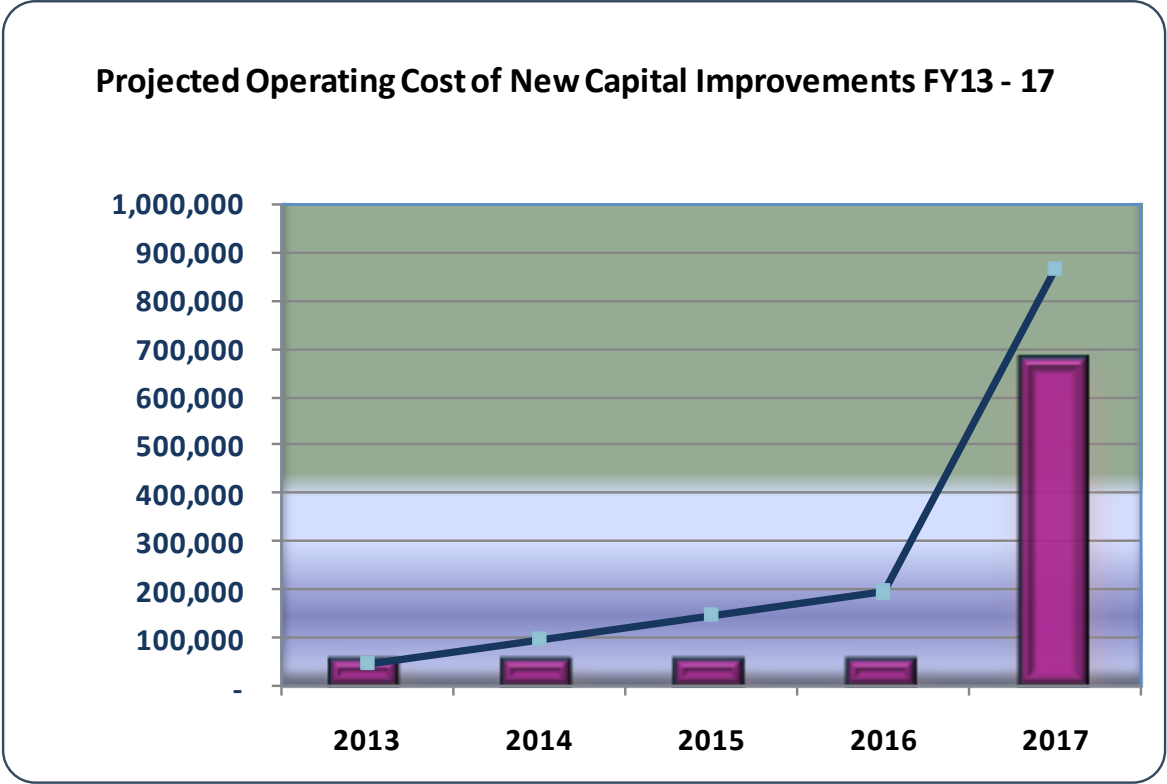
Operating costs associated with transportation projects included in the five-year plan will be approximately \$15,000 per year and include street sweeping landscaping and general maintenance.

The approximate annual cost of maintenance associated with a new sidewalk is \$1.15 per foot. Approximately 8,000 feet of new sidewalks will be added to system infrastructure increasing operating cost by an estimated \$9,200 per year.

The completion of the final field and concession stand at the Grand Park multi-field complex will result in additional utility and maintenance costs of approximately \$20,000 each year. Field and parking lot lighting, as well as the concession stand utilities will contribute to the increase in utility charges.

Projects completed during the 2013 Fiscal Year will result in a minimal operating impact on the City's General Fund. Capital Improvements placed into service over the five years of the Capital Improvements Plan are expected to produce a cumulative

operating impact of \$867,000 or the equivalent of approximately 2.6 mills on the City's property tax rate in the absence of other revenue growth.



*FY2017 Operating Costs include the \$622,000 one time purchase of a new Fire Vehicle.*

## **Project Highlights (FY 13 - FY17)**

### **Building & Grounds**

The Building & Grounds category consist of projects for the construction of public buildings; acquisition of property for future public buildings; major building maintenance, repair and replacement projects (other than Culture & Leisure Buildings and Facilities which are included in another category).

The projects proposed in the current five-year capital improvements plan include replacement of the Library roof and renovations at the Ted Collins Law Enforcement Center. Law Enforcement Center improvements include the conversion of a break room into a Video Teleconferencing Center and restoration of the parking area. Funds are also identified in the plan for renewal and replacements at the Myrtle Beach Convention Center and for the installation of new heating and cooling system. Energy cost savings from the new energy efficient heating and cooling system are expected to offset the cost of the new equipment. Additionally, an allocation for general public facility improvements and infrastructure is included to prepare for both current and future infrastructure needs.

Fire Station #7 (Harrelson Blvd.) at 17<sup>th</sup> Avenue South is the only new facility included in the plan. The building project has an estimated cost of \$1.6 million and is scheduled for fiscal year 2017.

### **Culture & Leisure Facilities**

Culture & Leisure Facilities projects include major maintenance, repair and replacement of Culture & Leisure buildings and facilities; park site acquisition and development. Culture & Leisure buildings and facilities may include gymnasiums, recreation centers, stadiums, ball fields, performing arts and cultural venues, etc.

Renewal and replacement projects identified and funded in the plan consist of installation of rubber “poured in place” surfaces on the City’s playgrounds and improvements and maintenance of recreation and park facilities throughout the City. Projects routinely involve re-sealing and re-stripping parking lots, resurfacing tennis courts, basketball courts and hockey courts, replacing damaged play equipment, and maintaining beach signage and dune walkovers. Major recreation facility improvements planned include renovations of the pool locker rooms at Canal Street and roof replacement at the Whispering Pines Golf Course club house.

In an effort to promote green living and provide a convenient means of waste recycling for both residents and tourists, the capital plan includes funding for placement of recycling containers along the beach and within City parks. During the first year of the pilot program, staff will evaluate the level of use, public acceptance, service and maintenance costs, placement of the recycling containers and the different types of receptacles utilized in order to implement a more comprehensive recycling program.

Several large projects are included in the plan, including major renovations at the Baseball Stadium, the final phases of Grand Park, and Ashley Booth Field turf renovations. The final phase of Grand Park involves installation of the final field in the nine field complex, construction of the third concession building, and creation of additional parking areas. Renovations to Ashley Booth Field consist of installation of a synthetic turf multi-purpose field to replace the existing natural grass field. Partial funding is included in the final year of the 5-year plan for the construction of a Multi-Field complex on the former Air Force Base. The balance of the project cost for the Multi-field complex, the purchase of ocean-front property for the creation of a park, Doug Shaw Stadium renovations and the expansion of the Myrtle Beach Convention Center were also considered during the capital planning and budgeting process. These projects remain a very high priority for the city however funding for those projects is not currently available.

### **Residential Infrastructure**

The Residential Infrastructure category addresses projects undertaken for the enhancement of neighborhoods, which may include sidewalk, curb and guttering, infrastructure restoration, signage, etc. Residential projects typically involve the repair, replacement and installation of infrastructure improvements to driveways, parking surfaces, streetscape, sidewalks, and walkways.

### **Transportation System Infrastructure**

Transportation System Infrastructure encompasses roadway construction, major roadway repair and maintenance, sidewalk and pedestrian accessibility projects; other improvements including bikeways, public transportation enhancements, intersection improvements, lane widening, tree planting and median enhancement, etc. City-wide sign replacement, pavement marking, and way-finding projects are among the projects designed to enhance the traveling experience along our roadways.

The largest maintenance project included in the transportation infrastructure category involves the milling and resurfacing of 9.4 miles of City owned roadway along Ocean Blvd. Segments of the boulevard will be resurfaced annually during the

course of the 5-year plan period. The largest roadway improvement project planned is the widening of 29th Ave. North from three-lanes to five-lanes between Grissom Parkway and Oak St. and from two-lanes to three-lanes from Oak St. to Kings Hwy. The 29<sup>th</sup> Avenue widening project is included in fiscal year 2016 and 2017.

**Underground Utility Conversion**

Underground Utility Conversion consists of the removal of utility poles and the burial of utility lines, including streetscape enhancements, curb and gutter restorations and other roadway improvements as needed.

<b>2013 - 2017 Capital Improvement Plan by Category</b>						
<b>Buildings &amp; Grounds</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>Total</b>
Law Enforcement Center Video Conf. Room	41,000	-	-	-	-	\$41,000
Law Enforcement Center Parking Lot	50,000	-	-	-	-	50,000
Public Facility Infrastructure	87,500	285,000	325,000	15,000	12,000	724,500
Library Roof Renovation	100,000	-	-	-	-	100,000
Library Video Security System	16,500	-	-	-	-	16,500
Convention Center Renewal & Replacement	100,000	100,000	100,000	100,000	100,000	500,000
Convention Center HVAC & Roof Repair	1,683,000	-	-	-	-	1,683,000
Fire Station #7 - Harrelson Blvd.	-	-	-	-	1,575,000	1,575,000
<b>Total Buildings &amp; Grounds</b>	<b>\$2,078,000</b>	<b>\$385,000</b>	<b>\$425,000</b>	<b>\$115,000</b>	<b>\$1,687,000</b>	<b>\$4,690,000</b>
<b>Culture &amp; Leisure Facilities</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>Total</b>
Playground Improvements	\$60,000	\$60,000	\$200,000	\$60,000	\$55,000	\$435,000
Parks & Recreation Infrastructure	100,000	100,000	100,000	100,000	100,000	500,000
Walkover Renovations	200,000	200,000	200,000	200,000	200,000	1,000,000
Beach and Park Recycling Containers	5,000	-	-	-	-	5,000
Golf Course Club House Renovations	100,000	-	-	-	-	100,000
Ashley Booth Field Turf Installation	860,000	-	-	-	-	860,000
Welcome Sign Replacement	40,000	40,000	-	-	-	80,000
Canal Street Locker Room Renovation	125,000	-	-	-	-	125,000
Grand Park	3,870,000	-	-	-	-	3,870,000
Additional Rectangle Fields on Former AFB	-	-	-	-	1,375,000	1,375,000
Baseball Stadium Renewal & Replacement	340,000	310,000	300,000	200,000	-	1,150,000
<b>Total Culture &amp; Leisure Facilities</b>	<b>\$5,700,000</b>	<b>\$710,000</b>	<b>\$800,000</b>	<b>\$560,000</b>	<b>\$1,730,000</b>	<b>\$9,500,000</b>

<b>Residential Infrastructure</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>Total</b>
Street Ends	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
Sidewalk Improvement Program	200,000	200,000	200,000	200,000	200,000	1,000,000
<b>Total Residential Infrastructure</b>	<b>\$220,000</b>	<b>\$220,000</b>	<b>\$220,000</b>	<b>\$220,000</b>	<b>\$220,000</b>	<b>\$1,100,000</b>
<b>Transportation System Infrastructure</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>Total</b>
Pedestrian Master Plan	\$ -	\$ -	\$ -	\$ -	\$100,000	\$100,000
Ocean Blvd. Milling & Resurfacing 1	100,000	200,000	200,000	200,000	150,000	850,000
Ocean Blvd. ADA Ramps	50,000	50,000	50,000	50,000	50,000	250,000
Mast Arms - 3rd Avenue	-	90,000	-	-	-	90,000
Ocean Blvd. 2nd to 9th n. Streetscape & Conversion*	212,000	1,103,000	1,120,000	1,210,000	-	3,645,000
29th Ave. Lane Widening & Streetscape	-	-	-	500,000	508,000	1,008,000
City-Wide Sign Replacement	30,000	30,000	30,000	30,000	30,000	150,000
City-Wide Pavement Marking	100,000	100,000	100,000	100,000	100,000	500,000
City-Wide Wayfinding	-	-	-	50,000	50,000	100,000
Intersection/Island Improvements	50,000	50,000	50,000	50,000	50,000	250,000
Master Street Tree Planting	10,000	10,000	10,000	10,000	10,000	50,000
<b>Total Transportation System Infrastructure</b>	<b>\$552,000</b>	<b>\$1,633,000</b>	<b>\$1,560,000</b>	<b>\$2,200,000</b>	<b>\$1,048,000</b>	<b>\$6,993,000</b>
<b>Underground Utility Conversion</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>Total</b>
Conversion/Streetscape/Curb/Gutter	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
<b>Total Projects</b>	<b>\$8,550,000</b>	<b>\$2,948,000</b>	<b>\$3,005,000</b>	<b>\$3,095,000</b>	<b>\$4,685,000</b>	<b>\$23,033,000</b>

\*Ocean Blvd. 2nd to 9th North Conversion & Streetscape Project will be done in the Oceanfront Redevelopment Project Fund. Funds will be transferred to cover those project cost and the total project cost is presented in the Oceanfront Redevelopment District Capital Improvements Plan Table.



## **FY 2013-2017 Oceanfront Redevelopment District Capital Improvement Plan**

Downtown Redevelopment Projects are additions to and enhancement of public infrastructure undertaken to facilitate the revitalization of the downtown area. The City's 2013-2017 Downtown Redevelopment Capital Improvements Plan includes \$21.5 million in capital outlays over the five-year planning period.

### **Financing Mix**

Financing for Downtown Redevelopment projects will consist of both (a) pay-as-you-go (or pay-as-you-acquire) which means using current revenues or cash on hand, and (b) pay-as-you-use, which involves leveraging debt to spread the acquisition expense over the period of time the community uses the capital asset.

The **pay-as-you-go** financing allocated to funding the projects will consist of Franchise Funds, Storm water Fees, Water and Sewer Fees, and DRC (Downtown Redevelopment Corp.) contributions. **Pay-as-You-Use** funding will consist of Limited Obligation and Tax Increment Revenue Bonds. This retirement of the debt may be supported by the tax revenues generated within the Tax Increment Financing District.

### **Highlights for the Five Year Downtown Redevelopment Capital Improvements Plan (FY 13 - FY17)**

Several projects are included in the 5-year plan for the Downtown area, with the streetscape and underground conversion along Ocean Boulevard from 2<sup>nd</sup> Avenue to 9<sup>th</sup> Avenue North as the largest project contemplated. The project involves burial of overhead utility lines, upsizing water and sewer utilities, installation of decorative medians and sidewalks and resurfacing the roadway. Additional improvements include improvements to 4<sup>th</sup> Avenue South and construction of an Ocean Outfall at 4<sup>th</sup> Avenue.

### **Operating Budget Impact of the Downtown Redevelopment Capital Improvement Plan**

The improvements included in the five-year plan require only a nominal increase in maintenance and utility costs since the roadways are already lighted and in operation.

**Oceanfront Redevelopment Area Projects  
2012-13 through 2016-17**

<b>Financing Sources</b>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>TOTAL</u>
Franchise Fund	\$ -	\$ -	\$ -	\$ 3,283,500	\$ -	\$ 3,283,500
Water & Sewer Fund	-	-	5,332,000	-	-	5,332,000
Local Tourism Development Fee	-	-	2,435,000	1,210,000	-	3,645,000
DRC Contribution	-	-	263,500	-	-	263,500
Limited Obligation Bonds	-	-	-	8,966,000	-	8,966,000
<b>Total Financing Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,030,500</b>	<b>\$ 13,459,500</b>	<b>\$ -</b>	<b>\$ 21,490,000</b>
<b>Project Total</b>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>TOTAL</u>
4 <sup>th</sup> Avenue Improvements & Streetscapes	\$ -	\$ -	\$ -	\$ 881,000	\$ -	\$ 881,000
Ocean Blvd. 2 <sup>nd</sup> to 9 <sup>th</sup> North Conversion & Streetscape	-	-	8,030,500	4,493,500	-	12,524,000
4 <sup>th</sup> Avenue Ocean Outfall	-	-	-	8,085,000	-	8,085,000
<b>Total Downtown Projects</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,030,500</b>	<b>\$ 13,459,500</b>	<b>\$ -</b>	<b>\$ 21,490,000</b>

## **FY 2013-2017 Enterprise Capital Improvement Plan**

Enterprise Projects include capital improvements for replacement, expansions and upgrade of the Waterworks and Sewer System infrastructure. The City's 2013-2017 Waterworks and Sewer System Capital Improvements Plan includes \$ 4.8 million in fiscal year 2013 appropriations and \$ 17.7 million of outlays over the five-year planning period.

### **Financing Mix**

Financing for the Waterworks and Sewer system will consist of both (a) pay-as-you-go and (b) pay-as-you-use, which involves leveraging debt to spread the acquisition expense over the period of time the community uses the capital asset.

The **pay-as-you-go** financing allocated to funding the projects will consist of Water and Sewer Fees, Impact Fees (projects to expand treatment or delivery capacity) and retained earnings (major maintenance or reinforcement projects) of the system. **Pay-as-You-Use** funding will consist of Waterworks and Sewer System Revenue Bonds. The retirement of the debt will be supported by system revenues.

### **Highlights for the Five Year Enterprise Capital Improvements Plan (FY 13 - FY17)**

Capital improvement projects funded by the Water & Sewer enterprise fund include the purchase of new billing and tracking software. construction, replacement and upgrades of water delivery system infrastructure; construction and replacement of sewer system infrastructure; upgrades of existing pump stations; brick manhole relining and sewer relining projects; and replacement of various force mains within the City.

The major project included in the plan is the replacement of a 36" force main that runs along the Hwy 17 Parkway. Replacement and installation of approximately one mile of force main will be completed each year. The water and sewer projects for Ocean Blvd, 2nd Avenue to 9<sup>th</sup> Avenue and the 3rd. Avenue South Gateway coincide with those projects included in the Oceanfront Development District and will occur as those projects are undertaken.

### **Operating Budget Impact of the Enterprise Capital Improvement Plan**

The planned additions to the Waterworks and Sewerage system will cause no significant increase in operational costs. The current staffing level is sufficient to maintain and monitor the new infrastructure placed into service during the plan period.

<b>Waterworks and Sewer System Capital Improvements Plan, 2013 - 2017</b>						
<b>FINANCING SOURCES</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>Total</b>
Retained Earnings of the System	\$ 230,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,430,000
Contributed Capital (Water Impact Fees)	100,000	250,000	250,000	250,000	250,000	1,100,000
Contributed Capital (Sewer Impact Fees)	100,000	250,000	250,000	250,000	250,000	1,100,000
Debt Funding	4,363,500	2,441,000	6,655,000	575,000	-	14,034,500
<b>Total Financing Sources</b>	<b>\$ 4,793,500</b>	<b>\$ 3,241,000</b>	<b>\$ 7,455,000</b>	<b>\$ 1,375,000</b>	<b>\$ 800,000</b>	<b>\$ 17,664,500</b>
<b>ADMINISTRATION PROJECTS</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>Total</b>
Hanson Software Upgrade	\$ 431,000	\$ -	\$ -	\$ -	\$ -	\$ 431,000
<b>WATER PROJECTS</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>Total</b>
Water Model	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
Miscellaneous Water Projects	-	50,000	50,000	50,000	50,000	200,000
Upgrade 4 ½" hydrants (total of 528)	85,000	85,000	85,000	85,000	85,000	425,000
Water Tower Painting & Maintenance	392,000	175,000	308,000	400,000	375,000	1,650,000
2" Waterline Replacement	104,000	-	-	-	-	104,000
DRC – 3 <sup>rd</sup> . Avenue South Gateway	126,000	-	-	-	-	126,000
Ocean Blvd. 2nd Avenue to 9 <sup>th</sup> Avenue -DRC	-	-	2,792,500	-	-	2,792,500
79th Avenue Waterline - Kings Hwy to NOB	-	-	-	150,000	-	150,000
<b>Total Water Projects</b>	<b>\$ 712,000</b>	<b>\$ 315,000</b>	<b>\$ 3,240,500</b>	<b>\$ 690,000</b>	<b>\$ 515,000</b>	<b>\$ 5,472,500</b>
<b>SEWER PROJECTS</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>Total</b>
Miscellaneous Sewer Projects	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 200,000
Brick Manhole Lining Program to Reduce I&I	194,000	90,000	90,000	90,000	90,000	554,000
Sewer Relining to Reduce I&I	145,000	145,000	145,000	145,000	145,000	725,000
Existing Pump Station Upgrades	100,000	100,000	100,000	100,000	-	400,000
36" Forcemain Replacement Hwy 17 Bypass	2,871,000	2,541,000	890,000	-	-	6,302,000
DRC – 3 <sup>rd</sup> . Avenue South Gateway	340,500	-	-	-	-	340,500
Upgrade Myrtle Manor Pump Station	-	-	400,000	-	-	400,000
36" Forcemain from 29 <sup>th</sup> Ave. N to Grissom Hwy	-	-	-	300,000	-	300,000
Ocean Blvd. 2nd Avenue to 9 <sup>th</sup> Avenue –DRC	-	-	2,539,500	-	-	2,539,500
<b>Total Sewer Projects</b>	<b>\$ 3,650,500</b>	<b>\$ 2,926,000</b>	<b>\$ 4,214,500</b>	<b>\$ 685,000</b>	<b>\$ 285,000</b>	<b>\$ 11,761,000</b>
<b>Total Water and Sewer Projects</b>	<b>\$ 4,793,500</b>	<b>\$ 3,241,000</b>	<b>\$ 7,455,000</b>	<b>\$ 1,375,000</b>	<b>\$ 800,000</b>	<b>\$ 17,664,500</b>



## Debt Management

Pay-as-you-go financing is usually the preferred option for financing capital improvements. However, for capital improvements with very long useful lives and significant initial investment requirements; the City uses its borrowing capacity as an alternative means of capital formation. General Obligation Bonds, Certificates of Participation and Tax Increment Revenue Bonds make up the General Long Term Debt reported by the City.

Specific-source Revenue debt includes debt financed with a specific pledge on non-utility revenue. At present, the only debt of this type issued by the City is Hospitality Fee Revenue debt.

The City also uses revenue bonds to finance capital improvements for the Waterworks and Sewer System. This debt is reported within that specific fund.

### **General Long Term Debt**

General Long Term Debt includes all debt that the City expects to repay with governmental funds, such as taxes or license fees. It does not include bonds for which principal and interest payments are repaid exclusively from the revenues of an enterprise, such as a public utility system.

Myrtle Beach's debt management program includes two categories of general long-term debt, as well as specific source revenue and tax increment financing debt:

- *general obligation debt*, which is secured by a "full faith and credit" pledge of the government's taxing power;
- *general non-bonded obligations* are certificates of participation (COPs) in a revenue stream. They include *asset-based financings* secured only by an interest in the property being financed and subject to annual appropriations, and *special revenue financings*, which differ from asset-based financings mainly in that they use a pledge of a specific tax or fee source other than the property tax to secure the annual lease payment;

Non-bonded debt instruments, such as the Certificates of Participation used to finance the Convention Center expansion, are considered the equivalent of general obligation debt for purposes of credit analysis.

## Outstanding General Obligation Debt June 30, 2012

Outstanding Debt Issue	Type of Security Pledged	Project(s) Financed	Final Maturity	Interest Rates	Amount Outstanding
General Obligation Bonds, Series 2003A	Full faith and credit	Storm water management projects	Mar-28	4.00-5.00%	395,000
General Obligation Bonds, Series 2003B	Full faith and credit	Office Building, Fire station, miscellaneous	Mar-14	3.25-4.00%	1,055,000
General Obligation Bonds, Series 2006A	Full faith and credit	Storm water management projects	Mar-31	4.00-5.00%	6,180,000
General Obligation Bonds, Series 2006B	Full faith and credit	Construction of North Park, Grand Park and Bike Path	Mar-31	4.00-5.00%	2,430,000
General Obligation Bonds, Series 2006C	Full faith and credit	Fire Station Construction – 38 <sup>th</sup> Avenue North	Mar-26	4.00-6.00%	1,970,000
General Obligation Bonds, Series 2008	Full faith and credit	Construction of North Park, Grand Park, Crabtree Gymnasium and Public Facility Land Purchase	Mar-33	4.63-5.13%	9,475,000
General Obligation Bonds, Series 2010A	Full faith and credit	Improvements/ Renovations to the Myrtle Beach Convention Center and Pepper Geddings Gymnasium Bulkhead Replacement	Mar-17	3.41-3.38%	420,000
Myrtle Bch Public Facilities Corp. Refunding Certificates of Participation, Series 2011 *	Asset-based; Convention Center lease revenues	Convention Center expansion was financed by original issue, 1992	Jul-17	1.35-3.52%	9,005,000
General Obligation Bonds, Series 2011A	Full faith and credit	Refund GO Bond Series 1999 & 2001 originally issued for Law Enforcement Facility, Doug Shaw Stadium and Transfer Station Improvements and the Art Museum.	Mar-17	2.00-5.00%	2,240,000
General Obligation Bonds, Series 2011B	Full faith and credit	Refund GO Bond (referendum debt) Series 2002 A & B and 2003 A & B originally issued for Stormwater and Recreation Infrastructure Projects.	Mar-28	2.00-5.00%	15,800,000
<b>Total General Long Term Debt</b>					<b>\$48,970,000</b>

\* Series 2011 Refunding Cops, while considered General Obligation Debt, are not required to be nor are they included in the calculation of Debt Margin.

## General Obligation Debt

South Carolina cities may issue General Obligation Debt under two different kinds of authority—*Constitutional Authority* and *Authorization by Referendum*. Article X, Section 14 of the State Constitution provides that the incorporated municipalities of the state may issue general obligation indebtedness in an amount not exceeding eight per cent (8.0%) of the assessed value of all taxable property located within their corporate boundaries, The 8% limit may be waived for particular issues of debt provided the municipality’s electorate grants the waiver and authorizes the City, by referendum, to issue debt in specific amounts for specific purposes.

General Non-Bonded Obligations were occasionally issued prior to 1995 and usually took the form of lease-purchase financings. Subsequent to July 1, 1995, most lease-purchase financings are treated as general obligation debt for purposes of determining whether they may be issued under the eight per cent constitutional ceiling. The City’s outstanding Myrtle Beach Public Facilities Corporation Refunding Certificates of Participation in a Facilities Lease Agreement (COPs), Series 2011, refunded a 1998 issue that refunded a 1992 issue that financed the Convention Center renovation and expansion project. The 1992 issue predated the legislation and neither the original 1992 issue nor the 2011 refunding issue is subject to the debt ceiling.

### Estimate of G.O. Debt Margin Fiscal Year 2012-2013

Item	Amount
Assessed Value:	
Taxable Property	\$365,928,024
Exempt Merchants’ Inventory	<u>3,407,035</u>
Total Assessed Valuation	369,335,059
Rate (8.0% of Assessed Valuation)	<u>.08</u>
Constitutional Debt Limit	29,546,805
Total General Obligation Debt Outstanding	(48,970,000)
Add back: GO Debt Issued per referendum	<u>33,810,000</u>
Less: Outstanding restricted debt	<u>(15,160,000)</u>
<b>Constitutional GO Debt Margin at Fiscal Year 2012-2013</b>	<b>\$14,836,805</b>



For fiscal year 2012-2013 outstanding GO debt of \$15.2 million issued under the constitutional debt limit equaled **51.3%** of the City's constitutional debt limit. Available general obligation debt margin was estimated at almost \$14.8 million, as shown in the table above. The constitutional limit does not apply to other types of debt or to GO Debt issued under referendum authority.

**Annual Debt Service Requirements on General Long-Term Debt**

Annual general obligation debt service requirements on debt issued under constitutional authority are funded by a tax levy of 7.6 mills, or about \$2.3 million per year based upon the estimated 2012 assessed valuation and a 92% collection rate. Hospitality fee revenues fund debt service payments for the Series 2003A, 2006A, 2006B, and 2011B general obligation bonds, all of which were issued under referendum authority.

Gross debt service requirements for all general long-term debt by fiscal year appear in the following table. All information is current through June 30, 2012

**Gross Debt Service Requirements, General Long Term Debt**

<b>Fiscal Year Ending 6/30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	4,020,000	2,442,449	6,462,449
2014	4,160,000	1,894,567	6,054,567
2015	3,760,000	1,736,009	5,496,009
2016	3,430,000	1,603,822	5,033,822
2017	3,560,000	1,477,678	5,037,678
2017-2036	<u>30,040,000</u>	<u>9,831,624</u>	<u>39,871,624</u>
<b>Total</b>	<b>\$48,970,000</b>	<b>\$18,986,149</b>	<b>\$67,956,149</b>

## Tax Increment Financing District Debt

Tax Increment Revenue Debt is secured by incremental *ad valorem* tax revenues generated when real property improvements occur within a designated redevelopment district. These instruments do not carry a pledge of the City's full faith and credit. The City has established two separate Tax increment Financing Districts within its boundaries.

### Myrtle Beach Air Force Base Redevelopment District

At June 30, 2012, the City had three outstanding Tax Increment Revenue Bonds funded by the incremental *ad valorem* tax revenues generated within the Myrtle Beach Air Force Base Redevelopment District.

The character of the air base redevelopment project is mixed-use, including an urban-style "town center" with theatres, restaurants and various retail shops at ground level and dwelling units on the upper floors. The center will be surrounded by condominium and single-family residential dwellings at build-out. A network of City Parks and Recreation facilities is located adjacent to the development. These facilities include Crabtree Recreation Center, equipped with weight rooms, basketball courts, racquetball, etc.; numerous athletic playing fields; an 80-acre lake, biking and pedestrian lanes and multi-purpose sidewalks; and a planned Olympic swimming pool. The outstanding Bond Issues consist of Series 2006A bonds in the amount of \$29.6 million, 2006B bonds of \$10.05 million, and Series 2011 bonds of \$8.4 million.

### Outstanding Tax Increment Financing District Revenue Debt

Outstanding Debt Issue	Type of Security Pledged	Project(s) Financed	Final Maturity	Interest Rates	Amount Outstanding
Tax Increment Revenue Refunding Bonds, Series 2006A	Incremental Property Taxes	Former Myrtle Beach Air Force Base Redevelopment Area Projects	Oct-36	5.25-5.33%	29,605,000
Tax Increment Revenue Refunding Bonds, Series 2006B	Incremental Property Taxes	Former Myrtle Beach Air Force Base Redevelopment Area Projects	Oct-36	TBD	10,050,000
Tax Increment Revenue Refunding Bonds, Series 2010	Incremental Property Taxes	Grand Park Phase III and Business Park Infrastructure.	Oct-25	3.70%	8,400,000
<b>Total</b>					<b>\$48,055,000</b>

Annual debt service requirements for the Myrtle Beach Air Base Redevelopment Tax Increment Financing District debt by fiscal year appear in the following table. All information is current through June 30, 2012.

**Gross Debt Service Requirements, Tax Increment Revenue Bonds**

<b>Fiscal Year Ending 6/30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	1,110,000	2,506,500	3,616,500
2014	1,160,000	2,454,275	3,614,275
2015	1,215,000	2,399,603	3,614,603
2016	1,270,000	2,342,315	3,612,315
2017	1,330,000	2,282,281	3,612,281
2018-2036	<u>41,970,000</u>	<u>26,095,792</u>	<u>68,065,795</u>
<b>Total</b>	<b>\$48,055,000</b>	<b>\$38,080,769</b>	<b>\$86,135,769</b>

### Oceanfront Redevelopment Financing District

At June 30, 2012, the City had one outstanding Limited Obligation Bond funded by the incremental ad valorem tax revenues generated within the Oceanfront Redevelopment Financing District. The Oceanfront development district encompasses approximately 300 acres between 6<sup>th</sup> Avenue South and 16<sup>th</sup> Avenue North, bordered by the Atlantic Ocean. Improvements to the district include the construction of an oceanfront Boardwalk & Promenade, district-wide storm water improvements, utility burial, and water & sewer line upgrades.

### Outstanding Oceanfront Tax Increment Financing District Revenue Debt

Outstanding Debt Issue	Type of Security Pledged	Project(s) Financed	Final Maturity	Interest Rates	Amount Outstanding
Limited Obligation Bonds, Series 2009	TIF Revenues from Oceanfront Redevelopment area.	Oceanfront Redevelopment Projects, including a Boardwalk and Promenade and Pavilion Block improvements.	Mar-34	3.00-5.00%	\$10,065,000
<b>Total General Long Term Debt</b>					<b>\$10,065,000</b>

Annual debt service requirements for the Oceanfront Redevelopment Tax Increment Financing District debt by fiscal year is presented in the following table. All information is current through June 30, 2012.

### Gross Debt Service Requirements, Oceanfront Redevelopment TIFD

Fiscal Year Ending 6/30	Principal	Interest	Total
2013	295,000	443,510	738,510
2014	305,000	434,660	739,660
2015	310,000	425,510	735,510
2016	325,000	414,660	739,660
2017	335,000	401,660	736,660
2018-2036	8,495,000	4,044,265	12,539,265
<b>Total</b>	<b>\$10,065,000</b>	<b>\$6,607,775</b>	<b>\$16,672,775</b>

## Specific-source Debt

### Hospitality Fee Revenue Debt

The City has issued *Hospitality fee revenue debt* for instruments secured by a pledge of the City's 1% hospitality fee charged on accommodations, prepared food and beverages and admissions. The City has four series of debt so secured and they are accounted for in the Hospitality Fee Fund.

### Outstanding Hospitality Fee Revenue Debt

Outstanding Debt Issue	Type of Security Pledged	Project(s) Financed	Final Maturity	Interest Rates	Amount Outstanding
Hospitality Fee Revenue Bonds, Series 2004A (tax-exempt) (first maturity in 2011)	Hospitality Fee Revenues	Convention Center Hotel Refinancing, Downtown Redevelopment Projects	Jun-36	4.00-5.38%	43,600,000
Hospitality Fee Revenue Bonds, Series 2004B (taxable) (first maturity in 2011)	Hospitality Fee Revenues	Convention Center Hotel Refinancing	Apr-19	5.38-5.75%	4,920,000
Myrtle Beach Public Facilities Corporation Certificates of Participation, Series 1998	Hospitality fee revenues, general revenue pledge	Acquisition of Coastal Federal Stadium	Jul-18	3.65-4.95%	4,685,000
Myrtle Beach Public Facilities Corporation Certificates of Participation, Series 2003	Hospitality fee revenues, general revenue pledge	Downtown Redevelopment Projects	Aug-23	3.65-4.95%	2,655,000
<b>Total Hospitality Fee Debt</b>					<b>\$55,860,000</b>

Annual Debt Service Requirements on the Hospitality Fee Debt Series Bonds are presented below. By contractual agreement, the Convention Center Hotel Corporation is obligated to pay a ground lease to the City each year equivalent to that year's annual debt service on the Series 2004A & Series 2004B bonds, provided that sufficient net earnings are available for that purpose. In the event that sufficient net earnings are not available in any given year, the hotel accrues a liability for the ground lease that is to be paid at

such time as sufficient net earnings become available. Convention Center and Stadium lease revenues fund debt service on Certificate of Participation financings related to those projects. The City (70%) and Horry County (30%) make lease payments from their respective hospitality fees to support the Stadium debt service. Hospitality fees are also pledged for the Downtown Redevelopment COPs issued in 2002.

**Gross Debt Service Requirements, Hospitality Fee Revenue Debt**

<b>Fiscal Year Ending 6/30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	1,385,000	2,823,123	4,208,123
2014	1,450,000	2,754,696	4,204,696
2015	1,530,000	2,681,631	4,211,631
2016	1,605,000	2,603,694	4,208,694
2017	1,690,000	2,520,788	4,210,788
2018-2036	48,200,000	27,239,599	75,439,599
<b>Total</b>	<b>\$55,860,000</b>	<b>\$40,623,531</b>	<b>\$96,483,531</b>

## Waterworks and Sewer System Revenue Debt

Revenue Bonds of the Myrtle Beach Waterworks and Sewer System are secured by system revenues and do not carry any pledge of the governments full faith and credit. The system does maintain rate covenants pursuant to the terms of the bond indentures. Covenants require that rates produce annual revenues equal to one hundred twenty percent (120.0%) of the system's annual debt service.

In December of 2007, the City issued Waterworks and Sewer System Revenue bonds in the amount of \$11.7 million funding the enlargement, extension and enhancement of the City's waterworks and sewer system. An additional \$8.9 million in Revenue Bonds were again in 2011 to fund further extensions and enhancements to the waterworks and sewer system, the largest of which involves the upgrade of a major sewer forcemain that runs nearly the length of the City.

### Outstanding Waterworks & Sewer System Revenue Debt

Outstanding Debt Issue	Type of Security Pledged	Project(s) Financed	Final Maturity	Interest Rates	Amount Outstanding
Waterworks & Sewer System Revenue Bonds, Series 2007	Gross Revenues of the Waterworks & Sewer System	Extension and improvements to the waterworks & sewer system	Mar-28	4.50-5.00%	10,790,000
Waterworks & Sewer System Revenue Bonds, Series 2011	Gross Revenues of the Waterworks & Sewer System	Extension and improvements to the waterworks & sewer system	Sept-32	2.00-4.00%	8,900,000
<b>Total Waterworks &amp; Sewer System Revenue Debt</b>					<b>\$19,690,000</b>

The following table sets forth the annual debt service requirements for the Waterworks and Sewerage System Revenue Debt incurred as of June 30, 2012.

### Gross Debt Service Requirements, Waterworks & Sewer System

Fiscal Year Ending 6/30	Principal	Interest	Total
2013	485,000	796,000	1,281,000
2014	850,000	776,600	1,626,600
2015	875,000	749,500	1,624,500
2016	905,000	718,000	1,623,000
2017	940,000	685,400	1,625,400
2018-2036	<u>15,635,000</u>	<u>4,914,781</u>	<u>20,549,781</u>
<b>Total</b>	<b>\$19,690,000</b>	<b>\$8,640,281</b>	<b>\$28,330,281</b>

### Storm Water System Revenue Debt

In 2004, the City entered into a State Revolving Fund Loan Agreement (the “SRF Loan”) with the South Carolina Budget & Control Board. The \$11,075,871 loan, bearing an interest rate of 3.25% per annum, financed improvements in the 14<sup>th</sup> Avenue Storm Water Basin. An additional State Revolving Fund Loan financing in 2009 allowed for landward drainage improvements to 4<sup>th</sup> Avenue North in the Downtown Redevelopment Project Area. The \$2,773,380 loan bears a blended interest rate of 1.67% per annum as a result of American Recovery and Reinvestment Act (ARRA) funding that allowed a portion of the loan to be made interest-free.

### Outstanding State Revolving Loan Fund Debt

Outstanding Loan	Type of Security Pledged	Project(s) Financed	Final Maturity	Interest Rates	Amount Outstanding
Storm water Revenue SRF Loan, Series 2004	Storm water Fees	14 <sup>th</sup> Avenue Ocean Outfall	May 2027	3.25%	8,473,353
Storm water Revenue SRF Loan, Series 2009	Storm water Fees	4 <sup>th</sup> Avenue Landward Drainage Improvements	Oct 2026	1.84%	2,500,954
<b>Total Revolving Loan Fund Debt</b>					<b>\$10,974,307</b>



The following table sets forth the annual debt service requirements for the Storm Drainage System Revenue Debt incurred as of June 30, 2012.

### Gross Debt Service Requirements, Storm Water System

Fiscal Year Ending 6/30	Principal	Interest	Total
2013	\$ 569,685	\$ 309,711	\$ 879,395
2014	586,050	293,346	879,396
2015	602,958	276,437	879,395
2016	620,427	258,969	879,396
2017	638,475	240,920	879,395
2018-2036	7,956,712	1,286,660	9,243,372
<b>Total</b>	<b>\$10,974,307</b>	<b>\$2,666,043</b>	<b>\$13,640,349</b>

### Credit Ratings

Myrtle Beach obtains credit ratings from the major rating agencies to aid the marketability of its bonds and to attain the lowest possible rates. Generally speaking, the higher the credit rating, the lower the costs of borrowing to taxpayers and users of city services. The City also uses bond insurance or other means of credit enhancement when economic analysis indicates the likelihood that the benefits of the enhancement will be greater than its cost.

Type of Debt	Moody's Rating	Standard & Poor's
Senior-most Tax-Backed Ratings (GO), affirmed July 2011	Aa2	AA
Utility Revenue Bond Rating, affirmed January 2011	Aa3	AA

A comparison of the rating categories Standard & Poor's and Moody's Investors Service is presented in the following table. Within each category, those bonds with the strongest attributes are designated with a "1" or a "+." For example, bonds rated A1 are judged to be of slightly higher quality than those rated A. Standard & Poor's designates weaker bonds in any category with a "-."

Moody's	Standard & Poor's	Description of Rating
Aaa	AAA	Highest grade. Smallest degree of investment risk. Interest payments are protected by a large or exceptionally stable margin and principal is secure. Changes in conditions are unlikely to impair their strong position.
Aa	AA	High-grade. Differ from Aaa/AAA only in that protective margins may not be as large or fluctuation of protective elements may be of greater amplitude.
A	A	Upper medium grade. Possess many favorable investment attributes. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment in the future.
Baa	BBB	Medium grade. Neither highly protected nor poorly secured. Lacking in outstanding investment characteristics and having some speculative character.
Ba, B, Caa, Ca, C	BB, B, CCC, CC, C	Speculative grades. Generally do not possess favorable investment attributes. Future cannot be considered well assured. Moderate to very poor protective elements. Bonds rated Caa/CCC or below may be in default or have other shortcomings.

## Planned New Debt

### Waterworks and Sewer System Revenue Debt

The City anticipates the issuance of Water & Sewer Revenue Bonds in the approximate amount of \$14 million to fund major system improvements over the 5-year plan period, with \$4.4 million of debt proceeds utilized in Fiscal Year 2013.

### General Obligation Bonds

The City anticipates the issuance of \$7.2 million of General Obligation Bonds in the 2013–2017 Capital Improvements Plan to finance the construction of Fire Station #7, Myrtle Beach Convention Center renovations and the continuation of the Grand Park project. Fiscal Year 2012 of the 5-year plan includes \$5.6 million of General Obligation Bonds to finance the balance of the project cost of an overhaul of the HVAC system and roof renovations at the Myrtle Beach Convention Center and completion of the multi-field complex located at Grand Park.

### Limited Obligation Bonds

The City anticipates the issuance of \$8.1 million of Limited Obligation Bonds or State Revolving Fund loans to finance the construction of the Ocean Outfall component of the 4<sup>th</sup> Avenue storm Drainage System.



## Community & Regional Profile

## The City of Myrtle Beach



The City is in the center of a 60-mile long coastal beach known as the “Grand Strand” which extends from the Brunswick County, North Carolina southward to Georgetown, South Carolina. The Grand Strand has some of the world’s widest beaches, reaching nearly a quarter mile wide during low tide. The beaches are of white sand, and the coastal water is clear and unpolluted, as there are no harbors, shipping traffic, or heavy industry in the area. No rivers or streams drain into the Atlantic for a distance of nearly 30 miles. The coastline is oriented northwest to southwest, with surrounding areas that have no elevations exceeding 50 feet above sea level.

## South Carolina



## Regional Economic and Demographic Information

The City of Myrtle Beach is on the forefront of business and economic development and was listed as the 9<sup>th</sup> fastest growing City in the nation by the US Census Bureau in 2010. According to 2010 Census data, there are more than 269,000 people living in the Myrtle Beach-Conway-North Myrtle Beach Metropolitan Statistical Area (MSA). When the adjacent coastal counties are considered in addition to the MSA, the population of the Grand Strand area is estimated at about 450,000 people.

### ***Horry County Incorporated Places***

<b>City</b>	<b>Population (2010)</b>
Myrtle Beach	27,109
North Myrtle Beach	13,752
Conway	17,103
Surfside Beach	3,837
Loris	2,396
Aynor	560
Briarcliff Acres	457
Atlantic Beach	334

*Source US Census Bureau, 2010  
Estimates*

### ***Selected Incorporated Places within 45minutes driving distance***

<b>City</b>	<b>Population (2010)</b>
Garden City, SC	9,209
Georgetown, SC	9,163
Shallotte, NC	3,675
Sunset Beach, NC	3,572
Carolina Shores, NC	3,048
Tabor City, NC	2,511
Calabash, NC	1,786
Pawley's Island, SC	103

### ***Horry County Demographics***

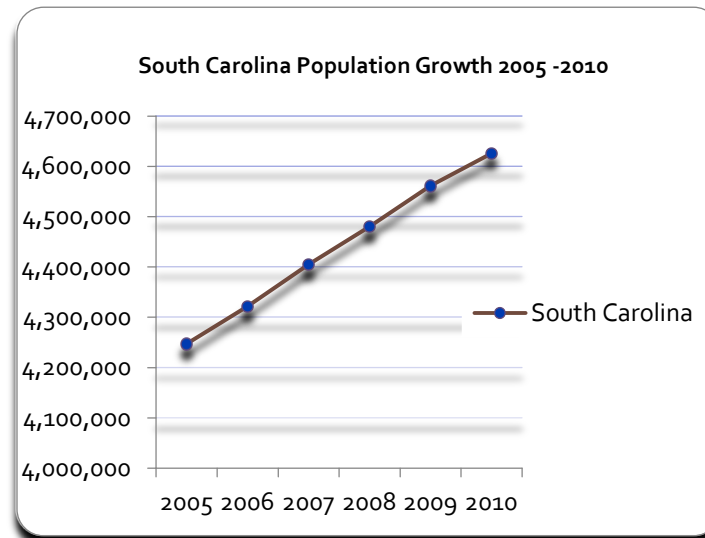
2010 Population (2010 Census)	269,291
White (2011)	82.5%
Black or African-American(2011)	13.9%
American Indian(2011)	0.6%
Identifies 2 or More Races(2011)	1.1%
Hispanic/Latino(2011)	6.3%
Median Age(2010)	42.0
Average Household Size(2010)	2.28
High School Graduate(2009)	86.4%
Bachelors or Higher Degree(2009)	21.0%
Mean Travel to Work Time(2010)	21 min
Median Household Income(2010)	\$43,142
Per Capita Income(2010)	\$24,811
Individuals Below Poverty Line(2010)	16.1%

*Source US Census Bureau*

## Population & Growth Trends

	2005	2006	2007	2008	2009	2010	% Change
<b>City of Myrtle Beach</b>	<b>26,593</b>	<b>28,597</b>	<b>29,971</b>	<b>30,596</b>	<b>31,968</b>	<b>27,109</b>	<b>(15.2)%</b>
Myrtle Beach MSA	226,992	238,493	249,711	257,380	263,868	269,291	2.1%
South Carolina	4,246,933	4,321,249	4,404,914	4,479,800	4,561,242	4,625,364	1.4%

Source: US Census Bureau



## Local Employers

### Horry County, Top 10 Employers

Company/Organization	Type of Business	# Employees
Horry County School District	Education ( K-12)	5,400
Wal-Mart	Retail Sales	2,276
Horry County Government	County Government	2,076
Coastal Carolina University	Higher Education	1,382
Conway Hospital	Hospital	1,325
Grand Strand Regional Medical Center	Hospital	1,134
Food Lion	Grocery Store	929
Blue Cross/Blue Shield	Health Insurer/Administrator	900
Loris Regional Medical Center	Hospital	900
Myrtle Beach National	Golf Courses/Hotels	829

\* Source Myrtle Beach Area Chamber of Commerce Statistical Abstract (21<sup>th</sup> Edition)

### Horry County, 5 Largest Industrial Employers

Company/Organization	Type of Business	# Employees
Conbraco Industries, Inc.	Steel Products & Components	320
CHF Industries, Inc.	Curtains and Bedding	185
Wolverine Brass	Brass Plumbing Fittings	150
Precision Southeast, Inc.	Injection Molded Components	120
New South	Pine Lumber	105

\* Source Myrtle Beach Area Chamber of Commerce Statistical Abstract (21<sup>th</sup> Edition)

## Wage and Labor Statistics

### Horry County Employment (Non-Farm/Non-Government) 2007-2011

Classification	2007	2008	2009	2010	2011
Manufacturing	4,490	4,580	4,230	3,980	3,750
Construction & Mining	14,710	13,000	10,890	9,090	8,870
Wholesale & Retail Trade	24,720	25,450	23,150	22,800	23,110
Information	1,730	1,720	1,500	1,310	1,290
Finance, Insurance and Real Estate	8,160	8,200	7,420	7,010	7,150
Services (inc. Ag. Services)	63,620	67,230	63,620	62,920	65,430
<b>Total</b>	<b>117,430</b>	<b>120,180</b>	<b>110,810</b>	<b>107,110</b>	<b>109,600</b>

Source: US Department of Labor & SC Department of Employment and Workforce, Labor Market Division

### Horry County Annual Unemployment 2007-2011

Year	Unemployed	Labor Force	Unemployment Rate
2011	14,899	129,085	11.5%
2010	15,764	131,995	11.9%
2009	15,513	131,642	11.8%
2008	9,233	130,818	7.1%
2007	6,729	131,188	5.1%

Note: Not Seasonally Adjusted

Source SC Department of Employment and Workforce, Labor Market Information Division.

### Average Unemployment Rates, 2007-2011

Year	City	County	State	U.S
2011	11.5%	11.5%	10.3%	8.9%
2010	11.9%	11.9%	11.2%	9.6%
2009	11.8%	11.8%	11.3%	9.3%
2008	7.1%	7.1%	6.8%	5.8%
2007	5.0%	5.0%	5.6%	4.6%

Source SC Department of Employment and Workforce, Labor Market Information Division.



### Myrtle Beach MSA Occupancy Statistics

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
% Units Occupied	56.1	50.7	48.0	50.3	49.6
Average Daily Rate	\$96.43	\$99.21	\$91.16	\$95.5	\$99.26

Source: SC Parks, Recreation and Tourism

### Hospitality Industry

#### Tourism

The Grand Strand is one of the largest tourist destinations in the United States. *Southern Living* magazine has routinely placed Myrtle Beach in its “Favorites” lists with recent designations as Favorite Beach (2009), Favorite Family Destination (2009) Favorite Weekend Getaway (2009), Favorite Beach Towns (2007) and Favorite Family Vacations (2007). AOL.COM's listed Myrtle Beach as one of the top ten most searched domestic travel destination(2009), and the City was among the Weather Channels “Top Ten Family – Friendly Destinations” (2010). Myrtle Beach also made it into ASK.COM's “Top Ten Family Destinations” (2008). Horry County, which includes the Myrtle Beach resort area, leads all counties of the State in visitor spending, employment and tax revenues resulting from travel and tourism. According to the SC Department of Parks, Recreation and Tourism, 2010 domestic travel expenditures in Horry County reached \$3.1 billion, accounting for nearly 31.8% of the State total. Approximately 36,600 jobs in the County were directly related to tourism in 2010.

#### Occupancy and Room Charges

Over the past few years, large-scale lodging and condominium developments have been placed into service throughout the Grand Strand, with an emphasis on projects within the Downtown Redevelopment District of the City. These projects have increased the number of rooms available on the strand to approximately 89,000. The Chamber of Commerce, the Myrtle Beach Convention Center and Myrtle Beach Golf Holiday have worked to increase leisure, golf and conference travel to the Grand Strand to utilize the increased capacity, especially during the slower tourism seasons.

### Myrtle Beach International Airport Commercial Passenger Totals

<u>Year</u>	<u>Arrivals</u>	<u>Departures</u>
2006	716,484	723,900
2007	839,450	844,373
2008	782,021	783,351
2009	743,206	742,187
2010	869,032	867,106

Source Myrtle Beach Area Chamber of Commerce Statistical Abstract (21<sup>th</sup> Edition)

### Estimated Number of

<u>Year</u>	<u>Visitors</u>
2006	14.6
2007	15.2
2008	14.6
2009	13.7
2010	14.0

Source Myrtle Beach Area Chamber of Commerce Statistical Abstract (21<sup>th</sup> Edition)

## Education

### Institutions of Higher Learning

Coastal Carolina University, located ten miles west of the City, offers 55 baccalaureate degree programs and seven master's degree programs. Over 9,000 students from across the country and the world are enrolled at Coastal Carolina. Coastal Carolina is fully accredited by the Southern Association of Colleges and Schools.

Horry-Georgetown Technical College is a comprehensive commuter college with three campus locations which serve more than 7,750 students annually. The College offers 70 associate degrees, diplomas and certificates in the areas of Arts and Science, as well as a varied technical and business curriculum whose credits are transferable to baccalaureate degree programs at many major colleges and universities. The continuing education curriculum at the College enrolls more than 8,000 people each year and maintains an intensive on-site industrial training program which serves several businesses and industries annually. The College is one of 16 technical colleges and technical education centers making up the South Carolina Technical Education System and is fully accredited by the Commission on Colleges of the Southern Association of Colleges and Schools.

At its Myrtle Beach extension campus, Webster University of St. Louis, Missouri ("Webster"), offers programs of study leading to the Master of Arts degree with various areas of emphasis targeting professional students. Enrollment at the Myrtle Beach campus exceeds 400 students. Webster is accredited at the undergraduate and graduate levels by the North Central Association of Colleges and Schools and maintains membership in the American Assembly of Collegiate Schools of Business.



*Coastal Carolina University*

### Public Education

The City is part of the Horry County School District, which is the third largest of 85 school districts in the State. The School District's 52 schools consist of 26 primary/elementary schools, 10 middle schools, 10 high schools, two career centers, a Scholars Academy and an Early College High School, an alternative school and 3 Charter Schools. Fourteen private schools are located within the County. Of the District's 2,631 classroom teachers, 74% have earned post-graduate degrees or education.

### Horry County Public Schools Enrollment

<u>Year</u>	<u>Pre-K</u>	<u>K-8</u>	<u>9-12</u>	<u>Total</u>
2007-08	1,429	24,891	10,459	36,779
2008-09	1,379	25,350	11,006	37,735
2009-10	1,247	25,419	10,755	37,421
2010-11	1,217	25,978	11,011	38,206
2011-12	1,217	25,904	10,806	37,927

*Source: Horry County School District annual statistics.*



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## Glossary



**The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting or peculiar to the City of Myrtle Beach. This glossary is provided in order to assist the reader in understanding these terms.**

## Glossary

- Account Number.** Each class of expenditures and revenues is assigned a specific number for use within the City's accounting system. Account numbers are organized according to fund, program, department, activity, and object of expenditure or revenue.
- Accrual Basis.** Sometimes called "full accrual" basis. A basis of accounting in which revenues are recognized when earned, regardless of when they are received, and expenses are recorded at the time the liability is incurred, regardless of when it is paid.
- Activity.** The smallest unit of budgetary accountability and control which encompasses specific and distinguishable lines of work performed by an organizational unit for the purpose of accomplishing a function for which the City is responsible.
- Ad Valorem Tax.** A tax expressed as a rate per unit of property value. An *ad valorem* tax is levied on all real and personal property located within the City and not expressly exempted. The term is used interchangeably with "property tax."
- Advanced Life Support (ALS).** Advanced services provided by a 3<sup>rd</sup> level Emergency Medical Technician, which may include administering certain medications or the use of electric defibrillation equipment.
- Air Base Redevelopment Authority.** A body constituted by the state of South Carolina to coordinate redevelopment efforts at the former Myrtle Beach Air Base property. It is composed of appointees of the City and Horry County.
- Appropriation.** A legal authorization to expend public resources, or to incur expenses on behalf of the government. Appropriations must be established by ordinance.
- Assessed Value.** The taxable value of a parcel of property. Assessed value is determined by multiplying a property's market value by a legally established assessment ratio.
- Assessment Base.** The total assessed valuation of all property within a jurisdiction.
- Assessment Ratio.** The fraction of a property's market value that legally may be taxed.
- Asset.** A probable future economic benefit obtained or controlled by an entity as a result of past transactions or events.
- Average Daily Rate (ADR).** The mean rate charged for one day's stay at the Convention Center Hotel.
- Balanced Budget.** A financial plan for a fiscal year, in which plan the sources of financing equal the authorized outlays.
- Basic Life Support (BLS).** Services provided by an Emergency Medical Technician responding to victims of illness or injury which may include basic emergency care or transportation to a medical facility.
- Basis of Budgeting.** A term used to refer to when revenues, expenditures, expenses, transfers—and the related assets and liabilities—are anticipated to be made on the City's books of account. Specifically, it relates to the timing of the estimates and whether they are based upon the cash or accrual method.

**Benchmark.** A performance measure which is used for comparative purposes. An organization may use benchmarks to judge whether performance is improving over time. It may also analyze its own performance by comparison with industry standards, or with those considered to be the best in its field.

**Bond.** Most often, a written promise to pay a specified sum of money (called the face value or principal amount), at a specified date or dates in the future, (called the maturity date(s)), together with periodic interest at a specified rate. The difference between a bond and a note is that the latter is issued for a longer period of time and requires greater legal formality.

**Bond Anticipation Notes (BANs).** Short-term interest-bearing notes issued in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond issues to which they are related. See “interim borrowing.”

**Bonded Debt.** The portion of indebtedness represented by outstanding bonds.

**Budget.** A plan of financial operation including an estimate of proposed expenditures for a given period and the proposed means of financing them. The term usually indicates a financial plan for a single fiscal year.

**Budget Message.** A letter of transmittal for the proposed budget prepared by the City Manager and addressed to the governing board that contains the Manager’s views and recommendations on the City’s operation for the coming fiscal year.

**Cash Basis.** A basis of accounting under which transactions are recognized only when cash is received or disbursed.

**Cash Equivalent.** Short-term, highly liquid investments that are both (1) readily convertible to known amounts of cash and (2) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

**Capital Budget.** A plan of capital outlays and the means of financing them for the current year. The appropriation of funds for the current year’s capital improvement projects correspond to the first year’s allocations of the five-year Capital Improvements Plan (CIP).

**Capital Improvement Project.** A project to acquire or construct an asset generally with a value exceeding \$25,000 and an expected life of ten years or more. Capital project appropriations continue in effect for the life of the project. It is characteristic that these projects span several years due to the scope of work being performed.

**Capital Improvement Plan.** A financial plan for construction of physical assets such as buildings, streets, sewers and recreation facilities. The plan extends over several future years indicating the beginning and ending date of each project, the amount to be expended in each year and the method of financing those expenditures.

**Capital Lease.** An agreement that conveys the right to use property, plant, or equipment, usually for a stated period of time, that meets one or more of the criteria set forth in SFAS No. 13 for lease capitalization.

**Capital Outlay.** Expenditures for the acquisition of fixed assets such as building, machinery, and equipment. Generally, such equipment has a value greater than \$500 and an expected life of two or more years. Fixed assets costing more than \$25,000 and lasting more than ten years are normally provided for in the Capital Improvements Plan, and are the subject of annual appropriations in capital budgets of the General Capital Projects Fund or of an enterprise fund.

- Capitalization Policy.** The criteria used by government to determine which outlays should be reported as fixed assets.
- Center City Redevelopment Area.** An agreement established between the City and Burroughs and Chapin Inc., in order to redevelop a district of blighted land. Some of the areas include Seaboard Commons and the Broadway at the Beach projects.
- Certificates of Participation (COP).** Certificates issued by a trustee pursuant to a trust agreement. The proceeds from the sale of COPs are used to finance the acquisition, construction, and installation of a project.
- Charges for Services.** Revenues derived from charging fees for providing certain government services. These revenues can be received from private individuals or entities, or other governmental units. Charges for services includes fire rescue services, landscaping services, water/sewer fees, solid waste fees, recreation and culture admissions.
- Community Development Block Grant (CDBG).** A federal entitlement program to promote the improvement of blighted areas.
- Community Development Fund.** Used to account for revenues and expenses derived from the CDBG Entitlements to the City.
- Community Oriented Policing.** A philosophy of policing which emphasizes the direct personal contact of officers with residents and business people in the neighborhoods they are assigned to patrol.
- Comprehensive Plan.** According to the South Carolina Local Government Planning Enabling Act (1994), this plan consists of the Planning Commission's recommendations to the local governing body with regard to the wise and efficient use of public funds, future growth, and the development and redevelopment of its area of jurisdiction, and with consideration of the plan's fiscal impact upon property owners. The Plan must be developed with broad-based citizen participation and must include elements on population, economics, natural resources, cultural resources, community facilities, housing, and land use.
- Comprehensive Planning Process.** The basic planning process includes (1) an inventory of existing conditions, (2) a statement of needs and goals, (3) implementation strategies with time frames.
- Constitutional Debt Limit.** Article X, Section 14 of the State Constitution provides that the incorporated municipalities of the state may issue general obligation indebtedness in an amount not exceeding eight per cent (8.0%) of the assessed value of all taxable property located within their corporate boundaries without the requirement of a referendum. The limit may be waived for particular issues of debt provided the municipality's electorate approves such at referendum.
- Contingency.** An appropriation of funds to cover unforeseen events that occur during the fiscal year.
- Cost Allocation.** A method used to distribute charges originating in one fund or account to the funds or accounts which receive the ultimate benefit of the service.
- Council-Manager Form.** One of three forms of local government allowed in South Carolina. The Mayor and Council establish policy, while a professional manager and his appointees are responsible for governmental operations.
- Credit Rating.** A rating assigned to a debt issue by one of the recognized credit rating agencies to indicate the likelihood that the issuer will be financially able to make timely payments on the principal and interest as the series of the issue reach maturity.

**Culture and Recreation.** The cost of providing recreational facilities and activities.

**Current Ratio.** A measure of financial liquidity, which expresses the proportion of current unreserved and unrestricted assets in relation to current liabilities payable from other than restricted assets. Generally, a higher ratio indicates a greater ability to meet short term obligations as they come due.

**Coalition of Myrtle Beach Organizations. (COMBO).** A lobbying coalition of business and professional associations from the Myrtle Beach area. It is active primarily at the state level.

**COPs Fast and Universal.** Federal grants through the U.S. Department of justice, which are used to aid crime prevention through the addition of police officers.

**Debt.** An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants and notes.

**Debt Capacity.** The amount a jurisdiction may issue without exceeding some legal or financial constraint.

**Debt Margin.** The amount of debt capacity available after existing debt obligations are subtracted.

**Debt Service.** The payment of principal and interest on borrowed funds such as bonds.

**Debt Service Coverage Ratio.** An expression of an enterprise's ability to service its debt, analogous to the "times interest earned" ratio used in the analysis of financial condition of private firms. It is determined by dividing net income by the total debt service obligation for a given year. The City's revenue bond covenants typically require a coverage ratio of 1.20.

**Deferred Revenue.** Amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, amounts that are measurable but not available are one example of deferred revenue.

**Department.** A major operating budget area of the City which includes overall management for an activity or group of related activities with possibly one or more sub-activities.

**Depreciation.** The decrease in value of physical assets due to use and the passage of time.

**Development Agreement.** A document memorializing the mutual consent of the City and a private developer for the planning for or carrying out of a building activity, the making of a material change in the use or appearance of any structure or property, or the dividing of land into three or more parcels. The use of Development Agreements, as permitted under SC Code Title 6, Chapter 31, is intended to encourage a stronger commitment to comprehensive and capital facilities planning, ensure the provision of adequate public facilities for development, encourage the efficient use of resources, and reduce the economic cost of development.

**Downtown Redevelopment Advisory Board (DRAB).** An ad hoc board formed to assist City Council in its role as the City's redevelopment commission. It was dissolved in 1999 with the formation of the Downtown Redevelopment Corporation.



**Downtown Redevelopment Corporation (DRC).** The body charged with directing and overseeing the redevelopment of the downtown area of Myrtle Beach including the Pavilion and generally that area extending from 29<sup>th</sup> Avenue North to 3<sup>rd</sup> Avenue South and from the ocean on the southeast to Oak Street on the northwest.

**Drug Abuse Resistance Education (DARE).** A program provided to schools located inside the corporate limit which seeks to prepare children to make informed decisions against the illegal use of narcotics.

**Elasticity.** The degree to which a revenue source responds to rates of change in the economy. More elastic sources expand during economic expansion, and may contract during an economic downturn. Inelastic sources generally do not vary to a great extent depending upon economic conditions.

**Encumbrance.** A financial commitment for a contract not yet performed. An encumbrance is charged against an appropriation and a portion of the appropriation is reserved for the purpose of satisfying the encumbrance. It represents the expenditure the government will make after performance under the contract is completed and an invoice is served.

**Enterprise Fund.** A self-supporting fund designed to account for activities supported by user charges; examples are Sewer, Water and Solid Waste Funds.

**Expenditures.** Amount paid for goods delivered or services rendered.

**Expenses.** Outflows or other using up of assets or the incurring of liabilities (or a combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations.

**Fair Market Value.** The value for which a willing buyer and a willing seller would trade a parcel of property.

**Financing Mix.** The combination of financing sources of different types and economic characteristics which comprise the total pool of financing sources for a fund, program, or other accounting entity or sub-entity.

**Fines and Forfeits.** Fines and Forfeits are derived from penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations and for neglect of official duty. These revenues include court fines, confiscated property and parking violations.

**First Responder.** A unit of certified emergency medical personnel who respond quickly to an emergency in hopes of stabilizing patients until ambulances can arrive to provide higher levels of care and patient transport services.

**Fiscal Year.** Any period of 12 consecutive months to be covered by a given financial plan or report. The City's fiscal year runs from July 1 through June 30.

**Fixed Asset.** Tangible property owned by the City having a monetary value of \$100 or greater and a useful life of one year or more.

**Full Faith and Credit.** A pledge of the governing body's taxing power for the repayment of debt obligations.

- Fund.** An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.
- Fund Balance.** The excess of a governmental fund's assets and revenues over its liabilities, reserves, and expenditures at the close of the fiscal year.
- Fund Equity.** The difference between total assets and total liabilities in a fund. For governmental and similar trust funds, the term "fund balance" is often used. Fund equity, or fund balance, may have reserved and unreserved components. Only the unreserved portion is available for appropriation.
- General Capital Projects Fund.** A fund created to account for major capital expenditures (acquisitions and construction) other than those financed by Enterprise Funds.
- General Fund.** Used to account for all governmental functions not required to be separately recorded by laws or governmental policy. Most of the essential governmental services, such as police and fire protection and general administration are provided by the General Fund.
- General Government.** A major class of services provided by the legislative, judicial and administrative branches for the benefit of the public and the governmental body as a whole.
- General Obligation Bonds.** Bonds backed by the full faith and credit (taxing power) of the City.
- Generally Accepted Accounting Principles (GAAP).** Uniform standards and guidelines as promulgated by the Governmental Accounting Standard Board. The treatment of each fund is determined by its measurement focus, with the flow of financial resources being the focus in governmental funds, and the flow of economic resources the focus of enterprise funds.
- Goal.** A broad statement of purpose or intent to achieve a desired state of affairs. A goal describes a desired effect on the community and its citizens.
- Governmental Funds.** Those funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects, funds, and permanent funds.
- Grand Strand Area Transportation System (GSATS).** This acronym refers to the Grand Strand Area Transportation System Enhancement Program.
- Home Rule.** A doctrine according local governments broad discretion to formulate policies affecting their own jurisdictions under both Constitutionally expressed and implied powers. The home rule doctrine contrasts with "Dillon's Rule," which holds that local governments, as creatures of the state, possess only those powers the state has expressly granted them.
- Initial Total Equalized Assessed Value.** The assessed value of real property located within a legally designated redevelopment area at the time of its designation. The initial value continues to be taxable for all legal municipal purposes, while the incremental value of development occurring after the date of its designation yields taxes which must be used to finance capital improvements within the area.

**Interfund Charges.** Charges allocated to enterprise or special revenue funds for services provided by administrative staff members accounted for in the General Fund. (see **Cost Allocation**.)

**Interfund Transfers.** Transfers of monies from one fund to another fund in the same government. Transfers are not repayable and do not constitute payment or reimbursement of goods provided or services performed.

**Intergovernmental Revenues.** Revenues received from Federal, State and other local government sources including grants, shared revenues and payments in lieu of taxes.

**Interfund Borrowing.** The practice of borrowing from the cash balance of one fund in order to support a cash deficit in another.

**Interim Borrowing.** Short-term loans to be repaid from general revenues during the course of a fiscal year, or short-term loans in anticipation of tax collections, grants or bond issuance. Bond anticipation notes are the only form of interim borrowing currently allowed by City policy.

**Internal Service Funds.** Funds established to account for the financing of goods or services provided by one department for other departments within the City goods and services furnished and billed at cost plus a fixed factor which is designed to cover all expenses of the funds.

**Lease-Purchase Agreements.** Contractual agreements that are termed leases, but that in substance are purchase contracts.

**Levy.** (1)*verb* To impose taxes, special assessments or service charges for the support of government activities. (2)*noun* The total amount of taxes, special assessments or service charges imposed by a government.

**Liability.** A probable future sacrifice of economic benefit, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

**Licenses and Permits.** Revenues derived from the issuance of local licenses and permits including professional and occupational licenses, building permits and other miscellaneous permits.

**Median Family Income .** A measure of central tendency. The income level at which fifty per cent (50%) of the population have greater incomes and fifty percent have lesser annual incomes.

**Mill.** A unit of taxation equal to \$1 per \$1,000 of assessed property value, or a factor of .001.

**Modified Accrual Basis.** An adaptation of the accrual basis of accounting for governmental fund types. Revenues and other financing resources are recognized when they become available to finance expenditures of the current period. Expenditures are recognized when the fund liability is incurred.

**Municipal Solid Waste.** Any solid waste (including garbage and trash) derived from households (including single- and multi-family residential, hotels and motels, bunkhouses, ranger stations, crew quarters, campgrounds, picnic grounds, and day-use recreation areas), and generated by commercial establishments (stores, offices, restaurants, warehouses, and other non-manufacturing) excluding industrial facilities and non-hazardous sludge.

**Municipal Solid Waste Landfill.** A discrete area of land or an excavation that receives household waste. The term "municipal" does not indicate ownership.

**Myrtle Beach Air Base Redevelopment Authority (ABRA).** A body constituted by the state of South Carolina to plan for and coordinate the redevelopment of the approximately 4,000-acre tract formerly occupied by the Myrtle Beach Air Force Base.

**Myrtle Beach Convention Center Hotel Corporation.** A non-profit public benefit corporation formed by the City to borrow funds for the construction of a 404-room four-star hotel adjacent to the City's Convention Center. The corporation is also charged with coordinating and overseeing the development and operation of the hotel.

**Myrtle Beach Public Facilities Corporation.** A non-profit, public benefit corporation which issues and services debt for the construction of certain facilities to benefit the City and leases those facilities back to the City for public use.

**National Pollution Discharge Elimination Systems (NPDES).** A set of standards regulating the quality of storm water runoff that may be discharged into waters of the United States, as defined by the U. S. Army Corps of Engineers.

**Non-bonded Debt.** Instruments that entitle the owner to a share of revenues of a project, but not by an unconditional promise to repay principal amounts at some designated future time. They are often secured by the capital asset being financed, and not by a "full faith and credit" pledge.

**Non-operating Revenues.** Proprietary fund revenues incidental to, or by-products of, the fund's primary activities.

**Non-operating Expenses.** Proprietary fund expenses not directly related to the fund's primary service activities (e.g., interest).

**Object of Expenditures.** Expenditures are classified based upon the type of good or service incurred. Such classification include:

- Personal Services: for all salaries, wages and benefits;
- Services and Materials: for purchases of commodities and contractual services;
- Capital Outlay: for purchases of operating equipment with an expected life greater than two years and a cost of more than \$500;
- Debt Service: for the retirement of principal and the payment of interest on municipal debt.

**Objective.** A specific target for achievement which represents an interim step or progress toward a goal within a specified time span.

**Occupancy Rate.** The number of lodging room-nights occupied over a given period of time expressed as a percentage of the total room-nights available.

**Operating Budget.** Plans of current expenditures and the proposed means of financing them. It is the primary means by which most of the financing, acquisition, spending and service delivery activities of a government are anticipated and controlled.

**Operating Expenditures.** Expenditures of governmental funds for recurring items required in the delivery of essential services, such as wages and salaries, expendable supplies, contractual services, and utilities.

**Operating Expenses.** Proprietary fund expenses related directly to the fund's primary Proprietary fund revenues directly related activities.

**Operating Revenues.** to the fund's primary activities. They consist primarily of user charges for goods and services. The term is also used loosely to refer to recurring revenues used to support ongoing operations, exclusive of capital outlays, for governmental funds.

- Ordinance.** A formal legislative enactment by the City Commission or governing body of a municipality. If it is not in conflict with any higher form of law such as a statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.
- Other Financing Sources.** Governmental fund general long-term debt proceeds, amounts equal to the present value of minimum lease payments arising from capital leases, proceeds from the sale of general fixed assets, and operating transfers in. Such amounts are classified separately from revenues on the governmental operating statement.
- Other Financing Uses.** Governmental Fund operating transfers out and the amount of refunding bond proceeds deposited with the escrow agent. Such amounts are classified separately from expenditures on the governmental operating statement.
- Other Post-Employment Benefits.** Continuing benefits of employment that are promised to be paid or otherwise provided to the employee after termination of active employment. Typical post-employment benefits include health insurance coverage provided to the employee during retirement.
- Overlapping Debt.** The proportionate share borne by property within each government of the debts of all local governments located wholly or partially within the geographic boundaries of the reporting government. In the City's case, these include the City, County, Horry County Board of Education, and the Higher Education Commission.
- Pay-as-You Go.** In capital improvement programming, the term refers to a financing strategy that relies upon current revenues rather than the issuance of debt to acquire capital improvements. In the context of pension accounting and risk management, the failure to finance retirement obligations or anticipated losses on a current basis, using an acceptable actuarial funding method.
- Pay-as-You-Use.** A capital improvement programming strategy that relies upon the issuance of debt to finance capital projects with extended useful lives. It spreads the cost of the project over the generations of people who will benefit from it during its useful life.
- Per Capita Income.** A measure of income per resident in a census population area (city, county, urbanized area, etc.). The measure is derived by dividing the total income for the area by the census population.
- Performance Measurement.** The use of indicators, generally quantitative ones, which identify the inputs, outputs, efficiency, and effectiveness of an organization in performing its mission.
- Personal Services.** Salaries/Wages and Benefits (Social Security, Medical/Dental /Life Insurance, Retirement, etc.) provided by the City.
- Perspective.** The fund structure used by an entity for budgeting or financial reporting purposes. Where the structure of funds budgeted by a government differ from the structure reported in its general purpose financial statements, according to Generally Accepted Accounting Principles, a difference in perspective is said to exist.
- Price Excludable Public Goods.** Those public goods for which benefits can be priced and consumers allowed or excluded from consumption based upon their willingness to pay.

**Pro Forma.** Estimated in advance. Pro Forma statements as of certain dates in the future permit management to consider the need for changes in inventory and working capital policies, to judge the adequacy of the organization's liquidity, and anticipate its ability to finance projected operations.

**Program.** A program is a distinct, clearly identifiable activity, function, or organizational unit which is budgeted as a sub-unit of a department. A program budget utilizes the separate program budgets as its basic components.

**Proprietary Fund Types.** Income determination or commercial type funds, which are used to account for a government's ongoing activities or operations that are similar to those often found in the private sector (i.e., enterprise and internal service funds). The accounting principles used are generally those applicable to similar businesses in the private sector and the measurement focus is on determination of net income, financial position, and changes in financial position.

**Public Safety.** A major category of services provided by a government for the security of persons and property. This includes Law Enforcement, Fire Control, Rescue Services, Emergency Services and Building and Zoning Inspections.

**Real Growth.** The underlying rate of growth absent any effects of inflation.

**Reclassification.** The moving of an existing position from one personnel classification (title) to another.

**Resources.** Total amounts available for appropriation, including estimated revenue, fund transfers and beginning fund balances.

**Revenues.** (1) Increases in the net current assets of a governmental fund type other than from expenditure refunds and residual equity transfers. Also, general long-term debt proceeds and operating transfers in are classified as "other financing sources" rather than as revenues. (2) Increases in the net total assets of a proprietary fund type from other than expense refunds capital contributions and residual equity transfers. Also, operating transfers are classified separately from revenues.

**Revenue Bonds.** Bonds whose principal and interest are payable exclusively from earnings of an Enterprise Fund.

**Revenue Mix.** The combination of revenues of different types and economic characteristics which comprise the total pool of revenues for a fund or other accounting entity. The mix may be more stable, as is the case when property tax revenues make up a larger share of the mix, or more elastic, as when heavier reliance is placed upon sales and use taxes.

**Room-night.** A measure of occupancy indicating one hotel or motel room available for one night. Each room theoretically is available for 30 nights per month. A hotel with 100 rooms would have a capacity of  $30 \times 100 = 3,000$  room nights per month. Total capacity of the Myrtle Beach area approaches 1.7 million per month.

**Southern Building Code Congress International (SBCCI).** A set of safety standard codes adopted annually. These codes cover the construction or development of any structure or technical discipline such as plumbing or heating, for example.

**Special Revenue Funds.** To account for revenues derived from specific sources which are restricted by law or policy to finance specific activities.

**Strategic Financial Planning.** An orderly way of assessing an organization's position in its business environment and planning its financial activities accordingly. It is oriented toward the future, and seeks to make explicit the organization's overall missions and goals. It has been called "organized common sense."

**Tap Fee.** Fees charged to join or to extend an existing utility system.

**Tax Base.** The total assessed valuation of real property within the city limits.

**Tax Increment Revenue Bonds.** Debentures relying upon the developer's ability to complete a tax increment district development project on time, an upon the tax increment district to reach its projected incremental valuation level in a timely manner. No other pledge of property or taxing authority is granted.

**Tax Increment Financing.** A method of financing capital improvements using any additional tax revenues generated by new development occurring within a designated area after a certain date. This method is generally used to stimulate investment in economically depressed areas.

**Tax Levy.** The total amount of revenue to be raised from the property tax levied in the budget ordinance.

**Tax Rate.** The amount of tax levied per unit of property value. The rate is stated in "mills," with each mill equal to one cent (\$0.01) per thousand dollars (\$1,000) of assessed value.

**Timing of Fiscal Periods.** The intervals of time over which fiscal periods extend. In some jurisdictions, budgetary authority for a fiscal year may extend beyond that year, creating a difference between the budgetary period and the fiscal year, according to Generally Accepted Accounting Principles.

**Trust Fund.** A fund used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds.

**Urbanized Area.** A Census Bureau designation for an area including one or more central cities and surrounding territory with a combined population of 50,000 or more.

**User Charges.** The payment of a fee for direct receipt of a public service by the party benefiting from the service.

**Visioning.** A planning process which attempts to maximize public participation in a forum that leads to consensus on as many issues as possible.

**Working Capital.** The difference between current assets and current liabilities. Generally the greater the amount of working capital available the better prepared the organization is to meet its obligations as they come due.

## Acronyms

This list includes many commonly used acronyms appearing in this document. Most are also described or further defined in the Glossary above. They may be found listed under their full names.

**AACSB.** American Association of Collegiate Schools of Business.

**ABRA.** Air Base Redevelopment Authority.

**ADR.** Average Daily Rate.

**ALS.** Advanced Life Support.

**BAN.** Bond Anticipation Note.

**BLS.** Basic Life Support.

**CDBG.** Community Development Block Grant.

**COP.** Certificates of Participation.

**DARE.** Drug Abuse Resistance Education.

**DHEC.** The South Carolina Department of Health and Environmental Control.

**DRAB.** Downtown Redevelopment Advisory Board.

**GAAP.** Generally Accepted Accounting Principles.

**GSATS.** Grand Strand Area Transportation System.

**MBAFB.** Myrtle Beach Air Force Base.

**OPEB.** Other Post-Employment Benefits.

**SBCCI.** Southern Building Code Congress International.





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