



City of Myrtle Beach 2014-15 Budget



**PUBLIC HEARING & 2ND READING,
JUNE 10, 2014**

Public Hearing Requirements

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

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

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

The City published the required notice in the Sun News on Sunday, May 22, 2014

Major Goals in Manager's Recommended Budget for 2014-15

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1. Restore structural balance to the General Fund
2. Examine service mix and focus on fundamentals
3. In the Capital Improvements Program, take care of what we have first

Since first reading...

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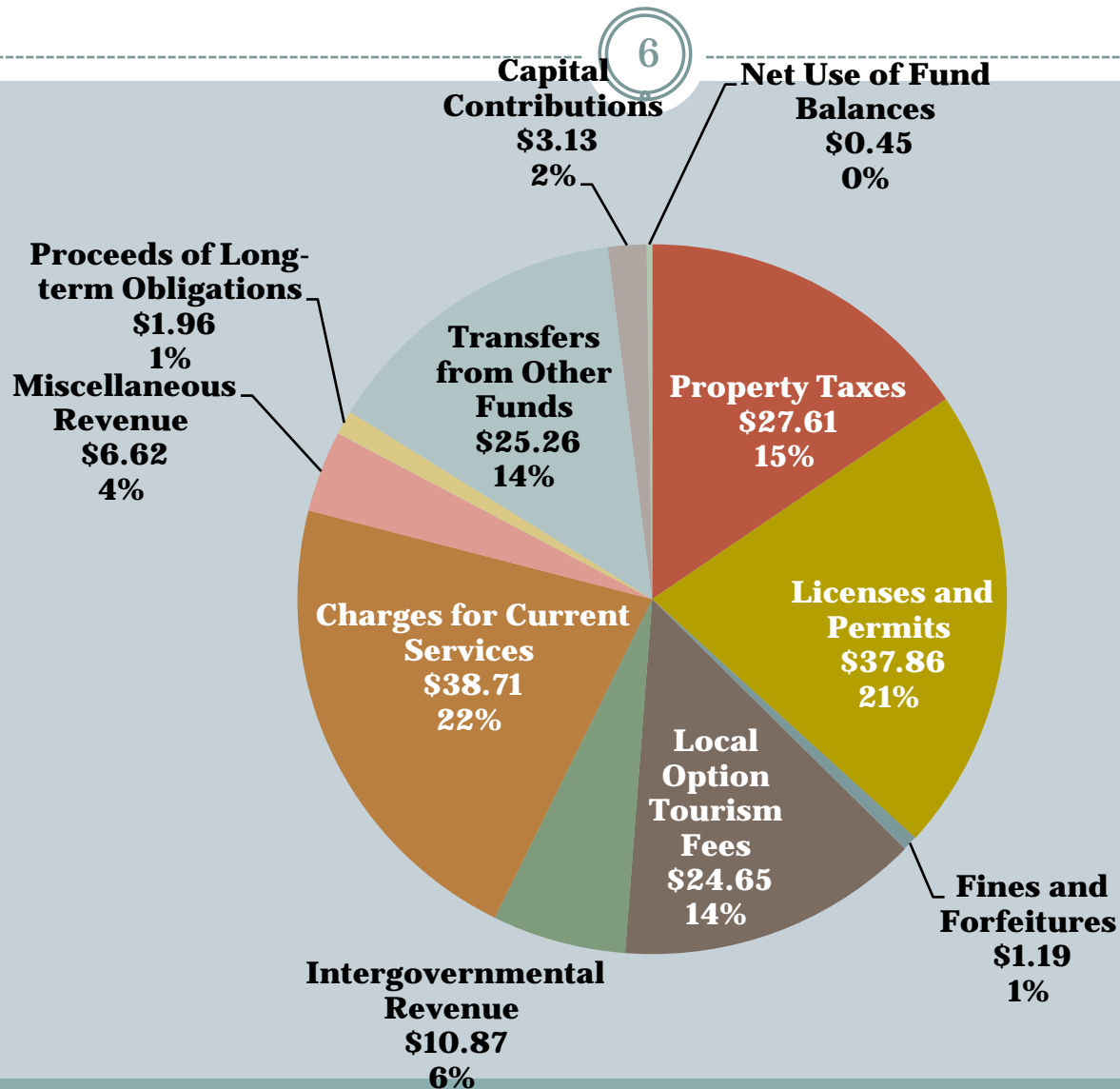
- **In the Tourism Development Project group,**
 - funding for Sand Volleyball Courts has been revised to \$300,000 (a reduction of \$55,300) and
 - a state grant has been replaced with Air Base Redevelopment Capital Project Funds as the funding source for Phase I of the Linear Park at Grande Park (\$100,000).
 - The net change in Capital Projects is \$44,700. Interfund transfers have been adjusted accordingly.
- **A total of \$3.1 million in grant revenue for the Seaboard Street project has been removed from the Capital Projects Fund to agree with the delay of expenditures in that project for another fiscal year.**
- **A scrivener's error in Enterprise Capital Projects has been corrected.**
- **Under Recreation Facility Rental (p. 8), the \$25.00 table and chair set-up fees have been removed.**

FY2014-15 Manager's Recommended Budget

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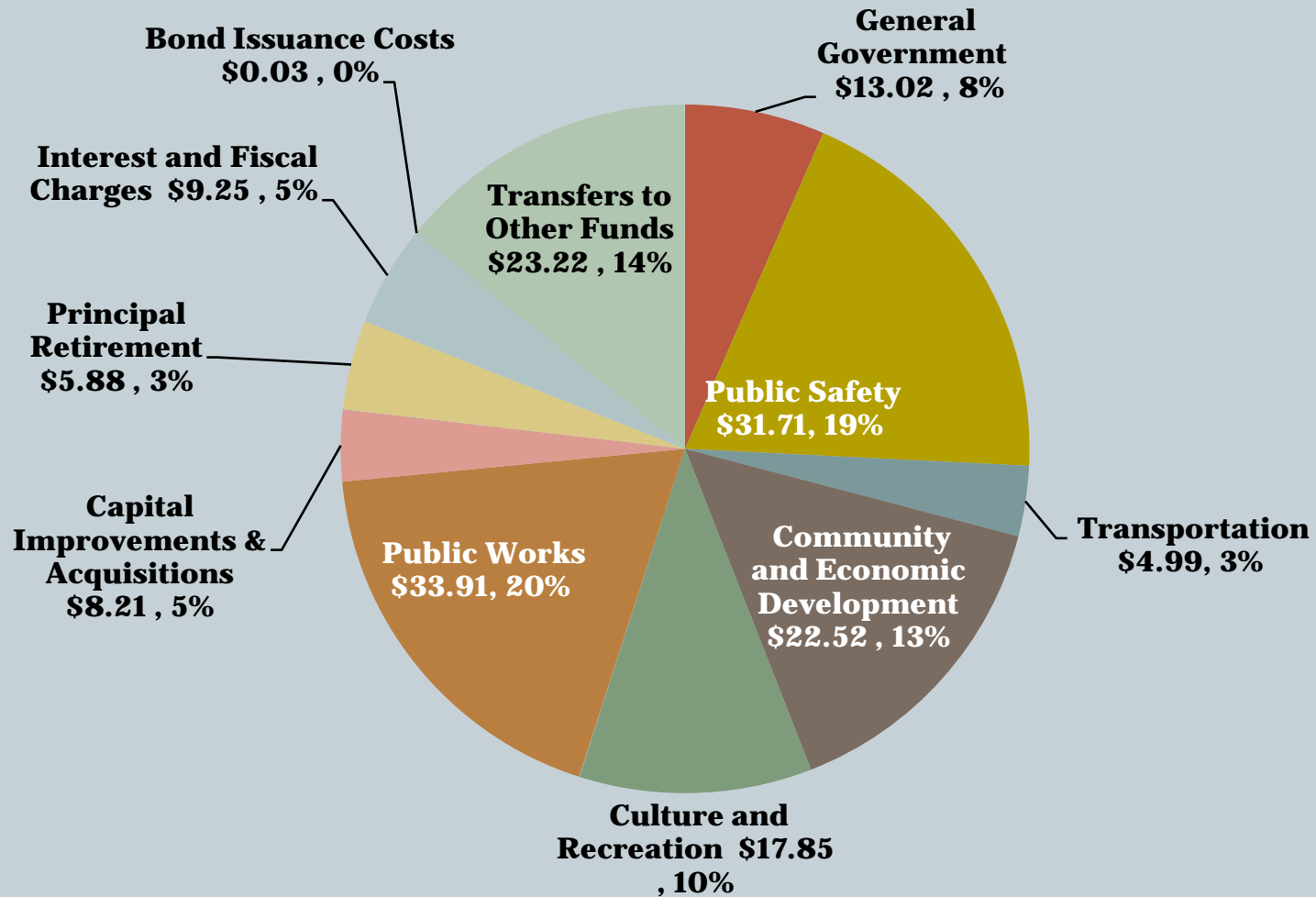
	FY2012-13 Budget	FY2013-14 Budget	2014-15 Recommended	% Δ
Governmental Operations	\$ 127,323,350	\$ 132,058,155	\$ 137,504,080	4.1%
Enterprise Operations	<u>34,848,412</u>	<u>35,384,854</u>	<u>35,782,275</u>	1.1%
Total Operating	<u>162,171,762</u>	<u>167,443,009</u>	<u>173,286,355</u>	3.5%
General Capital Projects	9,159,185	13,353,765	5,013,220	(62.5)%
Enterprise Capital Projects	5,207,000	3,568,000	3,646,500	2.2%
Less: Interfund Transfers	<u>(23,669,037)</u>	<u>(25,842,947)</u>	<u>(25,264,299)</u>	(2.2)%
Grand Total Appropriations	<u>\$152,868,910</u>	<u>\$158,521,827</u>	<u>\$ 156,681,776</u>	(1.2)%

Total Revenue and Other Financing Sources, 2015 (\$Millions and Per Cent)



Total Expenditures and Other Financing Uses, 2015 (\$Millions and Per Cent)

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Property Tax Rate and Rate Limits

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- **The budget includes a net 3-mill (4.5%) *ad valorem* tax increase**
- **Operating Millage limits**
 - Per SC Budget & Control Board: City's maximum operating millage increase per Sec. 6-1-320, is 4.44%
 - Sec. 6-1-320(A)(2) provides that operating millage may be increased further by the *allowed but not imposed* increases for the *previous three tax years*.
 - ✦ Unused millage increases for past 3 years: 1.6%, 3.0% and 4.36%
 - ✦ Maximum allowable increase in the *operating millage*: 13.4%.
 - The proposed operating millage component of the tax rate is 63.4 mills, an increase of 8.3%, or 4.9 mills.
- **Debt Service Millage not subject to limit**
 - Millage for debt service must be set at a rate to provide sufficient funds to pay general obligation debt service for the fiscal year
 - The debt service millage rate for 2014-15 is 5.7 mills, a reduction of 1.9 mills.

Reassessment “rollback millage”

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- Reassessment “rollback millage” adjustment
 - Ordinance acknowledges that a separate ordinance may be required in order to implement “rollback millage” as required in a reassessment year
- Figures the Assessor’s Office indicate City’s assessed value of real property fell from
 - 2013 total of \$306.8 million
 - to
 - 2014 total of \$297.5 million
- Depending upon how values shape up in the rest of the tax base, that could cause the rollback millage to increase slightly, as it did after the 2009 reassessment.

Other Revenue Notes

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- Funding available for TDF property tax credits is frozen at 2014 levels
- Budget does not include subscription library proposal
- Blended water and sewer rate increase of 2.8% (1.5% water, 3.5% sewer)
- Out-of-City business licenses are increased from 1.5 times the in-City rate to 2.0 times the in-City rate per the model business license ordinance
- Solid waste rates rise by \$2.40 per month to provide for additional residential service crew

Operating Budget Highlights

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- **859 Regular FT positions, including new or converted positions as follows:**
 - 10 Police Officers (new)
 - 3 Communications Officers (converted from 3 existing vacant positions)
 - 1 Crew supervisor to enhance weekend operations in Sports Tourism (new)
 - 3-person residential service crew in Solid Waste fund (new)
- **General increase in pay plan: 2% effective July 2014**
- **Current budget retains library service with no subscriptions—but...**
 - recommends turning library responsibility over to Horry County going forward
- **Limited investment in capital replacement or new acquisition of operating capital equipment**

Operating Budget Highlights (continued)

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- Property and Casualty insurance appropriations continue at FY2014 levels; reserves are strong
- Health insurance expenditures increase to restore balance and address deficit in Health Insurance Fund; increased funding offset by restructuring OPEB contributions
- \$300,000 in appropriations for Coast RTA
 - along with \$48,500 granted in 2014 will allow them to continue operations and expand Routes 15N & 15S to improve headways from 60 to 30 minutes during peak months.
- A total of \$280,000 is provided for the Humane Society
 - The Humane Society also benefits from the proceeds of the RAIN program, which generates about \$40,000 per year now.

Capital Improvement Highlights

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- **Completion of funding schedule for 2nd to 9th Av. N. Streetscape Conversion allows construction to begin in 2014-15 (\$9.8 million total cost in 2014-15 and 2015-16)**
- **Baseball stadium repair and renovation projects totaling \$860,000 are funded by a combination of TDF revenues, baseball “renewal and replacement” funds and County contributions on a 30% basis.**
- **Pepper Geddings Pool Renovations (\$500,000).**
- **Borrowing is anticipated for 800 MHz Digital Radio System Upgrade (\$1,750,000) and for the rear loader for the additional solid waste crew (\$204,000).**
- **Funding has been included in the Tourism Development Project group for Sand Volleyball Courts (\$300,000) and a state grant has been replaced with Air Base Redevelopment Capital Project Funds as the funding source for the linear park at Grande Park (\$100,000).**

FY2014-15 Manager's Recommended Budget

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