



2015-16 Budget & FY 2016-2020 Capital Improvements Plan

FIRST READING: MAY 12, 2015

PUBLIC HEARING & 2ND READING: JUNE 9, 2015

Property Tax Rate and Rate Limits

- ▶ **The budget includes no *ad valorem* tax increase**
- ▶ Operating Millage limits
 - ▶ Per SC Budget & Control Board: City's maximum operating millage increase per Sec. 6-1-320, is 4.72%
 - ▶ 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*.
 - ▶ Allowable millage increases for past 3 years: 3.0%, 4.36% and 4.4% = 11.76%
 - ▶ Maximum allowable increase in the *operating millage*: 11.76% + 4.72 = 16.48%
 - ▶ Less: increases implemented using past 3 years' allowances: 10.0%
 - ▶ Net allowable increase for 2015-16: 6.48%
- ▶ Debt Service Millage not subject to limit
- ▶ The forgoing notwithstanding, the budget includes no *ad valorem* tax increase

Highlights of the Manager's Recommended Budget

General Fund

- ▶ No tax increase
- ▶ No increase in business license fee structure
- ▶ No other fee changes, except:
 - ▶ Proposed change in nuisance abatement fees to recover costs
 - ▶ Proposed 3-month Fitness Fee schedule for "snowbirds" & students
- ▶ General Fund is balanced with ratio of recurring sources to recurring uses at ~~100.1~~ 99.5% and fund balance at ~~16.6~~ 15.9% of recurring expenditures after funding 5% general increases for Police and Fire personnel, as provided at first reading
- ▶ Changes since first reading:
 - ▶ Increase in own-source revenue financing in capital projects for
 - ▶ the purchase of Charlie's Place (\$150,000) &
 - ▶ Renovations at the Ned Donkle Complex (\$107,000)

2015-16 Budget Summary

	FY2013-14 <u>Actual</u>	FY2014-15 <u>Budget</u>	FY2015-16 <u>1st Reading</u>	FY2015-16 <u>Proposed</u>	FY15-FY16 <u>% Δ</u>
Governmental Operations	\$ 132,058,155	\$ 137,504,080	\$ 150,157,698	\$ 150,157,698	9.2%
Enterprise Operations	<u>35,384,854</u>	<u>35,782,275</u>	<u>35,394,747</u>	<u>35,394,747</u>	-1.1%
Total Operating Budget	<u>167,443,009</u>	<u>173,286,355</u>	<u>185,552,445</u>	<u>185,552,445</u>	7.1%
General Capital Projects	<u>13,353,765</u>	<u>5,213,220</u>	<u>13,782,346</u>	<u>14,039,346</u>	169.3%
Reconciling Items					
Enterprise Capital Projects	<u>3,568,000</u>	<u>3,646,500</u>	<u>4,705,000</u>	<u>4,705,000</u>	29.0%
Total Reconciling Items	<u>3,568,000</u>	<u>3,646,500</u>	<u>4,705,000</u>	<u>4,705,000</u>	29.0%
Less: Interfund Transfers	<u>(25,842,947)</u>	<u>(25,264,299)</u>	<u>(28,372,462)</u>	<u>(28,372,462)</u>	12.3%
Grand Total Appropriations	<u>\$ 158,521,827</u>	<u>\$ 156,881,776</u>	<u>\$ 175,667,329</u>	<u>\$ 175,924,329</u>	12.1%

Highlights of the Manager's Recommended Budget

Other Funds

- ▶ Water & Sewer—blended increase of ~2.5%-2.8%, depending upon usage (\$1.23/mo. for residential user of an average of 7,500 gal./mo.)
- ▶ No increases in storm water or solid waste fees
- ▶ Convention Center parking increases from \$3.00 to \$5.00, with no impact upon residents attending Convention Center events
- ▶ Sports Tourism—various revenue enhancements and sponsorships

Operating Budget Highlights

All Operating Funds

- ▶ *Merit increase plan (up to 3%)* to be reinstated; method of implementation to be determined
- ▶ *Catch-up year in capital equipment*—replacement that has been deferred for several years is funded with transfers from hospitality-related revenues where possible and from available fund balance for items not qualified under hospitality-related restrictions

General Fund

- ▶ Total General Fund budget: \$70,631,809
 - ▶ O&M: \$69,380,114, for an increase of 5.5% over prior year
 - ▶ Capital outlays: \$1,251,695 offset by one-time transfers or available fund balance
- ▶ **Current Level** increase to operating Budget: \$1.66 mm (2.5%)

Council's Strategic Initiatives

- ▶ **Neighborhood Initiative** to deal with quality of life issues in center city neighborhoods, including community watch, more aggressive code enforcement, affordable housing and multi-year CDBG programming
- ▶ **Downtown Redevelopment Initiative** to include improvements to Chapin Park, clean-up efforts and more aggressive code enforcement, Hwy. 501 Realignment
- ▶ **Anti-Crime Initiative** including efforts to train, equip and retain qualified officers and improve community relations, deploy body cams and increase use of surveillance cameras
- ▶ **Sports Tourism Initiative** to increase direct visitor spending and economic impact, enhance revenue generation for sports tourism programs
- ▶ **Product Development Initiative** to position the community to enhance its competitive advantage vs. other resort cities.
- ▶ **Organizational Development Initiative** to identify and equip the next generation of team members to be highly qualified candidates for leadership positions as senior staff members retire

Operating Budget Highlights

Service Level Changes: Gross cost--\$1,334,907; net from general revenue: \$416,456

- ▶ 19 positions added
 - ▶ to improve response or focus upon high-priority initiatives
 - ▶ Gross cost of positions: \$1,156,207
 - ▶ 9 FF contingent upon receipt of grant revenue (SAFER* grant for additional EMS unit)
 - ▶ 4 funded by specific revenues, incl., Code Enf—Property Maint. Inspector, Bldg. Inspector, Permit Tech, Planning—Neighborhood Services Coordinator
 - ▶ 3 with costs at least partially offset by position reductions or other savings, incl. Police—Strategic Planning Asst., 2 Maintenance Workers for Athletic Fields
 - ▶ 3 supported entirely by general revenues, incl. Police—Records Supervisor, Constr. Services—Building Maintenance Engineer, Parks—Pesticide Application Technician
 - ▶ Net cost of these positions in support from general revenues: \$395,156
- ▶ \$100,000 restored to Street Division for maintenance of paved streets
- ▶ \$78,700 for customer service and productivity improvement in Utility Billing

* Staffing Assistance for Fire and Emergency Response

Operating Budget Highlights

Other Funds

▶ Convention Center

- ▶ Given the hotel's recent success, Convention Center is beginning to generate sufficient revenue
 - ▶ to cover its operating expenditures without support from general revenues and
 - ▶ to develop its own Capital Improvements Program, potentially allowing more general revenues to support projects in other areas.
- ▶ New positions (\$154,797):
 - ▶ one Convention Services Representative and
 - ▶ one Crew Leader, plus temporary hours for a four-person cleaning crew to be supervised by the new Crew Leader

Operating Budget Highlights

Other Funds (continued)

▶ Sports Tourism

- ▶ The Sports Tourism Fund has been created by pulling Sports Tourism accounts from the General Fund and combining it with...
- ▶ Myrtle Beach Sports Center
- ▶ Service level changes include
 - ▶ Additional Sports Supervisor to coordinate activities between City and MBSC (\$55,661)
 - ▶ Buddy List initiative (\$69,883 contingent upon sponsorship)
 - ▶ A part-time staff intern pool was created in 2015 to provide workers for both City and MBSC programs; MBSC pays City for its use of interns from the pool

Operating Budget Highlights

Other Funds (continued)

▶ **MB Air Base Redevelopment District**

▶ Revenues are sufficient

- ▶ to cover debt service on the Series 2006A TIF Bonds and
- ▶ to pay some interest on Series 2006B TIF bonds
- ▶ Series B payments are due only to the extent revenue is available from Market Common and Aylon Tax Districts
- ▶ tax increment from remainder of district supports 2010 TIF Bonds for Grand Park and ITAP projects and is beginning to generate funds for other projects included in the Air Base Redevelopment Plan

▶ **Oceanfront Redevelopment District should produce some increment for the first time this year**

Capital Projects

- ▶ **Total Five-Year Plan:** **\$56,047,014**
- ▶ **Budget for 2016:** **\$24,319,264**
- ▶ **Includes**
 - ▶ \$3.5 mm in Pay-as-you-go projects for recreational facilities, R&R for City facilities, street end and sidewalk improvements and transportation system improvements
 - ▶ \$9.8 mm referendum debt for a performing arts center (\$200,000 for design previously appropriated)
 - ▶ \$4.8 mm for Ocean Blvd. 2nd to 9th Av. N. improvements
 - ▶ \$4.7 mm in Waterworks and Sewer System improvements
 - ▶ \$410,000 for Baseball Stadium R&R