2016-17 Budget &
FY 2017-2021 Capital Improvements Plan

JUNE 28, 2016
Strategic Initiatives

- Crime Initiative including efforts to train, equip and retain qualified officers and improve community relations, deploy body cams and increase use of surveillance cameras

- 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, Loan Pool

- Product Development 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

- Sports Tourism Initiative to increase direct visitor spending and economic impact, enhance revenue generation for sports tourism programs

- Communications to increase communication through multiple modes of media communication and increase internal communications.

- Business Support to promote and support local business through symposiums, “How To” workshops, local vendor preferences, Myrtle Beach Shopping Days, and Grand Opening Signage allowances.
# 2016-17 Budget Summary

<table>
<thead>
<tr>
<th></th>
<th>FY2014-15 Budget</th>
<th>FY2015-16 Revised Budget</th>
<th>FY2016-17 Budget</th>
<th>% Δ</th>
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<tr>
<td>Governmental Operations</td>
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<td>$155,101,273</td>
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<td>Enterprise Operations</td>
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<td>Total Operating Budget</td>
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<td>General Capital Projects</td>
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<tr>
<td>Reconciling Items</td>
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<tr>
<td>Enterprise Capital Projects</td>
<td>3,646,500</td>
<td>4,705,000</td>
<td>7,859,500</td>
<td>67.0%</td>
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<tr>
<td>Total Reconciling Items</td>
<td>3,646,500</td>
<td>4,705,000</td>
<td>7,859,500</td>
<td>67.0%</td>
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<td>Less: Interfund Transfers</td>
<td>(25,264,299)</td>
<td>(28,372,462)</td>
<td>(31,253,730)</td>
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<td>Grand Total Appropriations</td>
<td>$156,881,776</td>
<td>$180,825,317</td>
<td>$188,496,497</td>
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</table>
Operating Budget Highlights

All Operating Funds

- Compensation -
  - 4.25% increase for all other regular Municipal employees, excluding appointed officials. Increases for Appointed Municipal Judges will be presented as a motion accompanying the Budget Ordinance.

- 3.0% increase for all department heads and Assistant City Managers/Chief Financial Officer.

- Funding for a merit program to include performance based raises ranging from 0 – 5%
Operating Budget Highlights

**Service Level Changes:** Gross cost--$1,174,835; net from general revenue: $451,671

- 13 positions added to improve response or focus upon high-priority initiatives

  - 1 Municipal Court Bailiff
  - 1 Crime Analyst
  - 1 Youth Coordinator
  - 1 Field Maintenance Supervisor
  - 3-person Special Events team
  - 1 Library Technician
  - 1 Beach Coordinator
  - 1 Facilities Maintenance Technician in the MBCC (convert from P-Time)
  - 1 Trades Workers & 1 Equipment Operator in Solid Waste fund
  - 1 Street Sweeper in Stormwater Management
Highlights of the Manager’s Recommended Budget

General Fund

► 3 Mill tax increase, offset by the TDF for qualified owner-occupied properties.

► Other Fee Increases:
  ► Increase Permit Review fee from 50% of Building Permit to 60%; $150 fee imposed for each re-review after the 8th review; $250 commercial storm water inspection fee.
  ► Increase in park and picnic shelter rental fee for larger parks/shelters.
  ► Increase in Train Depot rental fee.
<table>
<thead>
<tr>
<th>Appraised Value</th>
<th></th>
<th></th>
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<td>Assessment Ratio</td>
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<td>Assessed Value</td>
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<td>Property Tax</td>
<td>$233</td>
<td>$465</td>
<td>$698</td>
<td>$930</td>
<td>$1,163</td>
<td>$1,395</td>
<td>$1,628</td>
<td>$1,860</td>
<td>$2,325</td>
<td>$3,488</td>
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<td>Taxes Due</td>
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<td>$1,628</td>
<td>$1,860</td>
<td>$2,325</td>
<td>$3,488</td>
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<td>Prior Year Tax Due</td>
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<td>Tax Increase</td>
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<td>$36</td>
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<td>$2</td>
<td>$3</td>
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<td>$6</td>
<td>$8</td>
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Buying Power of a Typical Household’s Taxes and Fees

Household:
Based upon a house valued at $250,000, two cars valued at $28,000, and monthly household water consumption of 7,500 gallons, a typical Myrtle Beach household will pay the City’s General Government a Total of $1,441.32 this year. This includes:

- City Taxes: $265.20
- Water and Sewer charges: $568.32
- Storm Water Fees: $69.00
- Solid Waste Fees: $298.80
- Tourism Development Fee: $240.00

**Annual Total: $1,441.32**

If you are the typical City resident, your $1,441.32 will buy any one of these things:

- Two bullet-proof vests or a gun and body camera for one Police Officer
- One Level A Hazardous Material Suit for a Fire Fighter or 250 ft. of fire hose
- About 4.5 days’ salary and benefits for an entry-level Police Officer or Firefighter
- 79 linear feet of new paving, 17 street signs or 72.5 linear feet of sidewalk
- 96 children’s books, 32 reference books or 3 IPAD Air (available for loan) for Chapin Library
- 100 cubic yards of mulch for landscaped medians and parks
- Outfit 9 children for youth football with a helmet, shoulder pads, pants with pads, and a jersey
City Services:
- 24-hour police protection
- Criminal Investigation
- Traffic Enforcement
- Crime Prevention Programs
- School Resource Officer’s Program
- 24-hour fire protection
- Fire Prevention Services
- 24-hour Emergency Medical Response
- Hazardous Materials Response
- Street Construction and Maintenance
- Traffic Signals and Street Lighting
- Street Cleaning
- Drainage System Maintenance
- Drainage Improvements
- Parks and Recreation Facilities and Programs
- Street Tree Planting and Maintenance
- Community Planning, Zoning, Development Review
- Neighborhood Services
- Construction Services
- Municipal Court
- Various Economic Development Services
- All Municipal Legislative, Management and Support Services

Total Cost of City Services:
$120.11 Per Month

Compare With:

One evening out for two with dinner and a movie:
$ 118.25
Based upon entrée’ price of $22.95, including two drinks, taxes, tips and refreshments at the theater.

Three tanks of mid-grade gasoline to fill your family’s mid-sized sedan:
$119.70
Based upon 21.0 gallon fuel capacity at $1.90 per gallon.

One Month’s subscription to Basic Cable TV & High Speed Internet Access:
$131.99

One week’s low cost grocery bill for a family of 4:
$ 149.30
Based upon USDA Official Food Plan update February 2016.
Highlights of the Manager’s Recommended Budget

General Fund

- Total General Fund budget: $75,480,555
  - O&M: $74,900,501, for an increase of 4.0% over prior year
  - Capital outlays: $580,054, a decrease of 54% from the prior year
- General Fund is balanced with ratio of recurring sources to recurring uses at 100.6% and fund balance at 15.1% of recurring expenditures

- Current Level increase to operating Budget: $2.2 mm (3.0%)
- Expanded Chapin Memorial Library Hours
- Expanded Base Recreation Center Hours
- Addition of 10 Full Time Positions
Highlights of the Manager’s Recommended Budget

Other Funds

- Water & Sewer—Blended water and sewer rate increase of 4.1% to 4.7% based on usage (6.9% - water, 2.5% - sewer).

- Every 5-years the City conducts a comprehensive rate study to determine the necessary rate structure to ensure service continuity, infrastructure capacity, and maintenance of existing plant.

- The drivers of rates increases implemented by the City over the past several years are:
  - Wholesale Water & Sewer Rate Increases from GSWS
  - Service Extensions
  - System Maintenance and Upgrades
  - Increasing cost of doing business. Examples include utilities, material costs, wages, etc.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Blended Increase</th>
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<tbody>
<tr>
<td>2013</td>
<td>4.4%</td>
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<tr>
<td>2014</td>
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<tr>
<td>2015</td>
<td>1.8</td>
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<tr>
<td>2016</td>
<td>2.7</td>
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<tr>
<td>2017</td>
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Impact of increases in wholesale costs, water & sewer, last five years

Annualized increase in wholesale water costs over past five years: 3.6%

Annualized increase in wholesale sewer costs over past five years: 2.6%
Other increases, Water & Sewer Fund

- Property & Casualty Insurance Increase of 6.2%
- Electric Utilities estimated to increase 10%
- Current 5-Year Plan includes $18.5m in necessary system improvements:
  - $8m for renovation of 11 Pump Stations
  - $5m for relocation of Sewer Lines
  - $1.2m in forcemain renovations
  - $1.4m to maintain water tanks
- Prior 5-year Plan included $20m in Capital Improvements
  - The largest project in the prior 5-year plan was the replacement of the 30” forcemain along US Highway 17 Bypass from south of 29th Avenue N. to Chestnut Road (37,600 linear feet) with a 36” forcemain - $13m
  - Also included relocation of the 24” waterline at the Backgate intersection - $1.2m
Operating Budget Highlights

Other Funds

- **Convention Center**
  - Given the hotel’s recent success, the Convention Center continues 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.
  - In order to maintain the fiscal health of the Convention Center, the maximum rate for Exhibition, Ballroom and Meeting Room rental has been increased to accommodate a “peak season” rate structure and in recognition of the fact that events may book as far out as 10 years.
  - New position ($52K):
    - Upgrade one temporary Facility Engineering to full time.
Operating Budget Highlights

Other Funds (continued)

- **Solid Waste**
  - The FY17 Budget includes a $2.00 container fee for Pelican customers and the charge for the initial provision or replacement of a trash pelican and a recycle bin will be eliminated.
  - Container fees paid over the past two fiscal years will be refunded to existing waste service customers.
  - Continued residential growth is stretching available manpower beyond the City’s acceptable service level. Change to address productivity include:
    - $124,500 in additional funding for 1 Solid Waste Worker and an Equipment Operator to supplement existing staff.
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 the Myrtle Beach Sports Center.
  - The FY17 Budget contemplates the implementation of a new fee/rate model for sports tourism events.
  - Service level changes include
    - $105k in additional funding for temporary wages and equipment to allow for collection of gate admissions.
Operating Budget Highlights

Other Funds (continued)

- **MB Air Base Redevelopment District**
  - Revenues are sufficient
    - tax increment from the remainder of district support is beginning to generate funds for additional capital projects.
Capital Projects

- **Total Five-Year Plan:** $116,842,270
- **Budget for 2017:** $19,802,500
- **2017 Projects Include:**
  - $3.6 mm in Pay-as-you-go projects for recreational facilities, R&R for City facilities, street end, boardwalk, and sidewalk improvements and transportation system improvements
  - $5.8 mm debt funded projects for recreational facilities, public safety facilities, and new financial software.
  - $1.5 mm for Storm Water mitigation projects.
  - $658k in MBAFBRDA and TIF proceed funded recreational and public safety projects.
  - $360k in MB Convention Center Improvements funded with revenues of the MB Convention Center
  - $7.6 mm in Waterworks and Sewer System improvements
  - $301,000 for Baseball Stadium R&R