

**2014**

**City of Myrtle Beach**



**Annual Budget  
& Financial Plans**



Myrtle Beach's Boardwalk is abuzz with excitement for (clockwise from left) Fall Festival nights, lazy summer mornings, Independence Day fireworks and St. Patrick's Day celebrations.



## 2013 – 2014 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.

**PHILIP N. RENDER, DMD, Council Member and Mayor *Pro Tempore*.** 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.

**W. WAYNE GRAY, Council Member.** 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.

**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. in Business, Webster University; doctoral study in public policy, University of Kentucky; Cert., Advanced Government Finance Institute, Georgetown University; Post-Graduate Diploma in Corporate Sustainability, Furman 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**

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 world's widest and cleanest stretches of white sandy beach. The community offers wide a variety of cultural entertainment, attracting nearly 14.5 million visitors annually, Myrtle Beach is a major U.S. tourist center continually receiving accolades from regional and national publications.

The City is committed to being "First in Service," providing quality service at reasonable prices. This commitment, along with the City's ideal oceanfront location, combine to position Myrtle Beach among the best resort, business and residential locations 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
- 50 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 Forbes and Northstar, and 3-diamond by AAA.
- Water and Sewer System serving over 17,000 commercial and residential customers.
- Full Solid Waste residential and recycling services, as well as limited service for shared compactors along Ocean Boulevard.
- 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.

## **Myrtle Beach Facts**

<i>Population (2010):</i>	27,109
<i>Myrtle Beach MSA(2010):</i>	269,291
<i>Median Home Price(2011):</i>	\$170,100
<i>Largest Private Employer:</i>	Wal-Mart
<i>Avg. Annual Salary(MSA 2011):</i>	\$29,172
<i>Number of Hotel Rooms:</i>	89,000
<i>Estimated Unrestricted * True Value of Taxable Property (Tax Yr 2012):</i>	
<i>Average High Temperature:</i>	63F
<i>Annual Precipitation:</i>	53.27"
<i>Sister Cities:</i>	Burlington, Canada Pinamar, Argentina Bradford-Keighley, England Killarney, Ireland

\* Unrestricted values represent those giving rise to tax revenue that is available for General Fund operations.

## Area Accolades

**Cheat Sheet of Best Beaches for 2012**

—*Away.com*

**#3 Best Beach in the US (2012)**

**Top Ten of Best Beaches in the World (2012)**

**Top 25 destinations in the US (2011)**

—*Trip Advisor Travelers' Choice Awards*

**#6 Best Family Beach Vacations**

**#6 Best Family Vacations in the USA**

**#7 Best Affordable US Vacations**

**#9 Best Beaches USA**

—US News and World Reports (2012)

**America's Most Fun Affordable Cities**

—*Better Homes & Gardens* (2012)

**Top 5 Summer Travel Destinations of 2011**

—US News and World Reports (2011)

**Top Ten Beach Vacation Spots**

—*The Travel Channel* (2011)

**No 25 of 100 "Best Places to Retire"**

—*TopRetirements.com* (2011)

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

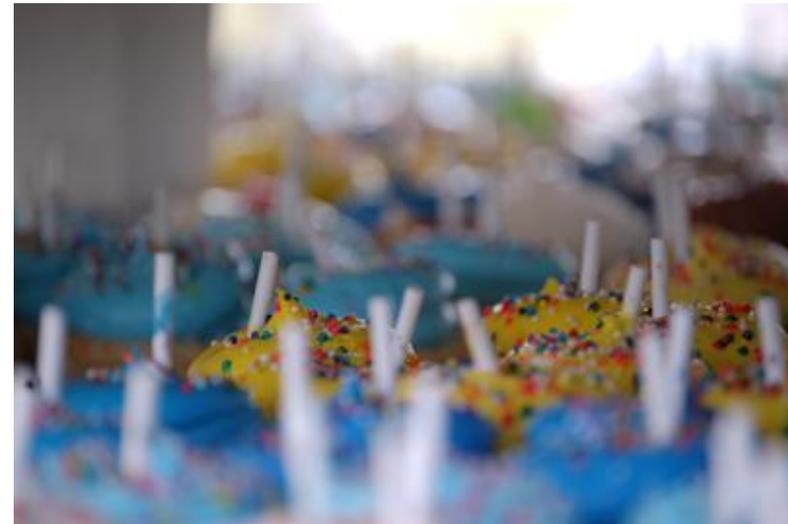
—*Golf Digest* (2009-10)

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

—*Southern Living Magazine* (2009)



Myrtle Beach celebrates its 75<sup>th</sup> anniversary in 2013.



# City of Myrtle Beach 2013-14 Annual Budget



**WELCOME to** the City of Myrtle Beach 2013-14 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 2013-14 Budget:

- ☑ **November 16, 2012**- Budget Kick Off Meeting with Department Heads to begin budget submittal process
- ☑ **December 19**-Departmental Budget Requests Due
- ☑ **January 23-February 6, 2013**-City Manager meetings with departments to discuss budget requests and priorities
- ☑ **April 17-19**-Budget Retreat to present Manager's Recommended Budget and Popular Budget to City Council
- ☑ **May 7-30** - Budget Workshops to review Manager's Recommended Budget and Outside Agency Requests
- ☑ **May 10** – Publish Statutory Notice of Public Hearing
- ☑ **May 14** – First Reading of Budget Ordinance
- ☑ **May 28** – Statutory Public Hearing
- ☑ **May 28** - Enact 2013-14 Operating Budget



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**City of Myrtle Beach  
Office of the City Manager**

Honorable Mayor John Rhodes  
and Members of City Council:

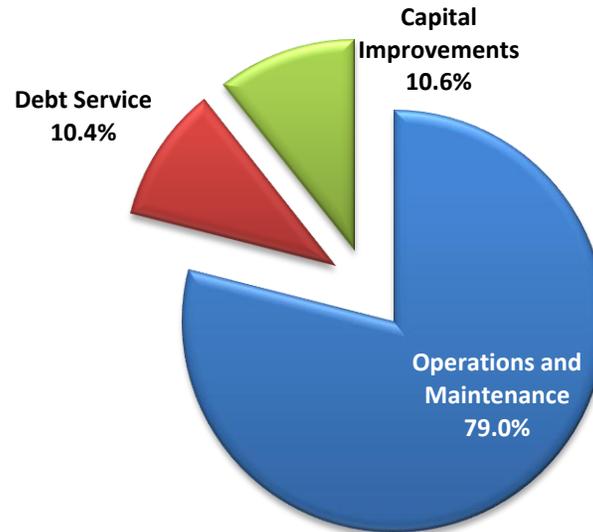
I am pleased to present the Municipal Budget for Fiscal Year 2013-14 (FY 2014), and the 2014-2018 Capital Improvements Plan (CIP). Total expenditures/expenses for the upcoming fiscal year, net of interfund transfers, are approximately \$158.6 million, up from the \$152.9 million authorized in Fiscal Year 2012-13 by \$5.65 million or 3.7%. The majority of the increase is in funding for general capital projects (\$4.2 million).

**Comparison of Budgets, FY 2014 vs. FY 2013**

	FY2012-13 Budget	FY2013-14 Budget	Percent Change
Governmental Operations	\$ 127,323,350	\$ 132,058,155	3.7%
Enterprise Operations	<u>34,848,412</u>	<u>35,384,854</u>	1.5%
Total Operating Budget	<u>162,171,762</u>	<u>167,443,009</u>	3.3%
General Capital Project Authorizations	<u>9,159,185</u>	<u>13,353,765</u>	45.8%
Reconciling Items <sup>1</sup>			
Enterprise Capital Projects	<u>5,207,000</u>	<u>3,568,000</u>	(31.5)%
Gross Budget, All Funds	<u>176,537,947</u>	<u>184,364,774</u>	4.4%
Less: Interfund Transfers	<u>(23,669,037)</u>	<u>(25,842,947)</u>	9.2%
<b>Grand Total Annual Appropriations</b>	<u><b>\$ 152,868,910</b></u>	<u><b>\$ 158,521,827</b></u>	<b>3.7%</b>

<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.

## FY 2014 Resource Allocation by Major Categories



When interfund transfers are netted out, expenditures for operations and maintenance of general government responsibilities and of City enterprises are estimated at \$125.5 million (79.0% of total). Debt service expenditures/expenses equal \$16.5 million (10.4% of total). New capital improvement authorizations for FY 2012 have been approved in the amount of \$16.9 million (10.6% of total).

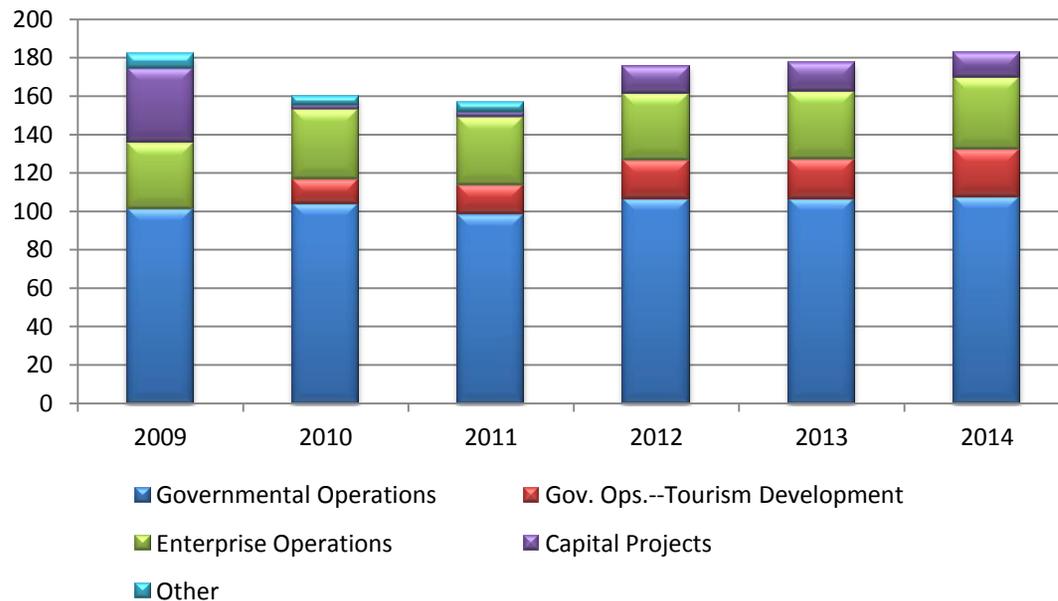
We have been able to restore new appropriations for capital improvements to a moderate level for the past two years. The previous two years, the City had pared back its level of new capital improvement appropriations to a minimal amount in order to shift resources to sustaining basic service levels and avoiding layoffs that would have dampened morale. As a result, we have provided quality services without interruption and most employees have continued to work without significant reductions in hours, pay rates or major benefits such as medical coverage. We did reduce the use of overtime, cut certain benefit programs and hold salary increases and merit bonuses to zero through FY2011, but that level was consistent with the market in which we are operating. In 2012, we restored a modest merit increase. In 2013, we offered no merit increase but raised salaries and wages across the board by 3.0% to keep pace with the market. The 2014 budget includes a modest one-time bonus payment but no increase.

### Budget Comparisons and Costs of City Services

As the graph below shows, appropriations for governmental operations changed relatively little through the recessionary period of 2009-2011 and have not risen dramatically in the ensuing years. Fortunately, the tourism sector has led a rebound over the past two fiscal years and we have been able to moderate our course somewhat in the 2013 and 2014 budgets. This is due in no small part to the adoption and implementation of the one percent (1.0%) Tourism Development Fee (TDF) in May 2009.

The TDF became effective in August 2009, just after the beginning of the 2010 fiscal year. The red sections in years 2010-2014 in the graph below indicate the strong growth that we have seen in revenues from this source and, consequently, in the amount of resources that are dedicated to promoting Myrtle Beach tourism in other markets along the east coast and into the Midwestern states and Canada. During the first year of its collection, all of the TDF revenue was required to go to the Chamber of Commerce to fund out-of-market advertising. In the second year and each subsequent year, 80% is designated for out-of-market advertising and the remaining 20% may be used for a credit against residential property taxes or to finance tourism-related capital projects.

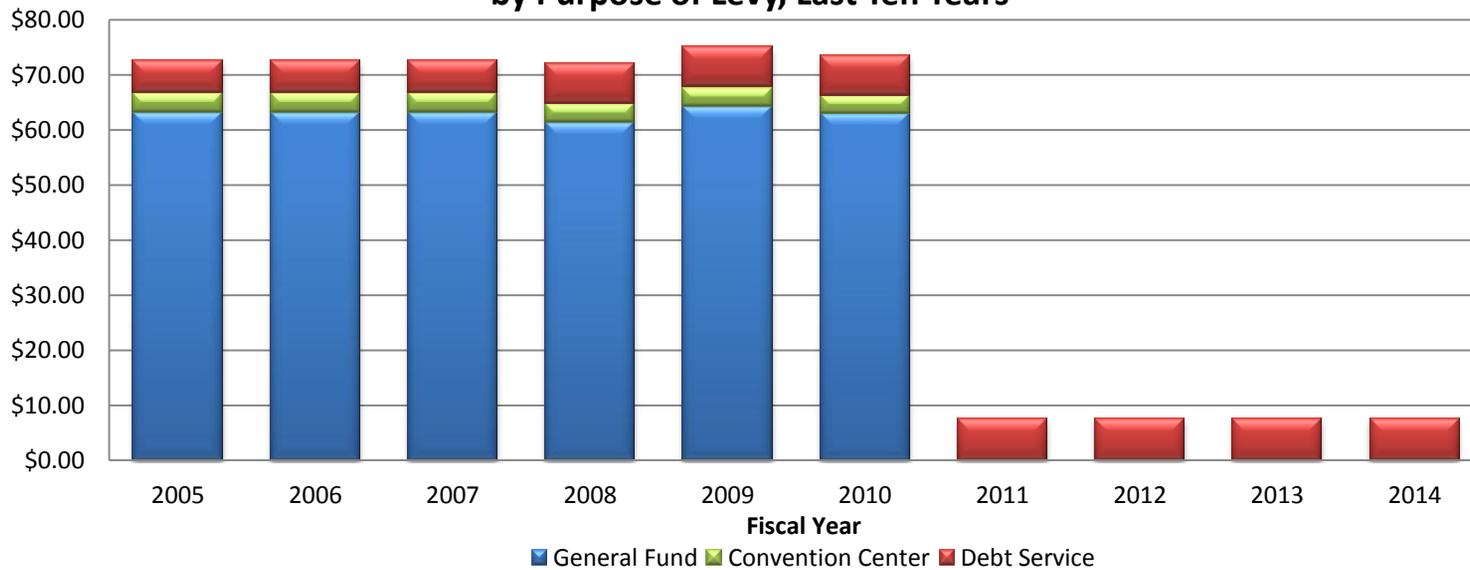
**Comparison of 2009-2014 Gross Budgets**



Council elected to use a significant amount of the TDF money, about \$3.1 million per year at 2012 levels, to establish a credit against the operating millage for all owner-occupied residences.

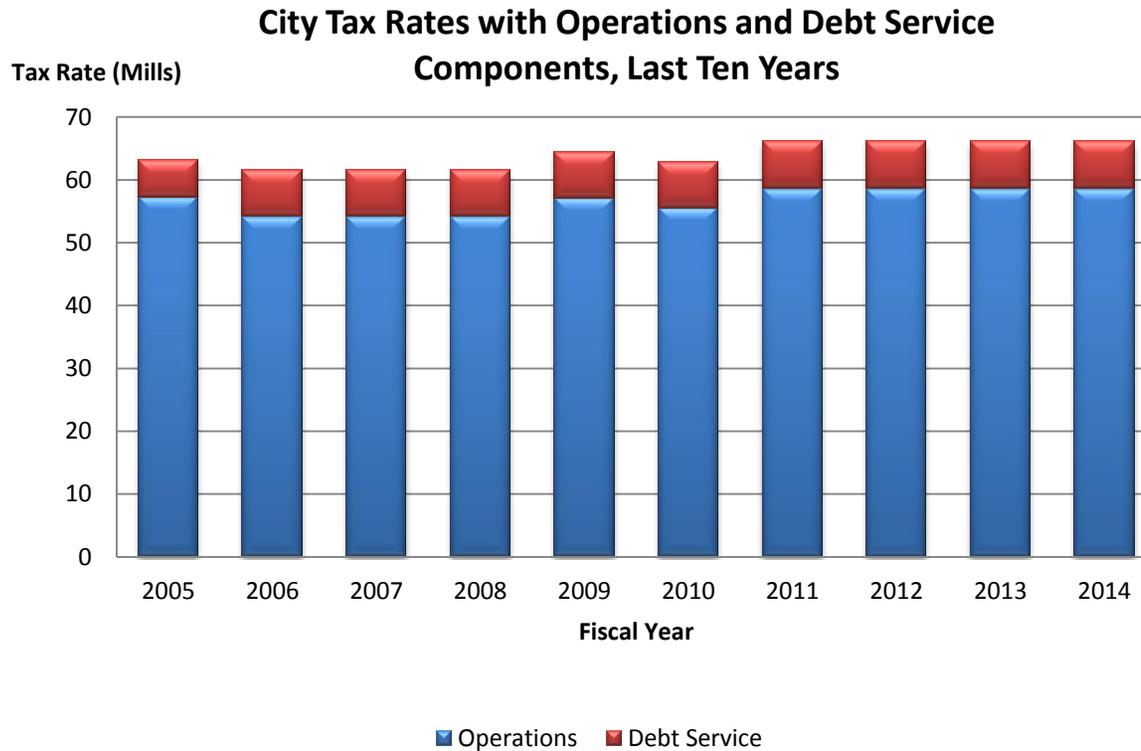
Property tax rates have been kept at very low rates, 66.1 mills or the statutory equivalent (as adjusted for reassessment) all the way back to 2009, when a 3-mill increase to 67.6 mills for the re-marketing of the month of May was implemented. The following year, the rate was adjusted downward again by 1.5 mills to the 66.1 mill equivalent. It remains at 66.1 mills today. Residents occupying their own homes have gotten a significant break from these rates by virtue of the TDF offset for operating millage, so that owner-occupied property is subject only to the Debt Service millage rate of 7.6 mills—a total of \$30.40 per \$100,000 of market value per year. The graph below shows the net property tax rates that residents living in their own homes have paid and will pay for fiscal years 2005-2014.

**Owner-Occupied Residential Property Tax Rates  
by Purpose of Levy, Last Ten Years**



**Note:** For the 2011 fiscal year (2010 tax year) forward, residential property taxes are substantially offset by a credit from the Tourism Development Fee. Residents pay debt service levy only on City taxes.

Properties classified as anything other than “owner-occupied residential” are levied for the entire millage rate. The following table shows that that millage rate has been held quite flat, with the only fluctuations being changes in millage according to statutory formulae in reassessment years and the increase of three (3.0) mills in 2009, and a reduction of 1.5 mills in 2010. The 2011 reassessment resulted in a higher tax rate due to the large decrease in value that occurred in that tax year.

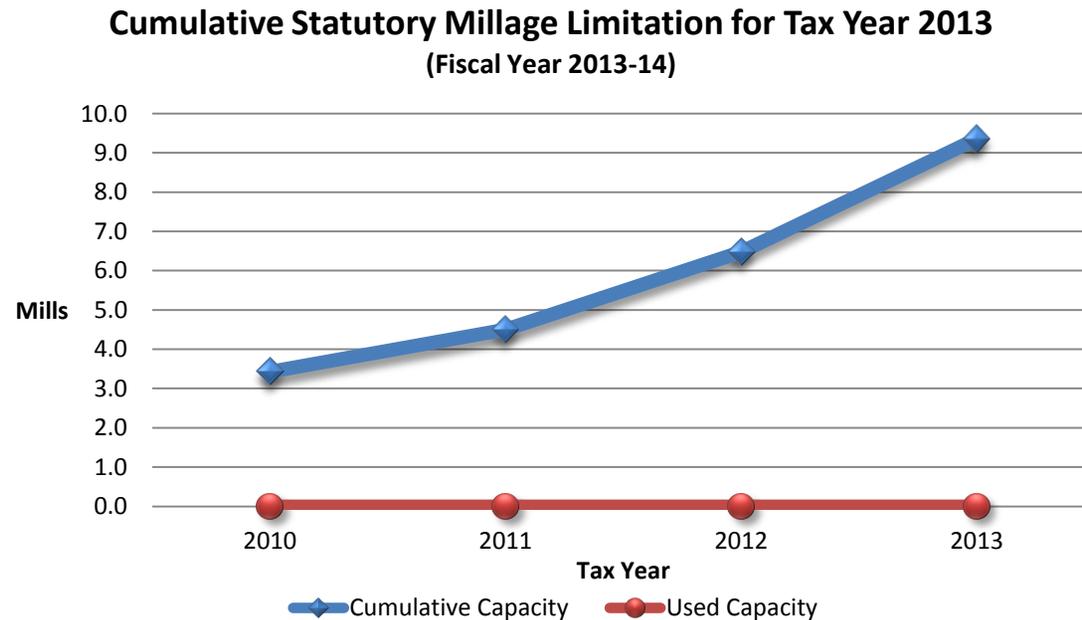


While we are on the subject of property taxes, it is worth noting that in 2012, the General Assembly adopted a compromise bill on the “point of sale” issue. At the same time, it rectified what has long been one of the most unfair provisions of the state property tax code. The language on reassessment rollback millage has been modified to require that local governments will reset the rates based upon the prior year property tax “levy” rather than prior year property tax “revenues,” as the formula read previously. Resetting the new

year's *levy* to equal the prior year's *revenues* necessarily led to significant losses as the term "revenue" refers to the collected portion of the levy and no one collects the entire levy, especially in a reassessment year. You may recall that the Department of Revenue had issued guidelines allowing for reasonable discounts for the collection factor. Local governments, including the City, generally followed these guidelines until 2005, when the State Supreme Court rendered a 3-2 decision disallowing any consideration for collections falling short of 100% or for the amount of value that would be lost on reassessment appeals. This resulted in an unworkable process. We are happy to see this situation righted.

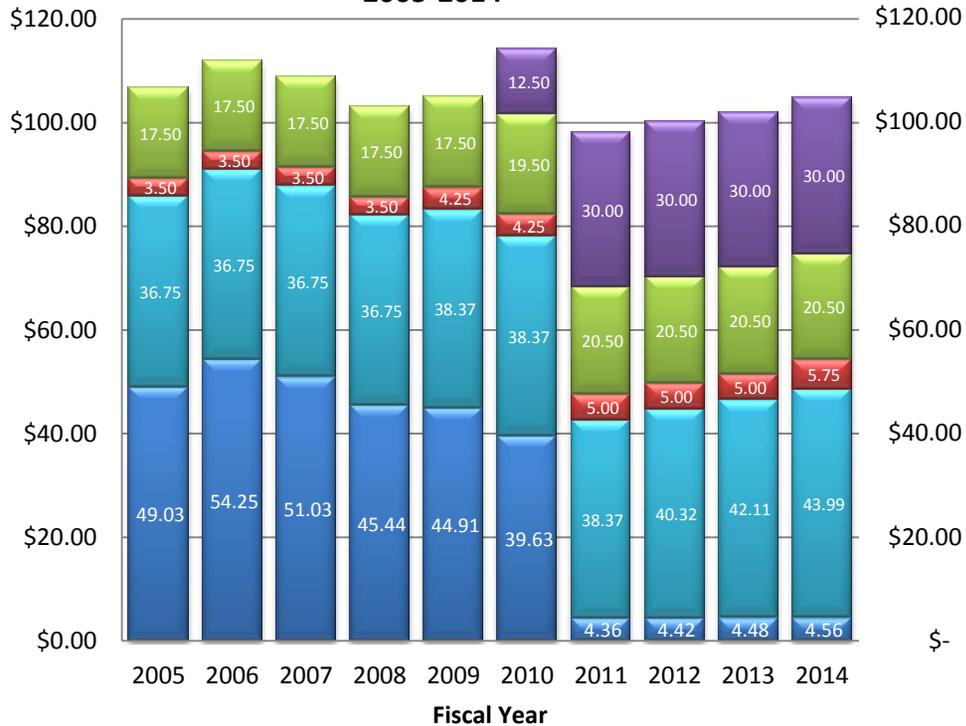
The new law also allows local governments that have not raised taxes as much as they could have done over the past three years to carry that tax rate increase capacity forward for a running three-year period. This removes the incentive to raise taxes a little bit every year in order to avoid the likelihood of needing to raise taxes in a year when the rate limitations would not allow it.

For fiscal year 2013-14, the Department of Revenue advised the City that its 2014 millage cap would be 4.36%. Given that the City has not used any of its millage increase capacity for the three prior years, this resulted in a total millage cap of 14.16% or 9.4 mills.



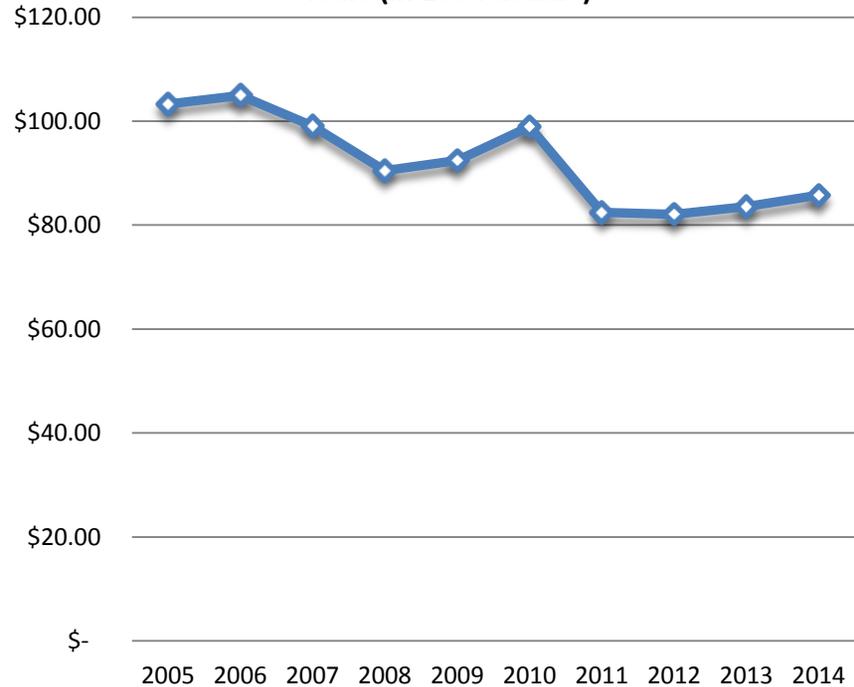
The net cost of all City services to Myrtle Beach residents, when all regular taxes, fees and service charges are considered, is estimated to be about \$104.80—less than a typical power bill or the cost of phone, internet and cable TV service. When the effects of inflation are controlled for, the costs of service have actually fallen from \$103.28 to \$85.82 between fiscal years 2005 and 2014.

**Typical City Resident's Monthly Costs of Services, 2005-2014**



- Property Taxes (based upon median home price)
- Water & Sewer (based upon 7,500 gallons per month usage)
- Stormwater
- Solid Waste
- Tourism Development Fee (based upon Federal sales tax deduction)

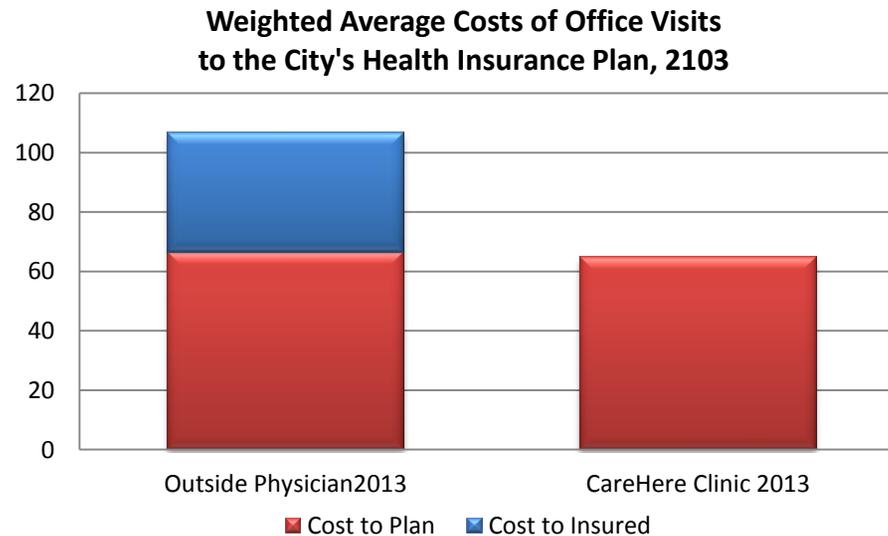
**Inflation-adjusted Costs of City Services, Last 10 Years (in 2004 dollars)**



## 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 following his or her retirement from City employment.

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.



We have just about reached a point at which the costs to the City are identical whether the employee is treated in the Clinic or in a doctor's office, as the chart above shows. If the employee chooses to go outside of the Clinic for primary care, he or she essentially pays the difference between the cost of a clinic visit and the cost of the visit to an outside physician in the form of a co-pay. The office co-pay is \$50 for primary care, \$45 for specialists, and \$35 for pediatric and OB/GYN. Thus, from a policy perspective, the City now has in place a system that provides an incentive structure for wise consumer behavior in health care choices and supports the development of the Clinic as a Medical Home for employees and covered dependents.

Results for the first few years of operation indicate that in five major diagnostic categories, we have obtained projected cost savings to the plan over the coming 30 years that amount to more than \$10.2 million. This savings is the result of identifying those who have or are at risk of developing major medical conditions such as diabetes, high cholesterol, hypertension, prostate cancer and obesity and helping them to manage those risks before they can become life-threatening diseases.

## **Capital Improvements**

The 2014-2018 Capital Improvements Plan (CIP) includes \$12.1 million of appropriations for general capital improvements and \$3.6 million for water and sewer system improvements in the first year of the plan. A total of \$44,641,000 in general capital improvements are planned over the five-year term. FY2014 appropriations include \$1.6 million in parks and facility improvements, primarily for Convention Center expansion and renovation and for renewal and replacement projects at the Baseball Stadium. Transportation system improvements of \$1.7 million are also included in the first year of the plan with the bulk of the appropriation dedicated to the funding of streetscape and roadway improvements on Ocean Blvd. from 2nd Avenue to 9th Avenue North. The largest project anticipated for FY2014 is the \$8.1 million 4<sup>th</sup> Avenue Ocean Outfall.

The 2014-2018 debt management plan contemplates the issuance of approximately \$2.6 million of general obligation bonded debt in Fiscal Year 2017-18 to finance the construction of Fire Station No.7 on Harrelson Boulevard near the Airport and a large expansion project at Fire Station #3. Fiscal Year 2014 of the 5-year plan includes the borrowing of \$8.1 million of Clean Water money from the State Revolving Fund in order to finance the construction of the Ocean Outfall component of the 4<sup>th</sup> Avenue Storm Drainage System.

In addition to the initial cost of constructing or expanding a facility or other infrastructure, new and expanded facilities often result in new and recurring annual operations and maintenance costs. These operating impacts contribute to the growth of the annual operating budget and must be considered in order to quantify the total cost of any capital investment. Capital improvements included in the 2014-2018 plan will result in increased transportation system and parks maintenance costs as well as service, equipment and utility costs associated with facility expansions. Projects placed into service over the five years of the Capital

Improvements Plan are expected to produce a cumulative operating impact of \$864,000 or the equivalent of approximately 2.7 mills on the City's property tax rate in the absence of other revenue growth.

### **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 have responded to the particular budgetary challenges we have faced for the last several years. 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 fluid and cursive, with a long horizontal stroke extending to the right.

Thomas E. Leath  
City Manager

## The Policy and Financial Management Context of Budget-making for 2013-14

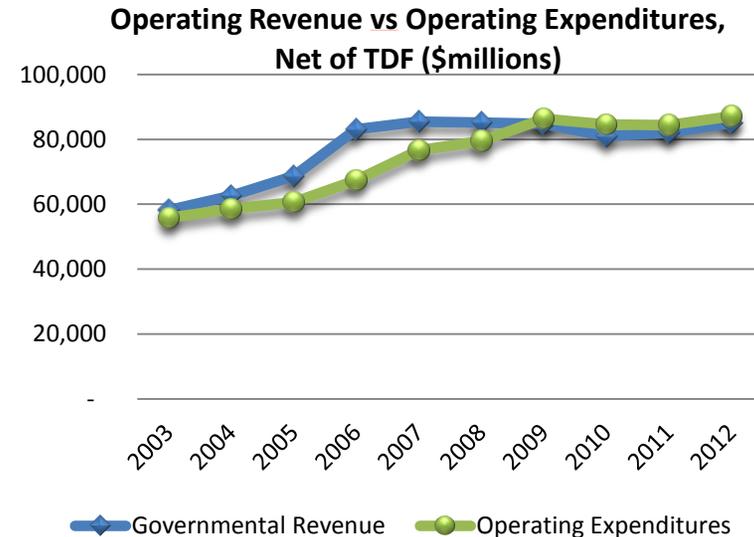
Each year, the City's budget review with Council begins with a retreat at which the annual budget is the single focus. We begin each retreat with an assessment of the City's overall financial condition, consider how that condition has improved or deteriorated in comparison with prior years and speculate as to how it is likely to change. We consider both financial trends and current economic conditions that might tend to affect our standing in relation to those trends—or in some cases, may be altering the trend altogether. We consider how they are likely to impact financial condition in the upcoming year and for the foreseeable future.

### Revenue Trends and Financial Condition

Generally speaking, financial condition has been improving since about March 2010, thanks mainly to increases in revenues from the hospitality sector. Most of these revenues are restricted and must be used either to expand tourism or to build capital projects. For those sources available to finance operations, revenue growth continues to be slow. This is especially true of the property tax and the business license, which are the two major sources of support to General Fund operations. In fact, property taxes have actually declined in total since before the last reassessment, which was implemented in FY2010-11. But it is the declines in value since that time that have been detrimental to the City's efforts to improve the structural balance of General Fund revenues and expenditures.

Revenues available to fund governmental operations have not kept pace with either previous trends or with demands for service since about 2009. There are several reasons for this:

- Impacts of the housing bust and an artificially low reassessment rate for the 2010-11 reassessment
- Significant write-offs of business personal property given the combination of accelerated depreciation rules and greater disposal of business assets than in prior years
- Limited business license recovery—this source has recovered in several sectors but volatility in the largest sector, Finance, Insurance and Real Estate, keeps growth at moderate levels overall
- The declining business license scale relative to gross receipts, given that the pattern of the economic recovery has been one of greater concentration of gross receipts at the high end of the scale

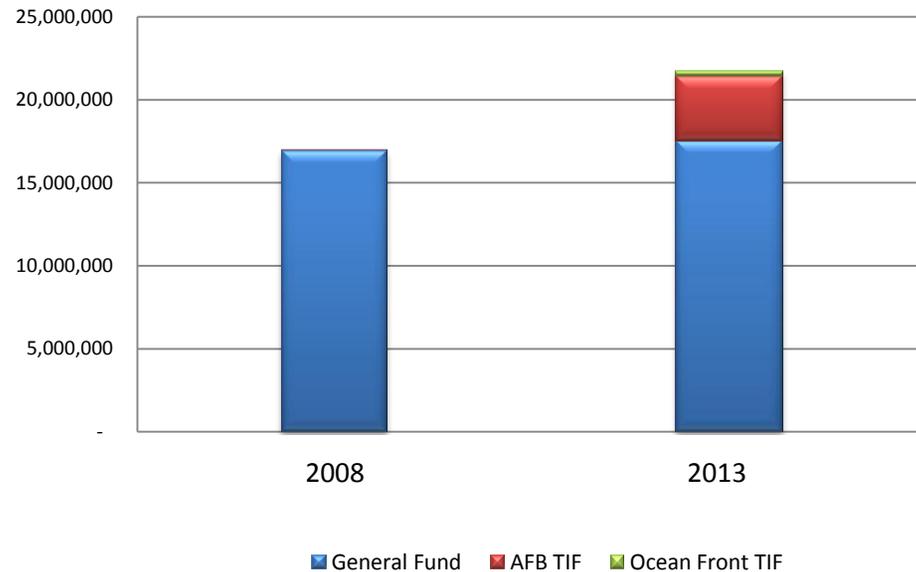


In FY 2012, the large write-offs of property taxes at year-end caused a deficit in the General Fund that we remedied by reducing Convention Center subsidies from property taxes and business license fees—a one-time fix. For 2013 and 2014, as the Convention Center shows increased ability to operate on its own revenues, including the Hotel Site Lease, the subsidies were ended and the fix made permanent.

We often confront a question regarding property tax that goes something like this: “There is still plenty of construction activity going on—look at the Market Common and all of the residences that are under construction on the former Air Base. How can you say that property taxes are flat?”

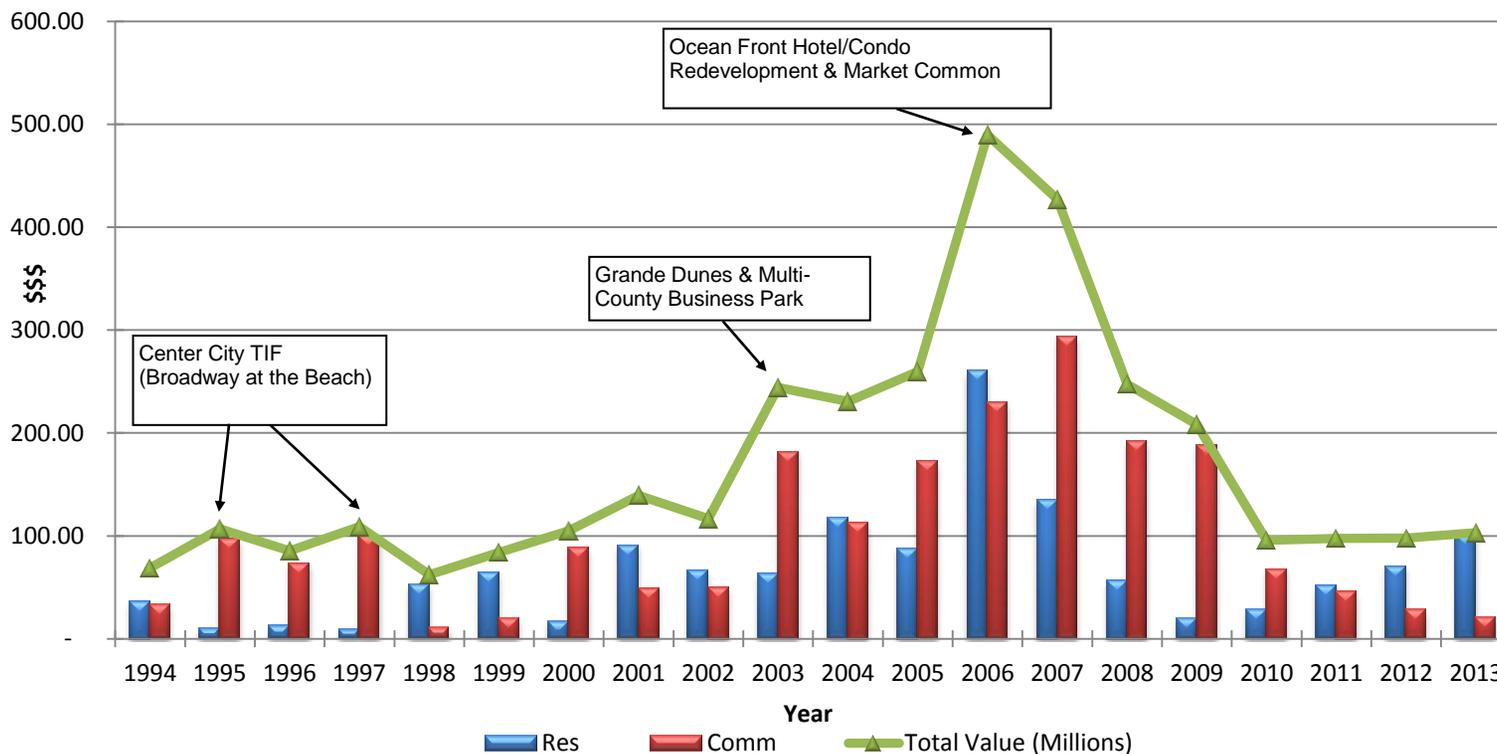
The answer is that, while there is considerable construction activity going on in and around the Market Common, all new property taxes arising within that area through 2036 are committed to the Redevelopment Plan for the Former Air Base and must be used to retire tax increment debt service or to build capital projects. The graph below shows that, while total tax receipts have grown from just over \$17 million to more than \$21 million over the past five years, tax revenues available to finance operations are flat over the period.

**Property Tax Net Revenue 2008 vs 2013**

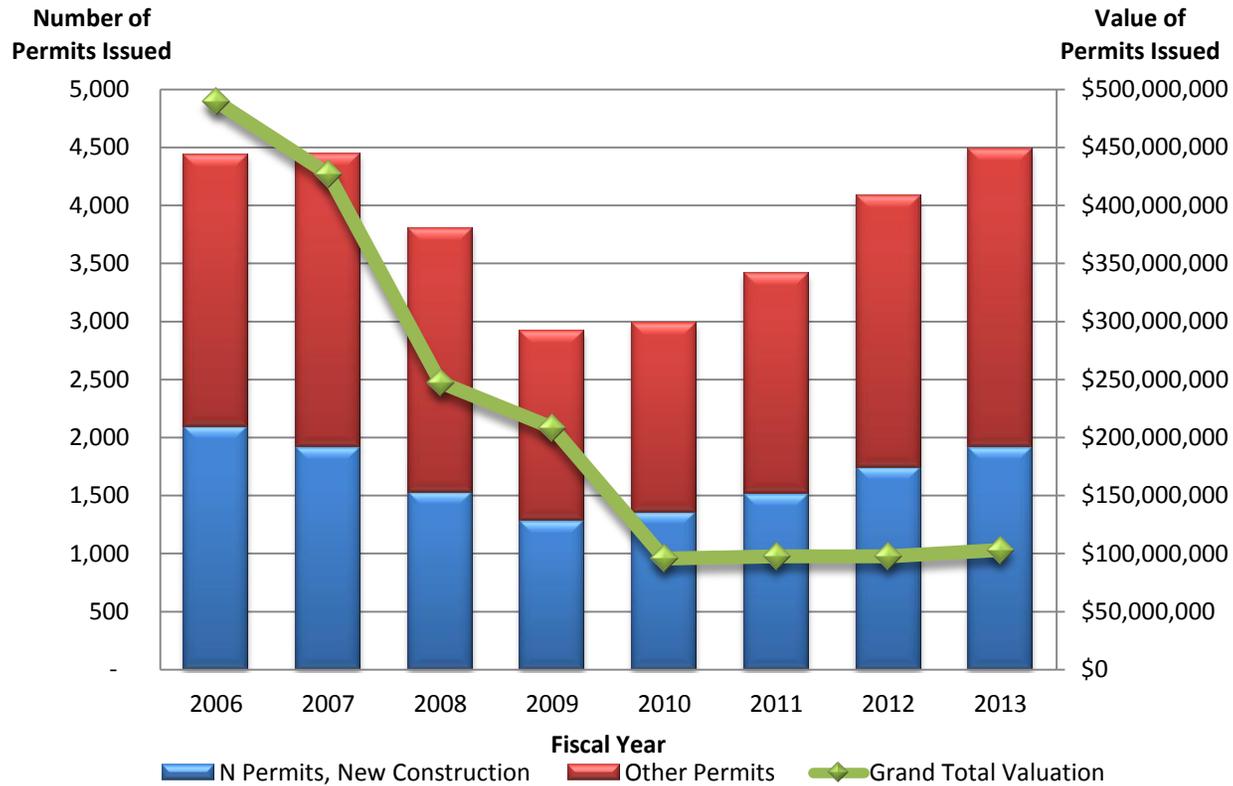


Concerning the other major revenue sources in the City's budget, business license and hospitality fee trends had been disrupted by the slowing of construction and reductions in spending on luxury items and travel in fiscal years 2009 and 2010. At its peak in 2007, Construction and Related Industries 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 appear to have returned to a more customary trend following the bursting of a very large bubble.

**New Construction Activity, Last Twenty Fiscal Years**



## New Construction Permits, Number Issued and Valuation



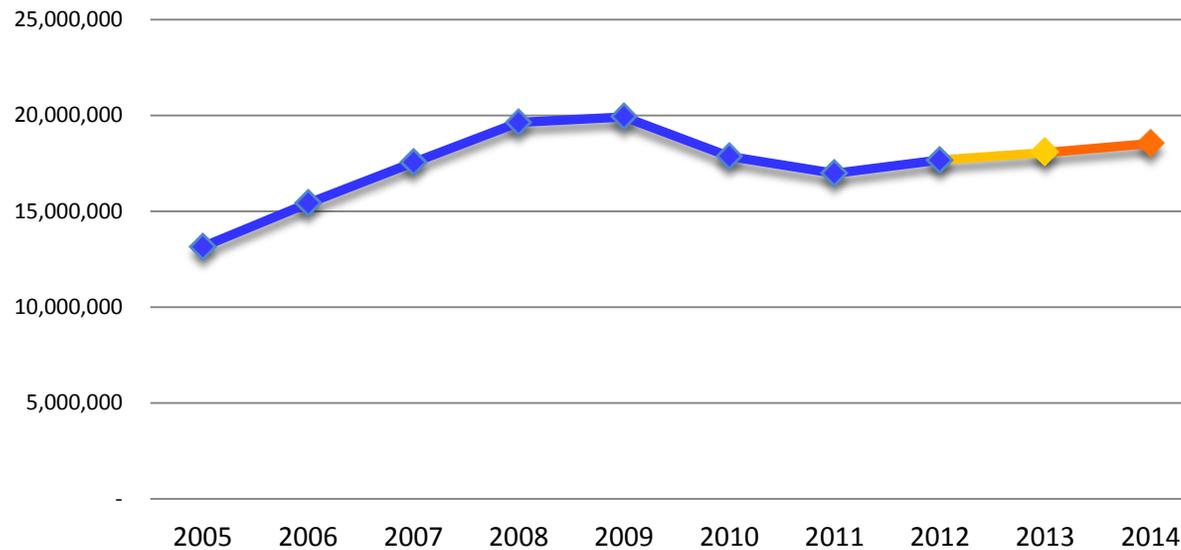
While the number of building permits issued has increased to approximately the same level as the 2006-07 numbers, the valuation issued has declined and then begun to rise more slowly. What is not obvious from the graph is the change in the mix of residential and commercial properties over the time period covered there. In 2006, residential property accounted for 64.8% of the number of permits and just over half of the value permitted (53.1%). In 2013, 77.3% of the permits for new construction were residential permits

and they accounted for 82.5% of the value permitted. Conversely, commercial properties have declined in both number and valuation—currently making up 22.7% of the number and 17.5% of the value of new construction permits issued.

Based upon modest recovery in the construction sector, steady performance in retail and accommodations sectors, and a one-time decline but overall greater stability In Finance and Insurance, Business License revenues are estimated to increase by about 2.8%.

The one-time decline in Finance and Insurance has to do with the implementation of a new federal law that requires all insurers to be licensed to pay fees in their headquarter locations only. Thus insurance businesses that are conducting business in the City, using City infrastructure to deliver services and serving local residents, pay no business license fees if they are headquartered in other states.

**Business License--Total Revenue, Actual 2005-2012  
and Projected 2013-14**



In general, the prospects for continued growth of operating revenues are that the trajectory is positive again, but the revenues are growing much too slowly to keep pace with inflation, let alone with factors that increase demand for City services.

New revenues to the General Fund include a Fire Safety Inspection Fee of \$75 to \$300 depending upon the square footage of the structure to be inspected. The fire safety inspection fee is expected to generate approximately \$145,000 in net revenue in year one.

The language on EMS fees has been changed to allow them to equal the Horry County Fees at all times.

A false alarm fee of \$200 per false fire alarm will be charged for each call for service resulting from a false alarm to the same location after the third such call in any 365 day period.

### General Fund Expenditures

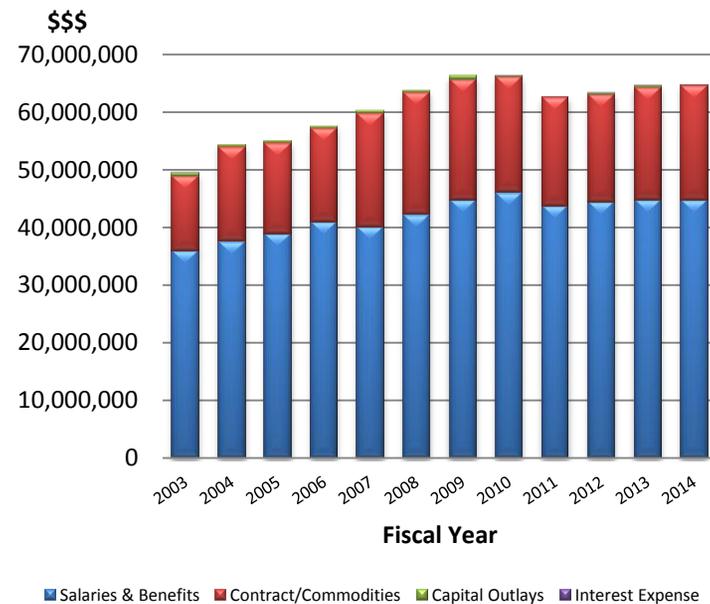
As the chart at the right shows, General Fund expenditures rose concurrently with the increasing demands brought on by the development boom between 2003 and 2009. After hitting a peak in 2010, they fell again as the City made a number of structural adjustments in response to declining revenues and dimming prospects for growth.

As other funds have recovered on the strength of tourism-related revenues, the General Fund has grown at a much more modest pace. The 2014 budget is just about equal to the 2013 budget and still does not equal the 2010 peak.

The greatest pressures we face with respect to expenditures, not necessarily in order of magnitude, are:

- the tendency to defer replacement of capital equipment beyond its optimal replacement date
- the threat that lower working capital levels during the year will cost the General Fund more and more in interest payments to other funds
- ballooning operating impacts of accumulated capital expansion.

**Composition of General Fund Expenditures, Last Ten Years with Budgets for 2013 and 2014**



**Deferral of capital replacement**

One of the easiest items to cut in a recession is capital outlay. To the extent that lean times force us to find ways of making real improvements in the use of equipment, that is not necessarily a bad thing. However, we can easily pass the point at which the cost of retaining equipment exceeds the cost of replacing it.

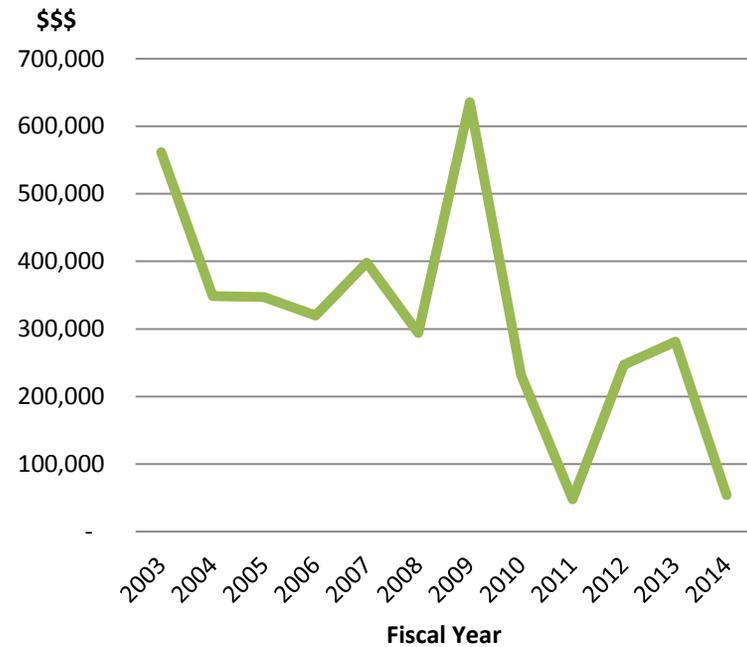
Over the years, the City has taken pains to operate its equipment replacement program in ways that moderate the budgetary impact of those years when a lot of expensive equipment needs to be replaced at once. We have used the internal equipment leasing program for that purpose and have emphasized preventive maintenance and identifying the optimal replacement time rather than trying to exhaust the useful life of the equipment before we replace it. The reasons for this are many, but perhaps the most important one is that service to our customers would suffer during that period between the optimal replacement time and the point of exhaustion.

With the struggle to balance in an environment where the major General Fund operating revenues are generally flat, we risk getting closer to the point of exhaustion with more and more critical pieces of capital equipment. As that happens, more and more operational resources are shifted toward making the existing equipment work at a minimally acceptable level.

**Interest payments to other funds**

Fund Balance, or working capital, position at year end is reported in the Comprehensive Annual Financial Report and becomes the primary measure by which we tend to judge financial position. But that measure is a snapshot, not a full-length feature film. It ignores all of the action between beginning and end. The important thing to note here is that, while there is very little difference in the City's 2005 and 2011 fund balance snapshots, the action in the middle of each of those years was very different. In 2005, the lowest fund balance position of the year occurred in December, just before the arrival of the large January property tax payment. The

**Capital Outlay Expenditures, General Fund,  
Last Ten Years and 2013 and 2014 Budgets**



balance at that point was estimated to be a bit more than \$1 million. The low point occurred in December of 2011 as well, but in that year, it was at a \$6.3 million deficit. What had changed in the meantime was that the City had become much more reliant upon the property tax as a source of income between 2005 and 2009 only to have property taxes decline significantly as property value was written off in the wake of the recession and a state Supreme Court decision that programmed a property tax deficit into the reassessment implementation.

Business licenses, unfortunately, followed the same pattern—spiking during the years of the housing bubble and then plunging during the recession.

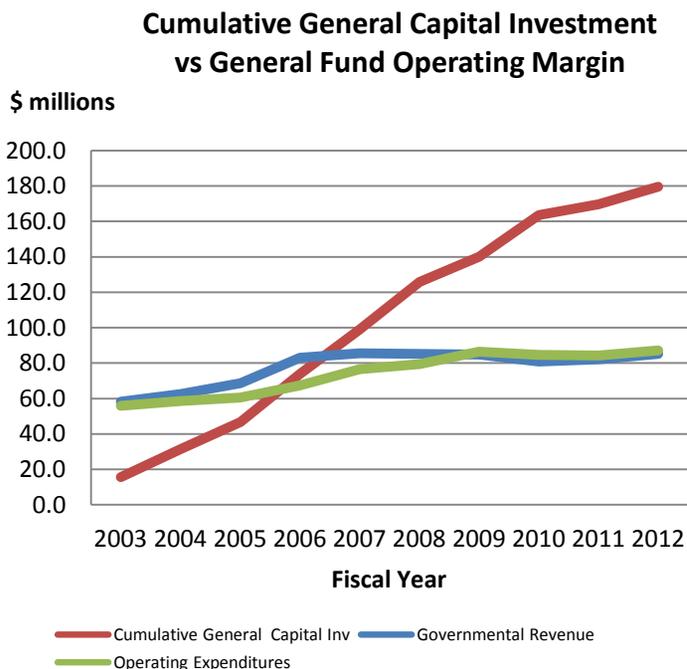
In summary, while the year end fund balance numbers have declined only slightly, the severity of the fluctuations is greater and opportunities to earn interest occur in only 3-4 months of the year. On balance, earnings were negative in 2012, when the General Fund paid a net amount of about \$79,000 in interest at meager rates. In an era when rates may become more robust, that figure could be significantly higher. At just 3%, it would top \$500,000, or the equivalent of 1.6 mills, per year.

**Operating Impacts of Capital Projects**

Most of the City’s fastest revenues are restricted for expenditure for capital projects or tourism promotion. This includes all of those revenues generated by tourist activity, such as the statewide and local Accommodations Taxes, the Tourism Development Fee and, to some extent, the City’s Hospitality Fee.

Over the ten years from 2003-2012, the City has invested a cumulative total of over \$179.6 million in general capital improvements. As a result, it has increased the pressure upon governmental funds to absorb the annually recurring operations and maintenance expenditures for these facilities. The red line in the graph at right shows this cumulative investment.

Operating margin is the net amount of revenues in excess of expenditures and is indicated by the difference between the blue and green lines. Operating margin, which reached its greatest positive level in 2006, has plodded along at virtually nil from 2009-2012. Revenues during the period 2006-2012 have been roughly flat, in the \$80.0 to \$85.0 million range. So the only way that the City has been able to absorb the operating impact is by reducing resources in other program areas. And unless revenues



increase, we will continue to face the challenge of absorbing these impacts by reducing other services—and we will continue to lose flexibility.

### **Summary—General Fund Financial Condition and Operating Flexibility**

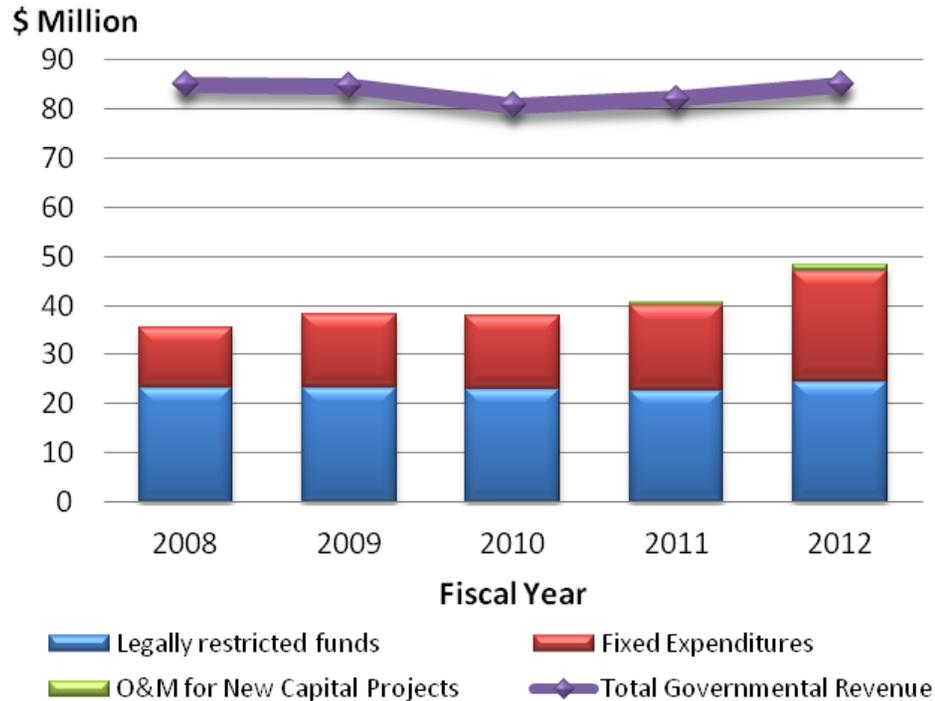
In summary, we may characterize the financial condition of the General Fund as good at year-end. It meets the City's stated policy objectives and the 2014 budget has been balanced with fund balance at 14.9% of operating expenditures, with a 99.9% match of recurring revenues to recurring expenditures.

That said, though, we do see some weakness that appears in the cash flow patterns of the fund if we look at its position throughout the year rather than just at that one day, June 30, of each year. The increased reliance upon revenues collected in latter part of year continues to diminish the working capital position through the year. Whereas in 2005, the City's working capital position in the General Fund never fell below zero, today it stands at deficit levels from September through April before recovering at the end of June on the strength of Business License receipts that arrive in the last six weeks of the fiscal year.

Why is this a matter for concern as long as we are able to borrow internally and repay the borrowed funds during the fiscal year? Because the ultimate result of allowing the current revenue trends to continue and tolerating greater deficits over the term of the fiscal year will be (1) the degradation of service levels for traditional City services and (2) the loss of reasonable flexibility to operate. Legally restricted funds and fixed expenditures, such as debt service payments, grow in relation to total governmental revenues leaving fewer and fewer resources available without restriction. This phenomenon is the subject of the graph appearing on the next page, which shows the effect of revenue restrictions, fixed expenditures and increasing operating demand upon the amount of the City's revenue base that is available to finance operations.

Thus far, the City has adapted successfully by restructuring revenue/cost relationships where possible and prudent. We have reduced some annual debt service by refinancing, changed overtime procedures and limited salary and wage growth. But these measures can go only so far without fundamental changes in levels of service or revenue increases or a combination of the two.

**Flexibility down from \$49.6 mm (58.3%) to \$36.7 (43/1%) since 2008 (excluding TDF)**



Operating Flexibility is the difference between Governmental Revenues and the restrictions upon them. The City's operating flexibility grows more limited each year due to:

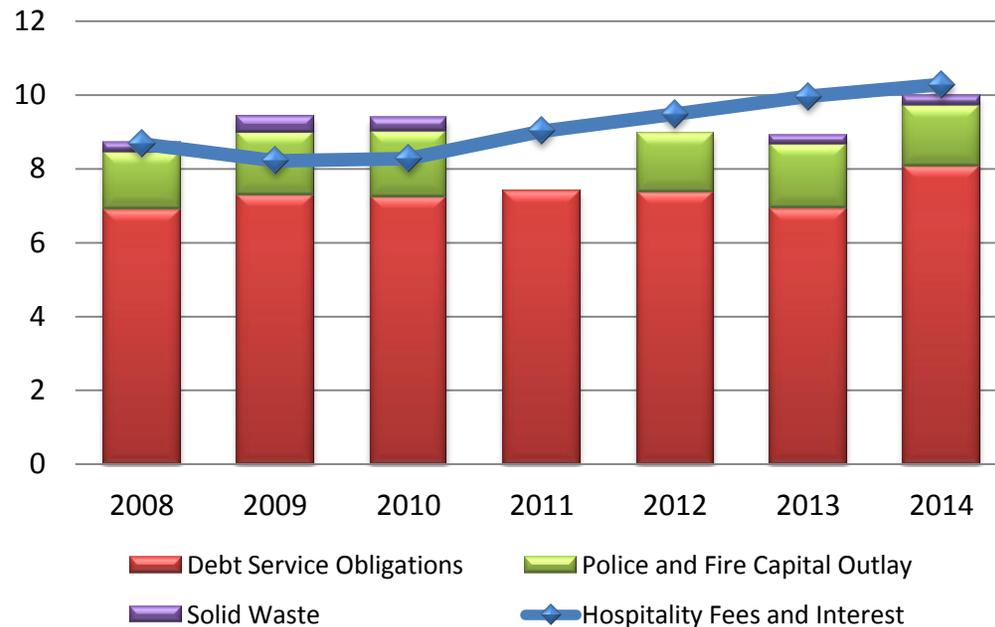
- **Sluggish Revenue Growth:** Flat to declining property tax base, diversion of property taxes for debt service, continuing erosion of state support, weak growth in business license
- **Fixed expenditures:** including debt service and other long-term contractual obligations such as OPEB catch-up, Seascapes funds, restrictions for capital spending
- **Need to operate & maintain projects:** Expansions necessary for O&M of capital projects now coming into service, a pressure that will continue to grow given that most new revenues the state has allowed local governments are restricted for capital projects.

### Other Funds—Financial Condition, Revenue and Expenditure Adjustments

Other governmental funds are generally well-balanced in terms of their revenue and expenditure structures. The exception is the Victim’s Advocate Fund, which will continue to require a contribution from the General Fund. This will not likely change going forward as the imbalance is a regulatory imbalance resulting from the fact that certain essential expenditures that we incur for servicing victims are not allowable uses of the designated funds. These disallowed expenditures include building maintenance costs, janitorial services to the program’s facilities and costs of other services without which the Victim’s Advocate program would not be able to provide service.

The Hospitality Fee Fund is stable at the moment after a roller-coaster ride in recent years, and is now generating some limited funds for capital improvements again in FYs 2013 and 2014.

#### Hospitality Fee Revenue vs. Uses of Funds



Water and Sewer working capital position continues to be healthy. Cost reductions and generally improved efficiency in water and sewer operations have offset the effects of slower sales during and just after the recession. Grand Strand wholesale water and sewer rates have increased by about 10% over the past two years with further increases set to take effect in January of 2014 and again in January of 2015. This budget includes a sewer rate increase of 7.5%, yielding a blended water and sewer rate increase of 4.0-4.5%, depending upon consumption, to offset rising wholesale costs and to accommodate new debt service for system replacement and expansion projects.

Storm Water rates increased by 75 cents per month to accommodate debt service on a 1.9% State Revolving Fund loan that will be used to finance the 4th Avenue Outfall two years ahead of the original schedule.

## 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 of 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.

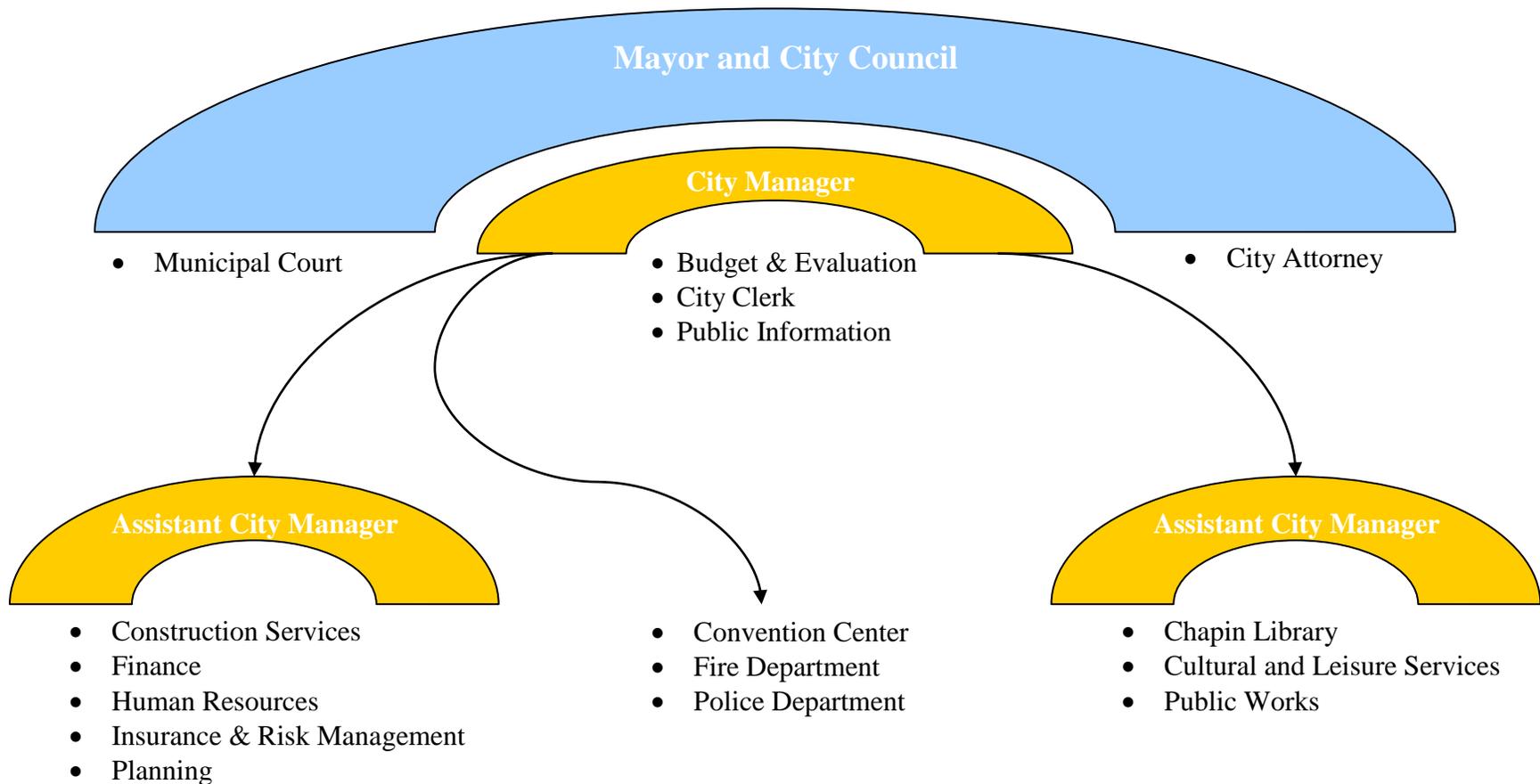
### Government Services

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

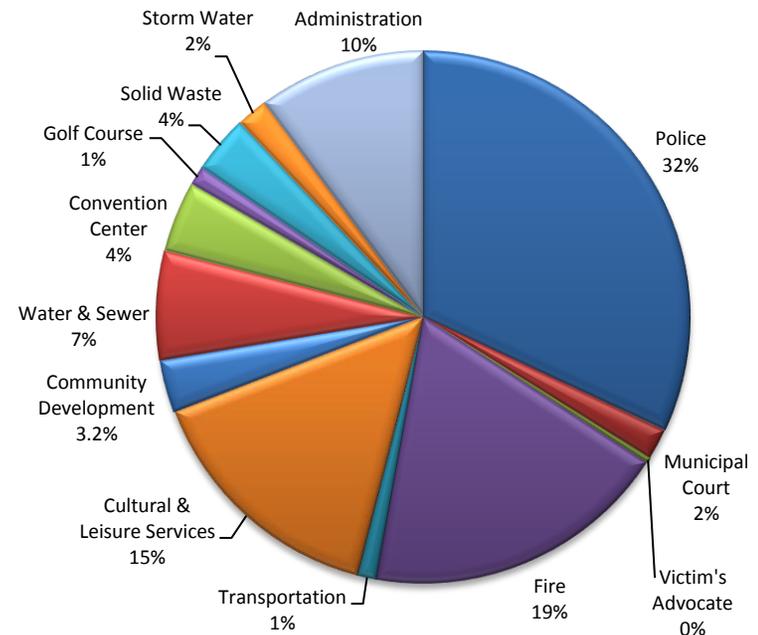


## Myrtle Beach City Employees

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.

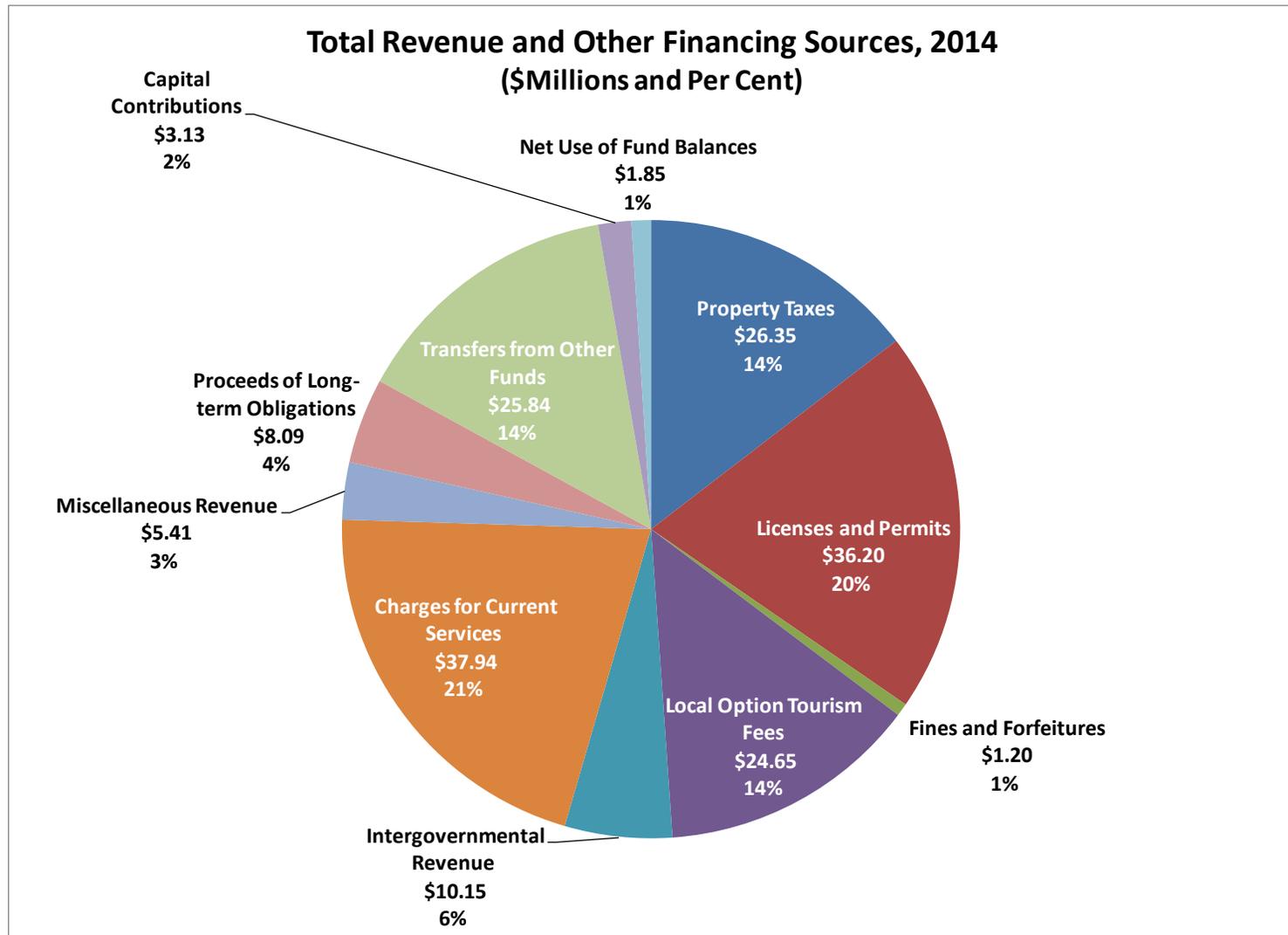
Staffing Totals By Department				
Program	2011-12	2012-13	2013-14	Net-Change
<b>Community Services</b>				
Police	273	273	271	(2)
Municipal Court	16	16	16	-
Victim Witness/Advocate	4	3	3	-
Fire	158	158	158	-
Transportation	10	10	10	-
Cultural & Leisure Services	107	109	129	20
Baseball Stadium	1	-	-	-
Community Development	26	27	27	-
Water & Sewer	56	56	56	-
Convention Center	37	36	36	-
Golf Course	10	8	10	2
Solid Waste Management	30	30	30	-
Storm water Management	16	16	16	-
<b>Total Community Services</b>	<b>744</b>	<b>742</b>	<b>762</b>	<b>20</b>
<b>Support Services</b>				
Policy & Administration	18	18	18	-
Financial Operations	36	37	37	-
Human Resources	6	6	6	-
Public Works Administration & Engineering*	25	25	25	-
<b>Total Support Services</b>	<b>85</b>	<b>86</b>	<b>86</b>	<b>-</b>
<b>Total Authorized Positions</b>	<b>829</b>	<b>828</b>	<b>848</b>	<b>20</b>

### Staffing Comparison, Percent of Total



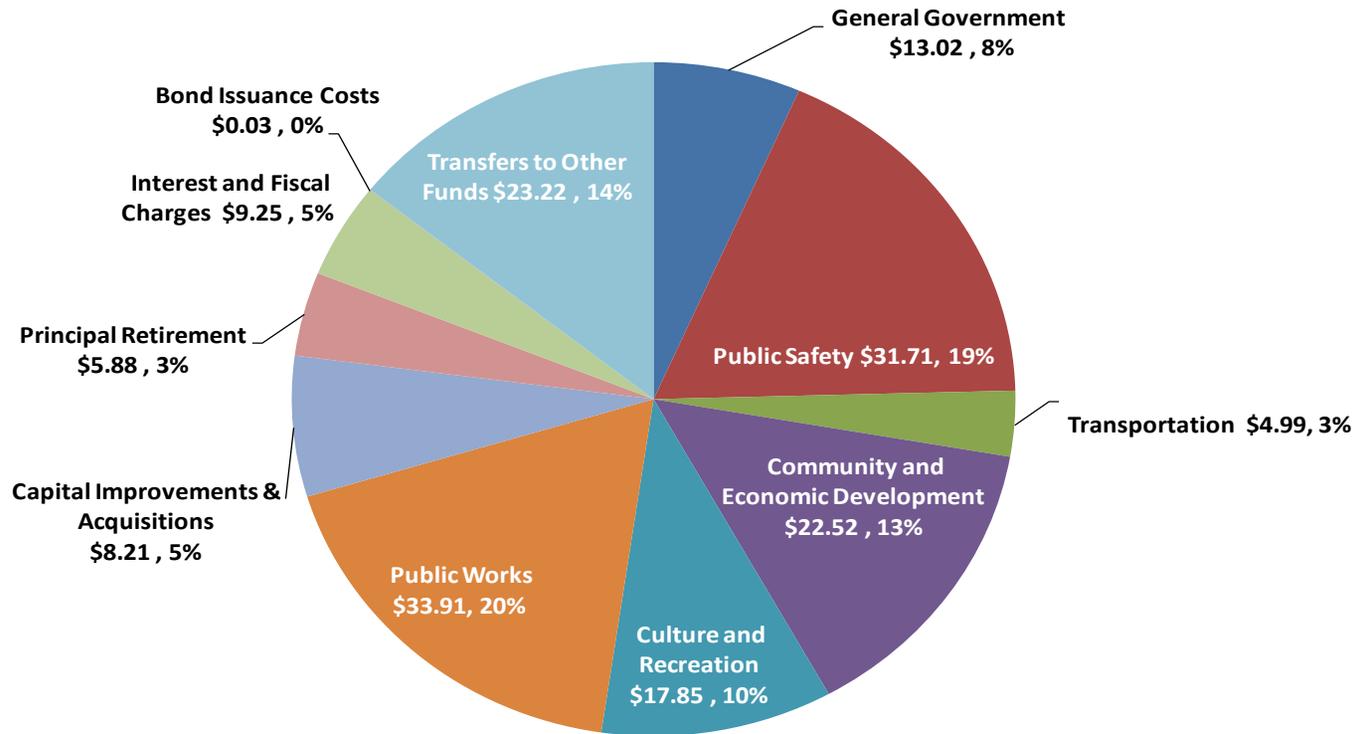
\*Includes 8 Employees in the Fleet Maintenance Internal Service Fund.

## Revenue Summary



## Expenditure Summary

**Total Expenditures and Other Financing Uses, 2014  
(\$Millions and Per Cent)**



## Service Changes & Cost Increases, FY13-FY14

### FY 2013-14 Revenue Increases/Decreases

- 7.5% Base and volumetric charge increase in Sewer Rates.
- Stormwater fee increase of \$ .75 per ERU.
- Implemented a new Fire Safety Inspection Fee.
- Golf Course Fees for residents have changed from a specific dollar figure to "Market Rates".
- Estimated new growth over 2013 budget estimates in the following areas based upon most current data:
  - Property Taxes – 1.5%
  - Licenses & Permits –3.5%
  - Hospitality Fee – 3.0%
  - Local Option Tourism Fee – 1.1%
  - Statewide Accommodations Tax – -8.4% (back to normal after a year with large delinquent collections)
  - Local Accommodations Tax – 5.5%

### FY 2013 –14 Service Enhancements/ Reductions

- Incorporated a one-time \$800 Bonus for each regular employee on payroll as of June 30.
- 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.
- \$23.5 million Five-Year General Capital Improvements program
  - emphasizes transportation system improvements, parks and rec. facilities
  - \$11.7 million in Tourism Development funds for Stadium R&R, 2nd to 9th Avenue Downtown Streetscape and Utility Conversion, Improvements on the Convention Center property and the Withers Swash segment of the Oceanfront Boardwalk.
  - \$8.1 million Funding for the 4th Avenue North Ocean Outfall.
  - \$2.6 million GO debt funding for the expansion of Fire Station #3 and construction of Fire Station #7 at Harrelson Blvd in 2018.

## 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 2014, 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	80.3
North Augusta	74.2
Orangeburg	90.0
Greenville	85.4
North Charleston	95.0
Rock Hill	93.5
Spartanburg	101.0
Columbia	98.1
Anderson	125.0

### 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.

<sup>1</sup> Total Tax Levy 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 Comparison Chart

	Myrtle Beach	Greenville	Spartanburg	Charleston	North Charleston	Columbia
Median Home Price (2009)	\$175,000.00	\$188,200.00	\$119,200.00	\$259,700.00	\$145,300.00	\$161,100.00
Household Median Income (2009 - Adj. For Inflation)	\$39,963.00	\$40,925.00	\$33,375.00	\$50,938.00	\$39,182.00	\$38,995.00
Personal Real Estate Tax Burden based on Median Price (see note 1 above)	\$ 462.70 (409.50) \$ 53.20	\$642.89	\$481.57	\$834.16	\$552.14	\$632.16
Real Property Tax Burden as % of Median Income	0.14%	1.57%	1.44%	1.64%	1.41%	1.62%

Sources: US Census Bureau, 2007-2011 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	51.35	55.45	106.80
Charleston	23.17	77.23	100.40
Spartanburg	31.86	49.83	81.69
Anderson	28.66	37.95	66.61
Rock Hill	21.39	44.34	65.73
Greenville	16.33	49.05	65.38
Columbia	27.60	37.30	64.90
North Augusta	16.81	31.27	48.08
<b>Myrtle Beach</b>	<b>16.79</b>	<b>27.19</b>	<b>43.98</b>
Orangeburg	14.39	20.78	35.17

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

*Source: Myrtle Beach Budget & Evaluation Office, Survey of South Carolina Water and Sewer Systems, August, 2013.*

## What Can You Buy for \$74.80 per Month?\*

### 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
- ✓ Construction Services
- ✓ Municipal Court
- ✓ Various Economic Development Services
- ✓ All Municipal Legislative, Management and Support Services



*Compare With:*



Total Cost of City Services:  
**\$74.80 Per Month**

One tank of gasoline to fill your family's mid-sized sedan:

**\$75.18**

*Based upon 21.0 gallon fuel capacity at \$3.58 per gallon*

One evening out for two with dinner and a movie:

**\$ 80.50**

*Based upon entrée' price of \$19.95, including two drinks, taxes & tips.*

One Month's subscription to Basic Cable TV & High Speed Internet Access:

**\$86.00**

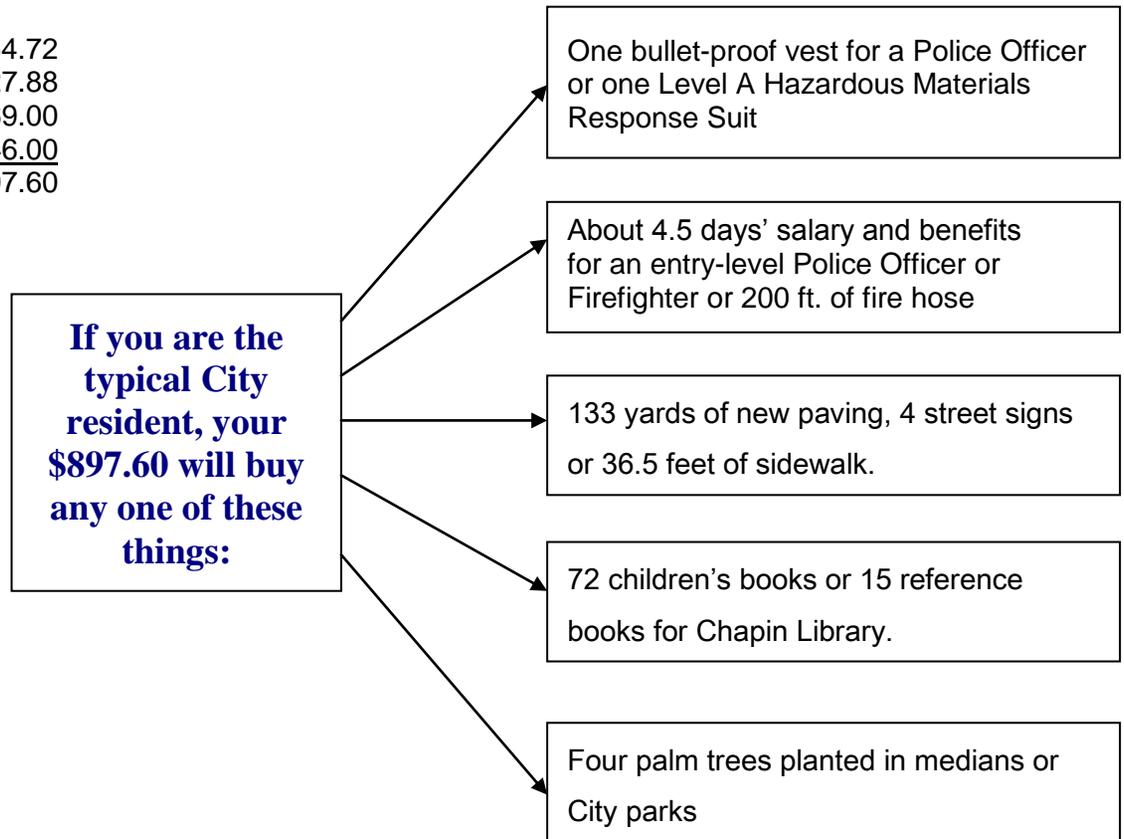
*\*Based upon a typical household with a median real estate value of \$175,000 and two cars valued at a total of \$28,000; with 8,000 gallons of water consumed.*

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

### Household:

Based upon a house valued at the Myrtle Beach median value of \$175,000.00 and 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 \$897.60 this year. This includes:

City Taxes	54.72
Water and Sewer charges	527.88
Storm water Fees	69.00
Solid Waste Fees	<u>246.00</u>
Annual Total	\$897.60



## 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.
- 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.
- Joint development of the new International Technology and Aerospace Park, or ITAP, Covering nearly 400 acres at the former Air Force Base. The property, ready and waiting for new industry, is being marketed by Horry County and the Myrtle Beach Regional Economic Development Corporation. Located off Farrow Parkway, the park is literally next door to the runway at Myrtle Beach International Airport and just down the street from The Market Common.
- Preservation of the natural resources by maintaining ocean dunes in their natural state and enhancing accessibility to afford all people the opportunity to enjoy the beaches.
- 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 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.

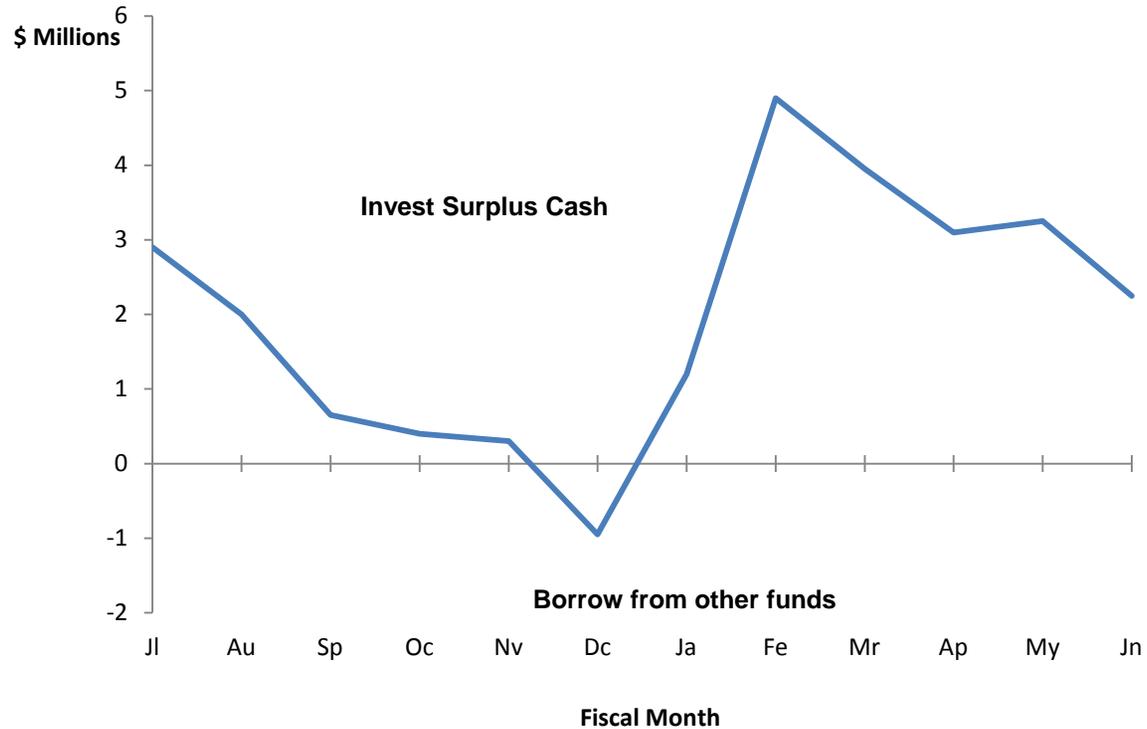
- maintain current ratios of at least 2:1 in each City enterprise fund. (The current ratio is the ratio of unrestricted current assets to current liabilities other than the current liability for servicing long-term debt.)
- Generally, fund balances are allowed to accumulate for designated purposes or 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 excess of the 20% threshold) 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 safe-keep 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 2013 – 14 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
  - Sports Tourism & Special Events
- 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

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



City Manager greets employees at staff appreciation luncheon.

<b>Policy &amp; Administration Budget Summary</b>			
	<b>2012-13 Budget</b>	<b>2013-14 Budget</b>	<b>% Change</b>
<b><i>Allocated Positions</i></b>	<b>41</b>	<b>41</b>	<b>0.0%</b>
Council/City Clerk	507,676	551,200	8.6%
City Attorney	677,459	674,472	(0.4)%
City Administration	1,064,158	1,065,279	0.1%
Clerk of Court	1,191,494	1,208,931	1.5%
Budget & Evaluation	329,896	336,809	2.1%
Public Information	137,341	136,936	(0.3)%
Sub-Total	<b>\$ 3,908,024</b>	<b>\$ 3,973,627</b>	<b>1.7%</b>
Capital Outlay	-	-	-
Grand Total	<b>\$ 3,908,024</b>	<b>\$ 3,973,627</b>	<b>1.7%</b>

<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.	✓



Council Meeting at Law Enforcement Center

## Human Resource Management

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



Employees attend a "Snake Safety" training class.

<b>Human Resources Performance Measures</b>	
Measure	Accomplished?
Ensure that all new employees go through orientation.	✓
Provide additional Programs for Wellness.	✓
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.	✓

<b>Human Resources Budget Summary</b>			
	2012-13 Budget	2013-14 Budget	% Change
<b><i>Allocated Positions</i></b>	<b>6</b>	<b>6</b>	<b>0.0%</b>
Human Resources	738,643	754,840	2.2%
Capital Outlay	-	-	-
Grand Total	<b>\$ 738,643</b>	<b>\$ 754,840</b>	<b>2.2%</b>



Senior Job and Volunteer Assistance Fair.

## Finance Department

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

<b>Finance Budget Summary</b>			
	<b>2012-13 Budget</b>	<b>2013-14 Budget</b>	<b>% Change</b>
<b>Allocated Positions</b>	<b>37</b>	<b>37</b>	<b>0.0%</b>
Administration	544,527	572,871	5.2%
Fees & Licenses	365,681	370,248	1.2%
Purchasing	497,717	502,396	0.9%
Information Systems	876,393	919,304	4.9%
Accounting	502,030	515,736	2.7%
Utility Billing	384,376	411,270	7.0%
Sub-Total	<b>\$ 3,170,724</b>	<b>\$ 3,291,724</b>	<b>3.8%</b>
Capital Outlay	-	-	-
Grand Total	<b>\$ 3,170,724</b>	<b>\$ 3,291,825</b>	<b>3.8%</b>

<b>Finance Performance Measures</b>				
<b>Measure</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
Business Licenses Issued	7,117	8,577	8,293	8,401
Utility Accounts	17,245	17,479	17,791	18,188
Hospitality Accounts Collected Monthly	1,005	1,085	1,126	1,136
Accounts Payable Checks Processed	15,020	12,415	12,193	11,629
Payroll Direct Deposit Vouchers & Checks Processed	27,919	26,218	26,677	27,286
Purchase Orders Processed Annually	621	583	649	507
Bids Conducted Annually	143	144	159	169

## Community Development

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

<b>Community Development Budget Summary</b>			
	<b>2012-13 Budget</b>	<b>2013-14 Budget</b>	<b>% Change</b>
<b><i>Allocated Positions</i></b>	<b>27</b>	<b>27</b>	<b>0.0%</b>
Planning	767,124	775,345	1.1%
MB Housing Authority	133,700	88,500	(33.8)%
Construction Services	1,475,180	1,498,550	1.6%
Sub-Total	<b>\$ 2,376,004</b>	<b>\$ 2,362,395</b>	<b>(0.6)%</b>
Capital Outlay	-	-	-
Grand Total	<b>\$ 2,376,004</b>	<b>\$ 2,362,395</b>	<b>(0.6)%</b>

<b>Community Development Performance Measures</b>				
<b>Measure</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
Planning Commission Meeting Convened	40	24	21	23
Annexations	13	3	6	4
Rezoning & Text Amendments	22	41	13	26
Encroachments	5	6	7	9
Permits Issued	2,931	3,377	4,081	4,483
Certificates of Occupancy Issued	146	126	223	331
Demolitions	42	20	38	31

## Police Department

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

<b>Police Services Budget Summary</b>			
	<b>2012-13 Budget</b>	<b>2013-14 Budget</b>	<b>% Change</b>
<b>Allocated Positions*</b>	<b>273</b>	<b>271</b>	<b>(0.0)%</b>
Administration	2,133,037	2,152,007	0.9%
Sports Tourism	29,488	42,053	42.6%
Special Events	409,783	404,612	(1.3)%
Investigations	2,205,193	2,268,445	2.9%
Uniformed Patrol	11,320,866	11,155,603	(1.5)%
Support Services	4,242,294	4,152,311	(2.1)%
Sub-Total	<b>\$ 20,340,661</b>	<b>\$ 20,175,031</b>	<b>(0.8)%</b>
Capital Outlay	18,966	50,566	166.6%
Grand Total	<b>\$ 20,359,627</b>	<b>\$ 20,225,597</b>	<b>(0.7)%</b>

*\*Includes 8 funded Overhire Positions*

<b>Police Services Performance Measures</b>				
<b>Measure</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Traffic Fatalities	5	8	7	8
Traffic Accidents Investigated	2,736	2,742	2,095	2,677
Business Contacts – Crime Prevention Instruction	308	352	217	295
Animals Picked Up	2,071	2,121	1,482	1,004
Calls For Service	131,018	119,138	105,673	104,199
Arrest Totals (Including Tickets)	46,076	33,243	24,145	21,729
Seizures	\$52,047	\$29,926	\$14,686	62,183
Funeral Escorts	63	78	41	6
Homicides	5	1	4	5

## Fire & Emergency Services Department

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

<b>Fire Services Budget Summary</b>			
	<b>2012-13 Budget</b>	<b>2013-14 Budget</b>	<b>% Change</b>
<b>Allocated Positions*</b>	<b>158</b>	<b>158</b>	<b>0.0%</b>
Administration	568,925	645,897	13.5%
Emergency Services	10,607,454	10,730,294	1.2%
Technical Services	710,212	724,591	2.0%
Sub-Total	<b>\$ 11,886,591</b>	<b>\$ 12,100,782</b>	<b>1.8%</b>
Capital Outlay	-	-	-
Grand Total	<b>\$ 11,886,591</b>	<b>\$ 12,100,782</b>	<b>1.8%</b>
<i>*Includes 3 Unfunded Over hire Positions</i>			



<b>Fire Services Performance Measures</b>				
<b>Measure</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
Fire Calls / Company	301.36	345.73	349.27	373.82
EMS Calls / Company	515.23	529.15	536.15	578.38
Mean Response Time for Fire Calls (in minutes)	4.07	3.86	3.41	3.9
Mean Response Time for EMS Calls (in minutes)	3.91	3.93	3.5	3.8
Fire Code Inspections Conducted	4,354	4,490	4,636	4,234
Code Violations Discovered Through Inspection	4,156	4,281	3,812	3,947
Code Violations Brought Into Compliance Within 30 Days	2,863	2,843	2,600	2,402
% Code Violations Brought Into Compliance Within 30 Days	68.89%	66.41%	68.21%	60.86%

## Culture & Leisure Services

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

<b>Culture &amp; Leisure Services Budget Summary</b>			
	<b>2012-13 Budget</b>	<b>2013-14 Budget</b>	<b>% Change</b>
<b><i>Allocated Positions</i></b>	<b>109</b>	<b>129</b>	<b>18.3%</b>
Administration	349,449	369,242	5.7%
MB Colored School	20,418	20,571	0.7%
Historic Train Depot	53,492	26,130	(51.2)%
Myrtle's Market	1,800	14,750	719.4%
Sports Tourism	318,633	535,952	68.2%
Special Events	78,607	91,069	15.9%
Recreation	4,886,283	5,384,848	10.2%
ROW & Beach Maint.	1,727,988	2,002,185	15.9%
Litter Control	536,143	524,966	(2.1)%
Grounds Maintenance	1,570,810	1,593,671	1.5%
Building Maintenance	513,473	530,946	3.4%
Cemetery	205,406	206,791	0.7%
Chapin Library	1,139,925	1,192,395	4.6%
Sub-Total	<b>\$ 11,402,427</b>	<b>\$ 12,493,516</b>	<b>9.6%</b>
Capital Outlay	127,675	5,200	(95.9)%
Grand Total	<b>\$ 11,530,102</b>	<b>\$ 12,498,716</b>	<b>8.4%</b>

<b>Culture &amp; Leisure Services Performance Measures</b>				
<b>Measure</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
Participation in Youth Sports	2,509	2,764	2,341	2,108
Number of City Parks Maintained	49	49	49	50
Recreation Facility Memberships Sold	5,130	6,210	5,698	5,593
Library Memberships	27,882	25,956	26,814	23,881
Library Summer Reading Participation	1,865	2,300	2,241	2,705
Miles of Right-Of-Way Maintained	89	92	95	97
Number of City Trees Maintained	26,300	26,425	27,025	27,025
Miles of Beaches Cleaned	9.25	9.25	9.25	9.25
Miles of Median Strips	43	43	45	47

## Whispering Pines Golf Course

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



<b>Golf Course Budget Summary</b>			
	<b>2012-13 Budget</b>	<b>2013-14 Budget</b>	<b>% Change</b>
<b><i>Allocated Positions</i></b>	<b>8</b>	<b>10</b>	<b>25.0%</b>
Maintenance	602,026	609,634	1.3%
Pro Shop & Operation	604,946	605,209	0.0%
Restaurant	93,640	96,858	3.4%
Sub-Total	<b>\$ 1,300,612</b>	<b>\$ 1,311,701</b>	0.9%
Capital Outlay	-	-	-
Grand Total	<b>\$ 1,300,612</b>	<b>\$ 1,311,701</b>	<b>0.9%</b>



<b>Golf Course Performance Measures</b>				
<b>Measure</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
Local Rounds Played	15,410	18,766	21,000	22,264
Non-Local Rounds Played	17,579	18,458	15,694	13,619
Total Rounds:	32,989	37,224	36,693	35,883
% Local Rounds	46.7	50.4	57.23	62.05
% Non-Local Rounds	53.3	49.6	42.27	37.95

## BB&T Coastal Field



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

<b>Stadium Budget Summary</b>			
	<b>2012-13 Budget</b>	<b>2013-14 Budget</b>	<b>% Change</b>
<b><i>Allocated Positions</i></b>	-	-	<b>0.0%</b>
Stadium Maintenance	186,762	174,664	(6.5)%
Capital Outlay	340,000	---	0.0%
Grand Total	<b>\$ 526,762</b>	<b>\$ 526,762</b>	<b>(6.5)%</b>

<b>Stadium Performance Measures</b>				
<b>Measure</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Baseball Games Played	136	125	297	153
Other Stadium Events	13	7	6	6

## Public Works Departments & Divisions

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

<b>Public Works Budget Summary</b>			
	<b>2012-13 Budget</b>	<b>2013-14 Budget</b>	<b>% Change</b>
<b><i>Allocated Positions</i></b>	<b>27</b>	<b>27</b>	<b>0.0%</b>
Administration	654,825	665,277	1.6%
Engineering	787,829	774,402	(1.7)%
Street Maintenance	948,192	940,623	(0.8)%
Traffic Engineering	2,531,549	2,844,154	12.3%
Sub-Total	<b>\$ 4,922,395</b>	<b>\$ 5,224,456</b>	<b>6.1%</b>
Capital Outlay	---	---	0.0%
Grand Total	<b>\$ 4,922,395</b>	<b>\$ 5,224,456</b>	<b>6.1%</b>

<b>Public Works Performance Measures</b>				
<b>Measure</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
Road Resurfacing (Linear Feet)	32,400	56,000	54,000	81,279
Asphalt Repairs ( tons)	355	340	385	392
Sidewalk/Curb Repairs ( feet)	4,473	3,200	3,750	5,160
Plan Reviews	745	798	940	1,131
Vehicle Performance Maintenance Services	885	858	929	862
Vehicle Work Orders Processed	3,279	2,976	3,008	3,043

## Waterworks & Sewer Enterprise Fund

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

<b>Water &amp; Sewer Budget Summary</b>			
	<b>2012-13 Budget</b>	<b>2013-14 Budget</b>	<b>% Change</b>
<b>Allocated Positions</b>	<b>56</b>	<b>56</b>	<b>-</b>
Administration	3,484,910	3,403,508	(2.3)%
Water System	9,078,356	9,438,501	4.0%
Sewer System	9,206,714	8,812,396	(4.3)%
Construction Division	705,370	762,248	8.1%
Sub-Total	<b>22,475,350</b>	<b>22,416,653</b>	<b>(0.3)%</b>
Capital Outlay	-	<b>107,336</b>	<b>100.0%</b>
Grand Total	<b>\$ 22,475,350</b>	<b>\$ 22,523,989</b>	<b>.02%</b>

<b>Water &amp; Sewer Performance Measures</b>				
<b>Measure</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
Total No. of Water Customers	16,828	16,552	17,327	
Total No. of Sewer Customers	14,938	14,773	15,387	
Average Daily Water Flows (MGD)	12.1	12.3	12.4	14.9
Peak Day Water Flows (MGD)	17.3	21.3	22.8	25.9
New Water Meters Installed	161	228	346	377
Water Lines Installed (linear ft.)	14,795	5,848	25,709	13,255
Water Valves Installed	53	44	171	147
Fire Hydrants Maintained	2,446	2,461	2,499	2,461
Water Service Calls Completed	1,839	1,840	2,791	2,242
"Zero" Consumption Corrected	310	233	214	279
Sewer Service Calls	251	306	292	177
Sewer Lines Cleaned (feet)	537,704	460,598	512,000	263,121
Sewer Lines Checked by Camera (feet)	282,866	287,220	199,757	15,047

## Solid Waste Management

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

<b>Solid Waste Management Services Budget Summary</b>			
	<b>2012-13 Budget</b>	<b>2013-14 Budget</b>	<b>% Change</b>
<b><i>Allocated Positions</i></b>	<b>30</b>	<b>30</b>	<b>0.0%</b>
Administration	652,230	638,073	(2.2)%
Residential	1,053,968	1,083,928	2.8%
Special Services	421,542	433,463	2.8%
Commercial	611,664	618,432	1.1%
Refuse Hauling	1,265,026	1,282,805	1.4%
Special Litter Crew	121,810	92,400	(24.0)%
Sub-Total	<b>\$ 4,126,240</b>	<b>\$ 4,149,101</b>	<b>0.6%</b>
Capital Outlay	-	-	-
Grand Total	<b>\$ 4,126,240</b>	<b>\$ 4,149,101</b>	<b>0.6%</b>

<b>Solid Waste Management Performance Measures</b>				
<b>Measure</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
Tonnage of Garbage	19,722	20,594	20,087	19,289
Tonnage of Recyclables	1,056	935	1,007	1,077
Tonnage of Yard Waste	4,940	4,975	4,336	4,319
Tonnage of Bulk Waste	2,145	1,495	1,586	1,650
Tonnage Hauled to Landfill	27,414	27,519	26,010	26,401

## Stormwater Management

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

<b>Stormwater Management Budget Summary</b>			
	<b>2012-13 Budget</b>	<b>2013-14 Budget</b>	<b>% Change</b>
<b><i>Allocated Positions</i></b>	<b>16</b>	<b>16</b>	<b>0.0%</b>
Storm water Maintenance	2,063,374	2,143,086	3.9%
Capital Outlay	--	--	0.0%
Grand Total	<b>\$ 2,063,374</b>	<b>\$ 2,143,086</b>	<b>3.9%</b>

<b>Storm water Management Performance Measures</b>				
<b>Measure</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
Catch Basins Repaired	37	25	24	30
Storm Drains Cleaned (feet)	269,292	216,845	247,172	151,950
Ditches/Canals Maintained	457,303	397,985	222,575	385,750
Miles of Streets Swept	15,259	16,811	16,664	14,482

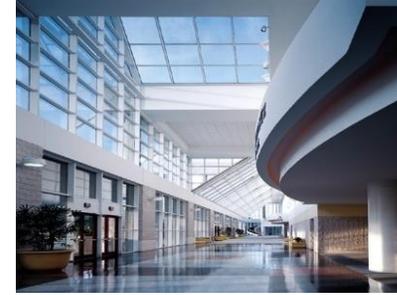
## Victims Advocate

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

<b>Victims Advocate Budget Summary</b>			
	<b>2012-13 Budget</b>	<b>2013-14 Budget</b>	<b>% Change</b>
<b><i>Allocated Positions</i></b>	<b>3</b>	<b>3</b>	<b>0.0%</b>
Victims Advocate	243,206	246,710	1.4%
Capital Outlay	-	-	-
Grand Total	<b>\$ 243,206</b>	<b>\$ 246,710</b>	<b>1.4%</b>

<b>Victims Advocate Performance Measures</b>				
<b>Measures</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
Number of Cases Opened	3,175	2,960	2,772	2,732
Number of Bond Hearings	988	946	1,026	1,169
Number of Bench Trials	470	412	461	480
Number of Case for Jury Trial	122	187	196	199

## Myrtle Beach Convention Center



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

<b>Convention Center Budget Summary</b>			
	<b>2012-13 Budget</b>	<b>2013-14 Budget</b>	<b>% Change</b>
<b><i>Allocated Positions</i></b>	<b>36</b>	<b>36</b>	<b>0.0%</b>
Administration	885,383	884,242	(1.3)%
Convention Services	345,532	347,846	6.7%
Sales & Marketing	1,147,242	1,170,594	2.0%
Operations	2,074,192	2,108,637	1.7%
Sub-Total	<b>\$ 4,452,349</b>	<b>\$ 4,511,319</b>	<b>1.3%</b>
Capital Outlay	-	-	-
Grand Total	<b>\$ 4,452,349</b>	<b>\$ 4,511,319</b>	<b>4.7%</b>

<b>Convention Center Performance Measures</b>				
<b>Measure</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
Number of Events	146	163	154	168
Room-Nights generated	168,500	170,250	172,600	155,750
Total Attendance	518,500	514,900	542,075	527,600
% Occupancy of the Convention Center	64%	62%	65%	63%



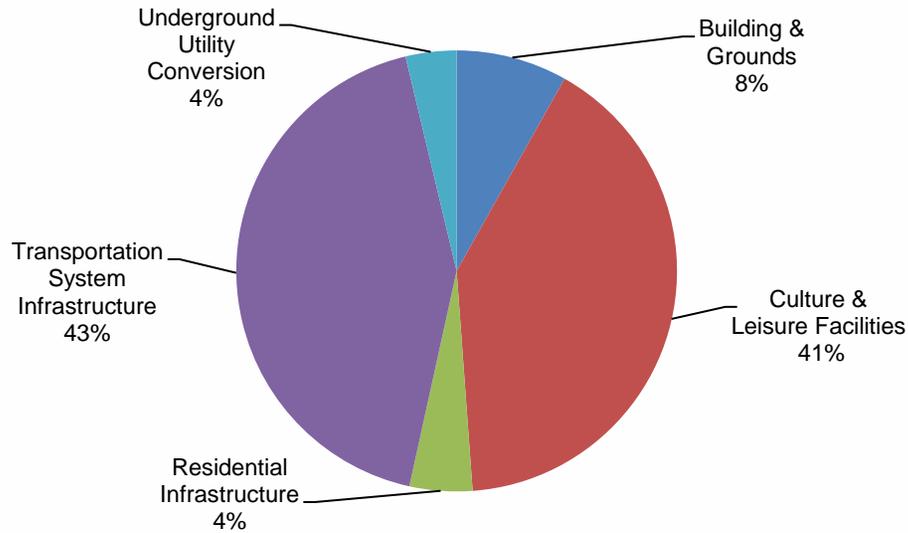
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## Capital Projects and 2014-18 Capital Improvements Plan



### Capital Improvements By Category, 2014



### 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.

## General Capital Improvement Schedule

### General Capital Improvement Plan By Funding Source

Major Funding Source	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	TOTAL
Hospitality	\$ 700,000	\$ 700,000	\$ 750,000	\$ 800,000	\$ 850,000	\$ 3,800,000
Local Tourism Fee	2,150,000	2,225,000	2,325,000	2,425,000	2,525,000	11,650,000
General	1,168,000	1,125,000	1,045,000	1,110,000	1,035,000	5,483,000
Debt	-	-	-	-	2,575,000	2,575,000
<b>Total</b>	<b>\$ 4,018,000</b>	<b>\$ 4,050,000</b>	<b>\$ 4,120,000</b>	<b>\$ 4,335,000</b>	<b>\$ 6,985,000</b>	<b>\$ 23,508,000</b>

### General Capital Improvement Plan By Category

Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	TOTAL
Buildings & Grounds	\$ 327,500	\$ 337,500	\$ 527,500	\$ 532,500	\$ 3,312,500	\$ 5,037,500
Culture & Leisure Facilities	1,635,000	1,482,500	1,585,000	3,005,000	2,875,000	10,582,500
Residential Infrastructure	185,000	220,000	220,000	220,000	220,000	1,065,000
Transportation System Infrastructure	1,720,500	1,860,000	1,637,500	427,500	527,500	6,173,000
Underground Utility Conversion	150,000	150,000	150,000	150,000	50,000	650,000
<b>Total</b>	<b>\$ 4,018,000</b>	<b>\$ 4,050,000</b>	<b>\$ 4,120,000</b>	<b>\$ 4,335,000</b>	<b>\$ 6,985,000</b>	<b>\$ 23,508,000</b>

## General Capital Projects

The City's Comprehensive Plan is the long range planning document for the City of Myrtle Beach. The Comprehensive Plan and its elements serve as a guide for establishing a Capital Improvements Plan (CIP) for the City's public infrastructure and facilities and the annual budgeting process. The City's 2014-2018 General Capital Improvements Plan includes \$4 million in FY2014 appropriations and \$23.5 million of outlays over the five-year planning period. In an effort to satisfy the goals set forth in the Comprehensive Plan, \$6 million for transportation system infrastructure, \$1 million for residential infrastructure improvements, \$650,000 for underground utilities, \$10.5 million for the improvement of Cultural and Leisure Services facilities, and \$5 million for the construction and maintenance of the City's general capital infrastructure have been programmed into the 5-year plan.

## 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:

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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.

**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 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.

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

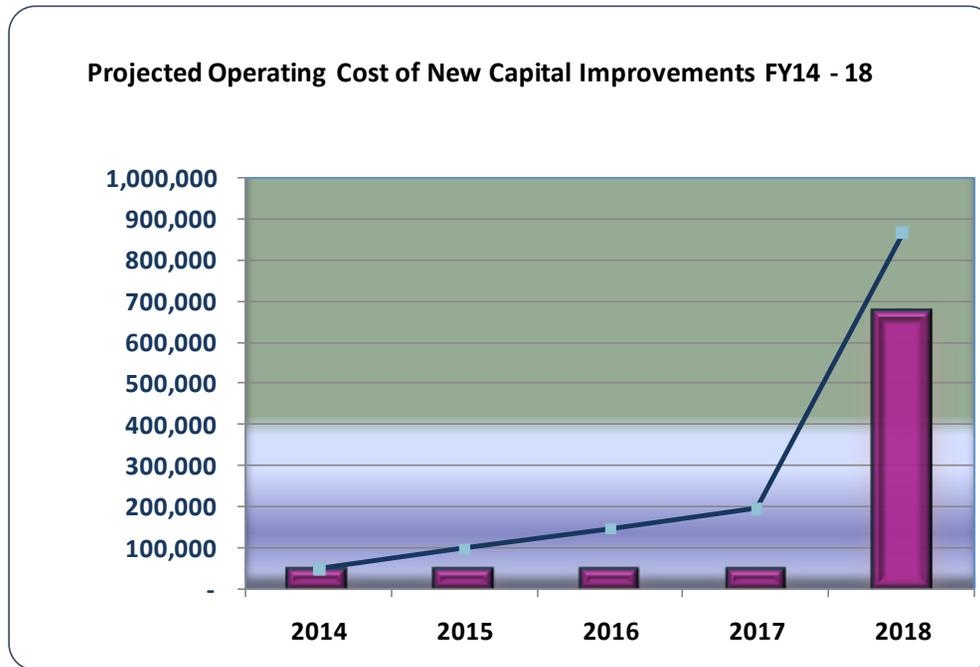
Virtually any new capital investment will require staffing, materials, utilities and other regular maintenance if it is to serve its purpose to the community. Some capital projects will generate revenues to the City, and will help to promote the community's general economic health and well being as well 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:

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 construction of an Oceanfront Boardwalk will result in maintenance approximately \$20,000 each year and the first phase of the Grand Park Linear Park will likely result in an addition \$500 per year in maintenance costs.

Projects completed during the 2014 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 \$864,000 or the equivalent of approximately 2.7 mills on the City's property tax rate in the absence of other revenue growth.



*FY2018 Operating Costs include the \$622,000 one time purchase of a new Fire Vehicle.*

## **Project Highlights (FY 14 - FY18)**

### **Building & Grounds**

The Community and Facilities element of the Comprehensive Plan provides that, through sound management and strategic investments, community facilities and services will be provided and maintained for all members of the Myrtle Beach community that promote health, safety and an enhanced quality of life in an efficient, responsive and sustainable manner. To ensure that City facilities are maintained and equipped to most efficiently serve the public, public facility needs are evaluated annually by department

heads and included in the 5-year Capital Improvement Plan. The Building & Grounds category consists 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 renovation projects proposed in the current five-year capital improvements plan include replacement of the Public Works Traffic Building roof and guttering system, improvements to the parking facilities at Police Substation #4 and the Police Annex Building, and funding for renewal and replacement costs incurred at the Myrtle Beach Convention Center.

An expansion project included in the plan for Fire Station #3 will add garage space for emergency vehicles, a proper storage area for turn-out gear, a decontamination area for infectious control measures, and expanded classroom and dining facilities.

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 2018.

In addition to the bricks and mortar infrastructure projects undertaken, the city utilizes costly technology and software systems that must be maintained and, from time to time, replaced. The current 5-year plan includes funding for the replacement of the Financial Accounting System over the course of 3 years.

### **Culture & Leisure Facilities**

The Comprehensive Plan's Neighborhood Element provides that, in order for Myrtle Beach to become a sustainable community, neighborhoods must be protected, preserved, and kept safe, secure, and aesthetically pleasing, with well-maintained supporting facilities and with convenient connections to nearby, supporting land uses. The Culture & Leisure Facilities projects included in the 5-year plan address the elements by identifying and funding the comprehensive maintenance of facilities, repair and replacement of Culture & Leisure buildings and facilities, and park site acquisition and development. Culture & Leisure buildings and facilities that support our neighborhoods include gymnasiums, recreation centers, stadiums, ball fields, and performing arts and cultural venues.

Renewal and replacement projects identified and funded in the plan consist of improving the aesthetics and safety of our facilities via 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.

Large projects incorporated into the 5-year plan include major renovations at the Baseball Stadium, land improvements at the Myrtle Beach Convention Center, the first phase of the Grand Park Linear Extension and the construction of the Withers Swash Oceanfront Boardwalk. Construction of the Grand Park Phase V multi-use field complex, Grand Park Linear Park Phase II, construction of the Upstream section of the Withers Swash Boardwalk and the expansion of the Canal Street Gymnasium were also considered during the capital planning and budgeting process. These projects remain a priority for the city however funding for those projects is not currently available.

### **Residential Infrastructure**

The Residential Infrastructure category addresses projects that meet goals set forth in both the Community Facilities and the Neighborhood elements of the Comprehensive Plan. These Projects enhance connectivity, promote quality of life and generally result in the enhancement of neighborhoods, through the construction and maintenance of sidewalks, signage, curb and guttering. 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. Transportation system design and capital planning are undertaken with consideration for the Comprehensive Plan stated goals of becoming a sustainable community, with a transportation system that is multi-modal and integrated, both modally and with land use, and that address mobility and access needs, and encourages less dependence on automobiles while facilitating the safe movement of people and goods to, within, and from the area.

The current 5-year plan includes projects for the installation of and improvements to ADA ramps to address mobility and access needs. Also addressing mobility and encouraging less dependence on automobiles, the plan includes the last segment of the East Coast Greenway. The 12 mile bike path is designed to connect the neighborhoods throughout the City with a series of sidewalks, bike paths and nature trails.

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 will involve streetscape enhancements and underground conversion of overhead utilities along Ocean Blvd. from 2nd Avenue to 9th Avenue North.

### **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.

### 2014 - 2018 Capital Improvement Plan by Category

Buildings & Grounds	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Total
Public Facility Infrastructure	\$ 41,500	\$ 237,500	\$ 177,500	\$ 132,500	\$ 62,500	\$ 651,500
Financial Accounting Package	-	-	250,000	300,000	450,000	1,000,000
Substation 4 & Annex Lot Resurfacing	61,000	-	-	-	-	61,000
Traffic Building Roofing/Gutter Repairs	125,000	-	-	-	-	125,000
Solid Waste Scale House Replacement	-	-	-	-	125,000	125,000
Convention Center Renewal and Replacement Ac	100,000	100,000	100,000	100,000	100,000	500,000
Fire Station #7 Harrelson Blvd.	-	-	-	-	1,575,000	1,575,000
Fire Station #3 Expansion	-	-	-	-	1,000,000	1,000,000
<b>Total Buildings &amp; Grounds</b>	<b>\$ 327,500</b>	<b>\$ 337,500</b>	<b>\$ 527,500</b>	<b>\$ 532,500</b>	<b>\$ 3,312,500</b>	<b>\$ 5,037,500</b>
Culture & Leisure Facilities	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Total
Playground Improvements	\$ 60,000	\$ 200,000	\$ 60,000	\$ 55,000	\$ 50,000	\$ 425,000
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
Doug Shaw Stadium Renovations	110,000	-	-	-	250,000	5,000
Grand Park Linear Extension - Phase I	125,000	-	-	-	-	100,000
Withers Swash Upstream Boardwalk - Eng.	-	-	50,000	150,000	-	860,000
Withers Swash Ocean Front Boardwalk	-	-	50,000	1,200,000	-	80,000
Convention Center Property Improv.	730,000	682,500	925,000	1,050,000	2,275,000	125,000
Baseball Stadium Renewal & Replacement	310,000	300,000	200,000	250,000	-	1,150,000
<b>Total Culture &amp; Leisure Facilities</b>	<b>\$ 1,635,000</b>	<b>\$ 1,482,500</b>	<b>\$ 1,585,000</b>	<b>\$ 3,005,000</b>	<b>\$ 2,875,000</b>	<b>\$ 10,582,500</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	165,000	200,000	200,000	200,000	200,000	965,000
<b>Total Residential Infrastructure</b>	<b>\$ 185,000</b>	<b>\$ 220,000</b>	<b>\$ 220,000</b>	<b>\$ 220,000</b>	<b>\$ 220,000</b>	<b>\$ 1,065,000</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	200,000	200,000	200,000	200,000	200,000	1,000,000
Ocean Blvd. ADA Ramps	50,000	50,000	50,000	50,000	50,000	250,000
Ocean Blvd. 2nd to 9th n. Streetscape & Conversion*	1,103,000	1,182,500	1,210,000	-	-	3,495,500
City-Wide Sign Replacement	30,000	30,000	30,000	30,000	30,000	150,000
City-Wide Pavement Marking	87,500	87,500	87,500	87,500	87,500	437,500
City-Wide Wayfinding	100,000	150,000	-	-	-	250,000
Intersection/Island Improvements	50,000	50,000	50,000	50,000	50,000	250,000
3rd Avenue Mast Arms	90,000	-	-	-	-	90,000
East Coast Greenway Ext. S. Kings Hwy	-	100,000	-	-	-	100,000
Master Street Tree Planting	10,000	10,000	10,000	10,000	10,000	50,000
<b>Total Transportation System Infrastructure</b>	<b>\$ 1,720,500</b>	<b>\$ 1,860,000</b>	<b>\$ 1,637,500</b>	<b>\$ 427,500</b>	<b>\$ 527,500</b>	<b>\$ 6,173,000</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	\$ 50,000	\$ 650,000
<b>Total Projects</b>	<b>\$ 4,018,000</b>	<b>\$ 4,050,000</b>	<b>\$ 4,120,000</b>	<b>\$ 4,335,000</b>	<b>\$ 6,985,000</b>	<b>\$ 23,508,000</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 2014-2018 Oceanfront Redevelopment 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 2014-2018 Downtown Redevelopment Capital Improvements Plan includes \$21.1 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 14 - FY18)**

The largest project included in the 5 year plan involves streetscape improvements and underground conversion along Ocean Boulevard from 2<sup>nd</sup> Avenue to 9<sup>th</sup> Avenue North. The project involves burial of overhead utility lines, upsizing water and sewer utilities, installation of decorative medians and sidewalks and resurfacing the roadway. The other major improvement contained within the plan is the construction of an Ocean Outfall at 4<sup>th</sup> Avenue North. The new Outfall System will receive storm drainage flows from approximately 87 acres of urbanized development and allow for the removal of pipes from the beach between 8th Avenue North and 1st Avenue South.

### **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 and an operational storm drainage system is in place.

<b>Oceanfront Redevelopment Area Projects 2013-14 through 2017-18</b>						
<b>Financing Sources</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>TOTAL</b>
Franchise Fund	\$ -	\$ -	\$ 3,190,000	\$ -	\$ -	\$ 3,190,000
Water & Sewer Fund	-	5,006,000	-	-	-	5,006,000
Local Tourism Development Fee	-	2,497,500	1,210,000	-	-	3,707,500
DRC Contribution	-	263,500	-	-	-	263,500
State Revolving Loan Fund	8,085,000	-	-	-	-	8,085,000
Other	-	-	-	-	881,000	881,000
<b>Total Financing Sources</b>	<b>\$ 8,085,000</b>	<b>\$ 7,767,000</b>	<b>\$ 4,400,000</b>	<b>\$ -</b>	<b>\$ 881,000</b>	<b>\$ 21,133,000</b>
<b>Project Total</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>TOTAL</b>
4 <sup>th</sup> Avenue North Ocean Outfall	\$ 8,085,000	\$ -	\$ -	\$ -	\$ -	\$ 8,085,000
Ocean Blvd. 2 <sup>nd</sup> to 9 <sup>th</sup> North Conversion & Streetscape	-	7,767,000	4,400,000	-	-	12,167,000
4 <sup>th</sup> Avenue South Improvements & Streetscapes	-	-	-	-	881,000	881,000
<b>Total Downtown Projects</b>	<b>\$ 8,085,000</b>	<b>\$ 7,767,000</b>	<b>\$ 4,400,000</b>	<b>\$ -</b>	<b>\$ 881,000</b>	<b>\$ 21,133,000</b>

## **FY 2014-2018 Enterprise Capital Improvement Plan**

Enterprise Projects include capital improvements for replacement, expansions and upgrade of the Waterworks and Sewer System infrastructure. The City's 2014-2018 Waterworks and Sewer System Capital Improvements Plan includes \$ 3.6 million in fiscal year 2014 appropriations and \$ 14.2 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 14 - FY18)**

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 pipe 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 By-pass. Replacement and installation of approximately one mile of force main will be installed each year with project completion expected in 2015. The plan also includes the water and sewer components of the Ocean Blvd, 2nd Avenue to 9<sup>th</sup> Avenue Streetscape and Conversion project. The construction of the Ocean Blvd project will be administered in the Oceanfront Redevelopment Fund and water and sewer funds will be transferred to that fund to cover those costs.

### **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, 2014 - 2018</b>						
<b>FINANCING SOURCES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>Total</b>
Retained Earnings of the System	\$ 440,000	\$ 440,000	\$ 190,000	\$ 166,000	\$ 400,000	\$ 1,636,000
Contributed Capital (Water Impact Fees)	250,000	250,000	250,000	250,000	250,000	1,250,000
Contributed Capital (Sewer Impact Fees)	250,000	250,000	250,000	250,000	250,000	1,250,000
Debt Funding	2,628,000	6,270,000	576,000	-	616,000	10,090,000
<b>Total Financing Sources</b>	<b>\$ 3,568,000</b>	<b>\$ 7,210,000</b>	<b>\$ 1,266,000</b>	<b>\$ 666,000</b>	<b>\$ 1,516,000</b>	<b>\$ 14,226,000</b>
<b>WATER PROJECTS</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>Total</b>
Miscellaneous/Emergency Water Projects	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
Upgrade 4 1/2" hydrants to 5 1/4" hydrants	20,000	20,000	20,000	20,000	20,000	100,000
Water Tank Painting/Maintenance	122,000	309,000	311,000	311,000	311,000	1,364,000
Ocean Blvd 2nd Avenue to 9th (DRC Project)	-	2,651,000	-	-	-	2,651,000
79th Ave. Waterline Upgrade Kings Hwy to Ocn Blvd.	-	-	-	-	150,000	150,000
<b>Total Water Projects</b>	<b>\$ 192,000</b>	<b>\$ 3,030,000</b>	<b>\$ 381,000</b>	<b>\$ 381,000</b>	<b>\$ 531,000</b>	<b>\$ 4,515,000</b>
<b>SEWER PROJECTS</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>Total</b>
Miscellaneous/Emergency Sewer Projects	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
Brick Manhole Lining Program to Reduce I&I	90,000	90,000	90,000	90,000	90,000	450,000
Sewer Relining to Reduce I&I (cured-in-place pipe)	145,000	145,000	145,000	145,000	145,000	725,000
Existing Pump Station Control Panel Upgrades	100,000	-	-	-	-	100,000
30" Forcemain Replacement Hwy 17 Bypass	2,541,000	890,000	-	-	-	3,431,000
Forcemain Valve Replacements	450,000	-	-	-	-	450,000
Ocean Blvd 2nd Avenue to 9th (DRC Project)	-	2,355,000	-	-	-	2,355,000
Chestnut Road Pump Station Renovation	-	650,000	-	-	-	650,000
82nd Avenue Pump Station Renovation	-	-	600,000	-	-	600,000
Upgrade Myrtle Manor Ret. Home Pump Station	-	-	-	-	400,000	400,000
Removal 30" forcemain, 29th Ave. to Grissom Hwy. 17	-	-	-	-	300,000	300,000
<b>Total Sewer Projects</b>	<b>\$ 3,376,000</b>	<b>\$ 4,180,000</b>	<b>\$ 885,000</b>	<b>\$ 285,000</b>	<b>\$ 985,000</b>	<b>\$ 9,711,000</b>
<b>Total Water and Sewer Projects</b>	<b>\$ 3,568,000</b>	<b>\$ 7,210,000</b>	<b>\$ 1,266,000</b>	<b>\$ 666,000</b>	<b>\$ 1,516,000</b>	<b>\$ 14,226,000</b>



## Debt Management

Pay-as-you-go financing is usually the preferred option for financing capital improvements. But 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, 2013

Outstanding Debt Issue	Type of Security Pledged	Project(s) Financed	Final Maturity	Interest Rates	Amount Outstanding
General Obligation Bonds, Series 2003B	Full Faith and Credit	Office Building, Fire Station, Miscellaneous	Mar-14	3.25-4.00%	540,000
General Obligation Bonds, Series 2006A	Full Faith and Credit	Stormwater Management Projects	Mar-31	4.00-5.00%	5,970,000
General Obligation Bonds, Series 2006B	Full Faith and Credit	Construction of North Park, Grand Park & Bike Path	Mar-31	4.00-5.00%	2,345,000
General Obligation Bonds, Series 2006C	Full Faith and Credit	Fire Station Construction - 38th Avenue North	Mar-26	4.00-6.00%	1,865,000
General Obligation Bonds, Series 2008	Full Faith and Credit	Construction of North Park, Grand Park, Crabtree Gym & Public Facility Land Purchase	Mar-33	4.63-5.13%	9,180,000
General Obligation Bonds, Series 2010A	Full Faith and Credit	Improvements/Renovations to the MB Convention Center & Pepper Geddings Pool Bulk Head	Mar-17	3.41-3.38%	345,000
Certificates of Participation, Series 2010*	Asset-Based; Convention Center lease revenues	MB Convention Center Expansion, originally financed by 1992 debt issue	Jul-17	1.35-3.52%	7,630,000
General Obligation Bonds, Series 2011A	Full Faith and Credit	Refund GO Bond Series 1999 & 2001 originally issued for the Law Enforcement Facility, Doug Shaw Stadium, Transfer Station, and Art Museum improvements	Mar-17	2.00-5.00%	1,645,000
General Obligation Bonds, Series 2011B	Full Faith and Credit	Refund GO Bond (referendum debt) Series 2002 A & B and 2003 A originally issued for Stormwater and Recreation Infrastructure	Mar-28	2.00-5.00%	15,430,000
General Obligation Bonds, Series 2012A	Full Faith and Credit	Grand Park and other Misc Recreation projects	Mar-32	2.00-2.375%	4,030,000
General Obligation Bonds, Series 2012B	Full Faith and Credit	MB Convention Center HVAC and Roof Renovations	Mar-32	2.00-3.50%	7,560,000
					<b>\$ 56,540,000</b>

\* Series 2010 Refunding Cops, while considered as General Obligation Debt for credit analysis, are not backed by the City's full faith and credit nor applied constitutional debt limit.

## 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 (est. at 07/01/2013)	\$340,545,220
Exempt Merchants’ Inventory	<u>3,407,035</u>
Total Assessed Valuation	337,138,185
Rate (8.0% of Assessed Valuation)	<u>.08</u>
Constitutional Debt Limit	26,971,055
Total General Obligation Debt Outstanding	(56,540,000)
Add back: GO Debt Issued per referendum	<u>31,375,000</u>
Less: Outstanding restricted debt	<u>(25,165,000)</u>
<b>Constitutional GO Debt Margin at Fiscal Year 2013</b>	<b>\$1,806,055</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 \$2.4 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, 2013.

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

<b>Fiscal Year Ending 6/30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2014	4,160,000	1,975,487	6,135,487
2015	3,950,000	1,874,829	5,824,829
2016	3,625,000	1,787,567	5,412,567
2017	3,810,000	1,701,323	5,511,323
2018	3,645,000	1,609,035	5,254,035
2019-2036	<u>37,350,000</u>	<u>11,417,270</u>	<u>48,767,270</u>
<b>Total</b>	<b>\$56,540,000</b>	<b>\$20,365,511</b>	<b>\$76,905,511</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, 2013, the City had three outstanding Tax Increment Revenue Bond issues 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 is surrounded by condominium and single-family residential dwellings. 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. 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%	28,960,000
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%	7,935,000
<b>Total</b>					<b>\$46,945,000</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, 2013.

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

<b>Fiscal Year Ending 6/30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	1,390,000	2,219,406	3,609,406
2019-2036	<u>40,580,000</u>	<u>26,095,792</u>	<u>66,675,792</u>
<b>Total</b>	<b>\$46,945,000</b>	<b>\$37,793,672</b>	<b>\$84,738,672</b>

### Oceanfront Redevelopment Financing District

At June 30, 2013, the City had one outstanding Limited Obligation Bond issue 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%	\$9,770,000
<b>Total General Long Term Debt</b>					<b>\$9,770,000</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, 2013.

#### Gross Debt Service Requirements, Oceanfront Redevelopment TIFD

Fiscal Year Ending 6/30	Principal	Interest	Total
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	350,000	388,260	738,260
2019-2036	8,145,000	3,656,005	11,801,005
<b>Total</b>	<b>\$9,770,000</b>	<b>\$5,720,755</b>	<b>\$15,490,755</b>

## Specific-source Debt

### Hospitality Fee Revenue Debt

The City has issued *Hospitality Fee obligations, including both Hospitality Fee Revenue Bonds and Certificates of Participation*, 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%	42,985,000
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%	4,110,000
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%	2,460,000
<b>Total Hospitality Fee Debt</b>					<b>\$54,475,000</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>
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	1,770,000	2,433,100	4,203,100
2018-2036	46,430,000	24,470,216	79,900,216
<b>Total</b>	<b>\$54,475,000</b>	<b>\$37,464,125</b>	<b>\$91,939,125</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%	10,305,000
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>\$19,205,000</b>

The following table sets forth the annual debt service requirements for the Waterworks and Sewerage System Revenue Debt incurred as of June 30, 2013.

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

Fiscal Year Ending 6/30	Principal	Interest	Total
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	975,000	647,800	1,622,800
2019-2036	<u>14,660,000</u>	<u>4,266,981</u>	<u>18,926,981</u>
<b>Total</b>	<b>\$19,205,000</b>	<b>\$7,844,281</b>	<b>\$27,049,281</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%	7,984,272
Storm water Revenue SRF Loan, Series 2009	Storm water Fees	4 <sup>th</sup> Avenue Landward Drainage Improvements	Oct 2026	1.84%	2,377,257
<b>Total Revolving Loan Fund Debt</b>					<b>\$10,361,529</b>

The following table sets forth the annual debt service requirements for the Storm Drainage System Revenue Debt incurred as of June 30, 2013.

### Gross Debt Service Requirements, Storm Water System

Fiscal Year Ending 6/30	Principal	Interest	Total
2014	\$ 616,293	\$ 213,556	\$ 829,849
2014	629,185	200,664	829,849
2015	642,391	187,457	829,848
2016	655, 921	173,929	829,849
2017	669,781	160,067	829,848
2018-2036	7,147,958	770,093	7,918,051
<b>Total</b>	<b>\$10,361,529</b>	<b>\$1,705,765</b>	<b>\$12,067,294</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 \$10.1 million to fund major system improvements over the 5-year plan period, with \$2.6 million of debt proceeds utilized in Fiscal Year 2014.

### General Obligation Bonds

The City anticipates the issuance of \$2.6 million of General Obligation Bonds in the 2014–2018 Capital Improvements Plan to finance the construction of Fire Station #7 and an expansion of Fire Station #3. The projects are included in Fiscal Year 2018, the last year of the 5-year plan.

### State Revolving Loan Fund Limited Obligation Bonds

The City anticipates the procurement of \$8.1 million of loan proceeds from the State Revolving Loan Fund to finance the construction of the Ocean Outfall component of the 4<sup>th</sup> Avenue north storm drainage system.



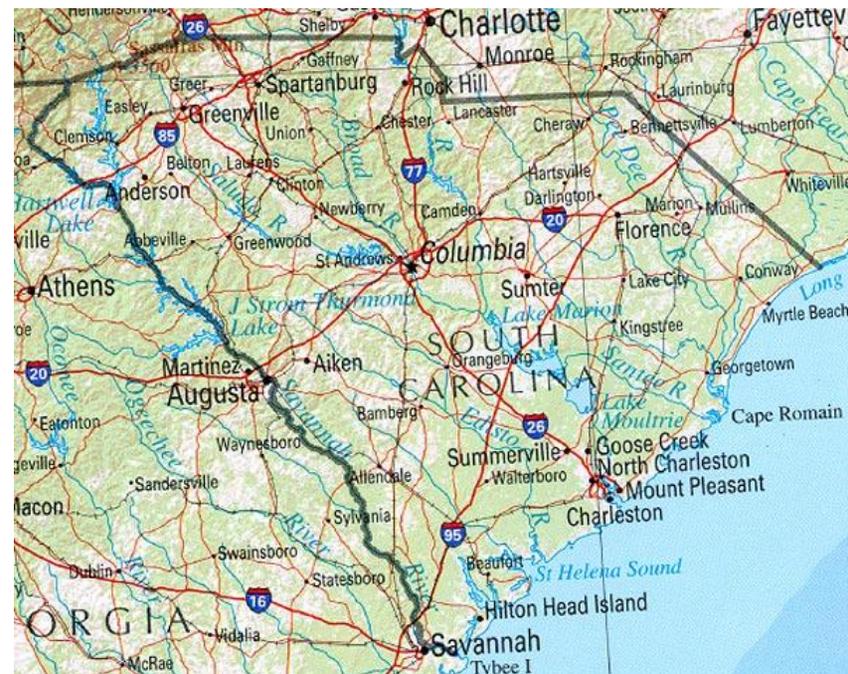
## Community & Regional Profile

## 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
Shalotte, 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**

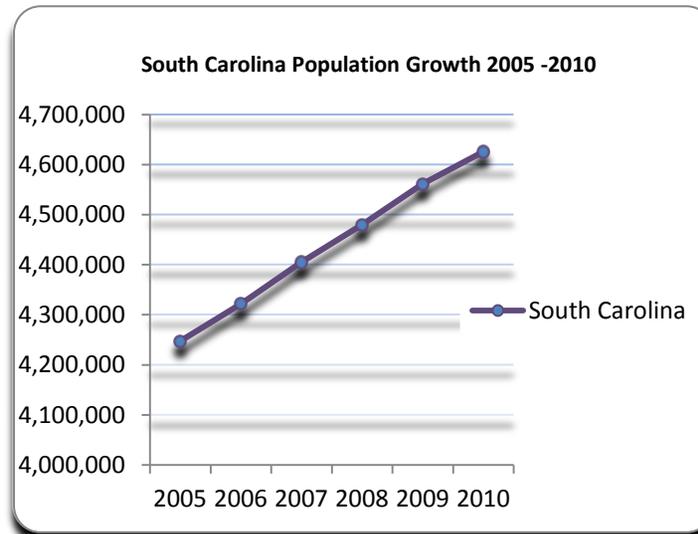
2010 Population (2010 Census)	269,291
White (2011)	82.5%
Black or African-American(2011)	13.9%
American Indian(2011)	0.6%
Identifies 2 or More Races(2011)	1.1%
Hispanic/Latino(2011)	6.3%
Median Age(2010)	42.0
Average Household Size(2010)	2.28
High School Graduate(2009)	86.4%
Bachelors or Higher Degree(2009)	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>
2007	839,450	844,373
2008	782,021	783,351
2009	743,206	742,187
2010	869,032	867,106
2011	901,080	900,286

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, and 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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