FY25 Manager's Recommended Budget

Presented for 1st Reading
Ted C. Collins Law Enforcement Center
May 14, 2024

Manger's Recommended Budget – 1st Reading

The FY25 Manager's Recommended Budget contains:

An Operating increase of 7.2%, as follows:

General Government – 8.5%

Enterprise Operations – 1.5%

Overall Budget Decrease: 7.8%, or $27.9m

Capital Projects decreased $48.3m

Fiscal Year 2025 Proposed Budget

	FY2022-23 Actual	FY2023-24 Budget	FY2024-25 Recommended Budget	% Δ
Governmental Operations	$ 256,738,735	$ 267,365,585	$ 289,966,560	8.5%
Enterprise Operations	54,060,969	57,127,196	57,980,884	1.5%
Total Operating Budget	310,799,704	324,492,781	347,947,444	7.2%
Governmental Capital Projects	38,083,261	82,406,498	44,475,613	-46.0%
Reconciling Items				
Enterprise Capital Projects	2,293,943	19,643,500	9,296,000	-52.7%
Total Reconciling Items	2,293,943	19,643,500	9,296,000	-52.7%
Less: Interfund Transfers	(50,420,840)	(68,310,368)	(71,495,290)	4.7%
Grand Total Appropriations	$ 300,756,068	$ 358,232,411	$ 330,223,767	-7.82%

Manager's Recommended Budget – 1st Reading

The FY25 Proposed Budget has been prepared with no increase in General Fund taxes.

The fee increases in the General Fund relate to PRST and Construction Services.

Much like in Water & Sewer and in Stormwater, an internal study of service levels and operations has been conducted to establish an appropriate rate adjustment for the Solid Waste Management System.

FY 25 Recommended Budget, 1st Reading

- No increase in Property Tax Rates or Business License Fees.
- Proposed Increases in Construction Permitting & Plan Review Fees
- Proposed increases in Recreation Fees & Charges
- Proposed Increases in Sports Tourism Fees
- Proposed increase in Solid Waste Fees & Charges ($1.01/month)
- Proposed Increases in Water (9%) & Sewer Rates (9%), ($5.44/month) 2021 rate study adjusted in 2023. Increase for water disconnection/restoration.
- Proposed Storm Water Fee (22%)based on 2021 rate studies ($2.50/month)

Manager's Recommended Budget - 1st Reading

Compensation & Staffing:

- 5% Market increase for FTE's
- No increase in Health Insurance Cost to Employees
- 14 positions added

FY 25 Recommended Budget For Governmental Funds

Governmental SLC's: $1,067,000

(Operating: $715,000, Capital: $352,000)

- 2 Zoning Code Enforcement Officers
- 1 Opioid Peer Support Specialist
- 2 Paramedic Only Positions
- 1 A/P Technician
- 1 CIO Assistant
- 2 Tree Crew Positions
- 2 PRST Positions
- 2 Street – 1 Sidewalk Maintenance Position & 1 Concrete Position and an Upgrade
- 1 Attorney – Paralegal for FOIA Management

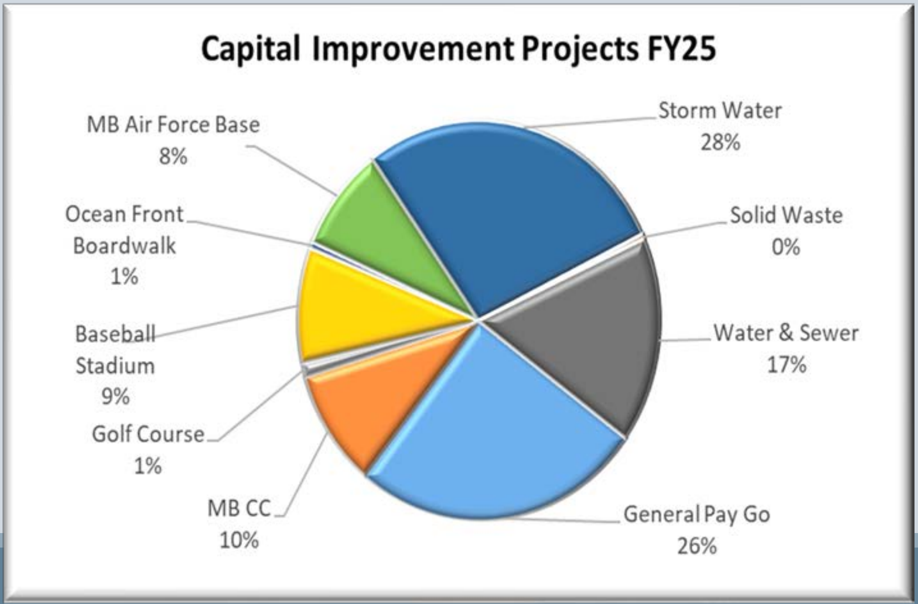
Capital Improvement Plan – FY25

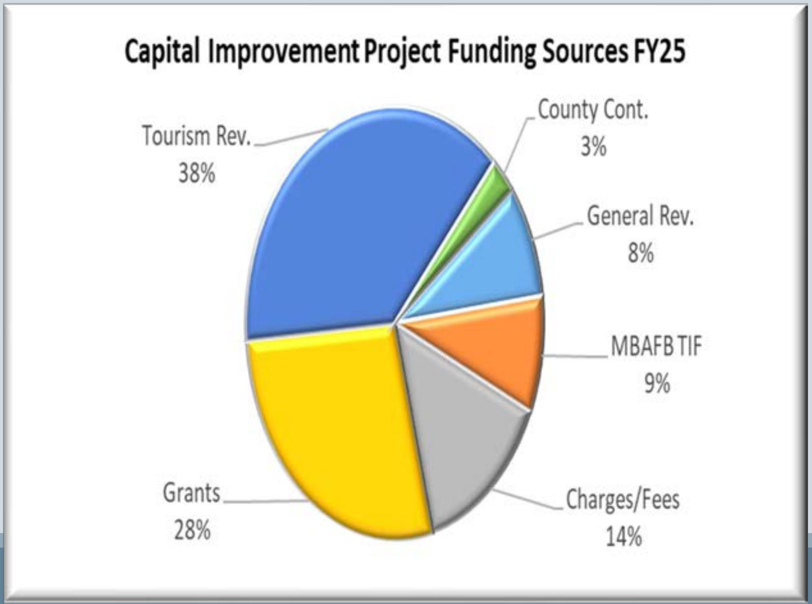
Funding Sources	2024-2025
General (Tax, Fees, Other)	$ 3,100,300
Admissions Tax	125,000
Road Maintenance Fee	1,500,000
Grants	15,000,000
Hospitality Tax/Fee	9,500,000
Tourism Development Fee	2,200,000
Hospitality Debt	8,526,559
MB Air Force Base TIF	4,653,800
Water & Sewer Revenue Bonds	7,646,000
Horry County Contribution	1,519,954
Total 5-Year Plan	$ 53,771,613

Major Projects:

- **Doug Shaw Renovations**
- **Fire Station Repairs & Roof Replacements**
- **City Services Renovations**
- **Grand Park Field Replacements**
- **Vietnam War Memorial**
- **Transportation Infrastructure**
- **MB Convention Center Façade**
- **Market Common Tree Replacement**
- **Market Common Parking Structures**
- **Grand Park Walking Path**
- **Public Restrooms**
- **24th Ave N Landward Outfall Improvements**
- **48” Waterline, Phase II**
- **Pump Station Renovation/Replacement**

Project Category	2024-2025
General Pay As You Go	$ 13,995,000
MB Convention Center	5,241,300
Whispering Pines Golf Course	64,000
Pelicans Baseball Stadium	5,066,513
Ocean Front Boardwalk	305,000
MB Air Force Base	4,653,800
Storm Water	15,150,000
Solid Waste	200,000
Water & Sewer Infrastructure	9,096,000
Total 5-Year Plan	$ 53,771,613





Governmental Fund Fund Balance Highlights

Council has expressed their commitment to fiscal health and sustainability regarding the financial standing of the City of Myrtle Beach.

Governmental Fund Balances:

General Fund projected Unassigned Fund balance is within the City's minimum policy objective with current Fund Balance as a percentage of expenditures at 21.3% for FY25.

Debt Service total projected Fund Balance is $1.2m or 24.7% of recurring expenditures for FY25.

MB Air Force Base TIF Fund Balance is projected to be $21.6m, with approximately $13m of outstanding capital improvements to be funded. The goal of paying off outstanding debt by FY28/FY29 is attainable.

Stormwater Fund is projected to meet 1.2x debt coverage ratio requirement.

Estimated Special Revenue Fund Balances FY25		
Tourism Revenue Funds		
Tourism Development Fee	$	43,160
Hospitality Tax		28,168,255
Hospitality Fee		16,170,933
Local Accommodations Tax		4,170,480
State Accommodations Tax		-
	$	48,552,828
Other Special Revenue Funds		
MB Convention Center	$	2,598,559
Sports Tourism		375,000
Whispering Pines Golf Course		314,946
Baseball Stadium		500,312
Downtown Development		818,233
Oceanfront TIF		5,105,781
MB Air Force Base TIF		21,563,255
CDBG		509,567
Work Force Housing		125,000
Storm Water		12,517,454
	$	44,428,107
Special Revenue Funds	$	92,980,935

Enterprise Fund Net Asset Highlights

Council has expressed their commitment to fiscal health and sustainability regarding the financial standing of the City of Myrtle Beach.

Enterprise Fund Net Position:

Water & Sewer Fund projected Net Position is $120.2m and obtain a debt coverage ratio of 1.69x.

Solid Waste Management projected Net Position is $2.7m. Expenses exceed budgeted revenues for FY25 by $736k demonstrating the need for the proposed rate increase.

Parking Utility Net Position is projected to be $1.5m. This figure has been adjusted since presentation at retreat to reflect the actual carryforward Net Position from FY23 and payoff of the revolving loan pool.

The FY 25 Year End Net Position for Enterprise Funds are estimated to be:

Water & Sewer	$ 120,191,150
Solid Waste	$ 2,676,097
Parking Utility	$ 1,488,945

Net Position = Value of Fund Assets in excess of Fund Liabilities. Includes infrastructure, equipment and cash.