



CITY OF MYRTLE BEACH

FY26 Manager's Recommended Budget

FY26 BUDGET RETREAT

Wampee Conference Center

March 12 – 14, 2025



What Is Money?

People have asked this question ever since Joe Wetlin first called this section of the retreat the "What is Money" speech in the early 1990s. Now—the answer...

- **Money** is any marketable good or token used as a medium of exchange and a store of value, and secondarily, a unit of account.
- The value of money emerges in no small part from its utility as a medium of exchange, however its utility as a medium of exchange depends on it having recognised market value. Hence these two aspects of money are interdependent.

(Translation.: Money's not pretty, or even useful except that you can trade it for the stuff you really want as long as other people want it badly enough to trade their stuff for your money.)

The FY26 Manager's Recommended Budget contains:

An Operating increase of 7.0%, as follows:

General Government – 6.9%

Enterprise Operations – 7.9%

Overall Budget Increase: 9.4%, or \$31.0m

Capital Projects increased \$10.4m

Fiscal Year 2026 Proposed Budget

	FY2023-24 <u>Actual</u>	FY2024-25 <u>Budget</u>	FY2025-26 <u>Recommended Budget</u>	<u>% Δ</u>
Governmental Operations	\$ 313,201,649	\$ 289,966,560	\$ 309,923,622	6.9%
Enterprise Operations	57,202,594	58,175,230	62,757,184	7.9%
Total Operating Budget	<u>370,404,243</u>	<u>348,141,790</u>	<u>372,680,807</u>	7.0%
Governmental Capital Projects	52,197,146	44,475,613	46,940,100	5.5%
Reconciling Items				
Enterprise Capital Projects	15,162,411	9,296,000	17,243,500	85.5%
Total Reconciling Items	<u>15,162,411</u>	<u>9,296,000</u>	<u>17,243,500</u>	85.5%
Less: Interfund Transfers	<u>(72,513,906)</u>	<u>(71,495,290)</u>	<u>(75,441,884)</u>	5.5%
Grand Total Appropriations	<u>\$ 365,249,894</u>	<u>\$ 330,418,113</u>	<u>\$ 361,422,523</u>	9.4%



FY26 Recommended Revenue Budget Highlights:

The FY26 Proposed Budget has been prepared with no increase in General Fund taxes.

Fee increases in the General Fund are associated with Construction Services and Planning & Zoning.

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.

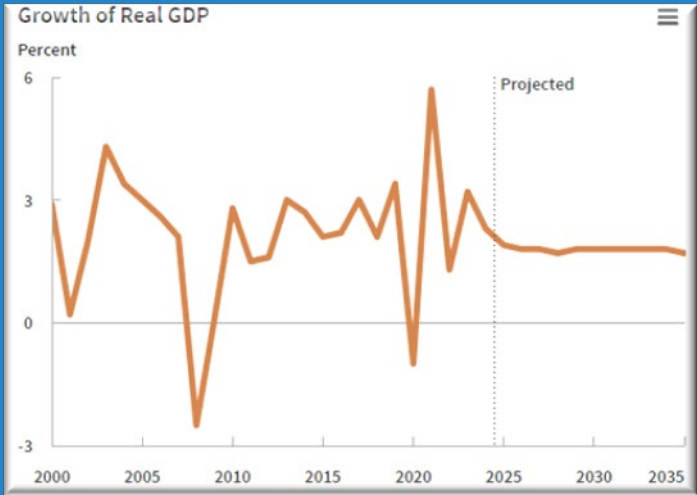
Proposed rate increases will be discussed in later presentations by each department involved.

- No proposed Property Tax Increase
- No proposed rate increases for MB Convention Center
- No proposed Business License increase
- Proposed minor adjustment of Building Permit Fee Schedule
- Proposed increase in Planning & Zoning Fees
- Proposed 3.5% increase in Solid Waste Fees & Charges (Residential \$1.04/month)
- Proposed Increases in Water (9%) & Sewer Rates (9%), (Residential \$5.76/month) 2021 rate study adjusted in 2023.
- Proposed Storm Water Fee (22%) based on 2021 rate studies (Residential \$3.04/month)

The recommended increases in Solid Waste, Stormwater, and Water & Sewer charges result in a combined residential monthly increase of \$9.84 or 9.0%.



FY26 Revenue and Expenditures Assumptions



According to the Congressional Budget Office, economic growth is expected to cool in 2025, down to 1.9% compared to the 2.3% growth experienced in 2024. 2026 is expected to grow at a rate of 1.8%. The Federal Reserve decision to lower interest rates through 2025 and 2026 will depend on whether or not growth slows to target levels and will likely take the unemployment rate into account during the consideration process.

According to the South Carolina Revenue and Fiscal Affairs Office's the States economy and revenues are expected to continue to perform better than the nation, however forecasted growth is expected to be below historical averages for FY25 and FY26. Forecasts also include the assumption that personal income will grow 4.3% through FY25 and 3.8% in FY26.

Tourism driven tax and fee revenues are estimated to grow moderately based recent trends.

Business License Revenues are expected to show moderate growth, much like hospitality and tourism development fee revenues.

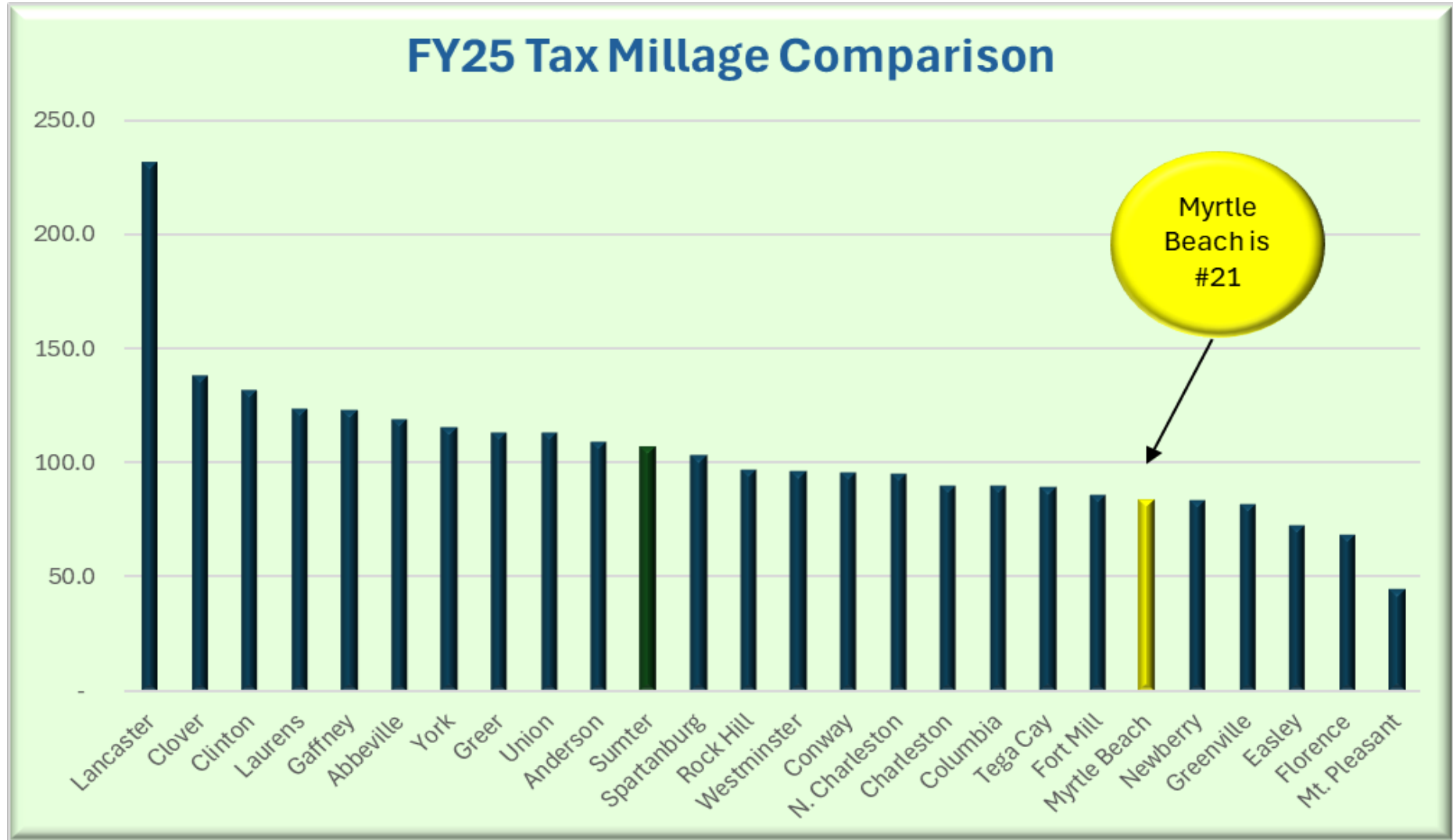
Construction Permitting has increased over FY24 and appears to be stabilizing after the record construction levels recognized post-pandemic. For FY26, the budget includes moderate growth in permit revenue with estimates demonstrating a return to normal annual activity.

Property Tax revenues are expected to grow moderately over post-reassessment estimates. Property Tax revenue traditionally demonstrates a lower growth rate in the year immediately following a reassessment. Other factors that contribute to the likelihood of moderate growth are current interest rates and seller hesitancy.

Expenditures will continue to increase as the demand for services grow and inflation remains above target levels. The impact of tariffs and a tight labor market will continue to influence prices for goods and services.

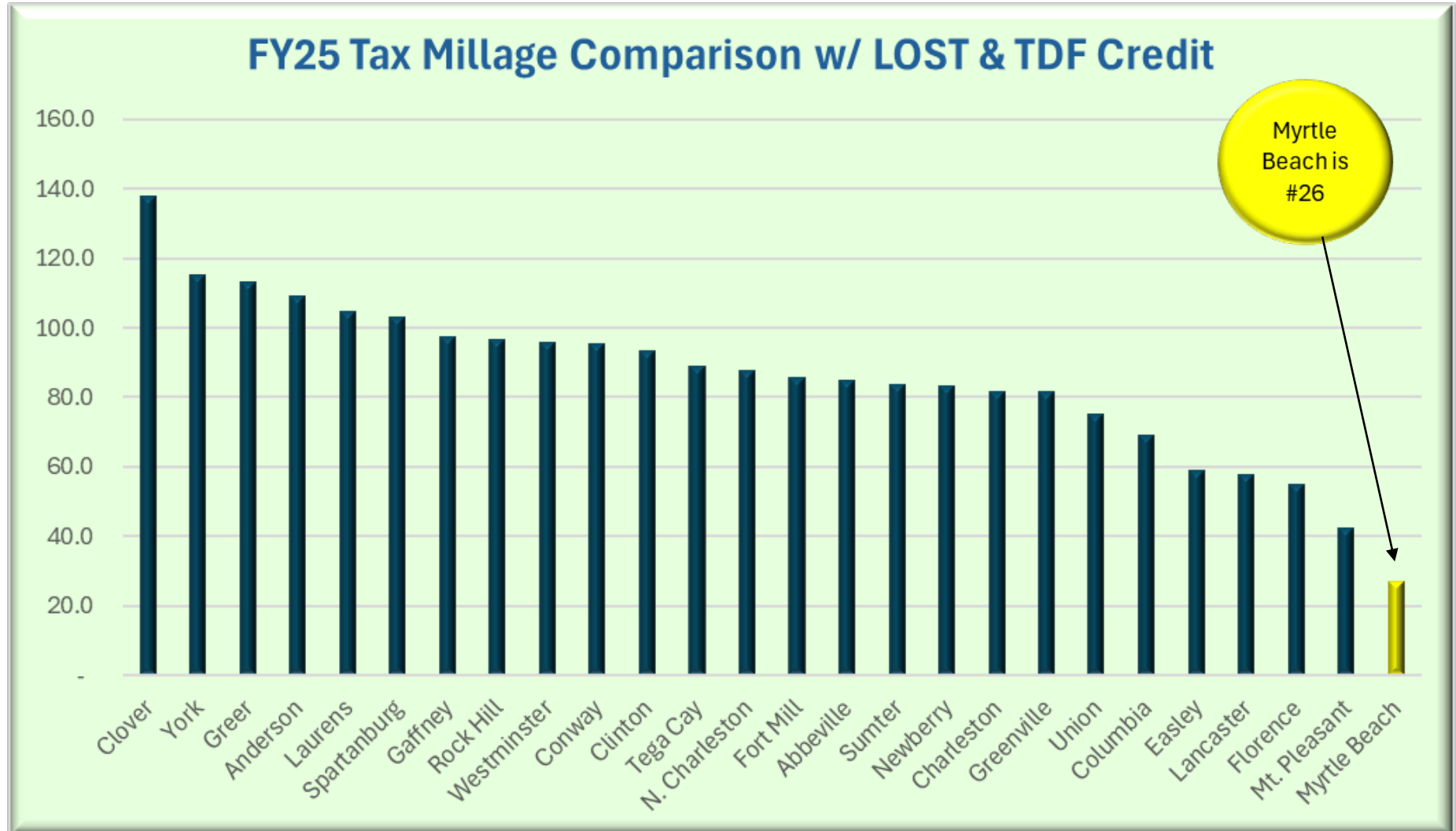
Property Tax Comparison

1. Lancaster	231.0
2. Clover	137.8
3. Clinton	131.3
4. Laurens	123.5
5. Gaffney	122.9
6. Abbeville	118.4
7. York	115.2
8. Greer	113.0
9. Union	112.7
10. Anderson	109.0
11. Sumter	107.0
12. Spartanburg	103.2
13. Rock Hill	96.5
14. Westminster	95.8
15. Conway	95.3
16. N. Charleston	95.0
17. Charleston	89.8
18. Columbia	89.6
19. Tega Cay	89.0
20. Fort Mill	85.7
21. Myrtle Beach	83.4
22. Newberry	83.4
23. Greenville	81.4
24. Easley	72.5
25. Florence	68.1
26. Mt. Pleasant	44.3



Property Tax Comparison with TDF Credit

1 Clover	137.8
2 York	115.2
3 Greer	113.0
4 Anderson	109.0
5 Laurens	104.7
6 Spartanburg	103.2
7 Gaffney	97.5
8 Rock Hill	96.5
9 Westminster	95.8
10 Conway	95.3
11 Clinton	93.5
12 Tega Cay	89.0
13 N. Charleston	87.6
14 Fort Mill	85.7
15 Abbeville	84.7
16 Sumter	83.6
17 Newberry	83.4
18 Charleston	81.7
19 Greenville	81.4
20 Union	74.8
21 Columbia	69.2
22 Easley	59.0
23 Lancaster	57.7
24 Florence	54.7
25 Mt. Pleasant	42.3
26 Myrtle Beach	27.1



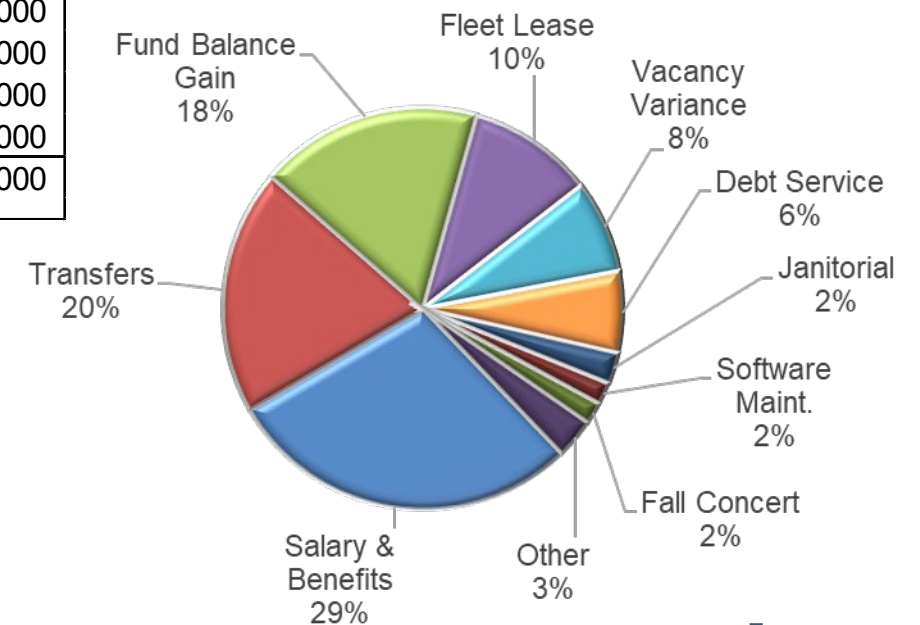
FY26 Recommended Budget: Governmental Fund Increases

Governmental Funds:

- General Fund
- Debt Service Fund
- Capital Projects Fund
- Special Revenue Funds:
 - MBAFB TIF, Oceanfront TIF, MB Convention Center, Golf Course, Baseball Stadium, Sports Tourism, Storm Water, Victim's Advocate, CDBG, Downtown Development, Hospitality Tax/Fee, Local Atax, State Atax, TDF, Performing Arts Theater, SCORF, Workforce Housing.

Governmental Fund Increases

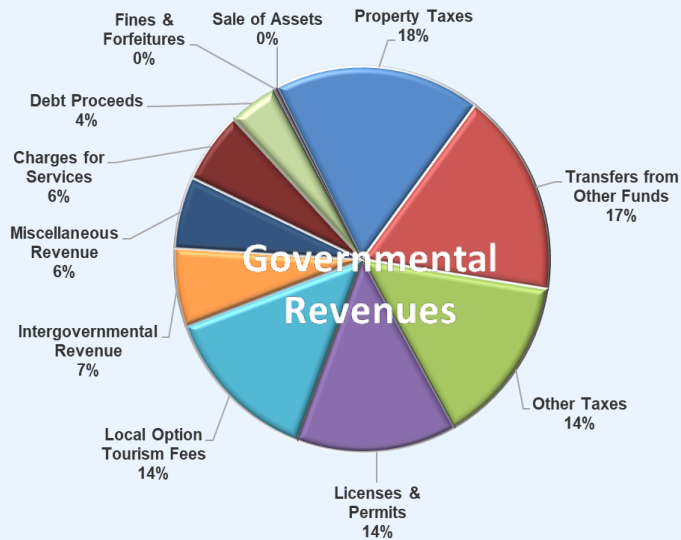
Salary & Benefits	\$ 5,762,000
Transfers	3,947,000
Fund Balance Gain	3,575,000
Fleet Lease	2,032,000
Vacancy Variance	1,500,000
Debt Service	1,300,000
Janitorial	500,000
Software Maint.	350,000
Special Events - Fall Concert	350,000
Office & Other Supplies	225,000
Stat. Tourism Transfers MBACC	223,000
SCORF Activity	129,000
Medical Supplies	40,000
Prisoner Upkeep	24,000
	\$ 19,957,000



FY26 Projected Governmental Revenues and Expenditures

Governmental Revenues:

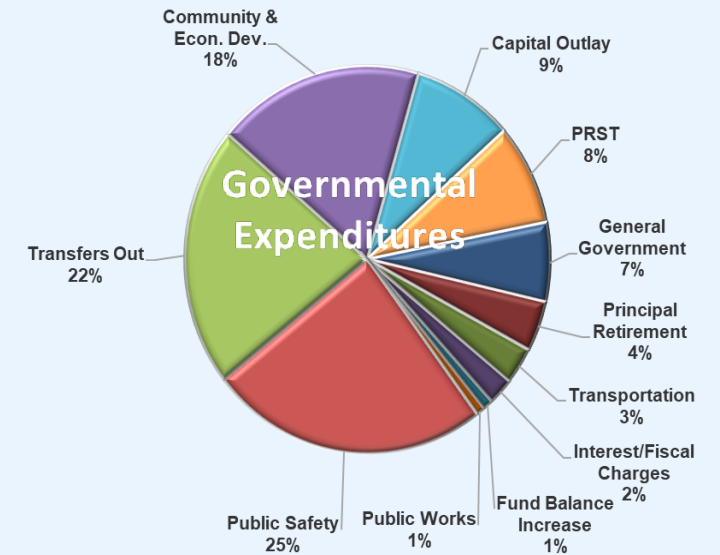
- The largest Governmental Revenues are Transfers, which are detailed on following slides.
- Long Term Debt Financing is included in the budget for Capital Improvements, however final approval of issuance requires additional Council authorization.



Governmental Revenues (Sources)	Recommended Budget	%
Property Taxes	\$ 59,315,363	17.8%
Transfers from Other Funds	57,245,084	17.2%
Other Taxes	47,939,400	14.4%
Licenses & Permits	46,061,950	13.8%
Local Option Tourism Fees	45,700,000	13.7%
Intergovernmental Revenue	21,837,035	6.6%
Miscellaneous Revenue	20,105,786	6.0%
Charges for Current Services	19,951,804	6.0%
Proceeds of Long-Term Debt	14,000,000	4.2%
Fines & Forfeitures	1,067,000	0.3%
Sale of Assets	75,000	0.0%
Total	\$ 333,298,422	

Governmental Expenditures (Uses)	Recommended Budget	%
Public Safety	\$ 82,189,840	24.7%
Transfers Out	72,751,098	21.8%
Community & Econ. Dev.	61,051,784	18.3%
Capital Outlay	29,814,146	8.9%
PRST	28,287,962	8.5%
General Government	21,985,015	6.6%
Principal Retirement	13,934,007	4.2%
Transportation	10,328,658	3.1%
Interest/Fiscal Charges	7,510,778	2.3%
Increase in Fund Balance	2,977,476	0.9%
Public Works	2,467,659	0.7%
Total	\$ 333,298,422	

The only Service Level Change for FY26 adds a Crew Supervisor in Stormwater for drainage channel maintenance. (\$142,856)



When only Operating Expenditures are considered and the TDF Transfer to the MBACC is removed, Public Safety Expenditures represent 48.5% of the overall Governmental Budget.



FY26 Projected Governmental Fund Balances

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

Maintaining strong fund balances provides a buffer against economic and environmental events that effect revenue generation.



General projected Fund balance is within the City's minimum policy objective with current Unassigned Fund Balance as a percentage of expenditures at 23.3% for FY26.

MB Air Force Base TIF Fund Balance is projected to be \$31.2m, with \$11.3m of currently outstanding capital improvement funding. The goal of paying off outstanding debt by FY28/FY29 is attainable.

Oceanfront TIF Fund Balance is mainly dedicated to boardwalk and downtown capital improvement projects.

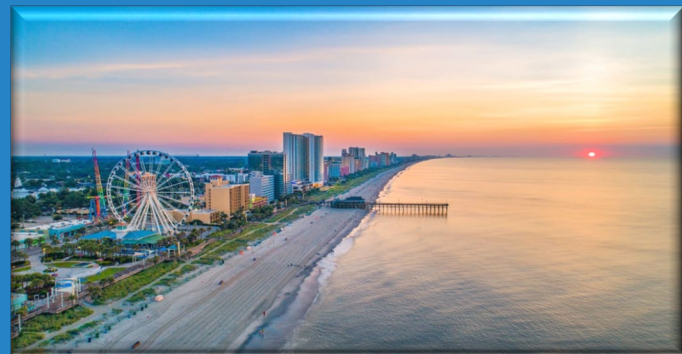
Stormwater Fund Balance is primarily comprised of Proviso funding for the 24th Avenue Outfall project.

Estimated Special Revenue Fund Balances FY26	
Tourism Revenue Funds	
Hospitality Tax	\$ 23,706,364
Hospitality Fee	15,605,713
Local Accommodations Tax	4,399,451
Total Tourism Revenue Funds	\$ 43,711,527
Other Special Revenue Funds	
MB Convention Center	\$ 2,667,072
Sports Tourism	216,561
Whispering Pines Golf Course	522,211
Baseball Stadium	664,492
Downtown Development	1,103,107
Oceanfront TIF	5,008,876
MB Air Force Base TIF	31,212,789
CDBG	515,655
SC Opioid Recovery Fund	1,200
Storm Water	31,119,711
Total Other Special Revenue Funds	\$ 73,031,674
Total Special Revenue Funds	\$ 116,743,201

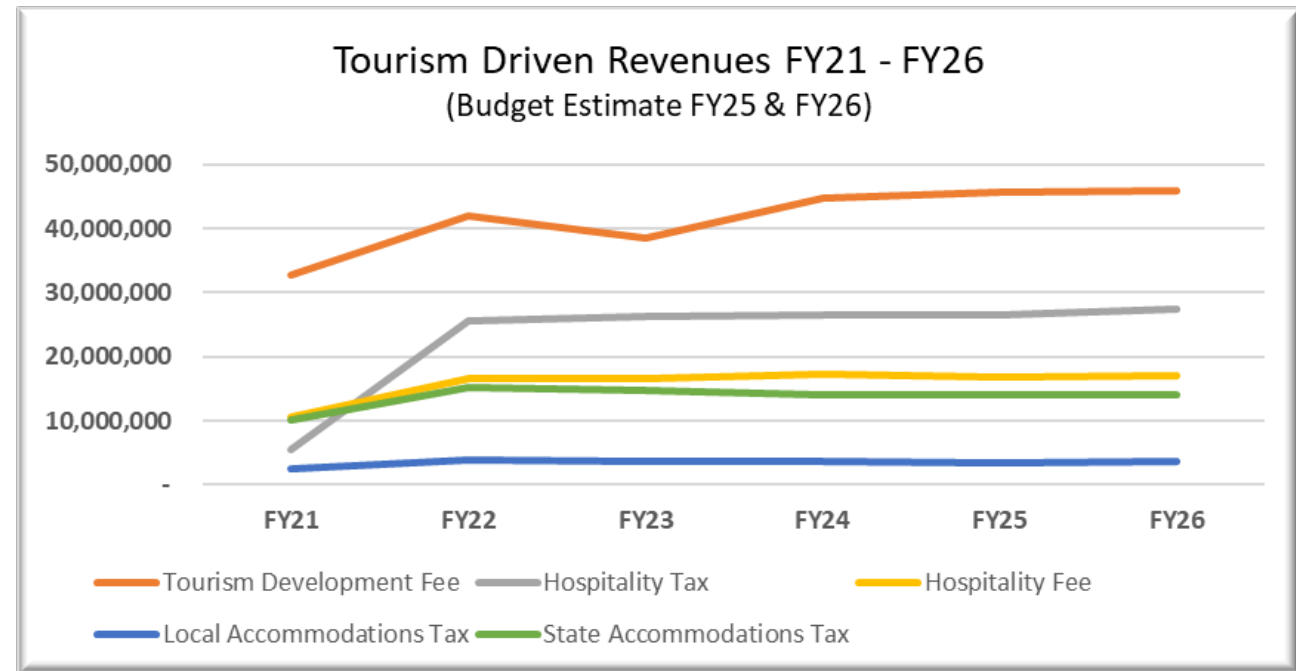
Tourism Driven Revenues

Currently, Tourism Driven Revenues are tracking behind FY25. The FY26 contemplates a return to moderate growth.

Business License Revenue estimates have been increased to slightly above receipts for FY24. License renewal does not take place until April and revenues are collected in May for local businesses. Insurance and Brokers license revenue comes in much later, sometimes in August or September making it very difficult to predict final numbers.



	Actual FY21	Actual FY22	Actual FY23	Actual FY24	Budget FY25	Recommended FY26	% Change
Tourism Development Fee	32,805,208	41,857,714	38,500,000	44,831,979	45,500,000	45,700,000	0.4%
Hospitality Tax	5,483,050	25,560,509	26,203,290	26,484,482	26,412,500	27,335,000	3.5%
Hospitality Fee	10,552,218	16,625,377	16,622,372	17,325,992	16,749,990	17,049,500	1.8%
Local Accommodations Tax	2,475,558	3,831,832	3,600,897	3,664,148	3,404,850	3,554,900	4.4%
State Accommodations Tax	10,062,109	15,219,620	14,641,173	14,040,795	14,000,000	14,150,000	1.1%
Totals	\$86,550,142	\$134,940,285	\$133,051,751	\$143,416,542	\$140,017,340	\$145,069,400	3.6%



FY26 Recommended Governmental Fund Transfers



85.2% of Transfers are from Tourism Driven Revenues.

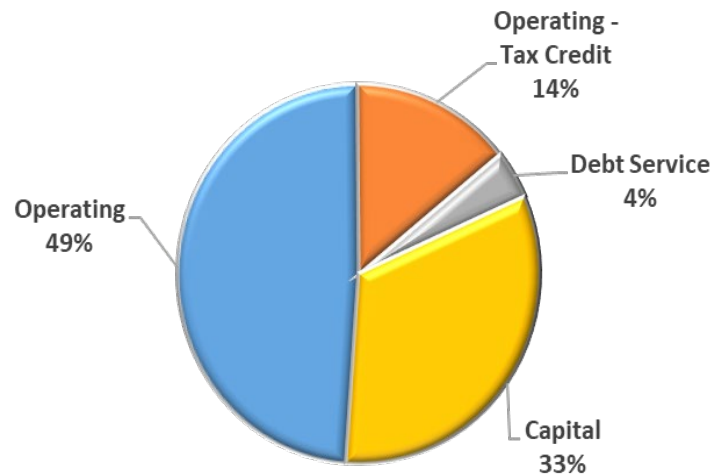
Transfer Funding

Operating	\$ 31,348,255	48.8%
Operating - Tax Credit	9,190,000	14.3%
Debt Service	2,691,695	4.2%
Capital	21,064,500	32.8%
	<u>\$ 64,294,450</u>	100.0%



Tourism Driven Revenue Transfers FY26

Fund	Hospitality Tax	Hospitality Fee	Local ATAX	State ATAX	Tourism Dev.	
					Fee	Fund Totals
General Fund (Capital & Operations)	\$ 15,000,000	\$ 4,000,000	\$ 1,250,000	\$ 9,825,272	\$ 8,525,000	\$ 38,600,272
Debt Service (Capital/Debt Service)	1,325,000	-	-	125,339	600,000	2,050,339
Solid Waste (Capital & Operations)	450,000	-	-	-	-	450,000
Performing Arts Theater (Operations)	250,000	-	-	-	-	250,000
Stormwater (Capital & Operations)	-	-	-	650,639	-	650,639
Ocean Front TIF District (Capital&Debt Srvc)	995,000	629,200	-	-	65,000	1,689,200
Capital Projects	8,402,000	4,650,000	-	-	-	13,052,000
MB Convention Center (Operations)	-	-	960,000	550,000	-	1,510,000
Baseball Stadium (Capital & Operations)	-	-	115,000	-	-	115,000
Sports Tourism (Operations & Capital)	3,541,500	29,000	1,256,500	50,000	-	4,877,000
Downtown Development (Operations)	1,050,000	-	-	-	-	1,050,000
Totals	\$ 31,013,500	\$ 9,308,200	\$ 3,581,500	\$ 11,201,250	\$ 9,190,000	\$ 64,294,450



Other Transfers

General Fund to Capital Projects	\$ 1,700,000
General Fund to Workforce Housing	400,000
General Fund to Victim's Advocate	198,348
W&S Franchise Fee	2,115,786
Parking Utility to Downtown Dev.	450,000
Oceanfront TIF to Down Town	833,500
AFB TIF to Capital Projects	2,994,800
MBAFB Incremental Tax	2,330,000
Capital Projects to Oceanfront TIF	125,000
	<u>\$11,147,434</u>
Add: Tourism Transfers	64,294,450
Total Transfers	\$75,441,884

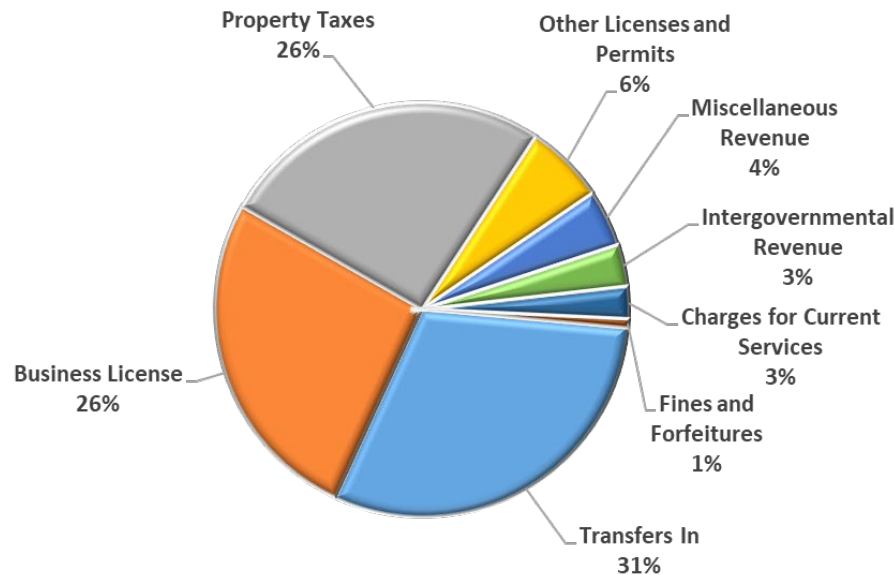
FY26 General Fund Revenues

General Fund Revenues are budgeted at 6.0% over FY25.

General Fund Revenue		
Property Tax	\$ 36,713,000	26.0%
Business License	37,280,000	26.4%
Tourism Transfers	38,600,272	27.3%
Other Sources	<u>28,623,496</u>	<u>20.3%</u>
	\$ 141,216,768	100.0%

Property Taxes, Business License & Tourism Transfers make up **77.9%** of the General Fund Revenue mix.

General Fund Revenue	FY 26 Recommended Budget	% Budget
Transfers In	\$ 43,046,058	30.5%
Business License	37,280,000	26.4%
Property Taxes	36,713,000	26.0%
Other Licenses and Permits	8,781,950	6.2%
Miscellaneous Revenue	6,270,860	4.4%
Intergovernmental Revenue	4,691,900	3.3%
Charges for Current Services	3,491,000	2.5%
Fines and Forfeitures	<u>942,000</u>	<u>0.7%</u>
Total Revenues	\$ <u>141,216,768</u>	100.0%



Property Tax Revenue is budgeted at 9% higher than collected in FY24.

Building Permit Revenue included in the Budget is \$3.5m, 55% higher than collected in FY24.

Intergovernmental Revenue includes \$622k in Fire Grants that will be exhausted in FY26.

FY26 General Fund Expenditures

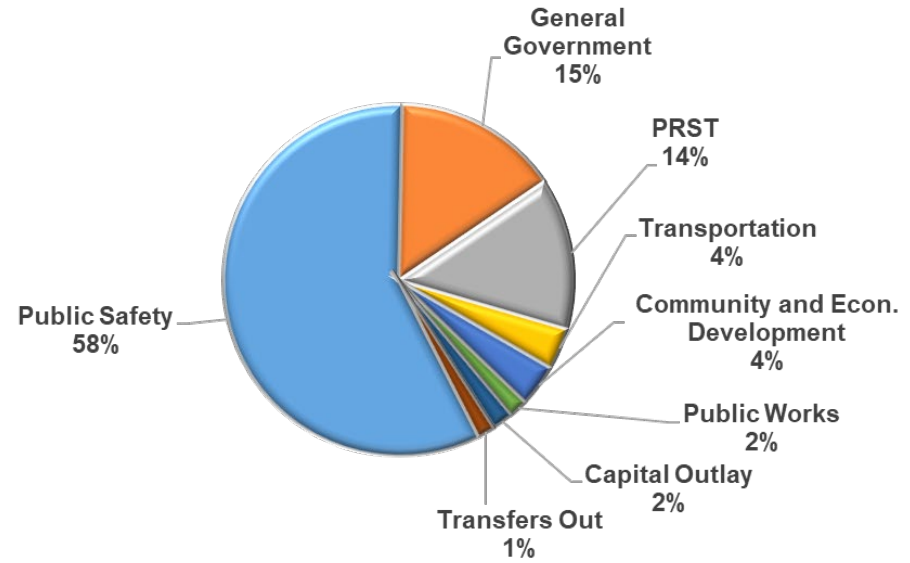
General Fund Expenditures are budgeted at 6.0% over FY25.

General Fund Expenditures		
Personal Services	\$ 104,279,759	73.8%
Operating	34,197,647	24.2%
Capital Outlay	<u>2,739,362</u>	<u>1.9%</u>
	\$ 141,216,768	100.0%

Public Safety Expenditures = 59.3% (including Capital)

Public Safety		
Police	\$ 54,343,157	38.5%
Fire	26,978,049	19.1%
Emergency Mgmt	30,163	0.0%
Capital Outlay	<u>2,411,378</u>	<u>1.7%</u>
	\$ 83,762,747	59.3%

General Fund Expenditures	FY 26 Recommended Budget	% Budget
Public Safety	\$ 81,622,729	57.8%
General Government	21,586,667	15.3%
PRST	19,646,979	13.9%
Transportation	5,381,006	3.8%
Community and Econ. Development	5,474,018	3.9%
Public Works	2,467,659	1.7%
Capital Outlay	2,739,362	1.9%
Transfers Out	<u>2,298,348</u>	<u>1.6%</u>
Total Expenditures	\$ <u>141,216,768</u>	100.0%

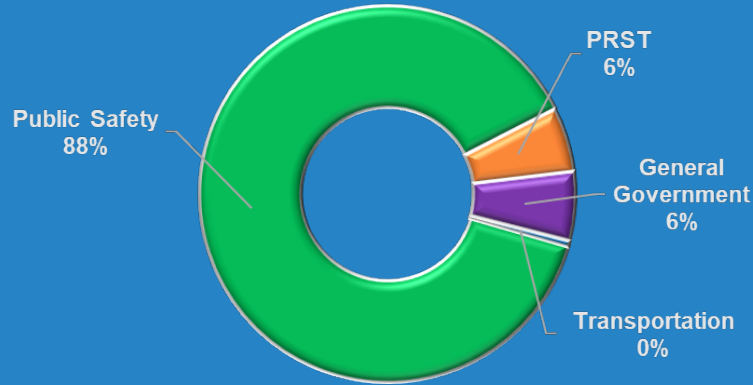


Personnel Services (Salary & Benefits) are up 5.3% over FY25.

The largest area of expenditure growth is in the Fleet Replacement Plan - \$1.9m. Police account for \$1.8m.

Intergovernmental Revenue includes \$622k in Fire Grants that will be exhausted in FY26.

FY26 General Fund Recommended Capital Outlay



Division	Amount
Public Safety	\$ 2,411,378
PRST	154,265
General Government	160,000
Transportation	13,719
	<u>\$ 2,739,362</u>

General Fund			
Department	Capital Item	Request	Managers Recommend
1150 - Building Maintenance	Replacement of 250 Truck - New 450 Truck	\$ 85,000	\$ 85,000
1150 - Building Maintenance	New 25' Trailer - Equipment Transport	15,000	15,000
1242 - Fire - Emergency Services	Radio Replacements (year 4 of 5)	380,000	380,000
1242 - Fire - Emergency Services	Purvis Station Alerting	689,000	689,000
1242 - Fire - Emergency Services	Lifepak 45 Cardiac Monitor	123,000	123,000
1242 - Fire - Emergency Services	Mattresses	20,800	20,800
1242 - Fire - Emergency Services	Utility/Tow Vehicle	73,000	73,000
1065 - Information Systems	INFOR Ruggedized Computers	120,000	60,000
1450 - Grounds Maintenance	Z-Turn Mowers	26,160	24,000
1450 - Grounds Maintenance	Genie T2 Towable Boom Lift	38,150	38,150
1452 - Right-Of-Way Maintenance	Broyhill Load & Pack Dumpsters	27,800	27,800
1452 - Right-Of-Way Maintenance	Bobcat Angle Boom Attachment	9,265	9,265
1200 - Police - Administration	Virtual Reality Training Simulator	84,000	84,000
1204 - Police - Support Services	Radio Upgrades	25,074	25,074
1204 - Police - Support Services	Radios VHF Beach Patrol	103,005	51,503
1204 - Police - Support Services	City-Wide Cameras	300,000	150,000
1206 - Police - Investigations	Pole Camera	6,000	6,000
1206 - Police - Investigations	Oculus Recording Equipment	21,000	21,000
1208 - Special Operations	Night Vision Goggles	38,001	38,001
1208 - Special Operations	Take Home Car Program Phase 4	957,000	750,000
1420 - Library	Projector	6,000	6,000
1404 - Rec - Field Maintenance	Z-Spray Max Sprayer	26,160	26,160
1404 - Rec - Field Maintenance	Swirly Pressure Washing Attachment	22,890	22,890
1550 - Street Maintenance	Tilt and Go Tandem Axle Trailer	13,719	13,719
	Total General Fund	\$ 3,210,024	\$ 2,739,362

FY26 Special Revenue Fund Recommended Capital Outlay



Convention Center Fund			
Department	Capital Item	Request	Managers Recommend
2205 - Convention Services	EZ Go Golf Cart	\$ 10,000	\$ 10,000

Sports Tourism Fund			
Department	Capital Item	Request	Managers Recommend
2405 - MBSC Administration	Electrical Upgrade 2	\$ 29,000	\$ 29,000

Storm Water Fund			
Department	Capital Item	Request	Managers Recommend
2900 - Storm Water Maintenance	Dump Trailer	\$ 23,810	\$ 23,810

FY26 Enterprise Fund Recommended Budget



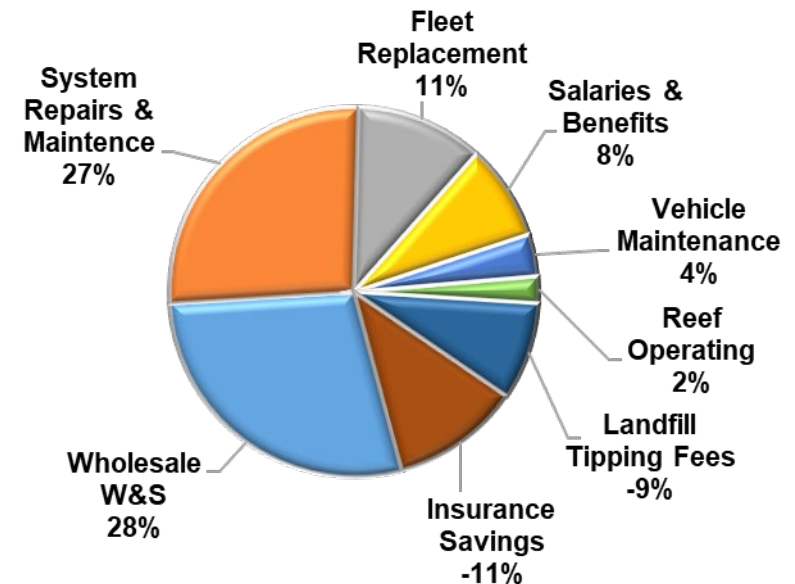
Enterprise Funds combined budgets Increase is 7.9%.

The largest operating expense increase in the Enterprise Funds is in the Water & Sewer Utility. The wholesale purchase of water and sewer is expected to increase 4.5% or \$863K. The increase is due to increased volume and rate increases planned by GSWS (2.4% - 3.4%).

GSWSA Increases Per Gallon			
	FY25	FY26	\$ Increase
Water	\$2.03	\$2.10	\$0.07
Sewer MB WWTP	2.34	2.40	0.06
Sewer Schwartz WWTP	3.31	3.39	0.08

Enterprise Budget Increases

Retained Earnings Gain	\$	2,734,000
Wholesale W&S		863,000
System Repairs & Maintenance		809,000
Fleet Replacement		343,000
Salaries & Benefits		257,000
Vehicle Maintenance		112,000
Reef Operating		72,000
Landfill Tipping Fees		(262,000)
Insurance Savings		(346,000)
	\$	<u>4,582,000</u>



FY26 Enterprise Fund Recommended Budget



The FY 26 Year End Net Assets for Enterprise Funds are estimated to be:

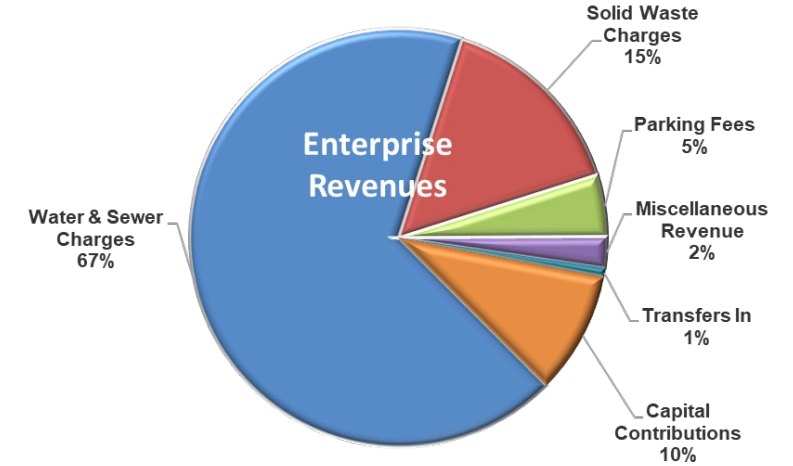
- Water & Sewer \$ 121,058,172
- Solid Waste \$ 4,152,845
- Parking Utility \$ 2,648,720

Net Assets for FY26 are projected to increase 2.2% over FY25.

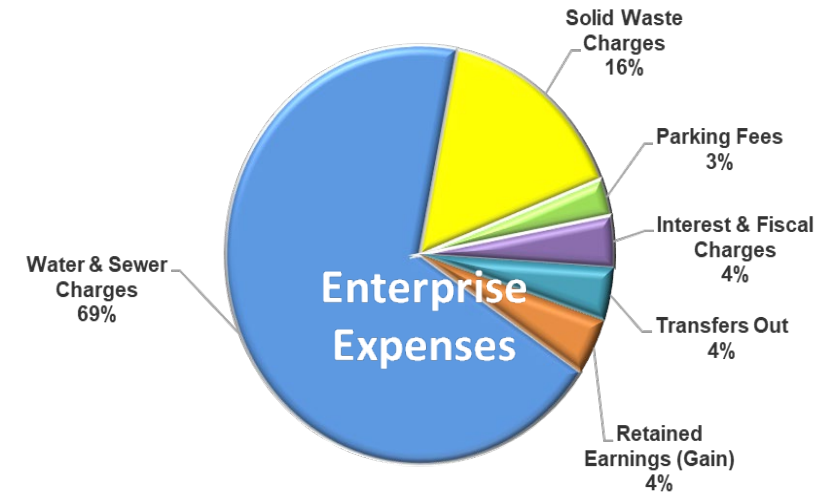
Net Assets = Value of Fund Assets in excess of Fund Liabilities. Includes infrastructure, equipment and cash.



Enterprise Revenues (Oper. & Non-Oper.)	Recommended Budget	%
Water & Sewer Charges	\$ 42,315,719	67.4%
Solid Waste Charges	9,547,221	15.2%
Parking Fees	2,990,000	4.8%
Miscellaneous Revenue	1,494,244	2.4%
Transfers In	450,000	0.7%
Capital Contributions	5,960,000	9.5%
	<u>\$ 62,757,184</u>	100.0%



Enterprise Expenses (Oper. & Non-Oper.)	Recommended Budget	%
Water & Sewer Charges	\$ 43,097,032	68.7%
Solid Waste Charges	10,031,075	16.0%
Parking Fees	1,835,947	2.9%
Interest & Fiscal Charges	2,493,028	4.0%
Transfers Out	2,565,786	4.1%
Retained Earnings (Gain)	2,734,317	4.4%
	<u>\$ 62,757,184</u>	100.0%





FY26 Enterprise Fund Recommended Capital Outlay

Water & Sewer Capital Outlay

The FY 26 Recommended Budget includes:

W&S Capital Outlay:

- F250 w/ Dump Body
- F350 w/ Crane

Upgrade F150 to F250 and add a Dump Body \$ 20,000

F350 Pickup w/ Truck Mounted Crane \$130,000

The equipment would allow the Water & Sewer team to handle more projects in-house. The expected outcome would be cost savings and improved response times.



Strategy for Management of Uncertainty – Flexibility is the key.

As we have seen over the past several years, uncertainty remains regarding the world and national economic environment and the impact it may have on our local economy.

- Will travel demand continue to drive visitors to our area?
- Will the labor market continue to be tight, leaving us with high vacancy levels?
- How much will commercial and residential development rebound?
- How will inflation, interest rates, and tariffs affect buying power?

**The City will begin
FY26 with healthy
Fund Balances.**

The management team continually monitors revenues and expenses for variances from expected outcomes.

- If revenues are impacted to a greater degree than expected:
 - Freeze Capital Spending
 - Freeze Vacancies
 - Reduce Temporary & Part Time Employment
 - Freeze non-essential operating expenditures
- If revenues are impacted to a lesser degree than expected:
 - Continue to build reserves to manage future economic disruptions
 - Implement Service Level Changes identified as priorities
 - Escalate Capital Outlay and Capital Improvements projects with available funds

FY 26 Manager's Recommended Budget Challenges

Health Insurance Claims vary widely from year to year and are dependent on the number of high cost claims generated in a period.

Information is not yet available for making a determination on how much rates should increase or how rates would impact plan participants.

We will continue to work with our insurance consultants to refine claim estimates and identify plan adjustments to combat the cost of rising claim.

Goal should be to build a reserve to manage claim volatility.

Health Insurance Claims are Trending 30% above FY24

Year	Actual & Budget		Actual & Trend 2025	
	Medical Claims	% Inc(Dec)	Medical Claims	% Inc(Dec)
2016	\$7,599,584		\$7,599,584	
2017	8,107,906	6.7%	8,107,906	6.7%
2018	9,667,196	19.2%	9,667,196	19.2%
2019	7,684,469	-20.5%	7,684,469	-20.5%
2020	8,831,103	14.9%	8,831,103	14.9%
2021	10,345,677	17.2%	10,345,677	17.2%
2022	9,312,028	-10.0%	9,312,028	-10.0%
2023	8,834,961	-5.1%	8,834,961	-5.1%
2024	10,156,711	15.0%	10,156,711	15.0%
2025 Budget	10,259,000	1.0%	13,203,724	30.0%
2026 Budget	10,500,000	2.3%	10,500,000	-20.5%

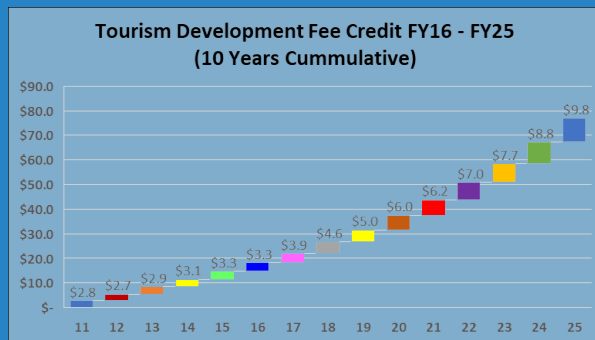
FY25 Budget	\$10,259,000
FY25 Trend through 1/25	13,203,724
Possible FY25 Deficit	(\$2,944,724)



FY 26 Manager's Recommended Budget Challenges

Tourism Development Fee Revenue will likely be insufficient to cover the total credits applied for Tax Year 2024 (FY25).

If the Tourism Development Fee Credit percentage is not adjusted for Tax Year 2025 (FY26), Tourism Development Fee revenue will not be sufficient to cover the total tax credits applied for 4% Residential Property owners.



The Current Tax Credit is 67.45%.
Or 56.3 mills

Net Tax Millage after the credit is applied is 27.1 mills

Tourism Development Fee

Fiscal Year	TDF Revenue	20% City Share	Tax Credit	Balance
2011	\$20,588,693	\$4,117,739	\$2,790,655	\$1,327,084
2012	23,671,463	4,734,293	2,672,871	2,061,422
2013	23,678,054	4,735,611	2,924,525	1,811,086
2014	23,468,770	4,693,754	3,075,019	1,618,735
2015	25,131,632	5,026,326	3,329,726	1,696,600
2016	26,831,343	5,366,269	3,297,306	2,068,963
2017	28,444,791	5,688,958	3,934,686	1,754,272
2018	28,763,094	5,752,619	4,569,232	1,183,387
2019	29,784,693	5,956,939	4,968,538	988,400
2020	28,846,467	5,769,293	6,003,004	(233,710)
2021	32,805,208	6,561,042	6,249,362	311,679
2022	41,857,714	8,371,543	6,969,543	1,402,000
2023	44,831,979	8,966,396	7,680,843	1,285,553
2024	44,819,718	8,963,944	8,761,517	202,427
2025*	45,500,000	9,100,000	9,782,560	(682,560)
2026**	45,700,000	9,140,000	10,565,165	(1,425,165)

* 1.5% estimated, 9.1% Growth over FY24 necessary to cover estimated total TDF credit. We are currently 1.5% down YTD, though November - January is up 4%. To cover the total TDF for FY25 the last 5 months would have to grow 27% over FY24

** .4% growth over FY25 still leaves a deficit of \$1.4m & there are still tax credits to account for in FY25 (bal. through 2/2025). 14.9% Growth (\$6.7m) in TDF Revenue (\$51.6m) over the FY25 estimate needed to cover the TDF Credit

Manager's Recommended Additions if Funds Become Available



➤ Police take home cars - \$200,000

➤ PRST Landscape Crew (75% year) – \$160,000 (includes equipment = \$30,000)



➤ Graphic Designer (75% year) - \$75,000

➤ Records Retention Clerk - \$89,000



➤ Benefits Manager (HR) - \$120,000