



CITY OF MYRTLE BEACH



**2ND READING- FY19 BUDGET ORDINANCE
JUNE 12, 2018**

HIGHLIGHTS OF THE MANAGERS RECOMMENDED BUDGET

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General Fund

- 3 Mill Ad Valorem tax increase (*Credit to owner-occupants may be offset to some extent by the effect of spreading the distribution to more properties—in other words, we can increase the credit by 3 mills, but when we spread out the credits, the homeowner rate may increase.*)
- No increase in the business license fee
- The General Fund is balanced with a ratio of recurring sources to recurring uses at 101% and unassigned fund balance at 19% of recurring expenditures.

Other Funds

- Water & Sewer— increase of 3.9% (\$1.89/mo. for residential user of an average of 7,500 gal./mo.)
- \$.50 / ERU (Equivalent Residential Unit) increase in Storm Water fees (\$6.00 for a residential payer)

2018-19 Budget Summary

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	FY2016-17 Actual	FY2017-18 Rev. Budget	FY2018-19 Budget	% Δ
Governmental Operations	\$ 170,136,849	\$ 174,531,352	\$ 177,566,087	1.7%
Enterprise Operations	<u>42,312,613</u>	<u>38,705,811</u>	<u>41,020,628</u>	6.0%
Total Operating Budget	<u>212,449,462</u>	<u>213,237,163</u>	<u>218,586,715</u>	2.5%
Governmental Capital Projects	<u>11,250,105</u>	<u>6,183,584</u>	<u>12,359,126</u>	99.9%
Reconciling Items				
Enterprise Capital Projects	<u>2,448,441</u>	<u>4,780,700</u>	<u>2,355,700</u>	-50.7%
Total Reconciling Items	<u>2,448,441</u>	<u>4,780,700</u>	<u>2,355,700</u>	-50.7%
Less: Interfund Transfers	<u>(28,173,391)</u>	<u>(31,652,452)</u>	<u>(33,668,135)</u>	6.4%
Grand Total Appropriations	<u>\$ 197,974,617</u>	<u>\$ 192,548,995</u>	<u>\$ 199,633,406</u>	3.7%

IMPACT OF 3 MILL PROPERTY TAX INCREASE

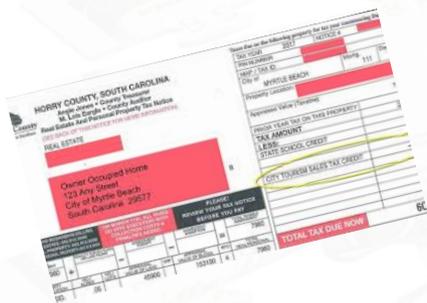
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4% Property Value	FY18 - 77.5 mils Taxes Due	FY19 - 80.5 mils Tax Before Credit	FY19 Est. Tax Credit	Increase Over Prior Year
\$100,000	\$53	\$322	(\$267)	\$2
\$250,000	\$133	\$805	(\$667)	\$5
\$500,000	\$265	\$1,610	(\$1,335)	\$10

4% Property =
\$.10 / \$10,000 Value

6% Property Value	FY18 - 77.5 mils Taxes Due	FY19 - 80.5 mils Taxes Due	Increase Over Prior Year
\$100,000	\$465	\$483	\$18
\$250,000	\$1,163	\$1,208	\$45
\$500,000	\$2,325	\$2,415	\$90

6% Property =
\$.15 / \$10,000 Value



HC School District
50%

Horry County
19.4%

Myrtle Beach
30.3%

HC Higher Education
.3%

STORM WATER RATE INCREASE

- **Stormwater Management**

- Includes:

- Revenue growth estimate of 17.8% over FY18 budgeted revenues.
- Includes a recommended fee increase of \$.50 per ERU (Equivalent Residential Unit, 5,000 square fee) - \$214,000 revenue annually

	<u>Residential</u>	<u>Hotel (medium)</u>	<u>Restaurant</u>
FY18	\$5.75 / ERU	\$5.75 / ERU	\$5.75 / ERU
FY19	\$6.25 / ERU	\$6.25 / ERU	\$6.25 / ERU
Increase / Month	\$0.50	\$2.99	\$3.14
Annual Increase	\$6.00	\$35.88	\$37.64
% Increase	8.7%	8.7%	8.7%

- Points to Consider:

A number of drainage and outfall projects are needed within the City. Funding these projects will require consideration of a referendum in the next few years to offset borrowing costs associated with those projects.

WATER & SEWER RATE INCREASE

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● Water & Sewer

- Rate increase of 3.9% for water and for sewer
- \$1.89/mo. for residential user of an average of 7,500 gal./mo.
- GSWS rate increase for 2018 is 2.3% for Water & 2.5% for Sewer
- Operating Expense growth estimated at 4%

Residential 7,500 gallons, 3/4" to 5/8"		Commercial (Restaurant) 40,000 gallons, 1.5" Line		Commercial (Hotel) 2,000,000 gallons, 4" Line	
Annual Increase	\$ 22.73	Annual Increase	\$130.67	Annual Increase	\$6,454.27
Monthly	\$ 1.89	Monthly	\$ 10.89	Monthly	\$ 537.86
Percentage	3.9%	Percentage	3.9%	Percentage	3.9%

OPERATING BUDGET HIGHLIGHTS

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Major Sources of Expenditure Growth:

Service Level Changes	\$ 1.3m
Fleet Replacements	1.0m
Overtime	.9m
1% Retirement Increase	.5m
Merit (0-5%)	.6m
4% Step Plan (Police)	.5m
2% Across the Board	<u>.6m</u>
	\$ 5.4m

67% OT – Police
21% OT – Fire



37% Fleet Replacement – Police
27% Fleet Replacement – Fire

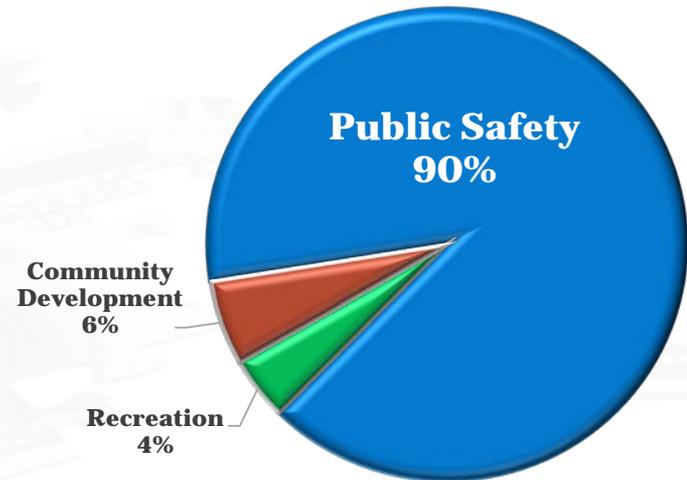


SERVICE LEVEL CHANGES INCLUDED IN THE FY19 BUDGET

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GENERAL FUND

Security for City Hall & City Services	\$ 158,102
System Security Specialist	100,883
Thunderbolt Park Operations	58,068
10 Police Officer (Grant)	679,000
Supervisor for Beach Service	104,500
Traffic Intersection Preemption	60,000
Sidewalk Grinding Crew	<u>91,163</u>
General Fund Total	\$1,251,716



SPORTS TOURISM

Sports Tourism Sales/Marketing Mngr.	\$77,116
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MB CONVENTION CENTER

MBPD Support Services	\$5,000
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BUYING POWER OF TYPICAL HOUSEHOLD

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Household:

Based upon a house valued at \$250,000, two cars valued at \$28,000, and monthly household water consumption of 7,500 gallons, a typical Myrtle Beach household will pay the City's General Government a Total of \$1,487.51 this year. This includes:

City Taxes	\$268.20
Water and Sewer charges	605.51
Storm Water Fees	75.00
Solid Waste Fees	298.80
Tourism Development Fee	240.00
Annual Total	\$1,487.51

If you are the typical City resident, your \$1,487.51 will buy any one of these things:

Equates to \$123.96 / Month

Two bullet-proof vests or a gun and body camera for one Police Officer

One Level A Hazardous Material Suit for a Fire Fighter or 250 ft. of fire hose

About 4.5 days' salary and benefits for an entry-level Police Officer or Firefighter

79 linear feet of new paving, 17 street signs or 72.5 linear feet of sidewalk

96 children's books, 32 reference books or 3 IPAD Air (available for loan) for Chapin Library

100 cubic yards of mulch for landscaped medians and parks

Outfit 9 children for youth football with a helmet, shoulder pads, pants with pads, and a jersey



Changes Since 1st Reading

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- **Governmental Operations – Increased by \$500k as a net result of :**
 - **\$3.4m increase in transfers to Storm Water fund from tourism-related revenues**
 - ✦ To cover local renourishment match & to fund Storm Water Capital Improvement Plan.
 - **\$2.9m decrease in operations due to reclassification of funding for various special revenue fund capital projects following the May 24 CIP review.**
- **Interfund Transfers - Increased by \$3.5m as a result of the \$3.4 transfers mentioned above and a transfer from the Hospitality Fee fund to cover the Futrell Park (\$60k) and (\$5k) Traffic Control Cabinet Capital Projects.**

Changes Since 1st Reading Cont'd

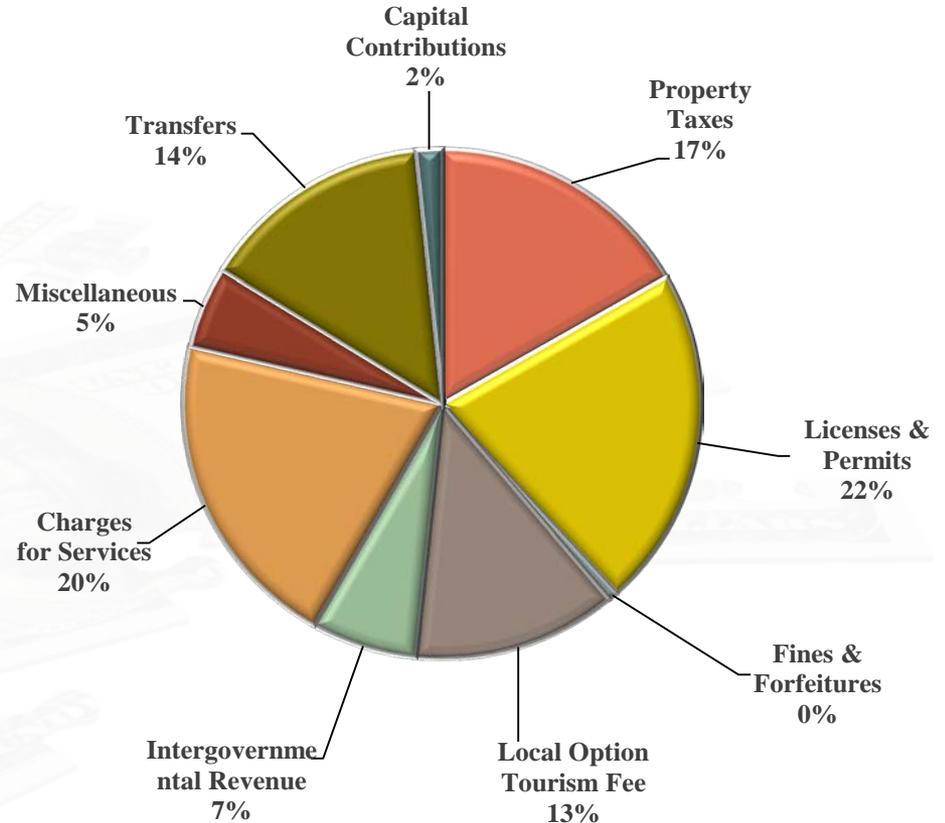
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- **Governmental Capital Projects – Increased by \$7.2m**
 - \$188k for Myrtle Beach Convention Center Projects
 - \$261k for Myrtle Beach Sports Center Projects
 - \$2.5m for Storm Water Projects
 - \$60k for Futrell Park
 - \$5k for Traffic Control Cabinets
 - \$4.2m for Santee Cooper Franchise funded projects
- **Enterprise Capital Projects – Decreased by \$2.5m**
 - \$2.7 m reduced in W&S plan by shifting pump station projects to FY20
 - \$370k reduced in Baseball Stadium plan by spreading a project over 2 years (FY19 and FY20)
 - \$160k added in the Whispering Pines Golf Course plan to renovate the cart path

FY19 OPERATING REVENUES & OTHER FINANCING USES

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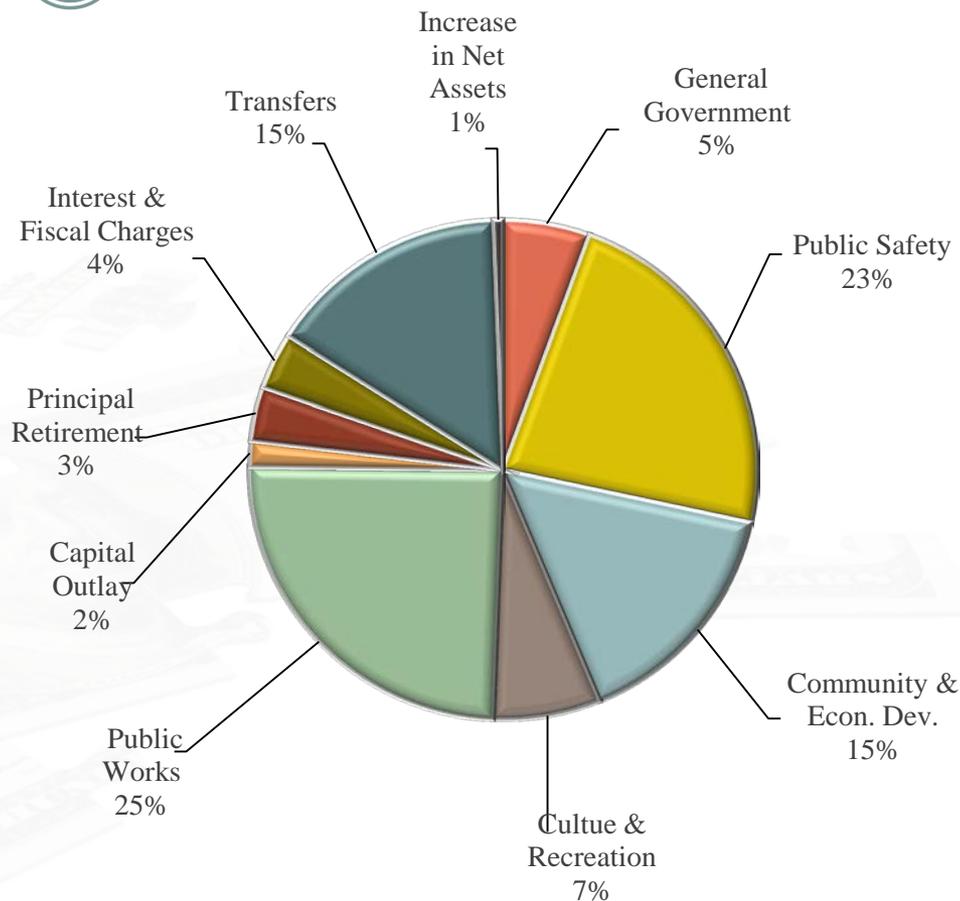
Licenses and Permits	\$ 48,863,735
Charges for Services	47,077,283
Property Taxes	37,866,897
Transfers	31,343,135
Local Option Tourism Fee	29,560,000
Intergovernmental Revenue	14,035,440
Miscellaneous	7,660,601
Capital Contributions	3,725,000
Fines and Forfeitures	<u>1,354,000</u>
Total Revenues & Sources	\$ 221,486,091



FY19 OPERATING EXPENDITURES & OTHER FINANCING USES

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Public Works	\$ 53,824,462
Public Safety	49,925,386
Transfers	33,668,135
Community & Econ. Dev.	33,623,812
Culture & Recreation	14,918,401
General Government	12,118,714
Interest & Fiscal Charges	7,987,945
Principal Retirement	7,640,846
Capital Outlay	3,584,351
Fund Balance Gain	<u>1,294,663</u>
Operating Expenditure/Expense	\$218,586,715
Govern. Capital Improvements	<u>2,899,376</u>
Total Operating & Governmental Capital Expenditure/Expense	\$221,486,091



POSITION ALLOCATIONS

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Governmental Employees:

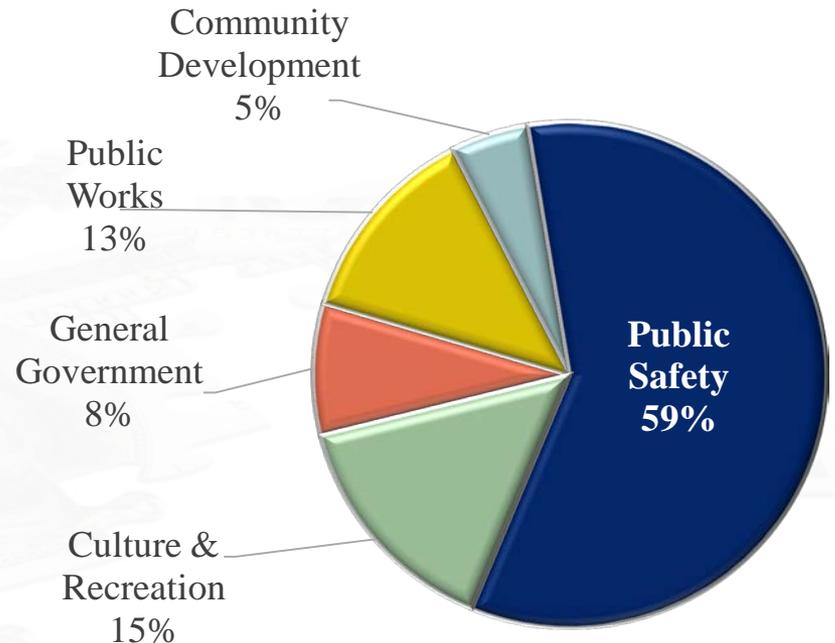
Public Safety	504
Culture & Recreation	129
Public Works	111
General Government	73
Community Development	<u>42</u>
Total	859

Enterprise Employees:

Solid Waste	34
Community Development	<u>53</u>
Total	87

Total Full Time Positions: 946

Governmental Employees



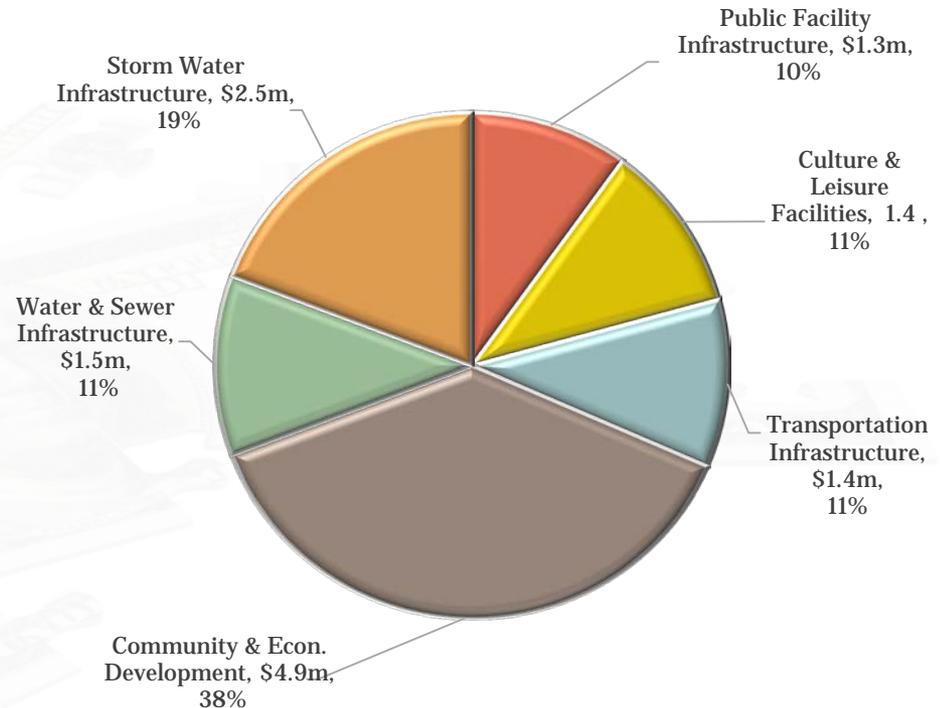
Public Safety Employees = 53% of total FTP's

FY19 Capital Improvement Plan



Project Summary – FY19 Appropriations

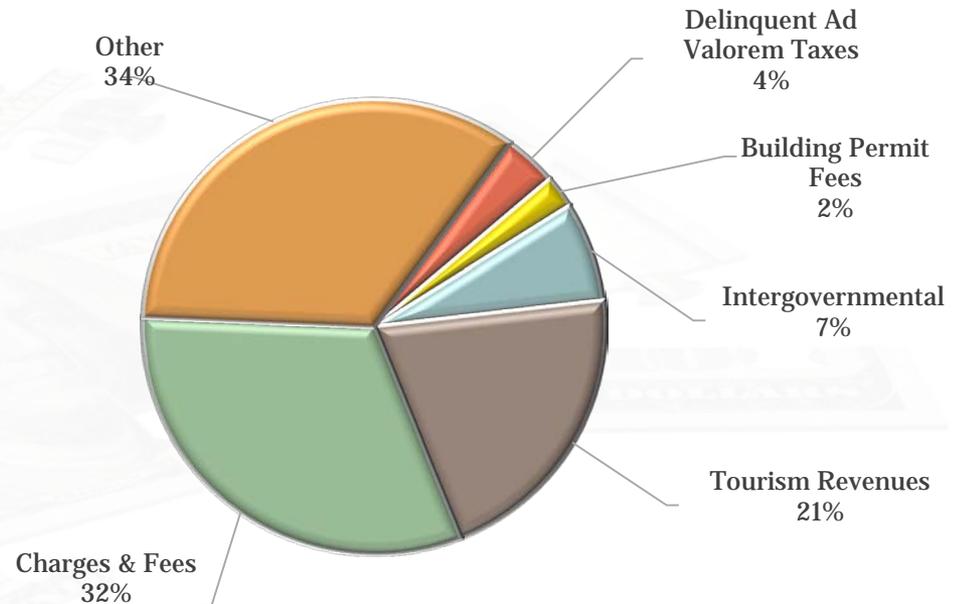
Public Facility Infrastructure	\$ 1,281,600
Culture & Leisure Facilities	1,433,400
Transportation Infrastructure	1,365,000
Community & Economic. Dev.	4,895,376
Water & Sewer Infrastructure	1,540,700
Storm Water Infrastructure	<u>2,451,000</u>
Total	\$ 12,967,076



FY19 Capital Improvement Plan

Project Funding Summary – FY19

Other	\$ 4,450,876
Charges & Fees	4,121,200
Tourism Revenues	2,690,000
Intergovernmental	920,000
Delinquent Ad Valorem Taxes	485,000
Building Permit Fees	<u>300,000</u>
Total	\$ 12,967,076



5-Year Capital Improvement Plan – Major Projects FY19 - 23

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Major projects included in this CIP Plan:

- **Santee Cooper Franchise Capital Funded:**
 - ✦ DRC Reimbursement, Downtown Property \$ 3.2M
 - ✦ Purchase of Downtown Theater Property \$.5M
- **Grant Funded**
 - ✦ Re-Alignment of Hwy 501 \$14.5M
- **Hospitality Fee & Debt Funded**
 - ✦ MB Convention Center Pre-function HVAC \$.8M
 - ✦ MB Convention Center Escalator \$.7M
 - ✦ Baseball Stadium Lighting \$.8M
 - ✦ Baseball Stadium Main Roof System \$ 1.4M
 - ✦ Parks Division Maintenance Facility \$ 1.3M
- **Storm Water & Hospitality Fee Funded:**
 - ✦ Watershed Based Storm Water Master Plan \$ 1.0M

5-Year Capital Improvement Plan– Changes Since CIP Workshop

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- **General Pay-As-You-Go – Added \$60k for Futrell Park Gazebo replacement in FY19. Hospitality Fee funds will be used to finance the project.**
- **MB Sports Center - Adjusted the 5-Year Capital Plan:**
 - **Eliminated a number of smaller projects from FY19 of the plan and consolidated the available funding into an appropriation for “Capital & Infrastructure”.**
 - **Removed projects previously included in the plan for FY20 and FY21.**
- **Storm Water Plan Update – We continue to receive positive communication that our Beach Renourishment project will be fully reimbursed, which will free up funding for the projects presented in the Storm Water Capital Plan.**