



# **2016-17 Budget**

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### **FY 2017-2021 Capital Improvements Plan**

JUNE 28, 2016

# Strategic Initiatives

- ▶ **Crime Initiative** including efforts to train, equip and retain qualified officers and improve community relations, deploy body cams and increase use of surveillance cameras
- ▶ **Neighborhood Initiative** to deal with quality of life issues in center city neighborhoods, including community watch, more aggressive code enforcement, affordable housing and multi-year CDBG programming
- ▶ **Downtown Redevelopment Initiative** to include improvements to Chapin Park, clean-up efforts and more aggressive code enforcement, Hwy. 501 Realignment, Loan Pool
- ▶ **Product Development** to position the community to enhance its competitive advantage vs. other resort cities
- ▶ **Organizational Development Initiative** to identify and equip the next generation of team members to be highly qualified candidates for leadership positions as senior staff members retire
- ▶ **Sports Tourism Initiative** to increase direct visitor spending and economic impact, enhance revenue generation for sports tourism programs
- ▶ **Communications** to increase communication through multiple modes of media communication and increase internal communications.
- ▶ **Business Support** to promote and support local business through symposiums, “How To” workshops, local vendor preferences, Myrtle Beach Shopping Days, and Grand Opening Signage allowances.

# 2016-17 Budget Summary

	FY2014-15 <u>Budget</u>	FY2015-16 <u>Revised Budget</u>	FY2016-17 <u>Budget</u>	<u>% Δ</u>
Governmental Operations	\$ 137,504,080	\$ 155,101,273	\$ <b>162,901,593</b>	5.0%
Enterprise Operations	<u>35,782,275</u>	<u>35,352,160</u>	<u><b>37,046,134</b></u>	4.8%
Total Operating Budget	<u>173,286,355</u>	<u>190,453,433</u>	<u><b>199,947,728</b></u>	5.0%
General Capital Projects	<u>5,213,220</u>	<u>14,039,346</u>	<u><b>11,943,000</b></u>	-14.9%
Reconciling Items				
Enterprise Capital Projects	<u>3,646,500</u>	<u>4,705,000</u>	<u><b>7,859,500</b></u>	67.0%
Total Reconciling Items	<u>3,646,500</u>	<u>4,705,000</u>	<u><b>7,859,500</b></u>	67.0%
Less: Interfund Transfers	<u>(25,264,299)</u>	<u>(28,372,462)</u>	<u><b>(31,253,730)</b></u>	10.2%
Grand Total Appropriations	<u>\$ 156,881,776</u>	<u>\$ 180,825,317</u>	<u>\$ <b>188,496,497</b></u>	4.2%

# Operating Budget Highlights

## All Operating Funds

### ► Compensation -

- 4.25% increase for all other regular Municipal employees, excluding appointed officials. Increases for Appointed Municipal Judges will be presented as a motion accompanying the Budget Ordinance.
- 3.0% increase for all department heads and Assistant City Managers/Chief Financial Officer.
- Funding for a merit program to include performance based raises ranging from 0 – 5%

# Operating Budget Highlights

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

- ▶ 13 positions added to improve response or focus upon high-priority initiatives
  - ▶ 1 Municipal Court Bailiff
  - ▶ 1 Crime Analyst
  - ▶ 1 Youth Coordinator
  - ▶ 1 Field Maintenance Supervisor
  - ▶ 3-person Special Events team
  - ▶ 1 Library Technician
  - ▶ 1 Beach Coordinator
  - ▶ 1 Facilities Maintenance Technician in the MBCC (convert from P-Time)
  - ▶ 1 Trades Workers & 1 Equipment Operator in Solid Waste fund
  - ▶ 1 Street Sweeper in Stormwater Management

# Highlights of the Manager's Recommended Budget

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## General Fund

- ▶ 3 Mill tax increase, offset by the TDF for qualified owner-occupied properties.
- ▶ Other Fee Increases:
  - ▶ Increase Permit Review fee from 50% of Building Permit to 60%; \$150 fee imposed for each re-review after the 8<sup>th</sup> review; \$250 commercial storm water inspection fee.
  - ▶ Increase in park and picnic shelter rental fee for larger parks/shelters.
  - ▶ Increase in Train Depot rental fee.

# Residential Real Property Tax Comparison (6% Property)

6% PROPERTY TAX COMPARISON											
Appraised Value	\$50,000	\$100,000	\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000	\$500,000	\$750,000	\$1,000,000
Assessment Ratio	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>
Assessed Value	3,000	6,000	9,000	12,000	15,000	18,000	21,000	24,000	30,000	45,000	60,000
Millage Rate	<u>77.5</u>	<u>77.5</u>	<u>77.5</u>	<u>77.5</u>	<u>77.5</u>	<u>77.5</u>	<u>77.5</u>	<u>77.5</u>	<u>77.5</u>	<u>77.5</u>	<u>77.5</u>
Property Tax	\$233	\$465	\$698	\$930	\$1,163	\$1,395	\$1,628	\$1,860	\$2,325	\$3,488	\$4,650
COMB Tax Credit	-	-	-	-	-	-	-	-	-	-	-
Taxes Due	\$233	\$465	\$698	\$930	\$1,163	\$1,395	\$1,628	\$1,860	\$2,325	\$3,488	\$4,650
Prior Year Tax Due	\$224	\$447	\$671	\$894	\$1,118	\$1,341	\$1,565	\$1,788	\$2,235	\$3,353	\$4,470
Tax Increase	\$9	\$18	\$27	\$36	\$45	\$54	\$63	\$72	\$90	\$135	\$180
Tax Increase - Monthly	\$1	\$1.50	\$2	\$3	\$4	\$4.50	\$5	\$6	\$8	\$11	\$15



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

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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 \$1,441.32 this year. This includes:

City Taxes	\$265.20
Water and Sewer charges	568.32
Storm Water Fees	69.00
Solid Waste Fees	298.80
Tourism Development Fee	240.00
Annual Total	\$1,441.32



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

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

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

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

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

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

100 cubic yards of mulch for landscaped medians and parks

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





## City Services:

- ✓ 24-hour police protection
- ✓ Criminal Investigation
- ✓ Traffic Enforcement
- ✓ Crime Prevention Programs
- ✓ School Resource Officer's Program
- ✓ 24-hour fire protection
- ✓ Fire Prevention Services
- ✓ 24-hour Emergency Medical Response
- ✓ Hazardous Materials Response
- ✓ Street Construction and Maintenance
- ✓ Traffic Signals and Street Lighting
- ✓ Street Cleaning
- ✓ Drainage System Maintenance
- ✓ Drainage Improvements
- ✓ Parks and Recreation Facilities and Programs
- ✓ Street Tree Planting and Maintenance
- ✓ Community Planning, Zoning, Development Review
- ✓ Neighborhood Services
- ✓ Construction Services
- ✓ Municipal Court
- ✓ Various Economic Development Services
- ✓ All Municipal Legislative, Management and Support Services



## Total Cost of City Services:

**\$120.11 Per Month**

## Compare With:



One evening out for two with dinner and a movie:

**\$ 118.25**

*Based upon entrée' price of \$22.95, including two drinks, taxes, tips and refreshments at the theater.*



Three tanks of mid-grade gasoline to fill your family's mid-sized sedan:

**\$119.70**

*Based upon 21.0 gallon fuel capacity at \$1.90 per gallon.*



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

**\$131.99**



One week's low cost grocery bill for a family of 4:

**\$ 149.30**

*Based upon USDA Official Food Plan update February 2016.*

# Highlights of the Manager's Recommended Budget

## General Fund

- ▶ Total General Fund budget: \$75,480,555
  - ▶ O&M: \$74,900,501, for an increase of 4.0% over prior year
  - Capital outlays: \$580,054, a decrease of 54% from the prior year
- ▶ General Fund is balanced with ratio of recurring sources to recurring uses at 100.6 % and fund balance at 15.1% of recurring expenditures
- ▶ Current Level increase to operating Budget: \$2.2 mm (3.0%)
- ▶ Expanded Chapin Memorial Library Hours
- ▶ Expanded Base Recreation Center Hours
- ▶ Addition of 10 Full Time Positions



# Highlights of the Manager's Recommended Budget

## Other Funds

- ▶ Water & Sewer—Blended water and sewer rate increase of 4.1% to 4.7% based on usage (6.9% - water, 2.5% - sewer).
- ▶ Every 5-years the City conducts a comprehensive rate study to determine the necessary rate structure to ensure service continuity, infrastructure capacity, and maintenance of existing plant.
- ▶ The drivers of rates increases implemented by the City over the past several years are:
  - ▶ Wholesale Water & Sewer Rate Increases from GSWS
  - ▶ Service Extensions
  - ▶ System Maintenance and Upgrades
  - ▶ Increasing cost of doing business. Examples include utilities, material costs, wages, etc.

## History of W&S Rates

Fiscal Year	Blended Increase
2013	4.4%
2014	4.5
2015	1.8
2016	2.7
2017	4.1

# Impact of increases in wholesale costs, water & sewer, last five years

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



Annualized increase in  
wholesale sewer costs over past five years:  
**2.6%**



# Other increases, Water & Sewer Fund

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



# Operating Budget Highlights

## Other Funds

### ► Convention Center

- Given the hotel's recent success, the Convention Center continues to generate sufficient revenue
  - to cover its operating expenditures without support from general revenues and
  - to develop its own Capital Improvements Program, potentially allowing more general revenues to support projects in other areas.
- In order to maintain the fiscal health of the Convention Center, the maximum rate for Exhibition, Ballroom and Meeting Room rental has been increased to accommodate a “peak season” rate structure and in recognition of the fact that events may book as far out as 10 years.
- New position (\$52K):
  - Upgrade one temporary Facility Engineering to full time.





# Operating Budget Highlights

## Other Funds (continued)

### ► Solid Waste

- The FY17 Budget includes a \$2.00 container fee for Pelican customers and the charge for the initial provision or replacement of a trash pelican and a recycle bin will be eliminated.
- Container fees paid over the past two fiscal years will be refunded to existing waste service customers.
- Continued residential growth is stretching available manpower beyond the City's acceptable service level. Change to address productivity include:
  - \$124,500 in additional funding for 1 Solid Waste Worker and an Equipment Operator to supplement existing staff.





# Operating Budget Highlights

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## Other Funds (continued)

### ► Sports Tourism

- The Sports Tourism Fund has been created by pulling Sports Tourism accounts from the General Fund and combining it with the Myrtle Beach Sports Center.
- The FY17 Budget contemplates the implementation of a new fee/rate model for sports tourism events.
- Service level changes include
  - \$105k in additional funding for temporary wages and equipment to allow for collection of gate admissions.



# Operating Budget Highlights

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## Other Funds (continued)

### ▶ MB Air Base Redevelopment District

#### ▶ Revenues are sufficient

- ▶ to cover debt service on the Series 2006A&B TIF Bonds and 2010 TIF Bonds.
- ▶ tax increment from the remainder of district support is beginning to generate funds for additional capital projects.



# Capital Projects

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

