

FEBRUARY VISION MEETING 2016

Creating a Guide for the FY 2016-2017 Budget

Long Term Vision & Strategic Planning

- Exercise - everyone gets 6 post-its (5 minutes)
 - 2 for the most important current focus areas
 - 2 for the biggest opportunities for improvement
 - 2 for the most important future development areas
- Discussion of results (20 minutes)
- Ensure that all future agenda topics support the strategic plan which supports the long term vision (5 minutes)
- Discussion on regulation vs. resources (30 minutes)
- Discussion of business development, growth opportunities, customer service, and relationship with town hall (30 minutes)

Real Estate Taxes

TOSB 2015 Tax Assessment (Real Estate Only)			
6% Taxpayers			
	#	\$	%
Commercial	Notices	Tax	% of Total
residential vacant land	309	77,315	3
Res 1 family	1477	1,229,474	53
res 2 fam	113	75,204	3
res 3 fam	20	15,716	1
res 4 family	10	8,494	0
common area	10	106	0
condo	774	379,769	16
townhouse	207	74,353	3
patio home	23	16,931	1
mobil home	10	1,521	0
other	33	32,518	1
Apartments	21	13,254	1
Commercial*	422	390,610	17
Total	3429	\$ 2,315,160	100
*Note: Total 4%	1168	\$ 477,206	

*Note: \$344,000 for B/L = \$734,610 total or 12% of total revenue

Renourishment Update

- The Army Corp has programmed \$16M for Reach 3 which includes Garden City and Surfside Beach based on sand loss
 - Reach 1 (North Myrtle Beach): 242,000 cubic yards lost
 - Reach 2 (Myrtle Beach): 117,000 cubic yards lost
 - Reach 3 (Garden City/Surfside): 332,000 cubic yards lost
- They did not agree to fund either of the other Reaches in Horry County
- The governor has appropriated \$40M for restoration of all beaches in SC and we are waiting to hear if they will commit to the entire \$4.9M of their share for Reach 3
- In any event we need to gather our funds quickly and expend them in two onstallments
 - The first in the spring of 2016 for engineering
 - The second in the fall of 2016 for project
 - It is planned to be a 10 month project so it is critical that we be the end on which they start so we're still not pumping sand during the summer of 2017.

Funding for this Beach Renourishment

Fiscal Year	Hospitality	A-Tax	Pier	Total per Year	Aggregate Total
FYE 2015					\$497,818
FY 2015-16	\$125,000			\$125,000	\$622,818
FY 2016-17	\$450,000	\$98,000	\$30,000	\$578,000	\$1,200,818
FY 2018	\$100,000	\$100,000		\$200,000	\$200,000

*Note: The above numbers assume that our tourist season revenue will equal prior year

SUMMARY

Where We Left Off

Item	Estimated Amount	Amount 2016-2017	General	Hosp	Atax	Cap Proj	San	Pier	Total		Council Decision
Beach Renourishment 17-18	\$1,200,000	\$578,000		\$450,000	\$98,000			\$30,000	\$578,000	Fund from Capital Projects, Hospitality, A-Tax and Pier	Yes
Federal P25 Radio Mandate	\$145,000	\$145,000	\$145,000						\$145,000	Capital Replacement	Yes
Digital Marquee	\$42,000	\$21,000	\$21,000						\$21,000	Earmark money over 2 years from Capital Replacement	Yes
Indigent Defense Fund	\$5,000	\$5,000	\$5,000						\$5,000	Let this build to maximum of \$25,000 and comes out of court	Yes
Hydrants and Water Main Upgrades in 3 Areas	\$68,000	\$34,000				\$34,000			\$34,000	Fund \$34K for next two years	Yes
Historic Lot Tree Maintenance	\$7,500	\$7,500	\$7,500						\$7,500	Fund	Yes
3rd Avenue South Takeover and Enhancements	\$300,000	\$300,000							\$0	Funds from state	Yes
Façade Grant	\$50,000	\$25,000	\$25,000						\$25,000	Don't fund	Yes
Front End Loader	\$145,000	\$145,000	\$145,000						\$145,000	Don't fund	Yes
5 Additional Wilfire Cameras	\$28,000	\$28,000		\$28,000					\$28,000	Don't fund	Yes
2 Marked Patrol Cars	\$77,000	\$77,000		\$77,000					\$77,000	Only fund one (\$38,500)	Yes
Commemorative Wall in Passive Park	\$10,000	\$10,000		\$10,000					\$10,000	Defer 1 year (Hospitality)	Yes
Sanitation Changes in the R3	\$20,000	\$20,000					\$20,000		\$20,000	Charge residents for 1 additional pickup during busy season	Yes
Install Permanent Restrooms at Passive Park	\$75,000	\$0							\$0	Delay one year and fund through Hospitality	Defer
Building Demo	\$50,000	\$50,000				\$50,000			\$50,000	Fund demo	Discussion

Department	Item	Estimated Amount	Amount 2016-2017	General	Hosp	Atax	Cap Proj	San	Pier	Total		Council Decision
New Building	Town Hall Complex	\$3,000,000	\$0							\$0	Float a bond and do new Town Hall Complex 15,000 Sq.Ft.	Discussion
Payroll	3%	\$110,000	\$110,000	\$110,000						\$110,000	medical and retirement to employees over last 3 years	Discussion
Stormwater	Beach Renourishment 2028	\$2,000,000	\$0							\$0	Bring ordinance to fund \$200K per year from Hospitality and A-Tax	Yes
Stormwater	Long Range Offshore Piping	\$10,000,000	\$0							\$0	Wait for MB and NMB test results and possibly hurricane	Yes
Stormwater	Phase II North-end Drainage Project	\$700,000	\$0							\$0	Discuss financial participation of county	Workshop
Stormwater	Myrtle Swash New Bulkheads	\$357,000	\$0							\$0	FundDiscuss financial participation of county	Workshop
Stormwater	Floral Swash New Bulkheads	\$279,000	\$0							\$0	Discuss financial participation of county	Workshop
Stormwater	Dogwood Swash - Replace Ocean Boulevard Culvert Bridge	\$170,000	\$0							\$0	Discuss financial participation of county	Workshop
Stormwater	Myrtle Swash - Replace Ocean Boulevard Culvert Bridge	\$200,000	\$0							\$0	Discuss financial participation of county	Workshop
Public Works	Melody Lane Stormwater Discharge Rerouting	\$1,000,000	\$0							\$0	Earmark \$250,000 over 4 years and try to get county to participate	Workshop
Court	Security Enhancements	\$12,000	\$0							\$0	Don't fund	No
Events	Renovate Floral Clubhouse	\$18,000	\$0							\$0	Don't Fund	No
Fire	Beach Rescue ATV	\$18,000	\$0							\$0	Don't fund	No
Council	Municode Paper Copies	\$2,000	\$0							\$0	Don't fund	No
Council	Drone	\$3,500	\$0							\$0	Don't fund	No
Total		\$20,092,000	\$1,555,500	\$458,500	\$565,000	\$98,000	\$84,000	\$20,000	\$30,000	\$1,255,500		
Total with Suggested Exclusions										\$950,500		

Capital Replacement Per Plan

Capital Reserve Balances	2016-2017	
Grounds Pick up	25,000	Defer 1 Year
Grounds Mower	17,000	
Street Pickup with Dump	40,000	Defer 1 Year
Street Gator	10,000	Defer 1 Year
Special Events Truck	25,000	
Total (Per Plan Replacement)	\$ 117,000	\$ 42,000
Savings \$75K		

Salary Adjustments

- Police Officers
- Public Works
 - We will be bringing this to Organizational Committee in a few weeks
 - The estimated amount at this time looks to be \$50K

Other Possible Recurring Savings

- Close Skateboard Park (Savings of \$8.75K)
 - Save \$ 6750 in liability and property insurance premiums per year
 - Save yearly maintenance and labor costs (\$ 2000)
 - Additional parking for public
- Offer newsletter online only (Savings \cong \$16K)
- Do not fund committee mandates (Savings \cong \$20K)
 - Must be brought to council before budget to consider
 - Must be budgeted expenditures
- Possible staffing changes/reorganization (Savings \cong 55K)

Changes - Revenues

- Institute stormwater impact fee
- Parking (Increased revenue \cong \$50K)
 - Raise parking rates \$.50 per hour across the board
 - Do not allow sticker parking in the pier parking lot

CAPITAL PROJECTS - STORMWATER

Stormwater Projects

Priority	Description	Estimated Cost
1	Phase II North Side Drainage Project	\$700,000
2	Myrtle Swash – New Bulkheads	\$357,000
3	Floral Swash – New Bulkheads	\$279,000
4	Dogwood Swash – Replace Ocean Blvd Culvert Bridge	\$170,000
5	Myrtle Swash – Replace Ocean Blvd Culvert Bridge	\$200,000
6	Melody Basin – Eliminate Discharge into Garden City	\$1,000,000
	Total	\$2,706,000

Stormwater Needs

- A dedicated funding source is needed for stormwater improvements in town
 - Maintaining and improving our infrastructure will be critical in the coming years
 - The town needs to address the next phases of the North Side Drainage Project, which has already been modeled
 - Weaknesses in this area were proven during the recent rain event.
 - Also, our aging bulkheads and outfalls need to be redesigned and replaced to properly safeguard the town in the future

Stormwater Funding Options

- Surfside Beach is one of the few remaining MS4s in the state that has not adopted some type of Stormwater Utility Program as a stand-alone
 - We have solicited a proposal from our stormwater consultant to perform a budget analysis/resource allocation plan and an impervious surface study, to establish an Equivalent Residential Unit (ERU), which is the normal basis for equitable distribution of fees
- Options commonly used to derive a stormwater fee are ...
 - A dedicated percentage of property taxes (millage)
 - A flat fee for residential; possibly a different fee for commercial (land use)
 - A calculated fee based on percentage of impervious surface
 - A fee tied in to some other factors

What Our Neighbors are Doing

Entity	Stormwater Utility Fee	How Collected	<u>Base</u> ERU fee (Single Family)
City of Myrtle Beach	Yes (1990s)	Water Bill (Monthly)	\$69.00 annually
City of N. Myrtle Beach	Yes (2000)	Water Bill (Monthly)	\$72.00 annually
Town of Mt. Pleasant	Yes	Property Tax Bill (Annually)	\$60.00 annually
Horry County	Yes (2000)	Property Tax Bill (Annually)	\$29.40 annually
Georgetown County	Yes (2007)	Property Tax Bill (Annually)	\$52.00 annually

Sustainable or Not?

- Infrastructure costs such as stormwater and roads continue to escalate in cost
- Salaries, benefits, utilities and insurances will continue to grow and are not sustainable without continual tax hikes
 - Annexation is one possible solution
 - Continual tax increases is one possible solution
 - Slow dismantling of the town and reduction in services is not a solution unless un-incorporation is the goal