



FOR IMMEDIATE RELEASE

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CITY COUNCIL SCHEDULES FEBRUARY 26-27 FISCAL YEAR 2019 BUDGET RETREAT

February 23, 2018 – North Myrtle Beach, SC – The North Myrtle Beach City Council will hold its fiscal year 2019 budget retreat meeting February 26-27 at Santee Cooper’s Wampee Conference Center in Pinopolis, SC.

The budget retreat meeting is open to the public.

City Council will formally open its two-day budget retreat meeting on February 26 at 8:00 a.m. at City Hall and will then immediately travel to Pinopolis to continue the meeting and discuss the city’s proposed FY 2019 Budget. The meeting will end after City Council has completed its budget discussions on February 27.

The city’s fiscal year is July 1-June 30.

The proposed FY 2019 budget involves 16 separate funds with significant interrelations and transfers between the various funds.

The proposed FY 2019 budget is \$96.2 million, about \$8 million less than the FY 2018 budget.

BUDGET RETREAT SCHEDULE

Monday, February 26, 2018

- 8:00am.....Depart for Pinopolis
- 10:15-10:45.....Arrive
- 10:45-11:45.....Budget Overview & General Fund
- 12:00pm-1:00...Lunch
- 1:15-2:30.....Other Funds
- 2:30-3:00.....Break
- 3:00-4:00.....Public Works Projects
- 5:30-6:30.....Dinner

Tuesday, February 27, 2018

- 7:45am-9:00.....Breakfast
- 9:00-11:00.....Priority Setting/Review

The Budget Retreat May Include Discussion of the Following:

- A potential property tax increase of between 1 and 2 mills
- Proposed adjustment to business license fees
- Proposed adjustment to the sewer base fee and volume charge

Potential Property Tax Increase

Discussion of a potential property tax increase is driven by the need for more funding for capital improvement projects, a state retirement system-mandated \$260,000 increase in the city's contribution for police and fire retirement funding for FY 2019, increases in health insurance, and apparent imbalances in police, fire and other pay categories as compared to other municipalities.

In North Myrtle Beach, 1-mill of property tax equals about \$375,000 in revenue. A 1-mill

property tax increase on a \$350,000 home would amount to an increase of \$14 annually and a 2-mill property tax increase on a \$350,000 home would amount to an increase of \$28 annually.

The current North Myrtle Beach property tax rate is 41.3 mills, the lowest in Horry County and one of the lowest in South Carolina. An increase of 1 or 2 mills would increase the property tax rate to 42.3 mills or 43.3 mills, still the lowest in Horry County.

Additionally, 6.2 mills of the city's current 41.3 mills property tax rate goes to pay down the land purchase/construction bond on the 162-acre North Myrtle Beach Park & Sports Complex. The bond debt will be retired in calendar year 2019 and the city's property tax rate will then be *reduced* 6.2 mills.

Proposed Adjustment of Business License Fee

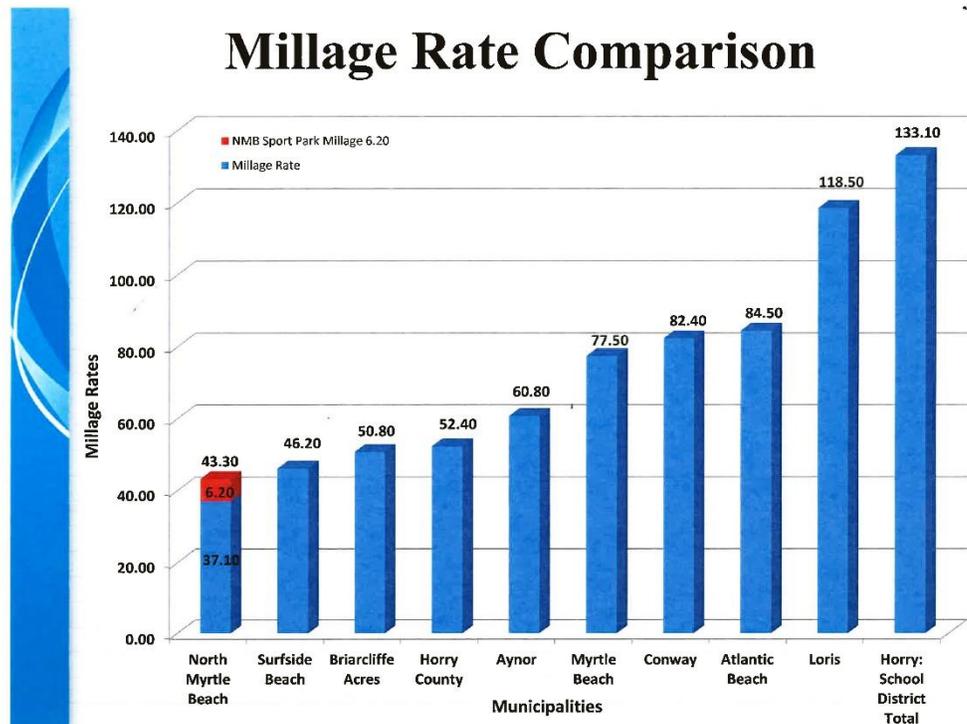
The City has not adjusted its business license fees since 1986.

The proposal is to adjust business license fees by 25% of the differential between North Myrtle Beach rates and Myrtle Beach rates.

Example: In the "Building, Auto Parts & Clothing" business license category, the current Myrtle Beach base rate is \$105 and the current North Myrtle Beach base rate is \$35. The difference between the two rates is \$70. 25% of \$70=\$17.50. Thus, the proposed North Myrtle Beach base rate for this category would be adjusted from \$35 to a proposed \$52.50, still lower than the Myrtle Beach base rate of \$105.

Proposed Adjustments of Sewer Base Rate and Volume Charge

Proposed adjustments to the sewer base rate and volume charge would bring sewage revenue in line with sewage expenses. For about 12,660 of the City's sewer customers, the base rate on a ¾-inch meter would go from \$6.32 to a proposed \$8.00, plus 7-cents per gallon for 10,000 gallons. The total proposed



adjustment would be about \$2.38 for the first 10,000 gallons. Larger meter sizes could realize larger adjustments.

SOME BUDGET HIGHLIGHTS

- The proposed FY 2019 Budget includes continuation of localized drainage projects based on priorities established in 2017 by City Council. The \$2 million worth of projects extend over several years.
- Significant proposed water and sewer improvement projects include rehabilitation of the Cherry Grove Water Tank (\$1.2 million), improvements to the wastewater treatment plant (\$875,000), and sewer pump replacements (\$300,000).
- Continuation of the Cherry Grove Dredging Project is budgeted for FY 2019. Continued payment on the 5-year bond issue for the accomplished first dredge continues, and work will occur on marsh and oyster bed mitigation required as part of the U.S. Army Corps of Engineers dredging permit.
- Proposed transportation improvement priorities include intersection improvements at 2nd Avenue North & Highway 17, and secondary road resurfacing projects. A proposed multipurpose path for Little River Neck Road would currently require a 50/50 funding commitment between the City of North Myrtle Beach and Horry County.
- The City has accomplished 5.3 miles of underground utility conversion and the FY 2019 budget proposes design and construction of another mile.
- Equipment replacement would continue on a pay-as-you-go basis.
- Funding for future beach renourishment would come from state accommodations tax revenue.
- City Council will review about \$3.9 million in proposed FY 2019 accommodations tax revenue expenditures. An Accommodations Tax Committee recommends to City Council expenditures of accommodations tax revenue. City Council may approve committee recommendations or redirect funding.

Following the February 26-27 budget retreat, more information on the proposed FY 2019 budget will be posted on www.NMB.us under "Press Releases".

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