

December 6, 2022 – presented for 1st reading

1 **2022-54 (1st READING): AN ORDINANCE TO AMEND ORDINANCE 2022-028,**
2 **THE 2022-23 MUNICIPAL BUDGET ORDINANCE, BY APPROPRIATING**
3 **ALLOCATIONS FROM FUND BALANCE/RETAINED EARNINGS FOR CERTAIN**
4 **OPERATING AND CAPITAL EXPENDITURES.**

5 **Staff/Purpose:** Staff/ amend the 2022-23 budget ordinance to appropriate funds from Fund
6 Balance/Retained Earnings.

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8 **Brief:**

- 9 • As a result of vacancies throughout the City, considerable savings in personnel costs
10 were recognized during the year ended June 30, 2022. The savings are sufficient to
11 allow a one-time bonus to those employees that maintained service levels in spite of
12 staffing shortages. (\$3,462,341)
- 13 • The combination of stronger than expected revenues and expenditure savings in the
14 General Fund for the year ended June 30, 2022 and the corresponding Fund Balance
15 growth allows for the funding of a number of items that were not included in the original
16 FY23 budget. (\$6,510,000)
- 17 • The combination of stronger than expected revenues and expenditure savings in the
18 General Fund for the year ended June 30, 2022 and the corresponding Fund Balance
19 growth allows for the appropriation of funds to expedite deficit funding in the Health
20 Insurance Fund. (\$1,000,000)
- 21 • Stronger than expected Tourism Driven Revenues received for the year ended June
22 30, 2022 allow for the allocation of funds for projects that either came in over (Fire
23 Station#3 \$4,500,000) budget or need to be addressed at this time (Storm Water
24 properties \$600,000 & Crabtree Gymnasium \$825,000)

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26 **Issues:**

- 27 • While improving somewhat, staffing or filling vacant positions remains a challenge and the
28 recommended bonus is intended to recognize the "First in Service" response of those
29 employees that maintained service levels through June 30, 2022 and encourage retention
30 of our existing workforce.
- 31 • Lead time on acquiring Fire Apparatus is currently 3 years. Appropriating funds for
32 advance purchases at this time will allow the City to acquire apparatus as our equipment
33 reaches the end of its useful life.
- 34 • The various software enhancements will allow for heightened cybersecurity, greater
35 operational efficiencies and information exchange.
- 36 • Facility maintenance and renovation is necessary for preservation and enhancement of
37 the City's infrastructure.

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39 **Public Notification:** Normal advertising for agenda items.

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41 **Alternatives:**

- 42 • Council may amend or deny the proposed ordinance.

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44 **Financial Impact:** Using the Fund Balance/Retained earnings does not result in any negative
45 impact on the fiscal status of the funds indicated.

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47 **Manager's Recommendation:** I recommend 1st reading.

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49 **Attachment(s):** Proposed ordinance.

CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

TO AMEND ORDINANCE NO. 2022-028,
THE 2022-23 MUNICIPAL BUDGET
ORDINANCE, BY APPROPRIATING
ALLOCATIONS FROM FUND BALANCE
/RETAINED EARNINGS FOR CERTAIN
OPERATING AND CAPITAL
EXPENDITURES.

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WHEREAS, Section 5-13-30(3) of the Code of Laws of South Carolina requires that a municipal council shall act by ordinance to adopt budgets and to levy taxes pursuant to public notice; and

WHEREAS, Ordinance 2022-028, the City’s Budget Ordinance for FY 2022-23 was adopted by City Council on June 14, 2022; and

WHEREAS, Certain revenues generated during the year ended June 30, 2022 exceeded budget estimates; and

WHEREAS, Certain expenditures incurred during the year ended June 30, 2022 were below budget allocations, most notably personnel service expenditures; and

WHEREAS, The resulting growth in fund balance (retained earnings) allows for allocations for appropriations not previously included in the FY 2022-23 Budget Ordinance;

NOW, THEREFORE, BE IT ORDAINED by the governing body of the City of Myrtle Beach, in Council duly assembled, and by the authority of the same, that the FY 2022-23 budget is hereby amended as follows:

Sec. 1. **Appropriation.** The sum of \$3,462,341 is hereby appropriated for a one time employee bonus from the Fund Balance/Retained Earnings of each respective Funds as follows:

General Fund	\$ 2,880,514
Victims Advocate	10,463
Fleet Maintenance	24,637
MB Convention Center	147,680
Sports Tourism	29,929
Storm Water	52,229
Solid Waste Management	137,555
Water & Sewer Utility	<u>179,334</u>
Total	\$ 3,462,341

Sec. 2. **Appropriation.** The sum of \$6,510,000 is hereby appropriated for expenditures in the General Fund from the accumulated Fund Balance as follows:

Fire Apparatus	\$4,850,000
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