

November 9, 2021 - Presented for 1st Reading

1 **2021-45 (1st READING): TO AMEND ORDINANCE NO. 2020-31, THE 2020-21 BUDGET**
 2 **ORDINANCE, RECOGNIZING MATERIAL EVENTS AND THEIR IMPACTS UPON THE 2021-**
 3 **21 BUDGET AND RECONCILING BUDGETS WITH AUDITED RESULTS.**

4 **Applicant/Purpose:** CFO / to adopt a “wind-up ordinance” reconciling appropriations w/ year-end
 5 results resulting from timing issues & extraordinary events of the year.

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 7 **Brief:**

- 8 • Each year, as the result of closing & adjusting entries, the City considers whether it must adopt
 9 a wind-up ordinance to account for adjustments that changed the original adopted budget.
 10 Changes to the 2021 Budget include:
 - 11 ▪ Hospitality Fee, Hospitality Tax, Local Accommodations Tax, Local Accommodations Tax
 12 (new), and Tourism Development Fee, to recognize revenues in excess of budget
 13 estimates and to appropriate those revenues to cover eligible public safety capital and
 14 operational, Convention Center facility capital and operational, capital project, and debt
 15 service expenditures related to tourism.
 - 16 ▪ Hospitality Tax, to recognize the City’s portion of distributed settlement funds and
 17 allocate to the Oceanfront Tax Increment District for the purpose of funding tourism
 18 related Capital Improvement Projects.
 - 19 ▪ Air Base Tax Increment Funds, to recognize the increase in funds declared surplus
 20 through an additional initial distribution by the Redevelopment Authority in 10/2021 &
 21 distributed to the taxing districts; to recognize a transfer to Capital Improvements for
 22 the Police Annex project as approved in the amended TIF plan.
 - 23 ▪ General revenues and fund balance, to recognize general and intergovernmental
 24 revenues in excess of budgeted amounts and appropriate fund balance to cover
 25 hospitality suit related legal fees and to offset deficit balances in self-funded insurance
 26 programs.
 - 27 ▪ Workforce Housing and Capital Projects, to recognize transfers in of general revenues.
 - 28 ▪ Public Facilities Fund to recognize closure of the fund and transfer of remaining balance
 29 for debt service.

30 **Issues:**

- 31 • In 2021, aside from normal issues of timing at the close of the year, a number of events occurred
 32 that necessitate a wind-up ordinance including:
 - 33 ▪ The pandemic & associated economic & operational impacts.
 - 34 ▪ Distribution of Hospitality Settlement funds.
 - 35 ▪ Additional initial funding of declared surplus by the Air Base Redevelopment Authority &
 36 subsequently distributed to the School District, County, & City.
- 37 • Some of these events occurred after the fiscal year end but impacted the FY2020-21 financial
 38 results, thus requiring this budget amendment.

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 40 **Public Notification:** Standard notification of ordinances.

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 42 **Alternatives:** No viable alternatives.

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 44 **Financial Impact:** No financial impact.

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 46 **Manager’s Recommendation:** I recommend 1st reading (11/9/2021).

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

CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

AN ORDINANCE TO AMEND ORDINANCE
NO. 2020-31, THE 2020-21 BUDGET
ORDINANCE, RECOGNIZING MATERIAL
EVENTS AND THEIR IMPACTS UPON THE
2020-21 BUDGET AND RECONCILING
BUDGETS WITH AUDITED RESULTS

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

14 WHEREAS, Ordinance 2020-31, the City’s Budget Ordinance for FY 2020-21 was adopted by City
15 Council on June 23, 2020; and

16 WHEREAS, material events including the COVID-19 pandemic and its consequent impacts upon
17 the local economy, the settlement of the Hospitality Fee lawsuit, increases in the distribution
18 of surplus funds from the Air Base Redevelopment District, among others; and

19 WHEREAS, as a result of activities during the year, expenditures or expenses in certain funds
20 will exceed their original estimates;

21 NOW, THEREFORE, BE IT ORDAINED by the governing body of the City of Myrtle Beach, in Council
22 duly assembled, and by the authority of the same, that the 2020-21 budget is hereby amended
23 as follows:
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25 Sec. 1. Local Accommodations Tax (New 2020) Fund.

26 a. Supplemental funding sources are hereby estimated as follows:

27	Local Accommodations Tax Revenue	\$ 4,447,492
28	Interest Income	6,618
29	Fund Balance	<u>6,569,219</u>
30	Total	<u>\$11,023,329</u>

31 b. Supplemental appropriations are hereby established as follows:

32	Transfers Out to General Fund	\$ 5,498,329
33	Transfer Out to MB Convention Center Fund	2,925,000
34	Transfer Out to Downtown Development Fund	50,000
35	Transfer Out to Debt Service Fund	<u>2,550,000</u>
36	Total	<u>\$ 11,023,329</u>

38 Sec. 2. Local Accommodations Tax Fund.

39 a. Supplemental funding sources are hereby estimated as follows:

40	Local Accommodations Tax Revenues	<u>\$ 150,606</u>
41	Total	<u>\$ 150,606</u>

1	b. Supplemental appropriations are hereby established as follows:	
2	Transfer Out to General Fund	\$ 150,606
3	Total	<u>\$ 150,606</u>

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5 **Sec. 3. Hospitality Fee Fund.**

6	a. Supplemental funding sources are hereby estimated as follows:	
7	Hospitality Tax Revenues	\$ 179,691
8	Total	<u>\$ 179,691</u>

9	b. Supplemental appropriations are hereby established as follows:	
10	Transfers Out to General Fund	\$ 179,691
11	Total	<u>\$ 179,691</u>

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13 **Sec. 4. Hospitality Tax Fund.**

14	a. Supplemental funding sources are hereby estimated as follows:	
15	Hospitality Tax Revenues	\$ 1,123,152
16	Miscellaneous Revenues	5,847,994
17	Total	<u>\$ 6,974,146</u>

18	b. Supplemental appropriations are hereby established as follows:	
19	Transfer Out to General Fund	\$ 1,123,152
20	Transfer Out to Oceanfront Tax Increment Fund	5,847,994
21	Total	<u>\$ 6,974,146</u>

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23 **Sec. 5. Tourism Development Fee Fund.**

24	a. Supplemental funding sources are hereby estimated as follows:	
25	Tourism Development Fee Revenues	\$ 337,418
26	Total	<u>\$ 337,418</u>

27	b. Supplemental appropriations are hereby established as follows:	
28	Transfer Out to General Fund	\$ 337,418
29	Total	<u>\$ 337,418</u>

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31 **Sec. 6. General Fund**

32	a. Supplemental funding sources are hereby estimated as follows:	
33	Transfer In Local Accommodations Tax (new)	\$ 5,498,329
34	Transfer In Local Accommodations Tax	\$ 150,606
35	Transfer In Hospitality Fee	\$ 179,691
36	Transfer In Hospitality Tax	\$ 1,123,152
37	Transfer In Tourism Development Fee	\$ 337,418
38	Total	<u>\$ 7,289,196</u>

39 **Sec. 7. Debt Service Fund.**

40	a. Supplemental funding sources are hereby estimated as follows:	
41	Transfers In from Local Accommodations Tax (new)	\$ 2,550,000
42	Transfer In from Public Facilities Fund	4,148
43	Total	<u>\$ 2,554,148</u>

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Sec. 8. Myrtle Beach Convention Center Fund

- a. Funding is hereby estimated to be available as follows:
 - Transfers In Local Accommodation Tax (New 2020) \$ 2,925,000
 - Total \$ 2,925,000

Sec. 9. Air Base Tax Increment Revenue Fund

- a. Funding is hereby estimated to be available as follows:
 - Air Base Tax Increment Fund Balance \$ 8,748,168
 - Total \$ 8,748,168

- b. Supplemental appropriations are hereby established as follows:
 - Transfers Out to Capital Projects Fund \$ 2,500,000
 - Transfer Out to General Fund 1,913,001
 - Community & Economic Development 4,335,167
 - Total \$ 8,748,168

Sec. 10. Workforce Housing Fund

- a. Funding is hereby estimated to be available as follows:
 - Transfers In from General Fund \$ 681,518
 - Total \$ 681,518

Capital Projects Fund

- b. Funding is hereby estimated to be available as follows:
 - Transfers In from General Fund \$ 1,500,000
 - Transfers In from Air Base Tax Increment Fund 2,500,000
 - Total \$ 4,000,000

- c. Supplemental appropriations are hereby established as follows:
 - Public Safety Capital Project (Police Annex) \$ 2,500,000
 - Total \$ 2,500,000

Sec. 11. Ocean Front Tax Increment Revenue Fund

- a. Funding is hereby estimated to be available as follows:
 - Transfers In Hospitality Tax \$ 5,847,994
 - Total \$ 5,847,994

- b. Supplemental appropriations are hereby established as follows:
 - Downtown Capital Improvements \$ 5,847,994
 - Total \$ 5,847,994

1	Sec. 12.	Downtown Development Fund	
2	a.	Funding is hereby estimated to be available as follows:	
3		Transfers In from Local Accommodations Tax	\$ <u>50,000</u>
4		Total	\$ <u>50,000</u>
5	b.	Supplemental appropriations are hereby established as follows:	
6		Community and Economic Development	\$ <u>50,000</u>
7		Total	\$ <u>50,000</u>

8	Sec. 13.	Public Facilities Corporation Fund	
9	a.	Funding is hereby estimated to be available as follows:	
10		Fund Balance	\$ 4,144
11		Interest Income	<u>4</u>
12		Total	\$ <u>4,148</u>
13	b.	Supplemental appropriations are hereby established as follows:	
14		Transfers out to Debt Service Fund	\$ <u>4,148</u>
15		Total	\$ <u>4,148</u>

17	Sec. 14.	General Fund	
18	a.	Funding is hereby estimated to be available as follows:	
19		Fund Balance	\$ 5,250,599
20		Transfer In from Air Base Tax Increment Fund	1,913,001
21		Miscellaneous Revenue	1,306,975
22		Intergovernmental Revenue	<u>3,906,348</u>
23		Total	<u>\$12,376,923</u>
24	b.	Supplemental appropriations are hereby established as follows:	
25		Transfers Out to Self Insurance	\$ 1,100,000
26		Transfer Out to Health Insurance Fund	3,351,778
27		Transfer Out to RHRA Fund	2,500,000
28		Transfer Out Workforce Housing	681,518
29		Transfer Out Capital Projects	1,500,000
30		Capital Outlay	337,418
31		General Government	<u>2,906,209</u>
32		Total	<u>\$12,376,923</u>

33	Sec. 15.	Self Insurance Fund	
34	a.	Funding is hereby estimated to be available as follows:	
35		Transfer In from General Fund	\$ <u>1,100,000</u>
36		Total	\$ <u>1,100,000</u>

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Sec. 16. Health Insurance Fund

a. Funding is hereby estimated to be available as follows:

Transfer In from General Fund	<u>\$ 3,351,778</u>
Total	<u>\$ 3,351,778</u>

Sec. 17. RHRA Fund

a. Funding is hereby estimated to be available as follows:

Transfer In from General Fund	<u>\$ 2,500,000</u>
Total	<u>\$ 2,500,000</u>

Sec. 8. Severability.

If, for any reason, any provision of this ordinance shall be declared invalid, such declaration shall invalidate that specific provision but shall not affect the remaining provisions hereof.

Sec. 9. Conflicts.

Should conflicts arise between this and any preceding ordinances, this ordinance shall prevail with respect to the conflicting sections.

This ordinance shall become effective upon its adoption.

BRENDA BETHUNE, MAYOR

ATTEST:

JENNIFER ADKINS, CITY CLERK

1st Reading: 11-9-2021