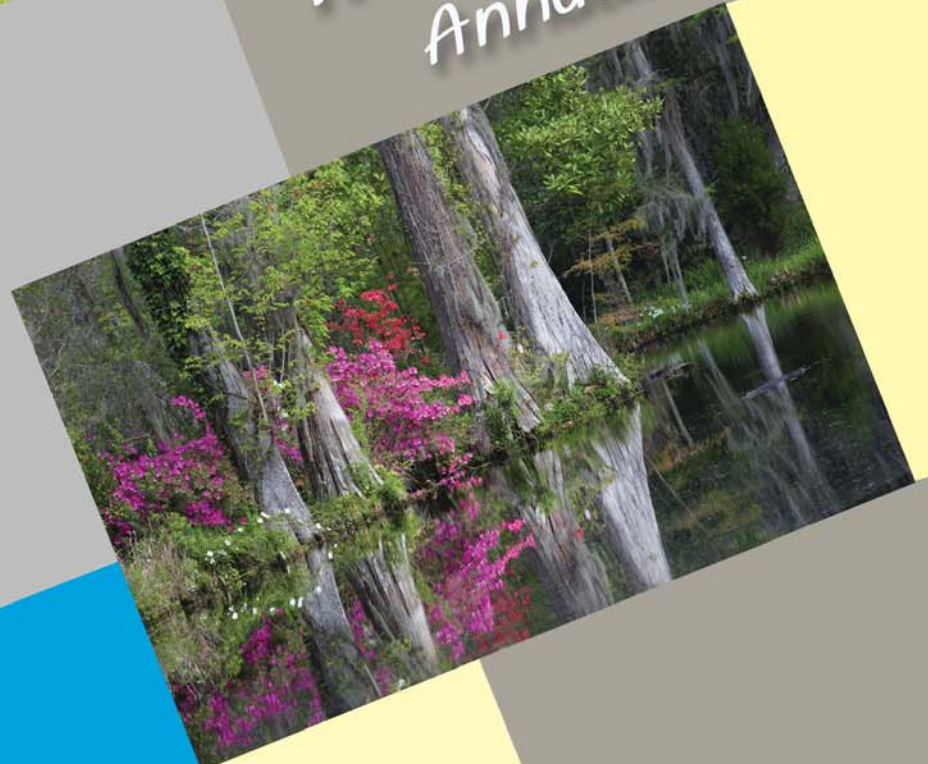


Horry County Annual Report



2015



Letter to the Citizens

Welcome

It continues to be an honor to serve you as Chairman of Horry County Council. It is council's mission to provide a community environment in which the citizens and visitors of Horry County can enjoy the highest quality of life. Proper budgeting and financial management allows Horry County to achieve and exceed our goal of being good stewards of the taxpayer dollars.

I am pleased to present this annual report and share with you the good news about how your county is working for you. With the county's exceptional staff

and County Council's leadership, we will continue to make great strides.

Horry County residents have noticed our new litter crews that have been picking up roadside litter. This program was funded during this budget year and has made a huge impact on the cleanliness of our roads. We still have a long way to go when it comes to the litter issues we have in this county. We con-

tinue to support and work with our Keep Horry County Beautiful Committee in educating the public and sponsoring numerous cleanup events. Horry County Police will continue to patrol our roadways and write tickets to those who litter our beautiful community.

Major road construction continues in our area, as we wrap up projects from the

RIDE 2 program. These projects include the widening of Highway 707, and the Glens Bay Widening and Interchange Project.

Additional-

ly, we will continue the fight to pave International Drive. Plans are already underway to put together another list of road projects for the RIDE 3 program, which will be on a referendum for residents to vote on in the November 2016 General Election.

Horry County Council and staff have begun a strategic planning process on prioritizing goals and action plans for our county. We are analyzing various aspects



Mark Lazarus

of the county to include community life, government services, resident's needs, safety, mobility, etc. It will take several months to work through this process, but we are excited to develop an action plan to address issues and challenges that face our county.

Horry County employees continue to look for ways to save money, while striving to improve the services in the community by keeping with our number one goal of "Committed to Excellence". As the county continues to grow, we will make every effort to enhance our services and make Horry County the best it can be.

Respectfully,

Mark Lazarus

Horry County Council Chairman



Form of Government

Horry County has been operating under the Council/Administrator form of government since 1975. Under this type of government each member of council is elected from the district in which he/she lives and a chairman is elected at-large. The council consists of a chairman and 11 council members; each elected for four-year terms. The council appoints a Clerk to Council, Registrar of Deeds, and an Administrator.

Mission Statement

Providing a community environment in which the citizens and visitors of Horry County can enjoy the highest quality of life.

Motto

Committed to Excellence

Horry County Council

Guiding Our Future

The Horry County Council represents 11 different districts in the county and the chairman is elected at-large. The Council meets the first and third Tuesday of every month at 6 p.m. in Council Chambers located in the Horry County Government & Justice Center, 1301 2nd Avenue in Conway.

The meetings are televised "live" on HTC Channel 14 and Time Warner Cable Channel 3. The meetings are also streamed "live" on the county's website at www.horrycounty.org. Archived videos of the Council meetings, agendas and minutes are available online at www.horrycounty.org.



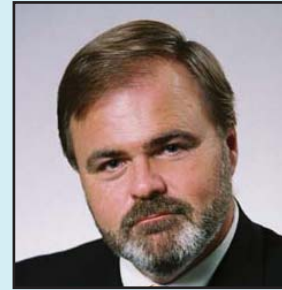
Mark Lazarus
Chairman



Harold G. Worley
District 1



Brent Schulz
District 2



Marion Foxworth, III
District 3



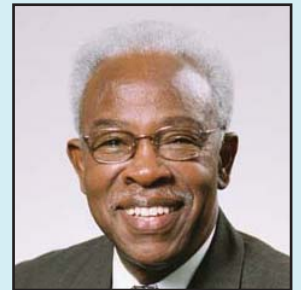
Gary Loftus
District 4



Paul D. Price, Jr.
District 5



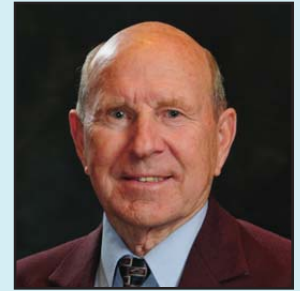
Bob Grabowski
District 6



James R. Frazier
District 7



Carl Schwartzkopf
District 8



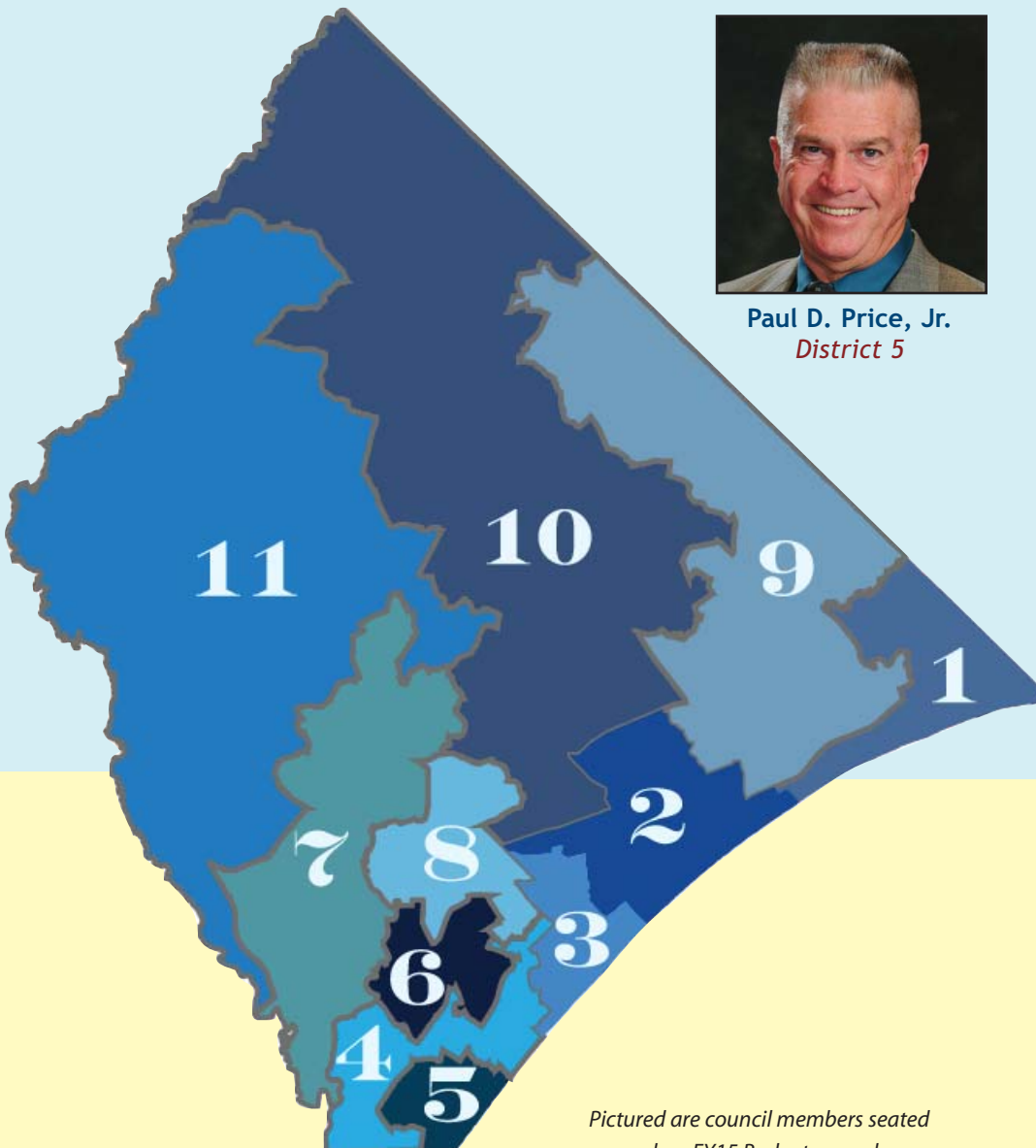
W. Paul Prince
District 9



Jody Prince, Vice Chairman
District 10



Al Allen
District 11



Pictured are council members seated when FY15 Budget passed.

Roadside Litter Program

In FY 2015 Horry County began a proactive effort to combat roadside litter. Two litter teams were created, staffed, and equipped to collect litter along major routes throughout Horry County. By the end of FY 2015 these two crews were collecting over 1,000 bags of litter each month.

The primary focus of this effort is to maintain clean roads for Horry County residents and the over 17 million tourists

that travel to the Grand Strand each year. Along with roadside litter on major routes, isolated dumpsites and dead animals (only on county roads) are collected in the unincorporated area of the county.

FY 2015 staffing included one supervisor, two full time crew leaders, and up to eight temporary employees. Nine-thousand bags of litter, 600 tires, and 108 dumpsites were cleaned from Horry County roadways.



Horry County Council, in conjunction with Keep Horry County Beautiful and numerous partners, hosted its second annual county-wide litter cleanup event in November 2015. The event featured 12-locations around the county where hundreds of volunteers came out and picked up 16,220 pounds of litter along our roadways. These amazing volunteers donated a total of 930 hours of their time to help keep our community clean during this event!

To find out more about volunteer opportunities with Keep Horry County Beautiful, please call (843) 915-5340 or find them on Facebook!

Energy Savings Performance Contract

In February 2013, Horry County Government executed an agreement with Pepco Energy Services to perform a preliminary energy assessment of 24 county government buildings. That assessment showed the potential for significant utility cost savings if the recommended upgrades and improvements were made. Since the results were very favorable, a detailed Investment grade audit followed, and in late 2013, a final contract for construction was executed.

The contract value was \$8,000,000 and included 13 energy conservation measures (ECM), including replacement of

19,000 light fixtures, upgrades to several HVAC and controls systems, replacement of plumbing fixtures, transformers and motor drives, and a two-year detailed commissioning scope. The contract terms provided a guaranteed annual savings of \$571,000, which escalates each year to cover utility cost increases. The ECMs were funded by financing paid only with the guaranteed annual savings over a 15 year period.

The construction and installation of all the ECMs was completed in March 2015, and the post installation measurement & verification report showed the guaran-

teed savings were exceeded by \$23,000. Extra savings included construction year savings of \$231,000, Federal 179D tax credits of \$375,000, and additional utility rebates of \$67,000. These additional funds are being utilized for continuing energy efficiency and performance upgrades.

In November of 2015, a new work task order was executed, under the original contract, for a preliminary energy assessment of all Horry County Airport facilities. It is anticipated that the construction phase for those ECMs will begin in mid-2016.

Various Airport Projects Completed in FY15

Runway Rehabilitation (Myrtle Beach International Airport)

The Myrtle Beach International Airport's 9,503 foot runway and taxiway "A" was rehabilitated while the runway lighting system was replaced. The \$20.5 million project was 90 percent funded using Federal Aviation Administration (FAA) Airport Improvement Grants, while the remaining balance was funded using airport funds. The completed project, with continued and required maintenance, has a 15-year life span.



Ramp Replacement Phase II (Grand Strand Airport)

The second phase of the ramp replacement at the Grand Strand Airport was completed. The project included the removal of approximately 30,590 square yards of asphalt and then replacing it with concrete. The well-orchestrated project involved rehabilitation of existing pavement on the ramp area between the hangars and taxiways, and removal of existing bituminous pavement and reconstruction with pavement meeting the most current FAA design criteria. (See photos "Phase 1 Concrete" and Drilling the Dowel...)

Concourse B (Myrtle Beach International Airport)

The Airport completed the interior renovation of the original terminal ("Concourse B"), which included the redesign of the restrooms, elimination of the old escalators, introduction of charging stations and the installation of energy efficient lighting. The renovation divided Concourse B into three zones allowing for a more flexible and cost efficient operation to compliment the seasonal passenger demand at MYR. The new finishes seen throughout Concourse B are similar in appearance to that of the terminal building that opened in the spring of 2013.



Tenant/Employee Parking (Myrtle Beach International Airport)

This project focused on increasing the number of parking spots available for employee/tenant use at the Myrtle Beach International Airport. The project included reconfiguring and optimizing an existing tenant/employee parking lot, and redesigning the old terminal access road (directly in front of the old terminal building) resulting in new parking spaces; utilizing the old roadway, the Airport added 90 new parking spaces. The parking lot utilizes energy efficient lighting from Santee Cooper, introduces bike racks, indigenous plants, and the overall look matches that of the passenger parking lots.

Remodel of FBO Terminal (Conway-Horry County Airport)

The Horry County Department of Airports remodeled the Fixed Based Operations (FBO) Terminal Building at the Conway-Horry County Airport. The project included the installation of new flooring throughout the facility, updated the common use kitchen, refreshed and modernized the pilot lounge, painting the interior and exterior of the building and much more.

Construction of T-Hangars (Conway-Horry County Airport)

The Horry County Department of Airports opened new t-hangars at the Conway Horry County Airport. The approximately 12,500 square foot building offers 10 private hangar parking positions for general aviation aircraft. (See photo "T-Hangar")

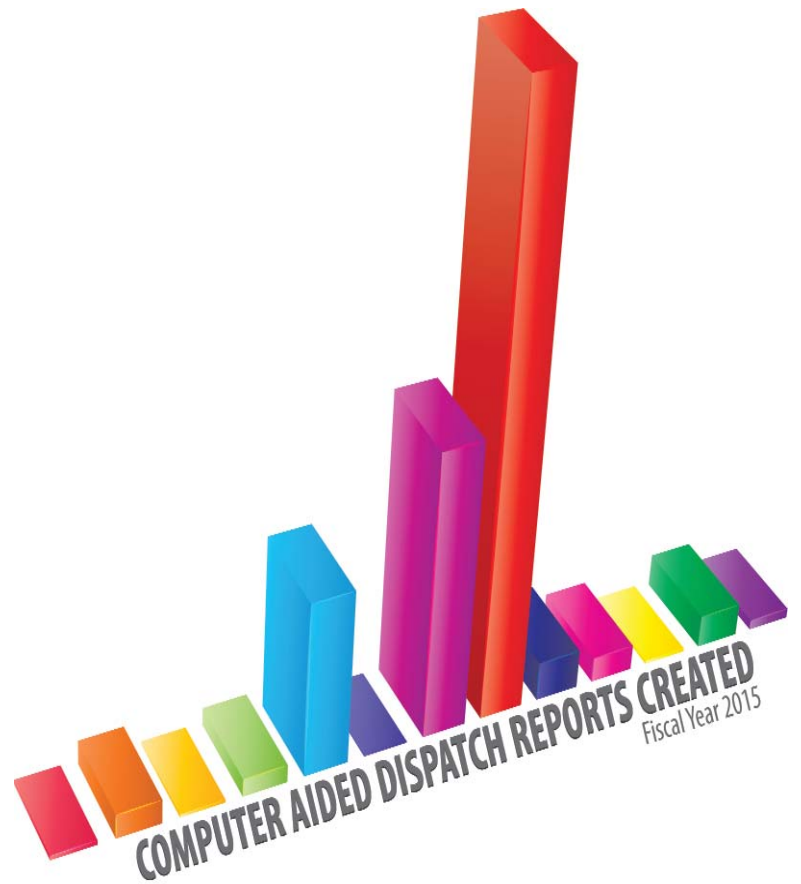


Local Agencies Go Live with PremierOne CAD and Records Management

Horry County, along with Georgetown County and the City of North Myrtle Beach, are now live with PremierOne™ CAD (Computer Aided Dispatch) and records management.

PremierOne™ CAD is the next generation incident and resource management system that's transforming public safety and dispatch operations. It streamlines the capture, correlation and real-time distribution of mission critical information for improved dispatch decision making and increased responder awareness and safety. It allows dispatchers to handle calls faster, allocate resources more efficiently and coordinate seamlessly with other departments and agencies.

Horry County upgraded to this Motorola package from its 2006 version. The old CAD version ran continuously 24 hours a day, seven days a week for 78,400 hours.



Horry County E911 Calls FY15

530,744
Total Incoming Calls

280,063
Non-Emergency Calls Received

250,681
911 Calls Received

Wireless % of 911 Calls
78%

868	Atlantic Beach Police	116,157	Horry County Police
4,635	Aynor Police	7,370	Horry County Police-Enviro. Svcs.
569	Briardcliffe Police	4,768	Horry County Sheriff
3,413	Conway Fire Rescue	617	Loris Fire Rescue
33,429	Conway Police	6,172	Loris Police
256	DEU	1,834	Surfside Beach Fire Rescue
54,763	Horry County Fire Rescue		

234,841 TOTAL CAD REPORTS FY2015

Reassessment of Properties

In FY15, a state-mandated, countywide reassessment of all real properties in Horry County occurred for tax year 2014, based on values as of December 31, 2013. Horry County's last reassessment determined the fair market value of real properties as of December 31, 2008, and the amounts of real estate (property) tax paid on those values through tax year 2013.

Only real property is appraised during a reassessment. Values of personal property, such as cars and boats, are adjusted on an annual basis and kept current through the Horry County Auditor's Office at the direction of the South Carolina Department of Revenue. The purpose of a reassessment is to equalize the valuations of all real property in a county. The five-year reassessment cycle in South Carolina is an appraisal freeze, only broken on property sale or change to a property.

The fair market value of real property is constantly changing due to factors such as location, market demand, the age and physical condition of a neighborhood, and the state of the economy. As a result, non-uniformity in values occurs within tax jurisdictions whether or not property values increase or decrease. Property owners will pay no more or less than their fair share of the property tax burden.

A notice of reassessment was mailed to all property owners in Horry County whose property's market value increased \$1,000 or more as a result of reassessment. Only real property is appraised during a reassessment, which includes land and any improvements on it such as a house, out-building, swimming pool, or dock. During a reassessment, the Assessor's Office reviews the market values of all properties in the county. Based on changes in the real estate market, the Assessor's Office determines which property values need to be increased or decreased.

The 2014 real estate property assessment resulted in 65,266 properties with market value increases of \$1,000 or more. There were 158,662 properties with market value decreases of \$1,000 or more, and 26,000 properties with increases or decreases less than \$1,000.



To assist property owners with the reassessment process, a Reassessment Guide was developed and can be viewed online at <http://www.horrycounty.org/Departments/Assessor/2014Reassessment.aspx>.

The next state-mandated reassessment will be in 2019.

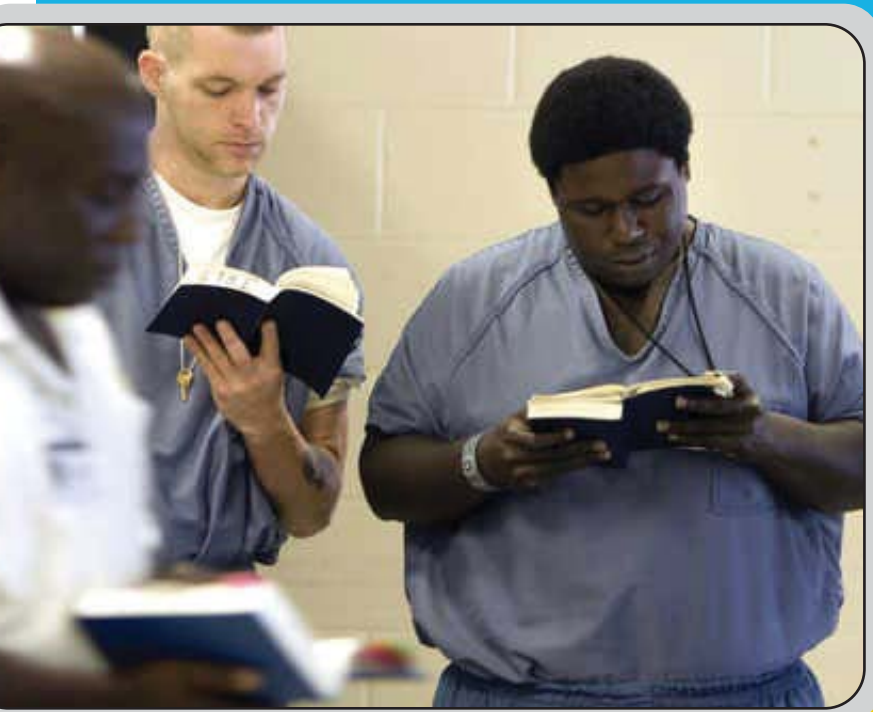
CDBG Making a Difference

The Community Development Block Grant (CDBG) program provides annual grants through the U.S. Department of Housing and Urban Development (HUD) on a formula basis to entitled urban counties in order to develop and promote decent housing and a suitable living environment for low and moderate-income persons. Through a joint venture with the City of Myrtle Beach and the City of Conway, Horry County became an entitlement community in the 2008 program year and has been making a big impact on our community ever since.

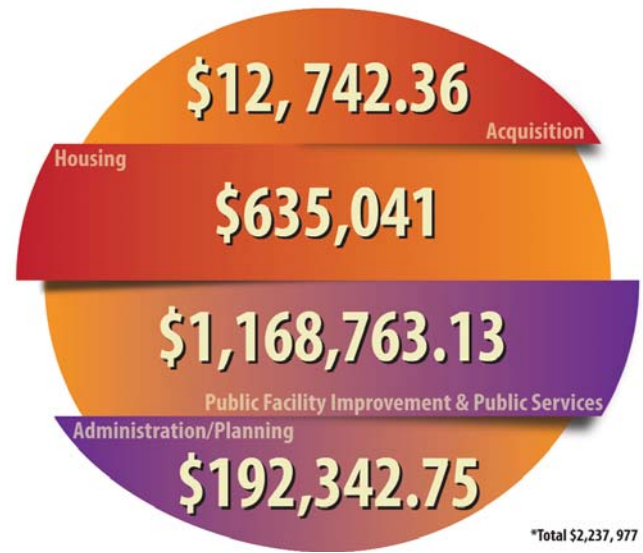
One of the major accomplishments in the 2014-2015 pro-

gram year, was the completion of the North Strand Housing Shelter project, located in the Freemont section of the county. The new 37-bed facility was built on Highway 9, beside the existing 16-bed homeless shelter which has now turned into transitional housing.

The Jail Diversion Program, which is operated through the Horry County Sheriff's Office, stops the "revolving door" of offenders and reduces the societal costs of incarceration. These causes include substance abuse, mental illness, homelessness, education and employability issues. During this program year, a total of 140 people were served at an amount of \$84,000.



Horry County CDBG Funding



The Phoenix Renaissance's Summer Camp and After-School programs serve children and low to moderate-income households in the Racepath area of the county. These programs enable families to get and keep livable wages via convenient and quality child care and youth programs. A total of 48 children attended.

Horry County continues to work on its housing rehabilita-

tion program and has already obtained 54 percent of its five-year goals. Approximately \$1M is set aside each year, which is allocated for housing rehabilitation.

For a complete listing of CDBG funding, projects that are funded and ways to apply, please log on to <http://www.horrycounty.org/Departments/CDBG>.

Budget Basics

Fiscal Year

A fiscal year (FY) is the 12-month budget cycle; it's usually different than a calendar year. In Horry County, FY15 runs from July 1, 2014, to June 30, 2015.

General Fund

FY 2015: \$135 million

When people talk about the county's budget, they usually mean the General Fund. The General Fund revenue is a combination of real and personal property taxes, vehicle taxes, documentary stamps, business licenses, building permit fees, Master-in-Equity fees, and other fees and fines.

Other Funds

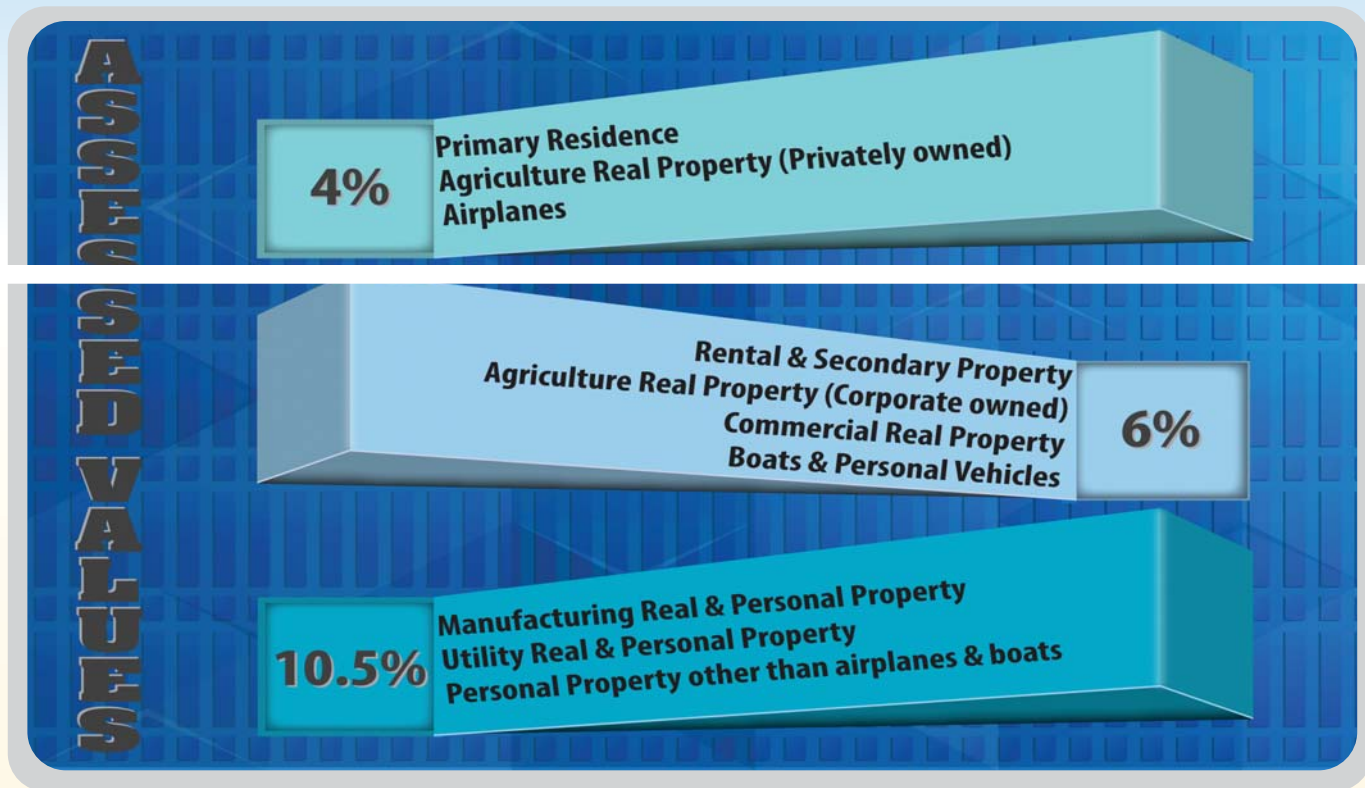
The balance of the county's budget is made up of Special Revenue Funds, Capital Projects Fund, Debt Service Funds, Proprietary Fund and Internal Service Funds. All of these funds are generally restricted for a particular purpose. Examples include Parks & Recreation Fund, Waste Management Fund, Fire Fund, Road Maintenance Fund, Beach Renourishment Fund and Senior Citizens Fund.

Horry County Total Budget

FY 2015: \$377 million

This combined total includes the General Fund and all other funds.

For a complete copy of the FY 2015 Budget, log onto www.horry.county.org/Departments/BudgetOffice



Special Funds

The General Fund provides for many county services, but other Special Funds also provide services to residents. These funds can be described in these broad terms:

Special revenue funds are largely restricted to a specific purpose, service, or program and may include tax-based revenues. For example:

- Fire Fund
- Waste Management
- County Recreation
- GIS/IT Special Revenue
- E-911 Emergency Telephone
- Tourism and Promotions (Accommodations Tax)
- Victim Witness Assistance
- Road Maintenance
- Socastee Community Recreation
- Beach Renourishment
- Watersheds
- Arcadian Shores
- Senior Citizens
- Baseball Stadium
- Economic Development
- Cool Springs Business Park
- Stormwater Management
- Higher Education
- Horry-Georgetown Tech
- Mt. Gilead
- Hidden Woods

Enterprise Funds/Internal Service Funds

Enterprise funds come from the collection of fees associated with providing the service or program. Internal Service funds account for the goods and services provided by one department to other departments of the government on a cost reimbursement basis.

- Department of Airports
- Fleet Maintenance Internal Service

Budget-in-Brief

The county's revenue comes from many places, including state funds, real and personal property taxes, business licenses, and restricted funds like parks and recreation, beach renourishment, fire fund and road maintenance fees. When people talk about

the budget, they usually mean the General Fund, but the services that residents receive actually come from other sources (see Budget Basics). These charts reflect the different types of revenue the county receives and how it is spent by function.

HORRY COUNTY, SOUTH CAROLINA GENERAL GOVERNMENT EXPENDITURES BY FUNCTION

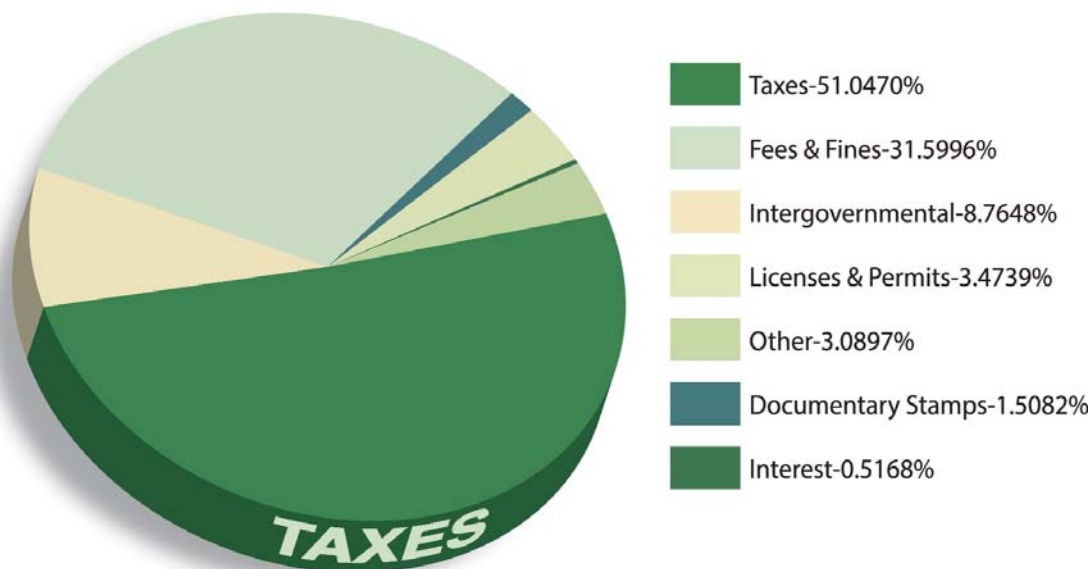
Fiscal Year 2015 (expressed in thousands)



*Other includes Health and Social Services 0.831%, Culture and Recreation 3.888%, Economic Development 1.159%, and Tech and Higher Education 1.159%.

HORRY COUNTY, SOUTH CAROLINA GENERAL GOVERNMENT REVENUES BY FUNCTION

Fiscal Year 2015 (expressed in thousands)



County General Fund FY15 tax revenue for property tax on real estate was projected to be the same from the tax levy collected in FY14 at \$59.5 million. The personal property tax revenue for FY15 was expected to remain at the same revenue level of \$4.2 million for FY14. Vehicle tax revenue for FY14 increased to \$5.5 million from \$5 million in FY13. For FY15, vehicle tax revenue was projected to remain the same as FY14.

In FY15, staff implemented the five year property tax reassessment required by State law. The reassessment process requires a roll back of millage to ensure that there is no revenue windfall. Once the process for reassessment was completed, the analysis revealed that the county experienced a slight decrease in assessed value. This decline would have allowed the county to increase its millage to maintain the same level of revenue, however, Horry County Council voted to not increase countywide millage rates and managed any decline in revenues it experienced.

The budget also included 47 part-time positions (mainly in the Fire Fund), 22 full-time positions and deleted five positions. The new initiatives driving the increased in positions included the introduction of a new litter control program, compliance with new inmate security requirements, and additional positions to lessen the overtime burden and cost for the Fire Department.

The FY15 budget also included the following:

- Continuation of the Local Road Improvement Program funded primarily with road maintenance fees and the one percent hospitality fees.
- Continuation of the Recreation Program with 1.7 mills dedicated toward recreation.
- Continuation of the Stormwater Management Program funded by the stormwater fees assessed on all real property in the unincorporated areas of the county.
- Continuation of the Geographic Information System (GIS) and the county's investment in Information Technology (IT).
- Continuation of the multi-year improvement plan for public safety technology and the entire communications system.

The county's goal is to continue to use its resources to maintain quality of life for the residents and to have reserve funds to help us respond to future fiscal challenges and natural disasters. To keep moving projects forward, the county also aggressively pursues other sources of funding, including federal and state grants.

RIDE II Project Status Update



Backgate Interchange

ORIGINAL BUDGET: \$49,500,000
REVISED BUDGET: \$120,600,000 (\$15M reim. grant acquired)
SUBSTANTIAL COMPLETION DATE: November 2014
CURRENT STATUS:

- Landscaping underway.

Glenns Bay Road Widening and Interchange

ORIGINAL BUDGET: \$76,000,000
REVISED BUDGET: \$75-\$80 million
ESTIMATED COMPLETION DATE: Winter 2017
CURRENT STATUS:

- Utility relocate work underway.
- Construction on second entrance into The Lakes Subdivision underway
- Construction began Winter 2014.



Hwy. 707 Widening

ORIGINAL BUDGET: \$132,250,000
REVISED BUDGET: \$100-\$105 million
ESTIMATED COMPLETION DATE: Spring 2017
CURRENT STATUS:

- Clearing and grubbing/utility relocates nearing completion.
- New lighted intersection at Big Block Road complete.
- Construction underway on main widening project.
- Enterprise Road to re-open in June 2016.
- Construction to be completed in early 2018.



International Drive

ORIGINAL BUDGET: \$6,500,000
REVISED BUDGET: \$15.5M (for 4-lane roadway*; cost includes design, permitting, r/w, construction and CE&I, and wetland mitigation. *Note – project will be advertised as both a 2-lane and a 4-lane roadway).
ESTIMATED COMPLETION DATE: To Be Determined
CURRENT STATUS:

- Design is complete, right-of-way acquisition is underway (over 90% complete), and environmental permit application was submitted.
- SC Environmental Law Project (SCELP) has challenged the issuance of the Water Quality permit. Project on hold until February 2016 court date with the Administrative Law Judge.

Local Option Sales Tax

COLLECTION BEGAN MAY 2007 – ENDED APRIL 30, 2014
PROJECTED REVENUE - \$425,307,500
FINAL COLLECTIONS: \$448M



From top to bottom: Backgate Interchange, Glenns Bay Widening and Interchange, and SC-707 Widening.