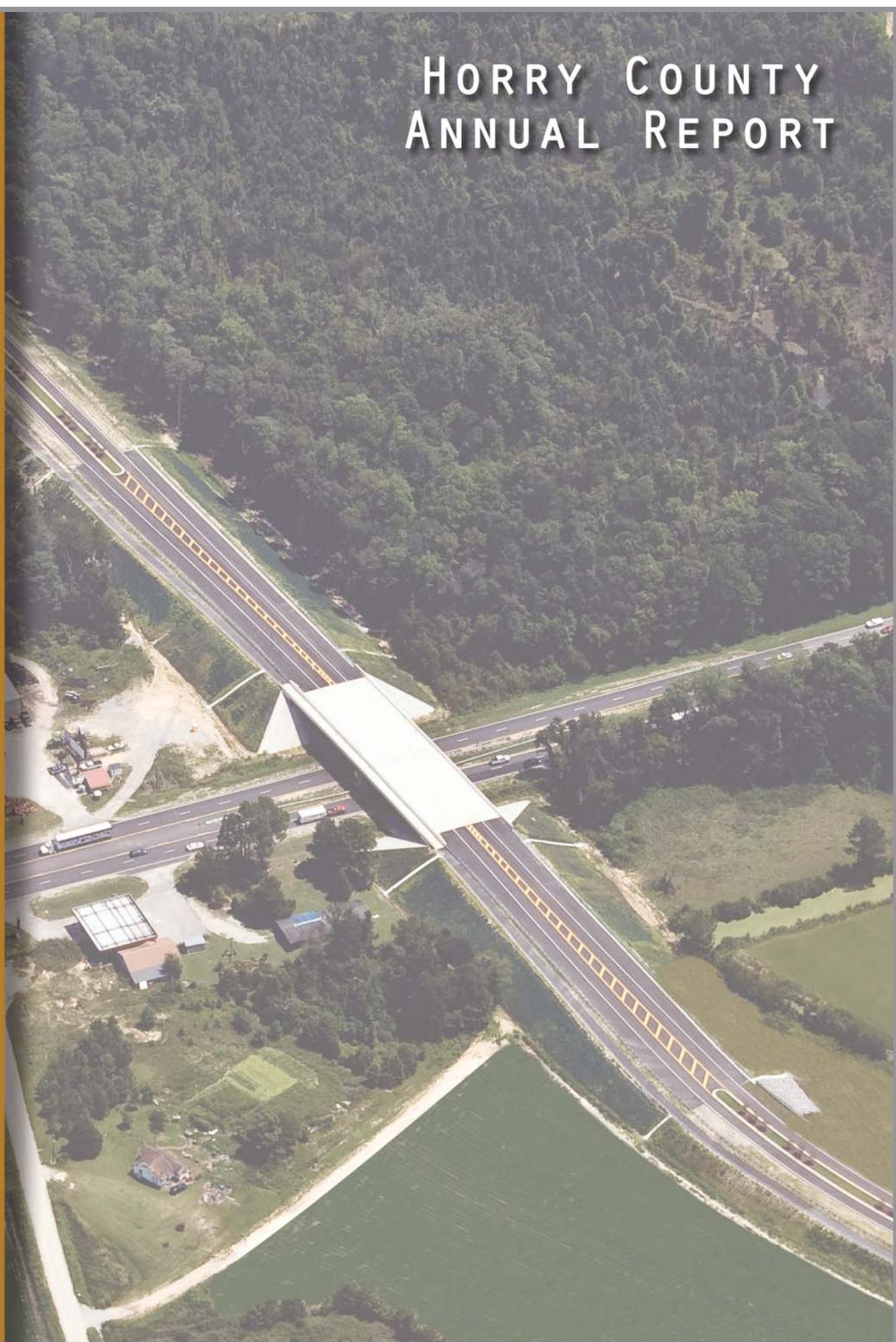


HORRY COUNTY ANNUAL REPORT



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Letter to the Citizens



Tom Rice

I write this letter with a combination of pride and regret. It has been my great privilege to serve you in my two years as your Chairman of Horry County Council. The citizens of the Seventh District have honored me with election to the United States Congress. While I am excited and anxious to begin work on the momentous problems facing our country, I regret that my tenure as Chairman will soon end.

2012 has been another year of great progress in Horry County. Horry County residents have seen major road construction. The Aynor Overpass, Fred Nash Boulevard and the Harrelson Boulevard extension were completed. Work is well underway on the SC 31 extension, the backgate interchange project, and miles of paved roads in the rural area. Other roadway projects will be soon beginning.

Many building projects have been completed. The South Strand Recre-

ational Center, Aynor Library Expansion, the Carolina Forest Library, the Carolina Forest Recreation Center, the Surfside Library Expansion, and the Garden City parking lot were dedicated among others. More are underway, most notably, the Myrtle Beach International Airport expansion project.

In my mind, there is no effort more important than our economic development initiative. Horry leads in so many areas, but we lag terribly in jobs and wages. A focus on economic development can dramatically improve our quality of life. The county's investment in the Myrtle Beach Regional Economic Development Corporation is bearing fruit, with over 300 jobs announced this year. We have only just begun. It will build from here.

County Council and Staff continue to look for ways to stretch your dollar, while striving to improve our

services, with our Number One goal of "Committed to Excellence". We have recently instituted a Lean Six Sigma program to improve quality, efficiency and constituent satisfaction. Hopefully, you will soon begin to see good results.

It is our mission to be good stewards of taxpayer dollars, while continually improving the quality of life of our citizens and visitors. With our exceptional staff and County Council's leadership, we continue to make great strides. I am pleased to present this annual report and share the good news about how your County government is working for you. As we continue to grow, your county government pledges to make every effort to make Horry County the best it can be.

Thank you again for allowing me to serve as your chairman.

Tom Rice

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 video of the Council meetings, agendas and minutes are available online at www.horrycounty.org.

Pictured on the back row from left to right:

Brent Schulz (District 2), W. Paul Prince (District 9), Al Allen (District 11), Jody Prince (District 10), Carl Schwartzkopf (District 8), Marion Foxworth, III (District 3), and Gary Loftus (District 4)

Pictured on the front row from left to right:

James R. Frazier (District 7), Chairman Tom Rice, Paul D. Price, Jr. (District 5), Harold G. Worley (District 1), and Bob Grabowski (District 6).

Cover photo of the Aynor Overpass, courtesy of Mead & Hunt, Inc.

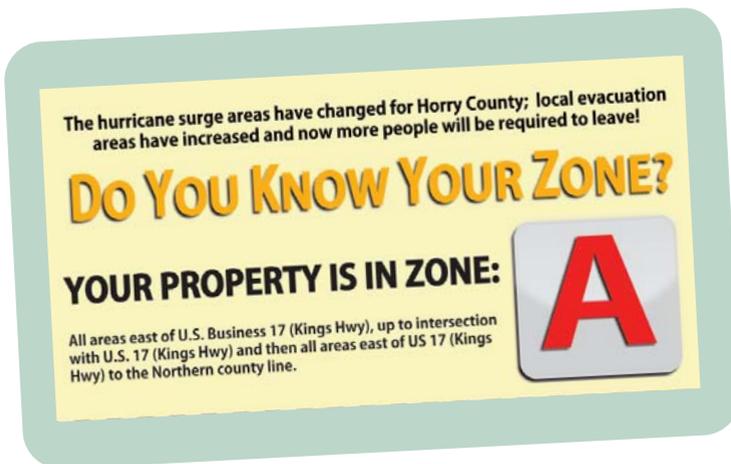
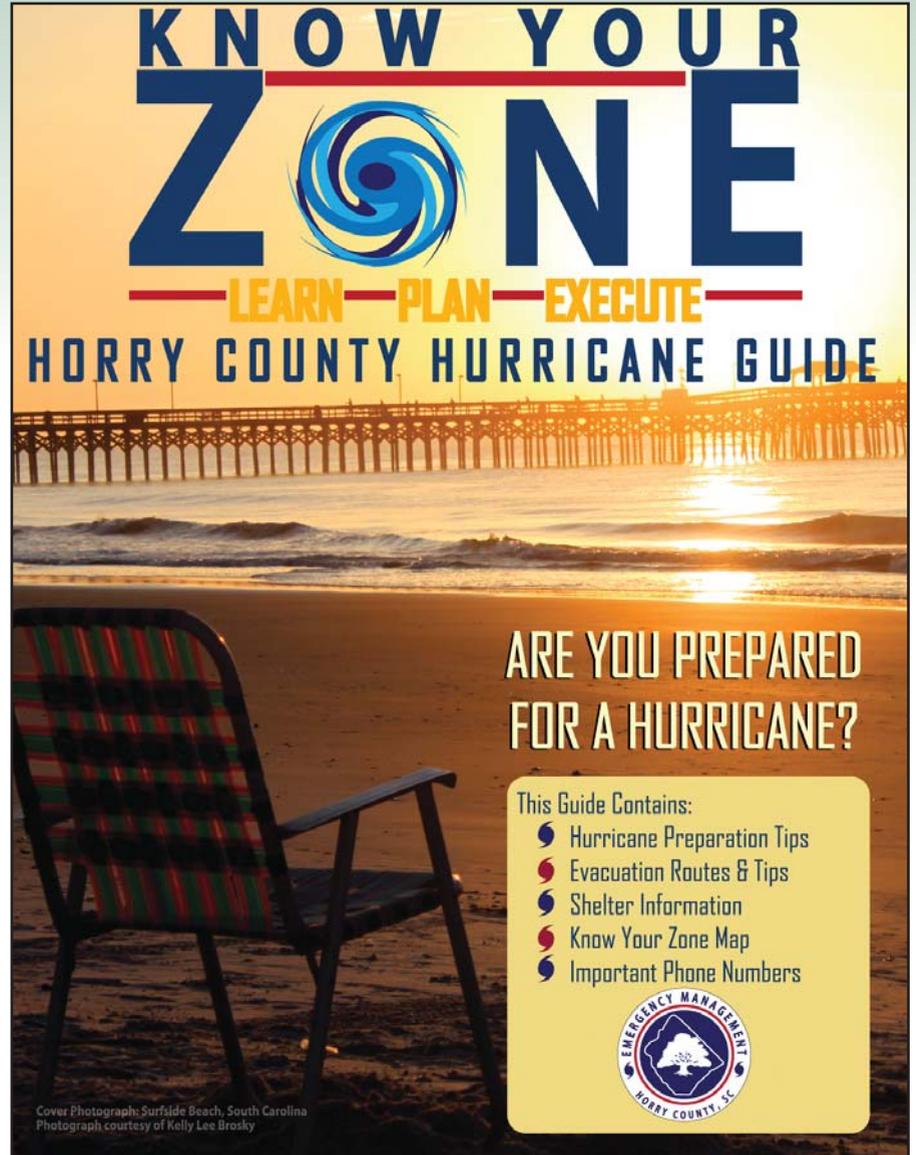
We Did That -

What We Accomplished

Know Your Zone Campaign

Know Your Zone is a public education campaign to inform the citizens and visitors of Horry County of the new hurricane evacuation zones and their vulnerability to storm surge. To date, the Emergency Management staff has given 53 presentations to 5,807 citizens about the new hurricane evacuation

zones, their vulnerability to storm surge and hurricane preparedness. In addition, 115,515 *Know Your Zone* informational inserts were included with County tax notices that were mailed out to the property owners in the identified hurricane evacuation zones.



Video Arraignment

Prior to the implementation of video conference bond hearings, municipal police departments had to transport numerous people each day for bond hearings. Since the implementation of the Video Arraignment System on April 1, 2012, the participating municipal agencies have saved significant time and money. Video confer-

encing has also lessened the chance of contraband entering J. Reuben Long Detention Center, lessened the risk of escape, and reduced the public interaction with inmates at hearings.

Video arraignment is currently working in Myrtle Beach, North Myrtle Beach, Conway and Aynor.

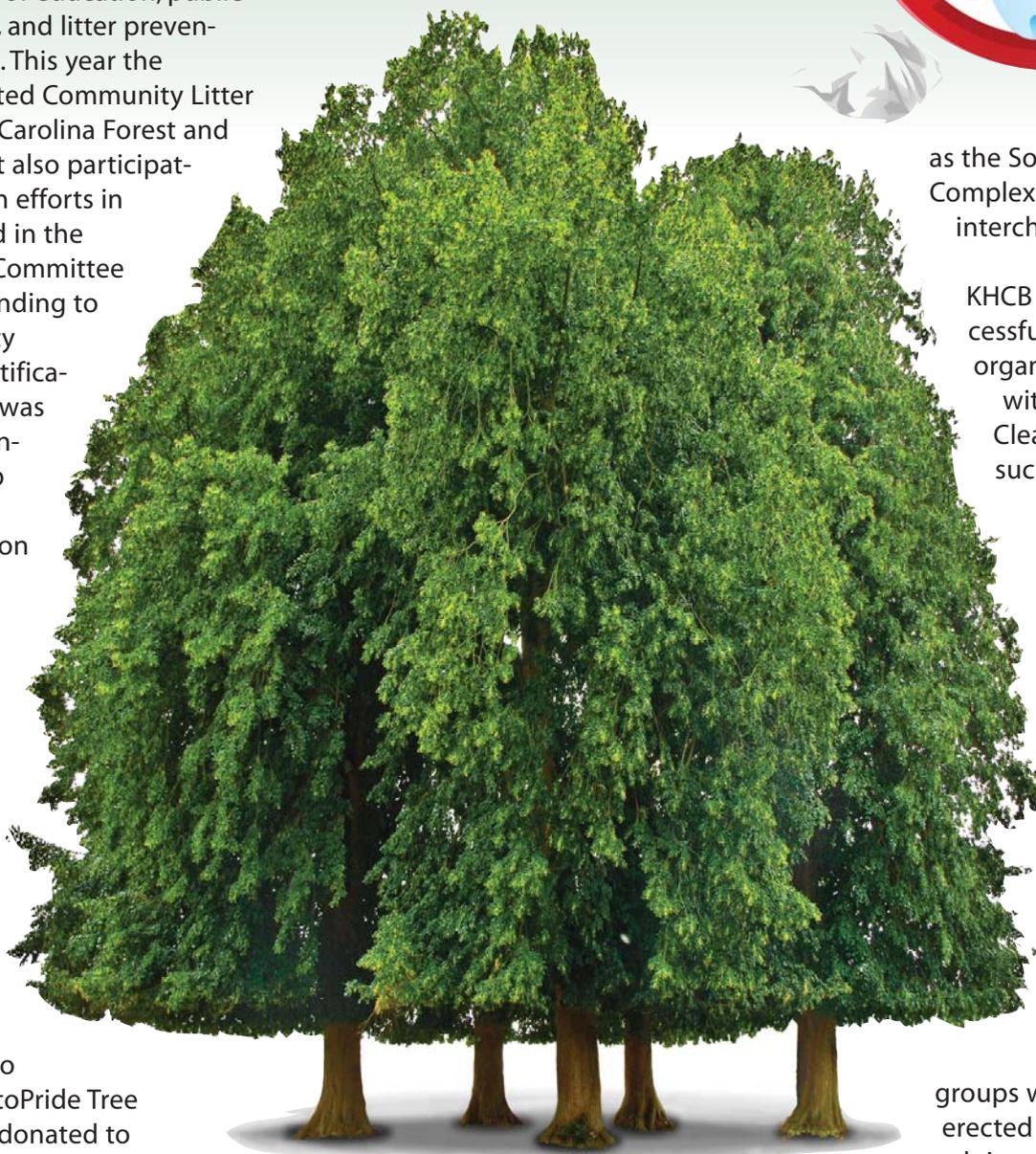


We Did That -

What We Accomplished

Beautification Initiatives

The Keep Horry County Beautiful Committee (KHCB) was established to promote the goals of education, public relations/outreach, and litter prevention/beautification. This year the Committee facilitated Community Litter Cleanup events in Carolina Forest and Fantasy Harbour. It also participated in beautification efforts in Carolina Forest and in the Conway area. The Committee is seeking grant funding to support community clean-up and beautification efforts. KHCB was successful in obtaining an \$8,000 Keep SC Beautiful grant for the beautification of selected gateways around Conway and a \$3,000 grant from the Cigarette Litter Prevention Program to abate cigarette litter at both Coastal Carolina University and Horry-Georgetown Technical College. The Committee also obtained a PalmettoPride Tree Grant of 265 trees donated to Horry County to be used to further beautify public spaces, such



as the South Strand Recreation Complex and the SC544 and US17 interchange area.

KHCB also has been very successful in enrolling community organizations and volunteers within their Community Cleanup Program. Groups such as the Navy Junior ROTC at Carolina Forest High School, the Sunrise Rotary Club of Carolina Forest and the Carolina Forest Veterinary Hospital have committed themselves over a two-year period to regularly cleanup litter and debris from Horry County roads, including Carolina Forest Boulevard and Postal Way. In exchange for their voluntary service, the KHCB provides these groups with supplies and has erected roadside signs acknowledging their participation in this program.



We Did That -

What We Accomplished

New Police Chief

Horry County Police Department welcomed a new Chief of Police on September 21, 2012. Sandra Rhodes, a native of Horry County with 20 years of law enforcement experience in Horry County, was chosen to lead the County Police Department. Chief Rhodes has been very busy reaching out to the community and getting the word of her Community Oriented Policing Philosophy out.

"I am committed to providing the communities and businesses of this County with the most professional, transparent and customer-oriented police services possible," stated Chief Rhodes. "I look forward to continuing to develop relationships between us and the public; together we can work to make Horry County a safer place to live."



New Fire Chief



Frederick Crosby was named Fire Chief of Horry County Fire/Rescue in November of 2012. With more than 34 years experience in the fire/EMS field, Chief Crosby brings an amazing amount of knowledge and experience to the Department.

As the new Fire Chief, Chief

Crosby will be spending much of his time getting to know the people of Horry County, employees and citizens alike. "A lot of my time is going to be spent just finding out what our people need to get going, what the community needs, and areas that we can improve on," stated Crosby. "I believe what we do is

honorable and important for the people we serve, so what I want to make sure is that the fire-fighters have high moral, so that they function at the highest level possible, so that we give the best service possible. My goal is to make this Horry County organization as great as it can be."

Awards and Recognitions

The *Certificate of Achievement for Excellence in Financial Reporting* has been awarded to the Horry County and Revenue Department by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR) for the year ended June 30, 2010.

An *Award of Financial Reporting Achievement* has been awarded to the Horry County Finance Department. This is the 24th consecutive year that Horry County has received this award.

Horry County Budget & Revenue received the *Distinguished Budget*

Presentation Award by the Government Finance Officers Association of the United States and Canada. This is Horry County's 23rd consecutive award.

The Horry County Public Information Office received the *2012 Superior Award* for the Annual Report, the *2012 Superior Award* for the Know Your Zone Logo and the *2012 Excellent Award* for the redesign of the Emergency Management Logo by the National Association of County Information Officers.

The Horry County Planning Department won a *2012 National Association of Counties Achievement*

Award and received recognition for the award during the 2012 Annual Conference. Horry County won the award for its Cemetery Project that seeks to locate, inventory, photograph, map and preserve an estimated 450 historic cemeteries in the county's unincorporated areas.

The Horry County Cemetery Project was named as the *Archeological Stewardship Award* winner, by the Palmetto Trust Historic Preservation. The Archeological Stewardship Award is presented in recognition of significant achievements or landmark efforts in the support of South Carolina's archeological heritage.

A Look to the Future -

Project Updates

US Hwy. 17/SC 22 Boat Landing

A new boat landing will be located on the Intracoastal Waterway, immediately north of US Hwy. 17 and SC 22 interchange. The purpose of the project is to provide public access to the Intracoastal Waterway for boating and related activities, as currently the nearest public boat landings on the waterway with paved parking are nine miles to the north and 13 miles to the south of the site.

The \$1.5 million project will include a 28-foot wide, two-lane concrete boat ramp on

the Intracoastal Waterway and will feature a 200 linear foot floating dock along the shoreline that will connect to the boat ramp. The paved parking lot will have parking spaces sized to accommodate 40 vehicles with boat trailers. Access to the site will be provided from Kings Road between US Hwy. 17 and the Myrtle Beach Mall. Sidewalks will also be installed from the parking lot to the boat ramp and floating dock.

The boat landing is a cooperative project and is funded by the County Transportation Committee, which paid to provide the access roadway and parking lot. The boat ramp and other related items are funded by the Horry County Recreation Department, US Fish and Wildlife Services, and the South Carolina Department of Natural Resources.

The boat landing is expected to be open by summer.



Horry County Museum

The Old Burroughs School Building and its attached McKown Auditorium underwent extensive renovations to create the new Horry County Museum Complex on Main Street in Conway. The project's scope-of-design included initial Museum exhibit design, and the resulting building configuration and systems required to support the exhibits, which are to be funded by donations.

The project final cost was \$6.4M, and the scope of construction included selective demolition & safing, supplemental foundations and foundation repair, structural restoration and code driven structural

upgrades, new wall/ceiling/millwork finishes, new roofing/painting/electrical lighting & power/mechanical systems & controls/plumbing/fire protection/fire alarm systems. Much of the original wood flooring and wainscoting was refurbished and reinstalled. The buildings were handed over to the Museum Department in July 2012.

Museum staff is currently installing exhibits in the renovated Burroughs School. This involves building case work to house artifacts and stage exhibits. There are several large installations like the aquarium that will be completed by outside contractors. The completion of these larger exhibits and final

finishes by the County Maintenance department will determine a grand opening date. After the grand opening, the actual transition of collections from one building to the other will take place. This will allow for a controlled move that will prevent loss of artifacts and will give staff time to update the records relating to artifact storage. This part of the move is estimated to take six months. After the move, the former facility which is located at the corner of Fifth Avenue and Main Street (Conway, SC) will be vacated and all museum operations will be isolated to the Burroughs building and the Living History Farm.



A Look to the Future -

Project Updates

Myrtle Beach International Airport

The Terminal Capacity Enhancement Project (TCEP) continues to move forward and remains on budget. The Airport's new car rental facility will open for public use on January 30, 2013. Recently, MB Kahn, the projects general contractor announced a slight adjustment to delivery schedules related to the terminal building. The Airport is scheduled to receive its Certificate of Occupancy on March 19, 2013.

The car rental facility, a component of the Terminal Capacity Enhancement Project at Myrtle Beach International Airport, is now

open. The sleek modern structure will house operations of the rental car companies (Avis, Budget, Dollar, Enterprise, Fox, Hertz, Payless, National/Alamo, Thrifty and U-Save) operating at Myrtle Beach International Airport. The lobby area has 6 light monitors to allow natural light into the lobby. The curtain wall system also included operable windows to allow for fresh air and ventilation. The service counters are made of Paperstone, a certi-

fied (FSC, Smartwood, Rainforest Alliance) post-consumer, recycled paper architectural surface material made with 100 percent petroleum-free, phenolic resins; it is an eco-friendly solid surface material. The new 10,981 square foot rental car building was designed by inFORM studio,



Timbes Architectural Group and LS3P Associates and houses rental car offices, as well as service counters. The building was paid for from Customer Facility Charges.

The terminal building is slated to receive its Certificate of Occupancy March 19, 2013, and will open shortly thereafter to

the public. The facility now has ceramic tile and carpet laid in over 90 percent of the building. The millwork for airline ticket counter and gate hold podiums is in the process of being installed. Furniture has been delivered and remains under cover until substantial completion of the project. The baggage handling systems

continue to go through extensive testing. All jet bridges has been installed, and are operational with power. The airport backup generator has arrived and been installed. Fire suppression system have starting the testing process required to be certified. The terminal project remains on budget.

Maintaining Our Financial Stability

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, FY 2012 runs from July 1, 2011, to June 30, 2012.

General Fund

FY 2012: \$130 million

When people talk about the county's budget, they usually mean the General Fund. The General Fund 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 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 2012: \$299 million

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

For a complete copy of the FY 2012 Budget, log onto www.horry.county.org/depts/finance/budget.

ASSESSED VALUES

Primary Residence	4 percent of market value
Rental & Secondary Property	6 percent of market value
Agricultural Real Property (privately owned)	4 percent of market value
Agricultural Real Property (corporate owned)	6 percent of market value
Commercial Real Property	6 percent of market value
Manufacturing Real & Personal Property	10.5 percent of market value
Utility Real & Personal Property	10.5 percent of market value
Personal Property (other than airplanes & boats)	10.5 percent of market value
Airplanes	4 percent of market value
Boats	6 percent of market value
Personal Vehicles	6 percent of market value

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
- Accommodations Tax
- Victim Witness Assistance
- Road Maintenance
- Socastee Community Recreation
- Beach Renourishment
- Watersheds

- Arcadian Shores
- Senior Citizens
- Baseball Stadium
- Industrial Parks
- Aynor Business Park
- Stormwater Management

Enterprise Funds/Internal Service Funds

Enterprise funds come from the collection of fees associated with pro-

viding 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

Maintaining Our Financial Stability

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.

The tax revenues in the FY 2012 budget were based on assessed values after re-assessment and the rollback of millage in compliance with state law. The General Fund millage rolled back to 34.8 mills from the previous millage of 36.7. However, the FY 2012 budget included a .3 mill tax increase and a .5 mill shift from the Recreation Fund to the General Fund. Although County Council approved a .3 mill tax increase, the FY 2012 budget was a very austere budget and it did not meet the current fiscal needs of County government operations.

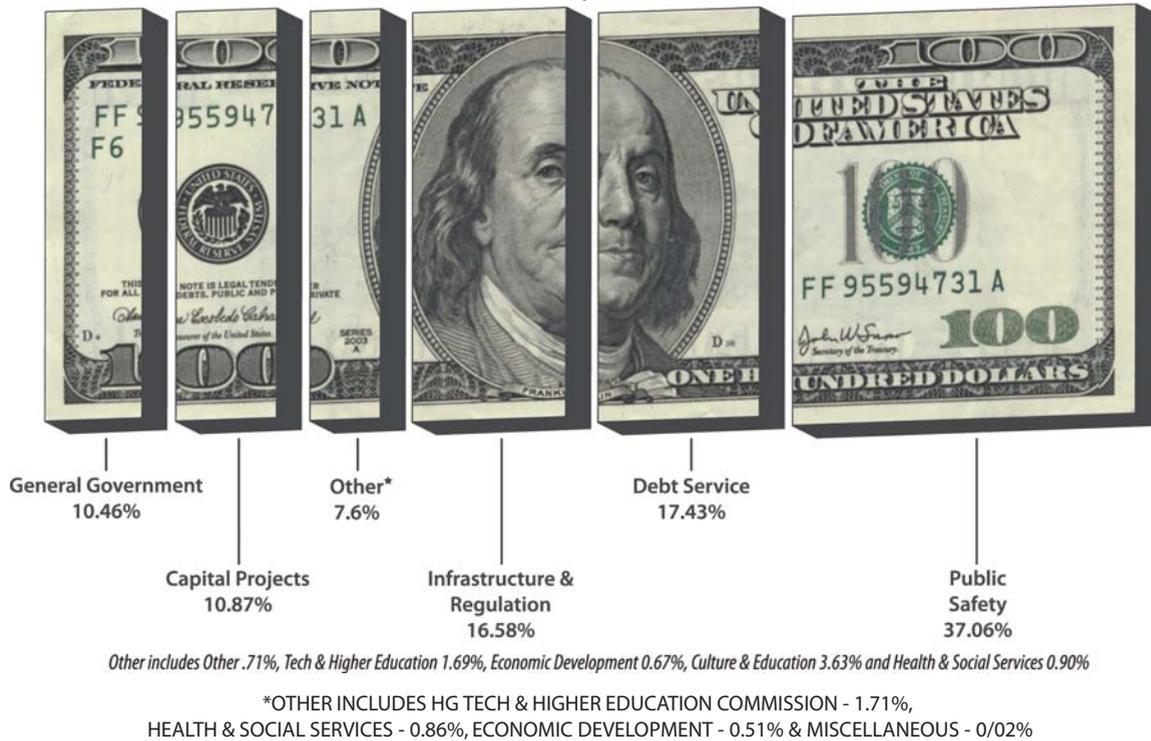
The FY 2012 budget included the unfunding of 84 positions as an ongoing cost savings measure. These positions were not funded in the FY 2012 budget and, though not formally deleted, could not be refilled unless approved by County Council.

The FY 2012 budget included the addition of 36 new positions. These positions were added in seven different departments within the three divisions. The Administration Division received eight positions for the Assessor's Office, Treasurer's Office, the Department of Airports and the Library. The Public Safety Division received four new telecommunicator positions, which were for E911. These positions were added to handle the City of Conway Police Department's dispatching, which is funded by the City of Conway. The Infrastructure and Regulation Division received 24 seasonal, part-time recreation leaders for the Parks & Recreation Department.

The County's goal is 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.

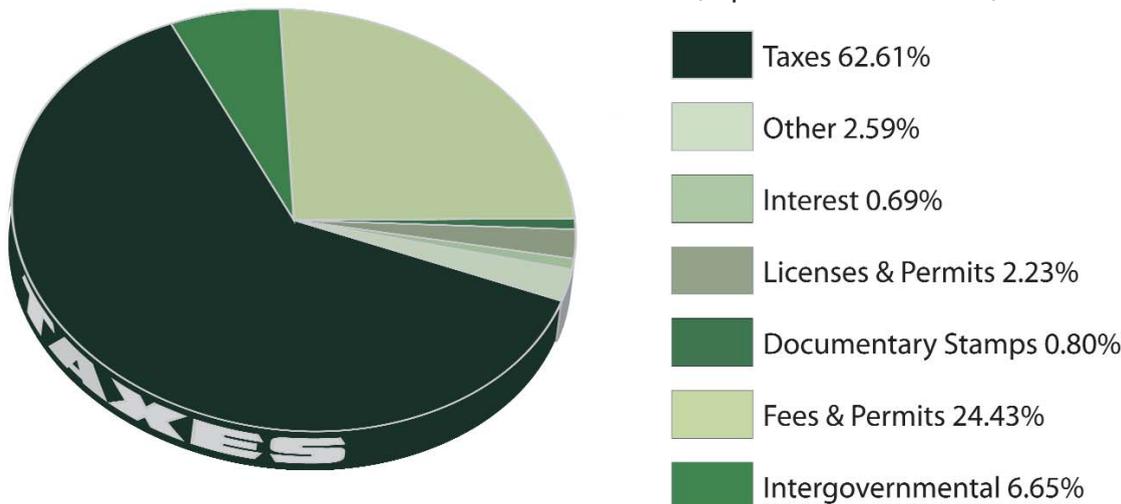
HORRY COUNTY, SOUTH CAROLINA GENERAL GOVERNMENT EXPENDITURES BY FUNCTION

Fiscal Year 2012 (expressed in thousands)



HORRY COUNTY, SOUTH CAROLINA GENERAL GOVERNMENT REVENUES BY FUNCTION

Fiscal Year 2012 (expressed in thousands)



RIDE Project

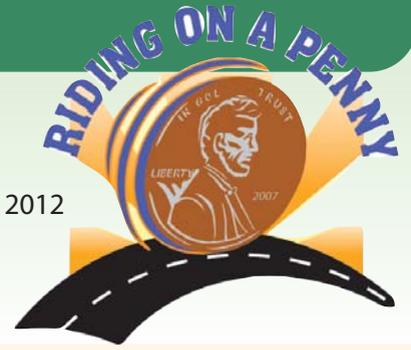
Status Update



Aynor Overpass

ORIGINAL BUDGET: \$46,000,000
REVISED BUDGET: \$15-\$16 million
ESTIMATED COMPLETION DATE: Nov. 2012
CURRENT STATUS:

- Completed Aug. 2012



Backgate Interchange

ORIGINAL BUDGET: \$49,500,000
REVISED BUDGET: \$119,900,000 (\$15M reim. grant acquired)
ESTIMATED COMPLETION DATE: Fall 2014
CURRENT STATUS:

- Temperance Connector complete
- Withers Connector, Portland Drive and Macklen Road complete
- Traffic shifted on two of the future ramps on the east side of the intersection and the west side ramps are currently under construction
- Construction 40% complete

Glenn's Bay Road

ORIGINAL BUDGET: \$76,000,000
REVISED BUDGET: \$75-\$80 million
ESTIMATED COMPLETION DATE: Summer 2016
CURRENT STATUS:

- Preliminary engineering complete
- Right of way acquisition in progress
- Development of construction plans in progress
- Permit package has been submitted to the USACE
- Development of the final mitigation plan in progress
- Coordination with utility providers is ongoing

Hwy. 707 Widening

ORIGINAL BUDGET: \$132,250,000
REVISED BUDGET: \$85-\$95 million
ESTIMATED COMPLETION DATE: Fall 2016
CURRENT STATUS:

- Preliminary engineering complete
- Development of final construction plans and specifications are substantially complete
- Right of way acquisition ongoing
- The combined SC-707 widening and SC-31 Extension permit package is being revised and additional field work is being performed to address non-compliance issues with the original permit issued in 2000

Local Option Sales Tax

PASSED MAY 2007 – ENDS MAY 1, 2014
PROJECTED REVENUE - \$425,307,500
COLLECTIONS TO DATE: \$ 332,375,434 (11/1/2012)