FISCAL YEAR 2008

Message From Your Chairman

Horry County continues to be the envy of most of South Carolina, despite the increasing difficulties that have darkened the present economy. While the nation and much of our state have been affected for several years, our area was fortunate to have felt the impact later, and the predictions are that we will recover much more quickly than other locations. That news is good. Economically, however, the news for the county is less rosy.

The drastic downturn in construction, noticeable in every area of our county, has caused a serious drop in county income from permits as well as deed and mortgage recording. Some improvement plans as well as major purchases in the Public Works department have been put on hold, and we have had a freeze on hiring for nearly half the year.

Despite those setbacks, we continue to celebrate good news for our county. This past year we improved our ISO rating for fire coverage for the entire county, which affects the price of homeowner insurance. This was a huge undertaking, but the benefits are obvious to every property owner.

We also continue to protect Horry’s most valuable resource – our beaches. Beach renourishment was completed, which added 750,000 cubic yards of sand and stretched 7.7 miles along our coast. Sand fencing and dune grass is also being added to protect our shoreline.

We continue to move forward with our countywide recreation program, opening our first ever county recreation centers in Little River and Bucksport, with one nearing completion along Hwy 57 in the North Strand area. Our emphasis on the importance of recycling was enhanced when we added our 24th recycling convenience center in Carolina Forest.

As you will read in this report, a lot of good things are happening in our community. Horry County will continue to be the premier destination of choice by millions of visitors, and a great place for education, for work and for enjoyment. We are blessed to call this place home.

Horry County Council

Marion Foxworth, III
Vice Chairman / District 3

Harold G. Worley
District 1

Brent Schulz
District 2

Michael L. Ryan
District 4

Howard D. Barnard, III
District 5

Bob Grabowski
District 6

James R. Frazier
District 7

Carl Schwartzkopf
District 8

W. Paul Prince
District 9

Kevin J. Hardee
District 10

Al Allen
District 11

Council /Administrator 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, Register of Deeds Director 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

Cover Photo: Crab pots on a Little River dock.
Photograph by Julie Bostian of SplashStudioPhotography.com
The Horry County Police Department implemented a new policing concept, which is referred to as the Precinct Plan. The precinct concept will provide for a more community-oriented approach to law enforcement activities in the county. The unincorporated portion of the county has been broken into three separate geographical areas, with each featuring a Police Precinct Headquarters. The South Precinct Headquarters, located at the South Strand Government Center at 9630 Scipio Lane, opened in January 2008, and the North Precinct Headquarters, located at the Ralph Ellis Building at 107 Highway 57 North in Little River, opened in February 2008. The Central Precinct Headquarters is located at the existing M.L. Brown Jr. Public Safety Building, at 2560 Main Street in Conway.

In Fiscal Year 2008, Horry County Fire/Rescue went through an intense ISO (Insurance Services Organization) rating. With the size of our county, it was one of the largest tasks that ISO had done. Horry County Fire/Rescue scored an overall ISO rating of five (5). This is an excellent rating for a county this large and means that residents living within five miles of any Horry County Fire/Rescue Station will see a reduction in their Fire Insurance premiums. By logging onto www.horrycountyfirerescue.com residents can download a copy of the letter sent to the county notifying them of the new rate and share the letter with their insurance companies. The letter is located at the bottom of the page.

Horry County Fire/Rescue constructed a new fire station this fiscal year in the Carolina Forest/International Drive area, called the Carolina Bays Fire Station #45. It houses a volunteer engine and a career medic unit.

The Horry County Council has funded a major expansion of the J. Reuben Long Detention Center. This funding provided for a 128-bed addition to the Minimum Security Facility, and the construction of a 536-bed Housing Wing. The Minimum Security Facility was completed in the summer of 2008, and the main housing wing will be completed in early 2010.
Libraries

The Loris Library opened a new children’s wing in November 2007, which added 36 percent more square feet to the current facility. The children’s wing consists of two main rooms: one for children’s programming and the other provides housing for pre-reader and beginning reader books, manipulative play items, and enticing kit displays.

Horry County Council has recently approved a budget that includes funding for up to five libraries. The three locations, which will be remodeled/expanded or newly constructed, include North Myrtle Beach, Surfside Beach, and Carolina Forest. Any remaining funds will go towards design efforts for Aynor and Bucksport.

Recreation

Horry County Council awarded the Parks and Recreation Department an additional mill of tax for the FY 07-08. The purpose of the tax was to begin the implementation of the Recreation Facility Plan, in which recreation centers are the first priority. The C.B. Berry Community & Historical Center, located in the Vereen Memorial Historical Gardens in Little River, was the first to open in May 1, 2008. The center features interpretive information and displays about wildlife in the park and local history, a multi-purpose meeting and activity rooms. The center is also available for rental.

The North Strand Recreation Center broke ground on May 29, 2008, and is estimated to be completed fall 2009. The 20,000 square-foot center will offer a gym, two multi-purpose meeting rooms, an indoor walking track, and an exercise room. The open lobby will provide ample space to have games and a rock climbing wall. The facility will also host after-school programs, summer camps, athletic and senior activities.

Recycling

On March 10, 2008, Horry County Council, in conjunction with the Horry County Solid Waste Authority, opened a newly constructed recycling center in Carolina Forest. The center is located on International Drive, near the Carolina Bays Fire Station #45. The center is manned and has receptacles to receive household garbage, yard waste, recyclables and large “white good” items (things like old appliances and items that will not fit into a normal waste receptacle). The center is one of 24 convenience/recycling centers servicing citizens throughout Horry County.
The Burroughs School renovation project will provide Horry County with a state-of-the-art museum facility. The project will enable the museum to expand exhibits and programs. Visitors to the museum will see exhibits covering the military and political history of Horry County, agriculture and economy, natural history, children's discovery room, Native American exhibit, the story of the Grand Strand in the twentieth century, an open storage exhibit to display collections, textile and photographic exhibits, and a large changing exhibit area that will be built to Smithsonian Institute Standards to accommodate nationally known traveling exhibits to Horry County. The main stairway exhibit, pictured left, will be the museum's centerpiece with a living black water aquarium to tell the story of how the rivers and waterways have impacted the culture and natural landscape of Horry County.

The renovation project will be broken down into four phases: selective demolition, installation of monumental stairs/aquarium foundation work, renovation of the structure, and installation of exhibits. Opening date is scheduled for winter 2009.

Prescription Discount Card Program

On January 1, 2008, Horry County launched a discount card program to help consumers cope with the high price of prescription drugs. To-date, 13,856 county residents have filled prescriptions with the cards at a discount averaging 22.04 percent and an average price savings of $10.69 per prescription. The total price savings from the 13,856 Horry County users has been $424,560.57.

The cards may be used by all county residents, regardless of age, income, or existing health coverage, and are accepted at the majority of the county’s pharmacies. Cards are available at all Horry County Memorial Library locations, the Horry County Veterans Office, the Horry County Public Information Booth in the Horry County Government & Justice Center, and all Treasurer Offices. Cards are also available at all five local health departments throughout Horry County. County residents can call toll free 1-877-321-2652 or visit www.horrycounty.org for more information about the program.

Beach Renourishment & Maintenance

The “Reach 3” Beach Renourishment project that widened the beaches in the Surfside Beach / Garden City Beach area of Horry County was completed during the winter of 2007-08, which added 750,000 cubic yards of sand and stretched 7.7 miles. Also the installation of a second row of sand fence and planting of dune grass is now underway. The new sand fence and dune grass will be placed between the existing single row of sand dunes and the shoreline.

Installation of the new sand fence began in November 2008 near the north end of Reach 3 (at the south end of Myrtle Beach State Park near Long Bay Estates), and work will proceed southward during the winter months. Currently (end of December 2008), the contractor (Court One Corporation of Norfolk, VA) is at the northern end of Garden City Beach with completion of fence installation at the south end of Reach 3 in the Georgetown County portion of Garden City Beach expected by March 2009.

Sand dunes are the first line of defense against the damaging waves of coastal storms. Dunes are very susceptible to wind erosion and depend upon beach grass and fencing for their growth and survival. The plant material helps to lower the wind velocities at the dune surface, causing wind blown sand to be deposited around the grass and fence line and be retained rather than blown away. The wind blown sand is trapped and dunes are created. A healthy dune system provides a reserve and source for nourishing a beach as it erodes.
Revenue Highlights

2008

The county’s General Fund tax revenue for property tax on real estate, was projected to grow in excess of 15 percent for the tax levy issued in Fiscal Year (FY) 2008. The new construction boom that had occurred since 2004 was reflected in the tax billings, and the Personal Property Tax billings also were expected to be closer to a five percent increase. There was a one mil increase associated with the FY 2008 Budget and the county-wide millage increased to 47.3 mils.

Revenues associated with land ownership transfer and development has slowed dramatically in FY 2007 as compared with the all time peak of FY 2006. For FY 2007 Documentary Stamps sold by the Register of Deeds on land transactions decreased from $8.4 million to $6.5 million, a decrease of 22.7 percent. This was still well above the activity level prior to the recent boom.

For FY 2007 the number of residential permits declined by 35 percent from 5,795 in FY 2006 to 3,756 for FY 2007. Total building department revenues declined from an all time high of $9.1 million to $6.9 million. For FY 2008 these revenues were anticipated to stabilize at the $6.5 to $7.0 million level.

For FY 2008 the Local Government Fund (the revenue the State sends back to the local jurisdiction) was budgeted to increase from $10.1 million to $10.9 million. Business License revenue continued to grow, and FY 2007 totaled almost $4.8 million or about $650,000 more than anticipated and remained steady. Other than fees associated with land transfers and permitted construction, the revenue picture for FY 2008 remained bright.

Revenue Sources

Taxes - The county’s source of tax revenue is the real, personal and vehicle taxes levied against the citizens. Taxes are 47 percent of the total General Fund revenue source and are based on the assessed value of property.

The county’s estimated assessed value for all real property, personal property and vehicles as of June 30, 2006, was $1,492,666. The assessment rate of all property is determined by the state as shown in the following chart.

<table>
<thead>
<tr>
<th>Revenue Source</th>
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<tbody>
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The assessed value is then multiplied by the millage rate to determine the tax payment due to the county for county purposes only. The following example reflects the formula as applied to a $200,000 primary residence in an unincorporated area of the county.

\[
\text{Assessment ratio} = \frac{4\%}{100}\% = 0.0473
\]

\[
\text{Countywide millage rate} = 47.0\text{ mills in FY 2008}
\]

\[
\text{Taxes due} = 47.0\text{ mills} \times \frac{0.0473}{100} 	imes 200,000 = 378.40
\]

Although a taxpayer receives just one property tax bill, there are other agencies that utilize that tax bill. These agencies are itemized on your bill, which include the School District, municipalities, special tax districts, etc. Any increase by any of these agencies will result in an increase to the overall tax bill.

EXAMPLE (unincorporated)

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Expenditure Highlights

The Fiscal Year (FY) 2008 Budget included 100 new positions. Fifty-three of the 100 positions were for the Public Safety Division, which were added in five different departments. The Detention Department received 12 Detention Officers to staff the new minimum security building.

The Administration Division was increased by five new positions, three of which were for the Assessor to help with point-of-sale reappraisals and the new geographic information systems (GIS) activities. The Infrastructure and Regulation Division was increased by 42 positions, and over 30 of those positions were for the Recreation Department, as contract labor was reclassified to employees.

As always, Personal Services is the largest category of expenditures for Horry County. Personal services represented 68 percent of the total General Fund budget. Personal Services went up by $7.1 million. The FY 2008 Budget included the use of $2.5 million in excess fund balance, and it was anticipated that the excess fund balance remaining after the appropriation would exceed the required minimum fund balance by over $1 million. There were no significant changes in the expenditures of the other funds.

Awards & Recognitions

- Horry County Fire/Rescue was awarded Large EMS Service of the Year 2008 in South Carolina.
- Horry County Fire/Rescue placed 6th in the World, in the 2008 Fire-fighter Combat Challenge in Las Vegas, NV.
- The Geospatial Information & Technology Association (GITA) announced that Horry County was named the recipient of the 2007 GITA Excellence Award for the local government/public sector. The award recognizes the dedication, insight, and high degree of initiative in the outstanding application of geospatial technology.
- Horry County received the Distinguished Budget Presentation Award by the Government Finance Officers Association of the United States and Canada. This was Horry County’s 18th consecutive award.
- South Carolina Counties Workers’ Compensation Trust presented Horry County with three safety awards which included:
  1) Outstanding Safety Achievement Award for the Safety Training Program written by the Airport that could have cost up to $48,000 if developed by an outside agency.
  2) Outstanding Safety Achievement Award for the Wellness and Fitness Program established in the Fire Rescue Department that reduced sick leave request and injuries incurred by improper movement or lack of ability.
  3) Sustained Excellence in Risk Management Award for the County’s Continuous Improvement in the area of Risk Management including our safety activities and reduction in workers compensation claims in 2008 with a reduced experience rate of 1.20 for 2008 and 1.08 for 2009.