



CITY OF BAY CITY

Monthly Financial Report

Month of January 2018

The City of Bay City Finance Department is dedicated to excellence in local government, comprehensive fiscal management, compliance and reporting. The Monthly Report is used to provide our internal and external customers financial reporting with easy to read narratives regarding the City's financial position.

*This report represents a general overview of financial operations through **January 2018**, the fourth month of the fiscal year, and **33.33%** of FY 2018.*

*The **Financial Summaries** provide comparative data for revenues and expenditures by fund. Data shows current monthly and year to date information as it relates to budget. Beginning fund balances are estimates until the final audit is complete.*

- The **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those accounted for in other specific funds. This fund includes all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund. General operating expenditures, fixed charges and capital improvement costs not paid through other funds are paid from this fund.
- The **Public Utility Fund** accounts for the operations costs to provide water and sewer services to the citizens of Bay City.
- The **Airport Fund** is used to account for the operations of the Airport, and to account for the rent generated from its T-hangers and fuel sold.
- The **Hotel/Motel Occupancy Tax Fund** was established to directly enhance and promote tourism and the convention and hotel industry or other expenses as approved by State Law.

This report does not include all funds related to the City of Bay City's Operations—please refer to the City's Comprehensive Annual Financial Report & the City's Annual Budget available on the City's website (www.cityofbaycity.org).

Go to the Finance Department's Web Page for all financial transparency information. This includes audits, budgets, quarterly reports, and check registers

General Fund Overview

Revenue Highlights

Revenues total \$5,793,883 or 39.9% of the budget.

- **Property Tax.** The certified value totaled \$811 million. Through January, the City received \$2,668,886 of the 4.2-million-dollar property tax maintenance and operation budget. Peak periods for property tax collections are January and February.
- **Sales tax.** January Sales Tax Allocation to the City is down 7.75% (\$36,949) as compared to January 2017. These are collections related to November that are remitted to the City in January. Collections are down YTD by \$14,023 as compared to prior year. However, sales tax meets budget expectations.
- Franchise fees are in line with budget. Licenses & Permits appear to far exceed the budget target, however this additional revenue will be offset by a third-party inspection contracted by the City.
- Charges for services represents sanitation fees - \$778,112 (33.6% of budget).
- Miscellaneous appears below budget, however most is attributable to timing of grant payments and/or interlocal agreements. (County, Bay City Gas Company, BCCDC).
- Other Revenue holds a budget of 540,000. The City plans to issue a tax note to fund capital improvements in the General Fund (Police Roof and Library Roof).

General Fund Expenditure Highlights

Expenditures total 3,959,963 or 27.3% of budget.

- Most departments are under the 33.33% budget target. Budgets that are over the budget target are primarily due to timing of payments.
 - City Secretary exceeding budget target due to payroll related costs and timing of expenditures.
 - Main Street budget is exceeding budget target due to unanticipated payment for downtown lighting. (Amendment needed)

The General Fund's fund balance is budgeted to remain flat. **The city reserve level currently is below the minimum policy of 25%.** See bottom of page 3 for more clarification. The year-end cash position (September 30, 2017) is anticipated to be closer to 1.5 million which represents 10.16% reserve. This balance does not represent debris recovery charges from Hurricane Harvey. The City plans to build reserve over the next 3 years.

GENERAL FUND FINANCIAL SUMMARY

General Fund (Fund 11)					
Percent of Fiscal Year Complete	33%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Property Taxes	4,267,949	1,634,176	\$ 2,668,886	\$ 1,599,063	62.5%
Sales Tax	4,117,500	329,837	\$ 1,382,464	\$ 2,735,036	33.6%
Other Local Taxes (Franchise)	1,300,000	102,212	430,507	\$ 869,493	33.1%
Charges for Services (Sanitation)	2,316,000	196,815	778,112	\$ 1,537,888	33.6%
Fines & Penalties	283,500	12,452	56,739	\$ 226,761	20.0%
Licenses & Permits	181,500	7,352	189,009	\$ (7,509)	104.1%
Miscellaneous	997,751	32,164	116,901	\$ 880,850	11.7%
Transfers	513,800	42,817	171,267	\$ 342,533	33.3%
Other Revenue	540,000	-	-	\$ 540,000	0.0%
Total Revenues	\$ 14,518,000	\$ 2,357,827	\$ 5,793,883	\$ 8,724,117	39.9%
Expenditures					
City Secretary	141,451	\$ 9,175	\$ 49,186	\$ 92,265	34.8%
City General Services	2,665,540	161,549	756,862	\$ 1,908,678	28.4%
Administrative Council	206,205	16,473	63,565	\$ 142,640	30.8%
Main Street	50,800	7,182	29,970	\$ 20,830	59.0%
Personnel Resources	238,202	22,009	77,613	\$ 160,589	32.6%
Municipal Court	308,019	15,667	72,414	\$ 235,605	23.5%
Finance	318,745	25,361	95,626	\$ 223,119	30.0%
Police	4,666,840	357,329	1,402,520	\$ 3,264,320	30.1%
Animal Impoundment	163,830	12,037	48,762	\$ 115,068	29.8%
Volunteer Fire Dept.	185,198	6,295	30,698	\$ 154,500	16.6%
Public Works	3,177,046	243,120	804,311	\$ 2,372,735	25.3%
Recycling Center	160,029	11,307	45,797	\$ 114,232	28.6%
Parks	929,937	56,197	238,708	\$ 691,229	25.7%
Riverside Park	223,300	8,573	37,456	\$ 185,844	16.8%
Recreation	100,012	3,957	26,192	\$ 73,820	26.2%
Aquatics	296,096	7,454	50,591	\$ 245,505	17.1%
Library	686,750	42,838	129,694	\$ 557,056	18.9%
Total Expenditures	\$ 14,518,000	\$ 1,006,521	\$ 3,959,963	\$ 10,558,037	27.3%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 1,351,306	\$ 1,833,920	\$ (1,833,920)	
Beginning Fund Balance (9-30-17)	\$ 1,475,000	<i>Estimate</i>	\$ 1,475,000		
Ending Fund Balance	\$ 1,475,000		\$ 3,308,920		
% of Operating Reserves	10.16%		22.79%		
Fund Balance Target 90 days (25%)	\$ 3,629,500				
Over/(Under) min Policy Level (25%)	\$ (2,154,500)				

Public Utility Fund Overview

Revenue Highlights

- As a percentage of budget, total Water & Sewer Revenue is 33% being on target with budget expectations.

Expenditure Highlights

- Total expenditures for the Utility Fund sit nicely at 25% of budget.
- All departments are within budget expectations.

PUBLIC UTILITY FUND FINANCIAL SUMMARY

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete	33%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	\$ 7,522,000	\$ 640,626	\$ 2,512,200	\$ 5,009,800	33%
Fines & Penalties	190,000	15,361	62,662	\$ 127,338	33%
Miscellaneous	9,000	1,028	3,061	\$ 5,939	0%
Total Revenues	\$ 7,721,000	\$ 657,015	2,577,923	\$ 5,143,077	33%
Expenditures					
General Operation	\$ 3,853,885	\$ 321,222	\$ 1,222,196	\$ 2,631,689	32%
Water	2,139,829	76,688	292,486	\$ 1,847,343	14%
Sewer	1,640,786	63,247	357,001	\$ 1,283,785	22%
Warehouse Operations	86,500	6,877	23,229	\$ 63,271	27%
Total Expenditures	\$ 7,721,000	\$ 468,034	1,894,912	\$ 5,826,088	25%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 188,981	\$ 683,011	\$ (683,011)	
Beginning Fund Balance 9-30-17	\$ 2,924,084	<i>Estimate</i>	\$ 2,924,084		
Ending Fund Balance	\$ 2,924,084		\$ 3,607,095		
% of Operating Reserves	34.98%		43.15%		
Target 90 days (25%)	1,930,250				
Over/(Under) Target	\$ 993,834				

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, core Airport revenues are slightly above budget expectations due to fuel sales.
- General Fund (Transfers In) subsidizes the Airport by \$150,000.

Expenditure Highlights

- As a percentage of budget, total expenditures are 15%. Capital Expenditures are slightly over budget—the TXDOT airport project required additional match than what was anticipated in the budget. (Amendment)

AIRPORT FUND FINANCIAL SUMMARY

Municipal Airport Fund (Fund 64)					
Percent of Fiscal Year Complete	33%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	\$ -	150	250	(250.00)	N/A
Miscellaneous	158,000	\$ 8,924	\$ 33,684	124,315.60	21%
Transfers (General Fund)	150,000	12,500	50,000	100,000.00	33%
Other Revenue (Fuel Sales)	160,500	10,800	58,173	102,326.64	36%
Prior Fund Balance	37,000	-	-	37,000.00	0%
Total Revenues	\$ 505,500	\$ 32,375	142,108	\$ 363,392	28%
Expenditures					
Personnel	\$ 133,046	\$ 10,716	\$ 28,753	\$ 104,293	22%
Supplies & Materials	119,500	20,198	47,261	\$ 72,239	40%
Other Charges & Services	82,104	3,386	24,597	\$ 57,507	30%
Repairs & Maintenance	138,829	9,727	19,967	\$ 118,862	14%
Capital Expenditures	32,021	-	25,864	\$ 6,157	81%
Total Expenditures	\$ 505,500	\$ 44,028	146,442	\$ 359,058	29%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ (11,653)	\$ (4,334)	\$ 4,334	
Beginning Fund Balance	\$ 130,000		\$ 130,000		
Ending Fund Balance	\$ 130,000		125,666		
<i>No minimum Fund Balance Policy</i>					
General Fund subsidizes \$150,000					

Civic & Cultural Arts Fund (Hotel /Motel Fund) Overview

Revenue Highlights

- As a percentage of budget, total Hotel/Motel Fund is below budget target of 33.33%. This is due to the timing of hotel payments. Most hotels remit tax on a monthly or quarterly basis. Most
- The City also budgeted to receive outside financing sources \$585,000 (tax note) to replace the civic center roof. This is budgeted as part of Miscellaneous Income in the report.

Expenditure Highlights

- As a percentage of budget, total expenditures are below the budget target, however this is due to the timing of various budgets within the Hotel / Motel Fund.
- The City budgeted to use \$184,350 of Fund Balance to support the Bay City Theatre renovations.

HOTEL/MOTEL FUND FINANCIAL SUMMARY

Civic & Cultural Arts Fund (Fund 25)					
Percent of Fiscal Year Complete	33%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Hotel Occupancy Tax	\$ 725,000	30,018	\$ 86,369	\$ 638,631	12%
Miscellaneous	657,650	2,899	21,870	\$ 635,780	3%
Total Revenues	\$ 1,382,650	\$ 32,916	108,239	\$ 1,274,411	8%
Expenditures					
Council Discretionary	\$ 173,545	64,913	77,613	95,932	45%
Convention & Visitors Bureau	219,955	13,489	63,221	156,734	29%
Civic Center	843,500	19,651	74,962	768,538	9%
Bay City Theatre	330,000	159	2,018	327,982	1%
Total Expenditures	\$ 1,567,000	\$ 98,212	\$ 217,814	\$ 1,349,186	14%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (184,350)	\$ (65,296)	\$ (109,575)	\$ (74,775)	
Beginning Fund Balance (9-30-17)	\$ 542,000	<i>Estimate</i>	\$ 542,000		
Ending Fund Balance	\$ 357,650		432,425		
<i>Proposed to maintain \$50,000</i>					